

Zydus Cadila entity to sell its India focused Animal Health Business to Multiples Alternate Asset Management led consortium

Ahmedabad, May 12, 2021

Zydus Animal Health and Investments Limited (Z AHL) a wholly owned material subsidiary of Cadila Healthcare Limited, has entered into a Business Transfer Agreement (BTA) and other Ancillary Agreements (“Definitive Agreements”) to sell and transfer its Animal Healthcare Established Markets Undertaking (“Undertaking” or Zydus AH) to Multiples Alternate Asset Management (“Multiples”) led consortium. Zydus AH is the animal health business of Z AHL focused on India and certain other countries. The consortium, including Canada Pension Plan Investment Board (“CPP Investments”) and RARE Enterprises (“RARE”), has agreed to purchase the Undertaking through an SPV controlled by them, in the name of Zenex Animal Health India Private Limited.

The deal is to sell one of the two business undertakings of Z AHL, called Animal Healthcare Established Markets Undertaking on a slump sale basis as a going concern, for a lump sum consideration of Rs. 2921 crores on a cash free and debt free basis, subject to certain closing date adjustments and other conditions.

Zydus AH is the second largest and one of the fastest growing animal health businesses in India. The business enjoys leadership position across a wide spectrum of therapeutic and nutritional products for livestock and poultry animal segments. It employs approximately 700 people and has one manufacturing facility in Haridwar. The Transaction involves transfer of Immovable Assets, Movable Assets, Inventory, Brands and Intangible Assets, Contracts, Licenses and Permissions, Business Records, Employees along with Employee Benefit Funds, Insurance Policies, Other Assets and Assumed Liabilities.

Mr. Pankaj Patel, Chairman, Cadila Healthcare Ltd., said, “Over the last 3 decades Zydus AH has grown to become a pioneer and market leader in the Indian animal health industry. With Multiples and its consortium partners committed to growing the business, we are sure that Zydus AH will continue to grow and strengthen its position in the industry.”

Dr. Arun Atrey, Managing Director, Z AHL said, “The Zydus AH business has a very strong franchise in the market and is extremely well positioned to take advantage of the continued industry growth in India and select exports markets. We expect this process to be seamless for our customers, suppliers and other stakeholders, with no disruption to our operations.”

Commenting on the transaction Ms. Renuka Ramnath, Founder and CEO, Multiples Alternate Asset Management shared, “Zydus AH is a strong leader in the Indian animal health market with strong brands, comprehensive product portfolio and extensive distribution network. We are excited to back Zydus AH’s top quality management team led by Dr. Arun Atrey and be able to invest in a business that has been helping farmers enhance their productivity and incomes by delivering innovative animal health solutions”.

“I expect Multiples to do many such large transactions in the coming years. We are also delighted to partner with CPP Investments and RARE enterprises for our first consortium deal. We look forward to working with them and, help the Company unlock its full potential and create value for all stakeholders” Ms. Ramnath added.

Mr. Rakesh Jhunjhunwala, Partner, RARE Enterprises said “We are delighted to partner with CPP Investments and Multiples in investing into a market leading business , in a segment which has huge growth potential and has a top quality management team”

ZAHL has another animal healthcare business undertaking which is expected to commence animal health business in the US and certain European countries and this business undertaking is not part of the transaction. Zydus continues to develop the animal health business products for those markets and at present, this business is in the development and investment phase.

Business transfer details

Multiples, along with its consortium partners, will acquire 100% business of Zydus AH through a slump sale transaction. The transaction is subject to closing conditions and receipt of all statutory and other approvals and is expected to be completed within a period of 90 days.

For Zydus, Moelis & Co, Mumbai acted as an investment banker and Cyril Amarchand Mangaldas & Co. acted as the Legal Advisors.

About Zydus Cadila

Zydus Cadila is an innovative, global pharmaceutical company that discovers, develops, manufactures, and markets a broad range of healthcare therapies. The group employs nearly 25000 people worldwide and is dedicated to creating healthier communities globally. For more information visit www.zyduscadila.com

About Multiples Alternate Asset Management

Multiples is India’s leading private equity platform distinguished by its long and successful experience of partnering Indian entrepreneurs. Multiples was founded in 2009 and during this decade has backed 20 Indian businesses to build aspirational, distinctive and responsible businesses. Multiples focuses on 4 core sectors of financial services; pharma & healthcare; consumer and consumer-tech and technology. Some of Multiples’ distinctive investment-partnerships include PVR, Delhivery, Encube, DreamSports, Quantiphi and Vastu Housing Finance. For more information, visit www.multiplesequity.com

<https://www.linkedin.com/company/multiples-alternate-asset-management-pvt-ltd>

For further information please contact :
The Corporate Communications Department

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, India.
Phone : +91-079-71800000, +91-079-48040000 www.zyduscadila.com
CIN : L24230GJ1995PLC025878