



EY Entrepreneur of the year-2013



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Excellence Awards-2013



Date: 25 October 2024

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

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**Q2 FY 25 and H1 FY 25
INVESTOR PRESENTATION
25th Oct 2024**

DOMESTIC BRANDED FORMULATIONS - BUILDING ON Q1 TRAJECTORY

Headline Financials

Op Revenue (INR Cr)	Q1 FY 25	Q2 FY 25	H1 FY 25
Base Business	501	510	1,011
<i>Ebitda margin</i>	39%	41%	40%
Biocon Business	131	134	265
<i>Ebitda margin</i>	23%	25%	24%
Total DBF	632	644	1,276
<i>Ebitda margin</i>	36%	37%	36%

On track to deliver FY 25 Guidance

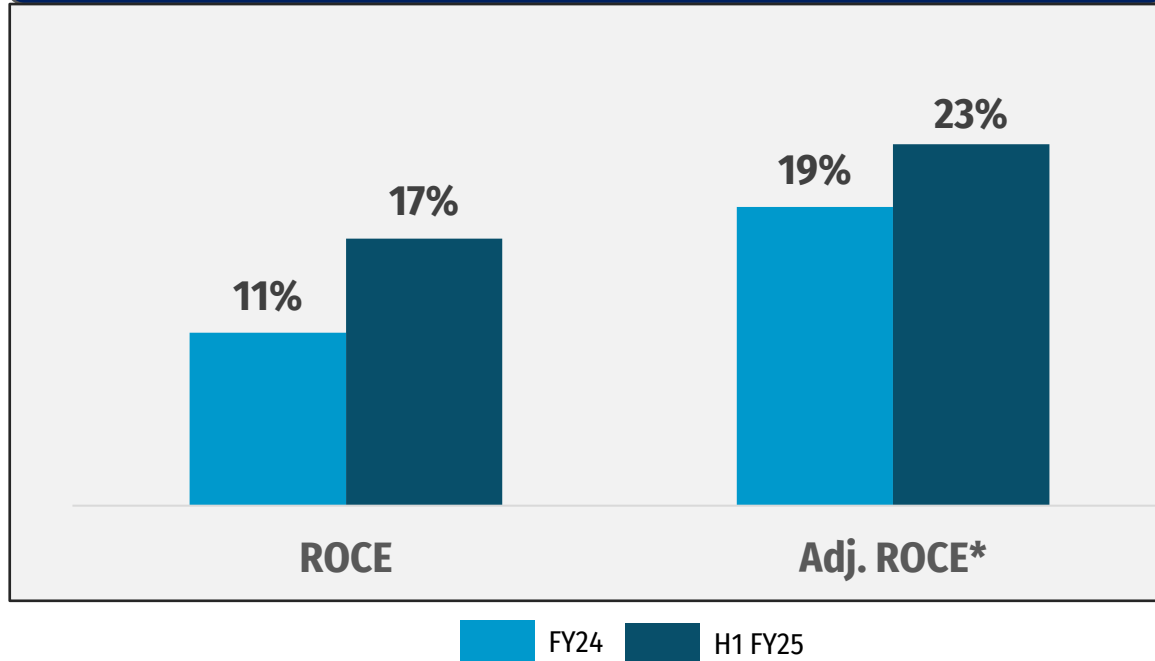
- **DBF Revenue INR 2,600 cr**
- **DBF EBIDTA Margin 36%**

DBF Business Highlights

- **Base** business tracking at **9-10% growth for FY25** based on H1 actuals (excluding new product pipeline)
- Base Business - Q2 Gross Margin **up by 359 bps YoY**; Q2 EBIDTA margin **up by 374 bps YoY**
- **H2 FY25** will be “**new-launch heavy**” with **several ‘first-in-market’** approvals in hand; in comparison, most new product launches in FY24 were concentrated in H1
- ‘**ERLY**’ – Eris’ **Liraglutide** (GLP-1) brand launched in Sep ’24
- **DBF Biocon/ Biologics Business**
 - **Supply shortages** across segments; expected to continue through to the end of FY25
 - **Bhopal** plant – Commencing production of RHI vials from **Nov ’24**; gross margin benefits to accrue starting **Q4-FY25/Q1-FY26**



