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Date: 14th August, 2025

Scrip Code: - 531768

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Dalal Street, Mumbai- 400001.

Scrip Code: - POLYMED

The Manager
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1-Block-G
Bandra Kurla Complex, Bandra(E),
Mumbai-400051.

Subject: Submission of Transcript for Q1-FY26 Earning Conference Call under the SEBI (Listing Obligation and Disclosure Requirements), Regulation, 2015

Dear Sir/Madam,

Pursuant to Regulation 30(6) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we hereby submit Transcript of the investor Meet/Call held on 08th August 2025, on the Unaudited Financial Results of the Company for the quarter ended 30th June, 2025, on Standalone and Consolidated basis, which were considered and approved by the Board of Directors of the Company, at its meeting held on 08th August, 2025.

This is for your information and record.

Thanking You,
Yours Sincerely

For Poly Medicure Limited

Avinash Chandra
Company Secretary
M. No. A32270

Encl: As above



“Poly Medicure Limited Q1 FY'26 Earnings Conference Call”

August 08, 2025



MANAGEMENT: **MR. HIMANSHU BAID - MANAGING DIRECTOR, POLY
MEDICURE LIMITED**
**MR. NARESH VIJAYVERGIYA - CFO, POLY MEDICURE
LIMITED**
**MR. RAHUL GAUTAM - PRESIDENT, STRATEGY AND
CORPORATE DEVELOPMENT, POLY MEDICURE
LIMITED**

MODERATOR: **MR. DARSHIL JAIN - ICICI SECURITIES**

Moderator: Ladies and gentlemen, good day and welcome to Poly Medicure Limited Q1 FY'26 earnings conference call hosted by ICICI Securities.

As a reminder, all participants' lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing '**' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Darshil Jain from ICICI Securities. Thank you and over to you, sir.

Darshil Jain: Thank you. Good afternoon, everyone. On behalf of ICICI Securities, I welcome you all to Q1 FY'26 Earnings Conference Call of Poly Medicure Limited.

Today on this call, we have with us the Senior Management Team of the Company. We are represented by Mr. Himanshu Baid – Managing Director, Mr. Naresh Vijayvergiya – CFO, and Mr. Rahul Gautam – President (Strategy & Corporate Development).

I would like to thank the management team of Poly Medicure for giving us this opportunity to host their call and with this, we will hand over the call to the management. Over to you, sir.

Himanshu Baid: Thank you, Darshil. Thank you very much. A very good afternoon, everyone. Again, I welcome you all to our Q1 FY'26 Earnings Call.

I sincerely thank all of you for being here today. Before I provide you with a performance review, I am very proud to announce that Poly Medicure was awarded as Medical Device Provider of the Year 2025 by Financial Express. It was a humbling moment to be recognized for the journey in the healthcare sector. These recognitions reflect our collective efforts of our entire team and I accept them on behalf of our employees, partners, and stakeholders who have been an integral part of our growth and success over the years. I will now take you through the business and financial update for Q1 and after that, we are open for Q&As.

So, on the business update side, we received approval from our esteemed shareholders for appointment of Mr. Vishal Baid as the Executive Director. Mr. Vishal Baid has been part of the core team and has played a very pivotal role in strategic growth and international expansion of the Company. He has been associated with the Company for the last 14 years and before his appointment as the Executive Director, he was designated as Senior President, Sales and Marketing. Also, I would like to update that board in its meeting today, subject to shareholders approval has approved appointment of Mr. P. K. Gupta, who was President Operations and Executive Director of the Company. He joined Poly Medicure as a Senior Manager in 2008 and rose to become President Operations, leading key operational advancements. His strategic leadership significantly contributed to the Company's growth. We welcome him to the board and looking forward to his strategic insights as we scale up our manufacturing presence in India and globally.

I am also pleased to announce that we have signed two contract manufacturing contracts and this was, if you remember, I had shared earlier that we are exploring some opportunities in contract manufacturing space, specifically where we see reasonable margins and we have signed two contracts in the first quarter. Companies are based out of, one Company is based out of US, one is Hong Kong headquartered Company which has major operations in the US and both these companies have products in vascular access and in pain management segment. So, these are new products we are developing for these companies. These are brand new. So, this is basically more like a CDMO operation where we do the contract design and manufacturing operations and these are some of the kind of businesses currently, we are building internally also to build a resilient manufacturing setup.

In terms of our international expansion, we have also established a wholly owned subsidiary in Brazil to expand our presence. Over the next few quarters, we will expand our presence in this key South American market. We are already doing some new product registrations there and we are very excited about this dynamic Brazilian market and we would like to have more deeper in-roads. So, we will set up a fully owned subsidiary with people out there where we will be interacting directly with the customers. So, it will be moving from B2B to B2C operation and this is one of the major markets for us and we have decided to go directly in that market. Also, we are awaiting for a land allotment letter from ADA for around 7-acre plot at Medical Device Park which is near the Jewar Airport in Greater Noida. We have already received the letter of comfort from the UP government, and this Medical Device Park is very strategically located and we will also have a lot of common facilities like labs and other infrastructure which will help manufacturing of medical devices in the country.

