



Zeal & Innovation in Medicine

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BSE Limited, Market Operations Dept. P. J. Towers, Dalal Street, Mumbai- 400 001 Company Code- 541400	National Stock Exchange of India Limited Listing Compliance Department Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051 (Symbol - ZIMLAB)
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Dear Sir,

Sub : **Investor Presentation May 2023**

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, kindly find enclosed Investor Presentation May 2023.

Kindly take the intimation on record.

Thanking you,

Yours faithfully,

For ZIM LABORATORIES LIMITED

(Piyush Nikhade)
Company Secretary and Compliance Officer
Membership No. A38972

Encl : As above.

ZIM LABORATORIES LIMITED

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ZIM Laboratories Limited

Investor Presentation

May 2023

SAFE HARBOUR



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OUTLOOK & FOCUS

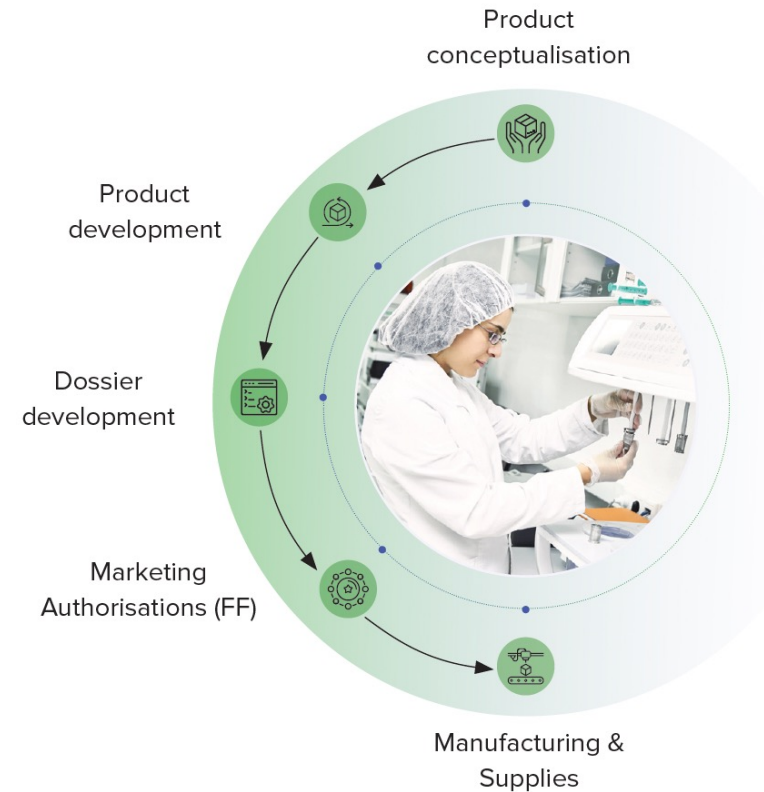
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- 23 FOCUS : FY24

CORPORATE

- 25 BOARD OF DIRECTORS : ZIM
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OVERVIEW

- ZIM develops and supplies differentiated generic Pharmaceutical and Nutraceutical products in Finished Formulations (FF) and Pre-Formulation Intermediates (PFI) in certain key therapeutic categories across RoW markets
- Our differentiation and value proposition is in our ability to develop and supply combination generic products in the oral solid dosage form, using drug delivery techniques and various non infringing proprietary manufacturing processes
- Our core capability is built on the foundation of a strong, experienced in-house R&D set up which provides various delivery solutions that are comprehensive and cover product conceptualisation, product development, clinical studies, dossiers, manufacturing & supplies
- We have enhanced our R&D capabilities through our investment in a very experienced team in ZIM Health Technologies Ltd (ZHTL -100% subsidiary)



TRANSFORMATION INITIATIVES

Current Business

Pharmaceuticals

Nutraceuticals



77% Revenue Contribution

23% Revenue Contribution

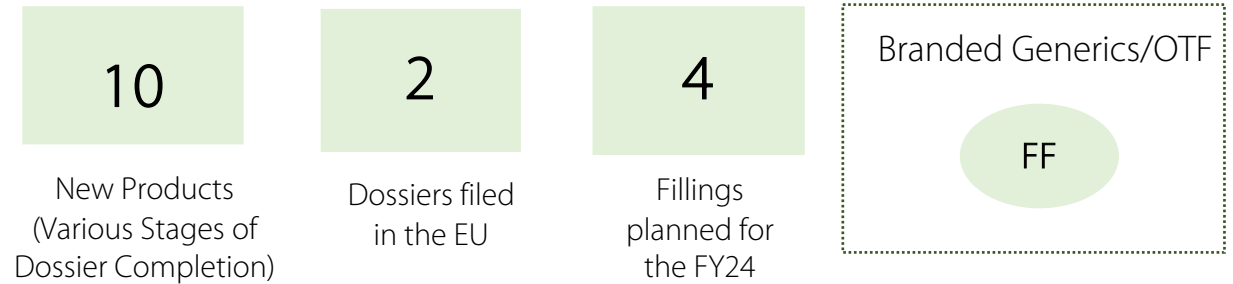
85% Export

- Presently catering to the Rest of the World (RoW)
- Pre-formulation intermediates (PFI) and Finished formulations (FF): unique combinations of generic products with various drug delivery techniques
- High R&D focus and a strong pipeline of innovative products
- Marketing ties: local pharma companies and distributors as partners to market the products

Outlook

Pharmaceuticals; New Innovative Products (NIP)

Nutraceuticals



Attractive Products

Better Margins

- New Innovative Products: A Basket of 10 Products
- Market potential of NIP : USD 500 Mn -1.5 Bn / Product* (Ex-USA); Generic+
- Targeted for Key Developed and Pharmerging markets**
- 2 products filed in the EU; 8 products under development for developed markets; 4 developed market filings planned in FY24
- Registrations are expected in 18–24 months from the date of filing
- Developing specialized Nutraceutical products

*Source(IQVIA)

**Key Developed and Pharmerging Markets: EU, Turkey ,Canada, Australia, BRICS, LATAM, Saudi Arabia and other markets with high GDP / Capita

BUSINESS HIGHLIGHTS

- ➊ Moving up the Product Value Chain – Developing Value Added Generics
10 New Innovative Products(NIP) in various stages of development; 2 NIP filed in EU under ZIM's name
- ➋ Strong and Experienced R&D ; Multiple BE Studies and Dossiers
Comprehensive Dossiers for Key Developed and Pharmerging Markets; Multiple in-house technology platforms; 6.6% of Income invested in FY23
- ➌ Upgradation of Plant and Equipment : Specific manufacturing units for NIP
Rs 261Mn Gross Block added in FY23; Rs 618Mn invested over last 4 years
- ➍ Growing Registrations
56 Dossiers filed for registration & 44 products received registration during FY23; 5 Marketing Authorisations received on ZIM's Dossiers in EU in FY23
- ➎ Improving Profitability and Reducing Debt
PAT grew at a CAGR of 94.8% over 3 years (FY20-FY23); Total Borrowings reduced to Rs 596Mn in FY23(Rs 899Mn in FY20)

