



EY Entrepreneur of the year-2013



FROST & SULLIVAN
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Corporate Strategy Leadership Award, India



Business today/YES bank
Excellence Awards-2013



Date: 29th July, 2021

To BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001	To National Stock Exchange of India Limited Exchange Plaza Bandra Kurla Complex Bandra (E) Mumbai-400051
Security Code: 540596	Symbol: ERIS

SUBJECT: INVESTOR PRESENTATION

Dear Sir/Madam,

Pursuant to the requirement of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached investor presentation to be made by the Company.

Thanking you.

For Eris Lifesciences Limited

Milind Talegaonkar
Company Secretary and Compliance Officer

Encl.:a/a

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CIN: L24232GJ2007PLC049867



Q1 FY 22
INVESTOR PRESENTATION
29th July 2021

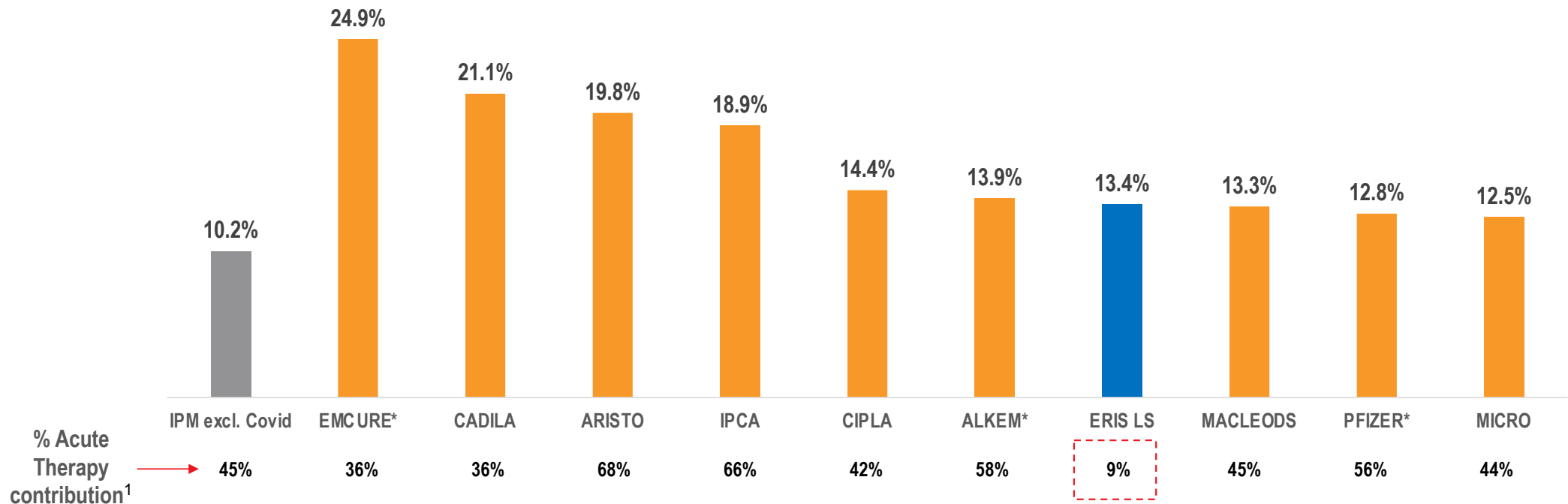
Q1 FY 22 – FINANCIAL HIGHLIGHTS



- Consolidated Operating revenue grew by 19.1% yoy in Q1 FY 22
- Branded formulations products sales grew by 19.6% yoy in Q1 FY 22
- Standalone gross margin of 84.8% in Q1 FY22 (up from 83.1% in Q1 FY21 and 80.5% in Q4 FY21), since in-house manufacturing at Guwahati accounted for 81% of products sold in Q1 FY22
- Standalone Debtors at the end of Q1 FY22 = 36 days of operating revenue
- Consolidated PAT grew by 19.8% yoy in Q1 FY22
- Reassessment of depreciation & amortisation policy: Useful life of Brands revised to 20 years, all assets now depreciated on SLM basis, in line with industry practices

