

DR. REDDY'S LABORATORIES LTD.

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Dr. Reddy's Q3 & 9MFY26 Financial Results

Hyderabad, India, January 21, 2026: Dr. Reddy's Laboratories Ltd. (BSE: 500124 | NSE: DRREDDY | NYSE: RDY | NSEIFSC: DRREDDY) today announced its consolidated financial results for the quarter and nine months ended December 31, 2025. The information mentioned in this release is based on consolidated financial statements under International Financial Reporting Standards (IFRS).

| Particulars | Q3FY26 | 9MFY26 |
|--|---|---|
| Revenues | ₹ 87,268 Mn [Up: 4.4% YoY; Down 0.9% QoQ] | ₹ 260,771 Mn [Up: 8.4% YoY] |
| Gross Margin | 53.6% [Q3FY25: 58.7%; Q2FY26: 54.7%] | 55.1% [9MFY25: 59.5%] |
| SG&A Expenses | ₹ 26,918 Mn [Up: 12% YoY; 2% QoQ] | ₹ 79,001 Mn [Up: 13% YoY] |
| R&D Expenses | ₹ 6,149 Mn [7.0% of Revenues] | ₹ 18,595 Mn [7.1% of Revenues] |
| EBITDA | ₹ 20,493 Mn [23.5% of Revenues] | ₹ 66,788 Mn [25.6% of Revenues] |
| Profit before Tax | ₹ 15,429 Mn [17.7% of Revenues] | ₹ 52,826 Mn [20.3% of Revenues] |
| Profit after Tax <i>attributable to Equity Holders</i> | ₹ 12,098 Mn [13.9% of Revenues] | ₹ 40,649 Mn [15.6% of Revenues] |

Commenting on the results, Co-Chairman & MD, G V Prasad said: "Our growth in Q3FY26 was supported by continued momentum in our branded businesses, aided by favourable forex, thus offsetting the impact of lower Lenalidomide sales. We continue to focus on disciplined execution of our strategic priorities of base business growth, pipeline advancement, operational efficiencies, and select inorganic opportunities, to create long-term value for our stakeholders."

Dr. Reddy's Laboratories Limited & Subsidiaries

Revenue Mix by Segment for the quarter

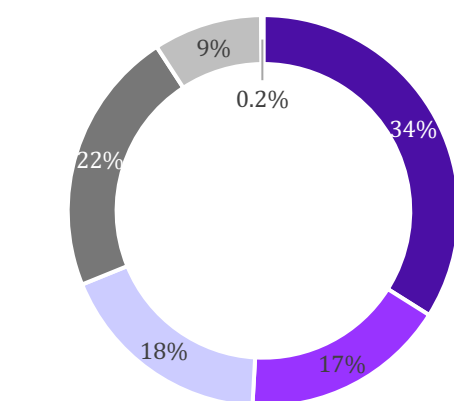
| Particulars | Q3FY26 (₹) | Q3FY25 (₹) | YoY Gr % | Q2FY26 (₹) | QoQ Gr% |
|--|---------------|---------------|-------------|---------------|-------------|
| Global Generics | 79,113 | 73,753 | 7 | 78,498 | 1 |
| North America | 29,644 | 33,834 | (12) | 32,408 | (9) |
| Europe | 14,476 | 12,096 | 20 | 13,762 | 5 |
| India | 16,032 | 13,464 | 19 | 15,780 | 2 |
| Emerging Markets | 18,961 | 14,358 | 32 | 16,548 | 15 |
| Pharmaceutical Services and Active Ingredients (PSAI) | 8,018 | 8,219 | (2) | 9,450 | (15) |
| Others | 137 | 1,614 | (92) | 103 | 33 |
| Total | 87,268 | 83,586 | 4 | 88,051 | (1) |

