“Glenmark Pharmaceuticals Limited

Q2 FY '25 Earnings Conference Call”

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Moderator: Good morning, ladies and gentlemen. Welcome to the Q2 FY '25 Earnings Conference Call of Glenmark Pharmaceuticals Limited. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star, then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Utkarsh Gandhi, General Manager, Investor Relations for Glenmark Pharmaceuticals. Thank you, and over to you, sir.

Utkarsh Gandhi: Thank you, Lizanne. Good morning, everyone. Welcome to the Q2 FY '25 Results Conference Call of Glenmark Pharmaceuticals Limited. Before we start the Q&A, we'll review the overall performance of the company for the second quarter of FY '25.

In Q2 FY '25, Glenmark's consolidated revenue from operations was at INR34,338 million as against INR32,074 million in the corresponding quarter last year, recording an overall year-on-year growth of 7.1%. For the 6 months ended September 30, 2024, Glenmark's consolidated revenue was at INR66,780 million, which is recording a Y-o-Y growth of 7%.

Let's review our overall regional performance, starting with India. Sales from the formulation business in India for the second quarter of FY '25 were at INR12,817 million as against INR11,252 million in the corresponding quarter last year, recording a growth of 13.9% Y-o-Y. The India business contribution was at 37.3% in the second quarter.

The Indian pharma market continued to witness a slowdown in the overall market. However, Glenmark continues to outperform the IPM in terms of Y-o-Y growth. Accordingly, as per IQVIA, Glenmark's India formulation business recorded a growth of 12.7% in Q2 of FY '25 and 13.1% as per MAT September '24 compared to the overall market growth of about 7.6% in both these timeframes.

In the second quarter, the acute respiratory market continued to witness a slowdown due to the seasonality factor. As a result, both the overall respiratory market and Glenmark's respiratory business recorded single-digit growth. However, Glenmark continues to outperform the overall market in dermatology and cardiac therapeutic areas.

Glenmark's India business now ranked 13th. So we've gained 1 rank from -- in terms of our overall ranking with a market share of 2.22% as per IQVIA MAT September data. We continue to have 9 brands in the IPM top 300 on a MAT basis. And in terms of key therapeutic areas, Glenmark is ranked second in dermatology, third in respiratory and fifth in the cardiac segment.

In terms of some key products, Lirafit, the company was actually the first to launch the biosimilar of liraglutide under the brand name Lirafit in India. It continues to be the only biosimilar in the market. Lirafit has seen strong traction in the overall GLP-1 market in India post launch. The company also plans to launch other GLP-1 agonists in the near future.

JABRYUS, which is partnered with Pfizer. In Jan 2024, Glenmark launched JABRYUS abrocitinib, a first of its kind oral advanced systemic treatment for the treatment of moderate-to-severe atopic dermatitis in India in partnership with Pfizer. The company has initiated promotional activities and JABRYUS has been well received by dermatologists as a novel treatment for moderate-to-severe AD, with improved efficacy and convenience to patients.

Tislelizumab and Zanubrutinib, partnered with BeiGene. So Glenmark and BeiGene entered into an agreement for the marketing and distribution of 2 oncology products, Tislelizumab and Zanubrutinib in India. Under this strategic collaboration, Glenmark will be responsible for locally required development, registration and distribution, providing access to BeiGene's innovative oncology medicines for cancer patients across India. And these 2 products will be launched in the next 6 to 9 months post the receipt of the required regulatory approvals.

Glenmark Consumer Care business in India recorded primary sales of about INR733 million with a Y-o-Y growth of 15%. The flagship brand, Candid Powder continued to deliver double-digit revenue growth in the second quarter. The brand continues to gain share and recorded 57.4% market share for the month of September. In Q2, the Scalpe portfolio also delivered a robust revenue growth of 40% and Scalpe -- the key variant there recorded double-digit growth.

Moving on to North America. The North America business recorded revenues of INR7,405 million for the second quarter of FY '25 as against INR7,498 million for the second quarter of FY '24. So this translates into a Y-o-Y decline of 1.2%. For the second quarter of FY '25, the North America business contributed 21.6% to the overall sales.

