

Corporate Participants

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Moderator: Ladies and Gentlemen, Good Day and Welcome to Sun Pharma's Q3 FY26 Financial Results Conference Call.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the call, please signal an operator by pressing “*” then “0” on your touchtone phone.

I now hand the conference over to Dr. Abhishek Sharma, Vice President & Head of Investor Relations and Strategic Projects, for his Opening Remarks.” Thank you and over to you, sir.

Dr. Abhishek Sharma: Thank you. Good evening, and A Warm Welcome to our 3rd Quarter FY26 Earnings Call. I welcome you all, especially those who have joined us on Saturday. I am Abhishek from the Sun Pharma Investor Relations Team. We hope you have received the Financial Results and the Press Release, that was sent out earlier in the day. These are also available on our website.

We have with us Mr. Dilip Shanghvi – Chairman, Mr. Kirti Ganorkar – Managing Director, Mr. Aalok Shanghvi – Chief Operating Officer, Ms. Jayashree Satagopan – CFO and Mr. Richard Ashcroft – CEO, North America.

Today, the Team will provide an update on financial performance and business highlights for the Quarter, Pipeline Updates and respond to any Questions that you may have.

We will refer to the consolidated financials for Management comments. A call recording and call transcript will also be put up on our website shortly.

Just to add, in recent weeks, there has been speculation in media regarding Sun's M&A interest in certain companies. We have clarified to exchanges that the news is speculative in nature and we will not be taking any questions in today's call regarding the news articles and their subject.

The discussion today might include certain forward-looking statements and these must be viewed in conjunction with the risks that our business faces. You are requested to ask two questions in the initial round. I also request all of you to kindly send in your questions that may remain unanswered today.

I will now hand over the call to our CFO, Ms. Jayashree Satagopan.

Jayashree Satagopan: Good evening, all. Welcome and thank you for joining us for this Earnings Call after the announcement of Financial Results for the 3rd Quarter of FY 2026.

Our Q3 Financials are already with you.

As usual, we will look at Key Consolidated Financials of the Company:

During the 3rd Quarter of FY 2026, we recorded sales of Rs.1,54,691 million, registering a growth of 15.1% vis-à-vis Q3 FY 2025. Besides the underlying business growth, we also had a milestone income of US\$55 million in rest of the world in the 3rd Quarter.

Ex-milestone, overall sales growth was 14.7%. In the corresponding quarter of FY'25, Sun had received a milestone payment of US\$45 million.

Gross margin during the quarter was at 81%, higher than the same period last year, largely on account of better product mix.

EBITDA for the quarter was Rs.49,485 million, an increase of 23.4% over Q3 last year. EBITDA margin came in at 31.9%, higher both on a year-on-year and a quarter-on-quarter basis. Excluding the impact of milestone income, favorable FOREX impact and other operating revenues, EBITDA margins for the company improved mostly on account of better product mix.

During the quarter, an exceptional charge of Rs.4,895 million was taken primarily on account of wage code gratuity as per ICI guidelines and additional provision for GxMDL final settlement.

Reported net profit after tax for Q3 FY2026 was Rs.33,688 million, up by 16% over Q3 last year. Adjusted net profit for the quarter was Rs.35,367 million, up 9.9%.

EPS for the quarter was Rs.14 per share.

Effective tax rate for the quarter was 24.3%, vis-à-vis 14.7% in 3rd Quarter of FY25 and 24.7% in Q2 FY26.

FOREX gain during the quarter was Rs.1,539 million.

Balance sheet continues to be strong with a net cash of \$3.2 billion at the consolidated level.

Now, we will discuss the Nine Months Performance:

For the first nine months of FY26, sales was at Rs.4,36,604 million, registering a growth of 11.3%.

Gross margin was at 80% for the first nine months.

EBITDA came in at Rs.1,37,772 million, registering a growth of 19.2% with a resulting EBITDA margin of 31.4%.

Adjusted net profit for the nine months was Rs.96,508 million, up by 6.1%.

The Board has declared an interim dividend of Rs.11 per share for the year FY26 against Rs.10.5 per share interim dividend for the previous year.

I will now hand over the call to Kirti, who will Share the Performance of our Global Innovative Medicines Business and the India Business.

Kirti Ganorkar: Thank you, Jayashree.

