

November 23, 2019

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(6) 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, November, 2019.

Kindly take the same on your 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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Sagrampura, Surat - 395 002 | Ph: +91 261 2331601  
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



**H1FY20**  
PERFORMANCE HIGHLIGHTS  
NOVEMBER 2019



**davaindia**  
GENERIC PHARMACY



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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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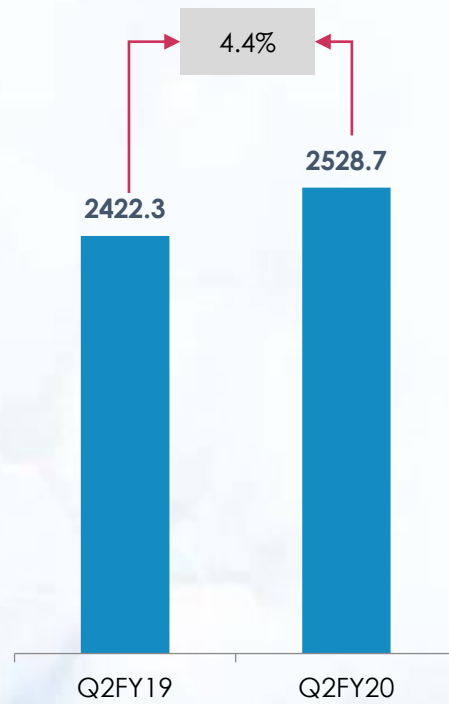
# Result Highlights



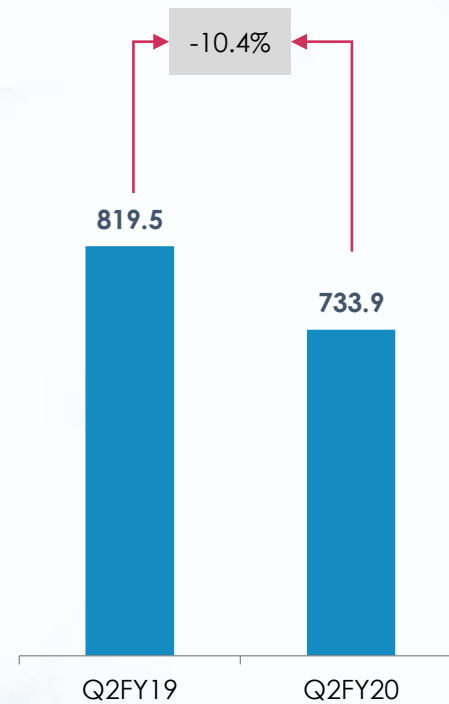


# Quarterly FINANCIAL HIGHLIGHTS

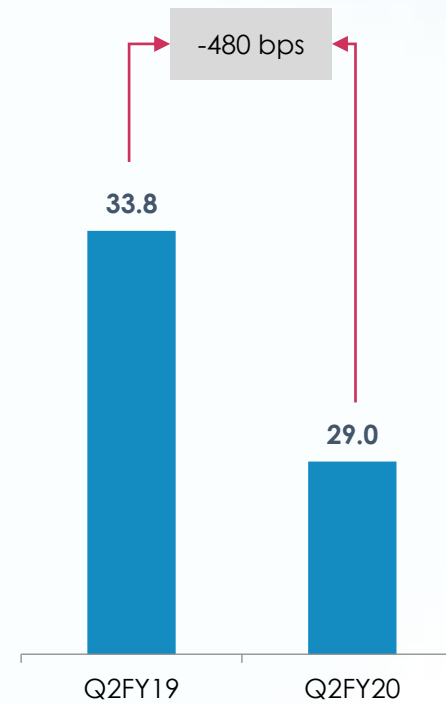
### Revenues (INR Lakhs)



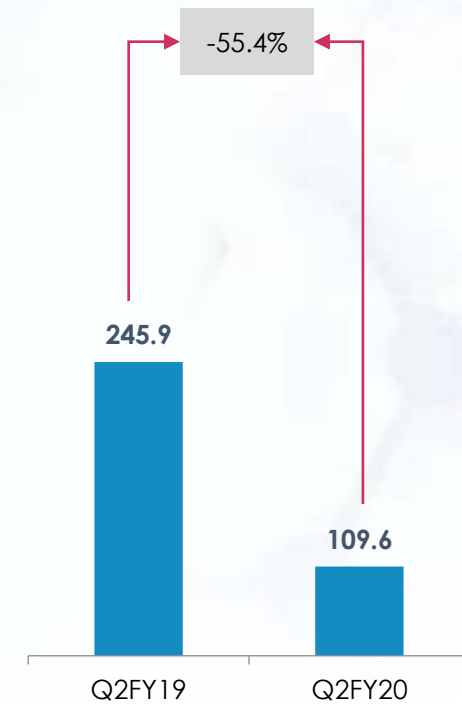
### Gross Profit (INR Lakhs)



