



November 13, 2025

Listing Department
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P J Towers, Dalal Street,
Mumbai-400 001

Code: 532321

Listing Department
NATIONAL STOCK EXCHANGE OF INDIA LIMITED
Exchange Plaza, C/1, Block G,
Bandra Kurla Complex,
Bandra (E),
Mumbai-400 051

Code: ZYDUSLIFE

Sub: **Transcript of the post results earnings call held on November 6, 2025, pursuant to regulations 30 and 46(2)(oa) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations")**

Dear Sir / Madam,

Pursuant to regulations 30 and 46(2)(oa) of the Listing Regulations, please find attached the transcript of the Company's Q2 FY26 post results earnings call held on November 6, 2025.

Please find the same in order.

Thanking you,

Yours faithfully,
For, **ZYDUS LIFESCIENCES LIMITED**

DHAVAL N. SONI
COMPANY SECRETARY AND COMPLIANCE OFFICER
MEMBERSHIP NO. FCS7063

Encl.: As above

Zydus Lifesciences Limited

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“Zydus Lifesciences Limited Q2 FY26 Post Results Earnings Call”

November 6, 2025

MANAGEMENT: **DR. SHARVIL PATEL - MANAGING DIRECTOR, ZYDUS LIFESCIENCES LIMITED**
 MR. GANESH NAYAK - DIRECTOR, ZYDUS LIFESCIENCES LIMITED
 MR. TUSHAR SHROFF – CHIEF FINANCIAL OFFICER, ZYDUS LIFESCIENCES
 LIMITED
 MR. ARVIND BOTHRA - HEAD, INVESTOR RELATIONS, ZYDUS LIFESCIENCES
 LIMITED
 MR. ALOK GARG - MD OFFICE, ZYDUS LIFESCIENCES LIMITED

Ganesh Nayak:

Good evening, ladies and gentlemen. It's my pleasure to welcome you all to the post results teleconference for the second quarter ended September 30th, 2025. For today's call, we have with us, Dr. Sharvil Patel - Managing Director, Mr. Tushar Shroff - CFO, Mr. Arvind Bothra - Head of Investor Relations and Mr. Alok Garg from the Managing Director's office. To begin with, let me now give you a broad overview of the developments during the quarter.

I'm happy to inform you that we delivered robust financial performance during the quarter with healthy growth across our key business segments. Our US formulations business delivered strong double-digit year-on-year growth driven by volume expansion and new products launched over the last 18 months. Our branded formulations business in India sustained growth momentum, outpacing the market growth for yet another quarter. The business has outperformed the market growth over the last several quarters. In the consumer wellness space, we made our first international acquisition by acquiring the UK-based Comfort Click Limited (CCL). This strategic move will significantly strengthen our international presence across key markets of the UK, EU, and the US. CCL is among the fastest growing digital consumer healthcare platforms in the VMS i.e. vitamins, minerals, and supplements space, and derives most of its revenues from e-commerce and D2C channels. Our international markets formulations business delivered strong growth for yet another quarter on the back of robust execution excellence across markets.

With that, let me take you through the financial numbers for the quarter gone by. We registered consolidated revenues of Rs. 61.2 billion up 17% on a year-on-year basis. Excluding the acquisition impact, the growth was in double digits. Our operating profitability continued to remain strong with an EBITDA margin of 32.9% during the quarter, which is an improvement of 500 basis points on a year-on-year basis. Consequently, EBITDA for the quarter stood at Rs. 20.2 billion, up 38% on a year-on-year basis. EBITDA margin for the first half stood at 32.3%. Net profit for the quarter was Rs. 12.6 billion, up 38% year-on-year.

Now, let me take you through the operating highlights for the second quarter of FY26 for our key business segments. Our US business registered revenues of Rs. 27.4 billion during the quarter, up 14% year-on-year. We filed six ANDAs, received four approvals, including one tentative approval, and launched seven new products during the quarter. On the specialty front, in October '25, we launched Beizray, albumin-solubilized docetaxel injection, further strengthening our 505(b)(2) portfolio. We remain committed to expand our specialty portfolio going forward and address diverse healthcare needs of patients. We received the first Notice of Compliance (NOC) approval, in Canada during the quarter with receipt of NOC from Health Canada for Varenicline tablets, 0.5 and 1 mg. We have received three NOCs from Health Canada so far, including two received in October '25.

As mentioned earlier, the branded formulations business in India grew faster than the market during the quarter, with 9% year-on-year growth driven by sustained traction in innovation products and pillar brands. Chronic segment continued to grow at a faster pace, driving the overall growth of the business. In terms of therapeutic performance, the business grew faster than the market in key therapies of cardiology, gynecology, and in the super specialty area of oncology.

On the super specialty front, we continue to retain leadership position in the oncology therapy. Contribution of chronic portfolio has increased consistently over the last several years and stood at 44.5% as per IQA MAT September '25, an improvement of 500 basis points over the last three years.

During the quarter, we launched VaxiFlu, India's first trivalent influenza vaccine for flu protection, aligning with the global recommendations of WHO. Flu remains a significant global health concern of seasonal influenza, causing 3 to 5 million cases annually of severe illness with 290,000 to 650,000 respiratory deaths annually.

