Marksans Pharma Ltd.

August 20, 2026

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Bandra (East), Mumbai – 400051.
Symbol: MARKSANS

Subject: Transcript of investor(s)/analyst(s) meet – Q1FY27 Financial Results

Dear Sir/Madam,

Pursuant to Regulation 30 read with Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, kindly find enclosed the transcript of the investor(s) / analyst(s) meet on Q1FY27 financial results held on August 13, 2026.

The above information is also available on the website of the Company i.e. https://www.marksanspharma.com/earnings-call-transcripts.html

We request you to take the aforesaid on records.

Thanking you.

Yours faithfully,
For Marksans Pharma Limited

H PANIGRAHI
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"Marksans Pharma Limited

Q1 FY27 Earnings Conference Call"

August 13, 2026

MANAGEMENT: **MR. MARK SALDANHA – FOUNDER, CHAIRMAN AND MANAGING DIRECTOR – MARKSANS PHARMA LIMITED**
MR. JITENDRA SHARMA – CHIEF FINANCIAL OFFICER – MARKSANS PHARMA LIMITED

MODERATOR: **MR. NITIN AGARWAL – DAM CAPITAL**

Moderator: Ladies and gentlemen, good day and welcome to Marksans Pharma Q1 FY27 Earnings Conference Call, hosted by DAM Capital Advisors Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Nitin Agarwal. Thank you, and over to you, sir.

Nitin Agarwal: Warm welcome to Marksans Pharma's Q1 FY27 Post Results Earnings Call hosted by DAM Capital Advisors Limited. On the call today, we have representing Marksans Pharma, Mr. Mark Saldanha, Founder and Chairman and Managing Director, and Mr. Jitendra Sharma, Chief Financial Officer.

I'll hand over the call to Mark to make the opening comments and then we'll open the floor for questions from there on. Please go ahead, sir.

Mark Saldanha: Thank you, Nitin. Good afternoon, everyone and thank you for joining us for our Q1 FY27 earnings conference call. We sincerely appreciate your interest and continued support for the company.

Q1 FY27 has been a very strong start to the year for Marksans. We delivered INR841 crores of revenue, up 35.6% year-on-year, with our highest-ever quarterly EBITDA of INR213 crores and highest ever quarterly PAT of INR159 crores, alongside our cash balance crossing INR1,000 crores for the first time.

We've been investing in our products, manufacturing capabilities, customer relationships, and international presence for several years now. And we are increasingly seeing these investments translate into growth, profitability, and cash generation.

Europe has been a strategic highlight of the quarter. UK and Europe delivered the highest ever quarterly revenue of INR356 crores, growing 74.7% year-on-year. Over the last several months in Europe, we have moved from our primary existing channels to building our own front-end presence across key regulated markets.

During the quarter, we completed the acquisition of QliniQ B.V in Netherlands, which contributed approximately INR44 crores of revenue in Q1. Even excluding this contribution, the region grew strongly by 53.1% year-on-year. We then completed the acquisition of ABCnow GmbH, Germany with consolidation commencing from Q2.

Alongside these acquisitions, we have established Marksans Pharma Europe in Ireland and Marksans Pharma GmbH in Germany. Europe is becoming an important new growth market for Marksans, and we remain focused on progressively scaling our presence across the region.

Talking about our other key regions, in North America, we delivered INR377 crores of revenue, growing 15.1% year-on-year. This quarter saw a softer demand through the summer months, in line with the normal seasonal pattern. Price erosion in our Rx portfolio remained in single digits, and in the coming quarters, we expect momentum to strengthen. We have also established our presence in Canada with product filings underway.

In Australia and New Zealand, we delivered INR88 crores of revenue, up 53.7% year-on-year. This was in line with our normal seasonal pattern, following a particularly strong fourth quarter during the Southern Hemisphere winter. The underlying business remains healthy, and we expect momentum to build as we move through the year.

The improvement in the company's profitability is equally encouraging. The benefits of operating platform we have been building over the last several years are increasingly visible in our profitability. Our focus for the rest of FY27 is clear. Carry this momentum forward, scale across geographies, accelerate new product launches, build out the European market, and continue improving the profitability and cash generating ability of the business.

