



EY Entrepreneur of the year-2013



FROST & SULLIVAN Best Practices-2013



Business today/YES bank Excellence Awards-2013



**Date: February 14, 2020**

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

Q3 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.

# MOMENT OF PRIDE

ERIS' **INDIA HEART STUDY** IN INTERNATIONAL JOURNAL

Our persistent efforts to promote science recognised by global institutions of hypertension



European Society of Hypertension and International Society of Hypertension have jointly accepted our **India Heart Study** paper to publish in the upcoming issue of the Journal of Hypertension









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

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

# PATIENT CARE INITIATIVES – SCIENTIFIC ENGAGEMENT WITH DOCTORS

Scientific engagement with Doctors – our marketing divisions maintain their tenacious focus on **Patient Care Initiatives** while engaging with health care providers.

This investment in promotion of science provides **Eris** an unhindered mindspace and superior facetime with super specialist and specialist doctors.

 <p><b>Sleep Study</b> On Call</p> <p>11,414 patients screened in sleep study</p>	 <p>Save Kidney... Save Heart</p> <p>More than 2,00,000 patients counselled</p>	 <p>59,000 ABPMs on call</p>	 <p><b>HOLTER</b> ON CALL</p> <p>An Eris Initiative for 24 hr Rhythm Monitoring</p> <p>36,870 Holter on Calls</p>
 <p>more than 1,00,000 patients have been screened</p>	 <p>11,963 CGM conducted</p>	 <p>1,05,380 Patients</p>	 <p>1,78,210 Patients screened</p>

## The quarter sees **Substantial Investment in Growth**

Capitalising  
**Off patent  
opportunities**  
successfully

**Patent  
Protected  
In licensed  
products  
successfully  
launched**

Eris forays into  
**Generics**

**New Products**  
launched for  
brand life cycle  
management

Expansion of  
**Field Force**  
**219 BEs added**

## Substantial Investment in Growth

### Successfully Capitalising Off patent opportunities

**30,000** inr mn

Estimated size of products going off patent in India in the near future

The logo for Zomelis, featuring the word "Zomelis" in a stylized, purple, cursive font with a swoosh underneath.

In December 2019, **Vildagliptin**, a prime molecule in Diabetes Care, went off patent. Vildagliptin is a **DPP 4 inhibitor** – a class of oral diabetes drug that has evolved as the first line of defence in Diabetes Care

Given **Eris' established therapy area expertise** in diabetes care, Vildagliptin, with a **market size of ≈ INR 10,000 mn**, presented a very exciting opportunity for Eris

In December 2019, **Eris launched Zomelis**, after acquiring the trademark from Novartis

**Zomelis** is an established brand with specialists and super specialist doctors and enjoys a market share of ≈ 6% \*

To ensure a focused effort, a **new division, Aspire** was launched with **186 BEs** to spearhead **Zomelis**

## Substantial Investment in Growth

Successful launch of  
Patent Protected  
In-Licensed  
products

In Q3 FY 20 we launched **Rariset**, under our **in-licensing** agreement with **Pharmanutra S.P.A** for their **patent protected Sucrosomial Iron**

Iron has a crucial role in **Ante Natal Care** as well as management of **chronic diseases** like **CKD**. The patent protected Sucrosomial Iron has a **superior efficacy** and **tolerability** – and addresses a market of **≈ 20,000 inr million**

**Evidence to Experience** - to highlight the importance of Iron and the **clinical evidence** backed superiority of Sucrosomial Iron, Eris conducted more than **400 CMEs across India**





