May 27, 2025

Listing Department **Code: *532321***
BSE LIMITED
P J Towers, Dalal Street,
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Listing Department **Code: *ZYDUSLIFE***
NATIONAL STOCK EXCHANGE OF INDIA LIMITED
Exchange Plaza, C/1, Block G,
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Sub: **Transcript of the post results earnings call held on May 20, 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 Q4 FY25 post results earnings call held on May 20, 2025.

Please find the same in order.

Thanking you,

Yours faithfully,
For, **ZYDUS LIFESCIENCES LIMITED**
DHAVAL NARENDRA SONI
Digitally signed by DHAVAL NARENDRA SONI
Date: 2025.05.27 09:23:32 +05'30'
DHAVAL N. SONI
COMPANY SECRETARY AND COMPLIANCE OFFICER
MEMBERSHIP NO. FCS7063

Encl.: As above

“Zydus Lifesciences Limited Q4 FY25 Post Results Earnings Call”

May 20, 2025

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

Moderator: Ladies and gentlemen, good day and welcome to Zydus Lifesciences' earnings conference call for the fourth quarter of FY25 ended 31st March 2025.

I now hand over the conference to Mr. Ganesh Nayak for opening remarks. Thank you, and over to you, sir.

Ganesh Nayak: Good evening, ladies and gentlemen. It is my pleasure to welcome you all to our post results teleconference for the fourth quarter and the financial year ended March 31st, 2025. For today's call, we have with us Dr. Sharvil Patel, Managing Director, Mr. Nitin Parekh Chief Financial Officer, Mr. Tushar Shroff, President, Corporate Finance, Mr. Arvind Bothra, Head of Investor Relations and Mr. Alok Garg from the Managing Director's Office.

To begin with let me give you an overview of the performance for the year.

I am happy to inform you that we have ended the fiscal 2025 on a strong note. Overall, we delivered healthy growth during the year in line with our expectations. On the profitability front we exceeded our expectations with the highest ever operating profit as well as margins during the year. Improved product mix along with operating leverage helped us improve our profitability above our expected range for the year.

Our US business delivered sound performance with a strong double-digit growth through the year. This was led by both volume expansion and successful new product launches. Our branded formulations business in India outpaced the market growth aided by healthy volume growth and new product introductions. Our consumer wellness business delivered industry leading double-digit growth on the back of robust volume growth. International markets business comprising of the emerging markets and Europe continued its growth momentum with a strong demand led growth across geographies.

In order to remain competitive and serve our customers in a cost-efficient manner, we have implemented a number of digitalization and efficiency enhancement measures in our operations. These measures have improved the profitability in the range of 50 to 70 basis points and we expect similar improvement going forward as well.

With that, let me take you through the financial numbers for the year gone by. We recorded consolidated revenues of 232.4 billion rupees up 19% on a year-on-year basis. The business delivered

strong operating margin of 30.4% which is an improvement of 290 basis points over the previous year. Consequently, the consolidated EBITDA for the year grew by 31% to 70.6 billion rupees. Net profit, adjusted for exceptional items, for the year was 47.5 billion rupees up 22%. Aided by strong profitability, our balance sheet strengthened further with a net cash position of 48.8 billion rupees as at 31st March, 2025 against the net cash of 8.6 billion rupees as at 31st March 2024.

Coming to our quarterly performance, we ended the year on a strong trajectory. Our consolidated revenues for the quarter stood at 65.3 billion rupees up 18% on a year-on-year and 24% on a quarter-on-quarter basis. Our operating profitability continued to improve with an EBITDA margin of 32.6% which is an improvement of 310 basis points on a year-on-year and 630 basis points on a quarter-on-quarter basis. EBITDA for the quarter stood at 21.3 billion rupees, up 30% on a year-on-year and 53% on a sequential basis. Net profit adjusted for exceptional items during the quarter was 13.9 billion rupees up 18% on a year-on-year basis and 36% on a sequential basis.

Now let me take you through the operating highlights for the fourth quarter of FY25 for our key business segments. The US business registered revenues of 31.3 billion rupees during the quarter, up 24% year-on-year and 30% quarter-on-quarter. We filed 3 ANDAs and received 6 approvals and launched 5 new products during the quarter. Our India geography, comprising of formulations and consumer wellness businesses, accounted for 39% of the total revenues during the quarter, and grew 13% year-on-year. The branded formulation business in India grew faster than the market during the quarter with 11% year-on-year growth driven by high uptick in pillar brands and innovation brands. The secondary sales during the quarter exceeded the market growth with 10% growth, which was driven by strong performance of chronic segment and overall higher than market growth in our key therapies. Contribution of chronic portfolio has increased consistently over the last several years and stood at 43% as per IQVIA MAT March 2025, an improvement of 400 basis points over the last 3 years. Our consumer wellness business recorded revenues of 9.1 billion rupees, up 17% year-on-year with a 13% volume growth. The personal care segment, comprising of Nycil and EverYuth brands, witnessed strong consumer traction and achieved robust double-digit growth for the quarter. This segment has been on an upward trajectory over the last several quarters highlighting this segment's resilience. Food and nutrition segment also registered strong double-digit growth driven by category

expansion & product innovation and supported by the acquisition of Naturell (India) Pvt. Ltd., a leading player in the healthy snacks category with a brand portfolio of Max Protein and RiteBite. International markets formulations business delivered robust growth during the quarter with revenues of 5.5 billion rupees, up 12% year-on-year.

