

Date: May 27, 2025

BSE Limited

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Dalal Street,
Mumbai – 400 001

National Stock Exchange of India Limited

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

Scrip Code: 543904

Symbol: MANKIND

Dear Sir/ Madam,

Subject: Investor Conference Call for Q4 & FY25 – Transcript

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the Investor Conference Call for Q4 & FY25 held on Wednesday, May 21, 2025 at 06:00 PM (IST).

The transcript is also available on the website of the Company at
<https://www.mankindpharma.com/wp-content/uploads/2025/05/Q4FY25-Earnings-Call-Transcript-Final.pdf>

You are requested to kindly take the same on records.

Thanking You,

Yours Faithfully,

For **Mankind Pharma Limited**

Hitesh Kumar Jain

Company Secretary and Compliance Officer

Encl.: As above



“Mankind Pharma Limited
Q4 FY '25 Earnings Conference Call”

May 21, 2025



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

Moderator:

Ladies and gentlemen, good day, and welcome to the Mankind Pharma Limited Q4 and FY '25 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Abhishek Agarwal, Head Investor Relations and AVP Strategy of Mankind Pharma. Thank you, and over to you, sir.

Abhishek Agarwal:

Good evening, and a very warm welcome to our Fourth Quarter and Full Year FY '25 Earnings Call. Firstly, apologies for delayed start. On the call today, we have Mr. Rajeev Juneja, our Vice Chairman and Managing Director; Mr. Sheetal Arora, Chief Executive Officer and Whole-Time Director; Mr. Arjun Juneja, Chief Operating Officer; Mr. Sudipta Roy, Senior President, Sales and Marketing; Mr. Ashutosh Dhawan, Group CFO; Mr. Prakash Agarwal, President Strategy.

We will begin today's call with Mr. Rajeev Juneja, who will provide an overview of our performance for the quarter gone by, followed by Mr. Sheetal Arora, providing an in-depth insight for business performance and outlook. Mr. Ashutosh Dhawan will then share the financial highlights, after which we'll open the session for your questions.

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

Now I'll hand it over to Rajeev sir for his comments.

Rajeev Juneja:

Thank you, Abhishek. A very good evening, and welcome to our quarter 4 and full year '25 earning call. As we celebrate 30 years of operations, we look back on our purpose-driven journey that has redefined high-quality healthcare, accessible across Bharat at affordable prices, especially, in the region that have long remained underserved.

Over the years, Mankind has consistently expanded its presence and leadership with a strong foundation in mass market - acute and semi-chronic therapies, specialty chronic and consumer healthcare segments. Today, we are honored to be recognized as fourth largest pharmaceutical company in India by value and the second largest by volume in IPM. This achievement underscores the impact we have created and the trust we have earned over the years.

Our recent acquisition of BSV marks a significant step forward, enhancing our presence in super specialty segments. Following that acquisition, we have undertaken strategic initiatives, including the integration of BSV's prescription business into Mankind's platform for long-term sustainable growth.

This has been a transformative year at Mankind with several initiatives focused on enhancing doctors' engagement, digitizing of operations, workforce upskilling and optimizing policies and processes for the next leg of growth across therapies.

Moving ahead with our quarterly performance. In Q4 FY25, our revenue increased to INR3,079 crores, registering a growth of 27% year-on-year and adjusted EBITDA margin of 23.1%. For full year FY25, our revenue increased by 19% year-on-year, with adjusted EBITDA margin of around 26%. In Q4 FY25, our revenue from domestic business grew by 18% year-on-year, majorly driven by chronic outperformance and consolidation of BSV business.

Our chronic share, excluding BSV increased to 39.2% in Q4 FY25 as compared to 37.5% in quarter 4 last year, driven by an outperformance of 1.3x to IPM chronic growth. Further, our recent launch of empagliflozin in anti-diabetes, witnessed strong traction gaining more than 8% volume market share in March '25 and ranked amongst top 3 in new launches.

Mankind's PCPM has also increased to INR6.8 lakh in this year from INR6.5 lakh last year. As far as OTC is concerned, this year has marked a progressive shift in consumer healthcare business as the benefits of our prior strategic initiatives began to materialize from second quarter onwards, driving strong growth showcasing the strength of our brands and our agile execution.

In Q4 FY25, consumer healthcare revenue stood at INR178 crore growing at 14% year-on-year. Revenue for FY25 also increased by 15% to INR809 crores. We achieved a strong 77% year-on-year growth in modern trade and e-commerce channels, further enhancing market share of our key brands. Our recently launched products have also witnessed robust growth across brands, including Nimulid, and OvaNews. Even our Manforce Epic ThinX Condom gained strong traction in its first year of launch.

