Earnings Conference Call Highlights

Company Name: Remus Pharmaceuticals Ltd

Quarter under review: H2-FY26

Remus Pharmaceuticals Ltd – H2-FY26/FY26 Concall Highlights:

Remus Pharmaceticals Ltd (Consolidated)								
INR In Mn	H2-FY26	H2-FY25	Y-o-Y	H1-FY26	Q-o-Q	FY26	FY25	Y-o-Y
Operational Income	4,534	3,478	30.39%	4,002	13.30%	8,536	6,204	37.60%
EBITDA	298	245	21.5%	269	10.7%	567	457	24.10%
EBITDA M (%)	6.57%	7.05%	-48 bps	6.72%	-15 bps	6.64%	7.37%	-73 bps
PAT	246	206	19.49%	216	13.85%	462	384	20.17%
PAT M (%)	5.42%	5.92%	-50 bps	5.39%	3 bps	5.41%	6.19%	-78 bps
Diluted EPS	20.86	17.46	19.47%	18.33	13.8%	39.19	32.61	20.18%

Operational Highlights:

- In-licensed Rifaximin (200 mg & 550 mg) and Fexofenadine 180 mg across key Latin American markets including Mexico, Chile, and Peru, strengthening the anti-infective and anti-allergy portfolio.
- Secured a government tender in Nicaragua for a specialized injectable product while continuing regulatory filings across multiple international markets.
- Initiated filings for Semaglutide tablets and injections across non -patented emerging markets through both B2B and B2C channels, supporting entry into the fast-growing GLP-1 and anti-obesity segment.
- Executed supply orders for Rivastigmine Patch in Venezuela, strengthening the CNS portfolio and expanding specialty offerings across international markets.
- In-licensed Peg-filgrastim and Filgrastim PFS injections for the Philippines and Vietnam markets, with regulatory submissions underway to strengthen the oncology pipeline.
- Secured a NUPCO tender for Topiramate Capsules in Saudi Arabia, expanding institutional business presence in the Middle East.
- Secured a direct anti-TB tender in North Macedonia, with supplies planned through an EU-GMP-approved manufacturing facility.
- Expanded the Urology portfolio with the launch of Mirabegron 25 mg XR in Venezuela, Ecuador, and Bolivia, along with Mirabegron + Solifenacin in Ecuador.
- Successfully cleared the Peru DIGEMID audit in February 2026, strengthening the company's regulatory credibility and further expansion across Peru and broader Latin American markets. Planning on filling 50+ new registration in next 4 months.
- Filed five products to ISP Chile and in-licensed Dapagliflozin 10 mg tablets and Rivaroxaban 3 SKUs with Bioequivalence studies for the Chile market.
- Through geographic expansion strategy Remus Expanded its commercial presence into four new markets - Myanmar, Nicaragua, North Macedonia, and Madagascar.
- Under Relius in Bolivia, launched 26 products through the B2C segment, with 40 additional launches planned over the next six months.
- Launched the CNS portfolio in Relius Bolivia through D2C channels with products including Brivaracetam, Valproic Acid, Risperidone, and Lamotrigine tablets.

Key Questions & Answers discussed during the Concall:

