

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

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 CIN: L24231GJ2000PLC038352

Plant:

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









Q3FY20 PERFORMANCE HIGHLIGHTS

FEBRUARY 2020















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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 Emerge.

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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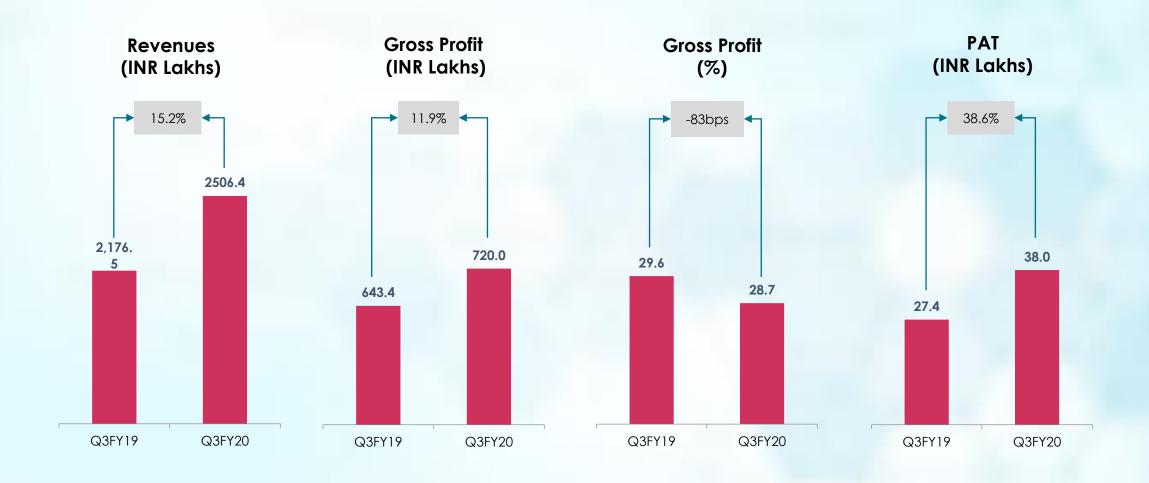


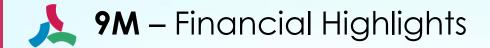




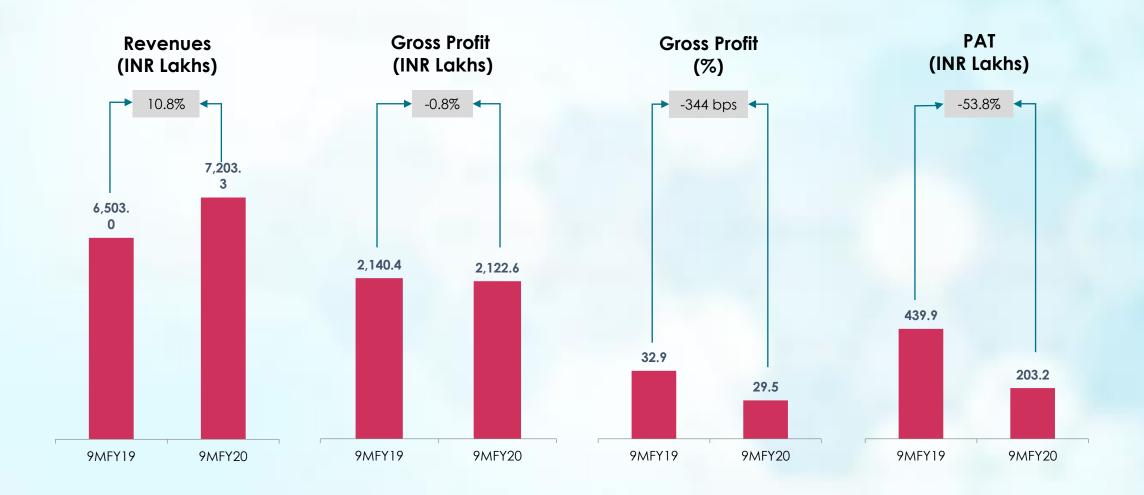
Consol Quarterly Financial Highlights













Consol Profit & Loss Statement - Quarterly



articulars (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
BITDA	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
BIT	56.0	6.6	754.7	-62.0	147.4
% Margin	2.2	0.3			5.8
nterest Cost	2.3	1.5	59.3	126.0	1.0
ВТ	53.7	5.1	952.4	-63.3	146.4
6 Margin	2.1	0.2			5.8
axes	15.7	-22.3	-170.2	-57.5	36.8
rofit After Taxes	38.0	27.4	38.6	-65.3	109.6
% Margin	1.5	1.3			4.3