As part of our continued innovation in R&D, we have made notable strides in our R&D efforts. With our new NCE molecule GPR119 targeting obesity, diabetes and metabolic disorders, having advanced to Phase II clinical trials. In parallel, we are actively exploring strategic partnerships for GLP-1 that would enable us to launch the product post patent expiry, which is anticipated next year.

The year gone by, we have laid a strong foundation to deliver long-term sustainable growth, led by our four key pillars: number one, steady base business; second, fast-growing specialty chronic; third, high potential OTC business; and fourth is high-entry barrier super-specialty portfolio of BSV.

I would now like to invite Sheetal to share further insights into our business performance.

Sheetal Arora:

Hello, everyone. A very good evening to all. We truly appreciate your presence as we share our quarter 4 and financial year '25 performance. With dedicated focus and consistent performance, we have emerged as a leading player in the Indian pharmaceutical market - Ranked number one in prescription for eight consecutive years.

Today, our prescription shares stand at 15.5%, with 84.1% prescriber penetration, a reflection of the long-standing trust and credibility we have built within the medical community. While

our growth has largely been organic, in recent years, we have strategically pursued select inorganic opportunities to address identified white spaces, particularly in the specialty chronic segment.

Through in-licensing partnerships with global pharma leaders, we have introduced niche and complex products like Neptaz, Nobeglar, Symbicort and Crenzlo, boasting our offerings in the specialty chronic category. We have further deepened our specialty presence through acquisitions such as Panacea's oncology and transplant business and select brands like Combihale and Daffy. Additionally, our recent acquisition of BSV has resulted in a rise in our overall value market share in IPM to 4.8% and our volume share to 6%. This acquisition has also firmly positioned us as leaders in the gynaecology segment, with a 10.4% market share.

Women's health portfolio presents new avenue for growth, allowing us to expand across both established and emerging markets. We are confident in leveraging these opportunities to establish ourselves as the most trusted brand in women's health.

Let us now move to a summary of our business performance. If I talk about domestic business, in quarter 4 of financial year '25, our domestic revenue increased 18% year-on-year, driven by a strong momentum in chronic therapies and contribution from the BSV portfolio. Our organic growth for the quarter was 10% year-on-year.

For the full financial year '25, domestic revenue crossed the INR10,000 crore milestone, reaching INR10,675 crores, a 13% year-on-year growth. Our organic growth for the year is 9%. During the year, the number of brand families crossing the INR50 crore revenue mark increased from 43 to 49 with notable additions, including Brutaflam, Histafree, Urikind and three brands from BSV.

Our presence in metro and Tier 1 cities grew from 53% to 56% in the financial year '25. Chronic therapy growth stood at 11% compared to 8.7% growth in IPM chronic, an outperformance of 1.3x in quarter 4 financial year '25. This growth was led by significant gains of 15.1% in cardiac and 9.4% in anti-diabetic segment, reflecting consistent outperformance of 1.5x and 1.3x, respectively, compared to the IPM. We have also expanded our DMF grade portfolio to over 240 products with a focus on the chronic segment.

Now talking about the international business. Revenue from the international business doubled to INR535 crores in quarter 4 financial year '25, up from INR267 crores in quarter 4 financial year '24. Organic growth in international market was in the low single digits during the quarter. For the full year financial year '25, international revenue grew 88% to INR1,532 crores with organic growth of 37% year-on-year. This was supported by combination of base business momentum and one-off opportunities in the U.S. for Mankind, and the successful integration of BSV.

Looking ahead, we expect our domestic revenue growth to outperform IPM by around 1.2x in financial year '26. We anticipate an increase in R&D investment to 2.5% to 3% of revenue in financial year '26, up from 2.1% in financial year '25. Accordingly, we expect EBITDA margins to be in the range of 25% to 26% in financial year '26.

Our 30-year journey has been nothing short of transformative marked by challenges, resilience and progress. Yet at Mankind, we see this not as a destination, but a stepping stone to even a greater milestone. With the commitment of our team and the customer-centric approach at the core, we are determined to keep evolving, creating value and improving lives every step of the way.

Now I'll invite Ashutosh ji to provide a detailed insights into the financial performance. Thank you so much.