Recently, our Ambernath API manufacturing facility received an EIR with no action indicated status from the US FDA against an inspection conducted in February 2025, which was concluded without any observations.

I am also very happy to inform you that we have been ranked number one in the Future Ready Workplaces Survey amongst all Indian companies. This study was conducted by Fortune India. This achievement reflects our organization's culture, the commitment to NextGen, people-centric practices, leadership development and our forward-looking workplace ethos.

Now this concludes the business review. I will now request Dr. Sharvil Patel to take you through the key drivers across businesses as well as initiatives in our innovation program. Thank you.

Dr. Sharvil Patel: Thank you, Mr. Nayak, and good evening, ladies and gentlemen. We are happy to have you all on the call today. We are quite pleased with our overall performance during the fiscal year 2025.

We ended the year with a strong double-digit growth and the highest ever operating profitability. Our strategy of going beyond the pill, backed by strong execution helped us to deliver this good performance and build an impetus for future growth. With a differentiated products portfolio and deep innovation pipeline we remain committed to address diverse healthcare needs for our patients.

In the US generic space, we have increased our presence through the years by building a comprehensive portfolio across dosage forms and therapies through both in-house efforts as well as partnerships. In order to satisfy the unmet healthcare needs of the patients and ensure access, we have been expanding the specialty footprint in the US by building a portfolio of 505(b)(2) products and enhancing our presence in the paediatric rare disease space. This coupled with strong customer relationships, our pool of manufacturing facilities with capabilities to produce diverse dosage forms and agile supply chain and an efficient cost management have ensured sustained growth trajectory for the US business.

On the India formulations front, various strategic interventions done in the past years have helped our branded formulations business to grow faster than the market and we look forward to building onto this momentum. Our aim is to strengthen the presence across focused therapies through multiple levers and in turn, serve a wider set of customers. Our rich and diverse portfolio of innovative products have enabled us to offer novel solutions to patients to address their unmet healthcare needs. Besides medicines we also provide value added services to patients like the patient support programs and be with them during the entire journey.

Both the segments of our consumer wellness business vis-à-vis the personal care and food & nutrition business registered strong double-digit growth during the year, indicating sustained consumer preference for our brands. Our R&D capabilities continue to be on the forefront helping us launch new products and extensions to capitalize on the emerging consumer trends. Our portfolio of wellness products built over the years positions us well for both today and future growth by expanding presence in new business channels such as modern trade and e-commerce, and exploring new opportunities.

On the international markets front, which is our third pillar of growth, the focus remains on expanding our presence in the chosen therapy areas across key geographies by leveraging our global R&D portfolio of differentiated and complex generics as well as specialty products.

In line with the vision of addressing the diverse healthcare needs of patients throughout their journey, we forayed into the Medtech space by entering into a share purchase agreement to acquire a majority stake in Amplitude Surgical SA, France. Amplitude Surgical is a European Medtech leader in high quality, lower limb orthopaedic technologies. And it provides numerous value-added innovations to best meet the needs of the patients, surgeons and the healthcare facility.

Our innovation pipeline across different areas progressed well and we have achieved important milestones during the year. Our innovation engine has also delivered multiple treatment options over the years in an affordable manner making them accessible to a large set of patients. With this, let me share some material developments on the innovation front during the quarter.

On the NCE front, we received the USFDA approval to conduct our Phase II(b) clinical trial of Usnoflast, a novel oral NLRP3

inflammasome inhibitor in patients with ALS. The US FDA has also granted an 'orphan drug' designation to Usnoflast for the ALS indication.

The data monitoring and follow up is ongoing on post the completion of our patient recruitment for the Phase II(b)/ III clinical trials of Saroglitazar Magnesium for PBC indication and the Phase II(b) clinical trial of the molecule for MASH indication for the US market. We are now looking forward to the Phase II(b)/III trial read-out for PBC indication towards the end of the calendar year.

In the vaccines R&D space, with the support of the Gates Foundation, we have initiated development of the world's first combination vaccine against shigellosis and typhoid. We shall conduct early-stage development, animal immunogenicity studies and the regulatory pre-clinical toxicity studies for this combination vaccine. We have also received approval to initiate the Phase 2 clinical trial for our Bivalent TCV vaccine during this quarter.

On the specialty business, we have entered into an exclusive development, licensing, supply and commercialization agreement with Synthon BV of the Netherlands for a novel 505(b)(2) oncology product. NDA for this product is likely to be filed in 2026. The product will provide additional benefits in form of reduced pill burden, flexibility for dose adjustment and enhanced patient compliance.

Thank you and now we can start with the Q&A session. Over to the co-ordinator.