## Substantial Investment in Growth

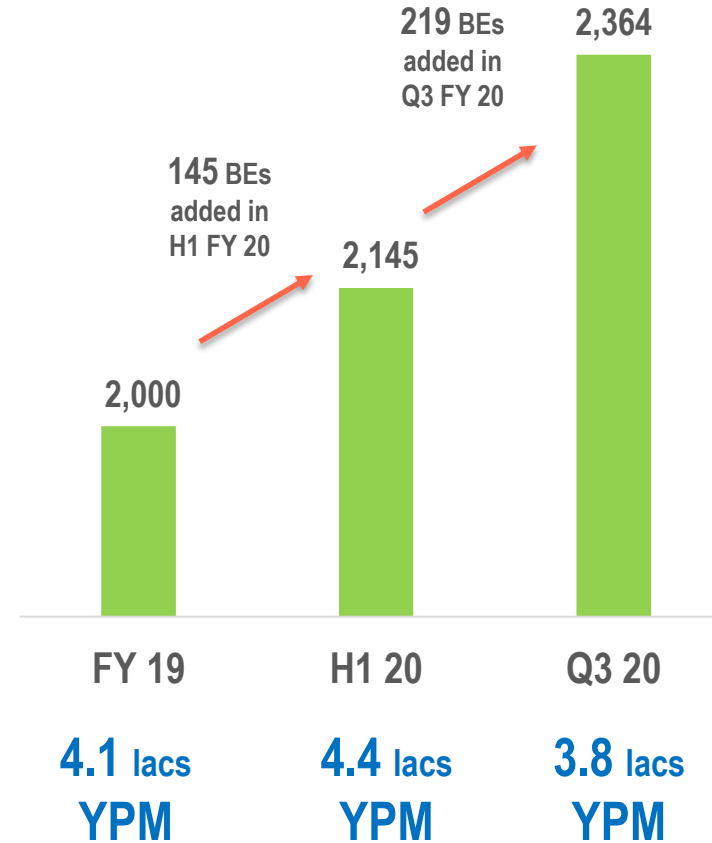
**219 BEs added in Q3 FY 20**

**2 new divisions launched**

**Aspire** for Zomelis with **186 BEs**  
and another for foray into **Generics** with **25 BEs**

**HR Expenses**

Investment in people leads to expansion in  
HR Expenses



**Guwahati plant to cater to  $\approx$  80% of total revenue from Q1 FY 21 onwards**

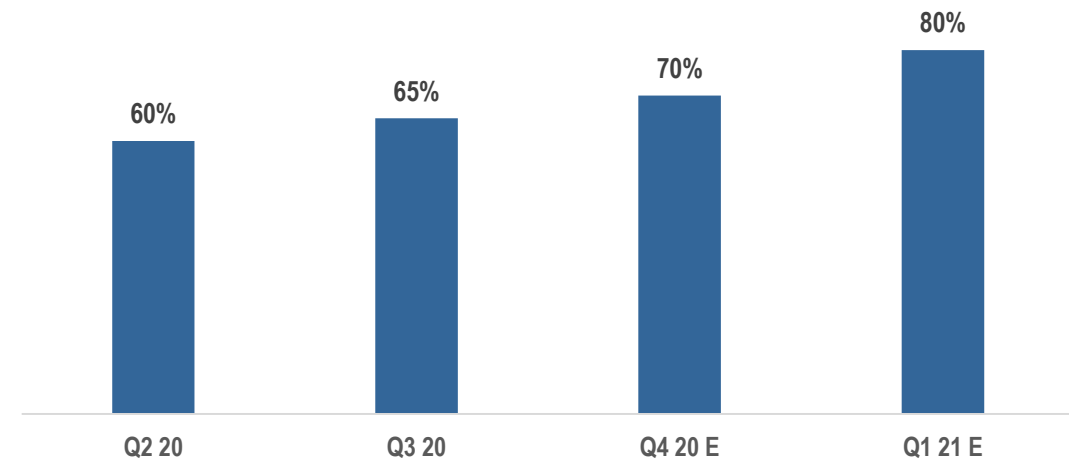
**Soft Gelatin products to move to Guwahati by Q4 FY 20/ Q1 FY 21**

