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May 17, 2025

To,

BSE Limited Phiroze Jeejebhoy Towers Dalal Street Mumbai - 400 001 **Scrip Code (BSE): 544009**	**National Stock Exchange of India Limited** "Exchange Plaza" Bandra-Kurla Complex, Bandra (East) Mumbai – 400051 **Symbol: BLUEJET**

Sub: Transcript of the Earnings Call with Analysts/Investors on Financial Results for the quarter and financial year ended March 31, 2025

Dear Sir / Ma'am,

Pursuant to Regulation 30 of the SEBI (LODR) Regulations, 2015, please find enclosed the transcript of the Earnings Call with the Analysts/ Investors on the Financial Results for the quarter and financial year ended March 31, 2025 held on May 14, 2025.

The same is also available at: https://bluejethealthcare.com/investor-presentation/

You are requested to take the same on record.

Thanking you,

Yours faithfully,

For **Blue Jet Healthcare Limited**

SWETA PODDAR
Digitally signed by SWETA PODDAR
Date: 2025.05.17 11:28:22 +05'30'

Ms. Sweta Poddar
Company Secretary & Compliance Officer
(M. No.: F12287)

“Blue Jet Healthcare Limited's Q4 & FY'25 Earnings Conference Call”

May 14, 2025

MANAGEMENT: **MR. SHIVEN ARORA - MANAGING DIRECTOR**

MR. VK SINGH - CHIEF OPERATING OFFICER

MR. GANESH KARUPPANNAN - CHIEF FINANCIAL OFFICER

MR. SANJAY SINHA - DEPUTY CHIEF FINANCIAL OFFICER

Moderator: Ladies and gentlemen, good day and welcome to Blue Jet Healthcare Limited Earnings Conference Call.

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 this conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Advait Bhadekar from E&Y LLP. Thank you and over to you, sir.

Advait Bhadekar: Thank you, Neerav. Good evening and a warm welcome everyone to Q4 & FY'25 earnings call of Blue Jet Healthcare Limited.

Please note, the Investor Presentation and the Financial Results are available on the Company website and the stock exchanges. Also anything said on this call, which reflects our outlook for the future, or which could be construed as a forward-looking statement, must be reviewed in conjunction with the risk that the Company faces. The conference call is being recorded and the transcript along with the audio of the same will be made available on the website of the Company as well as on the exchanges. Please also note that the audio of the conference call is the copyright material of Blue Jet Healthcare Limited and cannot be copied, rebroadcasted or attributed in press or media without the specific and written consent of the Company.

From the management, we have with us Mr. Shiven Arora, Managing Director; Mr. VK Singh – Chief Operating Officer, Mr. Ganesh Karuppannan – Chief Financial Officer and Mr. Sanjay Sinha – `Deputy Chief Financial Officer.

Now, I would request Mr. Shiven Arora, Managing Director of Blue Jet Healthcare Limited to provide you with the updates for the quarter and year ended 31st March 2024. Thank you and over to you, sir.

Shiven Arora: Thanks, Advait. Good evening, everyone and thank you for joining us. I am pleased to report that FY'25 has been a record-setting year for Blue Jet Healthcare with significant progress across all operational and financial metrics. Our performance reflects not just topline growth, but a meaningful improvement in quality of earnings, driven by new capacity additions, operational leverage and disciplined cost control.

Sharing some financial highlights:

Q4 FY'25 revenue from operations stood at Rs. 3,404 million up 7% quarter-on-quarter, and 85% year-on-year. EBITDA for the quarter was Rs. 1,400 million with margins expanding to 41% up 39% in Q3 and 29% in Q4 last year.

For the full year FY'25, we closed with a revenue of Rs. 10,300 million, growing 45% year-on-year. EBITDA stood at Rs. 3,777 million at a 37% margin, up 65% year-on-year and PAT was at Rs. 3,052 million, which is also up 87% year-on-year. These results mark our highest ever revenue EBITDA and PAT on both quarterly and annual basis.

Sharing some of the growth drivers, starting with pharma intermediates and API segment. Revenues grew nearly more than 4x year-on-year, driven by scale up of the cardiovascular intermediate that was launched in H1. Decent capacity utilization achieved by Q4. Customer offtake continues to track well into FY'26. In contrast media, despite a muted H1, the segment stabilized in H2. New product validations translated into commercial sales in Q4, including a key NCE molecule. Further scale up is expected in H1 FY'26.

In terms of high intensity sweeteners, there is a marginal growth of 4% despite global headwinds. Volumes have been remaining stable with improved price realizations. Sharing some operational highlights, we have been able to add 157 KL of new capacity across two phases in Unit-2 Ambernath, commissioned a new contrast media block in Q4, which is now in commercial production. We have committed Rs. 400 million for new R&D center focused on amino acid derivatives, advanced intermediates and late stage NCE intermediates.

