



Dedicated To Life

November 12, 2024

Listing Department
BSE LIMITED
P J Towers, Dalal Street,
Mumbai-400001

Code: 532321

Listing Department
NATIONAL STOCK EXCHANGE OF INDIA LIMITED
Exchange Plaza, C/1, Block G,
Bandra Kurla Complex,
Bandra (E),
Mumbai-400051

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, 2024.

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

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: Q2 & H1 FY25

12th November, 2024

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Revenues from Operations

Rs. 52,370 mn
 ↑ 20% YoY

R&D

Rs. 4,800 mn
 9.2% of revenues

EBITDA & Margin %

Rs. 14,614 mn
 27.9% of revenues
 ↑ 28% YoY

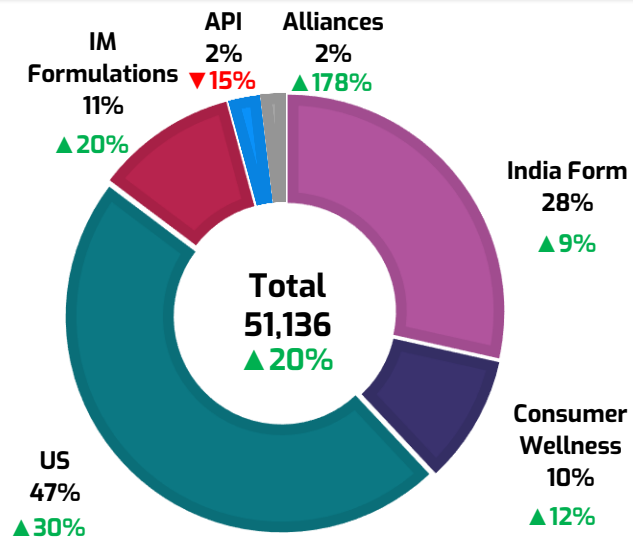
Net Profit

Rs. 9,112 mn
 ↑ 14% YoY

Highlights of Q2 FY25

- Total revenues grew **20% YoY**, led by growth **across businesses**.
- **India branded formulations** business posted **double-digit growth** and **outpaced** the market growth both in the **chronic** and **acute** segments.
- **Consumer Wellness** business delivered robust **double-digit growth** aided by **strong volume uptake**.
- **US formulations** business continued its **upward journey** with a robust **YoY growth** driven by **volume expansion** and **new product launches**.
- **International markets** business grew in **double-digit** on the back of **strong** performance across **key markets**.
- EBITDA margin stood at **27.9%**, up **170 bps** YoY.
- Capex (organic) for the quarter: **Rs. 3,017 mn**.
- Net cash: Rs. **25,906 mn** (at 30-Sept'24) vs 8,561 mn (at 31-Mar'24)

