



May 14, 2024

Listing Department

BSE LIMITED

P. J. Towers, Dalal Street,

Mumbai-400 001

Code: 531 335

Listing Department

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

Exchange Plaza, C/1, Block G,

Bandra Kurla Complex,

Bandra (E),

Mumbai-400 051

Code: ZYDUSWELL

Re: **Investor Presentation**

Dear Sir / Madam,

Please find attached the Investor Presentation on the audited financial results for the quarter and year ended on March 31, 2024.

Please find the same in order.

Thanking you,

Yours faithfully,

For, **ZYDUS WELLNESS LIMITED**

NANDISH P. JOSHI

COMPANY SECRETARY

Encl.: As above

Zydus Wellness Limited

Regd. Office: 'Zydus Corporate Park', Scheme No. 63, Survey No. 536, Khoraj (Gandhinagar), Nr. Vaishnodevi Circle, S. G. Highway, Ahmedabad – 382481, India.

Phone No.: +91-79-71800000; **Website:** www.zyduswellness.com

CIN: L15201GJ1994PLC023490

Q4 FY24 Earnings Presentation

May 14, 2024



Zydus
Wellness

Safe Harbour Statement

This presentation contains certain forward-looking statements including those describing Zydu Wellness's strategies, strategic direction, objectives, future prospects, estimates etc. Investors are cautioned that "forward looking statements" are based on certain expectations, assumptions, anticipated developments and other factors over which Zydu Wellness exercises no control. Hence, there is no representation, guarantee or warranty as to their accuracy, fairness or completeness of any information or opinion contained therein. Zydu Wellness undertakes no obligation to publicly update or revise any forward-looking statement. These statements involve a number of risks, uncertainties and other factors that could cause actual results or positions to differ materially from those that may be projected or implied by these forward-looking statements. Such risks and uncertainties include, but are not limited to: growth, competition, domestic and international economic conditions affecting demand, supply and price conditions in the various businesses in Zydu Wellness's portfolio, changes in Government regulations, tax regimes and other statutes. This document is a presentation and is not intended to be a prospectus or offer for sale of securities.

Agenda

Zydus Wellness:
A leading
Consumer Wellness
Company in India



Operating environment- Overview



Financial performance



Business Highlights



The Road Ahead



**Operating Environment – Overview
&
Financial Performance**



Gradual demand progression in select consumption spaces



Gradual demand uptick

- Demand trend shows a gradual progression in selected consumption spaces
- Rural demand growth is converging with urban
- Extended winters impacting some categories



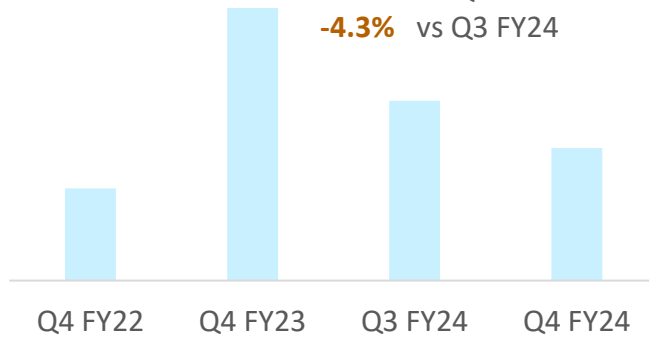
Mixed trend in Commodities

- Commodity rates on a rising trend sequentially for some key inputs while for others they continue to decline
- Overall low to negligible impact on gross margins

