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21st May 2024

To,

**BSE LIMITED**  
Phiroze Jeejeebhoy  
Towers Dalal Street  
Mumbai - 400001

**THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED**  
Exchange Plaza, 5<sup>th</sup> Floor, Plot No. C/1, G Block  
Bandra-Kurla Complex, Bandra (East)  
Mumbai - 400051

Dear Sirs,

**Subject: Transcript of Analyst / Institutional Investor Meetings**

We wish to inform you that pursuant to Regulation 30(6) of the Schedule III, of the Listing Obligations and Disclosure requirements (LODR), Regulations, 2015, please find enclosed the transcript of the Analyst / Institutional Meeting held on 17th May 2024. The said transcript is also uploaded on the website of the Corporation and can be accessed through the link: <https://india-pharma.gsk.com/en-in/investors/analyst-meets/>.

Thanking you,

Yours faithfully  
For **GlaxoSmithKline Pharmaceuticals Limited**

Ajay Nadkarni  
Vice President – Administration, Real Estate  
& Company Secretary

CIN: L24239MH1924PLC001151



“GSK India  
Analyst Meet Call”  
May 17, 2024



**MANAGEMENT: BHUSHAN AKSHIKAR – MANAGING DIRECTOR –  
GLAXOSMITHKLINE PHARMACEUTICALS LIMITED**

**MR. JUBY CHANDY – CHIEF FINANCIAL OFFICER --  
GLAXOSMITHKLINE PHARMACEUTICALS LIMITED**

**Ransom D'Souza:** Thank you for joining, on behalf of GlaxoSmithKline Pharmaceuticals India, warm welcome. As you know, we've just announced our results and we thought that we could share the results with you in person. And for that, we have our Managing Director, Bhushan Akshikar. Some of you have met Bhushan or at least interacted with Bhushan in the previous calls. As you know, Bhushan has experience of over 14 years in key leadership roles in GSK across India, Middle East, Russia, CIS and Africa region. Before joining GSK, Bhushan has spent 15 years with Johnson & Johnson in local and regional positions in India, South Korea and Belgium.

So Bhushan will speak. We also have our Chief Financial Officer, Juby Chandy. Juby has a successful track record of over 17 years in key leadership roles in GSK across India, Singapore, Southeast Asia, Vietnam, Turkey and the Middle East. Without further ado, I'd like to invite our Managing Director Bhushan on stage to address you. And we will take questions at the end. Preference for those who are in the room. So that's our intent. Thank you Bhushan, over to you.

**Bhushan Akshikar:** Thank you very much Ransom. So at the outset, thank you very much to everybody who's here in this room. I know there are two rallies going on in Bombay, so really appreciate the investment of your time. And to everybody on the line as well, thanks a lot for joining us. We've just announced our results for Q4 and the full year, 23-24. I don't intend to spend much time taking you through PowerPoint deck, but I'll just spend between me and Juby, we'll just spend about 15 minutes max, 10-15 minutes to contextualise and frame the results, and then open it up for Q&A, which is I think the more important part.

So for those who are here, those who have already been to what we call, we have just unveiled with our board, what we call as the Heritage Gallery. We are in our 100th year of our operations. In the next few months, we will complete a century of our operations in India. And if you look at the results that we've announced today for the full financial year of INR3,400 crores, broadly diversified between General Medicines, which is the primary care business, the vaccines business, and the specialty business that we're rebuilding.

And if you were to characterize each of the businesses around the anchors that really help us take the business forward, it really is about the focus. Over the last three, four years, we've really optimised our portfolio. We put energy into identifying where is it that we need to put all the resources and doing that in the most innovative manners, which means doing much more with digital acceleration, doing much more with the right medical support. And last but not the least is really be agile in the form of building those new platforms of growth. So those are the three real variables that underpin our operations on the commercial side.

Jumping straight into our business performance, I'll just frame the external reflections as reported by the IQVIA. If you recall, I and my CFO, Juby, we met up with all of you when we announced our results for Q3 and we had said that we'll come back to you on the progress that we're making at the end of Q4 as well as the financial year.

And one of the biggest things that we did at the end of Q3 was transform our general medicines portfolio and our operating model, doing a lot more with digital acceleration. So I just want to give you a sense of how that has translated in the quarter that has gone by. So if you look at our evolution index, clearly two percentage points ahead of the market, so which means we've done well compared to the represented market and I'm talking only volumes. So obviously the closest unit that represents the health

of the business is the prescriptions, and prescriptions are the closest to the volume. So clearly I want to highlight that as a fact.

Within our represented market for general medicines, which is almost 80% of our total business, we have actually gained 0.6% volume share, which is another data point which I want to share.

If you recall a year ago, when we announced the results, we were greatly impacted with the NLEM and I think the two assets that we talked about, which is the most impacted were Cefum and T- Bact, which were hitherto not included in the essential medicines list and just to report, when we closed the quarter and the financial year, we have delivered 56% growth in volumes for Cefum. That has really allowed us to mitigate the significant impact. And the volumes on T- Bact have also grown by 10%.

You will hear in the financials, when Juby comes and presents how this all stacks up in terms of our top line and bottom line, but I'm giving you those two as illustrative examples of how we've been able to really come back and mitigate the significant impact. And on the right hand side, you'll see, it's been a good report card in terms of the greens that you see there. So every single brand, we always say that at GSK, we still have seven brands in the top 100 of the Indian pharma market. And if you look at that list, each of those brands has actually gained share. So if you see right from Augmentin to Supacef, every single brand has added market share, as well as in volumes, we've been ahead of the represented market.

The question is really what has helped us do this? For a portfolio that continues to reinvent itself or a company that continues to reinvent its ways of working, but remaining rooted in the purpose for which we exist. I just want to spend probably less than a minute to give you a sense of what we did in the last quarter.

[Video]

Well, again, that was just an illustrative example of showing if we have to keep reinventing ourselves, how do you really bring more value to the millions of patients who depend on a category which is as commoditised as paracetamol. And yet, if you look at the equity that the brand commands, it's a trust mark and that's why we've done. So, this was launched, and clearly if you saw the market share gain, that I've shown in the previous slide, it's attributed to some of the innovative work that we did.

The other bit that we did in the general medicines business in November, December, if you recall the announcements where we shared the digital transformation that we've done. So, we've put in a significant investment in the form of a dedicated team, an omnichannel team, which really helps us create a seamless omnichannel experience for all the healthcare practitioners that we cover, as well as the ones that we don't cover on a face-to-face basis.

What do I mean by that? Clearly, for all the healthcare practitioners who have consented to allow us to reach out to them in the form of different channels, including WhatsApp, emailers, digital, we are doing that in a seamless manner and ensuring that the reach and awareness that we create for our brands is only getting 2x and 2.5x in a short time, and not just depending on the face-to-face transactions in terms of the communication alone. This is really helping us deliver some best-in-class experience.

So, in spite of having a significant reduction in the field force in Q3, if you remember, we've still been able to maintain our competitive performance and that's because we are also supplementing our frontline sales teams with a lot of digital work at the backend. We've already enabled nine of the key brands that you see in general medicines to go through a significant omnichannel experience. So, as I said, we opened up and enabled new channels for engagement with healthcare practitioners.

Coming to the real turnaround this quarter, it's been a rock-solid performance on the paediatric vaccines portfolio. If you recall the last two quarters, I've been sharing that we are stabilizing and now turning the corner in terms of growth. This quarter really represented a strong delivery by the vaccines team.