Board approves interim dividend of Rs 6.01 / share

TOP-10 COMPANIES BY GROWTH (MAT JUN 21) - IPM EXCLUDING COVID DRUGS*



IPM growth in Q1 FY22 was led by Acute therapies – owing to low base and Covid related products. Eris is the only company in the Top-10 companies (by growth) with a single-digit contribution from Acute therapies

Source: AIOCD Pharmatrac June 21

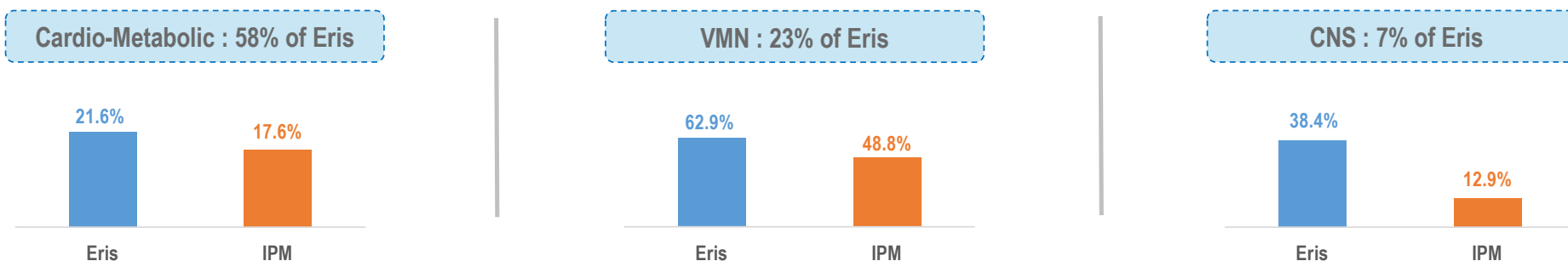
*excluding Favipiravir and Remdesivir, ¹Acute contribution based on MAT Jun 21 Sales

Graph represents the 10 fastest growing peers for MAT Jun 21 from the IPM Top-25 companies (Excluding Himalaya) ³

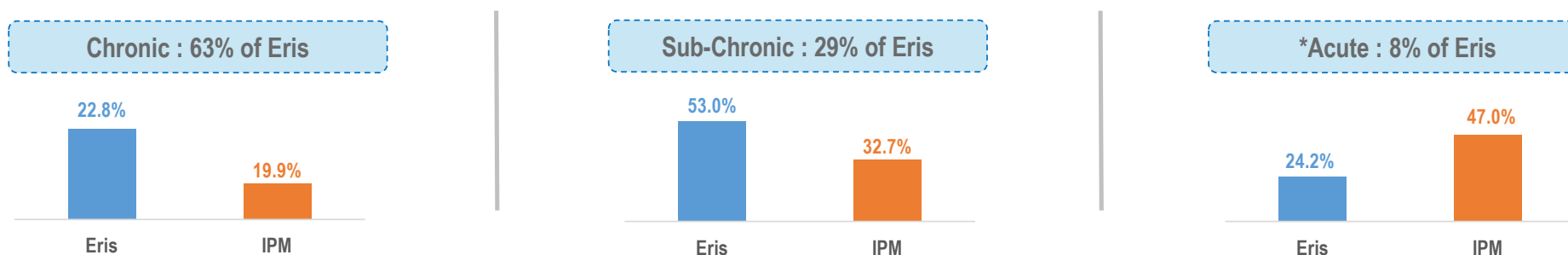
Q1 FY 22 – BUSINESS HIGHLIGHTS – ERIS OUTPERFORMS IN CORE THERAPIES

Eris grew at 30.3% yoy in Q1 FY22 vs. IPM (excl. Covid molecules) which grew at 34.1% yoy in Q1 FY22

- Eris substantially **outperformed** the IPM in its **Top-3** therapeutic segments accounting for **88%** of Eris' Q1 FY22 revenue



- Eris substantially **outperformed** the IPM in **Chronic** and **Sub-Chronic** therapies which accounted for **92%** of Eris' Q1 FY22 revenue



