Senores Pharmaceutic

Operator: Ladies and gentlemen, good day and welcome to Senores Pharmaceuticals Ltd. Q2 and H1 FY27 earnings conference call hosted by DAM Capital Advisors. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star and then zero on your touch-tone phone. Please note that this conference is being recorded. Before we begin, I would like to point out that this conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions, and expectations of the company as of the date of this call. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict. I now hand the conference over to Mr. Nitin Agarwal from DAM Capital Advisors. Thank you, and over to you, sir.

Nitin Agarwal – DAM Capital Advisors: Hi, thanks, Rhoda. Good afternoon, everyone, and a very warm welcome to Senores Pharmaceuticals Ltd.'s Q2 and H1 FY27 earnings call hosted by DAM Capital Advisors Limited. On the call today, we have, representing Senores Pharmaceuticals Ltd. management, Mr. Swapnil Shah, Promoter and Managing Director; Mr. Sanjay Majumdar, Chairman; and Mr. Deval Shah, Whole-Time Director and Chief Financial Officer. I will hand over the call to Swapnil to make the opening comments, and then we will open the floor for questions. Please go ahead, sir.

Swapnil Shah – Promoter & Managing Director: Thank you, Nitin. Good afternoon, everyone. Thank you for joining us on the Q2 and H1 FY27 earnings call of Senores Pharmaceuticals Ltd. We have uploaded our results on the stock exchanges and the company's website. I hope everybody has had the opportunity to go through them. Building on the strong momentum of previous quarters, we have delivered another strong performance in Q2 and H1 FY27, achieving our highest-ever quarterly revenue and EBITDA. Revenue grew by 25% year-on-year in Q2 and 30% in H1 FY27, while EBITDA increased by 38% and 58%, respectively. PAT registered healthy growth of 22% in Q2 and 31% in H1 FY27. This performance reflects our well-defined strategic priorities, disciplined execution, and strong business fundamentals. With this, we have achieved our ninth consecutive quarter of delivering results surpassing our stated guidance. We remain committed to building on this momentum and delivering consistent and sustainable growth in the years ahead.

Our regulated market business continued to deliver strong growth, registering year-on-year growth of 28% in Q2 and 34% in {? HY ?} H1 FY27, driven by portfolio expansion and differentiated sales and distribution channels. We have nearly doubled our ANDA portfolio from 34 in September 2025 to 64 in September 2026, of which 23 have been commercialized. In this quarter, we received approval for 1 new ANDA and 3 sANDAs. sANDA means supplemental ANDAs, which comprise 4 strengths. Out of these new approvals, we have commercialized 3 sANDAs, and the new ANDA for which we received approval this quarter will be launched in Q3 FY26. On the CMO/CDMO front, we have commercialized 3 ANDAs covering 12 strengths.

Supported by established marketing partnerships, launch readiness, and calibrated manufacturing capacities, we expect a meaningful acceleration in H2 FY27. We have also been investing heavily in our R&D for complex and specialty products, which is reflected in the increase in our molecule pipeline. This pipeline further comprises 41 newly developed molecules covering approximately 130 strengths at various stages, providing strong visibility for future growth. To cater to existing

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demand and the future pipeline, we have also invested in capacity expansions. In emerging markets, with the installation of a pre-filled syringe line, we will support our growth in GLP-1 and other products.

On the technology front, we have invested heavily in AI-backed applications for various functions and digitized operations by installing SAP HANA. Historically, H2 has always been stronger than H1 for us, and we expect this trend to continue in FY27 as well, supported by upcoming product launches and improved commercialization. Over and above this, Amerisyn and Zoraya are expected to start contributing from H2 FY27, providing an additional growth driver with significant scale-up potential over the coming years. Our CDMO/CMO business is also progressing well, with a robust pipeline of opportunities expected to translate into business over the next 12 months, further strengthening our growth outlook.

Moving to the emerging market business, revenue grew by approximately 21% in Q2 and 25% in H1 FY27. Profitability continued to improve, with EBITDA margin consistently in the lower double-digit to mid-teens range, and the business has now turned cash-positive. With European PIC/S approval coming in H1 FY27, our regulatory credentials will further strengthen and enable us to make new product registrations across emerging markets.

Lastly, turning to our India branded generics business, the significant expansion of our field force and market reach has strengthened the foundation for our domestic critical care business. With these investments now in place, we are well positioned to drive growth and a sustainable margin profile going forward.

Speaking about our margin trajectory, we delivered healthy profitability growth in Q2 and H1 FY27, with EBITDA and PAT growing faster than revenue, reflecting the inherent operating leverage in our business model. It is important to note that the Q2 and H1 performance includes the initial setup and operating costs for Zoraya and Amerisyn, which were recognized in the P&L without any corresponding revenue contribution. With these ventures expected to begin contributing in H2 FY27, a more meaningful ramp-up is anticipated from FY28 onwards. As revenues scale up, we expect to benefit from operating leverage and a corresponding improvement in our margin profile.

