



“Glenmark Pharmaceuticals Limited
Q4 FY26 Earnings Conference Call”

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Moderator:

Ladies and gentlemen, good morning, and welcome to the Q4 FY26 Earnings Conference Call of Glenmark Pharmaceuticals 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 the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Utkarsh Gandhi, Senior General Manager, Investor Relations for Glenmark Pharmaceuticals Limited. Thank you, and over to you, sir.

Utkarsh Gandhi:

Thanks, Lizann. Good morning, everyone, and welcome to the Q4 FY26 Earnings Conference Call of Glenmark Pharmaceuticals Limited. During today's call, we'll cover our performance in the fourth quarter and overall FY26. We also have an Investor Day coming up in about a week's time where we'll answer more strategic questions around mid to long-term strategy and growth drivers for the overall business.

So before we get into the Q&A, let's review the performance for the quarter. For the fourth quarter of FY26, Glenmark's consolidated revenue from operations was INR37,706 million as against INR32,562 million in the corresponding quarter last year, recording an overall year-on-year growth rate of 15.8%. For the full year of FY26, Glenmark's consolidated revenue was INR1,69,825 million as against INR1,33,217 million, recording a Y-o-Y growth of 27.5%.

In terms of some of the key highlights for the overall company for fiscal year '26, of course, the big highlight was IGI securing a landmark licensing deal with AbbVie for ISB 2001, which was developed using IGI's proprietary BEAT platform for USD700 million upfront payment and a total deal value or potential total deal value of USD1.925 billion along with tiered double-digit royalties and Glenmark will lead commercialization across Emerging Markets once the product gets approval.

During the year, Glenmark also accelerated its Oncology business expansion in India and Emerging Markets through the in-licensing of commercial rights for Trastuzumab Rezetecan from Hengrui Pharma and Aumolertinib from Hansoh Pharma and the launch of TEVIMBRA and BRUKINSA in India. Glenmark India business delivered a strong performance in secondary sales growing at 1.5x the IPM growth for the year and emerged as the second fastest-growing company amongst the top 15 companies in FY26 as per IQVIA.

In India, we launched differentiated products across our core therapeutic areas. So TEVIMBRA, BRUKINSA and in Oncology we launched the NEBZMART GFB nebulizer, the world's first triple neb for COPD and respiratory and GLIPIQ the semaglutide vials and injection for diabetes.

RYALTRIS, which is our global brand, continued strong global momentum, recording 50% plus secondary sales growth across its commercial markets in FY26 along with marketing authorization approvals and launched in other large markets like China and Thailand. Glenmark also initiated end-to-end commercialization of RYALTRIS in the U.S. as well during the year.

We have also established our branded Dermatology footprint in Europe with the European approval for WINLEVI and we launched WINLEVI in the U.K. during the first quarter of FY26.

In the U.S., we strengthened our generic Respiratory franchise. We got our first product respiratory product approval, which was FloVent, generic to FloVent Fluticasone MDI 44mcg. We got a CGT designation and exclusivity when it did exclusivity -- 180-day exclusivity on the back of that. And we also got approval for Fluticasone Nasal Spray OTC.

During the year, we also filed 3 additional ANDAs for the Respiratory in the respiratory category. And we also expanded our injectable franchise in the U.S. further. We now have almost 20 products commercialized through partners. Monroe, of course, received VAI classification from the U.S. FDA post its inspection in November 2025. This enables a restart of commercial manufacturing and supporting future growth in our injectable and institutional business in the U.S.

I'll just quickly cover the key markets, starting with India. So sales from the formulation business in India for Q4 was at INR10,201 million as against INR9,430 million in the corresponding quarter last year, recording a growth of 8.2% Y-o-Y growth in the quarter. As I mentioned, Glenmark significantly outperformed the IPM in terms of secondary sales as per IQVIA.

Glenmark's India formulation business growth was 12.3% during the quarter and 13.5% for the full year compared to IQVIA -- IPM IQVIA growth of 10.1% in Q4 and 9% in March -- in MAT March 2026. Glenmark is ranked 13th in India with a market share of 2.34%. The company has 11 brands in the top 300 -- and in terms of core therapeutic areas, Glenmark continues to be amongst the top companies in dermatology, second ranked in dermatology, third in respiratory and fourth in the cardiac segment as per IQVIA data.

As mentioned before, during the quarter, in Q4, Glenmark launched -- announced the launch of GLIPIQ, semaglutide injection for -- in India for the management of type 2 diabetes. So GLIPIQ is available in both vials and prefilled pen formulations.