We maintained a strong cost discipline. Freight and power costs are well optimized. Gross margins are stable at 55% and EBITDA margins have improved from 32% to 37%. In terms of cash flow and liquidity, cash and treasury investments of Rs. 2,848 million as on 31st March 2025. The Company remains its debt free status, and the Company has declared a dividend of Rs. 1.20 per share which is subject to shareholder approval.

In terms of outlook, with strong customer demand visibility, multi-year contracts and capacity headroom, we are confident of sustaining a growth momentum. Mahad Unit-3, backward integration facility progressing well, which is redesigned for continuous processing, expected to go live in H2 '26. We have been increasingly seeing a strong traction from Europe-based innovators supported by new business development hires. Things like adoptions of GLP-1s, LCEs, and global CDMO de-risking from China is creating long-term opportunities for us.

We thank our employees, customers and shareholders for their continued support. With that, I now invite Mr. VK Singh – Chief Operating Officer, to walk you through the operational strategy and capacity update followed by Mr. Ganesh – the CFO, who will take you through the financial details. Thank you.

VK Singh: Hi, good evening everyone and welcome to the call. The first of this new financial year and as Shiven has shared the results of the previous year, I think they are very encouraging and we are all very excited to speak to you all.

The new CDMO capacity catering to the PI and CMI segment at Unit-2 Ambernath is completely on stream now and its consistent production schedule due to high order visibility is online.

Currently, we are running this capacity at about 60% to 65% capacity utilization. The cardiovascular intermediate that we supply from this capacity to the innovator is gaining good traction and has shown consistent growth over the last several quarters. as the molecule as such is doing well in US, Europe and ROW markets.

The prescriptions have grown by more than 60% over the last calendar year and we believe that this momentum shall be maintained. We are confident that based on the capacity that we have installed, we are very well poised to capture any uptick in the demand. At Unit-3 Mahad, we were creating a capacity for backward integration for the CMI segment. This is a highly engineered plant on continuous process for making the KSM for our CMI product. Work is ongoing and in full swing. And as indicated in the past, this site should be ready for validation and will go on stream in H2 of FY'26. With this plant going on stream, we strengthen our position as a credible and leading supplier of CMI to all the leading innovator companies operating in this segment. We further demonstrate our resolve to retain our leadership position in the CMI segment. We also insulate the business to significant volatility of the prices of this particular raw material, which we were till date importing.

As a country, we are experiencing significant tailwinds in the CDMO business. Most of the changes are structural and should stay. Given the propensity to remedy the dependence on China and post-COVID imperative to build supply chain resilience all MNCs are looking at India as an alternative option. We also, in the backdrop of these changes, are witnessing a quantum increase in RFPs that we are receiving. To be able to capitalize on this opportunity, we are additionally building a multipurpose plant, MPP, in Mahad and a state-of-the-art R&D center in Hyderabad. This GMP-compliant, approximately 30-reactor plant will be a versatile plant with capability to supply from a few kilos to multi tons to our CDMO clients in any geography.

At Mahad, both in the block meant for vertical integration and this MPP, a high level of automation is being built to ensure batch-to-batch consistency, optimal yields and risk-proof operations. The MPP shall also be equipped with a state-of-the-art dedicated GMP milling and particle sizing capability with two clean rooms to cater to customized requirements of our MNC clients. This plant will contain a section equipped with reactors with single fluid system that will have the capability to generate proof of concept, process optimization and validation data tailored to our client needs. The MPP capacity will however go on stream only in the second half of FY'27. As a consequence of this high level of versatility in automation, that has been built into the design of this MPP plant at Mahad, we envisage that the earlier planned CAPEX of approximately Rs. 250 crores for Unit-3 Mahad will increase to about Rs. 300 crores. The state-of-the-art R&D center being built at the cost of around Rs. 40 crores shall focus on newer chemistry platforms like peptides, intermediates for GLP-1s, biocatalysts with a focus on immobilized catalysts and work to augment and strengthen the innovator-oriented pipeline of the Company with a focus on chronic diseases.

Today at R&D, we are tracking about 20 new opportunities with high client interest and visibility. About 30% of these are in late phase 3 or commercial. We are very conscious of the

carbon footprint of the Company. Between our solar and wind, we contribute about 70% of our overall energy requirement. In pursuit of process excellence, we are further upgrading our Unit-2. New solvent recovery units are being added to reduce waste and encourage recycle and reuse. The Company is committing approximately Rs. 60 crores for this process excellence initiative.

In the last 4 years, we have quadrupled our manufacturing capacity. To keep in step with the client lock-ins and the growth aspiration, more capacity would be needed. We have acquired a piece of land in GIDC Dahej, Gujarat for expansion purposes. This new site shall add more capacity to the CMI as well as the PI segments of the business. While being GIDC land, there is a DC approval already. The allotment of GIDC is nevertheless a very recent activity. Hence, at this point of time, we shall not be able to share any firm timelines to the capacity going on stream in this call.

