



EY Entrepreneur of the year-2013



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Excellence Awards-2013



Date: 07 August 2023

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 the investor presentation made by the Company.

Thanking you.

Yours faithfully,

Eris Lifesciences Limited

Milind Talegaonkar
Company Secretary and Compliance Officer

Encl: a/a

Registered & Corporate Office:

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Phone: +91-79-69661000/1001 • Email: eris@erislifesciences.com • Web Site: www.eris.co.in • CIN: L24232GJ2007PLC049867



Q1 FY 24
INVESTOR PRESENTATION
7th Aug 2023

STRATEGIC INVESTMENTS OF FY23 - DEMONSTRATING IMPACT IN FY24

Key strategic investment made in FY23....

- 1
 - Strategic entry into Dermatology; acquired Oaknet, Glenmark brands & Reddy's brands; acquisition price **INR 1,265 crore**
 - **Margin dilutive** in the year of acquisition
- 2
 - Kick-started injectable anti-diabetes business in Eris MJ with a dedicated field-force of **140 Reps**
 - Launched Human Insulin and Glargine
 - First year Revenue of INR 17 crore with an **EBIDTA burn of INR 20 crore**
- 3
 - Curated our **own R&D programme** to develop and commercialise **first-in-market combinations**
 - Total investment ~ **INR 30 crore @ Rs. 3 crore** per novel combination

....Demonstrating impact in FY24

- Oaknet's Q1 EBIDTA margin inching towards overall Branded Formulations average
 - FY24E **EBIDTA margin 35%** - up from **10%** at the time of acquisition and **24%** in FY23
- **Q1 FY24 sales** run-rate ramped up to **Rs. 9 crore**
 - **EBIDTA burn reduced to INR 2.5 crore** in Q1 FY24
 - Well on track to achieve **Rs. 50 crore** revenue in FY24
 - MJ's **Glargine** and **Liraglutide** completed Ph-III clinical trials; slated for commercial launch in **Q4 FY24**
- Pipeline of **10 combinations** in Diabetes, Cardiology & Neurology
 - **4 combinations in clinical trials** – expected to be launched in **Q3 and Q4 FY24 respectively**
 - **6 combinations** in various stages of development

STRATEGIC INVESTMENTS OF FY23 - DEMONSTRATING IMPACT IN FY24 (Contd..)

Key strategic investment made in FY23....

4

- Took calculated decisions to participate in “at risk” opportunities in FY23 (and the year prior)
 - Sacubitril + Valsartan
 - FCM Injection
 - Linagliptin

5

- Second manufacturing facility in Gujarat with a capital outlay of INR 230+ crore
- Expansion underway to include a Derma block

....Demonstrating impact in FY24

- Sacubitril + Valsartan (**Zayo**): Relaunched in Jan ‘23; revenue ramped up to INR ~ 2 crore p.m. by June ‘23
- FCM injection: Open for re-commercialization through a non-infringing route as per latest verdict
- Linagliptin: Loss of Exclusivity in Aug ‘23; commercial relaunch thereafter
- Narrowing the gap between Primary & Secondary sales growth as a result

- Capacity utilization ramped up to **14% in June ‘23**; expected to ramp up further through the year
- Commercialisation of Derma block to start delivering **margin benefits** starting Q4 FY24

OAKNET BUSINESS SUCCESSFULLY INTEGRATED; EXCITING PROSPECTS IN DERMA

- Oaknet operations successfully integrated into the mainstream business in Q1 FY24
- Delivering superior financial outcomes starting Q1 - **EBIDTA margin ~ 35%**
- Completed the first quarter of **stabilizing Glenmark & Reddy's brands**
 - Acquired brands without any field-force in Q4 FY23
 - Despite the brands being handled by a **new set of people** (Eris field-force and stockists) in Q1, we have **retained 75% of the revenue** from these brands in their very first quarter with us
 - We expect to capture **100%** of the sales from these brands starting **Q2 FY24**
- We remain **excited** about the **growth** prospects from the **Dermatology** business in FY24 and beyond
 - Strategic first-in-market product launches like **Minoxidil Booster** and **Hydroheal Nova** in Q1
 - New product pipeline of **8-10** launches lined up for the remainder of the year in segments such as **acne, hair-care, emollients, anti-fungals**, etc.
 - Entering the **Pediatric Dermatology** segment starting Q2 FY24

STRONG PIPELINE OF FIRST-IN-MARKET COMBINATIONS THROUGH OUR OWN R&D

Candidates/ Therapy	Development Status	Commercialisation
2 FDCs in Oral Anti-diabetes	Clinical Trials	Q3 of FY24
2 FDCs in Heart Failure & MI	Clinical Trials	Q4 of FY24
2 FDCs to address Diabetes-related complications	Submission	FY25
2 FDCs in Neurology	Development	FY25
2 FDCs in Gastro-intestinal	Development	FY25

- Active pipeline of 10 fixed dose combinations
- Aggregate investment of ~ INR 30 cr.

