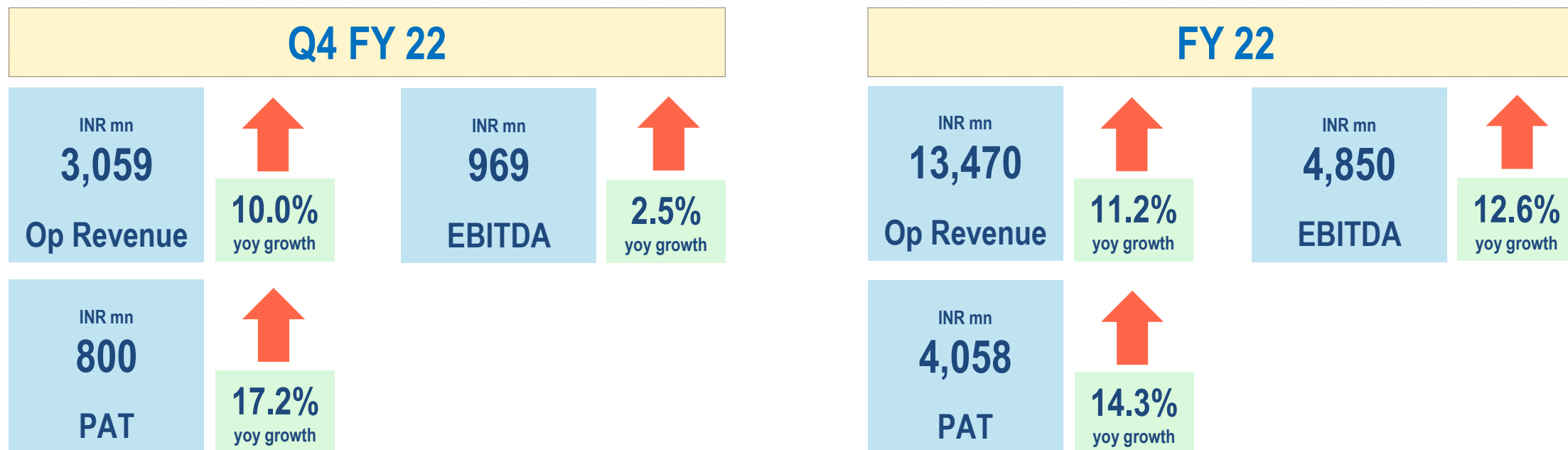




**Q4 FY 22 and FY 22  
INVESTOR PRESENTATION  
3<sup>rd</sup> May 2022**

# FINANCIAL HIGHLIGHTS – Q4 FY 22 and FY 22



- Q4 FY 22 has been a very significant quarter in terms of strategic new product launches including Drolute, Xsulin and Linares as well launch of a dedicated insulin division with a field-force of 200 personnel
- In FY22, Eris has entered the elite club of (less than a handful) of Indian pharmacos to have crossed Rs 400 crore of PAT in just fifteen years from inception
- Delivered a 14% EPS growth in FY22 on the back of a 21% EPS growth in FY21 – a CAGR of 18% over the last 2 years
- Standalone YPM of INR 5 lakh for FY22 vis-à-vis INR 4.5 lakh in FY21

