

NURECA

Q1FY22 Earnings Presentation



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NURECA, IS A LEADING DIGITAL HEALTHCARE AND WELLNESS SOLUTIONS PROVIDER

Our Focus Areas



CHRONIC DISEASES



LIFESTYLE & FITNESS



ORTHO CARE



MOTHER & BABY



NUTRITION

2021

Listed On Stock
Exchanges

₹ 163_{CR}

GMV For Q1FY22

₹ 119_{CR}

Revenue For Q1FY22

50₊

USFDA Approved Products

₹ 49_{CR}

EBITDA For Q1FY22

03

Established Brands



trumom

150_{SKUS}

Respiratory,
Physiotherapy, Cardiac,
Diabetes And Mother &
Child Care

₹ 155_{CR}

Cash and Cash
equivalents



“ ARYAN GOYAL

Founder and CEO

Our brands - Dr Trust, Dr Physio and Trumom have grown exceptionally over the past few years and now enjoy higher credibility and pull on all the digital channels. We were able to grow a large loyal customer base in a relatively short period of time as a result of our focused marketing strategy, exceptional product quality and better features compared to other players.

During the last year, we witnessed acceleration in consumers demand shifting from offline channels to online channel which is very positive for Nureca which is solely focused on digital sales channel.

Nureca has been able to capitalize on this trend and our Q1FY22 results are a testament of the same. We saw a very strong growth in Q1 due to robust demand for quality preventive healthcare products supported by shifting consumer demand and restricted movements due to lockdown. Higher demand also resulted in lower discounts and better margins.

We expect the growth momentum to continue in coming quarters supported by strong demand, new product launches and improved last mile reach.





SAURABH GOYAL

Managing Director

Over the last decade, rising income and standard of living has led to increase in lifestyle related chronic diseases. Although, advancement in medical technology has made it possible to treat these chronic diseases, it remains very expensive for most Indians. This has led to higher consumer awareness around preventive care. At Nureca, we are investing in technology and tools that make effective and affordable remote patient monitoring more accessible to Indians. Our state of the art, USFDA approved products are designed to help patients monitor their health in the comfortable environment of their home. We are investing in value added technologies which will empower Indians to take control of their health and improve their longevity of life.

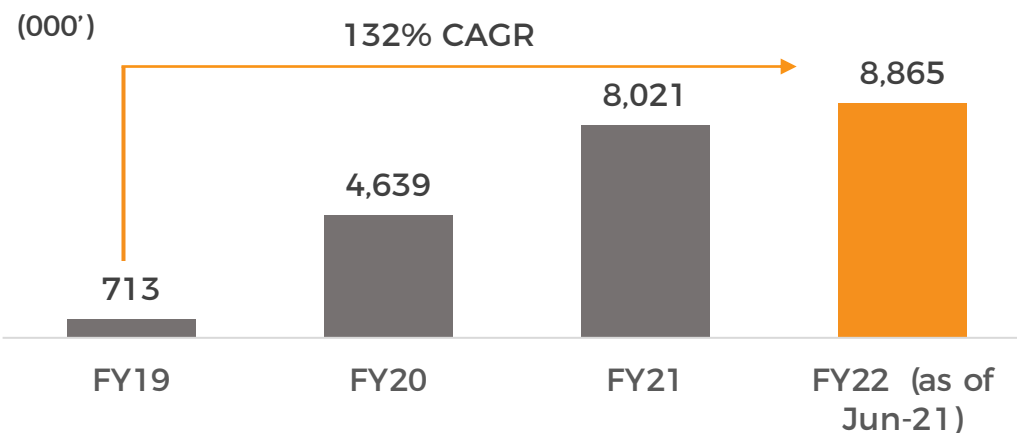
The evolving trend of health-conscious India, has also benefited the nutraceutical sector, which has been growing at a CAGR of 21%. Exercise, a balanced diet, and the use of nutritional supplements have all become part of a healthy lifestyle. The average urban and semi-urban Indian is growing increasingly health and fitness conscious. This presents India's nutraceuticals industry a huge growth opportunity. To cater to the increasing demand, we have introduced a range of niche supplements, backed by scientifically proven ingredients. Going forward, we will continue to add more products in this category.



