Sanofi Consumer Healthcare India Limited

Institutional Investor Meet

24th March 2026

Management:

Mr. Himanshu Bakshi - Managing Director

Mr. Richard D'Souza - Chief Financial Officer

Mr. Nikunj Savaliya - Head - Legal & Company Secretary

- **Mr. Nikunj Savaliya - Head - Legal & Company Secretary, Sanofi Consumer Healthcare India Limited:**

- Hello. Hello, everyone. Ladies and gentlemen, good evening and welcome to the first Investor Meet of Sanofi Consumer Healthcare India Limited. It's a pleasure to welcome you here and it's wonderful to see that so many of you could spare time out of your busy schedule and decided to be with us. So, we are glad that you are with us today.

- I am Nikunj Savaliya, Company Secretary and heading Investor Relations function within the Company. Allow me to introduce members of the leadership team who are with us this evening –

  - Mr. Himanshu Bakshi, Managing Director of the Company.
  - Mr. Richard D'Souza, Chief Financial Officer of the Company.

- So, before we begin, a few announcements here.

  - We will start with a presentation by Himanshu covering business updates as well as the journey so far as well as the strategic priority for the journey ahead.
  - And, thereafter, we will start Q&A for about 30 minutes.
  - And after that, obviously, we will close and conclude this Investor Meet.
  - Proceedings of this meeting obviously is recorded in line with the legal requirement and will be uploaded on the website of BSE, NSE as well as the Company's website. And presentation also, what we are going to refer here today, is also available on the website of BSE, NSE and the Company's website.
  - For the seamless experience, I would request everyone to put their mobile on silent mode.

- And, with that, I'll invite Himanshu for the presentation.

- **Mr. Himanshu Bakshi – Managing Director, Sanofi Consumer Healthcare India Limited:**

- Good evening, everyone, and thank you so much for being here. As Nikunj just mentioned, this is the first investor meeting that we're doing for Sanofi Consumer Healthcare India. Over the last two years a lot has happened on the business and I think it was important for us to have a conversation with all of you to really update you on what the business is doing, what are the things that we've achieved so far. And then, of course, we'll open it up for questions.

- I think when we took over this business from Sanofi, I think we had a single minded objective, which was all about reigniting profitable growth because this was a vertical or division which had immense opportunity in the waiting. So, what I'm going to take you through today, of course, is the journey since inception, last couple of years what have we achieved so far, what's the road ahead for us, what do we feel

as a strategy we should be doing as an organization in India to really grow faster and for that what's our strategy.

- So, just a snapshot of who we are today as a business. So, close to ₹880 crore turnover that we have. If you look at our Profit from Operations, it's close to 37%, ROCE of 62.5%. But also, more importantly, very strong legacy brands that we have in the country. And most of the brands that we have today in the categories that we operate in are the top brands. So, if you look at Avil, it's the number one volume player in the category, Allegra is the number three in terms of value in the category, Combiflam number five in the category and DePURA, which was our entry into the Vitamin D space, has also occupied in the top five in that space. So, a very, very strong portfolio when it comes to different areas that we operate in today.

- And just a reminder of why and what we intended to achieve through this demerger, you know, that happened. Of course, a typical pharma approach which was there in the past, which was more about winning with patented formulations, very prescription driven, patented brands funding new launches, looking at disease and therapy areas and, more importantly, the investments on brands on low single digit. Now, that's one way of operating and which is where a lot of companies are doing well as well. But I think for us, when we looked at our business and with the brands that we had, it was very important to fund the growth of this part of the portfolio. So, winning through brand equity, which really meant investing behind brands and the story that we have on brands.

- There is a large portion of self-choice that still happens in areas that we operate in be it allergy, be it pain, be it VMS. Today, if you look at the environment outside, not 100% of all sales happen through prescription. There is a large role of self-choice that's there and that's something we really wanted to work on and, more importantly, educate people, empower them so that they can be choiceful in really choosing the right brand for them.

- Brand building, of course, you know, we have been lucky, to be honest, to have such strong brands in the portfolio but not as invested as they should be. So, the idea was to start building these brands for the future, making sure that they continue to serve the Indians and the Indian population.

- And, more importantly, the investment. So, the ANP, again, really moving from a very low single digit to mid-teens. And that was the whole case of separation which would have led to this business as a standalone growing much faster than what it was in the past. But we did have a lot of things happening over the last couple of years. Of course, there was this whole demerger happening, we had, of course, the whole listing that happened, we had some unfortunate recalls that we did in abundant caution because for us it was very important that quality remains paramount. So, we had to recall certain brands. And, along with that, we were also building a new organization. So, by building a new organization, it's really restructuring, reorganizing, really going back to the drawing board, hiring the best

talent out there. And that's the journey that we had over the last two years, where we also went back to all the relaunch products. So, as we speak today, all the products that we had recalled are back in the market and, again, moving back very quickly to the leadership positions.

- We also had globally for us, if you really look at it, we are a part of Opella. And that was also one change that happened in that last two-year period, where we had CD&R, which is again a global company, taking a stake in Opella Global. So, a lot of action, to be honest, in this space, in this category for us over the last two years, where we ended up really building a very strong organization for the future.

