Date: July 30, 2025

To,
Sr. General Manager
Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001

BSE Scrip Code: 544319

To,
Sr. General Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G
Bandra Kurla Complex
Bandra (E), Mumbai – 400 051

NSE Symbol: SENORES

Sub.: Compliance under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015– Transcript of the Earnings Conference Call – Q1FY26

Dear Sir/Madam,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and in continuation to our intimations dated July 19, 2025 and July 24, 2025, please find enclosed the transcript of the Earnings Conference Call for the Q1FY26, held on Thursday, July 24, 2025 at 03:30 P.M. (IST).

The aforesaid information is also being hosted on the Company's website at www.senorespharma.com.

You are requested to take the same on record.

Thanking you.

For Senores Pharmaceuticals Limited

Vinay Kumar Mishra
Digitally signed by Vinay Kumar Mishra
Date: 2025.07.30 16:31:12 +05'30'

Vinay Kumar Mishra
Company Secretary and Compliance Officer
ICSI Membership No.: F11464

Senores Pharmaceuticals Limited
1101 to 1103, 11th Floor, South Tower, One42, Opp. Jayantilal Park,
Ambali Bopal Road, Ahmedabad-380054, Gujarat, India

P: +91 79 2999 9857 | E: info@senorespharma.com
W: www.senorespharma.com | CIN No.: L24290GJ2017PLC100263

“Senores Pharmaceuticals Limited

Q1FY26 Earnings Conference Call”

July 24, 2025

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recording uploaded on the stock exchange on 24th July, 2025 will prevail.

MANAGEMENT: **MR. SWAPNIL SHAH – MANAGING DIRECTOR – SENORES PHARMACEUTICALS LIMITED**
MR. SANJAY MAJMUDAR – CHAIRMAN – SENORES PHARMACEUTICALS LIMITED
MR. DEVAL SHAH – CHIEF FINANCIAL OFFICER – SENORES PHARMACEUTICALS LIMITED

MODERATOR: **MR. PRANAV CHAWLA – AMBIT CAPITAL**

Moderator: Ladies and gentlemen, good day and welcome to Senores Pharmaceuticals Limited Q1FY26 Earnings Conference Call hosted by Ambit Capital Pvt Ltd. 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. Please note that this conference may contain forward-looking statements about the company which are based on beliefs, opinions and expectations of the company on the date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

I now hand the conference over to Mr. Pranav Chawla from Ambit Capital. Thank you and over to you, sir.

Pranav Chawla: Good afternoon, everyone. On behalf of Ambit Capital, I, Pranav Chawla, thank the management of Senores Pharma for providing us this opportunity to host the 1QFY26 earnings call. Today on the call, we have the following members from the management, Mr. Swapnil Shah, Managing Director, Mr. Sanjay Majmudar, Chairman, Mr. Deval Shah, CFO. I now hand over the call to Mr. Swapnil Shah to walk us through the quarter. Thank you all. Over to you, sir.

Swapnil Shah: Thank you, Pranav. Good afternoon, everyone. Thank you for joining us on Senores Pharmaceuticals Limited's Q1FY26 earnings conference call. Along with me on the call, we have our Chairman, Mr. Sanjay Majmudar, our CFO, Mr. Deval Shah, and our SGA team, our Investor Relations partner. We have uploaded our results, press release, and investor presentation on the stock exchanges and companies' website. I hope everybody had an opportunity to go through the same.

Continuing on our established strategies, we have delivered a very healthy performance across segments in Q1FY26. Our consolidated revenue for Q1FY26 grew by 72%, our EBITDA and PAT grew by 60% and 95%, respectively, on a Y-o-Y basis.

We remain confident of delivering 50% growth in top line and about 100% growth in PAT for FY26 over FY25. Our current business is undergoing a structural advancement, which will provide better market visibility and support the growth momentum for us over the medium to long term. Speaking about segmental performance, our revenue from regulated markets grew about 69% in Q1 FY26 on Y-o-Y basis, reflecting the strong resilience of our product and the market we serve.

The growth was also aided by the contribution of our CDMO-CMO segment this quarter. On a Q-o-Q basis, revenue has grown by 40%. In addition to our in-house product development, the acquisition of ANDAs from Dr. Reddy’s, Breckenridge and Wockhardt has significantly strengthened our pipeline. These acquired products will be launched in a phased manner over the next few quarters.

Notably, the growth achieved in this quarter does not include any revenue contributions from the acquired portfolio. Revenue from these assets is expected to start contributing from the second half of current financial year, with the full impact becoming visible from FY27 and onwards.

In Q1 2026, we received USFDA approval for 4 products, taking our portfolio of approved products to about 70 as of end of this quarter. We also commercially launched 2 new products, bringing our total commercialized portfolio of 24 ANDA products as of June 30, 2025. For FY26, we plan to launch approximately 15-16 ANDA products, with the majority scheduled for rollout in the second half of this year.

In the regulated markets, a large part of our product portfolio has potential to cater to government contracts and the controlled substance category. Unlike many of our competitors, who largely focus on the retail side of the business, our ability to supply to the government channel sets us apart. This access provides us with stable and consistent demand for our products, supported by long-term contracts with fixed pricing structures.

As a result, we face comparatively lower risk of price erosion and are able to build more predictable and sustainable revenue streams, giving us a clear competitive advantage in the market space.

Speaking on the tariff situation, it is very difficult to predict the course of action that US government will take. Irrespective of what the outcome is, we believe Senores is well positioned to remain largely insulated from any tariff-related developments.