STRATEGIC PRIORITIES FOR FY24

1

- Successful commercialization of our New Product Pipeline
- Unprecedented launch pipeline seen in FY24 with
 - 4 mother brands coming through our own R&D programme
 - Re-launch of “at risk” products
 - New product opportunities in core therapies

2

- Deepen our presence in the Dermatology and Cosmetology segments through new launches
- Achieve margin improvement through in-sourcing of Derma manufacturing starting Q4 FY24

3

Scale up our injectable anti-diabetes franchise

- FY24E Revenue of Rs. 50 crore
- Launch of MJ’s Glargine and Liraglutide in Q4 FY24 with consequent margin improvement
- Reduction in EBIDTA burn; achieve breakeven by Q4 FY24

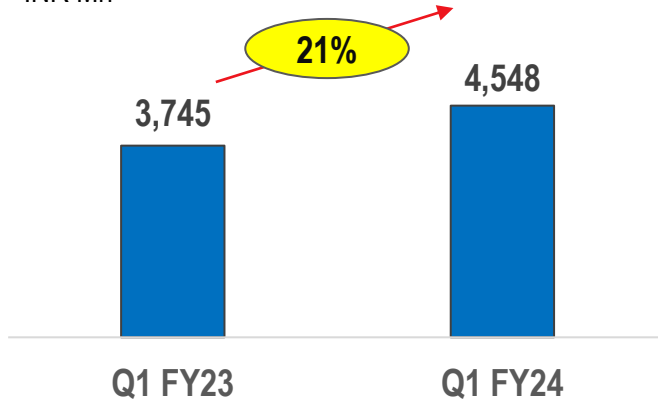


Strong focus on Organic Growth and expansion of our Covered Market

BRANDED FORMULATIONS BUSINESS SUMMARY – Q1 FY24

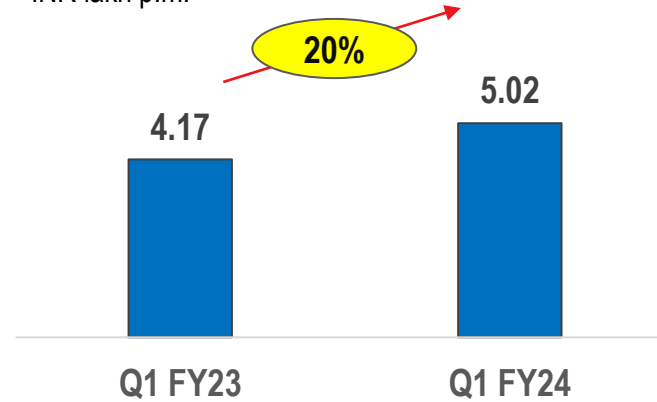
Branded Formulations Revenue

INR Mn



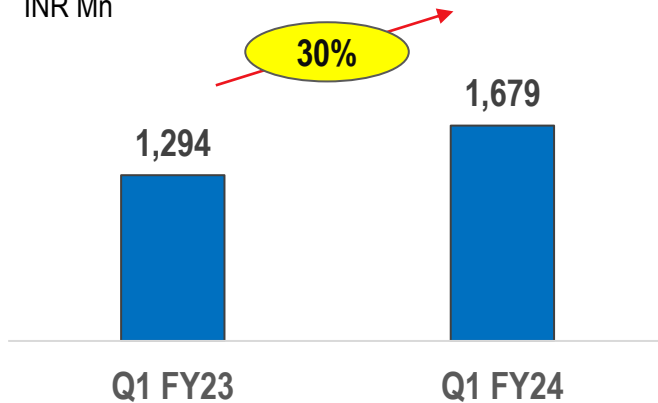
Branded Formulations YPM

INR lakh p.m.



