GLAND PHARMA LIMITED

August 11, 2025

BSE Limited
Corporate Relationship Department
Phiroze Jeejeebhoy Towers
25th floor, Dalal Street
Mumbai - 400 001
Scrip Code: 543245

National Stock Exchange of India Limited
Listing Department
Exchange Plaza, 5th floor
Plot no. C-1, Block G, Bandra Kurla Complex Bandra (East), Mumbai - 400 051
Symbol: GLAND (ISIN: INE068V01023)

Dear Sir/Madam,

Sub: Earnings call Transcript – Q1FY26

Please find enclosed the transcript of the Earnings call for Q1FY26 of the Company held on Tuesday, August 05, 2025, at 18.30 Hrs. IST. This will also be available on the Company's website and the web link to access the same is https://glandpharma.com/investors/financials

This is for your information and records.

Yours truly,
For Gland Pharma Limited

Pallerlamudi Sampath Kumar
Digitally signed by Pallerlamudi Sampath Kumar
DN: cn=Pallerlamudi Sampath Kumar, c=IN, o=Personal, email=sampath@glandpharma.com
Date: 2025.08.11 17:41:49 +05'30'

Sampath Kumar Pallerlamudi
Company Secretary & Compliance Officer

Encl: As above

“Gland Pharma Limited

Q1 FY '26 Earnings Conference Call”

August 05, 2025

MANAGEMENT: **MR. SRINIVAS SADU – EXECUTIVE CHAIRMAN – GLAND PHARMA LIMITED**
MR. SHYAMAKANT GIRI – CHIEF EXECUTIVE OFFICER -- GLAND PHARMA LIMITED
MR. RAVI MITRA – CHIEF FINANCIAL OFFICER (INDIA'S OFFICE) -- GLAND PHARMA LIMITED
MR. ALAIN KIRCHMEYER – CHIEF EXECUTIVE OFFICER – CENEXI

Moderator: Ladies and gentlemen, good day, and welcome to Gland Pharma Limited Q1 FY '26 Earnings Conference Call. As a reminder, all participant 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 the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Runjhun Jain. Thank you, and over to you, ma'am.

Runjhun Jain: Thank you, Sagar. Good evening, everyone. Today, we have Mr. Srinivas Sadu, Executive Chairman; Mr. Shyamakant Giri, Chief Executive Officer, Mr. Ravi Mitra, Chief Financial Officer from India Office and Mr. Alain, CEO of Cenexi, who's connected virtually.

Before we proceed, I would like to remind everyone that certain statements made today are forward-looking and based on management's current estimates. These should be considered in the context of risks inherent to our business. Please note that this call is being recorded, and a playback transcript will be available on our website shortly. With that, I hand over the call to Mr. Sadu for his opening remarks. Over to you, sir.

Srinivas Sadu: Thank you, Runjhun. Good evening, everyone, and thank you for joining us today. On behalf of Gland Pharma, I welcome you to our earnings call for the first quarter of FY '26. I will begin by highlighting our strategic priorities and the progress we are making. Shyamakant, Alain and Ravi will then provide operational insights that led to the performance we are reporting today.

The year has begun on a positive note, driven by improved profitability margins in Gland's base business. It is particularly encouraging that after a challenging period, Cenexi has turned the corner and returned to profitability with a breakeven EBITDA.

The injectables and broader pharmaceutical space continues to evolve, presenting both challenges and strong opportunities. Despite ongoing uncertainties around tariffs, our established capabilities and disciplined approach, position us well to navigate and respond effectively. This quarter's performance reinforces our confidence that the strategic building blocks we have put in place are starting to yield results and positive financial outcomes.

Let me now update you on the progress we are making on each of our key strategic priorities. We are advancing the expansion of our core business beyond the U.S. by deepening our presence in emerging markets, Although contributions from these markets will take time to build, we believe the distinct value of our portfolio will serve as a key growth catalyst over the medium term.

Moving forward, our focus remains on capacity enhancement and strengthening our industry-leading capabilities. Gland has historically led the way in adopting innovative technologies and formats for injectables, consistently offering competitive large-scale solutions.

Our current capacity enhancements now include capabilities for suspensions, hormonal products, microsphere bulk, and microsphere powder filling. We're also making strategic push

into RTU formats such as dual and triple chamber bags. We continue to make significant progress in our CDMO programs particularly in key areas like oncology, RTU bags, ophthalmics, PFS and GLP-1s.

These advanced capabilities give us a unique position in the industry, and we are committed to leading with innovative initiatives. Our GLP-1 strategy gained momentum last quarter with the launch of Liraglutide. The product has now also been launched in the U.K. and Australian markets.

We are excited about other programs that will benefit from our expanded pen and cartridge capacity, which we are aggressively increasing from 40 million units to over 140 million units with the Factory Acceptance Test scheduled to be completed by September '25.