So, overall, in the periodic vaccines business, we continue to maintain the leadership in the self-pay market with almost 23.5% market share. But again, the same story, if you've seen strong volume growth, our EIs are ahead of 100, plus the value growth of 19%. All enabled by some significant work that we are doing in the consumer awareness area, reaching out to consumers and parents, but also putting in some robust plans with the healthcare organisations, especially the Paediatric Association as well as the Gynaecologist Association.

Right-hand side, the table really shows, again, the competitive performance across the portfolio. We've done well, both in terms of the growths as well as the shares. So, on a quarterly basis, we are back to about selling a million doses of periodic vaccines across this portfolio. And again, we've retained our leadership across the board.

[Video]

So, if you saw in that campaign, clearly it is saying that the birth cohort, which is one year plus. So, apart from defending our leadership position in the zero-to-one year category, we're really ensuring that many of the babies that miss out vaccinations in the one-to-two year, get covered. So, this is being run right now across all social and digital channels.

Coming to the most important launch that we've had in the last 12 months, we launched a vaccine to prevent shingles, herpes zoster. And if you recall what I talked to you in the last two meetings, we have a very clearly defined roadmap in terms of winning with healthcare practitioners, winning with consumers, because especially after COVID, there's one thing that changed. Adult vaccines definitely are understood

compared to where we were probably five years ago. But we'll have to continue to do a lot of work to educate consumers and build that disease awareness, especially around shingles.

And the last is creating the adult vaccination ecosystem, be it with healthcare organisations, be it with hospitals, be it with assisted living places and communities, be it with diagnostic labs. So, there's a lot of work happening across all of these three elements and for the last quarter, as well as the first full year that we've had from May till March, we sold almost 55,000 doses, translating to roughly about INR50 crores worth of shingles in the first year of launch.

Again, a very strong program enabled to really create an awareness around shingles in the consumer community. This is just a 30-second video, but really shows a glimpse of the kind of work that's happening at the back end to really bring science and also a sense of ownership around preventing many of these diseases, including shingles.

[Video]

So this is an example to show the kind of work that we are doing is transformational in nature. Obviously, when you're creating a new category, that too in a country where adult immunization is almost embryonic or even sometimes non-existent, there's a lot of heavy weightlifting that organisations like us have to do in terms of bringing the message around prevention. So, we've run two very successful campaigns in the last quarter around both shingles awareness as well as the Immunization Week. So, that's just an example of how we are doing, which is helping us in the outcome that I talked earlier.

Just a slide on how we are doing on the Innovation Index. One of the things that I had talked to all of you, I think, six months ago was for an organisation like ours, how do we set up the Freshness Index will be important in the next two to three years? And this is just an example of showing that three assets were not a part of our portfolio maybe three years ago, which contributed almost nothing, are contributing almost INR100 crores as a group in the last financial year.

So, this is the way forward apart from defending the competitive performance and building on the significant assets that we have. How do we really create the new growth platforms for us is a singular objective for me and the leadership team here. And those three things that you see on the slide, those three assets will continue to be the growth drivers for the organisation in the next two to three years.

So, I think I'm going to now invite Juby, who will just quickly take us through the results. We already announced and shared the results with the Stock Exchange, but we'll just spend a few minutes and then we'll open it up for question and answers.

**Juby Chandy:**

Thank you, Bhushan and good evening, everyone. I'll not take so much time on the financials because you would have seen the results by now, but I would like to connect the progress which Bhushan has articulated on the commercial side to the financials. So, you've seen the headline growth of 16%. This is the quarter results. And what's interesting is the quality of the growth.

Okay, so what do I mean by that is both pharma, as well as vaccines, both delivering double-digit growth. Remember, there is an NLEM impact in the same quarter last year, which is impacting the base of last year. Now, if I restate that base, we are talking about roughly 11% growth, okay, so on the turnover.

EBITDA aside, if you remember when we met you last time, one of the major headwinds we had was the NLEM impact. And that time we flagged to you that, I'll come to that in the full year, when we were talking about the full year, we had a full year impact of roughly 8% on the top line, close to INR200 crores. And we committed that time that we'll be mitigating most of that, perhaps around 60%, 70% of that will be mitigated.

Again, in the quarter, I think quarter two, we came and said we will be mitigating around 80% of that. Now, as we speak, when we close the year, we have mitigated almost close to 100% of that. So, which you will see in the full year EBITDA margins. So EBITDA margins for the quarter it has improved 670 basis point, this is through sustained margin improvements. So we have margin improvements on several products.

We have the product mix of our promotion which has also has changed, as well as cost saving initiatives. If you remember last quarter, we have optimised the headcount that's also flowing through in the results. Our scalable omnichannel, the digital engagements are also driving the upside because we could scale and reach out to more doctors with much lesser cost.

So, we'll be continuing the focus on the cost engagement, cost management, and you will see the EBITDA will be sustainably perhaps maintaining or improving from here on. PAT is having the same impact of the EBITDA, it's showing the same behaviour of EBITDA.

Moving on to the full year, if you see the full year, it's 6% growth. Remember, there is an NLEM impact of top line 8%. So that is mitigated to a larger extent and 6% is the reported growth. NLEM impact has been mitigated through a series of activities, right from WPI price increase.

We have taken price optimisation at many places, including our discounts at many places. Cost efficiencies, volume, the focus on volume, which the commercial excellence on driving volume like Ceftum and T- Bact, that is being fully leveraged in the last year. As well as the new launches vaccines, both Varilrix as well as Shingrix,

both had an excellent offtake last year, and that is seeing in the top line results of vaccines at 35%.

Close to one third of that growth is coming from this uptake of the new products. All our brands are gaining market share, which is perfectly connecting to the financials. Margin - the NLEM impact has been fully mitigated. That's why you're seeing the margin above last year, despite the fact that we had a significant NLEM price cut impact. Our productivity has improved. If you see above, we have reduced around 450 people through the optimization exercise we had done.

And our per head productivity of the field has improved close to a north of 20% plus. So that's also the, and volume focus was there throughout the year. Right side on the last box, PAT, it's a decline of 3%. If you see that's a headline reported decline, that's primarily because of one of VRS costs, which we have reported in the previous quarter, not in this quarter. Return on capital employed has improved to 53% from last year, 48%. Our cash flow is very strong.

As we speak, we exited with 100% of our profits converted to cash. We had better working capital management also this year, lower inventory and lower receivables. Our working capital has improved and our cash flow is close to 1,800 crores plus cash we are holding.

Earnings per share, excluding that one-off adjustments of VRS, we are talking about 40.83, which is 14% growth year on year. That's basically the summary of financials. Most of the efficiencies in the commercial is playing out. The volumes are coming. The margin improvements are happening. Cost efficiencies have been dialled in as well as the cash focus and return on capital employed, all are playing out in the full year.

**Bhushan Akshikar:**

This is a slide that I had shown a year ago. And I think I'm just pulling this slide back to reaffirm our commitment to the double-digit growth that is a clear objective for this organisation over the next three to five years. Not too many companies can take this pride and say that we've been operating in this country for 100 years, but I think we are making it even more fulfilling by saying that our simple objective, apart from delivering growth, is to touch the lives of a billion Indians.

Given the nature of our brands, given the nature of the portfolio, where we have the remarkable opportunity to play in the prevention space, in the general medicine space, which really is the ability to touch the lives of 300, 400 million Indians in one stroke with brands like Calpol or Augmentin. But we really are setting up new platforms of growth for us in the coming time.

And that's exactly how our mission remains the same. We continue to remain focused. So the idea is to build on what we've done with Shingrix with the next few slew of launches. The focus will be on the relentless improvement of our top line and

bottom line by delivering a competitive performance on our base business, which is what we just talked of the paediatric vaccines.