**Nutraceuticals and other products made in Guwahati**

**Facility enjoys exemption from Income Tax and GST Subsidies under Section 80 IA \***

**Estimated Capacity Utilisation on 3 shift basis to reach 35% to 40% \*\***

**% Contribution of Guwahati Plant to Total Revenue**



**Business Redefined into 5 SBUs  
With Distinct SBU Heads**

**CARDIO  
METABOLIC  
BUSINESSES -1**

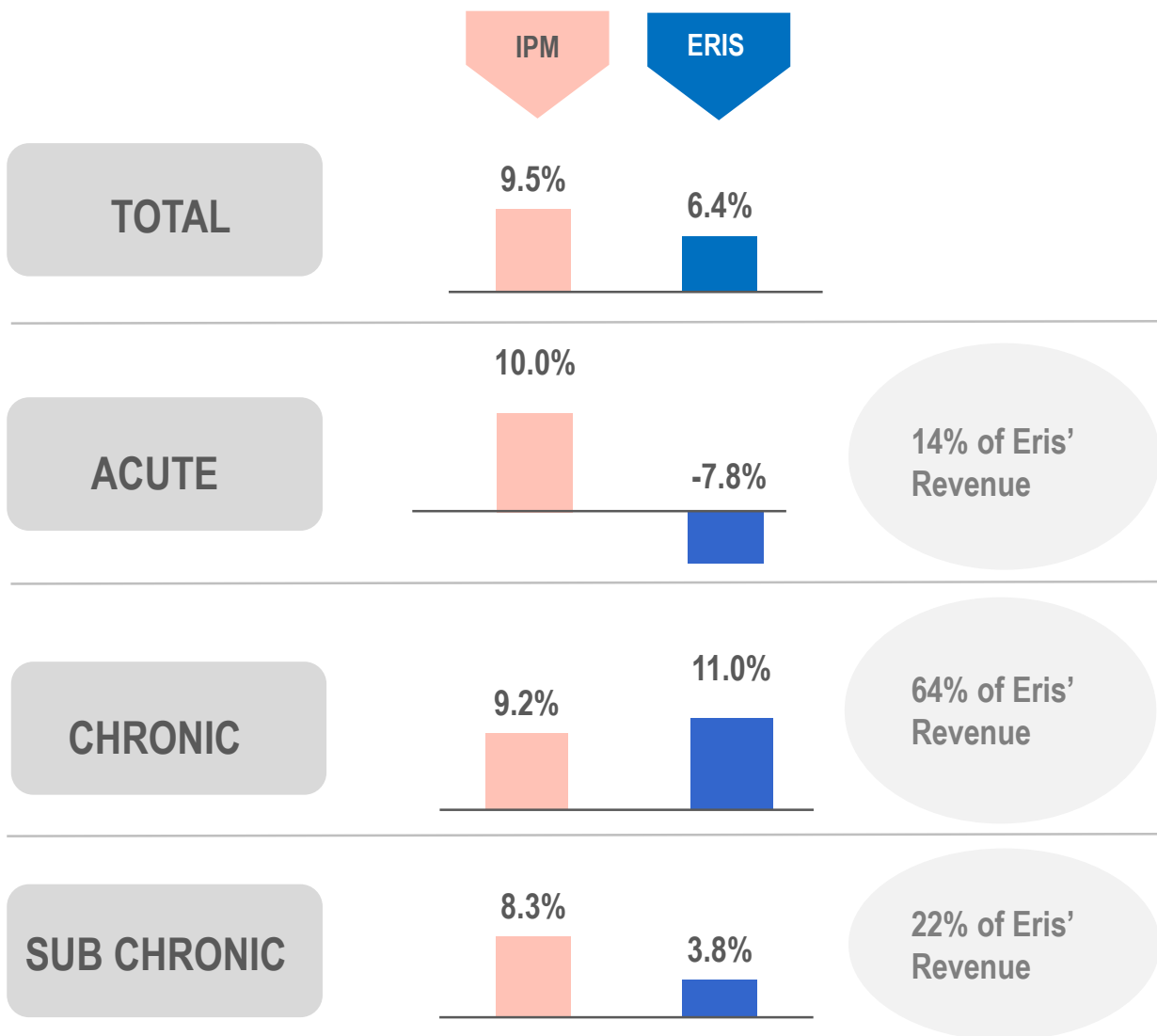
**CARDIO  
METABOLIC  
BUSINESSES -2**

**CNS**

**ACUTE**

**NEWER  
BUSINESSES**

# Q3 FY 20 – SECONDARY GROWTH



IPM grew by 9.5%...