- And just to give you some examples of what has changed over the last couple of years. So, if you look at three key areas of influence for us or places which really matter in terms of growth, so be it the doctors or the healthcare professionals, be it consumer, and, of course, the pharmacies and the point of sale, before we were a demerged entity there were only two things we could do. Only two brands, Allegra and DePURA, where we did some work with healthcare professionals. Beyond that, no work with consumers, nothing on point of sale. And one big change that has happened over the last couple of years is today, as we speak, when we go to the HCPs, we go with an entire portfolio. We all heard of Combiflam as a brand like and when I joined this business I was amazed to know that we had not gone to the HCPs to speak about Combiflam for the last 15 years and still continued to be amongst the top five brands. That speaks about the strength that this brand had. So, we went back to the HCPs, we went back to the doctors, making sure that our connect with the HCPs doesn't go away.

- So, as we speak, all four brands in the portfolio today are spoken to with the HCPs, are areas where we invest with the HCPs, are areas where we go and do a lot of meetings and discussions with the HCPs and we've also initiated direct consumer communication; simple things like what is the difference between a common cold and allergy. I mean, today, if you ask many people, they won't know the difference. And as a leader in this space, I think it was imperative for us to take that leadership role and make sure we speak to the consumer directly, tell them what it means so that they grow the category the way we want them to.

- And also in terms of point of sale, for the first time in years we've started again investing on retail pharmacies. In terms of our discussion, in terms of our visibility, in terms of making sure the pharmacist is well educated about our brands and the superiority that we have versus competitors. And that's something that we started doing over the last year, year and a half, since we became a separate entity.

- And while we can talk about business and the changes that we've done, I think the much larger focus was really on getting the team right, getting the culture right. I think that's one question I used to keep asking the team on, you know, how different are we to what we were earlier? Yes, we definitely need to keep the strengths that we had but being a fast-moving consumer health organization, we need to do things

differently. Starting with getting and hiring the best talent in the FMCH world. If you really look at the leadership team today, you will find people who've come with great experience across health and consumer organizations. And that's something we've built over the last year, year and a half. A very strong KPI-driven performance culture. Great performance is rewarded big time. And, of course, in terms of performance if something not great, that's called out. And that's the culture we really want to build going forward as well, which will really mean faster growth for us as a business.

- In the first year, year and a half, itself we were also recognized as one of the most preferred workplaces for not only overall but for women as well. And I think for us as an organization, that gives me a big sense of pride, a huge sense of pride for being recognized as a great workplace for women. Our diversity in terms of the number of women employees has actually gone up more than two times over the last one year. And we continue to work in that direction because we believe very strongly that a great, diverse organization is what will lead to great growth in the future.

- And, yes, wellness at the core of workplace. So, most of our policies, our workplace is designed to make sure that people feel great when they're at work and they deliver the most productive work that they can do. So, more from an HR culture perspective, again a lot of work to enable the whole business strategy that's happened over the last one year, one and a half years. And that's led to good business performance in 2025. Our Revenue from Operations has gone up by 21%, Operating Profit up by 13% and a 33% increase on PAT. And that's what we recorded last year in terms of our performance.

- We spoke about business, we spoke about people but it's also about doing things beyond business. There are two key areas that we've started working on. And, again, in a place like India when you start this, it's still a drop in the ocean but that's a very serious attempt from our side to make sure that we do something beyond just our business for the society.

    - The first one was Project Amrit, which is about access to clean drinking water. And in the last one year, we've actually reached close to 200,000 people by giving them access to clean water.
    - The second one was on air pollution. So, we partnered with a government agency for a project called Van Mitra, where close to 400 tons of CO_2 was reduced by planting over 34,000 trees.

- And, finally, we also got certified as a B-Corp organization. And for people who don't know what B-Corp is, it's one of the most prestigious certifications that's there globally on the highest standards of ethics, social and environmental performance. And that's also something that we were certified with. So, amongst the few companies in India who are B-Corp certified, we are one of them now. So, yes, beyond work, beyond business, we've also started taking steps to make sure we also do something meaningful for society at large.

- Now, that's been the story over the last couple of years, which has been more about building a business, getting things back on track, making sure that we are now a ready engine to really move fast in the future. I think one thing is very clear, we are in the right categories today. Significant growth opportunities still remain in all the core categories that we operate in. So, be it allergy, 3 out of 10 people have suffered from any allergy in the last six months, 9 out of 10 people have experienced some kind of pain episode and 7 out of 10 Indians are deficient when it comes to Vitamin D. And if you look at the market size and the market potential where the market is growing as well, for us there is still a huge headroom to grow. So, I think the good part is we are in the right space, we are in the largest bubbles of CHC with the best brands that we have in the portfolio with immense headroom to grow still in each of these categories.

- And we've also seen the strength of our brands. We've had consumers talk about our brands on social media and that's happened in spite of us not doing big investments in the past. But all these brands are well known - Allegra, Combiflam, Avil for that matter. If you go to the Heartland today, ask anybody 'Avil', they know the brand. And that's the added advantage that we have that we don't need to build brand awareness to that extent, I think it's really about just reminding people about the strength that we have and the superiority that we have versus other competitors in the market.

