



“RPG Life Sciences Limited  
Q4 FY26 Results Conference Call”

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**MODERATOR: MS. CANDICE PEREIRA – DOLAT CAPITAL**

**Moderator:** Ladies and gentlemen, good day, and welcome to the RPG Life Sciences Q4 FY26 Results Conference Call hosted by Dolat Capital Markets Private 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 touch-tone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Candice Pereira from Dolat Capital. Thank you, and over to you, ma'am.

**Candice Pereira:** Thank you, Iqra. Good evening, everyone. I, Candice Pereira on behalf of Dolat Capital, welcome you all to the Q4 FY26 Earnings Conference Call of RPG Life Sciences Limited. I would like to thank the management for giving us this opportunity to host the call. Today from the management, we have Mr. Ashok Nair, Managing Director; and Mr. Amol Lone, CFO. I now hand over the conference to the management for the opening remarks. Over to you, sir.

**Ashok Nair:** Thank you very much. Good day, and warm welcome to everyone. And thank you for joining us today. It's a pleasure to connect with all of you and share our performance for the fourth quarter as well as for the full financial year FY26. We sincerely appreciate your continued interest and support. Now RPG Life Sciences continues to strengthen its position as an integrated pharmaceutical company with a clear focus on quality, execution excellence and a long-term value creation.

As you are aware, RPG Life Sciences has a rich legacy spanning over 5 decades. From its origin as a joint venture between GD Searle and RPG, the company has evolved into a diversified pharmaceutical business with presence across branded formulations, global generics and synthetic API space.

Over the past few years, we have undertaken a structural transformation journey, sharpening our portfolio, strengthening execution capabilities and building a more disciplined and scalable operating model. This transformation is reflected not only in our financial performance, but also in the way we approach markets, engage with health care professionals and improve productivity across the organization.

Over time, we have built strong capabilities across our wide portfolio backed by robust manufacturing and R&D, which enables us to operate not only PAN-India, but also export to across 50-plus countries. Today, we reach over 100,000 doctors, including more than 36,000 specialists across a wide range of therapy areas. Our digital engagement platform, RPGserv, supports this outreach by enabling more structured, data-led and targeted interactions with health care professionals.

Our reach expands to a wide range of doctors, including nephrologists, rheumatologists, oncologists, urologists, neuropsychiatrists, gastroenterologists, cardiologists and of course, the GP and CP. Our portfolio of 6 textbook brands continues to be widely prescribed and taught in medical colleges, reflecting strong brand equity built over decades.

Our manufacturing footprint includes 3 state-of-the-art facilities, 2 for domestic and international formulation and another one for APIs, supported by integrated R&D, along with a robust portfolio, we continuously focus on broadening our portfolio depth and therapy expertise through new product development and strategic partnerships. We have a professional team size of over 1,350 employees, providing us with the right set of talent, intent and capability to further accelerate our growth trajectory.

If you see our performance for quarter 4 and FY26, let me give you a brief performance deep dive now. As far as domestic formulation continues to be the core of our business, contributing to 69% of our business. I'm proud to share with you that quarter 4 has been a period of robust performance for us. Our revenue from operations grew by 23.6% along with 48% increase in EBITDA and 58.1% increase in PAT, excluding exceptional items.

While the Indian pharma market grew by 10.1% in quarter 4, our domestic formulations has outpaced the market with a growth of 18.2%, which means that we have grown 1.8x the market. The quarter performance has made us the fourth fastest-growing pharma company in quarter 4 among the top 50 pharma companies as per Pharmtrak, March 2026 database.

We were also able to advance our IPM ranking by 6 places from rank 58 in FY25 to rank 52 in FY26. Importantly, this growth is driven by well-planned and focused efforts of our team towards volume expansion, improved specialty coverage, stronger execution quality, strategic brand building and sharp medico-marketing initiatives. This trend has been consistent across all 4 quarters of the year, where we have consistently grown ahead of the market.

