

February 13, 2021

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 are submitting herewith enclosed the Investor Presentation in respect of Financial Results for the quarter and nine months ended December 31, 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

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Q3FY21 Performance Highlights February 2021



Powered By  zota healthcare Ltd.



 **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



 zota healthcare Ltd.

Health for all.





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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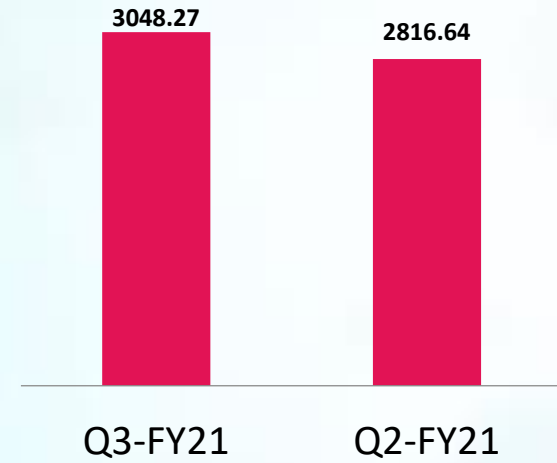
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Qtr- Result Highlights



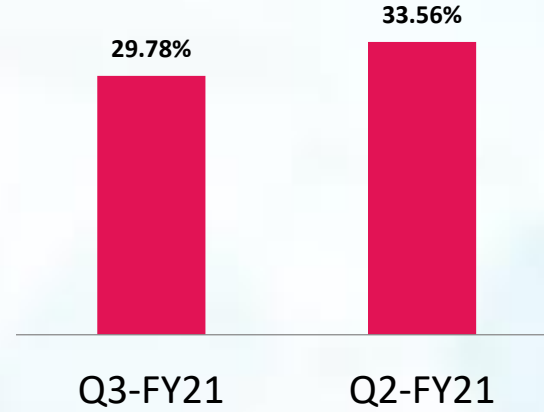


Consol Quarterly Financial Highlights

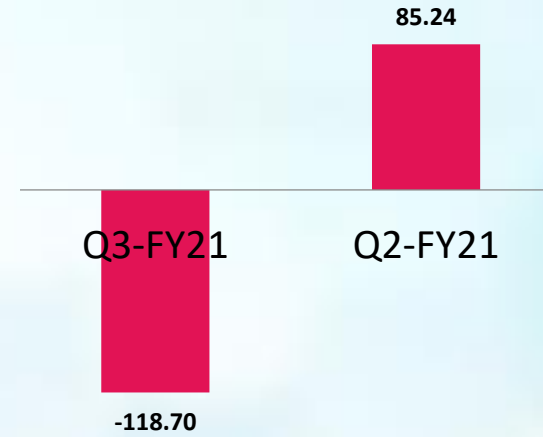
Q-o-Q



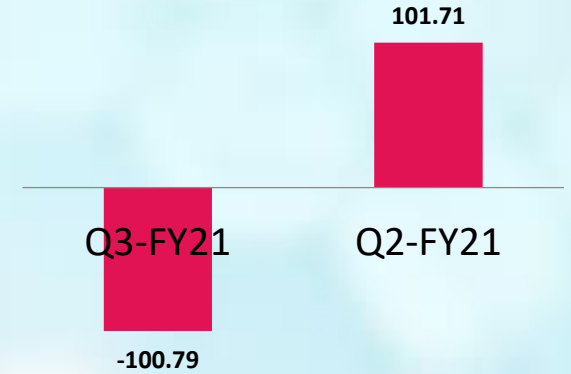
Revenues (Rs Lakhs)



Gross Profit (%)