- And, most importantly, the overall health landscape in terms of consumer behavior is also changing. A lot of people today are taking health in their own hands, a lot of people are going online for searches. Thanks to ChatGPT, something that you want to know about anything, you can just go online and type. And we see that increasing day by day. For a simple pain episode or for a simple allergy, people are thinking twice about really going to the doctor and paying that huge amount. So, there is a lot of self-care happening, there is a lot of education that people are wanting in these critical categories that we operate in. So, 53 million people accessing online about their health or asking questions about their health. Almost 1 in every 4 consumers are self-medicating today. 15% where they ask the pharmacist. And that's a landscape that's only going to increase as people get more information, as they get more access to information online.

- And if you really look at the key drivers today, and one of them we put on screen is on VMS, which is Vitamin Mineral Supplements, the largest influencer today is social media. So, clearly there is a lot of room for us to play in terms of consumer education, making sure that we are people that go out with great credibility, with all the information that we have and educate people for them to make the right choice.

    - So, HCP as a lever, we continue to work on it because that's where the science wins.
    - Consumers, for sure, because that's really a place where self-medication is going up.

- And of course, pharmacies, which is a point of sale where we really need to go big.

- And it's very important that we start investing behind it because when we looked at the overall landscape today and when we started our business, our media spends, our HCP coverage or even our direct store coverage was not to the level of what we want or to what the category is. So, again, while the categories have great room, there's also room in terms of channel space that's clearly available in terms of our visibility, in terms of our presence, in terms of our distribution.

- So, what do we do about it, right? We know there is space, we know there is a lot of room in our categories to do. I think if I were to really talk about our strategy in one page, this is what it is. It's really about a synergistic demand generation through both HCP and self-choice. We cannot just go with one. We just cannot go with one because in many of our categories, still for the first initiation, HCP is critical. So, we will continue to work with HCPs. And, of course, while we keep building our consumer franchise around it, which is really the true FMCH model, our mission is very clearly 'Health in your hands', which is exactly the same as what we have globally, making self-care as simple as it should be so that people are well informed to take the right decision. And we do want to be the best FMCH in and for India.

- So, what do we do? I think three key areas or three levers which will drive our growth agenda moving forward.

  - The first one being scaling up HCP initiation, which means reaching out to more number of HCPs in our specialties because, again, that's an area where we are still not fully leveraged. We are very clear about the concentration curves on each category and, yes, there is room. So, the first lever is going to be increasing reach with HCPs.
  - Scaling consumer engagement, I spoke about it. More investments on brand building, social media to make sure that people are well informed.
  - And, finally, improving access, which is being available directly in more number of stores. Of course, today you will find a Combiflam and Allegra in most of the stores out there but that's through indirect channels as well. So, once you start doing directly, of course, you have larger control over those stores and more range selling that you can do there.

- So, three key pillars that we'll invest on moving forward to make sure our growth ambitions are fulfilled.

- And in terms of key enablers, continue to build the right talent around the organization, hire the best people out there to make sure we have a very, very strong foundation in terms of talent.

- Digital and AI, we have already started investing in AI and that's really helping a lot of functions be more productive than what we were in the past.

- And a very lean and efficient supply chain. We are now fully independent as an entity when it comes to our supply chain operations and that's also helping in terms of overall cost management.

    - So, we plan to double our doctor reach face to face. I'm not talking about the online reach. That, of course, will be way higher with the number of campaigns that we do. But from where we are, we plan to double the reach to HCPs.

    - Digital reach in addition to 50,000 HCPs, from where we are today, to really scale up our HCP engagement efforts in the category.

    - Digital first demand generation. These are a few of the campaigns that we had done over the last six months, which have done really well. We've already started talking about DePURA on social media, Allegra is on social media. DePURA, we've already seen. For Combiflam, we did a big activity in Mumbai during the Ganesh festival to really kickstart our conversations with consumers there.

- So, again, a lot of things which have happened for the first time and these are areas which we continue to build on as we move into the future.

- Increasing direct retail coverage. So, we've got very clearly certain programs running for which we need to win in the store. Multiple display points and visibility points in store, that's something that we've started working on. And, of course, increasing our direct coverage also by 2X.

- So, both on the HCP side, consumer side and the retail side, efforts have been increased to make sure that our access and our reach becomes much larger than what it is today.

- And to enable it, of course, we've got a lot of work happening on the right talent and culture piece because it just cannot happen by saying it. So, we need the best talent out there. So, we are looking at the best FMCH talent across the industry. We are working majorly on productivity today, so a lot of programs have already been put up in sales for better visibility of data, much better analysis of what we get today. And that's really helped us strengthen our decision making but, more importantly, has also built a lot of agility in the system to take calls very quickly.

- And, finally, on our culture, we call it the challenger mindset, which is more about a culture where people challenge status quo, not just live with what was there in the past but make sure that we do something new, do something different to really create a big impact in this business which, of course, will be supported by differentiated reward structure bringing in more speed and accountability.

