

**November 11, 2025**

**BSE Limited**

P J Towers,  
Dalal Street,  
Mumbai – 400 001

**National Stock Exchange of India Limited**

Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex,  
Bandra (E), Mumbai – 400 051

**Scrip Code: 543904**

**Symbol: MANKIND**

Dear Sir/ Madam,

**Subject: Investor Conference Call for Q2 & H1 FY26 – Transcript**

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Pursuant to applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the Investor Conference Call for Q2 & H1 FY26 held on Thursday, November 06, 2025 at 06:00 P.M. (IST).

The transcript is also available on the website of the Company at <https://www.mankindpharma.com/wp-content/uploads/2025/11/Q2FY26-Transcript-1.pdf>

You are requested to kindly take the same on records.

Thanking You,

Yours Faithfully,

For **Mankind Pharma Limited**

**Hitesh Kumar Jain**  
**Company Secretary &**  
**Compliance Officer**

**Encl.: A/a**



“Mankind Pharma Limited  
Q2 & H1 FY '26 Results Conference Call”

November 06, 2025



**MANAGEMENT:** **MR. RAJEEV JUNEJA – VICE CHAIRMAN AND  
MANAGING DIRECTOR**  
**MR. SHEETAL ARORA – CHIEF EXECUTIVE OFFICER  
AND WHOLE-TIME DIRECTOR**  
**MR. ARJUN JUNEJA – CHIEF OPERATING OFFICER**  
**MR. SUDIPTA ROY – SENIOR PRESIDENT, SALES AND  
MARKETING**  
**MR. ASHUTOSH DHAWAN – GROUP CHIEF FINANCIAL  
OFFICER**  
**MR. PRAKASH AGARWAL – PRESIDENT STRATEGY**  
**MR. ABHISHEK AGARWAL – HEAD INVESTOR  
RELATIONS & AVP - STRATEGY**

**Moderator:** Ladies and gentlemen, good day, and welcome to the Mankind Pharma Q2 H1 FY '26 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 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 Abhishek Agarwal from Mankind Pharma, Head, Investor Relations, AVP Strategy. Thank you, and over to you, sir.

**Abhishek Agarwal:** Good evening, and a very warm welcome to our second quarter and H1 FY '26 Earnings Call. On call today, we have Mr. Rajeev Juneja, our Vice Chairman and Managing Director; Mr. Sheetal Arora, Chief Executive Officer and Whole-time Director; Mr. Arjun Juneja, Chief Operating Officer; Mr. Sudipto Roy, Senior President, Sales and Marketing; Mr. Ashutosh Dhawan, Global Chief Financial Officer; and Mr. Prakash Agarwal, President Strategy.

We will begin with Rajeev Juneja, sir, providing an overview of quarterly performance followed by detailed business insights from Sheetal Arora. Mr. Ashutosh Dhawan will then share the financial highlights after which we will move on to the Q&A session. Please note that certain statements made during the call may be forward-looking, reflecting management's current expectation about future performance.

These involve inherent risks and uncertainties, and actual results may vary. Mankind does not commit to updating these statements in light of future developments. For a detailed disclaimer, please refer to the investor presentation uploaded on our website.

Now I'll hand over to Rajeev sir for his comments.

**Rajeev Juneja:** Thank you, Abhishek, and good evening, everyone. A very warm welcome to our quarter 2 and H1 FY'26 earning call. In quarter 2, our overall revenue increased 21% year-on-year to INR3,697 crores with EBITDA margin of 25%. In H1 FY'26, revenue increased by 23% year-on-year to INR7,268 crores with EBITDA margin of 24.4%. Our domestic business grew by 15% year-on-year by continued outperformance in chronic and BSV consolidation, partially impacted due to supply chain disruption led by new GST rates rollout.

In quarter 2, FY'26, our secondary sales increased by 6.3% year-on-year which was lower as compared to 7.2% IPM growth. We believe GST impact was higher for us as compared to IPM due to our stronger presence in Tier 2 to Tier 6 cities and higher share of acute business. While GST-related changes in September 2025 caused a brief disruption, we expect growth recovery in H2. GST 2.0 deeply resonates with our own belief in providing high-quality affordable medicines accessible to all and will pave the way for more sustainable and inclusive future for Indian pharmaceutical industry.

Our chronic share further increased by 200 bps year-on-year to 37.1% in quarter 2 as compared to 35.1% in quarter 2 last year, driven by continued over performance of 1.3x in cardiac, 1.2x in anti-diabetics. Our consistent outperformance in anti-diabetic in last couple of quarters have improved our covered market rank from fifth to fourth during the quarter.