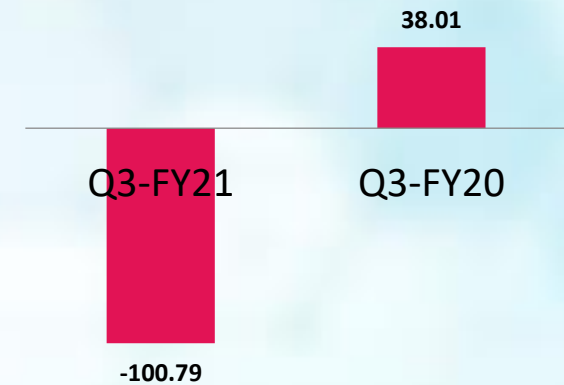
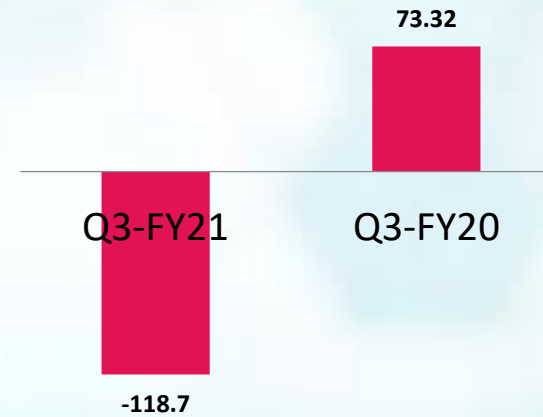
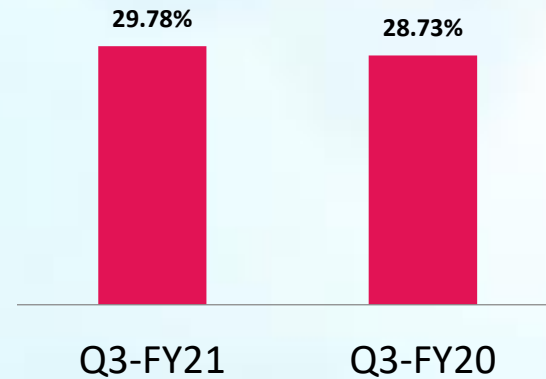
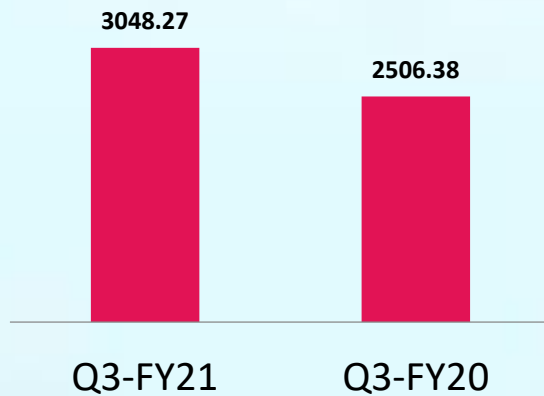


Operating Profit (Rs Lakhs)



PAT (Rs Lakhs)