Meanwhile, manufacturing operations at our recently acquired USFDA-approved plant, Apnar, are scaling up well and remain on track with our internal expectations. As everybody knows, we recently concluded a successful FDA inspection at our Apnar facility, in which one minor procedural 483 was received. We anticipate reaching full-scale operations and undertaking further expansion over the next 12 to 18 months, supporting our revenue growth and profitability.

Backed by strong business fundamentals, a robust product pipeline, and clear visibility on upcoming launches, we remain on track to achieve our FY27 guidance of 30% to 40% revenue growth and corresponding 50% to 60% PAT growth. Looking beyond FY27, we expect to sustain this momentum with annual growth rates of around 25% over the next 2 to 3 years, supported by multiple growth levers and disciplined execution. With this, I would like to hand over the call to Mr. Deval Shah, CFO, to take you through the financial and operational performance. Thank you, and over to you.

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Deval Shah – Whole-Time Director & Chief Financial Officer: Thank you, Swapnil. A warm welcome to everyone on our Q2 and H1 FY27 earnings call. I will take you through our financial and operational performance for the quarter and half-year ended September 2026.

Starting with the quarterly performance, consolidated revenue from operations for Q2 FY27 stood at 192 crores, which, as Swapnil stated, is the highest for us, reflecting very healthy growth of 25% year-on-year. Consolidated EBITDA for Q2 2027 stood at 58 crores, growing by 38% year-on-year, and EBITDA margin stood at 30%, which improved by 290 bps year-on-year. Profit after tax for the quarter grew by 22% year-on-year and came to around 36.6 crores.

Coming to the half-yearly performance, consolidated revenue for H1 grew strongly by 30% year-on-year and came to 372.5 crores. Consolidated EBITDA for H1 stood at 111 crores, showing robust growth of 58% year-on-year, and EBITDA margin stood at almost 30% in H1 FY27, reflecting a strong improvement of around 530 bps year-on-year. Profit after tax in H1 grew by almost 31% year-on-year and came to 67 crores.

On the balance sheet front, we have continued to make steady progress in improving cash generation from operations, with operating cash flow reaching 38 crores in H1 of Financial Year 2027. We have also strengthened our focus on working capital efficiency, with a significant improvement in working capital days and receivable days. This has supported stronger operating cash flows and improved overall balance sheet efficiency.

Our capex for H1 FY27 is approximately 46 crores. With that, I would like to open the floor for questions. Thank you.

Management: I would just add what Deval said. The margin we talked about, the EBITDA of 30%, is the operating margin, or operating EBITDA. The reported EBITDA is higher because of the other income. The floor may now be opened for Q&A.

Operator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touch-tone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

The first question is from the line of Gaurav Shukla from Finvestor. Please proceed.

Gaurav Shukla – Finvestor: Am I audible, sir?

Management: Yes.

Gaurav Shukla – Finvestor: Sir, congratulations on a good set of numbers, and thank you for giving me the opportunity. My first question is: of the approximately 58 approved ANDAs reported in June, how many are generating meaningful commercial revenue today, how many launches have taken place in Q2, and what revenue contribution do you expect from them?

Swapnil Shah – Promoter & Managing Director: Thank you. As you would have seen, today, as we speak, we have 64 approved ANDAs. We have launched a couple of products in the current quarter.

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This quarter, Q3 FY27, we also expect 3 to 4 new ANDA approvals to come in, along with corresponding supplemental ANDAs. So, in terms of sANDAs and the strengths that we talk about, around 12 to 15 sANDAs are expected to accrue to our portfolio.

Gaurav Shukla – Finvestor: Okay, sir. Thank you. My second question is: what is the current utilization of the Apnar facility? How much revenue is generated from commercial production versus production qualification? And what is the timeline for the next production line?

Swapnil Shah – Promoter & Managing Director: Apnar is operating at almost 90% to 100% of capacity. However, a large part of our capacity is being used for validation for our product launches. As you can see, we have a very strong pipeline of products that are to be launched in the next 6 to 8 quarters. So, utilization is almost at its peak, I would say. However, complete utilization is not yet generating revenue, since a lot of validation work is being carried out. More than 50% of the work is validation work.

From the perspective of lines, as I said, we have plans to have a total of 4 commercial lines at the Apnar facility by March 31, 2027. Two lines were already there. The third line is being installed as we speak, and the fourth will be completed before March 20, 2027. With that, we will have approximately 4 commercial lines with a total production capacity of about 1.2 billion units at the Apnar facility. As I stated, we concluded an FDA inspection about 2 months ago [trails off]

Management: ...at our Apnar facility.