Ashutosh Dhawan:

Thanks, Sheetalji. A very warm welcome to everyone joining us for our Q4 FY '25 performance discussion. Before we proceed with the financial performance, I would like to highlight that these Q4 FY '25 financials are the first full quarter of BSV results and FY '25 includes 160 days of BSV financial performance.

Also, as committed, we have monetized our noncore asset that is Mahananda Spa and Resorts Private Limited for a cash consideration of INR562 crores on 11th of February 2025. Consequently, we have classified our financial performance into continuing and discontinued operations for this quarter, and corresponding prior periods have also been reclassified to give a true and fair view of our continuing operations. Accordingly, we will focus our discussion on the performance of continuing operations. For the comprehensive view, including discontinued operations, please refer to Slide 31 of our Q4 FY '25 earnings presentation.

In quarter 4 FY '25, our revenue from operations has increased by 27.1% year-on-year basis to INR3,079 crores as compared to INR2,422 crores in Q4 FY '24. This is driven by growth in our base business and consolidation of BSV results.

For FY '25, our revenue has grown by 19% year-on-year basis to INR12,207 crores vis-a-vis INR10,260 crores in FY '24.

During the quarter, our gross margin has increased by 190 basis points to 71.6% from 69.7% in Q4 FY '24. This increase is driven by a combination of sales price increase effect as well as favorable sales mix.

For the full year, our gross margins have increased by 260 basis points to 71.4% compared to 68.8% in FY '24. This is majorly on account of sales price increase effect, which has contributed 120 basis point, and the balance 140 basis point is the combination of better sales mix as our chronic contribution has increased by 150 basis points on a year-on-year basis as well as certain operational efficiencies have also been achieved in our manufacturing processes.

During the quarter, our reported EBITDA has increased by 16.4% year-on-year to INR686 crores with the margins of 22.3% as compared to INR589 crores and a margin of 24.3% in Q4 FY '24. Further, there has been some spillover of the integration cost related to BSV, which amounts to INR25 crores. And after adjusting the same, our adjusted EBITDA margin is 23.1% in Q4 FY '25.

This decline in adjusted EBITDA margin of 120 basis point year-on-year basis for the quarter was primarily due to increase in our selling and other expenses pursuant to launch of certain brands like empagliflozin and relaunch of certain Rx brands of BSV.

For FY '25, we have reported an EBITDA of INR3,030 crores, which is up by 19.8% year-on-year basis with the EBITDA margin of 24.8% as compared to 24.6% for financial year 2024. However, if we adjust the EBITDA margin with non-recurring expenses especially related to BSV transaction, our adjusted EBITDA margins for FY '25 has increased to 25.9% as compared to 24.6% in FY '24, which is at the higher end of our guidance of 25% to 26%. This increase in adjusted EBITDA margin by 130 basis point is due to increase in gross margin by 260 basis point, and a part of it has been offset by increase in expenses.

The R&D expenses for the quarter was INR87 crores, which is 2.8% of the sales. And for the full year 2025, it is 2.2% of the sales, which is in line with our guidance of 2% to 2.5%.

The finance cost for Q4 FY '25 has decreased to INR191 crores from INR221 crores in Q3 FY '25, which is driven by a repayment of INR3,000 crores worth of commercial papers in January 2025.

In Q4 FY '25, the depreciation and amortization expenses have increased to INR231 crores as compared to INR100 crores in Q4 FY '24. This includes INR110 crores of amortization impact related to BSV assets. And if we look at for the full year, the depreciation and amortization expenses has increased to INR621 crores vis-a-vis INR378 crores in FY '24, which is primarily due to amortization impact of INR194 crores on BSV assets.

The effective tax rate for Q4 FY '25 was at 16.8% as compared to 16.6% ETR in Q4 FY '24. However, the ETR for the full year FY '25 is 20.3% as compared to 19.1% last year. The ETR for the current quarter is low because of the lower tax on sale of Mahananda Resorts and Private Limited, which is a long-term capital gain tax. The ETR for the full year has increased on account of certain disallowances of expenses, primarily acquisition-related as well as a higher ETR of BSV. Accordingly, we continue to maintain guidance of 21% to 22% for the next year.

The profit after tax for Q4 FY '25 decreased by 10% to INR429 crores on account of higher finance cost and depreciation cost pursuant to full quarter consolidation of BSV, with diluted EPS of INR10.3 per share of INR1 paid. The cash EPS, which is the EPS adjusted for non-cash items like depreciation and amortization, was at INR15.9. For the full year FY '25, PAT increased marginally by 3.4% to INR2,007 crores from INR1,941 crores last year. The diluted EPS and cash EPS for FY '25 were INR49.1 and INR64.4 respectively.