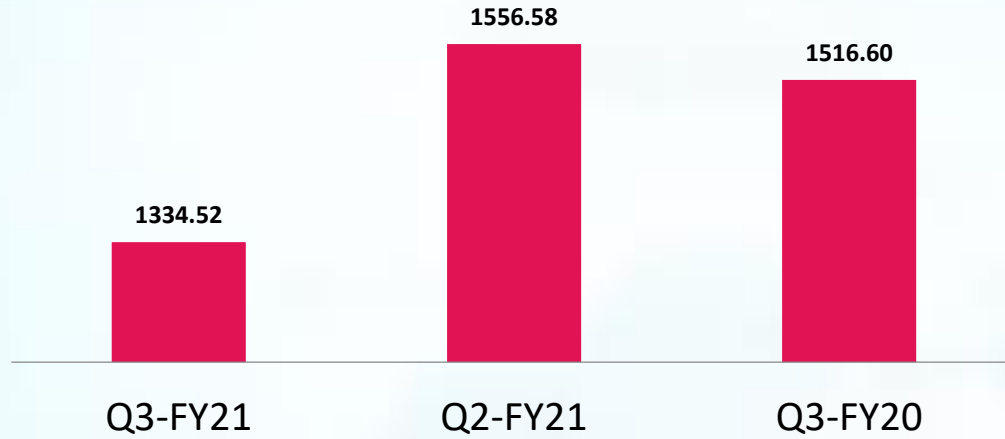
Y-o-Y



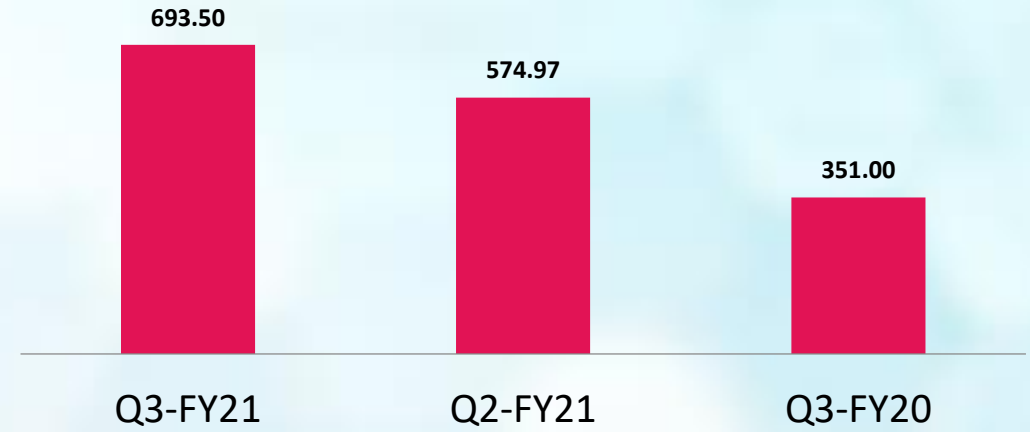


Revenue Break up – Quarterly

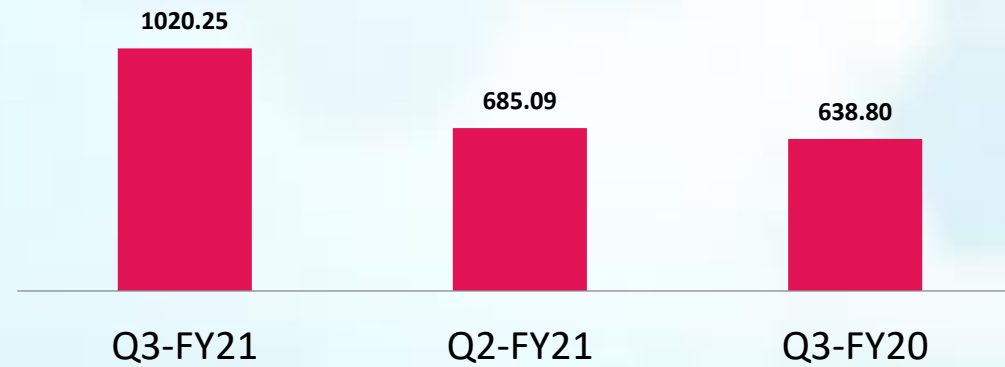
Domestic Sales



Davaindia Sales



Export Sales (SEZ)



■ ■ ■
FY- Result Highlights





Consol Profit & Loss Statement - Quarterly

Particulars (Rs Lakhs)	Q3FY21	Q3FY20	YoY %	QoQ %	Q2FY21
Export Sales (SEZ)	1,020.25	638.8	60%	49%	685.09
Dava India Sales	693.5	351	98%	21%	574.97
Domestic Sales	1,334.52	1,516.60	-12%	-14%	1,556.58
Revenues from Operations	3,048.27	2,506.38	22%	8%	2,816.64
Cost of Goods Sold	2,140.35	1,786.35	20%	14%	1,871.49
Gross Profit	907.92	720	26%	-4%	945.15
% Margin	29.78%	28.73%	105 bps	-377 bps	33.56%
Operational Exp	1026.62	646.71	59%	19%	859.91
Employee cost	231.66	263	-12%	-2%	236.81
Other expenses	794.96	383.71	107%	28%	623.1
Operating Profit	-118.7	73.32	-262%	-239%	85.24
% Margin	-3.89%	2.93%	-682 bps	-692 bps	3.03%
Other Income	57.15	30.74	86%	171%	21.1
Exceptional items	0	0	0%	100%	102.88
EBITDA	-61.55	104.06	-159%	-129%	209.22
% Margin	-2.02%	4.15%	-617 bps	-945 bps	7.43%
Depreciation	80.08	48.08	67%	5%	76.63
EBIT	-141.63	55.98	-353%	-207%	132.59
% Margin	-4.65%	2.23%	-688 bps	-936 bps	4.71%
Interest Cost	3.42	2.31	48%	131%	1.48
EBT	-145.05	53.67	-370%	-211%	131.11
% Margin	-4.76%	2.14%	-690 bps	-941 bps	4.65%
Taxes	-44.26	15.66	-382.63%	-250.60%	29.39
Profit After Taxes	-100.79	38.01	-365%	-199%	101.71
% Margin	-3.30%	1.51%	-481 bps	-688 bps	3.61%



Management Commentary

- The new-age businesses of the Company i.e. Davaindia and Exports have recorded their best ever quarterly performance in terms of Revenue from Operations in Q3FY21.
- This is in line with the Company's strategy of increasing overall Revenue contribution from new-age businesses and reducing dependence on Domestic marketing.
- **The sales contribution from new-age business stands at 56% in Q3FY21** as compared to 39% in Q3FY20 and 45% in Q2FY21.
- The Company has registered highest-ever Consolidated Revenue of Rs. 3,048.27 Lakhs and gross margins of 29.78% in Q3FY21.
- EBITDA stood at Rs -61.55 Lakhs 159% lower YoY, with margins at -2.02% due to higher operational expenses driven by the aggressive expansion of Davaindia operations. However, with increasing the numbers of Davaindia's stores rollout and sales realization of the same; the Company will manage to taper the expenses and revenues and by which the EBITDA margins will improve.
- PAT declined 365% YoY at -100.79 Lakhs in Q3FY21.



