



04th November 2025

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: Investor / Analysts Call - Transcript

Dear Sir/Madam,

Pursuant to Regulation 30 read with Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, copy of transcript of the Investor / Analysts Call held on 29th October 2025 at 4:30 pm pertaining to Un-audited Financial Results for the quarter and nine months ended 30th September 2025, is enclosed.

The said transcript is also available on the website of the Company at [Analyst / Investor Meet](#)

Kindly take the above information on record.

Yours faithfully

For **Sanofi India Limited**

Haresh Vala
Company Secretary & Compliance Officer
Membership No: A18246

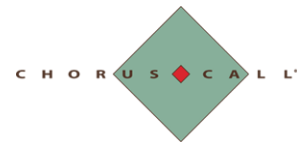
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Sanofi India Limited

"Investor Conference Call"

October 29, 2025



SANOFI INDIA LIMITED MANAGEMENT :

**MR. ERIC MANSION – GENERAL MANAGER PHARMA – SEA & I AND
NON-EXECUTIVE DIRECTOR**

**MR. RACHID AYARI – WHOLE-TIME DIRECTOR AND CHIEF FINANCIAL
OFFICER**

MR. DEEPAK ARORA – MANAGING DIRECTOR

MR. SURESH BABU – DIABETES HEAD

MR. HARESH VALA – COMPANY SECRETARY

Moderator: Good afternoon, everyone, and a very warm welcome to the Investor Conference Call hosted by Sanofi India Limited. Joining the call, I have Mr. Eric Mansion, GM Pharma, SEA&I and Non-Executive Director; Mr. Rachid Ayari, Whole-Time Director and CFO; Mr. Deepak Arora, Managing Director; Mr. Suresh Babu, Diabetes Head; and Mr. Haresh Vala, Company Secretary from Sanofi India Limited.

Before we begin this investor call, there are two important announcements. Please note that the proceedings of this meeting are recorded. Secondly, please note the standard disclaimer that there are certain statements in this call, which may be forward-looking and the actual results may vary depending on various other factors, which may impact the future performance.

Moving on to the agenda. We will cover the performance for the quarter and 9 months ended September 2025 and other highlights. Thereafter, we will have a Q&A session, which will end exactly at sharp 5:30 p.m.

All investors and participants are please requested to keep their questions brief and avoid repetition. 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 the operator by pressing "*" then "0" on your touch-tone phone.

I now hand over to the management to take us through the presentation.

Eric Mansion: Very good afternoon, everyone, and thank you very much for attending this investor conference call. We may move to the first slide, please. Yes, you can move to the next one. Thank you.

This year is pivotal for Sanofi India Limited, and we have completely transformed and modernized our business model with the aim to strengthen our leadership in the insulin market and to re-position ourselves with sustainable and profitable growth.

Over the last 10 months, we have refined our structure and re-designed our go-to-market strategy in order to focus on our insulin franchise with a customer-centric organization. And we've been digitally empowering our teams with modern tools, capabilities and ways of working. This transformation, you will see is already delivering positive results, both in top line and bottom line and Rachid will run you through the numbers in a couple of slides.

We are accelerating our growth in Q3 despite all the structural changes that we've been operating over the last 10 years. In parallel of this internal restructuring, we have successfully developed and position our legacy cardiovascular, central nervous system and oral anti-diabetic to what we call a partnership model, which will allow us to continue to grow these important franchises by maximizing our reach by leveraging on the capabilities of our partners and extensive networks.

This whole transformation is positioning us as a customer centric digitally empowered organization, which will allow us to deliver both growth and margin expansion and we are ready to capture the significant opportunity that is in front of us in India diabetes market, all that while maintaining a strong reach with our legacy portfolio through the partnerships.

In the next slide, I'd like just to make a few highlights on what will drive our growth journey in the field of diabetes. As you can see, we have three strategic pillars that will be combined with a focused execution of our insulin business.

First, our portfolio approach. We have a clear segmentation that will ensure that we bring the right solution to the patients, in particular with our innovative portfolio Toujeo, which is second-generation basal insulin and Soliqua in the premix market, where we have a real opportunity to accelerate our uptake by shaping the market and increasing our reach. And of course, we'll continue to actively utilize Lantus with a volume growth. All that will be amplified by our market expansion initiatives.

