



Dedicated To Life

February 3, 2023

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 / nine months ended on December 31, 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

3rd February, 2023

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Revenues from Operations*

Rs. 43,623 mn
 ↑ 20% YoY

R&D

Rs. 3,435 mn
 7.9% of revenues

Highlights of Q3 FY23

- Total revenues grew **20% yoy**, led by robust growth **across businesses**.
- **India formulations business sustained strong** momentum and grew **14% yoy** (ex-COVID growth was **16%**).
- **Consumer Wellness** business maintained a **dominating market position** in key brands despite the difficult environment.
- **US formulations** business continued to grow on a **sequential basis**, aided by **volume expansion** in base portfolio and some impact of **seasonality**.
- **Emerging markets** business continued to **perform well across geographies** and grew in **double digit** on a COVID adjusted base.
- EBITDA margin stood at **21.9%, up 130 bps yoy** and **220 bps qoq**.
- Net debt: Rs. 6,037 mn (at 31-Dec'22) vs (-)Rs. 632 mn (at 31-Mar'22).
- Capex (organic) for the quarter: Rs. 2,554 mn.
- Net debt to EBITDA: 0.18x (at 31-Dec'22) vs (-) 0.02x (at 31-Mar'22)

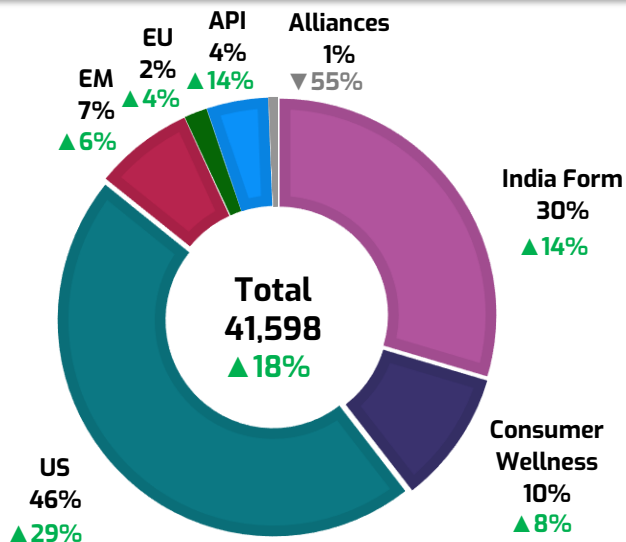
EBITDA & Margin %

Rs. 9,560 mn
 21.9% of revenues
 ↑ 27% YoY

Net Profit

Rs. 6,229 mn
 ↑ 24% YoY

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

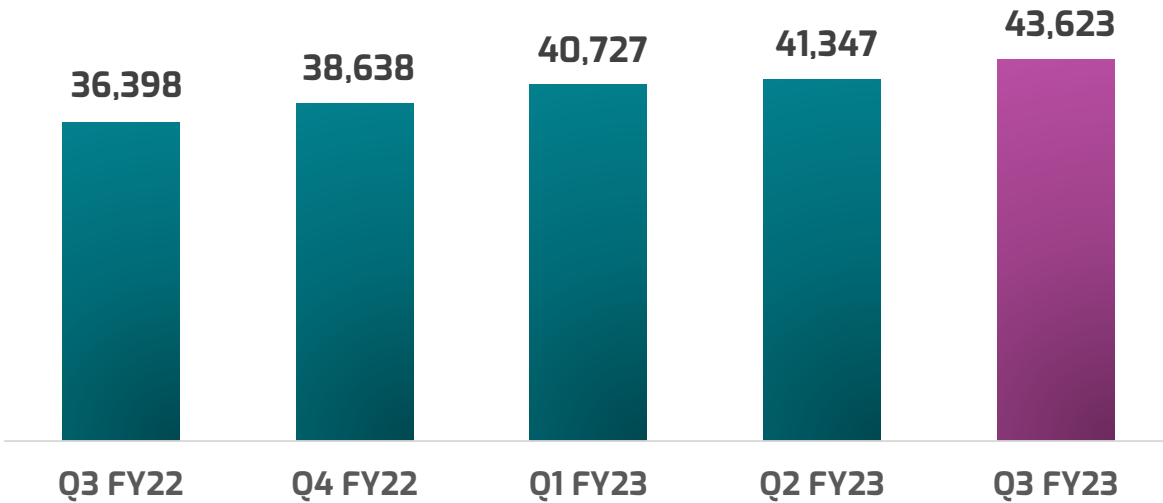


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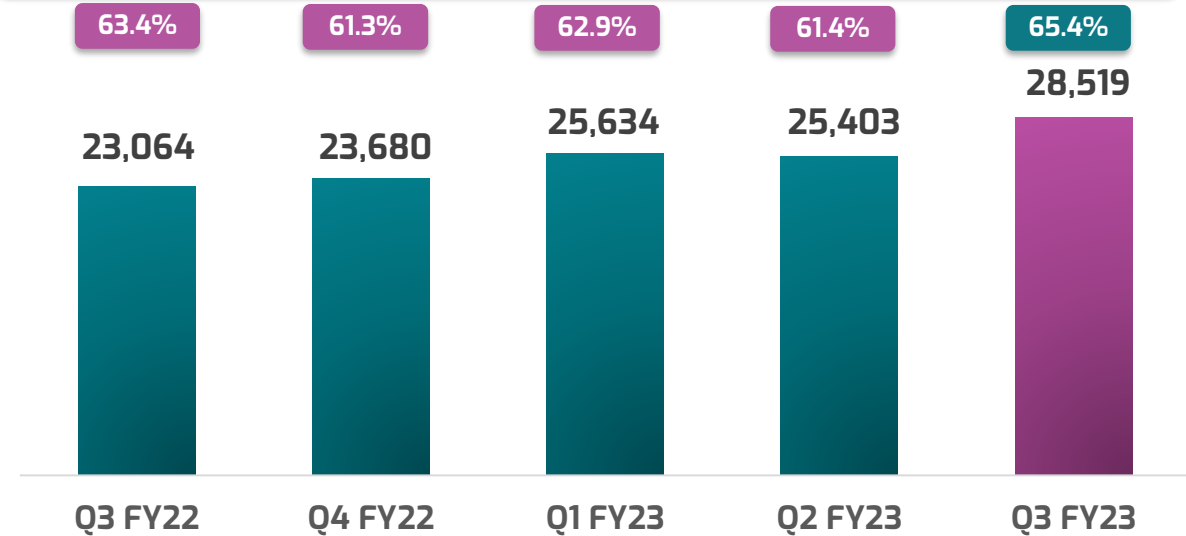
* Revenues from Operations include Net Sales and Other Operating Income.

Key Financial Metrics (1/2)

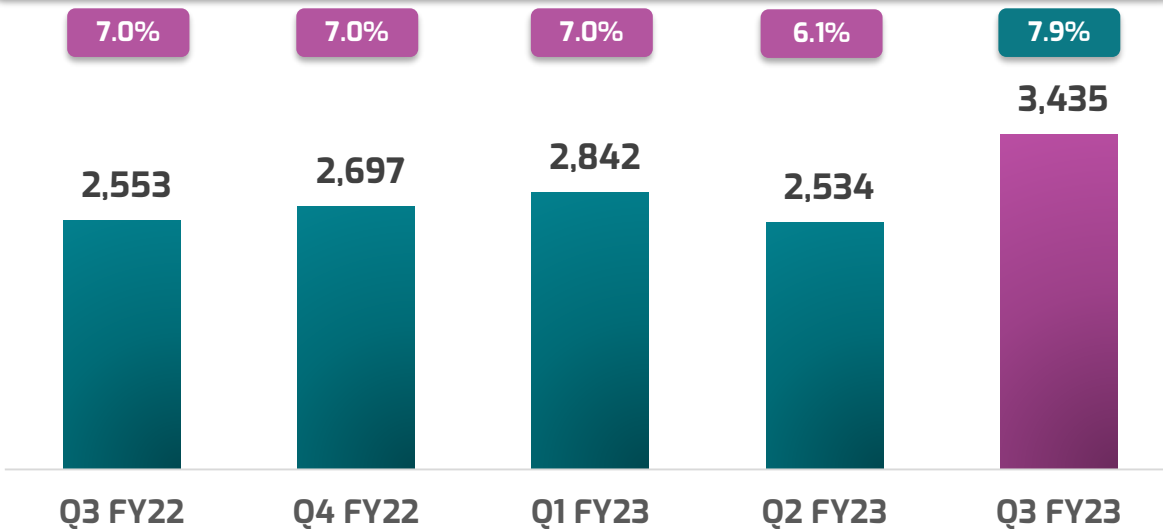
Total Revenues (Rs. mn)