FINANCIAL HIGHLIGHTS

FY23

- Total Operating Income for FY23 was Rs3,985Mn, up 19.5% YoY
- EBITDA for FY23 was Rs584Mn, up 28.7% YoY; EBITDA margins for FY23 were at 14.7% (13.6% in FY22)
- Profit After Tax for FY23 was Rs244Mn, up 67.2% YoY; PAT margins for FY23 were at 6.1% (4.4% in FY22)
- Our finance cost for FY23 was at Rs 56Mn vs Rs 83Mn in FY22
- Gearing was at 30% with total borrowings at Rs596 Mn in FY23
- ROCE and ROE for FY23 were 16.8% and 13% vs 12.5% and 8.7% for FY22 resp

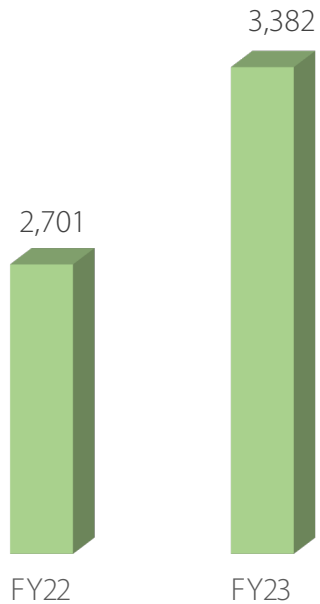
Q4FY23

- Total Operating Income for Q4FY23 was Rs1,054Mn, up 4.4% QoQ
- EBITDA for Q4FY23 was Rs161Mn, up 3.9% QoQ ; EBITDA margins for Q4FY23 were at 15.3% (15.3% in Q3FY23)
- Profit After Tax for Q4FY23 was Rs72Mn, up 9.1% QoQ; PAT margins for Q4FY23 were at 6.8% (6.5% in Q3FY23)
- Our finance cost for Q4FY23 was at Rs 13Mn (for Q3FY23 was Rs 16Mn)

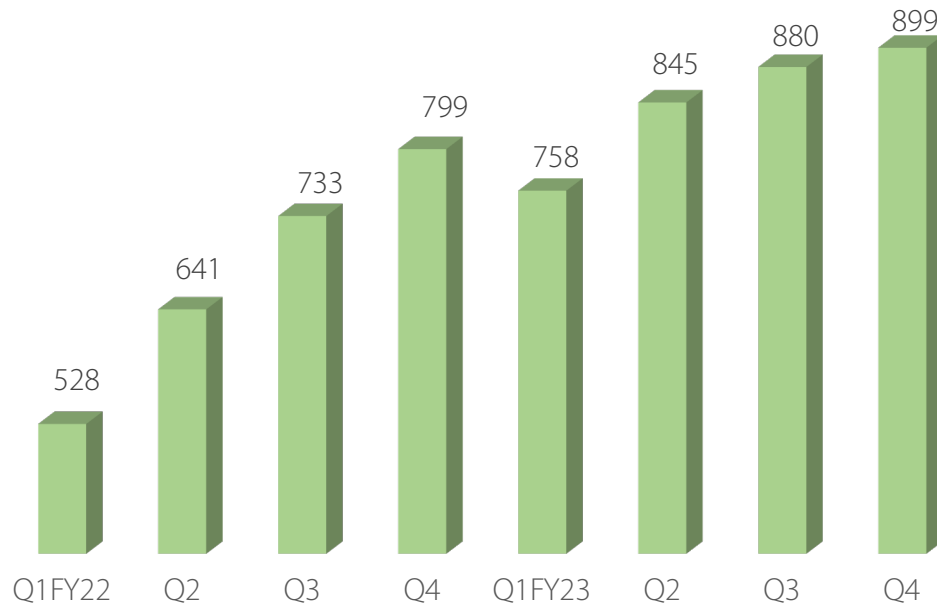
EXPORTS BUSINESS

- Exports business for FY23 was Rs 3,382Mn, up 25.2% from Rs 2,701Mn in FY22
- Contribution from Exports was 85% of our Total Operating Income
- Key regions for Exports during the year were MENA, SE Asia and Africa

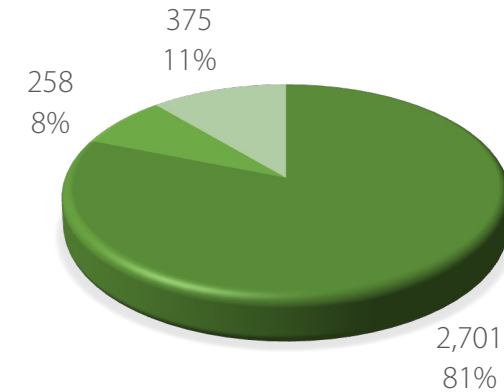
Annual (Rs Mn)



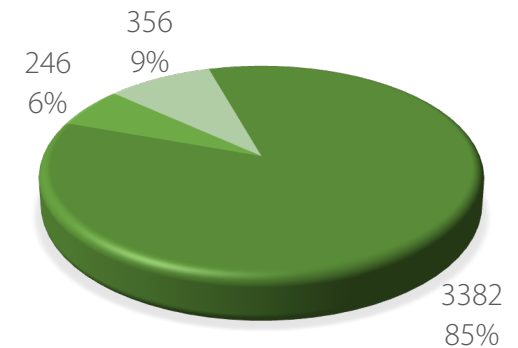
Quarterly (Rs Mn)



