Q3FY25
FINANCIAL RESULTS

January 23, 2025

Dr.Reddy's

Safe Harbor Statement

This presentation contains forward-looking statements and information that involve risks, uncertainties and assumptions. Forward-looking statements are all statements that concern plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements that are other than statements of historical fact, including, but not limited to, those that are identified by the use of words such as “anticipates”, “believes”, “estimates”, “expects”, “intends”, “plans”, “predicts”, “projects” and similar expressions. Risks and uncertainties that could affect us include, without limitation:

- General economic and business conditions in India and other key global markets in which we operate;
- The ability to successfully implement our strategy, our research and development efforts, growth & expansion plans and technological changes;
- Changes in the value of the Rupee and other currency changes;
- Changes in the Indian and international interest rates;
- Allocations of funds by the Governments in our key global markets;
- Changes in laws and regulations that apply to our customers, suppliers, and the pharmaceutical industry;
- Increasing competition in and the conditions of our customers, suppliers and the pharmaceutical industry; and
- Changes in political conditions in India and in our key global markets.

Should one or more of such risks and uncertainties materialize, or should any underlying assumption prove incorrect, actual outcomes may vary materially from those indicated in the applicable forward-looking statements.

For more detailed information on the risks and uncertainties associated with the Company’s business activities, please see the company’s annual report filed in Form 20-F with the US SEC for the fiscal year ended March 31, 2024 and quarterly financial statements filed in Form 6-K with the US SEC for the quarter ended Jun 30, 2024, Sep 30, 2024 and our other filings with US SEC. Any forward-looking statement or information contained in this presentation speaks only as of the date of the statement. We are not required to update any such statement or information to either reflect events or circumstances that occur after the date the statement or information is made or to account for unanticipated events.

Q3FY25 Performance

₹ 8,359* Cr
Revenues

16%YoY* | 4% QoQ

₹ 2,298 Cr | 27%
EBITDA | EBITDA %

9%YoY | 1% QoQ

₹ 1,874 Cr | 22%
PBT | PBT %

3%YoY | 2% QoQ

₹ 1,413 Cr | 17%
*PAT | PAT %

2%YoY | 13% QoQ

**Includes revenues from acquired NRT business of ₹605 Cr. Underlying YoY growth excl. NRT @7.5%*
^After adjusting for minority interest

Highest ever quarterly revenues and EBITDA

FINANCIAL HIGHLIGHTS

- **Double digit revenue growth** at 16%*
- **NRT** business financials **consolidated with Europe**
- **EBITDA Margin** at **27%**
- Annualised **RoCE** at **28%**

OTHER UPDATES

- **Form 483** with **7 observations received** post USFDA's GMP inspection of **CTO-2 API facility** in Hyderabad

ESG HIGHLIGHTS

- **MSCI ESG** rating upgraded to '**A**'
- **DJSI : 5th globally** amongst pharma cos. 2nd year in a row in DJSI World Index, 9th year in a row in DJSI Emerging Markets Index
- Continue to feature amongst **NIFTY 100 ESG Sector Leaders**
- '**World's Best Companies - Sustainable Growth 2025**' global list by TIME & Statista
- **'Top 20 global pharma employers'** list by Science Magazine for 3rd consecutive year

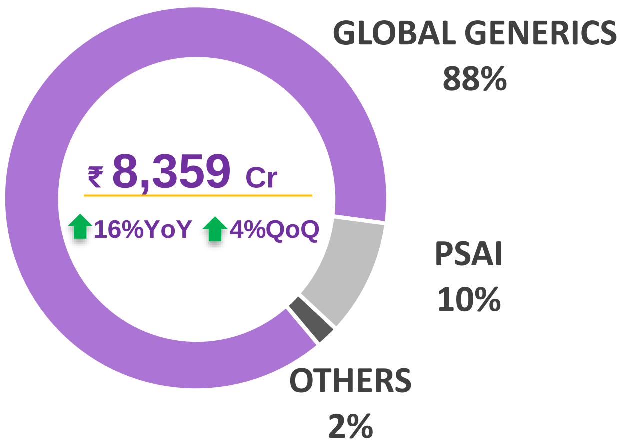
Continued to progress on our priorities, in line with stated strategy