On the financial performance side:

Quarter ended June 25, we have a consolidated revenue of Rs. 403 crores marking an overall growth of around 5%. Gross profit was close to Rs. 276 crores reflecting a margin of 68.4% at a gross level, an increase of almost 170 bps as compared to quarter 1 last year. Operating EBITDA for Q1 was Rs. 106 crores, delivering EBITDA margin of 26.3%, slightly down from 27% last year. On the bottom-line, PAT totaled around Rs. 93 crores as compared to Rs. 74 crores last year, translating to a net margin of 21% up to 50 bps. I would like to call it that our R&D spend has increased by 20% in this quarter. I would also expect that our R&D spend as a percentage of revenue will rise going forward as we get into high-end technology segments such as cardiology and critical care.

In Q1 FY'26, our domestic revenue grew by 20% to reach Rs. 126 crores. Domestic revenue growth in the private sector was 25% while the government business witnessed a degrowth of 10%. So, net was around 20% and that is in line with our projections, in line with our strategy. This clearly reflects our focus on building a strong and sustainable domestic business and to exit the business which we don't meet our margin thresholds, specifically in the government segment. Contribution from domestic revenue to overall consolidated revenue was increased to 31% in Q1 as compared to 27% in the competitive period last year. We continue to outpace the market

and competition growth in the domestic market quite significantly. Hence, our conviction to invest higher amounts in the domestic market is getting only stronger. This is reflected in the fact that we added 22 new sales associates in Q1. We have set up a target to add around 100 people this year. Out of that, 22 people have already joined in Q1. Hence, we are on track to hire 100 sales associates for FY'26. And this will give us a lot of firepower to go to Tier-2 and Tier-3 cities, especially the hospitals we have not addressed earlier. So, we are expanding our reach into more deeper markets and territories.

In Q1 FY'26, our international revenue stood at Rs. 275 crores, which reflects a dip of 1% from Rs. 278 crores in Q1 FY2025. We continue to witness some growth challenges in the European market. We witnessed a degrowth of around 6.7% in Q1. The current geopolitical situation as well as uncertainty in global trade due to the ongoing tariff war is leading to some deterioration of customer sentiment. Recent tariff announcements by the President of US does not argue well for export markets, but we are hopeful that a reasonable solution will be found in the ongoing trade negotiations between India and US. Of course, 50% tariff is kind of unsustainable for exports from India, I think any segment we talk about. All these factors are leading to customers being circumspect in predicting business growth, supply chain stability and hence on focusing on inventory liquidation to meet end-user demand instead of building additional inventory.

So, in our last call, we highlighted overstocking in certain customers, specifically in the Southern European region. We are now starting to see the situation easing out in those markets. Hence, we are hopeful that things will be better in Europe in the second half of the financial year. International revenue from the rest of the world region has done relatively better, growing at 5% to reach Rs. 142 crores in Q1 FY'26.

Now, let me give you an update on each of the business segments. Renal business, where we have been putting a lot of energy and efforts, has grown by around 46% in Q1 FY'26 to almost Rs. 44 crores. Till July 31st, we have sold additional 130 machines across the country and we are on track to sell close to 500 to 600 machines in the current financial year, dialysis machines. We continue to remain excited about these prospects in the industry. I think the Government of India under its Pradhan Mantri National Dialysis Program, they have implemented dialysis centers in 751 districts with almost 1700 dialysis centers which are operational today. Also, it has been now covered under Ayushman Bharat. So, further expansion of networks and community health centers will be also taken by the National Health Mission. So, overall, we are very bullish that the demand will continue to increase. We are also ramping up our capacity and by the end of FY'26, we will almost double our manufacturing capacity in the dialysis business. So, I think that's also a very important task we have undertaken last year to expand the capacities all across in this segment. We continue to remain bullish, and we aim to reach at least 15% to 17% of market share in the next 2 to 3 years from the current around 8% to 9%.

Let me now move to our Cardiology vertical, which we have started at the end of last year. It was just a kind of a trial period, and this year was the real start. I am pleased to announce that we have already implanted around 1350 drug-eluting stents, that is a very positive feedback

received from patients and clinicians. These stents were specifically designed at Poly Medicure Limited and all the design elements were done by our R&D team. This is indicating growing acceptance of our products in cath labs among intervention cardiologists. We remain excited about our pipeline of products. We have already launched our angiography catheters, angiography balloons. We are also launching drug-eluting balloons and PTCA catheters and host a number of guidewires, hydrophilic guidewires and a PTFE-coated guidewire. A lot of devices are coming into interventional cardiology space, which are getting manufactured at Polymed right from scratch. We are one of the first companies to make these products in India. Most of the companies who are importing and selling them, they are one of the first companies to make such products in India.

I am also very pleased to announce that we have initiated an open-label multi-center single-arm clinical investigation to evaluate performance and safety of our RisoR Everolimus drug-eluting stent. The study aims to assess safety and performance of this stent in treating coronary artery stenosis patients. This will be a clinical registry of 2,000 participants. This is the first time a clinical registry of this scale is happening in India for stents across 50 sites in India and one in Europe. We have also partnered with Dr. Praveen Chandra, Chairman of Interventional Cardiology at Medanta Medicity Hospital. He will be the principal investigator in India for these clinical trials. The study will be completed in almost 24 months. From a strategic standpoint, this trial underscores Poly Med's commitment for post-market evaluation in India and pre-market readiness for the European market and positioning the Company in the global growth of the coronary stent markets.