For the full year FY26, while the Indian pharmaceutical market grew by 8.6%, we delivered a strong 13.7% growth, meaning that we grew 1.6x the market backed by a robust volume growth. We have successfully launched key products to strengthen our foray in patient care and such focused launches have helped us achieve meaningful sales number for products within 9 months of launch.

If you look into our brand strength and portfolio depth, our leading brand in the pain management category, Naprosyn, continues to deliver performance with 24% growth in quarter 4 and 15.6% growth in FY26. This is among the highest growth performance in the past few years for Naprosyn and validates the success of our medico-marketing interventions.

We remain on track to build this into an INR100 crores brand, especially with the launch of new SKUs to advance Naprosyn brand architecture. Our immunosuppressant portfolio anchored by large brands such as Azoran and Mofetyl continues to show steady traction. We are strengthening this segment through therapy expansions, life cycle management and deeper engagement with specialty doctors to make it a INR100 crores basket first and accelerate it further.

In Biologics, our monoclonal antibiotic portfolio called MABs recorded a healthy 12.0% growth in quarter 4. We are now present in most big and progressive MAB space and are continuously focused on increasing our market share. We have also revitalized our legacy brands like Norpace

and Serenace. Norpace, in particular, grew 50% in FY26, and we are scaling up awareness through CMEs, journal publications and targeted campaigns.

Across our top therapy baskets, especially pain, cardiovascular, nephro, oncology and rheuma, we continue to see steady double-digit growth supported by better execution. Nephrology grew by 55% in FY26, supported by new launches. Rheumatology portfolio grew by 40% and oncology grew by 23% and Pain Management grew by 19% in FY26. Our focus remains on building depth within therapies to sustain our growth trajectory.

The key driver of our performance has been improvement in execution metrics. Operationally, we have made significant strides in sales force productivity, which now stands at INR6.5 lakhs per rep per month, up from INR5.7 lakhs last year. Whereas the Specialty segment, our productivity has improved from INR13.2 lakhs to INR16.7 lakhs, reflecting strong execution in high-value therapies.

We also improved our sales hygiene, reduced expiries and returns. We have improved our doctor call leverage, improved the success concentration for field force and enhanced doctor engagement through rapid digital first and AI-first platform. We have strengthened our operating discipline through a set of focused initiatives designed to improve field effectiveness.

By integrating digital tools and automation into our workflows, we are enabling our medical representatives to make better use of the time, and we are already seeing enhanced productivity in the field. New launches have contributed meaningfully during the year. Products such as Preservz and Arpicet have shown encouraging traction based on our differentiated positioning.

Going forward, we continue to focus on relevant therapy gaps and invest in building a stronger pipeline, particularly in Specialty segments. As far as our digital and capability building, our proprietary doctor engagement platform, RPGserv, continues to play a central role in strengthening our digital engagement with doctors. We are currently enhancing the platform further with more intelligent and personalized capabilities, including AI-led content delivery and sharper segmentation.

This helps us move from a one-size-fits-all approach to more contextual engagement with our doctors. Going forward, RPGserv will continue to play a big role in deepening and customizing our reach and engagement. Moving to international formulation, which contributes 17% of our revenues. We are executing a long-term build strategy focused on regulatory readiness, R&D output and audit preparedness.

During the year, performance in this segment was impacted due to inventory rationalization by certain customers and some regulatory delays in host countries. We are expanding our customer relationship in Canada, Africa and continue to focus on measures to enhance customer engagement. Our R&D scientist strength and lab capabilities has increased, and we are actively tracking market gaps to drive revenue.

We have taken steps to strengthen this business through expansion of customer relationship, onboarding of CDMO opportunities and increasing our presence in new markets. Amidst global uncertainties and pharma tariff threats, we are focusing on consolidating our business into our

core export regulated and emerging markets with a clear focus on 3 pillars: new customers, new markets and new products.

We are actively expanding into emerging markets such as Myanmar, Vietnam, Philippines, Thailand, Sri Lanka, Egypt, Sudan and South Africa with multiple product registrations underway. As far as the API business, this API segment, which contributed around 14% of the revenues, we experienced disruption earlier in the year due to the fire incident.

