

December 02, 2020

To,  
The Manager  
Listing Department,  
**The National Stock Exchange of India Limited**  
Exchange Plaza,  
Bandra Kurla Complex,  
Bandra (E), Mumbai – 400051

Dear Sir/Madam,

**Trading Symbol: ZOTA**

**Sub: Investor Presentation**

**Ref: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

With reference to the captioned subject we, Zota Health Care Limited (the “Company”) are submitting herewith enclosed the Investor Presentation in respect of Financial Results for the quarter ended September 30, 2020.

This is for your information and record.

Thanking you;

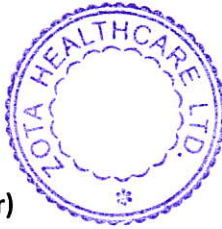
Yours faithfully,

For Zota Health Care Limited



**Ashvin Variya**  
**(Company Secretary & Compliance Officer)**

Place: Surat



Encl: a/a

**Registered Office :**

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Sagrampura, Surat - 395 002 | Ph: +91 261 2331601  
Email: info@zotahealthcare.com  
Web : www.zotahealthcare.com  
CIN : L24231GJ2000PLCO38352

**Plant :**

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Surat - 394 230 (Guj.) India  
Ph: +91 261 2397122



# Q2FY21 Performance Highlights December 2020



Powered By  zota<sup>®</sup> healthcare Ltd.



 **davaindia**<sup>®</sup>

Save UPTO  
**90%** on  
generic medicines

\*90% savings compared to price of leading brands. Conditions apply.



 **davaindia**<sup>™</sup>  
GENERIC PHARMACY

A chain of pharmacy store providing generic alternatives to branded medicines



 **zota**<sup>®</sup>  
healthcare Ltd.

Health for all.





# Safe Harbor

This presentation has been prepared by the Zota Health Care Limited (the “Company”) only for information purpose to the stakeholders and does not contain any offer or invitation to subscribe the securities of the Company. No offering of securities shall be made except by means of offer documents.

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Stakeholders are advice to compare the data provided in the presentation with the full financial results available on the website of the Company as well as on website of NSE Emerge.

This presentation contains “forward looking statement”, including “future oriented financial information” and “financial outlook”. This forward looking statement is based on management’s current expectations and belief, and subject to uncertainty. Actual result may be vary from the material facts contained in this presentation due to changes in government policies, regulations, economics reforms, natural calamities, competition, technology, etc. Company is not under obligation to inform any update or alter in forward looking statement, whether as a result of any new information or future events



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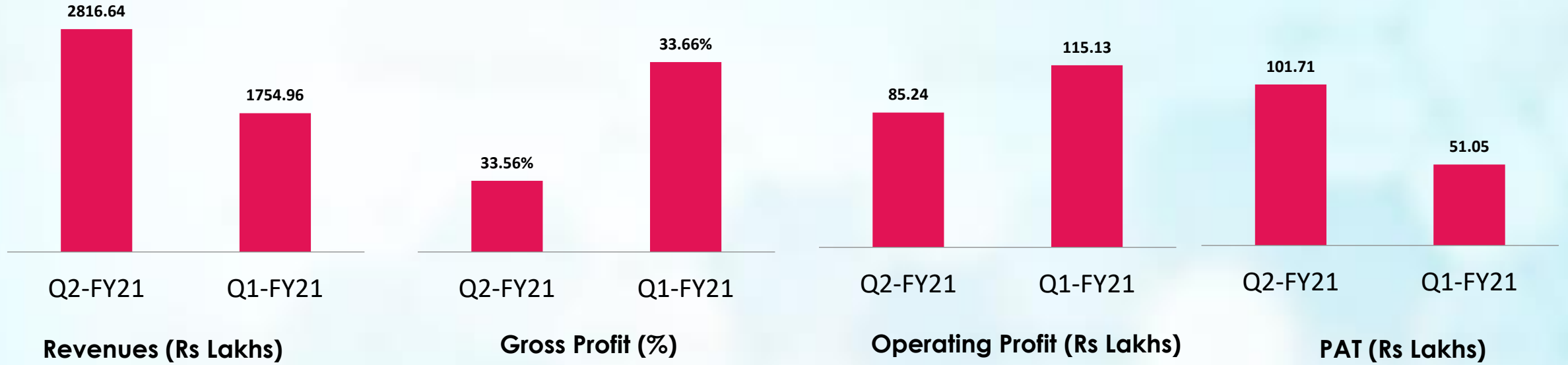
# Qtr- Result Highlights & Operational Metrics