Return On Capital Employed (ROCE)



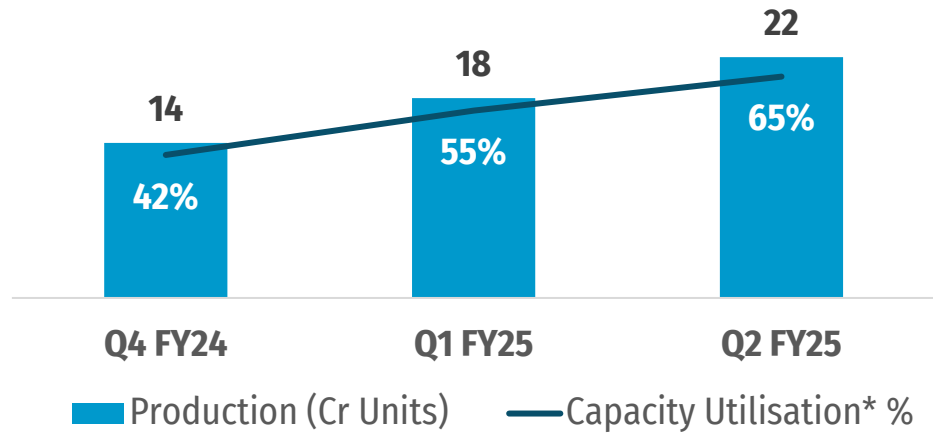
- Adjusted ROCE excludes the impact of M&A related Amortisation in both periods
- For FY24, Adjusted EBIDTA is based on full-year proforma EBIT of FY24 acquisitions

- **ROCE – increase of 600 bps** (annualized) from FY24 to H1 FY25
- **Adjusted ROCE – increase of 400 bps** (annualized) from FY24 to H1 FY25
- Operating Cashflow **OCF to EBIDTA – 119%** in Q2-FY25 and **94%** in H1-FY25
- **Net Debt ~ Rs. 2,500 cr - ahead of schedule** vs. year-end stated target of **Rs. 2,600 cr**

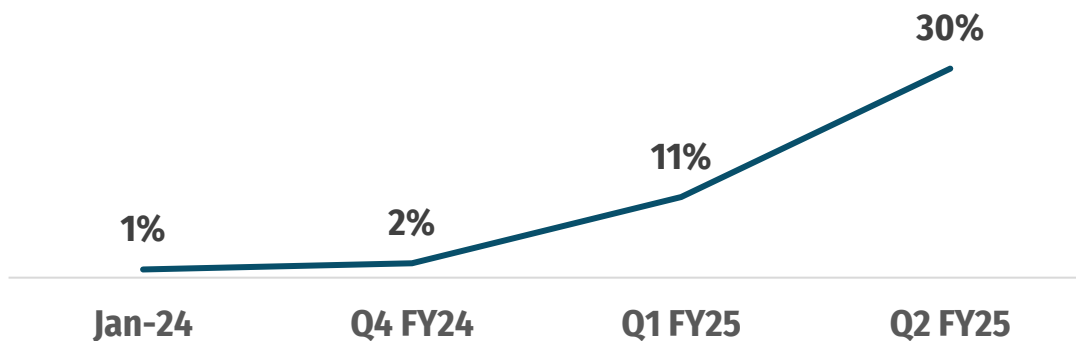
STRONG EXECUTION ON MANUFACTURING DRIVING DBF GROSS MARGIN IMPROVEMENT



(1) Ramp-up of Eris AMD Site Operations



(2) Derma in-house production as a % of Total



- Manufacturing at Eris AMD site ramping up in line with our guidance
- **Gross Margin benefits** starting to accrue
 - Base business – from **83%** in Q4-FY24 to **86%** in Q2-FY25
 - Derma business – from **76%** in Q4-FY24 to **79%** in Q2-FY25
- Additional fiscal benefits under **Sec 115BAB**

