



# Investor Update

1 Year after acquisition of HIPL

# Acquisition of HIPL : Inflection point in Zydus Wellness Journey



Zydus Wellness acquired 100% of Heinz India Private Limited (“Heinz India”)

- Enabled Zydus Wellness to become a leading Consumer Wellness Company in India
- Gained a portfolio of category leading brands across Wellness foods and care
- Added complementary distribution with large general trade channel to an existing pharmacy channel

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

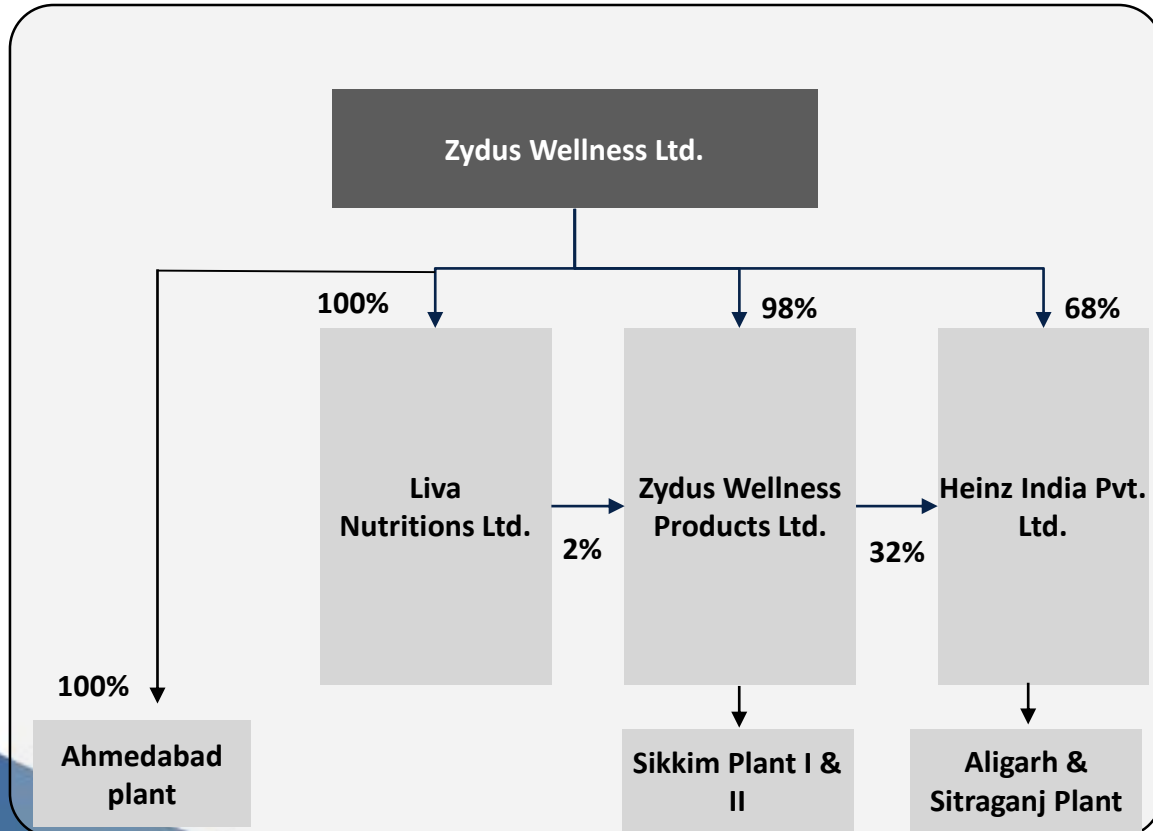


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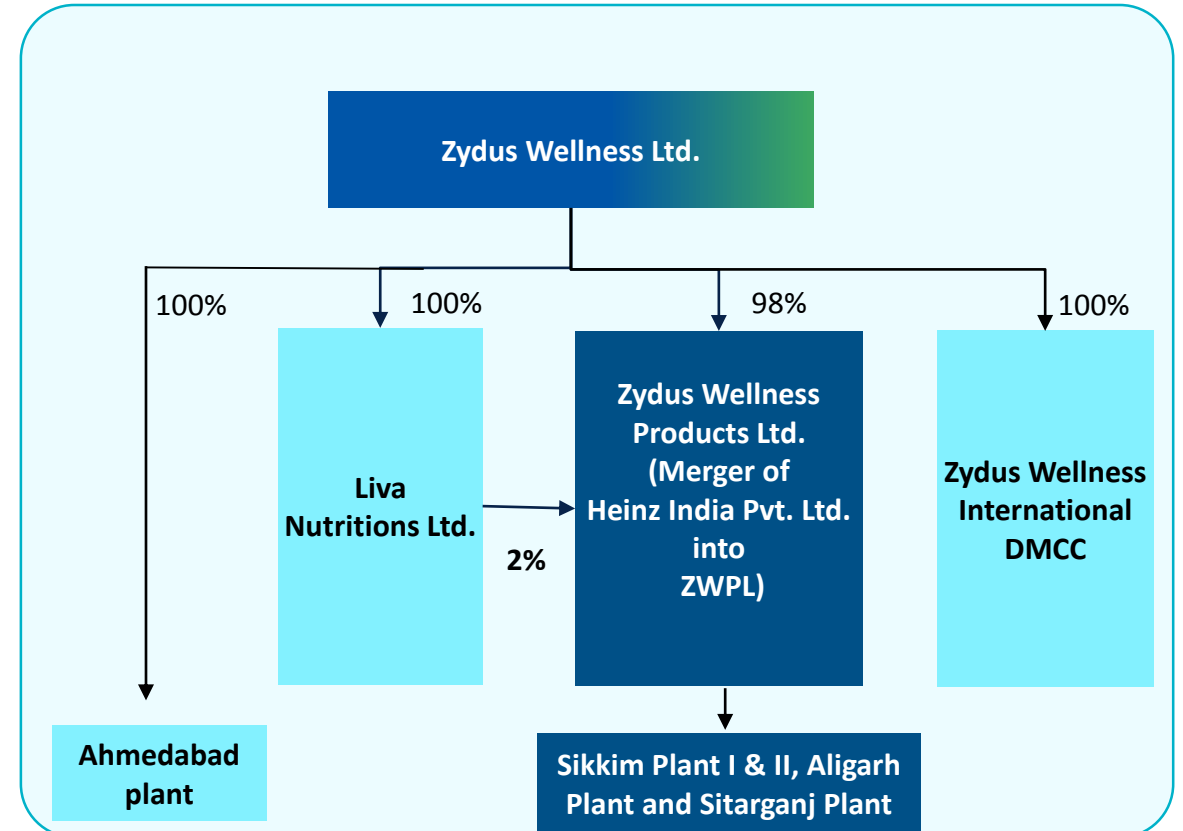
## Restructuring of Company and Name change

# HIPL and Zydus Wellness Sikkim merger into Zydus Wellness Products Ltd.

Old shareholding structure



New shareholding structure



Note :Zydus Wellness Sikkim , the Partnership firm was converted into a Company named Zydus Nutritions Ltd.. The same was subsequently renamed as Zydus Wellness Products Ltd.

# Integration Update

Revenue &  
brands



People



Sales &  
Distribution



Supply Chain &  
IT Systems



# Formidable Brand Portfolio : Growing in line or ahead of the category

- Portfolio of 5 out of 7 market leading brands
- Opened export markets of erstwhile HIPL Brands – Zydus Wellness expanding into Middle East, New Zealand, Pakistan, Mauritius and Nigeria.



**Glucon D**

**Category leader** growing with category

Category Size : **Rs 1034 Cr**  
Category Growth : **12%**  
Market Share : **59%**



**SugarFree**

**Category creator** led by innovation

Category Size : **Rs 385 Cr**  
Category Growth : **8.9%**  
Market Share : **94.6%**



**Complan**

**Legacy brand** in a low penetrated HFD category

Category Size : **Rs 6726 Cr**  
Category Growth : **9%**  
Market Share : **5.5%**



**Everyuth**

**Market leader in Scrubs and Peel Off**, growing faster than Skin Cleansers category

Category Size : **Rs 2968 Cr**  
Category Growth : **9.9%**  
Market Share : **6.1%**



**Nycil**

**Category leader** growing faster than category

Category Size : **Rs 767 Cr**  
Category Growth : **10%**  
Market Share : **34.5%**



