

February 18, 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(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 in respect of Financial Results for the quarter and nine months ended December 31, 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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Plant :

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Q3FY20 PERFORMANCE HIGHLIGHTS FEBRUARY 2020













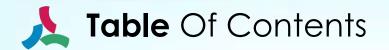


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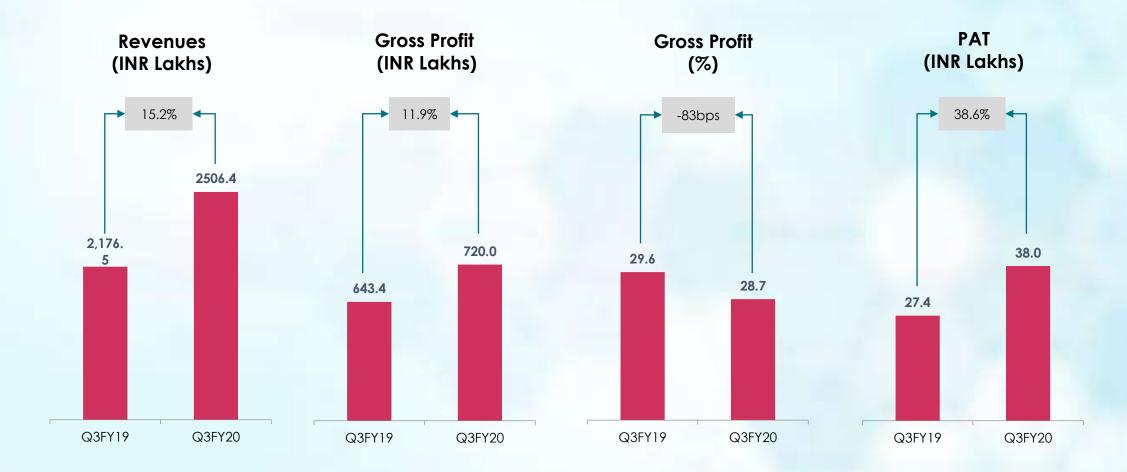






