



ZIM LABORATORIES Limited

CORPORATE
Presentation - March 2022

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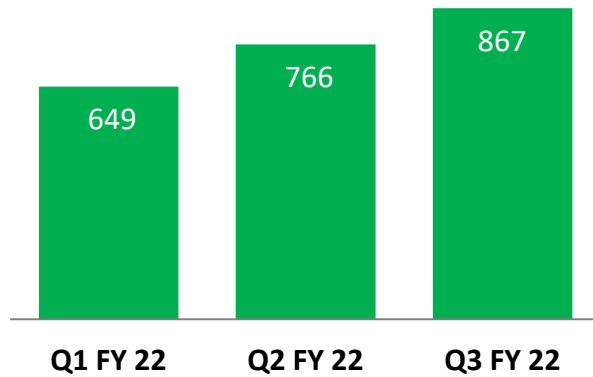


Highlights: Q3FY22 and 9MFY22

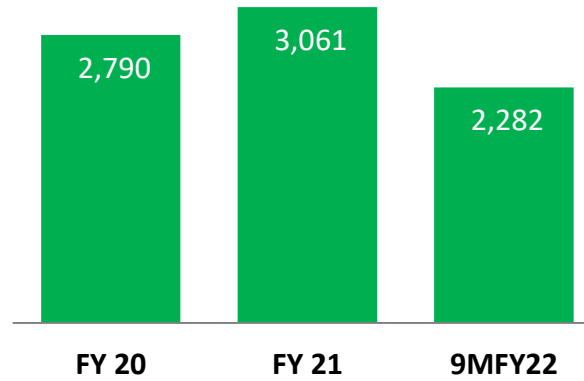
- Total Income for Q3FY22 was Rs.867 Mn (up 13% QoQ and 16% YoY)
- Our Core Revenue, which comprises of Pre-Formulation Intermediaries (PFI) exports, Finished Formulation (FF) exports, Oral Thin Films (OTF) and high margin Government of India (GOI) domestic business, grew 20% YoY and 17% QoQ
- EBITDA margins expanded to 13.1% for the quarter (up from 12.5% in Q2)
- Overall borrowings reduced to Rs.770 Mn (from Rs.811 Mn in April 21), additionally average cost of borrowing during the quarter was reduced to 8.6% from 12.7% in the beginning of the financial year
- Pre-Tax Profit for Q3 grew to Rs.61 Mn (up from Rs.29 Mn in Q2); Pre-Tax Profit for 9MFY22 was Rs.93 Mn, up from Rs.60 Mn for 9MFY21
- We continue to invest in R&D Infrastructure and in product development, total investment in R&D related costs was maintained at 7% of Total Income for 9MFY22

Business

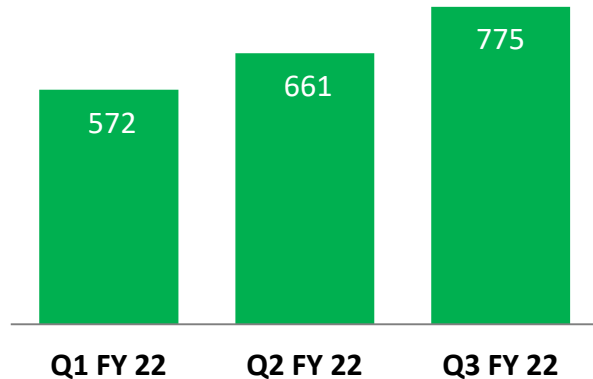
Total Income (Rs. Mn)



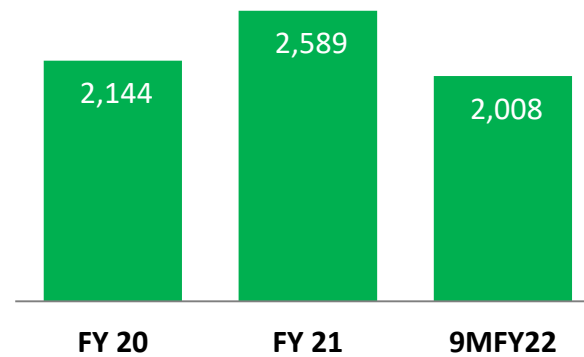
Total Income (Rs. Mn)