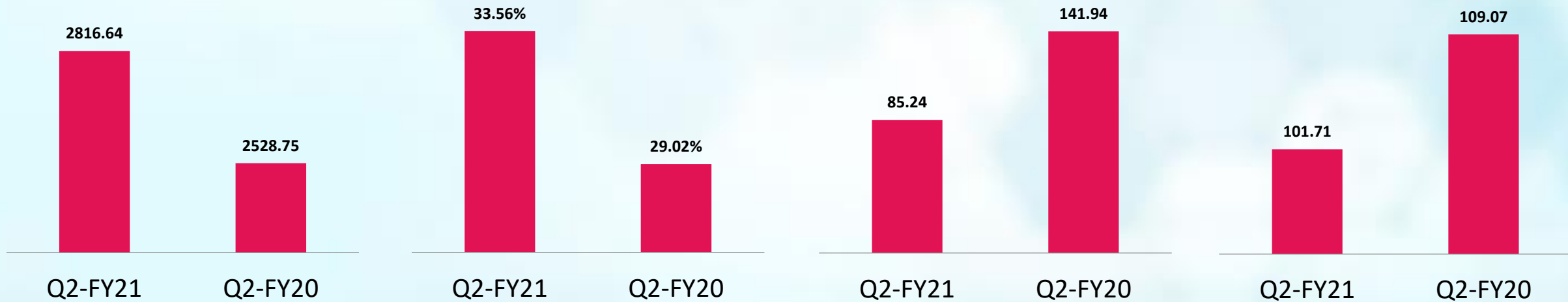


# Consol Quarterly Financial Highlights

Q-o-Q



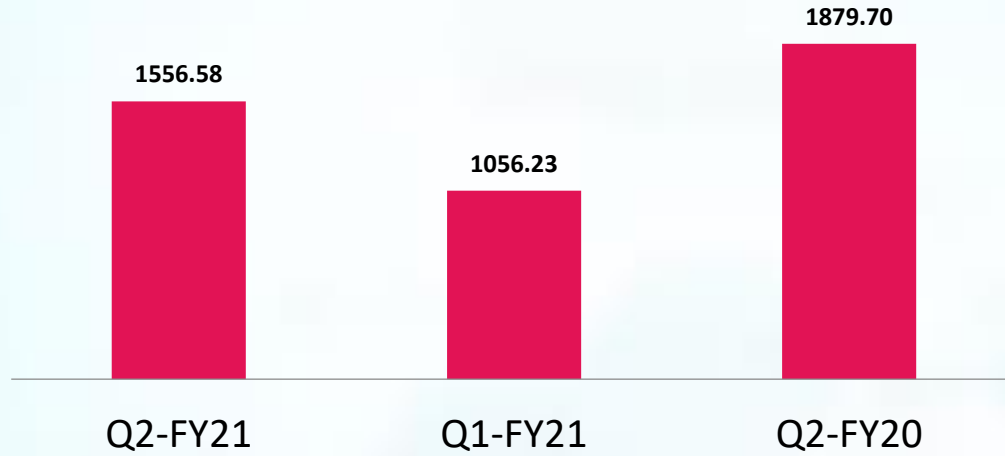
Y-o-Y



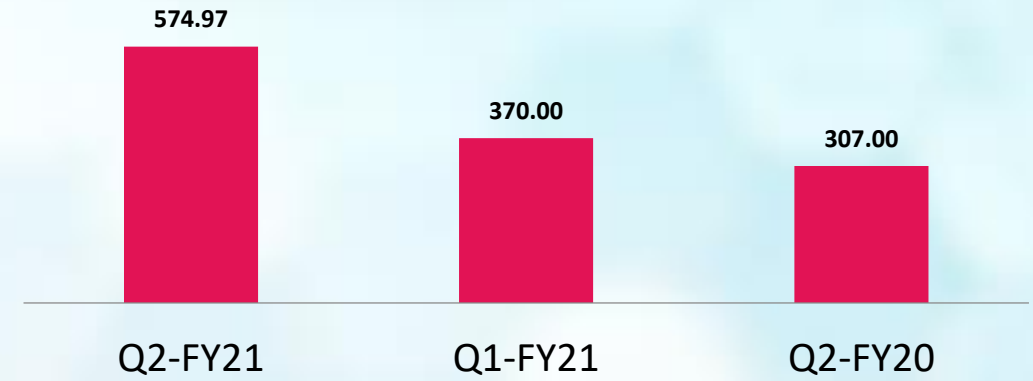


# Revenue Break up – Quarterly

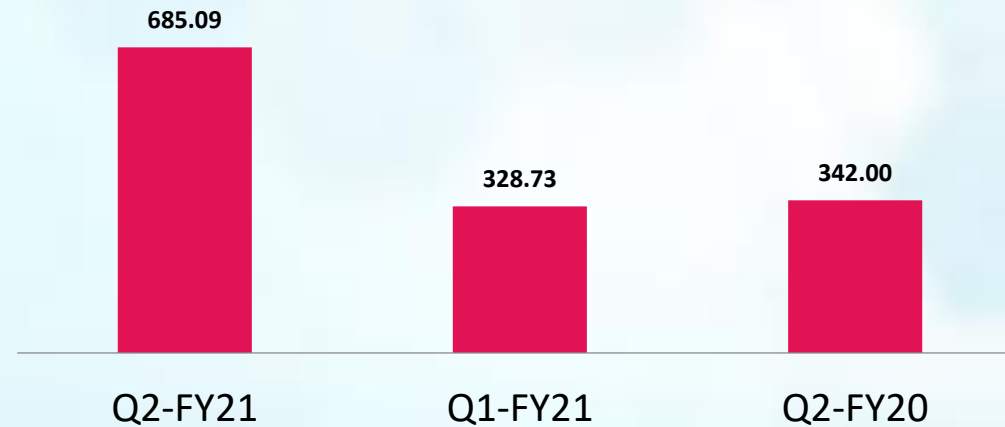
## Domestic Sales



## DavaIndia Sales



## Export Sales (SEZ)





# Consol Profit & Loss Statement - Quarterly

Particulars (Rs Lakhs)	Q2FY21	Q2FY20	YoY %	QoQ %	Q1FY21
Export Sales (SEZ)	685.09	342	100%	108%	328.73
Dava India Sales	574.97	307	87%	55%	370
Domestic Sales	1556.58	1,879.70	-17%	47%	1,056.23
<b>Revenues from Operations</b>	<b>2,816.64</b>	<b>2,528.70</b>	11%	60%	<b>1,754.96</b>
Cost of Goods Sold	1,871.49	1794.84	4%	61%	1,164.32
<b>Gross Profit</b>	<b>945.15</b>	<b>733.9</b>	29%	60%	<b>590.64</b>
<b>% Margin</b>	<b>33.56%</b>	<b>29.02%</b>	<b>454 BPS</b>	<b>(-) 10 BPS</b>	<b>33.66%</b>
Operational Exp	859.91	591.97	45%	81%	475.51
Employee cost	236.81	258.99	-9%	15%	206.5
Other expenses	623.1	332.98	87%	132%	269.01
<b>Operating Profit</b>	<b>85.24</b>	<b>141.94</b>	-40%	-26%	<b>115.13</b>
<b>% Margin</b>	<b>3.03%</b>	<b>5.61%</b>	<b>(-) 258 BPS</b>	<b>(-) 353 BPS</b>	<b>6.56%</b>
Other Income	21.1	37.49	-44%	-9%	23.08
Exceptional Item	102.88	0	100%	100%	0
<b>EBITDA</b>	<b>209.22</b>	<b>179.43</b>	17%	51%	<b>138.21</b>
<b>% Margin</b>	<b>7.43%</b>	<b>7.10%</b>	<b>33 BPS</b>	<b>(-) 45 BPS</b>	<b>7.88%</b>
Depreciation	76.63	32.05	139%	4%	73.91
<b>EBIT</b>	<b>132.59</b>	<b>147.38</b>	-10%	106%	<b>64.3</b>
<b>% Margin</b>	<b>4.71%</b>	<b>5.83%</b>	<b>(-) 112 BPS</b>	<b>101 BPS</b>	<b>3.66%</b>
