



Investor Presentation

February 2022

Dr. Reddy's Laboratories Limited

Hyderabad, India

BSE: 500124 | NSE: DRREDDY | NYSE: RDY | NSEIFSC: DRREDDY

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, 2021, quarterly financial statements filed in Form 6-K with the US SEC for the quarters ended June 30, 2021, September 30, 2021, December 31, 2021 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.

All financial numbers in this presentation are as per IFRS consolidated financial statements

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 uniquely positioned to create sustained Shareholder Value



Strong & Established Core businesses (API, Gx)

Diversified presence across markets (US, Europe, India, Russia, China, Brazil & other EM)



Strong portfolio with multiple growth opportunities

Array of long term growth opportunities (NCEs, Biosimilars)



Wide portfolio of Covid related drugs including a vaccine

Digitalization focus across marketing, R&D and manufacturing operations



Emphasis on productivity and efficient resource utilization

Compliance driven, Strong focus on Quality



High ESG focus with proactive initiatives

Strong Balance Sheet to support organic and inorganic moves



Key Recent Highlights

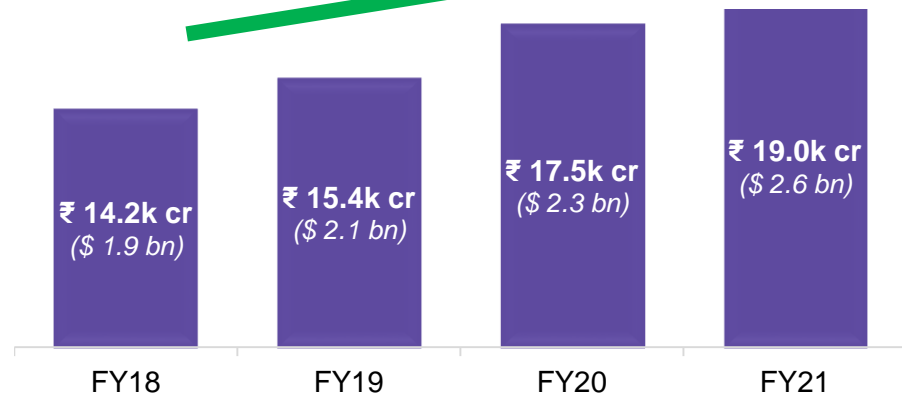
- 1 Healthy growth across our markets and businesses
- 2 Received approval of **Sputnik-V** and **Molnupiravir** in India
- 3 Successful launch of **Icosapent** in US and **Bevacizumab** in Russia
- 4 **Productivity improvement** seen across manufacturing, marketing and R&D
- 5 Continued traction towards **development of product pipeline** across our businesses
- 6 Healthy **cash flow generation**, leading to a much stronger balance sheet
- 7 Received numerous accolades for our **ESG efforts**



Sustaining Healthy growth in Revenue & EBITDA

Revenues

CAGR: 10.1%



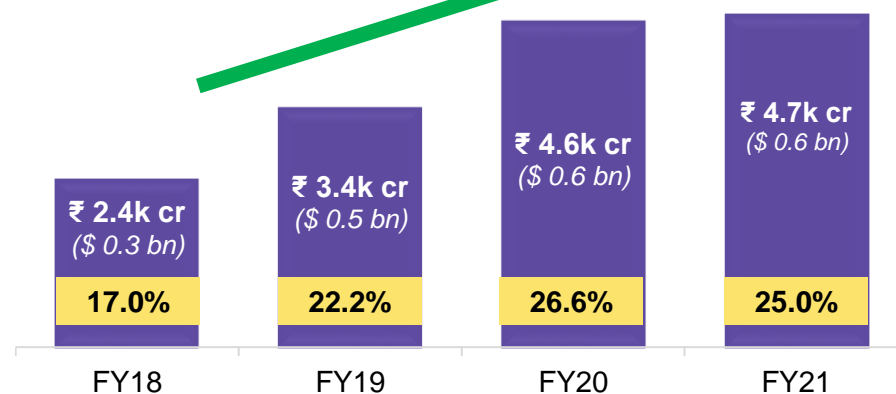
9M FY22

₹ 16.0k cr (\$ 2.2 bn)