We remain disciplined in how we allocate capital and selective about our inorganic opportunities. We remain confident about creating a business that is scalable, resilient, and positioned to deliver sustainable long-term value for all our stakeholders.

With this, I hand it over to Jitendra, who will take you through the financial performance in detail.

Jitendra Sharma: Thank you, sir. Good afternoon, everyone. Let me take you through the financial performance for Q1 FY27. Operating revenue for Q1 FY27 stood at INR840.8 crores, up 35.6% year-on-year from INR620 crores in Q1 of FY26.

North America remained our largest market, contributing INR377 crores, up 15.1% year-on-year and accounting for approximately 45% of consolidated revenue. UK and Europe delivered INR356 crores, representing 74.7% year-on-year growth and approximately 42% of consolidated revenue. This was the highest ever quarterly revenue for the region. Europe also began contributing meaningfully during the quarter, following the acquisition and consolidation of QliniQ, while the underlying UK business continued to show strong momentum.

Australia and New Zealand delivered INR88 crores, up 53.7% year-on-year. The sequential moderation was in line with the normal seasonal pattern following a particularly strong fourth quarter. The underlying business remains healthy and we expect momentum to build as we move through the year. Rest of World contributed INR20 crores during the quarter.

Gross profit stood at INR497.3 crores, up 38.9% year-on-year from INR358.2 crores. While gross margin improved to 59.1% from 57.8%, an expansion of 138 basis points. Sequentially, gross profit increased from INR465 crores, with gross margin expanding by 478 basis points. The improvement was supported by favorable product mix, lower cost materials held in the inventory, and favorable foreign exchange.

EBITDA stood at INR213 crores, compared with INR100.1 crores in Q1 FY26, representing 112.8% year-on-year growth. EBITDA margin expanded to 25.3% from 16.1%, an improvement of 919 basis points. Sequentially, EBITDA increased from INR195.4 crores, while EBITDA margin expanded by 251 basis points. The improvement reflects the benefit of higher gross margin together with operating leverage.

Profit after-tax stood at INR159.4 crores compared with INR58.2 crores in Q1 FY26, representing a 173.9% year-on-year increase. PAT margin improved to 18.4% from 9.3% sequentially, PAT increased from INR149 crores in Q4 FY2026 with PAT margin improving from 16.7% to 18.4%.

Moving to cash generation. We generated INR185 crores of cash from operations during the quarter. After net capex of INR33 crores, free cash flow stood at INR152 crores. Our working capital cycle improved to approximately 132 days compared with approximately 159 days in Q1 FY2026 and 138 days forFY2026 as a whole

R&D spend for the quarter was INR23.2 crores or 2.8% of consolidated revenue compared with INR12.1 crores and 2% in Q1 of FY2026. We ended the quarter with a cash balance of INR1,058 crores compared with INR711 crores at the end of Q1 FY2026. While the net cash stood at INR1,031 crores, this was achieved despite the payment towards the QliniQ acquisition during the quarter.

With that, we would like to open the floor for questions. Thank you.

Moderator: Thank you very much. We will now begin question-and-answer session. The first question is from the line of Ahmed Madha from Unifi Capital. Please go ahead.

Ahmed Madha: Yeah. Thanks for the opportunity and congratulations on a great performance. The first question was on the line of the QliniQ acquisition. The disclosure suggested that the transaction was done on 1st June and was completed on 17th June. So, the revenue recognition, can you give some sense how it has been accounted? And for the full year, how do you see the -- both the acquisitions as well as your organic efforts in Europe business panning out for FY2027?

Jitendra Sharma: Ahmed, the effective date for the transaction was 1st of April 2026. So we have consolidated the first quarter numbers in our June quarter consolidated financials. We expect QliniQ will do around INR150 crores to INR175 crores in terms of the revenue overall for the year.

Ahmed Madha: Sure. And Europe geography as a whole, with two acquisitions and your organic efforts will -- how much the delta will be over and above the QliniQ number you guided for?

Mark Saldanha: Yeah. So obviously, we expect to grow from what QliniQ has historically done, and they had done slightly below EUR10 million. We expect to end this year by around about -- between EUR14 million to EUR15 million, that's really about 40% above. So we do expect Europe to be somewhere around INR180 crores to -- yes, about INR180 crores. You can put it at INR180 crores.

