



EY Entrepreneur of the year-2013



FROST & SULLIVAN  
2013 BEST PRACTICES AWARD  
Competitive Strategy Leadership Award, India



Business today/YES bank  
Excellence Awards-2013



**Date: November 7, 2019**

|   |   |
|---|---|
| <b>To</b><br><b>The Department of Corporate Services</b><br><b>BSE Limited</b><br>Phiroze Jeejeebhoy Towers<br>Dalal Street<br>Mumbai- 400001 | <b>To</b><br><b>National Stock Exchange of India Limited</b><br>Exchange Plaza<br>Bandra Kurla Complex<br>Bandra (E)<br>Mumbai-400051 |
| <b>Security Code: 540596</b>  | <b>Symbol: ERIS</b>   |

**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**

**Registered & Corporate Office:**

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CIN: L24232GJ2007PLC049867

# ERIS LIFESCIENCES LTD

Q2 FY 20

INVESTOR PRESENTATION

# 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.

# WHAT'S NEW AT ERIS

Our intense focus on **Patient Care Initiatives** provides **Eris** an unhindered mindspace and superior facetime with super specialist and specialist doctors



**Eris Becomes The First Indian Pharma Company To Publish A Study Based On Indian Population**

The study reinforces **Eris's** position in the league of **Thought Leaders** that relentlessly work towards creating a path breaking body of knowledge and thereby improving health outcomes



**59,000 ABPMs  
30,000 Holter on Calls**



**1,24,000  
Patients screened**



**9,200 CGM conducted**

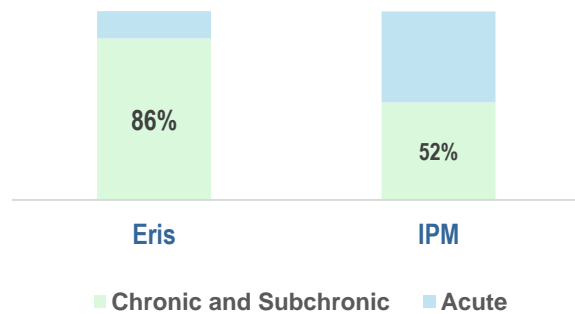


**1,00,000  
Patients**

And many more

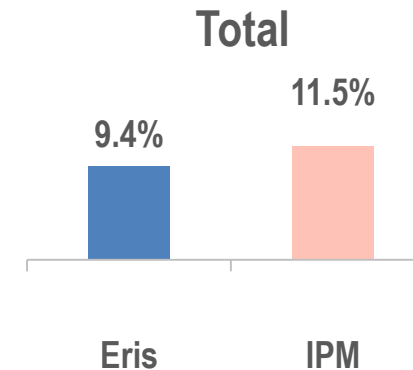
# Q2 FY 20 – BUSINESS HIGHLIGHTS

- IPM regains growth as Acute therapies outperform
- Eris Q2 FY 20 yoy gr is 9.4% as per AIOCD
- Eris retains Strong Growth Momentum in Chronic and Sub Chronic segments (11.4 % yoy gr vs 10.6% for IPM)
- Business retains focus in faster growing Chronic and Subchronic segments

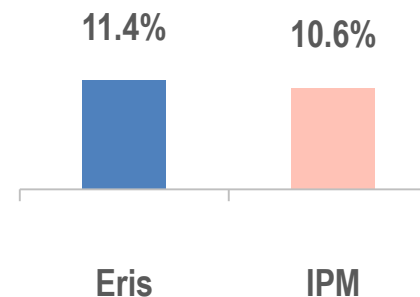


- Production – 60% products are manufactured at Guwahati Plant; expected to increase by Q4 20
- NLEM – 8.5% of Eris’ revenue comes from products under price control

