Celebrating 25 Years of Growth & Innovation

Investor Presentation Q1FY22

11th August, 2021

Zydus dedicated to life

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Consolidated Financial Highlights Q1FY22

Revenue

INR Crores	Y-o-Y	Q-o-Q
4,025	↑ 15%	↑ 9%

EBIDTA

INR Crores	Y-o-Y	Q-o-Q
933	↑ 18%	↑ 16%

PAT ex. exceptional and one off items

INR Crores	Y-o-Y	Q-o-Q
587	↑ 29%	↑ 19%

- Consolidated Revenue from operations at INR 4,025 Crores, up 15% Y-o-Y and up 9% Q-o-Q.
- Consolidated EBIDTA at INR 933 Crores up 18% Y-o-Y and up 16% Q-o-Q. EBIDTA margin for Q1'22 is 23.2%, against 22.5% in Q1'21 and 21.8% in Q4'21.
- Consolidated PAT ex exceptional and one off items at INR 587 Crores up 29% from Q1'21 and up 19 % from Q4'21. PAT margin for Q1'22 is 14.6%, against 12.9% in Q1'21 and 13.4% in Q4'21.
- Research & Development (R&D) spend at INR 295 Crores (7.3% of revenue).
- Basic & Diluted EPS in Q1'22 is INR 5.74 vs INR 4.43 in Q1'21.
- Net debt as at June 30th 2021 INR 3,112 Crores vs INR 3,496 Crores as at Q4'21.
- Net debt position as at July 31st 2021 stands below INR 1,000 Crores after closure of transaction of sale and disposal of Animal Healthcare Established Markets undertaking of Zydus Animal Health and Investments Ltd.
- Capex for Q1'22 stood at INR 265 Crores.

Note: The transaction of sale and disposal of Animal Healthcare Established Markets undertaking (AHESTM) of Zydus Animal Health and Investments Ltd. was completed on July 14, 2021. The consolidated financials for period ended June 2021 do not include the financials of AHESTM and financials of previous quarter and previous financial year have also been restated to correspond with the figures of current reporting period. Net profits from AHESTM for all the periods have been shown separately as "Profits from discontinued operations" in Profit and Loss account.

Consolidated Financial Performance Q1 FY22

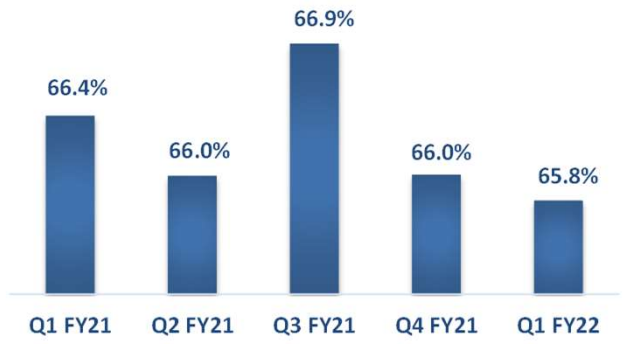
Particulars (INR Crores)	Q1 FY22	Q4 FY21	Q-o-Q Growth	Q1 FY21	Y-o-Y Growth
Revenue from operations (Note 1.)	**4,025**	**3,692**	**9%**	**3,515**	**15%**
Other income	32	-31	204%	23	40%
Total income	**4,057**	**3,662**	**11%**	**3,537**	**15%**
Gross Contribution	2,651	2,438	9%	2,335	14%
Gross Contribution % to Revenue from operations (Note 2.)	*65.8%*	*66.0%*		*66.4%*	
Employee benefits expense *	597	560	7%	560	7%
R&D Expenses	295	230	28%	269	9%
Other operating expenses (Note 3.)	826	843	-2%	715	16%
EBIDTA	**933**	**805**	**16%**	**791**	**18%**
EBIDTA Margin % to Revenue from operations	*23.2%*	*21.8%*		*22.5%*	
Finance Costs, Depreciation and amortisation expenses	210	208	1%	241	-13%
PBT before exceptional items and JVs	**755**	**567**	**33%**	**573**	**32%**
PBT after exceptional items before share in JVs	755	494	53%	573	32%
Tax expenses (Note 4.)	142	-211	167%	118	20%
Profit from discontinued operations (net of tax)	22	27	-16%	16	44%
PAT	**587**	**679**	**-14%**	**454**	**29%**
PAT Margin % to Revenue from operations	*14.6%*	*18.4%*		*12.9%*	
PAT before exceptional and one off items	**587**	**494**	**19%**	**454**	**29%**
PAT Margin % to Revenue from operations	*14.6%*	*13.4%*		*12.9%*	

1. On a Y-o-Y basis, growth in revenues was driven by strong growth in India geography partially offset by US geography.
2. Y-o-Y reduction in GC margins is mainly due to de-growth in US business.
3. Q-o-Q decline is due to process simplification and efficiency enhancement initiatives undertaken to optimize the costs
4. Q4'21 Tax expenses includes benefit of INR 218 Crores on account of recognition of deferred tax asset on MAT credit of earlier years to a wholly owned subsidiary.

