

August 02, 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 Unaudited Financial Results for the quarter ended June 30, 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

**Registered Office :**

Zota House, 2/896, Hira Modi Street,  
Sagrampura, Surat - 395 002 | Ph: +91 261 2331601  
Email: [info@zotahealthcare.com](mailto:info@zotahealthcare.com)  
Web : [www.zotahealthcare.com](http://www.zotahealthcare.com)

**Plant :**

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

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 at the top and a red triangle below it, both pointing towards the center.

# Q1FY22

PERFORMANCE HIGHLIGHTS

JULY 2021



# 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



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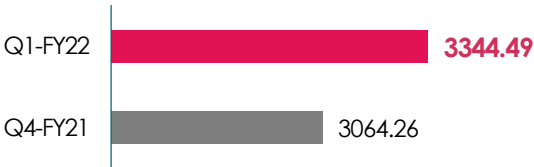
# Q1FY22- Result Highlights



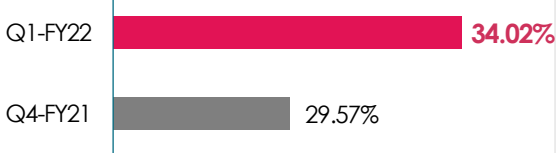
# Stand Quarterly Financial Highlights

## Q-o-Q

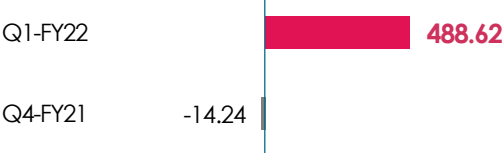
### Revenues (₹ Lakhs)



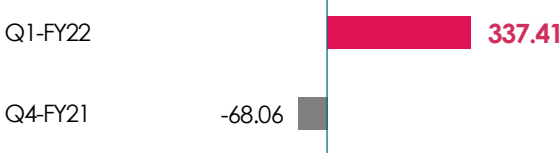
### Gross Profit (%)



### Operating Profit (₹ Lakhs)

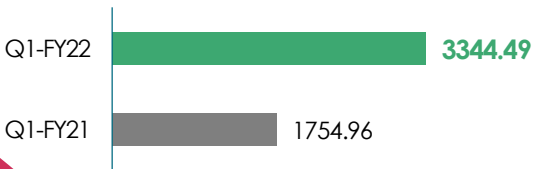


### PAT (₹ Lakhs)



## Y-o-Y

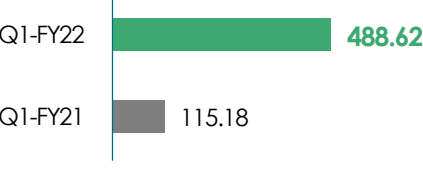
### Revenues (₹ Lakhs)



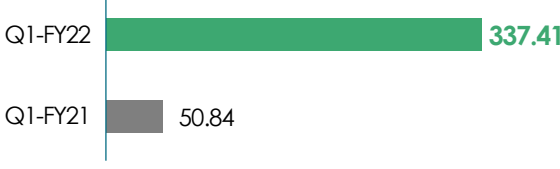
### Gross Profit (%)