Source: AIOCD Jun'21

*Acute therapies growth exclude Covid molecules (Remdesivir and Favipiravir)

Graphs represent yoy growth

Q1 FY 22 – NEW PRODUCT LAUNCHES

New Product Launches in Q1 FY 22

Zomelis^{SG} : Our newly launched brand in **Remogliflozin+Vildagliptin** combination

Remylin DX : Our new offering in **Vitamin D+Methylcobalamin** market

ZACDAY : A **lower dose version** of our previous offering Zac D

Update on Latest Generation Diabetes products

Gluxit

- Among the first Generic versions of Dapagliflozin to be launched in **Oct 2020**
- Continues to **Rank #1** among 40+ Gx versions of Dapagliflozin; Ranks **#3** including **innovator brands**
- Monthly sales run-rate of **INR 2.7 crore** in June 2021

Zomelis

- Continues to **Rank #1** among 80+ Gx versions of Vildagliptin; Ranks **#3** including **innovator brands**
- Clocked **INR 44.4 crore** Sales in **FY 21**; Monthly sales run-rate of **INR 4.8 crore** in Jun 2021

Q1 FY 22 - PRESCRIPTION RANKING AMONG DOCTOR SPECIALTIES

Eris Prescription Ranking* among Doctor Specialties



4

CARDIOLOGISTS



3

DIABETOLOGISTS



3

NEUROLOGISTS



4

GASTROENTEROLOGISTS



6

**CONSULTING
PHYSICIANS**

Q1 FY 22 - POWER BRANDS CONTINUE TO HAVE LEADING PRESENCE IN CORE THERAPIES

Therapy wide presence in Oral Diabetes Care with power brands holding high ranks in Newer-generation fast-growing molecules

Sulfonylurea

GlimiSave rank 5 in the ≈4,600 cr Glimepiride and combinations market

Glimisave MV rank 2 in Glimepiride + Voglibose + Metformin

Cyblex rank 5 in the ≈700 cr Gliclazide and combinations market

Cyblex MV rank 1 in Gliclazide + Voglibose + Metformin

DPP4 Inhibitors

Zomelis rank 1 among Gx & rank 3 incl. innovator brands in the ≈1,000 cr Vildagliptin and combinations market

Tendia rank 5 in the ≈1,100 cr Teneligliptin and combinations market

Zomelis SG Our newly launched brand in **Remogliflozin + Vildagliptin** combination

SGLT 2 Inhibitors

Gluxit rank 1 among Gx brands and rank 3 including innovator brands in the Dapagliflozin market

Q1 FY 22 - POWER BRANDS CONTINUE TO HAVE LEADING PRESENCE IN CORE THERAPIES

High rank in Anti-Hypertensives: the fastest growing and largest segment of Cardiac Care

Eritel	rank 5	in the ≈3,500 cr Telmisartan and combinations market
Eritel CH	rank 4	in Telmisartan + Chlorthalidone market
Eritel LN	rank 2	in Telmisartan + Cilnidipine market
Olmin	rank 5	in the ≈1,000 cr Olmesartan and combinations market
Olmin Trio	rank 1	in Olmesartan + Cilnidipine + Chlorthalidone market
Olmin CH	rank 3	in Olmesartan + Chlorthalidone market
LN BLOC	rank 2	in the ≈600 cr Cilnidipine and combinations market
LN Beta	rank 1	in Nebivolol + Cilnidipine market

VMN: Specialty focus in core molecules leads to high ranks

ReNerve	rank 2	in the ≈1,700 cr Methylcobalamin and combinations market
Tayo	rank 5	in the ≈1,600 cr Cholecalciferol and combinations market
GINKOCER	rank 1	in the ≈100 cr Ginkgo Biloba + combination market with 30% market share
ZAC-D		Rapidly gaining market share and rank in a hyper competitive market

KEY GROWTH DRIVERS (1/2)