Revenue Mix by Segment for the nine months period

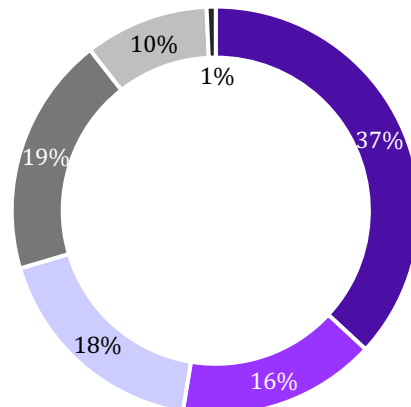
| Particulars | 9MFY26 (₹) | 9MFY25 (₹) | YoY Gr% |
|------------------------|----------------|----------------|------------|
| Global Generics | 233,231 | 214,187 | 9 |
| North America | 96,175 | 109,578 | (12) |
| Europe | 40,981 | 23,132 | 77^ |
| India | 46,523 | 40,687 | 14 |
| Emerging Markets | 49,552 | 40,791 | 21 |
| PSAI | 25,649 | 24,283 | 6 |
| Others | 1,891 | 2,005 | (6) |
| Total | 260,771 | 240,475 | 8 |

^Excluding acquired Consumer Healthcare business in Nicotine Replacement Therapy (NRT) sales; revenue growth is at 16% YoY.

Q3FY26 Revenue Mix



9MFY26 Revenue Mix



■ North America ■ Europe ■ India ■ Emerging Markets ■ PSAI ■ Others

Consolidated Income Statement for the quarter

| Particulars | Q3FY26 | | Q3FY25 | | YoY Gr % | Q2FY26 | | QoQ Gr% |
|--|-------------|---------------|-------------|---------------|-------------|-------------|---------------|--------------|
| | (\$) | (₹) | (\$) | (₹) | | (\$) | (₹) | |
| Revenues | 971 | 87,268 | 930 | 83,586 | 4.4 | 980 | 88,051 | (0.9) |
| Cost of Revenues | 450 | 40,462 | 384 | 34,534 | 17 | 444 | 39,911 | 1 |
| Gross Profit | 521 | 46,806 | 546 | 49,052 | (5) | 536 | 48,140 | (3) |
| % of Revenues | | 53.6% | | 58.7% | | | 54.7% | |
| Selling, General & Administrative Expenses | 300 | 26,918 | 268 | 24,117 | 12 | 294 | 26,436 | 2 |
| % of Revenues | | 30.8% | | 28.9% | | | 30.0% | |
| Research & Development Expenses | 68 | 6,149 | 74 | 6,658 | (8) | 69 | 6,202 | (1) |
| % of Revenues | | 7.0% | | 8.0% | | | 7.0% | |
| Impairment of Non-Current Assets, net | 3 | 271 | (0) | (4) | (6,875) | 7 | 662 | (59) |
| Other (Income)/Expense, net | (9) | (770) | (5) | (439) | 75 | (30) | (2,673) | (71) |
| Results from Operating Activities | 158 | 14,238 | 208 | 18,720 | (24) | 195 | 17,513 | (19) |
| Finance (Income)/Expense, net | (13) | (1,168) | 0 | 20 | (5,940) | (9) | (774) | 51 |
| Share of Profit of Equity Investees, net of tax | (0) | (23) | (0) | (42) | (45) | (1) | (63) | (63) |
| Profit before Income Tax | 172 | 15,429 | 209 | 18,742 | (18) | 204 | 18,350 | (16) |
| % of Revenues | | 17.7% | | 22.4% | | | 20.8% | |
| Income Tax Expense | 39 | 3,533 | 52 | 4,704 | (25) | 45 | 4,082 | (13) |
| Profit for the Period | 132 | 11,896 | 156 | 14,038 | (15) | 159 | 14,268 | (17) |
| % of Revenues | | 13.6% | | 16.8% | | | 16.2% | |
| Attributable to Equity holders of the Parent Co. | 135 | 12,098 | 157 | 14,133 | (14) | 160 | 14,372 | (16) |
| % of Revenues | | 13.9% | | 16.9% | | | 16.3% | |
| Attributable to Non-controlling interests | (2) | (202) | (1) | (95) | 113 | (1) | (104) | 95 |
| Diluted Earnings per Share (EPS) | 0.16 | 14.52 | 0.19 | 16.94 | (14) | 0.19 | 17.25 | (16) |

