



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 : Corporate Presentation – 9M F.Y. 2022-23

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, kindly find enclosed Corporate Presentation – 9M F.Y. 2022-23.

Kindly take the intimation on record.

Thanking you,  
Yours faithfully,  
For ZIM LABORATORIES LIMITED

PIYUSH  
SIDDHESHWAR  
AR NIKHADE

Digitally signed by Piyush Siddheshwar Ar Nikhade  
DN: cn=Piyush Siddheshwar Ar Nikhade, o=ZIM LABORATORIES LIMITED, ou=ZIM LABORATORIES LIMITED, email=piyush.siddheshwar@zimlab.in, c=IN  
Date: 2023.02.03 11:40:49 +05'30'

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

Encl : As above.

**ZIM LABORATORIES LIMITED**

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ZIM LABORATORIES LIMITED

CORPORATE PRESENTATION : 9MFY23

FEBRUARY 2023

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# OUR BUSINESS



- 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).
- We are presently focussed on developing unique differentiated Novel Innovative Products (NIPs) for Developed and Pharmerging Markets\*
  - For the PFI business - we partner with Pharmaceutical and distribution companies who seek solutions for development, sourcing and marketing of differentiated generic products
  - To grow our FF business - we seek to register our products in select markets with plans to enter into marketing tie up with local distributors and marketing companies for launch of our FF products as branded generics
  - Our Oral Thin Film (OTF) business, (part of FF) has been growing over the years on the back of some high value Pharmaceutical OTF products and has recently ventured into Nutraceutical OTF products
  - Our plant (including the OTF facility) is EU GMP certified; in addition our OTF facility is NSF/ANSI 455-2 certified

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

# BUSINESS HIGHLIGHTS : Q3FY23

- In 3 NIP products, Pivotal BE studies were completed for the EU markets; this is part of 10 NIPs that are at various stages of Dossier completion and registration for the Developed and Pharmerging Markets
  - Marketing Authorisation (MA) for Azithromycin Tablets 500 mg was received for EU (in Poland) in ZIM's brand name
  - 2 Marketing Authorisations for our 2 FF products in RoW markets were also received this quarter
  - 4 Dossiers for 3 NIPs were filed in RoW markets; (total 15 Dossiers filed for total 10 products)
  - 3 NIP formulation patent applications were filed across 6 countries in Developed and Pharmerging markets (including USA and Mexico)
  - ZIM Laboratories Limited was listed on the National Stock Exchange of India (NSE), in addition to its existing listing on the Bombay Stock Exchange (BSE)
- 75% of our business was from Pharmaceutical products and the balance 25% from Nutraceuticals
  - 87% of our business was in Exports and the balance from Domestic and other business
  - Rs 85Mn was added to our Gross Block comprising of addition to plant and equipment and BE studies (Rs181Mn 9MFY23)
  - To supplement the growth in business , a state of the art warehouse facility and specialised production blocks for NIP are under construction
  - A separate infrastructure facility is underway for developing and manufacturing unique differentiated combination Nutraceutical products which complement our Pharmaceutical products thus providing a holistic approach to patient health

Financial figures are as per Consolidated Financials unless otherwise stated in the Presentation

# FINANCIAL HIGHLIGHTS

## 9MFY23

- Total Operating Income grew 28.3% YoY to Rs2,931Mn in 9MFY23 (from Rs2,284 in 9MFY22)
- EBITDA for 9MFY23 grew to Rs423Mn from Rs290Mn in 9MFY22; margins grew to 14.4% from 12.7% for the same period
- Profit After Tax grew to Rs172Mn for 9MFY23 from Rs76Mn in 9MFY22; margins grew to 5.9 % from 3.3 % for the same period
- Gearing was at 20% with total borrowings at Rs380 Mn in 9MFY23, down from Rs770 Mn in 9MFY22
- ROCE and ROE (both Annualised) for 9MFY23 were 17.3% and 12.4% vs 9.3% and 6.1% for 9MFY22 resp.
- 6.2% of our Total Operating Income in 9MFY23 was invested in our R&D initiatives; we plan to continue our investments in product development, BE /other clinical studies for enhancing our product pipeline

