

CSD/BSE&NSE/CC/2023-24
August 14, 2023

To
The Manager
Department of Corporate Services
BSE Limited
25th Floor, P. J. Towers,
Dalal Street, Mumbai - 400 001

To
The Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (E), Mumbai – 400 051

Scrip Code: 543064

Scrip Symbol: SUVENPHAR

Dear Sir/Madam,

Sub: Transcript of the earnings conference call for the quarter ended June 30, 2023

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Pursuant to Regulation 30 read with Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the earnings conference call for the quarter ended June 30, 2023 conducted after the meeting of Board of Directors held on August 08, 2023.

The above information has been uploaded on the Company's website at <https://suvенpharm.com/financial-info/>

This is for your information and record.

Thanking You,
Yours faithfully,
For **Suven Pharmaceuticals Limited**

K. Hanumantha Rao
Company Secretary

Encl: as above

Suven Pharmaceuticals Limited



Suven Pharmaceuticals Limited
Q1 FY24 Earnings Conference Call
August 10, 2023

Moderator: Ladies and gentlemen, good day, and welcome to Suven Pharmaceuticals Q1 FY24 Earnings 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. Please note that this conference is being recorded.

I now hand the conference over to Mr. Rishab Barar from CDR India. Thank you, and over to you, sir.

Rishab Barar: Good day, everyone, and thank you for joining us on this call to discuss the Q1 FY24 earnings for Suven Pharmaceuticals. We have with us Mr. Venkat Jasti, the Managing Director. Mr. Venkatraman Sunder, Vice President, Corporate Affairs; and Mr. Subba Rao, CFO of the Company.

Before we begin, I would like to mention that some statements made in today's discussion may be forward-looking in nature and may involve risks and uncertainties. Documents relating to the company's performance have been e-mailed to you earlier.

I would now like to request Mr. Jasti to share his perspectives on the performance and outlook. Over to you, sir.

Venkat Jasti: Thank you everyone, for tuning in this afternoon for the conference call on the results of Q1 FY24. As you could see and as it was notified, and the results came out better. It is driven by mainly the strong growth in the CDMO of Pharma and with a better profitability. The actual pharma innovator and developmental projects are doing very good, with a good growth. But as you know, the Speciality Chemical has a muted performance this quarter. And I expect this to continue this performance for this current quarter also.

As you know, globally, Speciality chemicals and agrochemicals are having a destocking of their inventories and especially in our case, because of the drought situation in some other areas, there are delays and so the requirement is deferred hence you would be seeing a soft quarter for the current quarter.

Otherwise, based on the forecast and all that stuff, both for the pharma and the Speciality chemicals is looking good. And we see multiple levers of growth that is going to happen because we are discussing with customers under many aspects and likely success happens sooner than later. And as I was telling, after the last year CPHI, there was COVID-related activities dying down and drug discovery activity in the new molecules coming up.

And this quarter, we see the largest number of inquiries floated in our history. But to become a project out of that, it will take time, but things are going very well. So, I think it is better for me to answer your questions. In general, looking good, but there will be some kind of a gap because of the Speciality chemicals not being up to the mark, again muted performance, and various reasons, which everyone knows. Otherwise, it is looking good in the long term for the current year and the next year.

Now I will open the forum for discussion.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Abdulkader Puranwala from ICICI Securities.

Abdulkader P.: Sir, just to understand your comments on the CDMO pharma sector a bit better, you said the inquiries are better. So current quarter, would it be fair to assume that the traction which has been seen is more from the molecules and the development, while the commercial side would also have done a little better?

Venkat Jasti: No, it is mainly the new developmental molecules that means very early-stage molecule. So it will take time for us to get distinctive, our inquiry is becoming an RFQ, then RFQ becoming a project, as you know, it takes time. Not on the commercial side. Commercial side is as usual, like last year. And nothing in the Phase III, I do not see anything indication as of today that it is moving into the commercial yet.

Abdulkader P.: All right. Understood. And sir, on the Spec. Chem. slide so we had one molecule which could go commercial in next calendar year. Any timeline change in that? Or it is moving as per schedule?

Venkat Jasti: For that one, our new product, no change in the timeline as of today.