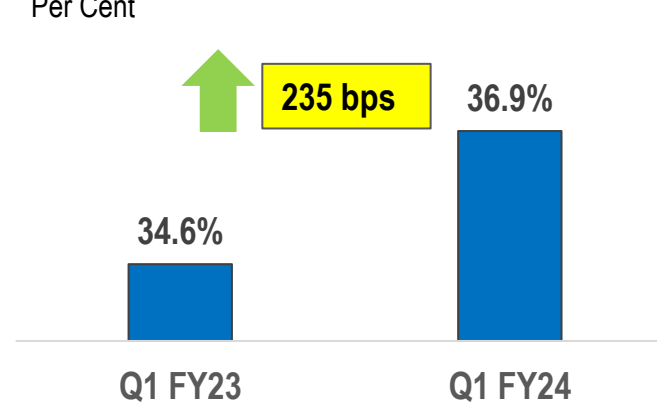
Branded Formulations EBIDTA

INR Mn



EBIDTA Margin

Per Cent



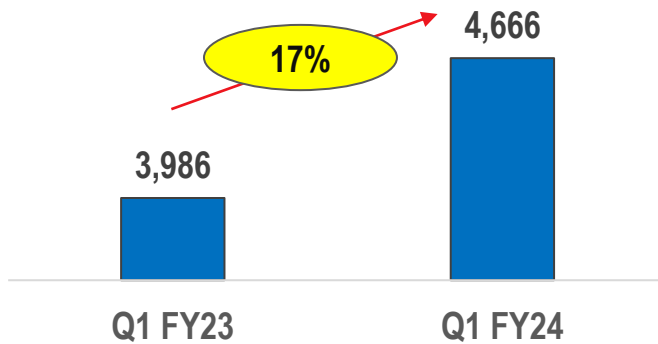
Highlights for Q1 FY24

- **21% yoy revenue growth** in Branded Formulations - **97%** of total revenue
 - Includes Eris Lifesciences, Eris Therapeutics (Gujarat facility), Oaknet and Eris MJ (Insulin)
 - Excludes EHPL
- **Gross Margin ~ 84%** - increases ~ **220 bps** yoy
- **EBIDTA margin ~ 37%** - up by ~ **235 bps** over Q1 FY23; growth of **30%** yoy
- **YPM of Rs. 5 lakh** – up **20%** yoy
- **Insulin sales run-rate** increases to **Rs. 9 cr.** ; **EBIDTA burn** reduced to **Rs. 2.5 cr.**