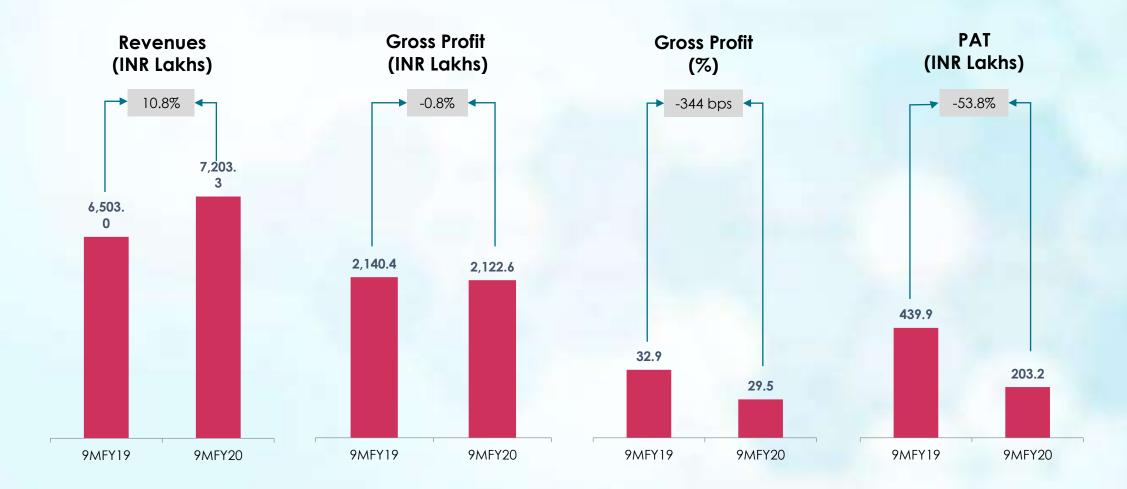
Consol Quarterly Financial Highlights











Consol Profit & Loss Statement - Quarterly



Particulars (Rs Lakhs)	Q3FY20	Q3FY19	YoY %	QoQ %	Q2FY20
Export Sales (SEZ)	638.8	500.4	27.7	86.8	342.0
Dava India Sales	351.0	173.0	102.9	14.3	307.0
Domestic Sales	1,516.6	1,503.1	0.9	-19.3	1,879.7
Revenues from Operations	2,506.4	2,176.5	15.2	-0.9	2,528.7
Cost of Goods Sold	1,786.4	1,533.1	16.5	-0.5	1,794.8
Gross Profit	720.0	643.4	11.9	-1.9	733.9
% Margin	28.7	29.6			29.0
Operational Exp	646.7	617.1	4.8	9.3	591.9
Employee cost	263.0	228.4			259.0
Other expenses	383.7	388.7			332.9
Operating Profit	73.3	26.3	178.7	-48.4	142.0
% Margin	2.9	1.2			5.6
Other Income	30.7	17.4			37.5
EBITDA	104.1	43.7	138.2	-42.0	179.5
% Margin	4.2	2.0			7.1
Depreciation	48.1	37.1	29.5	50.0	32.0
EBIT	56.0	6.6	754.7	-62.0	147.4
% Margin	2.2	0.3			5.8
Interest Cost	2.3	1.5	59.3	126.0	1.0
EBT	53.7	5.1	952.4	-63.3	146.4
% Margin	2.1	0.2			5.8
Taxes	15.7	-22.3	-170.2	-57.5	36.8
Profit After Taxes	38.0	27.4	38.6	-65.3	109.6
% Margin	1.5	1.3			4.3

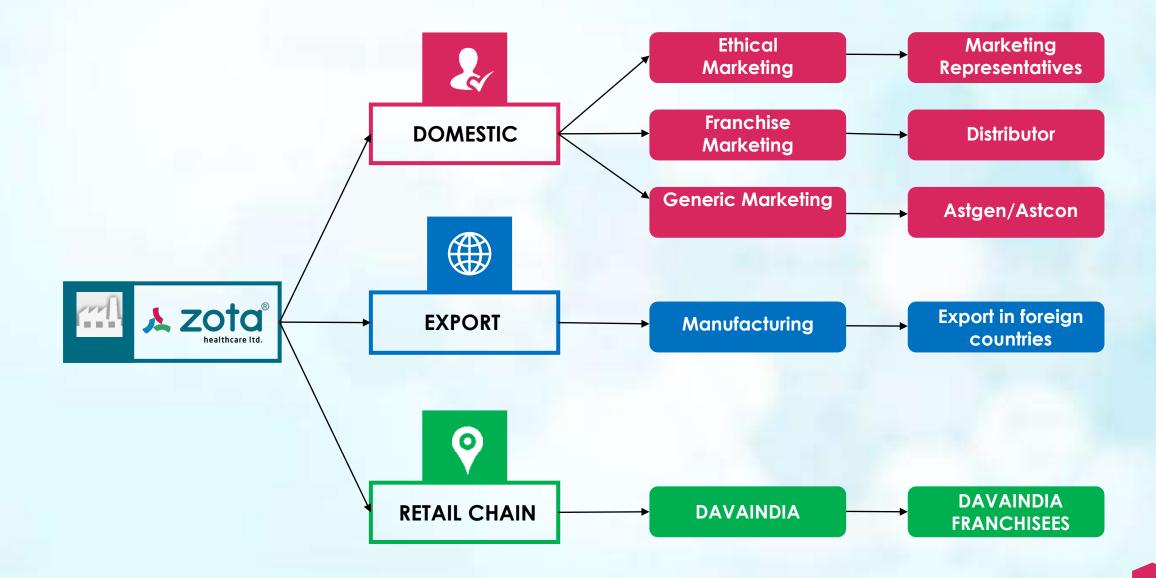
Profit & Loss Statement – Half Yearly & 9M



