

September 17, 2022

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 Unaudited Financial Results for the quarter ended June 30, 2022.

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-395002 Ph: +91 261 2331601  
Email: [info@zotahealthcare.com](mailto:info@zotahealthcare.com)  
Web: [www.zotahealthcare.com](http://www.zotahealthcare.com)

CIN: L24231GJ2000PLC038352

A photograph of a middle-aged man with grey hair and a beard, wearing glasses and a white lab coat over a blue shirt. He is focused on using a pipette to transfer liquid into a multi-well plate. The background is a blurred laboratory setting. The image is partially covered by a large graphic on the left consisting of a blue triangle pointing down and a red triangle pointing up, meeting at a diagonal line.

# Q1FY23

PERFORMANCE HIGHLIGHTS

SEPTEMBER 2022



# Safe Harbour

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.

This presentation has been prepared on the basis of information and data available with the Company consider reliable. This presentation may not contain all the information that you may consider material. Any liability in respect of the content of or any omission from this presentation is expressly excluded.

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.

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



# Table Of Contents

A scientist wearing a white lab coat and blue nitrile gloves is shown in a laboratory setting. They are holding a round-bottom flask filled with a bright blue liquid in their right hand and a test tube in their left hand, pouring the liquid from the flask into the test tube. The background is blurred, showing other laboratory equipment and a clean, professional environment.

- 01 RESULT HIGHLIGHTS
- 02 OPERATIONAL METRICS
- 03 DAVAINDIA
- 04 BUSINESS OUTLOOK  
& STRATEGY
- 05 FINANCIAL SUMMARY

# Q1FY23- Result Highlights



# Stand Quarterly Financial Highlights

## Q-o-Q

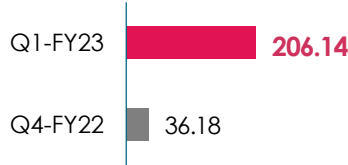
### Revenues (₹ Lakhs)



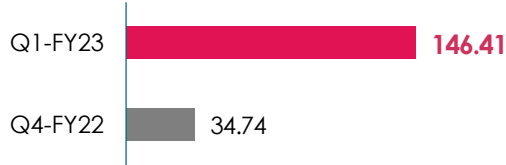
### Gross Profit (%)



### Operating Profit (₹ Lakhs)



### PAT (₹ Lakhs)



## Y-o-Y

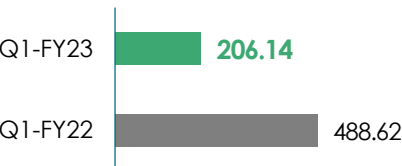
### Revenues (₹ Lakhs)



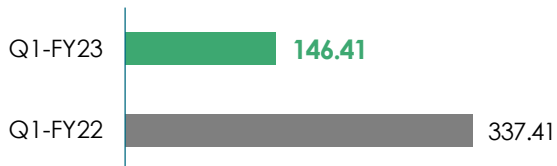
### Gross Profit (%)



