



FOR YOU!

**Zy⁺us
Wellness**

Annual Report | 2022-23





VISION

We bring wellness to your life. We will create new experiences with our products that will nourish, nurture and energize your life. We shall lead the way through innovation.

OUR DNA

To build new emergent categories with differentiated product propositions. Philosophy of building products that are good for you.



CORPORATE INFORMATION

Board of Directors

Dr. Sharvil P. Patel
Chairman

Tarun Arora
Chief Executive Officer &
Whole-Time Director

Ganesh N. Nayak
Non-Executive Director

Savyasachi S. Sengupta
Independent Director

Dharmishtaben N. Raval
Independent Woman Director

Srivishnu R. Nandyala
Independent Director

Akhil A. Monappa
Independent Director
(w.e.f. May 17, 2023)

Kulin S. Lalbhai
Independent Director

Ashish P. Bhargava
Nominee Director

Key Managerial Personnel (Other than Directors)

Umesh V. Parikh
Chief Financial Officer

Nandish P. Joshi
Company Secretary
(w.e.f. July 29, 2022)

Bankers

Bank of Baroda
Ashram Road Branch,
Ahmedabad

HDFC Bank Limited
Navrangpura Branch,
Ahmedabad

ICICI Bank Limited
JMC House Branch,
Ahmedabad

HSBC Bank
M.G. Road Branch,
Mumbai

CITI Bank
Fort Branch,
Mumbai

Statutory Auditors

Mukesh M. Shah & Co.
Chartered Accountants

Cost Auditors
Dalwadi & Associates
Cost Accountants

Secretarial Auditors
Hitesh Buch & Associates
Practicing Company Secretaries

Registered Office
Zydus Corporate Park,
Scheme No. 63, Survey No. 536,
Khoraj (Gandhinagar),
Nr. Vaishnodevi Circle,
Sarkhej-Gandhinagar Highway,
Ahmedabad - 382481

Registrar & Share Transfer Agent

Link Intime India Private Ltd.
506-508,
Amarnath Business Centre – I,
Beside Gala Business Centre,
Off C. G. Road, Ellisbridge,
Ahmedabad - 380006

Manufacturing Facility
7A, 7B & 8,
Saket Industrial Estate,
Sarkhej Bavla Road,
Ahmedabad,
Village: Moraiya
Taluka: Sanand
District: Ahmedabad

CIN
L15201GJ1994PLC023490

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Forward-looking Statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and make informed investment decisions. We periodically make this report and other written and oral statements contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipates,' 'estimates,' 'expects,' 'projects,' 'intends,' 'plans,' 'believes,' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have made prudent assumptions. The achievement of results is subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether due to new information, future events, or otherwise.



Business

Zydus Wellness combines the best healthcare, nutrition, and cosmeceutical products to provide quality wellness products. Zydus Wellness helps people pursue integrated well-being through its widening range of products. The Company is developing, producing, marketing, and distributing differentiated health and wellness products.

Product Portfolio

Zydus Wellness has a wide range of health and wellness products. The Company's product portfolio includes popular brands with functional benefits like Glucon-D, Complan, Sugar Free, Nycil, Everyuth, and Nutralite.

Scale

Zydus Wellness manufactures an innovative range of health and wellness products across four manufacturing facilities – one in Gujarat, one in Uttar Pradesh and two in Sikkim.

Presence

Headquartered in Ahmedabad, Zydus Wellness enjoys a pan-India marketing presence through a distribution network comprising 1700+ distributors and ~2000 feet-on-street representatives. The Company's distribution competence has been facilitated by investment in 24 integrated warehouses that could serve both its cold chain and ambient range of brands.








Listing

The Company's shares are listed on BSE Limited and National Stock Exchange of India Limited.

Compliance

The Company's manufacturing plants were accredited with FSSC 22000 and ISO 14001, GMP certification as applicable, validating process, quality consistency, and Food Safety.