KEY HIGHLIGHTS

- Integration of acquired **Nicotine Replacement Therapy** (NRT) business progressing well; to be completed in a phased manner
- Launched **Toripalimab**, the first and only immuno-oncology drug approved for the treatment of nasopharyngeal carcinoma in India
- Launched Elobixibat (brand name **BixiBat®**), a first-in-class drug to treat chronic constipation, in India
- **Denosumab biosimilar**, in-licenced from Alvotech, filing submitted for US & Europe Markets
- Marketing Authorisation received for **Rituximab** biosimilar in UK

Performance across geographies driving overall double-digit growth aided by NRT revenues

REVENUE BY SEGMENT



₹ 7,375 Cr
Global Generics
17%YoY^ 3% QoQ

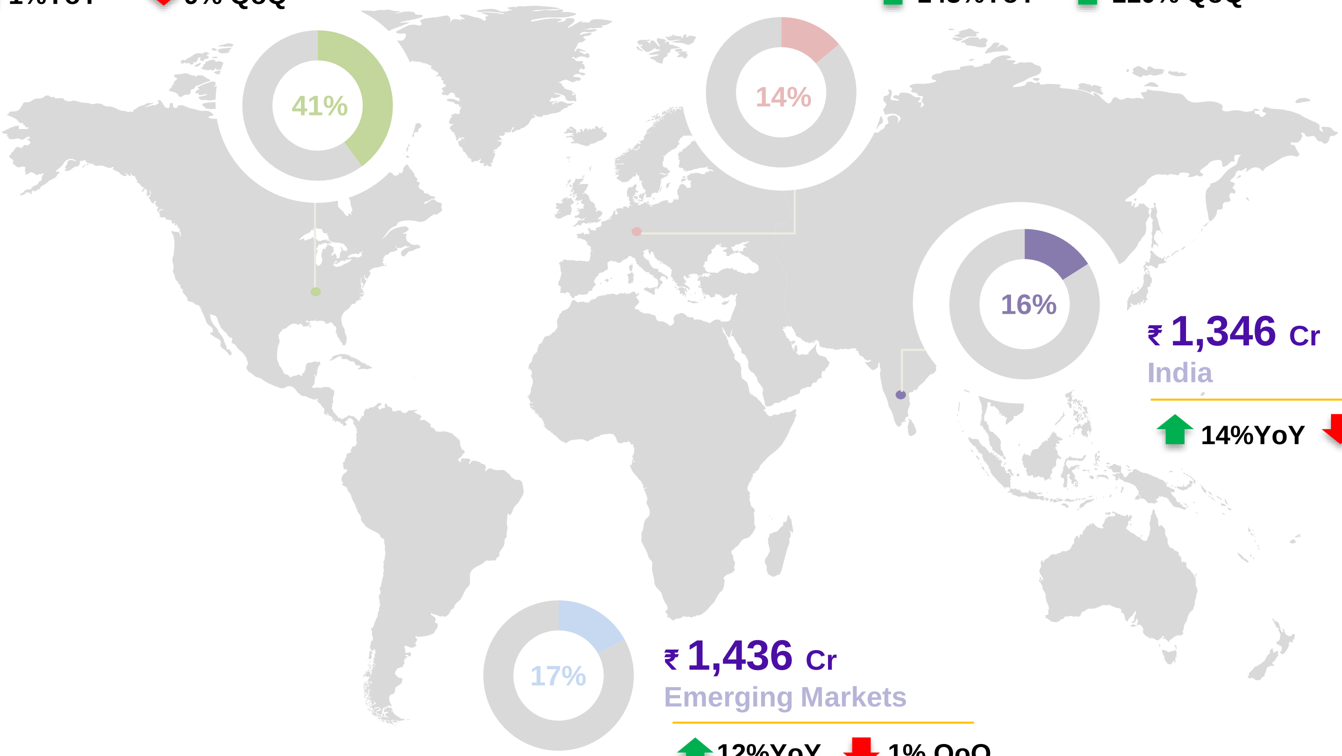
₹ 822 Cr
Pharmaceutical Services & Active Ingredients (PSAI)
5%YoY 2% QoQ

