

September 09, 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

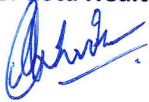
With reference to the captioned subject we, Zota Health Care Limited (the “Company”) are submitting herewith enclosed the Investor Presentation in respect of Financial Results for the quarter ended June 30, 2020.

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 :

Zota House, 2/896, Hira Modi Street,
Sagrampura, Surat - 395 002 | Ph: +91 261 2331601
Email: info@zotahealthcare.com
Web : www.zotahealthcare.com
CIN : L24231GJ2000PLC038352

Plant :

Plot no. 169, Surat Special Economic Zone,
Nr. Sachin Railway Station, Sachin,
Surat - 394 230 (Guj.) India
Ph: +91 261 2397122



Q1FY21

Performance Highlights September 2020



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 davaindia[®]

Save UPTO
90% on
generic medicines

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



 **davaindia**[™]
GENERIC PHARMACY

A chain of pharmacy store providing
generic alternatives to branded medicines





Safe Harbor

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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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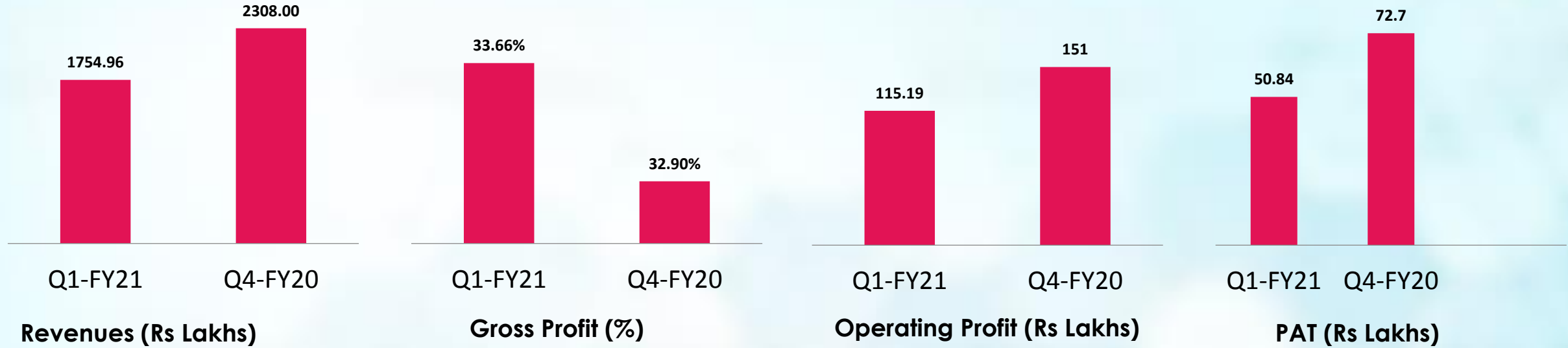
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Qtr- Result Highlights



