NURECA

Think. Feel. Create.

Earnings Presentation

November 2021

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NURECA,
is a leading Digital healthcare and wellness Solutions provider

CHRONIC DISEASES

LIFESTYLE & FITNESS

ORTHOCARE

MOTHER & BABY

NUTRITION

Our Focus Areas

2021
Listed On Stock Exchanges

₹ 228 CR
GMV For H1FY22

₹ 166 CR
Revenue For H1FY22

50+
USFDA Approved Products

₹ 57 CR
EBITDA For H1FY22

03
Established Brands

Dr Trust · Dr Physio · trumom

150+ SKUS
Respiratory, Physiotherapy, Cardiac, Diabetes And Mother & Child Care

₹ 127 CR
Cash and Cash equivalents

Management Commentary

ARYAN GOYAL
Founder and CEO

“Our brands continue to enjoy leading position in the online market supported by large loyal customer base. New product launches in last couple of quarters are seeing a good traction in the market as we target niche nutraceuticals market as well bring in new and innovative home healthcare products to the market.

Our brands are popular in our customer base for introducing products with great quality and market leading features which keep you updated about your health with great accuracy and less hassle.

Quarter gone by was a difficult quarter on various fronts, we faced logistic issues which created inventory shortage for some time coupled with delay in procurement of our materials from suppliers due to global chip shortage led to overall lower sales this quarter. We also noticed overstocking by our customers during the 2nd wave of pandemic which resulted in rationalization of inventory at our customer level leading to overall lower demand during the quarter.

We launched 21 SKUs this quarter and have pipeline for another 30 SKUs for the next half of the year.

I continue to believe that we will be back to our growth momentum in coming quarters driven by new product launches, foray into offline channel and most importantly by our upcoming AI driven Dr. Trust 360 platform which will help us migrate from product driven company to services driven company.”

Management Commentary

SAURABH GOYAL
Managing Director

"One of the mission of our company is make our products easily accessible to every last mile customer across India. In this regard, we have already established a large online presence across multiple ecommerce platforms and to further our reach we embarked on expanding our offline presence. During the quarter, Nureca has expanded its offline distribution by adding over 30 distributors covering 6,000 retail outlets over India. We will continue to further expand our presence in coming quarters. This expansion will bring in new growth lever for our business in coming quarters.

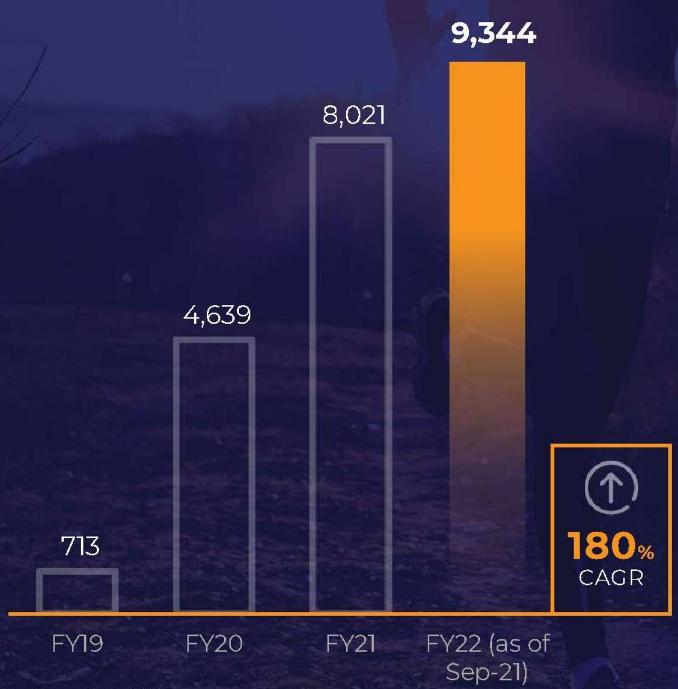
Q2 has always been a dull quarter for us, except last year, as it is a quarter before the festival season in India which always brings with it various sales, resulting in customer delaying their purchases to festive season eyeing better discounts. As we faced many challenges on the revenue front, we also faced cost inflation challenges for raw materials which is driven by global chip shortage and higher shipping cost. We have started passing on partial incremental cost to our customers albeit with a lag.

At Nureca, we are investing heavily in technology and talent to create an infrastructure for our vision of integrated healthcare platform which will provide healthcare services at an affordable annual rate. This will also migrate us from being a product company to services company.