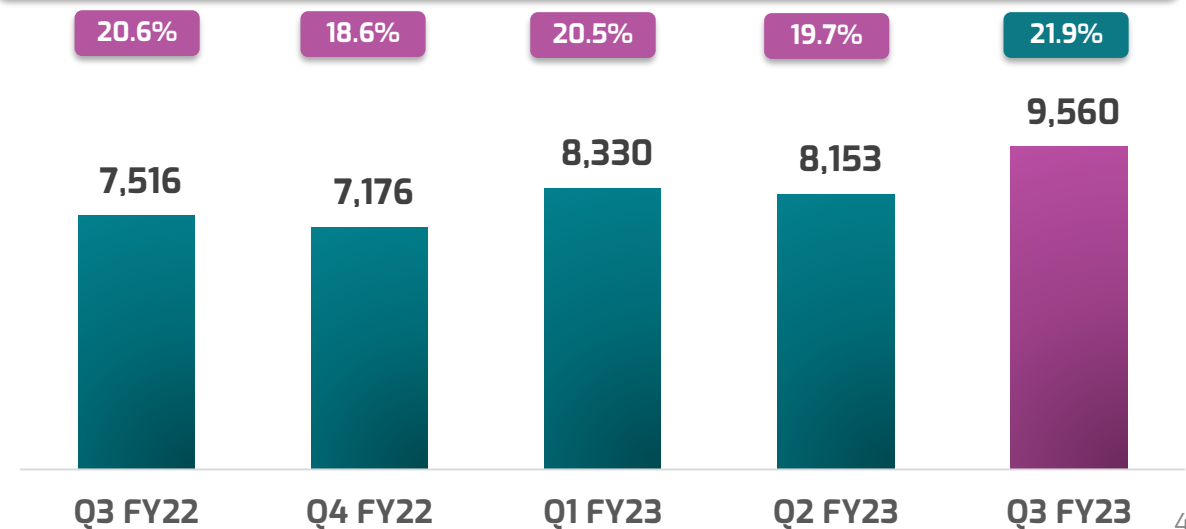
Gross Profit (Rs. mn) and Gross Margin %



