

ERIS LIFESCIENCES LTD

Q4 FY 20 and 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.

Q4 FY 20 – Covid 19 Pandemic

In wake of the global pandemic, Eris was faced with 2 primary challenges: ensuring the safety of its employees, customers and vendors as well as ensuring continuity of business to serve doctors and patients

Ensuring safety of employees and customers

- Roll out of health insurance policy for employees covering all Covid-19 related medical expenses
- Real time monitoring of each location to assess 'next steps' for safety of employees
- Strict social distancing norms maintained and work from home adopted for safety of employees

Ensuring business continuity

- Impact analysis to assess tactical steps required in manufacturing, supply chain management and financial management
- Adapting of processes to manage disruptions in marketing, distribution, cash flow management

Ensuring patient and doctor needs are met

- Real time assessment of doctor and patient needs
- Distribution of kits for doctors

Q4 FY 20 – BUSINESS HIGHLIGHTS

**Market beating double digit growth:
Eris outgrows market by 48%**

Eris sales grow 14.3% yoy vs IPM growth of 9.7%

Chronic therapies continue to outperform market and sub chronic therapies regain momentum:

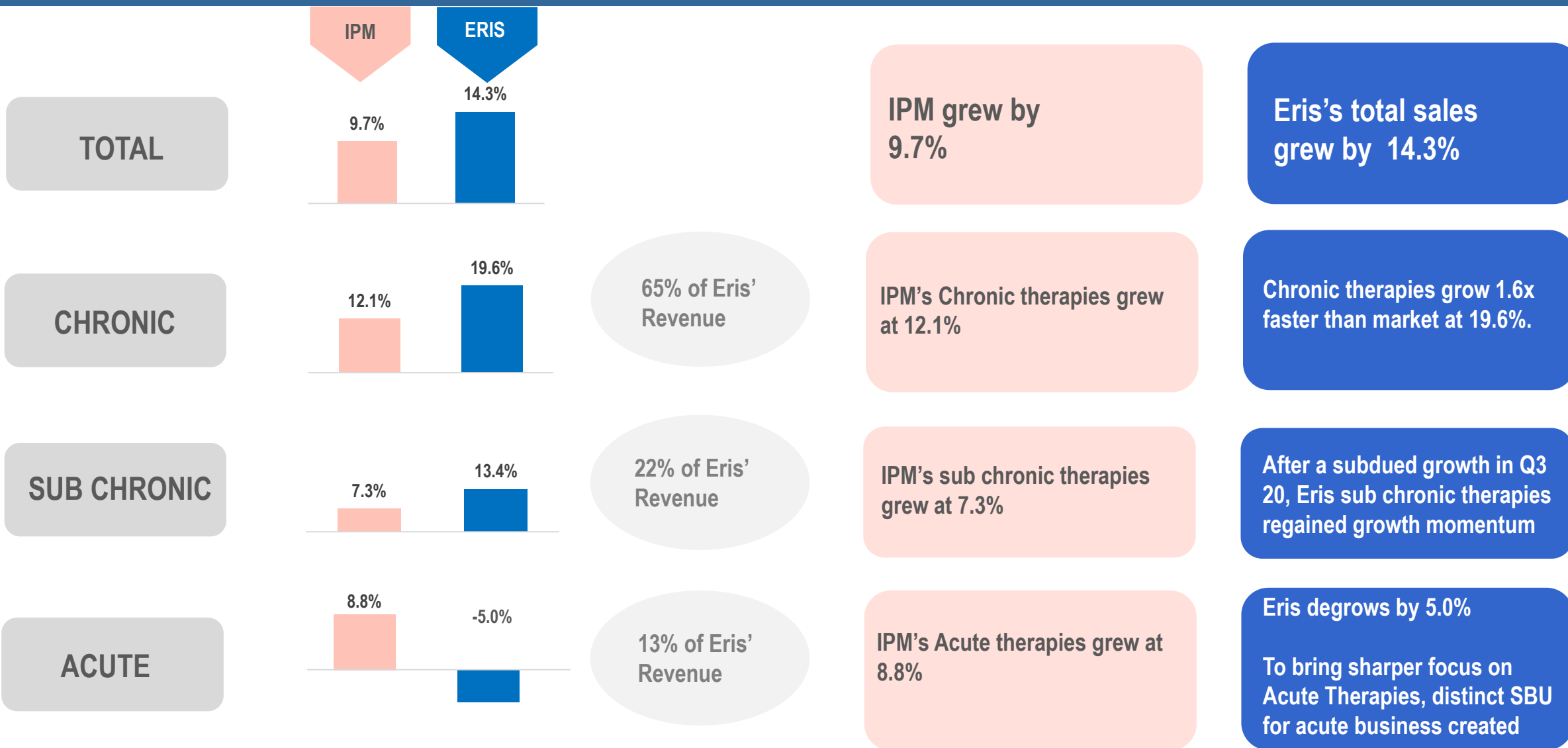
Eris chronic therapies grow 19.6% yoy vs IPM growth of 12.1%