YoY Gr: 12%

EBITDA

CAGR: 25.3%



9M FY22

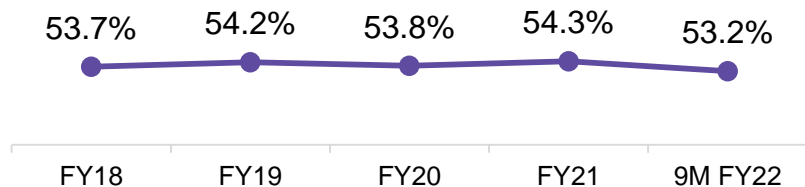
₹ 3.8k cr (\$ 0.5 bn)

24.0%

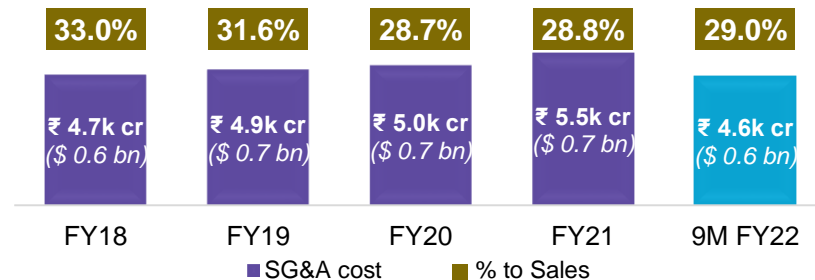
EBITDA% to Revenues

While we continue to drive productivity, we are also investing for future growth

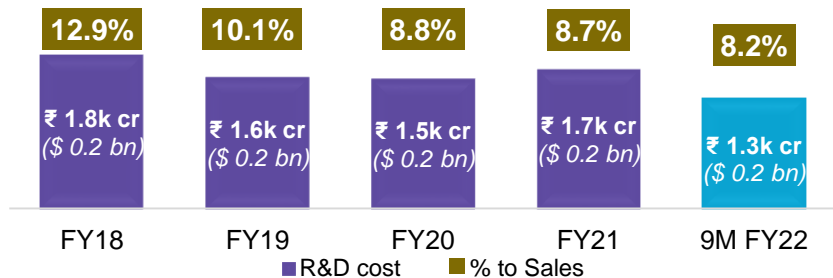
Gross Margin: Driving productivity offsetting price erosion



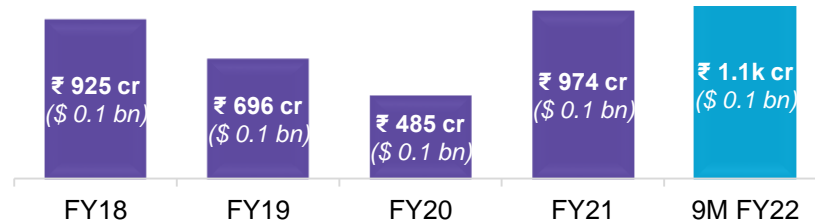
SG&A: Investing in brands and digital capabilities



R&D: Focus on complex formulations and biosimilars

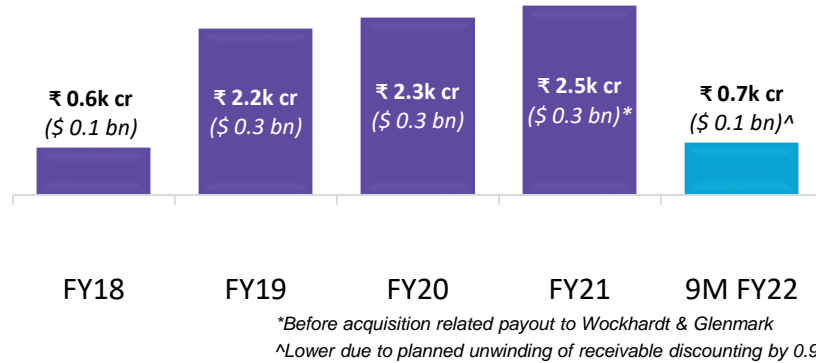


Capital expenditure: Selectively investing to augment capabilities, including injectables and biosimilars

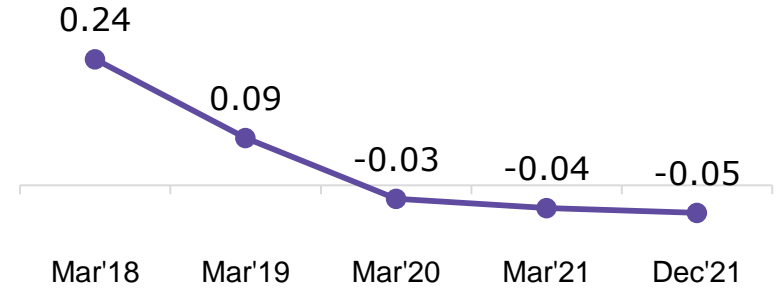


Improving Return Metrics and Strong Balance Sheet, provides us an opportunity to grow further

