



Dedicated To Life

May 20, 2022

Listing Department  
**BOMBAY STOCK EXCHANGE 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 audited financial results for the quarter / year ended on March 31, 2022.

Please find the same in order.

Thanking you,

Yours faithfully,  
For, **ZYDUS LIFESCIENCES LIMITED**  
(Formerly known as Cadila Healthcare Limited)

**DHAVAL N. SONI**  
**COMPANY SECRETARY**

Encl.: As above





# Zydus Lifesciences Limited

**Earnings Presentation**

20<sup>th</sup> May, 2022

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# Q4 FY22: Financial Performance

## Total Revenues\*

**Rs. 38,638 mn**  
↑ 5% YoY

## R&D

**Rs. 2,697 mn**  
7% of revenues

## EBITDA & Margin %<sup>#</sup>

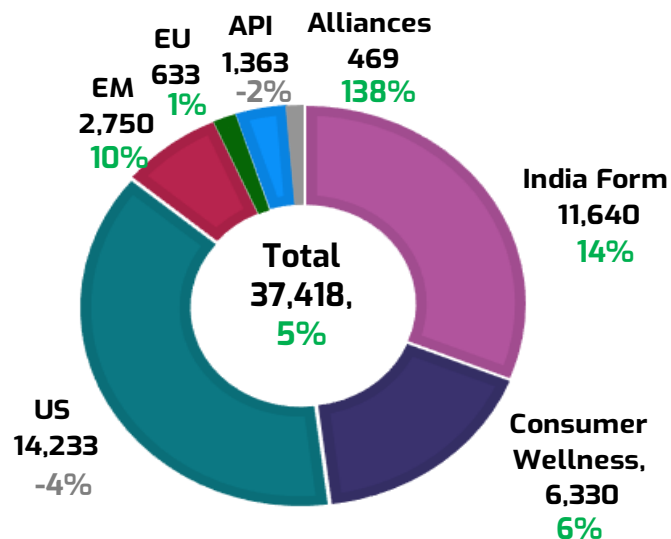
**Rs. 8,612 mn**  
22.3% of revenues  
↑ 1% YoY

## Net Profit ex. One-offs Exceptional & Disc. Ops <sup>^</sup>

**Rs. 5,250 mn**  
↑ 12% YoY

\* Total Revenues include net sales and other operating income.

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



## Key Highlights of Q4 FY22

- Ex-COVID related business, total revenues grew 7% yoy.
- India formulations business continued to display **robust performance** led by **strong momentum** in **branded portfolio**.
- Launched **Desidustat** (Oxemia™) in India for the treatment of anemia in patients with Chronic Kidney Disease (CKD). It is the **second NCE** launched, discovered and developed in-house.
- On the Specialty front in the US, entered into an asset purchase agreement with BridgeBio Pharma for acquisition of NULIBRY™
- Research & Development (R&D) spend: at Rs.2,697 mn (7% of revenues).
- Net debt: Rs. -570 mn (at 31-Mar'22) vs INR 34,862 mn (at 31-Mar'21).
- Capex for the quarter: Rs. 2,668 mn and for FY22: Rs. 11,218 mn.

## Key Board Meeting Updates

- The Board approved **buy-back** of upto **Rs. 7,500 mn** at **Rs. 650 per equity share** (90% premium to closing share price of 19<sup>th</sup> May, 2022).
- The Board recommended a dividend of 250%.

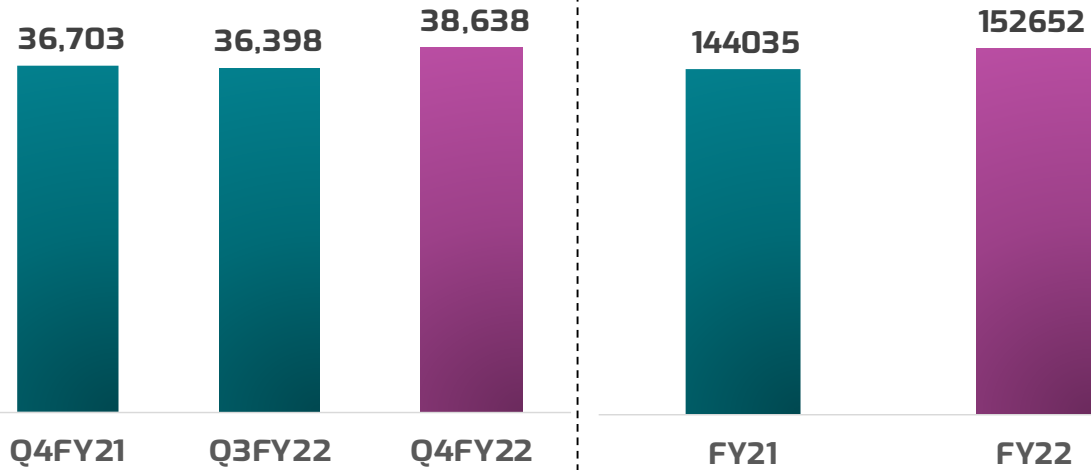
### Note:

# Adjusted for one-time COVID related inventory provision of Rs. 1,435 mn in Q4 FY22

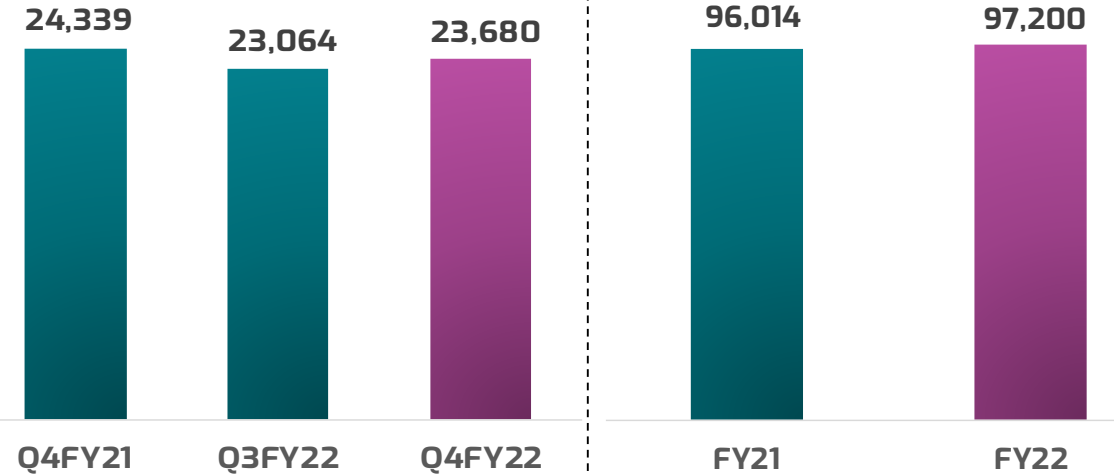
<sup>^</sup> Adjusted for one-time COVID related inventory provision, exceptional and non-recurring items as well as profit/ loss from discontinued operations.

# Key Financial Metrics (1/2)

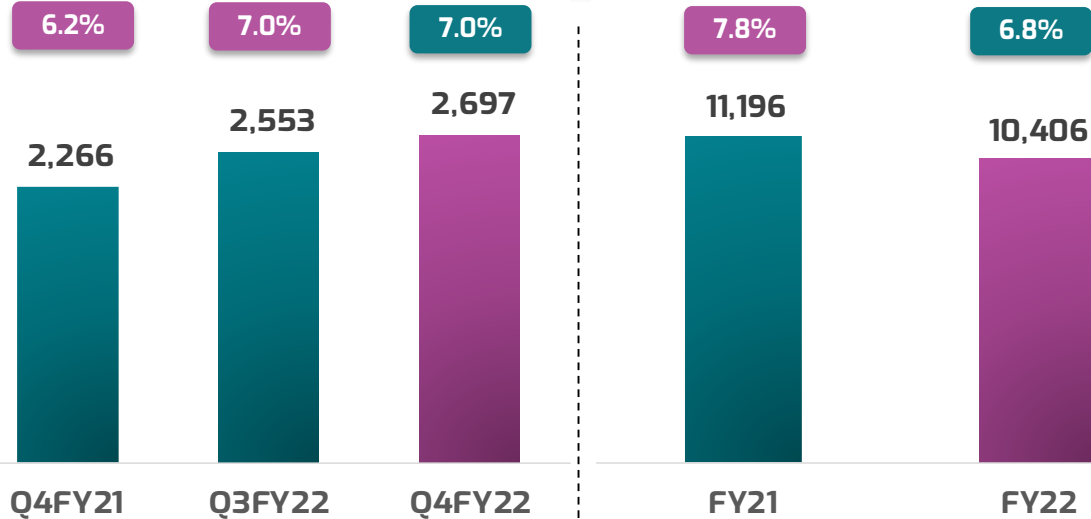
## Total Revenues (Rs. mn)