Particulars (Rs Lakhs)	9MFY20	9MFY19	YoY %	H1FY20	H1FY19	ΥοΥ%
Export Sales (SEZ)	1,452.50	1,302.40	11.5	803.9	801.9	1.5
Dava India Sales	888.4	408	117.7	537.4	230.6	133.0
Domestic Sales	4,862.4	4,792.6	1.5	3,355.6	3,294.1	8.9
Revenues from Operations	7,203.3	6,503.0	10.8	4,696.9	4,326.6	8.6
Cost of Goods Sold	5,080.7	4,362.6	16.5	3,294.3	2,829.5	16.4
Gross Profit	2,122.6	2,140.4	-0.8	1,402.6	1,497.0	-6.3
% Margin	29.5	32.9		29.9	34.6	
<u> Operational Exp</u>	1,822.0	1,529.8	19.1	1,175.3	912.7	28.8
Employee cost	765.5	631.1		502.5	402.8	
Other expenses	1,056.5	898.7		672.8	510.0	
Operating Profit	300.6	610.6	-50.8	227.3	584.3	<mark>-61.1</mark>
% Margin	4.2	<mark>9.4</mark>		4.8	13.5	
Other Income	98.0	117.6		67.3	100.3	
BITDA	398.7	728.3	-45.3	294.6	684.6	-57.0
% Margin	5.5	11.2		6.3	15.8	
Depreciation	110.2	113.1	-2.6	62.1	75.9	-18.2
EBIT	288.5	615.2	-53.1	232.5	608.6	-61.8
% Margin	4.0	9.5		5.0	14.1	
nterest Cost	4.6	2.2	112.9	2.3	0.7	221.7
EBT	283.8	613.0	-53.7	230.2	607.9	-62.1
% Margin	3.9	9.4		4.9	14.1	
Taxes	80.6	173.2	-53.5	64.9	195.5	-66.8
Profit After Taxes	203.2	439.9	-53.8	165.3	412.4	-59.9
% Margin	2.8	6.8		3.5	9.5	











- Revenues for the Q3FY20 registered a double digit growth of 15.2% YoY at Rs 2,506.4 Lakhs, led by growth from domestic (davaindia) and exports market
- Gross Profit grew 11.9% with marginal dip of 84 bps YoY as material cost increased by 16.5%
- EBITDA margins at 4.2% with 138% YoY growth at Rs 104.1 lakhs due to favorable mix of export revenues









