



Zeal & Innovation in Medicine

Ref No.: ZLL/CS/BSE/NSE

Date: 01.11.2023

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)
---	---

Dear Sir/Madam,

Sub: **Q2 & H1FY24 Earnings Presentation**

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, kindly find enclosed Q2 & H1FY24 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](http://www.zimlab.in) | [info@zimlab.in](mailto: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

Q2 & H1FY24 – EARNINGS PRESENTATION



# SAFE HARBOUR

The presentation has been prepared by ZIM Laboratories Limited (“ZIM” or the “Company”) solely for information purposes and does not constitute an offer to sell or recommendation or solicitation of an offer to subscribe for or purchase any securities and nothing contained herein shall form the basis of any contract or commitment whatsoever. By accessing this presentation, you are agreeing to be bound by the trading restrictions.

The information contained in this presentation should be considered in the context of the circumstances prevailing at the time and has not been, and will not be, updated to reflect material developments which may occur after the date of the presentation. The information set out herein may be subject to updating, completion, revision, verification and amendment and such information may change materially. This presentation is based on the economic, regulatory, market and other conditions as in effect on the date hereof. It should be understood that subsequent developments may affect the information contained in this presentation, which neither the Company nor its affiliates, advisors or representatives are under an obligation to update, revise or affirm.

Certain statements contained in this presentation may be statements of the Company’s beliefs, plans and expectations about the future and other forward-looking statements. The forward-looking statements are based on management’s current expectations or beliefs as well as a number of assumptions about the Company’s operations and factors beyond the Company’s control or third-party sources and involve known and unknown risks and uncertainties that could cause actual results to differ materially from those contemplated by the relevant forward-looking statements. Forward looking statements contained in this presentation regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. There is no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should not place undue reliance on forward looking statements, which speak only as of the date of this presentation.

The Company, as such, makes no representation or warranty, express or implied, as to, and does not accept any responsibility or liability with respect to, the fairness, accuracy, completeness or correctness of any information or opinions contained herein. You acknowledge and agree that the Company and/or its affiliated companies and/or their respective employees and/or agents have no responsibility or liability (express or implied) whatsoever and howsoever arising (including, without limitation for any claim, proceedings, action, suits, losses, expenses, damages or costs) which may be brought against or suffered by any person as a result of acting in reliance upon the whole or any part of the contents of this presentation and neither the Company, its affiliated companies nor their respective employees or agents accepts any liability for any error, omission or misstatement, negligent or otherwise, in this presentation and any liability in respect of the presentation or any inaccuracy therein or omission therefrom which might otherwise arise is hereby expressly disclaimed.

# ZIM LABS AT A GLANCE

- **Novel Drug Delivery System Using Proprietary Manufacturing Processes**
  - ZIM develops and supplies combination generic products utilizing innovative drug delivery solutions using various in-house technology platforms
- **Sustainable R&D Spend**
  - The R&D spend as a percentage of Revenue hovered around 7-9%
- **Expanding to Regulated Markets**
  - Contribution to Revenue from Regulated and Pharmerging Markets in the Pharma Basket has started showing traction; NIP + OTF business contributed 13% of Total Operating Income
- **Developed An Exclusive Pipeline of Complex Non-Infringing New Innovative Products (NIP)**
  - 10 New Innovative Products (NIP) in various stages of development; 3 NIP filed in the EU under ZIM's name; and several filings also done in RoW markets

**Rs. 1532 Mn**  
H1FY24  
Revenue

**1 NIP Dossier**  
filed in the EU in  
Q2FY24; Total of  
3 EU NIP filings  
till date

**79%**  
Exports

**50+ Countries**  
Global Presence

**1984**  
Incorporated

**3 Facilities**  
Infrastructure

**Accreditations**  
EU-GMP, WHO-  
GMP, ISO 9001,  
NSF/ANSI 455-2

**500+**  
No. of  
Employees

# HIGHLIGHTS : Q2FY24

## Improved Run Rates in Total Operating Income

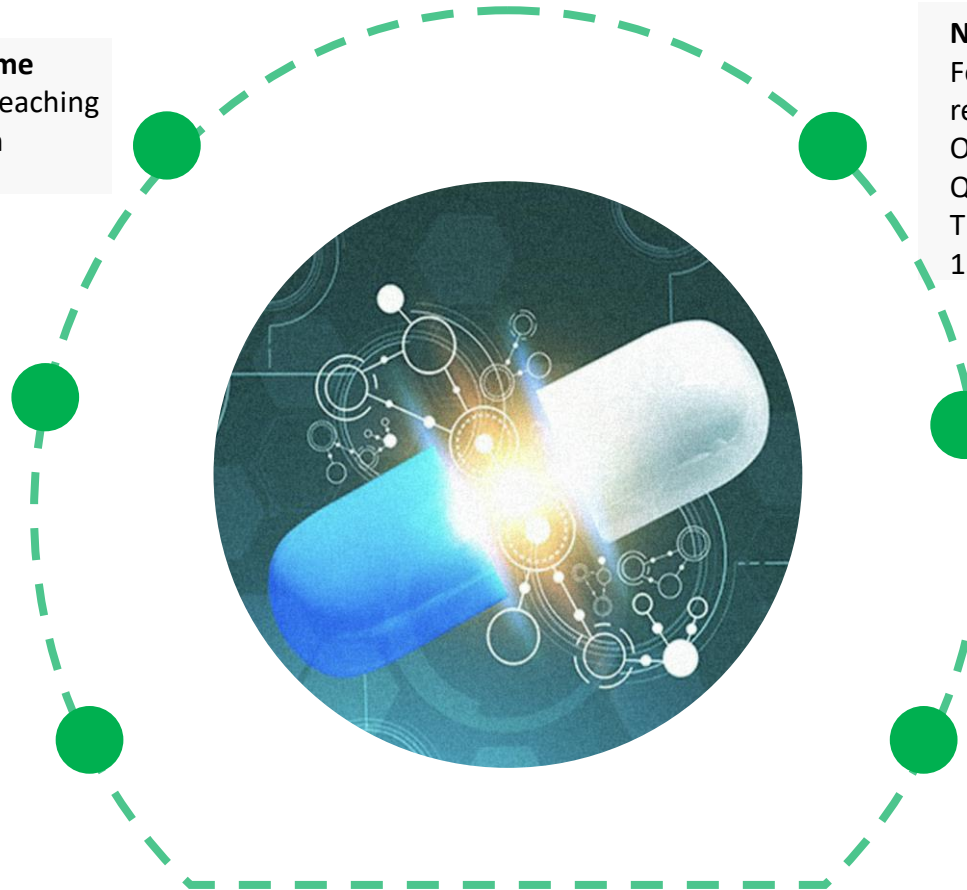
Our Total Operating Income grew by 27.3%, reaching Rs. 858 Mn in Q2FY24, up from Rs. 674 Mn in Q1FY24

## Key Product Updates

Our Marketing Partner secured Marketing Authorizations for ZIM's OTF Dossier, highlighting notable success with Antiemetic OTF approval in Canada. ZIM also submitted 1 NIP dossier in the EU; this is the 3<sup>rd</sup> product submission for NIP in the EU

## Ongoing Investment in Assets

The Gross Block addition for H1FY24 amounted to Rs. 339 Mn



## NIP and OTF contribution increasing

For Q2FY24, there was a 53.6% QoQ growth in NIP revenue, reaching Rs. 72 Mn  
OTF revenue in Q2FY24 was Rs. 37 Mn, a 62.6% QoQ growth.  
The combined contribution from NIP and OTF was 13% of Revenue or Rs. 109 Mn

