



Dr. Reddy's

Q2FY26 RESULTS UPDATE

24 OCTOBER 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, quarter ended June 30, 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.

Q2FY26 Financial Highlights

Near double-digit growth and steady profitability



Revenues

₹ **8,805** Cr

↑ 9.8%YoY ↑ 3%QoQ

EBITDA | EBITDA %

₹ **2,351** Cr | 26.7%

↑ 3%YoY ↑ 3%QoQ

PBT | PBT %

₹ **1,835** Cr | 20.8%

↓ 4%YoY ↓ 4%QoQ

*PAT | PAT %

₹ **1,437** Cr | 16.3%

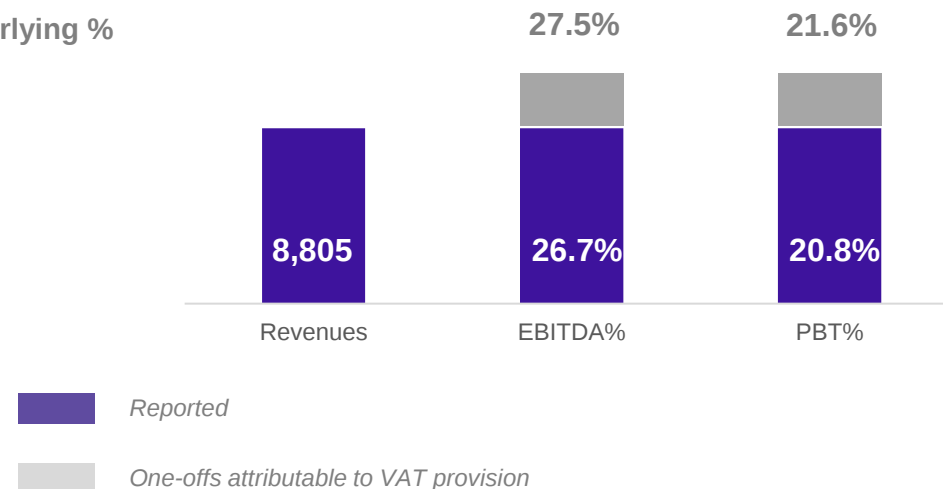
↑ 14%YoY ↑ 1%QoQ

* Attributable to Equity shareholders

- Revenue growth @9.8%
- Reported EBITDA Margin @26.7%
- Annualised RoCE at ~22%
- Net Cash surplus at ₹ 2,751 Cr

UNDERLYING FINANCIALS (adjusted for One-off)

Underlying %



Q2FY26 Business Highlights

Continued progress on strategic priorities



- Acquired **Stugeron**® & related brands for 18 markets in APAC (incl. key markets India & Vietnam) as well as EMEA
- Launched 2 novel, Gastro-Intestinal drugs in India – **Tegoprazan** as 'PCAB®' & Linaclotide as '**Colozo**®'
- Partnered with Unitaid, Clinton Health Access Initiative & Wits RHI to make HIV prevention tool, **Lenacapavir**, accessible in LMICs
- Approval for **Semaglutide** injection in India recommended by SEC under CDSCO
- Positive opinion from EMA's CHMP for our **denosumab** biosimilar candidate
- IND application for **COYA 302** accepted by USFDA
- **NRT integration** progressing well - 2/3rd business value integrated



Q2FY26 Other Highlights

ESG

- **MSCI ESG Rating** of '**A**' for 2nd consecutive year
- **Morningstar Sustainalytics' ESG Risk Rating improved** to 18.4 (low risk)
- '**Diamond Standard**' by TÜV SÜD, for 99.9% waste diversion from landfills
- FTO-11 (Srikakulam) - India's 1st pharma facility to receive a '**LEED Platinum certification**' from US Green Building Council

OTHER UPDATES

- **FTO-11, CTO-5 Middleburgh** classified as '**VAI**', post GMP inspections
- USFDA conducted **PAI** at **biologics** facility (Bachupally), issued Form 483 with 5 observations
- USFDA conducted **GMP inspection** at **Mirfield** (UK) API facility, issued Form 483 with 7 observations