We are now in a festival season, and I am witnessing demand being back to normal levels."

Our growing customer base

CUSTOMER BASE
(CUMULATIVE)*
(000')



*Gross Market Volume

STEADY IMPROVEMENT IN REPEAT CUSTOMER
Returning visitors to our website

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.

Performance Highlights

Financial Highlights

- ✓ GMV for the H1F22 at Rs. 2,285mn as compared to Rs. 1,826mn in H1FY21, an increase of 30%
- ✓ Operating Revenue was Rs. 1,664mn in H1FY22 as compared to Rs. 1,221mn in H1FY21, an increase of 36%
- ✓ Our core products i.e. Bp monitor and Glucometer, both continue to outperform the market with revenue from both products more than 60% in H1FY22 compared to same period last year
- ✓ EBITDA was Rs. 574mn as compared to Rs. 500mn in H1FY21, an increase of 15%
- ✓ PAT stood at Rs. 416mn as compared to Rs. 362mn in H1FY21, a growth of 15%
- ✓ Strong balance sheet with Cash and Cash equivalents of Rs. 127 cr. as of September 2021

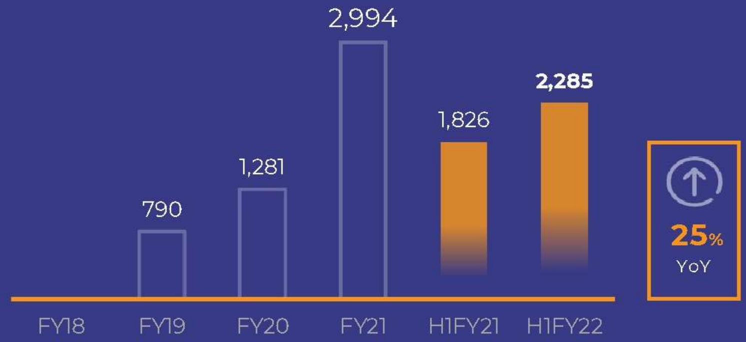
Expanding on Omnipresence Strategy

- ✓ At NURECA we believe in delivering best healthcare services at affordable cost to each individual across the country
- ✓ To deliver on this promise we made sure we were available on the internet platforms
- ✓ Now to expand our presence and to be easily available to the everyone across country in nearby medical shop we have set up our distribution network in the country
- ✓ To ensure our products are omnipresent and easily accessible to more customers, Nureca has expanded its offline distribution by adding over 30 distributors covering 6000 retail outlets over India.
- ✓ By the end of FY 21-22, the company plans to increase the distribution network to 100 partners covering more than 25,000 pharmacies.

Key Performance Indicators

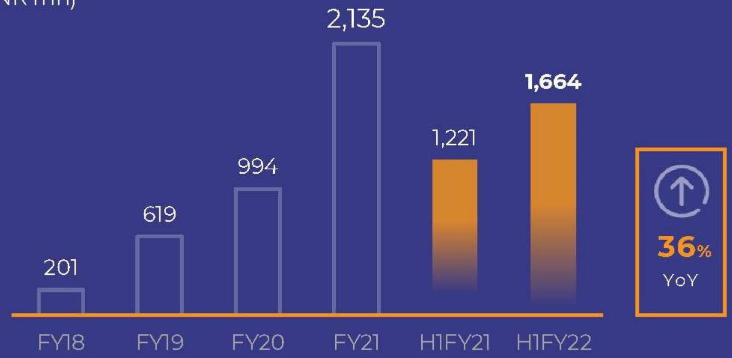
Strong GMV Growth

(INR mn)



Robust Operating Revenue Growth

(INR mn)



- ✓ GMV continues to see strong traction amid challenging circumstances
- ✓ Lower growth in Q2 impacted the H1 performance whereas strong Q1 negated the impact of Q2 performance to some extent
- ✓ Chip makers have been reallocating their recourses to produce Automotive semiconductors which is affecting the other industries such as MedTech which were already facing the chip shortage
- ✓ This has led to increase in input cost and shortage of chips impacting the sales of many MedTech companies like Nureca
- ✓ We also witnessed overstocking of products during the second wave of pandemic which led to rationalization of inventory by our customers in Q2 resulting in lower sales in Q2FY22
- ✓ Delays in shipment from our suppliers in Q2 due to logistic issue has impacted our Q2 sales to some extent
- ✓ We are witnessing that the market is returning to normalcy with demand from customers coming back whereas our strategy on shipment is bearing its fruits. So, we no longer foresee these two disruptions in coming quarters.