## Marketing Authorizations for ZIM's Portfolio

ZIM attained 6 Marketing Authorizations for Finished Formulation in RoW. In Pharmerging and RoW Markets, our Marketing Partners submitted 8 OTF registrations (ZIM's Dossiers). 12 Finished Formulation Dossiers were also filed (ZIM MA: 8 ; Client MA: 4). 9 NIP dossiers were submitted in Pharmerging and RoW Markets

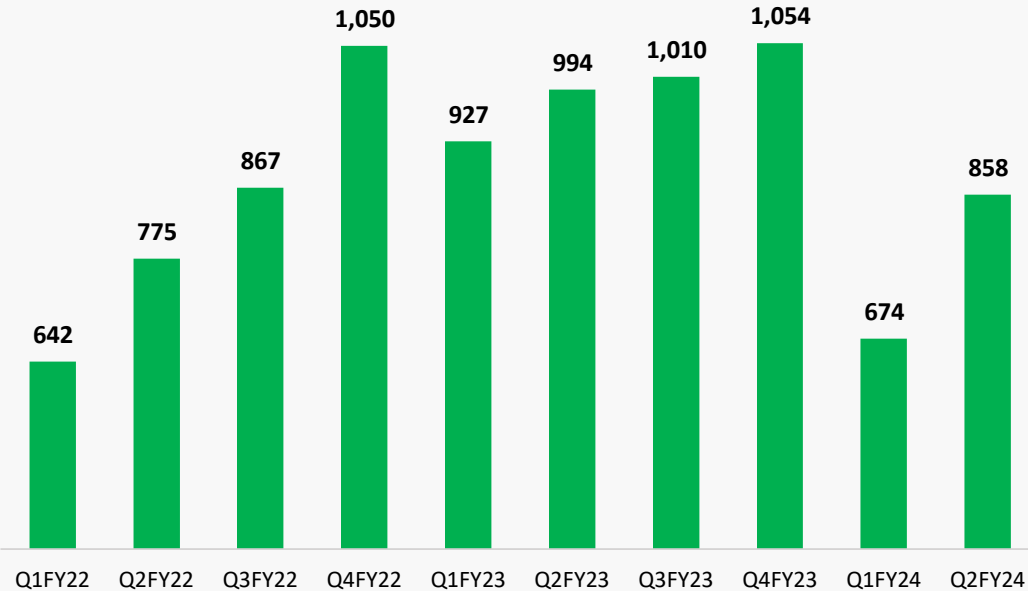
## Continued Investment in R&D

In Q2FY24, the investment in R&D was 9.4% of the Total Operating Income

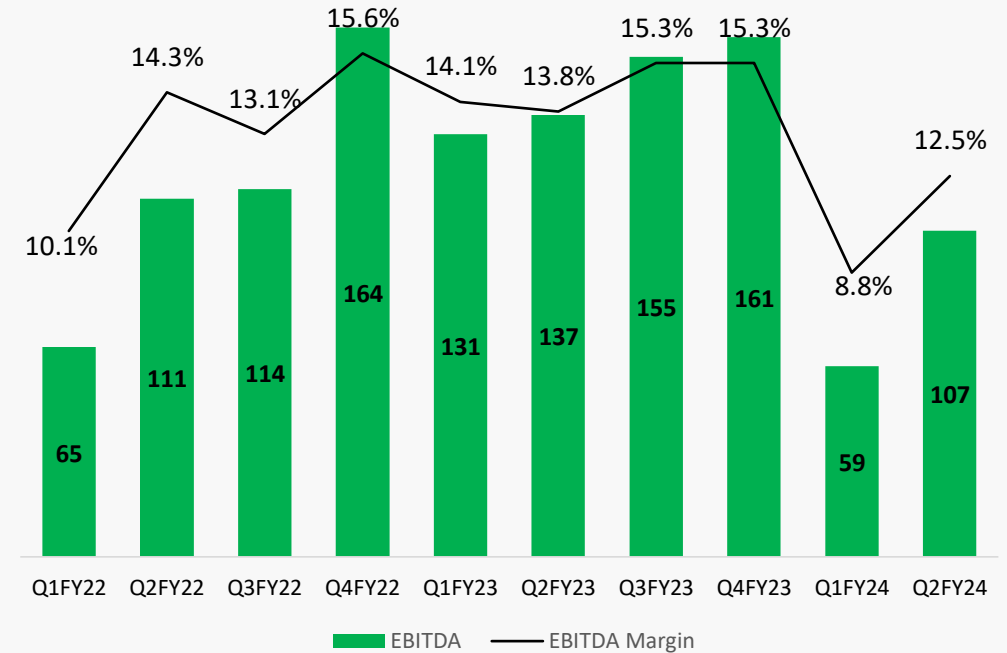
- NIP, OTF, and License Agreements **continue to gain momentum; the OTF** business also saw its **first commercial order** being **supplied in Europe** for Sildenafil Citrate 50 mg ODS

# GROWTH TRAJECTORY

Total Operating Income (Rs. Mn)