Earnings before Interest, Tax, Depreciation & Amortization (EBITDA) Computation for the quarter

| Particulars | Q3FY26 | | Q3FY25 | | Q2FY26 | |
|-----------------------------------|------------|---------------|------------|---------------|------------|---------------|
| | (\$) | (₹) | (\$) | (₹) | (\$) | (₹) |
| Profit before Income Tax | 172 | 15,429 | 209 | 18,742 | 204 | 18,350 |
| Interest (Income) / Expense, net* | (5) | (422) | (5) | (475) | (6) | (552) |
| Depreciation | 35 | 3,178 | 30 | 2,733 | 34 | 3,091 |
| Amortization | 23 | 2,037 | 22 | 1,986 | 22 | 1,960 |
| Impairment | 3 | 271 | (0) | (4) | 7 | 662 |
| EBITDA | 228 | 20,493 | 256 | 22,982 | 262 | 23,511 |
| % of Revenues | | 23.5% | | 27.5% | | 26.7% |

*Includes income from Investment

Consolidated Income Statement for the nine months period

| Particulars | 9MFY26 | | 9MFY25 | | YoY Gr% |
|--|--------------|----------------|--------------|----------------|------------|
| | (\$) | (₹) | (\$) | (₹) | |
| Revenues | 2,903 | 260,771 | 2,677 | 240,475 | 8 |
| Cost of Revenues | 1,305 | 117,198 | 1,083 | 97,310 | 20 |
| Gross Profit | 1,598 | 143,573 | 1,594 | 143,165 | 0.3 |
| % of Revenues | | 55.1% | | 59.5% | |
| Selling, General & Administrative Expenses | 879 | 79,001 | 777 | 69,815 | 13 |
| % of Revenues | | 30.3% | | 29.0% | |
| Research & Development Expenses | 207 | 18,595 | 224 | 20,122 | (8) |
| % of Revenues | | 7.1% | | 8.4% | |
| Impairment of Non-Current Assets, net | 10 | 933 | 10 | 925 | 1 |
| Other (Income)/Expense, net | (47) | (4,182) | (21) | (1,893) | 121 |
| Results from Operating Activities | 548 | 49,226 | 603 | 54,196 | (9) |
| Finance (Income)/Expense, net | (39) | (3,512) | (26) | (2,372) | 48 |
| Share of Profit of Equity Investees, net of tax | (1) | (88) | (2) | (162) | (46) |
| Profit before Income Tax | 588 | 52,826 | 631 | 56,730 | (7) |
| % of Revenues | | 20.3% | | 23.6% | |
| Income Tax Expense | 140 | 12,565 | 171 | 15,357 | (18) |
| Profit for the Period | 448 | 40,261 | 461 | 41,373 | (3) |
| % of Revenues | | 15.4% | | 17.2% | |
| Attributable to Equity holders of the Parent Co. | 452 | 40,649 | 452 | 40,606 | 0.1 |
| % of Revenues | | 15.6% | | 16.9% | |
| Attributable to Non-controlling interests | (4) | (388) | 9 | 767 | (151) |
| Diluted Earnings per Share (EPS) | 0.54 | 48.78 | 0.54 | 48.68 | 0.2 |

EBITDA Computation for the nine months period

| Particulars | 9MFY26 | | 9MFY25 | |
|-----------------------------------|------------|---------------|------------|---------------|
| | (\$) | (₹) | (\$) | (₹) |
| Profit before Income Tax | 588 | 52,826 | 631 | 56,730 |
| Interest (Income) / Expense, net* | (22) | (2,002) | (31) | (2,775) |
| Depreciation | 102 | 9,162 | 88 | 7,870 |
| Amortization | 65 | 5,867 | 52 | 4,634 |
| Impairment | 10 | 933 | 10 | 925 |
| EBITDA | 743 | 66,787 | 750 | 67,384 |
| % of Revenues | | 25.6% | | 28.0% |

*Includes income from Investment

Key Balance Sheet Items

| Particulars | As on 31 st Dec 2025 | | As on 30 th Sep 2025 | | As on 31 st Dec 2024 | |
|---|---------------------------------|---------|---------------------------------|---------|---------------------------------|---------|
| | (\$) | (₹) | (\$) | (₹) | (\$) | (₹) |
| Cash and Cash Equivalents and Other Investments | 971 | 87,191 | 828 | 74,393 | 715 | 64,198 |
| Trade Receivables | 1,149 | 103,206 | 1,088 | 97,738 | 1,026 | 92,212 |
| Inventories | 879 | 79,009 | 844 | 75,821 | 797 | 71,630 |
| Property, Plant, and Equipment | 1,286 | 115,544 | 1,246 | 111,981 | 1,036 | 93,053 |
| Goodwill and Other Intangible Assets | 1,277 | 114,727 | 1,260 | 113,240 | 1,166 | 104,780 |
| Loans and Borrowings (Current & Non-Current) | 754 | 67,732 | 652 | 58,539 | 569 | 51,085 |

| | | | | | | |
|----------------|-------|---------|-------|---------|-------|---------|
| Trade Payables | 454 | 40,796 | 448 | 40,248 | 401 | 36,022 |
| Equity | 4,183 | 375,756 | 4,030 | 362,082 | 3,579 | 321,565 |

