

June 29, 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 Audited Financial Results for the quarter and year ended March 31, 2021.

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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Email: info@zotahealthcare.com  
Web : www.zotahealthcare.com

**Plant :**

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Nr. Sachin Railway Station, Sachin,  
Surat - 394 230 (Guj.) India  
Ph: +91 261 2397122



# Q4&FY21

PERFORMANCE HIGHLIGHTS

JUNE 2021



# Safe Harbour

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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.

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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# Q4FY21 - Result Highlights



# Consol Quarterly Financial Highlights

## Q-o-Q

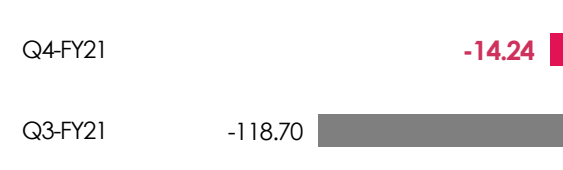
### Revenues (₹ Lakhs)



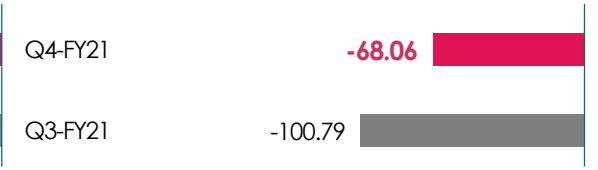
### Gross Profit (%)



### Operating Profit (₹ Lakhs)



### PAT (₹ Lakhs)



## Y-o-Y

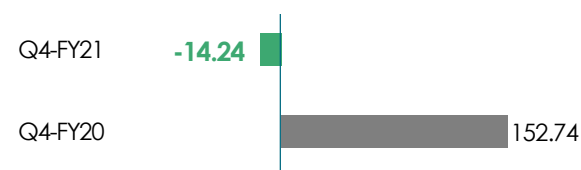
### Revenues (₹ Lakhs)