Our entire formulation manufacturing is done locally in the US as we speak. In terms of APIs, we procure very small quantities from China and some quantities from Europe. In case of any escalation of tariffs for this region, the impact on our business would be negligible.

Coming to our CDMO-CMO segment, we are witnessing a steady traction and scaling up our operations on both our CDMO-CMO segment. We have added about 5 new products in CDMO-CMO segment in Q1 FY26. Our portfolio now stands at about 27 products.

We have more than 50 products in pipeline as of June 2025. Again, the experience in our CDMO-CMO segment comes from our ability to manufacture locally, our end-to-end solution to our partners from regulatory to manufacturing and then post-approval regulatory support, develop and manufacture control substance. The DEA and BAA certifications for our manufacturing facility in the US gives us a considerable advantage over competitors.

All in all, the regulated market business, which is our largest vertical, continues to show consistent growth driven by portfolio expansion and increase in market penetration. Our existing portfolio in the pipeline in the own product segment coupled with our contracts in and on CDMO-CMO segment gives us good visibility for the year ahead in the regulated market. Also, the upcoming facility expansion in the US will provide an additional growth driver.

We expect the third manufacturing line in the US to be operational by Q3FY26 and the fourth line towards the end of financial year 2026. This expansion will take the overall capacity at our

US manufacturing plant from 1.2 billion units to almost 2 billion units. After the completion of four lines, we will set up our sterile manufacturing in the US.

Coming to the emerging market business, we have received about 23 new product approvals during this quarter, taking our total product approval to 308 as of 30th June 2025. We have further 719 products under registration. We anticipate that the ongoing shift in our product portfolio towards more niche molecules combined with our evolving go-to-market strategies will result in a significant improvement in realisation.

This, in turn, is expected to drive strong growth and enhance the overall profitability of our emerging market business. We have seen the result of this initiative in Q1. Our realisation has increased from INR 1.2 to 1.3 per unit last year to almost INR 1.8 per unit today. With a revenue growth of almost 32% on a Y-o-Y basis. The emerging market business is showing promising signs both in terms of growth as well as profitability. We will continue to focus on a niche segment of the product along with expanding presence in mid-tier markets.

We are also continuously working on streamlining our direct models in emerging markets. That said, we do not anticipate any significant changes to our consolidated revenue mix on a steady state annualised basis. Regulated markets are expected to continue contributing around 60%-70% of total revenue, with emerging markets continuing to account for about 30%.

Margins may vary slightly from quarter-on-quarter basis depending upon the relative contribution of regulated and emerging markets business. However, with the expected improvement in profitability from emerging markets, we foresee our EBITDA in emerging markets business stabilising at around 15% to 17% range on a sustainable annualised basis. Looking ahead, our backward integration strategy will play a critical role in strengthening our supply chain and driving sustainable growth across both our business segments.

Operations at our recently commissioned API facility in Chhatral are progressing as planned with a capacity of approximately 100 metric tons to 150 metric tons per year. This facility is significantly larger than our first API unit in Naroda that we have. We are currently in the process of filing DMF for FDA approval for the new API facility.

Once approved, it will be a key milestone and further bolster our regulated market business. In the initial phase of operations, we intend to focus on manufacturing APIs where the cost advantage of in-house production over external sourcing is substantial. This strategic approach will not only enhance our margin but also improve supply chain reliability and long-term competitiveness in the business.

On India branded generics business - the injectable segment has gained significant momentum. In recent months, our monthly revenue run rate has nearly doubled, reaching to almost INR 2.5 crores. We have been increasing our field force in the branded generics segment and expect to be present Pan-India by the end of FY26.

The branded generics business is expected to surpass revenue of INR 50 crores in FY26. Also, we are happy to report that we have achieved positive operating cash flow in Q1FY26. Our cash flow trajectory has shown consistent improvement and we are confident in our ability to sustain

and build on this momentum going forward.

Our performance from the previous quarter to this quarter clearly shows a positive trend and we expect to continue improving it as we progress deeper into FY26. In view of our product launch timeline, the second half of the year will be bigger than the first half year in terms of all business metrics. We have been delivering our commitment in terms of income and profitability, reinforcing the strength of our strategy and execution.

Our focus remains firmly on establishing business models across both regulated as well as semi-regulatedand emerging markets. We believe there is a long and promising growth runway ahead for Senores. We are all positioned to capitalize on these opportunities. Backed by deep industry expertise and years of experience, we are confident in our ability to drive sustained profitable growth going forward.

With that, I would now like to hand over the call to Mr. Deval Shah, our CFO, to take you through the financial highlights for this quarter. Thank you and over to you, Deval bhai.

Deval Shah: Thank you, Swapnil. A warm welcome to everyone on our Q1FY26 Earnings Call. I will just take you through our financial and operational performance for the quarter. Our consolidated income for the quarter stood at INR 138 crores, reflecting a strong growth of 72% on a Y-o-Y basis. This was driven largely by the regulated market business, where there was little contribution from the CDMO and CMO segments in the same quarter last year. On Q-o-Q basis, also, consolidated revenue has grown by 15%.

EBITDA for Q1FY26 stood at INR 34 crores, reflecting a growth of 60% on a Y-o-Y basis. EBITDA margin came in at 24.8%, dropping by around 170 bps on a Y-o-Y basis. However, on a sequential basis, our margin has improved by around 360 bps.

