“GlaxoSmithKline Pharmaceuticals Limited

Q4 FY2026 and Full Year Earnings Call”

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Moderator: Hi, good evening. This is Dorwin Dias, your moderator from Chorus Call. Welcome to the GlaxoSmithKline Pharmaceuticals Limited Q4 FY 2026 and Full Year Earnings Call. From the management at GlaxoSmithKline Pharmaceuticals Limited, we have Mr. Bhushan Akshikar, Managing Director, GlaxoSmithKline Pharmaceuticals Limited and Mr. Ronojit Biswas, 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. Once again, a very warm welcome to the earnings call for our Q4 performance as well as the full year. I am also incredibly happy and excited that we have our new CFO, Ronojit, joining us on this call with me.

Over the last 3 years, we have been very objective about engaging with the investor community as soon as we have our quarter results Board meeting. So here we are again, this time sharing with you some of the key highlights. But before that, just wanted to re-contextualize our priorities.

So over the last, as I said, 2 or 3 years, we have been clearly calling out the roadmap that we have put for ourselves. As a broadly and a very well-diversified healthcare company in India, we continue to operate at both ends of the spectrum.

At one end, in the area of prevention with both pediatric and adult vaccines, with a large GenMed business that impacts more than 270 million Indians annually with products that impact lives at scale through our primary care portfolio. And for the last 2 or 3 years, we are building our new growth platforms on the specialty side.

So that model continues to evolve. I just wanted to also restate, aligned with the global priorities, our focus remains relentless on three priorities, which is to the drive top-line growth, and that is something that you will keep hearing over the next few quarters as well as we start this upcoming financial year.

The second priority aligned with our global strategy is also unlocking value of our innovation portfolio, especially in key markets like India, to accelerate the launch of innovative medicines and vaccines with accelerated timelines as well as reducing the launch lag that we have seen in the past.

So that is something that is going to continue to be one of the mainstays. And last but not least is continue to embed GenAI and digital ways of working so that we can continue to pull out inefficiencies and focus on improving value across the value chain.

Next slide, please. A quick highlight on where our quarter was for us. If you all seen, the quarter delivered almost INR64,000 crores to INR65,000 crores for the industry externally. These are all numbers from IQVIA, the syndicated research agency. As many of you know, we operate in select therapy areas, so the therapies where we participate, the represented market grew by about 7% for the quarter for Q4.

Within that, we did not see -- we typically are mindful that this quarter is not the peak season for us given the dependence on the acute portfolio. But if you see that table, we have the Advanced Oral Antibiotics, that is the acronym for AOA, there was muted growth there. In fact, that therapy area declined by about 2% for that specific quarter.

And then other areas where we operate, primarily paracetamol market, grew by about 7%. So those are all the external data points in terms of how the market evolved. In context of that growth, how did we deliver our performance? So we will move to the next slide to give you a quick snapshot of how our brands delivered.

So broadly speaking, we delivered a competitive performance across our three pillars. We did see some good tailwind for the promoted brands that we have, especially brands like Augmentin, Calpol continued to grow ahead of the market. So if you see the top two or three brands that we have in our promoted portfolio, they grew at least 3 to 4 percentage points higher than the market as evident in the EIs.

Where we saw some soft demand was on brands like Eltroxin as well as the distributed portfolio. So there was clearly a mixed bag on the general medicines portfolio, which kind of diluted our growth story for the quarter.

While I am very happy to report that vaccines continued the double-digit performance for the quarter as well, both the pediatric vaccines business as well as the adult vaccines business led by the shingles prevention vaccine continued to deliver and continue to create newer models, operating models for us, especially in the adult space.

So that part of the business has continued to grow from strength to strength. For the specific quarter in isolation, it was a great quarter for our adult vaccine, Shingrix. We not only been able to consolidate our prescription base but also pivot to a new cardiovascular metabolic strategy, which we have been working on for the last few months, clearly harnessing the bidirectional linkage between cardiovascular metabolic disease and herpes prevention. So that is an area which we have been working on the last few months.

The new growth platform for us, clearly specialty business, which was almost non-existent, led primarily by the respiratory portfolio with Trelegy Ellipta as well as Nucala, both have delivered performances in line with our expectations, both sustaining market share in spite of generic onslaught, especially for Trelegy Ellipta. And Nucala has continued to build on the base in severe asthma patients month after month.

Every month, we have been clocking more than 100, 120 patients. So that part of the business has really grown well. On the new growth platform of oncology, if you recall 2 quarters ago, I shared with you the roadmap for us to really unlock value with our oncology portfolio globally.

We launched two assets, Zejula for ovarian cancer and Jemperli in endometrial cancer. So both of them have continued to grow. The big news for us as we began Q4 was we got the approval for the Ruby-1 trial, essentially unlocking value in first-line treatment of patients with endometrial cancer.

So I think that is a significant win for us, and both these assets have continued to build a rock-solid base for us as we step into the coming financial year. We have continued to develop and build on our omnichannel digital model. So apart from the 2,000 plus reps that we have in the GenMed team for face-to-face interactions, we have continued to improve our share of voice with digital ways of working, really unlocking a seamless customer experience through different touchpoints, including digital ways.