The net operating working capital days for the quarter has decreased to 50 days as compared to 52 days in Q3 FY '25. However, as compared to FY '24, it has increased by 8 days to 50 days from 42 days in FY '24. Further, in FY '25, our cash flow generated from operations was at INR2,413 crores, which is on a year-on-year basis, an increase of 12.1%, from FY '24. Our capex spend in FY '25 increased to INR531 crores, remaining at 4.3% of the total revenue, which is in line with our guidance of 4% to 5% of revenue.

As a part of our financial prudent approach, we continue to strengthen our balance sheet and have reduced our net debt to INR5,784 crores as of 31st March 2025, and this has been aided by monetization of non-core assets. And this has resulted in improving our net debt to adjusted EBITDA ratio to 1.8x in FY '25, which is in line with our guidance of less than 2x.

With that, we conclude our remarks and welcome any questions which you may have. And I now hand over to Abhishek.

Abhishek Agarwal: Yes. So thank you, Ashutoshji. So now...

Moderator: Ashutosh sir?

Prakash Agarwal: Yes we can start the Q&A, please.

Moderator: We have our first question from the line of Kunal Dhamesha from Macquarie.

Kunal Dhamesha: One for Rajeev ji. On the BSV portfolio, now that we have this portfolio for close to 6 months now, how has the performance been especially in Q4? Let's say, on a year-on-year basis, if we look at the revenue for BSV, how has that progressed? And what is the outlook there on the BSV business, while our domestic revenue growth guidance is 1.2x IPM. But specifically on the BSV portfolio, how is the outlook there?

And what is the synergies that we are expecting? Earlier, we had guided for INR50 crores to INR100 crores in 12 to 24 months. So when should we start seeing that? And the integration cost, is it just for this quarter? Or do we expect that to continue?

Rajeev Juneja: Thank you, Kunal. In the month of October, we took this organization. And naturally, when you take such an organization, it takes time to really settle in, bringing the leadership, whatever changes one is supposed to bring. I mean that we have done it. And if you just look at the BSV, it is a fantastic kind of organization, and we were just looking for an organization which has high-entry barrier products that we have acquired.

Going forward, next year, we expect the growth would be in the range of 18% to 20% is kind of the growth we expect. And what was the other question from your side?

Kunal Dhamesha: Yes. So on the synergy side, we had said that it would be INR50 crores to INR100 crores in 12 to 24 months. So how are we tracking on that target? And what should we expect in FY '26 on that?

Rajeev Juneja: We said that the synergy will take 12 to 24 months, that is how we basically have taken. When we acquired BSV, it came to us with TTK products - prescription brands, which we have integrated in Mankind because for that, Delhi Mankind is an appropriate company. On the second side, actual BSV, is super-specialty, very high-entry barrier products, that is over there.

So whatever corrections we were supposed to make, we have made, and whatever changes we wanted to bring in like TTK brand, that particular division, we have done that. Optimization, commercial excellence, whatever changes we wanted to bring, we just wanted to close everything in the month of March before the next year starts.

So now onwards, things will be better in next 12 months' time to 18 months' time, you'll see the synergy. We promise that would definitely happen.

Prakash Agarwal:

Yes, if I can add just some data points, like, for example, what Rajeev ji said that the TTK Rx business shifted to Mankind operating model. So, the small business was run into three divisions. Now we have converted into one division. It had more than 600 people. So as on March '25, it had 440 and as we speak, there's another optimization that has happened. And there's also a lot of emphasis on portfolio optimization. So some tail brands, we have kept some focus brands. This is as far as TTK Rx business is concerned.

On the WH specialty business in domestic side, we have strengthened leadership. The India head has come from one of the top companies in the India pharma space. There, the focus is largely on improving the operational efficiency. We believe there's a lot of juice left in terms of improving doctor connectivity, institutional penetration, improving MR productivity. So that process is on, and we will soon see some recovery in that space.

Rajeev Juneja:

In the month of April only, I mean, we are finding very good traction in BSVs TTK brand because certain brands are so iconic, the moment some kind of a connection was there with the customer, doctors, immediately, the response started coming. Ossopan and Lactare, I mean these are certain brands, they basically were there in the market and some kind of a push was required, and we gave that. And the first month or I'll say 2-3 month response is fantastic.

