



Zeal & Innovation in Medicine

Ref No.: ZLL/CS/BM/BSE-NSE

Date : 13.05.2024

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 : Q4 & FY24 Earnings Presentation

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, kindly find enclosed Q4 & FY24 Earnings Presentation.

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

www.zimlab.in | info@zimlab.in | CIN : L99999MH1984PLC032172

Works : B-21/22, MIDC Area, Kalmeshwar – 441 501 Dist. Nagpur
Maharashtra, India. Ph. + 91.718.271370 | Fax : +091.7118.271470

Regd. Office : Sadoday Gyan (Ground Floor), Opp. NADT, Nelson Square,
Nagpur – 440013. Maharashtra, India. Ph. +091.712.2981960



INNOVATION AND DIFFERENTIATION FOR PATIENT-CENTRIC SOLUTIONS

Q4 & FY24 – EARNINGS PRESENTATION



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BUSINESS

ZIM LABS AT A GLANCE : FY24

- **Focused on Improving Drug Delivery Using Proprietary Manufacturing Processes**
 - ZIM develops and supplies combination generic products utilizing innovative drug delivery solutions using various in-house technology platforms
- **Sustained R&D Spend**
 - R&D spend as % of Revenue stood at 9.7% of the Total Operating Income in FY24
- **Expanding into Regulated Markets with New Products**
 - Contribution to Revenue from Regulated and Pharmerging Markets in the Pharma Basket has started showing traction; In FY24, NIP + OTF business contributed 12% of Total Operating Income
- **Developing a Pipeline of Complex Non-Infringing New Innovative Products (NIP)**
 - 10 New Innovative Products (NIP) development near completion with more products in pipeline; 5 NIP filed till date in the EU under ZIM's name; and several filings also done in RoW markets

₹ 3,674 Mn
FY24 Revenue

9.7% of
Revenue
Spent in R&D

5 NIP Dossier
filed in the EU

81%
Pharmaceutical
Business

78%
Exports

45 %
Formulations
Business

12%
of Revenue
from NIP + OTF

#2 OTF
Products
Commercialized in
Developed Markets

Business Highlights

Business Update

- Pharmaceutical business continued to grow in Q4 reaching ₹ 978Mn; a growth of 38% QoQ and 4% YoY
- Finished Formulation (FF) grew 7% QoQ contributing ₹540 Mn for Q4
- Pre-Formulation Intermediaries (PFI) grew 39% QoQ, contributing ₹597 Mn in Q4
- Contribution from NIP + OTF business contributed sales of ₹ 112 Mn; Total contribution increased 3.3x YoY & 37% QoQ

Marketing and Registrations

- 1 NIP filed in multiple countries in EU; 7 NIP filings done on 4 products in Pharmerging and RoW markets on ZIM's Dossiers
- 17 OTF filings were done on 7 products on ZIM's Dossiers; 7 of these filings in ZIM's name
- 5 FF registrations also received in Pharmerging & RoW markets

Financial Highlights

Run Rate continues to Improve

- Total Operating Income grew 22.4% QoQ and by 12% YoY to ₹1,179Mn
- EBITDA increased to ₹ 172 Mn, up 36.5% QoQ and 6.8% YoY, achieving a margin of 14.6%
- Profit After Tax (PAT) rose by 68.8% QoQ and 12.5% YoY to ₹ 81 Mn with a PAT margin of 6.9%

Investment in Plant and Machinery for EU & Regulated Markets

- Capital Expenditure incurred in Q4 was ₹ 318 Mn
- Borrowings increased to ₹ 1,064m for upgradation of facilities to meet EU/Developed market accreditations and business ; Gearing at 45%

Business Highlights

Business Update

- Pharmaceutical business contribution for FY24 increased to 81% (₹ 2,966 Mn) from 77% in FY23 (₹ 3,082 Mn)
- FF Business growing in line with strategic initiatives ; 19% YoY growth contributing ₹ 1,639 Mn for FY24
- NIP & OTF Business saw meaningful traction; NIP contributed sales of ₹ 241 Mn while OTF contributed ₹ 131 Mn; Licensing fees was at ₹ 65Mn; Total contribution increased to 12% in FY24

Marketing and Registrations

- 5 NIP filed in multiple countries in EU till date; 40 NIP filings done for 9 products in Pharmerging and RoW markets on ZIM's Dossiers in FY24; 25 of these in ZIM's name
- 9 OTF Registrations received while 51 OTF filings for 17 products were done on ZIM's Dossiers; 22 of these in ZIM's name
- 39 FF filings on 26 products also done in Pharmerging & RoW; 22 of these in ZIM's name
- 27 MA's received for FF business on ZIM's Dossiers; 9 on ZIM's name

Financial Highlights

Highest ever Q4 contributes to strong recovery

- While financial performance improved over the quarters, the drop in business in Q1 and Q2 impacted overall performance in FY24
- Total Operating Income decreased by 7.8% YoY to ₹ 3,674 Mn
- EBITDA declined 20.3% YoY to ₹ 465 Mn, with a margin of 12.7%
- Profit After Tax (PAT) declined by 29.4% YoY to ₹ 172 Mn, with a 4.7% margin
- Profit Before Tax (PBT) declined by 33% YoY to ₹ 236 Mn, with a PBT margin of 6.4%
- Capital Expenditure investment of ₹ 832Mn attributed towards upgradation of plant, equipment and BE Studies
- Finance Cost was at ₹ 69 Mn in FY24 vs ₹ 56 Mn in FY23
- Earnings Per Share (EPS) was ₹ 3.54
- ROCE was 10.1% and ROE was 7.9%

COMMITTED TO CORE STRATEGY

Pharma : Nutra Mix %

Pharmaceuticals

77% vs 81% F24

Nutraceuticals

23% vs 19% F24

Exports Mix %

Exports

85% vs 78% F24

Domestic

15% vs 22% F24

Formulations VS PFI Mix %

Formulations

35% vs 45% F24

PFI

62% vs 51% F24

NIP + OTF Mix %

NIP + OTF

5% vs 12% F24

Other Products

95% vs 88% F24

STRATEGIC PRIORITIES

Committed to improving business and geographic mix

Innovative Product Development

- Product pipeline - Developing NIP products for growth and differentiation
- Formulation business - to grow with improved margins

- Marketing Authorisation (MA), Registration and Brands with ZIM – Through marketing strategies and building experienced marketing team
- Expanding Presence in Regulated Markets : Investment in subsidiaries and local presence - Europe, Australia

Investment in Marketing

More Value Added Products

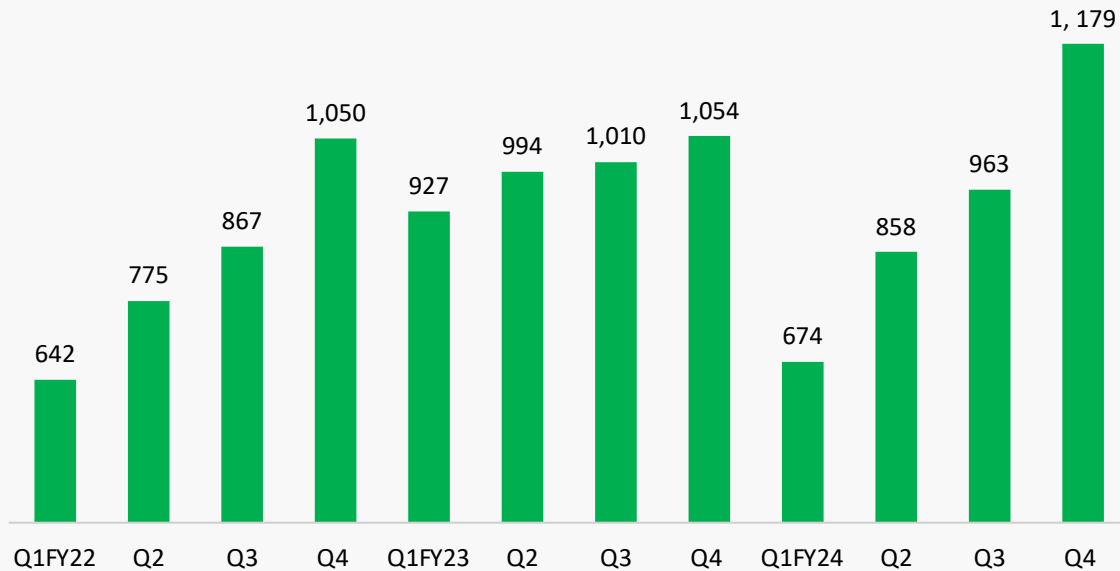
- Advancing Growth Opportunities in NIP + OTF Business Segments
- Focusing on Acquiring Additional Licensing and Co-development Projects

- Transitioning Towards Value-Added and Stable Markets
- Protect and grow Legacy business in the RoW markets