### Gross Profit (%)



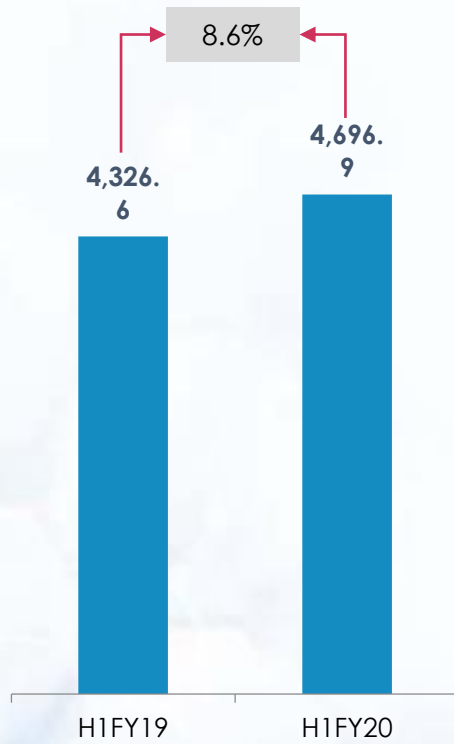
### PAT (INR Lakhs)



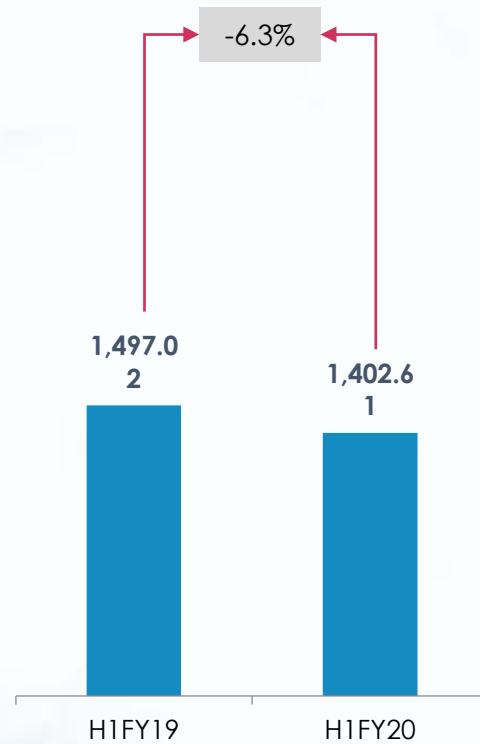


# HALF YEARLY FINANCIAL HIGHLIGHTS

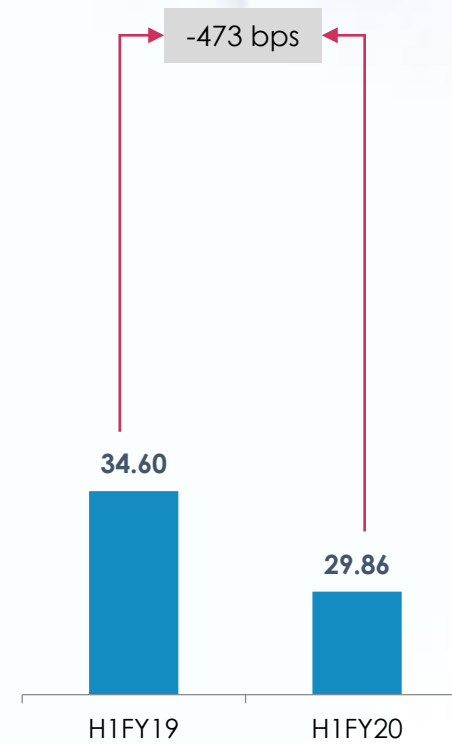
### Revenues (INR Lakhs)



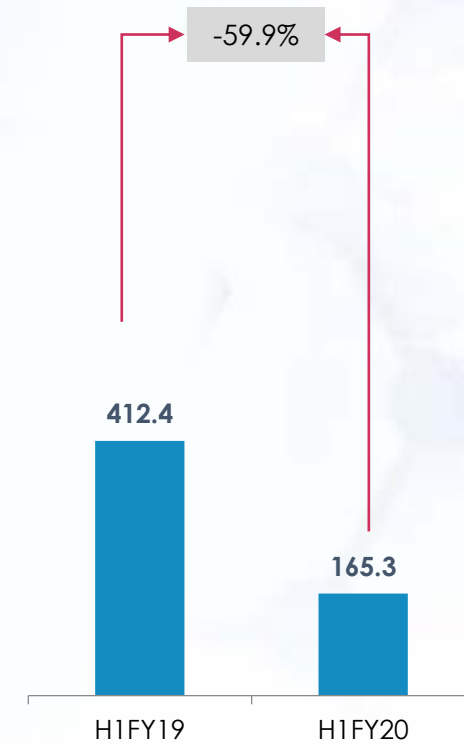
### Gross Profit (INR Lakhs)