So that has continued to be one of the focal areas for us as we closed out the last financial year. The next slide, just one slide on a story that I have been talking about for the last couple of years. If you remember, I have been talking about the freshness index for our company in terms of what our new products will contribute. And one of the stated intents that we had talked about was having at least a 10% top-line contribution coming from our innovative portfolio. Happy to report that as we closed out Q4, we have almost 6% of our top-line coming from the new portfolio led by innovation-driven medicines and vaccines, starting with Jemperli and Zejula. I just talked about these two.

I just talked about what we have been able to accomplish with Shingrix month after month. And last but not the least, the respiratory portfolio led by Trelegy Ellipta and Nucala. So, all in all, the performance on the broad-based portfolio that we have has been in line with our expectations. The growth story has been slightly muted on account of two factors. As I said, the first one was the distributed portfolio, the tail-end brands did not give us the kind of tailwind that we expected, some significant headwinds there.

But more importantly, we continue to have the last of what we saw on the supply constraints, especially with one of the CMOs that we had the fire. I think this was the last quarter where we had some residual impact, and those are the two principal reasons why we were not able to have the growth in line with expectations. The underlying growth would be in the range of about 5% to 6%. So that is the story for Q4.

I will just hand over to Ronojit to give you a quick snapshot of the financials before we open it up for questions. Over to you, Ron.

Ronojit Biswas: Thanks, Bhushan. Good evening, everyone. This is my first earnings call in this role, and I want to briefly outline how we are looking at the business both for the quarter and the full year. I will begin with the full year financials before we get onto the quarter. On a full year basis, revenues were up 2%. EBITDA grew double digit at 11%. PAT growth was also double digit at 10.0%. So, in summary, in the year, we continued our trajectory of profitable growth and margin expansion.

As Bhushan already called out, our top-line growth was muted because of the disruption in a key CMO, and that impacted largely our general medicines portfolio. But that said, our promoted

brands delivered competitive external performance and we gained market share. The other point to emphasize is we are building momentum with our innovative portfolio and our new launches. Both Zejula, Jemperli have delivered a great showing in including the final quarter of the year.

Both products with now first-line indication alongside our new respiratory portfolio, which is Nucala and Trelegy. Shingrix in adult vaccine was actually a key growth driver. As Bhushan has touched on this earlier, we have delivered strong prescription growth and we continue to build on this new data we have in cardiovascular and metabolic disease. And that said, even our pediatric vaccines portfolio was up 9% where we maintain our lead in the private vaccines market in the segments we operate.

Gross margins for the year were up 190 basis points, and combined with the SG&A efficiencies we have driven, our EBITDA ratios improved sharply to 34% for the full year, which is an improvement of 290 basis points versus last year. Now our SG&A ratios reduced by 1% point, and this is in the backdrop of continued investment in our new launches and innovative therapies because this is a key driver to our future growth. The main gains on the main efficiency gains were from field force productivity and AI-led optimization, which helped with our disciplined cost management.

We did cross a milestone for the year. We delivered our first-ever PAT excluding exceptionals for more than INR1,000 crores. Earnings per share was at INR59.6 per share. That is up 10% versus last year. We had a healthy cash generation, and our year-end cash position is now at INR2,745 crores. Our return on capital employed was at 61.0%. And if you have seen our announcement, the board earlier today declared a final dividend of INR57 per share.

Next slide, please. So, we have consistently improved our profitability metrics and the return ratios are stable. So, as you can see, both EBITDA and gross margins show meaningful improvement over time and versus the previous year. Next slide, please. Right. So, moving to the quarter standalone, sales were up 2%. EBITDA grew at 5%, and PAT growth was at 6%.

Our headline sales were muted, as we alluded to, because we continue to experience some lingering impact of supply constraints. And this was also as a result of some delayed vaccines shipments, which will result in some shifting of sales into the June quarter. Notably, we continue to see great momentum on our new launches.

The oncology portfolio and the new respiratory portfolio, which are now a meaningful portion of overall sales at 6%. EBITDA for the quarter improved 1% point up to 35% on better gross margins and cost management. We maintained our focus on cash generation and as we strengthen and optimize the balance sheet.

Next slide, please. This slide summarizes the journey we have been on. On the left is the transition to an innovative and specialty-led business. And this is important why? Because these are higher growth, higher quality of sales, strongly differentiated IP-protected assets, and this is where we see our future growth coming from. The second chart on the right is the constant profitability improvement, which we have delivered all the way up from 24% four years ago up to 34.0%, 35% in the current quarter.

And to highlight again, in terms of competitive performance, underpinning all of this is competitive performance on our general medicines brands where we continue to gain share. So, to sum up, in combination, the market share gains, the portfolio transformation, and the profitability gains puts us in a strong position as we enter the next year.

Thank you. And with that, we will move on to questions.