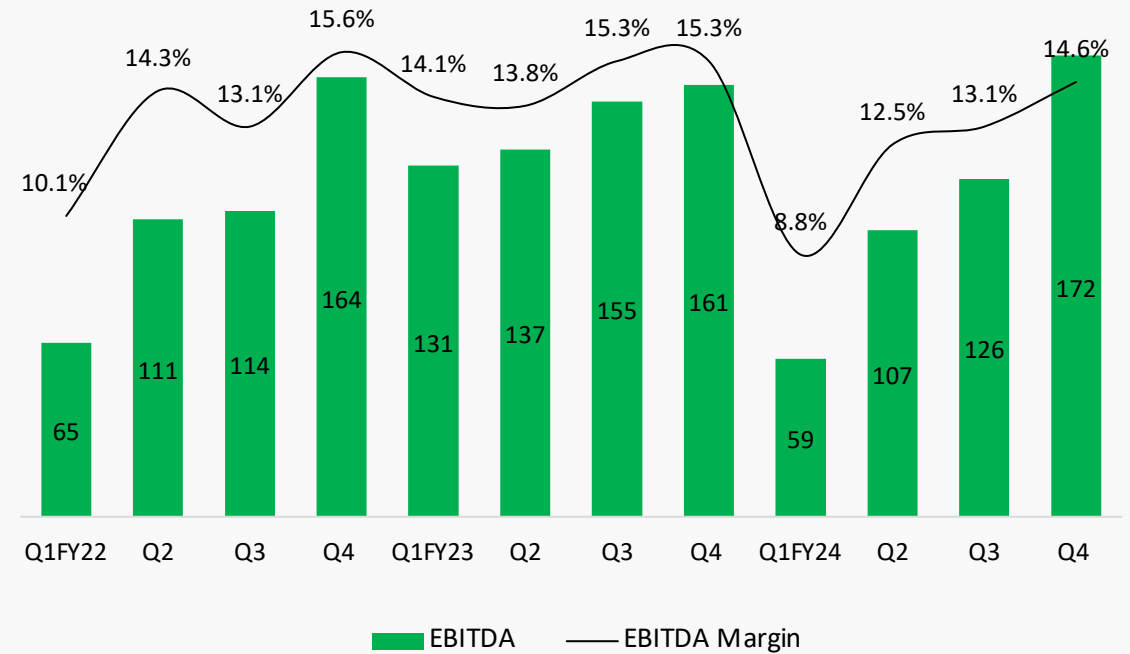
Diversify Business Presence

QUARTER RUN RATE

Total Operating Income (₹ Mn)



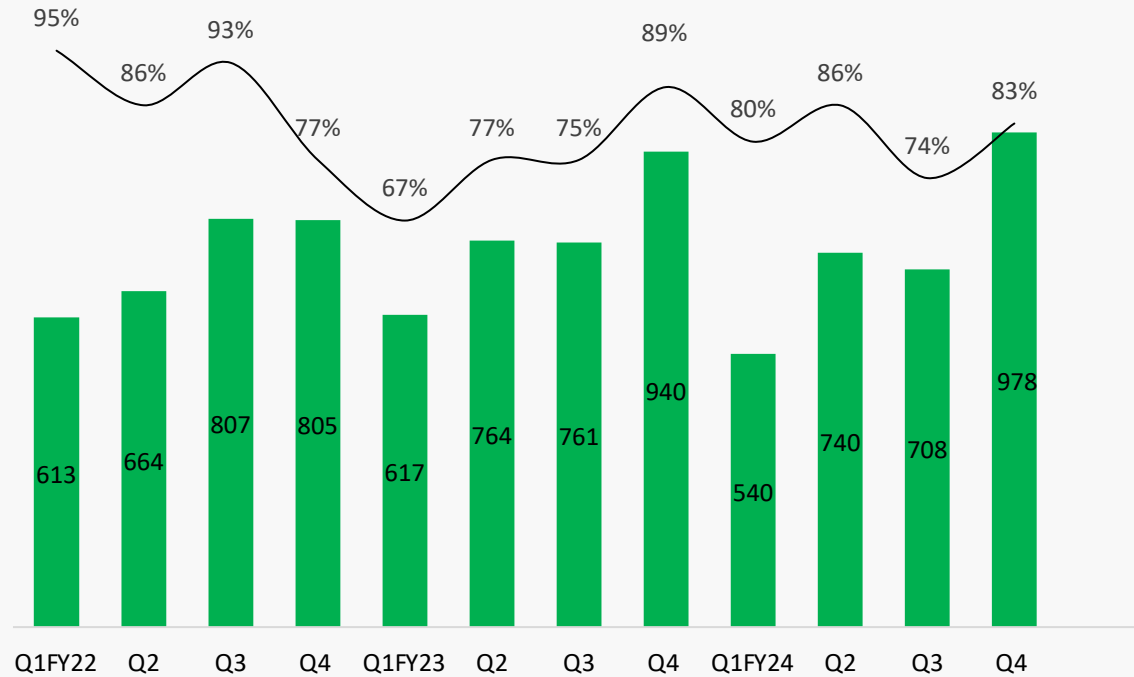
EBITDA (₹ Mn) & EBITDA Margin



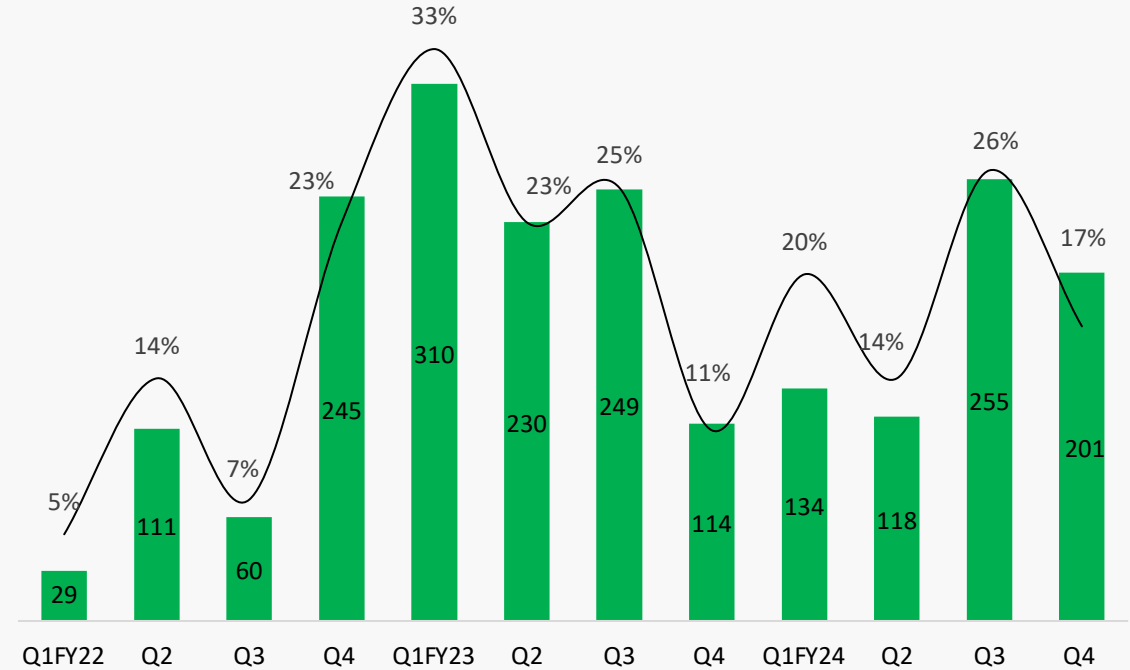
- Run rate of Operating Income recovered to historical levels
- Total Operating Income for Q4FY24 saw a growth of 22.4% Q-o-Q and 12% YoY to ₹ 1,179 Mn vs ₹ 1,054 Mn in Q4FY23.
- EBITDA grew from ₹ 126 Mn in Q3FY24 to ₹ 172 Mn in Q4FY24; up 36.5% Q-o-Q
- EBITDA margins up 150 bps; 14.6% in Q4FY24 as compared to 13.1% in Q3FY24