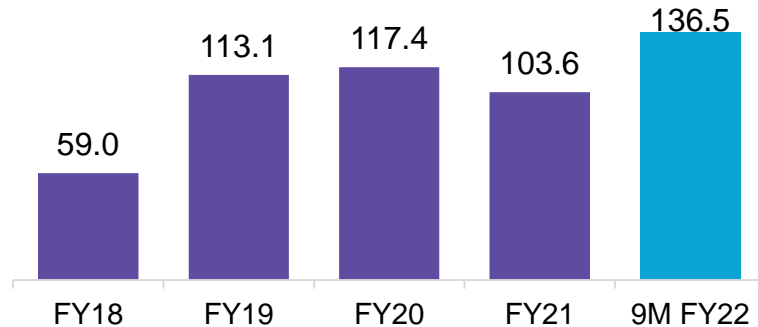
Free cash flow: Consistent generation of strong cash-flows



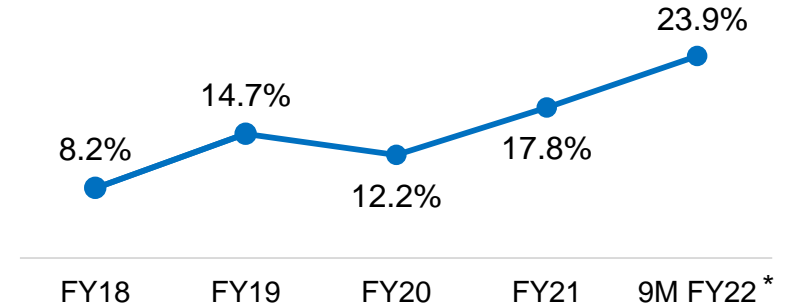
Net Debt / Equity: cash surplus; providing strength for expansion



Earnings Per Share (in INR)



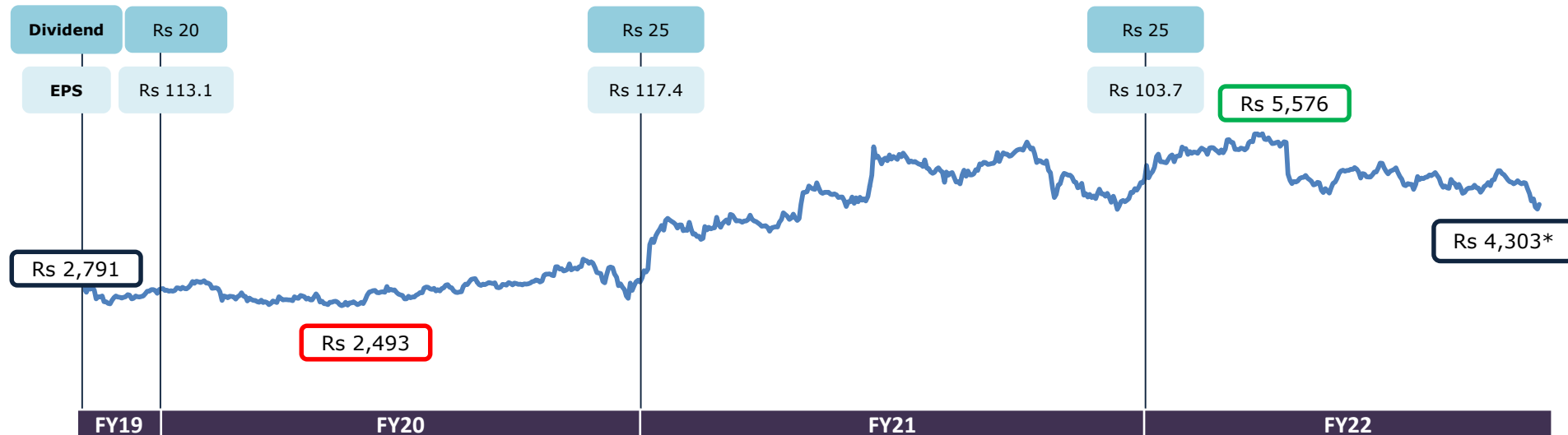
Return on Capital Employed: Good improvement in returns



*Annualised

USD / INR = ₹ 74.39 (rate as on 31st Dec, 2021)

