Date: May 22, 2025

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

BSE Scrip Code: 544319

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

NSE Symbol: SENORES

Sub.: Compliance under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015– Transcript of the Earnings Conference Call – Q4FY25

Dear Sir/Madam,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and in continuation to our intimations dated May 12, 2025 and May 16, 2025, please find enclosed the transcript of the Earnings Conference Call for the Q4FY25, held on Friday, May 16, 2025 at 04:00 P.M. (IST).

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

You are requested to take the same on record.

Thanking you.

For Senores Pharmaceuticals Limited

Vinay Kumar Mishra
Digitally signed by Vinay Kumar Mishra
Date: 2025.05.22 19:25:08 +05'30'

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

"Senores Pharmaceuticals Limited

4QFY25 Earnings Conference Call"

May 16, 2025

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 16th May, 2025 will prevail.

MANAGEMENT: **MR. SWAPNIL SHAH – MANAGING DIRECTOR – SENORES PHARMACEUTICALS LIMITED**
MR. SANJAY MAJMUDAR – CHAIRMAN – SENORES PHARMACEUTICALS LIMITED
MR. DEVAL SHAH – WHOLE TIME DIRECTOR AND CFO– SENORES PHARMACEUTICALS LIMITED

MODERATOR: **MR. PRASHANT NAIR – AMBIT CAPITAL**

Moderator: Ladies and gentlemen, good day and welcome to the Q4 and FY25 Earnings Conference Call of Senores Pharmaceuticals Limited. 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 any assistance during the conference call, please signal an operator by pressing star and then zero on your touchtone phone.

Please note that this conference may contain forward looking statements about the company which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

I now hand the conference over to Mr. Prashant Nair from Ambit Capital. Thank you and over to you.

Prashant Nair: Yes, thank you. Good afternoon, everyone. On behalf of Ambit Capital, I welcome you all to the Senores Pharma 4QFY25 Earnings Call. We have the following members of management with us. Mr. Swapnil Shah, Managing Director. Mr. Sanjay Majmudar, Chairperson. Mr. Deval Shah, Chief Financial Officer. I now hand over the call to Mr. Swapnil Shah to take it forward. Over to you, Mr. Swapnil.

Swapnil Shah: Okay, good. Good evening, everyone. Thank you for joining us on Senores Pharmaceuticals Limited Q4 and FY25 Earnings Conference Call. Along with me on the call, we have our Chairman, Mr. Sanjay Majmudar, our CFO, Mr. Deval Shah, and our IR team from SGA, our Investor Relations partner. We have uploaded the results, press release, and investor presentation on the Stock Exchanges as well as on the company website. I hope everybody had an opportunity to go through the same.

Continuing on our laid out strategies, we have delivered a resilient performance across segments in Q4 FY '25. In the regulated market, we have expanded our ANDA portfolio. We have acquired 14 ANDAs from Dr. Reddy's, one from Breckenridge. This takes our portfolio to about 61 ANDA products, of which large number of ANDAs have potential of catering to large government contracts in the U.S., giving us an edge to enhance our market share.

The product acquisitions are in line with our strategy of inorganic expansion to grow our product basket. The acquired ANDA basket is spread across CNS, Cardiac, Antifungal, multiple other therapeutic segments as we speak. Our total commercialized ANDA portfolio stood at 22 as of March 31, 2025.

As you know, constantly changing scenarios have made global trade dynamics very volatile. However, we should be able to navigate the situation comparatively better. Our US FDA-approved manufacturing facility located in the U.S., through which we cater to our regulated markets, gives us a considerable advantage versus players who do not have the manufacturing footprint in the U.S. Hence, we should be insulated from any tariff-related risk which other manufacturers might face.

On our manufacturing side, we already have two operational lines and two more operational lines that are in works that should give us a sizable volume output going forward. Having said that, there was some holding back during the quarter in terms of commercial launches by a few of our marketing partners as we speak. However, we are seeing the momentum pick up massively on some of the launches that were slightly delayed. We have launched some products in the ongoing quarter, and we are optimistic of the momentum to remain steady going forward. As of now, we are planning to launch around 31 ANDA products in the regulated market in FY '26 and 23 CDMO-CMO products in the current financial year.

Our CDMO-CMO segment is seeing steady traction with scaling up as well. We have added one product last quarter and adding more as we speak today. Our portfolio now stands at about 22 products. We have around 69 products in CDMO-CMO pipeline as of March 2025 at various levels of which many of them will be commercialized in the fiscal year as we will keep on adding our portfolio.

The most in our CDMO-CMO segment comes from our ability to cater to government contracts and our ability to manufacture and supply controlled substances in the U.S. With D.A. and B.A. certification for our manufacturing facility gives us a considerable advantage compared to all other competitors. We have seen healthy growth in our product segment in all our regulated market business, which is our largest business.