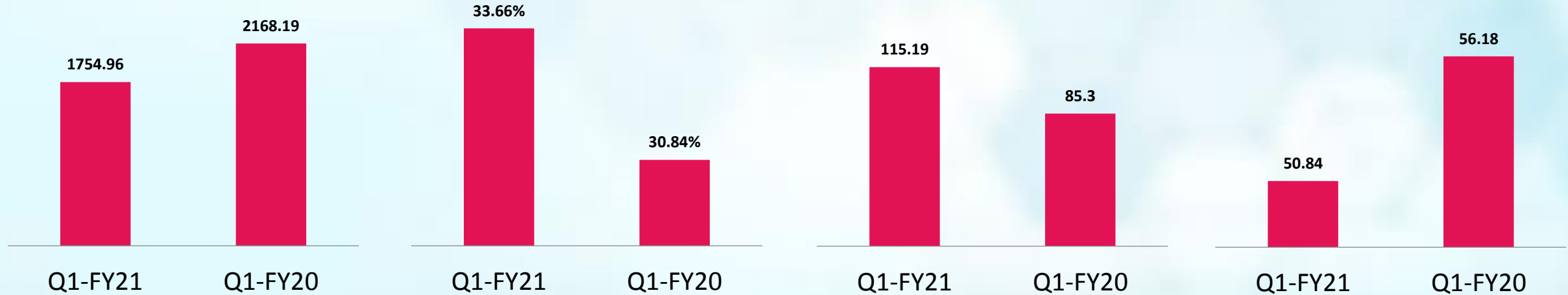


Consol Quarterly Financial Highlights

Q-o-Q



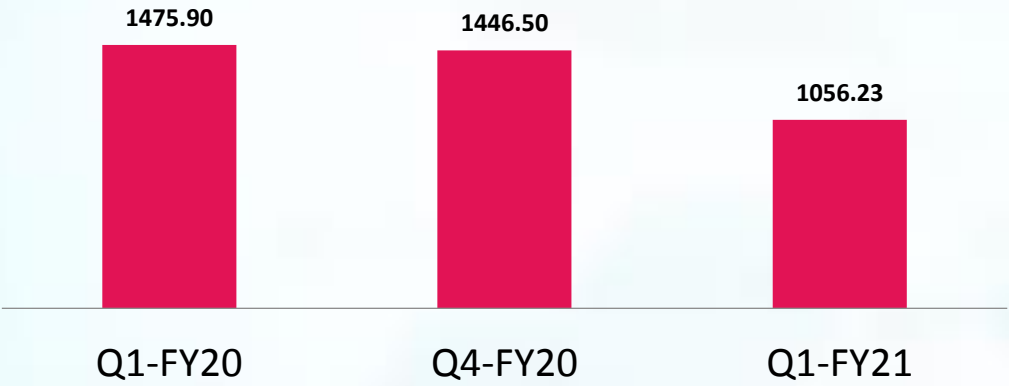
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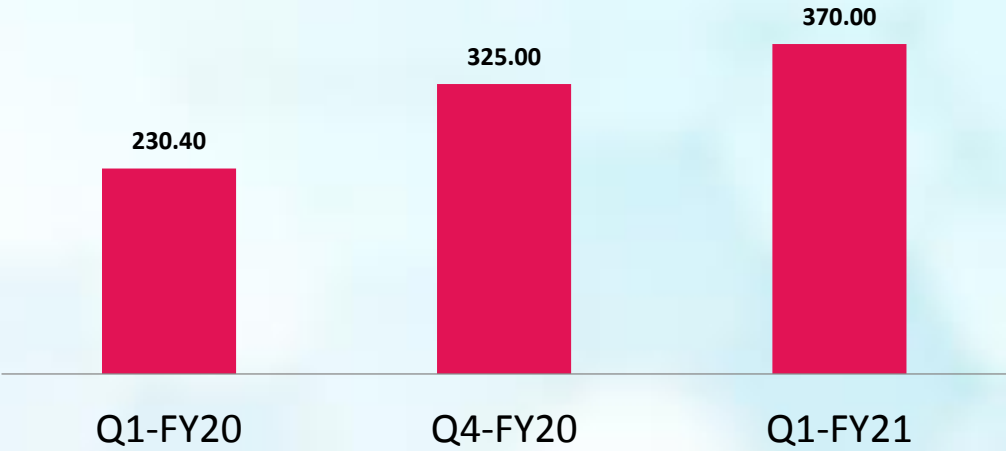


Revenue Break up – Quarterly

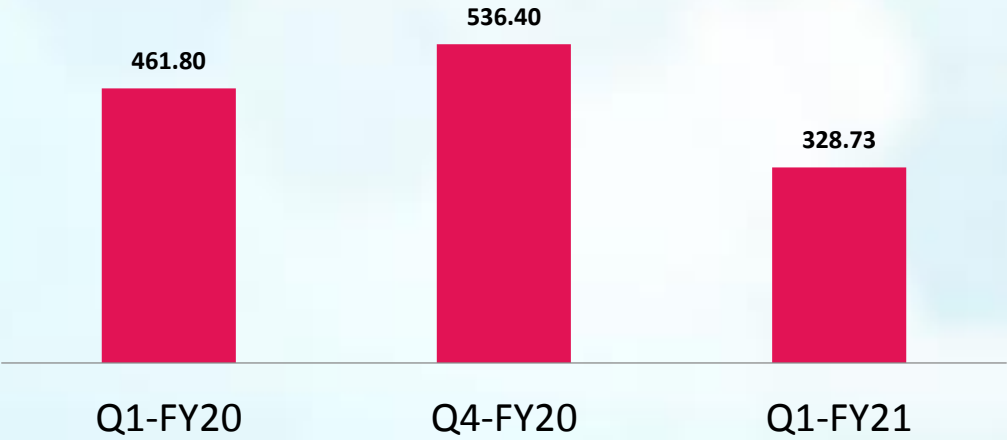
Domestic Sales



Dava India Sales



Export Sales (SEZ)





