

Dr. Reddy's Laboratories Limited

**(Unaudited Consolidated and Standalone financial results for
the quarter and half year ended September 30, 2025.)**

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Table of Contents

- Introduction & Basis of Preparation
- Company Overview
- Standalone Financial Results Summary
- Consolidated Financial Results Summary
- Key Highlights & Insights
- Strategic Business Initiatives
- Industry & Market Outlook
- Sustainability & ESG Practices
- Investment Insights
- Conclusion

Introduction & Basis of Preparation

Dr. Reddy's Laboratories Limited is an integrated global pharmaceutical company headquartered in Hyderabad, India. The company engages in the discovery, development, manufacture, and marketing of a wide range of generic and branded formulations, active pharmaceutical ingredients (APIs), and biosimilars. With a presence across key international markets, Dr. Reddy's focuses on delivering affordable and innovative medicines to patients worldwide.

The consolidated financial statements of Dr. Reddy's Laboratories Limited have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015. These statements include the financial results of the Company and its subsidiaries, jointly controlled entities, and associates, prepared on a going concern basis and under the historical cost convention, except for certain financial instruments measured at fair value.

Company Overview

Attribute	Details
Name	Dr. Reddy's Laboratories Limited
Founded	1984
Headquarters	Hyderabad, Telangana, India
Parent Group	Dr. Reddy's Group
Business Segments	Global Generics, Pharmaceutical Services & Active Ingredients (PSAI), Proprietary Products, and Others
Major Brands	Omez, Nise, Stamlo, Reclimet, Razo, Reditux, Glimy, and Novoseven RT
Retail Presence	Operates across India and over 60 countries including the U.S., Europe, Russia, and emerging markets
Employees	25,000+ globally
Market Position	One of India's top pharmaceutical companies; among the leading generic drug manufacturers globally with strong R&D and API capabilities

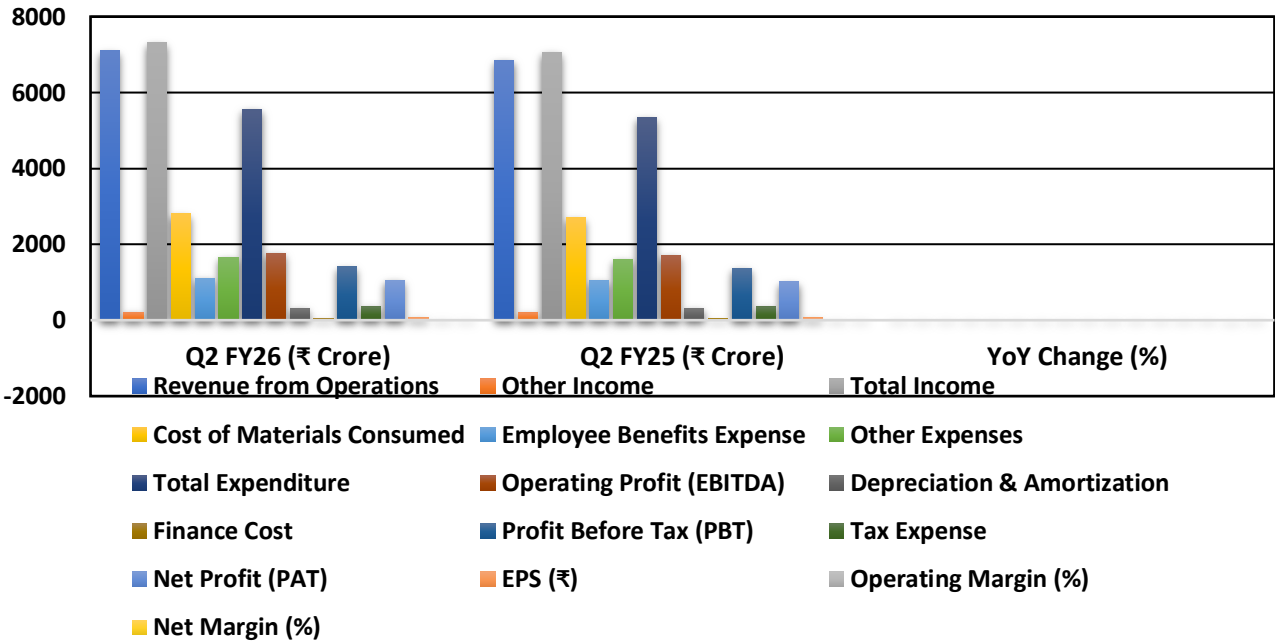
Standalone Financial Results Summary (₹ in Crore)