We are creating awareness for early insulinization and ensuring greater outreach through our digital approach. We are also now tapping into the potential of public sector in particular with our innovative portfolio. All of that is going to be enabled by a strong customer centricity and innovative orchestration powered by artificial intelligence.

On the next slide, I just would like to double click on innovation with Soliqua. So, Soliqua was launched last year and is a key growth driver with a very strong value proposition in the premix market. We are basically offering patients a more effective and convenient treatment of course, backed by science and new clinical evidence and we'll come back to that.

Now in order to deep dive on the recent outcome of all this transformation, I leave the floor to Rachid, who will run you through the finance slides.

Rachid Ayari:

Thank you, Eric. Next, please. Good afternoon, everyone. So, before starting, please allow me to define the revenue from operation is mainly the sales representing 93% to 94%, where we will focus today. And we have the other operating income, service and export, this is 6% and other income, mainly the interest on deposits and FX gain around 1%, it's marginal revenue that we will not review today.

So, as you can see, almost half of the business is coming from diabetes insulin enhanced with partners cardiovascular, CNS and oral anti-diabetes, where we can see growth for both part. So, there is a plus 4% in YTD September 2025 and 5% in quarter-to-quarter versus last year. And if we take the partnership, so, it's a good start, as mentioned by Eric. So, 2% in YTD, 5% in quarter-to-quarter.

So, if we take the partnership is as per expectation as the trend that we expected at the beginning when we signed the partnership. So, the major impact that we have on the top line, which didn't impact the bottom line is the exports. So, the export part is around 12% to 13% of the total sales. This is first.

The drop of the export was expected, and it's related to the divestment of Ankleshwar site to Zentiva in 2020. So, Zentiva kept continuing products in Sanofi site in Goa, waiting the authorization from the Indian authorities to manufacture this product, which was obtained. The authorization was obtained end of 2024, and this is what impacted mainly the export.

A plan was in place, as it was expected, so, our colleagues from the manufacturing and industrial affairs already put in place a kind of plan to increase the volume at the Goa site and include other countries in the exports. So, we are exporting right now to Russia - It's a new market for us, South Africa and certain products that were sold previously in same way in India are moved to our site in Goa.

Can we move to the next, please? Yes. In terms of the OPEX, as you can see, the company continues to make significant progress on its strategy through targeted marketing initiative and operational excellence.

So, we see significant optimization in the OPEX part related to the personnel cost and the other OPEX, minus 30% versus last quarter. And the ratio is improving, moving to 22%. So, this is significant contribution in the PBT, the Profit Before Tax of the Company.

Next please, thank you. So, if we take the export part despite the fact significant decrease in the export revenues, but the impact in the profit is not so significant. All in all, it's around 8% of the total profit before tax in terms of export. And the major profit is coming from the domestic part with a higher margin.

So, it's a good performance that we can see in quarter 3, where it's double-digit growth versus Q3 2024. And we see significant improvement in the ratio comparing to the net sales, where we are moving to from 23% to 29%. Same trend in YTD, where double-digit growth as well and we see an improvement on the net sales and this is what we are expecting in the next upcoming years if everything will go this way.

Next, please. So, can you come back to the previous one? I'm sorry for that. So, the last one from my side is related to the interim dividend that was decided by the Board today. So, as disclosed today for YTD September, we will distribute an interim dividend of INR 75 per share. Deepak, the floor is yours.

Deepak Arora:

Thank you so much. Can we move to the next slide? So, thanks to Eric and Rachid. And what I'm going to do is to reinforce the points which have been already laid out. And this is to bring confidence to our dear investors that the transformation which has been done is to position ourselves for a sustainable and profitable growth.

When we talk about the strategic transformation by being focused on diabetes and insulin portfolio, winning partnership model for our legacy brands, at the same time, making sure we drive strong execution for bringing growth and significant margin expansion through our operational excellence.

And last but not the least, we are positioning for tomorrow. So, future-ready capabilities with AI, digital capabilities of our field force are towards making sure we capture India's high-growth diabetes opportunity. With this, I open up the session for question-and-answer.

