



EY Entrepreneur of the year-2013



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Consumer Strategy Leadership Award, India



Business today/YES bank
Excellence Awards-2013



Date: 20 October 2022

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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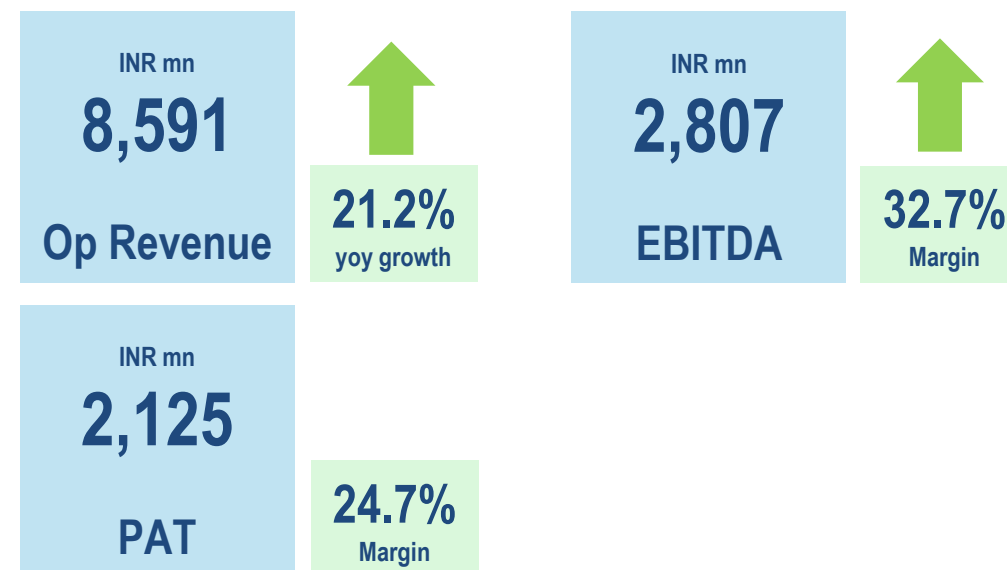
**Q2 FY 23 and H1 FY 23
INVESTOR PRESENTATION
20th October 2022**

FINANCIAL AND BUSINESS HIGHLIGHTS – Q2 FY 23 AND H1 FY 23

Q2 FY 23



H1 FY 23



- **Oaknet** growth momentum continues with Q2 Revenue **INR 68.1 cr** and EBITDA **INR 16.5 cr (24.2% margin)**; tracking to achieve Rs. 50 crore EBITDA in FY23
- **Zomelis** group sustains growth trajectory with monthly run rate **Rs. 9.3 cr** in **Sep '22** (up from Rs. **8.3 cr** in Jun '22); achieves **9X** growth in sales in **less than 3 years** from acquisition
- **Gluxit** group crosses **Rs. 5 cr** in monthly sales run rate in **Sep '22** (up from Rs. **3.9 cr.** In Jun '22)
- **Xglar** (Glargine in-licensed from Biocon) being launched in Oct 2022

OAKNET – AN EMERGING SUCCESS STORY IN VALUE CREATION THROUGH M&A

Going into the deal – May 2022

- Strategic entry for Eris into the **Dermatology** segment
- FY22 Revenue* **Rs. 195 cr.** with **10%** EBIDTA margin
- Good presence with ~ **11,000** Dermatologists with **60%** coverage
- Strong portfolio in Medical Dermatology with brands such as **Cosvate** and **Cosmelite**
- Entry **thesis** – Strong **bedrock** in Medical Dermatology with significant **upside** in Cosmetology
- Ingoing Target – **Rs. 50 cr.** EBIDTA in **FY24**

Value Creation Initiatives - May 2022 to Sep 2022

- Leveraged key levers of **Execution Excellence**
 - **Realigned** Divisional focus with specific **Product Portfolios** and **Doctor Specialties** to maximise **growth impetus** and minimize **overlap**
 - Expanded the **bandwidth** of the **senior** team
 - **Digitised** the entire field force and brought them on to **Eris' proprietary Digital Marketing platform** to enhance **productivity**
 - Expanded Dermatologist coverage from **60% to 90%** in just **3 months**
- **Kick-started** the **investment** cycle
 - Launched strategic products like **Dydrogesterone** and **FCM** injection in the **Gynae** division
 - Have lined up an interesting **Derma-Cosme pipeline** for launch starting **Oct '22**

Outlook - Oct '22

Tracking to achieve **Rs. 50 cr.** EBIDTA in **FY23** – one full year **ahead** of expectation

CLEAR VISIBILITY ON SECULAR GROWTH DRIVERS OVER THE NEXT 3 YEARS (1/2)

1

Therapeutic Segment/s

Core Segment - **Cardio Metabolic**
(53% of current revenue)

