

Sanofi India

26 February 2026

Operator: Good evening, everyone. And a very warm welcome to the investor conference call hosted by Sanofi India Limited. Joining the call, we have Mr. Deepak Arora, Managing Director; Mr. Rashid Harjari, Whole-time Director and CFO; and Mr. Harish Wala, Company Secretary from Sanofi India Limited. Before we begin this investor call, there are two important announcements. Please note that the proceedings of this meeting are recorded. Secondly, please note a standard disclaimer that there are certain statements in this call which may be forward-looking, and actual results may vary depending on various other factors which may impact the future performance. Moving on to the agenda, we will cover the performance for the quarter and year ended December 31, 2025, and other highlights. Thereafter, there will be a Q&A session, which will end exactly at 5:00 PM. All investors and participants are requested to keep their questions brief and avoid repetition. As a reminder, all participant lines will be in listen-only mode. There will be an opportunity for you to ask questions after the presentation is complete. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. I now hand over to the management to take us through the presentation.

Management: Thank you so much. My name is Deepak Arora. I am the Managing Director for Sanofi India Limited and country lead for India. A warm welcome to the quarter and year-end financial results performance call. Let me start by giving some perspective on last year, which was the year of transformation for us. The pivotal transformation which was created and executed at Sanofi India Limited has fundamentally modernized the business. I will talk about how we position ourselves as we move forward toward sustainable and profitable growth.

It has three components. We are modernizing our business model to position ourselves for sustainable, profitable growth. First is the business model transformation as a new organization, being an R&D-driven, AI-enabled biopharma organization. We are ensuring that we are patient-centric, customer-centric, and digitally and AI-empowered. You are all very well aware of the partnership model to grow our legacy portfolio in CV, CNS, and oral anti-diabetic agents. Finally, this leads to financial performance. While our domestic sales were flat for 2025, you are well aware of the transformation that was happening to ensure 2026 starts on a good note. Regarding the demerger and stabilization of the business with the partnership, we still had a +1% profit before tax driven by business and OPEX efficiency, basal franchise momentum, and the partnership model performed as per expectations.

Sanofi is a leader in diabetes and the insulin segment, ensuring we win in both the basal and premix segments. Lantus, our flagship brand, continues to have market leadership of 31% in the basal segment with a volume acceleration of +6%. This is despite the turbulence in the insulin market and the emergence of GLP-1. Toujeo, our second-generation basal insulin, is growing in double digits. Our innovations aim to accelerate our reach by winning in the public sector and continuing growth in the private sector, maintaining leapfrog growth as the GLP-1 market expands.

Market expansion is key, tapping the potential of the public sector in segments like CGHS, ESI, railways, defense, and state rate contracts. We are keeping the momentum as the market grows with insulin initiation and maximization using digital reach in tier 2 and tier 3 cities. We are future-ready in our go-to-market capabilities, featuring patient support programs, customer-centric AI-enabled initiatives, and innovative customer journey updates. These efforts

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last year ensure we are ready for maximization and continue our leadership in the insulin segment.

Regarding our R&D-driven organization, I want to highlight the landmark real-world evidence study concluded with 382 sites and close to 6,000 patients in a 3-year longitudinal study. Many publications have been released, with more coming this year and at the IDF next year. We achieved a major milestone on December 12, 2025, with the recruitment of 105 patients across nine sites in India. This evaluates the safety and efficacy of Soliqua in obese adults with uncontrolled type 2 diabetes. The publication is awaited. We are also fueling our potential pipeline to address unanswered questions in type 1 and type 2 diabetes. We have various phase 2 and phase 3 studies ongoing for Teplizumab, Gabikinab, and Fremanezumab. We are also bringing a noble pen to the market, combining it with digital solutions for better adherence and AI-enabled patient control in diabetes management.

Management: With this, I hand over to Rashid to discuss the financials.

