

Q2 FY 2024-25 Earnings Presentation

November 11, 2024



Zydus
Wellness

Safe Harbour Statement

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Agenda

Zydus Wellness:
A leading
Consumer Wellness
Company in India

- Operating environment- Overview
- Financial performance
- Business Highlights
- The Road Ahead



**Operating Environment – Overview
&
Financial Performance**



Achieving Key Milestones and Setting Positive Trend



Moderate demand uptick

- Urban demand had been under pressure, the rural demand continued its gradual recovery
- Organized trade continues to shine with upward momentum for both E-Com and Modern trade



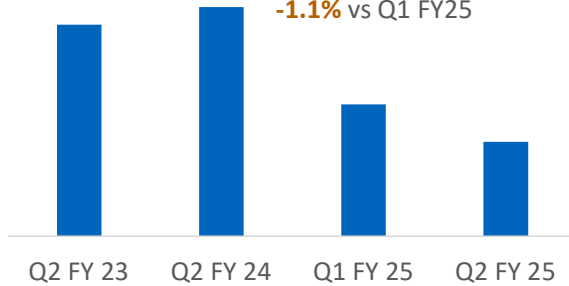
Mixed trend in Commodities

- Sharp spike in few of the commodities prices
- High import duty and inflationary pressure led to sharp increase in edible oils prices