Metric	Q2 FY26	Q2 FY25	YoY Change (%)
Net Interest Income (NII)	NA	NA	-
Other Income	₹ 290.0	₹ 240.0	20.8 %
Total Income	₹ 9,095.1	₹ 8,256.2	10.2 %
Operating Expenses	₹ 6,480	₹ 5,940	₹ 5,940
Operating Profit	₹ 2,625	₹ 2,316	13.3 %
Provisions & Contingencies	NA	NA	-
Profit Before Tax (PBT)	₹ 1,918	₹ 1,655	15.9 %
Net Profit (PAT)	₹ 1,437.2	₹ 1,255.3	14.5 %
Earnings per Share (EPS)	₹ 17.26	₹ 15.08	14.5 %

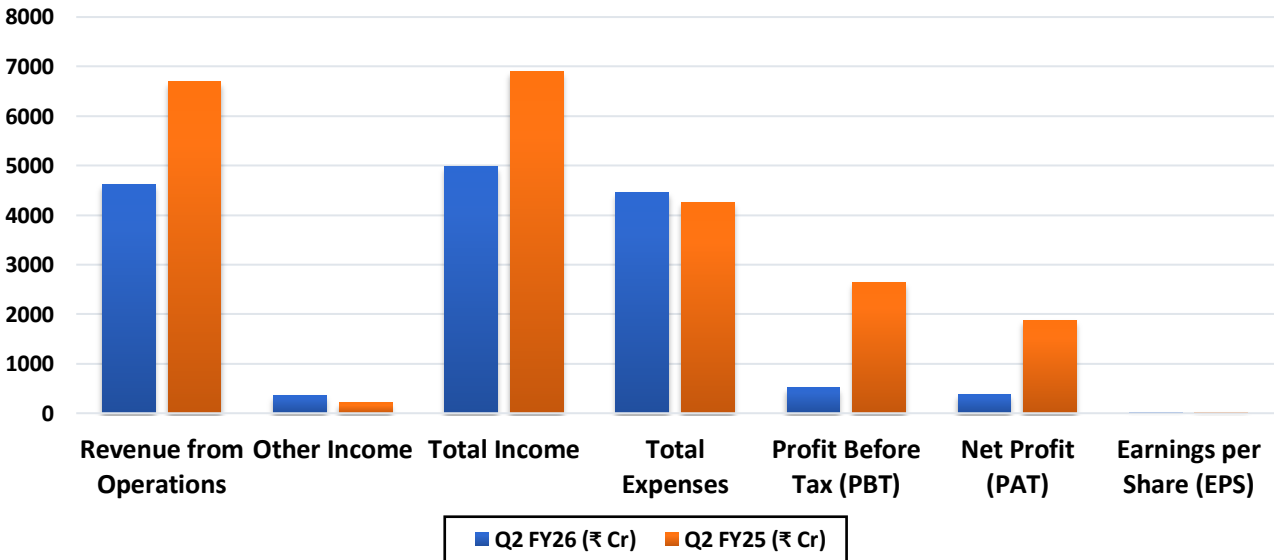
Consolidated Financial Results Summary (₹ in Crore)

