



# J.P. Morgan 39<sup>th</sup> Annual Healthcare Conference

Cadila Healthcare Ltd. | Dr. Sharvil Patel, MD

# Context

1

Zydus Corporate Overview

2

Strategic Growth Themes

# Zydus – Corporate Overview

**~ 70 years**

Business excellence

**\$ 6.92 Bn<sup>1</sup>**

Market cap

**~\$155 Mn<sup>2</sup>**

R&D spend in FY20

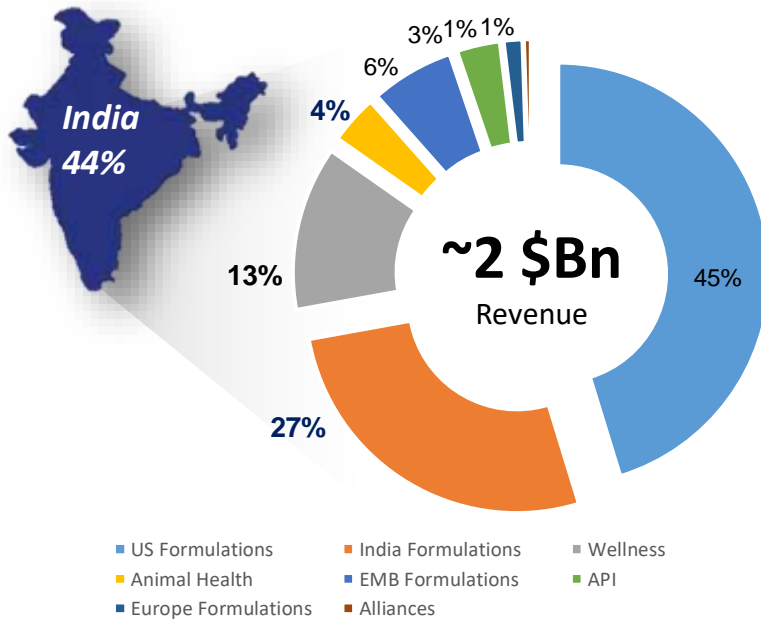
**36**

Manufacturing facilities

**25000 +**

Employees

## Sales Split (FY20)<sup>2</sup>



## Global Gx Business

**4<sup>th</sup>**

Largest pharmaceutical company in US (total Prescriptions<sup>3</sup>)

## Global Branded Gx

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

Largest pharmaceutical company in India<sup>4</sup>

## Wellness

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

in 5 out of 7 product categories (Sugar-free, Nycil, Glucon-D, Nutralite, EverYuth<sup>#</sup>)

## Animal Health Business

**2<sup>nd</sup>**

Largest animal healthcare company in India

## NCE & NBE

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

NASH therapy approved in India (**Saroglitazar**)

## Biologics & Vaccines

**Largest**

integrated biologics and vaccines portfolio across Indian pharma cos.



# Context

1

Zydus Corporate Overview

2

**Strategic Growth Themes**

**Zydus** is focusing on 4  
strategic themes to drive its  
future growth



**Focus on Key  
Geographies**



**Innovation**



**Cost Optimization  
& Quality**



**Digitalization**

# India formulation business crossed a milestone of \$500 Mn which contributes ~27% of overall revenues

5<sup>th</sup>

... largest pharma player  
by revenues\*

4.2%

...value market share  
in India\*

Top 3

... in Respiratory, Pain,  
Gynaecology, Nephrology,  
Oncology\*

4<sup>th</sup>

... fastest growing amongst  
top 10 pharma cos. in India\*

1<sup>st</sup> NCE

...launched in India  
(Lipaglyn®# and Bilypsa)

## Revenues



## Growth Drivers



Progressive  
Commercial  
Model



Nurturing  
Mandate  
Brands



Leveraging  
Digital

## Key Imperatives

- *Futuristic commercial model / portfolio restructured recently^:*
  - **Mass clusters** covering AI/Pain/GI therapy areas
  - **Specialty clusters** for Gynae, Derma, Respiratory, Cardiac, Oncology, Rheumatology, Nephrology
- *Focusing on mandate brands contributing to ~53% of overall revenues (12 brands among top 300 brands of industry)*
- *Mandate brands expected to contribute 60%+ in next 3 years*
- *Taking cognizance of changing environment, Zydus is working to create commercial model, which will leverage digital for differentiated customer engagement*
- *Embedding “analytics” into **decisions** and **way-of-working***

# Strategic interventions and portfolio alignment in India formulation business, done recently; started yielding results in key TAs

## Cardio-Metabolic



- 4 ranks gained in anti-diabetic business
- Specialist focus has resulted into higher growth and market share gain in Cardio metabolic therapy
- Key brands gained MS (Atorva 10.4% to 11.4%\*)

**Lipaglyn** **Atorva**



## Respiratory



- Maintained 3<sup>rd</sup> position in the market\*
- Launched 3 unique devices and 2 first-time in India formulations
- Next wave of growth from differentiated new products and nextgen delivery platforms

**Deriphyllin** **Formonide**



## Gynecology



- Zydus is 2<sup>nd</sup> largest player in the segment (improved rank from 3<sup>rd</sup> position)\*
- Market share improved from 6.6% to 7.2%\*
- In spite of de-growth in the market, Zydus exhibited positive growth of 5.5%\*

**Primolut N** **Naturogest**



## Oncology



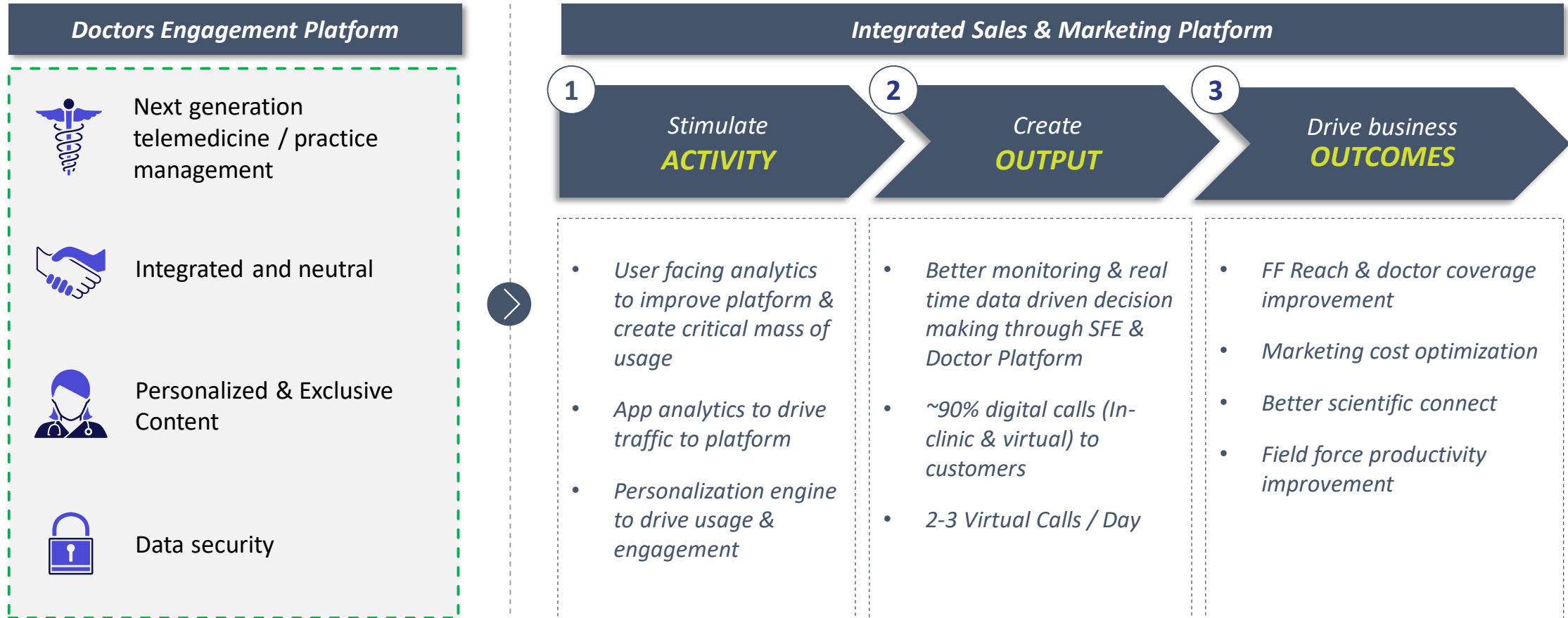
- 2<sup>nd</sup> largest player in the segment. Market share improved by 2%\*
- 3<sup>rd</sup> largest player in Bevacizumab (Bryxta)\*
- Vivitra garnered market share of 21% and entered in coveted top 10 oncology brands

