Remus Pharmaceutical

Operator: Good day and welcome to the Remus Pharmaceuticals Limited H2 FY26 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. I now hand the conference call over to Ms. Purvangi Jain from Valorant Advisors. Thank you and over to you.

Purvangi Jain – Valorant Advisors: Good afternoon everyone and a very warm welcome to you all. My name is Purvangi Jain from Valorant Advisors, and we represent the investor relations of Remus Pharmaceuticals Limited. On behalf of the company, I would like to thank you all for participating in today's earnings call for the second half and the financial year ended March 31, 2026.

Before we begin, let me mention a quick cautionary statement. Some of the statements made in today's earnings call may be forward-looking in nature. Such forward-looking statements are subject to risks and uncertainties which could cause actual results to differ from those anticipated. Such statements are based on management's belief as well as assumptions made by and information currently available to the management. Audiences are cautioned not to place any undue reliance on these forward-looking statements in making any investment decision.

The purpose of today's earnings call is purely to educate and bring awareness about the company's fundamental business and financial period under review. Now let me introduce you to the management participating with us in today's earnings call and hand it over to them for their opening remarks. We have with us Mr. Arpit Shah, Managing Director, and Ms. Anjali Shah, Chief Financial Officer. Without any further delay, I request Ms. Anjali Shah to start with financial highlights for the period under review, followed by operational highlights from Mr. Arpit Shah. Thank you and over to you, ma'am.

Anjali Shah – Chief Financial Officer: Thank you, Purvangi, and good afternoon everyone. We are pleased to welcome you all to the earnings conference call for the second half and the financial year ended 2026.

Let me begin with the financial highlights. On a standalone basis, during the second half of our FY26, our revenue from operations stood at 47 crores, reflecting 14% year-on-year growth. The operational EBITDA stood at 15 crores, marking a 2% increase year-on-year with a healthy EBITDA margin of 31.85%. Also, the company reported a net profit of 13 crores, representing a 19% year-on-year increase and a PAT margin of 26.96%.

On a consolidated basis, during the second half of the financial year, our revenue from operations stood at 453 crores, reflecting 30% growth year-on-year. The operational EBITDA stood at 30 crores, which is up by 22% year-on-year with an EBITDA margin of 6.57%. The net profit for the period was 25 crores, a 20% increase year-on-year and a PAT margin of 5.43%.

Moving on to the full financial year ending 2026, our consolidated revenue from operations stood at 854 crores, reflecting 38% growth year-on-year, and the EBITDA stood at 57 crores, which is an increase of 24% year-on-year. The net profit for the year stood at 46 crores, representing growth of 20% year-on-year. Our net profit allocated to our holding company, Remus, is at 37 crores for the year, with an increase of 27% year-on-year.

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So these were the financial highlights. Now I would like our Managing Director, Mr. Arpit Shah, to give you the operational highlights for the period under review. Thank you and over to you, sir.

Arpit Shah – Managing Director: Thank you so much, Anjali, and very good afternoon everyone. I am happy to share with you the performance highlights of our company for the second half of FY26. This will give you the roadmap of Remus Pharmaceuticals Limited for FY27.

The second half of FY26 marked another phase of strong execution and strategic progress for Remus Pharmaceuticals as we continue to strengthen our global footprint while scaling both our B2B and emerging B2C businesses across key international markets. At Remus Pharmaceuticals, we take immense pride in our expanding global footprint and the strong relationships that we have built across the international markets where we are present. Today we operate in more than 40 countries for the export of finished formulations, with a particularly strong presence across Latin America, where we have established not only scale but also deep trust and long-standing partnerships.

What differentiates Remus is our ability to identify niche opportunities and launch new products in a short span of time, enabling us to capitalize on first-mover advantages across multiple markets. This agility is backed by our strong regulatory expertise, our product selection capabilities, and extensive experience in compliance and market registration. Over 95% of our exports comprise advanced and niche formulations including tablets, capsules, injections, inhalers, soft gels, and oral suspensions, allowing us to deliver safe, reliable, and effective healthcare across our partner countries.

