

June 27, 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 and year ended March 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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CIN : L24231GJ2000PLCO38352

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Ph: +91 261 2397122



Q4&FY20 PERFORMANCE HIGHLIGHTS

JUNE 2020



Powered By  zota healthcare Ltd.



Save UPTO **90%** on generic medicines

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



दवाई में सच्चाई

davaIndia™
GENERIC PHARMACY

A chain of pharmacy store providing generic alternatives to branded medicines



 zota 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.

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 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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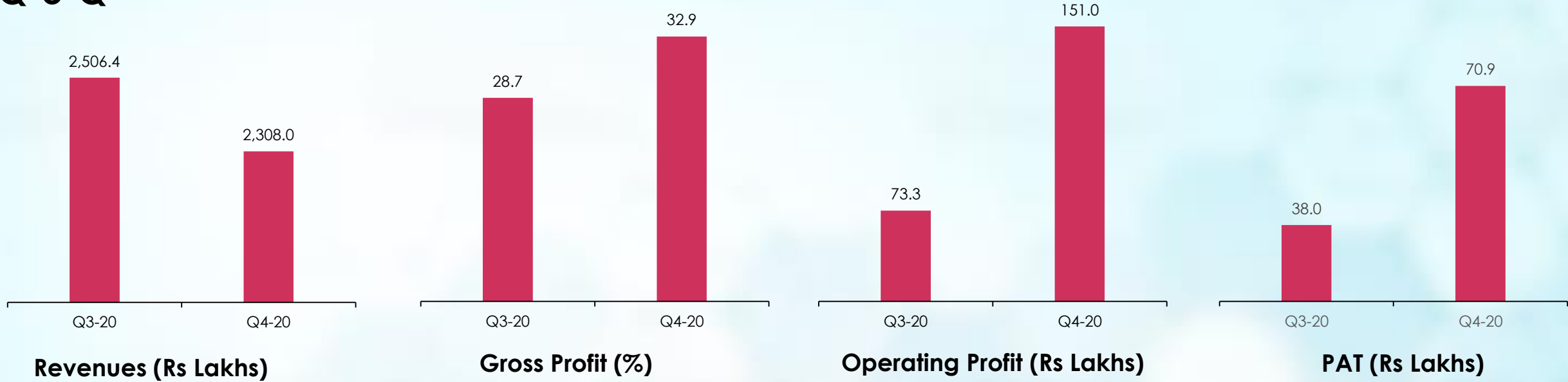
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Qtr- Result Highlights

