



“Beta Drugs Limited
Q4 FY26 Earnings Conference Call”

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MODERATOR: **MR. SRISURYA K – PHILLIPCAPITAL PCG DESK**

Moderator: Ladies and gentlemen, good day and welcome to the Beta Drugs Limited's Q4 FY26 Earnings Conference Call, hosted by Phillip Capital PCG. As a reminder, all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need any assistance, you may enter * and 0 on your touchtone telephone. Please note that this conference call is being recorded. I now hand the conference over to Mr. Srisurya K from PhillipCapital PCG desk. Thank you and over to you, sir.

Srisurya K: Thank you. Good afternoon everyone. On behalf of Phillip Capital Private Limited, I welcome all of you to the Q4 and FY26 earnings conference call of Beta Drugs Limited. From the management, we have Mr Rahul Batra, Chairman and Managing Director, Mr. Ashutosh Shukla, Director of Sales and Marketing; Mr. Nipun Arora, CFO; and Ms. Rajni Brar, Company Secretary. I now hand over the conference to Mr. Rahul Batra for his opening remarks and then we will open the floor for the question-and-answer session. Over to you, sir.

Rahul Batra: Thank you. Good afternoon everyone. Let me take you to the key highlights of FY26. First, coming onto the financial analysis. Beta's net revenue grew from INR368 crores to INR396 crores. The gross margin grew from 52.71% to 55.52%. The EBITDA grew from INR76.97 crores to INR86.85 crores and EBITDA margins from 21.1% to 22.57%. The operating margin has also increased from 17.65% to 18.11%. The net profit although has been declined from 11.71% to 10.78%, but if we don't account the extraordinary expenses which has impacted the overall margin, the net profit margin would have been above 12.5%.

Coming onto the sales segment-wise, different vertical-wise. The branded sales grew from INR103 crores to INR123 crores, that is by 20%. The CDMO sales grew from INR148 crores to INR149 crores, that is by 1%. The only reasons of sales impact on CDMO is the Platins, which we didn't supply in the last half year, which would otherwise have increased the CDMO sales by 7%.

The export sales have declined by 11%, that is from INR79 crores to INR71 crores. This is only because the tenders which were supposed to be awarded in FY26 got awarded in March 26. The tenders got delayed by almost four months. We are happy to announce the tenders have been awarded and the supply will be starting from the first quarter of FY27. We are on track to have a growth of more than 50% in exports in FY27.

The Derma sales have grown from INR12.3 crores to INR16.58 crores, that is almost 35% increase. The overall Derma business has become EBITDA positive and from here on, we will escalate the branded cosmetology business. The API business has grown from INR20 crores to INR25 crores with an increase of 23%. The most important highlight is the Nivian, the fertility business acquisition. Beta has acquired 66.1% stake with a total consideration of INR69.4 crores at a valuation of INR105 crores.

We believe there are significant synergies between two companies and the valuation will reflect the true potential of strategic partnership. The transaction is closed in April 26 and will be able to consolidate full year revenue of Nivian Lifesciences for FY27. The promoter of Nivian has

not diluted even a single share and will continue to run the business with full enthusiasm along with Beta's operational efficiencies and bandwidth.

Now discussing the segment-wise business. Coming onto our own brands. The branded oncology business has shown a growth of 20% as compared to last year in spite of all challenges faced of non-supply of Platins. There has been significant contribution from top three-four brands and we are happy to announce that our one brand has touched almost INR10 crores of sales last year.

We launched two new NDDS in the last year and five new products. We will be launching around 20 to 25 new products in the coming three-four years that includes the NDDS products as well. Today we have 135 plus products in oncology and we have a remarkable presence across all the corporate hospitals, even the government institutions as well. Beta will continue to grow its own branded business by 20% to 25% in the coming three to four years. The credit goes to the sales team where each and every individual working has shown a tremendous temperament to take this business forward. The growth will be derived by new launches and deep penetration in different cities across India.

Coming onto exports. Although the last year sales have shown decline, but we have laid a solid foundation and we have put a lot of efforts and focus on the export market. The tenders which were supposed to be finalized in December or January and the sales were to be happened in FY26 has postponed and now got awarded in March 27. The sales will start reflecting from FY27 first quarter onwards.

Beta in last one and a half year has submitted more than 200 dossiers and expect new registrations close to 100 this year. These registrations will be across from different geographies. We are investing widely on the dossier submission of new molecules in the regulated markets. The human resource in HR department have been significantly added to keep up the pace of dossier submission.

Beta has already submitted three dossiers in EU for EU audit which is scheduled in September first week of this year. Our target is to file maximum number of dossiers in the coming two years. The export as per our forecast for next three-four year will contribute 30% of the total revenue by FY30. The results of the growth will start reflecting from Q1 FY27.

Coming onto CDMO business. Although the CDMO business has increased by only 1%, but it has majorly impacted by the Platin sales. Our key focus area adding more players. We have recently added more CDMO partners and are focusing to build this sales growth for future growth. We have also shifted our high margin products to the CDMO partners where we are adding more and more molecules with our existing partners. This move of company will make more towards the growth of this vertical and will continue to make it 5% to 6% annual growth for next three-four years.

Coming onto the API business. The API business has shown a growth of 25%. The API plant has recently cleared audit of PIC/S. This opens a lot of door for export market. With the new intermediate facility of the API business will get a big boost and dependency on the import of

key KSMS will reduce significantly as all the KSMS will be manufactured in-house. The development has already started and we will make it commercialized by this year.