* Excludes Research related expenses

Margin Trends

Gross Contribution Margin



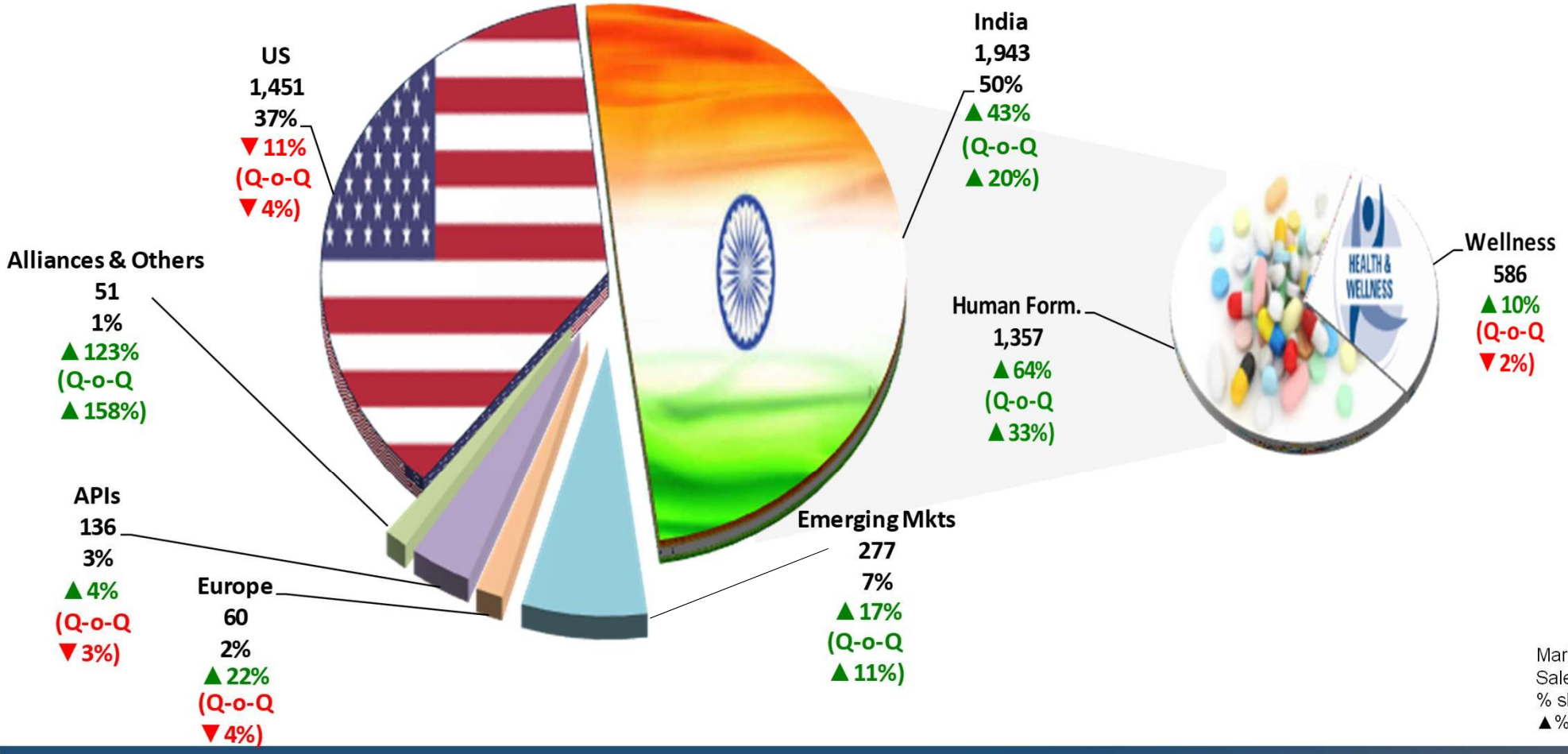
EBIDTA Margin

PBT Margin % *

PAT Margin % *

* PBT and PAT Margins are excluding exceptional and one off items.

