

June 10, 2022

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, 2022.

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
Web : 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 obscured by a large diagonal graphic on the left side, which is split into blue and red sections.

Q4FY22

PERFORMANCE HIGHLIGHTS

JUNE 2022



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

Table Of Contents

- 01 RESULT HIGHLIGHTS
- 02 OPERATIONAL METRICS
- 03 DAVAINDIA
- 04 BUSINESS OUTLOOK
& STRATEGY
- 05 FINANCIAL SUMMARY

Q4FY22- Result Highlights



Stand Quarterly Financial Highlights

Q-o-Q

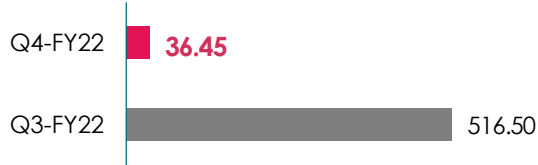
Revenues (₹ Lakhs)



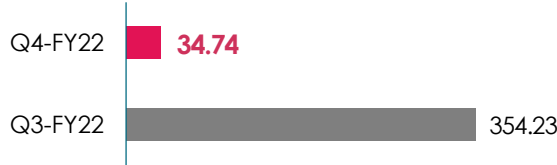
Gross Profit (%)



Operating Profit (₹ Lakhs)



PAT (₹ Lakhs)



Y-o-Y

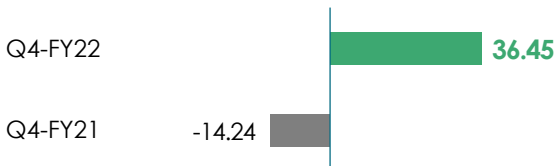
Revenues (₹ Lakhs)



Gross Profit (%)



Operating Profit (₹ Lakhs)



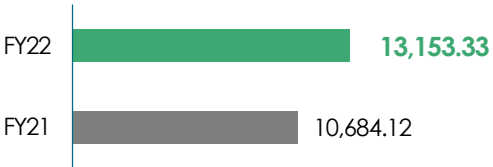
PAT (₹ Lakhs)



Stand Annual Financial Highlights

Y-o-Y

Revenues (₹ Lakhs)



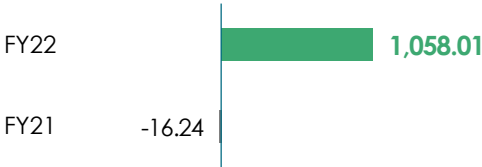
Gross Profit (%)



Operating Profit (₹ Lakhs)

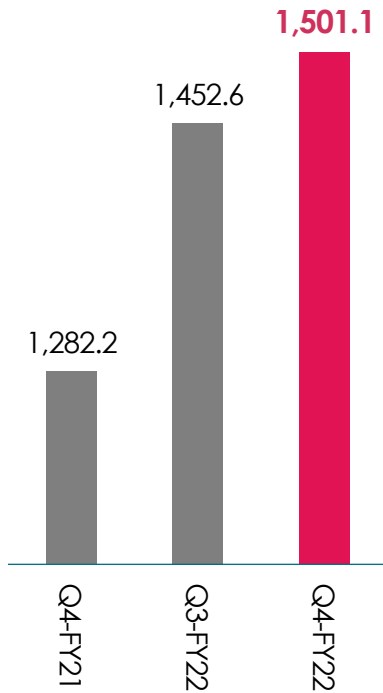


PAT (₹ Lakhs)

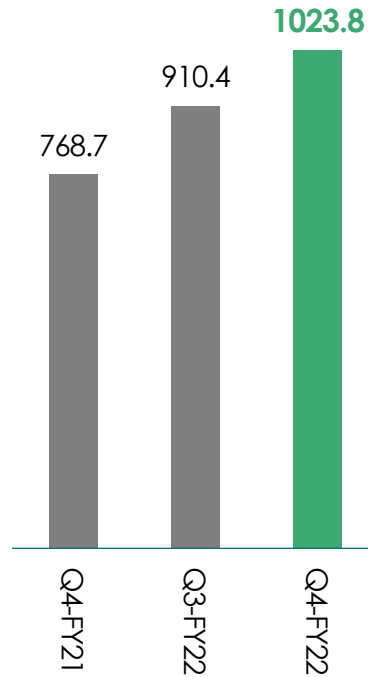


Revenue Break up – Quarterly

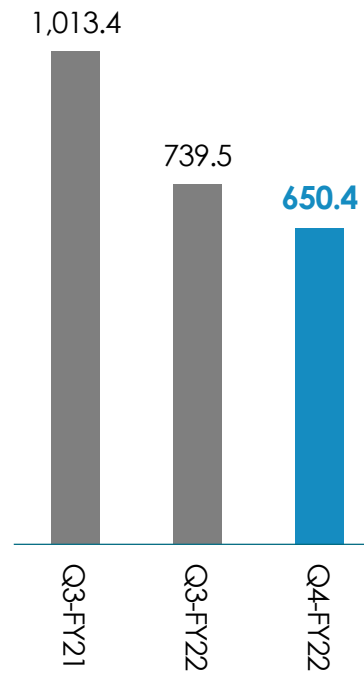
Domestic Sales



Dava India Sales



Export Sales (SEZ)



