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February 3, 2022

Listing Department  
**BOMBAY STOCK EXCHANGE LIMITED**  
P J Towers, Dalal Street, Fort,  
Mumbai-400 001

**Code: 532321**

Listing Department  
**NATIONAL STOCK EXCHANGE OF INDIA LIMITED**  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (E),  
Mumbai-400 051

**Code: CADILAHC**

Re: **Investor Presentation**

Dear Sir,

Please find attached the Investor Presentation on the unaudited financial results for the quarter ended on December 31, 2021.

Please find the same in order.

Thanking you,

Yours faithfully,  
For, **CADILA HEALTHCARE LIMITED**

**DHAVAL N. SONI**  
**COMPANY SECRETARY**

Encl.: As above



Dedicated To Life

# Cadila Healthcare Limited

Results Presentation Q3 FY22

3<sup>rd</sup> February, 2022

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# Consolidated Financial Highlights Q3 FY22

## Revenue

INR Crores	Y-o-Y	Q-o-Q
3,655	↑ 1%	↓ -3%

## EBIDTA

INR Crores	Y-o-Y	Q-o-Q
753	↓ -2%	↓ -13%

## PAT ex. exceptional and discontinued ops.

INR Crores	Y-o-Y	Q-o-Q
500	0%	↓ -16%

- Consolidated Revenue from operations at INR 3,655 Crores, up 1% Y-o-Y and down 3% Q-o-Q.
- Consolidated EBIDTA at INR 753 Crores down 2% Y-o-Y and down 13% Q-o-Q. EBIDTA margin for Q3'22 is 20.6%, against 22.7% in Q2'22 and 21.1% in Q3'21.
- Consolidated reported PAT at INR 500 Crores, down 5% Y-o-Y and down 83% Q-o-Q.
- PAT ex exceptional and discontinued operations at INR 500 Crores, flat on a Y-o-Y basis and down 16% Q-o-Q. PAT margin for Q3'22 is 13.7%, against 15.7% in Q2'22 and 13.8 % in Q3'21.
- Research & Development (R&D) spend at INR 255 Crores (7% of revenue).
- Basic & Diluted EPS ex. exceptional and discontinued operations in Q3'22 is INR 4.89 vs INR 4.89 in Q3'21.
- Net debt as at 31<sup>st</sup> December 2021 INR 558 Crores vs INR 3,496 Crores as at 31<sup>st</sup> March 2021.
- Capex for Q3'22 stood at INR 310 Crores.

In Q2'22, the Company reported exceptional items of INR 96 Crores which included profit on sale of brands INR 113 Crores and loss on account of impairment charge for closure of manufacturing facilities (Nesher and Hercon) of INR 208 Crores. PAT from discontinued operations represents PAT from discontinued operations during the period and gain on divestment of Animal Health Established Markets Undertaking of INR 2,491 Crores (net of tax expenses) in Q2'22.

