# Zai Lab Ltd.

**ZLAB**

Nasdaq; healthcare; SIC 2834, Pharmaceutical Preparations; CIK 0001704292

**C**

**middle fifth of 370 graded peers in healthcare**

rank 201 of 370; percentile 54.2; sampling error 2.5 points; lower is stronger

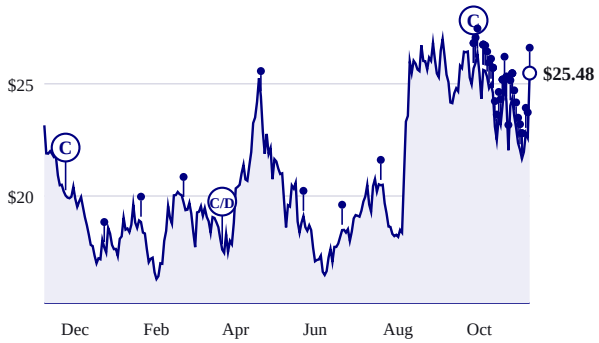
A B C D E

**C, the tortoise**



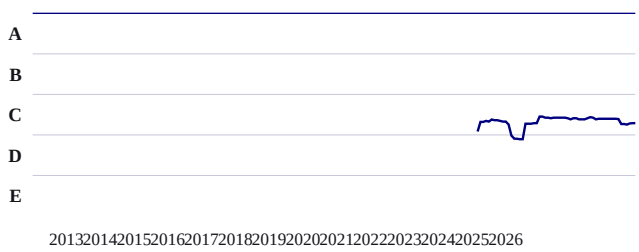
| Scoreboard | |
|---|---|
| **Profitability** | C/D<br>percentile 59.5 |
| **Solvency** | C<br>percentile 49.7 |
| **Growth and financing** | B/C<br>percentile 38.8 |
| **Reliability** | 0.91 AUC<br>filers with $591M to $2.67B assets; 95% interval 0.88 to 0.94; 160 events, 2020 to 2025 |
| **Peer failure rate** | 1.01% a year<br>Item 1.03 bankruptcies, same asset band, 2012 to 2025 |
| **Size band** | $591M to $2.67B assets<br>total assets $1.2B |
| **Standard universe** | inside<br>revenue above $1M and assets above $10M |
| **Warnings** | none triggered<br>not computable: dilution, fortress balance sheet |
| **Inputs computable** | 8 of 14 |
| **Graded from** | filings received through Feb 26, 2026<br>254 days before the rescan; latest periodic filing 10-Q received Nov 5, 2026 |
| **Last close** | $25.48<br>2026-11-06; market equity $28.7B; no price enters the letter |

**Share price, twelve months to the rescan**




*Split-adjusted close. Each lollipop is a rescan and carries the letter held then.*

**Letter at every rescan, 2012 to 2026**




*Sector percentile at each rescan, stronger toward the top; facts filed by each date only.*

## Business, in the company's words

*opening of Item 1 of the 10-K received Feb 26, 2026*

We are a patient-focused, innovative, commercial-stage, global biopharmaceutical company with a substantial presence in both Greater China and the United States. We are focused on discovering, developing, and commercializing products that address medical conditions with significant unmet needs in the areas of oncology, immunology, neuroscience, and infectious disease. We intend to leverage our competencies and resources to positively impact human health. To that end, our experienced team has secured partnerships with leading global biopharmaceutical companies to generate a broad pipeline, including multiple commercial products and multiple programs in late-stage clinical development.

## The fourteen inputs

*lower percentile is stronger; sleeves and inputs within a sleeve carry equal weight*

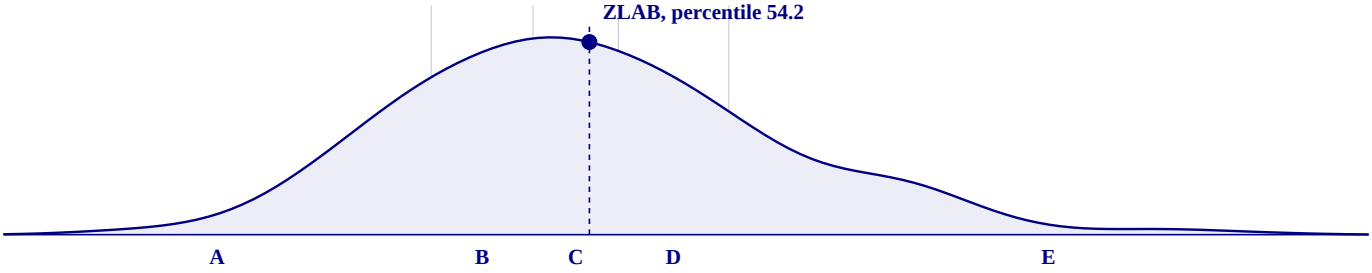
| Input | Value | Peer median | Percentile, 0 to 100 | Pct | Peers | Period end |
|---|---|---|---|---|---|---|
| **Profitability, sleeve percentile 59.5** | | | | | | |
| Gross profitability | 22.7% | 32.3% | | 59.9 | 365 | 2025-12-31 |
| Return on invested capital | not computable | 9.3% | | | | |