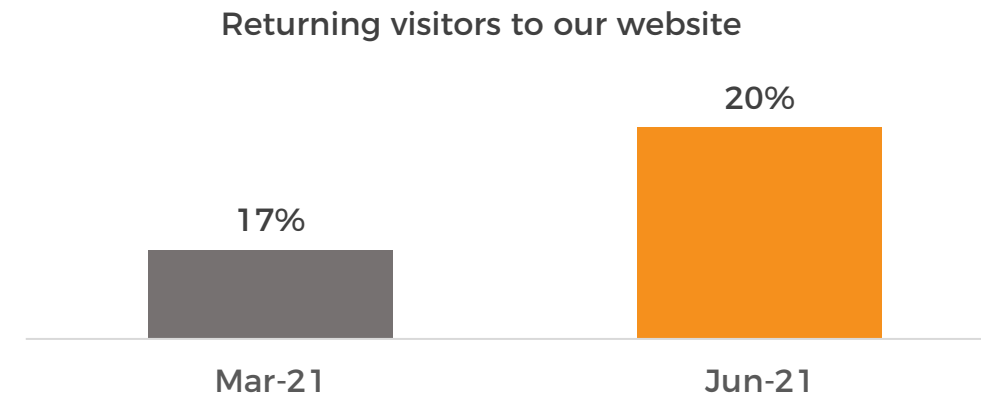
OUR GROWING CUSTOMER BASE



CUSTOMER BASE (CUMULATIVE)*



STEADY IMPROVEMENT IN REPEAT CUSTOMER



Our customer base has grown exceptionally over the last 4 years which is a result of remarkable quality of our products that led to word-of-mouth marketing by our loyal customer base. Currently, most of our products enjoy 4+ Star ratings out of 5-star ratings across e-commerce platform. At Nureca, we have a focused marketing strategy to grow our brands and our advertisement expenditure in the range of 3-5% of our revenue which lower compared to the Industry average.

EVOLVING REGULATORY LANDSCAPE

RECENT CHANGES IN REGULATION

- The National Pharmaceutical Pricing Authority (NPPA) has capped the price of five medical devices namely Pulse Oximeter, Blood Pressure Monitoring Machine, Nebulizer, Digital Thermometer and Glucometer under “Trade Margin Rationalisation Approach” by invoking the provisions of Paragraph 19 of the Drugs Prices Control Order (DPCO) – 2013.
- The revised prices shall come into effect from July 20, 2021. The price so fixed shall remain in force up to January 31, 2022, or until further orders, whichever is earlier.
- **The latest notification doesn't impact manufacturers or distributors margins, nor does it change the buying price of the consumer. The impact is expected on the Maximum Retail Price (MRP) label on the products which is expected reduce as the per new calculation. Even with the reduced products price our products will be available at the same price to the consumer albeit at lower discount to the MRP.**



OPERATIONAL HIGHLIGHTS

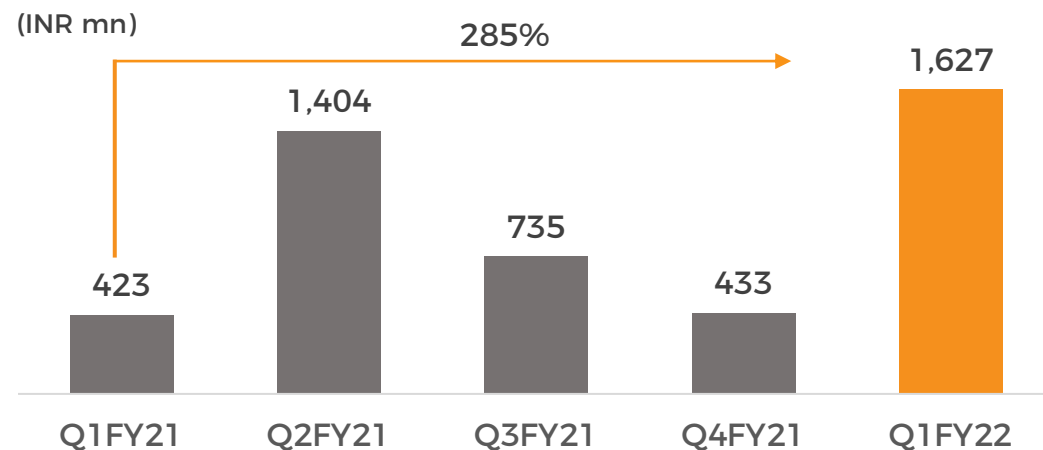
FINANCIAL HIGHLIGHTS

- GMV for the Q1FY22 at Rs. 1,627mn as compared to Rs. 423mn in Q1FY21, an increase of 285%
- Operating Revenue was Rs. 1,195mn in Q1FY22 as compared to Rs. 302mn in Q1FY21, an increase of 295%
- EBITDA was Rs. 492mn as compared to Rs. 132mn in Q1FY21, an increase of 274%
- PAT stood at Rs. 362mn as compared to Rs. 94mn in Q1FY21, a growth of 283%
- Strong balance sheet with Cash and Cash equivalents of Rs. 155 Cr.

