“Beta Drugs Limited

H1 & FY '25 Earnings Conference Call”

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MODERATOR: **MS. RENUKA – PHILLIPCAPITAL (INDIA) PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to H1 FY25 Earnings Conference call of Beta Drugs Limited. hosted by PhillipCapital PCG Desk. 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 touch-tone phone.

Please note that this conference is being recorded. I now hand the conference over to Ms. Renuka from PhillipCapital India Private Limited. Thank you and over to you, ma'am.

Renuka: Thank you, Michelle. Good afternoon, everyone. On behalf of PhillipCapital Private Client Group, I welcome all of you to the H1 FY25 earnings conference call for Beta Drugs Limited. Today from the management, we have Mr. Rahul Batra, Chairman and Managing Director, Mr. Nipun Arora, CFO and Mr. Ashutosh Shukla, Director of Sales and Marketing.

I now hand over the conference to Mr. Rahul Batra for his opening remarks and then we will open the floor for Q&A. Over to you, sir.

Rahul Batra: Thank you, Renuka. A very warm good afternoon to everyone. On behalf of Beta Adley family, I wish you all a very happy Diwali and a prosperous New Year. To start with, I will take you the highlights of the numbers of this half year ending September '24. Beta's consolidated revenues from operations for the first six months of FY25 grew up by 28% to INR180.3 crores from INR141.27 crores compared with the same period ago. Strong top-line growth was aided primarily by a 141% increase in exports while our own brand's sales jumped close to 30%.

Gross margin rose to INR42.35% from INR40.44% compared to the same period last year. This was primarily due to the rigorous efforts to control the raw material costs which we discussed in the last call. Our consolidated EBITDA grew INR40.31 crores from INR33.39 crores compared with this year ago period. The EBITDA margin grew sequentially to 22.36% from last year's EBITDA margin of 20.75%. Net profit too increased by 23% to INR24.44 crores from INR19.87 crores compared with the same period ago. Our net profit margin stood at 13.55%. At Beta, we continue to focus on increasing productivity and gaining efficiencies across the value chain.

Now I will take you to the key highlights for September '24. There has been healthy growth across verticals. Our own brand increased close to around 30%. International businesses have contributed to 141% growth with lots of registrations have come in place. There has been 20% growth in the API business and our CDMO business has shown a leverage growth of 2%-5%. We have successfully completed and got the certificate of ZAZIBONA which will help company to further penetrate deep into the West African countries including South Africa.

This half-yearly we have successfully launched three new molecules in formulations and parallelly developed APIs in the backward integration. Company has finally filed an application for audits of EU-GMP and Mexico i.e. COFEPRIS. The COFEPRIS audit is expected by Jan and EU-GMP a audit is expected before March '25.

Now I will take you to each vertical individually. Our first vertical is our own brands. As on today we have total of 1500 plus prescribers from our range of products. We have achieved a small milestone of making 10 brands in top 5 selling brands in the cytotoxic segment in India. We have added more than 200 plus prescribers in our H125. We have further penetrated deeply into the private, corporate and government hospitals by increasing our strength.

Going ahead we are on a verge to launch 5 new molecules and NDDS by next year. Those molecules have been identified looking on to the potential on a particular segment and to reduce the toxicity for the patients. Those will be one of the first time in launch in India for the next 5 years. We are also trying to tie up on exclusivity basis to launch biosimilars in Indian market.

Coming on to the export side, we have recently received new registrations from many countries mainly from LATAM and Asian market. Company has recently received ZAZIBONA approval where we have started filing doses in all the 4 countries which are covered under ZAZIBONA. Company has done all the major compliance before EU-GMP audit. Company has also filed close to 100 new dossier's for which registrations are yet to come.

Going ahead, there is a huge opportunity available for us in the export market. We have planned to get maximum approvals along with the maximum dossier submissions. The number of the people in regulatory side has been increased from 6 to 10 to enable easy and faster filing of the dossier. We have a complete plan to penetrate Asia, LATAM, CIS and African market.