Moderator:

Thank you very much. We will now begin the question-and answer-session. Anyone who wishes to ask the question may press "*" and "1" on the touchtone telephone. If you wish to remove yourself from the question queue, you may press "*" and "2".

Participants are requested to use handsets while asking the question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. We take our first question from the line of Param Vora from Trinetra Asset Managers.

Param Vora: So, what I wanted to ask was that despite exporting to 28 plus countries, the current revenue contribution from India is 81% and Singapore is 18%, which comprises of almost whole revenue. So, is there any part of geographic expansion.

Rachid Ayari: Regarding the export part, right. Yes. So, as I mentioned in my slides, so we are trying to target new markets, so Russia is already there. So, subject to review, we started exporting the first budget end of last year, and now it's becoming routine. South Africa is something coming as well in the plan. And we are exploring other markets. So, work in progress regarding this specific subject.

Moderator: We take our next question from the line of Rajakumar Vaidyanathan from RK Invest.

Rajakumar Vaidyanathan: Can you hear me? Sir, I could hear your comment on the exports. So, I can see that the exports have substantially come down. So, are you saying that we will kind of pick up this over a period of time? Or this is going to be the new normal?

Rachid Ayari: Yes. So, the export was expected, as I mentioned initially. So, this is related to the site that we divested in 2020 Ankleshwar site to Zentiva. There are certain products, coating product, they need a kind of specific authorization from Indian authorities. And this took a bit long time, almost 4 years for Zentiva to get it. So, they get this authorization end in 2024. So, this is what impacted significantly the export part.

So, as the subject was known, our team are working on this project to offset the impact of the loss on the export. And as I mentioned, there are new markets, where we already had in the portfolio. So, we are exporting already to Russia. So, starting end of last year. So, this year, it will be a full year for the export for certain products.

South Africa as well in our projection. And the site is becoming as well a kind of unique site for certain products worldwide. So, based on the evaluation that we have done, I think we will not cover 100% of what was lost in terms of export.

But with this initiative, I think we will offset part of it. Another part will be offset by certain products that were manufactured previously in CMO product in CMOs in India that we are moving them to Goa site.

But despite the fact, what I can assure you the fact that this impact is significant in the top line, but in the bottom line, it is not because the export in terms of profitability versus the domestic sales is kind of 8% and the profitability of the export is not so high as what we have in the domestic segment. So, that's why despite the fact that we are losing significantly, say, in the export versus last year, it's not impacting our profit before tax.

Rajakumar Vaidyanathan: Sir, the second question is this partnership, the top line comparison, you're saying you have grown by 5% for this quarter. But my comment here is the previous year number, your sales would have been very high because you would have had your own marketing and sales team and

your pricing of the entire product would have been on the higher side because now you have a partnership, you have priced it lower. So, does it mean if my understanding is correct? then we are not comparing apple-to-apple, right? Plus point is the value difference.

Rachid Ayari: No, we are comparing, let's say, it's not apple-to-apple exactly, but I think it's comparable. Let me explain a bit the model that we have. It's distribution and marketing agreement. So, it's not a divestment. So, it's part of our portfolio, where we capitalize and we're expecting growth from this portfolio. And so, it's not divestment.

So, the partner is distributing and promoting the product. So, the promotion is at this level, so, we are not promoting anymore at our level. So, this is how the partnership is done. So, at the end of the day, it's comparable. It's a very competitive market. So, if we say even the growth 2%, 5%, let's say, it's good and I would say, it's adequate growth knowing the competition in such segment. And you want to continue about that, Eric?

Eric Mansion: Maybe just to add that the ambition is really and the whole idea is to capitalize on the capabilities and the reach of these partners. We are able really to reach not only Tier 1, but also Tier 2 and Tier 3 cities, where there is a huge potential that we could not focus on because, I mean, we wanted to be focused on developing the insulin. So, by doing this kind of partnership, we are able to be laser focused on our insulin development, while growing the market with the support of our partner on the rest of the portfolio.

Rajakumar Vaidyanathan: And sir, the last question is any new launches you're planning in the upcoming quarters?

Rachid Ayari: Yes. Do you want me to take it or...

Eric Mansion: Yes.