Interest Cost	1.48	1.02	45%	100%	0.74
<b>EBT</b>	<b>131.11</b>	<b>146.36</b>	-10%	106%	<b>63.56</b>
<b>% Margin</b>	<b>4.65%</b>	<b>5.79%</b>	<b>(-) 114 BPS</b>	<b>103 BPS</b>	<b>3.62%</b>
Taxes	29.39	37.3	-21%	135%	12.51
<b>Profit After Taxes</b>	<b>101.71</b>	<b>109.06</b>	-7%	99%	<b>51.05</b>
<b>% Margin</b>	<b>3.61%</b>	<b>4.31%</b>	<b>(-) 70 BPS</b>	<b>70 BPS</b>	<b>2.91%</b>





## Management Commentary

- After the COVID-19 outbreak and a one-time hiccup in the performance of the company in Q1FY21, the company has made a strong recovery in Revenue from Operations across all three segments in Q2FY21. In fact new-age businesses of the company i.e. Dava India and Exports recorded some of the best ever performance in the period under review.
- Company has registered the Gross Profit margins of 33.56% in Q2FY21 10bps lower than Q1FY21.
- EBITDA at Rs 209.22 Lakhs 17% higher YoY, margins at 7.43% on account of realization of profits in the exceptional items.
- PAT declined 7% YoY at 101.71 Lakhs.



# Management Commentary

## Domestic Operations

- Domestic operations of the company have made a major recovery after the COVID-19 Lockdown, on a Q-o-Q basis the Revenue from Operations grew 49%, while the operations are still down 2.5% on a Y-o-Y basis – the management is confident of making a strong recovery at par to pre-COVID levels.
- The company has registered the domestic revenues of Rs. 2153.74 Lakhs in Q2FY21.
- In Q2FY21 - EBITDA came in at Rs. – 26.34 Lakhs on back of higher operational expenses.
- PAT at Rs. – 89.69 lakhs in Q2FY21 on account of accelerated depreciation.