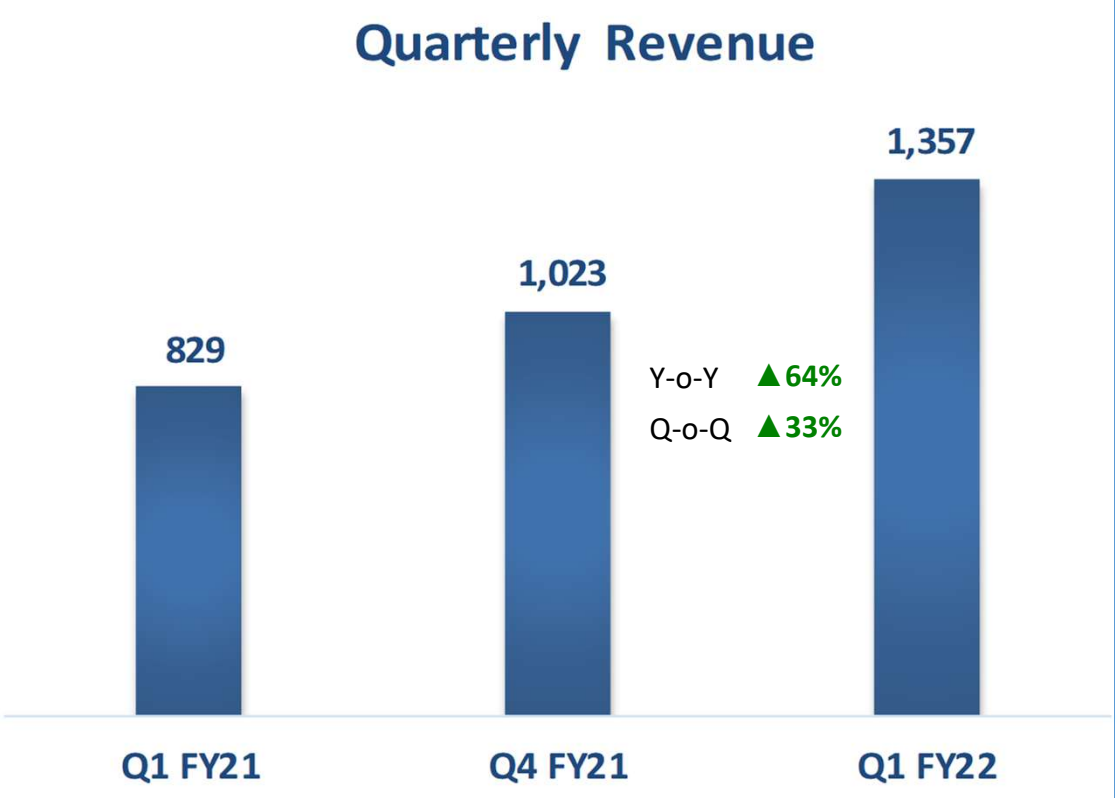
Diversified Business Portfolio Q1 FY22



Market,
Sales Value Q1 21-22
% share in consolidated sales
▲% Growth

India Geography: Human health formulations business

INR Crores



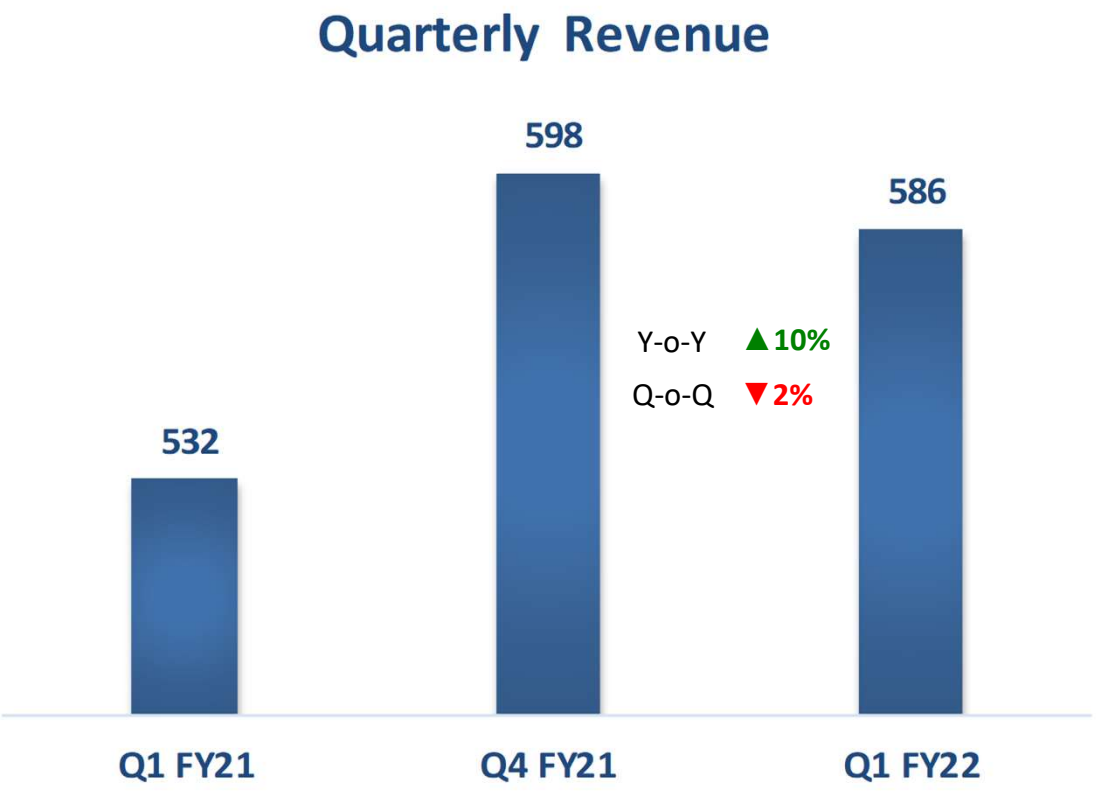
Highlights

- Business growth largely driven by base business, COVID portfolio and lower base effect of previous year.
- Rank improved by 1 position; ranked 4th in the market*
- Gained market share^ in anti-diabetic, anti-infective and nutraceuticals therapeutic areas on a Y-o-Y basis.
- Lipaglyn brand received "Brand Impact Award" from Indian Achievers forum.
- Connect with customers maintained during 2nd wave of COVID-19; all field employees were digitally equipped for their daily operations and customer connect.
- Digital transformation continued to be one of the key drivers of innovation and growth.
- Entered into a supply and commercialization agreement with TLC, to market Liposomal Amphotericin B, a critical drug to treat Black Fungus or Mucormycosis in India.

* AWACS MAT June'21, ^AWACS Qtr June'21
TLC is a specialty pharmaceutical company in Taiwan