Rachid Ayari: Yes. So, we are exploring with the group any opportunity that we can launch in Sanofi India Limited. For now, there are business cases under validation, nothing for the next year. But the organic growth that we are expecting from current portfolio is respectable growth versus the market. So, in terms of the insulin portfolio and for the partnership. So, the answer for 2026, we are not expecting launching new products. but there are still certain work in progress regarding certain products.

Eric Mansion: And we are very much in the launch phase of Soliqua until now. I mean, we just launched less than, let's say, 1.5 years ago with an uptake that we know will continue to be sharp in terms of increase. So, I don't know, Suresh, if you want to jump in on this one, but the focus really right now is to make sure that we accelerate the uptake of Soliqua. And so far, we've been delivering a very successful launch.

Rajakumar Vaidyanathan: And lastly, just one comment, sir, no question. So, sir, I mean, the comment is I see that your top line is kind of very volatile. It kind of made the investors a bit nervous. So, I hope your numbers will be more straightforward, going forward because I know that you had a consumer business earlier you hived.

But even after that, you in a couple of quarters back then the number stable. But now again, last quarter, you reported very drastic drop in sales. So, I hope the numbers will not y-o-y, go forward? That's one comment from my side.

Rachid Ayari: Thank you for that. Quarter 2, same. The impact, the major impact for us in 2025 is coming from the export part. So, it's the same explanation as what we have done right now and agree that there are certain fluctuations, but this was expected. Thank you for your comment.

Moderator: We take our next question from the line of Brajesh Nirala from 3P Investment Managers.

Brajesh Nirala: So, what impact do you expect from your insulin and diabetes portfolio once a generic semaglutide gets launched in India in March 2026?

Eric Mansion: I will let the expert answer. Suresh?

Suresh Babu: So, the GLP market when it comes to the orals, so from what we understand from various FGDs with HCPs are that they are not to replace the insulin initiation. The segment is very different. One, we are talking about weight loss and here we are talking about the insulinization.

So, we have seen similar kind of a thing whenever any new drug came in place, be it SGLT2 or DPP-4. It may delay insulinization a bit finally, HCPs come back to insulin. In every many conversations we have, HCPs have reinforced their confidence on insulins. And we are so glad that Sanofi wants to pursue in the space of insulin without moving away from the portfolio management.

So, to give confidence back, but for initial conversations with some of the patients for weight management, HCPs want to initiate insulins. And recently, with Soliqua coming in the space of a mix of GLP plus insulin glargine U100, which they have a huge confidence on. Their focus is more on initiating patients on Soliqua as well.

Brajesh Nirala: Okay. And the second question is, I see most of these products are old gen products like Lantus, again, this Soliqua, which were launched way back in the international market. So, what is the launch status for Dupixent, Beyfortus, ALTUVIIIO in the Indian market? Are you planning to launch these products at all?

Rachid Ayari: Do you want me to take it or yes. So, to answer to your question, so as you know, we have two legal entities in India, one the listed company and the second one, the private one. So, regarding Beyfortus was launched this year in the private co., as the vaccine part since the beginning was there.

And we didn't see any other value that we launched Beyfortus, for example, in Sanofi India Limited, as there is no synergy at all between the two portfolios that we are managing. Dupixent for now, there was a lot of discussion about it, but still not finalized yet.

Eric Mansion: Yes. It's vary much on a case-by-case basis. And as we said earlier, the focus right now is really to position Sanofi India Limited, as the champion for diabetes. So, we have a very strong focus in the short term on insulin.

If we have in the portfolio and there might be some relevant products that are good complements for our diabetes portfolio approach, definitely, we'll consider it. But in the short term, as I said earlier, the focus is really to accelerate the uptake and deliver a successful launch for Soliqua and to continue the growth on both Toujeo and Lanus.

Moderator: Next question is from the line of Sandip, an Individual Investor.

Sandip: So, I have three questions. One is what is the Sanofi India's plan towards entering into biosimilars? And can you give some guidance on how much revenue contribution is expected from biosimilar segment in next 2 to 3 years?

That is question number one. Question number two is what are the new segments, where the company is planning to enter? And my third question is what is the revenue and profitability guidance for next 1 to 2 years.

Eric Mansion: Contribution of biosimilar, new segments and evolution of profits. Maybe Suresh, you can answer on the first point on the biosimilar.