Key input rate trends towards recovery of Gross Margins

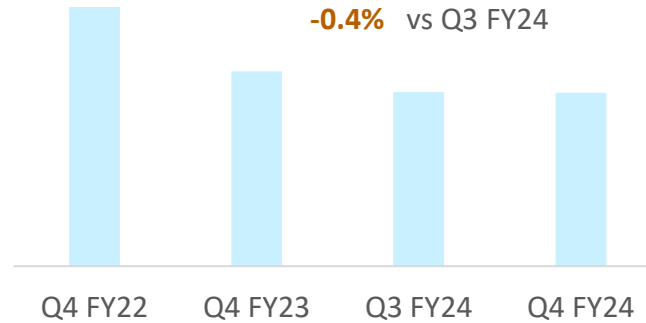
Milk

+3.9% vs Q4 FY22
-11.6% vs Q4 FY23
-4.3% vs Q3 FY24



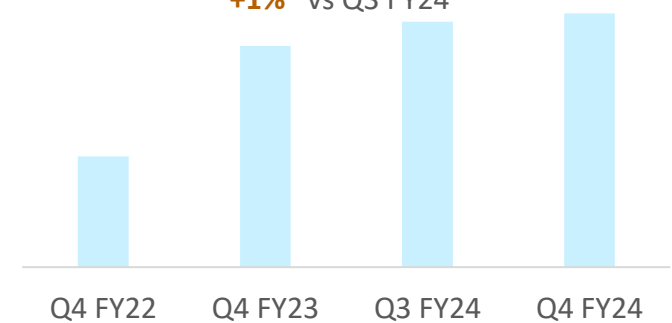
Edible oils*

-33% vs Q4 FY22
-11% vs Q4 FY23
-0.4% vs Q3 FY24



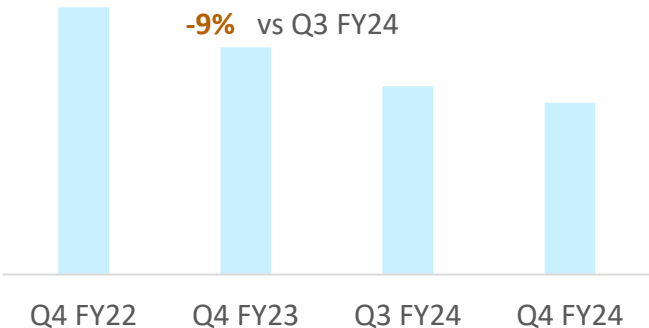
DMH*

+17% vs Q4 FY22
+3% vs Q4 FY23
+1% vs Q3 FY24



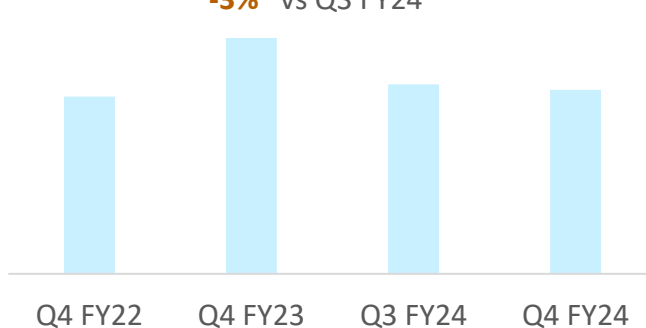
Aspartame

-36% vs Q4 FY22
-24% vs Q4 FY23
-9% vs Q3 FY24



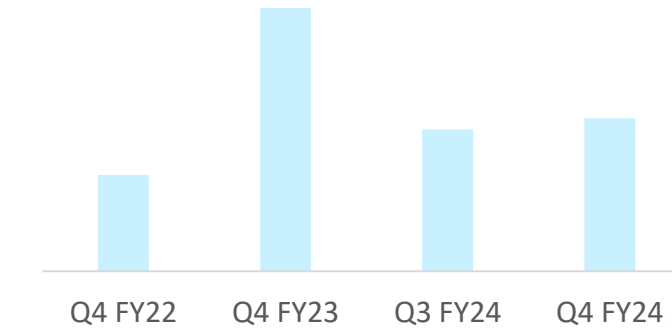
Stevia

+4% vs Q4 FY22
-22% vs Q4 FY23
-3% vs Q3 FY24



Diesel