# BUSINESS HIGHLIGHTS – FY 22

**78 %**

OCF to  
EBITDA

**20 %**

Dividend  
Payout Ratio

**33.9 %**

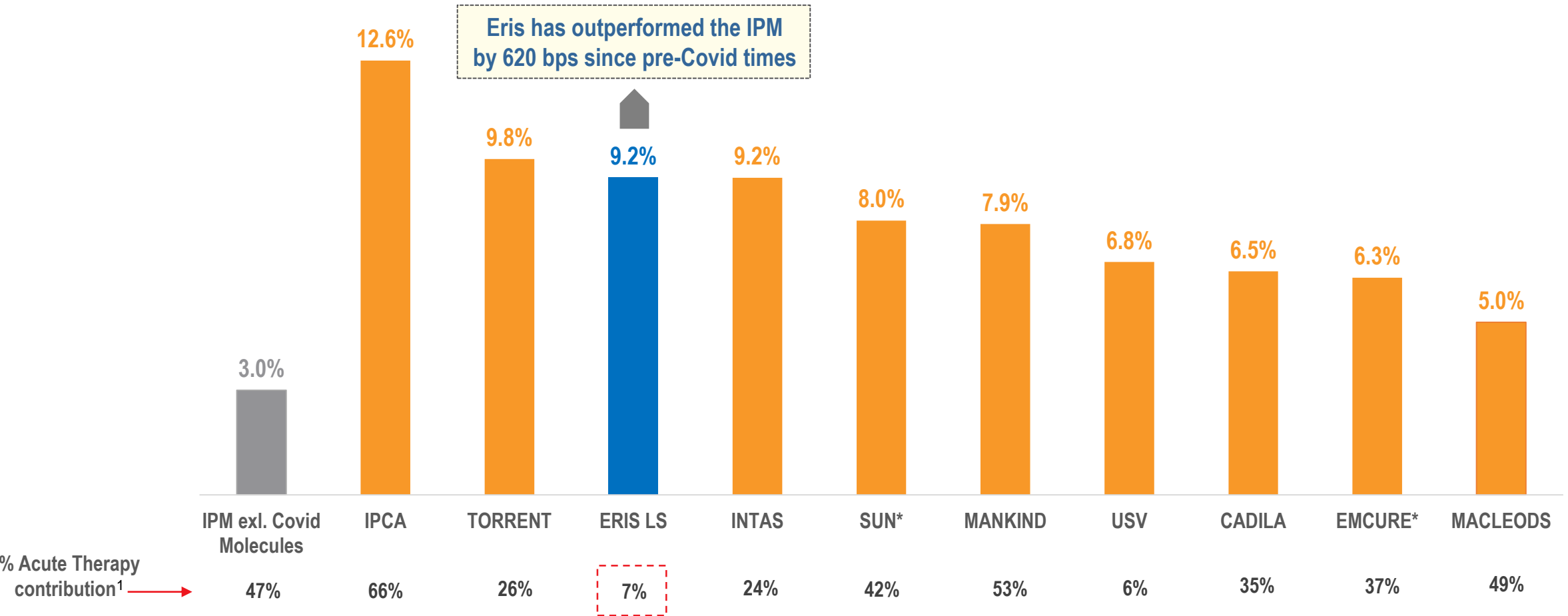
ROIC \*

**33.4 %**

ROE \*

- **INR 378 crore Operating Cash Flow in FY 22; continue to be among the highest in the industry**
- **Guwahati operations accounted for 79% of revenue in FY22**
- **New manufacturing facility announced in Q1 22 – INR 630 mn capex incurred in FY 22**
- **Standalone debtor days of 41 at the close of FY22**
- **INR 6.1 Dividend per share distributed; pay-out ratio ~ 20% of Net Profit for the year**
- **Rolled out a competitive ESOP scheme covering ~ 50 members of our senior management**
- **Completed the groundwork for implementation of SAP S/4HANA; will take up implementation in FY23**

# ERIS HAS GROWN AT 3x THE MARKET RATE FROM PRE-COVID LEVELS



Eris continues to be among the only 2 company in the Top-10 companies (by growth) with a single-digit contribution from Acute therapies

Source: AWACS Pharmatrac data for the period Dec'19 – Mar'22

\*excluding Favipiravir and Remdesivir, <sup>1</sup> Acute contribution based on MAT Mar 22 Sales

Graph represents the 10 fastest growing peers on a CAGR basis for the period Dec'19 – Mar'22 from the IPM Top-25 companies (Exc. Himalaya)