Gaurav Shukla – Finvestor: Okay, sir. Thank you. One follow-up: is the revenue guidance maintained at 30% to 40%, and PAT growth at 50% to 60%?

Management: If you see, from H1 FY26 to H1 FY27, our EBITDA has already grown by 58%. With Zoraya and Amerisyn coming in, along with the further launch pipeline, which is very visible for the next quarter and the quarter after January, we expect to achieve the guidance that we have stated.

Gaurav Shukla – Finvestor: Thank you, sir. Thanks a lot, and again, congratulations. All the best for the future.

Management: Thank you.

Operator: Thank you. A request to all participants: please restrict your questions to 2 questions per participant. For more questions, please rejoin the queue.

The next question is from the line of Ashish Thakur from Elara Capital. Please proceed.

Ashish Thakur – Elara Capital: Hi, this is Kashish Thakur. Sir, I have one question for Dhaval. I remember that previously, until Q3, we used to report other operating income, which used to be a part of our revenue, and since then we have discontinued it. On a like-to-like basis, what kind of growth have we accounted for this quarter, and why have we discontinued it? Could you throw some light on this?

Management: The other operating income that we used to show last year was mainly due to the SEIS that we earned and the realized foreign exchange gain. However, I think the investor

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community felt that this should appear as other income. So, we have now taken it as other income, included everything in other income, and revenue from operations is pure revenue from operations.

Ashish Thakur – Elara Capital: Okay, so on a like-to-like basis, there is no difference. Is that what you are trying to say, sir?

Management: On a like-to-like basis, we have already taken care of that in the presentation that we have given. In the investor presentation, the figures that you are seeing are comparable on a like-to-like basis.

Ashish Thakur – Elara Capital: Understood, sir. My second question is on controlled substances. How is the segment progressing for us, and what kind of guidance would you like to provide for FY27?

Management: We have a strong pipeline of controlled substances as well. We expect to launch about 4 to 5 controlled substances within this year, before March 31, 2027. There are good launches, limited competition, and some of our complex and specialty products are also on the controlled substance side. We have a strong pipeline of controlled substances, including approved products that are to be launched as well as newly developed products that are going to be approved. So, it is a combination of both. A large part of the CDMO and CMO portfolio is also on the controlled substance side. Across the board, there is a strong controlled substance pipeline for the next few quarters as well.

Ashish Thakur – Elara Capital: Thank you so much. That is all from my end, sir.

Management: Thank you.

Operator: Thank you. The next question is from the line of Kalash Jain from Alpha Accurate Advisors. Please proceed.

Kalash Jain – Alpha Accurate Advisors: Thank you for the opportunity. My first question is to understand why the margins in the emerging market have seen a steep decline in Q2. Is there any specific reason you would point out?

Management: Margins have slightly decreased in the emerging market this quarter because there have been a few large orders for beta-lactam products. Generally, beta-lactam products are relatively high-priced products, with the entire antibiotic beta-lactam vertical being a competitive landscape. Because of that, you have seen a slight margin decline in the emerging market this quarter. However, from the current quarter onwards, we will again go back to the levels we were at in Q4 FY26. For the full year, we expect margins in emerging markets to be in the mid-teens to lower-teens range. October has already been a great month, and November and December also look much more promising from a margin standpoint as far as the emerging market business is concerned.

Management: The quarterly run rate is very difficult to maintain because the business does not happen exactly the way we want it to. I think you should look at us over a slightly longer horizon, as Swapnil said. It should be maintained, so do not worry about it.

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Kalash Jain – Alpha Accurate Advisors: Understood, sir. Can you shed some light on the operations at Zoraya and Amerisyn as well? How are the operations there, and what kind of revenue should we expect in the next 2 quarters, in FY28, and going forward?

Management: Between Zoraya and Amerisyn, Amerisyn is slightly ahead in terms of our launch plan. We have already received more than 20 state registrations to launch our products. We do not need all the states regardless, but wherever the product needs to be shipped, we have already received the relevant state registrations and state licenses. At Amerisyn, we expect the business to commence at any moment, perhaps this week, although we do not know for certain, but within the next 10 to 15 days. So, Amerisyn is far ahead.

On the Amerisyn front, we have more than 10 products that we expect to launch within the next 2 quarters, which will significantly contribute to our revenue and revenue growth for this particular year. Zoraya may be another month away, or, in the worst case, about 45 days from today. However, we expect both to be commercialized within this quarter. That is the goal. I feel that Amerisyn will definitely be commercialized in the next 10 to 15 days.

Kalash Jain – Alpha Accurate Advisors: Is there any number you would like to point out? What should we model in terms of revenue from both these businesses?

Management: Once they are commercially launched, perhaps next quarter we will be in a better position to give some sort of revenue guidance for those businesses.

