February 9, 2024

Listing Department **Code: *532321***
BSE LIMITED
P J Towers, Dalal Street,
Mumbai–400 001

Listing Department **Code: *ZYDUSLIFE***
NATIONAL STOCK EXCHANGE OF INDIA LIMITED
Exchange Plaza, C/1, Block G,
Bandra Kurla Complex,
Bandra (E),
Mumbai–400 051

Re: **Investor Presentation**

Dear Sir,

Please find attached the Investor Presentation on the unaudited financial results for the quarter / nine months ended on December 31, 2023.

Please find the same in order.

Thanking you,

Yours faithfully,
For, **ZYDUS LIFESCIENCES LIMITED**
DHAVAL NARENDRA SONI
Digitally signed by DHAVAL NARENDRA SONI
Date: 2024.02.09 13:08:23 +05'30'
DHAVAL N. SONI
COMPANY SECRETARY

Encl.: As above

Zydus Lifesciences Limited

Earnings Presentation: Q3 FY24

9th February, 2024

Disclaimer and Safe Harbor Statement

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Q3 FY24: At a Glance

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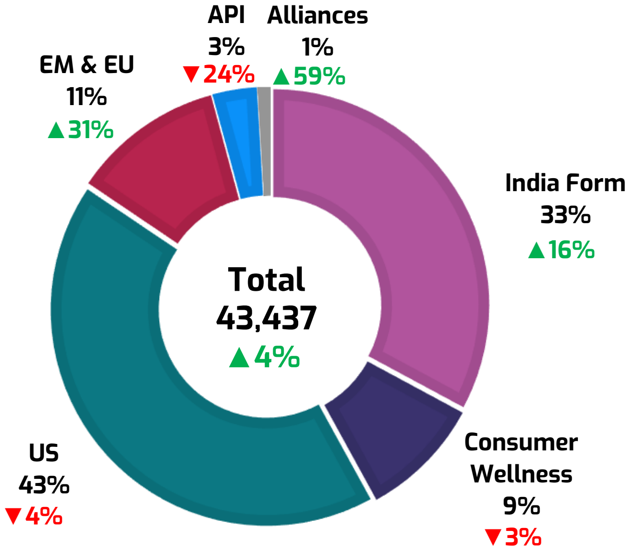
Revenues from Operations	R&D
Rs. 45,052 mn ↑ 6% YoY	**Rs. 3,146 mn** 7.0% of revenues

EBITDA & Margin %	Net Profit
Rs. 11,024 mn 24.5% of revenues ↑ 15%YoY	**Rs. 7,896 mn** ↑ 27% YoY

Business-wise Sales Break-up (Rs. mn) and YoY Growth



Highlights of Q3 FY24

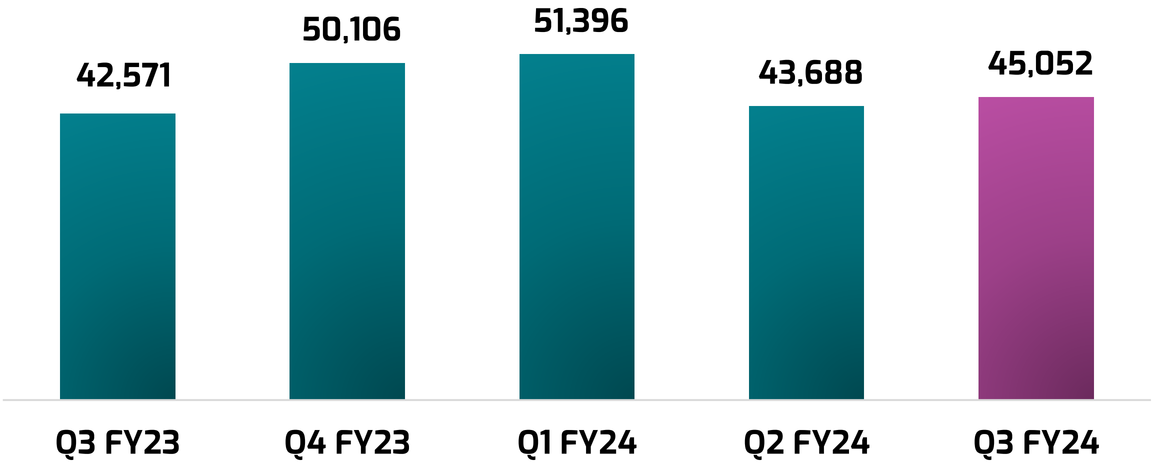
- Total revenues grew **6% YoY,** led by **India** and **EM& EU formulations** businesses.
- **India formulations** business delivered **strong double digit growth** on the back of **healthy volume growth** and **new product launches.**
- **Leading** brands of **Consumer Wellness** business viz. **Glucon-D, EverYuth Scrub & Peel off** and **Nycil gained market share** during the quarter.
- **US base** business displayed **robust momentum** with **sustained volume expansion** on a sequential basis **well supported** by **new launches.**
- **EM & EU formulations** business **sustained** the **growth momentum** and delivered **double digit growth** for **yet another quarter.**
- EBITDA margin stood at **24.5%, up 200 bps YoY.**
- Capex (organic) for the quarter: Rs. 2,137 mn.
- Net debt to EBITDA: (-) 0.3x (at 31-Dec'23) vs (-) 0.14x (at 31-Mar'23)

