



Natco Pharma Limited

Regd. Off. : 'NATCO HOUSE', Road No. 2, Banjara Hills, Hyderabad - 500034.
Telangana, INDIA. Tel : +91 40 23547532, Fax : +91 40 23548243
CIN : L24230TG1981PLC003201, www.natcopharma.co.in

June 4, 2026

Corporate Relationship Department
M/s. BSE Ltd.
Mumbai 400 001

Manager – Listing
M/s. National Stock Exchange of India Ltd
Mumbai 400 051

Scrip Code: 524816

Scrip Code: NATCOPHARM

Dear Sir

Sub:- Transcript of earnings conference call held on May 29, 2026

Ref:- Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements),
Regulations, 2015

We are enclosing herewith the copy of transcript of the Company's earnings conference call for Quarter and year ended FY25-26 held on May 29, 2026. The transcript is also available on the website of the company i.e., www.natcopharma.co.in

Thanking you

Yours faithfully

For NATCO Pharma Limited

Ch. Venkat Ramesh
Company Secretary &
Compliance Officer

Encl: As above



“Natco Pharma Limited
Q4 FY '26 Earnings Conference Call”

May 29, 2026



36ONE



MANAGEMENT: **MR. RAJEEV NANNAPANENI – VICE CHAIRMAN AND
CHIEF EXECUTIVE OFFICER – NATCO PHARMA
LIMITED**
**MR. AMIT PAREKH – CHIEF FINANCIAL OFFICER –
NATCO PHARMA LIMITED**
**MR. RAJESH CHEBIYAM – EXECUTIVE VICE
PRESIDENT – CROP HEALTH SCIENCES – NATCO
PHARMA LIMITED**
**MR. RAJEEV MENON – INVESTOR RELATIONS –
NATCO PHARMA LIMITED**

MODERATOR: **MR. HRISHIKESH PATOLE – 360 ONE CAPITAL
MARKETS PRIVATE LIMITED**



Moderator: Ladies and gentlemen, good day, and welcome to the NATCO Pharma's Q4 FY '26 Earnings Conference Call hosted by 360 ONE Capital Markets Private 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. Hrishikesh Patole from 360 ONE Capital Markets Private Limited. Thank you, and over to you, sir.

Hrishikesh Patole: Good afternoon, everyone. On behalf of 360 ONE, I welcome you all to the Q4 FY '26 Earnings Conference Call of NATCO Pharma. Hope everyone is in good health and doing well. On behalf of NATCO today, we have with us Mr. Management:, Vice Chairman and CEO; Mr. Management:, CFO; Mr. Rajesh Chebiyam:, Executive Vice President, Crop Health Sciences; and Mr. Rajeev Menon, Investor Relations. I now hand over the call to Rajesh for the management's opening remarks, post which we'll open the session for Q&A. Over to you, sir.

Rajesh Chebiyam: Right. Thank you, Hrishikesh. Good afternoon, and welcome, everyone, to NATCO's conference call discussing our earnings results for the fourth quarter of FY '26, which ended March 31, 2026. During this call, we may be making certain forward-looking statements, which are not necessarily historical facts. And anything said on this call, which reflects our outlook for the future must be reviewed in conjunction with the risks that the company faces. We undertake no obligations to update these forward-looking statements.

I would like to state that the material of the call, except for participant questions, is the property of NATCO and cannot be recorded or rebroadcast without NATCO's expressed written permission. We'll begin with the results highlight and then follow up with an interactive Q&A session. NATCO recorded consolidated total revenue of INR4,375.9 crores for the year ended March 31, 2026, as against INR4,784 crores for the last year. The net profit for the period on a consolidated basis was INR1,418.5 crores as against INR1,883.4 crores last year.

For the fourth quarter, which ended March 31, 2026, the company recorded a net revenue of INR816.9 crores on a consolidated basis as against INR1,287.3 crores during fourth quarter of last year. The profit for the fourth quarter on a consolidated basis was INR269 crores, including the share of profit of associates, as against INR406 crores same period last year.

Net profit for the quarter and financial year includes a onetime benefit of INR115 crores as the company has elected to move to the new tax regime from FY '26-'27 and has remeasured its deferred tax assets on MAT credit and other deferred tax assets/liabilities. For the quarter, revenue from the associate company, Adcock Ingram Holdings Limited, South Africa was at INR1,208.2 crores and profit after tax was at INR102.5 crores. NATCO's share of profit based on the current holding stood at INR35.7 crores. Thank you all. Now we'll take the Q&A.

Moderator: Thank you very much. We have the first question from the line of Candice Pereira from Dolat Capital. Please go ahead.

Candice Pereira: So my first question is on the sales. So on a Y-o-Y basis, it is much lower. So I understand it's probably because of Revlimid. But did we have any impact from the West Asia war as well?