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

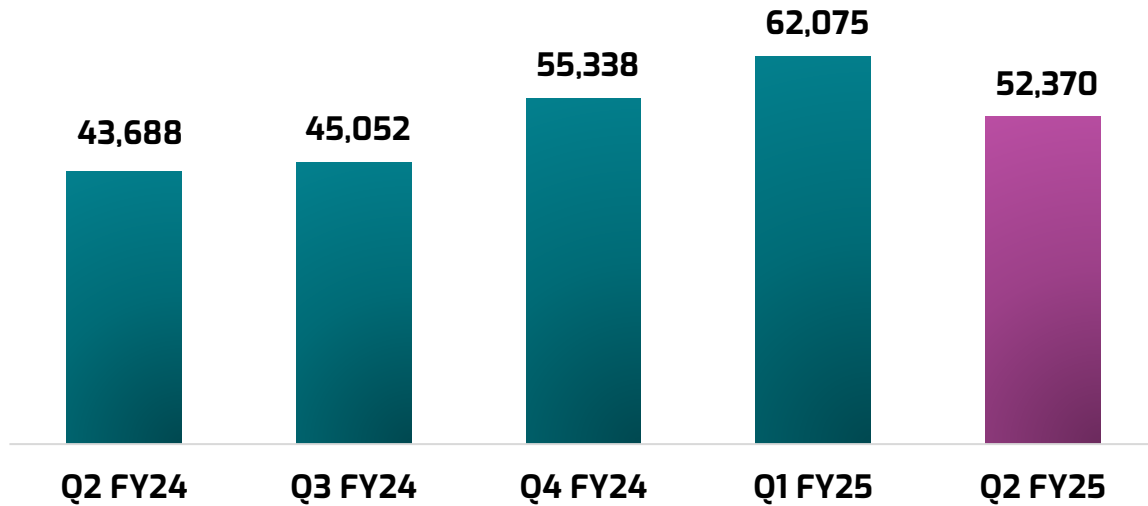


Regulatory Updates

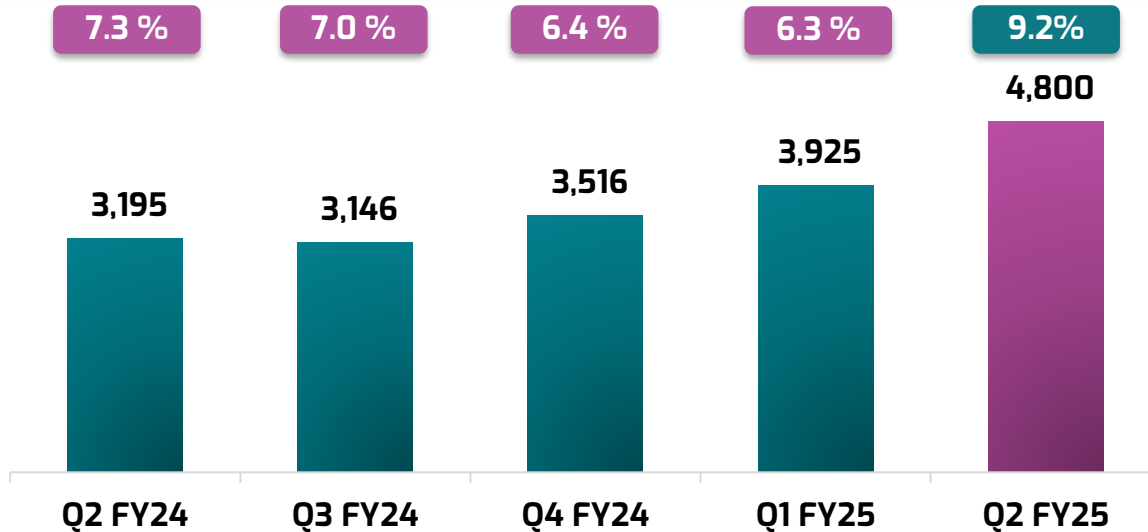
- Transdermal formulations facility in A'bad SEZ received Establishment Inspection Report (EIR) with Voluntary Action Indicated (VAI) status from the USFDA.

Key Financial Metrics (1/2)

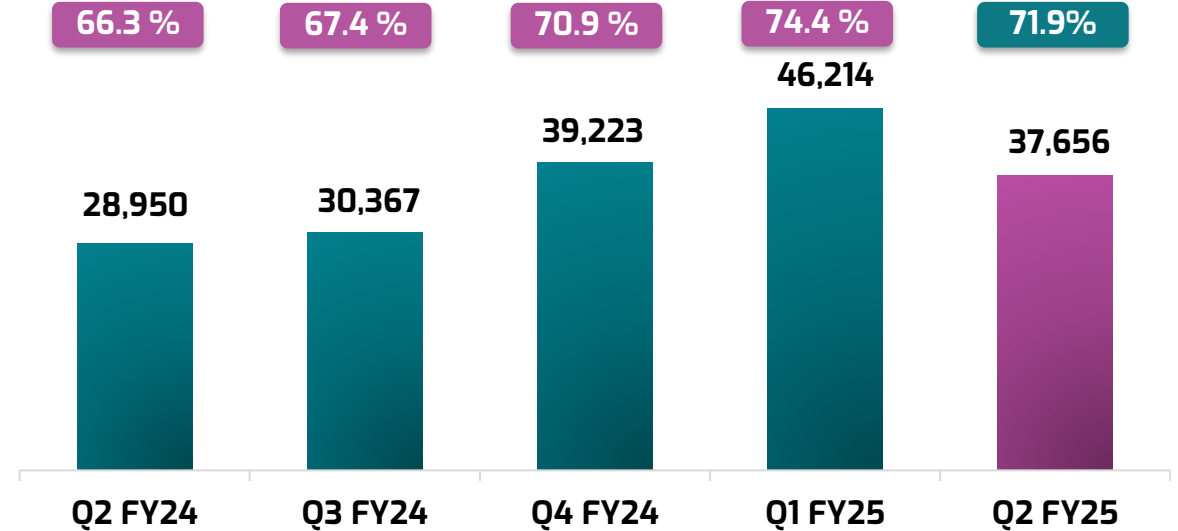
Total Revenues (Rs. mn)