Coming on to the CDMO, although the growth of CDMO is less this half of the year but going forward the numbers will increase and it will reflect in terms of the sales figure. To give you a brief about CDMO, we have not lost even a single CDMO partner. We will have a steady and better sales number in the next half of the year. Coming on to the API, the API business is one of our key focus area as there are not so many players in the market.

We have done enough capex to upgrade the facility. The focus of this capex is to facilitate the audits for Beta registrations in the regulated countries. We have also developed 3 new molecules which will be filed for approval and expected to get an approval by next financial year. There have been addition in R&D team, QC team, QA team and regulatory persons to enable the audits and filings on time. Recently company has also received 6 COPPs for which the opportunity for direct export is open in many countries.

Now coming on to our cosmetics and the derma market. We have made our presence in the Pan-India market. We have reached out to around 6000 customers. The sales from April onwards have touched around INR1 crore per month. The prescribers which were 700 has been increased up to 1100. We have expanded our portfolio and most importantly we have tied up with a European company that basically from Italy to launch some unique products in the Indian market. The product has already put into the registration and the registrations are expected to be out by December end.

Lastly, I just want to take you towards the fundraise. As you all are aware that company has recently gone into the fundraise. The idea of selecting these partners was very substantial. The fundraise is primarily for our future growth. As we have updated earlier that we don't need any

funds till INR450-INR500 crores of turnover. Since we are about to reach this milestone probably by next year, we had to think a way forward for next 5 to 7 years. The funds which we are raising will be primarily used for the following purposes.

Number one, we are creating a state of heart R&D facility both in formulation and API. This will give us an edge in the cytotoxic market as there are large number of molecules becoming off patent in next 4 to 5 years. This will enable us to file the dossier in future in the regulated markets. R&D has a key role in filing a dossier where you can have a proper DMF . We have to do a lot of product development both on the API and the finished formulation side.

The second main investment will go towards our KSM plants. We are going further and backwardly integrated where we have planned to come up with our own production for intermediates to support API and prepare the best DMF for filing dosage and direct export to regulated countries.

This will further help to increase our margins and bottom lines. Lastly, we are also planning to foray into the recombinant proteins. As we all are aware that Beta has put a substantial mark in the oncology cytotoxic market. Now getting into the biosimilar line is the future. So to start with biosimilar, we have planned to get into the recombinant protein side.

As we have established ourselves well, we have to foray into some new novel technologies and new products for our future growth. To give you a brief about our potential investors or partners, this fundraise is a total of INR117 crores from our marquee investors like HealthQuad, which is India's best healthcare transformation fund backing innovative models to radically improve healthcare access, affordability and quality of care.

This fund is backed by experienced GPs such as Quadria Capital and LPs such as U.S. Pharma Giants, Merck and J&J, Johnson & Johnson. The second partner is Tanas Capital is an Asia-based private investment firm with an aim to participate in the growth of emerging corporates. The third partner is a generational capital fund. Here I close my remarks. Now we welcome all the questions from the participants.

Moderator: Thank you very much sir. We will now begin with the question and answer session. The first question is from the line of Gautam Rajesh from Leo Capital. Please go ahead.

Gautam Rajesh: Hi, good evening sir. So I have two questions. My first question was who do you compete with in the CMO for oncology in India? Which other companies are doing CMO for the Indian market?

Rahul Batra: Okay. So CMO in India, there are two or three large players. First is us. Second is BDR. And third, it is equally divided among two, three companies. One is Hetero Healthcare. One is SPCURA. And there is two more. So we are competing against each other. But there are no like one good player who is available for CDMO market.

And the second question you have asked about who are our CDMO clients. So we have all the Indian MNCs on our platform. It starts right from Glenmark, MSN, Intas, Cadila health care , RPG, Hetero, then Alkem, then Eris Lifesciences. All these players are associated with us.

Gautam Rajesh: Okay, sir. My next question is what sort of scale can you expect from the export business, let's say, for the next 2 to 3 years?