Key Board Meeting Updates

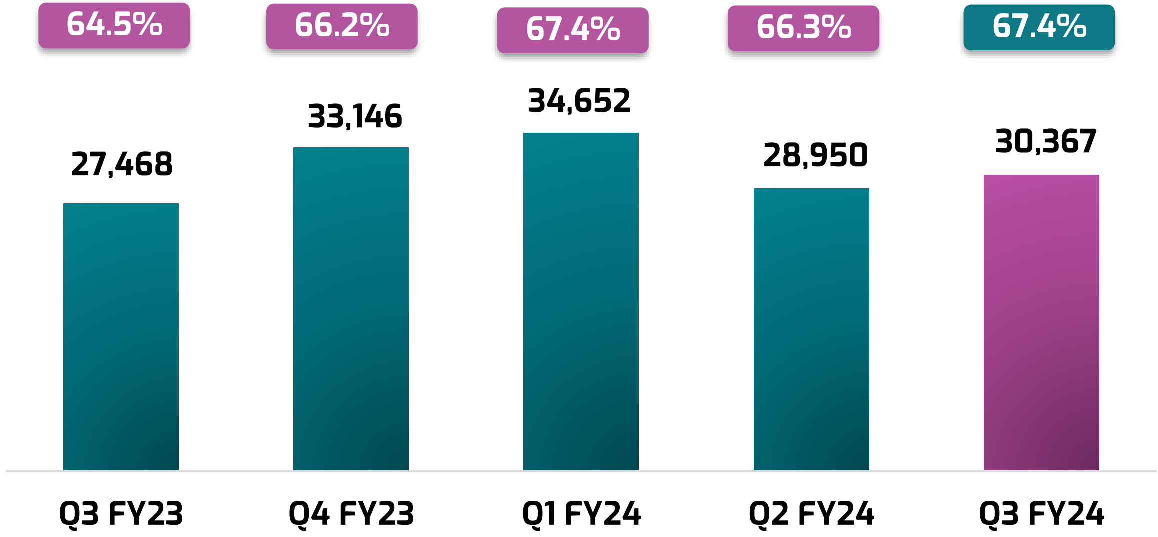
- The Board approved **buy-back** of upto **Rs. 6000 mn** at **Rs. 1005 per equity share** (25% premium to closing share price of 8th February, 2024).

Key Financial Metrics (1/2)

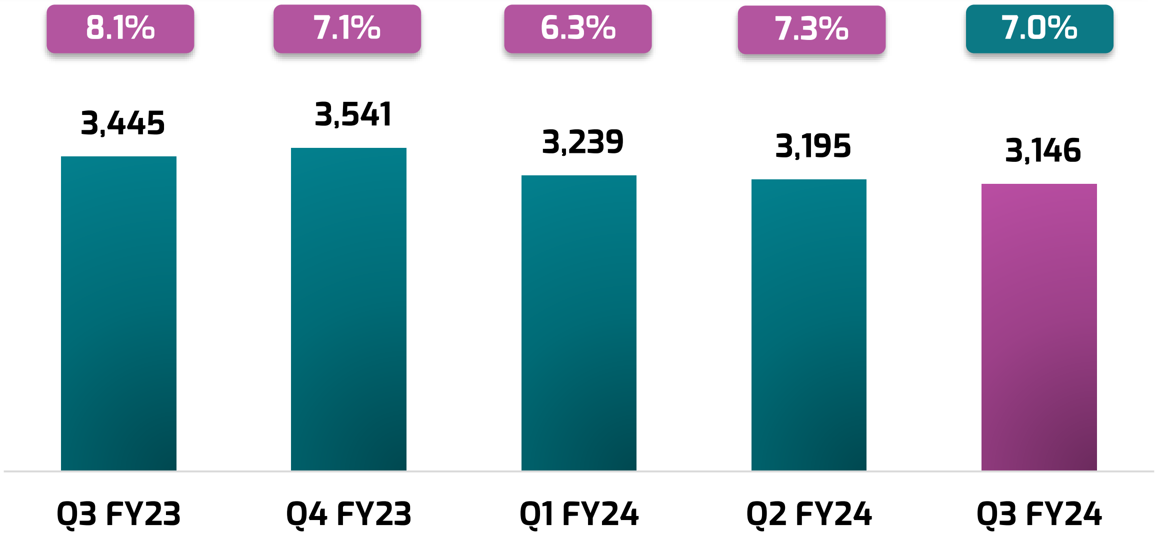
Total Revenues (Rs. mn)