Key input rate trends towards recovery of Margins

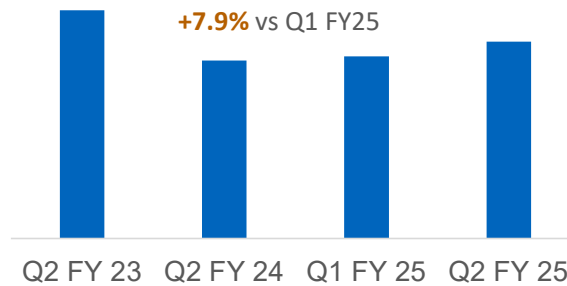
Milk

-3.4% vs Q2 FY23
-3.9% vs Q2 FY24
-1.1% vs Q1 FY25



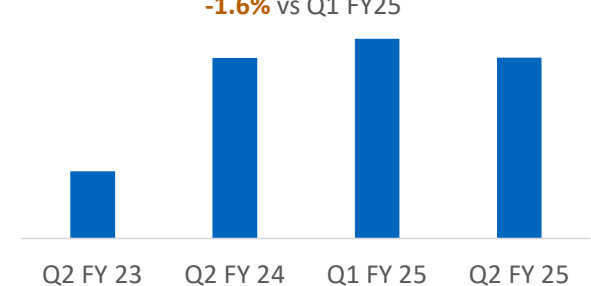
Edible oils*

-13.8% vs Q2 FY23
+10.6% vs Q2 FY24
+7.9% vs Q1 FY25



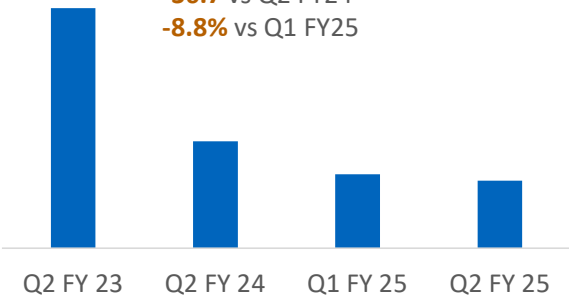
Dextrose Monohydrate

+10.8% vs Q2 FY23
+0% vs Q2 FY24
-1.6% vs Q1 FY25



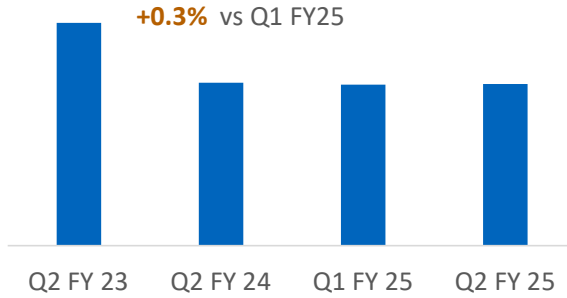
Sucralose

-71.9% vs Q2 FY23
-36.7% vs Q2 FY24
-8.8% vs Q1 FY25



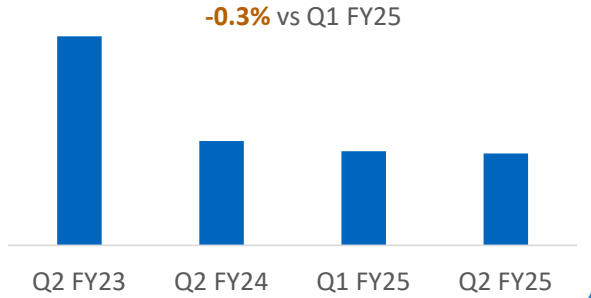
Stevia

-27.4% vs Q2 FY23
-0.7% vs Q2 FY24
+0.3% vs Q1 FY25



Diesel

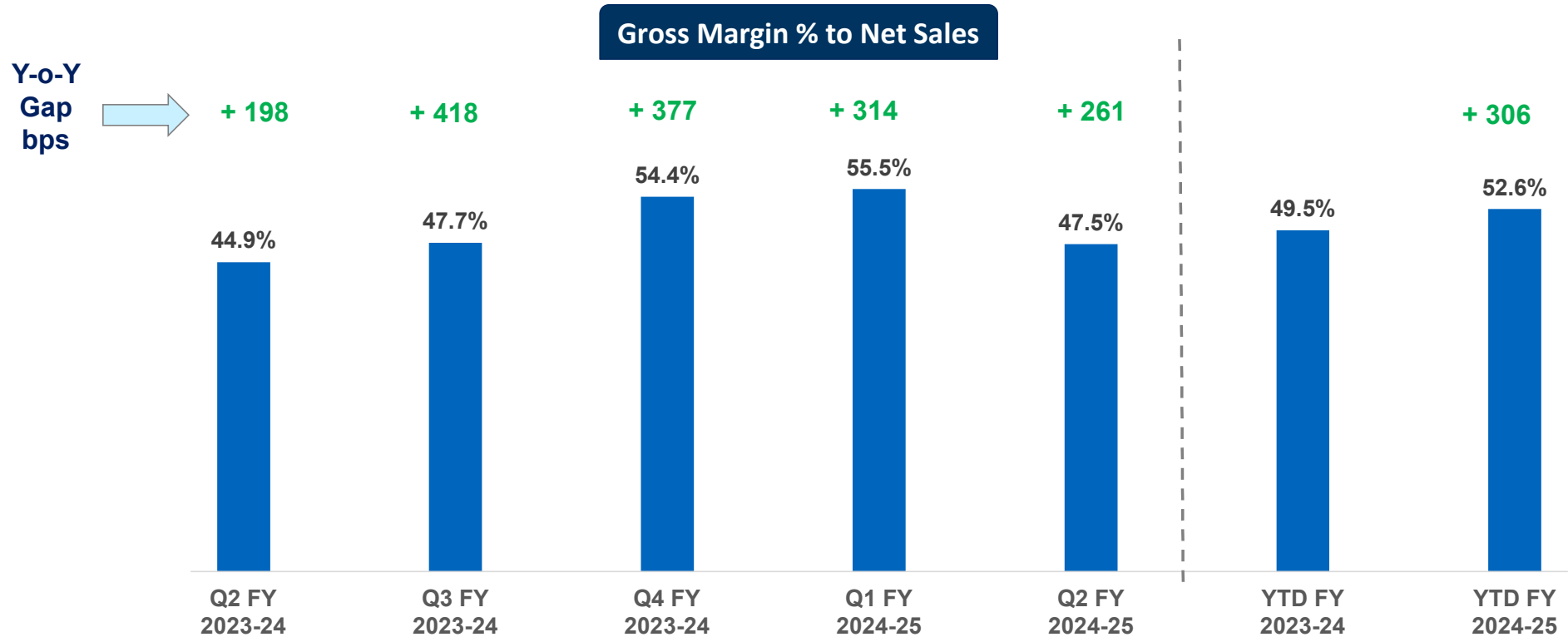
-12.4% vs Q2 FY23
-1.5% vs Q2 FY24
-0.3% vs Q1 FY25



* Edible oils include - Refined Palm Oil and all other oils that are used as inputs.

