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17th February 2025

To,

BSE LIMITED
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400001

THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED
Exchange Plaza, 5th Floor, Plot No. C/1, G Block
Bandra-Kurla Complex, Bandra (East)
Mumbai - 400051

Dear Sirs,

Subject: Transcript of Analyst / Institutional Investor Meetings

We wish to inform you that pursuant to Regulation 30(6) of Schedule III, of the Listing Obligations and Disclosure requirements (LODR), Regulations, 2015, please find enclosed the transcript of the Analyst / Institutional Meeting held on 14th February 2025. The said transcript is also uploaded on the website of the Corporation and can be accessed through the link:

<https://india-pharma.gsk.com/en-in/investors/analyst-meets/>.

Thanking you,

Yours faithfully
For **GlaxoSmithKline Pharmaceuticals Limited**

Ajay Nadkarni
Vice President – Administration, Real Estate
& Company Secretary

CIN: L24239MH1924PLC001151



**“GlaxoSmithKline Pharmaceuticals Limited Q3
Earnings Analysts Conference Call”**

February 14, 2025

**MANAGEMENT: MR. BHUSHAN AKSHIKAR - MANAGING DIRECTOR,
GLAXOSMITHKLINE PHARMACEUTICALS LIMITED**

AND

**MR. JUBY CHANDY – CHIEF FINANCIAL OFFICER,
GLAXOSMITHKLINE PHARMACEUTICALS LIMITED**



Moderator: Hi. Good evening, everyone. This is Dorwin Dias, your moderator from Chorus Call. Welcome to the GlaxoSmithKline Pharmaceuticals Limited Q3 FY2025 Earnings Call.

From the management at GlaxoSmithKline Pharmaceuticals Limited, we have Mr. Bhushan Akshikar – Managing Director, GlaxoSmithKline Pharmaceuticals Limited; and Mr. Juby Chandy – Chief Financial Officer, GlaxoSmithKline Pharmaceuticals Limited.

By participating in this event, you consent to the recording, distribution and publication of this event. Kindly note that this call is meant for investors and analysts only.

All participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the presentation from the management concludes.

I now hand the conference over to Mr. Bhushan Akshikar. Thank you, and over to you, Sir.

Bhushan Akshikar: Thank you very much, Dorwin. A very good afternoon and a warm welcome to the Q3 Earnings Call.

From the last time we met, end of October, we have had some significant milestones in our journey. And some of you may have seen in the video that was running in the background before we started this call. We definitely had one of the most significant milestones which was on the 12th of November celebrated aptly at the Bombay Stock Exchange to reaffirm our commitment to all stakeholders, especially the industrial community. Apart from many things that we have done throughout the year, this was really symbolic of the long-standing commitment that GSK continues to have as we step now in the second century of our operations.

If you recall, we set out a very clear strategic direction where we said [that] as a biopharma healthcare company, we operate at two ends of the spectrum: one with general medicines spanning several therapy areas, then being present in the vaccine business both pediatric and adult, and at the deep end of specialty medicines with launches that you see on the screen here.

One of the focal areas for us as an organisation has been to remain focused on delivering a competitive performance and therefore delivering ahead of market performances. As you can see on the left side, most of the brands that we have in our general medicines portfolio delivered a strong Evolution Index, clearly recording a

higher than market delivery of our market growth. Even in categories where we didn't see the traction externally, we kind of held our market shares, as you can see, across the board. So, our general medicines portfolio has clearly driven some of the momentum in Q3 led across the board by the brands that you see.

On the pediatric vaccines business side, we continue to hold leadership in the self-paid private pediatric vaccine market, and again here too, it's been a consistent story. Over the last four quarters, we have been sharing results about not only stabilising but growing the business and getting back to market share gains, and that's something that we have seen across the portfolio.

Clearly if you look at some of the volume growth that we have delivered both in the general medicines and the pediatric vaccine-based business, we have had some strong volume growth across the board and that's really been the highlight of Q3.

On the new products, we talked extensively to you over the last few quarters about the renewed commitment that GSK has in bringing some of these innovative assets into India. *Nucala* continues to be one of the key brands indicated for severe eosinophilic asthma. And of course, we have the other asset in the single inhalation triple therapy, which is the fastest growing in the Bronco inhalation space. So, both of these continue to grow from strength-to-strength, month after month, and Q3 has been specifically highlighted in terms of the new patients that we have been able to offer these innovative assets to.