Bhushan Akshikar: I will just spend a minute because I think I skipped that slide and thanks a lot, Ron, for that. As we segue into the next financial year, and of course, we will open it up for questions on Q4 as well as the last financial year, I talked about the need to really build that Freshness Index, and I am happy to share with all of you that we have currently 26 ongoing clinical trials in specific areas of our interest, essentially for unmet medical needs.

So, we have 14 studies going on. Happy to report that we just have the approval, we got the marketing authorization for Belantamab, which is for relapsed refractory cases of multiple myeloma, an antibody-drug conjugate that we will be launching very soon. So that is also a part of those 14 clinical trials. We also have a new compound, Velzatinib, which is for a type of gastric cancer. The trials of that are ongoing here.

And of course, another antibody-drug conjugate, B7-H4, for which we also got India to be included in the Phase 3, 3B trials. So, this part continues to be one of the biggest building blocks for us. On top of that, of course, we will continue to build our strength in the respiratory and immunology areas with the compound mentioned here.

Liver disease continues to be a focal area for us, and in the next 12 to 18 months, we should see more news in the areas of chronic hepatitis B with specifically Bepirovirsen and the compound that is indicated for fatty liver disease, which is now called metabolic-associated steatohepatitis, that is Efruxifermin.

So those two compounds will also help us build new expertise in the area of liver disease. So, I think I just wanted to sum that up because all these will play out in the coming financial year on a solid foundation of our established business of both GenMed and pediatric vaccines. So that is the slide that I just wanted to sum up before we open it to questions.

So, Dorwin, we can open it up for questions.

Moderator: Certainly. Thank you. We will now begin the question-and-answer session. Our first question is a text question from Jinal Sheth from Awriga Capital. Hello. Somewhere you had given an indication that this supply issues should be out of the way, but it was a bit negative to see the impact continued. When do we expect these to rationalize as in a way that this is lost sales? Is that correct?

Bhushan Akshikar: Is that the end of the questions, Dorwin?

Moderator: Yes, that is the end of the question from Jinal.

Bhushan Akshikar: Sure. Thank you very much, Jinal, for that question. Yes, I do own up that in the last call, we had clearly articulated that the supply issues are behind us. And I think when it comes to products like Calpol, we were able to mitigate a large part of the impact that we saw in the first three quarters. As you heard from Ron, we had some residual issues on our tail-end brands, which we still could not address given some of the quality issues, and that is why it has taken longer.

To answer your question, I think we have taken some robust steps to ensure that from a business continuity planning, all the learnings that we have had with this incident are factored in so that moving forward, right from the beginning of the first quarter of this financial year, we are not caught by surprise, especially with supply constraints. So that is where we are. You also heard from Ronojit that a part of that supply constraint.

So, we shaved off almost 3%, 3.5% of Our top-line growth even for the quarter because of the supply constraints.

Part of it was phasing because of the late arrival of some vaccines consignments. But that is -- as I said, it is a phasing issue, so it should get reflected in the Q1 of this financial -- coming financial year. So that is where we are. I must reassure you that from a Board standpoint, from a management standpoint, we are putting in some robust mechanism to ensure that the business continuity planning as well as alternative contingencies are in place, especially to avoid any such issues in the future. Thanks for that question, Jinal.

Moderator: Thank you. Our next question is from Ahmed Madha. Ahmed, please accept the prompt on your screen, unmute your audio and video, and proceed with your question.

Ahmed Madha: Yes. Thank you so much. This is Ahmed from Unifi Capital. I have a few questions. Firstly, just to reiterate on the point you mentioned regarding CMO supply challenges. Is it fair to assume -- I mean, I had a similar question last quarter and you had mentioned 3% to 4% revenue impact and things normalizing maybe from November, but obviously Q4 we had a similar impact. So is it fair to assume from Q1 things should normalize and there shouldn't be any supply-side challenges?

Bhushan Akshikar: So Mr. Ahmed, thank you very much for that question. And I can only reassure you, given the visibility and the oversight that I along with the management team have, beginning the month of April and Q1 of our new financial year, we don't have any supply constraints. As I said, including the shipments of vaccines that were delayed, for Q1 of this financial year, we are behind -- we are over that curve.

Ahmed Madha: And you also spoke about vaccines-related supply challenges. What would that be? Will it be importing from the parent entity and delays in that case? If you can expand a bit on that?

Bhushan Akshikar: Sure. So if you recall, our vaccines have to be cleared by central labs. So it was just a timing issue. Although the vaccines arrived in the month of March, we couldn't get the clearances in the right time from the regulatory agencies. We did that in a matter of a few days, but then it had spilled over into the Q1 of the financial year. So it is not -- it is just a phasing issue. There are no supply constraints there. It is largely a phasing from Q4, which has got spilled over into the Q1 of this financial year, the next coming year.

Ahmed Madha: Does that mean the primary consumption and growth and market share, all of that is intact and is in a sense the -- you putting inventory in the channel is delayed? Is that the way to look at it?

Bhushan Akshikar: So if you -- that is a good question, Mr. Ahmed. If you look at our off-take or the secondary sales analysis as captured even by the syndicated research agency, our growth continues to be a healthy high-single-digit or double-digit. So that is where the underlying fundamentals and the health of the business is still intact. These phasing issues are just off from one month to the other. So the answer is yes.