MIX % : FY22



MIX % : FY23

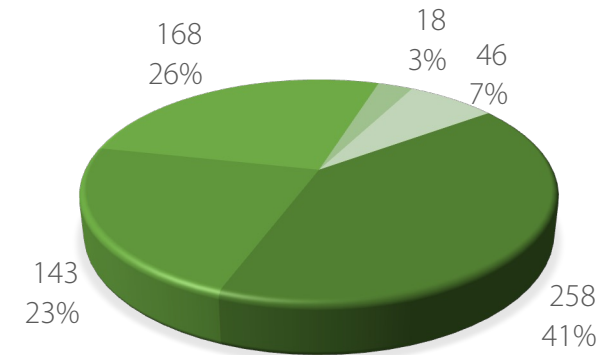


■ Export ■ Deemed Export ■ Government/ Domestic

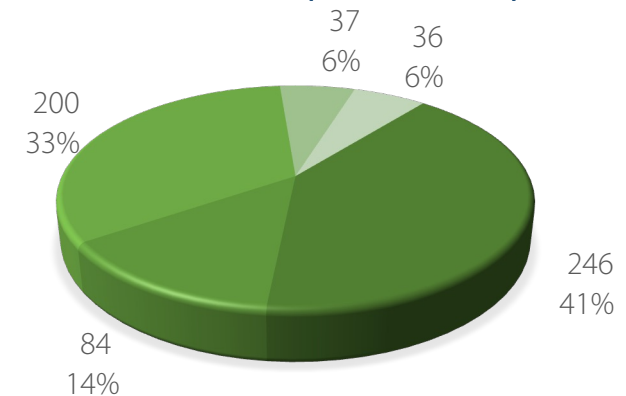
DOMESTIC BUSINESS

- For FY23, our domestic business was Rs 603Mn and comprised 15% of our Total Operating Income
- The domestic business includes sale to Central/ State Government, agencies owned by the Government and sale through deemed exports (products billed in India for export by 3rd parties)
- Our range of OTF products in India are marketed by partners in their brands through ecommerce / online platforms
- The Government business is mainly in pharmaceutical products under the “Jan Aushadhi and CGHS” scheme to ESIC , Railways etc. and comprise of our differentiated and high margin generic products that provide certain benchmark threshold of net contribution %
- Our continued focus on high margin business under central government schemes (Jan Aushadhi & CGHS – ESIC railway) resulted in increase in the mix of this business to Rs 200Mn in FY23 from Rs 168Mn in FY22
- Within the domestic business, the relatively lower net margin business from Deemed Exports has marginally reduced from Rs 258Mn in FY22 to Rs 246Mn in FY23

MIX % : FY22 (RS. 633 MN)



MIX % : FY23 (RS. 603 MN)



- Deemed Export
- Others
- Jan Aushadhi & CGHS - ESIC & Railway
- State Govt.
- ODS

ORAL THIN FILMS

- During FY 23, we received Marketing Authorisation (MA) for EU market – Sildenafil Citrate in Spain. Several other products - Melatonin, Ondansetron, Vitamin D3, Methyl cobalamin, Levocetirizine, Sildenafil, Tadalafil etc. in various strengths have also received approvals and been commercialized across ROW
- Our partners received 4 Marketing Authorisations; in the Netherlands, Croatia, Czech Republic and Malta for marketing Sildenafil Citrate 50 mg OTF dosage; registration on ZIM's Dossier (this is in addition to the MA granted for Rizatriptan OTF dosage for EU)
- Opioid Analgesic product (In Sublingual film form), co-development project completed successfully & final dossier has been submitted by our Business partner to Health & regulatory authorities in the EU; Manufacturing and Supply to follow after registration is received
- Our Marketing partner in Canada has filed for registration on ZIM's dossier for Antiemetic product (In Orally disintegrating strip form)
- We successfully launched Vitamin D3 ODS combination products with our partner in Italy; 3 Rx product registrations filed by our partner in Italy on ZIM's dossiers
- Our OTF plant is EU-GMP and NSF ANSI 455-2 accredited and scalable for business across markets
- Nutraceutical Supplement products have also been developed using the OTF platform and these products are being presently marketed through eCommerce / OTC platforms. Some of these products are likely to be filed for OTC registration in USA, EU and across developed markets

12%

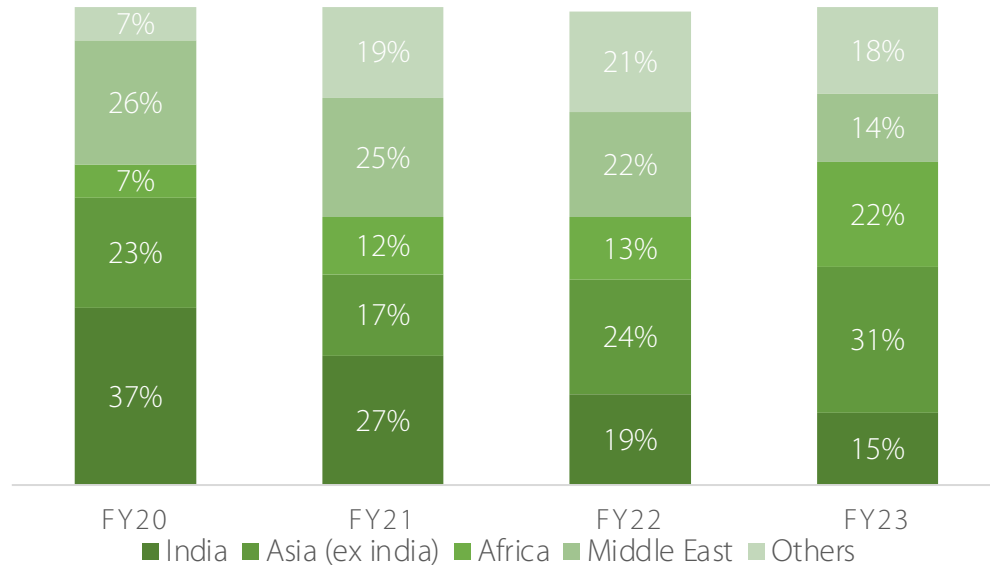
CAGR of OTF business over the 3 years (FY20-FY23)

4

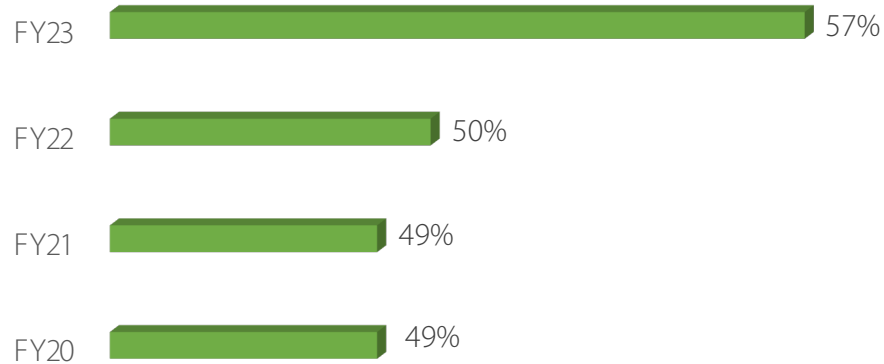
Marketing Authorisations received by our partners in EU on ZIM's dossiers in FY23