Key Growth Drivers

- Eris continues to grow well ahead of the market
 - Q2 FY23 – Eris **21.8%** growth vs. Market **14.6%**
 - Last 6 quarters – Eris **12%** growth vs. Market **5%**
- Market growth has **recovered** in Q2 FY23 after a **one-time correction** (4% growth) in the preceding 4 quarters
- Several exciting growth drivers in Eris portfolio
 - Oral anti-diabetes - **DPP4, SGLT2** (and combinations) driven by patent expirations
 - Injectable anti-diabetes - **Human Insulin, Glargine, GLP1 Agonists**, etc.
 - Patent expirations in **Heart Failure** segment

3-year Outlook

- **Market** expected to sustain “**early to mid teen**” growth rate
 - 5-6% from New Products
 - 4-5% from Price Increase
 - 3-4% from Unit Growth
- Eris will continue **growing ahead** of the market by a healthy margin

CLEAR VISIBILITY ON SECULAR GROWTH DRIVERS OVER THE NEXT 3 YEARS (2/2)

2

Therapeutic Segment/s

Emerging Therapies
(21% of current revenue)

- CNS
- Women's Health
- Dermatology

Key Growth Drivers

Eris portfolio has achieved **critical mass** (Revenue base **Rs. 420 cr.** per annum) and has been growing well ahead of the market

- **CNS**
 - Q2 FY23 – Eris **24%** growth vs. Market **16%**
 - Last 6 quarters – Eris **22.5%** growth vs. Market **13%**
- **Women's Health**
 - Q2 FY23 – Eris **38%** growth vs. Market **15%**
 - Last 6 quarters – Eris **30%** growth vs. Market **6%**
- **Dermatology** – growing ahead of market since acquisition of Oaknet in May 22; value creation levers to **demonstrate impact** starting **FY23** itself

3-year Outlook

Eris will continue **growing ahead** of the market by a **significant margin**

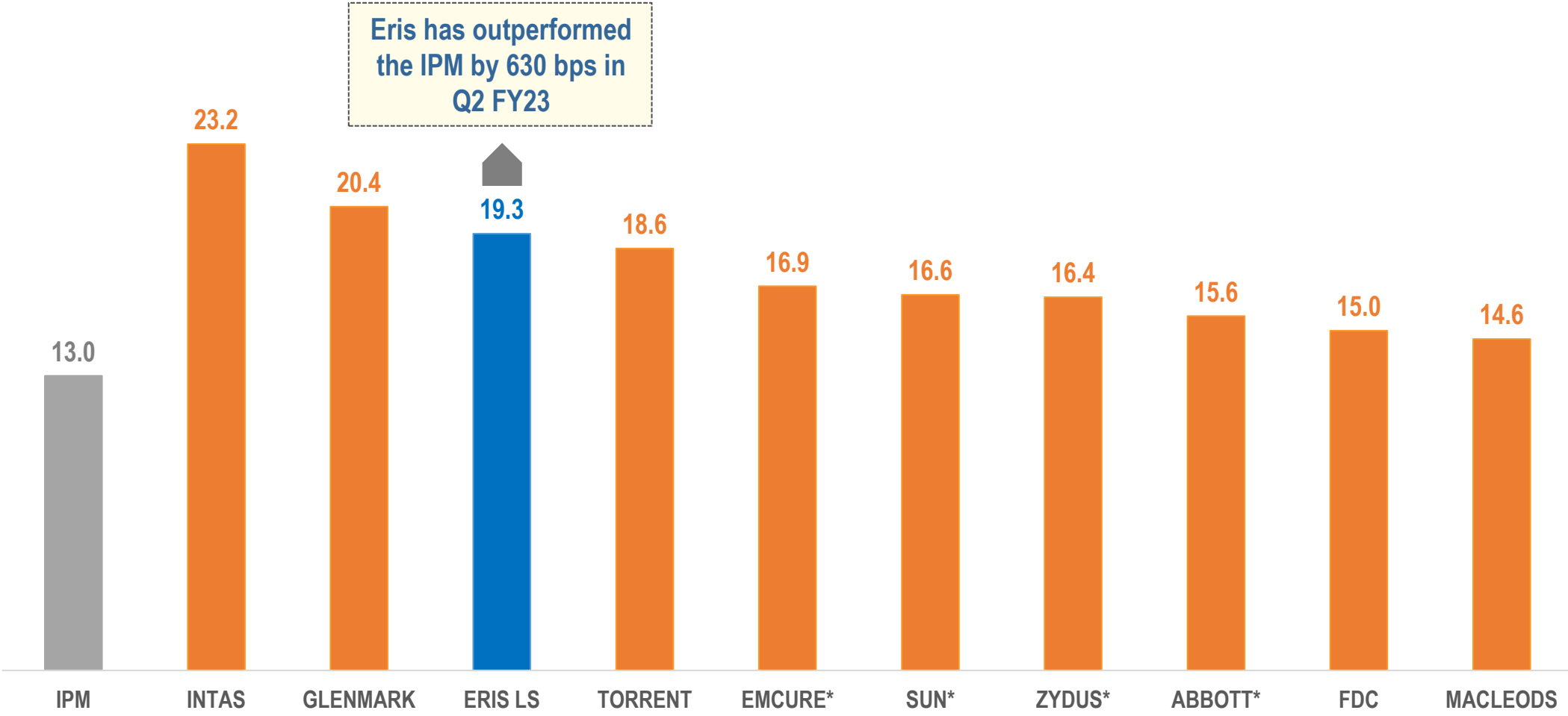
- New launches in **Dermatology** and **Cosmetology**
- **Force Multiplying** effect in our Women's Health therapy with **two** divisions having **470+ Reps** across **Eris & Oaknet**
- Expansion of **specialist coverage**
- Inorganic expansion