Ahmed Madha: Coming to the Trelegy product and SITT market in general, you have spoken about fluticasone going off-patent with the loss of exclusivity and that gaining market share. How should one look at the product comparison between -- different like, a lot of similar sort of products coming in the same therapy? Do you see you gaining more market share moving forward if you can explain a bit on that?

Bhushan Akshikar: Sure. So Mr. Ahmed, as you know, there are country with almost 70 million to 80 million COPD patients. So the market is -- market continues to grow, and within that growing market with patients who continue to need treatments which will really get them relief, the single inhalation triple therapy continues to be the fastest growing. So that is not changed.

Yes, it is not fluticasone, we lost the patent on umeclidinium, which was one of the ingredients in the triple combination. So you have a lot of similars or generic versions of our product, but nothing like the original Trelegy Ellipta. So in spite of having 8 to 10 generic versions of the combination, of the triple combination, I don't think we have the -- still anyone which has a device or the quality of ease of usage as Trelegy Ellipta.

So in spite of having those 8 to 10 generic versions being launched over the last now almost 10 months, we have not only continued to hold, but the last couple of months, including the last month of the last quarter and the first month of this quarter, we have grown our patient share and market share as well. So I think in the coming quarter, I should be able to give you more color, but our continued emphasis on Trelegy Ellipta remains intact.

Ahmed Madha: In the vaccines business, what sort of growth rate one should think about? I mean, the prescription data you mentioned in the presentation is pretty good for Shingrix and you had some supply challenges right now. So if I have to look at just Shingrix as a product, is the sort of growth we did in FY26 sustainable for a couple more years considering we still have a large market to penetrate? What will be your thinking in terms of scaling up this brand?

Bhushan Akshikar: So Mr. Ahmed, as you probably know, in every investor call, I always say we don't generally give forward-looking guidance. But in terms of ensuring that we are maximizing every single opportunity, our ability to defend our market leadership position in our private self-paid pediatric market continues.

So that is a space where all the antigens where we operate, be it the hexavalent category, be it the Tdap category, be it the hepatitis A or the Havrix, so all the antigens where we have in the pediatric space, we are distinct leaders. And I think that continues. We have grown that business

in double-digit for the last two successive financial years, so the intent will be to maintain that momentum.

I think your question around adult vaccination, with every passing quarter, we are only improving our ability. And mind you, this is all self-paid patients. We are just about with 2 years of experience behind us, now we are getting into some of the institutional accounts, getting into public accounts.

So I think the next 12 months, this coming financial year, especially for shingles prevention vaccine or Shingrix, will be path-breaking. And that is how we see the coming year. So I think in terms of giving you a blended range, it should be strong high-double-digit numbers for the vaccines business.

Ahmed Madha: Sure. One more question around the specialty portfolio. I mean, you have defined it as Shingrix and oncology product and new respiratory products. And the number disclosed in the presentation is 6% of the sales in Q4. Will it be possible to give the same number comparable for same products in last year Q4? And as a whole, is there any sort of a sense or management thinking what percentage we need to scale this number to for the innovation portfolio?

Bhushan Akshikar: I think Mr. Ahmed, I am sorry to interrupt you, but I think I answered some parts of that question even when I was presenting. Our stated intent is always to say -- I have always said this that our Freshness Index should be around 10%, which means can we have the innovative portfolio contributing about 10% of our top-line.

On a like-to-like basis, that number was about 2%. You heard it in my CFO's pages, we have brought it to 6% for the last quarter, and that is the journey that we have been on. So I think we will be relentless to ensure that this growth platform really kicks in for us. Watch this space. I think it is still early days, so watch for the next couple of quarters.

Ahmed Madha: I have a few more questions, so please allow me. Two questions on margins.

Bhushan Akshikar: Go ahead.

Ahmed Madha: Firstly, for the specialty portfolio, how should one think of the margin profile considering obviously these are not manufactured in India and you will have imports? So how should one differentiate the margin profile of specialty portfolio versus your base business?

Secondly, just considering we have significant or rather material NLEM exposure and there is a lot of inflation in RM prices and it is showing up in API prices and it will come to our P&L as well. So how should we navigate or how are we thinking to navigate it in because there will be some limitations to how much price hikes you can take? There will be some RM volatility. So if you can just spell out how are you looking at margins in two different buckets?

Bhushan Akshikar: So two things there, Mr. Ahmed. Hopefully, this is the last question. Others also get a chance to ask questions. But more importantly, if you remember, we have always said that it is our stated intent to remain relentlessly focused on the top-line growth. So that is our first objective. I think

anything that comes in the way of our top-line growth is secondary. The primary objective is to grow the business.

Yes, in the process, we will be also focused in expanding the gross margin. So I think that is also worked out you saw in one of those pages that Ronojit was presenting, the significant improvement that we have had, therefore leading up to the EBITDA margins that we have and the operating margins as well.