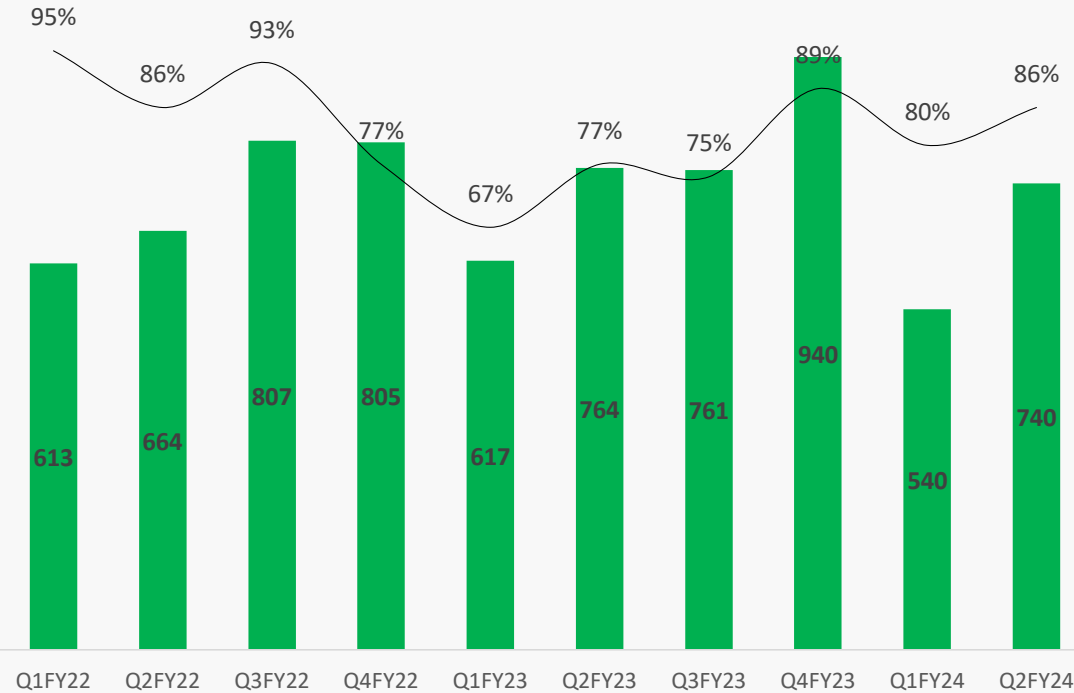
EBITDA (Rs. Mn) & EBITDA Margin



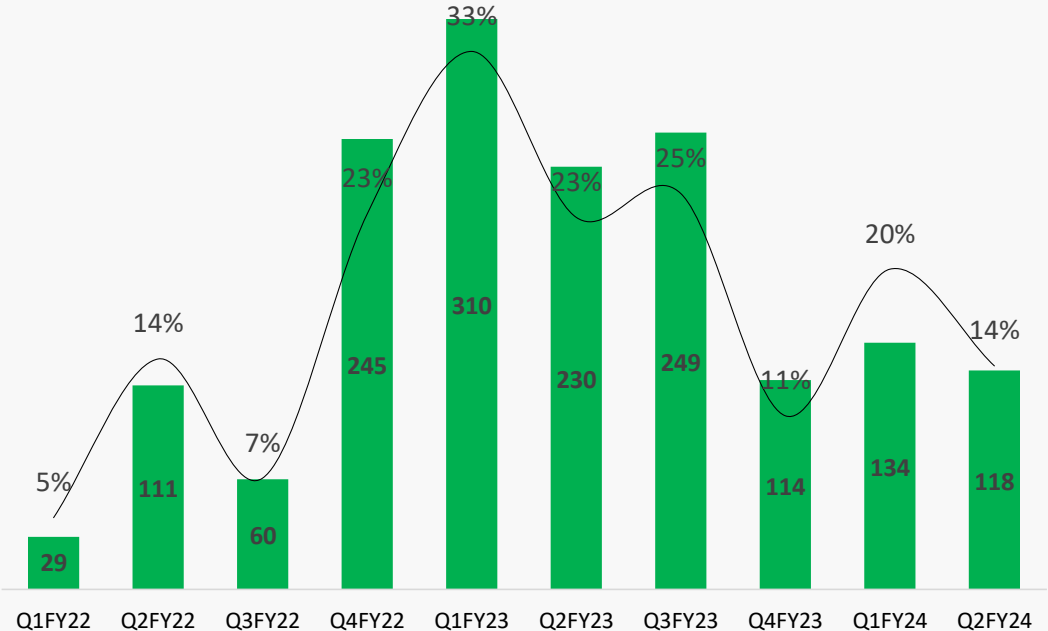
- Improved Run Rates in Total Operating Income for Q2FY24 saw a growth of 27% Q-o-Q
- EBITDA margins increased by 370 bps in Q2FY24 vs Q1FY24

# BUSINESS MIX

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



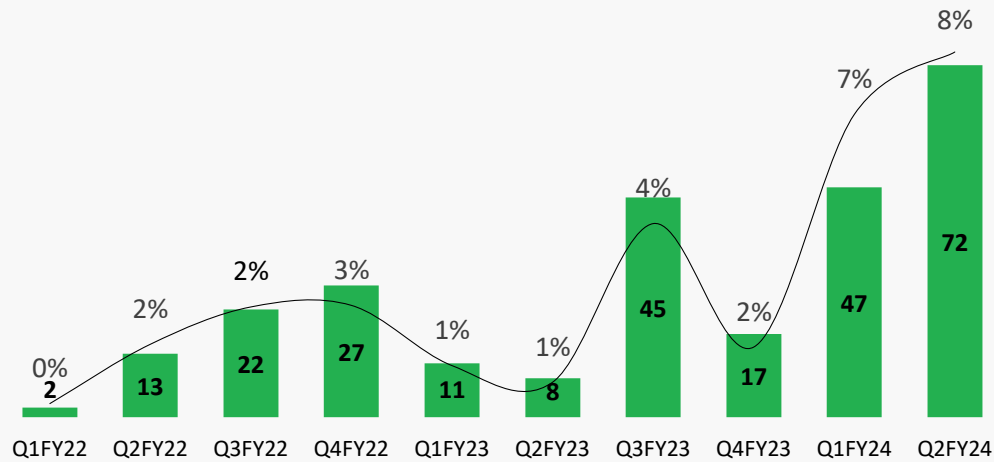
Total Nutra Revenue (Rs. Mn) & as % of Total Operating Income



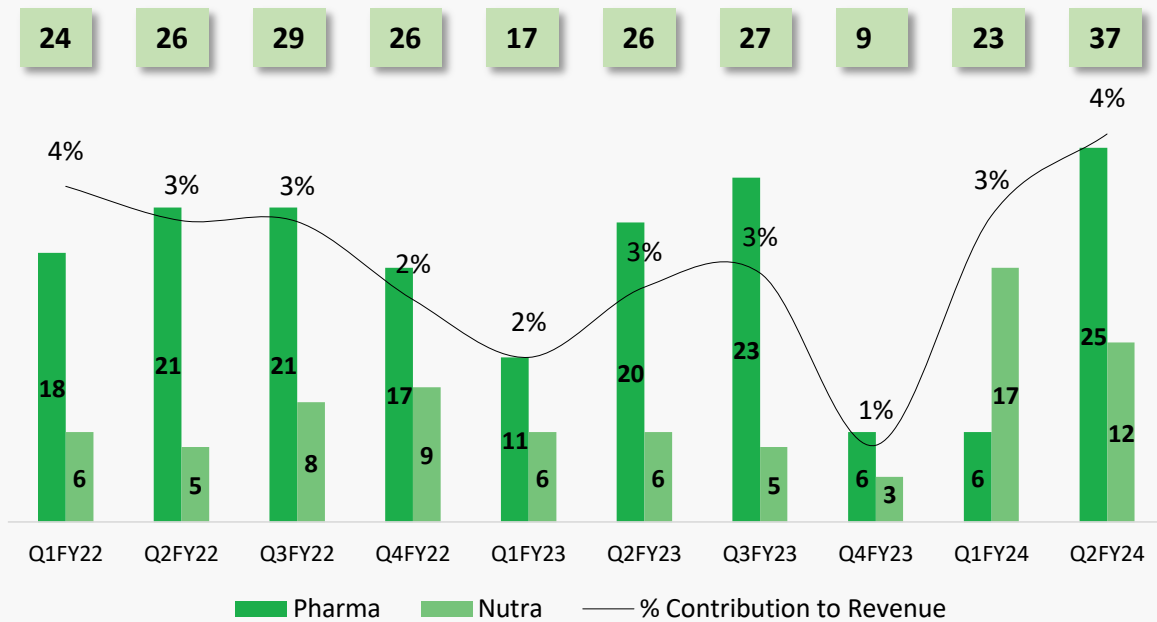
- Pharma Business grew 37 % QoQ at Rs. 740 Mn in Q2FY24 vs. Rs. 540 Mn in Q1FY24
- Nutra business followed the Q1 trend on account of continued currency issues