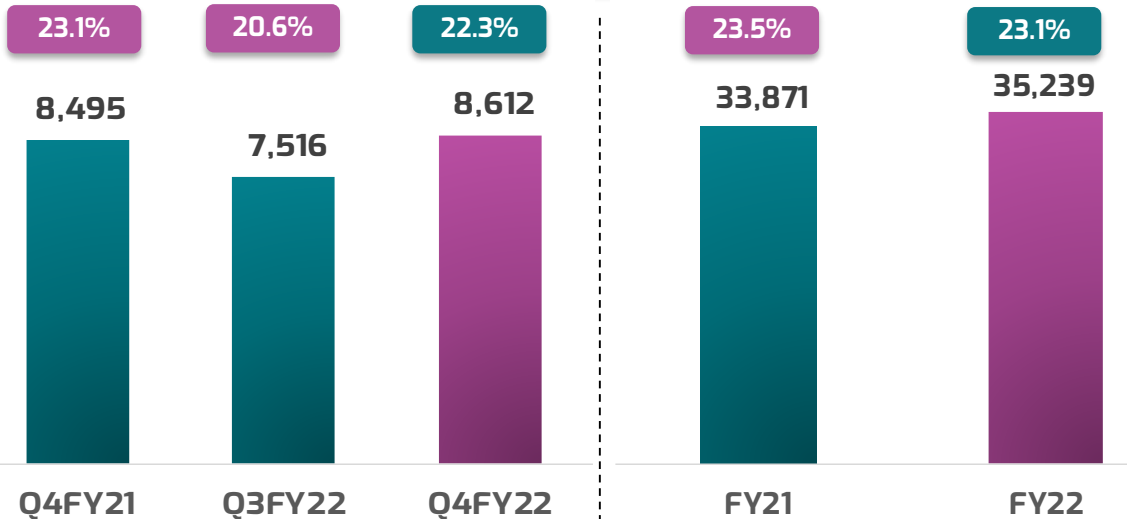
## Gross Profit (Rs. mn)