MSCI



MORNINGSTAR

SUSTAINALYTICS

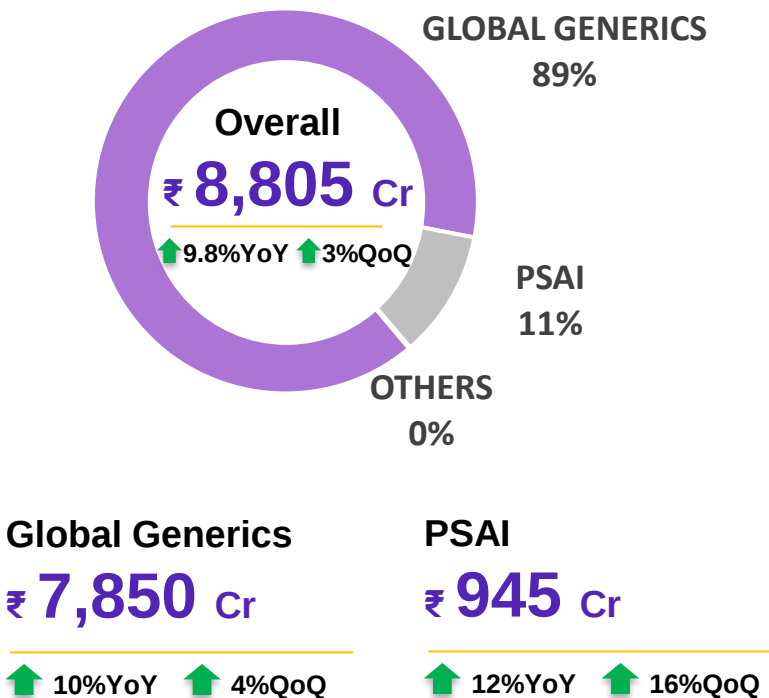


Q2FY26 Revenue Split

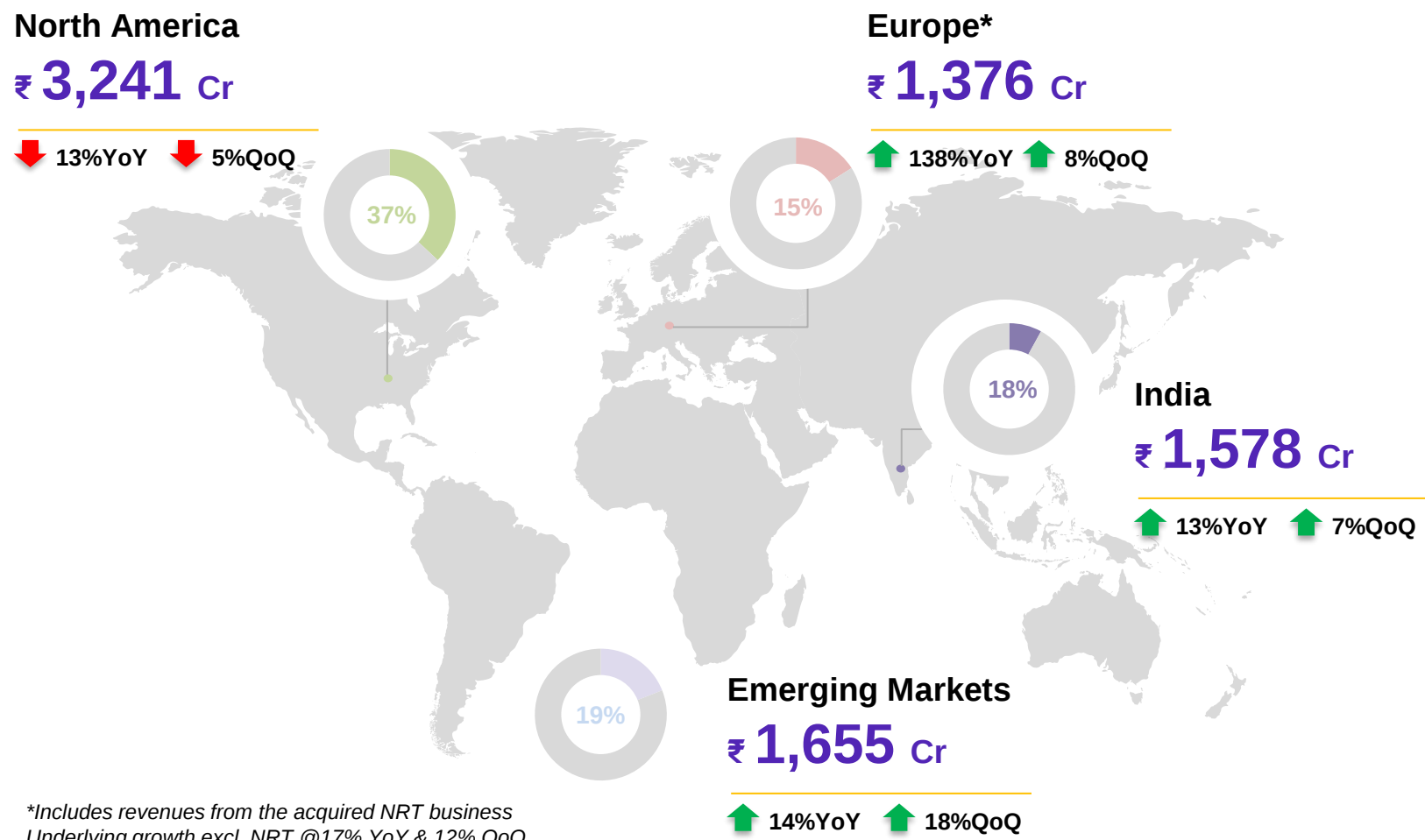


Broad-based growth, moderated by softness in US generics

REVENUE BY SEGMENT



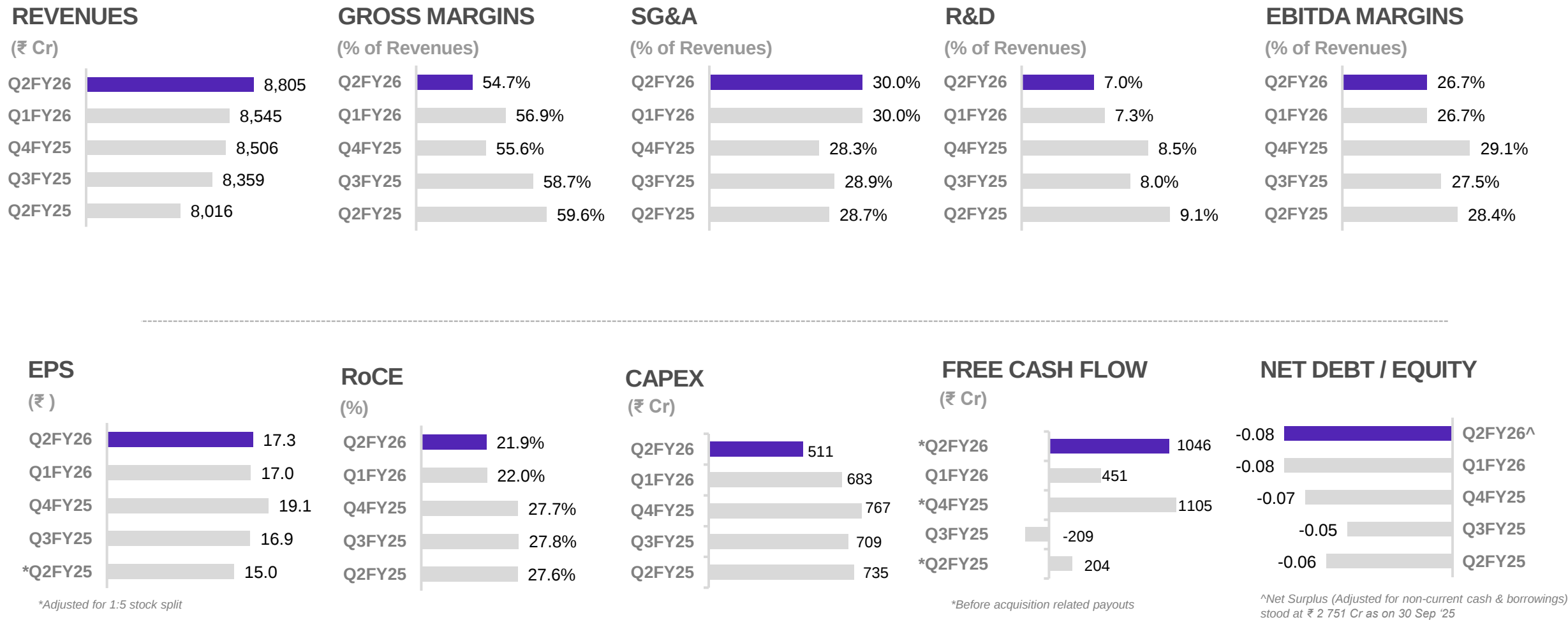
GLOBAL GENERICS SPLIT



**Includes revenues from the acquired NRT business
Underlying growth excl. NRT @17% YoY & 12% QoQ*

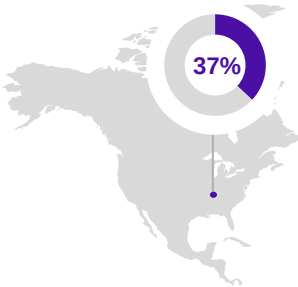
Key Financial Metrics

Sustaining growth & profitability, while investing for the future



Q2FY26 North America Performance