We continue to show consistent growth driven by the portfolio expansion and increasing market penetration. Our existing portfolio and the pipeline in the own product segment coupled with the contracts in hand on CDMO-CMO segment gives us a good visibility for the next year in the regulated market as we speak. We will continue to double down on our regulated market business, particularly in the U.S., apart from expanding to newer micro markets.

The focus will be on faster expansion of our own products' portfolio coupled with fast tracking the CDMO-CMO segment. As we speak, we will continue to look for more inorganic growth opportunities in the current year and the coming years.

Coming to emerging market business, we have registered 48 products during the current quarter, making our portfolio to 285 registered products as of 31st March 2025. We have filed nine more products during this quarter. With the current product pipeline, we intend to have a portfolio of 650 plus registered products across all emerging markets by the end of FY '27. We expect the shift in our product portfolio towards more niche molecules and the change in our go-to-market strategies to lead to considerable increase in the realizations, which should drive not only the growth but also improvement in the profitability of the emerging market business.

The emerging market business will continue to be more profitable and will continue to grow with changing product mixes. Having said that, we do not anticipate any material change in our revenue mix on a steady-state annualised basis. We will continue to have about 70% revenue coming from regulated market and about 30% revenue coming from emerging market.

There might be some fluctuation on quarter-to-quarter depending upon the product mix and product launches. Our margin would slightly be up or down depending upon, again, the

regulated market, emerging market product mix, our revenue mix, as well as the launches and so on and so forth. We continue to maintain our margin in the range of 24% to 26% sustainable on annual basis, which we have been doing so far.

In terms of segment-wise performance, Q4 FY '25, our income from regulated market grew 17% to INR64 crores, and our income from emerging markets stood at about INR37 crores. Coming to our full-year performance, income stood at INR410 crores, reflecting a massive growth of 91% over FY '24. This growth has been driven by both regulated as well as emerging market business.

Our regulated market income grew at about 69%, came to about INR245 crores. Income from emerging market stood at about INR121 crores, reflecting a 1704% growth over FY '24. Our consolidated EBITDA for FY '25 showed massive growth of 145% and came in at about INR102 crores as we speak.

EBITDA margin stood at about 25% for FY '25, reflecting an improvement of about 540 basis points, over FY '24. We continue to maintain strong EBITDA margin in regulated market business. We have also delivered on our strategy of improving the profitability in the emerging market business with EBITDA margin at about 7% current year, which is likely to improve significantly in the next year.

Consolidated profit after tax and minority interest for the year stood at about INR59 crores, a massive growth of 86% over FY '24. To summarize, we have witnessed a healthy performance across segments in quarter as well as the full-year basis. We are confident of continuing to deliver sustainable profitable growth going forward.

With this, I open the floor for questions and answers. Thank you.

Moderator: We have the first question on the line of Naitik Mohata from Sequent Investments. Please go ahead.

Naitik Mohata: Good afternoon, sir, and thank you for the opportunity. So, my first question is regarding financials results which are posted. So, the P&L which is posted and the P&L which is mentioned in our PPT, so the revenue, other operating income and other income, the classification among these three differ. So, could you just give more clarity on that?

Sanajy Majmudar : You mean to say what is the difference between other operating income and other income?

Naitik Mohata: Yes, what is other operating income about and what's other income about?

Deval Shah : The figures which have been uploaded are as per Ind AS and what is in the presentation is, other operating income mainly includes the product-related service income and shared service exports. So, we have given that breakup in the presentation.

Sanjay Majmudar So, I'll just elaborate. The product-related service income is pure operating income like dossiers, R&D, consultancy, etcetera, that we recover. Miscellaneous other operating income is typically shared services that we charge, then some writebacks which are routine in nature and some

recovery incentives, for example, some export incentives, etcetera all clubbed.

They are all pure operating income but classified as such as per the Ind AS and then we have a net gain or loss on the foreign currency fluctuations which are realized. So, this is the realized gain and loss which has also been shown as other operating income. Other income is a pure interest income which is sort of a treasured income. So, we have segregated that surplus funds that we have kept invested.

Naitik Mohata: Sure, sir. Understood. So, second could you share the split between our ANDA business and the CDMO business in the regulated market as well as the margins for both the segments?

Sanjay Majmudar: See, we generally, as a matter of practice and also for maintaining certain business confidentiality, we don't give segregated margins between the regulated ANDA income as well as CDMO. So, in Q4 the total income of regulated markets as Swapnil said was INR55 crores and INR244 crores was the regulated market income in entire FY25.

Naitik Mohata: Sure, sir. Sir, is it fair to assume that the margins for both the segments would be around 38% to 40%?

