

**August 06, 2025**

**BSE Limited**

P J Towers,  
Dalal Street,  
Mumbai – 400 001

**National Stock Exchange of India Limited**

Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex,  
Bandra (E), Mumbai – 400 051

**Scrip Code: 543904**

**Symbol: MANKIND**

Dear Sir/ Madam,

**Subject: Investor Conference Call for Q1 FY26 – Transcript**

---

Pursuant to applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the Investor Conference Call for Q1 FY26 held on Friday, August 1, 2025 at 12:00 Noon (IST).

The transcript is also available on the website of the Company at <https://www.mankindpharma.com/wp-content/uploads/2025/08/Q1FY26-Earnings-Call-Transcript-1.pdf>.

You are requested to kindly take the same on records.

Thanking You,

Yours Faithfully,

For **Mankind Pharma Limited**

**Hitesh Kumar Jain**

**Company Secretary and Compliance Officer**

**Encl.: A/a**



## “Mankind Pharma Q1 FY'26 Results Earnings Conference Call”

**August 01, 2025**



**MANAGEMENT: MR. RAJEEV JUNEJA - VICE-CHAIRMAN & MANAGING  
DIRECTOR  
MR. SHEETAL ARORA - CHIEF EXECUTIVE OFFICER  
AND WHOLE-TIME DIRECTOR  
MR. ARJUN JUNEJA - CHIEF OPERATING OFFICER  
MR. SUDIPTA ROY - SENIOR PRESIDENT, SALES AND  
MARKETING  
MR. ASHUTOSH DHAWAN - CHIEF FINANCIAL OFFICER  
MR. PRAKASH AGARWAL - PRESIDENT, STRATEGY  
MR. ABHISHEK AGARWAL – HEAD INVESTOR  
RELATIONS**

**Moderator:** Ladies and gentlemen, good day and welcome to Mankind Pharma Limited Q1 FY'26 Results Earnings Conference Call. As a reminder, all participants' lines will be in 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 over the conference over to Mr. Abhishek Agarwal, Head Investor Relations and AVP Strategy of Mankind Pharma. Thank you and over to you, sir.

**Abhishek Agarwal:** Thank you, Pari. Good afternoon and a very warm welcome to our Q1 FY'26 Earnings Call. On the call today, we have Mr. Rajeev Juneja – our Vice-Chairman and Managing Director; Mr. Sheetal Arora – Chief Executive Officer and Whole-Time Director; Mr. Arjun Juneja – Chief Operating Officer; Mr. Sudipta Roy – Senior President, Sales and Marketing; Mr. Ashutosh Dhawan – Chief Financial Officer; Mr. Prakash Agarwal – President, Strategy.

We will commence today's call with Mr. Rajeev Juneja, who will provide a summary of our performance over the last quarter, followed by Mr. Sheetal Arora, who will share detailed insight on our business performance. Mr. Ashutosh Dhawan will then give an overview of the financial highlights, post which we will address any queries you may have.

Please note that today's discussion includes certain forward-looking statements reflecting management's expectations for future performance of the company. These estimates involve several risks and uncertainties and actual results may vary. Mankind does not undertake any obligation to publicly update any forward-looking statement, whether as a result of new information, future event or otherwise. For a detailed disclaimer, please refer to our investor presentation uploaded on our website.

Now, I hand it over to Mr. Rajeev for his comments.

**Rajeev Juneja:** Thank you, Abhishek. A very good afternoon and welcome to our Q1 FY'26 earning call. We are pleased to report a healthy start of FY'26, with encouraging trends as overall revenues of Q1 FY'26, increased to Rs. 3,570 crores, registering a growth of 25% year-on-year with an EBITDA margin of 23.8%. Domestic revenue grew by 19% year-on-year, majorly driven by recovery in volume, consistent chronic outperformance and BSV consolidation.

Mankind continued to consolidate its rank, 4th by value, with a market share of 4.9%, up by 10 bps quarter-on-quarter, and second by volume, with a market share of 6.2%. Also, we are seeing encouraging trends with 1.8x volume growth to IPM, led by outperformance in anti-infectives and respiratory segments. Our chronic share, excluding BSV, increased by 190 bps year-on-year to 38.8% in Q1 FY'26, as compared to 36.9% in Q1 FY'25, driven by an outperformance of 1.4x to IPM chronic growth.

During the quarter, revenue from OTC business increased by 15% year-on-year to Rs. 237 crores. The continued secondary sales growth of our key consumer brands, including Gas-O-Fast the growth is 36% year-on-year, Manforce condoms 18% growth year-on-year, HealthOK 15% growth year-on-year, Preganews 12% growth, reflects strong brand positioning and increasing market penetration. Further, the modern trade and e-commerce channel registered a growth of about 50% year-on-year, resulting its share to increase to 11%, from 9% in Q1 FY'25.

On the R&D front, we are increasing our focus to strengthen our R&D pipeline. Alongside GPR-119 for anti-obesity and anti-diabetes, our pipeline includes candidates targeting autoimmune disease, a novel anti-microbial resistance molecule, and a recombinant biosimilar in the IVF segment. Further details are available in the R&D section of our FY'25 annual report released this month.