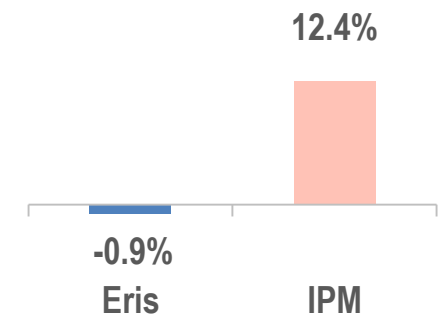
## Q2 FY 20 yoy GR



## Chronic + Sub Chronic Therapies



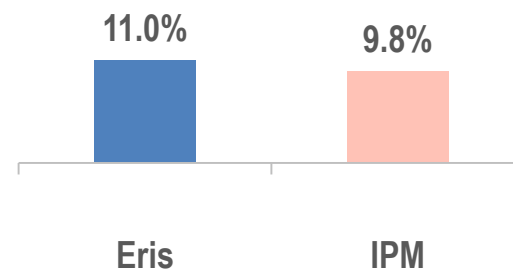
## Acute Therapies



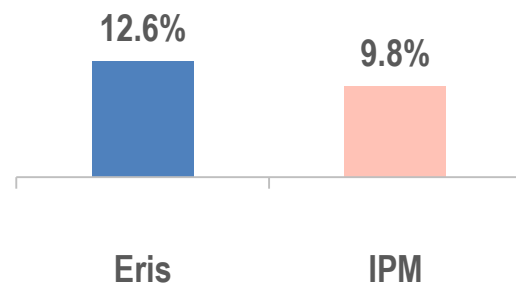
\* Source: AIOCD Sep'19

## H1 FY 20 yoy GR

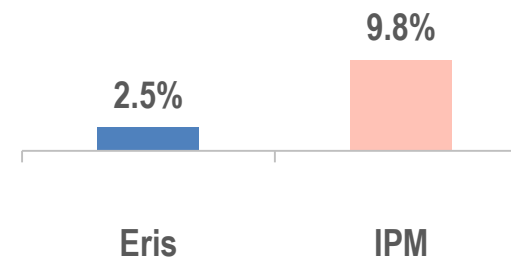
### Total



### Chronic + Sub Chronic Therapies



### Acute Therapies



# Q2 FY 20 - PRESCRIPTIONS RANKING

## Prescription Ranking\*



CARDIOLOGY

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DIABETOLOGY

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GASTRO

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NEUROLOGY

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CONSULTING  
PHYSICIAN

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# FY 20 – The Path Ahead

- Sharper and Stronger Brands in the Core portfolio post tail rationalisation maintain growth momentum
  - Rationalised portfolio growing at **12.6% yoy in Q2 20** and **13.3% in H1 20**
- H2 20 – Planned Expansion/ launch of Cardio Metabolic division and Dermatology Business with ~300 people
- Newer Businesses launched in the recent past to gain traction – **IVF and Nutrition**
- In-licensing opportunities
  - Sideral** Eris partners with Pharmanutra SPA to launch Sucrosomial Iron
  - TPIAO** Eris partners with 3SBio of China, for its patented drug for increasing platelet count awaiting regulatory approval
- Off Patent Opportunities



# Q2 FY 20 – FINANCIAL HIGHLIGHTS

## Q2 FY 20 Financial Performance

**7.6 %**

yoy growth in Sales

**9.1 %**

yoy growth in EBITDA

**8.4 %**

yoy growth in Net Profit

- 12.6 % yoy growth in sales after adjusting for previous year's FDC ban and tail rationalisation
- YPM = 4.4 with Number of MRs as on 30 Sept 2019 – 2,145  
Added 145 people in H1 20
- The Company's board of directors has approved buy back of shares amounting to INR 1,000 millions in meeting held on July 03, 2019. The Company has filed a Letter of Offer with SEBI in relation to such proposed buyback and is waiting for regulatory approval of the same, and has also sought a confirmation from the Ministry of Finance in relation to the applicability of the "buyback tax" announced in the Union Budget on July 5, 2019.