India Geography: Consumer Wellness

INR Crores

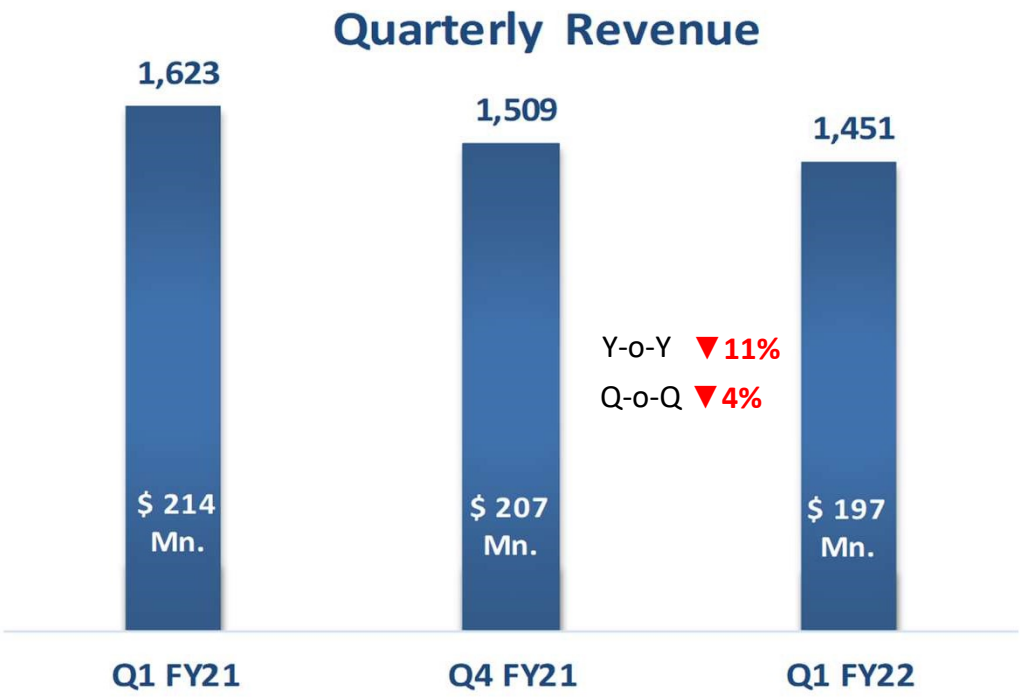


Highlights

- 5 out of 7 brands seen double digit growth.
- Nutralite brand delivered a strong growth both in institutional and retail segments in Q1’22 despite lockdown in key markets.
- Complan brand registered a double digit growth in Q1’22; led by a new TV communication which promoted a proposition ‘2X faster growth’.
- Sugar Free continued the momentum in Q1’22 and delivered a decent Y-o-Y growth.
- 2 seasonal brands viz. Nycil and Glucon-D got impacted due to COVID-19 2nd wave.
- Demand revival seen across channels with receding impact of 2nd wave and gradual opening up of markets.

US Formulations Business

INR Crores



Highlights

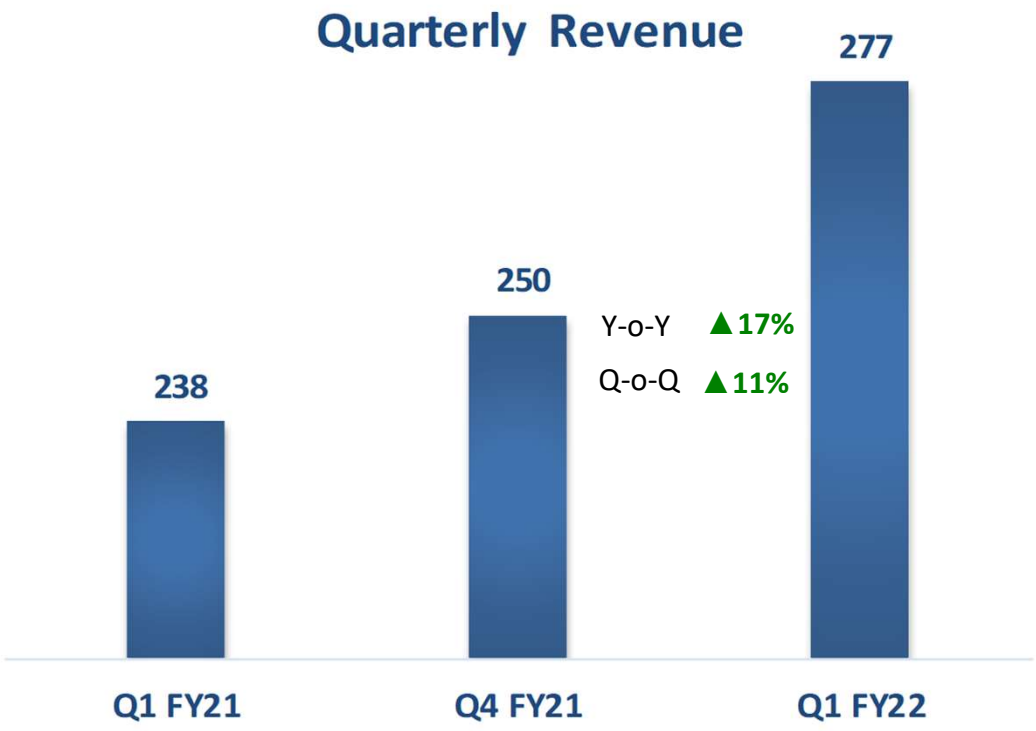
- Pricing pressure in some of products and settling of supply issues in US market resulted in limited one time buy opportunities which lead to a sequential de-growth.
- Despite increased competition US generics business volumes continue to grow.
- New products launches: Q1’22 - 4
- Recently, in July’21, received final approval for Fulvestrant Injection; first approval of a complex product from Biologics site. Product approved in first review cycle.

ANDAs	Q1FY22	FY21	Cumulative
Fillings	5	22	417
Approvals	8*	35^	325

* inclusive of 4 tentative approval, ^ inclusive of 11 tentative approvals.

Emerging Markets

INR Crores



Highlights

- Key emerging market countries grew in double digit despite Doctor - MR physical interaction remained muted in almost all countries.
- New products launches in Q1’22: Brazil - 5
- New products dossiers filling in Q1’22:
  - 1 with the Brazilian Regulatory authority ANVISA
  - 2 with Mexican regulatory authority COFEPRIS.