Key Business Highlights for Q3FY26

- Entered into a strategic collaboration with Immuteq for commercialisation of a novel, immunotherapy oncology drug, **Eftilagimod Alfa**, in key global markets outside North America, Europe, Japan, and Greater China, for an upfront of US\$20 million, potential regulatory and commercial milestones of up to US\$349.5 million as well as double digit royalties.
- Launched **Hevaxin®**, a novel, recombinant vaccine for the prevention of Hepatitis-E virus infection in India.
- Integration** of 85% of acquired Consumer Healthcare business in Nicotine Replacement Therapy (**NRT**) business by value completed as of December 2025.
- Received the marketing authorization for **Semaglutide injection** in India from Drugs Controller General of India (**DCGI**), following the recommendation of Subject Expert Committee (SEC) under Central Drugs Standard Control Organization (CDSCO).
- Received a **Notice of Non-Compliance** from Pharmaceutical Drugs Directorate in Canada for **Semaglutide** injection, outlining requests for additional information and clarifications on specific aspects of our submission. Submitted response by mid-November 2025.
- Completed filing of the Biologics License Application (**BLA**) for the Intravenous (IV) presentation of our **abatacept** biosimilar candidate in December 2025.
- Received **European Commission** (EC) approval and **marketing authorisation** from Medicines and Healthcare products Regulatory Agency (**MHRA**) in United Kingdom for **denosumab** biosimilar. Launched the product in **Germany** in December 2025.
- Received a Complete Response Letter (**CRL**) from the United States Food & Drug Administration (USFDA) for **denosumab** biosimilar BLA, developed by our partner, **Alvotech**. The CRL refers to the observations from a pre-license inspection of Alvotech's Reykjavik manufacturing facility.
- Received a **CRL** for **rituximab** biosimilar BLA, in reference to the ongoing resolution of observations arising from the Pre Approval Inspection (PAI) of our Biologics facility at Bachupally, Hyderabad, Telangana, India conducted in September 2025, as well as certain aspects pertaining to the BLA. Further, received a Post- Application Action Letter (**PAAL**) from USFDA, in relation to the response submitted to the aforesaid mentioned observations related to rituximab biosimilar.
- Aurigene Pharmaceutical Services Limited (APSL), our CDMO business, served as the exclusive API manufacturer for two of 46 Novel Drugs approved by USFDA in 2025.
- APSL delivered three discovery programs through it's in-house, AI assisted drug discovery platform, 'Aurigene.AI'.

ESG Highlights for Q3FY26

- Announced Science-Based **Net Zero Climate Targets**, making us the only Indian Pharmaceutical company to commit to such a target by FY2045.
- Leadership position in Carbon Disclosure Project's (CDP) Water Security and Climate Change categories for 2025.
- Received **CII Award** of Merit for Excellence in 4R category, ranking in top 25 companies in India for waste minimization and management.
- Received certification from **TÜV SÜD** South Asia for Net Positive Water Impact (**NPWI**).
- Received India's Top 100 **Great Places to Work®** certification, for the 2nd consecutive year.
- Received Industrial Green Chemistry World (**IGCW**) Award 2025 in MNC, Large and Medium scale category at the 8th IGCW Convention.
- Received seven **Eminence Awards** at the 7th Annual Pharmaceutical Manufacturing and Automation Conclave.

Other Updates for Q3FY26

- Received '**VAI**' as inspection outcome, following a GMP and a PAI conducted by the USFDA in July 2025 at formulations manufacturing facility, **FTO-11**, in Srikakulam, Andhra Pradesh, India.
- GMP inspection concluded by USFDA at our API facility, **CTO SEZ**, in Srikakulam, Andhra Pradesh, with **zero observations**.
- Received a **Form 483** with five observations post a GMP and a PAI conducted by USFDA at our formulations facility (**FTO-SEZ PU-01**) in Srikakulam, Andhra Pradesh. We have responded to the agency within the stipulated timeline.