1

Expansion of power-brands' franchise

- Our business model of **building strong and sustainable brands** has enabled us to maintain our **growth trajectory** during the pandemic periods (Wave 1 as well as Wave 2) when MR-Doctor interactions were severely constrained
- There has been a clear shift in prescriber preference towards established brands; this bodes well for us with **ten of our Top-15 mother brands** being **ranked among the Top-5** in their respective categories
- Our **market standing in Diabetes** positions us well to take the lead in the management of post-Covid early-onset Diabetes (“**unmasking of Diabetes**”) – **Zomelis and Gluxit** are highly strategic products for us in this regard

2

New product pipeline

- We have an exciting **pipeline of patent expiration** opportunities coming up in the **cardio-metabolic segment** over the next 3-4 years
- We are **well-positioned** in the cardio-metabolic space to gain significant leverage from these expirations; our **successes in Zomelis and Gluxit** bear testimony in this regard
- We plan to **launch 10+ new products** in FY22, of which **3 products have been launched in Q1 FY 22**

KEY GROWTH DRIVERS (2/2)

3

Expansion of physician coverage

- We plan to significantly expand our coverage of **Specialists and Consulting Physicians** in the next 5 years

4

Therapeutic Diversification

- We are investing in **diversification opportunities** in high-growth areas like **neurology, women's health and dermatology**

5

In-licensing and acquisitions

- On the back of **value-accretive deals** (e.g., Strides, Zomelis), we continue to look for **high-return inorganic opportunities** to complement our organic growth initiatives

Expect to organically deliver 15% growth in FY22

LONG TERM MANUFACTURING STRATEGY – CAPACITY EXPANSION

- Our Guwahati facility was commercialized in FY15 and accounted for 81% of our products sold in Q1 FY22
- The capacity utilization of the Rx tablets block at Guwahati has presently reached ~ **60%** and we expect it to achieve ~ **80%** capacity utilization in the next **3 years**
- We continue to prefer the **maximization of in-house production** in order to retain optimal control on quality, supply and cost
- In order to retain our competitive advantage of **in-house manufacturing** over the longer term and build **redundancy** in our manufacturing footprint, we propose to commission a new Formulations manufacturing facility before the **end of FY23**
- We also plan to expand our capability in **Pharmaceutical Research & Development**; accordingly the new manufacturing facility will house a Pharma R&D unit with laboratories for Formulation Development, Analytical & Microbiology
- Salient features of new manufacturing facility
 - Greenfield project at a **new location** with a land area of **10-12x** of that of Guwahati
 - Ability to manufacture new dosage forms like **sterile injectables** (ampoules, lyophilized, pre-filled syringes) and **oral liquids**
 - To be operated alongside the Guwahati facility as a **parallel** unit, helping mitigate the risks of a single-location operation
 - Will be built and operated to WHO GMP standards
- We envisage a capital outlay of **Rs 120-130 crore** in the first phase, **70-75%** of which we expect to deploy in **FY22**
- All capital requirements for the new project will be funded through **internal accruals**

Q1 FY 22 - STANDALONE INCOME STATEMENT

Standalone INR Millions	Q1 FY22	Q1 FY21	Q1 FY 22 YOY Gr %
Sale of Products	3,003	2,561	17.3%
Other Operating Income	60	54	11.0%
Revenue from Operations	3,063	2,615	17.1%
Gross Profit	2,598	2,174	19.5%
Gross Profit Margin	84.8%	83.1%	
Employee Cost as % of Revenue	582 19.0%	524 20.0%	11.2%
Other Expenses as % of Revenue	791 25.8%	649 24.8%	21.7%
EBITDA	1,225	1,000	22.5%
EBITDA Margin	40.0%	38.3%	
Depreciation	112	91	24.0%
Finance Cost	5	2	112.4%
Other Income	64	14	357.2%
PBT	1,173	922	27.3%
PBT Margin	38.3%	35.2%	
Taxes	106	50	110.5%
Net Profit	1,067	871	22.5%
Net Profit Margin	34.8%	33.3%	