But that is not the end in itself. I think wherever possible, whether it is cost optimization, whether it is locking in with agreements which will kind of protect us for the next 12 months, 18 months, those agreements are in place. We are constantly looking at the evolving situation externally and given the handle that we have on the end-to-end value chain including raw materials, packaging material.

I think we are watching this space with every passing month. I think at this stage, I can't really crystal ball gaze and tell you, but I think our focus will be on to hold on to the margins that we have been able to accomplish till now. That is how I would answer you. Your second question on the NLEM, yes, we continue to have almost 40% of our business covered in NLEM.

But I think this time around, even when NLEM is announced, we don't have any surprise like last time. I am sure you recall last time we had two or three of our big brands being included. Our engagement along with the industry associations are in the right direction. So I think on that front also, we are -- we anticipate that we are pretty much well ring-fenced as of now and we have all the scenarios planned out well as of now.

Moderator: Thank you. Our next question is from Gokul Maheshwari of Awriga Capital Advisors LLP. Bhushan sir, in the past annual reports and interactions, you have expressed an aim to grow the business in double digits. In F2026, we grew 2%, in FY25 we grew 8% and F24, 7%. How do we bridge this gap to achieve the aspiration double-digit growth?

Bhushan Akshikar: Thank you very much, Mr. Gokul. I think it is always good to hear from you. I think our ambition to grow double digit remains undiluted. So that is the first and it is not only an intent, and that is the reason why I talked about the innovation portfolio. We are mindful that our established business is significantly substantial given our operating model.

As I said in the beginning, we operate at both ends of the spectrum with a large established business and now on top of that bolting on all these growth platforms. So if you recall 3 years ago, we didn't have this kind of launches happening. I just talked about we getting the market authorization for multiple myeloma in the area of multiple myeloma for one of our key global assets called Blenrep, Belantamab.

So this is on top of what we already have for ovarian and endometrial cancer respectively for Zejula and Jemperli. We are also -- we have also got the Subject Expert Committee approval, we are awaiting the market authorization for one more compound, which is a vaccine to prevent respiratory syncytial virus, which is the RSV virus.

So that is another one. So I think between now and the next four quarters, we have at least one significant launch happening for an unmet need and that too with significant value for each asset. So that is how we remain pretty confident about bridging this gap. Yes, our stated intent and the actual there was a delta and I just talked about the underlying growth being in the range of 6% even this year if we had not had this unfortunate headwind of the CMO incident. But that said, as I said in the beginning, the ambition of a double-digit growth remains intact. That is the roadmap that we are very clearly focused on.

Moderator: The second question from Gokul Maheshwari is what is the growth in general medicines, vaccines and specialty in FY26?

Bhushan Akshikar: So Mr. Maheshwari, as it is we generally don't give segment-wise breakup, but just to give you a broad view, we remained more or less flat for FY2026 on GenMed and that was largely because of losing out almost more than INR100 crores worth of supply constraint. So if you adjust that, the underlying growth would be in the range of at least 4% -- 3% to 4%.

And that has been a significant headwind for us. On the vaccines portfolio, as I said, we have grown double digit with a blended growth which is in excess of 11%, 12% for the vaccines portfolio. And specialty, I think on a smaller base, the growths have been significantly higher. So that is the -- that is the blend for us and that is why we ended up at 2%.

Obviously, moving forward, our assumption as we see the market playing out with all our supply issues behind us and of course our flagship brands led by Augmentin, Calpol, T-Bact in place, we do estimate that the GenMed business should be back to what we consistently delivered in the range of anywhere between 6% to 8% on the top-line growth. So that is what we estimate and the large part of the growths will be unlocked by the new assets plus the existing business. So that is how we see the composite.

Moderator: Thank you. Our next is a text question is from Vishal Manchanda from Systematix. Hi, good evening everyone. On your oncology assets, how long can it take for you to ramp up these to peak potential and also what is the size of our field force that you have deployed in oncology?

Bhushan Akshikar: Thank you very much. Good to hear from you, Mr. Manchanda, as always. So as you probably would be aware, oncology business is because for a country of our size, we barely have a thousand oncologists, so you don't need armies of several thousand people. In oncology, we have a team of about 25 people on the ground already for solid tumors, which is where we have Zejula and Jemperli.

We have just started the recruitment for a hematology team and that is where we will put another team to start working on Blenrep for which we have just got the market authorization. So that is that is the field force size as of now. But more than the commercial teams, I think a large part of the focus will be on the medical education and the engagement because this is about cutting-edge science.

It is about the new readouts that happen almost on a daily, weekly basis with the trial data. So that is where our energy is right now in bringing evidence and new science to our healthcare

practitioners, especially the medical oncologists and the hematologists in the coming weeks and months.

To answer your first question, as you would be again aware, for oncology assets to get to peak sales, you need to have both arms unlocked. One is all those patients who are in the private setup who pay out of pocket, but more importantly, also unlock the public accounts and both are working hand in hand.

As of now, we have been very successful in unlocking value in the private setup. With every month, we have patients now for almost on the eighth cycle. We have some remarkable successes being shared by healthcare practitioners where patients are in complete remission and they have had complete response rates, especially in endometrial cancer with our dostarlimab compound, which is Jemperli.