So, if you go to the next slide, clearly, we believe that apart from maintaining and sustaining the growth momentum in our base business, it's new growth platforms, namely adult vaccination led by Shingles awareness. We have done some innovative things in Q3. As you can see in that screen, the whole focus has been to improve awareness, to educate more and more consumers, to understand the risk factors associated with Shingles and spread awareness around Shingles prevention. And we have done some innovative campaigns in Q3, which I am sure many consumers must have seen, including the industry community on both TVCs as well as social digital platforms.

So, as we step into the second century, we remain focused as a management team on delivering top-line growth and delivering, of course, returns to our shareholders and that will remain the commitment on behalf of management. We will spend a few minutes looking at the financials which we just released and then we will open it up for questions. Juby?



Juby Chandy:

Thank you, Bhushan. So, we have got a very good set of results to share. If you see the numbers which were released to the stock exchanges, both on revenue as well as on EBITDA side, margin side, we have seen significant progress over the last quarter.

Revenue has been growing 18%. If you see what are the drivers of this revenue, all the business segments, general medicine business segment, vaccines, as well as the specialty portfolio, all have grown double digits.

Strong performance in general medicines, which has grown 11% underlying volume. Specialty portfolio has been growing close to 37%, and pediatric vaccines has been stabilised with a growth of 15%. So, you could see all the segments in our business have been growing double digit. Continued focused on Shingles awareness is helping us to maintain our disease awareness campaigns in the market.

EBITDA is 290 crore, growth of 33% with a margin profile of 30.7%, which is an improvement of 370 basis points from previous year. As well you would have seen from the results the SG&A ratio, the expense ratio has improved by almost 2% of sales on continuing to dial up the efficiencies which we have in the business which we have started close to two years back and we have been working on that the last many quarters.

Profit After Tax is maintaining the same trend with 350 basis point improvement, and this quarter we are sitting with a very healthy cash flow and our cash position is very strong with 100% conversion of our profit into cash. And as you know, we are a debt free company, and we are holding a significant amount of cash as on the balance sheet date.

Year-to-date December [is] also tracking the very similar trend. Growth of 10%, profit growth of 30%, margin profile of 30.4 with a margin improvement of 450 basis points. Profit After Tax is a growth of 31% and a margin profile of 24%. That is also margin profile improvement of 380 basis points. Across the business we have been growing with strong efficiency management on the expense side, field productivity improved and cash flows maintained.

With that, perhaps we can open for the questions. You would have seen the results are all up on the stock exchanges and we can open up the floor for questions.

Moderator:

Thank you. We will now begin the question-and-answer session. You can choose to ask your questions in two ways, on video or by typing it in the chat box provided below. In



case you would like to ask a video question, please press the 'Ask a Video Question' tab and follow the instructions to join the queue. By clicking on as 'Join as Attendee', you will be on audio only. By 'Joining as Panelist', you will be on audio and video.

Before asking the question to the management, please introduce yourself, providing your name and your organisation name. Please limit yourself to a maximum of two questions so we can accommodate as many as possible. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

Once again, ladies and gentlemen, please press the 'Ask a Video Question' tab and follow the instructions to join the queue. You can also join by clicking on 'Join as Attendee'. You will be joined and on audio only. By 'Joining as Panelist', you will be joined and on audio and video.

Mr. Jay Modi, please accept the prompt on your screen and go ahead with your question.

Jay Modi: Yes. So, congratulations on a great set of numbers. See, I have a question around GenMed. So, our volume growth for the quarter was around 11% and nine months would be around 9-10%. So, have you taken any price hike in this segment or is there any element of pricing impact for the quarter and nine months in the GenMed segment?

Bhushan Akshikar: There is close to 3% blended price increase in that segment. So, yes. So, there is a 3% price increase.

Jay Modi: And see, the employee cost for the quarter was lower by around 25 crores right now. How should we look at employee cost going forward? Is this the base or was there any sort of one-off?

Bhushan Akshikar: There is a one-off in the employment cost close to 9 crores. That is because some of the incentives were lower for some brands. That is why, but it is, there is a one-off of 9 crore in that one.

Jay Modi: And the reason for other expense being higher?