*\* Here Domestic operations also includes the DavaIndia Operations.*

## Exports

- COVID-19 outbreak had caused a nationwide lockdown, due to this the company's manufacturing plant was totally shut uptill April 16, 2020 after that operations were started in phased manner, this had adversely impacted the export business of the Company in the previous quarter. **However Export business has a made a strong recovery in Q2FY21 with 100% and 108% growth on Y-o-Y and Q-o-Q basis respectively.**
- Export Revenues increased by 100 % YoY at Rs. 685.09 Lakhs in Q2FY21
- In Q2FY21, EBITDA at Rs. 235.58 lakhs with the margins of 34%
- PAT stood at Rs.191.44 lakhs for Q2FY21



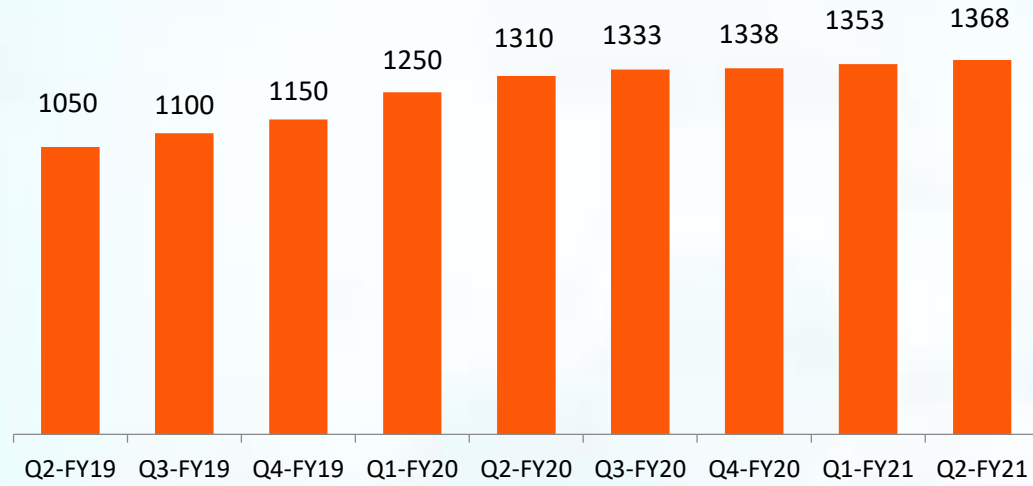
**dava**india<sup>®</sup>  
GENERIC PHARMACY