We request everyone to look at our business on an annualized basis, since there can be fluctuations in the quarterly trend on account of product mix that gets averaged out on an annualized basis. On an annualized basis we will see the company in a stable EBITDA margin of 25% to 26%. In Q1FY26, there is some impact on EBITDA on a Y-o-Y basis, due to an increase in the employee costs and other expenses of the API unit, which will give in the revenue in the current second half.

Profit after tax for the quarter grew by 95% Y-o-Y and came to INR 21 crores. During the quarter, we had a positive operating cash flow of around INR 11 crores. Coming to our segment-wise performance, revenue from regulated markets stood at INR 90 crores, growing by over 69% Y-o-Y and 40% Q-o-Q.

EBITDA margin in the regulated markets stood at 35.5%. Revenue from emerging markets grew by 32% Y-o-Y and stood at INR 29 crores. EBITDA margin in the emerging markets stood at a stagnant 6%. However, the domestic branded generic business revenue grew to INR 8 crores, growing by more than 4x on a Y-o-Y basis.

To summarize, we have witnessed a healthy performance across segments in the quarter and we are well-positioned to sustain this momentum over the full year. We are confident of delivering

sustained profitable growth going forward.

With this, I would now like to open the floor for questions.

Moderator: The first question is from the line of Kiran D. from Table Tree Cap. Please go ahead.

Kiran D.: Thank you for the opportunity to ask questions. Fantastic results. Many, many congratulations. I had a more strategic question than the details of the numbers per se. Sir, in your presentation, you did call about controlled substances. Sir, if you could just give a bird's-eye view of how this controlled substances business actually works in the US.

Is it tender-based? Is it retail? Is it government-driven? And given that this is only a DEA-approved facility, I'm assuming it's scheduled to drugs only from a controlled substance perspective. What are the typical margins? Again, I'm not looking for exact numbers. I'm looking sometimes in the range, right? So 20% to 25% or 35% to 40%.

That's the range that I'm looking at. If you could just explain the mechanics of the controlled substances business in terms of revenue profile, margin profile, and how this business actually works, it would be really helpful for us to understand as investors?

Swapnil Shah: Yes, thank you. So I would just give you a overall perspective. You know, probably would be difficult to give you as a segment revenue and then profitability on that particular segment. So largely, controlled substance is quota-driven? So, DEA, that's a department that US government runs, hands out the quota to each approved player for that particular product. And usually, it is distributed equally among all the approved players that's out there. So, it's a quota-driven.

From infrastructure standpoint, we need to have a cage and vault and all the systems that is required on our DEA side. We get audited very regularly from DEA since we are handling those sensitive substances for our manufacturing. So that's the overall perspective on the controlled substance as we speak.

Sanjay Majmudar: And just to add, most of our customers, so we don't do direct tendering. But it is either as a part of the CMO, CDMO, or our third-party marketing partners who are handling this with the customers.

Kiran D: . Got it. And sir, again, I'm not looking for, like, if you can just give a broad margin profile, sir, is it like 25 to 30, 35 to 40? Again, I'm not looking for exact numbers. I'm just looking for a broader range.

Sanjay Majmudar: See, as a matter of clarity and strategy, we generally would want to talk only of a consolidated regulated market margin where we have this year reported about 35-36%. So, you know, it's a mix of various products and multiple business segments. Let's take it as US as a whole. That would be better.

Kiran D: Got it. I mean, will it be in line with US? I mean, I'm just worried that margin diluted, sir. That's why I'm asking this question.

Swapnil Shah: So margin dilution because of control substance, we don't see any possibility. In fact, not many

companies have that kind of capability to handle control substances. Plus, we also do R&D, right? So, at the CDMO component of D, which is development, we do extensive development of control substance in the US because we have a full operational R&D lab set up at our facility in US.

So, you know, that gives us an edge and that's how we are able to do a lot of those transactions, both on a CMO, CDMO, as well as our own product portfolio on the control substance side.

Kiran D: Got it. So, then my second question is, sir, on Atlanta, we have had 1 billion unit capacity. We are doubling up to 2 billion units. In terms of revenue potential from the US, again, I'm not asking for exact numbers. I'm looking more for a broader split. If you look two years ahead, right, our US revenue or the regulated US revenue, what portion would be coming from this Atlanta plant, sir? Again, I'm just trying to look at the split between India and US, from a US revenue perspective.

Swapnil Shah: So, this year from our US regulated side, we expect to do about INR 400 odd crores. And on a steady state going forward basis, you can assume between 20% to 30% CAGR growth, you know. That's what we anticipate and that's what we feel we'll be able to achieve. I think at this point of time, I think that that should be good enough for us to take that forward.

Sanjay Majmudar: And just to add and answer your question, currently, entire revenue of US is coming from US side.

Kiran D: Okay. got it. Sorry, I missed that nuance. Okay, from here on, again, we'll try for Ahmedabad as well but currently, everything is coming from the US side itself. Got it.

Sanjay Majmudar: Yes, yes, absolutely. Correct. Yes. Anyway, controlled substances and government has to be from US. Currently, most of the retail is also from US. So, you can take it like that.

Kiran D: Perfect. Perfect. Very helpful. Thank you so much, sir. All the best.

Moderator: The next question is from the line of Rudraksh Raheja from Ithought Financial Consulting. Please go ahead.

Rudraksh Raheja: Yes, thanks for the opportunity, sir. Congratulations on a good set of numbers. So, my first question is, could you give us the split between CDMO and this formulations business in the regulated markets?