Coming onto cosmetology and dermatology. The cosmetology and dermatology market is growing at a CAGR of 14% annually. Our current covered market is between INR3500 to INR4000 crores. We have achieved a PCPM of INR1.85 lakhs with 69 TMs on board and will grow up to INR2.3 to INR2.4 lakhs PCPM this year. The next three to four year cosmetic division will continue to grow at 30% to 40% annually.

There have been recently launched fillers with exclusive tie-up with a European company. In April we got approvals to market mesotherapy in India exclusively from Europe. We have also tied up exclusively to market innovative cosmetology products in India where Beta is in process to register more than eight products from Europe.

Coming onto the Nivian fertility business. The current acquisition of Beta in IVF therapy will enhance company's presence in one more super specialty. Nivian is among the fastest growing companies in IVF space and has a strong brand recall among doctors and IVF chains. We see tremendous synergies between two companies. We can improve the gross margin with having better connect in the market as we are present since last four decades.

We can enable Nivian to sell its product in the corporate hospitals where we have worked in N number of years. We can also leverage the manufacturing infrastructure in the near future. Nivian will continue to grow at 30% for next three to four years and can be a brilliant branded business in all the verticals.

To conclude, we accept that the growth expected last year was not at all encouraging for the entire company. For last six months we have made different strategies to overcome the challenges like these we have found in the later half of FY26. With this we have made a Vision 2030 and also inculcated this vision among the members of Beta family. We are working on many front that includes in-licensing, marketing the novel products, make the new products, market the new first-made generics not only in India but globally also.

The oncology business has got a huge potential globally and we are working aggressively to attain the market share. This will enhance not only the revenue but a great EBITDA and net profit. There will be a continuous effort from each and every individual to make Vision 2030 possible, which we see is achievable. Thank you. We welcome the questions now.

Moderator:

The first question is from the line of Darshil Zaveri from Crown Capital. Please go ahead.

Darshil Zaveri:

Thank you so much for taking my question, sir. Firstly, a good performance in a challenging year, sir. Sir, just wanted to understand in terms of FY27, sir, I think we had given a guidance previously of INR530 crores revenue and 24% EBITDA. Do we hold by it or can we better it because you're saying exports and Cosmo both will have really great growth, sir? So FY27, what is our outlook, sir?

- Rahul Batra:** So outlook will be same. We will continue to grow at 20% to 25% annually. We have set a vision of Vision 2030 where we want to double our sales, rather more than double our sales in next three to four years.
- Darshil Zaveri:** Okay, double our sales. And sir, margins, sir, we were saying around 24%. So is that achievable, sir?
- Rahul Batra:** See, if you have seen the gross margin has increased from 52% to 55% and EBITDA margin also has increased from 21.1% to 22.5%. So once the export and the branded sales will improve, the EBITDA margin will generally -- will definitely come up above 23%, 24%.
- Darshil Zaveri:** Okay, EBITDA margin will be 24%. Sir, and this includes other income, right, sir? What is the portion of other income in ours? Is it forex gains or because this year we had I think around INR11 crores of other income. Usually we don't have that much, sir. So how do you see that, sir?
- Rahul Batra:** Nipun, can you explain?
- Nipun Arora:** Yes, sir. Sir, the other income includes interest from FDR. So this is somewhere around INR8.5 to INR9 crores in this year. And so the total is INR11 crores, but only the other INR2, INR2.5 crores are duty drawback, MEIS license sales. So those are related to business only. Only INR8.5 to INR9 crores is the FDR interest.
- Darshil Zaveri:** Sir, so if we have INR8 crores as FD interest, then --
- Nipun Arora:** If you wanted to exclude that other income, completely if I exclude that other income, even those duty drawbacks and everything, then it would be 19.67% compared to 19.33%. 19.33% last year and this year it will be 19.67%. I have excluded all the other income.
- Darshil Zaveri:** Correct. So that's what I'm asking, sir. The EBITDA margins that we are saying around 23%, 24%, that we are accounting for with the other interest or without -- sorry, with the other income or without the other income, sir?
- Nipun Arora:** Sir, that 23%, 24%, let us be consistent to be included in -- to include the other income also. So if we are saying this year we are 22.5%, next year if we say we are 23%, so we are comparing from the same base, like including other income also.
- Darshil Zaveri:** Okay. No, no, fair enough. Yes, that's why I just wanted to clarify that, sir. And sir, just wanted to know like this year we decided to, you know, forgo the Platin, that's around INR40, INR50 crores. So right now I'm just trying to understand, I think our IVF segment, I think that around has around INR45, INR50 crores of revenue, right, in FY26? So the major growth next -- so our guidance includes that or is it just on a standalone basis we used to say we'll grow 20% to 25%? So the acquisition is over and above it or how do we look at it, sir?
- Rahul Batra:** So the guidance include Nivian also, but overall oncology business, our main core business will continue to grow at 20% to 25%.
- Darshil Zaveri:** So that way we should have a higher than 20% to 25% growth, right?