We are gradually moving up the technology chain in medical device market and such initiatives position us strongly to capture market share initially in the domestic market and over time in the international markets. Our second growth segment was critical care segment. This vertical remains a very important part of our growth journey, especially in treatment of oncology. Government of India is already playing an active role in ensuring, setting up 200 standalone specialty oncology centers, eventually expanding to 700. So, we are strongly positioning ourselves in this segment and especially with Make India products and continue to invest significantly in new product development. Over the last 12 months, we have launched over 20 products in this segment and we continue to expand our manufacturing footprint.

Our transfusion segment has been growing steadily. It has grown at around 18% in Quarter 1. There is a slight slowdown in our infusion therapy business, which is our core business. And this is mainly because of slowdown in Europe. That's what we have witnessed. And I think historically, I think we have done well in this segment, but I think we are seeing some headwinds, which we saw in Quarter 1. But I think from Quarter 2 and Quarter 3 onwards, I think things will change and are on track to deliver a better performance. In this segment, we are strongly globally competitive. We have a lot of innovations which are within the Company. And we are very confident continuing to gain market share in the coming quarters.

Liquidity position currently, we ended the quarter with liquidity of Rs. 1249 crores. Strong cash flow allows us to continue back our ambitious growth strategy, both organic and inorganic. On the M&A front, our thesis focuses on technology acquisitions that are complementing our core verticals, critical care, cardiology, and other adjacencies. We are actively evaluating opportunities, which we believe are quite exciting in terms of technologies, markets and customers. We will keep the market informed once these transactions are finalized.

Let me now connect to our forward-looking outlook:

We continue to remain bullish on the domestic market and reiterate our guidance for revenue growth of 30% for the domestic business for FY'26. For international business, we expect a revenue growth between 5% to 10% this year, which is lower than what we have given guidance early in Quarter 1, 12% to 15%. This is reflective of the current ground realities. We will keep you updated and have better clarity, I think, once we see this quarter ending. Further, Poly Med also set some ambitions to grow in the US market. I think we already have FDA approvals, which I informed earlier. There are some products in pipeline, we are in the process of getting them also approved. We have already signed contracts with two large GPOs and distributors in the US. And I think we are on track to achieve the revenue, which we have projected 15 to 20 million. And then that is overspread over the next 2 to 3 years. But I think currently, the current situation, we are not sure how it's going to pan out. But I think we are keeping our fingers crossed. But in the current financial year, we don't have too much impact from the US because our US revenues are less than \$3-\$3.5 million. So, we don't see a major impact on our business because of the US tariffs. So, I think we are very, very insulated because of our strong presence in Europe. Because one-third revenue still comes out of Europe. So, I think we are strongly protected for our business with India, Europe, and rest of the world presence. So, let's see, I think we keep our fingers crossed for next few weeks and see what is going to happen.

We are keeping our EBITDA guidance margin in the range of 25 to 27. We have done first quarter EBITDA of 26.3%. So, we are very within the range as we called out earlier in the beginning of the year.

CAPEX side:

We maintain our guidance for a spend of around Rs. 250 crores plus for FY'26. As we have two new plants, facilities under construction in Palwal and Haridwar. Also, our Gama plant in Palwal has started operations, Phase-1 operations have started. We have received the license for our class A and B devices. We are waiting for further licenses for C and D devices and also expansion of that capacity, which will move from 300 kci to 2,000 kci. So, that's a major achievement, I would say, because we are one of the first companies to have their own Gama sterilization plant, which gives us a lot of strength in terms of sterilizing the products using a special technique, Gama sterilization, which is very unique to medical devices. Also, of course, the guidance is building some conservation right now around international business, given the current geopolitical and macro uncertainties, but we are very confident. We have almost 30 new

products in pipeline, which we launched over next 2 years or so. And so we have a huge pipeline of products, which is getting ready.

We have also new regulatory approvals, which are expected during the year from major markets like Europe and also some approvals are coming from Latin America. So, once we have these new approvals, we will be able to launch some new devices in those markets. There's a strong domestic momentum. So, we are very confident about the domestic market and I think it continues to give us a lot of wings to fly today. And I think we can pretty well offset this headwinds, which we see, which has been like a one-off phenomena. But I think just to recap FY2026, I think the business is fundamentally very strong. The model is we have developed and moving from, let's say, from vascular to critical care and to cardiology products. So, we have done that transition over the last 2.5 years, invested a lot of in new technology, new products. And I think that is going to start bearing fruits. And most of these products are from higher margin categories. So, we will continue to make healthy margins in next years because of the new products we are launching. And I think the domestic market is very strong for us right now. So, we will continue with the growth trajectory, which we have already told earlier. And I think we will continue to invest in R&D. So, that is scale up is happening. A lot of green initiatives have been taken by September, October, 40% of our power generation will be from green power. So, we invested in solar capacity building. So, we have done a lot of heavy lifting in last few years. And then definitely in coming years, we will see a lot of new things happening with contract manufacturing opportunities with the US business. Of course, there's a caveat there because of tariffs. But I think as we see, I think tariffs are temporary. And I think we have a long journey ahead on that US market. We have some very important contracts which are already in place. And of course, we are deepening our presence in Europe with more product launches. So, all in all, I think we are in great shape. I just wanted to update you on this performance of the Company.