And of course, to do all of that, have the right culture. This is an incredible moment for us because you can see on that right-hand side, 100 years of trust, the access and the equity that we have to healthcare practitioners in this country, when we say that we represent GlaxoSmithKline, still remains intact. And I think the last 30 seconds, we'll just share a video.

[Video]

Thank you very much for your attention. I think this is what symbolises the purpose, the larger purpose that unites all of us across the value chain in the organisation. So on that note, I think I will open it up for Q&A. Request, Juby, both of us.

**Ransom D'Souza:**

Thank you, Bhushan and Juby. So, we have in the room close to 30 people and on the line, we have close to over 50 people. And, we have limited time. The way I'm going to do it is, please raise your hand. We'll have a mic that will come to you. Please be brief, introduce yourself, your name, where you are from, your brief question and to whom.

So the first preference would be for people in the room. And for those who are online, to make it more optimal, we have a chat section. So kindly put in your question in the chat section. We will then kind of read out with your name because I think that will become more optimal rather than go back and forth. So first question in the room, can we have the mic here?

**Mitul Mehta:**

First of all, congratulations on the excellent performance and the effort that you've laid out over the last two, three years to come here and build a base from your own. In your remarks, you sort of didn't mention about the growth going forward to sort of maintain double-digit. One is, on the volume side, if you see for the year, we've sort of grown at about 6%, 7%, 8%.

And for Q4, we grew at about 12%, 13%. I'm talking about the general med portfolio, which is a larger part of the portfolio. Going into FY '25 and FY '26, do you believe that you can sustain the Q4 volume number for the entire year? Or there is some element of seasonality also in the general med portfolio, if you could just tell me. Yeah, my name is Mitul Mehta. I'm from Lucky Investment Managers.

**Bhushan Akshikar:**

Thank you very much, Mitul, for that question. Absolutely, yes, as you rightly picked up, the general medicines portfolio is really the foundation on which a large part of our business rests. And if you look at the last three years, regardless of the NLEM impact, we've had a strong volume evolution every single year.

Last three years in a row, if you look at all the top nine brands that we have, we've not only been in the top in the pharma industry, but even in terms of volumes and the represented categories that each of these assets belong to, we've had a strong performance. So I think when I scope out the next 24 to 36 months, we definitely see the continued momentum. If you see the volume growth that we will talk about, each of the assets has delivered single high digit or at least a double digit growth in the last 12 months.

And we see every reason to continue doing that. If you remember my first slide, I talked about some innovative ways of reaching out. And we've really unlocked some value with the digital acceleration that we've seen, which has really helped us remain ahead of most of the competitors in each of the categories. So the answer is an emphatic yes, in terms of the volume growth. Yes, the seasonality is inbuilt to a large extent. I think some of the brands we've always seen, associated between a few quarters, we always see a spike.

But regardless of that, I think the volumes will remain. Yeah, the second point is, if you've seen the last NLEM, that was the most significant one for us because hitherto we didn't have Ceftum and T- Bact included, which were the biggest brands in terms of the sheer erosion that happened on the top line, bottom line. For the next three years, thankfully, we know there is no NLEM coming around, but we're not going to depend only on that.

Is this the real time to build the continued momentum? So the answer is yes, we see the same momentum continuing over the next three years for General Medicines. So given the, always there are spikes as we know, but typically given the nature of our portfolio, for example, the dermatology portfolio has one of the best performances in Q3, which gets evened out in the summers, whereas anti-infectives and pain category really pick up in those next two quarters. So I think as a portfolio, a blended growth anywhere in 9% to 12% is what we will see continuing to be delivered.

**Pritesh:**

This is Pritesh from Lucky Investments. So the question is around the specialty portfolio side. It's been three years that we are trying to create a significant business there. The business achieved is about INR100 crores. We have been traditionally a general medicine selling company. What changes have been brought in to make sure that the specialty medicines portfolio ramps up because the skillset there is slightly different?

So what changes have been brought in? My guess is there must be some challenge by which in three years you have reached 100 because usually brands start with saying that I want to reach 100 immediately and we have three products and three products combined to reach 100. So what were the challenges? And incrementally, you have an aspiration to introduce the respiratory and the cardiac medicine from the global portfolio. What are the stages of those 18 or 20 drugs or 18 or 20 options and

what is the progress there? So around the specialty and this 3% of sale, if you have a five-year double-digit sales growth target, this 3% of sale should be what in the next five years?

**Bhushan Akshikar:**

Probably I'll spend an hour answering those 2 questions that you asked. You can always give it. But I'll take all the questions. I'll try and ensure that I don't lose out the sequence. Well, the first thing is I just want to remind that we did have that muscle.

So it's not that we didn't ever sell specialty. We did have a thriving oncology business when the asset swap deal happened a decade ago globally for which we had to hand over the oncology portfolio to Novartis, if you recall. So that was, again, INR150 crores business that we had built from scratch.

It was a standing start for us. So just wanted to remind that there is some muscle memory there. To the question that you asked about the portfolio, I just want to remind, Shingrix is just 12 months old. We launched exactly, May was the month that we got last year, which is, as I said, we already touched, we already vaccinated about 55,000. We've had 55,000 doses already as a part of the first remit. The second is, if you look at each of the assets that I talked of on that slide, each is representing a massive opportunity for us.

Take the example of Trelegy, which operates in the broncho inhalation space, large market, INR4,500 crores in the respiratory. But if you look at where the growth is coming from for the last 12 to 18 months, it's all on this category called closed single inhalation triple therapy, the SITT. And as you must have picked up in our global results also, Trelegy is one of the biggest, apart from the vaccines that we sell, it's one of the biggest assets that we have.

It's more than GBP 2.5 billion for us globally. And that's the kind of grounds well that we are already seeing. Somebody had asked me, in the last meeting, why can't some of these new assets be INR50 crores and INR100 crores each?

And I think that's the ambition that we are chasing. If you've seen the last two quarters, each of these assets is growing in excess of, the EI is in excess of 145%, 150%. So obviously that's the kind of incremental growth that we are doing. You talked about skill sets. Yes, we have now, apart from the digital acceleration, we have access teams. We have redefined some of the work that we do in the medical area to really change the trajectory on the uptake and upswing of the assets.

So the last question that you had asked is moving forward, what should that number be? Again, as you know, we don't give forward-looking guidance, but as a corporation, I think my personal belief is that that freshness index has to be at least 10% to 15% of the top line so that you continue to have your base, which delivers sustained performance, but you're bolting on the new platforms of growth, as I keep saying, and that's exactly where we will play. We also have, you asked a question about trials. We

have over 19 global clinical trials ongoing right now in areas like oncology, in areas like hepatology.

We probably have the first functional cure for hep B, and a trial is ongoing even in India as a part of the global remit. So that's a clear area of Specialty medicines which will get bolted on. So it'll continue to allow us to be most broadly diversified from prevention in the form of vaccines, everything in the middle with general medicines and Specialty on the other side.

**Pritesh:** Anything coming this year, or next year in that?

**Bhushan Akshikar:** We have the marketing authorisation for our oncology assets and right now we are looking at the go-to-market strategy for these assets. So as you know we have the marketing authorization for two assets indicated in the ovarian and endometrial cancer, but we're still looking at what is the best go-to-market strategy.

**Pritesh:** Okay, my last question is, at the GSK board global what are the change with respect to India in their discussions or in their thought processes about GSK India? And the other usual thing with MNC and obviously GSK has been a slightly frequent change in the last year. So on that side, any comments you want to make in terms of continuity or how do they look at GSK India?