CONSOLIDATED BUSINESS SUMMARY – Q1 FY24

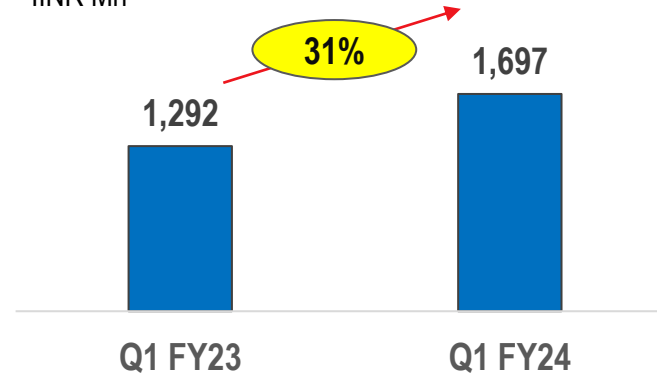
Consolidated Op. Revenue

INR Mn



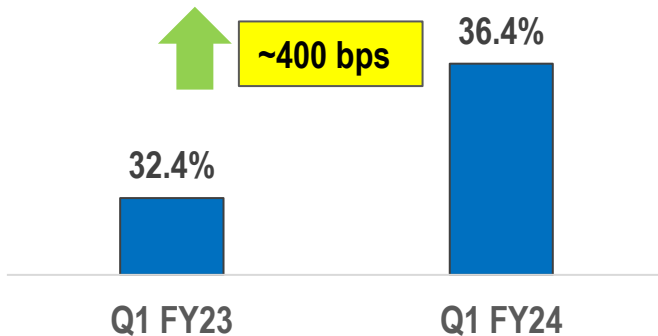
Consolidated EBIDTA

IINR Mn



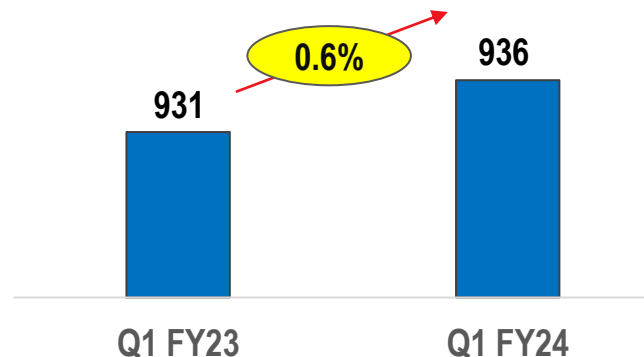
Consolidated EBIDTA Margin

Per Cent



Consolidated PAT

INR Mn



Consolidated Highlights for Q1 FY24

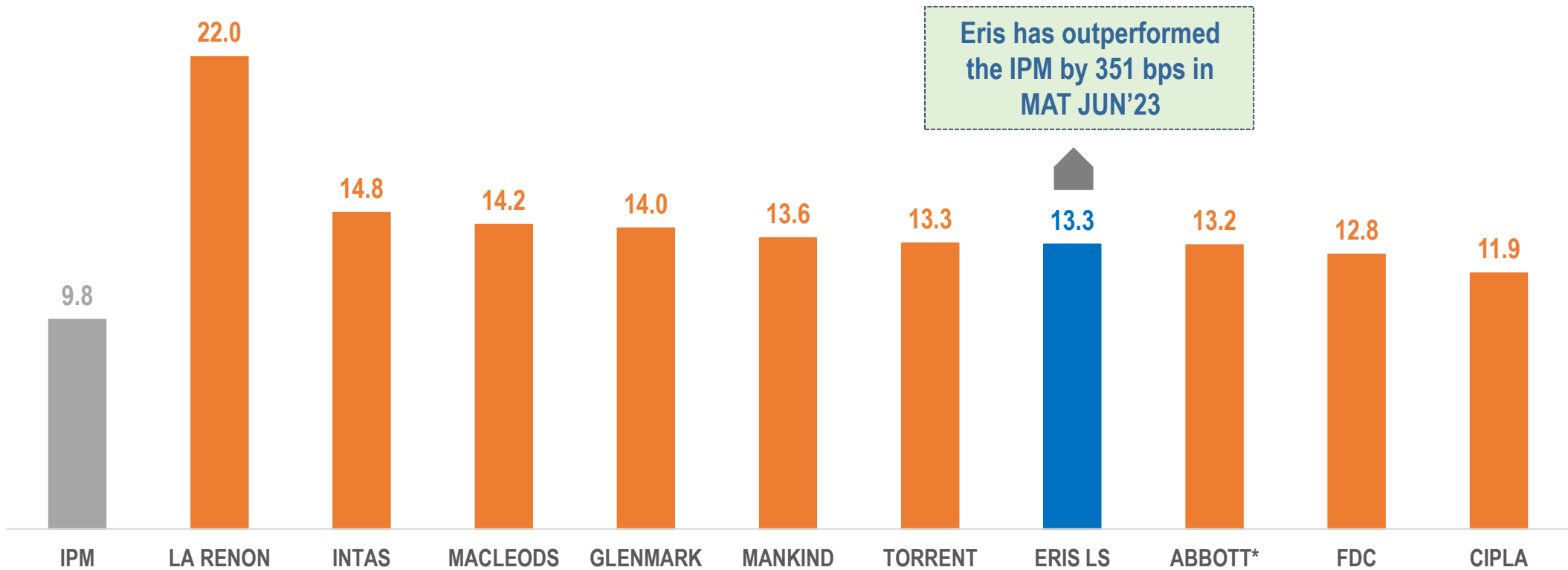
- Operating revenue growth of **17% yoy** (inclusive of EHPL)
- **Gross Margin 83.2%** - expands by **455 bps yoy**
- **EBIDTA margin 36.4%** - up from 32.4% in Q1 FY23 and 32% in FY23
- Consolidated PAT ~ **INR 94 cr.** - driven by the impact of Oaknet, Glenmark and Dr. Reddy's deals on Depreciation, Treasury Income and Finance cost
- Operating Cash Flow ~ **70%** of EBIDTA
- **Net debt** as on 30th June 2023 = INR 672 crore; **reduced by INR 102 crore** in Q1

Q1 FY24 - CONSOLIDATED INCOME STATEMENT

Consolidated INR Millions	Q1 FY 24	Q1 FY 23	Q1 FY 24 yoy GR
Sale of Products	4,600	3,921	17.3%
Other Operating Income	66	65	0.9%
Revenue from Operations	4,666	3,986	17.1%
Gross Profit	3,882	3,135	23.8%
Gross Profit Margin	83.2%	78.7%	
Employee Cost as % of Revenue	1,041 22.3%	782 19.6%	33.2%
Other Expenses as % of Revenue	1,143 24.5%	1,061 26.6%	7.8%
EBITDA	1,697	1,292	31.4%
EBITDA Margin	36.4%	32.4%	
Depreciation	409	234	74.4%
Finance Cost	174	72	140.1%
Other Income	10	27	
PBT	1,125	1,013	11.1%
PBT Margin	24.1%	25.4%	
Taxes	188	82	129.8%
Net Profit	936	931	0.6%
Net Profit Margin	20.1%	23.4%	

- Q1 FY24 operating revenue grew by 17.1% to INR 4,666 million
- Gross profit margin expanded by 455 bps to 83.2%
- Branded formulations segment revenue grew 21% yoy with an EBIDTA margin of 36.9% - inclusive of Oaknet and Eris MJ (Insulin) segments
- Branded Formulations YPM grew to Rs. 5 lakh, from Rs. 4.2 lakh in Q1 FY23
- Consolidated EBITDA margin bounced back to 36.4% - from 32.4% in Q1 23 and 32% in FY 23
- Q1 FY24 Net Profit of INR 93.6 cr - inclusive of impact of Oaknet, Glenmark & DRL deals on Depreciation, Treasury Income & Finance Cost