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

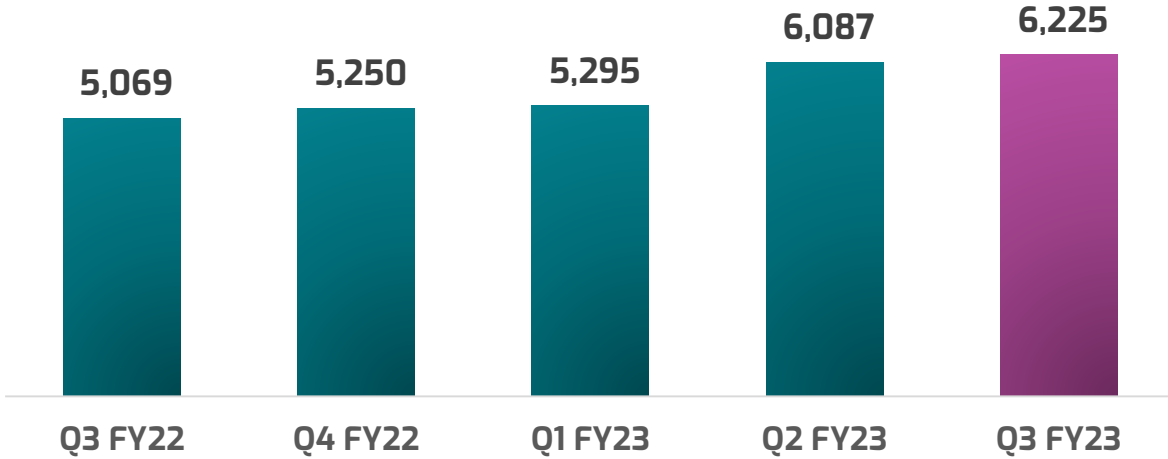


EBITDA (Rs. mn) and EBITDA Margin %

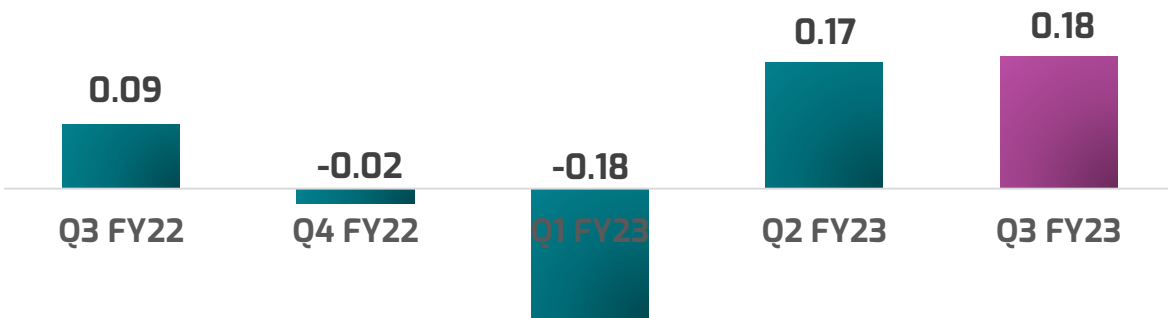


Key Financial Metrics (2/2)