BUSINESS MIX : MARKETS AND PRODUCTS

Region Wise Revenue Mix



% Concentration of Top 10 Pharmaceutical Products

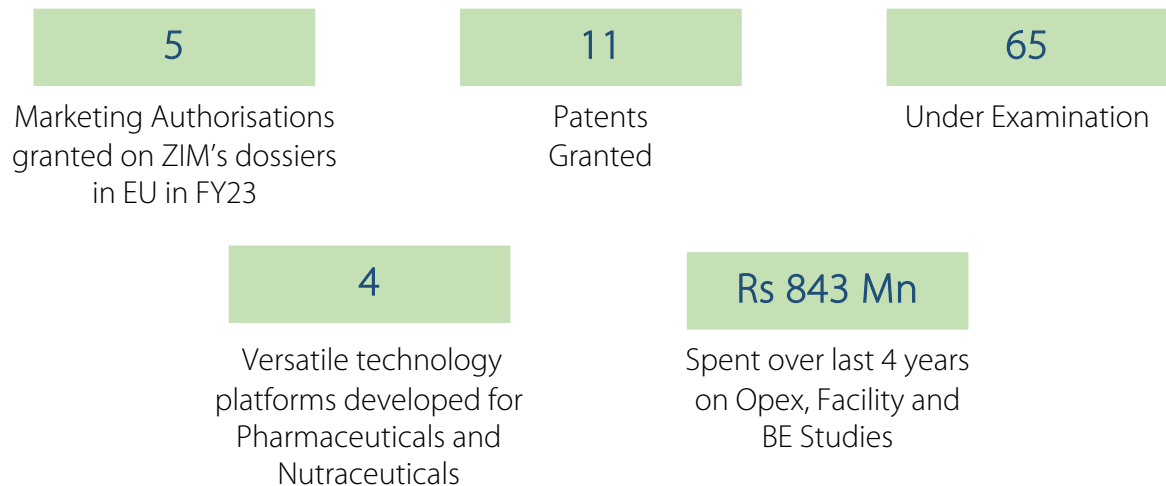


- Diversified Geographical Mix; Hedge against adverse geo-political risks
- Focus shifting to developed markets in the EU and Pharmerging markets like LATAM, Brazil, Australia, CIS countries, South Africa, Philippines and Vietnam
- Consolidating our top differentiated product offerings to improve economies of scale and strengthen the core business

R&D AT CORE

- Focus on using Differentiated Drug Delivery techniques
- Non – infringing development and manufacturing process using various technology platforms –
 - Micro - Emulsion Coating Technology (MECT)
 - Pellet Cold Forming Technology (PCFT)
 - Rapid Gelation Drug Release Technology (RGDRT)
 - Matrix Pore Forming Tablet Technology (MAPOTAB)

89 Member R&D Team ; 4 PhDs ; 71 post graduate professionals



R&D Expense Mix %
Total R&D Spend as % of Total Operating Income



- Total R&D Spend as % of Total Operating Income
- Capital Expenses on BE study
- Capital Expenses on Infrastructure & Equipment
- R&D Expenses in P&L (Employee;Material,BE-Study etc.)

FINANCIAL OVERVIEW

INCOME STATEMENT

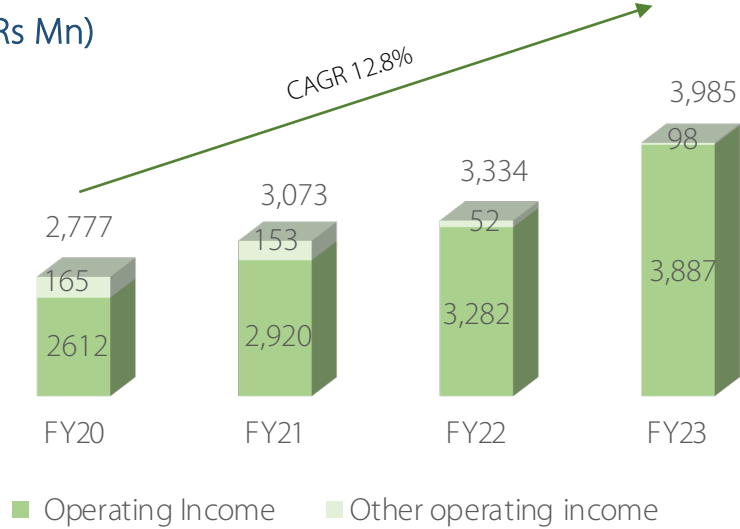
Particulars (Rs Mn)	FY23	FY22	Change % (YoY)	Q4FY23	Q3FY23	Change % (QoQ)	Q4FY22
Total Operating Income	3,985	3,334	19.5%	1,054	1,010	4.4%	1,050
Other Income	64	44	46.2%	7	24	(70.8)%	16
Total Income	4,049	3,378	19.9%	1,061	1,034	2.6%	1,066
EBITDA	584	454	28.0%	161	155	3.9%	164
EBITDA %	14.7%	13.6%	-	15.3%	15.3%	-	15.6%
Profit Before Tax (PBT)	353	210	68.4%	99	100	(1)%	108
PBT %	8.9%	6.3%	-	9.4%	9.9%	-	10.3%
Profit After Tax (PAT)	244	146	67.2%	72	66	9.1%	70
PAT %	6.1%	4.4%	-	6.8%	6.5%	-	6.7%
EPS (Rs / Share)	5.01	2.99	67.6%	1.48	1.35	9.6%	1.45

BALANCE SHEET

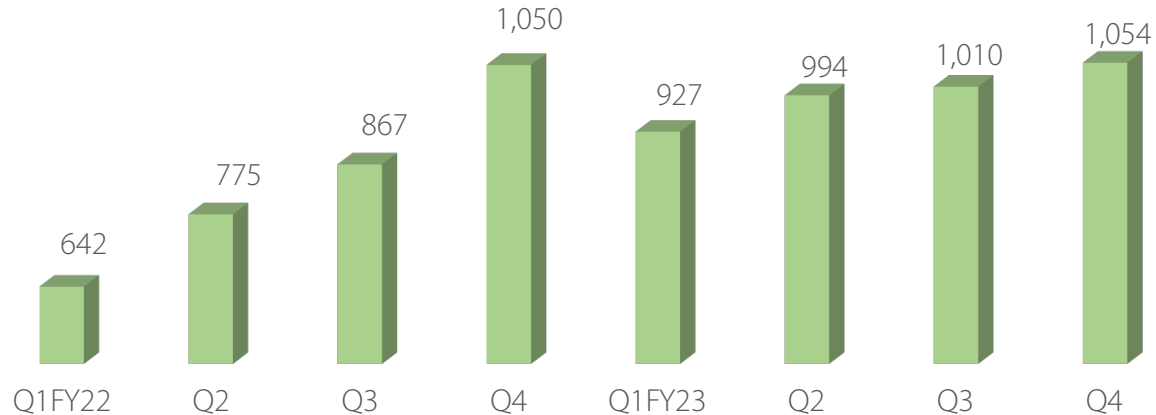
Particulars (Rs Mn)	FY23	FY22	FY21	FY20
Gross Block – Tangible & Intangible Assets including WIP	2,257	1,920	1,762	1,689
Net Block – Tangible & Intangible Assets including WIP	1,357	1,174	1,172	1,256
Other Non- Current Assets	150	121	158	177
Current Assets	1,909	2,121	1,918	1,820
Total Assets	3,416	3,416	3,248	3,253
Net Worth	2,003	1,757	1,608	1,538
Borrowings	596	513	811	899
Other Non- Current Liabilities	58	11	2	6
Current Liabilities	759	1,135	827	810
Total Liabilities	3,416	3,416	3,248	3,253

