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"Lupin Limited Q2 FY2026 Earnings Conference Call"

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MANAGEMENT:

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Moderator: Hello, and good evening. Welcome to Lupin Limited Q2FY26 Earnings Conference Call. Thank you for your participation in the call today. Please note that all participants' line will be in listen-only mode. And there will be an opportunity for you to ask questions after the opening remarks. Please note that this conference is being recorded.

I now hand over the conference to the management. Thank you, and over to you.

Vinita Gupta: Hello, friends. I am very pleased to welcome you to our Q2 fiscal year '26 earnings call. I have with me our MD, Nilesh; CFO, Ramesh; and our Head of Investor Relations, Ravi.

We look forward to sharing our Q2FY26 highlights and outlook for the year ahead. We are truly delighted to announce a record quarter with total revenue from operations and EBITDA exceeding INR 7,000 cr and INR 2,100 crores, respectively, for the first time in our history.

Our margins have expanded by 750 basis points YoY and 470 basis points quarter-over-quarter reaching 31.3% the highest level recorded in the past many years. This exceptional performance reflects the consistent growth momentum we have sustained since the beginning of fiscal year '23.

Notably Q2 fiscal year '26 marks the 13th consecutive quarter of YoY growth, a testament to the strength and resilience of our business model. Our top-line growth combined with an unwavering focus on operational excellence and compliance across all geographies we serve has built a robust and sustainable foundation for the future.

This quarter's results were driven by broad-based growth across all our key markets. Exceptional growth in the U.S., supported by continued exclusivity for Tolvaptan, strong momentum in India, and solid contributions from both Developed and Emerging markets.

Coming to individual business segments, this quarter represented a notable achievement for our U.S. business, as we recorded one of our highest revenue figures to-date. This was aided by new product launches like Tolvaptan, where we continue to enjoy first-to-file exclusivity, and also products like Mirabegron and generic Spiriva® that offset low single-digit quarter-over-quarter price decline in base products, including Albuterol.

We are particularly pleased to report successful approvals of several complex injectable products during the quarter. Notably, we became the first Indian company to secure approval for generic Victoza®, Risperdal long-acting injectable, the first approval from our Nanomi platform, and Glucagon, all of which further strengthen our portfolio of complex injectables for the U.S. market.

In addition, we expect our biosimilars portfolio to start positively contributing to U.S. revenues from fiscal year '27, and we target to have at least five products in the market by fiscal year '30. We are very pleased with the market momentum on the biosimilars front in past few weeks, with the FDA easing

the clinical study and interchangeability requirements, as well as PBMs and potentially CMS starting to prioritize biosimilars.

Altogether, this sets us on track to double the share of complex products in our U.S. business over the next few years. In parallel, we continue to invest in expanding our specialty portfolio through a combination of organic initiatives and targeted acquisitions.

Switching to India, revenues grew 3.4% year-over year, with the core domestic formulations business delivering a healthy 8.8% growth, translating to 1.2 times IPM growth. The overall India number was moderated by lower local tender sales within our Global Institutional business. Excluding the impact of loss of exclusivity on products like Gibtulio® and Ajaduo®, domestic growth stood at a robust 10.7% YoY for H1. Volume growth remained strong at 5.2%, while the chronic segment now represents 65% of our portfolio, up from 64% last fiscal. Therapy-wise, GI grew 6 times its category rate, while Cardiac and Respiratory grew 1.5 times their respective category averages. We remain confident that our India formulations business will continue to outperform the IPM by 1.2 to 1.3 times as we have stated in the past, supported by our 10,000 plus strong sales force.

With the revival of the Respiratory category and the exit of Mixtard in the insulin market, we see near term tailwinds for both our respiratory and diabetes portfolio. We have over 80 new product launches planned over the coming years, including innovative products from both in-house development and in-licensing. This includes GLP-1s, where we expect to be in the first wave of launches with Semaglutide in India and are working on strengthening our innovation pipeline for the long term.

Our Other Developed markets, including Europe, Canada, and Australia, delivered 19% YoY growth, with Europe as the standout performer, growing 26.8% YoY for Q2FY26 and 27.3% H1. These markets now represent 12% of total sales, up from 11% two years ago, and are expected to expand further as we roll out our robust pipeline of new products.

The planned acquisition of VISUfarma, with its portfolio of 60 plus innovative eye health products and established infrastructure, aligns well with our strategy to expand a European footprint and build a global specialty franchise. This acquisition, expected to close by 2025, will enhance both growth and margins, adding diversity across key European markets. It will bring our global specialty business to USD 150 million annualized revenues next year, starting to build some scale.

Our Emerging markets grew an impressive 45% YoY, led by strong performance in Brazil and South Africa. We are especially pleased with the turnaround in Brazil, which grew 141% in local currency, driven by successful diabetes product launches.