# Q2 FY 20 and H1 FY 20 – INCOME STATEMENT

| Consolidated<br>INR millions   | Q2 FY 20     | Q2 FY 19     | Q2 FY 20 yoy GR | H1 FY 20     | H1 FY 19     | H1 FY 20 yoy GR |
|--------------------------------|--------------|--------------|-----------------|--------------|--------------|-----------------|
| Sale of Products               | 2,805        | 2,606        | 7.6%            | 5,523        | 5,076        | 8.8%            |
| Other Operating Income         | 43           | 36           | 19.8%           | 67           | 73           | -7.6%           |
| <b>Revenue from Operations</b> | <b>2,848</b> | <b>2,642</b> | <b>7.8%</b>     | <b>5,591</b> | <b>5,149</b> | <b>8.6%</b>     |
| Gross Profit                   | 2,391        | 2,236        | 6.9%            | 4,675        | 4,355        | 7.3%            |
| <b>Gross Profit Margins</b>    | <b>83.9%</b> | <b>84.6%</b> |                 | <b>83.6%</b> | <b>84.6%</b> |                 |
| Employee cost                  | 505          | 469          | 7.7%            | 977          | 960          | 1.8%            |
| <b>as % of Revenue</b>         | <b>17.7%</b> | <b>17.8%</b> |                 | <b>17.5%</b> | <b>18.6%</b> |                 |
| Other Expenses                 | 787          | 760          | 3.5%            | 1,555        | 1,503        | 3.4%            |
| <b>as % of Revenue</b>         | <b>27.6%</b> | <b>28.8%</b> |                 | <b>27.8%</b> | <b>29.2%</b> |                 |
| EBITDA                         | 1,098        | 1,007        | 9.1%            | 2,144        | 1,892        | 13.3%           |
| <b>EBITDA margin</b>           | <b>38.6%</b> | <b>38.1%</b> |                 | <b>38.3%</b> | <b>36.7%</b> |                 |
| EBIT                           | 981          | 924          | 6.2%            | 1,911        | 1,737        | 10.0%           |
| <b>EBIT margin</b>             | <b>34.5%</b> | <b>35.0%</b> |                 | <b>34.2%</b> | <b>33.7%</b> |                 |
| Finance cost                   | 5            | 62           | -91.8%          | 14           | 134          | -89.4%          |
| Other Income                   | 52           | 62           | -16.0%          | 80           | 97           | -17.4%          |
| PBT                            | 1,028        | 923          | 11.3%           | 1,977        | 1,700        | 16.3%           |
| <b>PBT margin</b>              | <b>36.1%</b> | <b>34.9%</b> |                 | <b>35.4%</b> | <b>33.0%</b> |                 |
| Taxes                          | 101          | 68           | 47.8%           | 209          | 129          | 61.7%           |
| Net Profit                     | 927          | 855          | 8.4%            | 1,768        | 1,571        | 12.5%           |
| <b>Net Profit margin</b>       | <b>32.6%</b> | <b>32.4%</b> |                 | <b>31.6%</b> | <b>30.5%</b> |                 |

Source: Unaudited Financial Statements

# Q2 FY 20 and H1 FY 20 – ENTITY WISE SALES

| Consolidated<br>INR millions             | Q2 FY 20     | Q2 FY 19     | Q2 FY 20 yoy GR | H1 FY 20     | H1 FY 19     | H1 FY 20 yoy GR |
|--|--------------|--------------|-----------------|--------------|--------------|-----------------|
| <b>Sale of Products</b>                  | <b>2,805</b> | <b>2,606</b> | <b>7.6%</b>     | <b>5,523</b> | <b>5,076</b> | <b>8.8%</b>     |
| Other Operating Income                   |              |              |                 |              |              |                 |
| Revenue from Operations                  |              |              |                 |              |              |                 |
| Gross Profit                             |              |              |                 |              |              |                 |
| <i>Gross Profit Margins</i>              |              |              |                 |              |              |                 |
| Employee cost<br><i>as % of Revenue</i>  |              |              |                 |              |              |                 |
| Other Expenses<br><i>as % of Revenue</i> |              |              |                 |              |              |                 |
| EBITDA                                   |              |              |                 |              |              |                 |
| <i>EBITDA margin</i>                     |              |              |                 |              |              |                 |
| EBIT                                     |              |              |                 |              |              |                 |
| <i>EBIT margin</i>                       |              |              |                 |              |              |                 |
| Finance cost                             |              |              |                 |              |              |                 |
| Other Income                             |              |              |                 |              |              |                 |
| PBT                                      |              |              |                 |              |              |                 |
| <i>PBT margin</i>                        |              |              |                 |              |              |                 |
| Taxes                                    |              |              |                 |              |              |                 |
| Net Profit                               |              |              |                 |              |              |                 |
| <i>Net Profit margin</i>                 |              |              |                 |              |              |                 |