In the consumer wellness space, acquisition of Comfort Click marked our entry into the high growth VMS segment. VMS market in Europe is estimated to be around £11 billion. CCL's business portfolio comprises of three brands viz. WeightWorld, which includes plant-based supplements, vitamins and minerals, collagen, omegas, probiotics, and micronutrients, and sports nutrition for adults. Maxmedix, a specialty VMS gummy brand, which caters to all pediatric nutritional requirements, and Animigo, a natural pet VMS brand, which offers a range of pet care products. The acquisition will enhance the company's digital business platform and is well positioned to benefit from rising health awareness and the growing focus on preventive healthcare. Overall, the consumer wellness business recorded revenues of Rs. 6.4 billion, up 31% year-on-year.

Our international markets formulations business posted revenues of Rs. 7.5 billion, with a strong year-on-year growth of 39%. Growth was broad-based across regions with strong demand-driven performance in both emerging markets and Europe, supported by focused execution.

On the MedTech front, recently in October '25, we acquired the remaining 14.4% stake in Amplitude Surgical after acquiring 85.6% during Q2 FY26 and completed 100% acquisition of the company. Going ahead, we are looking to expand our presence in focused areas of orthopedics, nephrology, and cardiology.

On the operations front, our oncology injectable manufacturing facility located at SEZ-1 Ahmedabad and Baddi formulations facility received EIR reports with voluntary action indicated from the USFDA against the inspections conducted in June '25 and August '25, respectively.

This concludes the business review. I would now request Dr. Sharvil Patel to take you through the key drivers across businesses as well as initiatives in our innovation programs. Thank you.

Dr. Sharvil Patel:

Thank you, Mr. Nayak. Good evening, ladies and gentlemen. It's a pleasure to have you all on the call today. We are pleased with our performance during the quarter and the first half of fiscal '26. The business continued to demonstrate strong growth momentum driven by consistent performance across segments and underpinned by robust operating profitability. We are on track to achieve our targeted top-line growth and profitability for the current financial year. We remain committed to accelerating innovation that drives our long-term growth across our businesses and are guided by our strategic vision of going beyond the pill to meet diverse patient needs and deliver superior outcomes for all stakeholders.

In the US generics market, we consistently scaled our presence by building a diversified portfolio across multiple dosage forms through in-house development as well as partnerships. Our growing presence in the specialty through 505(b)(2) product development initiatives and a sharpened focus on the pediatric rare diseases, underscores our commitment to broadening patient access and delivering differentiated therapies. With strong customer relationships and a flexible manufacturing network and agile supply chain and disciplined cost management, our US business is well positioned for sustained long-term growth.

On the India front, our branded formulations business has been growing ahead of market over the last several quarters. We are committed to building on this momentum by deepening our presence in key therapy areas through multiple growth levers. Backed by a rich and diverse innovation pipeline, we continue to deliver differentiated solutions that address unmet patient needs and expand our reach across a broader customer base.

In the consumer wellness space, we aim to empower consumers to integrate wellness-driven products into their journey towards better health. Acquisition of Comfort Click Limited marks a significant step in the wellness domain. Through this acquisition, we look forward to enhance our global capabilities, expand our footprint in digital health and personalized wellness, and pioneer scalable, sustainable models that redefine the future of well-being.

The international markets formulations business, which comprises of different countries of emerging markets and Europe, have emerged as another resilient pillar of growth and continues to grow in strong double digits over the last several quarters. In the emerging markets, we have adopted a focused, therapy-led approach, tailoring the offerings to meet the needs of specific markets and, in turn, build a more agile, market-responsive portfolio. In Europe, the focus remains on expanding our offerings and enhancing the market coverage.

In the MedTech space, we have identified cardiology, nephrology, and orthopedics as the focus areas to execute our global strategy. We shall leverage Amplitude's portfolio in Orthopaedics space to offer various value-added innovation to meet diverse patient needs, for surgeons and healthcare facilities across different geographies globally. On the cardiology front, we look forward to expanding our portfolio, and in the nephrology space, we are putting up a facility for producing high-end membranes for dialysis to meet the global demand.

With this, let me share some other material developments on the innovation front during the quarter.

On our NCE research front, we reported a positive top-line result from the Pivotal EPICS-III Phase 2(b)/3 trial of Saroglitazar Magnesium in patients with PBC for the US market. The trial met the primary endpoint with a statistically significant treatment difference in the percentage of patients achieving a clinically meaningful biochemical response with Saroglitazar compared to placebo. We are on track to file the new drug application for Saroglitazar with the USFDA in Quarter 4 of FY26.

On the vaccines front, we have received regulatory approval to initiate Phase II clinical trials for our Bivalent Typhoid Conjugate vaccine in India.

Thank you, and now we will start with the Q&A session. Over to the coordinator for the Q&A.

Question & Answer Session:

Moderator:

Thank you, sir. We will now open the call for Q&A session. We will wait for a few minutes until the queue assembles. We request participants to restrict to two questions and then return to the queue for more questions. While asking questions, we request you to please identify yourself and your company. Please raise your hand from the Participant tab on the screen to ask the question.

The first question is from Devang.

Mr. Devang:

Good evening, Sir. Sir, there has been a significant increase of about 32% in other operating expenses. Could you elaborate, key drivers here, what aided these expenses?

Dr. Sharvil Patel:

Yeah, Tushar, can you take that?