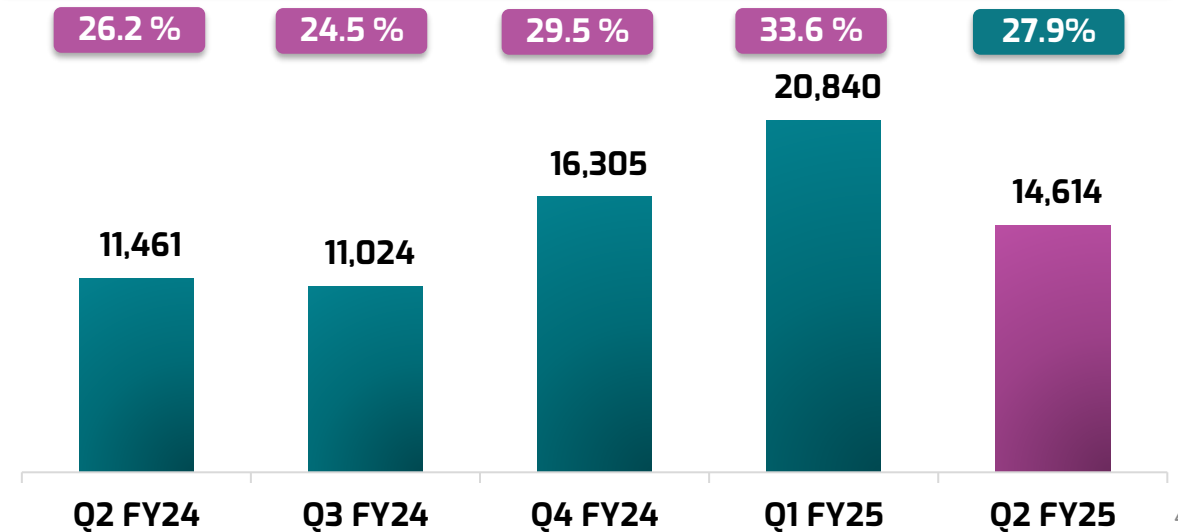
Total R&D (Rs. mn) and % to Revenues



Gross Profit (Rs. mn) and Gross Margin %

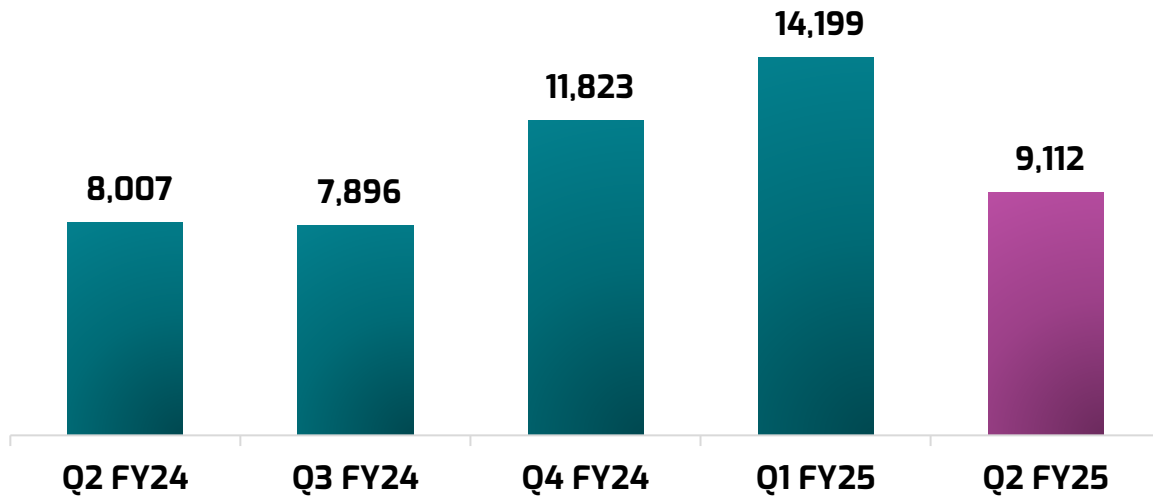


EBITDA (Rs. mn) and EBITDA Margin %