Bhushan Akshikar: Sorry, reason for the expense?

Jay Modi: Being higher for the quarter?



Bhushan Akshikar: That's because of the phasing of the advertisement and promotional spend, as well as there is certain element of CSR phasing also. That's why. But year-to-date numbers tracking the trend for the expense.

Jay Modi: Okay, got it, got it. And, Sir, secondly, you mentioned that vaccines had a growth of around 15%. So, is this for the vaccine's portfolio, including of Shingrix or it's only the pediatric vaccine?

Bhushan Akshikar: It's including Shingrix 15%, total vaccines portfolio.

Jay Modi: Okay. And what would be this growth for 9 months?

Bhushan Akshikar: So, growth for 9 months, just hold on.

Juby Chandy: It's in the same range.

Bhushan Akshikar: Yes.

Jay Modi: Okay. Thank you.

Bhushan Akshikar: So, growth for 9 months is 14%.

Jay Modi: Okay, got it. Thank you, Sir.

Moderator: Thank you. We have the next question from PM. We request you to please accept the prompt on your screen. Unmute your audio and video and proceed. PM, we request you to please unmute your audio.

PM: Sir, how do you see the next year in terms of going ahead and how do you in terms of growth in terms of Nucala as well as the other drugs going forward in terms of oncology, if you can give the guidance?

Bhushan Akshikar: Sure. So, first of all, as I have said in every call after our quarterly results, we remain focused on, one, delivering sustained performance both top-line and our EBITDA. So, that remains consistent even in the year that we step into after we close our Q4.

Yes, we will have definitely the momentum in the form of some of these additional growth levers or growth platforms as we call them, both on the specialty side including oncology. So, first and foremost, if you look at our country, we have more than 35 million patients both of COPD and asthma each.

And if you look at where one of our assets strategy operates, globally, it continues to be one of the biggest and for us biggest asset for us in our general medicines portfolio. And if you look at even in the Indian market context, this is the fastest growing therapy within the Bronco Inhalation space.

If you look at the 12-month basis or even on a quarterly basis for Q3, we have growth in excess of 80%. In a short time, this category is almost touching 100 crores now. And that's where a brand like *Trelegy*, which has already got a 5, 5.5% market share, we are confident of building on that platform.

Similarly, for *Nucala*, which operates in one third of the asthma market, because it's indicated for severe eosinophilic asthma, we are still talking significant numbers here. So, both these brands remain critical to our, you know, '25-26 performance.

On top of that, as I said in the past, we have got marketing authorisation for two of our assets which we intend to bring to market in the coming couple of quarters latest, and definitely these two assets, currently the indications that we have are in gynecological malignancies. One of the assets is indicated for endometrial cancer and the other one is for ovarian.

So, those will be two assets which will definitely get factored in, which will help us drive our growth ambition because something that we have always said is our relentless focus on delivering top-line growth. So, that's how I would look at it here.

PM: And Sir, just any timeline on when the products will be launched?

Bhushan Akshikar: We will definitely launch it in either end of Q1 of the next year or earliest of Q1 of the next financial year or latest Q2.

PM: So, both the products you mean, right?

Bhushan Akshikar: That's right.

PM: Thank you, Sir. I will come back in the queue.

Moderator: Thank you. The next question is from Ravi Purohit. We request you to please accept the prompt on your screen, unmute your audio and video and proceed with your question.

Ravi Purohit: Yes, hi. First of all, congratulations, Mr. Akshikar. I think you have been one of the few MDs of this company, who when you joined the company, I think, put out in your

communication to investors in the annual report that you will be targeting double-digit sales growth. And the first nine months is kind of an indication of that, I think, and hopefully we will be able to kind of, you know, maintain this growth momentum.

So, you know, Sir, if you could kind of give us some sense about what other areas are we looking at to kind of drive double-digit growth over the medium term, right? You mentioned about *Nucala* and *Trelegy*, of course. But are there more products in the pipeline?

And of course, you also mentioned about these two cancer drugs, but is there more in the pipeline that we are looking at working with or are we also at the same time looking at inorganic opportunities or in-licensing opportunities? So, if you could just kind of provide a medium-term path as to how you visualise, you know, growth is coming for our company.