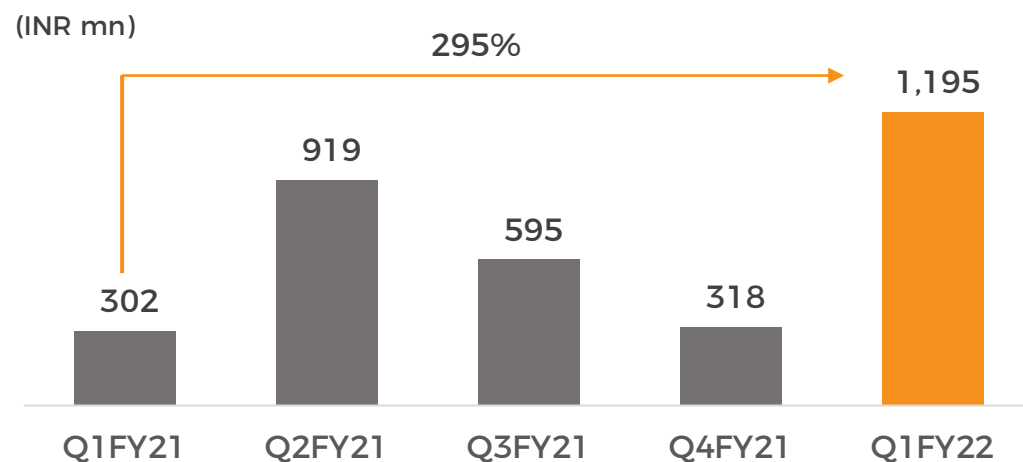
OUR DIGITAL DNA HELPED US SAIL THROUGH DEADLY SECOND WAVE OF COVID-19

- Digital DNA of our company helped us continue our operations uninterrupted, illustrating the resilience of our unique business model
- COVID-19 has changed the healthcare ecosystem with people moving towards pre-diagnostic and preventive care leading to higher demand for medical devices
- Our strategy of selling high quality products through online channel has helped us garner huge loyal customer base leading to continuous demand for our products
- Being a responsible healthcare company, we made sure that our products are available on all the platforms during the difficult times of COVID-19
- During calendar year 2021, Nureca received prestigious “Economic Times Best Healthcare brands 2021” award.

STRONG GMV GROWTH



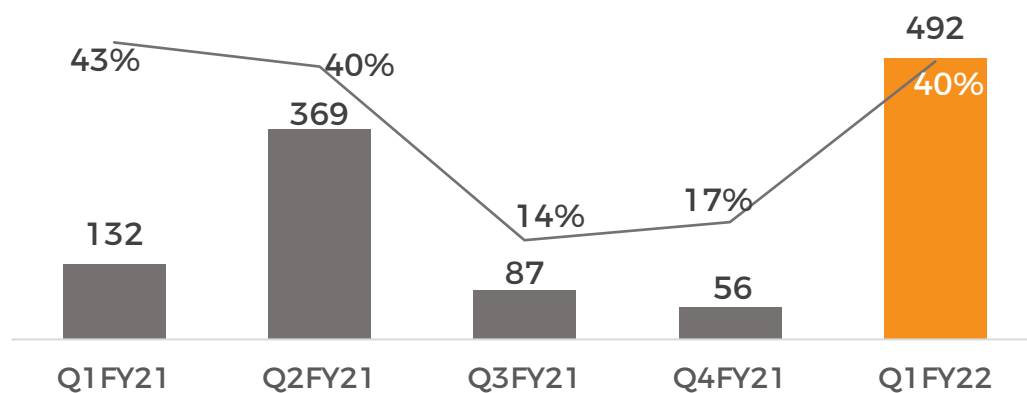
ROBUST OPERATING REVENUE GROWTH



- Operating Revenue surged 4x as compared to Q1FY21 driven by strong demand for medical products, launch of new SKUs and sustainable movement of demand from offline channels to online channels
- New product launched during the quarter have received positive response from our customers and we expect this trend to further strengthen our top line in coming quarters. We have discussed new products launched on slide 9
- As we enter the festival season, we remain optimistic to continue the growth momentum as festival seasons are known for big discount sells on various ecommerce sites which leads to higher demand for products during the period
- Revenue grew faster than GMV due to lower discounts because of higher demand for the products in the market

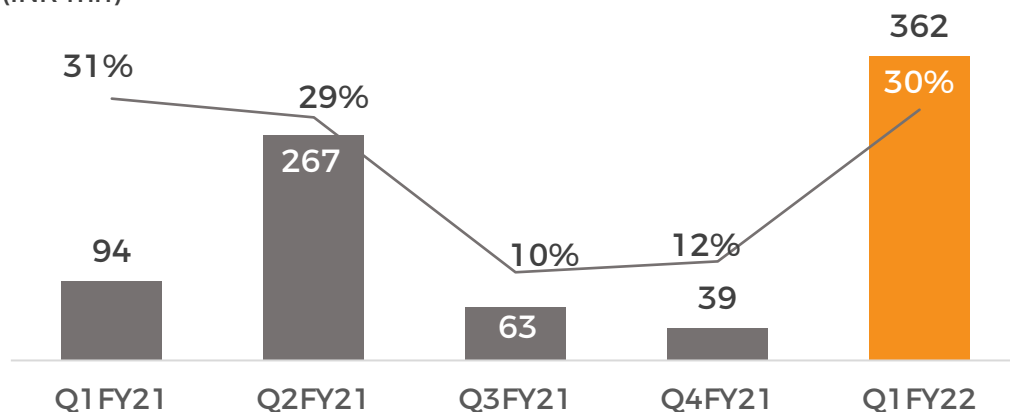
ROBUST EBITDA & EBITDA MARGIN

(INR mn)