Turning to our R&D and portfolio expansion initiatives. Our strategy is anchored on three core pillars: in-house research, complex products, and co-development collaborations.

- In-house R&D continues to be a strong driver with One ANDA filed and nine approved alongside 1,761 global registrations in the quarter. During Q1 FY '26, we launched nine new products in the U.S. and are confident of sustaining this momentum. We also filed one RTU infusion bag this quarter, which brings our total to 20 such products filed in the U.S., of which 14 are already approved. An additional 10 RTU bag products are currently under development. This RTU bag portfolio addresses a market opportunity of approximately $760 million in the U.S.
- In the area of complex injectables, we have already launched six products with three more in line for approval. We expect complex injectables to remain a central pillar of our long-term growth with more products being added to the pipeline.
- Within our co-development model, our portfolio now comprises 15 products, including seven 505(b)(2) submissions and eight ANDAs. These products are strategically aligned to high potential therapeutic areas such as immunology, chemo adjuvants, mineral supplements, pain management, endocrinology and radiocontrast agents.

On Cenexi, we have addressed the challenges head on and have kept you closely informed on the steady progress of our turnaround plan. I'm pleased to report that as of Q1 FY '26, Cenexi has turned EBITDA breakeven, and we are confident of continued improvement.

While it has taken slightly longer than anticipated to fully achieve our acquisition objectives, Cenexi is now firmly on the path to sustainable growth and profitability. This momentum is being driven by a strategic shift away from low-value, high-volume segments towards highervalue offerings such as prefilled syringes, lyophilised vials and ophthalmic gels.

In conclusion, we believe this has been a strong start, and we look forward to building on this momentum to deliver an even stronger performance in FY '26. We are confident that the actions underway across our strategic pillars will create a meaningful positive impact, supporting Gland's long-term success and sustainability. Thank you for your continued confidence in Gland.

With this, I will now hand the call to our CEO, Mr. Shyamakant to share his thoughts. Thank you.

Shyamakant Giri: Thank you, Mr. Sadu. Good evening, everyone. Thank you for joining today. We have had a strong start to the year. Gland's base business met expectations, and we are pleased that Cenexi achieved breakeven EBITDA after several quarters.

First, I will highlight our consolidated performance. Our consolidated revenue stood at INR 15,056 million, showing a growth of 7% over last year's Q1. Our consolidated EBITDA touched INR 3,678 million, marking a strong 39% increase year-over-year. A substantial portion of this growth was driven by EBITDA expansion in our base business, complemented by breakeven EBITDA from Cenexi, a significant turnaround. Consequently, our consolidated EBITDA margin grew from 19% to 24% this quarter.

Next, I will outline the performance of our base business at Gland, excluding Cenexi.

Breaking down our performance by market:

- We had a strong quarter in the U.S. with successful launch of nine new molecules during Q1 FY '26. This includes important products like Epinephrine, Acetaminophen Bags and three new strengths of Vancomycin. The U.S. reported INR 7,443 million in revenues, contributing to 49% of our business.
- Our other regulated markets, including Europe, Canada, Australia and New Zealand showed good growth, increasing 34% year-on-year led by portfolio maximization initiatives across our partners. These markets now make up significant 27% of our total revenue.
- The Rest of the World market contributed to INR 2,978 million in Q1 FY '26, representing 20% of our revenue. We saw a modest 5% increase in these markets, largely due to a softer order intake in some key regions.
- Lastly, the Indian market generated INR 594 million, accounting for 4% of our Q1 FY '26 revenue.

Moving on to the R&D, our total expenditure for Q1 FY '26 was INR460 million, which is 4.4% of our base business revenue. During the quarter, we filed one product and received nine new approvals.

R&D remains a cornerstone of our strategy, and we are confident that our new product portfolio will drive growth and profitability in both near and long term. On the operations front, all our units are compliant with various regulatory guidelines, maintaining a strong commitment to high quality. We are also focused on monitoring our cost base to ensure our business remains highly competitive and ahead of curve.

Cenexi has been the highlight of the quarter. Our strategic initiatives over recent quarters are now delivering tangible financial results. After several quarters of negative EBITDA, Cenexi reached breakeven this quarter. In Q1 FY '26, Cenexi’s revenue was EUR 48 million, and gross margin improved to 80% from 78% last year, EBITDA was EUR 0.9 million.

We are confident Cenexi's performance will continue to improve. Alain will provide a detailed update shortly. We remain committed to enhancing Cenexi's financial performance and achieving our strategic objectives for this acquisition.

Before concluding, I will provide a brief update on our key demand and supply priorities outlined when I became CEO two quarters ago. We remain committed to building capabilities and expanding our global reach to drive long-term value.

On the demand side, our focus remains on enhancing our footprint and launching new products in high-value, high-growth Rest of the World markets. We are also leveraging our strengths in specific therapeutic areas and actively exploring inorganic opportunities to achieve significant growth in India.