Ahmed Madha: Got it. On the gross margin front, obviously, this was probably the highest gross margins to report maybe outside of COVID period will be the highest. So how should one think about it in terms of the product mix, obviously, you had low-cost inventory, which you have flagged out in your presentation, some of the high-cost inventory may be -- being -- you procured as of current moment with higher solvent costs. So how should one think of the gross margins and the pricing we are able to improve and so on?

Mark Saldanha: So obviously, it's a very fluid situation. And you're right, we were sitting on good inventory, which we are depleting over time. We still have some inventory, but there are obviously other parameters within the war -- due to the war, which is having an impact like freight or some higher cost of raw material coming in, we do believe that as and when this war does end, there will be -- it will go back to its normal levels relatively very fast. And so far, we are leveraging that inventory that we have. And yes, in terms of sustainability of that 25-odd percent -- yes, 59%, I think we should be around 55%, 56% gross margin per se.

Ahmed Madha: Sure. And other thing is working capital has come down meaningfully. So there will be some sort of inventory unwinding that would have happened, I'm assuming. So is that the case? Or is there any other angle to it?

Mark Saldanha: No, that's the case.

Ahmed Madha: Okay. Lastly, on the U.S. business, can you give some sense how does the order book look? The rest of the season, how do you see the growth acceleration to be?

Mark Saldanha: Well, we do see -- the order book is still strong. So that's not a problem. But we do see contribution in this financial year coming from around the geographies. It's not -- even in the first quarter, if you look at it, it's not only U.S. that's performing, it is Europe, it is Australia, every subsidiary is performing.

So this year, you will see growth happening from all geographies, which will contribute. We do anticipate us -- I mean, we are still very much on our target of hitting INR4,000 crores within the next two years. So I think we still stand by it. And obviously, we do expect contribution coming from all our subsidiaries. Unlike last year, where obviously, U.K. was underperforming and U.S. was accelerating up.

Ahmed Madha: Yeah. Sure. Just last question on the cap allocation. Obviously, we are now INR1,000 crores plus cash. And the scenario is very different from, say, a few years ago, the direction has changed completely. So whatever acquisition we have made, the ticket size is relatively small. So how should one think about further cap allocation for current year also, should be making any meaningful large acquisitions? I'm just thinking on the absolute size, the cash, yes.

Mark Saldanha: Yeah. We are exploring those possibilities. Obviously, for us, Europe has just begun. We've just done relatively smaller target deals, but we do plan to expand within Europe as a geography. So we are actively looking at other acquisitions. Nothing concrete or no pen to paper, but we do believe the resources and the money sitting on our balance sheet will fuel our growth in terms of both organic and inorganic strategies that we plan to pursue.

Ahmed Madha: Thank you so much and all the best.

Mark Saldanha: Thank you.

Moderator: Thank you. Your next question is from the line of Meet Bhuva from Integrity Ventures and Partnerships. Please go ahead.

Meet Bhuva: Yeah, hi. Am I audible?

Mark Saldanha: Yes, you are.

Meet Bhuva: Yeah, hi, sir. Congratulations on a great set of numbers first of all. And I have a couple of questions. So, we have clocked around 25% on the bottom-line in quarter one. So like -- and also, we have guided for FY27 revenue growth of 15% to 20% and 20% to 21% EBITDA margin. So, is there any plan to revise based on the upward side, or how should we look at it?

Mark Saldanha: No, I think we'll stick with that plan because of the volatility that you see, the geopolitical scenarios that you see prevailing, surrounding us and pretty much all countries. So we do foresee that due to the continuance of this geopolitical uncertainties, I think what we projected historically or before, we stand by that.

Meet Bhuva: Okay. And the next question is on this quarter, our U.K. and Europe segment grow like around 74% Y-o-Y and 15% quarter-on-quarter. So how sustainable growth we can assume in these two markets?

Mark Saldanha: I think we'll be able to sustain it.

Meet Bhuva: Okay, you're able to sustain it around 75% on year-on-year basis and 15% Q-o-Q. Okay. And there was one more question. So I just wanted to know the timeline for Ireland and Germany entities to start generating meaningful revenue. Is there any specific -- yes.