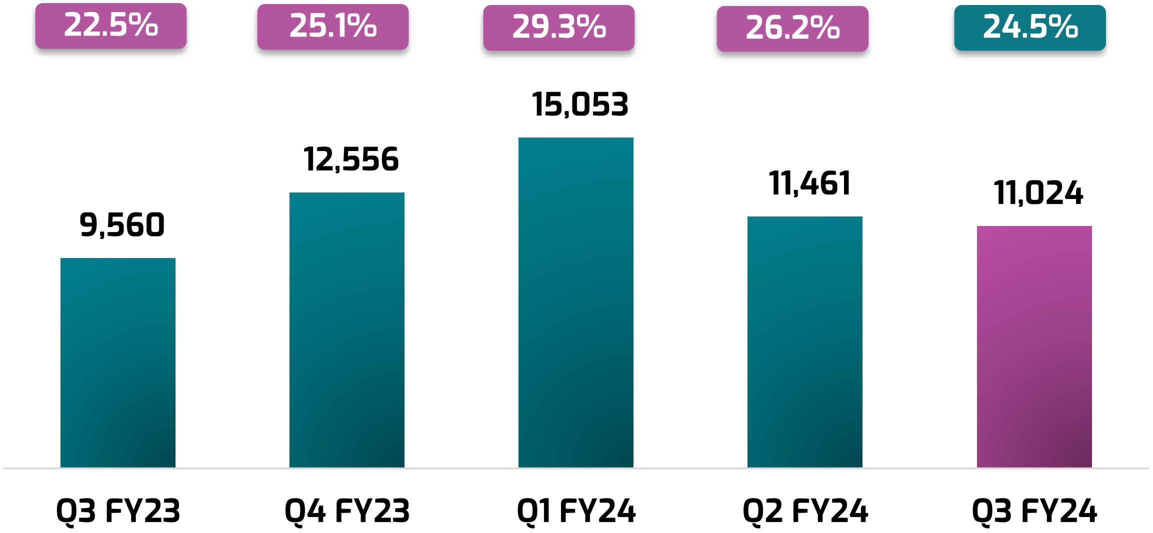
Gross Profit (Rs. mn) and Gross Margin %