# MOMENTUM SEEN IN NIP AND OTF

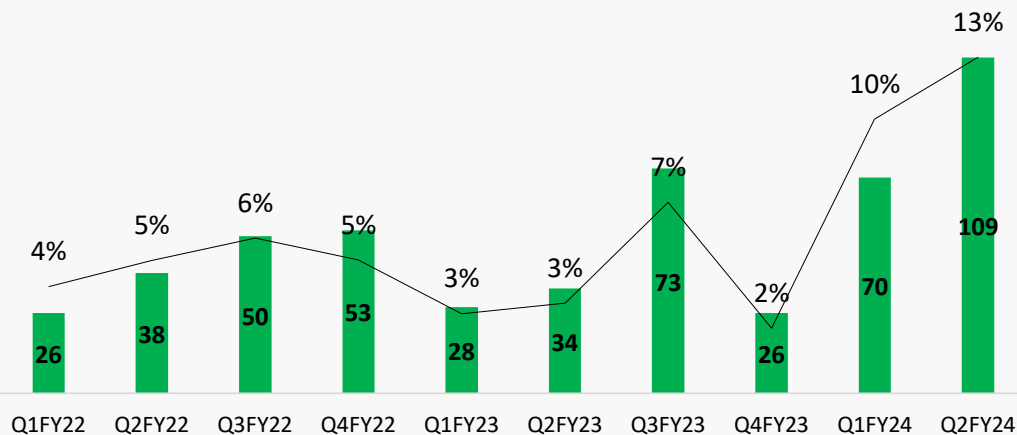
NIP Revenue (Rs. Mn) & as (%) of Total Operating Income



OTF Revenue (Rs. Mn) & as (%) of Total Operating Income



(NIP + OTF) Revenue (Rs. Mn) & as (%) of Total Operating Income

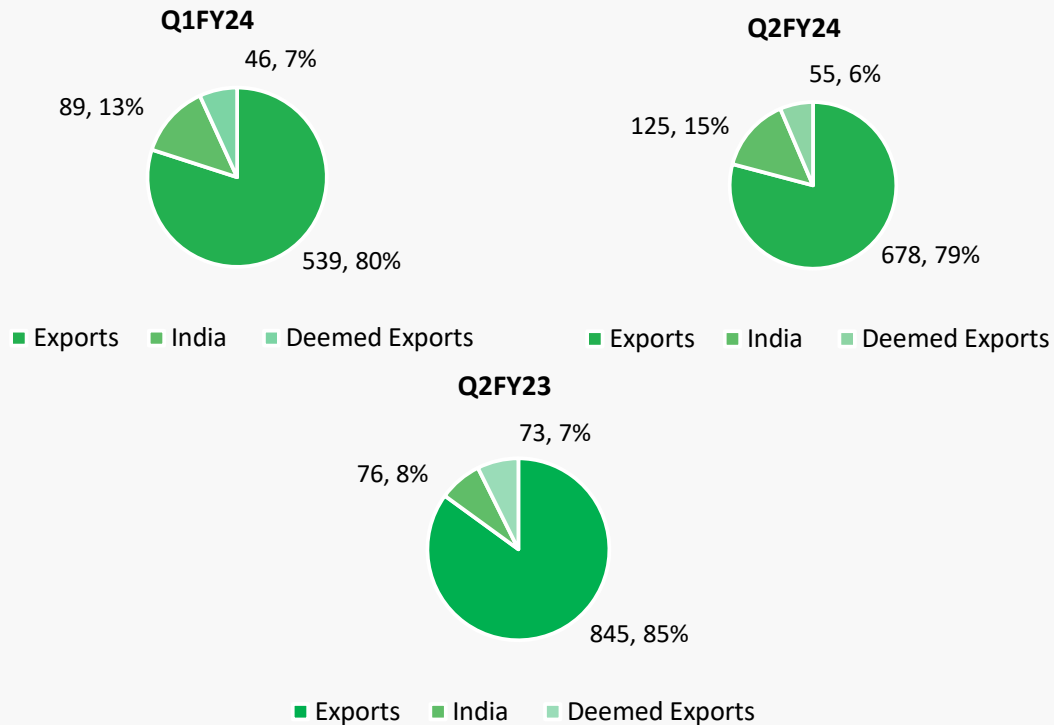


- OTF revenue contribution is increasing in absolute numbers, and the geographical mix is shifting towards regulated and higher-value markets
- NIP contribution to Total Operating Income increased to **8%**
- In line with the company strategy, NIP and OTF contribution to Total Operating Income has increased to **13 %** in Q2FY24

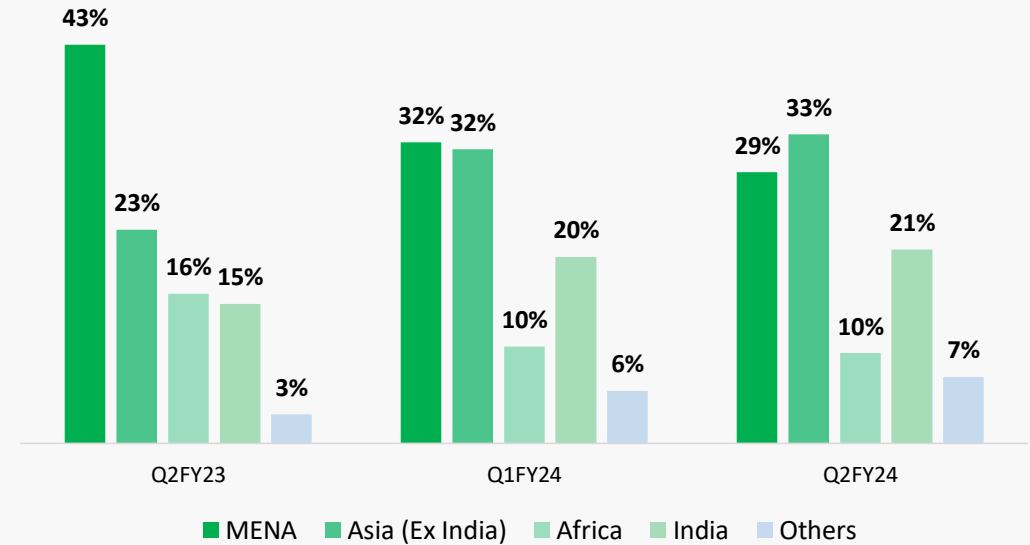


# GEOGRAPHICAL MIX IMPROVING: RISK IS DIVERSIFIED ACROSS REGIONS

Business Mix (Rs. Mn)



Region wise Business Mix (%)

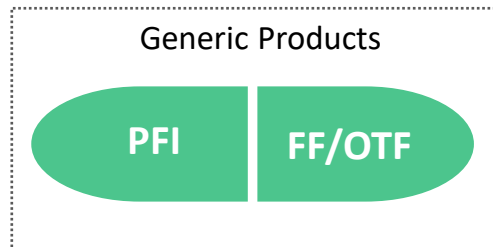


- Total Revenue from Exports for Q2FY24 is Rs. 678 Mn, up 25.8% vs. Q1FY24
- MENA and Asia (excluding India) are our major regions contributing to Revenue at 29% and 33%, respectively, for Q2FY24
- Region wise Business Mix is increasing for India and Others (Includes EU, LatAm, CIS etc) resulting in diversification in the business mix

# COMMITTED TO CORE STRATEGY

## Current Business: Q2FY24

### Pharmaceuticals



**86% Revenue Contribution**

### Nutraceuticals



**14% Revenue Contribution**

**79% Export**

- Presently catering to the Rest of the World (RoW) and Pharmerging
- 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

**10**

New Products  
(Various Stages of  
Dossier  
Completion)

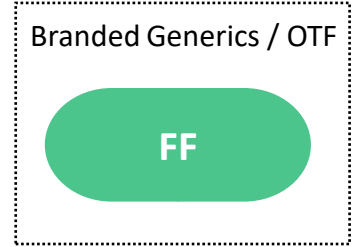
**3**

NIP Dossiers  
filed  
in the EU

**3**

NIP Fillings  
planned for the  
H2FY24

### 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+
- Registration of NIP products also targeted for RoW markets
- 3 products filed in the EU; 7 products under development for developed markets; 3 more developed market filings planned in H2FY24
- NIP + OTF business contribution is 13% for Q2FY24
- Developing specialized Nutraceutical products

