

Q1FY26 FINANCIAL RESULTS

July 23, 2025



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, 2025 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.

Q1FY26 Performance

₹ 8,545 Cr

Revenues

↑ 11%YoY ↔ 0% QoQ

₹ 2,278 Cr | 26.7%

EBITDA | EBITDA %

↑ 5%YoY ↓ 8% QoQ

₹ 1,905 Cr | 22%

PBT | PBT %

↑ 1%YoY ↓ 5% QoQ

₹ 1,418 Cr | 17%

*PAT | PAT %

↑ 2%YoY ↓ 11% QoQ

^After adjusting for minority interest

Double-digit sales growth with steady profitability

FINANCIAL HIGHLIGHTS

- Revenue growth ~ 11%
- EBITDA Margin ~ 26.7%
- Annualised RoCE at ~ 22%
- Net Cash surplus at ₹ 2,922 Cr

BUSINESS UPDATES

- Collaborated with **Alvotech** for co-development, manufacture & commercialization of **pembrolizumab**
- **Successfully completed integration** of NRT portfolio in **Nordics** markets
- **Underwent USFDA** inspections across 3 sites, resulting in Form 483 observations at CTO-5 (two), Middleburgh (two) & FTO-11 (seven). We got a 'VAI' for Middleburgh site.
- **Only Indian Pharma Co. with CDP Climate rating of 'A'** while maintaining leadership in Water & Supplier Engagement