The product has been approved by CDSCO following a multicenter clinical trial in India. And the vial formulation supports physician-guided dosing aligned to patient needs, particularly in the early stages. Glenmark also introduced Sankalp, a patient support program designed to support therapy initiations and improve comfort with the injectable treatment.

TEVIMBRA and BRUKINSA were launched in Q1. In a short period, these 2 brands have seen very strong uptake in the market. And the company expects these brands to gain further momentum and meaningfully contribute to the India business in the next 2, 3 years. In Q3, we had announced the launch of NEBZMART, which is the world's first triple -- fixed-dose triple therapy for COPD covering glycopyrronium, formoterol, and budesonide.

As a single easy-to-use nebulized therapy, it minimizes the burden for multiple medications. And Glenmark's strong growth in the chronic respiratory segment in FY26 has been led by this product, along with some other products we've introduced over the years.

JABRYUS in dermatology is a first of its kind oral advanced systemic treatment, and this has also been well received by doctors in the dermatology segment. In terms of the Consumer Care sales in India, so Consumer Care sales were INR1,265 million with a growth of almost 10%. Most of the flagship brands recorded double-digit growth in terms of secondary sales during the

quarter, including LA SHIELD, BONTRESS and some of the newer brands like ELOVERA and EPISOFT.

Moving on to North America; The North America business recorded revenue of INR9,248 million for the fourth quarter of FY26 as against revenue of INR7,146 million. This translates into a Y-o-Y growth of 29.4%, but net of the deferred out-licensing income recognition for ISB 2001, the core business growth in the fourth quarter was 7.8% Y-o-Y. Glenmark launched 4 products in Q4 and 13 products during the full year FY26, consisting a mix of oral solids, multiple injectable products and Respiratory as well. In the fourth quarter, we filed 2 ANDAs and a total of 5 ANDAs applications during FY26.

Glenmark strengthened its Respiratory franchise, as mentioned before, with the first ANDA approval for Fluticasone MDI, which is generic to FloVent 44 mcg. We were granted CGT designation and as the first approved applicant and we are eligible for 180-day exclusivity upon commercialization. We also received approval for Fluticasone Nasal Spray OTC, filed 3 additional respiratory products and are targeting to launch 2 to 3 Respiratory products in FY27 as well.

Glenmark also initiated the end-to-end commercialization of RYALTRIS in the U.S. to mark a meaningful step in the company's continued expansion in the region. Glenmark would directly read brand strategy, market access and customer engagement for RYALTRIS. During the year, Glenmark launched several other products, as mentioned before. And over the last couple of years, we've built a large portfolio of 20 commercial injectable products through various partners. And Glenmark's injectable manufacturing facility in Monroe received EIR, which will enable the company to restart commercial manufacturing.

Moving on to Europe; Glenmark's European operations revenue for the fourth quarter of FY26 were INR8,907 million as against INR7,335 million, recording a growth of 21.4% Y-o-Y. Glenmark's Europe business recorded strong growth during the quarter on the back of its branded business across key markets. The CEE region witnessed double-digit growth across all the key markets on the back of a strong uptick in key products. Western Europe also recorded good growth during the quarter, particularly markets like Germany and the Netherlands.

RYALTRIS continues to gain market share across all the products where -- across all the countries where the product has been launched either by Glenmark or by its partner, Menarini. The company is continuing to focus on sustaining the increased contribution from branded products, particularly in the respiratory and the dermatology segment. As mentioned before, WINLEVI has been launched in the U.K. and has gained good traction.

And we have also received the MA approval and we'll be launching the product in its -- in our licensed European markets in FY27. Glenmark is also planning to expand its commercial Respiratory portfolio in Europe through the launch of 2 to 3 additional respiratory products in FY27.

Moving on to emerging markets. For the fourth quarter of FY26, revenue from the emerging markets region was INR8,979 million as against INR7,898 million for the corresponding quarter

last year, recording a growth of 13.7%. As per the IQVIA MAT March 2026 data, Glenmark's Russia business recorded secondary sales growth of 11%. Glenmark continues to do well in the dermatology segment in Russia is now ranked 8th as per the IQVIA data.

In LATAM and MEA region, Glenmark recorded good growth in the secondary sales during the quarter. We have launched multiple respiratory products during FY26 in this region, which has aided overall performance. RYALTRIS continues to be the leading nasal spray in Allergic Rhinitis in most of the markets where -- in emerging markets where the product has been launched.