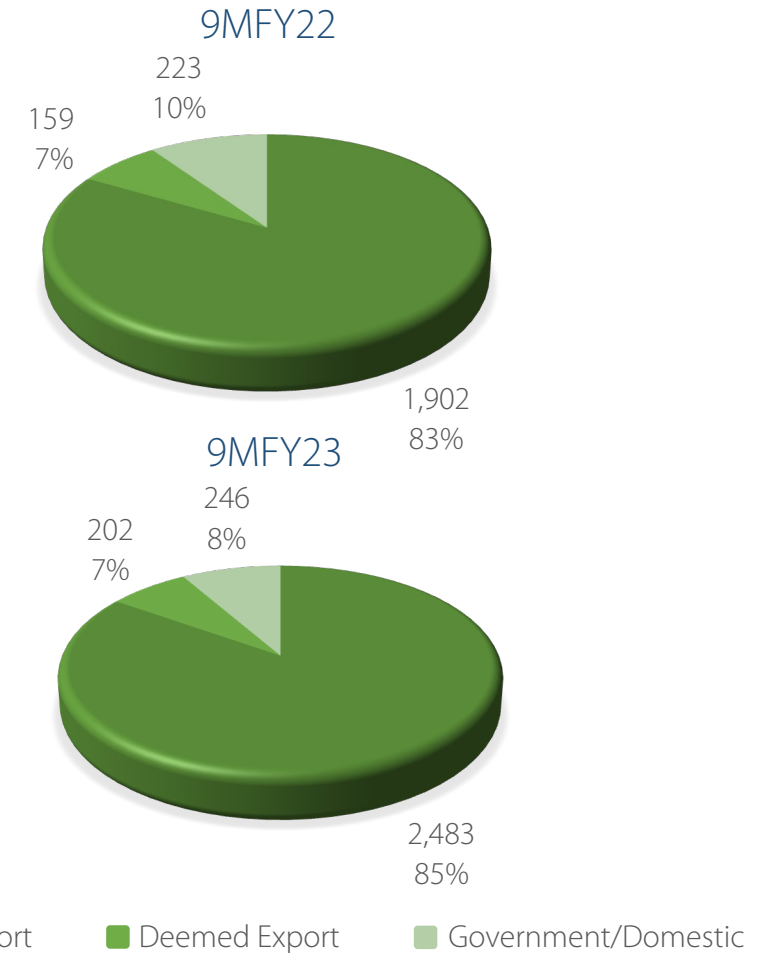
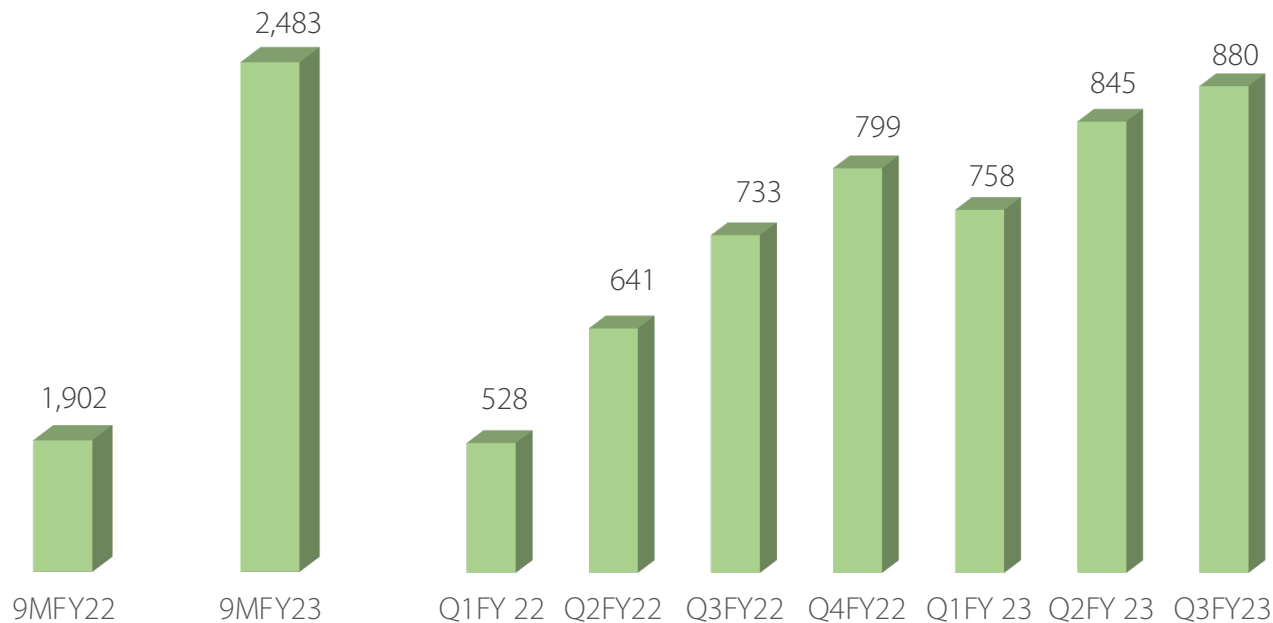
## Q3FY23

- Total Operating Income for Q3FY23 was Rs1,010Mn, up 16.5% YoY and up 1.6% QoQ
- EBITDA for Q3FY23 was Rs155Mn, up 36.4% YoY and up 13.1% QoQ; margins for Q3FY23 were at 15.3% (13.8% in Q2FY23)
- Profit After Tax for Q3FY23 was Rs66Mn, up 62.1% YoY and up 20% QoQ; margins for Q3FY23 were at 6.5% (5.5% in Q2FY23)
- Our finance cost for Q3FY23 declined to Rs 16Mn vs Rs 18Mn in Q3FY22 due to decrease in overall borrowings, (for 9MFY23 finance cost was Rs 43Mn vs Rs 69Mn in 9MFY22; down 37%)