In the second quarter, Glenmark received approval for and launched Topiramate Capsules USP 15 mg and 25 mg. In addition, Glenmark launched 3 new over-the-counter products; adapalene gel, Cetirizine Hydrochloride tablets and Olopatadine Hydrochloride ophthalmic solution. Glenmark also acquired a previously approved ANDA for Acetylcysteine injection in Q2. This will be Glenmark's 8th commercial product in injectable portfolio for the U.S. market.

Glenmark has also leveraged its strong development capabilities in the respiratory area to build a portfolio for the U.S. market. The company has filed 2 ANDAs for generic nasal sprays and is awaiting approval for the same. In addition, the company has filed the ANDA for generic FLOVENT 44 mcg of pMDI in May 2024.

During the second quarter, we filed 1 ANDA and we plan to file 2 more ANDAs in the upcoming quarter and the company also plans to launch 3 to 4 products in the upcoming quarter. Our Glenmark's marketing portfolio through September 2024 consists of 198 generic products authorized for distribution in the U.S. market. The company currently has 50 applications pending at various stages of the approval process of which 21 has Paragraph IV filings.

Moving on to Europe. Glenmark's Europe operations for the second quarter of FY '25 recorded revenue of INR6,874 million, recording a year-on-year growth of 14.6%. Europe business contributed 20% of the total revenues in the second quarter.

Glenmark's European operations continued their strong growth trajectory, driven by a robust uptick of the branded business and sustained growth across all key markets. Glenmark continues to outperform the overall pharma market in key Central and Eastern countries like Czech Republic, Poland and Slovakia. Growth in the CEE region was also aided by 3 product launches. The Western European business also clocked double-digit growth for Q2; branded respiratory portfolio continues to have a strong trajectory in these markets.

Glenmark is now ranked 14th in the generic market of Germany as per the IQVIA MAT August data. Some of the key respiratory products, RYALTRIS, Salmex continue to sustain their market share across the region. Glenmark continues to focus on sustaining the increased contribution from the branded markets and the branded portfolio in Europe. It is awaiting approval for 4 additional respiratory products, which were filed in the fourth quarter of FY '23. And the company is also planning to launch WINLEVI in select markets of Europe starting FY '26.

Moving on to the RoW region. For the second quarter of FY '25, revenue from the RoW region was INR7,041 million as against INR7,339 million for the corresponding quarter last year, recording a decline of 4.1%. For the second quarter, the RoW business contribution was 20.5%. In spite of the lack of growth in the first 2 quarters of FY '25, Glenmark anticipates to finish the year -- for the full year FY '25 with a high single-digit Y-o-Y growth in RoW on a constant currency basis.

As per IQVIA, second quarter and MAT September data, Glenmark's Russia business recorded secondary sales growth of 16% and 19% in value. RYALTRIS continues to do well in the Russian market and gained further share during the quarter. Glenmark ranks 9th amongst the dermatology companies in Russia and 2nd amongst the companies present in the expectorant markets of Russia.

In Latin America, the respiratory portfolio continues to be the key growth driver. Glenmark launched the first generic Salmeterol + Fluticasone MDI in the Brazilian market. In the first quarter, the product has done well post launch. RYALTRIS was also launched in the Mexican market in the second quarter and is expected to be launching one to other markets in the region over the next 6 months, along with other device-based respiratory products.

In the Middle East and Africa, the company continued to achieve secondary sales growth in key markets. Glenmark is now ranked 2nd in the overall pharma market in Kenya. RYALTRIS continues to do well particularly in South Africa where it's the leading nasal spray for allergic rhinitis and has seen strong pickup in other markets also post launch.

In the Asia region, there were some markets witnessing slowdown due to the ongoing geopolitical challenges. However, new product launches in dermatology and respiratory are expected to contribute to growth in the upcoming quarters. RYALTRIS has continued to do well and significantly outperformed the overall market in the region, particularly in markets like Australia and South Korea.

Moving on to our global brands, starting with RYALTRIS. So as of September, marketing applications have been submitted in more than 90 countries across the world. And the product has been commercialized in 41 markets. Further, it has received approval and will be launched in another 10 to 11 markets over the next few quarters.

