Senores
Committed to Global Wellness!

Date: November 13, 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 – Q2 & H1FY26

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 October 29, 2025 and November 06, 2025, please find enclosed the transcript of the Earnings Conference Call for the Q2 & H1FY26, held on Thursday, November 06, 2025 at 05:00 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: 2025.11.13 11:02:57 +05'30'

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Senores Pharmaceuticals Limited

Q2 & H1FY'26 Earnings Conference Call"

November 06, 2025

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recording uploaded on the stock exchange on 6th November 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
MR. CHETAN SHAH – CHIEF OPERATING OFFICER – SENORES PHARMACEUTICALS LIMITED

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

Moderator: Ladies and gentlemen, good day and welcome to the Senores Pharmaceuticals Limited Q2 and H1FY'26 Earnings Conference Call hosted by Ambit Capital Private Limited. These statements are not guaranteed of future performance and involve risks and uncertainties that are difficult to predict.

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

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

Pranav Chawla: Thank you. Good evening. On behalf of Ambit Capital, I would like to thank the management of Senores Pharmaceuticals Limited for providing us with the opportunity to host this earnings call. We have the following members of the management with us today: Mr. Swapnil Shah, Managing Director, Mr. Sanjay Majmudar, Chairman, and Mr. Deval Shah, CFO.

I now hand over the call to the management for opening remarks. Thank you all. Over to you, sir.

Swapnil Shah: Thank you, Pranav. Good evening, everyone. Thank you for joining us on Senores Pharmaceuticals Limited's Q2 and H1 FY26 earnings conference. Along with me on the call, we have our Chairman, Mr. Sanjay Majmudar, our CFO, Mr. Deval Shah, our COO, Mr. Chetan Shah, and our SGA team members. We have uploaded the results, press release, and investor presentation on the stock exchanges and the company's website. I hope everybody had an opportunity to go through the same.

Continuing on our established strategies, we have delivered a healthy performance across segments in Q2 FY26. Our revenue and profits for the first half of the year are in line with our annual guidance, and we remain on track and confident of delivering at least 50% growth in top line and 100% growth in PAT for FY '26 over FY '25.

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 the segmental performance, revenue from regulated markets grew by 87% YOY in Q2 FY'26 and 78% in H1 FY'26, reflecting our efforts of expanding the product portfolio and carefully select sales channels and go-to-market strategies.

On a Q-on-Q basis, revenue has grown by 19%. We have continued to expand our ANDA portfolio through both in-house product development and strategic acquisitions. Furthermore, the acquired ANDA portfolio has notably strengthened and diversified our product basket.

During the quarter, we launched 8 new products, including some from our recently acquired portfolio. The initial launches have been extremely successful. A substantial portion of the acquired portfolio is yet to be launched. Additionally, the continued scale-up of existing products and launch of new products together set a solid foundation for accelerated growth momentum not only in the second half of FY'26 but also further in FY'27.

In Q2 FY'26, with acquired products and in-house development, our portfolio now stands at 81 products. In H1 FY'27, we plan to launch approximately 8-10 ANDA products. Over and above this, we have close to 70 products in different stages of development. We have also launched more products in the CDMO-CMO segment during Q2 FY26.

Our portfolio now stands at about 32 products. We have more than 50 products in the pipeline as of September 2025. Our CDMO-CMO advantage is from delivering end-to-end solutions from development to scale-up to exhibit batch to supply chain planning for commercial production, as well as complete regulatory support, including pre- and post-approvals.

Also, we stand out in terms of CDMO projects. Since our manufacturing capacities are in the U.S., we will have more control over the supply chain agility for any changes or disruptions in the industry. All in all, the regulatory market business, which is our largest vertical, continues to show high and consistent growth driven by our portfolio expansion, customer addition, and increased market penetration.

Our existing portfolio and the pipeline in the owned product segment, coupled with contracts in hand for the CDMO-CMO segment, give us good visibility for the year in the regulated markets. Speaking of capabilities, the upcoming capacity expansion at our U.S. facility will provide an additional growth driver.

We expect the third manufacturing line at our U.S. facility to be operational in Q3-FY '26 and fourth line sometime towards the end of FY '26. This expansion will take us to the overall solid capacity at our U.S. plant from 1.2 billion units to about 2 billion units, thus creating enough headroom to cater to our stated targets.

With the emerging market business, during the quarter, we received approvals for 86 new products, bringing our total portfolio to 394 registered products as of September 30, 2025. In addition, 824 products are currently under registration.

With our portfolio shifting towards niche molecules and the continued refinement of our go-to-market strategies, we are witnessing improvement across all key performance metrics in emerging market segments.

Beyond expanding our portfolio of registered products, we are also realizing better pricing and margins. Importantly, the businesses has now turned cashflow positive. So, there is a continue flow of registration, due to dollar fluctuation and geopolitical situations in some of the markets we operating in and commercialization of new products is slow.

Overall, the emerging market is demonstrating a steady momentum in both growth and profitability. While we remain focused on niche products, we are also in the process of obtaining fixed approvals for our Chhatral manufacturing facility. This approval will enable us to expand our footprint in key mid-tier semi-regulated markets.

Turning to the Indian business, our branded generic segment has continued to build on the strong momentum seen over the last few quarters. We are steadily expanding our field force in this segment and aim to achieve PAN-India coverage by the end of FY '26.

We are already an approved supplier of branded generics to several leading multi-specialty hospitals across India. The business remains on track to reach approximately INR50 crores in revenue in FY'26. In H1 FY '26, our branded generic business stood at about INR20 crores, an impressive growth of 667% on a y-o-y basis.

Looking ahead, our macro-integration strategy will not only strengthen our supply chain and support sustainable growth across both business segments in the near future. With an annual capacity of more than 100 metric tons of API facility, this facility will play a major role in the backward integration of our products.