- AI, I spoke about a little but, yes, each of our employees today, even to the rep level, are fully enabled with tech. So, if you were to ask me exactly what's happening at

this moment, I can tell you. So, over the last one year a lot of effort has gone into really enabling ourselves on data and insights and that's something that's really helping and, of course, AI. We've started our journey on AI already, so most of our creatives that you are seeing or you will see in the future will be AI enabled, which also means that you cut a lot of timelines in terms of copy production and very quick in terms of turnaround when it comes to creatives.

- And I think that's also a question which was asked to me when we had launched this entity separately on how empowered the country businesses. And I can tell you very clearly, it is a very empowered country business. I have had presentations, you know, to all the global teams and India is a key geography for investment. A lot of initiatives are India First now. So, while, yes, there are certain things that we get from global but there are a lot of initiatives that have been India First initiatives. And that freedom to operate and that accountability, of course, comes with it but there is a very clear understanding of the complexity that India carries and, hence, a differentiated approach that we need.

- There is complete ownership of the entire P&L be it any brand, be it global brands, be it country brands. So, that all sits with the country. We don't need to go out big time for seeking approval, so all decisions happen at the country. A dedicated inhouse AI creative team now, so we don't again really need to go out looking for creatives or asking somebody to send us something and for us to really change, you know, in our languages. So, everything's happening in India, as we speak. And, of course, we benefit from Opella's global scale and R&D and technology. The other thing which is not here is also the fact that most of our production, almost 100% happens in India. So, we are not really dependent in any way on any global supplies that happen. So, all control in terms of stock availability remains with us as a company.

- So, that's the journey, that's what I had to share with all of you in terms of what happened over the last couple of years in terms of us trying to build a strong foundation but also what are the key levers for growth moving forward. Thank you so much again for your patient listening and I can invite Richard for the Q&A now. Okay. Thank you.

- **Mr. Richard D'Souza - Chief Financial Officer, Sanofi Consumer Healthcare India Limited:**

- Yeah. Thank you, Himanshu, for the insightful presentation. We will now move to the Question and Answer session, an important part of today's program where we want to hear your perspective as well as like to answer the queries. To help us conduct this efficiently, there are certain ground rules –

    - Please, begin by introducing your name and the organization which you represent.

- To ensure we cover a wide range of topic, please avoid repeating questions or queries which have already been answered.
- You may raise your hand and someone from our team will get a mic and please wait for the mic before you start to ask the question.
- And, last but not the least, we will refrain from responding to any questions which are forward looking assumptions, unpublished price-sensitive information or commercially sensitive topics.

- If any questions remain unanswered due to paucity of time, you can mail us at igrc.schil@sanofi.com and we will answer your queries.

- With that, I open the floor for questions.

- **Mr. Nikunj Savaliya - Head - Legal & Company Secretary, Sanofi Consumer Healthcare India Limited:**

- Anyone breaking ice in terms of asking questions.

- **Mr. Himanshu Bakshi – Managing Director, Sanofi Consumer Healthcare India Limited:**

- Can you give her a mic?

- **Ms. Monica - SBI Mutual Funds:**

- Hi, I am Monica from SBI Mutual Fund. Himanshu, I wanted to understand from the global entity Opella, with the change in structure and the way you have met the management teams over last 2 years, for India what is the focus? Is it growth or is it profitability? Because we see lot of MNC companies today, for them India is becoming a center of profitability versus not focusing a lot on growth. But you seem a lot excited about this entity, so where is the excitement between the two? And don't say it's both because it's practically less possible.

- **Mr. Himanshu Bakshi – Managing Director, Sanofi Consumer Healthcare India Limited:**

- I think it's a fair question and if you see the overall presentation which I have made, it was all about penetration and growth. I think India with the way we are and the size that we have today, we are still not immensely huge for India and for the world as well. And which is why all the discussions that we are having with the group are centered around the fact on how we increase volumes and penetration. So, growth is the agenda for India, very clearly. But having said that, it's also profitable growth. And that's what we've also achieved over the last one year if you see. So, I think if you ask me one answer to this, it's very clearly growth and penetration that we want to achieve in India. And that's where the global group is completely aligned.

- **Ms. Monica - SBI Mutual Funds:**

- Thanks.

- **Mr. Saurabh Kapadia - Sundaram Mutual Funds:**

- Hi, this is Saurabh from Sundaram Mutual Fund. If you can talk about the future pipeline in terms of products which can come from the parent portfolio. And also, there are a few products in India which are not a part of listed entity. So, the possibility of getting those products to the listed entity. And as of now, who does the marketing for those products? Yeah, thank you.

- **Mr. Himanshu Bakshi – Managing Director, Sanofi Consumer Healthcare India Limited:**

- Thank you for the question. On the pipeline, yes, we continue to evaluate strong propositions across the categories that we operate in. I think one case in point was the launch of Allegra D, which just happened last year, which was one of the unique formulations that you see in the India market. So, we will continue to work on that.

- Having said that, as I mentioned in the presentation as well, there is still a lot of headroom, even with the core brands that we have today. If you look at our market shares, if you look at the penetration, it's still a lot to go. But we will continue to evaluate. There are strong pipeline ideas that we have, which will continue to come in the future.