### Operating Profit (₹ Lakhs)

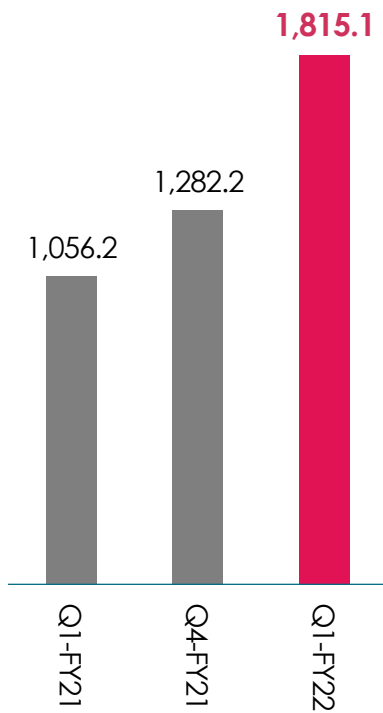


### PAT (₹ Lakhs)

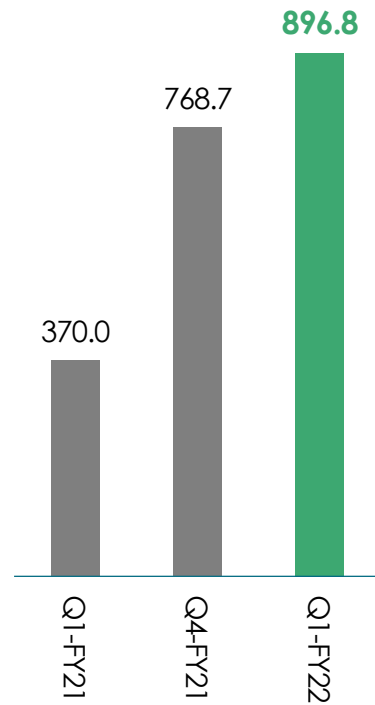


# Revenue Break up – Quarterly

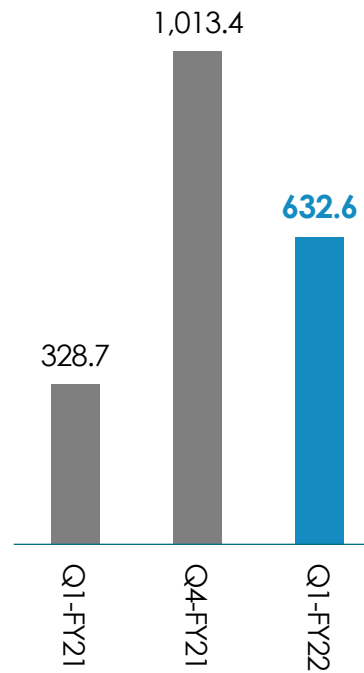
## Domestic Sales



## Dava India Sales



## Export Sales (SEZ)



# FY- Result Highlights





# Stand Profit & Loss Statement - Quarterly

Particulars (Rs Lakhs)	Q1FY22	Q1FY21	YoY %	QoQ %	Q4FY21
Export Sales (SEZ)	632.6	328.7	92%	-38%	1013.4
Dava India Sales	896.8	370.0	142%	17%	768.7
Domestic Sales	1,815.1	1,056.2	72%	42%	1,282.20
<b>Revenues from Operations</b>	<b>3,344.5</b>	<b>1,754.96</b>	<b>91%</b>	<b>9%</b>	<b>3,064.26</b>
Cost of Goods Sold	2,206.54	1,164.32	90%	2%	2,158.19
<b>Gross Profit</b>	<b>1137.95</b>	<b>590.6</b>	<b>93%</b>	<b>26%</b>	<b>906.07</b>
<b>% Margin</b>	<b>34.02%</b>	<b>33.66%</b>	<b>37 bps</b>	<b>446 bps</b>	<b>29.57%</b>
Operational Exp	649.33	475.46	37%	-29%	920.31
Employee cost	261.33	206.50	27%	2%	255.08
Other expenses	388.00	268.96	44%	-42%	665.23
<b>Operating Profit</b>	<b>488.62</b>	<b>115.18</b>	<b>324%</b>	<b>3531%</b>	<b>-14.24</b>
<b>% Margin</b>	<b>14.61%</b>	<b>6.56%</b>	<b>805 bps</b>	<b>1507 bps</b>	<b>-0.46%</b>
Other Income	30.48	22.82	34%	24%	24.62
<b>EBITDA</b>	<b>519.10</b>	<b>138.00</b>	<b>276%</b>	<b>4901%</b>	<b>10.38</b>
<b>% Margin</b>	<b>15.52%</b>	<b>7.86%</b>	<b>766 bps</b>	<b>1518 bps</b>	<b>0.34%</b>
Depreciation	61.68	73.91	-17%	-28%	86.05
<b>EBIT</b>	<b>457.42</b>	<b>64.09</b>	<b>614%</b>	<b>704%</b>	<b>-75.67</b>
<b>% Margin</b>	<b>13.68%</b>	<b>3.65%</b>	<b>1002 bps</b>	<b>1615 bps</b>	<b>-2.47%</b>
Interest Cost	0.88	0.74	19%	-83%	5.33
<b>EBT</b>	<b>456.54</b>	<b>63.35</b>	<b>621%</b>	<b>664%</b>	<b>-81.00</b>
<b>% Margin</b>	<b>13.65%</b>	<b>3.61%</b>	<b>1004 bps</b>	<b>1629 bps</b>	<b>-2.64%</b>
Taxes	119.13	12.51	852%	1021%	-12.94
<b>Profit After Taxes</b>	<b>337.41</b>	<b>50.84</b>	<b>564%</b>	<b>596%</b>	<b>-68.06</b>
<b>% Margin</b>	<b>10.09%</b>	<b>2.90%</b>	<b>719 bps</b>	<b>1231 bps</b>	<b>-2.22%</b>