### Gross Profit (%)



### PAT (INR Lakhs)





# PROFIT & LOSS STATEMENT- Quarterly

Particulars (Rs Lakhs)	Q2FY20	Q2FY19	YoY %	QoQ %	Q1FY20
Export Sales (SEZ)	342.0	532.1	-35.7	-25.9	461.8
Dava India Sales	307.0	143.0	114.7	33.2	230.4
Domestic Sales	1,879.7	1,747.2	7.6	27.4	1,475.9
<b>Revenues from Operations</b>	<b>2,528.7</b>	<b>2,422.3</b>	4.4	16.6	<b>2,168.2</b>
<b>Cost of Goods Sold</b>	1,794.8	1,602.8	12.0	19.7	1,499.5
<b>Gross Profit</b>	<b>733.9</b>	<b>819.5</b>	-10.4	9.8	<b>668.7</b>
% Margin	29.0	33.8			30.8
<b>Operational Exp</b>	<b>591.9</b>	<b>483.8</b>	22.3	1.5	<b>583.4</b>
Employee cost	259.0	226.7			243.5
Other expenses	332.9	257.1			339.9
Operating Profit	142.0	335.7	-57.7	66.4	85.3
% Margin	5.6	13.9			3.9
Other Income	37.5	62.2			29.8
<b>EBITDA</b>	<b>179.5</b>	<b>397.9</b>	-54.9	55.9	<b>115.1</b>
% Margin	7.1	16.4			5.3
Depreciation	32.0	35.2	-8.9	6.7	30.0
<b>EBIT</b>	<b>147.4</b>	<b>362.7</b>	-59.4	73.3	85.1
% Margin	5.8	15.0			3.9
Interest Cost	1.0	0.2	328.4	-21.4	1.3
<b>EBT</b>	<b>146.4</b>	<b>362.4</b>	-59.6	74.7	83.8
% Margin	5.8	15.0			3.9
Taxes	36.8	116.6	-68.4	33.3	27.6
<b>Profit After Taxes</b>	<b>109.6</b>	<b>245.9</b>	<b>-55.4</b>	<b>95.1</b>	<b>56.2</b>
% Margin	4.3	10.2			2.6





- Revenues for the Q2FY20 increased by 4.4% YoY & 16.6%QoQ backed by sales growth in the domestic operations 7.6%/27.36 YoY/QoQ and DavalIndia sales growth of 114.7%/33.2% YoY/QoQ
- Gross Profit margins for the quarter declined 481 bps YoY on account of higher material cost and lower export sales.
- EBITDA margins at 7.1% YoY to Rs 147.4 lakhs a dip due to higher operational expenses and accordingly PAT dipped and stood at Rs. 109.6 Lakhs