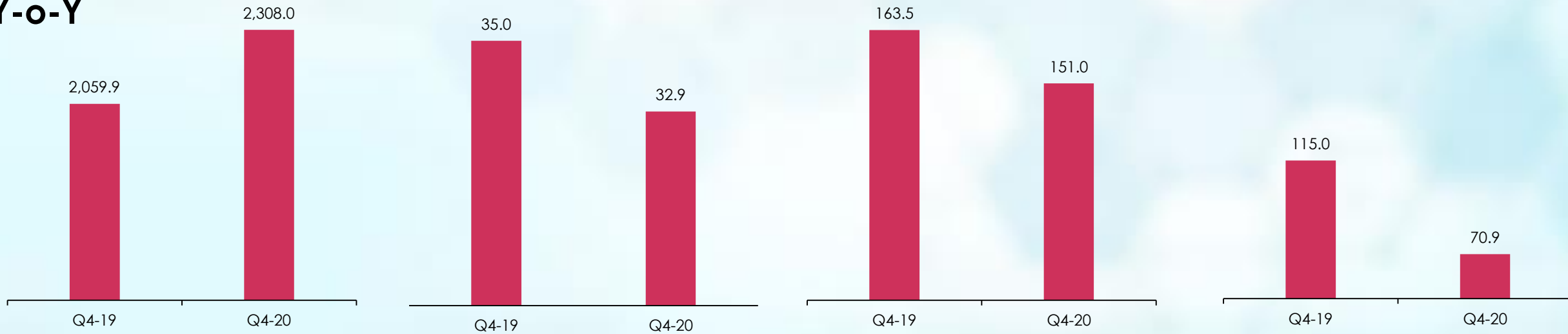


Consol Quarterly Financial Highlights

Q-o-Q



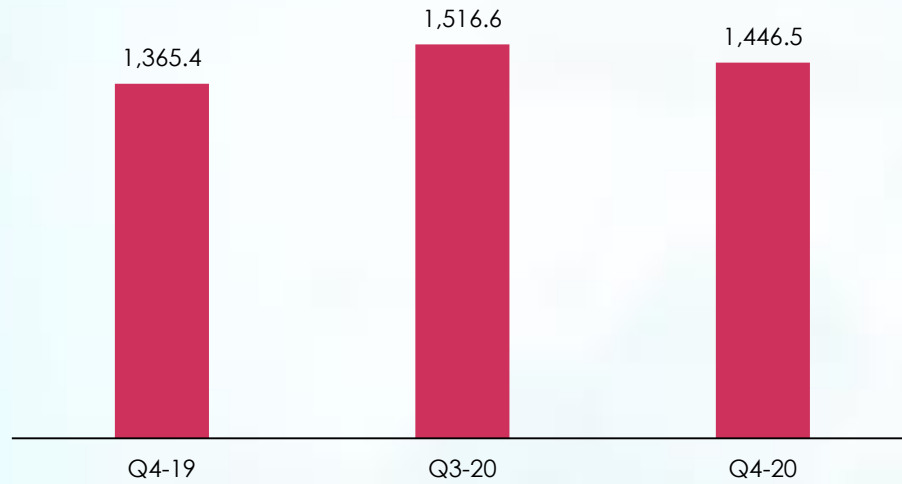
Y-o-Y



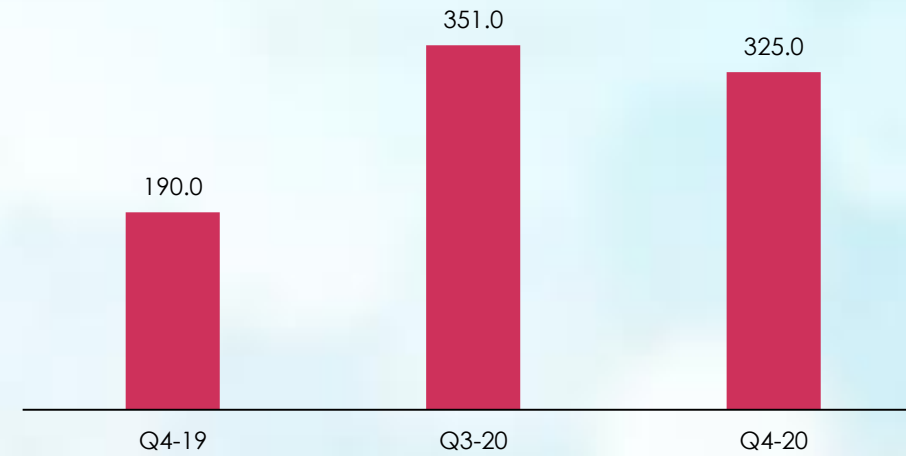


Revenue Break up – Quarterly

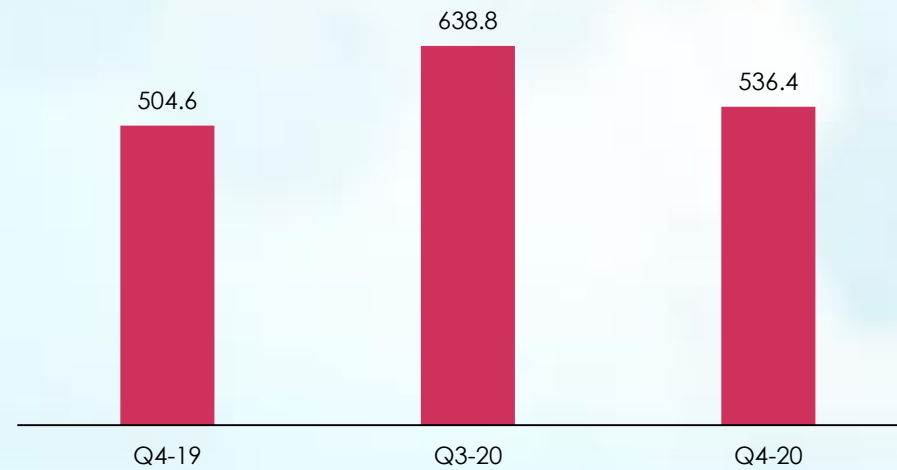
Domestic Sales



Dava India Sales



Export Sales (SEZ)



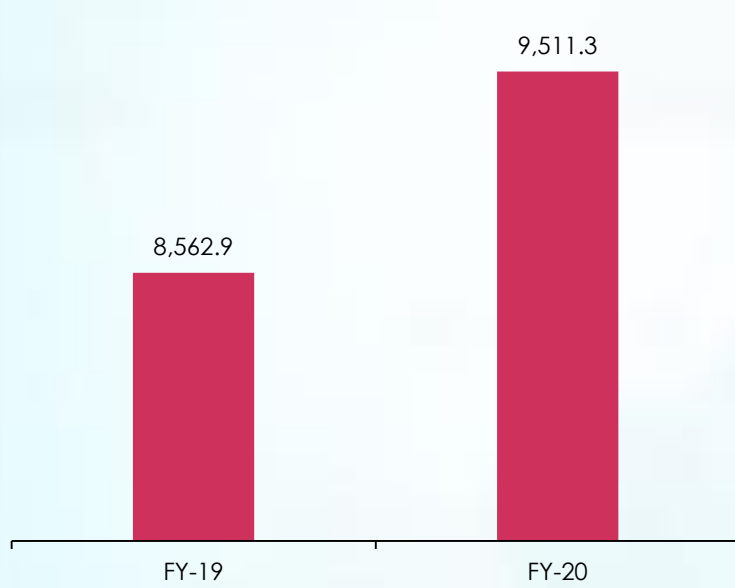
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FY- Result Highlights



