



Date: 03rd November, 2020

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 & Compliance Officer

Encl: a/a

ERIS LIFESCIENCES LTD

Q2 FY 21

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.

Q2 FY 21 – MARKET LEADING GROWTH IN CORE CARDIO-METABOLIC FRANCHISE

- Continued super-specialty focus and relentless execution leads to **9th consecutive quarter of outperforming** covered market in core Cardio metabolic and VMN segment (**≈ 80% of sales**)
- Rank **5th** in Oral Diabetes covered market – with significant market share gains
Market share = 5.7% in Sep 20 (vs 5.1% in Sep 19)
- Rank 7th in VMN covered market – with significant market share gains
Market share = 5.3% in Sep 20 (vs 4.7% in Sep 19)
- Eris continues to demonstrate strong focus on its Top 15 power brands, most of which rank among the **Top-5 brands** in their respective categories
- **Acute** therapies show **green shoots** – de-growth arrested

Q2 FY 21 – POWER BRANDS HAVE LEADING PRESENCE IN CORE THERAPIES

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

Sulfonylurea

Glimisave  **rank 4** in the **≈4,400 cr** Glimepiride and combinations market

Glimisave MV  **rank 2** in Glimeperide + Voglibose + Metformin

Cyblex **rank 5** in the **≈650 cr** Gliclazide and combinations market

Cyblex MV **rank 1** in Gliclazide + Voglibose + Metformin

DPP4 Inhibitors

Zomelis **rank 3** in the **≈1,000 cr** Vildagliptin and combinations market

Tendia  **rank 3** in the **≈1,100 cr** Tenzeligliptin and combinations market



Q2 FY 21 – POWER BRANDS 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 3	in Telmisartan + Chlorthalidone market
Eritel LN	rank 2	in Telmisartan + Cilnidipine market
Olmin	rank 4	in the ≈1,000 cr Olmesartan and combinations market
Olmin Trio	rank 2	in Olmesartan + Cilnidipine + Chlorthalidone market
Olmin CH	rank 3	in Olmesartan + Chlorthalidone market
LNBloc	rank 2	in the ≈600 cr Cilnidipine and combinations market
LNBeta	rank 1	in Nebivolol + Cilnidipine market

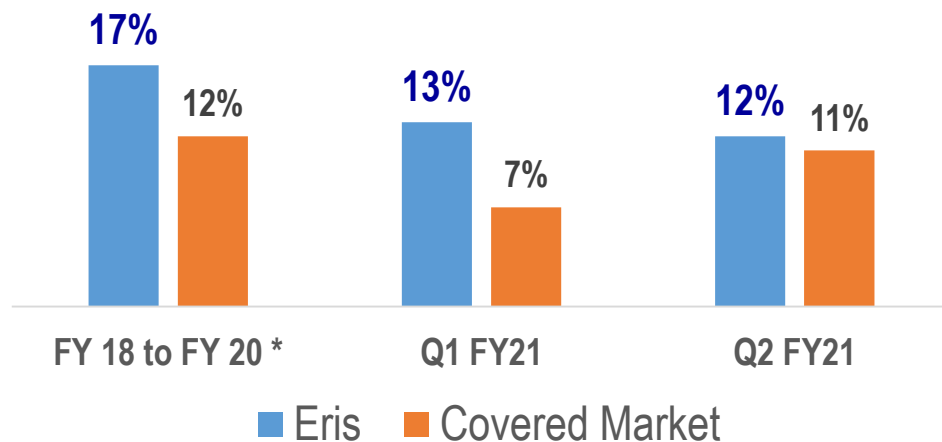
VMN: specialty focus in core molecules leads to high ranks

Renerve	↑ rank 2	in the ≈1,700 cr Methylcobalamin and combinations market
Tayo	↑ rank 5	in the ≈1,400 cr Cholecalciferol and combinations market
Ginkocer	↑ rank 1	in the ≈100 cr Ginkgo Biloba + combination market with 29% market share