Sanjay Majmudar: No, they would be upwards of 40%.

Naitik Mohata: Okay. All right. Also, sir, another question is like we are going for an aggressive?

Sanjay Majmudar: This is the total regulated market EBITDA margin consolidated upward or 40%.

Naitik Mohata: Yes sir. Understood. Also, sir, we are guiding for an aggressive ramp up in FY26 in both of our business, in regulated market as well as emerging markets. So, sir would we see this ramp up coming up from Q1 itself or will it be skewed somewhere, somewhat more towards H2?

Swapnil Shah: Yes. So, we feel there is a ramp up going to happen from Q1 itself, but it will be sizable on the second half of this year because of certain product launches, certain approvals that are expected, certain niche products that are going to be approved in the month of September-October timeframe.

Naitik Mohata: Okay. That's very helpful. Lastly, sir, I have a question regarding Remus Pharma. I believe it is another listed entity which of the promoter group that deals in marketing of API and formulation. So it seems that that business is quite complementary to our emerging market business. So just wanted to get a sense regarding what is the rationale of having two separate entities here?

Swapnil Shah: Yes. There are two perspectives of it. One company is purely on a B2B business and other companies are purely on a B2C side of the business. One is completely manufactured products in-house, one is doing most of 95%, 97% which are outsourced, So very distinctively different business. If you drill down in terms of the fabric of how each business is structured and largely for Senores it's oral solids and injectables.

Whereas another company has multiple dosage forms multiple therapeutic areas, multiple different things. So very different business if you really deep down see each fabric of the business.

Sanjay Majmudar: So, Remus is actually a pure distribution company and it also acts as one of our many distributors in certain markets. So that way absolutely there is a little bit of complimentary part, but there is absolutely no conflict. And I think our sales to Remus as a distributor would not be more than 3%.

Naitik Mohata: Okay. All right, sir. That's really helpful. Thank you, sir and all the best, for the year ahead.

Moderator: Thank you. We have the next question from the line of Gaurav Agrawal from Nine One Capital. Please go ahead.

Gaurav Agrawal: Hi, sir. So you gave clarity on other income. Can you also help us what kind of run rate on the reported basis, the filing that you report on BSE? On that, what kind of trajectory in the other income you can see for next year?

Sanjay Majmudar: In terms of your visibility, see more or less I would say that if the total other income this year was about INR22 crores.

Gaurav Agrawal: I think sir it is INR19 crores for full year?

Sanjay Majmudar: Sorry INR19 crores it should be in the range of INR15 crores to INR20 crores that range will be there. Around 15 crores is a more sustainable number.

Gaurav Agrawal: So the 15 which you are referring to, this is the service income and operating, other operating part or it includes the interest income also?

Sanjay Majmudar: Yes. So all product related service incomes and other operating incomes and we are excluding the FX gain.

Gaurav Agrawal: You should do that. That is the right way to do it. So you are saying excluding forex gains and excluding the interest income, INR15 crores. And how much was it in FY25, like August 19, how much was it for this year versus this 15 crores, like-to-like basis?

Sanjay Majmudar: Well, 15 crores is, roughly 15 crores, 16 crores. That is exactly what I say.

Gaurav Agrawal: More or less it will be same which were in last year?

Sanjay Majmudar: Yes.

Gaurav Agrawal: Sir in terms of your P&L, your employee expenses have seen decline on a Y-o-Y basis, it was INR18 crores last year in Q4. It is only 14 and a half this time. And sequentially also there is a decline. So what explains this decline in employee benefit expenses?

Deval Shah: So I think during last year we had some extra shifts going on, which added to our employee cost last year and plus there was additional contractual labors which we did this year that reduced our own employees. But now it will again back to original levels because we already employed new people this year for the expansion done. So more or less, we'll be reaching what we were at in 2024.

Sanjay Majmudar So on an annual basis of 60 crores and there will be a proper regular increase only year over year.

Gaurav Agrawal: Okay. And for other expenses, is there any R&D component in other expenses in this quarter? And if you can help us, what was the quantum?

Deval Shah: Yes, there are INR3.5 crores of R&D expenses for the emerging market.

Gaurav Agrawal: For regulated 3.5 total R&D expenses or it pertains only to the emerging markets?

Sanjay Majmudar: 3.5 is the R&D component of the current quarter, which is the total R&D cost that is debited to P&L this quarter.

Gaurav Agrawal: Okay. And what was it, sir, in the previous quarter in Q3?

Sanjay Majmudar: Q3, we'll have to come back to you. We'll take it offline. We'll just come back to you. No worries.

Gaurav Agrawal: Okay. Sir, any guidance for next year if you can quantify your guidance?

