



28th February 2024

The Secretary
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400 001
Scrip Code: 500674

The Secretary
The National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No. C/1, G Block
Bandra-Kurla Complex, Bandra East
Mumbai - 400 050
Symbol: SANOFI

Sub: Transcript of Investors / Analysts Call scheduled on 26th February 2024

Dear Sirs,

Further to our letter dated 26th February 2024, and pursuant to Regulation 30 read with Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith transcript of the Investors / Analysts Call scheduled on 26th February 2024. The same is also being uploaded on the website of the Company at [Analyst / Investor Meet \(sanofiindia.com\)](https://sanofiindia.com/Analyst-Investor-Meet)

Please note that the presentation and the recording of the aforesaid Call is already available on the website of the Company at the above web link.

Kindly take the above information on record.

Yours faithfully

For **Sanofi India Limited**

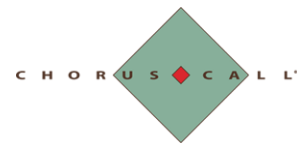
Radhika Shah
Company Secretary & Compliance Officer
Membership No: A19308



Sanofi India Limited

“Investor Conference Call”

February 26, 2024



**MANAGEMENT: MR. RODOLFO HROSZ – MANAGING DIRECTOR –
SANOFI INDIA LIMITED
MR. RACHID AYARI – WHOLE-TIME DIRECTOR AND
CHIEF FINANCIAL OFFICER – SANOFI INDIA LIMITED
MS. RADHIKA SHAH - COMPANY SECRETARY AND
HEAD OF REGION – SANOFI INDIA LIMITED
MR. HIMANSHU BAKSHI – GENERAL MANAGER,
CONSUMER HEALTHCARE BUSINESS – SANOFI INDIA
LIMITED**

Moderator: Over to management, please.

Radhika Shah: Good morning, everyone, and a very warm welcome to the investor call of Sanofi India Limited. My name is Radhika Shah, and I'm the Company Secretary and the Head of Region for Sanofi India Limited. I have with me Mr. Rodolfo Hrosz, Managing Director; Mr. Rachid Ayari, the Whole-Time Director and CFO of Sanofi; and Himanshu, General Manager of Consumer Healthcare business.

Rodolfo Hrosz: Good morning, everyone. Thank you for joining the call. I look forward to going over the results of the quarter and the calendar year review as well as taking your questions. But before that, I'm thrilled to introduce the Himanshu Bakshi, General Manager, Consumer Healthcare business. Himanshu has joined Sanofi with effect from 15th of January 2024, to lead the consumer health care business, and he'll transition to be appointed as the Managing Director for Sanofi Consumer Healthcare India Limited, post the merger subject of course, to the applicable approvals.

Over to you, Himanshu, for your brief introduction of yourself.

Himanshu Bakshi: Good morning, everyone, and thank you, Rodolfo, for your warm words. I'm really delighted to be a part of this exciting business, fantastic company. I strongly believe India is at a pivotal point right now and it's going to drive growth and opportunities in the future. And the same goes for the consumer health care business. I think with the kind of potential that we have, the immense opportunity that India brings with it, we have great products, purpose-driven brands with great signs. And there's no reason why we won't be tapping this immense potential in a big way. So where we're looking forward to this exciting journey and a journey of growth, a journey of potential, a journey of success.

Radhika Shah: Thank you, Himanshu. Rachid, would you like to greet everyone?

Rachid Ayari: Good morning, everyone.

Radhika Shah: Thank you. Before we begin this investor call, two important announcements. First, please note that the proceedings of the meetings are being recorded. And second, our standard disclaimer that certain statements may be forward-looking. The actual results may be affected by many factors that may be different to what is being indicated in terms of future performance and outlook.

Moving on to the agenda of this call. In today's call, we will be talking about the performance of the company for the quarter and for the financial year 2023. Thereafter, the management will take questions from investors and participants. The Q&A is likely will end at 12:30 p.m. sharp. All investors and participants are requested to keep their questions please and avoid repetition. I now hand over the call to Rodolfo and Rachid to take us through the presentation.