Moderator: Thank you, sir. We will now open the call for Q&A session. We will wait for a few minutes until the queue assemble. We request participants to restrict to two questions and then return to the queue for more questions. Please raise your hand from the participant tab on the screen to ask a question.

The first question is from Damyanti Kerai.

Damyanti Kerai: Hello.

Moderator: Yes, Damyanti.

Damyanti Kerai: Hi, thank you for the opportunity. My first question is to Dr. Patel. Can you comment on the Mirabegron litigation update which we recently heard and what is your view on the supplies from your perspective?

Dr. Sharvil Patel: So, I think, with respect to supplies, we continue to supply the product into the US market. The next trial is scheduled for February of 2026, and which is related to the 780 patent and other asserted patents. So, we will be preparing for the February jury trial.

Damyanti Kerai: Okay, sir. Till February, the supply will go as usual, right, there is no change in your plans?

Dr. Sharvil Patel: Not yet.

Damyanti Kerai: Okay, my second question is on your specialty portfolio in the US. So, you have this Sitagliptin franchise. Can you quantify what kind of contribution you have seen for FY25 and how we should look at this portfolio in coming years?

Dr. Sharvil Patel: So, I think, I mean while we cannot quantify the exact number, I think, we are doing far better than our initial estimates on the franchise, both with the private, I mean the private market and the tender. And we continue to believe that it will be also an important product for FY26 also. So, that is our current best estimate. And we have a national, say a contract for 5 years from the national contract point of view.

Damyanti Kerai: Okay, though you cannot quantify, but out of your 1.3 billion sales in FY25 is it a sizeable number or is it still building out?

Dr. Sharvil Patel It is a decent number but obviously, it is not a blockbuster product but it is one of the important new product launches that is there.

Damyanti Kerai: Okay, thank you, I will get back in the queue.

Moderator: Thank you. Next question is from Neha Manpuria.

Neha Manpuria: Yea, thanks for taking my question. My first question is on the US business. If I look at the quarter-on-quarter improvement, obviously we do see an uptick from Revlimid. Is that all that drove the 80 million dollars incremental sales quarter-on-quarter or any other improvement in the larger products that we have, particularly since we saw in the last call.

Dr. Sharvil Patel: Just to clarify, at least for this quarter over the last quarter, we don't have any major Revlimid sales.

Neha Manpuria: Okay, so the quarter-on-quarter increase is then driven by base portfolio?

Dr. Sharvil Patel: Base portfolio and obviously some of the launches that we did last year and Mirabegron and other products.

Neha Manpuria: In this case, you know, just trying to understand the improvement in the gross margins quarter-on-quarter. I mean, we have seen a very sharp improvement in that number. Any colour that you can provide as to you know, that uptick and how sustainable that gross margin will be if we think about next year?

Nitin Parekh: Neha, it is a mix of business as well as products. Even base business improvement is there. Contribution from US business, India business, wellness business. So, wellness, we have been able to take some price increase also. We were able to reduce our cost also in some of the products. So, it is a mix of various things.

Neha Manpuria: So, in which case, this margins should be sustainable in the next year?

Nitin Parekh: To the extent, you know, the product specific margin, obviously you would find some impact, but otherwise yes, margins are stable.

Neha Manpuria: Okay. Just on the US business. If this number is not driven you know by Revlimid, in which case, is it fair to assume that 1.4-1.5 billion dollar is the base? Obviously, Revlimid goes away three quarter out but this is the base at least for the next few quarters?

Dr. Sharvil Patel: For FY26, we believe US will still grow in single digit.

Neha Manpuria: Okay, got it. Thank you so much.

Moderator: Thank you. The next question is from Anubhav Agarwal.

Anubhav Agarwal: Hi, thank you. One question is on Mirabegron. So just trying to understand our risk limit for this product. Next litigation update is in February. Is there a risk limit that we have in mind, let's say the litigation continues for another year or so even after February, are we still fine with the risk limit over there?

Dr. Sharvil Patel: Yeah, I think we have done a proper due diligence with expert opinion and everything and we still believe that the risk reward profile has not changed.

Anubhav Agarwal: Okay, if litigation were to take another year, you can still continue to sell the product.

Dr. Sharvil Patel: Yes, currently we believe so.

Anubhav Agarwal: Sure. And clarity on previous question Neha asked. So, quarter-on-quarter, let's say December quarter to March quarter, when you say previous quarter - is sequentially Revlimid contribution is lower or higher, March versus December quarter?

Dr. Sharvil Patel: It is not there, there is nothing anything significant. So, fourth quarter, there is no Revlimid meaningful contribution.

Anubhav Agarwal: Okay. And Sharvil bhai, when you mention that there will be single digit growth there, just trying to understand can you give some idea about the base business? Because tracking your company has become very difficult now, Mirabegron, Revlimid, so fluctuating numbers, we have no idea about the base business here. So, how is the base business doing in the US and overall for the company?

Dr. Sharvil Patel: So, one thing, today, as of now, we have a very strong and healthy base business growth. This also includes when we have obviously lost share on Asacol. But we are seeing significant opportunities on our existing products in terms of new contracts and new requests. We being a very, I would say, resilient supply chain effort that has been put and availability of our products being very good, we are seeing a lot more opportunities for products in the US. And obviously, with the portfolio expanding with other dosage forms including transdermal and others, we are seeing an uptick also. I would say it is a mix of both but it is good to see that beyond Revlimid we are seeing good traction on the business.