Swapnil Shah: Yes. So, on our top-line, we've already, during the last call, we've already given quite considerable growth trajectory, at least 50% plus top-line growth from what we see today. That's one way we are targeting. On a PAT level, we are targeting at least 100% growth from where we are today for the next year on full year basis.

And I think whatever that is there today in terms of all the CDMO or CMO orders, and our own product launches, and so on and so forth, I think it seems pretty comfortable for us to target that kind of number for the current year.

Gaurav Agrawal: The PAT guidance of 100% that you're giving, that is after minority interest, right?

Deval Shah: Yes, around 100%.

Gaurav Agrawal: Perfect. Sir, just a last question, if I may. Any part of the current quarter revenue, which got shifted to, let's say, in Q1 of this year? Because in last quarter, I think the guidance which you gave, right? So, we have hit our guidance, we have met what we guided for, but it came on a lower end of our guidance, right? I think we gave a range of around 410 to 440. And we did 410 if I include the other operating income. So, is there anything, any setback, or any order which got delayed or got shifted to Q1 this year?

Swapnil Shah: Yes. So, about INR15 crores of revenue that we anticipated in Q4 quarter, that could not be realized. Two reasons for that. One of the packaging line had to start in month of March, that kind of pushed to April, because we had some track and trace compatible issue for that particular packaging line. So, though we had tablet, capsules manufactured and packed in a drum, we couldn't pack it in a bottle and ship it to our customer because of track and trace issue, IP issue that we had encountered in the month of March, which is rectified and done.

The second component was, we had a product launch with one of our prime customers that kind

of got delayed by another 15-20 days, which is scheduled to launch anytime now as we speak. So, those were the two factors kind of shifted, that about INR15 crores worth of revenue from previous quarter to current quarter, which if you add both on the revenue side, as well as profitability side, considering those PAT and EBITDA margins.

Sanjay Majmudar : It match this with our guidance. And this is for the regulated market.

Gaurav Agrawal: Right. Great, sir. Thank you so much and all the best for the future quarters.

Moderator: We have the next question on the line of Ajinkya Jadhav from KRIIS Portfolio PMS. Please go ahead.

Ajinkya Jadhav: You have this Atlanta facility and the regulated market and for that, do you have any inputs that you do for the production in that premises or in that factory, one? And the second question is, I'm asking you because if you're importing anything that could get affected by the tariff, one. And the second thing is about the new drug policy which has been talked about, will that put pressure on you to hike the prices or pass through the cost or the reduction in your generic products?

Swapnil Shah: Yes, so currently, as we all know, pharmaceutical is exempted from any tariff that we speak. Secondly, currently, for most of our products, we have adequate API supplies, API inventory that's available with us. So any tariff would probably be seen. We don't see any impact for next six to nine months because we adequately have inventory on APIs that we produce.

What kind of tariff is going to come in what segment, whether it is API formulation, some APIs are exempted, some not, nobody knows. So as everybody equally watching it, we are also closely monitoring it, right? So as you move forward, things will get clearer. But from our standpoint, we have only one product coming out of China. And for that particular product, we have about two years of supply already with us on the API side.

So even if that is something drastically comes on that side, we don't foresee any large change in terms of our cost of manufacturing on the American API. Also, we have a lot of API, let's say for controlled substance, most of APIs are locally produced. So that we don't foresee a major change from that side. And anything from Europe and India will continue to watch how things work. So that's one part of it.

Now coming to the second point, in all the speeches, you will hear two terms, two words from Mr. President. One is equalization and the second is most preferred nation. Now, when we talk about equalization, now equalization is you can only equalize when the product, product packaging, product franchise is equivalent to it is sold in other markets. Most of the products that are sold in the US and other markets, they do not have the same packaging. Europe is all blister packaging, most of it is blister packaging. US is all bottle packaging, right?

So how that equalization will derive in terms of product clarity, clarity, we like to see and get more clarity in terms of how it needs to be done. Also, the stability in Europe is sometimes different, the stability that we do in the US is different. So there are multiple factors that will come in equalization.

Now, the second term that we keep on hearing is most preferred nation. Now, if there is no equalization, then the question of most preferred nation doesn't come into play. What I feel personally, that this is largely driven towards innovator, where the innovator packaging and everything is same across the globe, whether it is in Europe, US or any other part of the world, where equalization can kick in because it's got same exact specification, both on the packaging side, product side and multiple other factors that we speak.

So we'll continue to wait and watch what happens. But best of my understanding is concerned, I think we should be fine.

Ajinkya Jadhav: So, can I ask one more question? This capex for your injectable that you're planning in US, that capex has commenced or when will you start your production there, I mean tentatively?