Eris's total sales grew by 6.4%

IPM's Acute therapies, which have historically grown less than chronic therapies for most quarters, grew at 10%, pulling the entire IPM growth

To bring sharper focus on Acute Therapies, Eris creates an SBU for acute business with a new SBU Head now managing this business

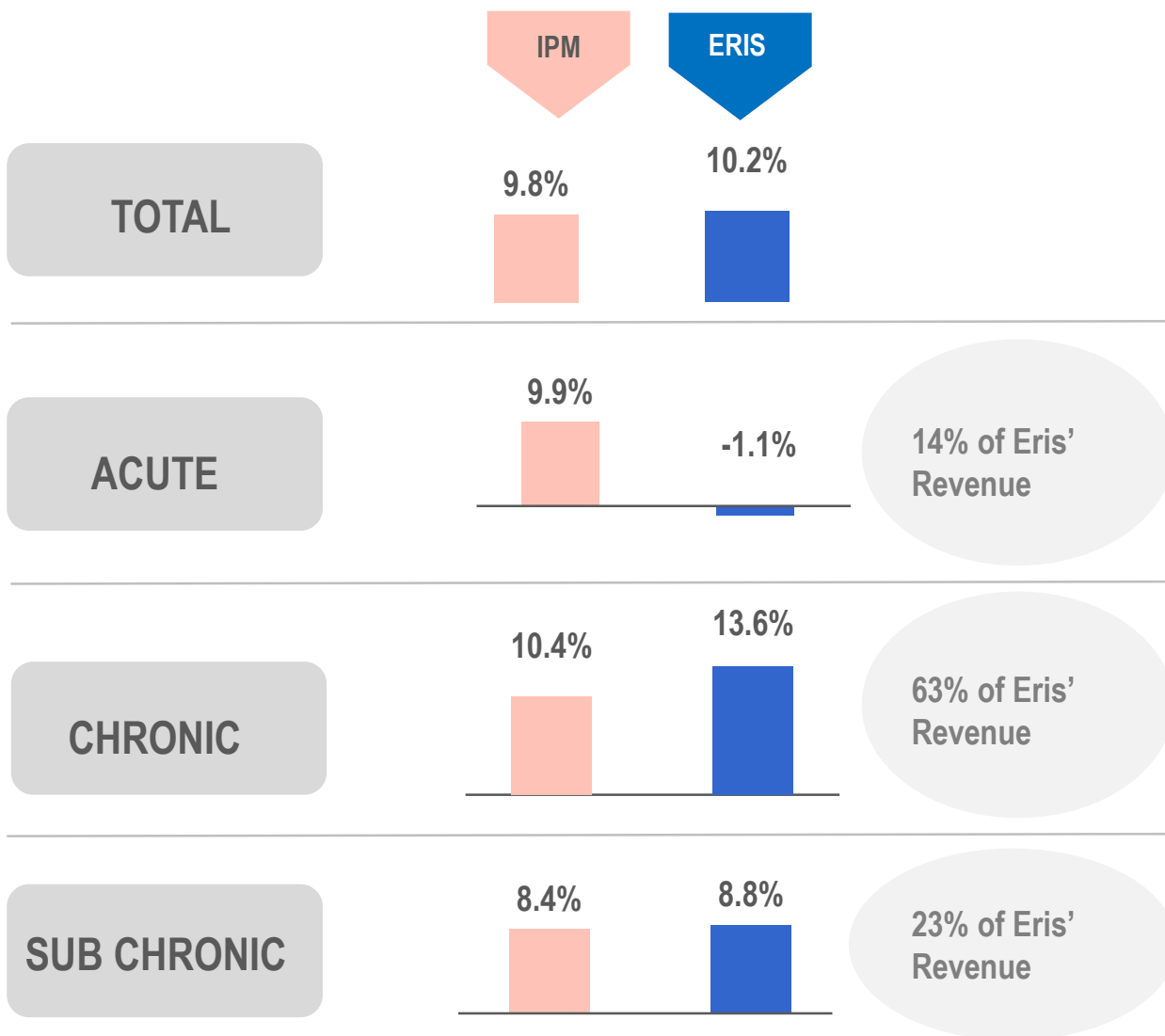
IPM's chronic therapies grew by 9.2% ...