I shall first provide you an update on global innovative medicines business:

In Q3 FY26, our Global Innovative Medicines sales were up 14.3% to reach US\$423 million. Ex-milestone income, our Global Innovative Medicines growth came in at 13.2%. An additional point on the milestone income while Sun has had a milestone income in the last year, it may or may not recur in the future, hence, you may treat it as one-off income.

Our performance in Innovative Medicines business continues to be driven by a mix of growth in the US and the ex-US markets.

Recently, we launched Unloxcyt in the US. During the quarter gone by, we have also introduced Ilumya in India. Early feedback for both the launches has been quite encouraging.

Coming to India business:

For Q3 sales formulations in India were Rs.49,986 million, recording a growth of 16.2% over Q3 last year. India formulations sales accounted for 32.3% of total consolidated sales for the quarter.

Sun Pharma is ranked No. 1 and holds 8.4% market share in over Rs. 2,407 million Indian pharmaceuticals market as per Pharmarack MAT December 2025. Corresponding market share for the previous period was 8.1%.

For the quarter ending December 2025, we grew higher than the IPM and we had done well across all major represented therapy areas.

The sales growth continues to be led by higher contribution from volume and new product introduction as compared to the overall market.

Our volume growth of 6.3% for the quarter beat IPM volume growth which is at 1.2%.

As per SMSRC July-October 2025 report, we continue to be the No. 1 brand based on the prescription volumes.

Sun Pharma is also ranked No. 1 by Prescription with 14 different doctor categories.

For Q3 FY26, the company launched 12 new products in India.

As the leaders in diabetes and metabolic segment, we are looking forward to expand our portfolio with the launch of Semaglutide upon the expiry of Semaglutide patents in India. Sun Pharma plans to be in market on day-one of a generic launch. We have already received the regulators' approval for both the indication of chronic weight management as well as treatment of type 2 diabetes under the brand name Noveltreat and Sematrinity respectively.

We are well positioned here with an expected launch across both indications as well as all the strengths presenting a comprehensive solution to the physicians as well as patients.

Our brands will be made available in easy-to-use format, and we have ensured sufficient supplies to meet the demand in India.

I will now hand over the call to Rick for the Update on the US.

Richard Ashcroft: Thank you, Kirti, and good evening.

Let me share the performance highlights of our US Business:

Our overall US business was marginally up by 0.6% to reach \$477 million for the quarter.

Growth in innovative medicines was offset by lower sales in the generic business due to additional competition in certain products.

The US accounted for 27.5% of consolidated sales for the quarter.

In Q3, we will launch three new generic products in the US.

As Kirti mentioned, recently we have also launched Unloxcyt in the US for the treatment of Advanced Cutaneous Squamous Cell Carcinoma. Our early launch efforts have been focused on education and awareness of healthcare professionals. We are also in active discussions with health systems to ensure wide access for the product. Our initial interactions have been positive. We have completed initial stocking and had our first orders from distributors.

I would also like to get a quick word on LEQSELVI. The initial response from physicians have been encouraging. Physicians are reporting early signs of hair regrowth in patients, which mirrors our clinical data, including in some patients who have previously failed other JAK inhibitors.

I will now hand over the call to Alok for Updates on our Other Businesses. Alok?

Alok Shanghvi: Thank you, Rick, and good evening to everybody on the call.

I will provide an update on the performance highlights of our other businesses:

Our Formulations revenues in the emerging markets were US\$337 million, up by 21.6% over Q3 last year. The underlying growth in constant currency terms was 13%. In emerging markets, we have seen broad-based growth in the generic and innovative medicines business. Emerging markets accounted for 19.4% of total consolidated revenue for Q3.

Among the larger markets, Romania, South Africa, and Brazil, have done well in local currency terms.

Formulations revenues in the rest of the world were US\$296 million, up 14.5% over Q3 FY25. We have seen growth both in the generic and innovative medicines business in RoW.

The rest of the world markets accounted for approximately 17.1% of consolidated revenue.

I will now hand over to Mr. Dilip Shanghvi for Updates on R&D.

Dilip Shanghvi: Thank you, Alok.

Let me take you through our R&D Initiatives and Activities:

We continue to invest in building a R&D pipeline for both the global generics and the innovative medicines business.

