



EY Entrepreneur of the year-2013



FROST & SULLIVAN Best Practices-2013



Business today/YES bank Excellence Awards-2013



Date: 08 November 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 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:

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



Q2 FY 24 and H1 FY 24

8th Nov 2023

ACQUISITION OF BIOCON NEPHROLOGY AND DERMATOLOGY BUSINESSES

OUR THESIS

We have leveraged acquisitions to enter and quickly scale up our presence in new therapies



We have established our credentials in quick turnaround of under-optimized businesses



Chronic/ Sub-Chronic Therapies
Large & Growing Markets
High Return on Capital



Eris proposes to acquire
BIOCON's
Nephrology and
Dermatology businesses



ACQUISITION OF BIOCON BUSINESSES – ENTERING NEPHRO; CONSOLIDATING DERMA

Biocon Businesses being acquired

Nephrology Business

- Total of 12 mother brands
- Power brands Tacrograf and Renodapt - strong play in Organ Transplants
- Cytosorb – USFDA-approved hemoperfusion device from CytoSorbent Medical Inc.
- Emerging brands – Bionesp (Darbepoetin Alfa) and Erypro (Erythropoietin) – both biologics
- Current revenue run-rate ~ INR 65 crore p.a.
- Field force of ~ 40 representatives

Dermatology Business

- Total 9 mother brands
- Leading brands – Psorid, Tbis, Picon, Calpsor
- Complements our existing portfolio in Psoriasis and Atopic Dermatitis
- Supply Agreement with Biocon for Itolizumab – a novel biologic for Acute Psoriasis
- Current revenue run-rate ~ INR 35 crore p.a.
- Field force of ~ 50 representatives

Key Leadership and entire Field Force to move to Eris post deal thereby ensuring Business Continuity

NEPHROLOGY – AN UNDERSERVED MARKET WITH SIGNIFICANT GROWTH POTENTIAL

Key facts about Chronic Kidney Disease (CKD) in India

- India has a Diabetic population of 100+ million and Hypertensive population of 220+ million
- Diabetes and Hypertension are among the key drivers of Chronic Kidney Disease with an incidence of over 30%
- Estimated number of CKD patients in India = 100+ million
- The number of organ transplants in India have increased from 3,100+ in 2013 to 15,000+ a year at present with a huge demand-supply gap
- Given the rapid progression being seen in the onset of Diabetes and Hypertension cases, we foresee a rapid increase in the number of patients who will require treatment for Chronic Kidney Disease (CKD) and kidney transplants in the years to come

The market for Nephrology-related medications is worth ~ INR 3,000 crore p.a. and is growing at 11% p.a.

NEPHROLOGY – WHAT THE BIOCON BUSINESS BRINGS TO US



- Power brands that give us a strong entry into the Transplants category – these are drugs used to minimize the likelihood of organ rejection post transplants



- USFDA-approved device in-licensed from CytoSorbent Medical Inc.
- Wide range of potential applications including Cardiac Surgery, Septic Shock and ARDS



- Biologics – Darbepoeitin Alfa & Erythropoeitin Alfa
- Emerging brands used to treat CKD-induced anemia

**ADDITIONAL
GROWTH
LEVERS FOR US**

- Established base for the launch of
- Other anti-anemia products
 - VMN products
 - A sub-play of hypertension

- CKD is estimated in > 30% of Diabetes and Hypertension patients, which are our two largest therapies
- Entering Nephrology will enable us to provide an end-to-end disease management solution to patients

DERMA - ADDITION OF BIOCON BRANDS WILL MAKE US THE 2nd LARGEST IN PSORIASIS

Medical Dermatology is the largest segment of the Derma market consisting of the following key sub-therapies

- Psoriasis
- Atopic Dermatitis
- Antifungals
- Vitiligo
- Anti-bacterials

Existing Portfolio – Key brands

Cosvate[®]
(Clobetasol Propionate 0.05% w/v)

SORVATE[®]
(Calcitriol 3mcg/g w/w) OINTMENT

Halovate Cream
Ointment
Lotion
(Halobetasol Propionate 0.05%)

Oaknet's
Crisanew
Crisaborole 2% w/w Ointment

JAKAUTO
(Tofacitinib Gel 2% w/w / Tofacitinib 5mg Tablets)