Glenmark plans to launch RYALTRIS in Brazil in FY27. In the APAC region as well, double-digit secondary sales growth was recorded in key markets like Malaysia and Australia. Glenmark continues to hold significant market share in the overall dermatology and respiratory covered market across the APAC region.

As mentioned, RYALTRIS was approved in China and Thailand and launched in Q4 by the company's respective regional partners, Grand Pharma and Organon, very quickly covering our global innovative portfolio. So we spoke about RYALTRIS. RYALTRIS as a product is now commercialized in 55 markets as of March 2026. It is expected to be launched in additional 8 to 10 markets over the next few quarters, including, as we mentioned, some large markets like Brazil. And in Q4, the product was launched in China and Thailand, and we are expecting significant uptick in the growth on the back of these launches.

WINLEVI, as mentioned, we have launched WINLEVI in the U.K., and we will be launching - - initiate commercialization in our licensed European territories in FY27, QINHAYO, which is envalolimab. So Glenmark as of March 2026 has already filed MA applications in 24 markets in the first commercial launch is expected in FY '28.

But we have also initiated early access programs or named patient programs from regulatory authorities in 7 markets, including some markets like Kenya, Mauritius, Uganda, et cetera. We have also initiated a global multicenter Phase III trial in neo-adjuvant or adjuvant treatment of patients with Stage IIIa/IIIb non-small cell lung cancer, Trastuzumab Rezetecan, partnered with Hengrui.

So Glenmark has advanced its preparations for initiation of MA applications for Trastuzumab Rezetecan, which is a HER2 ADC, which was licensed from Hengrui in Q2 FY26. Our first wave of MA applications are expected to begin by the second half or by end of first half FY27. This product has got approval in China for the treatment of HER2 non-small cell lung cancer as well as HER2 breast cancer. And recently, they filed an application -- BLA application for HER2- advanced colorectal cancer as well.

Aumolertinib partnered with Hansoh. So in Q3, we had entered into an exclusive agreement with Hansoh for Aumolertinib, which is a third-generation EGFR tyrosine kinase inhibitor or TKI for the treatment of non-small cell lung cancer.

Glenmark has rights across India and most of the emerging markets. Aumolertinib is already approved in the U.K. in June 2025 for first-line treatment of adult patients with locally advanced

or metastatic non-small cell lung cancer with active EGFR mutations, and it also received MA approval from European authorities in February 2026. It is marketed across 5 indications in China, and Glenmark has submitted MA applications for Aumolertinib in multiple markets as of March 2026, and the first commercial launch is anticipated during the second half of FY27.

Quickly covering IGI. So key updates in IGI. On the oncology portfolio, ISB-2001 or ABBV-2001, the patient enrollment in Phase I dose expansion is progressing rapidly with the goal to determine an optimal dosing regimen. Efficacy and safety data continue to remain promising and consistent with what was previously reported. We also selected our clinical candidate for ISB-2301, and the program is rapidly advancing towards the clinic with IND submission intended for the end of the calendar year 2026.

And in immunology, ISB-880 or LAD191, this is the product licensed to Almirall and the Phase II study in Hidradenitis Suppurativa continues to advance with ongoing patient recruitment. And Almirall also plans to initiate PoC for an additional inflammatory skin disease for this product. And ISB-880 is partnered with Astria or BioCryst. From the Glenmark management team, we have Glenn Saldanha, Chairman and Managing Director; and Anurag Mantri, Executive Director and Global CFO.

I'll now hand it over to Glenn for his opening comments.

Glenn Saldanha:

Thank you, Utkarsh. Good morning, everyone, and thank you for joining our earnings call today. FY26 has been a defining year in Glenmark's evolution. Despite an evolving geopolitical environment, we delivered a reasonable business performance and made meaningful progress on the strategic priorities that will shape our future. The major highlight of the year was clearly the IGI landmark agreement that we signed with AbbVie for ISB-2001. This transaction clearly validates that the IGI's proprietary BEAT platform technology works and is -- will work in the future on future assets too.

We are very excited by the broader IGI pipeline, starting with ISB-2301, which we think also could be a world-class asset. We are currently working on filing an IND before the end of this calendar year for ISB-2301. We have 2 other assets in the pipeline now, ISB-2302 and 2501, which also look very promising. During the year, we strengthened our branded business in India and emerging markets expanded our differentiated portfolio through multiple new launches, advanced our U.S. respiratory and injectable franchise and continue to scale our global brands such as RYALTRIS.