- Rajeev Nannapaneni:** This quarter, First question was what is the impact? I think as you rightly pointed out, there's an impact of Revlimid that there's a decline. Second question was, did we have an impact of Middle East? We were able to supply the product. We had some challenges, but we were able to supply. But there's been an increase in the freight expenses because we had to reroute from our traditional carriers, but we were able to manage.
- Candice Pereira:** Okay. And also, our other expenses are much higher as a percentage to sales this quarter. Is there any onetime impact of anything in this?
- Amit Parekh:** So yes, the other expenses largely this quarter, we had higher R&D expenses. And also during the quarter, we had looked into some of the engineering expense and all, there were some write-downs. So net-net, it is largely because of R&D expense and a little bit because of the engineering expense write-down.
- Candice Pereira:** Okay. Can you quantify this?
- Amit Parekh:** Yes. So R&D and engineering write-down would be around INR20 crores to INR30 crores. And R&D would be the remaining -- large part of the remaining would be the R&D.
- Candice Pereira:** Okay. All right. And our FY '27, FY '28, our tax rate would be around 22%, right, according to the new tax regime?
- Amit Parekh:** So, including the surcharge, it would be around 25%.
- Moderator:** We will take the next question from the line of Rahul Chaudhary, an individual investor.
- Rahul Chaudhary:** The presentation doesn't have any guidance for the coming year?
- Rajeev Nannapaneni:** Our expectation is, Rahul, that we should do about INR3,400 crores to INR3,500 crores of revenue. Our PAT expectation is between INR700 crores to INR750 crores. I'm making an estimate with some assumption of some increase because of the war. But again, I can't predict everything what's going to happen in the year, but there will be some -- we've built in some buffer, but I think that's our expectation that we'll do.
- And in addition to that, our South African associate firm should do, depending on the exchange rate, about \$580 million to \$600 million of revenue. And the PAT expectation of that is about \$47 million to \$48 million, again, subject to how the exchange rate moves and other war-related factors. So the associate profit is assumed in the INR700 crores to INR750 crores projection.
- Rahul Chaudhary:** Sir, this quarter, did it have any substantial pomalidomide revenue? Or we are going to book it in Q1 mostly because it's a 6-month bump up only we'll get the shared...
- Rajeev Nannapaneni:** I didn't see a bump honestly, Rahul. It's fairly competitive. we had a little bit of a sale, but nothing substantial that can make a meaningful impact on the earnings. It was a reasonable launch, I think we launched with multiple generics, even though namesake it's an exclusivity, but I think we had multiple generics in the first wave. I think 4 or 5 guys had exclusivity. I don't remember the exact number. So it's been fairly competitive.



- Rahul Chaudhary:** Sir, what would be the cash on books? I didn't see in the presentation. I must have missed it.
- Amit Parekh:** Yes. So net cash would be around INR2,400 crores at a group level.
- Moderator:** We have the next question from the line of Thadavarthi Sai Surendra, an individual investor.
- Sai Surendra:** This is Sai Surendra. I have 2 questions, sir. Over the last several quarters, shareholders have been waiting for the meaningful value creation. Can you please explain what are the key triggers that will improve the investor confidence and will drive growth in the coming year?
- Rajeev Nannapaneni:** So your question is what are the key products for the financial year '26, '27. Is that the question? Did I understand you correctly?
- Sai Surendra:** Yes, yes.
- Rajeev Nannapaneni:** I think there are 2, 3 good triggers, Sai. I think one is semaglutide, we have launched. I think it was first generic for the vial. So that is doing reasonably well. We couldn't launch on day 1 on the pen, but we could launch a vial on day 1. We're able to cater to a market which is very price sensitive. So even the revenue that you're getting for vial is maybe 1/3 or 1/4 of what you're getting on the pen. But in terms of market share, I think there's been a good uptake. Particularly our Brazilian sub is going to do very well. We had a lot of first-time launches in Brazil in our oncology portfolio.
- So these 2 will be the major triggers. And of course, we'll be having consolidated income coming from South Africa from our shareholding in South Africa. So I think compared to the past, I think NATCO has a more diversified revenue. And these earnings are without lenalidomide. So obviously, there's a drop compared to last year. I think the impact on our earnings is substantial. But I think in spite of the fact that there's practically no lenalidomide or it's a very competitive lenalidomide, we are able to generate about INR700 crores, our expectation of INR700 crores, INR750 crores is, I think, a reasonable achievement.
- Sai Surendra:** Okay. Next question. FY '26 was a challenging year compared to FY '25. What is giving the management confidence that FY '27 will be a better year for share?
- Rajeev Nannapaneni:** See, the way you want to look at this is, I think we have always guided there will be a decline. I think our commentary has always been that we will decline. I think you need to understand that the nature of this business is that you're going to have one-offs and then you're going to do very well at this time. And then when there's going to be a drop, you're going to have a year or 2 where you're going to see a dip.
- And again, a larger event happens -- it's a cyclical business, and I think the nature of the beast. And because you bet on a lot of these jackpots, when the jackpot comes, then earnings look good or you have an exclusivity looks good. When you don't have the exclusivity, but I think you must look at it, I take the bigger picture. I think we have a very good pipeline for the future with a lot of exclusivities coming up. We don't have anything in '27. That's true. But I think post '27,



you'll see some of these other exclusivities will start kicking in. And I think '28 onwards, you'll be able to see a reasonable rise.