Q2 FY 23 AND H1 FY 23 – ENTITY WISE MARGIN PROFILE

Entity	Q2 FY 23				H1 FY 23				EBITDA Margin	
	Op Revenue	YoY Gr	EBITDA	YoY Gr	Op Revenue	YoY Gr	EBITDA	YoY Gr	H1 FY 23	H1 FY 22
Eris (Standalone)	3,554	10%	1,410	3%	6,841	9%	2,672	3%	39.1%	41.3%
Oaknet (BGx)	681	NA	165	NA	996	NA	229	NA	23.0%	NA
Aprica (BGx)	169	0%	30	-14%	327	-3%	62	3%	18.9%	17.8%
EHPL (TGx)	208	-38%	-20	-	447	-31%	-22	-	-4.9%	3.6%
Eris M J (Insulin)	31	NA	-48	NA	52	NA	-107	NA	-	NA
Eris Therapeutics Ltd.	0	NA	-5	NA	0	NA	-8	NA	NA	NA
Inter co adjustments	-39		-18		-73		-20			
Consol. Op Revenue	4,605	28%	1,514	8%	8,591	21%	2,807	5%	32.7%	37.6%

- Q2 FY23 consolidated revenue growth of **28%** (vs. 14% in Q1); **on track** to deliver projected growth of **30%** in **FY23**
- Consolidated EBITDA margin for **Q2 FY23** of **32.9%** and **H1 FY23** of **32.7%** – in line with our expectation
- Standalone EBITDA margin in **Q2 FY23** = **39.7%** vs. **38.40%** in Q1 FY23

ERIS RANKS AMONG THE TOP-10 FASTEST GROWING COMPANIES IN Q2 FY23



Eris continues to be amongst the Top-10 companies (by growth)

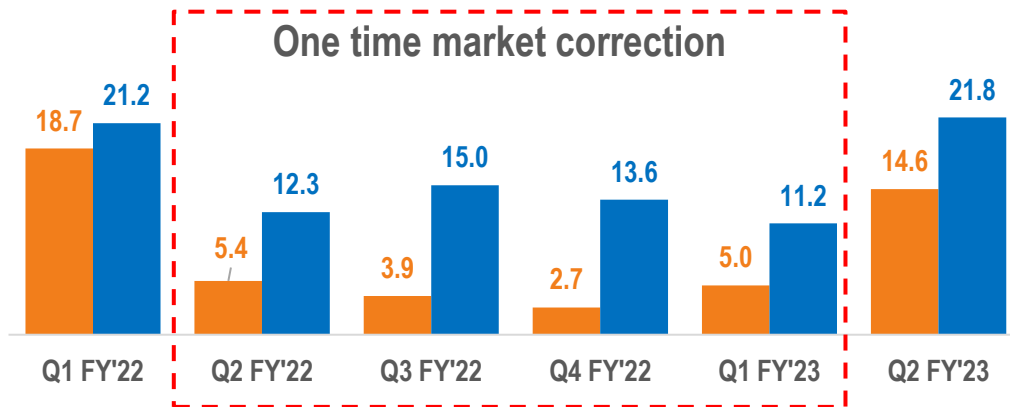
Source: AWACS Pharmatrac data for the period Jul-Sep'21 – Jul-Sep'22
Graph represents the 10 fastest growing peers on a GROWTH basis for the period Jul-Sep'21 – Jul-Sep'22 from the IPM Top-25 companies (Exc. Himalaya)

ERIS CONTINUES TO GROW AHEAD OF THE MARKET IN CARDIOMETABOLIC AND 3 EMERGING THERAPIES

Eris grew at **19.3%** in Q2 FY 23 vs. IPM growth of **13.0%**;
Outperformed IPM in all 6 core therapies - Cardio-Metabolic, VMN, CNS, Derma & Women's Health