### Operating Profit (₹ Lakhs)

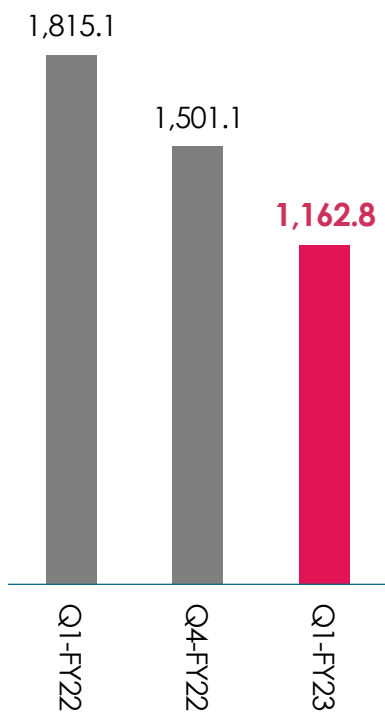


### PAT (₹ Lakhs)

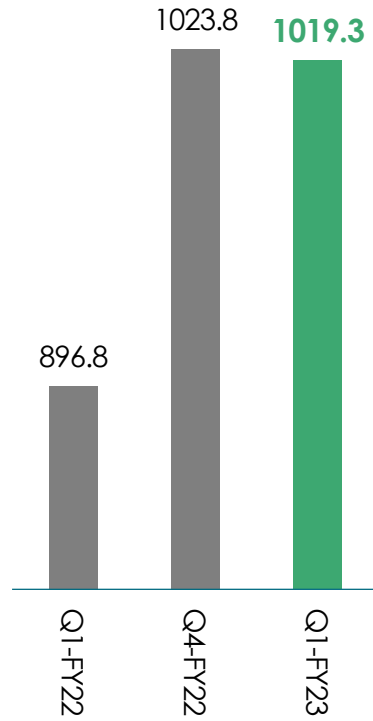


# Revenue Break up – Quarterly

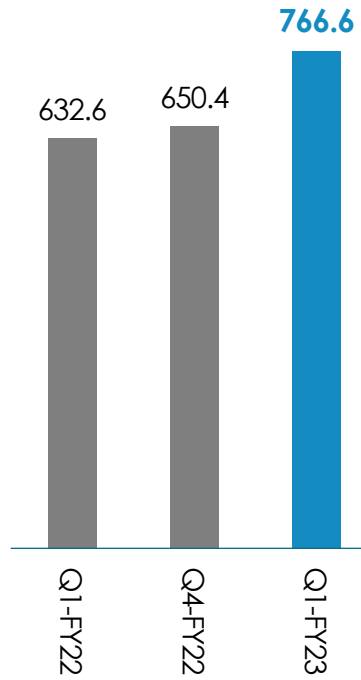
## Domestic Sales



## Dava India Sales



## Export Sales (SEZ)



# FY- Result Highlights





# Stand Profit & Loss Statement - Quarterly

Particulars (Rs Lakhs)	Q1FY23	Q4FY22	YoY %	QoQ %	Q1FY22
Export Sales (SEZ)	766.6	650.3	21%	18%	632.6
Dava India Sales	1019.3	1023.8	14%	0%	896.8
Domestic Sales	1162.8	1501.1	-36%	-23%	1,815.1
<b>Revenues from Operations</b>	<b>2,948.78</b>	<b>3,175.26</b>	<b>-12%</b>	<b>-7%</b>	<b>3,344.49</b>
Cost of Goods Sold	1,848.88	2,346.30	-16%	-21%	2,206.54
<b>Gross Profit</b>	<b>1099.90</b>	<b>828.96</b>	-3%	33%	<b>1137.95</b>
<b>% Margin</b>	<b>37.30%</b>	<b>26.11%</b>	<b>328 BPS</b>	<b>1119 BPS</b>	<b>34.02%</b>
Operational Exp	893.76	792.78	38%	13%	649.33
Employee cost	256.59	256.03	-2%	0%	261.33
Other expenses	637.17	536.75	64%	19%	388.00
<b>Operating Profit</b>	<b>206.14</b>	<b>36.18</b>	58%	470%	<b>488.62</b>
<b>% Margin</b>	<b>6.99%</b>	<b>1.14%</b>	<b>-762 BPS</b>	<b>585 BPS</b>	<b>14.61%</b>
Other Income	54.18	82.39	78%	-34%	30.48
<b>EBITDA</b>	<b>260.32</b>	<b>118.57</b>	50%	120%	<b>519.10</b>
<b>% Margin</b>	<b>8.83%</b>	<b>3.73%</b>	<b>-669 BPS</b>	<b>509 BPS</b>	<b>15.52%</b>
Depreciation	55.96	69.84	-9%	-20%	61.68
<b>EBIT</b>	<b>204.36</b>	<b>48.73</b>	55%	319%	<b>457.42</b>
<b>% Margin</b>	<b>6.93%</b>	<b>1.53%</b>	<b>-675 BPS</b>	<b>540 BPS</b>	<b>13.68%</b>
Interest Cost	1.64	3.93	86%	-58%	0.88
<b>EBT</b>	<b>202.72</b>	<b>44.80</b>	56%	353%	<b>456.54</b>
<b>% Margin</b>	<b>6.87%</b>	<b>1.41%</b>	<b>-678 BPS</b>	<b>546 BPS</b>	<b>13.65%</b>
Taxes	47.37	24.77	-60%	91%	119.13
<b>Profit After Taxes</b>	<b>146.41</b>	<b>34.74</b>	57%	321%	<b>337.41</b>
<b>% Margin</b>	<b>4.97%</b>	<b>1.09%</b>	<b>-512 BPS</b>	<b>387 BPS</b>	<b>10.09%</b>

# Management Commentary

01

The Company reported a decline in Revenues in Q1FY22, primarily on account of lower Domestic Sales and flat Dava India Sales.

02

Domestic Sales reported a decline of 36% YoY and 23% QoQ, while exports performance continues to suffer due to prolonged container shortages, logistical challenges and rising lead times.

03

The sales contribution from new-age business stood at 61% in Q1FY23 as compared to 53% in Q4FY22 and 46% in Q1FY22.

04

The Company has registered an increase in gross margins from 26.11% in Q4FY22 to 37.30% in Q1FY23.

05

EBITDA stood at Rs 260.32 Lakhs, with margins at 8.83% driven by an increase in Gross Margins.

06

PAT stood at Rs. 146.41 Lakhs, increasing 57% YoY basis and declining 321% QoQ basis.

# Management Commentary

## DOMESTIC OPERATIONS

Domestic Revenues registered a **decline** of **13.60% QoQ and 19.55% YoY at ₹ 2182.14 Lakhs** on account of lower dispatch due to warehouse shifting.