Kalash Jain – Alpha Accurate Advisors: Understood. One question on margins: we achieved margins of around 30% this quarter. From next quarter, given that revenues from Zoraya and Amerisyn are going to add to the top line, can we expect this to improve going forward?

Management: It is difficult to pinpoint. The direction is there, as you stated, but until both subsidiaries are operationalized to the level that we would like, it will be difficult to comment on whether margins will strengthen further beyond where they are today. As you rightly stated, the direction is there. Whether it happens in 1 quarter, 2 quarters, or 3 quarters, we will have to see how they are scaled up and operationalized. However, do we expect any margin dip? The answer is no. We will continue to monitor and see how margins progress as these 2 subsidiaries become operational.

Kalash Jain – Alpha Accurate Advisors: Understood. If I heard correctly, you mentioned that at Apnar, the products are going for validation. Did we record any revenue in Q2, and if so, what was the amount?

Management: We have stated that Apnar is probably going to contribute about 100 crores-plus of revenue this year, and we are on track to achieve that number. As I said, a lot of new product launches are happening from December onwards from Apnar. Today, whatever revenue we are receiving from Apnar is largely from the acquisition portfolio that came with the acquisition of the company. Revenue is coming from the 5 ANDAs that we acquired in the process.

Over the last 3 to 4 months, a lot of filings have taken place from Apnar. We expect that from November and December onwards, those filings will start commercializing from Apnar. Those were

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the new products that we filed from Apnar. The good part is that the regulatory hurdle is out of our way. We have completed the inspection and everything is in order, so we do not expect any delay in those launches that were filed from Apnar, since the regulatory hurdle is out of our way.

Management: I would just add that the Apnar turnover, or revenue from Apnar, for the quarter was almost 21 crores.

Kalash Jain – Alpha Accurate Advisors: 31 crores. Okay, sir, understood. Thank you so much, and all the best to the team. Congratulations on a good set of results.

Management: Thank you.

Operator: Thank you. A request to all participants: please restrict your questions to 2 questions per participant. For more questions, please rejoin the queue.

The next question is from the line of Rushikesh Shah from Alchemy Capital. Please proceed.

Rushikesh Shah – Alchemy Capital: Am I audible?

Management: Yes.

Operator: Yes, sir.

Rushikesh Shah – Alchemy Capital: My first question was on the Amerisyn and Zoraya opportunity. I wanted to know how exactly these joint ventures work. Where do we procure our molecules from? Is it from our own facilities or from third parties? Is it from India, the US, or other countries? And where does the inventory stay? Does it come onto our books, or does it remain with the manufacturer?

Management: For Amerisyn, most of the products, I would say more than 90%, are manufactured by us at our facility in the US. That is one point. For Zoraya, the trajectory is similar. Whether the products are made in the US or India, they will largely be manufactured by us through our approved list of products.

Inventory will probably sit on our books because these are our subsidiaries. However, we are being careful not to build up a high level of inventory at either subsidiary. Since those products are already being commercially sold, and will be sold under the Zoraya and Amerisyn labels, we also have tighter control over inventory for both subsidiaries.

Rushikesh Shah – Alchemy Capital: Understood. My second question is on our guidance. For H1, our revenue growth has been 28% and PAT growth has been 31%. Now you have guided for PAT growth of 50% to 60%. With increasing operating costs from Amerisyn and Zoraya, our operating costs will increase. How do we plan to achieve 50% to 60% growth? Is it through an increase in EBITDA margins, or how should we look at it?

Management: Historically, last year also, H1 was 45% of the total revenue that we posted. This year also, if you consider our guidance, we are at approximately 45%. As I stated before, H2 has always been heavier for us compared to H1. Specifically, a large part of the emerging market contribution also comes in H2. In addition, Apnar will contribute, and Amerisyn and Zoraya will both become

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operational. H2 is definitely going to be heavier than H1, as we stated before.

Coming to the operating costs of Amerisyn and Zoraya, we are already incurring operating costs at both subsidiaries. These costs are already part of our P&L today, as we speak. The good part is that, along with the operating costs we have been incurring so far, revenue is also going to come in. Overall, the business that is going to be contributed by these 2 subsidiaries should easily absorb their operating costs.

We feel that margins will stabilize, or, as I stated earlier, the direction is there for margins to improve slightly. Once the subsidiaries are commercialized and we start selling products through those platforms, we will have a better understanding of what kind of margin expansion can happen. Again, it could be in 1 quarter, 2 quarters, or 3 quarters; we do not know yet. The direction will depend on how we ramp up and operationalize these subsidiaries.