With this, come to the end of my part and I hand it over to Ganesh to take you through the financials. Thank you.

Ganesh Karuppannan: Good evening, everybody. We will first start with performance highlight for the full year FY'25 as compared with FY'24:

Our milestone performance of 1,030 crore in FY'25 is in line with our expectation. During the year, contrast media has degrown by 15.8% driven by slowdown in offtake in Q1 of FY'25 and certain goods in transit in Q4. This impacted the overall annualized performance of contrast media. We have started delivering supplies for NCE molecule in Q4 and expect growth in order book to be linear in line with the growth of this molecule. The launch of the iodinated intermediate is now expected in H1 of FY'26 and one could see the full potential of this molecule in the full year FY'27. In the PI API category, the order book was fully served with a new capacity addition in Ambernath and we were able to ramp up the production resulting in a jump of 388% in this particular category compared to FY'24. This is mainly driven by the advanced intermediate in the contrast cardiovascular therapy.

Now moving on to artificial sweeteners:

For FY'25, we recorded a turnover of Rs. 133 crore compared to Rs. 128 crore in FY'24, recording a marginal growth of 4.1% over previous year. Our gross margin remained at 15.2% in FY'25. No significant variation compared to FY'24. We didn't witness any significant volatility in the raw material prices in FY'25. Our operational EBITDA grew by 4.4% to 36.7% in line with our expectation. The expansion in EBITDA is on account of operating expense spread over a larger sales volume.

We reported a PAT of Rs. 305 crores as compared to the previous year of Rs. 163.8 crores. On a full year basis, our EPS for FY'25 is at Rs. 17.59 per share compared to 9.44 last year.

We will now share the key highlights of the sequential quarter. Sales grew by 6.9% compared to Q3, while EBITDA grew by 12.9%. While PI API category grew by 34%, degrowth in contrast media is on account of delayed iodinated molecule intermediate for the delayed iodinated molecule, as well as the transit inventory. Our cash conversion cycle for Q4 '25 is at 139 days compared to 135 days for Q4 '24. The increase in activities also has increased our working capital requirement by approximately Rs. 250 crores. With increased sale of PI and API product category, there are increases in receivable, inventory, and payable. You may recall our growth in this category has increased by 388%. One time increase in working capital to support the level of activity is required. Having deployed the working capital, we will be operating within this cash conversion cycle until the next step up jump in the turnover happens. Our CWIP for FY'25 is Rs. 89 crores and we propose to incur fresh CAPEX of approximately Rs. 300 crores in FY'25.

And we will actually dwell more in the Q&A session. And now we open up the floor for question-and-answer.

Moderator: Thank you very much. We will now begin with the question-and-answer session. First question is from the line of Parth Mehta from Vallum Capital. Please go ahead.

Parth Mehta: Yes. Hi, sir. Congratulations on a good set of numbers. Thank you for taking my question. I just have a few questions. First one on the pharma intermediate segment. The innovator in their conference call had mentioned that they are looking to add other sources for their product, other sources of supply for their product. So just wanted to know how do we make sure that your wallet share in the supply of your intermediates remains intact for that player?

Ganesh Karuppannan: Based on the customer forecast, what we could actually confirm is whatever number they have actually indicated to us in FY calendar year '25, that is an intact. So we go based on what the forecast we receive. And we don't speculate on other news articles.

Parth Mehta: Right, got it. So not news articles, but they are mentioned in that we are looking on for the other sources of product.

Shiven Arora: Just to add on to that, Parth, I think what we need to also understand and recognize is that the ramp up that we have done as a Company from the time we started the investments in the plant to scaling up to this such a successful outcome, we have done, I think it's been a very good outcome for the innovator and for us as a Company. So we are definitely in their good books. Even if they evaluate others, I think that is what Ganesh mentioned.

Parth Mehta: Right, got it. So it is completely based on how the forecast of the Company gives, understood. Second, just a book keeping question if you could answer me. What would be our capacity utilization across all the segments based on whatever the capacity that we have?

VK Singh: As I mentioned for this pharma intermediate today, we are at 60%-65%. Overall I would say we are at about 75% across all segments.

Parth Mehta: Great, thank you.

VK Singh: But at the same time, this is excluding the capacity that we are building up at Mahad. So this number will be different in about 6 months.

Moderator: Thank you. Next question is from the line of Sudarshan Padmanabhan from ASK NDPMS. Please go ahead.

Sudarshan Padmanabhan: Thank you for taking my question. So my question is to take forward the comments on the CAPEX specifically on the CMI space. One is on the transit side, how much of the inventory is basically which has not been recognized. Second is a little bit more strategic, now that we have the gadopiclenol iodinized molecule and also new capacity of gadopiclenol coming in. If you can give some color on how do we see the ramp up in the near term as well as on the longer term on this year?