BSV published a refreshed study during the quarter, which is a Phase-3 non-inferiority study comparing the efficacy, immunogenicity, and safety of BSV's Foligraf versus innovators in the International Journal of Infertility and Fetal Medicine, making it an alternative treatment option in ART (Assisted Reproductive Technique). Further, BSV was the first Indian biopharmaceutical company to participate in the European Society of Human Reproduction and Embryology, which is a global IVF platform to present BSV's comprehensive IVF portfolio and clinical research strengths.

As we celebrate 30 years of our operations, we would like our shareholders to be part of this milestone; therefore, the Company's Board has approved an interim dividend of Rs. 1 per share. We remain committed to strengthening our growth trajectory, driven by our four pillars of growth supported through deeper doctor engagement, scaling key trends, and execution excellence.

Now, I invite Sheetal to further share insights into our business performance.

**Sheetal Arora:**

A very good afternoon to everyone. We sincerely appreciate your presence as we present our Q1 FY'26 performance. Over the past 30 years, our purpose-led growth has been rooted in delivering quality and affordable healthcare to all, even in the most underserved parts of the country, leaving a meaningful impact. Last year, we took as an opportunity to strengthen our foundations, enabling us to deliver consistent performance and pursue sustainable long-term growth.

About domestic business, our domestic business revenue in Q1 FY'26 registered a healthy growth of 19% year-on-year, driven by organic growth for the quarter of 10% year-on-year, further supported by BSV consolidation.

Our secondary sales increased 9.2% year-on-year as compared to 8.6% IPM growth, led by 2.5% growth in sales volume and 14.7% growth in chronic therapy, indicating an overall outperformance of 1.1x of IPM.

Our key acute therapies like anti-infectives and respiratory outperform IPM by over 1.5x, and our chronic therapies continue to deliver an outperformance in this quarter as well, led by 1.5x in cardiology and 1.6x in anti-diabetes.

Our recently launched brand Crenzlo is now ranked number one in newly launched brands by value, and Vonalong is the #1 prescription brand in their respective categories. While Nobeglar and Empagliflozin brands continue to gain significant traction, our inhaler portfolio, including both Symbicort and Combihale combined, are now the fastest growing inhalers and are ranked among top 5 in the segment. Our presence in metro and tier 1 cities also grew from 55% to 56% in Q1 FY'26.

About international business, our revenue from international business increased to Rs. 469 crore in Q1 FY'26, up by 81% year-on-year from Rs. 259 crore in Q1 FY'25, with single-digit organic growth and BSV consolidation.

Regarding BSV updates; on the BSV front, we are witnessing progress across our integration initiatives and are confident of delivering healthy performance this year onwards. Additionally, we are also setting up a new biological facility to scale up and de-risk operations at BSV's Ambernath site and expanding its biological R&D facilities to strengthen our innovation capabilities.

As we move forward, we remain committed to building a people-centric organization by fostering a culture of empathy and care. To realize this vision, we are consistently investing in strengthening patient and healthcare provider engagement through meaningful, transparent interactions; driving innovation with purpose, focusing on accessibility, affordability and impact: continuous learning and development to empower our teams and partners. We feel honored by the trust placed in us by doctors, patients and people. This journey is not ours alone, it is one that we walk together, guided by gratitude and a shared purpose.

Now, I invite Ashutoshji to provide a detailed insight into the financial performance. Thank you so much.

**Ashutosh Dhawan:**

Thank you, Sheetalji. A very warm welcome to all of you. It's good to have you all with us today. I will now take you through Q1 FY26 financial updates.

Our revenue from operations during Q1 FY'26 has increased by 24.5% year-on-year basis to Rs 3,570 crores as compared to Rs 2,868 crores in Q1 FY'25, which is driven by growth in our base business and consolidation of BSV's results.

Our gross margins for the quarter declined by 130 basis point year-on-year basis to 70.5% from 71.8% in Q1 FY'25, which is due to unfavorable sales mix and certain inventory-related accruals taken in the current quarter for slow and long-moving items.

During the quarter, our reported EBITDA has increased to Rs. 850 crores from Rs. 675 crores, which results in a growth of 25.8% year-on-year basis. The reported EBITDA margin for the quarter is at 23.8%, which has increased by 20 basis point on year-on-year basis. If we compare reported EBITDA margins with last year's adjusted EBITDA margins, there is a decline of 120 basis point from 25.0% in Q1 FY'25 to 23.8% in Q1 FY'26. This decline in adjusted EBITDA margin of 120 basis point is primarily driven by reduction in gross margins.

The R&D expenses for the quarter was Rs. 79 crores, which remains at 2.2% of sales and is higher than R&D spend of 1.7% of sales as incurred during Q1 FY'25.

The finance cost for Q1 FY'26 decreased to Rs. 171 crores from Rs. 191 crores in Q4 FY'25, which is on account of repayment of commercial papers amounting to Rs 500 crores in the current quarter.

In Q1 FY'26, the depreciation and amortization expenses have increased to Rs. 219 crores as compared to Rs. 103 crores in Q1 FY'25, which is primarily driven by depreciation and amortization impact related to BSV assets.