- Operating Revenue grew by 17.1% yoy in Q1 FY22
- Standalone gross margin of 84.8% in Q1 FY22 (up from 83.1% in Q1 FY21 and 80.5% in Q4 FY21) following a significant uptick in Guwahati sourcing (81% of products sold in Q1 FY22)
- Other expenses as % of revenue increased by 97 bps led by partial normalization of promotion activities compared to Q1 FY21
- EBIDTA margin for the quarter expanded by 176 bps yoy to 40.0%
- Useful life of Brands revised to 20 years from 50 years; all assets to be depreciated on SLM basis. As a result, depreciation for Q1 FY 22 is up by 24.0%
- Taxes are 9% of PBT as the Guwahati facility contributed to 81% of total revenue in Q1 of FY22
- Net Profit margin for the quarter expanded by 152 bps yoy to 34.8%

Source: Unaudited Financial Statements
Standalone Sale of Products include intercompany sales from standalone to subsidiaries.

Q1 FY 22 - CONSOLIDATED INCOME STATEMENT

Consolidated INR Millions	Q1 FY22	Q1 FY21	Q1 FY 22 YOY Gr %
Sale of Products	3,437	2,881	19.3%
Other Operating Income	56	52	8.8%
Revenue from Operations	3,493	2,932	19.1%
Gross Profit	2,804	2,357	19.0%
Gross Profit Margin	80.3%	80.4%	
Employee Cost as % of Revenue	655 18.8%	571 19.5%	14.7%
Other Expenses as % of Revenue	884 25.3%	745 25.4%	18.6%
EBITDA	1,265	1,041	21.6%
EBITDA Margin	36.2%	35.5%	
Depreciation	145	104	40.0%
Finance Cost	8	4	92.3%
Other Income	59	13	338.0%
PBT	1,171	946	23.7%
PBT Margin	33.5%	32.3%	
Taxes	104	56	85.8%
Net Profit	1,067	890	19.8%
Net Profit Margin	30.5%	30.4%	

Branded Formulation Sales			
INR Millions	Q1 FY 22	Q1 FY 21	Q1 FY 22 yoy GR
Sale of Products			
Eris	2,974	2,505	18.7%
Aprica	170	123	38.2%
Branded Formulations	3,144	2,628	19.6%

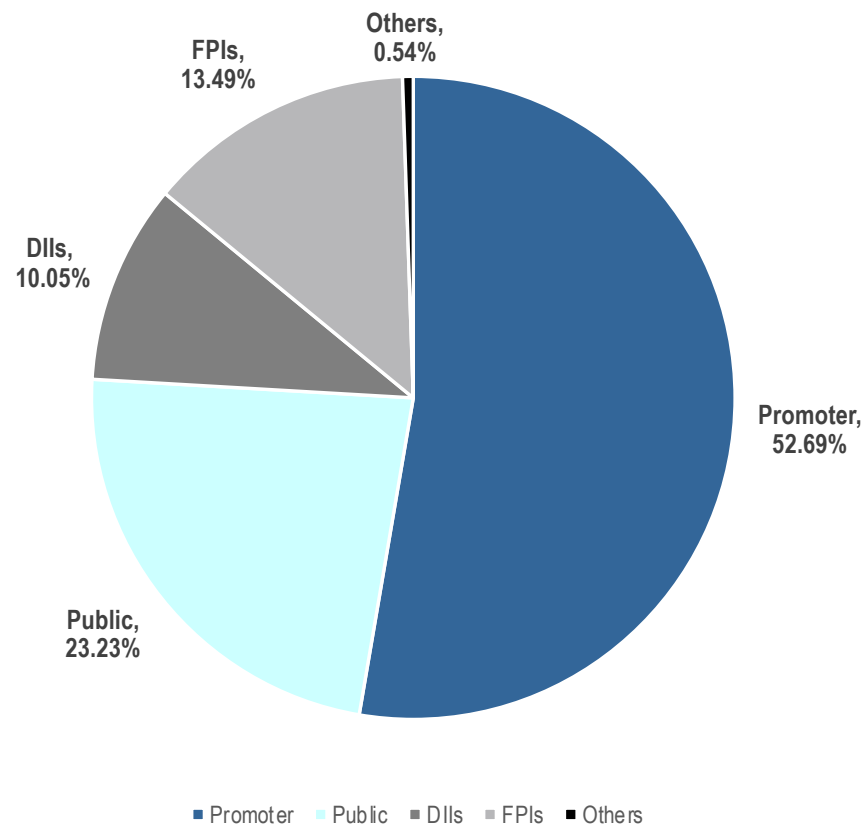
- Operating Revenue grew by 19.1% yoy in Q1 FY22
- Branded Formulations products sales grew by 19.6% yoy in Q1 FY22 to INR 3,144 mn
- EHPL Sales for Q1 FY22 were INR 294 mn, representing a yoy growth of 16.2%
- EBIDTA margin for Q1 FY22 expanded by 74 bps yoy to 36.2%
- Useful life of Brands revised to 20 years from 50 years, all assets to be depreciated on SLM basis. As a result, depreciation for Q1 FY 22 is up by 40.0%
- Net Profit margin for Q1 FY22 increased by 18 bps yoy to 30.5%