# Consolidated Financial Performance Q3 FY22

Particulars INR Crores	Q3 FY22	Q2 FY22	Q-o-Q Growth	Q3 FY21	Y-o-Y Growth	YTD FY22	YTD FY21	Growth
<b>Revenue from operations</b>	<b>3,655</b>	<b>3,785</b>	<b>-3%</b>	<b>3,633</b>	<b>1%</b>	<b>11,465</b>	<b>10,807</b>	<b>6%</b>
Gross Contribution	2,308	2,403	-4%	2,432	-5%	7,361	7,182	2%
<i>Gross Contribution % to Revenue from operations</i>	<i>63.1%</i>	<i>63.5%</i>		<i>66.9%</i>		<i>64.2%</i>	<i>66.5%</i>	
Employee benefits expense *	523	588	-11%	562	-7%	1,707	1,670	2%
Research and development expenses	255	224	14%	348	-27%	773	899	-14%
Other operating expenses	778	730	7%	755	3%	2,334	2,242	4%
<b>EBIDTA</b>	<b>753</b>	<b>861</b>	<b>-13%</b>	<b>767</b>	<b>-2%</b>	<b>2,546</b>	<b>2,371</b>	<b>7%</b>
<i>EBIDTA Margin as % to Revenue from operations</i>	<i>20.6%</i>	<i>22.7%</i>		<i>21.1%</i>		<i>22.2%</i>	<i>21.9%</i>	
Other income	61	53	14%	27	124%	146	77	89%
Finance Costs	31	30	3%	27	15%	89	140	-37%
Depreciation and amortisation expenses	183	185	-1%	176	4%	551	524	5%
<b>Profit before exceptional items</b>	<b>599</b>	<b>699</b>	<b>-14%</b>	<b>590</b>	<b>1%</b>	<b>2,053</b>	<b>1,784</b>	<b>15%</b>