STRONG PAT & PAT MARGIN

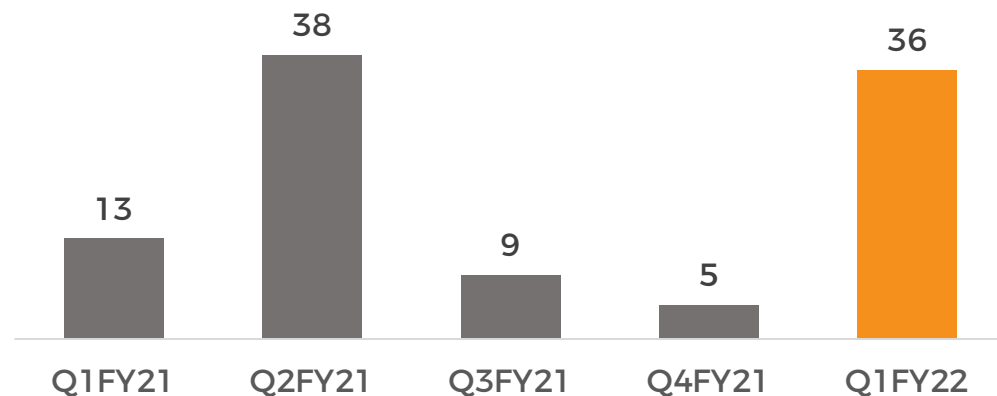
(INR mn)



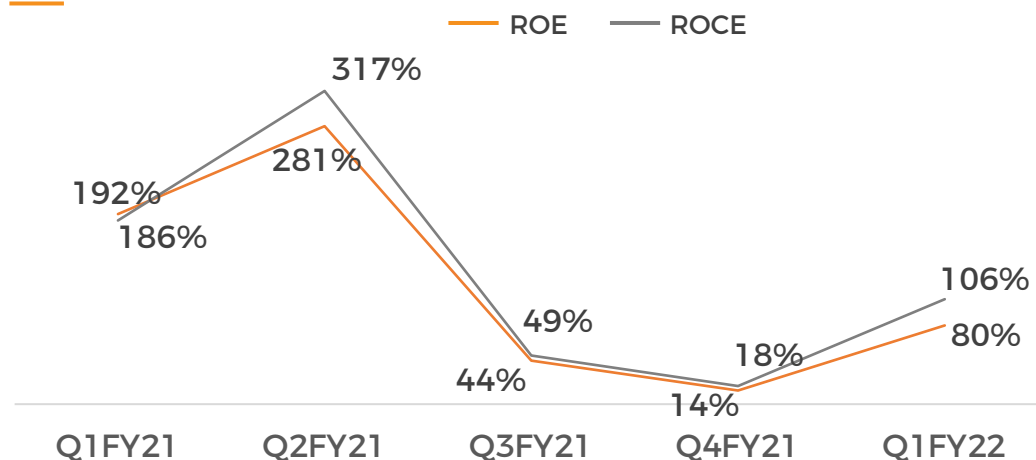
- EBITDA increase by 3.7x as compared to Q1FY21
- EBITDA Margin remain stable on YoY basis due to higher employee cost whereas on QoQ basis margin expanded 2,342 BPS
- Q1FY22 was affected second wave of COVID-19 in terms of higher input cost, due to disruption in supply chain
- Even with the operational challenges we were able to deliver robust EBITDA margin of 40%
- Better operating leverage and strong gross margins contributed to higher EBITDA margins
- PAT stood at Rs. 362mn as compared to Rs. 94mn in Q1FY21, a growth of 283%
- PAT Margin remain stable on YoY and on QoQ basis margin expanded 1,801 BPS
- PAT grew slightly higher than EBITDA due to higher other income and lower interest expense as the company repaid part of its borrowing in previous quarters which helped negate the impact of higher depreciation

EPS CONTINUES TO GROW

(INR)



STRONG RETURN RATIOS



- EPS stood at Rs. 36.2 as compared to Rs. 13.5 in Q1FY21, a growth of 168% YoY
- EPS continue to grow on the back of strong Revenue and PAT numbers.
- Our products continue to enjoy premium over our competitors due to strong brand loyalty, better quality products approved by USFDA and better features leading to higher margins and stronger return on investment
- The capital raise of INR 100cr. in Q4FY21 and lower revenue due to change in the policy of government which led to some of our key products coming under drug license, and sales were impacted until license were obtained, resulted in lower return ratios for Q4FY21.

