



EY Entrepreneur of the year-2013



FROST & SULLIVAN
2013 BEST PRACTICES AWARD
Competitive Strategy Leadership Award, India



Business today/YES bank
Excellence Awards-2013



Date: 17th May, 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 investor presentation made by the Company.

Thanking you.

For Eris Lifesciences Limited

Milind Talegaonkar
Company Secretary and Compliance Officer

Encl.:a/a

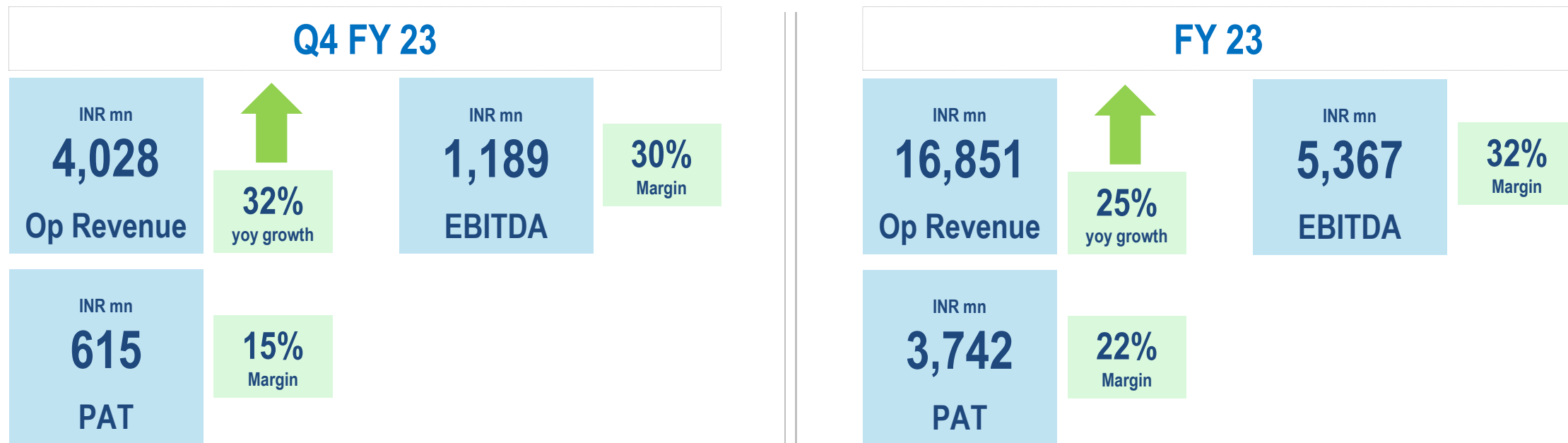
Registered & Corporate Office:

Shivarth Ambit, Plot No. 142/2, Ramdas Road, Off SBR, Near Swati Bungalows, Bodakdev, Ahmedabad – 380054
Phone: +91-79-69661000/1001 • Email: eris@erislifesciences.com • Web Site: www.eris.co.in • CIN: L24232GJ2007PLC049867



**Q4 FY 23 and FY 23
INVESTOR PRESENTATION
17th May 2023**

FINANCIAL AND BUSINESS HIGHLIGHTS – Q4 FY 23 AND FY 23



- Organic standalone revenue growth = **11.5%** (Q4), **9.5%** (FY23) & **15.6%** (FY23 ex. Covid products & “at risk” launches)
- Consolidated revenue growth = **32%** (Q4), **25%** (FY23), and **31%** (FY23 ex. Covid products & “at risk” launches)
- **Top-20** Eris mother brands accounting for **70%** of revenue grew organically by **17%** in FY23
- Eris MJ (**Insulin** Business) organically clocks **INR 17 Cr revenue** in first year of commercial operations
- Achieved **organic growth of 22%** in Oaknet base business after **3 flat years** during FY20-FY22; full year FY23 Revenue **Rs. 250 crore** (**28%** growth) with EBITDA **Rs. 61 crore** (margin **24.4%**)
- **Amortisation** of **Glenmark & DRL** brands has been charged for **6 months** of FY23 as per statutory requirements; however **financial upside** from the deals has been **minimal** during FY23 since the deals were consummated in **Q4 FY23**

KEY BUSINESS METRICS - FY 23 UPDATE

75%

OCF to
EBITDA

26%

Dividend
Payout Ratio

20%

ROIC *

22%

ROE *

₹28.1

EPS

₹34

Cash EPS

- Consolidated **OCF to EBIDTA** Ratio - **75%** (adjusted for GST-related one-off items on brand acquisitions)
- Paid dividend of **Rs. 100 cr** in **FY23**; Payout ratio of **26%** in **FY23**; **3-year CAGR ~ 37%** in dividend payout
- ROIC **20%** and ROE **22%** indicate first year impact of acquisitions
- FY23 EPS of **Rs. 28.1** and Cash EPS = **Rs. 34** - amortization impact on EPS = **Rs. 5.90**
- Consolidated Net Debt **INR 774 crore** as on 31st March 2023 (Net Debt to EBIDTA Ratio of **1.45x**)
- Guwahati site accounted for **~ 70%** of standalone revenue in **FY23** (vs. **~ 80%** in **FY22**)
- Gujarat site commenced operations in Mar 2023, augmenting our capability in oral **solids**, oral **liquids**, sterile **injectables** and **creams/ointments** (in process); will deliver in-sourcing and fiscal benefits from **FY24**

