

ERIS LIFESCIENCES LTD

Q1 FY 20

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.

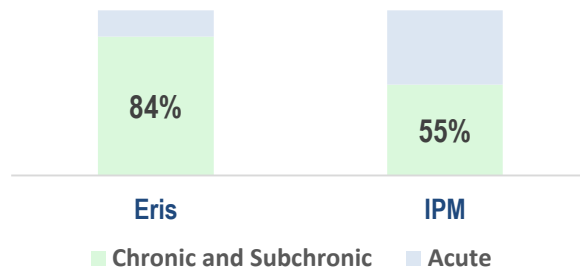
Should one or more of such risks and uncertainties materialize, or should any underlying assumption prove incorrect, actual outcomes may vary materially from those indicated in the applicable forward-looking statements.

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.

Q1 FY 20 – BUSINESS HIGHLIGHTS

- Strong Growth Momentum Retained
 - Substantial yoy growth in Q1 20 (12.8% vs 7.9% for IPM) adds to the growth momentum in H2 19 (16.7% vs 9.9% for IPM) *

- Business retains focus in faster growing Chronic and Subchronic segments



- In-licensing
 - Expected commercial launch by Sept – Oct 19 for 1 product
 - Regulatory approval stage for 1 product

- Eris launches Saarthi 2.0 with PlexusMD in July 19
 - Unique online learning platform for Doctors with medical content, medico-legal precedents, case discussions etc
- Eris Airport Kiosks screen 200,000+ patients till date
 - Of which 50,000+ patients found for the first time that they are hyper-tensive or diabetic or both
- Kinedex becomes a wholly owned subsidiary
 - Restructuring of Kinedex business

* Source: AIOCD Jun'19

Q1 FY 20 – FINANCIAL HIGHLIGHTS

Q1 20 Financial Performance

10.0%

yoy growth in Sales

18.0%

yoy growth in EBITDA

17.5%

yoy growth in Net Profit

- Full Prepayment of external borrowings from internal accruals gives company a Debt Free status
- Strong expansion in EBITDA margin led by increase in YPM to 4.4 lacs pm in Q1 20 from 4.1 in Q4 19
 - Number of MRs as on 30 June 19: 2075

Q1 FY 20 – INCOME STATEMENT

Consolidated INR mn	Q1 20	Q1 19	Q1 20 yoy GR
Sale of Products	2,719	2,471	10.0%
Other Operating Income	24	37	-34.6%
Revenue from Operations	2,743	2,508	9.4%
Gross Profit	2,284	2,119	7.8%
Gross Profit Margins	83.3%	84.5%	
Employee cost	471	491	-3.9%
as % of Revenue	17.2%	19.6%	
Other Expenses	767	743	3.3%
as % of Revenue	28.0%	29.6%	
Op EBITDA	1,045	886	18.0%
Op EBITDA margin	38.1%	35.3%	
Depreciation and Amortisation	115	73	56.2%
Op EBIT	930	813	14.4%
Op EBIT margin	34.6%	32.4%	
Finance cost	9	71	-87.3%
Other Income	28	35	-19.8%
PBT	949	777	22.2%
PBT margin	35.0%	31.0%	
Taxes	109	61	77.1%
Net Profit	841	716	17.5%
Net Profit margin	30.6%	28.5%	