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

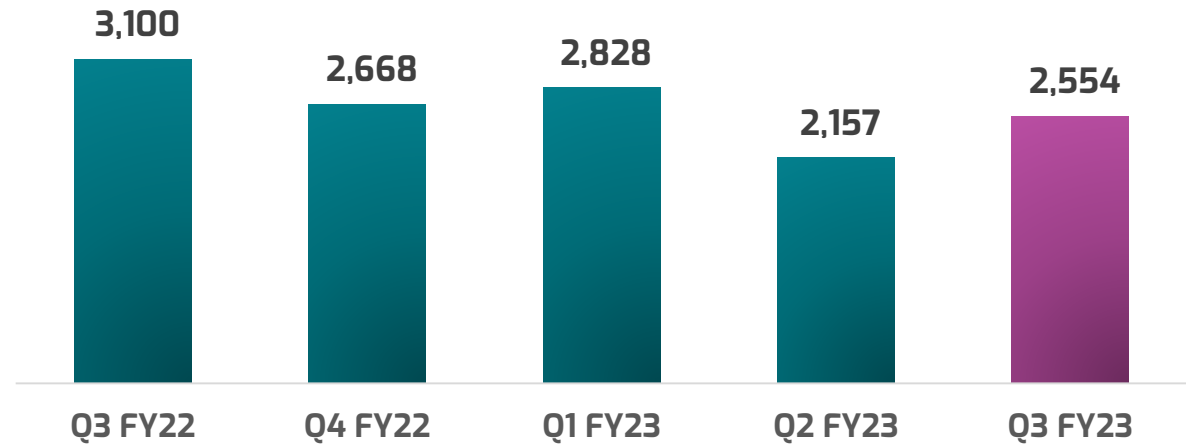


Net Debt/ EBITDA

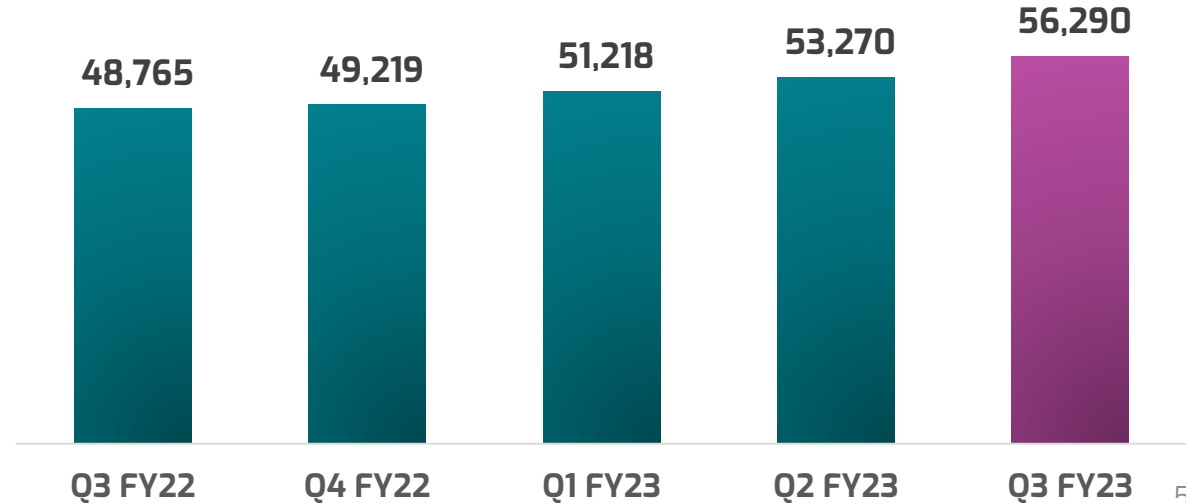


*Net working capital includes Inventory, Trade receivables and Trade payables.

Organic Capex (Rs. mn)

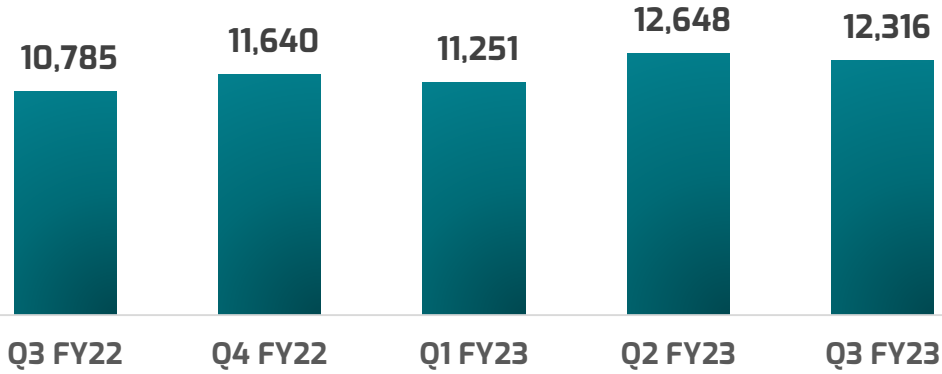


Net Working Capital* (Rs. mn)



Sustained growth driven by robust performance across key therapies

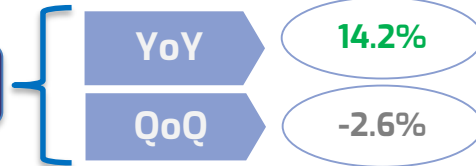
Revenues (Rs. mn)



Q3 FY23 Revenue Contribution



Q3 FY23 Gr.