Total R&D (Rs. mn) and % to Revenues

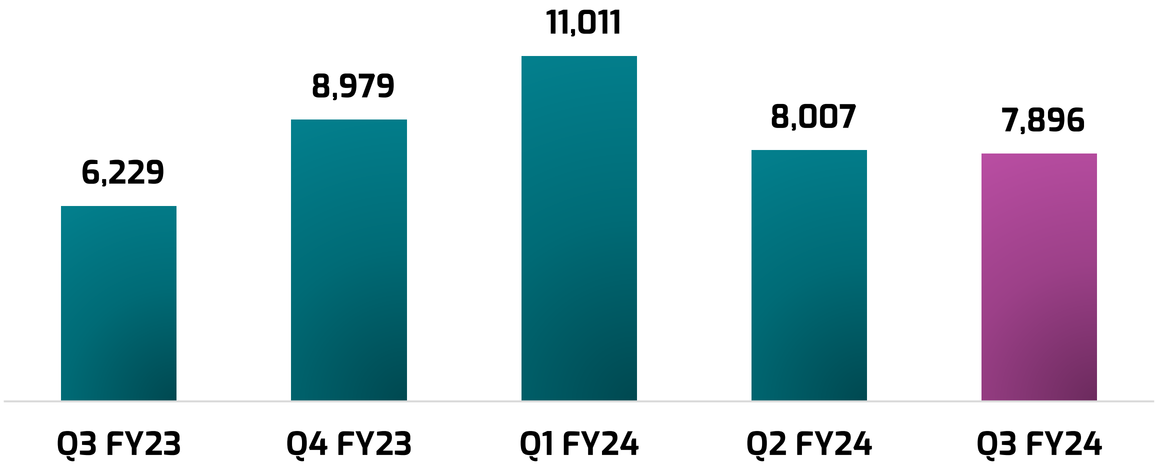


EBITDA (Rs. mn) and EBITDA Margin %

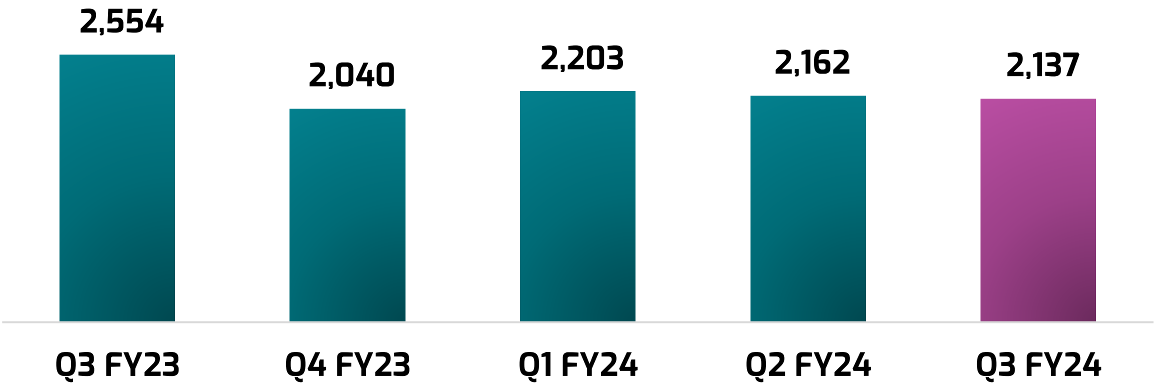


Key Financial Metrics (2/2)

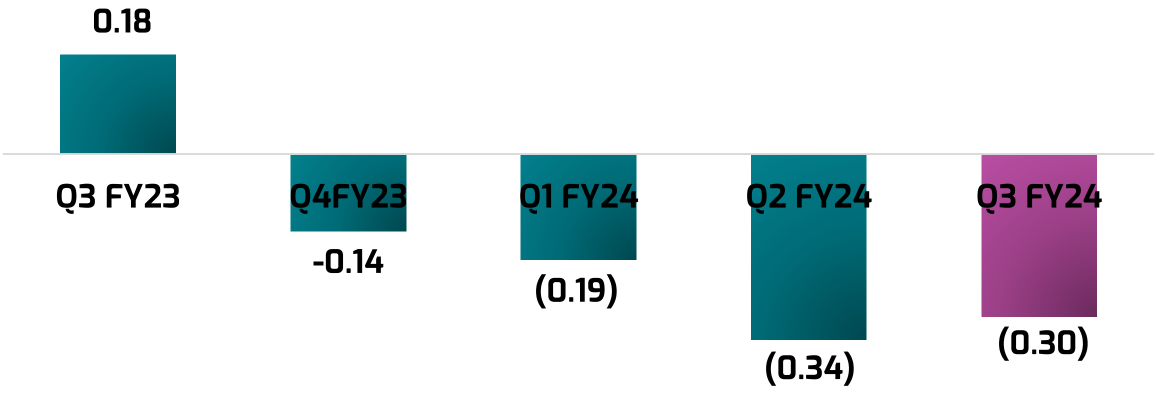
PAT ex. Exceptional (Rs. mn)



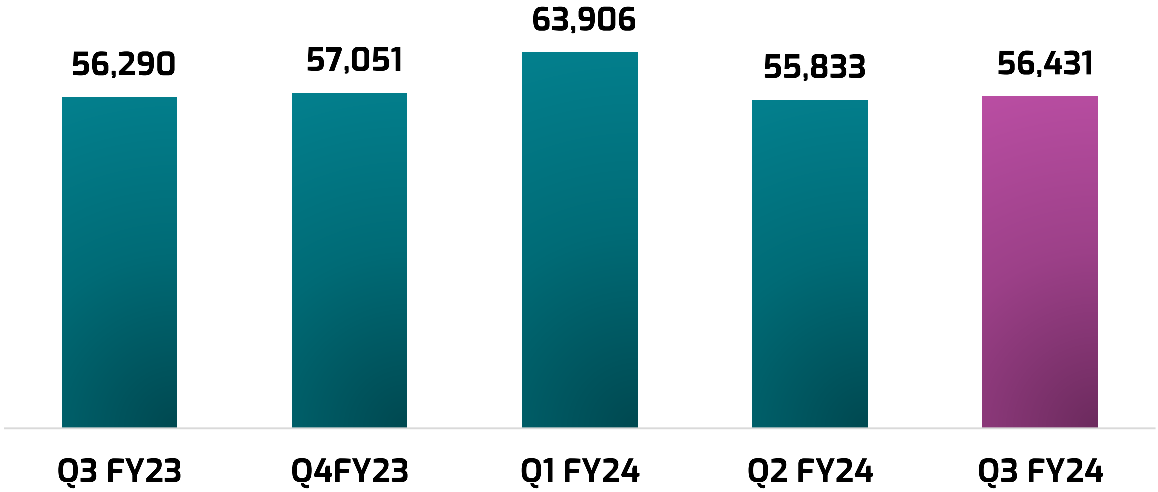
Organic Capex (Rs. mn)



Net Debt/ EBITDA



Net Working Capital* (Rs. mn)



*Net working capital includes Inventory, Trade receivables and Trade payables.