- Rahul Batra:** Yes, yes. See, what I have -- what we have set is that we have set a vision for 2030. We have set a vision to achieve INR900-odd crores sales in next four years. So this include every vertical, even the acquisition. So it's not about single vertical will include in that case because of course the CDMO will have a very low sales growth. So we have to take up the growth from other segments, basically from exports, then from own brands, then from Derma, then from Nivian. So all this put together we have created this vision of 2030.
- Darshil Zaveri:** Okay, fair enough. Yes, that's why I just wanted to clarify that part now, sir. And sir, just wanted to know like we have I think around INR100 crores of cash with us, right? So any more acquisitions planned?
- Rahul Batra:** Right now we will be looking for something in case something exciting comes, but till now we don't have any option in hand.
- Moderator:** The next question is from the line of Anupama from RatnaTraya Capital.
- Anupama:** Yes. I just wanted to understand the value of the tenders that you've got from the export orders and from which geography that is and is it more of...?
- Rahul Batra:** See, we cannot disclose this on the call because we don't want everyone to hear in the market. So we have got that tenders and that is from a very like very good market and we got this in 2024-25, but in '25-'26 we couldn't get it because of some other reasons in that country, but we have already got and we are supplying in this first quarter only.
- Anupama:** Right. And is it a new geography or new product?
- Rahul Batra:** It's an old geography, but we have got some new products added in that.
- Anupama:** Right. And sir, can you just highlight the IVF business, what are the revenues for FY26 and also the EBITDA?
- Rahul Batra:** Nipun?
- Nipun Arora:** Yes, Sir, the IVF business, it has closed -- last year it has closed INR45 crores, INR46 crores and the EBITDA margins are close to 18%, 19%.
- Anupama:** And what would be the PAT number?
- Nipun Arora:** PAT number is close to 9% or 10%.
- Moderator:** Thank you. The next question is from the line of Rudraksh Raheja from Ithought Financial Consulting.
- Rudraksh Raheja:** Sir, could you provide segment-wise EBITDA margin for FY26 across?
- Nipun Arora:** Yes, sir. Sir, the branded margins, sorry, the branded sales has an EBITDA margin of 35%, 36%. CDMO sales have EBITDA margin of 17%, 18%. Exports have EBITDA margin of 20%, 21%.

API has an EBITDA margin again 21%. And Derma has -- the Derma we calculate the gross margin, which is 57%, 58%.

Rudraksh Raheja: Got it, sir. And I think last year Derma margins were on 65% plus. So any reason why it has declined?

Nipun Arora: Last year Derma margins were 65%. Some variance is there, the decline is there because of some schemes we have to give. That's why the margin has reduced.

Rudraksh Raheja: Understood, sir. Understood. And sir, in exports I think we were aiming for a INR200 to INR250 crores type of number by FY28. Are we on track to get there based on our current registrations and pipeline?

Management: Ashutosh ji?

Ashutosh Shukla: Yes, sir. So we are absolutely on track as far as the numbers which we have previously given, INR200 crores by FY28, because as of now we are supplying to around 30 countries wherein the supplies are consistent and we are also opening up around 14 new countries which will give us that kind of revenue growth. So the question which you have asked, yes, absolutely we are as per the, you know, plan which we set earlier.

Rudraksh Raheja: Understood, sir. And which would be like substantial countries for us once we get to these levels? Like top three for us.

Ashutosh Shukla: Yes, so I won't be able to disclose the company names, but I can only say that the top five countries will contribute almost about 30% of the sales. There are few countries wherein as of now the today the business is, you know, less than INR1 crores, but we have won the tender, right, and the new dossiers have been submitted. So these countries like the one country will contribute from INR1 crore to around INR20 crores plus. The second country will like last year we did around INR13 crores, that will also contribute more than INR25 crores plus.

Then there are couple of, you know, countries wherein we have filed dossiers, around 25 new dossiers, and registration is expected to come soon now. Within a month we are expecting the registration. So those countries will contribute significantly. And today to be very precise, I would say that we will continue to operate in around 45 countries and there are -- like if you say Southeast Asia, right, that is the -- that will be the major growth driver for us apart from CIS and few countries in LatAm.

Rudraksh Raheja: Understood, sir. Understood. And sir, what are the plans with respect to this new Nivian division where we acquired? PPT mentions a TAM of INR1000 crores, which roughly translates into like 4% market share that we have based on the revenue figures you gave. So could you help us understand your vision with respect to this segment, like what kind of TAM and market share are we planning for next three years?

Management: So this market will grow. The total market size is around INR2000 crores, right? Out of this INR2,000 crores, INR1,000 crores is a recombinant market wherein we are not present. So we

are planning to tie up with few companies from where we can in-license the recombinants so that we can increase our covered market, point number one.

Point number two is this market is growing at the rate of around 17% CAGR. So we expect that in next three years' time the market size will be close around INR3600 crores. So we even if we continue the same kind of market share of 4.5%, then we will be doubling up our sales as far as infertility business is concerned.

Management:

And I'll also add up in this that the promoter who has been running this business since long, they have a strong team which has already demonstrated the ability to scale this business at previous organizations. So this will be a very big growth driver for us. Absolutely, absolutely. So this -- this financial year we are planning to launch around four new products and then we are also trying to in-license recombinants and there are few more products which is there in the pipeline.

So this strong team coupled with new product launches plus if you see the overall IVF business, out of, you know, 12 to 15 lakh, you know, cases which are like the ideal case for this IVF, only 3 lakh population is being served. So there is a big gap in the IVF business. So we are trying to, you know, tap those things plus the new clinics.

Apart from that, there are gynecologists who are also practicing IVF. So we are trying to cover that as well. So all put together we have increased our coverage which includes the IVF centers, IUI centers plus gynecologists. I hope I have answered your question.

Rudraksh Raheja:

Yes, sir. Thanks for a very detailed explanation. Just one more thing on this part. Do we expect some EBITDA margin dilution in this because we'll scale it, we may need to give schemes and more sales promotion etcetera? Is there any possibility that we'll have to compromise on margins a bit?

Rahul Batra:

So there will be no compromise on the margin side. The business is already scaled up and presence is already there felt across all the hospitals. So we don't see any further reduce in the EBITDA margins, rather Beta's synergy will help Nivian to procure goods at a lower price what they are taking from the market.

Rudraksh Raheja:

Understood, sir. Understood. Sorry, sir, one thing I missed on Derma side. Have we breakeven that segment for financial year '26 on EBITDA basis? Nipun?