The effective tax rate for Q1 FY'26 was at 17.7% as compared to 16.8% in Q4 FY'25. The profit after tax for Q1 FY'26 has decreased by 17.4% year-on-year to Rs. 445 crores, on account of higher finance costs and depreciation costs pursuant to BSV consolidation, with diluted EPS of Rs. 10.6 per share of Rs. 1 paid.

During the quarter, cash EPS, which is EPS adjusted for non-cash items like depreciation and amortization, has slightly increased to Rs. 15.9 from Rs 15.8 in Q1 FY'25.

The net operating working capital days for the quarter on trailing 12-month basis have decreased to 48 days as compared to 50 days in Q4 FY'25. The cash flow from operations has increased to Rs. 840 crores as compared to Rs. 546 crores in Q1 FY'25, which is on a year-on-year basis an increase of 54%. This is primarily on account of consolidation of BSV operating cash flows and improvement in working capital as well as realization of certain government receivables, etc. Therefore, in this quarter, our CFO-to-EBITDA ratio has increased to 99% as compared to 81% in Q1 FY'25.

Our CAPEX spend during the quarter has increased moderately to Rs. 127 crores in Q1 FY'26 as compared to Rs. 125 crores in Q1 FY'25. The CAPEX as a percentage of revenue is 3.6%, which is lower than our guidance of 5% of revenue for FY'26.

In line with our prudent financial strategy, we continue to strengthen our balance sheet and have reduced our net debt position to Rs. 5,249 crores as of 30<sup>th</sup> June 25, resulting in further improving our net debt to EBITDA ratio to 1.6x in Q1 FY'26 on trailing 12-month basis as compared to net debt to adjusted EBITDA ratio of 1.8x in FY'25.

With this, we conclude our financial update and welcome any questions which you may have.  
Over to you, Abhishek.

**Prakash Agarwal:** We can start the Q&A please.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Chintan Sheth from Girik Capital. Please go ahead.

**Chintan Sheth:** Thank you for the opportunity. Question was on the biosimilar plant which we are planning to set up - Ambernath facility. What is the Capex and timeline for that? If you can share that?

**Prakash Agarwal:** Thank you, Chintan. So, for the biosimilar facility, this is the facility which is started in Baroda largely to scale up as well as de-risk the operations of BSV. The Capex for Phase 1, we are looking at around Rs.150 - Rs.200 crores and it is expected to close and completed by end of next calendar year.

**Ashutosh Dhawan:** So, in FY26, the estimated cash outflow will be close to Rs 100 crores for this facility.

**Chintan Sheth:** And this is included in the 5% CAPEX guidance. It will be a part of that or it will be over and above that?

**Prakash Agarwal:** It is part of that.

**Chintan Sheth:** Okay, got it. And when I look at the interest cost, sequentially it has declined. But are we planning to further repay debt which are getting matured over the course of the year? How should one look at the interest cost for the year?

**Ashutosh Dhawan:** Okay, for the acquisition-related debt repayment, we have scheduled Rs. 2,000 crores to be paid in FY'26, out of which Rs. 500 crores has been paid in Q1 and the balance Rs. 1,500 crores, we are targeting to pay in October 2025. And the total interest cost towards this acquisition debt for this year would be in the range of Rs. 450 crores - Rs. 475 crores.

**Chintan Sheth:** And lastly, on the gross margin, you mentioned something about the inventory write-off of slow moving if you can quantify it or specifically, recurring will make sure how should we look at it?

**Prakash Agarwal:** Chintan, your voice is not very clear. If you can speak out.

**Ashutosh Dhawan:** Somehow, it is echoing. So, I understand there is a drop in the gross margin of 1.3% year-on-year basis and 1.1% is on a Q-on-Q basis. So, inventory-related accrual is forming part of this.

**Moderator:** Sir, sorry to interrupt. Mr. Chintan's line has disconnected. So, can we move to the next question?

- Rajeev Juneja:** Go ahead.
- Moderator:** Thank you. The next question is from the line of Rashmi from Dolat Capital. Please go ahead.
- Rashmi:** Thanks for the opportunity. Just again, on the gross margin front, will you be able to quantify how much percent was from the inventory write-off and whether you still maintain your EBITDA margin guidance of 25% to 26% for the full year on a consolidated basis?
- Ashutosh Dhawan:** So, these are more driven from the accounting standpoint, the inventory-related accruals, etc. Difficult to give a specific number. However, it is a common denominator both for Y-on-Y and Q-on-Q drop in the gross margin. In terms of guidance, we have maintained the guidance that our gross margins will be upward of 70% and even in this quarter as well, it is upward of 70%. And we continue to maintain our EBITDA guidance of 25% to 26%. So, we are not changing the guidance either for the GC or EBITDA.
- Rashmi:** Okay. Thanks for that. And other question is related to the Dydrogesterone facility. Most of the manufacturing is now done in-house. So, what is the capacity utilization over there? When are we targeting the export market? And is it that the KSM we are still sourcing outside or that is also manufactured in-house only?
- Arjun Juneja:** So, for Dydrogesterone facility, the capacity utilization is approximately 60%. We are expecting approvals to start coming in from international markets by the end of this year. So, once the approvals start coming in, this capacity utilization will start increasing. So, most of the activities are in the last leg in terms of qualifications etc. And in the next two months, we will start producing the KSM also in-house.
- Rashmi:** Okay. Got it. And one more question related to your Panacea portfolio. Earlier, you used to mention how much growth and the sales run rate quarterly it is doing. If you can give that information as well?
- Rajeev Juneja:** Panacea is growing 25% plus kind of a growth. It is in line with our commentary we gave last time. Continuously growing.
- Rashmi:** Okay. And one last question related to a small clarification. You said domestic business organic growth was 10%. So, this is ex-consumer health you are talking or you are talking on the entire domestic business?
- Prakash Agarwal:** Entire domestic business.
- Ashutosh Dhawan:** Including consumer healthcare, entire business.
- Rashmi:** Okay. And on the export front, how much is the organic growth?