# R&D AT CORE

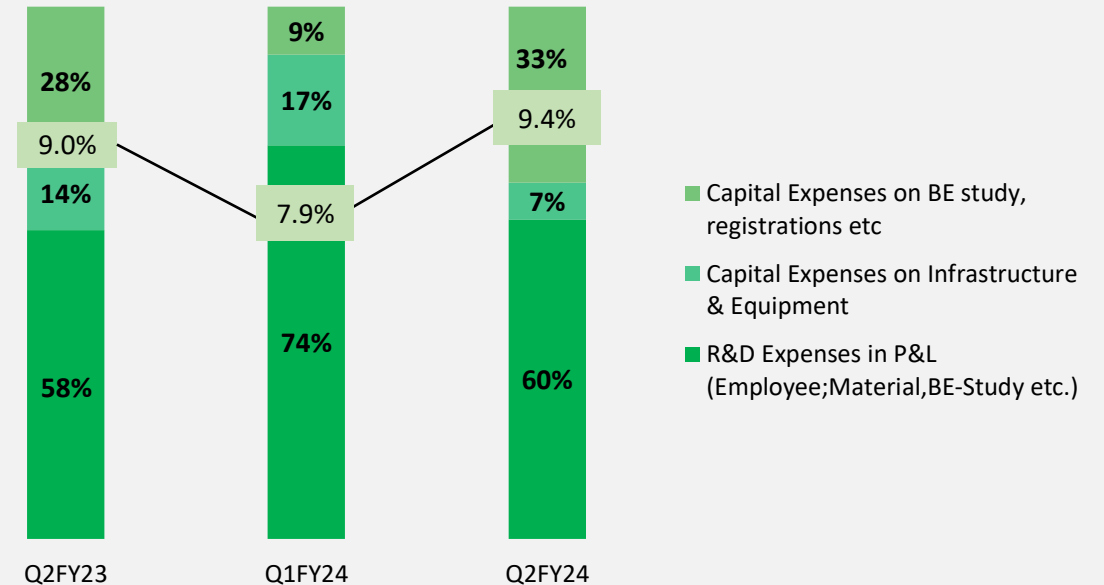
## ZIM's Technology Platforms

- Focus on using Differentiated Drug Delivery techniques
- Non – infringing development and manufacturing processes 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)

<b>88</b> R&D Team Size	<b>4</b> PhDs	<b>73</b> Postgraduates
----------------------------	------------------	----------------------------

<b>1</b> NIP filed in EU market in Q2FY24	<b>4</b> Versatile technology platforms	<b>Rs. 81 Mn</b> Spent in Q2FY24 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 Patents : Q2FY24

- 1 patent was granted in the NIP business, while 1 patent application was filed
- 1 patent was granted in the OTF business

# INCOME STATEMENT

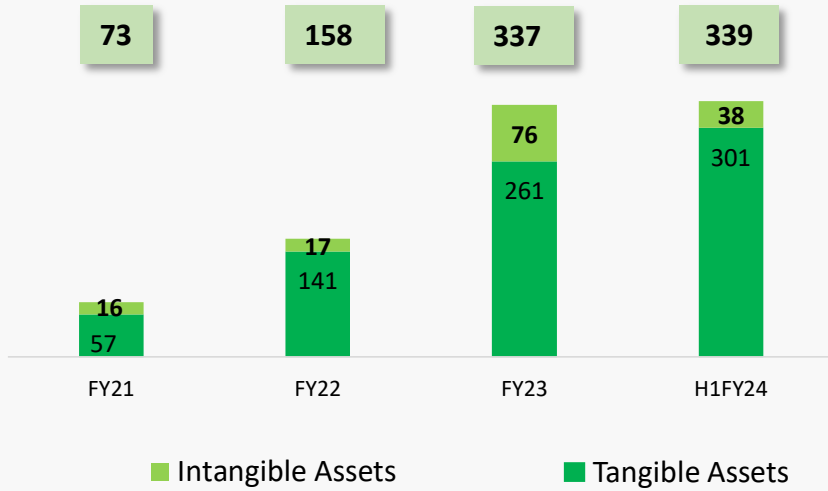
Particulars (Rs. Mn)	H1FY24	H1FY23	Change % (YoY)	Q2FY24	Q1FY24	Change % (QoQ)
Total Operating Income	1,532	1,921	(20.2%)	858	674	27.3%
Other Income	25	33	(24.2%)	14	11	27.3%
Total Income	1,557	1,954	(20.3%)	872	685	27.3%
EBITDA	166	268	(38.1%)	107	59	81.4%
EBITDA %	10.8%	14.0%	-310 bps	12.5%	8.8%	370 bps
Profit Before Tax (PBT)	56	154	(63.6%)	54	2	-
PBT %	3.7%	8.0%	-440 bps	6.3%	0.3%	600 bps
Profit After Tax (PAT)	43	106	(59.4%)	41	2	-
PAT %	2.8%	5.5%	-270 bps	4.8%	0.3%	450 bps
EPS (Rs / Share)*(not annualised)	0.90	2.18	(58.7%)	0.85	0.05	-

# BALANCE SHEET

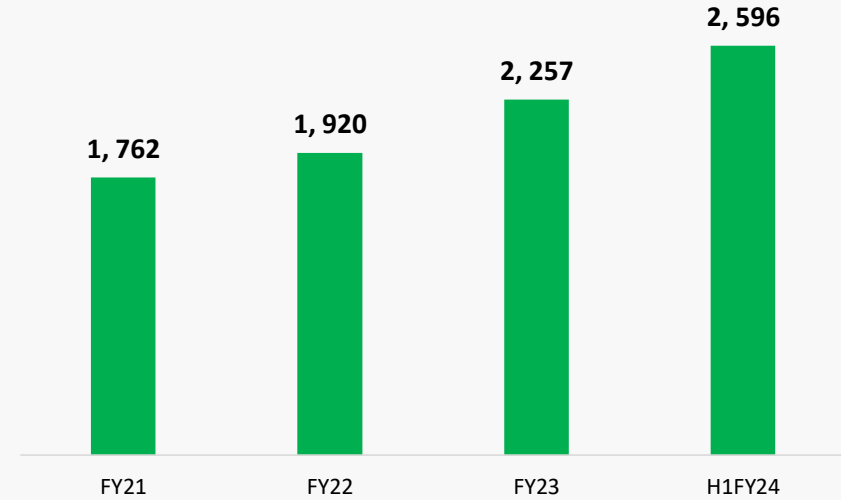
Particulars (Rs. Mn)	H1FY24	FY23	FY22	FY21
Gross Block :Tangible & Intangible Assets including WIP	2, 596	2, 257	1, 920	1, 762
Net Block- Tangible Assets including WIP	1, 453	1, 216	1, 069	1, 052
Net Block Intangible Assets including WIP	162	141	105	120
Other Non- Current Assets	146	150	121	158
Current Assets	1, 896	1, 909	2, 121	1, 918
<b>Total</b>	<b>3, 657</b>	<b>3, 416</b>	<b>3, 416</b>	<b>3, 248</b>
Net Worth	2, 260	2, 003	1, 757	1, 608
Borrowings	601	596	513	811
Other Non- Current Liabilities	57	58	11	2
Current Liabilities	739	759	1,135	827
<b>Total</b>	<b>3, 657</b>	<b>3, 416</b>	<b>3, 416</b>	<b>3, 248</b>