We continue to operate through a diversified network of B2B, B2C, and direct government institutional partnerships while simultaneously strengthening our brand building through subsidiaries to build deeper engagement with healthcare professionals, prescribers, and patients. Our B2C business continues to witness strong momentum, with its contribution increasing from 4% last year to 14% this year, while the B2B segment contributes the remaining 86% of our revenue. This is an evolving business mix reflecting our strategic focus on scaling higher-margin businesses and strengthening our brand presence across key international markets.

During the period, we continued to strengthen our presence across key international markets through product in-licensing, regulatory filings, institutional tenders with the government, and the expansion of our specialty portfolio. Starting with Latin America, we have made significant progress across multiple countries. In Mexico, Chile, and Peru, we have in-licensed products such as Rifaximin and Fexofenadine, strengthening our anti-infective and anti-allergy portfolio. In Venezuela, we executed direct supply orders for Rivastigmine patches, which is a first in the market, further strengthening our CNS portfolio. We also expanded our urology portfolio through the launch of Mirabegron and Mirabegron plus Solifenacin across four countries in Latin America.

Additionally, we secured a government tender in Nicaragua for Ceftazidime-Avibactam, which is a very specialized injectable drug. We have directly supplied this through government tenders and we expect this to be a recurring order every quarter or two. While continuing regulatory filings across multiple international markets, during this quarter we also filed five products with Chile ISP and in-licensed Dapagliflozin tablets and combinations of Rivaroxaban with bioequivalence studies for the Chile market. This will give us a lot of strength in the market as our products are tested on

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humans and belong to proven investment categories, giving us a strong hold on the chronic therapy portfolio in the region.

Further, through Radius Bolivia, which is our subsidiary, we have launched 26 products under the B2C segment, with an additional 40 products planned in the next 2-3 months. We have also strengthened our CNS portfolio through launches of products such as Levetiracetam, Valproic Acid, Risperidone, and Lamotrigine tablets. Regarding the CNS portfolio, the medications prescribed are generally for life-term use. Therefore, we are anticipating that our growth trajectory in the CNS portfolio as well as urology will continue to grow.

Additionally, we have registered a new specialty product, Tretinoin injection, in Bolivia. This will give us significant access to the specialty portfolio in the Bolivian market across both government and private sectors. We also successfully cleared the Peru DIGEMID audit in February 2026, reinforcing our regulatory credibility and supporting future expansion across Latin American markets. This was a very important milestone; now that we have been registered and cleared by inspection in Peru, we have already planned to file 60 products in the next 3 months with a faster approval time, expecting commercialization within this financial year itself.

In Asia and ASEAN markets, we have in-licensed Pegfilgrastim and Filgrastim PFS injections for the Philippines and Vietnam markets. These are very complex, high-value products with few manufacturers and competitors, and the regulatory submission is already being filed. This will strengthen our oncology pipeline in the region. In the Middle East, we secured a NUPCO tender in Saudi Arabia for Topiramate capsules. This has given us access to an additional product in Saudi Arabia, where we have already been selling around 4-6 products over the last 2 years. This adds to our portfolio in supplying products to the government of Saudi Arabia.

In Europe and Africa, we secured a direct anti-TB tender in North Macedonia. To brief you, it is a small country where we have been supplying products for tuberculosis patients, specifically Rifampicin and Isoniazid, which is a four-drug fixed-dose combination. The supply is secured from our EU-GMP approved plant. We also finalized a multi-country agreement with an MNC from India for Ondansetron injections for five African countries, further strengthening our institutional and international business presence.

A key strategic milestone during the quarter was the initiation of filing for Semaglutide tablets and injections across non-patented emerging markets through both B2B and B2C channels, marking our entry into the fast-growing GLP-1 and anti-obesity segment. In line with our geographical expansion strategy, we expanded our commercial presence this year into four new markets: Myanmar, Nicaragua, Macedonia, and Madagascar.