Revenue Analysis

- **Q3FY26 consolidated revenues** at ₹87.3 billion, growth of 4.4% YoY and decline of 0.9% QoQ.

9MFY26 consolidated revenues at ₹260.8 billion, growth of 8% YoY.

Growth was broad-based across key markets, except for North America Generics which reported a decline primarily on account of lower Lenalidomide sales. Growth was further aided by favourable foreign exchange rate movements.

Global Generics (GG)

- **Q3FY26 revenues** at ₹79.1 billion, growth of 7% YoY and 1% QoQ.

9MFY26 revenues at ₹233.2 billion, growth of 9% YoY.

North America

- **Q3FY26 revenues** at ₹29.6 billion, decline of 12% YoY and 9% QoQ.

9MFY26 revenues at ₹96.2 billion, decline of 12% YoY.

Decline was largely due to lower Lenalidomide sales and higher price erosion in certain key products.

- During the quarter, we launched six new products, while a total of 18 new products were launched during 9MFY26.
- We filed four new Abbreviated New Drug Applications (ANDAs) with the USFDA during the quarter, taking the total to ten for 9MFY26.
- As of December 31, 2025, filings pending approval from USFDA were 73 including:
 - 71 ANDAs (43 are Paragraph IV applications, and 21 may have a 'First to File' status) and
 - Two New Drug Applications (NDAs) filed under Section 505(b)(2), of which one is a Paragraph IV application.

Europe

- **Q3FY26 revenues** at ₹14.5 billion, growth of 20% YoY and 5% QoQ.

9MFY26 revenues at ₹41.0 billion, growth of 77% YoY. Excluding NRT, growth was at 16% YoY.

Revenues from new generic product launches, growth witnessed in the NRT portfolio and favourable forex movement was partly offset by pricing pressure in generics.

- **Q3FY26 NRT revenues** at ₹7.5 billion, growth of 25% YoY and 8% QoQ.
9MFY26 NRT revenues at ₹21.2 billion.
- **Q3FY26 Germany revenues** at ₹4.0 billion, growth of 21% YoY and 1% QoQ.
9MFY26 Germany revenues at ₹11.2 billion, growth of 20% YoY.
- **Q3FY26 UK revenues** at ₹1.7 billion, decline of 12% YoY and growth of 6% QoQ.
9MFY26 UK revenues at ₹5.0 billion, decline of 3% YoY.
- **Q3FY26 Rest of Europe revenues** at ₹1.3 billion, growth of 49% YoY and 2% QoQ.
9MFY26 Rest of Europe revenues at ₹3.6 billion, growth of 38% YoY.

- During the quarter, we launched ten new products in the region, taking the total to 31 for 9MFY26.

India

- **Q3FY26 revenues** at ₹16.0 billion, growth of 19% YoY and 2% QoQ.

9MFY26 revenues at ₹46.5 billion, growth of 14% YoY.

Growth for the quarter was driven by revenues from our innovation portfolio, new brand launches, price increases, higher volumes as well as contributions from the recently acquired Stugeron portfolio.

- As per IQVIA, our rank in the Indian Pharmaceutical Market (IPM) was at 10 on a Moving Quarterly Total (MQT) and Moving Annual Total (MAT) basis. We moved to the 9th position in December 2025.
- As per IQVIA, we continued to outperform the IPM, with secondary sales growth of 12.3% as compared to IPM growth of 11.85 on a MQT basis and 9.7% as compared to IPM growth of 8.9% on a MAT basis.
- During the quarter, we launched two new brands, taking the total to 18 for 9MFY26.

Emerging Markets

- **Q3FY26 revenues** at ₹19.0 billion, growth of 32% YoY and 15% QoQ.

9MFY26 revenues at ₹49.6 billion, growth of 21% YoY.

YoY growth was largely driven by new product launches across markets, aided by favourable forex. QoQ growth was primarily on account of volume growth.

- **Q3FY26 Russia revenues** at ₹10.6 billion, growth of 51% YoY and 21% QoQ.

9MFY26 Russia revenues at ₹26.4 billion, growth of 36% YoY.