Sanjay Majmudar: All businesses are formulation, actually. So CDMO, CMO, and own products. That is what you are asking?

Rudraksh Raheja: Yes, that is what I'm asking.

Sanjay Majmudar: So, in the current quarter, I would say that CDMO, CMO was about INR 28 crores, and rest all was own products. But again, this is not a trend. It all depends on which particular quarter, what is the demand position. But overall, annually, whatever I achieve, you can say that generally, the split will be almost equal.

Rudraksh Raheja: Okay, so going forward, we should assume it should be 50-50?

Sanjay Majmudar: Again, it's very difficult. It will depend upon the order inflow and the kind of business that we are looking at. But you may consider this to be broadly in sync with our overall strategy of keeping it almost equal.

Rudraksh Raheja: Understood, sir. And in the regulated markets business, could you give me how much do we get it from the government sector? I think you touched upon that in your initial remarks also.

Swapnil Shah: So currently, almost 60%-70% business is between government and control substance of overall pie of the business that we have from the US. And the remaining about 30-odd percent is between a specialty and retail side of the business. So, a large part of our existing business goes into government and control substance.

Deval Shah: Just to add, I think we are not dealing directly with the government again. It is just through our partners that they supply to the government. We don't supply directly to the government.

Rudraksh Raheja: Understood, sir. And so going forward, do we see this split changing in any way?

Deval Shah: No, I think it should be the same.

Swapnil Shah: It should be the same going forward as well because that's been a part of our strategy, right? That's where we leverage upon our local manufacturing in the US. So that's where the whole CDMO place comes in for us, right? So, we don't expect that split to change going forward as we speak.

Rudraksh Raheja: And sir, within this government and control substance business, I think you mentioned something like they have more stable contracts and stable margins while the retail side would be more volatile comparatively. Is my understanding correct regarding this?

Swapnil Shah: Yes, that's correct. So usually, national contracts for government are awarded for five years with a one year, one to two year of extension on the national contract. The price is stable. The volumes are stable. So, your predicting of cash flow becomes very, very consistent on those government national contracts that you bid for and you win and you supply, right? So, it's different from how the retail market functions where there will be more volatility and fluctuation in terms of how the businesses are done.

Sanjay Majmudar: But in terms of the percentage profitability, own product margins would be higher because there are three distinct revenue streams that we have talked about. That is the licensing fee, COGS, and then the profit share. So as a percentage, yes, I think your own product portfolio would have higher margins. This is just for your reference. That's all.

Rudraksh Raheja: Understood, sir. I'll come back in queue for more questions. Thank you.

Moderator: Thank you. The next question is from the line of Pranav Gandhi from Lotus Wealth. Please go ahead.

Pranav Gandhi: Hi, congratulations on the great numbers. I had a couple of questions. The first one is that in the

PPT, it's mentioned that we've commercialized 24 products in the U.S., but we've only launched one in Q1. So what's preventing us from faster product rollouts?

Sanjay Majmudar: So Pranav, I think your question is why we have only launched two and not more in the quarters?

Pranav Gandhi: Yes.

Sanjay Majmudar: No, it's a function of an ongoing process.

Swapnil Shah: No, so all are launched. Two were additionally launched. So remaining all are already launched. It's not that we can only launch 2 out of 24. So all the products that we have approval for, we have launched. And then the number I think you're probably seeing is 70. There are all 70 approved ANDA products.

A lot of them are acquisition products. So we'll be in the process of launching them in coming quarters. So probably some will be launched next quarter and then going forward every quarter with a few launches from that acquisition portfolio that we have.

Sanjay Majmudar: It's a process of once we have the ANDA, we approach our marketing partner and then the whole process is just a cycle. Then there are a lot of trials and it's a process. It doesn't happen automatically. But I think predictably you will see more launches every quarter going forward.

Pranav Gandhi: Wonderful. And just another question. We've got 719 products under registration in emerging markets. So how do you prioritize regulatory filings and manage the associated costs and timelines like what are the timeline structures in the emerging market segment that we have?

Swapnil Shah: Correct. So on emerging markets, each market regulatory functions very differently because each market has a different dossier requirements. Each market has a different sample requirement and the review cycles also differ from market to market. Probably in our presentation, you would have also seen what is the breakup of those 719 products region wise.

As you can see, each region demonstrated a different opportunity put together. So, very difficult to pinpoint that what five products would work and what 10 products would work, but largely speaking we would have an approval between 12 to 18 months for those 719 products that are of the MOH. So, say, by 18 months from today, we would add about 719 products will get registered and ready to be launched in hindsight, if I have to summarize that number.

Pranav Gandhi: So, don't we have certain products which are under the latter stages of these developments?

Sanjay Majmudar: Can you be a little more clearer, please?

Pranav Gandhi: I'm saying, don't we have certain products, like certain number of products, which are already in the latter stages of this process?

Swapnil Shah: No, they are, right. So, as I said in 18 months, I expect all 719 products to be approved and launched. Now that could be 20% of the 719 products could launch in next three to six months. A 20% of 719 products could be launched in six to nine months. So, they are all at a different stage of evaluation. They're all at different stage of approval.

So, as I'm saying, in a period of 18 months, we expect all 719 products to be approved. And by that time, we would have another 500 plus products under registration. So, that keeps on going in terms of emerging market registration in different markets.

Pranav Gandhi: Perfect. Thanks a lot.