And now I will be happy to answer questions from our listeners and people who are on the call. Thank you again, everyone. Thank you for your time.

Moderator: Thank you very much. We will now begin with the question-and-answer session. The first question comes from the line of Rashmi from Dolat Capital. Please go ahead.

Rashmi: Yes, thanks for the opportunity. So, one question on the gross margin side. Despite a lower international business, our gross margin was pretty high during the quarter. So, which segment or what has actually driven this kind of margin? And what kind of gross margin would be sustainable for the full year?

Himanshu Baid: See, I think gross margin, which Rashmi memory track, you know, between 65% and 67%, that has been the historical gross margin for business. But as we go dig deeper into this critical care cardiology areas, I think there the product price is also much higher compared to what we have been selling in the past. So, the gross margin in this product is very high, like much higher than

the products we have been selling in the past. So, I think that correction will keep on happening. So, I think a run rate between 65 to 68 is a great run rate to be in the gross margin level.

Rashmi: Okay, so you mean that the major gross margin has actually come from this particular category, which is and which has been launched basically in India. So, from the domestic segment to this time, the margins are better?

Himanshu Baid: Yes, definitely. Because if you see export sales has gone down, the margin contribution used to come higher from the export business.

Rashmi: Yes.

Himanshu Baid: In spite of international business going low, still, we have sustained our margins in terms of EBITDA, which is not a big difference from what we have been doing in the past. Only 50 bps variation is there in the first quarter, which is, I would say is hardly any variation.

Rashmi: Understood. And on the export market, if you can explain a bit in the Europe, you had seen issues and growth challenges in the first quarter. And you're saying that things will get eased out in the subsequent quarters. This is because the US had imposed a tariff on these different countries, and that is the reason it was an indirect impact on India?

Himanshu Baid: I think Europe is, I think was going through some financial, let's say, I would say restructuring, I think most of these countries had kind of liquidity issues. And I think there was also overstocking. And this whole uncertainty around tariffs was actually where people would have actually reduced the inventory levels. Normally, in our industry, people maintain 4 to 5 months of inventory because they are constantly supplying the national systems. But what we realized that people went on to 2 to 3 months of inventory. And in fact, in the last few months, last month or so, we have also made a few rates trades, because they ran out of inventory with higher consumption. So, I think we are seeing the demand coming back from Europe. So, I think that's where we are positive. So, and that's the reason we are saying that we should end up closer to 5% to 10% of growth overall in the international business going forward for the next three quarters, Quarter 2 to quarter four.

Rashmi: And excluding Europe, even rest of the world has seen just 4% to 5%. Have we seen the similar situation over there or the reason is?

Himanshu Baid: I think, yes, I think we are seeing, so this quarter, the growth is coming back. And I think in subsequent quarters also, I think we are quite sure that we will be in a better space.

Rashmi: And one last question, you are saying that you will be adding 100 associates, sales associates in FY'26 in domestic market. This will be targeting which regions you mentioned Tier-2, Tier-3 cities, but exactly which would it be pan India or it would be some dedicated state?

- Himanshu Baid:** Because today Poly Med is a national Company. So, we are present pan India. So, in fact, the focus is to expand more in let's say Tier-2 and Tier-3. And in that segment, also South India and West India are the core markets we are targeting.
- Rashmi:** Okay, got it, sir. Thank you so much. Thank you.
- Moderator:** Thank you. The next question comes from the line of from Suruchi Parmar from NX Wealth Management. Please go ahead.
- Suruchi Parmar:** Good evening, sir. I just wanted to ask, like, you have told that Europe and you have a considerable good share coming from Europe revenue share. But you are saying that exports in this year might see a revenue growth of meager 5% or so?
- Himanshu Baid:** Yes, 5 to 10%.
- Suruchi Parmar:** Lowering your guidance. So, it is just because of US or Europe is also facing some problems. That's why you are lowering the guidance?
- Himanshu Baid:** See, Europe is also facing challenges. I think we have seen it since beginning of the year. I think there has been an inventory correction in Europe. And I think there was a disturbance in supply chain also. I think Chinese companies also started dumping products because of their lack of reach to US market. So, I think everything kind of got disturbed. But I think now the demand is back. The supply chain is kind of recalibrated. So, and that's the reason we are confident that now we are getting back on track. So, even with a, let's say, minus 1% growth in international business in Quarter 1, I think we are already saying that we should be between 5% to 10% of growth for the whole year international business. So, I think, and I think still things are very fluid, I would say, globally. But I think at least we can see from now onwards, as we have seen first 4 months of this financial year, first 4 months, I think we are more confident about the growth, what we can do. And of course, we are still conservative, things can change a lot. Of course, we have adequate capacity to meet additional demands. So, but at least we want to be a little bit more conservative and see how things are panning out in next few months.
- Suruchi Parmar:** And, sir, will we be benefited from this UK FTA?
- Himanshu Baid:** Definitely, that's a big one. Sorry, I forgot to mention it. Thank you for reminding me. So, again, UK FTA also now because earlier duty was around 4% to 5% for UK imports. Now it's getting zero. So, I think, and we see a renewed interest for UK companies to buy products out of India. So, I think, after the FTA, we have already received a couple of companies which are willing to expand their business with us. So, I think it's very positive for us on the UK FTA side.
- Suruchi Parmar:** So, you are bullish on acquiring more market share there?
- Himanshu Baid:** Yes, definitely. So, we are bidding for more products in the UK market. And I think, hopefully in 2026, because the NHS operates on a cycle every, because 90% purchasing is done by NHS