Eris sub chronic therapies grow 13.4% yoy vs IPM growth of 7.3%

Number of BEs: 2,461

97 BEs added in Q4 FY20.

Q4 FY 20 – SECONDARY GROWTH



Q4 FY 20 – INCOME STATEMENT

Consolidated INR Millions	Q4 FY20	Q4 FY19	Q4 FY 20 yoy GR
Sale of Products	2,441	2,111	15.6%
Other Operating Income	45	37	19.9%
Revenue from Operations	2,486	2,148	15.7%
Gross Profit	2,115	1,799	17.5%
Gross Profit Margin	85.1%	83.8%	
Employee Cost	553	472	17.1%
as % of Revenue	22.2%	22.0%	
Other Expenses	791	706	12.1%
as % of Revenue	31.8%	32.8%	
EBITDA	771	622	24.1%
EBITDA Margin	31.0%	28.9%	
Depreciation	143	112	27.9%
Finance Cost	4	44	-92.0%
Other Income	-8	117	
PBT	617	582	5.9%
PBT Margin	24.3%	27.1%	
Taxes	56	44	28.8%
Net Profit	561	539	4.1%
Net Profit Margin	22.6%	25.1%	

Q4 FY 20 Financial Performance

15.6 %

yoy growth
in Sales

24.1 %

yoy growth in
EBITDA

4.1 %

yoy growth in
Net Profit

- Interim dividend of INR 2.87 per share announced and paid
- Buyback of shares worth INR 1,000 mn completed

FY 20

MOMENT OF PRIDE

ERIS' **INDIA HEART STUDY** IN INTERNATIONAL JOURNAL

Our persistent efforts to promote science recognised by global institutions of hypertension



European Society of Hypertension and International Society of Hypertension have jointly accepted our **India Heart Study** paper to publish in the upcoming issue of the Journal of Hypertension









**Eris Becomes The First Indian Pharma Company
To Publish A Study Based On Indian Population**

The study reinforces **Eris'** position in the league of **Thought Leaders** that relentlessly work towards creating a path breaking body of knowledge and thereby improving health outcomes

PATIENT CARE INITIATIVES – SCIENTIFIC ENGAGEMENT WITH DOCTORS

Scientific engagement with Doctors – our marketing divisions maintain their tenacious focus on **Patient Care Initiatives** while engaging with health care providers.

This investment in promotion of science provides **Eris** an unhindered mindspace and superior facetime with super specialist and specialist doctors.