In the U.S., our primary goal is to add new customers and grow our share of business with existing partners, all of this backed by an accelerated portfolio strategy that emphasizes co-development, in-licensing and strategic partnership in newer modalities.

On the supply side, our priorities are focused on maintaining quality and cost leadership. We are continuously focused on competitiveness and upholding our industry-leading quality and compliance record. We are continuing to strengthen our leadership team with new hires and building capabilities across all functions.

With this, I would like to hand over the call to Alain for more detailed updates on Cenexi's performance. Over to you, Alain.

Alain Kirchmeyer: Thank you, Mr. Giri, and good evening, everyone. As emphasized by Mr. Sadu and Mr. Giri in their remarks, we are pleased to report that Cenexi reported a breakeven EBITDA this quarter. This achievement reflects our continuous efforts to streamline operations and optimize costs. While we are still working toward our desired financial performance, this marks a strong beginning and emphasizes both our strategic intent and the progress we are making.

To provide a more granular perspective, let me walk you through key updates at the site level. Production at our Fontenay facility has been on track with the plan. We were able to improve our order shipments and reduce downtime. The transfer of products to our new ampoule line is progressing well, thus increasing our production output.

Our results this quarter also reflected the benefits of price increases negotiated last year with our customers. As we had reported, we have also concluded the required actions pertaining to the Q3 FY '25 ANSM inspection. A new inspection took place in July to monitor the progress of our CAPA plan. We remain focused on streamlining operations on the site and adding further volumes.

The operations at Herouville-Saint-Clair have remained on track with our recovery plan, and we continue to see steady progress with the ongoing tech transfer projects under development. The installation of a new prefilled syringe line, which is projected to be operational at the beginning of calendar year 2026 remains on track and will substantially increase our capacity in the high-demand PFS segment.

The business from Braine-l'Alleud and Osny remained robust and delivered a solid performance this quarter. As updated previously, our two new lyophilizers are being installed at Braine-l'Alleud, and their qualifications will be concluded by the end of the calendar year 2025.

In parallel, engineering studies for the installation of a new vial line under isolator with automatic loading and unloading of the lyophilizers are progressing well. The long-term prospects for this business remain robust with high-value projects in our tech transfer program. Besides, our pipeline of new leads in Braine-l'Alleud is growing fast with new projects under study in hormones, blood derivates, biologics and, of course, cytotoxics.

Q1 FY '26 has marked the beginning of a meaningful turnaround. We remain firmly focused on our previous commitment, that is to deliver a positive EBITDA in Q3 FY '26 after a to-be-expected low Q2 FY '26 due to our summer shutdown.

Thank you for your time. I will now turn the call over to Ravi to discuss our financial performance. Ravi, over to you.

Ravi Mitra: Thank you, Alain. Good evening and thank you for being with us on the call today as we review our financial performance for the first quarter of the fiscal year 2026. We are pleased with the steady growth in consolidated profitability year-on-year, driven by improvement in our gross margin, which has reflected a strong positive momentum, improving to 65% from 60% in Q1 FY '25.

This enhancement was largely on account of higher contribution from favorable raw material costs for several key products at base business. Excluding Cenexi, our base business gross margin stood at 59% in Q1 FY '26, up from 53% in the same quarter of previous year. The consolidated EBITDA margin also improved significantly, reaching 24% from 19% in the corresponding period of FY '25. This uplift was driven primarily by a strong gross margin and various cost controls initiatives across our base business.

At Cenexi, EBITDA breakeven was achieved, supported by higher volumes alongside stable operating expenses. Excluding Cenexi, our base business delivered an EBITDA margin of 35% for Q1 FY '26 compared to 29% in the same period last year. It is worth mentioning that the company launched ESOP 2025 scheme in May 2025 to motivate key employees and also to align with the interest of investors. On ESOP grant of 8,43,685 options, a non-cash expense amounting to INR 59.48 million was included in this quarter's employee benefit cost. Adjusted for this expense, our base business adjusted EBITDA stood at INR 3,651 million.

Our net profit for the quarter reported a strong 50% year-on-year growth to INR 2,155 million compared to Q1 FY '25. During the quarter, we achieved a PAT margin of 14%, compared to 10% in Q1 FY '25. Other income, primarily consisting of interest earned from bank deposits and foreign exchange gains amounted to INR 575 million in Q1 FY '26. This is higher than the INR 440 million reported in Q4 FY '25.

Our R&D expense for the quarter were INR 460 million, declined from INR 489 million in the same period last fiscal year, largely due to timing of the expenses, while all our R&D programs

remain on track. This quarter's R&D expense represents 4.4% of our revenue on an ex-Cenexi basis. On a standalone level, our effective tax rate was 25.7% for the quarter.