FY- Result Highlights



Stand Profit & Loss Statement - Quarterly

Particulars (Rs Lakhs)	Q4FY22	Q3FY22	YoY %	QoQ %	Q4FY21
Export Sales (SEZ)	650.39	739.54	-36%	-12%	1,013.4
Dava India Sales	1023.78	910.38	33%	12%	768.7
Domestic Sales	1501.09	1452.56	17%	3%	1,282.2
Revenues from Operations	3,175.26	3,093.88	4%	3%	3,064.26
Cost of Goods Sold	2,346.30	1,858.51	9%	26%	2,158.19
Gross Profit	828.96	1235.37	-9%	-33%	906.07
% Margin	26.11%	39.93%	-346 bps	-1382 bps	29.57%
Operational Exp	792.78	718.87	-14%	10%	920.31
Employee cost	256.03	244.93	0%	5%	255.08
Other expenses	536.75	473.94	-19%	13%	665.23
Operating Profit	36.18	516.50	354%	-93%	-14.24
% Margin	1.14%	16.69%	+160 bps	-1555 bps	-0.46%
Other Income	82.39	33.64	235%	145%	24.62
EBITDA	118.57	550.14	-1042%	-78%	10.38
% Margin	3.73%	17.78%	+340 bps	-1405 bps	0.34%
Depreciation	69.84	75.51	-19%	-8%	86.05
EBIT	48.73	474.63	164%	-90%	-75.67
% Margin	1.53%	15.34%	+400 bps	-1381 bps	-2.47%
Interest Cost	3.93	1.31	-26%	200%	5.33
EBT	44.80	473.32	155%	-91%	-81.00
% Margin	1.41%	15.30%	+405 bps	-1389 bps	-2.64%
Taxes	24.77	125.00	-291%	-80%	-12.94
Profit After Taxes	34.74	354.23	151%	-90%	-68.07
% Margin	1.09%	11.45%	+332 bps	-1036 bps	-2.22%

Management Commentary

01

The Company reported a flattish growth in Revenues in Q4FY22, primarily due to lower export sales.

02

Exports performance suffered a 12% decline QoQ and 36% YoY, due to prolonged container shortages, logistical challenges and rising lead times.

03

The sales contribution from new-age business stood at 53% in Q4FY22 as compared to 53% in Q3FY22 and 58% in Q4FY21.

04

The Company has registered a decrease in gross margins from 39.93% in Q3FY22 to 26.12% in Q4FY22 subdued performance on export front, further affected by rising input costs – primarily API's .

05

EBITDA stood at Rs 118.57 Lakhs, with margins at 3.73% due to compression in GPM primarily affected by export segment.

06

PAT stood at Rs. 34.74 Lakhs, increasing 151% YoY basis and declining 90% QoQ basis.

Management Commentary

DOMESTIC OPERATIONS

Domestic Revenues registered a **marginal increase of 6.85% QoQ and a growth of 23.11% YoY at ₹ 2524.87 Lakhs** supported by healthy performance on both fronts.

EBITDA at **₹ 78.26 Lakhs** for Q4FY22, backed by strong recovery in demand of Prescription Based Drugs.

PAT stood at **₹ 40.44 Lakhs** for Q4FY22.

**Domestic Operations includes the operations of Davaindia.*

EXPORTS

Exports revenues **declined 12% on QoQ basis and 36% YoY at ₹ 650.39 Lakhs** in Q4FY22.

EBITDA at **₹ 40.31 Lakhs** for Q4FY22, in line with the decrease in export sales volume.

PAT stood at **₹ (5.70) Lakhs** for Q4FY22.