| Sale of products<br>INR millions | Q2 FY 20     | Q2 FY 19     | Q2 FY 20<br>yoy GR | H1 FY 20     | H1 FY 19     | H1 FY 20<br>yoy GR |
|----------------------------------|--------------|--------------|--------------------|--------------|--------------|--------------------|
| <b>Consolidated</b>              | <b>2,805</b> | <b>2,606</b> | <b>7.6%</b>        | <b>5,523</b> | <b>5,076</b> | <b>8.8%</b>        |
| <b>Stand alone</b>               | <b>2,684</b> | <b>2,371</b> |                    | <b>5,281</b> | <b>4,598</b> |                    |
| Base Including UTH products      | 2,046        | 1,915        | <b>6.8%</b>        | 4,061        | 3,752        | <b>8.2%</b>        |
| Strides                          | 534          | 456          | <b>17.1%</b>       | 985          | 846          | <b>16.4%</b>       |
| Kinedex                          | 81           | -            | <b>-28.3%</b>      | 190          | -            | <b>-18.5%</b>      |
| Inter Company Sales              | 23           | -            |                    | 45           | -            |                    |
| <b>Subsidiaries</b>              | <b>144</b>   | <b>236</b>   |                    | <b>288</b>   | <b>483</b>   |                    |
| Aprica                           | 144          | 120          | <b>20.0%</b>       | 288          | 245          | <b>17.6%</b>       |
| Kinedex                          | -            | 113          |                    | -            | 233          |                    |
| UTH                              | -            | 3            |                    | -            | 5            |                    |
| Inter Company Sales              | -24          | -1           |                    | -46          | -5           |                    |

**Sale of Products**  
Growth rate after adjusting for  
FDC ban and tail rationalisation  
of previous year

**12.6%**  
Q2 20  
Adjusted yoy GR

**13.3%**  
H1 20  
Adjusted yoy GR

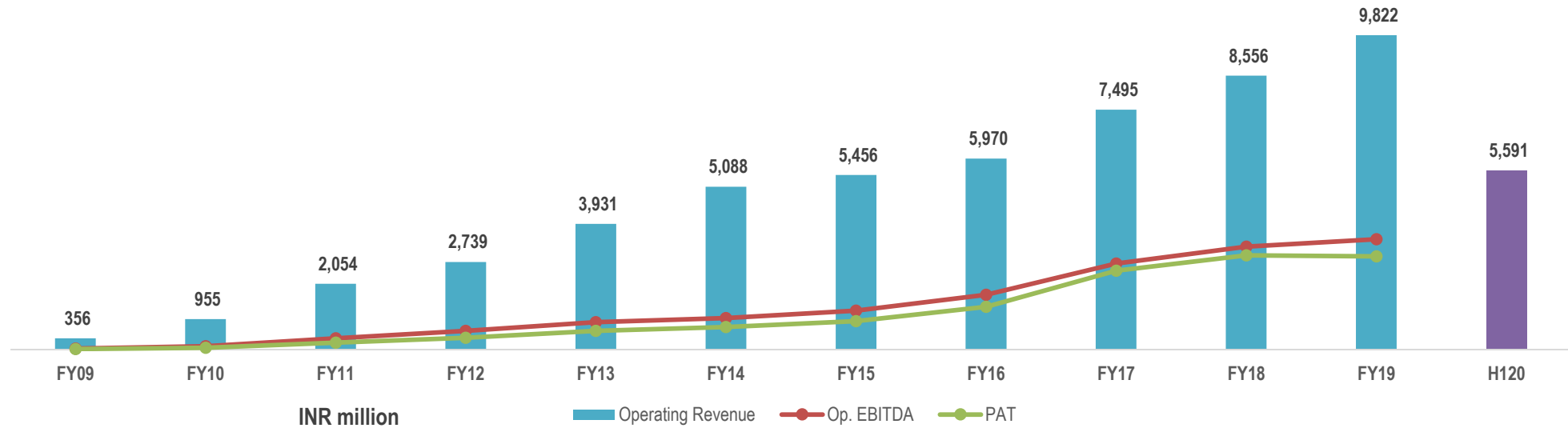
# Q2 FY 20 and H1 FY 20 – BALANCE SHEET AND CASH FLOW