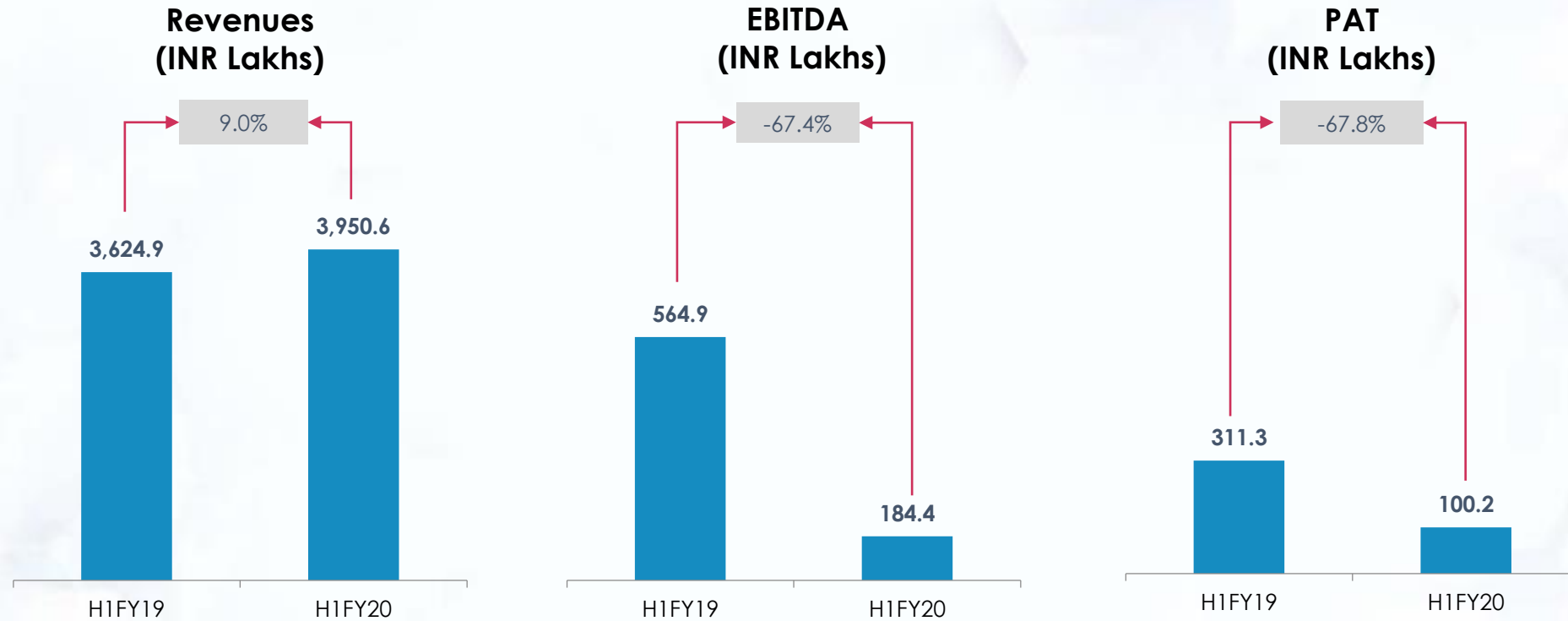


# Operational Metrics





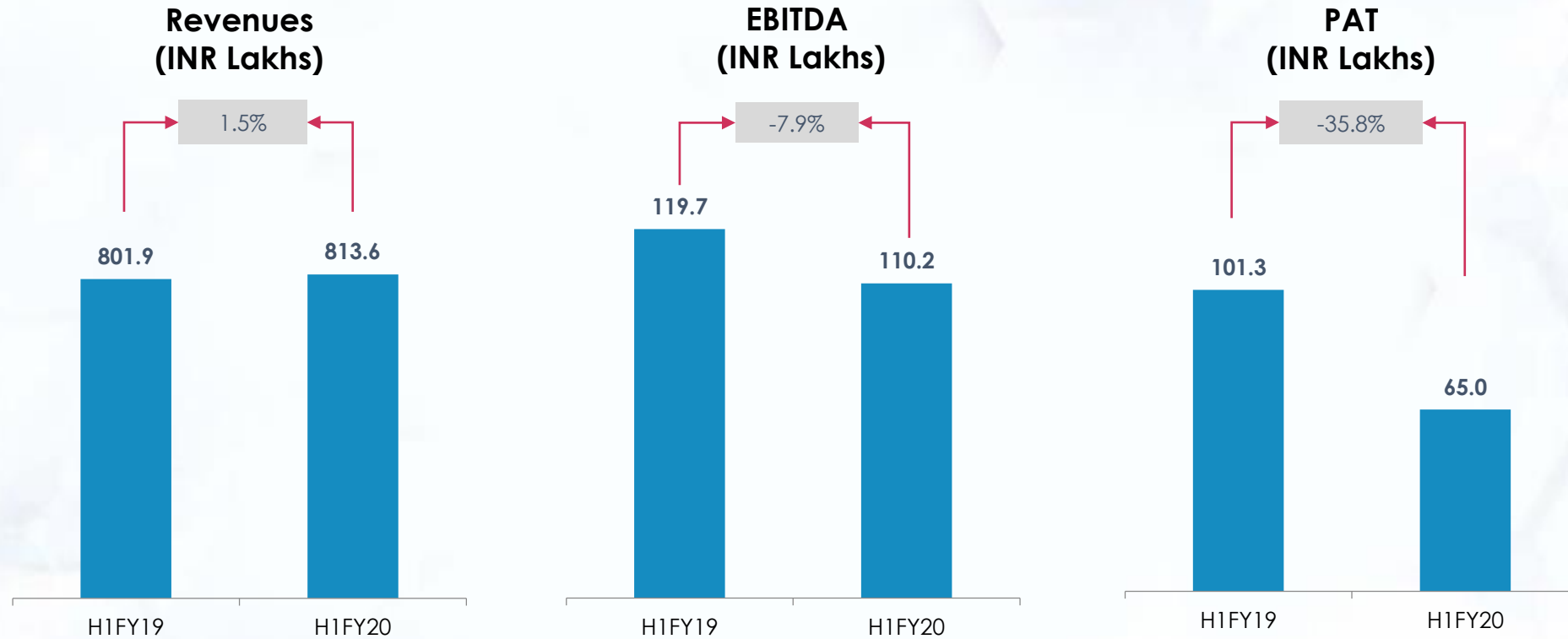
# OPERATIONAL METRICS - DOMESTIC



Note: Revenues includes other income



# OPERATIONAL METRICS - EXPORTS



Note: Revenues includes other income

 **davaindia**<sup>®</sup>  
GENERIC PHARMACY



- The retail pharmacy stores continues its stellar performance in terms of its expansion and total customers serviced, as awareness towards generic drugs usage keeping gaining traction
- Being asset light in nature the store continues to remain focused on chronic ailments – Cardiac, Diabetic, Thyroid and Neuropsychiatric ailments as repeat business from customer guides for store revenue visibility
- DavalIndia store expansion have doubled at **202 stores** as on date with higher number of stock keeping units per store
- Higher number of SKU's stood at 1,340 resulting in servicing more number of customers at the store point. As on date, DavalIndia reached a remarkable feat of catering to **1.2mn customers** in a short span of time, reflecting fruition of the management vision and efforts
- DavalIndia is India's only retail generic pharmacy in which 95% products are private label products (i.e. DavalIndia's own brand).It has 76 store openings signed up thus underlying its expansion strategy





# PRE-OPENING STORE ACTIVITIES FOR DAVAININDIA



**PAMPHLET  
DISTRIBUTION**



**BULK SMS TO RESIDENTS  
IN AND AROUND THE  
VICINITY**



**SOCIAL MEDIA  
INITIATIVES**



 **davaindia**<sup>®</sup>  
GENERIC PHARMACY





# COST INCURRED FOR DAVAININDIA STORE OPENING

Initial cost (₹) - 3,60,000-4,00,000



Cardiac



Diabetic



Thyroid ailments



Dermo

**INVENTORIES - MEDICINES**

**₹1,50,000-2,00,000**

**Initial Cost Includes Inventories**

Operating Cost (₹) - 40,000 p.m.