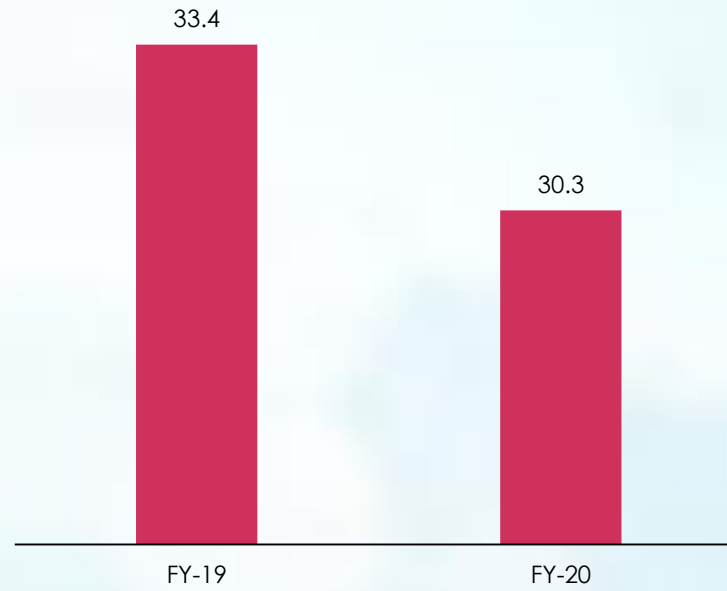


Consol Full Year Financial Highlights

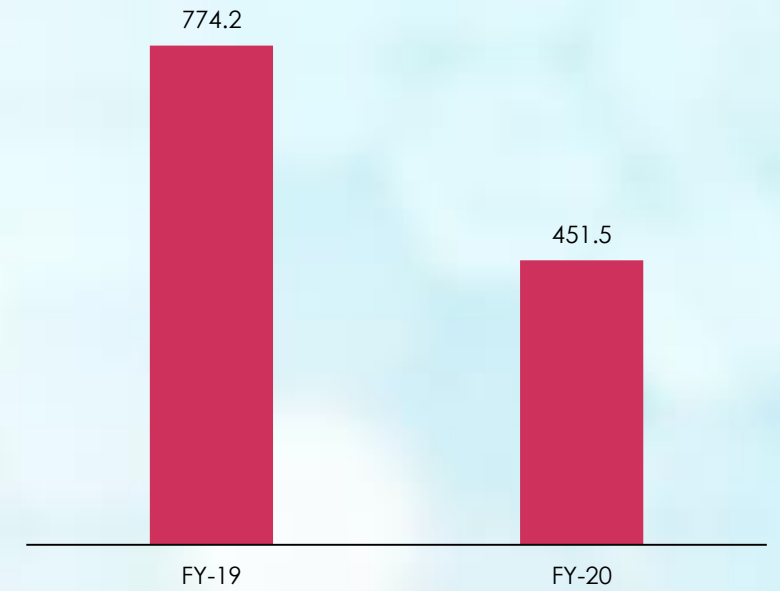
Revenues (Rs Lakhs)



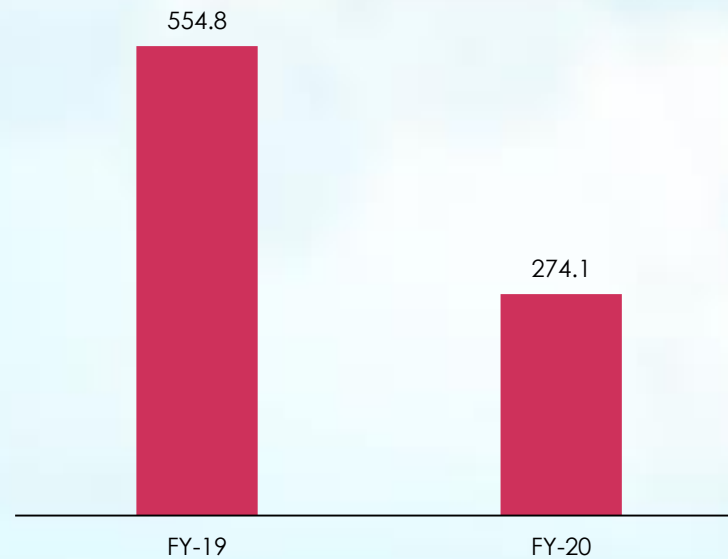
Gross Profit (%)



Operating Profit (Rs lakhs)