During our last call, I had shared how the restoration business was completed on time and in September '25 and validation process started thereafter. I'm happy to share that despite this disruption, the API business has demonstrated strong recovery with quarter 4 revenues at INR33.3 crores, reflecting a meaningful bounce back.

Despite our plant remaining affected due to the fire impact for the larger part of the year, we are happy to share that we have grown at 5% year-on-year, thanks to the team's resilience and strong fundamentals of our API business. Our plant is now fully operational, and we are further strengthening our product pipeline organically, which has improved significantly over the last couple of years.

We are continuously monitoring the West Asia war developments. While we don't foresee any severe impact due to the war, we have built an internal task force to effectively navigate through current conditions. If you look at our overall financial performance, at the overall company level, we have delivered a steady and robust financial performance. Our revenue from operations for quarter 4 stood at INR176.9 crores versus INR143.1 crores in quarter 4 last year.

This means a healthy 23.6% growth in revenue. Our EBITDA grew by 48.0% from INR30.6 crores in quarter 4 last year to INR45.2 crores this quarter, helping improve our EBITDA margin from 21.4% in quarter 4 FY25 to 25.6% this quarter. Our PBT before exceptional items is also up Y-o-Y from 17.5% to 22.1% this quarter. Coming to annual performance, FY26 stood at INR707.5 crores, reflecting a healthy 8.3% growth over last year despite API business being disrupted due to fire-related restoration for larger part of the year.

On the profitability front, EBITDA for the year FY26 stood at INR172.7 crores versus INR172 crores in FY25 with a healthy EBITDA margin of 24.4% and PBT of 21.2% and PAT of 15.8% for FY26. We continue to maintain a strong balance sheet with a cash surplus of approximately INR275 crores despite investing over INR140 crores capex over the last 4, 5 years.

These investments have enabled us to modernize and expand our facilities, bringing cost efficiencies and position our business to drive future growth. The long-term ICRA rating has been reaffirmed at A+ with the outlook remaining stable, while the short-term rating has been reaffirmed at A1.

Our strong financial foundation and prudent capital deployment empower us to pursue both organic and inorganic growth opportunities, strengthening our presence in domestic and international market. If you look at the recognition during the year, we were recognized as the leading Mid-Corporate of India 2025 by Dun & Bradstreet.

This award is in line with the Best Corporate, Best Brand, Best Patent and the Best Corporate Citizen and Best Value in Action awards that we have received in recent years. As part of our diversified 5.2 billion RPG Group, we operate with a strong emphasis on corporate governance, ethical conduct and people-first philosophy.

We view investments in our people and organizational capability as equally important as our business strategy in driving long-term success. The RPG Group is also unique in recognizing happiness as a core organizational value, reinforcing our commitment to a positive and purpose-driven workplace.

We continue to invest in strengthening our organizational capabilities and leadership pipeline through focused succession planning and capability building initiatives. This ensures we have the depth and talent required to sustain our growth momentum in the years ahead.

In parallel, we are advancing our ESG agenda with a clear emphasis on responsible business practices, regulatory compliance and sustainability. These priorities are embedded into our day-to-day operations and are central to how we create long-term value for our stakeholders. Thank you very much for your continued support. And my pleasure that we now open the floor for questions. Thank you.

**Moderator:**

The first question is from the line of Rajas Joshi from ChrysCapital.

**Rajas Joshi:**

My first question would be on the breakup of our growth. So if you can just help us with the breakup of our growth number into volume, price and new introductions please?

**Ashok Nair:**

Yes. So I'll speak first about quarter 4 FY26, our volume growth has been 9.8% compared to the market of 1.1%. Our price growth has been 3.3% as compared to 5.5% of the market and our new introductions has been 5.1% as compared to the market of 3.5%. So overall we are at 18.2% as compared to 10.1% as far as the quarter is concerned.

Just to give you for the full year, our volume has grown by 7.0% as compared to 0.7% of IPM. Price is 2.6% as compared to 5.4%. And our new introductions is 4.1% as compared to 2.5% of market. So overall, 13.7% compared to 8.6%, almost 1.6x than the market.