Key Performance Indicators

EBITDA & EBITDA MARGIN

(INR mn)

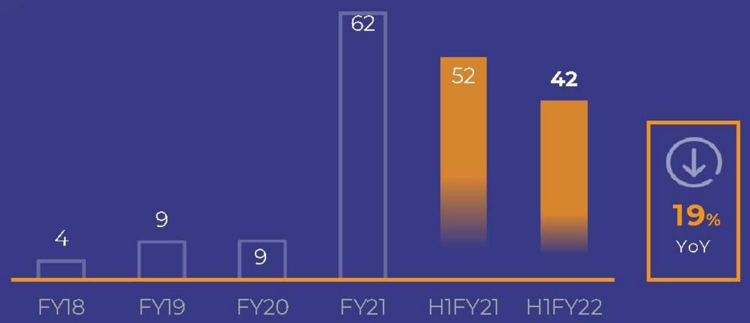
PAT & PAT MARGIN

(INR mn)

- ✓ Higher input cost has been putting pressure on our margins even then we were able to maintain our gross margins by passing on partial incremental cost to our customers
- ✓ The shipping cost have gone multifold which has also impacted our numbers for the Q2 and overall H1 numbers
- ✓ During COVID time, we noticed higher margins due to higher demand for our products across the product basket. We are now seeing margin returning to their pre-covid levels
- ✓ Nureca has been investing heavily in manpower to create various focus teams which will work on various initiatives such as building all new AI based integrated platform, widening our reach in the offline channel, widening product basket, etc.
- ✓ The investment in talent for the future growth will put little pressure on margins in the near term but as we ramp up our sales and bring our platform online, we believe we will be able to bring our margins back to our sustainable levels

Key Performance Indicators

EPS



Strong Return Ratios

- ✓ Higher EPS for FY21 and H1FY21 was due to higher sales during COVID times coupled with better margins leading to better bottom line numbers
- ✓ We witnessing our sales and profits returning to normal levels since Q2FY22 and expect this trend to continue in coming quarters
- ✓ Our ratios continues to remain robust, but we expect them to rationalized and come to a sustainable levels over the period as we invest more in technology and talent which will be our growth engine in coming quarters
- ✓ Our sales keep fluctuating on quarterly basis which are driven by elements such as holiday season, festival season which creates cyclicity in our business, therefore it is important to look evaluate Nureca on Yearly basis than on quarter-on-quarter basis.

Financials – Income Statement

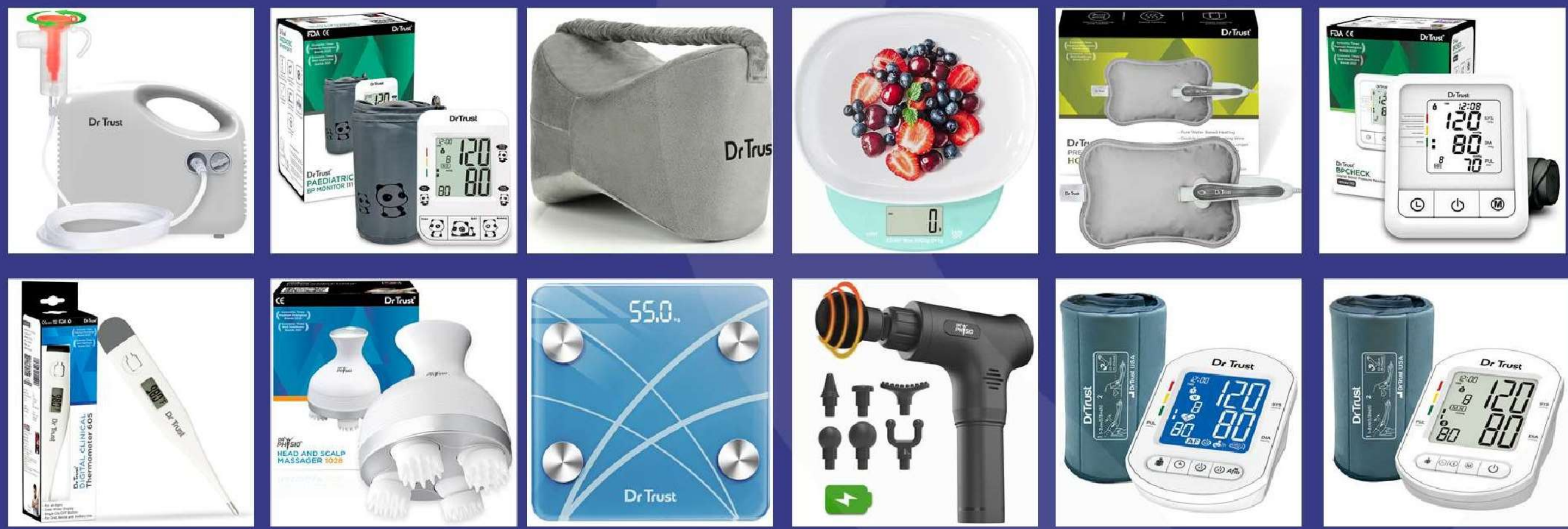
(INR mn except EPS)