### Gross Profit (%)



### Operating Profit (₹ Lakhs)

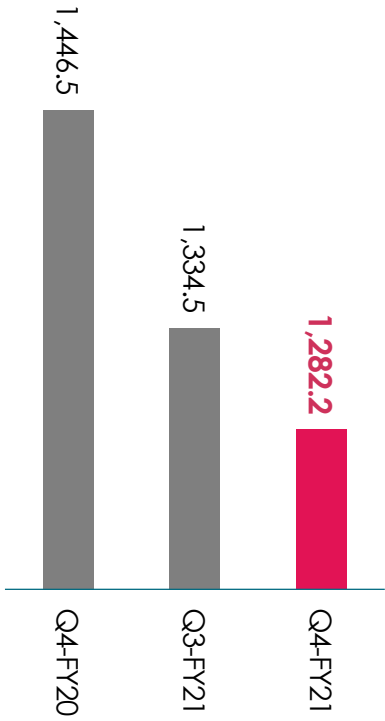


### PAT (₹ Lakhs)

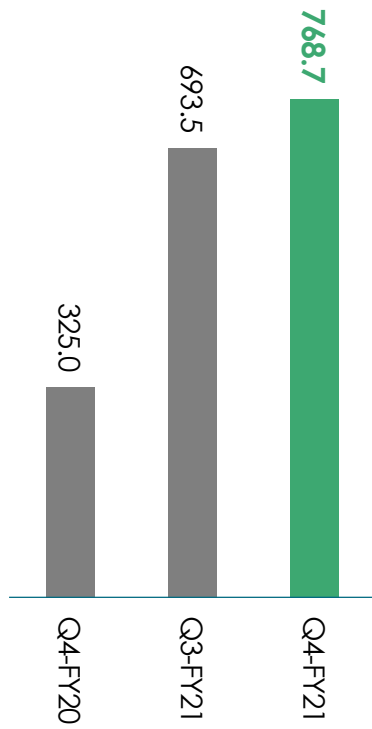


# Revenue Break up – Quarterly

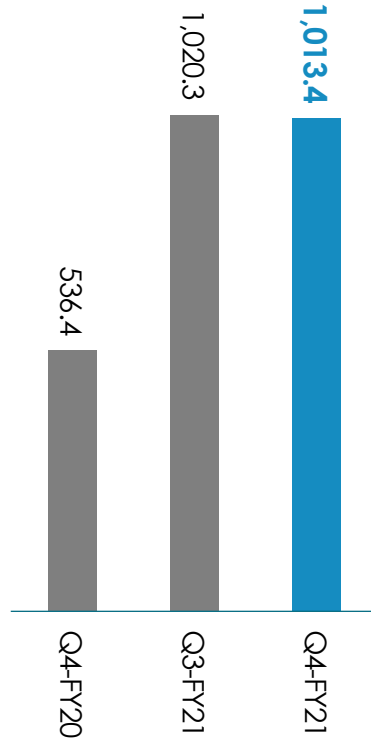
## Domestic Sales



## Dava India Sales



## Export Sales (SEZ)



# FY- Result Highlights





# Consol Profit & Loss Statement - Quarterly

| Particulars (Rs Lakhs)          | Q4FY21          | Q4FY20          | YoY %            | QoQ %           | Q3FY21          |
|---------------------------------|-----------------|-----------------|------------------|-----------------|-----------------|
| Export Sales (SEZ)              | 1,013.4         | 536.4           | 89%              | -1%             | 1020.25         |
| Dava India Sales                | 768.7           | 325.0           | 137%             | 11%             | 693.5           |
| Domestic Sales                  | 1,282.2         | 1,446.5         | -11%             | -4%             | 1,334.52        |
| <b>Revenues from Operations</b> | <b>3,064.26</b> | <b>2,307.96</b> | <b>33%</b>       | <b>1%</b>       | <b>3,048.27</b> |
| Cost of Goods Sold              | 2,158.19        | 1,549.33        | 39%              | 1%              | 2,140.35        |
| <b>Gross Profit</b>             | <b>906.07</b>   | <b>758.6</b>    | <b>19%</b>       | <b>0%</b>       | <b>907.92</b>   |
| <b>% Margin</b>                 | <b>29.57%</b>   | <b>32.87%</b>   | <b>(330 bps)</b> | <b>(22 bps)</b> | <b>29.78%</b>   |
| Operational Exp                 | 920.31          | 605.89          | 52%              | -10%            | 1026.62         |
| Employee cost                   | 255.08          | 268.55          | -5%              | 10%             | 231.66          |
| Other expenses                  | 665.23          | 337.34          | 97%              | -16%            | 794.96          |
| <b>Operating Profit</b>         | <b>-14.24</b>   | <b>152.74</b>   | <b>-109%</b>     | <b>-88%</b>     | <b>-118.70</b>  |
| <b>% Margin</b>                 | <b>-0.46%</b>   | <b>6.62%</b>    | <b>(708 bps)</b> | <b>343 bps</b>  | <b>-3.89%</b>   |
| Other Income                    | 24.62           | 53.26           | -54%             | -57%            | 57.15           |
| <b>EBITDA</b>                   | <b>10.38</b>    | <b>206</b>      | <b>-95%</b>      | <b>-117%</b>    | <b>-61.55</b>   |
| <b>% Margin</b>                 | <b>0.34%</b>    | <b>8.93%</b>    | <b>(859 bps)</b> | <b>236 bps</b>  | <b>-2.02%</b>   |
| Depreciation                    | 86.05           | 99.59           | -14%             | 7%              | 80.08           |
| <b>EBIT</b>                     | <b>-75.67</b>   | <b>106.41</b>   | <b>-171%</b>     | <b>-47%</b>     | <b>-141.63</b>  |
| <b>% Margin</b>                 | <b>-2.47%</b>   | <b>4.61%</b>    | <b>(708 bps)</b> | <b>218 bps</b>  | <b>-4.65%</b>   |
| Interest Cost                   | 5.33            | 2.29            | 133%             | 56%             | 3.42            |
| <b>EBT</b>                      | <b>-81.00</b>   | <b>104.12</b>   | <b>-178%</b>     | <b>-179%</b>    | <b>102.36</b>   |
| <b>% Margin</b>                 | <b>-2.64%</b>   | <b>4.51%</b>    | <b>(715 bps)</b> | <b>212 bps</b>  | <b>-4.76%</b>   |
| Taxes                           | -12.94          | 31.46           | -141%            | -57%            | -29.87          |
| <b>Profit After Taxes</b>       | <b>-68.06</b>   | <b>72.7</b>     | <b>-194%</b>     | <b>-32%</b>     | <b>-100.79</b>  |
| <b>% Margin</b>                 | <b>-2.22%</b>   | <b>3.15%</b>    | <b>(537 bps)</b> | <b>102 bps</b>  | <b>-3.25%</b>   |

# Management Commentary

01

The new-age businesses of the Company i.e. Dava India and Exports have recorded their best ever quarterly performance in terms of Revenue from Operations in Q4FY21.

02

This is in line with the Company's strategy of increasing overall Revenue contribution from new-age businesses, and reducing dependence on Domestic marketing.

03

The sales contribution from new-age business stands at 58.14% in Q4FY21 as compared to 37.32% in Q4FY20 and 56.22% in Q3FY21.