Our facility is projected to get approval by the US FDA in Q2 FY '26-FY '27. Furthermore, our second API facility will be manufacturing key products post-FDA approval from Q2 FY '26-FY '27.

Continuing our focus on cash flow generation, I am pleased to share that we achieved an operating cash flow of approximately INR31 crores on top of FY'26, more than 3 times INR9 crores that were generated in H1 FY25. Even with the strong growth in the business, our EBITDA to cash flow conversion has improved considerably from the previous year.

Our cash flow trajectory has shown steady, consistent improvement and we remain confident in our ability to generate and further strengthen this metrics. We have consistently delivered on our commitments in both revenue and profitability, underscoring the effectiveness of our strategy and execution. Our focus remains firmly on our business model across all regulated emerging markets and India .

We see a long and promising growth trajectory ahead for Senores and are well-positioned to capitalize on the same. We have also added some of the best industry brains to lead our critical operating verticals, which will bring deep industry expertise and extensive experience, making us even more confident in our ability to continue driving sustained and profitable growth in the years to come.

With that, I would like to hand over the call to Deval Shah, our Chief Financial Officer, to take you through the financial and operational highlights of the quarter. Thank you, and over to you, Deval.

Deval Shah: Thank you, Swapnil. A warm welcome to everyone on our Q2 FY '26 earnings call. I will just take you through our financial and operational performance for the quarter and the half-year ended September2025.

Our consolidated income for Q2FY26 stood at INR162 crores, reflecting a strong growth of 61% on a Y-o-Y basis. Results revealed largely that new product launches in the regulated market. On a Q2 basis, consolidated income grew by 17%.

EBITDA for Q2 FY '26 stood at about INR50 crores, growing by almost 113% on Y-o-Y basis. EBITDA margin came in at 31%, improving by 750 BPS Y-o-Y. On sequential basis, EBITDA margin has improved by around 580 BPS. Profit after tax for the quarter grew by 131% Y-o-Y and came to INR30 crores.

Coming to the H1 performance, consolidated income stood at INR300 crores, growing by 66% Y-o-Y. EBITDA for H1 stood at INR84 crores, growing by 88% Y-o-Y. And PAT stood at 51%, growing by above 114% Y-o-Y.

Coming to our segment-wise performance for Q2, revenue from regulated markets stood at INR107 crores, growing by 87% Y-o-Y and 19% Q-o-Q. This growth was primarily driven at successful launches of our own products within the quarter.

EBITDA margin in the regulated market stood at 44% for Q2 FY '26. EBITDA margin was aided by higher share of our own products launched during the quarter. Revenue from the emerging markets for the quarter stood at INR32 crores, which was growing 9% sequentially. EBITDA margin in the emerging markets stood at 6.6%, which is almost similar to the earlier quarter.

Domestic branded generic business revenue stood at INR12 crores in Q2 FY '26, growing more than 10 fold on Y-o-Y basis. Segment-wise performance for H1, if you see, regulated market revenue stood at INR197 crores, which grew by 78% Y-o-Y, and EBITDA margin stood at 40% on H1 basis.

Emerging market for H1 revenue was INR61 crores, EBITDA margin stood at 6.2%, which is similar to that in Q1. Our branded generics revenue grew more than 7 fold Y-o-Y in H1 and stood at INR20 crores.

Cash flow from operations for H1 FY26 stood at INR31 crores, with around INR11 crores coming in Q1 and then around INR20 crores in Q2. Accordingly, the cash flow from operations to EBITDA for Q2 and H1 stands at 40% and 38%, respectively.

Despite higher growth of 66% in H1, we have been able to improve our capital efficiency and deployment and generate positive cash flow from operations. As the business further scales up , we will see this ratio increasing further and will be able to enhance our liquidity and return ratios.

To summarize, we have witnessed a very healthy performance across segments in the quarter as well as the half-year end of September. We are well-positioned to sustain this momentum over the full year. We are confident of delivering the sustained profitable growth going forward.

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

Moderator: The first question comes from the line of Sumit Gupta from Centrum. Please go ahead.

Sumit Gupta: Hi, good evening, sir. Thank you for the opportunity. Sir, one question on the emerging market segment, so it has declined. What are the factors leading to this decline?

Swapnil Shah: Hi, Sumit. This is Swapnil here. Thank you for your question. So, in the emerging market, you see, we have got about 80 plus product registrations in this quarter. There are two issues that are driving, or maybe I would say not giving us, the kind of growth momentum that we need in the emerging market. One is the dollar appreciation across, right? So, people are kind of holding back and wanting their currency to stabilize.

The second is that although we have got registration approvals, those approvals have not converted yet into commercial orders, because there are import permits need to be taken, and so on and so forth. And, you know, because of certain geopolitical issues, those things have been delayed.

From a business standpoint, everything is going as per the plan. But whatever the new registration which have to give that additional growth, that is kind of slow. That's why you see only 4% growth on a H1 of last year to H1 of this year on the revenue side, which we feel in next coming quarters with the amount of product registration that we have and the already approved product getting commercialized, we will be able to get to a better growth number on the emerging market.

Sumit Gupta: Okay. So, in the second half, we can expect double-digit growth?

Swapnil Shah: So, double-digit growth can be expected, I would say, from next year. So, Q1 FY'26-FY'27 is what we are looking at for double-digit growth. But our revenue targets for this year, more or less, on the emerging market, we are likely to achieve.

Sanjay Majmudar: Well, I think this year there will be a double-digit growth on the Emerging Market side. No problem at all.

Sumit Gupta: And with respect to margin, so currently it's around 6.5%. So, how should we look at it over the next 2-3 years at least?