Ganesh Karuppannan: Maybe on the first question on transit. Now this is part of the game. I think that would be some quarters we may have a slightly higher goods in transit and it could be different for certain other quarters. I think this you have to just straight away go ahead with the recognized turnover what we record. And this is according… now we have come to a stage that this is part of our operation and we have to just move ahead. So I don't want to make any specific exclusions and calculations on what is goods and transit and how it is moving ahead. I think that's the first part.

Sudarshan Padmanabhan: Yes, so the second part is, with the opportunities in the CMI space ahead, the gadopiclenol all and the iodinated molecule and also our customers which has added capacity and as a part of our capacity is also towards this, how do we see the ramp up stay in the near term as well as in the longer term for the CMI space?

VK Singh: As far as gadopiclenol is concerned, this is an NCE molecule. I think I have mentioned it in the past that the growth will be linear because the molecule has to find its own space in the marketplace. And we believe as the market size grows, our supplies of advanced intermediate would grow linearly. We are the sole supplier of this particular advanced intermediate. So we just need to follow how successful the innovator is as far as this particular molecule is concerned. As far as the iodinated molecule is concerned, we expect commercialization this year. And our belief is that FY'27 onwards, when you look at a full year performance, this could be a molecule of significance. And FY'26 is where we will be kick starting our commercial operations.

Sudarshan Padmanabhan: So if I look at the margins specifically in the second half, a lot of the incremental benefits have come through operating leverage. And given that we are talking about the momentum continuing in the pharma intermediate space and potentially the relative better growth and offset in the CMI space, how do we see the margins? I'm not specifically talking about in a particular quarter. But if I'm looking at FY'26 and FY'27, because if I understand right, we are still overall at around 75% utilization. So even the utilization can be a little higher, plus or minus, in a quarter but on

yearly basis. So on that side, should we see a steady state ramp up in the margins over the next couple of years?

VK Singh: I think, we don't give any forward guidance, but then I think it would suffice it to say if you will see the complexion of our business. We are in very highly demand in price in elastic markets. So, I mean, if you look at contrast media, we have been supplying to innovators, and we don't see too much of pressure on price because the segment is not at all generalized even though there are no patents.

Moderator: Thank you. Next question is from the line of Shashank from Emkay Global. Please go ahead.

Shashank: Yes, hi. Congrats on a good set of numbers. My first question was on the other expenses this quarter. I think we have seen a QOQ decline in other expenses. I just wanted to understand how we should look at this line item going forward, particularly when new capacities come on stream, we also see other expenses increasing towards the second half of next year. I just wanted to get a sense how we should look at it.

Ganesh Karuppannan: See, the other expense includes ocean freight, okay? For some of these products, if it is delivery at place then we incur the sea freight. And some of the new products, for example, the new cardiovascular intermediate work we are supplying is ex works. So we don't incur the sea freight. So like when you see the reduction in other expense, it's because we didn't incur, it is all to the account of ocean freight. So it is all about the equal terms of the contracts we enter in. So if you want to really look at from a long-term perspective, I think it is more to do with the product mix and the delivery terms of these products. I think that's the main reason why you see a lower OPEX for this quarter. And way forward, it will be in this fashion because now the product mix, earlier the contrast media was dominant. Now you see both contrast media and PI-API is more or less of equal weightage. And you would see this new norm in the OPEX now.

Shashank: Got it, sir. Thanks. That's very helpful. Just wanted to check for an update on the small volume pilot plant that we have been building at Unit-2. So are we on track to sort of bring that on stream sometime this year and just wanted to understand what your plans are with that plant, given that we are also setting up an R&D center now? So how do you sort of plan to leverage the capabilities at this plant as well?

VK Singh: Like you very correctly mentioned, that we are building a new R&D center. The R&D center that we are creating will have a kilo facility. And that kilo facility will be further supported by a pilot plant. So the milligrams to kgs to the higher quantities which go for validation, the 50 to 100s will come from the pilot plant. So that's the fashion in which we plan to straddle the entire value chain. Value chain of both pre-clinical, clinical, and post-clinical.

Shashank: Just the last one on the gadolinium-based intermediate sales. I think we did touch upon in the opening remark, but just wanted to get a sense if we can see an uptick in this product from the first quarter this year itself, or will it be probably a bit more gradual spread out across the year?

And also wanted to understand if you are hearing anything from customers or industry participants, if there are any challenges that contrast media formulation players are facing particularly in their gadolinium based portfolio?

Ganesh Karuppannan: Maybe I will just take the first part and the second part, Shiven will answer. Our understanding is this particular intermediate will grow gradually. Being an NCE molecule, it has to find its own market space. So we don't expect a ramp up on this particular product, but we are actually seeing signs of the gradual growth happening and we have already started witnessing this based on our order book. Shiven, on the overall trend on contrast media now.