Suresh Babu: Thanks, Eric. It's a very good question, considering the fact that the more biosimilars are, they are going to improve the share of voice on using glargine in the marketplace. So, and we have seen that also.

Despite more biosimilars coming, we have not lost our value market share in the overall glargine segment and the basal insulin segment. We are still market leaders with approximately 50% market share for Lantus and the 12% market share for Toujeo, taking it to overall 62% - 63%. So, our market share continues to keep moving up with the biosimilars coming in space.

And considering the fact that biosimilar prices are equivalent to Lantus now after the NLEM of Lantus, the need for using biosimilars for the doctors is slowly, I would say, losing interest with Lantus available at the same price being an innovator. So, we can be rest assured that the impact would be much in favor of the innovator Lantus in that space.

The second point, considering this, we are expanding largely with the reach on U300, which is our Toujeo, where there is no competition and where a lot of scientific evidence is there to back it up. So, overall, as a glargine family, we are winning.

Eric Mansion: And just to complement on the second one on your question on the segment and the new segments we are going to tap as mentioned, the second generation basal insulin U300, we believe that there is a potential in the public sector in addition to our current focus in the private sector. So, we are deploying a new go-to-market model in order to allow us to tap both the public opportunity and the private opportunity.

Sandip: And which are the new segments the company is planning to enter? Am I audible? Is the company planning to enter into new segments and which are those segments, if you can throw some guidance on that?

- Deepak Arora:** I think Rachid already mentioned it that for at least for 1.5 years, our focus will be again to accelerate the diabetes performance with the acceleration of Toujeo and Soliqua, while we keep on looking at the business cases to see what we can bring into the country.
- Eric Mansion:** Yes. And I think we have the conviction that there is a huge opportunity in India for the diabetes segment. So, we don't want to dilute our efforts. I think what matters right now is to make sure that we fully leverage on this potential and we strengthen our leadership in this field.
- Moderator:** Next question is from the line of Sameer Deshpande from Fairdeal Investments.
- Sameer Deshpande:** Sir, after the demerger, the product portfolio naturally has got divided in the two companies and we continue to focus on our diabetes and the central nervous system and cardiovascular portfolios. So, you mentioned that you will be concentrating mainly on diabetes portfolio only.
- But why there are no launches likely in the other two areas that is cardiovascular, which continues to be a very big area in India and another is central nervous system also, which is a big area. We already have some products in both these and they are good brands. So, any brand extensions, etcetera, in those are not planned?
- Rachid Ayari:** Yes. It's a very good question that you are asking. Look, I think benefiting from the Sanofi portfolio is giving us more chance to succeed in India market. So, we cannot compete in the generic market. This is for sure. So, we tried in the past, and we find that it's not relevant comparing when you launch a product, where you have the support from the group and you have all the studies and all the stuff.
- So, for now, we are always evaluating option. When we see the opportunity, we do it. But for now, we see that what is coming from the group portfolio is more successful than other things in India. But we're still evaluating.
- Sameer Deshpande:** So, now with the current bottom line of around INR 450 crores -470-odd crores in this quarter, do we hope to have annual turnover of around INR 2,000-odd crores for the year?
- Rachid Ayari:** Thank you for the question. We are sorry that we don't give any forward statement. So, let's say the trend is positive. We can see it in YTD for the quarter then I think it's sufficient to evaluate to make forecast for us. You will do it better than that.
- Sameer Deshpande:** And lastly, regarding this exceptional item from INR 27 crores is the VRS already in this quarter, our employee costs have come down from INR 56 crores to around INR 42 crores in this quarter. Now so what will be the run rate for the employee costs going forward from the next quarter?
- Rachid Ayari:** Yes. So, I think for this quarter, we should not link the decrease on the OPEX for the personnel cost with the restructuring. So, it's one exceptional event is related to the transformation that we have done and the partnership that we signed with Emcure for oral anti-diabetes. So, this was announced in July.
- So, after the closing of the previous quarter. So, that's why we are booking this restructuring in Q3. Now, let's say, one month saving for the quarter. Whereas for next year, I think from one quarter to another, the saving will be more and more in the personnel cost.