Turning to R&D, our spend stood at 7.5% of sales this quarter, among the highest in the Indian pharma sector, reflecting our focus on complex and specialty platforms. We have over 50 product filings planned for the U.S., with a near-term focus on respiratory, complex injectables and biosimilars.

Over time, we expect an increasing share of R&D investments to flow into specialty programs and value-added medicines, including long-acting injectables, green propellant-based products, and 505(b)(2)s. We also plan to strengthen our innovation ecosystem in India through both in-house development and in licensing of late-stage assets.

On the compliance front, we recently received VAI status for our Pithampur Unit 3 respiratory facility and are actively addressing the OAI at Unit 2. We remain fully committed to ensuring that all our sites adhere to the highest global quality and regulatory standards.

In conclusion, while we take pride in our strong results, we remain grounded in our long-term aspiration to build a company for the future, one that is resilient amid challenges, agile in seizing opportunities, and anchored in scientific innovation and patient trust. With a clear strategic roadmap, disciplined execution, and a deep sense of purpose, Lupin is well positioned to deliver sustained value for all stakeholders in the years ahead.

With this, I'll now hand it over to Ramesh for a deeper analysis of our financial performance.

Ramesh Swaminathan: Thank you, Vinita. Friends, I welcome you all to our Q2FY26 earnings call. As you may have seen from the results, this has been a record quarter for the company, the company recording its highest quarterly revenues and EBITDA.

We've delivered positive results on most key financial metrics, be it growth, gross and operating margins, earnings per share, or leverage ratios. As a result, our ROCE is about 25% as at the end of Q2FY26.

Sales

Diving into the numbers, total revenues from operations, including other operating income for Q2FY26 came in at INR 7,048 crores as compared to INR 5,670 crores in Q2FY25 last year, a growth of 24% YoY.

Amongst the key markets, the U.S. grew by 47% YoY. India grew 3.4% YoY. Other Developed markets have grown 19% YoY, and Emerging markets have grown 45% YoY during this quarter. Our GIB business grew by 9% YoY.

US Business

Speaking about the U.S. business, this quarter, the U.S. business recorded sales of USD 315 million, a growth of 41% YoY, and 11.5% QoQ on constant currency basis. It is one of the highest achieved in this business. This growth has been due to new product launches, offset by low single-digit price decline in our base products, and anticipated impact of additional generic competition in Albuterol.

We're pleased with the progress of our U.S. business, which continues to be a key growth driver. The recent launches in our respiratory and complex injectables portfolio, along with the anticipated entry of biosimilars next

year, reinforces our complex generics portfolio, and we remain optimistic about growth prospects in the US in the years to come.

India

Turning to India, the India region business grew by 3.4% YoY during the year. I'd like to highlight that the core prescription business grew by 8.8% YoY during Q2FY26, and 8.7% in H1, handsomely outperforming the IPM growth by 1.2x and 1.1x, respectively.

In fact, if you normalize for the loss of exclusivity on some of our diabetes products, the growth would have been 10.5% and 10.7% in Q2FY26 and H1. Chronic share during the period was higher at 65%, with key segments like Respiratory, Cardiovascular, and GI significantly growing ahead of the industry. The share of in-licensed products is only 6% as compared to around 12% in FY25, which also has a positive impact on our profitability going ahead.

Other Developed Markets

As far as Other Developed markets are concerned, revenues in our other developed markets was INR 812 crores, representing a growth of 19% YoY. This growth was led by 27% YoY increase in Europe, due to higher sales in Germany and UK from existing products and partner sales. The recent announcement acquisition of VISUfarma will further add buoyancy to our growth in Europe going ahead.

Other Emerging Markets

Other Emerging markets grew by 45%, with strong growth in Brazil and South Africa, offsetting tempered performance in Philippines.

Other Operating Income

Getting on to the P&L, other operating income at INR 216 crores has increased by INR 40 crores as compared to Q2FY25. This has been led by higher export benefits from PLI scheme recorded this quarter.

Gross Margins

Turning to the gross margins, gross margins continue their upward trajectory with Q2FY26 at 73.3%, up from 69.3% in Q2 last year, and up from 71.3% in Q1FY26. This 403-basis points YoY improvement is driven by multiple factors, which includes better product mix, lower share of in-licensed products, including higher profitability on LOE products in India, increased volumes,

and other cost improvements and efficiencies which we have undertaken over the last several quarters.

Employee Benefit Expenses

Employee benefit expenses at INR 1,106 crores increased 9.7% YoY from INR 1,007 crores in Q2FY25, translating to 16.2% of sales as compared to 18.3% in Q2 last year. This change is largely attributable to higher costs due to regular annual increments, and business growth during the period.