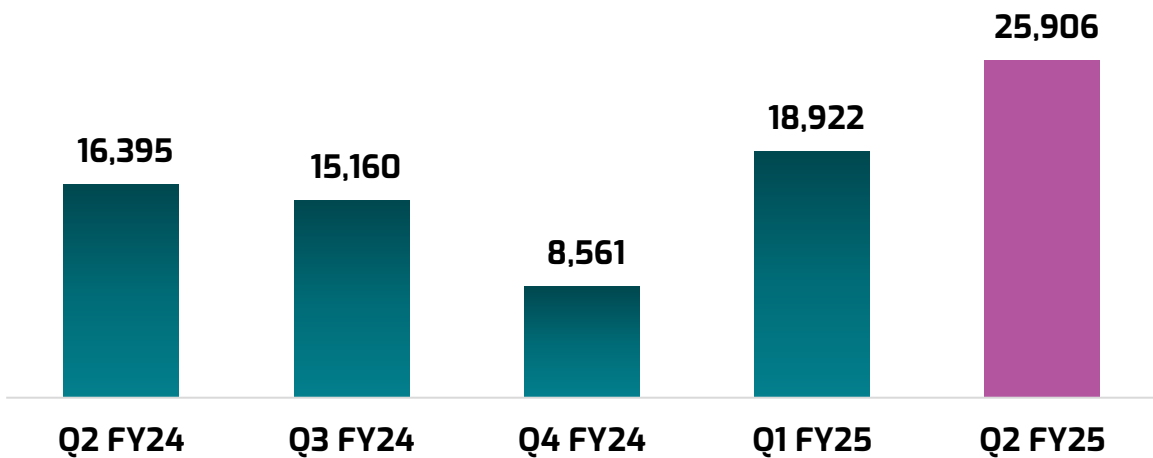


Key Financial Metrics (2/2)

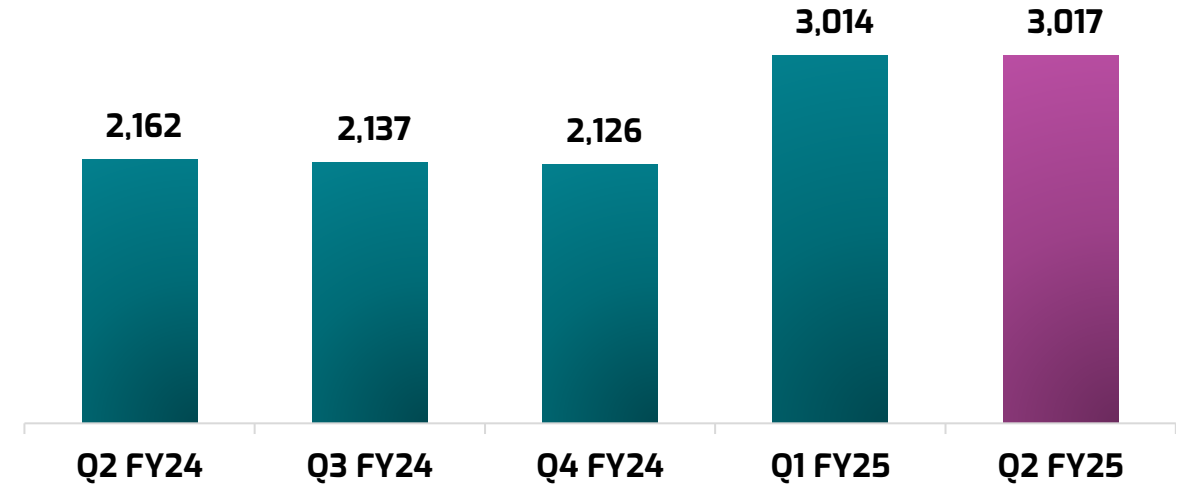
PAT ex. Exceptional (Rs. mn)



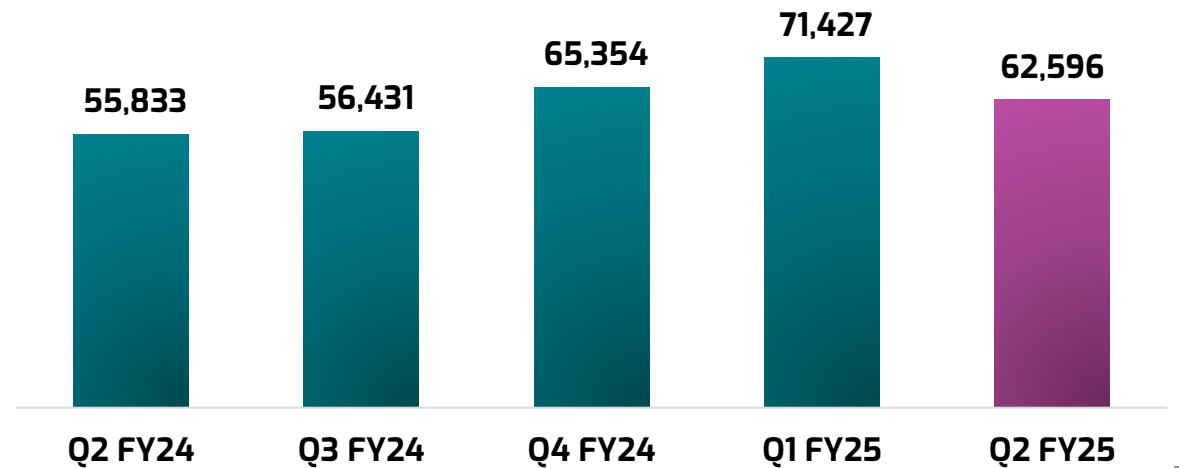
Net Cash (Rs. mn)