Deval Shah: At least the next 2-3 years horizon, I think we should be in mid-teens..

Sumit Gupta: Mid-teens margin?

Deval Shah: Yes. Okay.

Sumit Gupta: Okay. And for regulated markets also? Like around, do we expect this to stabilize at these levels, or is there any further room to grow the margin?

Deval Shah: I think we should stabilize around this level for this regulated market.

Sumit Gupta: So, 40%-42% kind of margin?

Deval Shah: Yes correct.

Sumit Gupta: Understood. Thank you, sir. I will get back in the queue.

Moderator: Next question comes from the line of Naitik Mohata from Sequent Investments. Please go ahead.

Naitik Mohata: Good evening, sir. And thank you for the opportunity. Congratulations on such a good performance by a company in quarter 2. My question was regarding the gross margins. Our gross margins really picked up in quarter 2. So, if you could elaborate on what has resulted in these gross margins and going forward into H2, how sustainable are these margins?

Deval Shah: I think gross margins mainly improved in this quarter because our own products have been launched. So, if you see the breakdown of our own products in the CDMO-CMO, CDMO-CMO is growing at a constant pace. So, we are able to launch our own products.

And due to that, the gross margin has improved for the quarter, definitely. But it may settle down around 65% or 60%-65% going forward on average.

Swapnil Shah: So, just to add to this, as we continue more and more launches of our own product through our own R&D-driven products as well as the acquired portfolio, the gross margin, whatever that we see today, will continue to sustain. It may get improved depending upon the particular quarter launches. But from a long-term view, I think whatever the margins that we have, it is quite sustainable.

Naitik Mohata: Okay. Excellent, sir. Excellent. And so, another bookkeeping question. So, we have INR8 crores sort of hit in OCI. So, if you could explain what that is regarding?

Sanjay Majmudar: You mean to say other operating income, correct?

Naitik Mohata: No, not the other operating income. Other comprehensive income under the PAT. So, there is an INR8 crores worth of expense.

Deval Shah: So, that is mainly related to the foreign currency transfer to shares. The translation in terms of the cost we have to bear. The translation cost, which has been going into FCTRS. That is arising out of FCTRS mainly. Because the original cost was low, and now we are having a higher rate.

It does not impact the PAT anyway.

Moderator: The next question comes from the line of Abhishek Kumar Jain from AlfAccurate. Please go ahead.

Abhishek Kumar Jain: Thanks for the opportunity and congrats on a strong set of numbers. Sir, as you mentioned, you are targeting around 60% revenue growth in FY'26. So, if you can throw some more light on the FY '27 growth rate. As you are adding the capacity in the US from INR1.2 billion to around INR2 billion in FY '27. So, just wanted to understand what the target utilization rate of the INR2 billion would be. How much will it add to the revenue and profitability?

Swapnil Shah: Yes, Abhishek. Thank you. So, post this year, FY'27, I think sustainable growth on a CAGR basis should be between 25%-30%. That is what we have targeted. I mean, with the positive launches, this could well exceed. But from our internal target perspective, at least 30% CAGR sustainable growth over next 3-5 years, this is very much visible for us and which will continue to deliver. So, that is what our internal targets have been.

Abhishek Kumar Jain: And how much would be the regulated this should be?

Sanjay Majmudar This should be taken as a target and not exactly a guidance, okay, just for your understanding.

Abhishek Kumar Jain: Yes, understood. And sir, what would be the mix of the regulated market business in the medium to longer term? Will it be at 80 plus percent in the overall revenue mix, or will it go down.?

Deval Shah: It should continue at the same level. Almost 65% will be from the regulated market going forward, also, because we are growing on both sides.

Abhishek Kumar Jain: Okay. And sir, the new API facility in Chhatral is expected to be completed in FY'27. So, just wanted to understand how much incremental revenue would be possible from that plant in the first year and the second year?

Swapnil Shah: So, yes. The API facility is going to go for FDA approval in FY '27. The targeted revenue should be between INR50 and INR100 crores from that facility for the next year. But again, as I said, that's largely driven by our internal pipeline. So, the products that we currently have will be largely used for backward integration for supply chain protection.

So, I would not read too much into the sales of that particular API facility coming in. For us, the most strategic is integrating the supply chain for our key products. So, I think the way we've built it is for the integrated backward supply chain planning.

Abhishek Kumar Jain: Okay. Got it. And sir, my last question on the India-branded generic business. So, what is the long-term strategic role of the India-branded generic business within the overall company's portfolio? And what is the aspirational market share or revenue threshold targeted for this segment?

Swapnil Shah: Yes, so India has been an integral part of our business. You know, any strategic vertical that we want to initiate in the business plays a big role. And as you can see, the level of growth that we have, we've been able to achieve with a positive cash flow immediately, right? In terms of our

ROCE, it has been pretty good on the India generic side of the business.

So, with 1.4 billion population of India, you know, having such a big pharmaceutical market, continues to grow and on various critical segments, I think it gives us the right strategy and right marketplace to kind of be there and grow our business with the right amount of products that we have and right people that we have placed to grow that business.

So, strategically, it fits in well in terms of diversifying our current portfolio of products and our geographical segment that we are presenting. Also, it is de-risking, right? Having the concentration on just one side of the business or one market of the business. So, strategically, it plays a big role.

But going forward, as I said, it will continue to grow from INR50 odd crores this year to about INR100 odd crores next year, which is what we have planned on the branded generic side of the business. We'll be able to launch more divisions next year. I think the growth could be better, but this is what we are internally planning, as you see.

Sanjay Majmudar : Just to add, currently the focus is on critical care injectable products with hospitals. So, that's the current focus.

Abhishek Kumar Jain: And what would be the margin of this business when it crosses the INR100 crores?