Mr. Tushar Shroff:

Yeah, sure. So, during this particular quarter, we had acquisitions, we completed the acquisitions of Amplitude and CCL. The Amplitude was for two months and CCL for one month, which has resulted into the increase in the other operating expenses. As well as we had... because of the M&A activities, there were project-specific expenses, which also resulted into the increase in the overall operating

expenses for the quarter. Those expenses were not there in the previous quarter. And we expect the run-rate going forward, post-acquisition, to be at about 1,500 to 1,550 crores.

Mr. Devang: Thank you, sir. My second question is, could you please elaborate the rationale behind proposed fundraising initiative? Is the company evaluating any large acquisition opportunity or strategic investment in either domestic or international market?

Dr. Sharvil Patel: So, the key objective is to deleverage our balance sheet by reducing our existing debt. Also, there are strategic moves, which will enhance our financial ability and agility to strengthen our capital structure, positions us better for future growth. Also, the board has approved the enabling QIP resolution to allow us to have the flexibility to tap capital markets, which are when required. And more importantly, we also have potentially, as we have always stated, opportunities to look at the US specialty business and scaling it up beyond Saroglitazar. Also, opportunities in the international market, specifically Europe, and also some more innovative assets that we are looking at. So, this will allow us the capability to execute on some of these.

Mr. Devang: Sir, can you elaborate the potential deal size? In what band you are looking?

Dr. Sharvil Patel: So, we don't have currently any immediate actionable deal. So, but as I said, the key areas is US specialty, international markets, and obviously, specific brands for India if any opportunity arises, and also our adjacency areas that we are working on, on the med devices side.

Mr. Devang: Sir, lastly on Saroglitazar, can you please share the management perspective on the US market's opportunity size in the PBC, given Gilead recent acquisition of Livedelzi for \$4.5 billion? What is your view on the transaction in context to Saroglitazar's commercial potential and market positioning in the same indication?

Dr. Sharvil Patel: So, there are two approved drugs on the market today for PBC; we would be the potentially the third-to-market. We see this as a tremendous opportunity with the current, the use of medicines for PBC has seen a big uptick. And so, we are seeing a good traction for this class of drugs, and we are quite excited with the potential launch that we will see in about 14 to 15 months from now. So, we see it as a large, sizable opportunity and an unmet need that exists, and with our clinical evidence, we should be able to have a level playing field.

Mr. Devang: Thank you, sir.

Moderator: Thank you. The next question is from Bino.

- Mr. Bino:** Hi, good afternoon. Sharvil bhai, would you give some idea about how Revlimid and Myrbetriq panned out? Has Revlimid come off from last quarter? And what is your expectation for next two quarters?
- Dr. Sharvil Patel:** So, Revlimid for the next two quarters, will not see any meaningful numbers as it was in the first quarter. So, it has significantly come off in terms of its sales. Substantial portion happened in Quarter 4 of last year and Quarter 1 of this year. And we are trailing quantities in this quarter and next quarter. But Quarter 4 onwards, obviously, there will be genericization.
- On Myrbetriq, we are seeing good traction and steady market share increase. So, we are quite pleased with the performance.
- Mr. Bino:** Got it. So, you said generic Revlimid in Q2 is significantly lower than Q1?
- Dr. Sharvil Patel:** Yes.
- Mr. Bino:** Okay. And do we have yet a clear visibility about how the US revenues will pan out into FY27, given that Revlimid is not there? Myrbetriq remains unpredictable. Do we have a confidence that the US revenues organically can grow FY27 over FY26?
- Dr. Sharvil Patel:** So, I think obviously, it is subject to the court decision, and we have to wait till February for the court decision to come. But, as I said, we believe that with the current pipeline of products that are supposed to come and the new launches, we will be able to maintain our current pace.
- Mr. Bino:** I understood. Thank you.
- Moderator:** Thank you. We will wait for a few seconds to for the question queue to assemble. If anybody wants to ask the question, please raise your hand from the Participant tab.
- The next question is from Annamalai Natarajan.
- Mr. Annamalai N:** Hello, sir. Good evening. First of all, thank you very much to have a detailed discussion on this. And congratulations for giving good results. Sir, my first question is on your US revenues being come for 45% of your...
- Dr. Sharvil Patel:** Mr. Natarajan, for some reason, I'm getting your voice is coming in.
- Mr. Annamalai N:** There is a 14% decrease quarter-on-quarter...
- Dr. Sharvil Patel:** I think we're not able to hear you well, so maybe we can get a better line.