- Abdulkader P.:** All right. Lastly, on the stake sale. So, the earlier guidelines, which was communicated, it was supposed to, I think, get completed in somewhere in August. So, any revision in that aspect? Or have we got all the necessary approvals for that to happen?
- Venkat Jasti:** If the necessary approvals are already in place, it would have been done sir, because the timeline is up to August 26. But we expect the course of this monsoon session in the parliament, I think, hopefully, we will be getting all the approvals. It is in the final stages of the regulatory approvals.
- Moderator:** The next question is from the line of Foram Parekh from B&K Securities.
- Foram Parekh:** Yes. So, sir, I just wanted to understand in the Speciality Chemical side, you said that there is drought-like situation. So, can you just elaborate like is it a deferment for just 1 or 2 quarters? Or do you see the entire year being muted on the Speciality Chemical side?
- Venkat Jasti:** It is not a year, but it is a quarter-on-quarter basis as something is less this quarter and the current quarter also will be in the same mode, soft, very soft. But in September, we will be knowing about the next quarters. So that usually after summer in Europe or U.S.A., they will come back with the next year's requirements and all that stuff which we need to supply starting from the third quarter itself. As of now, the projections look similar to last year, but these two quarters are getting affected, first quarter already got affected a little bit and the second quarter also getting affected a little bit. So, it is a softness in the Speciality Chemicals for both the quarters.
- Foram Parekh:** Okay. And sir, I just wanted to ask like on the commercial molecules, are we still on three or has that increased for Speciality Chemicals?
- Venkat Jasti:** The one, as I was telling earlier, the launching will be sometime in the calendar 2024. And as of now, that remains to be same, no changes in that.
- Foram Parekh:** Okay. And sir, my second question is, we are seeing that EBITDA margin has increased mostly because of other expense rationalization as gross margin has declined Y-o-Y. So, is this cost rationalization here to stay, I mean, should we take manufacturing and other expenses at the same run rate that we have in Q1? Or do we see it normalizing?
- Venkat Jasti:** Are you talking about the manufacturing expenses?
- Foram Parekh:** Yes, manufacturing, and other expenses.

- Venkat Jasti:** It will remain the same.
- Foram Parekh:** So, the entire year FY24?
- Venkat Jasti:** For the entire year, it is difficult. It depends on the mix also, because not be knowing 8 months ahead of time, it is only 4 to 5 months ahead of time, I can tell you, but other than that I cannot tell you. Because it keeps changing our mix that makes the profitability.
- Moderator:** The next question is from the line of Hussain Kagzi from Ambit Asset Management.
- Hussain Kagzi:** My first question was with regards to spec chem. Now, you mentioned that there is a lot of inventory destocking, which is happening. So my sense was that usually generic molecules would be much more vulnerable to this type of a scenario compared to innovator molecules, so I just wanted to understand that because our innovator molecules shouldn't be that impacted, right?
- Venkat Jasti:** Speciality Chemicals last year itself, I told you one other molecule became a generic in the sense in two of the territories. And naturally, that is what it is. But in our case, see in general that is what is happening. And in our case, there is a drought situation in one of the territories. Hence, there is a deferment into the shipments based on the forecast.
- Hussain Kagzi:** Okay. Understood. And sir, one thing was with regards to the acquisition. So here, like you mentioned that the approval, of course, it is not in your hands, but should things delay from August onwards. So, have you planned anything from there on? Because our long stop date is towards August end, right? So just wanted to get some clarity on that.
- Venkat Jasti:** As of now, we are expecting things to happen before the long stop date itself because as you know, CCI has approved long time ago and other things are going through. And I think because of this parliament session, their meetings are not happening and the meeting starts taking place, which should take place anytime soon and this should get resolved.
- Moderator:** The next question is from the line of Pratik Kothari from Unique PMS.
- Pratik Kothari:** So, my first question is on Casper, if you can update us in terms of how many products did we launch? What is in the pipeline for next year, have we recorded any sales just on the Casper part, please?