As we look ahead, we will continue to strengthen both verticals, accelerate new product filings, and expand our presence in high-potential international markets. We are confident that our focused strategy will continue to drive sustainable growth and create long-term value for our shareholders. Before I open for the question and answer session, it is very important to convey that the roadmap and the business strategy updates I just discussed will provide a strong foundation for us for FY27. We are looking forward to the commercial activities that we have put in place and would love to take your questions. Thank you.

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Operator: Thank you. We will now begin the question and answer session. The first question comes from the line of Pranab Sharma, an individual investor. Please go ahead.

Pranab Sharma – Individual Investor: Good afternoon, sir. I just wanted to know, the management had guided for B2C contribution to reach 18–20% by the end of FY26. Where do we currently stand, and what will be our target for FY27?

Arpit Shah – Managing Director: Correct. As we speak, our B2C contribution for the last year was between 14% and 15%. Certain product launches expected in Q1 were delayed due to political and geographical happenings. However, this year is already planned. As I mentioned in my speech, we are launching 26 products in Bolivia in the next 2–3 months. This will give us a boost in the B2C market, where our margins are significantly higher than what we achieve in B2B.

Pranab Sharma – Individual Investor: Okay, sir. And another question I have is regarding Semaglutide. What is the expectation in emerging markets for commercialization, and which markets are we going to launch in?

Arpit Shah – Managing Director: We have filed for Semaglutide in several countries where we will launch the product based on patent status. As is widely known, the product patent has expired in India, but it remains patented in several other countries. We have planned to launch in 3–4 countries this year where filings have been completed for both tablets and injections. These are non-patented markets. For the patented markets, we are preparing to obtain product approval without commercializing yet. We will be ready once the patent expires. Different countries have patents extending to 2026, 2027, 2028, and 2029. Our roadmap ensures that filings are ready so that we can be one of the first generics to launch in those markets once the patents expire.

Pranab Sharma – Individual Investor: Okay, sir. Thank you for your answer.

Operator: Thank you. The next question comes from the line of Nishita with Sapphire Capital. Please go ahead.

Nishita – Sapphire Capital: Yes, hi. Following up on the previous question, you guided for 18–20% B2C contribution in FY26 and achieved 14%. You mentioned the delay was due to the geopolitical situation. What has changed now, considering those geopolitical situations still persist?

Arpit Shah – Managing Director: To address the 4% gap, that was our expectation for growth in B2C. Secondly, when comparing this to total revenue, our B2B sales volume increased slightly, which resulted in a slightly lower percentage share for B2C.

What has changed is that the launch was delayed, not cancelled. The products are ready and already in the market; we are not just keeping them on the shelf. Now that travel has opened up, my team is there, and I will be traveling there next month after just returning last week. Our accessibility ensures the launch meets our standards. The launch matters a lot to us, and we would not hurry it if it were dependent on country-specific perspectives. We expect the launch to be up and running in the next 1–2 months. This portion of the B2C business will grow more than we anticipated last year.

It is also important to note that all launches require approval from the Ministry of Health. While that is outside our control, everything is planned, and we are only delayed by a month or two. Last year

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we saw growth from 4% to 14-15%. The volume pending from Q4 will provide a boost in our Q1 this year. We are on track, and nothing has changed except for the timeline being pushed back slightly.

Nishita - Sapphire Capital: Understood. In FY27, what growth do you see in the B2C and B2B segments?

Arpit Shah - Managing Director: In terms of percentage of total revenue, we are looking at at least 30% for B2C, given our current portfolio and expected approvals. It is vital in the B2C market to secure brands and trademarks. Trademarking is a long process that we initiate well in advance. This year, we have registered around 126 brand names and trademarks for the B2C market. We expect B2C to double from its current levels.

For B2B, the focus will remain on institutional and distributor levels. We expect the B2B top-line to continue growing at a pace of 25-30%.

Nishita - Sapphire Capital: Okay. And regarding margins—they dipped slightly in FY26 compared to FY25. Is there a specific reason for that?