Q4 FY 23 AND FY 23 – ENTITY WISE GROWTH AND MARGIN PROFILE

Entity	Q4 FY 23				FY 23				EBITDA Margin	
	Op Revenue	YoY Gr	EBITDA	YoY Gr	Op Revenue	YoY Gr	EBITDA	YoY Gr	FY 23	FY 22
Eris (Standalone)	3,146	11%	1,115	10%	13,307	9%	5,051	4%	38%	40%
Oaknet (BGx)	675		182		2,268		570		25%	10%*
Aprica (BGx)	74	-24%	-20		542	-7%	46	-52%	9%	16%
EHPL (TGx)	104	-35%	-13	-58%	696	-31%	-43	-35%		
Eris M J (Insulin)	58		-55		172		-201			
Eris Therapeutics Ltd.	5		-21		6		-36			
Eris Pharmaceuticals P.Ltd	0		0		0		0			
Inter co adjustments	-34		0		-140		-20			
Consol. Op Revenue	4,028	31.7%	1,189	22.7%	16,851		5,367		32%	36%

SUMMARY OF REVENUE GROWTH

	Q4 FY23	FY23	FY23 ex. Covid product & “at risk” launches
Organic standalone revenue growth	11.5%	9.5%	15.6%
Consolidated revenue growth	32%	25%	31%

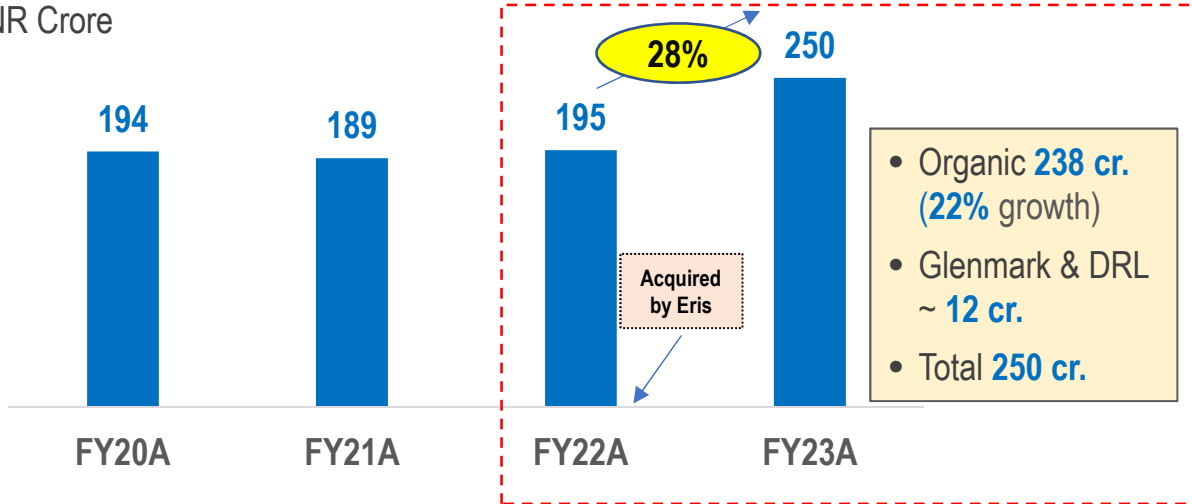
OTHER BUSINESS UPDATES

- Restructuring to simplify corporate structure and unlock synergies
 - Effective **1st April 2024**, we propose to demerge the Domestic Formulations business of Oaknet and amalgamate it with the parent company Eris Lifesciences Ltd.
 - We expect this to strengthen our overall “**go to market**” alongside providing better **operating efficiency, scale benefits** and **business synergies**
 - We have **commenced** the **operational** integration of the businesses from **1st April 2023**; expected to be completed by the end of **June 2023**
- Targeting significant **prepayment of debt in FY24** (OCF expected to be **75%** of EBIDTA)
- In-sourced manufacturing of **Dermatology** formulations at Gujarat facility – targeting from **Jan 2024**

OAKNET OPERATIONS TURNED AROUND IN LESS THAN 12 MONTHS OF ACQUISITION

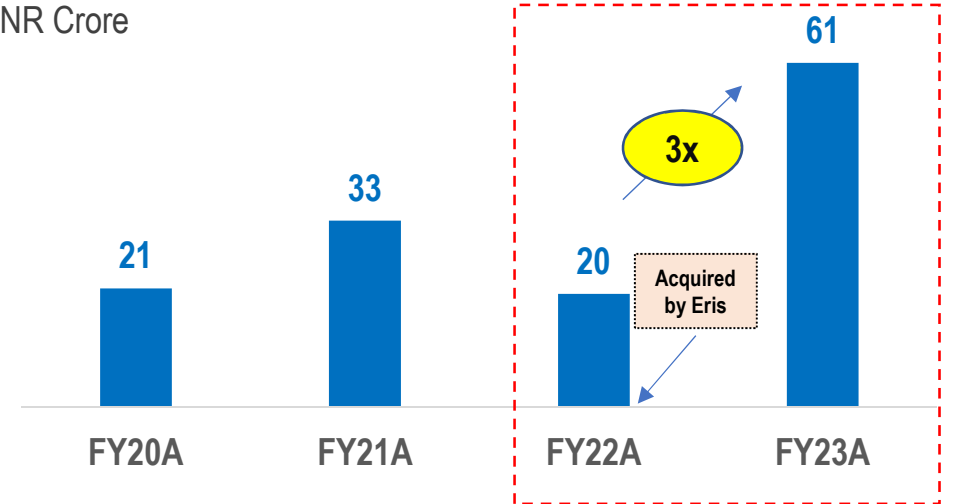
Oaknet Revenue Trend from Operations (Full Year)

INR Crore



Oaknet EBIDTA Trend (Full Year)