- Venkat Jasti:** Yes. Casper, I mean, as I said, there is only two products that are launched. And three more are expected to be launched within the next 6 months and about another eight are there in the pipeline to be filed. So as far as Casper is concerned, we said it takes 12 to 18 months for us to get breakeven time. We are in the same range.
- Pratik Kothari:** Right. But in terms of these two products which we have launched, I mean the commercialization of that has started. I mean, we have started supplying.
- Venkat Jasti:** Yes, it is a small volume and small value products as of now.
- Pratik Kothari:** And once all these products are launched, let's say, two is done, three in near future and eight after that, what can be the potential if you must look at, say, next year? What can this be?
- Venkat Jasti:** I think these are very dynamic in the generic business unlike the CDMO business, which I could tell in some kind of certainty. But if I say something, it may not work out the way it is because by the time how many numbers of case will be coming up by the time we get the approvals, we do not know. And what is the potential at that time and all that stuff. I mean, as I said, it will be positive only 12 months later. It is not a big amount that we are talking about it. It may be over INR150 crore or something like that.
- Pratik Kothari:** Okay. Correct. Sure. And sir, my second question is on the capex, our Suryapet Facility is coming up, we were doing something there.
- Venkat Jasti:** Yes, other than those things, we have not done any new activity because there is no change in the location of the R&D center because the regulation has not come into the picture and we have not put up any new facility, which, if needed, we want to put it at Pashamylaram that is also not started yet. And as and when the success of the molecule happens, then we can start working on that. So other than the Suryapet facility, which will be up and running by the end of second quarter and beginning of the third quarter and nothing else is running other than the replacement capex, which is normal.
- Pratik Kothari:** Because we had earlier said that it might take us about two years to even set up this for Pashamylaram facility. And that work still has not started?
- Venkat Jasti:** No, we have everything ready, but what I am saying is, unless you see the success in the molecule, there is no need because we can manage with the existing capacities here. Moreover, what happened is some of these activities are also being parallelly done at Vizag where we can also do the same products backup

kind of things and three of the customers have already approved this site as intermediate. So, there is no rush to do this unless it is purely regulatory purposes, we need to have it. Right now, that is not the case. That means some of the products which we are now making at Pashamylaram if there is a regulatory requirement comes, that can be moved to Vizag and the regulatory product can be done at Pashamylaram. So, there is no immediate requirement. But we have some other couple of products which matures and then we need to have a capacity then that is the time we need to put these capacities.

Moderator: The next question is from the line of Saurabh Kapadia from Sundaram Mutual Fund.

Saurabh Kapadia: Sir, if you can talk about the margins in this quarter, you have seen a better margins and going ahead if our mix remains high-value products, should we continue to see higher margins?

Venkat Jasti: Sir, this question I have been answering for last four years. It all depends on the mix of the products. So, one quarter, it may be high-value products and one quarter maybe volume growth only, but not the high value. So, we keep changing it, but we never say that it is going to go up, when it comes positive, it is good because we always say it is plus 40% margin plus 40% EBITDA but it is always above that. So, we do not know because we do not have a regular product day in day out. So, I can tell you, yes, there is a possibility to increase because of the other reduction in the gas and all that stuff. This is a product mix. And every quarter, it keeps changing it. So, I cannot help.

Saurabh Kapadia: Okay. And second is on the selection in new RFQ, in last quarter, you mentioned that it is slower. So how has been the traction in this quarter? And is it picking up in terms of new RFQ, you are getting?

Venkat Jasti: Yes. As I was telling you, I mean, this is the first quarter we are seeing a lot of new inquiries for the new products which are under development and those are very early-stage product. So, we are all working on quoting all those things and see how many of those things will mature. And see what happens is after the COVID, everybody is now focusing on the regular. There was a lull before. But it is not there now, more RFQs are coming, but sometimes, they will be going two or three products for the same indication, and then they will finalize one of them, but the request will come for all of them. So, we keep quoting them and see where it lands to. But it is a very early-stage product, which are volume driven, but eventually, it will give you good growth potential when it matures.

Saurabh Kapadia: Okay. Lastly, in terms of the filing. So how many filings we have right now in ANDA and how many approval are we expecting to get this year?

Venkat Jasti: No, no. See, the project has no meaning and what are the contributors he is the one that counts, because sometimes the project stays there, is active, but it will be two years to three years before you see a repeat business. So, we have difficulty telling how many projects are there because it does not give you any indication.

Saurabh Kapadia: Okay. How many molecules are there in placement and last time you mentioned about five molecules.

Venkat Jasti: Five, yes. But there is no indication as of now, when is the results are coming and should we prepare for a large quantity or anything like that. Nothing is evident as of today, that is visible in this time.