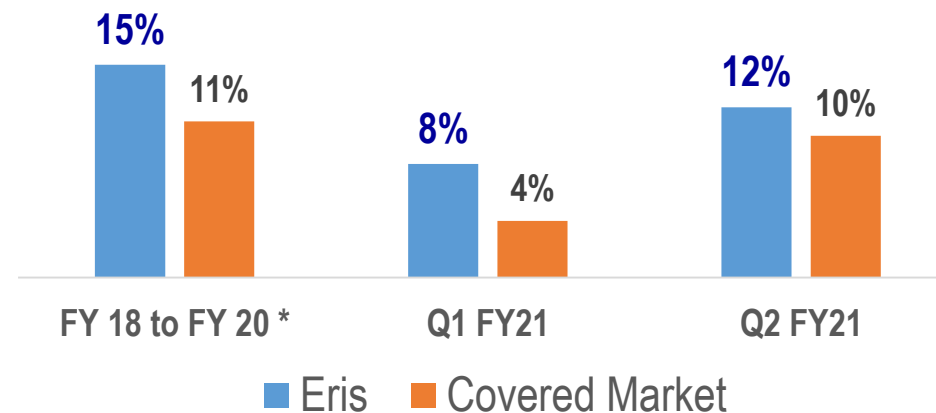


Q2 FY 21 – CONSISTENT LONG TERM DELIVERY IN CORE FRANCHISE

Growth in **Cardio Metabolic** segment
(≈ 60% of sales)



Growth in **Cardio Metabolic + VMN**
(≈ 80% of sales)



Consistent **long term outperformance** in core therapies as a result of:

- **Super specialty** focus
- Strong **power brands**
- Presence in **fast growing** molecules
- **Adaptability** and **resilience** of the business model

Q2 FY 21 – TAILWINDS FROM PRESCRIPTION TRENDS AND PATENT EXPIRATIONS

Eris's **tailwinds** for long-term **sustainable growth**:

- **Prescriber preference** seen shifting towards **established incumbent brands** during the last 6 months; this bodes well for Eris with **11 of its Top 15** mother brands being **ranked among Top-5** in their respective categories
- In line with above trend, **7 out of Eris's Top 15** mother brands **gained market share** in Q2 FY 21
- Eris's **significantly high** contribution from **chronic** and **sub chronic** therapies (**89% of total**) positions it well for long-term sustainable growth, given that increased **awareness**, higher **detection**, and improved patient **compliance** have led to **chronic** segments consistently outperforming **acute** segments
- **7** key new **product launches planned** over the next 6 months
- **Large high growth** molecules in **diabetes** and **cardiac** therapies set to go off patent in near future
- **Eris** positioned strategically **among top 10 players** in these therapies to gain significant leverage from these expirations

Q2 FY 21 – KEY FINANCIAL HIGHLIGHTS

- **Operating Revenue** growth of 15.9% yoy
- **EBITDA** growth of 13.6% yoy
- Increased in-house manufacturing at **Guwahati reduces** effective tax liability – **Tax as % of PBT = 7.0 %**
- **PAT** growth of 16.2% yoy
- High **Operating Cash Flow** generation key pillar of business model – **Ebitda conversion to OCF = 83%** for Q2 FY 21
- Significant **Free Cash Flow** generation: **INR mn 1,237** Free Cash Flow to Equity for H1 FY 21 (**INR mn 747 paid out as dividend**)

Q2 FY 21 – STANDALONE INCOME STATEMENT

Standalone INR Millions	Q2 FY 21	Q2 FY 20	Q2 FY 21 yoy GR	H1 FY 21	H1 FY 20	H1 FY 21 yoy GR
Sale of Products	2,984	2,684	11.2%	5,545	5,282	5.0%
Other Operating Income	50	45	11.5%	104	70	47.6%
Revenue from Operations	3,034	2,729	11.2%	5,649	5,352	5.5%
Gross Profit	2,496	2,277	9.6%	4,670	4,448	5.0%
Gross Profit Margin	82.3%	83.5%		82.7%	83.1%	
Employee Cost	543	468	16.2%	1,067	915	16.6%
as % of Revenue	17.9%	17.1%		18.9%	17.1%	
Other Expenses	754	738	2.1%	1,403	1,457	-3.7%
as % of Revenue	24.8%	27.0%		24.8%	27.2%	
EBITDA	1,199	1,072	11.9%	2,200	2,076	6.0%
EBITDA Margin	39.5%	39.3%		38.9%	38.8%	
EBIT	1,107	968	14.4%	2,017	1,870	7.9%
EBIT Margin	36.5%	35.5%		35.7%	34.9%	
Finance Cost	2	4	-50.6%	4	13	-66.9%
Other Income	24	49		38	76	-49.9%
PBT	1,129	1,013	11.5%	2,051	1,934	6.1%
PBT Margin	37.2%	37.1%		36.3%	36.1%	
Taxes	74	98	-24.0%	125	199	-37.3%
Net Profit	1,055	915	15.2%	1,926	1,735	11.0%
Net Profit Margin	34.8%	33.5%		34.1%	32.4%	