**Bhushan Akshikar:** Well, somebody asked me a question last week on our commitment to ESG and sustainability. And I said, look, our organisation has sustained for 100 years in India. So, on the lighter side, the fact that we continue to be a relevant organisation, if you look at our top line we just announced our results. We still are one of the biggest stakeholders as well as contributors in the emerging markets remit.

And the idea is to definitely look at continue to look at India as a source for not only delivering business results, but as a source for talent. As many of you may be aware, this is outside the listed entity, but we also have a global capability centre that GSK has invested with creation of almost 4,000 jobs in India and Bangalore in early R&D, in manufacturing, in procurement. So a large part of the global jobs are a part of this GCC. So really India continues to be a shining example of renewed commitment apart from the century that we have already got here.

**Gaurav:** So a couple of questions from my side. One is this 12% growth for the quarter that we have shown. This was not shown as per IQBI. So is there some difference between the primary sales or secondary sales which would have led to this? Second, post VRS so where are we on the employee strength or the MR strength? And will this quarter employee run rate be a fair representation to be extrapolated for the next year? And third, if you can also help us understand where is the - how much of the general medicine continues to be in NLEM as per FY24?

**Bhushan Akshikar:** So I'll take a couple of those questions and I'll ask Juby to chime in. So if you recall last time I did talk about it, I think 6 months ago I did when I interacted with the investor community. I said that we have about 40% of our General Medicines portfolio now in the NLEM. So that's the answer to your last question. On the second question, I think Juby articulated the number there, but we had only one quarter in terms of digging in the upside with the reduced headcount. So I think the full benefits will accrue over the period of the next 12 months and this financial year and we had said that with this, we certainly see anywhere between 1.5% to 2% margin benefit, but I don't know if Juby, you want to add something there?

**Juby Chandy:** So I think the headcount piece which you are asking, so it's pretty much stabilized. We have completed the VRS initiatives. It is the whole quarter is full completed and it's up and running with the full strength basically. So there's no immediate changes we are expecting on that front. On the sales gap versus IQVIA, typically there is some part of hospital business, but IQVIA is not a full representation in terms of what the reported numbers is, but remember last year there was an NLEM impact.

So that could also be some part of the difference. That's what I said, 16% is our total sales growth. Last year, same quarter if you compare quarter-to-quarter, there is what you said the credit notes we issue for the NLEM to the distributors has been there in the base. So the base has been a bit understated to that extent. So if I exclude that, means if I add back that credit note which I have issued back, so which is the leg-to-leg comparison, we're talking about 11% growth on the quarter.

**Gaurav:** Just last one question if I may squeeze. If you can help us understand the margin breakup between the vaccine and the General Medicines portfolio to the extent you can help us understand or at the gross margin level or the EBITDA margin whichever.

**Juby Chandy:** Yes, I think we don't give, we have never given the strict guidance on margins, but all the vaccines are imported products and all the pharma products are locally manufactured and 98% of the pharma products are locally manufactured. And so margins have huge variance. And again, between the products, we have large number of products, between the products also there's huge margin variance, but since we continuously promote the same product in the same mix, for example, if you have 100 people or 1,000 people promoting augmenting, they will continue to promote the same way.

So the mix always maintains. So for a margin guidance, you could assume the same margins could continue unless there is any structural changes happens in the market which we are not seeing in the foreseeable future at this point in time.

**Vijay Bhatia:** I had a very generic question that I took Shingrix vaccine last week and the cost is kind of very prohibitive, 11,000 per dose and the second dose also is around 11,000. So for a person who's aged more than 50 INR22,000 for a dose. What is your target

audience that you think will be the blue sky scenario in this? And do you plan to reduce these prices going ahead? Because how do you address the market?

**Bhushan Akshikar:**

Thanks for the question. So if you recall, I've highlighted my slide at the top as well. It's there in the industrial presentation that we loaded last time. If you look at a population of our country and if you look at all the filters in terms of geographies, the economics, we're still talking of about 60 million Indians spread over the top 15 cities which can be the potential target at addressable market for this category.

You asked about price. This is by the way an India-centric price because if you were to go to the US or UK, it's almost GBP 3.50 worth of the price to the consumers. We also have to remember that for an innovation like this where it's providing protection for now we have data for 12 years, which means once you've taken these two shots, you're protected for 12 years.

Earlier when we launched this last year, we had data for the first 10 years. We just got released data now which says that for 12 years, you will be protected against herpes. And if you were to prorate that over a 12-year period this is probably cheaper than a flu influenza vaccine on an annualized basis because flu, as you know, has to be taken, the seasons are changing, you have to take actually both.

So you're talking of at least INR2,000 to INR3,000 doses per year for a flu vaccine. So on an annualized basis spread over the decade that 12 years of protection that you get, it is at a price point. I'm conscious that yes, for the average Indian consumer, this might seem a higher amount, but it's largely driven by the innovation, the kind of innovation that is a part of this category. At this stage, no, I think we have just focused on ensuring that as many people benefit with this innovative vaccine as possible.

**Jay:**

So, sir, we've got three verticals, General Medicines, Specialty and Vaccines and we've got activation happening in all of those verticals. Now, within the organisation what do you think is going to be the next growth driver if you were to see amongst these three divisions, the faster growing divisions?

**Bhushan Akshikar:**

So I think, look, if you see the global organisation where GSK as a biopharma organisation is reinventing and repurposing itself and if you've seen our investor presentations the last couple of years we have clearly stated our intent to do work in adult immunization. So if you look at our global results, one of the best launches globally has been in the area of RSV which is another vaccine. It's one of the fastest, in I think 4 months it became a billion pound vaccine in the US alone.

So there are trials going on for this vaccine across the globe, including in India. And I think if you look at the next few years the ability to take charge of your health, the whole sense of well-being and to prevent will be an area. So I think the first question that you asked is around what does it take to really help create those ecosystems for enabling consumers at large as well as healthcare practitioners who are so focused

only on treatment, but also to change the narrative and say, we want to be as focused on prevention along with treatment? So that requires a different capability and that's where we'll continue to build our muscle.

The second one is around general medicines. So what we did in the last quarter in terms of the transformation that we just talked of, I had that one slide on what we've done in terms of omni-channel. So today we have elements of machine learning or AI where if I'm a rep detailing to a doctor in say Worli area of Bombay, I can actually in real time show to that doctor which are the infections prevalent and which anti-infectives are the most susceptible and therefore the choice that he can or she can make. And that's all real time.

So we're investing our energy here because every physician is interested only in one thing, improving his or her treatment outcomes. And that's an area where we are making some significant investments. So how to really digitally accelerate so that those decisions that the HCPs make are in the best interest and the fastest interest of the patient. So those two would stand out.

The third one is, of course, vaccines and you saw clearly what we had seen during COVID, the periodic vaccination is gradually coming back to the growth space. So continue to do work there to help enable paediatricians. So I think broadly those three will remain. And the first question that was asked, on top of this bolt-on are new growth platforms which includes the Specialty portfolio. So that's going to be a clear call out for us as an organisation in the next three to five years.

**Juby Chandy:**

But just to add, if you see the India industry as a whole, General Medicines still has a lot of scope, whether it's antibiotics, it is the number one, Augmentin is the number one product in the industry. So even a small initiative in Augmentin or Calpol, that's still going to be a major growth driver for us. So unlike the global GSKs where other countries where we have to definitely have a big shaping happening in the Specialty or oncology space, here General Medicines is still relevant.

