

► BRINGING WELLNESS TO YOUR LIFE



ANNUAL REPORT 2019-20 ◀

Zydus
Wellness



Wellness is all about making choices for a healthy life... it's about maintaining a healthy lifestyle and doing what is right for your body. Wellness is a state of being that makes you feel good about yourself.

That's exactly what we at Zydus Wellness aim to do; offer products which are Good-for-You, helping you embrace Wellness.

Our products, take care of age appropriate nutritional needs, sweeten your smiles without adding to your calories. We create new experiences through new emergent categories.

We believe that we can nourish, nurture and energise your life in a happy way. Embracing Wellness comes with the freedom of choice; to do what's right to improve the quality of life.

*Through our innovations,
By expanding the choices,
By lifting your days,
By helping you experience life to it's fullest,
By helping you stay healthy,*

**We bring
Wellness to your life.**

**Zydus
Wellness**



Corporate Information

Board of Directors

Dr. Sharvil P. Patel
Chairman

Tarun G. Arora
CEO & Whole-Time Director

Directors

Kulin S. Lalbhai

Srivishnu Raju Nandyala

Dharmishtaben N. Raval

Ashish Bhargava

Ganesh N. Nayak

Savyasachi S. Sengupta

Chief Financial Officer

Umesh V. Parikh

Company Secretary

Dhanraj P. Dagar

Bankers

Bank of Baroda
Ashram Road Branch
Ahmedabad

HDFC Bank Ltd.
Navrangpura Branch
Ahmedabad

ICICI Bank
JMC House Branch
Ahmedabad

HSBC Bank
M.G.Road branch, Mumbai

CITI Bank
Fort Branch, Mumbai

State Bank of India
CAG Branch, Ahmedabad

Statutory Auditors

M/s. Dhirubhai Shah & Co. LLP
Chartered Accountants

Cost Auditors

M/s. Dalwadi & Associates
Cost Accountants

Secretarial Auditors

M/s. Hitesh Buch & Associates
Practicing Company Secretaries

Registered Office

Zydus Corporate Park,
Scheme No. 63, Survey No. 536
Khoraj(Gandhinagar),
Nr. Vaishnodevi Circle,
Ahmedabad 382481

Registrar & Share Transfer Agent

M/s. Link Intime India Private Ltd.,
506-508
Amarnath Business Centre – I
Beside Gala Business Centre
Off C. G. Road, Ellisbridge
Ahmedabad 380 006

Works

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

CIN

L15201GJ1994PLC023490

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Forward-looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, 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 been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should 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 as a result of new information, future events or otherwise.

Vision

We bring wellness to your life. We will create new experiences by 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 which are good for you.



Business

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

Product Portfolio

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

Products	Market Rank
Sugar Free	1st
Everyuth Peel off	1st
Everyuth Scrub	1st
Nycil	1st
Glucon D	1st
Complan	5th
Nutralite	N.A.
Sugarlite	N.A.

*Source – Nielsen MAT March 2020 report for all brands except Sugar Free. For Sugar Free it is as per Company sources

Presence

Headquartered in Ahmedabad, Zydus Wellness enjoys a pan-India marketing presence through a distribution network comprising ~1800 distributors and ~2000 feet-on-street representatives, who facilitate the coverage of more than 18 lakhs plus outlets. The Company's distribution competence has been facilitated by investment in 20 cold chain warehouses and 25 ambient warehouses.

Listing

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

Scale

Zydus Wellness Limited manufactures an innovative range of health and wellness products across five manufacturing facilities – one in Ahmedabad, one at Aligarh, one at Sitarganj and two at Sikkim.

Compliance

The Company was accredited with the ISO 22000 and ISO 14001, GMP certification, validating process and quality consistency.

67.82%

Promoters' and family holding,
March 31, 2020 (%)

6.57%

Institutional holding, March 31,
2020 (%)

3.29%

FII holding, March 31, 2020 (%)