- Abhishek Agarwal:** On the export front, it is single digits.
- Rashmi:** Mid-single digit to high-single digit?
- Abhishek Agarwal:** Single digit, it is. Yes.
- Rashmi:** Okay. Thank you. That's it from my side.
- Moderator:** Thank you. The next question is from the line of Kunal Dhamesha from Macquarie. Please go ahead.
- Kunal Dhamesha:** Hi. Thank you for the opportunity. I think just continuing on previous participant's question, if you could provide exact organic growth for our base business, that would be great. At least for the next couple of quarters till we see the annualisation of BSV business?
- Prakash Agarwal:** Kunal, we have given the numbers. Sheetalji mentioned the overall company growth organically is 10%. And if you look at domestic also, 10%. And international is single digit growth. So, you can do the math.
- Kunal Dhamesha:** Okay. Perfect. And we are seeing that Panacea portfolio grew 25% year-on-year, which is a very small portfolio, right? Rs. 200 crore something. But then of the 10%, then it would have still be part of meaningful growth. Is that the way to put it?
- Prakash Agarwal:** So, it's part of the overall business. We don't call out Panacea as such because the brands are into various divisions now. So, some part is in 2-3 divisions. So, we stopped giving number, but some participants asked, we have given the directions. Some brands are growing 30%, some brands are growing single digit. So, overall basis, it remains at 25% plus growth. But overall, it would be still very small part of the overall company domestic business.
- Kunal Dhamesha:** And if you can also provide some color around the base business EBITDA margin excluding BSV, given that BSV has some form of seasonality, I believe second half is stronger, right? And has that led to some form of operating de-leverage in this quarter, which is kind of masking the base business EBITDA margin?
- Prakash Agarwal:** Yes. So, your observation is correct. Base business Mankind operating margins are better this quarter versus BSV. As BSV is more second half skewed and every quarter you will start seeing improvement in EBITDA margins for BSV also, and as far as Mankind is concerned and OTC business is concerned, there is a front-loading of expenses also which happens typically in any domestic business. So, this will actually lead to operating leverage in the upcoming quarters for the base business also.
- Kunal Dhamesha:** Perfect. Thank you. And all the best.

**Prakash Agarwal:** Thank you.

**Moderator:** Thank you. The next question is from the line of Madhav from Fidelity. Please go ahead.

**Madhav:** Good afternoon. Thank you so much for your time. Just one question. In the past few quarters, Mankind has been facing some, you know, we've been changing our sales force and making a lot of, you know, large initiatives to improve our sales force efficiency, productivity, etc. Just wanted to understand where we are in that journey and by when do we expect Mankind to come back to becoming the industry-leading growth player that we've been in the past decade. So, do we expect that to start from quarter two? Is it going to take a bit more time before we start, start gaining share again? Thank you.

**Rajeev Juneja:** Madhav, this process started, I mean, approximately 12 months back and almost completed 99% in the month of March 2025. And now, basically, some changes happened in 1st Quarter in two of the divisions. Some happened in second, some in third and fourth. So, it is done last year.

And as you can see that for good number of quarters our growth was single digit. Now, in the 1st Quarter, the growth is 10%. That itself talks about that changes are appearing. And as time will pass, we will see better things will happen. Let me reiterate one more thing that whatever we have said in the past, 4-5 things we said in the past, they have been done.

One, we said that QIP will happen. Certain things should be repeated, actually. It happened very fast. We said that our hotel business will be sold off, Mahananda. It was done. We said that TTK prescription business will be shifted to Mankind. It has been done. We also said that we will de-risk and make one more factory biological manufacturing plant. That will be completed next year. It is happening so fast. We also said that we will do expansion in R&D side. We also did that. One more thing we said that Mankind would become catalyst in promoting BSV brands, Anti-D, Snakebite, ASVS, social messaging will start. It has been done. So, things are happening at a fast pace. One thing should be kept in mind. Everything happened in the month of November last year. So, it's only few months when BSV has come in our fold. You say that 3-4-5 months where we have just now proper grip on BSV.

**Madhav:** Absolutely.

**Rajeev Juneja:** For reminding everybody, I reminded these things.

**Madhav:** No, sir. Makes sense. The reason I ask that is if you see the IPM data over the past decade, Mankind has been one company which has consistently gained shares and last year was obviously because of some initiatives internally and the acquisition for a few quarters that did not happen. So, just to clarify that we're back on track, we should start seeing.