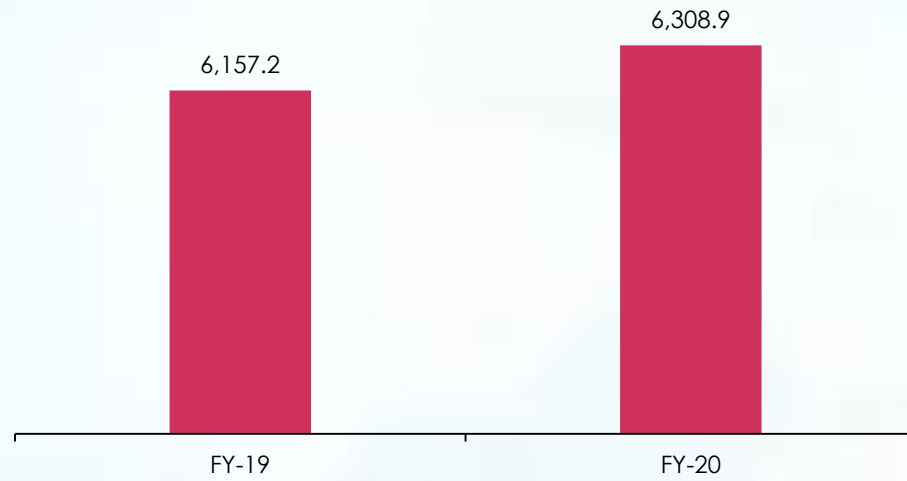
PAT (Rs lakhs)



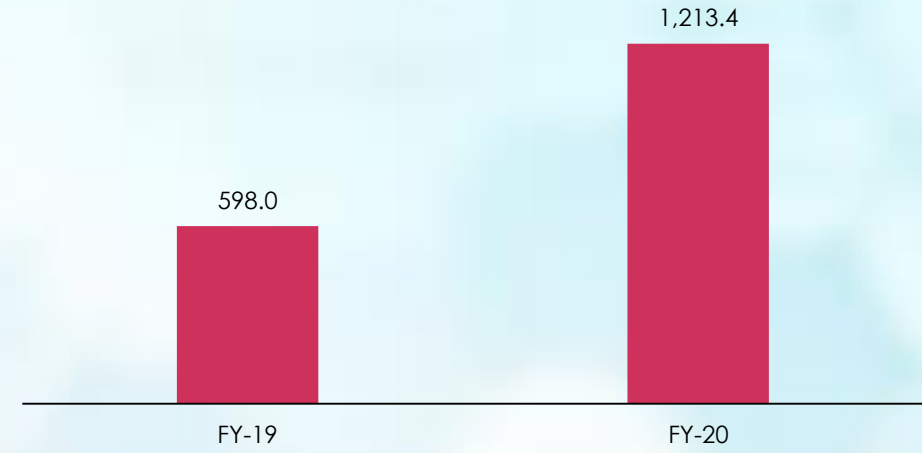


Revenue Break up – Full Year

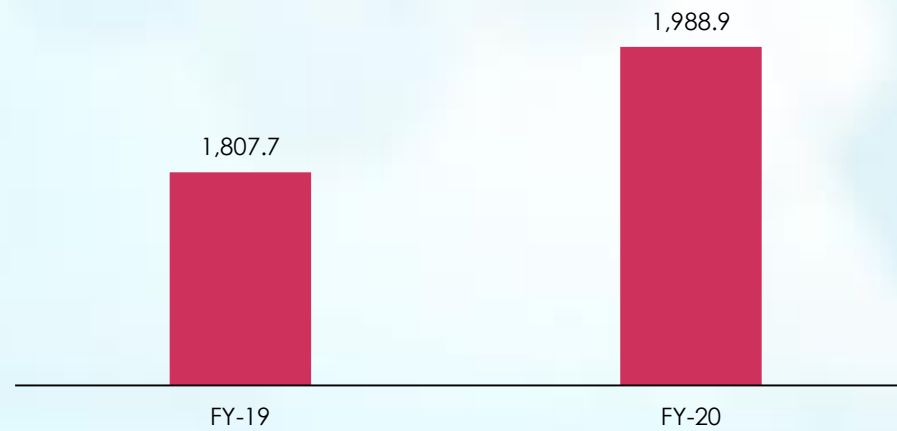
Domestic Sales



Dava India Sales



Export Sales (SEZ)





Consol Profit & Loss Statement - Quarterly

Particulars (Rs Lakhs)	Q4FY20	Q4FY19	YoY %	QoQ %	Q3FY20
Export Sales (SEZ)	536.4	504.6	6.3	-16.0	638.8
Dava India Sales	325.0	190.0	71.1	-7.4	351.0
Domestic Sales	1,446.5	1,365.4	5.9	-4.6	1,516.6
Revenues from Operations	2,308.0	2,059.9	12.0	-7.9	2,506.4
Cost of Goods Sold	1,549.3	1,338.8	15.7	-13.3	1,786.4
Gross Profit	758.6	721.1	5.2	5.4	720.0
% Margin	32.9	35.0			28.7
<u>Operational Exp</u>	607.7	557.6	9.0	-6.0	646.7
Employee cost	268.6	258.1			263.0
Other expenses	339.1	299.5			383.7
Operating Profit	151.0	163.6	-7.7	105.9	73.3
% Margin	6.5	7.9			2.9
Other Income	53.3	36.8	44.6	73.3	30.7
EBITDA	204.2	200.4	1.9	96.3	104.1
% Margin	8.8	9.7			4.2
Depreciation	99.6	26.4	278.0	107.1	48.1
EBIT	104.7	174.1	-39.9	86.9	56.0
% Margin	4.5	8.5			2.2
Interest Cost	2.3	1.5	50.7	-0.9	2.3
EBT	102.4	172.6	-40.7	90.7	53.7
% Margin	4.4	8.4			2.1
Taxes	31.5	57.6	-45.4	100.9	15.7
Profit After Taxes	70.9	115.0	-38.3	86.5	38.0
% Margin	3.1	5.6			1.5