Moderator: Thank you. The next question is from the line of Rajesh Kothari from Alpha Accurate Advisors. Please go ahead.

Rajesh Kothari: Good afternoon, sir. Great results, so that's a good thing. And in terms of the CDMO revenue in regulated markets, how do you see that over next two years, particularly in FY26 and FY27? And number two, what is your current order book and typically, what is the execution time frame for this order book?

Swapnil Shah: So, two questions. So, one is, currently, this year we've said we'll do about INR 400 odd crores from the U.S. side of the business. And typically, as we discussed 50% would come from CDMO-CMO. That's about INR 200 odd crores that will come from CDMO-CMO segment. That's our this year projection.

Going forward, as I said, about 20%, 30% CAGR growth is what we expect out of our U.S. side of the business. So, typically, if we keep the same split on the business, that will give us that kind of visibility on the CDMO-CMO side of the business.

As far as order book is concerned, again, as I said, we have order book spilling over to next 12 months to 15 months, 18 months. But coming to those numbers of INR 200 odd crores for this year should be able to achieve for current year, as I understand.

Rajesh Kothari: So, what is your current order book? Sorry, I didn't get the right answer?

Sanjay Majmudar: About US Dollar 23 million for CDMO-CMO.

Rajesh Kothari: So, Sanjay bhai, this USD23 million is as on today, am I right, our post is the first quarter?

Sanjay Majmudar: Yes as on today, as on the beginning of the current quarter.

Rajesh Kothari: Understood. And when you look at, say, INR 200 crores kind of revenues in FY26 from this business, in FY27 do you expect another 30%, 40% kind of a growth based on the pipelines?

Swapnil Shah: As we said, I think we would be able to guide 20%, 30% CAGR going forward. I think very accurate projections we'll be able to give by end of this year, early next year. I'm saying calendar year. That would be the right time for us to kind of give very accurate growth projections for the next year.

Sanjay Majmudar: But we are also adding capacities in anticipation.Tthe third round and the fourth round. So we see a very decent pipeline. There are a few other developments also on which we are working. So it's a function of multiple factors, but yes 100% strong growth going forward over 25%, 30% as Swapnil said.

Swapnil Shah: And even we have an extremely busy year this year in terms of launches. So as you know, a product gets launched today, it takes 6 to 9 months to even achieve that kind of big sales number, because you sign contracts, contracts get materialized and the supplies start. So even though launches that will happen in second half of this year will have its peak next year.

So you will see, I think probably, I know you want us to give us guidance for the next year, which I think right now we'll stick to about 20%-30% CAGR going forward. But we'll have an accurate number by end of this year.

Rajesh Kothari: Just to clarify on this, because in the opening remark, you said that your guidance for FY '26 is a revenue growth of 50% and 100% net profit growth. Am I right?

Sanjay Majmudar: This year. That's right. That's right.

Rajesh Kothari: Correct? And at the same time, you also said that your CDMO kind of a growth, current year, you are looking at about revenue of you said order book is $23 million and this gets executed over, what is this, about 15 months, 12 to 18 months?

Sanjay Majmudar: No, no, so I think the system of order book is something that you need to understand. So what we do is we get long term contracts and then rolling orders. Okay. Now, what happens, the firm order book we talk about is the firm rolling orders that we have already got from the partners. There are quite a few discussions, which are also on table. So now it is not something like an EPC contractor, I will say that this 2-3 products in this year going to be executed.

Part of it would be rolled over. Part of it would be substituted by fresh orders. But what we are trying to say that we have decent visibility to guide this year INR 200 crores without any difficulty.

Rajesh Kothari: Okay. It means even the non-US business, you are looking at good growth

Sanjay Majmudar: That is the emerging market part. Yes. So there are three things. One, my API is coming into production, full production this year. And through a backward integration activity, some business will go out. Second, the emerging market portfolio is going to be much stronger than what we have done last year.

So we expect a very good growth on the emerging market, more importantly, moving into the positive margin territory on the emerging market side. And then the branded generic, as Swapnil explained, about INR 40 crores-INR 45 crores, we're expecting bulk of it injectables, hospital supplies, and that too is growing quite rapidly.

So, taking all together we have guided that we should do definitely about INR 600 crores top line this year. INR 600 crores to INR650 crores as the range that we have talked about. And a very strong growth in profitability as well.

Rajesh Kothari: Good, sir. Great, sir.

Sanjay Majmudar: We are on shifting trend. There is nothing firm, but overall on this basis that confidence is coming to us that. There will be some compensation here and there. Some vertical taking care

of a little higher growth, something not exactly happening the way we want because we are dependent on so many partners. But this is what we are confident to deliver this year.

Rajesh Kothari: Great, sir. Wishing you all the best. Thank you.

Moderator: Thank you. The next question is from the line of Yash Shah from Aditya Birla Sun Life Insurance. Please go ahead.

Yash Shah: Hello. Hi, sir. Congratulations on a great set of numbers. So, I just had one question. I am not sure if you answered that. I joined the call a little bit late, because of the delay, we were not able to record around INR 15 crores of revenue in the previous quarter. Has that come in this quarter? This is the only question which I had.

Swapnil Shah: Yes. Hi, Yash. Thank you. Yes, that revenue partly has come in this quarter and that's also reflective of our quarterly results. And part of it is probably going to be in next quarter as well.