- Sameer Deshpande:** No, I did not actually understand it...
- Rachid Ayari:** Exactly so, what we are saying that we are expecting, yes, go ahead, please.
- Sameer Deshpande:** Operating margins in this quarter around 28%. And so with this what I wanted to ask is that whether this INR 27 crores is a one off, I know. But will this be in a position to reduce our operating cost further and enhance our operating margins from 28%.
- Rachid Ayari:** I think the trend of the OPEX will not increase for sure. But where we have opportunity to optimize. So, this is what we can see from 1 year to another. So, if you look to our financial statement from one quarter to another for 1 year to another, there are significant optimization and efficiency that we are looking for.
- This is one of the priority that we have without impacting the business, of course, without impacting the top line. When we have opportunity to do it, we do it. So, we are not expecting an increase in the OPEX in the operating expenses. So, that's what I can say right now.
- Sameer Deshpande:** So, the margins are expected to be better or continue at these levels at least going forward. Thank you and all the best.
- Moderator:** Next question is from the line of Lakshmi Narayan, an Individual Investor.
- Lakshmi Narayan:** Okay. So, firstly, let me congratulate the management on a successful spin-off and also for all the margin improvements that we are witnessing. I have two important questions and then the third one is a sub-question.
- The first question I would like to know is, given that Novo Nordisk had vacated the human insulin cartridges and the DispoPen market, which is supposedly INR 450 crores to INR 500 crores size.
- And also, the fact that they are going to exit a similar market in emerging markets also, has our company seen any benefit of this, especially given that we have insulin and other human insulin product available? So, that's the first question. So, are we gaining market in the domestic area? And also, are there plans to cater to the emerging markets, where Novo is currently exiting? That's the first question.
- And secondly, over the last 2 years, in one of the conference calls, management had actually mentioned that the parent had taken over a company in type 1 diabetes area. So, today, I was a bit surprised not to hear any talk about launching new product in the type 1 space.
- So, I'm actually not able to recollect the acquisition, the company's name, but it was in the T1D space. So, I was hoping there will be some talk about launching the new product, especially it is in the same diabetes area? If you could take these two questions, then I could maybe come back for that later and I'll join the queue again.
- Rachid Ayari:** Suresh, do you want to take it.
- Eric Mansion:** Go ahead, Suresh.

Suresh Babu: Yes, you're right that Novo has expressed its disinterest with the human premix insulins. But we should also be aware that human premix is a highly commoditized space with a lot of other generic players as well. So, it's not an easy game to win.

But having said that, it's not that we do not have a strategy around ensuring that the last excuse for an HCP to use a premix insulin is now not there. So, still the price difference between human premix insulin cartridges and Lantus is significant.

But the effort is on in terms of ensuring that HCP looks at Lantus as a first-line choice in an OED uncontrolled patient and looking into human premix insulin as well. So, I could state to that extent that we could see initial signs of behavioral shift in terms of advocating Lantus ahead of human premix insulin.

Rachid Ayari: Yes. I will take the second question. You are right. I think in one of the previous calls, we were talking about to launch one product in type 1 diabetes. Still evaluating the opportunity. We want that when we launch, we want to be successful in the market. Otherwise, we don't want to launch a product just to launch a product.

So, we see our focus on Toujeo, on Soliqua, there is a real growth because there is strong support behind that. Now we're still evaluating. That's what I said at the beginning. And I hope that we will have approval for such cases.

Eric Mansion: Maybe just to complement, T1D and it was mentioned, is a very, very important segment, where globally Sanofi is innovating and wants to take the lead. At this stage, as you mentioned, Rachid, we are assessing the access condition, the environment that has to be shaped in order to successfully launch this product in the future in the different markets. So, we are still making some assessment for India as we speak.

Moderator: We take our next question from the line of Palak Shah from Entrust Family Office.

Palak Shah: Just wanted to know what the net impact on the financials because of this JVs and partnership. assumption would be there will be some sharing of margins with the partner or the JV partner. In that model, we'll have some net impact coming off on the revenue reported revenue. If you can just help me with that?

Rachid Ayari: Yes. So, there is an impact on the top line. It's a gross to net model. And the partner will distribute and promote the product. So, both impact on the top line and impacting the OPEX part as well.