Consol Profit & Loss Statement - Quarterly

Particulars (Rs Lakhs)	Q1FY21	Q1FY20	YoY %	QoQ %	Q4FY20
Export Sales (SEZ)	328.73	461.80	-29%	-14%	536.4
Dava India Sales	370.00	230.40	61%	-29%	325.0
Domestic Sales	1056.23	1475.90	-28%	2%	1,446.5
Revenues from Operations	1,754.96	2168.19	-19%	-24%	2,308.0
Cost of Goods Sold	1,164.32	1,499.51	-22%	-25%	1,549.3
Gross Profit	590.64	668.68	-12%	-22%	758.6
% Margin	33.66%	30.84%	281 bps	79 bps	32.9%
Operational Exp	475.45	583.38	-19%	-22%	607.7
Employee cost	206.50	243.52	-15%	-23%	268.6
Other expenses	268.95	339.86	-21%	-20%	339.1
Operating Profit	115.19	85.30	35%	-25%	151.0
% Margin	6.56%	3.93%	263 bps	-82 bps	6.5
Other Income	22.82	29.81	-23%	-57%	53.3
EBITDA	138.01	115.11	20%	-33%	204.2
% Margin	7.86%	5.31%	255 bps	-106 bps	8.8
Depreciation	73.91	30.04	146%	-26%	99.6
EBIT	64.10	85.07	-25%	-40%	104.7
% Margin	3.65%	3.92%	-27 bps	-321 bps	4.5
Interest Cost	0.74	1.30	-43%	-68%	2.3
EBT	63.36	83.77	-24%	-39%	102.4
% Margin	3.61%	3.86%	-25 bps	-90 bps	4.4
Taxes	12.52	27.59	-55%	-60%	31.5
Profit After Taxes	50.84	56.18	-10%	-30%	72.68
% Margin	2.90	2.59	31 bps	-51 bps	3.1



Management Commentary

- COVID-19 outbreak throughout the globe resulted slowdown and disturbance of economic activities. Due to nationwide lockdown, company's operations were impacted. During the quarter company's business remained totally shut up till April 16, 2020 and accordingly Company's Q1FY21 turnover down by 19% YoY at Rs 1755 Lakhs.
- Company has registered the gross margins of 33.66% in Q1FY21 281bps higher than Q4FY20 on the back of reduction of COGS to 22% YoY
- EBITDA at Rs 138 Lakhs 20% higher YoY, margins at 7.86%
- PAT declined 10% on account of higher depreciation at Rs 73.91 Lakhs



Management Commentary

Domestic Operations

- COVID-19 outbreak has caused the nationwide lockdown and impacted the business operations in the country. Effect of the same has been seen in Company's business, Domestic Revenues in Q1FY21 were down by 28% YoY.
- The company has registered the domestic revenues of 1056.23 Lakhs in Q1FY21.
- In Q1FY21 - EBITDA came in at Rs 118.81 Lakhs with margins at 8.2% back by lower operational expenses
- PAT at Rs 75.97 lakhs in Q1FY21

Exports

- COVID-19 outbreak has caused the 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 has adversely impacted the export business of the Company.
- Export Revenues down by 29% YoY at Rs 328.73 Lakhs in Q1FY21
- In Q1FY21, EBITDA at Rs 19.20 lakhs with margins of 5.84%
- PAT stood at – 25.12 lakhs for Q1FY21