**Nutralite**

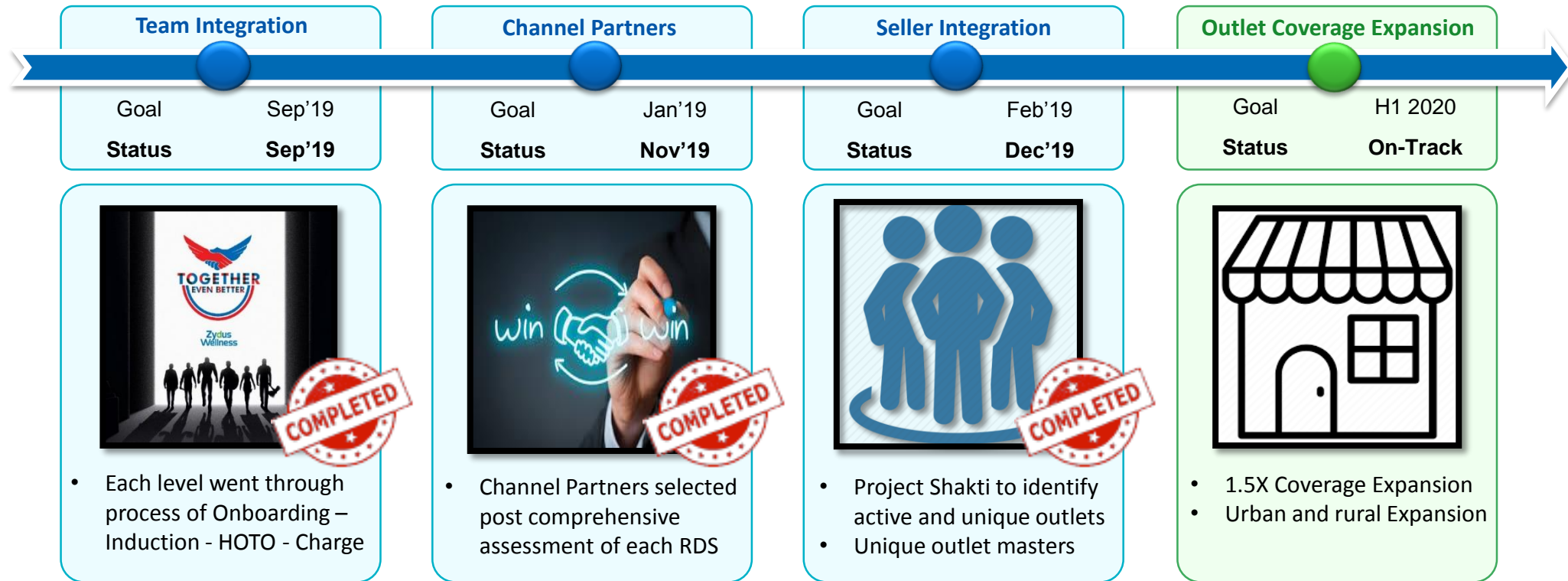
**Market leader** in Butter Substitute

\* Category and market data from Nielsen MAT Dec '19

# Future Ready Organization - Lean and Unified Team

- Human Resources integrated with least disruption
  - Prevented attrition of major positions. Overall attrition rate lower than previous year
  - Maintained occupancy level above 96% throughout the year
- Synergies identified across functions, to be implemented and realized over next 2 years
  - Rationalised ~100 positions (direct and indirect) in the combined organization structure
- Expanded international operations with the formation of a new company, Zydus Wellness International DMCC - dedicated for the exports business
- Completed harmonization of job bands and policies across various levels of the organization

# Building a scaled up go to market : with speed and agility

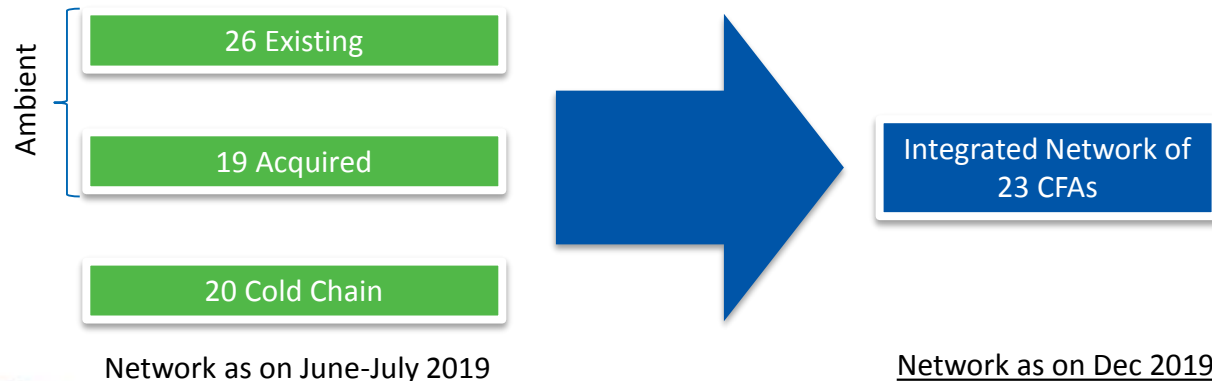


- Optimized from 9 branches to 6 branches
- Reduced from 1800+ distributors to 800+ distributors while expanding footprint
- Introduced performance based incentives across distribution channel
- Aim to cover 3.75 lakh retail outlets directly by H1 2020 and ~5lakh retail outlets directly by end of 2020



# Building a More Efficient Supply Chain

- Supply Chain synergies identified to deliver cost savings through the value chain
  - Procurement synergy plan executed
  - Started integrated planning and fulfillment process aiming to reduce inventory and simultaneously loss in sales.
- Reduced logistics cost through warehouse and C&F optimization and revision in incentive structure with significant savings and improved customer service
  - 19 CFAs added to the Zydus Wellness Network through HIPL acquisition
  - Total CFA network catapulted to 65
  - With a view to streamline the supply chain, we consolidated the network into 23 CFAs