Impacted due to price erosion, lower Lenalidomide sales



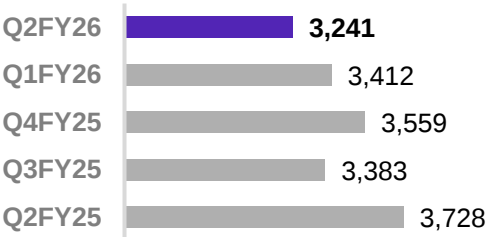
Revenues

₹ 3,241 cr

↓ 13%YoY ↓ 5%QoQ

Declined due to product specific price erosion and lower Lenalidomide sales

Historical Revenues (₹ Cr)



MARKET PERFORMANCE

-2.1% vs -0.1%

DRL Growth vs US Generic Market
(Excl. Lenalidomide)
*As per IQVIA MAT Aug '25

NEW LAUNCHES

7 12
Q2FY26 H1FY26

NEW ANDA FILINGS

5 6
Q2FY26 H1FY26

PRICE EROSION

MODERATE

PENDING APPROVAL

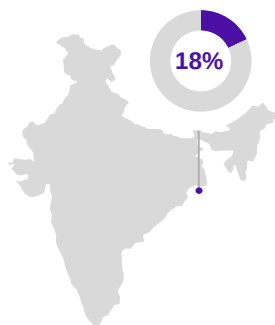
73 2
ANDAs NDAs
Includes 46 Para IVs & 20 FTFs
As of Sep'25

KEY UPDATES

- IND application for **COYA 302** accepted by USFDA
- Launched **Sacubitril Valsartan** Tablets, generic version of Entresto® indicated for heart failure management
- Launched authorised generic of partnered product, **Fluorouracil Cream** indicated for topical treatment of multiple actinic or solar keratoses of face & anterior scalp

Q2FY26 India Performance

Double-digit growth delivery



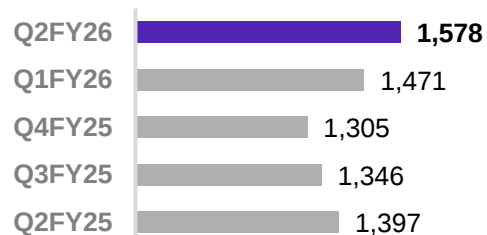
Revenues

₹ **1,578** Cr

↑ 13%YoY ↑ 7%QoQ

Growth Drivers : New brand launches, improved pricing & higher volumes.

Historical Revenues (₹ Cr)