Source: Unaudited Financial Statements

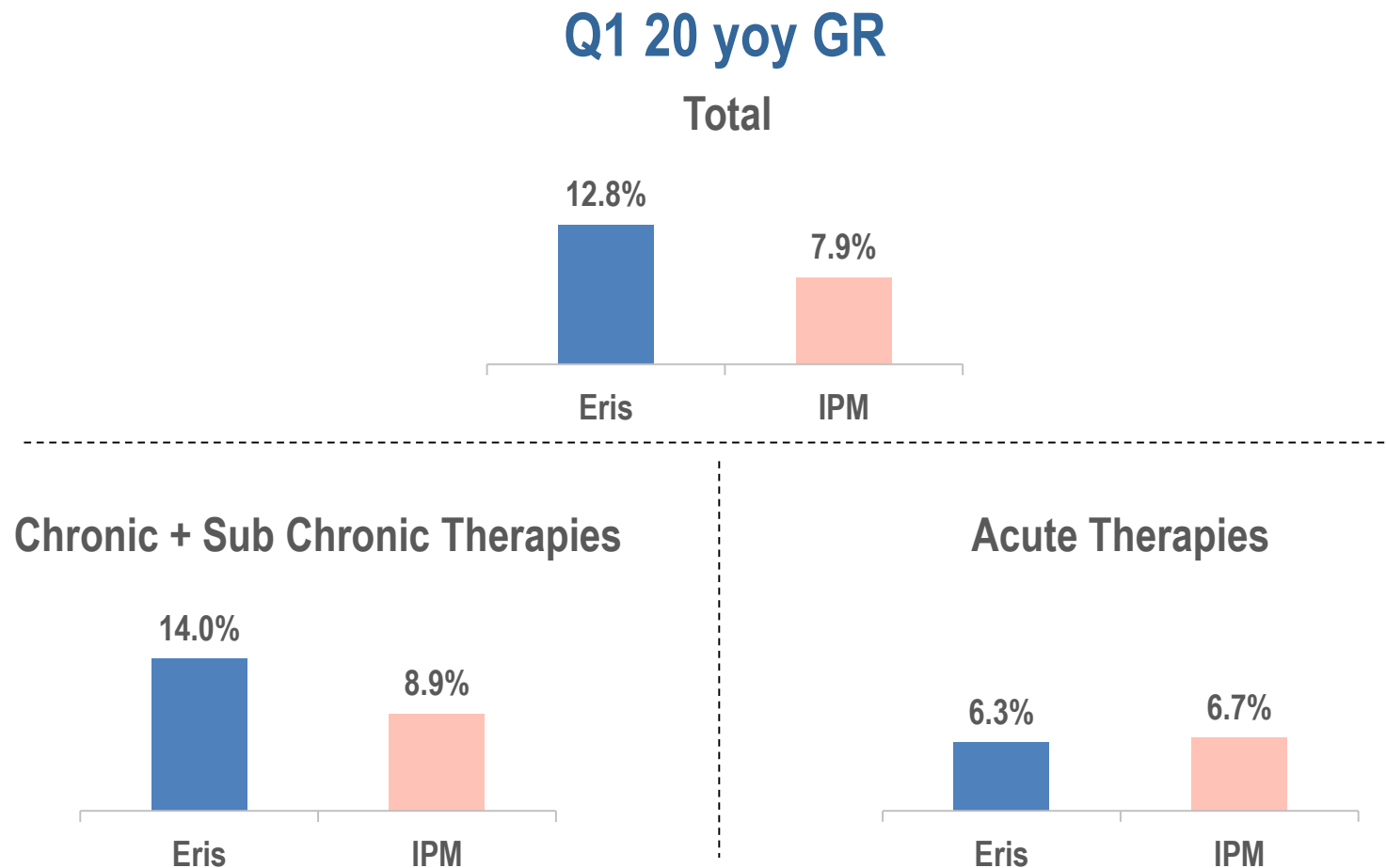
Q1 FY 20 – ENTITY WISE SALES

Consolidated INR mn	Q1 20	Q1 19	Q1 20 yoy GR
Sale of Products	2,719	2,471	10.0%
Other Operating Income	24	37	-34.6%
Revenue from Operations	2,743	2,508	9.4%
Gross Profit	2,284	2,119	7.8%
<i>Gross Profit Margins</i>	<i>83.3%</i>	<i>84.5%</i>	
Employee cost <i>as % of Revenue</i>	471 17.2%	491 19.6%	-3.9%
Other Expenses <i>as % of Revenue</i>	767 28.0%	743 29.6%	3.3%
Op EBITDA	1,045	886	18.0%
<i>Op EBITDA margin</i>	<i>38.1%</i>	<i>35.3%</i>	
Depreciation and Amortisation	115	73	56.2%
<i>Op EBIT</i>	<i>930</i>	<i>813</i>	<i>14.4%</i>
<i>Op EBIT margin</i>	<i>34.6%</i>	<i>32.4%</i>	
Finance cost	9	71	-87.3%
Other Income	28	35	-19.8%
PBT	949	777	22.2%
<i>PBT margin</i>	<i>35.0%</i>	<i>31.0%</i>	
Taxes	109	61	77.1%
Net Profit	841	716	17.5%
<i>Net Profit margin</i>	<i>30.6%</i>	<i>28.5%</i>	