Profit & Loss Statement – Full Year

Particulars (Rs Lakhs)	FY20	FY19	YoY %
Export Sales (SEZ)	1,988.9	1,807.7	10.0
Dava India Sales	1,213.4	598.0	102.9
Domestic Sales	6,308.9	6,157.2	2.5
Revenues from Operations	9,511.3	8,562.9	11.1
Cost of Goods Sold	6,630.0	5,701.4	16.3
Gross Profit	2,881.3	2,861.6	0.7
% Margin	30.3	33.4	
Operational Exp	2,429.7	2,087.4	16.4
Employee cost	1,034.1	889.2	
Other expenses	1,395.6	1,198.2	
Operating Profit	451.6	774.2	-41.7
% Margin	4.7	9.0	
Other Income	151.3	154.5	-2.1
EBITDA	602.9	928.7	-35.1
% Margin	6.3	10.8	
Depreciation	209.8	139.4	50.4
EBIT	393.1	789.3	-50.2
% Margin	4.1	9.2	
Interest Cost	6.9	3.7	88.6
EBT	386.2	785.6	-50.8
% Margin	4.1	9.2	
Taxes	112.0	230.7	-51.7
Profit After Taxes	274.1	554.8	-50.5
% Margin	2.9	6.5	



Management Commentary

- In Q4FY20 turnover grew 12% YoY at Rs 2,308 Lakhs, continued to be driven by sales growth of Davaindia and exports market
- Q4FY20 registered a 33% gross margins 200bps lower than Q4FY19 on the back of 15.7% YoY growth of RM cost
- EBITDA at Rs 204 Lakhs 2% higher YoY, margins at 8.8%
- PAT declined 38% on account of higher depreciation at Rs 70.9 Lakhs

FY20

- Revenues in FY20 grew 11% YoY augmented by higher Davaindia revenue growth of 103%
- Rise in employee and other expenses led to a fall in EBITDA by 35% to Rs 603 lakhs
- PAT lower by 50% at Rs 275 lakhs led by increased depreciation



Management Commentary

Domestic Operations

- In Q4FY20 Domestic Revenues registered a growth of 14% YoY led by better volumes and realisations, while FY20 domestic revenues was up by 11% over the prior year
- In FY20 - EBITDA came in at Rs 240 Lakhs with margins at 3.2%
- PAT at Rs 23 lakhs in FY20

Exports

- Exports revenues grew 10% at Rs 1,989 Lakhs in FY20 with better utilisations and export to newer countries
- In FY20, EBITDA at Rs 365 lakhs with healthy margins of 18.4% which was higher by 440bps
- PAT grew 23% at Rs 265 lakhs for FY20 and PAT margins at 13%