Yash Shah: Okay. Okay. Sir, one more question which I had was on the CDMO side, you just mentioned that currently we are sitting on an order book of around 23 million. So, from, like, how is the order book looking like on the CDMO side? Like, is there any broad number which you can give till the end of the year? What is the amount of order book that we expect to sit on?

Swapnil Shah: Yes, I think, Yash, the good number to talk about right now is what we have said. As Sanjay bhai just pointed out, there are multiple discussions happening on CDMO side with multiple partners. And then, as you know, there are a lot of development contracts, right? So, development takes about 12 to 15 months before the product gets filed and so on and so forth.

Some of the CDMO work that we've done, our tech transfer, we have qualified a new API source that also goes into PS, which takes about 8 to 10 months for us to get approval, at least 12 months in some cases. So, those are the things are all there. What kind of revenue projection from a timeframe standpoint we can give, I think it will be a little tough because there are regulatory approvals that are also needed.

So, as we move forward, I think we'll be able to give better upward guidance on the CDMO side of the business. But today, as we speak, I think the numbers that we've given is quite comfortable, and we are quite confident of meeting those numbers for the current year.

Yash Shah: Perfect, sir. Perfect. Thank you. That's all from my side. All the best, sir.

Swapnil Shah: Thank you.

Moderator: Thank you. The next question is from the line of Thomas Abraham from Mirae Asset. Please go ahead.

Thomas Abraham: Hi. Congratulations on a good set of numbers. Most of the questions have already been answered. If it's possible to give a further few more details regarding it, one would be in the regulated market and the emerging markets, what is the geographical breakup? So, if I'm looking at country-wise, what would that be like? And where are we expecting in these areas? Where are we expecting the highest growth or higher growth numbers?

Secondly, in terms of capex, are we looking at, you mentioned a good order book as well. So, in terms of the order book, are we looking at additional capex to be able to deliver for this order book? And to what extent would it be in terms of the manufacturing side of it and any other aspect as well where the capex would go into?

Swapnil Shah: Yes. Thank you, Thomas. So, on the regulated side of the business, currently, most of the revenue comes from the US. So, whatever the growth guidance that we've given is US-focused, that's number one. On emerging market, our top markets have been part of Africa, which is Ghana, Tanzania. On Middle East, we have Yemen, Kuwait. On CIS, we have Azerbaijan, Georgia, Uzbekistan. On Far East side, we have Myanmar, Cambodia, Philippines. So, these are our top markets.

Latin America also, we've added Bolivia, Guatemala, Ecuador. So, these are our top markets on the emerging market. Now, breaking out marketwise, revenue will be misleading because each quarter will represent a different mix. So, these are the top markets I would probably want to stick to that.

On the capex side, as we already discussed, we have two manufacturing lines that are already operational in the US. The second line has been operational for almost last 6 months now. Third line is almost about to be completed, which will get operationalized in Q3 of this year. And the fourth line, which we are planning to install, will be end of this year. So, those are the four lines on the oral solid that we are planning at the US facility.

Swapnil Shah: And tentative capex is going to about 2.5 million in the US. And we are also strategically looking at our manufacturing setup in India, which would also help us cater to the markets that we are not currently catering it to. So, markets today that we do, we don't have any businesses, Brazil, Mexico, European Union, very small business in UK, but EU, a couple of countries, but not largely we cater to.

South Africa, very small business catering it from the US side, but we can still do a lot more business with our existing product pipeline that we have. Australia, New Zealand, a couple of those markets, even Saudi Arabia for that matter.

Now, beauty is in this market, any US-approved ANDA, we get expedited review and products get commercialized fairly quickly. So, once we have the setup and US-approved products that we have, we'll be able to access this market in a much faster way compared to a completely new development that one undertakes. So, those are the things also we are looking at.

Overall capex, I think we'll do in tune of INR 100 crores, INR 150 crores this year. We've said 250, but I think looking at where we are, I think INR 100 crores, INR150 crores would be the right number of overall capex between US as well as India is what we anticipate for the year.

Sanjay Majumdar: Part of it will spill to the next year. So, this year actual about 150 and then spillover of 50 plus next year.

Yash Shah: Okay. Thank you. Thanks a lot.

Moderator: Thank you. The next question is from the line of Naitik Mohata from Sequent Investments. Please go ahead.

Naitik Mohata: Good afternoon, sir. Congratulations on a great set of numbers. So, my first question is regarding our API facility. So, the API facility which we have recently commissioned, so I think we were planning that we would get a US FDA for the facility somewhere around quarter 2 to this year. So, is it on track? Has the officials come for inspection? And what is the progress and timeline?

Swapnil Shah: Yes. So, I think I would love to get it inspected this year. But I think what we said is Q2 next year is when we expect FDA to come and inspect. Why we are confident of them coming next year because the product that we are filing DMF for, we already have an existing commercial product in the US. So, only on that product, we are qualifying as a second source. So, the approval timeline is very definite for us. And the inspection timeline is also very definite for us to get triggered on the API side for the US business.

Naitik Mohata: Okay. So, this will be sometime in Q2, but timing is Q2FY27[inaudible 0:43:53]

Swapnil Shah: That's correct. Yes. Yes.

Naitik Mohata: Yes, my second question would be like, what are the top five products for us in the CDMO? And what is the percentage of like, what is the top five percentage as total CDMO sales?

Swapnil Shah: So, due to our obligation with, we know we've got NDAs in place with our customer and partners. So, we are not able to disclose the product names. But top five product will contribute about again, 60% to 70% of all the entire CDMO business that we have.