BUSINESS MIX

Total Pharma Revenue (₹ Mn) & as % of Total Operating Income



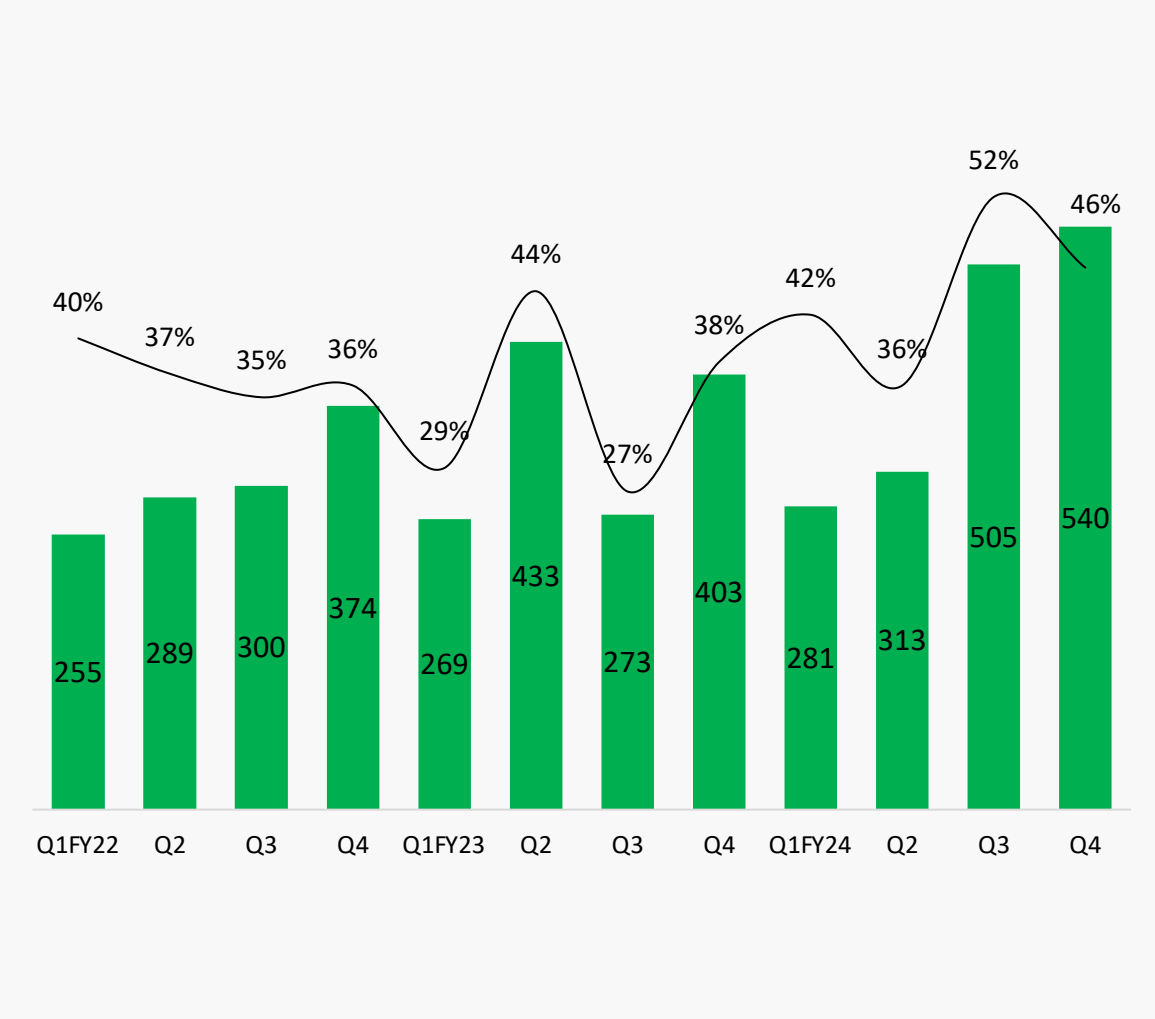
Total Nutra Revenue (₹ Mn) & as % of Total Operating Income



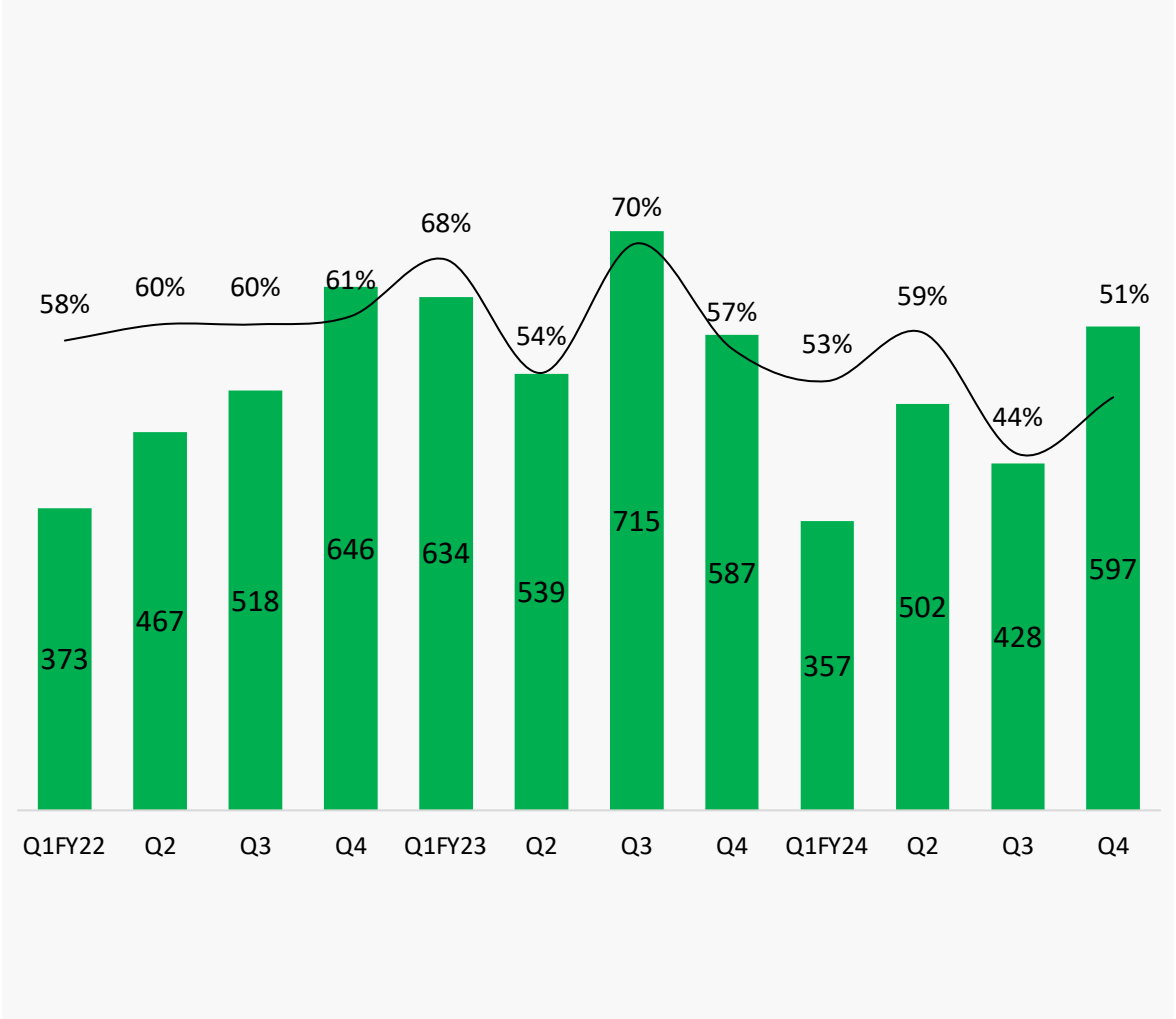
- On annual basis (FY24), contribution from pharmaceutical business increased to 81% vs 77% for FY23
- Headwinds in nutraceutical exports business was primarily responsible for lower revenues in F24
- Nutraceutical business witnessed pick up over last few quarters on back of growth in India business