Brand building - a key growth driver

of Brands

11

24

39

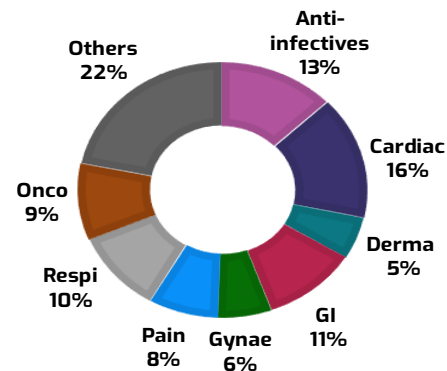
Brand Value (Rs. Mn)*

1000+

500 to 1000

250 to 500

Therapy-wise Break-up*



Highlights for the quarter

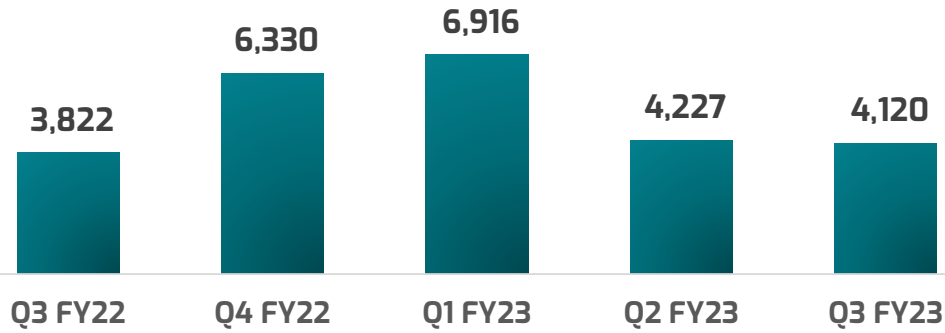
- The business **grew by 14% YoY**, ex-COVID opportunities, the **growth was 16% YoY**.
- The business **Outpaced** the market growth during the quarter.
- Gained market share** and **improved ranking** in gynecology, anti-diabetic and nutraceutical portfolio on a YoY basis#.
- Lipaglyn®** brand continued to **enhance the reach** as it **expanded** the patient base by **45%** in CY22.

The brand has now **benefitted almost 1.5 million patients** since its launch.

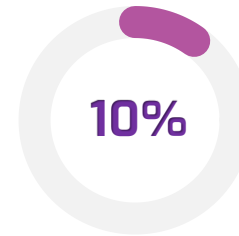
*Source: AWACS MAT Dec 22
#Source: AWACS Oct – Dec 22

Delivering the growth on the back of strong brand equity

Revenues (Rs. mn)



Q3 FY23 Revenue Contribution



Q3 FY23 Gr.

YoY

7.8%

QoQ

-2.5%

Key brands continued to hold dominant market share

Brand Name



Market Share#

59.9%

35.1%

95.8%

6.4%

41.8%

78.4%

4.5%

Facial
Cleansing *

Scrub

Peel
Off

Highlights for the quarter

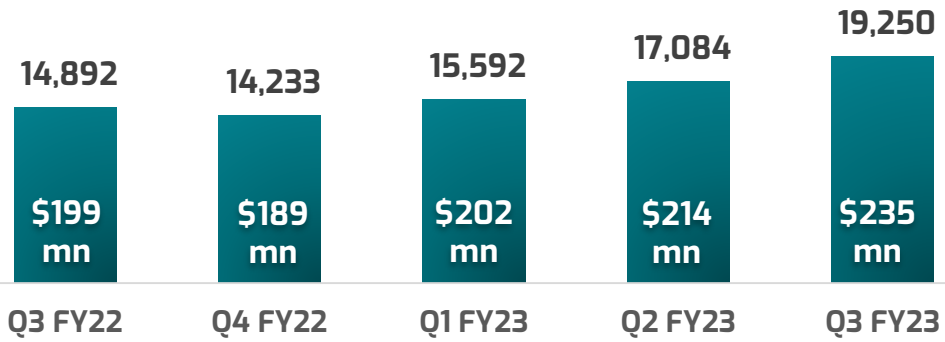
- **Inflation**, which hurt margins over the last few quarters, is **cooling down** in key inputs except milk, where it still remains high.
- Undertook appropriate **price increase** to counter inflation, impact of which will reflect from next quarter.
- Despite challenging macro environment, **continued to gain market share** in key brands viz. **Glucon-D**, **Nycil** and **EverYuth** (Scrub and Peel-Off).

#Source: Nielsen and IQVIA MAT December 2022 report

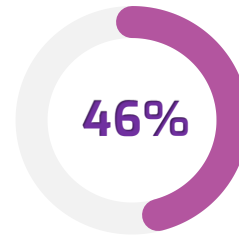
* Facial cleansing segment includes Face wash, Scrub and Peel-off.

Delivering sustained growth on a sequential basis

Revenues (Rs. mn)



Q3 FY23 Revenue Contribution



Q3 FY23 Gr.