FINANCIALS – INCOME STATEMENT

Particulars (INR Mn)	Q1FY22	Q1FY21	Y-o-Y (%)	Q4FY21	Q-o-Q (%)
Revenue from operations	1,194.8	302.2	295.4%	318.4	275.3%
Other Income	21.4	1.6		12.8	
TOTAL REVENUE	1,216.2	303.8	300.3%	331.2	267.2%
Cost of Goods Sold	494.4	96.7	411.1%	164.5	200.6%
Employee benefits expense	25.2	4.6	445.6%	20.4	23.3%
Other expenses	204.3	70.9	188.0%	89.8	127.5%
Total Expenses	723.9	172.3	320.2%	274.7	163.5%
EBITDA	492.3	131.5	274.3%	56.5	771.5%
Finance Cost	2.2	3.6	-39.3%	3.8	-42.7%
Depreciation	1.6	0.9	68.5%	0.7	127.9%
PBT	488.6	127.0	284.7%	52.0	839.7%
Current tax	127.5	32.5		13.5	
Deferred tax	-0.9	0.0		-0.4	
PAT	362.0	94.5	283.2%	38.9	830.2%
EPS	36.2	13.5	168.2%	4.6	693.2%

NEW PRODUCTS LAUNCHED

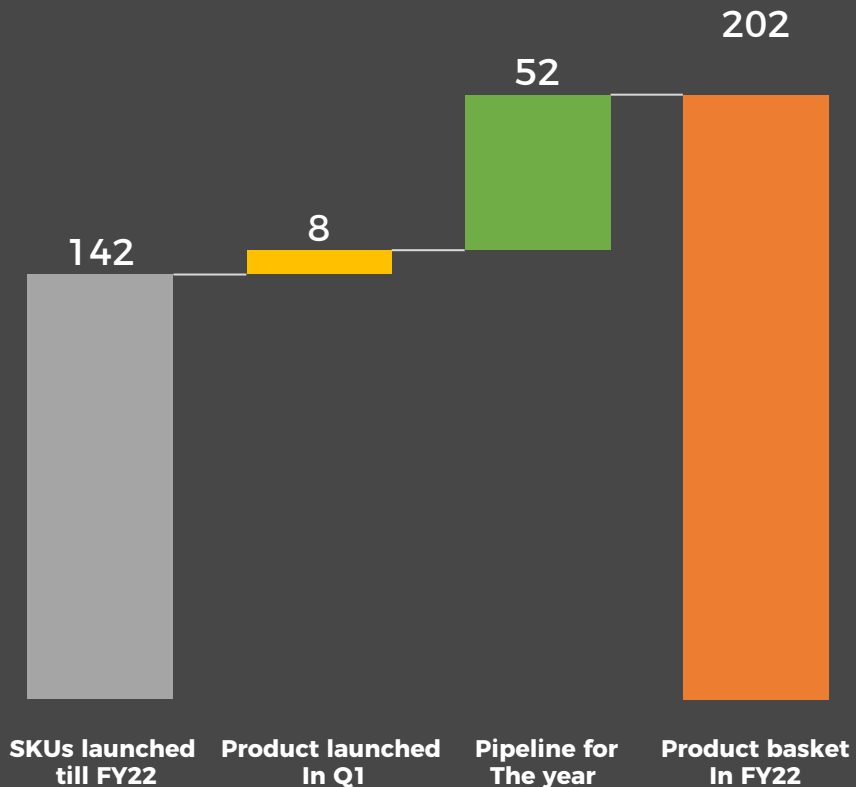


NUREÇA



EXPANDING OUR PRESENCE IN WELLNESS AND PREVENTIVE HEALTHCARE MARKET

Strong Product Pipeline



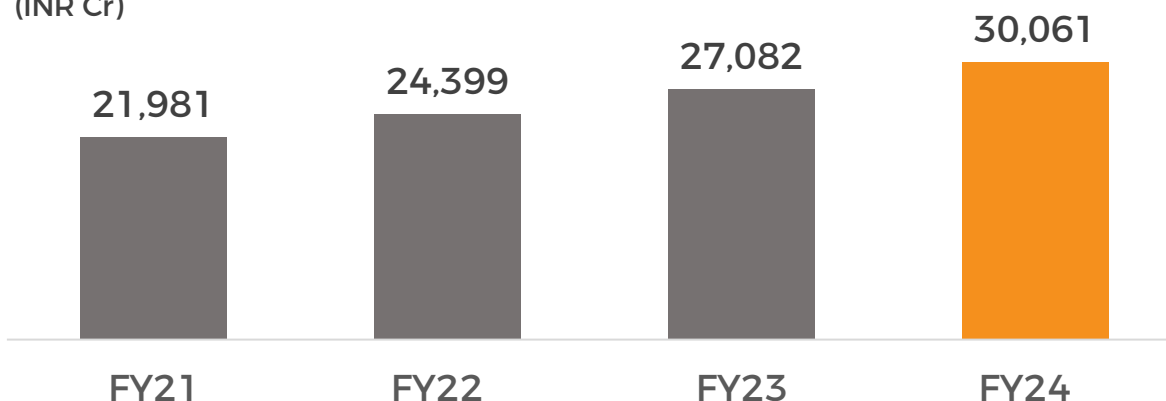
- 1 We launched 8 new products this quarter taking the total SKUs to 150
- 2 Majority of products launched during the quarter were Nutraceuticals, focusing on dietary supplements to capitalize on higher demand for such products driven by awareness and health-conscious Gen-Z
- 3 Nutraceuticals are part of preventive healthcare market which has been core focus area for Nureca since inception. Our brands such as Dr. Trust already enjoys high credibility and loyal customer base which facilitates easier cross selling opportunity for our new products.
- 4 Chronic patients has been our focus since inception and we have launched few products focusing on chronic illness such as migraine, chest pain, anxiety and high blood pressure. We will continue to innovate and bring more products to help patients tackle chronic illness
- 5 Dietary supplements such as multivitamin gummies, fish oil tablets, antioxidant capsules and biotin capsules were launched during the quarter.
- 6 We launched Pediatric Pulse Oximeter to cater to customer demand for the product as the third wave is expected affect children coupled with non-availability of vaccines for children below 18 years of age
- 7 Products have seen strong positive response from customers and have gained great traction since launched