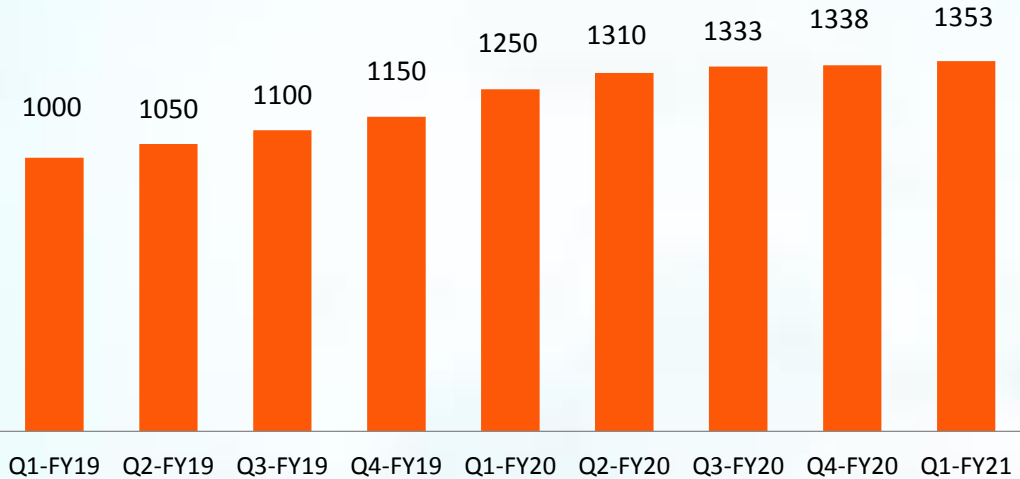
davaindia[®]
GENERIC PHARMACY



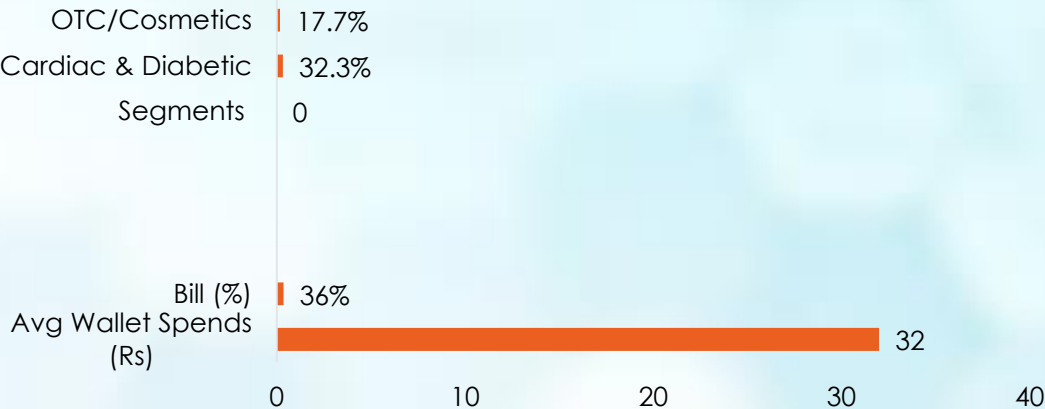


Davaindia Key Figures

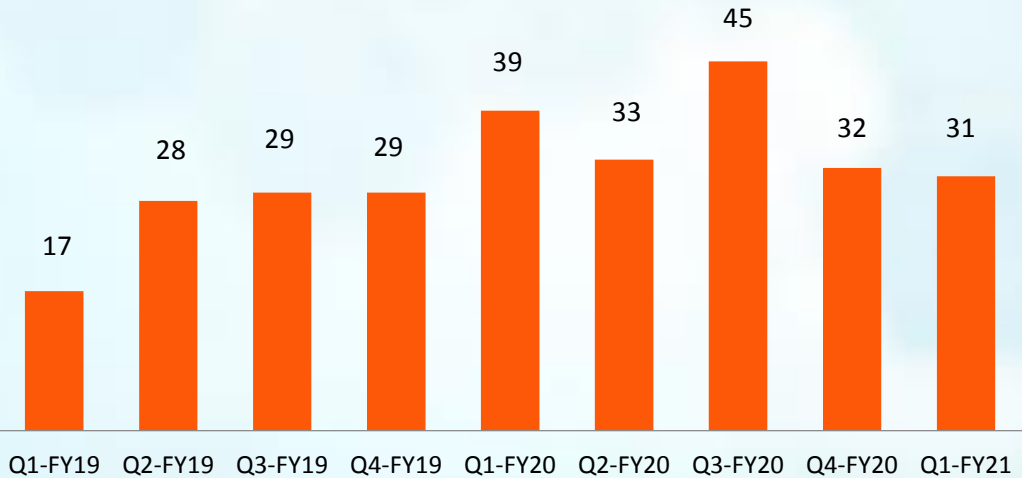
SKU's



Sales %

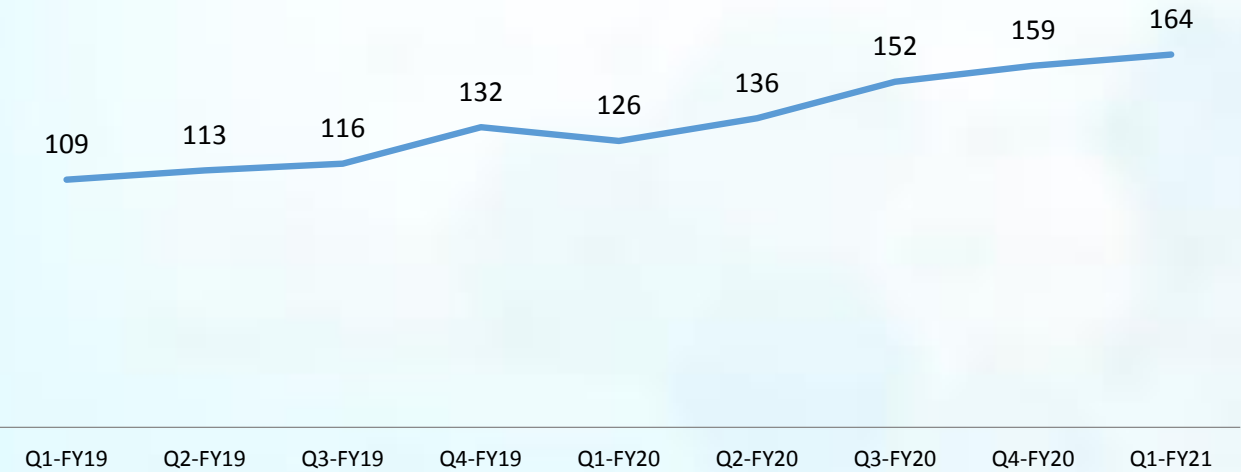


Stores rolled-out

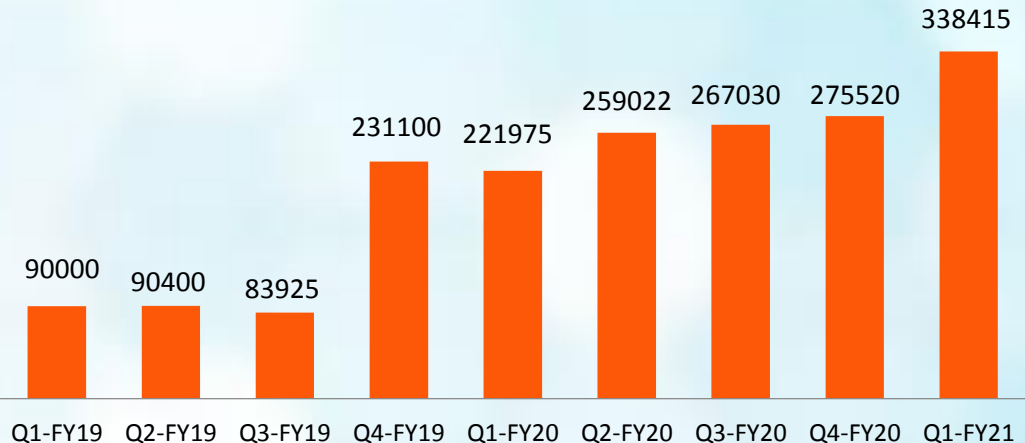




Average Wallet Spend



No. of Customers Served

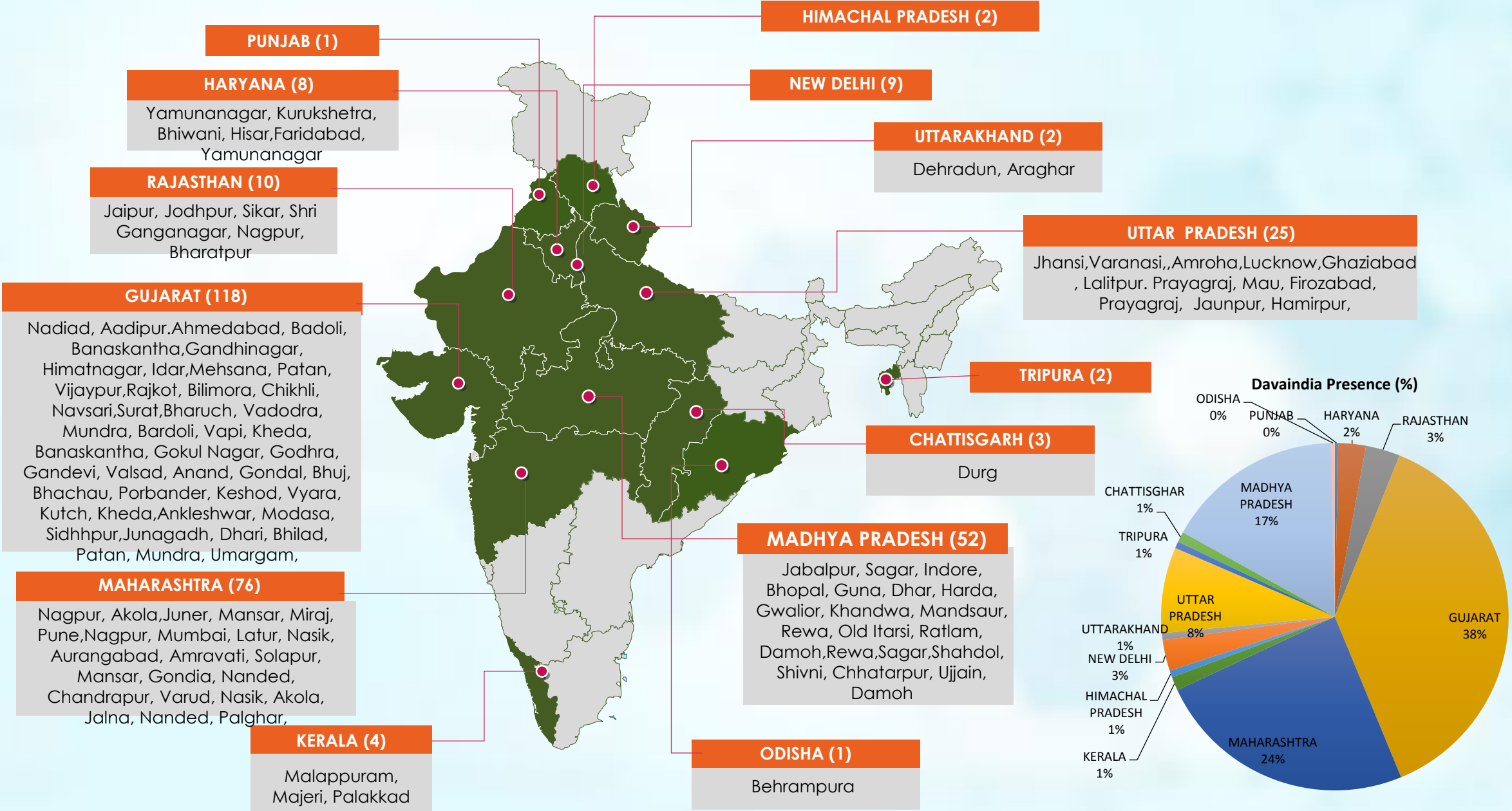


- During the quarter Davaindia has catered 3.38 lakhs customers and impact of the same can be seen on revenue side, Davaindia has registered robust growth in Q1FY21 at 61% YoY
- Davaindia has witnessed turnaround of patients to generic medicines from the branded counterparts; Till Q1FY21 Davaindia has catered more than 1.93 million happy customers.
- Vast product range consisting ~ 1353 SKU's covering major therapeutic category helps Davaindia to fulfill customer demands. Resulted average wallet spends surge over the period and stood at Rs 164 in Q1FY21.
- For mass awareness campaign and Davaindia expansions, the Company has adopted various marketing campaigns the same have been communicated through advertisements on TV, Radio, Social Media, Hoarding and Outdoor Advertisements. These campaigns helps Company to spread awareness of generic medicines amongst customers and fascinated potential franchises. Fruition of these Davaindia is receiving an average of 1000 daily inquiries from potential franchises.
- Davaindia is continuously expanding its footprint across India, as on July 31, 2020 the total store count was 313 covering 14 states and 125 cities.