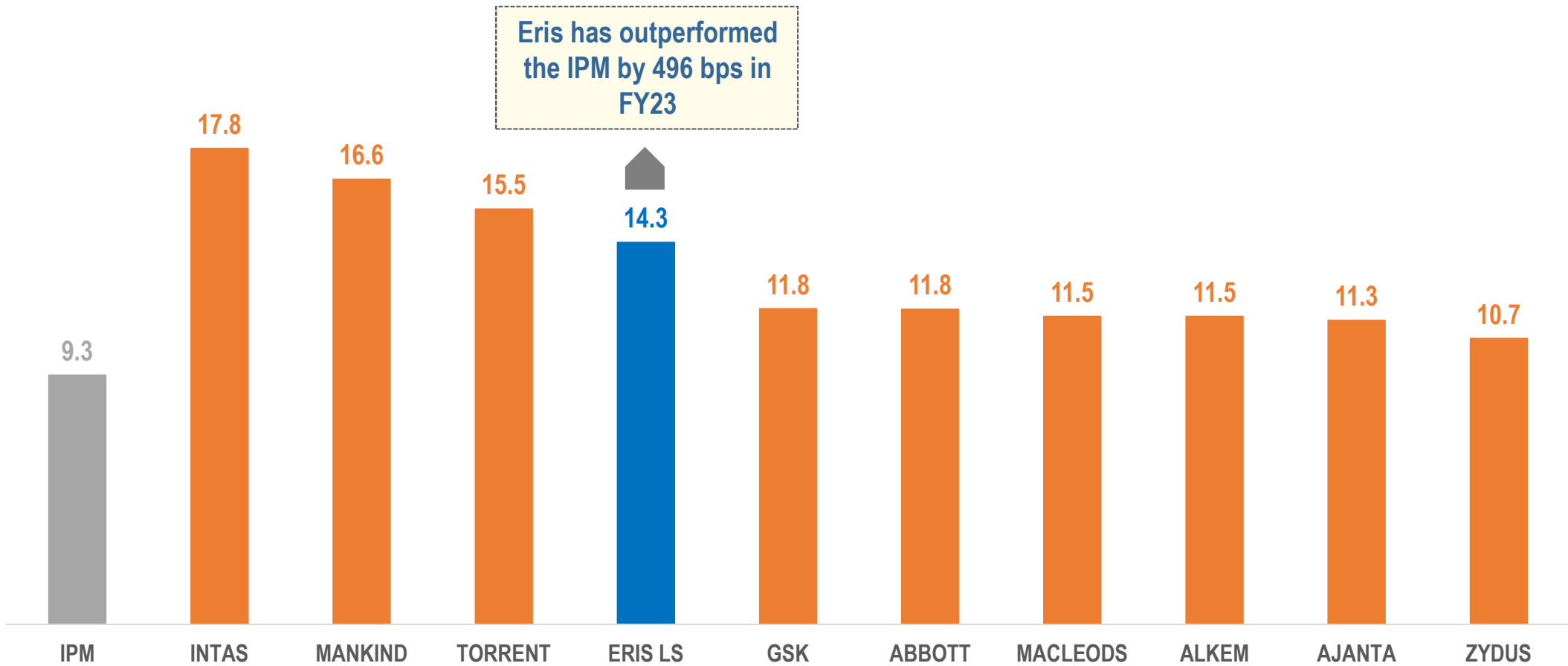
INR Crore



Eris
Value
Creation
in Oaknet

- Achieved **organic growth of 22%** in Oaknet base business after **3 flat years** during FY20-FY22
- **Repositioned** the business with a **Derma + Gyne focus**; strengthened **senior management team**
- **Digitised** Field Operations; expanded **Dermatologist Coverage** from **60% to 90%**
- Restarted the “**new product launch**” engine with multiple strategic launches in Derma and Gyne
- Added **complementary** brands in **Medical and Cosmetic Dermatology** from **Glenmark and DRL**
- Increased **YPM** from **2.3 lakh to 3.2 lakh** in FY23; expanded **EBIDTA margin** from **10% to 24%** (full yr.)

ERIS RANKS AMONG THE TOP-10 FASTEST GROWING COMPANIES IN FY 23



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

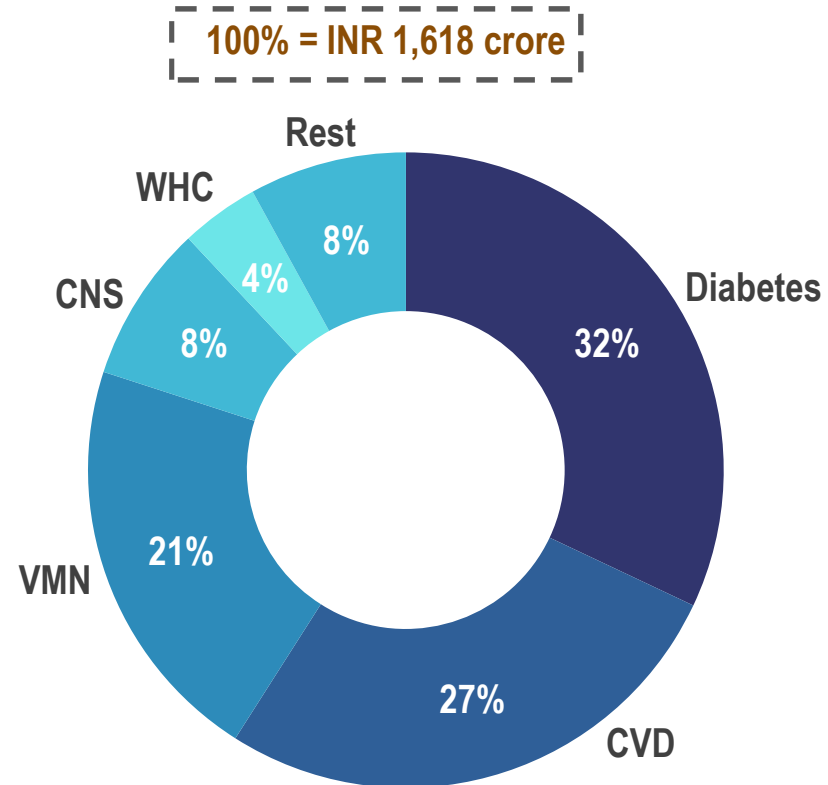
Source: AWACS Pharmatrac data for the period FY'22 – FY'23