And also if you could spend some time on, you know, things or initiatives that we might have taken on the general medicines side, because that has also shown pretty strong volume growth. Is it because of *Ceftum* or some of the products which had taken severe price knocks last year and then NLEM, they have started kind of showing volume growth.

So, if you could kind of, you know, highlight each of these aspects in a slightly more detailed manner, it would be helpful for us. We get like four times in a year to kind of hear you.

Bhushan Akshikar:

Thank you very much, Mr. Purohit. I am glad you remember the context that I had set out 2.5 years back. Yes, we remain consistently focused on that objective. As I said, in every meeting, we don't give guidance. But I think in terms of top-line growth ambition, we remain absolutely laser focused.

I will answer your last question first in terms of what really helped us in this quarter. And if you see, as I said, it's volume growth. Juby just talked about the strong double-digit volume growth that we had in our general medicine business.

So, clearly, in spite of the fact that this is not price-led, this is largely volume-led, is because of some of the initiatives that we had put in, in the last three to four quarters. One of the things that I have been talking about is digital acceleration or ability to really create touch points beyond the face-to-face interactions that our sales teams have with healthcare practitioners.

So, in fact, in spite of optimisation of our field force, we have actually gone ahead and increased the touch points in the last two quarters with consented healthcare practitioners in terms of offering messaging, in terms of offering medical education through channels of their choice and their preference at the timings that they want. So, that's one area which is definitely unlocking value for us across some of the key assets that you talked of. That's one for sure.

Second is some of the science that we have got in our activities. So, we have something called as the India Infection Index which really helps us talk extensively about appropriate usage of antibiotics, both oral and topical, essentially to again improved clinical outcomes but also give the decision of choosing the right antibacterial and therefore also contributing to prevent antimicrobial resistance. So, I think there are very specific actions that have contributed. All of them have got together to deliver this strong volume-led performance.

Your question around the future, so clearly, as I said, I have said several times before that we have about 16 global clinical trials happening in India and just to give an example of one of the assets, now *Jemperli* as we know, Dostarlimab, it's a PD-1 inhibitor, now that's indicated currently for endometrial cancer, second line, which is among the top three gynecological malignancies in this country.

But at the same time, there are trials that will happen in several different cancers, including head and neck, including non-small cell lung cancer, including colon. So, each of these indications will open up different revenue streams. But again, that's over a period of time. That's not for the immediate here and now.

In the next 12 to 18 months, we are completely focused and continue to invest in building our adult vaccination category. As I said, this is an endurance sport in a country where adult vaccination ecosystems do not exist. Our efforts are clearly focused on building that ecosystem so that adults above 50 years can benefit from some of these vaccines to prevent painful and dreadful conditions like Shingles and continue to lead better quality of life. So, the strategy remains consistent with what I had shared a year ago as well as two years ago when I joined as an MD.

So, I think in terms of the future pathways, the strategic choices that we have made to build and sustain the momentum in our general medicine business, continue to stay invested and consolidate our leadership in pediatric vaccines and build new growth platforms, be it adult vaccination, be it areas like oncology or specialty respiratory. So, those are the bets that we will continue to place.

Ravi Purohit: Great, thanks a lot. And Sir, another thing is, if we look at the overall pharmacy market in India, right, so various estimates put out the number of pharmacies in the country between, let's say, 6 lakhs to 9 lakhs, right. In that sense, is there any opportunity for us to kind of improve our penetration in that network yet? Or would you say that we are well penetrated across outside of metros and tier 1 and tier 2 and penetration across our brand portfolio is fairly saturated or would you think there is opportunity for us to kind of expand there?

Bhushan Akshikar: So, Mr. Purohit, if you remember 12 months ago we repurposed our General Medicines team as an optimisation, but also we redeployed some of our sales team. So, as we speak, we cover more than 12,000 distinct towns in the country with our feet on the street, with our sales teams. Plus we look at different channels including making availability and access for some of our iconic brands through partners, through super distributors.

So, I think, as of now, we are well penetrated given the categories that we operate in, be it the pain category or some of the anti-infective categories or the derms business where we continue to be leaders, I think we are sufficiently penetrated.