Rahul Batra: Since you have seen the performance as compared to last year, we are looking at a great opportunity in exports. And our sales revenue will be on a very high side as we talk about the export sales.

Gautam Rajesh: Sir, any kind of like number or rough figure you can give?

Rahul Batra: We tend to grow at a pace of 25% to 30% for the next many years to come.

Gautam Rajesh: 25% to 30% for the next 3 years?

Rahul Batra: I am talking about the total growth of the company. We tend to grow at 25% to 30%.

Gautam Rajesh: And would export be more in that?

Rahul Batra: Export will be much higher in that percentage.

Gautam Rajesh: Okay, sir.

Moderator: Sir, do you have any other questions, Mr. Gautam Rajesh?

Gautam Rajesh: No, ma'am. Thank you.

Moderator: Thank you. We will take the next question from the line of Yash from Stallion Asset. Please go ahead.

Yash: Hi, thank you for the opportunity. So, sir, I think last time what had happened was that because of the raw material prices, I think the margin went down to 18%, right? And I wanted to understand like what has happened, how are you able to control your cost so that, you know, margin is again back to your guidance of 22% and above?

Rahul Batra: So, last year, as we discussed, we told you that the major sales were with the platin's side and the raw material prices of the platin's have gone up high. So, this year the platin prices have gone down and also we have restricted our growth towards the more profitable products rather concentrating ourselves on the platin side.

Yash: Okay. Got it. And so, in your international business, I mean obviously 140% growth is coming from a smaller base. So, what are the new sort of products and what are the new countries that you are targeting? Are you targeting to go and expand in U.S. as well this year? I mean next year when you get approvals?

Rahul Batra: Yes. So, first, there are two types of strategies which we have. First is the EU. So, after the EU, we'll start filing the dossier for Europe market and then gradually we'll, by the development and the upcoming facility in R&D, we'll start the product developments and the DMF for the U.S. market as well. Once we are done, in next 2, 2.5 years, 3 years, not even 3 years, 2, 2.5 years, we do have a plan to get into the U.S. market.

Yash: And last question, what is your capex for this year in FY '26?

Rahul Batra: FY '26, if we leave the new things which we have planned, the total capex will be from the internal accruals and that we are doing consistently and continuously. So, that will not be more than INR10 crores to INR12 crores.

Yash: Okay. And this, I mean, this is including the fundraise that you've just announced?

Rahul Batra: No. The fundraise -- the fundraise idea, I've given you a complete picture where the fundraise is going to be utilized. So, the first fundraise is going to be utilized in R&D. The second part of it is going to be utilized in the establishment of an intermediate plant. And the third, we'll keep the funds and we are planning to venture into recombinant proteins.

Yash: Okay. Got it. Thank you. All the best.

Moderator: Thank you. We'll take the next question from the line of Manoj Jethva from KSA Shares & Securities Pvt Ltd. Please go ahead.

Manoj Jethva: Good afternoon and thank you for the good set of numbers which Beta Drugs and team have posted? So, my first question is relating to the API business of the Beta Drugs. Globally, the API business is almost around $48 billion right now in the oncological segment. So, what is the opportunity it throws for the Beta Drugs as a company? I appreciate you share some color on it.

Rahul Batra: So, API business has a lot of opportunity. Till date, our export business is almost negligible in terms of API's concern. It is not even 1% of the total revenue what we are putting right now. So, the idea about the plan and the strategy behind API business is first to make the facility state of the art which we are continuously doing.

Second is to prepare a strong DMF which we can give to our partners or to the suppliers who can file the dossier along with it. So, this strategy is working very effectively as we have started preparing those DMF which we can file in the regulated markets. So, the idea is to start with beta so that the beta can file the dossier based on the DMF made by Adley lab.

And the second strategy is to hire a person where we are in continuous researching out for a person who can handle the API international business where we have the best DMF and start exporting it to the international market.