04

The Company has registered highest-ever quarterly Standalone Revenue of ₹3,064.26 Lakhs and gross margins of 29.57% in Q4FY21.

05

EBITDA stood at Rs 10.38 Lakhs, with margins at 0.34% due to higher operational expenses driven by the aggressive expansion of Davaindia operations.

06

FY21 Consolidated Revenue stood at ₹10,678.92 Lakhs as compared to ₹9,511.3 Lakhs in FY20.

# Management Commentary

## DOMESTIC OPERATIONS

Domestic Revenues registered a growth of **15.77%** at **₹ 2050.9 Lakhs YoY**, due to higher revenue from Davainda operations.

EBITDA at **₹ (170.87)** Lakhs for Q4FY21 due to higher operational expenses of Davainda.

PAT stood at **₹ (198.09)** lakhs for Q4FY21.

*\*Here, Domestic Operations includes the operations of Davainda.*

## EXPORTS

Exports revenues grew 89% on YoY at **₹ 1,013.39 Lakhs** in Q4FY21 with better utilisations and export to newer countries

EBITDA stood at **₹ 181.25** Lakhs with margins of 17.88% margins for Q4FY21.

PAT stood at **₹ 130.03** lakhs for Q4FY21.



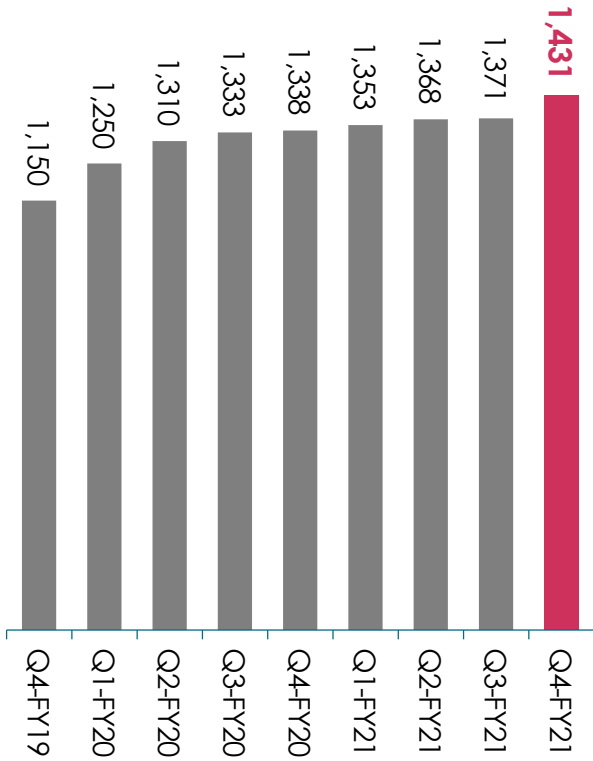
# Davaindia

## Generic Pharmacy

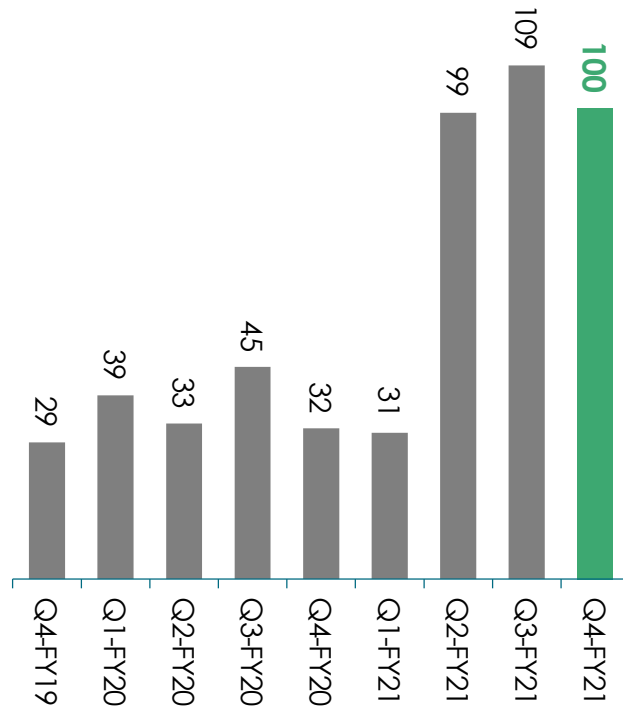