YoY growth was due to new product launches, higher volumes of existing products, price increase in certain brands and favorable forex. QoQ increase primarily reflects higher sales volumes.

- **Q3FY26 Other Commonwealth of Independent States (CIS) countries and Romania revenues** at ₹2.4 billion, growth of 1% YoY and 4% QoQ.

9MFY26 CIS and Romania revenues at ₹6.7 billion, growth of 4% YoY.

YoY growth was on account of higher pricing and favourable forex, offset by lower volume uptake.

- **Q3FY26 Rest of World (RoW) revenues** at ₹6.0 billion, growth of 21% YoY and 9% QoQ.

9MFY26 RoW revenues at ₹16.4 billion, growth of 10% YoY.

YoY growth was largely on account of new product launches across various markets, higher sales volumes from existing products, favourable forex, partly offset by price erosion.

- During Q3FY26, we launched 30 new products across countries, taking the total to 80 for 9MFY26.

Pharmaceutical Services and Active Ingredients (PSAI)

- **Q3FY26 revenues** at ₹8.0 billion, decline of 2% YoY and 15% QoQ.

9MFY26 revenues at ₹25.6 billion, growth of 6% YoY.

QoQ decline in Q3FY26 was on account of lower volume uptake in the API business.

- During the quarter, we filed 31 Drug Master Files (DMFs) globally, taking the total to 80 for 9MFY26.

Income Statement Highlights:

Gross Margin

- **Q3FY26** at 53.6% (GG: 57.4%, PSAI: 17.3%), a decline of 505 basis points (bps) YoY and 104 bps QoQ.
9MFY26 at 55.1% (GG: 59.1%, PSAI: 16.2%), a decline of 448 bps YoY.

The YoY decline for the quarter was primarily on account of reduced sales of Lenalidomide, price erosion in our Generics businesses in North America and Europe, adverse product mix in PSAI business and a one-time provision related to impact of changes in employee benefit obligations under the new Labour Codes in India. Excluding the one-off provision, gross margin for the quarter was higher at 54.1% of revenues.

Selling, General & Administrative (SG&A) Expenses

- **Q3FY26** at ₹26.9 billion, increase of 12% YoY and 2% QoQ.

As % to Revenues – Q3FY26: 30.8% | Q3FY25: 28.9% | Q2FY26: 30.0%.

9MFY26 at ₹79.0 billion, increase of 13% YoY.

As % to Revenues – 9MFY26: 30.3% | 9MFY25: 29.0%.

The YoY increase was driven by targeted investments in our branded franchises, namely our acquired consumer healthcare business in NRT and branded generics. Adverse impact of foreign currency exchange rates and one-time provision related to the new Labour Codes mentioned above also contributed to the increase. Excluding the one-off provision, SG&A was lower at 30.2% of revenues for the quarter.

Research & Development (R&D) Expenses

- **Q3FY26** at ₹6.1 billion, decrease of 8% YoY and 1% QoQ.

As % to Revenues – Q3FY26: 7.0% | Q3FY25: 8.0% | Q2FY26: 7.0%.

9MFY26 at ₹18.6 billion, decrease of 8% YoY.

As % to Revenues – 9MFY26: 7.1% | 9MFY25: 8.4%.

R&D expenditure was lower due to reduced development spends in Biosimilars, following completion of a large part of the investments related to Abatacept. R&D spends remain focused on complex generics, biosimilars, peptides and novel biologics. The spend this quarter also included the one-time new Labour Codes provision. Excluding the one-off, R&D spend was lower at 6.8% of revenues for the quarter.

Impairment

- **Q3FY26** at ₹0.3 billion compared to a reversal of ₹0.004 billion in Q3FY25.

9MFY26 at ₹0.9 billion, at a similar level as 9MFY25.

Other Operating Income

- **Q3FY26** income at ₹0.8 billion compared to ₹0.4 billion in Q3FY25.

9MFY26 income at ₹4.2 billion compared to ₹1.9 billion in 9MFY25.

Net Finance Income/Expense

- **Q3FY26** income at ₹1.2 billion compared to ₹0.02 billion expense in Q3FY25.

9MFY26 income at ₹3.5 billion compared to ₹2.4 billion in 9MFY25.