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

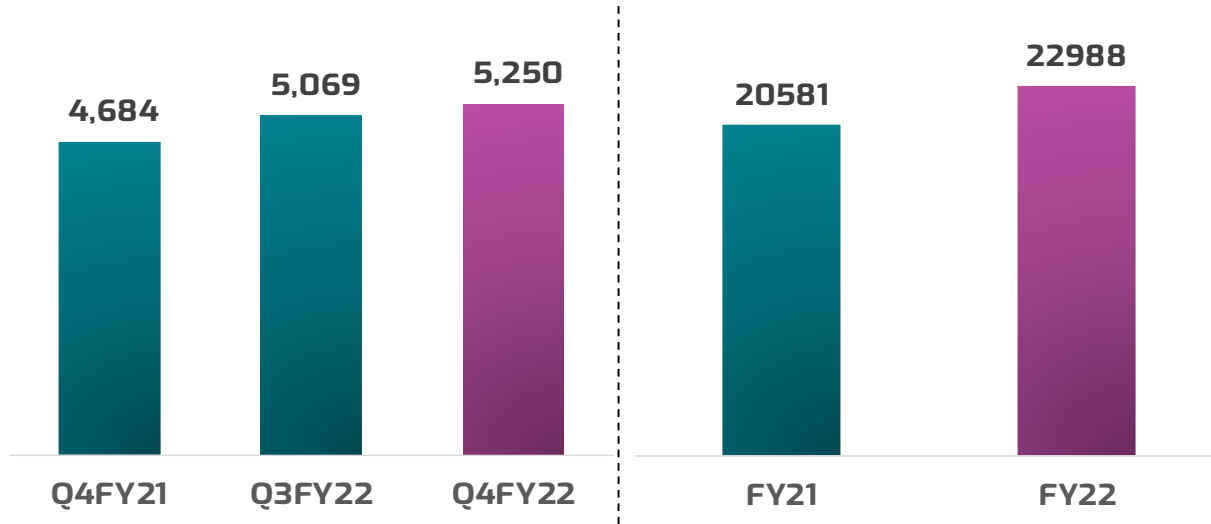


## EBITDA ex. one-offs (Rs. mn) and Margin %

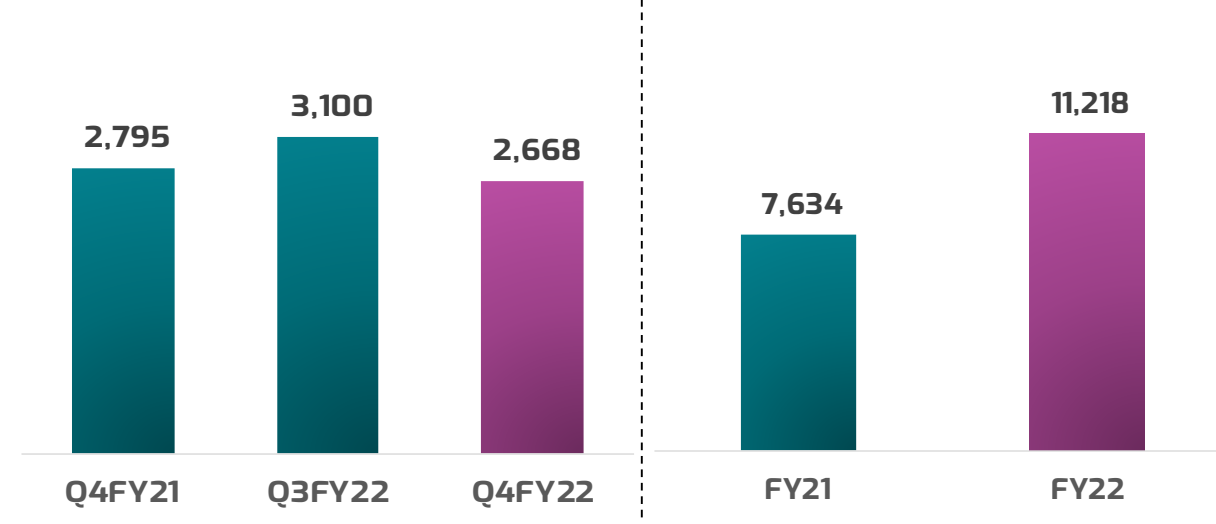


# Key Financial Metrics (2/2)

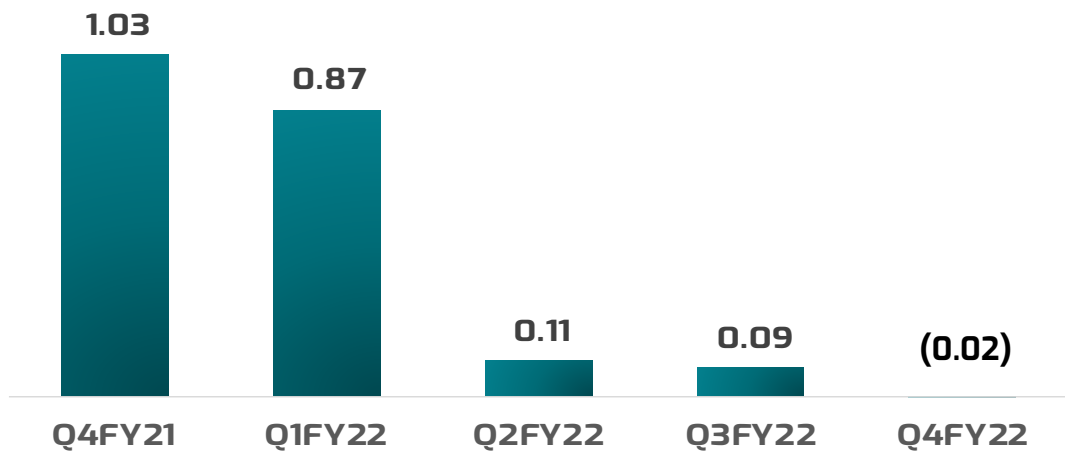
## PAT ex. Exceptional, one-offs and discontinued ops.(Rs. mn)



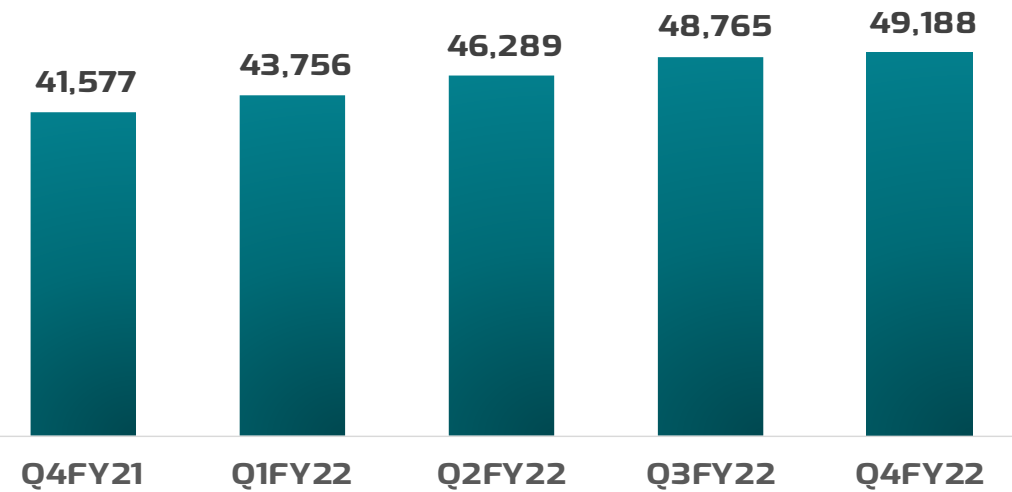
## Capex (Rs. mn)



## Net debt/ EBITDA



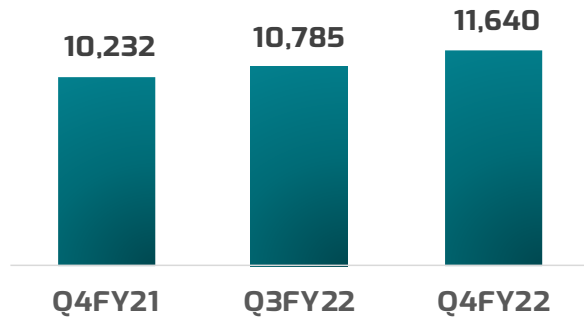
## Net Working Capital\* (Rs. mn)



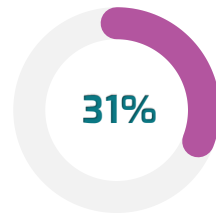
\*Net working capital includes Inventory, Trade receivables and Trade payables.