in the UK. So, this operates on a cycle. So, the new bidding is happening for 2026, basically. So, we have now bided for almost 6 to 7 new product categories.

Suruchi Parmar: So, these products will be like endo critical care or vascular?

Himanshu Baid: Core is vascular.

Suruchi Parmar: So, both will be there?

Himanshu Baid: More vascular is 95%.

Suruchi Parmar: Okay. Thank you so much, sir.

Himanshu Baid: Thank you.

Moderator: Thank you. The next question comes from the line of Keshav Kanchan from SVP and Associates. Please go ahead.

Keshav Kanchan: So, my question is, particularly on your renal portfolio. So, my question is, what are Poly Med's expansion plans in terms of the HDF as well as the CRRT portfolios? As I understand, these spaces are less penetrated currently in India. So, how is the market overall looking like? And what is your take on this? And what is Poly Med going to do anything about it in terms of taking active steps in terms of either catering to the market or government advocacy? What exactly is Poly Med's view around this? That is what I wanted to understand.

Himanshu Baid: I think that's a great question. Very great technical question, I will say. So, basically, in India, HDF market is close to around 10%. And it is mostly dominated by large multinationals like Fresenius and Nipro. And 90% is basically the normal market. So, we have plans to launch our first HDF machine in 2026. Analysis machine. So, that is what we are targeting. And so, we are already under development for that product. And it is currently under development. And then we will go for clinical testing and the licensing of this product. So, we are hopeful that sometime mid to end of 2026, we will launch this new dialysis machine with HDF capabilities. And already we have not put so much focus right now, but maybe that could be the next product development, maybe for 27 or 28. But I think HDF is very promising. See, the only problem with HDF is that the cost of dialysis that goes up. And the government reimbursement is limited to Rs. 1800 today under Ayushman Bharat. So, whether we include this under reimbursement or not is something is a question mark. But at least in the private sector, which is probably like 30%-40%, that is where probably we can see usage of HDF. Even HDF machines, if you see currently, they are only deployed in private centers, not in places where doing, let's say, scheme patients.

Keshav Kanchan: Correct. But is Poly Med also seeing like growth in HDF machines and other account archetypes, you know, such as charitable institutions, government hospitals, etc.?

Himanshu Baid: No. Again, see, they are very conscious on the cost side of the product. So, you don't want to...And charitable is again so much subsidized. So, they can't afford to have a HDF machine. And the cost of the treatment also increases.

Keshav Kanchan: Correct. No, no, I was particularly talking about HD also. HD is there, right? HD machines are penetrated.

Himanshu Baid: Yes.

Keshav Kanchan: And just one follow-up question on this. So, are you also looking at the development of the HDF machine like in India only? You are going to be manufacturing...

Himanshu Baid: In India.

Keshav Kanchan: Understood. That's very helpful. Thank you.

Moderator: Thank you. The next question comes from the line of Harssh K Shah from Dalal & Broacha. Please go ahead.

Harssh K Shah: Thanks for the opportunity. Just one question from my side. So, if you could a bit of dwell upon the contract manufacturing, contract that you have won in the products of vascular and pain management. So, as you mentioned, right, that these are new products.

Himanshu Baid: So, these are CDMO opportunities.

Harssh K Shah: Correct. But so, how should one look at in terms of the scale up of revenues? When should one expect this to kind of flow to our numbers this year, next financial year, some bit of highlights and in terms of how big the scalable how, I mean, how scalable is this, I mean, in terms of...

Himanshu Baid: Basically, the first thing is to identify the relevant partners and getting into an arrangement. I think this is the first time we have explored this opportunity of CDMO. And in fact, if you remember, a couple of calls ago, we were discussing about this about these opportunities. So, now we have zeroed down, we have signed two contracts and of course, both are very innovative products, patented devices, basically, these are patented devices. So, we are part of the core development of this project and device in terms of its performance and manufacturing. So, these are new devices. So, I do not have a really relevant data to tell you that what kind of scale up is would be there, because these are new products will take two, three years, four years to scale up to a certain level. But I think the revenue should start kicking in from next financial year because we have already started development, manufacturing, development of the devices. So, already the initial proof of concept is done, regulatory approvals are getting in place, the 510(k) approvals for US market. So, these are getting in place. And also, these products will be launched in other global markets. So, the Company which owns these devices, they've already started that process based on the initial pilot run. So, now we are not much, but to call out any numbers will

be not the right time, maybe next year, this time I will be in a better position to answer this question.