**Rajeev Juneja:**

That's a good question. You take the answer as well. I mean, look at this volume growth. It is 1.8 times to IPM this time. I mean, look at anti-infective 1.6 times. Chronic in cardio side 1.5 times and anti-diabetes is 1.6 times. So, when you start making changes, it takes time. It's a big organization. It has taken us approximately 12-13 months.

But now that whatever changes we did, fruits are appearing and as time will pass, we will come back to our own original pace. Mankind was in need of these changes. See, every organization goes through different phases. I mean, phase-1 was when we reached to this particular level. Phase 2 is now we're competing with best of the companies. So, we need to change as per the time.

And any company who does not evolve, I've seen in my own career in 80s and 90s, if you just look at IPM, those top 10-20 companies are no more the top 20 companies. They have faded somewhere. Because to change, you need courage. And we believe that whenever there is a demand, we always keep one thing in mind, long-term, never the short-term. We have never been a tactical, always been long-term policy believer, actually. So, since you asked the question, I thought of just repeating everything.

**Madhav:**

Makes sense. Just a second question on the BSV growth. Does that start coming back from FY26? Any guidance on BSV topline growth for this year? Thank you.

**Prakash Agarwal:**

So, for BSV, we are maintaining guidance. So, sales growth of 18%-20% with margins tad higher of 26%-28%. If you see in terms of performance, just to give some color, international business continue to be at mid-teen kind of growth. In the India business, there were two parts. So, Rx business, we took a big corrective action in Q4. Sales were hardly anything. And in Q1, we have started to see very strong growth. You can see some data from secondary IQVIA. It is a high double-digit growth.

Also, on the specialty side, we are seeing good traction. We had small changes, leadership changes, and we have started to see good Q-on-Q growth. In the next quarter onwards, I think we start seeing good YOY growth also. There is some YOY growth, but it is nominal at the moment. But the Q-on-Q growth is very strong and secondary traction is very strong.

**Madhav:**

Thank you.

**Moderator:**

Thank you. The next question is from the line of Neha Manpuria from Bank of America. Please go ahead.

**Neha Manpuria:**

Thanks for taking my question. Just to follow up on BSV, if I were to just do the math by excluding the organic growth, it seems like the BSV run rate hasn't shown any improvement year-on-year basis. So, would it be fair to assume that a lot of the steps we are taking will start

reflecting in year-on-year growth in the subsequent quarters to achieve that 18%-20% growth that you are mentioning?

**Prakash Agarwal:** Your observation is right. So, it is a flattish kind of growth on an overall basis. But because we have taken some corrective actions, and if you see BSV past trends of last 2-3 years, it is more skewed towards second half. But at the same time, every quarter, you will start seeing improvements. So, Q2 will be better than Q1, Q3 will be better than Q2 is our expectation. And the performance which is delivered is as per our budget expectations. So, we are on line.

**Neha Manpuria:** Okay. So, the flat year-on-year isn't something that I need to be worried about to get to that 18%-20% growth for the full year for BSV?

**Prakash Agarwal:** Actually, some growth is there. We are not calling out the number, but there is some growth, especially in the international business and also in the specialty. So, these two things and anyways, Rx business, if you have seen, we have given a slump sale notification. So, that will happen. That will, as communicated earlier and mentioned by Rajeevji, this will be operated fully by the Mankind office because it is a branded generic business. So, these two assets, if you look at, it is high single-digit growth, even in this quarter.

**Neha Manpuria:** Okay. That is helpful. The second question that I wanted to ask was on the other expenses. It seems to have shot up pretty meaningfully versus the last two quarters run rate, which includes BSV. So, just wanted to get some color on what is driving this higher spend. Is it related to our organic business, which is why we have seen growth come back versus the run rate because it seemed to, including BSV, which was flattish, it suddenly seems to have increased pretty meaningfully quarter-on-quarter?

**Ashutosh Dhawan:** You are right, Neha, in your observation. If you take Q1 FY26 year-on-year basis, there is a bump of Rs.131 crores in the other expenses. Out of this Rs.131 crore, approximately Rs.125 is coming from BSV and rest all is the inflationary adjustment. If you look at it quarter-on-quarter basis, the jump is around Rs. 82 crores, which is primarily driven because of increase in S&D expenses because they are front-loaded and BSV expense base has been constant in this quarter. So, it's more on the timing difference and the front-loading of expenses that you are seeing a bump. Overall, during the full year basis, they will normalize.

**Neha Manpuria:** Okay. So, it's more front-loading of expense. And sir, sorry, one last thing, the inventory number in the gross margins, we are not quantifying that?

**Ashutosh Dhawan:** We are not quantifying it at the moment. It's a mix of inventory accrual plus some of the business mix change. So, it's a combination of two. But we are working with the same guidance.

**Neha Manpuria:** And this inventory accrual, I mean the slow and non-moving items, was this related to the BSV portfolio? Would that be a right assumption?