Core Revenue (Rs. Mn)

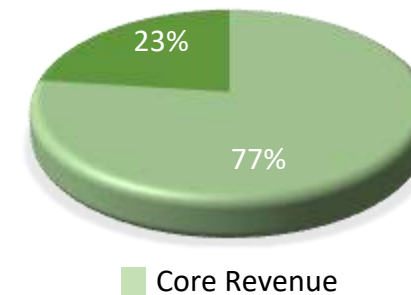


Core Revenue (Rs. Mn)

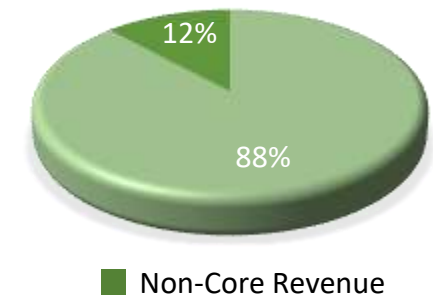


- Growth in Core Revenue and its increasing contribution to Total Income has been on back of our continued effort on growing business of higher margin value added products, primarily for exports
- Our lower margin “Non-Core” businesses of “Deemed Exports” and “Others” will be on selective basis

FY 20



9MFY22



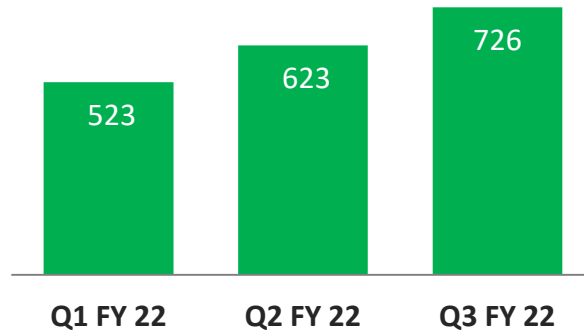
Core Revenue comprise of PFI export, FF export, OTF, high margin GoI business



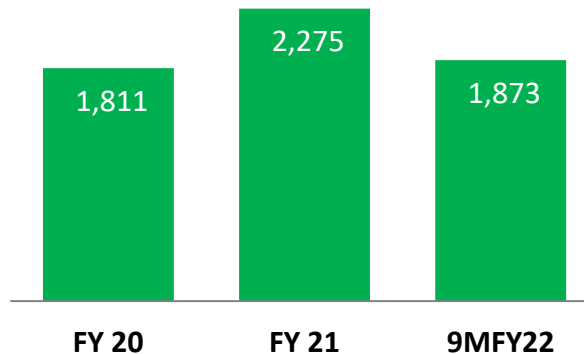
Revenue

- Our Exports grew to Rs.726 Mn in Q3 – up from Rs.623 Mn in Q2 (17% growth QoQ); Contribution of Exports to Total Income increased to 84% (Vs 81% in Q1 and Q2 FY22)
- Total Exports for 9MFY22 was Rs.1,873 Mn, 10.5% higher than Rs.1,694 Mn for 9MFY21; Contribution of Exports to Total Income increased to 82% for 9MFY22 (Vs 73% for 9MFY21)
- We remain focused on developing innovative and differentiated generic pharmaceutical formulations and pre-formulation intermediaries for export to the “Developed Markets” alongside our growth initiatives for business in RoW markets
- 21 products were filed for registration for exports and 16 products received registration during the 9MFY22
- 13 new products are under development in various stages including a few in BE and clinical study stage. These products will be considered for registration across markets once trials are successfully completed

Export Revenue (Rs. Mn)

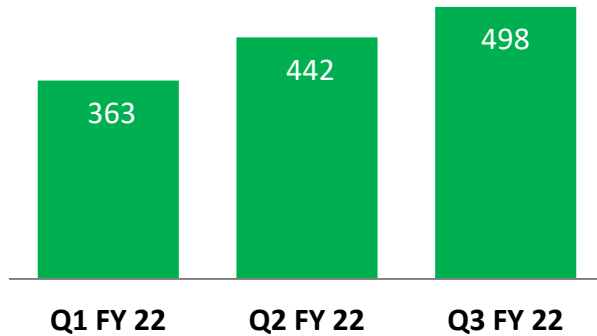


Export Revenue (Rs. Mn)