# Davaindia Key Figures

## SKU's



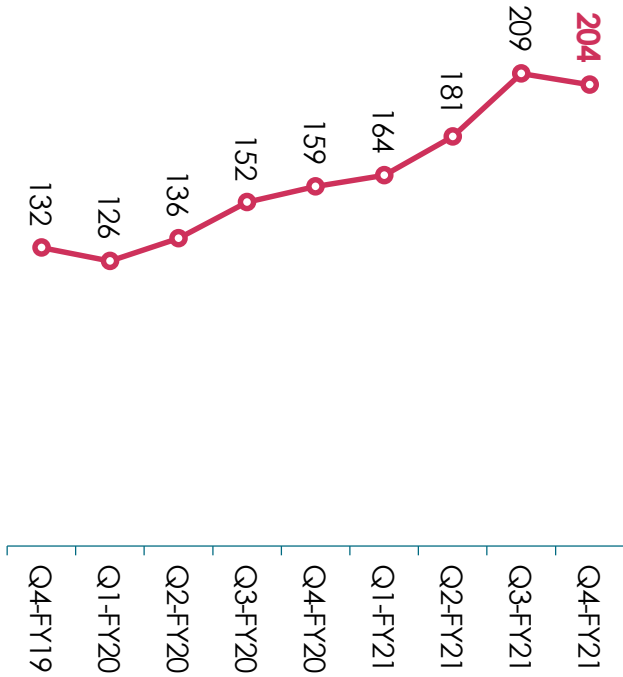
## Stores rolled-out



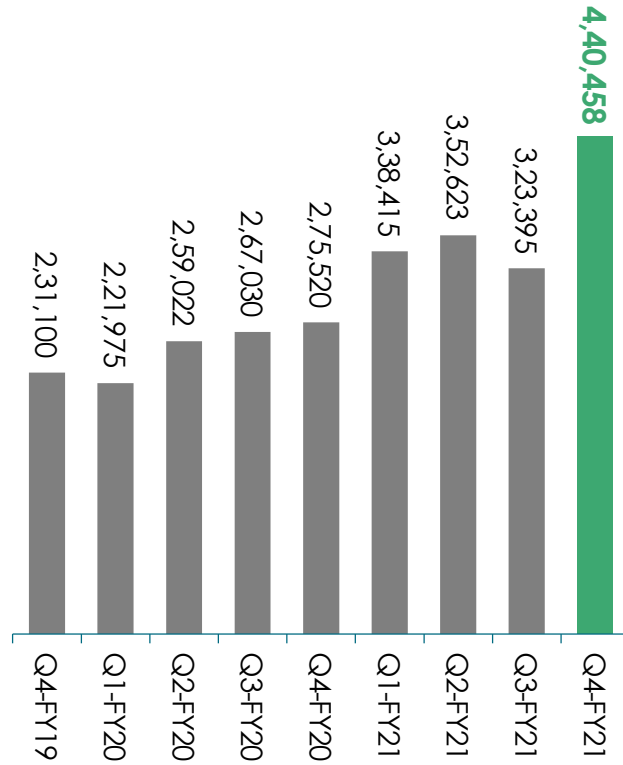


# Davaindia Key Figures

## Average Wallet Spend



## No. of Customers Served



# Davaindia- Generic Pharmacy



During the quarter Davaindia has catered to 4.40 lakhs customers against 2.75 lakhs in Q4FY20, coupled with, increasing Average Wallet Spends which has led to Revenue growth of 137% from Davaindia on Y-o-Y basis.



Davaindia has led the revolution of patients opting for generic medicines against branded counterparts. Till Q4FY21 Davaindia has catered to more than 3.07 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 100 new stores in Q4FY21 taking the total store count to 591 as of March 31, 2021. New store additions in Q4FY21 have been focused on Uttar Pradesh, Delhi, Haryana, Maharashtra, and the addition of newer states such as Tamil Nadu 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. 1,431 has enabled Davaindia to better serve customers across all segments. Thus increasing its customer spends across varied price points, the Average Wallet Spend was ₹204 in Q4FY21.