- Ashutosh Dhawan:** Not exactly. It has been across the board because the sales mix profile has changed, so that's why.
- Neha Manpuria:** Okay, got it. Thank you so much.
- Moderator:** Thank you. The next question is from the line of Nihar Mehta from Bay Capital. Please go ahead.
- Nihar Mehta:** I just had one question on the OCF-to-EBITDA profile. So, this quarter you have seen a significant jump. So, I wanted to know whether this is sustainable in the longer run, 90% plus, or will we go back to our 70% to 80% levels going forward in the longer run?
- Ashutosh Dhawan:** No, having it assumed around 80% plus level will be a fair assumption.
- Nihar Mehta:** Okay. Thank you.
- Ashutosh Dhawan:** So, this quarter is 99% because some of the one off realization of receivables have happened, but 80% will be a fair assumption.
- Nihar Mehta:** Okay, thank you.
- Moderator:** Thank you. The next question is from the line of Bino from Elara Capital. Please go ahead.
- Bino:** Hi. I was looking at the depreciation and amortization expense for the quarter. It has come down from Q4 level from Rs. 231 crore to about Rs. 219 crores. Was there any change in the way amortization is done or is this the normal level?
- Ashutosh Dhawan:** No, there is no change as such. So, what happened was in Q4 FY'25, we have taken an impact of accelerated intangible depreciation, wherein on some of the IT related intangibles, we reduced the life. So, because of that, the Q4 depreciation was higher as compared to Q1.
- Abhishek Agarwal:** But going forward, you can assume the same run rate for this financial year
- Bino:** Yes, Q1 run rate. Okay. And just on the tax rate, you had earlier guidance 21% to 22% for the full year. Do you maintain that guidance?
- Ashutosh Dhawan:** Tax rate? Yes. So, we would like to maintain 20% to 21% guidance from the ETR. For this quarter, it is 17.7% and 20% to 21% will be a fair assumption for the year.
- Bino:** Got it. Thank you very much.
- Moderator:** Thank you. The next question is from the line of Gaurav from Antique. Please go ahead.

- Gaurav:** Yes. Hi. Thank you and good afternoon. Just a clarification first. The business acquisition that we have called out, that is the movement of the TTK business to Mankind, right?
- Ashutosh Dhawan:** Correct.
- Gaurav:** And seeing that the turnover of this business has declined from Rs. 197 odd crores to almost Rs. 104 crores, 24 to 25. Any particular reason for the sharp contraction?
- Prakash Agarwal:** So, Gaurav, we have called out in the last quarter that it was hardly any sales in the Q4 because we took some inventory related corrections. And now as we speak, the growth has started. So, if we can call out some of the numbers, for example, Ossopan is growing at 30% plus, Epidosin is growing at 50% plus, as I mentioned, secondary growth has started. And we are also able to see significant bounce back in the primary sales. However, it remains little bit decline on a YOY basis because the first half of this TTK-Rx business was heavy. But on an overall year basis, we will try and achieve significant growth on a last year base.
- Gaurav:** Okay. Second question on the India business, seeing in your presentation that the modern trade and e-com share has increased to 11% and that's growing to almost 50%. So, are we the first movers in this trade channel and what would be the economics of this trade channel, you know, margins would be higher or lower? And also, is consumer health a big part of this modern trade and e-com today?
- Abhishek Agarwal:** Thanks, Gaurav. So, yes, the share of OTC business and the business channel modern trade and e-commerce increased to 11%. But yes, and you are right, the margins is slightly on a lower side, but this is a stable business, but we continue to maintain our EBITDA guidance of 18% to 20%. And we are not the leader, there is still room to grow and increase our modern trade and e-commerce share going forward.
- Prakash Agarwal:** We are under indexed in this channel. So, I think this is a very critical part of the growth apart from the general trade.
- Abhishek Agarwal:** And kind of products we have, we are seeing very good traction on these channels.
- Gaurav:** But most of this will be consumer health, right? All your brands?
- Abhishek Agarwal:** Yes, this is consumer health. This 9% to 11% share we have mentioned for OTC, this is not for pharma.
- Gaurav:** Correct. Thanks for that. The last question, we have seen your peers give more insights into the dosage modalities and where they are in the development process for the GLP. Would you mind sharing an update on your pipeline and where you are and which modalities and integrations you are targeting?