Management Commentary

Domestic Operations

- Revenue from Domestic operations has been surged by 8.59% Y-o-Y basis, on account of higher revenue of Davaindia. The company has registered the domestic revenues of 2028.02 Lakhs in Q3FY21.
- With increasing revenue of Davaindia; the management is well poised of making a strong recovery in Domestic Operations.
- In Q3FY21 – EBITDA stood at Rs -166.89 Lakhs with margins at -8.23% on back of higher operational, sales & advertisement expenses.
- PAT stood at Rs -157.96 lakhs in Q3FY21.

*** Here the Domestic Operations includes the operations of Davaindia.**

Exports

- Export business is firing on all cylinders after a strong recover in Q2FY21, the company has witnessed the highest ever quarterly sales in Exports of 1,020.25 Lakhs in Q3FY21.
- Export Revenues are up by 60% Y-o-Y and 49% Q-o-Q at Rs. 1,020.25 Lakhs in Q3FY21.
- In Q3FY21, EBITDA at Rs 105.34 lakhs with margins of 10.32%.
- PAT stood at Rs 57.17 lakhs for Q3FY21.



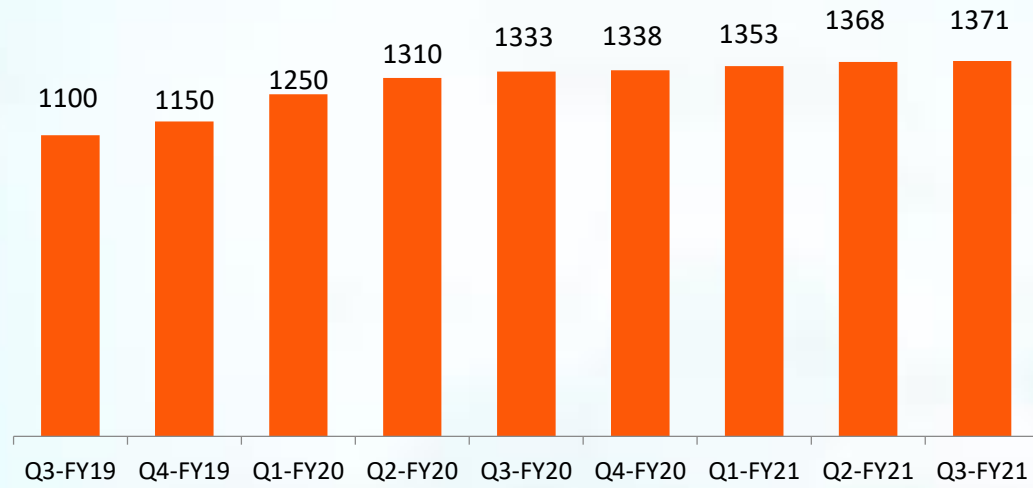
davaindia[®]
GENERIC PHARMACY



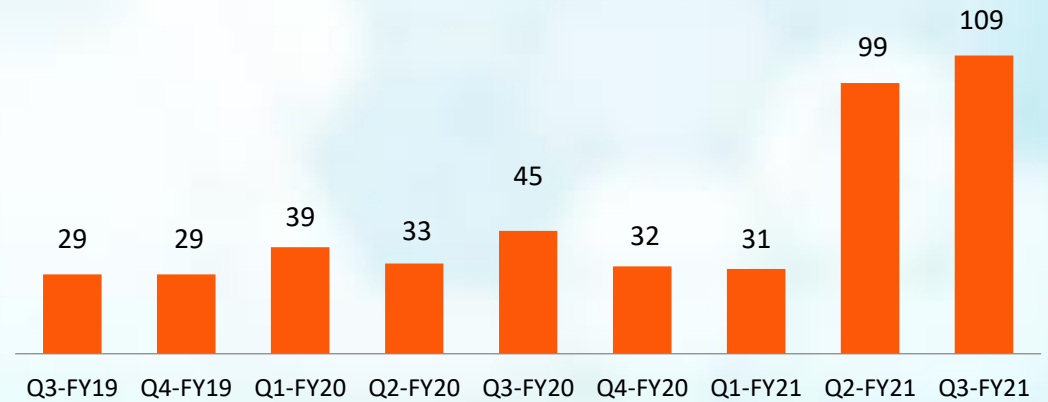


Davaindia Key Figures

SKU's

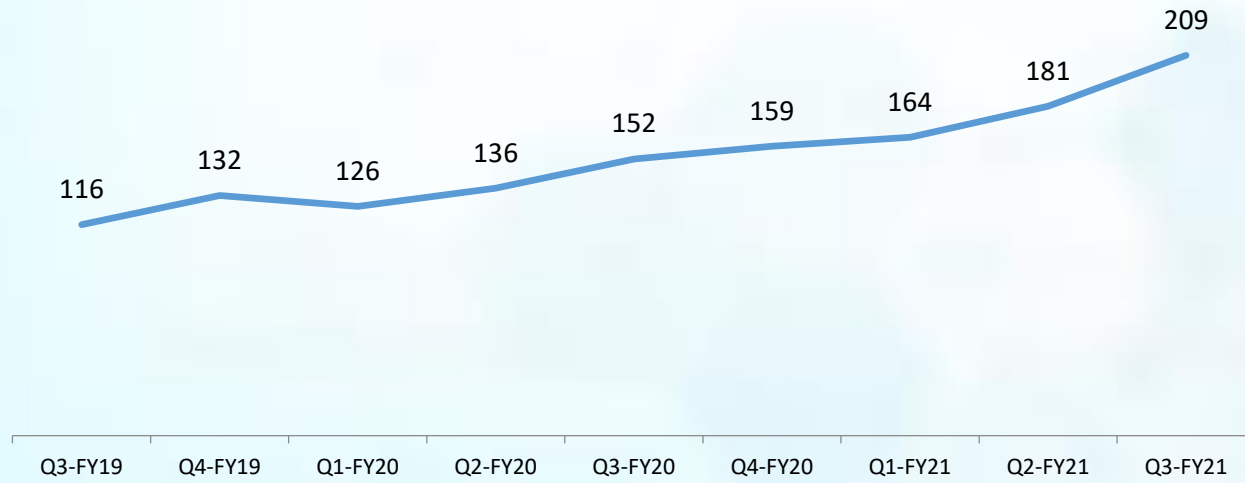


Stores rolled-out

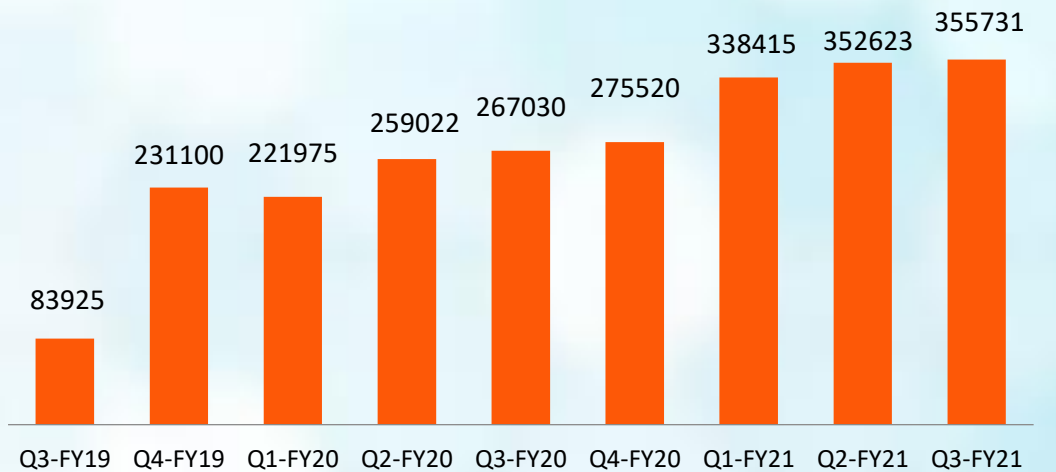




Average Wallet Spend



No. of Customers Served



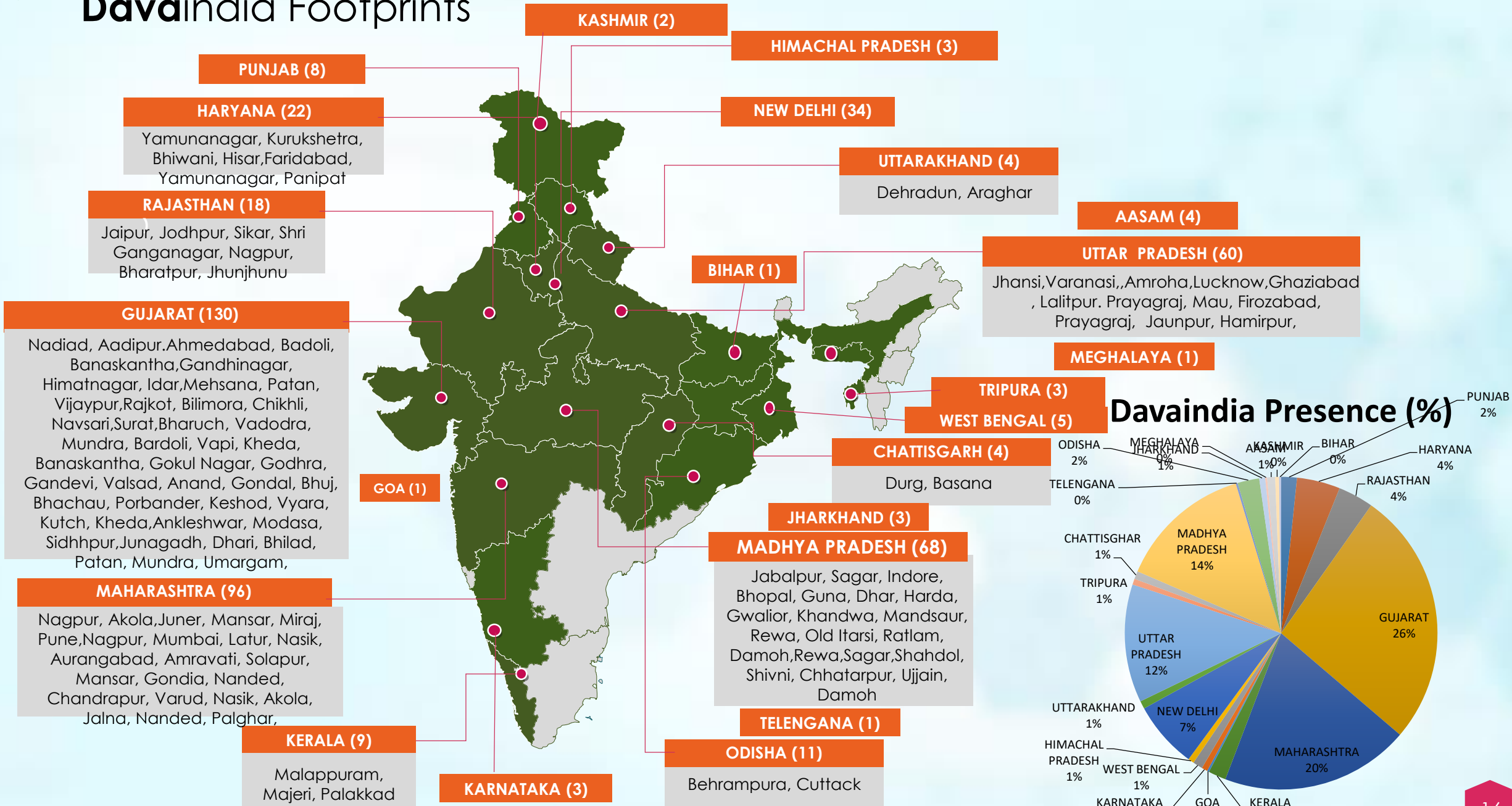


- During the quarter Davaindia has catered to 3.56 lakhs customers, increasing Average Wallet Spends has led to Revenue growth of 21% from Davaindia on Q-o-Q basis. The same is up 98% on Y-o-Y basis, driven by increasing customers served and Average Wallet Spends.
- Davaindia has led the revolution of patients opting for generic medicines against branded counterparts. Till Q3FY21 Davaindia has catered to more than 2.63 million happy customers.
- Davaindia retail pharmacy stores' focus continues to be chronic ailments – Cardiac, Diabetic, Thyroid, among others – as repeat orders from existing and new customers remains higher, thus aiding overall company growth of Davaindia's business model.
- Management's focus on Davaindia expansions has been as envisaged. Davaindia has added 109 new stores in Q3FY21 taking the total store count to 491 as of December 31, 2020. New store additions in Q3FY21 have been focused on Uttar Pradesh, Delhi, Haryana, Maharashtra, and the addition of newer states such as Goa, Bihar, Telangana among others.
- The company has adopted various advertisements, marketing, and promotional channels like Print, TV, Digital, and Outdoor mediums to increase top-of-the mind brand recall in the minds of its customers. This exercise that begun to gain traction and has led to footfall & wallet share increase among its users.
- A higher number of SKU's i.e. 1,371 has enabled Davaindia to better serve customers across all segments. Thus increasing its customer spends across varied price points, the Average Wallet Spend was Rs 209 in Q3FY21.