GROWING FINISHED FORMULATIONS BUSINESS

Finished Formulation (₹ Mn) & Revenue % Contribution

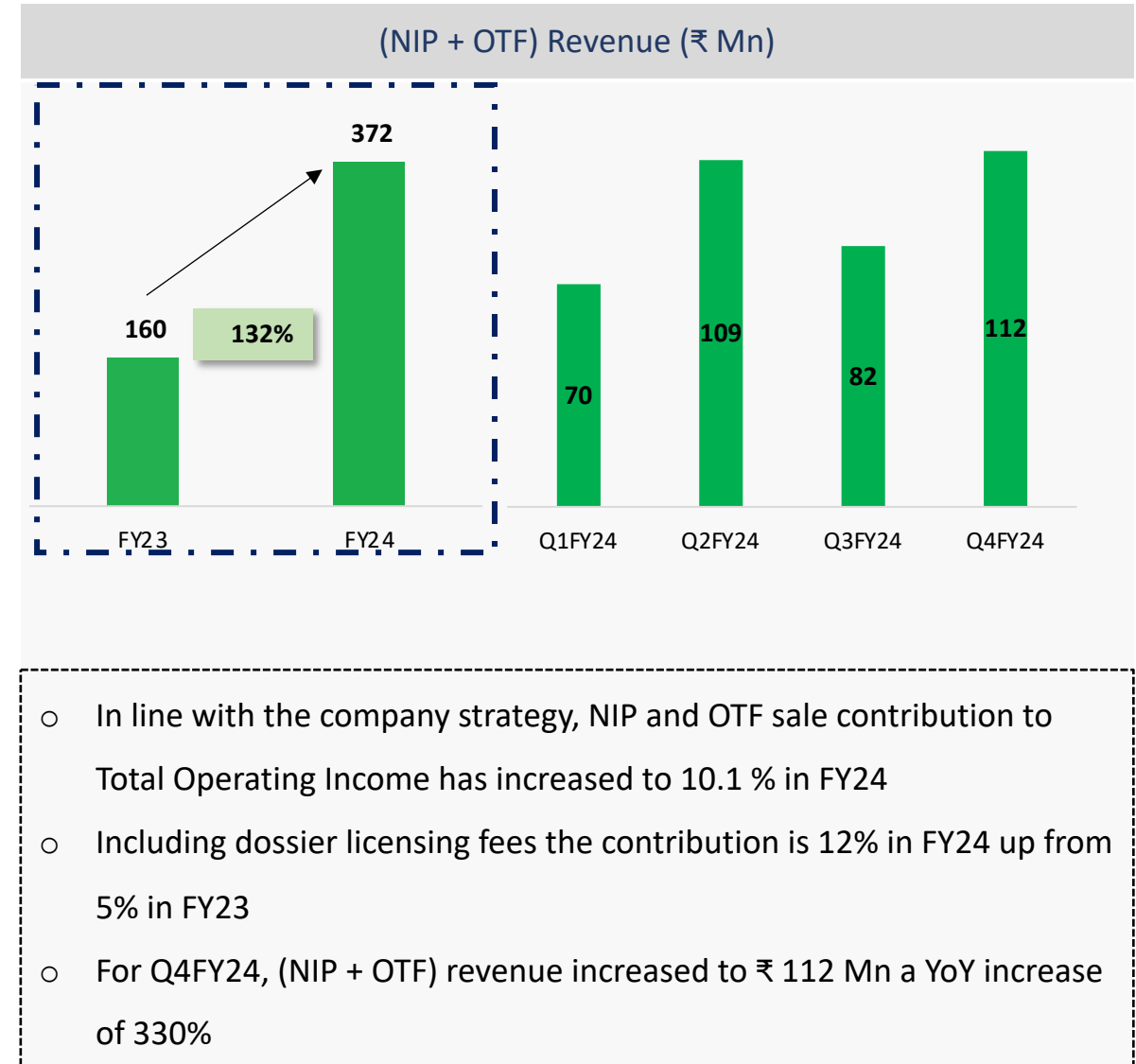
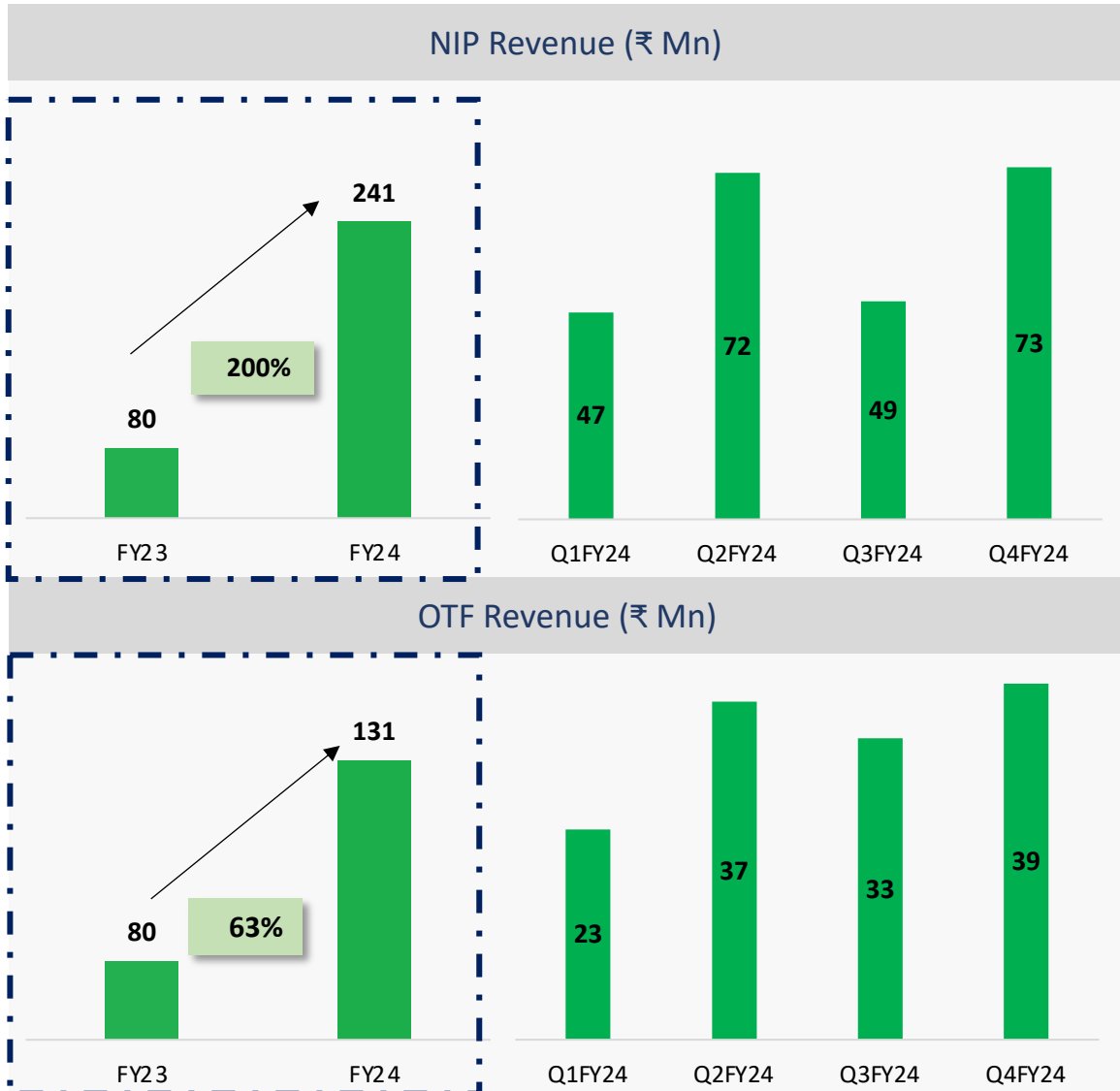


PFI (₹ Mn) & Revenue % Contribution



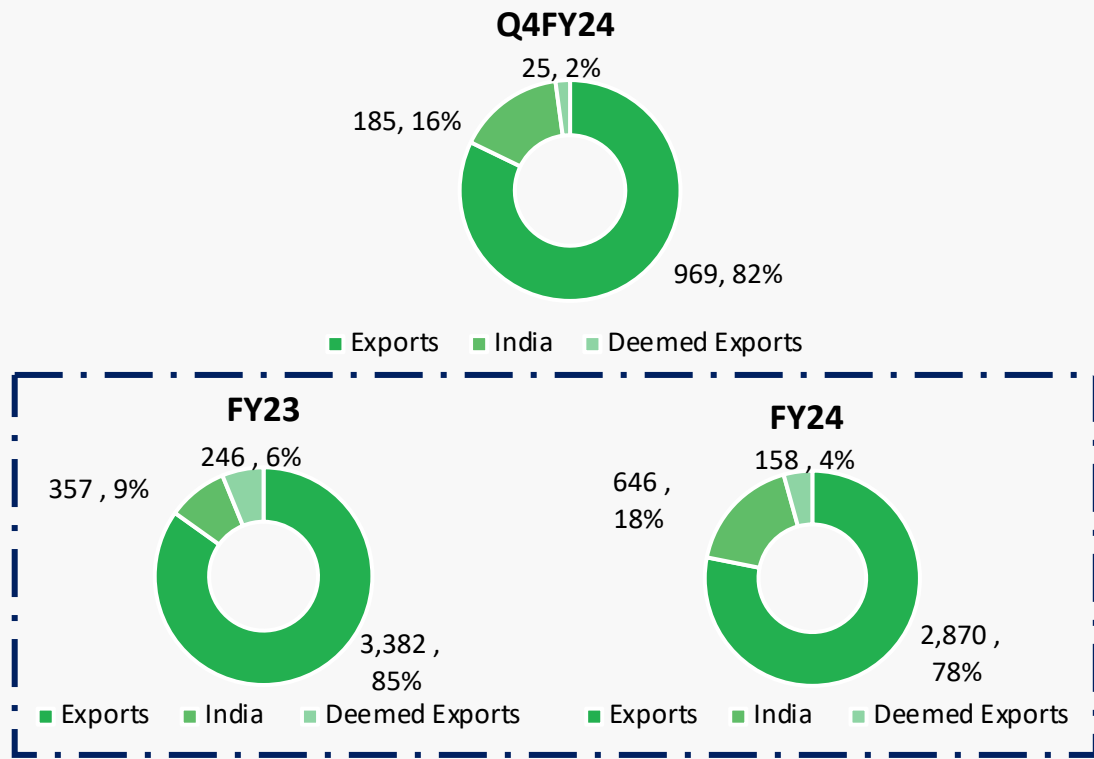
The above consists of Export + Domestic business excluding license fees ,export incentives and others