Profit after exceptional items	599	604	-1%	590	1%	1,957	1,652	18%
Tax expenses	111	100	11%	105	6%	352	323	9%
Share of profit of joint ventures (net of tax)	22	12	81%	16	44%	42	44	-5%
<b>PAT from continuing operations</b>	<b>500</b>	<b>506</b>	<b>-1%</b>	<b>501</b>	<b>0%</b>	<b>1,571</b>	<b>1,378</b>	<b>14%</b>
PAT from discontinued operations#	-	2,496		27		2,519	76	3201%
Reported PAT	500	3,002	-83%	527	-5%	4,090	1,455	181%
<b>PAT before exceptional items and discontinued operations</b>	<b>500</b>	<b>593</b>	<b>-16%</b>	<b>501</b>	<b>0%</b>	<b>1,658</b>	<b>1,503</b>	<b>10%</b>
<i>PAT Margin as % to Revenue from operations</i>	<i>13.7%</i>	<i>15.7%</i>		<i>13.8%</i>		<i>14.5%</i>	<i>13.9%</i>	

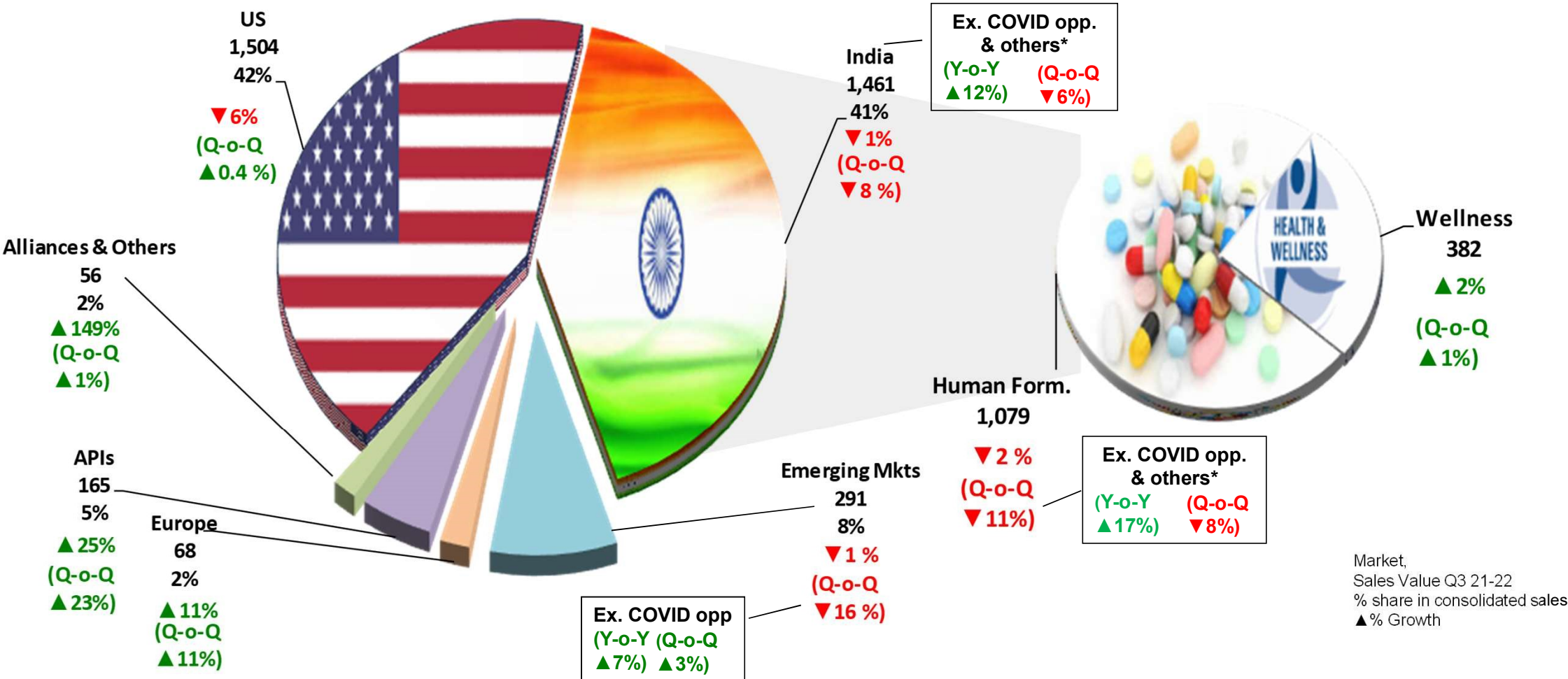
1. Reduction in GC margins is mainly due to pricing pressure in US business and input cost increase.
2. De-growth in employee benefits expenses is mainly due to closure of manufacturing facilities (Nesher and Hercon).
3. Increase in finance cost is mainly due to increase in INR borrowings which is more than offset by interest income and other treasury income - both shown in Other Income.