As per IQVIA June -- MAT June data, RYALTRIS has seen robust performance in terms of both value and unit market shares. The company has -- the product has achieved high double-digit market share in Australia, Czech Republic, South Africa, Italy, etcetera. Glenmark's commercial partner in the U.S., Hikma, recorded consistently better performance on a Y-o-Y basis in the second quarter, backed by strong demand and a stable supply.

Menarini, Glenmark's partner in the EU, has witnessed steady increase in market share across its licensed market and the Grand Pharmaceuticals, Glenmark's partner in Mainland China has received acceptance of the NDA and the company expects approval to be received sometime in FY '26.

Moving on to Envafolimab. So in Jan '24, Glenmark had announced the signing of a license agreement with Jiangsu Alphamab and 3D Med for Envafolimab for India and most of the RoW markets. Envafolimab, under the brand name ENWEIDA has already been approved in China by the Chinese NMPA in November '21 as the global-first subcutaneous injection PD-L1 inhibitor for the treatment of adult patients with severe MSI-high advanced solid tumors.

In China, it's already included as a breakthrough therapy by the Chinese regulatory authority, and it has been dosed to multiple patients in the Chinese market. Glenmark plans to file Envafolimab in more than 20 markets in FY '25 and the first market launch is expected in FY '26.

WINLEVI, as mentioned earlier, in Q2 FY '24, Glenmark and Cosmo announced the signing of distribution and licensing agreement for WINLEVI in 15 European markets as well as U.K. and South Africa. The company is awaiting approval in its licensed markets and plans to launch WINLEVI in FY '26.

Moving on to IGI. So IGI today features a robust pipeline of innovative oncology molecules targeting multiple myeloma, AML and solid tumors. Two of the molecules have received orphan drug designation. And multiple myeloma remains a devastating and fatal disease with no current cure available. And the market for multiple myeloma is projected to grow from 23.5 billion to approximately 33 billion by the year 2030, driven by the aging population and the increasing incidence.

ISB 2001, our lead asset represents a groundbreaking approach in the fight against multiple myeloma. It is a trispecific T cell engager that target BCMA, CD38 on the multiple myeloma cells, while engaging CD3 on the T cells to harness the body's immune system. This targeting mechanism enhances the tumour cell destruction and offers a new pathway to address the challenges faced in treating relapsed/refractory multiple myeloma.

ISB 2001 is amongst the first trispecific antibodies developed for the use of multiple myeloma. In July '23, ISB 2001 received orphan drug designation for the -- from the FDA for the

treatment of multiple myeloma. The Phase I first-in-human study of ISB 2001 was divided into 2 parts: a dose escalation and dose expansion part.

The first patient was dosed in November '23 just about a year back. And the trial is now active in the U.S., Australia and India. Dose escalation is currently underway, and expansion is scheduled to initiate sometime in calendar year 2025.

ISB 2001 data, we recently announced that IGI will be presenting the first-time data from the Phase I study of ISB 2001 in an oral presentation at the 66th American Society of Haematology or ASH Conference in San Diego. The oral presentation will detail results from the dose-escalation portion of the study.

The abstract features data as of July 2024, including: An overall response rate of 75% in efficacy-evaluable patients, including 1 stringent complete response; a very favourable safety and tolerability profile that showed no dose-limiting toxicities and only 1 adverse event above Grade 2 and no treatment discontinuation so far.

The more updated data presentation will be available at ASH2024. And IGI aims to initiate partnering discussions post ASH2024. For any further updates, you can log on to the IGI website and go through the most recent quarterly update on the pipeline.

Some notes to the results before we open the Q&A. ForEx gain in the quarter was about INR7 crores, which was recorded in other income. R&D expenditure in Q2 FY '25 was around INR227.9 crores, which is 6.6% of sales of the second quarter. Total asset addition to the block in the quarter was INR79 crores, of which tangible addition was about INR59 crores and intangible addition was about INR20 crores.

Net cash for the period ended September was INR259 crores. And in terms of working capital at the end of September, inventory was at INR2,840 crores. Receivables were at INR2,860 crores and payables were at INR2,360 crores.

We have the management of Glenmark Pharmaceuticals on the call today, Mr. Glenn Saldanha, Chairman and Managing Director; Mr. V.S. Mani, Executive Director and Global Chief Financial Officer; and Mr. Ashish Mukkirwar, Group Vice President and Head of Strategy.