Management: Thank you, Deepak. Good evening, everyone. I echo Deepak's sentiment that 2024 and 2025 saw significant transformation with the demerger of the consumer healthcare business in 2024, and the partnership signatures in Q1 2024 and July 2025. This makes reading the financial statements slightly complex. We aim to clarify the impact of this transformation.

Total income is mainly from sales, with domestic sales and exports comprising 92-93% of total income. Other operating income relates mainly to service activities for the consumer healthcare business and certain legal entities. We see a drop here, but there is no impact on the company's profit as this relates to changes in activity with consumer health and promotional services we previously provided. Finally, other income is mainly related to interest and FX gains and losses.

Total domestic net sales in 2025 were 1,511 crores. Almost half is related to diabetes and half to partnerships. We have seen consistent growth in diabetes, with 11% double-digit growth in the quarter. Regarding the partnership segment, the full year saw -2% versus last year, mainly due to stock movements based on the closing period with the partner. Another impact in the quarter relates to the gross-to-net we are providing to the oral anti-diabetic (OAD) partner.

The major impact on the top line is the drop in exports, which we discussed in previous quarters. This is related to the divestment of the Ankleshwar site to Zentiva in 2021. We continued to toll for Zentiva until 2024 when they received authorization from Indian authorities to commercialize the product. This was anticipated and communicated previously.

In terms of operating expenses, a significant effort was made in OPEX reduction. Employee costs and other OPEX are down 17% in the quarter and 17% for the full year. This reflects the strategy of the company and the various partnership contracts signed.

For profit before tax, we ended with +1% for the full year, which is an achievement given the transformation impact. In terms of the quarter, there is a significant drop, but it is more a matter of phasing and top-line impact from stock movements. Secondary data shows that partners are delivering per the agreement.

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Regarding the dividend proposal from yesterday's board meeting, the proposal to the general assembly will be +5% versus 2024. Earnings per share is 142, and the dividend per share will be 123. Part of this was distributed as an interim dividend; the final dividend will be distributed in May or June of this year after approval.

Management: Thank you, Rashid. While on the results, we should also note our CSR initiatives. We have reached out strongly to schools to help children with diabetes. This included expanding in UP and the Sugar-Free Friday initiative in Goa. We reached around 1,200 schools, trained 1,250 teachers, and reached 232,000 students. We operated 21 mobile medical units across 11 districts in Maharashtra, reaching 1.1 million beneficiaries and conducting 6,000 camps. We also provided humanitarian aid to families affected by floods in Himachal Pradesh. Our employees contributed 750 volunteering hours across 10 cities.

In conclusion, we achieved +6% growth in insulin overall for the year. The momentum accelerated in Q4 to 11%. This assures us the transformation positions us well to capture India's high-growth diabetes opportunity. Partnerships are stabilizing and will provide better returns in 2026. With this, I open the floor for questions.

Operator: Thank you very much. We will now begin the question-and-answer session. We have the first question from the line of Rajakumar Vaidyanathan from RK Investment. Please go ahead.

Rajakumar Vaidyanathan – RK Investment: Good evening. I would like to know what is happening with partnership sales. Why is there a 36% drop year-over-year? If I compare Q3 versus Q4, there is a significant drop from 200 crores to 156 crores. Why is there so much volatility?

Management: The partnership is stabilizing compared to 2024. The Q4 drop was due to phasing based on stock replenishment requirements and a frozen period common in new partnerships. Additional gross-to-net on OADs also impacted this. There were also some headwinds in institutional business due to aggressive competition, which we are tackling with innovative access models for 2026.

Rajakumar Vaidyanathan – RK Investment: Can we consider the current quarter partnership numbers as a steady-state number? What would be the base number for comparison in 2026?

Management: We are not providing forward-looking statements. Fluctuation may continue in 2026, but we expect to stabilize this partnership by the end of 2026. These agreements involve stock replenishment that systematically creates fluctuation.