- India
- Kenya
- Nigeria
- Libya
- Ethiopia
- Tanzania

- Mali
- Uganda
- Sri Lanka
- Myanmar
- Vietnam
- Cambodia

- Nepal
- Yemen
- South Africa
- Benin
- Ukraine
- Uzbekistan

- Turkmenistan
- Costa Rica
- Georgia
- Bolivia
- Swaziland
- Cameroon

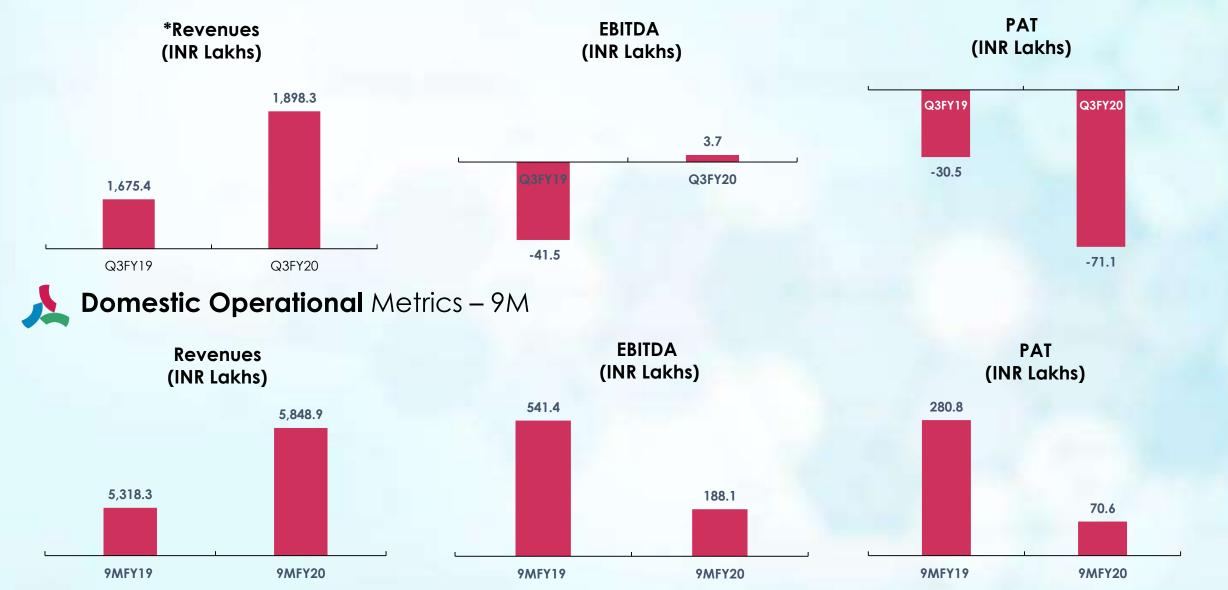


Operational Metrics



Domestic Operational Metrics – Quarterly



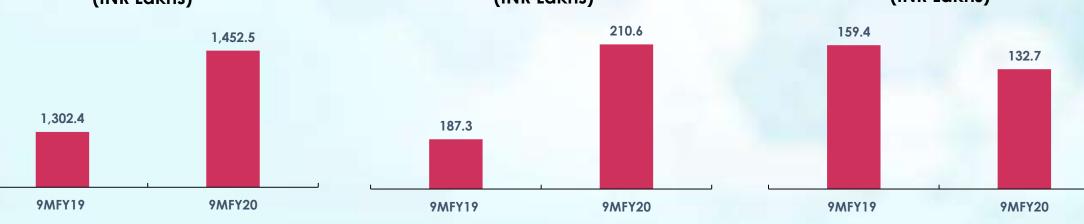


*Revenues include Davaindia sales figures

Export Operational Metrics - Quarterly

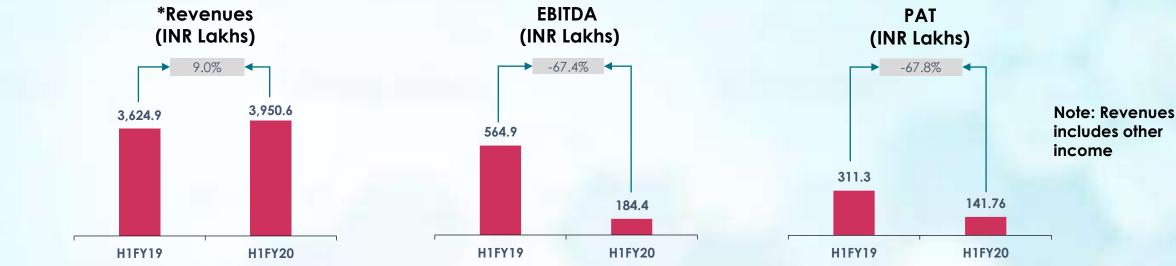






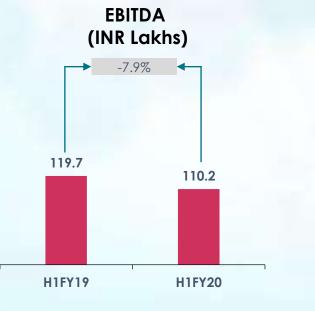
Half Yearly Operational Metrics - Domestic

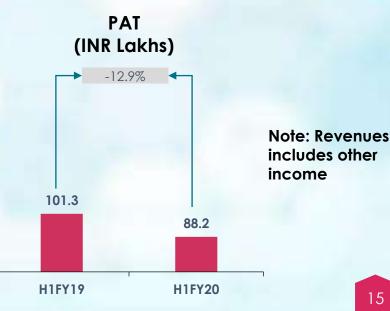




Operational Metrics - Exports

Revenues (INR Lakhs) 1.5% 801.9 813.6 H1FY19 H1FY20 *Revenues include Davaindia sales figures





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Domestic Operations

- Domestic Revenues witnessed a growth of 13.3% during the quarter at Rs 1,898.3 Lakhs, led by volume growth among key segments.
- EBITDA margins came in at 0.2% due to higher increased cost associated with Davaindia promotional expenses
- Domestic business PAT slipped posting a loss of Rs 71 lakhs vs Rs 31 lakhs in Q3FY19