With that, we can open the call for Q&A. Over to you, Lizanne.

Moderator: The first question is from the line of Damayanti Kerai from HSBC.

Damayanti Kerai: My first question is on India business. So you mentioned respiratory has seen some slow seasonal pickup, etcetera. So can you update how things have moved so far? And in terms of Q3, whether you expect respiratory to see a comeback?

Glenn Saldanha: So as you know, Glenmark, our India business has always been a very strong business for us, right? We continue to outperform the industry. Growth is almost 1.5x, 2x of the IPM growth

consistently. We've seen some slowdown in the external environment in the last couple of months, right, and we believe that there's a possibility that this could continue for some time.

So I think Q3, while at the secondary level, we will continue to outperform the IPM. I think the overall pharma market will continue to witness maybe low double digit -- low single-digit growth, basically, right, or mid-single-digit growth, right? So that's kind of where I see the overall pharma market 5% to 7%, 8% growth, of which we will continue to outperform.

Damayanti Kerai: Sure. My second question is, can you update us on status of Monroe plant in terms of any feedback or anything you have heard back from the FDA? And what is the timeline now you are looking for this particular plant in terms of GMP clearance?

Glenn Saldanha: So on our facilities per se, right, as you know, we had a very successful FDA inspection at our Aurangabad facility. We have zero observations coming out of that inspection. And we've done a lot of work in the remediation of Monroe and some of our facilities overall.

We had a meeting with the agency and on the Monroe facility specifically, and we are pretty positive about the agency visiting us and reinspecting. And we think by the -- before the end of this year, there's a strong possibility we may reinitiate commercial production.

Damayanti Kerai: So you already have a meeting date with the FDA, and you are...

Glenn Saldanha: We've completed the meeting. We've already completed the meeting, and we are now waiting for the agency's next steps. We believe before the end of the year, there's a strong possibility that we will initiate commercial sales and production.

Damayanti Kerai: Sure. And can you also remind us like what kind of operating spend is currently there for this Monroe plant?

V. S. Mani: Yes, Damayanti. So I think we do about INR25 million to INR26 million a year as the operating expenses in Monroe plant, yes.

Damayanti Kerai: Okay. And my last question is on the Ichnos spend, you have already, I guess, done a lot of improvement and maybe it's down to, say, 60 million of annual run rate at this point of time. But I guess progress in some of the assets, how do you see R&D holding up for Ichnos?

Glenn Saldanha: So we've -- on the innovation side, right, Ichnos, IGI is our innovation engine, right? So as you know, we spun it out with to bring in a strong focus in oncology and immunology. And now we've -- over the years, we brought down our spend quite dramatically, right? And now we're about -- at about 60 million, 70 million this year.

With the great data that we are seeing for 2001, we believe 2001 can be transformational, right, for both Glenmark and IGI and globally can be one of the most sought-after assets, right, in the multiple myeloma space with the kind of safety and efficacy data that we are seeing, which we will present at ASH.

So what we've done is a lot of our focus now is on 2001 as a single asset. We've actually curtailed some of our spends on the other assets. So I think going forward, you should

anticipate that we continue to remain in the 60 million, 70 million spend base, right, for IGI going forward.

Moderator: The next question is from the line of Nitin Agarwal from DAM Capital.

Nitin Agarwal: Glenn on -- just a couple of housekeeping questions. First, I'm remembering how -- on the working capital, there has been a pretty sharp increase in net current assets trending higher than what you guided for the year. So what is your outlook for the balance part of the year on this?

V. S. Mani: So thanks for the question, Nitin. Mani here. So I'll try and put a few things together. So first of all, our debtors are at about 78 days, and this is in line with the industry benchmarks. And if you recollect, the guidance that this will go up during our earlier calls as well. During the last year, we have taken certain corrections due to which our debtors were lower, 57 days. This is now steady state, so we see it remaining at current levels, okay? And obviously, this quarter, even our payables were a little lower. So all in all, it looks like that. But I think broadly, working capital should be around these levels.

Nitin Agarwal: So for the year, where do we see the money working capital ending up typically on a sustained basis now?