# SUSTAINED OUTPERFORMANCE IN CORE THERAPIES FROM PRE-COVID LEVELS

## ORAL ANTI-DIABETES : 32% of Eris

7.2% over IPM

4.6%

11.8%

IPM

ERIS

## CARDIOLOGY : 28% of Eris

3.8% over IPM

7.1%

10.9%

IPM

ERIS

## VMN: 19% of Eris

4.4% over IPM

5.5%

9.9%

IPM

ERIS

## CNS: 8% of Eris

4.6% over IPM

6.1%

10.7%

IPM

ERIS

## WOMEN'S HEALTH: 4% of Eris

11.8% over IPM

5.5%

9.9%

IPM

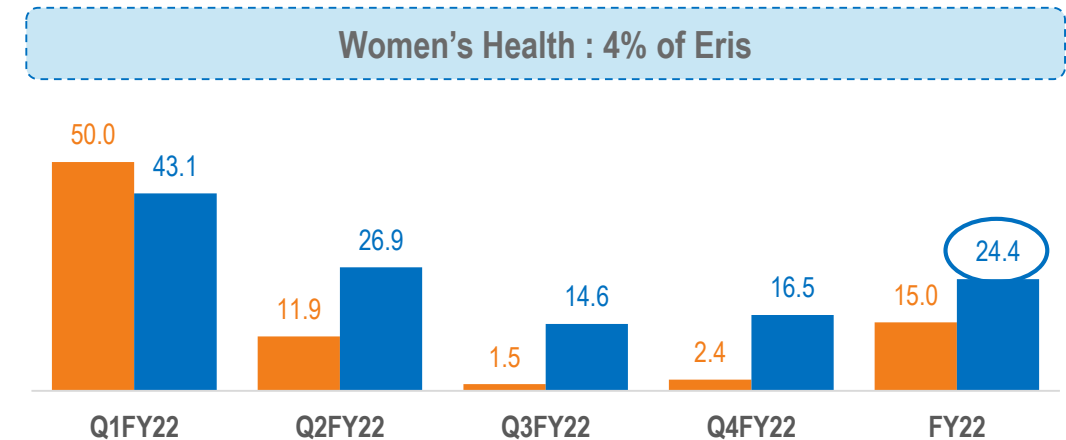
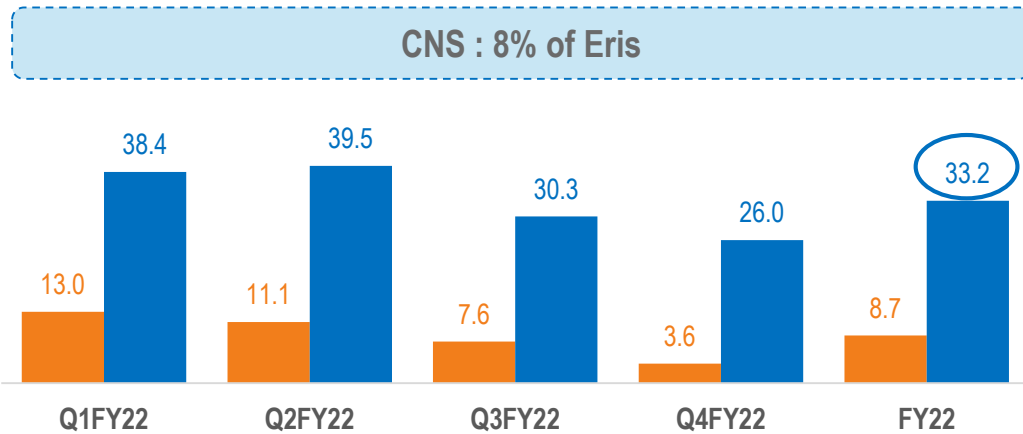
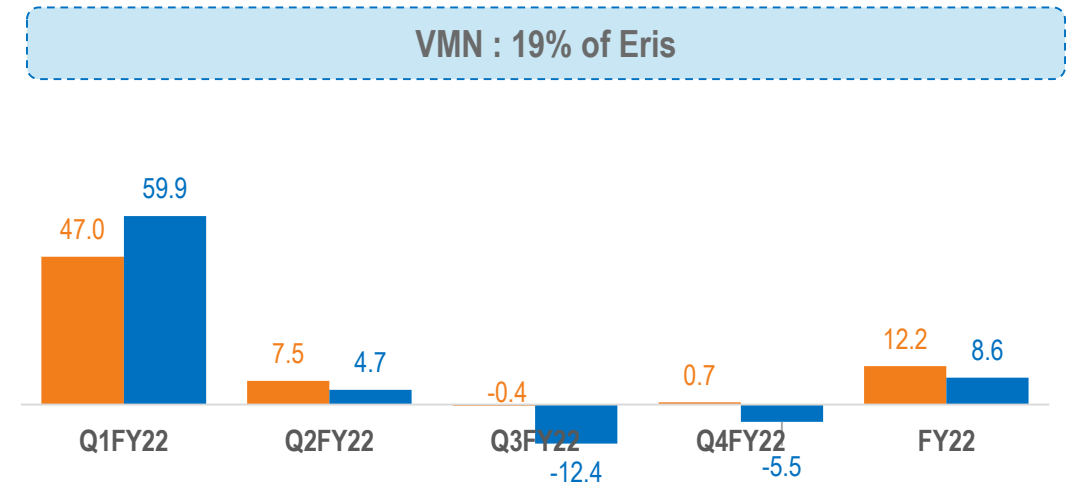
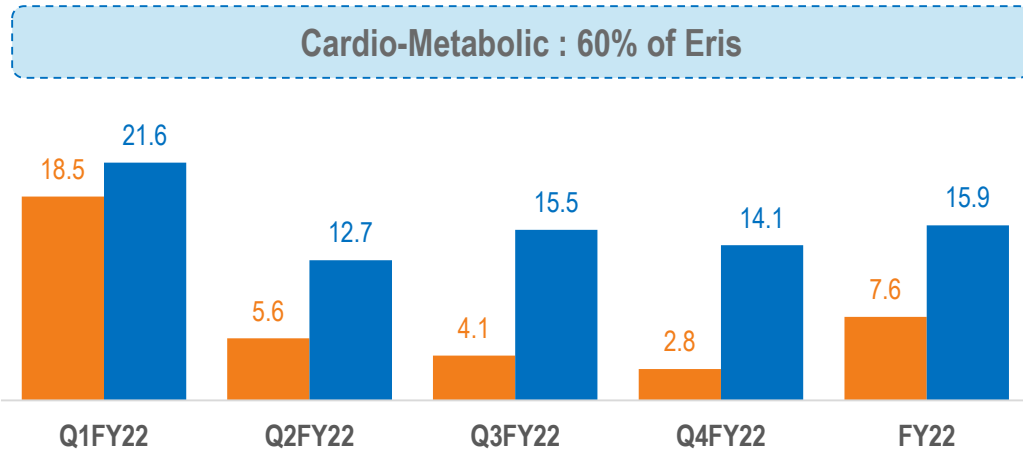
ERIS