- Moderator:** We will take the next question from the line of Hrishikesh Patole.
- Hrishikesh Patole:** Am I audible?
- Rajeev Nannapaneni:** Yes, go ahead.
- Hrishikesh Patole:** Sir, quickly on the full year subsidiary sales, what was the number?
- Rajeev Nannapaneni:** Just the subs. Amit, can you help me out, please? Just the subs.
- Amit Parekh:** Just give me a moment. It's INR 730 crores.
- Hrishikesh Patole:** Okay. And just a follow-up on that on subsidiaries. I mean you mentioned Brazil on the answer on the previous participant, Brazil doing well. And what about Canada and other markets? I mean, do we expect sema to come through this calendar year in Canada? And how probably -- or any other products in Canada?
- Rajeev Nannapaneni:** No, we have other oncology products which are coming through both in Brazil and Canada. sema, we don't have a filing in Canada yet. I think we are working on a few things. In the first wave, we are not there in sema. But our oncology pipeline is there in both Brazil and Canada. That's what is going to drive the earnings.
- Hrishikesh Patole:** Okay. And my second question is on the M&A. I mean, post Adcock, we had said we are looking for one more. I mean how is the progress there? Any update?
- Rajeev Nannapaneni:** We are looking at a couple of transactions. Yes, sure. I think as Amit said, we have about INR2,400 crores net cash. So very comfortable we can look at 1 or 2 large acquisitions. So we're looking at different things. As of now, I don't have an update, but hopefully, we'll be able to achieve something in this financial year as well.
- Moderator:** We will take the next question from the line of Udhaya Prakash from Value Research.
- Udhaya Prakash:** Hope I am audible now?
- Moderator:** Yes. You are audible.
- Udhaya Prakash:** Sir, I just want to get a picture on growth beyond FY '27. I get that you said that FY '27 will be a muted year, but FY '28 onwards, we can see a ramp-up in revenue and profit based on -- because the exclusivities are losing and everything. So I just want to get a better picture that what kind of medicines are coming up, what therapeutic areas? And most importantly, have we already filed for them? Or are the exclusivities just ending at that period and we'll file for them at that point and the verdict will only be known after that? If you could give us a picture.



Rajeev Nannapaneni: We can't name which exclusivity is going to happen which year because a lot of these are bound by confidentiality.

We can only disclose them closer to the launch. What I can tell you confidently is that we have some exclusives will get triggered in the financial year '27, '28. And we also have some launches in Brazil and Canada in both '27 and '28, which will drive earnings. So both U.S., Brazil and Canada will drive our earnings. All 3 markets will drive our earnings. You will see the sub revenues from INR730 crores grow dramatically.

We'll also see exclusivity revenue coming from the U.S. I can't name it, but that question I answered. But I think how much do we see bump in our earnings? I mean that's for the question. I mean, I'll be better able to predict with time, but I think we see that our earnings should compound around 15% to 25% every year starting from '28. So '27 will be a base year where we'll settle around INR700 crores, INR750 crores.

From there onwards, we will be compounded growing around 15% to 25% depending on the level of exclusivity and how much market share we have. I think you'll see a more stable compounding growth rather than the one-offs that you have seen in the past, henceforth for the next 2, 3 years.

Udhaya Prakash: Okay. And the second question is on the South African business that we made an investment recently. I get that in our overall portfolio, it helps us diversify our revenue growth and everything. But from the business perspective, what is the value that NATCO adds for them...

Rajeev Nannapaneni: Okay, Adcock. See, basically, if you look at the world, there are about 10 to 15 markets that you need to be present to be successful. And right now, our position in Adcock is about 35%. Hopefully, over a period of time, we'll be able to increase our shareholding as and when major shareholder gives us an opportunity. I think that's the arrangement that we have.

So you got to look at these things strategically. -- we're only getting a see-through only on 35%. But you have to look at that you are a number 2 company in South Africa. And to build a company like that overnight in South Africa wouldn't have been possible without the acquisition.

And in a competitive generic environment like ours, it's very difficult to grow organically. You have to grow inorganic. And unless you do these bold acquisitions, you'll not be able to acquire share and size and scale. This business now is all about scale. We need to be present in those 8 or 10 countries, have a filing in multiple countries and able to get scale. You might get wrong in 1 or 2 markets, but there will be some market that will work and then will give you the ROI and new investment.

And the pipeline is going to get more competitive, and this is the only way you can build. And to get share in these new markets, you have to do an acquisition. If you start from scratch, we've seen in Brazil. Now we are making money, but it's a 10-year journey. So I think you have to wait that long. So I think if you want to jump start things, you need to buy. Otherwise, things won't happen.



Udhaya Prakash: Okay. If I could squeeze in just another question. So how is the -- what is the outlook for South African pharmaceutical market in your opinion? As in let's say, the growth outlook for the next 5 years? And also, let's say, 5 years later, I know this is a very question, but 5 years later, at a profit level, what is the contribution we think that the investment would contribute to, let's say, around -- can we expect something around 15% to 20%?

Rajeev Nannapaneni: See, right now, if you look at, if you normalize our earnings this quarter, I think South Africa represents about 22% of our earnings right now of our base earnings. See, there are 2 things, my friend. One is that we always were very U.S. focused. So what we are doing deliberately now is trying to build a diversified portfolio in Brazil, Canada, India and U.S. so that we can get earnings which are more diversified, which is what we have achieved through the acquisition.

Two, we're doing a lot of new initiatives in terms of finding new products, our oncology pipeline, GLP and all. So the benefit of that, you're able to see over a period of 2, 3 years. Right now, the return that we're getting is probably only slightly better than bank interest. But over a period of time, you will see the benefit where we'll be able to see about 15% to 20% return on capital or even more. But it will take time, but you need - to play this patiently.