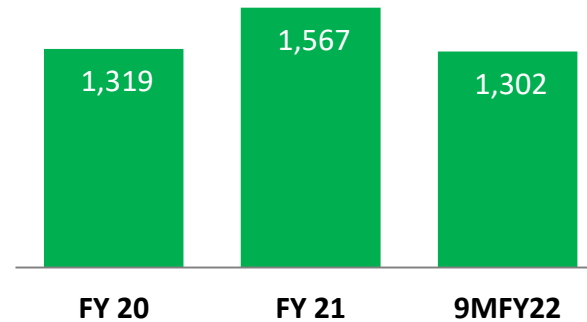


- Our exports are primarily to RoW markets of Asia Pacific, Middle East and Africa (MENA), CIS Countries and Latin America Countries (LATAM)
- During 9MFY22, we have tied up with 6 companies for marketing of our 5 new products in the Developed Markets
- 7 “New Innovative Pharmaceutical Products” are in the process of registration for exports to the Developed Markets
- We have also initiated the development of innovative and differentiated “Healthcare Supplements” and “Lifestyle / Wellness” products using our various Drug Development Technologies for sale as Over The Counter (OTC) products in India and globally

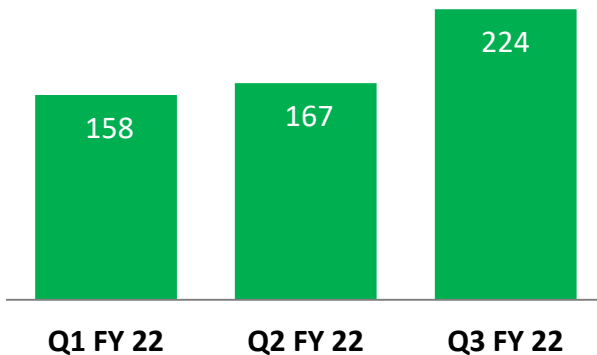
PFI Export (Rs. Mn)



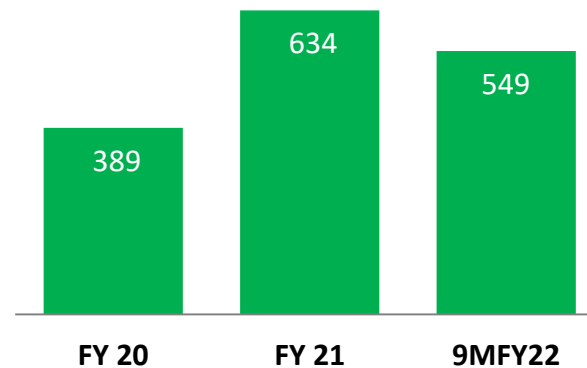
PFI Exports (Rs. Mn)



Finished Formulation Export (Rs. Mn)



Finished Formulation Export (Rs. Mn)



- For Q3, FF and PFI exports grew 34% and 13% QoQ resp
- For 9MFY22, the growth in FF and PFI exports was 15% and 13% compared to 9MFY21 resp
- 234 Finished Formulations are registered across markets in the name of Zim; 143 FF products are in the pipeline pending for registration
- The grow in both FF and PFI exports, will continue in a manner that avoid marketing and branding conflicts; particularly through non-exclusive marketing arrangements



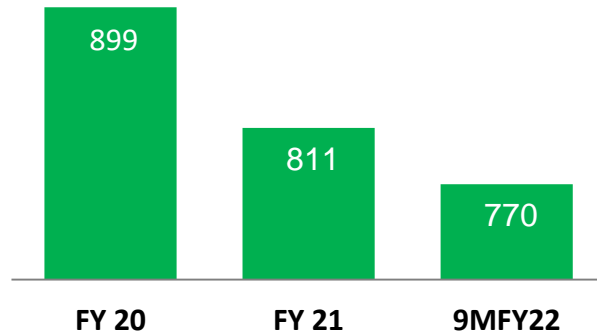
Oral Thin Films (OTF)