Operator: Thank you. We have the next question from the line of Vishal Manchanda from Systematix. Please go ahead.

Vishal Manchanda – Systematix: Good evening. Could you share the end-market growth for the partner portfolio, specifically for Cipla and Emcure?

Management: For the CV portfolio with Emcure and the overall portfolio with Cipla, growth was in the low single digits. The first two quarters were affected by competitive discounting. For OADs with Emcure, we saw higher single-digit growth in the second half. Overall, the volume growth is around 4%.

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Vishal Manchanda – Systematix: Will the pricing of this portfolio be a fixed percentage of the MRP or a fixed price where the partner takes a markup?

Management: For NLEM products, they will follow the annual WPI growth. For non-NLEM products, partners have the ability to increase prices by up to 10% annually depending on market conditions.

Vishal Manchanda – Systematix: How do you intend to scale up the diabetes business? Will you look at products outside the parent portfolio?

Management: We have a lot to do with the current portfolio. Soliqua is only 1 year old. As GLP-1 accelerates, we aim for double-digit growth for Soliqua in both private and public sectors. We will also expand Toujeo in the public sector. We don't have immediate plans for entries outside the current portfolio.

Vishal Manchanda – Systematix: Does Soliqua target the pre-mix market? What market share can you take?

Management: It plays in the pre-mix market, for patients failing on OADs, and those not controlled on basal insulin. Soliqua has a unique opportunity across all three segments. We aim to take market share from all three.

Operator: Thank you. We have the next question from the line of Vipul Shah from RWB Equity. Please go ahead.

Vipul Shah – RWB Equity: Are we confined only to current therapies in the listed company, or is there a plan to enter more areas, like oncology?

Management: Based on the group strategy, we want to focus on specific therapeutic areas. Currently, the strategy for the listed company is to focus on diabetes, cardiovascular, and CNS. We don't see immediate synergies in diversifying into other areas right now.

Vipul Shah – RWB Equity: Is there any plan to bring all operating companies in India under a single legal ownership?

Management: We have evaluated this in the past to see if there is real synergy between the listed company and the private entities. We didn't find it would bring sufficient value to shareholders at this time. We are evaluating how the market reacts to new products in the private pool, but there is no confirmed decision to merge or launch new therapeutic areas in the listed company today.

Management: The non-communicable disease market in India is growing by double digits. Even in tier 2 and tier 3 cities, literacy and awareness are improving. If we focus on maximizing our established portfolio and partnerships, we have a very strong value proposition.

Operator: Thank you. We have the next question from the line of Avni Gadiya from Gadiya Investment. Please go ahead.

Avni Gadiya – Gadiya Investment: Why are the results and numbers going down year-over-year?

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Management: We are positive for the year, with +1% profit before exceptional items and +4% profit after tax. The perceived decline is due to business transformation. The demerger of the consumer healthcare business means certain supporting transactions are no longer there. The impact of transitioning to partnerships on the top line is expected and takes 3 to 4 years to fully realize the OPEX savings. We are on track with our business case.

Avni Gadiya – Gadiya Investment: Considering Novartis' exit, is Sanofi on a similar path?

Management: India remains a very important market. Our journey is to improve growth in insulin and diabetes. We have been here for 70 years. Our Goa manufacturing facility produces essential medicines for domestic and international markets, exporting to 25 countries. We are here to stay.

Avni Gadiya – Gadiya Investment: Regarding recent board appointments, what led the management to consider an executive director with no prior listed company board experience?

Management: You should look at the specific legal experience the person brings. Suchitra brings a legal perspective that is a significant value addition. Everyone has to start somewhere, and we are confident in the value she adds.

Avni Gadiya – Gadiya Investment: What are the upcoming products for 2026?

Management: There are no new product launches in 2026. Our focus is on new real-world evidence publications for Soliqua and expanding Soliqua and Toujeo in the public sector.