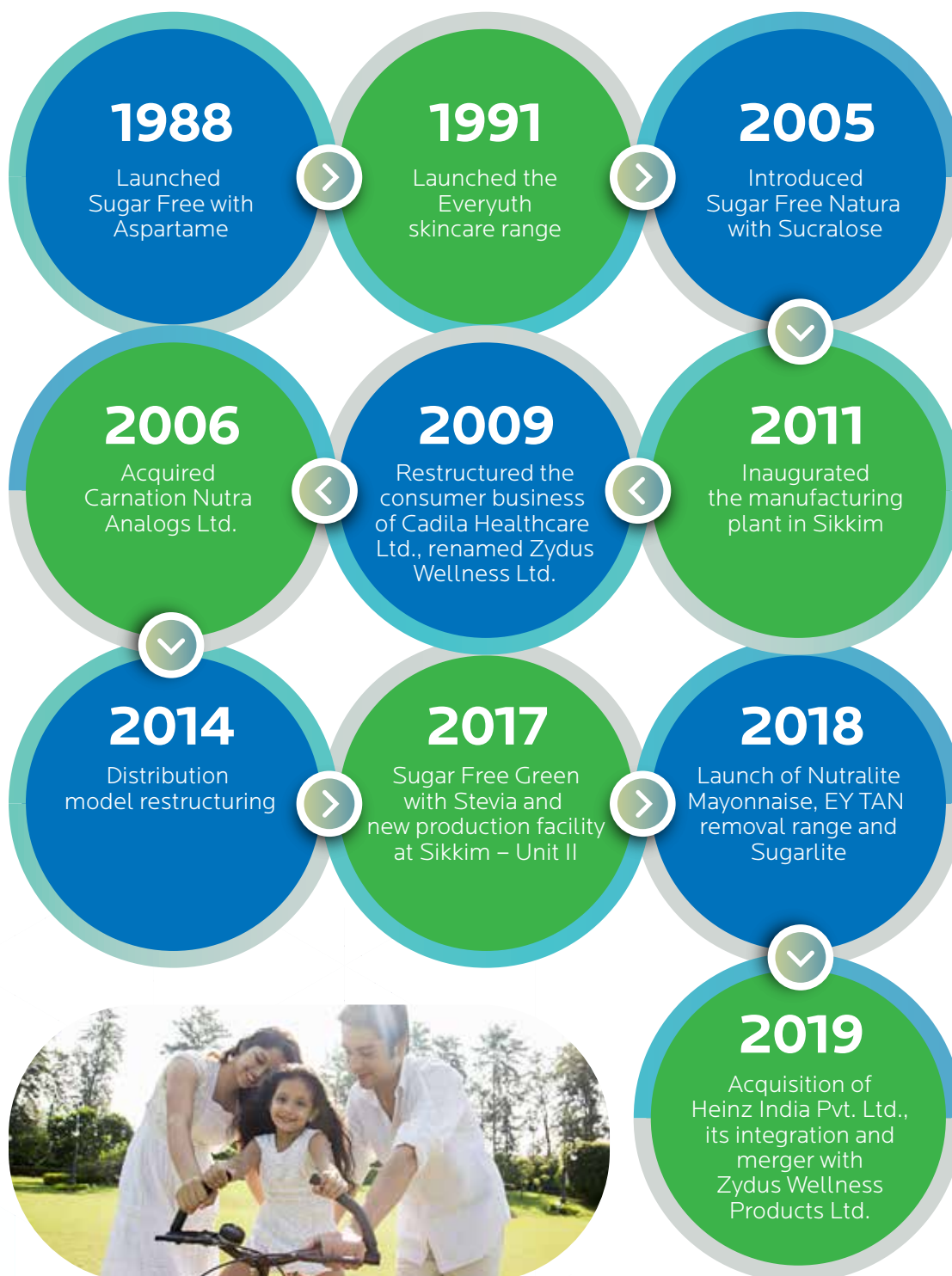
22.32%

Other holding, March 31, 2020 (%)

74,924

Market capitalisation, March 31,
2020 (Rs. Mio)

Milestones





Performance Over the Years

Revenues (₹ in Million)

Performance Highlights FY2019-20



REVENUE FROM OPERATIONS

₹17668.2

MILLION

Value Impact

Improved product off-take strengthened the Company's marketplace reputation

Financial Strength

22.2%

TOTAL INCOME FROM OPERATIONS GROWTH (%) [12-YEAR CAGR]

21.2%

EBIDTA GROWTH (%) [12-YEAR CAGR]

17.6%

NET PROFIT GROWTH (%) [12-YEAR CAGR]



Highlights FY2019-20

Turnover

↑ **109.6%**

INCOME FROM
OPERATIONS
GROWTH (%)

Profits

↑ **73.7%**

EBIDTA Growth (%)

18.2%

EBIDTA
HEALTHY IN EBIDTA MARGIN (BPS)

8.0%

PAT Margin

₹ **24.58**

EPS

* The above growth % numbers is not comparable as previous year results includes numbers of the acquired business from January 30, 2019 to March 31, 2019

Brand Performance

As per the MAT March'20 report of Nielsen:

The Glucose Powder category has grown by **9.8%**. Glucon-D has maintained its number one position with a market share of **59.0%**.

The MFD category has grown by **7.7%**. Complian has a market share of **5.4%**.

The Prickly Heat Powder category has grown by **8.3%**. Nycil has maintained its number one position with a market share of **34.4%**, which is an increase of 230 basis points over the same period last year.

The Facial Scrub category has grown by **6.1%**. Everyuth Scrub has maintained its number one position with a market share of **32.5%**.

The Peel Off Face Mask category has grown by **13.3%**. Everyuth Peel Off Mask has maintained its number one position with a market share of **77.9%**

Business Model

At Zydus, 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.



Chairman's Message

Dear Shareholders,

I am pleased to report that the Company delivered a strong performance in 2019-20, despite the unprecedented healthcare crisis and tough market conditions. Today, more than ever before, health is the new credo. Wellness and good health are uppermost in our minds as we look for boosting our immunity, protecting our families, friends and neighbourhoods from the dreaded Novel Coronavirus. All of them reinforce the core premise of Zydus Wellness, the importance of staying healthy by making the right choices and embracing wellness.

At Zydus Wellness, we have always believed in delivering results sustainably and 2019 was a year of integration and consolidation after the acquisition of the Heinz India business. We have been successful in acting swiftly and laying the foundation for the business which will deliver results in the years ahead. Our focus this year has been on actively managing our portfolio, sharpening our core areas of food and nutrition, beverages and skin care. Across the spectrum our emphasis has been on evidence-based scientific approach to wellness, which has now become a guiding principle at Zydus Wellness. We believe that by offering the consumers new choices and innovation-based products, we are embracing wellness.

THE NEW NORMAL OF A RAPIDLY CHANGING WORLD

India's FMCG sector has changed dramatically over the years. An increasing demand for healthier lifestyles and the willingness to go the extra mile to consume products

“

We believe that we are uniquely positioned to leverage our core strengths in innovation, scientific promotion and a good-for-you portfolio that is unquestionably healthy and responsive to the changing times.

”

Dr. Sharvil P. Patel
Chairman