OTF Business

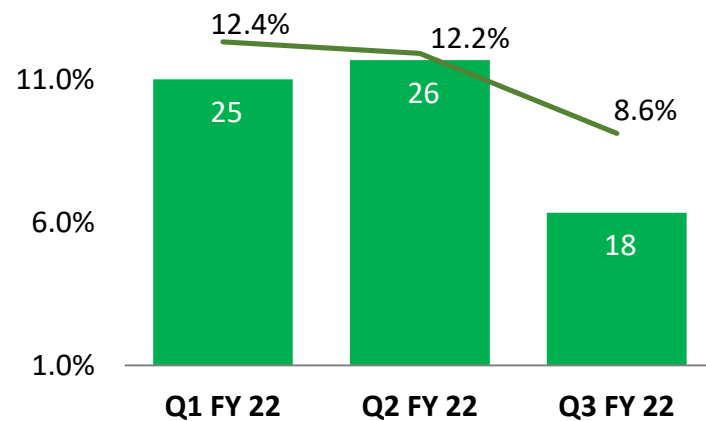
- During 9MFY22, we received registration and marketing authorization of our Oral Thin Film product - Rizatriptan Benzoate for the EU market (1st product for EU)
- Along with Rizatriptan, Tadalafil, Sildenafil, Melatonin, Ondansetron, Vitamin D3, Methylcobalamin, Levocetirizine etc., in various strengths have received approvals and been commercialized across many RoW markets
- In addition, multiple OTF products are under Co-Development with multi-national pharmaceutical companies for registration and launch in the Regulated Markets
- A range of Healthcare Supplement and Wellness products using the patented Thinoral® technology has also been developed and commercialized under our own nutraceutical brand ZimUNat and distributed the Online / E-commerce sales channel like TATA 1MG, Amazon and Flipkart etc.
- Some of our OTF range of Healthcare Supplement and Wellness products have also been sourced by leading Online/ E-commerce Healthcare Brands for distribution through their E-commerce and Online channels
- This division is gearing up to develop Healthcare Supplement and Wellness products – from both natural and chemical extracts under scientific process and formulations for Developed and RoW markets

Total Borrowings (Rs. Mn)



- During Q3, some of the high-cost NBFC debt were repaid through lower cost Bank borrowings resulting in overall lower debt outstanding and saving in interest expenses
- Outstanding debt in December 2021 was at Rs.770 Mn, reduced by over 15%, from Rs.899 Mn in March 2020

Finance Cost (Rs Mn) and as % of Borrowing

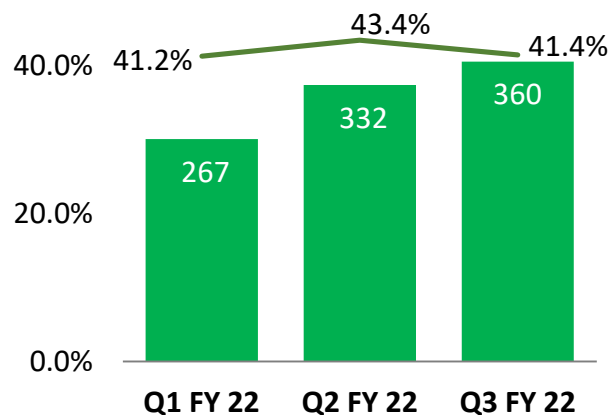


- The average cost of borrowing for Q3 is at 8.6% (compared to average cost of borrowing of 12.7% in FY21 and 15.2% in FY20)
- Our gearing is at 0.54 (based on provisional financials of September 2021) Vs. 0.59 in March 20. We are also comfortable on our debt coverage with the Banks