We are also expanding our innovative oncology portfolio in India and emerging markets via some strategic partnerships with Hengrui, Hansoh and of course, Alphamab, the Envafolimab partner. In the U.S., our respiratory generic franchise achieved key milestones, including the approval of Fluticasone 44 MDI, where we have CGT status and Fluticasone nasal spray. We also received an EIR for -- from U.S. FDA with a VAI classification for our Monroe facility, enabling the start of manufacturing and supporting the future growth in Injectables and Institution business.

Looking ahead, our priorities remain clear: driving growth in the core therapies, globally scaling our branded business and building a strong innovative Oncology franchise in India and emerging markets and growing our U.S. generics business via Respiratory and Injectables. We will continue to advance IGI's innovative pipeline over the next 4 or 5 years.

FY26 is expected to be a very strong year for us -- I'm sorry, FY27 is expected to be a very strong year for us. In FY27, we are making some strategic investments to accelerate growth in markets like India and emerging markets. We will share more details on the road map at the upcoming investor meet.

With this, I'd like to pass it on to Anurag Mantri to give his opening comments, and then we can initiate the Q&A.

Anurag Mantri:

Thank you, Glenn. Good morning, everybody, and good afternoon to all the international joiners. During Q4 FY26, we delivered broad-based growth across India, Europe and emerging markets. Our growth in the U.S. market was affected in Q4 by the timing of approval for certain key products, leading to lower absorption of fixed costs in that quarter. While gross margins continue to show healthy momentum, core operating margin was impacted by the lower absorption of the fixed costs as well as the higher distribution expenses linked to current geopolitical and supply chain environment in Q4.

On the balance sheet, happy to share that we achieved our guidance of gross debt free at the end of FY26, while maintaining a healthy cash position. During FY26, intangible assets addition were increased primarily due to -- because of strategic in-licensing transactions for innovative business launch of injectables in U.S., etcetera. We view that these are the -- these as a long-term investment, particularly in oncology and high-growth branded markets.

We have now a very strong balance sheet and done with the necessary changes in the businesses. And going forward, we shall see a strong performance in FY27. We also continue to focus on working capital efficiencies and disciplined capital allocation for FY27. We are targeting a revenue of INR17,000 crores to INR18,000 crores and an EBITDA margin of 21% to 22% in FY27, considering growth investment for expansion in India and emerging markets and evolving geopolitical environment, currency movement. We will share with the more granular details on the growth drivers during the upcoming Investor Day. Thank you.

Utkarsh Gandhi:

So with that, we can open the floor up for Q&A.

Moderator:

Thank you. Ladies and gentlemen, we will now begin with the question-and-answer session. The first question is from the line of Damayanti Kerai from HSBC.

Damayanti Kerai:

My first question is on the U.S. business. So you received approval for Fluticasone inhaler on early March, but it seems like the fourth quarter number doesn't reflect any benefit from this product. So can you just help us in understanding how do you see this product ramping up? And what kind of market share gain you intend here?

Glenn Saldanha:

So as you rightly said, we received Fluticasone nasal spray and Fluticasone 44 MDI at both at the end of March, right? Obviously...