Source: Unaudited Financial Statements

SHAREHOLDER PROFILE

Shareholding of Promoters and Top 15 Institutional Investors

Name of Shareholder	As on 30-Jun-21	As on 31-Mar-21	As on 31-Dec-20
	696*	605*	580*
Promoters	52.69%	54.13%	54.23%
1 ChrysCapital (Emerald Investment Limited)	5.51%	5.51%	5.51%
2 UTI Mutual Fund	5.09%	4.38%	3.65%
3 Aditya Birla Sun Life Mutual Fund	1.78%	1.88%	2.38%
4 Vanguard	1.67%	1.11%	0.00%
5 Franklin Templeton Mutual Fund	1.38%	1.38%	1.38%
6 Fundsmith Emerging Equities Trust	1.09%	1.09%	1.09%
7 L and T Mutual Fund	0.90%	0.90%	0.76%
8 Kuwait Investment Authority Fund 225	0.87%	0.87%	1.11%
9 Kotak Mutual Fund	0.61%	0.61%	0.83%
10 Steinberg India Fund	0.54%	0.44%	0.44%
11 Government Pension Fund Global- Norges Bank	0.52%	0.36%	0.06%
12 Tata Mutual Fund	0.51%	0.68%	0.94%
13 Malabar Select Fund	0.45%	0.45%	0.14%
14 Ellipsis Partners LLC	0.36%	0.36%	0.36%
15 Shinsei UTI JV	0.28%	0.24%	0.20%



*Closing share price as per NSE

SAFE HARBOR STATEMENT

This presentation contains forward-looking statements and information that involve risks, uncertainties and assumptions. Forward-looking statements are all statements that concern plans, objectives, goals, strategies, future events or performance and the underlying assumptions and statements, other than those based on historical facts, including, but not limited to, those that are identified by the use of words such as “anticipates”, “believes”, “estimates”, “expects”, “intends”, “plans”, “predicts”, “projects” and similar expressions. Risks and uncertainties that could affect us include, without limitation:

- General economic and business conditions in the markets in which we operate;
- The ability to successfully implement our strategy, our research and development efforts, growth & expansion plans and technological changes;
- Changes in the value of the Rupee and other currency changes;
- Changes in the Indian and international interest rates;
- Allocations of funds by the Governments in the healthcare sector
- Changes in the laws and regulations that apply to our customers, suppliers, and the pharmaceutical industry;
- Increasing competition in and the conditions of our customers, suppliers and the pharmaceutical industry; and
- Changes in the political conditions in India and in other global economies.

Should one or more of such risks and uncertainties materialize, or should any underlying assumption prove incorrect, actual outcomes may vary materially from those indicated in the applicable forward-looking statements.

Any forward-looking statement or information contained in this presentation speaks only as of the date of the statement. We are not required to update any such statement or information to either reflect events or circumstances that occur after the date the statement or information is made or to account for unanticipated events, unless it is required by Law.



THANK YOU

KRUTI RAVAL

INVESTOR RELATIONS
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