YoY

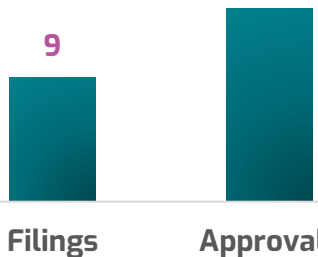
29.3%

QoQ

12.7%

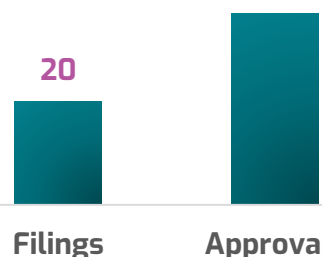
Continued investment to build the generics pipeline

ANDA filings and approvals - Q3 FY23

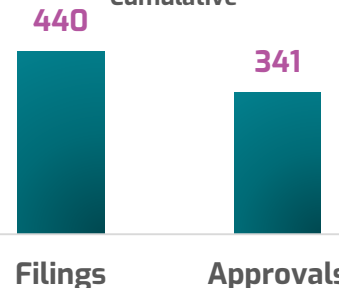


[^] includes 3 tentative approvals.

ANDA filings and approvals - 9M FY23



ANDA filings and approvals - Cumulative



Highlights for the quarter

- Received **14 new product approvals** (incl. 3 tentative approvals) and launched **6 new products**.

Approvals for the quarter include final approval for **Estradiol Transdermal System (Twice Weekly)**, the **first** transdermal approval from Moraiya site.

- In January, 2023, launched **Topiramate ER capsules (gTrokendi)** as **the first generic player**.

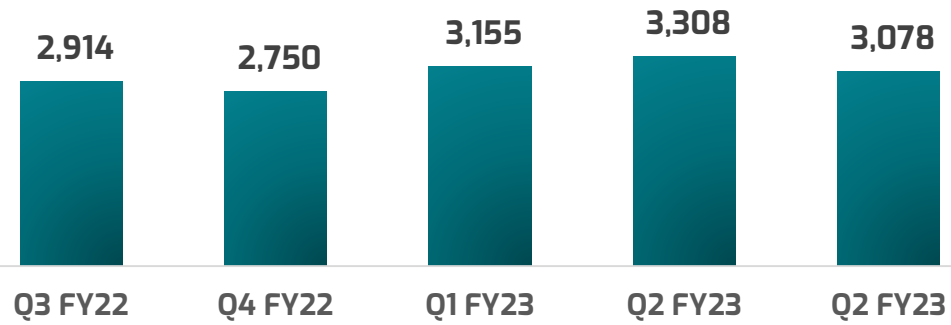
- Filed **9 ANDAs** during the quarter.

Filings include first ANDA filed from the **new** oral solids formulations manufacturing facility in Ahmedabad SEZ (**SEZ II**).

- 99 ANDAs** pending approval with the USFDA.

Base business continued to display robust growth

Revenues (Rs. mn)



Q3 FY23 Gr.

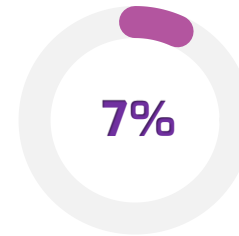
YoY

5.6%

QoQ

-7.0%

Q3 FY23 Revenue Contribution



Highlights for the quarter

- The business **grew by 15% YoY**, excluding revenue of COVID related products from the base.
- Maintained **growth momentum** on the back of **robust performance across key markets**.

NCE: Saroglitazar Magnesium

- The molecule is undergoing Phase II(b)/ III clinical trials for PBC indication for the US market. It received approval from the MoH of Spain, Iceland and Argentina to conduct Phase II(b)/ III clinical trials for this indication.
- Enrolled 54 patients so far for clinical trials of the molecule in the US for PCOS and NAFLD indications. At present, it is the only trial going on in the world for these indications.

NCE: ZY19489 (Anti-malarial)

- Initiated Phase II clinical trials in India for ZY19489, which is a novel, potential single-dose cure anti-malarial drug candidate.