# Management Commentary

01

Davaindia recorded best ever quarterly Revenues in Q1FY22, despite a challenging external environment.

02

Exports performance was disturbed in Q1FY22 despite good order book. This was primarily due to a shortage in shipping containers leading to slower dispatch.

03

The sales contribution from new-age business stood at 46% in Q1FY22 as compared to 58% in Q4FY21 and 40% in Q1FY21.

04

The Company has registered highest-ever quarterly Standalone Revenue of ₹3,344.49 Lakhs and gross margins of 34.02% in Q1FY22.

05

EBITDA stood at Rs 519.10 Lakhs, with margins at 15.52% due to optimization of operational expenses on Davaindia front. Domestic marketing sales further aided the profitability.

06

PAT stood at Rs. 337.41 Lakhs, increasing 564% YoY basis and 596% QoQ basis.

# Management Commentary

## DOMESTIC OPERATIONS

Domestic Revenues registered a growth of **90.14% YoY and 32.23% QoQ at ₹ 2711.9 Lakhs**, supported by a surge in demand due to COVID-19.

EBITDA at **₹ 428.86 Lakhs** for Q1FY22, backed by strong recovery in demand of Prescription Based Drugs.

PAT stood at **₹ 286.44 Lakhs** for Q1FY22.

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

## EXPORTS

Exports revenues grew 92% on YoY basis at **₹ 632.60 Lakhs** in Q1FY21.

On QoQ basis, Exports witnessed a decline of 38%, as dispatch operations were effected by a shortage of shipping containers.

The Company has a strong order book in hand, and the performance is expected to normalize in Q2FY22.