ERIS RANKS AMONG THE TOP-10 FASTEST GROWING COMPANIES IN MAT JUN'23



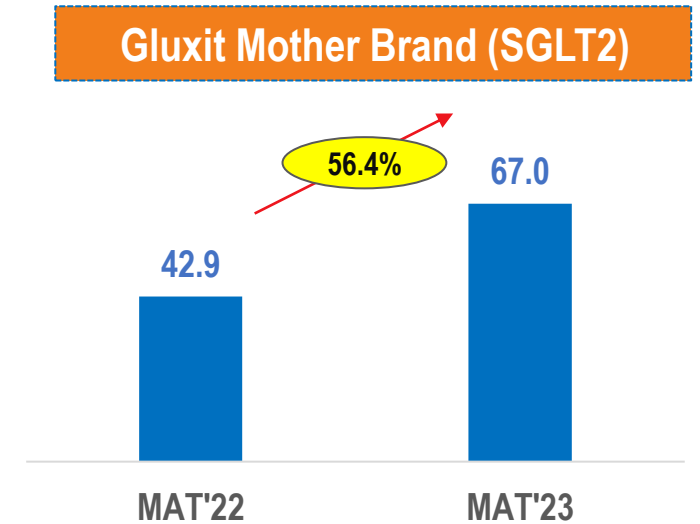
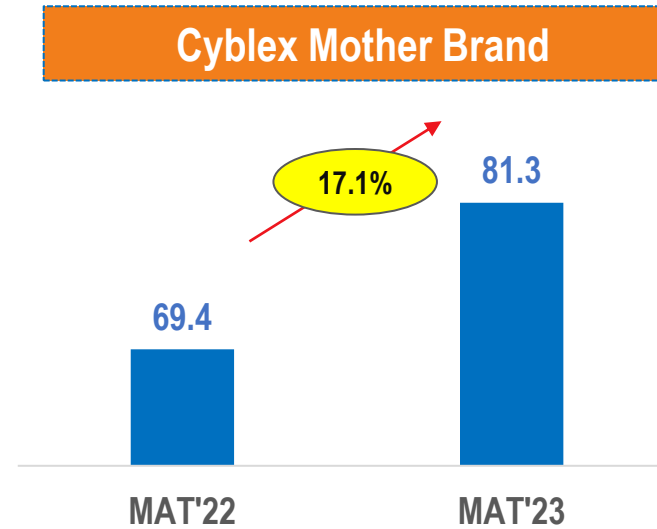
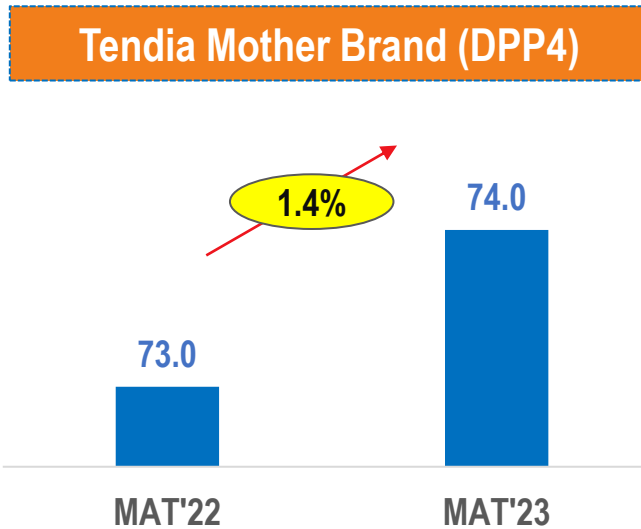
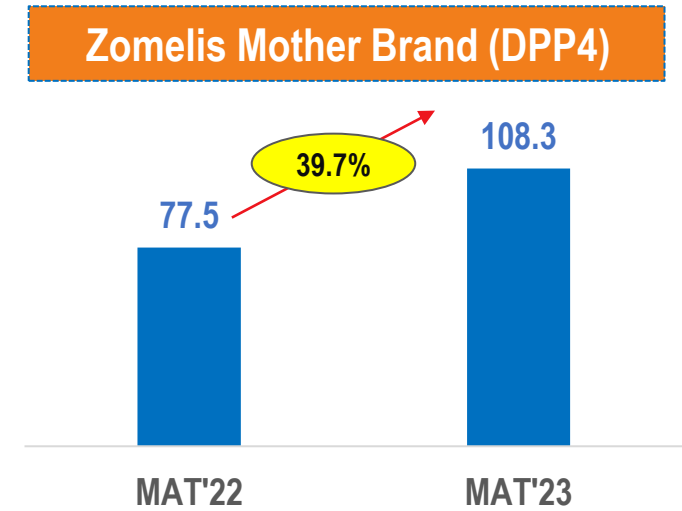
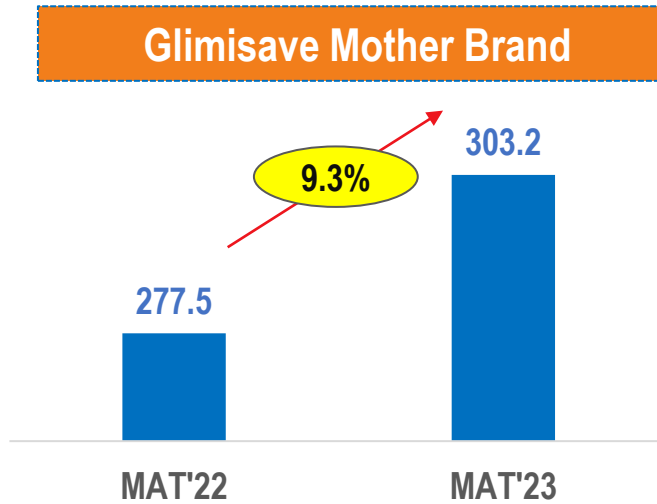
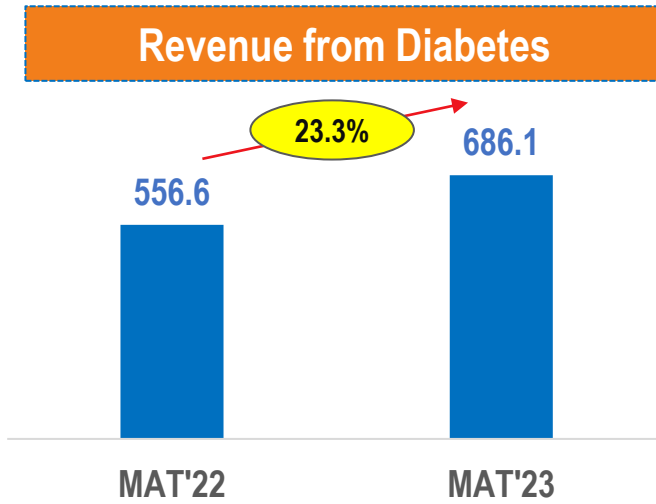
Eris continues to rank among the Top-10 companies (by growth)