Particulars	Q2'FY22	Q2'FY21	YoY (%)	Q1'FY22	QoQ (%)	H1'FY22	H1'FY21	YoY (%)
Revenue from operations	469	919	-49%	1,195	-61%	1,664	1,221	36%
Other Income	21	7	218%	21	-1%	42	8	413%
Total Revenue	**491**	**926**	**-47%**	**1,216**	**-60%**	**1,707**	**1,230**	**39%**
Cost of Goods Sold	280	382	-27%	494	-43%	775	479	62%
Employee benefits expense	23	6	263%	25	-9%	48	11	340%
Other expenses	106	169	-37%	204	-48%	310	240	29%
Total Expenses	**409**	**557**	**-27%**	**724**	**-43%**	**1,133**	**730**	**55%**
EBITDA	**81**	**369**	**-78%**	**492**	**-83%**	**574**	**500**	**15%**
Finance Cost	1	8	-85%	2	-43%	3	12	-71%
Depreciation	3	1	263%	2	101%	5	2	162%
PBT	**77**	**359**	**-79%**	**489**	**-84%**	**566**	**486**	**16%**
Current tax	22	105	-79%	128	-83%	150	138	9%
Deferred tax	1	-13	-104%	-1	-164%	-0	-13	-98%
PAT	**54**	**267**	**-80%**	**362**	**-85%**	**416**	**362**	**15%**
EPS	5.4	38.2	-86%	36.2	-85%	41.6	51.7	-19%