^Underlying growth excl. NRT @7% YoY

GLOBAL GENERICS SPLIT

₹ 3,383 Cr
North America
1%YoY 9% QoQ

₹ 1,210* Cr
Europe
143%YoY* 110% QoQ*



₹ 1,346 Cr
India
14%YoY 4% QoQ

₹ 1,436 Cr
Emerging Markets
12%YoY 1% QoQ

*Includes revenues from the acquired NRT business
Underlying growth excl. NRT @22% YoY & @5% QoQ

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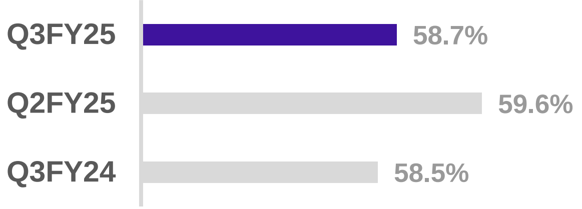
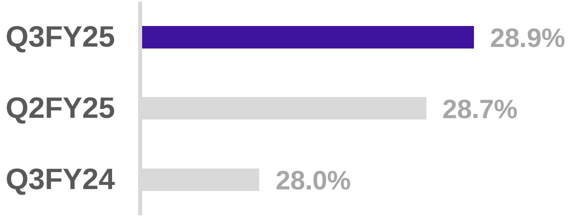
Investing and upscaling commercial and R&D capabilities

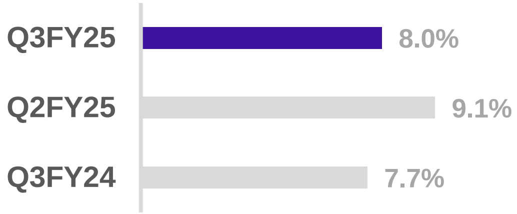
GROSS MARGINS (% of Revenues)



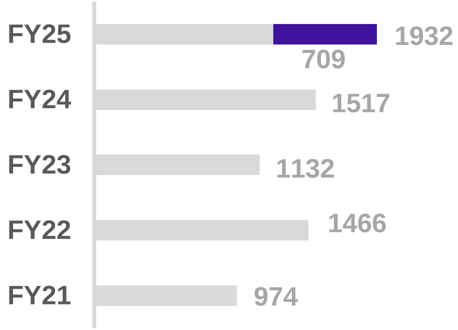
SG&A EXPENSES (% of Revenues)



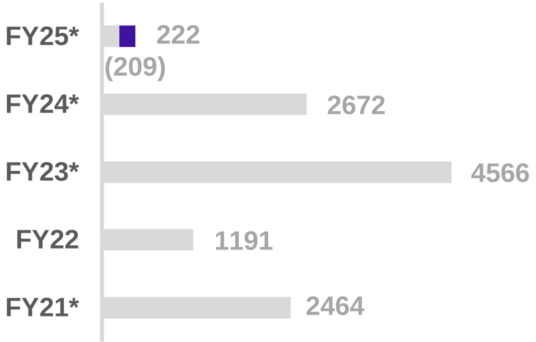
R&D EXPENSES (% of Revenues)



CAPEX (₹ Cr)

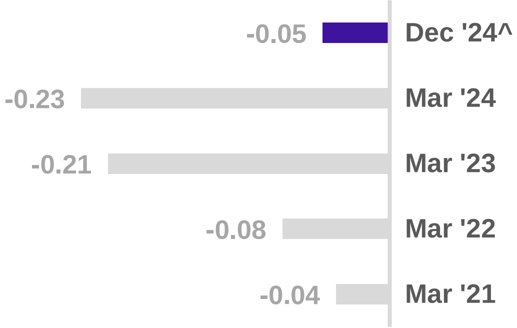


FREE CASH FLOW (₹ Cr)



*Before acquisition related payouts

NET DEBT / EQUITY



^Net Cash Surplus stood at ₹1,603 Cr. as on 31st Dec 2024.