Additions from Biocon Deal

PSORID[™]

TBIS[®]

PICON[®]

CALPSOR[™]

- Psoriasis is a INR 1,100 cr. category with a 2-year CAGR of 20% p.a.
- Post deal, Eris would be the 2nd largest player in Psoriasis with a 11% market share

KEY CONTOURS OF THE BIOCON TRANSACTION

- Eris has signed a definitive agreement to acquire the **Dermatology & Nephrology businesses** of Biocon Biologics Ltd.
- The scope of the acquisition includes the following aspects as a going concern:
 - **Nephrology** business with a current revenue run-rate of **INR 65 cr.** and a field-force of **40 Reps**
 - **Dermatology** business with a current revenue run-rate of **INR 35 cr.** and a field-force of **50 Reps**
 - Trademarks/ licenses pertaining to **21 mother brands** – 12 in Nephro and 9 in Derma
 - **Net Working Capital** including Inventory, Debtors and Creditors
- The Purchase Consideration is **INR 366 crore (including Working Capital)** and will be funded partly through debt financing
- The transaction is expected to achieve financial closure by the **end of 2023**
- Key **value creation** levers in the short-to-medium term
 - Driving **YPM** improvement through **sales & marketing excellence**
 - Expansion of **Gross Margin** through smarter sourcing (given our **scale in Derma**)
 - Exploiting **adjacencies/ white spaces** through the launch of new products

STRATEGIC PRIORITIES FOR FY24 – AN UPDATE AT THE END OF Q2 FY24

Priority articulated at the start of the year

1

- Successful commercialization of our New Product Pipeline

2

- Deepen our presence in Derma/ Cosmetology through new launches

3

- Margin improvement through Derma in-sourcing starting Q4 FY24

4

- Scaling up our injectable anti-diabetes franchise

Update at the end of Q2 FY24

- 2 combinations – Gliclazide-Dapagliflozin and Gliclazide-Sitagliptin – approved by the DCGI; launching in Q3 FY24
- 2 “at-risk” products – Linares & FCM – relaunched in Q2

- 4 new launches in Q2 – including Hydroheal Nova, Efatop Hydra and Crisanew

- Equipment installation underway; on track for commercial production starting Q4 FY24

- H1 Revenue **Rs. 19 cr.** and EBIDTA burn down to **Rs. 4.3 cr.**
- On track for **Rs. 50 crore** revenue in **FY24**

Reaffirming FY24 guidance

- Revenue = Rs. 2,000 – 2,100 cr.
- EBIDTA = Rs. 700 – 710 cr.
- PAT = Rs. 410 – 415 cr.

TWO R&D PRODUCTS APPROVED FOR LAUNCH; PIPELINE EXPANDED FROM 10 TO 14

Candidates/ Therapy	Development Status	Commercialisation
2 FDCs in Oral Anti-diabetes	DCGI Permission Received	Q3 of FY24
2 FDCs in Cardiovascular Disease	Clinical Trials	Q4 of FY24
2 FDCs to address Diabetes-related complications incl Renal	Clinical Trials	FY25
2 New Drugs in Neurology	Development	FY25
2 New Drugs in Gastro-intestinal	Development	FY25
2 FDCs in Gynecology	Development	FY25
1 New Drug* in Cardiovascular and 1 New Drug* in Respiratory Diseases	Development	FY25

Active pipeline of 14 products

- FDCs #12
- New Drugs* #2

Approved for launch:

- Gliclazide-Dapagliflozin
- Gliclazide-Sitagliptin

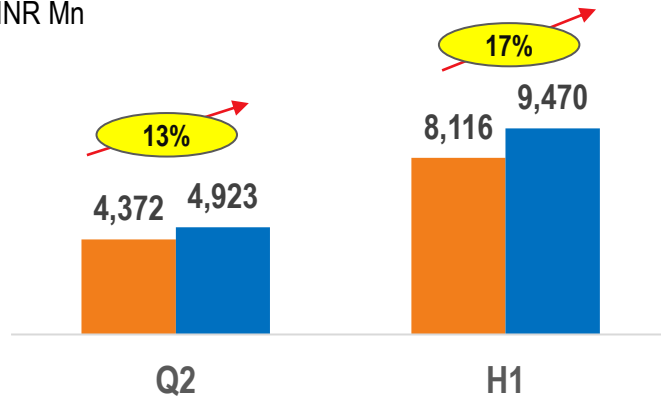
* Both these drugs are commercially approved in the US; we are developing these for the Indian market