CONTINUED CONTRIBUTION FROM NIP AND OTF

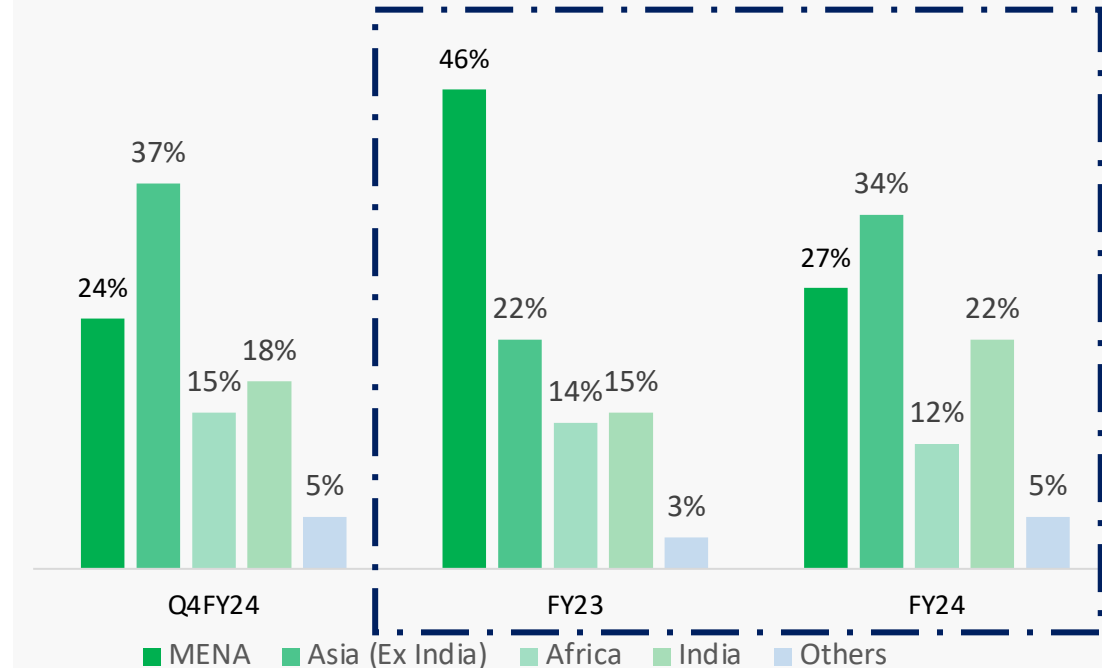


GEOGRAPHICAL MIX : ASIA & INDIA GROWING

Business Mix (₹ Mn)



Region wise Business Mix (%)



India Business in the above graph includes Deemed exports

- Diversifying business mix – with higher business in Asia (Ex India) & in India ; Operating Income from these regions at 34% & 22% respectively in FY24
- Revenue from India Business (Ex Deemed Exports) grew in FY24 and stood at ₹ 646 Mn, up 81% vs FY23
- India business in FY24 comprises of ₹127 Mn contribution from NIP and ₹39 Mn contribution from OTF

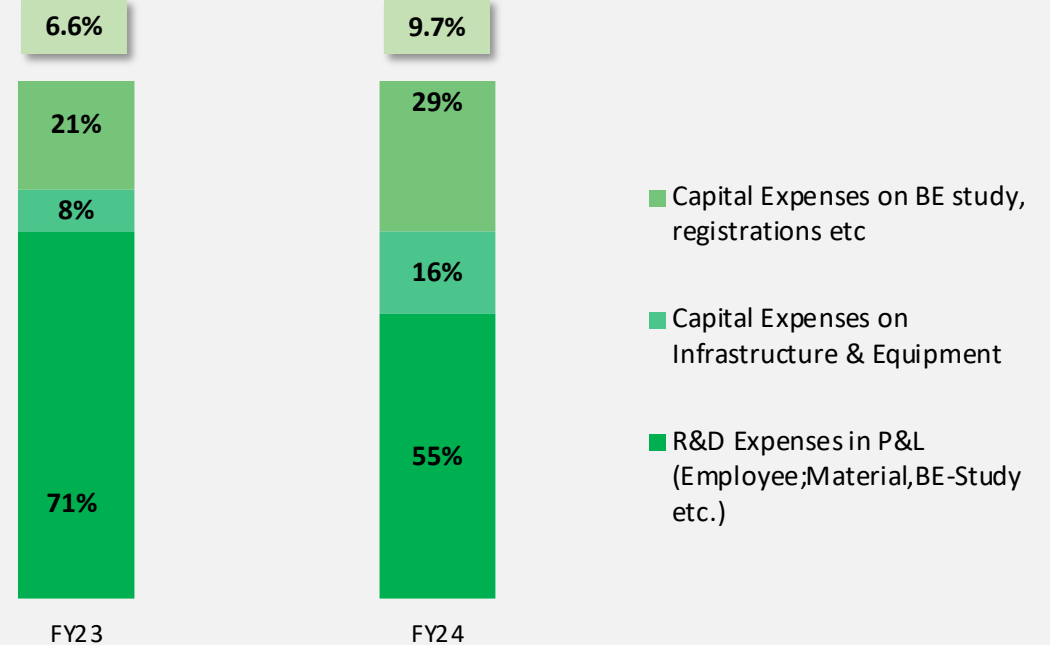
R&D AT CORE

R&D Initiatives

- R&D expenses incurred during the year included expenses on new dossiers and BE studies for our EU and Developed market products and addition of senior level R&D professionals
- Capital expenditure on infrastructure and equipment also grew during FY24

76 R&D Team Size	2 PhDs	76 Postgraduates
1 NIP filed in EU market in Q4FY24	4 Versatile Technology Platforms	₹ 358 Mn Spent in FY24 on Opex, Facility, BE Studies, Registrations, etc.

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



R&D : Q4FY24

- R&D spend as % of Total Operating Income was 11.2% in Q4FY24
- ₹ 31 Mn was spent in Q4 on BE & Registrations

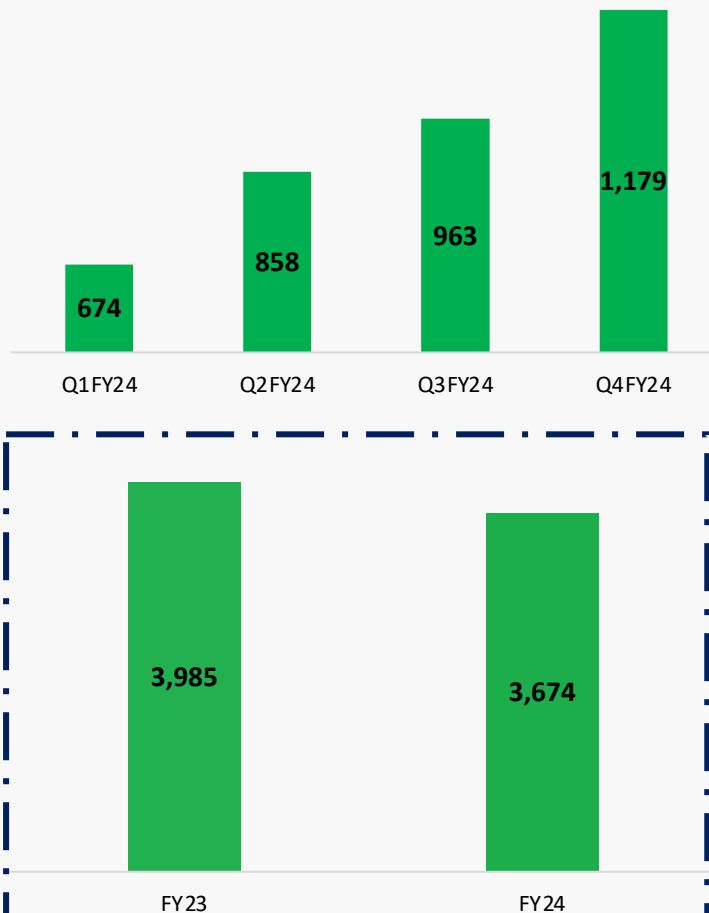
STRONG NIP PIPELINE TO DRIVE GROWTH

Product	Therapy	Remarks
Product 1	Urology	Filed in the EU during Q4 FY23, and for other markets thereafter
Product 2	Gastro-Intestinal	
Product 3	Anti - Coagulant	Filed in the EU during Q4FY24
Product 4	CNS	Filings for Registration in EU and Other Target Markets planned in FY25
Product 5	Urology	
Product 6	Rheumatoid Arthritis	
Product 7	Anti biotic / Anti infective	Filed in the EU during Q3FY23, and for other markets thereafter
Product 8	Skin / Psoriasis	Filed in the EU during Q2FY23, and for other markets thereafter
Product 9	Urology	Filings for Registration in EU and Other Target Markets planned in FY25
Product 10	Gastro - Intestinal	
Product 11	Pain Relief	
Product 12	CNS	
Product 13	CNS	
Product 14	Urology	Dossier under development; Commercialised as Intermediates in Pharmerging
Product 15	Gastro-Intestinal	