Arpit Shah - Managing Director: There are several reasons. From a product perspective, we have maintained our gross margins. However, we have invested significantly in R&D, roughly 3-4 crores, which is why the holistic EBITDA margin decreased. These are investments in niche, new molecules that will be very successful once launched in the B2B or B2C markets. Our CFO can provide further details, but that 4 crore R&D investment is the primary impact you see on the P&L.

Additionally, we invested in bioequivalence studies. We are entering markets where products cannot be sold without human clinical trials. This allows us to achieve better margins because not every competitor will have these trials. This strategy gives us access to markets like Chile and Mexico. Any product with a bioequivalence study is more valuable. We are filing in these markets with fewer competitors and better margins expected in FY27. Markets like Algeria, Mexico, and Chile are expected to be our primary revenue drivers over the next 1.5 years.

Nishita - Sapphire Capital: What margin levels do you expect in FY27? Will they stay around 18.5%, or will they improve as the B2C segment grows?

Arpit Shah - Managing Director: I want to clarify that we look at consolidated margins. The points I mentioned earlier were regarding the standalone business. When we consolidate, it includes our US subsidiary, SP Global, which is purely a distribution business for innovator products and RLDs. If you look at our standalone numbers, you will see that margins should increase as the B2C business grows from 15% to 30%. The standalone PAT margins are around 27%. You have to look at consolidated and standalone numbers differently because the US distribution business has a different margin profile.

Anjali Shah - Chief Financial Officer: To add to that, the consolidated numbers also include other subsidiaries incorporated in the last 2 years that are not yet 100% operational. They are contributing to operational expenses until they fully scale. The current consolidated margin levels are a blend of different business segments.

Nishita - Sapphire Capital: When do we see our subsidiaries showing better results?

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Anjali Shah – Chief Financial Officer: They have already started. Regarding Remus, we are looking at growth in the various regions we are adding. Our SP US business is the main top-line contributor on a consolidated basis; we expect stable growth there with sustaining margins. Additionally, our new subsidiary, SP Global Clinical Trial Services, should become operational this year. This is a service distribution arm that will add to margins partially this year and fully next year. These factors collectively will help improve margins over time.

Arpit Shah – Managing Director: The US business is the highest revenue contributor but is fundamentally a high-volume, low-margin business. Therefore, consolidated PAT margins appear lower. Our main focus is increasing finished formulation exports to these 40 countries across B2B and B2C, where we aim to grow much larger than last year.

Operator: Thank you. The next question comes from the line of Akshay Chawla, an individual investor. Please go ahead.

Akshay Chawla – Individual Investor: Hi, thanks for the opportunity. Regarding your exposure to Venezuela, Bolivia, and Ecuador—how is the company managing forex volatility and receivable risks in these markets?

Arpit Shah – Managing Director: Our payment terms have been secured from day one. In Venezuela, for example, all our business is conducted on an advance basis. We ensure that production, filing, trademarking, and registrations only happen once we receive advances from our partners. In markets like Ecuador and Bolivia, where we have subsidiaries for both B2C and B2B, we have taken similar precautions.

While we are open to providing credit lines now that we are performing well, we predominantly work on an advance payment basis. We collect the advance, manufacture the goods, and ensure remaining payments are covered before shipping. We have not had problems with collections. In Venezuela, the situation has improved since the US took control of forex and changes were made at the Ministry of Health. With the dollar appreciating, we have covered the risk factors and our payments are well-managed.

Akshay Chawla – Individual Investor: Fair enough. Regarding export volumes—how much is moved by sea, and have freight costs increased over the last two quarters?

Arpit Shah – Managing Director: Most of our products are moved by air rather than sea. Roughly 30-35% is sent by sea, and the rest is by air. The transport cost is borne by the buyer, not by Remus. Any incremental shipping costs are paid by them. When we do CIF shipments, we ensure there is enough cushion in the pricing to cover any potential increases in airline or shipping line charges.

Operator: Thank you. The next question comes from the line of Nikhil D'Souza, an individual investor. Please go ahead.