India Formulations business

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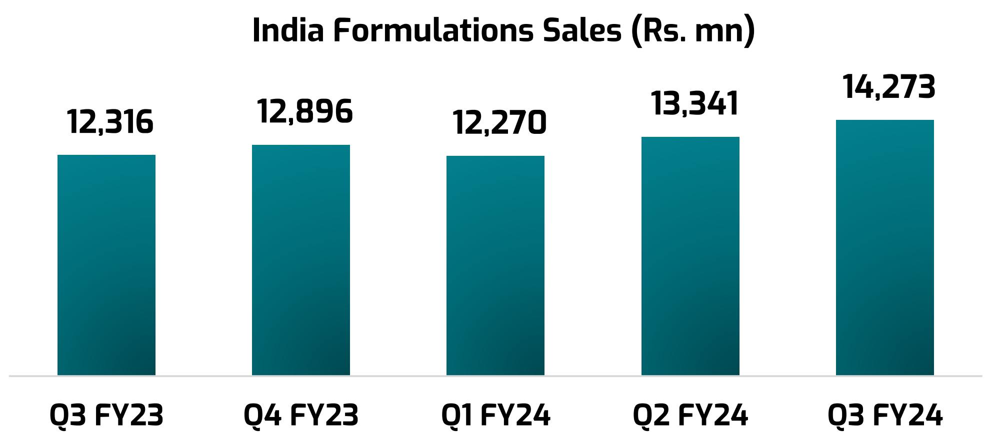
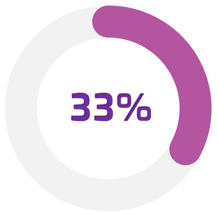
Strong volume uptake drove the growth



Q3 FY24 Revenue Contribution

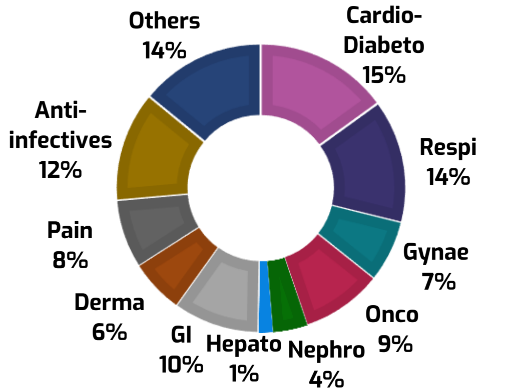


Q3 FY24 Gr.		
	YoY	15.9%
	QoQ	7.0%

Brand building - a key growth driver

Brand Value (Rs. Mn)*	# of Brands
1000+	8
500 to 1000	21
250 to 500	33

Therapy-wise Break-up*



Highlights for the quarter

- Branded business grew **faster** with **17% YoY growth.**

  Key pillar brands and **innovation portfolio** posted **strong volume growth** and drove the overall growth.

- **Gained rank** in **cardiac** and **anti-infective** therapies. Registered **improvement in market share** in **anti-diabetic** and **anti-infective** therapies.

- On the Super Specialty front,
  - Retained **leadership** position in the **nephrology** segment.
  - In the **oncology** segment, continued to grow at the **fastest pace.**

- **Chronic** portfolio **grew faster** than the market with **12% growth*** vs. **IPM growth of 11%*.**

  Share of **chronic** therapies in overall portfolio **went up by 136 bps*** in **CY23** to **41%***.

*Source: IQVIA MAT December 23

Consumer Wellness

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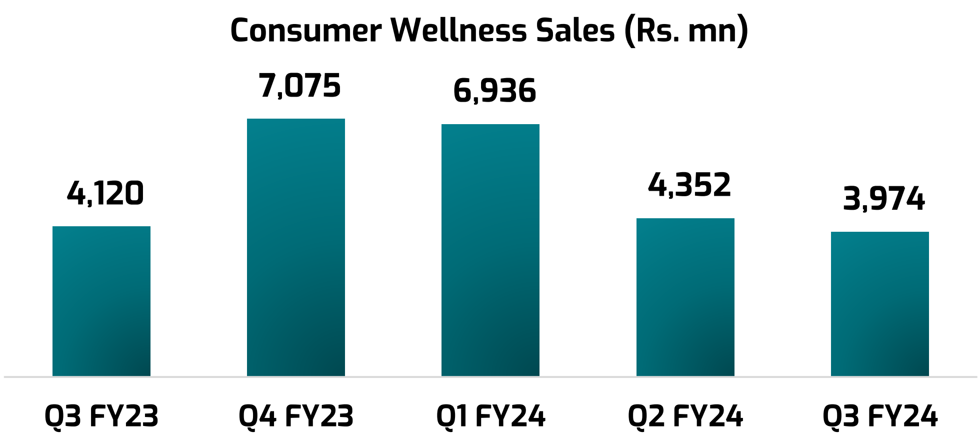
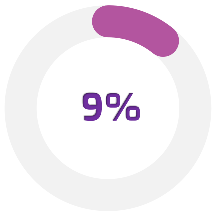
Category leading brands continued to gain market share