**Rajas Joshi:**

My next question will be on margins, right? So now that our API plant is back online and fully operational, how should one look at gross margins for the next year and medium-term? Because I think earlier with the API plant non-operational gross margins have been depressed. Just wanted to get some clarity on that?

**Ashok Nair:**

So if you look the past 3, 4 years, you would notice that our API margins has been consistent on approximately 30%. And that first 9 months, of course, you are aware what would have happened. So looking into the past, we'll be sustaining the same thing. And we won't have challenges on that front. And the margin stabilization has already started -- happening with the API coming back. So...

**Rajas Joshi:** Got it, sir. Got it. And lastly, a small bookkeeping query. Other expenses in this quarter have been on an elevated level. So just want to know if there any one-offs in other expenses for this quarter.

**Ashok Nair:** Can you come again? Sorry, I didn't get you.

**Rajas Joshi:** For this quarter, Q4, other expenses have been at an elevated level compared to our level earlier in the preceding few quarters. So just wanted to know, was there any one-off with regards to other expenses for this quarter?

**Amol Lone:** So this is Amol here, the CFO. So I'll address this question. Basically, there is no one-off per se. This being a quarter 4, as per the pharma trend, that we have expiries are coming in this quarter. And which is normal if you compare same quarter last year, but no one-off to answer your question.

**Moderator:** The next question is from the line of Avnish Burman from Vaikarya Fund.

**Avnish Burman:** I have 2 questions. One on the raw material price cost increases that you would be seeing, and it could be raw material, it could be utility cost increases. I just wanted to know how you are planning to pass it on or absorb in your 2 broad buckets of businesses. One is the domestic side and one is the international side.

And if this has happened in the past, is there a precedent of passing these cost inflation in its entirety or the case is more of like absorbing like some pain is absorbed by your suppliers and some by you and then some by the customers? How does it pan out?

**Amol Lone:** So the first is we also are closely monitoring the evolving geopolitical situation as of now. And currently, there is no material impact on our business, and we've been covered now at least for the next 3 months. So we do not see any -- foresee any significant disruption at this stage. Having said that, we have also passed our price increases to some of our customers and a few of them have actually accepted our increased price.

So we'll be able to do that. We also have now factored the situation, what is that we should do if the situation currently is as it is and what we should do if it becomes more volatile and what the third is if it gets escalated. So we have a very clear roadmap on this on what exactly we need to do. If you look, our intent is very simple.

We quantify the exposure with clear triggers, confirm where we stand today. And we summarize the mitigation actions already under the way. So net-net, we are not watching this passively. We have measurable triggers and a quantified cost range and a mitigation engine is already moving on this. So for now, we don't foresee any challenges here.

**Avnish Burman:** Okay. The second question is also kind of related. I'm assuming that a part of the manufacturing that you do for your domestic business is outsourced to your CMO partners. In that case, if your CMO partners see, let's say, a reasonable increase in their API prices or packaging material prices or fallen prices -- it could be any part of their bill of materials. Then because they typically

work on thinner margins than a marketing company, do they pass it on entirely to you or there is the pain shared?

**Ashok Nair:** So you can call it -- say in between when in February, the war broke out. In March, first week, in fact, we met most of the important clients where our major APIs and major products were sourced from them. And we were able to lock prices for 6 months. So that's something that has actually protected us. Yes, there is always a constant ask from the clients also that whether we can increase the price.

Currently, we've been able to protect it. I think for the next 6 months, we should not have any challenge. Plus almost for us, 25% to 30% is outsourced, but we already have the inventory coverage with us. And so that's something which -- the second thing is we also see that there can be an upside due to the exchange rate in our export business, which contributes to 30% of the business. Overall, I think we are in a good place.

**Avnish Burman:** Okay. Just to make sure I understood it correctly. You are saying that whatever API prices increased your CMO partners would have seen because your prices are locked for 6 months. So it's basically -- it comes on to their P&L and not your P&L, at least for the next 6 months. Is that the understanding?