\* Excludes Research related expenses

# PAT from discontinued operations represents PAT from discontinued operations during the period and gain on divestment of Animal Health Established Markets Undertaking of INR 2,491 Crores (net of tax expenses) in Q2 FY22.

# Business wise Sales Q3 FY22

INR Crores

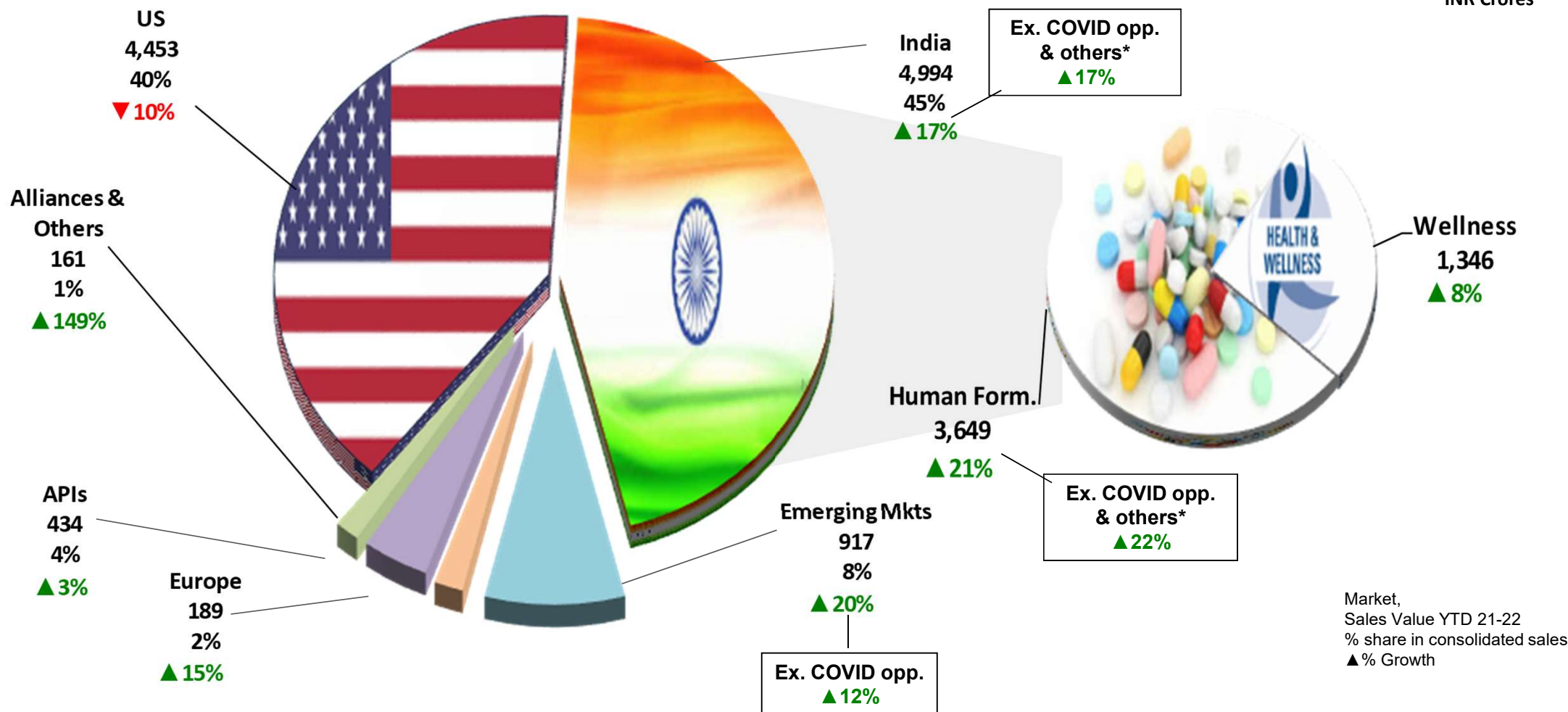


\* Others include generics business and divested brands in human formulation business in India

Market,  
Sales Value Q3 21-22  
% share in consolidated sales  
▲ % Growth

# Business wise Sales YTD FY22

INR Crores

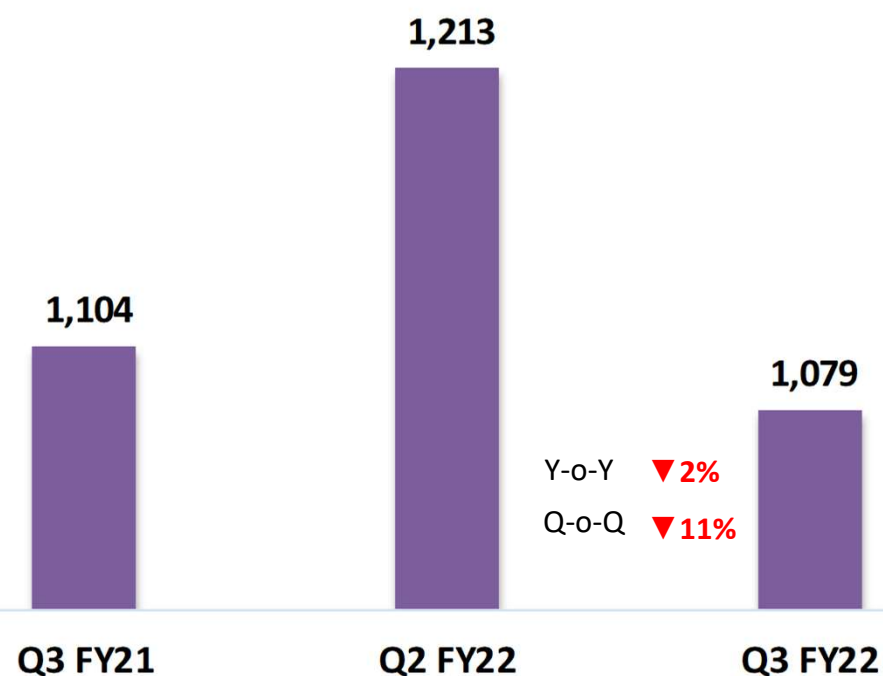


\* Others include generics business and divested brands in human formulation business in India