Saurabh Kapadia: Okay. Sir, just open-up for attrition. So, is it stuck into CCI part or is it at a SEBI level?

Venkat Jasti: No, I think, CCEA.

Moderator: The next question is from the line of Rushabh Shah from O3 Securities.

Rushabh Shah: Yes. Sir, I have a question basically on the CDMO business. The business nature is very lumpy, how do you manage that lumpiness about not getting future bidding orders like for two years or so?

Venkat Jasti: You do not manage lumpiness because this is the way the business is structured and one quarter it may be less, one quarter it maybe more, one quarter it is less value products, less means more early-stage products, one quarter it maybe more long-term projects. And sometimes, it can double when something we launched. I mean not only us, anybody, who is in this business, they expect a normal growth of 10% to 15% on average unless there is a success of the molecule moving from one stage to the other stage. So really, this is not a management. We cannot manage anything like changing it to some generic or anything like that. It has to be the basket that is available and wherein we supply new products.

Rushabh Shah: As you say, it is very difficult to predict like until Phase 4. So how do you have the visibility for the next 24 months or so?

Venkat Jasti: I think you never heard us. We do not have a visibility of more than six months. Not only me, neither my customer has a more than six-month visibility unless the result of the clinical trial comes in, they cannot tell us. So, this is part of the business

problem we have, and we are managing that way, a mindset management rather than any physical management.

Rushabh Shah: Okay. So, if you could give me the opportunity size in this business, then how are you ahead of your competitors?

Venkat Jasti: I do not have a competitor because I am purely a CDMO for the innovator products. The product if I am supplying to a customer is not supplied by any other in this country. So that we have not a competitor. So, we don't look at it that way. This is as a different sense and you have to see our track record and how it is growing, and it can be up and down or at the same time by the year-end, it is averaging it out, sometimes it will be maybe 1% or 2% less, sometimes, maybe 1% or 2% more only. Sometimes it will go over like if you see last four or five years, it is about 20% CAGR.

Rushabh Shah: You said going ahead, the opportunity size for our business is tremendous, like we can see a 20% growth over the coming years or so?

Venkat Jasti: Right now, I cannot say, I do not have the visibility, but our track record says so.

Moderator: The next question is from the line of Gokul Maheshwari from Awriga Capital.

Gokul Maheshwari: My question is that the capex plan of INR600 crore, which we had planned. I am aware that we have done the standard shifting of the R&D facility. So how much of that INR600 crore we have already executed?

Venkat Jasti: Out of three buckets, out of the INR600 crore, INR200 crore was for the replacement at the Suryapet site, new block. The second one is INR200 crore for shifting the R&D center if needed from inside ring road to outside ring road. And INR152 crore for Pashamylaram additional block is needed. So, we have not started anything else. We have only started the Suryapet thing and which we have contributed about INR170 crore.

Gokul Maheshwari: And is that already done or is under execution?

Venkat Jasti: INR170 crore already spent and it is under execution, third quarter the production will start.

Gokul Maheshwari: Okay. Secondly is on the Casper facility. When we made the acquisition, as I understand it is primarily for ANDAs but is there any other plan to use this facility for your customers in terms of offering them formulations also?

- Venkat Jasti:** Yes, yes. If required, we can offer them. But right now, it is only US FDA approved facility, we are using only for the ANDA, but we have not started any formulations to our regular customers – innovator products. That is a part of the integration in the future when we go to the APIs and hopefully, when they require because most of the innovator products, they do not take the formulations.
- Gokul Maheshwari:** Okay. So right now, we are not either speaking to our clients or not executing any such project, it is primarily ANDA facility right now?
- Venkat Jasti:** Yes, it is ANDA facility, yes.
- Gokul Maheshwari:** Okay. Lastly, just on the CRAMS. You mentioned about the inquiries have been fairly strong, and it's still early stages, but just purely based on your experience, I understand that you might have still quite a few balls in the air, but how much time does it take to really eventually this to be converted into meaningful business. I am not talking from a quarter sense, but more like a more longer-term perspective.
- Venkat Jasti:** Yes. Because see, in the early stage, revenues are very miniscule like 5 kilos to 10 kilos or 15 kilos, whatever it is, so if it matures and it goes into the Phase 2 level itself, then it takes 24 months to 36 months before you see any tangible results.
- Moderator:** The next question is from the line of Cyndrella Carvalho from JM Financial.
- Cyndrella Carvalho:** So just to ask on the margin side. The logistical cost benefit and the raw materials side benefit should stay with us going ahead, right, given that there has been a comforting ease on both of these cost accounts?
- Venkat Jasti:** Yes.
- Cyndrella Carvalho:** Irrespective of the product mix? I am just trying to understand that.
- Sunder Venkatraman:** Yes, that will be more or less stable.
- Venkat Jasti:** Stable.
- Cyndrella Carvalho:** Right. And if we look at our positioning from a China Plus One perspective, do you see anything changing here right now? And any commentary on the earlier discussion that we had on some funding winter that the industry was experiencing in the northern part of the world. So, what is the sense over there if you can highlight any of your thoughts on the two segments?