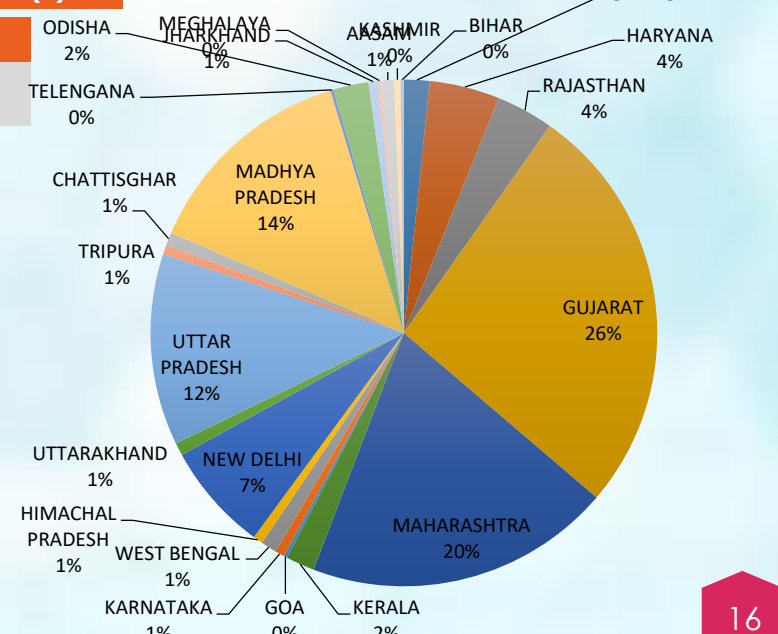




Davaindia Footprints



Davaindia Presence (%)





Industry Snapshot & Business Strategy

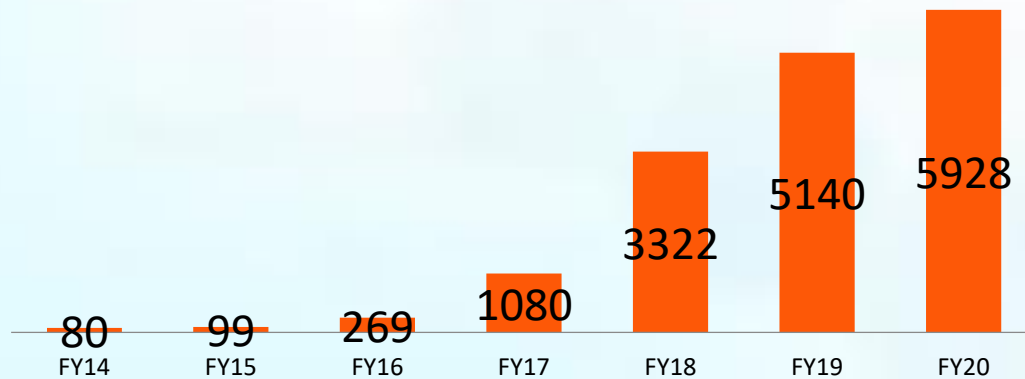




India's Retail Generic Medicine Landscape

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).

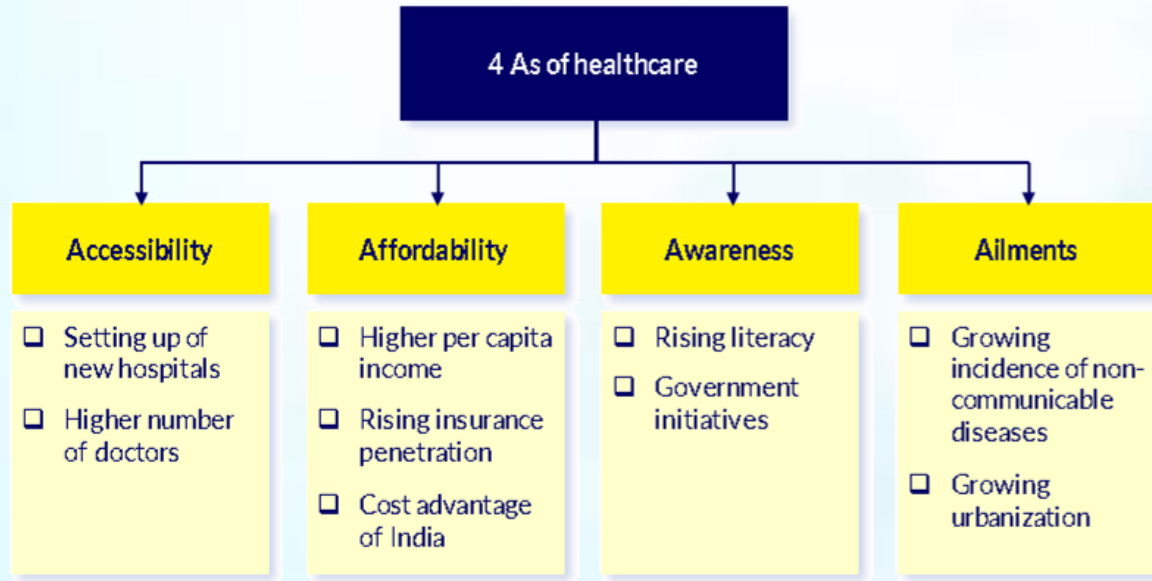
3 A medicine under PMBJP is priced at a maximum of 50% of the average price of its top three branded equivalents.