Key highlights of Q2 FY 21 vs Q1 FY 21 (qoq GR)

- **Operating Revenue** growth of **16.0%** vs Q1 FY 21
- **EBITDA** growth of **19.9%** vs Q1 FY 21
- **PAT** growth of **21.1%** vs Q1 FY 21

Q2 FY 21 – CONSOLIDATED INCOME STATEMENT

Consolidated INR Millions	Q2 FY 21	Q2 FY 20	Q2 FY 21 yoy GR	H1 FY 21	H1 FY 20	H1 FY21 yoy GR
Sale of Products	3,253	2,805	16.0%	6,133	5,523	11.0%
Other Operating Income	47	43	9.0%	99	67	46.5%
Revenue from Operations	3,300	2,848	15.9%	6,232	5,591	11.5%
Gross Profit	2,662	2,391	11.3%	5,018	4,675	7.3%
Gross Profit Margin	80.7%	83.9%		80.5%	83.6%	
Employee Cost	600	505	18.8%	1,171	977	19.9%
as % of Revenue	18.2%	17.7%		18.8%	17.5%	
Other Expenses	814	787	3.4%	1,559	1,555	0.3%
as % of Revenue	24.7%	27.6%		25.0%	27.8%	
EBITDA	1,248	1,098	13.6%	2,288	2,144	6.8%
EBITDA Margin	37.8%	38.6%		36.7%	38.3%	
EBIT	1,142	981	16.4%	2,079	1,911	8.8%
EBIT Margin	34.6%	34.5%		33.4%	34.2%	
Finance Cost	5	5	-11.8%	9	14	-39.6%
Other Income	21	52		34	80	-57.2%
PBT	1,158	1,028	12.7%	2,105	1,977	6.5%
PBT Margin	35.1%	36.1%		33.8%	35.4%	
Taxes	81	101	-19.4%	137	209	-34.4%
Net Profit	1,077	927	16.2%	1,967	1,768	11.3%
Net Profit Margin	32.6%	32.6%		31.6%	31.6%	