# Davaindia- Generic Pharmacy

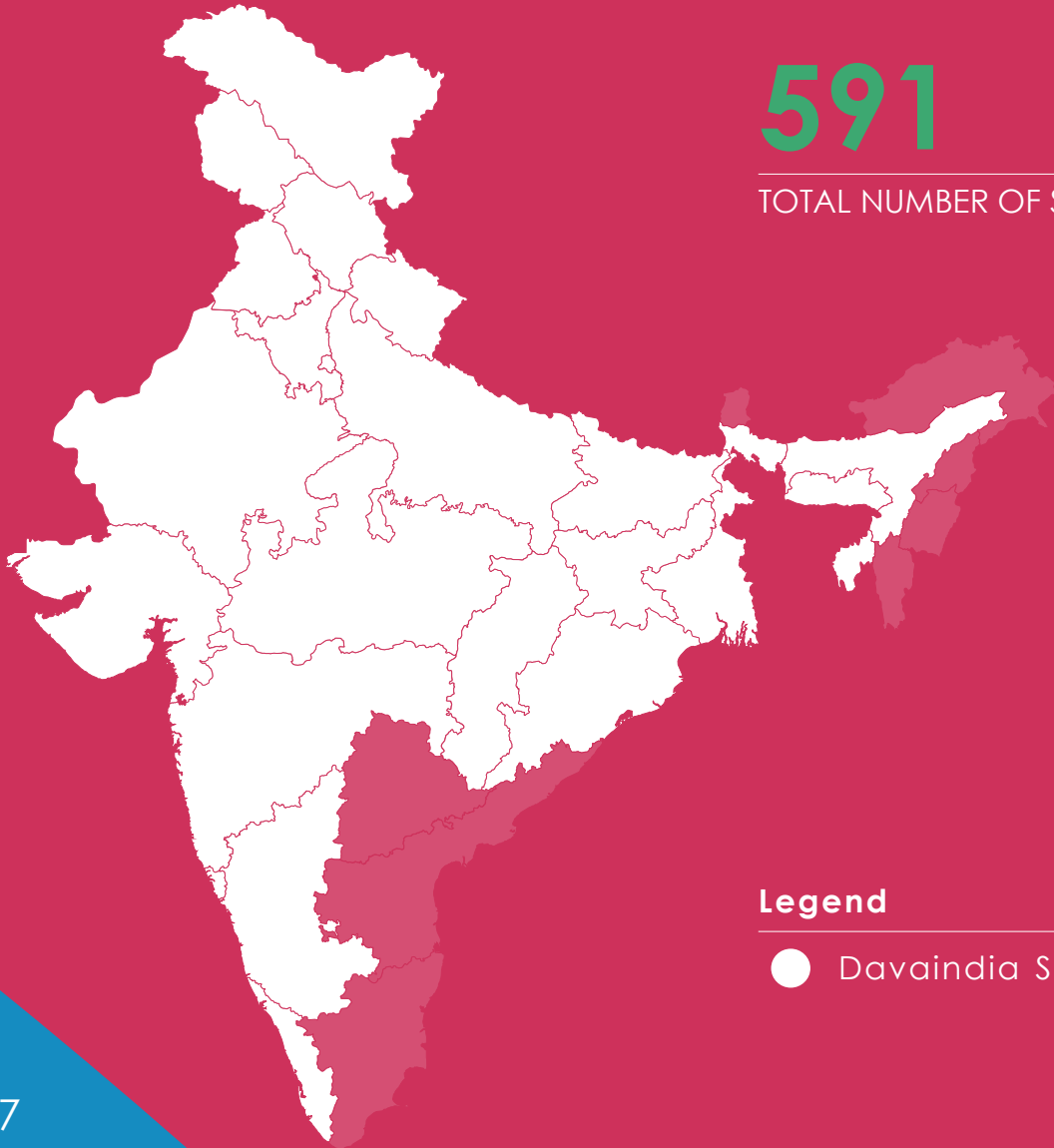




# Davaindia- COCO Stores



# Davaindia Footprints



**591**

TOTAL NUMBER OF STORES

## Legend

● Davaindia Stores

| States           | No. of Stores |
|------------------|---------------|
| Assam            | 04            |
| Bihar            | 03            |
| Chattisgarh      | 05            |
| Goa              | 01            |
| Gujarat          | 138           |
| Haryana          | 25            |
| Himachal Pradesh | 03            |
| Jharkhand        | 06            |
| Karnataka        | 05            |
| Kashmir          | 02            |
| Kerala           | 11            |
| Madhya Pradesh   | 84            |
| Maharashtra      | 109           |
| Meghalaya        | 01            |
| New Delhi        | 43            |
| Odisha           | 24            |
| Punjab           | 09            |
| Rajasthan        | 20            |
| Tamil Nadu       | 01            |
| Telangana        | 03            |
| Tripura          | 04            |
| Uttarakhand      | 04            |
| Uttar Pradesh    | 75            |
| West Bengal      | 11            |



# Management Commentary

Commenting on Q4 and FY21 financial performance and operational highlights, Management Team of Zota Health Care said,