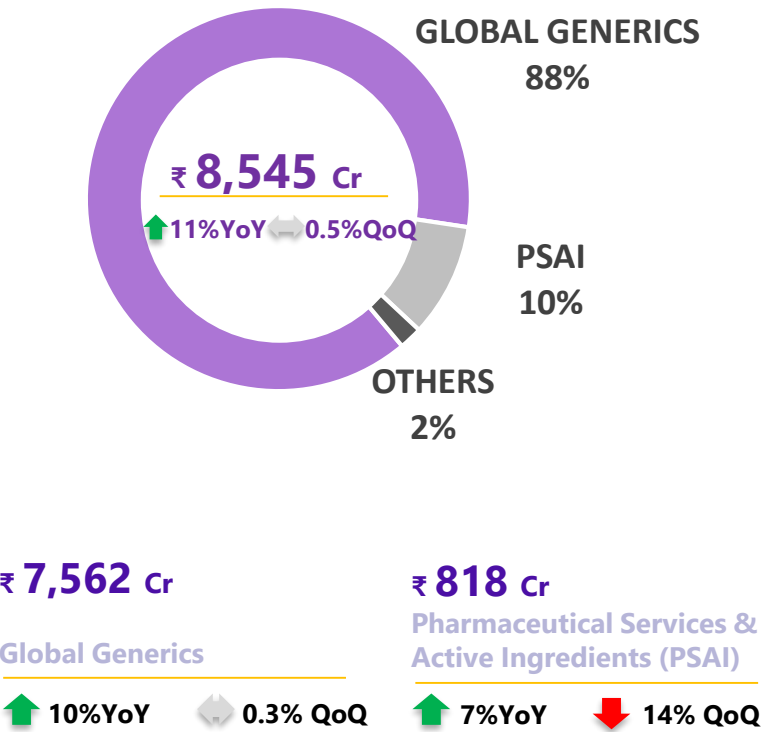
 **alvotech**

 **CDP**

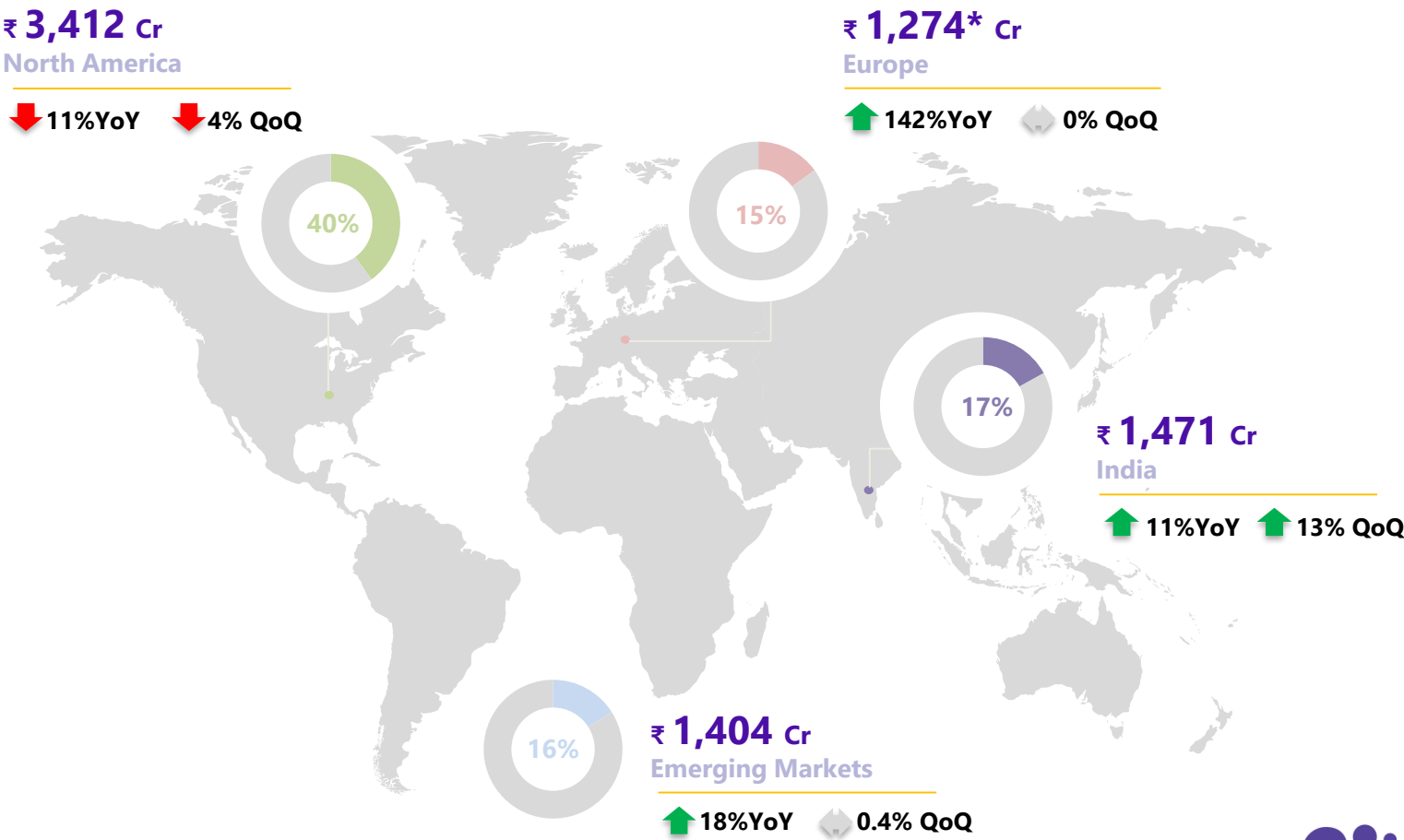
Dr.Reddy's 

Momentum in NRT and Branded Markets offsets softness in U.S. generics

REVENUE BY SEGMENT



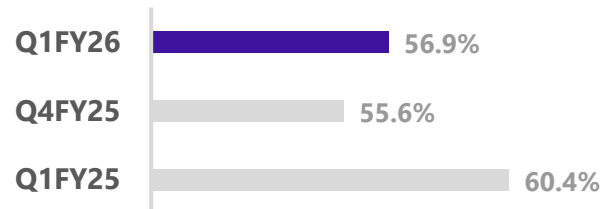
GLOBAL GENERICS SPLIT



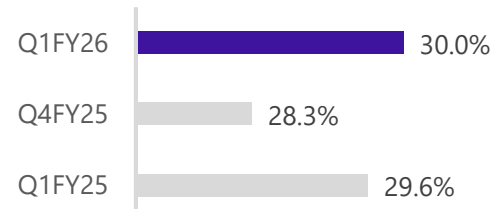
*Includes revenues from the acquired NRT business