Q3 FY24 Revenue Contribution



Q3 FY24 Gr.	
YoY	-3.5%
QoQ	-8.7%

Key brands continued to hold dominant market share

Brand Name	Glucon-D	Nycil	Sugar Free	EverYuth naturals – Facial Cleansing *	EverYuth naturals – Scrub	EverYuth naturals – Peel Off	Complan
Market Share#	60.0%	35.1%	96.0%	6.2%	44.4%	79.5%	4.3%

Highlights for the quarter

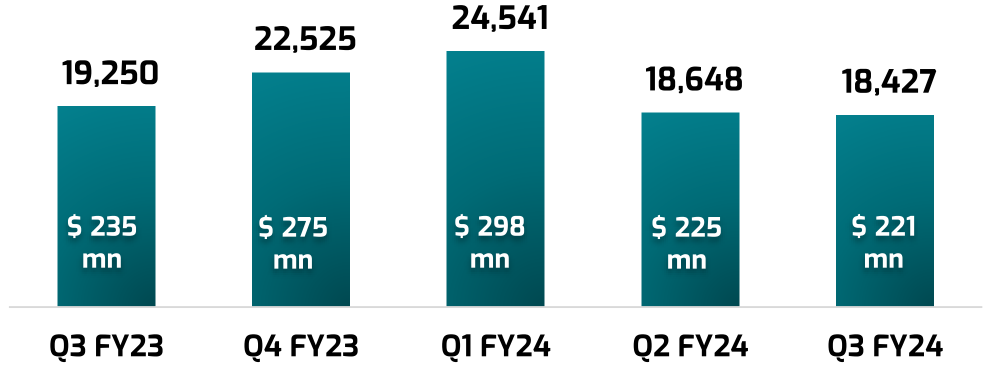
- FMCG sector witnessed **subdued demand** similar to previous quarter as **expected buoyancy** in demand from **rural** parts of the country **continued to lag.**
- Personal care segment, which comprises of **Nycil®** and **EverYuth®** brands, registered **yet another** quarter of **strong growth.**
- Gross margins **continued** the **upward journey** with an **improvement** both on a **sequential** and **YoY basis.**

#Source: Nielsen and IQVIA MAT December 2023 report
* Facial cleansing segment includes Face wash, Scrub and Peel-off.

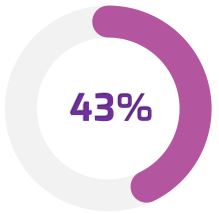
US Formulations business

Base business displayed sustained volume growth

US Formulations Sales (Rs. mn)



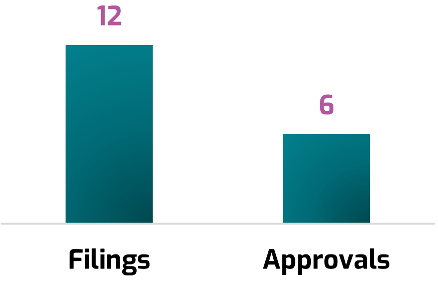
Q3 FY24 Revenue Contribution



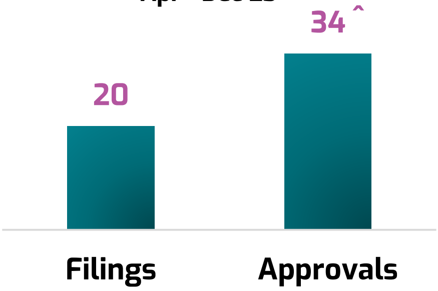
Q3 FY24 Gr.		
	YoY	-4.3%
	QoQ	-1.2%

Continued investment to build the generics pipeline

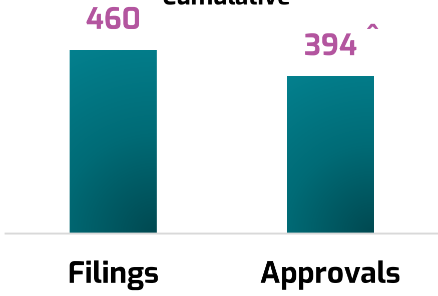
ANDA filings and approvals - Q3 FY24



ANDA filings and approvals - Apr - Dec 23



ANDA filings and approvals - Cumulative



^ includes 1 tentative approval during Apr – Dec 23 period and 21 tentative approvals on a cumulative basis.