# EXPORTS BUSINESS

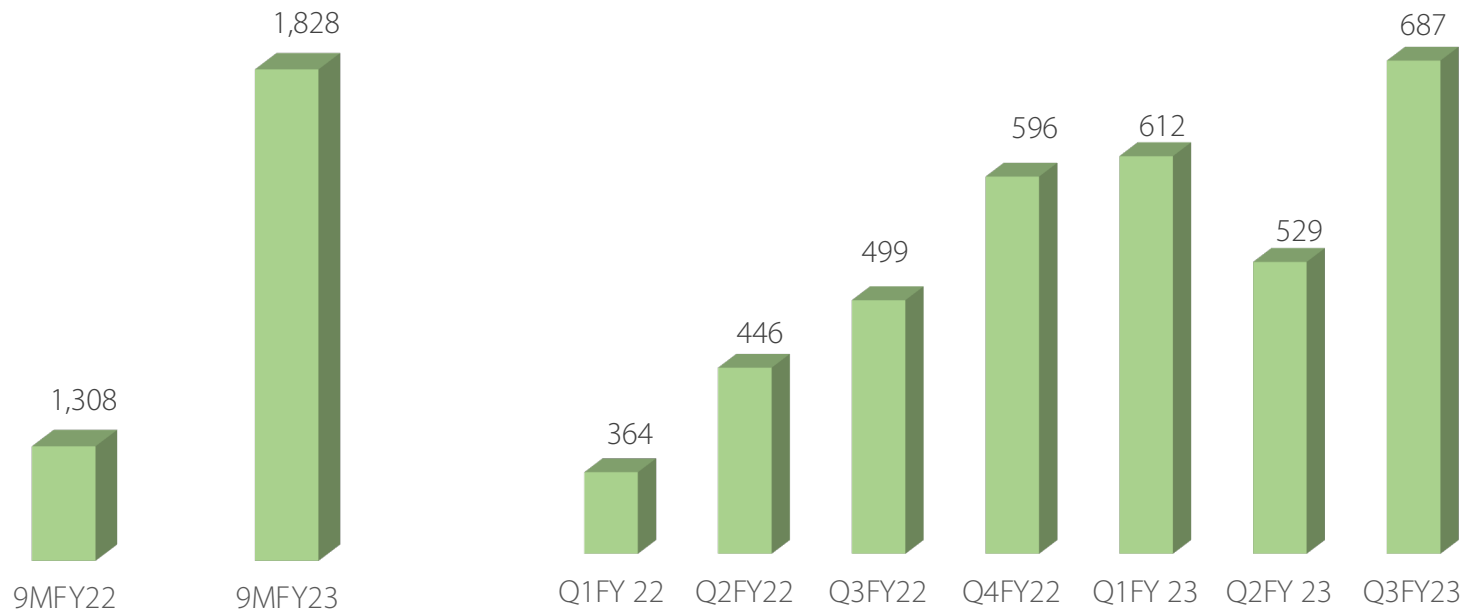
- Exports business for 9MFY23 was Rs 2,483Mn, up 30.5% from Rs 1,902 Mn in 9MFY22
- Contribution from Exports was 85% of our Total Operating Income
- Key regions for Exports during the year were MENA, SE Asia, Europe and Africa



*All numbers are in Rs. Mn unless otherwise stated*

# PFI EXPORTS

- Our Pre-Formulation Intermediaries (PFI) business grew 40% in 9MFY23 vs 9MFY22
- Exports of PFI comprise of 62% of our Total Operating Income
- PFI exports are based on deep-rooted, long-term relationship with our partners; Key regions for PFI business are Asia, Europe and MENA