Moderator: We will take the next question from the line of Sudhanshu from Marcellus Investment Managers.

Sudhanshu: So my first question is regarding the other expense increase on a quarter-on-quarter basis. So it's a steep jump. And as was explained some time ago, it's primarily being driven by R&D spend. So just wanted to know what is driving this surge in R&D spend? Is it like imminent launch, which is leading to filing expenses and other things? And then secondly, is it going to be the recurring rate at which this expense is expected?

Rajeev Nannapaneni: So there are 2 parts to the question. See, you can't time your R&D expenditure when you start a project, you have to pay. Any R&D expenditure you do is a very long-term investment. Nothing happens within 6 months or 8 months. They all happen 4 years, 5 years, 7 years. You're investing for the future. In terms of the expense this particular quarter, I think part of it is R&D, part of it also we had an inventory write-down of certain stores and spares.

Engineering spares, we had a onetime write-down. So I think that was the reason it happened. In terms of like R&D expenditure next year, I think we expect to spend about 7% to 9%. And in terms of earnings, we have already budgeted that. And I think our PAT assumes this expenditure. You might have 1 quarter where you'll have higher expense quarter, you might have higher profit. But if you sort of normalize it over a year, I think all the expenses are baked in and the profit is after that.

Sudhanshu: Understood. Understood. second question is there is a corresponding surge also in the other income head. So what is the reason on quarter-on-quarter basis, other income is rising?

Rajeev Nannapaneni: I'll tell you what the other income items are. So typically, there's interest income, this PLI income and licensing fee when we do product licensing. And in that particular quarter, we had some licensing income for the India launch of semaglutide. And then we have some other licensing



income that we got from foreign partners. So I mean, these are all like cyclical depending on the event. Specifically asking for this quarter, these were the major events.

Sudhanshu: Got it. And Rajeev, one question, which is basically regarding the semaglutide launch in India. So you were there in the pen -- I think in the vial market, not in the pen market. So how has been the outcome so far versus your initial expectation, both in terms of the market size that you are seeing, which is forming up and evolving daily and your own performance -- company's own performance in that addressable market?

Rajeev Nannapaneni: It's been a very competitive launch. I mean let me be honest with that. And we couldn't launch on day 1 on the pen for logistical reasons. We launched it a month later. So pen we're getting some share, but we're doing better with the vial than the pen. But fortunately, vial we're the only generic in the market. With our partners, Eris and Glenmark, we're able to get very good share.

The run rate now, we are doing our brand is doing about INR2 crores a month. And our partners, I think our sale, if you see, you will be having about INR4 crores to INR5 crores bump in our earnings, including our partners. So, you can say semaglutide has added about INR4 crores a month on our sales, I mean, I'm normalizing it for onetime launch quantities and all.

Where do we see this number? I think we are thinking that we should be able to do about INR75 crores to INR100 crores annualized over the year. We'll be able to achieve it. This is our expectations. I mean the market has been super competitive. But I think we got a reasonably good start. We are able to disrupt the market. But still, the market is in terms of sale, it's still with the pen. But the proposition on the vial is this, okay? The pen sells for, I mean, a normalized between INR3,000 to INR4,000. The vial sells for less than INR1,000.

So, there's a market who's unwilling to pay INR3,000 to INR4,000, is willing to pay only INR1,000 per month. So that market we're able to capture. So I mean, there's a play for everyone in every market, but I think that's our expectation. That's where we are.

Sudhanshu: If I can ask one more question, if there is time. In the last couple of calls, you had mentioned about company looking at a few more acquisitions. So if you have got any update on that front, how or if any target has been identified?

Rajeev Nannapaneni: We are running a couple of transactions. But again, nothing has come to a stage where I can tell you something. But these are always ongoing negotiations. When they come to a stage where we can announce, we'll definitely speak about it. But if the question is, are we working on transactions? Yes, we are working on transactions. Two, are we comfortable doing a transaction? Absolutely, yes, we can do it. Anything that will strategically strengthen our core business and build geographical distribution. But at this time, I have nothing to report.

Moderator: We have the next question from the line of S. Ram, an individual investor.

S. Ram: Am I audible?

Rajeev Nannapaneni: Yes. Go ahead. Go ahead.