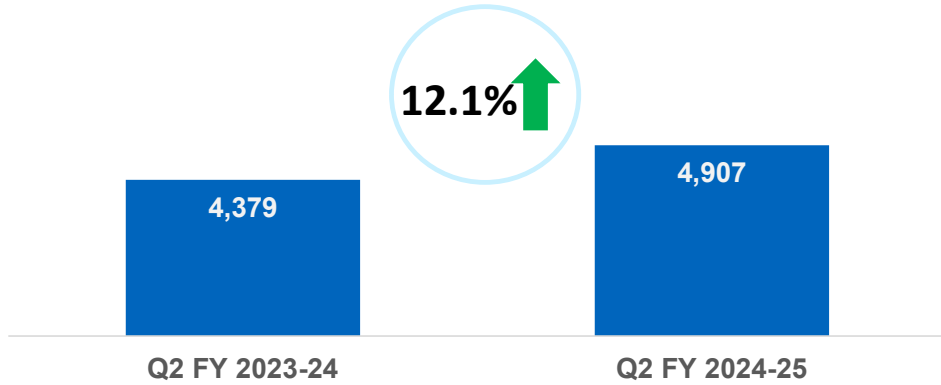
Gross margin continued its upward trajectory

Effective hedging strategy, Favourable product mix and calibrated price increase helped drive gross margin expansion



Segment performance snapshot for Q2 and H1 FY25

Q2 FY 25 - Net Sales (INR Million)



Food & Nutrition



Growth Y-o-Y

9.7%

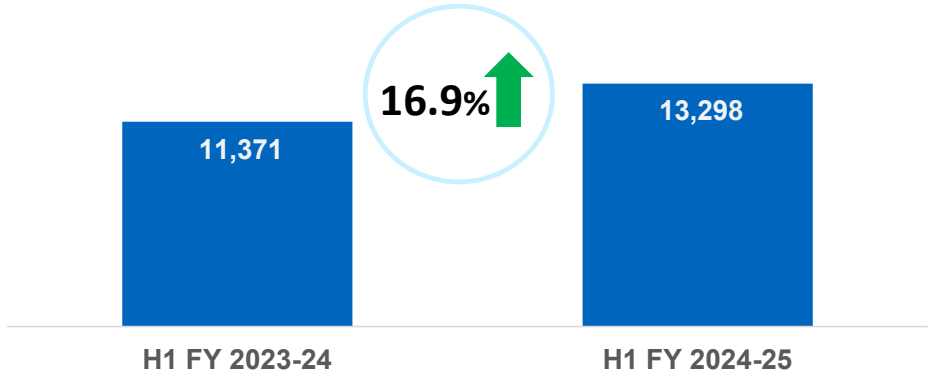
Personal Care



Growth Y-o-Y

26.0%

H1 FY 25 - Net Sales (INR Million)



Food & Nutrition



Growth Y-o-Y

12.9%

Personal Care



Growth Y-o-Y

36.6%

Financial highlight for the quarter and half year ended September 30, 2024

INR Million	Q2 FY25	Q2 FY24	Y-o-Y Growth %	YTD FY25	YTD FY24	Y-o-Y Growth %
Net Sales	4,907	4,379	12.1%	13,298	11,371	16.9%
Total Operating Income	4,929	4,399	12.0%	13,339	11,420	16.8%
Gross Contribution	2,354	1,987	18.5%	7,031	5,678	23.8%
<i>Gross Contribution Margin- (% of net sales)</i>	47.5%	44.9%	+261 bps y-o-y	52.6%	49.5%	+306 bps y-o-y
EBITDA	196	168	16.7%	1,749	1,333	31.2%
EBITDA Margin	4.0%	3.8%		13.1%	11.7%	
PBT	237	86	175.6%	1,753	1,020	71.9%
PAT	209	59	254.2%	1,686	1,163	45.0%
PAT Margin	4.2%	1.3%		12.6%	10.2%	
Adjusted PAT*	150	59	154.2%	1,627	1,117	45.7%
<i>Adjusted PAT Margin</i>	3.0%	1.3%		12.2%	9.8%	

Adjusted PAT is calculated after eliminating the impact of exceptional items in the current year and the comparable previous year, as well as one-time deferred tax assets in the previous year