Consolidated investments made towards R&D for Q3 FY26 stand at Rs.8,928 million or 5.8% of sales. Innovative R&D accounted for 30.5% of our total R&D spend and stands at 7.2% of global innovative medicines sales for the quarter.

During the quarter, we filed sBLA for Ilumya with the US FDA in the indication of Psoriatic Arthritis. FDA approved label updates on Unloxcyt based on longer-term data that demonstrated improved clinical outcomes in advanced cutaneous squamous cell carcinoma.

We have also initiated global Phase-II trials of GL0034 in the indication of type-2 diabetes.

FDA has also updated Ilumya label recently with additional efficacy data in treatment of Psoriasis of the Nail.

Moderator: We will now begin the question-and-answer session. First question is from Rishi Parekh from J.P. Morgan. Please go ahead.

Rishi Parekh: Hi, good morning and good evening, I guess, and thank you so much for taking my question. Now, I appreciate you are not taking questions on what is speculative out there, but for many of us that are new to Sun Pharma, I was just hoping that you could walk us through your M&A strategy and what you are hoping to target or achieve with the strategy. Are you looking at tuck-ins, are you looking to add biosimilars, are you looking to expand your geographic presence, and how important is North America in the strategy?

Dilip Shanghvi: So, I think almost for all of those issues, we have indicated responses to the analysts on this call in the past. I think US continues to be an important part of our focus, specifically for the innovative medicines... and not only US, but we have interest in selling innovative medicines globally. For emerging markets, we are looking at what you call tuck-ins or smaller acquisitions, which we can look at integrating with our existing business to get scale in the emerging markets. And we have also consistently indicated that we want to remain disciplined about acquisition. Our focus is on finding a way to grow our business organically at a rate so that we continue to be an attractive investment opportunity for the shareholders. We would look at acquisition only if we think that it can help us in terms of strengthening our long-term strategy capability.

Rishi Parekh: And then can you also talk us through the size of the types of acquisitions you are looking at?

Dilip Shanghvi: So, I think we have indicated in the past that we need to be confident that whatever acquisition we make, we should be able to manage effectively without our diluting focus on our own growth. At the same point of time, I think we have also indicated that for acquisition, if it is necessary, we are comfortable in raising debt.

Rishi Parekh: Thank you.

Moderator: The next question is from Tushar Manudhane from Motilal Oswal Financial Services. Please go ahead.

Tushar Manudhane: Thanks for the opportunity. Sir, on the innovative medicines sales, ex of milestone payment, the growth has been a bit soft compared to the earlier quarters. If you could elaborate on that? That is my first question.

Kirti Ganorkar: Yes, I will answer your question. As we have called out in our Q3 FY25, certain one-time sales to our partner and that has given Q3 FY25 high base and that is one reason for the growth looking lower in H1. However, specialty should continue to do well. It is difficult for us to comment quarter-to-quarter. My view is always you look at the business on annualized basis rather than looking at quarter-to-quarter basis.

Tushar Manudhane: Secondly, R&D spend on the innovative portfolio both as a percentage of total R&D as well as absolute amount has been reducing for the past two, three quarters. If you could also explain that?

Dilip Shanghvi: I think it is all linked with commencing clinical trials as we are commencing new clinical trial including the one for GL34. We should increase in the R&D spend and next quarter we will guide R&D next year. That will be our expected R&D spend for next year.

Tushar Manudhane: Got it. And lastly, if I may, US sales ex of Revlimid has the portfolio growth or it has still been stable, if you could just throw some light on that?

Richard Ashcroft: Is the question specifically related to generics?

Tushar Manudhane: Yes.

Richard Ashcroft: Ex-Lenalidomide, the generics business is slightly down in the US.

Tushar Manudhane: So, is this to do with price erosion or the lack of launches, if you could also explain that?

Richard Ashcroft: It is really due to specific competition for certain products.

Tushar Manudhane: So how do you see this improving going forward?

Richard Ashcroft: I think overall for the US, we see the innovative medicines continuing to grow and the generic business will start to recover once we are in manufacturing compliance for a number of our sites in order to launch new products.

Tushar Manudhane: Got it. Thanks a lot.

Moderator: The next question is from Damayanti Kerai from HSBC. Please go ahead.