Swapnil Shah: Currently, as we speak, the capex will be planned sometime end of this year. We are increasing our oral solids capacities. As I mentioned in my opening remark, we already got two installed lines. We are getting third line installed as we speak and fourth line is being planned. So the reason why there is a oral solids expansion on capacity is because of the kind of traction we have seen because of multiple factors, right,

There is a large basket of portfolios that we have acquired for which we also need to increase our capacities. A lot of traction on the CDMO or CMO of which we continue to hear across the board our focus, again, we don't want to kind of slow down on our oral solids expansion. Whatever business traction that we are seeing, we want to capitalize most on it and try to gain most as we speak. So post this expansion oral solid, we'll continue to do on the injectable side of the business.

Sanjay Majmudar: And just to add to what Swapnil said, on the India side, we are very aggressively looking at the new site, new greenfield site, which we want to start very soon in parallel, which would be actually in a medium to long term, again, aimed at semi-reg as well as some support to the regulated markets from India. So, but currently it is the semi-reg focus where we will be starting, hopefully very soon, as soon as we are able to finalize the land.

Ajinkya Jadhav: Oh, I see. Okay. So this domestic business, which is there now, which has been, you have done the merger. So when you actually look at the margin takeoff for the domestic business, because it's hardly anything. So of course, we are working on various strategies, finding distributors and choosing and doing the product mix. But when do you think margins will come, which will look decent, maybe in at least a high single digit? Can you throw some light on that?

Swapnil Shah: So when we acquired in 2021 and the company had a PAT negative, it was cash flow negative, EBITDA negative. From those days, the kind of percentages that was bleeding on the large side, we've already become EBITDA positive. Last year, we had a lower single digit EBITDA.

This year, we have a higher single digit EBITDA, which the trajectory on EBITDA will continue to increase to double digit, mid-double digit as we move forward in the next few quarters. So if you see, overall, the EBITDA margin is expanding, will become cash flow positive as well on emerging market side. That is one aspect of the business.

The second aspect of the business, as you can see, number of registrations, when we acquired this, and where we are today, it is almost more than doubled as we speak. In next year, one more year, it is going to double from what it is today. So with the new registration product approval that is coming in from multiple different markets, you will see product mix changing, product mix changing will change per unit cost of the production that we are doing.

Again, remember this, we are not doing any capex or capacity expansion on emerging markets. What we are trying to do today is changing the product mix. We are trying to increase our per unit realization of the capex that we have already done. So we start with one point, currently we are about INR1.3, INR1.4 per unit. We want to become and will become at about INR1.8 to INR2 in the next few quarters.

Again, I am saying, we are not increasing any capex. What we are doing today is just changing the product mix and increasing our realization. That will automatically derive into our EBITDA margin growth and then eventually our PAT growth on emerging market business.

Ajinkya Jadhav: Fantastic. So this ANDA that you acquired from Dr. Reddy's, have you started working on that?

Swapnil Shah: Yes, yes, we have already started working on it. We expect commercial launches of the acquired portfolio from Q3 onwards in a phased manner

Ajinkya Jadhav: Okay, yes, it will all be in a phased manner. And your own drugs that you do under your own brand, how are they performing actually?

Swapnil Shah: So our own products, you mean our own ANDAs, right?

Ajinkya Jadhav: Yeah.

Swapnil Shah: So it is continuing to grow, right? As more and more products get approved, we launch more products. We have seen consistent growth on our own products as well. Even our existing commercial products also, we have seen some of the products having a larger market share than what it was in the last couple of quarters.

Sanjay Majmudar: But just to clarify, we haven't yet launched our own brands as such in the regulated manner.

Ajinkya Jadhav: I thought you sell it to the pharma company, right?

Sanjay Majmudar: None of the, yes, which are sold by the large distribution or pharma companies in their respective brands. So our revenue model is licensing, COGS plus margin, and then profit share.

Ajinkya Jadhav: So that, I think this thing will continue, I mean, rather than doing your own brand that will cost a lot.

Sanjay Majmudar: No, we have a different strategy. We will talk about it as we reach there.

Ajinkya Jadhav: Okay, fantastic. Thank you, all the best.

Moderator: Thank you. We have the next question on the line of Deep Gandhi from ithought PMS. Please

go ahead.

Deep Gandhi: Hi, sir. Thanks for the opportunity. Sir, I had one question on two of your products, which are Tofacitinib and Tamsulosin. So can you talk about these products, what kind of revenue you get from these two products in FY25? What kind of market opportunity is there for these two products? If you can talk about that.

Deval Shah: So which was the second product?