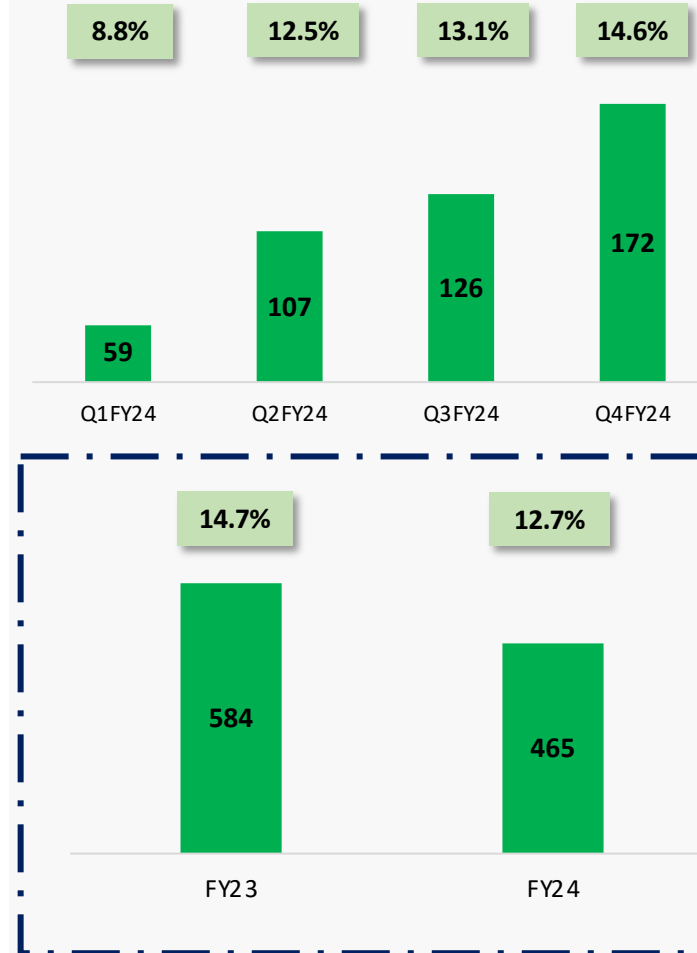
FINANCIALS

FINANCIAL PERFORMANCE - FY24

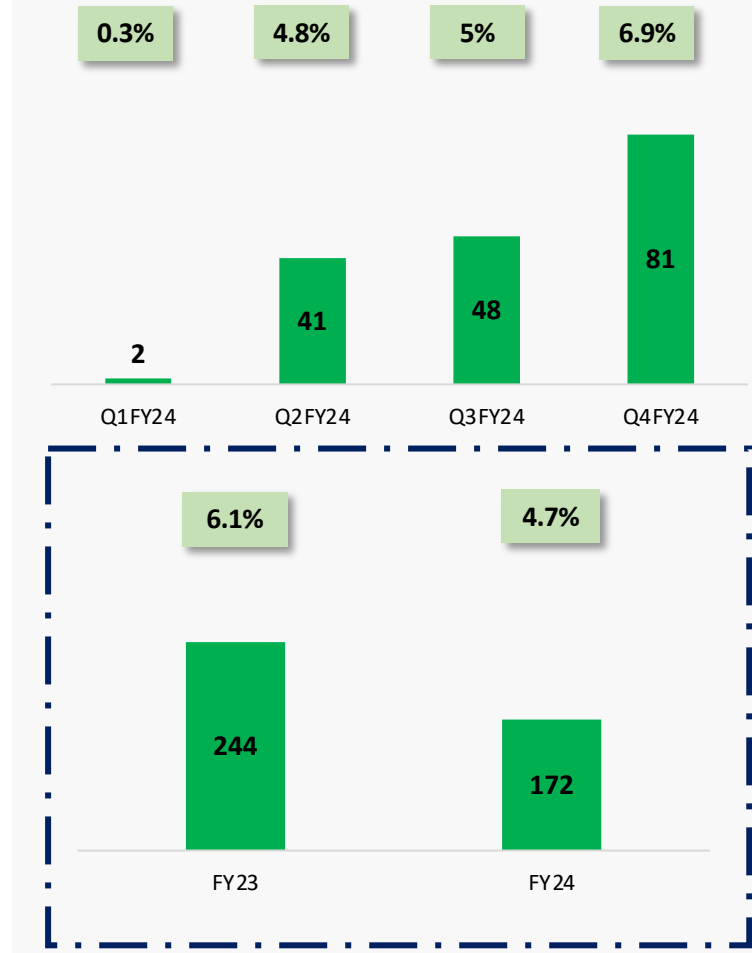
Total Operating Income (₹ Mn)



EBITDA (₹ Mn) & EBITDA %



PAT (₹ Mn) & PAT %



INCOME STATEMENT

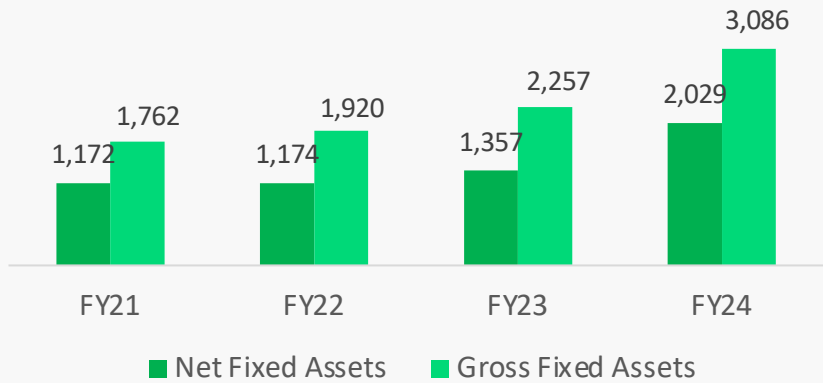
Particulars (₹ Mn)	Q4FY24	Q4FY23	Change % (YoY)	Q3FY24	Change % (QoQ)	FY24	FY23	Change % (YoY)
Total Operating Income	1,179	1,054	12%	963	22.4%	3,674	3,985	(7.8%)
Other Income	15	7	119%	11	39.5%	52	64	(19.2%)
Total Income	1,194	1,061	12.6%	974	22.6%	3,725	4,049	(8%)
EBITDA	172	161	6.8%	126	36.5%	465	584	(20.3%)
EBITDA %	14.6%	15.3%	(70bps)	13.1%	150bps	12.7%	14.7%	(200bps)
Profit Before Tax (PBT)	110	99	11%	70	57.1%	236	354	(33%)
PBT %	9.3%	9.4%	(10 bps)	7.3%	200bps	6.4%	8.9%	(250bps)
Profit After Tax (PAT)	81	72	12.5%	48	68.8%	172	244	(29.4)%
PAT %	6.9%	6.8%	10bps	5.0%	190 bps	4.7%	6.1%	(140bps)
EPS (₹ / Share)*(not annualised)	1.66	1.48		0.98		3.54	5.01	

BALANCE SHEET

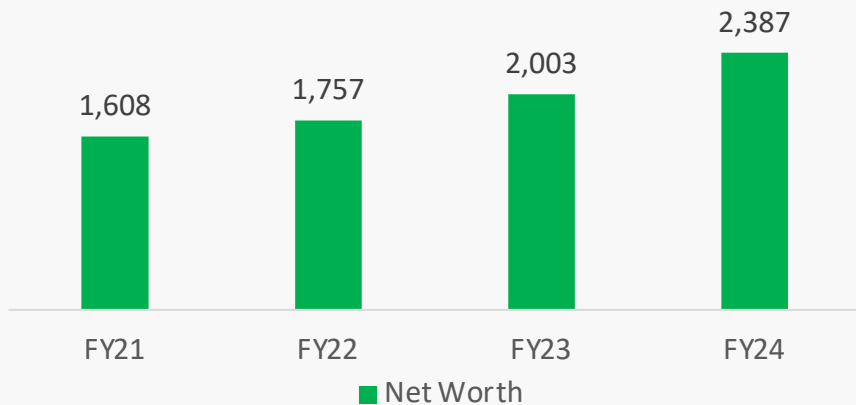
Particulars (₹ Mn)	FY24	FY23	FY22	FY21
Gross Block – Tangible & Intangible Assets including WIP	3,089	2,257	1,920	1,762
Net Block – Tangible & Intangible Assets including WIP	2,031	1,357	1,174	1,172
Other Non- Current Assets	161	150	121	158
Current Assets	2,276	1,909	2,121	1,918
Total Assets	4,468	3,416	3,416	3,248
Net Worth	2,387	2,003	1,757	1,608
Borrowings	1,064	596	513	811
Other Non- Current Liabilities	130	58	11	2
Current Liabilities	887	759	1,135	827
Total Liabilities	4,468	3,416	3,416	3,248