Chronic business now divided in 3 SBUs for sharper focus on execution

... Followed by sub chronic therapies at 8.2%

Sub chronic therapies outperform on a YTD basis, Q3 20 sees a slight blip

# 9m FY 20 – SECONDARY GROWTH



IPM grew by 9.8%...

Eris's total sales grew by 10.2%

IPM's Acute therapies grew at 9.9%

To bring sharper focus on Acute Therapies, Eris creates an SBU for acute business with a new SBU Head now managing this business

IPM's chronic therapies grew by 10.4% ...

Chronic business now divided in 3 SBUs for sharper focus on execution

... Followed by sub chronic therapies at 8.4%

Sub chronic therapies outperformed slightly at 8.8%

# Q3 FY 20 - PRESCRIPTION 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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# Q3 FY 20 and 9m FY 20 – FINANCIAL HIGHLIGHTS

## Q3 FY 20 Financial Performance

**5.3 %**

yoy growth in Sales

**-17.9 %**

yoy growth in EBITDA

**-20.9 %**

yoy growth in Net Profit

- Incremental investments in growth lead to dilution of Ebitda margin from 37.1% to 28.8%
- Eris Acquires Zomelis trademark from Novartis for USD 13 million
- Buy back of shares: Eris concluded in Jan 2020 a buyback of its shares worth INR 1,000 mn
- Net Treasury as on 31 Dec 2019 = INR 1,932.6 mn

## 9m FY 20 Financial Performance

**7.7 %**

yoy growth in Sales

**3.0 %**

yoy growth in EBITDA

**1.3 %**

yoy growth in Net Profit

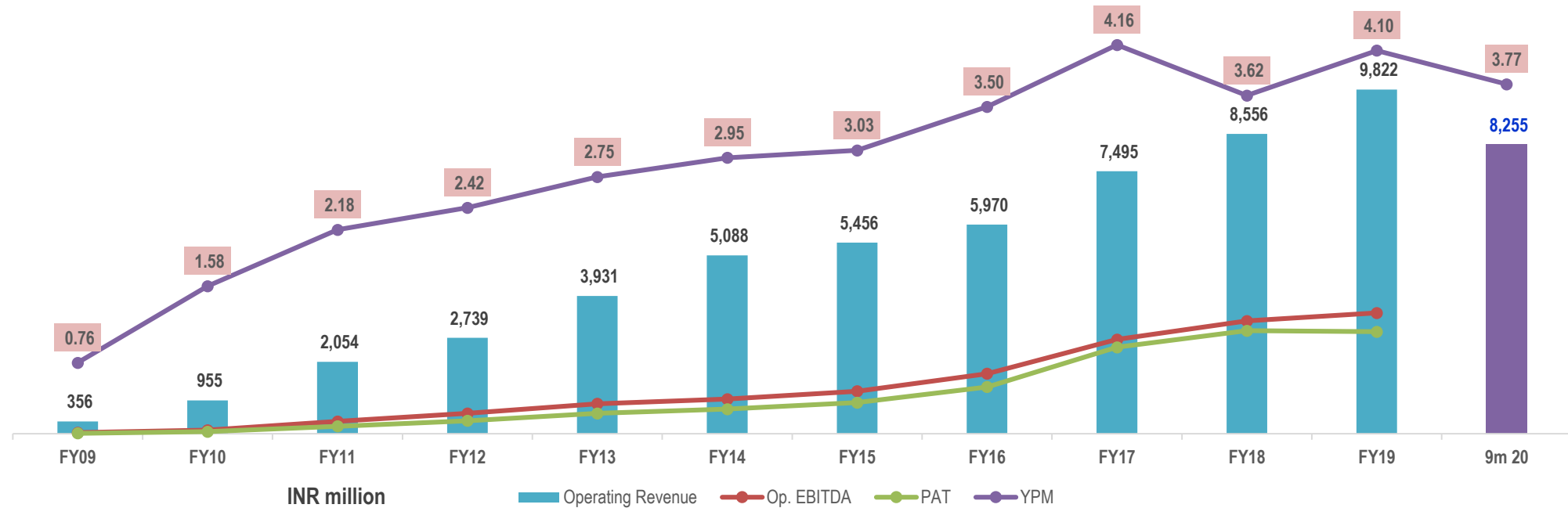
# Q3 FY 20 and 9m FY 20 – INCOME STATEMENT