Management: I want to add 2 factors. One is the benefit of operating leverage. Second, and more importantly, {? Ratnapris's ?} contribution in H2 is going to be much stronger in terms of the bottom line than in H1. Similarly, we have a lot of new product launches that are now going to be commercialized in H2 under our {? Evif and Evik ?} label. Lastly, we believe Amerisyn should contribute quite a bit to profitability and the bottom line, based on whatever revenue visibility we currently have. So, overall, I think bottom-line growth this year should be more than top-line growth. It is just an indicative statement of about 50% or so, which is what [trails off]

Management: {? Something like that, based on our internal ?} calculations. Also, EBITDA growth, if you see, has been 58%. So, it is not that we are far-fetched in terms of our guidance. EBITDA growth is already there, based on what we have stated, or perhaps more. That is definitely going to add more.

Rushikesh Shah – Alchemy Capital: Right. And just in continuation of that [cut off]

Operator: Sorry to interrupt you, Mr. Shah, but can you please rejoin the queue?

Rushikesh Shah – Alchemy Capital: Okay. No problem.

Operator: Thank you. The next question is from the line of Manoj Mehta from Mehta Investment. Please proceed.

Manoj Mehta – Mehta Investment: Thank you for the opportunity, sir. We saw the appointment of Messrs. Talati & Talati as statutory auditors. Can you share their credentials and the rationale for the appointment?

Management: Talati & Talati are a very reputed firm of Chartered Accountants. The founder, Mr. Sunil Talati, was earlier the president of the institute. Similarly, his son, {? Aniket ?}, was also the president. They are associated with very large companies. After evaluating various options, we felt it was a good choice to have a bigger and more reputed firm as a joint auditor to make sure that audit quality and audit deliverables are of absolute international standards.

Manoj Mehta – Mehta Investment: Okay, sir. That is all from my side. Thank you.

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Operator: Thank you. The next question is from the line of Siddharth from CWC. Please proceed.

Siddharth – CWC: Congratulations on the milestone of 192 crores, which, if you reflect back, is closer to your annual revenue in FY24. This is a phenomenal growth trajectory. If one looks back, it has been driven by a very steady pace of new launches quarter-on-quarter. However, this is one quarter in which we saw no new ANDAs launched, and 3 new sANDAs commercialized during the quarter. Was there a particular reason for the slowdown in this quarter? Is it attributable to certain approvals, or was there some other reason?

Management: Thank you. The ANDA approval that we received this quarter was for a controlled substance. Typically, once we receive approval for a controlled substance ANDA, we have to apply for a quota. The quota takes about 45 to 50 days to come in. We then place a purchase order with our supplier or API manufacturer, and the API manufacturer subsequently delivers the products to us. The product is then manufactured and shipped out. That is the typical process for controlled substance manufacturing in the US.

The approval we received was for a controlled substance. We have already received the quota. As we speak, manufacturing is scheduled for the next couple of weeks. By the end of November, we expect the product to be launched, so that will come in during this particular quarter.

As I said, 3 sANDAs have been commercialized, corresponding to 4 strengths. For 2 of those strengths, we are the first company in the US to launch them. They are significantly large products, and the molecule as a whole has more than 1 billion dollars in revenue. That is a significant business contribution that we expect from this product in the coming quarters.

For the remaining 2 sANDA strengths for which approvals have come in, we are the second company to launch. It is a small, niche market, but highly profitable. Overall, there have also been launches on the CDMO/CMO side. Perhaps 1 or 2 more could have been launched, but launches are coming in, and we expect them to accelerate further over the next 1 or 2 quarters, or perhaps from this quarter onwards as well.

Siddharth – CWC: Understood. A couple of other things on the balance sheet and margin side: other financial assets, which I understand are unbilled revenue, increased by 6 days as a percentage of regulated market revenue. What is driving this increase, and how much of that is due for more than 1 year? That is one question.

On margins, there is a sequential improvement in your regulated market EBITDA margin. How much of that is driven by gross margin improvement, considering that the turnover from Q1 to Q2 has been fairly similar? Is this largely driven by gross margin improvement or EBITDA margin improvement?

Management: Firstly, coming to the margins, this is a sequential but not substantial improvement. However, going forward, we see that these margins should either remain at the same level or improve by 1 or 2 percentage points. This is primarily because of the new launches that we have planned and have been working on over the last 2, 3, and 4 quarters. It is driven mainly by the new launches, and realization has been good, as Swapnil said earlier.

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Since, for the new products that we launched, we are the first company to launch in the US, the margins are obviously going to be higher on those products. It entirely depends on which products are manufactured and sold in a particular quarter. As we have said earlier, please view it on a year-on-year basis. Quarter-on-quarter performance might vary because of the products we sell in that quarter.

Siddharth – CWC: Understood.

Management: Margins are going to improve on a sequential basis. Coming to the unbilled part, as I said, we launched 2 or 3 big products this quarter, which were billed in September. The sANDAs for which we received approval were billed and shipped in September. Hence, they have added to accrued income because those products will be sold by the distributors in this quarter.