TOTAL OPERATING INCOME

Annual (Rs Mn)



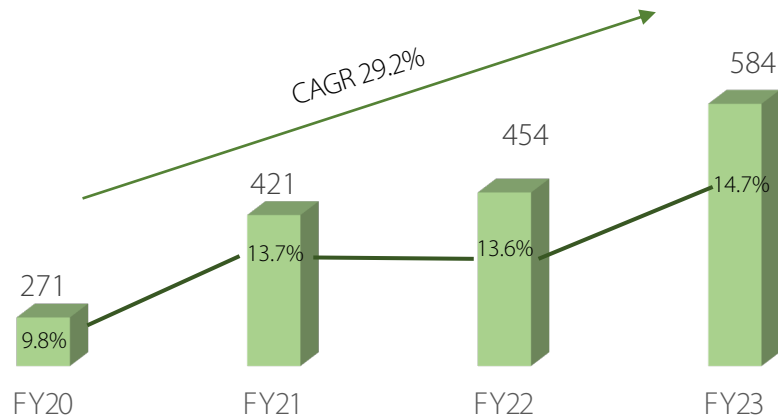
Quarterly (Rs Mn)



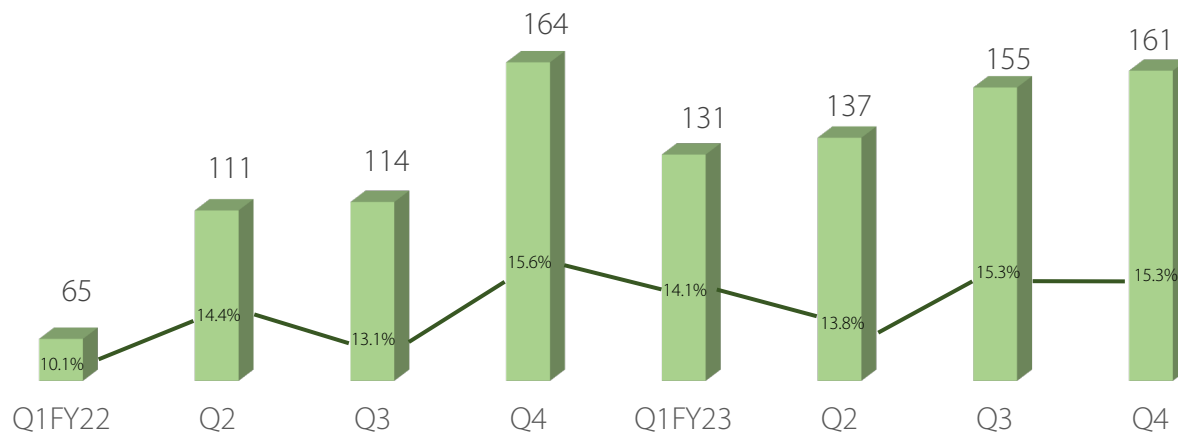
- Total Operating Income grew to Rs3,985Mn in FY23 vs Rs3,334Mn in FY22; growth of 19.5%; CAGR of 12.8% over last 3 years (FY20-FY23)
- Business related "Other Operating Income" includes licensing fees and export incentives
- For the quarter, Total Operating Income grew to Rs 1,054Mn from Rs 1,010Mn in Q3FY23; growth of 4.4%

EBITDA

Annual (Rs Mn) and as % of Total Operating Income



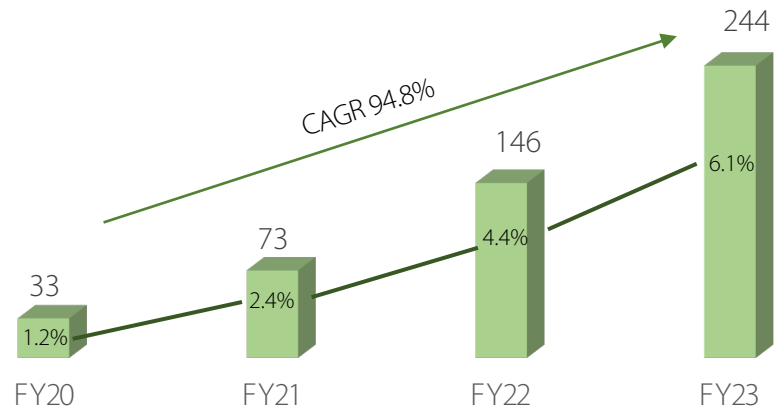
Quarterly (Rs Mn) and as % of Total Operating Income



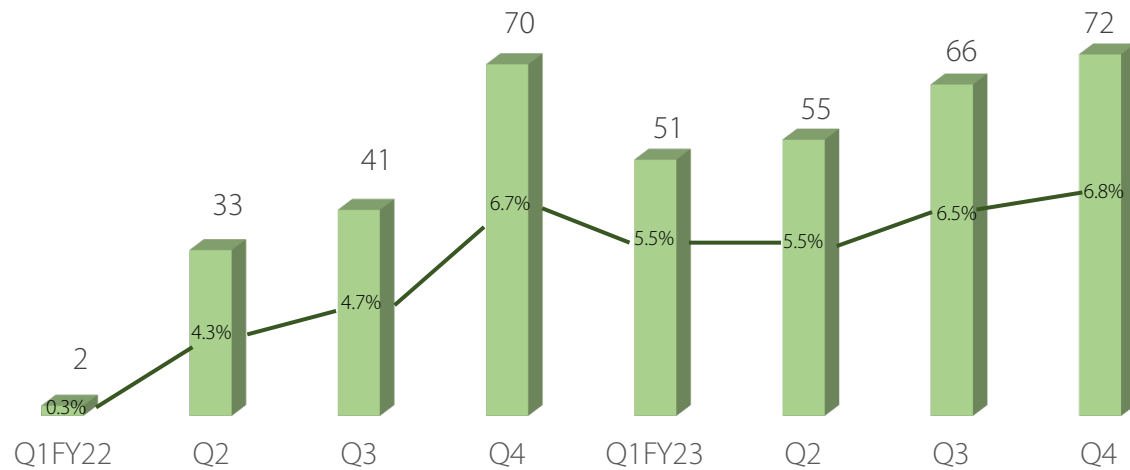
- EBITDA grew to Rs 584Mn in FY23 vs Rs 454Mn in FY22 to in spite of increase in operating costs and employee costs; CAGR of 29.2% over last 3 years (FY20-FY23)
- Operating costs in the last few quarters has seen an upward trend on account of significant increase in oil prices; our energy costs have increased by 22% between FY23 and FY22
- In addition, employee costs have been higher due to hiring of higher cost professionals across various divisions and higher incentive pay-outs during the year