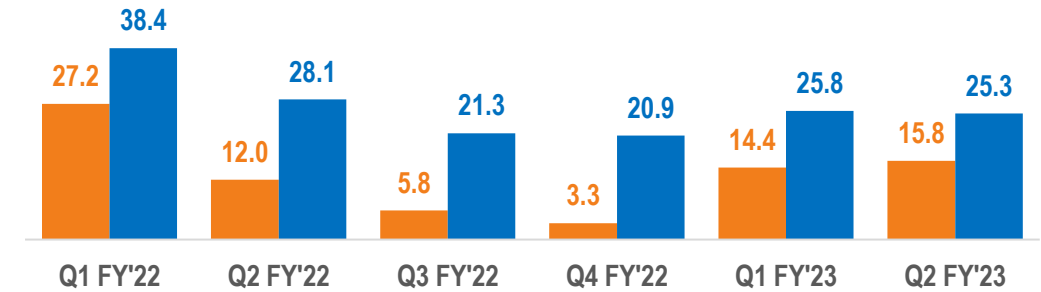
IPM Eris

Cardio-Metabolic : 53% of Eris



- **Cardio-metabolic** segment - Eris outperforms IPM in 16 out of last 17 quarters by a healthy margin
- **Cardiometabolic** market sustains growth momentum in Q2 FY23 (14.6% growth) after a one-time correction (4% growth) during the preceding 4 quarters

Emerging Specialties: 21% (Derma, CNS, Women's Health)

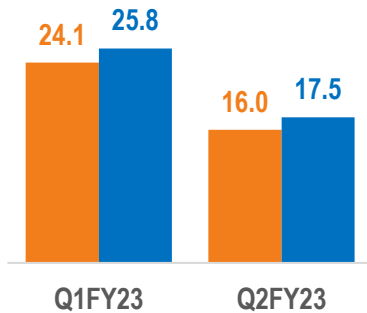


- Eris has achieved a **critical mass** of combined revenue of **INR 420 crore p.a.**
- Growing significantly ahead of the market
 - Q2 FY23 – Eris **25.3%** vs. Market **15.8%**
 - Last 6 quarters – Eris **25%** vs. Market **14%**

THREE EMERGING THERAPIES (21% OF REVENUE) GREW AT 25.3% IN Q2 FY23

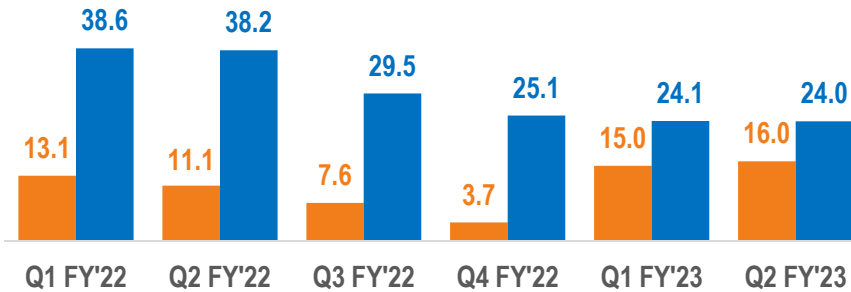
IPM Eris

Derma: 8% of Eris



Derma – Building strong traction post the acquisition of Oaknet in May 2022

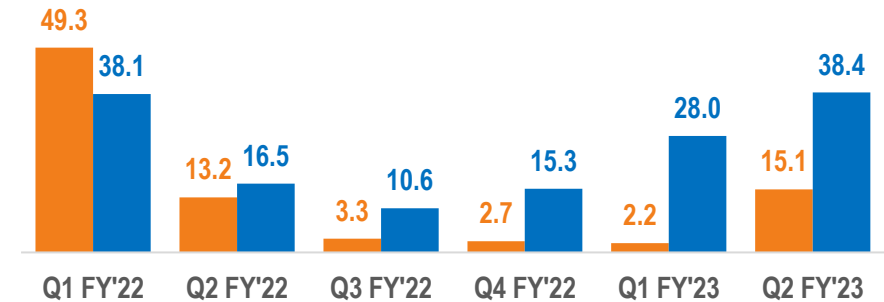
CNS : 7% of Eris



CNS segment – Eris outperforms IPM by a significant margin for 6 consecutive quarters

- Q2 FY23 – Eris 24% growth vs. Market 16%
- Last 6 qtrs – Eris 22.5% growth vs. Market 13%