Our organisation is fully focused on delivering general medicines business, including Augmentin, **Calpol, Eltroxin** all these brands despite four or five decades in the country is still growing this assets. So we are conscious of the value of these assets. We are continuing to invest in these assets. Our largest field force are also lined up behind these assets. So I think we are not taking our eyes off from these assets.

**Bhushan Akshikar:**

Absolutely. I just want to add to -- regardless of what happens on June 4th, clearly one of the things that the Health Ministry has stated explicitly is the OTC bill. And I think that's going to be one of the big levers of growth, especially from a General Medicines standpoint, because we shouldn't forget that we are still the number one paracetamol brand in the country. And if there's anyone that has to do work there and really ensure that we maximize the value and benefit to consumers and patients at

large, it's the brands which have equity like the ones that we have. So that's going to be one of the big opening, you know, areas for us in the next 12 to 18 months.

**Jay:** And the second was, like you mentioned that the vaccine portfolio is largely imported for us. Is there a possibility to locally source these products?

**Bhushan Akshikar:** As of now, no.

**Jay:** And when is the expected launch for onco portfolio?

**Bhushan Akshikar:** We are looking -- as I said, we are right now exploring the best go-to-market model, because obviously we want to come up to speed. So that's where the whole energy is. I won't hazard a guess in terms of the time, but sooner than later.

**Dhaval Shah:** Dhaval Shah from Birla Mutual Fund. I have three questions. The first one is on Shingrix. It's been one year of launch, 55,000 doses. Three to five-year outlook initially was somewhere between 3 lakh to 5 lakh doses is what we could typically scale up to, given the potential size of what we're trying to look at. Would you still maintain that, or would you want to reduce the overall doses or increase it in terms of the outlook, given your interactions with HCPs?

**Bhushan Akshikar:** Sure, it's a brilliant question. No, we would not. We still remain absolutely optimistic, because remember, in a country where absolutely no vaccination ecosystem exists, so whatever you have sold is pure play in the HCPs clinics. Today, you don't have -- so if you were to go to different countries, like Brazil, for example, there are vaccination points. You go to Vietnam, there are vaccination centers where patients actually go and take vaccines. So I think it's just the beginning of this whole opening up of this new area.

If you think about our population, almost 8% of our population right now is more than 60 years old, and that's a significant number when you extrapolate that over INR140 crores or INR145 crores. So I think from a forecasting standpoint, we're still firmly committed to that. We still don't have any accounts opening up in the institutional or the care accounts. So in the coming two years, that's going to be another, with the propriety and the patented medicines, and the patent that we have on Shingrix, clearly that's one area we will continue to build. So the answer is we remain committed to the numbers that we have given.

**Dhaval Shah:** That's very encouraging. Second is on Synflorix. There was this pain of volume decline, which has happened because of migration also, in terms of the government contracts. How do we see that now incrementally, as that bottomed out, as it started growing, and how should we assess that on the overall?

**Bhushan Akshikar:** Absolutely. So if you saw the campaign that we have right now, which is, it's really about getting parents back, because if you remember, many of the antigens went into

a national immunization program, and some antigens like Synflorix did get affected. If you look at the last two quarters, we've stabilized. But the last month or so, we are clearly seeing, so it's still too early, but I think when we look at the next 12 months, we certainly see Synflorix coming back to growth, because we are certainly seeing the groundswell.

The other bit is GSK globally has already stated its intent with the successor to Synflorix. So we have -- we acquired a company called Affinivax, which has now a 23-valent, if I recall correctly, 23-valent successor in the area of PCV. So that's an area which will remain important to us, because we should all remember this was one of the biggest vaccines we had, and therefore, we continue to see the growth coming back, and we definitely would love to continue to remain invested, because we have a successor to Synflorix in the pipeline.

**Juby Chandy:** But for this, just to add, for this purpose, it is bottomed out to question, because vaccines make 20% of our portfolio, and Synflorix, perhaps, the NIP portfolio just makes 8% of our vaccine business, so which means it is, for an entity, legal entity, listed entity purpose, it is less than 2% of our portfolios in NIP overall, right? So it is bottomed out, and it's not material at this point in time, the NIP portfolio.

**Bhushan Akshikar:** Anything that comes from here on is a bonus.

**Juby Chandy:** Yes, absolutely.

**Dhaval Shah:** Sure, and the 23-valent one can come in the next 12, 18 months?

**Juby Chandy:** No, trials are still ongoing, so it's still further down.

**Dhaval Shah:** The last one is on the cost savings portion. Job, given the fact that NLEM had a INR200 crores kind of head, from where we are today, are there further ability to optimize on the cost front over the next 24 months, in terms of the other expenses, or any other costs that we can further optimize on?

**Juby Chandy:** So I think, pretty much, the low-hanging fruits have been addressed through, but we are on a continuous journey, monitoring the cost and optimizing it. The good news this year is, you might be following all the Pharma company results. The raw material prices started softening a bit, quarter on quarter.

It's a sequential quarter, rather. It's almost 2% softened, the raw material prices. Year on year, you're seeing a 5% to 6% softening on the raw material prices. So that is one area which, you know, logically it has to flow through into the results, pretty much across the industry. And we also will be having a fair share of that, what you're seeing. Other than that, we are carefully optimizing wherever possible, the cost.

It's going to be a journey. It's not like a one-off exercise we have done. So that's why the cost will be growing much slower than the revenue growth. That's the kind of direction we are taking inside the company. And that you could see even this year results, in which our format, you slice and dice the results. The cost is growing much slower than the sales growth. And that's something which we are, the culture we are embedding in the organisation across the piece, because that's where you will see that.

**Ransom D'souza:** Okay. Sorry. So it's been one hour since we've done the call. So there are people online. So just to be fair, I'll take two questions online. One is from Gokul Maheshwari. Two questions from him. You mentioned that vaccines achieved 1 million doses in the last quarter. Could you give a sense of the doses for full year 23 and 24? And second is the employee cost. Given the VRS has happened, what inflation should we build in employee cost in FY'25 and FY'26?

**Juby Chandy:** So employee cost may be fairly straightforward. We normally budget a 7% to 9% inflationary increase on the employee cost. We're not expecting headcount increases. These are the normal salary increases we are expecting. Wherever there's a need, we'll be trying to reallocate the resources. If there's a new launch or something coming, we'll be trying to reallocate the resources. That's on the employee cost. On the doses.

**Bhushan Akshikar:** So on the doses clearly, as I said, for a year we said the vaccines business is stabilising. And we've now come clearly in the growth territory. So the answer is that we want to maintain the same volume growths, the same number of doses. So I think the million doses will only go up. Obviously it depends on who comes first for some of the categories like flu, who's the first to market. And that remains the focus for us in the coming quarters as well.

So the answer is we will pretty much remain in the growth range that you saw for the last quarter for the financial year. But again, no forward-looking guidance on that one. But on a volume standpoint, we remain committed to the same growth.

**Ransom D'souza:** Thank you. Bhushan. The other question is from Nikhil from Simple. While we did rationalization of employees last quarter, but still employee cost was higher. So is there some one-off and what is the sustained run rate?

**Juby Chandy:** So the employee cost, the benefit has not fully flown through, right? Because we have completed the VRS in December end. So we are talking about a quarter. So when you see the full year, it has not been, the full actualization has not happened. So let's wait for a couple of quarters to come in on that.

**Ransom D'souza:** Okay. In continuation, in the base, when NLEM hit us last quarter, was there some benefit of lower volume in base quarter? In the base, when NLEM hit us last quarter, was there some benefit of lower volume?