Ravi Purohit: Okay. And one bookkeeping question. We had in one of our AGMs about 3 years back or maybe 5 years back, had mentioned about a couple of land parcels that we had, I think in Hyderabad or Bangalore, if I am not wrong. And I think Juby had mentioned in one of the calls or in one of the discussions that, you know, the company is looking to monetize those land parcels and at appropriate time. So, any update that you could share? Are those on the block or they are not on the block or what's the status like? Those were fairly significant and valuable parcels of land I believe.

Bhushan Akshikar: Absolutely right, Mr. Purohit. We still continue to hold those land parcels including the one that you are alluding to which is the site in Bangalore. As of now, there is no intention to monetize that asset immediately. So, but that continues to be on the books.

Participant: Thank you so much. I will get back in the queue.

Bhushan Akshikar: Thank you, Mr. Purohit.

Moderator: Thank you. The next question is from Abdul Kader Puranwala. We request you to please accept the prompt on your screen, unmute your audio and video and proceed.

Abdul Kader Puranwala: Sir, just first question, if I look at your quarterly revenue numbers, so while this quarter has been quite fantastic in terms of growth, but just want to have a better sense of your quarterly growth in the last 2 years, Sir, I mean, there seems to be some volatility. And if you could help us understand what causes this volatility and how should we look at this in the quarters ahead?

Bhushan Akshikar: Thank you very much, Mr. Puranwala. So, if you see, there were two big events that if you go back and see the last 3-3.5 years, one was we were significantly affected with the inclusion of some of our assets in the last round of the NLEM in terms of the drug pricing control. So, where almost 40% of our portfolio got included in the price control, and that was the one significant event. Apart from that, if you recall the second one was the periodic vaccines portfolio coming out of COVID where we had seen lesser footfalls in the periodic clinics. Those were the two ones, and I think in the last 2-2.5 years, we have been consistent about not only ensuring that we stabilise both these, but move forward with strong growth delivery and that is exactly where we are putting all our energy and focus. I think when you look at the inclusion of our brands now in the NLEM list, we are some of the brands which either two are not included are already there now. And I think we are operating the same price range. So, next time around, whenever the pricing orders come in place, we won't have those kinds of surprises. So, everything is contextual. And again, in the past, if you remember some of our assets have got withdrawn from the market. So, I think if you look at the last 3 to 5 years, there have been some twist and turns that we have seen, but that is something that we have gone and stated to the investor community about where we want to put our energy and that is exactly what we are seeing playing out over the last 4 quarters now. And Juby, if you want to add something.

Juby Chandy: No, I think you kind of explained well as well there is a seasonality when you compare between quarters because monsoon season is heavy for us. So, you typically see growth tapering off on a sequential basis post-monsoon that's one thing. And last but not the least if we had to compare the margins also, we have made significant progress in terms of margin evolution mitigating most of this risk from the NLEM also, which also we would have been sharing with you past 18 quarters before right. So, that's something which we have been doing actively to mitigate those risks from the NLEM. So, all those things are playing out in the growth profiles both on revenue as well as on the EBITDA margins.

Abdul Kader Puranwala: Thanks for the detailed explanation, this is now well understood. Sir, just on two more questions from my side then. Firstly, on your MR count, so I refer to your PPT where you

talked about 27% improvement in your MR productivity, so in the 9 months of fiscal 25. So, wanted to know first of all, I mean is there a further rationalisation which has happened in your fieldforce here or this is more because of the digital uptake what you have been talking for quite some time now?

Bhushan Akshikar: So, there is no further optimisation. The last time we came and shared with you was in Q3 of the last financial year. So, the last 12 months we have not optimised. As I said, we redeployed, repurposed our sales teams. And on top of that, unlock significant value with the digital acceleration for the healthcare universe in this country. So, that's what I would, it's clearly led by, the productivity is led by those two events.

Juby Chandy: But on year-on-year, if you remember last year, we had an optimisation that's driving this productivity improvement.

Bhushan Akshikar: After that we have not had.

Juby Chandy: Yes, after that we didn't have.

Abdul Kader Puranwala: Got it Sir. Thank you.

Moderator: Thank you. The next question is from Nikhil Upadhyay. Please accept the prompt on your screen, unmute your audio and video, and proceed with your questions.

Nikhil Upadhyay: Hi, good evening. Just one question. Two questions in fact, one was a clarification. Juby, you mentioned Rs. 9 crores of one-off in the employee cost. So, is it lower or is it a negative provision which has resulted in a lower employee cost or is it a higher provision which we have taken? Just one clarification for this quarter number?