We also saw 1.2x outperformance versus IPM in respiratory. Our inhaler brand, Symbicort and Combihale are one of the fastest-growing brands in this segment. We are scaling digital capabilities across the organization to create a more connected and agile enterprise. Our partnership with OpenAI marks a new era of digital transformation, helping us make faster, smarter insight-led decision to enhance performance and profitability.

R&D expenses increased from 1.9% of sales in quarter 2 FY'25 to 2.9% of sales in quarter 2 '26, in line with our guidance of 2.5% to 3% in FY'26. We remain committed to deliver innovative science-backed products at affordable prices, ensuring access across the country and driving sustainable long-term growth.

I now invite Sheetal to provide more details to our business performance.

**Sheetal Arora:**

Good evening, and welcome to our quarter 2 and H1 FY'26 earnings call. We appreciate your time and participation today. Let us begin with our domestic business performance. Revenue from domestic business increased by 15% year-on-year basis to INR3,184 crores in quarter 2 FY'26, supported by BSV consolidation. Organic domestic growth was around 6% year-on-year and 6.6% excluding OTC for this quarter.

In H1 FY'26, revenue from domestic business increased by 17% to INR6,285 crores. Organic growth for domestic, excluding OTC was around 8% year-on-year. We continue to be the leading player with the highest prescription share of 15.3%, reflecting the trust that doctors have on Mankind and our products' deeper market reach.

Additionally, our prescriber penetration has also improved by 30 basis points, increasing from 83.9% in MAT September '24 to 84.2% in MAT September '25. Mankind PCPM has improved to INR7 lakhs as on September 30, 2025, from INR6.8 lakh as on March 31, 2025, on TTM basis.

Our focused efforts over the past few quarters to build a strong foundation resulted in 1.7x volume outperformance versus the IPM during H1 FY'26. And from here on, we expect to deliver continued outperformance versus IPM. BSV's domestic specialty business has picked up momentum with double-digit sequential growth led by mandate brands. PCPM of BSV specialty business improved to INR12.6 lakhs as on September 30, 2025, from INR11.1 lakhs as on March 31, 2025, on TTM basis.

Regarding our OTC business, during the quarter, revenue from OTC business declined by 3% year-on-year to INR226 crores due to supply chain disruption led by new GST rates and some impact by uneven monsoon. We expect recovery in H2.

However, the secondary sales of our key brands, including Manforce and Gas-O-Fast continue to witness a healthy growth of 14% and 36% year-on-year basis. Our modern trade and e-commerce share has further expanded to 12% in H1 FY'26 versus 8% for the same period last year.

Our export revenue during the quarter increased by 83% year-on-year to INR513 crores in quarter 2 FY'26, led by increase in our base business and BSV consolidation. The organic growth

during the quarter was single digit. In H1 FY'26, revenue from exports increased by 82% to INR982 crores. We are deeply committed to fostering a public-centric culture and hence, we have launched Mankind University, a self-paced AI-powered virtual learning platform designed to meet our organizational needs and strengthen our foundation for future-ready and sustainable growth.

Now I will hand over to Ashutoshji, who will provide detailed insights on financials.

**Ashutosh Dhawan:**

Thank you, Sheetalji. Good evening, everyone. I'm delighted to have you all with us on our quarter 2 and H1 FY '26 earnings call. Let me give you a brief of the financial highlights for our quarterly performance for quarter 2 FY '26.

Our revenue from operations during quarter 2 FY '26 has increased by 20.8% year-on-year basis to INR3,697 crores as compared to INR3,061 crores in quarter 2 FY '25, which is driven by growth in our base business and consolidation of BSV results.

Our gross margin for the quarter declined by 20 basis points year-on-year basis to 71.3% from 71.5% in quarter 2 FY '25 which is primarily due to discount given to stockists to compensate them for the tax credit accumulation under new GST 2.0 rollout in September 2025.

During the quarter, our reported EBITDA has increased to INR924 crores from INR850 crores, which results in a growth of 8.7% year-on-year basis. The reported EBITDA margin for the quarter is 25%, which has decreased by 280 basis points on year-on-year basis.

This decline is primarily driven by increase in R&D expenses by 100 basis points, employee cost by 130 basis points and the balance is a combination of gross margin and other expenses. The adjusted EBITDA margin for H1 FY '26 is 24.4%, which has decreased by 200 basis points year-on-year basis.

This decline is primarily due to reduction in gross margin by 70 basis points, increase in R&D expenses by 80 basis points and the balance is due to increase in employee cost. The R&D expenses for the quarter was INR109 crores, which is at 2.9% of sales, and the same is higher than the R&D spend of 1.9% of sales during quarter 2 FY '25. The R&D expenses for the quarter 2 FY '26 remains within the range of 2.5% to 3% of our guidance.