Ashutosh Dhawan:

And just to reflect on your last question. Kunal, so your question was with regard to the integration costs. So Q3 was driven by the acquisition cost. Q4 has been integration cost basically to bring in effect the change of control, which has taken place and certain consultant cost, which has been there, all put together has been INR25 crore or so, which we have called out. And once we will start the legal integration process, then there will be certain regulatory costs, which will be associated with that.

Kunal Dhamesha:

And the second question on the EBITDA margin guidance of 25% to 26%, which seems more or less kind of flat if I look at the adjusted EBITDA margin of 25.9%, right? So wouldn't there be - let's say, BSV grows at 18%, 20% at low end, our domestic business also grows at 1.2x. Shouldn't there be more operating leverage, there will be synergies from this because we already started optimizing the manpower cost at TTK or BSV, right? So yes, what are the drags? One is, I think, R&D expense, which we are expecting at midpoint, 50 basis points higher. But anything else on the drag side that I'm missing?

Rajeev Juneja:

We mentioned in the last call as well that in last couple of quarters, we have done a lot of reforms in Mankind. Once upon a time, Mankind was a kind of a company which was bottom-up. Everything was bottom-up. Nothing was top-down. So different divisions were working as per their best practices. There comes a time after few learnings, we brought a lot of new leadership at the head office level, so that the policy should be uniform, all 28 divisions should work in one direction, there should be a proper synergy because in the absence of synergy, a lot of wastage happens.

And we mentioned in the last call as well, the kind of steps we have taken. Very less companies are there in India who can really have such a courage to take actions. A lot of, I'll say, commercial excellence, a lot of changes. A lot of improvements, a lot of trainings, lot of replacements. Every sort of thing has been done in the last 1 year time and we tried to do everything before March, last year March, so that this year should start with flying colors. Flying colors in the sense that on one side, the actual results, which we hope, which we expect in Mankind would come slowly and gradually, I mean, after this first quarter.

We feel that whatever replacement we brought, after changing a lot of people, will start giving us right kind of synergy and right kind of response second quarter onwards. But as a whole, whatever we are saying right now that at the end of the year, whatever projections we have given, we'll be meeting those.

But yes, we have really worked hard to make Mankind strong foundation, because it really happens in every organization, organizations keeps growing and then comes a plateau. And if you are courageous enough to really see that what are the drags? Can you replace them? Can you change them? There are two ways. One, basically is what? Do it slowly and gradually. And the second basically is what?

Once you find out that something is wrong, something is not right. Instead of doing it next year and next to next year and dividing that into many, many parts, we thought of doing everything in one go. And we feel that everything has been done last year. Now things will be better, much better.

Moderator: We have our next question from the line of Tushar Manudhane from Motilal Oswal Financial Services.

Tushar Manudhane: Sir, just to start with, if you could share BSV sales for the quarter, domestic as well as exports?

Prakash Agarwal: So we have not called out specifically. I think Sheetal ji gave the organic numbers, you can call out the same. What I can add is that mandate brands, which is our key focus area. So the domestic mandate brands for the year have grown at 10% plus and international specialty mandate brands have grown at 18% plus for the year. IVF as a category for the quarter has grown at 20% and for the year has grown at 26%. I think this is the broad color we are giving, and the numbers you can calculate by just doing the organic numbers.

Tushar Manudhane: Got it. Sir, secondly, while the chronic, we are greatly positioned to grow 1.2x. But given that we still have considerable portion of acute therapies as well. So how to think about the overall portfolio growth? So ex-BSV, the prescription business?

Prakash Agarwal: So chronic currently, I mean, if you see continues to grow 1.2x to 1.3x, which is largely the cardiac and anti-diabetes. Our core five focus area apart from cardiac and diabetes is gastro, gynae and anti-infective. And we also hope to improve on the respiratory as well as derma and vitamins.

Tushar Manudhane: Yes. So how to think on the growth front, if we sum up across the therapies for the acute side?