As of June 30, 2025, our total cash and equivalents at the group level stood at INR 30,139 million, including non-callable deposit of INR 3,960 million. Debt at Cenexi level stood at INR 3,145 million. Cash flow from operations during Q1 FY '26 was INR 2,620 million. Our average cash conversion cycle was 161 days for the first quarter compared to 172 days at the end of FY '25, largely on account of better receivable and payable management. Total capex during the quarter amounted to INR 786 million, mainly deployed in Cenexi BLA for the new projects and other replacement and maintenance spending.

With that, I would now like to request the moderator to open the lines for questions.

Moderator: Our first question comes from the line of Saion Mukherjee from Nomura Securities.

Saion Mukherjee: Sir, can you provide the profit share and milestone number for this quarter, please?

Srinivas Sadu: Yes. The milestone revenue is about 9%. And the profit share is 12%.

Saion Mukherjee: Okay. And the second question on the pen and cartridge capacity of 40 million, which is available and 140 million that you're planning to go. If you can share the timeline and how much of this capacity given the GLP-1 demand do you expect to sort of come through this year in FY '27 and '28. If you can give some color as to how you see this capacity getting filled up.

Srinivas Sadu: So the 40 million capacity is already in place, and we have already filed, and that line is already approved. And as you have heard in the commentary, we have launched liraglutide in a few markets from that line. The 100 million capacity FAT is in September and installation in November.

By March/April, it will be ready for fill and finish commercialization. There will be a few contracts that we are discussing with partners for that line. And anyway, Wegovy will come in FY '30. So most of the initial [products, we] will be filing from that line. So that should be good enough for our launches post FY '28.

Saion Mukherjee: What is the amount of quantities you would be supplying, let's say, in this fiscal and '27 and '28. I know like some of this may be from a long-term perspective, but given the visibility on contracts that you have in place now.

Srinivas Sadu: Let's start with around 20 million in the first year and then the next few years depending on which markets you get approval.

Saion Mukherjee: So 20 million you're saying this fiscal, fiscal '26 or '27.

Srinivas Sadu: '27.

Moderator: Our next question from the line of Neha Manpuria from Bank of America.

Neha Manpuria: My first question is on Cenexi. Could you take us through a little bit on the breakeven that we have achieved? Is this because of certain plant where we see losses being lower? And why we think this will be sustainable? And based on this, what should be the margin that you think Cenexi can now achieve for next year? Is a low-teen margin possible or would it still be in the high single-digit?

Alain Kirchmeyer: So in Q2, all sites have contributed to a strong performance. Of course, Braine-l'Alleud and Osny that that have had a long-term positive EBITDA continued on the trend, but we start to see a recovery both in Fontenay and in Herouville, who have been the lower performing sites in the past 12 months. And that's driven mainly by an increase of volume, as well as a much-reduced downtime and also the result of all the actions that we have initiated in order to be more productive and more efficient.

Neha Manpuria: Alain, if I may ask, out of the three facilities, which one of them probably is the largest drag on profitability and what's the scope to improve margins there?

Alain Kirchmeyer: So if we look at Q2, as I mentioned, both Fontenay and in Herouville have sharply increased their results. Osny and Braine-l'Alleud continue on a very positive trend, but most of the upside is coming from Fontenay and in Herouville that had been underperforming in the past 12 months.

Srinivas Sadu: So, Neha, just to add, Fontenay site, I think, we were struggling to deliver the demand and the line which we have added in March that kind of helped us to catch up with some of the back orders and also increase the capacity. So that was added in Fontenay and brought into green. And from the HSC site, two products got launched, Encepur and Fucithalmic gel vaccine products.

So those projects got commercialized and there was a volume increase. That kind of helped HSC also to increase the revenue. Also, there were actions taken by Alain in terms of increasing the transfer prices for several products, and that also helped in increasing the profitability.

Neha Manpuria: So next year can now comfortably do a low-teen EBITDA margin? Would that be a fair assumption given the progress we've seen in this quarter or probably still too early to call that?

Srinivas Sadu: Yes. But for the year, I think, moving forward from October, I think, it will be EBITDA positive, and we'll ramp it up slowly to get to the low teens or high single digits EBITDA.

Neha Manpuria: And my second question is on the US business. If I look at the performance in this quarter, obviously, there's lumpiness. One, as we think about that mid-teen growth that we talked about, when do you start seeing improvement in the US business to get to that mid-teen growth? And what would drive -- you talked about the dry powder CMS. When does that start flowing through? When does those complex approvals actually start reflecting in the revenue numbers for US?

Srinivas Sadu: As per our budget, I would say we achieved our budget in the first quarter. We are on track to get to the mid-teen growth for the year. The CMS project, the lyo product just got launched last quarter. And you see the numbers in Europe, while it has gone up, it's basically that product which got launched.

The other one, the CMS dry powder, the Danish approval has come through line-wise. Now they'll be submitting the dossiers next quarter. So beginning of next year, those products will get launched in Europe and other markets. So that will be a big-ticket item in terms of the CDMO business.