PROFIT AFTER TAX

Annual (Rs Mn) and as % of Total Operating Income



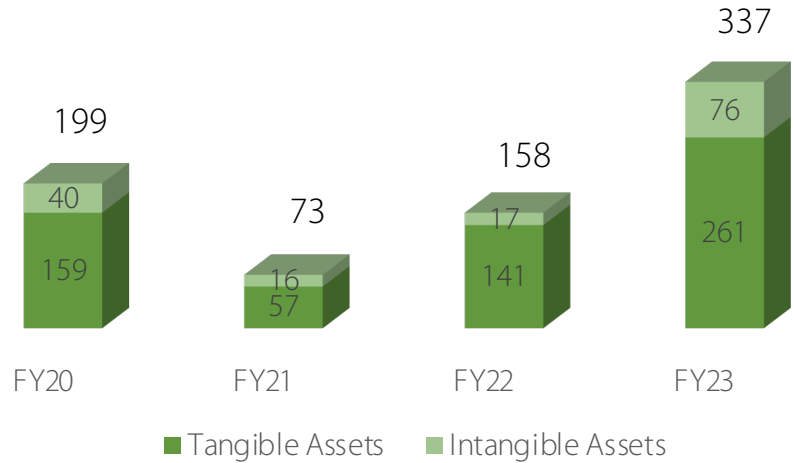
Quarterly (Rs Mn) and as % of Total Operating Income



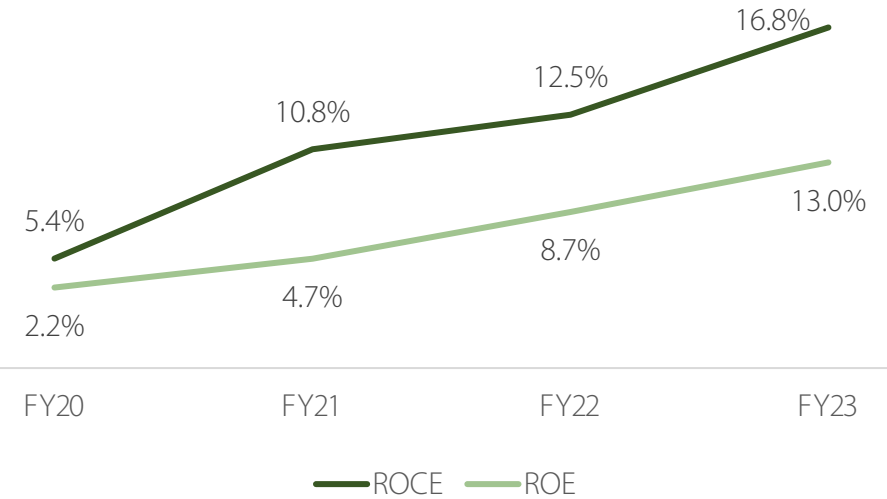
- Profit After Tax(PAT) was Rs 244Mn in FY23 vs Rs 146Mn in FY22, growth of 67.2% YoY; CAGR of 94.8% over last 3 years (FY20-FY23)
- Our finance cost for FY23 was at Rs 56Mn vs Rs 83Mn in FY22 (for Q4FY23 was Rs 13Mn, vs Rs 16Mn in Q3FY23)

STRENGTHENING THE BALANCE SHEET

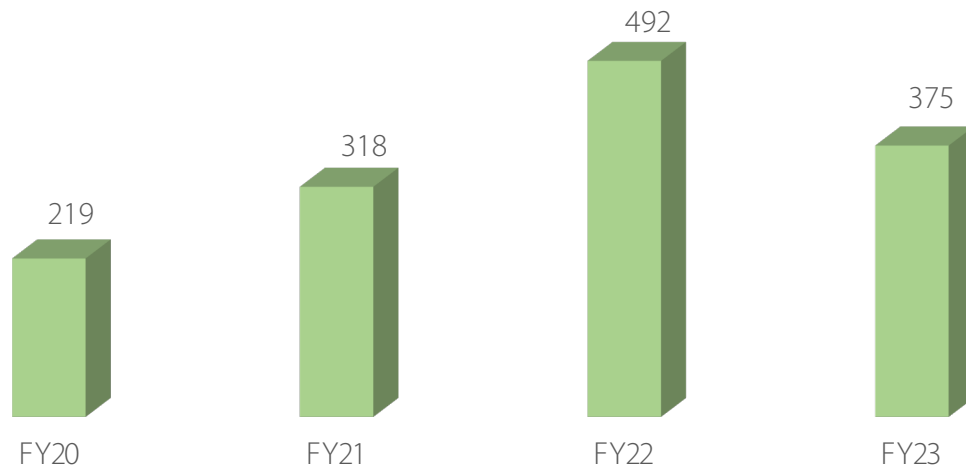
Gross Block Addition (Rs Mn)



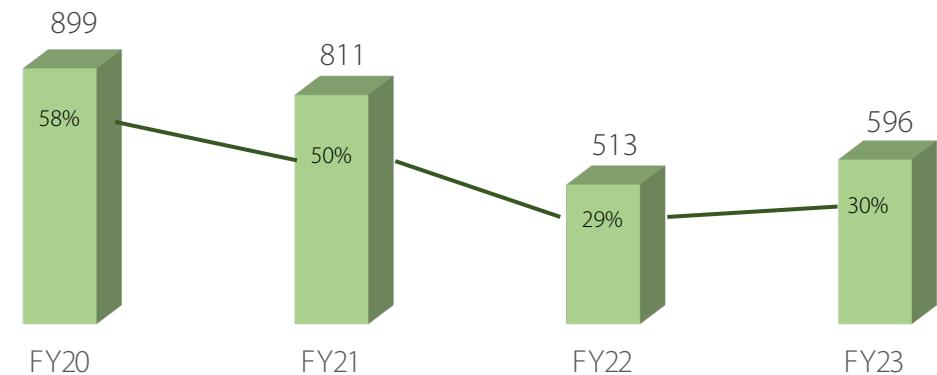
ROCE and ROE (in %)



Cash Flow from Operations (Rs Mn)



Total Borrowings (Rs Mn) and Gearing %



PHARMACEUTICAL

- We will continue to focus on our transformational growth journey
- The pharmaceutical business will continue to contribute over 75% of our overall operating income, the balance coming from Nutraceutical business
- The building blocks of the healthcare industry and our business remain intact; we may see some headwinds in the near term on account of adverse geo-political issues, inflation and foreign currency related issues in certain markets that may mute near-term demand
- Any delays in obtaining product registration, plant accreditations, marketing tie ups may also delay the launch of our various products