Davaindia

Generic Pharmacy

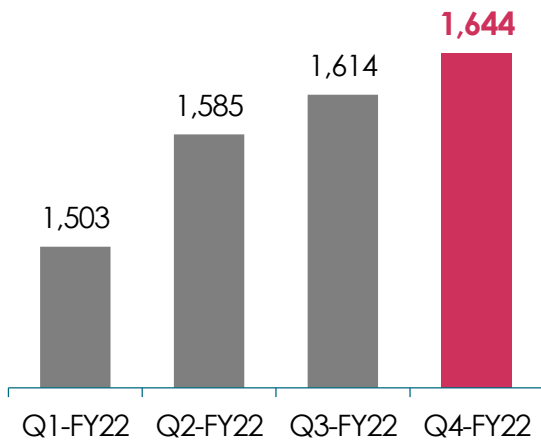


Davaindia Key Figures

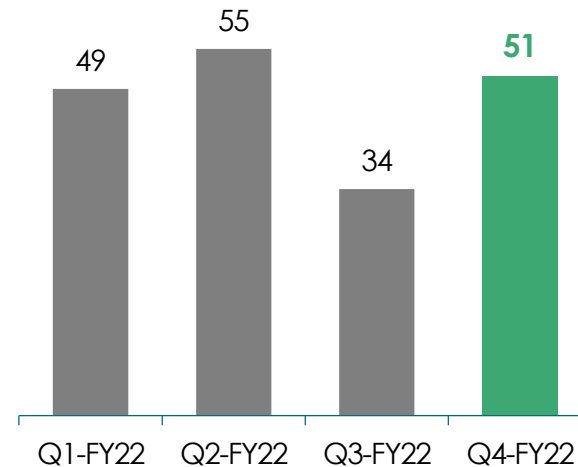
Gross Mercantile Value (GMV)

Total GMV of Davaindia Stores stood at **1711 Lakhs** during Q4FY22 up **14% QoQ**

No. of SKU's

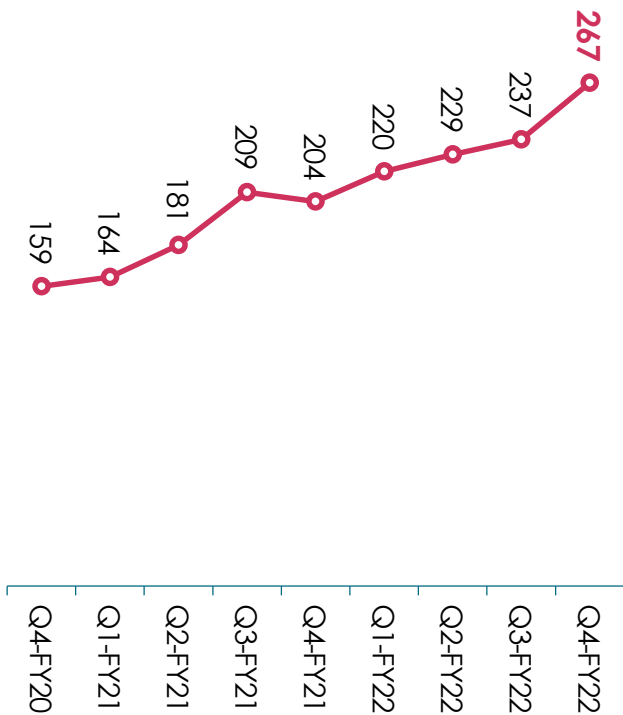


New Stores rolled-out

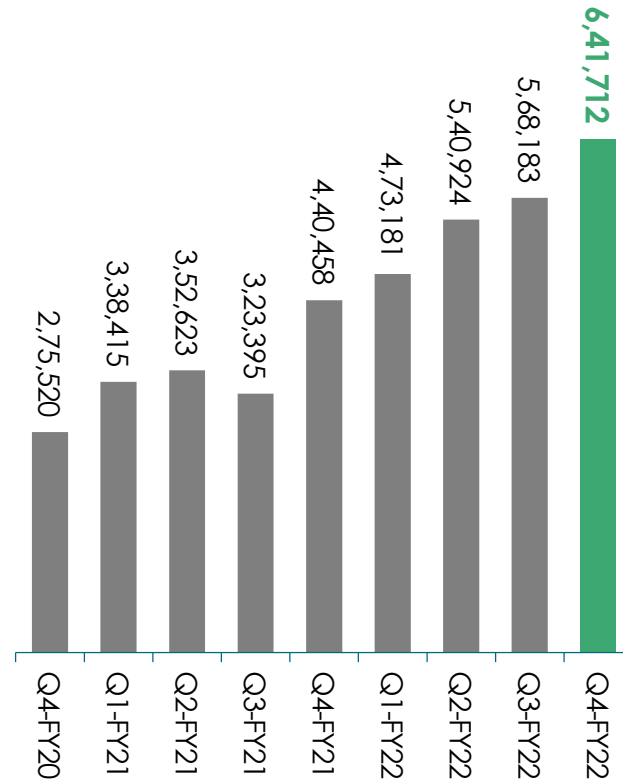


Davaindia Key Figures

Average Wallet Spend



No. of Customers Served



Davaindia- Generic Pharmacy



During the quarter Davaindia has catered to the highest-ever number of customer i.e. 6.42 lakhs against 5.68 lakhs in the previous quarter. Coupled with increasing Average Wallet Spends which stood at 267 against 237 in the previous quarter.



Davaindia has led the revolution of patients opting for generic medicines against branded counterparts. As of FY22, Davaindia has catered to more than 5.29 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 remain high, thus aiding the overall growth of Davaindia's business model.