Anubhav Agarwal: Sure. Just one more clarity here. So, let's say versus last quarter, now the litigation for Mirabegron looks to be little more extended now. So, let's say what you guided last time was what you guiding now. I am assuming that we have taken more sales of Mirabegron versus what you have guided, but isn't your guidance still the same as what you have guided earlier for the US?

Dr. Sharvil Patel: Sorry, maybe I didn't get your question the way you tried. Maybe you could clarify a little bit.

Anubhav Agarwal: Yes, I am just trying to say that you know, versus the call that we had in January, when we had the December results versus now, so the expectation, at least my understanding was that Mirabegron will at least sell till the first half of this fiscal 26. Now, looks like because of the litigation date which is delayed a bit, at least till end of fiscal 26, we will continue to sell Mirabegron at least till the end of this fiscal. So, ideally the US sales guidance should have been more than the single digit increase in fiscal 26. I am just trying to think from that perspective.

Dr. Sharvil Patel: So, we had not assumed that we are not going to be able to sell Mirabegron. So, our guidance cannot change because it is still, we still continuing with the same guidance that we will continue to sell Mirabegron. So, we have not built in for more sales of Mirabegron this year.

Anubhav Agarwal: Okay. And on Sitagliptin, can you just give what kind of market share, IQVIA I think, still shows a low single digit market share for all three brands of Sitagliptin. So, is that a good representation at least on the CVS front?

Dr. Sharvil Patel: I think, we will see a further traction on CVS conversion. But we can definitely say that for our earlier estimates, what we thought we would do on Zituvio franchise, we have done multi fold better. So, we are doing well. It is a good product. We are going to stick around for the next two years. I think with the 5 years contract also, national contract, we will continue to do that. And we would see more uptick I believe in the coming quarters.

Anubhav Agarwal: Okay, that's helpful, thank you.

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

Bino: Hi, good afternoon all of you. Just a couple of follow up questions. Sharvil bhai, earlier, whenever we have spoken on calls, your guidance was that Revlimid would be coming up lumpy in Q1 and Q4. So, how come it changed in this Q4? There was no Revlimid, if you can share.

Dr. Sharvil Patel: So, I think, generally we always get most of business in the last 10 days of March and all. So, this time, with the negotiation that went through and obviously there has been challenge in negotiation and pricing, we have pushed it out to the first quarter in terms of sales, first quarter of the financial year in terms of sales. Anyways we only have 8 to 10 days in last month, in March generally and this time we had to wait and negotiate better for the quantities. So, we have postponed it to the first Q.

Bino: Understood. And going forward, next year in Jan, the sort of exclusivity is getting over. So, would your entire quantity or your allocation for the year will all that get over Q1 itself or is that what your thought is?

Dr. Sharvil Patel: No, I don't think, we will have all sale in 1Q. I think it will be staggered. Exactly, still it is very difficult to say how the ordering will happen and how much ordering will happen after the first buys. So, we have to wait and see but our current best estimate is

that it will be spread across for the next 2 to 3 quarters. It won't be lumped in Q1.

Bino: Got it. And on the US guidance you gave, if I understood correctly, it is a single digit growth in US sales in FY26 over FY25. Is that right?

Dr. Sharvil Patel: Yes.

Bino: And looking ahead into FY27, of course it is too early, but do you see a sharp fall-off from the FY26 level in FY27, or will it be you know more or less plus/minus those levels?

Dr. Sharvil Patel: No, I mean, see, we have important launches in FY27. So, assuming we are doing well with our approvals and regulatory front, we don't see any major fall-out.

Bino: Got it. One last question if I could push in, any margin guidance EBITDA major guidance for FY26?

Dr. Sharvil Patel: So, FY26, we believe, we will exceed 26 or around 26% comfortably in terms of EBITDA margins and that's our current best estimate.

Bino: Thank you. I will join back in the queue.

Moderator: Thank you. The next question is from Surya Patra.

Surya Patra: Thank you for the opportunity. Sir, my first question is on the US business again. Sir, although you have given some clarity about the change of around 80 million dollar this quarter versus last quarter what we have seen. See, if there is no Revlimid this quarter and there is a jump of 80 million dollar, what is that is contributing? Is it driven by Mirabegron or there is a kind of any licensing income or anything is there this quarter that is why we are seeing a kind of consequent improvement in the gross margin? What is really driving this US business this quarter? Is there any one-off kind of licensing income or any sort of that? Can you justify please?

Management: So, I don't think there is any licensing income or one-off income that is existing there, so there is nothing there. It is do with the base portfolio, Mirabegron sales and overall other launches scaling up. So, it is a mix of all of those things other than Revlimid not being a very important part this quarter.

Surya Patra: Sir, few of your peers have already indicated that Revlimid has already started seeing some kind of price erosion in the US. So, given that, do you agree to that fact and this is likely to be the

scenario going ahead till the time of this entire opportunity expiry?