BALANCE SHEET

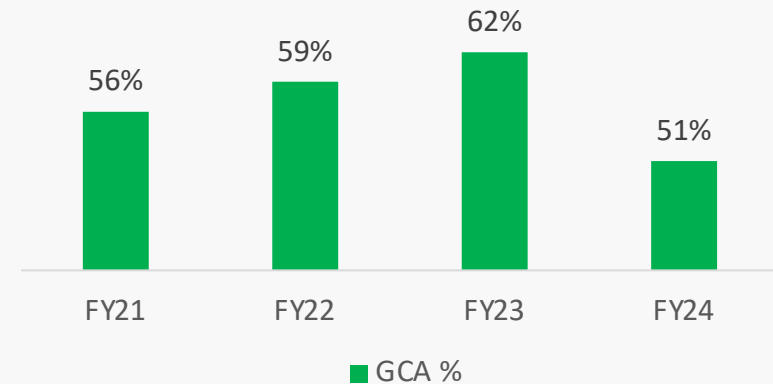
Gross and Net Fixed Assets (₹ Mn)



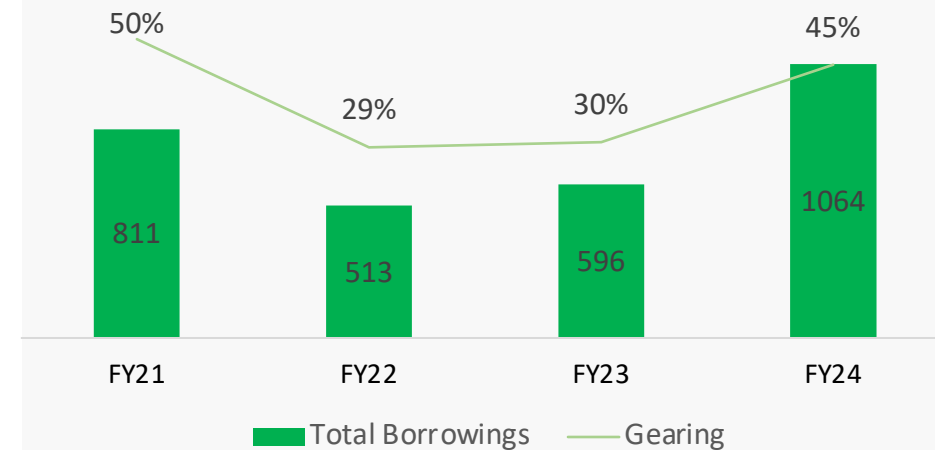
Net Worth (₹ Mn)



Gross Current Assets (GCA) as % of Total Assets



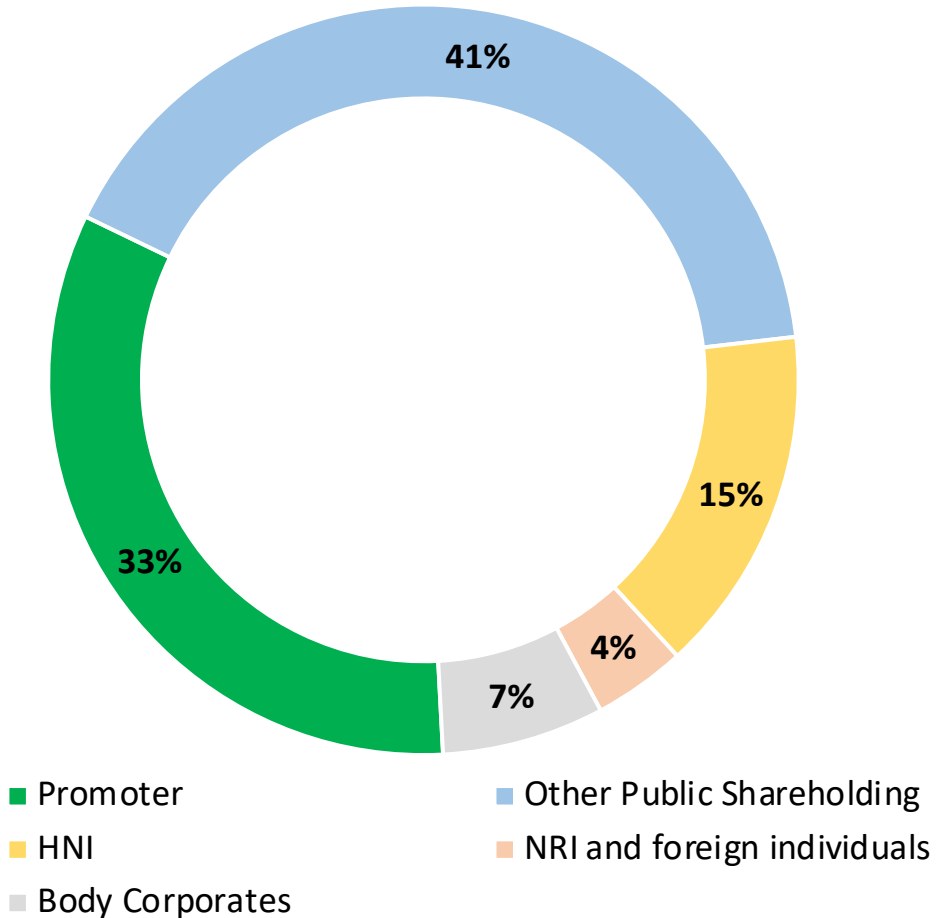
Total Borrowing (₹ Mn) & Gearing %



CORPORATE

SHAREHOLDING

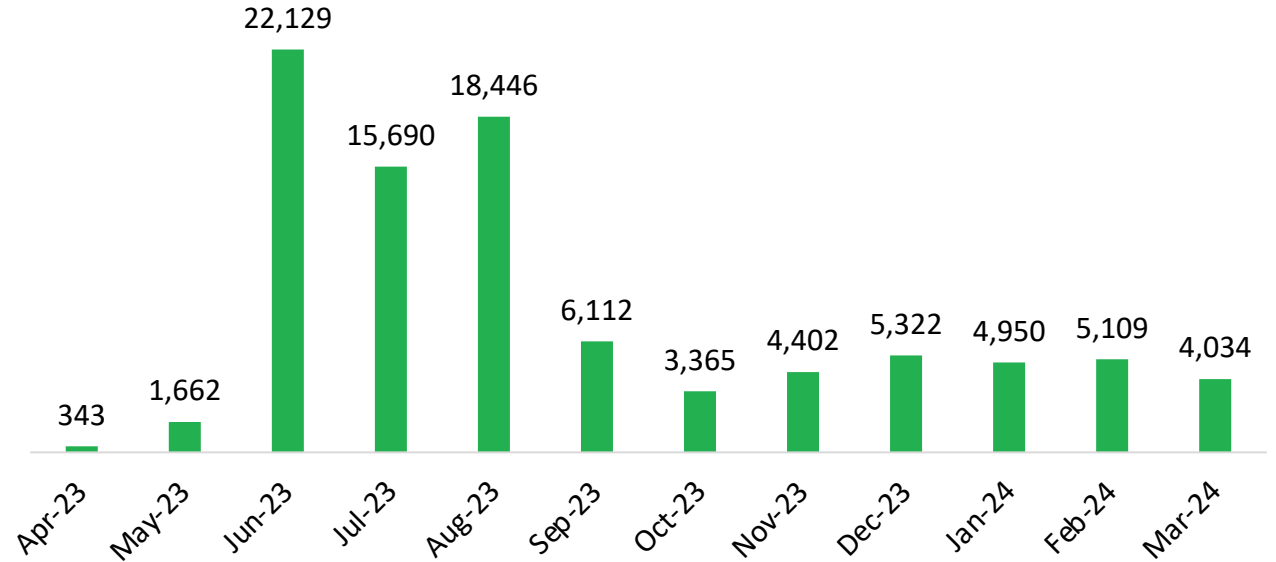
Ownership % (On March 24)