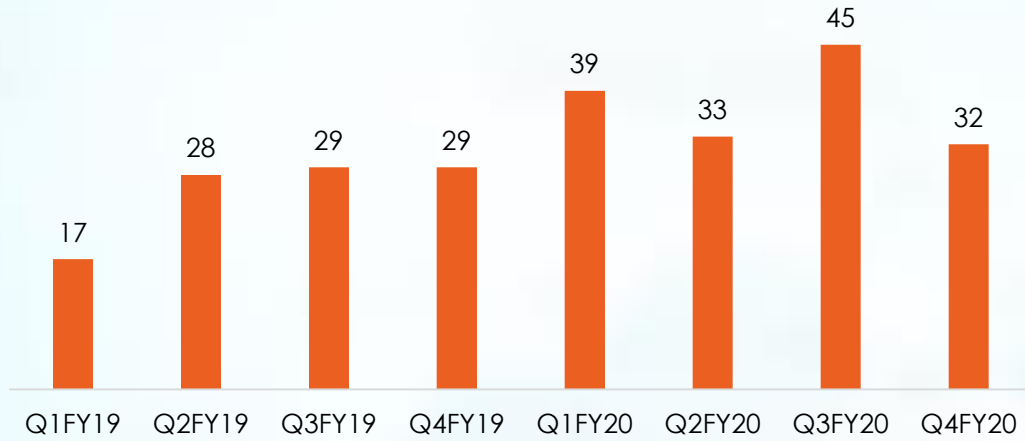
davaindia[®]
GENERIC PHARMACY



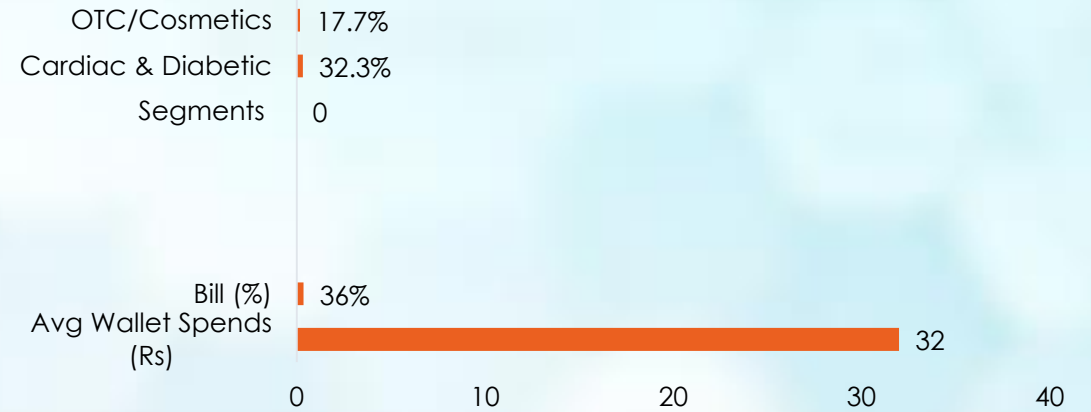


Davaindia Key Figures

Stores rolled-out



Sales %



SKU's

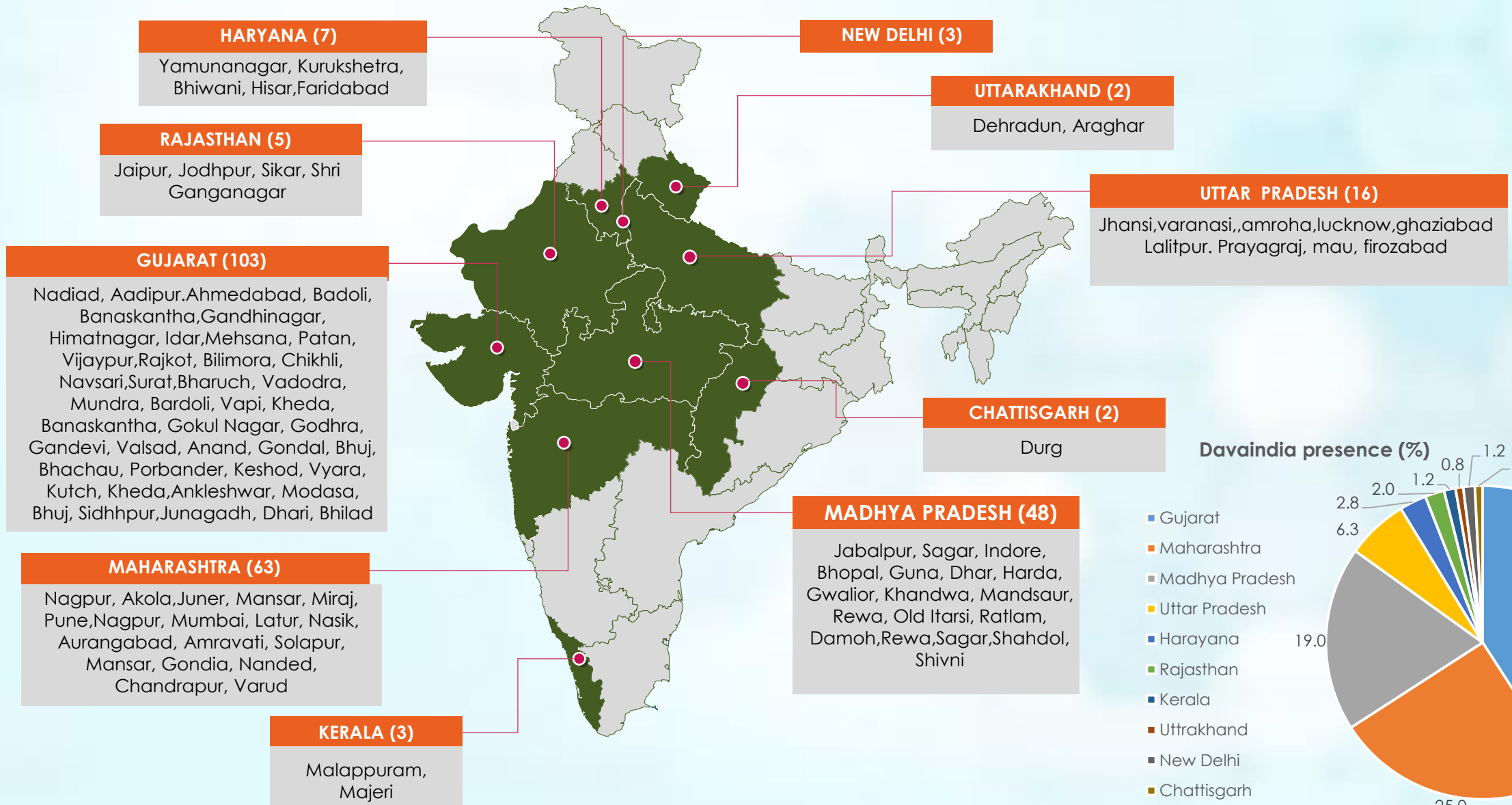


- Operationally davaindia revenues are gaining traction are aligned as per the managements vision. Stronger growth in FY20 at 103% with an exhibition of efforts yielding fruit
- Davaindia retail pharmacy stores is focus continues to be spread across chronic ailments – Cardiac, Diabetic, Thyroid etc as repeat orders from existing and new customers remains higher, thus aiding overall company growth and rendering the business model as a cash cow
- 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 252
- The company has adopted various marketing and communication channels like print, T.V and other mediums to increases 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.
- Davaindia is starting to see new customer additions as adoption of generic medicines are gaining prominence
- A higher number of ~ 1,338 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 159