Manufacturing & Other Expenses

Q2FY26 manufacturing and other expenses came in at INR 1,980 crores, increasing 18.8% YoY from INR 1,667 crores in Q2FY25 and INR 1,772 crores in Q1 FY26, translating to 29% of sales versus 30.3% last year. The expenses are mainly higher due to higher volumes in the normal course of business and certain one-time acquisition-related charges.

R&D

R&D at INR 509 crores is 7.5% of sales as compared to INR 448 crores in Q2 last year, with almost 70% of our R&D directed to its complex portfolio. For the full-year, as indicated, we expect R&D to be around 7.5% to 8.5%.

EBITDA

EBITDA including Forex and other income was INR 2,138 crores vis-a-vis INR 1,308 crores in the same period last year, an increase of 63% YoY, with a margin of 31.3% vis-a-vis 23.8% last year in the same period.

On a QoQ basis, margins have expanded by 470 basis points. This margin expansion is in the back of higher Gross margins and a lower fixed cost. We expect full-year EBITDA margins to be in the range of 25% to 26%, higher than our earlier guidance of 24% to 25%. Whilst we expect business to continue to exhibit robust performance, overall margins in H2 would be tempered by higher R&D spends and a lower PLI income.

ETR

Turning to the tax rate, ETR is expected to be about 20.9% for H1. For the full-year, we expect ETR to be around 21% to 22%.

Operating Working capital

Operating working capital stands at INR 7,730 crores as of 30th September, against INR 6,821 crores as of 31st March '25, which translates to 102 days of working capital against 106 days in the previous quarter.

Net Cash

Net cash stood at INR 1,665 crores as against INR 310 crores on 31st March 2025. Whilst we focus on increased cash generation for our business, we would like to highlight that we continue to explore strategic allocation of our capital to address the long-term mission of the company, including on the specialty front. We've also announced planned investments in the U.S. at our Coral Springs site to cater to the anticipated increase in demand, especially for our respiratory products.

ESG

On the ESG front, we reached a remarkable milestone in the S&P Global ESG score of 91 in 2025 reflecting a 15-point improvement over 2024. This achievement positions us not only as a leader in the pharmaceutical industry, but also amongst a very select group of global companies to surpass the 90 mark. This underscores a deep-rooted commitment to sustainability and responsible growth.

With this, we open the floor for discussions.

Moderator: Thank you very much sir. We will now begin the question-and-answer session. Request that all participants who wish to ask questions to raise your hands on the participant tab on the screen. We will wait for 30 seconds for the queue to assemble.

The first question is from Kunal Dhamesha.

Kunal Dhamesha: The first question on the U.S. business, now that we probably have seen a good amount of Tolvaptan in this quarter, how do we see this USD 315 million number moving in the coming quarters? And also, what are the key launches that we are looking at, both in second half of FY26 and first half of FY27?

Vinita Gupta: On Tolvaptan, we have 180-day exclusivity, so that's into next week. We would expect some competition, but we also believe that the two competitors that we're expecting, not both of them may make it. The TAs are delayed, we don't see any TAs as of yet, so we do think that we are going to get more of a runway. Plus, if we look at Tolvaptan conversion so far, we have seen 30% of the market convert, so there's still a lot of room for generic penetration and an expansion of the market overall for both for us as well as new entrants. So, as we look at the next couple of quarters, the second half, we certainly think that we'll have some erosion from this USD 315 million, but

we should be, close to between USD 275 million to USD 300 million per quarter to close over USD 1 billion as we have guided in the past.

And then in terms of new launches, just recently we launched the authorized generic to Ravicti®, which is a material launch for us. We are about to launch the Risperdal Consta® product in the next couple of weeks. We have an upcoming goal date for Pegfilgrastim, for which we had a recent inspection at the biotech facility. Feel pretty good about that, so that should be coming up. Victoza® was just launched, so we'll see the ramp up of that. So, injectables certainly, Ravicti® plus biosimilars into the next couple of quarters, and then Ranibizumab next year, we feel pretty good about sustaining a USD 1 billion plus level into fiscal year '27.

Kunal Dhamesha: Second question on the EBITDA margin guidance for FY26, which we have raised by almost 100 basis points. But how to look at FY27, how should we kind of look forward to the EBITDA margin for the year?

Ramesh Swaminathan: We expect a reduction in the second half. But we have also said in the same breath that there would be an increase in the R&D expenditure. But we do expect the R&D expenditure next year to kind of normalize a little vis-a-vis, in fact, the second half. And given the fact that we expect some of the products to kind of sustain the momentum, we would think that we would be able to close at around 24% - 25% next year as well. And there's, of course, opportunities in other parts of the globe, like as in India with Semaglutide and the like. So, from a sales perspective, we think there would be growth. I'll bet it's going to be a little lacklustre from a comparison perspective vis-a-vis the current year. But overall, there would be we would be able to kind of keep to the margins that we are speaking about.