Harssh K Shah: Okay, got it. That's it from myself. Thank you.

Moderator: Thank you. The next question comes from the line of Parth Singhal from Swing Masters Pvt Ltd. Please go ahead.

Parth Singhal: Thanks for the opportunity. Sir, my question is, is the Company planning to enter in radiology space by any chance, like CT scans and MRI?

Himanshu Baid: No, not at this moment.

Parth Singhal: How much revenue do we make in cardiology segment by selling stents?

Himanshu Baid: No, we have just launched these devices. This is the very first year of operation of this business. So, for example, this year, our plan is to deploy around close to 20,000 stents. That is what the number we have in our mind that we will be able to deploy. So, that scale up is already happening. So, this is the very first year of operation, commercial operation. And then launching a lot of new devices, we are waiting for regulatory approvals for a lot of other devices to come from CDSCO. So, as and when we see, we will start scaling up. And these are not easy products to sell. So, I think maybe only next year, we will have full visibility where we can call out special numbers and say, this is like renal. We today we are able to give numbers because we have been working on the project for 5 years. So, I think for cardiology, we will need some time to really start giving numbers on how things will pan out in the next few years.

Parth Singhal: And if I ask about dialysis machine, how much margin do we make in dialysis machine?

Himanshu Baid: Sir, we don't give specific product margins.

Parth Singhal: Okay, thank you, sir.

Moderator: Thank you. The next question comes from the line of Bharat Shah from ASK Investment Managers Limited. Please go ahead.

Bharat Shah: Yes, hi Himanshu.

Himanshu Baid: Good evening, Bharat bhai.

Bharat Shah: Yes, good evening. Himanshu, on the international business, which is the most significant, dominant two-thirds of our total business.

Himanshu Baid: Correct, sir.

Bharat Shah: I mean, if you think about a year back, it appeared to us that nothing can go wrong with that business. Strong margins, continuous traction, strong 20% to 25% kind of a growth and new product categories and it looked like as if there is no stopping there. But in less than one year, it seems to be a picture which is radically different. Therefore, what do you think this should drive our thought process and planning process? What kind of impact it should legitimately have on that? Because our product plans and I know that you have calendar year by year for product launches each quarter for a specific geography, specific category, specific and for a period of years ahead. So, what kind of lessons need to be drawn from this in your opinion? And in terms of our planning process, how we conceive the business opportunity or imponderable, how do we take into account so that this sudden fait accompli in a way is presented to us that we witness actually degrowth in the European territory, which I am sure would have come as a surprise to you.

Himanshu Baid: Yes, absolutely. So, we saw that...

Bharat Shah: What do you think of all this?

Himanshu Baid: So, Bharat bhai, it's a great question. And I think I will answer in two, three parts. One is about the market. So, the European market has been very flat. The only market we were growing, the reason we were growing was we were taking market share from certain customers, companies there. Market has been very flat. Secondly, what we saw was some kind of an inventory kind of a de-risking by European players. And why it has happened in the beginning of the year? Because of this whole tariff situation with China, US-China thing, a lot of Chinese companies started dumping products in the European market. And people were confused about the situation that how the situation is panning out. So, we also got a shock that how Chinese companies can dump products, so pricing so much in the market and where it's even sometimes hitting below the belt also in terms of pricing. So, that kind of...And then, of course this whole mismatch started happening. But what is happened in last six after this whole mismatch happened in first quarter of the European financial year and even in the second quarter, what we have seen is now the demand has come back. I think the inventory mismatch, which was there, has kind of flattened out. And now we are seeing the demand coming back. So, I think the most important key development is our UK market, where we have seen demand coming back strongly and also in Germany. So, these were Germany was something which was a laggard for us. And Germany has actually started coming back on track. And I think that was very significant for us. And also we have seen a huge growth coming in Italy, because Italy, where it was kind of a market where we had a lot of control and a lot of tenders was getting slowed down because government, the health systems were not granting new tenders and they were delayed. And now most of these tenders have been awarded. And I think now we are seeing the demand coming back. So, overall and some new product offerings have come out because if you see recall, we got our EU approvals only in April, May. If you recall, we had also called out in the last call, most of the EU approval, which were renewed, the EU MDR. And some of the approvals have only come in June. So, you can see the record of a certificate on our website, basically. So, all these approvals have just recently come. So, once these approvals are back in place, so now we are

getting back on track and the accelerator is back on the revenue side. So, I think now we are very confident about the European market coming back to growth. But what we have lost, we have lost. So, we can't cover it today. What we have lost in the quarter is gone. So, now the Quarter 2, Quarter 3 and quarter four, I think Europe should come back on track.

Bharat Shah: Which means if you look at in the first quarter, we have de-grown.

Himanshu Baid: Yes, we have de-grown by -6%, 7%.

Bharat Shah: Right. And here in entirety, we are saying we will grow 5% to 10%, which means the remaining nine months should be a period of decent double digit growth rate for...

Himanshu Baid: Absolutely. Absolutely, Bharat bhai. That is the point I am calling out, that we should come back to that double digit growth, high double digit growth. And that is what we are also calling out again.

Bharat Shah: Also domestic grew in the first quarter by 20%, but yet in entirety, we are saying we should grow 30%. That means the nine months we should grow well over 35% to make that happen.