Dr. Sharvil Patel: Yes.

Surya Patra: And is it fair to believe that FY26 would be the peak Revlimid sales for us? Or we have already seen that?

Dr. Sharvil Patel: I think maybe FY25, I mean, it is an unfolding scenario. So, I would say FY25 would have been mostly the peak.

Surya Patra: Sir, and FY27, generally like could see the impact of a Mirabegron and Revlimid put together could be cumulatively let's say around 400 odd million dollars kind of impact. So, our new product launches can cope up to that level so that it can manage the growth for following period.

Dr. Sharvil Patel: So, I have always said that our base business, we believe without any of the one-offs, we can sustain easily over billion dollars. And obviously, we have a lot of new products that we need to launch and depending on different status of that obviously, we can see the scale up but we are comfortable at billion dollars without those exceptional items.

Surya Patra: And, last one sir from my side. In the domestic business side, while the industry has been moderating in terms of growth consistently and gradually, sequentially, we have started delivering even stronger numbers outpacing the trajectory what we are seeing for the industry. So, since we are closing the year now at least if you can give some sense that what is the split within the domestic business of the specialty portfolio, let's say the biosimilar, NCE, all put together? And what is the kind of growth those are seen, compared to the other portfolio?

Dr. Sharvil Patel: So, the innovation portfolio which you mentioned, has definitely grown significantly better than the overall growth and also led by volume led growth. I would say many of the changes that we have made strategically in terms of both, reducing complexity as well as putting the right resources and focus behind our growth booster brands, has led to this better-than-market growth for both, annually as well as the quarter, and we see that momentum to continue for the financial year coming too. And I think, we still hope to have important launches during the year again for our differentiated pipeline of products that will come in the coming year. So, we are seeing a good trajectory towards that. And I think because of India business or India geography doing very well also,

both consumer as well as the animal health business, many times, when we're discussing margins, the lot of the margin is also driven by these businesses which significantly give you a better value return.

So, I think it's a, when you look at the overall margins, it's not only driven by US but driven by other businesses. And also businesses that were in the earlier initial stages of the investment cycle but now are giving better returns every quarter-on-quarter are also leading to better margins.

Surya Patra: Sir, but double-digit growth is a kind of a possible scenario for the domestic business for FY26, given the industry is expected to see a low or mid-single digit kind of growth?

Dr. Sharvil Patel: So, this year we grew at 10% and quarter 11%. We are committing, we feel comfortable that we will grow better than market now that is assuming that market grows at a certain percentage. But we have a lot of products and important products to launch which will, I believe, continue with this momentum.

Surya Patra: Sure Sir. Yeah. Thank you. Wish you all the best.

Moderator: Thank you. The next question is from Amey Chalke. Hi Amey, requesting you to please unmute and ask the question.

Okay. We'll move to the next question. The next question is from Bino.

Bino: Hi, just a follow up question. We recently got approval for this product Deflazacort which I believe you are launching with the under a brand name. Now, I believe there are already a couple of generic players in the market for this. So, can you explain the strategy behind launching this product with a brand name?

Dr. Sharvil Patel: I think, earlier our strategy was, it could be a branded launch. But with the genericization, I think it will not be a particular branded launch anymore.

Bino: Okay. Got it. Thank you.

Moderator: Thank you. The next question is from Tushar Manudhane.

Tushar Manudhane: Hi sir. Am I audible?

Dr. Sharvil Patel: Yes.

Tushar Manudhane: Thanks. Thanks for the opportunity. Sir, just on the margin guidance for 26%. Just to sort of understand, while probably the

competition in generic Revlimid might keep profitability under check, but then we continue to sell Mirabegron, which given that it is also a limited competition product, will help get better margins which will offset Revlimid. So, just trying to understand that in FY25, we ended with a healthy margin of almost 30% and then we are guiding for FY26 for 26. So, what is dragging us down by almost 300 bps?

Dr. Sharvil Patel: Revlimid is obviously going to be a driver because there is challenges in pricing and competition. And we have lost Asacol also since last year. Plus R&D expenses upon Saroglitazar we would have at least 100 basis points higher than last year, at least. So, all of that will lead to our guidance right now.

Tushar Manudhane: So, basically. So, R&D expense how much should one take for FY26 on overall basis?

Dr. Sharvil Patel: 8%.

Tushar Manudhane: Okay. Secondly, on Mirabegron, while since you as well as Lupin continues to sell the product. So, from a generic competition perspective, do you see any threat coming through?

Dr. Sharvil Patel: I am sorry, I could not understand the question.

Tushar Manudhane: So, given that despite the at-risk launch like being done by Lupin as well as Zydus Life. So, any scope for other guys getting approval, subsequent launches? Any market intelligence if you could sort of share?

Dr. Sharvil Patel: I do not have that intelligence to share right now.

Tushar Manudhane: All right sir. Thanks. That's it from me.

Moderator: Thank you. The next question is from Saion Mukherjee.