- S. Ram:** Yes. Any updates on NRC-2694, sir? When do you see it commercializing?
- Rajeev Nannapaneni:** I think it's too early stage, my friend. At this time, I have nothing much to report.
- Moderator:** We will take the next question from the line of Anirudh, an individual investor.
- Anirudh:** Are we looking to increase our innovative portfolio, like the NRC-2694? Are we planning for any other innovative pipeline ahead?
- Rajeev Nannapaneni:** That's the only active one that's running in our internal company pipeline. The other ones, primarily, I think the biggest one that we have done is we've done an 8 million investment in eGenesis. That is probably the most exciting of our innovative pipeline. So that you've probably seen the news. They are the first company in the world, which has done a genetically modified pig kidney, which was transplanted into human being.
- They have done 2 patients so far. And the patients were able to do well for about 6 months and then finally, they got this. And they're trying to figure out what the right dose is in terms of the immunosuppression, so that could take the program forward. This is probably the most exciting one. And this will start making progress as we go along.
- And in addition to kidney, they're also looking at liver at this time. If you're specifically asking me most advanced of our what we call innovative pipeline, that's probably that investment. So I think that's the most exciting one.
- Anirudh:** Awesome. And are we planning for completing the acquisition in FY '27? Or is it going to be extended to FY '28?
- Rajeev Nannapaneni:** Acquisition you're saying? I think we're shopping. I think hopefully, we'll be able to close something in financial year '27. But as I said, these things until it's done is not done. If the question is, are we shopping? Yes. We are hoping to close something? Yes. But have we closed anything yet? No. So I think that's where we are.
- Moderator:** We will take the next question from the line of Khaled Mohammed from Nirmal Bang.
- Khaled Mohammed:** I just wanted to ask if you have any tentative milestones for eGenesis business?
- Rajeev Nannapaneni:** Tentative milestones. I think once they start doing more patients and then once they get an idea of what the right immunosuppression dose is. I think one thing is clear, the fact that the transplant works and the patients are able to do well for about 6 months itself is a very monumental achievement. I think the scheme of things, if you just think that you're able to transplant an animal kidney and put that in a human and that human being is able to do well for a few months is an absolutely monumental thing.
- The question now is what's the right immunosuppressant dose, which will make it work. I think it's a question that they're grappling with. And if they have an answer to that question as we keep dosing more patients, I think then you have a breakthrough. I think that's the question that they are trying to answer. And that only time will answer.



- Khaled Mohammed:** So do you see that happening in over 3 years, 5 years, anything?
- Rajeev Nannapaneni:** I think they're trying to recruit more patients. I think my understanding is that they were going to do more transplants in the coming year. So I think in the next 12 to 18 months, I think we'll see more transplants and then they'll have greater experience in terms of what's the right way to handle these patients.
- But it's absolutely exciting work and it's absolutely breakthrough work. And this will change science in a big way. So I'm personally very excited. But these are all like moon shots, as you know. I mean we have a reasonable amount of risk. But if we get it right, that 8 million is worth a lot of money. So I think that's okay.
- Khaled Mohammed:** Yes. I shared -- but when do you see the shares coming to the top line? Like any time line or what's the quantum that you see?
- Rajeev Nannapaneni:** I can't tell you something that I have no idea about. What I can tell you is that's what happens with. I think you need to understand that when you do these things, it's a binary event. Either you will hit it or otherwise, it won't happen. You just have to be patient and we'll give you patient updates based on whatever we hear. I mean they also can.
- They also update their websites regularly and tell about all the major breakthroughs that are happening on breakthrough events. We just have to be patient. Hopefully, in 12, 18 months, we're able to get more breakthroughs, which are more exciting, then I can come back and report to you. But we just have to be patient.
- Moderator:** We will take the next question from the line of Neeraj Kayal, an individual investor.
- Neeraj Kayal:** Sir, I wanted to ask you about our Crop Sciences division. I wanted to understand this division, the industry, if you can give any color on that and our business?
- Rajeev Nannapaneni:** That's a good question. So, I think my colleague, Rajesh will answer and he'll also tell us about our demerging process as well.
- Rajesh Chebiam:** So, as you're aware, so we're in the process of demerging the business. And one of the primary reasons we felt also it gives a more focused approach because the business, ultimately, the customers are quite different. See, one of the key things we are pursuing as part of our approach is, again, trying to find molecules which are a little differentiated from most of the other players. And the approach that we have taken towards pharma, right? So products which could be unique, which could be patent controlled, limited competition. So that's the approach that we are taking.
- So we are slowly building on overall presence in the market, right? It's been only 3, 4 years of our commercial presence actually. And so the past 2 years has been mostly learning in terms of how the market works and all that. But we believe that once you have a very strong product and with the right offering to the farmers, I think we can do wonders. So yes. So in terms of sale, let's say, this year, we ended up close to INR140 crores, right? And as opposed to a declared number for last year was about INR60 crores.



So from INR140 crores, we certainly have aspirations to grow significantly well. It's also being driven by product launches as well as the penetration with the channels, okay? So the channel partners that we have as compared to most of our peers is still less. So this is the primary. So both products, channels and also the people additions. So all these activities are going on. So I think we're fairly confident going forward. And that's also one of the main reasons for demerging and having more focus on the business.