NUTRACEUTICAL

-
- We will Leverage on our core R&D strengths in the pharmaceutical business to develop a basket of differentiated and unique Nutraceuticals products that complement our pharmaceutical products in key therapeutic segments thus providing a holistic approach to patient health
 - Our efforts will be to enter into partnerships for marketing the Nutraceutical range of products; we will also enhance our marketing efforts in B2B and B2C / E-commerce space in the domestic and global markets for supply of unique products under white label or through our own brands
 - We have plans to invest in a new manufacturing facility to cater to the growing needs of this segment

We will continue to focus on entering the Key Developed and Pharmerging markets with new innovative generic products while growing our RoW business in line with historic trends

R&D

- Enhance the product pipeline
- Invest in BE studies and increase the number of new dossiers for Developed and Pharmerging Markets
- Upgrade our Dossiers for re-submission in RoW markets

Operations and Quality

- Complete successful Audits as per the plan
- Upgrade the plant & equipment to increase productivity, reduce wastage
- Further automate the processes; reduce risks

Capital Expenditure

- Pace our growth capital expenditure in line with market conditions
- Complete our new Warehouse project and specific units being set up for NIP
- Set up a new Nutraceutical manufacturing facility

Marketing

- Strengthen the Marketing Team with experienced professionals
- Open local offices and on-ground support system in some of our key markets
- Enter into partnerships in select markets for product registrations and commercial launches

BOARD OF DIRECTORS : ZIM



Dr. Anwar S. Daud
Chairman and Managing Director



Mr. Zulfiquar Kamal
Director - Finance



Mr. Niraj Dhadiwal
Director - Business Development



Mr. Prakash Sapkal
Director and Head – ODS Business, Formulation – Domestic, RoW and Emerging Markets



Dr. Kamlesh Shende
Independent Director
Chairman: Stakeholders Grievance Committee



Mr. Padmakar S. Joshi
Independent Director
Chairman: Nomination and Remuneration Committee



Mrs. Kavita Loya
Independent Director
Chairperson : Audit Committee and Risk Committee



Dr. Kakasaheb Mahadik
Independent Director
Chairman: Corporate Social Responsibility Committee

BOARD OF DIRECTORS : ZHTL



Dr. Anwar S. Daud
Non Executive Chairman



Dr. Chandrasekhar Mainde
CEO and Executive Director



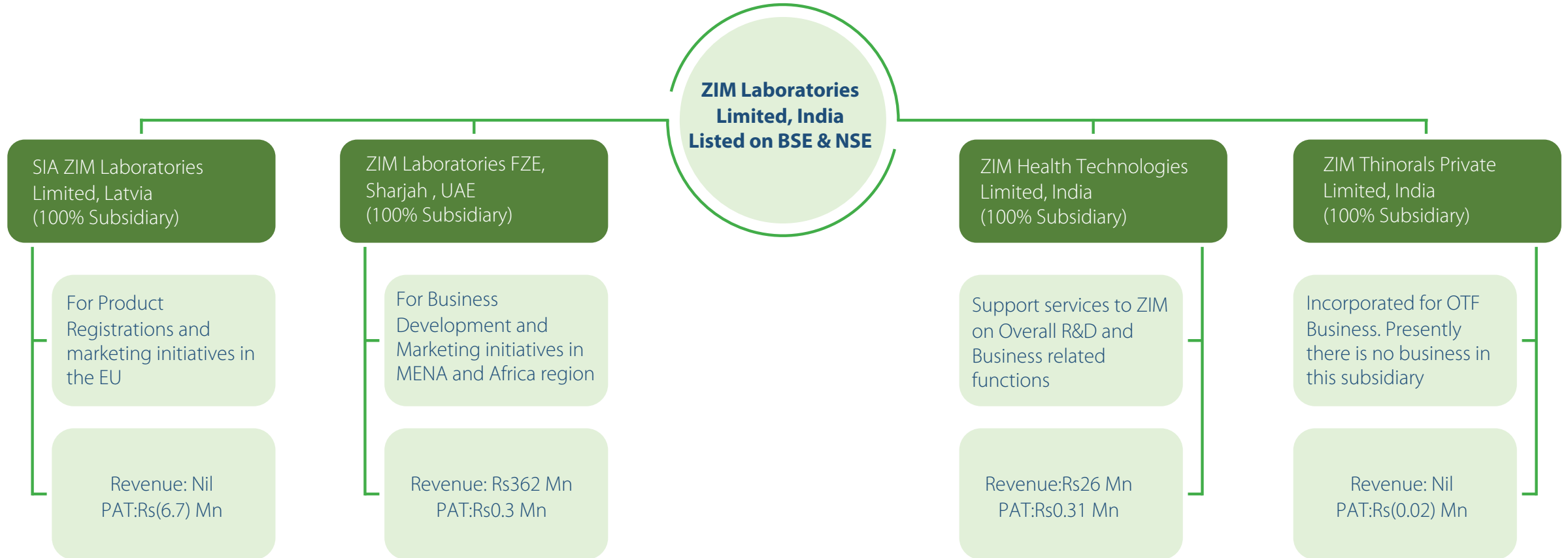
Mr. Zulfiqar Kamal
Non Executive and
Non Independent Director



Mr. Gautam Saigal
Non Executive and
Non Independent Director

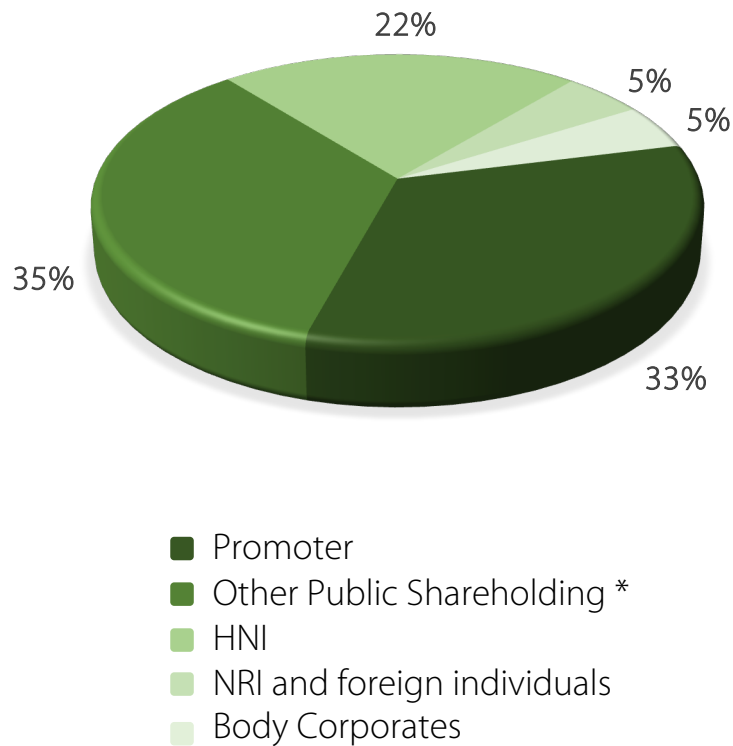
- ZIM Health Technologies Ltd., (ZHTL) supports technology and business related functions of ZIM in areas of product development, manufacturing and marketing of complex generic and high end pharmaceutical and healthcare products – particularly for the Developed and Pharmerging markets
- Dr. Chandrasekhar Mainde, a veteran R&D professional, joined ZHTL from Bilim, Turkey as the CEO and Executive Director and leads a team of experienced R&D, QA, QC, RA, production professionals on product ideation, development, dossier readiness, manufacturing and registration of all new products for ZIM Group
- The R&D team under guidance of Dr. Mainde has been pivotal in enhancing the growth in ZIM's business and product pipeline over the last few years
- Mr. Gautam Saigal is an experienced Private Equity investment professional, who works closely with ZIM Group on all strategic and new initiatives