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

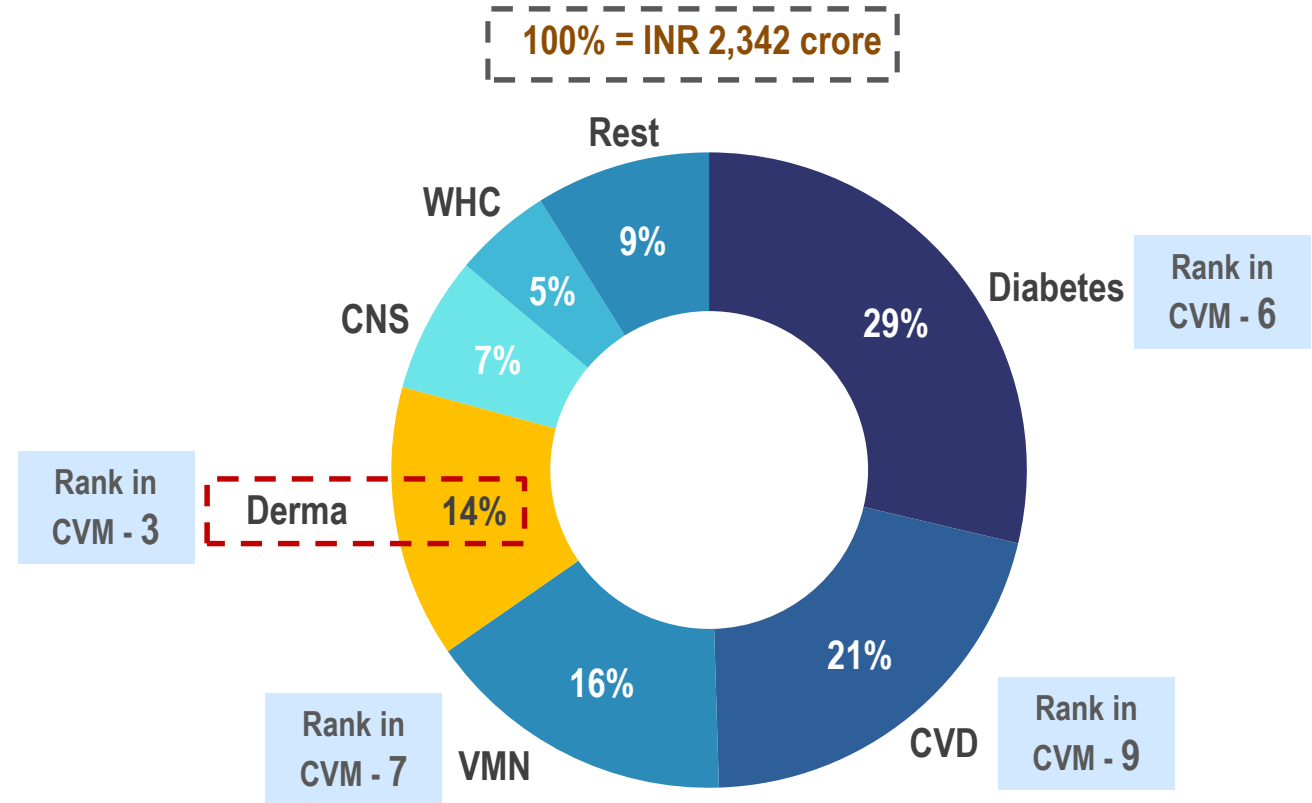
Eris includes Eris + Aprica + Oaknet + Brands acquired from Glenmark and DRL

SIGNIFICANT DIVERSIFICATION OF THERAPY MIX IN FY23

Therapy-wise composition of revenue – FY22



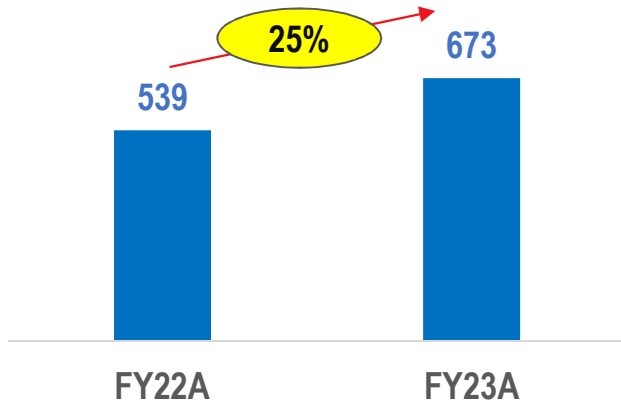
Therapy-wise composition of revenue - FY23



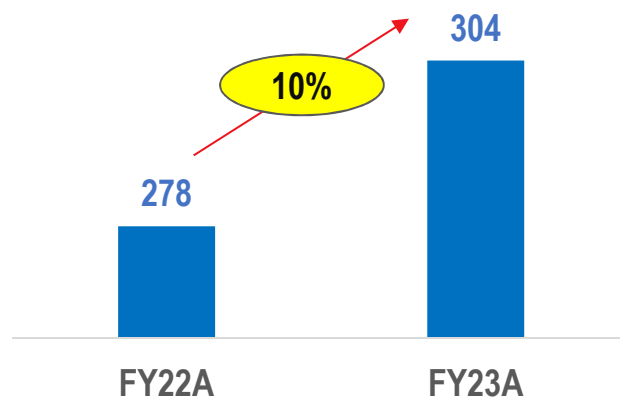
- Concentration of Top-3 therapies reduced from 80% to 66% (after 15% growth in FY23)
- Emerging Therapies (Derma, CNS, WHC) now account for 26% of revenue (17% growth in FY23)