| INR million        | as on<br>30 Sep 19 | as on<br>31 Mar 19 | as on<br>30 Sep 18 |
|--------------------|--------------------|--------------------|--------------------|
| Equity             | 13,239             | 11,688             | 10,447             |
| Debt               | 4                  | 1,764              | 2,765              |
|                    | <b>13,243</b>      | <b>13,453</b>      | <b>13,212</b>      |
| Tangible Assets    | 951                | 561                | 590                |
| Intangible Assets  | 7,020              | 7,072              | 7,129              |
| Net Current Assets | 2,638              | 2,186              | 1,982              |
| Treasury           | 2,634              | 3,634              | 3,511              |
|                    | <b>13,243</b>      | <b>13,453</b>      | <b>13,212</b>      |

| INR million             | for 6 m ending<br>30 Sep 19 | for 12 m ending<br>31 Mar 19 | for 6 m ending<br>30 Sep 18 |
|-------------------------|-----------------------------|------------------------------|-----------------------------|
| Net Operating Cash Flow | 1,335                       | 2,230                        | 966                         |
| Operating ebitda to OCF | 62%                         | 65%                          | 51%                         |

To support stockists facing pressure due to channel disruption, we have increased credit terms from 7/ 14 days to 21 days, which results in increase in our working capital as on 30 Sep 19

# 10 YEAR FINANCIAL HIGHLIGHT



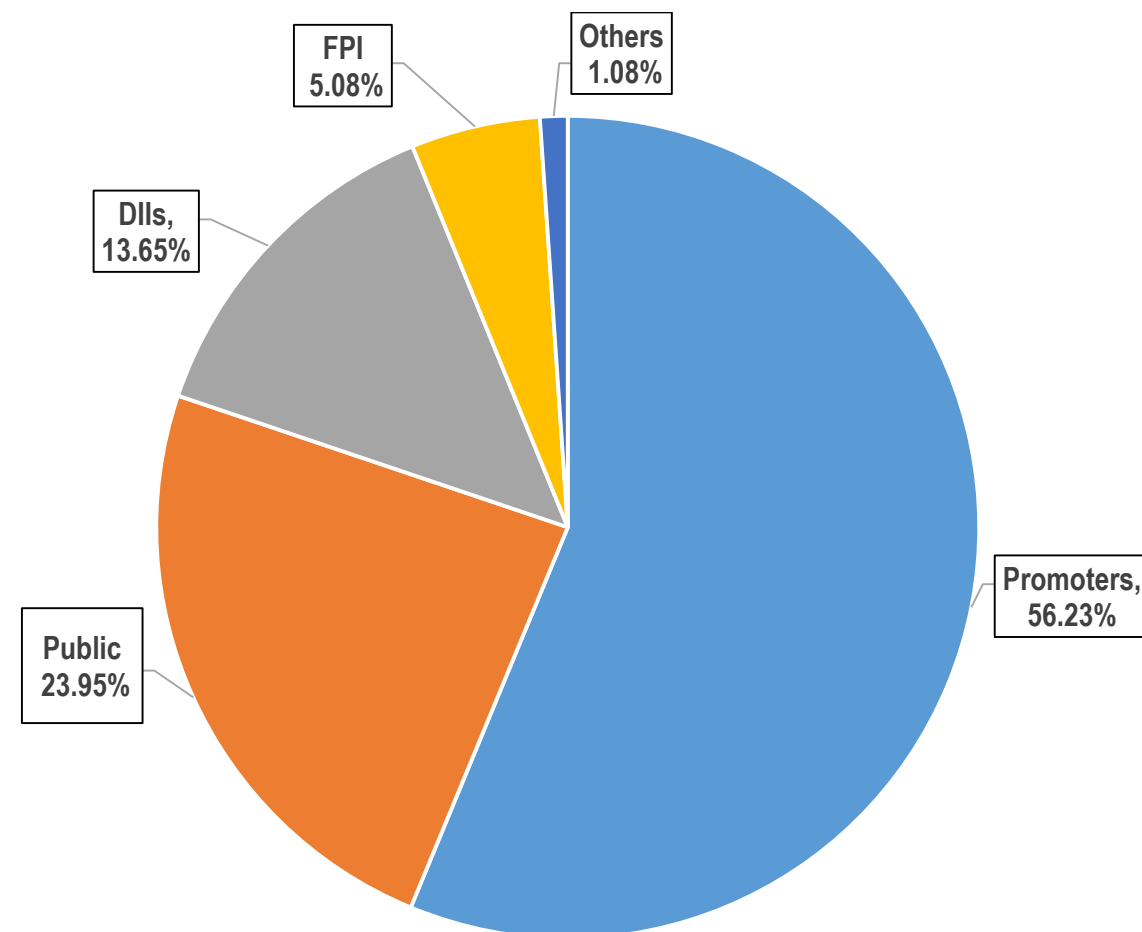
|      | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| RoE  | -86%    | 193%    | 166%    | 143%    | 106%    | 83%     | 96%     | 131%    | 94%     | 61%     | 37%     |
| RoCE | 302%    | 82%     | 123%    | 163%    | 139%    | 110%    | 128%    | 171%    | 99%     | 38%     | 39%     |