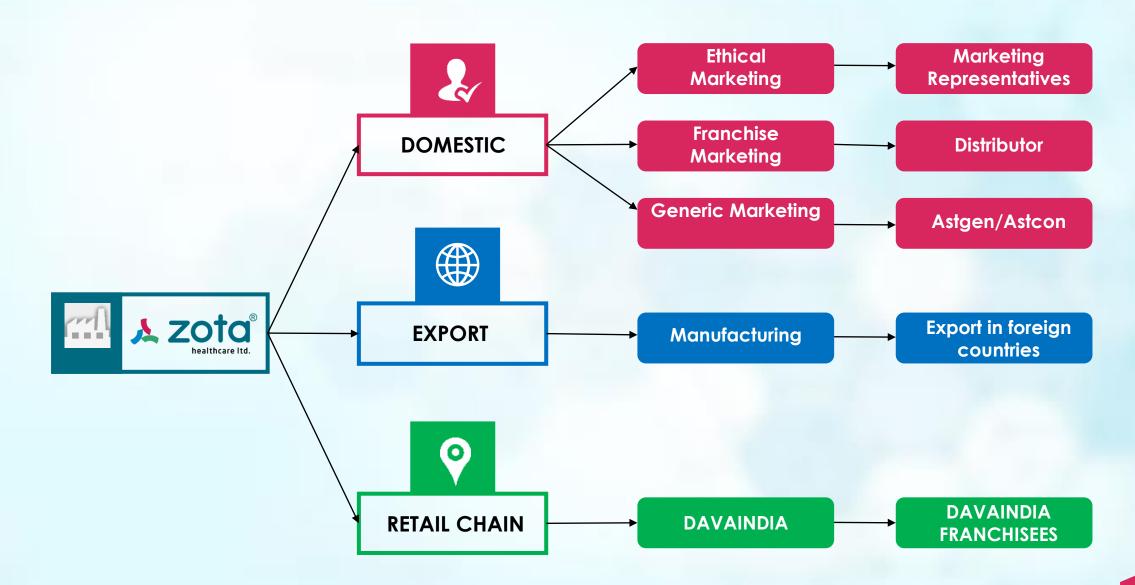
Profit & Loss Statement – Half Yearly & 9M



Particulars (Rs Lakhs)	9MFY20	9MFY19	YoY %	H1FY20	H1FY19	YoY%
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	
Operational Exp	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	-61.1
% Margin	4.2	9.4		4.8	13.5	
Other Income	98.0	117.6		67.3	100.3	
EBITDA	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	6.806	-61.8
% Margin	4.0	9.5		5.0	14.1	
Interest 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	