Sale of Products INR mn	Q1 20	Q1 19	Q1 20 yoy GR
Consolidated	2,719	2,471	10.0%
Stand alone	2,598	2,227	
Base (includes UTH products)	2,015	1,837	9.7%
Strides	452	390	15.7%
Kinedex	109	-	-9.2%
Intercompany Sales	22	-	
Subsidiaries	143	244	
Aprica	143	124	15.3%
Kinedex	-	120	
Intercompany Sales	-22	-	

Q1 FY 20 – SUBSTANTIAL SECONDARY GROWTH



Q1 FY 20 – PRESCRIPTION RANKING

Prescription Ranking*



CARDIOLOGY



DIABETOLOGY



GASTRO

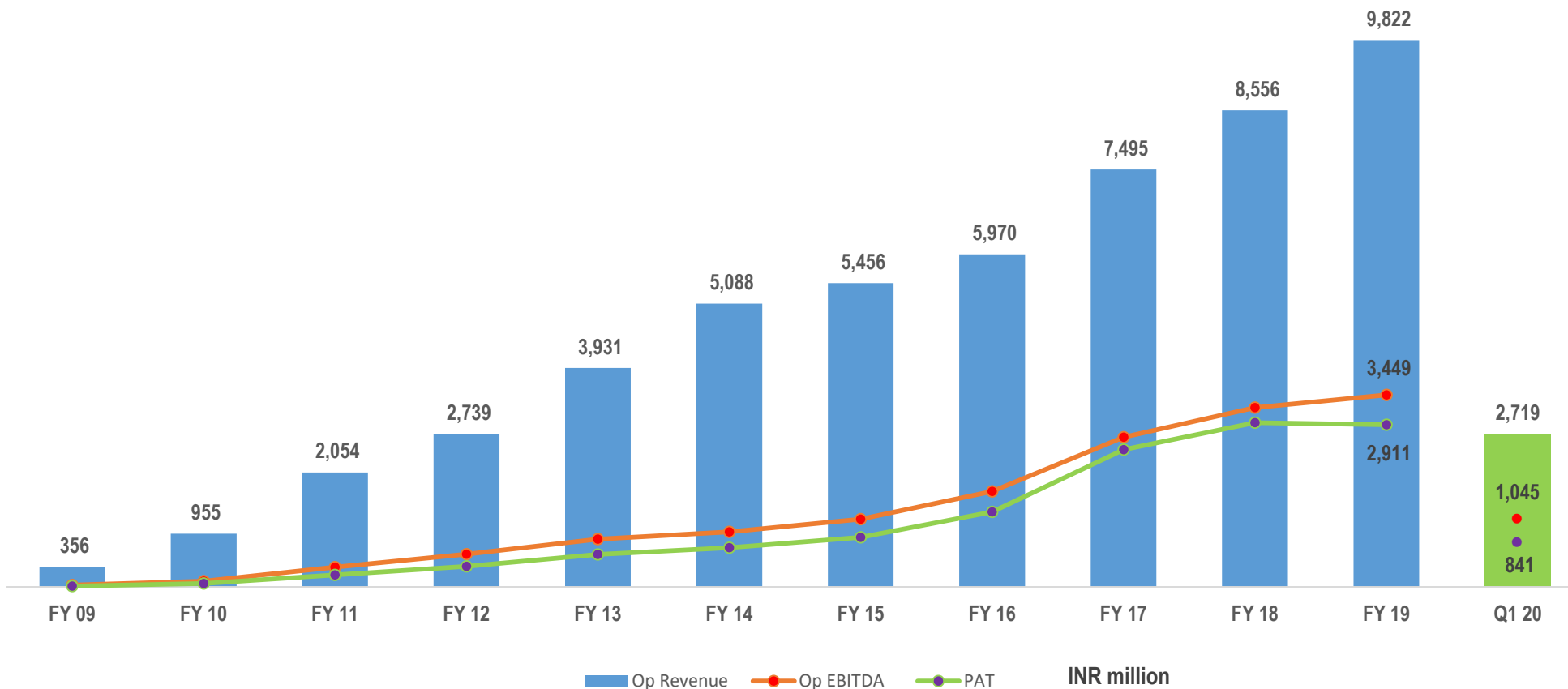


NEUROLOGY



**CONSULTING
PHYSICIAN**

10 YEAR FINANCIAL HIGHLIGHT



	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
RoE	-86%	193%	166%	143%	106%	83%	96%	131%	94%	61%	37%
RoCE	302%	82%	123%	163%	139%	110%	128%	171%	99%	38%	39%