MARKET PERFORMANCE*

9.4% vs 7.8%

DRL MAT Growth vs IPM

IPM RANK

#9

FTM
Sep'25

#10

MQT & MAT
Sep'25

THERAPY LEADERHIP*

#1

STOMATOLOGICALS

#2

VACCINES

NEW BRAND LAUNCHES

11

Q2FY26

16

H1FY26

**₹100 CR+*
BRANDS**

23

**BRANDS IN
IPM TOP 300***

17

*As per IQVIA MAT Sep' 25

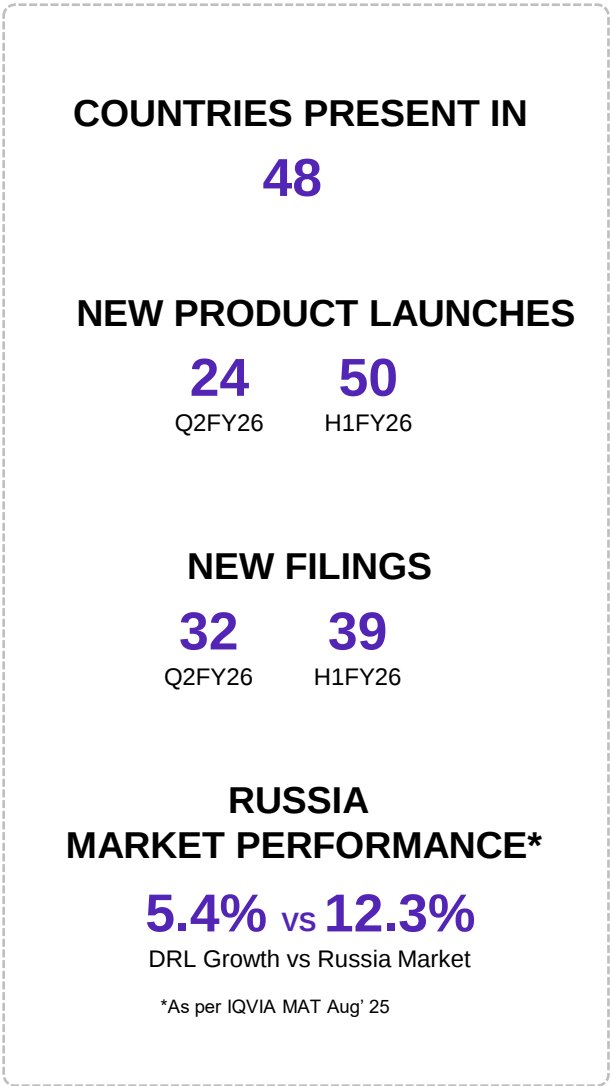
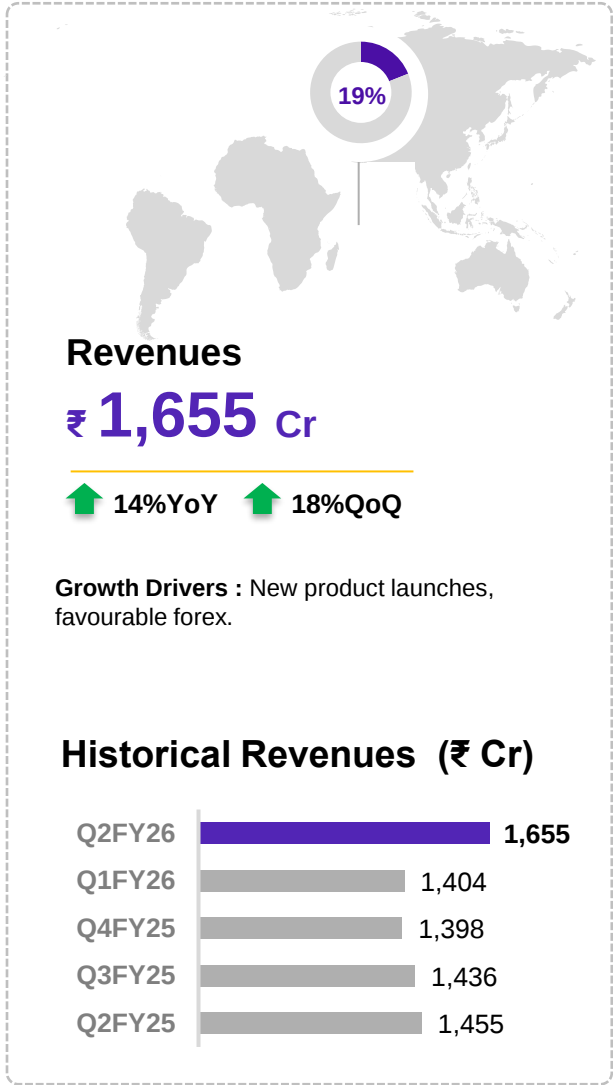
KEY UPDATES

- Acquired **Stugeron®** & leading local brands from Janssen Pharmaceutica (affiliate of Johnson & Johnson) for 18 markets, including India as a key markets for US\$50 million. Operations to be gradually transitioned.
- Approval for **Semaglutide** injection in India recommended by SEC under CDSCO
- Launched **Tegoprazan (PCAB®)**, a novel, patented molecule indicated for acid-related gastrointestinal diseases
- Launched **Linacotide (Colozo®)**, a novel drug for chronic constipation management