Source: AWACS Pharmatrac data for the period MAT JUN'22 – MAT JUN'23

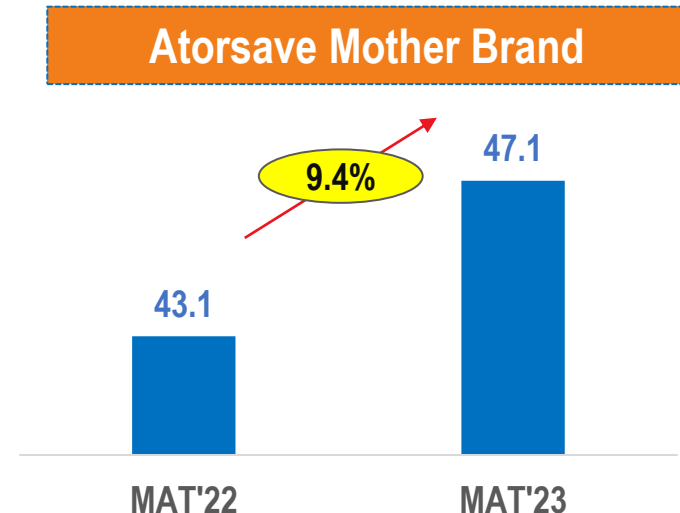
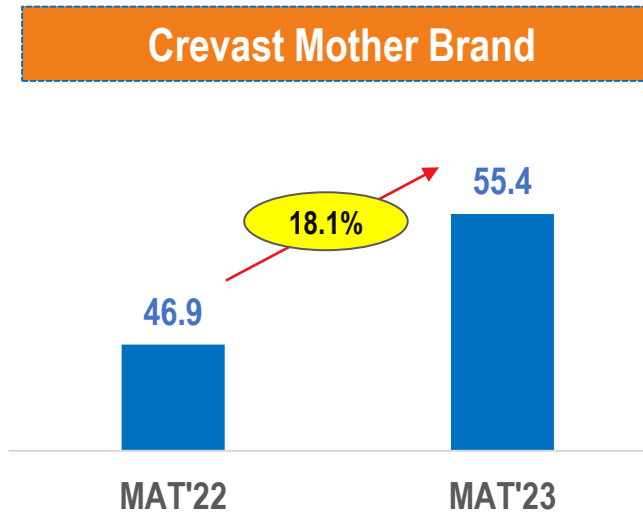
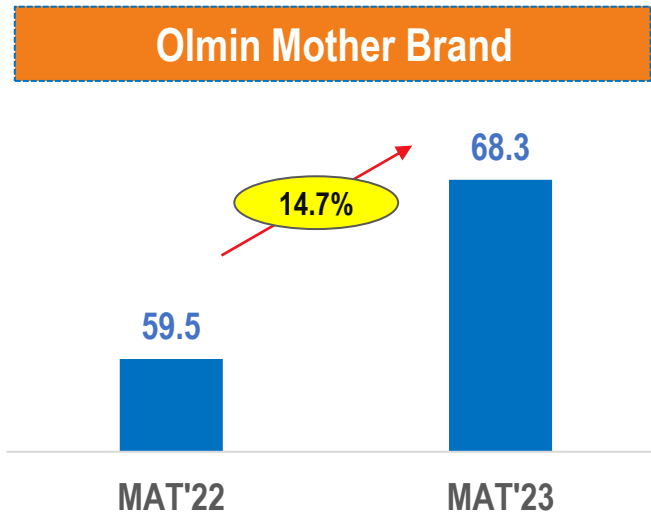
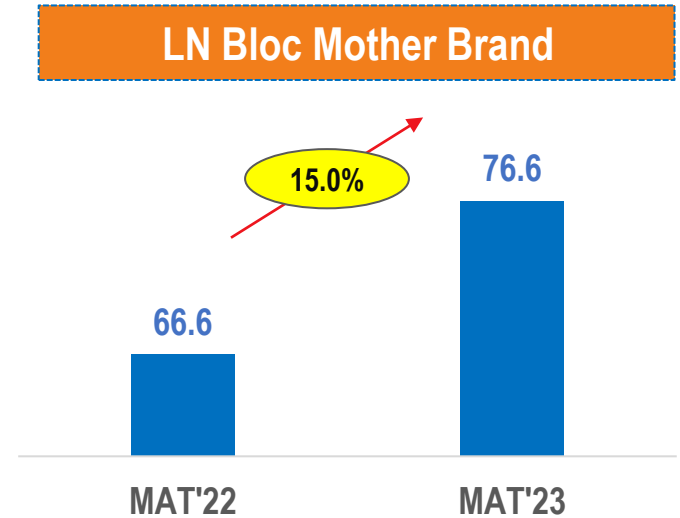
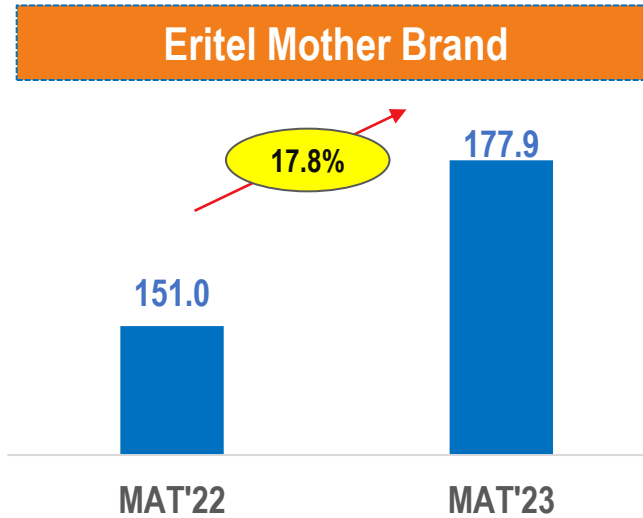
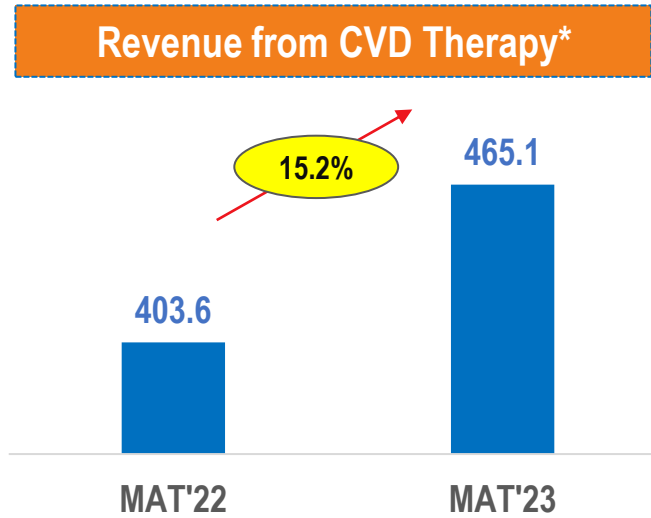
Graph represents the 10 fastest growing peers on a GROWTH basis for the period MAT JUN'22 – MAT JUN'23 from the IPM Top-25 companies (Exc. Himalaya)