**Vivitra** **Bryxta**



Combined growth of above key TAs of Zydus has been **1.3x better** than the covered market

# Launching a digital platform for doctors to comprehensively meet their need...which will help Zydus driving medium to long term growth



Targeting **100 K doctors onboarding** by the end of year 2021



# Ongoing investments in brand building, differentiated portfolio and digital platforms are the key to future growth of India business

## Near Term Priority

- **Portfolio rationalization:**  
Redeployment of resources through exiting non-core TAs / portfolio
- **Covid therapeutic & Post-COVID Care portfolio:** ~USD 25-30 Mn opportunity
- **Mandate brands & new launches:**  
Differentiated new launches addressing therapy gaps (~7% of total revenue expected to be added by new products in 3 years)

## Mid Term Priority

- **Consolidation of core therapies :**  
Strengthen Cardio, Gynae, Respiratory, Oncology franchise by improving the MS
  - Aim to be a leading player in breast cancer and solid tumor franchise (addressable patient population of 2.7 Mn by 2024)
- **Digital customer engagement:**  
Driving digital outreach to bring customer focus/engagement

## Long Term Priority

- **Innovation portfolio:** Continue focusing on IP driven innovation Portfolio and at least **one First-in-India** product in each TA which will help Zydus to establish its leadership in core therapies (12-15 key new launches)
- **Emerge as a leading player in NASH / NAFLD / PBC management:** ~25-30 Mn addressable patient population. (Sarglitazar expected to be in top-50 products of India: ~USD 40 Mn)
- **Digital at the core of our business:**  
Advanced digital initiatives for long term competitive advantage

# Zydus Wellness has made big strides post acquisition of Heinz

25+

Years of operations

5

brands as category  
market leader

42 Mn+

End consumer base

2 Mn+

Outlets reach

38%

Shareholder return  
over 12 years (CAGR)



FY'20 Revenues

**Synergies with HIPL integration :** The acquisition has provided an opportunity to build a future ready, lean, consumer-centric and profitable organization with a market leading portfolio of brands

## Human Resources Integration

- Reduction in number of people by **15%**, in the combined organization structure
- Harmonization of job bands and policies across various levels

## SCM synergies for cost savings

- Reduced logistics cost through warehouse and C&F optimization – C&F's reduced from 66 to **23**
- Increase in PM procurement **savings** due to better negotiations with vendors for combined scale

## GTM strategy with speed and agility

- Doubling direct distribution to reach **500 K** by Mar'21 and reducing cost to serve by optimizing channel margins
- Reduced from 1800+ ambient distributors to **800+** distributors while expanding footprint to additional **~900** towns

**Cumulative Savings 1.8 to 2.0 % of annual Sales achieved over a period of two years**  
**Market share across brands has been expanded/ maintained post acquisition through the integration phase**

Leading Brands



# Strong focus on strengthening building growth momentum

## Near Term Priority

- Accelerate growth of Brands
  - **Brand Building** : Differentiated propositions with stronger connect using conventional and digital media
  - **Strong GTM** : Enhanced access for better consumer reach through availability across 2 Mn outlets and expanding reach through Ecommerce
- Efficient business operations by **digitalizing** process across the value chain and cost optimization programs

## Mid Term Priority

- Expand business to new customers and geographies / channels
  - Build scale in international business by focusing on South Asia, MEA and SEA
  - Enter new markets with relevant offering
  - Expected to be 7-8% of revenue by 2025
- Drive growth by catering to unserved need states using innovation in both product offerings and customer outreach
- Aim to improve penetration levels across leading brands by 3% to 5% every year

## Long Term Priority

- Leverage M&A to significantly grow scale
- Open to bolt-on acquisitions at the right time
- Continue to focus on product innovation to grow the categories Zydus operates in and strengthen existing portfolio of brands
- New offerings to add 5% to 7% of revenue on a continuous basis

# Zydus has a leadership position in the US generics space and aspires to build a commercially attractive brand franchise in mid-term to long-term...

**4<sup>th</sup>**

... largest by Scripts in USA<sup>1</sup>

**4.2%**

... market share in terms of volume<sup>1</sup>

**230**

... highest no. of ANDA approvals in last 4 years

**Amongst top 3**

... in top 10 products of our portfolio

**190+**

... products launched So far

## Revenues



**FY'20 Revenues**

## Continued Growth Story...

**#9**

in 2018

**#7**

in 2019

**#4**

in 2020

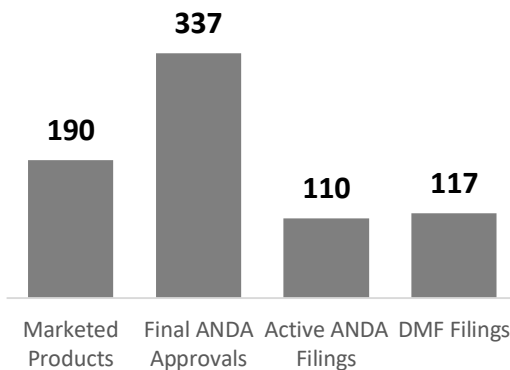
## 2020 Performance...