EBITDA at **₹ 180.80 Lakhs** for Q1FY23.

PAT stood at **₹ 105.24 Lakhs** for Q1FY23.

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

## EXPORTS

Exports revenues **increased 18% on QoQ basis and 21% YoY at ₹ 766.64 Lakhs** in Q1FY23.

EBITDA at **₹ 79.53 Lakhs** for Q1FY23.

PAT stood at **₹ 41.17 Lakhs** for Q1FY23.



# Davaindia

## Generic Pharmacy

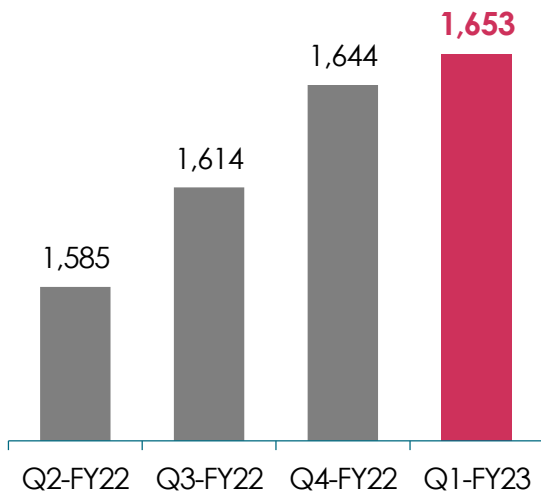


# Davaindia Key Figures

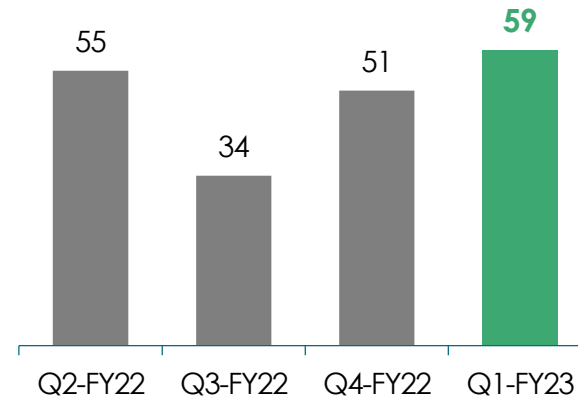
## Gross Mercantile Value (GMV)

Total GMV of Davaindia Stores stood at **1,595 Lakhs** during Q1FY23 **down 7% QoQ**