- **Q2 DBF Base business - Gross Margin up 359 bps YoY**
- **Bhopal site to start delivering gross margin benefits in Insulin Vials starting Q4 FY25/ Q1 FY26**

* Capacity Utilisation on a single shift basis

- Significant **Scale benefits in Diabetes** operations
 - Pre-Biocon – INR ~ **600 cr** OHA business with **900+** MRs across **4** divisions – YPM INR **5.4 lakh**
 - Post-Biocon – INR ~ **1,000+ cr** Diabetes business with **1,200 MRs** across **5** divisions – YPM INR **7.1 lakh**
 - Insulin business deriving significant **tailwind** from **Eris' credibility** with the Specialist segment, which has been built over the last **15+ years**
 - Also witnessing a **Multiplier effect** resulting from **OHA** and **Injectable** business teams **complementing each other** in terms of market presence and hence recall
- Overall DBF – Better absorption of Fixed Costs across **21 divisions** – we had **15 divisions** prior to Biocon acquisition

**Q2 Fixed Cost
(as a % of
Revenue) in Total
DBF business has
reduced by 509
bps YoY**

R&D INVESTMENT YIELDING RESULTS - OUR "FIRST IN MARKET" PIPELINE



Candidates/ Therapy	Development Status	Commercialisation
1 FDC in Cardiovascular Disease	Approved by DCGI	FY25
4 FDCs in Diabetes Disease [§]	Approved by DCGI	FY25
1 FDC in Diabetes Disease	Clinical Trials	FY25
1 FDC CKD related complication	Clinical Trials	FY25
1 New Drug* in Oncology	Clinical Trials	FY25
2 FDCs in Gastro-intestinal	Clinical Trials	FY25
1 FDC in Gastro-intestinal	Development	FY26
1 FDC in Cardiovascular (Big-4) [#]	BE & CT Waiver	FY25
1 New Drug* in Cardiovascular	Clinical Trials	FY26
4 New Drugs* in Gastro-intestinal 2 New Drugs* in Neurology 1 New Drug* in Ortho 1 New Drug* in Pain	Development	FY25

FY 24 launches

- Gliclazide-Dapagliflozin
- Gliclazide-Sitagliptin

Approved for launch

1. Dapa-Metoprolol
2. Dapa-Bisoprolol
3. Dapa-Pioglitazone

Pending approval

1. Gliclazide-Dapa-Metformin
2. "Big-4"

- * These drugs are commercially approved in the US; we are developing these for the Indian market
- § 2 FDCs in Diabetes Disease are in the final approval Stage
- # Combi-Kit of Dapa+Sacu/Val+Biso is in the final approval stage