Himanshu Baid: That is that is already on the card. This is already under the process. Because we have started two new divisions last year and these two divisions have become active. So, the cardiology and critical care. So, they are ramping up as we have talked about a stent deployment from 1,300, 1,400 stents to go to 20,000 stents by the end of the year. And then critical oncology segment is growing. And then our renal segment is growing, is growing at a healthy rate. So, all in all, domestic and we are hiring 100 people in domestic market, 22 already been hired in the first quarter. So, as all in all, I think and but in the private sector, we already grown 25% in Quarter 1 in private sector, which is 90% of our business. So, overall, the ramp up is already happening.

Bharat Shah: And which means the remaining nine months should represent a materially different outcome compared to the first quarter. And given that scale, hopefully margins also should be higher.

Himanshu Baid: Bharat bhai hopefully, yes, you're right. Math clearly says that, when you do the math, it clearly says because even in the first quarter, our gross margins have improved. It's not that our gross margin has decreased because we decreased our export sales. So, we have done a lot of hard work in terms of launching new devices with higher margins. So, we continue to work in the direction where we maintain a steady margin and healthy margin. So, yes, as the revenue kicks up more, most of the expenses get already absorbed in the initial period. And I think we should see some margin improvement. But still we are saying we are going to have a muted guidance of 25% to 27%. But definitely the target is to beat that number.

Bharat Shah: And to that extent, Himanshu, would it be fair if one were to say that actually domestic market, we need to regard it a bit more than what we have done probably so far.

Himanshu Baid: I totally agree with you, Bharat bhai.

- Bharat Shah:** Disregard it.
- Himanshu Baid:** I think we have disregarded before COVID. We were disregarding this market. Only after COVID, we realized the true potential of domestic market because then there was a huge push even from the private sector to buy local products because the imported products were not available after COVID. There were export restrictions. There were import restrictions from different countries. So, the industry kind of carved out of this whole COVID wave. And you have seen the med tech sector has grown phenomenally after the COVID wave. When you look at a few companies where Apax invested in Healthium or Meril has got new investments especially in their because of the cardiology and orthopedic business. So, there is a renewed, I would say interest from private sector in the local products, which are now equally good in quality.
- Bharat Shah:** So, in a way, it was probably for Apax sometime 'Ghar ki Murgi, Dal Barabar' types?
- Himanshu Baid:** It was like that only. See what happens when you got put stent they would ask should we put Indian or imported. But we all know as of today 70% stent market is with Indian companies. Ten years from now we had 10% and 90% was with imported companies. Same thing happened with orthopedic implants. 50%-60% of orthopedic implants are made by Indian companies and used locally and 40% is imported. So, the market is changing. And Bharat bhai if you see the market, the trends are changing and I think that's our now the real trajectory, which we can see in the domestic market. Market is not growing at 30%. The market is growing at around 12%-13% healthcare industry. But we are growing much faster than that. That means we are taking market share from international players.
- Bharat Shah:** Right. And what will we say about the next year? Should we expect that Europe and international territory will come back to?
- Himanshu Baid:** 100% Bharat bhai. We have 15 new launches planned next year in European market, because we have one more cycle of approvals, which is happening pending right now, especially for our critical care products, which are also better margin products. And also we are increasing our presence in Italy through manufacturing. So, our current our operations in Italy are also seeing some uptake. So, I think Europe will come back strongly, I think. And our focus has been Europe. So, I think one or two quarters are not going to make any difference in our long term strategic plan.
- Bharat Shah:** So, will it be fair to say that Europe will back to that 20% plus kind of a journey?
- Himanshu Baid:** Oh, it's very hard to say. You know, Bharat bhai, it's very hard to say. I don't want you to hold my neck for that. But I think we are on track. And I think even in the coming quarters, you will see the improvement. I am very sure. And definitely, see, Bharat bhai, we have one thing very clear. We will commit only what we can do. We will not commit something higher and say, oh, we didn't do it. There were X, Y, Z reasons. We know and even in the beginning of the year, we have called out international market business is looking slightly different than what it was

previous years. And we have called out earlier. And even now we see first quarter, we have seen that though there is no impact, significant impact on margin. If you see, EBITDA margin only dropped by 70 bps. In spite of India business growing significantly, exports showing almost a flat trajectory, still our margin. That means we have done in terms of product improvement, better profitability. So, we have done a lot of hard work in the hindsight, in the back end. So, that is going to give long term rewards where exports growth come back, India business grows with a higher trajectory. So, all that will show into numbers in coming quarters.

Bharat Shah: One last question. How do we take into our planning system these new insights so that we are not a kind of caught up with a sudden surprise of a kind that we got thrust into in this quarter? The signs of that were there in the last quarter when you --

Himanshu Baid: Yes, there were signs in the last quarter already. See, always you have to recalibrate. So, our recalibration was focused more on India. That was our first recalibration.

Bharat Shah: Okay.