Business Highlights

Zydus
Wellness

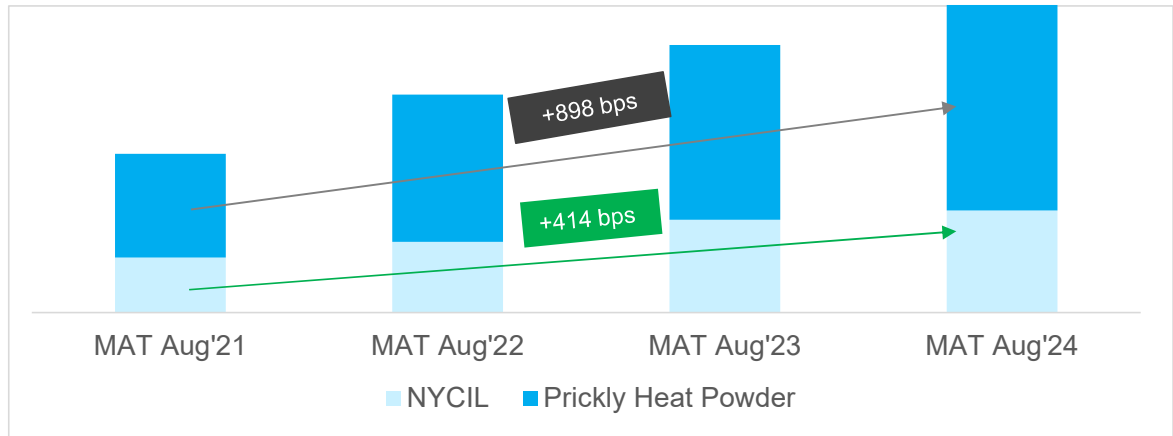
Building sustainable business performance



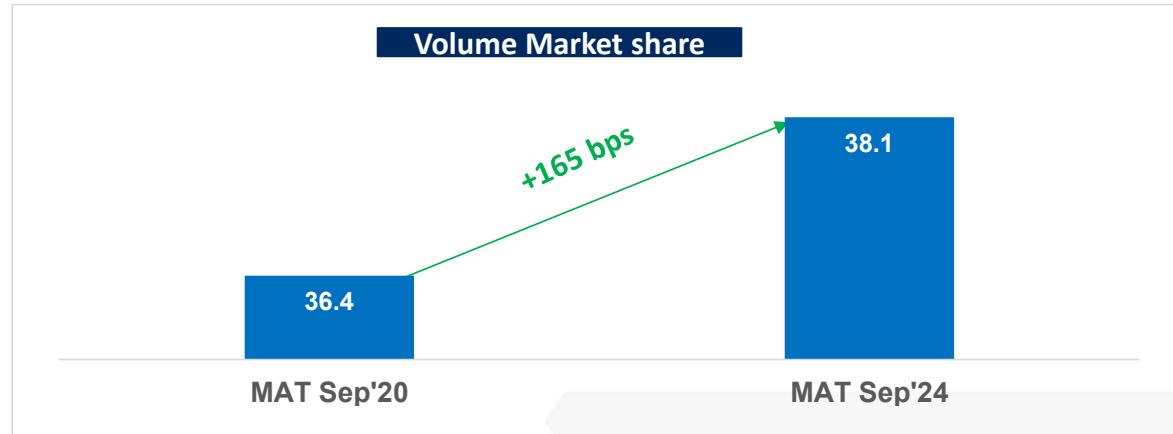
Driving the category growth



Driving the prickly heat powder category penetration#



Driving continuous volume growth*



*As per MAT Sep 2024 Nielsen report

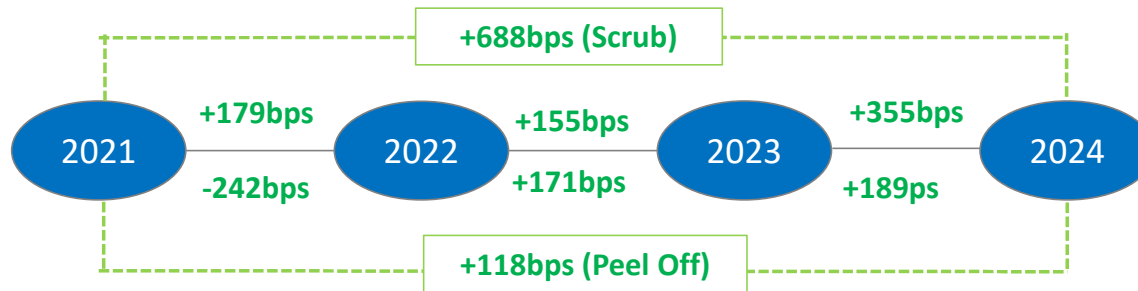
#As per MAT Aug 24 Kantar World Panel Household data