The finance cost for Q2 FY '26 is INR170 crores, which is in line with the finance cost of INR171 crores during quarter 1 FY '26. Following the quarter end, we have fully retired the commercial papers worth INR5,000 crores with the last tranche worth INR1,500 crores, which has been paid in October 2025.

The net debt position has shown a decrease of INR488 crores between the current quarter and the previous quarter. In quarter 2 FY '26, the depreciation and amortization expenses have increased to INR222 crores as compared to INR100 crores in quarter 2 FY '25, which is primarily driven by depreciation and amortization impact related to BSV assets. The current quarter depreciation and amortization expense is in line with the previous quarter expense, which was at INR219 crores.

The effective tax rate for H1 FY '26 was at 17.1%, which has reduced from 20.7% in H1 FY '25. The drop in ETR percentage is primarily due to higher exemption on account of goods being manufactured at Sikkim plant. The profit after tax for quarter 2 FY '26 has decreased by 21.3% year-on-year basis to INR520 crores on account of higher finance cost and depreciation cost pursuant to BSV consolidation with diluted EPS of INR12.4 per share of INR1 paid.

During the quarter, cash EPS, which is EPS adjusted for noncash items like depreciation and amortization has increased to INR17.7 from INR15.9 in quarter 1 FY '26, an increase of 11.6%. The net operating working capital days for the quarter on trailing 12-month basis have decreased to 46 days as compared to 48 days in quarter 1 FY '26.

In H1 FY '26, our cash flow from operations has increased to INR1,637 crores as compared to INR1,139 crores in H1 FY '25, which is on a year-on-year basis, an increase of 44%. This is primarily on account of consolidation of BSV operating cash flows and growth in the organic business.

Therefore, in H1 FY '26, our CFO to EBITDA ratio has increased to 92% as compared to 75% in H1 FY '25. Our capex spend during the quarter has increased to INR163 crores in quarter 2 FY '26 as compared to INR128 crores in quarter 2 FY '25.

The capex as a percentage of revenue is 4.4% for the current quarter, which is within our guidance of 5% of revenue for FY '26. In line with our prudent financial strategy, we continue to strengthen our balance sheet and have reduced our net debt to INR4,791 crores as of 30th September '25, resulting in the net debt to adjusted EBITDA ratio of 1.4x in quarter 2 FY '26 on trailing 12-month basis, which has improved as compared to net debt to adjusted EBITDA ratio of 1.8x as on 31st March 2025. And we continue to maintain our guidance of 1.2x as on 31st March 2026.

With this, we conclude our financial update and welcome any questions which you may have. Over to you, Abhishek.

- Abhishek Agarwal:** I request coordinator to open the Q&A forum.
- Moderator:** The first question comes from the line of Tushar Manudhane from Motilal Oswal Financial Services.
- Tushar Manudhane:** Sir, firstly, on the book keeping side, while you have mentioned domestic formulation growth on an organic basis, can you also share exports growth on an organic basis?
- Prakash Agarwal:** Tushar, you're looking for exports on organic basis? Your voice was muffled. Reconfirming.
- Tushar Manudhane:** Yes, yes. Yes.
- Prakash Agarwal:** So in the last quarter, we had said it is mid-single digit. This quarter also, it's mid-single digits. So on 1H basis, it is mid-single digits. For modelling purpose, you can take 5%.