4 PMBJP 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.

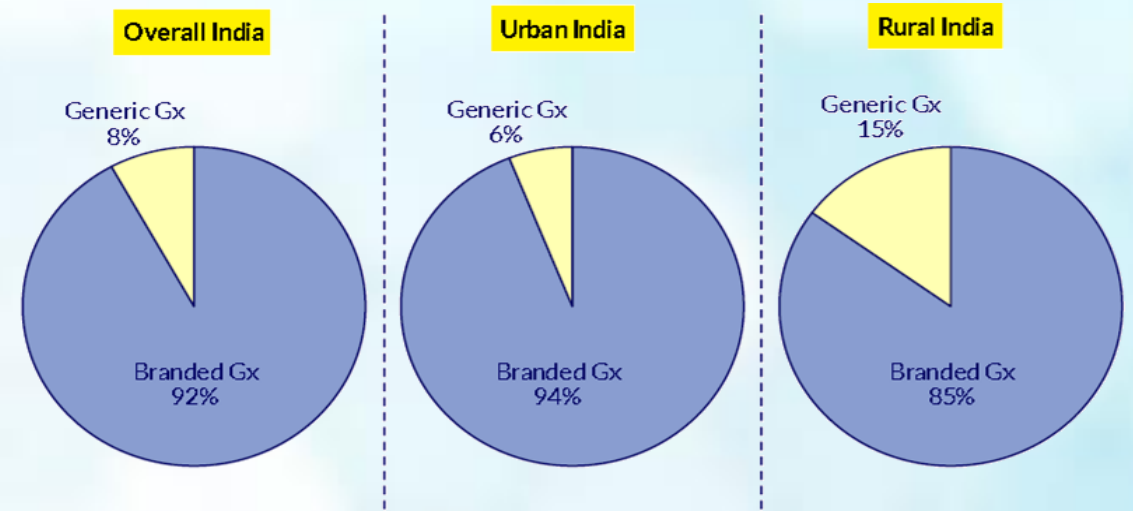


Underpenetrated Generic Medicine Market



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	Q3FY21
Income from Operations	5,646.3	6,473.3	7,158.0	7,785.2	8,562.9	9,511.3	3048.27
Other Income	1.4	7.7	5.6	151.9	154.5	151.3	57.15
Total Income	5,647.8	6,481.0	7,163.6	7,937.0	8,717.4	9,662.6	3105.42
Operating Expenses	4,796.5	5,516.8	6,153.8	6,695.0	7,788.7	9,059.7	3166.97
EBITDA	851.3	964.2	1,009.8	1,242.0	928.7	602.9	-61.55
Margin %	15.1	14.9	14.1	16.0	10.8	6.3	-2.02%
Depreciation	150.6	123.5	105.4	93.7	139.4	209.8	80.08
EBIT	700.7	840.8	904.4	1,148.3	789.3	393.1	-141.63
Margin %	12.4	13.0	12.6	14.8	9.2	4.1	-4.65%
Financial Charges	66.5	68.3	68.2	12.1	3.7	6.9	3.42
PBT	634.2	772.4	836.2	1,136.2	785.6	386.2	-145.05
Margin %	11.2	11.9	11.7	14.6	9.2	4.1	-4.76%
Tax	207.6	261.5	282.1	407.4	230.7	112.0	-44.26
PAT	426.7	510.9	554.1	726.8	554.8	274.1	-100.79
Margin %	7.6	7.9	7.7	9.3	6.5	2.9	-3.30%
EPS	3.0	3.6	3.9	4.2	2.3	1.1	-0.41







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
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	9,824.3
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
Total Assets	3,484.1	4,038.4	4,405.2	5,380.5	9,179.4	8,960.7	8,847.8	9,824.3
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	8.6
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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Thank You