Naitik Mohata: Okay. So, sir, do we believe as the CDMO business ramps up in FY '26 and '27, this percentage of top five products to drastically change?

Swapnil Shah: I don't think so. I don't foresee that to change drastically.

Moderator: Sorry to interrupt. Mr. Naitik, may we request that you return to the question queue for a follow-up as there are several participants waiting for the turn.

Moderator: The next question is from the line of Darshil Jhaveri from Crown Capital. Please go ahead.

Darshil Jhaveri: Yes. So, I think a lot of my questions are already been answered. So, just wanted to know, like, current year emerging market business, we hope to become profitable. So, is it breaking even right now? Or maybe we're expecting in H2 to for it to breaking even? Or how is it right now poised, sir?

Sanjay Majmudar: We have done about 6% EBITDA in the emerging market. We believe we should reach closer to double-digit, hopefully. At least around 10% is what we are believing. See, what happens as the new registrations kick in, you commercialize them, it takes time to reach a reasonable level of volumes. So, I think 100% next year, we should be in mid-teens in the emerging market in terms of EBITDA. This year, hopefully double-digit. That's what the target is.

Darshil Jhaveri: Okay. And on like what basis, like on PAT basis, it's going to become like profitable at 10% for mid-teens, what level would it be like profitable at, sir?

Deval Shah: Yes, on PAT basis, we should be, I think, marginally positive this year.

Darshil Jhaveri: Okay. That's great to hear, sir. So, like next year also our margins can improve even further from what they are currently

Sanjay Majumdar: Definitely. Definitely. Yes.

Darshil Jhaveri: Okay. And sir, I also wanted to know like, we have like the backward integration also going and we also have, we also raised funds for inorganic opportunities. So, how is that going on, sir? Have we got a target that we want to acquire or what's the timeline for that process, sir?

Swapnil Shah: So, inorganic growth was largely on product side of the business. We have already done close to 20 plus ANDA acquisitions so far and we'll be continuing to look for more as long as it fits in our strategy. So, that's been our focus and that's what we've been executing as well.

Darshil Jhaveri: Okay. Okay. Perfect. Perfect, sir. And just like last one bookkeeping question from my end, sir. Our tax rate, what do we visualize that as because I think year-on-year there's some fluctuation because I understand there's some element from US, some from India. So, what do we can take as a rough tax rate, sir?

Deval Shah: Tax rate should be around 20% on an average.

Darshil Jhaveri: Oh, okay.

Moderator: The next question is from the line of Vivek Gautam from GS Investments.

Vivek Gautam: First of all, congratulations on good numbers. Second, the question was about the negative cash flows. So, is this negative cash flow a story of the past with the company coming into positive cash flow in this first quarter?

Swapnil Shah: No. So, this quarter, we've had INR 11 crores of operating positive cash. And sorry, I missed your second question. What was it?

Vivek Gautam: Okay. And then what were the factors contributing to it, sir? Earlier, the company was in negative cash flow and what were the factors behind our company turning into positive cash flow, sir?

Sanjay Majmudar: Negative cash flow is a function of continuous growth and reinvestment. I think it's a bit early for us to tell you that what percentage of the cash would be as a surplus positive cash. Let's wait for a couple of quarters. We have a lot of growth still coming, but we are very confident of continuous positive cash flow from the operations.

Vivek Gautam: Okay, sir. And second thing was about the business in the emerging countries. There was a lot of complaints on that cough syrups and poisoning and leading to death and a lot of inquiry by the government of India and World Bank who are funding it. So, basically, how is our company

taking care of it and we are totally away from that, sir?

Swapnil Shah: We are totally away. We don't do any cough syrups. Zero. Whatever registration that we've had, we've discontinued those.

Vivek Gautam: And our other product range is totally safe in that manner, sir.

Swapnil Shah: Yes.

Moderator: The next question is from the line of Umesh Matkar from Sushil Financial Services.

Umesh Matkar: Sir, first of all, I would like to know how are you going to fund the expansion plans that you have in U.S. and other regions. And second thing, what are the risk factors that you see for achieving your revenue top line of around INR 600 crores to INR 650 crores?

Swapnil Shah: Yes. So, capex is going to be serviced from internal approvals, part of debt and part of our IPO proceeds. So, all three combined, depending upon what and how we require the funds. And the risk factors of achieving 50%, I mean, there could be some regulatory risk, there could be some foreseeable risk that we already know, right? We don't foresee any, or maybe some outrageous discussion on the tariffs, right, which we don't anticipate, but you never know, right? So, those are the industry standard risk factors that you will see which leads by any pharma company. I don't foresee anything over and above what the industry risk factors are.

Deval Shah: No specific risk.

Swapnil Shah: No specific risk.

Umesh Matkar: Okay. Any price erosion risk that you might see in U.S., especially in a non-CDMO or controlled substance business?

Swapnil Shah: Correct. So, our dependency on each product revenue is about 2% to 2.5% of total revenue that we have. So, there could be price erosion, as you rightly said. Our exposure to retail is limited. But even if there's a price erosion that comes in on that particular product, my exposure is only 2% to 2.5% each one. So, even if that comes in, on a consol basis, I'm kind of protected. Plus, there's an existing product portfolio expansion that happens, right?

The new product approval that comes in, new product launches that will happen, whatever that small little erosion that could come in, that will fill that gap and give us that continuous growth that we've anticipated. So, anything that we have projected for this year, I think those factors are already being taken care of as we speak. So, we don't foresee a major or even something that could hurt us in terms of our guidance that we've given.