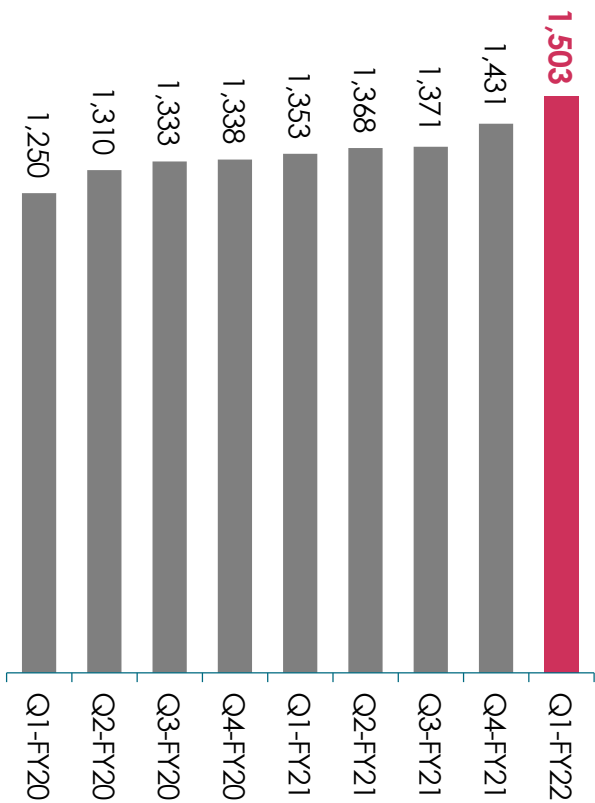
# Davaindia

## Generic Pharmacy



# Davaindia Key Figures

## SKU's



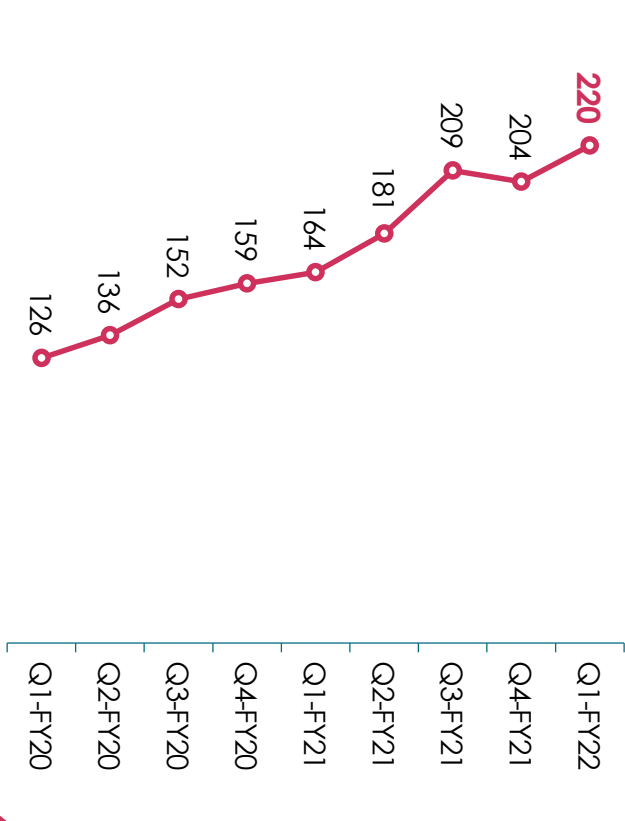
## Stores rolled-out



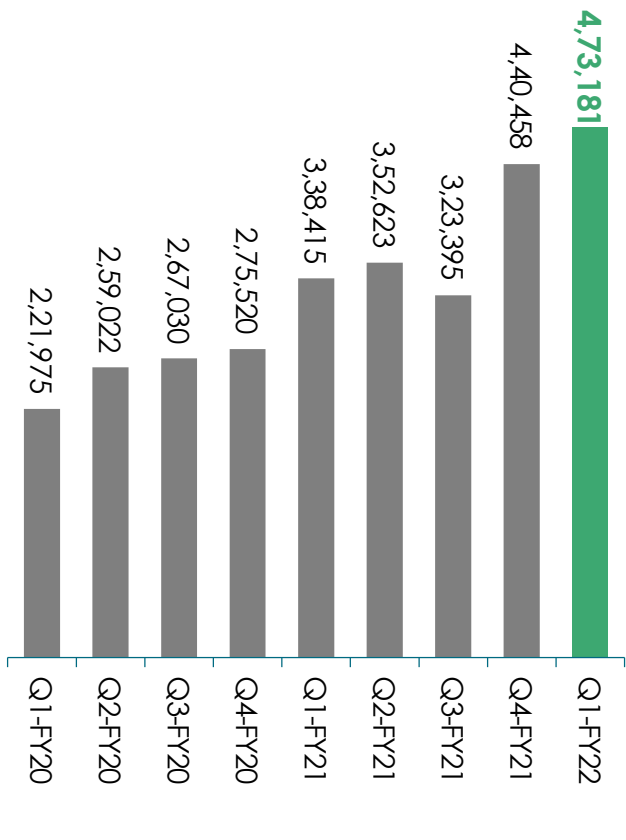


# Davaindia Key Figures

Average Wallet Spend



No. of Customers Served



# Davaindia- Generic Pharmacy



During the quarter Davaindia has catered to 4.73 lakhs customers against 4.40 lakhs in Q4FY21, coupled with, increasing Average Wallet Spends which has led to Revenue growth of 42% from Davaindia on QoQ basis.