EXPANDING HORIZONS



NUTRACEUTICALS MARKET FOR INDIA AND NEIGHBOURING COUNTRIES*

(INR Cr)



By 2023, India is also expected to hold at least 3.5% market share of the global market from current levels of ~2%.

Nutraceutical market has seen exceptional demand since last 2 years driven by higher wellness and preventive healthcare awareness among millennials and Gen-Z. During Q1FY22, we entered nutraceutical market with 7 products which has seen very positive response from the market. We will continue to penetrate the nutraceutical market by introducing extensive line up of niche products to cater to ever growing demand in the segment.

COMPETITIVE LANDSCAPE



NUREÇA

OMRON

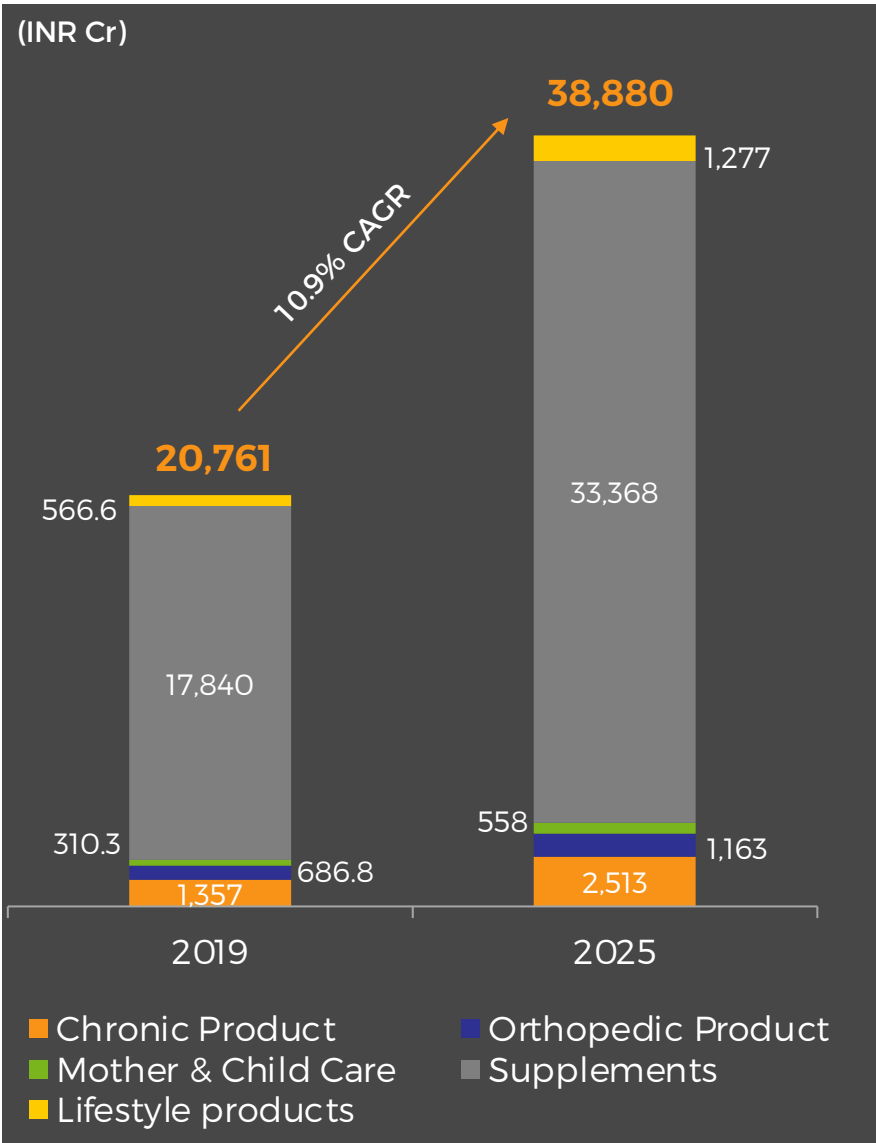


beurer



Respiratory Care						
Nebulizer	√	√	√	√	x	√
Pulse Oximeter	√	x	x	√	x	√
Cardiac Care						
BP Monitor	√	√	x	√	x	√
Heart Rate Monitor	√	√	x	√	x	x
Diabetes Care						
Blood Glucometer	√	x	x	x	x	√
Niche Categories						
Massagers	√	√	x	√	x	x
Baby Care	√	x	√	√	x	x
Others						
Personal Scales	√	√	x	√	√	√
Thermometer	√	√	x	√	x	√
Vaporizer	√	x	x	√	x	√
Nutritional supplements	√	x	x	x	x	√

