



Dedicated To Life

November 11, 2022

Listing Department

BSE 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: ZYDUSLIFE

Re: **Investor Presentation**

Dear Sir,

Please find attached the Investor Presentation on the unaudited financial results for the quarter / half year ended on September 30, 2022.

Please find the same in order.

Thanking you,

Yours faithfully,

For, **ZYDUS LIFESCIENCES LIMITED**

DHAVAL N. SONI

COMPANY SECRETARY

Encl.: As above

Zydus Lifesciences Limited (formerly known as Cadila Healthcare Limited)

Regd. Office : 'Zydus Corporate Park', Scheme No. 63, Survey No. 536, Khoraj (Gandhinagar), Nr. Vaishnodevi Circle,
S. G. Highway, Ahmedabad-382 481, Gujarat, India. | Phone : +91-79-71800000, +91-79-48040000
website : www.zyduslife.com | CIN : L24230GJ1995PLC025878





Zydus Lifesciences Limited

Earnings Presentation

11th November, 2022

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Revenues from Operations*

Rs. 41,347 mn
 ↑ 10% YoY

R&D

Rs. 2,534 mn
 6.1% of revenues

EBITDA & Margin %

Rs. 8,153 mn
 19.7% of revenues
 ↓ 9% YoY

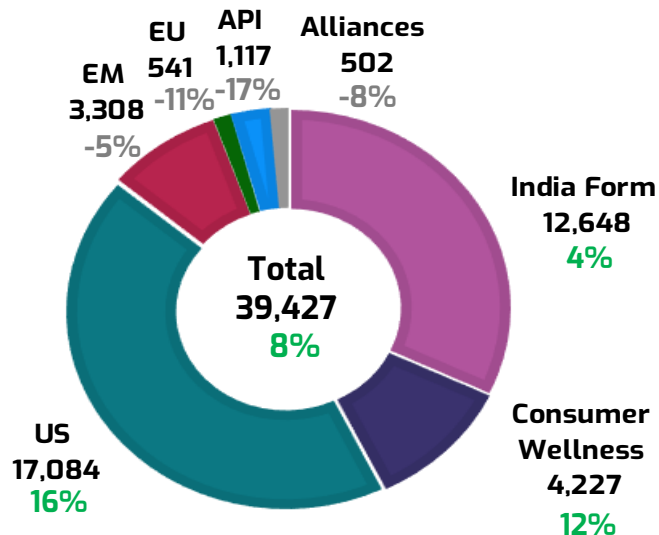
Net Profit

Rs. 5,225 mn

Highlights of Q2 FY23

- **Ex-COVID** related business, total revenues **grew 15% yoy**.
- **India formulations business** continued to progress well (**up 11% yoy**, ex-COVID) with **market share gain** in key therapies.
- **Consumer Wellness** business **continued** to post **double digit** growth.
- **US formulations** business continued to deliver **sequential improvement** in revenues, aided by **new launches**.
- EBITDA margin **adjusted for COVID related inventory provision** stood at **22.6%**.
- Net debt: Rs. 5,384 mn (at 30-Sep'22) vs (-)Rs. 632 mn (at 31-Mar'22).
- Capex (organic) for the quarter: Rs. 2,157 mn.