Mark Saldanha: So Germany, we expect some revenue to be generated soon, maybe early third quarter. And we do expect better revenue to be generated from Germany. And Ireland may take some time because product registrations. It's early formation of a company. We need a wholesale license, we need a distribution license, and we need product licenses.

So that all registration is happening, but we are hopeful for next year to see some revenue in the next financial year, not this year. But Germany will see revenue this year in the next quarter, and Netherlands are already performing. So I think U.K. and Europe by itself will show a decent growth.

Meet Bhuva: Okay. Okay. And sir, what about our rest of the world segment, like, in the Middle East also we have one subsidiary? So how we are looking to grow the rest of the world segment regions?

Mark Saldanha: So we have Middle East, we have rest of the world in other markets besides the western markets. Obviously, the other markets besides the western markets are struggling a bit because of the war scenarios, because of vessels unable to pass and the transportation becoming one of the biggest hurdles in those regions. So to our good fortune, they don't contribute a lot, but these are challenging times for those markets.

Meet Bhuva: Okay, okay. Thank you. Thank you so much for your answers, sir. Wish you all the best.

Mark Saldanha: Thank you.

Moderator: Thank you. The next question is from the line of Mihir Damania from Fident AMC. Please go ahead.

Mihir Damania: Yeah, hi. Sir my first question alludes to a slide in your presentation, which says that you want to become a top global consumer healthcare company by 2030. What will it take for you to reach there versus where you are right now?

Mark Saldanha: Sorry, I didn't -- Mihir, I didn't get you very clearly. Could you repeat that?

Mihir Damania: Yeah. So, on Slide 38 of your presentation, which is growth roadmap, Strategic Vision FY2030, you alluded that you want to become a top global consumer healthcare company by 2030. So where -- what are the things which you need to do which you are not there currently to get there. What will it take for you to reach?

Mark Saldanha: Yeah, I mean, we are working in that direction. This is all about creating brands. So when you talk of consumer health, we are looking at OTC, we look at brands. So we are looking at expanding our portfolio, where that is concerned. So a lot of work will go into that. But yes, I mean, we will be pursuing that -- we would have to invest some resources also accordingly to that. But nevertheless, I think we are confident of moving in that direction.

Mihir Damania: Got it. And second one is more on the regulatory side. So you have three USFDA plants globally. When do you expect the next USFDA inspection to kind of take place because that -- considering a chunk of your revenue -- large chunk of revenues comes from the U.S. and your three locations, when do you expect the next USFDA inspection to kind of take place?

Mark Saldanha: There is no definite time lines as in such because they can come any moment, although one of our plants was recently audited less than 12 months back. But again, they can come any time based on our filings, based on so many filings that we are doing, they can visit any time. So it's difficult to put a timeline on that.

Mihir Damania: Okay. Thank you and all the best.

Moderator: Thank you. The next question is from the line of Deepesh Sancheti from Manya Finance. Please go ahead.

Deepesh Sancheti: Hello, am I audible?

Mark Saldanha: Yes, you are.

Deepesh Sancheti: Yeah. Congratulations, first of all, on a great set of numbers, I mean, completely unexpected and excellent numbers. Just wanted to understand, in your last year con call, you mentioned that Q1 is generally a weak quarter. So does that mean that we have more stronger quarters coming in for the Q2, Q3?

Mark Saldanha: Yes. From a revenue standpoint of view, the answer is yes. And I think from an EBITDA point of view, we will hit our expected margins that we have presented to that level, yes. But revenue, definitely, the Q2 will be better than the Q1 and Q3 will be probably the strongest.

Deepesh Sancheti: Okay. I'm saying about the European acquisitions. Now we've done two in Germany, one Netherlands, one Ireland. Do you think for covering the entire Europe will we need more acquisitions or these will be enough for, you know, the start.

Mark Saldanha : So we have done -- in acquisitions we have done only two. One is in Netherlands and one is in Germany. So, I think, these give us a good launching pad into these countries. And if you look at our history, we have always grown on what we've acquired. And we've grown very well on what we've acquired. But yes, to answer your question, we would need more acquisitions and that's where we have a -- we have a decent corpus with us to close any inorganic strategies that come our way. Obviously, making sure that it is worth the valuation. So -- but we do plan to expand countries within Europe. That said and done, M&A is unpredictable and timelines are not fixed.