Nikhil D'Souza – Individual Investor: Hello, sir. Can prolonged logistics disruptions affect our ability to maintain supply consistency for chronic therapy products, where customers expect uninterrupted availability?

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Arpit Shah – Managing Director: Yes, we anticipate these issues for the chronic segment. Our inventory planning ensures that we maintain at least 6 months of stock in any given country for chronic products that patients need daily. We plan well in advance so that products are never out of stock at the warehouse, pharmacy, or patient level.

We ensure that a shelf life of 2–3 years is maintained. Given the current geopolitical situation, we have already planned our next 6 months of dispatches from India. We expect to always have at least 4–5 months of stock. We generally do not go beyond 6 months of inventory because shelf life is crucial in medicine. Patients prefer products with a longer remaining expiry. We optimize for a 6-month window to ensure chronic and fast-moving stocks remain intact.

Nikhil D'Souza – Individual Investor: Understood. And given the sharp increase in inventories during FY26, are we intentionally building higher stock levels ahead of new launches and tender executions?

Anjali Shah – Chief Financial Officer: Nikhil, the higher level of inventory is mainly attributed to our US business, which involves RLD distribution. The business model requires us to hold certain RLDs for customers and ship them in parts based on their requirements. That is the primary reason for the inventory increase at the end of FY26. If we look at our finished formulations business on a standalone basis, the inventory remains at more or less the same level.

Operator: Thank you. The next question comes from the line of Jayveer Thakur, an individual investor. Please go ahead.

Jayveer Thakur – Individual Investor: Good afternoon, sir. Despite the strong PAT growth, the operating cash flow has remained quite weak. Any comment on that?

Anjali Shah – Chief Financial Officer: The consolidated operating cash flow generated during the financial year was almost 18 crores. As I mentioned, our US RLD distribution business requires us to hold inventory on behalf of customers. For example, if a 1 million dollar order is placed, they may take delivery in parts based on their studies across different locations and periods. A part of our working capital is invested there. While funds appear invested as of March, we generally recover those payments in April and May. It is a cyclical impact rather than a structural level that stays high relative to turnover.

Jayveer Thakur – Individual Investor: So this working capital build-up is more toward the US side than the Latin American subsidiaries?

Anjali Shah – Chief Financial Officer: Yes. While the Latin American subsidiaries are operational, the quantum is not as high. The US subsidiary is the major contributor to the working capital investment. On a standalone basis, the operating cash flow is quite clear as we receive regular payments and working capital allocation is lower.

Jayveer Thakur – Individual Investor: Could you provide guidance on debtor days and when we might see an improvement?

Anjali Shah – Chief Financial Officer: Our debtor days increased slightly due to the geopolitical situations faced in the last month of the financial year. Things have improved now. We expect

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debtor days to reduce. In our new regions, we have a policy of taking advances ranging from 25% to 50% in most cases. This helps ease cash flow and lower debtor levels.

Operator: Thank you. The next question comes from the line of Sanjeev with Black & Techs. Please go ahead.

Sanjeev – Black & Techs: Is it fair to say that the parent company is a manufacturing or processing conversion company where the fixed asset process sits, and the subsidiary handles the working capital process? If we look at the relative profitability of the subsidiary, we can figure out the return on working capital, and look at the parent for the return on fixed assets.

Arpit Shah – Managing Director: Sanjeev, the audio is a bit blurry. Could you shorten the question?

Sanjeev – Black & Techs: I am trying to slice your return on capital employed into return on fixed assets and return on working capital. From an outsider's perspective, do the standalone results represent the return on fixed assets, while the subsidiary represents working capital efficiency? It seems most of your operating cash flow is funding working capital.

Anjali Shah – Chief Financial Officer: Sanjeev, even at the standalone level, our allocation to fixed assets is comparatively lower because we have not invested heavily in an asset base. We generally have our products manufactured at CMO sites on a contract basis. At the group level, it is more accurate to look at the return on working capital or return on capital employed in a uniform manner.

Sanjeev – Black & Techs: So essentially, the entire return is a trading return?