Business Integration

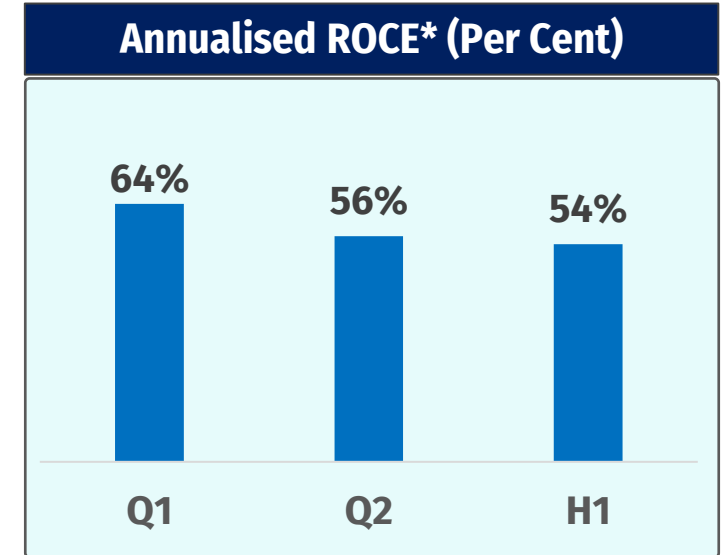
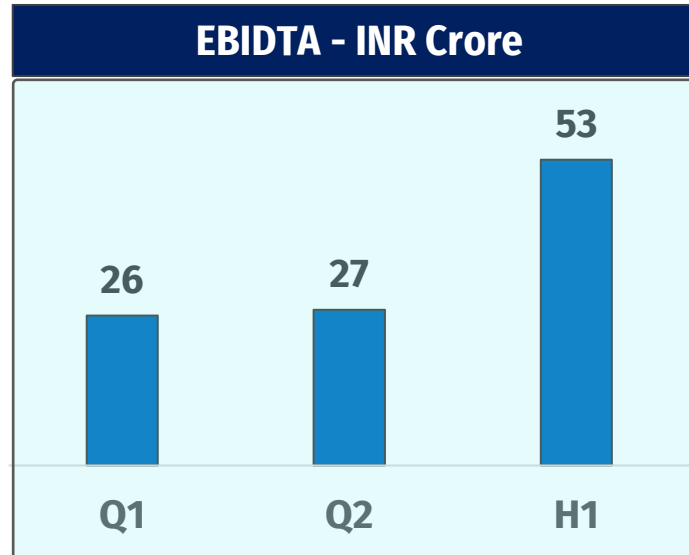
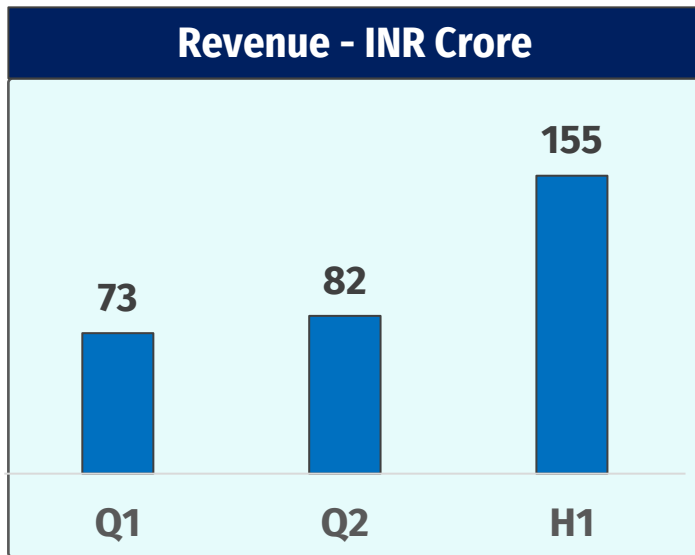
- **Customer-facing** team expanded – **Six** senior-level additions to the **Business Development** and **Regulatory** teams (Africa, APac and Latam)
- **R&D** and **Analytical** team expanded (**19** additions); Export R&D pipeline expanded to ~ **170+** projects – **90+** injectable and ~ **80+** OSD
- **Systems, Processes** and **Compliance** adequately strengthened
- **Successful inspection** of both facilities by **EU-GMP** and **PIC/s** (both repeat approvals)

New Business Segments

- Launched **OSD exports** business – Eris AMD site awaiting **EU-GMP** and **ANVISA** inspections in **Q4**
- Launched **EU-CDMO (Injectable)** Business
 - Target audience – **European Big Pharma** and **Large Generics** Cos
 - Business Model – **3-5 year** manufacturing contracts for sale in the EU – **high customer stickiness** and **lower price sensitivity**
 - Our Value Proposition – “**The only EU-approved Indian injectable player with the entire suite of injectable dosage forms**”