Organic Capex (Rs. mn)



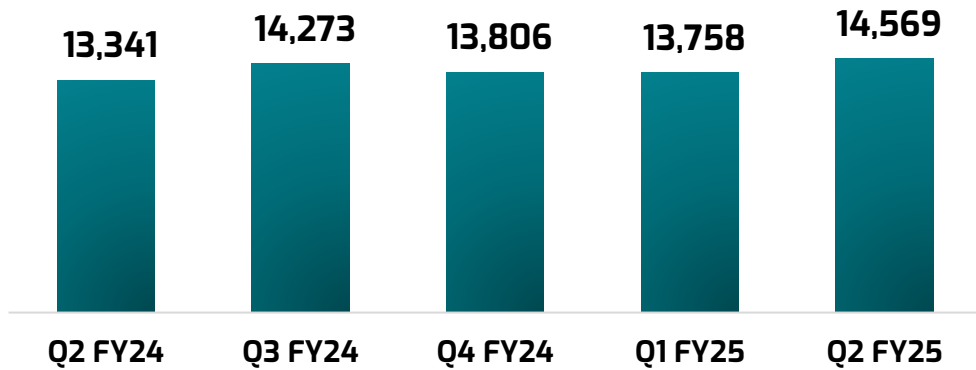
Net Working Capital* (Rs. mn)



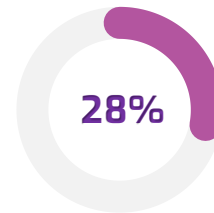
*Net working capital includes Inventory, Trade receivables and Trade payables.

Sustained market outperformance led by strong volume uptake

India Formulations Sales (Rs. mn)



Q2 FY25 Revenue Contribution



Q2 FY25 Gr.