HEALTHCARE AND WELLNESS PRODUCTS OPPORTUNITY IN INDIA AND NEIGHBORING COUNTRIES



Source: Frost & Sullivan

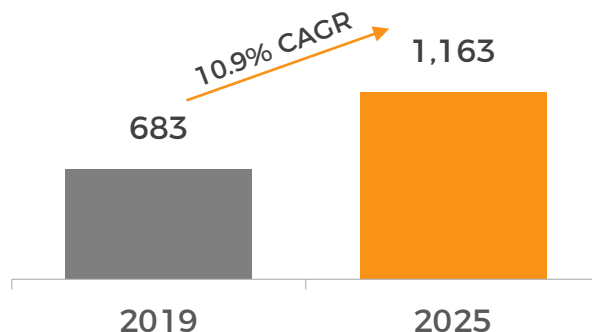
- 1 Overall Indian Healthcare and wellness products market is expected to growth at 11% to INR 38,880cr in 2025 with Lifestyle products market expected to grow fastest at 14.5% CAGR.
- 2 The overall growth is driven by rising awareness of Health and wellness, increasing spending power, growing burden of chronic diseases, and the need for Healthcare stakeholders to reduce healthcare costs
- 3 The home healthcare market continues to expand as consumers are buying preventive healthcare products as a result of increased awareness and changing lifestyle.

OPPORTUNITY LANDSCAPE



CHRONIC DISEASE PRODUCTS MARKET

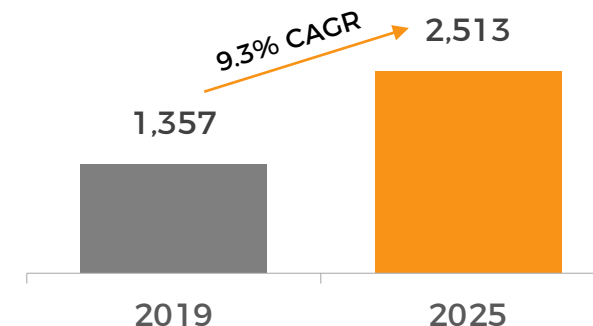
(INR Cr)



Increasing Chronic diseases contribution to the deaths, higher spending power and availability of affordable healthcare products is driving the demand for chronic disease management products at their homes.

ORTHOPEDIC PRODUCTS MARKET

(INR Cr)



The growth in this market is primarily driven by the increasing incidence of chronic diseases, increasing accidents, rising geriatric population and increasing awareness for therapy.

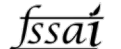
WHAT MAKES NURECA DIFFERENT?

Product Quality

- International standards quality and design of the products

Regulatory Compliance

- Our products are manufactured to be safe, accurate, long-lasting and compliant to national and international regulations. Our chronic monitoring devices are USFDA approved.



Wide product range

- Nureca offers an entire bouquet of digital home healthcare devices

Price-value proposition

- Superior consumer price-value proposition with stringent quality control

Brand Loyalty

- Over the course of last 5 years, Nureca has generated a loyal customer base of over 8 million customers

Focused digital strategy

- Emphasis on 'Point of Sales' (POS) marketing via online channels; Videos on digital shelf and YouTube channel; Presence across multiple digital media; Strong emphasis on search engine optimisation (SEO).

ADDING PRODUCTS AND CATEGORIES

- Strong focus on connected devices for remote patient monitoring
- Expansion into supplement and nutrition categories
- Create a pipeline of innovative healthcare and wellness products
- A strong customer base for cross-selling of different products

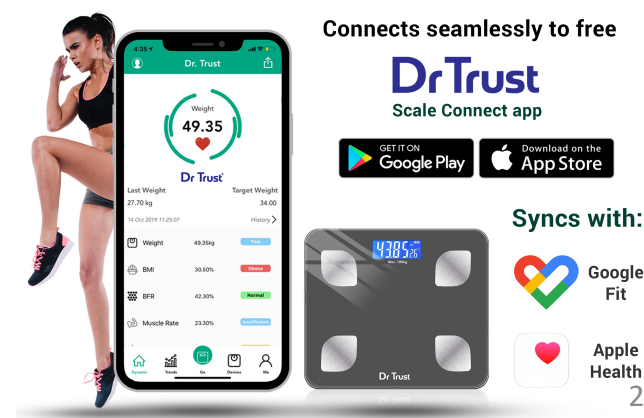
OFFLINE EXPANSION

- Increase tie-ups with modern retail brands, pharmacy chains, hospital chains and leading electronics chains.