Strategic Business Model







Management Commentary



- 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



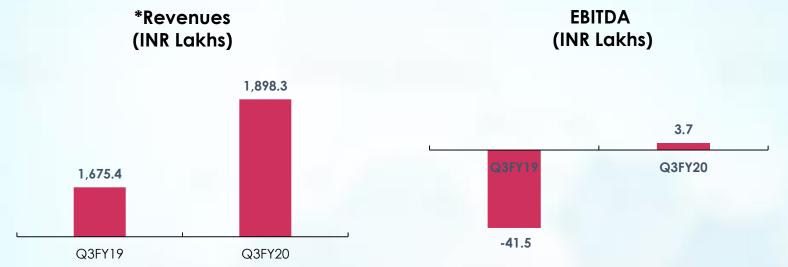
Operational Metrics

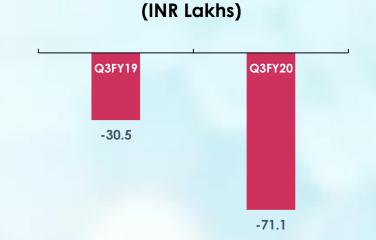




Domestic Operational Metrics – Quarterly





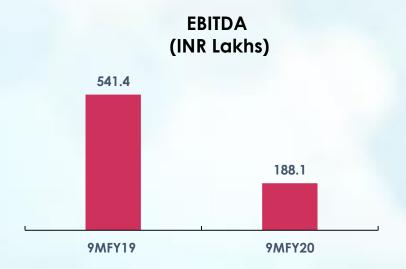


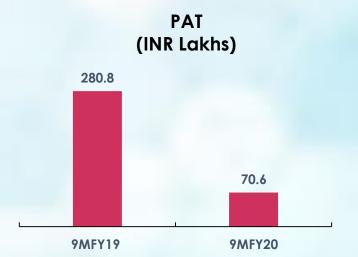
PAT



Domestic Operational Metrics – 9M

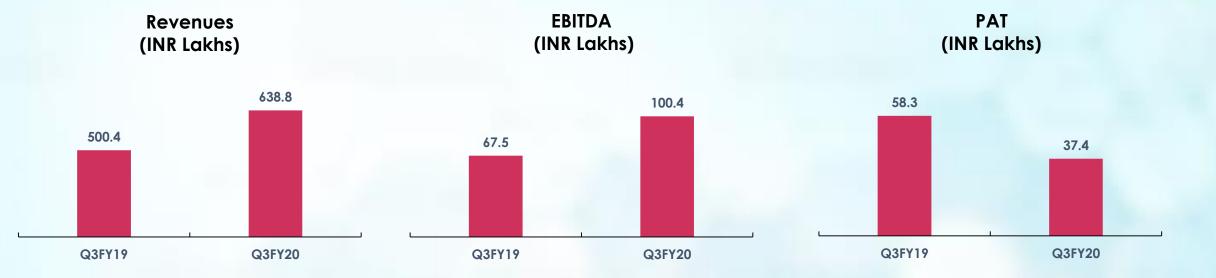






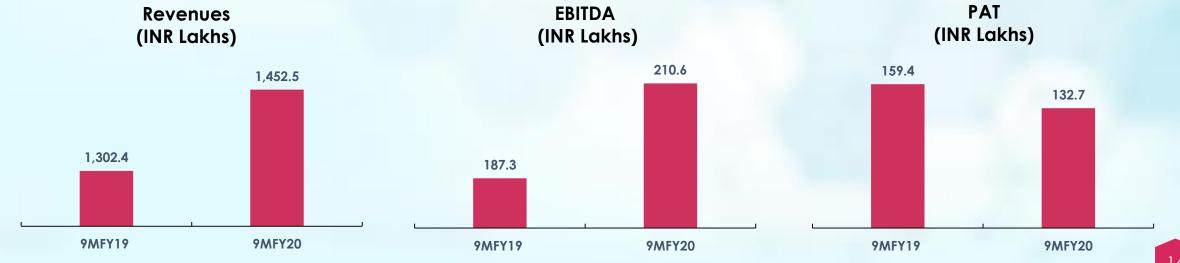
Export Operational Metrics - Quarterly







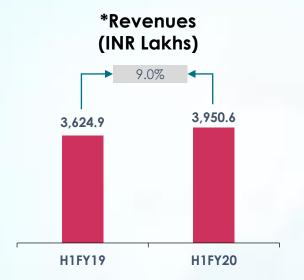
Export Operational Metrics – 9M

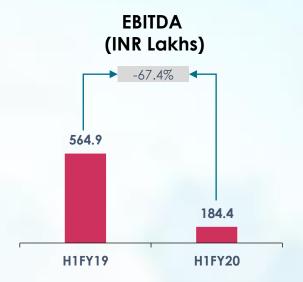


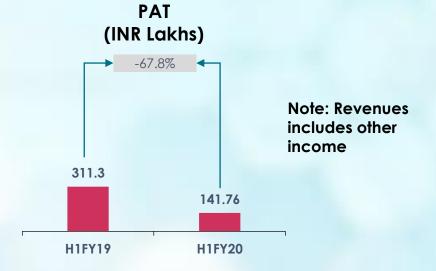


Half Yearly Operational Metrics - Domestic



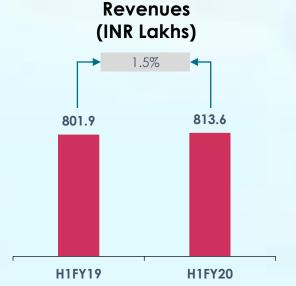


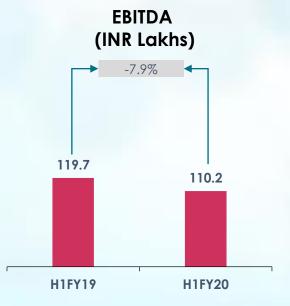


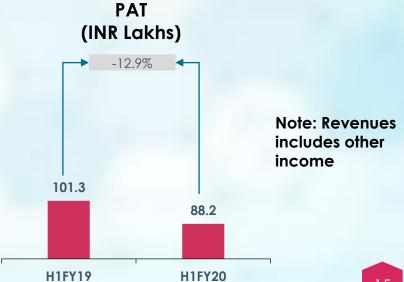




Operational Metrics - Exports







Management Commentary



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 37.4lakhs 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 \sim 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 1.52

