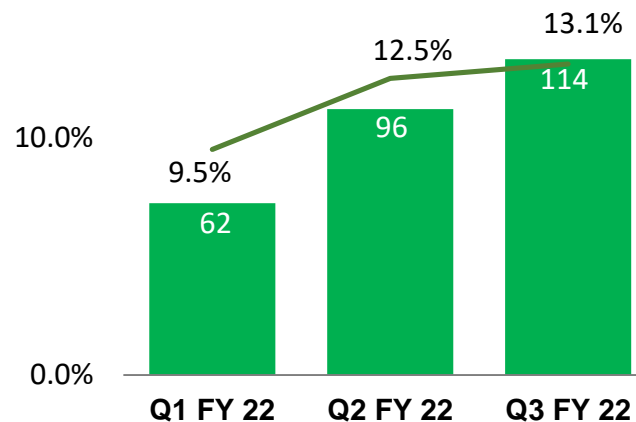


- Net Margin % for Q3FY22 expanded to 41.4% compared to 40.7% for Q3FY21 (QoQ). Similarly, Net Margin % for 9MFY22 grew to average 42% (Vs 38.5% in 9MFY21)
- Though Operating Expenses have grown on back of growth in business, EBITDA Margin % has seen expansion over the quarters. In Q3FY22 EBITDA Margin % was at 13.1% compared to 10.9% for Q3FY21 (QoQ)
- PBT increase has come on back of margin expansion & savings in interest costs

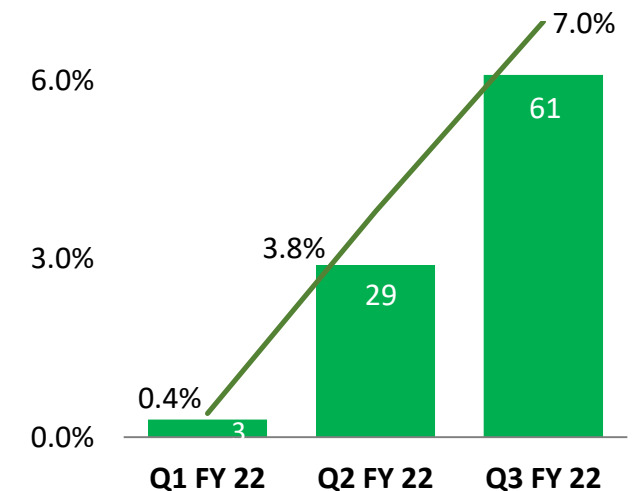
Net Margin (Rs Mn) and as % of Total Income (TI)