Scaling commercial operations and channelling investments into R&D and growth-driven capex

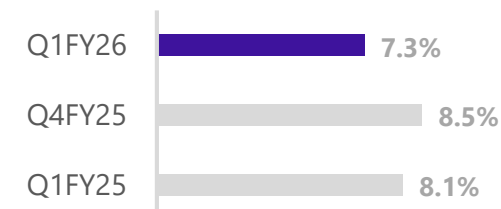
GROSS MARGINS (% of Revenues)



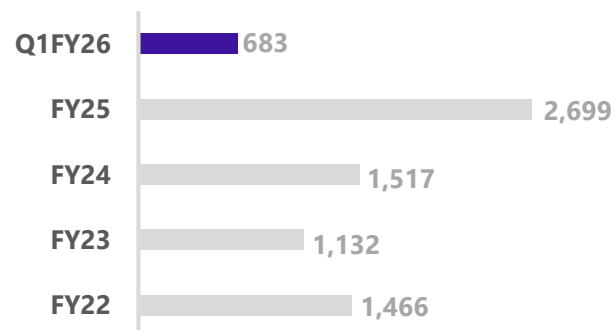
SG&A EXPENSES (% of Revenues)



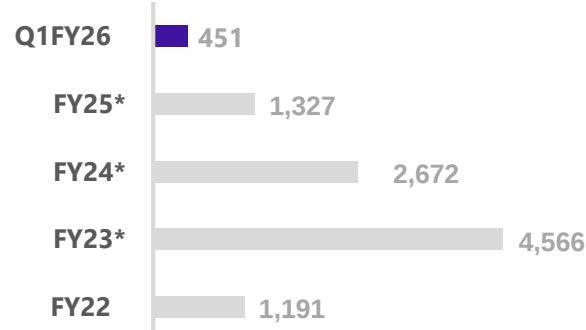
R&D EXPENSES (% of Revenues)



CAPEX (₹ Cr)

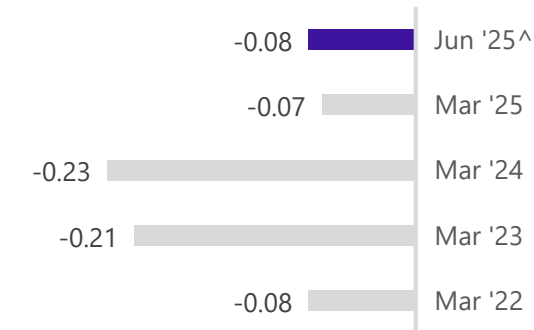


FREE CASH FLOW (₹ Cr)



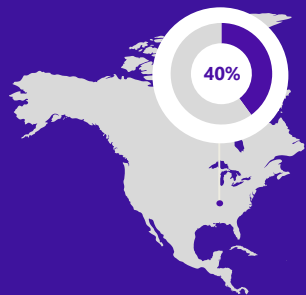
*Before acquisition related payouts

NET DEBT / EQUITY



^Net Cash Surplus stood at ₹ 2,922 Cr. as on 30th Jun 2025.