Not investment advice. Informational and educational only. Data from SEC EDGAR, may contain errors, is not warranted. The grade ranks reported financial condition and is not a return forecast.

| | | | | | | |
|---|---|---|---|---|---|---|
| *one or more required annual facts are missing* | | | | | | |
| Accruals ratio | (2.1%) | (6.6%) | | 76.2 | 802 | 2025-12-31 |
| Gross margin stability, five years | 2.4 pts | 2.8 pts | | 42.3 | 242 | 2025-12-31 |
| **Solvency, sleeve percentile 49.7** | | | | | | |
| Twelve-month failure probability | 0.06% | 0.08% | | 35.5 | 249 | 2026-09-30 |
| Altman Z double-prime | (3.61) | (0.37) | | 49.9 | 747 | 2025-12-31 |
| Net debt to EBITDA | not computable | 1.82x | | | | |
| *one or more required annual facts are missing* | | | | | | |
| Interest coverage | not computable | (4.51x) | | | | |
| *latest aligned inputs end 2024-12-31; latest annual assets end 2025-12-31* | | | | | | |
| Current ratio | 2.45x | 2.94x | | 63.8 | 828 | 2025-12-31 |
| **Growth and financing, sleeve percentile 38.8** | | | | | | |
| Revenue growth, three-year compound | 29.1% | 10.0% | | 23.1 | 412 | 2025-12-31 |
| Free cash flow growth, three-year compound | not computable | 10.9% | | | | |
| *current FCF must be positive and base FCF must exceed $100,000* | | | | | | |
| Reinvestment rate | not computable | 37.1% | | | | |
| *NOPAT must exceed $100,000* | | | | | | |
| Asset growth, three years | (1.3%) | 2.2% | | 54.5 | 696 | 2025-12-31 |
| Net share issuance, one year | not computable | 2.5% | | | | |
| *two annual share counts are required; found 1* | | | | | | |

## Among 370 peers

*healthcare; letters are fifths of this list*




*Composite score of every graded peer, smoothed; vertical rules are the letter band edges; stronger to the left.*

| Rank | Company | Percentile | Letter | Warnings |
|---|---|---|---|---|
| 196 | Nexgel, Inc. (NXGL) | 53.0 | C | late filer |
| 197 | Nexgel, Inc. (NXGLW) | 53.0 | C | late filer |
| 198 | Universal Health Services Inc. (UHS) | 53.4 | C | |
| 199 | Sotera Health Co. (SHC) | 53.7 | C | |
| 200 | Cabaletta Bio, Inc. (CABA) | 53.9 | C | dilution |
| 201 | Zai Lab Ltd. (ZLAB) | 54.2 | C | |
| 202 | Emergent BioSolutions Inc. (EBS) | 54.5 | C | |
| 203 | Teladoc Health, Inc. (TDOC) | 54.7 | C | fortress balance sheet |
| 204 | Roivant Sciences Ltd. (ROIV) | 55.0 | C | fortress balance sheet |
| 205 | Abbott Laboratories (ABT) | 55.3 | C | |
| 206 | Neuronetics, Inc. (STIM) | 55.6 | C | |

## What the price implies

*at the 2026-11-06 close; none of these enters the grade*

| Measure | Value | Peer median | Percentile |
|---|---|---|---|
| Twelve-month price change, skipping the latest month | 0.8% | (2.1%) | 52 |
| Distance from 52-week high | (5.6%) | (30.5%) | 83 |
| EBIT to enterprise value | not computable | (1.5%) | |

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| | | | |
|---|---|---|---|
| Free cash flow yield | (0.6%) | (1.0%) | 51 |
| Book value to price | 0.02 | 0.29 | 14 |
| Sales to price | 0.02 | 0.30 | 8 |
| Composite equity issuance, five years | not computable | 21.4% | |
| Relative strength against the sector, log excess return | (0.16) | (0.19) | 52 |

## Diagnostics

*shown on every report; none enters the grade*

| Measure | Value |
|---|---|
| **Piotroski F-score None of 9, period end 2025-12-31** | |
| Return on assets above zero | fail |
| Operating cash flow above zero | fail |
| Return on assets improved | pass |
| Operating cash flow exceeds net income | pass |
| Long-term leverage fell | fail |
| Current ratio improved | fail |
| No new shares issued | fail |
| Gross margin improved | fail |
| Asset turnover improved | pass |
| **Cash, filings, liquidity** | |
| Cash and equivalents | $549.7M |
| Operating cash flow, four quarters | -$159.2M |
| Months of runway | 41.4 |
| Days since last periodic filing | 2 (10-Q received Nov 5, 2026) |
| Median daily dollar volume, 63 sessions | $23.1M |