RENT

**₹15,000 – ₹20,000**



PHARMACIST  
MANPOWER

**₹15,000**

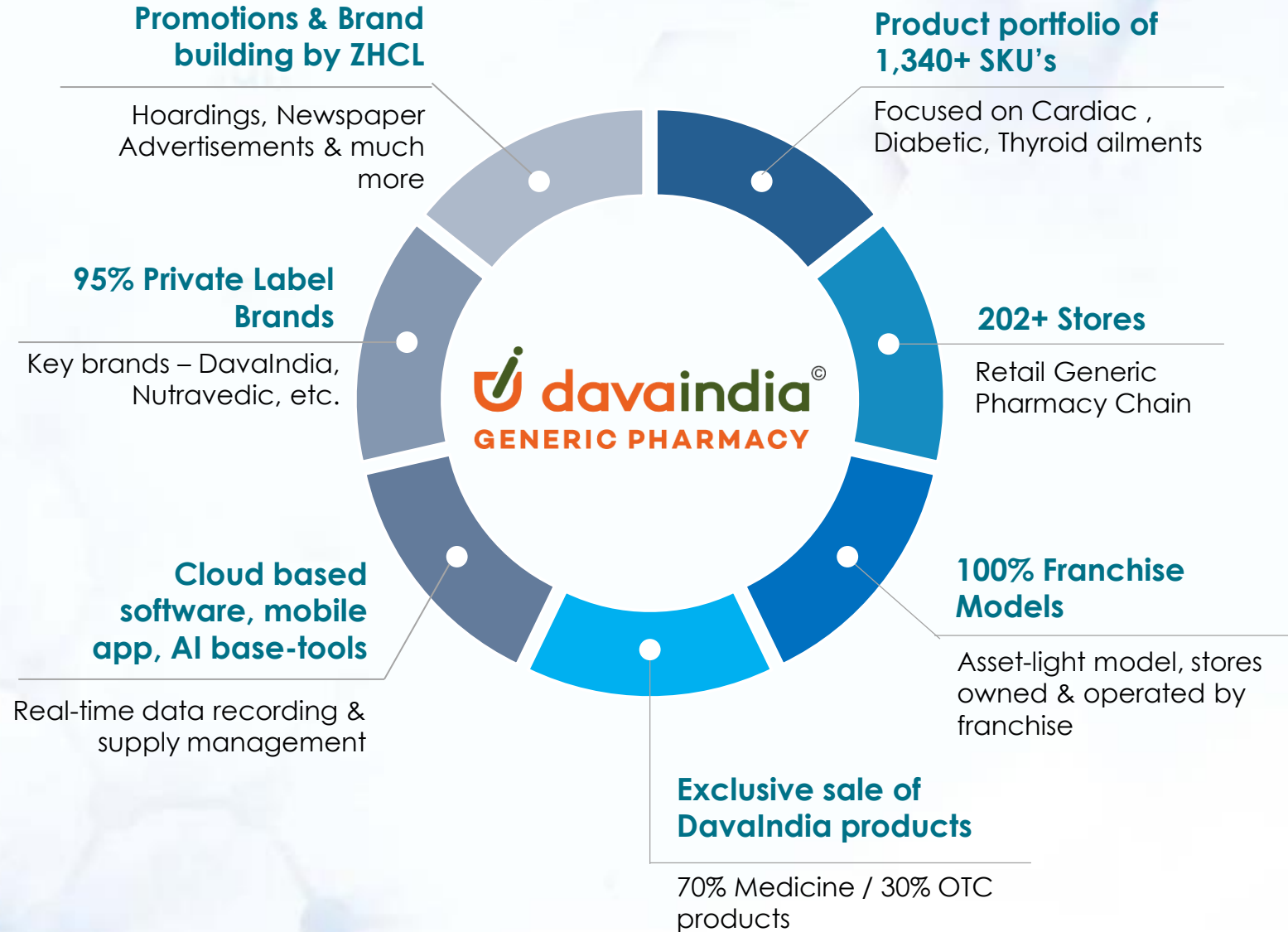


OTHER  
MISCELLANEOUS  
EXPENSES

**₹5,000**

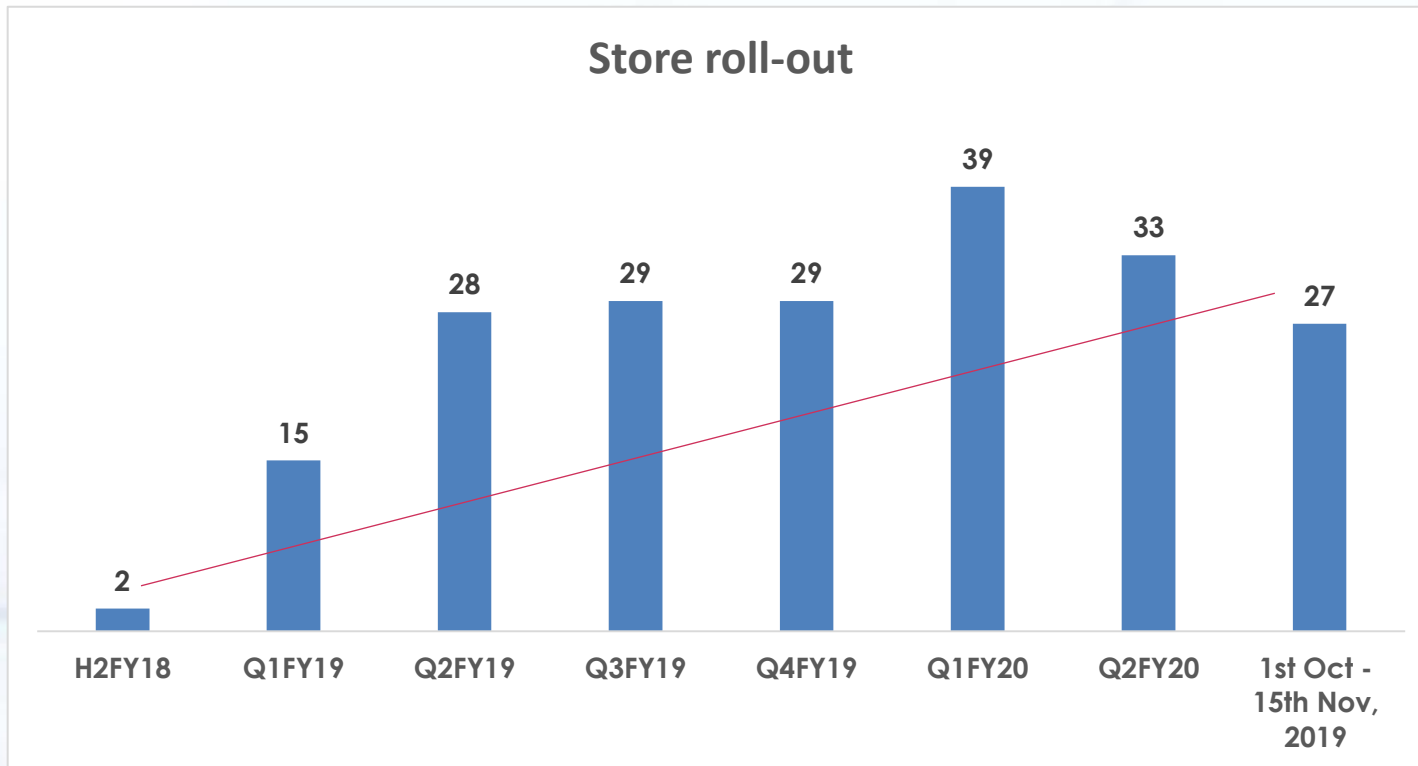