Shiven Arora: I think on the gadolinium based molecules in terms of the usage is definitely increasing at a faster pace and the general acceptance around these certain new molecules also increasing over time. From a customer perspective, we haven't received any material negative observations on the outlook or difficulties from a formulation standpoint. But in the ever-increasing changing environment, because of geopolitical issues, you would have seen some remarks but from a medium to long-term perspective, I think the growth strategy is very much aligned.

Moderator: Thank you. Next question is from the line of Sanjesh Jain from ICICI Securities. Please go ahead.

Sanjesh Jain: First on the contrast media, I just want to check this here. The growth has been muted, in fact, it's declined.

Shiven Arora: Yes, I think I got the point, Sanjesh. So if you see contrast media from a FY'25 perspective, H1 was muted because of the reasons that we mentioned earlier. But H2 saw a significant recovery. So I think from now on, with linear growth in the other molecules that we have spoken about, the results could be encouraging.

Sanjesh Jain: What about the underlying molecule? Do you expect still to grow in ABA-HCL?

Shiven Arora: I think from the end API perspective, the molecule is seeing a double-digit growth. So if the end molecule is winning, I think the other supply chain should also ride this journey.

Sanjesh Jain: Second on the cardiovascular product, we spoke about. How does the order book look for us for FY'26 considering that the exit has been very strong and one thing on the utilization, VK you said that the plant run at 60%-65% utilization I believe it's for the year. How has been utilization for the exit?

VK Singh: Sanjesh, I think firstly, nice to have you here, but your point is very valid. I think you should not look at it from this exit. You should take a more of an analyzed picture. So I think look at the annual volumes, and based upon the annual volumes is the capacity utilization that I had mentioned. Last call also I had said that given the projections that we have and the way this molecule is gaining traction, we could double. So that's where we are today. Our utilization is about 60% or 65% whatever. And this is on and as-is, where-is capacity. And then we have

further headroom to de-bottleneck. So I would not like to give any forward-looking guidance. But should there be an uptick in demand, even a huge uptick in demand, we are well poised to address it.

Sanjesh Jain: Very clear. And on the Mahad, the Unit-3 what we are working on, you said it's a continuous plant. Is it the feedstock which we are talking about or this is some other plant are we looking at?

Shiven Arora: It is the feedstock but also there are other derivatives that can be made from that plant. So the use would be one for captive and also for potential sales in this ecosystem.

Sanjesh Jain: And do we have enough demand for that product?

Shiven Arora: Yes.

Sanjesh Jain: Are there any other application apart from the contrast media?

Shiven Arora: No, it's majorly for the contrast media universe. There are some select APIs that you can do outside this thing, but that's not our focus. I think we'll be more aligned towards the contrast media.

Sanjesh Jain: Very clear. On this Mahad Unit-3, the MPP which we are putting up, will it be a cGMP plant or you are looking at going full haul USFDA approval and complete into an ecosystem of pharma? How are we thinking? Because I think you said it's a state-of-the-art process. We have 30 reactors. Are we thinking big here from the pharma side or we still want to be close to the intermediate what we have been doing it very well now?

VK Singh: The plant will have the capability of doing the finished product and that's the reason that we are creating two clean rooms over there. So that has versatility and flexibility. At least two products can be made at the same time. So that's the capability that we are creating. As I also mentioned that even the particle sizing area is GMP. So the plant will be completely USFDA approvable. Now, whether we trigger that or we don't trigger that is an option that I think is something that we along with the client will have to exercise. But then the design and construction and everything is going to be complete GMP level.

Sanjesh Jain: Okay, that's clear. And VK, you spoke about 20 new opportunities. 30% of them in late stage, phase 3 or commercial.

VK Singh: Right.

Sanjesh Jain: How close are we? Have we supplied the kilo samples? Are we in the process of DMF filing? Or this is a process which has just kick in for us?

VK Singh: So I would say that it's a mix. A couple of places, we are in very advanced conversation. Kilo quantities have already been supplied. And since in those areas, they are switching from a Chinese source to us. Maybe the commercialized, maybe, we cannot say for sure, but maybe the commercialization also happen very fast. For others, we are in the process of giving small quantities because they are still in the clinical phase. So small quantities and then there's going to be a validation process and then a regulatory process. So there'll be some sort of a wait.

Moderator: Thank you. Next question is from the line of Darshan Shah from Multi-Act Equity. Please go ahead.

Rahul Picha: So one question on the fund raise part, you have mentioned a Rs. 1500 crore number in the announcement. So what is the plan? How much do we intend to raise? Anything finalized on that?

Shiven Arora: Still, I think we would be able to share more visibility on it on the immediate quarter.

Rahul Picha: So it's not yet been decided?

Shiven Arora: It has been decided but not in the position to disclose it at this point in time.