- Damayanti Kerai:** If I look at like FDA, I think you received approval in early March, sorry...
- Glenn Saldanha:** Yes. But by the time the product gets to the market and by the time you commercialize, right, March is pretty much...
- Anurag Mantri:** There was a supply chain because by the time we took the product to U.S. market because of the disruptions in the supply chain thing. So we could not really achieve the sales -- much of the sales in that quarter. And therefore, that -- as I mentioned, there was a fixed cost absorption issue.
- Damayanti Kerai:** My second question is on the Hikma partnership for RYALTRIS. So did like you came out of that partnership because you mentioned you'll be doing commercialization on your own?
- Glenn Saldanha:** Yes. So we've now -- as of April, right, we've commercialized RYALTRIS on our own in the U.S. market. And that's something we are in the midst of doing. We think the team can do a better job, right, by selling the product on our own. So we will -- we'll see how it evolves, right, in the U.S.
- But I think overall, the takeaway message is, look, RYALTRIS is a huge product. We have over \$100 million of sales last year. The brand at secondary sales growth is about 50% on the brand right now. So it's doing exceedingly well. We are launching it in markets like both Brazil also this year. We've got Brazil approval.
- So that will be a big commercial launch in addition to the U.S. launch. So I think all in all, the brand is doing exceedingly well, right? And we'll continue to grow from strength to strength over the next few years as we go forward.
- Damayanti Kerai:** Okay. And my last question is, in India, while you have grown above the IPM, it seems like the diabetic market, the diabetic business is still lagging behind the market. So are we not still set in terms of the channel inventories, etcetera? So what is dragging diabetes segment growth?
- Glenn Saldanha:** Diabetes, as you know, right, there are 2, 3 molecules, right, which we had, which are continuing to struggle, right? So one of them is obviously remogliflozin, right, being an SGLT after dapa went generic, right? We really struggled to gain market share on remo, and the second one was teneligliptin with sitagliptin going generic, right? So these are the 2 molecules that continue to struggle in our franchise.
- Now with the launch of GLIPIQ, clearly, right? We anticipate that the diabetes franchise will get back to growth, right? You should see growth coming back starting Q1 onwards. So if you look at our India business overall, right, each and every segment in India today continues to outperform, right? I mean in the dermatology space, we're ranked number 2. We continue to gain market share in respiratory, with the launch of GFB neb and some of the other respiratory launches, right, we are continuing to grow and gain market share.
- In cardiovascular, with the Telma franchise continues to do exceedingly well, right? And then, of course, with oncology now with the new launches of TEVIMBRA, BRUKINSA, those are continuing to do well. And then diabetes was the only segment which was lagging, right? But

with the launch of GLIPIQ, that should change, and you should see good traction starting Q1, right, for the diabetes franchise. So India is on a very strong note. And I think FY27 onwards, you should see strong growth coming out of India.

Moderator: We'll move on to the next question. That is from the line of Nitin Agarwal from DAM Capital.

Nitin Agarwal: Glenn, on the revenue guidance, this seems like a pretty aggressive number. So any -- can you just give us some color on what constituents you're seeing driving growth for us? I mean, INR17,000 crores to INR18,000 crores on this current base is a pretty large number?

Glenn Saldanha: So I think, Nitin, if you remember the -- our half -- when we did the transaction, right, we have decided to about INR17,000 crores, INR17,500 crores. Now we've made it INR17,000 crores to INR18,000 crores. Clearly, we are seeing strong growth in all our markets. Keep in mind that particularly India and emerging markets with the launch of some of the oncology assets, right? Aumolertinib happening this year followed by Trastuzumab Rezetecan and then Envafolimab, right? The growth rates will be very, very high over the next 4 or 5 years, right? Because of the major launches, right?

We anticipate the innovative pipeline to be a significant contributor for the company over the next 5 to 7 years. And we'll give you more color around it at the investor meet. But from here on, you can see high growth coming, right, on the company, primarily on account of some of the innovative oncology launches, RYALTRIS, our U.S. business also, which has been a drag for the last 4-odd years, right?

Now with the launch of Fluticasone MDI 44 and 2 or 3 more respiratory launches yet this year, right, should -- and then, of course, the sole FTFs that we have, right, which are all coming to - - happening this year. Should help drive the growth. So I think, all in all, barring in Europe, which we think could be high single digit everywhere else, the growth number will be exceedingly high, right, across the board.

Nitin Agarwal: Sorry to push the point, Glenn, but our second half sales and second half typically is a stronger period for us in a year is about INR7,700 crores or thereabouts, right? Even if you analyze that, I think we're still talking of a very meaningful ramp-up on even if you analyze this H2.

Anurag Mantri: So Nitin, basically, as I mentioned in my opening commentary that U.S. sale, which we targeted should have been much higher in Q4, which obviously will -- got spilled over because of this last movement supply chain and go to the market issues in U.S., which will obviously -- so this year, we'll see a full traction of the Fluticasone Nasal Spray Flovent and other launches in U.S.

So U.S. should do much better than what we did in last H2 in that. And also the India will continue to grow strongly at 15% plus in the market. And emerging markets and Europe, both should -- so that's how it will contribute to. So it's based on the stack up what we have launched in the various markets.

Nitin Agarwal: And secondly, on the balance sheet, I think there has been a very sharp increase in receivables as well as inventory and payables, specifically the receivables increase is quite stark. Can you explain that?

Anurag Mantri:

So receivable increase is primarily because of 3 reasons. As we mentioned at the H1 commentary when we mentioned is that there was a one -- largely -- primarily we stopped the pre-collections. So that was one reason. Second reason was that certain of the MEA region collection in this quarter was got delayed because of this entire war situation. So we'll come back to the normalcy with that.

