

Zydus Lifesciences Limited

Financial Performance for Q1 FY23

10th August, 2022, Ahmedabad, India

Zydus Lifesciences Limited reported financials for the first quarter ended June 30th, 2022.

Q1 FY23 Consolidated Financial Results

Rs. mn	Q1 FY23	Q1 FY22	% Gr. y-o-y	Q4 FY22	% Gr. q-o-q
Revenue from operations	40,727	40,018	1.8%	38,638	5.4%
EBITDA	8,330	9,719	-14.3%	7,177	16.1%
EBITDA margin (%)	20.5%	24.3%		18.6%	
PBT ¹	6,839	8,029	-14.8%	5,729	19.4%
Net Profit ²	5,295	5,972	-11.3%	5,250	0.9%
Net Profit (Reported)	5,183	5,872	-11.7%	3,974	30.4%

Q1 FY23 Consolidated Revenue Break-up

Rs. mn	Q1 FY23	Q1 FY22	% Gr. y-o-y	Q4 FY22	% Gr. q-o-q
India Geography:	18,167	19,428	-6.5%	17,970	1.1%
<i>Formulations</i>	11,251	13,566	-17.1%	11,640	-3.3%
<i>Consumer Wellness</i>	6,916	5,862	18.0%	6,330	9.3%
US Formulations	15,592	14,279	9.2%	14,233	9.5%
Emerging Markets Formulations	3,155	2,770	13.9%	2,750	14.7%
Europe Formulations	614	599	2.5%	633	-3.0%
APIs	1,224	1,355	-9.7%	1,363	-10.2%
Alliances & Others	477	508	-6.1%	469	1.7%
Consolidated Revenues	39,229	38,939	0.7%	37,418	4.8%

Notes:

- Adjusted for exceptional expenses of in Q1 FY23 incurred in connection with cessation of ops. of one of the facilities of ZWL.
- Adjusted for exceptional expenses as mentioned above, loss from discontinued ops. and one-time inventory provision in Q4 FY22.

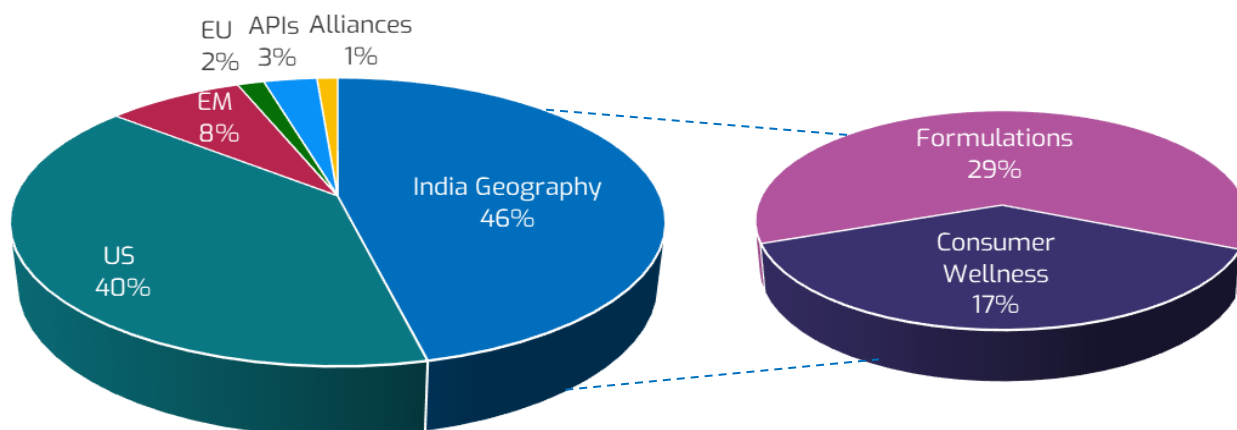
Zydus Lifesciences Limited (formerly known as Cadila Healthcare Limited)

Regd. Office : 'Zydus Corporate Park', Scheme No. 63, Survey No. 536, Khoraj (Gandhinagar), Nr. Vaishnodevi Circle, S. G. Highway, Ahmedabad-382 481, Gujarat, India. | Phone : +91-79-71800000, +91-79-48040000
website : www.zyduslife.com | CIN : L24230GJ1995PLC025878





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Key Financial Highlights

- Revenue from operations at Rs. 40,727 mn, up 2% over last year.
- Research & Development (R&D) investments for the quarter stood at Rs. 2,842 mn (7.0% of revenues).
- Reported EBITDA for the quarter was Rs. 8,330 mn, down 14% y-o-y. EBITDA margin for the quarter stood at 20.5%.
- Reported Net Profit for the quarter was Rs. 5,183 mn, down 12% y-o-y. Adjusted for exceptional items and loss from discontinued operations, Net Profit for the quarter was Rs. 5,295 mn, down 11% y-o-y.
- Capex (organic) for the quarter was Rs. 2,828 mn.
- Net cash as on 30th June, 2022 stands at Rs. 5,628 mn.