Siddharth – CWC: Understood. How much of that is due for more than 1 year, Dhaval?

Management: It will not be more than 10%. It will be 8% or 9% of the total.

Siddharth – CWC: Okay. Understood. I will rejoin the queue for more questions. Thank you.

Operator: Thank you. A request to all participants: please restrict your questions to 2 questions per participant. For more questions, please rejoin the queue. The next question is from the line of Stuti Bagadia from Choice Institutional Equities. Please proceed.

Stuti Bagadia – Choice Institutional Equities: Hi, sir. Thank you for taking my question. My first question is: what exactly is included in the segmental revenues under the others category, which you have classified as 7.8 crores? Is that related to API?

Management: Yes, it is mainly the API portion, along with some service income, government incentives, and other items. Otherwise, it is mainly API.

Stuti Bagadia – Choice Institutional Equities: The other income is also high overall for the quarter. It is approximately 5% of revenue. What is included there?

Management: Other income includes interest income on bank deposits and foreign exchange.

Stuti Bagadia – Choice Institutional Equities: Okay. [inaudible]

Management: Foreign exchange fluctuation. Foreign exchange gain, basically.

Stuti Bagadia – Choice Institutional Equities: Okay. My second question was: what would have been the EBITDA if we had adjusted for the Zoraya and Amerisyn costs? And for FY27, can we sustain our margins in the range of 28% to 30%?

Management: We incurred about 4 crores of expenses pertaining to Zoraya and Amerisyn this quarter. So, you can make [cut off]

Management: Without any revenue.

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Management: Without any revenue. Zero revenue. However, I do not want you to calculate a steady-state EBITDA margin by adding those 4 crores, but [trails off]

Management: At least 2 to 2.5 crores, obviously.

Management: As I said, going forward, do we expect that 4 crores to become 20 crores? The answer is no. It will have its own operating cost, but with revenue coming in, those operating expenses related to our subsidiaries will easily be absorbed.

Stuti Bagadia – Choice Institutional Equities: For FY27, would we be in the range of 28% to 30% for EBITDA margins?

Management: Definitely 30%. Definitely 30%, I think, and perhaps a little higher, but not lower, and not 28%. We are aiming at 30% plus.

Stuti Bagadia – Choice Institutional Equities: Okay, sir. Thank you very much for taking my question.

Operator: Thank you. The next question is from the line of Richa Choudhary from Electrum PMS. Please proceed.

Richa Choudhary – Electrum PMS: Hi, sir. Thank you for the opportunity. I wanted to understand: while I understand that this year's guidance of 35% to 40% is achievable, I remember that previously you had mentioned a similar trajectory continuing in the press for the next 2 to 3 years. However, this time in the press release, you have mentioned 20% to 25% growth. Are we being cautious in the guidance because we have strong visibility on ANDA approvals, Zoraya, and Apnar Pharmaceuticals? Are we being cautious, or do we stick with 20% to 25% guidance for the next 2 years?

Management: Richa, thank you for your question. As I said, we have a strong approval and launch pipeline. To answer your question in a broader, more macro way, if you see, last quarter we had 58 approved ANDAs and approximately 21 or 22 commercially launched products—23. This quarter, the number of approved ANDAs has increased from 58 to 64, while the number of commercialized ANDAs has remained the same, with only sANDA strengths being launched.

If you see, our scale in terms of launches or approved products has increased from 58 to 64. That also gives you further visibility in terms of our launch pipeline and robust commercialization, which should continue to provide the kind of revenue growth we expect from the business. It is not just the regulated market. We also have a significant product pipeline in emerging markets, which will continue to grow our emerging market business. The addition of the 2 subsidiaries will also contribute significantly.

As we speak, we are signing products almost every other week, either on the CDMO/CMO side or the ANDA side. We are also doing some NCE work, with the products still in Phase I. There is significant work going on in R&D across specialty and complex products and new molecules. Strong R&D work is continuing across the board, which will continue to provide the sustainable growth that we anticipate.

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Richa Choudhary – Electrum PMS: With such a strong opportunity and the work that you have done over the last 2 years, do we still see 30% to 40% growth continuing for the next 2 years, or do we expect the growth trajectory to come down to 20% to 25%?

Management: We have guided for 25% to 30% to be maintained.

Management: Maintained.

Management: Let us not go overboard beyond that, but we are confident that we should be able to sustain it. We will discuss more aggressive growth a little later as we get closer to the current fiscal year.

Richa Choudhary – Electrum PMS: Sure, sir. Thank you so much.

Operator: Thank you. The next question is from the line of Maitri Shah from Sapphire Capital. Please proceed.

Maitri Shah – Sapphire Capital: Hello. Good afternoon. Am I audible?

Management: Yes.