Kunal Dhamesha: In terms of the recent inspection at the Nagpur facility, have we submitted a response? And how important is this facility for us from a future growth perspective, specifically from FY27 and FY28 perspective?

Nilesh Gupta: The audit was for our injectable facility. So, we've obviously submitted the response. And I think the next update where we've made a lot more progress actually goes in today. We're not happy with the observations, but we believe that they are addressable. We're obviously putting our best foot forward at this point of time with the response. And we hope that it will suffice.

It is important, both for our injectables, which are just starting to build at this point of time and some of our biotech products as well. The facility is important and obviously we want to keep it in a state of good compliance. Obviously, we're going to do whatever it takes to get it to the finish line.

Kunal Dhamesha: Can you share the number of ANDAs from the facility which are pending?

Nilesh Gupta: We've just started our injectable journey. So I think we've just got a few approvals and we file 5-6 ANDAs every year. So, I mean, we're not talking about a very large number yet, but I mean, it's a key part of what we want to build going forward.

Moderator: We'll take the next question from Bino Pathiparampil.

Bino Pathiparampil: To get an idea on Tolvaptan, could you compare the revenue QoQ or would Q2 Tolvaptan revenue be double of Q1 level or more than that?

Vinita Gupta: We don't give product-wise guidance, but needless to say that Tolvaptan has been a significant contributor in Q2.

Bino Pathiparampil: And how is Mirabegron? Does it fluctuate quarterly or are you maintaining a roughly same run rate?

Vinita Gupta: No, Mirabegron has also grown QoQ.

Bino Pathiparampil: How do you think about that product? In February there is this hearing. Do you expect a decision around Feb or March itself or is it likely to go on for some time?

Vinita Gupta: It is hard to predict how the judge will rule, or the jury will rule. But based on the trial that we have seen so far, I mean, in the case of MSN that settled, and Ascent last week. We feel pretty good about not really seeing any new entrants in the near term. And then, as our trial date comes closer, we'll see how the rest of the competitive base is going to really factor the risk for the launches. But we also feel good about the fact that our case where we have a number of defences on the non-infringement front, we feel pretty good about it as the trial comes closer.

Bino Pathiparampil: My question was specifically, once the trial starts in Feb, do you expect a final decision in your favour or against within a month or so? Or is the trial likely to go on for months?

Vinita Gupta: Usually, jury trials don't go on for months, but the decision from the jury is hard to predict if they’re going to make the decision right away.

Bino Pathiparampil: Last question on EMEA growth, very strong numbers growth, partly helped by currency depreciation, I assume, but even adjusted for that it's very strong. Anything in particular that is driving that?

Vinita Gupta: So Luforbec® continues to be a very strong performer. We continue to grow our share in Luforbec® in the current countries where we already present as well as in new countries that we have launched. Raltegravir was also a good contributor to revenues in the quarter. So, both respiratory as well as other products.

Moderator: The next question is from Shyam Srinivasan.

Shyam Srinivasan: Just one on the VISUfarma acquisition. If you could walk us through the strategic rationale. I think the presentation also talked about being accretive to margins. I can see some of the margins, but just the thought process on that acquisition and what does it essentially add to our portfolio?

Vinita Gupta: We have always said that we are under-indexed in Europe and we have significant potential headroom there but didn't have the right market presence. We had presence in UK, Germany and France very recently. This adds Italy and Spain to us. So that's number one.

And with the infrastructure that we gained, we also have the ability to launch the Lupin portfolio into those countries, even though, the business that we're acquiring is ophthalmics. But with the infrastructure you get, especially the common resources, our team is also confident of launching other products into these markets direct as opposed to partner business that we do in Italy and Spain like countries.

Second, ophthalmology as a specialty franchise is one that we've been excited about the last couple of years. We have been looking at multiple assets, both in U.S. and Europe. And this VISUfarma, we had gotten to know the company over the last couple of years and tracked them very closely. And really liked the momentum that they had built both on the commercial front, as well as the pipeline front. So, it really sets us up very nicely for to build ophthalmology franchise, both in Europe, as well as potentially the U.S. and Other Developed Markets going forward.

Third, I would say that we have synergies on the pipeline portfolio from VISU into other markets, and particularly, the Emerging markets, Mexico, where we have ophthalmic business, other countries in Latin America, Southeast Asia. And we're looking at the potential also in countries like Canada and Australia, we intend to bring the VISU portfolio into as many markets as we can.

So, a combination of expanding our footprint in Europe, as well as building on the specialty franchise with ophthalmology and operating leverage through global maximization of portfolio.

Shyam Srinivasan: Also, just double-clicking on your opening remarks, global specialty sales expected to reach EUR 150 million, so I'm assuming EUR 50 million actually comes from here, but what is the rest of the things, and I'm assuming some of it is in the U.S. as well, so if you could walk us through that as well?