- On your second question, which is about the other products which are not a part of the listed entity, yes, these discussions continue to happen with the group. Of course, once we have a discussion with the board, we will come back to all of you. But as of now, the decision is to continue with what we have right now.

- And who manages it? Of course, there is the same team that manages it, for which it's cross-charged to the entity.

- **Mr. Hitesh Mahida - HDFC Life:**

- Yeah, Hitesh here from HDFC Life. Have you received the OTC approval for any of our brands? And do we have plans to target the e-commerce and the modern trade?

- **Mr. Himanshu Bakshi – Managing Director, Sanofi Consumer Healthcare India Limited:**

- So, thanks, Hitesh, for the question. As you're aware, the OTC policy is still in the works. And of course, we are expecting that it will come out very soon, which will, of course, give a lot of brands the title of OTC in the country. So as of now, it's still in the works.

- We have started work on e-commerce and modern trade, but it's still in single digit in terms of contribution to the business. But we are listed across platforms today, where you will find most of our brands, but growing much faster than the core business.

- **Mr. Hitesh Mahida - HDFC Life:**

- And increasing coverage to 2X as far as HCP is concerned, any time frame we are looking at here?

- **Mr. Himanshu Bakshi – Managing Director, Sanofi Consumer Healthcare India Limited:**

- So that's 2026 itself.

- **Mr. Hitesh Mahida - HDFC Life:**

- This year itself?

- **Mr. Himanshu Bakshi – Managing Director, Sanofi Consumer Healthcare India Limited:**

- This year itself, yeah.

- **Mr. Jitendra Sriram - Baroda BNP Paribas Mutual Fund:**

- Hi, Jitendra here from Baroda BNP. I had two things that I just wanted to check with you. One is Opella has certain other verticals like Gastro, Enterogermina, they have laxatives, etc. So, I mean, I understand the fact that you're talking about that there's a lot of potential for these products. But at the same time, a lot of it is older generation products as well. So, I just want to understand, is there any move to also look at certain other pillars apart from pain management, allergies, and the nutrient segment?

- **Mr. Himanshu Bakshi – Managing Director, Sanofi Consumer Healthcare India Limited:**

- So very clearly, yes. Because if you really look at the mission that we have, to be the best fast-moving consumer health company. Now, consumer health is about many other categories than just what we are available in. So, we do keep evaluating in terms of what's the right entry space for us. Is there something that we can leverage from the global portfolio to enter such categories? So that work continues to happen as we speak. So, there's no set decision on which category we're entering right now, but we continue to evaluate. And that's something which will definitely come in the future.

- **Mr. Hitesh Mahida - HDFC Life:**

- What sort of practitioners are we targeting in specialists, which are the kind of specialists we are targeting going ahead? And on the GP front also, if you can share what kind of coverage increase, we are looking at?

- **Mr. Himanshu Bakshi – Managing Director, Sanofi Consumer Healthcare India Limited:**

- So, if you look at our brands per se today, some are brands which go to specialists. So paediatricians is the biggest one, because most of our brands today go to paediatricians. Allergologists are the other big one, because for allergy, that's where chest physicians are the other one where we go to big time in terms of what we do today. GPs is a space which is huge in India. So, it's not easy to today say that we can reach every one of them. When we look at 2X, it'll be a mix of all these key specialties that we'll go to, because we've also studied, as I said, the concentration curve in terms of which is the right number that we need to go beyond, which it doesn't become very productive. So, it's a mix across these specialties that will continue to go. Because in most of these specialties, even today, with the most biggest prescribers, we are under leveraged. So, the first idea is to at least reach that threshold, where we are reaching the maximum in terms of the curve, and then we move to the other ones.

- **Mr. Hitesh Mahida - HDFC Life:**

- And were there any excess sales booked in fourth quarter, because of the recovery we saw in the business?

- **Mr. Richard D'Souza - Chief Financial Officer, Sanofi Consumer Healthcare India Limited:**

- Sorry, can you repeat the question?

- **Mr. Hitesh Mahida - HDFC Life:**

- We had a lot of recalls last few quarters, right?

- **Mr. Richard D'Souza - Chief Financial Officer, Sanofi Consumer Healthcare India Limited:**

- Correct.

- **Mr. Hitesh Mahida - HDFC Life:**

- So, were there any excess sales booked this quarter because of...

- **Mr. Richard D'Souza - Chief Financial Officer, Sanofi Consumer Healthcare India Limited:**

- If you see the quarter for domestic sales, it grew by 22%, and you remove the recall from there. Without recall, the growth is 11%.

- **Mr. Hitesh Mahida - HDFC Life:**

- And going ahead, do we have any aspirational growth guidance internally, which we are targeting because….?

- **Mr. Richard D'Souza - Chief Financial Officer, Sanofi Consumer Healthcare India Limited:**

- No forward-looking assumptions or statements, sorry.

- **Mr. Hitesh Mahida - HDFC Life:**

- Thanks.