Eris includes Eris + Aprica + Oaknet + Brands acquired from Glenmark and DRL

OUR ANTI-DIABETES FRANCHISE – HEALTHY GROWTH IN MOTHER BRANDS



OUR CARDIOVASCULAR FRANCHISE – CONTINUED MOMENTUM IN ESTABLISHED BRANDS



Source: AWACS Pharmatrac data for the period MAT Jun'22 – MAT Jun'23
Revenue in INR Crore | *Excluding Zayo (Sacubitril + Valsartan)

KEY GROWTH DRIVERS FOR FY 24 – FY 26

1 Growth in Base Business

- Our **Top-20** power brands account for **70%** of our revenues and have grown at **17%** in **FY23**. **15** out of these brands are ranked among the **Top-5** in their respective segments. We have
 - **4** brands with revenues of Rs. **100+ crore** each
 - **6** brands with revenues of Rs. **70-80 crore** each, and
 - **5** brands with revenues of Rs. **50-60 crore** each
- We expect this portfolio to continue growing well in the coming years along with the generation of **high margins** and **strong cashflows** for investment

2 New product pipeline

- We have **demonstrated our credentials** in being able to secure **market-leading** positions in **patent expiry** opportunities through our brands **Zomelis, Gluxit, Glura, Zayo**, etc.; we expect to continue leveraging more such opportunities over the **next 2-3 years**
- We have **4 first-in-market** combinations coming through our own R&D pipeline and the relaunch opportunity for **2 “at risk”** products in **FY24**
- We plan to launch **Glargine** and **Liraglutide** from MJ’s pipeline in **Q4 FY24**
- We will drive new product launches in **Pediatric Dermatology** and **Cosmetology**

KEY GROWTH DRIVERS FOR FY 24 – FY 26 (Contd..)