North America Q1FY26 Performance



Revenues

₹ 3,412 Cr

↓ 11%YoY ↓ 4% QoQ

GROWTH DETRACTORS

- Price erosion in select products including Lenalidomide

Price Erosion and changing U.S. landscape weighs on Growth Trajectory



MARKET PERFORMANCE

↑ 10.8% vs. 2.3%

DRL Growth vs. US Generic Market Growth*

*As per IQVIA MAT for May' 25



NEW LAUNCHES

5
Q1



PENDING APPROVAL

70

ANDAs

3

NDAAs

Includes 43 Para IVs & 22 FTFs



PRICE EROSION

STABLE

(for mature portfolio)

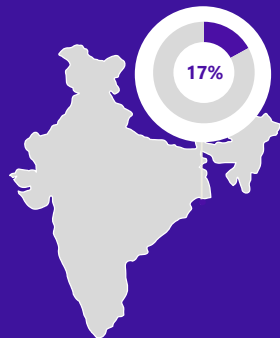


NEW FILINGS

1
Q1

ANDAs

India Q1FY26 Performance



Revenues

₹ **1,471** Cr

↑ 11%YoY ↑ 13% QoQ

GROWTH DRIVERS

- New product **launches** & **price** increases

Double digit growth, outpaced market performance



MARKET PERFORMANCE

↑ **11.2% vs. 8.6%**

DRL Growth vs. IPM Growth*

As per IQVIA MQT Jun'25



NEW BRAND LAUNCHES

5

Q1



BRANDS IN TOP 300 IPM

17

As per IQVIA Jun'25



MARKET RANKING

10th

As per IQVIA Jun'25



THERAPY LEADERSHIP

#1

STOMATO-
LOGICALS

#2

VACCINES

As per IQVIA Jun'25



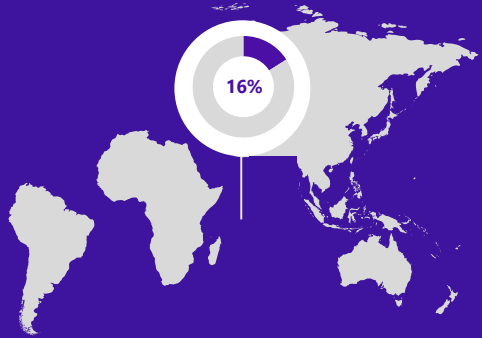
BRANDS WITH ₹100 CR+ SALES

22

As per IQVIA Jun'25

- **Launched** two Innovative assets **Beyfortus** (RSV Vaccine) & **Sensimmune** (Acarizex Slit)
- Among the top 50 newly introduced (NI) brands as per IQVIA, **four brands** namely Zytorvi, Mintop Pro+, Ribaxa and Bixibat are at **Rank 2**

Emerging Markets Q1FY26 Performance



Revenues

₹ 1,404 Cr

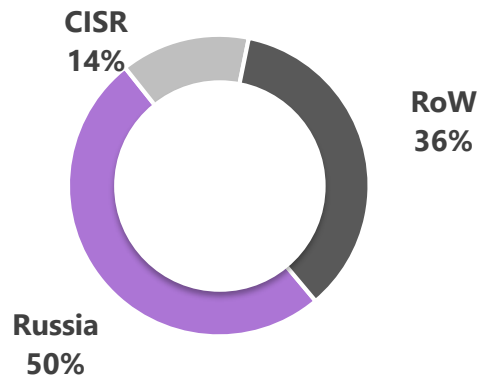
↑ 18%YoY ↔ 0% QoQ

GROWTH DRIVERS

- YoY: **Higher volumes**, New launches and favourable forex
- QoQ: Flat due to lower volumes

Sustained momentum backed by volume growth, new product launches & currency tailwinds

REVENUE SPLIT



₹ 708 Cr

Russia

↑ 28%YoY ↑ 8% QoQ

- Growth in Constant currency : +17% YoY
- Volume growth and favourable forex

₹ 195 Cr

CISR

↑ 2%YoY ↓ 20% QoQ

- QoQ decline due to lower volumes

₹ 501 Cr

RoW

↑ 13%YoY ↔ 0% QoQ

- YoY: Volume gains, new launches, moderated by price erosion
- QoQ: Increased volumes offset by price erosion