New Product Launches

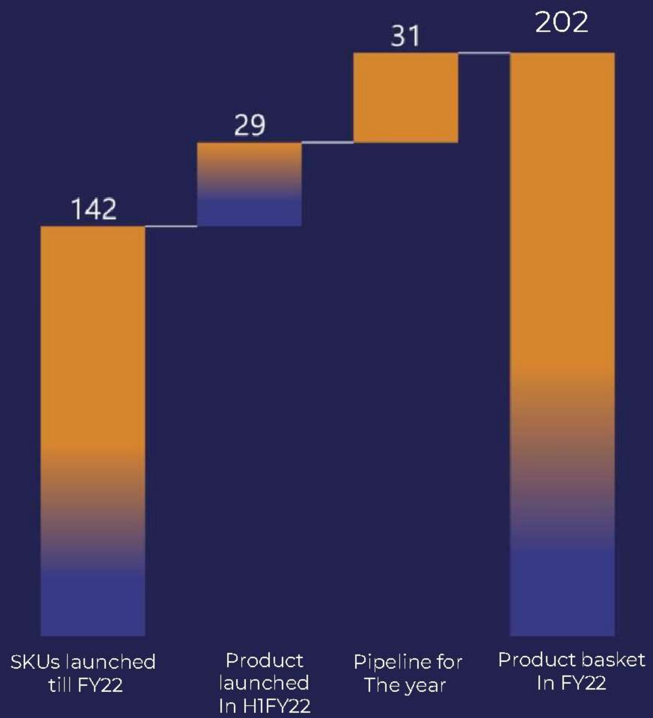
Nutraceuticals

Home Healthcare products



Expanding Our Presence In Wellness And Preventive Healthcare Market

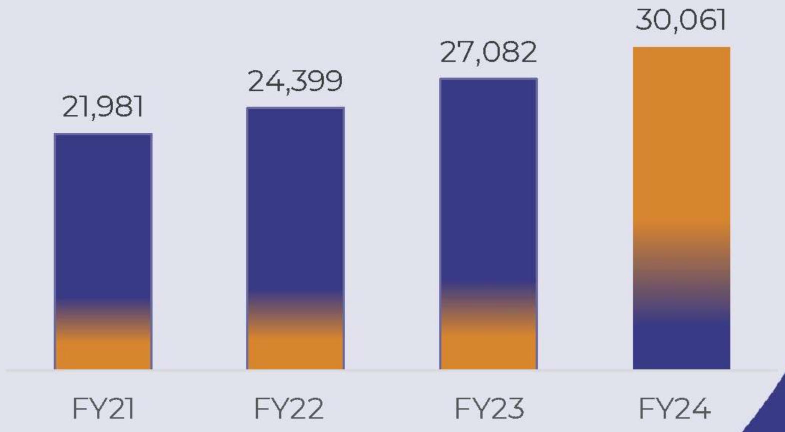
Strong Product Pipeline



1. We launched 21 SKUs in Q2FY22 with total 29 SKUs launched in H1FY22
2. When high blood pressure becomes severe in children, it may be a symptom of another serious problem, such as kidney disease or abnormalities of the heart or of the nervous or endocrine (gland) system. Early detection is the key. Nureca is the first company in India to launch a blood pressure monitor exclusively for children
3. During the quarter, we have also introduced a wrist BP monitor, designed to be worn on wrist and the best option for those who don't feel comfortable using an traditional pressure monitor
4. On Nutraceuticals side we continue to introduce products, this quarter we launched Jointrack® which reduces inflammation, regenerates cartilage, lubricates joints, and offers comfort to stiff joints naturally. We launched Dr Trust Red Yeast to healthy heart.
5. On the oral hygiene side we launched Dr Trust Aquacare® Sonic electric toothbrush for better dental health
6. For stress relief and higher blood circulation we launched Dr Physio Head and Scalp Massager
7. We expanded our rehabilitation portfolio with launch of Dr Trust Knee Pillow and Dr Trust Hot Water Bag.

Nutraceuticals Market For India And Neighboring 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.

Chronic and Orthopedic Market

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.

Competitive Landscape

	NUREÇA	OMRON	PHILIPS	beurer	MI	Dr. Morepen®
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	√

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).

Business Outlook

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

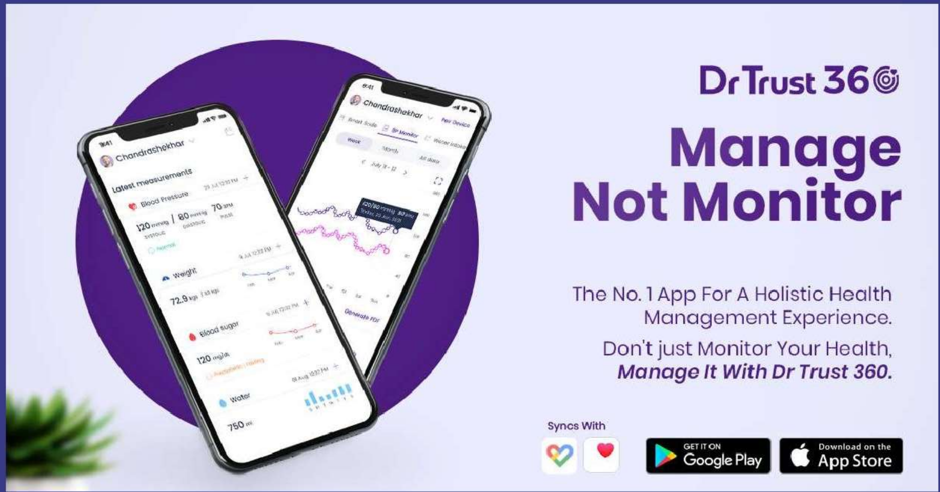
- Increase tie-ups with modern retail brands, pharmacy chains, hospital chains and leading electronics chains.
- By the end of FY 21-22, the company plans to increase the distribution network to 100 partners covering more than 25,000 pharmacies.