## No. of SKU's



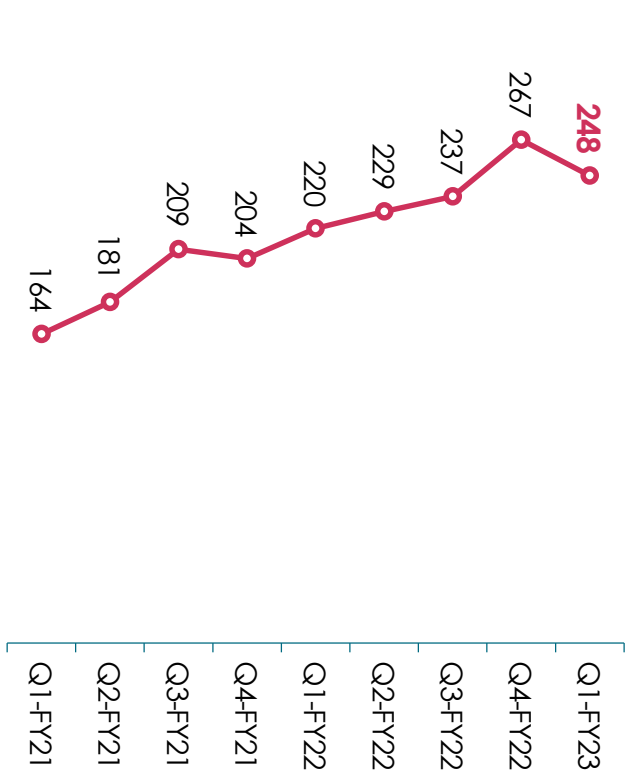
## New Stores rolled-out



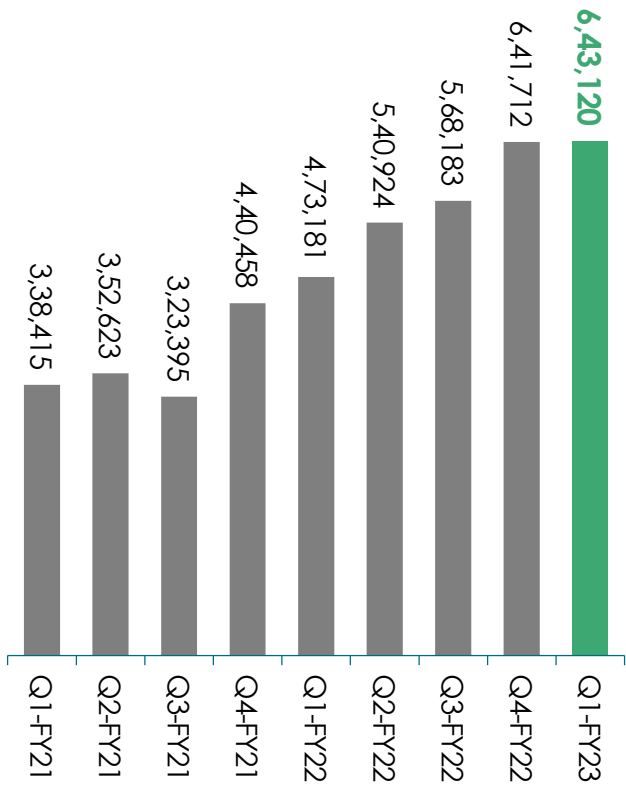


# Davaindia Key Figures

Average Wallet Spend



No. of Customers Served



# Davaindia- Generic Pharmacy



During the quarter Davaindia has catered to the highest-ever number of customer i.e. 6.43 lakhs against 6.42 lakhs in the previous quarter. The Company witnessed a slight decrease in Average Wallet Spends which stood at 248 against 267 in the previous quarter.



Davaindia has led the revolution of patients opting for generic medicines against branded counterparts. As of Q1FY23, Davaindia has catered to more than 5.93 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 remain high, thus aiding the overall growth of Davaindia's business model.



Davaindia expansions continues aggressively, in Q1FY23, the Company rolled-out 19 COCO stores on a base of 17 stores in the previous quarter. The Company will pursue rapid store roll-out on the COCO front. The Company also rolled out additional 40 FOFO stores, taking the total FOFO count to 537, and the total store count to 573.



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. 1,653 has enabled Davaindia to better serve customers across all segments. Thus, increasing its customer spends across varied price points, the Average Wallet Spend was ₹248 in Q1FY23.