YoY

9.2%

QoQ

5.9%

Brand building - a key growth driver

of Brands

1000+

10

500 to 1000

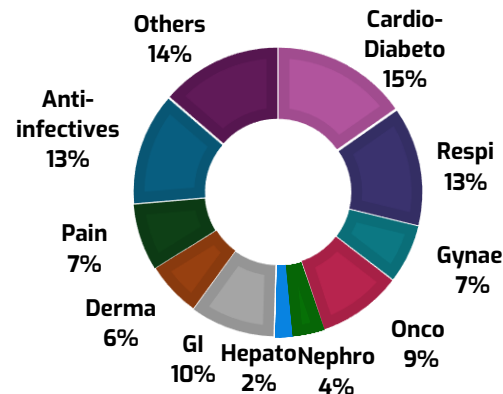
21

250 to 500

37

Brand Value (Rs. Mn)*

Therapy-wise Break-up*



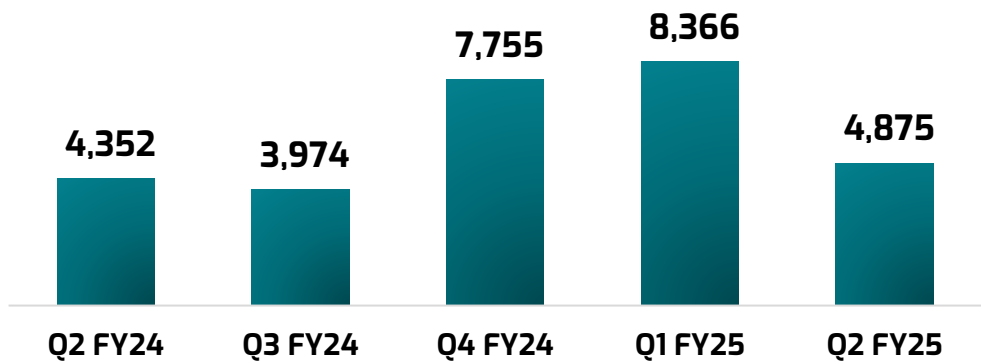
Highlights for the quarter

- Branded business grew **faster** than the market with **10% YoY growth**.
- Pillar brands** and **innovation portfolio** posted **strong volume growth**, driving the overall performance.
- Launched **12 new products** (incl. line extensions) with **4 first-in-India** launches.
- Grew faster** than the market in **key therapies** of Cardiology, Gastro-Intestinal, Respiratory, Anti-infectives and Oncology.
- On the Super Specialty front, continued to hold **leadership** position in **Nephrology** and **Oncology** therapies.
- Share of **Chronic** portfolio has **gone up** consistently over the years and stood at **41.8%***, an **improvement of 400 bps** over the last 3 years.

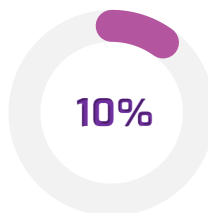
*Source: IQVIA MAT September 24

Strong volume uptake driven by robust demand across categories

Consumer Wellness Sales (Rs. mn)



Q2 FY25 Revenue Contribution



Q2 FY25 Gr.

YoY

12.0%

QoQ

-41.7%

Key brands continued to hold dominant market share

Brand Name



Market Share#

59.4%

34.3%

93.9%

6.9%

46.0%

77.9%

4.1%

Facial
Cleansing *

Scrub

Peel
Off

Highlights for the quarter

- Growth was largely driven by **strong 8.4% volume growth**.
- Both the **personal care** segment, and **food & nutrition** segment **performed well**, driving the overall performance.
- R&D capabilities** continue to be at the **forefront**, helping to launch **new products** and **extensions** and in turn, capitalize on **emerging consumer trends**.
- Acquired **Naturell (India) Pvt. Ltd.**, a leading player in **healthy snacks** category.

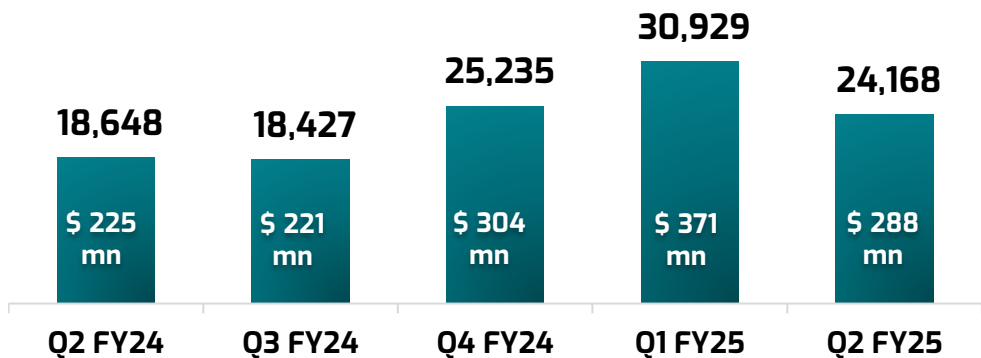
The acquisition will enable to offer **more product choices** to the health and wellness conscious customers.

#Source: Nielsen and IQVIA MAT September 2024 report

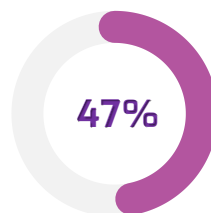
* Facial cleansing segment includes Face wash, Scrub and Peel-off.

Base business volume expansion and new launches led to strong growth

US Formulations Sales (Rs. mn)



Q2 FY25 Revenue Contribution



Q2 FY25 Gr.