Strategic investments for future growth lead to interim dip in Return metrics

# SHAREHOLDER PROFILE

## Shareholding of Promoters and Top 15 Institutional Investors

| Sr no | Name of Shareholder                          | As on<br>30-Sep-2019 | As on<br>30-Jun-2019 | As on<br>31-Mar-2019 |
|-------|--|----------------------|----------------------|----------------------|
|       |  | 451*                 | 509*                 | 645*                 |
|       | <b>Promoters</b>                             | <b>56.23%</b>        | <b>56.23%</b>        | <b>56.10%</b>        |
| 1     | Motilal Oswal Mutual Fund                    | 3.87%                | 3.97%                | 3.97%                |
| 2     | Aditya Birla Sun Life Mutual Fund            | 3.85%                | 3.84%                | 3.85%                |
| 3     | UTI Mutual Fund                              | 2.65%                | 1.32%                | 1.05%                |
| 4     | Franklin Templeton                           | 1.31%                | -                    | -                    |
| 5     | Fundsmith Emerging Equities Trust            | 1.11%                | 1.11%                | 1.00%                |
| 6     | Abu Dhabi Investment Authority               | 1.01%                | 1.01%                | 1.01%                |
| 7     | Morgan Stanley                               | 1.01%                | 0.96%                | 0.99%                |
| 8     | Vanguard                                     | 0.85%                | 0.97%                | 0.93%                |
| 9     | Goldman Sachs                                | 0.76%                | 0.93%                | 0.98%                |
| 10    | Norges Bank - Government Global Pension Fund | 0.08%                | 0.65%                | 0.71%                |
| 11    | Kotak Mutual Fund                            | 0.47%                | 0.60%                | 0.60%                |
| 12    | Edelweiss Alternate Investment Fund          | 0.48%                | 0.48%                | 0.48%                |
| 13    | Tata Mutual Fund                             | 0.44%                | 0.29%                | 0.29%                |
| 14    | L and T Mutual Fund                          | 0.27%                | 0.27%                | 0.27%                |
| 15    | Shinsei UTI JV                               | 0.20%                | 0.15%                | 0.12%                |



\* Closing share price as per NSE

**THANK YOU**

**ERIS LIFESCIENCES LTD**

**KRUTI RAVAL**

**INVESTOR RELATIONS**  
**[kruti@erislifesciences.com](mailto:kruti@erislifesciences.com)**