Driving the category growth



Driving market share

- ❖ Widening the portfolio basket
- ❖ Driving to double digit growth at 5-year CAGR[^]
- ❖ Superior product offering along with strong campaigns focused on recruiting new users
- ❖ Scrub and peel off continues to strengthen its leadership with growth in volume market share^{*}



*As per MAT Sep 2024
Nielsen report
[^]Basis internal sales

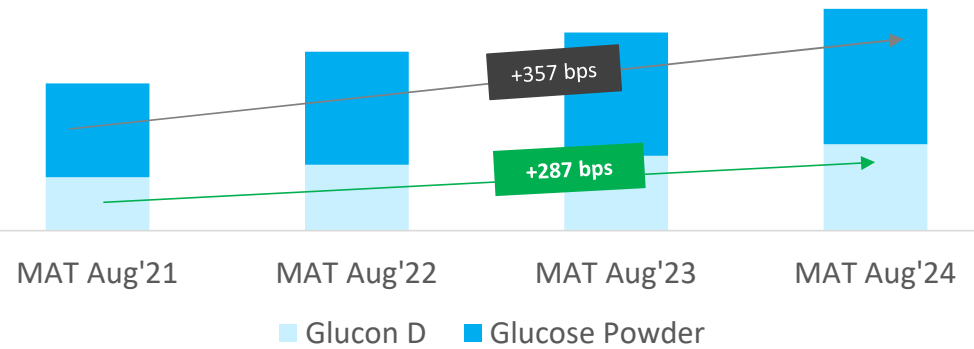
Driving the category growth



*Creative visualization. Glucon-D does not contain any fruits. Fruits are for creative depiction. *Contains Glucose. Glucose is an instant source of energy. *Vitamin C helps support immunity. Glucon-D flavour variants are a rich source of Vitamin C. They contribute to min. 10% of Adult RDA (ICMR-2020) of Vitamin C per serve, when prepared according to the label instruction. *Vitamin D2 helps support immunity. *Glucon-D regular is a rich source of Vitamin D2. Per Serve Vitamin D2 contribution: 17% of Adult RDA (ICMR-2020). Refer individual pack for more information. *Registered Trademark.

#As per MAT Aug 24 Kantar World Panel Household data

Recruiting new consumers for the Glucose powder category#



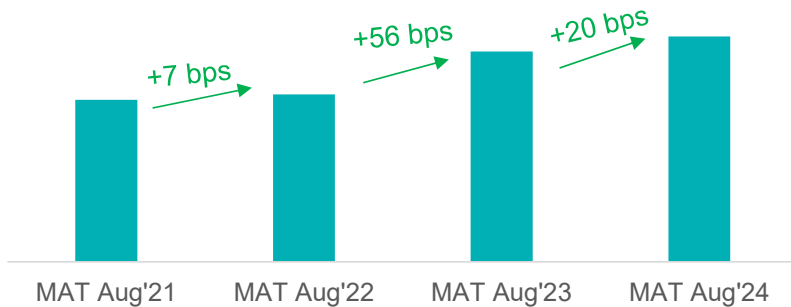
Consumption uptick in FY 2025 due to positive impact of the seasonality and brand building efforts

Winning in Competitive Market



Franchise continues to grow

❖ Penetration# continues to grow for 3 successive years



❖ Strong brand campaign with 360-degree activation and price pack architecture interventions

#As per MAT Aug 24 Kantar World Panel Household data

Complan's foray into Adults Nutrition space delivering high protein with pre & probiotics to support Gut-Muscle axis with the new launch of Viemax



Winning in Competitive Market



Consistent strong volume growth

- ❖ Widening the portfolio basket
- ❖ Double digit growth at 5-year CAGR[^] with consistent volume growth driven by a wide portfolio and supported by focused B2B and B2C teams
- ❖ Continued to support the brand with digital media, e-com channel activations and consumer sampling initiatives