Deepesh Sancheti: Right. And so what is your US strategy, especially, after Mr. Trump has mentioned that, you know, you will no longer be, I mean, you'll have a 200% duty after two years. So what is your long-term US strategy? Are we going to ramp-up our production in US? How are we going about this?

Mark Saldanha: That's always a possibility. There are different possibilities. But I think we have to cross a bridge when we arrive at it. So, you know, we basically, I would not put much weightage on what he says because it may change pretty much within two days or three days or whenever. So I think, we'll wait and watch.

And two years is a long period of time for anyone to preempt a change happening right now, especially, the way the US is shaping up. So, I think, a lot of things may change. And again, depends on elections, depends on political scenarios prevailing in that country. So we have to just see how things unfold, but that possibility of ramping up is always there with us. And we always keep that as an option.

Deepesh Sancheti: Right. So we do we -- so what is this US strategy as in, just wanted to understand since we're having so many acquisitions in Europe and we are -- is this a, I mean is this a long-term strategy to, you know, maybe if there is any problem in US then we have our European market also. Is that what is there on our mind or this is just a general acquisition led growth?

Mark Saldanha: No, we had always focused. We had always mentioned in our previous calls that we would like to expand our geographies. We historically focus on a market, we consolidate, we grow the market. Once the growth is happening and it's on auto-pilot mode, we then look at expanding our footprints in other geographies.

And this year we had earmarked for Europe by itself. I mean, coincidentally, the geopolitical scenarios are different or are happening parallelly. But we had earmarked this year for expanding our like I said our footprints into different geographies. And Europe was identified as a market with potential and that's where we went into Europe. But US is still our important market. It's still giving us decent revenues and it's still a potential market for growth.

Deepesh Sancheti: Right. All the very best, Mark, and congratulations again on an excellent set of numbers.

Mark Saldanha: Thank you.

Moderator: Thank you. The next question is from the line of Vishal Manchanda from Systematix Group. Please go ahead.

Vishal Manchanda: Yeah, hi. Good evening, everyone and thanks for the opportunity. With respect to the gross margins, I think, you have posted the highest ever gross margins this quarter. So is there scope to, kind of, push this higher?

Mark Saldanha: No. That's, I mean, everyone would love that. And we always try to be innovative and approach situations differently. But no, I think that's being unrealistic. So I think like I mentioned 55 to 56 range is more comfortable looking at our geopolitical scenarios that are there with the war, with the crude, with everything, with transportation and everything that goes on.

Vishal Manchanda: Okay. And would you be able to share what volume of your sales was manufactured in India? And is it very different from the other quarters or previous years?

Mark Saldanha: I think we do about 65% to 70%, 70% being on the higher side, but 65% to 70% coming from India.

Vishal Manchanda: Okay. And you, kind of, the backward integration plans are on shelves, right? Is not actively, -- you are not pursuing actively there, right?

Mark Saldanha: No, we are not pursuing it actively, but we have developed some IPs related to DMFs, but you know exploring the CRAMS business module. But we are not pursuing it actively because again of what's happening around.

Vishal Manchanda: Got it. Got it. And just if you could give an outlook with respect to which geography that you think is likely to do better in the near-term for you?

Mark Saldanha: I think unlike our last year, I think, this time all our markets and all the geographies that we are in will do fairly well. So each of our subsidiaries will contribute to helping us achieve our objectives and goals that we have set out.

Vishal Manchanda: Okay. Any new geographies that you're looking to add?

Mark Saldanha: Europe is a continent by itself. It's a big continent and isa cluster of different countries. We have just started. So that does not mean that we have conquered anything out there or created anything substantial. We've got a long way to go in Europe and we plan to expand that effort, you know, in the coming months and whatever time it takes us to establish become a prominent player in Europe, like how we've done in US and other markets.

Vishal Manchanda: So are you planning anything in terms of like the recently Zydus Wellness acquired -- more of an e-commerce platform for OTC drugs? So anything on those lines, would you be considering?

Mark Saldanha: No, no.

Vishal Manchanda: Got it. Thank you.

Mark Saldanha: Thank you. The next question is from the line of Abhi Jain from AJ Capital. Please go ahead.