## Branded business continued to display strong growth

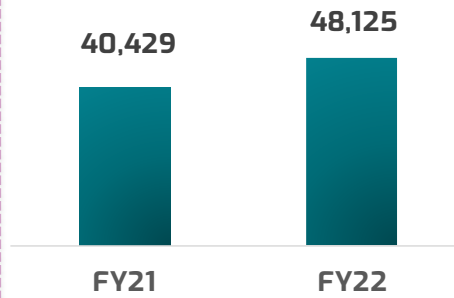
India Formulations Sales  
(Rs. mn)



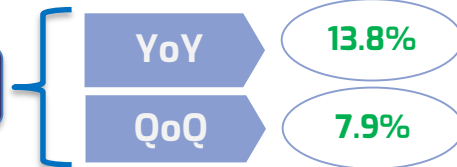
Q4 FY22 Revenue  
Contribution



India Formulations Sales  
(Rs. mn)



Q4 FY22 Gr.



FY22 Gr.



## Large brands - a key growth driver

# of  
Brands

1000+

8

500 to 1000

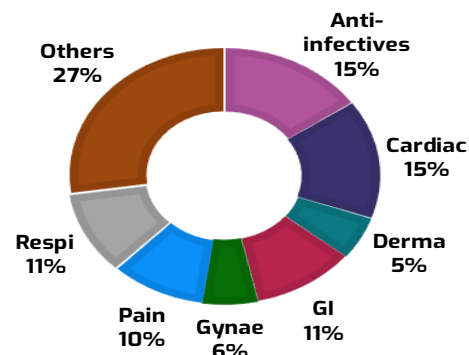
22

250 to 500

36

Brand  
Value  
(Rs. Mn)\*

## TA-wise Break-up\*



## Highlights for the quarter

- Ex. COVID opportunities, Gx portfolio and divested products, the branded prescription business **grew by 19% YoY.**
- Growth was well represented by volume expansion as well as better realization.
- Gained market share in key therapies viz. anti-diabetic, cardiovascular and gynecology on a YoY basis#.
- On the Super Specialty front,
  - Retained leadership position in Nephrology segment\* and
  - Fastest growing Company in India in Oncology segment.
- With first in market launches like Ujvira™ and Exmeptia™, biologics business has one of the largest portfolios and is among the fastest growing companies in respective therapeutic areas.

\*Source: AWACS MAT March 22

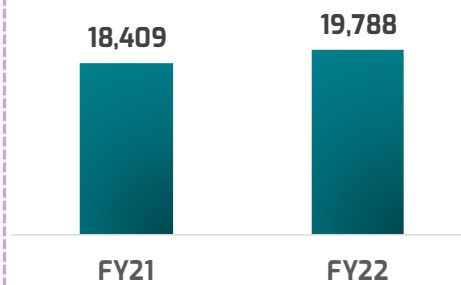
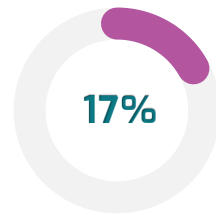
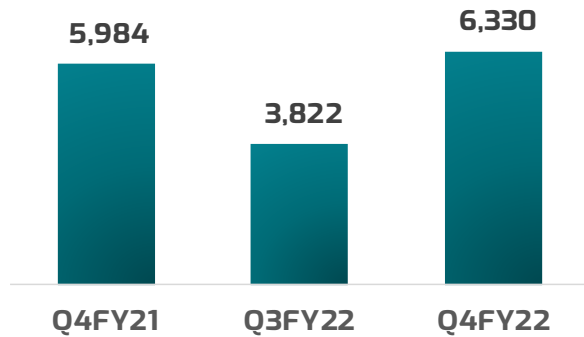
#Source: AWACS Jan – Mar 2022 qtr.

## Focus on execution to accelerate the growth

Consumer Wellness Sales  
(Rs. mn)

Q4 FY22 Revenue  
Contribution

Consumer Wellness Sales  
(Rs. mn)



Q4 FY22 Gr.

YoY

5.8%

QoQ

65.6%

FY22 Gr.