Financial Performance of Base Business – RoW Injectable Exports

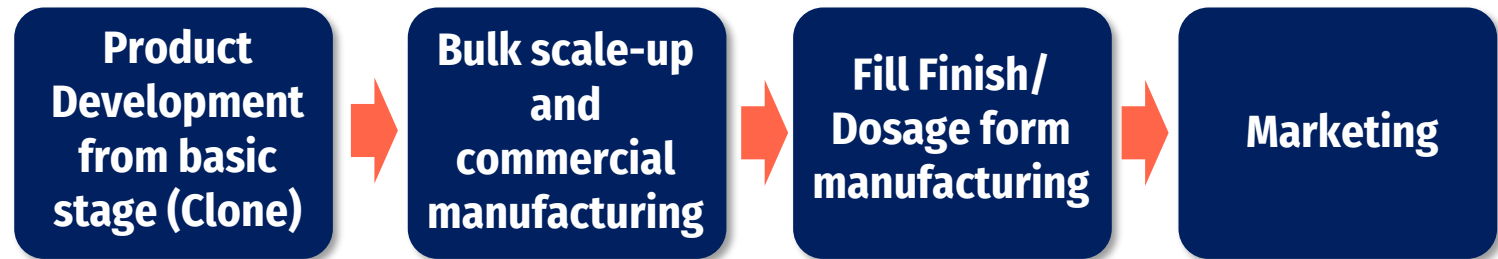


- Base Business - On track to deliver FY25 Guidance
- We expect new business segments to start contributing from FY26 onwards

Indian Biologics Market

- Large opportunity – revenue base of ~ **INR 15,000+ cr p.a.** with a strong growth trajectory
 - **MABs** – INR **9,000+ cr** market with 2-yr CAGR of **24%**
 - **Injectable Anti-Diabetes** – INR **4,000+ cr** market on the threshold of **disruption** from GLP-1 therapy
 - **IVF/ Hormones** – INR **1,500+ cr** market with 2-yr CAGR of **26%**
- **Oligopolistic** market with high entry barriers in terms of technology and manufacturing capability

Vertical Integration is Key to Profitable Growth



- The domestic market has only a handful of vertically integrated and scaled-up Biologics Players
- Eris has a dominant presence in Insulins and a fledgling presence in Oncology; has no presence in IVF/ Hormones and the broader MABs segments

STRATEGIC PARTNERSHIP WITH LEVIM LIFETECH – STRENGTHENING OUR BIOTECH PLAY

Eris – Vertically Integrated Biologics presence

Product Development from basic stage (Clone)

Bulk scale-up and commercial manufacturing

Fill Finish/ Dosage form manufacturing

Marketing

Levim
Q3-FY25

Chemman
Q2-FY25

Biocon
Q1-FY25

- Developed and commercialised **Liraglutide, Streptokinase & Pegaspargase** from basic stages
- Successful execution of **Liraglutide** builds confidence for **future GLP play**
- **Large scale bulk manufacturing** facility to be commissioned in mid-**2025**
- R&D pipeline to be significantly **expanded** post deal

- EU-approvable **biosimilars fill-finish** site approved as an **LL by Biocon**
- Commencing **RHI vials** manufacturing from **Nov 2024**
- Will add **Insulin Cartridge (2025)** and **MABs (2026)** fill-finish capabilities

- Acquired Insulin, Oncology & Critical Care businesses
- Field-force of **435 MRs**
- Market leading position in **Insulin**

Levim Deal Contours

- Eris to invest INR **54 cr** in Levim for a **30%** stake
- Gives Eris an **end-to-end** presence in **Biologics**
- Strengthens Eris **value proposition** and **business economics** in the Biologics business

ERLY – Our Liraglutide brand is driven by the Bulk Active manufactured at Levim facility