### Generic

- **23** new product launches
- **38** ANDA approvals
- **27** ANDAs filed

### Branded / 505(b)(2)

- **1** 505(b)(2) NDA filed
- **1** 505(b)(2) NDA ready for filing
- **3** Pre-IND meeting for 505(b)(2)



- **Valuable portfolio of Filed Products:** Mid to long term growth through a set of first to files and limited competition products. 10 Products with potential exclusive FTF. Potential of \$500-800Mn sales opportunity.
- **Best in Industry Performance (last 4years):** 130 product filing /230 approvals. No 1 in co in US Generics filing and approvals.
- **Speed of Execution: Top-tier performance in ANDA approval timelines.**
- **Proven track record:** filing, approvals and commercializing complex products in US



# Building depth across Complex generics and Specialty portfolio to drive profitable growth in US

- Zydus is strengthening innovative platforms to generate sustainable long term growth with major launches and a robust pipeline

## Near Term Priority

### Generic Portfolio

- **Base Business:** Deliver industry leading performance
- **New Generics Portfolio:**
  - Focus on new product launches:
  - Filing a portfolio of complex generics (including injectables) and generics: ~40 ANDA filing/year over next 3 years
  - Develop a portfolio of complex generic product through BD&L

### Branded Portfolio

- **Orphan & Specialty Business:** Development of portfolio focused around orphan/rare disease

## Mid Term Priority

### Generic Portfolio

- **Base Business:** Continue to deliver industry leading performance
- **New Generics Portfolio:** Continue to file and commercialize portfolio of value driven ANDAs including complex injectables
- Enhance partnership through robust BD&L - Value accretive deals

### Branded Portfolio

- **Orphan & Specialty Business:** Target to file 1 NDA every year.
- Commercialize the portfolio of specialty Products in orphan/rare disease area.
- **Innovation :** Advance Saroglitazar towards commercialization in US for PBC/NASH

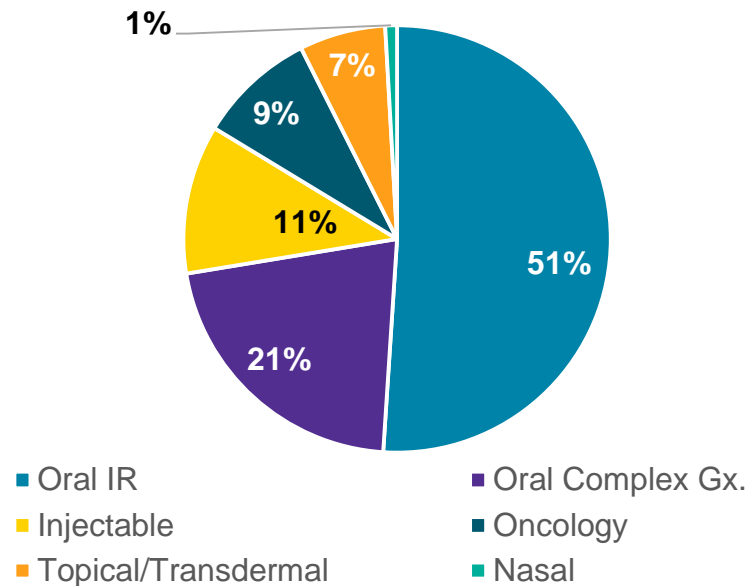
## Long Term Priority

### Generic Portfolio/Branded Portfolio

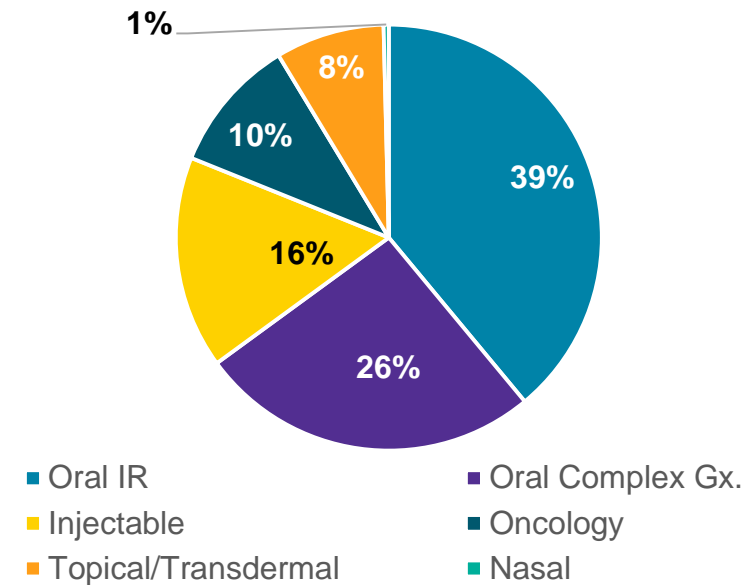
- **Diverse Portfolio:** Emerge as top-tier generics/specialty Pharma company in US market. Built an optimal balance of generics, branded and NCE based portfolio
- Emerge as relevant player in orphan/rare disease area
- Saroglitazar commercialization in select TAs.

# Zydus is focusing on “Value-centric portfolio” of a diverse mix of product categories

**Approved/Commercialized**  
(337 Products: \$66 Bn Addressable Market size\*)



**Filed/Under development**  
(254 Products: \$119Bn Addressable Market size)



- Zydus portfolio investment is driven towards creating a value-centric portfolio
- Focus on Limited competition/ Differentiated/FTF products where Zydus is likely to have competitive advantage

# Zydus is developing portfolio of complex generic injectable products, including drug device combination products for the US market

## Zydus US Injectable Portfolio



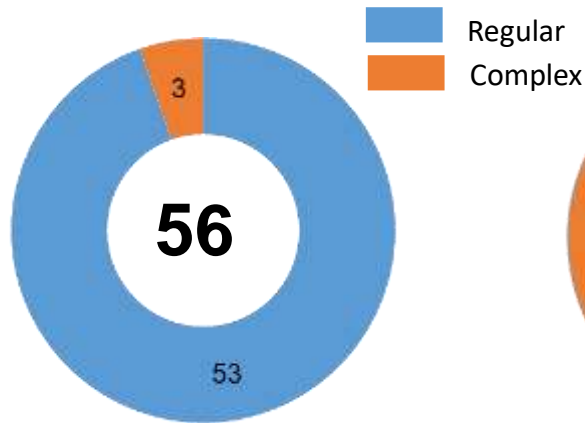
**108** Products



**\$27B**

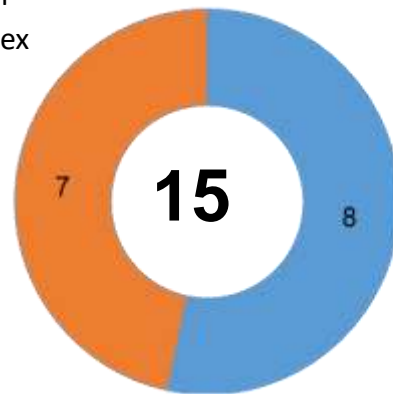
Participative  
Market

*Well balanced portfolio with high value products across various stage of development, indicating the prospective business growth opportunity that lies ahead of us*