3-year Total Shareholder Return

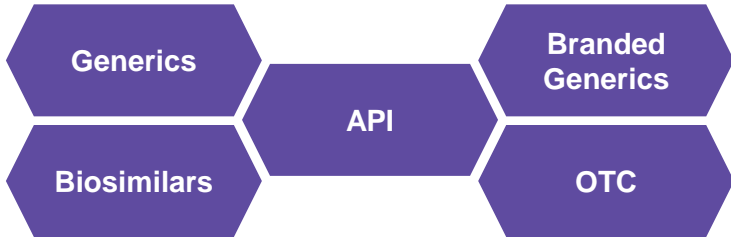


*Closing rate of Jan 31st, 2022

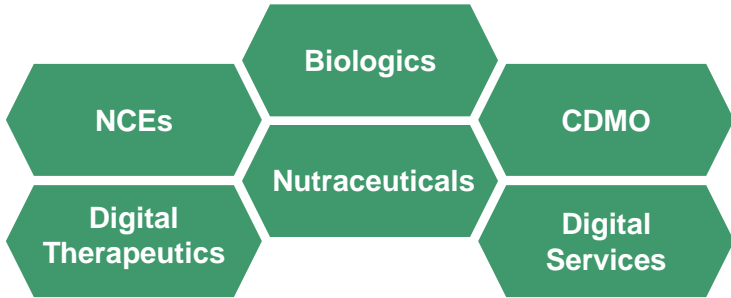


Multiple avenues provide us a good visibility for a long-term sustainable growth

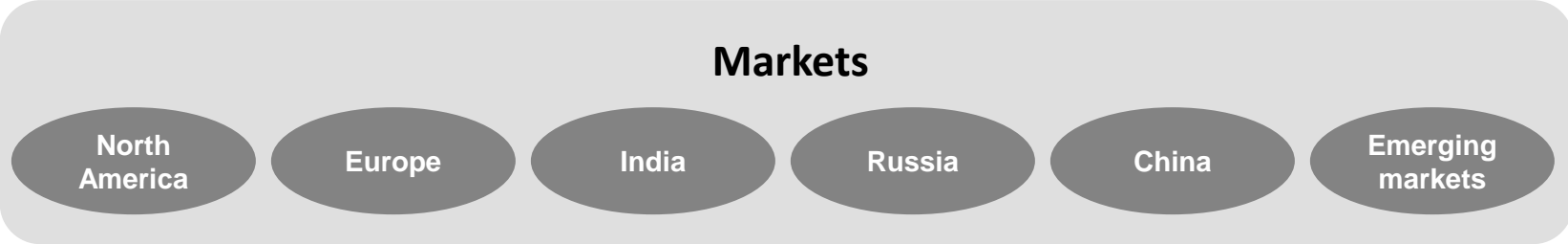
Core Businesses



Future Growth Drivers



Markets



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

Our Strategic Aspirations – Core Businesses

North America (US & Canada):

- Augment Portfolio to over 300 products
- Focus on complex generics delivery
- Augment 'Go-to-market' model into newer channels

Europe (Germany, UK & others):

- Enhance presence from EU-5 to EU-15
- Scale-up Hospital segment across markets
- Leverage our existing Global portfolio

Emerging Markets (India, Russia, China & others):

- Building bigger & differentiated brands
- Leverage inorganic growth opportunities
- Building digital marketing capabilities

PSAI (API & CDMO):

- Cost leadership to drive market share gains
- Strong pipeline of new products
- Accelerate growth in CDMO

Creating a Pipeline of Differentiated Products

Discovery

- Engaged in the discovery of novel therapeutics in the areas of **Oncology & Inflammation** and has **12 drugs under various stages of discovery & clinical trials**
- **Drug Discovery & Development** collaborations with several pharma and biotech companies in the US and Europe