OUR ANTI-DIABETES FRANCHISE – ROBUST GROWTH ACROSS THE BOARD

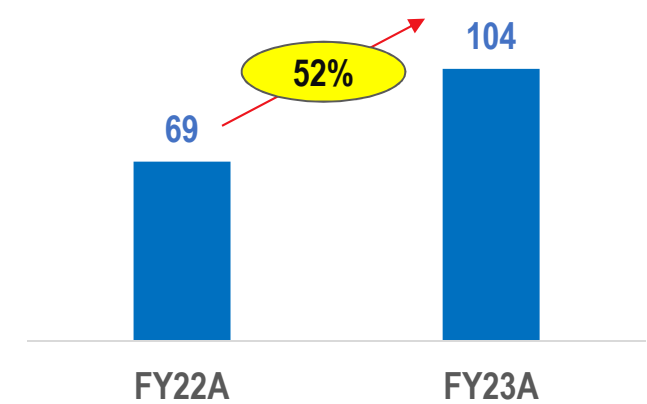
Revenue from Diabetes



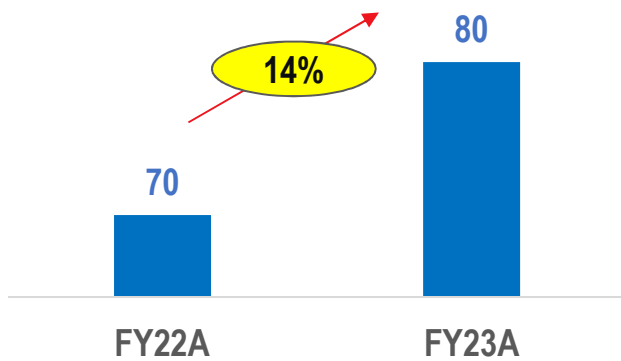
Glimisave Mother Brand



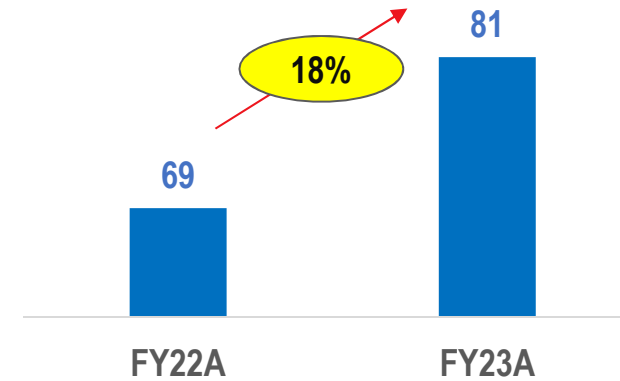
Zomelis Mother Brand (DPP4)



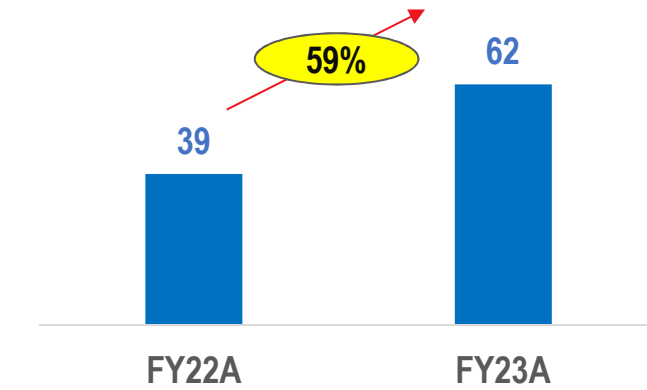
Tendia Mother Brand (DPP4)



Cyblex Mother Brand

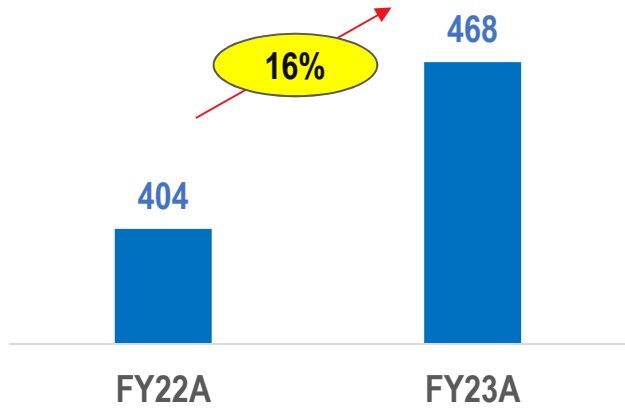


Gluxit Mother Brand (SGLT2)