**40%**

Growth over 9MFY22

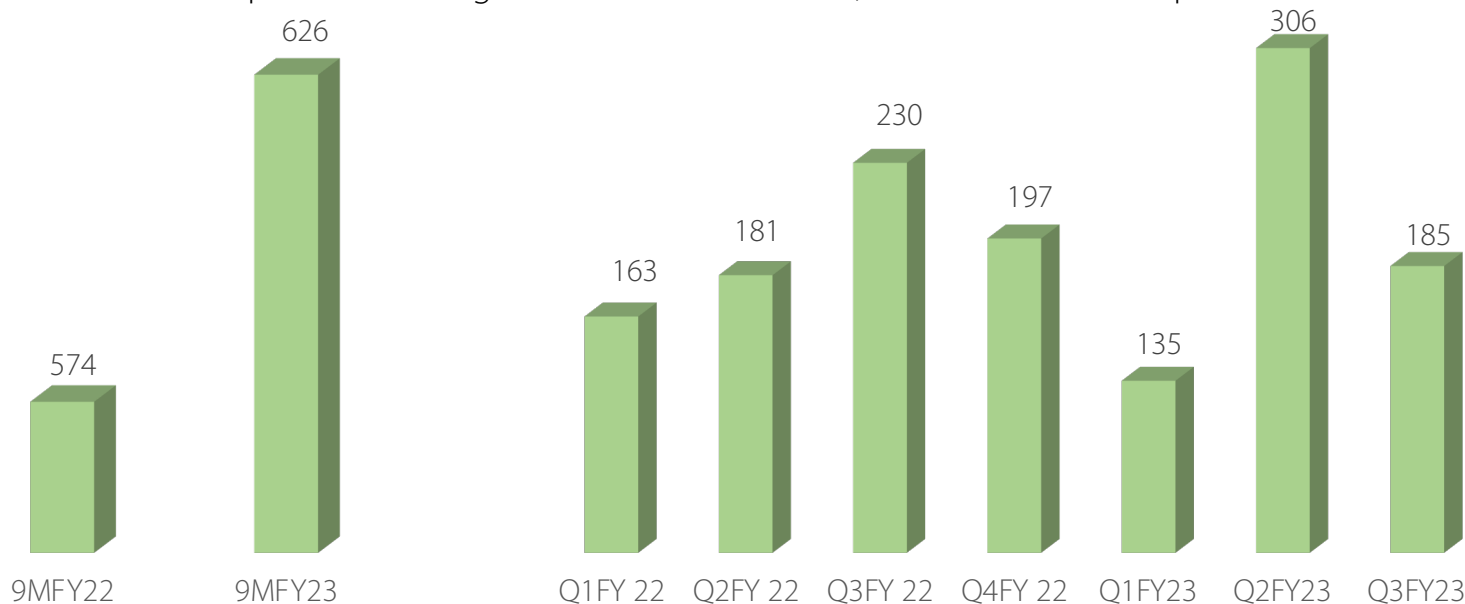
**62%**

Mix of PFI Business to Total Operating Income in 9MFY23

*All numbers are in Rs. Mn unless otherwise stated*

# FINISHED FORMULATION (FF) EXPORTS

- Finished Formulations Exports business has grown by 9% in 9MFY23 vs 9MFY22
- Exports of FF comprise of 21% of our Total Operating Income; this business is being strengthened through further investment in marketing team, offices, registration and upgraded Dossiers
- The inconsistency in the FF business in the last few quarters has been due to shift in dispatches of products between the quarters on account of risk management measures; consistency in this business is expected to improve in FY24
- 14 MAs for 8 products were granted on ZIM's Dossiers; of these 3 MAs for 3 products are on ZIM's name



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Marketing Authorisations for 3 products received on ZIM's name

9%

Growth over 9MFY22

21%

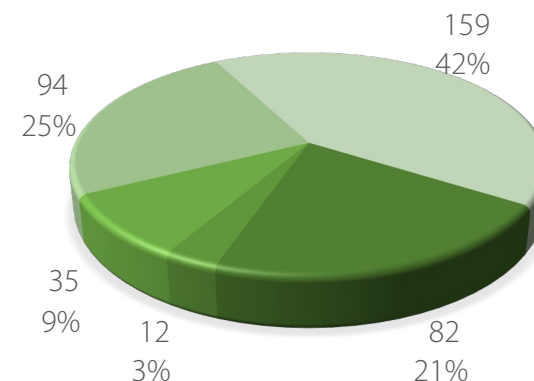
Contribution to the Total Operating Income in 9MFY23

*All numbers are in Rs. Mn unless otherwise stated*

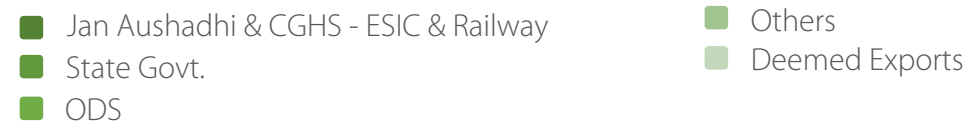
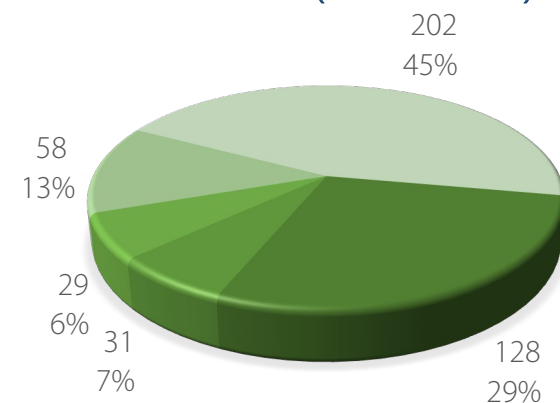
# DOMESTIC AND OTHER BUSINESS

- Our “Domestic and Other Business” comprise 15% of our Total Operating Income and has grown to Rs 448Mn (9MFY23) from Rs382Mn (9MFY22)
- The Domestic Business includes sale to Central/ State Government and Other Agencies (under “Jan Aushadhi, CGHS” scheme, ESIC, Railways etc.) of our differentiated generic pharmaceutical products, that provide certain benchmark threshold % of net contribution. This business grew from Rs 82Mn in 9MFY22 to Rs 128Mn in 9MFY23
- The domestic OTF business in India includes products that are marketed by our partners in their brands through ecommerce / online platforms and products marketed directly by ZIM
- The relatively lower net margin business from Deemed Exports was 7 % of our Total Operating Income during 9MFY23

9MFY22 (RS. 382 MN)



9MFY23 (RS. 448 MN)