+2% vs Q4 FY22
-4% vs Q4 FY23
+0.5% vs Q3 FY24

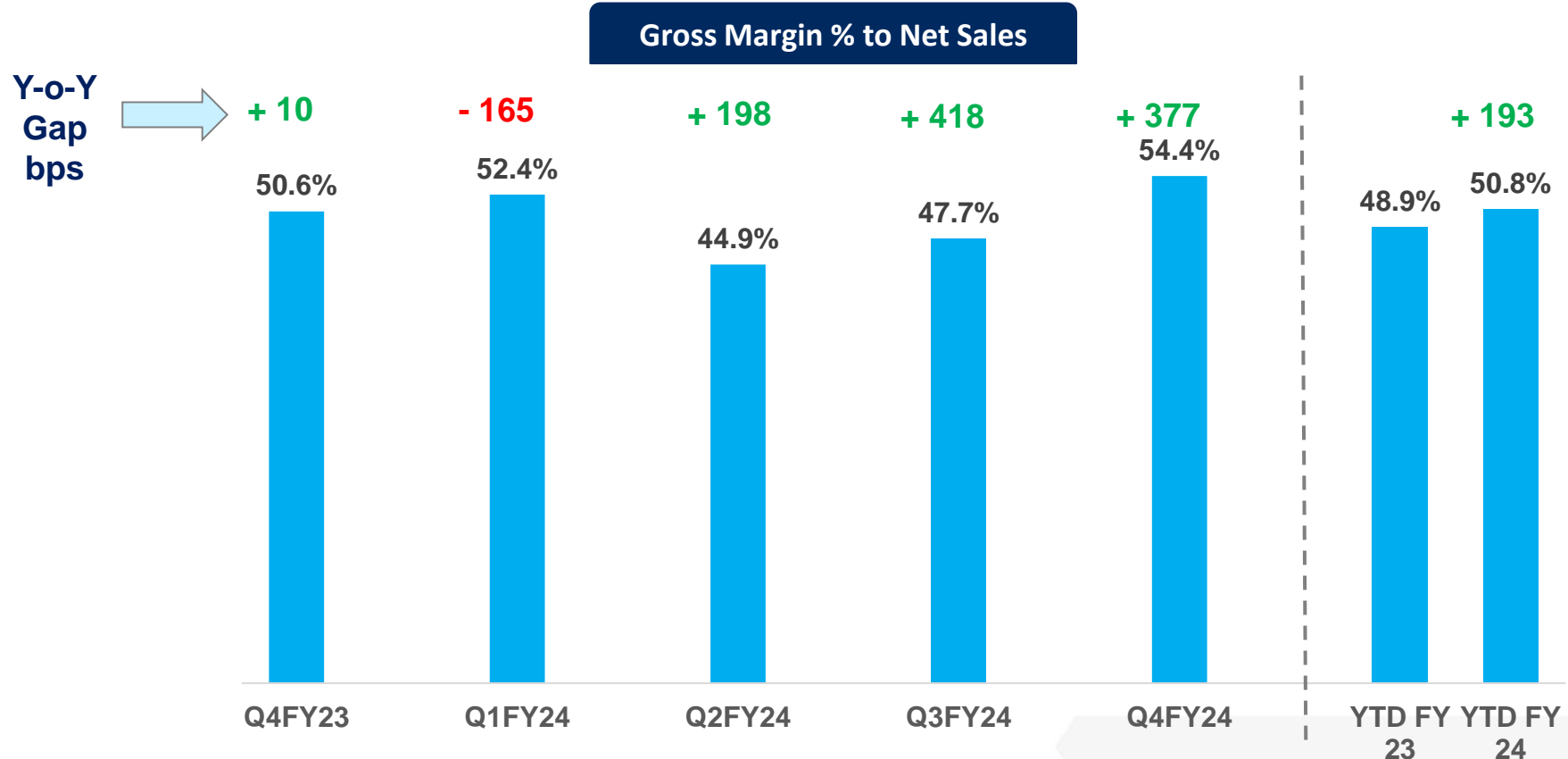


*Edible oils includes - Refined Palm Oil and all other oils which are used as inputs, DMH- Dextrose Monohydrate

Gross margin recovery with right actions...

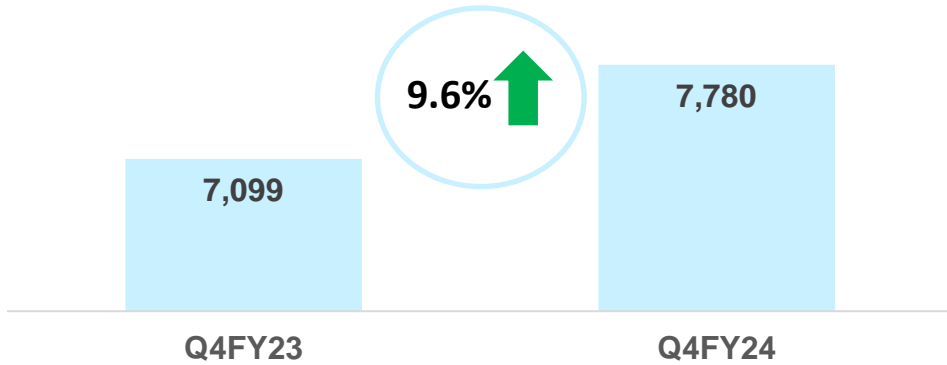
Continuous efforts to improve gross margins with calibrated price increases across portfolio

Efficient hedging strategy for key inputs

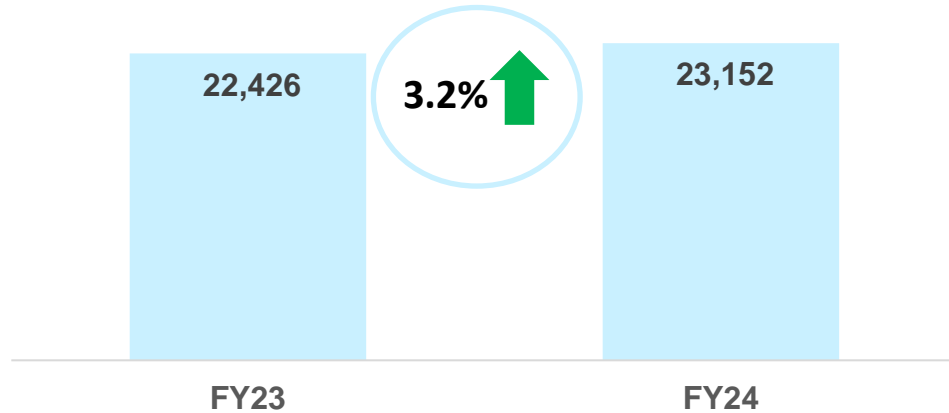


Segment performance snapshot

Q4 FY 24 - Net Sales (INR Million)



FY 24 - Net Sales (INR Million)