Swapnil Shah: Yes, so we are at about 30-odd percent gross margin, about 18%-20% percent EBITDA currently on the branded generic side of the business. And as we have more products and we expand PAN India, I think this margin and gross profit are likely to scale up further. We'll be watchful in terms of how it plays out in the next few quarters.

Abhishek Kumar Jain: Okay, and my last question on the new business acquisition, the new company acquisition you announced yesterday. If you can throw some more light over there, what was the reason? And what kind of revenue potential over there?

Swapnil Shah: So, as you already know, we have acquired 51% interest in Zoraya Pharmaceuticals LLC, based in the US. Zoraya is being formed to further vertically integrate ourselves in the marketplace. So, some of our products that we have acquired, the ANDAs, will be launched under the Zoraya platform.

So, this will be our brand in the marketplace that we will operate in. So, not necessarily all our products that we do development on will be launched under Zoraya, but some strategic key products that we feel we want to launch under our Zoraya platform, which we will continue to launch.

The important part to know is that the remaining 49% of Zoraya is somebody who already has marketing experience over the last few decades in the United States, who already has the right infrastructure to do all the marketing and sales in that particular country.

So, we have tied up with the people who already have experience in the marketplace over a few decades to expedite our presence and launch, and then gain the marketplace for some of the strategic key products that we want to launch under the Zoraya platform.

Abhishek Kumar Jain: And what is the acquisition cost and expected revenue from this?

Deval Shah: These are new formations. There is no acquisition. These are new formations and a joint end.

Abhishek Kumar Jain: No acquisition cost?

Deval Shah: No, no, no. These are new formations, and whatever we contribute will be the cost.

Abhishek Kumar Jain: Okay.

Deval Shah: That new business is being set up.

Abhishek Kumar Jain: Okay, got it. Thank you, sir. That's all from my side.

Moderator: The next question comes from the line of Bharat Celly from Equirus. Please go ahead.

Bharat Celly: Hi. Thanks for the opportunity. I just wanted to understand Zoraya. So, we'll be using this to market the product because there are a couple of products in the US. Is it correct?

Swapnil Shah: Yes. Hi, Bharat. Thank you for your question. Yes. So, the strategy behind Zoraya is part of our acquisition portfolio. We would be launching on our own label under the Zoraya platform.

Bharat Celly: Right. And when it comes to the dedicated market for this quarter, what was our out-licensing income?

Swapnil Shah: Sorry, what is the out-licensing income you said?

Bharat Celly: Yes, for this quarter.

Deval Shah: It's INR1.2 million.

Bharat Celly: INR1.2 million.

Deval Shah: Yes.

Bharat Celly: Okay. And how have our own Products grown within the regulated market as compared to the last year? Within the regulated market?

Deval Shah: Yes, it has grown. You want a percentage.

Bharat Celly: Yes. I'm looking for the percentage?

Deval Shah: So, it has grown by almost 60 percent. More than 60 percent, 65 percent.

Bharat Celly: Right. And how many ANDAs are we looking to launch in the second half of this year?

Swapnil Shah: So, we are looking at about 6 to 8 launches in the second half.

Bharat Celly: And this includes the acquired portfolio as well, right?

Swapnil Shah: It includes the acquired portfolio. That's correct.

Bharat Celly: Okay. Thanks. That's helpful. I will get back in the queue.

Swapnil Shah Yes. Thank you, Bharat bhai.

Moderator: Thank you. The next question comes from the line of Abhijeet from PI Asset. Please go ahead.

Abhijeet: Thanks for the opportunity. Just one question. There was a considerable jump in employee expenses this quarter. What led to this, and how do you see the trajectory going forward?

Deval Shah: Yes. I think employee expenses have increased due to two main reasons. We had our increment done in August. So, arrears were given from April. It was retrospective from April. So, that impacted this quarter mainly.

And the salary revision for the Directors. And the U.S. business has grown. So, we had certain key persons addition in the U.S. also. So, that increased the salary cost. And going forward, it should be around INR27 crores -INR28 crores quarterly. That is what we see.

Abhijeet: Sorry. I missed the figure. How much?

Deval Shah: INR27 crores -INR28 crores quarterly.

Abhijeet: Understood. Thank you.

Moderator: Thank you. The next question comes from the line of Forum from Bank of Baroda Capital Market. Please go ahead. Mr. Forum, please go ahead.

Forum: So, congratulations on the good set of numbers. Could you please highlight the CDMO part? Like, if you can show some color.

What is the contract size we have? How many, you know, contracts do we have? And what is the percentage you are looking at, you know, as a percentage of the regulated market that it can scale up to?

Swapnil Shah: So, thank you, Forum. So, it would not be possible to give you the exact specific information, you know. What we can tell you is we have about $12 million worth of visible business for the year on the CDMO-CMO side across various contracts and with various customers for multiple products.

Forum: And so, this pie is expected to grow at what CAGR in a two or three-year time frame?

Swapnil Shah: Difficult to comment on three-year CAGR growth. But as I said, from last year to this year, our CDMO-CMO has shown a significant growth, multi-fold growth. With that growth and the benchmark that we have today, I think we should be able to grow over about 30odd percent CAGR over the next three to five years, even on the CDMO-CMO side.

Forum: That's helpful. My second question is on the emerging market side. So, our emerging market margin is still around 6%. So, we had indicated of inching up to double-digit, like 12% odd. And that's what will lead to an increase in the blended EBITDA margin. So, from when do we see this, you know, traction picking up?

Swapnil Shah: So, I think we see the traction even in this year. So, I think we feel that 6%, 7%, whatever we see today should get into the early double-digits by the end of this year. So, I think that there is visibility over it.

It's just that we have to kind of, as I said, we have to be watchful in terms of the next few months, how it plays out. So far, as we speak, as we stand in the kind of order visibility that we have for the remaining quarter in the year, I feel we should be able to get that.