V. S. Mani: Sorry, can you repeat the question, Nitin?

Nitin Agarwal: I mean earlier, we said 75 to 80 days on a net working capital. Are we see sticking around there -- around those levels or it's going to be a little higher than on a sustained basis?

V. S. Mani: It should be slightly around that level. And see, another thing if you look at it, the payables also came down sharply. So to that extent, the debtors will more or less what I had kind of guided to. Payables came down a little more. So it depends on the timing, everything put together. So I think broadly, it should be around 80-plus days, yes. That's where...

Nitin Agarwal: Okay. And secondly, on the other expenses, there's been a pretty large sharp move on a Q-o-Q basis, Y-o-Y, I'm not sure if you can really compare them. But irrespective of whichever you look at it, anything specifically which drove other expenses?

V. S. Mani: There's no one-off as well, but let me explain again there. Broadly, it's basically higher spend in sales and marketing. As you can see, our R&D is more or less where it was. Basically, sales and marketing promotion, particularly in our branded markets, okay? So as you can see, we have stepped up our sales of branded. There is more of a onetime spend in the business.

A little bit of freight costs also have gone up marginally because of the -- basically, Middle East, etcetera. During the course of the year, it will stabilize and will normalize at about 26%, which has been our historical trend over the last couple of quarters or years.

Nitin Agarwal: Okay. And Glenn, on the ISB 2001, at what stage do you think we are from a license -- from a discussion perspective on the licensing? And how much time do you think this kind of things normally take?

Glenn Saldanha: So I mean, Nitin, we've been doing this for almost 25 years now, right, innovation. And I think this is the first time we have a real world-class asset, right, which can be transformational in the multiple myeloma space. So I think if you look at the journey, we will initiate discussions post-ASH. But clearly, this -- we won't be in any hurry to close something quickly. So we are giving ourselves most likely FY '26 is when you can anticipate something happening, right, on the partnership side.

Nitin Agarwal: Okay. And ex of the partnership, I think we should assume that IGI will keep spending about $60 million to $70 million per annum on innovation?

Glenn Saldanha: That's correct. I think -- I mean, the way to think about this is, we believe that post partnership, we will not need to fund IGI beyond that, okay, right? They will go on their own independent journey after that, right, through the proceeds of the partnership as well as a possible IPO that we've always guided to.

Nitin Agarwal: On that, Glenn, because as you mentioned, IGI right now is -- your focus is largely on a single -- so largely in 2001. I mean does IGI with a single molecule focus become hypothetically, assuming all goes well, IPO-based candidate only a single molecule?

Glenn Saldanha: I mean, Nitin, there are -- all it takes is 1 asset, right? I mean look at KEYTRUDA and some of the large assets, right? That's all that it takes. Remember that in the innovation space, it's not a matter of numbers. It's just having 1 world-class asset. And I think after 25 years, this is possibly the one, which we think can be transformational.

Nitin Agarwal: And if I take the last one, again, on the U.S. from an increment when you're working on the pipeline for the future years, what are the focus areas for the pipeline incrementally for you? I mean, respiratory, obviously is one. Beyond that, what are the areas that you're focusing on apart from respiratory?

Glenn Saldanha: I think most of our efforts are on respiratory and injectables. Those are the 2 areas which we are pushing aggressively on, right, for the U.S. portfolio. And I think -- I mean we are expecting the first respiratory launch in the next 6 to 9 months, right? And from there on, you should see continuous launches of respiratory products. And these are both in the MDI and nasal spray area, right, initially. So that's a big area for us.

And then injectables, as you know, we've got 8 injectables on the market. We are hoping to launch a few more in the next 3 to 6 months. And then post that, the Monroe products will start coming to market from later this year or early next year, right? So we have a full slew of rollout in the injectable and the respiratory space.

Moderator: The next question is from the line of Ankit Minocha from Adezi Ventures Family Office.

Ankit Minocha: Looking at your operating margins and EBITDA margins I think you're already kind of touching the 18%, 19% level this year. Kind of looking at other things on the market, pricing trends, etcetera, what do you think this number could be for next year?

V. S. Mani: So if you recollect, we have guided during our Investor Day also that current year, we should be closer to 19%. And going forward, we'd see a percentage or 1.5 percentage improvement over the years. I think that's what we'll continue to guide to.