**Ashok Nair:** That's exactly the understanding.

**Moderator:** Next question is from the line of Ranjeet Verma from Sameeksha Capital.

**Ranjeet Verma:** First of all, congrats on a great set of numbers. I have a few questions. First one, if you look at the cash flow, the same has declined mainly because of the working capital days have increased. So do we see that working capital level going forward? And do we expect inventory levels to remain at a higher level going forward as well as it is higher?

**Amol Lone:** So our cash flow are at a steady state, it's not declined. So if you see the reserve, the bank balance and the investment, we're at INR275 crores versus INR266 crores last year. So having said that, the working capital cycle has increased with an increase in the business. We don't see any risks or any adverse impact on the working capital.

**Ashok Nair:** Just to add to Amol, the working capital is also due to the strategic procurement and increased share of our business, which operates at a higher credit cycle.

**Ranjeet Verma:** Okay. So my next question is other current assets have increased by more than INR20 crores if we compare to last year. So what's the reason for the same?

**Amol Lone:** So one of the impact in this is the inverted duty supply, the GST structure, where we have 5% for our outward products and 18% for our inward. So that is the major increase. Other than that, this is purely related to business.

**Moderator:** The next question is from the line of Yash Doshi from Unifi Capital Private.

**Yash Doshi:** Congratulations for a good set of numbers. I had a few clarifications. One thing on the other expense part, actually, I didn't get it. So what was the reason for the increase in other expense?

**Amol Lone:** So see, as I explained, from the pharma -- so basically, the pharma industry, all the expiries, the supply chain is through the CFA and the stockists. And the expiries are accounted or returned all the stockists accumulated and send in quarter 4 of the financial year. So if you see the similar is there in the previous year same quarter as well, and it's a general trend of that.

So we have the expiries which have come in this quarter. That is why if you see -- that is why the trend as compared to the previous quarter is higher in this quarter. There is nothing else. In addition to this, the percentage of -- I mean, the revenue has been gone up and then the sales and admin expenses, which is in line with the revenue will be up, nothing more than that.

**Yash Doshi:** So going forward in next quarter onwards, the other expenses once again normalize, right?

**Amol Lone:** Yes, absolutely.

**Ashok Nair:** If you also see as a percentage of revenue of operations, it has actually degrown. And the percentage remains same.

**Yash Doshi:** Okay. Understood. And another part was basically in the International Formulation segment, a few of our customers had a rationalization of inventory. So just wanted to check whether it's a kind of a temporary blip or it's more of a, what you say, medium term like they'll be ordering less. In that specific, I wanted to understand going forward, how will the order flow from the clients in the International segment?

**Ashok Nair:** So basically, what happens is it's a temporary blip because an inventory correction happens only one time. So they were carrying out an inventory of 90 to 95 days, which has come down to 30 to 35 days. So that has now become the standard base. So for this year, that will continue and then we will not have any challenges that suddenly they are going to maintain. So we are very clear it will be more of a sustainable. And we're now clear that what is the inventory base they are going to maintain.

**Yash Doshi:** Okay. And another thing I wanted to ask was, is there any new launches which we are targeting in ROW and emerging markets?

**Ashok Nair:** Before ROW and emerging markets, we have a good pipeline in domestic. We have increased - - not only increased, we have created another business for cardiology and urology. So we have a very strong pipeline of new cardiac products and urology products coming into this. Second, also in our pain management, we are coming out with newer Naprosyn line extensions.

Now as far as ROW and international, you said, we -- the IF has now 5 CDMO projects which we are developing and almost 3 should be happening in this year and 2 in the FY28. And our IF R&D pipeline has already 10 molecules and our API has 13. So we are overall investing in seeing how we can increase our share of new products, both in emerging markets, regulated market and in the API business, so that's right.

**Yash Doshi:** Just 2 questions more. One is in Naprosyn if I recollect last time we had a discussion regarding in Canada, we had applied for OTC in partnership with Walmart. So any update on that, sir?