Davaindia expansions continues, in Q4FY22, the Company rolled-out 11 COCO stores on a base of 6 stores in the previous quarter. The Company will pursue rapid store growth on the COCO front. The Company also rolled out additional 40 FOFO stores, taking the total FOFO count to 497, and the total store count to 514.



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. 1,644 has enabled Davaindia to better serve customers across all segments. Thus, increasing its customer spends across varied price points, the Average Wallet Spend was ₹267 in Q4FY22.

DavaIndia- Generic Pharmacy



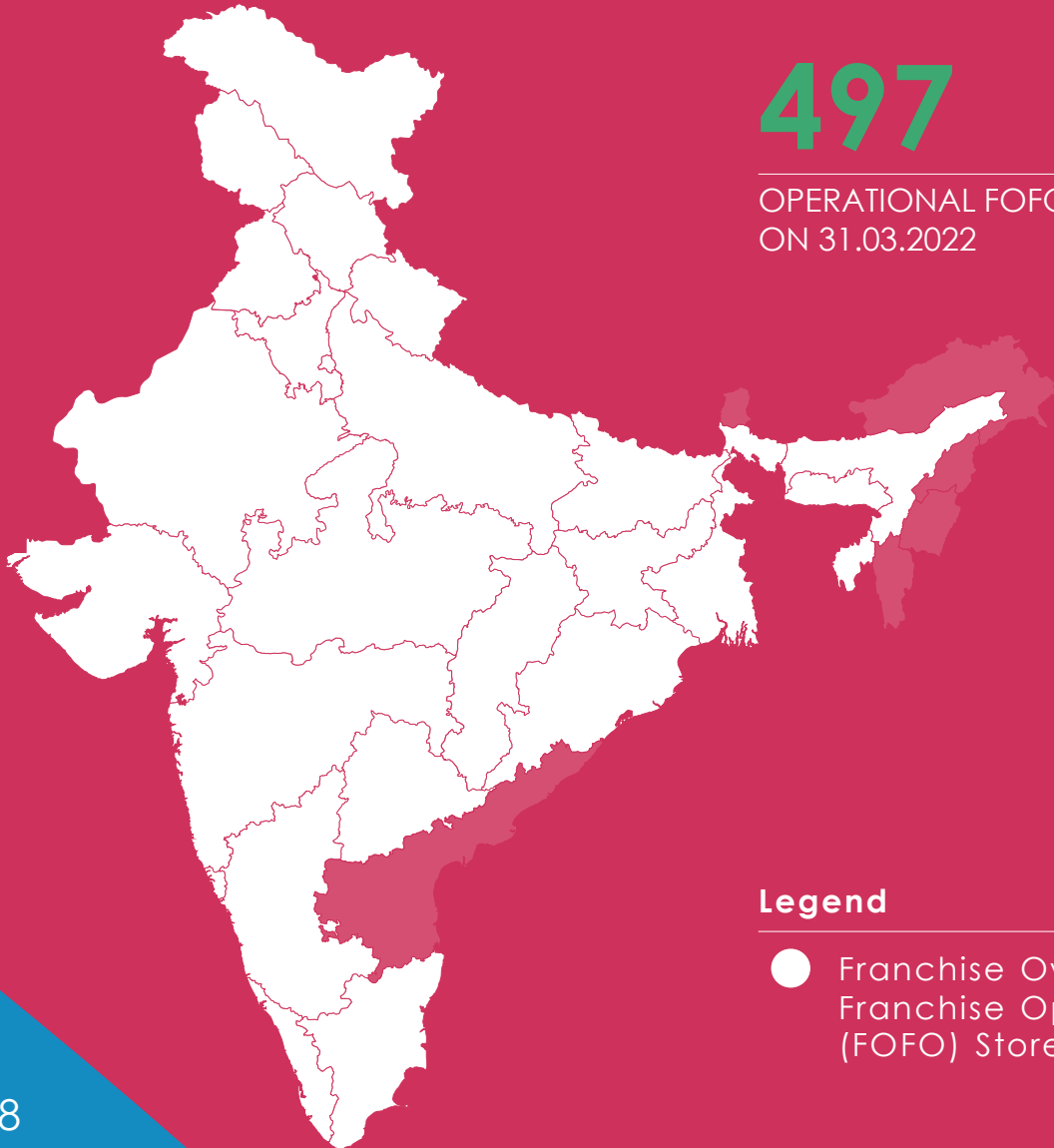
Davaindia- COCO Stores



Operational FOFO Stores

497

OPERATIONAL FOFO STORES AS
ON 31.03.2022

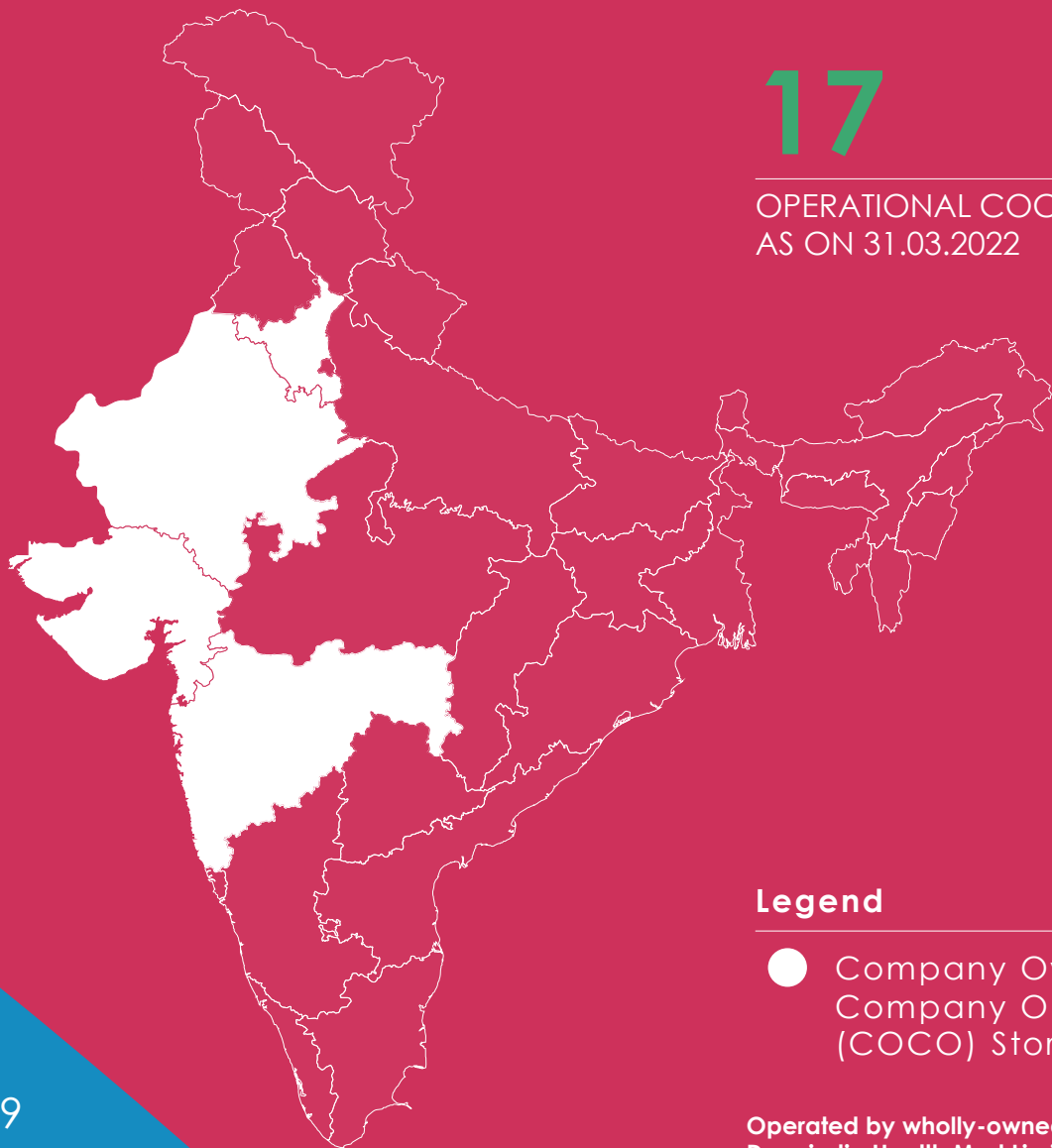


Legend

- Franchise Owned
- Franchise Operated (FOFO) Stores

States	No. of Stores
Arunachal Pradesh	1
Assam	7
Bihar	15
Chhattisgarh	2
Delhi	31
Goa	1
Gujarat	55
Haryana	27
Himachal Pradesh	1
Jammu And Kashmir	2
Jharkhand	7
Karnataka	10
Kerala	16
Madhya Pradesh	68
Maharashtra	50
Meghalaya	1
Odisha	45
Punjab	3
Rajasthan	23
Tamil Nadu	6
Telangana	7
Tripura	5
Uttar Pradesh	85
Uttarakhand	6
West Bengal	23

Operational COCO Stores



17

OPERATIONAL COCO STORES
AS ON 31.03.2022

Legend

- Company Owned
- Company Operated (COCO) Stores

Operated by wholly-owned subsidiary
Davaindia Health Mart Limited

State	No. of Stores
Gujarat	7
Haryana	2
Maharashtra	4
Rajasthan	3
Delhi	1



Management Commentary

Commenting on Q4FY22 financial performance and operational highlights, Management Team of Zota Health Care said,

"The Company's performance for Q4FY22 has been significantly affected due to the prolonged supply-chain disruption in our export business. During the quarter under review, our export business registered a decline in Revenue from Operations on both YoY and QoQ basis, primarily due to increasing port congestions, prolonged container shortages, and rising lead times. Higher export freight and rising input cost, especially APIs, have further dampened our profitability during the quarter.