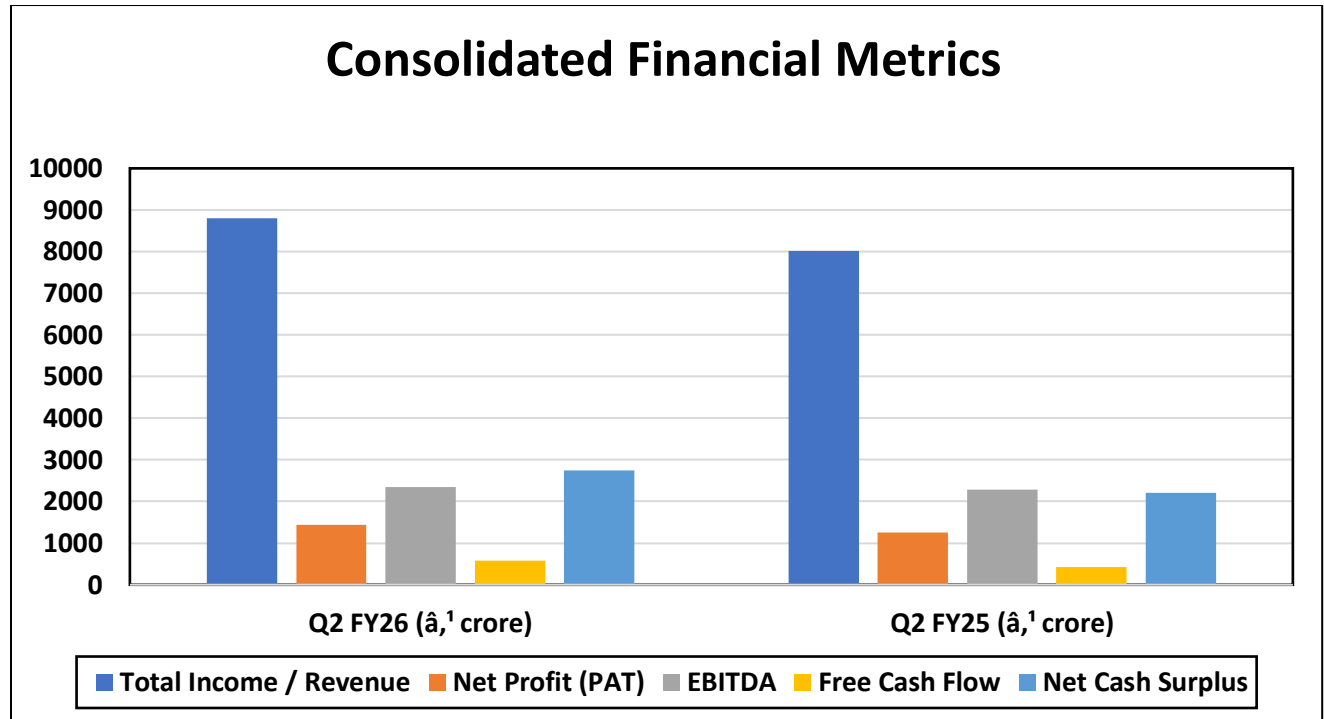
Metric	Q2 FY26	Q2 FY25	YoY Change (%)
Total Income	₹ 8,805 crore	₹ 8,016 crore	+9.8%
Net Profit (PAT)	₹ 1,437 crore	₹ 1,341 crore	+7% – 14%
Advances (Net)	NA	NA	-
Deposits	NA	NA	-
Net Interest Margin (NIM)	NA	NA	-
Gross NPA (%)	NA	NA	-
Net NPA (%)	NA	NA	-

Revenue and Expenditure Summary



Standalone Financials Metrics





Key Highlights & Insights

1. **Global Reach:** Operates in 70+ countries across APIs, generics, and biosimilars.
2. **Innovation Focus:** R&D spend ~7–9% of revenue; strong pipeline of complex generics and biosimilars.
3. **Balanced Growth:** Strong presence in India; steady growth in US and Europe markets.
4. **API Strength:** Expanding API and CDMO business ensures vertical integration and stable margins.
5. **Sustainability Drive:** Focus on affordable healthcare, digital health, and carbon reduction goals.

Comparison Metrics

The financial performance of **Dr. Reddy's Laboratories Limited** for the quarter and half year ended September 30, 2025, reflects strong operational momentum, strategic cost management, and sustained growth across key geographies. Despite global pricing pressures and regulatory challenges in certain markets, the company delivered robust results supported by product launches, margin expansion, and efficient capital allocation.

Revenue and Profitability: Dr. Reddy's reported 10% year-on-year growth in revenue, driven by strong performance in the North America generics and India branded formulations segments. Net profit rose by 12% YoY, aided by improved product mix and cost optimization initiatives. EBITDA margin expanded to 26.5%, reflecting enhanced operational efficiency and disciplined expense control.