YoY

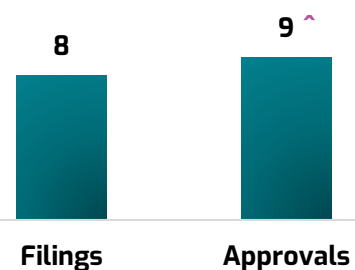
29.6%

QoQ

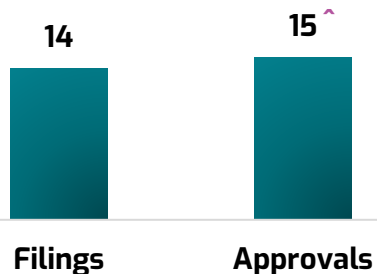
-21.9%

Continued investment to build the generics pipeline

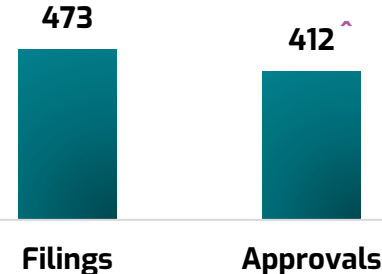
ANDA filings and approvals - Q2 FY25



ANDA filings and approvals - H1 FY25



ANDA filings and approvals - Cumulative



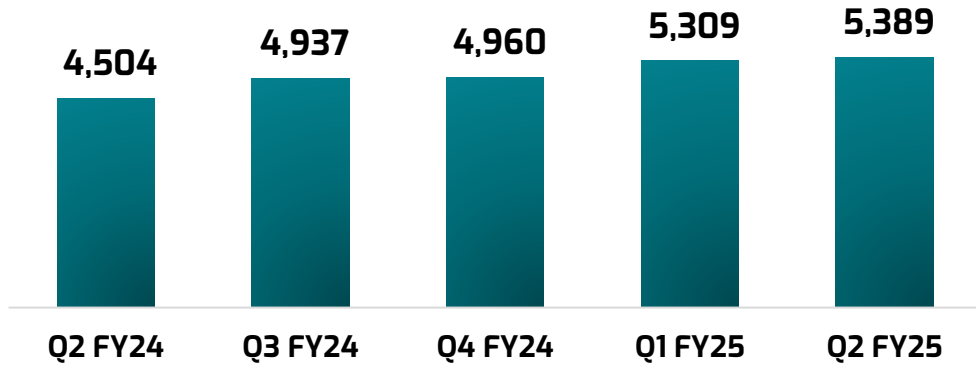
Highlights for the quarter

- Launched **4 new products**.
- Filed **8 ANDAs** and received **approval** for **9 ANDAs** (incl. **3 tentative** approvals).
- Entered into an exclusive licensing and supply agreement with Viwit Pharmaceuticals, for **two Gadolinium** based **Magnetic Resonance Imaging (MRI) injectable, contrast agents**.

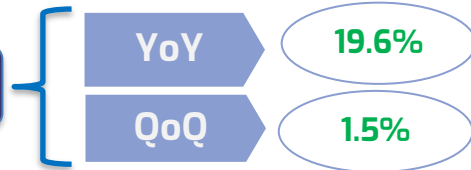
^ includes 3 tentative approvals in Q2 FY25, 5 in H1 FY25 and 26 on a cumulative basis.

Strong growth on the back of resilient demand across markets

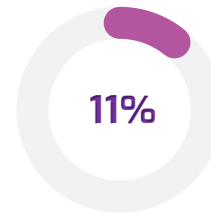
IM Formulations Sales (Rs. mn)



Q2 FY25 Gr.



Q2 FY25 Revenue Contribution



Highlights for the quarter

- **Robust growth** across **key** markets despite ongoing **political** and **economic** challenges in some countries.
- Focused on **expanding** the presence in **select therapies** across **key** markets by leveraging the **global R&D portfolio** of generics and specialty products.

NCE: Saroglitazar Magnesium

- Data monitoring and follow-up is going on post the completion of patient recruitment for Phase II(b)/ III clinical trials for PBC indication and Phase II(b) clinical trials MASH indication for the US market.

NCE: Usnoflast

- Completed Phase II(a) clinical trials in India for ALS indication.
- The molecule was well-tolerated in a 12-week Phase II(a) trial with target levels achieved in both plasma and CSF of ALS patients. It showed favourable trend towards reduction in NFL, an established biomarker of neurodegeneration, in the CSF of ALS patients.
- Improvement in ALS Functional Rating Scale and Slow Vital Capacity was also observed.

NCE: Desidustat

- Initiated Phase II proof-of-concept trial of Desidustat in partnership with ICMR in patients with Sickle Cell Disease.
- The partnership marks a pivotal step towards developing new therapies for combating Sickle Cell Disease.

Biotech R&D

- Completed patient recruitment for Phase III clinical trials for one of the biosimilars and follow-up has been completed.
- Completed pre-clinical toxicity studies for one of the biosimilars and applied for clinical trials permission to RCGM.

Vaccines R&D

- Completed Phase II clinical trials for Hepatitis E vaccine.
- Typhoid Conjugate vaccine viz. ZyVac[®] TCV received in principle acceptability from the WHO. With this acceptance, ZyVac[®] TCV is now eligible for purchase by the UN agencies.