Revenue Break-up (Rs. mn) and YoY Growth



Moraiya receives EIR with VAI status

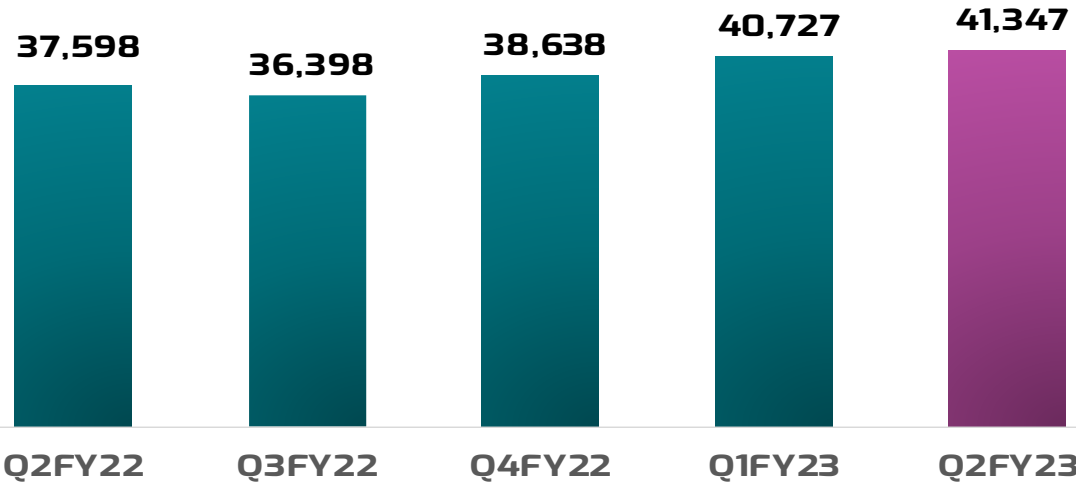
- Earlier, the USFDA inspected the facility from 26th July to 5th August, 2022 which concluded with four Form 483 observations.
- Post receipt of EIR with VAI classification, the inspection stands closed.

Note:

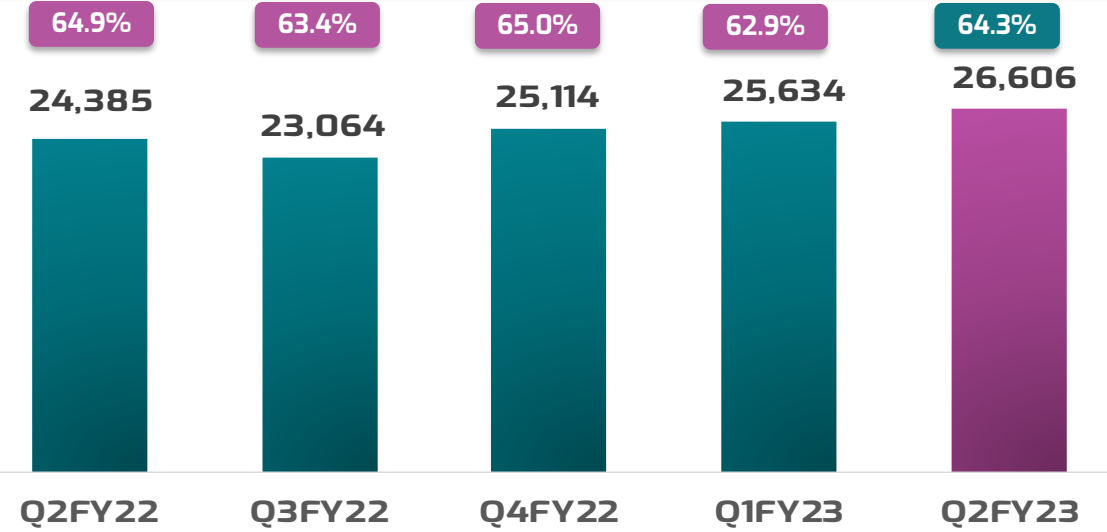
* Revenues from Operations include Net Sales and Other Operating Income.

Key Financial Metrics (1/2)