- Prakash Agarwal:** So acute side with the kind of restructuring initiatives that we have taken. So in the last 2 quarters, we have seen some corrections. And it is largely in the acute side, which has also impacted some of the acute segments. And we expect the growth to start from Q2 as Rajeev ji mentioned.
- Sudipta Roy:** Just to add to what you said. I think if you see in acute growth in quarter 4, we had to consider the regulatory impact of Unwanted-72 in acute portfolio. If you consider that, we are at par with the market. And going forward, as you rightly said, that we are expecting the acute portfolio will also grow at the same pace what market will grow.
- And chronic, as usual, like we will be stronger in chronic. And some of the portfolio, what we said strategically we are focusing on, especially gynae, you have seen that post BSV, we have strengthened our gynae portfolio and there is a significant jump in market share overall. And gastro, of course, it has been a major focus for us. And going forward, also, it will be a major strength, along with our cardio and diabetic segment.
- Tushar Manudhane:** Got you, sir. Just one more, if I may. The consumer healthcare recovered considerably in FY '25 with almost 15% growth. How to think about whether this is the kind of sustainable growth in consumer healthcare? Or there is still some more steam left as far as growth is concerned in this segment?
- Rajeev Juneja:** We feel that this is not basically flash in the pan. This kind of growth will always be there. We are very bullish about our consumer healthcare business. And whatever brands particularly we have launched in last couple of, I'd say, quarters are also getting good traction. We mentioned you the name of Nimulid. We mentioned to you that this -- Ova News and our Gas-o-fast is doing fantastic, very, very good.
- And where we were weak in the past? We were weak in e-commerce. We were weak in modern trade. Even there, I mean, lot of good performance is happening. We feel that this year, next year and going forward, our consumer business would be fantastic.
- Moderator:** We have our next question from line of Neha Manpuria from Bank of America.
- Neha Manpuria:** First question on BSV. While I understand we are not giving specific BSV numbers. I think at the time of the acquisition, we had mentioned about the scope of margin expansion to 30% and higher on BSV over the next 2 years. Based on your -- what you've seen so far and the reforms that you have put out in BSV, the changes you have brought forward, is there still visibility on getting to improving margins within the BSV portfolio?
- And specifically on BSV on international, I think if I were to calculate the numbers, there's been moderation in international. So if I were to think about the 18%, 20% growth, how much of that would be domestic versus international, given what's happened in fiscal '25?
- Prakash Agarwal:** Yes. Thank you for your question, Neha. So international growth has been very strong, upwards of 20%. We are not giving specific numbers. Domestic has been a bit muted because of some of the corrective actions we had to take, especially in the TTK Rx business, which has seen a sharp drop, which is from April onwards, as Rajeev ji mentioned, the growth has started. So we are

positive on that. On the WH specialty also, while mandate brands have grown, but some impact is there on the tail brands. That's why the growth is a bit muted.

As for the margins growth, we remain very positive. Current margins are in the region of 26% to 27%. And we remain committed to improve the margin profile by 50 to 100 basis points every year. 30% probably will reach by fiscal '30, for sure, because it needs some R&D investments also. As the portfolio and the pipeline, there are a lot of very good opportunities. So that would require some investment. So that's why there will be a bridge from '26, '27 to '30. But we are very positive. Thank you.

Neha Manpuria: Understood. And the R&D investment, if I were to think about it from a consolidated perspective. Is the current quarter run rate something that I should build the increase upon? If you can give some guidance on what the total R&D spend would be?

Prakash Agarwal: Yes. So guidance is 2.5 to 3, you can take an average of the two.

Neha Manpuria: Okay. So okay, not too much. Got it. In the existing Mankind domestic business, we've mentioned that growth would come back from second quarter onwards. Is there any risk that you see in terms of the MR that you've added or that you've refreshed not being able to ramp up? Is there any plan to again add more MRs as we think about the next year to grow -- to deliver that higher-than-market growth? Just some color there.

Rajeev Juneja: Neha, there's always some kind of risk in everything you do actually. So we are not talking about increasing the medical reps and managers. What we have done in the last couple of quarters, we have replaced medical reps, managers, field force as a whole, a good quantity of that. Wherever we found that inefficiencies were there, right practices were not there. And whatever I'll say, right things were not there, we were really blunt and straightforward in making correction immediately as Mankind has always been very, very fast and executing things.

One way that you look at your balance sheet, you look at your other things. On the second side, we have always believed that if inside things are right, foundation is strong, things will move very fast. In my own career, I've seen in the last couple of years or many, many years that sometimes in the greed of growth and profits, right culture evaporates. So we are not that kind of a company.

Whatever actions we were supposed to take, we have taken those drastic actions. These were not simple actions. These were drastic actions and we're done and dusted. And now when I say that these new medical reps and new managers have come, they will take some time. They have taken some time. It's not that everything has happened in March or everything happened in December.

Everything happened gradually, and we decided that by the end of March, we'll close down everything, and we have done that. So that's one reason we are saying that maybe first quarter onwards. As we mentioned that whatever growth we have projected, whatever numbers we have given, that will be done. We are very sure about that.