# BALANCE SHEET INDICATORS

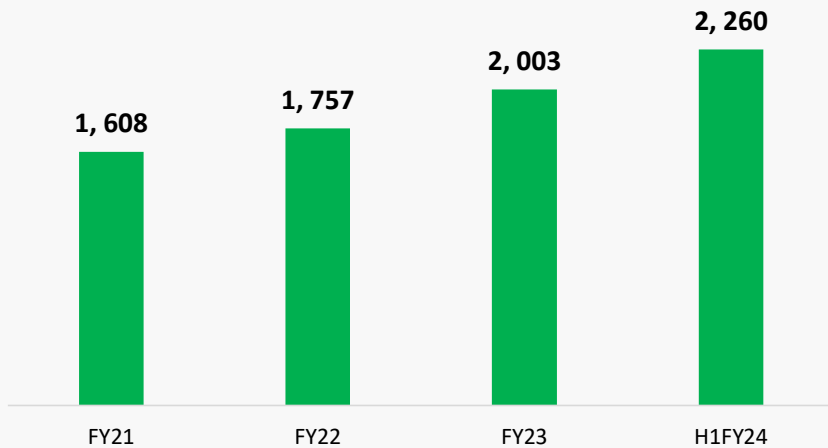
### Gross Block Addition (Rs. Mn)



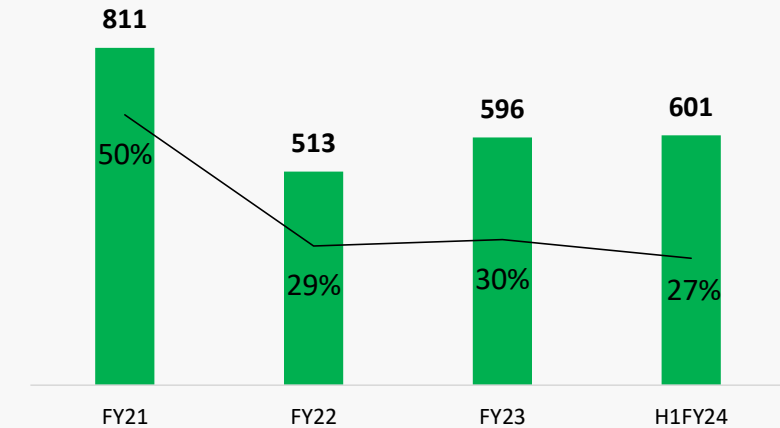
### Gross Block (Rs. Mn)