- Tushar Manudhane:** Got it. And now that we are more or less half of '26 into BSV measures in terms of consolidating as well as coming under the Mankind umbrella. So now can you share like how do we see the growth prospects on BSV portfolio?
- Prakash Agarwal:** Yes, sure. So if you see BSV continues to show improvement on a sequential basis. We have seen double-digit growth on a Q-on-Q basis, both in India domestic specialty business as well as international business. Y-o-Y, it's still a high single-digit growth but we expect higher growth in the second half, and we maintain our full year guidance of 18% to 20% growth for BSV. So don't forget, Q3, Q4 had some tethering issues in terms of BSV operations because the M&A was going on and the sales were much softer. We have seen business normalizing from Q1 to Q2 with a sequential double-digit growth and that we will continue to see in the second half.
- Tushar Manudhane:** And on the inhaler side also, we have seen a very decent growth of almost 28%. How do we see the growth...
- Prakash Agarwal:** Your voice is not clear, sir.
- Moderator:** Sir, can you repeat?
- Tushar Manudhane:** Is this better?
- Moderator:** Yes, it's better.
- Tushar Manudhane:** On the inhaler side also, we have seen pretty decent growth post making inroads into Combihale and Symbicort. So how do we see this growth panning out over the next 2 to 3 years?
- Prakash Agarwal:** So we have seen very positive response of these products from AstraZeneca as well as the Combihale that we took from another domestic company. Our doctor coverage has increased. We are seeing good traction among the respiratory specialist. And the season is coming. We expect growth momentum to continue.
- Moderator:** The next question comes from the line of Neha Manpuria from Bank of America.
- Neha Manpuria:** My first question is on the organic India business. After the GST disruption that we've seen in this quarter, you mentioned that we can expect recovery in the second half. So on an ongoing basis, when you say outperformance to IPM, should we assume double-digit growth as doable for Mankind in the domestic formulation business?
- Rajeev Juneja:** So let me be very, very candid, I mean candid with you and everybody here that we are not happy with our own performance. The kind of expectations we were having. We expected, when we started bringing transformation in Mankind, maybe in the last call or last to last call, we mentioned that, that we brought a lot of transformation in Mankind in terms of number of people.
- And since Mankind is a kind of a company which is basically very strong in Tier 2, Tier 3, Tier 4 kind of places, acute heavy dependent on people. And we brought a lot of changes in people. And we thought that we will be able to replace, train, make them I mean as good as the older people, those who had fantastic relationship. So we maybe over expected that. It did not happen in 9, 12 months' time. But whatever has happened has happened.

Going forward, things would be much, much better because we expected 6 to 9 months, but it has taken more than that, One. But the second basically At the same time, we bought BSV. Third, we brought a lot of transformation in OTC side as well.

So all in all, there was a lot of transformation happening in Mankind in all 3 places. So maybe we over expected, didn't happen. So very honestly, we are not happy with our own performance and feel that, going forward, we will be performing much better than what we have performed right now.

And Mankind has always believed that Mankind is famous for our endeavour has always been always outperforming the IPM. If we are not good in that, we are not a good fast-growing kind of organization. We believe that we are very good in that. And future will tell that we are performing much better.

**Neha Manpuria:**

Understood, sir. So in that context, should I assume that, let's say, our path of outperformance to IPM would probably take a couple of more quarters and it's not something that we should expect, let's say, in third quarter or fourth quarter? Is that how I should read your commentary?

**Rajeev Juneja:**

So third quarter and fourth quarter, we expect that the performance will start outperforming the IPM, say, 1.1x to 1.2x. We right now are in a very conservative mode. We don't want to say something which basically we are unable to really I mean, fulfil. We've always been a kind of a company which has over delivered.

So we are just looking at everything very minutely and working on that. Because what basically happens, this kind of situation comes once in a while in every organization when company wants to transform itself. We feel that this is that period for Mankind. This all has been done keeping only long term in mind.

But incidentally, BSV also happened. I mean, coincidentally, we were working on our consumer division as well. So all things happen together. So in one go, things are, I mean, taking a lot of changes -- have taken changes in Mankind.

**Prakash Agarwal:**

And not to forget September, GST also happened.

**Rajeev Juneja:**

Yes.

**Neha Manpuria:**

Yes. Fair enough. For BSV, Prakash, you mentioned the 18% to 20% growth continues. But if I were to slightly -- given there's disruption in the second half, so your base is fairly low. If I were to look at FY '27, '28, given we have been running BSV for a year now, how should we think about growth FY '27, '28? Should it be low-teens, mid-teens? Or can we still grow 18% to 20% given the potential in the business?

**Prakash Agarwal:**

So there are a lot of strategic initiatives going on in BSV as we speak. In the last 12 months, we spoke about adding up facility. We spoke about adding up R&D lab. We spoke about having some senior leadership in the domestic business. So I think it is now picking up momentum. However, having said that, we'll come back at the end of the Q4 in terms of proper guidance.

But I mean double digit, we should definitely get it. But exact guidance, we'll be able to give at the end of the 4Q.

**Neha Manpuria:** Understood. And last question if I may. On the employee cost, it seems higher in this quarter. Ashutosh sir, is there anything one-off sitting there? Or is this the base we should assume? What led to the higher employee cost in the quarter on a sequential basis?

**Ashutosh Dhawan:** So basically Neha, our employee cost has increased year-on-year basis by close to 130 bps as a % of revenue. It's a combination of 3, 4 things. One is this quarter has a bit of a bulge because the increment cycle starts from first of July. And since the salary increases, so there is some impact on the retiral benefits also, that's one.

Even on a year-on-year basis. Headcount has also increased by 3% to 4%. That has also contributed to the increase in the headcount. As Rajeevji has also highlighted that we have gone through the restructuring and the talent upgradation within the sales force. So that has also contributed to the increase in the average salary cost. So it's a sum total of these 3 things. That's why on a year-on-year basis, the employee cost is looking on a higher side.