Ankit Minocha: Okay. Understood. And in general, there was some degrowth that was seen in North America and the rest of the world market. What was primarily the reason for this? And how do you see these trends moving forward?

Glenn Saldanha: So the U.S. market has been a huge struggle, right, for us over the last few years. I think Q3 is looking like a much better quarter, just given the fact that we'll be launching 3, 4 new products. And then Q4 onwards, you should see the numbers go up even further. And I think the runway is once we get these respiratory products approved, right, which should happen in the next 6, 9 months, the U.S. should come back towards a strong growth trajectory.

As regards to RoW, we think it's -- we're coming off a high base last year. So I think on a full year basis, we'll grow high-single digit. And then going forward from next year, we'll be back to the 15%, 20% growth levels.

Moderator: The next question is from the line of Tushar Manudhane from Motilal Oswal Financial Services.

Tushar Manudhane: Sir, just a clarification, this first respiratory launch timeline, what did you highlight, sir, if you could repeat?

Glenn Saldanha: We've given ourselves 6 to 9 months to get the first launch. It could be earlier, but that's the outer timeline that we give ourselves.

Tushar Manudhane: And this product -- does this product also have any litigation aspect as well or it's just the approval and then we are good to launch?

Glenn Saldanha: It's just approval and good to launch.

Tushar Manudhane: Right. And just on other expenses, again, like this 26% of sales is something, which is sort of a -- is it like 3Q onwards? Or it's going to be more like over a period of time, this other expenses to come down to 26% of sales?

V. S. Mani: I couldn't get your question fully, correct. Can you please repeat again?

Tushar Manudhane: Sir, other expenses for this quarter has been higher, including, let's say, R&D. But as you highlighted in the earlier comment that this should stabilize at 26% of sales, which is more like 3Q onwards? Or this is more like a medium- to long-term target?

V. S. Mani: No, I guided for the full year being closer to 26%. And R&D, by the way, is lower, okay? It's about 7% for the first 6 months. So as I already explained, this is broadly in terms of sales and marketing and promotional expenses, and some amount of freight costs that have gone up. So I think during the course of the year, this should stabilize, yes.

Tushar Manudhane: Got you. Because the first half, the sales has been more or less at such spread out and it's literally half of what we are talking for full year. But first half EBITDA margin is broadly 18%. So just trying to understand what will drive the EBITDA margin so that we end full year at 19%?

V. S. Mani: Sure. So as you can gather that we're close to 18%. And I think in the second half with a couple of good launches as well as RYALTRIS getting approved in some more geographies. Overall, we see the trajectory going closer to 19%.

Moderator: The next question is from the line of Neha Kharodia from Abakkus.

Neha Kharodia: Sir, 2 questions from my side to understand the industry point of view for U.S. market. One is on the U.S. price erosion scenario currently? And how do we look at it going forward? And secondly, if Robert F. K. Jr. becomes the next U.S. Health Secretary, how do we look at it in terms of do we expect more ANDA approvals? Or do we expect price erosion to increase going forward?

Glenn Saldanha: I think, Neha, this is a very tough question, and nobody knows how it's going to play out, right, from here on. But all I can say is just given our experience during the last Trump administration, right, I think price erosion was pretty high. But I think now over the last 10 years, the industry has also changed significantly, right, and given that there are lots of new approvals, so every product is super competitive.

So there's -- margins are always under pressure. Return on capital employed is not the greatest in the U.S. business. So given all these pressures, right, I honestly don't see a room for further price deflation, right, in that market, right? So that's the current scenario for the U.S. business.

Neha Kharodia: And currently, what is the level of price erosion that we are seeing for us and also for industry in general in the U.S. market?

Glenn Saldanha: I think it's low single digit now.

Moderator: The next question is from the line of Ankit Minocha from Adezi Ventures Family Office.

Ankit Minocha: You were speaking to an earlier participant about progress happening on Monroe. So just from a top-level picture, how does sales Monroe does read some sort of positive impact moving forward? What sort of impact does it have on the P&L? And what are the kind of triggers that drive the business?