Saion Mukherjee: Hi sir. Good evening. Sir, the 505(b)(2) products that you have mentioned, is it possible to share the opportunity size for these two products in terms of commercial timeline in the US?

Dr. Sharvil Patel: So, as I said, we have to still file those products. So, once we file it I think and once the IP strategy and everything is clear, we can share a little bit more. But the one thing I can say that they are part of a very large, I mean the portfolio that we are developing, the molecule, is quite large in the market.

Saion Mukherjee: And so, you expect it to be probably FY28 or beyond that?

Dr. Sharvil Patel: Sorry?

Saion Mukherjee: The launch is expected you know, not in the next two years. Will that be fair to assume, given that you have to file and there are potential IP challenges?

Dr. Sharvil Patel: Yeah.

Saion Mukherjee: Okay. And the second one was on vaccine. You had earlier mentioned about potential tenders participation in vaccine. Where are we? And any expectations that you have for next year or FY27?

Dr. Sharvil Patel: Thank you for that question. I think on the vaccines front, I'm quite upbeat and positive on the overall trajectory for the business and the opportunity. So, as I said, it forms three important areas. One is our India business which continues to do well. We believe that we are a critical contender in the public tenders for the MR vaccine that has come out, and we believe that it will be an important MR tender supply for Zydus in the coming year.

We are also seeing requirements from UNICEF and PAHO for some of our pre-qualified vaccines for different markets, and we will be able to participate in some of these tenders. So, that could offer additional opportunities in the coming years, both from the UNICEF tenders as well as the PAHO tenders. And also registering these products in some important markets outside, like Egypt and others, will also offer us some additional opportunities on the vaccines.

So, both, I think our non-tender sales which is doing very well. We are selling, I think, the highest doses of the flu vaccines now. We are selling out all capacities on our rabies vaccine. We have the other two vaccines that are coming up and the new vaccines that are getting added to the portfolio. And with potential access now to both India public and the WHO pre-qualified public markets, we are seeing a good trajectory for the vaccines in terms of scaling it up.

Saion Mukherjee: So, the timeline, will we start seeing that scale up this year in FY26?

Dr. Sharvil Patel: Yes.

Saion Mukherjee: Okay. Sir, if I can ask one more question on GLP-1 Semaglutide. You had mentioned about your plans for India. Will this be limited to India, or there are other emerging markets that you can consider for the first wave launch in fiscal 2026 or 2027?

Dr. Sharvil Patel: Our current strategy for Semaglutide, both for India and developing markets, is that we have a novel formulation for Semaglutide that we are going to commercialize both, in India and other markets. We are on track for a day-one launch in India, and we see it as a very and we would also partner this molecule with some companies, because we have a unique formulation with a very strategic advantage. And we hope to take that same capability into other emerging markets.

Saion Mukherjee: Understood. Thank you.

Moderator: Thank you. The next question is from Amey Chalke.

Amey Chalke: Am I audible now?

Dr. Sharvil Patel: Yes.

Amey Chalke: Thank you so much for taking my question. First question is on Saroglitazar. If I understand correctly, our data will be out by December or year-end. What is our strategy for the PBC indication post-trial?

Dr. Sharvil Patel: Once we have the data, if we see our data to be equivalent or better than today's treatment guidelines, we will be planning our commercial activities for launch, including obviously first filing the NDA. That's our current status on Saroglitazar for PBC.

Amey Chalke: Are we going to do this on our own, considering the PBC indication would be bit smaller in size?

Dr. Sharvil Patel: It's quite a sizable indication for what we as a company can do, and yeah, we will be doing it ourselves.

Amey Chalke: Sure. Regarding the MASH indication, do you think it remains lucrative, considering GLP-1s are also covering the market now?

Dr. Sharvil Patel: Yeah, because PBC and GLP-1s have nothing to do with each other.

Amey Chalke: No, no, the MASH indication?

Dr. Sharvil Patel: So, in MASH, we are still only in phase-2, and we have only talked about commercialization for the PBC indication for the US market.

Amey Chalke: My second question is about FY27. I heard you saying that there won't be a problem in FY27 post-FY26 once Revlimid is out. Is it

possible to give some colour on the product launches which would be able to offset the fall in some of the key products?

Dr. Sharvil Patel: I had stated when the question was asked to me, that in terms of our base business, without exceptional products, we are comfortable to be above a billion dollars in revenue. Obviously, today, we are much higher than a billion dollars. So that's what I had stated. But, I said irrespective of that, we have a lot of important launches in FY27, almost 14 to 15 important, critical launches in FY27. And if many of them materialize, we will do better than that.

Amey Chalke: Thank you so much. I'll join back.

Moderator: Thank you. The next question is from Gaurav Tinani.

Gaurav Tinani: Hello, yes. Congratulations and good afternoon. Firstly, on Revlimid, after the patent expiry, given the nature of the product, the distribution, can we see Revlimid still being a significant $50 million odd kind of sustainable opportunity for FY27 and beyond that?

Dr. Sharvil Patel: No.

Gaurav Tinani: Okay. In terms of the composition of our US base for FY27, could you give an idea of what percentage of contribution can come from NDAs or 505(b)(2) opportunities in FY27, or what's the long-term goal there? What percentage of US revenue that can scale up to?