### Net Worth (Rs. Mn)

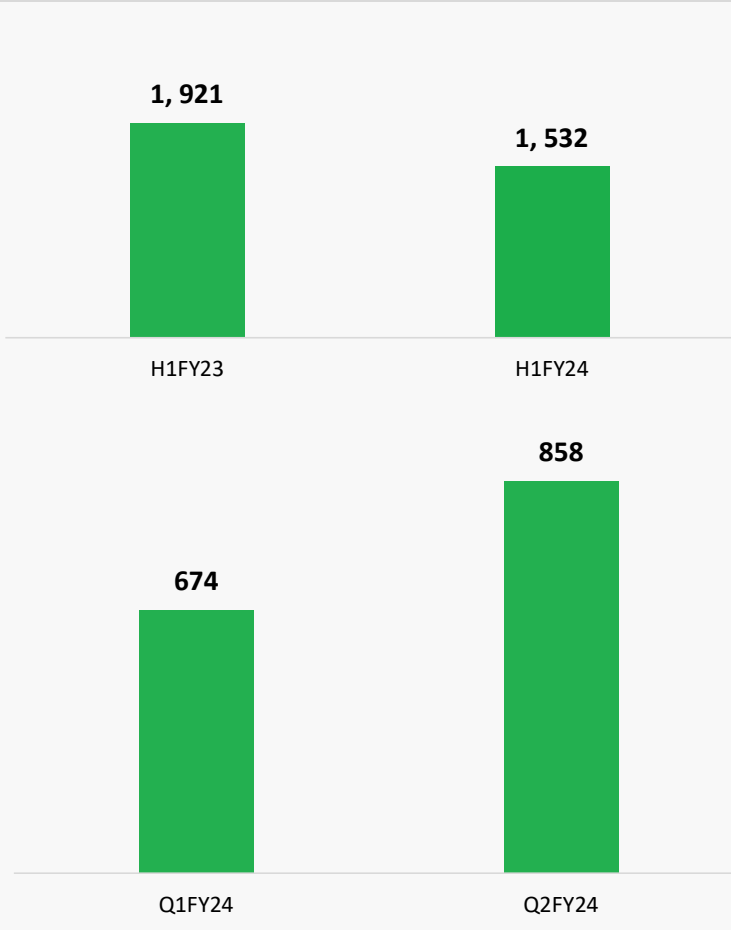


### Borrowings (Rs. Mn) & Gearing (%)

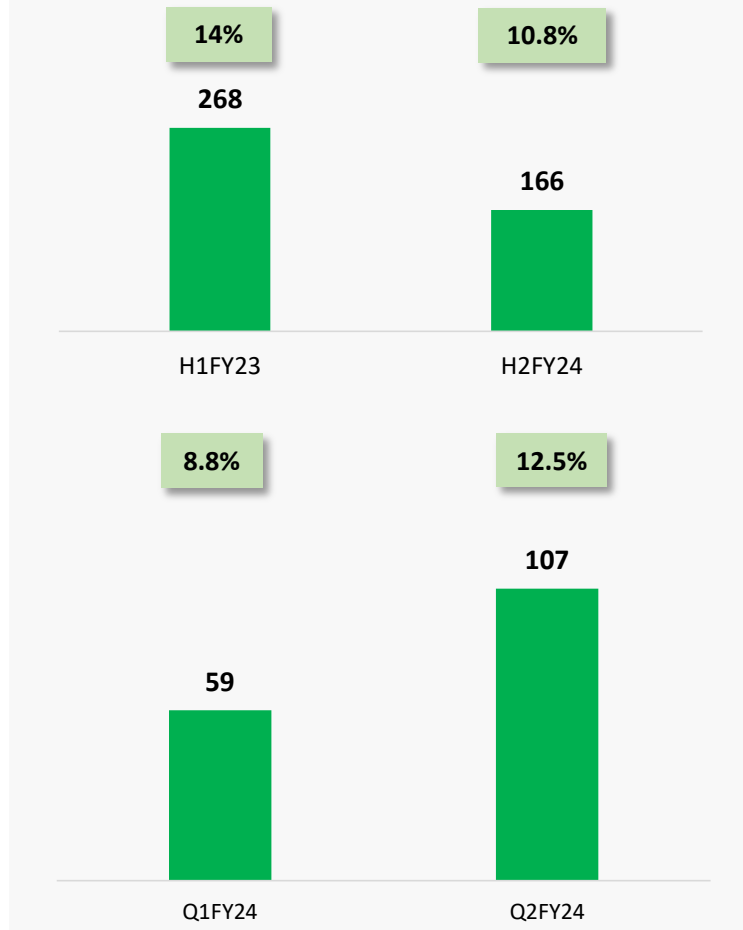


# H1 & Q2FY24 – FINANCIAL PERFORMANCE

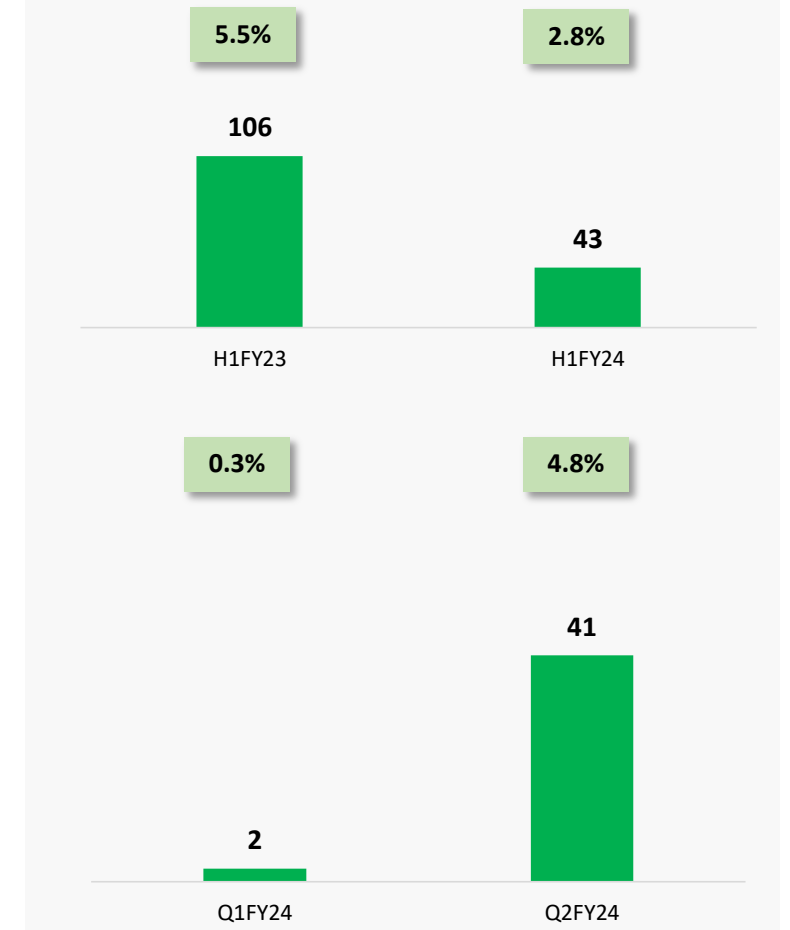
Total Operating Income (Rs. Mn)



EBITDA (Rs. Mn) & EBITDA %



PAT (Rs. Mn) & PAT %



# HISTORICAL INCOME STATEMENT

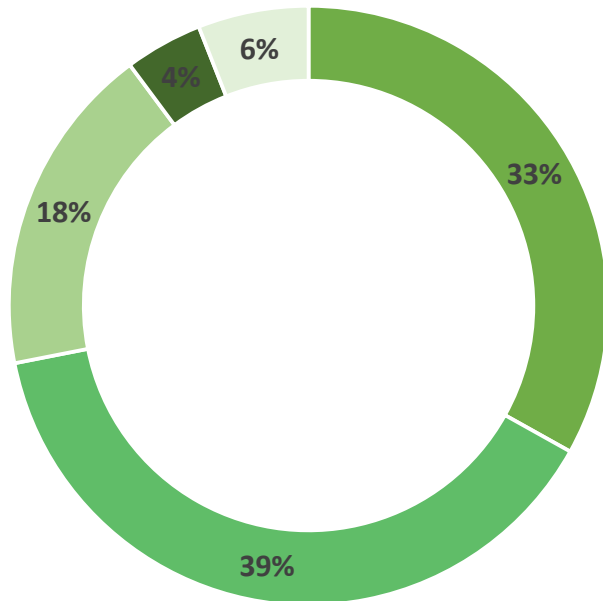
Particulars (Rs. Mn)	FY23	FY22	FY21	FY20
Total Operating Income	3,985	3,334	3,073	2,777
Other Income	64	44	23	45
Total Income	4,049	3,378	3,096	2,822
EBITDA	584	454	421	271
EBITDA %	14.7%	13.6%	13.7%	9.8%
Profit Before Tax (PBT)	354	210	154	1
Profit after Tax (PAT)	244	146	73	33
PAT %	6.1%	4.4%	2.4%	1.2%



# CORPORATE

# SHAREHOLDING

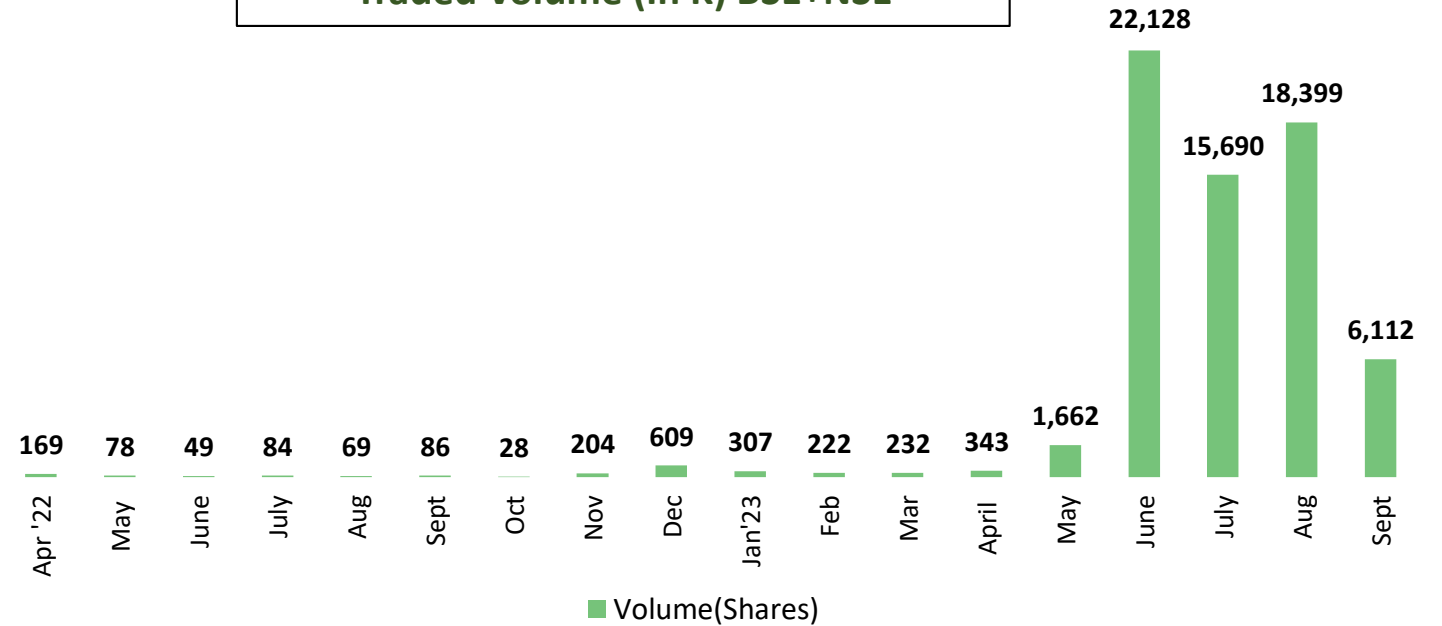
Ownership % (On Sep 23)