Rodolfo Hrosz: All right. Thank you, Radhika. So if we can move to the first page, we have prepared a brief presentation whereby I am going to give you a brief overall update on the status of the business and the progress versus our strategy following those initial slides, Rachid is going to come in

and share with you some highlights on our financials for the quarter and for the calendar year, right? So to begin with, we can go to the next slide, please. The next one. Yes.

I'll begin with this one, which is the slide which you are all familiar with. This is a summary of the plan that we unveiled by the end of 2022, which is the North Star for what we do in Sanofi India Limited since then. This is the India for India plan for Sanofi with its four pillars.

As a reminder, four pillars are the focus on diabetes and consumer health care, focus also on end-to-end innovation, and the last pillar, the go-to-market transformation as the key enablers for the success and future growth of the business in India. If you click again, I have a few more updates on each one of these pillars that I wanted to share with you. On the first pillar, we have successfully moved to the One Diabetes Business Unit where we brought all the products that pertain to the category of anti-diabetes under the same roof with the same group of people and same leadership, specialized in diabetes.

By doing that, we have been able to expand reach and strengthen the positioning of our brands within that portfolio. We have also deployed a disease awareness campaign, a diabetes awareness campaign, targeting the general public with the intention of bringing the important non-communicable disease awareness up in an attempt to increase also the number of people that have the condition and get the right treatment. There has been a successful first year of that campaign where we have reached more than 200 million people.

More than 200 million individuals were hit by this campaign over the course of 2023. Lantus, as you know, within that diabetes business unit, faced an NLEM price reduction which was largely mitigated by the rest of the portfolios you see in the financial figures when we talk about them. We have begun to accelerate the volume of Lantus following that price reduction.

Local innovation on diabetes has advanced. Insutage, a localization of one of our insulins, is already well advanced with plans for its introduction soon. Cetapin S, another local extension of one of our brands that is also planned for the end of Q1.

And then as part of our global innovation program, Soliqua comes to market by the end of Q1, beginning of Q2. So a business that has been already transformed with a significant pipeline added to it. On the consumer healthcare business, as you know, we wanted to be able to double down on Allegra, extend and deepen our consumer understanding and shape the OTC policy in the Indian market.

To that end, we decided for the CATD merger, which is on track for Q2 execution, with both already approved, as you know. Shareholders also approved by December 18th, as you know. And we're now following the other requirements requiring approval along the process.

While the organization's readiness for the separation is well advanced. You just got to know the human truth, part of that readiness for the separation that I just mentioned. On the third pillar, end-to-end innovation, we have advanced with a local and global pipeline with seven launches, which I'm going to be talking a little more about in the following slide.

Which also includes the localization of Insuman, one of our formerly imported instruments that will now be produced in India. And we have continued to analyze the potential for partnerships, for reach extension on our established products. On the fourth column, we have successfully gone through a reduction of overlap and increased synergies and agility in the organization.

And by looking at the resource allocation and thoroughly reviewing it, it resulted in a INR36 crores opex saving in fiscal year 2023. Coming from a reduction of eight business units to three business units, the removal of one layer of management from the organization. And we did all that, as well as the deployment of the trade organization and the piloting of four digital go-to-market organizations that will run in 2023.

So good advancement on all four pillars of India for India. If I go to the next slide, please, I'll show you a little more on innovation, as I mentioned before. So back in October 23, we brought the market freezing suspension.

Then in December 23, we brought in the market Sanoxaban and Carmada. All three of them are line extensions of existing brands in our portfolio today. Now, for the diabetes portfolio, the activity and the innovation comes in this year with Soliqua, Insutage, and Cetapin S hitting the market, as I mentioned before.

And C&C is well planned for the introduction of Allegra by 2025. So you can see consistent progress on the four pillars of India for India, leading to improving results that I'm going to ask Rashid to mention and discuss with us next. Rachid, over to you.

Management:

Thank you, Rodolfo. Next slide, please. So a good performance for the quarter and the full year 2023. In the left side, we have the quarter. On the right side, we have the full year. Before starting to explain the results, I want to explain a bit the slide. So we tried to eliminate any price impact for launchers in green. So we have comparable data. And from profit before tax, we exclude the divestment of software machines. So good results for the quarter again. So INR525 crores versus INR500 crores in 2022, 12.6% growth in publishing and 10.6% in comparable when you exclude the NLEM price impact.