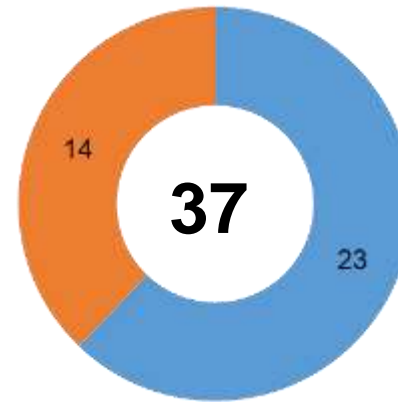
**Approved  
Products**

**\$2.3B**



**Filed products awaiting  
approval**

**\$6B**



**Under Development  
Products**

**\$19B**

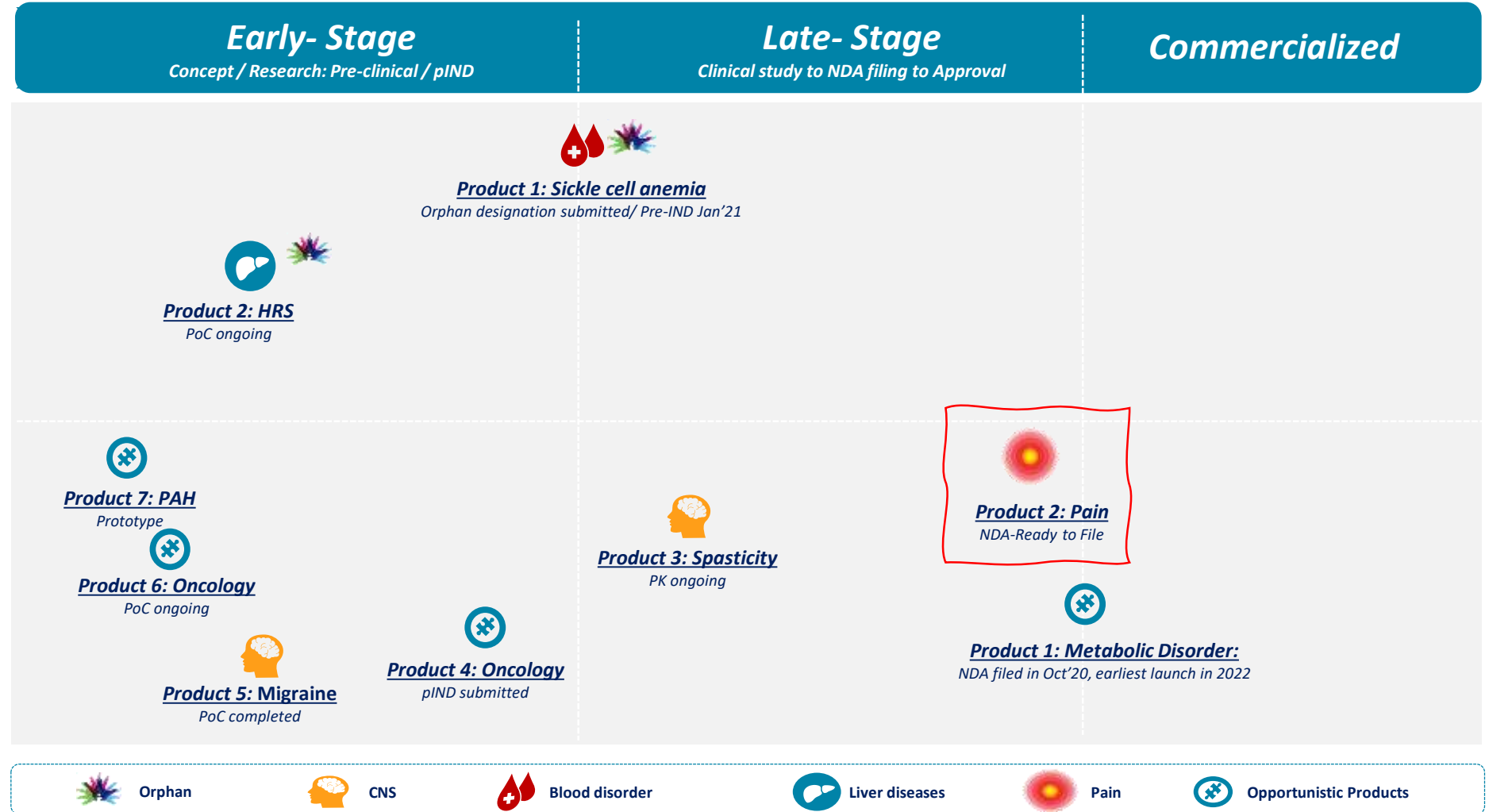
***Robust portfolio with a mix of Day-1 / 181, Me too, complex generics and niche product opportunities***

- ~10% Para-IV / FTF Products (Approved + Awaiting Approval) with addressable market size of \$2 billion
- ~10% Para-III Products (Approved + Awaiting Approvals) with addressable market size of \$4 billion
- ~80% Portfolio is of Launch upon approval, *Me too*, Technically challenging Para-II products with addressable market size of \$3 billion
- 29 Oncology products in portfolio

# Zydus Branded business strategy: Dual focus on Orphan disease and Specialty portfolio through 505(b)(2) strategy to drive future growth

## Zydus Branded Business

A portfolio of 9 R&D programs at various stages of development





# Zydus Innovation engine fueled by centers of excellence...

## NCE / NBE Research

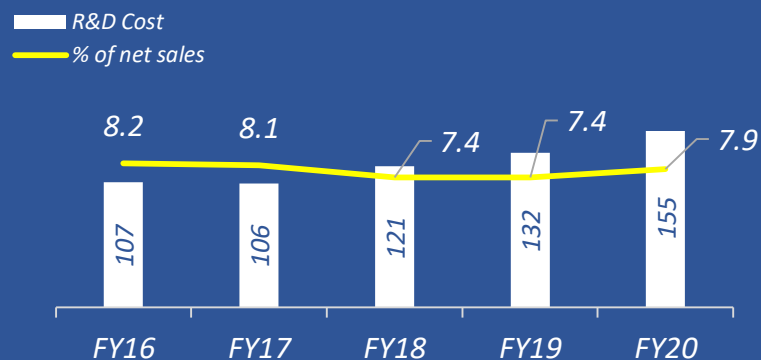


## Biotech Research



## Steady Investment in R&D

In Mio USD



1400+ Scientific Pool

## Formulation Development



## Etna Biotech



## API Research



## Vaccines Research



# NCEs & NBEs: Highlights and Focus Therapy Areas

4

NCEs in clinical development

10+

NCEs/NBEs in Pipeline

## Focus Therapy Areas

Pain

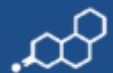
Cancer

Inflammation

Infection

Cardio-metabolic

Capabilities to do research from “**Concept to First-in-man trials**” under one roof



## NCEs Pipeline

Project	Target	Indication	Drug Discovery	Lead Optimization	Preclinical Dev.	IND	Phase I	Phase II	Phase III	NDA	Mkt
Desidustat	HIF-PH inhibitor	Anemia-CKD-ND/ D COVID-19 Chemo ind. anemia									
ZRC-3278 / MMV 253	V-type H <sup>+</sup> ATPase	Malaria (MMV)									
ZYBK2	HLA-DRB1 shared epitope	RA									Ongoing



## NBEs Pipeline

Product	Indication	Cloning	Process Dev.	Pre-Clinical	Regulatory Permission	Clinical Dev.	Market Auth.
TwinRab	Anti-Rabies Mab's						
ZRC-NB-3224	PNH/aHUS/Dengue/Severe COVID-19						
ZRC-3308	COVID-19						
ZRC-3297	Autoimmune						
ZRC-3298	Oncology						
ZRC-3304	Oncology						
ADC 2	Oncology						
ADC 3	Oncology						