Damayanti Kerai: Hi, good evening and thank you for the opportunity. My first question is on gross margins. I just want to understand it better. In your opening remarks you mentioned better mix led to such strong gross margins. So, if you could just explain what are the key drivers to sustain such high gross margins? As we understand now Revlimid benefit is over for you. So if some additional color to explain the very strong growth margin performance?

Jayashree Satagopan: Thanks for your question, Damayanti. As you know, we do not specifically guide on product margins. Having said that better mix of products both in terms of the branded products and our innovative medicines has given an uptick compared to the gross margin in the previous year.

Damayanti Kerai: Okay. You think this level of margins will sustain or how do you see margins trending ahead?

Jayashree Satagopan: As I was just mentioning, we normally do not guide on margins. Our endeavor is to see how we sustain and really perform to our potential.

Damayanti Kerai: Okay, sure. My second question is on spend on the new launches where you indicated incremental spend of 100 million or so. So, in terms of spend how much of that is already covered and how much is yet to come and where are the major spend happening?

Richard Ashcroft: I am happy to address that. So, the spend is really occurring on the LEQSELVI, UNLOXYCT launches, was fairly evenly split. We do see that spend is increasing now in the latter part of the fiscal year particularly as we have just launched UNLOXYCT. We do expect this to be kind of part of our core expenses though going forward.

Damayanti Kerai: Okay. So next year as well we expect elevated spend on these new launches as you build up the markets, etc.?

Richard Ashcroft: Yes, next year it will just be part of our core operating OPEX to support these and the rest of our innovative medicines business.

Damayanti Kerai: Okay. UNLOXCYT is a very recent launch, but any color on how you are proceeding with your decision with the insurance partners, etc., and when you expect those deals to sign, like when you have the healthcare partners onboarded?

Richard Ashcroft: Is the question related to UNLOXCYT?

Damayanti Kerai: Yes.

Richard Ashcroft: Sure. So, we are having active discussions with the physicians as you would expect given we are just a few weeks outside of launch. From a distribution perspective, the distribution network is in place. As I had shared, those agreements are in place, the product has been stocked as well as the agreements with the downstream customers. The other important discussions are with health systems. As this is an oncology product, a lot of the prescriptions will come from health systems. So, we have been in active discussions with health systems since before launch. We have been in touch with the top 50 cancer centers within the U.S., and all of those discussions have been progressing positively. So, for the first few weeks, very pleased with what we have seen so far. The message is resonating in terms of the balance that this product provides in terms of efficacy and safety. It is something that the clinicians have been looking for. And again, within the health systems, the discussions from a formulary perspective have been progressing positively.

Damayanti Kerai: Sure. Thank you. I will get back in the queue.

Moderator: The next question is from Neha Manpuria from Bank of America. Please go ahead.

Neha Manpuria: Yes, thanks for taking my question. My first question is on the India business. Given the strong performance that we have seen and the upcoming launch of SEMA that you indicated, should we expect this growth rate to improve further as we look through the next few quarters, particularly as we add SEMA? And just a related question on that, would we need to add any more sales force or any plans to expand the sales force in India generally for SEMA or otherwise given the strong growth that we have seen?

Kirti Ganorkar: I think, Neha, you will appreciate that it is very difficult for us to predict what will be the future growth and how we will grow. So, we will not comment on that. Coming to your question on GLP-1, yes, we will add some few field force for the launch of the product. And that is like the way we do the business in India.

Neha Manpuria: And this has not been done as yet, sir?

Kirti Ganorkar: Yes, we are preparing for the launch, as I said in my readout. So, some of this thing has already been done, yes.

Neha Manpuria: All right. Got it. My second is on the R&D spend for generics. If I were to strip out the specialty number that you mentioned, that seemed to have increased quite a bit. So, if you could give us some color in terms of incrementally where are we looking at spends, and since historically we have kept biosimilars outside any plan, instead of looking at biosimilars again, given the change in regulation?

Dilip Shanghvi: I did not understand. What is the question?

Neha Manpuria: If I look at the ex-specialty R&D spend, right, after stripping out the R&D specialty R&D that you gave, the generic spend seems to have increased quite a bit. Could you give us some color on where we are spending on generic specifically? And also our thoughts on biosimilars, how should we look at that opportunity for Sun Pharma, particularly given we have not done too much in the past?

Dilip Shanghvi: Sure. No, I think we are giving some split between the generic and the specialty. But beyond that, within generic, where we spend the money is not something that we give at a granular level. We also recognize that we are not only talking to investors, but we are also talking potentially to competitors. So generally, we avoid sharing commercially sensitive information on this call.