# Davaindia- Generic Pharmacy





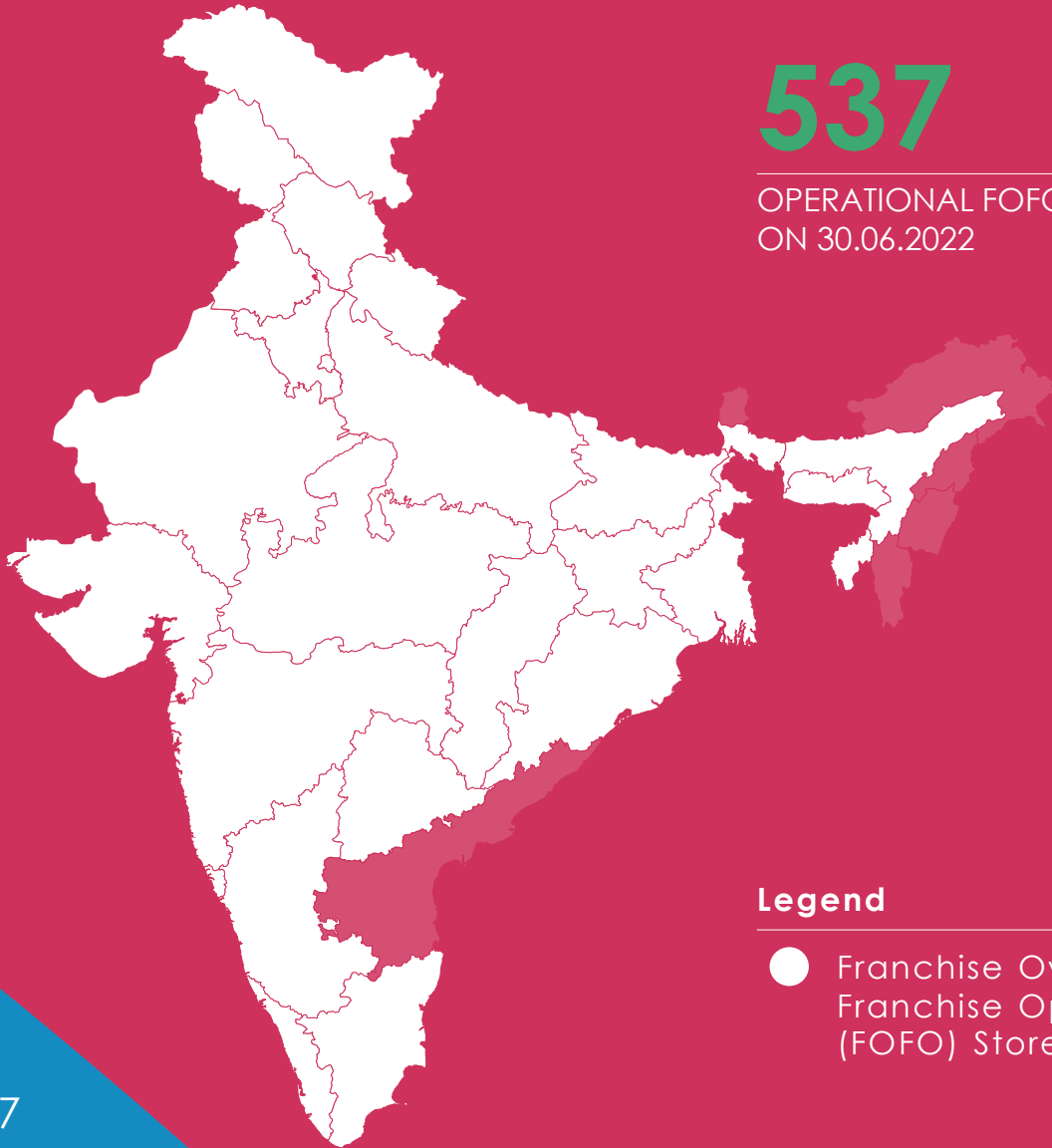
# Davaindia- COCO Stores



# Operational FOFO Stores

## 537

OPERATIONAL FOFO STORES AS  
ON 30.06.2022



### Legend

- Franchise Owned
- Franchise Operated (FOFO) Stores

States	No. of Stores
Arunachal Pradesh	1
Assam	7
Bihar	16
Chhattisgarh	2
Delhi	32
Goa	1
Gujarat	55
Haryana	30
Himachal Pradesh	1
Jammu And Kashmir	3
Jharkhand	7
Karnataka	10
Kerala	17
Madhya Pradesh	68
Maharashtra	52
Meghalaya	1
Odisha	50
Punjab	3
Rajasthan	27
Tamil Nadu	10
Telangana	7
Tripura	5
Uttar Pradesh	98
Uttarakhand	6
West Bengal	28



# Operational COCO Stores



## Legend

- Company Owned
- Company Operated (COCO) Stores

Operated by wholly-owned subsidiary  
Davaindia Health Mart Limited

State	No. of Stores
Gujarat	12
Haryana	2
Maharashtra	11
Rajasthan	4
Delhi	3
Madhya Pradesh	1
Uttar Pradesh	3



# Management Commentary

Commenting on Q1FY23 financial performance and operational highlights, Management Team of Zota Health Care said,

*“Zota Health Care's Q1FY23 performance was subdued due to lower dispatches on the Domestic sales front. During the quarter, the Company shifted to a new third-party state-of-art modern central warehouse. Due to the shifting at the new warehouse & getting accustomed to new systems, the Company witnessed slower dispatches in April. However, the dispatches have picked up during the balance quarter, and operations have normalised. Thus, both Dava India and Domestic business sales were lower than expected during Q1FY23. On the Export front, the Company continues to face supply-chain and logistic issues, which is expected to continue for another quarter. Work on new product registrations is progressing well, and the Company's marketing team is aggressively working on lead generation for recently registered products.*

*During the quarter, the Company rolled out 59 new stores, 19 of which were COCO stores. The response for COCO stores is particularly good, and the Company will keep expanding in this category. Some new states were also targeted for COCO stores during the quarter, such as Madhya Pradesh and Uttar Pradesh. The Company has also rolled out two pilot COCO stores at Indian Oil Corporation Petrol Pumps in Delhi, a new store format the Company is working on. On the FOFO stores, the Company rolled out 40 new stores, and the total FOFO stores stood at 537 at the end of Q1FY23, covering almost the entirety of India, barring a few East India states. To conclude, your Company is fully geared up to capture the tremendous opportunity of the generic pharmacies in India.”*

# Industry Snapshot & Business Strategy



# Retail Generic Medicine Landscape in India

To achieve the objective of making available quality generic medicines at affordable prices to all, 'Jan Aushadhi Scheme' was launched by the Department of Pharmaceuticals, Ministry of Chemicals & Fertilizers, Government of India across the country. The scheme was later renamed to Pradhan Mantri Bhartiya Janaushadhi Pariyojna (PMBJP)



## Objectives of PMBJP

- To make available quality medicines consumables and surgical items at affordable prices for all and thereby reduce out of pocket expenditure of consumers/patients.
- To popularize generic medicines among the masses and dispel the prevalent notion that low priced generic medicines are of inferior quality or are less effective.
- Generate employment by engaging individual entrepreneurs in the opening of PMBJP Kendras.



## Savings to the common man

- A medicine under PMBJP is priced on the principle of a maximum of 50% of the average price of the top three branded medicines. Therefore, the price of Jan Aushadhi Medicines is cheaper at least by 50% and in some cases, by 80% to 90% of the market price of branded medicines.