And subsequently, next year, with all the registrations and everything that has been done, and those approvals come in, and the commercial launches would happen, it can go into between 15% and 20% EBITDA. So, lower streams of EBITDA percentages is what we are planning for the next year, which looks visible right now, as we speak.

Forum: Okay, that's helpful too. Thirdly, we have spoken of normalized sales growth next year onwards of 25% revenue growth. So, if you could just highlight on the PAT level growth as well, because we have been consistently growing since two years, I mean, last year at 100% PAT, and this year also we have guided 400% PAT. So, what is the normalized PAT growth we should look at two years down the line?

Sanjay Majmudar: I think a better way would be to talk about the percentages. So, I think a sustainable EBITDA of 28% to 30% is what we are looking at from next year onwards. And therefore, on a like-to -like basis, since we don't have too much of a debt burden, you can work out the PAT, but PAT as a percentage will improve by a couple of hundred BPS. That's what we are looking at.

Forum: Okay, that's helpful. And lastly, on the balance sheet item, I see trade receivables have gone up substantially. So, if you could just highlight the reason for the increase.

Deval Shah: Last year. I think last year we had the consolidation coming in for two companies. Last year, the receivables jumped because of the consolidation effect. We are talking about 2025, right?

Forum: Yes.

Sanjay Majmudar: So, Forum, is this question relevant to FY'25?

Forum: Yes, I see our trade receivables increasing. So, if you can just highlight that part as well. Trade receivables have gone up from INR25 crores to like INR45 crores odd on a stand-alone basis.

Sanjay Majmudar: No, I think you have to look at it in terms of the number of days. We don't feel any particular reason to talk about because receivables are well under control. However, what we can do is, maybe if we can be a little more specific, we can take this question offline, no problem.

Forum: Sure, no problem. Thank you.

Moderator: The next question comes from the line of Sumit Gupta from Centrum. Please go ahead.

Sumit Gupta: Hi, thanks for the opportunity again. So, I wanted to understand the gross margin aspect. Since in FY'27, your API, like the in-house API, would be integrated, and so, let's say by FY'27-FY'28, how should we see gross margin faring up?

Sanjay Majmudar: So, Sumit, we have already given an indication that a sustainable gross margin will be in the 60% to 65% range. Exact working once the API kicks in is a little premature at this point in time, but at this point in time, you work with this number.

Sumit Gupta: So, 60% to 60% is in FY'27?

Sanjay Majmudar: 60% to 65% sustainable gross margin.

Sumit Gupta: So, that's what I'm saying. So, as of now, it is at around 55, right? Just give me one minute.

Sumit Gupta: Understood, understood, understood, sir. Sure, sure. Okay. Thank you.

Moderator: The next question comes from the line of Pranav Chawla from Ambit Capital. Please go ahead.

Pranav Chawla: Thank you. Thank you for giving us the opportunity. Can you just highlight what the second half of this fiscal year would look like for the various segments? That would be my first question.

Sanjay Majmudar: So, actually, we don't share the exact segmental information in terms of projections.

Pranav Chawla: Just for emerging market and -- just emerging market and regulated.

Sanjay Majmudar: Broadly, the regulated markets should definitely have a top-line in excess of INR400 crores. That is what our internal target is. Emerging, let us see, but around INR150 crores looks doable. Overall, we have given you guidance that my top-line will grow, but these are the two main contributors. Swapnil already talked about the critical care, branded, generics in India, it's touching close to about INR50 crores, and then there would be some residual business coming from API, etcetera.

Pranav Chawla: Okay, sir. Sir, do we maintain a guidance of around 27% to 30% for this fiscal?

Sanjay Majmudar: Margin guidance, we already said, as compared to last year, it will be more than double. Margin, sorry. Margin was flat…

Pranav Chawla: Margin.

Sanjay Majmudar: Margin, you can put it in a similar range to what we have achieved in H1.

Pranav Chawla: Okay. Okay. Got it. So, does that mean there will be some lumpiness in the second half, given the -- do you expect some lumpiness in the second half of the fiscal?

Swapnil Shah: Yes. There is no lumpiness, I hope. Usually, for us, the second half has always been better. Over the last three years, it's the trajectory that we have seen. So, we expect it to be better. Now we - - today, we are at about INR300 crores revenue, with INR50 plus crores of PAT, right? Now, if the second half is going to be better than the first half, we'll see.

Historically, it has been better, but overall, for the year, the projections, you very well know what we have given, both on the revenue side, as well as on our PAT side. I think we are pretty much on target to achieve those numbers.

And let's see how the next few months go, and then we'll have a better visibility in terms of how actually the whole year will be shaping out. So, maybe around next quarter, so in February, we should be pretty close to what the year looks like, but we are pretty much on target, I would say, on both the revenue and profitability side.

Pranav Chawla: Perfect. Sir, one last question from my end. Sir, we have seen a working capital cycle considerably improve in the first half. Do you think you will be able to maintain this 80- to 90-day working capital cycle, or will it be closer to 100 days, as we were in FY'25?

Deval Shah: No. It will be around 90 days to 100 days.

Pranav Chawla: Okay. As our emerging market business picks up in the second half? Is it because of that?

Deval Shah: Yes. It can go to 100 days.

Moderator: The next question comes from the line of Richa from Equitymaster.

Richa: Sir, thank you for the opportunity, and congrats on a good set of numbers. My question is, within the regulated markets, how should we look at the mix of CDMO and non-CDMO business? That is first. Second, again, in the regulated markets, you had plans to come up with a sterile facility, a 107-floor investment. If you could just give us some timeline and visibility on the business, what kind of ramp-up can be expected, and what kind of margins could be there, that would help? These are the two questions I have.