Women's Health : 6% of Eris

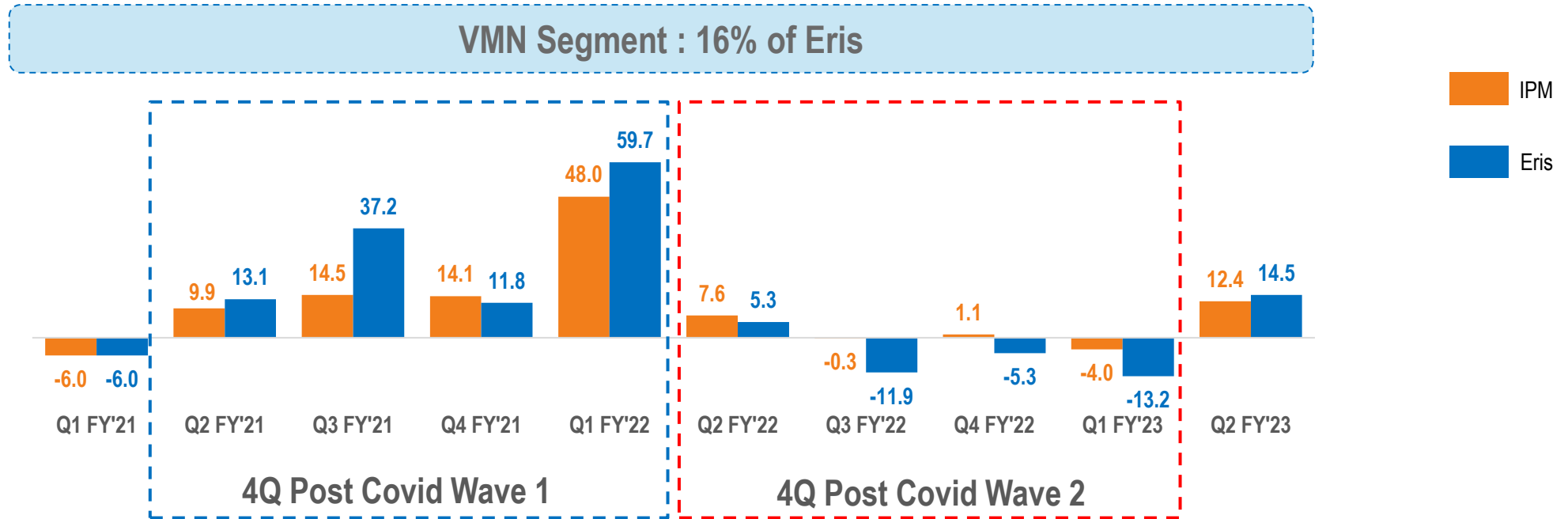


Women's Health segment – Eris outperforms IPM for 5 consecutive quarters

- Q2 FY23 – Eris 38% growth vs. Market 15%
- Last 6 qtrs – Eris 30% growth vs. Market 6%

Strong momentum on therapy diversification with 3 emerging therapies (Dermatology, CNS & Women's Health) collectively accounting for 21% of Branded Formulations revenue and growing significantly ahead of the market

VMN MARKET HAS BOUNCED BACK IN Q2; ERIS GROWS 210 BPS AHEAD OF MARKET



- **VMN** segment in Q2 - **Eris 14.5%** growth vs. **Market 12.4%**
- **VMN Market** seems to be **recovering** from **extreme volatility** post the Covid pademic
 - **High average** growth of **22%** seen during Q2 FY21 to Q1 FY22 (4 quarters post Covid Wave 1), and
 - **Low average** growth of **1%** (on the high base) seen from Q2 FY22 to Q1 FY23 (4 quarters post Covid Wave 2)

ERIS MAINTAINS HIGH PRESCRIPTION RANKING AMONG DOCTOR SPECIALTIES

Eris Prescription Ranking* among Doctor Specialties



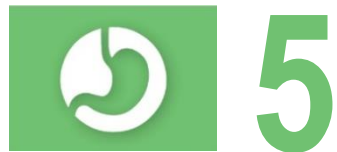
DIABETOLOGISTS #



CARDIOLOGISTS



NEUROLOGISTS



GASTROENTEROLOGISTS



**CONSULTING
PHYSICIANS**



DERMATOLOGISTS

POWER BRANDS CONTINUE TO HAVE LEADING PRESENCE IN CORE THERAPIES (1/3)

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

Sulfonylurea

GlimiSave rank 6 in the ≈**5,000 cr** Glimepiride and combinations market

Glimisave MV rank 2 in Glimepiride + Voglibose + Metformin

Cyblex rank 4 in the ≈**750 cr** Gliclazide and combinations market

Cyblex MV rank 1 in Gliclazide + Voglibose + Metformin

DPP4 Inhibitors

Zomelis rank 1 among Gx and rank 3 incl. innovator brands in the ≈**1,500 cr** Vildagliptin and combinations market

Tendia rank 2 in the ≈**1,100 cr** Teneeligliptin and combinations market

Glura Our newly launched brand in Sitagliptin market

SGLT 2 Inhibitors

Gluxit rank 2 among Gx brands and rank 4 including innovator brands in the Dapagliflozin market