So I think we are moving from strength to strength with each month. The answer to your question whether it takes 12 months, 24 months, I think we are putting now a new structure even to unlock our access strategy. So that is where we are trying to see how we can accelerate and get to peak sales in the next 12, 18, 24 months for these assets.

Moderator: Thank you. Our next text question is from Julie Mehta of 360 ONE Capital. How much revenue contribution comes from specialty and innovation portfolio on an annual basis? Secondly, it is great to see our pipeline under clinical trials expanding and even at parent level, we are seeing several assets progressing well. Just to understand, what is the kind of market opportunity do we anticipate from Blenrep?

Bhushan Akshikar: Two parts of the question. First is again, as I said, the big change you seen in the last 3 years and I have talked about it in every investor call, in every earnings call is our ability to therefore unlock the significant value from our global pipeline. And that is why if you recall that number was 16 global trials two quarters ago, we now have 24 global trials happening in India.

And that is a significant milestone, especially when you get Phase 3A, 3B trials happening in India. We can use the same data and use it with the regulators to help accelerate the launch. A case in point is Blenrep. I just talked about Belantamab in multiple myeloma. As many of you may be following, even in Western markets like the US, this product was launched just a few months ago.

So you can imagine the launch lag is barely reduced to 6, 8 months now between the first launch that happens typically in the US market and India. So that is going to be the focus for us, how do you really build the regulatory agility to keep this building block of accelerated launches as the central theme of everything we do moving forward.

To answer your next question, multiple myeloma is a significant area. It is the third most reported blood cancer reported, hematological malignancy reported even globally. So if you see the number of cases that are reported globally, very significant huge numbers. Coming to India specifically, if you look at multiple myeloma, we have about 18,000 new cases that are reported in India annually.

So that is the incidence. The prevalence is in the area of 40,000, which means there are always, at any given point of time at least 40,000 patients who have multiple myeloma. And the reason I am mentioning those two numbers is as you may be aware, multiple myeloma is essentially a refractory disease, which means any patient who gets response in the first line will still need because there is a relapse. He or she will still need a second line. And I think the good news for us and patients who need this innovative treatment is the approval that we have got is for second line. So, the advantage of using Belantamab in early lines and therefore having significant overall survival, progression-free survival is -- will be the key aspect for us.

I think in terms of sizing the opportunity, I won't put it in values, but I think our objective will be to have as many patients of the 17,000 or the prevalence of 40,000 that are available at any given point of time to benefit from Blenrep in early lines, especially in second line as we keep hearing from healthcare practitioners. So that will be the focus for us. I think watch this space as we launch it and share the outcomes and the progress.

Moderator: Thank you. Our next text question is from Udhaya Prakash from Value Research. Can you expand a bit more on the supply issues? What actually started it? Because if we look at the growth over the past three years, except for two, three quarters, we have had multiple quarters with single-digit revenue. Of course, we had a healthy expansion in margins, which supported profits, but is this the level of growth we can expect going forward too?

Bhushan Akshikar: Thanks again for that question. I think I answered this question in part in one of the earlier questions. As I said, the stated objective, not just the intent, continues to be a double-digit growth. So, I think that is something that is undiluted in terms of the roadmap that we have set for ourselves. Yes, we were -- we were dealt with an unfortunate incident at one of our most significant CMOs with a fire that started exactly a year ago in April.

I mean, the event happened in April, but the follow-through in terms of remediation, getting the site re-validated, ensuring that every single pill that comes out of that site has the same standards that GSK expects so that no single patient is exposed to any risks and safety issues, that took longer than expected. And that is really the story for us.

As I said, it is unfortunate, but it has also made us work harder to look at business continuity plans in place and look at alternatives as well so that we move forward in the coming times. So I think that is where we were. A large part of the portfolio that got impacted was led by Calpol in the first six months.

We got the products out by the end of Q3 for products like Calpol, but there were still some tail-end brands, some brands which were distributed, which still are material for us in terms of losing out those INR28 crores, INR30 crores that we did for Q4. So, I think beginning the first quarter of this financial year, that supply chain is now remediated and we don't have any more supply constraints from that side. So that is the long story to give you a quick summary of what happened there.

Moderator: Thank you. Our next text question is from Vishal Manchanda from Systematix. Any broad guidance on how operating margins would work out for your oncology portfolio versus rest of

the business? Also to get a sense on affordability of your oncology portfolio, can you give a range as to how it is priced on a per-patient per-year perspective? Can you also guide whether these treatments get covered under health insurance plans?

Bhushan Akshikar: Mr. Manchanda, thanks for the questions again. Yes, as you probably are aware, I will take the pricing question first. We have always had an India-centered, India-focus tiered pricing model. So obviously, if you look at the cost of treatment for products that we have both in ovarian cancer and endometrial cancer, namely Zejula and Jemperli, we do have patient assistance programs in place.