## Sources

*every fact behind the inputs; each row links to its filing index on sec.gov*

| # | Concept | XBRL tag | Value | Period end | Received | Form | Accession |
|---|---|---|---|---|---|---|---|
| 1 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $457.2M | 2025-12-31 | 2026-02-26 | 10-K | 26-000015 |
| 2 | cost of revenue | us-gaap:CostOfGoodsAndServicesSold | $190.5M | 2025-12-31 | 2026-02-26 | 10-K | 26-000015 |
| 3 | assets | us-gaap:Assets | $1.2B | 2025-12-31 | 2026-02-26 | 10-K | 26-000015 |
| 4 | net income | us-gaap:NetIncomeLoss | -$175.5M | 2025-12-31 | 2026-02-26 | 10-K | 26-000015 |
| 5 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | -$150.8M | 2025-12-31 | 2026-02-26 | 10-K | 26-000015 |
| 6 | assets | us-gaap:Assets | $1.2B | 2024-12-31 | 2026-02-26 | 10-K | 26-000015 |
| 7 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $397.6M | 2024-12-31 | 2026-02-26 | 10-K | 26-000015 |
| 8 | cost of revenue | us-gaap:CostOfGoodsAndServicesSold | $147.1M | 2024-12-31 | 2026-02-26 | 10-K | 26-000015 |
| 9 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $266.7M | 2023-12-31 | 2026-02-26 | 10-K | 26-000015 |
| 10 | cost of revenue | us-gaap:CostOfRevenue | $95.8M | 2023-12-31 | 2024-02-27 | 10-K | 24-007235 |
| 11 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $212.7M | 2022-12-31 | 2025-02-27 | 10-K | 25-008409 |
| 12 | cost of revenue | us-gaap:CostOfRevenue | $74.0M | 2022-12-31 | 2024-02-27 | 10-K | 24-007235 |
| 13 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $144.1M | 2021-12-31 | 2024-02-27 | 10-K | 24-007235 |
| 14 | cost of revenue | us-gaap:CostOfRevenue | $52.2M | 2021-12-31 | 2024-02-27 | 10-K | 24-007235 |
| 15 | current assets | us-gaap:AssetsCurrent | $1.0B | 2025-12-31 | 2026-02-26 | 10-K | 26-000015 |
| 16 | current liabilities | us-gaap:LiabilitiesCurrent | $416.2M | 2025-12-31 | 2026-02-26 | 10-K | 26-000015 |
| 17 | retained earnings | us-gaap:RetainedEarningsAccumulatedDeficit | -$2.6B | 2025-12-31 | 2026-02-26 | 10-K | 26-000015 |
| 18 | operating income | us-gaap:OperatingIncomeLoss | -$229.4M | 2025-12-31 | 2026-02-26 | 10-K | 26-000015 |
| 19 | book equity | us-gaap:StockholdersEquity | $715.5M | 2025-12-31 | 2026-02-26 | 10-K | 26-000015 |
| 20 | liabilities | us-gaap:Liabilities | $456.9M | 2025-12-31 | 2026-02-26 | 10-K | 26-000015 |
| 21 | operating income | us-gaap:OperatingIncomeLoss | -$282.1M | 2024-12-31 | 2026-02-26 | 10-K | 26-000015 |
| 22 | interest expense | us-gaap:InterestExpense | $2.3M | 2024-12-31 | 2025-02-27 | 10-K | 25-008409 |
| 23 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $8.1M | 2025-12-31 | 2026-02-26 | 10-K | 26-000015 |
| 24 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | -$214.9M | 2024-12-31 | 2026-02-26 | 10-K | 26-000015 |
| 25 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $5.7M | 2024-12-31 | 2026-02-26 | 10-K | 26-000015 |

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| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 26 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | -$198.2M | 2023-12-31 | 2026-02-26 | 10-K | 26-000015 |
| 27 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $7.2M | 2023-12-31 | 2026-02-26 | 10-K | 26-000015 |
| 28 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | -$367.6M | 2022-12-31 | 2025-02-27 | 10-K | 25-008409 |
| 29 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $24.6M | 2022-12-31 | 2025-02-27 | 10-K | 25-008409 |
| 30 | depreciation amortization | us-gaap:DepreciationDepletionAndAmortization | $15.0M | 2025-12-31 | 2026-02-26 | 10-K | 26-000015 |
| 31 | pretax income | us-gaap:IncomeLossFromContinuingOperationsBeforeInc... | -$178.5M | 2025-12-31 | 2026-02-26 | 10-K | 26-000015 |
| 32 | income tax | us-gaap:IncomeTaxExpenseBenefit | -$2.9M | 2025-12-31 | 2026-02-26 | 10-K | 26-000015 |
| 33 | current assets | us-gaap:AssetsCurrent | $1.1B | 2024-12-31 | 2026-02-26 | 10-K | 26-000015 |
| 34 | current liabilities | us-gaap:LiabilitiesCurrent | $299.4M | 2024-12-31 | 2026-02-26 | 10-K | 26-000015 |
| 35 | assets | us-gaap:Assets | $1.0B | 2023-12-31 | 2025-02-27 | 10-K | 25-008409 |
| 36 | assets | us-gaap:Assets | $1.2B | 2022-12-31 | 2024-02-27 | 10-K | 24-007235 |
| 37 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 88,592,343 | 2021-02-26 | 2021-03-01 | 10-K | 21-062279 |