POWER BRANDS CONTINUE TO HAVE LEADING PRESENCE IN CORE THERAPIES (2/3)

Strong presence in Anti-Hypertensives: the largest segment of Cardiac

Eritel	rank 5	in the $\approx 4,000$ cr Telmisartan and combinations market
Eritel CH	rank 5	in Telmisartan + Chlorthalidone market
Eritel LN	rank 2	in Telmisartan + Cilnidipine market
Olmin	rank 4	in the ≈ 800 cr Olmesartan and combinations market
Olmin Trio	rank 2	in Olmesartan + Cilnidipine + Chlorthalidone market
Olmin CH	rank 2	in Olmesartan + Chlorthalidone market
LN BLOC	rank 2	in the ≈ 700 cr Cilnidipine and combinations market
LN Beta	rank 1	in Nebivolol + Cilnidipine market

VMN: Specialty focus in core molecules

ReNerve	rank 2	in the $\approx 2,500$ cr Methylcobalamin and combinations market
Tayo	rank 7	in the $\approx 1,900$ cr Cholecalciferol and combinations market
GINKOCER	rank 1	in the ≈ 100 cr Ginkgo Biloba + combination market with 37% market share

POWER BRANDS CONTINUE TO HAVE LEADING PRESENCE IN CORE THERAPIES (3/3)

Leading brands in Medical Dermatology

Cosvate	rank 1	in the ≈500 cr Clobetasol and combinations market 16% market share
Cosvate-GM	rank 1	Clobetasol + Gentamicin + Miconazole market
Cosmelite	rank 3	in Melasma Therapy

Emerging presence in CNS

Serlift	rank 3	in the Sertraline market with 16% market share
DESVAL	rank 4	in the Divalproex market

Strategic Launches in Women's Healthcare

Metital	rank 4	in the Rs. 300+ crore Myo-inositol and combinations market 8% market share
Drólute		Our newly launched brand in the Rs. 750+ crore Dydrogesterone market
Raricap[®]FCM		Our newly launched brand in Ferric Carboxymaltose market

Q2 FY 23 AND H1 FY 23 - STANDALONE INCOME STATEMENT

Standalone INR Millions	Q2 FY 23	Q2 FY 22	Q2 FY 23 yoy Gr %	H1 FY 23	H1 FY 22	H1 FY 23 yoy Gr %
Sale of Products	3,500	3,161	10.7%	6,720	6,164	9.0%
Other Operating Income	54	66	-17.8%	121	125	-3.2%
Revenue from Operations	3,554	3,227	10.1%	6,841	6,290	8.8%
Gross Profit	2,850	2,717	4.9%	5,545	5,315	4.3%
Gross Profit Margin	80.2%	84.2%		81.1%	84.5%	
Employee Cost as % of Revenue	692 19.5%	557 17.3%	24.2%	1,301 19.0%	1,130 18.0%	15.1%
Other Expenses as % of Revenue	748 21.0%	790 24.5%	-5.3%	1,571 23.0%	1,589 25.3%	-1.1%
EBITDA	1,410	1,370	2.9%	2,672	2,596	2.9%
EBITDA Margin	39.7%	42.5%		39.1%	41.3%	
Depreciation	159	116	36.9%	309	228	35.1%
Finance Cost	75	8	852.4%	147	12	1077.9%
Other Income	62	77	-19.6%	95	141	-32.5%
PBT	1,238	1,323	-6.4%	2,312	2,496	-7.4%
PBT Margin	34.8%	41.0%		33.8%	39.7%	
Taxes	86	126	-31.6%	204	232	-12.0%
Net Profit	1,152	1,197	-3.8%	2,108	2,264	-6.9%
Net Profit Margin	32.4%	37.1%		30.8%	36.0%	

- Q2 FY23 standalone operating revenue of Rs. 355 crore, which represents a growth of 10% yoy
- H1 FY23 standalone operating revenue grew by 9% to Rs. 684 crore
- Q2 standalone gross margin of 80.2% vs. 82% in Q1 FY23, down by 180 bps due a higher incidence of new products in Q2. Impact of industry-wide raw material cost escalation continues to remain minimal
- With the addition of ~ 200 MRs since the start of the year, our standalone YPM was Rs. 5.3 lakh in Q2 FY23, up from Rs. 5 lakh in Q1 FY23.
- Q2 Standalone EBITDA of Rs. 141 crore - 39.7% margin versus 38.4% in Q1 of FY23
- Q2 standalone Net Profit of Rs. 115 crore, which represents a margin of 32.4% and includes Oaknet related impact on Treasury Income & Finance Cost