Palak Shah: Got it. So, net impact, any number that you can subscribe because the 2% growth in domestic market when you look at it, that will have some material impact because the last year base would not have a couple of hires that we did in the last 12 months. The reported number seems to be subdued because of that, if my understanding is right.

Rachid Ayari: But look, the partnership, how we built is that the growth will come from 1 year to another. It's not immediate. So, what we are saying as how we evaluated initially, we used discounted cash flow method versus each scenario. So, if we are keeping the portfolio at our level versus a partnership. And this is going to take a big time. So, it's not immediate.

So, I think starting the year 3, we can see, while it's already that we see improvement from one period to another. And starting from next year, I think the year after it will be showing a better trend versus what we were doing in the past because as mentioned by Eric and Deepak, this partnership, we can reach certain Tier 2, Tier 3, where we are not able to do it by ourselves and the share of volume that they have is significant versus what we can afford in-house.

Palak Shah: But then this reported numbers do not actually see the benefit of this partnership even if they are after partnership, we are growing at single digit and to that low single digit, and the net effect of the voice of share and voice of mind that the partners have does not seem to be reflecting in the numbers. So, what are we missing here?

Rachid Ayari: Look, double-digit growth, we're not expecting, to be honest with you, we are not expecting double-digit growth from the partnership. So, it's a very, very competitive market. And we see improvement. We see market share gaining from our partners, but it will not be a kind of double-digit growth coming from this portfolio.

Eric Mansion: What we see is that these partnerships have accelerated the growth, I mean, as compared to when we were promoting and distributing this product in-house. And you can see already that we have compensated the downside of gross to net by volume growth. And net to net, we are growing by 2% in this segment and we are aiming to continue to grow that.

We have already compensated this loss of gross to net. And you can see as well that the impact on the bottom line is positive, meaning that we are generating BOI, we are growing the BOI faster than the top line.

Rachid Ayari: It's a good question as well. Thank you, Eric. In addition to that, there are certain movement of stock. So, the 2% is not really reflecting exactly the sales i.e. the secondary sales, whereas we see all in all, it's more, a bit more than that but we cannot disclose more information than that. I think in 2026, it will be comparable apple-to-apple still '26, '27 everything, the transformation and the movement of the stock.

Palak Shah: Got it. And just lastly on the new product launches. Given our size and the parentage that we have, why is the launch is specified to just a couple of products and given the basket that has not launched, so brands from the global stable, which have launched in India, why can't there be a higher number of launches, especially given our size and our strength from the parentage, both on the product side as well as the marketing that you can do, the learnings you can take from them?

Rachid Ayari: Do you want me to take it. Look, honestly, when we look to the launches of new products from Indian companies, okay, the failure rate is quite high. So, they launch the product. I don't have the rate exactly in mind, but for sure, it's more than 50%.

Whereas we want, when we launch product in the market, we want that it will be the right product for the patients in India and we succeed and it will bring accurate value and added value for our shareholders.

Now regarding certain products that we have in the portfolio at the global level in terms of price, I'm not sure that the Indian patient can offer such product. So, we are looking for certain access for this product, but it's not so simple.

The new products for multinational in general launched in certain markets, even they are selecting certain markets, where the reimbursement will be there. And we will not fail when we launch the product. So, this is what we don't want to have as experience. I hope that I answered your question.

Moderator: Next question is from the line of Paresh Jain from Bajaj Life Insurance.

Paresh Jain: In the presentation, you make a very interesting observation of remark about using AI. Can you just elaborate a little bit on that? How are we using it? And how big is your tech team today?

Eric Mansion: Sure. So, we are using AI at all level of the organization. Just to be clear, it's not only the commercial team. But I will focus on what we are doing...

Paresh Jain: Your voice is not clear.

Eric Mansion: I focus on what.

Paresh Jain: Your voice is not very clear.

Eric Mansion: Can you hear me? Can you hear me now?

Paresh Jain: Yes. The voice was not very clear, I can hear you, but it's not very clear.

Eric Mansion: Yes, it should be better now. It's okay?

Paresh Jain: Yes, now it's better.