- Neha Manpuria:** Understood. And so the MR count still remains at about the 16,500 level that it was in the last quarter?
- Management:** Absolutely. We are not increasing. I mean, we basically replaced, improved, trained, brought new team.
- Prakash Agarwal:** The only small addition is adding on some experienced talent pool in green cluster heads, that's handful though. So cluster heads, some of the national sales heads from outside. So when we said bottoms-up, in the past, it's -- given the scale and size, you need to do some top-down strategy of hiring some experienced people and upgrading your talent pool as per the size of the company.
- Rajeev Juneja:** If I just say that in last year, overall, I mean servicing of Mankind has been done. I mean deep-down cleaning has been done in Mankind in every aspect, and we are very sure about it. Whatever in the future will happen, will happen very, very soon.
- Abhishek Agarwal:** And Neha, about 16,500 includes manager also. This is not only MRs.
- Neha Manpuria:** Yes. Thank you so much.
- Moderator:** We have our next question from the line of Chintan Sheth from Girik Capital.
- Chintan Sheth:** Sir, I was asking on the other opex, which came up significantly higher around 26% of sales. You mentioned a couple of pointers around the investments on the new launches plus R&D expense as well as the integration costs. How should one look at other opex going forward as a run rate basis? That's one. And second is on the debt side, we did mention that we are targeting some repayments and all. How should we look at FY '26 repayments given that the cash flows continue to be very strong for us?
- Ashutosh Dhawan:** Sure. So let me start with the latter one. With regard to the debt portion. What we are targeting is that by end of FY '26, we should have the EBITDA to debt ratio of close to 1.1x, anywhere between 1 - 1.2x of the EBITDA. So that's the guidance on which we are working. And as we highlighted earlier, that by FY '28, the target is to retire the complete acquisition-related debt.
- And with regard to the other expenses, this is in this quarter, there has been a bulge on the other expenses. And for the next year, we have maintained the guidance of 25% to 26%. So from there, you can draw that. That applies to all the expenses, not only to the other expenses.
- Chintan Sheth:** Okay. And on the acute side, we did some restructuring. We are now done and dusted with that. How should one look at acute growing from here on, given the base for this year has been a little bit softer due to the internal restructuring? Should we expect -- we mentioned 1.2x the IPM is our target for growth next year. Specifically for acute, if you can highlight it and what are we doing over there to tie the group.
- Sudipta Roy:** Hi, Chintan, I think we have spoken about this before. So acute has been a little soft in quarter 4 for most of the acute giants or acute-heavy companies. We are also no exception to this. But yes, there are certain impacts of regulatory phenomenon, which was there in unwanted-72, which

I have spoken already. But in the future, as I said, we have been focusing on gastro, gynae, which has been our major forte in acute and anti-infectives as well. And what we are expecting is we would be at par with acute if we talk about annual growth.

So I think what I have already spoken about that a lot of restructuring has happened from different parts and at different levels from field to HO, and those impacts should be visible in acute as well.

Chintan Sheth:

Got it. And any guidance on -- sorry, on exports, any guidance?

Prakash Agarwal:

So for Mankind exports, we're expecting single digit growth. And from the BSV side, we continue to maintain that the growth for the overall BSV, I think guidance given is 18% to 20%. International growth will be higher than 20%.

Ashutosh Dhawan:

So on an overall sales mix standpoint, so exports will be less than 15% of the overall sales in the next year. So 85% plus will be domestic, export will be less than 15%.

Moderator:

We have our next question from the line of Rahul Jeewani from IIFL.

Rahul Jeewani:

Just a clarification on this 1.2x the IPM growth that you mean for the prescription business, excluding the consumer healthcare portfolio.

Prakash Agarwal:

Yes, correct. Yes, Rahul.

Rahul Jeewani:

And this growth bounce back, which you are expecting from quarter 2, so are you seeing fundamentally things improving in the acute segment or this growth bounce back from 2Q would largely be a function of the fact that the restructuring of our mass market business would be in the base quarter of last year and that restructuring in the base would then help us to drive improved growth from 2Q?

Prakash Agarwal:

Rahul, just giving some color on the last year performance, which is fiscal '25. If you see quarter 4, we have grown 10% in the domestic business without OTC, which is already 1.2 to 1.3x the secondary growth by IQVIA. And for the full year, we have grown at 9% primary versus IQVIA growth 8% - 8.5%. So we are already outperforming. And what we are saying is, from Q2, the growth will be even higher. So 1.2x there, I mean, if the market is growing at 10%, we're expecting growth our growth to be around 12% plus.