Q2 FY 23 AND H1 FY 23 - CONSOLIDATED INCOME STATEMENT

Consolidated INR Millions	Q2 FY 23	Q2 FY 22	Q2 FY 23 yoy Gr %	H1 FY 23	H1 FY 22	H1 FY 23 yoy Gr %
Sale of Products	4,553	3,533	28.9%	8,474	6,970	21.6%
Other Operating Income	52	63	-18.2%	117	119	-2.0%
Revenue from Operations	4,605	3,597	28.0%	8,591	7,089	21.2%
Gross Profit	3,548	2,933	21.0%	6,683	5,737	16.5%
Gross Profit Margin	77.0%	81.5%		77.8%	80.9%	
Employee Cost as % of Revenue	952 20.7%	626 17.4%	52.1%	1,733 20.2%	1,272 17.9%	36.3%
Other Expenses as % of Revenue	1,082 23.5%	909 25.3%	19.1%	2,143 24.9%	1,801 25.4%	19.0%
EBITDA	1,514	1,398	8.3%	2,807	2,663	5.4%
EBITDA Margin	32.9%	38.9%		32.7%	37.6%	
Depreciation	286	150	91.3%	521	295	76.7%
Finance Cost	71	11	563.2%	143	18	675.0%
Other Income	52	70	-25.9%	79	129	-38.4%
PBT	1,209	1,308	-7.5%	2,222	2,479	-10.4%
PBT Margin	26.3%	36.4%		25.9%	35.0%	
Taxes	16	124	-87.4%	98	228	-57.3%
Net Profit	1,194	1,184	0.8%	2,125	2,251	-5.6%
Net Profit Margin	25.9%	32.9%		24.7%	31.7%	

- Q2 consolidated operating revenue Rs. 461 cr, which represents a growth of 28% YoY.
- H1 consolidated operating revenue grew by 21% to Rs. 859 crore
- Oaknet strengthens growth momentum:
 - Q2 Revenue INR 68.1 cr
 - Q2 EBIDTA INR 16.5 cr (24.2% margin)
 - Tracking to Rs. 50 crore EBIDTA in FY23 – one full year ahead of expectation
- Consolidated Q2 EBIDTA Rs. 151 cr. (32.9% margin) and H1 EBIDTA Rs. 281 cr (32.7% margin) – in line with our expectation
- Consolidated Q2 PAT Rs. 119 cr (26% margin) and H1 PAT Rs. 212 cr (25% margin) - inclusive of all Oaknet-related impact on Depreciation, Treasury Income & Finance Cost

ERIS CONTINUES TO EXECUTE SUCCESSFULLY ON GROWTH DRIVERS (1/2)

1

Expansion of power-brands' franchise

- Our business model of building **strong and sustainable brands** enables us to consistently **outperform the market**
 - Eris delivered a growth of **19%** in **Q2 FY23** vs. a market growth of **13%**
 - Eris delivered a growth of **8%** in **Q1 FY23** vs. a market growth of **2%**
- Core Specialties have been growing **significantly ahead** of the market in **H1 FY23**
 - **Cardiometabolic** therapy – Eris **16.4%** growth vs. Market **9.6%** - a **680 bps** lead
 - **3 Emerging** Specialties – Eris **25.5%** growth vs. Market **15.1%** - a **1040 bps** lead

2

New product pipeline

- We have an exciting **pipeline of patent expiration** opportunities coming up in the **cardio-metabolic segment** over the next 3 years which we are well positioned to leverage
- We will expand our **injectable anti-diabetes** franchise consisting of **Xsulin** (Human Insulin), **Xglar** (Glargine) and **GLP1** Agonists through our Eris MJ subsidiary having a 200-strong field-force
- New product launches in **Medical Dermatology** and **Cosmetology** through the Oaknet platform; expansion of our product range in **CNS** and **Women's Health** therapies
- We have planned **15+** new product launches for FY 23 including **5-6** significant launches, of which **4** significant launches (**Zomelis D, Glura, Gluxit S & FCM Injection**) have been made in **H1** FY23

ERIS CONTINUES TO EXECUTE SUCCESSFULLY ON GROWTH DRIVERS (2/2)

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 have added ~ **200 Reps** to the Eris field-force since the start of the year

4

Therapeutic Diversification

- Strong momentum on therapy diversification with **3 emerging therapies (Derma, CNS & Women's Health)** accounting for **21%** of Branded Formulations revenue and growing at **25% p.a.** over the last **6 quarters** (vs. the market growth of **14%**)
- We will continue to invest in these therapies for **organic** as well as **inorganic** growth