7.5%

## Key brands continued to maintain leadership position

Leading Brands

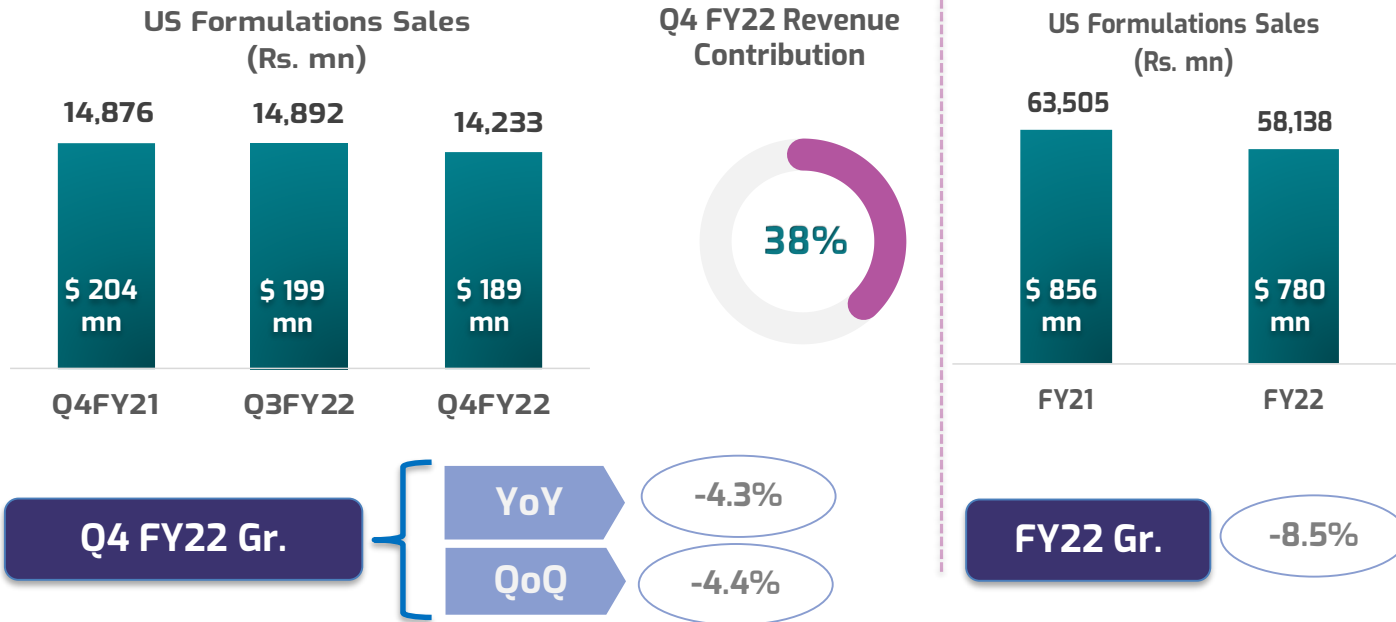


## Highlights for the quarter

- Retained **leadership** position in **5 out of 6** brands in their respective categories.
- Business environment remained challenging due to inflationary pressure on input costs.
- Gross margins improved sequentially on the back of price increase taken in various brands and cost improvement measures.



## Consolidating the position amidst challenging environment



## Highlights for the quarter

- Maintained **top 3** ranking in ~ **60% of the product families** in the US.
- Received **final approval** for **5 new products** and launched 4 new products during the quarter.
- On the Specialty front, **acquired NULIBRY™** (Fosdenopterin for Injection).

The product is approved by the USFDA to reduce the risk of mortality in patients with molybdenum cofactor deficiency (MoCD) Type A, an **ultra-rare, life-threatening pediatric genetic disorder**.

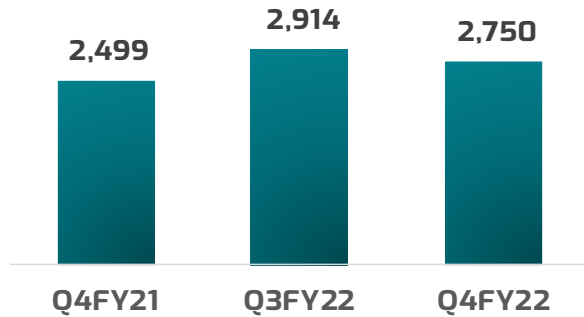
## Continued investment to build the generics pipeline

ANDAs	Q4 FY22	FY22	Cumulative
Filings	1	26	420
Approvals	5	28 <sup>^</sup>	312

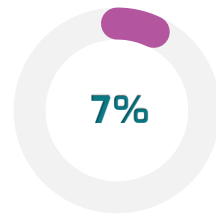
<sup>^</sup> inclusive of 10 tentative approvals.

## Base business continued to display growth

EM Formulations Sales  
(Rs. mn)



Q4 FY22 Revenue  
Contribution



Q4 FY22 Gr.

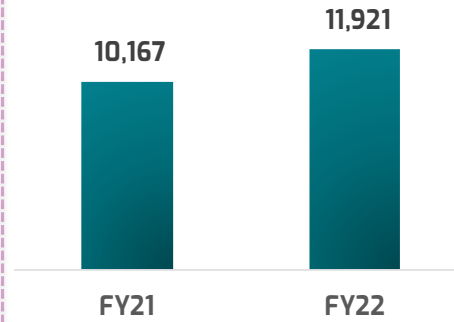
YoY

10.0%

QoQ

-5.6%

EM Formulations Sales  
(Rs. mn)



FY22 Gr.