Nipun Arora:

Hello, sir. EBITDA basis we have already been positive since last 6 months. So Derma has started giving the EBITDA positive revenue.

Rudraksh Raheja:

Got it, sir. Got it. And sir, could you help with the capacity utilization that we are currently in across different plants that we operate?

Rahul Batra:

So capacity utilization stands at the oral still we have a leverage of 55%. It's around 40%, 45% we are consuming till now. Injectable liquid we have a -- again we have an idle capacity for around 35%, 40%. In Lyo, yes, we do have capacity like we are using around 85%. But we have a lot of space in existing formulation plant, so we are planning to install two more Lyo's there. So the capacity will not be any constraint for any future growth.

- Rudraksh Raheja:** Understood, sir. Just hypothetically with our existing asset base, sir, what kind of peak revenues can we do?
- Rahul Batra:** See, with this particular setup, with this asset value, we see the revenue can scale up to INR700 crores to INR800 crores easily without doing any major investment.
- Rudraksh Raheja:** Understood, sir. Understood. And sir, capex plans for FY27 and FY28 if you could help with that?
- Rahul Batra:** See, last year we invested close to around INR45 crores in all the three plants together in which there was a land which we bought and we were planning to open a R&D office and corporate office together, but somehow we have just dropped that plan. We have just taken a building on our -- like adjacent to our office only so that become a big office now. So we are just planning to dispose that land since already the R&D setup will be there.
- So capex plan if we see totally for next 2 years, we don't see any major capex happening apart from what we have done for the intermediate plant where we have already bought a existing plant for INR9 crores and we have invested close to around INR15 crores to INR17 crores for the intermediate plant. Otherwise total capex we see that is not more than INR25 crores in next 2 years.
- Rudraksh Raheja:** Understood, sir. Understood. So I'm guessing there would be no need to increase any debt from here and with the conversion of -- yes, with the conversion into equities for our debentures, so what kind of interest cost should we expect for FY27?
- Rahul Batra:** Nipun?
- Nipun Arora:** So FY27, see, we have to convert these debentures in May itself, in May 2026 itself. So those whatever financial expenses you are seeing, that will only be coming for 2 months this year. After that there will be normal bank interest which is normally 7.5% on CC and close to 8% on term loans. So the big financial expense won't come this year, only for 2 months it will come.
- Rudraksh Raheja:** Got it, sir. And what would be our level of borrowings or expected level of borrowings in FY27?
- Nipun Arora:** In FY27, if I talk about working capital facilities putting all the companies together, that should be close to INR7 crores to INR8 crores utilized. I'm talking about utilized, or maximum INR10 crores. And the term loans will be close to INR20 crores.
- Rudraksh Raheja:** Thank you, sir. That helps. And sir, you mentioned that we are working on this intermediate plant. And sir, if that becomes functional, I think you mentioned we'll try to commercialize it by end of this year. So what kind of jump in the margins that we could see on a consolidated basis?
- Rahul Batra:** See, what we see from generally what our workings have shown from the R&D what we have done for last 12 products, first 12 products, so we see there will be a slight increase in the margins by 1 to 1.5 basis, but till the time API is not commercialized we cannot say because it depends totally depends on the yield when you are getting it.

So the main idea about it is that you have to have a proper control of the DMFs. When you are filing the dossiers, the DMF plays an important role. So right now our main KSMs come from China. So the documentation support becomes sometimes very difficult to get it from there. You have to send people and you have to get the QP audits done.

So in that case we are just making everything in-house and we don't want to be dependent on anyone. So that is the main strategic decision which we have taken to come up with the intermediate plant. Yes, of course the price advantage would be there and we -- what we see is 1 to 1.5 basis, but again till the time the commercial production comes we cannot say that.

Rudraksh Raheja: Got it, sir. Got it. And that would be entirely for our internal consumption, right?

Rahul Batra: See, if there is -- because we have come up with a good capacity, so there are companies who have approached us, those products which they are also taking from out from China, they also want those intermediate from India only. So we might be exploring that potential and that market as well.

Rudraksh Raheja: Got it, sir. And how much have we actually in total like spent on this KSM plant?

Rahul Batra: The total plant cost including land, machinery and plant cost, everything put together that would be close to INR27 crores.

Rudraksh Raheja: Understood, sir. And the issue that we had with respect to Platins, that won't be our own KSM supply. Would that be fair to assume?

Rahul Batra: Exactly. Yes.

Rudraksh Raheja: Understood. Sir, you also mentioned two new NDDS to be launched in FY27. Are we on track for that?

Rahul Batra: Yes, 100% we are on track. One new NDDS will be launched in next 2 months. And one NDDS we have just got a BE approval, so we'll be starting the bioequivalence very soon with CDSCO and will be submitting that report by November. And maybe in after this year, maybe by January-February we should get the approval of that product.

Rudraksh Raheja: Understood, sir. Understood. Thank you, sir, for giving me very detailed answer. I'll come back in the queue if I have more questions.

Rahul Batra: All right.

Moderator: Thank you. The next question is from the line of Santosh from FundVeda. Please go ahead.

Santosh: Thank you for the opportunity and thanks for being transparent. I'm sure the insights will be challenging here, sir. One question regarding geopolitical tensions that is going on. Are you seeing any impact on the business or impact on raw materials due to the ongoing inflationary trends in India?

Rahul Batra: Yes, so there are certain products which are used in API manufacturing and the formulation manufacturing. So those are byproducts of petrol only. What we have done as a strategic thing is that we have already kept a stock for 5 months. So we have bought and kept an idle stock for 5 months for these products. So we don't see any shortage.