Abhi Jain: Hi, good evening. Hope I'm audible.

Mark Saldanha: Yes, you are.

Abhi Jain: My first question is on capital allocation. So, I am on slide 28, and I think the ROE and ROCE have obviously fallen in the last few years. We have close to about we have INR1,050 crores of cash, and most of it, I am seeing in the Annual Report is sitting in FDs and in current accounts, which probably is earning us 4% to 5% post-tax, against an operating ROC of 20%.

So, I just want to understand whether the management is looking at better efficiently utilizing that cash reserve that they have. Obviously, you need cash for acquisitions and organic growth. But can the management plan about better usage of cash reserve, which is not an imminent need?

For example, index investing is something that can be explored, which gives us a yield of 9% to 10%, relatively risk-free, -- yeah, and helps improve this drag on ROC, which has been happening for quite a while now. Just wanted to understand your thoughts around that?

Mark Saldanha: No, we don’t take that factoring or risk. We are not into that. We make sure it is safe. Yes, our main aim is to use those funds to drive inorganic strategies, which basically will grow the company and its revenue generation.

In those acquisition terms, obviously, we try to be conservative to make sure we get return on investments relatively fast and lucrative, like you have seen our Netherlands deal. You will probably see, maybe in the next six months our Germany deal, how it has outplayed versus what we have invested.

So we look at returns coming from there at a faster pace than trying to go into instruments, which may or may not have any risk -- may have some risk factors. We are averse with taking risk where that is concerned, because those are beyond our control.

Abhi Jain: All right. Second question is on the growth pattern and the sustainable EBITDA margin. Obviously, this quarter has been improved in terms of EBITDA and previous quarters as well.

Mark Saldanha: Sorry, you are not audible. Could you repeat that again?

Abhi Jain: .So, your other expenses are roughly about 33% to 34-odd percent of sales. So, I think that would give us an EBITDA of about 21% to 22% for this year. So, is that understanding correct or do you see the 25% EBITDA percentage rationalizing?

Mark Saldanha: For this year, I think

Abhi Jain: By the end of the year 21% to 22 percentage?

Mark Saldanha: Yes. End of the year, 21% to 22% is achievable. Yes.

Abhi Jain: All right. Okay. Sure. Thank you so much. Yes, I hope eventually, you can start utilizing some part of that cash reserve towards a better yield product, which is much safer, like an index investing or something. For the future, you can look at it, or at least start with some portion just to improve yields. Companies across the world are doing it, so what bucket is doing it. I am pretty sure that the risks are manageable at a smaller scale. That's it. Thank you.

Mark Saldanha: All right. Thank you.

Moderator: Thank you. The next question is from the line of Anand Moore from OM Advisors. Please go ahead.

Anand Moore: Yes. Hi. Thank you for the opportunity. How much of the growth is organic in U.K. and Europe? What exactly is the INR44 crores from QliniQ that we have received?

Mark Saldanha: No, that's a revenue. INR44 crores in QliniQ is a revenue. We have not received anything. It's a revenue.

Anand Moore: So what does the --

Mark Saldanha: The growth from U.K. is all organic only. We have not done any inorganic in U.K., per se.

Jitendra Sharma: Excluding the QliniQ number, in our U.K. business, we have achieved growth of over 50% on a year-on-year basis during the quarter. That is all organic.

Anand Moore: Noted. What does the company QliniQ, what do they do? Similarly, if you can brief on what ABCnow does.

Mark Saldanha: They are into the generics space pretty much like all our subsidiaries. QliniQ is more tilted towards Rx, while ABCnow has got both Rx as well as OTC portfolio. But yeah, they are into the generics space, more or less like all our subsidiaries.

Anand Moore: Just a couple of questions more. How do you see Europe region shaping up in the next three to five years? Are you looking at more acquisitions?

Mark Saldanha: Yes. So Europe is a cluster of many countries, and right now, we are present in only two countries, that's in Germany and Netherlands. But we do plan to expand the geographies in Europe, and most of them will come through acquisitions or inorganic strategies. In the next three to five years, let's say, more or less within five years, we are hoping that that geography can do about INR1,000-odd crores.