So, I would say the cost of treatment is still in line with the class of treatments. Remember Jemperli is an immunotherapy, it is among the leading immunotherapies globally in terms of the kind of indications that we are pursuing. So given the kind of evidence, given the overall benefit that we are seeing both for progression-free survival and overall survival, the cost of treatment is pretty much in line with what you would see with the standard of care right now in the market.

I wouldn't hazard a guess in terms of the exact prices because every patient needs a unique dosage regimen. So anywhere between INR10 to INR16 lakhs is what patient ends up paying in some of these types of cancer. But again, as I said, it is a function of the dose required, it is a function of how many cycles are required. But to especially overcome that challenge, we have always instituted specific patient assistance programs under the Project Phoenix for patients who need that benefit.

Your second part of the question, what will it take to unlock? I think I answered that. Our objective is also to unlock value in the public accounts. We are working very closely to get on the GTE exemption list so that we can start participating, especially for the proprietary innovative medicines to get on some of these formularies. That is an equal emphasis that we are placing.

Probably in the next six to eight months, we should have more progress on the public account. But as of now, we are moving from strength to strength every month within the private setup, private segment. Your question around the insurance schemes, I think again, every insurance policy, every insurance scheme has its nuances.

Not all insurance policies cover cancer coverage, especially for medicines, although hospitalization is covered. But there are certain policies which do cover, and that is where we are just about scratching the surface as of now. So there is no real impact that we have seen in terms of unlocking the insurance segment. I hope I have answered your questions, Mr. Manchanda.

Moderator: Thank you. Ladies and gentlemen, if you wish to ask questions, you may click on the ask a question tab. Alternatively, you may enter your question into the chat box below. Our next text question is from Rajat Srivastava from Tata Asset Management Company. With top line expected to grow in double digits, do you expect margins to see further expansion or would you be reinvesting back for growth?

Bhushan Akshikar: Mr. Rajat, as I said in the beginning, our objective is always to grow the top line. In the process, if you are able to get a favorable tailwind on the EBITDA, that's an – its and outcome that not we work as a primary endpoint. Our objective will be to maintain the margins and not to -- we would love to reinvest in the business.

As I said, the amount of launches that we are having in the next six months for this locally listed entity are significant. We have at least two significant launches in the area of oncology, one in the area of adult vaccine, and that would all require investment. So, we would rather invest that money in growing the business with the expectation that we are able to hold the margins. So that's my response. I don't know if Ron, if you want to add something there.

Ronojit Biswas: No, I think you've summed it up very well.

Moderator: Our next question is from Vishal Manchanda. Vishal, you may accept the prompt on your screen to unmute your audio video and go ahead with your question.

Vishal Manchanda: Yes, hi. Thanks for the opportunity again. So on Bepirovirsen, which is the hepatitis product, when do you expect an approval there?

Bhushan Akshikar: So, we are still working very closely with the subject expert committee. The trial was completed. The first readout, if you saw the global readout, we are expecting the launch in several key markets, including Japan. We just signed a deal in China for a partnership to unlock, given the huge prevalence that you see of chronic hepatitis B.

Given the fact that it's the first potential functional cure for chronic hepatitis B, we do estimate there's a huge amount of work that we'll have to do along with regulatory agencies. More importantly, the health ministry, both at the state level as well as the federal, at the national level.

So, we want to ensure that we have got everything right. To your question, we estimate the market authorization to be with us probably in the next six months. I estimate it will happen in this financial year.

Vishal Manchanda: Okay. And in the trials, how many patients got completely cured on account of the trial?

Bhushan Akshikar: So, if you've seen the comparator, Mr. Manchanda, there is no functional cure for chronic hepatitis B. So if you see the trial readouts, for the first time you have, I think, 25% of the patients getting complete functional cure. So I think that's from a baseline of almost nothing existing, you have something which is for the first time actually talking of a potential functional cure. And that itself is a significant step change. So that's where the first readout is.

Vishal Manchanda: Right. Okay. And any sense on what is the current market size, like how many patients would be on a treatment for hepatitis B and some sense on the pricing strategy so that we can understand the potential opportunity here?

Bhushan Akshikar: Mr. Manchanda, at this stage, probably I won't hazard a guess in terms of pricing, because as I said, we're still launching this asset in some of the key markets. This requires a well-orchestrated effort, especially in some of the big markets like ours, where there's a huge need, there's a huge

unmet need, but at the right price point. So I think we want to get this right. What's the space? We'll definitely answer this transparently with you. But at this stage, it's still a work in progress.

Vishal Manchanda: And on oncology, you've been talking about opening a public account. So is that government patients or government hospitals that you're talking about when you say public accounts?

Bhushan Akshikar: So, if you see the speciality model, especially in oncology, what is known as CARE accounts, as a term across the industry, which is CARE is an acronym for CGHS, Army, Railways and ESIC patients. So those are the ones where you primarily start getting into ensuring that beneficiaries in all these institutions get access to your proprietary innovative medicine. So those are the accounts that we're working on in terms of inclusion.

Vishal Manchanda: And they kind of fetch you the same thing. So you have similar realizations across private markets and these public accounts?

Bhushan Akshikar: Absolutely, yes.