In terms of profit before tax, so good trend as well, plus 5.6%, excluding the Soframycin divestment. Going to the full year is that we have good results in terms of sales. So 5.4% growth in a comparable basis and 1.2% in publishing. So we -- in terms of export, which is not shown here, we have good results as well, plus 27%, which is showing a steady growth from 1 year to another.

Double-digit growth for profit before tax, excluding the divestment. And this result is a mix between the different clients. So we -- to better mix in the divestment of Soframycin. We have better prices for the IPI that were negotiated for 2023 in addition to one of August booked last year for the MDM price to certain level. And we have favorable foreign exchange rate for the export.

We -- as mentioned by Rodolfo, we have, let's say, good trend for the opex or operating expenses with minus 6%, showing that the India -- for India strategy is already reflected starting this year.

If we can move to the next, please? Yes. I think this slide -- so as I know that we cannot talk about the future, but the actual number, it's a good indicator. So we have, again, a steady improvement for -- from one quarter to another for the operating profit. So as we can see in terms of value and in absolute percentage as well. So for quarter 1, moving from 28% to 32%; Q2, 24% to 26%; Q3, 27% to 31%; and the last quarter, 27% to 28%.

Can you move to the next, please? So here, we want to -- just to share a bit the trend in CAGR from 2018, 2023. You see in the left side, the domestic sales for the retailing business, excluding the divestment, we are at CAGR of 5.9%. And in the right side, so in the publisher, so we have at 3.6% CAGR.

The most important part, I think, is in the left side regarding the profit before tax, where we see a significant increase from one year to another, moving from 18%, 24% and 26%. And finally, in 2023, we had at 31%, thanks to the strategy that was put in place since then.

Regarding, I think the dividend part is an important one. So for this year -- so we see the plan from 2018 2024 versus the last year where we distribute the payout was 85% this year, the payout will be 65%. And this is explained mainly by the working capital, where we build stock at the end of this year, filing -- just to avoid any impact for next year, which is related to the change in the address of our warehouse. So then it goes to license approval again and the blackout period. So to avoid any impact for the business, we distribute 65% within the cash available in the company. So that's it from my side. Thank you.

Radhika Shah:

Thank you. Thank you, Rodolfo and Rachid, again for taking us through the presentation. Now we will move to the Q&A session. In this session, we will respond, a reminder within the boundaries of our internal policies and set regulations. We restrict the responses to clarify on matters which are available only in the public domain, either through our annual report, quarterly financial statements and other disclosures.

There are other granular aspects which are product-wise, sales-wise, therapy-wise, sales margins, profitability, which we consider confidential, and we will not be able to comment on these topics. We also do not provide any earnings guidance and hence, we will not be able to respond to queries on future business, future product launches or margins or profitability.

Moving on, as we had mentioned, we will be taking the questions in the sequence of the registration of the participants. If there are multiple registrations, we will take questions from the first participant and giving others as the opportunity after the first question has been asked. In the interest of time, please, and to give equal opportunity to all, please keep the questions limited to one or two. Handing over to Chorus to allow the participants to ask questions, please?

Moderator:

Thank you very much. Ladies and gentlemen, we will now begin the question-and-answer session. We have a first question from the line of Aditya. Please go ahead. Since there is no response, we'll take our next question from Hrishikesh Patole. Please go ahead.

Hrishikesh Patole:

Just wanted a few clarifications on the progress of new launches and timelines for the film going on?