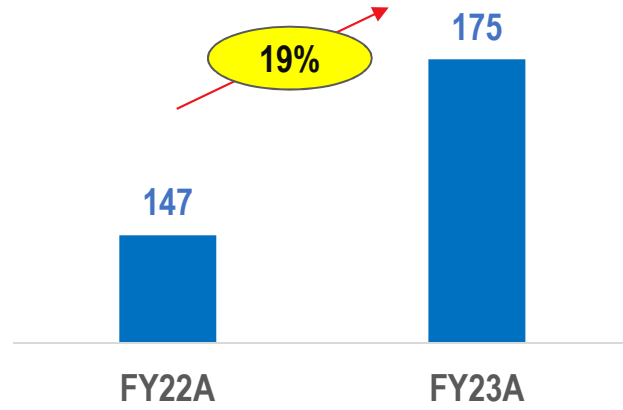


OUR CARDIOVASCULAR FRANCHISE – STRONG MOMENTUM IN ESTABLISHED BRANDS

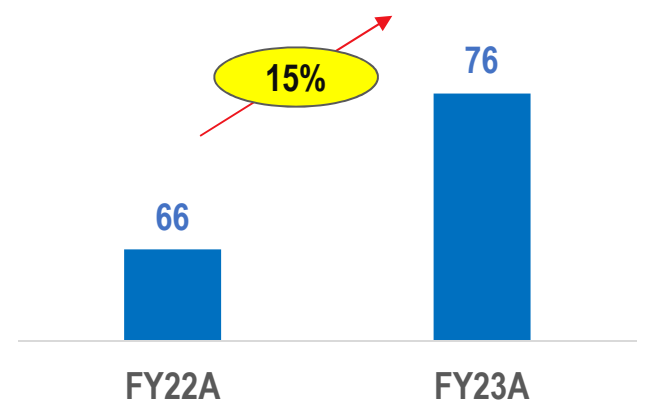
Revenue from CVD Therapy*



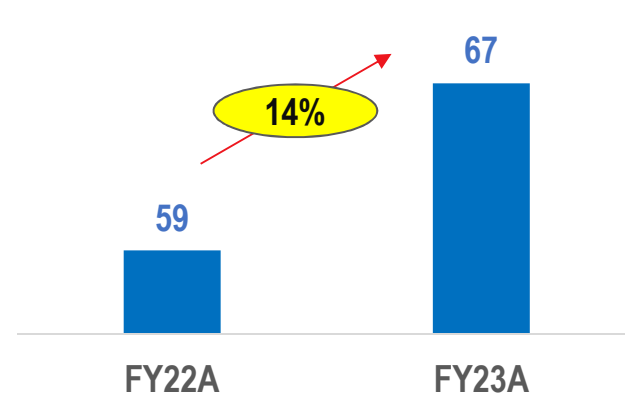
Eritel Mother Brand



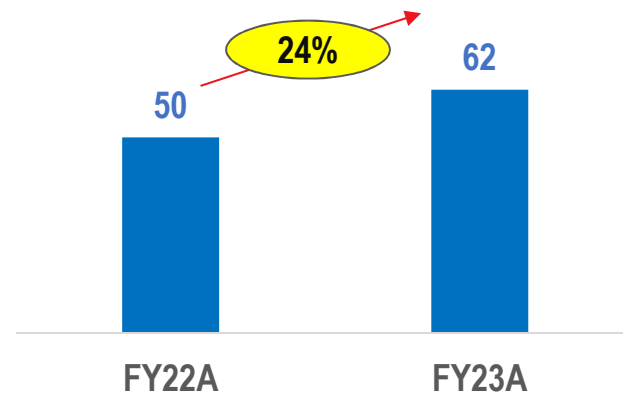
LN Bloc Mother Brand



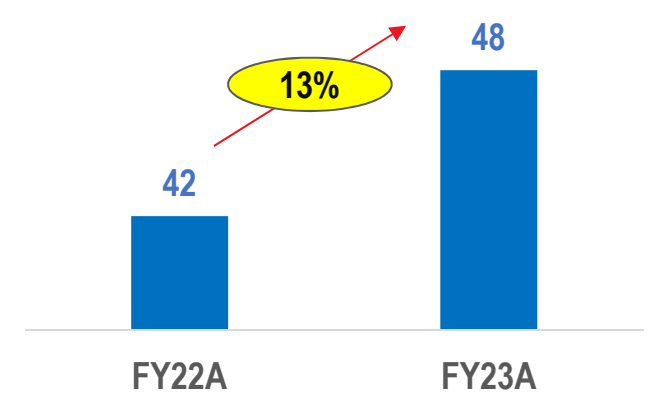
Olmin Mother Brand



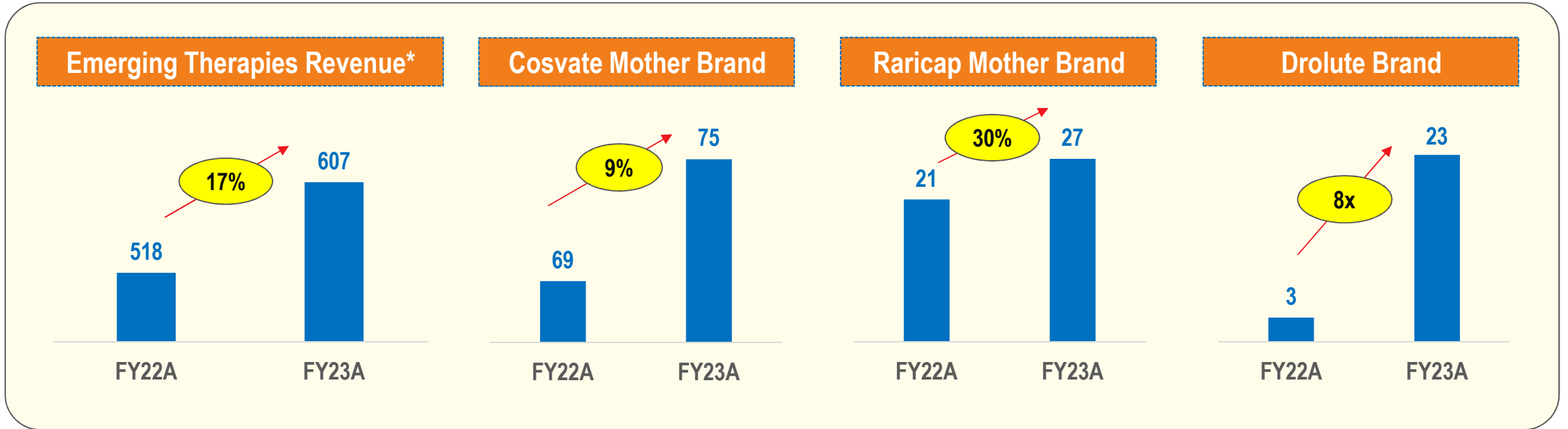
Crevast Mother Brand



Atorsave Mother Brand



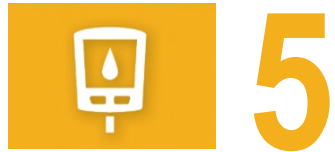
OUR EMERGING THERAPIES – ACQUIRED CRITICAL MASS WITH GROWTH MOMENTUM



- Revenue base of INR 600+ crore
- Accounts for 26% of Revenue
- FY23 growth of 17%