 <p>Sleep Study On Call</p> <p>11,414 patients screened in sleep study</p>	 <p>Save Kidney... Save Heart</p> <p>More than 2,00,000 patients counselled</p>	 <p>59,000 ABPMs on call</p>	 <p>HOLTER ON CALL</p> <p>An Eris Initiative for 24 hr Rhythm Monitoring</p> <p>36,870 Holter on Calls</p>
 <p>more than 1,00,000 patients have been screened</p>	 <p>11,963 CGM conducted</p>	 <p>1,05,380 Patients</p>	 <p>1,78,210 Patients screened</p>

FY 20 – BUSINESS HIGHLIGHTS

Market beating double digit growth:

Eris sales grow 11.0% yoy vs IPM growth of 9.8%

Chronic therapies continue to outperform market and sub chronic therapies regain momentum:

Eris chronic therapies 14.8% yoy vs IPM growth of 10.8%

Eris sub chronic therapies 9.9% yoy vs IPM growth of 8.2%

Zomelis: Eris enters Vildagliptin market with successful launch of Zomelis

Zomelis brand acquired from Novartis

Rariset: successful launch of in-licensing product

Patent protected Sucrosomial Iron –with Pharmanutra SPA of Italy

Eris Healthcare enters into Disease Prevention with a meaningful product portfolio

Clusters

Business redesigned into 4 Clusters for sharper focus on strategy and execution

Guwahati plant: Expansion of capabilities

Plant caters to 76% of revenue in Q4 FY 20

Contribution to go upto \approx 80% by Q1 FY 21

Kinedex becomes wholly owned subsidiary

461 BEs added in FY 20

Launch of new division Aspire for Zomelis

YPM = 3.6 lacs

Successfully Capitalising Off patent opportunities

30,000 inr mn

Estimated size of products going off patent in India in the near future

The logo for Zomelis, featuring the word "Zomelis" in a stylized, purple, cursive font with a thick underline that curves under the letters.

In December 2019, **Vildagliptin**, a prime molecule in Diabetes Care, went off patent. Vildagliptin is a **DPP 4 inhibitor** – a class of oral diabetes drug that has evolved as the first line of defence in Diabetes Care

Given **Eris' established therapy area expertise** in diabetes care, Vildagliptin, with a **market size of ≈ INR 10,000 mn**, presented a very exciting opportunity for Eris

In December 2019, **Eris launched Zomelis**, after acquiring the trademark from Novartis

Zomelis is an established brand with specialists and super specialist doctors and enjoys a market share of ≈ 6% *

To ensure a focused effort, a **new division, Aspire** was launched with **186 BEs** to spearhead **Zomelis**

Successful launch of In-licensing Product

Successful launch of
Patent Protected
In-Licensed
products

In Q3 FY 20 we launched **Rariset**, under our **in-licensing** agreement with **Pharmanutra S.P.A** for their **patent protected Sucrosomial Iron**

Iron has a crucial role in **Ante Natal Care** as well as management of **chronic diseases** like **CKD**. The patent protected Sucrosomial Iron has a **superior efficacy** and **tolerability** – and addresses a market of **≈ 20,000 inr million**

Evidence to Experience - to highlight the importance of Iron and the **clinical evidence** backed superiority of Sucrosomial Iron, Eris conducted more than **400 CMEs across India**