- Moderator:** We will take the next question from the line of Rahul Chaudhary, an individual investor.
- Rahul Chaudhary:** Sir, my first question is -- follow-up question is regarding the semaglutide pen. I don't see any like media or advertisement about the pen launch. You said you've already launched it.
- Rajeev Nannapaneni:** We launched the pen. We said that when we did the announcement, what we said was we want to launch next month. I think we launched it a while in March, and we said that we launched the pen in April. I think that's what we announced. Actually, when the launch happened, we didn't announce again. We thought it was covered in the earlier press announcement. We will not first launch. So we are not there on day 1. So I think that's the reason why we didn't make so much noise. Typically, when you're day 1, you make more noise and make the announcement. The vial was on day 1, so that's why we announced that we made a little more noise about that.
- Rahul Chaudhary:** So are we selling it through the digital pharma platforms, like I don't know, like Tata 1mg PharmEasy, like or it's...
- Rajeev Nannapaneni:** I mean, exactly, I don't know. I think they work with different channels. I think that some digital platforms are also selling our products. But yes, I think we have -- but again, they all require prescription and all. So I think you know what this is.
- Rahul Chaudhary:** Because I'm using other product of rivals and I'm a NATCO investor, I feel very sad when I have to buy that, and I can't find NATCO's products here in Guwahati.
- Rajeev Nannapaneni:** I understand, but there are challenges with that as well. I think of the products that we are having in the semaglutide portfolio, our vial has done better than the pen. I think clearly, I think that's where we are at success.
- Rahul Chaudhary:** Sir, just one last follow-up question. Sir, we are 100% control of what we do, that is our company. And we are going to have a pretty, what do I say, subdued year ahead as per your own...
- Rajeev Nannapaneni:** Yes, absolutely.
- Rahul Chaudhary:** So we have a lot of cash. So are we not at all open to buybacks at a certain price point because...
- Rajeev Nannapaneni:** I mean. No. You asked me a straight question, I'll give you a straight answer. No. I'll tell you the reason for that is because my personal belief is this cash should be used for an acquisition, which will give us more long-term return. I think there are opportunities where we can diversify our portfolio and build a stronger global footprint company. I mean, a lot of the challenges that we



have had in the last few years have been great, but they've been very few because of our concentrated bets.

And I think we need to evolve into a more diversified bet and as a firm, so that gives you more stable earnings. And for that, you need to do acquisitions. And that's, I think, a superior use of our cash rather than -- buyback can also be considered at the right time. But at this point, my thinking is that let's spend money on it.

Rahul Chaudhary: So sir, just for this acquisition that you are planning or targeting, you must have zeroed it down to a specific geography by now or.

Rajeev Nannapaneni: I can't answer that question, Rahul. We're looking at different deals. When it comes to a certain stage, we'll talk about it, not now at least.

Rahul Chaudhary: Okay. Is it okay within the country as well or all outside?

Rajeev Nannapaneni: I'm bullish outside India. I'm not bullish in India. So, I think valuations outside India are more reasonable compared to India.

Moderator: We have the next question from the line of Hrishikesh Patole from 360 ONE Capital Markets.

Hrishikesh Patole: Am I audible?

Rajeev Nannapaneni: Yes. Please.

Hrishikesh Patole: Yes. So quickly this question is to Rajesh. I mean, given the West Asia war and the subsequent cost inflation, what would be the impact on our agrichem business? I mean we have seen a lot of peers in the agrichem specialty chemical business talk about...

Rajesh Chebiyam: The impact on what, can you please repeat.

Rajesh Chebiyam: What will be the business impact on the agchem business.

Rajesh Chebiyam: Yes, yes. First, one of the things like which Mr. Rajeev also mentioned earlier, the material costs are going up, right? So we have already seen 25% to 30% increase in the input raw materials. And see, I think even industry, fortunately, most of the procurement for the kharif, at least half of the procurement has already been done. So with that inventory preexisting, we are able to still manage at a price. But going forward, it is uncertain. I think there's likely increases of prices as well.

But we are closely monitoring the market and the competitive behavior as well before we make our decisions. But I think pharma is a little more different, okay? I just want to clarify that. Like pharma, I think even though there's been increase of summer inputs, a lot -- we have a reasonable amount of inventory. So, the impact of that you'll not see in the June and August quarter, we might see it in the later part of the year.



And the exchange and depreciation was sort of kind of offset some of the increase of raw materials. So, I think net-net, there is an impact, at least the export business has been relatively less impacted than the domestic. I think we see anybody who's doing export relatively, the impact has been less compared to the people who have exposure to outside domestic business. The agrichem business will have more impact because the exposure is high on domestic sales. But I think as a principle, I'd like to tell you that export business is definitely less impacted.

Hrishikesh Patole: And just to follow up on that. I mean, have we commenced exports?

Rajeev Nannapaneni: For agro business is less very small. Mostly it's domestic.

Rajeev Nannapaneni: Yes, predominantly domestic.

Hrishikesh Patole: And the question was just on the plant status. Can you just provide an update on the plant?

Rajeev Nannapaneni: We have 4 U.S. FDA facilities in our system. We have 2 API plants and 2 finished dosage factories. In the year 2025, we had inspections in 3 of them. Kothur, which is our formulation facility; Chennai, which is our API facility; and Mekaguda, which is our API facility. So all 3 got inspected, all 3 got cleared and we got EIRs. Vizag is a facility that has not had an inspection, I think nearly, I think I would say, a long time. So we're expecting an inspection sometime this year any moment. So Vizag is the only one which is pending. Otherwise, the other 3 have been inspected in 2024, the last financial year.

Moderator: We will take the next question from the line of Aditya, an individual investor.

Aditya: Am I audible?

Rajeev Nannapaneni: Yes, you are. Go ahead.

Aditya: Sir, so I would like to ask a question that you have planned many expansions in foreign countries. So what would be the gestation period of that? And when can we see the returns on the P&L?

Rajeev Nannapaneni: I think Brazil, we are seeing right now. Canada has been stable. U.S., we just bought a front end about a few years ago. Still is losing money. So hopefully, this year, we'll be able to break even. South Africa, we just invested. The value of that will take about I think in my personal view, will take about 3, 4 years before we start seeing value of where we are.