- Arjun Juneja:** From the GLP one that you are talking about, I mean, we are talking about semaglutide on GLP, where we will be launching when the patent expires, if that is the question. The other one which Rajeevji mentioned in his speech was more regarding our R&D pipeline that we are developing, which is a GPR 119 which is a novel mode of action, where we are targeting obesity. It is unlike GLP one, which are peptides and large molecules, this is a small molecule, which is targeting the GPR 119 cell in the body. So, that molecule, as we speak, is underway phase II trials in Australia. So, we should have some results in our hands by the end of this year.
- Gaurav:** And Sema, we would be targeting the oral and injectables both and when do we see the respective markets opening up?
- Arjun Juneja:** As soon as the patent expires.
- Gaurav:** So, the oral patent does not expire in 2026 as well?
- Arjun Juneja:** It would be difficult to comment on the patent right now on the call, but when the generics launch, we will be there in the first day of launch.
- Gaurav:** Okay. All the best. I will join back the queue. Thank you.
- Moderator:** Thank you. The next question is from the line of Tushar Manudhane from Motilal Oswal Financial Services. Please go ahead.
- Tushar Manudhane:** So, with this, just on the field force with all strategic reset done now and so, is there any scope to add MRs now in FY'26 or you would want to see the improvement in productivity and then look at it in FY'27?
- Sheetal Arora:** As mentioned by Rajeevji in his previous commentary also that most of the corrective measures have been done, almost done. So, there is no scope to add MRs and all the things have been done. So, now we will focus on increasing the productivity in this year.
- Tushar Manudhane:** Got it. And so, just on BSV, given that 18% to 20% growth in the coming nine months, if you would just help, this will be more exports driven or more domestic driven?
- Prakash Agarwal:** No, I think growth will come from both angles. So, as already mentioned that there is already growth seen in secondary sales for domestic. I gave you examples of Rx, but let me give you some examples of the specialty business. So, the fertility business, if you see FSH, our Foligraf secondary growth is 35%. If you see Humog, Hucog all are growing 10% plus. ASVS, which is the anti-snake venom is also showing high double digit growth.
- So, there is a good secondary traction and hence we are confident that primary will catch up. And international as highlighted earlier, the growth expectation is upwards of 20%. So, we

expect that overall, if you do the maths, we will land up at around 18 to 20% growth for BSV as a whole.

**Tushar Manudhane:** And on this international aspect further, is it that the BSV already had registrations of the products in respect to geographies and now it is the time to scale up those or there will be sort of a period where registration has to happen and then the growth sort of picks up?

**Prakash Agarwal:** So, it is an ongoing process. The first objective is to increase the penetration in our core markets. So, there we are already seeing high double digit growth. The second objective is for existing products in newer markets also. So, we are exploring as we speak, already board approval has come for Russia. So, we are expecting a couple of approvals. So, there can be good growth. It is a function of existing products in newer markets. At the same time, there is also some work going on newer products, which we will be starting with existing markets and then even looked for some of the higher semi-regulated markets in future. So, there is a multi-pronged growth strategy which is being played out.

**Tushar Manudhane:** Got it. And just on this biologic facility, if you could also share while you have shared the CAPEX amount to be spent, just if you could elaborate on what capacity, whether it is drug substance, drug product both or if you could just elaborate on that aspect as well.

**Arjun Juneja:** So, this biologic facility would be divided into two phases. The first phase would be for drug substance and the second phase would be for drug products. And it is basically a risk mitigation strategy for the Ambarnath facility of BSV. And also this facility will help us drive business into some semi-regulated and highly stringent international markets. So, the facility is being built from that point of view.

**Tushar Manudhane:** So, just conceptually on this, given that we have such strong marketing strength and subsequently for the international markets also and sourcing the products and then subsequently further focusing on distribution as far as this biologics aspect is concerned within BSV. So, will that strategy be better for getting a hold on the manufacturing piece is sort of quite relevant. The perspective here is that given that CDMO biologics, there has been a lot of facilities which have come up. So, from that perspective, if you could throw some light.

**Arjun Juneja:** If you look at biologics, most of the people who are there in biologics are into MABS or certain recombinants. There are hardly very few players globally who are making recombinants for infertility. BSV's recombinants are majorly into infertility where we are producing recombinant Hucog, recombinant FSH, we are also the first generic player globally, as Rajeevji mentioned that we are doing some research in our R&D where we will be producing follitropin alfa which will be the only generic after Merck.

So, there are not many CDMO players available who are present in the biologics facility for the infertility space. Having said that, there is another product which is Anti-D which is the first



novel biologic which has come from the R&D of BSV. There is no producer for it. So, all the products which are coming from BSV are all either first time generics or novel products. So, it is very important for us to have our own facility and our own R&D and full supply chain control over the manufacturing of these products.

**Tushar Manudhane:** Got it sir. So, this Anti-D will require a dedicated facility?

**Arjun Juneja:** No, it is currently being produced in Ambernath but once Baroda is ready, it will be produced in Baroda as well.

**Tushar Manudhane:** No, I meant to ask this CAPEX of Rs. 150 to Rs. 200 crore, will this be further product specific?

**Arjun Juneja:** It is including Anti-ID. It is including all the biologic products of BSV.

**Tushar Manudhane:** Got it. This is helpful. Thank you very much.

**Moderator:** Thank you. The next question is from the line of Navani Naredi from Naredi Investments. Please go ahead.

**Navani Naredi:** Thanks for the opportunity. I just had one basic question. The reason behind the 17.4% YOY decline in net profit despite the strong topline growth. I know it might be on account of the increase in finance cost but like will we be able to increase the net profit margin again?

**Ashutosh Dhawan:** So, it is a factor of not only finance cost, it is a factor of increased depreciation cost and then there used to be other income because there was surplus funds. So, that has also become negative because of the debt being taken and as we highlighted that our endeavor is to clear all the debt by FY'28. So, till FY'28 there will be interest burden and then slowly and gradually the PAT is going to increase as we are going to liquidate our debt.

**Navani Naredi:** All right. Thanks for the detailed explanation and all the best. Thank you.

**Ashutosh Dhawan:** But one thing we would like to highlight, if you look at it on a cash EPS basis, so we have shown a slight improvement in cash EPS, in this quarter.