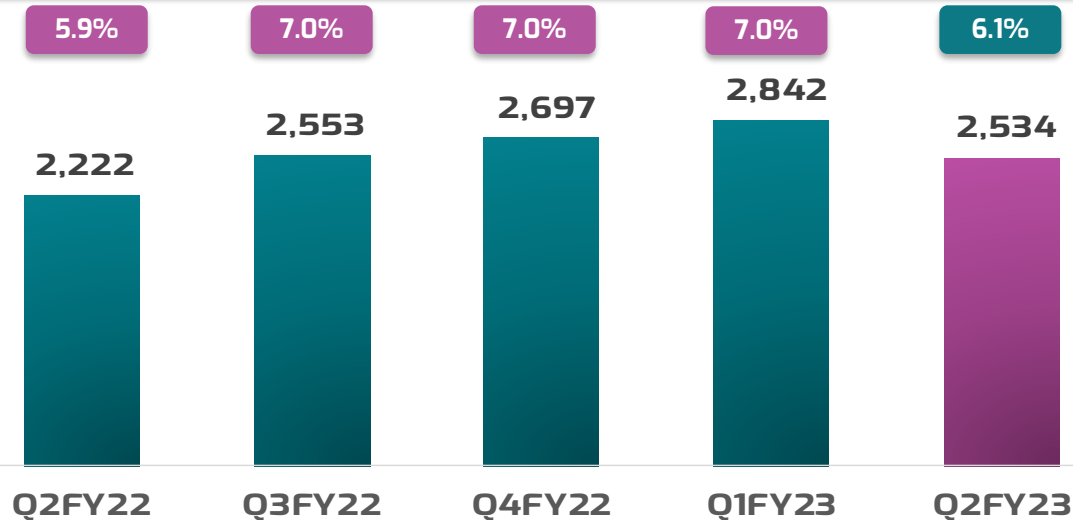
Total Revenues (Rs. mn)



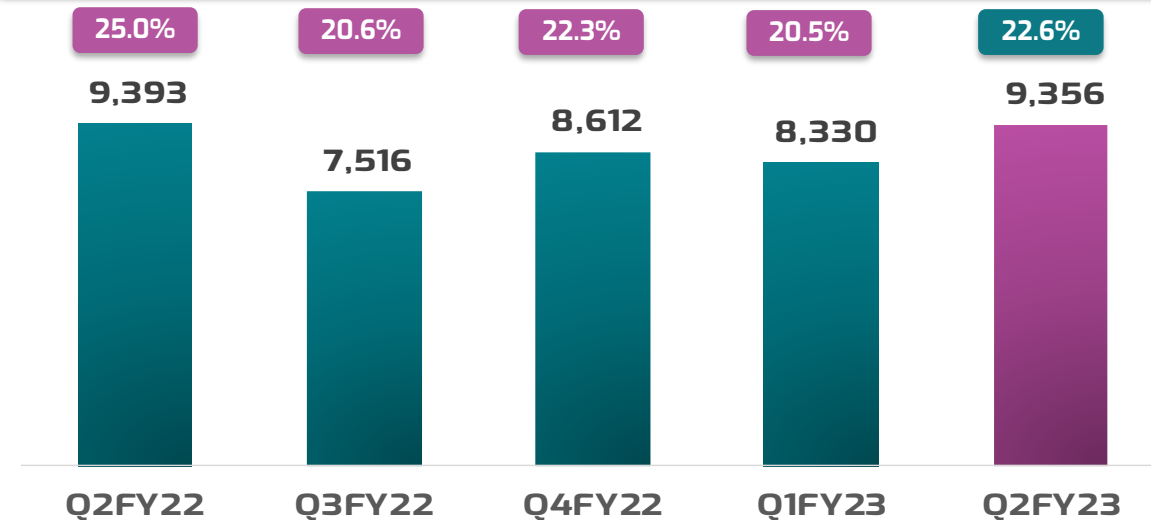
Gross Profit (Rs. mn) and Gross Margin % *