Swapnil Shah: So, on the regulated market, as just Sanjay bhai stated, it's INR400 plus crores. So, targeting about INR400 crores to 450 crores in revenue in the regulated market. The split between our own products and CDMO-CMO would be fairly equal. Maybe with more launches, our own product may be slightly 5% to 10% higher than the CDMO-CMO, as what it looks like today, as we speak, and going forward in the next two quarters. So, that's the revenue that we are planning for the year.

From the sterile side of the business, as you know, we have planned to set up a sterile manufacturing facility in the US next year. So, probably Q2, Q3 of FY'27 is what the plan is. Now, the sterile is largely going to be not just the general injectable, it's also going to be part of the biologic CDMO-CMO as well, right?

So, putting all together, considering all sterile manufacturing, which is for the injectable, as well as the biologic side of the business, is also what we are planning. Giving some sort of revenue guidance or a margin guidance on the sterile would be too premature and early. So, as the event progresses, we'll give you more information in terms of how it is looking and what the actual plans are at that point in time.

Richa: So, sir, your guidance for 25% to 30% sustainable growth guidance, that does not include sterile facilities. Is that understanding correct?

Swapnil Shah: Yes.

Moderator: The next question comes from the line of Divyam from Pragya Securities Private Limited.

Divyam: Hello, sir. Congratulations on the great set of numbers. I have two questions for you. The first one is the Ratnatris and Havis -- Havix, sorry, have been integrated, but the margins from these units are still lagging at consolidated levels. Where exactly are the synergies you expected? Are the US manufacturing and India R&D teams now operating in sync or still as separate cost centers?

And my second question would be, you have highlighted having one of the highest proportions of CGT exclusivity among peers, but CGT windows are temporary and highly competitive. So, how many of these executivities are still commercially active and how much revenue did CGT actually contribute in the first half of FY'26?

Swapnil Shah: So, I think I'll put the CGT question first. So, CGT, again, one is the CGT designated and one is the CGT granted. So, there are two separate segments. Currently, quite a bit of our current portfolio has a CGT designation. Once those get launched, we'll get a CGT granting done. Now, segregated, what revenue comes out of CGT would be difficult and not necessary that we want to kind of give that information out, but not more than 20%, 25% of our revenue comes from those CGT-designated products, as we speak.

Again, whether they are highly competitive or they're not, I think it depends on each opportunity and each product, as we speak. But with the newer launches that are planned every quarter that we have, whether it is CGT or non-CGT, whether it is a government business or a controlled substance, I think, growth trajectory, what we are seeing and what we are commenting about, whether we get CGT or we don't get CGT, that will continue to be there.

If we get CGT, that could be upside on whatever has already been committed or communicated. That's there. But even if we don't get CGT on some of those opportunities, still, whatever has been projected, we are quite comfortable on achieving those numbers. So, that's the CGT part, I think. What was the second question?

Sanjay Majmudar: I think he was talking of Ratnatris and Havix.

Swapnil Shah: Correct.

Deval Shah: In terms of their role and what else.

Swapnil Shah: So, on the Havix side so far, we were first inspected in February 2019. So, our first commercial transaction from that facility started in 2019. Havix was a completely green field unit, right? So, it had no prior business or anything of its own as such. In 2019, the commercial transaction happened. In 2020, we were hit by COVID. Things did not go through the way they should have been in 2020 and 2021 because of the COVID lockdown and the restrictions that were around.

So, what you see on the margin on the Havix is not the actual margin that you saw last year or previous years. Those were when we were actually building up the facility, utilizing the capacity, increasing it for tablet capsule sales realization. So, those were being planned. What you see this year and the next year forward is the actual Havix margin that you would probably see.

So, I would not comment on what was two years back because we were still building up on the business, because it's a fairly new infrastructure that we had put in. And you know how pharmaceuticals work. It's a five-year journey, even a product from development to filing to approval to commercialization to market share. So, it takes time, right? So, what you see this year and the next year on the Havix revenue, those are sustainable revenue on the margin for the Havix, per se, as we speak.

Coming to Ratnatris, if I go back in a little history on the Ratnatris, it's about a 14-year, 15-year-old plant. When we acquired it in 2022, it had about INR55 crores, INR56 crores in revenue, with EBITDA and cash loss. They had about 47, 48 product registrations. So, if you think about it from where we have grown from those FY '22 end to FY '25 as we speak today, from INR55-odd crores, we are talking about INR150-odd crores of the revenue.

So, revenue in three years has grown -- will grow about 3x. The registration that they had was about 48; we are at 394 today. So, the number of registrations has gone up by 6 times. Again, it takes time to reach the potential market share on each registration for which we get approval on. It takes time. It takes six months, eight months, or 10 months to gain the market share as we want once the registration comes in.

So, also on the Ratnatris, a lot of efforts have been put in the last two years, which we are seeing now this year from calendar beginning January onwards, we are seeing per unit realization has already gone up from INR1.2 to INR1.8, INR1.9, which will further increase to INR2.2, INR2.4 in the next coming years. More registrations coming in, achieving the peak market of each registration will further drive our profitability, as well as our per-unit realization.

So, those are pretty distinctively different DNA of a business that we are currently addressing. From a strategic point of view, as you said, again, we want to be a diversified company, not have a lot of concentration on one geography. As you speak, that's why you see emerging markets where there are a thousand plus registrations that we would have, and India's business with a 1.4 billion population and continuously growing, one of the fastest-growing pharmaceutical markets in the world. So, that is where diversification comes in for our business.

Sanjay Majmudar: Yes. And just a very, very quick add-on to what Swapnil said about Havix. Don't view Havix in isolation. You have to look at Havix with Senores Inc., my wholly-owned subsidiary, which is a very integral part of our US business, which holds all the marketing intangibles and the IP. And that is where, on a consolidated basis in the US, we're talking about 40%, 42% EBITDA margin.