Biologics and Vaccines

- Initiated clinical trials in India for biosimilars of two mAbs in the oncology space.
- Received approval from the DCGI to initiate Phase II clinical trials for one vaccine candidate.

Specialty Initiatives

- Filed an NDA for one of the products in the area of metabolic disorder through 505(b)(2) route.

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

Approx.
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)

\$5.4
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 2nd February, 2023, exchange rate of Rs. 82 per USD
3. IQVIA MAT December 2022 TRx

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

Consolidated Financial Performance (reported)

Rs. mn	Q3 FY23	Q3 FY22	YoY gr.	Q2 FY23	QoQ gr.	9M FY23	9M FY22	YoY gr.
Total Income from Ops.	43,623	36,398	19.8%	41,347	5.5%	1,25,697	1,14,014	10.2%
Gross Contribution (GC)	28,519	23,064	23.7%	25,403	12.3%	79,556	73,520	8.2%
Gross Margin %	65.4%	63.4%		61.4%		63.3%	64.5%	
Employee benefits expenses *	6,293	5,287	19.0%	5,997	4.9%	18,331	16,572	10.6%
R&D expenses	3,435	2,553	34.6%	2,534	35.6%	8,811	7,710	14.3%
Other operating expenses	9,231	7,708	19.8%	8,719	5.9%	26,371	23,008	14.6%
EBITDA	9,560	7,516	27.2%	8,153	17.3%	26,043	26,230	-0.7%
EBITDA Margin %	21.9%	20.6%		19.7%		20.7%	23.0%	
Other Income	385	607	-36.6%	444	-13.3%	1,488	1,456	2.2%
Finance cost	328	311	5.5%	351	-6.6%	1,022	885	15.5%
Depreciation and amortization	1,816	1,770	2.6%	1,818	-0.1%	5,441	5,276	3.1%
PBT before exceptional items	7,801	6,042	29.1%	6,428	21.4%	21,068	21,525	-2.1%
Exceptional Expenses/ (Incomes)	-	-		-		29	-1,127	102.6%
Profit before Tax	7,801	6,042	29.1%	6,428	21.4%	21,039	22,652	-7.1%
Tax expenses	1,952	1,094	78.4%	1,370	42.5%	4,506	4,025	12.0%
Share of profit from JVs	459	223	105.8%	148	210.1%	828	416	99.0%
Profit/(loss) from discontinued ops. #	4	-65	106.2%	55	-92.7%	-24	22,607	
Minority Interest	83	102	-18.6%	36	130.6%	700	751	-6.8%
Reported Net Profit	6,229	5,004	24.5%	5,225	19.2%	16,637	40,899	-59.3%

* Excludes Research related expenses

Profit/ (loss) from discontinued operations in FY23 refers to discontinuation of Neshor and Hercon business while in FY22, it refers to profit on divestment of India-centric Animal Health Business and discontinuation of Neshor and Hercon business.

Comments for Q3 FY23

- YoY growth in total income from operations, led by robust growth across businesses.
- YoY improvement in GC margin, largely attributable to robust growth in India and US formulations businesses.
- YoY growth in other operating expenses is due to lower base and certain one-time REMS set-up cost incurred during the quarter for an upcoming launch.
- Net Profit for the quarter stood at Rs. 6,225 mn, up 23% y-o-y (on a comparable base).

Details of Exchange Rate Fluctuations

Rs. mn	Q3 FY23	Q3 FY22	YoY gr. %	9M FY23	9M FY22	YoY gr. %
A. On operating transactions (above EBITDA line)	-1,096	-181	-505.7%	-3,639	-952	-282.3%
a. Included in other operating income	-1,052	-181	-481.2%	-3,429	-971	-253.1%
b. Included in COGS	-44			-210	19	-1191.4%
c. Included in other operating expenses						
B. On other income	-17	-131	87.0%	-253	-446	43.3%
C. On foreign currency borrowings (part of finance cost)	-	-		1	-	
Total Exchange Rate Fluctuations ('+' = loss, '-' = gain)	-1,113	-312	-256.8%	-3,891	-1,398	-178.3%

Thank you

For any queries, please contact
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+91-79-71800839

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

 www.linkedin.com/company/zyduslife



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