Then impact on the prices, there is some impact on the prices as we are into super specialty, so it is not making that much impact as compared to the other generic or other drugs in the Indian market. But still as -- if there is a like substantial financial impact, then the prices will be increase accordingly for the market as well. And people know, people are aware of this situation. Even our partners everywhere, whether it's CDMO, whether it's trade, whether it's export, the people -- they are aware of this situation.

Santosh: Got it. Thank you. And another question is for the past 2 years we have been diversifying into different businesses including cosmetics and now IVF. Are we seeing any slowdown in the oncology business and that is the reason we are moving to other businesses or what are your thoughts?

Rahul Batra: Okay, so did you -- you have seen that we grew by 25% in FY25, then we grew by 20% in FY20 -- FY26, right? Our own branded business. And we poised to grow at the same pace in the coming years as well, 3 to 4 years. So we don't see any slowdown in this business. It's just an additional opportunity since we are a super specialty company.

We are always aim at like having some more super specialty in the basket. A pharma company is a company where it has to have multiple segments. So entering into cosmetic -- cosmetology, it took us two years to decide to which division we have to enter. Then this IVF again it's a super specialty. We have been discussing with Nipun since last 1.5 years.

It took us 1.5 years to take a final call on this acquisition. So it's always better to have multiple specialties. Plus oncology business will never be slow down. There are -- you have seen how many cases are being diagnosed every year and it's globally. It's not only in India, it's globally patients are being increased further like they are suffering from cancer. So this business is never going to be slow down.

Santosh: Okay, got it. Thank you. Just one last question. You said some tenders are missed in FY26, but they were booked in probably Q1 of FY27. What is the revenue impact of this missed tender? Revenue to revenue in FY26?

Rahul Batra: Sorry, I didn't get your question. You were not audible.

Santosh: So you said we missed some tenders in FY26, right, that got pushed to FY27. What is the revenue impact of this missed tender?

Rahul Batra: So the revenue impact was close to around INR20 crores to INR25 crores.

Santosh: Okay. Okay. Thank you, sir, for the insights and all the best.

Moderator: Thank you. The next question is from the line of Sharat, an Individual Investor. Please go ahead.

Sharat: Yes, hi. Thank you for the opportunity. You had mentioned in the note with the result that because of the interest component from CCD, our net profit would have been higher by about INR6.5 crores, but ideally our monthly expense is interest expenditure is INR4 crores. So could you just clarify on the annualized impact of the interest component on CCD number one?

Number two, on the exports you said that there were delayed tenders. So is our export business concentrated in a couple of markets though we are exporting to 30 countries? And how are we placed on Q1 this year versus Q1 last year on the export business?

Rahul Batra: So debenture question Nipun you take and Ashutosh ji can you give the answer for export please?

Ashutosh Shukla: So yes, Nipun you can continue.

Nipun Arora: Yes, so in this P&L, the total expenditure of interest which was booked for compulsory convertible debentures were INR9.36 crores. So the total interest on CCD. So if we exclude that, then we have calculated that our PAT would be 12.5% considering the fact that our tax will also increase because the tax which was saved on interest, we have reversed that also. So considering that we have calculate that it will be 12.5% PAT as compared to 11.7% PAT last year.

Sharat: Okay. So you're saying this year the just the interest component, PAT would be roughly about INR6.5 crores in addition to whatever business we do this year?

Nipun Arora: Yes, sir.

Sharat: Okay.

Ashutosh Shukla: Sorry, I didn't understand the export related question, yes. Can you please repeat the question?

Sharat: On the export, in our calls we say that we are exporting to 30 plus countries, but there is also the fact that was mentioned that there was a delay in tender because of which our export business could not grow this year, rather we had a slight degrowth or something. So is there a concentration risk in our export business that we are exporting to one or two countries because of which our growth is impacted, number one? And how are we placed on Q1 last year versus Q1 this year on the exports?

Ashutosh Shukla: Yes, so this year we expect to consolidate our business as far as export business is concerned. And yes, the tenders which we are expecting in Q4 of last financial year, those tenders got delayed and that has opened in the month of April. So we expect to supply to cater to all those orders from May-June onwards. So that is one thing.

And that as Mr. Rahul has said, clearly said that, that component is close to around INR20 crores to INR25 crores. This year we don't expect any such delays. So as far as quarter revenues are concerned, Nipun can you please share quarter-wise revenue, quarter 1 versus quarter 1 of this year? So this quarter we will be...

Sharat: On the export side, I am asking.

- Ashutosh Shukla:** Yes, yes. So on the export side, this quarter we will be closing more than INR20 crores. INR20 crores to INR22 crores.
- Sharat:** And what was it last year same quarter, Q1?
- Nipun Arora:** Last year same quarter -- last year Q1 was INR32.26 crores.
- Sharat:** Okay, so if we're doing 20 we're again degrowing there, right?
- Nipun Arora:** No, but in the next quarter it was INR11 crores only. So we should compare the half year. Half year will be -- half year was INR43 crores only.
- Sharat:** Okay.
- Nipun Arora:** So, sometimes orders are there, it is executed in the next month. So, we have to consider that factor.
- Rahul Batra:** See, I'll tell you in that case what has happened. Like when you are awarded with a tender. So there are -- you have to supply in two instalments. So the first instalment is always less, second instalment is always higher. So the major portion of instalment will come in the second quarter. Like one tender we have supposedly we have been awarded a tender for 3 minimum. So the first quarter we might be doing around 1.2 million, but in second quarter we'll be doing around 1.4 million.
- Sharat:** Okay. So you're saying that let's say for H1 of this year vis-a-vis H1 of last year, what kind of growth are you going to see on exports in terms of percentage?
- Rahul Batra:** We are expecting around 30% growth in H1.
- Sharat:** Okay, which means that the Q2 has to be substantially higher than Q1 this year and Q2 last year, right?
- Rahul Batra:** Yes. Absolutely.
- Sharat:** Okay. Do we have orders for that or are we expecting new orders or tenders to come which will help us cater to those numbers?
- Management:** We have some orders in hand and we are also expecting some more new orders.
- Management:** As of now we have around 50% of the order in hand.
- Sharat:** Okay. So here I would just have a small request that when we mention the number of countries and number of dossiers that we file and if a business is a little concentrated in certain geographies or something, it's important that you give clarity on that particular geography going forward as well for investors?
- Rahul Batra:** The clarity I think in the initial talk only we discussed that the majority of the business will come from five countries. Like 30% of the business will be derived from five countries. It's only like