Our domestic and Davaindia front performance continues to do well during the quarter under review. Our Davaindia sales crossed an important benchmark of 10+ crore quarterly sales, and we expect this trend to continue as the Company rolls out more stores each quarter. During the quarter, we significantly expanded our COCO footprint, with an additional 11 stores spread across four states. COCO stores have the potential to generate higher sales and contribute to better margins. We also expect Average Wallet Spends to accelerate further as we witness a higher contribution from COCO stores, since COCO stores allow the Company to present its full breadth of product portfolio to potential customers.

The Company is also making good progress in optimizing its supply chain, with a new, fully-automated, central warehouse in Surat setup under a strategic partnership. Basis the success of this warehouse, the Company will evaluate further on this front. To conclude, your Company is fully geared to capture the tremendous opportunity of the generic pharmacies in India."

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

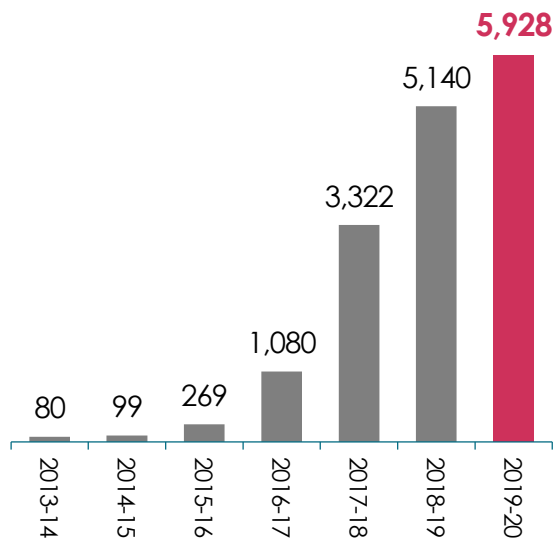
- The Product Basket of the scheme now covers more than 1,449 medicines and 204 surgical & consumables.
- Presence in all major therapeutic categories such as Anti-infective, Anti-allergic, Anti-diabetics, Cardiovascular, Anti-cancers, Gastro-intestinal medicines, etc.
- As on 24/06/2021, 7,855 PMBJP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

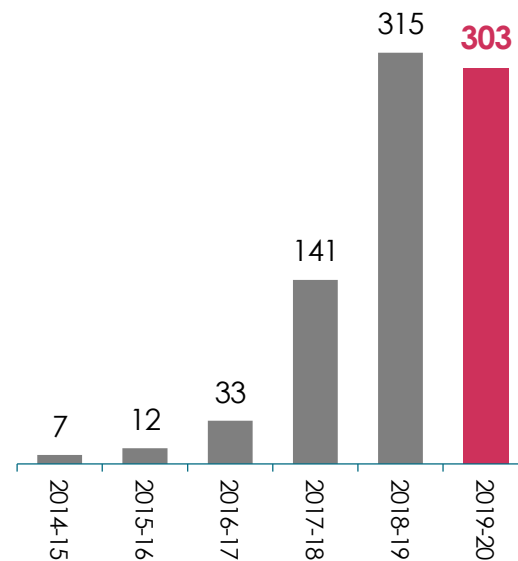
(Number of stores as on 31st March of the year)



Note : 2019-20 – till 31/12/2019

Growth in turnover

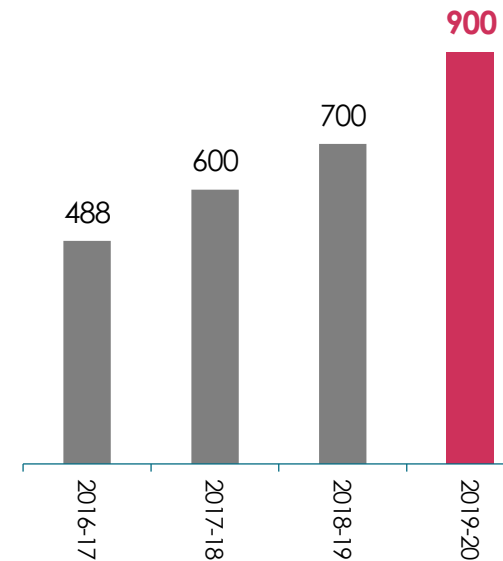
(Sales value in crore)