The other big thing in the US will be Dalbavancin launch. That will be the September quarter. That's on track again in terms of the approval and launch. So these are the two big events that will help this growth coming back. Otherwise, everything else are in line with our internal budgets.

Moderator: Our next question comes from the line of Tushar Manudhane from Motilal Oswal Financial Services.

Tushar Manudhane: Sir, just on liraglutide how much overall business across the geographies you would have made this quarter?

Srinivas Sadu: We can't say specific, but we launched in UK and Australia. UK and Australia got launched this quarter. And previous quarter, it was two markets South Africa and Saudi Arabia. So till now, it's four markets this product got launched

Tushar Manudhane: And how many more, like, subsequently in the remaining quarters of '26?

Srinivas Sadu: It's a global deal. So I can't say because it's a partners' product, so it's a global agreement.

Tushar Manudhane: And sir, will this have cannibalizing impact once like in the next year when the other peptides get as a business opportunity for Gland?

Srinivas Sadu: No. It has its own market, right? I mean, Liraglutide and Semaglutide has its own market.

Tushar Manudhane: No. From the manufacturing capacity point of view.

Srinivas Sadu: No. We have enough capacity. We have currently 40 million and that should suffice for the next few years, because the major product Wegovy will only come early 30s.

Tushar Manudhane: So that is as far as US market is concerned, but for the semi-regulated markets?

Srinivas Sadu: No. We will have the other lines ready by the first quarter of next year. So that should take care of the demand. Till that time, we have enough capacity.

Tushar Manudhane: Got it. And sir, I missed the name of the two potential products for US market, which will drive sales, if you could repeat?

Srinivas Sadu: So one is Dalbavancin and the other, we already told the CMS contract, that's not just US, it's also European. The second one is a CDMO contract.

Tushar Manudhane: Okay. And sir, just lastly, considering 2Q sort of dip in profitability for Cenexi and then revising full year '26, sort of what kind of EBITDA margin one should think of?

Ravi Mitra: Cenexi, we are estimating the EBITDA ramp-up happening in Q3 and then Q4 also. Q2 would be little lower because of the one-month summer shutdown. So accordingly we'll have the full year Cenexi number.

Tushar Manudhane: Got it. So you were indicating like full year EBITDA margin of Gland per se as like 24% to be considered.

Srinivas Sadu: I think combined Gland and Cenexi would be around 24%-25% level. This is the current quarter's EBITDA consolidated.

Moderator: Our next question comes from the line of Bino Pathiparampil from Elara Capital.

Bino Pathiparampil: Good evening. Could you please elaborate a bit on the Semaglutide manufacturing opportunity for you in the near-term specifically for next financial year. How big can that be based on your capacity, your contracts and your outlook compared to the overall size of the company?

Shyamakant Giri: So as I said, we are today, 40 million cartridges up and running. We are adding 100 million again. So next year, FY '27, we'll be one of the top-tier cartridge capacity with 140 million cartridges. We are talking to four types of customers - Indian customers for global market, Global customers for India market, Indian customer for Indian market. And finally, we are talking to also some more players for global markets. So as we are doing this exercise, we are here to sell our capacity. The capacities are being lapped up. It will take some time for us to tell you exact capacity being sold by end of Q4'26. So right now we don't have a number that how FY '27 looks like. But we are being approached by many customers who want to launch their GLP-1s in India and global market.

Bino Pathiparampil: So did I hear it correctly that the entire 140, that is the new 100 as well, will be ready by the end of this financial year by March?

Srinivas Sadu: That's correct. 40 is already ready and another 100 by March to be commercialized -- ready for commercialization in March, April, I think.

Bino Pathiparampil: And I believe what you do is just the cartridge, getting the cartridge and the API and then filling the cartridge with the API, that is the only activity that you do. Am I correct?

Shyamakant Giri: It is a fill and finish CDMO line. So, we are not developing our own Sema. It is a fill and finish activity that we will do.

Bino Pathiparampil: The kind of contracts that you are getting, where does the API come from? Does the customer directly get the API and ask for a fill and finish or do you go to source the API as well?

Srinivas Sadu: No. These are all developed by partners and transferred to us. So, API sourcing will be done by them and developed by them. So, either it's internally developed by the partners, or they outsource it. So, we have currently agreements for Liraglutide and Semaglutide with partner and more are upcoming, but we don't source for them.

Bino Pathiparampil: And last one question. Given the so-called capacity shortage in the market for Semaglutide, etcetera, is this fill and finish activity going to be of a significantly higher margin profile than the other fill and finish lines that you run?

Srinivas Sadu: The contribution could be higher because of the volume you can produce in a batch per cartridges. But it all depends on how the market behaves and once you come closer to launches in various markets. So, we can't really comment. But we can only comment on the contribution margins will be better than others because throughput you can give on a daily basis.

Bino Pathiparampil: And the throughput is higher because of the nature of the cartridge or why is it? Is it because of a technical reason?