Consolidated INR millions	Q3 FY 20	Q3 FY 19	Q3 FY 20 yoy GR	9m FY 20	9m FY 19	9m FY 20 yoy GR
Sale of Products	2,618	2,485	5.3%	8,141	7,561	7.7%
Other Operating Income	46	39	18.6%	114	112	1.5%
<b>Revenue from Operations</b>	<b>2,664</b>	<b>2,524</b>	<b>5.5%</b>	<b>8,255</b>	<b>7,673</b>	<b>7.6%</b>
Gross Profit	2,236	2,130	5.0%	6,911	6,485	6.6%
<b>Gross Profit Margins</b>	<b>83.9%</b>	<b>84.4%</b>		<b>83.7%</b>	<b>84.5%</b>	
Employee cost <i>as % of Revenue</i>	524 <b>19.7%</b>	475 <b>18.8%</b>	10.5%	1,501 <b>18.2%</b>	1,434 <b>18.7%</b>	4.6%
Other Expenses <i>as % of Revenue</i>	944 <b>35.4%</b>	720 <b>28.5%</b>	31.0%	2,498 <b>30.3%</b>	2,223 <b>29.0%</b>	12.4%
EBITDA	768	935	-17.9%	2,911	2,828	3.0%
<b>EBITDA margin</b>	<b>28.8%</b>	<b>37.1%</b>		<b>35.3%</b>	<b>36.8%</b>	
EBIT	641	839	-23.6%	2,552	2,576	-0.9%
<b>EBIT margin</b>	<b>24.1%</b>	<b>33.3%</b>		<b>30.9%</b>	<b>33.6%</b>	
Finance cost	4	51	-92.4%	18	185	-90.2%
Other Income	85	103	-17.7%	165	200	-17.5%
PBT	722	891	-19.0%	2,699	2,591	4.1%
<b>PBT margin</b>	<b>27.1%</b>	<b>35.3%</b>		<b>32.7%</b>	<b>33.8%</b>	
Taxes	87	89	-2.5%	296	219	35.5%
Net Profit	635	802	-20.9%	2,402	2,373	1.3%
<b>Net Profit margin</b>	<b>23.8%</b>	<b>31.8%</b>		<b>29.1%</b>	<b>30.9%</b>	