Launched Nutralite Activ Plant Based Spread



Professional Nutralite Range Extension: Cheese Analogue & Rich Fat Spread

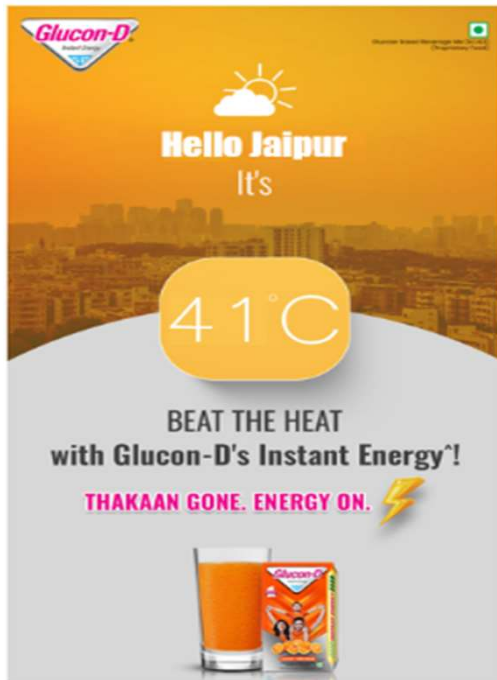


[^]Basis internal sales

Building relevance to new age consumers

Efforts to leverage changing shopper behavior and target new age consumers

1 Channel specific innovative marketing initiatives



Digital campaign to garner better traction

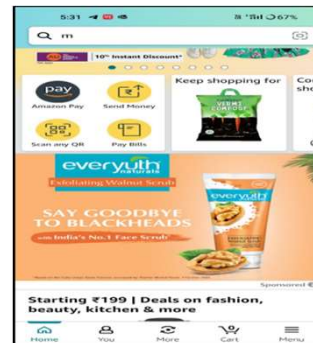
2 E-commerce exclusive packs & promotions



225g Powder Concentrate

400g Powder Concentrate

SF D'Lite Chocolate range

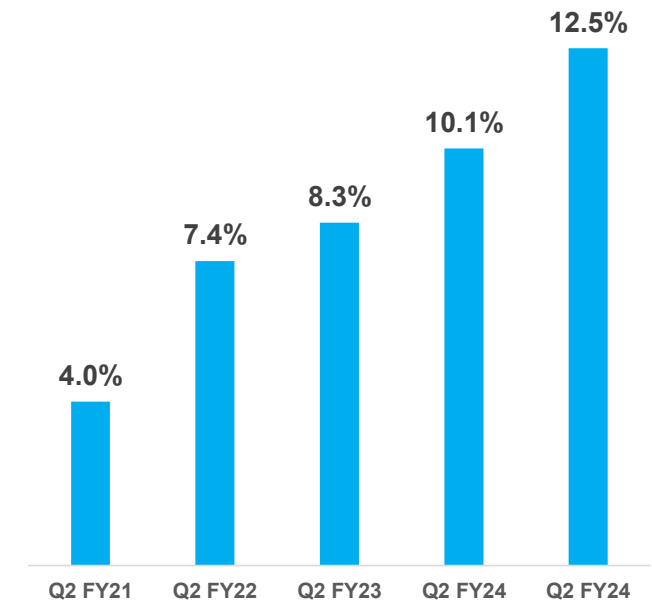


EY Scrub Visibility on Amazon



SF Homepage Visibility on Big Basket

3 Online salience[^]



[^]Basis internal company data

Navigating Challenges



Offtake continues to get stronger

- ❖ Sugar Free has maintained its number one position with a market share of 93.9%*
- ❖ Sugar Free Green continues double-digit growth trajectory since last 14 quarters
- ❖ Extension of Sugarfree D'Lite cookies in domestic market
- ❖ In Q1 FY 25 upgraded Sugar Free Gold to Sugar Free Gold+ with a new formulation Sucralose + Chromium. Chromium contributes to the maintenance of normal blood glucose levels
- ❖ I'm Lite, a unique formulation of sugar blended with stevia to offer consumers 50% less calories than regular sugar, has continued gaining a positive response in the market



*As per MAT Sep 2024 IQVIA report



Sugar Free D'Lite Cookies










Zydus Wellness' Sugar-Free Launches Guilt-Free D'Lite Cookies with Shahid Kapoor

Sugar Free D'Lite Gifting Portfolio



Continuing to strengthen brand leadership

										
Category	Glucose Powder	Nutrition Drink	Sugar substitute	Blended Sugar	Prickly heat powder	*Facial cleansing	Scrub	Peel-off	Fat spread	Dairy
Mkt. Rank	1	5	1	NA	1	5	1	1	1#	NA
Mkt. Share %	59.4	4.1	93.9	NA	34.3	6.9	46.0	77.9	NA	NA
MS change YoY (in bps)	↓-81.1	↓-22.9	↓-104.5	NA	↓-59.7	↑+75.8	↑+354.6	↑+188.9	NA	NA

Market share source: MAT September 2024 report as per Nielsen and IQVIA.