Anand Moore: Got it. Sir, lastly, if I may, how is Goa unit 2 progressing and what is our capacity there?

Mark Saldanha: Goa unit is progressing. The Teva facility is progressing. We had projected about moving towards an INR80 crores revenue generation from that plant. We are right now at INR50-plus crores. So I think we are pretty much at 60% to 65% out there.

Anand Moore: Okay. Thank you so much, sir.

Mark Saldanha: Thank you.

Moderator: Thank you. The next question is from the line of Aejas Lakhani from Unifi AMC. Please go ahead.

Aejas Lakhani: Yeah. Hi, team. Congrats on a very strong set. Sir, I just want to understand that on the manufacturing side also, we called out that we may run out of manufacturing capacity, so any incremental color there in terms of assets that you're looking at, either green or brown?

Mark Saldanha: We are looking at a couple of targets. It is too early to mention whether it will go as per plan. I think we have a year to two years to work towards achieving this objective. If we have to achieve our three to five-year plan, yes, we are aware that we may need manufacturing capabilities, probably another unit in India. We are working in that direction, but nothing concrete as of now, because it is easier said than done. We need to make sure that we get it at the price we want it. That makes it a bit more interesting and challenging.

Aejas Lakhani: Understood. And Mark, there's been a certain benefit of having two units relatively close by in Goa. So is there anything on your mind with regards to a specific location? Or are you open to going to a different state? Just want to understand a little more on your flexibility on the geography….

Mark Saldanha: There is no location. We don't have any -- I mean, we don't mind expanding and going to another state. Goa was we were lucky that -- and fortunate it unfolded the way it happened. And -- but that said and done, if there is something in a different state, we will obviously look at it at its merits and take a call at that time. So as long as objectives get achieved, we are okay in exploring different states.

Aejas Lakhani: Cool. Thanks. All the best.

Mark Saldanha: Thank you.

Moderator: Thank you. The next question is from the line of Nitin Agarwal from DAM Capital. Please go ahead.

Nitin Agarwal: Hi Mark, just quickly, on your R&D efforts, if you can just throw some light on how the R&D efforts have been progressing over the last few quarters? And what are the major objectives from the R&D program that you're pursuing going forward?

Mark Saldanha: So Nitin, it's a good question. We are focusing -- actually, we are putting a lot of stress on R&D, on product development, on different delivery dosage forms, which are a little more expensive in terms of getting it right. So a lot of work in the background is happening on differentiating our product basket.

And we've always been doing that. But as we grow bigger, we have better resources to plow into that area, and that's where you have seen a bit of increase. That said and done as and when new geographies come into play, then new product portfolio comes into play and our product basket is increasing in every geography.

So there's a lot of work being done in certain countries. And we have taken this objective in the next two to three years to literally double our portfolio in every country that we are in. So we are working hard towards achieving that. And that's what's driving our cost on R&D right now.

Nitin Agarwal: And in the U.S., I think for now, I think about 70% -- 75% of our business is OTC. Correct me if I'm wrong on that. But Europe is obviously -- U.K. is a smaller amount. And presumably, the way we're looking to expand in Europe, is it fair to assume that a lot of the European growth will be again on prescription products or will be again going to be pretty -- what kind of percentage of OTC do you see playing out in Europe and U.K. going forward?

Mark Saldanha: So U.K., it's equally distributed. We have about 55% into Rx and 45% into OTC. So it's quite equally distributed. But in Europe, it's going to be tilting more towards Rx, maybe 80% or 85% Rx and 15% OTC. So that's the mix because Europe is kind of more of a prescription market than other geographies that we are into.

Nitin Agarwal: Okay. And in the U.S. on the OTC side, any changes that you've seen in the market dynamics in terms of the competitive intensity, number of players coming in, new players coming in or players dropping out? Has there anything -- any input changes that you've seen in the market over the last few quarters?

Mark Saldanha: No, we don't see anything. Obviously, we definitely see struggles happening because of the war and the geopolitical scenarios that are revolving, especially around that country. We see the fuel prices going up. Consumers struggle to fill -- affordability on filling their gas tanks. But in terms of market dynamics, we don't see much change where that is concerned, especially on competition, whether they are coming in or going out. We do see some of the big players are struggling a bit, but that is always good news for us.