So that should not be a tall task, right, especially when we've taken so much of initiatives. And this year also, we have outperformed IPM. And what I think -- what Sudipta said was -- if we add back some of the regulatory headwinds, there's another 50 bps that we need to add back. So the year performance is already 1.2x, and we expect that to continue at 1.2x.

Rahul Jeewani:

Okay. So the organic growth which you called out was for the prescription business, excluding the consumer healthcare portfolio.

Prakash Agarwal:

Yes, Rahul. Thank you.

Moderator:

We have our next question from the line of Sidharth Negandhi from CWC.

- Sidharth Negandhi:** On basis of the revenue guidance on the domestic business, the exports business and the consumer healthcare business, considering the consumer healthcare business is likely to grow fastest, will that be a drag on margins? Or are the EBITDA margins of the consumer healthcare business in line with the domestic business? And similarly, on the gross margins, how do you see that playing out, considering the consumer healthcare business is going to grow fastest?
- Ashutosh Dhawan:** So for the consumer business, we have those EBITDA margins, they are part of the investor pack. So they are in high teens, close to 20%. And overall company margin is in the range of 25% to 26%. So that's the guidance we have given. So the consumer business margin currently is at a lower rate as compared to the company average. But it is a matter of scale. Once the business gets scaled up, then definitely, it is going to inch up to the company average in the near future.
- Abhishek Agarwal:** And size of the business of this is around 7%. So it's not going to contribute or significantly, you can say, dilute the overall margins.
- Ashutosh Dhawan:** And moreover, as Sheetal ji has highlighted, we are maintaining the same guidance, 25% to 26% for the EBITDA margin on an overall basis. The second question was on gross margin?
- Sidharth Negandhi:** Yes.
- Ashutosh Dhawan:** Gross margin, it is also in proportion to the EBITDA margins for the consumer business. So gross margin is comparable to the acute gross margin, you can say. Lower than the chronic, but comparable to the acute margins.
- Sidharth Negandhi:** Yes. Sir, on the acute piece, just want to understand, considering the impact that trade generics seem to be having, especially on the acute side outside of the metros, what is our plan on launching our own trade generics or taking action to sort of prevent that growth of trade generics impacting our growth?
- Rajeev Juneja:** You see, this trade generic is there in the business for the last couple of years. It is not only in smaller cities or bigger cities, in metros, everywhere trade generic is there. The impact is already there. I mean these kind of challenges are always there.
- But please understand, whenever somebody buys a trade generic, the chemist gives him the medicine. Patient does not get that medicine at economical prices. It's like I mean earlier, people used to go to chemist without the prescription, doctor used to give our medicines. Now, no more.
- Just imagine hypothetically, if trade generic would not have been there, the growth of this pharma market would have been more than 16% - 17%. The impact of trade generic, whatever you see the growth, it is keeping trade generic in mind. Even in trade generic side, if you just look at the data, it has slowed down. The growth has come down. The kind of growth it was having in the past, it is no more now because ultimately, doctor's prescription really matters.
- Sidharth Negandhi:** Clear, sir. And on the pipeline, you mentioned about a clinical trial happening for an obesity drug in Mankind. Any guidance on further launches in Mankind and separately in BSV?

- Prakash Agarwal:** No. So this is GPR119 you're talking about, anti-obesity drug?
- Sidharth Negandhi:** Yes, that you already mentioned about the fact that it has entered Phase II trial. But any other notable inclusions in that pipeline, both from an erstwhile BSV and Mankind side?
- Prakash Agarwal:** So in the investor deck, if you go through, we have given one BSV at a glance. There we have given some color on the pipeline, which is on the biosimilar products as well as some of the innovator products, which is in the AMR space and anti-thymocyte space.
- Sidharth Negandhi:** Got it. And on the Mankind side, any more drugs in the pipeline, innovator drugs?
- Prakash Agarwal:** So this is what we can talk about at the moment, GPR. There could be a couple, but it would be very initial stages.
- Prakash Agarwal:** I think we can call it off. I think the time is up. So decide.
- Moderator:** Sure, sir. As there are no further questions, I would now like to hand the conference over to the management for closing comments.
- Abhishek Agarwal:** Thank you, for any further queries or clarification, request you to please write to us on investor.relations@mankindpharma.com. Thank you, and have a nice day.
- Moderator:** Thank you. On behalf of Mankind Pharma Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.