Srinivas Sadu: We have speed of the machine, as well as the fill volume of it. So, it can produce more units compared to a vial.

Moderator: Our next question comes from the line of Nitin Agarwal from DAM Capital.

Nitin Agarwal: Just following up on some previous questions. So, on these capacities that we have, these are capacities for multi-dose cartridges and pen assembly, or these are largely vial filling capacities.

Shyamakant Giri: These are cartridges. These are not vial lines. This is a bulk cartridge line, and these lines are integrated with the pen assembly line.

Nitin Agarwal: Okay. And so from a regulatory perspective, the next 100 million cartridge capacity that you'll pick up, that you'll put up, what kind of regulatory approvals are you looking at? For kind of these 40 million, what regulators who approve this capacity and for you to get incrementally approvals for the next 100 million, what kind of timeframe that take after the commissioning?

Srinivas Sadu: So, this line is part of the same suite where you have other lines approved including this sterile cartridge. So, the approval will be faster, especially US and Europe because the suite is approved for these markets already. So, it'd be easier. You have seen Lira getting launched in other market. This is similar block and it's easier compared to a new line/new suite.

Moderator: Our next question comes from the line of Abdulkader Puranwala from ICICI Securities.

Abdulkader Puranwala: Sir, for the first question is with respect to your US market growth for the base business, any commentary you would like to provide as to how the growth would revive in this particular portfolio in quarters ahead.

Shyamakant Giri: Hi, Abdulkader. Can you again repeat your question, please?

Abdulkader Puranwala: Yes. Sir, my question is with regards to your US revenues which has declined at around 2% within that Gland's portfolio, the growth has been minus 5%. So, wanted to understand how would this shape up in the near-term? And when we see this business, when we talk about the mid-teen kind of a growth rate, how would this business growth would pan out?

Srinivas Sadu: Yes. So. I think it's more to do with the timing, especially Enoxa. The enoxaparin supplies in this quarter were around INR70 crores, which is normally around INR 130 crores, 140 crores.

It's more about the timing because some of the SKUs, the large dosage SKUs are not supplied every quarter.

So, if you actually exclude the Enoxa supplies, the volume, the revenue growth for US almost like 11% market growth. So other than that it's more to do with the timing issue because annual basis enoxa still intact in terms of volume and revenue. So that's the main reason why we show that de-growth. Otherwise, it's in-line.

Abdulkader Puranwala: Understood, Sir, any update on the biologics/biosimilar tie up you had with Dr. Reddy's and one other customer. When should we look for commercial revenues coming from that venture?

Srinivas Sadu: That started from July 1st. It's now been the collaboration started. The team is in place now from their side. So, you see some revenue coming from this quarter onward from the Dr. Reddy's collaboration. On the other project, still we are working on RFPs, and the commercial discussions are happening on the two projects that we're discussing with them. But that will take some time, because there's more tech transfer activities that will happen next year or so. But from the DRL project, we'll see some contribution coming from this quarter.

Abdulkader Puranwala: Okay. And sir, if you have to track this in quarters ahead. So I mean the collaboration would be for which market?

Srinivas Sadu: So, this is more to do with pilot scale batches at the lab. So, it's not specific to product now -- market now. It's more pilot scale batches going for clinicals and all that.

Moderator: Our next question comes from the line of Dheeresh Pathak from WhiteOak.

Dheeresh Pathak: So you have 140 million cartridge fill/finish capacity available for FY '27. And you mentioned that you're working with various categories of clients. So how much utilization do you expect for the full year FY '27?

Srinivas Sadu: FY '27, the utilization for the new line won't happen because most of the market will open up later, right? RoW opens up, few markets next year, so the utilization may not be much, but we're also talking to not just the GLP-1s, but also some of the other molecules to see if we can fill up capacity the next few years. But majority of the capacities will start filling up from '29 and '30.

Moderator: Next question comes from the line of Rahul Jeewani from IIFL Securities Ltd.

Rahul Jeewani: You indicated that for the GLP-1 products for FY '27, you will be commercializing around 20 million pens and cartridges. So, what kind of a fill/finish pricing are you working with -- so while I understand that the pricing would be dependent on how the end market dynamics play out, but some ballpark number would be helpful here.

Srinivas Sadu: Can't really comment on the pricing and also, we're not dependent on end pricing because being a CDMO we have a fixed conversion cost paid for each pen. So that kind of fix is not related to the end market. But you can't really say how much it depends on the contract and what pricing you are doing with the product.

Rahul Jeewani: Okay. But this 20 million commercialization which will happen in FY '27 will largely be for the RoW market and hence you will book that revenue as part of the RoW business.

Srinivas Sadu: So it's a combination of some in certain markets, like, you have Lira which is getting launched in certain markets. And likewise, Sema will also be launched in few markets.