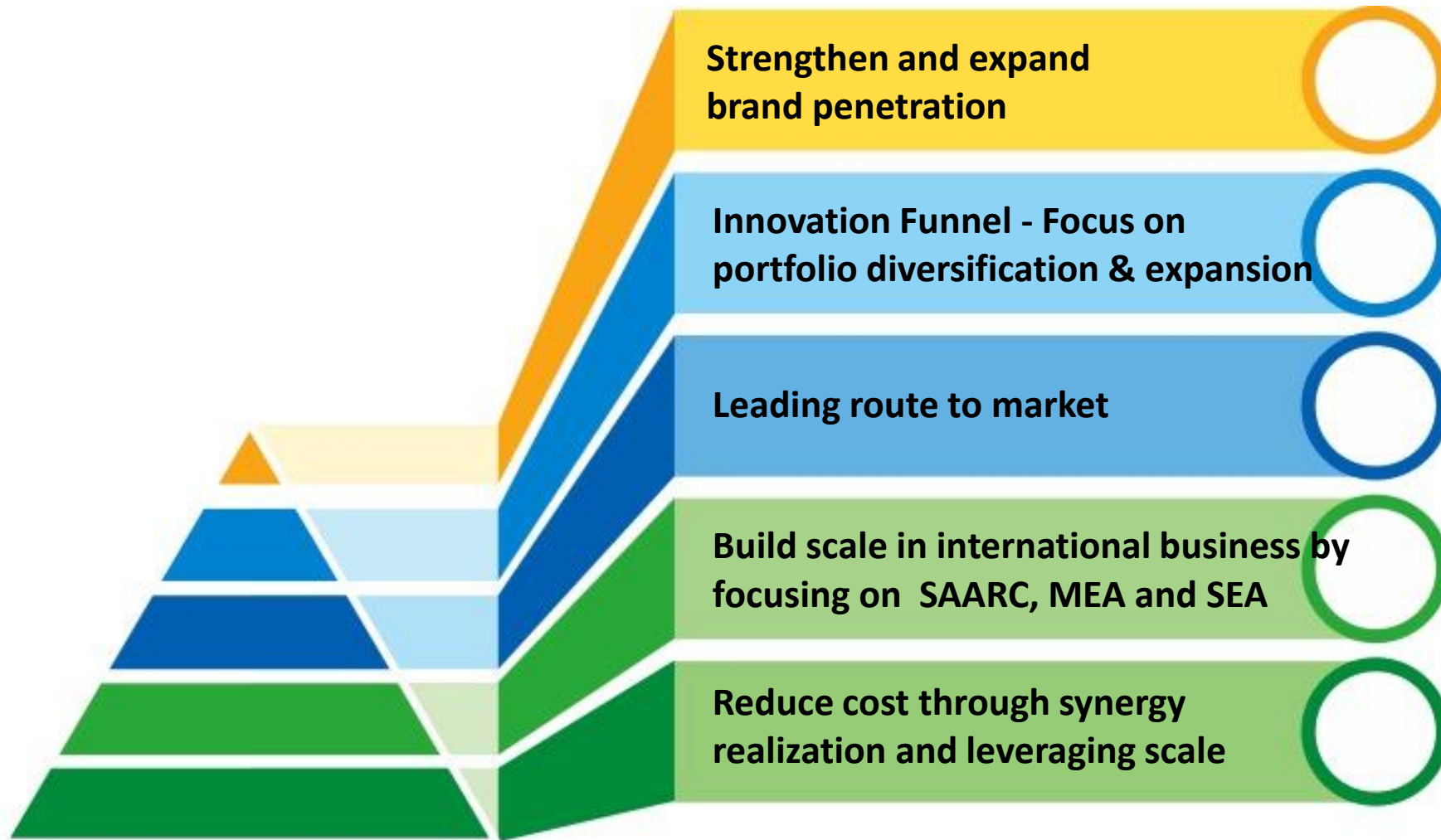
## Further Actions Taken :

- ✓ Transparent selection process – measurable and objective selection criteria
- ✓ All Nutralite dispatches through Cold Chain network – ensuring quality and minimum returns

# Building a Stronger IT Backbone and Digital Footprint

- All major applications and infrastructure migrated from Kraft Heinz Global Systems to equivalent Zydus Wellness systems
- Separate ECC instances migrated to future ready SAP S4 HANA – Implemented in 132 days – one of the fastest implementations in the industry
- Critical applications like Distributor Management Systems(DMS), vendor management and reverse auction platform (ARIBA), etc harmonized and implemented in sync with new SAP
- Further system implementation in progress as per the future ready IT blueprint aligned with the management team

# Zydus Wellness – Ready to Deliver Future Growth





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**Thank You**