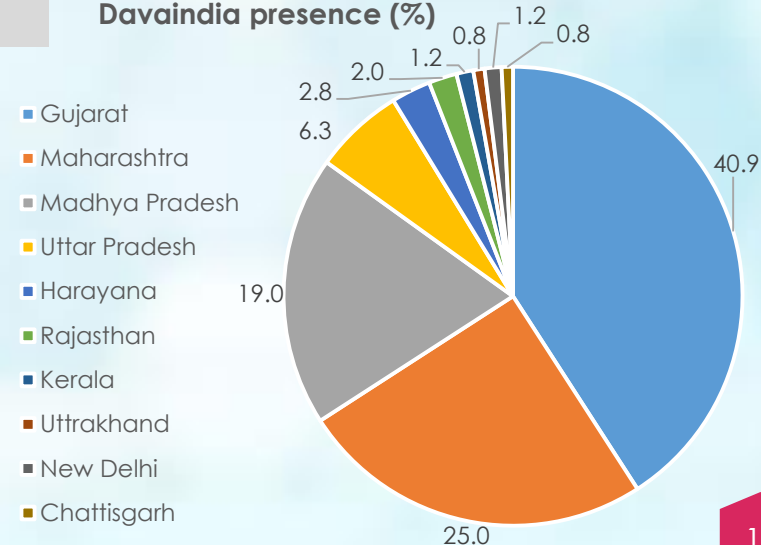




Davaindia Footprints



Davaindia presence (%)