- Radhika Shah:** Okay. Rodolfo, do you want to take that?
- Rodolfo Hrosz:** Thank you, Mr. Hrishikesh Patole for the question. We have advanced quite a bit with our pipeline, right? So from the beginning in the deployment of initial plan, we have now gone to 7 projects we were lined up. I mentioned before -- so I'm not able to give you detail on the figures from the launches. But I can tell you because there will be forward-looking statements, but I can tell you that we have been carefully selected to do 1 of 2 things: One, to leverage the strong equity of the existing brands that are already in the market.
- That is the case for the line extension that I have mentioned before; and/or if the new launch, the new brand, then it enters into a large untapped segment where we believe we have the right to. And that is mainly with the launch of Soliqua, which is upcoming soon, and we believe it can be a very significant impact.
- We can't speak about the numbers for the limitations of this call, but we're very happy with the fact that we have been able to create a pipeline with 7 launches. In some of those launches, that leverage the strong equity of exiting brands and some others that really tap into very large opportunities in the marketplace where we have the right to win.
- Moderator:** We have our next question from the line of Abdulkader Puranwala from ICICI Securities. Please go ahead.
- Abdulkader Puranwala:** So couple of questions. So starting with your comments on integrating the entire diabetes portfolio under one roof. So could you please elaborate as to -- sorry, am I audible?
- Moderator:** Yes, we can hear you. Please go ahead. Yes, yes, you are.
- Abdulkader Puranwala:** Yes. So my first question was pertaining to the comments on regrouping the diabetes portfolio under one roof. So could you please specify as to what are the synergies which you have prevailed by doing that in terms of growth for your key brands as well as right now, what will be the overall contribution of the diabetes brands to the overall top line of the company?
- Rodolfo Hrosz:** Yes. So just going -- taking your first part. Thank you for the question. So the importance of bringing diabetes under one roof is really due to the synergy or the efforts that we make in that category of problem. Before, we have brought in anti-diabetic product drug into 2 different business units in the company, where we replicated many of the efforts in terms of management of the portfolio, strategy, direction given to the field, and also even the actual -- representative or reps we have very separately in portfolios.
- So now we have the main integrated and then it can benefit to the health care professional when we interact because again, the health care professionals see the party as 1 therapy only and by providing them a more unified representation on the private Sanofi, we become more customer-centric, we become more HCP-centric, less focused on our portfolio division and store and more focused on what makes sense on the HCPs in the right.
- So that has proven to be a successful realignment, allowing us to become more customer-centric and also expand reach by not having two teams, more than two teams, in fact, going to the

doctors with the portfolio, by having a reduced number of people connecting with each single doctor, we can get to more doctors. We can get to more HCPs, and that is beneficial to the business. So that's the first part.

Second part is about, I think, your question regarding global diabetes. Global diabetes is a very relevant part of the portfolio. In India, there is still a very significant category with a large application. We have important brands in that portfolio. We're going with-- clearly a strong -- the strongest of the brand that we have in the portfolio. It is important to us that our diabetes portfolio because it caters to doctors and to HCPs and patients, that are in the journey of treatment before they get to insulin.

So insulin being the ultimate gold standard treatment for diabetes, it is important that we accompany the patient journey and the HCP journey all the way from the moment of diagnosis the beginning of diabetes and then the migration to -- in fact we are the largest company in India that does that that integrates all of diabetes and insulin portfolio in the same company. So we think it is synergic from that perspective so that we can follow the patient and the HCP journey all the way.

Rachid Ayari: That's just complete in terms of contribution on the sales. So the EBIT should be between 40% to 43%.

Abdulkader Puranwala: Understood, sir. And sir, a couple of follow-on questions as well. So I mean could you please help us understand how your consumer portfolio has performed in CY '23 in terms of the overall revenue growth or some better comments on the margin side would be a little bit helpful?

Rodolfo Hrosz: Himanshu, you want to take the one?

Himanshu Bakshi: Okay. When we look at quarter 4. Of course, there are some headwinds when it comes to the overall category performance. But the good news is that all our categories, all our brands continue to gain share in the market. I think that's something which is in line with what we really want to do.

Our key brands like Allegra continue to do very well in terms of market share gains. A brand like Dulcoflex, Depura also are gaining significantly when it comes to the market. So overall performance in terms of the external performance continues to be very strong and continues to be strong even in the month of January.

Abdulkader Puranwala: And just a final one, if I may. So just one more question on the accounting side. So if you look at your working capital cycle, the inventory for the quarter, for the year has gone up significantly. So is there any -- is there any RM inventory, what you are specifically stocking? Or what was the reason for this increase?

Radhika Shah: Yes, did you get the question?