- Eris has grown significantly ahead of market (since pre-Covid levels) in its Top-5 core therapies accounting for 91% of revenue
- Key new product additions during this time – Zomelis, Gluxit, Linares, ZACD, Zomelis SG, Baga, Remylin DX, Sonaxa Trio, Drolute, Tayo Raga

# CONTINUED OUTPERFORMANCE vs IPM DESPITE A SIGNIFICANT SLOWDOWN IN OUR CORE CARDIO-METABOLIC MARKET

Eris grew at **9.2%** in Q4 FY 22 vs. IPM growth of **3.9%**; outperformed IPM in **Cardio-Metabolic, CNS & Women's Health** therapies

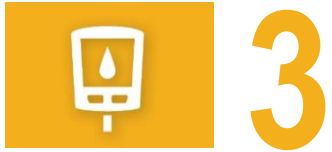
IPM Eris



Source: AWACS Pharmatrac data for Mar'22 | FY Growth (Apr-Mar'22 vs. Apr-Mar'21)  
 Graphs represent yoy growth, Therapy contribution based on MAT Mar'22

# ERIS MAINTAINS HIGH PRESCRIPTION RANKING AMONG DOCTOR SPECIALTIES

## Eris Prescription Ranking\* among Doctor Specialties



**DIABETOLOGISTS**

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**CARDIOLOGISTS**

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**NEUROLOGISTS**

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**GASTROENTEROLOGISTS**

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**CONSULTING  
PHYSICIANS**

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# RECENT KEY LAUNCHES TO PROPEL GROWTH MOMENTUM IN FY 23 AND BEYOND

*Zomelis-D*

*Linares*

*Zomelis<sup>®</sup> SG*

*xsulin*

*Drólute<sup>™</sup>*



# POWER BRANDS CONTINUE TO HAVE LEADING PRESENCE IN CORE THERAPIES (1/2)

Therapy wide presence in **Oral Diabetes Care** with **power brands** holding high ranks in **Newer-generation fast-growing** molecules