# OPERATING MODEL OF DAVAINDIA





### Store roll-out



**144**

Average Wallet Spend

**202**

Stores Opened

**12 lakh**

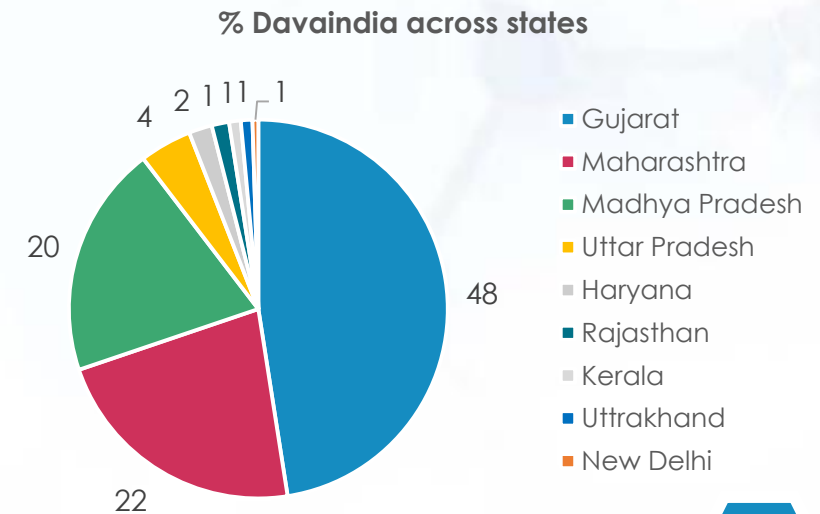
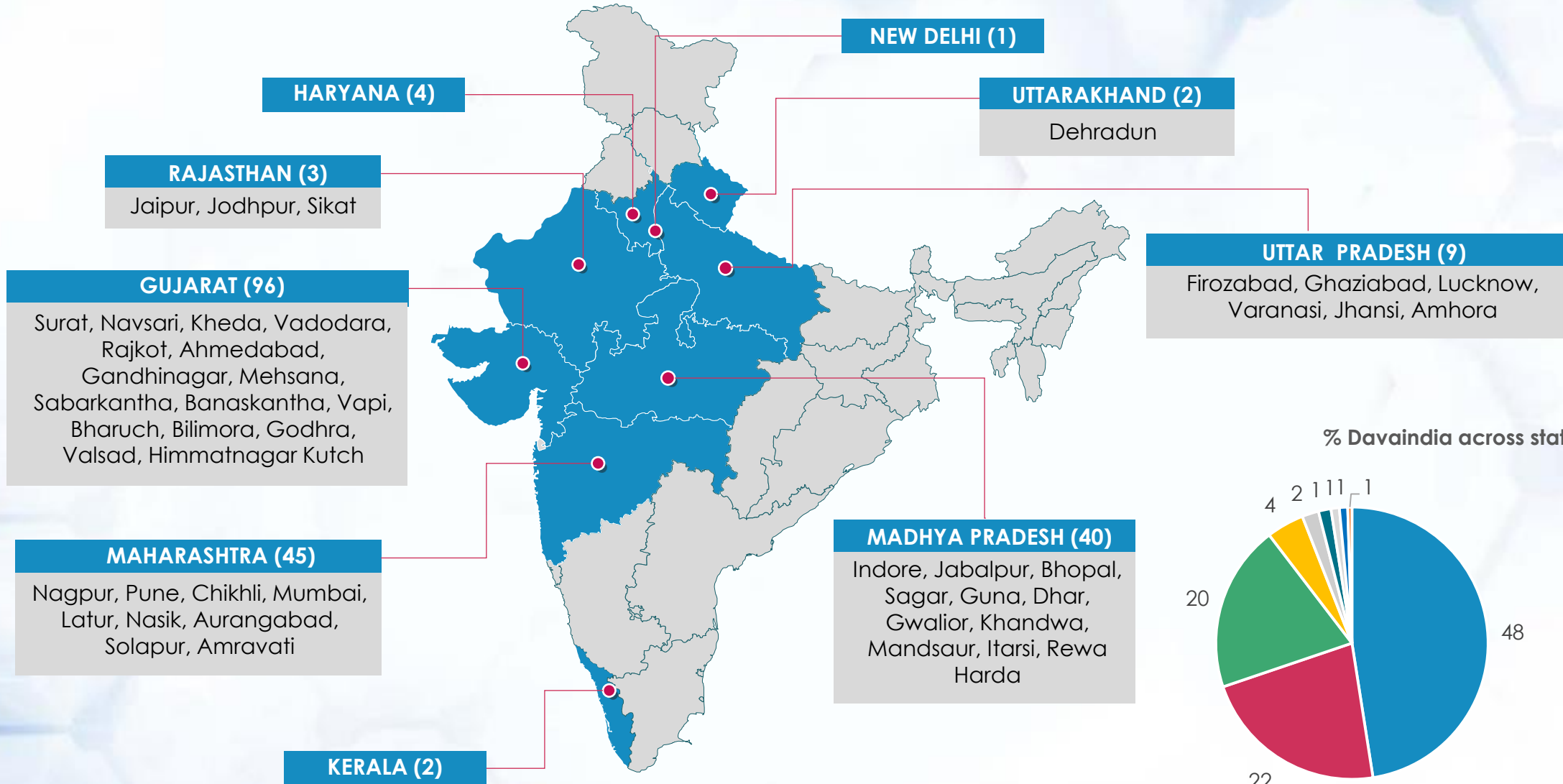
Customers Served