Rachid Ayari: Yes. Thank you for the question. So as I mentioned in the previous slide when I was talking about the payout regarding the dividend, we are paying 65% for this year, which is impacted mainly by the inventory, okay? So especially for 2024. So we are changing the address of the

principal warehouse that we have. And we -- once we ask for the approval, it's going to take a bit of time to -- for the approval of the license. So that's why we made the kind of stockpiling for end of 2023 to avoid any impact in the business for the next year. So this is the major explanation regarding the inventory that we build at the end of 2023.

Abdulkader Puranwala: Okay. So is it specific to...

Moderator: Mr. Puranwala.

Abdulkader Puranwala: Sorry.

Moderator: Yes, please go ahead.

Abdulkader Puranwala: Yes. So is this specifically to some particular brands which you are importing? Or is it a normal RM destocking that you're doing?

Rachid Ayari: This is -- it's related to the main -- it's on the stock we are piling on here. So as we are changing the address, then the license needs to be updated.

Radhika Shah: It will largely be imported to us, Abdul. And of course, there are certain other reported RMs as well, but it's most of the imported finished goods.

Rachid Ayari: Mainly Clexane, Insulin and Targocid to be more precise.

Moderator: We have a next question from Varun Bang from Bryanston Investments.

Varun Bang: My first question is on insulin. How is the prescription increasing in the smaller towns and rural areas for insulin? And what is our approach to tap that market?

Rodolfo Hrosz: All right. So thank you for the question. Insulin prescriptions when we live our insulin prescription driver, description of our products, we have increased significantly because of after NLEM implementation on Lantus. We saw that mainly HCPs opted for Lantus more than we were going to more with the price reduction of Lantus that it became even more of the industry in terms of prescription products as we initiate insulin for patients.

So we saw an increase, a significant increase, in our share of prescriptions since the implementation of NLEM on Lantus. Prescriptions for insulin were together in the year 2023. They were likely impacted by the loss of exclusivity of certain auto-anti-diabetic products. So some auto-anti-diabetic products went into loss of exclusivity, therefore reducing the price of those products, and therefore causing a certain delay, further delay in the insulinization of patients in India.

That is a one-off effect for the months that followed that loss of exclusivity, but it totally had an impact in terms of number of insulin prescriptions that we saw in the market. In our estimate, that has impacted the overall market, even if for our brand, our share of prescriptions increased significantly, because at the same time, the whole pie was being impacted by that loss of exclusivity on oral anti-diabetics. We also had the price reduction on Lantus due to NLEM, which resulted in a significant share in the prescription service.

Varun Bang: Okay, sir. And you stated that you are looking for partnerships to expand our reach in Tier 2 and Tier 3 cities and also in the rural areas. What would you look for in any potential partner? And from a long-term perspective, would it make more sense to develop the reach organically? Can you share your thoughts?

Rodolfo Hrosz: Yes, we think the same way along the lines of what you're saying. I think we think that the reach for the diabetes portfolio would expand organically. Insulin is the central part of that portfolio, and insulin is significantly less dependent on Tier 2 and Tier 3 cities, with lots of opportunities, of course, in Tier 2 and Tier 3 cities, but also lots of opportunities in Tier 1. But that lower dependency on Tier 2 and Tier 3 cities makes it more interesting and more attractive for organic reach expansion.

So currently the plan, as you see, in Europe or India isn't to pursue partnerships for the expansion of reach of the diabetes portfolio not at the moment, so your comment is in alignment with the way we think about it

Varun Bang: Okay. And when we talk about Sanofi in India for India, we have also talked about tendering our local innovation capabilities. So can you share what kind of R&D capabilities do you currently have in India? And how do we look to build it further? And secondly, would the local innovation be largely focusing on line expenses in General Medicine segment? Can you share some information?

Rodolfo Hrosz: Well, yeah, I shared with you the pipeline, right, our innovation pipeline. You can see there all the products that we are launching. There are some line extensions, but there are some completely new launches as well, right? So the biggest example of that being, of course, Soliqua, which taps into an entirely new segment of business for us, coming up end of Q1, beginning of Q2.