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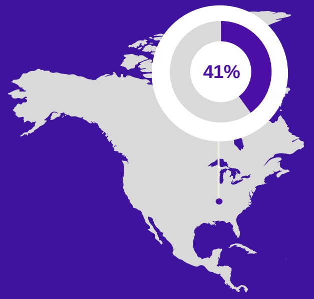
North America Q3FY25 Performance



Revenues

₹ **3,383** Cr

1%YoY 9% QoQ

GROWTH DRIVERS

- YoY: Higher **volumes** in **base business,** offset by **price erosion**
- QoQ: Lower sales from few products including Lenalidomide

YoY volume growth offset by price erosion

MARKET PERFORMANCE

5.7% vs. 5.1%

DRL Growth vs. US Generic Market Growth*

*As per IQVIA MAT for Nov' 24

NEW LAUNCHES

4	11
Q3	9M

PENDING APPROVAL

75	5
ANDAs	NDAs

Includes 46 Para IVs & 20 FTFs

PRICE EROSION

MODERATE

NEW FILINGS

Nil	3
Q3	9M

ANDAs

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India Q3FY25 Performance

Revenues

₹ **1,346** Cr

14%YoY 4% QoQ

GROWTH DRIVERS

- **New product launches,** incl. recently in-licensed vaccine portfolio from **Sanofi** and price increases, offset by lower volumes

Growing in double digits, faster than market

MARKET PERFORMANCE

10.3% vs. 7.4%

DRL Growth vs. IPM Growth*

*As per IQVIA MQT Dec' 24

MARKET RANKING

10th

As per IQVIA Dec'24

NEW BRAND LAUNCHES

6	16 + Sanofi, Nestlé
Q3	9M

STRATEGIC HIGHLIGHTS

ZYTORVI™ toripalimab-tpzi injection

- Launched **Toripalimab**, 1st & only immuno-oncology drug approved for treatment of nasopharyngeal carcinoma

- Launched Elobixibat (brand name **BixiBat**®), a first-in-class drug to treat chronic constipation.

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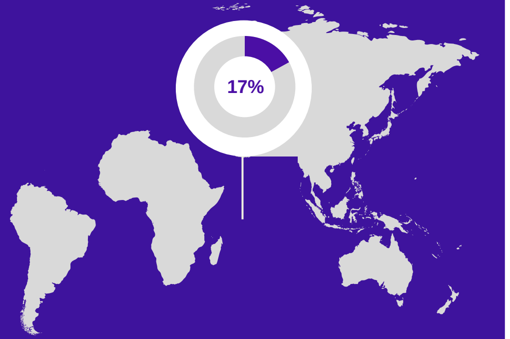
Emerging Markets Q3FY25 Performance



Revenues

₹ 1,436 Cr

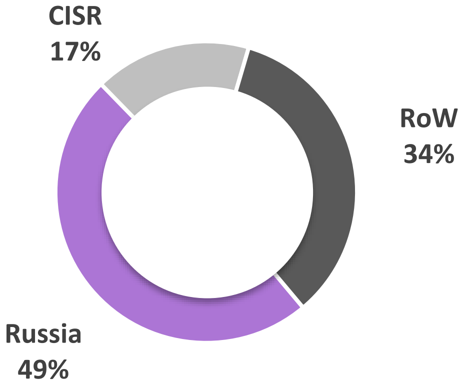
12%YoY 1% QoQ

GROWTH DRIVERS

- **Higher volumes** in base business & revenues from new launches

New launches & higher sales volumes drive double-digit growth

REVENUE SPLIT



₹ 701 Cr
Russia

19%YoY 2% QoQ

- Growth in Constant currency : **+20% YoY**

₹ 242 Cr
CISR

4%YoY 13% QoQ

- Growth driven by new products & higher sales prices

₹ 493 Cr
RoW

7%YoY 11% QoQ

- YoY growth driven by new products, offset by price erosion
- QoQ decline due to lower volumes