BRANDED FORMULATIONS BUSINESS HIGHLIGHTS – Q2 AND H1 FY24

FY23 FY24

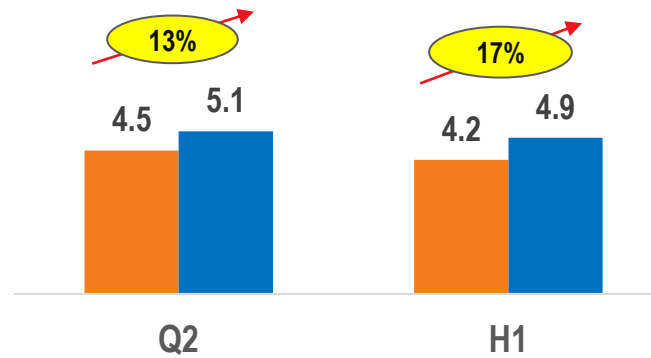
Branded Formulations Revenue

INR Mn



Branded Formulations YPM

INR lakh p.m.

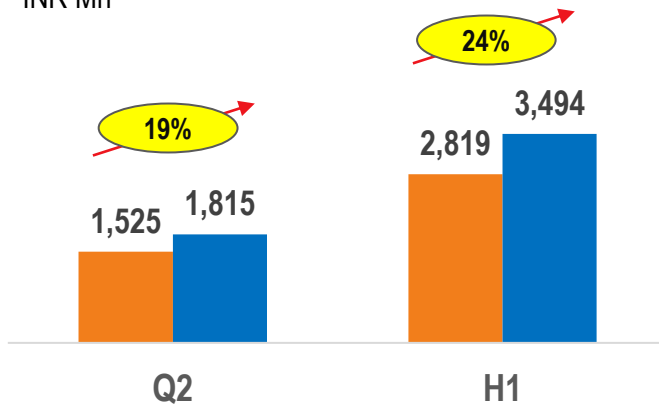


Branded Formulation Highlights - H1 FY24

- **17%** revenue growth in Branded Formulations - **97%** of total revenue - includes Eris Lifesciences, Eris Therapeutics (Gujarat facility), Oaknet and Eris MJ (Insulin); excludes EHPL
- **H1 YPM of Rs. 5 lakh** – up **17%** yoy
- **Gross Margin 83%**; up by **273 bps** yoy; growth of **21%** yoy
- **EBIDTA margin 37%** - up **215 bps** yoy growth of **24%** yoy
- **H1 Insulin sales** increases to **Rs. 19 cr.**; EBIDTA burn reduced to **Rs. 4.3 cr.**