Neha Manpuria: Understood. And on biosimilars, has your view there changed in terms of looking at that opportunity overall?

Dilip Shanghvi: I think last time also I indicated. So, we are evaluating, re-looking at, because we look at comprehensively including setting up manufacturing, investment, overall cost of development and the time for the investment to produce any kind of meaningful return. So, we are evaluating everything to take a decision.

Neha Manpuria: Understood. And sorry, if I may squeeze one last question on UNLOXYCT. How are we thinking about positioning this product versus at the end, would it be the warehousing patients that we would look at first or the new patients that are coming?

Richard Ashcroft: I think the position of UNLOXCYT in the market is very clear and very crisp. What it really offers is balance between efficacy and tolerability. So UNLOXCYT works three ways. It restores adaptive immunity, which is by binding to the PD-L1. It engages the innate immune system based on its active FC domain that activates natural killer cells. And unlike the existing product, it preserves PD-L2 signaling. And the reason that is important is that is the pathway through which immune-mediated adverse events are typically anticipated. So that is really the positioning of UNLOXCYT in the marketplace. And as I said, that has been resonating with, with clinicians.

Neha Manpuria: And do you think this would be more important in getting new patients onboard or could we initially go after the patients that have used existing products and work for them?

Richard Ashcroft: We would mostly anticipate new patients.

Neha Manpuria: Of course. Thank you so much.

Moderator: Next question is from Bino Pathiparampil from Elara Capital. Please go ahead.

Bino Pathiparampil: Hi, good evening and good morning. The first question is sort of a follow-up from earlier questions. I just wanted to know if there is any Lenalidomide contribution at all in Q3 or was it completely over in Q2?

Richard Ashcroft: Quiet, quite small in Q3, but there was a negligible contribution.

Bino Pathiparampil: Got it. Second, on Semaglutide, are you also planning for launches in some other emerging markets around the time you will launch in India?

Kirti Ganorkar: No, what I said about the launch in India only, other markets we are not guiding what is our launch plan.

Bino Pathiparampil: Understood. And finally, a question on GL0034. I believe it is in Phase-II in diabetes. When can we expect some sort of data there?

Dilip Shanghvi: What was that?

Bino Pathiparampil: GL0034 in diabetes Phase-II.

Dilip Shanghvi: We are publishing phase-2a data in the certain scientific conferences, both for diabetes as well as for NASH over the next few months. But the current phase-2b study which has started, that should possibly get over within maybe 12-to-18 months.

Bino Pathiparampil: Okay, so any further data is 18-months. Okay, got it. Thank you.

Moderator: Next question is from Girish Bakhru from OrbiMed. Please go ahead.

Girish Bakhru: Yes, thanks for taking my question. Just the questions on US again regarding the two products, first LEQSELVI. My understanding is the product requires a genetic testing before you put the patient on. Can you talk about that? Is not that a significant deterrent?

Richard Ashcroft: Yes. Well, first, I think it is important to point out for all the JAK inhibitors, there is a whole battery of testing that needs to take place. So that is similar across all the products. LEQSELVI is a bit unique in that we do have a specific testing for how the drug is metabolized. What is interesting about that is a lot of drugs are metabolized through that system. So, it is good for patients to understand that. So, there is some benefits of knowing that as part of the testing process. But you are correct. That is one of the steps associated with starting patients on LEQSELVI.

Girish Bakhru: And can I ask, Richard, are there enough centers who are doing this testing? And if you can also throw who is covering the cost of the test -- is it the patient or is it the insurance company?

Richard Ashcroft: We are actually covering the cost of the test. So, we are working with the leading providers. There are several big providers of testing within the United States, and we are working with them to provide the test, and we do so free of charge to the patient.

Girish Bakhru: Understood. And just while we are on this market, I mean, RINVOQ, of course, is being talked about as a new entrant potentially soon. I mean, I was looking at the data. Data of RINVOQ is pretty solid. And its dosing is also better than LEQSELVI. So how do you see that competition coming in this market? And of course, there are a whole set of new drugs also probably being targeted in Alopecia.