Juby Chandy: So, sequential quarter, it is lower. From September to December quarter, it is lower.

Nikhil Upadhyay: Okay and secondly on the other expenses, now as we are preparing for these new launches and also building the market for Shingrix. One on Shingrix, incrementally when we say the growth is around 15% for the total portfolio, are we finding a little difficult in terms of bringing conversion for patients on the Shingrix platform or which is resulting in a higher spending year-on-year or is it incremental investment for preparing for the new product launches which we are planning?

Bhushan Akshikar: So, first of all, clearly when you are creating a new category which is almost non-existent in our country like adult vaccination, there have been some investments that have gone. We remain focused as I said we remain focused on creating those adult

vaccination ecosystems both in the healthcare practitioner clinic setup as well as the hospital or the HCO setup, and that is that something where our energy is. To the question that you asked, yes, we spent some energy in creating awareness because in a country where Herpes is prevalent, the risk factors are sometimes unknown especially for individuals who may have concomitant diseases like diabetes or cardiovascular. So, that is where we are creating some energy for awareness campaigns. To the point that you asked, yes, there are some -- there have been some liquid leakages in terms of the patients or the consumers who see the awareness campaigns and the ones who actually get vaccinated and that is exactly the reason why we are spending time and energy in creating that vaccination ecosystem because unlike pediatric vaccination which again we had established 2-3 decades back, the ecosystem is almost non-existent. So, that is the way we are approaching it. With every quarter, there are new wins that we see. So, to give an example, there are 2500 healthcare practitioners who had never vaccinated adults either two who are now vaccinating consistently and that is taking a while. And as you can expect when you are creating new categories, it will require some patience and investment.

Nikhil Upadhyay:

Just extension, Bhushan here. I appreciate the effort which we spent and in pediatric, we spent that effort and finally we could bring in over next 10-15 years bring in a basket of 10 to 15 products and utilize that efforts. How should one understand about the adult vaccines? And it's not about next 2 years, 3 years, but over next 5 years do you think that we can have a basket of 4-5 products which can compensate for the costs or the investments or the platform which we are creating today?

Bhushan Akshikar:

Mr. Upadhyay, that's a very good question. In fact, preventive healthcare is a significant area which is getting unlocked across the spectrum and within that space of preventive healthcare, vaccination is one such sub element and if you look at state level or even at the national level as healthcare policies get rolled out, this will be one cornerstone. So, as you rightly pointed out, this is not a 100-meter sprint. It is clearly an endurance sport. It's a long-distance endurance sport. And with the commitment that GSK has, including some of the trials that will happen that are happening right now in the country for areas in the respiratory, for example, we certainly see a bouquet of vaccines that will get into the adult vaccination space. So, it is not just around, anchored around one antigen for Shingles prevention, but there will definitely be a bouquet of antigens there.

Nikhil Upadhyay:

Just one final question here. See what we see in the market over the last 4-5 years is that the efforts of creating a platform in time in kind of the pediatric and I am taking

one example of the Pneumococcal vaccine we created through *Synflorix* and then *Prevenar* and there were effectively two products for a long period of time, and the education and the platform creation, the hard work was done by us but eventually competition came in and those products became marginalised for us. What are the learnings which you think can be taken so as to we don't have to go through the same cycle when eventually others also come into these products? Is there a way where we can protect or our investments over next 5 years, 10 years and not be the way we have seen since *Synflorix* happening?

Bhushan Akshikar: That is a great question, Mr. Upadhyay. Clearly as categories get commoditised with the examples that you just mentioned, the idea will definitely be to keep up scaling the portfolio looking at. So, as we speak, we have a successor for our PCV vaccine, which is undergoing, which is the MAPS vaccine undergoing clinical trials. So, clearly there are areas which we have identified where we will see still stay relevant by moving from volume and remaining focus on value. So, I think that is the only way because as you rightly pointed out as categories get commoditised, we will have to step up the game and look at which are the next categories which we will continue to build.

Nikhil Upadhyay: But is there a way that we can extend the lifecycle, or we can extend monetizing this investment over a longer lifecycle and where I am coming from is that in pediatrics, we got a room for 20 years to monetize. Now the way the Indian pharma market has, and the domestic companies have scaled up, do you think that leeway would be 10-15 years or that period will get shortened?