Manoj Jethva: So, my second question in the oncology side only and that is pertaining to the hormonal treatments. What is the market size? What is the addressable market size and how much we can tap it in that apart from the focus area of cytotoxic which is almost around 70% market coverage you will get it as you are having it?

Rahul Batra: Sorry, I didn't get your question.

Manoj Jethva: Sir on the oncological side we are focusing more on the cytotoxic, right?

Rahul Batra: Cytotoxic, yes.

Manoj Jethva: The second focus area of our in the oncological side is of the hormonal imbalances which happens in female patients and all that. So, the cancer treatments which happens in the females due to the hormonal imbalances. So, how big is the market size for that?

Rahul Batra: See, we are not concentrating on the hormonal side. We are only concentrating on the cytotoxic side. So, our product range and our product identification is totally different. Basically, the question is coming from your side.

Ashutosh Shukla: Sir, can I address this question?

Rahul Batra: Yes, Ashutoshji please.

Ashutosh Shukla: I believe sir is asking about the hormonal therapy in cancer treatment. So, as of now, we do have hormonal therapy for which the covered market is somewhere close to around 55%. The remaining hormonal therapy like Apalutamide, Degarelix, darolutamide, Exemestane, all these products we don't have which has a good market scope and we will be launching these products in next 2 years time.

So, we have shortlisted a few of the hormonal drugs and not only the hormonal drugs, but for us the next growth driver will be supportive care products wherein as of now our presence is very less and the third growth driver for us is biologics. So, we are trying to tie up with a couple of companies for the biologics. So, it's not only the hormonal, but supportive as well as the monoclonal antibodies we are targeting for our future growth.

Manoj Jethva: Sir, my third question is pertaining to your bookkeeping question. Sir, there is a significant increase in the trade receivables. So, could you please add me some colors on that for the trade receivable side?

Rahul Batra: Yes, Nipun, can you please answer this?

Nipun Arora: Sir, the trade receivable side is okay. If you see September 23, it was 100 days. In March 2024, it was 98 days. Now, it is 101 days. So, it is going between 98 to 101, 102 days. So, it is all similar. Working capital days if you see, working capital days have been consistent with 86 days only, not even 87, not even 85.

Manoj Jethva: Okay, thank you very much and all the best.

Moderator: Thank you. We will take the next question from the line of Ranveer Singh from Nuvama. Please go ahead.

Ranveer Singh: Thank you for taking my question and congratulations to the team for giving consistent good performance. Few questions from my side. One is related to that other expenses we see in this half year that this has elevated. So, is there any one-off kind of expenses here related to overhead or something in this period?

Nipun Arora: Ranveerji, the other expenses include selling expenses also. So, major would be if the increase - see this increase is proportional to the sales. It is in the line with the previous year only. So, this year, we did the CPHI in Milan. This year we did the Arab health in Dubai also. So, maybe

because of that, the expenses have gone upwards, but if you see the percentage, it has not increased.

Ranveer Singh: Okay, so this kind of run rate is likely to continue in terms of percentage of sales?

Nipun Arora: Yes, sir it will continue.

Ranveer Singh: Okay. And secondly in R&D side, I think we in FY25 you said three NDDS we have already launched or that chart shows that three has been launched. So, right now in the market, how much NDDS we have?

Rahul Batra: So, we have total of one NDDS which we launched in the month of February. And one NDDS is already in pipeline which will be launched in the month of June next year. And there is one more NDDS which will be launched in the month of either January or February depending on the approval.

Ranveer Singh: Okay. So, I think major portion of NDDS is yet to come in our...

Rahul Batra: Yes. Apart from this, we have also filed three more NDDS. We are filing three more NDDS in the DCGI which will take approximately 12 months to 15 months for an approval. The product development and everything is already done.

Ranveer Singh: Okay. So, next year in total in FY25, how many NDDS will be there in the market?

Moderator: Sir, your voice is breaking. Mrs. Singh, your voice is breaking. Can you repeat your question please?

Ranveer Singh: So, how many NDDS in FY25 would be launched in this year?