So every business is going through a different phase. Indonesia is still losing money, we want to catch up. So I think if you start from scratch, it takes 5 to 7 years to build a business. If you buy something, then it takes probably 2 to 3 years before we start seeing an outcome. But everything is a very long gestation because just a regulatory approval on a product takes 2, 3 years. So I think that's how the cycle works in our business.

Aditya: So sir, just a follow-up question. We are doing this as a strategy for U.S. plus other countries, right, to diversify the whole portfolio and not be dependent on tariffs, not be exposed to tariffs.



Rajeev Nannapaneni: Yes. I think if you look at our earnings today, I think our earnings primarily come from 4 markets: India, U.S., Brazil, Canada and now South Africa through our associates. So I would say 5 countries, stand correctly, 5 countries. Earlier, it used to be only U.S. Now we have 5 and the earnings now in these 5 countries are giving the base profitability now.

So I think that's a pretty good diversification that we have done. And it didn't happen overnight. I mean when we're saying that this event is like this, it has been about the last few years of diligent investment and in R&D and filings and market access and launches and manufacturing for us. We're seeing the fruits of that at this time.

Aditya: Okay. Sir, this is last question from my side. Over the last years, we have seen stupendous margins about 40% to 50%. So do you see that being stable or be it contracting or expanding in the future years?

Rajeev Nannapaneni: I think we've given guidance. I think this year it's going to decline. So as I said, there will be a dip in our earnings this year. This year, I mean, March, obviously, we did about INR1,400 crores PAT, as you're aware. So it's going to drop by half. So I think we will see a contraction for sure. We're going to drop to about INR700 crores, INR750 crores this year. But things will turn around. But as of now, yes, to answer your question, yes, there will be a dip.

Moderator: We will take the next question from the line of Manohar, an individual investor.

Manohar: Sir, am I audible?

Rajeev Nannapaneni: Yes, please go ahead.

Manohar: Sir, my question is that is there any chance the company will get a sustainable and stable profits in the future because we cannot endure this roller coaster like revenues and profit dips.

Rajeev Nannapaneni: See, Manohar. let me answer this in a way that you're comfortable. See, the nature is you need to accept that certain businesses are roller coaster. I think our communication has been very clear that you're going to have a couple of good years, then you'll only have 1 or 2 years where it's going to dip.

That's the nature of this business. I can't come and tell you when we have the upside, the upside is very strong, and you have extraordinary amount of margins. When things dip normalize, you're not going to have a good year, and that's the nature of this business. And I think as an investor, you need to sort of accept that they're going to have this roller coaster ride.

And what I can do, the best thing I can do, Manohar, is tell you that this is a roller coaster ride, and this is how you need to set your expectation. And this is how it's going to be. And I'm sorry, I don't have a better answer to that question, but that's how it's going to be. But however, having said that, I've been very cognizant about avoiding volatility.

And I think that's why we have done all these investments like South Africa and build this front end in Brazil. Still, in spite of the volatility, we are able to maintain a pretty good profitability. And we're doing about whatever we projected this year. And it is the way it is.



Manohar: My other question is that I have been following this NATCO company and you for more than 2 years from now, and you have been very honest with your answers. But is there any chance or your intentions or plans to become NATCO to be a Dr. Reddy or Sun Pharma like company?

Rajeev Nannapaneni: I always aspire for that, Manohar. I always believe that's true success only comes if we're willing to play the game for the long haul. I'll tell you; I'll give you a very honest answer. If you want like great things to happen in the next 5 years, you got to invest for the long term, which means you need to have the ability to ignore short-term earnings volatility. Because when we're investing in something, we need to believe that this investment will work and it will take 3, 4 years to I believe we can build a global company.

I think that journey has already started. And I think our investment in Adcock proves that to you. And I think if you look at Adcock and NATCO's turnover together, I think we are almost touching more than \$1 billion in revenue. So I think in that sense, we've really built a global company and all with a very modest amount of money that we have had, we're able to build these jackpots and use this money to buy these assets. So I think you just have to be patient. You're going to have 1 or 2 years of difficulty, but in the long run, we'll be able to build a stable growth.

Moderator: We will take the next question from the line of Nitin Agarwal from DAM Capital.

Nitin Agarwal: On the -- for the year, if you can just give us a sense on how much -- how many filings and all have you done on the R&D side? Any good filings that have happened? And how are you looking for the R&D part for R&D program for the next year?

Rajeev Nannapaneni: I think we've done about 7 to 8 filings in the U.S. And good ones, we didn't hit any major first to files. Hopefully, this year, we are trying another 8, 9. So trying to target a couple of complex and first to files. Hopefully, we'll have 1 or 2 this year. I think that's our expectation.

Nitin Agarwal: And just to that further, the ones -- the fact that this year, you don't have any major filings and that is a consequence of what? I mean some programs didn't play out as you expected or just higher competition than what you expected at the filing?

Rajeev Nannapaneni: Competition. Just more competition. See, generally, the products that we file and there are like 7 or 8 guys, we just don't talk much about it because it is a commodity filing. The only special ones are the ones where you want to be the only one or there's limited amount of competition. And U.S. is a winner takes all game, right? I mean, especially if you're doing an NCE-1, chances are most products, you have 8 or 10 or 15 or 20 guys who file on day.