Food & Nutrition



Personal Care



Food & Nutrition



Personal Care



Financial highlights for the Quarter and Financial year

	Q4 FY24		FY24	
	INR Million	YoY Growth %	INR Million	YoY Growth %
Net Sales	7,780	9.6%	23,152	3.2%
Total Income from Operations	7,827	9.8%	23,279	3.2%
Gross Margins	4,277	18.1%	11,895	7.3%
Gross Margins (% to Net Sales)	54.4%	+377 bps y-o-y	50.8%	+193 bps y-o-y
EBITDA	1,622	12.2%	3,082	-8.6%
PBT	1,544	22.2%	2,601	-10.6%
PAT	1,503	3.4%	2,669	-14.0%
Adjusted PAT*	1,503	24.7%	2,623	-9.1%

**Adjusted PAT is after eliminating exceptional items and one-time deferred tax assets impact in current year and comparable previous year*

Business Highlights

Zy⁺us
Wellness

Leaders in 5 out of 6 categories



Strengthen “Energy” credential with new launches

- Category leading brand with 99% plus brand recall
- ~60% market share in the category



Strengthening core through Relaunch of the Brand

- Focused on scientifically proven claims on memory and concentration and enhanced chocolate taste
- With 63% more protein than regular health drink



Replacing sugar in all forms of Consumptions

- India’s first low calorie sugar substitute with more than 95% market share
- Potential to be amongst top 3 global brands



Building a healthier sugar brand

- “Healthier Sugar” which is completely natural with 50% less calories than regular sugar
- Potential to be the next sizeable brand in sweeteners portfolio



Growing Faster than Market

- Scrub Volume market share from 34.8% in 2018 to 44%*
- New launches in previous years – Body lotions and Aloe Gel



A Leader getting stronger

- Market leading brand with heritage of over 65 years
- Strengthening leadership with Volume market share from 29.6% in 2018 to 36.5%*



Building ‘Dairy + Spread’ portfolio

- Leveraged milk sourcing to expand dairy segment with Doodhshakti Ghee in retail and institutional channels and Pro-biotic Butter

* As per MAT March 2024 Nielsen report

** Launched I'mlite, a unique formulation of sugar blended with stevia to offer consumers 50% less calories than regular sugar

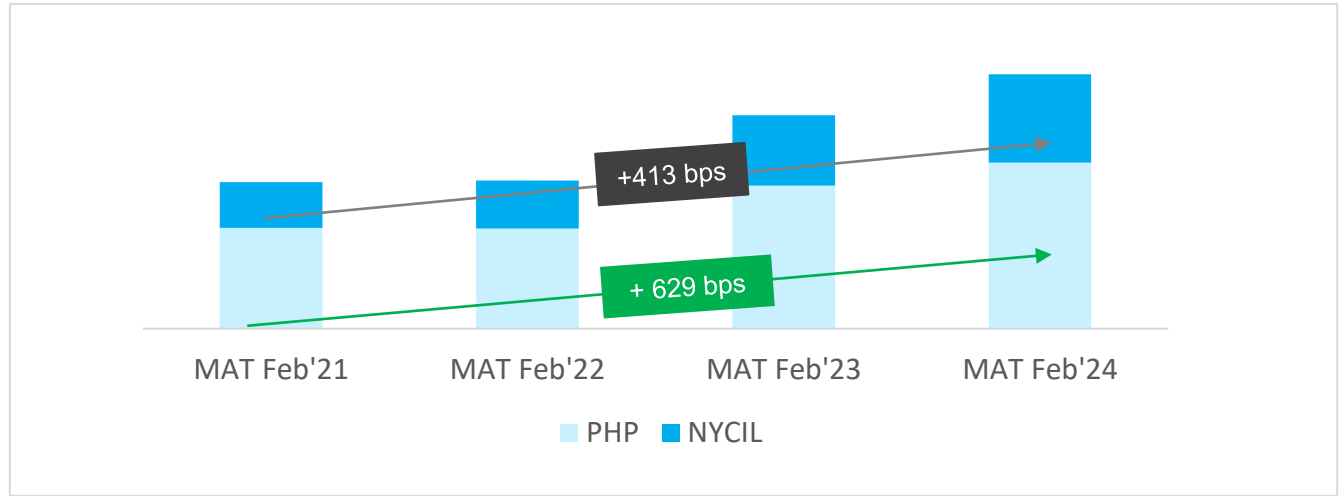
Building sustainable business performance