FY 09 to FY 16 as per Ind GAAP
 FY 17 to FY 19 as per Ind AS
 Q1 20 as per Unaudited Financial Statements

MANUFACTURING FACILITY - GUWAHATI

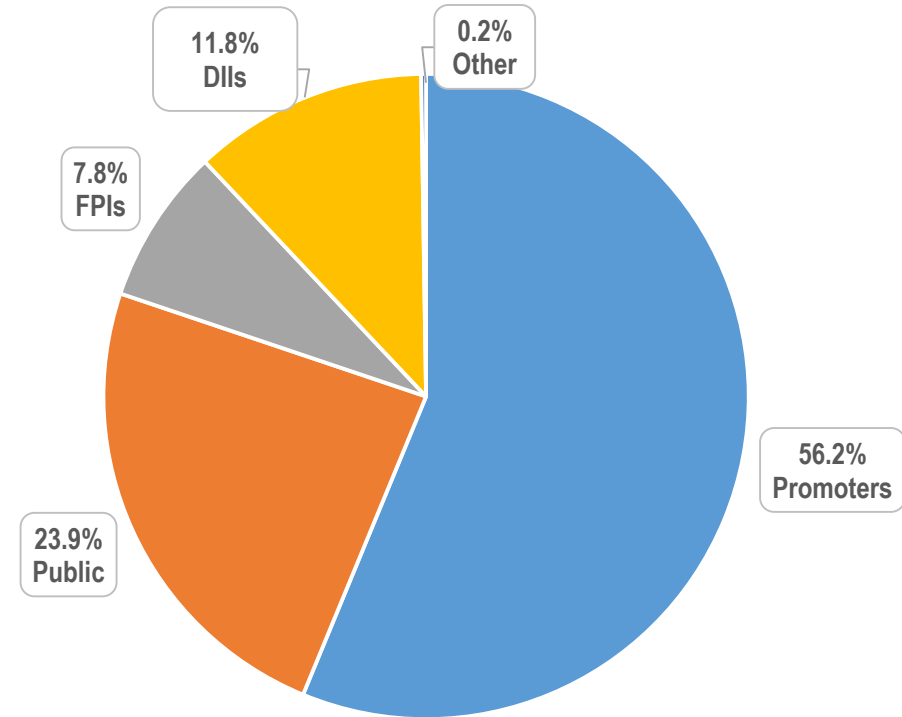
KEY METRICS

	FY 17	FY 18	FY 19
Manufacturing at Guwahati Plant As % of Op Revenue	78%	66%	61%
Effective Tax Rate as % of PBT	9%	6%	8%

SHAREHOLDER PROFILE

Shareholding of Promoters and Top 15 Institutional Investors

Sr No	Name of Shareholder	As on 17 July 19	As on 31 Dec 18	As on 30 June 18
		445 *	687 *	685 *
	Promoters	56.23%	56.04%	55.93%
1	Motilal Oswal Mutual Fund	3.97%	3.86%	3.59%
2	Aditya Birla Sun Life Mutual Fund	3.85%	3.85%	3.44%
3	UTI Mutual Fund	1.39%	0.92%	0.63%
4	Matthews India Fund	1.13%	1.49%	1.49%
5	Fundsmith Emerging Equities Trust	1.11%	1.00%	0.68%
6	Abu Dhabi Investment Authority	1.01%	1.01%	1.01%
7	Vanguard	0.97%	0.91%	0.78%
8	Morgan Stanley	0.95%	0.99%	1.39%
9	Goldman Sachs	0.90%	1.25%	1.45%
10	SBI Mutual Fund	0.66%	0.70%	0.70%
11	Norges Bank - Government Global Pension Fund	0.61%	0.74%	0.74%
12	Kotak Mutual Fund	0.60%	0.61%	0.64%
13	Edelweiss Alternate Investment Fund	0.48%	0.47%	0.45%
14	Tata Mutual Fund	0.29%	0.29%	0.29%
15	L and T Mutual Fund	0.27%	0.27%	0.27%



* Closing share price as per NSE

THANK YOU