Himanshu Baid: So, we then we said, okay, we were recalibrating for the US market. We said we will not be over dependent on one market like Europe. And now we have seen that we have opened a subsidiary in Brazil for our direct presence in Brazil in B2C category. We will go out. Earlier we were B2B. We are going B2C. So, for every market, we are strategizing and seeing what the right thing to do. And we are taking long-term views on every market. See, Polymer is not for a short term. We have products manufacturing ecosystem. So, we are taking long. And today we are still the second largest MedTech Company after Meril in India. And Meril operates in a very different segment.

Bharat Shah: Yes. Just allow me one last short one. Therefore, 26-27, if I have to put a little broad outlook, domestic growth, which you said at a strong 30%, which in nine months will mean even higher. Something similar should continue in the year thereafter, with many product initiatives.

Himanshu Baid: Domestic market, we are very hopeful that we will continue on as a high 25% number. So, I have not called out a number for next year. So, I can't give you exact, precisedetailsl or any guidance. But I think during the year, we will firm up the guidance for next year. Because we have a very concrete business plan, Bharat bhai. Every year when we give guidance, we have a very concrete business plan. That is what we will do in each segment. And you rightly said initially, for every market, we have a very strong plan and what product we launch, when we will launch, how we will launch. So, it's a very clear path defined.

Bharat Shah: And Europe, of course, will continue from where we are now beginning to pick up the trade. So, if not, is that a higher earlier growth or a healthy double digit should be there?

Himanshu Baid: We are already seeing the green shoots.

Bharat Shah: Thank you, Himanshu and all the very best.

Himanshu Baid: Thank you, Bharat bhai. Thank you so much.

Moderator: Thank you. The next question comes from the line of Shubham Harne from Purnartha Investment Advisers. Please go ahead.

Shubham Harne: Hi, sir. Just want to know the status of plants which were building and how much growth is dependent on these plants?

Himanshu Baid: So, basically, the plant, which is coming in Palwal in Haryana, this is for expansion of our renal capacity in years to come. So, with the current capacity, we will be able to manage up to FY26-27. Now going beyond FY26-27, we need additional capacity for renal. So, that is what we are building there. And also in the cardio space, as we build more capacity, we will be building. So, all these are planned for FY27-28 capacity building in our core category, which is cardiology, renal care, which are new businesses That is where we are expanding more.

Shubham Harne: So, in Palwal, we are manufacturing for renal, planning to manufacture

Himanshu Baid: Yes, that is what one. And also we are expanding our transfusion capacity. We are also doubling that capacity there.

Shubham Harne: Okay. And other than Palwal?

Himanshu Baid: Other one is in Haridwar. Haridwar will be for domestic expansion, mainly whatever products we are making for domestic market, that is where we will be continuing to expand our capacity in Haridwar.

Shubham Harne: And by when it can go live.

Himanshu Baid: These are all planned for next year, mid of next year.

Shubham Harne: So, Palwal as well as Haridwar, next year, mid of next year.

Himanshu Baid: Yes, we have already mentioned having in our earlier calls also.

Shubham Harne: Okay. Got it. Thank you.

Moderator: Thank you. The next question comes from the line of Zain from Dolat Capital. Please go ahead.

Zain: Thank you for the opportunity, sir. So, I just want to ask about dialysis machines. Post installation of dialysis machine, do you receive any services, or do you provide any services for the repair or maintenance?

Himanshu Baid: Yes. So, we give warranty for three years and after the warranty, then there are service contracts.

Zain: And can you quantify, how much is the servicing?

Himanshu Baid: No, we don't have any significant service revenue. So we don't call that number out. Okay. That's not part of our core strategy. I think the important thing is to sell the machine. Servicing is just part of a maintenance thing. So, it is not part of the core business.

Zain: And on second question, on other income, it was high. So, does it include Forex or anything?

Himanshu Baid: Treasury, mainly treasury.

Zain: Thank you.

Moderator: Thank you. The last question for the day comes from the line of Harsh from Marcellus. Please go ahead.

Harsh: Just one question. Question is with respect to the Chinese competitive intensity, you alluded that it increased during the first quarter, where they were selling at a very low pricing. Have you seen this competitive intensity sustain during the current quarter as well?

Himanshu Baid: No. As I said we are already seeing green shoots and we are already seeing the market bouncing back. So, I think we are pretty confident now that this quarter, Europe will do better than what is done in the past.

Harsh: Okay, got it. Thank you.

Moderator: Thank you. As there are no further questions from the participants, I now hand the conference over to management for closing comments. Thank you and over to you, sir.

Himanshu Baid: So, thank you again, everyone. And I think, yes, it was a tough quarter. But I think we have been very resilient in terms of the business, the strength, the fundamental strength of the Company are very strong. The R&D pipeline is very, very strong. And the hiring, we have done significant hiring, and we continue to add more people, more headcounts in the organization. Of course, it's a cost, but then it helps us to build for future. So, I think that's what we are building. And I think, overall, I think we would, maintain similar guidance, what we have told earlier with India growing 30%, international growing 5% to 10%. But yes, as time progresses, next few months are very critical for global businesses. And I think, we are pretty hopeful that certain tariff issues will be resolved soon. And that will help us to go stronger in the US market and maybe also in Europe in the near term. Thank you again, very much, everyone and thank you for being on the call.

Moderator: Thank you. On behalf of ICICI Securities Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.

Himanshu Baid: Thank you, everyone.