**Juby Chandy:** No, it's other way around, right? So when NLEM hit, the price went down and we got higher volumes in Ceftum, T-Backed, including augmenting. So the volumes have been pretty much sensitive to the pricing and NLEM has been a price reduction happened. So it's other way around.

**Bhushan Akshikar:** If you just take an illustrative example, our prices for Ceftum went down by 56% and for the full year, not the quarter, for the full year, we've grown volumes by 60%. So it's the other way around.

**Ransom D'souza:** Okay. In specialty portfolio, how has been our coverage led growth and existing RX led growth? In the Specialty portfolio, how has been our coverage led growth?

**Bhushan Akshikar:** I don't understand the question. Coverage led growth.

**Ransom D'souza:** In terms of, he's looking at overall growth in terms of the coverage that we've been doing, have we increased? [inaudible 78:12]. The doctors as well.

**Bhushan Akshikar:** Yes, but I think to begin with, specialists are not, the teams are very nimble-footed. They're very agile. So it's not a cast of thousands, like in General Medicines, where you have to really, have a large net. It's largely restricted to the, but one change that we've done is for the Specialty portfolio, we've expanded.

So as much as we optimize the headcount in some of the teams, we've actually expanded in our respiratory team. And that's why some of the ambition that we're putting around our assets in respiratory beat, Nucala or Trelegy, will pan out in the coming quarters. So yes, we have expanded our reach and coverage by almost 40% in this last quarter, but it's still early days. We just had one quarter behind us. The benefits will start accruing in the coming quarters.

**Juby Chandy:** But again, just to add the, like he was asking the question, over the three years, we've gone to INR100 crores, but it's not a linear forecasting because we first launched Nucala, which is for severe eosinophils asthma, which has got a very small patient pool. Then came Shingrix, which has got a little bit more, higher patient pool. Trelegy is a very different product.

It's kind of a general medicine product. It has got a mass appeal in terms of reaching out to more patients. So that is where these are not exactly comparable. We are, depending on the product, we are reaching out to more doctors. It's actually depending on the product type, your coverage is covering.

**Ransom D'souza:** Okay, and the last basket of questions from Nikhil is, can you give sales of top three vaccines other than Shingrix?

**Bhushan Akshikar:** So Infanrix Hexa is one of our biggest vaccines. Fluarix-Tetra is the second one in terms of share value. So if you look at a vaccine's portfolio, which is roughly about

INR600 crores annually, those two would be right at the top. Apart from Viralix, which has now come back, after almost two years, supplies were resumed and we've got Viralix back. So those three in that sequence would be the top three.

**Ransom D'Souza:** Thank you, thank you Bhushan. So there is a similar question from Gokul Maheshwari and Abdul Qadir Puranwala. Gokul asks, break up of sales for general medicines, vaccines and other products in FY'24 and '23. And Abdul Qadir is saying, please share FY'24 growth of general medicines, specialty and vaccines.

**Juby Chandy:** So, General Medicines and vaccines are 80-20 split. General Medicines is 80% and vaccine is 20%. This year, FY'24, it is 18%. It will move only plus minus one percentage because the growth of both the business are exactly in the same time it is progressing. So 80-20 is the split, specialty is fairly small at this point in time, it's 3%.

**Ransom D'Souza:** Okay, thank you. Last question online for now. Ravi Purohit says, Glaxo Globally had discontinued sales targets for their MRs a decade ago. It has that changed, that has changed I assume. At the same, we have also reduced our headcount. How do we see the overall path towards employee productivity?

**Bhushan Akshikar:** So yes, we got our budgets back globally as well as in India in 2022. So it's been two years that we've got sales targets back in the commercial functions. So yes, that's the first answer to the first question. I think productivity, I think Juby just talked about the improvement that you've seen the productivity. So the focus will, tying back to what was asked earlier, all that we are doing in terms of the investment in the digital side is really to unlock value. So I think we are very clear in our market, the role of the rep is never going to go away completely.

How do you supplement and compliment that rep's visit? So the question that we are asking is, why does someone have to be met two times, three times? Can that be done? Can the first visit be complimented by many other things? Not maybe at the general practitioner level, but many of the other specialists prefer that you reach out to other channels and that's where we're investing in the content, the relevant content medically, which makes sense for them. So productivity with that headcount that we now have, will only, the idea is to sustain that productivity now and improve it in the next 12 months.

**Ransom D'Souza:** So we'll come here. So we have, raise your hand, introduce yourself and the question.

**Deepak:** Yes, hi. This is Deepak from Carnelian Capital. So when I see in the last two years, so GSK is in the process of transformation with your coming in, giving the guidance for 12% or double digit growth in the volume, in the top line. And when I see that almost 19 products from the parent is coming to India, the clinical trials are going on. Is it like the company is redefining itself from a generic focus to an innovation led company? So what is the vision behind this working on and what is the next five year kind of plan or the milestone which you want to achieve to get to that vision?

**Bhushan Akshikar:** Sure, so it's a great question because you will, if you've not seen what we call as the heritage gallery that we just created, one thing is common and will remain constant in GSK's evolution, it's reinventing ourselves. So if you see the portfolio has evolved several times over in the last two, three decades. Just a small correction.

I don't think we are a generic company. I always say in this non-patented branded market, we are, it probably mimics the FMCG industry. So if you look at why somebody chooses an augment in all the other brands of Amoxiclav and vice versa, why somebody chooses another brand versus the brands that we have is because in India, brands tend to have a long tail in their life cycle.

They're not woven around patterns. So to that extent, I think it's a completely branded market. We're not operating in that branded generic space, so to say. But I think the question that you asked, and I think Juby answered part of it earlier, if you look at the population that we have, if you look at the healthcare needs, our general medicines portfolio will still remain relevant. The strategic choices that we've made in terms of therapy areas, be it anti-infectives, be it the terms business, be it pain vitamins, those will remain relevant over the next 5 to 10 years. I don't see anything drying up in terms of the sheer need for any of these assets.

So we will continue to build. So this double-digit objective that I keep talking of is still hanging around success of this GENERAL MEDICINES portfolio. And the question is how do you therefore bolt on the newer therapy areas or the newer areas in which GSK Global is getting into as well as we have these trials happening in India.

So the idea is it will be a blended growth on both sides. I don't see the relevance ever going away in this market for the brands that we have in GENERAL MEDICINES, or even for that matter in the periodic vaccine business.

**Deepak:** When these 19 clinical trials with the products which is going on, is it safe to assume that in the next 3 to 5 years, all these will get launched in India?

**Bhushan Akshikar:** I mean, 19 clinical trials are not necessarily 19 assets because there are some assets where we're having two or three trials also ongoing. So, I mean, I wouldn't give you a number and say there are seven assets, but clearly there are areas where we are putting energy. So vaccines will continue to be an area.

The second one is, as I said, hepatology is one area where we are having trials coming up for a couple of assets. And then of course, we have respiratory which will continue to be one of the area for us to work on. Apart from the successes that I talked of for some of our earlier vaccines.

**Juby Chandy:** I think it's very clear. We are not going to get distracted with 19 or 20 assets. So where there's an opportunity only we'll be launching. So we'll be carefully analyzing there's a process in the company. When the new product comes, we'll be carefully

analyzing the opportunity, the potential. And if it makes commercial sense and medical sense, we'll be launching. So it's not all the things we'll be launching. There is a phased manner in which it will go. But again, it is the general medicines will be the key growth driver. These are all the bolt-ons inside the product.