Davaindia Footprints

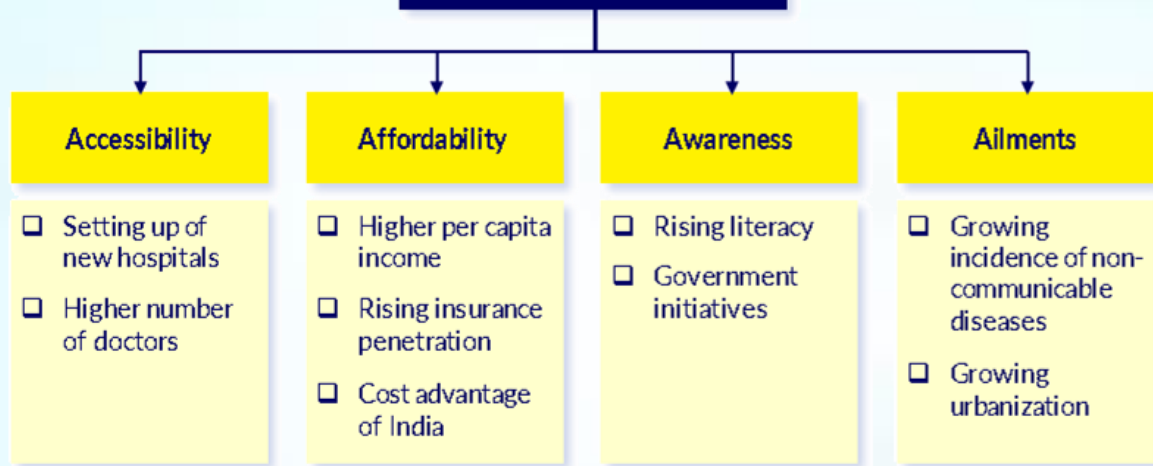


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Industry Snapshot





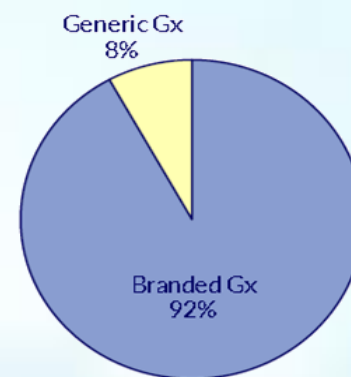
4 As of healthcare



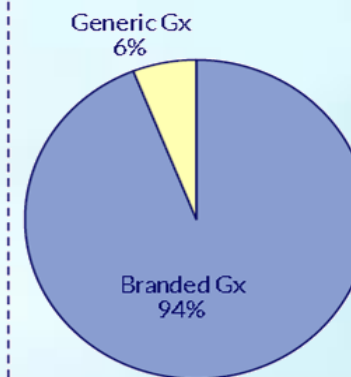
Source: CLSA

4 pillars to drive healthcare

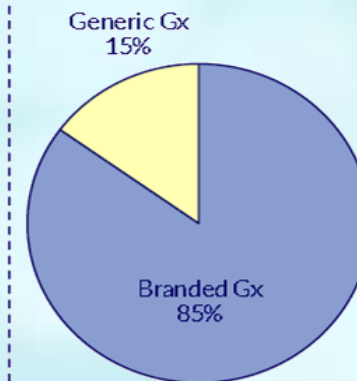
Overall India



Urban India



Rural India

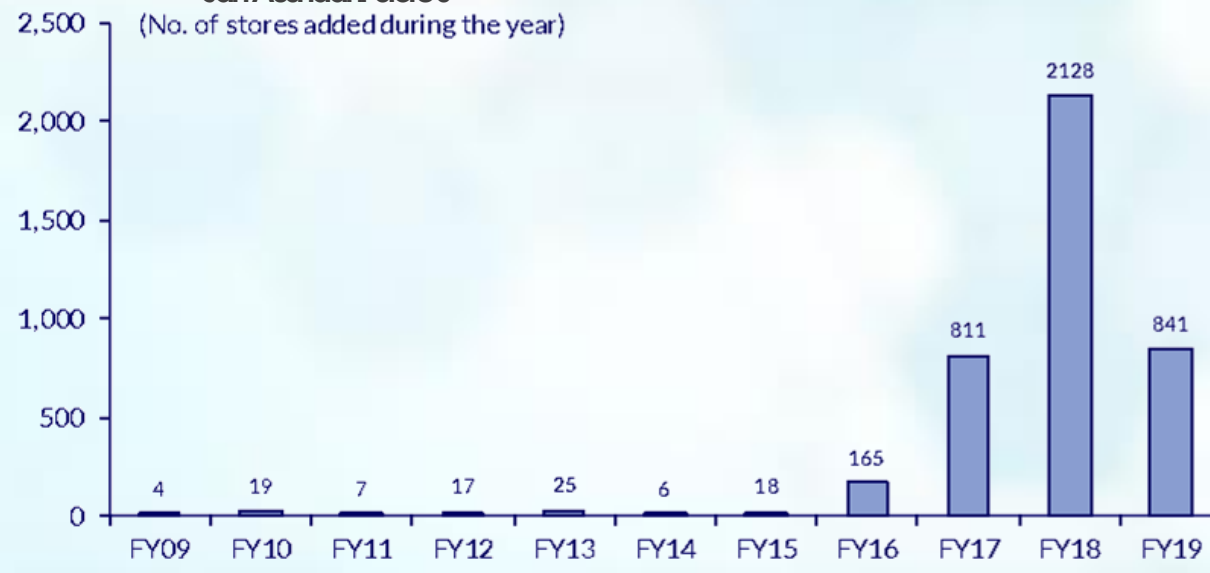


Source: IQVIA, CLSA

Branded and generic mix of Indian pharma market

Jan Aushadhi Stores

(No. of stores added during the year)



Source: Government of India

A key initiative against the high priced selling medicines in the market



Financial Summary





Profit & Loss Statement

Particulars (INR Lakhs)	FY15	FY16	FY17	FY18	FY19	FY20	Q1FY21
Income from Operations	5,646.3	6,473.3	7,158.0	7,785.2	8,562.9	9,511.3	1,754.96
Other Income	1.4	7.7	5.6	151.9	154.5	151.3	22.82
Total Income	5,647.8	6,481.0	7,163.6	7,937.0	8,717.4	9,662.6	1,777.78