Now, in terms of our infrastructure in R&D, we're very lucky to have one of the most sophisticated R&D centers of the Sanofi Group located in Goa, within our Goa site. That is a capability that we can and have leverage in the past and can continue to leverage. We also have a network of contract manufacturing organizations with whom we have already worked for a number of years, both for the domestic market and for export market.

So these CMOs are completely validated and vetted by the quality and supply chain organizations in our company, then they can also be leveraged as resources for innovation in India. So I think that more than building more capability in R&D for some of India, the challenge for us is really to leverage the capability that we already have.

We have significant capability already installed, and the big challenge and the exercise for us is to make full leverage of those resources and those capabilities that we already have, which is what is happening as we build the pipeline and as we build the pipeline that I have shared with you before.

Varun Bang: One last question. What is the share of exports in CY '23? And in previous forums, we've talked about taking advantage of India's low-cost mobile cost advantage to grow export business. How

do we -- how do we look at expanding export business? And where does the export business come in the list of priorities?

Rodolfo Hrosz: Yes, I'll hand that over to Rachid, who is very close to the topic and passionate about the topic.

Rachid Ayari: Yes. Thank you, Rodolfo. So the current export is around 18% -- 18% to 20%, let's say. We are looking for a different geographic area where we can use manufacturing in a, as you mentioned, clearly, thanks to the cost, the reduced cost and the quality, as we see that in terms of quality, the CMOs or our Goa site are one of the highest ones. We are looking for export from -- to Russia to Central Asia, and we continue with the market that we are supplying from Goa right now. So the volume that we're looking for is, for sure, will allow in the future to reduce cost as long as the capacity are increasing in Goa site.

Moderator: I now request Maulik V. from B&K Securities to go ahead with this question.

Maulik: All my questions have been answered. Thank you very much.

Moderator: We have our next question from Girish Bakhru. Please go ahead.

Girish Bakhru: Just wanted to check on Toujeo, all prescriptions, what is the split between Lantus and -- right now?

Rodolfo Hrosz: Your question is split between the prescriptions of Lantus and Toujeo?

Girish Bakhru: Yes.

Rodolfo Hrosz: Okay. So let me just quickly check on that. We're getting to minus 3% and 8%.

Girish Bakhru: And I mean, after this price reduction in Lantus, are you seeing an impact on Toujeo growth? What's the broad thought process here? How is this plan going to grow?

Rodolfo Hrosz: The brand has gone very fast. It's a second-generation basal insulin and we've seen that the market has an appetite for second generation, both in basal and also in the premium segment. So Lantus continues to grow on the wake of the NLEM price reduction and Toujeo continues to grow on the waves of this migration to second generation and more sophisticated basal insulin. So both have a very promising perspective and in fact both are performing well on their side, in their segment.

Girish Bakhru: And just -- yes, I know you don't want to give a guidance, but given this year had a lot of impact from the price reduction next year, what is your broad sense, how large in-market will play out for you?

Rodolfo Hrosz: I think that the next year, we will continue to see strong growth of Toujeo as it has been indicated in the many years and the several years behind us. So, we see the momentum continues into the future given that trend to second generation basals that continues. And we see that -- we believe that brand Toujeo will benefit from this price reduction with continued volume increase. The difference between Lantus and its competitors has now shrunk to close to zero. The strength of

the brand will pull more market share for Lantus as we go forward. So you can see positive and very promising for both of us.

Girish Bakhru: Possible to put a number here?

Rodolfo Hrosz: No, we can't put a number because it's forward increasing. But I can give you a direction. Directionally, that's what we are optimistic about both trends.

Rachid Ayari: For Q4, we can communicate growth or...

Radhika Shah: For the current -- for the next -- coming up, we can't comment any numbers. We will not be able to indicate any number. But like you also mentioned, we will be in a position to indicate the trend.

Girish Bakhru: Yes. Thank you. Sorry, you were saying Q4, you can comment, how would Q4 for growth of Lantus?

Rachid Ayari: Q4, we have very positive signals related to Lantus and have growth for the -- let's say, volume is around 5%, which is showing good trend for the next year as well. So based on what we see, we are commenting again next year.