- **What is the current B2C revenue contribution and what is the target for FY27?** B2C contribution in FY26 stood at 14–15% of standalone revenue versus earlier guidance of 18–20%, largely due to geopolitical disruptions delaying launches in key markets. We are targeting 30% B2C contribution in FY27, supported by 26 Relius products already launched in Bolivia, 40 additional launches planned over the next six months, and 126 brand/trademark registrations across target markets.
- **Why did FY26 margins decline on a consolidated basis, and what is the outlook?** Consolidated EBITDA margins declined to 6.64% in FY26 from 7.37% in FY25 mainly due to the low-margin US RLD distribution business (Espee Global), INR 4 crore investment in R&D and niche molecules, and clinical trial expenses for markets like Chile, Mexico, and Algeria. Standalone EBITDA margins remain strong at 31.6%, and margins are expected to improve as B2C contribution rises and SP Global Clinical Trial Services becomes operational.
- **What is the company's semaglutide strategy, and in which markets will it be commercialized?** We have initiated filings for semaglutide tablets and injectables across non-patented emerging markets through both B2B and B2C channels. Commercialization is planned in 3–4 countries this year, including India, where patents have expired. For markets with patent expiries in FY27–FY29, we are preparing dossiers in advance to secure early-launch advantage.
- **How is the company managing forex and receivables risk in its Latin American markets?** We largely operate on advance-payment terms, collecting 25–50% upfront and the balance before shipment, which significantly reduces forex and credit risk. Our subsidiaries in Bolivia and Guatemala provide better control over collections and currency exposure. Historically, we have had negligible bad debt write-offs, and receivable days remain within our comfort range of 100–120 days.
- **What is driving the sharp revenue growth at the consolidated level, and is it sustainable?** Consolidated revenue grew 37.6% YoY to INR 8,536 Mn in FY26, driven primarily by Espee Global's RLD and specialty drug distribution business. Standalone revenue grew 18.7% to INR 940 Mn, supported by higher B2B volumes and early B2C traction. FY27 growth is expected to be driven by new market entries, semaglutide launches, institutional tenders, and further B2C expansion.
- **Why did operating cash flows remain weak despite strong PAT growth?** Standalone operating cash flows remain healthy at INR 25 crore. The weakness at the consolidated level is mainly due to the working-capital-intensive nature of the US distribution business. A portion of receivables related to March dispatches was collected in April–May, creating a temporary year-end mismatch. As advance-payment markets scale up, debtor days are expected to improve further from the current 92-day level.
- **What is management's approach to building brand equity in the B2C segment?** Our B2C strategy is centered around the Relius brand through subsidiaries in Bolivia and Guatemala. We have already registered 126 brands/trademarks and follow a doctor-led ethical promotion model. Distribution is supported through pharmacy partnerships such as Farmacorp, D2C channels, and strong retail penetration, with pharmacy shelf space currently at 41% and targeted to reach 50–55%.
- **How does the asset-light model work, and does it constrain scalability?** Operations are conducted through an asset-light model using approved manufacturing partners, enabling capital-efficient expansion while maintaining focus on product selection, regulatory filings, market registrations, brand building, and commercialization across international markets. Gross margins of ~55–60% reflect the differentiated nature of its specialty formulation model.

- **What is the biosimilars and biologics pipeline, and which markets are targeted?** We have in-licensed Peg-filgrastim and Filgrastim PFS for the Philippines and Vietnam, with regulatory filings planned shortly. These products are manufactured at a US-based facility and will be commercialized through both government tenders and B2C channels. We are also building capabilities in monoclonal antibodies and peptides through our in-house regulatory team.
- **How does Espee Global contribute to the group, and what is the FY27 trajectory?** The margins are structurally lower due to the distribution model but it contributes significantly to consolidated revenue and strengthens our global credibility and regulated-market presence. SP Global Clinical Trial Services is expected to add a higher-margin service business in FY27.
- **How is the inventory build-up being managed, and is it a concern?** Consolidated inventory increased to INR 721 Mn from INR 516 Mn mainly due to a deliberate strategy of maintaining up to six months of inventory across LATAM and US subsidiaries. This ensures uninterrupted supply for chronic therapies and protects against supply-chain disruptions. Inventory levels also support upcoming launches and tender supplies planned for H1 FY27.

Key Participants:

- *Nishita Shanklesha - Sapphire Capital*
- *Mukul Garg - Motilal Oswal Financial Services Limited*
- *Suraj Jain - Arihant Capital*
- *Yash Kukreja - Crest*
- *Praanav Vatani - Kitara Capital*
- *Karthi Keyan - Suyash Advisors*