Vinita Gupta: So, we have Xopenex® in the U.S. that is the one brand in the U.S. right now. We hope to be able to build on that. We have Zaxine® in Canada, for IBS, and we have NaMuscla® in Europe.

Shyam Srinivasan: And the time frame for this EUR 150 million would be fiscal ’27, is it, or later?

Vinita Gupta: That’s right.

Moderator: We'll take the next question from Saion Mukherjee.

Saion Mukherjee: We have seen very strong growth in some of the emerging markets like Brazil, South Africa, you mentioned, and also in Europe. How should we think about the growth, because the numbers are very high, so is this number sustainable? And on this pace, how should we think about growth, if you can take us through in these markets, and what will drive that?

Vinita Gupta: So, Europe in particular, we have a pretty strong portfolio pipeline of products to drive growth, and we would love to grow 20% plus every year, but I'd say at least on a three to five year basis we should see higher than the company average growth rate in countries in Europe, facilitated now with the VISU acquisition as well.

In Latin America, Brazil in particular, it really has been a turnaround aided by a really good product launch in the diabetes franchise, Dapagliflozin, as well as this week, we got approval for Empagliflozin, so we are hopeful to be able to drive growth in Brazil on the diabetes franchise overall.

South Africa, we really turned around the business again. It was flat over a couple of years. We have restructured the portfolio. We have doubled down on products where we see potential of growth going forward and are hoping to sustain the growth rate that we have in the current year in the next few years ahead.

Saion Mukherjee: So, Vinita, all put together, you're expecting like double digit constant currency growth across all growth across all these key markets?

Vinita Gupta: Yes.

Saion Mukherjee: Second question would be on biosimilars and respiratory. If you can take us through the key milestone that we need to watch out for, you mentioned five products commercialization in biosimilar till fiscal '30. If you can take us through the product and timeline and also on the key respiratory filings where we are and what's the time frame for commercialization?

Vinita Gupta: On the biosimilars front, Pegfilgrastim is in the next couple of weeks. We have a goal date in end of this month. So that will be our first one. We have Ranibizumab middle of next year, the goal date. And I feel pretty good about that one because I think they're the first prefilled syringe filed in the U.S.

Also, currently, the two biosimilars that were on the market are out of the market. Presumably because of pricing concerns and probably will come in at a different price point. So, that presents a really nice opportunity. Then we have the on-body product, Pegfilgrastim that we've made progress on. And we'll expect that to be third to market.

And fourth will be Eylea® building on the ophthalmic after the Ranibizumab launch.

Fifth will be Etanercept, because of the submarine patent in the U.S. is out to FY29. But we'll expect to launch Etanercept as well in the five-year time frame. So those are the products on the biosimilars front.

On the respiratory front, we are making progress on Dulera that we've already filed. And we are pretty far along now on Respimat, with the Spiriva Respimat® product. And hope to really, by the end of this fiscal year, provide more of an update there on the concrete dates from a filing perspective.

And we're also making progress on the Ellipta franchise with Breo®, Trelegy® as well, and Anoro®, all three products are in development. And then we have made substantial progress on the green propellant front, especially for Europe, where with Luforbec®, the green Luforbec® is an important part of our five year plan in the European markets.

Plus Trimbow®, we have actively under development. As well as other U.S. products, we have green propellant versions in development as well. That

gave us an opportunity to quasi brand them, like figure out if we can position them in between generic as well as proprietary brands.

Saion Mukherjee: Just one clarification, I mean all these products that you mentioned, should we expect filings in FY27, that is next fiscal year?

Vinita Gupta: Maybe not all of them, but it's a good percentage of them.

Moderator: We'll take the next question from Neha Manpuria.

Neha Manpuria: On gross margins, how should I look at it, given we had a lot of moving parts and benefit in this quarter. From a full-year perspective, based on what happens to Tolvaptan, what should be a reasonable assumption for gross margin levels?

Ramesh Swaminathan: So, this particular quarter, there was essentially, the Tolvaptan factor, and also because of the fact that loss of exclusivity on a couple of products in India. So, once it turns generic, clearly margins also increase because the margin percentage that has increased. So, that's the story so far as this current quarter is concerned.

Clearly, we're working on a number of initiatives in terms of alternate vendor development and stuff like that, in terms of wanting to move the gross margin line. So, there could be a decline, but having said that the EBITDA margins being around the 24%-25% mark., This obviously takes into account the fact that there could be a slight reduction in the gross margins line, but made up in some ways through operating leverage and other parts.

Neha Manpuria: On biosimilars, something like, Pegfilgrastim, which is already a competitive market, Ranibizumab, we've seen players exit because of pricing. What do you think of, how does Lupin see itself positioning competitively to gain market share there?

And from a commercial front-end aspect, do we need to spend incrementally to get that infrastructure in place in the next year for Ranibizumab and Pegfilgrastim? And in your assessment, what could be the cost for that?