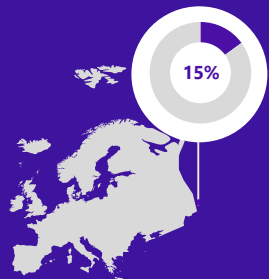


NEW LAUNCHES

26
Q1

Across markets

Europe Q1FY26 Performance



Revenues

₹ 1,274* Cr

↑ 142%YoY ↔ 0% QoQ

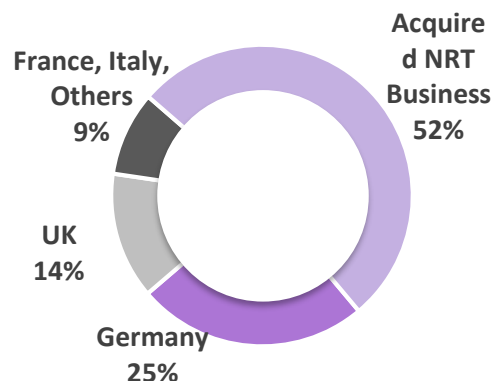
GROWTH DRIVERS

- NRT business
- **New product launches**, partially moderated by **price erosion**

**Includes revenues from acquired NRT business.*

Revenue gains from NRT portfolio and product launches

REVENUE SPLIT



₹ 669 Cr

Acquired NRT Business

↑ 12% QoQ

₹ 316 Cr

Germany

↑ 13%YoY

↓ 11% QoQ

₹ 173 Cr

UK

↑ 10%YoY

↓ 20% QoQ

₹ 116 Cr

France, Italy, Others

↑ 30%YoY

↑ 9% QoQ



NEW LAUNCHES

13

Q1

Excluding NRT

PSAI Q1FY26 Performance



Revenues

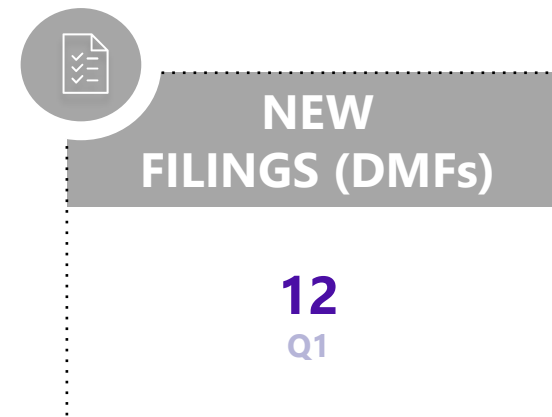
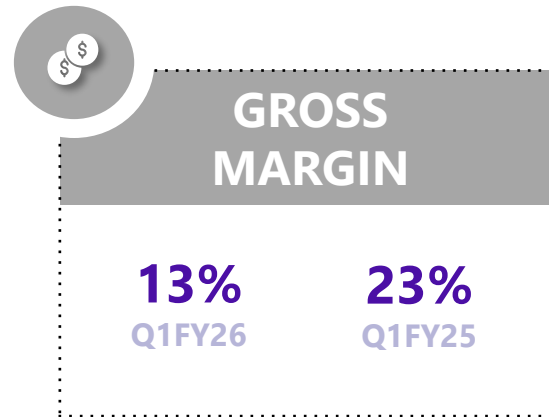
₹ **818** Cr

↑ 7%YoY ↓ 14% QoQ

GROWTH DRIVERS

- **YoY: New API product launches** & growth in **CDMO** business
- **QoQ:** Decline due to seasonally low volumes

Margin compression in PSAI Business primarily due to lower operating leverage



In Summary

A diversified business model with broad based levers

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STRENGTHEN CORE BUSINESSES ACROSS MARKETS WITH A ROBUST PRODUCT PORTFOLIO



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



DRIVE OPERATIONAL EFFICIENCY & PRODUCTIVITY



FOCUS ON QUALITY AND COMPLIANCE



STRENGTHEN CAPABILITIES – PEOPLE, DIGITAL, PROCESSES



INTEGRATE ESG INTO BUSINESS

Dr.Reddy's 

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.**