The increase in net finance income was primarily on account of higher foreign exchange gain this quarter, in comparison to a foreign exchange loss reported in the corresponding quarter last year.

Profit before Tax (PBT)

- **Q3FY26** at ₹15.4 billion, decline of 18% YoY and 16% QoQ.

As % to Revenues – Q3FY26: 17.7% | Q3FY25: 22.4% | Q2FY26: 20.8%.

9MFY26 at ₹52.8 billion, decline of 7% YoY.

As % to Revenues – 9MFY26: 20.3% | 9MFY25: 23.6%.

Adjusted for the one-time new Labour Codes provision, PBT was 19% of revenues in Q3FY26.

Income Tax

- **Q3FY26** at ₹3.5 billion. As % to PBT – Q3FY26: 22.9% | Q3FY25: 25.1% | Q2FY26: 22.2%.

9MFY26 at ₹12.6 billion. As % to PBT – 9MFY26: 23.8% | 9MFY25: 27.1%.

The ETR was lower in Q3FY26 due to a favourable jurisdictional mix.

Profit attributable to Equity Holders of Parent Company

- **Q3FY26** at ₹12.1 billion, decline of 14% YoY and 16% QoQ.

As % to Revenues – Q3FY26: 13.9% | Q3FY25: 16.9% | Q2FY26: 16.3%.

9MFY26 at ₹40.6 billion, flat YoY.

As % to Revenues – 9MFY26: 15.6% | 9MFY25: 16.9%.

Diluted Earnings per Share (EPS)

- **Q3FY26** is ₹14.52.

9MFY26 is ₹48.78.

Other Financial Highlights:

EBITDA

- **Q3FY26** at ₹20.5 billion, decline of 11% YoY and 13% QoQ.

As % to Revenues – Q3FY26: 23.5% | Q3FY25: 27.5% | Q2FY26: 26.7%.

9MFY26 at ₹66.8 billion, decline of 1% YoY.

As % to Revenues – 9MFY26: 25.6% | 9MFY25: 28.0%.

Adjusted for the one-off new Labour Codes provision, EBITDA as a % to Revenues was 24.8% in Q3FY26.

Others:

- **Operating Working Capital:** As on **31st December 2025** at ₹141.4 billion.
- **Capital Expenditure:** **Q3FY26** at ₹6.7 billion.
- **Free Cash Flow:** **Q3FY26** at ₹3.7 billion.
- **Net Cash Surplus:** As on **31st December 2025** at ₹30.7 billion.
- **Net Debt to Equity:** As on **31st December 2025** is (0.08).
- **Annualized Return on Capital Employed (RoCE):** **Q3FY26** stood at 20.4%.

About key metrics and non-GAAP Financial Measures

This press release 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 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 this press release.

All amounts in millions, except EPS

Reconciliation of GAAP Measures to Non-GAAP Measures

Operating Working Capital

| Particulars | As on 31 st Dec 2025 (₹) |
|----------------------------------|--|
| Inventories | 79,009 |
| Trade Receivables | 103,206 |
| Less: | |
| Trade Payables | (40,796) |
| Operating Working Capital | 141,419 |

Free Cash Flow

| Particulars | Three months ended 31 st Dec 2025 (₹) |
|---|--|
| Net cash generated from operating activities | 13,975 |
| Less: | |
| Taxes | (3,067) |
| Investments in Property, Plant & Equipment | (7,168) |
| Free Cash Flow before Acquisitions | 3,739 |
| Less: | |
| Acquisition related pay-outs | - |
| Free Cash Flow | 3,739 |

Net Cash Surplus and Debt to Equity

| Particulars | As on 31 st Dec 2025 (₹) |
|---|--|
| Cash and Cash Equivalents | 18,657 |
| Investments | 68,534 |
| Short-term Borrowings | (50,286) |
| Long-term Borrowings (Current & Non-current) | (17,446) |
| Less: | |
| Restricted Cash Balance – Unclaimed Dividend and others | 739 |
| Lease liabilities (Included in Short-term and Long-term Borrowings) | (13,646) |
| Equity Investments (Included in Investments) | 1,673 |
| Net Cash Surplus | 30,677 |
| Equity | 375,756 |
| Net Debt/Equity | (0.08) |