Vishal Manchanda: Okay. And on the patient assistance program, is that funded from the GSK P&L or the parent P&L, the patient assistance program?

Bhushan Akshikar: So, it's all a blended, the way we work is obviously we look at the P&L per business unit. And I think it's all, we ensure that the margins remain undiluted for locally listed entities.

Vishal Manchanda: Okay. Right. And so this patient assistance program is usually higher when the product is launched and it comes, you kind of lower this as the product matures? Is that right?

Bhushan Akshikar: No, no, Mr. Manchanda. I think clearly every patient, regardless of where you are in your life cycle need, because disease doesn't differentiate whether you are a just launched product or in the market for five years, the assistance programs don't differentiate. So, I don't think that's the criterion. I think it's about what's the unlock that we can have, especially given the huge cost that patients have to bear in our country. So, the answer would be no. Regardless of what stage in your life cycle you are, they would be consistent.

Moderator: Thank you. Our next text question is a text from Udhaya Prakash from Value Research. Would it be possible for you to give an overview on the margin expansion that has occurred over the last four years? Our top-line growth has been in single digits and a good chunk of the portfolio is in NLEM. Exactly what happened and what drove these margins?

Bhushan Akshikar: So, if you have seen the last four years, I will before I hand it over to Ron to give his flavor. You know, four years, three and a half years ago when I started doing these Investor meetings, my first Investor meeting I remember we were just included, a large part of our portfolio was included in the NLEM that was announced end of '22, around October, November, December 2022.

And at that time in that first Investor meeting, I had clearly articulated along with the then CFO our ability as well as our clear intention to grow volumes, and that has been the real underlying story for us. If you see each of the assets that was included, we have grown volumes at least two

times over these four years, and that has been the story for us. So, there has been a relentless focus on pulling out inefficiencies.

We have been working on cost optimization. We have also looked at unlocking digital ways, embedding IA and AI both, as I keep saying, it is not just artificial intelligence but also seeing which are the areas where we can have intelligent automation or IA to help our frontline sales reps really help unlock and create that seamless experience for our healthcare practitioners. So, I think it is a mix of these three, but I would also request Ron to add to that.

Ronojit Biswas: Sure, happy to contribute. So, the way I see it, there are three levers we have used, and I will speak more to the gross margin and then I will add on. One is we have consciously focused on shifting our mix away from the price controlled to the other part of the portfolio. So that is mix. Secondly, we've been quite competitive in terms of our pricing and our ability to, you know, keep in step with peer group pricing on portions of the portfolio. So pricing has helped, and we are maintaining the same price-led growth as the industry.

And then the third is we have actively worked very hard at reducing the cost of goods for some of our NLEM products through active sourcing changes, you know, forward contracts, etcetera. So that in -- those three have helped our gross margins, plus of course the SG&A efficiencies driven by field force productivity, AI-led initiatives has also compressed our SG&A. So you are right that all-in-all, that adds up to a nearly 10 percentage point EBITDA improvement that you saw on the slides that we presented over the last four years.

Moderator: Thank you. Our next question is a message from Mehul Savla from Ripplewave Equity. No question, but would like to congratulate the GSK team for great focus, effort, and excellent communication regarding business and strategy. Best wishes.

Bhushan Akshikar: Thank you very much, Mr. Mehul. Thank you. Truly appreciate it.

Moderator: We have time for one last question. We have a question from Vishal Manchanda. Vishal, you may accept the prompt on your screen, unmute your audio and video, and proceed.

Vishal Manchanda: Yes, hi. So on the multiple myeloma drug where you got approval, does that compete with Darzalex? And if you could -- if you have the market opportunity size for Darzalex, how large is that?

Bhushan Akshikar: Mr. Manchanda, thanks a lot for that question. Yes, we do operate in the same market, but I wouldn't comment on a competitive brand. Blenrep or belantamab is the first antibody drug conjugate that has been approved for relapsed refractory multiple myeloma. I think the advantage, as I said, is it's one of the, in terms of the approval and given the nature of the refractory cases that we see, which is the nature of multiple myeloma as a disease, early approval and early usage in early lines is really the focus for us.

As I said in the beginning, at any given point of time, you have 40,000-45,000 patients of multiple myeloma in India. Every year, you are adding about 17,000 to 18,000 new patients. And you can imagine, there is a clear first-line treatment protocol that's used across by

hematologists, and typically all patients will still relapse on that and will need a second line. And that's where you have the role of Blenrep or belantamab coming in.

Given the fact that we have data that clearly shows overall survival as well as progression-free survival, you know, leading to several months of survival benefit. So, that's something that is unique to belantamab, and that's what we will focus on. In terms of, as I said, the values are an outcome. I think our ability to get as many patients with the benefit of having this treatment in early lines, in second line, will be the focus for us.

Vishal Manchanda: Got it, sir. Thank you very much.

Bhushan Akshikar: Thank you.

Moderator: Thank you. We have no further questions, ladies and gentlemen. On behalf of GlaxoSmithKline Pharmaceuticals Limited, we conclude this conference. Thank you all for joining us. You may now disconnect.

Bhushan Akshikar: Thank you very much.