## Sulfonylurea

**GlimiSave** rank 6 in the ≈**4,800 cr** Glimepiride and combinations market

**Glimisave MV** rank 6 in Glimepiride + Voglibose + Metformin

**Cyblex** rank 5 in the ≈**700 cr** Gliclazide and combinations market

**Cyblex MV** rank 1 in Gliclazide + Voglibose + Metformin

## DPP4 Inhibitors

**Zomelis** rank 1 among Gx and rank 3 incl. innovator brands in the ≈**1,300 cr** Vildagliptin and combinations market

**Tendia** rank 4 in the ≈**1,100 cr** Tenzeligliptin and combinations market

**Zomelis<sup>®</sup> SG** rank 4 in Remogliflozin + Vildagliptin

**Linares** Our newly launched brand in Linagliptin market

## SGLT 2 Inhibitors

**Gluxit** rank 2 among Gx brands and rank 5 including innovator brands in the Dapagliflozin market

# POWER BRANDS CONTINUE TO HAVE LEADING PRESENCE IN CORE THERAPIES (2/2)

## High rank in Anti-Hypertensives: the largest segment of Cardiac Care

<b>Eritel</b>	<b>rank 5</b>	in the <b>≈3,700 cr</b> Telmisartan and combinations market
Eritel CH	rank 5	in Telmisartan + Chlorthalidone market
Eritel LN	rank 2	in Telmisartan + Cilnidipine market
<b>Olmin</b>	<b>rank 4</b>	in the <b>≈800 cr</b> Olmesartan and combinations market
Olmin Trio	rank 2	in Olmesartan + Cilnidipine + Chlorthalidone market
Olmin CH	rank 2	in Olmesartan + Chlorthalidone market
<b>LN BLOC</b>	<b>rank 2</b>	in the <b>≈650 cr</b> Cilnidipine and combinations market
LN Beta	rank 1	in Nebivolol + Cilnidipine market

## VMN: Specialty focus in core molecules leading to high ranks

<b>ReNerve</b>	<b>rank 2</b>	in the <b>≈1,800 cr</b> Methylcobalamin and combinations market
<b>Tayo</b>	<b>rank 6</b>	in the <b>≈1,800 cr</b> Cholecalciferol and combinations market
<b>GINKOCER</b>	<b>rank 1</b>	in the <b>≈100 cr</b> Ginkgo Biloba + combination market with <b>36% market share</b>
<b>ZAC-D</b>		Immunity enhancing supplement; continue to maintain strong traction since launch

# JAN 2022 - LEVERAGED THE INSULIN/ GLP1 OPPORTUNITY WITH MJ BIOPHARM



- Leading position in Indian oral anti-diabetes
- Strong credibility with Diabetologists/ Endocrinologists and Key Opinion Leaders
- Deep coverage of specialists and consulting physicians in Metro and Tier-1 markets
- Two blockbuster additions to DPP4/ SGLT2 portfolio in the last 2 years with top market ranks
- Unique patient care platform, through which we reach thousands of patients every year
- Net debt-free and cash-surplus balance sheet with the ability to invest for the long term



- Launched Human Insulin in Feb 2022
- Dedicated Division with 140 MRs; total strength 200
- Glargine – planned for 2023
- Other pipeline products – Aspart, Lispro, Liraglutide

- Proven capabilities in developing advanced biological formulations from preclinical through to Phase III and regulatory approval
- R&D team of 35+ members (including 3 PhDs) having developed biosimilar formulations of synthetic peptides and r-DNA peptides
- Two WHO-GMP/ PICS compliant manufacturing facilities in India for biologics bulk and formulations based on the microbial fermentation platform
- Track record of having supplied 14+ mn vials p.a. and 4+ mn cartridges p.a. of human insulin to 25+ countries since the year 2015

# ERIS CONTINUES TO EXECUTE ON GROWTH DRIVERS (1/2)

1

## Expansion of power-brands' franchise

- Our business model of building **strong and sustainable brands** has enabled us to significantly **outperform the market**
- There has been a clear shift in prescriber preference towards established brands over the last two years; this continues to work well for us with **8 of our Top-15 mother brands** being **ranked among the Top-5** in their respective categories
- We have curated a “**Full Service**” approach to **Diabetes Management** with a comprehensive range of oral anti-diabetics, Insulins, Blood Glucometers, HbA1c Monitors and Continuous Glucose Monitors in our product basket