Deep Gandhi: Tofacitinib and Tamsulosin

Swapnil Shah: No, they are both focused on the ROW market. We have filed it in multiple markets as we speak, both on IR and ER formulation as well as oral suspension. But particularly, as a product, Tofacitinib will continue to grow and expand because it's going to be aa blockbuster in the US and will become a blockbuster in the rest of the world market as well. It's largely used for rheumatoid arthritis as we speak. So yeah, it will continue to expand. I think that we we don't intend to give product wise guidance.

. And Tamsulosin is a very old age product. It's a prostate product. So I don't know what exactly you are looking to understand.

Deep Gandhi: Sir, I was just asking if you can share what kind of revenue we get from these two products in FY25 and what is the market price for this products? I'm not asking for a guidance.

Swapnil Shah: Well, they're all, Tamsulosin is a pretty old, well-established product. And it's a good product is all I can say right now.

Deep Gandhi: Any number you would like to share in terms of market size?

Sanjay Majmudar: Yes, for the emerging markets, our current strategy is try to do as many unique products or first to file kind of products as possible. So I would say almost 25% of the new product registrations that we have done would be respectively either very, very unique in the sense that they would be either first to file or maybe one or two filings in those categories. That's the strategy.

Now, you know, it is very difficult. We have a very huge, significantly large product portfolio for the emerging markets and there to track. And again, one particular product may have multiple trends, would have different combinations. So, it's for the emerging markets, it is more on the geographies, which distributor, how much market share we want to bear. So it's a very detailed exercise we do. But broadly speaking, we do expect a lot of growth.

I think in this year, the margins must move almost close to double digit or rather a little lower of the double digit. And then ultimately our target is the next two years, they should move in the range of 15% to 16% EBITDA. This is the target for EM.

Moderator: Thank you. We have the next question from the line of Viraj Shah from Wealth Alpha Advisors, please go ahead.

Viraj Shah: Yes, good evening. Congratulations on the good top line growth. Sir, I have just two questions.

Sir, one in the CDMO segment, which are the therapy areas which we are working currently right now on?

Swapnil Shah: So on the control substance side, largely that we are working on the CNS, within CNS, we have ADHD and pain management and on the other side, we have pain management. So on the control, CNS and pain management are the sectors that we are operating in. On the government side and unique products. So on the ANDA also, we have a pain management product that are working on with the CDMO, CMO.

On the government side, it is all therapeutic agnostic, So wherever there's an opportunity for us to bid for certain business, we develop it through our partner or through ourselves and bid for the government business.so that largely on a therapeutic agnostic on our side.

Viraj Shah: Okay. Sir, also, if you could just let me know average contract time frame for the customers in terms of years or something, if you could mention that. Can you come again?

Sanjay Majmudar: Average what? Average contract time frame with the customers for CDMO?

Viraj Shah: Yes, yes.

Swapnil Shah: It varies from two months to four months, depending upon the contract period. For government, it's five years. For non-government, it could be as high as 10 years, 12 years, depending upon what kind of product, where it is going, how it is structured, so on so forth. If it's ANDA, it's probably going to be lifelong. As long as the product is there. So it depends. I mean, it depends on the area of distribution and the product that we are working on.

Sanjay Majmudar: Again, most of our marketing for our own products are also minimum three to five years, or five to seven years, rather. Just to add.

Viraj Shah: Sir, also, if you could let me know on the competitive landscape of CDMO segment. So just wanted to know around how is the customer stickiness for us?

Swapnil Shah: So competitive landscape is only one today for us is, we provide them end-to-end solutions with our R&D, both in the US as well as in India, with our manufacturing in the US, with the regulatory 100% in-house, complete project management support. Within the project management, we talk about R&D project management as well as supply chain, post-production, complete regulatory filing of dossiers with FDA, post-filing all the query responses, all the query responses, any additional work that needs to be done.

So we literally handled our customer right from the product idea to launch of a product, So that's our USP. And being multi-geographically present, this really gives us an edge compared to all other competitors that exist in the marketplace. Plus, not everybody is able to do C2, C3, C4, C5 on the control substance. A lot of people do not have that kind of infrastructure with their manufacturing plant. So a lot of those factors attribute to our uniqueness, unique proposition, that partner would look at it before awarding our services.

Sanjay Majmudar: So just to add, there are currently, to my mind, not more than four or five players in the US who

are actually providing or having that capacity and capability to provide these end-to-end solutions. And then quite a few large plants have been closed by some of the companies whom we all know. So I think we have a fantastic order book and visibility on the CDMO, CMO side, and we continue to be very excited about it.

Viraj Shah: Sir, also, if I could just squeeze in one, I just wanted to know on the new API facility, sir, what is the capacity at the plant and how, once it scales up, how will we see third-party sales, how much of captive consumption for the formulation business?