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

Percentage figures rounded off to show whole numbers

Traded Volume (In K) BSE+NSE

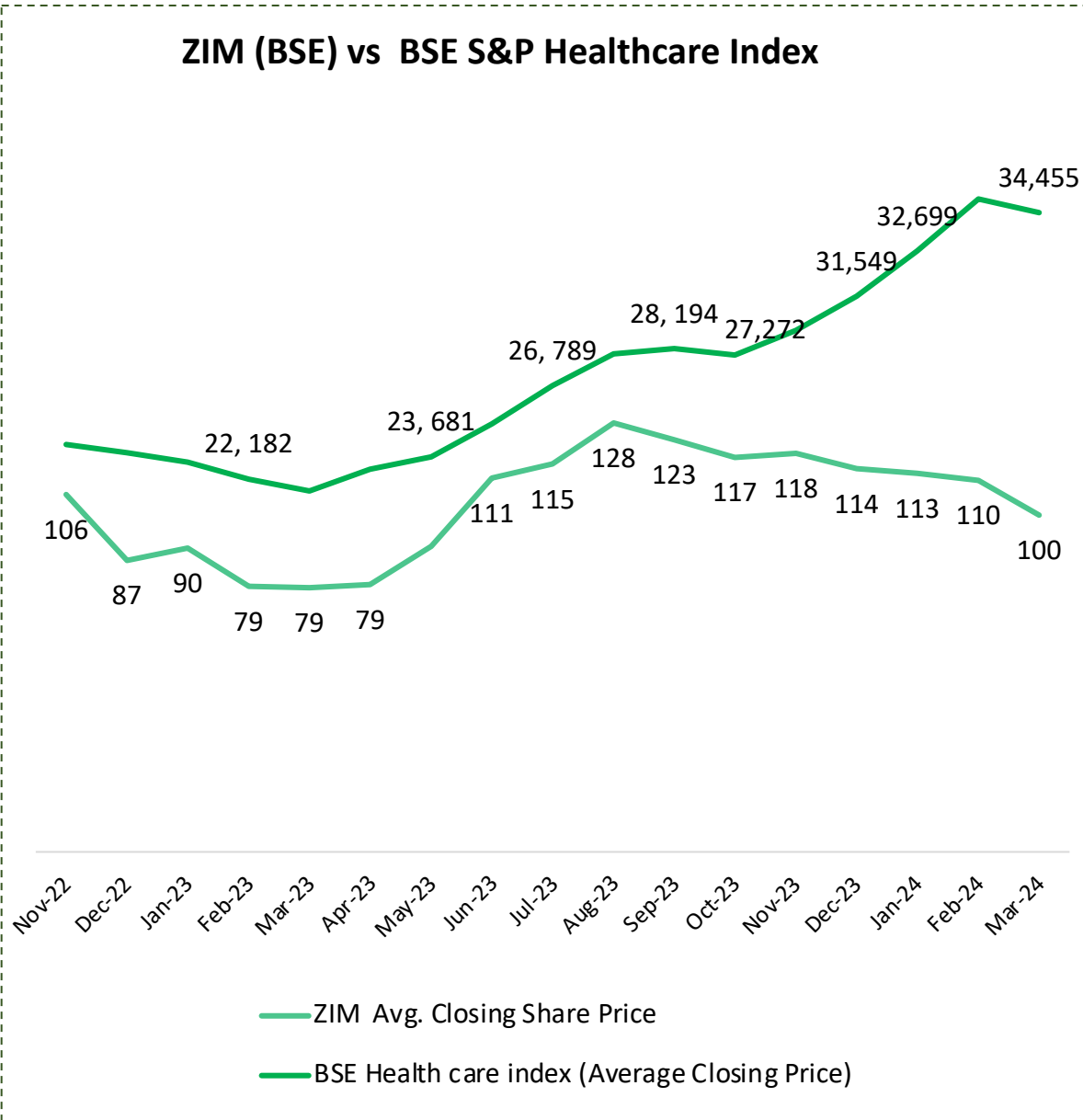


Shareholders (#) : Q1 - 9k → Q2 - 15k → Q3 - 17K → Q4 - 17.1K

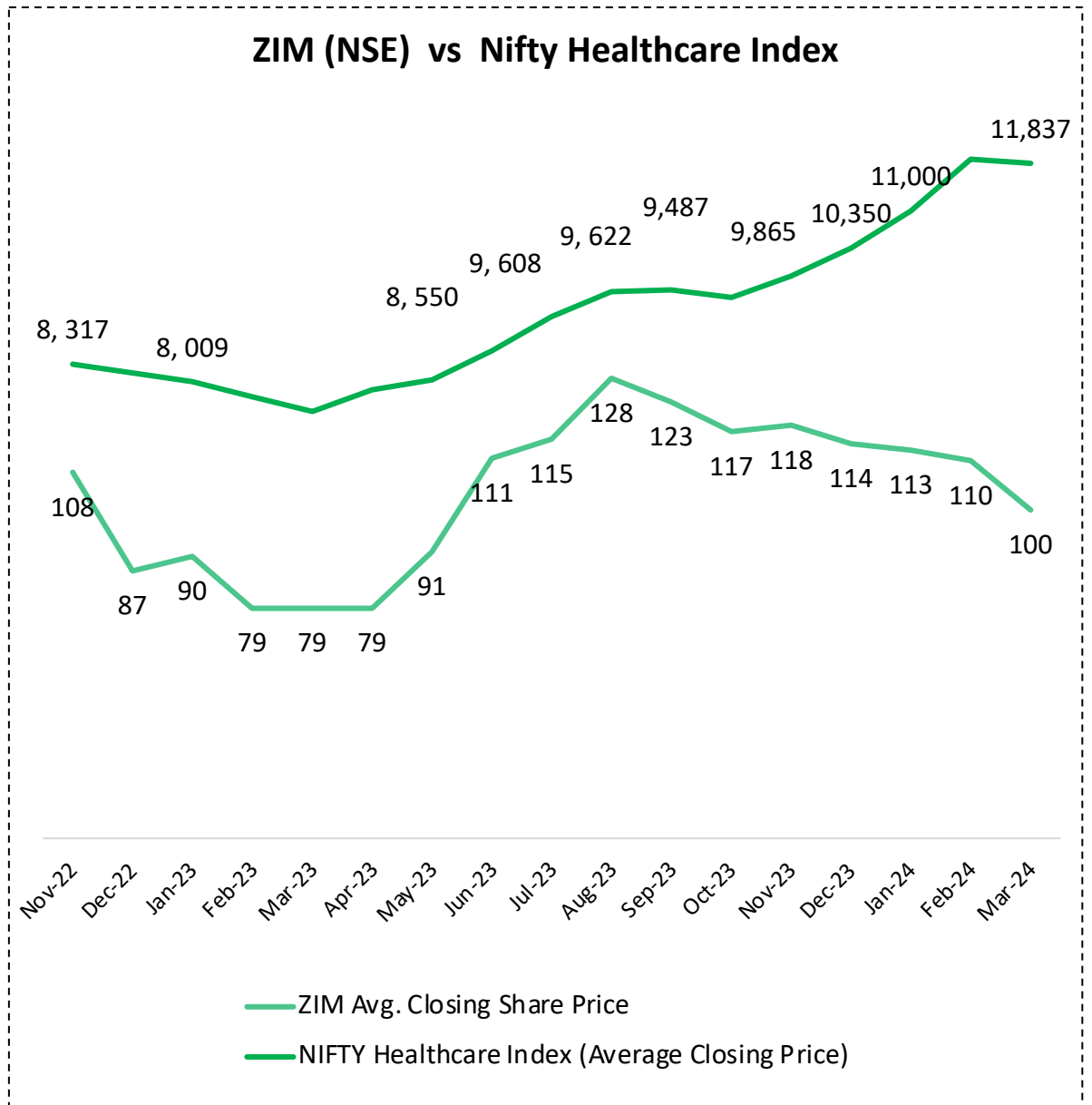
- The company is seeing growth in number of shareholders
- Promoter shareholding is free of any encumbrance
- During the year, shareholders approved ESOP scheme of 2%; total ESOP on fully diluted basis stands at 3.55 %

SHARE PRICE MOVEMENT

ZIM (BSE) vs BSE S&P Healthcare Index



ZIM (NSE) vs Nifty Healthcare Index



Q4FY24 EARNINGS CALL DETAILS

Date	15th May, 2024
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Time	12 Noon IST
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Dial – In Details

Universal Access Numbers	+91-22-62801557/ +91-22-71158383
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Visit ZIM Laboratories Limited: <https://www.zimlab.in/>

For further information, please get in touch with:

ZIM's Investor Relations Mr. Zain Daud zain.daud@zimlab.in M: +91 9022434631		
GoIndia Advisors – IR Firm		
Ms. Sheetal Khanduja	Ms. Deepika Sharma	Ms. Priya Sen
sheetal@goindiaadvisors.com	deepika@goindiaadvisors.com	priya@goindiaadvisors.com
M: +91 9769364166	M:+91 8451029510	M : +91 8334841047

THANK YOU