Business Redefined into 4 Clusters

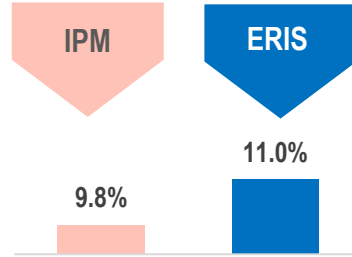
**CARDIO
METABOLIC
BUSINESSES -1**

**CARDIO
METABOLIC
BUSINESSES -2**

CNS

ACUTE

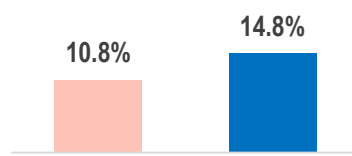
FY 20 – SECONDARY GROWTH



TOTAL

IPM grew by 9.8%

Eris's total sales grew by 11.0%

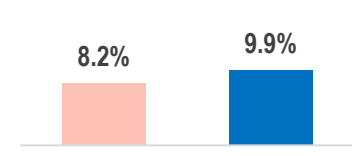


CHRONIC

63% of Eris' Revenue

IPM's chronic therapies grew by 10.8%

Eris outgrew market, especially in Diabetes and Cardiac Care

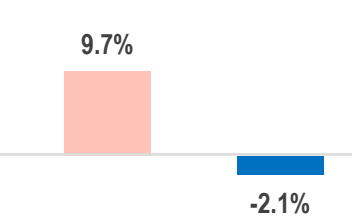


SUB CHRONIC

23% of Eris' Revenue

IPM's sub chronic therapies grew at 8.2% yoy

Sub chronic therapies outperformed by growing at 9.9%



ACUTE

14% of Eris' Revenue

IPM's Acute therapies grew at 9.7%, mainly due to long monsoon season

Eris degrows by 2.1%
To bring sharper focus on Acute Therapies, distinct SBU for acute business created

FY 20 – THERAPY AREA WISE CAGR OVER FY 18 to FY 20

Chronic Therapies

Diabetes Care = 29% of Revenue

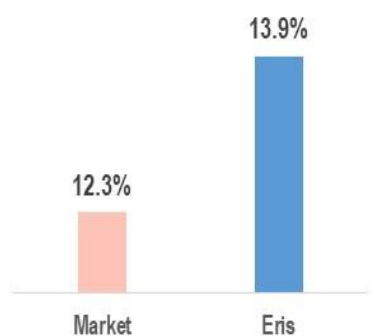
5.2%
Market Share *



Glimisave
Tendia
Cyblex
Top 3 Mother Brands outperform market

Cardiac Care = 27% of Revenue

3.5%
Market Share *



Olmin
Crevast
2 of Top 4 Mother Brands outperform market

Sub Chronic Therapies

23% of Revenue

8.6%

Market

8.4%

Eris

Renerve
Ginkocer
Raricap
Metital
4 of 6 Top Mother Brands outperform market

Acute Therapies

14% of Revenue

9.1%

Market

-4.7%

Eris

Market grows by 9.1% CAGR
Eris degrows by 4.7%
All Acute therapies redesigned into a distinct cluster

FY 20 – TOP 10 MOTHER BRANDS

Top 10 mother brands = 66% of sales

Top 10 mother brands grew 15.2% yoy vs 11.3% yoy growth of their respective markets

	Market Share – FY 20	Sales FY 20 (INR Mn)	Brand Growth	Market Growth	Rank
GLIMISAVE	5.9%	2,462	11.4%	10.4%	6
ERITEL	4.3%	1,373	11.1%	17.2%	5
RENERVE	7.1%	1,079	24.4%	7.6%	2 ↑
TENDIA	6.8%	750	25.4%	21.8%	4
OLMIN	7.4%	670	11.5%	7.8%	3 ↑
CYBLEX	10.0%	634	64.2%	13.6%	5 ↑
LNBLOC	11.0%	584	18.2%	23.4%	2
TAYO	4.6%	557	11.4%	4.1%	4
REMYLIN	5.1%	555	-0.1%	6.4%	6
RABONIK	3.8%	540	-0.9%	6.0%	9 ↓

FY 20 - PRESCRIPTION RANKING

Prescription Ranking*



CARDIOLOGY



DIABETOLOGY



GASTRO



NEUROLOGY



CONSULTING
PHYSICIAN

FY 20 – FINANCIAL HIGHLIGHTS

Financial Highlight – FY 20

9.4 %

yoy growth
in Sales

6.8 %

yoy growth
in EBITDA

1.8 %

yoy growth
in Net Profit

- Substantial investment in people, products and promotion
- Employee Cost increase by 7.1%
- Other Expenses increase by 13.1% yoy
- Incremental investments in growth lead to dilution of Ebitda margin from 35.1% to 34.2%