## Strong Implementation

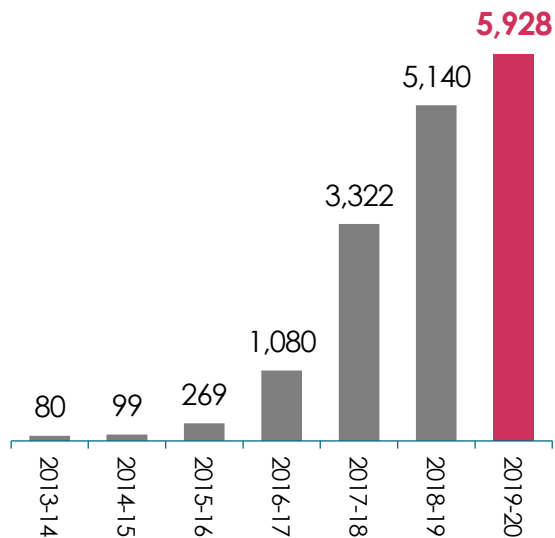
- The Product Basket of the scheme now covers more than 1,449 medicines and 204 surgical & consumables.
- Presence in all major therapeutic categories such as Anti-infective, Anti-allergic, Anti-diabetics, Cardiovascular, Anti-cancers, Gastro-intestinal medicines, etc.
- As on 24/06/2021, 7,855 PMBJP Kendras are functional in the country. Pradhan Mantri Bhartiya Janaushadhi Pariyojana has marked its presence in almost every district of India by covering 732 districts out of 734.

# Impact of PMBJP

In the financial year (2019-20), PMBJP has achieved sales of ₹258 crores (at MRP), up to 30-11-2019. This has led to savings of approximately ₹1,800 crores of the common citizens of the country.

## Growth in number of stores

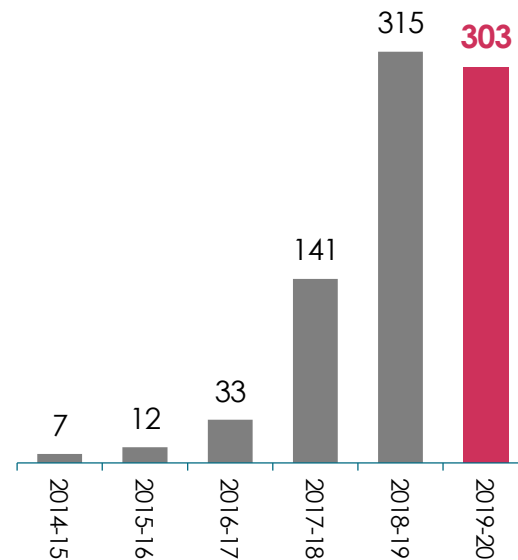
(Number of stores as on 31<sup>st</sup> March of the year)



Note : 2019-20 – till 31/12/2019

## Growth in turnover

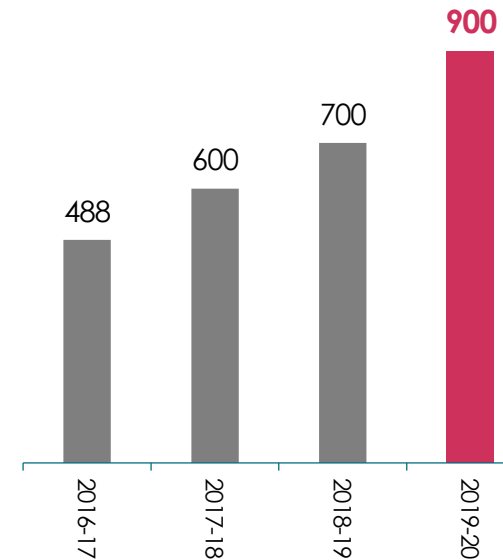
(Sales value in crore)



Note : 2019-20 – till 31/12/2019

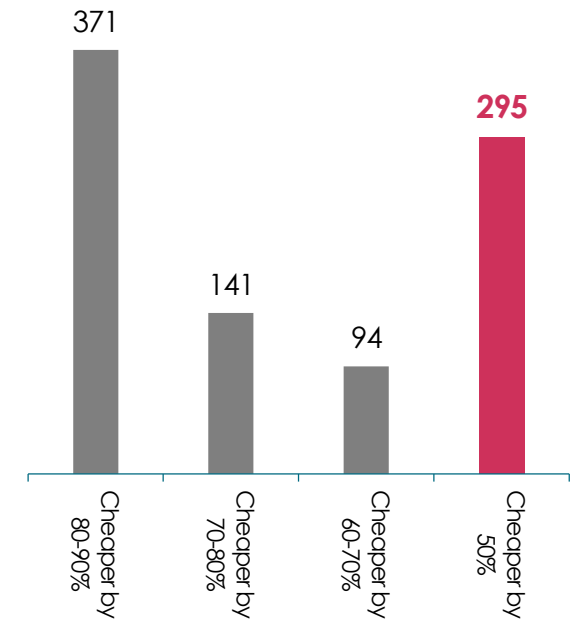
## Product basket

(No of Medicines)