We are encouraged by our stable Q1 FY23 performance, particularly with the rebound in US business even as Consumer Wellness and Emerging Markets sustained growth momentum. India branded formulations business, adjusting for COVID impact delivered healthy growth and we expect to improve further. Focus on cost optimization helped us sustain 20% plus EBITDA margins amid input cost pressures. We continue to advance our Innovation pipeline to build a strong foundation for future.

Dr. Sharvil Patel

Managing Director, Zydus Lifesciences Limited

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Q1 FY23 Business Updates

India Geography

- Comprises of Formulations and Consumer Wellness businesses and accounted for 46% of consolidated revenues.
- Registered revenues of Rs. 18,167 mn, down 6% y-o-y. Excluding sales of COVID related products, the business grew 12% y-o-y.

Formulations business

- Registered revenues of Rs. 11,251 mn, down 17% y-o-y. Excluding sales of COVID related products, generics portfolio and divested products, the branded prescription business grew 9% y-o-y. The business accounted for 29% of consolidated revenues.
- Gained market share and improved ranking in core therapies viz. cardiovascular, gynecology, respiratory and pain management during the quarter on a y-o-y basis (Source: AWACS Apr – Jun 22 quarter).
- Lipaglyn[®], our first NCE brand is now the 66th largest brand in IPM, improving its ranking by 13 positions on a sequential basis (Source: AWACS).
- Retained leadership position in the Nephrology segment while in Oncology, gained multiple ranks and are now amongst top two players in India.

Consumer Wellness business

- Registered revenues of Rs. 6,916 mn, up 18 % y-o-y. The business accounted for 17% of consolidated revenues.
- Timely onset of summer and improved distribution reach helped us re-recruit the consumers for summer heavy brands like Glucon-D and Nycil. This helped to achieve double digit growth in these 2 marquee brands.

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US formulations business

- Registered revenues of Rs. 15,592 mn, up 9% y-o-y and 10% q-o-q. The business accounted for 40% of consolidated revenues.
- In constant currency terms, the business registered revenues of US\$ 202 mn.
- Filed 8 ANDAs and received approval for 7 new products (including 1 tentative approval) during the quarter.
- Filings for the quarter include 3 filings designated as Competitive Generic Therapies (CGT) while approvals include 1 first cycle approval.
- Launched 8 new products during the quarter.
- On the Specialty front, commenced commercial shipment of Nulibry® (Fosdenopterin for Injection).

Emerging Markets (EM) formulations business

- The business sustained growth momentum and registered revenues of Rs. 3,155 mn, up 14% y-o-y. The business accounted for 8% of consolidated revenues.
- Growth during the quarter was broad based across most of the geographies.

Europe formulations business

- Registered revenues of Rs. 614 mn, up 3% y-o-y. The business accounted for 2% of consolidated revenues.

API business

- Registered revenues of Rs. 1,224 mn, down 10% y-o-y. The business accounted for 3% of consolidated revenues.

Alliances & Others

- Registered revenues of Rs. 477 mn, down 6% y-o-y. The business accounted for 1% of consolidated revenues.

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Updates on Operations and Compliance

- The USFDA inspected Moraiya formulations facility from 26th July to 5th August, 2022.
- The inspection concluded with four Form 483 observations. None of the observations were related to data integrity.

Updates on Innovation Pipeline

NCE: Saroglitazar Magnesium

- Completed hepatic impairment studies in the US in Non-alcoholic Steatohepatitis (NASH) and normal Primary Biliary Cholangitis (PBC) patients, results of which will be submitted in the near-term.
- Clinical trials in the US are ongoing for Polycystic Ovary Syndrome (PCOS) and Non-alcoholic Fatty Liver Disease (NAFLD) indications.

NCE: Desidustat

- Completed Phase I(b) clinical trials in the US for Chemotherapy Induced Anemia (CIA) in cancer patients.
- Pre-IND meeting with the USFDA is scheduled in the current quarter to seek further guidance.

NCE: ZYL1

- Completed recruitment of patients for Phase II clinical trials in Australia.
- The molecule is targeted at Cryopyrin-Associated Periodic Syndrome (CAPS), a rare indication.
- Plan to initiate global pivotal clinical trials for this molecule in the near term.

Biotech Research

- Received marketing approval for drug substance of biosimilar Adalimumab from the Russian regulatory authority.

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Q1 FY23 Earnings Call Details

The Company will host its post results earnings call at **4:30 p.m. IST on 10th August, 2022** during which the leadership team will discuss the financial performance and address questions from the participants.

A transcript of the conference call will be available at the Company's website: <https://www.zyduslife.com/investorzone>

To join the call through Zoom:

Please pre-register by clicking here: <https://bit.ly/3zXkTE4>

About Zydus Lifesciences Limited

The Zydus Group with an overarching purpose of empowering people with freedom to live healthier and more fulfilled lives, is an innovative, global lifesciences company that discovers, develops, manufactures, and markets a broad range of healthcare therapies. The group employs over 23000 people worldwide and is driven by its mission to unlock new possibilities in lifesciences through quality healthcare solutions that impact lives. The group aspires to transform lives through pathbreaking discoveries. For more details visit www.zyduslife.com.

For further information, please contact -

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