**4,250 lakh**

Saved by our customers

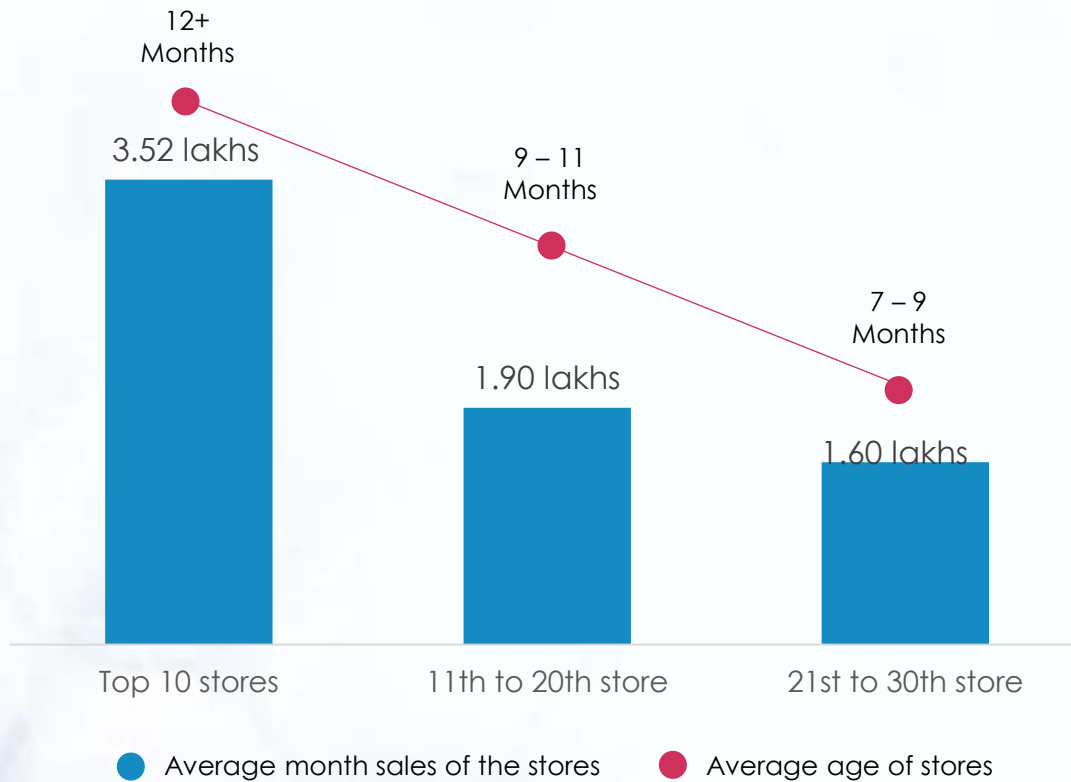


# DAVAINDIA FOOTPRINTS





## Sales trend of matured stores



**The company also has vision to expand its chain to 3000 stores by the end of FY2022E**



# **Business Outlook & Strategy**





# BUSINESS PERFORMANCE OUTLOOK

- Domestic business will grow at constant rate of 12%-15% in FY20E, which will be a similar growth rate as previous year
- Export revenues being a higher margin business are expected to grow at a faster rate of 30%-40% in FY20E, as your company has expanded its global footprints in new geographies
- After successfully launching Dava India we have begun to execute the store expansion plans on a PAN India basis.