Operator: Thank you. We have the next question from the line of Lakshminarayana, an individual investor. Please go ahead.

Lakshminarayana – Individual Investor: EBITDA margins came in at 21.5%, an 8-quarter low. Can you walk us through the segments and why exports caused this? Also, what are the 3 to 5-year expectations from the partnership business?

Management: We do not provide margin details by segment. The full-year margin is fairly consistent with previous years. The quarter was impacted by phasing. Regarding partnerships, it is a strategic move to reach patients in tier 2 and tier 3 cities. We expect growth from these partnerships as the partners invest more than we could have previously. Secondary data shows the partners are growing. Emcure and Cipla have a much larger footprint, and our portfolio is seeing 5% growth under them as a starting point.

Operator: Thank you. We have the next question from the line of Manish, an individual investor. Please go ahead.

Manish – Individual Investor: As a layman, can you explain what is happening with the partners? Why is the revenue declining and when will it stabilize?

Management: Revenue is growing as per expectations if you exclude stock effects. We are shifting specific levels of inventory, which causes quarterly fluctuations. For the full year, the partnership segment was nearly flat at -2%. This volatility will likely continue through 2026 during this stabilization period.

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Manish – Individual Investor: If there were no stock impact, what would have been the overall growth?

Management: If we take out the one-off inventory impacts, growth would have been approximately 4–5%. With the diabetes segment growing well, without the replenishment issues at the partner level, the combined growth would have been significantly higher, potentially reaching double digits for the quarter.

Manish – Individual Investor: So if everything goes well, you might grow by double digits?

Management: We will try our best, but we don't give forward-looking statements. Markets are dynamic, and volatility remains. We want to maximize the opportunities future market dynamics provide.

Manish – Individual Investor: As a retail investor, we are happy with the dividends. We hope you continues to grow so we can grow with you.

Operator: Thank you. We have a follow-up question from Vishal Manchanda from Systematix Group.

Vishal Manchanda – Systematix Group: On the partner portfolio, is it fair to assume growth is volume growth plus WPI-linked inflation for your supply price?

Management: For NLEM products, yes. For non-NLEM products, partners can increase MRP by up to 10%, and our supply price would adjust accordingly.

Vishal Manchanda – Systematix Group: Does Soliqua come in a reusable pen?

Management: Currently, it is in the SoloStar disposable pen. We are working on a business case to bring reusable pens to India, as it is a pioneer market for cartridges and reusable pens. This project is in progress.

Vishal Manchanda – Systematix Group: Did you benefit from Novo Nordisk discontinuing its human insulin pens?

Management: The overall analog market benefited from patients moving from human insulin to analogs. We were part of that trend, seen in our 6% overall growth and double-digit growth for Toujeo and Soliqua.

Operator: Thank you. We have another follow-up from Lakshminarayana.

Lakshminarayana – Individual Investor: Is Soliqua gaining at the expense of others? Was the double-digit growth for the quarter or the year?

Management: It was for both. Soliqua is a unique option for patients uncontrolled on OADs or basal insulin. It offers weight neutrality and better control with low hypoglycemia, which distinguishes it from other insulin therapies.

Lakshminarayana – Individual Investor: We heard rumors of Lantus supply disruption in Maharashtra. Has that been rectified?

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Management: We have sufficient stock to support patients and ensure continuity of therapy. If there was a local issue, it might have been an isolated logistics delay to specific distributors, but we have enough stock and there is no widespread disruption.

Operator: Thank you. As there are no further questions, I hand the conference back to Mr. Deepak Arora for closing comments.

Management: Thank you for the open discussion. We will focus on growth and operational efficiency while stabilizing our partnerships. We aim to maximize the results of our transformation year to drive sustainable and profitable growth moving forward. Thank you for being key stakeholders in Sanofi.

Operator: Thank you, members of the management. On behalf of Sanofi India Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines. Goodbye.

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