Richard Ashcroft: I do not know if I would agree with the comment about the dosing being better. I think what I would say is, first of all, this remains a category where there is opportunity for more diagnosis. So the more products that are available is a good thing because it is getting patients choices and it is going to allow the market to continue to grow. Particularly, this severe market where it can be challenging for physicians to differentiate

those patients. So having additional competition is a good thing, because it will help with that education. The other thing we know, and we are seeing with LEQSELVI as well is just because the patient tries one inhibitor, that does not mean they are not going to respond to others. In fact, that is exactly what we are hearing from clinicians. We are having patients that are starting LEQSELVI that have actually failed the two other approved JAK inhibitors and actually are now responding on LEQSELVI.

Girish Bakhru: Understood. And second question was on UNLOXCYT. I heard your comment earlier that this primary market is basically new patients. So, I mean, you are not really targeting patients who have failed Keytruda or Libtayo, is that correct?

Richard Ashcroft: Well, there could be patients that are having trouble tolerating Keytruda and Liptayo that could move to UNLOXCYT. But in general, our assumption has been and our strategy has been more focused on new patients.

Girish Bakhru: But would not that market be smaller like given the advanced carcinoma patients would be difficult to find?

Richard Ashcroft: Yes. I mean, it is smaller than the overall population, but there is a meaningful population of patients that start immunotherapy where they need to go on one of these therapies.

Girish Bakhru: Understood. And lastly, any thoughts on new indications that you are pursuing for LEQSELVI or UNLOXCYT right now or is it too early?

Richard Ashcroft: We are in active discussions about LCM for both the products.

Girish Bakhru: Understood. Thank you so much.

Moderator: Next question is from Vishal Manchanda from Systematix. Please go ahead.

Vishal Manchanda: Hi, good evening and thanks for the opportunity. A question on your pending ANDAs and NDAs. So, you have 116 ANDAs pending and about 14 NDAs pending approval. Would you be able to share how many of these are from sites that are impacted by OAI?

Alok Shanghvi: So, we do not specifically disclose which ANDAs are filed from which site.

Vishal Manchanda: In the sense, like just a percentage of the spending ANDAs or NDAs that would be filed from the affected sites?

Alok Shanghvi: Like I said, we do not disclose that.

Vishal Manchanda: Right. Okay. And if you could share some nature of the NDA filings that are pending approval in the sense whether these are ready to use injectables or sprinkle powders that you have been kind of trying to build over time? So, would majority of these would be kind of ready to use injectables and dysphagia-related products?

Dr. Abhishek Sharma: No, we have not given details about our NDA filings in terms of the nature.

Vishal Manchanda: Okay. And just one final one. Do you expect to see further decline in US generic sales in Q4?

Dilip Shanghvi: I mean, it is included in our overall guidance.

Vishal Manchanda: Right. And if you could just share between UNLOXCYT and LEQSELVI, which one would scale up faster over the next two years, any sense there?

Richard Ashcroft: We typically do not provide product-specific guidance.

Vishal Manchanda: Thank you.

Moderator: Next question is from Kunal Dhamesha from Macquarie. Please go ahead.

Kunal Dhamesha: Hi, thank you for taking my question. The first one is on the CMS's proposal on the most favored nation pricing, the two models that they have put out. Can you share some color, What is the internal assessment? I believe right now it is open for the commentary.

Richard Ashcroft: Sure. Happy to do so. I think, as you know, there are three models. There is a voluntary model that exists today, which is called the generous model, which is directly related to Medicaid within the US, and then the other two are proposed. So they are very much in the notice and comment phase. We expect that notice and comment phase to end within this next month. So, it is pretty speculative at this point to know, whether they will stay intact as they are or how they will change. As you would expect, we are working on all possible alternatives to mitigate any impact.

Kunal Dhamesha: Can you share how we can make the broader aspect as to how we can mitigate, what are the strategies we can employ there?

Dilip Shanghvi: I think these are commercially sensitive information. It is difficult for us to share this information on a public call. If you see, none of the pharma companies have given any details about any agreement that they have signed with the government excepting which products are covered. So, I think you need to understand that there are things that we can share, and there are things that we will not be able to share.

Kunal Dhamesha: Sure, sir. Second one on the Cosibelimab, we just suggested that we might be in active discussion for a new indication. So, would this indication be within the therapy areas that we are focusing or we are willing to go beyond our key therapy areas at this moment given the data especially on the immune-mediated adverse events is quite strong compared to the competitors?