Rahul Batra: So, next year total will be two NDDS and three new molecules which will be launched in next financial year.

Ranveer Singh: Okay. So, of that eight new NDDS molecules which we have mentioned will be launched in 2 years. None of it is launched so this is completely a pipeline right now?

Rahul Batra: No. One we have launched right now in the month of January. Second will be launched in the month of January, February next year in 2025 and the third will be launched by July 2025. And there are three which we are filing now that will be launched in the financial year 2026-2027.

Ranveer Singh: Understood. So, of all these NDDS, what would be the potential revenue or the representative market size if you could give? That will give some idea?

Rahul Batra: See, I'll just give you one small example. We just launched one product that is megestrol acetate suspension. The total market size was less, but when we launched this NDDS, the market size has been increased and apart from what the tablet which was selling in the market, we have created a parallel market size with this NDDS. So, the market size are there and everyone is looking for an opportunity to have something new in the market.

There are patients who cannot swallow tablets because most of the oncology tablets, they are big in size. So, to reduce the burden of taking a tablet, we are converting into suspensions and we are coming up with these NDDS.

Ranveer Singh: Understood. The total market size would be any guess here or anything if you could have?

Rahul Batra: Actually, it's based on the molecule-to-molecule wise. And the two molecules which we are launching by next year, the market size will be close to around INR70 crores and we tend to increase the market size by introducing these NDDS as we have illustrated this by launching our first NDDS in the month of January this year.

Ranveer Singh: Okay, fine, So, total 23 products I see in pipeline including 8 NDDS. So, just wondering how much R&D we are currently spending. So, what was the R&D expense in first half?

Nipun Arora: Normally, our R&D expenses are generally into the tune of 2%, 3%. But this year, as Rahulji has already told us that one of the purpose of the fundraise was R&D also. So, that is something which is to be done. You can explain it further, Rahulji.

Rahul Batra: So, basically, why we are coming up with a separate R&D facility is that tomorrow we have a plans to go to all regulated markets. Till now, the products what we are producing requires all the product development for the regulated markets. So, this R&D will facilitate, number one, will facilitate the quality of the product to be launched in that market, the specification to be meet out to launch in those regulated markets.

Third, there are a lot of products which are becoming off-patent. So, we are trying to develop all these molecules and do even CDMO for some international players, what we are anticipating that when we are working out on these molecules, we might get some CDMO for this also. So, the R&D expense right now may be around 2% to 3%, but it will eventually go up to 4% to 5% after coming up with this facility.

Ranveer Singh: So, there will be two elements of it. One is one-time cost. You have to set up a R&D center facility. Another is a recurring one. So, just wondering that two elements, if you could give some idea that how much would be expending there in R&D setup plus recurring?

Rahul Batra: The one-time cost will cost us, right now, we do have R&Ds. API has an R&D in its own plant. Formulation has an R&D in its own plant. So, we are combining this R&D and we are making one R&D center where we are spending, we are doing a capex of close to INR10 crores to INR15 crores number one. Second is about the recurring expenditure.

So, the whole teams will be transferred to one center and then we will be hiring some more personnel into that. So, the R&D expense will, which is right now 2% to 3% might go up to 3% to 5%.

Ranveer Singh: Okay. So, this may be in the range of INR15 crores to INR20 crores, roughly.

Rahul Batra: Yes.

Ranveer Singh: Okay. Fine. I think this is indeed a good step and going forward, let's see and you already mentioned that about European GMP approval. So, any progress there? When we can expect this to come up?

Rahul Batra: Actually, we have done a lot of compliance as our consultant has advised. Our compliance is almost like 80%, 90% of the compliance is already done. And we have already filed an application for EU inspection. We have filed an application in three countries where we have got from one country, we have got the invitation that they can come before March. So, between next 4 months, we might have an EU audit at our Beta facility.

Ranveer Singh: Okay. Thank you and all the best.

Moderator: Thank you. We'll take the next question from the line of Bhagwan Chaudhary from Shubh Capital. Please go ahead.