Maitri Shah – Sapphire Capital: Firstly, on emerging markets, you did mention that we would target low- to mid-teens margins, but this quarter we had margins of close to 4%. I think in the last earnings call we mentioned that we wanted to target 18% to 25%, or 20%, margins in this business. How do you see the scale-up happening over the next 2 years? When do you see us achieving those high double-digit margins? Also, could you provide some color on the growth of the emerging market business?

Management: Thank you, Maitri. If you look at H1 FY27, emerging market margins stood at about 10%. As I stated, over the next 2 quarters, we expect margins to be in the mid-teens to higher-teens range, which is what we have guided for. I think we are well within the guidance we have stated for emerging market margins.

As we speak, it is already October 29, and we are moving in that direction within this month. You will see in the coming quarter that we will return to the original guidance that we provided, and for the full year, margins will probably be in the mid-teens to lower-teens range, as we expected.

Maitri Shah – Sapphire Capital: Understood. On the branded generics side, we mentioned that we wanted to phase out our low-margin business and enter a much more EBITDA-positive and accretive business. What margins did we achieve on this side in the current quarter, and how do you see growth coming from branded generics?

Maitri Shah – Sapphire Capital: ...especially in the higher-margin segment?

Management: To give you an update, last year the branded generics business in India had a gross margin of 18% to 20%. This year, with a similar scale of business, we have a gross margin of more than 60%. If you compare an 18% to 20% gross margin with a 60% gross margin at a similar business scale, there has been a massive shift from a volume-focused to a margin-focused business, which we feel will continue to generate growth. We expect approximately 50 crores, or 50-60 crores, this

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year, with a similar gross margin trajectory for the branded generics business.

Maitri Shah – Sapphire Capital: That is great. How do you expect this business to grow in FY28-FY29? Is there any guidance you could provide on the branded generics side?

Management: It will have its own growth trajectory. Historically, across all our businesses, we have been a very growth-oriented company. We like to be somewhat aggressive, we like growth, and we like to expand our operations quickly. Decision-making has been very smooth and swift. The same applies here. However, it was imperative for us to focus on the margin side in the subsequent years, and that has been the focus. Going forward, we expect growth to continue to come from the branded generics side of the business.

Maitri Shah – Sapphire Capital: That is great. Lastly, on the regulated market, you mentioned that we had no new commercialization in Q2. What kind of commercialization are we planning in Q3 and Q4 of the second half? Also, we achieved substantial growth in margins, close to 46% EBITDA in the second quarter of this financial year. Do you expect these margins to remain stable? Do you see further improvement since you mentioned that we are entering more complex or niche markets? Please provide some color on that.

Management: I did not state that we had no approval. What I stated was that we received 3 sANDA approvals, which are supplemental ANDAs. We also commercialized 3 ANDAs for CDMO/CMO, corresponding to 12 strengths. Approvals have come in, so it is not stagnant in any way.

Maitri Shah – Sapphire Capital: I was asking about commercialization, specifically for the non-CDMO business.

Management: These are all commercializations; they have all been commercialized. There is 1 ANDA approval that has come in, which will be commercialized in November. The day before yesterday, we received another ANDA approval for propranolol. That will also be commercialized in this quarter. More approvals will come in during November and December, including new ANDAs and supplemental ANDAs, or sANDAs, as we call them.

On the CDMO/CMO front also, launches and commercialization are planned for this particular quarter. As far as margins are concerned, as you stated and as we have stated multiple times, we see a direction of improvement. That direction could become visible in 1 quarter, 2 quarters, or 3 quarters; we do not know. It will depend on how these multiple factors develop in the coming days. Once we reach scale, we will probably be able to provide better margin guidance. Do we expect margins to go down? The answer is no, if that is the question you are asking.

Maitri Shah – Sapphire Capital: That is great. On the partner side, you said we are planning to have around 4 commercialized—

Management: Hi, Kiran. Sorry, there is a long queue. Can we take this offline?

Maitri Shah – Sapphire Capital: Yes, sure. I will rejoin the queue. Thank you.

Operator: Thank you. The next question is from the line of Forum Parekh from BOB Capital. Please proceed.

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Forum Parekh – BOB Capital: Thank you for the opportunity. My first question is on the regulated market. Since we already have so many approved ANDAs, of which we have commercialized only 23, what is taking us time to launch new ANDAs, given that we did not launch any in this quarter? Going forward, I understand that we can expect 2 ANDAs to be commercialized next quarter, but on average, how many ANDAs can we expect to commercialize on a quarterly basis?

Management: A large part of the approved ANDAs that you see is the acquisition portfolio that we have carefully chosen and want to launch, whether on the government side, in controlled substances, or in our specialty niche segment. All of these areas form part of our approved ANDAs that are going to be commercialized.