Note : 2019-20 – till 31/12/2019

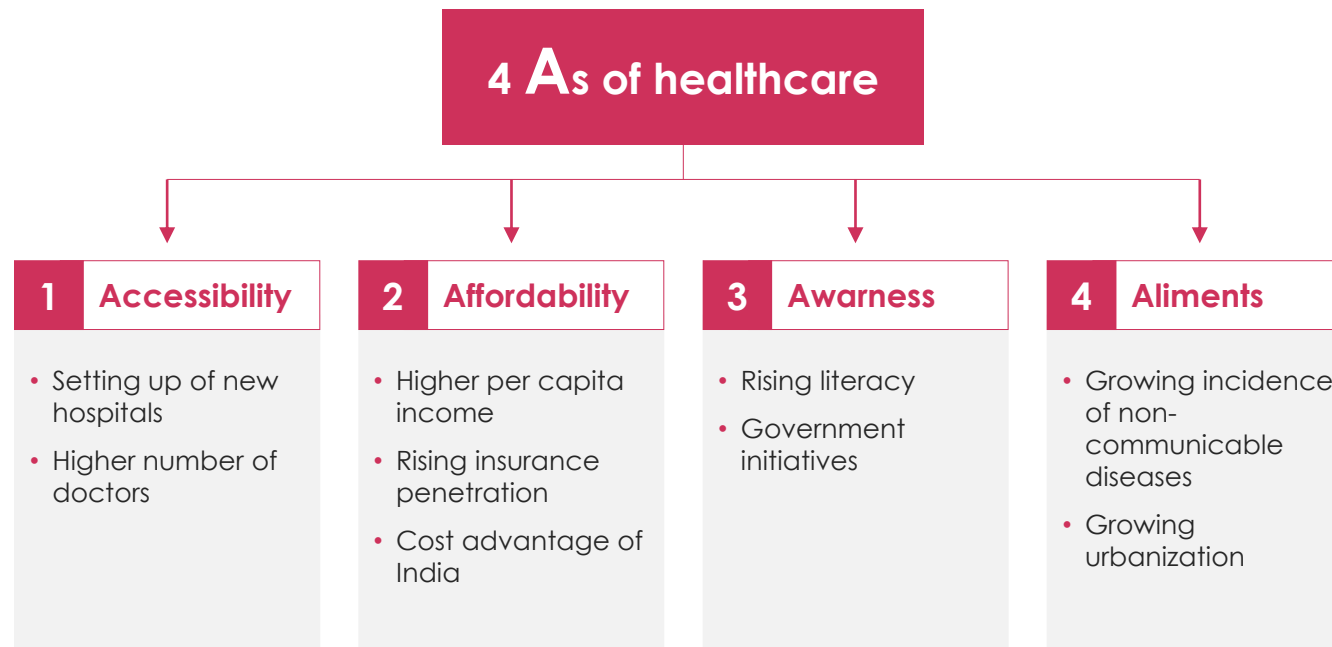
## Price of Janaushadhi medicines to branded medicines





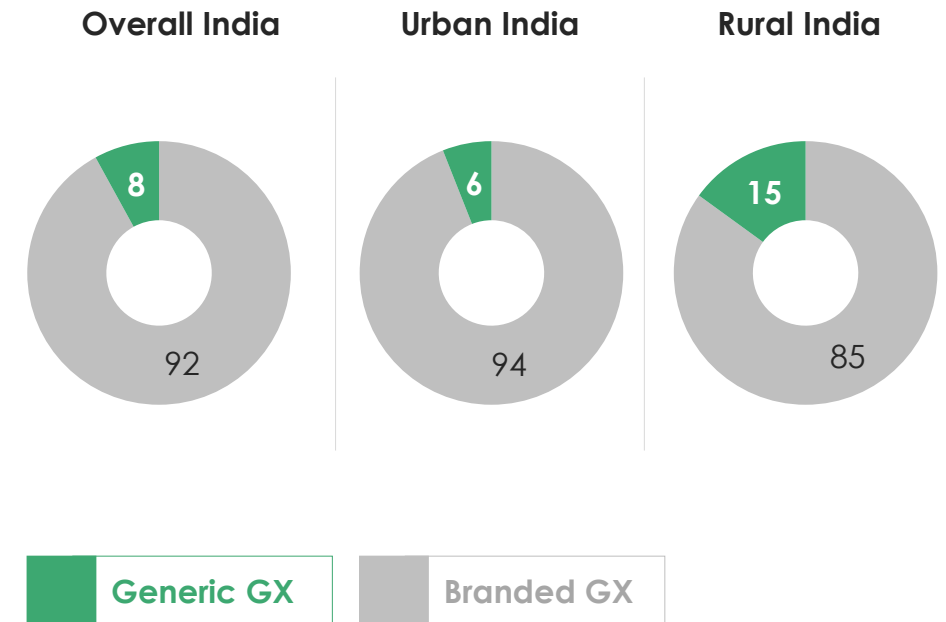
# Underpenetrated Generic Medicine Market