*“We are happy to report a great set of developments in a rather challenging year, as you all must be aware, FY21 has been a difficult year for consumer companies across the board as COVID-19 led disruptions and lockdowns dampened consumer sentiments across the year. Unfortunately, all hopes for recovery were crushed after a ferocious spread of the 2nd wave; however, timely vaccination efforts provide some hope that COVID-19 can soon be controlled. In a year like FY21, we are happy to report that we opened 339 Davaindia stores and served more than 14.5 lakh customers with quality generic medicines and products. In addition, to higher store roll-out in the H2 of FY21, we also witnessed a steady upward trend in our Average Wallet Spend, which increased from ₹159 in Q4FY20 to ₹204 in Q4FY21. The company has also been receiving encouraging response to its COCO format stores, and there are definitive plans to add more COCO stores in the coming quarters.*

*Going forward, we are expecting to be better on all three fronts i.e. Store Roll-out, Average Wallet Spend, and Numbers of Customers Serves; these factors coupled with sales contribution from newly opened stores will give us good headroom to grow in FY22. Our second new-age business i.e. Exports, is also performing well on all fronts, recent product registrations will help us grow this business further. Our continuous focus on new-age businesses will transform Zota Health Care into a newer, better version of itself.”*

# 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

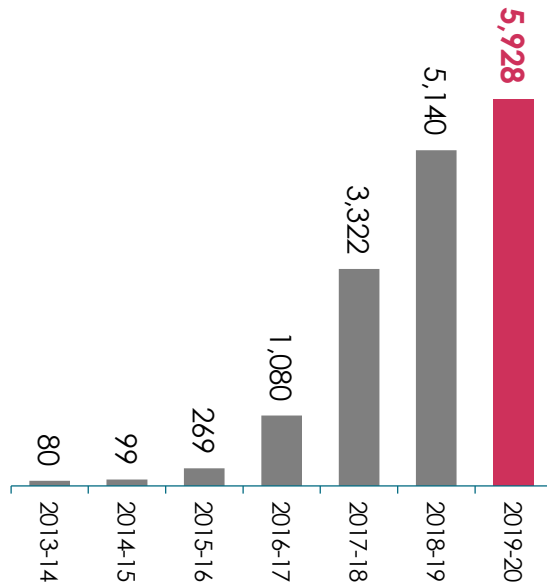
- The Product Basket of the scheme now covers more than 1,449 medicines and 204 surgical & consumables.
- Presence in all major therapeutic categories such as Anti-infective, Anti-allergic, Anti-diabetics, Cardiovascular, Anti-cancers, Gastro-intestinal medicines, etc.
- As on 24/06/2021, 7,855 PMBJP 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

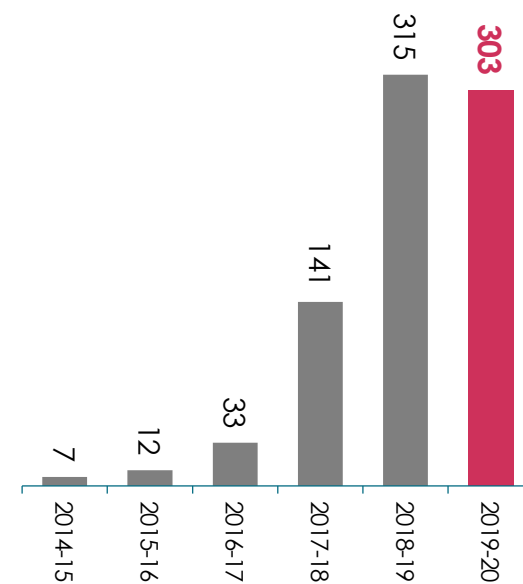
(Number of stores as on 31<sup>st</sup> March of the year)



Note : 2019-20 – till 31/12/2019

## Growth in turnover

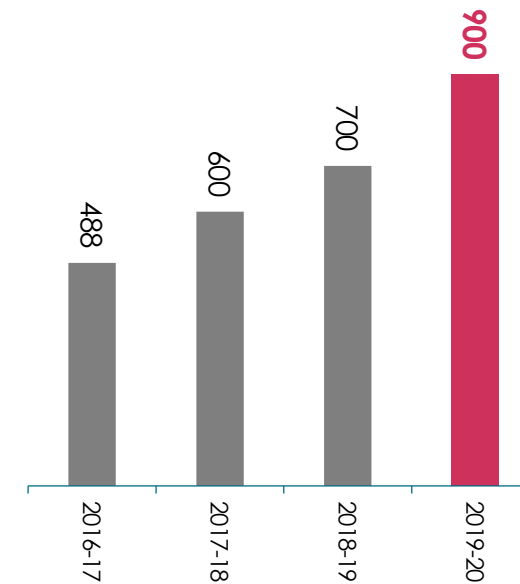
(Sales value in crore)