Rahul Picha: Okay. And one more thing in the Pharma intermediate segment. In this presentation, you have mentioned that the number of molecules that are there are around 28 and in the previous quarter that number was 22. So the incremental six products that have come in what kind of visibility do you have on that? And any significant addition in terms of pipeline if you can just talk about that?

Shiven Arora: I think what we need to be more focused on are on the 30% of the overall RFPs that we had mentioned which are in the phase 3 and almost commercial in nature. I think those are the high conviction ideas I've been focusing on for the earlier two calls as well that these see a very strong visibility from a short to medium term perspective.

Rahul Picha: Okay. And just once again on the pharma intermediate capacity utilization side, this 65% number that you mentioned is for Q4 or for the full year?

Shiven Arora: Full year.

Rahul Picha: Full year, okay. So Q4 would be higher than that. Okay. Got it. Thank you.

Moderator: Thank you. Next question is from the line of Nikhil from SIMPL. Please go ahead.

Nikhil: Yes, good evening and congratulations on good set of numbers. I have two sets of questions. One is on contrast media. If you look at our contrast media run rate, in 23, we were at Rs. 500 crore. And at that time, there was one single large customer. Today, we are at Rs. 400 crores. Now incrementally, when you say that the gadolinium and the iodinated products will come and

during this phase, one of our key customer also went for capacity expansion. So should we understand that this 400 is the base on which we will grow or first we will go back to that 500 and then we will grow? How should we, because that 450-500 was a stable base till the time the customer had not gone for a capacity addition. So if you can just help me understand this?

Ganesh Karuppannan: FY'23 number, this is the year in which the customer wanted certain quantities of security stock. So they wanted to, instead of a full year, we would have actually supplied more than a 12 month requirement. So this is a sort of outlier in the whole conversation. So it is not a 12-month sale, maybe it is 12 plus whatever security stock the customer wanted. Now to come to address your second part of the question, on a conservative approach, we would like to start with this as a new base, whatever we are at the 400. And from here, we wanted to build up not only on the largest molecule, we are also having two other molecules. And we also believe the largest molecule would also like start growing from this stage. Maybe we would put a high single digit growth and we will have this iodinated and the gadopiclenol which will add to this growth story. Shiven, you wanted to add on this?

Shiven Arora: Yes, I think the base business as you rightly mentioned out, I think the real uptick will happen when you add these two molecules. And capacity is on stream and we are scaling it up at our end.

Nikhil: Okay, and for the contrast media, once we, so VK sir mentioned in the starting that we at a Company level, we are at 70% utilization. For contrast media, what is the peak revenue which we can do? If all the three products and everything plays out and even other products come, what is the peak capacity or peak revenue we can generate here?

Shiven Arora: It's very difficult to stipulate a specific number because capacities are added every six months. As VK sir mentioned, we have been able to quadruple our capacity in the past few years. And there are some lines being on the Unit-3 side, on contrast media specifically. That's significant ramp up of capacity. So I think that number would always be fluid in our case because the business is growing at that pace.

VK Singh: And then, one just one more point to what Shiven has said that we have two types of growth in our business. One is the secular growth that we get because the market is growing. The second is that each time we forward integrate that we that means that we give a more advanced intermediate. Sometimes the value is, 2x-3x from the same capacity. So this is just to support what Shiven was saying that it is not easy to make a linear calculation.

Nikhil: Okay, got it. Second set of question is, you mentioned in the discussion on those 20 product opportunities that some of them may get commercialized. And if I attach it with our CAPEX plans, one is this MPP in Mahad and following up with this larger plant which we are planning in Dahej for which we are also looking at this QIP. How should we understand our CAPEX and demand visibility? Because this Mahad plant will come in 27, which you mentioned, and you said some of these opportunities which are moving from China may happen quickly. So how

should we understand how do we define our CAPEX and how do we attach with the demand visibility we have from some of these newer molecules which we are looking at?

VK Singh: So somehow, at Blue Jet, we have been able to balance the demand and capacity very well. And as you would see that the primary reason for having a high asset turn is that our gestations are low. So I think we are going to maintain that or preserve that DNA of the Company. And what we are planning today is based upon certain client lock-ins and visibility that we have in contrast media, in pharma intermediates, and even in the sweetener segment. Even in the high-intensity sweetener, we are working on a new product, and which should give a fill up to that segment as well.

Nikhil: Sorry to interrupt here. I understand on these three because we have been in this business. My question was more on the newer opportunities which we are looking at. And this multipurpose plant, I believe would be to meet those newer opportunities and demand because for the contrast media and the API, we have a dedicated plant. So this MPP which we are putting, my assumption can be wrong, is for the newer opportunities which we are coming.

Shiven Arora: Exactly, very good point. But for the immediate opportunity that we have been working on for the past 24 to 36 months, we have other multipurpose plans that will cater to the immediate requirement from our existing manufacturing footprint. As you rightly mentioned, some lines are dedicated, but some are flexible in nature. So we will cater to the immediate requirement from our existing plants.