Girish Bakhru: Sure. Very helpful. Just last one on Soliqua. The combination of insulin GLP-1, do we have any product in India? Or is this the first one that will come? And broadly, with your experience of Soliqua other markets, how do you see this benefit vis-à-vis other combinations which we have in diabetes?

Rodolfo Hrosz: Yes, Soliqua is a unique problem. There is no similar products in India. But it is a product that caters to a very specific segment of the market, which is the segment where HCPs prescribed pre-mix insulin to certain patients under certain condition. And that segment of pre-mix insulin in India, is as big as the segment of basal insulin. We currently compete only in the basal insulin in Lantus and Toujeo. Soliqua comes into the pre-mix segment, which is equivalent in size and with comparable growth rate.

Now it comes into that market with being a unique product with clear point of differentiation, right? So there's a product that offers patients an HCP and fewer things, fewer number of injections versus the existing product – a product that offers lower risk of hypoglycemia, and a product that offers patients gain some advantage in terms of weight management while current products add some weight to patients in general, our products and has an effect of a slight reduction in this.

So with those superiority and superior benefit. We believe that Soliqua's poised to become a very successful player in the pre-mix segment. Now it is difficult to compare that and inappropriate to compare it with other markets Girish because – Girish, right?

Girish Bakhru: Yes.

Rodolfo Hrosz: Because few markets in the world have a developed pre-mix category like we do in India. Few other markets like China also has a segment like that, most markets, we don't have a developed

category. The reason we move back to the diet, carb-related, it roots back to the delay in implementation we take longer to put patients on insulin and then when we do, we end up putting them in -- so there's different reasons why you can't compare that -- you can't compare it to other -- to many markets and other markets in the world in general. But comparing Soliqua to the competitors with whom we will be playing in the market, it is very strong in this position.

- Girish Bakhr:** And is there any IP on Soliqua in India?
- Rodolfo Hrosz:** What do you mean IP?
- Girish Bakhr:** Is there a patent on...
- Rodolfo Hrosz:** Soliqua, I think Soliqua is pre-mixed, yes.
- Girish Bakhr:** All right. Thank you. Thank you so much.
- Radhika Shah:** No there is no patent, but it is a global product.
- Girish Bakhr:** Yeas. Thank you so much.
- Moderator:** Thank you. We'll take an audio question from the line of Gagan Thareja from Ask Investment Managers. Please go ahead.
- Gagan Thareja:** So, my first question is on the share of revenue, which comes under NLEM after Lantus and Frisium undergoing NLEM expansion last year, what is the total share of sales of -- in India, which is under NLEM?
- Rachid Ayari:** Yes, it's around, let's say, 39%.
- Gagan Thareja:** 3-9? Is that what you're saying?
- Rachid Ayari:** 39% to 40%.
- Gagan Thareja:** Okay. All right. The reason I ask that is, do you feel that with the WPI being virtually nil going into the next calendar year, it might have some impact on the domestic sales growth? It is a very substantial number, which is under NLEM, where you get WPI linked price increase?
- Rachid Ayari:** Yes. For next year, the WTI is not significant. So there is no -- maybe no impact.
- Gagan Thareja:** Okay. And is it possible to give the sales and profits for the consumer OTC business for the bygone year, which is CY23, financial year '23?
- Radhika Shah:** Sorry, Rachid. Yeah. We've not disclosed the segmented results. So we'll not be able to give you separate numbers to CHC business.
- Gagan Thareja:** Okay. And you also indicated that in gross margins, there is an impact of favorable movements of the foreign currency. Can you enumerate the scale of this impact on gross margins?
- Rachid Ayari:** It's related mainly to the headquarter.