Vinita Gupta: So, on Pegfilgrastim, actually, there's been a lot of interest from partners that are in the oncology space already. And just given the dynamics of the biosimilars market where a new product coming in, even after multiple competitors can set a reasonable ASP, we see tremendous opportunity, in terms of share. Certainly, it's going to be a smaller percentage compared to other products where we'll have limited number of players. But in terms of dollars, it should be a nice contributor into the next couple of years, fiscal year '27 as well as fiscal year '28. So, Pegfilgrastim in particular, we plan to partner, so we're not going to build any commercial infrastructure.

But on the ophthalmic front with Ranibizumab, where again we see an opportunity of launching at a reasonable price, I'd say, that gives room both for the providers as well as for us as a manufacturer.

We expect to have some infrastructure to be able to sell through to the ophthalmic distributors and also ensure that we get the fulfilment. Given the

fact that we have two biosimilar products, both Ranibizumab and Eylea®, we're going to make not a material but a small investment in commercial team that can position the products.

Neha Manpuria: What would be the timelines for Eylea®?

Vinita Gupta: Eylea® is fiscal year '28 or fiscal year '29. I think it's at the tail end of FY28, early FY29.

Neha Manpuria: And from capital allocation, I think in the opening remarks, there was a mention of investing more in specialty. Given the investments we have in ophthalmology with VISUfarma and also separately in the NaMuscla®, in CNS, will this be the two areas that would focus on for incremental deals in specialty? Would that be the road you would go down to, or you're open to looking at other therapy areas as well?

Vinita Gupta: So, we are focused on three therapy areas. Respiratory continues to be a focus just given the scale we have on respiratory, both U.S., Europe, other developed markets, as well as India. Second, in the NaMuscla® neurology, CNS is an area that we'll continue to build. But so far, on that front, we are building on the DM indication.

So, we're continuing to progress the clinical trial on the DM1 and DM2 indication for global, in particular U.S., and Europe, commercialization. And then ophthalmology is the third area that we have actually looked at in the past. But VISUfarma gives us a nice start and will continue to build on the ophthalmology in U.S., Europe, as well as other parts of the world.

Moderator: We'll take the next question from Shashank Krishnakumar.

Shashank Krishnakumar: First one on Risperidone, which we plan to launch this quarter. I wanted to check if this is a shared CGT Exclusivity?

Vinita Gupta: So, we believe that we should be the next one in and Amneal that has also got approval will launch later. But we will have a shared exclusivity with them when they can launch certainly when they get approved.

Shashank Krishnakumar: And on Mirabegron, I think I missed your comments. On base cases, no incremental competition in the near-term. Is that the right understanding?

Vinita Gupta: Yes. We have a base case where there is no additional competition in the near term.

Shashank Krishnakumar: On Dulera have we responded to the CRL or in the process of responding?

Vinita Gupta: Yes, we have responded.

Moderator: We'll take the next question from Surya Patra.

Surya Patra: My first question is on the India business, you have mentioned that excluding for the LOEs, the growth is really strong, better than the industry trend. So when would we start seeing the normalized growth momentum or exclusive of the kind of impact what that has been there so far?

Nilesh Gupta: I think from the next quarter. So H2 onwards, you'd see things normalized. I think the entire effect of exclusivity that stuff is done. So you'll see it from the next quarter.

Surya Patra: And in the meanwhile, I think the growth of the industry itself has muted. So, do you think that is having some impact to the overall industry growth trend in the domestic market and hence your growth may not be double-digit? Anything of that sort?

Nilesh Gupta: I mean, for H1, the market grew 8%, so I would say that the market is pretty decent from a growth perspective, from our perspective we grew at 8.8% in Q2FY26, 10% plus if I take out the LOE part. Again, our big therapy areas are growing strong-double-digit. And importantly, we're seeing strong volume growth as well. So, I'm cautiously optimistic on the market.

Surya Patra: Second question is about the respiratory business. One is that we have indicated about a long-term investment plan of around USD 250 million in the U.S.

And simultaneously we have also kind of adopted the Honeywell Solstice® propellant for our inhalers. So, how is this changing the business opportunity or any competitiveness or the scope if you can discuss that part?

Vinita Gupta: One I'll address two different questions.

First on the investment in the U.S. that we announced the USD 250 million a combination of both Capex as well as pipeline is for the Respimat as well as Ellipta franchise which we had planned to commercialize from our U.S. Coral Springs site. So that is the investment in terms of pipeline, all the products on the Ellipta® franchise, and all the products on the Respimat franchise plus we're going to have a MDI line as well that gives us the access to government business in the U.S., also helps us diversify risk a little bit on the MDI front with Albuterol as well as other MDIs in the future. So that was part of our plan already and has got very positive response from all the stakeholders in DC that we have talked to, so the fact that we are investing in the U.S. has been received positively.