17.3%

## Highlights for the quarter

- **Excluding COVID** opportunities, the business **grew by 29%** on a YoY basis.
- **Robust performance** in **key markets** of Latin America, Philippines and Vietnam drove overall performance of the business.
- However, the situation remained challenging for business growth in Sri Lanka in the light of ongoing political crisis. We remained vigilant to secure our receivables and offset the impact of currency decline through price hikes.

## NCE: Saroglitazar Magnesium

- Global pivotal Phase II(b)/III CT viz. EPICS-III™ to evaluate the efficacy and safety of the molecule in patients with PBC is currently going on for the US market.
- Patient enrolment ongoing for EVIDENCES-X, another global pivotal Phase II(b) CT to evaluate the efficacy and safety of the molecule in subjects with NASH and Fibrosis indications.

## NCE: Desidustat

- Received marketing authorization from DCGI for the molecule for the treatment of anemia in patients with CKD.
- The molecule has been launched in India in March, 2022 under the brand name Oxemia™. It is our 2<sup>nd</sup> NCE developed exclusively from lab to market.
- On the global development front, Phase III clinical trials underway in China for management of anemia in CKD patients.

## NCE: ZY19489 (Anti-malarial)

- The molecule is fast acting and effective against both *P. falciparum* and *P. vivax* strains of malarial parasites.
- It is being developed to provide an effective alternative to the current front-line antimalarial drugs, as artemisinin-based combination therapies (ACTs) are under immediate threat of resistance.
- Phase I study in healthy volunteers demonstrated long-half life and good safety profile.

## NCE: ZYIL1 (NLRP3 inhibitor)

- Initiated Phase II(a) CTs in Australia to study the safety, tolerability, pharmacokinetics and pharmacodynamics of the molecule in patients with CAPS in Australia.
- The molecule is an oral NLRP3 inflammasome inhibitor targeted at selectively suppressing inflammation.

## Biosimilars

- Submitted marketing authorization to DCGI for Rituximab and submitted an application to initiate Phase III clinical trials for one mAb during the quarter.
- Received permission from RCGM to initiate pre-clinical toxicity study for one product during the quarter.
- On the emerging markets front, received cGMP approval for the manufacturing facility from the Mexican regulatory authority COFEPRIS for 3 products during the quarter.

## 505(b)(2) and Specialty initiatives

- During the quarter, concluded pIND meeting with USFDA for 1 product in orphan space and received pNDA follow-up response for another product during the quarter.
- During the year, received tentative approval for 1 NDA, received a clearance from the USFDA for an IND application for a pain management product and concluded 3 pNDA meetings and 2 pIND meetings with USFDA.

# Zydus at a Glance

**>\$2**  
bn

Global Revenues<sup>1</sup>

**5<sup>th</sup>**

Largest generic Co. in US  
in terms of prescription<sup>3</sup>

**8**

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 US<sup>3</sup>

**1<sup>st</sup>**

Approved product for  
NASH in India - (Bilypsa<sup>®</sup> -  
Saroglitazar)

**\$4.5**  
bn

Market Capitalization<sup>2</sup>

**12**

Brands among Top  
300 in India<sup>4</sup>

**1<sup>st</sup>**

OSD formulation for anemia  
associated with CKD –  
Oxemia<sup>™</sup> (Desidustat)

**36**

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. Assuming exchange rate of Rs. 74.5 per USD  
2. As on 19<sup>th</sup> May, 2022, exchange rate of Rs. 77.65 per USD  
3. IQVIA, Regulatory Insights, MAT March 2022 TRx