Brand Portfolio for FY 2022-23

	Category	Mkt. Rank	Mkt. Share
	Glucose Powder	1	60.1%
	MFD	5	4.5%
	Sugar Substitute	1	96%
	Blended Sugar	NA	NA
	Prickly Heat Powder	1	35.4%
	*Facial Cleansing	5	6.2%
	Scrub	1	41.9%
	Peel-Off	1	78.4%
	Fat Spread	1#	NA
	Dairy	NA	NA

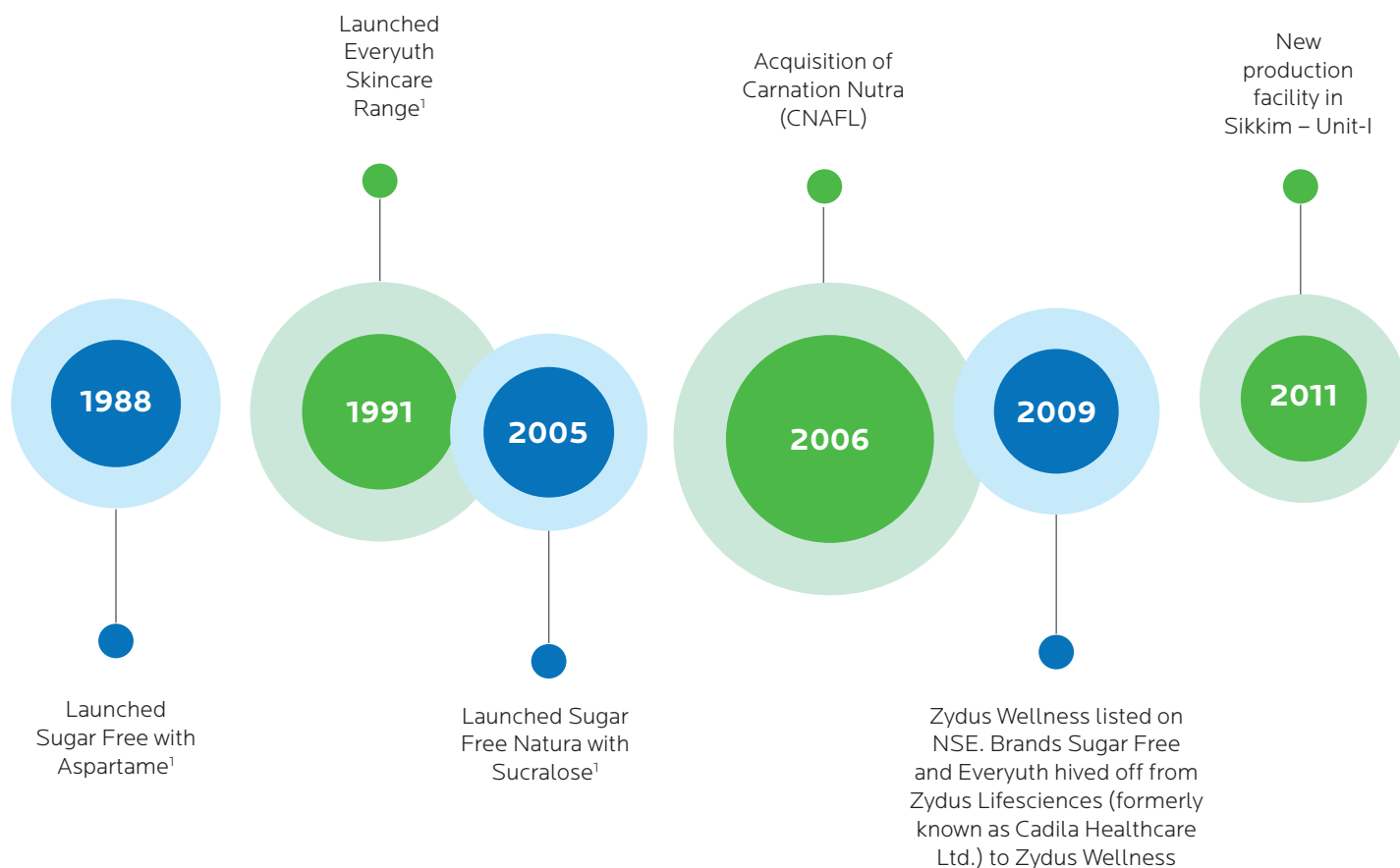
Market share source: MAT March 2023 report as per Nielsen and IQVIA.