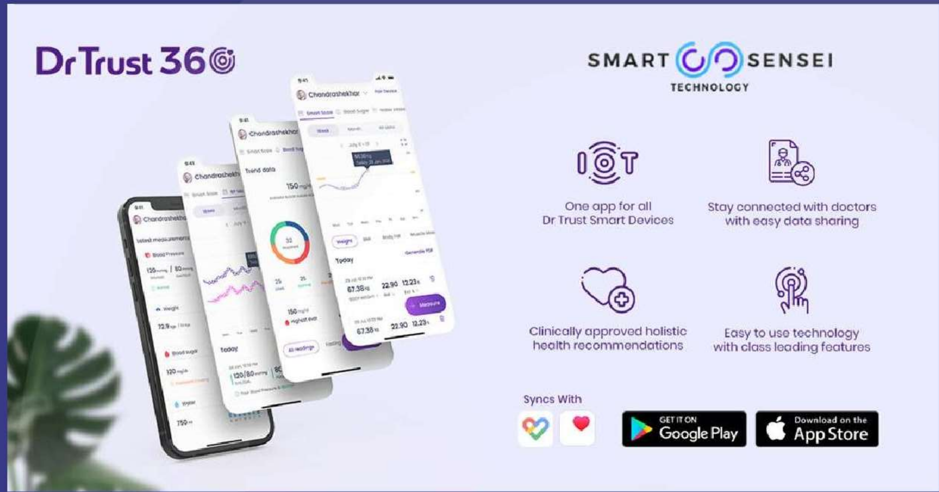
MARKETING

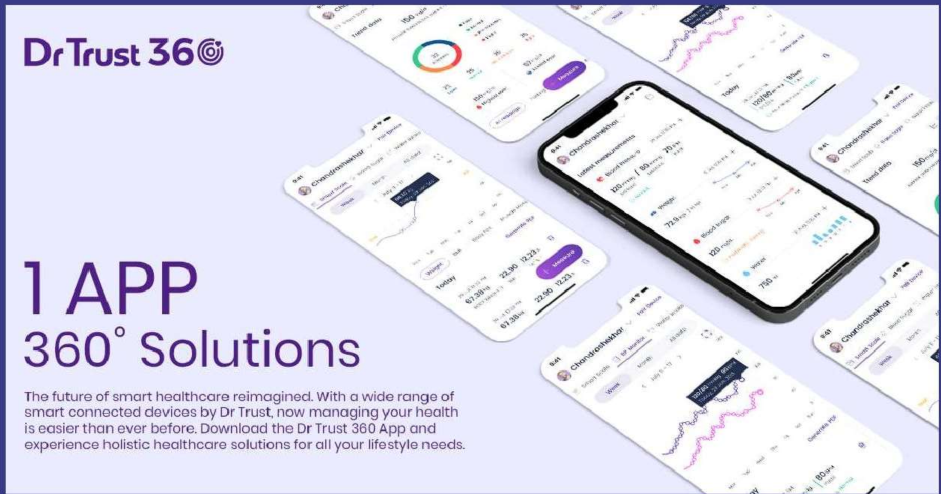
- Increase online and offline advertising
- Increase influencer marketing
- The Company plans to leverage data analytics and artificial intelligence for higher conversions

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. **We are working with various partners and building capabilities to provide all healthcare services on our Dr. Trust 360 platform with affordable subscription rate which will change our business model from being product driven company to services driven company.**

Our AI driven platform – Dr. Trust 360

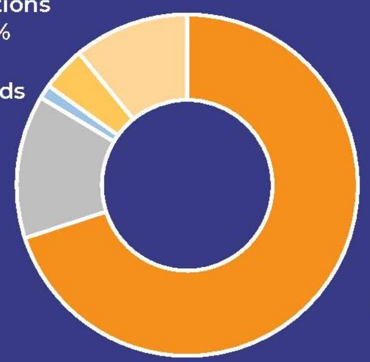






Shareholder Information

Shareholding as on 30th September 2021



Share Information as on 30th September 2021

NSE Ticker	NURECA
BSE Ticker	543264
IPO Listing Date	25th February 2021
Share Price (INR)	1,645
Market Cap (INR Cr)	1,645
Shares Outstanding	1,00,00,175
3M ADTV (Shares 000)*	19.5
3M ADTV (INR cr)*	3.3
Industry	Healthcare

Source: *NSE

Use Of IPO Proceeds

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

Objectives as per Prospectus	Planned proceeds as per Prospectus	Actual proceeds	Utilization up to 30 September 2021	Unutilized amount as on 30 September 2021
Funding incremental working Capital requirements of our company	750	750	750	-
General Corporate purpose	211	218	98	120
Total	**961**	**968**	**848**	**120**

Thank. You.

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