# ORAL THIN FILMS

- During Q3FY23, our partners received 3 Marketing Authorisations in the Netherlands, Croatia 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)
- An MA was also granted to our partner in Panama for Tadalafil 20mg OTF on ZIM's Dossier
- Final dossier for a high valued Opioid Analgesic product (In sublingual OTF dosage form), has been submitted by our business partner to Health & Regulatory authorities in the EU
- An Opioid Analgesic product (In Sublingual OTF dosage form) has also been successfully passed by the Indian Pharmacopoeia Commission
- Dossier was successfully submitted for our Antiemetic product (In OTF disintegrating strip form) in Canada
- Our existing patent titled "Water Soluble Pharmaceutical film with enhanced stability" in OTF has additionally been granted in Brazil
- Our OTF plant is EU-GMP and NSF/ANSI 455-2 accredited and scalable for business across markets
- Several Nutraceutical supplement products have been developed using ZIM's OTF platform; some of these products are likely to be filed for OTC registration in USA, EU and across developed markets. Our Indian partner is marketing 1 of these products through eCommerce / OTC platforms

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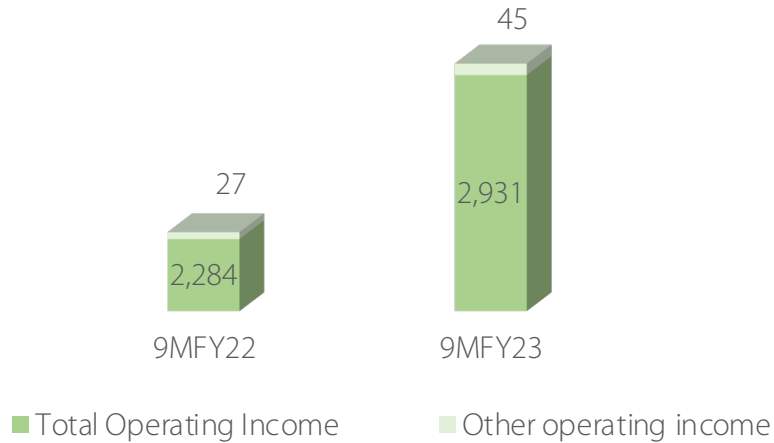
Marketing Authorisations received for 2 products on ZIM's OTF Dossiers in Q3FY23

10

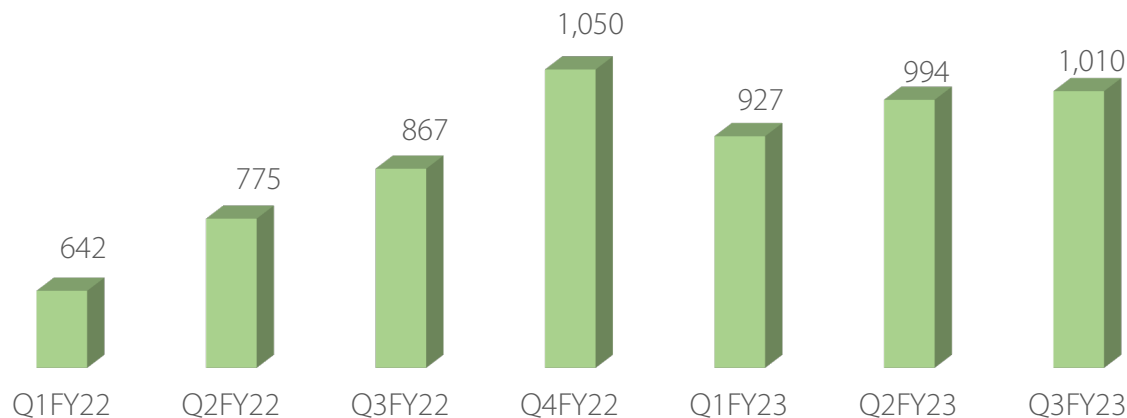
Dossiers successfully submitted for 6 OTF products in Q3FY23



# TOTAL OPERATING INCOME

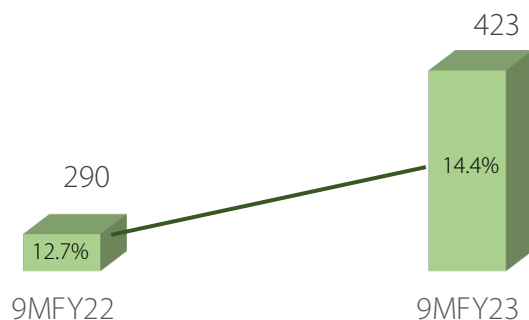


- Total Operating Income grew to Rs2,931Mn from Rs2,284Mn in 9MFY22; a growth of 28.3% YoY
- Business related "Other Operating Income" incl. licensing fees and export incentives grew to Rs45Mn in 9MFY23 Vs Rs27Mn in 9MFY22
- The Total Operating income grew from Rs 994Mn in Q2FY23 to Rs 1,010Mn in Q3FY23; a growth of 1.6% QoQ