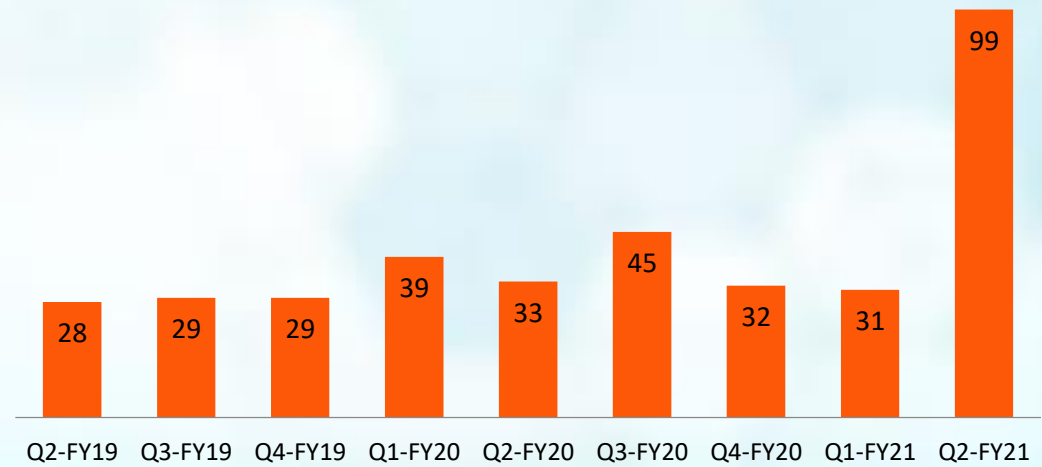


# Davaindia Key Figures

## SKU's

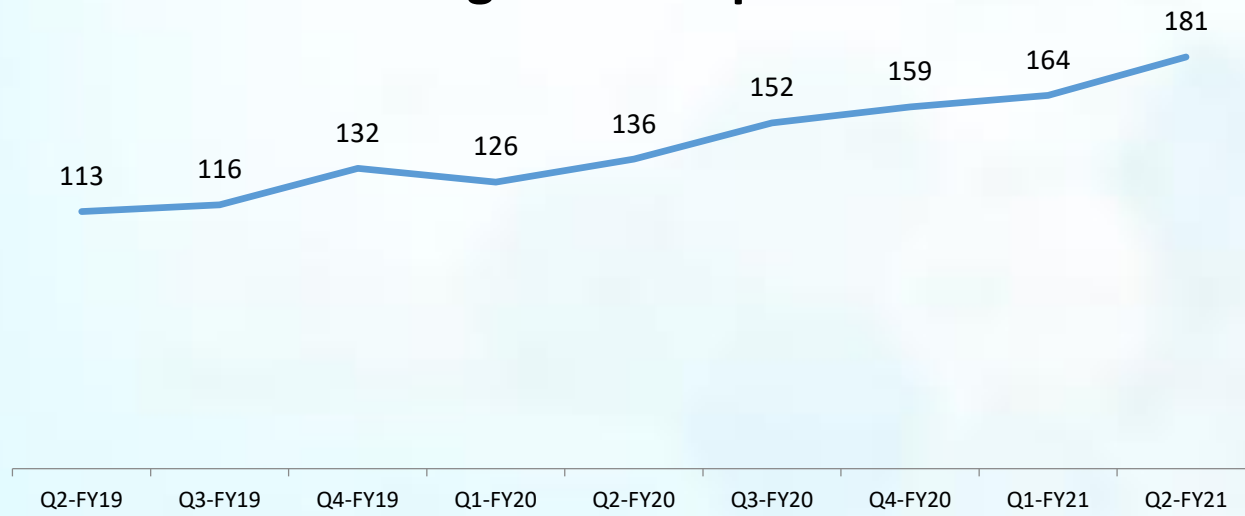


## Stores rolled-out

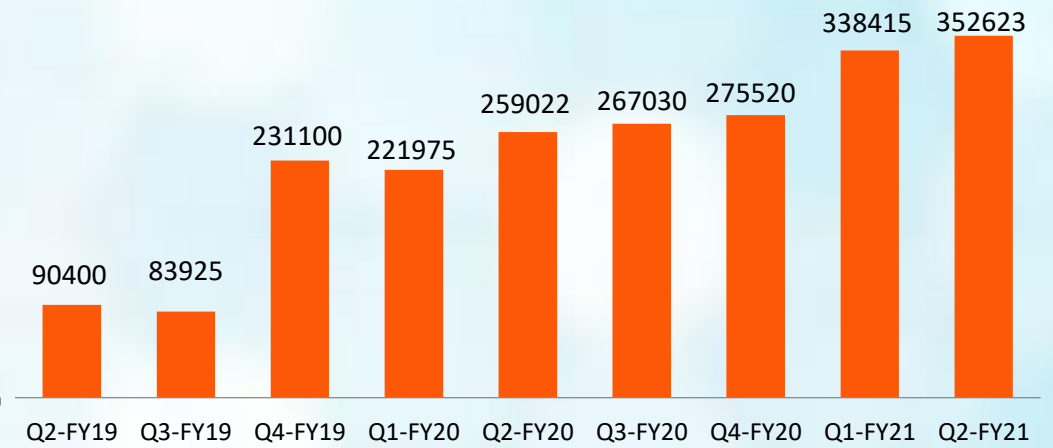




## Average Wallet Spend



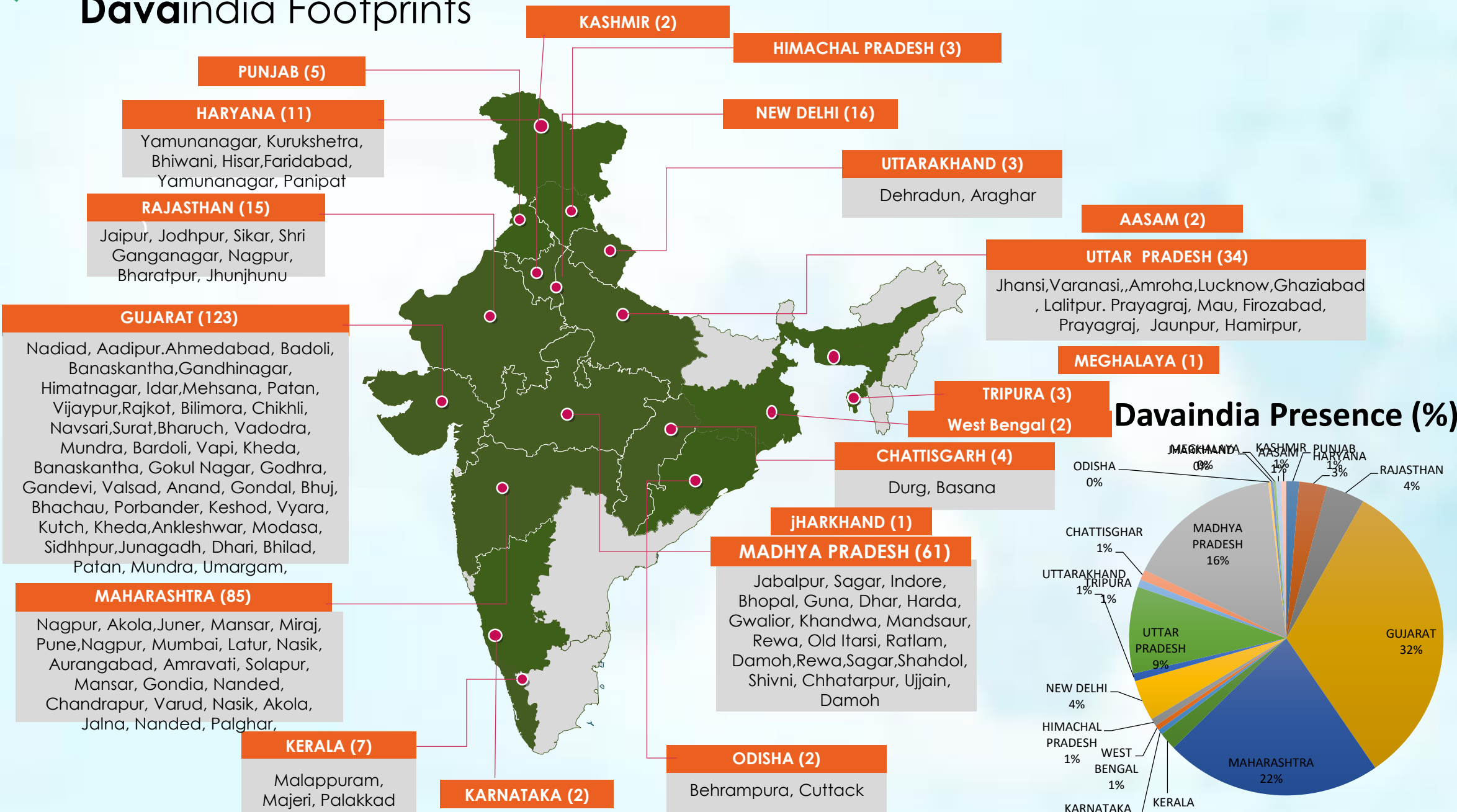
## No. of Customers Served



- During the quarter Davaindia has catered 3.52 lakhs customers and impact of the same can be seen on revenue side, during the quarter Davaindia has registered robust growth in Q2FY21 at 87% YoY.
- Davaindia has witnessed turn around of patients to generic medicines from the branded counterparts, Till Q2FY21 Davaindia has catered more than 2.28 million happy customers.
- The managements focus on Davaindia expansions has been inline and is underscored with addition of new store in the state of Gujarat, Maharashtra, Madhya Pradesh and Uttar Pradesh taking the total store count to 382 as on September 30, 2020.