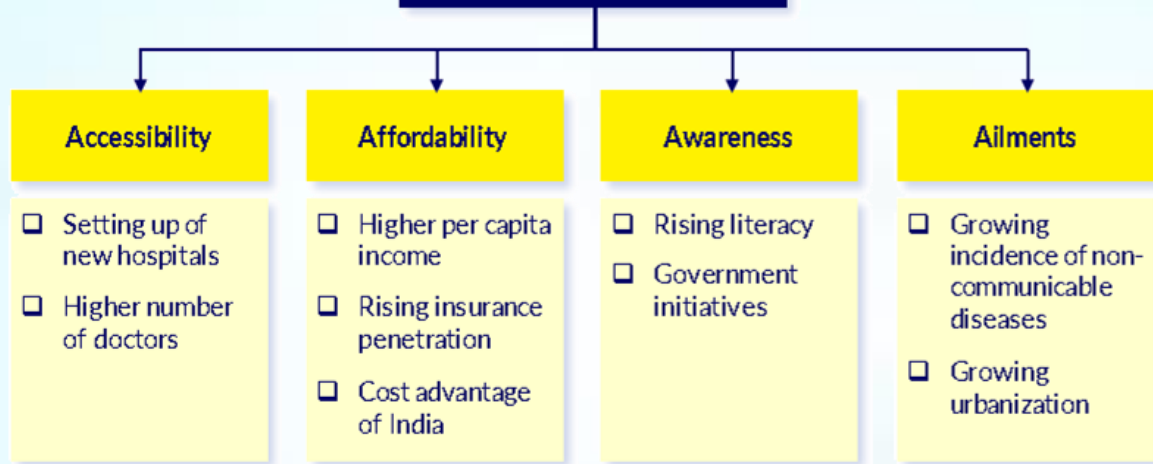


Industry Snapshot & Business Strategy





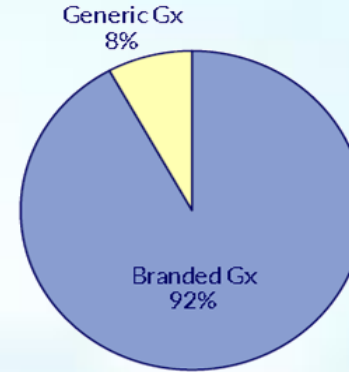
4 As of healthcare



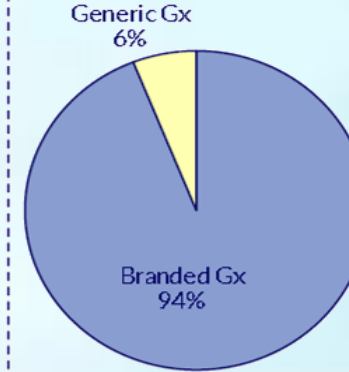
Source: CLSA

4 pillars to drive healthcare

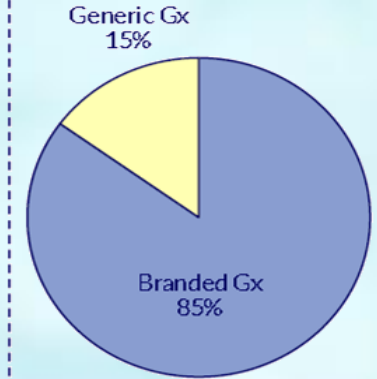
Overall India



Urban India



Rural India

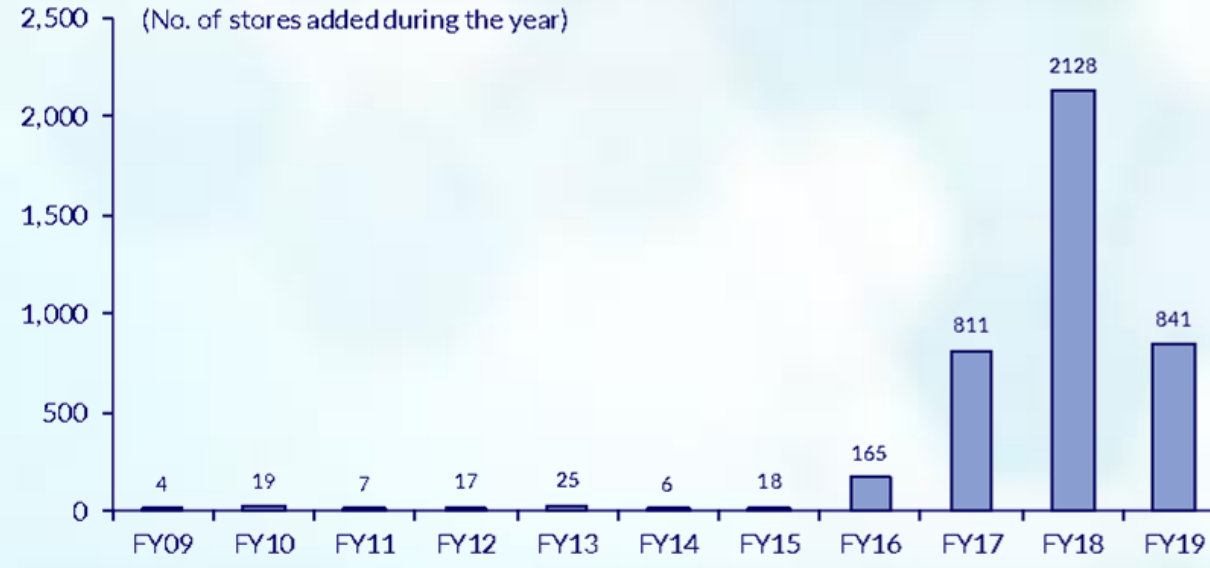


Source: IQVIA, CLSA

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



Business Performance Outlook

- Domestic business will grow at constant rate of 10% in FY21E, which will be a similar growth rate as previous year
- Strong margin and geographic expansion of supplying medicines has put this division in a drivers seat to capture growth of 30%-40% in FY21E
- As davaindia is shown promising results, its anticipated growth rates is estimated to be to the tune of 125-130%. The company aggressively pursuing its store expansion based on the growth rates that are prevailing. It has signed 325 new store agreements along with the 252 stores that have been opened





Business Performance Outlook

- Manufacturing plant was remained shuttled from March 23, 2020 to April 16, 2020; due to this dispatches of goods to various countries have been affected. Business resumed in a phased manner w,e.f, April 17, 2020.
- Export revenues being a higher margin business are expected to grow at a faster rate of 30%-40% in FY21E, as your company has expanded its global footprints in new geographies
- Focus on DAVAIndia remains a key area of focus given the growth opportunities presented. It plans to expand its store count across most states in India





Financial Summary





Profit & Loss Statement - Annually

Particulars (INR Lakhs)	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Income from Operations	5,011.2	5,646.3	6,473.3	7,158.0	7,785.2	8,562.9	9,511.3
Other Income	10.2	1.4	7.7	5.6	151.9	154.5	151.3
Total Income	5,021.4	5,647.8	6,481.0	7,163.6	7,937.0	8,717.4	9,662.6
Operating Expenses	4,362.0	4,796.5	5,516.8	6,153.8	6,695.0	7,788.7	9,059.7
EBITDA	659.4	851.3	964.2	1,009.8	1,242.0	928.7	602.9
Margin %	13.2	15.1	14.9	14.1	16.0	10.8	6.3
Depreciation	120.7	150.6	123.5	105.4	93.7	139.4	209.8
EBIT	538.7	700.7	840.8	904.4	1,148.3	789.3	393.1
Margin %	10.7	12.4	13.0	12.6	14.8	9.2	4.1
Financial Charges	71.4	66.5	68.3	68.2	12.1	3.7	6.9
PBT	467.3	634.2	772.4	836.2	1,136.2	785.6	386.2
Margin %	9.3	11.2	11.9	11.7	14.6	9.2	4.1
Tax	156.0	207.6	261.5	282.1	407.4	230.7	112.0
PAT	311.3	426.7	510.9	554.1	726.8	554.8	274.1
Margin %	6.2	7.6	7.9	7.7	9.3	6.5	2.9
EPS	2.6	3.0	3.6	3.9	4.2	2.3	1.1







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



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Thank You