- Ashok Nair:** Yes. So as said, we already have got an approval from the Canadian regulatory authorities and also from the Walmart. But the client has to undergo a social compliance. So that is where we are at. So once that happens, by September, October is what we should be actually be able to commercialize our Naprosyn.
- Yash Doshi:** Okay, by September And just broad understanding on the -- like international formulation segment, what I get to know next year onwards, we will be once again back to the growth phase.
- Ashok Nair:** You're talking -- we're considering, as I said, the inventory rationalization is a temporary play. And we have also -- if you recollect that I said we have expanded into newer markets, especially in Africa and others. So we should be back to the growth where we were for the last 4, 5 years.
- Yash Doshi:** Okay. And considering like we had an API fire last year. So are we considering of having another API unit in the form of M&A where we can basically diversify our risk. So next time we shouldn't be in a situation where the same problem we face. Are we contemplating about this?
- Ashok Nair:** So if you look at the strategy, we are always in the lookout and inorganic for both formulations and the API business. So for us, it has to be a prudent value. For us, it has to be value accretive. So we are looking into multiple assets. And in the due course of time when things are perfectly for us, I think we should be able to come back to you.
- Yash Doshi:** Okay. And just last one, regarding the growth for domestic, international and your API, can you provide a guidance like maybe in the medium-term, how we are looking at? And I think specific one of your interviews API will be the next growth driver for the company. So can you just give a brief on that?
- Ashok Nair:** So if you see -- again, I need to mention that if you see for the last 4 years consistently, our domestic has grown at 12%, API has grown at 9% to 10% and international formulation 9% to 5%. If you look at our quarter 4, we almost grown by 144% in API. That's also a strong bounce back. So going forward, we will continue to maintain that. We'll continue to sustain that particular growth.
- And of course, as we -- API is our growth driver. So a lot of efforts are going into API to see that we grow further. And we have a very strong pipeline. The API, as mentioned, almost around 13 products are there and newer markets are there. So in fact, our growth is structured and fundamental and the basis is that we should be able to further expand and the growth trajectory looks good.
- Moderator:** The next question is from the line of Aditya Goyal from Matterhorn Investment.
- Aditya Goyal:** Congratulations on a great set of numbers. I have a couple of questions. Number one is a follow-up from the previous one. So when -- for the guidance of growth, where do you expect the growth to come from for the next couple of years? Will it be more of volume, price or new introductions? If you could give an idea similar to what you had given a breakup earlier for this year?

**Ashok Nair:** Yes. So if you look, again, we have a very strong volume backed growth considering almost 30% of our products are DPCO. So for us going behind the price increase, the strategy is to grow the volumes. And you will see that we are growing at 9.8% volume versus 1.1% of the industry.

And the second biggest growth driver for us will be new products. Again, if you look this year, we have been almost grown by 5.1% vs industry at around 2%. So for us, the key will be these 2, the volume backed and the new product.

Having said that, the products which are in the pipeline in the domestic are the ones which will be actually launching with a higher gross margins. So we will be able to protect and there should be a far better price increase growth than the earlier years.

**Aditya Goyal:** Okay. Understood. My second question is related to U.S. FDA approval. So a couple of quarters back in the con call, you had mentioned that the company would like to go for an approval subject to development of the product portfolio. So with all the developments that are happening right now and how the portfolio and the execution capabilities set up with the plant modernization, do you think you are closer to planning the USFDA going for an approval like that?

**Ashok Nair:** So as I mentioned earlier also, see, while our plans are of a level that would be U.S. FDA approval, we would actually seek approval only when there's a significant basket of product with strong market in the U.S. Of course, the rationale is that the approval process is lengthy and the market dynamics often shift by the time approval is secured.

So the company is also mindful of the cost benefit equation and does not want to burden the profit and loss statement with high U.S. FDA-related costs. Having said that, we have a strong presence minus U.S. in every other geographies and markets. So that should actually be greater and helpful for us going forward.

**Moderator:** Ladies and gentlemen, we will take that as the last question for today. I now hand the conference over to the management for closing comments.

**Ashok Nair:** So thank you very much, everybody. Thanks for attending and participating, and thank you once again.

**Moderator:** Thank you very much. On behalf of Dolat Capital Markets Private Limited, that concludes this conference. Thank you all for joining us today, and you may now disconnect your lines.