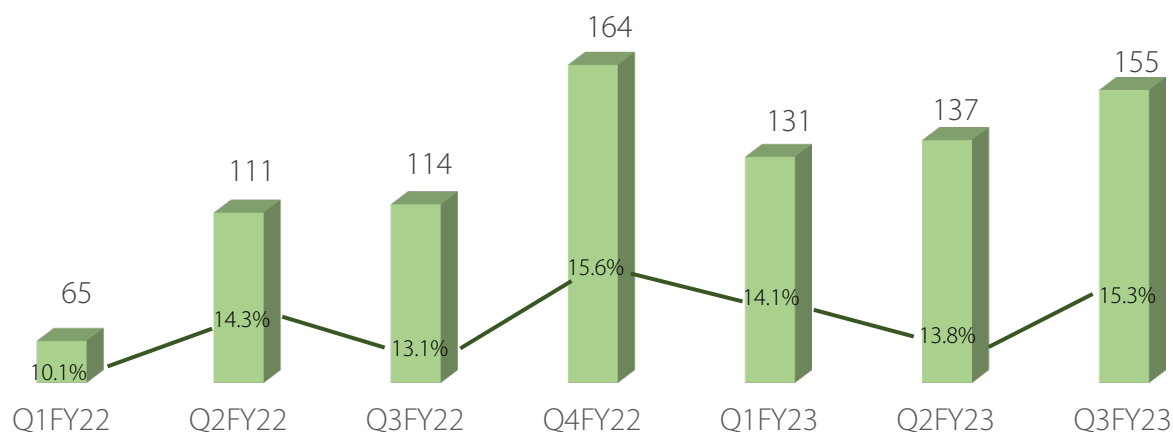


*All numbers are in Rs. Mn unless otherwise stated*

In Rs. Mn and as % of Total Operating Income



In Rs. Mn and as % of Total Operating Income

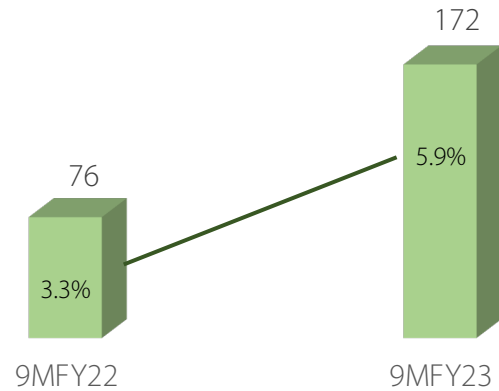


- EBITDA grew from Rs 290Mn in 9MFY22 to Rs 423Mn in 9MFY23 in spite of increase in operating costs and employee costs
- Operating costs in the last few quarters has seen an upward trend on account of significant increase in oil prices; our energy costs have increased by 30% between 9MFY23 and 9MFY22 of which 21% increase is due to increase in prices
- In addition, employee costs have been higher due to hiring of higher cost professionals across various divisions and higher incentive pay-outs during the last 3 quarters
- The changing trend in EBITDA margins % has been on account of change in product mix and dispatch timelines between the quarters