Financial Highlights – FY 18 to FY 20

13.1 %

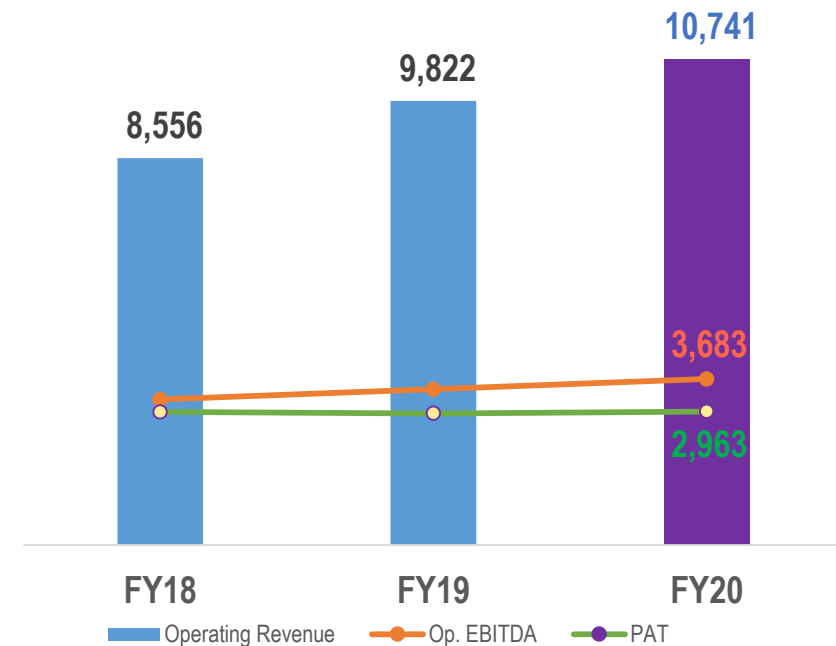
CAGR in Sales
FY 18 to FY 20

6.9 %

CAGR in EBITDA
FY 18 to FY 20

0.4 %

CAGR in PAT
FY 18 to FY 20



FY 20 – INCOME STATEMENT

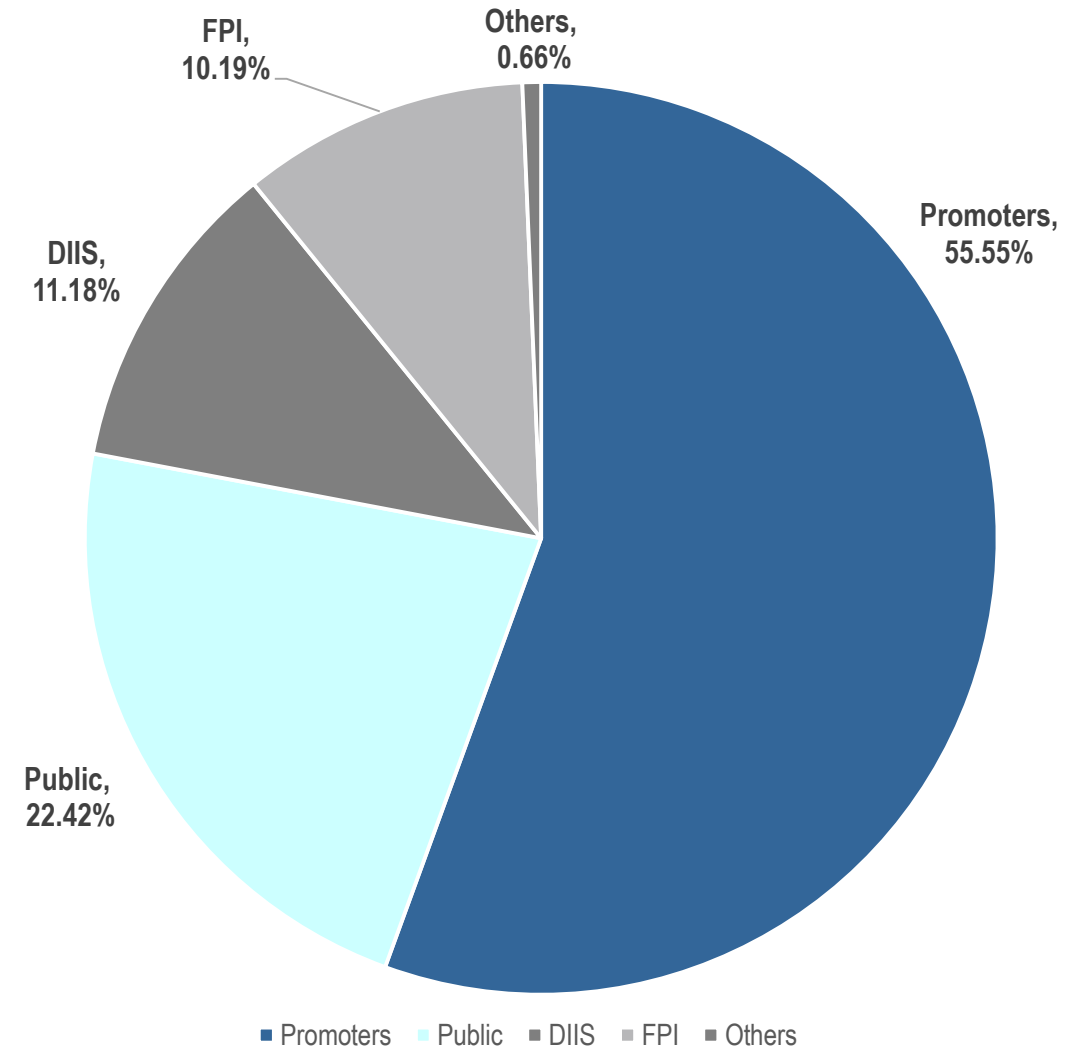
Consolidated INR Millions	FY20	FY19	FY20 yoy GR
Sale of Products	10,582	9,672	9.4%
Other Operating Income	159	150	6.1%
Revenue from Operations	10,741	9,822	9.4%
Gross Profit	9,025	8,285	8.9%
Gross Profit Margin	84.0%	84.4%	
Employee Cost as % of Revenue	2,053 19.1%	1,907 19.4%	7.7%
Other Expenses as % of Revenue	3,289 30.6%	2,929 29.8%	12.3%
EBITDA	3,683	3,449	6.8%
EBITDA Margin	34.3%	35.1%	
Depreciation	503	364	38.3%
Finance Cost	22	229	-90.6%
Other Income	157	317	-50.4%
PBT	3,315	3,174	4.5%
PBT Margin	30.9%	32.3%	
Taxes	352	262	34.4%
Net Profit	2,963	2,911	1.8%
Net Profit Margin	27.6%	29.6%	

Source: Unaudited Financial Statements

SHAREHOLDER PROFILE