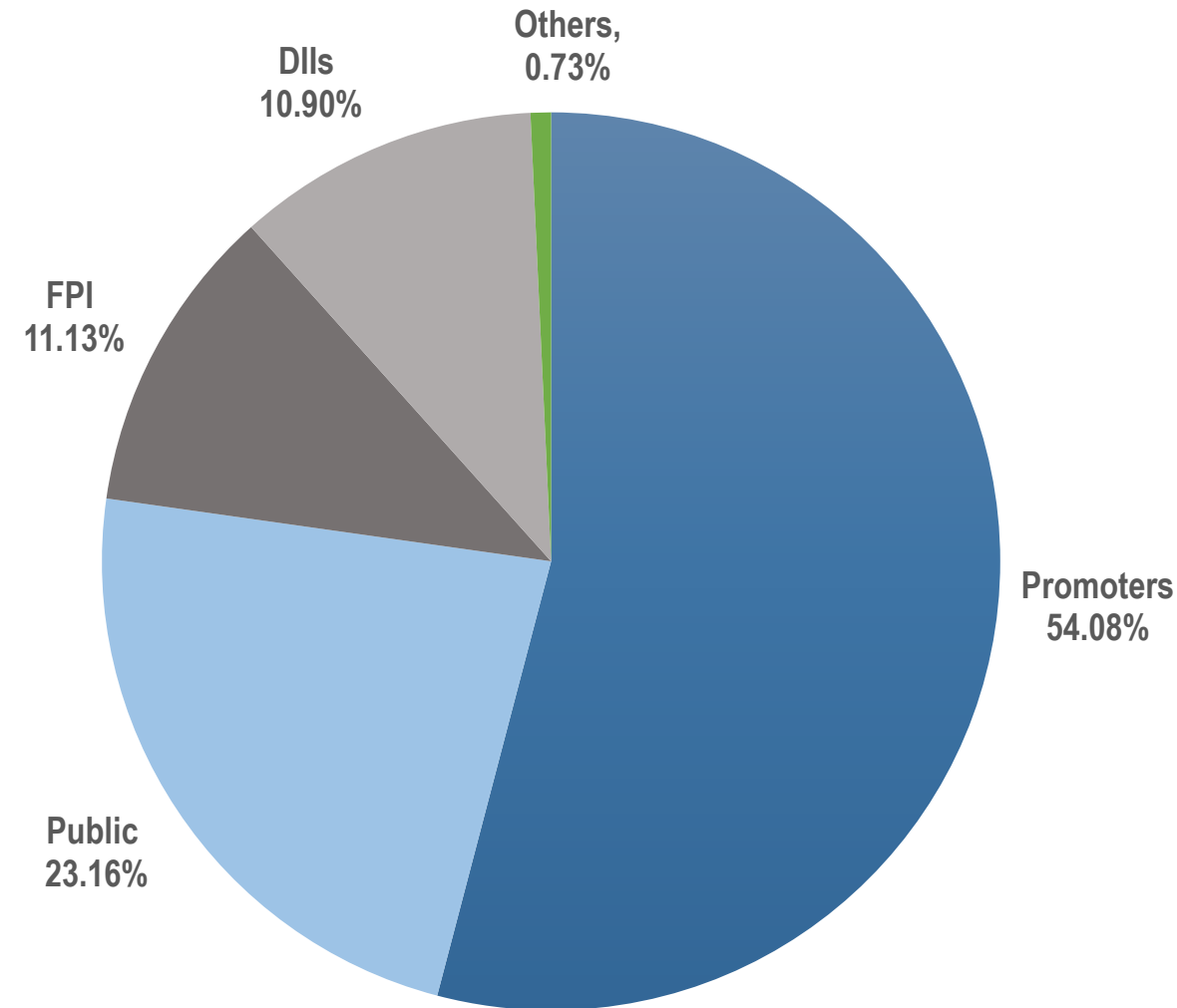
Break up of Consolidated Sale of Products INR Millions	Q2 FY 21	Q2 FY 20	Q2 FY 21 yoy GR
Eris	2,913	2,661	9.5%
Aprica	147	144	2.1%
Branded Formulation Business	3,060	2,805	9.1%
EHPL	193	-	
Consolidated Sale of Products	3,253	2,805	16.0%

* Published Standalone Sales of INR mn 2,984 include INR mn 71 (INR mn 23 for Q2 FY 20) of intercompany sales from standalone to subsidiaries.

SHAREHOLDER PROFILE

Shareholding of Promoters and Top 15 Institutional Investors

Name of Shareholder	As on	As on	As on
	30-Sep-20	30-Jun-20	31-Mar-20
	538.2*	457.3*	368.9*
Promoters	54.08%	55.55%	55.55%
1 ChrysCapital (Emerald Investment Limited)	5.51%	5.51%	5.51%
2 UTI Mutual Fund	3.34%	3.10%	3.04%
3 Aditya Birla Sun Life Mutual Fund	2.54%	3.28%	3.43%
4 Franklin Templeton Mutual Fund	1.73%	1.67%	1.83%
5 Kotak Mutual Fund	1.16%	1.08%	1.04%
6 Kuwait Investment Authority Fund	1.11%	-	-
7 Fundsmith Emerging Equities Trust	1.09%	1.09%	1.09%
8 Tata Mutual Fund	0.94%	0.94%	0.94%
9 Abu Dhabi Investment Authority	0.87%	0.87%	0.87%
10 L and T Mutual Fund	0.76%	0.76%	0.24%
11 Steinberg India Fund	0.44%	-	-
12 Morgan Stanley	0.35%	1.01%	1.01%
13 New Mark Capital India Fund	0.24%	0.24%	0.23%
14 Shinsei UTI JV	0.21%	0.20%	0.20%
15 Pioneer Investment Fund	0.19%	-	-



* Closing share price as per NSE

THANK YOU

ERIS LIFESCIENCES LTD

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INVESTOR RELATIONS
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