**Neha Manpuria:** Okay. Understood. And R&D, you mentioned would be 2.5% to 3%, right? That's the full year guidance that we're maintaining.

**Ashutosh Dhawan:** On a Y-on-Y basis, 3% to 4% head count increases there.

**Neha Manpuria:** No, sir, I'm asking for R&D. What would be the guidance for full year?

**Ashutosh Dhawan:** R&D guidance we continue to maintain. It will be in the range of 2.5% to 3%. So it will be lower than 3% the R&D spend.

**Moderator:** The next question comes from the line of Kunal Dhamesha from Macquarie Group.

**Kunal Dhamesha:** Sir, as of now, where do we stand in terms of the BSV guidance for FY '26? I think earlier, we had guided for export growth of kind of high teens to 20% plus. Where do we stand on the export as well as the domestic piece on BSV for FY '26?

**Prakash Agarwal:** Kunal, we just mentioned to Neha, we are maintaining guidance of 18% to 20% for the BSV for FY '26. So the breakup that you mentioned is also on track. There is no change there.

**Kunal Dhamesha:** And within this 18% to 20%, which piece is expected to grow faster, domestic versus exports?

**Prakash Agarwal:** No. So as you rightly picked, domestic should be in the region of 12% to 15% plus and international should be in the region of 18% to 20% plus.

**Kunal Dhamesha:** Okay. And so blended should be 15%, 16%?

**Prakash Agarwal:** So don't forget there's an element of TTK Rx business. So last year, Q4 was a washout. So it had seen a major decline. We mentioned it has seen a massive Q-on-Q growth. That business has stabilized on a Y-o-Y front, and we expect a high growth in that business. So overall, if you see, 18% should be achievable. As of now, we maintain that guidance.

- Kunal Dhamesha:** And any color on the profitability of the BSV business as it stands now in quarter 2?
- Prakash Agarwal:** Yes. So we are maintaining it's about 26% to 28%. It will be H2 heavy given sales are heavier on the H2 side. Currently, it is a notch lower than the company average.
- Kunal Dhamesha:** And it should improve to that 26% to 28% level in FY '26 the second half?
- Prakash Agarwal:** That is correct. Yes.
- Kunal Dhamesha:** Okay. And then for FY '27, '28, we were expecting some form of cost synergies by kind of reducing the certain staff, etc etera. Is that already factored in? Have we taken the action on that front?
- Prakash Agarwal:** Yes, yes. So we mentioned in the last call also, so we have seen a good improvement in the women health care TTK Rx business. So from 550-plus MRs that has been normalized to about 325 plus. Sales have started improving. We are seeing MR productivity increase from around INR2 lakh PCPM to now about INR2.9 lakh PCPM and we expect this number to grow much more in the upcoming quarters and years. So that is one big synergy that has played out because Mankind's operating model understands the Rx business better. So that is one big piece that we have done.
- Second is we have done price vendor negotiation in terms of suppliers in terms of raw materials. So we have gained there. So the margins of the TTK Rx business has also improved there. And there are other R&D synergies that is playing out. There is corporate overhead synergies that will play out also in the future. So we are on track with our earlier guidance. Ashutosh, do you want to add?
- Ashutosh Dhawan:** No, fair enough. So it's not about the cost synergies so much. We have optimized on the cost synergies over the last 12 months period since we did this acquisition. This acquisition is more around the revenue synergies, which is just going to pan out in the times to come.
- Abhishek Agarwal:** And some synergies are getting set off by increasing our R&D cost, like we are increasing our R&D cost as well, which is setting off some synergies.
- Ashutosh Dhawan:** So you have to look at it more from the revenue synergy point of view, Kunal, rather than purely cost for synergies.
- Kunal Dhamesha:** Sure. So then the margin improvement for BSV from here on is a function of revenue growth rather than cost item rate? Is it the fair way?
- Prakash Agarwal:** Your understanding is correct. Yes.
- Kunal Dhamesha:** Okay. And second question, slightly on a longer-term basis, if I look at we have this chart about Mankind's chronic performance versus IPM chronic performance in the presentation, right? So, if I see over last few quarters, the gap between the outperformance vis-a-vis IPM has kind of reduced, right?

And if I also kind of then kind of tie it back to some of the commentary that we had last year that we were taking some selective price hike, etcetera, as well because our prices were anyway lower than our competitors.

So, is it fair to say that now the prices are more in line with the competitor and that phase of the price hike driven growth, which had led to higher differential versus IPM is done and now it is just focusing on volumes and hence, the gap could not be very high?