Bhushan Akshikar: The periods will get shorter, but if you look at the periodic space also, you have a 23-valent PCV vaccine that is undergoing trials globally right now. You have a Pentavalent Meningococcal Vaccine that is undergoing trials. So, the idea is obviously to stay ahead and continue to invest in research so that some of these innovative assets can be launched much earlier. You reduce the launch lag by getting these innovative assets as early as you can so that you are able to blunt some of that shortened window that you just talked of.

Nikhil Upadhyay: Okay and just one last on to Juby. So, this other expenses which we have looked at for this quarter, should this be the sustained run rate, which secular run rate, at which we will continue, or can this increase or how should we understand this in terms of along with the sales growth, as a percentage will remain same or how?

Juby Chandu: As a percentage year to date, the cumulative of three quarters remain same as a percentage of sales. Seasonality impacts, for example last quarter and this quarter,

these are seasonal quarters. So, there is a phasing difference between the quarters, but year-to-date basis it will be stable.

Nikhil Upadhyay: Sure, thanks a lot. I will come back in the queue.

Moderator: Thank you. The next question is from Nitin. Please accept the prompt on your screen, unmute your audio and video and proceed. Nitin, we request you to please unmute your audio and video and proceed.

Nitin: Sir, on the super specialty portfolio, *Nucala*, *Shingrix*, and the *Trelegy*. As a proportion, where do you see this portfolio reaching for us as a business over the next 3 years or 5 years? I mean, is there an aspirational number that you're working with?

Bhushan Akshikar: Obviously, it is a function of every category. First of all thank you very much for that question Nitin because we do talk of a freshness index in terms of what should these new growth platforms contribute as a part of the freshness index. And that is why I said the advantage for a company like ours is we have a rock-solid general medicines and pediatric vaccine business which will continue to sustain, how do you bolt on these growth platforms on top. So, each category is different. So, as I said once you start unlocking value with new indications for each of the assets that you just talked of including the ones in oncology, these should start contributing to significant number. But I mean if you have to put a number, there were these three assets that you took that you named namely *Nucala*, *Trelegy* and *Shingrix*, they did not exist for a company, but in a 12-month financial year, they should start creating at least 150-200 crores in the immediate here and now. So, when that happens, it starts moving the needle for us for innovation and that's the intent to continue to contribute to that freshness index.

Nitin: Thank you. And the second question is in the market, there has been concerns around the overall IPM about the slowdown in the volume growth and some of that seems to be becoming a little more endemic versus the assumption that it's a short-term transient situation. Given the fact that your presence across length and breadth of the business, what is your own sense on is there any specific reason because of which there has been an IPM sort of a broad slowdown in the IPM and what implications does it have for businesses like us which have a large sort of a legacy portfolio?

Bhushan Akshikar: So, if you see the 2,50,000 crore Indian pharma market annually and break it down quarter wise also, you are talking 60,000 crores almost on a quarterly basis and the split is almost 61%, 60%-61%, a few and the balance is chronic. Now, obviously, the growth end is chronic, but if you look at the strategic choices that we have made as a

company given the assets that we have, the sizable iconic brands that we have in our portfolio, we have at least 12 brands which are more than Rs. 100 crores each and some of them right at the top of the Indian pharma market. So, our strategic choices have been very focused on anti-infectives, dermatology, and pain. Areas which are still seeing if not double digits, high single digit growths and those are the choices that we made. We continue to contemporize the portfolio by launching line extensions for many of these assets. So, in the short to medium term, we still remain focused on delivering this double-digit growth that we talked of in terms of driving the volumes and that is something that is played out well for us in the last 3 to 4 quarters. So, yes, there has definitely been slow down on the overall IPM, but as you seen the last 2 quarters, our growths are completely volume led.

Nitin: Thank you so much.

Moderator: Thank you. The next question is from Viraj Mithani. We request you to please accept the prompt on your screen, unmute your audio and video, and proceed. Viraj Mithani, you are not clearly audible.

Viraj Mithani: My question is answered.

Moderator: Thank you. We will move to the next question, which will be from Cogito Advisors, we request you to please unmute your audio and video and proceed with your question.