confidential we don't want to name the countries because there are so many. So we have already clarified that our main focus is on only five countries where 30% of the business will be coming.

Sharat: Okay. And is there any reason for delay in EU GMP? It was expected to be done earlier last year, then end of last year?

Rahul Batra: So for EU GMP, what happened was we were supposed to get an audit in April. But exactly what happened, the new rule have come where earlier there was a line inspection, that the auditors come and used to inspect the line. The dossier was not to be filed mean you need not to file a dossier at that time. But as per the new rule, you have to file a dossier first. So we have already filed three dossiers and now based on the dossier base they will be coming for an inspection. So that's a new rule which has come in place in February-March, so that's why our audit got delayed.

Sharat: Okay, fine. And one last question. We were primarily into oncology and doing 20% to 25% revenue growth, then we started doing skin care, went into the skin care line as well. Today it occupies it takes about 3% to 4% of the overall revenue the company generates, right? And now we're -- we also have an interest in Nivvian as well. Isn't it too much of a diversification or dilution? Though you're saying those are specialized line of businesses, do you see them growing significantly over the next few years?

Rahul Batra: See, I'll tell you, it's about a bandwidth. Once you are doing certain business, the business become on auto mode where you as a person sitting there, if you are sincere thinking on a strategic point of view, so you don't have work to do. You have selected the product which has to be developed by R&D, you have selected the product which need to be registered in those countries, you have selected the product where RA has to work and give the dossiers on time, then there is nothing new left. So it's about a bandwidth. When you have opportunities, why not utilize those bandwidth and become a better and more diversified company.

Sharat: Got it. And how does Nivvian benefit from this venture with Beta Drugs?

Rahul Batra: So Nivvian has a lot of benefits. One is the procurement. Till now all the procure products are being procured from outside. They don't manufacture the product. That is number one. Beta, we are into this business since last four decades, in pharma we are known to everyone. We can get a product at a much discounted price as Nivvian is getting. That is number one.

Then the second synergy we find is that the Nivvian right now is totally focused on the IVFs and the standalone clinics. They are not focusing on the corporate hospitals, like we talk about Max, we talk about Medanta. We have a proper access to these hospitals where we can get these products entered and they can scale up the sales there. Also on the, like efficiency side, the logistics and the margins which they are diluting, we can play a major role in adding up on those side as well.

Sharat: Okay. Thank you for all the clarification that you have given. One last point going forward I hope we'll have investor calls at the end of each quarter. Like last quarter we didn't have, understand that would be a transition between the 6-monthly and a 3-monthly result. Hope going forward that won't be an issue?

- Rahul Batra:** Yes, because that was also new thing for us and since we were only concentrating on the half year result, but now we are used to for this, so we will be trying to deliver every quarter now.
- Sharat:** Yes. Thank you.
- Moderator:** Thank you. The next question is from the line of Suruchi Parmar from NX Wealth Management. Please go ahead.
- Suruchi Parmar:** Hello. Am I audible?
- Moderator:** Yes, ma'am. Please go ahead.
- Suruchi Parmar:** Yes. Good afternoon. Just in last concall, because of this reduction of Platin sales, you have already revised your guidance for FY26 to INR420 crores -- INR400 crores to INR420 crores. But now you have closed the whole year at INR385 crores and EBITDA margins also declined. So can you please provide explanation to this?
- Rahul Batra:** So we completely understand that there was a correction in the sales, but the problem was that we in FY25 what we did was we got our export sales jump where we supplied around 1.5, 1.8 million of export goods to those countries where we were awarded the tenders. But this year unfortunately the tenders didn't get awarded in the month of December and January. We got those tenders awarded in March. The supply will be now happening this quarter. So that was the major setback which we faced in the last quarter.
- Suruchi Parmar:** Okay, so because of the exports getting delayed, the more revision is there in the sales, correct?
- Rahul Batra:** Yes.
- Suruchi Parmar:** And now the exports that has been streamlined?
- Rahul Batra:** Yes, that is on track and we are expecting 50% growth, at least 50% growth this year from exports. So we did 71, we are expecting to close between INR107 this year -- INR105 and INR110 this year.
- Suruchi Parmar:** Okay. And regarding the guidance for FY27 which you gave in last concall, do you support that or there is a revision in that too?
- Rahul Batra:** No, so the guidance remains very broad, that is between we'll continue to grow at 20% to 25% for next 4 years. We want to double plus our sales in next 4 years. This is the vision we have set for 2030. We want to touch around INR850, INR900 crores revenue in next 4 years.
- Suruchi Parmar:** And so, sir, what will be our revenue mix in FY30, the double up revenue which you are targeting? So can you please guide me through the revenue mix, your branded sales, CDMO, exports, API, cosmetology and IVF, how much they will account for in this?
- Rahul Batra:** We have uploaded a presentation, it's already there. We have uploaded in NSE, so we have given the guidance there revenue-wise.