# India Geography: Human health formulations business

INR Crores

## Quarterly Revenue



## Highlights

- Gained market share in our core therapies of anti-diabetic, cardiovascular, gynecology and anti-infective therapeutic area on a y-o-y basis.
  - Lipaglyn catapulted among the top 100 brands and was ranked 92<sup>nd</sup>\* in Indian pharma market. This is a jump of 183 ranks i.e. from 275 to 92 during the current quarter.
  - On the super specialty front continued to retain leadership position\* in the Nephrology segment and in the oncology space, we were the fastest growing company in India.
- The business posted a strong growth of 17% on a y-o-y basis excluding sales of COVID opportunities, generics portfolio and divested products.

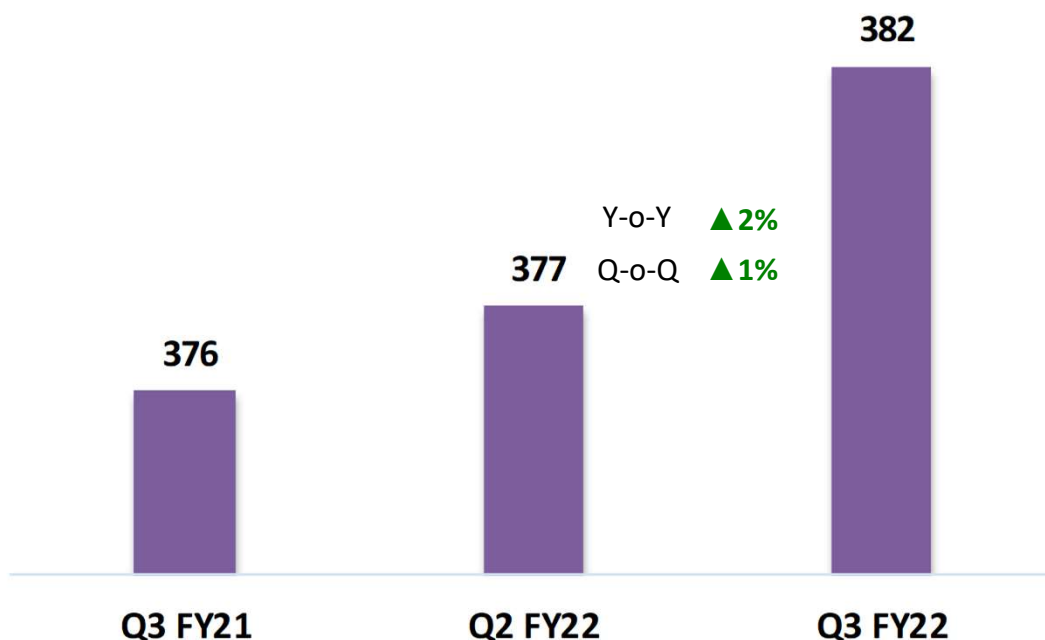
\* (Source: AWACS)