Shareholding of Promoters and Top 15 Institutional Investors

Sr no	Name of Shareholder	As on 31-Mar-20	As on 31-Dec-19	As on 30-Sep-2019
		369*	474*	451*
	Promoters	55.55%	56.23%	56.23%
1	ChrysCapital (Emerald Investment Limited)	5.51%	2.60%	-
2	Aditya Birla Sun Life Mutual Fund	3.43%	3.78%	3.85%
3	UTI Mutual Fund	3.04%	2.84%	2.65%
4	Franklin Templeton	1.83%	1.73%	1.31%
5	Fundsmith Emerging Equities Trust	1.09%	1.11%	1.11%
6	Kotak Mutual Fund	1.04%	0.88%	0.47%
7	Morgan Stanley	1.01%	1.04%	1.01%
8	Tata Mutual Fund	0.94%	0.93%	0.44%
9	Abu Dhabi Investment Authority	0.87%	1.01%	1.01%
10	Edelweiss	0.54%	0.44%	0.48%
11	Vanguard	0.31%	0.82%	0.85%
12	L and T Mutual Fund	0.24%	0.27%	0.27%
13	New Mark Capital Fund	0.23%	0.22%	-
14	Shinsei UTI JV	0.20%	0.21%	0.20%
15	Motilal Oswal Mutual Fund	0.15%	0.76%	3.87%



* Closing share price as per NSE

THANK YOU

ERIS LIFESCIENCES LTD

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