Innovation - Covid19 updates

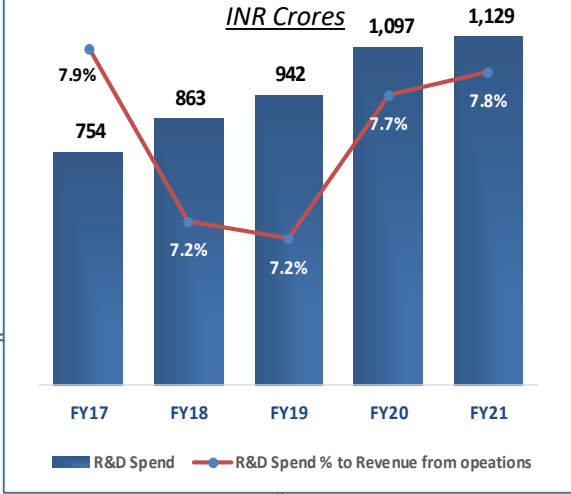
- Submitted the dossier to DCGI for an EUA of ZyCov-D vaccine with an interim Phase III CTs efficacy data for 2 mg
- Phase III CTs data for 2 mg dose study of ZyCov-D vaccine also confirmed the safety for children in the age group of 12 to 18 years.
- Phase III CTs were carried out over 28000 subjects in more than 50 clinical sites spread across the country and during the peak of 2nd wave of COVID-19 reaffirming the vaccine's efficacy against the new mutant strains especially the delta variant.
- Published pre-clinical immunogenicity and Phase I CTs data of ZyCov-D vaccine as two manuscripts in the peer reviewed international journals of repute.
- For a second vaccine candidate ZyCoV-MV targeted at COVID-19, completed Pragmatic Clinical Trials (PCT) and non-human primate immunogenicity study is going on at present.
- Initiated Phase I/ II CTs for a novel biotherapeutic cocktail of anti-COVID-19 monoclonal antibodies; molecule can emerge as one of the main treatments for mild COVID-19 cases.

EUA represents Emergency Use Approval, DGCI represents Drug Controller General of India, CTs represents Clinical Trials

Innovation: other updates

NCE

- In July, 2021, EMA granted Orphan Drug Designation (ODD) to Saroglitazar Magnesium for PBC indication; ODD status provides an exclusivity for 10 years upon approval.
- Received an approval from CDSCO to initiate phase I CTs in India for a novel, multi dose anti-malarial molecule ZY19489.
- Phase I CTs undergoing in India for and IND ZYBK2; intended to treat Rheumatoid Arthritis (RA). Studies in patients will begin shortly.



Biologics

- Launched Trastuzumab Emtansine, the first ADC biosimilar and a highly effective drug for treating both Early and Advanced HER2 positive Breast Cancer under the brand name 'Ujvira'; 80% reduced treatment cost
- Submitted the pre-clinical toxicity study reports for one biosimilar and received an NOC from RCGM.
- Filed dossier of 1 product with the Russian regulatory authority in Q1'22.

Vaccines

- Submitted an application for Phase IV clinical trials of Typhoid Vi Conjugate vaccine to assess the safety and immunogenicity in healthy adults aged between 45 to 65 years.

505(b)(2) and Specialty initiatives

- Response received from the USFDA against pre-NDA meeting for a product in pain management and pre-IND request for a product in Neurology space.
- Completed 6 in-licensing deals in Q1'22; value accretive from FY23. Cumulative in-licensing deals 24.

PBC represents Primary Biliary Cholangitis; IND represents Investigational New Drug, EMA represents European Medicines Agency, ADC represents Antibody Drug Conjugate, RCGM represents Review Committee on Genetic Manipulation

Glossary

- Revenue from operations represents Sales and other operating revenues.
- Net debt: It is defined as the sum of long-term borrowings, short-term borrowings, minus cash and cash equivalents, current investments, and other bank balances.
- EBIDTA: Earnings before interest, depreciation, taxation and amortization and it includes other operating revenues and excludes other income for the relevant period.
- EBIDTA Margin: Its calculated by dividing EBIDTA for the relevant period by Revenue from operations.
- Gross Contribution Margin: Its computed by dividing revenue from operations minus material cost for the relevant period by revenue from operations for the relevant period multiplied by 100.
- PAT: It represents Net Profit after Non-Controlling Interests.

Thank you