2

## New product pipeline

- We have an exciting **pipeline of patent expiration** opportunities coming up in the **cardio-metabolic segment** over the next 3-4 years
- We are **well-positioned** to gain significant leverage from these expirations, given our market-leading brands in Vildagliptin (**Zomelis**) and Dapagliflozin (**Gluxit**)
- We will leverage the market opportunity in human insulin, insulin analogues and GLP1 agonists through our joint venture with MJ Biopharm; in **Q4 FY22** we launched **Human Insulin** with a dedicated division consisting of **140 MRs**
- We have planned **15+** new product launches for FY 23 including **5-6** significant launches; we are expanding our field team by **~ 170** across our cardio-metabolic divisions in this regard

# ERIS CONTINUES TO EXECUTE ON GROWTH DRIVERS (2/2)

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 are expanding our field-force by ~ **170** (120 Reps and 50 Managers)

4

## Therapeutic Diversification

- We continue to invest in **diversification opportunities** in high-growth areas like **CNS (Neuropsychiatry), Women's Health** and **Dermatology**; our CNS and Women's Health franchises are growing significantly ahead of the market

5

## In-licensing and acquisitions

- On the back of **value-accretive deals** (e.g., Strides, Zomelis), we continue to look for **high-return inorganic opportunities** to complement our organic growth initiatives

Significant investments being made in FY23 on the Insulin Business, Field Force Expansion, Landmark New Product launches, New Manufacturing Facility and SAP implementation

# Q4 FY 22 AND FY22 - STANDALONE INCOME STATEMENT

Standalone INR Millions	Q4 FY 22	Q4 FY 21	Q4 FY 22 yoy Gr %	FY 22	FY 21	FY 22 yoy Gr %
Sale of Products	2,771	2,527	9.7%	11,938	10,886	9.7%
Other Operating Income	50	42	20.3%	220	202	8.8%
<b>Revenue from Operations</b>	<b>2,821</b>	<b>2,568</b>	<b>9.8%</b>	<b>12,157</b>	<b>11,088</b>	<b>9.6%</b>
Gross Profit	2,322	2,068	12.3%	10,161	9,103	11.6%
<b>Gross Profit Margin</b>	<b>82.3%</b>	<b>80.5%</b>		<b>83.6%</b>	<b>82.1%</b>	
Employee Cost	526	464	13.6%	2,222	2,070	7.3%
<b>as % of Revenue</b>	<b>18.7%</b>	<b>18.0%</b>		<b>18.3%</b>	<b>18.7%</b>	
Other Expenses	780	664	17.4%	3,099	2,860	8.4%
<b>as % of Revenue</b>	<b>27.6%</b>	<b>25.9%</b>		<b>25.5%</b>	<b>25.8%</b>	
EBITDA	1,016	940	8.1%	4,840	4,173	16.0%
<b>EBITDA Margin</b>	<b>36.0%</b>	<b>36.6%</b>		<b>39.8%</b>	<b>37.6%</b>	
Depreciation	151	101	48.6%	515	376	36.7%
Finance Cost	10	2	391.0%	30	8	284.4%
Other Income	91	27	229.4%	290	100	189.9%
PBT	946	864	9.5%	4,585	3,889	17.9%
<b>PBT Margin</b>	<b>33.5%</b>	<b>33.7%</b>		<b>37.7%</b>	<b>35.1%</b>	
Taxes	79	171	-53.6%	413	383	8.0%
Net Profit	867	693	25.0%	4,172	3,506	19.0%
<b>Net Profit Margin</b>	<b>30.7%</b>	<b>27.0%</b>		<b>34.3%</b>	<b>31.6%</b>	