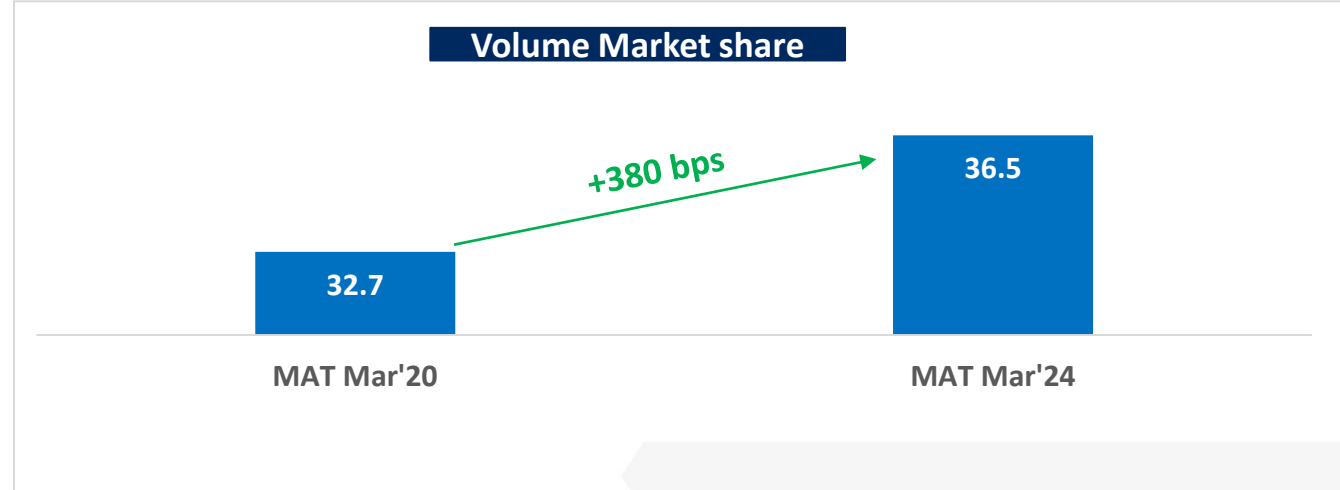
Driving the category growth



Driving the prickly heat powder category penetration[#]



Driving continuous volume growth^{*}

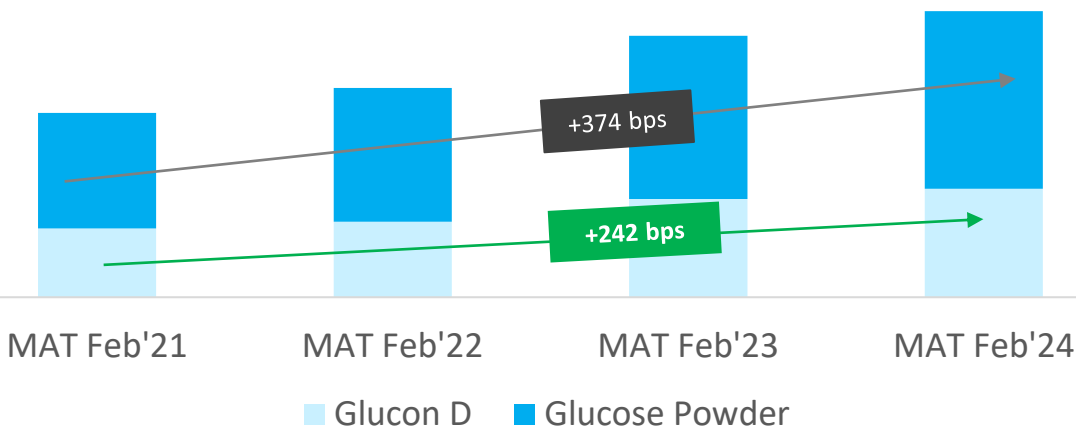


*As per MAT March 2024 Nielsen report
[#]As per MAT February 24 Kantar World Panel Household data

Driving the category growth



Recruiting new consumers for the Glucose powder category#



Consumption dropped in FY 2024 due to poor seasonality

#As per MAT Feb 24 Kantar World Panel Household data

Launched Glucon-D Activors – An Electrolyte Energy Drink for on the go consumption

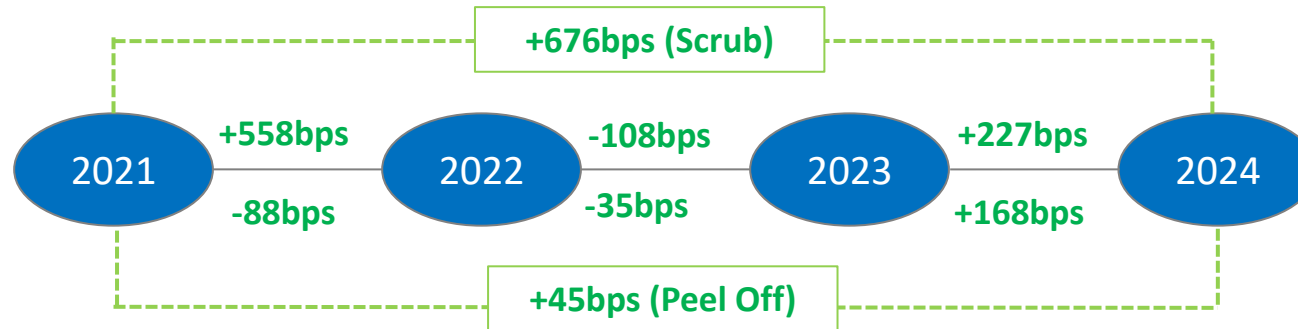


Driving the category growth



Driving market share

- ❖ Widening the portfolio basket
- ❖ Driving double digit growth at 4 year CAGR[^]
- ❖ Superior product offering along with strong campaigns focused on recruiting new users
- ❖ Scrub and peel off continues to strengthen its leadership with growth in volume market share*