5

Inorganic opportunities

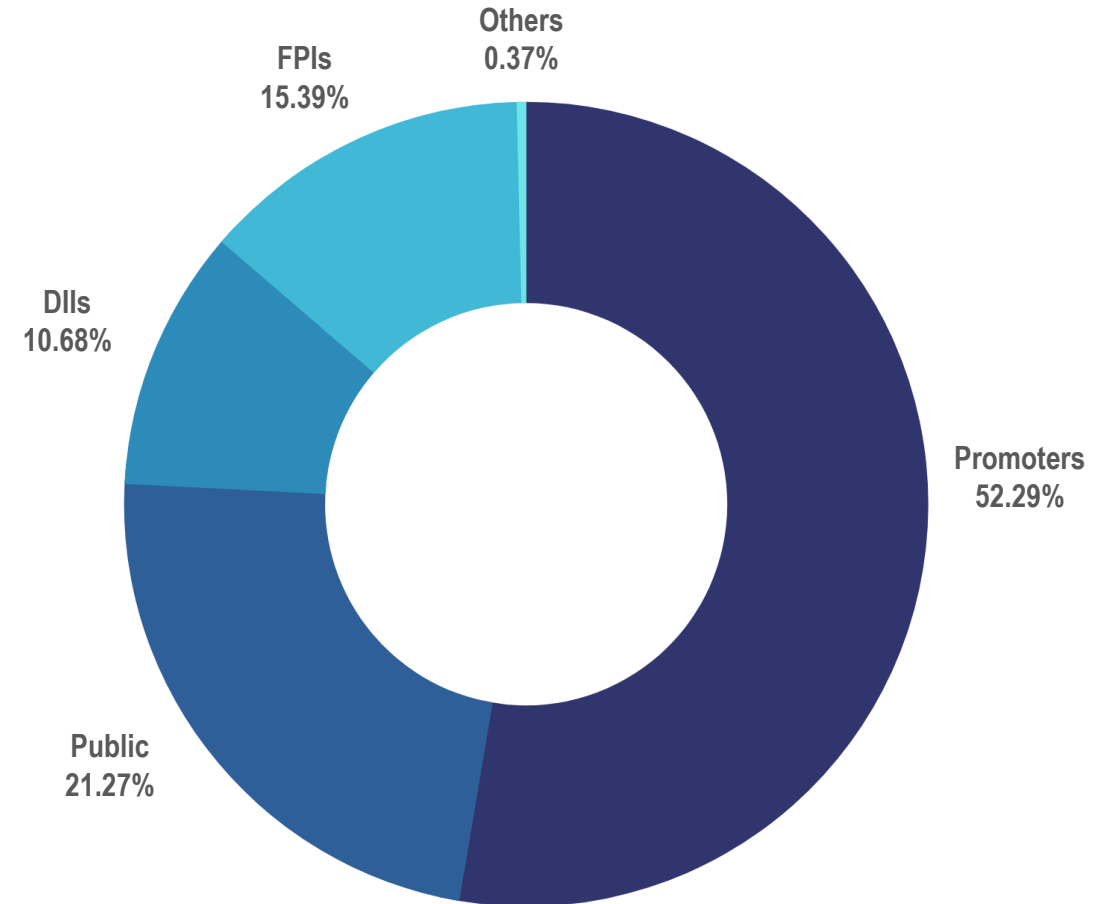
- Our acquisition of the **Zomelis** brand has created **significant value** with **Sales** having scaled up **Nine-fold (9x) in less than 3 years** from acquisition
- **Oaknet**, our acquisition in May 2022, is **emerging** as a clear **success story** in value creation; is tracking to achieve **Rs. 50 cr. EBIDTA in FY23 – one full year ahead** of our expectation
- We will continue to look for such **high-return inorganic opportunities** to complement our organic growth initiatives

FY 23 guidance – Revenue growth of 30% and EBIDTA growth of 16-17% including Oaknet

SHAREHOLDER PROFILE

Shareholding of Promoters and Top 15 Institutional Investors

Name of Shareholder		As on 30-Sep-22	As on 30-Jun-22	As on 31-Mar-22
		711*	667*	689*
Promoters		52.29%	52.30%	52.66%
1	Chrys Capital (Emerald Investment Limited)	7.58%	7.58%	5.50%
2	UTI Mutual Fund	5.92%	5.78%	5.53%
3	Vanguard	1.71%	1.66%	1.72%
4	Aditya Birla Sun Life Mutual Fund	1.69%	1.73%	1.73%
5	Franklin Templeton Mutual Fund	1.31%	1.35%	1.35%
6	Kotak Mutual Fund	1.15%	1.15%	1.15%
7	L and T Mutual Fund	0.88%	0.88%	0.88%
8	Kuwait Investment Authority Fund	0.75%	0.86%	0.86%
9	Fundsmith Emerging Equities Trust	0.58%	0.58%	0.58%
10	Steinberg India Fund	0.54%	0.54%	0.54%
11	Government Pension Fund Global - Norges Bank	0.52%	0.52%	0.52%
12	Malabar Select Fund	0.42%	0.45%	0.45%
13	Tata Mutual Fund	0.38%	0.38%	0.38%
14	Ellipsis Partners LLC	0.36%	0.36%	0.36%
15	Shinsei UTI JV	0.29%	0.31%	0.30%



*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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