Exports

- Exports revenues continued its strong run of growth with Rs 638.8 Lakhs growing 27.7% YoY
- EBITDA grew by a robust 48.6% at Rs 100.4 lakhs with 15.7% margins
- PAT at Rs 37.4 lakhs which was lower as compared to Q3FY19









Gradually Building A Partnership





Signing of the Legendary cricketer: The Haryana Hurricane Mr. Kapil Dev is regarded as one of India's finest and greatest all rounder's of the game of cricket. It gives us immense pleasure to have him associated as Our Brand Ambassador of Zota Health care Ltd.

His Simplicity, Spartan life style and down to earth qualities resonate truly well with Zota brand. We expect a positive impact with an increased recognition and brand value for our company. We warmly welcome the great legend in the Zota Family as he takes his stance in the first innings.





- Davaindia retail pharmacy stores is focused 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 220
- A higher number of ~ 1,333 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 152















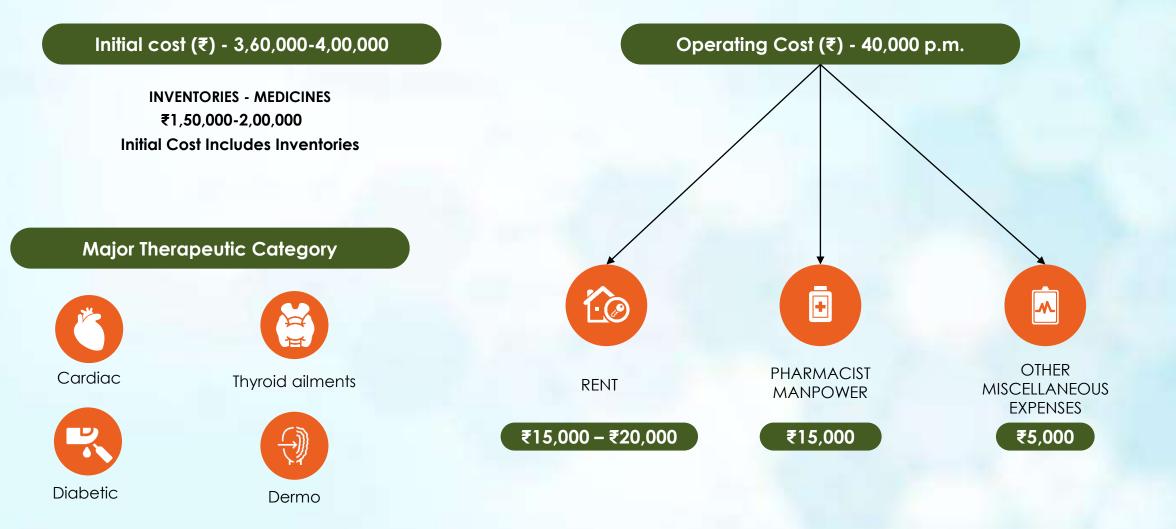
Pre-Opening Store Activities For Davaindia