- Operating Revenue grew by 9.8% yoy in Q4 FY 22 and by 9.6% yoy in FY 22
- Gross Margin = 83.6% in FY 22; up from 82.1% in FY 21 on the back of a favourable product mix
- EBITDA Margin = 39.8% in FY 22; up from 37.6% in FY 21 on the back of a favourable product mix and operating leverage
- Standalone YPM (MR Productivity) = ~ INR 5 lakh in FY 22, up from ~ INR 4.5 lakh in FY21
- Tax rate for Q4 FY 22 = 8.4% of PBT as the Guwahati facility contributed to 73% of total revenue in Q4 FY 22; FY 22 effective tax rate stood at 9.0%
- Net Profit Margin = 34.3% in FY 22; up from 31.6% in FY 21 on the back of a favourable product mix and better operating leverage

# Q4 FY 22 AND FY22 - CONSOLIDATED INCOME STATEMENT

Consolidated INR Millions	Q4 FY 22	Q4 FY 21	Q4 FY 22 yoy Gr %	FY 22	FY 21	FY 22 yoy Gr %
Sale of Products	3,011	2,743	9.8%	13,262	11,926	11.2%
Other Operating Income	48	40	22.6%	209	192	8.6%
<b>Revenue from Operations</b>	<b>3,059</b>	<b>2,782</b>	<b>10.0%</b>	<b>13,470</b>	<b>12,119</b>	<b>11.2%</b>
Gross Profit	2,441	2,178	12.1%	10,885	9,736	11.8%
<b>Gross Profit Margin</b>	<b>79.8%</b>	<b>78.3%</b>		<b>80.8%</b>	<b>80.3%</b>	
Employee Cost as % of Revenue	622 20.3%	525 18.9%	18.4%	2,523 18.7%	2,293 18.9%	10.0%
Other Expenses as % of Revenue	851 27.8%	707 25.4%	20.2%	3,513 26.1%	3,137 25.9%	12.0%
EBITDA	969	945	2.5%	4,850	4,306	12.6%
<b>EBITDA Margin</b>	<b>31.7%</b>	<b>34.0%</b>		<b>36.0%</b>	<b>35.5%</b>	
Depreciation	184	115	60.2%	647	430	50.5%
Finance Cost	13	5	131.6%	41	18	130.1%
Other Income	81	22	264.4%	261	87	199.7%
PBT	853	847	0.7%	4,422	3,945	12.1%
<b>PBT Margin</b>	<b>27.9%</b>	<b>30.5%</b>		<b>32.8%</b>	<b>32.6%</b>	
Taxes	54	165	-67.4%	364	394	-7.5%
Net Profit	800	682	17.2%	4,058	3,551	14.3%
<b>Net Profit Margin</b>	<b>26.1%</b>	<b>24.5%</b>		<b>30.1%</b>	<b>29.3%</b>	