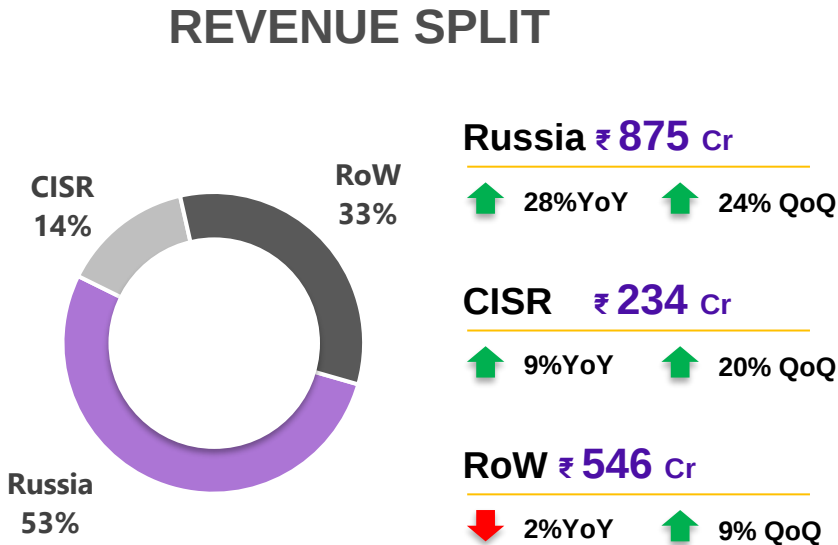


Q2FY26 Emerging Markets Performance

New product launches & favourable forex driving growth

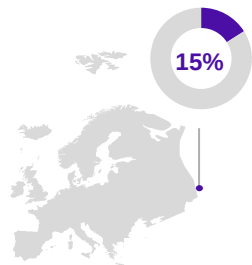


- ### KEY UPDATES
- Launched **Skorolox**, first INN loxoprofen in Russia, indicated for treatment of acute upper respiratory tract infections



Q2FY26 Europe Performance

Growth underpinned by acquired NRT business



Revenues

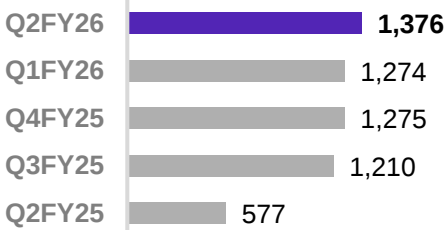
₹ 1,376 Cr

↑ 138%YoY* ↑ 8%QoQ*

Growth Drivers : Acquired NRT business, new product launches, volume expansion, offset by price erosion

*Growth excl. NRT @17% YoY & 12% QoQ

Historical Revenues (₹ Cr)



COUNTRIES
PRESENT IN
20

NEW PRODUCT LAUNCHES

8 21

Q2FY26 H1FY26
Excl. Acquired NRT Business

NEW FILINGS

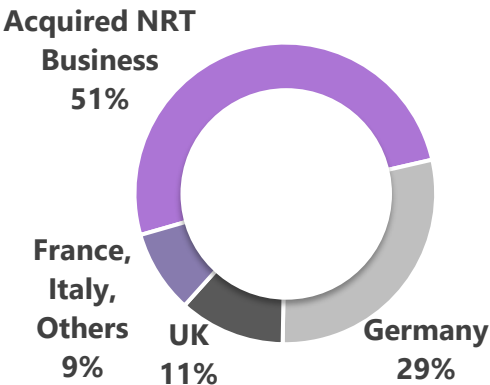
5 8

Q2FY26 H1FY26

KEY UPDATES

- NRT integration progressing well : 2/3rd business value integrated
 - Canada, Australia & some Western European countries now completed