*Everyuth market rank 5 is at Total Facial cleansing segment which includes Face wash, Scrub, Peel-off, face masks

Market rank as per company estimate

New TVC



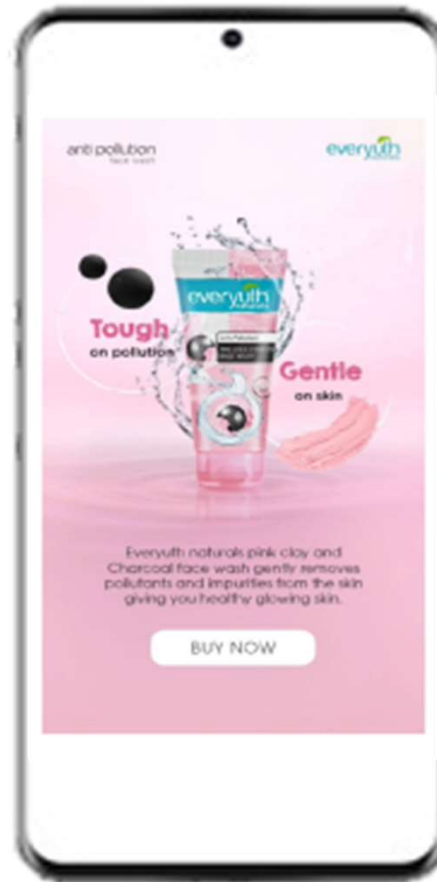
everyuth naturals ANTI-POLLUTION Pink Clay & Charcoal FACE WASH

Launching the new
Anti-Pollution Face Wash
with a
FRESH NEW TVC!

everyuth naturals ANTI-POLLUTION Pink Clay & Charcoal FACE WASH

PURE SKIN,
HAPPY HAR DIN.

Mobile Marketing



anti pollution everyuth

Tough on pollution Gentle on skin

Everyuth naturals pink clay and Charcoal face wash gently removes pollutants and impurities from the skin giving you healthy glowing skin.

BUY NOW

Digital Media Via Audio Fingerprinting Technology





Campaigns and initiatives

TVC with Celebrity Madhuri Dixit and Sneha



Print Media with Celebrity Sneha





Campaigns and initiatives



Festive Campaigns



Consumer Offer initiatives

HEALTHIER* BECOMES DELIGHTFUL
More Joy with Every Pack

GET FREE WAX CRAYONS

WORTH RS. 10/-

Packed with SUPER VITAMINS*

- VIT A
- VIT D₂
- VIT E

EGGLESS MAYONNAISE
*As per Indian Council of Agricultural Research (ICAR) standards. Contains 15% oil, 10% egg powder, 10% water, 10% salt, 10% sugar, 10% vinegar, 10% lemon juice, 10% mustard, 10% spices, 10% stabilizers, 10% emulsifiers, 10% preservatives, 10% antioxidants, 10% vitamins, 10% minerals, 10% other ingredients. Total weight 190g. Shelf life 12 months. For more information visit www.nutralite.com

facebook.com/Nutralite @nutralite www.nutralite.com

Social media engagement





Campaigns and initiatives



Sugar Free D'Lite Rakshabandhan


This Rakhi, send your bro a guilt-free D'Lite #HarBandhanDliteful



UPTO 40% OFF

Order Now

It is sweet. It is guilt-free. It is a perfect gift this Rakhi.



From stealing chocolates to sharing them (sometimes).

Cherish the sweetest moments guilt-free with Sugar Free D'Lite.

This Rakhi, make #HarBandhanDliteful

Buy now on **zepto**

Sugar Free Gold +



The new gold standard of *sweetness & fitness*

Infused with the goodness of Chromium

Chromium contributes to the maintenance of normal blood glucose levels.