- Venkat Jasti:** China Plus One mainly that on comes to the generics and chemical businesses and all that stuff and some APIs, but we are not in this sector, we are in the pure CDMO, intermediate sector. So, the lull that happened last 1 year, 1.5 year, 2 years is because of the COVID, the focus was more on COVID rather than new development. As I was telling you since the last CPHI some changes in the mindset, people wants to come to India rather than go to China. Of course, China is not much in the CDMO side of the NCE players. But still, based on the number of inquiries we got this quarter, we feel that there is also some slight change in the thinking even for the innovator products also. So that is what we are seeing here. Other than that, it is not applicable for us, as far as the China Plus One is concerned only for the chemicals and regulatory APIs and all that stuff.
- Moderator:** The next question is from the line of Vishvesh Krishna an Individual Investor.
- Vishvesh Krishna:** Yes. I just wanted to know on the Casper facility. We had bought it only for formulation and R&D, correct?
- Venkat Jasti:** It is for formulations only.
- Vishvesh Krishna:** Can you shed some light on what is happening with respect to the Casper facility I joined the call a little late?
- Venkat Jasti:** Yes, Casper facility for the ANDAs, and we have a couple of them already some being applied very small volumes and 3 are under approvals from the FDA and 8 more are under filings and we expect the breakeven point in 12 months to 18 months.
- Moderator:** The next question is a follow up from the line of Rushabh Shah from O3 Securities.
- Rushabh Shah:** Thanks for the follow up. Sir, my question was on the – one of the calls, you had said there were some shipment delays and due to day in, day out supply such that everything happened then come into a single quarter and the rest of the quarters are all stagnant. So, is there any way to tackle those things or we have to be deal with it because the nature of the trading?
- Venkat Jasti:** It is not the shipment delays. What we are saying is globally, the major destocking and that means they are differing the requirements, even though projections are there. And the other part I said is it is because of the one drought situation, the requirement is deferred, it is not a delay differed to other companies. And as of now, for the next year, the projections are given and they're all good. And we'll be knowing, as I said last quarter, this quarter has affected because we did not supply those quantities and we'll know for the third and fourth quarters we will be knowing

in the September timeframe, how it is going through. So, the softness will be there for a temporary period, but in long run, because once the destocking takes place, requirement is there, the projections are still similar. So, there is only some of the Global companies, especially in Speciality Chemicals, which is what is happening. But that's short-lived, we feel.

Rushabh Shah: You said you do not have any competition in this new business. So, if a new player comes into your segment. So, what challenges he might face to like to come up to your level and what challenges are you facing currently in your business?

Venkat Jasti: I cannot tell what challenges the new players are going to face. But my challenges are that when we take up a project, whether it is going to go into the next level or not, it is going to be successful in the clinical trial setting or not, we don't know. This is an uncertainty not only from my point of view from the innovator point of view also. When I said, there is no competitors means the sectors area competitor we are not worried about where once you get a product, same product is not given to second person in this country. That is what I mean to say.

Rushabh Shah: What are your top three priorities going ahead in the next two years to three years?

Venkat Jasti: There's nothing like top two, three priorities, there is only one priority get new business and hopefully the business will be successful in the clinical trial which will in turn will give us. So, this is only one way. Because we are not into Generic, we are not into stock and sale items. We are all depending on the customers' success. That is the only way we look at it.

Moderator: The next question is from the line of Darshit Shah from Nirvana Capital.