**Bhushan Akshikar:** I mean, example is Calpol 650 plus that you just saw there. I mean, for a brand that is almost 60 years young in this country, there is still need to reinvent and contemporize the offerings. And that's exactly what we've done. And I see opportunities like that continuing. Two years ago, we launched Augmentin ES which is a higher dose strength in the liquids formulations for a specific indication for resistant cases. And I think wherever there is a need, we will continue to extend the life cycle or for each of the assets in GENERAL MEDICINES provided there is a patient benefit at the end of the day.

**Deepak:** And last question from my side. So with cutting down on the cost, on the employee cost and rationalizing the cost and launching of these new innovative products where margins are generally higher than the generic ones. So can the profitability go back to your 10 years or 15 years back when you used to make 32%, 33% kind of margins? Can it go back to that kind of profitability in some time in the future?

**Bhushan Akshikar:** Well, I can't crystal ball guess, but I think our objective as a team, I and Juby keep saying that our EBITDA margins, what we've delivered now for the quarter and the year is how do we sustain those margins? I think relentless focus will be on the top line growth. That will be the focus of the company but and maintaining the margins. I don't know, Juby, if you want to add anything.

**Deepak:** Thank you.

**Ransom D'Souza:** So we have time for 2 or 3 more questions. Okay.

**Satish Bhatt:** Hello, hi, this is Satish Bhatt from Envil family office. I've been tracking Glaxo from 1990s, I think. One thing I want to know in your specialty portfolio, especially Nucala, it's a very specialty product where I think it's a biologic where the efficacy is far better than the older ones, niche one, and you have only 400 or 500 pulmonologists we have to track, basically map around the country. So what is preventing from making it a INR500 crores or INR1,000 crores brand? I still can't understand. So what management is thinking in a different way to make it a INR1,000 crores brand?

So that's my thing. Trelogy is where INR4,500 crores market inhalers. So these are mass market where I think Glaxo is a phenomenal brand equity. If Glaxo introduced something in mass market, I think it has to become INR100 crores in day one. Gone are the days, I think we talk about 90s and 2000s, INR5 crores, INR10 crores, INR50 crores. See now Shingrix first term is INR50 crores.

So what is preventing you or what is, what differentiator Glaxo is reinventing the market dynamics itself, to overtake well-established players, where you have a better science delivering to the patients. And you have only 400 or 500 pulmonologists who are going to write it. So just wanted to know, I can't understand why Glaxo is talking only 5%, 10% after five years. Why it can be 15% in five years? So what differentiator think you are, I think management is focusing on that. That's my only question.

**Bhushan Akshikar:**

Sure, it's a good challenge to have. Just to contextualize, we have about 75 million COPD patients in the country. And we have about 45 million patients suffering from asthma. Now, if you recall what Juby said earlier, asthma is a continuum. Right from oral corticosteroids to inhalation and then to monoclonal antibodies. We have to all remember that Nucala is indicated for severe eosinophilic asthma and not for every single type of asthma. So when everything else is irrelevant, then that kind of patient really gets the opportunity to benefit now.

That's why we have to be a little mindful about ensuring that only those patients that really require Nucala are prescribed and therefore they benefit. Because it can't really be an opportunity like Trelegy. I agree with you, that Trelegy can easily be a significant opportunity. If you look at where this closed SITT therapy is going, in a matter of 12 months, this therapy has become INR170 crores. It's the fastest growing area in the inhalation space.

If you look at the next five years, if there is one category which will be the biggest one, it will be this closed triple inhalation because you don't have to carry two, three inhalers then. And I think the device that we have, the combination that we have at Trelegy really sets us apart. So the answer to your question actually lies in the opportunity that we are seeing equally, as you say, for Trelegy more than Nucala. But Nucala will always remain a highly, I mean, it's a brand which has, you can't paint it with a broad brush. There are only appropriate patient types that can really benefit.

So the idea is really to provide access with this incredible medicine so that patients benefit. But that pool is very limited. Yes. But again, then you'll have to have filters of, at what stage do they get diagnosed and will they really benefit? And then again, the economics around it. So that's where we are. But yes.

**Ritesh:**

Yes. Hi, Ritesh from Nippon Mutual Fund. In your overall headcount of MR, how would you split on general medicines, vaccine and specialty? What are the changes you have made on that new number in last three years of IS? And particularly on the general medicine, have you taken help of third party MR outsourcing provider like Coaptive? And I presume your VRS would have some linkage to that. So if you can provide, how this model of third party outsourcing going to a provider like Coaptive and scaling your products in tier three to tier five towns work?

**Bhushan Akshikar:**

So just to reset, we were one of the first companies that had a team set out in the town. So I think almost a decade back, we put up a rural team that was based in class

two to class six type of cities. And these teams were, these reps were promoting everything. So as a part of the optimisation exercise, we will also optimize in the metros. And because we've seen the last 18, 24 months, our extra urban growth is at least a couple of percentage points more than what we see in the metros. And that's where we have rebalanced and redeployed some of our resources.

So we actually expanded this team that we have, which allows us to access many of these cities and towns in the interiors. And the rep is also able to be the one single point of contact for that general practitioner, because the nature of practice in many of these towns is of a general nature. You have very few specialists.

And that's where we expanded actually. So we have expanded in that geography and optimised in some of the metro cities. So that's the first part of your question. Yes, we are looking at alternative ways to really access, go to market, and really be, how do you open up? We have some partnerships in place, but I think not specifically, as I said, we put up our own team here in terms of really putting the content, the channel activation. So we have some internal teams now, which are well-placed to really harness what we can do apart from just calling face-to-face.

So that's my answer. I think the first question that you asked in terms of the headcount, obviously, we remain, he gave you a number, we optimised about almost 500 headcount in the last quarter. And that's made us competitive in terms of the share of voice that we have for our General Medicines business. Obviously, we are doing much more with digital ways, supplementing that face-to-face. So we've also rebalanced some of the headcount into our respiratory team that we've just started, apart from, of course, the vaccines team. So that's how I would answer.

**Juby Chandy:** Just to add one point, we have optimised the headcount, but the coverage has not reduced. We're still maintaining the coverage with the doctors. And there are many ways we are doing that. One is omni-channel. One is the same team might be covering more doctors, maybe reduce the frequency. Different methodology we are doing that, but the coverage of number of target doctors we are reaching before and after, it still either has gone up or it has come down.

**Ritesh:** Just to your 3,000 or 3,500 MR, how would you split between the three divisions broadly?

**Bhushan Akshikar:** So that headcount is not the MR headcount. So when you look at the total number of employees, there's also a factory. So there are employees there. So our total headcount number in sales is significantly lower than that. It's no longer in the range of 3,000 and 3,500. So I think the last headcount is in the range of 2,200 that we have across all teams.