Dilip Shanghvi: So, I think once we decide, we will share both the information that we can share. As we have said, we are evaluating. So, while we evaluate, there are advantages of staying within the therapy area that we are present in. There are advantages of looking at the other areas that we are not present in. So, we have to do a commercial risk-benefit and time-to-market analysis.

Kunal Dhamesha: Sure. Thank you and all the best.

Moderator: The next question is from Gautam from Leo Capital. Please go ahead.

Gautam: Hi, sir. Thank you for the opportunity. Good evening. I wanted to know regarding GLP-1, do you have a fill-and-finish capacity, and if it is our own capacity or through a partnerships capacity?

Kirti Ganorkar: I think I talked about launch in India, but we will not comment specifically on capacity and whether it is in-house or it is outsourced from a third-party.

Gautam: All right. And you guys do not have any timelines or any intention outside India market, any emerging markets, or only India market will be added as of now?

Kirti Ganorkar: As I said earlier, my comment was only on India market. Outside India market, we are not going to disclose what is our plan here.

Gautam: All right. Thank you.

Moderator: Next question is from Tushar Manudhane from Motilal Oswal Financial Services. Please go ahead.

Tushar Manudhane: Thanks for the follow-up. Just on continuing on innovative sales, so while you highlighted high base in the same quarter last year, is there any mix of milestone as well any certain sort of one-off which would sort of come from a higher base in this quarter as well?

Dr. Abhishek Sharma: No, there was no one-off in this quarter apart from milestone, Tushar.

Tushar Manudhane: Sure. And secondly, more on the overall performance of FY23 to '25, there has been almost 13% to 14% CAGR in EBITDA as well as earnings, even if I adjust for the milestones income. However, FY26, nine months has been sort of subdued. So, if you could just throw some light, while this nine months R&D spend also has been relatively lesser given the clinical programs at various stages, while not taking a numerical guidance from your side, but directionally if you could help us understand?

Jayashree Satagopan: I think our margins during this year and quarter has also been good. Factoring in the two new launches and the related expenditure that we have guided on. So, I think on a normal ongoing basis, the margins are at comparable basis.

Tushar Manudhane: Ma'am, I was referring about the growth in EBITDA as well as PAT. While higher spend on innovative medicines to some extent got offset with lower R&D spend compared to earlier years, right?

Jayashree Satagopan: Yes. So, that is at EBITDA level. PAT, we have indicated in the past as well. Our ETR has moved up from around 13% to 15% to currently about 25% and that is the reason why you would see that the PAT improvement may not be commensurate with the margin improvement.

Tushar Manudhane: Okay. Subsequently, is 25% expected to be a number to assume for the '27-28?

Jayashree Satagopan: I think it would be sort of in the range we guess.

Tushar Manudhane: Got it. Thank you.

Moderator: The next question is from Shashank Krishnakumar from Emkay Global. Please go ahead.

Shashank Krishnakumar: Hi! Thanks for taking my question. My first one was on the launch of an auto-injector Ilumya in Canada. So, I wanted to get your thoughts to possibly move beyond the usual physician-

administer setting. So, do we also have plans to do this in the US? So, I just want to understand that. And just a related question, for Psoriatic Arthritis, is it reasonable to expect a launch towards the FY27?

Richard Ashcroft: So, we have launched a pen for Ilumya in Canada and as in other markets, the product is self-administered there. It is a different situation within the US. We are currently pleased with the HCA administration model and that is our current intention. As it relates to Psoriatic Arthritis, we would expect typical FDA review times because we did submit the application this past quarter.

Shashank Krishnakumar: Got it. Thanks. That is helpful. Just a second question is on India. So, do we also plan to launch Sema tablets post-March? Just wanted to check that.

Kirti Ganorkar: No, right now, as I said earlier, we have approval for a Semaglutide injection. Yes. So, we would not be able to comment on the Semaglutide tablet at this moment.

Shashank Krishnakumar: Sure. Thank you. That is it from my side.

Moderator: The next question is from Vishal Manchanda from Systematix. Please go ahead.

Vishal Manchanda: Thanks again. On the Philogen drug Fibromun, can you guide if there is a possibility for the drug to get an accelerated approval?

Dilip Shanghvi: Where?

Vishal Manchanda: In the US.