**Rajeev Juneja:**

So Kunal, I mean, every year, every company takes some kind of a price hike. And since historically, we have always been very, very affordable, more economical than any competitor. So that gap is always there.

And intentionally as well, we always maintain some kind of a gap to have some kind of value addition in our own products. So that is there and that would always be there. We are quite conscious of this fact that because our chronic sales are not coming from only specialized doctors.

It is coming from Tier 2 side, Tier 3 side as well. It's quite well spread out. So we just take care of one thing that whenever we take price hike, it shouldn't be too much. We should always maintain some kind of a gap between other brands and Mankind's brands.

**Kunal Dhamesha:**

But sir, is it fair to say that the price hike we would have taken last year or, let's say, a few quarters back, relatively, the price hikes we have taken in the last couple of quarters would be lower?

**Ashutosh Dhawan:**

So Kunal, if you look at the IQVIA data for H1 FY '26, the IPM price increase is 4.2%. And if you compare it to Mankind price increase, so that is 3.9%. So we are maintaining that competitive advantage of a notch lower than the IPM, the price increase.

**Moderator:**

The next question is from the line of Madhav Marda from FIL Industries.

**Madhav Marda:**

My question was on the domestic business. I think we are consistently growing ahead on volumes of the industry. Price growth, I think you just mentioned is a little bit lower. So it seems like the big difference is coming from new launches of Mankind versus the broader industry. Is that the right understanding? And if it is, then why are our new launches sort of trailing competition?

**Rajeev Juneja:**

So Madhav, in 30 years' time, we have become fourth largest company. That means what we've always grown faster than IPM, much faster than IPM. And if right now, we have not really come to our expectations. We are not happy. I mentioned that because there are sometimes I mean last year, 9, 10 months back, we took certain structural changes, a lot of changes we brought, transformation we brought in Mankind in terms of number of people because during COVID time, I'll say that -- I mean, people started working from home, practices were changed.

So we saw that and took a courageous action of bringing huge changes in Mankind in terms of number of people. One, our company's acute sale is 60% plus. Number two, our company's lot of sales come from Tier 2, Tier 3, Tier 4 town where relationship of people matters. So when we

changed people, we thought that we will be able to replace them, train them and bring at par with our old people. This did not happen. This is one major reason.

Second reason, we took BSV. So, once you take a company, you just, first of all, clean up the company, look at that. So naturally, that was also going on. And third was the same kind of transformation we were bringing in our OTC. So, in all 3 companies of different sizes and specialties, I mean, these changes were taking place. Not to forget, we are acute heavy, not to forget, we depend upon a lot of GP doctors.

We are very, very well spread out and also GST. So, it's a combination of, I'll say, facts, not one-off, we cannot say that it is because of one particular reason because when you bring huge changes, which were required, I mean the conservative approach can be that we can bring slowly some kind of changes, aggressive approaches, go in one go and bring all the changes. And we did that, keeping long-term strategies and planning in mind.

**Abhishek Agarwal:** In last 1 or 2 quarters, you may not see a lot of launches but last 2 to 3 years, we have done some very good launches. So the focus is to consolidate the market share of those launches.

**Madhav Marda:** Yes, that's why I wanted to clarify that if our secondary growth is 6.3%, market is 7.2%, our volumes are growing faster than the industry and price growth is slower. So implied basis, I'm just saying new launches are actually slower than the industry. So that's what I wanted to understand that most of the gap is explained by new launches, right? Like volumes are still beating the industry. So I mean that's the question.

**Prakash Agarwal:** Madhav, I'll give you some color. So, what Rajeevji said about last year, we were 1x -- approximately 1x of the industry versus our past track record of 1.3x plus. Q1, post the changes, we saw good acute season and we outperform industry. We were 9.2% versus industry growth of 8.6%. So the turnaround was largely due to volume growth. We were 2.5% volume growth. The market was 1.4% despite having lower price increase of 3.4% versus market of 4.2%, yes. And new products, we were in line with the market.

Now what has happened in Q2 and just to break up into 3 months, July, August, September. So if you see July, August, we have actually done better in volumes versus the market, but it is September due to GST impact, we are minus 3% versus industry of minus 1.6%. So there, we have got a little more impacted. And as Rajeevji mentioned, acute heavy business and Tier 2 to Tier 3 exposure has been higher for us in the past and historically. So that is the reason apart from all those transformative actions, that is added to the woes.

**Madhav Marda:** Okay. Sir, just a second question on the margins. If I remember right, you had guided for 25% to 26% EBITDA margin for FY '26. Can we still achieve that for the full year? Or can there be a bit of a slip up there?