EBITDA (Rs Mn) and as % of TI



PBT (Rs Mn) and as % of TI

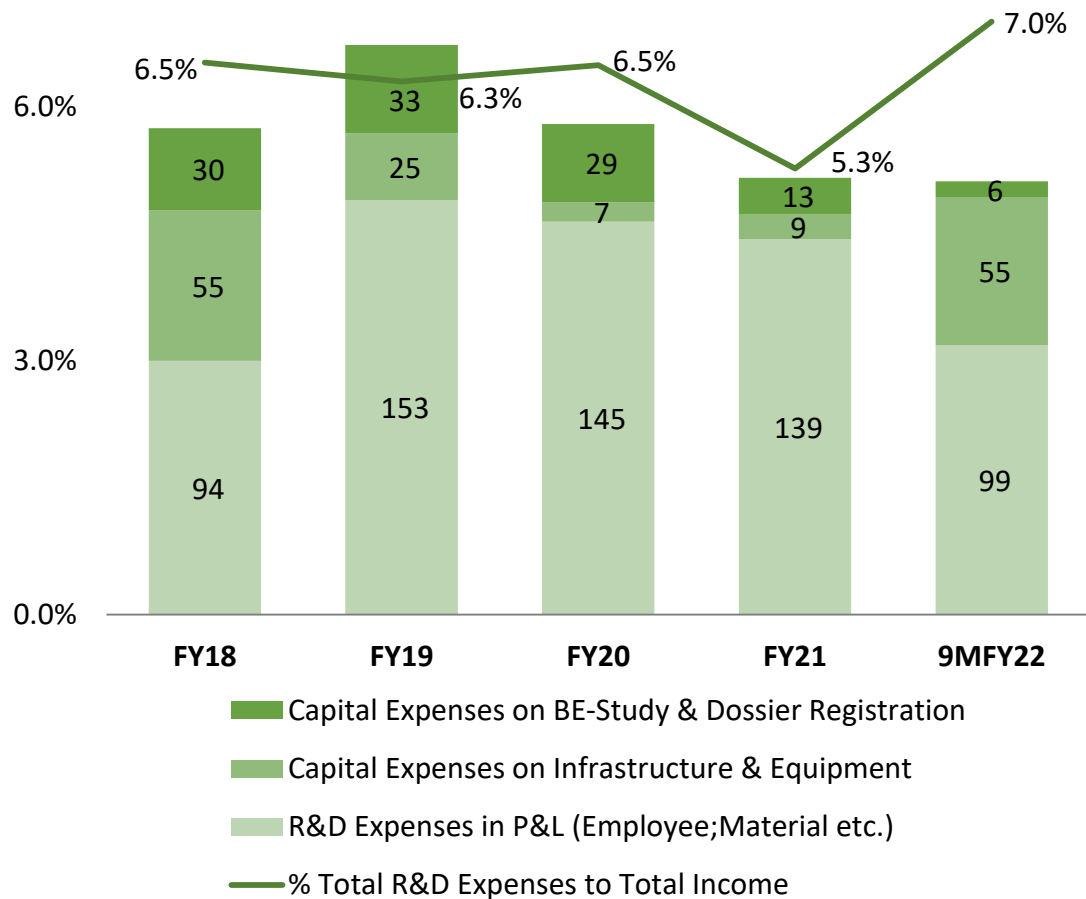


Key Financial Highlights: Income Statement

Particulars (Rs. Mn)	Q3FY 22	Q3FY21	Change % (YoY)	9M YTD Dec 21	9M YTD Dec 20	Change % (YoY)
Revenue from Operations	860	742	16%	2,254	2,305	-2%
Other Income	7	8	-8%	29	16	79%
Total Income	867	750	16%	2,282	2,321	-2%
Net Margin	360	305	18%	959	892	8%
Net Margin %	41.4%	40.7%		42.0%	38.5%	
EBITDA	114	82	39%	271	299	-9%
EBITDA %	13.1%	10.9%		11.9%	12.9%	
Profit Before Tax (PBT)	61	22	175%	93	60	54%
PBT %	7.0%	2.9%		4.1%	2.6%	
EPS (Rs / Share)	2.70	0.94	187%	4.05	2.61	55%

Research and Development (R&D)

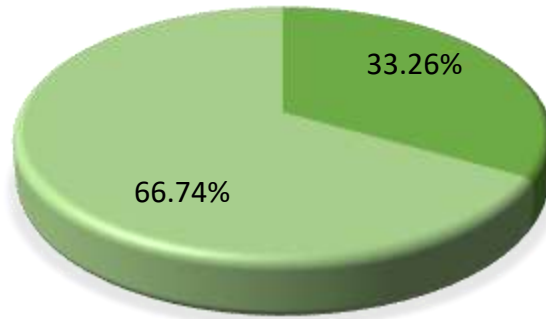
R&D Expenses (Rs. Mn) and as % of Total Income (RHS)



- Our combined expenses on R&D has been between 6% to 7% of Total Income. Of this, around 2/3RD has been in revenue expenses incurred on salary, materials, consumables etc. and the balance on capital R&D expenses
- Separate laboratories and teams exist for the main-stream R&D and for the Oral Thin Film divisions with each division responsible for developing their own distinct sets of products including studies and filings
- Presently 14 complex generic Co-Development projects in pipeline for Europe, Brazil and Turkey markets
- 4 OTF products are signed under Co-Development projects
- 6 registrations filed for Developed Markets - Europe (3), Brazil (1) and Canada (2) in collaboration with global partners

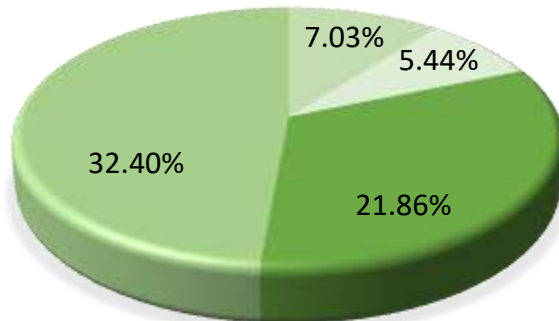
Overall Shareholding : %

- Promoter Group
- Public



Public Shareholding: %

- NRI & Foreign Individuals
- Body Corporates
- HNI
- Other Public Shareholding



- Promoter Group shareholding is free of any encumbrance
- During the period 9M YTD Dec 2021, our private equity investor - AA Development Capital Fund 1, LLC (PE Investor) exited the company through secondary sale of its shares to a HNI
- 1Mn 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).





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THANKYOU