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



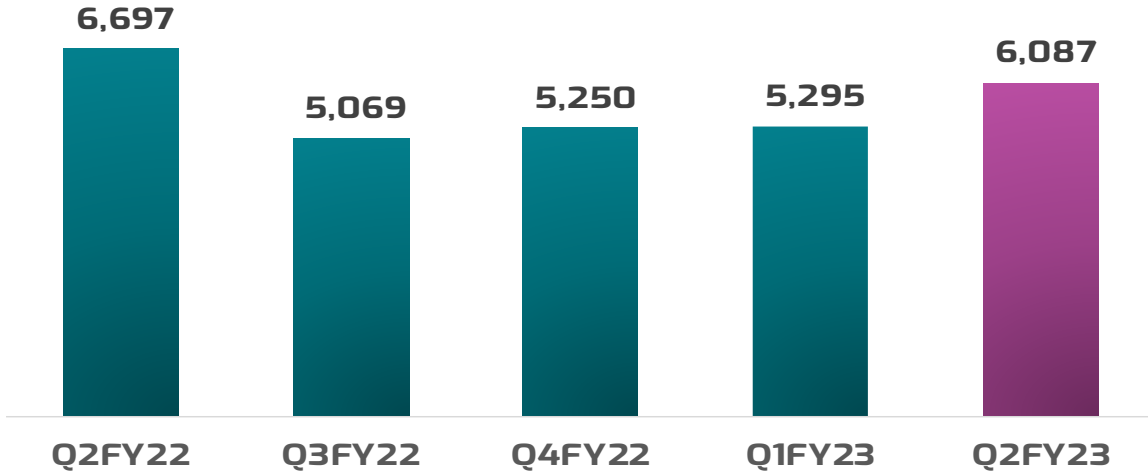
EBITDA (Rs. mn) and EBITDA Margin % *



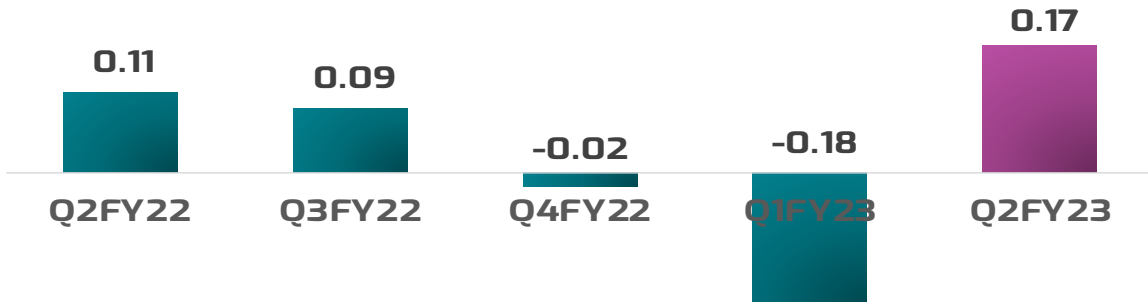
* Excludes COVID related inventory provision.

Key Financial Metrics (2/2)

PAT ex. Exceptional, One-offs and Discontinued ops.(Rs. mn)