## 4 pillars to drive healthcare



Source : CLSA

## Branded and generic mix of Indian pharma market (%)



Source : IQVIA, CLSA

# Financial Summary



# Profit & Loss Statement

Particulars (INR Lakhs)	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
<b>Income from Operations</b>	5,646.3	6,473.3	7,158.0	7,785.2	8,562.9	9,511.3	10,684.12	13,153.33
Other Income	1.4	7.7	5.6	151.9	154.5	151.3	125.66	164.56
<b>Total Income</b>	<b>5,647.8</b>	<b>6,481.0</b>	<b>7,163.6</b>	<b>7,937.0</b>	<b>8,717.4</b>	<b>9,662.6</b>	<b>10,809.78</b>	<b>13,317.89</b>
Operating Expenses	4,796.5	5,516.8	6,153.8	6,695.0	7,788.7	9,059.7	10,490.90	11,453.82
<b>EBITDA</b>	<b>851.3</b>	<b>964.2</b>	<b>1,009.8</b>	<b>1,242.0</b>	<b>928.7</b>	<b>602.9</b>	<b>193.22</b>	<b>1,699.51</b>
<b>Margin %</b>	<b>15.1</b>	<b>14.9</b>	<b>14.1</b>	<b>16.0</b>	<b>10.8</b>	<b>6.3</b>	<b>1.8</b>	<b>12.9</b>
Depreciation	150.6	123.5	105.4	93.7	139.4	209.8	316.68	273.05
<b>EBIT</b>	<b>700.7</b>	<b>840.8</b>	<b>904.4</b>	<b>1,148.3</b>	<b>789.3</b>	<b>393.1</b>	<b>-123.46</b>	<b>1,426.46</b>
<b>Margin %</b>	<b>12.4</b>	<b>13.0</b>	<b>12.6</b>	<b>14.8</b>	<b>9.2</b>	<b>4.1</b>	<b>-1.2</b>	<b>10.8</b>
Financial Charges	66.5	68.3	68.2	12.1	3.7	6.9	10.97	7.32
<b>PBT</b>	<b>634.2</b>	<b>772.4</b>	<b>836.2</b>	<b>1,136.2</b>	<b>785.6</b>	<b>386.2</b>	<b>-134.43</b>	<b>1,419.14</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>-1.3</b>	<b>10.8</b>
Tax	207.6	261.5	282.1	407.4	230.7	112.0	-15.3	376.56
<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>-16.24</b>	<b>1,058.01</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>-0.2</b>	<b>8.0</b>
<b>EPS</b>	<b>3.0</b>	<b>3.6</b>	<b>3.9</b>	<b>4.2</b>	<b>2.3</b>	<b>1.1</b>	<b>-0.07</b>	<b>4.25</b>

# Balance Sheet & Key Ratios

Particulars (INR Lakhs)	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
Share capital	1,196.9	1,436.3	1,436.3	1,436.3	1,754.3	1,754.3	2,456.0	2456.03	2,516.0
Reserves and Surplus	384.2	395.7	707.8	1,262.0	5,223.4	5,138.2	4,426.9	4,181.2	6,621.4
Non-current liabilities	521.3	548.7	272.7	466.8	64.7	87.1	105.3	94.5	102.9
Current liabilities	1,381.7	1,657.6	1,988.3	2,215.4	2,137.0	1,981.0	1,859.6	1,820.0	3,287.63
<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>8,551.6</b>	<b>12,527.93</b>
Non-current assets	926.3	842.4	855.6	932.5	3,605.4	2,723.3	2,961.4	2438.13	5007.36
Current assets	2,557.8	3,196.0	3,549.5	4,447.9	5,574.1	6,237.4	5,886.4	6,113.5	7520.57
<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>8,551.6</b>	<b>12,527.93</b>

Key Ratios	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
RoCE (%)	17.4	20.0	23.5	19.3	10.5	8.0	4.0	-1.8	15.4
RoE (%)	19.7	23.3	23.8	20.5	10.4	8.0	4.0	-0.2	11.6
Net debt to equity (x)	0.3	0.3	0.1	0.1	0.0	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	-11.3	194.9
Inventory days	91.2	113.9	92.1	121.9	113.8	138.6	97.2	96.1	77.6
Receivables days	77.8	75.6	89.0	87.1	107.5	94.2	111.8	98.5	106.3
Payable days	109.0	116.2	126.5	148.4	117.8	103.5	82.5	77.6	76.4

# Thank You

## Contact Information

**Mr. Himanshu Zota / Mr. Ashvin Variya**

"ZOTA HOUSE", 2/896, Hira Modi Street,  
Sagrampura, Surat-395 002(Gujarat)

[cszota@zotahealthcare.com](mailto:cszota@zotahealthcare.com)

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

