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Eris buys cosmetic dermatology brands from Dr. Reddy's for Rs 275 Cr

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The transaction will be financed through borrowings and will achieve financial closure in the next few days



Mumbai-based Eris Lifesciences has announced acquisition of 9 dermatology brands from Dr. Reddy's Laboratories, based out of Hyderabad, for a total consideration of Rs 275 crore.

The brands are largely in cosmetology segments like anti-acne, moisturisers, cleansers, anti-ageing, hair health, melasma etc.. Post this deal, Eris will rank 3rd in its dermatology covered market with a market share of ~ 7%.

Eris entered the dermatology segment through the acquisition of Oaknet Healthcare for Rs 650 crore in May 2022 and strengthened this franchise with the acquisition of 9 dermatology brands from Glenmark in Jan '23 for Rs 340 crore.

Inclusive of this deal, Eris has invested Rs 1265 crore in acquisitions in FY23, primarily in building up its dermatology franchise. This has also resulted in significant diversification of Eris' therapy base.

Pre-Oaknet, Eris derived 80% of its revenues from the Cardiometabolic and Vitamin Mineral Nutrients (VMN) segments. The concentration of these therapies is now down to 65% while the contribution from the Emerging Therapies has increased from 12% to 28% with dermatology emerging as Eris' fourth largest therapy with a 15% share in overall revenue.

Commenting on the acquisition, Amit Bakshi, Chairman & Managing Director of Eris Lifesciences, said, "Starting with our inception in 2007, it took us 13 years to add the "First 1000 crore" of revenue. However we are adding the "Next 1000 crore" of revenue in just 4 years by deploying our internal cashflows along with external funding to drive a mix of organic and inorganic growth while protecting our margins. We expect this will continue to be a way of life at Eris going forward."