*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.

Shareholding Pattern and Market Capitalisation as at March 31, 2023

66.4% Promoter and Promoter Group Holding	10.7% Institutional Holding	3.9% FII Holding	19.0% Other Holding	₹ 9,86,234 Market Capitalisation (₹ in Lakhs)
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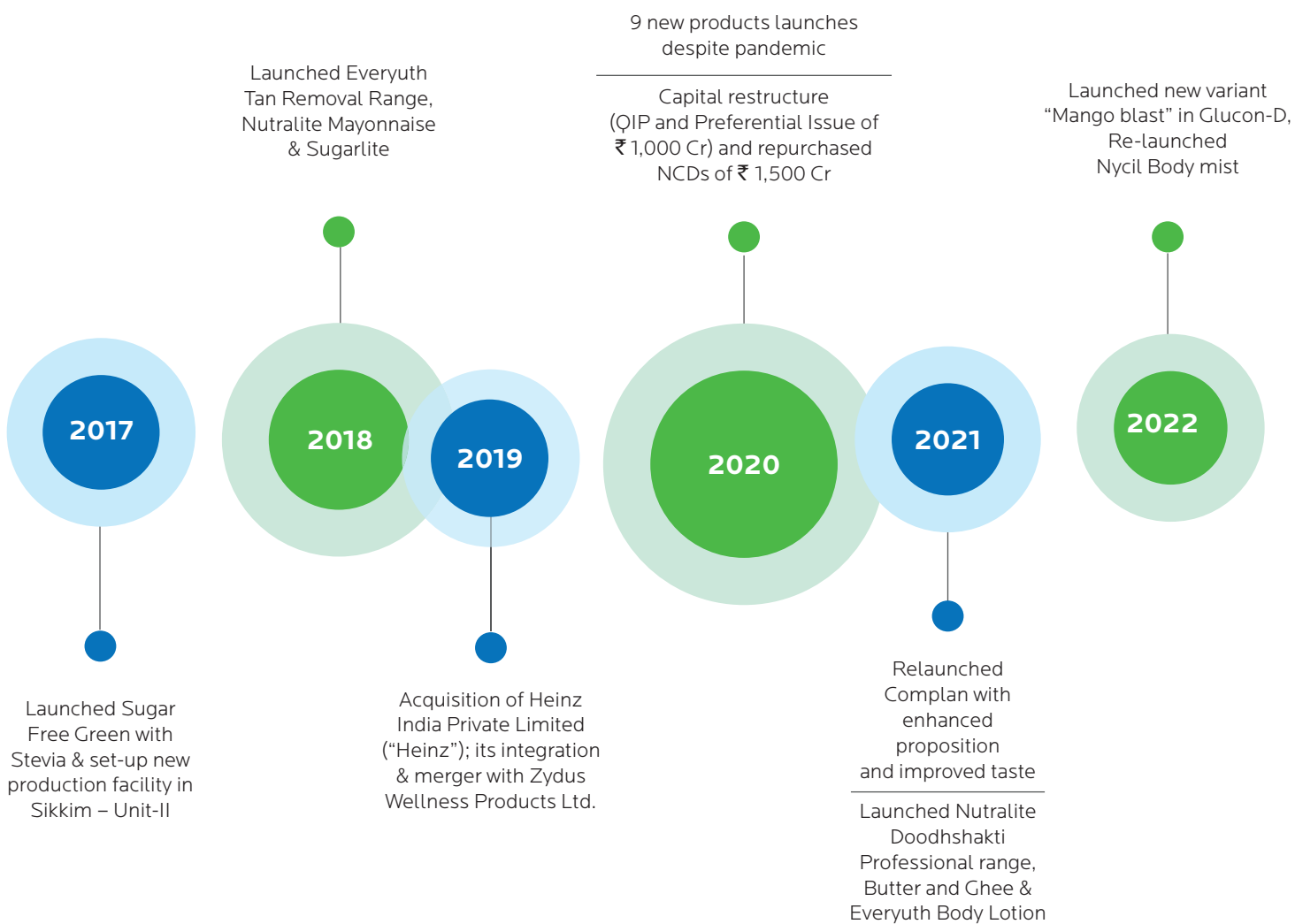
KEY MILESTONES IN OUR JOURNEY