- The company has adopted various marketing and communication channels like print, T.V and other mediums to increase top of the mind brand recall in the minds of the customers. This exercise that begun to gain traction and has witnessed wallet share increase among its users.
- A higher number of 1,368 SKU's has enabled Davaindia to better serve customers across all ailment segments. Thus increasing its customer spends across varied price points, the average wallet spends was Rs 181 in Q2FY21.



# Davaindia Footprints





■ ■ ■  
**Industry Snapshot**

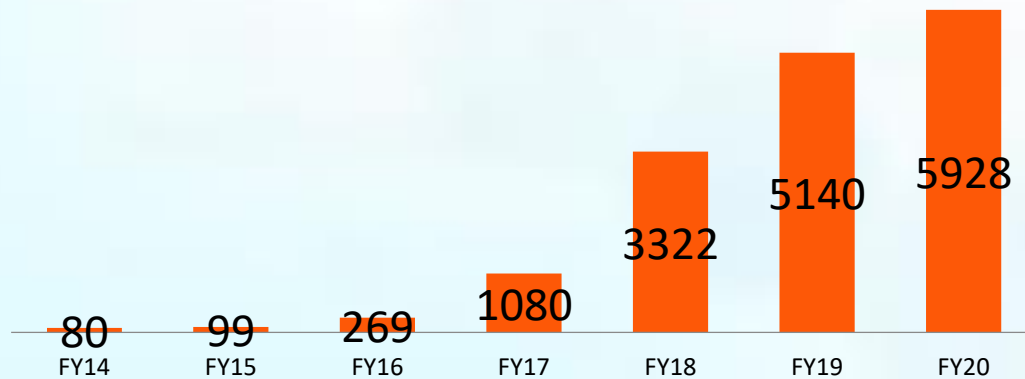




# India's Retail 'Generic Medicine' Landscape

Jan Aushadhi Stores - A key initiative against the high priced selling medicines in the market