On the green propellant front, we see a number of opportunities both in Europe as well as the U.S., maybe the near term in Europe but also in the long term the U.S. You see the large majors like companies like GSK, AstraZeneca as well as Chisi in Europe all have been working on low GWP weight propellants, just given all the concerns of climate change. And we expect that, end of this year, Ventolin® to be filed with the new propellant in the U.S. There already have been multiple filings in Europe. So we see it as an essential part of our strategy on the respiratory front to continue to sustain our growth on the respiratory franchise. Plus, there's an opportunity also in products where the brand doesn't do it for us to differentiate ourselves. For example, in Xopenex®, we are the brand and we have the ability to bring a green propellant Xopenex® on the market and differentiate ourselves and build the brand further. So, we look at it as a really nice opportunity to continue to grow the respiratory franchise in U.S. and Europe.

Surya Patra: Will this have any implication on the Albuterol franchise?

Vinita Gupta: It'll be interesting to see how it plays out once Ventolin® is filed and approved with the green propellant. We'll have to really closely track and monitor how the brand market evolves after these products are launched. But I certainly think there's the potential to convert the market.

Surya Patra: This is not a compulsory requirement as of now?

Vinita Gupta: I'd say that it's been emphasized more so in Europe. UK has given a definitive date by which they are going to discontinue the high carbon footprint propellants and Europe is going to follow that. And I think the U.S. will be the third. But I'd say the market will evolve very much dependent on how the brands position the new propellant products.

Surya Patra: So, on VISUfarma. What is the scope of cross-selling opportunity that we are having? And ophthalmology as an area, what is the kind of revenue mix that we are currently having for our entire global operation?

Vinita Gupta: So, the revenue mix, I was pleasantly surprised, actually USD 140 million when we combine VISU plus India ophthalmology business plus Mexico as well as a couple of other countries. So, after respiratory, it's becoming a therapy area of scale for us and the cross-selling potential we have across multiple regions, I mean Latin America in particular, Mexico, other parts of Latin America, Southeast Asia and Eastern Europe as well as potentially in Canada and Australia.

Moderator: We'll take the next question from Vishal Manchanda.

Vishal Manchanda: Can you share whether you would have filed generic Semaglutide in Brazil?

Vinita Gupta: We haven't.

Vishal Manchanda: And second on biosimilars, can you quantify as to like what do you would be annually spending on biosimilar development and other operating costs? So are we burning money there right now?

Vinita Gupta: Yes, we are.

Ramesh Swaminathan: The point also is that a lot of our products are in some ways partnered and the like. So, from that perspective, the overall burn is not that much.

Vinita Gupta: Right. But we should be positive in the next couple of years.

Vishal Manchanda: So, even if we include the R&D that you do on biosimilars, your burn is not significant at this juncture?

Ramesh Swaminathan: Yes, it is a negative, but it's not hugely negative.

Vishal Manchanda: And whether you would file these biosimilars in Europe too, or you are only focusing on the U.S.?

Vinita Gupta: No both. U.S., Europe, as well as other countries.

Vishal Manchanda: And any sense on what capacity? So, what market share would you be targeting with the capacities you would have created for these filings?

Vinita Gupta: So, I think we have enough capacity to serve our share, but we're not taking on manufacturing business, CDMO business in our biologics facility, because we think that in the next five years, we'll fully utilize our capacity.

Vishal Manchanda: And so, you believe you have enough capacities for a fair share?

Vinita Gupta: Yes, for the current products. You know, as we're looking at biosimilars going forward, given the momentum now, the FDA doing away with the requirement of clinical studies, certainly for products where we can be in the first wave, where they're going to be limited competitors, we want to now target the next round of pipeline on the biosimilars front. So, we'll have to take a look at what we will need in terms of capacities going forward.

Saion Mukherjee: And you won't be looking at the India markets?

Vinita Gupta: We are absolutely looking at the India market as well.

Moderator: The next question is from Damayanti Kerai.

Damayanti Kerai: My question is regarding Liraglutide. Vinita, how do you see this opportunity given market has clearly moved towards new gen products? And then do you have more peptides which are in pipeline to be filed in U.S. in near term?

Vinita Gupta: So, we've just recently launched it. We're going to really over the next couple of months be able to determine what kind of market will the generic switch and also our own share. But it's been a very recent launch for us. And in terms of other peptides, we have Semaglutide in the works, we have Tirzepatide in the works, so we have other peptides in the works as well.

Damayanti Kerai: And these are done through CMO's or you're doing in-house?

Vinita Gupta: So, partially in-house and we're also building our own capability on the peptide front. And just given the limited capacities available for peptides in the market, expanding significantly, especially after Semaglutide goes generic and starting next year in India and few other markets. So, we're building in-house capability.