- Moderator:** Yes, we would request you to join back in the line for the same. The next question is from Neha Manpuria.
- Ms. Neha Manpuria:** Yeah, thanks for taking my question. So, first on the MedTech business. In the opening comments, you mentioned wanting to expand presence in Nephro, cardiology along with Ortho. Could you give us some colour on how we see this evolving after Amplitude? When should we start seeing? What can we do? In Nephro, I think you're setting up a facility, but in cardiology, will it be another acquisition? And how should we look at the entire MedTech business evolving for Zydus, let's say, in a three-year perspective?
- Dr. Sharvil Patel:** So, for the orthopedics, obviously, we hope to bring the portfolio of Amplitude into more geographies and continue to strengthen their position in Europe with more market access. We are very close to... also we have a future launch with our robot. So, I think that is also going to also pave way for future entry into both, further market share increase in Europe, specifically France, and then also we take it to Australia, India, and other markets. And also build our front end in India in the orthopedic space. So, we believe Amplitude acquisition will allow us to commercialize this and grow in double digits for the business.
- On the cardiovascular side, we already have the stents business that we have, and we have both drug-eluting stents and normal stents, and we will also have future drug-eluting balloons. And also, TAVI, which we have in-licensed, and we are going through a clinical development for Europe, and also a potential launch in India for TAVI for intervention cardiology. So, that's how we will continue to build on the cardiovascular side.
- And Nephro, the facility will get commissioned in the coming year, and then we hope to start filing for the dialyzers for both India and for future European markets as well.
- Ms. Neha Manpuria:** Understood. And historically, if you were to look at, let's say, the European market. How much of a risk is pricing regulations in your assessment? Has there been instances? Because we've seen it in probably pharmaceuticals, I'm not so sure about MedTech. But is that a risk that we need to sort of keep in mind, price control or price regulations for MedTech in Europe? Any colour there?
- Dr. Sharvil Patel:** Yes, every, like generics, there is price regulation. Yeah, so as generics are there in medical devices, there is every three to four years price negotiation. We did have a 3-4% kind of price reduction in France, which is sort of normal as it happens every three to four years. So yeah, that is some part and parcel of it. We do believe that going forward, it will be in similar lines as we move forward. And we do see a lot of potential on cost reduction in Amplitude, by today what they're outsourcing as well as how they're sourcing. So we do see a benefit of

Zydus bringing in significant cost reduction to improve our margins and profitability there, and also gain more market share.

- Ms. Neha Manpuria:** Understood. And based on the comment that you made in fundraising, is it fair to assume that your priority for any M&A would actually be the specialty business in US and Europe over, let's say, you know, something in MedTech? Would that be a fair assumption?
- Dr. Sharvil Patel:** Both are important, but yes, our first priority will remain the specialty in US, Europe.
- Ms. Neha Manpuria:** And in specialty, what areas would be focused on? I mean, which are the therapies or segments that you're looking at for acquisition? Any particular focus areas? I mean, part of it would be for PBC?
- Dr. Sharvil Patel:** For us, we have, I mean, so we are in, obviously, pediatric rare disease. So that's one area that remains important, but we don't see any very large ticket item there. The area which we are looking at is gastroenterology as a call point, and we are seeing how do we see if we can build some capability there through strategic acquisition. Also, we have Usnoflast in ALS and also Recurrent Pericarditis. So we see some opportunity also in the CNS or in the cardiology space. So I think these are some of the areas in the Super specialty, the specialty side that we will focus on in the US.
- Ms. Neha Manpuria:** I'm sorry, one last question. What would be given specialty assets don't come cheap, what would be your... when I think about sort of target net debt to EBITDA, what is the level of leverage that you would be okay with, given the deal size that comes your way?
- Dr. Sharvil Patel:** So currently, we don't have immediate, something that we can really talk about. But obviously, we are looking at a commercial capability in the US through the commercially launched products, which is either EBITDA neutral or EBITDA positive. And that's what we will look to do.
- And in terms of our net debt to EBITDA ratio, we have always said that, without any acquisition, we don't want to cross one time, and for a short period of time, we can go two times and obviously then obviously reduce our net debt to one time. So that's the kind of range of spend that we'll look at.
- Ms. Neha Manpuria:** Understood. Thank you so much, sir.
- Moderator:** The next question is from Kunal Dhamesha.
- Mr. Kunal Dhamesha:** Hi, thanks. Thank you for the opportunity. First one on Saroglitazar in PBC. Now that you would have some details on the results, etc., if you could share how does our molecule compare with the currently marketed therapies? And what

are the opportunity areas that we are seeing in terms of positioning the molecule?

- Dr. Sharvil Patel:** So, as I said, on Saroglitazar for PBC, we did meet our primary endpoint. I think the main results will be declared in one of the major conferences, because that's how we would like to release the data in a proper conference. So that will happen either most probably in the May ESL or maybe something before that. But in the coming calendar year... And that's where we will put out our results. But we are quite happy with the results in terms of what we have seen.
- Mr. Kunal Dhamesha:** Sure. And now that the Phase III trial is over, do we expect our R&D intensity to kind of go down a bit from where we were in the last 3-4 quarters?
- Dr. Sharvil Patel:** Not really, because we still continue with our studies on Saroglitazar. We still continue with the new phase 2b for Usnoflast. We are adding Recurrent Pericarditis as a next trial. So no, I don't think we will see any major reduction in R&D because of this.
- Mr. Kunal Dhamesha:** Sure. And beyond Saroglitazar, I think the next in the pipeline would be CUTX-101. Is that fair understanding?
- Dr. Sharvil Patel:** CUTX-101 has completed all work. Yeah, so that will be, we are potentially looking at a fourth quarter or first quarter launch next year.
- Mr. Kunal Dhamesha:** Quarter 4 or quarter 1 of next year, which is calendar year or fiscal year?
- Dr. Sharvil Patel:** So, between Jan to June, we will see a launch, exactly.
- Mr. Kunal Dhamesha:** Jan to June of 2026?
- Dr. Sharvil Patel:** Yeah.
- Mr. Kunal Dhamesha:** Yeah. Okay. So, that would be the first one and Saroglitazar would be potentially the second one?
- Dr. Sharvil Patel:** Yes, you're right.
- Mr. Kunal Dhamesha:** And sir, with let's say getting a good trial result, would you be open to leveraging these molecules for other developed markets in terms of partnership or your own venture into other developed markets? How should we think about that?
- Dr. Sharvil Patel:** Yes. So, for them, for Saroglitazar specifically, we will look at other markets where we don't have direct access through partnership. And also, we already have direct market access partnerships for our rare disease portfolio. We'll also build that for CUTX-101.