*As per MAT Mar 2024 Nielsen report
[^]Basis internal sales for Apr-Mar 24

Winning in Competitive Market



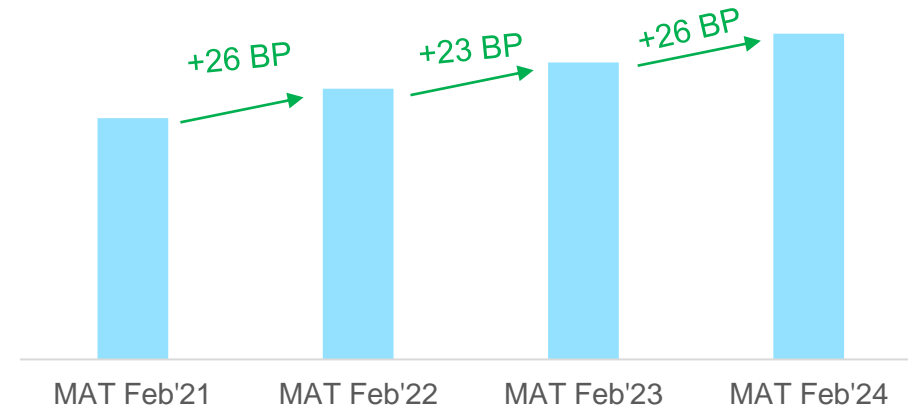
Franchise continues to grow



*As per MAT March 2024 Nielsen report

#As per MAT February 24 Kantar World Panel Household data

❖ Penetration[#] continues to grow for 3 successive years



❖ Volume offtakes* continue to grow ahead of the category

❖ Growth driven by stronger campaign with 360-degree activation and price pack architecture interventions

Winning in Competitive Market



Consistent strong volume growth

- ❖ Widening the portfolio basket
- ❖ Double digit growth at 4 year CAGR[^] with consistent volume growth driven by a wide portfolio and supported by focused B2B and B2C teams
- ❖ Continued to support the brand with digital media, e-com channel activations and consumer sampling initiatives



Building relevance to new age consumers

Efforts to leverage changing shopper behavior and target new age consumers fruitful

1 Channel specific innovative marketing initiatives



Digital campaign to garner better traction



World's 1st ever cookery show on Metaverse

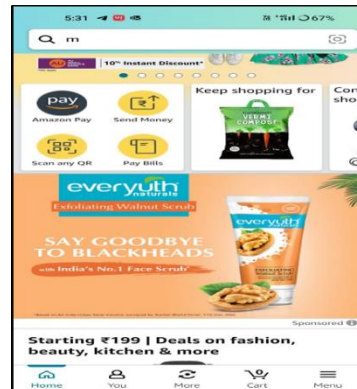
2 E-commerce exclusive packs & promotions