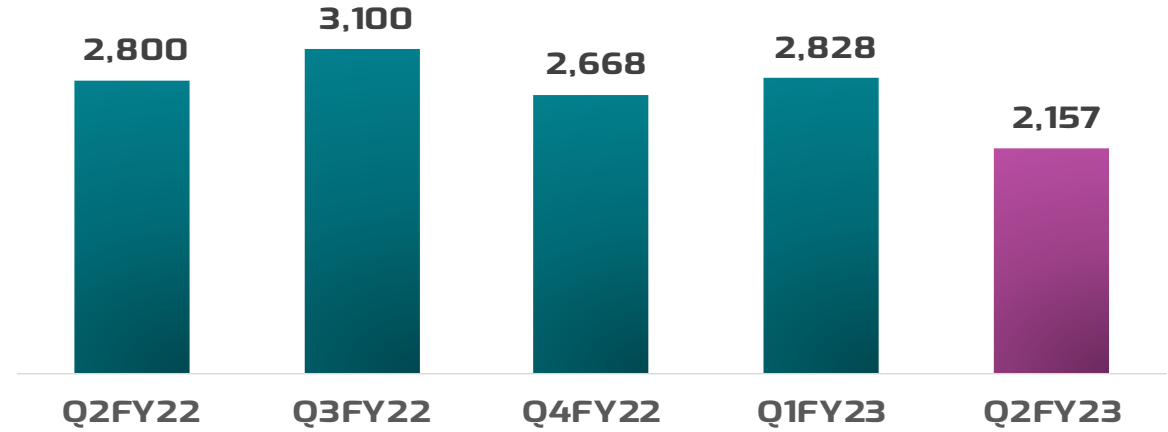


Net Debt/ EBITDA

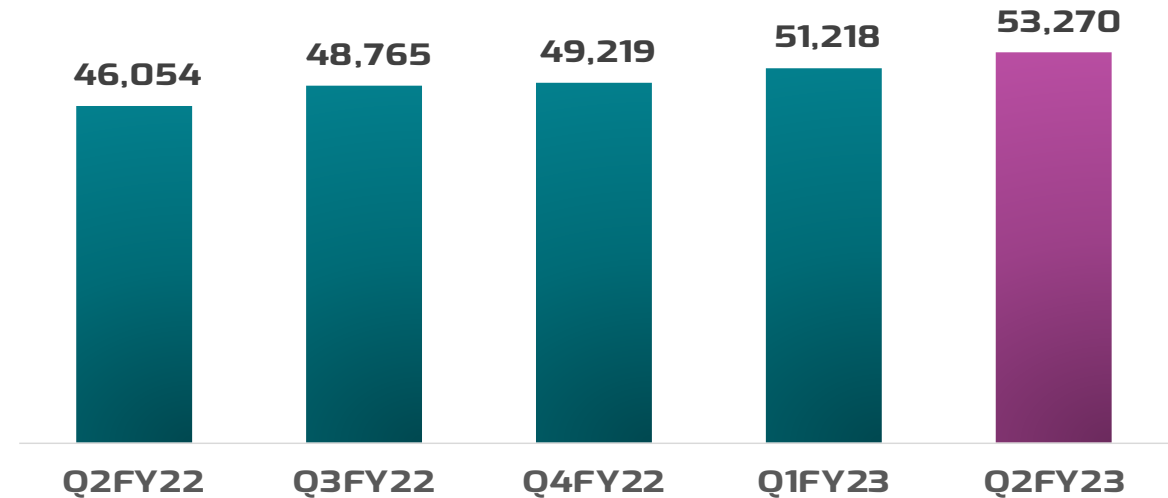


*Net working capital includes Inventory, Trade receivables and Trade payables.

Organic Capex (Rs. mn)

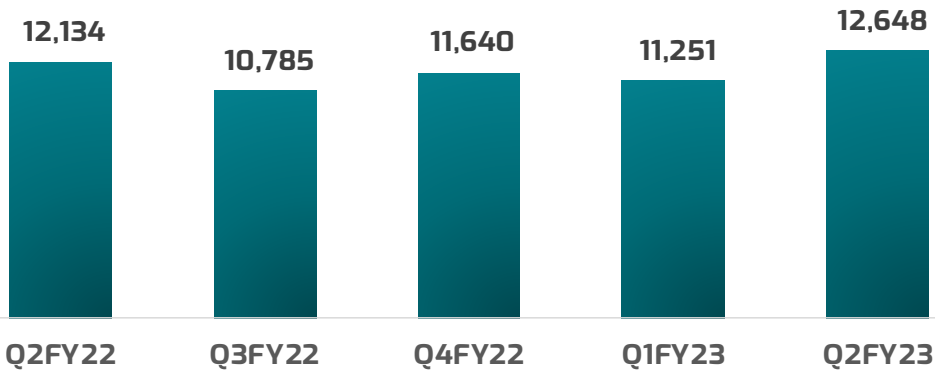


Net Working Capital* (Rs. mn)

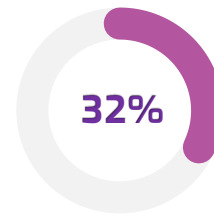


Sustained growth driven by robust performance across key therapies

India Formulation Sales (Rs. mn)



Q2 FY23 Revenue Contribution



Q2 FY23 Gr.