Arpit Shah – Managing Director: I would not put it that way. Not every pharma company can do what we are doing in this country. If this were a trading business, my gross margins would not be between 55% and 60%. This is a very organized business model where products are registered. Registration takes anywhere from 6 months to 3 years.

Secondly, we invest significantly in people and marketing to build brands and ensure we have reach with patients. We do not just manufacture for 10 rupees and sell for 20. A lot goes into ensuring the product is sustainable and high-quality. We are creating a space where our brands are notable. We avoid the "me-too" market and focus only on specialized and chronic products. Even as a trader, you could not sell these products without the marketing, branding, and trust that Remus has built.

Furthermore, you could not even sell the products because they would not be registered. Our strength lies in regulatory expertise. In pharma MNCs, the regulatory team is the heart of the company because they handle dossiers ranging from 1,000 to 5,000 pages for a single medicine. We are building that brand equity while maintaining a light asset model, focusing our energy on sales and branding. Our vision is to have our products in the market regardless of where they are manufactured.

A good example is Eris Lifesciences; before their IPO, they were a 15-year-old company without a single manufacturing site but had a 10,000 crore market cap. While they have since started buying plants, we are focused on creating an infrastructure that is brand-heavy rather than asset-heavy.

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Sanjeev – Black & Techs: That was very good feedback. If I am allowed one more question—I am interested in what is holding up your operating cash flow conversion to free cash flow. I anticipate that interest on working capital or working capital efficiency is a critical part of your business model.

Anjali Shah – Chief Financial Officer: Sanjeev, if you look at the cash flow statement for the standalone business, we generated approximately 95 crores of operating cash flow. The main allocation you are seeing on a consolidated basis is for our US distribution business, which is trading in nature. Our standalone working capital investment is very nominal, as reflected in our financials. I think that clarifies the difference between the standalone and consolidated working capital needs.

Operator: Thank you. The next question comes from the line of Karthikeyan with Suyash Advisors. Please go ahead.

Karthikeyan – Suyash Advisors: Good afternoon. In your non-RLD business, how many manufacturing partners do you have?

Arpit Shah – Managing Director: Within the same group, we have one manufacturer, and we have approximately 34 other approved manufacturers. We may not be actively manufacturing with all of them today, but they are approved. We actively work with around 20 manufacturers right now. Our team regularly visits new plants to check infrastructure, QA/QC, and production stages for several days before approving a new manufacturer and ensuring the documentation is intact.

Karthikeyan – Suyash Advisors: So 20 active partners and 34 approved. How many are in India versus outside?

Arpit Shah – Managing Director: Currently, almost all are in India. We are in discussions with a few partners outside India for products that must be manufactured in a first-world country, or for biological and biosimilar products not manufactured in India.

Karthikeyan – Suyash Advisors: You mentioned Pegfilgrastim and Filgrastim earlier. Are those sourced from outside?

Arpit Shah – Managing Director: Yes, those are sourced from the United States. They are made in the US.

Karthikeyan – Suyash Advisors: You sell those in the Philippines and Vietnam. Is that economically viable?

Arpit Shah – Managing Director: That is a very good question. In some markets where we want to launch, the government buy-in price for high quantities is much lower than the US cost. However, we also operate in the B2C sector, so we average the lower government price with the high-volume, high-margin B2C price.

This balance allows us to make a successful business model. Furthermore, government agencies often prefer US-approved products even at a 2x price premium. We are focused on ensuring the filing documentation is top-notch to minimize queries from the Ministry of Health and secure faster approvals.

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Operator: Thank you. I now hand the conference over to the management for closing comments.

Arpit Shah – Managing Director: Thank you all for taking the time to participate in our earnings call today. I hope we have been able to answer your questions satisfactorily. If you have further questions, please reach out to our investor relations managers at Valorem Advisors. We look forward to more questions to help provide a detailed idea of what we are creating at Remus Pharmaceuticals Limited. Thank you and have a great day.

Operator: Thank you. On behalf of Remus Pharmaceuticals Limited, that concludes this conference. You may now disconnect your lines.

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