Dr. Sharvil Patel: I think, it's a little difficult to talk product-wise in terms of contribution. Currently, we've given FY26 guideline, which is high single-digit growth for FY26. But, for FY27, it's still early to say. But, what I can say is that, we have launches that get launched. We have some products where we have sole exclusive launch plans depending on exclusivity, which also has tremendous opportunities. Plus, as I said, we continue to launch anywhere upwards of 20–25 products every year, so that continues to add to the base of products.

While I stated that our base business has continued to grow, so we are also quite excited that our products that we currently also sell, are seeing a higher demand. I think all put together, we are still seeing an important… I mean, we're seeing the US FY27 also as an important.

There's a lot of background noise, maybe where you are.

Gaurav Tinani: Okay. Thank you.

Moderator: Thank you. The next question is from Saion Mukherjee.

Saion Mukherjee: Hello. Yeah. Sorry. Thanks for the follow-up. Dr. Sharvil, just wanted to check with you, there's been a lot of talk on the US imposing tariff on pharmaceuticals. Have you made an assessment for Zydus business? What can be the potential impact? And strategically, are you thinking about investing in facilities in the US? Because that's an uncertainty the industry is dealing with. If you can share your thoughts and impact on Zydus.

Dr. Sharvil Patel: So, I think it's a lot of moving parts. It's very difficult to know what could be the impact. Any tariff will obviously have an impact. But with the reference pricing, which I don't know how that works on generics. I don't know that will work on generics or not. But I would say, on setting up facilities in the US, we do always explore opportunities to co-develop, manufacture at a third party location, both in Europe and in US for the products that we need to do sometimes. And we are looking at opportunities where we feel that the value is there for manufacturing in the US. But I think any of these decisions will require a lot of time for setting it up. So, it's not something that can happen in the short term. But we have committed to making good amount of investment in the US with our foray into speciality and other areas.

Saion Mukherjee: Okay, sir. Thank you.

Moderator: Thank you. The next question is from Devang Sarawgi.

Devang Sarawgi: Hello. I have two questions. Is there any update on speciality acquisition in the orphan drug space in the US, especially for the launch of Saroglitazar approaching?

Dr. Sharvil Patel: We have acquired Zokinvy last year, which was a rare disease asset for treatment of Hutchinson-Gilford progeria syndrome. And we continue to look for more opportunities in the rare disease side.

With respect to it synergizing anything with Saro right now, no, that is not something that we have in our pipeline, but we will continue to look for more opportunities to synergize for Saroglitazar.

Devang Sarawgi: And the second question is about revenue guidance for emerging market and consolidated business for FY26.

Dr. Sharvil Patel: So, for the overall business, we are looking at a double-digit growth in revenue led by strong growths in India and international markets, and also our new growth themes like biologics, vaccines, and all scaling up. We believe, in India, we will continue to outperform the IPM market for the year. US, we will see a single-digit growth going forward. Yeah, those are the hope for FY26.

Devang Sarawgi: And sir, any contribution from vaccine for this year?

Dr. Sharvil Patel: Yes, we will see some good contribution from vaccines for FY26.

Devang Sarawgi: And any guidance on emerging market scale up?

Dr. Sharvil Patel: Emerging market has been consistently growing at a strong double-digit CAGR and also improving profitability. And that trend is also continuing and we are quite positive for a faster scale up.

Devang Sarawgi: Thank you, sir.

Moderator: Thank you. The next question is from Surya Patra.

Surya Patra: Yes, just one clarification. Post this Asacol HD, the competitive pressure what we have witnessed in the US, how important is this entire mesalamine franchise currently in the US business for our US revenue?

Dr. Sharvil Patel: Sorry, can you repeat the question? Because I get always some other noise from behind.

Surya Patra: Sorry for that.

Dr. Sharvil Patel: In fact, it's very difficult to figure the question out. I know you said something to do Asacol.

Surya Patra: I was asking about the mesalamine franchise that we have created. But one of the important product, having seen the generic competition or kind of other peer's competition, how important this entire mesalamine franchise that we have created? And in terms of the revenue contribution to the overall US business of Zydus, how significant is this going to be, let's say for 26 and beyond?

Dr. Sharvil Patel: So mesalamine has been a very important franchise for the organization. Over multiple years, it has delivered strong value and shown us through the capability of complex dosage forms and how Zydus has sort of created them and also obviously created value out of them.

And mesalamine as an overall franchise will still remain very relevant, because we have at least three mesalamines in the market and we hope to add more mesalamine franchises to launch. So, it's a good product. Obviously, it has lost its hay days of the significant value, but it is still a very meaningful product and will continue to remain so.

Surya Patra: And in terms of size, let's say 10% of the US currently or any sense of how big it could be, the franchise as a whole?

Dr. Sharvil Patel: As I said, it is an important franchise and it will remain relevant. Now, I won't be able to give you individual percentages for that.

Surya Patra: Okay, fine. Thank you, sir.

Moderator: Thank you. The next question is from Srikant Akolkar.