- Management:** Just like to share that this financial year the branded formulation will contribute around 36% which will go up to 51% by FY30. As far as export is concerned, currently it is 18% which will go up to 30%. CDMO contribution will be reduced from 39% to 13%.
- Suruchi Parmar:** Okay. So although CDMO accounts for lower margin also in all your other sales, correct?
- Rahul Batra:** Yes.
- Suruchi Parmar:** And just one more part in last concall you have told about the exports growth coming from the product commercialization in Algeria, Mexico and Philippines. So that has started means whatever exports you have got order is from these regions?
- Rahul Batra:** It has started from these regions.
- Suruchi Parmar:** Okay. So we can expect more coming from these regions?
- Rahul Batra:** Yes. So that's why I -- we informed that the major growth revenue will come from five countries. So these countries might be a part of those.
- Suruchi Parmar:** Okay. And sir, the NDDS which has already been commercialized like Megestrol and Methotrexate, Imatinib, so all these have started giving you revenue or this FY27 will be the full year revenue for these products?
- Rahul Batra:** So, for Megestrol acetate we did -- that has given a brilliant revenue last year. It had become the number one brand. Then Methotrexate we have just launched because we -- since we got an approval, we were supposed to get the NPPA pricing from the government.
- So, we just got in first week of April, we have just launched that product. So, this year entire this year will be revenue generation with that product. And then with Imatinib solution, yes, it will be launched in next one or two months.
- Suruchi Parmar:** Okay. So, these will come under your branded ones or these are the branded products?
- Rahul Batra:** Branded.
- Suruchi Parmar:** Okay, thank you so much, sir.
- Rahul Batra:** Thank you.
- Moderator:** Thank you. The next question is from the line of Kumar Saurabh from Scientific Investing. Please go ahead.
- Kumar Saurabh:** Hello, sir. I would like to understand the marketing strategy like earlier we have only oncology, now Derma has also become EBITDA positive and then the IVF business will get added as you said, we'll be taking the IVF products to the corporate hospitals. So, do you maintain like the same MR will be selling all these products or how do we manage the MR in these verticals?

Ashutosh Shukla:

Yes, so I was about to answer the same question. Someone has previously asked the similar kind of question about the diversification of the business. So, if you see, our major thrust is into oncology wherein we have our own manufacturing and the marketing and sales team, right? That is point number one and the team is very, very experienced.

So now what we have done in oncology is we are giving major brand -- like we are giving thrust to major brands, top 10 brands. So, brand building is happening now. We have segregated the division, oncology division into three divisions. One is hematology, one is supportive care plus uro-oncology, and one is for the solid tumor. So, the major thrust will be into oncology only.

Now point number two, Derma division. Derma division we have a very experienced GM and the team of managers which we have, they are also very experienced. So, the GM is having experience of more than 20 years in Derma segment plus all the managers who are there, their average experience is more than 12 years. So, the major strategy will be retention of these managers so that we can continue to grow at the rapid pace.

Dermatology this year we are expecting to grow by around 50%. Then point number three is IVF business. So, IVF business as somebody has rightly mentioned that the team is very experienced, very dedicated team. They are in few years' time they are having a market share of around 4.5%, which I said in next three years the market share will continue -- 4.5% market share will continue as it is and the market -- overall market from INR2000 crores it will grow up to INR3800 crores.

So, if we continue to have enjoy the same market share of 4.5%, then the business will be more than double for IVF business. So, we have a very, very dedicated team for each of the divisions, whether it is for oncology, dermatology or IVF. So even though the diversification is happening in the company, but for every business we have a very experienced and dedicated team and different marketing strategies.

So, for oncology they will promote only oncology products, Derma they will promote only Derma and IVF team is separate. So, for all the three divisions we have a separate team, separate managers, separate GMs who will be focusing on this particular segments.

Kumar Saurabh:

Thanks a lot for the detailed answer, sir. Sir, the next question is currently I think Derma is around INR16, INR17 crores of revenue and we have done the EBITDA break-even. And Derma is a very, very good segment from a margin perspective.

So, in the long run let's say three-year, four-year, five-year down the line as Derma grows to let's say INR30 crores, INR40 crores, INR50 crores. Do you expect business also to have similar kind of margin profile like oncology or lesser? Like when we will be hitting that 5%, 10%, 15% kind of EBITDA margin band, what will be the, you know, milestone at that point?

Rahul Batra:

Ashutosh ji, please answer.

Ashutosh Shukla:

Yes, so next three years we have a vision to cross INR50 crores in Derma which includes majorly -- like the major thrust will be into cosmetology only, not into medical dermatology. And for

cosmetology what we have done is we have tied up with couple of companies, one is Promoitalia and the second company is Fresyderm, right?

And it's a very, very niche segment and we will be, promoting fillers, mesotherapy and premium cosmetology products, mainly anti-wrinkles and patients who are eligible for fillers or mesotherapy for those set of patients we will be promoting the premium cosmetology products as well. All put together the vision is to cross INR50 crores in next three years' time.

And as far as margins are concerned, definitely the margins will improve because we are not increasing the field force. We will be increasing the sales, we will be increasing the PCPM, but not the field force. So, margins will definitely improve. So, what we are anticipating is that the EBITDA margins will be close to 12% to 14% if we are close to sales of INR50 crores to INR60 crores.

Kumar Saurabh:

Understood. And very interesting acquisition because IVF is a very interesting space. And sir, recently one company got listed which is into IVF and I mean I'm very new to this field, but when we look at the margin, even when this company was having a INR40 crores kind of revenue profile, the margins were in 40%. I think it's Gaudium IVF.