225g Powder Concentrate

400g Powder Concentrate

SF D'Lite Chocolate range

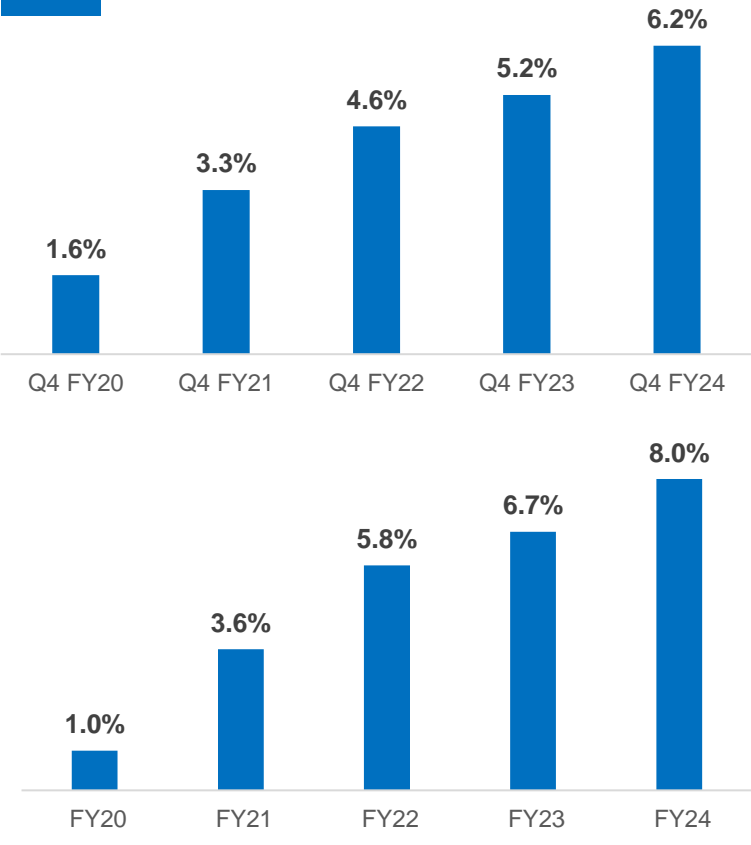


EY Scrub Visibility on Amazon



SF Homepage Visibility on Big Basket

3 E-commerce saliency[^]



[^]Basis internal company data

Navigating Challenges



Offtake continues to get stronger

- ❖ Sugar Free has maintained its number one position with a market share of 95.9%*
- ❖ Driven by new campaign and distribution expansion, Sugar Free Green continues double-digit growth^ since last 12 quarters. Contribution to Sweeteners business has grown to ~ 7%^
- ❖ Launched I'mlite, a unique formulation of sugar blended with stevia to offer consumers 50% less calories than regular sugar



*As per MAT March 2024 IQVIA report

^Basis internal sales

Continuing to strengthen brand leadership

Category	Glucose Powder	HFD	Sugar substitute	Blended Sugar	Prickly heat powder	*Facial cleansing	Scrub	Peel-off	Fat spread	Dairy
Mkt. Rank	1	5	1	NA	1	5	1	1	1#	NA
Mkt. Share %	59.5	4.3	95.9	NA	35.0	6.5	45.6	80.2	NA	NA
MS change YoY (in bps)	↓ -61	↓ -15	↓ -17	NA	↓ -41	↑ +25	↑ +369	↑ +174	NA	NA

Market share source: MAT March 2024 report as per Nielsen and IQVIA.

*Everyuth market rank 5 is at Total Facial cleansing segment which includes Face wash, Scrub, Peel-off, face masks

Market rank as per company estimate

Campaigns and initiatives

Sampling drive and regional promotions to drive consumption

Glucon-D Zydus Wellness

SIP ON YOUR FAVOURITE **GLUCON-D** WHILE YOU SEEK LORD RAM'S DIVINE BLESSINGS

THAKAAN GONE. ENERGY ON.

Flavors shown: REGULAR, TANGY ORANGE, MANGO BLAST, MANGO PARI.

Glucon-D Zydus Wellness

ACTIVATORS

ఎనర్జీ ఇస్తుంది. యాక్టివ్ చేస్తుంది.

Flavors shown: MANGO, ORANGE, APPLE.

Glucon-D Zydus Wellness

ACTIVATORS

రెడీ టు నర్వ్ ప్రాట్ ఔవర్స్ ఉత్పత్తిలో పునఃపాఠించబడిన పళ్ల రసం ఉంటుంది | *అడల్ట్ సెడెంటరీ సేల్ RDA (ICMR 2020) ప్రకారం ఉత్పత్తిలో ఉన్నాయి విటమిన్ B₃, B₆ మరియు B₁₂ | *ఎనర్జీ గ్లూకోస్ అనారం | *గ్లూకోస్ మరియు సుక్రోస్ కలిగివుంటుంది | -ఉత్పత్తిలో కలపడం జరిగింది అదనంగా విటమిన్ C | ఉన్నాయి సోడియం, ఫాలాషియం మరియు క్లోరైడ్ | తప్పనిసరి సంబంధిత మరియు పట్టుబడ్డమైన నిబంధనలకు, సంబంధిత వ్యాపిని చూడండి | పశు వృజనాత్మక వివరణ | స్వజనాత్మక దృశ్యం | NOT AN ORS

Campaigns and initiatives



New TVC with Celebrity Madhuri Dixit and Sneha



Attractive consumer offers for key packs

Complan

2X FASTER GROWTH*
SUPPORTS MEMORY & CONCENTRATION*

63% MORE PROTEIN*

With Complan 1 kg Refill & Jar

GET FREE SIPPER WORTH ₹149*

Complan products: Complan 1kg Refill, Complan 500g Jar, Complan 100g Jar, Complan 200g Jar

Complan

2X FASTER GROWTH*
SUPPORTS MEMORY & CONCENTRATION*

63% MORE PROTEIN*

With Complan 500 g Refill & Jar

GET FREE TIFFIN WORTH ₹80*

Complan products: Complan 500g Refill, Complan 100g Jar, Complan 200g Jar, Complan 500g Jar

Campaigns and initiatives



Driving consumption of Sugar Free Green



Digital Campaign “New Year No Sugar”



Sugar Free D’lite Valentine Day’s promotions



Campaigns and initiatives

Digital initiatives and Print campaign to drive Nutralite dairy and spread range



Awards and Recognitions



HR Team won **1st prize** in the Private Sector Manufacturing category at **33rd National Awards for Innovative Training Practices**



Nycil won **BRONZE** for **“Best Campaign in Personal Care”** category at **DIGIES Awards 2024**



Sugar Free D'Lite has won **“Product of the Year Gulf 2024”** Award in the Sugar Free Snacks category for GCC region

Continued momentum in International business..