Srikant Akolkar: Hi, just one question. If you can talk about our peptide pipeline development. And in the next two years, are we expecting any peptide launch? That means a non-GLP1 peptide. Thank you.

Dr. Sharvil Patel: So, I think, we have obviously a couple of peptides that are the GLP1s, including Liraglutide, Semaglutide, Tirzepatide that are either filed or under development. And then we have some other like Teriparatide and others, but those are more on the recombinant side. So, I would say that is the overall pipeline right now. Beyond that, we are looking at further pipeline in terms of how to add, but this is our current pipeline.

Srikant Akolkar: Understood. Thank you.

Moderator: Thank you. The next question is from Tushar Manudhane.

Tushar Manudhane: Sir, just one, this impairment of a product. So, if you could just highlight which product on which we have taken this impairment in the quarter?

Nitin Parekh: It was Rotigotine.

Dr. Sharvil Patel: It is a product that we had acquired from Teva. It is under litigation. I said it is a product that we had acquired as part of Teva's divestment and we had acquired it. And it is under litigation and we have impaired it.

Tushar Manudhane: Got it, sir. And this goodwill related to this Brazil business also, if you could just elaborate?

Nitin Parekh: It is a goodwill which was created at the time of acquisition, and the overall scenario in terms of both branded and generic in Brazil,

has undergone a change. And we were looking at our own products and pipeline and expected sales. Basis that, as a matter of prudence, we thought it better to do the impairment of the goodwill.

Tushar Manudhane: Got it, sir. Thanks. Thanks a lot.

Moderator: Thank you. The next question is from Apuva Rastogi. Hi, Apurva. Can you please unmute and ask your question?

Maybe we can move to the next one till maybe they come back. Okay. We will take Gaurav's question next.

Gaurav Tirani: Yeah. Hi. Thanks for the follow-up. So, would you be able to share any more color on the 14 to 15 critical launches that you expect to do in FY27? Number of FTF launches there, number of differentiated dosage-form launches there, other limited competition. Any colour on further breakup that you can shed light on this?

Dr. Sharvil Patel: So I think, as I said, the launch… I mean, it's difficult to answer it that way right now and it's too early, but many of them are complex launches with semi exclusive or exclusive launches also. And the mixture of portfolio is a mix of orals as well as injectables. So that's the current portfolio that I am talking about. Obviously, this doesn't include other launches that we are still planning. And it's still a development. It's still a growing phase because we are still sitting in April or May of this year to talk about FY27.

Gaurav Tirani: Okay. On the acquisition of your Amplitude, I think we're expecting to close by H2 of this year. Just one clarification, do we expect this to be earnings accretive or dilutive for FY26-27, please?

Dr. Sharvil Patel: Accretive.

Gaurav Tirani: Okay, thank you. All the best.

Moderator: Thank you. The next question is from Jaydutt Parekh.

Jaydutt Parekh: Hello, good evening, sir. Thank you for the opportunity. Sir, you mentioned about multiple product launches for FY27, potentially to offset the decreasing rate of Revlimid. Can you tell me, will this be in the existing therapy area or in any new therapy areas?

Dr. Sharvil Patel: You know, generic development is sort of agnostic to therapies. So, we don't select products by therapy, but we select by size and opportunity and competition. So, as I said, it forms oral dosage forms, which obviously form large part of the portfolio generally,

which includes liquids and transdermals, as well as topicals. And then obviously the injectable portfolio, which also forms another sizable part of launches. So those are the overall ways in terms of dosage forms when we plan for generics.

Jaydutt Parekh: All right. Got it. Thank you very much.

Moderator: Thank you. The next question is from Devang Sarawgi.

Devang Sarawgi: Hello, thank you for follow up. When can we expect meaningful revenue contribution from medical devices business? And what kind of scale up are we targeting for next two to three years?

Dr. Sharvil Patel: So, medical device is an important area for the organization. And we have had important, both organic as well as inorganic opportunities that we have looked at and have been successful at. So, we are organically building on the nephrology side. We are organically building on the cardiovascular side with also a critical partnership that we have done for TAVI. And we have been, we are also looking at successful closure of the acquisition of Amplitude for orthopedic implants. So, these are the areas that we are going to focus on. Some of these are already revenue generating and profit-making businesses. So, we will look to add more geographies, bring down cost and grow this business. So yes, we have an important growth theme for the business over the next five years. But it is not going to be short term. It is going to be… you know, the scale up we really get to see after three years.

Devang Sarawgi: Okay, thank you.

Dr. Sharvil Patel: I don't have a number right now. But we have obviously, as a business, we have strong aspirations to make it a meaningfully large business. Thank you.

Moderator: Thank you. As we do not have any questions, I request Ganesh sir for closing remarks.

Ganesh Nayak: So, thank you very much and look forward to interacting with you during our next quarterly analyst conference. Have a good evening.

Moderator: Thank you very much to management team. Ladies and gentlemen, on behalf of Zydus Lifesciences, that concludes today's conference. Thank you for joining us and you may now disconnect your line and exit the webinar. Thank you.

END OF TRANSCRIPT