REVENUE SPLIT



Acquired NRT Business ₹ 700 Cr

↑ 5% QoQ

Germany ₹ 397 Cr

↑ 23%YoY ↑ 26% QoQ

UK ₹ 157 Cr

↓ 4%YoY ↓ 10% QoQ

France, Italy, Others ₹ 122 Cr

↑ 35%YoY ↑ 6% QoQ

Q2FY26 PSAI Performance

Lower operating leverage and product mix shifts weigh on margins



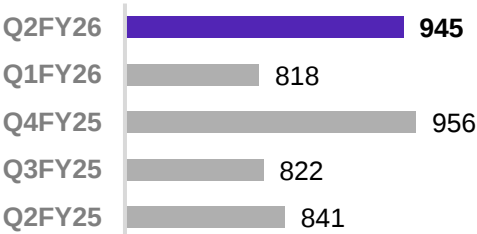
Revenues

₹ 945 Cr

↑ 12%YoY ↑ 16%QoQ

Growth Drivers : New product launches, favourable forex

Historical Revenues (₹ Cr)



GROSS MARGIN

18% vs 30%

Q2FY26 vs Q2FY25

DMF FILINGS

37	49
Q2FY26	H1FY26

US DMF FILINGS

2
Q2FY26

KEY UPDATES

- Partnered with Unitaid, Clinton Health Access Initiative & Wits RHI to make HIV prevention tool, **Lenacapavir**, accessible in LMICs



In Summary

A diversified business model with broad based levers

Dr.Reddy's



STRENGTHEN CORE BUSINESSES ACROSS MARKETS



ADVANCE KEY PIPELINE PRODUCTS (SEMAGLUTIDE, ABATACEPT)



DRIVE EFFICIENCIES THROUGH BETTER OPERATIONAL LEVERAGE



AUGMENT ORGANIC GROWTH WITH **M&A and IN-LICENSING**



STRENGTHEN CAPABILITIES – PEOPLE, DIGITAL, PROCESSES



FOCUS ON QUALITY, COMPLIANCE, SUSTAINABILITY

Consolidated Income Statement



Particulars (₹ Cr)	Q2FY26	Q2FY25	YoY Gr %	Q1FY26	QoQ Gr%	H1FY26	H1FY25	YoY Gr %
Revenues	8,805	8,016	10	8,545	3	17,350	15,689	11
Cost of Revenues	3,991	3,239	23	3,682	8	7,673	6,278	22
Gross Profit	4,814	4,777	1	4,863	(1)	9,677	9,411	3
% of Revenues	54.7%	59.6%		56.9%		55.8%	60.0%	
Selling, General & Administrative Expenses	2,644	2,301	15	2,565	3	5,208	4,570	14
% of Revenues	30.0%	28.7%		30.0%		30.0%	29.1%	
Research & Development Expenses	620	727	(15)	624	(1)	1,245	1,345	(8)
% of Revenues	7.0%	9.1%		7.3%		7.2%	8.6%	
Impairment of Non-Current Assets, net	66	92	(28)	0	NA	66	93	(29)
Other (Income)/Expense, net	(267)	(98)	172	(74)	262	(341)	(145)	135
Results from Operating Activities	1,751	1,755	(0)	1,748	0	3,499	3,548	(1)
Finance (Income)/Expense, net	(78)	(156)	(50)	(157)	(51)	(234)	(239)	(2)
Share of Profit of Equity Accounted Investees, net of tax	(6)	(6)	3	(0)	3050	(7)	(12)	(46)
Profit before Income Tax	1,835	1,917	(4)	1,905	(4)	3,740	3,799	(2)
% of Revenues	20.8%	23.9%		22.3%		21.6%	24.2%	
Income Tax Expense	408	575	(29)	495	(18)	903	1,065	(15)
Profit for the Period	1,427	1,342	6	1,410	1	2,837	2,734	4
% of Revenues	16.2%	16.7%		16.5%		16.3%	17.4%	
Attributable to Equity holders of the parent company	1,437	1,255	14	1,418	1	2,855	2,647	8
Attributable to Non-controlling interests	(10)	86	(112)	(8)	27	(19)	86	-122
Diluted Earnings per Share (EPS)	17.25	15.05	15	17.02	1	34.26	31.74	8
EBITDA	2,351	2,280	3	2,278	3	4,629	4,440	4
% of Revenues	26.7%	28.4%		26.7%		26.7%	28.3%	



We accelerate access to affordable and innovative medicines because

Good Health Can't Wait.

~756mn patients reached globally

\$3.8bn Revenue

17% Revenue Growth

28% EBITDA Margin

~28% RoCE

26,000+ Employees globally

57 Nationalities (Employees)

83 Markets served

32 Plants (Manufacturing & R&D)

At a glance



All information as of FY25

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.



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