And third was the certain currency translation also of the debtors also sits in that. So I think overall, if you see our net working capital are close to 107 days, which are still best in the industry, and we'll continue to -- we -- if you recall, we gave you the guidance of 115 to 120 days. So we are well within that. And we will continue -- again, FY27 will continue to be the same guidance to have a net working capital best in the industry.

And if you -- also if you see that we did a gross debt 0 because despite all these challenges, certain lower sales in U.S. and all the things, still we achieved a gross debt 0 with a INR1,200 crores of cash position. So balance sheet is in strong shape. And I think overall, we'll continue to monitor working capital efficiencies very closely.

Nitin Agarwal:

And sir, on the working capital, the number of days you computed by annualized in the last quarter the way you compute the number of days?

Anurag Mantri:

So we compute the number of days. So you are right. I think except for inventory, which is always forward-looking debtors and creditors are always based on the previous actual numbers. So only the inventory, you build it up for the forward-looking. So with that.

Nitin Agarwal:

Because I was looking at -- to persist at this point, our receivables are up almost INR1,500 crores, INR1,600 crores. I mean even on -- from September onwards, we're up almost like INR1,000 crores for second half of the year.

Anurag Mantri:

So if you see, we have -- if you -- inventory, you are seeing that it's actually based on a forecasted basis, it's around 71 days. Debt has come to 107 days and receivables. So overall, we are coming close to 97 days of actually the net working capital. So I said even if you take it on a past basis, it's coming 107 days. So we are well within the range in terms of our net working capital deployment. In fact, -- sorry, go ahead.

Nitin Agarwal:

No, sorry, sorry -- I mean I was just saying we should assume the year-end number of days which are there should -- is what should sustain going forward also?

Anurag Mantri:

Yes. So as I mentioned that we are clearly maintaining that we will be the best in the industry and 115 to 120 days, we will be below that. So that's what we are targeting that going forward as -- despite that business increasing and everything, we will continue to release cash from the working capital efficiencies.

Nitin Agarwal:

And lastly, on the capex, if you can split between tangible, intangibles for the year, and how should we look at this going forward?

Anurag Mantri:

So this year, you see intangibles were close to INR800 crores plus because of the reason, as I mentioned in my opening remarks, primarily due to the upfront payment and milestones

associated with various partnerships, which we executed in oncology and derma portfolio. We also see some of the BD activity in our base business, especially in U.S., where we launched multiple partnered products in injectable segments.

Because of that, this was more of a one-off, I think, on an intangible, and this was more to support our growth in the future. I think FY27 onwards, we should see a coming down on a normalcy level of around INR900 crores sort of capex number total.

Nitin Agarwal: And just the last one on the liabilities, what are the sort of committed payouts which are there over the next couple of years?

Anurag Mantri: Liability? Sorry that I missed your question.

Nitin Agarwal: No, what I meant is in terms of some certain committed payouts, what are the -- or maybe some licensing deals or some litigation payout, what is that total amount of committed payouts, which are there on our liab for the next 2 years?

Anurag Mantri: So liabilities basically that committed payouts are actually largely mostly related to the legal payment deferment. And second is what IGI income deferment, which we have done of \$70 million every year that is also hitting in the liabilities various part, so which is \$70 million every year.

Nitin Agarwal: I was looking from a cash perspective. What is the cash payout on your committed liabilities which are there for the next 2 years?

Anurag Mantri: We can come back to you with the cash thing. It's largely related to legal expenses deferments and the scheduled payment, how we have committed to that.

Moderator: The next question is from the line of Tarang Agrawal from Old Bridge.

Tarang Agrawal: A couple of questions, bookkeeping and one on RYALTRIS. Probably start with RYALTRIS. Glenn, you started out saying that RYALTRIS is about \$100 million of revenues for FY '26. What was this number for '25? And if you could give us a sense composition, the geographical composition of the revenue and your outlook for '27 on this given that Brazil is slated to launch.

Glenn Saldanha: So clearly, look, RYALTRIS is a big brand for us, right? And we continue to grow \$100 million is the base for '26, I don't have the precise number for '25. But I think going forward, right, I mean, you should easily assume like we'll grow 30-plus percent, 30%, 40%, at least for the next few years, right on this brand, right, going forward.

Tarang Agrawal: And I mean is there -- is it concentrated in some specific geographic or it's more like fairly...