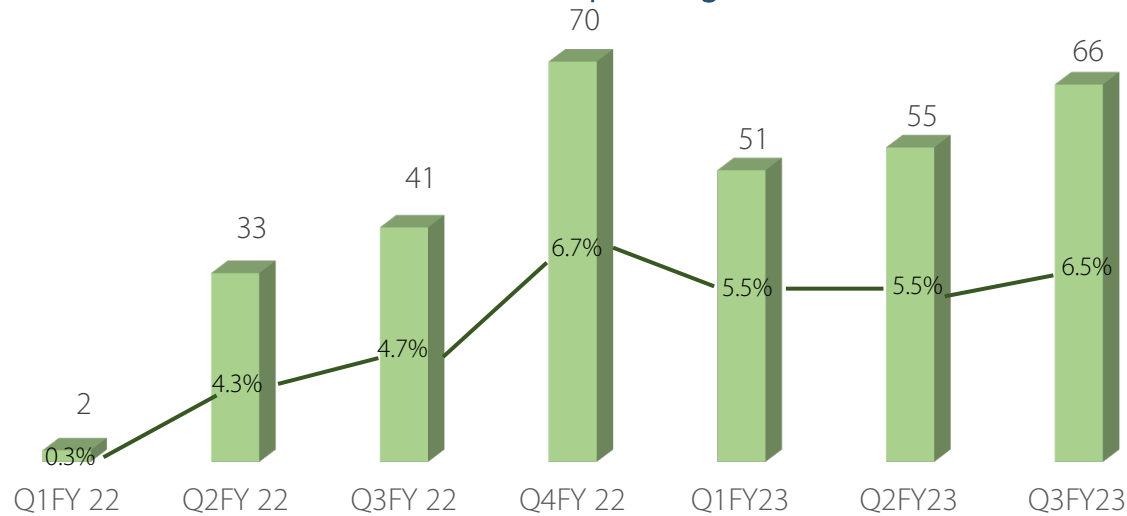


# PROFIT AFTER TAX

In Rs. Mn and as % of Total Operating Income



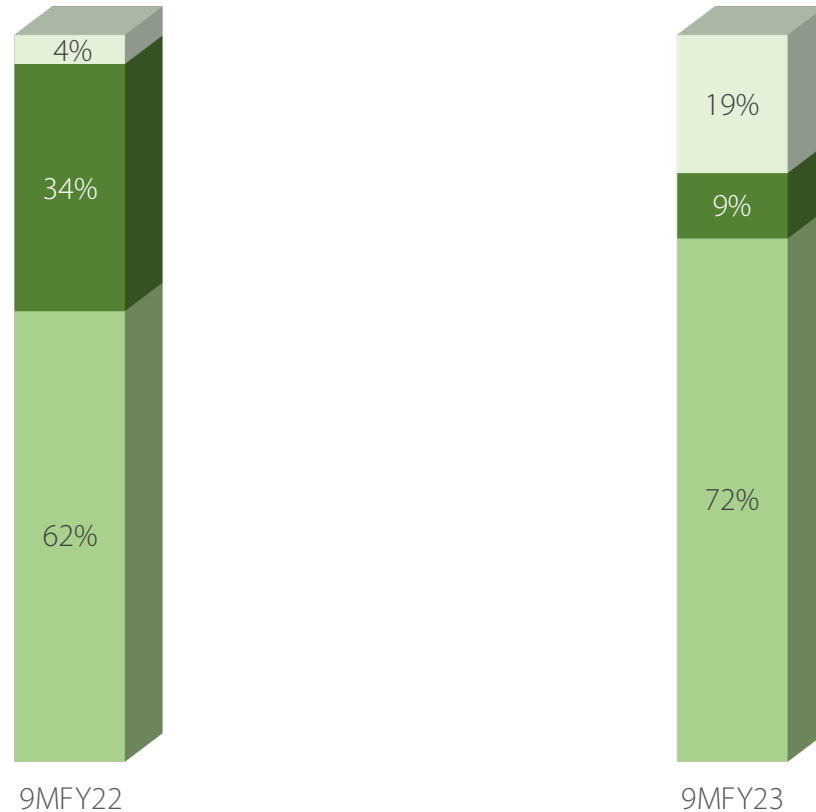
In Rs. Mn and as % of Total Operating Income



- Profit After Tax(PAT) grew to Rs 172Mn in 9MFY23 compared to Rs 76Mn in 9MFY22
- Our finance cost for Q3FY23 declined to Rs 16Mn vs Rs 18Mn in Q3FY22 due to decrease in overall borrowings, ( for 9MFY23 finance cost was Rs 43Mn vs Rs69Mn in 9MFY22; down 37%)

# RESEARCH & DEVELOPMENT

R&D Expense Mix (In % of total R&D expenses)



- Capital Expenses on BE-Study
- Capital Expenses on Infrastructure & Equipment
- R&D Expenses in P&L (Employee; Material; BE-Study etc.)

- Our R&D expenses were 6.2% of Total Operating Income for 9MFY23
- Around 19% of the expenses were incurred on BE and other study etc. , 72% were incurred on salary, materials, and the balance was on capitalized expenses including tools, equipment, in BE and other studies
- Spending on BE studies is being undertaken for development of new products and upgradation of existing products for the regulated and pharmerging markets
- Independent R&D laboratories, QA/ QC facilities and teams are there for the main-stream Pharmaceutical R&D, for Oral Thin Films and for the Nutraceutical division - with each division responsible for developing their own distinct sets of products including studies and fillings

# INCOME STATEMENT

## Key Financial Highlights: Income Statement (Rs. Mn)

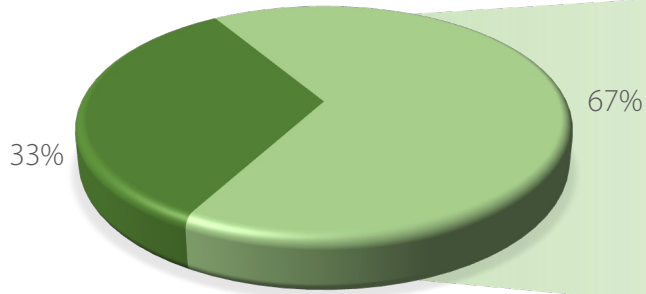
Particulars	9MFY23	9MFY22	Change % (YoY)	Q3FY23	Q3FY22	Change % (YoY)
Total Operating Income	2,931	2,284	28.3%	1,010	867	16.5%
Other Income	57	28	105.3%	24	7	250.8%
Total Income	2,988	2,312	29.2%	1,034	874	18.3%
EBITDA	423	290	45.9%	155	114	36.4%
EBITDA %	14.4%	12.7%	-	15.3%	13.1%	-
Profit Before Tax (PBT)	254	102	149.3%	100	57	75.4%
PBT %	8.7%	4.5%	-	9.9%	6.6%	-
Profit After Tax (PAT)	172	76	127.5%	66	41	62.1%
PAT %	5.9%	3.3%	-	6.5%	4.7%	-
EPS (Rs / Share)	3.53	1.54	129.2%	1.35	0.84	60.7%

\*Earnings per share of comparative periods have been adjusted for bonus shares issued in Q3FY23