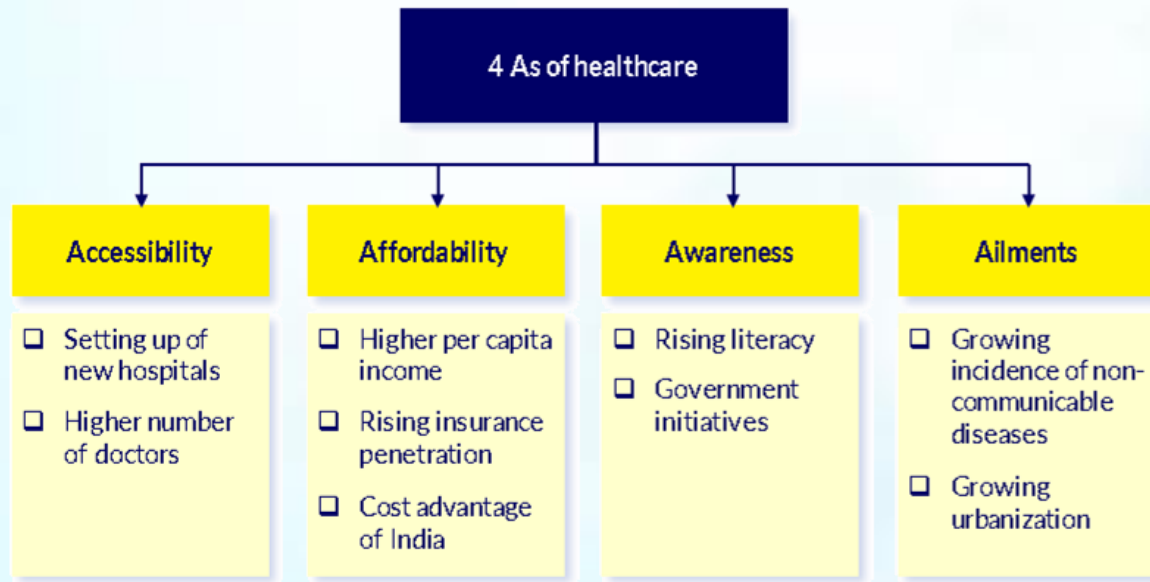
Jan Aushadhi Stores rolled-out



- 1 Our Honourable Prime Minister launched 'Jan Aushadhi Kendras' under the 'Pradhan Mantri Bhartiya Janaushadhi Pariyojana' (PMBJP) scheme.
- 2 The concept revolves around a direct market intervention scheme to make quality generic medicines available at affordable prices to all citizens through a specially dedicated outlet known as Jan Aushadhi Store (JAS).
- 3 A medicine under PMBJP is priced at a maximum of 50% of the average price of its top three branded equivalents.
- 4 PMBJK targets to cover all districts of India with at least one JAS in each district, and a total 10,000 JAS by FY2024.
- 5 It also plans to broaden the product portfolio to 2000 medicines and 300 surgical products from the current 800 and ~150, respectively.