# Financial Summary







# PROFIT & LOSS STATEMENT- ANNUALLY

Particulars (INR Lakhs)	FY14	FY15	FY16	FY17	FY18	FY19	H1FY18	H1FY19	H1FY20
<b>Income from Operations</b>	5,011.2	5,646.3	6,473.3	7,158.0	7,785.2	8,562.9	3,913.7	4,326.6	4,696.9
Other Income	10.2	1.4	7.7	5.6	151.9	154.5	60.5	100.3	67.3
<b>Total Income</b>	<b>5,021.4</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>3,974.1</b>	<b>4,426.8</b>	<b>4,764.2</b>
Operating Expenses	4,362.0	4,796.5	5,516.8	6,153.8	6,695.0	7,788.4	3,311.8	3,742.2	4,469.6
<b>EBITDA</b>	<b>659.4</b>	<b>851.3</b>	<b>964.2</b>	<b>1,009.8</b>	<b>1,242.0</b>	<b>929.0</b>	<b>662.4</b>	<b>684.6</b>	<b>294.6</b>
<b>Margin %</b>	<b>13.2</b>	<b>15.1</b>	<b>14.9</b>	<b>14.1</b>	<b>16.0</b>	<b>10.8</b>	<b>16.7</b>	<b>15.5</b>	<b>6.2</b>
Depreciation	120.7	150.6	123.5	105.4	93.7	139.4	46.3	75.9	62.1
<b>EBIT</b>	<b>538.7</b>	<b>700.7</b>	<b>840.8</b>	<b>904.4</b>	<b>1,148.3</b>	<b>789.6</b>	<b>616.1</b>	<b>608.6</b>	<b>232.5</b>
<b>Margin %</b>	<b>10.7</b>	<b>12.4</b>	<b>13.0</b>	<b>12.6</b>	<b>14.8</b>	<b>9.2</b>	<b>15.5</b>	<b>13.7</b>	<b>4.9</b>
Financial Charges	71.4	66.5	68.3	68.2	12.1	3.7	9.2	0.7	2.3
<b>PBT</b>	<b>467.3</b>	<b>634.2</b>	<b>772.4</b>	<b>836.2</b>	<b>1,136.2</b>	<b>785.9</b>	<b>606.9</b>	<b>607.9</b>	<b>230.2</b>
<b>Margin %</b>	<b>9.3</b>	<b>11.2</b>	<b>11.9</b>	<b>11.7</b>	<b>14.6</b>	<b>9.2</b>	<b>15.3</b>	<b>13.7</b>	<b>4.8</b>
Tax	156.0	207.6	261.5	282.1	407.4	230.7	204.6	195.5	64.9
<b>PAT</b>	<b>311.3</b>	<b>426.7</b>	<b>510.9</b>	<b>554.1</b>	<b>726.8</b>	<b>555.2</b>	<b>402.4</b>	<b>412.4</b>	<b>165.3</b>
<b>Margin %</b>	<b>6.2</b>	<b>7.6</b>	<b>7.9</b>	<b>7.7</b>	<b>9.3</b>	<b>6.5</b>	<b>10.1</b>	<b>9.3</b>	<b>3.5</b>
<b>EPS</b>	<b>2.6</b>	<b>3.0</b>	<b>3.6</b>	<b>3.9</b>	<b>4.2</b>	<b>3.2</b>	<b>2.3</b>	<b>2.4</b>	<b>0.7</b>



# BALANCE SHEET & KEY RATIOS

Particulars (INR Lakhs)	FY14	FY15	FY16	FY17	FY18	FY19	H1FY20
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	5,138.5	4,318.1
Non-current liabilities	521.3	548.7	272.7	466.8	64.7	87.1	94.5
Current liabilities	1,381.7	1,657.6	1,988.3	2,215.4	2,137.0	1,981.6	2,368.5
<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>8,961.5</b>	<b>9,237.1</b>
Non-current assets	926.3	842.4	855.6	932.5	3,605.4	2,724.1	2,670.2
Current assets	2,557.8	3,196.0	3,549.5	4,447.9	5,574.1	6,237.4	6,566.9
<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>8,961.5</b>	<b>9,237.1</b>
Key Ratios	FY14	FY15	FY16	FY17	FY18	FY19	H1FY20
RoCE (%)	17.4	20.0	23.5	19.3	10.5	8.1	2.5
RoE (%)	19.7	23.3	23.8	20.5	10.4	8.1	2.4
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	101.1
Inventory days	91.2	113.9	92.1	121.9	113.8	138.6	110.8
Receivables days	77.8	75.6	89.0	87.1	107.5	94.2	103.4
Payable days	109.0	116.2	126.5	148.4	117.8	103.5	100.4



# Thank You



Mr. Himanshu Zota / Mr. Ashvin Variya



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