Divyam: So, sir, how much percentage of increase could we see in the next two, three coming years in the Havix and in Ratnatris?

Swapnil Shah: So, we've already stated, right, for the US as a combined entity, we expect our margins to be around 40%, 45% EBITDA, so that will be sustainable when we move forward on our various aspects. On Ratnatris, we've already commented, right

Sanjay Majmudar: 16% to 18%, yes.

Swapnil Shah: We should be in the lower teens this year and the higher teens next year, which is what the plan is on the margin side.

Divyam: Okay. And one last question. We have four verticals right now, okay? So, for example, our -- for any reason, our cash flow becomes constrained. So, which vertical are you planning to majorly focus on?

Sanjay Majmudar: We are already always focused more on regulated markets and regulated markets-related business verticals, which still contribute a significant portion of our revenue and profits. And therefore, all the investments would also be in that focus. But as Swapnil said, it will be a balanced approach. API, most of the investment is already done. We will have, obviously, some incremental investment coming for the mid-tier standardized markets. That is what we are focused on. But primary focus and capital allocation will be on the regulated market side.

Moderator: The next question comes from the line of Hitaindra Pradhan from Maximal Capital.

Hitaindra Pradhan: Hi, sir. I hope I'm audible. Sir, my question is related to your medium-term growth guidance of 25% plus, gross margin of 65% -- 60% to 65% and regulated market 40% plus. So, there has been some upside to the EBITDA margin from your regulated market business this quarter because previously it used to be around 35%.

So, I just want to understand what is contributing to that? I mean, the new launches because as per your previous kind of description in the last quarter, so there have been, like, government channel controlled substances that you kind of sell and your own ANDA as well.

So, in one, there was a lower margin, and your own ANDA, you kind of generate licensing, and then there is, like, profit share as well. So, that kind of gets some additional margin or upside to your margins. So, if you can just elaborate on your revenue profile when you launch your own ANDA, and what the margin outlook is, from the time you launch to whatever timeline when the sales pick up, and all. So, that would be helpful.

Deval Shah: Yes. I think what you are saying is correct. We are trying to launch our own products in the coming quarters. We have planned new products launches every quarter for the next four quarters, five quarters, I think. So, yes, the margin profile might increase a bit in the regulated market. But overall, what we see is the big failure on 40%, 41%, 42% of the market, the gross margin profile, in the EBIDTA margin profile.

Sanjay Majmudar: Yes, and you mentioned the multiple verticals of revenue. So, for my own products, as we speak today, it is under the profit share model, we get a share of profit from the marketing partner, plus we get the reimbursement in the form of a licensing fee, and then the cogs.

So, it's very difficult. But as the basket grows, this becomes a little more even and predictable, quarter-over-quarter. Because at times when there is a new product launch or a new partnership, there could be a little higher influx of my licensing fee. But now, a major contributor sustainably will be the profit share part, and the licensing fee will continue.

So, I think the predictable part of the margin seems to be around 42%, plus, minus, I mean, I would say more plus, a couple of 200 basis points or so. Let us see. And then, in the emerging market, as the margins improve, overall, we have guided that 27% EBITDA can easily go up to 30% or even a little higher, 30%, 32%. But time will tell. Let us wait.

Hitaindra Pradhan: Got it, sir. But in a regulated market, it would be fair to say that it would be kind of a J-curve. Initially, upfront, you receive licensing, and then as the sales pick up, there will be profits, and the margin profile can improve for themselves, like, depending on if the product kind of continues on its sales trajectory and all, especially with your own ANDA, like, you -- what you sell.

Deval Shah: Again, from the product mix, it is a continuous process. So, you cannot say that we jump somewhere, somewhere. If some product goes up, some existing product might go down. So, we don't have a clear vision on product-wise, profitability-wise, that way. But overall, what we see is that 40%, 42% is going to be sustained.

Hitaindra Pradhan: 42%. Yes, sir. Okay, sir. Okay. And then the second and the final question is on your supply chain for your API. So, you, like, highlighted last quarter as well, like you kind of get a very marginal quantity from China and all. But given the tariff situation and the disruptions around, where do you source it from? What is the supply chain that you're looking at, especially for regulated markets? And if you can just give some more color on that.

Deval Shah: I think China is a very mixed, and one product is coming from China for us. So that we are not much impacted that way. So, supply chain, what we say is that, yes, US, we have some products which are typically procured from a single source, but we are getting a backup in our own API facility. So, down the line, in the next year or two, we should be having our own product from our own facility. The product is a single source. That is what we are trying.

Swapnil Shah: Also, if there are any API-related issues with the API manufacturer, having your own facility gives you a lot of comfort in terms of having that sustainable business for the formulation, right? So, those are the key attributes to having a vertically integrated supply chain. And as just Deval bhai stated, we have an identified portfolio that we want to backward integrate for our products that we sell on the formulation side.

Deval Shah: That is just to protect the supply chain, isn't it?

Hitaindra Pradhan: And sir, the API facility backward integration, how much of your like, you say you will be consuming captively, like, you plan to do of your entire consumption from your own facilities, or you will still be like, importing from outside post the API plant is operational?

Swapnil Shah: No. I think it's a make or buy decision, right? I mean, so anything that we'll do, it will be based on a make or buy. If I'm able to get a product at a cheaper cost outside, then what I can produce in-house, I think that doesn't make sense to kind of integrate it, right?

But if that is something where I have margin expansion or the price could then be very low from what we purchase it, then we probably look to make also the volumes and critical activities of manufacturing, those are the aspects that we also have to look at when you make that decision.