Venturing into fermentation-based protein business

- Forayed into **animal free fermentation-based protein business** by forming a JV with Perfect Day Inc. through acquisition of **50% stake** in **Sterling Biotech Ltd (SBL)**.
- Setting-up a state-of-the-art manufacturing facility to produce **fermented animal free protein**.
- The JV aims to **accelerate production** of **high-quality** and **ecofriendly protein products** and in turn, cater to the **growing consumer demand** for fermentation-based and ethically sourced nutrition.

Acquisition of API business of SBL JV

- Entered into **business transfer agreement** with SBL JV to acquire its **API business**.
- The target business of the JV consists of portfolio of **fermentation-based API products** like Lovastatin, Daunorubicin, Doxorubicin and Epirubicin.
- The business has a **capacity** to produce **1600 KL of API**.

Zydus at a Glance

\$2.35
bn
Global Revenues¹

5th
Largest generic Co. in US
in terms of prescription³

8
R&D Centers
For NCE, APIs, Generics, Vaccines
Biosimilars and Wellness products

>35%
Revenues from India
Geography (Formulations
and wellness) in FY24

**Among
Top 3**
In >55% of product
families marketed in US⁴

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

\$11.5
bn
Market Capitalization²

7
Brands among Top
300 in India⁵

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

38
Mfg. sites having
capabilities across
dosage forms

>27 K
Zydans globally incl.
>1400 scientists (R&D)

24
Biosimilars in portfolio
(incl. 3 ADCs), launched
14 products in India

1. In FY24, assuming exchange rate of Rs. 82.8 per USD
2. As on 11th November, 2024, exchange rate of Rs. 84.4 per USD
3. IQVIA MAT September 2024 TRx

4. IQVIA MAT September 2024 TRx
5. As per IQVIA MAT September 2024

Consolidated Financial Performance (reported)

Rs. mn	Q2 FY25	Q2 FY24	YoY gr.	Q1 FY25	QoQ gr.	H1 FY25	H1 FY24	YoY gr.
Total Income from Ops.	52,370	43,688	19.9%	62,075	-15.6%	1,14,445	95,084	20.4%
Gross Contribution (GC)	37,656	28,950	30.1%	46,214	-18.5%	83,870	63,602	31.9%
Gross Margin %	71.9%	66.3%		74.4%		73.3%	66.9%	
Employee benefits expenses *	7,865	6,767	16.2%	7,820	0.6%	15,685	13,291	18.0%
R&D expenses	4,800	3,195	50.2%	3,925	22.3%	8,725	6,434	35.6%
Other operating expenses	10,831	8,349	29.7%	13,377	-19.0%	24,208	17,914	35.1%
Net (gain)/loss on foreign currency transactions	-454	-822	44.8%	252	-280.2%	-202	-551	63.3%
EBITDA	14,614	11,461	27.5%	20,840	-29.9%	35,454	26,514	33.7%
EBITDA Margin %	27.9%	26.2%		33.6%		31.0%	27.9%	
Other Income	682	540	26.3%	632	7.9%	1,314	900	46.0%
Finance cost	251	87	188.5%	322	-22.0%	573	268	113.8%
Depreciation and amortization	2,336	1,842	26.8%	2,153	8.5%	4,489	3,640	23.3%
Profit before Tax	12,709	10,072	26.2%	18,997	-33.1%	31,706	23,364	35.7%
Tax expenses	3,731	2,264	64.8%	4,361	-14.4%	8,092	4,425	82.9%
Share of profit from JVs	221	234	-5.6%	189	16.9%	410	449	-8.7%
Minority Interest	90	25	260.0%	626	-85.6%	716	492	45.5%
Reported Net Profit	9,112	8,007	13.8%	14,199	-35.8%	23,311	18,876	23.5%

* Excludes Research related expenses

Details of Exchange Rate Fluctuations

Rs. mn	Q2 FY25	Q2 FY24	YoY gr. %	H1 FY25	H1 FY24	YoY gr. %
A. On operating transactions (above EBITDA line)	-423	-853	50.4%	-191	-579	67.0%
a. Included in COGS	31	-31	200%	11	-28	139.3%
b. Part of other operating expenses (shown separately)	-454	-822	45%	-202	-551	63.3%
C. On foreign currency borrowings (part of finance cost)	-	-		-	4	-100.0%
Total Exchange Rate Fluctuations ('+' = loss, '-' = gain)	-423	-853	50.4%	-191	-575	66.8%

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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Khoraj (Gandhinagar), Nr. Vaishnodevi Circle,
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Ahmedabad – 382 481
Gujarat, India