Davaindia has led the revolution of patients opting for generic medicines against branded counterparts. Till Q1FY21 Davaindia has catered to more than 3.54 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.



Davaindia expansions continues, although the pace was slightly slowed down in Q1FY21 due to lockdown restrictions in light of the 2<sup>nd</sup> wave of Coronavirus. Davaindia has added 49 new stores in Q1FY22 taking the total store count to 640 as of June 30, 2021.



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. 1,503 has enabled Davaindia to better serve customers across all segments. Thus increasing its customer spends across varied price points, the Average Wallet Spend was ₹220 in Q1FY22.

# Davaindia- Generic Pharmacy





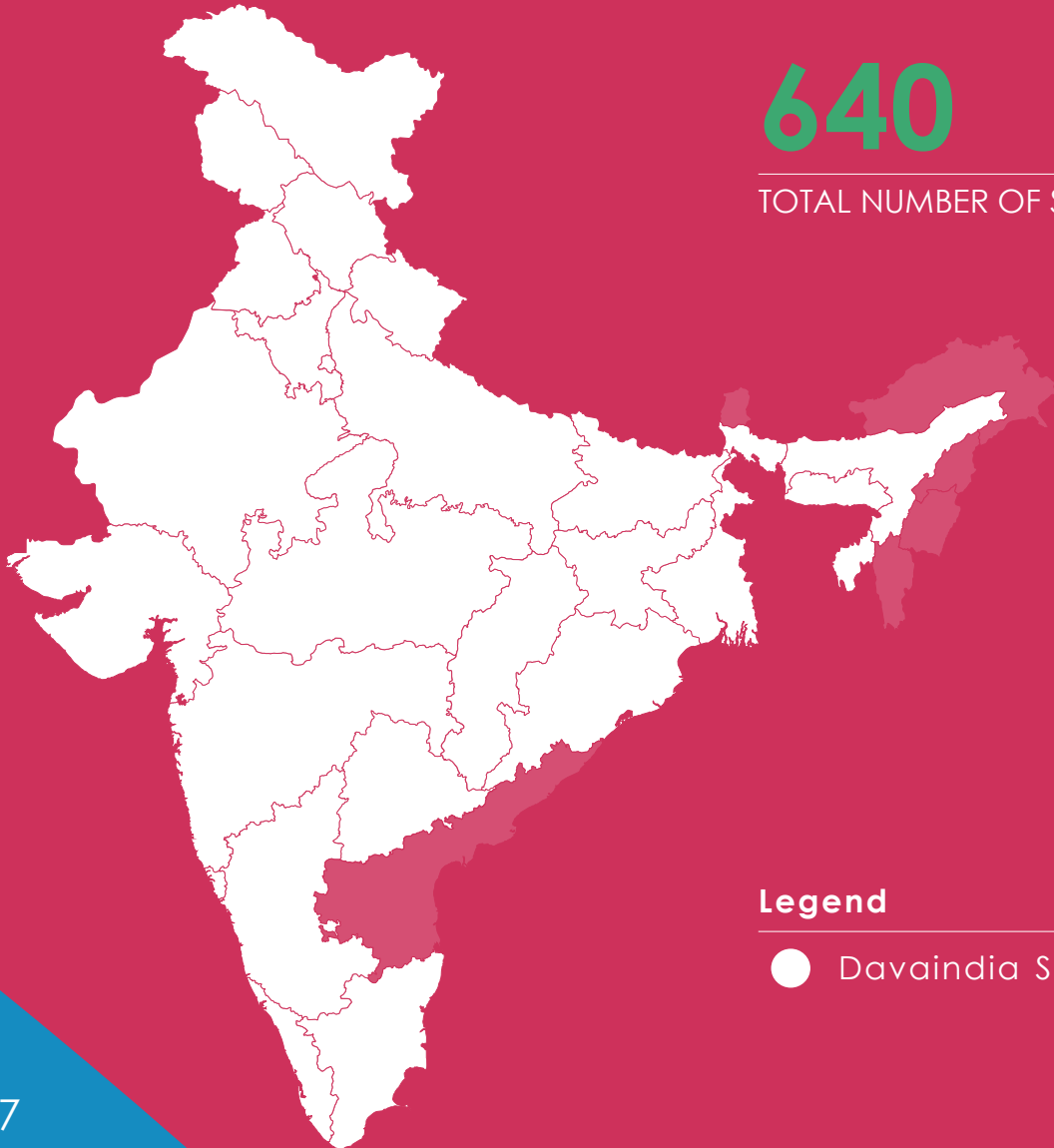
# Davaindia- COCO Stores



# Davaindia Footprints

640

TOTAL NUMBER OF STORES



## Legend

● Davaindia Stores

States	No. of Stores
Assam	04
Bihar	07
Chhattisgarh	05
Goa	01
Gujarat	139
Haryana	27
Himachal Pradesh	03
Jharkhand	09
Karnataka	08
Kashmir	02
Kerala	13
Madhya Pradesh	88
Maharashtra	111
Meghalaya	01
New Delhi	45
Odisha	31
Punjab	09
Rajasthan	24
Tamil Nadu	02
Telangana	04
Tripura	04
Uttarakhand	05
Uttar Pradesh	83
West Bengal	15



# Management Commentary

Commenting on Q1FY22 financial performance and operational highlights, Management Team of Zota Health Care said,