- **Mr. Shyam - Aditya Birla Sun Life Mutual Fund:**

- Hi, this is Shyam from Aditya Birla Mutual Fund. One question on investment. So, you mentioned probably increasing our A&P spends and trying to get more penetration across channels. Where exactly in that investment phase are we? Are we still kind of increasing our exposure still, or are those investments behind us and we are probably looking at more growth coming in from those investments now?

- **Mr. Himanshu Bakshi – Managing Director, Sanofi Consumer Healthcare India Limited:**

- So, thanks for the question. I think these investments already started last year, if you really look at it. And most of the work that you see on digital and whatever is already not something that you're doing now. I think so that's already started, I would say, from the second quarter ideally of last year, when we really started investing behind brands. And that's where we'll continue to again build it up in the future. And let's be honest, we are not an organization who's been spending this money for years. So, it will take, of course, some time to build these brands. But the investment is something that we've started earlier.

- **Mr. Shyam - Aditya Birla Sun Life Mutual Fund:**

- Interesting. Interesting. And second question on our growth aspirations. So obviously, that is coming on very well that you know, you guys are very focused on growth as a metric. But if I have to think of it, maybe the IPM growth is something that we track or the category growth is something that we are tracking because the

kind of categories that we are in a slightly slower growing in nature. So where should we kind of picture you in?

- **Mr. Himanshu Bakshi – Managing Director, Sanofi Consumer Healthcare India Limited:**

- I think we look at both when I really look at it, because at the end of the day, it's important to see the overall structure as well. But for us, it's absolutely clear that the categories that we operate in are the ones that grow very fast. With the virtue of the fact that we are either number one or number two in most categories that we play in, I think the role of category expansion also lies with us. And that is where the efforts are. So, things like I mentioned, which is more about simple things like difference between allergy and common cold. I mean, these are all areas which we are trying to educate consumers so that it's more a category building initiative rather than just talking about Allegra. So, while yes, we do look at IPM, but category growths are key for us, especially in places that we are in today.

- **Mr. Shyam - Aditya Birla Sun Life Mutual Fund:**

- Interesting. Perfect. Thank you.

- **Mr. Ritesh - Nippon India Mutual Fund:**

- Hi, Ritesh from Nippon Mutual Fund. Can you for product innovation of new product launches, what are the efforts in terms of the R&D team internally here in India as well as at Opella global level? And I was just going to the website. Opella is also trying to do something like crowdsourcing for the R&D ideas. So, can you put some colour like how these efforts will eventually play out in next 3 to 5 years and what product launches can eventually happen because of these efforts?

- **Mr. Himanshu Bakshi – Managing Director, Sanofi Consumer Healthcare India Limited:**

- Thank you for the question. So, innovation is a key pillar very clearly for us going forward. I think what benefit that we have as an organization is we've got a very strong R&D network globally, which means great science behind all the brands that are available there. As we speak, there are a lot of ideas which I was also discussing with the other people that we're already testing, which are very meaningful new innovations coming in the future. And Allegra D, as I said, is one of them that came out because of all this research. So, we will continue to build on this. While yes, core continues to be our big focus area. But meaningful innovations are going to come very soon in this space from our side.

- **Mr. Ritesh - Nippon India Mutual Fund:**

- Anyway, you can help us in terms of the quantum of effort or investments you are doing, which can give you output in the next 3, 5 years. Say output could be binary. Today, if you are on 4 or 5 products, 3 or 5 years down the line, it can be 3X or 5X, depending on but on the effort side, if you can give any colour, any quantification.

- **Mr. Himanshu Bakshi – Managing Director, Sanofi Consumer Healthcare India Limited:**

- So, what I can tell you is we have both local and global sources, resources available for that. So, while there is a dedicated R&D team in-house, we also have a very strong network at the region and at the group supporting us for each of the launches in the category. The first focus will always remain categories that we are in already, because that's where we really want to build and strengthen our position. And that's where this journey is only going to continue in the future. And you will see some very exciting launches coming soon.

- **Mr. Ritesh - Nippon India Mutual Fund:**

- Second on your field force, your MR or whatever term you give internally, how that has changed post the separation. And when you plan to improve the reach on HCP or store count, whichever way you internally track, would it happen through this internal field force working more efficiently and or you would use third party MRs, which most of the other MNC peers have gone and changed, has adopted that business model. If you can give some colour?

- **Mr. Himanshu Bakshi – Managing Director, Sanofi Consumer Healthcare India Limited:**

- Yeah. So, on your first question, how have things changed? I would actually put it into two buckets.

- One, I think, is the whole appreciation of data and how we've data enabled each one of these people down the line. You know, what I showed on the slide, something called one touch, you know, that's something each rep now carries today. And he's informed exactly about what he's doing, how much he's achieved, how much of he needs to achieve more. So that one single gateway or app is making him so digitally enabled that's leading to much faster decision making and much better insights for the rep. So that's the first change.

- The second one is in terms of content itself. So, the use of AI to making sure that we give the best content versus competitor. I mean, do a lot of studies on that. Gone are the days when you just go and start detailing on an iPad to the HCPs. You have to make it more meaningful. So, a lot of work has happened on content generation, you know, which is now way better than what we were probably a couple of years back.