So, are they very -- the company which we have acquired versus the company which is there, are these very different business models because our company is a 18% to 20% margin profile? So, do we have a margin expansion opportunity or they are two different businesses in IVF and hence margin profile is different between the two?

Rahul Batra:

No, they are totally different. They are into services; they are not into products.

Kumar Saurabh:

Okay. Yes, yes. Okay.

Rahul Batra:

We are into branded business. Yes.

Kumar Saurabh:

Got it, sir. And sir, coming to the export business, last year FY26 we got impacted because of the tender delay. So, my question is the clients which comes out with these tenders, are these public sector clients, private sector clients, what has been the source of funding and what has been the reason for delay?

Rahul Batra:

So, these are public sector tenders. Actually, globally if you see, except India and some two or three countries except, where there is a share of 50% private market, 50% government market. Otherwise, entire globally, even in Europe also, 90% is a government tender business in oncology. Not in oncology, any super specialty.

So, it depends on a country to country when they call for a tender. So maybe sometimes in India also it happens. Like in Kerala, if the tender is due in April, they might call tender in -- like August. It delays sometimes. So, it depends on a country to country and government to government.

Kumar Saurabh:

Got it, sir. And what is the margin profile of export business? Is it similar to our domestic branded or lesser?

Rahul Batra:

So, the older margin available till now what we have been supplying is basically the unregulated markets and the little semi-reg markets. So, we were doing around 20%, 21% EBITDA margin in current export. But we expect the EBITDA margins to grow up to 23%, 24%, 25% when we enter the regulated markets. Right now, our transition is towards the regulated market side. We have -- we are developing eight niche molecules, not niche, these are first or second generics in many countries. These will be the first or second generic. So, we are targeting those molecules to be registered globally.

Kumar Saurabh:

Got it, sir. Got it. And sir, last question. Last three four year execution have been very, very strong. Just the last year where lot of things went wrong like in H1, you know, there were rains and inspections, then the H2 when we were expecting tenders it didn't come. So, I hope that was a transitory one year pause and, you know, again from your commentary on the export growth looks like...

Rahul Batra:

See, I'll tell you, sometimes the situations are beyond control, right? We used to do around INR30, INR35 crores business from Platens only. Not only we, the entire industry, the entire oncology treatment depends on Platen. Today doctors, hospitals, they are starving for Carboplatin. The chemotherapy starts from Carboplatin.

But unfortunately, in India, the Carboplatin NPPA price is INR2850 and the costings which company are getting with Carboplatin is around INR2300, INR2400 as on today. So, there are no margins for hospitals. You have to give 20% to the retailer, 10% to the wholesaler. So, these are things which are beyond control, right? But now in last quarter we laid down certain strategies where we could manage to get 10% growth as compared to quarter of December. That was less of Platens.

And we were supposed to get some orders from exports, we didn't get, but now we are getting that. So, the total thing has been laid down. We are focusing on the other molecules where this sort of issue will not come, whether it's branded business or whether on the export side.

Kumar Saurabh:

Great, sir. Great. My best wishes to you and eagerly will wait for the next quarterly results. Thanks a lot, sir.

Moderator:

Thank you. The next question is from the line of Komal Iyer from NBG Invest. Please go ahead.

Komal Iyer:

Yes, sir. I wanted to know about this Platen business in continuation of the last question. So, you said -- I wanted to know if you all have stopped Platens completely?

Rahul Batra:

So last quarter we just managed to do a very little business of Platens because there are some export order where we could get margins where there was not a NPPA blockage, where there is no price blockage. So, export there is no MRP. We supplied certain products there, but in domestic we didn't do any supplies either for CDMO or for own brands also.

Komal Iyer:

Okay. So, if I remember last year, you discontinued Platens from probably the third quarter onwards. So this year will it have impact in the first quarter sales since we have stopped Platen for last year's first quarter would have Platen sales and this year first quarter again those sales would have stopped?

- Rahul Batra:** So, the Platen sales will not be -- will not make any impact and we have laid down strategies so that the Platen sales can be fix up with the other products. So, we are more focusing on the other product side and the Platens will not be making any huge impact on the—on our growth.
- Komal Iyer:** Okay. So, you are covering up with other products in this year, though first quarter or this year we will not have any Platen sales.
- Rahul Batra:** So we cannot say that we will not be having any Platen sales. Yes, the export sales will happen because there is no MRP. But as on today our strategy is very simple and very clear that even in export also, we are not focusing on the Platens, we'll be focusing on the other high margin products.
- Komal Iyer:** Okay. I wanted to know about the CCD conversion. At what price it is expected to happen in May?
- Rahul Batra:** Nipun?
- Nipun Arora:** Hello. Ma'am, the CCD conversion, I mean the price has already been fixed. It was INR1643 when we allotted this CCD conversion. The face value will remain the same, INR10. INR1633 will be converted into security premium. So, this will happen.
- Komal Iyer:** This will happen. Okay, fine. Thank you so much.
- Moderator:** Thank you. Ladies and gentlemen, that was the last question. I now hand the floor over to Mr. Rahul Batra for closing comments.
- Rahul Batra:** Dear all, thank you so much for joining this call. You know that there has been some delayed progression in the sales, but yes, we are committed, our team is committed and we are here to poise our growth for to achieve our vision 2030. Thank you. We'll see you in the next half.
- Moderator:** Thank you very much, sir. On behalf of Beta Drugs and Philip Capital PCG, that concludes this conference. Thank you all for joining us and you may now disconnect your lines. Thank you.
- Rahul Batra:** Thank you. Thank you everyone.