Darshit Shah: Sir, when you are saying like we have received the kind of inquiries that we have not seen in our history of operation. So, we mainly like to understand, is it due to the kind of pent-up demand where most of the innovators were occupied with the COVID molecule and that has kind of come up after that or what is your sense on that?

Venkat Jasti: The sense is that the discovery and development of new molecules is deferred during the COVID situation because they are all focusing on developing various alternatives for COVID. So, now all those things are coming. That is why the requirements of those early-stage requirements are being asked for because we have one of long-term players with the customers with which we are working. And these are the new activities they have started with the gap as you know it is a cycle now or something like that happens. Sometimes now, they stop the activity, and

which happened because of the COVID, now the activity started full scale. And now they are looking at this is a very, very early-stage requirement, they are talking about it.

Darshit Shah: Got it. And sir, in this in terms of our capex where we kind of deferred the R&D in the Pashamylaram facility, does that thing, anything to do with the deal with Advent where they have also a few of the facilities, which can be used when we kind of merge all this together. Has that thing to play a role in this?

Venkat Jasti: Nothing. It has nothing to do with it because if the government says you have to move out of this thing, I have no choice but to do. And this thing we have done 2.5 years ago, not 6 months ago. So, I would have started earlier itself whenever there's requirement, we will take it. It is not money, we do not have to borrow also, it is existing only. We have only taken the permission from the Board at that time. It is not just because of the deal; it has nothing to do with the deal.

Darshit Shah: Sir, and on the migration from intermediates to KPI, what is the status there, if you could throw some light?

Venkat Jasti: As I was telling you because of the COVID, it has got delayed the audits and all the stuff. Now it started. We are already discussing with two customers, and they are planning to send their audit people sometime in the third quarter or something like that. I think it is going in the right direction.

Darshit Shah: Sure. And then lastly, if I may squeeze in, on this long stop date that's 26th of August, it is in the worst case if we do not get the CCEA approval, would this deal get extended as per the agreement?

Venkat Jasti: This 26th August is the long stop date and after that, it is a mutual consent we have given each other, if regulatory things have not come by that time. But the only thing one pending is CCEA, which we expect after the monsoon sessions to get organize the meetings and hopefully, it should be over.

Moderator: The next question is a follow up from the line of Saurabh Kapadia from Sundaram Mutual Fund.

Saurabh Kapadia: Sir, your manufacturing cost has gone down in this quarter. So, is it because of mix or the overall costs have come down?

Venkat Jasti: I did not understand the question.

- Saurabh Kapadia:** I am referring to the manufacturing cost that has come down if we compare it last four quarters, five quarters.
- Venkat Jasti:** Yes, as you know some Speciality Chemicals we are not manufacturing, right. This is a variable cost, all those things naturally it will come down and fixed costs are there, but the variable cost will come down naturally when the production is not there.
- Moderator:** The next question is from the line of Satish Bhatt from Anvil Share & Stock Broking Pvt. Ltd.
- Satish Bhatt:** Congratulations on good results. Sir, I just wanted to know whether you will give some update on your two molecules which you are planning to take to Phase II trials. So, how we are projecting which molecules and I just wanted to even look at what type of expenditure we are going to incur for those trials also?
- Venkat Jasti:** What are you talking, sir? You are talking to Suven life sciences here, we are not talking.
- Satish Bhatt:** I just want to know whether I can ask on those topics.
- Venkat Jasti:** I think people will get confused. I think we can have a separate call on that, sir.
- Moderator:** Thank you. I now hand the conference over to the management for closing comments.
- Venkat Jasti:** Thank you, everyone, for tuning in for this conference call. As discussed earlier, the environment is very tough, especially in the agrochemical sector. But as I said, there is a destocking that is taking place and some drought situations somewhere else. We feel that it is transient, and weak environment, but it will come back in a big way in the 2024, 2025 timeframe. We expect with this softness for this quarter, which we have told you, but based on the number of inquiries that is coming, we see a very great potential for the CDMO side of the business also. All in all, it looks good for the 2024, 2025 and this we will know as the time goes by as I said, on the long term, I can tell you how it is going on. For now, this quarter is soft and hope everything will resolved by the time we speak next time. Thank you. Thanks for tuning in.
- Please note:** We have edited the language, made minor corrections, without changing much of the content, wherever appropriate, to bring better clarity.