Pre-Opening Store Activities For Davaindia







GENERIC PHARMACY



Cost Incurred For Davaindia Store Opening



Initial cost (₹) - 3,60,000-4,00,000

INVENTORIES - MEDICINES

₹1,50,000-2,00,000

Initial Cost Includes Inventories

Major Therapeutic Category



Cardiac



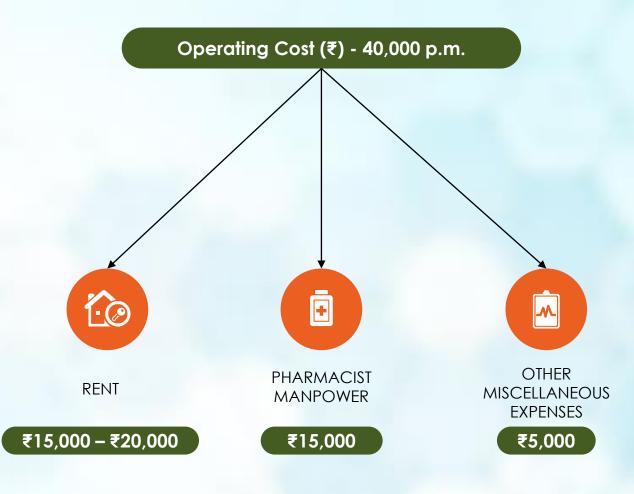
Diabetic



Thyroid ailments



Dermo





Operational Metrics Of Davaindia







Davaindia Key Figures









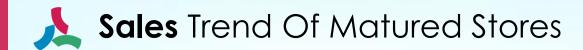
Average spend by 54% of the patrons is about ₹140

Davaindia Footprints



NEW DELHI (2) HARYANA (4) Yamunanagar, Kurukshetra, Bhiwani, Hisar UTTARAKHAND (2) Dehradun **RAJASTHAN (5)** Jaipur, Jodhpur, Sikar, Shri Ganganagar UTTAR PRADESH (11) Firozabad, Ghaziabad, Lucknow, Varanasi, Jhansi, Amhora GUJARAT (99) Nadiad, Ahmedabad, Badoli, Gandhinagar, Himatnagar, Idar, Mehsana, Patan, Vijaypur, Rajkot, Bilimora, Chikhli, Navsari, Surat, Bharuch, Vadodra, Bardoli, Vapi, Kheda, Banaskantha, Gokul Nagar, **CHATTISGARH (1)** Godhra, Gandevi, Valsad, Anand, Gondal, Bhui, Bhachau, Porbander, Durg Keshod, Vyara, Kutch, Ankleshwar, Davaindia presence (%) Modasa, Bhuj, Sidhhpur, Junagadh, Gujarat **MADHYA PRADESH (44)** Dhari, Bhilad 2.3_ 0.9_0.9_0.9 Maharashtra Jabalpur, Sagar, Indore, 1.8 _0.5 Bhopal, Guna, Dhar, Harda, MAHARASHTRA (50) Madhya Pradesh 5.0 Gwalior, Khandwa, Uttar Pradesh Nagpur, Pune, Nagpur, Mumbai, Mandsaur, Rewa, Old Itarsi, Latur, Nasik, Aurangabad, Haryana Ratlam, Damoh Amravati, Solapur, Mansar, Gondia, 20.0 Rajasthan 45.0 Nanded, Chandrapur Kerala Uttrakhand KERALA (2) ■ New Delhi Malappuram Chattisgarh

22.7







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













Profit & Loss Statement - Annually



Particulars (INR Lakhs)	FY14	FY15	FY16	FY1 <i>7</i>	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	150.6	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	9.2
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
Tax	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



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
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	FY1 <i>7</i>	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



Contact Information

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