Eric Mansion: Okay. Now let's focus on India, and I'll give you a few examples. We are implementing AI everywhere, where we can create value from R&D to commercialization and to post-marketing studies, etcetera, etcetera.

In our operation in India, we have really transformed the ways of working with AI. On the way, for example, we develop our marketing tools with generative AI. On the way, we support and we help our sales forces in order to define the next best action.

So, they are equipped currently with tools, AI tools that are giving them the right direction for a given health care professional with the right messaging and so on and so forth. And these are only just examples.

We are really leveraging on AI wherever we can. In finance, for example, we are all equipped now with regular reports and agents that are giving us some recommendations on the way to optimize our ways of working, our OPEX and so on and so forth.

So, these are just examples, but be it what we call expert AI, which is more upstream, let's say, to what we call snackable AI, which is more downstream and day-to-day, we are really all in on

AI, and we are trying to empower all Sanofian with the right tools in order to amplify the capabilities and make sure that we create value.

Rachid Ayari: Yes. I will add one point, as you mentioned, I will share my experience in finance. So, in terms of forecast in supply chain or the forecast that we are doing for budgeting or whatever, we reached a certain level that AI in terms of forecast is plus/minus 1 versus the reality, whereas our forecast was not better than that.

So, we see significant improvement in the AI in terms of forecast, avoiding obsolescence for our stock, for example, new launches as well. So, we have certain recommendation from AI, top line, OPEX part. So, we have a good trend coming from AI. This is related to the financial part.

Eric Mansion: And in the day-to-day operation, if I take the example of regulatory affairs, where we have to submit some variations, etcetera, etcetera. We've been streamlining considerably the timing for submissions using AI in the preparation of a fight and in the elaboration of the dossier in general. So, again, these are just examples because we could talk about AI for hours. There are numerous examples at all level of the organization.

Paresh Jain: Yes. So, thanks for the examples. But to summarize, if I were to just ask you that what has been the financial impact of it either on your top line or your bottom line. If you would just quantify that, just for understanding, that would be great.

Rachid Ayari: Honestly, quantifying, I don't have a number on mind. But if you take the obsolescence in the past, in general, so, we see forecast coming from the teams, which sometimes optimist, sometimes not optimist. So, for the first one, we are avoiding significant obsolescence for the stock because we are manufacturing based on the forecast coming from the commercial team.

And in the second point is when we are forecasting less, sometimes we have lack of opportunity for the business on the top line. So, sorry that I cannot quantify, but we see significant improvement in the obsolescence part, where we are less around 1%. In the past, it was much higher. And this is a trend for the majority of the market operating with AI right now.

Paresh Jain: Okay. And one last question. How big is your tech team? And what is the technology cost that we incur?

Rachid Ayari: I'm not sure to get the question. Can you repeat...

Deepak Arora: The IT team, how big is your IT team.

Paresh Jain: And what is the technology cost that we incur every year?

Eric Mansion: So, it's difficult to isolate because we are operating with a very big group, the Sanofi Group. The IT team is scattered all across the world with a big presence in India. So, it will be difficult to give you an exact number.

But I can tell you that we are fully supported by the group that we have access to in-house solutions. I mean, we have our in-house AI companion. We have several in-house developed

solutions like Expert AI as well as existing solutions that are in the market with whom we are partnering.

Paresh Jain: But Sanofi India would have a technology team of their own, right?

Eric Mansion: We have a local team, obviously. But again, when it comes to AI, it's not an isolated game. I mean, we are leveraging on the group, and we have a group strategy.

Rachid Ayari: Yes. We have a local team supporting India team here. And as mentioned by Eric, the standard solution and the standard system we are implementing to modernize India is coming from the group.

So, we can say today by the end of this year because we were behind, right? End of this year, we will be aligned to the more modern system that we have within the group in India. So, this is the plan. So, it's a very ambition one. And I think the team is on track on this.

Moderator: As there are no further questions from the participants, I now hand the conference over to Mr. Rachid Ayari for closing comments. Over to you, sir.

Rachid Ayari: Yes. So, on behalf of Sanofi India Limited, that concludes this conference. Thank you very much for the quality of the questions. Thank you for joining us, and you may now disconnect from the lines. Thank you.

Eric Mansion: Thank you.

Deepak Arora: Thank you, everyone.