

Zydus Wellness Ltd., posts Total Income from operations of Rs. 3420 mn in Q2

Ahmedabad, November 02, 2020

For the second quarter ending September 30, 2020, Zydus Wellness Ltd., reported a growth of 9.3% in Gross Sales. The Total Income from operations was reported at Rs. 3420 million up by 4.9% y-o-y. PBT before exceptional items was down by 63.1% y-o-y to (-) 74 Million Rupees. However, the same was up by 27% before GST budgetary support that ceased for Sitarganj plant from January 2020 onwards.

During the quarter, the Company has successfully completed preferential issue and QIP issue of equity shares by raising Rs.3,499 million and Rs.6,500 million respectively from the above issuance, the proceeds of which will be used towards redemption of non-convertible debentures. As a part of strategic initiative to pare down the debt the Company has bought back its own non-convertible debentures of Rs.11,050 million which will help the Company reduce the debt burden and deleverage the balance sheet. In the process of buying back its own Non-convertible debentures, of Rs.11050 million, the Company has paid one-time debenture redemption premium of Rs.980 million which is recorded as an exceptional item in the financials for the quarter.

The completion of buy back of non-convertible debentures will result in lower interest cost and shall have a positive impact on the Earning Per Share (EPS) of the Company over a period of time.

During the quarter gone by, key brands namely, Sugar Free, Everyuth Scrub and Everyuth Peel Off, Glucon D and Nycil continued to hold strong positions in their respective categories.

The company continued to grow the categories and increase market share of its brands with new offerings and expanding its reach through e-commerce channels and building brand advocacy, during the quarter.

Glucon-D ImmunoVolt was launched to tap the heightened need of Immunity products for kids. The product is fortified with Vitamin C, Vitamin D, and Zinc to boost immunity. Complian was launched in an economical and handy 75g Sachet priced at Rs.30 per pack. Sugar Free has seen brisk sales in the e-commerce channel and has grown at more than 100% vs corresponding quarter last year on this channel. The quarter also witnessed the launch of Everyuth Aloe Vera & Cucumber Gel in the face moisturizers segment. The company also launched Nutralite Choco Spread on the e-commerce and modern trade platform. Nutralite Choco Spread is available in two healthier variants - Crunchy Quinoa & Calcium.

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