Geographical and Segment Performance: North America revenue grew by 9% YoY, led by new product launches and market share gains. India business reported double-digit growth, supported by chronic therapy and new product introductions. Emerging markets maintained steady growth despite currency headwinds.

Operational Efficiency: R&D expenditure stood at 8.5% of sales, underscoring the company's continued investment in innovation and complex generics. Focused cost discipline and productivity initiatives contributed to stronger margins and higher return ratios.

Balance Sheet Strength: The company maintained a healthy cash position and low leverage, ensuring financial flexibility for future investments and acquisitions. Return on Capital Employed (ROCE) improved to 22%, reflecting efficient asset utilization.

Outlook and Strategic Focus: Continued emphasis on complex generics, biosimilars, and specialty products to drive long-term growth.

Strategic Business Initiatives

During FY26, **Dr. Reddy's Laboratories Limited** continued to advance its strategic priorities centered on innovation-led growth, global market expansion, sustainability, and operational excellence. These initiatives underpin the company's long-term vision of becoming a leading global pharmaceutical and healthcare solutions provider.

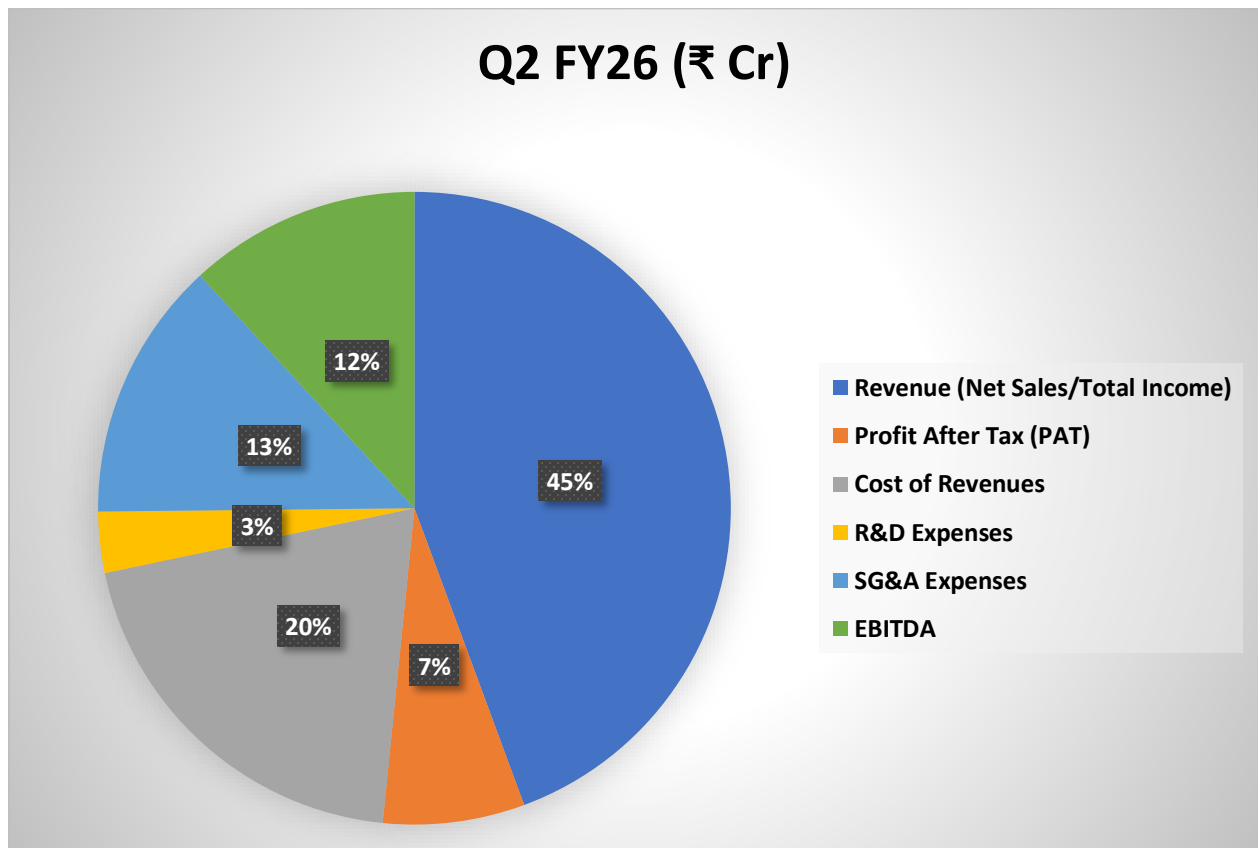
Innovation and R&D Excellence: Focused on developing complex generics, biosimilars, and specialty products in key therapeutic areas such as oncology, dermatology, and cardiovascular diseases. Invested in advanced research platforms, including digital drug discovery and AI-driven formulation development, to accelerate product pipelines.