*“We are happy to report a great set of numbers in a rather challenging quarter. In Q1FY22, Davaindia and the domestic Marketing business led the charge, with a surge in demand for medicines & medical products acting as a tailwind for both. The Davaindia store rollout was slowed due to the 2nd wave, but this is a temporary setback. Aggressive retail roll-out has resumed in Q2.*

*Going forward, we plan to improve on all three fronts, namely, store roll-out, average Wallet Spend, and number of customers served; these factors, combined with sales contribution from newly established locations, will provide us with ample headroom to grow in the coming quarters. Our second new-age business, exports, experienced a modest setback due to persistent supply chain difficulties that resulted in a container scarcity. The company, on the other hand, has a healthy order book, so revenue recovery should be swift. Recent product registrations will assist us in expanding this business. Zota Health Care will evolve into a newer, better version of itself as a result of our continued focus on new-age businesses.”*

# 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

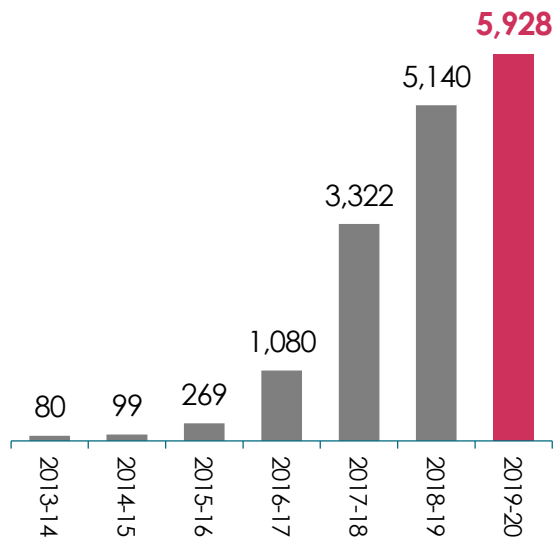
- The Product Basket of the scheme now covers more than 1,449 medicines and 204 surgical & consumables.
- Presence in all major therapeutic categories such as Anti-infective, Anti-allergic, Anti-diabetics, Cardiovascular, Anti-cancers, Gastro-intestinal medicines, etc.
- As on 24/06/2021, 7,855 PMBJP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