NEW LAUNCHES

20	59
Q3	9M

New Products across markets

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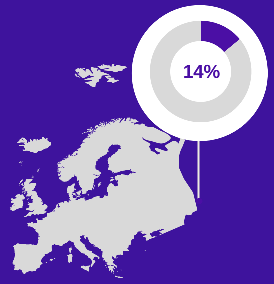
Acquired NRT business revenues aiding base business growth

Europe Q3FY25 Performance



Revenues

₹ 1,210* Cr

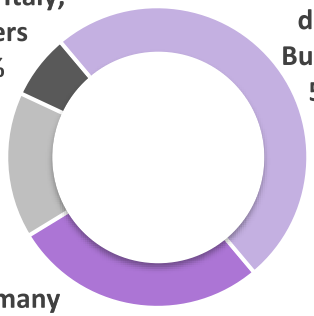
↑ 143%YoY* ↑ 110% QoQ*

GROWTH DRIVERS

- NRT business
- **New product launches, improved** sales **volumes**, partially offset by **price erosion**

Includes revenues from acquired NRT business of ₹605 Cr. Underlying growth excl. NRT @22% YoY & 5% QoQ.

REVENUE SPLIT



₹ 605 Cr
Acquired NRT Business

₹ 331 Cr
Germany
↑ 24%YoY ↑ 3% QoQ

₹ 190 Cr
UK
↑ 39%YoY ↑ 16% QoQ

₹ 84 Cr
France, Italy, Others
↓ 10%YoY ↓ 8% QoQ

STRATEGIC HIGHLIGHTS

- **1st quarter** of acquired NRT business **consolidation**
- **Integration** to be completed in a phased manner

Nicotinell

NEW LAUNCHES*

9	29
Q3	9M

*Excl. Acquired NRT business

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PSAI Q3FY25 Performance

10%

Revenues

₹ **822** Cr

5%YoY 2% QoQ

GROWTH DRIVERS

- **API growth** driven by **new launches** & **higher volumes**.
- Growth in **CDMO** business

Growth led by new launches and higher volumes

GROSS MARGIN	
29%	**29%**
Q3FY25	Q3FY24

NEW FILINGS (DMFs)	
23	**59**
Q3	9M

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In Summary

A diversified business model with broad based levers

STRENGTHEN CORE BUSINESSES ACROSS MARKETS WITH A ROBUST PRODUCT PORTFOLIO

INVEST IN INNOVATIVE & DIFFRENTIATED PRODUCTS (NCEs, CDMO, CONSUMER HEALTH)

DRIVE OPERATIONAL EFFICIENCY & PRODUCTIVITY

FOCUS ON QUALITY AND COMPLIANCE

STRENGTHEN CAPABILITIES – PEOPLE, DIGITAL, PROCESSES

INTEGRATE ESG INTO BUSINESS

About key metrics and non-GAAP Financial Measures

This press presentation contains non-GAAP financial measures within the meaning of Regulation G and Item 10(e) of Regulation S-K. Such non-GAAP financial measures are measures of our historical performance, financial position or cash flows that are adjusted to exclude or include amounts, as the case may be, from the most directly comparable financial measure calculated and presented in accordance with IFRS.

The presentation of this financial information is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with IFRS. Our non-GAAP financial measures are not based on any comprehensive set of accounting rules or principles. These measures may be different from non-GAAP financial measures used by other companies, limiting their usefulness for comparison purposes.

We believe these non-GAAP financial measures provide investors with useful supplemental information about the financial performance of our business, enable comparison of financial results between periods where certain items may vary independent of business performance, and allow for greater transparency with respect to key metrics used by management in operating our business.

For more information on our non-GAAP financial measures and a reconciliation of GAAP to non-GAAP measures, please refer to "Reconciliation of GAAP to Non-GAAP Results" table in the press release.

Good Health Can’t Wait.