- Mr. Kunal Dhamesha:** Sure, sure. So, do we have anything like any potential partners, etc., with whom the talks for Saroglitazar are ongoing, given that we have trial results, etc.?
- Dr. Sharvil Patel:** I think, we will, we have opportunities and options in mind but we will wait for our publications, and then and our filing before we initiate some of these.
- Mr. Kunal Dhamesha:** Sure and sir, if I can squeeze in? On the QIP or the or the fundraise resolution what are the areas? I think you suggested specialty and MedTech but do we have more of an upper cap on MedTech at this point in time that these are the 2-3 areas that we want to invest in and then kind of execute it and see where it goes? How do you think from a let's say next 2-3 year perspective?
- Dr. Sharvil Patel:** Our current priority will be US specialty and international market opportunity. MedTech, we don't have anything immediate, so that is not something immediate. But obviously, we continue to be opportunistic there.
- Mr. Kunal Dhamesha:** Sure, sure. Okay, thank you and all the best. Thank you.
- Moderator:** Thank you. The next question is from Damayanti Kerai.
- Ms. Damayanti Kerai:** Hi, good afternoon and thank you for the opportunity. I hope I'm audible?
- Dr. Sharvil Patel:** Yes.
- Ms. Damayanti Kerai:** Okay, so my first question is, can you update us on three of your focused segments which are injectables, transdermals and vaccines, in terms of progress in last few years? And then what is the current contribution at the consolidated level and how do you see these segments growing in medium term?
- Dr. Sharvil Patel:** So, on the transdermal side, we have obviously launched hormonal patches as well as Rivastigmine and Scopolamine as the critical patches. So, we have four approvals for that. We have remaining capacity and launch for these molecules as well. One more hormonal patch and one Clonidine. And the business is doing well. It's a sticky business. We continue to hold good market share on that. So, I think that's going well and we have also filing plans for remaining one or two products, and we have capacities built for that.
- With respect to our injectables piece, obviously we have had not any substantial launches in the last 12 months because we had facility challenges, but we have niche products launched in the US through partners and also we have just launched our first 505(b)(2) in the injectable space which is Beizray, which can potentially be quite a significant product for us in the specialty injectable side. And with facilities coming out of issues, we see very important launches over the next two to three years, both from simple vials, PFS, cartridge and pen device products, as well as also products which are dyes related. So, we have a lot of products that we have in the pipeline for launch where we could have limited

competition in some of them. And it's still an under scaled business. We believe in the next three years we will see it meaningfully scale up the injectable side of our business in the US.

With respect to vaccines, we are a strong Indian vaccines player. We have the flu as well as rabies as the two important products that are sizable today. With the winning of the MR tender, MR also becomes a very important immunization program vaccine for us. We have TCV which is approved and pre-qualified. So, we are also going to participate in TCV global tenders, and potentially also MR global tenders going forward. And the flu vaccine is doing extremely well. We are the first company to launch the trivalent flu vaccine now and we see significant market share for Zydus vaccine in India. So that's how we are scaling up vaccines. I think, as I have said before, in two years, it will become a very meaningful part of our business. It's already tracking very well and we are seeing good traction by winning these tenders.

Ms. Damayanti Kerai: But vaccine mostly remains India-focused business, right, and your international part is yet to pick up.

Dr. Sharvil Patel: Today rabies is partly export as well. But other than that, currently it is India-focused. I think by FY27–28 you will see public market access to global tenders and we will see more foray of our vaccines in global market.

Ms. Damayanti Kerai: Okay, so in medium term, when you say these will be sizable, so that will be broadly what 10-15 percent of consolidated number, or how should we look at that in terms of contribution at top line?

Dr. Sharvil Patel: Which part? You're talking about, all three combined?

Ms. Damayanti Kerai: Yeah, maybe injectables is something I guess which sounds more promising. So maybe from injectables if you can give some thoughts.

Dr. Sharvil Patel: I say, injectables, we still need two years, at least two years to scale up. I would say they will be part of our overall generic strategy. We don't drive injectables as a separate strategy. So, part of our portfolio forms oral solids, topicals, injectables, transdermals, and that's how we are building the portfolio. So it's not a focus by that, it's focused by the value and product that we launch. We do have a lot of 505(b)(2) ideas on injectables on which we see traction. So, as you said, the Beizray product is our first launch which we are very excited about. And potentially, you will get to see more of these opportunities in the next couple of years. So, with 505(b)(2) as well as 505(b)(2) injectables plus generic injectables it will be meaningful.