Note : 2019-20 – till 31/12/2019

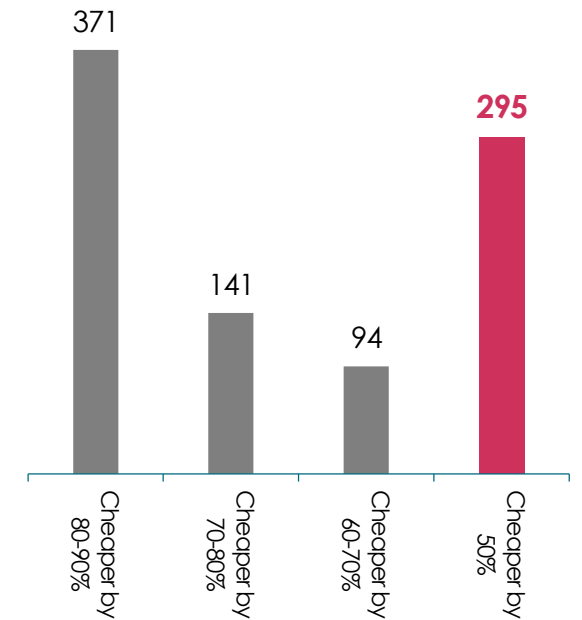
Product basket

(No of Medicines)