## Branded Formulation Sales

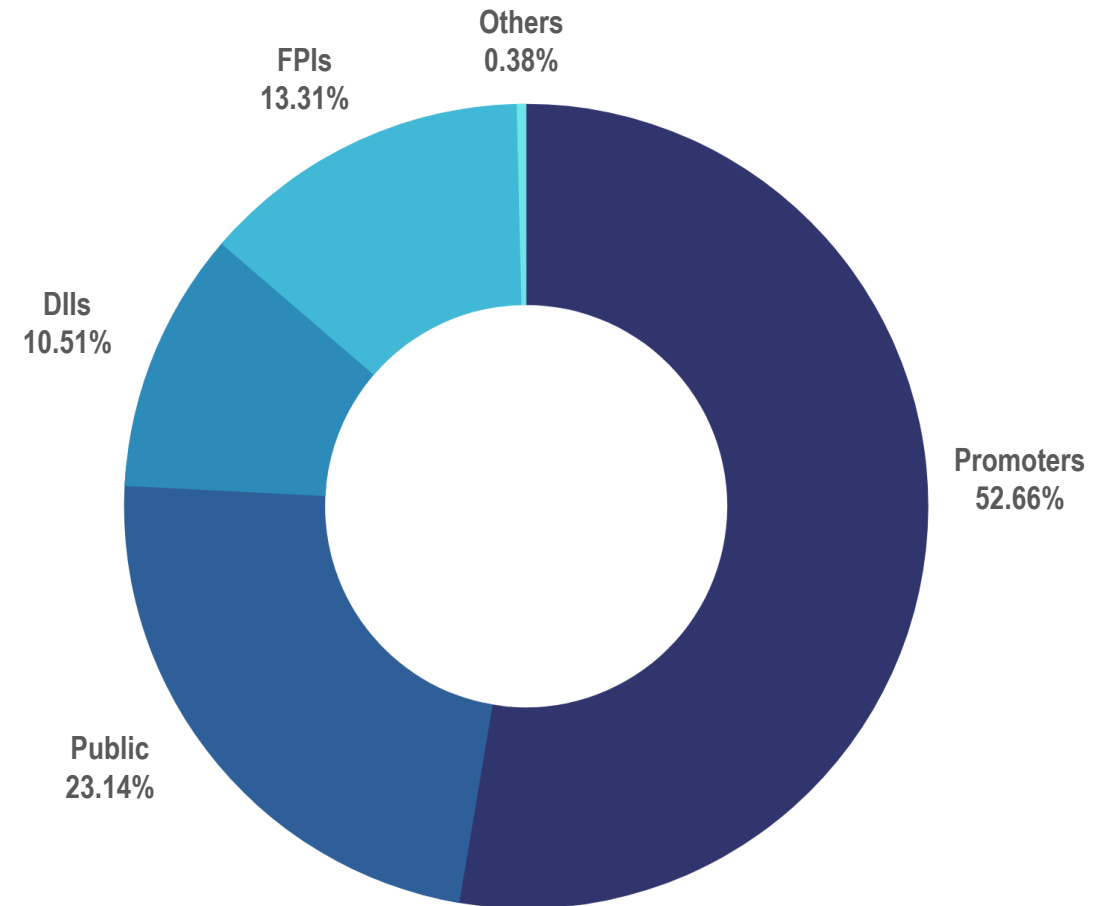
INR Millions	Q4 FY 22	Q4 FY 21	Q4 FY 22 yoy Gr %	FY 22	FY 21	FY 22 yoy Gr %
Sale of Products						
Eris	2,753	2,482	10.9%	11,788	10,678	10.4%
Aprica	96	113	-14.9%	580	546	6.1%
Eris M.J Biopharm	13			13		
<b>Branded Formulations</b>	<b>2,862</b>	<b>2,596</b>	<b>10.3%</b>	<b>12,381</b>	<b>11,224</b>	<b>10.3%</b>

- Operating Revenue grew by 10.0% yoy in Q4 FY 22 and by 11.2% yoy in FY 22
- Branded Formulations sales grew by 10.3% yoy in Q4 FY 22 and FY 22
- EBITDA margin for FY 22 was at 36.0% vs. 35.5% for FY 21 – an expansion of 47 bps yoy
- Net Profit margin for FY 22 was at 30.1% vs. 29.3% for FY 21 – an expansion of 82 bps yoy

# SHAREHOLDER PROFILE

## Shareholding of Promoters and Top 15 Institutional Investors

Name of Shareholder		As on 31-Mar-22	As on 31-Dec-21	As on 30-Sep-21
		689*	760*	761*
<b>Promoters</b>		<b>52.66%</b>	<b>52.66%</b>	<b>52.68%</b>
1	UTI Mutual Fund	5.53%	5.44%	5.18%
2	ChrysCapital (Emerald Investment Limited)	5.50%	5.50%	5.50%
3	Aditya Birla Sun Life Mutual Fund	1.73%	1.73%	1.75%
4	Vanguard	1.72%	1.70%	1.69%
5	Franklin Templeton Mutual Fund	1.35%	1.35%	1.38%
6	Kotak Mutual Fund	1.15%	1.15%	0.65%
7	L and T Mutual Fund	0.88%	0.88%	0.90%
8	Kuwait Investment Authority Fund 225	0.86%	0.86%	0.86%
9	Fundsmith Emerging Equities Trust	0.58%	0.58%	1.09%
10	Steinberg India Fund	0.54%	0.54%	0.54%
11	Government Pension Fund Global - Norges Bank	0.52%	0.52%	0.52%
12	Malabar Select Fund	0.45%	0.45%	0.45%
13	Tata Mutual Fund	0.38%	0.38%	0.38%
14	Ellipsis Partners LLC	0.36%	0.36%	0.36%
15	Shinsei UTI JV	0.30%	0.31%	0.30%



\*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**

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