Nikhil: Okay. So we don't see a demand, a capacity challenge if some of these opportunities come up.

Shiven Arora: That is correct.

Nikhil: Thanks a lot. I'll come back in the queue.

Moderator: Thank you. Next question is from the line of Dr. Kunal Dhamesha from Macquarie Group. Please go ahead.

Kunal Dhamesha: Hi, thanks for the opportunity. The first one on again just going back to the capacity versus CAPEX. I think my understanding and correct me if I'm wrong, was that with the Mahad facility, we were more or less like sorted till FY'27. Now with the additional investment in Mahad, does that kind of give us better capacities for a longer period or would it say that it's still FY'27, till which we are sorted, and then we need Dahej to grow further from there?

VK Singh: Yes, that's right that for the next two years we don't see any bottleneck as far as capacity is concerned, but beyond that we will have to plan and augment.

Kunal Dhamesha: So this MPP will also be utilized in you buy for --

VK Singh: Yes.

Kunal Dhamesha: And for the PI API project, the cardiovascular intermediates, do you think need for de-bottlenecking this year?

VK Singh: You know, as I mentioned, we are at 60%-65%. So there's a huge room to address any uptick in demand. And after that, if any de-bottlenecking is needed, I think we can do it very easily. It's a big plan that we have created.

Kunal Dhamesha: And then how much, let's say hypothetically, if you do de-bottlenecking based on your current plan, how much more capacity you can have? A ballpark number.

Shiven Arora: A very ballpark number, I think, which is subject to change. Don't hold me on that. I think we'd be on a conservative basis, about 20%.

Kunal Dhamesha: And how fast it can be done?

Shiven Arora: It will take a few weeks, about 8 to 9 weeks. But I think these discussions will happen, I think, well in advance when we discuss with the customer.

Kunal Dhamesha: And these new products which you suggested, a couple of products in a pretty late stage kind of development cycle, where this will be kind of accommodated to start with Unit-2 and then move to Unit-2 to Mahad Unit-or how should we think about it?

Shiven Arora: It will be a combination of both. As we mentioned earlier, I capacity constraints would not be there at this point in time, as we have two major capacities coming on stream in the coming quarters.

Kunal Dhamesha: But since we are in intermediate, just understanding question, since we are in intermediate, for us changing the facilities is not a big switching cost for our customers. Is that a correct understanding or?

Shiven Arora: Ideally, we should not, right? Because these are regulated intermediates. And there's definitely a pathway that we need to follow.

Kunal Dhamesha: Sure. Thank you for those responses and all the best.

Moderator: Thank you. Next question is from the line of Vidit Shah from Spark Capital. Please go ahead.

Vidit Shah: Hi, good evening and thanks for taking my question. Just wanted to get some color on the CAPEX plans post-Mahad and Dahej. You said you'll share more details in the next coming quarter, but just broadly in terms of high-level strategy, what are the focus areas that the Company is targeting to use this Rs. 1500 crores would be great?

VK Singh: Sir, I would not comment on the Rs. 1500 crores but then our baseline CAPEX that we had said in one of the previous calls is about Rs. 200 crores but given the extra work that's happening in Mahad and some upgrades that are happening at Unit-2 Ambernath, I think we'll be a little more than Rs. 300 crores excluding any of the new sites or Dahej or whatever. Excluding that, we'll be around Rs. 300 crores plus.

Vidit Shah: Okay. And the late-stage pharma intermediate molecules that you are working on, would you be able to share what sort of therapies they go into?

VK Singh: So a couple of opportunities that we are tracking are the advanced intermediates to GLP-1s, right? And the others are in our traditional segment, the chronic segment, like we have this cardiovascular or the oncology. So in that chronic segment.

Vidit Shah: Okay, understood. And we have seen some reports of China restricting exports of gadolinium in April this year. Just want to clarify if we're seeing any impact of that or is it business as usual?

Shiven Arora: It is business as usual as far as our manufacturing is concerned.

Vidit Shah: Got it. And just the last one on the income tax notice that we have got of Rs. 200 crores. I understand that we have a little bit of a provision, but if you could just help us understand the history of the case and how you see this panning out?

Ganesh Karuppannan: This is on the income tax. Our case, we are quite comfortable on the stand what we have taken and we need to actually wait and watch how the appeal process goes from now onwards.

Vidit Shah: Got it. But there is some sort of deposit that we have to pay to go into appeals and all of that. So would that be an impact on cash flows?

Ganesh Karuppannan: No, not significantly. It is procedural and it won't have any significant impact.

Moderator: The next question is from the line of Ayush Agarwal from MAPL Value Investing. Please go ahead.