**Ritesh:** And we have not leveraged the third party?

- Bhushan Akshikar:** Not as yet.
- Ritesh:** Not yet. And just one more question on your NLEM price hike, which you would have taken WPI linked. So this year, given the WPI number would be hardly anything, would the non-NLEM portfolio price hike would be different than what you would have taken last year? You will try to take an average of what?
- Bhushan Akshikar:** Generally, we look at ensuring that we are taking the relevant and appropriate price hikes for all our non-NLEM assets in the calendar year as permissible. So I don't think we'll continue to do what we've done in terms of not leaving any money on the table.
- Ritesh:** But we are not anchored to a NLEM price hike. For non-NLEM, there is no implicit anchoring then?
- Bhushan Akshikar:** No, no.
- Juby Chandy:** Not at all, because I think NLEM, you cannot take any pricing risk. Non-NLEM, we are carefully reviewing at SKU level. Where are there opportunities? Where is a huge competitive advantage we have if we still maintain the price? So that is where we are taking it. So we'll be dialing up prices in few places, but not all the places, depending on the competitiveness.
- Ritesh:** And usually it's spread out over the years. Like it comes with that 12-month kind of thing. So it's not bunched up the way NLEM is bunched up.
- Juby Chandy:** Yes, because you need to, it depends on the last time when you took the price.
- Ritesh:** In the calendar year, right?
- Ransom D'Souza:** In the calendar year, you can take probably one time. So different times it has been taken, right? It will be spread over the year.
- Ritesh:** Thank you.
- Puneet:** Yes, thanks for taking my question. I'm Puneet from Helios Capital. So, Bhushan, if I tie your commentary with the commentary by Juby on employee cost, it seems that in FY '25, there's no plan of launching Jemperli and Zejula. Is that correct way to understand?
- Bhushan Akshikar:** Well, I didn't say that. I said that we will, remember oncology is not a cost of thousands. For a country of our size, we hardly have 500 medical oncologists, probably lesser than that in terms of hematologists. So as someone who's also run the oncology business in the past, I'm conscious that you don't require a large team. We made significant investments in the medical team because assets like this need a lot of unlock on the access area, on the medical side in terms of evidence generation. So those are the areas which are unlocking.

And in any case, even if you're launching the oncology assets, it won't be a large team because the biggest oncology teams in India are not, they're still in a few, not even hundreds actually. You don't require a large team. So the answer is, we have been looking at accelerated launches, but as I said, we are really evaluating the go-to-market at this stage. Probably, hopefully we can have an answer for you next time around.

**Puneet:** Sure. And could you update on where are we in terms of blend reps, progression, trials or regulatory?

**Bhushan Akshikar:** Yes, so the DREAM, we have a trials called DREAM 7, DREAM 8 and DREAM 14. India is a part of this global clinical trials as well. And belantoma, which is the molecule of blend rep is indicated for multiple myeloma. As you've seen in some parts of the world, we've just got the second line approval and that's going to be a significant change. So that's why I said, we now have a portfolio in terms of coming back in oncology with just, not just with Zejula Jemperi, but even blend rep. So the global organisation is continuing to remain focused on ensuring that it pursues the right indications because eventually it is as good as the standard of care is what the last readout was in second line. So we will continue to focus on that as it as well. But I think the first stage is for the clinical trials to get over.

**Puneet:** Sure. And last one is now that there's a plan of having a well-rounded oncology portfolio, any plans of reintroducing cervical cancer vaccine in India?

**Bhushan Akshikar:** Well, I mean, look, the HPV is already a part of the NIP now. So, and again, unlike the PCV where I just answered him, we have a very clear plan of having a successor to our existing antigen. That's an area where we've not really made an investment. So to come in an area where one, we already have enough players in the market. Plus the second thing is it's now a part of the National Immunisation Program. We don't see real market attractiveness or even the kind of value that we can create both for the investors as well as for healthcare practitioners.

**Puneet:** Sure. Thanks. All the best.

**Ransom D'Souza:** Great. With that, we've come to a close. Okay. Sorry. Okay. Since you've raised your hand.

**Analyst:** Thanks, Ransom, for this. Sir, I have a few questions, two or three. So please bear with me. One is you touched upon the regulations on the OTC side. Would like to hear your thoughts on how the dynamics will change. I'm sure that it's still under discussion phase and all those things, but will be interesting to hear the dynamics on that. Second related a little bit on the OTC side is how do you think about the brand extensions? Particularly you talked about Calpol being a 60 year young. So do you think that there are opportunities around brand extensions of some of those successful brands that you have?

Third on the vaccines, is there a critical size that lends itself to manufacturing in India? I mean, I don't know, GBP50 million, a GBP100 million. I don't know. Is there a critical number? And lastly, it's more of an assurance rather than a question that given our strength, I would assume that on the specialty side, we will not opt for an out license and we will still like to do it on our own.

**Bhushan Akshikar:**

All four brilliant questions. I'll take the last question first and go in that sequence. So as I said, the whole idea is to maximize value. The whole idea is to ensure that we not only maximize value for patients and healthcare practitioners, but also to investors so that we don't leave any money on the table. And that's why I said, when it comes to oncology, we want to be very thoughtful about what go-to-market strategy we follow. I wouldn't hazard a guess and say that, we're going to not look at out licensing or in licensing, but everything is on the table right now.

And I think that's where I would, as I said to him, hopefully I will be able to answer you after the next quarter results on that last question. On the first question that you asked on OTC. So apart from the MD of this entity, I also work very closely with industry associations. So I've just taken a charge as the President-Elect of the OPPI. And we do work along with OPPI and the IPA because there's a lot to collaborate instead of compete these days. And I think that's one area which I think we are in discussions with both the Department of Pharmaceuticals and Department of Health to see where all this evolves.

I think we'll have to just wait for a few more weeks. Like many other things in our country, I think June month will probably help us accelerate what happens in the next two months post that. But this is going to be one significant one coming our way, especially for the healthcare industry. I think this is a big one.

The second one that you asked was about potential to, so line exchanges are always up. I think I don't see any reason why. I mean, the fact that you saw 650 plus as well as 500 plus, there are many such opportunities that we see across our portfolio. We have a brand called Physiogel, which plays out in the area of cosmetic dermatology. Again, a INR50 crores brand for us.

We just launched, we used to always have moisturizer. Now we have a face wash. So the idea is what can we do more so that we don't leave any money on the table and really expand the portfolio. I think the third, last question you asked about vaccines manufacturing. It's not really a threshold of value sale. It's really about the quality standards because if you look at the vaccine footprint that GSK has, even today, we manufacture vaccines in a handful of locations in the world because the manufacturing process is pretty complex.

You're dealing with living organisms or at best attenuated viruses. So obviously the line of supply in terms of the controls that we expect as a company are of a different standard. Not that we don't have those in India. Definitely I think we have big global

players, big local players operating here even at global scale. But I think there are choices that the corporation has made in terms of where to operate. As of now, we don't see local manufacturing for vaccines really opening up in the immediate here and now.

**Analyst:** Great, thanks a lot for all the answers. Thanks.

**Ransom D'Souza:** Thank you. On that, we come to an end. Thank you all for joining online. I know that you may have had questions. I can see that there were certain questions that were posed but in the interest of time, we are unable to answer and we'll possibly see how we can respond to you one-on-one. Thank you all for coming.

Before you go, please do visit our heritage gallery. We have the architect of the heritage gallery, our company secretary, Mr. Nadkarni, who is very passionately...

**Bhushan Akshikar:** Out of the hundred years that we have completed in this country, Ajay has completed 25 with GSK. So you can imagine the passion, the love that he has- So he's done that. What we call as this heritage gallery. So I would urge each one of you to step in and take a look. And I think many of the questions that you asked and I answered would probably you can relate to the wall that you will see there in terms of how we are trying to evolve as a corporation.

**Ransom D'Souza:** And we have the privilege of Ajay being the personal tour guide for you.

**Bhushan Akshikar:** So everybody who's not here today or on the line, that's one extra motivation for you to be here next time around.

**Ransom D'Souza:** The next time around.

**Bhushan Akshikar:** Thank you very much.

**Ransom D'Souza:** Thank you all. Thank you, Bhushan. Thank you, Juby. And on behalf of GSK, thank you for coming. We also have snacks there apart from the heritage gallery. Thank you and have a lovely weekend. Cheers.