Rahul Jeewani: And sir, on this base business growth, while we have commented over past three, four quarters that the base business growth should pick up to a mid-teen kind of a number. This quarter as well the base business grew only 3%. So, while I appreciate the fact that there was volatility related to Enoxaparin, but Enoxaparin and Heparin are our two largest products which will have this quarterly, let's say, kind of a volatility. Sir, when do you think that the base business growth actually starts accelerating or improving to this mid-teen kind of a number?

Srinivas Sadu: It's just not these two products, the launches, I just mentioned about, whether it's Dalbavancin or the CMS project that will start coming up in last two quarters. So that also gives a big jump. So on an average basis for the year we'll hit that mid-teen.

Rahul Jeewani: Okay. So this mid-teen is including Cenexi at an overall company level.

Srinivas Sadu: Overall, yes.

Moderator: Our next follow-up question comes from the line of Saion Mukherjee from Nomura Securities.

Saion Mukherjee: I just wanted to check on -- I think you received approval for generic Vyzulta latanoprostene sometime back with exclusivity. I mean is that a product we expect in the near-term or is it a few years out?

Srinivas Sadu: It's a few years out, depending on the settlement and the patent, it's a few years out.

Saion Mukherjee: So not in the next two years. Will that be a fair assumption to make here?

Srinivas Sadu: It's FY '29.

Saion Mukherjee: Sir, you mentioned about building out in the RoW market and it would take some time to build that out. So how should we think about your approach in the various RoW markets and what kind of ramp up, what kind of scale you are looking at?

Shyamakant Giri: So, Saion, if you see RoW, we, in many ways, have arrested the de-growth and this quarter is a quarter of growth on a Q-on-Q basis 24%, on a Y-on-Y basis 5%. What we are doing in RoW is having a portfolio approach. What we have done first is classified countries of RoW as Class 1, Class 2, Class 3. This is the kind of portfolio optimization, customization focus that we need.

Second, what we have also done is, we are now tracking all the registrations, activating some old registrations which were actually in the past became inactive and having a high kind of cadence review with the partners on ground. These are all tactical things, but strategically we are finalizing a portfolio which will place us among one of the top-tier injectable company in that country. So, a lot of things happening tactically and strategically, but we have reasons to believe that RoW business can double up over few years from now.

Saion Mukherjee: And sir, one last question, if I can. I mean few years back, you had mentioned about China market collaboration with Fosun and its presence in various markets. I'm just wondering what kind of involvement like Fosun has in the strategic direction for the company and the business as a whole at this point?

Shayamakant Giri: So, overall, I think Fosun is a good partner. We have access to scientific ecosystem from an API sign and all of that because of Fosun. But they are not day-to-day, Saion. And if I were to again comment on a particular China market question, we have four approvals, four more pending and we do have some values that we are generating.

China again is a very intimidating market. We want to really push our approval registration more in China. Takes a lot of time and there is a VBP [Volume Based Procurement] overhang and the selection of molecule becomes very, very critical of where we want to play in China.

Moderator: Our next question comes from the line of Harsh Bhatia from Bandhan Mutual Fund.

Harsh Bhatia: Sir, would you able to call out the order book for Cenexi? I think last quarter it was close to EUR 100 million, if I'm not wrong. But for this quarter, what would be the order book for Cenexi?

Shyamakant Giri: So the order book is approximately around EUR 85 million to EUR 90 million still, although this quarter we produce a little more to clear some backlog, but we do have a backlog still in Cenexi.

Harsh Bhatia: And considering the EUR 48 million run rate, assuming hypothetically, this is the run rate to work with, on an annualized basis on the expanded capacity base, what would be the broad capacity utilization for the Cenexi business as such across all the banks?

Shyamakant Giri: So, let me slice and dice for you this one. we do have capacity available in HSC, BLA; Osny and Fontenay is where we are peak of the utilization and therefore there price increases, getting higher value format, getting new businesses for new value or more value is the strategy.

Ravi Mitra: Just to add, Harsh, is that in Cenexi, the Fontenay Line G has recently been started commercially operating. So this will go up from this quarter's run rate Fontenay has done. Herouville, like Mr. Sadu explained a little while ago is that it was just few products launched and there is ample runway for further capacity utilization. So there are further plans in the tech transfer project happening. So it will go up further at Herouville site.

BLA, as you know, that there are a few new lines recently set up, few more are coming, but there's one new vial being expanded. So all this will in the next year more or less be operational and then we have revenue scale up significantly from this level.

Harsh Bhatia: I understand that Fontenay would be more of a product mix rather than a pure capacity lever, but that's more to do with Herouville and BLA. But would it be fair to say at current capacity you can very easily go to, let's say, a quarterly render of EUR 100 million just based on the current capacity on the expanded capacity base?

Ravi Mitra: No. So expanded capacity definitely would be before the BLA's new line growth capex, it should be around between 50 million to 55 million. [This is] before BLA vial line. So, when that gets commercialized next year, it would further go up.