Swapnil Shah: Yes, so the new facility is about 100 to 120 metric ton production capacity. We have already started production, but it will be in a full scale probably in about a month's time, the new facility. We expect in Q2 CY26 for US FDA trigger for our API facility. And post our FDA trigger, we are going to start with one of our existing products to get the FDA trigger. And post our trigger, a lot of those strategic products, we will do a backward integration and supply to our US business from our plant. And multiple discussions are ongoing in terms of utilizing current capacities till we get a US FDA trigger.

Viraj Shah: Sir, thank you and all the best for the next year.

Moderator: Thank you. We have the next question from the line of Varun M.from Skaniva Capital . Please go ahead.

Varun M: Good evening and thank you for the opportunity. So in the presentation, we have given a split between our regulated market and emerging market business. So I just want to understand our rough revenues split in terms of percentage between our formulation API and CDMO, if you can.

Deval Shah: The regulated market is around 60% plus, as we speak. Emerging market is 30%. And balance is between the , Critical care and API.

Varun M: Okay. I mean, all the regulated market would be formulations or even API goes to a form?

Sanjay Majmudar: No, no, no API. Maybe formulations out of our US plant.

Varun M: Sorry, can you come again?

Sanjay Majmudar: Formulations only from our US plant.

Varun M: Okay, okay. So our API mostly goes to the emerging market, is it?

Sanjay Majmudar: Yes. And that too currently it is a very small business, just about INR20 odd crores. But going forward, it will grow once the new facility is validated and we start producing.

Varun M: And what about CDMO?

Sanjay Majmudar: CDMO is 100%. Currently, again, we are talking about regulated, it forms part of the regulated markets business.

Varun M: Okay. And CDMO has formulations or APIs also for us?

Sanjay Majmudar: Only formulations from US plant.

Varun M: So in the presentation, we mentioned that we are setting up a Greenfield for emerging market from 25 MTPA to 169 MTPA. So what part of our emerging business can be supported by this facility? So once this facility comes alive, can we get to our aspirational target of 15% EBITDA in our emerging market business?

Sanjay Majmudar: I think you are mixing up two things. I think you're talking of API facility, correct? Metric turn capacity is API.

Varun M: Yes.

Sanjay Majmudar: And API, as our strategy is very clear, it's more for our own backward integration, bulk of it will be used for our own APIs that we use, maybe a little bit we will sell in the market, but that's not the driver. It's more on a backward integration, quality control and consistency, availability, etc.

Swapnil Shah: It's more a strategic positioning than the business vertical.

Varun M: . So we have not yet planned regarding our specific plan for the emerging market, right? As of now?

Sanjay Majmudar: No, that API facility is already on ground, and it will be commencing production very soon. It is actually already commenced in March.

Varun M: Thank you.

Swapnil Shah: Yes, so again, I'm saying API facility, we are planning for FDA trigger by Q2 2026. All efforts are ongoing currently to get FDA trigger by that timeframe. Currently, till we get FDA trigger for the utilization of facility, we are already working on multiple ways how we can utilize that particular 100 metric ton of capacity on API side.

A lot of efforts are ongoing on that particular side of the business,. And as we said, facilities already commenced, a lot of validations are going on. So commercial activity will start from next month, commercial execution, billing activity. But again, I'm saying this is strategic positioning. We don't look at it as a vertical of business as we speak.

Varun M: Thank you. And what is the capex for FY 26?

Sanjay Majmudar: We have that in the presentation, 250 crores.

Varun M: Thank you.

Moderator: Thank you. We have the next question from the line of Mitesh Mehta from Long term investment group, please go ahead.

Mitesh Mehta: Good evening. Yes thanks for taking my question. I have two questions. One is related to Group Company. So as I understand, there is one group company, which is in similar line of business. And is there any further plan to merge the business? Or how do you plan to cope up with the overlap of businesses, especially?

Sanjay Majmudar: Swapnil has clarified and we are very clear. One, it's a completely different and clearly different strategic business. Remus, you're talking about the group company, it is into distribution, it has multiple distribution products and channels. We are only in OSB and manufacturing as Senores 100% pure manufacturing.

And they have absolutely no presence in regulated market.. So they also they must also access one of our distributors, which may be 2%-3% of our sales going through them. And therefore, at this point in time, we have not thought about anything. It's a completely non conflicting separate line of business. And for the timing, it will continue as it is.

Mitesh Mehta: Okay. And my second question is regarding, like our company has a very high number of receivables days and even payable days compared to other US focused formulation companies. So is there any specific reason and do you have a specific plan to reduce that? So by what extent?

Deval Shah: No, if you see our presentation, I think compared to 2024, we have already reduced the number of days. From 69 days in FY'24, we are at 43 days of inventory in this year. Trade receivables have also reduced to half from 228 days to 108 days. And payables have also reduced. So we are already in the process of reducing, but we feel that still there is some improvement to be done, but it will be gradual.