Cogito Advisors: So, my question was how do we actually look at your business in a slightly longer term over the next 3 years? So, what I can see is that you have your older brands, which continue to be to do reasonably well. They're growing in line of faster than the market. They're all well-established brands. And then there's a whole slew of new products which are getting added. Do you see this as becoming bigger? And is there something which is, you know, is there an underlying factor here that is the nature of the market itself changing as the country gets richer and there's a bit of a greater willingness to pay for some of the drugs or vaccines which were not available in the country. Could you just give us a sense of as to how you see the market itself evolving?

Bhushan Akshikar: Sure, I am sorry I didn't get your name, but clearly as I said in the beginning of the call, we continue to be one of the most broadly diversified pharmaceutical companies and the reason I say that is we do straddle in the primary care setting including having the biggest paracetamol brand in this country. So, our ability to touch almost 30-35 crore Indians on an annual basis with brands like molecules like paracetamol or some of the dermatology or anti-infective products because of the science that we still continue to

dole out in terms of our engagement remains at the core. When I scope that over the next 3 to 5 years, I do not see any of these molecules going out of relevance because if you look at the life stages for anyone born in India right from infancy till the geriatric population, everybody will require some of these fundamental molecules and the acids that we have there. So, I think that is the unique vantage position that we have in terms of having these big brands, which will only become bigger as we see moving forward. On top of that how do we therefore, create energy and get the sharp focus for the successful launch of many of the innovative assets that I just talked about in the earlier questions as well. So, that's the real 3 to 5 years journey that we see. We will continue to have the groundswell. We continue to invest for a sustained performance of our base business. But how do you get to speed with some of the new assets that we will have coming up in the next 18 to 24 months? I talked about oncology. We do have assets in hematological malignancies as well which globally we are pursuing in a very significant way. We are also doing trials in hepatology. So, these are some therapy areas and the advantage of having many of these trials happening in India as a part of the global clinical trials only means that we can have access to these assets in a much faster way than you have seen in the past. So, that is how I would scope out and have a prognosis over the next 3 to 5 years.

Cogito Advisors: And what will happen to your margins? Because we have seen margins improved this year and is that likely to continue and therefore how much scope is there for margins to go up in future?

Bhushan Akshikar: I won't really forecast growing up, but I think our effort will be to sustain the margins because being a significant distance that we have travelled and I think where we are today, our entire energy will be to sustain these margins as we go forward.

Juby Chandu: No, I completely agree. I think our effort is to sustain we are on the top quartile of the pharma companies in terms of margin as we speak. So, many of the low-hanging fruits as well as many of the issues particularly on the raw material prices, the inefficiencies we have sorted out. So, the margins are stabilized if you see over the last couple of quarters. So, our effort is to sustain this going forward.

Cogito Advisors: Alright. And we have seen you introduce a lot of new products from your parent over the last couple of years, and you're talking about more such introductions. Has there been a change in the nature of the market which gives you the confidence to do this, which you had not done to the same extent in the past?



Bhushan Akshikar: That is not completely correct because we used to have, if you remember we used to have a sizable oncology business in 2014 when there was a global asset deal where we sold off our assets, an asset swap deal with another multinational company globally and that was a standing start again when we divested that business a decade back, it was a range of 150 crores. So, it is just that we are rebuilding those muscles, getting the relevance of many of the innovative assets in India. To the point that you made, clearly we have populations that can afford, we have target addressable segments within our population of 1.4 billion which are increasingly focused on better quality of life. So, that is exactly where we are putting energy in accelerating some of those assets now back in the country.

Moderator: Thank you. Participants who wish to ask questions, you may please press the 'Ask a Video Question' tab or click on 'Join as Attendee or as Panelist'. Ladies and gentlemen, we have no further questions. I would now like to hand the conference over to the management for any closing remarks.

Bhushan Akshikar: Once again, thank you very much to each one of you for your continued interest in this company. As we said, we are extremely proud of the past 100 years, but we are completely focused on the future. Obviously, the second century has already started for us and we are the first year of the second century is something where we intend to step change, but more importantly continue to sustain the performance and continue to focus on topline as well as sustain the margins. Thank you very much for your time this evening. Once again, thank you and see you at the next quarterly call. Thank you.

Moderator: Thank you. On behalf of GlaxoSmithKline Pharmaceuticals Limited, we conclude this conference. Thank you for joining us. You may now disconnect your lines.