Damayanti Kerai: But that will likely come a bit late, right? And in near term, it's more through CMO's?

Vinita Gupta: That's right.

Damayanti Kerai: My second question is a clarification, Ramesh, did you mention for FY27 also, you will maintain EBITDA margin at 24%-25%?

Ramesh Swaminathan: Yes, that's what I said. Now, so it would be obviously a tad lower than what it is today. But clearly, we think it's we'd be able to maintain it between 24%-25%.

Moderator: We'll take the next question from Tushar Manudhane.

Tushar Manudhane: Just on this Coral Springs investment, conceptually Indian facilities is at a lower cost of manufacturing and that has been one of the advantage for the exports business. So, from that perspective, if you want to think about then how does this investment plays out from the profitability point of view?

Vinita Gupta: So, we looked at setting it up in India as well as Coral Springs and overall, the lines for both Respimat as well as Respimat, we're doing a combination of the two. We're doing the cartridge in India and we're doing the packaging in Coral Springs.

And for Ellipta, it's a pretty automated line, and we really felt the difference was marginal, but there was an advantage of having the manufacturing site close to the R&D site, both for effective scale up as well as manufacturing. So, overall, we felt pretty good about making the investment in the U.S.

Tushar Manudhane: And the devices with respect to these products. So, again, this is procuring from the top three, four global players. Is that how the thought process is going to be?

Vinita Gupta: No, we're actually assembling the devices. So, we get the components and we assemble it.

Moderator: We'll take the next question from Saion Mukherjee.

Saion Mukherjee: On Semaglutide opportunity for next year, how are you thinking? You mentioned about India and then how many other markets, how many of them you think you would be in the first wave? And if you can talk about capacity and your overall expectation on the market dynamics?

Nilesh Gupta: See, India is the key market from the near-term perspective. Longer term, we'll obviously play in the developed markets.

Vinita Gupta: But South Africa as well, next year.

Nilesh Gupta: South Africa is the other market that we have. I think these will be the two key markets, maybe at some point of time in Philippines, but that's it. But I think what will really make a difference is largely India and a little bit of South Africa.

Vinita Gupta: And from a capacity standpoint, they are in-licensed both for India as well as South Africa.

Saion Mukherjee: It's possible for you to share the kind of capacities you have in place for next year?

Nilesh Gupta: I mean, like we said, they're partnered, but we don't see a capacity concern.

Saion Mukherjee: And my next question would be on the respi products in the U.S. So, Albuterol has seen erosion. So, is it still declining or has that stabilized? And also, if you can comment on Spiriva®, for you, has it stabilized now or it has come off from the peak? And if you have any expectation, updated expectation on possible competition, and when that happens how do you see revenues move in that product?

Vinita Gupta: So, Albuterol has stabilized, but we see Amneal will likely come in at some point in time. So, there will be further erosion. On Spiriva®, our share has stabilized. At the same time, there is this new momentum of the government, U.S. administration, trying to focus on biosimilars and generics as a priority for CMS business, which is where we are struggling right now on Spiriva®. We

haven't been able to get good access on the Medicare front. We are hopeful that we will be able to drive additional share with this new momentum in the quarters ahead. We haven't heard of any material progress of a competition. We are certainly not hearing from our customers that anyone is close to launching into the Spiriva® market anytime soon.

Saion Mukherjee: And with a Medicare access, when do you see that playing out for you?

Vinita Gupta: So, Medicare, they have actually prioritized the brand. Everything that they're saying right now that they want to prioritize biosimilars and a generic-first policy. It's hard to predict when, right? I mean, so we have started to see some gain and share on the Medicare front, but it's still small compared to the opportunity.

Moderator: We'll take the next question from Kunal Dhamesha.

Kunal Dhamesha: Can you give a split for our India business between the prescription business and the adjacency businesses?

Nilesh Gupta: It's almost entirely the prescription business. I think the adjacencies will be less than a couple of percent.

Kunal Dhamesha: And then secondly, on Mirabegron, innovator seems to have raised their guidance for the U.S. market by almost 80%. So, is it because of very strong demand in terms of volumes? What kind of dynamics are playing out there?

Vinita Gupta: So, the market has grown for Mirabegron and innovator has also held on to a good percentage of share and I think if I'm not mistaken, the earlier guidance might have been very conservative.

Moderator: Thank you very much to everybody for the patience. I now hand the conference over to the management for the closing comments.

Vinita Gupta: Thank you, friends, for all your questions. We have had really strong performance in the last couple of quarters. Look forward to working on continuing this trajectory in the quarters and years ahead and will look forward to connecting with you next quarter. Thank you. And have a great weekend.

Moderator: Thank you so much, ma'am. Now on behalf of Lupin Limited, that concludes this conference. Thank you for joining us, and now you may exit the webinar.