**Ashutosh Dhawan:** So we are maintaining the same guidance, Madhav, with the caveat that we expect by year-end, we expect that we will be at the lower end of the guidance. So it will be within 25% to 26% range, but at a lower end of that guidance.

**Madhav Marda:** For the full year, right?

**Ashutosh Dhawan:** For the full year, correct.

**Moderator:** The next question comes from the line of Harshit Dhoot from Dymon Asia Capital.

**Harshit Dhoot:** Sir, you said organic business growth is at 8% Y-o-Y, right?

**Abhishek Agarwal:** Which business, sorry Harshit.

**Harshit Dhoot:** Our organic domestic business grew 8% Y-o-Y, right? That's what you said.

**Abhishek Agarwal:** Yes, H1 IPM was 8%, ours is also in line with IPM. If you talk about H1, Q2, it was around 6.6% organic for domestic pharma business, excluding OTC.

**Harshit Dhoot:** Okay. Sir, even taking this number and export business at 5% Y-o-Y growth and then we will get the total revenue of this business. And if you deduct that number from the reported revenues, then this doesn't suggest that BSV is growing Q-o-Q. Can you please help with this math, sir?

**Prakash Agarwal:** BSV -- can you repeat your question? Your voice is muffled.

**Ashutosh Dhawan:** Yes, I can barely hear you.

**Harshit Dhoot:** Am I audible now, sir? Now it's clear. Voice is clear?

**Management:** Yes.

**Harshit Dhoot:** Yes. So, sir, see, domestic organic business grew 6.6% Y-o-Y. Consumer Healthcare declined 3% Y-o-Y. Export business grew 5% organic export business 5% Y-o-Y. So, when we took this number, adding this growth on the base business, we are coming out at the total revenue from operations from the base business and subtracting it from the reported revenues, then we are impliedly getting the BSV numbers, right? So, this is not suggesting Q-o-Q double-digit growth. So, I just want to correct my math if I'm missing something here?

**Prakash Agarwal:** No, no. So Harshit, we said Y-o-Y is a high single-digit growth. On a sequential basis, it is double-digit growth.

**Harshit Dhoot:** Exactly, sir, sequentially, it's not coming. So that's why I'm asking the question.

**Prakash Agarwal:** I don't know what the Q1 number you have, but it is a double-digit growth.

**Harshit Dhoot:** You also have guided for around 8% growth in Q1, right, sir, in organic domestic business? That's what you said on the call last time.

**Prakash Agarwal:** Unable to hear you, sir.

**Harshit Dhoot:** Sir, in organic business, you guided for around 8% growth in the first quarter, right, sir?

**Abhishek Agarwal:** Yes. First quarter, we have guided for organic growth of 9% plus, organic growth for domestic business.

- Moderator:** The next question is from the line of Alankar Garude from Kotak Institutional Equities.
- Alankar Garude:** First question, why was the impact of GST higher on OTC vis-a-vis the Rx portfolio? And also, within OTC, which brands got impacted due to the uneven monsoons?
- Rajeev Juneja:** See, on the OTC side, what basically happens, it's a bit of push always. In the case of pharma, it's always the prescriptions. So that's one reason. When GST came, so people started not taking much of the goods, one.
- And it was one, GST. The second was rain. I mean, too much of rains happened. So naturally, our people were unable to reach. I mean a lot of hamper was there in working as well. That's the reason for that. It was GST and huge rain.
- Alankar Garude:** Okay. Rajeevji, any specific -- yes, go ahead, please.
- Rajeev Juneja:** In OTC, I mean, it's always push from people side as well. So, I mean more inventory you keep, more it is visible, more sales happen.
- Sheetal Arora:** But Alankar, at the same time, secondary sales of Manforce and Gas-O-Fast has grown. Manforce grown by 14%, Gas-O-Fast grown by 35% year-on-year basis. So secondary sales have grown. Maybe the primary sale, they have an impact.
- Alankar Garude:** Got it. The second one is, can you explain which areas has BSV increased its R&D investments over the last few quarters, especially since Mankind takeover. So, any specific platforms or any specific areas, which you would like to highlight?
- Prakash Agarwal:** So, there are multiple projects going on, both in Mankind as well as BSV. So, in Mankind, we have talked about the GPR119, so that's progressing, and there was some increase due to that. And in BSV, there are a couple of projects, both on recombinant niche biologicals as well as immunoglobulins, so those projects are also on track.
- Alankar Garude:** And when do we expect some conclusion of studies or any data points on that Prakash?
- Prakash Agarwal:** So, these things take a little longer, right So, these are recombinant biological products, but we'll keep you updated. We'll give you some update at the end of the year. Q4, we'll come up with an update.
- Alankar Garude:** Okay. Fair enough. The other question is on Panacea, last time, you spoke about 25% plus growth Y-o-Y. Can you highlight the similar number for this quarter?
- Prakash Agarwal:** So actually, as mentioned last quarter, different brands have gone into different divisions. So bringing all together now is getting difficult. But it would be fair to say that 15%, 20% growth, we are still seeing and that --yes, so...
- Ashutosh Dhawan:** Last year we said 25% plus this year, it is a notch lower than 25% for the Panacea portfolio.
- Alankar Garude:** Okay, sir. And final question from my side. Rajeevji, you spoke about outperforming the market by 1.1, 1.2x in the second half. Now historically, we have done better than that. You spoke about