# PBC along with NASH is expected to become a multi-billion dollar market globally

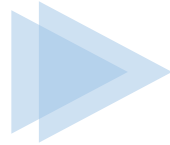


**PBC / NASH Global  
Market Opportunity**

**Year 2029**  
**PBC: \$10 Bn+**  
**NASH: \$27.2 Bn<sup>1</sup>**



**US would contribute  
94% of WW sales**



Zydus has become the **1<sup>st</sup>**  
**pharma company in**  
**the world** to win  
approval for a **Non-Alcoholic**  
**Steatohepatitis (NASH)**  
drug Saroglitazar Mg, after  
getting a green light from  
the Drug Controller General  
of India (DCGI)

**USFDA grants Zydus fast track  
designation for Saroglitazar to treat  
primary biliary cholangitis**

Due to increasing rates of obesity and diabetes, Non-Alcoholic Steatohepatitis (NASH), a chronic inflammatory liver disease, is **becoming increasingly prevalent**. GlobalData forecasts that the NASH market will grow at a **CAGR of 63% across the US and the five major European markets** (5EU: France, Germany, Italy, Spain and the UK), **reaching \$18.3 bn by 2026**.  
Source: Optum.com; Adapted from GlobalData forecasts

NASH, or non-alcoholic steatohepatitis, has **no approved treatments**. Estimates hold that about **30 million people in the U.S. have the fatty liver disease**, representing a **\$35 billion market opportunity**.  
Source: Biopharmadive.com

# Saroglitazar Mg. is a novel dual PPAR $\alpha/\gamma$ agonist Zydus is evaluating in late phase studies for PBC & NASH

## Saroglitazar Mg. US development status



- **NASH** – Ph2b application submitted to USFDA
- **PBC** – Ph2 completed, Ph3 trials to initiate soon

2025

Expected NDA filling for  
Pre-cirrhotic NASH in US



2019-20

Approved for 2 mode indication in **India**,  
1) T2DM, 2) Pre-cirrhotic NASH and 2  
indications in **Myanmar**,  
1) Hypertriglyceridemia, 2) Diabetic  
Dyslipidemia



2023

Expected NDA  
filling for PBC in US



2017-18

Approved for 2 indication in Mexico and Kenya  
• Hypertriglyceridemia  
• Diabetic Dyslipidemia



2013

Approved for 2 indication in India,  
1) Hypertriglyceridemia, 2) Diabetic Dyslipidemia

*Saroglitazar Mg's efficacy and safety is supported by multiple clinical trials and a wealth of real world data*

25

Controlled clinical  
trials across India, US  
and Mexico involving  
~**3,900 patients**

8

**EVIDENCES** series  
of trials for NASH /  
NAFLD across US,  
India and Mexico

2

**EPICS series of  
trials for PBC**  
across US and  
Mexico

10

**PRESS** series of  
trials for diabetic  
dyslipidemia,  
triglyceridemia

5

Additional trials  
including for **NASH  
and HIV**

27

**IITs across 3000+  
patients**

3600+

Patients  
registered across  
**3 patient  
registries**

15+

Review  
articles and  
case studies



# Desidustat will bring paradigm shift in the management of CKD patients with anemia

## Desidustat



- **Desidustat** is a novel, oral, hypoxia inducible factor prolyl hydroxylase inhibitor (HIF-PH inh.), currently undergoing Phase 3 trials for treating anemia in chronic kidney disease patients

### CKD patient pool for Desidustat

- **CKD is a serious medical condition** involving gradual loss of functioning of kidneys eventually leading to kidney failure
- Anemia is one of the frequent complications of CKD

## Market Opportunity



~\$ 6 Bn

Global Renal anemia market by 2027

~ \$ 500 - 600 Mn

Potential of Emerging market for Renal anemia by 2027

~1 Mn

cancer patients in US receiving chemotherapy develop anemia

>120 Mn

people are estimated to be living with CKD in China

~17%

India Prevalence of CKD patients

## Key milestones in 2019-20



- US drug regulator's approval to initiate clinical trials of Desidustat in cancer patients receiving chemotherapy induced anemia
- Initiated Phase II (b) trial of Desidustat in Mexico for the management of patients with COVID-19
- Started Phase III clinical trials of Desidustat targeted at treating anemia in dialysis (n=392) and non-dialysis (n=588) dependent CKD patients



**Licensing agreement with China Medical System Holdings Ltd.(CMS) for development and commercialization of Desidustat in anemia induced CKD**

# A Global Player in the evolving **Biosimilars** Space...

**Zydus**  
dedicated to *life*



Global Biosimilars  
Market

~\$ 35.7 Bn<sup>1</sup>  
by 2025

## Near to Mid Term Strategy



- Creating 2 distinct set of portfolio
- 1 To cater to India & EM – Objective will be to maintain leadership position in India
  - 2 To have select play in regulated markets with an objective to create strong franchise in Oncology segment



India

- No. 1 Player in Biosimilars space
- 1<sup>st</sup> to enter and remain a strong player based on continuous cost improvements

Exemptia Bryxta Vivitra  
Pegstim BONMAX



Emerging Markets

- Partnering with regional leaders in various markets
- Create a strong franchise in regulated markets with targeted play



EU & US

- Plan to develop and enter with first wave select potential biosimilars
- Selected play with a limited portfolio based on the competition scenario
- Seek partnerships on product to product basis

# Zydus has 21 biosimilars in portfolio / pipeline



India  
& EM

## Biosimilars launched since 2014

1. IFN $\alpha$ -2b
2. PEG-IFN
3. PTH
4. G-CSF
5. PEGG-CSF
6. EPO
7. Adalimumab
8. Trastuzumab
9. Bevacizumab
10. Rituximab
11. Peg-Asparagase
12. r-FSH



## Zydus Biosimilar Pipeline

Biosimilars	Competitive Intensity
Onco 1	Low
Onco 2	Low
Onco 3	Low
Bone Health 1	Low
Opthal 1	Medium
Respiratory 1	Low
Autoimmune 1	Low



Global  
Market

Therapy segments  
under development

Onco 4  
Onco 5

Low  
Medium

Peak sales

~\$10 Bn

# Zydus is an emerging player in the Vaccine space

**20+ years**

...of experience. started journey in 1998\*

**12+**

Vaccine products in portfolio

**5**

Manufacturing (3) and R&D (2) Facilities\*

**300+**

...dedicated scientists and workforce\*

## Market Opportunity



## Zydus Vaccine Portfolio

Vaccine	Platform	Vaccine population
<b>Pentavalent MR</b>	Combination vaccine	Pediatric
<b>MMR</b>	Live viral vaccine (Combination)	
<b>Varicella</b>	Live viral vaccine	
<b>TCV</b>	Polysaccharide conjugate vaccine	Pediatric and Adult
<b>Flu</b>	Inactivated viral vaccine	Pediatric and Adult
<b>Rabies</b>	Inactivated viral vaccine	All Population
<b>HPV</b>	Virus like particles (VLPs)	Adolescents & adults
<b>Hep B</b>	Virus like particles (VLPs)	All Population
<b>Hep E</b>	Recombinant protein subunit vaccine	Adults
<b>TT</b>	Inactivated toxin	All Population
<b>Td</b>	Inactivated toxin	All Population