Glenn Saldanha: So look, so Monroe, our -- clearly, as and when we -- as Mani mentioned, right, they're already burning $25 million, $26 million every year, which is baked into our numbers, right? So I think going forward, as we start launching products from there, right, they will -- we will see those flowing into the margins, right, and will give us a margin expansion and improvement, right, over the next few years. I mean that's the way to think about Monroe.

Ankit Minocha: Okay. Okay. And my second question is about RYALTRIS. I mean, do you see any price erosion kind of coming in there as well? And how does it work with that particular product in terms of margins and growth moving forward?

Glenn Saldanha: So RYALTRIS is a branded product, right? So there's no price erosion per se. I mean if anything, there is price increases that you get basis inflation, right, for most of the branded products. And we believe that this will have a long runway, right? So this is our second or third year of launch. And we're tracking at about $80 million annual sales, and this will keep growing rapidly, right, to becoming a $200-plus million product over the next 3 to 5 years.

Moderator: The next question is from the line of Nitin Agarwal from DAM Capital.

Nitin Agarwal: Glenn, on the -- just taking the specialty point forward, when do you see the launches of Enva and WINLEVI coming through? And are you looking to sort of get into more of such licensing deals for the specialty portfolio for RoW market?

Glenn Saldanha: So WINLEVI will launch, Nitin, over the next maybe 9 months from here in the European market, right? We're hoping to get approval before the end of this year and then commercialization will happen early part of next year. As regards to Envafolimab, we filed in 20 markets. We think we can start launching as early as Q4 in 1 or 2 markets. And then thereafter next year, we will see a number of launches. And from there on, it will take us at least 2 or 3 years to get to a certain scale for Envafolimab, if not longer, right?

Regarding your question, Nitin, on additional in-licensing opportunities. I mean, we keep doing deals on in-licensing. I mean, for example, we did abrocitinib with Pfizer. We did BeiGene. We got 2 of BeiGene's assets for the India market. So this is a constant build-out for us. Clearly, we've defined that over time, we want to keep moving up the value chain, right? And that's the journey we are on, right? And hopefully, if all goes well, this will finally end up with a 2001 launch, right?

Moderator: The next question is from the line of Tushar Manudhane from Motilal Oswal Financial Services.

Tushar Manudhane: So just on the Lirafit, if you could share your experience now since launch in January '24, how has been the acceptance both in terms of the medical community as well as the patient community?

Glenn Saldanha: So as you know, Lirafit is the first GLP-1 product that we have launched in India, right? And the acceptance is fairly good from the market. We struggled a little bit in terms of supplies. But I think now from December onwards, we are hoping that the supply situation should improve. And thereby, we will continue to scale the brand in the diabetes space. So being the first GLP-1, we are seeing the feedback pretty positive from the medical community.

Tushar Manudhane: And the supply issue was -- if you could elaborate further on this supply cost?

Glenn Saldanha: Well, it's a complex product, right? It's a biological origin, right, peptide, right? So I think given that it's -- there have been challenges in scaling it up. But now I think we are in a much better place.

Tushar Manudhane: Good. This is more like from a CMO organization you would be procuring, right?

Glenn Saldanha: Sorry, I can't hear you very clearly.

Tushar Manudhane: So sorry. This is more from a CMO organization, which you would be procuring this drug, right?

Glenn Saldanha: Yes, that's right. I mean we have some partnerships for supply.

Moderator: As there are no further questions, I now hand the conference over to Mr. Utkarsh Gandhi for his closing comments.

Utkarsh Gandhi: Thanks, Lizanne. Before we end the call, we would just like to state that the discussion materials provided during today's call, including information, statement and analysis made describing company's or its affiliate's objectives, projections or estimates are forward-looking statements. These are based on current expectations, forecasts and assumptions and are subject to risks and uncertainties, which could cause actual outcomes and results to differ materially.

No representation of warranty, either expressed or implied, is provided in relation to this discussion and should not be regarded by recipients as a substitute for exercise of their own judgment. The company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. With that, we can close today's call. Thanks a lot for your participation.

Moderator: Thank you, members of the management team. Ladies and gentlemen, on behalf of Glenmark Pharmaceuticals Limited, that concludes this conference call. We thank you for joining us, and you may now disconnect your lines. Thank you.