SUBSIDIARIES

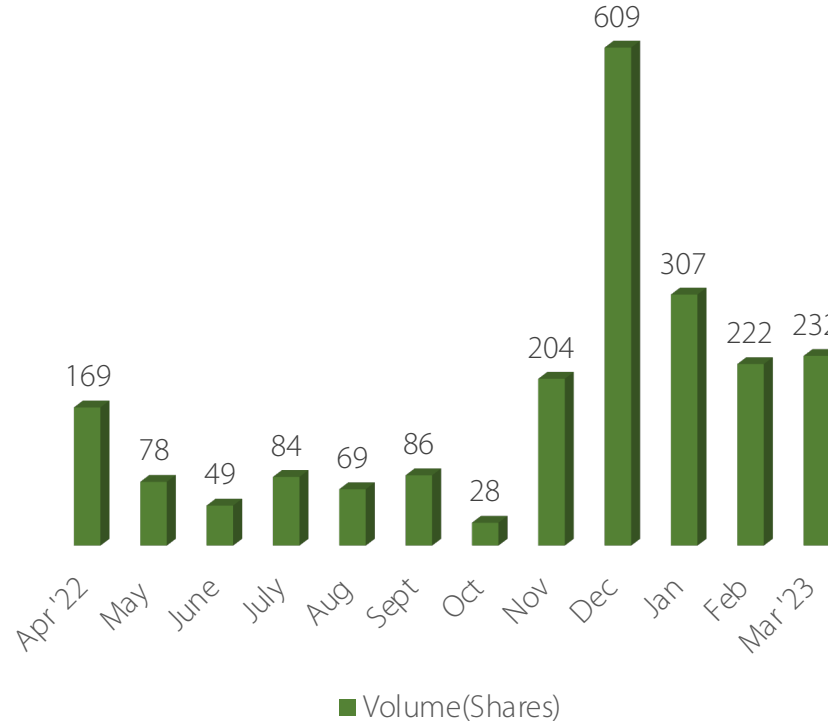


SHAREHOLDING

Ownership % (On Mar '23)



Traded Volume (In K) BSE+NSE



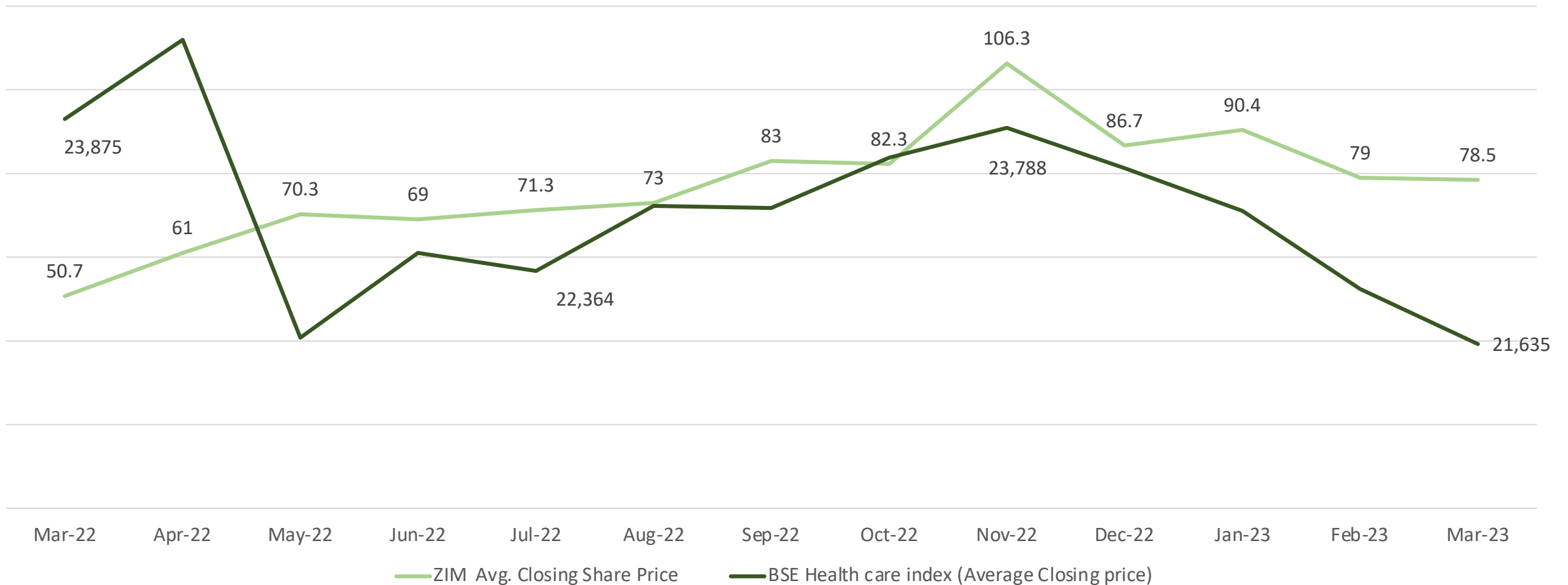
- During Q3, ZIM Laboratories Limited was listed on the National Stock Exchange of India (NSE) in addition to earlier BSE listing
- The company in Q3 issued Bonus Shares in the ratio of 2 (two) shares for 1 (one) existing share
- Promoter Group shareholding is free of any encumbrance
- 3Mn shares held in Escrow* are available for sale subject to regulatory and market conditions

Percentage figures rounded off to show whole numbers

*Includes Escrow shares; refer disclosure in published financial statements

SHARE PRICE MOVEMENT

ZIM (BSE) vs BSE S&P Healthcare Index



*Share Price - Adjusted for issue of Bonus Shares issued in Q3FY23



Zeal & Innovation in Medicine

For Any Queries, please contact -

Company Secretary at cs@zimlab.in

For more information please visit
www.zimlab.in

THANK YOU