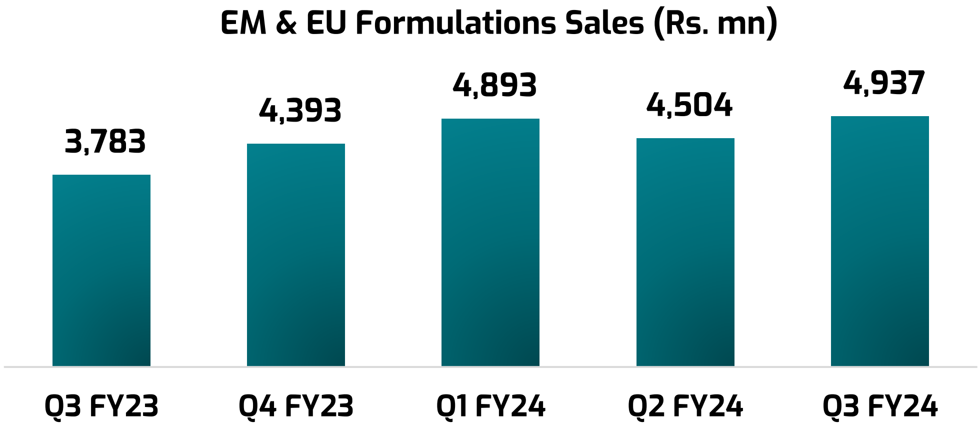
Highlights for the quarter

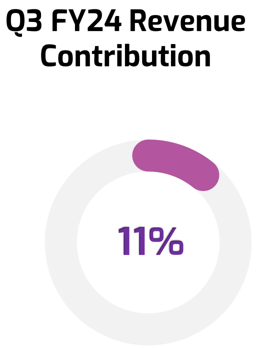
- **Profitability** of **base** business **improved** on the back of **sustained volume expansion** and **new product launches** made over the last 12 months.
- Launched **11 new products.**

  New launches include launch of **first 505(b)(2)** product viz. **Zituvio™** and **2 transdermal** products.
- **Filed 12 ANDAs** and received **final approval** for **6 new ANDAs.**

Emerging Markets & Europe Formulations business

All key markets continued to display strong momentum





Q3 FY24 Gr.	
YoY	30.5%
QoQ	9.6%

Highlights for the quarter

- All **major** markets of **Asia Pacific** region and **Africa** registered **robust double-digit growth.**
- **Demand** scenario remained **strong** in **Europe.** In **Mexico,** the business **continued** to **grow** in **double digits.**
- Focusing on **scaling up** operations in the **UK** by leveraging the **global R&D portfolio** of **differentiated** and **niche generics** as well as **specialty products.**

Updates on Innovation (1/2)

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NCE: Saroglitazar Magnesium

- Expect to complete recruitment of patients for Phase II(b)/ III clinical trials for PBC indication for the US market during the current quarter.
- Completed hepatic impairment studies in cirrhotic cholestatic patients and published the results of the study in CPDD.

NCE: ZYIL1 (NLRP3 inhibitor)

- Received permission from the USFDA to initiate Phase II clinical trials in patients with Parkinson's disease. The study will evaluate the safety, tolerability, pharmacokinetics and pharmacodynamics of the molecule in patients with Parkinson's disease.
- Phase II clinical trials are going on in India in patients with ALS indication. ALS is a rare, progressive and fatal neurodegenerative disease, with an average life expectancy of 3 to 5 years from the time of symptom onset.

NCE: ZY19489 (Anti-malarial)

- Completed Phase II clinical trials and submitted the protocol to DCGI to initiate Phase III clinical trials.

PBC – Primary Biliary Cholangitis, ALS – Amyotrophic Lateral Sclerosis, DCGI – Drug Controller General of India

Updates on Innovation (2/2)

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Biotech R&D

- The pipeline continues to advance with two mAbs awaiting marketing approvals in India.
- Two other products including one mAb are currently undergoing Phase III clinical trials in India.