When we acquire an ANDA, a further product has to be filed with the FDA through a CBE-30 route, a PAS route, or one of the multiple other regulatory routes available, because the products were made by somebody else and will now be made in our facility. There is a time lag of 3 to 12 months, depending on the regulatory pathway through which the products are filed.

As we move forward, with more and more products coming in over the next 6 to 8 quarters, as we have stated, we expect all 64 ANDAs in our portfolio to be commercialized.

Forum Parekh – BOB Capital: That is helpful.

Management: On average [cut off]

Forum Parekh – BOB Capital: Yes.

Management: On average, you can calculate it. Out of 64, we have 23, so that leaves 41, and we are saying 6 to 8 quarters. You can therefore roughly estimate what kind of quarterly launches of approved ANDAs will come in. We also have 41 ANDAs under development, some of which are filed and some of which are yet to be filed. That portfolio will also come in.

If you think about it, in the next 3 to 4 years, we have 41 plus 43, or 84 ANDAs, that are going to be commercialized over the next 2 to 4 years. These figures refer to new and already approved ANDAs.

Management: It cannot happen by simply dividing the number by the number of quarters. It has to be viewed over a broader time frame of perhaps 6 to 12 months because many things are not under our control. We have to go through the entire process before a product is actually commercialized.

Forum Parekh – BOB Capital: Understood. Can you help us with the breakup between marketed ANDAs and the CDMO contribution? Would it still be 50-50 after we have launched 3 new molecules on the CDMO side?

Management: Last quarter, CDMO/CMO was almost 35% of regulated market turnover. We are increasing our own product turnover, as we had stated earlier, because practically all the new products being launched are our own products. CDMO/CMO is still continuing, but today it represents 35% of regulated market revenue.

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Management: Our own portfolio is accelerating much faster than CDMO/CMO, so CDMO/CMO continues to be about 35% of our overall regulated market revenue.

Forum Parekh – BOB Capital: My second question is on emerging markets. Since we have given the number of ANDAs registered, can you tell us how many ANDAs have been commercialized in the emerging market?

Management: There are no ANDAs as such in emerging markets. Emerging markets involve registrations. We have approximately 550 registrations that are approved, and approximately 940 registrations that have been filed and are awaiting approval. To give you the exact figures, 558 are approved, and 944 are expected to be approved over the next 2 to 4 quarters.

Forum Parekh – BOB Capital: Lastly, we have indicated that 13 ANDAs will come on stream from the government side. We are also expecting Zoraya to launch within 45 days. How many ANDAs in the regulated market can we expect to come from Zoraya?

Management: It is a little early. As we get closer to that point, we will provide the exact details. At a high level, I can say that 14 ANDAs are planned to be launched under Zoraya once Zoraya becomes operational.

Forum Parekh – BOB Capital: In FY27?

Management: FY27, that is correct.

Forum Parekh – BOB Capital: Thank you. Those were my questions.

Management: Thank you.

Operator: Thank you. The next question is from the line of Aanchal Maheshwari from Naredi Investments. Please proceed.

Aanchal Maheshwari – Naredi Investments: Hi, and thank you for the opportunity. Most of my questions have been answered. Thank you very much.

Management: Thank you. Thank you, Aanchal.

Operator: Thank you. The next question is from the line of Siddharth Negandhi from CWC. Please proceed.

Siddharth Negandhi – CWC: Thank you for the follow-up opportunity. You mentioned the GLP-1 launch that you are targeting through the pre-filled syringe plant in India. Could you tell us which markets you are targeting? Is that pre-filled syringe plant essentially a pilot alternative to what was earlier planned in the US, or is it different?

Management: The pre-filled syringe is the actual device. The pre-filled syringe is fitted into a device, and the device is outsourced. That is how it is administered. We do not manufacture the device, so of course we will outsource it, but the active drug product and drug substance are made by us—DS and DP.

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As far as GLP-1s are concerned, we are already in the process of commercializing the product in approximately 18 to 20 emerging markets, largely in the Middle East, Africa, Latin American markets, Far East markets, and CIS markets. It is not just semaglutide; we have the whole peptide portfolio to be launched in these emerging markets.

Siddharth Negandhi – CWC: Understood. Thank you. That is helpful.

Management: Thank you, Siddharth.

Operator: Thank you. Due to time constraints, that was the last question for today. I now hand the conference over to management for closing comments. Over to you, sir.

Management: I would like to once again thank everyone for joining today's earnings call. We remain committed to keeping the investor community regularly updated on developments at Senores Pharmaceuticals Ltd. I hope we have been able to address all your questions adequately. Thank you once again for your time and continued interest in Senores Pharmaceuticals Ltd.

Management: Thank you.

Operator: Thank you. On behalf of Senores Pharmaceuticals Ltd. and DAM Capital, that concludes this conference call. Thank you for joining us, and you may now disconnect your lines. Thank you.

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