**Zydus has portfolio of 15 vaccines with MA available and multiple vaccines in development**

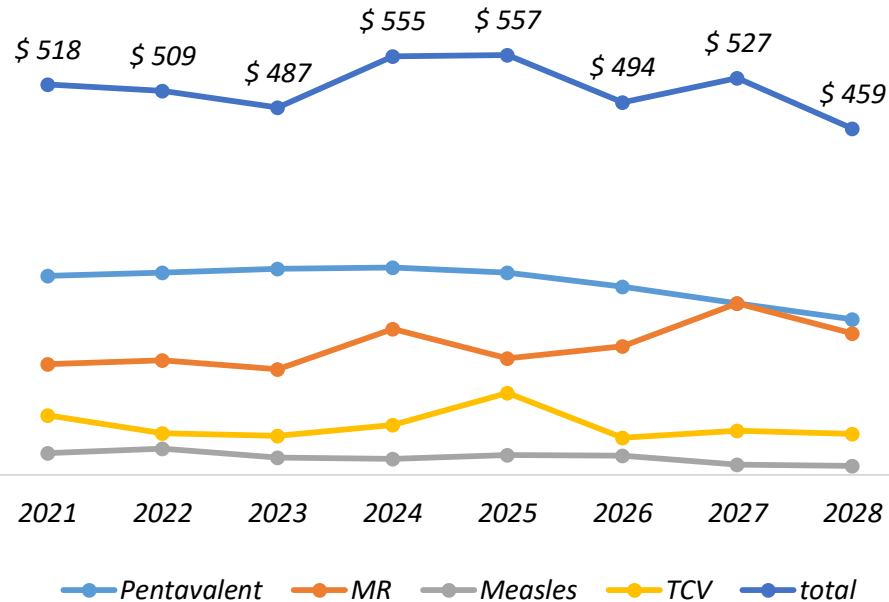


# Zydus is dedicated to supply affordable vaccines to global markets, aims to get 2-3 vaccines WHO pre-qualified by 2023



## WHO-PQ Market Value (2021 – 28)

USD Mn



## Advantage

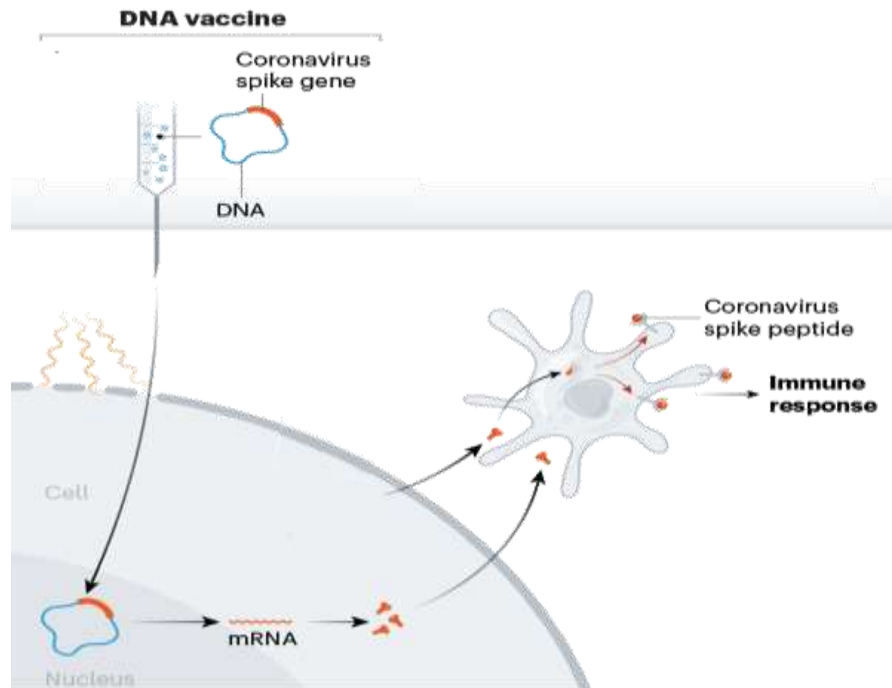
- Among few WHO prequalified player in rabies vaccine
- **Globally 2<sup>nd</sup> player to launch typhoid conjugate vaccine**
- Approved Measles Rubella vaccine which has highest demand in GAVI 73 nations
- **From year 2023 onwards anticipates major progress in prequalified vaccine portfolio**
- Between 2024 – 2028, vaccines portfolio presents with a cumulative opportunity of nearly \$2.6 Bn
- **With aim to get two to three more vaccines prequalified by 2024, these prequalified vaccines present total opportunity of around \$1.3 Bn from 2024 - 2028**

**Zydus' prequalified vaccine will not only cater demand from GAVI/UNICEF but will also cater demand of various emerging markets, these vaccines will be one of the key drivers for vaccines' business growth in this decade**

# COVID Portfolio : ZyCoV-D Vaccine; A Novel Approach for COVID-19 Vaccine Development with favourable vaccine characteristics

## How DNA vaccine works?

DNA is inserted into human cells, which then churn out copies of the coronavirus protein which generate immune response



## Why DNA Vaccines?

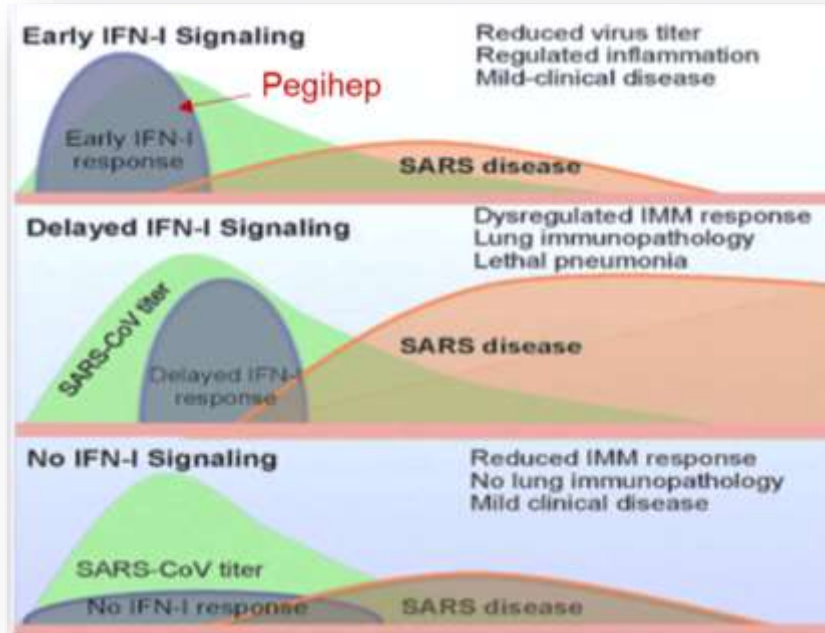
- ✓ Strong antibody and cellular response
- ✓ Can be quickly adapted to new mutant viral strains
- ✓ Simple formulation, no need of adjuvant
- ✓ Highly stable vaccines; stable at 25°C for > 3 months
- ✓ Minimum biosafety requirement for manufacturing – BSL -1