CONSOLIDATED P&L Q2 FY25 – FIXED COST SYNERGIES CONTINUE TO ACCRUE



Consolidated INR Crores	Q2 FY 25	Q2 FY 24	Q2 FY 25 yoy Gr %	H1 FY 25	H1 FY 24	H1 FY 25 yoy Gr %
Revenue from Operations	741	505	46.7%	1,461	972	50.3%
Gross Profit	555	411	35.1%	1,094	799	36.9%
Gross Margin	74.9%	81.3%		74.9%	82.2%	
Employee Cost	126	99	27.5%	258	203	27.4%
as % of Revenue	17.0%	19.5%		17.7%	20.9%	
Other Expenses	165	131	25.7%	321	245	30.9%
as % of Revenue	22.2%	25.9%		22.0%	25.2%	
EBITDA	265	181	46.0%	515	351	46.6%
EBITDA Margin	35.7%	35.8%		35.2%	36.1%	
Depreciation	24	14	72.4%	44	27	63.5%
Amortisation	56	28	100.5%	112	56	100.6%
Finance Cost	59	16	265.0%	120	34	256.1%
Other Income	5	3	30.7%	6	4	38.4%
PBT	129	126	2.3%	244	239	2.4%
PBT Margin	17.4%	25.0%		16.7%	24.6%	
Taxes	32	4	724.5%	58	23	155.9%
Effective Tax Rate	25.1%	3.1%		23.8%	9.5%	
Net Profit	97	122	-20.9%	186	216	-13.8%
Net Profit Margin	13.1%	24.2%		12.7%	22.2%	

- Q2 consolidated operating **revenue** up by **47%** to INR **741** cr and H1 up by **50%** to INR **1,461** cr
- Q2 **Margin** and Fixed Cost **Synergies**
 - **Gross Margin** down by **641 bps** due to significant changes in product/ business mix
 - **Fixed** Expenses (% of Revenue) down **625 bps** yoy
 - **EBIDTA Margin (35.7%)** in-line with Q2 FY24 on account of fixed cost synergies coming in
- Q2 **EBIDTA** INR **265** cr - yoy growth of **46%**
- H1 **EBIDTA** INR **515** cr - yoy growth of **47%**
- **Amortisation** and **Finance costs** reflect the full impact of all acquisitions made till date
- Q2 book tax rate ~ **25%** of PBT; cash tax rate **22%**
- OCF-to-EBIDTA ratio is **119%** in Q2 and **94%** in H1
- Cash EPS ~ **INR 20 in H1-FY25**, same as in H1-FY24

AHEAD OF SCHEDULE IN REBUILDING BALANCE SHEET STRENGTH



Balance Sheet strategy shared at the end of FY24 – To reduce Debt to EBIDTA from 3.5x to < 2x in 18 months

	Outstanding Debt* (INR Cr)	Debt to Fiscal-Year EBIDTA*	Key Considerations
As on 31 Mar 2024 (FY 24) *	3,000	3.5 x	<ul style="list-style-type: none"> • Proforma EBIDTA for FY 24 > INR 850 cr, including full year EBIDTA of deals announced in Q4 FY24 • OCF to EBITDA in FY25 & FY26 ~ 70-75% • Capex in FY25 ~ INR 220 cr & FY26 ~ INR 70-80 cr
As on 31 Mar 2025 (FY 25)	2,600	2.5 x	
As on 30 Sep 2025 (End of H1 FY26)	2,300	1.8 x	
As on 31 Mar 2026 (FY 26)	2,000	1.6 x	

**30 Sept 2024:
Net Debt ~ INR 2,500 cr.**

We are ahead of schedule to reduce leverage

* Outstanding debt includes full debt for acquisitions announced in Mar 2024 (19% stake in Swiss and Biocon's India Formulations Business). Debt to EBIDTA ratio calculated on basis of Proforma EBIDTA assuming full year EBIDTA of above deals



FY 25 – Business Guidance

- Total DBF revenue INR **2,600** cr with EBIDTA margin of **36%**
- Swiss Parenterals – Revenue INR **330** cr with EBIDTA margin **35%**
- Consolidated revenue INR **3,000** cr with EBIDTA margin of **35%**
- Capex ~ INR **100-120** cr for Insulins, MABs and Hormones
- Levim Investment INR **54** cr