# India Geography: Consumer Wellness

INR Crores

## Quarterly Revenue



## Highlights

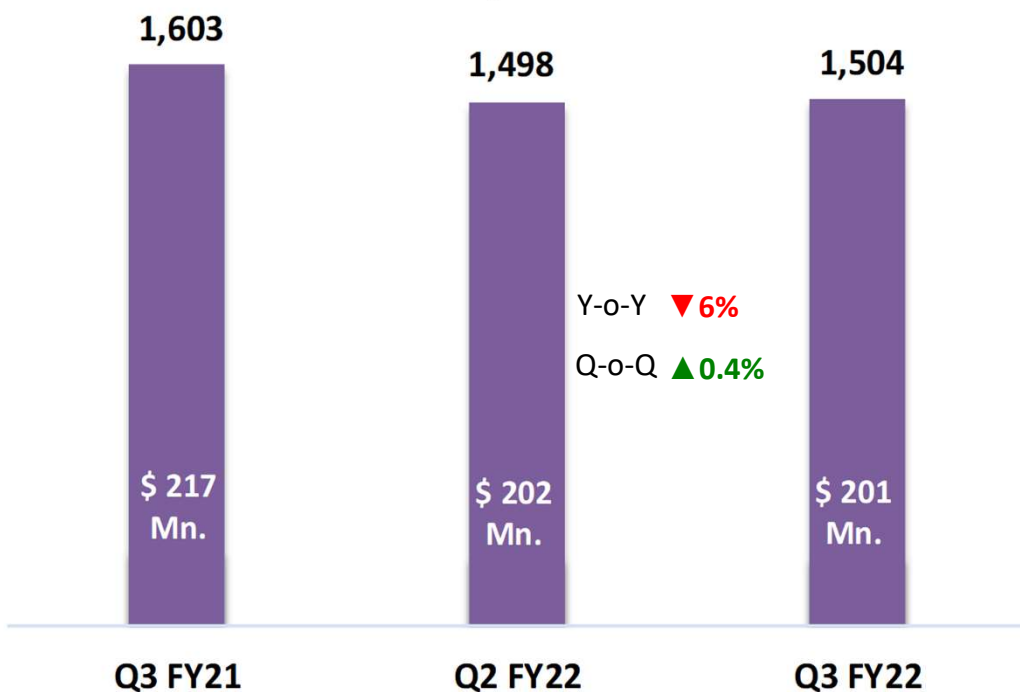
- 5 out of 7 brands maintained their leadership position in their respective categories.
- The business experienced lower growth in sales due to:
  - High base during previous year comparable period which was accentuated by slowdown in rural growth.
  - Implementation of a continuous replenishment process as part of the IBP tool. This has resulted in lower inventory level and better availability of fresh stocks with the consumers.
- To counter commodity inflation, the price hike taken in key brands towards the end of Q2 FY22 helped in protecting the gross margins during the quarter.

IBP = Integrated Business Planning

# US Formulations Business

INR Crores

## Quarterly Revenue



## Highlights

- On a q-o-q basis the business remained flat despite continued pricing pressure in the market and decline in sales of Mesalamine products as it managed to gain volumes in other existing and new products.
- Launched 3 new products including “Nelarabine injection” for which 180 days of exclusivity was granted and product was launched immediately upon approval.
- 12 ANDAs filled including first drug-device combination product on NCE-1 date, 2 products as single source and 2 products as limited competition products.