Cost Incurred For Davaindia Store Opening





Services Of Davaindia Metrics Of Davaindia

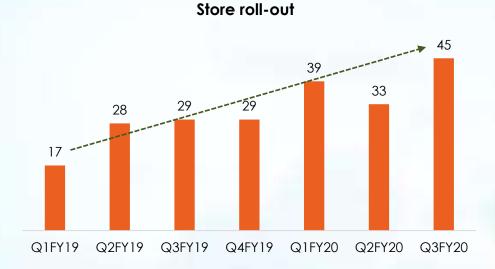




70% Medicine / 30% OTC products

Davaindia Key Figures





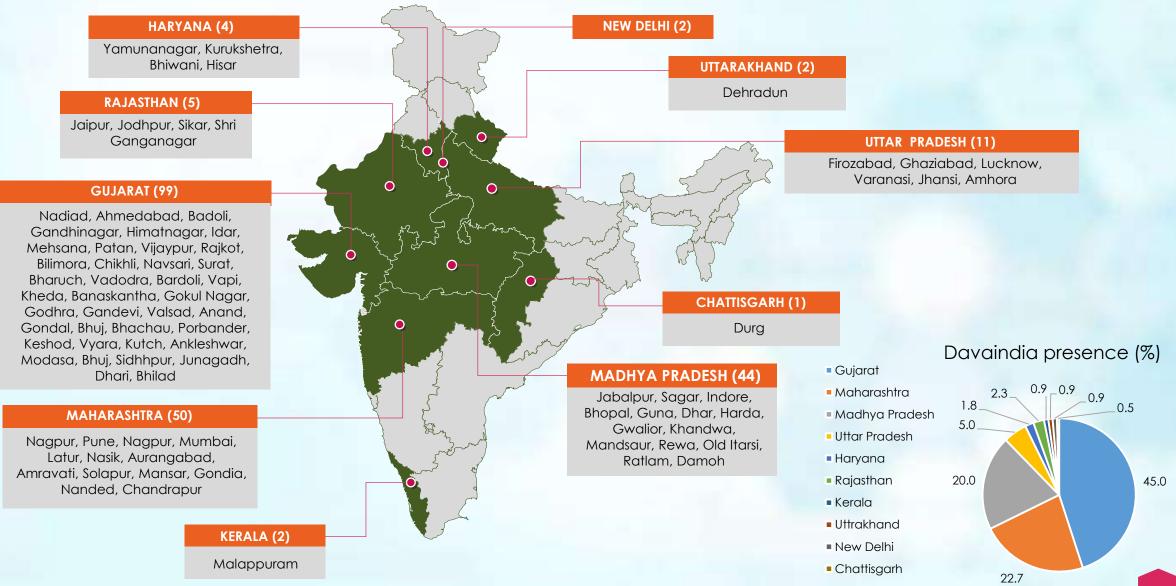


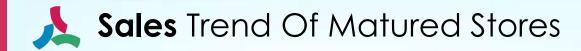
700 40% 36% 627 35% 600 30% 500 25% 400 18% 18% 18% 20% 300 223 15% 200 10% 122 75 100 5% 32 0% 0 Avg Wallet Spends (Rs)

Average spend by 54% of the patrons is about ₹140

Davaindia Footprints











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



Business Outlook & Strategy







- 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 Davaindia we have begun to execute the store expansion plans on a PAN India basis







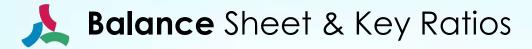








Particulars (INR Lakhs)	FY14	FY15	FY16	FY17	FY18	FY19
Income from Operations	5,011.2	5,646.3	6,473.3	7,158.0	7,785.2	8,562.9
Other Income	10.2	1.4	7.7	5.6	151.9	154.5
Total Income	5,021.4	5,647.8	6,481.0	7,163.6	7,937.0	8,717.4
Operating Expenses	4,362.0	4,796.5	5,516.8	6,153.8	6,695.0	7,788.4
EBITDA	659.4	851.3	964.2	1,009.8	1,242.0	929.0
Margin %	13.2	15.1	14.9	14.1	16.0	10.8
Depreciation	120.7	1 <mark>50</mark> .6	123.5	105.4	93.7	139.4
EBIT	538.7	700.7	840.8	904.4	1,148.3	789.6
Margin %	10.7	12.4	13.0	12.6	14.8	<mark>9.2</mark>
Financial Charges	71.4	66.5	68.3	68.2	12.1	3.7
PBT	467.3	634.2	772.4	836.2	1,136.2	785.9
Margin %	9.3	11.2	11.9	11.7	14.6	9.2
Тах	156.0	207.6	261.5	282.1	407.4	230.7
PAT	311.3	426.7	510.9	554.1	726.8	555.2
Margin %	6.2	7.6	7.9	7.7	9.3	6.5
EPS	2.6	3.0	3.6	3.9	4.2	3.2





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
Total Equity and Liabilities	3,484.1	4,038.4	4,405.2	5,380.5	9,179.4	8,961.5	9,237.1
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
Total Assets	3,484.1	4,038.4	4,405.2	5,380.5	9,179.4	8,961.5	9,237.1
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



Contact Information



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Thank You