So those, there's not much. So where do you make money? You have to file where nobody else files or two, you identify something where nobody has filed and suddenly you file and you first to file. So those are very few and far between. And if we're able to pull off in a 3 to 4 year time period, we were able to pull off even 3 of those, you have done a great job.

So I think we just have to be patient with an eye, the ball, we are on the ball. I think hopefully, we'll pull off another 2, 3. We pulled off enough. I mean, look at our pipelines there in our



investor presentation. We did FTF on ibrutinib. We have approved in 30 months. We have olaparib.

Hopefully, we'll have 30 months on that -- sorry, exclusivity on that subject to FDA clearance. And then we have filings of semaglutide. So I mean, we have filings obviously in the pipeline. So we have carfilzomib, we have FTF. For our , we have FTF. So I mean we have some. And I think hopefully, we'll be able to build a pipeline for another 3 or 4. So then we have something to talk about in the next 7 to 8 years.

Nitin Agarwal: Right. And secondly, if you can give us some more sense on the size of the businesses in Brazil and Canada? And how do you see Brazil, Canada and some of these other emerging markets playing out -- non-U.S. markets playing out for you going forward?

Rajeev Nannapaneni: I think our Brazil turnover of our sub this year was about INR257 crores, plus we have some billing directly from India. So maybe that was about INR30 crores. I don't recollect the number, about INR280 crores. So we are expecting that business should go to INR55 million to INR60 million this year. So that is one big bump you're seeing in our numbers.

Canada, we are expecting will grow around 10% to 15%. It's already a fairly comfortable business. We have a couple of big launches, but that's in '27, '28, not in '26, '27. So that's one. Then obviously, South Africa is going to get added. So I think that's fair. I think these are the major ones that are driving.

Nitin Agarwal: And sorry, what size you said the Canada was this year?

Rajeev Nannapaneni: Canada this year is INR229 crores.

Moderator: We will take the next question from the line of Anirudh, an individual investor.

Anirudh: So you mentioned that from FY '28, we'll be seeing growth. So can we expect the approval for those cancer pipelines that we are planning to launch in Canada and Brazil by H2 of calendar year '27?

Rajeev Nannapaneni: I think the products we're going to launch in '27, '28, when are we expecting approval? Is that the question?

Anirudh: Yes. So when are we expecting the approval for those medicines? Is it within the H2 of FY '27?

Rajeev Nannapaneni: Yes. H2 of financial year '26, '27, we're expecting approval. Based on that, we expect the earnings impact will be in '27, '28.

Anirudh: Got it. And my second question is, what is the expected revenue contribution from those medicines that we are launching in Canada?

Rajeev Nannapaneni: I think the expectation is that we have already spoke about Brazil should do very well this year. And I think we said that we did about a little less than INR300 crores this year in Brazil. That will go to probably INR55 million, INR60 million this year. That's our expectation. So that is



the biggest bump that we're seeing. In terms of like revenue-wise, we're not splitting, but what we are saying is that we will see our earnings settle around INR700 crores, INR750 crores this year, and we are expecting '27, '28 based on our pipeline that we're able to grow around 15% to 25%. This is my last question. The next caller will be my last question.

Moderator: We will take the last question from the line of Khaled Mohammed from Nirmal Bang.

Khaled Mohammed: Yes. So with the acquisitions that I'm seeing and the strategy that NATCO is going to take for the longer term, like you mentioned more stable revenues and earnings, right? So going ahead, what sort of do we see, say, the jackpot kind of business and the stable kind of business, if you could throw some light on that?

Rajeev Nannapaneni: This year is all driven by the base business. We don't have any big launches this year.

Khaled Mohammed: Not this year. In the next 5 years, that sort of time line?

Rajeev Nannapaneni: I think some of the exclusives will kick in. I think the biggest one, obviously, semaglutide. I can't tell you which year where we're expecting launch.

Khaled Mohammed: I mean the acquisition that we have done, so that is to bring more stability, right?

Rajeev Nannapaneni: Correct.

Khaled Mohammed: So the NATCO's legacy is jackpot kind of place, if you get me, right? So in that sense, where do you see NATCO in the next 5 years?

Rajeev Nannapaneni: I think in the next 5 years, our vision is that we are able to build a global company, which has more geographical diversification and bring less volatility in our earnings. However, having said that, if you look at the business today, we don't have those special complex filings, your earnings are not coming. There's no earnings.

If you look at any of our top companies, I don't speak for myself, I speak for any of the top tier companies. If you remove the first wave generic launch or the complex generic out, the earning contribution of these products is representing about 50% to 60% of the earnings or 70% earnings depending on which company you're talking about.

I think what we can strive to do is to bring about more -- less volatility in earnings. So per se, in an ideal world, I would want our base revenue to contribute 70% of our profit and the first to file or special product to contribute 25% to 30%. Earlier, the ratio was the other way around. So I think that's what we're trying to correct so that we can bring less volatility. I think that is the objective in the next 5 years. Does that answer your question?

Khaled Mohammed: Yes, yes.

Rajeev Nannapaneni: Thank you so much.

Rajeev Nannapaneni: Thank you all.



Natco Pharma Limited
May 29, 2026

Moderator:

Thank you very much. On behalf of 360 ONE Capital Markets Private Limited, we conclude this conference. Thank you, everyone, for joining with us today, and you may now disconnect your lines. Thank you.