FY 25 – Key Considerations

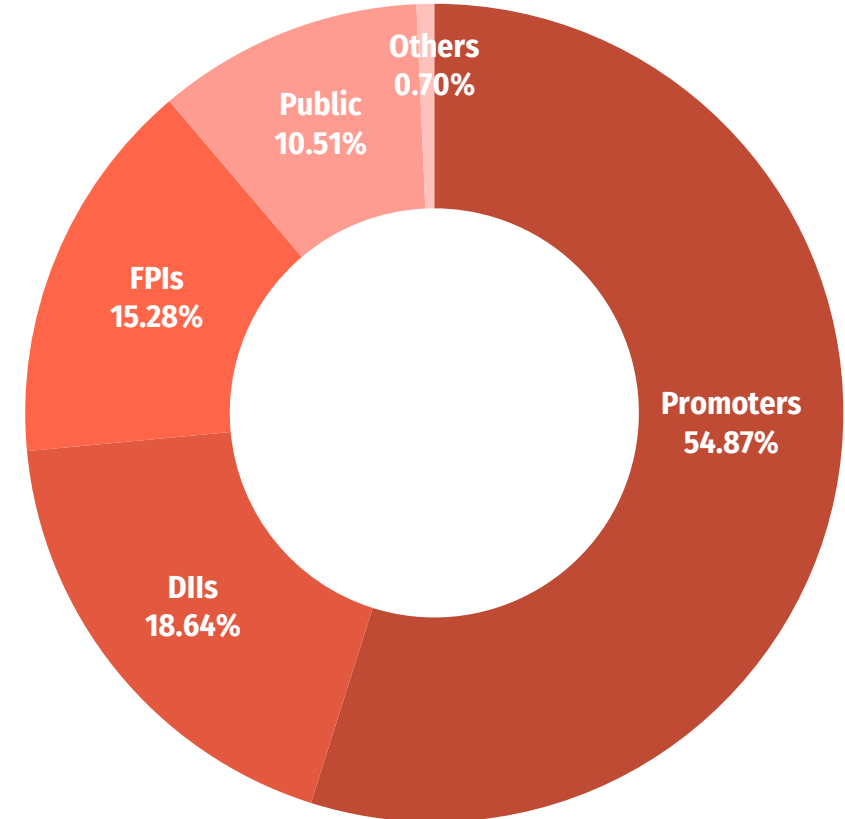
- Depreciation ~ INR 100 cr.
- Amortisation ~ INR 205 cr.
- Interest Cost ~ INR 240 cr.
- Cash Tax Rate MAT rate: 17%
- OCF-EBIDTA ratio 70 – 75%



Shareholding of Promoters and Top 15 Institutional Investors

Name of Shareholder	30-Sep-24 1,330*	30-Jun-24 1,023*	31-Mar-24 843*
Promoters	54.87%	54.88%	54.90%
HDFC Mutual Fund	7.54%	7.76%	6.60%
Chrys Capital (Lilac Investments Ltd)	7.26%	7.27%	7.27%
UTI Mutual Fund	3.81%	3.95%	4.14%
Franklin Templeton Mutual Fund	3.59%	1.46%	1.46%
Vanguard Fund	1.58%	0.00%	0.00%
Franklin Templeton Investment Fund	1.41%	1.53%	1.26%
TATA AIA Life Insurance	0.91%	0.89%	0.00%
UTI Fund – FII	0.76%	0.81%	0.87%
Steinberg India Fund	0.68%	0.68%	0.66%
Aditya Birla Sun Life Mutual Fund	0.62%	0.62%	0.87%
Ellipsis Partners LLC	0.58%	0.79%	0.79%
DSP Mutual Fund	0.49%	0.00%	0.00%
Bank of India Mutual Fund	0.43%	0.40%	0.37%
Blackrock Funds	0.39%	0.39%	0.38%
Dimensional Funds	0.36%	0.34%	0.32%

Shareholding Pattern



*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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