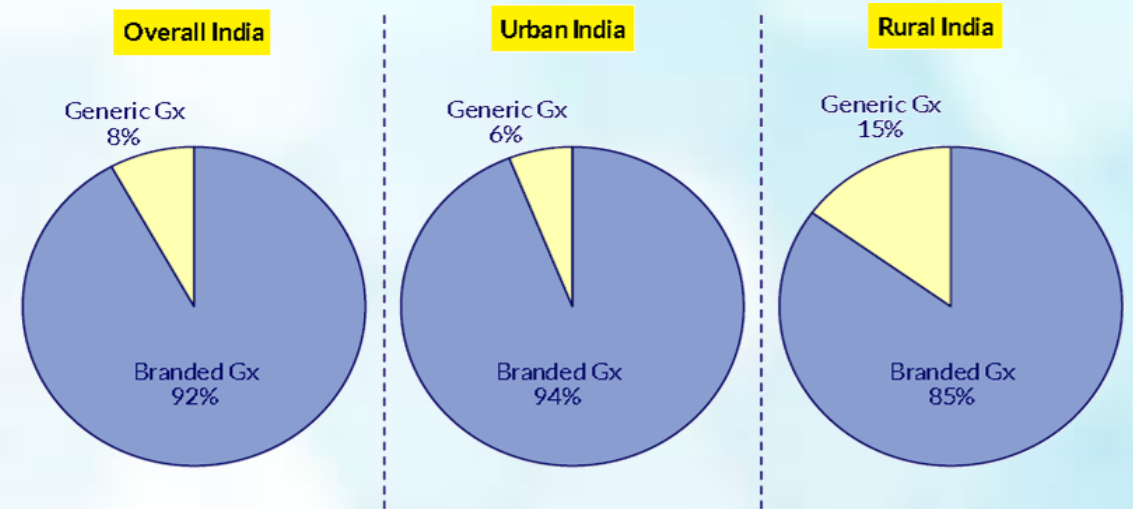


# Underpenetrated Generic Medicine Market



Source: CLSA

4 pillars to drive healthcare



Source: IQVIA, CLSA

Branded and generic mix of Indian pharma market



# Financial Summary





# Profit & Loss Statement

Particulars (INR Lakhs)	FY15	FY16	FY17	FY18	FY19	FY20	Q2FY21
<b>Income from Operations</b>	5,646.30	6,473.30	7,158.00	7,785.20	8,562.90	<b>9,511.30</b>	<b>2,816.64</b>
Other Income	1.4	7.7	5.6	151.9	154.5	151.3	<b>21.1</b>
<b>Total Income</b>	<b>5,647.80</b>	<b>6,481.00</b>	<b>7,163.60</b>	<b>7,937.00</b>	<b>8,717.40</b>	<b>9,662.60</b>	<b>2,837.74</b>
Operating Expenses	4,796.50	5,516.80	6,153.80	6,695.00	7,788.70	9,059.70	<b>2731.4</b>
Exceptional items	0.00	0.00	0.00	0.00	0.00	0.00	<b>102.88</b>
<b>EBITDA</b>	<b>851.3</b>	<b>964.2</b>	<b>1,009.80</b>	<b>1,242.00</b>	<b>928.7</b>	<b>602.9</b>	<b>209.22</b>
<b>Margin %</b>	<b>15.1</b>	<b>14.9</b>	<b>14.1</b>	<b>16</b>	<b>10.8</b>	<b>6.3</b>	<b>7.37%</b>
Depreciation	150.6	123.5	105.4	93.7	139.4	209.8	<b>76.63</b>
<b>EBIT</b>	<b>700.7</b>	<b>840.8</b>	<b>904.4</b>	<b>1,148.30</b>	<b>789.3</b>	<b>393.1</b>	<b>132.59</b>
<b>Margin %</b>	<b>12.4</b>	<b>13</b>	<b>12.6</b>	<b>14.8</b>	<b>9.2</b>	<b>4.1</b>	<b>4.67%</b>
Financial Charges	66.5	68.3	68.2	12.1	3.7	6.9	<b>1.48</b>
<b>PBT</b>	<b>634.2</b>	<b>772.4</b>	<b>836.2</b>	<b>1,136.20</b>	<b>785.6</b>	<b>386.2</b>	<b>131.11</b>
<b>Margin %</b>	<b>11.2</b>	<b>11.9</b>	<b>11.7</b>	<b>14.6</b>	<b>9.2</b>	<b>4.1</b>	<b>4.62%</b>
Tax	207.6	261.5	282.1	407.4	230.7	112	<b>29.39</b>
<b>PAT</b>	<b>426.7</b>	<b>510.9</b>	<b>554.1</b>	<b>726.8</b>	<b>554.8</b>	<b>274.1</b>	<b>101.71</b>
<b>Margin %</b>	<b>7.6</b>	<b>7.9</b>	<b>7.7</b>	<b>9.3</b>	<b>6.5</b>	<b>2.9</b>	<b>3.58%</b>
<b>EPS</b>	<b>3</b>	<b>3.6</b>	<b>3.9</b>	<b>4.2</b>	<b>2.3</b>	<b>1.1</b>	<b>0.41</b>







# Balance Sheet & Key Ratios

Particulars (INR Lakhs)	FY14	FY15	FY16	FY17	FY18	FY19	FY20	H1FY21
Share capital	1,196.9	1,436.3	1,436.3	1,436.3	1,754.3	1,754.3	2,456.0	2,456.0
Reserves and Surplus	384.2	395.7	707.8	1,262.0	5,223.4	5,138.2	4,426.9	4,590.0
Non-current liabilities	521.3	548.7	272.7	466.8	64.7	87.1	105.3	102.2
Current liabilities	1,381.7	1,657.6	1,988.3	2,215.4	2,137.0	1,981.0	1,859.6	2,676.1
<b>Total Equity and Liabilities</b>	<b>3,484.1</b>	<b>4,038.4</b>	<b>4,405.2</b>	<b>5,380.5</b>	<b>9,179.4</b>	<b>8,960.7</b>	<b>8,847.9</b>	<b>9,824.3</b>
Non-current assets	926.3	842.4	855.6	932.5	3,605.4	2,723.3	2,961.4	2,643.8
Current assets	2,557.8	3,196.0	3,549.5	4,447.9	5,574.1	6,237.4	5,886.4	7,180.5
<b>Total Assets</b>	<b>3,484.1</b>	<b>4,038.4</b>	<b>4,405.2</b>	<b>5,380.5</b>	<b>9,179.4</b>	<b>8,960.7</b>	<b>8,847.8</b>	<b>9,824.3</b>
Key Ratios	FY14	FY15	FY16	FY17	FY18	FY19	FY20	H1FY21
RoCE (%)	17.4	20.0	23.5	19.3	10.5	8.0	4.0	2.2
RoE (%)	19.7	23.3	23.8	20.5	10.4	8.0	4.0	2
Net debt to equity (x)	0.3	0.3	0.1	0.1	0.0	0.0	0.0	0.0
Interest coverage (x)	7.5	10.5	12.3	13.3	94.8	214.5	56.6	42.3
Inventory days	91.2	113.9	92.1	121.9	113.8	138.6	97.2	141.2
Receivables days	77.8	75.6	89.0	87.1	107.5	94.2	111.8	112.2
Payable days	109.0	116.2	126.5	148.4	117.8	103.5	82.5	133.2



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-  [www.zotahealthcare.com](http://www.zotahealthcare.com)

# Thank You