Try it today

Table Top Sweetener

Sugar Free Gold+ with Chromium

Disclaimer: Sugar Free™ Gold+ contains Chromium Picolinate. Chromium contributes to the maintenance of normal blood glucose levels. # Just 0.1g (1 pellet) gives the sweetness as 5g of table sugar, offering a way to reduce sugar consumption without compromising sweetness. Refer Pack for more details.

Building culinary for Sugar Free with Sanjeev Kapoor



Sugar Free Sundays with Sanjeev Kapoor

CHOCOLATE BAKED YOGURT

5:31

Driving consumption of Sugar Free Green



Try it today

TVC

I'm lite™

Want to know the secret behind this transformation?
Stay tuned!

I'm lite™

BRAND NEW TVC NOW ON AIR

50% LESS CALORIES*

Provides 50% Less Calories*
EQUATE TO 1 kg OF SUGAR

I'm lite™
Single Sifted with the Goodness of Stevia

50% Less Calories*
USE 1/3 AS MUCH AS ORDINARY SUGAR
CLINICALLY TESTED

Awareness programs

शुगर बदलो, हेल्थ बदलो.

Zydus Wellness

हेल्थ का सपोर्ट सिर्फ की खपत और संबन्धित कैलोरी सेवन को कम करने के लक्ष्य से है। कुछ फॉर स्पेशल डायटरी यूज, फॉर कैलोरी मैनेजमेंट। बिना चिकित्सा सलाह के उपयोग किया जा सकता है। अधिक जानकारी के लिए पक देखें।

I'm lite™

REGULAR SUGAR

Net Weight: 500 g + Net Weight: 500 g

कुछ फॉर स्पेशल डायटरी यूज, फॉर कैलोरी मैनेजमेंट। औद्योगिक उपयोग के लिए नहीं। बिना चिकित्सा सलाह के उपयोग किया जा सकता है। अधिक जानकारी के लिए पक देखें।

Awards and Recognitions

Supply Chain Champion



Legal Team of the year



HR Excellency Award



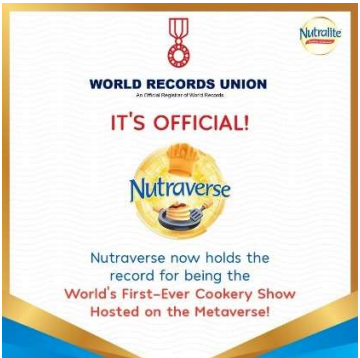
Awards and Recognitions

Marketing Accolades

2 x



1 x



Marketing (Glucon-D)



Use of E-sports and Gamification



Best Use of Tech

Marketing Campaign – SugarFree & Complian



Zydus Wellness to acquire 100% stake in Naturell (India) Private Limited, a strategic leap into healthy consumer snacking space

- On October 30, 2024, the Company announces entering into a definitive agreement to acquire Naturell (India) Private Limited (“NIPL”), a leading healthy snacking company with the turnover of approx. ₹ 119 crores (FY 2023-24 as per Ind AS).
- NIPL is engaged in the business of manufacturing, research and development, marketing and selling of Nutrition bars, Protein cookies, Protein Chips and health food products.
- NIPL business portfolio includes brands – Ritebite Max Protein (Protein fueled healthy snacks) and Ritebite (fiber-enriched snacks).
- The acquisition seamlessly aligns with Zydus Wellness’ strategic vision, expanding its footprint in the consumer wellness industry by foraying into the rapidly growing healthy snacking segment. It further strengthens Zydus Wellness’ market presence and commitment to addressing the evolving needs and preferences of health-conscious consumers.
- The transaction is proposed to be funded by cash. It is expected to be EPS accretive for Zydus Wellness from the very next year post-acquisition.
- The total consideration of ₹ 390 crores comprises of upfront consideration of ₹ 369 crores and earnout ₹ 21 crores which shall be determined upon achievement of agreed milestone for the financial year 2024-25.



Continued momentum in International business..



- ❖ Sugar Free franchise and Complan constituting ~90% of the overall business
- ❖ Nigeria business remained subdued due to macro-economic issues, however Middle east business continues to do well
- ❖ Top 5 markets constitute ~85% of the business (country)

Targeting 8-10% of revenues in next 4 to 5 years



**OUR COMMUNITY
ENGAGEMENT
INITIATIVE**



Watch the film : <http://www.youtube.com/watch?v=Q4sZ9gWm9Uk&feature=youtu.be>

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