Operating Expenses	4,796.5	5,516.8	6,153.8	6,695.0	7,788.7	9,059.7	1639.77
EBITDA	851.3	964.2	1,009.8	1,242.0	928.7	602.9	138.01
Margin %	15.1	14.9	14.1	16.0	10.8	6.3	6.56
Depreciation	150.6	123.5	105.4	93.7	139.4	209.8	73.91
EBIT	700.7	840.8	904.4	1,148.3	789.3	393.1	64.10
Margin %	12.4	13.0	12.6	14.8	9.2	4.1	3.65
Financial Charges	66.5	68.3	68.2	12.1	3.7	6.9	0.74
PBT	634.2	772.4	836.2	1,136.2	785.6	386.2	63.36
Margin %	11.2	11.9	11.7	14.6	9.2	4.1	3.61
Tax	207.6	261.5	282.1	407.4	230.7	112.0	12.52
PAT	426.7	510.9	554.1	726.8	554.8	274.1	50.84
Margin %	7.6	7.9	7.7	9.3	6.5	2.9	2.9
EPS	3.0	3.6	3.9	4.2	2.3	1.1	0.21



Balance Sheet & Key Ratios

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



Contact Information

-  Mr. Himanshu Zota / Mr. Ashvin Variya
-  "ZOTA HOUSE", 2/896, Hira Modi Street,
Sagrampura, Surat-395 002(Gujarat)
-  cszota@zotahealthcare.com
-  www.zotahealthcare.com

Thank You