Biosimilars

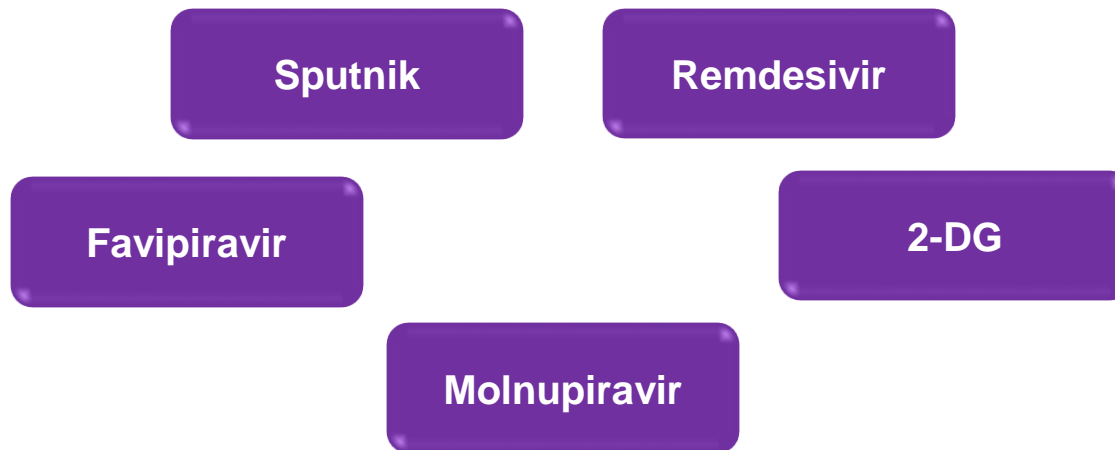
- **Commercial portfolio of 6 products** being marketed in India and Emerging markets
- Progressing on **Phase-3 trials for Rituximab** (for EU & US)
- Potential launch of **Pegfilgrastim**, filed with our partner
- Multiple other **biosimilar assets are under development** in various stages



Covid-19 related drugs

We continue to be at the forefront of COVID response

- Proactive to develop and work on multiple preventive and curative treatment options, including a vaccine
- Established partnerships with global organizations to accelerate access to key covid related drugs
- Commercialized all the below products in India and some of these products in overseas markets
- Developing a few other covid related drugs for treatment ranging from mild to severe conditions



Sustainability & Compliance is our way of life



Sustainability: Targets & Global Alignment

Short Term

2020
0% Waste Circularity – Plastic (India)

2023
100% Waste Circularity - Plastic (India)



Long Term

2020
13% Scope 1&2 reduction (Base Year 2017-18)

2030
55% Scope 1&2 reduction (Base Year 2017-18)



Medium Term

	2020	2025
11 SUSTAINABLE CITIES AND COMMUNITIES	0% Waste Circularity – Plastic (Global)	100% Waste Circularity - Plastic (Global)
7 AFFORDABLE AND CLEAN ENERGY	20% Renewable Energy (Power-to-Power)	50%+ Renewable Energy (Power-to-Power)
6 CLEAN WATER AND SANITATION	72% Water Neutrality	100% Water Neutrality



Global sustainability frameworks we align to



ESG: Global Positioning and Awards

- Positioned 9th among pharma companies in the world in the Dow Jones Sustainability Index 2021.
- Ranked as the top pharma company in India based on CRISIL's ESG score
- Sustainable Corporate of the Year award at the 2021 Frost & Sullivan – TERI Sustainability 4.0 Awards.
- Most Innovative Company of the Year 2021 at the CII Industrial Innovation Awards 2021.
- Featured in Bloomberg's Gender Equality Index for the 5th year in a row.
- Recognized in the United Nations' Women's Empowerment Principles gender inclusive workplace category.
- FTO SEZ PU 1 plant: Nation Energy Conservation Award by the Bureau of Energy Efficiency (Ministry of Power, Government of India).
- Included in S&P Global's "The Sustainability Yearbook" for a 2nd successive year.
- Recognized as one of India's top companies for sustainability and CSR at the ET SDG summit.



DISCLOSURE INSIGHT ACTION

Water Security	A -
Climate Security	B
Supply Chain	A

MEMBER OF
**Dow Jones
Sustainability Indices**



In collaboration with

Among pharma companies -
Emerging Markets 1st
Global position 9th

FROST & SULLIVAN



Sustainable Corporate of the Year

CRISIL

An S&P Global Company

Pharma Sector leader



The Most Innovative
Company 2021

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

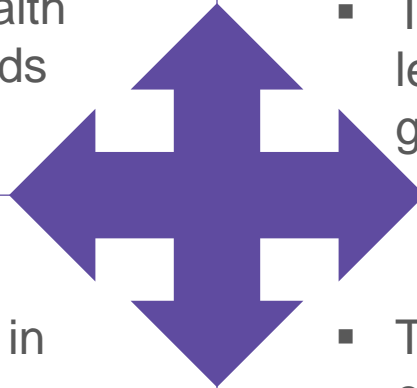
- To continue to drive total shareholder return (TSR) through focused strategy
- To create more opportunities with less risk and strong cash generation

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





THANK YOU