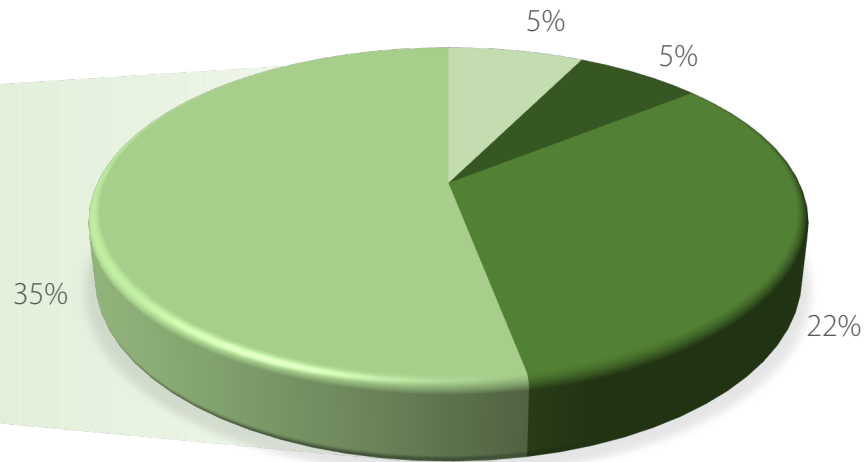
# SHAREHOLDING

### Overall Shareholding %



- Promoter
- Public

### Public Shareholding %



- HNI
- Body Corporates
- NRI and foreign individuals
- Other Public Shareholding

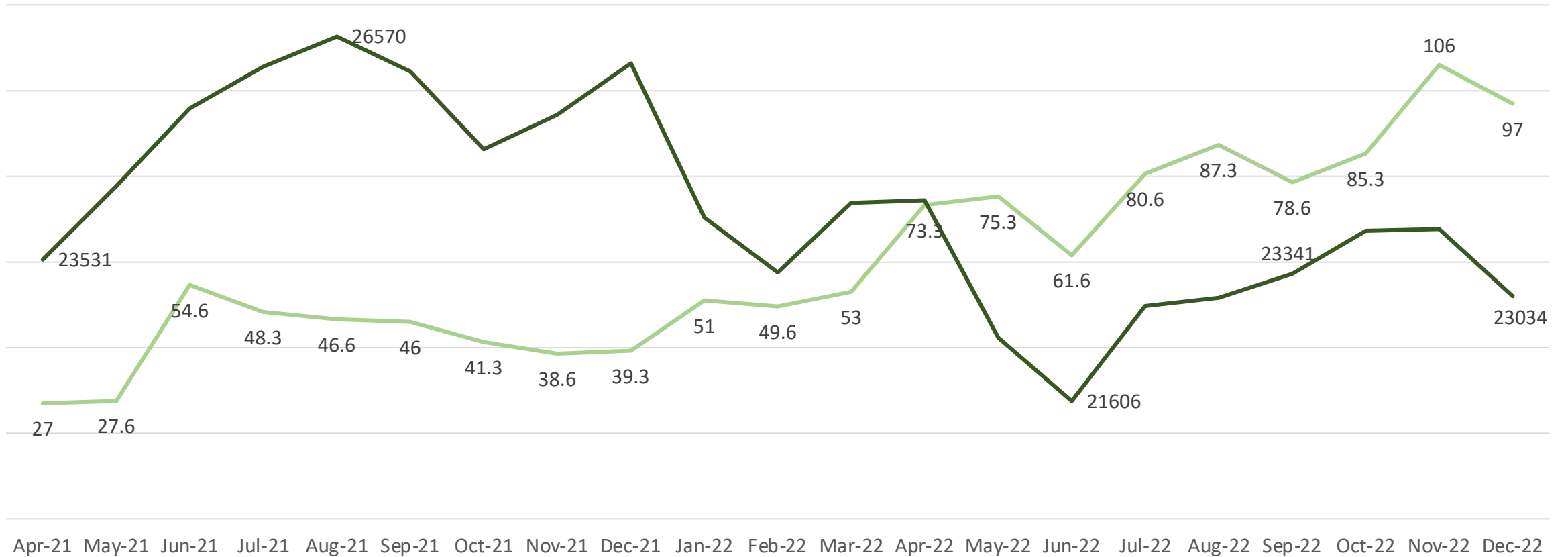
- During Q3, ZIM Laboratories Limited was listed on the National Stock Exchange of India (NSE)
- The company issued Bonus Shares in the ratio of 2 (two) shares for 1 (one) existing share
- Promoter Group shareholding is free of any encumbrance
- 3Mn equity shares (6.16% of the diluted capital) of the Company are held under an Escrow arrangement and categorized under "Other Public Shareholding". These shares may be liquidated at an appropriate time in line with the Escrow arrangement (Refer Disclosure in the Published Financial Statements of the Company).

Shareholding as on 31<sup>st</sup> December 2022

\*Percentage figures rounded off to show whole numbers

# SHARE PRICE MOVEMENT

## ZIM Closing Share Price (BSE) vs BSE S&P Healthcare Index



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

— ZIM Closing Share Price    — BSE Health care index



Zeal & Innovation in Medicine

**THANK YOU**