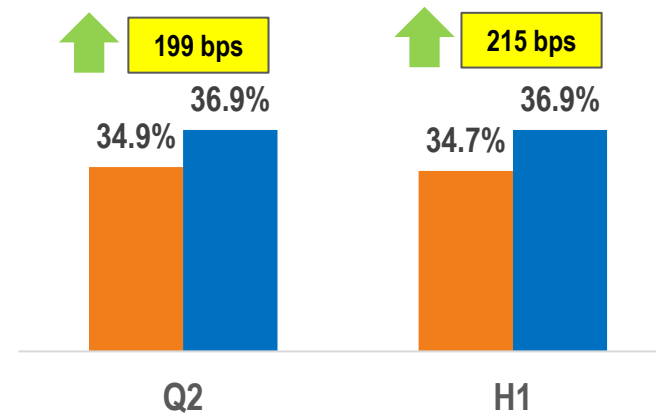
Branded Formulations EBIDTA

INR Mn



EBIDTA Margin

Per Cent



CONSOLIDATED INCOME STATEMENT - Q2 AND H1 FY24

Consolidated INR Millions	Q2 FY 24	Q2 FY 23	Q2 FY 24 yoy Gr %	H1 FY 24	H1 FY 23	H1 FY 24 yoy Gr %
Sale of Products	5,005	4,553	9.9%	9,605	8,474	13.4%
Other Operating Income	48	52	-7.7%	114	117	-2.9%
Revenue from Operations	5,053	4,605	9.7%	9,719	8,591	13.1%
Gross Profit	4,107	3,548	15.8%	7,989	6,683	19.5%
Gross Profit Margin	81.3%	77.0%		82.2%	77.8%	
Employee Cost	985	952	3.5%	2,027	1,733	16.9%
as % of Revenue	19.5%	20.7%		20.9%	20.2%	
Other Expenses	1,310	1,082	21.1%	2,454	2,143	14.5%
as % of Revenue	25.9%	23.5%		25.2%	24.9%	
EBITDA	1,811	1,514	19.6%	3,509	2,807	25.0%
EBITDA Margin	35.8%	32.9%		36.1%	32.7%	
Depreciation	421	286	47.1%	830	521	59.4%
Finance Cost	163	71	130.5%	337	143	135.3%
Other Income	35	52	-32.7%	45	79	-43.5%
PBT	1,262	1,209	4.4%	2,387	2,222	7.4%
PBT Margin	25.0%	26.3%		24.6%	25.9%	
Taxes	39	16	152.2%	228	98	133.4%
Net Profit	1,223	1,194	2.5%	2,160	2,125	1.7%
Net Profit Margin	24.2%	25.9%		22.2%	24.7%	

- Q2 FY24 operating **revenue** up by **10%** to INR **5,053 million**; H1 operating revenue up by **13%** to INR **9,719 million**
- **Gross Profit** margin up by **424 bps** in Q2 and **441 bps** in H1; growth of **20%** yoy in H1
- EBIDTA ~ INR **1811 mn** in Q2 and INR **3509 mn** in H1; both at **36%** margins; yoy growth of **20%** in Q2 and **25%** in H1
- Operating **Cashflow 82%** of EBIDTA for Q2 and **75%** of EBIDTA for H1
- PAT ~ INR **1223 mn** in Q2 and **INR 2160 mn** in H1 – reflect Year-1 impact of FY23's Derma deals
- **Cash EPS ~ Rs. 20.2** in H1 – growth of **9.4%** yoy
- **Net Debt** as on 30th Sep = **INR 6182 mn**

KEY GROWTH DRIVERS FOR FY 24 – FY 26

1 Growth in Base Business

- Our **Top-20** power brands account for **70%** of our revenues and have grown at **11%** in **MAT Sep'23**. **13** out of these brands are ranked among the **Top-5** in their respective segments. We have
 - **5** brands with revenues of Rs. **100+ crore** each
 - **4** brands with revenues of Rs. **70-80 crore** each, and
 - **4** brands with revenues of Rs. **50-70 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 have **several first-in-market** combinations coming through our own R&D pipeline and have relaunched **two “at risk”** products in **FY24**
- We plan to launch **Glargine** and **Liraglutide** from MJ's pipeline in **Q4 FY24**
- We will drive new product launches in **Paediatric Dermatology** and **Cosmetology**

KEY GROWTH DRIVERS FOR FY 24 – FY 26 (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**