YoY

4.2%

QoQ

12.4%

Brand building - a key growth driver

of Brands

1000+

12

500 to 1000

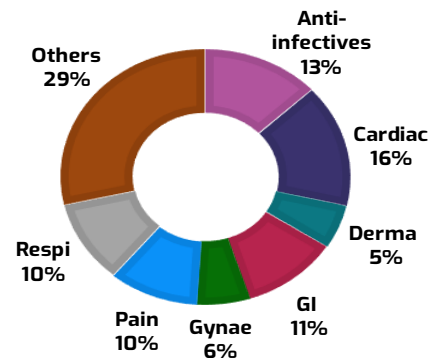
26

250 to 500

40

Brand Value (Rs. Mn)*

Therapy-wise Break-up*



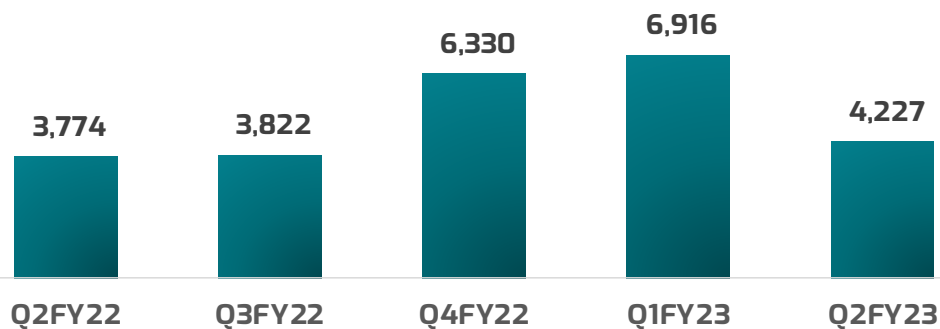
Highlights for the quarter

- The business **grew by 11% YoY**, ex-COVID opportunities, and divested products.
- Gained market share and improved ranking in key therapies viz. cardiovascular, gynecology, respiratory and gastro intestinal on a YoY basis#.
- Lipaglyn®** stood at **56th** position# in Indian Pharma Market (IPM) viz-a-viz 66th rank during Q1 FY23.

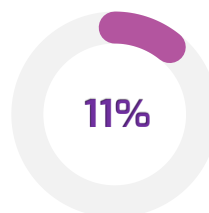
*Source: AWACS MAT Sep 22
#Source: AWACS Jul - Sep 22

Maintained growth momentum

Consumer Wellness Sales (Rs. mn)



Q2 FY23 Revenue Contribution



Q2 FY23 Gr.

YoY

12.0%

QoQ

-38.9%

Key brands continued to hold dominant market share

Brand Name



Market Share#

60.0%

35.0%

95.5%

6.5%

41.8%

75.7%

4.6%

Facial
Cleansing *

Scrub

Peel
Off

Highlights for the quarter

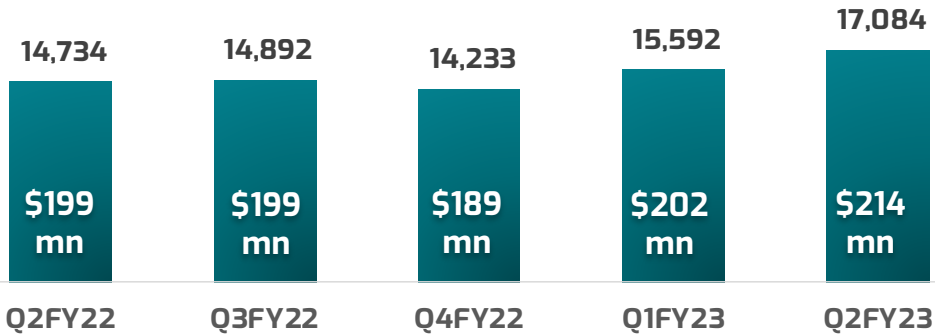
- **Growth** during the quarter was **led** by Glucon-D, Nycil and EverYuth brands..
- **Gross margins** were under **pressure** on account of **pricing pressure** in **key inputs**.
- Continue to take **price hikes** at a portfolio level to **mitigate pressure** on gross margins.
- Gross margins **likely to recover** over coming quarters.

#Source: Nielsen and IQVIA MAT September 2022 report

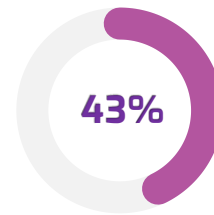
* Facial cleansing segment includes Face wash, Scrub and Peel-off.

Strengthening position by steady new launches

US Formulation Sales (Rs. mn)



Q2 FY23 Revenue Contribution



Q2 FY23 Gr.