**ZyCoV-D demonstrated a good safety profile in Phase I/II studies and undergoing a robust Phase III clinical evaluation**

- ✓ ZyCoV-D has undergone, **largest Phase I/II Study** in India in **1048 subjects**
- ✓ Very safe & well tolerated with **no Grade 3/4 AE/SAE (Follow-up ≥ 3M)**
- ✓ Demonstrated high **neutralizing antibody and cellular response**
- ✓ Will be undergoing **Phase III study** in around **30,000 volunteers**
- ✓ Expect to deliver **100-150 Mn doses** by end of **2021**

**Zydus is also developing a measles vectored base vaccine for COVID-19 which is currently in preclinical development**

# COVID Portfolio : Single dose therapy of **PEGIHEP** showed greater viral load reduction, in mild to moderate COVID-19 patients



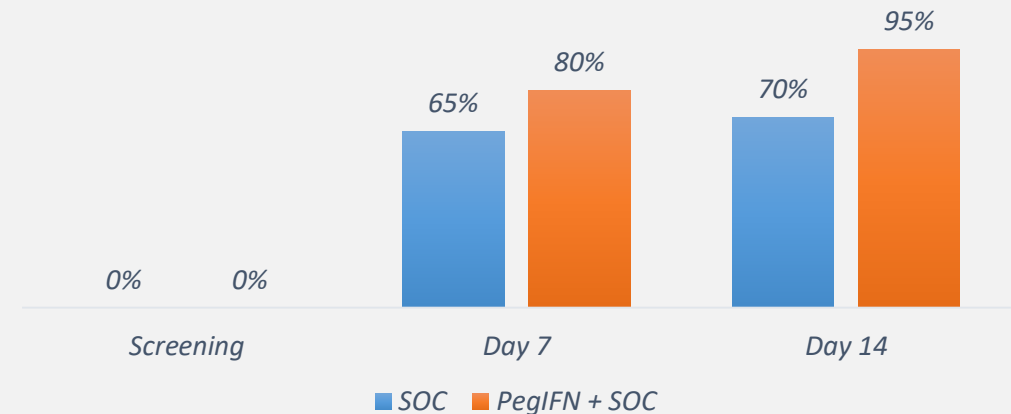
*“SARS-CoV-2-infected patients at risk of developing severe disease, the earliest possible administration of Type I IFN-based regimens should be considered”*

*Romain Lévy et. al 2020*

## Phase II Study

- PEGIFN treated patients showed statistically significant viral reduction by RT-PCR on day 14.

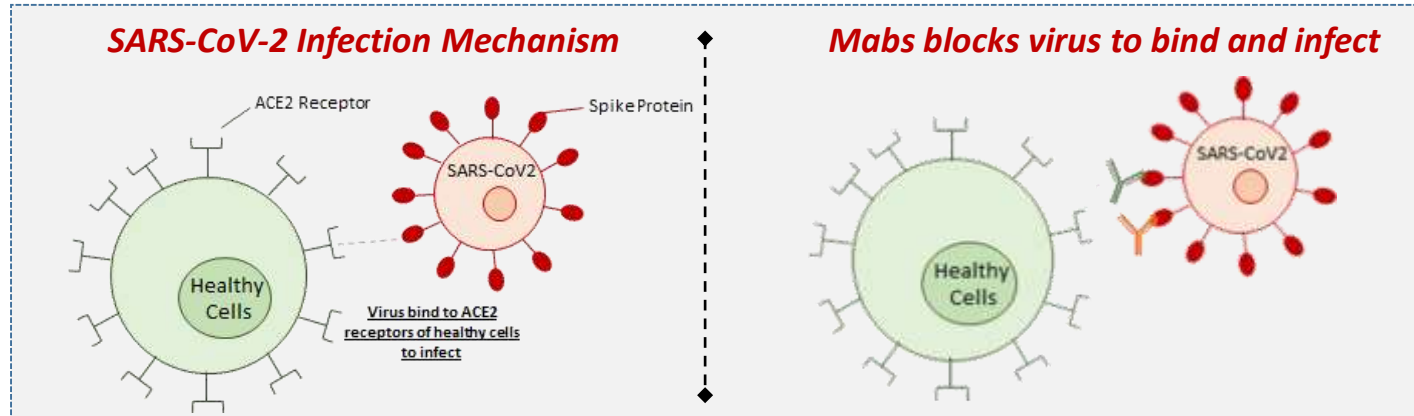
## Participants recovered for COVID-19 confirmed by RTPCR



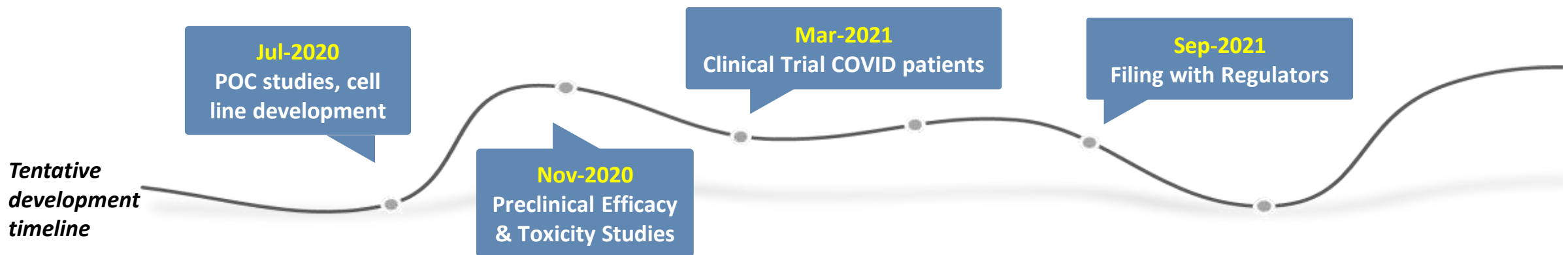
## Current Stand

- ✓ **One injection (Single Dose)** prevents disease severity and promotes recovery in mild to moderate patients (**affordable**)
- ✓ **Initiated Phase III trials in India and would complete by Feb**
- ✓ **IND application will be filed in the US as well**

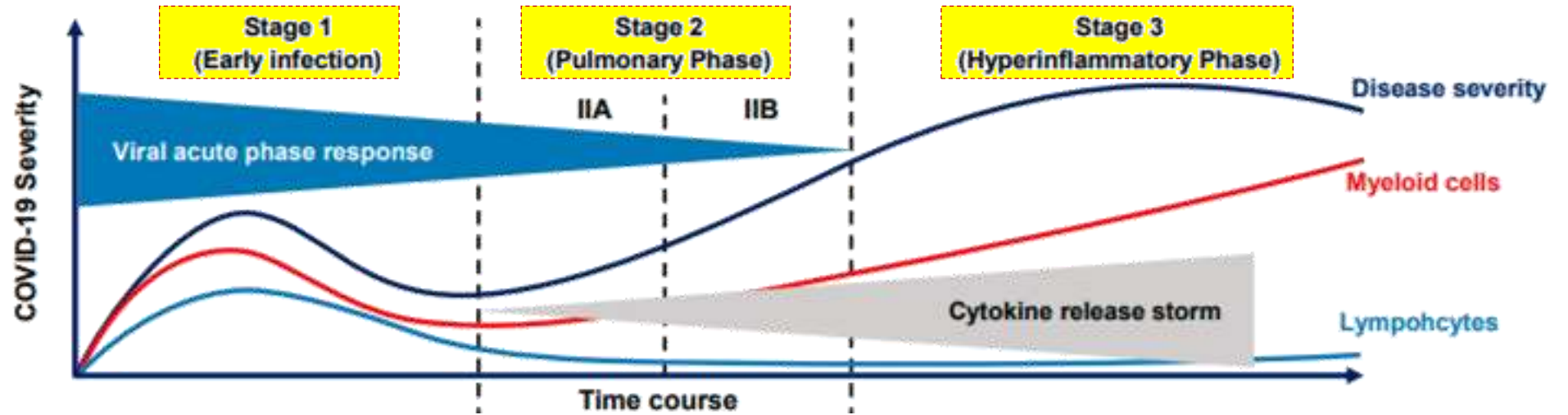
# COVID Portfolio : Zydus has opted “cocktail” Mab approach which has market potential of over \$6 Bn is set to hit market by Sep’2021