Glenn Saldanha: It's broad-based, I think broad-based. I think, look RYALTRIS is a global brand for us now, right? I mean we sell in almost all our markets, right? And a couple of markets where we didn't have the product launched was -- Brazil was one of them, which now we're launching this year. And then, of course, the U.S., we go through Hikma, now we are doing on our own. China, we are in the process of launching also. I think sometime this year, we'll launch in China. But I think post reimbursement, the product will be a significant product in China.

So I think it's still -- I would say it's still in the launch phase in many markets. So that will give us the real growth brand this year, right? There are many smaller markets, for example, Thailand and multiple markets where we are still in the launch phase, right?

Tarang Agrawal: Got it. On the P&L, exceptional items are roughly INR373 crores, roughly INR320 crores, INR323 crores on account of a litigation settlement. So I was just curious what the balance INR50 crores is all about. And then also sizable other income this quarter, approximately INR189 crores. So what is contributing to this?

Anurag Mantri: Okay. So largely, the first exceptional item is largely because of the U.S. settlement and associated legal cost of these settlements and various other expenses related to the settlement because these are the settlements as such, and we don't assume any of the liabilities in these settlements. On other income, largely that is because of the translation and the forex impact because of the sharp currency movement that's coming as other income in our P&L.

Tarang Agrawal: Got it. And allocation of R&D spend for Ichnos for Q4 would be about INR150 crores?

Utkarsh Gandhi: Yes, roughly around INR150 crores.

Moderator: The next question is from the line of Tushar Manudhane from Motilal Oswal Financial Services.

Tushar Manudhane: Sir, just to -- for FY '26 with respect to that AbbVie deal, how much has been now booked for last 2 quarters since the milestone income?

Anurag Mantri: So we booked around \$17.5 million every year -- every quarter, what we said and which contribute to \$70 million in a year basis. So last 2 quarters, \$35 million were booked.

Tushar Manudhane: Got it. So subsequently in FY '27, again, another, so additional -- as compared to FY '26, so effectively \$34 million will sort of add up in FY '27? I'm just trying to...

Anurag Mantri: Yes.

Tushar Manudhane: Any new approvals which you are sort of factoring in the assumption for FY '27 revenue for U.S. apart from Fluticasone?

Glenn Saldanha: No. So see, in the U.S., we have these 2 sole FTFs okay, right, which are coming up, right? So 2 exclusive products, right, which are coming in the end of Q3 and Q4, right? The second thing is we have a couple of more respiratory launches coming up, right, in the U.S. in FY '27. So I think all that makes us believe that U.S. will be a major growth driver for us, right, in FY '27.

Tushar Manudhane: So effectively, how much are we considering that the number to scale up because Fluticasone Nasal Spray and OTC, so that will take its gradual pace to build up. And if you could elaborate in terms of the upcoming respiratory launches, they again like that can scale up the way typical generic product is or it will be gradual?

Glenn Saldanha: So look, we have 3 respiratory products filed. One is fluticasone Rx is expected pretty quickly also. Additionally, we have Fluticasone 110, which is already filed, right? And we have one more MDI, which is filed, which is expected to launch this year. So I think if everything comes

through, it will be a strong year for the respiratory franchise. Additionally, we have as I said, the 2 sole FTFs.

Tushar Manudhane: Alright, sir. Because effectively, it is like almost 30% growth over India market will be 15%, emerging markets, maybe another 20%. So there is going to be a heavy lifting, if I do back of the envelope calculation from U.S. and which is like sort of plus 30% sort of a growth adjusting constant currency and apart from that, maybe 5%, 6% of rupee depreciation. So effectively, we are targeting at least 40%, 45% revenue growth in U.S. Is that what you are indirectly...

Glenn Saldanha: I can't give you -- I think that's too granular, okay? Right? But I've given you all the drivers, you can do the analysis, right, on why we believe that the U.S. will outperform.

Tushar Manudhane: Got it, sir. And secondly, with respect to this litigation settlement, is there any further amount that might come up or we have already provided for what?

Glenn Saldanha: So almost -- we are almost done with everything. We have 1 or 2 outstanding cases, which will get settled over the next few years, right? It will take a few more years, but we are pretty much done with everything now.

Tushar Manudhane: And lastly, how much the R&D spend is going to be for FY '27, FY -- Q4 FY '27, First of all, I missed the number, sorry, and full year '27?

Utkarsh Gandhi: Q4 was INR225 crores Tushar.

Glenn Saldanha: Full year is around the same range, 7%, 8% of sales.