Harsh Bhatia: Just one clarification. I think you had already spoken about this a few quarters back. But just to refresh our memory, just a very basic question on the GLP cartridge capacity fill, finishing cartridge capacity, the 40 million going to 140 million units at the cartridge level and you're saying that integrated to the pen assembly lines as well.

So at, let's say, 140 million cartridge capacity for the fill-finish part, how many pens can you produce or the other way to ask this would also be that how many multi dose pens/auto injectors, single use auto injectors, would we be able to provide? Assuming that there could be some part that's fungible. Is that a fair understanding or is there something that we are missing?

Shyamakant Giri: So the pen line that we are incubating has around 160 to 200 pens per minute, that's the kind of speed which is a high-speed pen. And if I understand your question correctly, you're asking how many pens we can produce, is it?

Harsh Bhatia: On the basis of this 140 million cartridge capacity, how much of that can lead to incremental pens output? Because I'm assuming that, that is the output that you'll be able to provide to the customer at the end. Would it be multi dose pens or single auto injector pens?

Srinivas Sadu: Whether it's multi dose or single dose, it's the same. Capacity wise, it's the same, 140 million. The cartridges are similar. Only the assembly machines or the pens, devices are different.

Harsh Bhatia: Okay. So then it wouldn't matter broadly your 140 million cartridge capacity would be fungible across whether it is a multi-dose or a single use?

Srinivas Sadu: Correct.

.Moderator: Our next question comes from the line of Ankush Mahajan from Sanctum Wealth.

Ankush Mahajan: So this current capacity of 40 million, what is the current capacity utilization in the last quarter? And this U.S. run rate revenue is in the range of INR700 crores, so how do you see U.S. business considering this tariff structure and destocking by the distributors or how do you see in the near future?

Srinivas Sadu: So, on the cartridge, currently it's a very limited capacity utilization because Lira is the only one from the commercialization perspective. But we are also taking batches for exhibit batches and development batches for the other CDMO contracts we have. So, till the Ozempic or Wegovy is launched commercially the capacity utilization will be lower. So currently, most of the capacity is used for the development batches, not for the commercial. And what's the second question?

Shyamakant Giri: On the U.S. side, there are three factors which will impact the U.S. business going forward. One, of course, was the Enoxaparin timing that we have discussed, launches of CMS and financing. So with all those factors and whatever we are doing, we are doing, we still will be guided to growth in the U.S. So we still stick to the guidance of growth in the U.S. market.

Ravi Mitra: What is the question on the tariff, can you repeat the question? Sorry.

Ankush Mahajan: My question was that there is a tariff is announced by the Trump government. So how do we see the U.S. business in upcoming quarters now either distributors or there is destocking is happening in the U.S. market or not?

Srinivas Sadu: Yes. So as of now there's no tariff on pharma, but we have to see how much and how does it happen. But as to the discussions we have, we have to -- we will pass on to the partners and they have to pass on to the front-end purchasing groups. So that's how the discussion is, but everybody is now keeping fingers crossed when and how much they will charge because the market says for generic there may be exemption, but mostly on the branded side they may put/impose large tariffs.

Moderator: Our next question comes from the line of Dhawal Khut from Jefferies.

Dhawal Khut: For the European market, wanted to know which was the bigger growth driver between the new product launches especially the liraglutide and new tech transfer project. And secondly, when we launch product, is there any channel benefit that we get whose revenue may not be available in next one, two quarters, but as we gain the market share it again scales up to that level?

Srinivas Sadu: So the CMS project is on market product, it's only a transfer from European site to Gland site. So there's no question about gaining market share. It's already there. And the lyo product is already launched, it's already approved. Dry powder, they're filing the dossiers with the data. So that approval will come the first quarter next year. That's when that business will start. But there's already a market which is already there basically a transfer of manufacturing site from Europe and India.

Dhawal Khut: Okay. So the Y-o-Y growth that we see within the European market what will you attribute it to?

Srinivas Sadu: Mostly it's CMS that got launched in Europe and some of lira launched in U.K.

Dhawal Khut: Okay. And is there any benefit of channel filling in the lira launch that you have done? And what are the other markets that are scheduled for launch during the year?

Srinivas Sadu: So for the other market there's no channel filling unlike U.S. But the other markets where we estimate, we have launched in South Africa and Saudi last quarter and there's Mexico and a few other markets and pipeline to be launched.

Dhawal Khut: Okay. That will occur this year itself, right?

Srinivas Sadu: Yes.

Dhawal Khut: Okay. Thank you.

Moderator: Thank you. Ladies and gentlemen, due to paucity of time, this was the last question. I now hand the conference over to Mr. Runjhun Jain for closing comments.

Runjhun Jain: Thank you for joining us today. Greatly value your questions and active engagement during this session. If you have any additional queries, please feel free to reach out to us. We look forward to connecting with you again next quarter. Thank you.

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