4. As per AWACS MAT March 2022

# Consolidated Financial Performance (reported)

Rs. mn	Q4 FY22	Q4 FY21	YoY gr.	Q3 FY22	QoQ gr.	FY22	FY21	Gr.
<b>Total Income from Ops.</b>	<b>38,638</b>	<b>36,703</b>	<b>5.3%</b>	<b>36,398</b>	<b>6.2%</b>	<b>1,52,652</b>	<b>1,44,035</b>	<b>6.0%</b>
Gross Contribution (GC)	23,680	24,339	-2.7%	23,064	2.7%	97,200	96,014	1.2%
Gross Margin %	61.3%	66.3%		63.4%		63.7%	66.7%	
Employee benefits expenses *	5,401	5,311	1.7%	5,287	2.2%	21,974	20,954	4.9%
R&D expenses	2,697	2,266	19.0%	2,553	5.6%	10,406	11,196	-7.1%
Other operating expenses	8,405	8,267	1.7%	7,708	9.0%	31,413	29,993	4.7%
<b>EBITDA</b>	<b>7,177</b>	<b>8,495</b>	<b>-15.5%</b>	<b>7,516</b>	<b>-4.5%</b>	<b>33,407</b>	<b>33,870</b>	<b>-1.4%</b>
EBITDA Margin %	18.6%	23.1%		20.6%		21.9%	23.5%	
Other Income	791	-304	360.2%	607	30.3%	2,247	456	392.8%
Finance cost	385	232	65.9%	311	23.8%	1,270	1,588	-20.0%
Depreciation and amortization	1,854	1,753	5.8%	1,770	4.7%	7,130	6,696	6.5%
<b>Profit before exceptional items</b>	<b>5,729</b>	<b>6,206</b>	<b>-7.7%</b>	<b>6,042</b>	<b>-5.2%</b>	<b>27,254</b>	<b>26,042</b>	<b>4.7%</b>
<b>Profit after exceptional items</b>	<b>5,729</b>	<b>5,475</b>	<b>4.6%</b>	<b>6,042</b>	<b>-5.2%</b>	<b>28,381</b>	<b>23,991</b>	<b>18.3%</b>
Tax expenses	1,092	-2,060	153.0%	1,094	-0.2%	5,117	1,936	164.3%
Share of profit from JVs	46	38	21.1%	223	-79.4%	462	474	-2.5%
Profit from discontinued operations #	-150	-219	31.5%	-65	-130.8%	22,457	-680	
Minority Interest	559	564	-0.9%	102	448.0%	1,310	514	154.9%
<b>Reported Net Profit</b>	<b>3,974</b>	<b>6,790</b>	<b>-41.5%</b>	<b>5,004</b>	<b>-20.6%</b>	<b>44,873</b>	<b>21,335</b>	<b>110.3%</b>

## Comments for Q4 FY22:

- GC impacted by one-time inventory provision of Rs. 1.4 bn.
- Opex increased QoQ due to increased marketing spend (incl. Wellness) and freight cost.
- Adj. for one-time inventory provision, Q4 FY22 EBITDA was Rs. 8,612 mn (22.3% margin).
- Adj. Net Profit for Q4 FY22 was Rs. 5,250 mn, up 12% YoY.

\* Excludes Research related expenses

# Discontinued operations refer to divested India-centric Animal Health Business and discontinuation of Neshor and Hercon business.

# Details of Other Incomes and Exchange rate Fluctuations

<b>Other Operating Income</b>						
Rs. mn	Q4 FY22	Q4 FY21	YoY gr.	FY22	FY21	YoY gr.
Export Incentive	98	98	-0.1%	470	1,164	-59.7%
Exchange Rate Fluctuations	582			1,553		
Processing Income	76	64	18.8%	309	237	30.4%
Others	464	732	-36.7%	2,044	1,384	47.7%
<b>Total other operating income</b>	<b>1,220</b>	<b>894</b>	<b>36.4%</b>	<b>4,376</b>	<b>2,785</b>	<b>57.1%</b>
<b>Other Income</b>						
Rs. mn	Q4 FY22	Q4 FY21	YoY gr.	FY22	FY21	YoY gr.
Dividend and Interest Income	269	69	288.8%	696	499	39.3%
Exchange Rate Fluctuations	200	104	92.3%	646	121	433.9%
Profit on sale of Investments	240	10	2385.2%	751	89	747.6%
Others	82	-487	116.8%	155	-252	161.3%
<b>Total other income</b>	<b>791</b>	<b>-304</b>	<b>360.5%</b>	<b>2,247</b>	<b>456</b>	<b>392.4%</b>
<b>Details of foreign exchange fluctuations</b>						
Rs. mn	Q4 FY22	Q4 FY21	YoY gr.	FY22	FY21	YoY gr.
<b>A. On operating transactions (above EBIDTA line)</b>	<b>-516</b>	<b>84</b>	<b>-713.7%</b>	<b>-1,468</b>	<b>164</b>	<b>-995.6%</b>
a. Included in other operating income	-582	-		-1,553	-	
b. Included in cost of goods	66	50	31.4%	85	19	350.0%
c. Included in other operating expenses	-	34	-100.0%	-	145	-100.0%
<b>B. On other non-operating income</b>	<b>-200</b>	<b>-104</b>	<b>-92.3%</b>	<b>-646</b>	<b>-121</b>	<b>-433.9%</b>
<b>C. On foreign currency borrowings (part of interest cost)</b>	<b>71</b>	<b>12</b>	<b>491.7%</b>	<b>71</b>	<b>-53</b>	<b>234.0%</b>
<b>Total Foreign Currency Fluctuations (+ = loss, - = gain)</b>	<b>-645</b>	<b>-8</b>	<b>-8066.5%</b>	<b>-2,043</b>	<b>-10</b>	<b>-20127.2%</b>

# Thank you

For any queries, please contact  
Arvind Bothra  
[Arvind.Bothra@zyduslife.com](mailto:Arvind.Bothra@zyduslife.com)  
+91-79-71800839

For more information, please visit  
[www.zyduslife.com](http://www.zyduslife.com)



## Registered Office:

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