Specialty Initiatives

- Completed asset transfer of CUTX-101, a Copper Histidinate product candidate for treatment of Menkes Disease from Cyprium Therapeutics.
- Acquired worldwide proprietary rights and the USFDA documents pertaining to CUTX-101 under the agreement.
- Rolling NDA submission of CUTX-101 is going on at present which is expected to be over during the current calendar year.

mAb – Monoclonal Antibody

Zydus at a Glance

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~$2.15 bn Global Revenues[1]

5th Largest generic Co. in US in terms of prescription[3]

7 R&D Centers
For NCE, APIs, Gx formulations, Biosimilars and Vaccines

>40% Revenues from India Geography (Formulations and wellness) in FY23

Among Top 3 In ~55% of product families marketed in US[4]

1st Approved product for NASH in India - (Bilypsa® - Saroglitazar)

$9.8 bn Market Capitalization[2]

8 Brands among Top 300 in India[5]

1st OSD formulation for anemia associated with CKD – Oxemia™ (Desidustat)

36 Mfg. sites having capabilities across dosage forms

>25 K Zydans globally incl. >1400 scientists (R&D)

22 Biosimilars in portfolio (incl. 3 ADCs), launched 13 products in India

1. In FY23, assuming exchange rate of Rs. 80.4 per USD
2. As on 8th February,2024, exchange rate of Rs. 83 per USD
3. IQVIA MAT December 2023 TRx
4. IQVIA MAT December 2023 TRx
5. As per IQVIA MAT December 2023

Consolidated Financial Performance (reported)

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Rs. mn	Q3 FY24	Q3 FY23	YoY gr.	Q2 FY24	QoQ gr.	9M FY24	9M FY23	YoY gr.
Total Income from Ops.	**45,052**	**42,571**	**5.8%**	**43,688**	**3.1%**	**1,40,136**	**1,22,268**	**14.6%**
Gross Contribution (GC)	30,367	27,466	10.6%	28,950	4.9%	93,969	76,127	23.4%
Gross Margin %	67.4%	64.5%		66.3%		67.1%	62.3%	
Employee benefits expenses *	7,354	6,282	17.1%	6,767	8.7%	20,645	18,320	12.7%
R&D expenses	3,146	3,446	-8.7%	3,195	-1.5%	9,580	8,822	8.6%
Other operating expenses *	9,050	9,231	-2.0%	8,349	8.4%	26,964	26,371	2.2%
Net (gain)/loss on foreign currency transactions	-206	-1,053	80.4%	-822	74.9%	-757	-3,429	77.9%
EBITDA	**11,024**	**9,560**	**15.3%**	**11,461**	**-3.8%**	**37,538**	**26,043**	**44.1%**
EBITDA Margin %	24.5%	22.5%		26.2%		26.8%	21.3%	
Other Income	377	385	-2.1%	540	-30.2%	1,277	1,488	-14.2%
Finance cost	198	328	-39.6%	87	127.6%	466	1,022	-54.4%
Depreciation and amortization	1,948	1,816	7.3%	1,842	5.8%	5,588	5,441	2.7%
PBT before exceptional items	**9,255**	**7,801**	**18.6%**	**10,072**	**-8.1%**	**32,761**	**21,068**	**55.5%**
Exceptional Expenses/ (Incomes)	-	-		-		142	29	389.7%
Profit before Tax	**9,255**	**7,801**	**18.6%**	**10,072**	**-8.1%**	**32,619**	**21,039**	**55.0%**
Tax expenses	2,138	1,952	9.5%	2,264	-5.6%	6,563	4,506	45.7%
Share of profit from JVs	564	459	22.9%	234	141.0%	1,013	828	22.3%
Profit/(loss) from discontinued ops.	218	4		-10		198	-24	925.0%
Minority Interest	3	83	-96.4%	25	-88.0%	495	700	-29.3%
Reported Net Profit	**7,896**	**6,229**	**26.8%**	**8,007**	**-1.4%**	**26,772**	**16,637**	**60.9%**

* Excludes Research related expenses

Details of Exchange Rate Fluctuations

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Rs. mn	Q3 FY24	Q3 FY23	YoY gr. %	9M FY24	9M FY23	YoY gr. %
A. On operating transactions (above EBITDA line)	**-228**	**-1,097**	**79.2%**	**-807**	**-3,639**	**77.8%**
a. Included in COGS	-22	-44	51%	-50	-210	76.4%
b. Part of other operating expenses (shown separately)	-206	-1,053		-757	-3,429	
B. On other income	**-**	**-17**	**100.0%**	**-**	**-253**	**100.0%**
C. On foreign currency borrowings (part of finance cost)				**4**	**1**	**300.0%**
Total Exchange Rate Fluctuations ('+' = loss, '-' = gain)	**-228**	**-1,114**	**79.6%**	**-803**	**-3,891**	**79.4%**

Thank you

For any queries, please contact
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Arvind.Bothra@zyduslife.com
+91-22-62711905

For more information, please visit:
www.zyduslife.com

www.linkedin.com/company/zyduslife

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Registered Office:

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Gujarat, India