Note : 2019-20 – till 31/12/2019

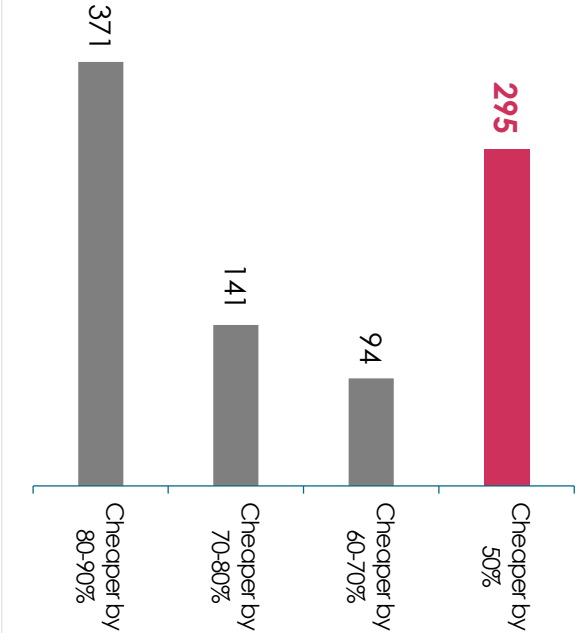
## Product basket

(No of Medicines)