Source: Company information

Note-1: Milestones that happened before Sugar Free and Everyuth hived off from Zydus Lifesciences to Zydus Wellness





OUR PERFORMANCE OVER THE YEARS

Revenues

PERFORMANCE, FY 2022-23

The Company has registered a growth of 12.2% (over the previous Financial Year) in Total Revenue from operations which stood at ₹ 2,25,479 lakhs. Glucon-D and Nycil reported a revival in sales aided by typical summers after two consecutive years of being impacted by the pandemic and continuous marketing support toward driving growth and recruiting new consumers. As a result, these summer season brands were able to regain pre-covid levels of sales. The year witnessed high inflationary pressure across key inputs, due to which the gross margins of the Company contracted during the first three quarters of the Financial Year. However, with appropriate price increases across the portfolio and inflation-stabilizing for crucial inputs (except for milk) in the latter half of the Financial Year, the Company has gradually recovered its gross margin by the end of quarter four. The Company reported a Gross margin of 48.9% of net sales for the year 2023. The elevated inflation levels impacted consumer demands, and the consumers downtraded towards lower price products, especially in the rural areas, during the Financial Year. Demand in urban areas started to improve in the second half of the Financial Year, while rural demand remained muted.

EBIDTA de-grew by 2.2% Y-O-Y to ₹ 33,715 Lakhs

Reported Net profit was up by 0.5% Y-O-Y at ₹ 31,037 Lakhs

Adjusting for exceptional items, the Net profit was up by 3.7% Y-O-Y at ₹ 32,042 Lakhs

MARGINS ARE IN TOP QUARTILE OF THE FMCG SPACE

15.0

EBITDA Margin (%) FY23

13.8

PAT Margin (%) FY23

14.2

Adjusted PAT Margin (%) FY23

FINANCIAL STRENGTH

[19.1]

Revenue from Operations
Growth (%) [15-year CAGR]

[16.7]

EBITDA Growth (%) [15-year CAGR]

[20.4]

Net Profit Growth (%) [15-year CAGR]

BRAND PERFORMANCE

Glucon-D brand continues to maintain its **number one position**, with a market share of **60.1%** in the Glucose Powder category

Complan market share stood at **4.5%** in the Health Food Drinks (HFD) category

Sugar Free continues to maintain its leadership with a market share of **96%**

Nycil has maintained its **number one position** with a market share of **35.4%** in the Prickly Heat Powder category

Everyuth Scrub continues to maintain its **leadership position** with a market share of **41.9%** in the Facial Scrub category, which is an increase of 68 basis points over the same period last year

Everyuth Peel-Off has maintained its **number one position** with a market share of **78.4%** in the Peel-Off category

Everyuth brand is at **number 5 position** with a market share of **6.2%** at overall Facial Cleansing segment level

As per the MAT March'23 report of Nielsen and IQVIA

BUSINESS MODEL

At Zydus Wellness, we have continuously reviewed, adapted, and reinforced our business model. This proactive responsiveness in a rapidly evolving market environment has translated into attractive growth across market cycles.





Dr. Sharvil P. Patel | Chairman