Umesh Matkar: Right, sir. And last question, can I have a breakup of therapeutic areas that we cater on a total basis, if I've missed it earlier?

Swapnil Shah: We generally don't give out therapeutic area-wise breakup. But is there anything specific to any product that you would have? Probably, we'll be able to answer it. But generally, the way we track our business is the U.S. business, which is compromising between two verticals, our own

product vertical and a CDMO/CMO.

But the therapeutic areas that we work is across the board. We have pain management, we have infertility, we have cardiovascular, CNS, antidepressants, endocrine, SSRI, calcium blockers, muscle relaxant, respiratory. So, these are all different therapeutic areas that we work across.

Moderator: The next question is from the line of Shreya Chatterjee from Ageless Capital Finance.

Shreya Chatterjee: Congratulations on a fantastic set of results. Sir, my first question is a bit more on the strategic side. Like, you mentioned about Senores capability in complex generic therapies, CGT and the control substances. So, I specifically wanted to understand what R&D capabilities does Senores have? And if you could also give some color on to the quality audit certifications that are required for your manufacturing centers?

Swapnil Shah: Yes. Thank you, Shreya. So, on the R&D infrastructure, we have currently two R&D centers. One center is in India and the second center is in the U.S. So, almost all products for emerging markets and products that are non-controlled are developed in India and then they are tech transferred to U.S. sites, whether it is CMO, CDMO or our own site of the product.

Anything that is on the control substance side, our 100% development happens in the United States. We have about 12 people in R&D in the U.S., as we speak. So, that 100% development is done there.

As far as quality audits are concerned, of course, U.S. plant is FDA approved. And our Indian formulation plant that we have, we have WHO GMP approved and we have multiple MOH approvals from different countries, like starting from Kuwait, Yemen, Philippines. We have Peru, Digemid approved. We have got few of Azerbaijan and couple of other markets that we have; Tanzania, Kenya, those approvals we have on the emerging market side.

Shreya Chatterjee: Sir, I wanted to understand more on the R&D side, like is there any specific capability that Senores have, which is helping it to win in this competitive space? If you could maybe point to some technology.

Swapnil Shah: Our R&D is headed by a very proficient gentleman who has got experience on handling a lot of Oral Solids, complex Oral Solids across, right from a basic IR to ER, XR, Sublingual, ODT, Chewables, Tablets, Pellets and Capsules, multiple coating technologies. So, a lot of those aspects of the business on the R&D, which is typically driving the oral solid, we are able to do everything, right?

So, that speaks for our R&D development or R&D capability that we have with our people and infrastructure that we currently have. On injectable side, which we cater to on emerging market, we also do Vials, Ampoules, PFS, Decanoate Injection, multiple dose, different type of capability, manufacturing capabilities that we have on the injection side as well. So, put together, I think I would say very good R&D capability on the markets that we cater to and the kind of product range that we have today.

Sanjay Majumdar: Just to add, I think 6, 7 strong team in the US. 12, sorry. 12 strong team in the US and 50 plus

in India.

Shreya Chatterjee: I will just finish it. So, novel formulation is something you are looking into for the control substance, is my understanding correct?

Swapnil Shah: Yes. So, we are looking at ODTs, Sublingual, chewables which are those novel formulation on existing products through our ANDA and 505 B2 route for the U.S. That is the complex area that we work upon. That is our continuous development that happens at our site.

Shreya Chatterjee: Thank you so much.

Swapnil Shah: Thank you.

Moderator: Thank you. We will take the last question from the line of Mitesh Mehta from Long Term Investment Group. Please go ahead.

Mitesh Mehta: Yes, congratulations for good set of numbers. My first question is regarding revenue share, proposed revenue share in three years, like we are moving on to emerging markets as well. So, what would be, say, revenue split among emerging and North American markets, say, two or three years down the line?

Sanjay Majmudar: Difficult to predict, but I think we'll still maintain around 60:40 ratio. This is what our belief is. But I think we'll see. But at least for this year and next year, minimum 60% from regulated and around 40% emerging.

Mitesh Mehta: Okay. And the second and last question is regarding any plans for foraying into domestic branded markets, say, a few years down the line?

Swapnil Shah: Sir, we are already present in domestic branded generics market. We have about 80, 85 people, field staff, and we are currently present in about 22 states. We are also approved in almost top-notch hospitals of India. Right from Apollo, we are approved in. Sahyadri, we are approved in. AIMS, a lot of AIMS locations, we are approved in. PGI Chandigarh, also we are approved in. HLL also we are approved in. So, a lot of good-reputed hospitals across India, our products are currently being distributed and administered.

Sanjay Majmudar: So, a disease hospital segment predominantly.

Mitesh Mehta: And what would be the revenue share of local generics or branded generics local market?

Swapnil Shah: Targeted to do about INR 50 crores this year from our branded generics vertical.

Mitesh Mehta: Okay. Thank you. That's it for my side. All the best.

Swapnil Shah: Thank you very much.

Moderator: Thank you. Ladies and gentlemen, due to time constraints, that was the last question for the day. I would now like to hand the conference over to the management for closing comments. Over to you, sir.

Swapnil Shah: Thank you. I would like to once again thank everyone for joining our earnings call. We will keep updating the investor community on a regular basis of the developments at Senores. I hope we have been able to address all your queries. For any further information, please reach out to us. We will be more than happy to address those. Thank you once again.

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