- Ms. Damayanti Kerai:** Sure, that's helpful. My last question is on Comfort Click acquisition. So how do you see this portfolio scaling up, in again, say next three to five years? And what will be the key growth levers here?
- Dr. Sharvil Patel:** So, Comfort Click is a D2C platform for fast-growing vitamins, minerals and supplements business. It's a very strong Europe-driven business. It is the largest market share on the online platform in Europe. So, this allows us to be present in the D2C digital VMS market. It also has a very strong own loyal platform business that it does and it's also scaling up meaningfully. So that also helps us in terms of building it. CCL does enjoy very strong brand recognition and high customer loyalty and retention, and we believe that this product portfolio and business is strongly positioned towards the high-growth area that exists for VMS. And we are quite bullish with how we can scale up not only Europe where they are very strong, but also launch in more markets in the Middle East, US and other geographies. And they have gained significant share and lead the lion's share of the business, and we hope they can continue to build that in other markets also.
- Ms. Damayanti Kerai:** Sure, so it's basically market expansion plus improving the reach within the existing?
- Dr. Sharvil Patel:** Yes, and so far it has three assets. One is WeightWorld, which is, then the second is the animal, I mean pet supplements, and then third is pediatric or the children gummy bear kind of range. So one of them is scaled up, the other two still need to scale up. So yeah, we have plenty of opportunity. I think, the key thing would be to focus and make sure we continue to build a market presence from there.
- Ms. Damayanti Kerai:** Sure, thank you. This is very helpful. I'll get back in the queue.
- Moderator:** Thank you so much. The next question is from Saion Mukherjee.
- Mr. Saion Mukherjee:** Hi, good afternoon. Dr. Sharvil, you mentioned about the specialty business is one area where you would probably like to invest. In the current context where there are some concerns on pricing, particularly in the US market, tariff is still uncertain, does that in any way change your view around specialty and do you consider it at high risk? And how you're factoring in that risk in case you want to make a big capital commitment for that market?
- Dr. Sharvil Patel:** So, from our point of view, in the space we are in, the price is already very well established by the incumbent players. So, it's a rare disease business. So I think it has a very different connotation. We believe that, currently, we don't see any major pricing challenge when it comes to the indication that we are working for. And there is already precedence there that exists. So, I don't see that as today's concern for us. And we see whenever we are looking at anything in the Specialty, we are obviously looking at the importance of what pricing could be in

the future, and that is going to be an important factor for us to make any kind of choices.

Mr. Saion Mukherjee: And for Saroglitazar PBC launch. What is the kind of investment in terms of front end you need to make? Can you sort of... at least for the first year as you roll out the launch that we should model in our models?

Dr. Sharvil Patel: So, I think we still have to go through an NDA submission. We need to then wait and see whether we get fast track or we get... If it's fast track it's a 6 to 9 month launch. If it's a normal submission, it's a one-year launch. Depending on that obviously we need to then decide on scaling up our presence. So, what we are doing is the preoperative work right now in the US for preparing for Saroglitazar commercialization. But the feet-on-street and the real hiring will happen much later once we are more clearer towards launch. So, you would see that getting formulated in the next... as we present in the next financial year, we'll have much more clarity in terms of where we will be. As I said today, the major part is filing, and then maybe six months from then once we have a first review with the FDA, then talk about the ramp up.

Mr. Saion Mukherjee: But can we assume like 50-100 kind of a field force that you need for this kind of a product, or do you think it could be more?

Dr. Sharvil Patel: Yes. 60 to 80 kind of number. Yeah.

Mr. Saion Mukherjee: Okay. And one more question I have actually, if I can? Essentially, if you have made significant investments in new areas, the business has expanded in terms of new verticals as well as geographic footprint like MedTech, Specialty etc. I mean, how do you ensure that there is enough management bandwidth so that execution is proper, given this very sudden and significant expansion that we have seen?

Dr. Sharvil Patel: I think, well, for us it is important to make sure we have the people and the process and the structure in place before we obviously do these things. So when it comes to our medical device or Amplitude acquisition, we have had a leadership position, as well as key people in the medical devices business over the last 12 to 15 months. So those positions have already been filled in the last 15 months. Our leadership team in Amplitude will continue to work with us for the foreseeable future to build on to what they've already built. This was the team that built the business and they're continuing. So there is business continuity in terms of the leadership team that exists in Amplitude, and they're quite motivated to be there to scale this business up. I think we are similarly the same I can say about Comfort Click acquisition; the leadership team that built the business from zero to now are also committed over the next five years to take it to the next level of growth and size and scale.

On the specialty front, more than two years, we have had a commercial head in space, we have a regulatory person, a medical director. We already have Sentyln which has all other core capabilities on pricing and market access.

So, I think for the majority of the businesses that we have or we are building, we already had leadership in place, or the incumbents are ready to continue with us for the foreseeable future. So, I think, from that point of view, we not only obviously have the acquisition, but we also have the key talent staying with us.

Mr. Saion Mukherjee: And this talent, especially for the acquired entity like Comfort Click and Amplitude, how are you incentivizing? Is there a stock option available for the leadership team that they continue?

Dr. Sharvil Patel: Yeah, there is a long-term incentive plan for all of them.

Mr. Saion Mukherjee: And just a related question, for the consumer business, do you think it makes sense, at some point, to list the MedTech business, because that seemed to be something very different from pharma which is your core business?

Dr. Sharvil Patel: I think once it attains certain scale and certain revenues, we will potentially look at how to further expand it. So maybe not in the near term, but yeah, that we'll see as we continue to stitch together more opportunities for MedTech.

Mr. Saion Mukherjee: Okay, thank you.

Moderator: Thank you. The next question is from Vamsi.

Mr. Vamsi: Hello sir. Thanks for the opportunity, sir. Most of my questions have been answered. But I just wanted to know with regards to Saroglitazar. So, is there any update regarding the drug's capability to address pruritus and fatigue also?