Nitin Agarwal: And lastly, on the U.S., how do you see our U.S. sort of geography shaping both from a qualitative and a quantitative perspective over the next three, five years?

Mark Saldanha: So obviously our immediate outlook, you know, we don't talk about $200 million anymore, but we are now working towards a $300 million and then we'll probably look at a $400 million, if you have to look at a horizon of maybe five years. But I think our immediate objective is to first reach our next benchmark of $300 million in the U.S.

Nitin Agarwal: And the composition of the business will still continue to be driven by OTC in the U.S.?

Mark Saldanha: It is OTC-driven. Our Rx is seeing a bit of better traction also. So maybe historically, we were 90% -- probably 95% OTC and 5% Rx, that may change to 85%, 15%, I don't know. But yes, we are -- OTC will still be our strength out there.

Nitin Agarwal: And lastly, on this one, now with the scale that you've got probably there with most of our relevant OTC customers in U.S. I mean, how is that scale that you already have and our older relationships with some of these customers really helping us in building the business around?

Mark Saldanha: Yeah, it is. I mean, so as and when opportunities do come, we are the preferred choice of partners that they look at. And our product portfolio, in each of those customers are increasing. So as and when, if you're supplying 10 items, and tomorrow there is a potential of increasing it by another 10 more items to those customers, so that's where the growth is generated from there.

But like I said, we are making -- we are basically ensuring that U.S. growth is also driven, and equal importance is given on strategic product portfolios where we believe there's a gap and where we can increase our market share relatively fast. But yes, it has to go through all the ANDA approval process and everything of that stuff.

Nitin Agarwal: Thank you so much.

Mark Saldanha: Thank you.

Moderator: Thank you. The next question is from the line of Jugal Shah, an individual investor. Please go ahead.

Jugal Shah: Hi Mark. Thanks for taking my question. I just want to go back to the question where one of the previous participants mentioned around the usage of cash component. So I see we have INR1,000 crores cash and the top line is INR3,000 crores. So that number sounds very conservative. I wanted to know like is there anything bigger acquisitions or inorganic growth in the next one-year horizon or because smaller acquisitions is still happening at the same time we will be generating more cash flows as we go forward.

Mark Saldanha: See, I mean anything is possible, right. If we are sitting on a corpus, yes, it can be a decent sized ticket deal, it can be -- in certain markets we explore different strategies, but if tomorrow we acquire something in India, we'll have to pay a bigger valuation. I'm just giving a -- not that we have anything on mind, but if we have something, we would have to pay bigger valuation. And all of a sudden, INR200 crores, INR300 crores, INR400 crores will go into that acquisition and suddenly you'll say what happened to all the money, where did it go?

So, but yeah, that money will basically fuel our growth strategy. And we are quite optimistic. Like I mentioned in my previous calls that this is the year that we would be pursuing our inorganic strategy. Over the last couple of years we've been, we've been focusing and pushing and integrating and ensuring that our organic takes shape. Organic strategy takes shape. And this year we are working towards the next leap or the next growth strategy we have in place for the company, which will basically evolve the company to a different level altogether.

Jugal Shah: That's good to know Mark, but just again, to add to that, I think we have reached a level, our platform is there, I'm sure we are very confident on the management team, but 15% to 20% growth seems to be very conservative where we are right now we kind of try to achieve more better 20%-25% growth should be the new normal given that where we are at this moment.

Just being a little greedy, but just trying to be basically -- we have a great management team, you yourselves have been doing really great for the company as well. So I'm just hoping that we kind of be more aspirational.

Mark Saldanha: I'm sure, I mean, we in my last call, we spoke about doubling our revenue. So that itself is, I mean, how many companies do you know that talk about doubling their revenue? Right, so, when we did INR3,000 crores we are now giving a visibility of doubling our revenue within, the next five years. So I mean that itself is -- I mean, it is -- we still have to work towards that and we are quite optimistic we will be out there.

Jugal Shah: Thank you, Mark.

Mark Saldanha: Thank you.

Moderator: Thank you. As there are no further questions from the participants, I would now like to hand the conference over to the management for closing comments.

Mark Saldanha: Thank you everyone for taking your -- spending a valuable time on this call and have a great evening and be safe. Thank you.