- ❖ Sugar Free franchise and Complan constituting ~ 90% of the overall business
- ❖ Nigeria business remained subdued due to macro-economic issues, however Middle east business continues to do well
- ❖ Top 5 markets constitute ~80% of the business
- ❖ Launched new products expanding Sugar Free D'Lite and Complan portfolio

Targeting 8-10% of revenues in next 4 to 5 years



Environmental, Social and Governance



Improved ESG Score and ranking in Corporate Sustainability Assessment by S&P Global (Dow Jones Sustainability World Index)

ESG	FY 2023	Y-o-Y increase
Total Score	58	53% ↑
Environment	49	75% ↑
Social	63	50% ↑
Governance	63	47% ↑

The Road Ahead

Zy⁺us
Wellness

Three Pillars to drive growth – staying on course



Accelerate Growth of Core Brands

Innovations to focus on portfolio diversification and expansion with an aim to recruit new customer

Differentiated propositions supported by strong GTM



Build International Presence

Build scale in international business by focusing on SAARC, MEA and SEA and suitable innovations to grow them further

Enter new markets with relevant offering



Significantly Grow Scale

Open to bolt-on acquisitions at the right time

Growing the customer base with increased penetration

The building blocks

Category Building

Volume led focus
Recruit new consumers
Innovation to contemporize/
differentiate the offerings
Build online-first portfolio



Leading Route to Market

Plan to enhance distribution
infra and direct coverage
over next 3 years
Invest in capabilities; for
converging Offline & Online
trade
Engage shoppers at multiple
touch points



Digital backbone to decision making

Digitizing the whole value
chain – Sourcing to
fulfillment
Work with downstream and
upstream partners for data
sharing
Build capability around
predictive analysis



Inorganic play for gap filling

Proactively look for Bolt-
on acquisitions
Focus on international
opportunities in top
geographies of interest



Building Route to market to adapt shifting channel mix



Organized Trade

- Channel mix shift towards MT+Ecom from 17.5% (FY22) to 20.5% (FY24)
- E-com continuing good growth, contributing to 8% of sales in FY24 vs 5.5% in FY 22
- Leverage changing shopper behaviour by investing in building stronger presence and efficient spends on visibility and Promotions



Traditional Trade

- Direct reach ~6 lakhs stores expansion across sub channels, plan to take it to ~7 lakhs in the coming quarters
- Plan to take overall availability of our products from current 2.9 * million stores to 3.5 million as reported by Nielsen
- Rural distribution continues to be opportunity for growth. Currently contributes to 50% * of total stores present



Building future ready capabilities in S&D

- Implementation underway for dashboarding of key KPI's as enablers for real time decision making
- Digitization till last mile sales
- Reduced cost to serve through distributor disintermediation in organized trade

*As per MAT March 2024 Nielsen report

Appendix

Zy⁺us
Wellness

Financial Summary – P&L

INR Million	Q4 FY24	Q4 FY23	YoY Gr. %	YTD FY24	YTD FY23	YoY Gr. %
Net Sales	7,780	7,099	9.6%	23,152	22,426	3.2%
Total Operating Income	7,827	7,130	9.8%	23,279	22,548	3.2%
Gross Contribution	4,277	3,623	18.1%	11,895	11,088	7.3%
<i>Gross Contribution Margin-(% of net sales)</i>	<i>54.4%</i>	<i>50.6%</i>		<i>50.8%</i>	<i>48.9%</i>	
HR Cost	536	435	23.2%	1,934	1673	15.6%
Advertisement Expenses	943	666	41.6%	2,988	2587	15.5%
Other Expenses	1176	1076	9.3%	3,891	3456	12.6%
EBITDA	1,622	1,446	12.2%	3,082	3,372	-8.6%
<i>EBITDA Margin</i>	<i>20.7%</i>	<i>20.3%</i>		<i>13.2%</i>	<i>15.0%</i>	
PBT	1,544	1,335	15.7%	2,743	3,010	-8.9%
Exceptional items	0	72	-100.0%	142	101	
PBT (after Exceptional items)	1,544	1,263	22.2%	2,601	2,909	-10.6%
PAT	1,503	1,453	3.4%	2,669	3,104	-14.0%
<i>PAT Margin</i>	<i>19.2%</i>	<i>20.4%</i>		<i>11.5%</i>	<i>13.8%</i>	
Adjusted PAT*	1,503	1,205	24.7%	2,623	2,885	-9.1%
<i>Adjusted PAT Margin</i>	<i>19.2%</i>	<i>16.9%</i>		<i>11.3%</i>	<i>12.8%</i>	

*Adjusted PAT is after eliminating exceptional items and one-time deferred tax assets impact in current year and comparable previous year

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