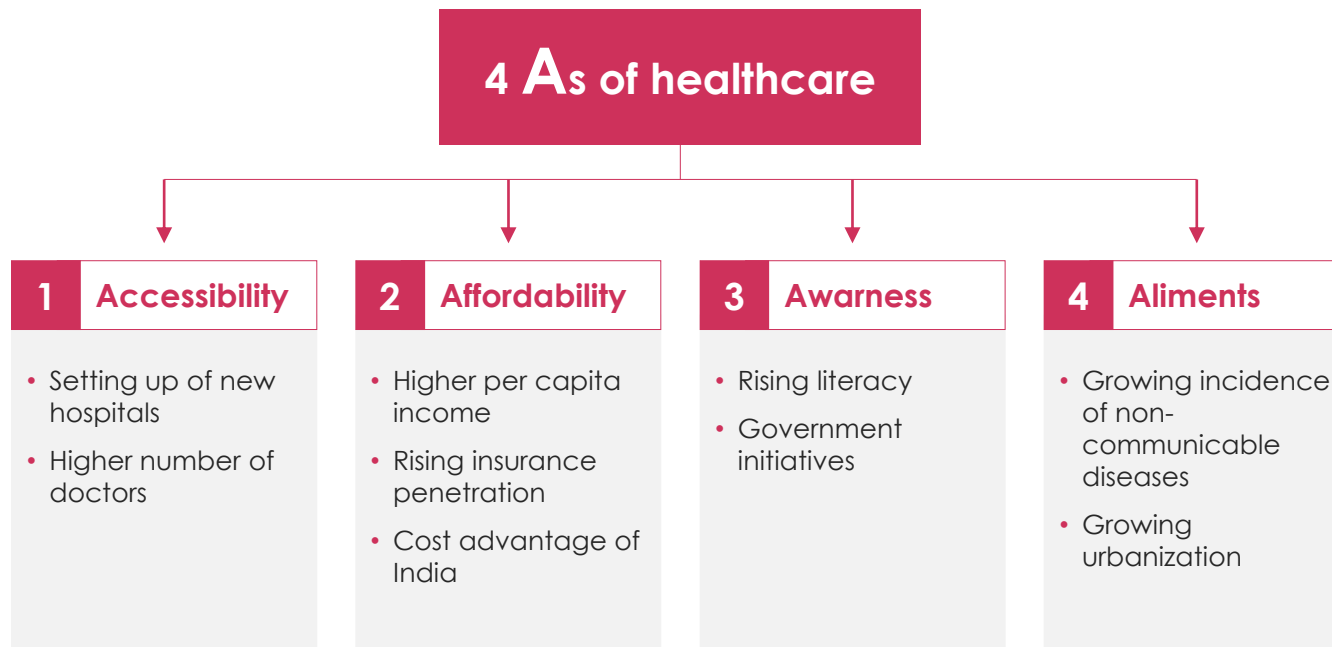
Note : 2019-20 – till 31/12/2019

## Price of Janaushadhi medicines to branded medicines



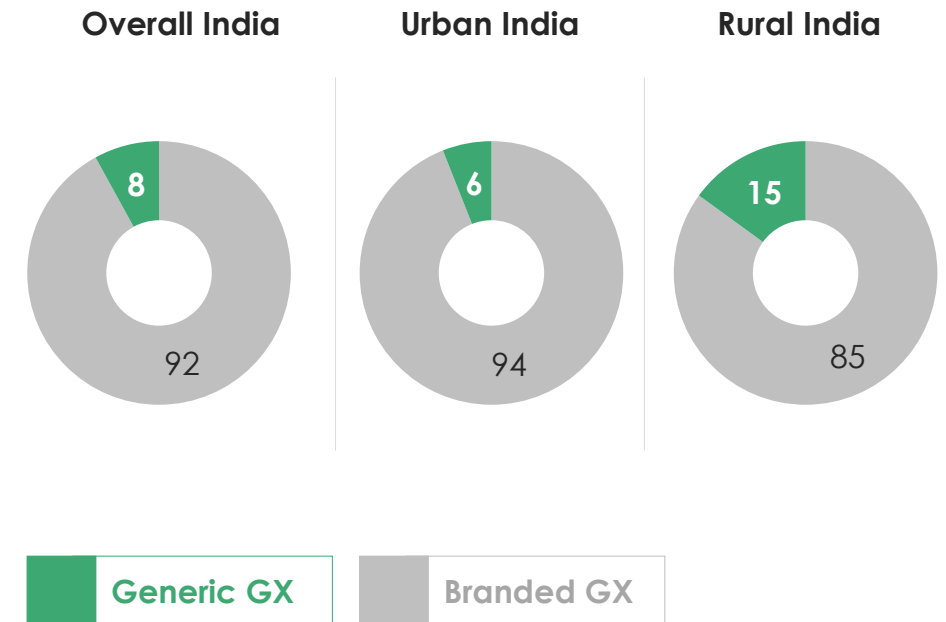
# Underpenetrated Generic Medicine Market

## 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            |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|
| <b>Income from Operations</b> | 5,646.3        | 6,473.3        | 7,158.0        | 7,785.2        | 8,562.9        | 9,511.3        | 10678.92        |
| Other Income                  | 1.4            | 7.7            | 5.6            | 151.9          | 154.5          | 151.3          | 125.97          |
| <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>10804.89</b> |
| Operating Expenses            | 4,796.5        | 5,516.8        | 6,153.8        | 6,695.0        | 7,788.7        | 9,059.7        | 10616.46        |
| <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>188.43</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>1.76</b>     |
| Depreciation                  | 150.6          | 123.5          | 105.4          | 93.7           | 139.4          | 209.8          | 316.87          |
| <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>-128.44</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>     |
| Financial Charges             | 66.5           | 68.3           | 68.2           | 12.1           | 3.7            | 6.9            | 10.98           |
| <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>-139.42</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>     |
| Tax                           | 207.6          | 261.5          | 282.1          | 407.4          | 230.7          | 112.0          | 15.65           |
| <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>-20.89</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>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>-0.09</b>    |

# Balance Sheet & Key Ratios

| Particulars (INR Lakhs)             | FY14           | FY15           | FY16           | FY17           | FY18           | FY19           | FY20           | FY21           |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| 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        | 4,173.6        |
| Non-current liabilities             | 521.3          | 548.7          | 272.7          | 466.8          | 64.7           | 87.1           | 105.3          | 95.1           |
| Current liabilities                 | 1,381.7        | 1,657.6        | 1,988.3        | 2,215.4        | 2,137.0        | 1,981.0        | 1,859.6        | 1,822.7        |
| <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>8,547.5</b> |
| Non-current assets                  | 926.3          | 842.4          | 855.6          | 932.5          | 3,605.4        | 2,723.3        | 2,961.4        | 2,427.0        |
| Current assets                      | 2,557.8        | 3,196.0        | 3,549.5        | 4,447.9        | 5,574.1        | 6,237.4        | 5,886.4        | 6,120.5        |
| <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>8,547.5</b> |
| Key Ratios                          | FY14           | FY15           | FY16           | FY17           | FY18           | FY19           | FY20           | FY21           |
| RoCE (%)                            | 17.4           | 20.0           | 23.5           | 19.3           | 10.5           | 8.0            | 4.0            | -1.9           |
| RoE (%)                             | 19.7           | 23.3           | 23.8           | 20.5           | 10.4           | 8.0            | 4.0            | -0.3           |
| 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           | -11.7          |
| Inventory days                      | 91.2           | 113.9          | 92.1           | 121.9          | 113.8          | 138.6          | 97.2           | 96.3           |
| Receivables days                    | 77.8           | 75.6           | 89.0           | 87.1           | 107.5          | 94.2           | 111.8          | 98.3           |
| Payable days                        | 109.0          | 116.2          | 126.5          | 148.4          | 117.8          | 103.5          | 82.5           | 77.7           |



# Thank You

## Contact Information

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