Bhagwan Chaudhary: Hi. Thanks and congratulations all for a great set of numbers. I had just two questions. One is regarding your intermediate plan. So, you are expanding for the intermediate. So, the question is how much you are going to invest into that first? Secondly, what are your plans? This will be for the existing APIs or the new intermediates?

Rahul Batra: Okay. So, the total investment we are planning to have for an intermediate facility will be close to INR15 crores, INR20 odd crores initially. The idea of getting into the intermediate facility was right now our total procurement of intermediates like 60%, 70% of the intermediates is procured from China. As you know, government of India is pushing a lot towards Make in India right now.

So, we have today as per the today's scenario, we have got a good manpower in R&D side where we can develop the products right from initial steps. So, intermediate facility will give us a boost to support our API plant which will further go for the EU regulations. Tomorrow, we have to file our dossier in the regulated markets. So, this intermediate facility will also come in the scope of EU GMP approval plus our API plant will be boosted by the intermediates which will be sourced from this intermediate facility.

So, not only this when we are producing intermediates which are being sourced from China which will be done in-house, this will add on another 10% to 15% margin in our total revenues.

Bhagwan Chaudhary: So, this all will be for our internal API products whatever we are making?

Rahul Batra: Initially, it is for...

Bhagwan Chaudhary: We would be selling outside as well these intermediates.

Rahul Batra: No, initially it will be for our internal only, but we have spoken to a couple of companies in India who are already producing API in Cytotoxic API. They have also shown a keen interest in buying those intermediates from us.

Bhagwan Chaudhary: So, any idea how many products we are targeting or if you can enlighten us?

Rahul Batra: We are planning to have close to around 20 to 25 products. -- initially it will be around 18 and gradually it will be increased up to 25 to 30 products.

Bhagwan Chaudhary: Okay, great. Secondly, just if you can share about the Derma segment and its outlook, what it is doing now in terms of the revenue and profitability and how we can see 2 years, 3 years down the line of the segment?

Rahul Batra: Sure. Nipun, can you speak on the numbers for Derma and Ashutosh ji, can you take about the further outlook for Derma?

Nipun Arora: The sales number for Derma for the first half was INR6.4 crores and the EBITDA was a negative of INR1.3 crores. So that means that EBITDA number which you are seeing right now that is 22.36% that comes to 24% if I exclude Derma thing. So these are the numbers.

Bhagwan Chaudhary: And any future outlook? How we should see 2 years down the line?

Ashutosh Shukla: So we have gained momentum since last 6 months. So from April onwards, we have started touching the business of INR1CR plus and as of now our major objective is to have more number of prescribers to which we are working and from 700 we have now around 1,100 prescribers. This is one strategy. And by the end of this year we want to make it at least 1,300 to 1,400. And in next financial year, we want to make it at least more than 2,200 prescribers who will be supporting to us.

So 2,200 means almost more than 30% of the coverage which we have. Those doctors will be the supporter of Beta drugs. That is point number one. Point number two, we will be launching at least five more drugs in cosmetology. Not only that, as Mr. Rahul has said we will be getting into cosmetology market, premium cosmetology market by importing drugs from Italy. So we have already tied up with Italian company and the registration is under process and we are expecting registration in another couple of months.

So once those products are out in the market, that will also give us the additional revenue. So in terms of numbers, probably this year we will land somewhere close to around INR13 CR which will be doubled in next financial year. So next financial year, we are expecting around close to INR26 to INR30 CR with launch of new molecules.

Bhagwan Chaudhary: Okay. Great. Thank you so much and all the best.

Moderator: We'll take the next question from the line of Chirag Fialoke from Ratnatraya Capital. Please go ahead.

Chirag Fialoke: Good afternoon team. Congratulations on a good set of numbers. Just one bookkeeping section, the CDMO business, that means this first half did around INR73 crores of sales, INR72.5 .

Management: Chirag, your voice is not audible. You are asking about CDMO business. How much it has done? You are asking this?

Chirag Fialoke: Yes, first half.