Moderator: The next question is from the line of Sucrit Patil from Eyesight Fintrade Private Limited.

Sucrit Patil: I have 2 questions. My first question to Mr. Glenn is. Just want to understand forward-looking guidance on what type of strategic levers are you placing in '26, '27 to expand the company's leadership in respiratory, dermatology and oncology therapies, accelerate biosimilars and innovate drug pipeline and manage risk from regulatory pricing pressures and global competition. That's the first question. I'll ask my second question after.

Glenn Saldanha: So I think we covered most of the drivers, right, for FY '27, right, in terms of growth drivers, right, across the different markets. We talked about -- we talked about -- sorry, there's a lot of background. Can you go on mute, please?

So I think overall, we touched on most of the most of the growth drivers, right, in FY '27, right? A lot of the growth will come as we discuss the U.S. -- a lot of the U.S. market growth, right, will be key. The second thing is, of course, India and Emerging Markets with the launch of some of the oncology products and the investments you are making in derm and respiratory expansions, along with our India business, the GLIPIQ launch, GFB launch. So multiple growth drivers, right, will drive our FY '27 guidance, right, to achieve these numbers.

Sucrit Patil: My second question to Mr. Mantri is again a forward-looking one. What type of capital allocation and risk management frameworks are being applied in 2027 to balance dividend payouts with funding for R&D specialty drugs? Any hedge against Forex and raw material

volatility? And any levers put into place to sustain liquidity buffers on large-scale expansion projects?

Anurag Mantri:

Sorry, I could not hear the last line fully, but I think let me just try to explain on the -- what I understood is that and then you can add it to that. So capital allocation side, what we said to that we have a disciplined capital allocation. We said that IGI, we are setting aside for the \$70 million for the future spend. R&D, we said 7% to 8%. We'll continue to do that. As Glenn explained that we will be investing in our core businesses this year to expand our core businesses, which we will tell you in detail in our forthcoming Investor Day because we are expanding and we are reinvesting in the businesses.

So this year is actually largely basically the capital allocation is largely on this expansion of our core business, the \$70 million of IGI spend, R&D continue to be at 8% because that's innovation in R&D is -- we see a good growth driver. And continue to be -- and working capital efficiency will continue to maintain to address the -- all the geopolitical uncertainty, what you mentioned, the raw material volatility, currency volatility, all this, we will continue to maintain with a high level of working capital management and efficiencies. So hope I think I covered you.

Moderator:

The next question is from the line of Tarang Agrawal from Old Bridge.

Tarang Agrawal:

Just a suggestion. I mean, there are some basic numbers that we look out for every quarter, net debt, gross debt, capex, R&D. And what we've observed is disclosures are not standard. I mean, some quarters, you'll put forward those disclosures, some quarters, you don't. So it will be helpful if it just saves a lot of time for everyone. So that's one. Second, has there been a leadership change in IGI recently?

Glenn Saldanha:

So IGI -- so we take your suggestion on some of the disclosures, right? We look into it. On IGI, we had a guy called Cyril Konto, who was running it some time ago. There's a new lady Lida Pacaud, who is now the CEO of IGI, and she will be there at the investor meet.

Tarang Agrawal:

And how long has it been since Cyril has moved up?

Glenn Saldanha:

It's been about maybe 6, 8 months, at least 6, 8 months. And Lida was-- she was Chief Medical Officer. So she's been with us for the last 3, 4 years at least.

Moderator:

Ladies and gentlemen, that was the last question. I now hand the conference over to Mr. Utkarsh Gandhi for his closing comments.

Utkarsh Gandhi:

Yes. Thanks, Lizanne. A quick reminder to everyone that the information, analysis and statements discussed during the today's call describing the company or its affiliates' objectives, projections and estimates are forward-looking statements. These are based on current expectations, forecasts and assumptions and are subject to risks and uncertainties, which could cause actual outcomes to materially differ.

No representation or warranty either expressed or implied is provided in relation to the conversation and the documents provided. And the company undertakes no obligation to update or revise any of the forward-looking statements because of new information, future events or

otherwise. We look forward to seeing you at the Investor Day. And with that, we can close the Q4 earnings call. Thank you, everyone, for joining us today. Thank you.

Moderator:

Thank you, members of the management team. Ladies and gentlemen, on behalf of Glenmark Pharmaceuticals Limited, that concludes this conference call. We thank you for joining us, and you may now disconnect your lines. Thank you.