Sanjay Majmudar: I will also clarify FY '24 is actually not strictly comparable, because that was the year where different businesses got consolidated for different periods. And then the year end position showed a very skewed position. So generally, based on our model, about 100 to 190 to 100 days of receivables in US is quite okay because there are two elements.

One is our COGS that we build as a supply and second is the profit share. And that profit share always takes time. It doesn't happen quickly. And then inventory we have to carry. Payable also will come down significantly because of the fact that after the IPO proceeds, a lot of funds will go into working capital and everything will be streamlined. But net-net my working capital cycle will further improve going forward. That is what our plan is.

Mitesh Mehta: Okay. And one more question is, considering long-term implication of US dollar softening, like now there is a more chance that US dollar will soften compared to Indian rupees as well as all emerging market currencies. So do you have a specific long-term plan for same?

Sanjay Majmudar: No, sir. See, there are two aspects. One, if I'm exporting from here into US, I'm more worried about this. I am a US company, manufacturing in US, buying in US, selling in US. So to that extent, it doesn't matter. Secondly, we are too small a company globally to talk about the global impact of dollars. But let's see. We are also waiting. It will be guided by experts like you who can advise us what is to be done.

Mitesh Mehta: Okay. Thank you. That's it from my side.

Moderator: Thank you. Ladies and gentlemen, due to time constraints, we will take the last question from line of Smith from RGI. Please go ahead.

Smith: So what was the full year revenue for Ratnatris Pharmaceuticals on standalone basis?

Deval Shah: INR121 crores.

Smith: And what was the Y-o-Y growth?

Deval Shah: Y-o-Y growth I think last year was not fully consolidated. But on full year basis, it was INR107 crores, which didn't get consolidated in our books. So we added it in December.

Sanjay Majmudar: But, it's not apple-to-apple comparison because there's a lot of change in the products. So we have discontinued quite a few products, introduced quite a few new, more profitable products. But still on a pure arithmetic, it is INR107 crores versus INR121 crores?

Smith: Got it. And my second question is on up to ANDAs. So it has increased from 24 to 61 compared to last quarter. But our number of products under our pipeline is more or less similar. So is it because of the acquisition only?

Sanjay Majmudar: , so one is acquisition and secondly, it always takes time to commercialize a product after, once the ANDA is approved. But as we spoke in the initial remarks, what Swapnil said, almost 31 new products are expected to be launched in the current fiscal.

Deval Shah: That includes the 16 products that we have acquired. 16 ANDAs.

Smith: So the reason behind this improvement is just in this acquisition?

Sanjay Majmudar: Partly, yes. But partly, even if you knock it off, there is still growth.

Smith: And what is your guidance for next year EBITDA margins?

Sanjay Majmudar: I think Swapnil gave a target that we expect the PAT margins to significantly grow and PAT in absolute terms to double as compared to this year. So there would be a margin improvement. But it is a bit early for you or for us to give exact what growth in PAT. In absolute terms, it will be double. Margins will be improved. But to what extent? Let us see. There will be 100% improvement. But volume growth in PAT will be almost 100% as compared to this year.

Smith: Is it 25% EBITDA margin is sustainable? Can we assume that?

Sanjay Majmudar: It will only improve. 100% sustainable.

Smith: Yes. And what about the business segments?

Sanjay Majmudar: Sorry? Other than regulated and emerging, you are asking?

Smith: Yes, correct.

Sanjay Majmudar So one, we have a critical care business, which is hospital supplies of injections. Critical care

injections to hospital supplies. And then there is a little bit of API sales. These two are the main components of the third vertical.

Smith: Is it for regulated market or emerging market?

Sanjay Majumdar: No, no. 100% India.

Smith: Okay. Is it sustainable?

Sanjay Majmudar: Of course, it will further grow.

Swapnil Shah: Largely, Smith here is a branded generic. We are approved in more than 100 plus, 120 plus countries across India. And in fact, month-over-month, we are seeing about 100% growth. On the branded generics in India. So, as Sanjay bhai said, this will continue to grow as we move forward.

In post current quarter, you can give a little more guidance in terms of how we see that particular vertical to grow in this particular year. We have strong guidance, but let's see how it goes post this quarter.

Smith: Understood. Thank you. That's it for my side.

Moderator: Thank you. That was the last question. I would now like to hand the conference over to Swapnil Shah for closing remarks.

Swapnil Shah: Thank you. I would like to once again thank everyone for joining the call. We will keep updating our investor community on a regular basis for the developments at Senores. I hope we have been able to answer all your queries through our answers that we have given to the questions that were asked. Once again, thank you everyone and have a great weekend.

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