- Gagan Thareja:** Yes. What would have been the contribution financially of that?
- Rachid Ayari:** We can't disclose Radhika?
- Radhika Shah:** No Gagan, not very clear in terms of the question. Can you repeat?
- Gagan Thareja:** So, my question is what is the impact of currency-related gains on your gross margins or on your operating margins for the bygone year?
- Radhika Shah:** No. So I mentioned that, Rachid. The forex gains are largely for exports, and we don't indicate numbers in terms of the impact on gross margin.
- Gagan Thareja:** All right. And is it possible to get some idea of the contribution that you would have received from the launch of new products in December and, I think, September of this year? You've launched a few new products, right, Sanoxaban and Carmada.
- Radhika Shah:** Like I said, yes, like I mentioned, we don't disclose product-wise sales, but the launches have been very recent, so it may not be significant as that to Frisium.
- Rachid Ayari:** Mid of December, so it's not so significant. Fully agree.
- Gagan Thareja:** Okay. But since quite a -- I mean not all of them, but I presume some of them are line extensions. Is it the case that growth in these would also, at the same time, see some of the existing products sort of taper off because you will emphasize on the line extensions?...
- Radhika Shah:** I don't think so. Go ahead...
- Rodolfo Hrosz:** Just you to repeat the question. I am not sure, I captured...
- Radhika Shah:** No, his question was since some of them are line extension, the one launched in December I think Sanoxaban and Carmada, will they have any cannibalizing effect on our existing product to which we...
- Rodolfo Hrosz:** I think it's a good question, but we carefully select line extensions to tap into segments where we see growth potential in where we're not playing. So line extensions is not just a very similar version of something that we already have, but they are typically the ones that are being in the market, they extend the brand into segments where we are not present. Therefore, minimizing any kind of decision potential.
- Gagan Thareja:** All right. And the last one, if I may, from my side is, you indicated loss of exclusivity for some products in the diabetes franchise impacting Lantus growth. I presume it would also have impacted your Amaryl franchise growth. Any assessment you can give us of the impact on Amaryl from LOE on dapagliflozin or gliptins?
- Rodolfo Hrosz:** We don't comment on brand. But I can tell you that Amaryl is very strong, very solid – very solid performance and not shaken.

- Gagan Thareja:** Right. And Insuman, with local manufacturing, is it local manufacturing now that you're doing in Insuman? If that is so, do you see that helping your cost competence and therefore, growth in the market?
- Rodolfo Hrosz:** Can you repeat the question? I got little lost in the background.
- Gagan Thareja:** My question is on Insuman. Is it -- have I understood it correctly that Insuman is now localized for you?
- Rodolfo Hrosz:** Yes, localized Insuman.
- Gagan Thareja:** Yes. So in that case, does it make you far more cost competitive. And therefore, does it help your case in growth of Insuman going here on?
- Rodolfo Hrosz:** Potentially, it would help, potentially could be positive impact. Yes.
- Gagan Thareja:** Okay. Yes. Thanks. I'll get back in the queue. Thanks for taking my questions.
- Moderator:** Thank you. We have our next audio question from Prerit Choudhary from Green Portfolio. Please go ahead.
- Prerit Choudhary:** Yes. I have just one questions. So currently, our exports are around 18% to 20% of our total top line. So I just wanted to understand how much percentage from our Goa manufacturing plant currently goes to exports?
- Radhika Shah:** Sorry, if I understood your question correctly. You want to know the percentage of manufacturing in Goa?
- Prerit Choudhary:** Yes. How much of that goes for export, yes.
- Rachid Ayari:** From Goa, we are exporting around 30%.
- Prerit Choudhary:** Can you also provide the -- for the previous year, the same number? How much would that be?
- Rachid Ayari:** Sorry, it's not clear.
- Radhika Shah:** So, we will get back to you on that.
- Rachid Ayari:** Can you repeat again.
- Radhika Shah:** The number of the exports for the previous year, the comparable number for previous years.
- Rachid Ayari:** Yes, it's similar. It's similar.
- Prerit Choudhary:** Okay. That's for me. Thank you.
- Radhika Shah:** Okay. I think Chorus, since we're already nearing time, that could probably be the last question. Please do feel free to write in if you have any other, further questions. And thank you very much

to all the participants for attending to the call and patient listening. Rodolfo, do you want to give concluding remarks?

Rodolfo Hrosz: Thank you, Radhika. Thank you very much for joining the call for your questions and for the opportunity to clarify a few more elements of our business as we go forward. We look forward to getting together again in the next quarter.

Radhika Shah: Thank you, Chorus.

Moderator: My pleasure. Ladies and gentlemen, we now conclude this session. You may now disconnect your lines. Thank you once again for joining.