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

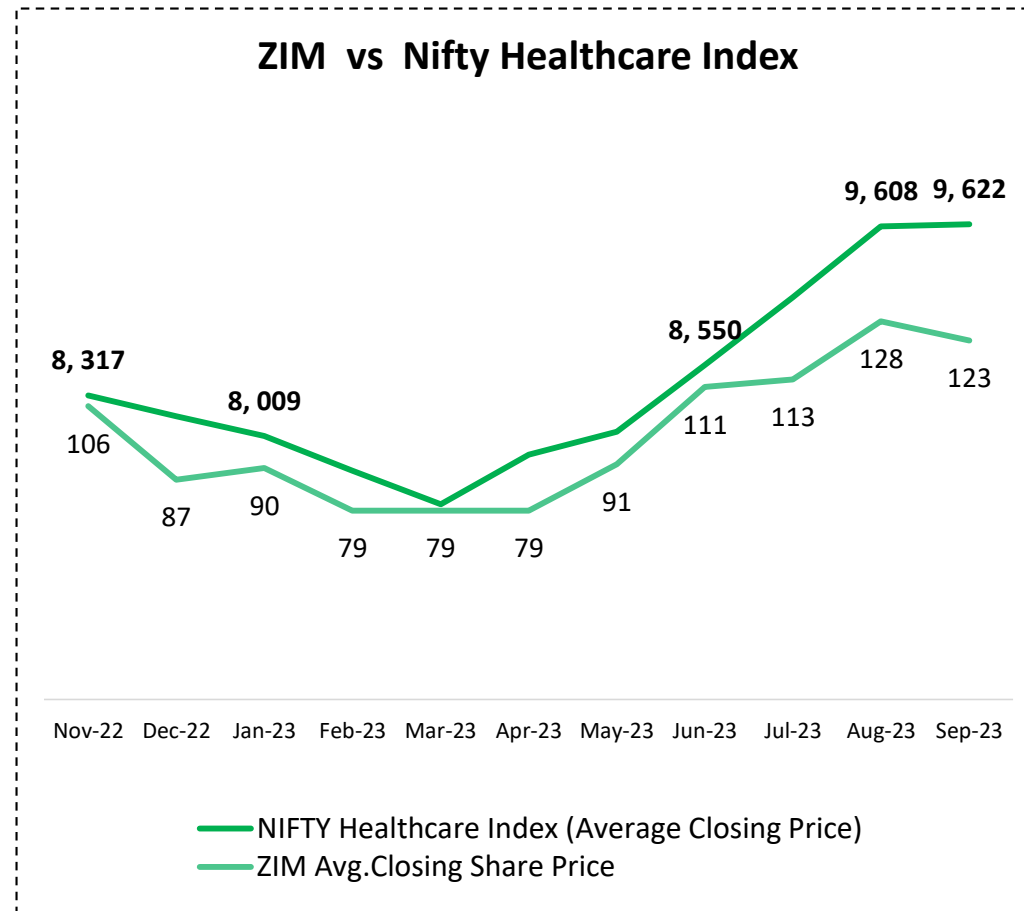
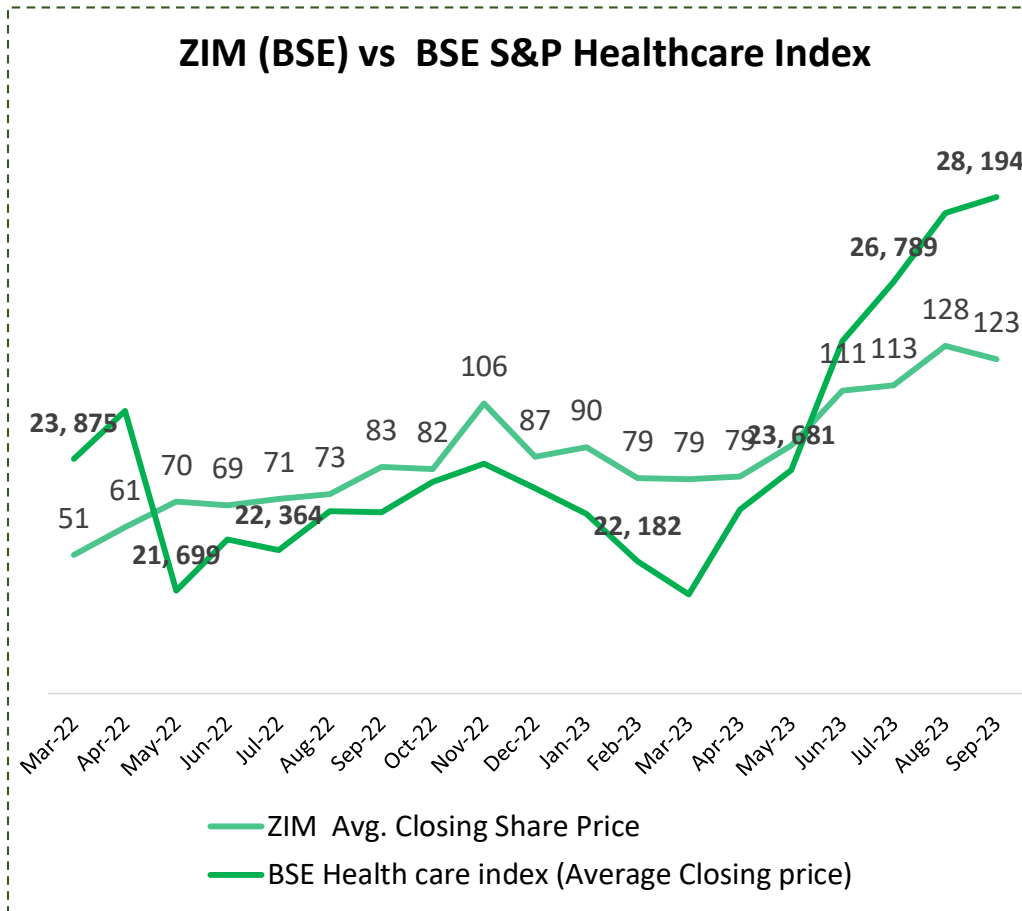
\*Percentage figures rounded off to show whole numbers

Traded Volume (In K) BSE+NSE



- During Q1FY24, the equity shares under escrow were liquidated, and the amount realised (net of applicable taxes and charges) has been recognised as a credit to the 'Retained Earnings' under 'Other Equity'
- Promoter shareholding is free of any encumbrance

# SHARE PRICE MOVEMENT



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

# Q2FY24 EARNINGS CALL DETAILS

---

<b>Date</b>	<b>9<sup>th</sup> November, 2023</b>
<b>Time</b>	12 Noon IST
<b>Dial – In Details</b>	
<b>Universal Access Numbers</b>	+91-22-62801557/ +91-22-71158383
<b>Diamond Pass</b>	<a href="#">Click Here</a>

---

Visit **ZIM Laboratories Limited**: <https://www.zimlab.in/>

**For further information, please get in touch with:**

<b>ZIM's Investor Relations</b> Mr. Zain Daud <a href="mailto:ir@zimlab.in">ir@zimlab.in</a> M: +91 9022434631		
<b>GoIndia Advisors – IR Firm</b>		
Ms. Sheetal Khanduja <a href="mailto:sheetal@goindiaadvisors.com">sheetal@goindiaadvisors.com</a> M: +91 9769364166	Ms. Deepika Sharma <a href="mailto:deepika@goindiaadvisors.com">deepika@goindiaadvisors.com</a> M:+91 8451029510	Ms. Priya Sen <a href="mailto:priya@goindiaadvisors.com">priya@goindiaadvisors.com</a> M : +91 8334841047

**THANK YOU**