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, 2019, quarterly financial statements filed in Form 6-K with the US SEC for the quarters ended June 30, 2019, September 30, 2019, and December 31, 2019, 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.
More than ever people across the world need access to affordable healthcare

Our purpose and promises remain relevant to achieve this need

OUR PURPOSE

Good Health Can’t Wait.

OUR PROMISES

- Bringing expensive medicine within reach
- Addressing unmet patient needs
- Helping patients manage disease better
- Enabling and helping our partners ensure our medicines are available where needed
- Working with partners to help them succeed

We are committed to compliance, ethical behavior and sustainability
Dr Reddy’s is on a Transformation Journey
Creating more opportunities with less risk

Healthy Balance Sheet with net cash surplus and sustained cash generation

Leverage strong capabilities to generate short and long term growth

Value creation through multiple growth drivers, with optimal resources

Leverage US portfolio to access global markets; augmenting the portfolio offering through R&D and BD / Licensing

Reduced dependency on specific products or markets for future growth

Optimizing the business ‘Risk Quotient’ through partnership model on high risk projects
FY20 Key Highlights

1. Successful in obtaining the **VAI status for CTO 6**, and desired outcome for all other site inspections by US FDA

2. Strong improvement in key financial metrics of **ROCE, PBT** and **EBIDTA**

3. Healthy **cash flow generation**, leading to much stronger balance sheet

4. Turnaround performance for our **North America generics and our Europe businesses**

5. Healthy double digit growth in **branded markets**

6. Continued traction towards **development of product pipeline** across our businesses

7. **Productivity improvement** seen across manufacturing, marketing and R&D
Healthy growth in Revenue & EBITDA

Revenues

- FY18: ₹14.2k cr ($1.9 bn)
- FY19: ₹15.4k cr ($2.0 bn)
- FY20: ₹17.5k cr ($2.3 bn)

CAGR: 11%

EBITDA

- FY18: ₹2.4k cr ($0.3 bn)
- FY19: ₹3.4k cr ($0.5 bn)
- FY20: ₹4.6k cr ($0.6 bn)

CAGR: 39%

FY 20 financial performance includes certain one-offs: (a) income from divestment of PP Neuro products, (b) Canada Section 8 damages received for Lenalidomide, and (c) impairment charge on certain intangibles (we do a trigger based impairment testing on intangibles every quarter)

USD / INR = ₹75.39 (rate as on 31st Mar, 2020)
Improving Return Metrics and Strong Balance Sheet, provides us an opportunity to grow further

Free cash flow: Consistent generation of strong cash-flows

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<tr>
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<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
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| Net Debt / Equity: Debt free; providing strength for expansion
| Mar’18   | 24%  |      |      |
| Mar’19   | 9%   |      |      |
| Mar’20   | -3%  |      |      |

Earnings Per Share (in INR): Improving year after year

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| Free cash flow: Consistent generation of strong cash-flows
| ₹ 0.6k cr ($ 0.1 bn) | ₹ 2.2k cr ($ 0.3 bn) | ₹ 2.3k cr ($ 0.3 bn) |
| FY18 | 59.0 |      |      |
| FY19 | 113.1|      |      |
| FY20 | 117.4|      |      |

Return on Capital Employed: Continuous improvement in returns

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| Earnings Per Share (in INR): Improving year after year
| 8.2%      |      |      |
| 14.7%     |      |      |
| 12.2%     |      |      |

USD / INR = ₹ 75.39 (rate as on 31st Mar, 2020)

* Adjusted for the impairment charge of 1,677 cr taken during the year
We continue to improve our cost structure and productivity

R&D
- 100+ submissions globally
- Cost improvements programs
- API development

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<th>FY18</th>
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<tr>
<td>R&amp;D cost</td>
<td>12.9%</td>
<td>10.1%</td>
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<td>₹ 1.8k cr</td>
<td>($ 0.2 bn)</td>
<td>₹ 1.6k cr</td>
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SG&A
- Sales force effectiveness
- New leaders in Markets

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<tr>
<td>SG&amp;A cost</td>
<td>33.0%</td>
<td>31.6%</td>
</tr>
<tr>
<td>₹ 4.7k cr</td>
<td>($ 0.6 bn)</td>
<td>₹ 4.9k cr</td>
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* Excluding impairment charge

USD / INR = ₹ 75.39 (rate as on 31st Mar, 2020)
Multiple growth drivers provide us a good visibility for a long term sustainable growth

Focus growth and cash generation spaces

New growth drivers, leverage model

Future value creators, partnership model

We also continue to evaluate Inorganic Growth Opportunities across markets and value chain
Key Business Updates

United States
*Stable and diversified business model*
- Improving the **product offering**: 27 launches in FY 20. 99 pending filings (97 ANDAs + 2 NDAs)*
- More than two-thirds of portfolio is ranked ‘TOP 3’ in market share in respective molecule markets

China
*First mover advantage*
- Extending the US **portfolio** to China, benefiting from recent regulatory framework
- Participating in **4 channels**: Branded, GEA products to hospital, GPO and API
- Olanzapine: **won tender** in the Centralized Drug Procurement program, first for any Indian Generics Company

India
*Market rank maintained at 13 on MAT basis*
- Leveraging Dr Reddy’s brand and going ‘**Beyond the pill**’ through various patient centric initiatives
- Ramp up **share in Chronic** and Super-specialty therapies through differentiated and innovative new products
- Entering new **Therapeutic areas and Nutraceuticals**
- Focus on improving **field-force productivity**

Proprietary Products
*De-risked model with continued focus on development and monetization through partnerships*
- Out-licensed Derma and Neuro portfolio during FY 19 and FY 20 respectively. Continue to evaluate market opportunities for other assets

* as on 31st March, 2020
Our Quality Journey

Committed to excellence in quality and being best in class

U.S. FDA Audit Updates

We have received EIR for CTO-VI with a VAI status. This plant was issued a warning letter in Nov’15

All our plants now have either VAI or NAI status

In addition, our sites have been approved by regulators from ~20 countries

*VAI – Voluntary Action Indicated | NAI – No Action Indicated
Sustainability & Compliance is our way of life

Sustainable value chain

Preserve the Environment

Diversity & Inclusivity in Workplace

Affordable & innovative medicines

Caring for communities

Adherence to the governance, risk & compliance framework

Sustainability & Compliance is our way of life
We remain committed to our core stakeholders...

**Our Customers**
- To continue to accelerate access to affordable and innovative medicines and services
- To focus on patients and health system with high unmet needs

**Our Shareholders**
- To continue to drive total shareholder return (TSR) through focused strategy
- To create more opportunities with less risk and strong cash generation

**Our Communities**
- To create positive outcomes in our communities
- To ensure compliance, sustainability and caring in everything we do

**Our Employees**
- To enable an exciting journey to explore and allow new opportunities and horizons
Response to Covid-19

- Taking protective measures to ensure the health and safety of our employees by following prescribed norms
- Various initiatives undertaken to ensure continuity of manufacturing operations enabling us to serve our patients
- Few products related to COVID-19 being developed
- Digital channels being used to enable work from home and reaching out to doctors, customers and vendors
- Extending support to the health care professionals and others with the PPE kits, masks, sanitizers, gloves
- Providing food assistance to the marginal sections & migrant families
THANK YOU