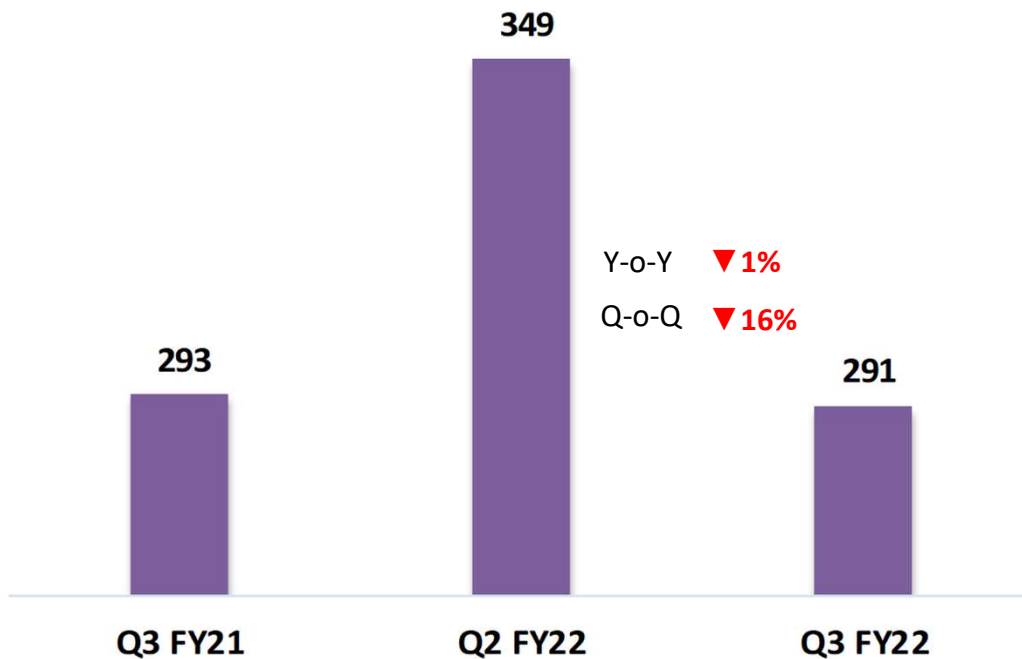
	ANDAs	Q3 FY22	YTD FY22
Fillings		12	25
Approvals		9*	25^

\* inclusive of 5 tentative approval, ^ inclusive of 12 tentative approvals.

# Emerging Markets

INR Crores

## Quarterly Revenue



## Highlights

- Due to its presence in diverse geographies, the business managed to overcome challenges emerging out of political and economic uncertainty in some of the markets as these were offset by strong growth in other markets.
  - New products dossiers filing in Q3'22:
    - 3 with the Brazilian Regulatory authority
    - 4 with Mexican regulatory authority
- Emerging Markets business posted a growth of 7% on a Y-o-Y basis excluding COVID opportunities.

# ZyCov-D Vaccine Update

Received an order from the Government of India to supply 1 crore doses of the vaccine. Already started the supplies of the vaccine to the Government of India against their order.

Supply of commercial batches of drug substance of the vaccine from the facility of Shilpa Medicare Limited shall begin from the current month which will help meet demand.

Lancet has accepted our submission of the interim analysis of Phase III clinical trial results of ZyCov-D vaccine for publication.

Entered into a manufacturing license and technology transfer agreement for ZyCov-D with Enzychem Lifesciences of South Korea.

Partnership with Enzychem Lifesciences will lead to manufacturing of over 80 million doses of the vaccine in 2022. These doses will be supplied in South Korea and a number of countries in Latin America and Asia.

# Updates on Innovation

## NCE: Saroglitazar Magnesium

- Initiated a global pivotal Phase II(b)/III CT viz. EPICS-III™ to evaluate its efficacy and safety in patients with PBC for the US market.
- Phase II(a) results of EPICS CTs published in the journal of Hepatology demonstrated that molecule holds immense potential based on its safety and efficacy profile.
- Initiated enrolment of patients for EVIDENCES-X, another global pivotal Phase II(b) CT to evaluate the efficacy and safety of the molecule in subjects with NASH and Fibrosis indications.

## NCE: Desidustat

- Submitted an NDA of the molecule to DCGI for treatment of anemia in patients with CKD both on Dialysis and not on Dialysis. This molecule will further consolidate our leadership position in the Indian nephrology market.

## NCE: Anti-malarial compound ZY19489

- The molecule which is being developed in collaboration with Medicines for Malaria Venture (MMV); received an ODD from the USFDA.
- ZY19489 is active against all current clinical strains of *P. falciparum* and *P. vivax*, including drug resistant strains. Phase- I study has shown long half-life and potential for a single-dose cure for malaria.

# Updates on Innovation

## **NCE: ZYIL1**

- Received regulatory permission to initiate Phase II(a) CTs in patients with CAPS in Australia.