ERIS MAINTAINS HIGH PRESCRIPTION RANKING AMONG DOCTOR SPECIALTIES

Eris Prescription Ranking* among Doctor Specialties



DIABETOLOGISTS #



CARDIOLOGISTS



NEUROLOGISTS



GASTROENTEROLOGISTS



**CONSULTING
PHYSICIANS**



DERMATOLOGISTS

Q4 FY 23 AND FY 23 - STANDALONE INCOME STATEMENT

Standalone INR Millions	Q4 FY 23	Q4 FY 22	Q4 FY 23 yoy Gr %	FY 23	FY 22	FY 23 yoy Gr %
Sale of Products	3,084	2,771	11.3%	13,071	11,938	9.5%
Other Operating Income	62	50	24.1%	236	220	7.5%
Revenue from Operations	3,146	2,821	11.5%	13,307	12,157	9.5%
Gross Profit	2,659	2,322	14.5%	10,943	10,161	7.7%
Gross Profit Margin	84.5%	82.3%		82.2%	83.6%	
Employee Cost as % of Revenue	606 19.3%	523 18.5%	16.0%	2,525 19.0%	2,201 18.1%	14.7%
Other Expenses as % of Revenue	938 29.8%	784 27.8%	19.7%	3,367 25.3%	3,120 25.7%	7.9%
EBITDA	1,115	1,016	9.7%	5,051	4,840	4.4%
EBITDA Margin	35.4%	36.0%		38.0%	39.8%	
Depreciation	173	151	14.7%	647	515	25.7%
Finance Cost	30	10	202.6%	208	30	595.8%
Other Income	43	91	-52.9%	173	290	-40.4%
PBT	955	946	0.9%	4,369	4,585	-4.7%
PBT Margin	30.4%	33.5%		32.8%	37.7%	
Taxes	77	79	-3.2%	389	413	-5.9%
Net Profit	878	867	1.3%	3,980	4,172	-4.6%
Net Profit Margin	27.9%	30.7%		29.9%	34.3%	

- FY 23 operating revenue grew 9.5% to Rs. 1,331 cr.
- Decline of 134 bps in FY23 gross margin due to higher proportion of outsourced manufacturing; has normalized to 84.5% in Q4 FY23
- Increase in Other Expenses of 7.9% in FY23
- Standalone YPM (MR Productivity) = INR 5.0 lakh in FY 23 (MR strength of ~ 2,200)
- FY 23 EBITDA of Rs. 505 cr.; FY23 EBITDA margin down by 185 bps largely on the back of higher COGS in FY23
- FY23 Net Profit of Rs. 398 cr. - includes the impact of Oaknet, Glenmark and DRL deals on Treasury Income & Finance Cost

Q4 FY 23 AND FY 23 - CONSOLIDATED INCOME STATEMENT

Consolidated INR Millions	Q4 FY 23	Q4 FY 22	Q4 FY 23 yoy Gr %	FY 23	FY 22	FY 23 yoy Gr %
Sale of Products	3,966	3,011	31.7%	16,618	13,262	25.3%
Other Operating Income	62	48	28.1%	233	209	11.8%
Revenue from Operations	4,028	3,059	31.7%	16,851	13,470	25.1%
Gross Profit	3,300	2,441	35.2%	13,328	10,885	22.4%
Gross Profit Margin	81.9%	79.8%		79.1%	80.8%	
Employee Cost as % of Revenue	858 21.3%	618 20.2%	38.8%	3,462 20.5%	2,502 18.6%	38.4%
Other Expenses as % of Revenue	1,253 31.1%	854 27.9%	46.7%	4,499 26.7%	3,534 26.2%	27.3%
EBITDA	1,189	969	22.7%	5,367	4,850	10.7%
EBITDA Margin	29.5%	31.7%		31.9%	36.0%	
Depreciation	351	184	91.3%	1,171	647	81.0%
Finance Cost	89	13	603.7%	262	41	531.2%
Other Income	10	81	-87.5%	112	261	-57.3%
PBT	759	853	-11.1%	4,046	4,422	-8.5%
PBT Margin	18.8%	27.9%		24.0%	32.8%	
Taxes	144	54	168.8%	305	364	-16.3%
Net Profit	615	800	-23.1%	3,742	4,058	-7.8%
Net Profit Margin	15.3%	26.1%		22.2%	30.1%	

- FY 23 operating revenue grew 25% to Rs. 1,685 cr.
- Oaknet's maintains its growth momentum
 - FY23 Revenue: Organic growth 22%, total growth 28%
 - EBIDTA margin: 10% in FY22 to 24% in FY23
- Increases in Employee Cost (38.4%) and Other Expenses (27.3%) driven by addition of Oaknet and Eris MJ (Insulin)
- Consolidated EBITDA margin ~ 32% in FY23 – in line with guidance
- ETR higher in Q4 on account of reversal in Deferred Tax Assets
- FY23 Net Profit of INR 374 cr. - inclusive of impact of Oaknet, Glenmark and DRL deals on Depreciation, Treasury Income & Finance Cost