Dr. Sharvil Patel: Sorry, what is the second point you said?

Mr. Vamsi: Fatigue sir, fatigue.

Dr. Sharvil Patel: So I think, as I said, the primary endpoint has been met. The key secondary endpoints as well as the other benefits, obviously we would talk about it more once we have the right publications done. So, I think we will be able to talk more about some of these things in the future once the data is out.

Mr. Vamsi: That's it sir. Thank you and all the best.

Moderator: Thank you. The next question is from Vishal Manchanda.

Mr. Vishal Manchanda: As I can see in the balance sheet, our intangible assets under development has doubled in the last six months, from 1,300 crores to 2,600 crores. So, can you

share some colour on what these investments pertain to? Are these in-licensed complex generic assets, essentially?

- Tushar Shroff:** So, in this particular quarter, we have completed two major acquisitions. One acquisition is related to Amplitude Surgical and the other acquisition is related to Comfort Click. All these acquisitions are... say for example Comfort Click had a couple of brands and these couple of brands have been revalued to ensure that they are reported as intangible assets. Similarly, as a purchase price allocation for Amplitude, a couple of technical know-how and other intangible assets have been classified as intangible assets.
- Mr. Vishal Manchanda:** Actually, I meant intangible assets under development.
- Dr. Sharvil Patel:** That is mostly to do with our licensing. Yeah.
- Mr. Vishal Manchanda:** Anything that can be commercialized in the near term?
- Dr. Sharvil Patel:** We just commercialized Beizray which was one of our licensing products.
- Mr. Vishal Manchanda:** On Beizray, could you talk about the clinical advantages that the drug has over the traditional Docetaxel formulation?
- Dr. Sharvil Patel:** So I don't think I can offhand tell you everything, but I think, there are a couple of benefits. One, it is a polysorbate-free formulation. So it does help in terms of other side effects. Also, I think there are benefits in terms of stability which exist with this formulation. So I think these are the two. But beyond that, there are many incremental benefits for this which we see in terms of better usage with the practitioners, and we are already seeing good traction with the launch.
- Mr. Vishal Manchanda:** Okay. And on generic Copaxone where we got an approval, has that been launched in the US?
- Dr. Sharvil Patel:** It will be launched very soon.
- Mr. Vishal Manchanda:** Right. And just one more on the typhoid vaccine. Any timelines on when you can bid for the tender and start supplies?
- Dr. Sharvil Patel:** We have started already bidding for some tenders. Obviously, the major tender will still come out in the coming year. But we have bid for certain tenders, and as we see any success, we will obviously appraise you all about it.
- Mr. Vishal Manchanda:** What would be the annual tender value?
- Dr. Sharvil Patel:** So generally, the annual UNICEF tender volumes range between 80 to 100 million doses. And so yeah, it's a meaningful opportunity if we get part of the tender.

- Mr. Vishal Manchanda:** Okay. And just one final on the dialyzer project. Is this something that you're going to front-end, or you're going to be a supplier to the other dialyzer companies that sell across the world?
- Dr. Sharvil Patel:** It's a consumable part. So obviously, a good part of it will be for supplying to partners. And then, we'll later see whether we can also build up further capabilities.
- Mr. Vishal Manchanda:** You'll do the final product and sell to partners?
- Dr. Sharvil Patel:** Yes.
- Mr. Vishal Manchanda:** The final dialyzer which is used as a consumable in dialysis.
- Dr. Sharvil Patel:** The dialyzer membrane.
- Mr. Vishal Manchanda:** Right. Understood. Okay. Thank you. That's all from my side.
- Moderator:** Thank you. The next question is from Nitin Agarwal. I think we are not able to hear him. Nitin, are you there?
- We'll move to the next question. The next question is from Tushar Manudhane.
- Mr. Tushar Manudhane:** Hi. Am I audible?
- Dr. Sharvil Patel:** Yes, Tushar. Yes.
- Mr. Tushar Manudhane:** Sir, just with respect to Saroglitazar, is there sort of a thought in terms of tying up with a partner who would have a well-established commercial channel, given the product has its own... definitely a great USP. But from a commercial channel perspective, given that we have limited presence, so is there a scope to tie up with someone so that the scale-up for the product can be faster?
- Dr. Sharvil Patel:** So I think as a part of our strategic imperative, we are looking at all options. Our first priority is to build our own capability. But as we evaluate opportunities to license, opportunities to launch on our own, opportunities to have a larger footprint in the specialty front, we are looking at all options. And obviously, we'll take the best option, which is in the long-term interest for the company. And as I said, our long-term interest is still to build it ourselves. But as I said, we're not giving up on other options.
- Mr. Tushar Manudhane:** Yeah, because that might take longer time. But, yeah.
- Dr. Sharvil Patel:** Yeah, but we are there for the long term.