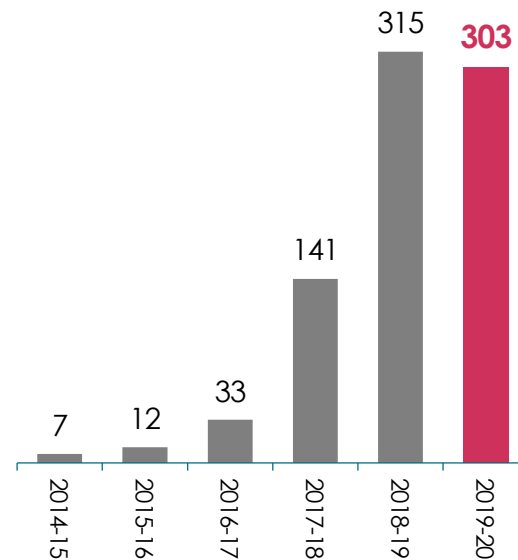
(Number of stores as on 31<sup>st</sup> March of the year)



Note : 2019-20 – till 31/12/2019

## Growth in turnover

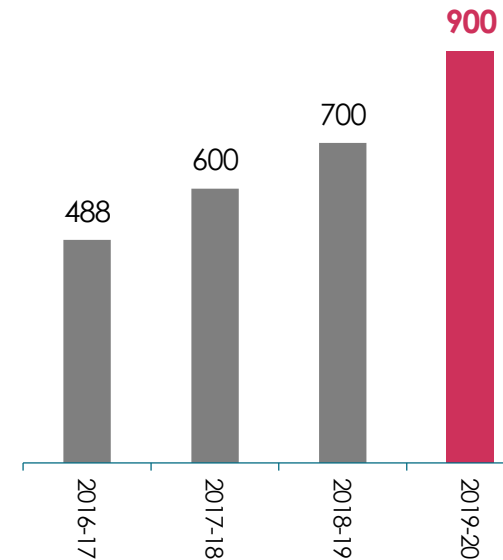
(Sales value in crore)



Note : 2019-20 – till 31/12/2019

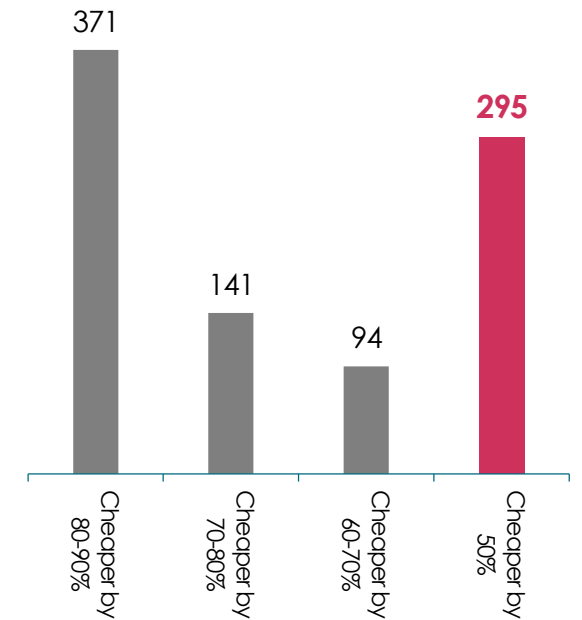
## Product basket

(No of Medicines)