some of the issues over the last few quarters. But beyond second half, if I look at Mankind from a 3 to 5 years' lens, should we continue to expect a 1.3, 1.4x outperformance over the IPM? Or is 1.2x the new normal.

**Rajeev Juneja:**

See, Mankind is 30 years old company. In pharma industry, no company in 30 years have reached to fourth largest company, one. How we have reached to this particular space only by outperforming always IPM. Otherwise, this would not have been possible.

So whatever actions we have taken last year, whatever transformative actions we have taken in the last year, not many companies can take. I mean, is it possible for some company to really overall, make it deep overhauling, deep cleaning in the total organization to a very large extent. It's a very, very, I will say, tough job, courageous job. We have done that.

Same thing happened in OTC. And by chance, I'll say, it was a coincidence, at that time, only BSV happened. So all 3 things happened. And we hope that we will be able to, I mean, replace those people, train those people, a few thousand people, right, and make sure that they are properly placed and start performing as it was happening in the past. It was a bit overestimation.

But we feel that whatever has happened, whatever we have done actually, it is keeping only next 3, 5 years in mind only. These are all actions taking on long-term future of Mankind in mind. And manifestation of Mankind is always becoming numero uno in pharma industry.

**Alankar Garude:**

Okay, sir. So, if I understood that correctly, basically, you wouldn't be happy with only 1.1x or 1.2x. The endeavour would be to rather...

**Rajeev Juneja:**

1.1x to 1.2x only for this second half only. I mean this is not basically habit of Mankind performing 1.1x to 1.2x. This is only for the second half -- I mean, that's done. We'll talk about next year.

**Moderator:**

The next question comes from the line of Alok Dalal from Jefferies India Private Limited.

**Alok Dalal:**

Rajeev Sir, you mentioned that it is taking slightly longer for the results to come. So is it about being more patient with the changes that you made? Or you need to make some more investments to bring the desired results?

**Rajeev Juneja:**

We have done plenty of changes. I mean the kind of changes we have done, no company can do in just, I'll say, in 1 year time. See, these changes were finished in the month of March. And these -- we took -- I mean it took us approximately 3, 4 quarters to bring all the changes. And by end of March, we completed those.

And we thought that we would be able to replace, train, place, again, make sure that those people start performing as good as the previous people were performing, older people were performing, but it did not happen. So whatever has happened has happened. Now with the passage of time, things will move faster. That only I can speak right now. And that's one of the reasons keeping that in mind, we are saying second half of Mankind would be 1.1 to 1.2x to IPM.

- Alok Dalal:** Sure. And in your view, what are the pain points at this moment, where do you see these challenges? And how do you see the change happening in second half?
- Rajeev Juneja:** See, I mean, whenever you bring a lot of people, new people from outside, different talent. The only thing basically you work on is making sure that they understand Mankind, they start working like Mankind. They settle down, they establish themselves. They are being made comfortable and they really understand the culture of Mankind, the way we work actually.
- That's the only thing. I mean it takes time. I mean, people to adjust, understand new people, old people. I mean making sure that older Mankindians, newer Mankindians mingle together nicely and work in one direction. for, I'll say, progress.
- Sheetal Arora:** And when new medical rep or manager goes in doctor chamber, we take little time to develop relationship with the customer. So, it's a new face, the person who is working since last 5, 7, 8 years. So suddenly new person went in the doctor chamber. He will take a little time. So 3, 4 visits. So another 2, 3 visits, the result will start.
- Moderator:** Thank you, ladies and gentlemen, as there are no further questions from the participants, I now hand the conference over to the management of Mankind Pharma for closing comments. Over to you, sir.
- Abhishek Agarwal:** Thank you for joining our call and asking questions. And for any further questions, please feel free to write to us. And thanks. Have a nice day. Stay happy, stay healthy.
- Ashutosh Dhawan:** Thank you. Thanks, everyone. Thank you.
- Moderator:** Thank you all. On behalf of Mankind Pharma Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

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