Ayush Agarwal: Thanks for the opportunity and great set of results. The first question is on the cardiovascular intermediate product. We did about 200 odd crores in Q4. Can this be a new base and can we grow from this base in FY'26 on a quarterly basis?

VK Singh: I would only say that the molecule is doing extremely well. You can track the growth of the molecule. I mean, it's doing well in the US, it's doing well in Europe, it's getting new markets open like Canada etc. Nevertheless, refraining from giving any type of guidance. I would recommend that you should not look at the last month or the last quarter. We should look at the annualized ramp up that's happened and that should be I think more reasonable approach.

Ayush Agarwal: Understood. So second question is on this GLP-1 intermediate molecule. Roughly what could be the opportunity size for us in this molecule? Can this also be as large as the cardiovascular intermediate or larger?

Shiven Arora: We would refrain from commenting on that, but the overall opportunity size around this set of molecules is considerably large.

Ayush Agarwal: Would we be working directly with the innovator?

Shiven Arora: Hard to comment at this point in time.

Moderator: Thank you. Next question is from the line of Vivek Patel from Ficom Family. Please go ahead.

Vivek Patel: Very good evening, sir. I just want you to understand what is the level of competitive intensity in the cardiovascular molecule that they are dealing with and I understand that in the last call I believe you have mentioned about certain geographies receiving this molecule very well, some are bigger in size and some are going very fast. So just expand on the intensity and the scale of the molecule and the growth of certain different geographies? Thank you.

VK Singh: Are you asking about the potential growth of this molecule, right?

Vivek Patel: I am asking about how it has played over the last few quarters and how do you feel or what is your assessment of the growth as well?

VK Singh: So if you are talking about the molecule, then this is gaining very good traction. Today, there are 9,000 cardiologists in the US who are prescribing this and this has become the primary line of treatment. Earlier it was the secondary line of treatment. Because of the label update and label expansion, both in the US and Europe, I think the addressable market of this has grown 7x of what it used to be. So I think it's a blockbuster, a very big opportunity, and still protected by a patent. And I'm not sure if you people have seen that Esperion has done a settlement with the generic companies, 1 or 2 generic companies, not all, that they will not enter with a generic till 2040. So this is an indirect prolongation of the life of the patent.

Vivek Patel: And how is it doing in other geographies in Latin America, Europe, otherwise?

VK Singh: It's growing actually faster in Europe and faster in Latin America than US.

Moderator: Thank you. Next question is from the line of Rupesh from IntelSense. Please go ahead.

Rupesh: Hello, sir. Thank you for the opportunity. My question, is in cardiovascular intermediate. So, Esperion has out licensed this product to Daiichi for Europe. And my understanding is, this is the year when Daiichi has to start building its own manufacturing supply chain. I mean, I think today they are taking the supply from Esperion and that I think is changing starting this year. So

my question is, are we engaged with Daiichi, have we signed some contract, is there some long-term understanding how the reserves for capacity? This is my question.

VK Singh: I think that's more about the formulation. So we shouldn't be very concerned about that. So what Daiichi, the technology transfer that's happened and it's in public domain. So that's more about the formulation at this point of time.

Rupesh: Yes, but there is another supplier also, right? Sorry, sir. There's another supplier in India. So my question is for API, can you confirm you would be supplying to both Esperion and Daiichi?

VK Singh: That is automatic because Daiichi…so our product goes for the European market as well. So what Daiichi is selling anyways has got the intermediate of Blue Jet. So it is not something that, you know, and if somebody tries to move away, then there's a regulatory pathway. So it cannot be done easily. I mean, there are regulatory issues if somebody wants to change. So I think, and more than that, we are protected with contracts. So I think, I don't know if that's what you are trying to understand. But the discussions are ongoing with the CDA, but discussions are active with either parties.

Moderator: Thank you. Next question is from the line of Ankit Mittal, an Individual Investor. Please go ahead.

Ankit Mittal: . So I had question on pharma intermediates as well and on the capacity utilization questions earlier in the calls, so you mentioned for the full year utilization is 60%-65% and for the full year, you did close to Rs. 462 crores in revenue, in pharma intermediate. And so if I do the math, at complete full utilization, the revenues would come to around Rs. 770 crores. And if I just analyze the report numbers, like of Rs. 196 crores, it's close to Rs. 780 crores. So is it safe to imply that in Q4 our capacity utilization was close to 100%?

VK Singh: I think the math that you do, that could be good arithmetic, but let's leave it at that. I have answered this part many times to other participants.

Ankit Mittal: Okay. Thank you.

Moderator: Thank you very much. As there are no further questions, I will now hand the conference over to the management for closing comments.

Ganesh Karuppannan: Thank you very much for all the participants and we will meet in the next quarterly call, Q1 call. Thanks.

Shiven Arora: Thank you all. Thank you.

Moderator: Thank you very much. On behalf of Blue Jet Healthcare Earnings Conference Call, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.

(This document was edited for readability purpose.)