Source: Unaudited Financial Statements



# 10 YEAR FINANCIAL HIGHLIGHT



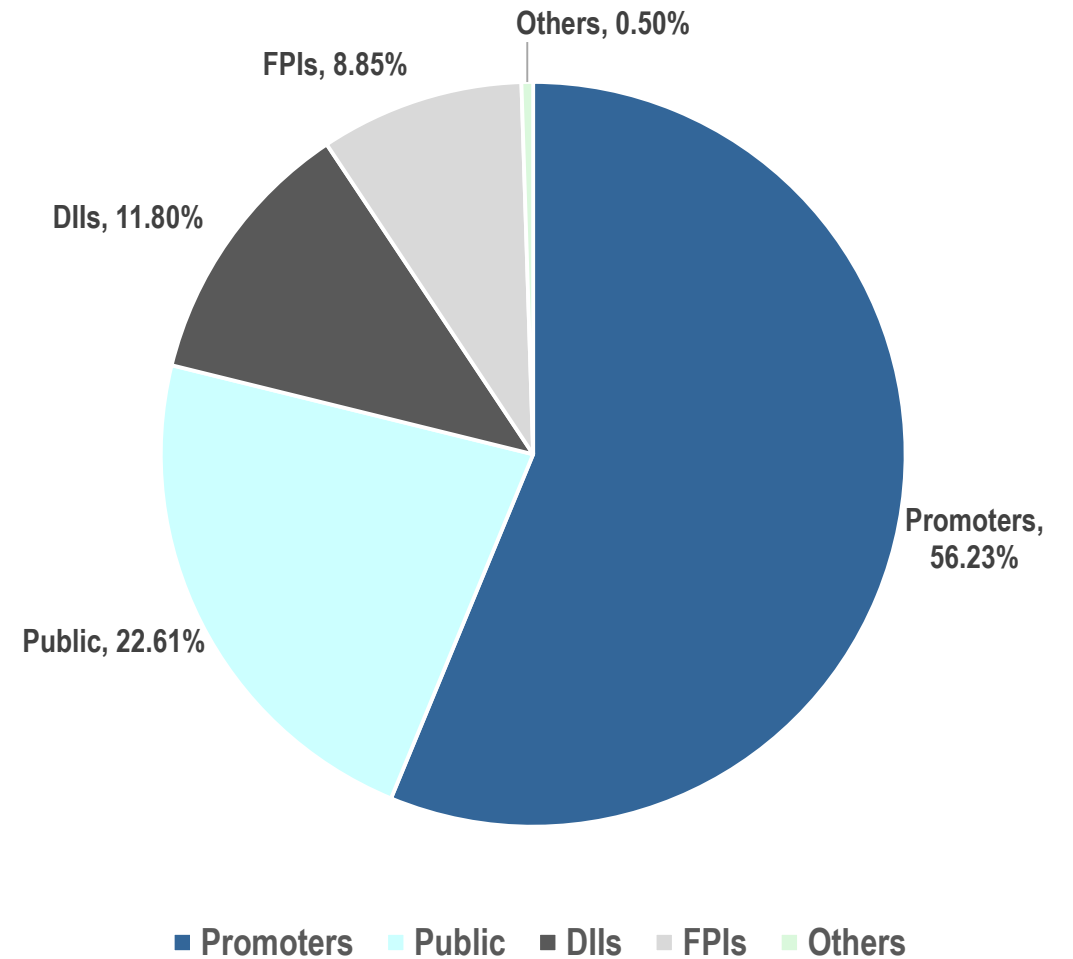
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
RoE	-86%	193%	166%	143%	106%	83%	96%	131%	94%	61%	37%
RoCE	302%	82%	123%	163%	139%	110%	128%	171%	99%	38%	39%

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 31-Dec-19	As on 30-Sep-2019	As on 30-Jun-2019
		474*	451*	509*
	<b>Promoters</b>	<b>56.23%</b>	<b>56.23%</b>	<b>56.23%</b>
1	Aditya Birla Sun Life Mutual Fund	3.78%	3.85%	3.84%
2	UTI Mutual Fund	2.84%	2.65%	1.32%
3	Emerald Investment Limited	2.60%	-	-
4	Franklin Templeton Mutual Fund	1.73%	1.31%	-
5	Fundsmith Emerging Equities Trust	1.11%	1.11%	1.11%
6	Morgan Stanley	1.04%	1.01%	0.96%
7	Abu Dhabi Investment Authority	1.01%	1.01%	1.01%
8	Tata Mutual Fund	0.93%	0.44%	0.29%
9	Kotak Mutual Fund	0.88%	0.47%	0.60%
10	Vanguard	0.82%	0.85%	0.97%
11	Motilal Oswal Mutual Fund	0.76%	3.87%	3.97%
12	Goldman Sachs	0.72%	0.76%	0.93%
13	Edelweiss Alternate Investment Fund	0.44%	0.48%	0.48%
14	L and T Mutual Fund	0.27%	0.27%	0.27%
15	New Mark Capital India Fund	0.22%	-	-



\* Closing share price as per NSE

**THANK YOU**

**ERIS LIFESCIENCES LTD**

**KRUTI RAVAL**

**INVESTOR RELATIONS**  
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