- And your question on reach, I think we are definitely evaluating both the models today. There is very clearly a roadmap to increase productivity from the current sales force also, because, you know, there is definitely room there. But if there are interesting ideas where we can, in the right manner, in the right cost, you know, reach much more HCPs in terms of reach, why not? So that's something we are still evaluating on a few models on what we do. But definitely productivity from the same team is also on the agenda.

- **Mr. Ritesh - Nippon India Mutual Fund:**

- What is the team size?

- **Mr. Himanshu Bakshi – Managing Director, Sanofi Consumer Healthcare India Limited:**

- So, 350 odd people today, medical reps that we have going outside.

- **Mr. Ritesh - Nippon India Mutual Fund:**

- And just maybe on the reach question, if you want to put it more on region wise, North, East, South, West, and any further segmentation you do internally, where you are closer to your target, where you are way behind. This number which you would have given would be a blended number at the India level. But if you can give, because basically we can say that if you're present more in West, you need to replicate that thing maybe somewhere in East or Northeast?

- **Mr. Himanshu Bakshi – Managing Director, Sanofi Consumer Healthcare India Limited:**

- So today, if you look at our business, we are more strong in North. So North, including UP, has been a stronghold for our business in the past. East is where we want to make more inroads, to be honest, to make sure that we are there as per what the category is. And on West and South, we are as per category. So over indexed in North very clearly today on the business.

- **Mr. Ritesh - Nippon India Mutual Fund:**

- Thank you.

- **Mr. Shiv - ASK Mutual Fund:**

- Hi. This is Shiv from ASK Mutual Fund. I have 3 or 4 questions, so please bear with me.

- First, if you can elaborate a little bit on how the dynamics could change once the OTC regulations come in, and I mean, in general on the healthcare side, but specific to your company, that would be useful?

- **Mr. Himanshu Bakshi – Managing Director, Sanofi Consumer Healthcare India Limited:**

- I think, first of all, it would be a great step, you know, if it happens, because that's really in line with empowering patients and consumers with the best information. I think the biggest impact will be really the fact that we'll be able to communicate with the consumer directly. You know, today on few categories, we are not able to, you know, you can't talk Allegra directly to people. You can't talk about the benefits that we have. And I think it's important for certain categories which are not very serious ailments, the consumers should be ideally getting that opportunity to understand what it is, especially when they're self-medicating. So, I think the biggest unlock will be direct consumer communication, you know, the moment OTC comes in, and then that gives us the freedom to really, again, build the category from where we want to today, which is today a constraint as we speak. So that'll be the biggest unlock for us.

- **Mr. Shiv - ASK Mutual Fund:**

- Sure. So just as an extension to this, while we wait for the regulation, do you think within your brands, do they lend themselves to some kind of a brand extension, which can talk directly to the consumer?

- **Mr. Himanshu Bakshi – Managing Director, Sanofi Consumer Healthcare India Limited:**

- So, they do, to be honest, if you really look at our portfolio today. The Combiflam cream is a portfolio that we have. It is a part of the Combiflam portfolio where you are allowed to talk to consumers directly. And that is something what we used, you know, in our event that we had done, at Lalbaugcha Raja, which was a huge event for us last year. And the first opportunity that we took to communicate directly with consumers. So, yes, there are extensions. Within categories there are meaningful places which will give you that opportunity to speak to consumers directly. And we are actively looking out for that.

- **Mr. Shiv - ASK Mutual Fund:**

- Yeah. So, would these brand extensions play an important part for your growth, whatever you're thinking in the next 3, 4 years?

- **Mr. Himanshu Bakshi – Managing Director, Sanofi Consumer Healthcare India Limited:**

- Absolutely. So, as I said, innovation, new brands in our categories will definitely be important for us to grow. While, yes, core will be always first priority because there is a lot of room to grow. But areas which are meaningful, which allow us room and are meaningful for the consumers are also something we are actively looking out for, which is where, as I said, Allegra D came out. There was no brand for congestion out there with the pseudoephedrine formulation. And when we did our research, we found out that's a vacant space in the category and which is why we launched Allegra D last year. So, we continue to look at these opportunities. But you're right, there are adjacencies that will help us grow in the future.

- **Mr. Shiv - ASK Mutual Fund:**

- Right. The third is on the inorganic side. I mean, you talked about how India is fully empowered and things like that. So, does inorganic opportunities also come as a part of empowerment or?

- **Mr. Himanshu Bakshi – Managing Director, Sanofi Consumer Healthcare India Limited:**

- I think the key question that we need to answer there is what are we wanting to look at from an inorganic perspective? And I think that's a discussion we keep having with the group.

- And then the second layer to that question is a make versus buy. We know the multiples in India, right, on how they work. The other good way to look at it is India has a state-of-the-art manufacturing ecosystem.

- So, we do keep looking at these options. Global is absolutely open to these discussions. But we need to answer a few questions before we go ahead with that.

- **Mr. Shiv - ASK Mutual Fund:**

- Right. Just two last questions. You talked about investing in brands and things like that. So, I'm just wondering, would you be thinking like an FMCG company in terms of margins versus growth and say that, you know, look, I am happy to sacrifice a few percentage points on margins if it means a better growth for me?