Computation of RoCE

| Particulars | As on 31 st Dec 2025 |
|--|------------------------------------|
| | (₹) |
| Profit before Tax | 15,429 |
| Less: | |
| Interest and Investment Income (Excluding forex gain/loss) | (422) |
| Earnings Before Interest and taxes [A] | 15,007 |
| Average Capital Employed [B] | 332,537 |
| Annualised Return on Capital Employed (A/B) (Ratio) | 20.4% |

Computation of Capital Employed:

| Particulars | As on | |
|---|-----------------|-----------------|
| | Dec 31, 2025 | Mar 31, 2025 |
| Property Plant and Equipment | 115,544 | 97,761 |
| Intangibles | 102,317 | 96,803 |
| Goodwill | 12,410 | 11,810 |
| Investment in Equity Accounted Associates | 5,348 | 4,811 |
| Other Current Assets | 32,486 | 30,142 |
| Other Non-Current Assets | 1,096 | 972 |
| Inventories | 79,009 | 71,085 |
| Trade Receivables | 103,206 | 90,420 |
| Derivative Financial Instruments | (2,889) | (729) |
| Less: | | |
| Other Liabilities | 48,393 | 48,788 |
| Provisions | 6,704 | 6,324 |
| Trade payables | 40,796 | 35,523 |
| Operating Capital Employed | 352,634 | 312,440 |
| Average Capital Employed | 332,537 | |

Computation of EBITDA

Refer page no. 3 & 4.

Earnings Call Details

The management of the Company will host an Earnings call to discuss the Company's financial performance and answer any questions from the participants.

Date: Wednesday, January 21, 2026

Time: 19:30 pm IST / 09:00 am ET

Conference Joining Information

Pre-register with the below link and join

https://drreddys.zoom.us/webinar/register/WN_wj_WaDfNT8m2RusUHH-ldQ

Audio Link and Transcript will be available on the Company's website: www.drreddys.com

About Dr. Reddy's: Dr. Reddy's Laboratories Ltd. (BSE: 500124, NSE: DRREDDY, NYSE: RDY, NSEIFSC: DRREDDY) is a global pharmaceutical company headquartered in Hyderabad, India. Established in 1984, we are committed to providing access to affordable and innovative medicines. Driven by our purpose of 'Good Health Can't Wait', we offer a portfolio of products and services including APIs, generics, branded generics, biosimilars and OTC. Our major therapeutic areas of focus are gastrointestinal, cardiovascular, diabetology, oncology, pain management and dermatology. Our major markets include – USA, India, Russia & CIS countries, China, Brazil, and Europe. As a company with a history of deep science that has led to several industry firsts, we continue to plan and invest in businesses of the future. As an early adopter of sustainability and ESG actions, we released our first Sustainability Report in 2004. Our current ESG goals aim to set the bar high in environmental stewardship; access and affordability for patients; diversity; and governance.

For more information, log on to: www.drreddys.com.

Disclaimer: This press release may include statements of future expectations and other forward-looking statements that are based on the management's current views and assumptions and involve known or unknown risks and uncertainties that could cause actual results, performance, or events to differ materially from those expressed or implied in such statements. In addition to statements which are forward-looking by reason of context, the words "may", "will", "should", "expects", "plans", "intends", "anticipates", "believes", "estimates", "predicts", "potential", or "continue" and similar expressions identify forward-looking statements. Actual results, performance or events may differ materially from those in such statements due to without limitation, (i) general economic conditions such as performance of financial markets, credit defaults, currency exchange rates, interest rates, persistency levels and frequency / severity of insured loss events (ii) mortality and morbidity levels and trends, (iii) changing levels of competition and general competitive factors, (iv) changes in laws and regulations and in the policies of central banks and/or governments, (v) the impact of acquisitions or reorganization, including related integration issues, and (vi) the susceptibility of our industry and the markets addressed by our, and our customers', products and services to economic downturns as a result of natural disasters, epidemics, pandemics or other widespread illness, including coronavirus (or COVID-19), and (vii) other risks and uncertainties identified in our public filings with the Securities and Exchange Commission, including those listed under the "Risk Factors" and "Forward-Looking Statements" sections of our Annual Report on Form 20-F for the year ended March 31, 2025, our quarterly financial statements filed in Form 6-K with the US SEC for the quarter ended June 30, 2025, September 30, 2025 and our other filings with US SEC. The company assumes no obligation to update any information contained herein.