5

Inorganic opportunities

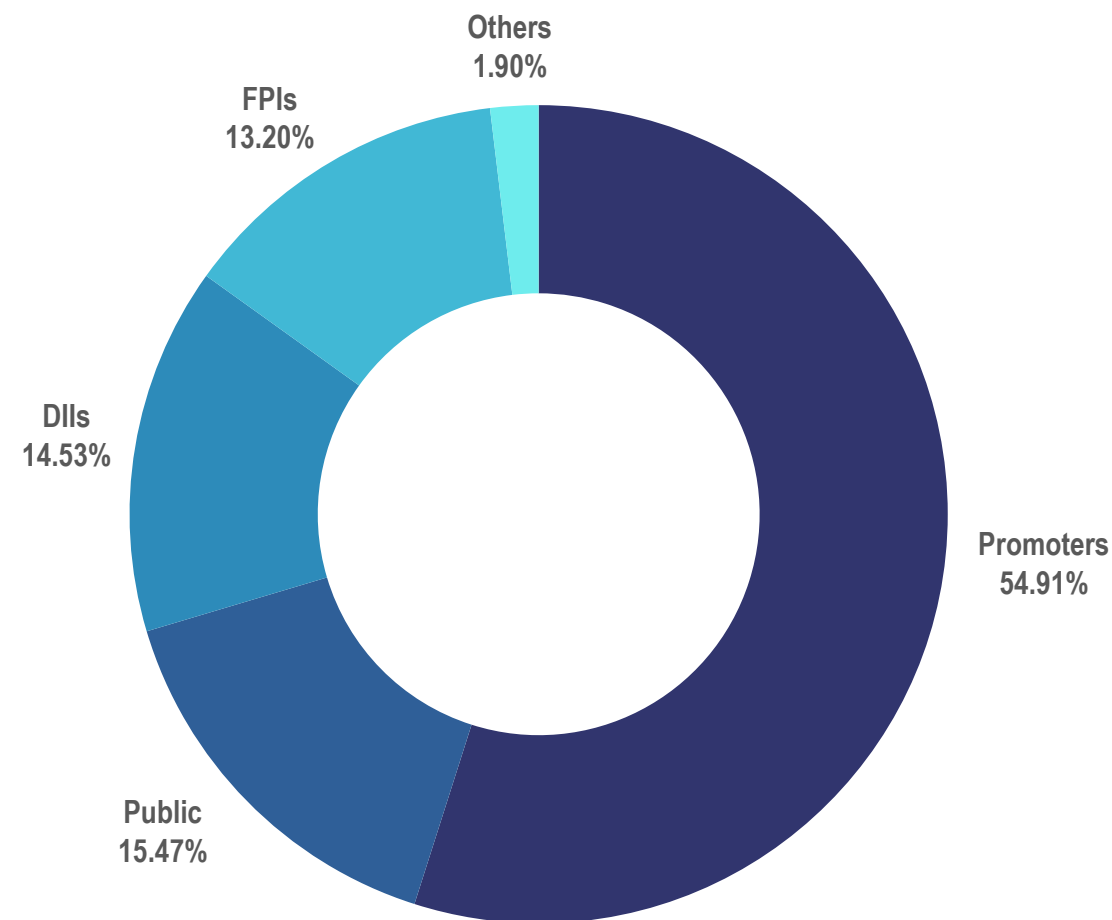
- Our Dermatology acquisitions of Oaknet, Glenmark brands & DRL brands in FY23 have created significant value with good growth momentum and significant margin expansion from **10% in FY22 to 24% in FY23 to 35% plus in H1-FY24%**
- With the **Biocon** businesses acquisition, we have entered the **Nephrology** segment and significantly consolidated our position in the Medical Dermatology (**Psoriasis**) space

FY24 Guidance: Revenue INR 2,000-2,100 crore, EBIDTA INR 700-710 crore, PAT INR 410-415 crore

SHAREHOLDER PROFILE

Shareholding of Promoters and Top 15 Institutional Investors

Name of Shareholder		As on	As on	As on
		29-Sep-23	30-Jun-23	31-Mar-23
		876*	*699	*572
Promoters		54.91%	52.86%	52.86%
1	Chrys Capital (Emerald Investment Limited)	7.58%	7.58%	7.58%
2	UTI Mutual Fund	4.74%	5.92%	5.33%
3	HDFC Mutual Fund	4.57%	0.00	0.00
4	Franklin Templeton Mutual Fund	1.47%	1.26%	1.26%
5	Aditya Birla Sun Life Mutual Fund	1.38%	1.47%	1.47%
6	Kuwait Investment Authority Fund	1.10%	1.47%	1.47%
7	Plutus Wealth Management LLP	1.10%	0.00%	0.00%
8	UTI Fund - FII	0.93%	1.20%	1.28%
9	Ellipsis Partners LLC	0.79%	0.79%	0.73%
10	HSBC Mutual Fund	0.71%	0.88%	0.88%
11	Steinberg India Fund	0.54%	0.54%	0.54%
12	Tata Mutual Fund	0.38%	0.38%	0.38%
13	ICICI Prudential Mutual Fund	0.31%	0.33%	0.33%
14	New Mark Capital India Fund	0.31%	0.31%	0.31%
15	Malabar Select Fund	0.30%	0.33%	0.33%



*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