Hitaindra Pradhan: It will depend on the spot prices, sir, during that time, I know the decision of.

Deval Shah: Exactly.

Hitaindra Pradhan: Yes. Okay, sir.

Moderator: Due to time constraints, we would be taking the last question from the line of Hardik Gandhi from HPMG Shares & Securities Limited.

Hardik Gandhi: Hello, sir. Congratulations on an absolute set of numbers. I just wanted to know one thing, given that we have the exclusive rights for a lot of brands for the US and CGT things, right? So, what is our right to win there, and what is stopping other players from doing the same? I just wanted your thoughts on that.

Swapnil Shah: Yes, Hardik. So there is no -- nobody can stop anybody, right? I mean, it's an open marketplace. Everybody can do what needs to be done or what's out there. But identifying them on a timely basis, executing them on a timely basis, and launching them on a timely basis just makes us different in the marketplace, right?

So, when we look at an opportunity, it is completely mapped from end-to-end in terms of execution capability, in terms of launching capability, and the marketplace. So, we do a lot of work. There's a massive back-end work is being done before any product is taken up to launch, or to develop, So, there's a lot of research that goes into it, there's a lot of work that has been done, partners are mapped, and a lot of things that we do before such opportunities are taken up.

So, I feel, I don't know why others are not able to do or not doing or even doing or not doing it on a timely basis or dropping it halfway, it's difficult to say. But we've been able to do it successfully in the past. Are we doing it successfully today? Yes. Do you think we're going to be doing it successfully in the future? Yes.

So, from our perspective, I think it's just a phase that we've been operating in over the last few years, which will continue to operate next year. But again, as I said, it's not something that is driving the revenue. Revenue exposure is 20%, 25% which will be remaining on that segment of the business, and we're comfortable with it, right?

So, with the new launches also, I think that number is not going to substantially increase or decrease. So, that means that it will continue to drive our growth, continue to do what it is doing today in the future as well.

Hardik Gandhi: Understood. So, just to know more on this, what are the risk mitigants we have in place, or just from a strategy point of view, because I'm seeing that the exclusivity period is just for 180 days, right? So, I'm just thinking from a different point of view that we are at a very healthy margin right now. So -- and given that we are listed, anyone can see these numbers, and it could be either a competitor or the regulator himself, and ask for a lower margin product. So, what are the checks in place? After six months, we haven't found ourselves without a customer on that front.

Swapnil Shah: So far -- all your stated risks are correct. But so far, have we encountered any of those stated risks? The answer is no. Again, as I said, these are not relatively like $100 million, $200 million, $500 million opportunities where the moment exclusively expires and there are like 10 people jumps in.

I think you have to understand our business. As I said, I've been repeatedly saying, our manufacturing capacities are pre-sold. We don't sit on any finished goods inventory as we speak. Anything that we produce is already sold, right? So, a lot of those attributes of the business give us comfort in terms of where we stand and what we do.

And as I said, it's about 20%, 25% exposure is there, right? So, even if out of this 20%, one of the products kind of has that rising pressure of 10%, 20%, 30%, but there are enough other products coming in and growing in the marketplace which absorb that 2%, 2.5%, 3% of the revenue on that particular product, right?

So, overall, in the pie, if you look at it with how we are placed, both CDMO-CMO and our own product, it is an extremely diversified business, right? That gives us a lot of comfort in the flexibility in terms of protecting our margin and giving that margin guidance.

Sanjay Majmudar: This in itself is a derisking strategy that we have a very strong CDMO-CMO portfolio. We utilize our capacities well. Being in the US, we focus on several opportunities, such as government supplies, like controlled substances. And then on the CGT, please understand, these are all generics. So, the price erosion risk is also relatively much much under control.

So, there are multiple risk mitigants already in the model, and we are not dependent heavily on any one particular vertical. And therefore, it is a very, very balanced kind of a portfolio. And then to end it all, we also have an equally strong ROW exposure and then a backward-integrated API facility in India. And this is not the end. We have evolved over the last two years, three years. In the next three, four years, the strategy will continuously evolve as we grow.

Moderator: The next question comes from the line of Sanath Vaze from Centrum.

Sanath Vaze: Hello, sir. Thank you for the opportunity. Am I audible?

Swapnil Shah: Yes. Yes, Sanath. Yes. Please go ahead.

Sanath Vaze: Yes, sir. Just one question. Can you provide input on the launch of semaglutide in the ROW market?

Swapnil Shah: Yes. Yes. So, Sanath, semaglutide, ROW, we have filed tablets, dossier, in close to 12 to 14 markets, as we speak. An injectable dossier is also being filed, as we speak today, in a lot of those emerging markets. We expect the opportunity to be large for us in the ROW emerging markets.

How large? It's difficult to state because in this emerging market, there are no IMS data or IQVIA data available where we could extrapolate and say we will gain 5%, 10% market share, and this will be the opportunity number for us. But looking at the enthusiasm of our partner and what we're looking at, this could be a pretty sizable opportunity for us going forward as a semaglutide, as a particular product is concerned.

And to update you, we've also got the manufacturing capability in-house, right? So, we've got a PFS prefilled syringe line installed in our facility as well, just to take on this semaglutide opportunity in the emerging market as we speak.

Moderator: We take that as the last question for the day. I would now like to hand the conference over to management for closing comments.

Swapnil Shah: I would like to once again thank everyone for joining our earnings call. We will keep updating the investor community on a regular basis on the development at Senores. I hope we have been able to address all your queries. For any further information, kindly get in touch with us directly or through our Investor Relations partners here. Thank you very much, everyone.

Sanjay Majmudar: Thank you, and have a very good evening.

Moderator: This brings the conference call to an end. On behalf of Ambit Capital, we thank you all for joining us. Thank you, and you may now disconnect your lines. Thank you.