YoY

15.9%

QoQ

9.6%

Continued investment to build the generics pipeline

ANDAs	Q2 FY23	H1 FY23	Cumulative
Filings	3	11	431
Approvals	15 [^]	22	326

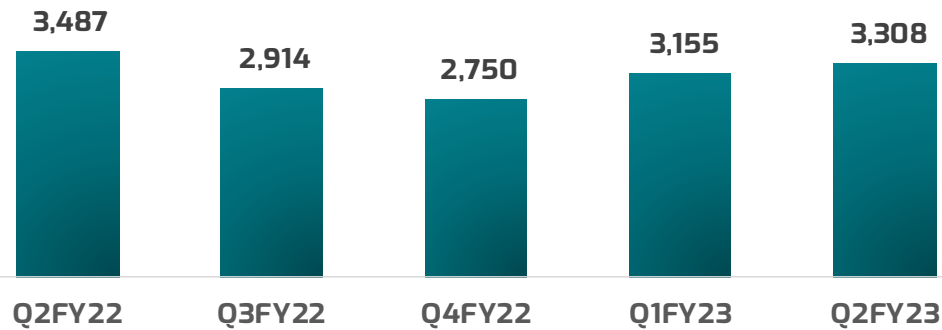
Highlights for the quarter

- Received **15 new product approvals** (incl. 2 tentative approvals) during the quarter.
- Launched **10 new products** (incl. g Revlimid) which **aided** growth momentum.
- Filed 3 ANDAs** during the quarter.
- 105 ANDAs** pending approval with the USFDA.

[^] includes 2 tentative approvals.

Base business continued to display robust growth

EM Formulation Sales (Rs. mn)



Q2 FY23 Gr.

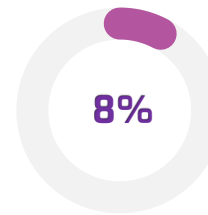
YoY

-5.1%

QoQ

4.8%

Q2 FY23 Revenue Contribution



Highlights for the quarter

- The business **grew by 24% YoY**, excluding revenue of COVID related products from the base.
- The business grew despite **challenging political** and **economic** scenario in some of the countries.

NCE: Saroglitazar Magnesium

- Submitted the results of hepatic impairment studies of the molecule in NASH and normal PBC patients to USFDA. Hepatic impairment studies in Cirrhotic Cholestatic patients is going on which is likely to be completed by the end of FY23.

NCE: Desidustat

- Completed Phase IV clinical trials in India in patients with CKD induced anaemia.
- The trials will enroll 1004 patients, half of them being dialysis dependent and the remaining half being independent of dialysis.

NCE: ZYIL1 (NLRP3 inhibitor)

- Achieved a positive Proof-of-Concept in Phase II clinical trials in patients with CAPS which is a rare, life long, auto-inflammatory condition.
- The study demonstrated rapid clinical improvement and remission within days when CAPS patients with flare ups were treated with ZYIL1.

NCE: ZY19489 (Anti-malarial)

- Received regulatory approval to initiate Phase II clinical trials in India.

Zydus at a Glance

>\$2
bn

Global Revenues¹

5th

Largest generic Co. in US
in terms of prescription³

7

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

Over
50%

Revenues from branded
business (India, EM and
Wellness)

Among
Top 3

In 60% of product
families marketed in US⁴

1st

Approved product for
NASH in India - (Bilypsa[®] -
Saroglitazar)

\$5.5
bn

Market Capitalization²

12

Brands among Top
300 in India⁵

1st

OSD formulation for anemia
associated with CKD –
Oxemia[™] (Desidustat)

35

Mfg. sites Producing
>28 bn pills annually

23 K

Zydans globally incl.
1400 scientists (R&D)

22

Biosimilars in portfolio
including 13 launched in
India

1. In FY22, assuming exchange rate of Rs. 74.5 per USD
2. As on 9th November, 2022, exchange rate of Rs. 82 per USD
3. IQVIA MAT September 2022 TRx

4. IQVIA MAT September 2022 TRx
5. As per AWACS MAT September 2022

Consolidated Financial Performance (reported)