*Our quick development timelines and manufacturing capabilities ensure drug will be available to all without compromising any safety and efficacy parameters*



# COVID Portfolio : NCEs and NBEs – Zydus has identified 5 novel programs that target 3 different stages of COVID-19



## Clinical symptoms

Acute viral symptoms, fever, muscle pain, cough

Shortness of breath & hypoxia

Cytokine Storm that leads to multi-organ failure



## Interventions

**Novel antivirals:** Lead molecules identified which inhibits PL-Pro and CL-Pro enzymes which are essential for virus life cycle

**Desidustat:** Clinical studies ongoing globally, for managing hypoxia.

**ZYL-1:** Clinics ready Inflammasome inhibitor which prevents 'Cytokine Storm' in ARDS.  
**Anti-Complement NBE:** Lead molecule identified which targets complement pathway in turn prevents lung damage during 'Cytokine Storm'



# Operational Excellence (achieved 70-80 bps improvement in operating profit on a continuous basis)



## Journey So far

**Objective:** To achieve excellence in manufacturing and quality operations with focus on improvement in efficiency, flow and capability vis Use of Digital and data analytics tools for effective decision making

**Outcome :**

- Cumulative savings of over **US\$ 80 Mn. over a decade** through Productivity & Cost improvement
- Agility through simplification of quality systems and Compliance improvement
- Paperless QMS activities
- AR & VR based Remote/Self assistance and training on guided maintenance, operations and changeover.



## Journey ahead

**Objective:** To unlock next wave of efficiency and embed new ways of working for compliant operations through a focused initiative on “**Process Simplification**” at the key OSD sites.

**Expected Outcome :**

To achieve a sustainable **improvement of 1% in EBIDTA margins** with governance on 5 Work streams...

- Optimization of manpower through the Spans and Layers to release
- Throughput improvement through OEE improvement
- Facilitating the enhanced throughput with reduced shift of operation
- Drive cost optimization in utilities and consumables
- **Digitally enabled** manufacturing and quality operations

# Supply Chain Excellence [1/2]



## Journey So far



**Objective:** Digitalization of end-end supply chain process for better visibility & improve decision making.

**Outcome:**

- Projection of demand forecast basis past trend using algorithm.
- Automated manufacturing plan generation based on the market coverage, priority and improved realization.
- Developed digital dashboards for insight of actual trends v/s expected
- Over 99% supply chain efficiency (product availability) in last 3 years.



**Objective:** To make scalable supplier platform for “Source to Settle”.

**Outcome:** Cumulative savings of > \$ 5 Mn in last 4 years through auctions & RFQ.

- 40 L catalogues items uploaded resulting to fast & error free transaction, 4300 + vendor onboard



**Objective:** To drive improvement in COGS and achieve cost excellence across various business verticals

**Outcome :** Cumulative savings of \$ 70 Mn over last 8 years through various levers



## Journey ahead



**Expected Outcome:**

- Improvement in forecast accuracy and optimize inventory.
- Digitalization of long range planning to enable better decision making on capex basis future forecast.



- **Expected Outcome:** Build on synergy and on board 1000 + vendors



## Journey So far

### Other achievements so far:

- Over 99% supply chain efficiency (product availability) in last 3 years.
- Addressing supply chain vulnerability by
  - Extending safety coverage of key components with higher risk of supply.
  - Working with key vendors on strategic partnership and giving long term visibility
  - Continuous focus business continuity program by creating alternate vendors for key API and alternate plant for manufacturing .
- 38 % of Global Business is secured with multiple vendors (Having one or more vendors).



## Journey ahead

### Other initiatives planned:

#### **Reduction in-sourcing from china :**

- Captive (API Manufacturing)- To reduce China sourcing dependency from 46 % to 35 % in next 2 years
- Formulation business – To reduce China sourcing dependency from 22 % to 17 % in next 1 year.

#### **De-risking and dual source of API**

- Continue to extend the coverage of ~ 63 % of Global Business with multiple vendors
- Continue to work closely with vendors for long term visibility and strategic partnership

## Objective and expected outcomes

**Objective:** Create, update and track New Product Development (NPD) and New Product Launch (NPL) activities of Projects across various geographies.

**Expected Outcomes :**

- Real time performance monitoring to enable data driven decision making
- Provides structure across all activities and assures individual ownership and accountability with defined SLAs in place
- Identify potential sources of bottlenecks and opportunities to streamline activities
- Allocate operational resources and provide trail of all project-related attributes
- Ability to check budget adherence and identify causes for deviation



# Leveraging digital platforms in all the functions and processes to drive quality, productivity and operational efficiency...



*"Digital transformation is not an option, it's a necessity" and we firmly believe this at Zydus*



# Shift in doctor's behavior due to recent events.... driving digital innovation in our commercial & customer engagement model

## Key shifts in Doctors's Behaviour



- 84% doctors adopted virtual consultations
- 63% will continue teleconsultations post lockdown



- ~68% doctors to curtail physical visits
- >50% find phone/ video detailing ineffective – scope to innovate

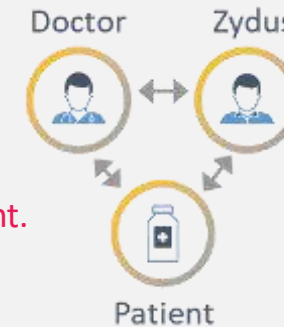


- ~70% doctors are willing & continue to engage with digital mediums

## New Digital Operating model

### Doctor – Zydus Interaction

- Engagement platform to cater to knowledge needs – webinars, events, e-library...
- E-detailing & remote interactions with doctors



### Doctor – Patient Interaction

- Telemedicine & Practice Mgmt.
- Comprehensive disease management

### Zydus – Patient Interaction

- Drive outcomes – higher adherence, improved care etc. through physicians

Our Digital



Initiatives

Diginext

Digital engagement with doctors through engaging platforms to drive pull

Zydus  
Frontline 3.0

New 'Phygital' sales call to equip the field force and drive productivity

ENGAGE  
next

Patient connect through disease management to generate better outcomes

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dedicated to life

Celebrating  
**25**  
Years of  
Growth & Innovation

Thank You