## **Biosimilars and novel biologics**

- Completed Phase III CTs for one mAb and received the permission from DCGI to initiate Phase III CTs for one mAb.
- Submitted an application to RCGM to conduct pre-clinical toxicity studies for one product.
- On the novel biologics front, a humanized monoclonal antibody designed to downregulate the alternative complement pathway; completed a critical non-human primate PK/PD study and established that the molecule has a good PK/PD and safety profile.

## **505(b)(2) and Specialty initiatives**

- Under the rolling submission, an initial module of an NDA of CUTX 101 was filed with the USFDA; approval likely by the end of CY22.
- Received a clearance from the USFDA for an IND application for a pain management product; NDA is expected to be filed by the end of FY22.
- Concluded preNDA meetings with the USFDA for 2 products in the area of metabolic disorder and submitted a pIND meeting request for 1 product in the orphan space.



# Thank you

# Glossary

- Revenue from operations represents Sales and other operating revenues.
- Net debt: It is defined as the sum of long-term borrowings, short-term borrowings, minus cash and cash equivalents, current investments, and other bank balances.
- EBIDTA: Earnings before interest, depreciation, taxation and amortization and it includes other operating revenues and excludes other income for the relevant period.
- EBIDTA Margin: Its calculated by dividing EBIDTA for the relevant period by Revenue from operations.
- Gross Contribution Margin: Its computed by dividing revenue from operations minus material cost for the relevant period by revenue from operations for the relevant period multiplied by 100.
- PAT: It represents Net Profit after Non-Controlling Interests.



# Details of other operating income, other income and foreign exchange fluctuations

<b>Other Operating Income</b>						
<b>Particulars</b> <i>INR Crores</i>	<b>Q3 FY22</b>	<b>Q3 FY21</b>	<b>Y-o-Y Growth</b>	<b>YTD FY22</b>	<b>YTD FY21</b>	<b>Y-o-Y Growth</b>
Export Incentive	17	10	68.3%	37	107	-65.1%
Exchange Rate Fluctuations	18	0		97	0	
Processing Income	10	6	81.8%	23	17	34.7%
Others	65	26	153.4%	159	66	141.4%
<b>Total other operating income</b>	<b>111</b>	<b>42</b>	<b>166.4%</b>	<b>316</b>	<b>190</b>	<b>66.8%</b>
<b>Other Income</b>						
<b>Particulars</b> <i>INR Crores</i>	<b>Q3 FY22</b>	<b>Q3 FY21</b>	<b>Y-o-Y Growth</b>	<b>YTD FY22</b>	<b>YTD FY21</b>	<b>Y-o-Y Growth</b>
Dividend and Interest Income	19	15	26.8%	43	43	-0.8%
Exchange Rate Fluctuations	13	2		45	2	
Profit on sale of Investments	26	2		51	8	
Others	2	8	-70.5%	7	25	-70.0%
<b>Total other income</b>	<b>61</b>	<b>27</b>	<b>123.5%</b>	<b>146</b>	<b>77</b>	<b>88.6%</b>
<b>Details of foreign exchange fluctuations</b>						
<b>Particulars</b> <i>INR Crores</i>	<b>Q3 FY22</b>	<b>Q3 FY21</b>	<b>Y-o-Y Growth</b>	<b>YTD FY22</b>	<b>YTD FY21</b>	<b>Y-o-Y Growth</b>
A. On operating transactions (above EBIDTA line)	-18	5	-430%	-95	8	
a. Included in other operating income	-18	-		-97	-	
b. Included in cost of goods	-0	1	-104%	2	-3	162%
c. Included in other operating expenses	-	5	-100%	-	11	-100%
B. On other non-operating income	-13	-2	-671%	-45	-2	
C. On foreign currency borrowings (part of interest cost)	-	1	-100%	-	-7	100%
<b>Total Foreign Currency Fluctuations (+ = loss, - = gain)</b>	<b>-31</b>	<b>4</b>	<b>-827%</b>	<b>-140</b>	<b>-0</b>	