- **Mr. Himanshu Bakshi – Managing Director, Sanofi Consumer Healthcare India Limited:**

- I think for us, sustainable, profitable growth will always be the agenda, right? Today, when you look at our portfolios with the virtue of wherever we are today, we have increased our spends. And if you really look at the margins also today, we've not had

a significant downside there. I think we'll have to be smart about the way we're going to spend this money. In the right places, be very focused in terms of where you want to put the money, which is why we continue to do a lot of testing runs on the business. So, we don't look at areas like you've got a pot of money, just go and spend it out there. And I think we are very, very mindful of our bottom line. And that's also one of the KPIs that I am tracked on. So, it's very clear top of the agenda for us on both top line and bottom line.

- **Mr. Shiv - ASK Mutual Fund:**

- Okay. And just last question, which actually is linked to what you said last, is that when you evaluate yourself, let's say 3 years kind of a time frame or even on a continuous basis, do you look at a matrix of market share gain within that category? Or would you be looking at saying that, look, I have grown 1.5 times the category, so it's fine?

- **Mr. Himanshu Bakshi – Managing Director, Sanofi Consumer Healthcare India Limited:**

- No, I think the way we are evaluated and all of us as leadership are evaluated is very clear. So, it's top line, market share, bottom line. So, these are the 3 pillars where we all get evaluated. And by market share, it's very clear we'll have to grow faster than the market. We'll have to make sure that we beat our competitors out there. So that's a key metric of our performance evaluation as a team.

- **Mr. Shiv - ASK Mutual Fund:**

- Great. Thank you so much for answering questions.

- **Mr. Mahesh Vyas - UTI Mutual Fund:**

- Yeah. Hi, Mahesh Vyas from UTI Mutual Fund. Given the growth potential we have for already existing products and our MR are 350 some found, so are we looking to add MR also given there are certain regions where we are yet to touch? Thanks.

- **Mr. Himanshu Bakshi – Managing Director, Sanofi Consumer Healthcare India Limited:**

- Thanks for the question. So, we do go to all regions today, first of all, so it's not that we are not reaching there. I think the gap which I mentioned was the fact that are we reaching enough HCPs that we need to reach in our categories?

- So, yes, on certain specialties, there is definitely a gap today. And this gap will be, of course, looked at by two ways.

- One is more productivity and efficiency in the current sales force that we have today, which is why we have a separate performance analytics team that really works on the right model and the approach we need to take.

- And the second one is, yes, we need to look at different models of reach. Will it be a digital model and Omni that we'll use or we will look at adding more people, is a question that we'll have to answer looking at what the business case looks like, because you can't be just adding people without getting the benefit out of it.

- So, we do keep looking at these options. But I think the ultimate objective is to reach the concentration curve with the right number of HCPs that we need to. So that's how we're going to evaluate it.

- **Mr. Hitesh Mahida - HDFC Life:**

- Post coming back from recalls, what is the kind of feedback we have got from practitioners? I mean, have we lost a decent market share, which we may find it difficult to regain?

- **Mr. Himanshu Bakshi – Managing Director, Sanofi Consumer Healthcare India Limited:**

- So, of course, if you're out of the market for more than a year, it definitely had an impact. It also gave opportunity for other brands to come in and take our space. I think what's worked well for us since we've come back is one, we are very quickly getting back to almost the same run rate that we were before we had the recall. So out of the 4, almost 2 have already reached it. On a couple of them, honestly, and that's the feedback coming from HCPs, they were delighted that we had come back because they did not get a great experience from other brands that they had used. So, I think that further established the fact and our superiority in their mind. And they continue to grow very fast now and we're almost there in terms of our run rates before we had gone out of the market. But yes, it did have an impact for that one year for sure.

- **Mr. Hitesh Mahida - HDFC Life:**

- And are we now well diversified as far as CMOs are concerned?

- **Mr. Himanshu Bakshi – Managing Director, Sanofi Consumer Healthcare India Limited:**

- Yes, I think if you really look at our overall CMO network today, it's very well covered. Absolutely no issue that we foresee in terms of any production or any supplies in the future.

- **Mr. Hitesh Mahida - HDFC Life:**

- Thanks.

- **Mr. Nikunj Savaliya - Head - Legal & Company Secretary, Sanofi Consumer Healthcare India Limited:**

- So, thank you very much for joining us, ladies and gentlemen, on behalf of Sanofi Consumer Healthcare India Limited. I convey a deep appreciation for joining us today in person and that too because this is the special one, the first investor meet. And thank you again for your confidence in the organization and be part of engagement in the strategic priority discussion, that only helps and that is deeply valued.

- From our side, we remain committed that we will continue to uphold highest standards of governance, transparency and performance. And you will see obviously in the coming years and our association will always be fruitful. With that, I conclude this investor meet and please join us for the high tea and thank you very much.

END OF TRANSCRIPT

Disclaimer: This transcript has been edited to remove any grammatical inaccuracies or inconsistencies of English language that might have occurred inadvertently while speaking.