**Navani Naredi:** Yes, that I saw. So, it is good. But I was just concerned about whether going ahead we will be able to maintain, like we will be able to increase the net profit or not? So, that was my question but it has been answered. Thank you so much.

**Moderator:** Thank you. The next question is from the line of Siddharth Neghandhi from Chanakya Wealth Creation. Please go ahead.

**Siddharth Neghandi:**

Two questions. First one, while chronic growth has been very good and really kudos to the team for that. Growth in Gynae has trailed IPM and that is obviously a big one considering both BSV has a massive Gynae portfolio as well as dydro and the other products in Mankind, right? So any specific headwinds that you are seeing there and how should we look at that growth? That's question number one.

Question number two is on the anti-diabetic portfolio, currently growth clearly is very strong ahead of IPM, but post-GLP-1 genericization, how do you see the impact on that base business?

**Sudipta Roy:**

So, Siddharth, answering your first question, yes, your observation is correct that we have slowed down a bit in Gynae, but the major impact has come from Dydrogesterone and dydroboon mostly. But if you see quarter-to-quarter, there is a steady upward movement for even dydroboon. So, we have seen some kind of strategic intervention what we have taken has given us results.

Especially, you know, Mankind has been very strong at the bottom of the pyramid of, you know, our ACP pyramid, where we have lost a bit initially, but then we recovered in last three quarters and there is a positive trend if you see quarter-to-quarter. So, year-on-year basis, definitely even Gynae also being a number one player in this space, we will be doing well and that confidence is coming in Quarter 1 performance impact and Dydroboon also will have a significant growth in quarters to come.

Coming to the next question, I think, Siddharth, though anti-diabetic, as you said, Mankind has been doing quite well and even with our older brands, we are in a very good space. Our matured brands also are doing well, better than the market. And coming to the newer therapies, once these newer therapies comes to the market, you have seen traditionally also that the old molecules doesn't go away. So, there are positions still for Sulfonylurea, there are positions still for other molecules. So we are present in all the segments of anti-diabetes. So, even if suppose something comes up, we will be strong in those segments as well as we will be maintaining our position in the older segments. So, if you consider the market change, considering a new molecule comes into anti-diabetes, we have seen earlier also that the older molecules also sustain. So, in those spaces also, Mankind will outperform those anti-diabetes segments. I hope Siddharth you got the questions answered.

**Siddharth Neghandi:**

Yes, got it. Just wanted actually to understand your guidance in terms of how those older segments may end up facing any headwinds in terms of growth. The next question that I had was on the consumer healthcare business where, while there has been very strong growth, you've seen a sharp decline of 2% in EBITDA margins and I'm assuming that's because of the sales mix where the contraceptives have grown ahead of PregaNews. Just wanted to understand in terms of overall growth continuing at 15%, do we see a path back to 20% margins?

- Rajeev Juneja:** I mean, Siddharth, don't go by one quarter. We always talk about the annual growth. Whatever projections have been given would be achieved. And the 1st Quarter, the first half is always a bit more aggressive as far as the spending is concerned. So, naturally, you see that EBITDA margin has gone down. But we have always said in the past as well that we will maintain the EBITDA margin, but at the same time, topline growth is our number one priority.
- Siddharth Neghandi:** Go ahead sir, go ahead on the growth on anti-diabetic, if you can, base business growth headwinds, if you can give some color?
- Sudipta Roy:** So, as I said, like there are certain categories like Sulfonylurea, if you see, or maybe the other categories of old anti-diabetes, it will not be a flat therapy, because even when empagliflozin or maybe dapagliflozin, when they have also been launched, it has not impacted so much on the existing therapy. So, if you see the overall anti-diabetes space, there are different categories of HCPs, where these molecules are still steady. So, Mankind, as you know, has been strong in most of the specialties. So, in this case also, wherever the therapy goes, suppose it goes top to bottom, then we will be also very steady at the bottom space. So, I don't think there'll be a significant impact in terms of overall business in anti-diabetes.
- Rajeev Juneja:** Let me give you an example of that. We took this Glizid from Panacea, growing at 25%. It's an old molecule. So, every molecule has its own kind of importance in doctor's mind. And different kind of patients require different kind of medicines. When empa came, people said dapa will go away, but you look at this dapa side, the growth is 20%. Plus, because a lot of new patients are coming in diabetic side. So, more patients are being diagnosed, more population is coming, universe is becoming bigger. So, every medicine has a different thing. It does not make a point that some new will come and wipe out the older molecules. It does not happen like this.
- Siddharth Neghandi:** Thank you. That's useful. Thank you and all the best.
- Moderator:** Thank you. Ladies and gentlemen, as there are no further questions, I now hand over the conference to management for closing comments.
- Abhishek Agarwal:** Thank you for all the questions and for any further queries, clarification, you can write to us on [investor.relations@mankindpharma.com](mailto:investor.relations@mankindpharma.com). Thank you. Have a nice day. Stay happy, Stay healthy. Thank you.
- Moderator:** Thank you. On behalf of Mankind Pharma, conclude this conference. Thank you for joining us and now you may disconnect your lines.