Management: The first half it has done INR72.7 crores.

Chirag Fialoke: Perfect. Understood. And here the outlook for the second half is that obviously the first half has been flat, but overall year we feel that there will still be growth?

Management: So on overall basis, we expect a growth of 7% to 10% here.

Chirag Fialoke: Understood. Got it. And just one more bookkeeping question on the convertibles, the compulsory convertibles, the pensions that we have raised. There is a small coupon on that. When does this start becoming payable and what is the cash flow there as in when will you get the cash and how will the coupon be paid?

Management: So basically the coupon is 0.65% monthly. So this is convertible in 18 months.

Chirag Fialoke: And at the choice of the investor. So whenever, till the time that they convert, they get this coupon?

Management: They can do for at any point of time after I think 4 or 5 months.

Chirag Fialoke: So this interest will be incremental and will be coming in from say the second half?

Management: Yes, it will be coming from second half.

Chirag Fialoke: Understood. And quantum of that will be around INR9 odd crores a year. Is that broadly right, that's my math?

Management: Yes.

Chirag Fialoke: Perfect. Thank you so much. Thank you for the time.

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

Varun Gupta: Thanks for the opportunity. Can you talk about the growth of the international business? What sort of growth do you expect there over the next few years and what is the margin profile in that business for us?

Rahul Batra: So export business, we expect the growth another like around 50% for next few years down the line. As I said in my opening remarks that we have put a lot of registrations, a lot of those we are yet to receive those registrations. Just now you have seen in our numbers, we got some registrations and our sales have gone up high. So we are expecting more registrations to come in next couple of years. The numbers will be again - we expect around 50% growth on the export business for coming 3 years to 4 years down the line.

Varun Gupta: Got it. And what is the margin profile of this business?

Rahul Batra: The EBITDA margin will be in the range of 23% to 26%.

Varun Gupta: Got it. And in the CDMO business where we are doing manufacturing largely for other companies for their domestic revenue. Is that correct or are we manufacturing for them for international markets also?

Rahul Batra: So we are only doing for domestic. There is only one company we are doing for international that is Caplin Point.

Varun Gupta: Got it. And how much market share would we have in domestic manufacturing for oncology drugs?

Rahul Batra: Market share will be actually there are no exact numbers in the market since it is not covered by any good agency. So we don't get a clarity on oncology. This is a problem with every super speciality division. You don't get any clarity on the numbers. But yes, we do have a substantial market share, but this market is increasing at a CAGR of 15% to 20% every year.

Varun Gupta: What would be your rough sense of the market size for domestic CDMO and who would be our key competitors in this space

Rahul Batra: I cannot give you the rough estimate of the CDMO share, but I can give you the estimate of what is the size of a Cytotoxic market. The cytotoxic market in India is close to around INR3,000 crores for our product range plus there are a lot of products which are becoming off patent. This market will eventually grow to 4,000, 5,000 Cr by 2028 and 2030.

Varun Gupta: Understood. And this will be INR5,000 crores at end customer sale value. So at manufacturer value this will be closer to INR1,500 odd crores?

Rahul Batra: Yes, it will be close to INR1,500 crores, INR1,800 odd crores.

Varun Gupta: 35%, 36%.

Rahul Batra: Yes.

Varun Gupta: 35%, 36% of the overall market will be the market size?

Rahul Batra: Yes.

Varun Gupta: Got it. Thank you so much sir.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to the management for closing comments. Over to you, sir.

Rahul Batra: Thank you so much. It was pleasure to have you all on the con call today. At Beta Drugs, we always believe in giving the quality drugs. Since we are producing cytotoxic drugs and we care for the patients, we always aim to give a quality product. We as a backwardly integrated company has a lot of strengths and there are a lot of opportunities still to explore in the market. Thank you so much and see you all again at the end of the year. Thank you.

Moderator: Thank you, members of the management. On behalf of PhillipCapital (India) Private Limited, that concludes this conference. We thank you for joining us and you may now disconnect your lines. Thank you.