Dr. Abhishek Sharma: For which indication?

Vishal Manchanda: Soft tissue sarcoma.

Dilip Shanghvi: So, my understanding is that they do not have a priority review classification. I can find out. If I respond, I will respond without having adequate information. So, maybe share the specific question with Abhishek and we will get back to you with specific information. Because this is a product that Philogen is responsible for development as well as for filing.

Vishal Manchanda: Got it, sir. Yes, I will do that. Thank you.

Moderator: The next question is from Vivek Agarwal from Citigroup. Please go ahead.

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Vivek Agarwal: Thanks for the opportunity. The question again is related to your M&A strategy. Just want to understand in case if you find a suitable M&A target, what kind of the debt you are comfortable with, so, are you able to leverage the balance sheet, let us say 3x of EBITDA? Thank you.

Dilip Shanghvi: No, I think I said that we are comfortable with raising debt. Now, it all depends on the targets, cash flow profile, our confidence that we can repay. Why we want to go into an area where we have no specific information, I have to really watch.

Vivek Agarwal: Yes, thanks. No problem at all. And just one more question on this globe model, Rick? Although you are not commenting on your strategy, but just if I look at the model itself, is there any possibility or how do you think about the possibility of this let us say, getting implemented, is it practical or can it get delayed or may not be implemented at all, how do you think about this?

Richard Ashcroft: I think that is pretty speculative. I think we need to wait until the notice and comment period is over and then react. Hard to tell at this stage.

Vivek Agarwal: Understood. And are you also working with any kind of deal with the Trump administration?

Richard Ashcroft: Can you repeat the question?

Vivek Agarwal: Are you also working with any kind of deal with Trump administration, like some of the other big pharma companies have entered with?

Richard Ashcroft: We are regularly in the conversations with the US government on any number of topics.

Vivek Agarwal: Perfect, thanks. That is on my side.

Moderator: Next question is from Foram Parekh from Bank of Baroda Capital Markets. Please go ahead.

Foram Parekh: Thank you for the opportunity. Our emerging markets growth is quite buoyant in this quarter. So, I hear that it was led by both generics as well as innovative products. But can we elaborate more on this and give us some direction, like going forward how should we look at this region?

Alok Shanghvi: So, all our major geographies in emerging markets are doing well in local currency terms. And our constant currency growth for the emerging markets business is 13%. While there was a currency tailwind,

both generics and innovative businesses have done well, and we do not guide on revenue growth for specific businesses.

Foram Parekh: Okay. My second question is a little open-ended and it is on the India business GLP opportunity. So, given that the market is going to be very crowded, so what are our thoughts, I mean, how excited are we to be in this competitive market?

Kirti Ganorkar: We are very excited to launch the product on the patent expiry, yes. And I think when the generic product for SEMA is launched, it would also improve the access and the market will expand. Exactly in terms of number of patients or value, we cannot comment on it at this moment, but we are all very excited to launch Semaglutide equivalent generics in India on patent expiry.

Foram Parekh: Sure. And can you talk or give some direction on the pricing side, I mean, do we want to be very competitive or how are we going to be on the pricing side, any color there?

Kirti Ganorkar: Sure. Pricing, we cannot comment. But I already told you like when the generic comes, it improves the access.

Foram Parekh: Sure. No problem. Thanks for answering my question.

Moderator: The next question is from Abdulkader Puranwala from ICICI Securities. Please go ahead.

Abdulkader Puranwala: Hi, sir. Thank you for the opportunity. So first question is with generic Semaglutide. I believe we have filed the product in Canada through Taro. So just wanted to understand what is the status there? And have you heard anything back from the regulator for the filing?

Kirti Ganorkar: No, I think I clarified this the second, third or fourth time is like right now in this call, we are discussing Semaglutide only for India.

Moderator: That was the last question in queue. I would now like to hand the conference back to Dr. Abhishek Sharma for closing comments.

Dr. Abhishek Sharma: Yes, thanks, everyone, especially for joining us on this Saturday. If any of your questions have remained unanswered, please reach out to me or the investor relations team and we will be happy to help you. Thank you and have a good evening.

Dilip Shanghvi: Thank you.

Moderator: Thank you very much. On behalf of Sun Pharma, that concludes the conference. Thank you for joining us, ladies and gentlemen. You may now disconnect your lines.