MARKETING

- Increase online and offline advertising
- Increase influencer marketing
- The Company plans to leverage data analytics and artificial intelligence for higher conversions

With the launch of our connected devices eco system, we will leverage data science capabilities to empower more people living with chronic and lifestyle diseases to live better and healthier lives. Our software will analyze clinical data and apply iterative insights to our user's lifestyle to deliver a more personalized care experience. This will reinforce our theme of shifting India's healthcare sector from curative to preventive and further from preventive to pre-diagnostics. We will be one step closer to our goal of making a positive impact on the lifestyle and health of our esteemed users and eventually enhance the longevity of their lives.





USE OF IPO PROCEEDS

The Net Proceeds are utilized in accordance with the details provided in the following table:

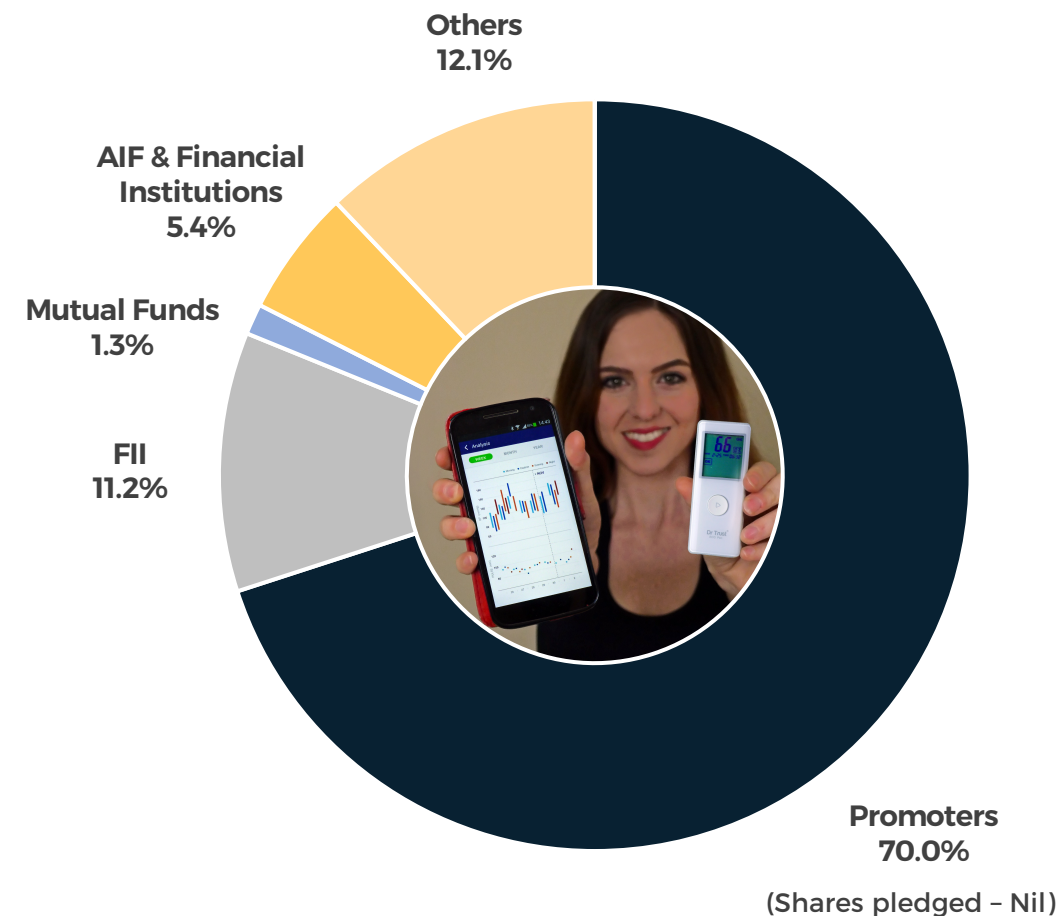
(INR Mn)

Objectives as per Prospectus	Planned proceeds as per Prospectus	Actual proceeds	Utilization upto 30 June 2021	Unutilized amount as on 30 June 2021
Funding incremental working Capital requirements of our company	750	750	732	18
General Corporate purpose	211	218	1	217
Total	961	968	733	235

SHARE INFORMATION (AS ON 30 TH JULY 2021)	
NSE Ticker	NURECA
BSE Ticker	543264
IPO Listing Date	25 th February 2021
Share Price (INR)	1,725
Market Cap (INR Cr)	1,725
% free-float	25.00%
Free-float market cap (INR Cr)	431
Shares Outstanding	1,00,00,175
3M ADTV (Shares 000)	37.1
3M ADTV (INR cr)	5.7
Industry	Healthcare

Source: NSE

SHAREHOLDING AS ON 30TH JUNE 2021





**INVESTOR RELATIONS AT
NURECA**

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THANK YOU...