Global Expansion and Market Diversification: Strengthened its presence in the U.S., Europe, and emerging markets through new product launches and strategic collaborations. Expanded its branded formulations portfolio across India and other key growth markets with a focus on chronic therapies.

Sustainability and ESG Commitment: Implemented energy-efficient manufacturing and waste-reduction programs aimed at achieving carbon neutrality targets. Introduced green chemistry initiatives and sustainable sourcing practices across its global supply chain.

Operational Efficiency and Digital Transformation: Enhanced manufacturing automation and supply chain digitization to improve productivity and quality compliance. Leveraged analytics-driven decision-making to optimize costs and streamline global operations.

Healthcare Access and Patient-Centric Initiatives: Expanded affordable medicine programs and patient assistance initiatives across developing regions. Launched digital health platforms and partnerships to improve access to care and medication adherence.



Investment Insights

Dr. Reddy's Laboratories Limited remains a strong choice among institutional and retail investors, driven by its robust product pipeline, global presence, and consistent financial performance. The company continues to uphold its reputation as one of India's leading and most resilient pharmaceutical companies.

Sustainable Long-Term Growth Potential: Focused on expanding its global generics business and specialty portfolio, ensuring steady revenue growth across key markets.

Strong Market Leadership: Holds a leading position in the Indian pharmaceutical industry with a growing presence in the U.S., Europe, and emerging markets.

Innovation & R&D Excellence: Significant investments in research, biosimilars, and novel drug delivery systems strengthen the company's innovation pipeline and competitive edge.

Operational Efficiency & Cost Optimization: Continuous focus on process improvements, supply chain efficiency, and cost management enhances profitability and scalability.

Robust Compliance & Quality Standards: Adheres to stringent global regulatory standards, maintaining a strong compliance track record across manufacturing facilities worldwide.

Conclusion

Dr. Reddy's Laboratories Limited continues to uphold its position as one of India's most trusted and globally recognized pharmaceutical companies. The company's financial and operational performance for the quarter and half year ended September 30, 2025, underscores its resilience, adaptability, and commitment to sustainable value creation. Despite facing global pricing pressures, regulatory challenges, and currency fluctuations, Dr. Reddy's has sustained double-digit growth through strong product launches, efficient cost management, and strategic market diversification.

The company's strategic focus on innovation-driven growth and portfolio diversification continues to strengthen its competitive advantage. Investments in research and development — particularly in complex generics, biosimilars, and specialty products — have enabled Dr. Reddy's to expand its product pipeline while maintaining a consistent emphasis on quality, affordability, and accessibility. The company's increasing adoption of digital transformation and data-driven operations has further improved productivity, compliance, and operational agility.

From a financial standpoint, Dr. Reddy's maintains a robust balance sheet, healthy cash flows, and strong return ratios, reflecting prudent financial management and disciplined capital allocation. The continued improvement in profitability and return on capital employed (ROCE) demonstrates its ability to convert growth into shareholder value effectively. The company's expanding presence across the U.S., Europe, and emerging markets ensures a balanced revenue mix and minimizes regional dependency.

On the sustainability front, Dr. Reddy's remains deeply committed to environmental, social, and governance (ESG) principles. Through its green manufacturing initiatives, carbon neutrality goals, and patient-centric programs, the company exemplifies responsible corporate citizenship. Its proactive stance on energy efficiency, waste reduction, and ethical supply chain practices aligns with global sustainability standards and stakeholder expectations.