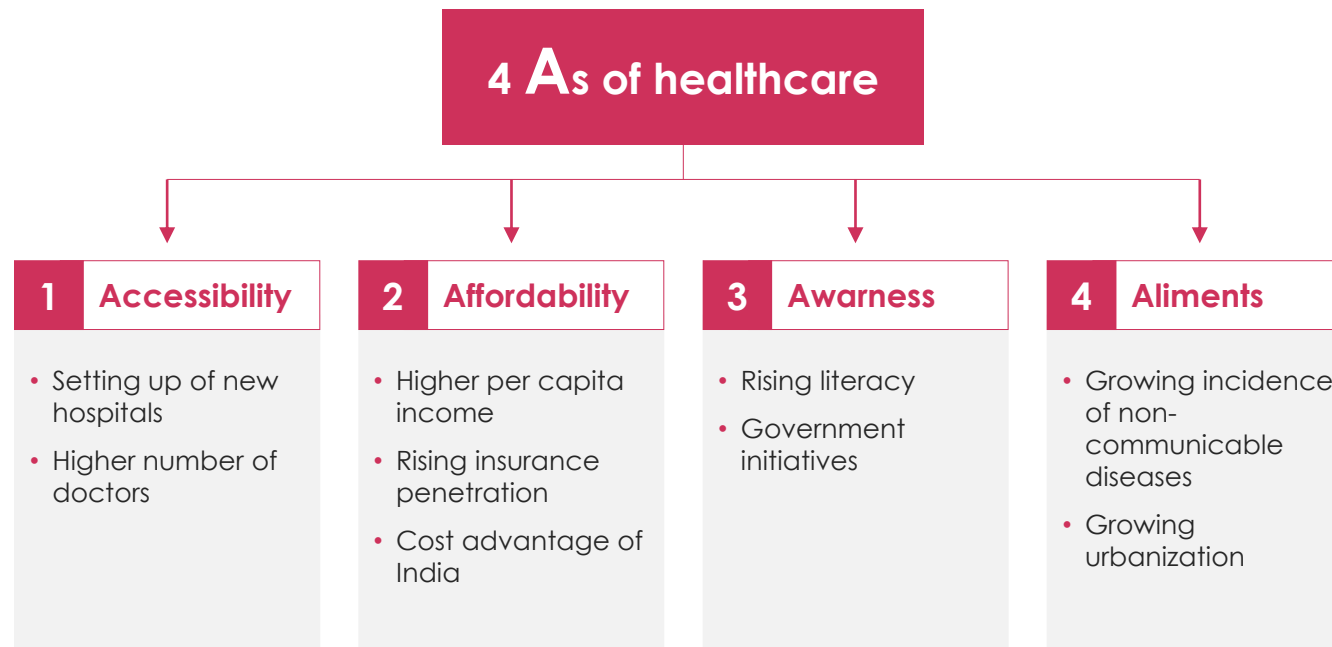
Note : 2019-20 – till 31/12/2019

Price of Janaushadhi medicines to branded medicines



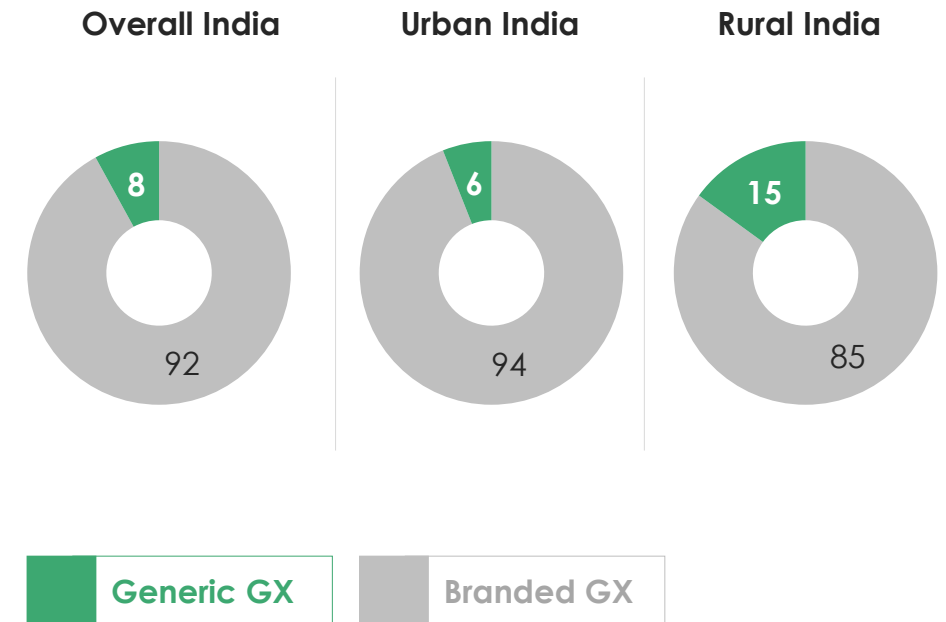
Underpenetrated Generic Medicine Market

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	FY22
Income from Operations	5,646.3	6,473.3	7,158.0	7,785.2	8,562.9	9,511.3	10,684.12	13,153.33
Other Income	1.4	7.7	5.6	151.9	154.5	151.3	125.66	164.56
Total Income	5,647.8	6,481.0	7,163.6	7,937.0	8,717.4	9,662.6	10,809.78	13,317.89
Operating Expenses	4,796.5	5,516.8	6,153.8	6,695.0	7,788.7	9,059.7	10,490.90	11,453.82
EBITDA	851.3	964.2	1,009.8	1,242.0	928.7	602.9	193.22	1,699.51
Margin %	15.1	14.9	14.1	16.0	10.8	6.3	1.8	12.9
Depreciation	150.6	123.5	105.4	93.7	139.4	209.8	316.68	273.05
EBIT	700.7	840.8	904.4	1,148.3	789.3	393.1	-123.46	1,426.46
Margin %	12.4	13.0	12.6	14.8	9.2	4.1	-1.2	10.8
Financial Charges	66.5	68.3	68.2	12.1	3.7	6.9	10.97	7.32
PBT	634.2	772.4	836.2	1,136.2	785.6	386.2	-134.43	1,419.14
Margin %	11.2	11.9	11.7	14.6	9.2	4.1	-1.3	10.8
Tax	207.6	261.5	282.1	407.4	230.7	112.0	-15.3	376.56
PAT	426.7	510.9	554.1	726.8	554.8	274.1	-16.24	1,058.01
Margin %	7.6	7.9	7.7	9.3	6.5	2.9	-0.2	8.0
EPS	3.0	3.6	3.9	4.2	2.3	1.1	-0.07	4.25

Balance Sheet & Key Ratios

Particulars (INR Lakhs)	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
Share capital	1,196.9	1,436.3	1,436.3	1,436.3	1,754.3	1,754.3	2,456.0	2456.03	2,516.03
Reserves and Surplus	384.2	395.7	707.8	1,262.0	5,223.4	5,138.2	4,426.9	4,181.2	6,621.4
Non-current liabilities	521.3	548.7	272.7	466.8	64.7	87.1	105.3	94.5	102.9
Current liabilities	1,381.7	1,657.6	1,988.3	2,215.4	2,137.0	1,981.0	1,859.6	1,820.0	3,287.63
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	8,551.6	12,527.93
Non-current assets	926.3	842.4	855.6	932.5	3,605.4	2,723.3	2,961.4	2438.13	5007.36
Current assets	2,557.8	3,196.0	3,549.5	4,447.9	5,574.1	6,237.4	5,886.4	6,113.5	7520.57
Total Assets	3,484.1	4,038.4	4,405.2	5,380.5	9,179.4	8,960.7	8,847.8	8,551.6	12,527.93

Key Ratios	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
RoCE (%)	17.4	20.0	23.5	19.3	10.5	8.0	4.0	-1.8	15.4
RoE (%)	19.7	23.3	23.8	20.5	10.4	8.0	4.0	-0.2	11.6
Net debt to equity (x)	0.3	0.3	0.1	0.1	0.0	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	-11.3	194.9
Inventory days	91.2	113.9	92.1	121.9	113.8	138.6	97.2	96.1	77.6
Receivables days	77.8	75.6	89.0	87.1	107.5	94.2	111.8	98.5	106.3
Payable days	109.0	116.2	126.5	148.4	117.8	103.5	82.5	77.6	76.4

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

www.zotahealthcare.com