KEY GROWTH DRIVERS FOR FY24 - FY26

1 Growth in Base Business

- Our **Top-20** power brands account for **70%** of our revenues and have grown at **17%** in **FY23**. **10** 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 will expand our **injectable anti-diabetes** franchise currently consisting of **Xsulin** (Human Insulin) and **Xglar** (Glargine) with the additions of other insulin analogues and **GLP1 Agonists**
- We will drive new product launches in **Medical Dermatology** and **Cosmetology**, and expand our product ranges in **CNS** and **Women's Health** therapies

KEY GROWTH DRIVERS FOR FY24 - FY26 (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 these therapies in **organic** as well as **inorganic** growth

5

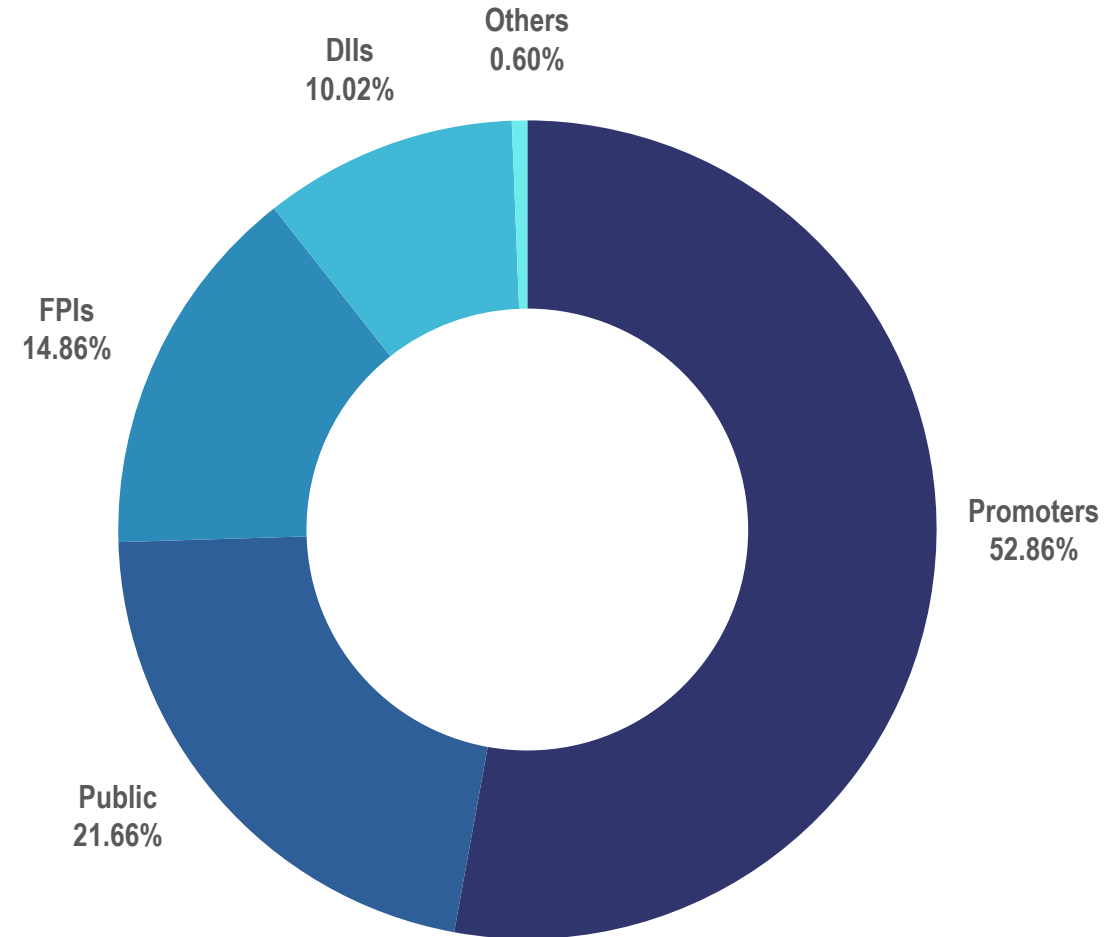
Inorganic opportunities

- Our acquisition of Oaknet in May 2022 followed by Glenmark & DRL brands later in the year is emerging 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%**
- We will continue to look for such **high-return inorganic opportunities** to complement our organic growth initiatives

SHAREHOLDER PROFILE

Shareholding of Promoters and Top 15 Institutional Investors

Name of Shareholder		As on	As on	As on
		31-Mar-23	30-Dec-22	30-Sep-22
		*572	*647	711*
Promoters		52.86%	52.70%	52.29%
1	Chrys Capital (Emerald Investment Limited)	7.58%	7.58%	7.58%
2	UTI Mutual Fund	5.33%	4.99%	4.88%
3	Aditya Birla Sun Life Mutual Fund	1.47%	1.62%	1.69%
4	Kuwait Investment Authority Fund	1.47%	1.47%	0.75%
5	UTI Fund – FII	1.28%	1.29%	1.32%
6	Franklin Templeton Mutual Fund	1.26%	1.26%	1.31%
7	HSBC Mutual Fund	0.88%	0.88%	0.91%
8	Ellipsis Partners LLC	0.73%	0.36%	0.36%
9	Vanguard Fund	0.71%	1.71%	1.71%
10	Steinberg India Fund	0.54%	0.54%	0.54%
11	Tata Mutual Fund	0.38%	0.38%	0.38%
12	Malabar Select Fund	0.33%	0.33%	0.42%
13	ICICI Prudential Mutual Fund	0.33%	0.00%	0.00%
14	New Mark Capital India Fund	0.31%	0.24%	0.24%
15	Blackrock Funds	0.26%	0.26%	0.24%



*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
kruti@erislifesciences.com