- Mr. Tushar Manudhane:** And just secondly, on Comfort Click, this business is also spread evenly across the four quarters per se, or like, the we have it in our wellness, it is concentrated in few quarters?
- Dr. Sharvil Patel:** No, it is well spread, the Comfort Click business.
- Mr. Tushar Manudhane:** And is there an additional OpEx which is going to be there for this business in the initial year?
- Dr. Sharvil Patel:** No, I think the business is sufficiently manned. And it doesn't have any manufacturing footprint or other things. So it's quite a light-asset business that way. So it should, it has room to continue to expand without challenges.
- Mr. Tushar Manudhane:** And just lastly, on the MedTech side on the similar lines, in terms of additional operational cost to think about with respect to TAVI or with respect to this Nephro facility coming up. How to think about let's say the operational cost?
- Dr. Sharvil Patel:** So on the TAVI, we already... we will be doing a clinical trial, Europe-based clinical trial. We will also be launching it in India. On the nephrology side, obviously, we're still building the facility. We need to commission it and then start manufacturing, and then obviously registering it. On the Amplitude side, it's already a well-established CE-approved product and business. Its robot is also close to approval and launch. So majority of the investments have happened. I think the value driver for Amplitude will be obviously growing in double digits, and then saving a lot of cost. I understand. So that's it for my side.
- Mr. Tushar Manudhane:** Understood, sir. That's it from my side.
- Moderator:** Thank you. Next question is from Shayon Mukherjee.
- Mr. Saion Mukherjee:** Thanks for the follow-up. The dialyzer membrane market, I mean, what is the size of the market? And are there any local players manufacturing it, or these are all imported currently?
- Dr. Sharvil Patel:** So currently in India, nobody is currently manufacturing and selling. So we can be amongst the first one or two people who can be doing it from India point of view. So, there we do still believe there is a good opportunity. Obviously, it will be competitive, but we will be able to bring scale and cost advantage.
- Mr. Saion Mukherjee:** How large is the market size currently for India?
- Dr. Sharvil Patel:** We are not targeting India. We're targeting more than India. So I can ask maybe Arvind to give you the overall opportunity size, but it's not an India opportunity launch. We are not... None of our business on the med devices are India-first strategy. It is a global-first strategy.

- Mr. Saion Mukherjee:** Okay. So the other question I have was product-specific. For the Semaglutide launch in India, can you confirm like your visibility for being in the first wave for that?
- Dr. Sharvil Patel:** Currently, yes, we strongly believe we will be in the first wave.
- Mr. Saion Mukherjee:** Okay. And for the Sitagliptin 505(b)(2) in the US, has the revenues kind of peaked out, or how should we think about that opportunity in quarters ahead?
- Dr. Sharvil Patel:** I think it's peaked out. We will have a steady growth till genericization. And then obviously we still have a government business that will continue till the next one to two more years. So that's how it is right now.
- Mr. Saion Mukherjee:** Okay. Thank you.
- Moderator:** Thank you. The next question is from Rashmi Shetty.
- Ms. Rashmi Shetty:** Yeah. Am I audible?
- Dr. Sharvil Patel:** Yes.
- Ms. Rashmi Shetty:** Just on the US business again, excluding Revlimid and Mirabegron, for your base business, have you seen any erosion quarter on quarter?
- Dr. Sharvil Patel:** Our base business has been quite stable, generally. And I said we have generally alluded to a single-digit price erosion, and that's what we maintain also.
- Ms. Rashmi Shetty:** Okay. And earlier you mentioned that you will be doing around 30 product launches, and we have done around 10 product launches in the first half. So is the guidance intact? I mean, are we on track on doing majority of launches in the second half?
- Dr. Sharvil Patel:** Yes, we will see 25 plus launches.
- Ms. Rashmi Shetty:** 25 plus launches for this entire year?
- Dr. Sharvil Patel:** Year. Yes.
- Ms. Rashmi Shetty:** Okay. And so that means that your quarterly run rate for the US business will be higher compared to this quarter i.e. Quarter 2, in Quarter 3 and Quarter 4.
- Dr. Sharvil Patel:** No, you will have a Revlimid drop, right?
- Ms. Rashmi Shetty:** Yeah, but Revlimid is not significant in this quarter also, right?
- Dr. Sharvil Patel:** But it is still there in this quarter. So it's not not there.

- Ms. Rashmi Shetty:** Okay, got it. Understood. And just one more question on the operating margin side. You mentioned that we would be able to maintain 26% plus margin for this entire year. Is the guidance intact for the entire year, or are we... because in the first half, we have done around 32%.
- Dr. Sharvil Patel:** No, our guidance is intact for the year. And as I said, while US business has been stable and good, I think our international business and domestic business have driven good EBITDA growths.
- Ms. Rashmi Shetty:** Okay. And despite this Comfort Click, which has got a lower margin, right compared to the company level margin?
- Dr. Sharvil Patel:** Yes, it is lower.
- Ms. Rashmi Shetty:** And despite that, you are still maintaining your 26% plus margin?
- Dr. Sharvil Patel:** Yeah, 26% margin.
- Ms. Rashmi Shetty:** Okay, okay. Thank you, sir. That's it from my side.
- Moderator:** The next question is from Devang Shah. Hi, Devang, requesting you to unmute and ask your question.
- Dr. Sharvil Patel:** I think if we have no more questions, then we can go ahead and wrap up.
- Moderator:** We don't have any more questions. Requesting for management's closing remarks.
- Ganesh Nayak:** So, thank you very much. And wish all of you a Happy Christmas and a Happy New Year, and look forward to seeing you again in the month of February for the Quarter 3 results. Good night.
- Moderator:** Ladies and gentlemen. That concludes today's conference. Thank you for joining us, and you may now disconnect your lines and exit the webinar. Thank you.

END OF TRANSCRIPT