3

Expansion of physician coverage

- We continue to make good progress in expanding our coverage of **Specialists and Consulting Physicians** in line with our expectations
- We added ~ **200 Reps** to the Eris field-force in FY23

4

Therapeutic Diversification

- Strong momentum on therapy diversification with **3 emerging therapies (Derma, CNS & Women's Health)** accounting for **26%** of Branded Formulations revenue (up from **12%** last year) and grown **17% in FY 23**
- We will continue to invest in expanding our presence in these therapies

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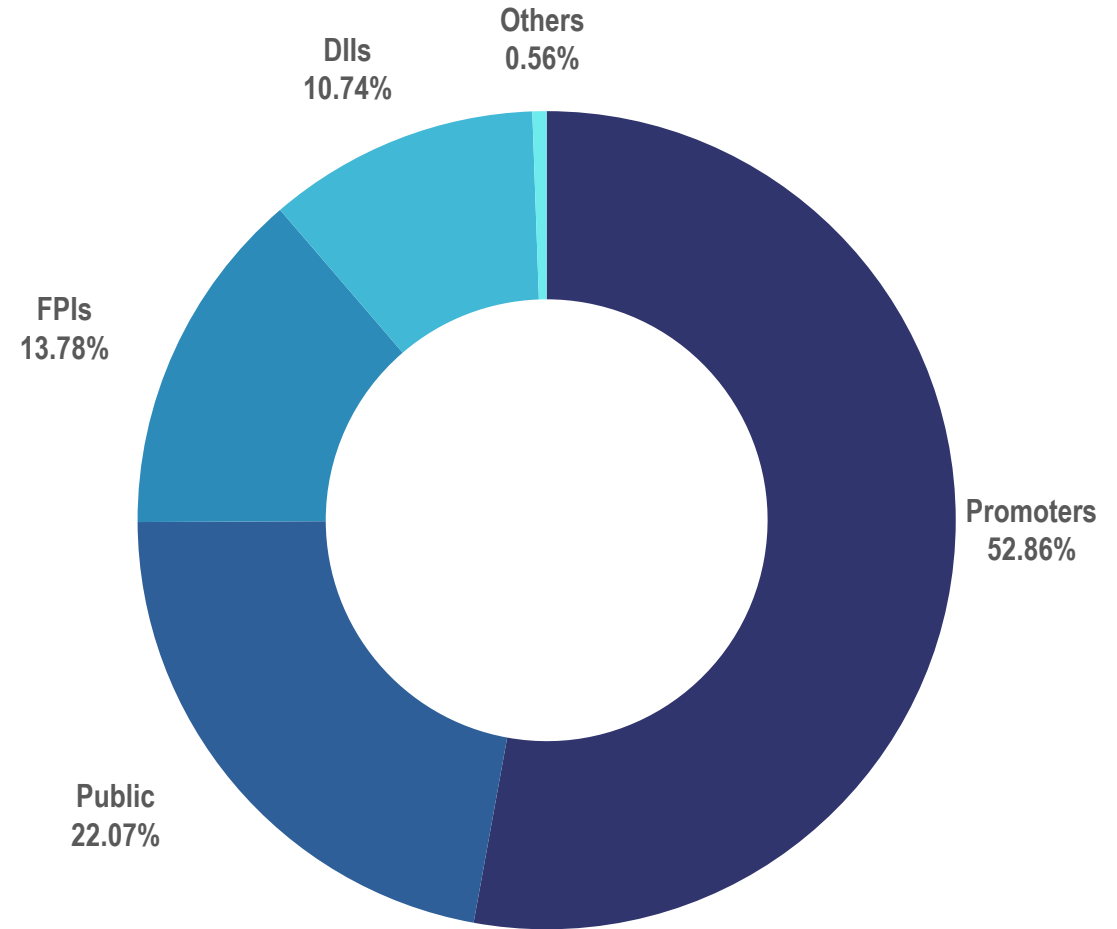
Inorganic opportunities

- Our acquisition of Oaknet in May 2022 followed by Glenmark & DRL brands later in the year has emerged as a credible **endorsement of our inorganic value-creation** thesis; First year **revenue growth of 28%** with an **EBIDTA margin** expansion from **10% to 24%**; Second-year (**FY24**) **EBIDTA margin** expected to increase to **35%**

SHAREHOLDER PROFILE

Shareholding of Promoters and Top 15 Institutional Investors

Name of Shareholder		As on	As on	As on
		30-Jun-23	31-Mar-23	30-Dec-22
		*699	*572	*647
Promoters		52.86%	52.86%	52.70%
1	Chrys Capital (Emerald Investment Limited)	7.58%	7.58%	7.58%
2	UTI Mutual Fund	5.92%	5.33%	4.99%
3	Aditya Birla Sun Life Mutual Fund	1.47%	1.47%	1.62%
4	Kuwait Investment Authority Fund	1.47%	1.47%	1.47%
5	Franklin Templeton Mutual Fund	1.26%	1.26%	1.26%
6	UTI Fund - FII	1.20%	1.28%	1.29%
7	HSBC Mutual Fund	0.88%	0.88%	0.88%
8	Ellipsis Partners LLC	0.79%	0.73%	0.36%
9	Steinberg India Fund	0.54%	0.54%	0.54%
10	Tata Mutual Fund	0.38%	0.38%	0.38%
11	Malabar Select Fund	0.33%	0.33%	0.33%
12	ICICI Prudential Mutual Fund	0.33%	0.33%	0.00%
13	New Mark Capital India Fund	0.31%	0.31%	0.24%
14	Blackrock Funds	0.27%	0.26%	0.26%
15	Dimensional Funds	0.25%	0.23%	0.23%



*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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