Rs. mn	Q2 FY23	Q2 FY22	YoY gr.	Q1 FY23	QoQ gr.	H1 FY23	H1 FY22	YoY gr.
Total Income from Ops.	41,347	37,598	10.0%	40,727	1.5%	82,074	77,616	5.7%
Gross Contribution (GC)	25,403	23,988	5.9%	25,634	-0.9%	51,037	50,456	1.2%
Gross Margin %	61.4%	63.8%		62.9%		62.2%	65.0%	
Employee benefits expenses *	5,998	5,612	6.9%	6,042	-0.7%	12,040	11,286	6.7%
R&D expenses	2,534	2,222	14.0%	2,842	-10.8%	5,376	5,157	4.2%
Other operating expenses	8,719	7,159	21.8%	8,420	3.5%	17,139	15,299	12.0%
EBITDA	8,153	8,995	-9.4%	8,330	-2.1%	16,483	18,714	-11.9%
EBITDA Margin %	19.7%	23.9%		20.5%		20.1%	24.1%	
Other Income	444	533	-16.7%	659	-32.6%	1,103	849	29.9%
Finance cost	351	301	16.6%	343	2.3%	694	574	20.9%
Depreciation and amortization	1,818	1,773	2.5%	1,807	0.6%	3,625	3,506	3.4%
PBT before exceptional items	6,428	7,454	-13.8%	6,839	-6.0%	13,267	15,483	-14.3%
Exceptional Expenses/ (Incomes)	-	-1,127	100.0%	29	-100.0%	29	-1,127	102.6%
Profit before Tax	6,428	8,581	-25.1%	6,810	-5.6%	13,238	16,610	-20.3%
Tax expenses	1,370	1,357	1.0%	1,184	15.7%	2,554	2,931	-12.9%
Share of profit from JVs	148	123	20.3%	221	-33.0%	369	193	91.2%
Profit/(loss) from discontinued ops. #	55	22,772	-99.8%	-83	166.3%	-28	22,672	
Minority Interest	36	96	-62.5%	581	-93.8%	617	649	-4.9%
Reported Net Profit	5,225	30,023	-82.6%	5,183	0.8%	10,408	35,895	-71.0%

* Excludes Research related expenses

Discontinued operations refer to expenses incurred in connection with cessation of operations of one of the manufacturing facilities of Zydus Wellness Ltd.

Comments for Q2 FY23

- Adjusted for COVID related sales in Q2 FY22, YoY growth in total income from operations was 15%.
- YoY and QoQ decline in GC margin is largely attributable to COVID related inventory provision.
- YoY growth in other operating expenses is due to lower base.
- Adjusted for inventory provision, exceptional items and profit/(loss) from discontinued operations, Net Profit for the quarter stood at Rs. 6,087 mn, down 9% y-o-y.

Details of Exchange Rate Fluctuations

Rs. mn	Q2 FY23	Q2 FY22	YoY gr. %	H1 FY23	H1 FY22	YoY gr. %
A. On operating transactions (above EBIDTA line)	-1,374	-290	-373.7%	-2,542	-771	-230.0%
a. Included in other operating income	-1,294	-263	-392.0%	-2,377	-790	-200.9%
b. Included in COGS	-80	-27	-195.6%	-165	20	-947.7%
c. Included in other operating expenses	-	-		-	-	
B. On other income	-87	-133	34.6%	-236	-315	25.1%
C. On foreign currency borrowings (part of finance cost)	-	-		1	-	
Total Exchange Rate Fluctuations ('+' = loss, '-' = gain)	-1,461	-423	-245.3%	-2,777	-1,086	-155.9%



Date: **11th November, 2022, Friday**



Time: **3:00 PM IST** (Indian Standard Time)



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Thank you

For any queries, please contact
Arvind Bothra
Arvind.Bothra@zyduslife.com
+91-79-71800839

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

 www.linkedin.com/company/zyduslife



Registered Office:

Zydus Corporate Park, Scheme No. 63, Survey No. 536,
Khoraj (Gandhinagar), Nr. Vaishnodevi Circle,
Sarkhej-Gandhinagar Highway,
Ahmedabad – 382 481
Gujarat, India