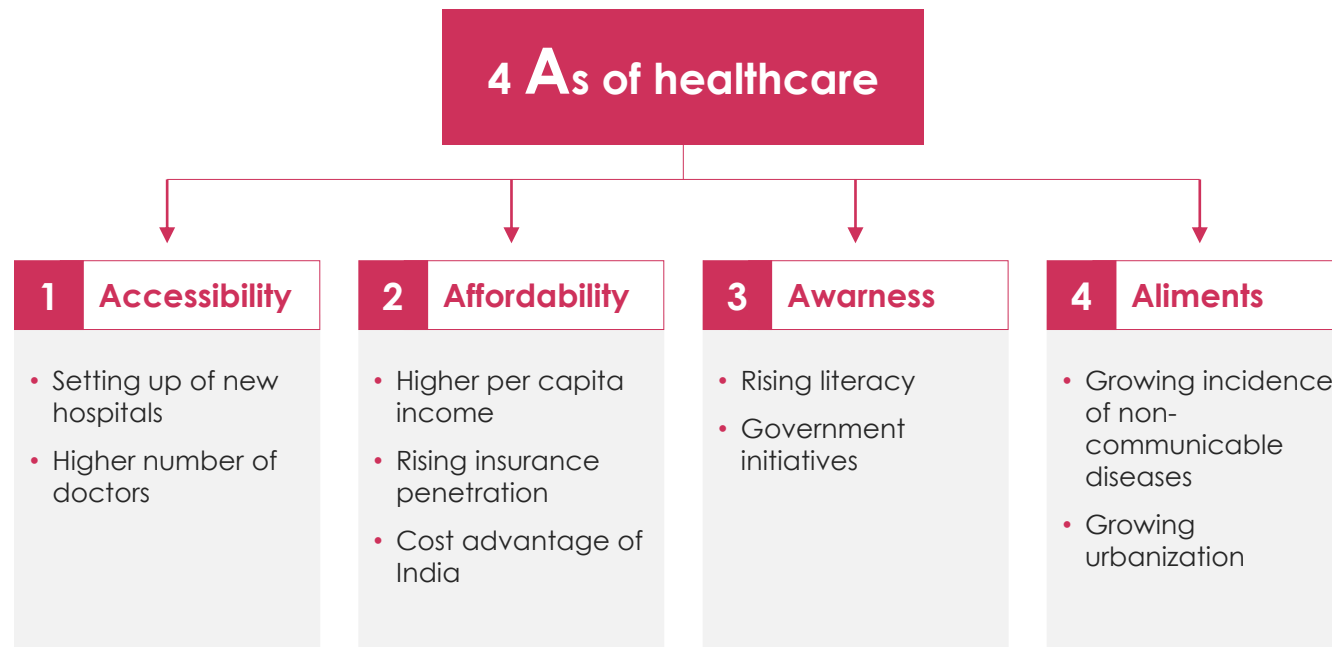
Note : 2019-20 – till 31/12/2019

## Price of Janaushadhi medicines to branded medicines



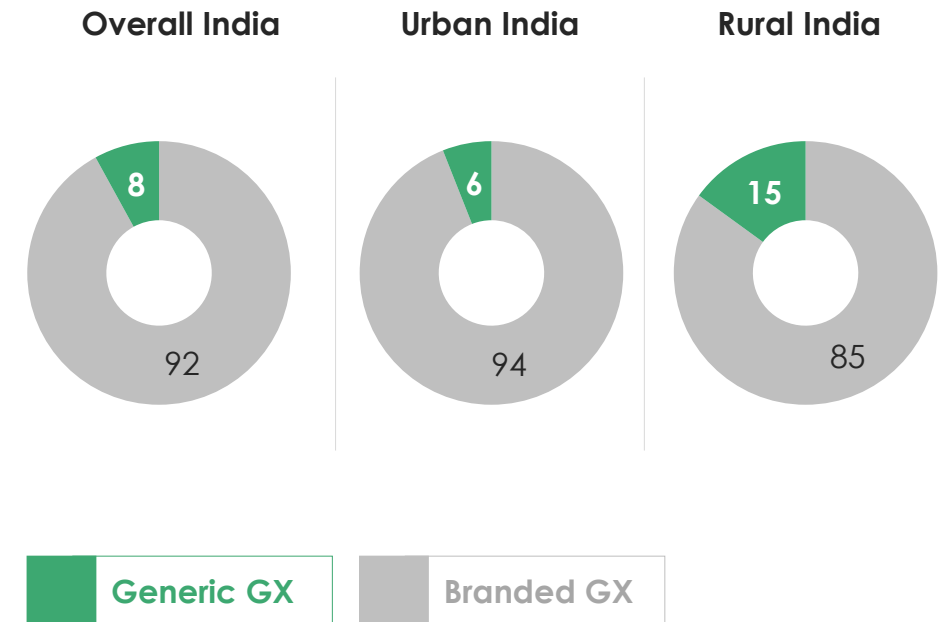
# Underpenetrated Generic Medicine Market

## 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	10,678.92
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>10,804.89</b>
Operating Expenses	4,796.5	5,516.8	6,153.8	6,695.0	7,788.7	9,059.7	10,616.46
<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	85.7

# 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)

