Company Name: Remus Pharmaceuticals Ltd

Management Participants :

Mr. Arpit Shah- Managing Director

Ms. Anjali Shah- Chief Financial Officer

11th Annual Valorem Conference Highlights :

- Asset-light business model with focus on branding, marketing, and global distribution; manufacturing outsourced to 40+ CMO partners.
- Strong presence across 40+ semi-regulated and emerging markets, driving diversified geographic revenue.
- Core strategy centered on identifying niche off-patent molecules and leveraging early-mover advantage.
- Robust portfolio of 800+ approved products across multiple therapeutic segments.
- Continued expansion of global manufacturing network under a scalable, asset-light structure.
- Strategic entry into B2C through Relius, enabling direct market access and enhanced brand-building.
- B2C contribution increased from ~4% to ~13% in H1 FY26, indicating traction in higher-margin segments.
- Acquisition of Espee Global strengthens sourcing capabilities in complex and specialty drugs
- Building a long-term pipeline aligned with patent expiries through 2038.
- Growth strategy focused on scaling product registrations and expanding into Africa, ASEAN, and Eastern Europe.

Key Questions & Answers discussed during the Conference:

- **How are products selected for its pipeline?** We follow a structured product selection framework that evaluates key factors such as market size, competition intensity and achievable market share. A key part of this approach is leveraging our database of molecules going off patent through 2038, which helps us identify and target opportunities early and build capabilities in advance to gain a potential first-mover advantage. We focus on niche and complex products with limited competition to minimize pricing pressure.
- **What is the typical product lifecycle from registration to commercialization?** The timeline from registration to commercialization is ~1–1.5 years, while the overall product lifecycle is ~3 years. Only commercially viable products are launched, ensuring optimal resource utilization.

- **How does the B2B make-to-order model impact operations?** The model minimizes inventory and working capital requirements but introduces shelf-life risks due to post-order manufacturing. These risks are mitigated through tight coordination with manufacturers and effective demand planning.
- **What is market position and competitive edge in the RLD business?** Espee holds ~40% share in the domestic RLD sourcing market, with the rest fragmented across 25–30 players, and ranks among the top 3 globally. Its competitive strengths include strong supplier relationships, same-batch sourcing capability (critical for compliance), high entry barriers, and demand tailwinds from the ongoing patent cliff.
- **How is competition and pricing pressure managed ?** Competition is addressed at the product selection stage by prioritizing low-competition products. Additionally, diversification across geographies and therapeutic areas reduces dependency on any single product and mitigates price erosion.
- **What is the strategy behind the Espee acquisition?** Espee operates in the niche, high-entry-barrier RLD sourcing segment. The acquisition provides global reach, strong US relationships, access to clinical trial supply chains, and enables forward integration into services like packaging, storage, and clinical trial support.
- **Why is Espee business difficult to replicate ?** High entry barriers driven by strict batch consistency requirements, reliable sourcing, global logistics capabilities, and regulatory expertise. Long-standing supplier and client relationships further strengthen its moat.
- **What are the growth drivers for the B2C segment?** Growth is driven by brand creation, product differentiation, and portfolio expansion, particularly in niche therapies with higher pricing power and customer loyalty.
- **How is working capital managed across segments?** B2B operates with low working capital due to advance payments (25–50%), while B2C requires higher working capital for inventory and distribution. Espee operates on credit terms, leading to a relatively longer working capital cycle.
- **What is the approach to tender-based business?** Tender business is opportunity-driven rather than pipeline-based, leading to revenue variability. Success depends on competitive bidding, with strong presence in LATAM supporting higher win rates.
- **How scalable is the business across geographies?** Significant scalability in emerging markets such as Southeast Asia, CIS, LATAM, and Africa. We are selectively avoiding complex markets like Brazil, and focusing on regions with better regulatory clarity and return visibility.
- **How does currency impact the business?** Largely favorable, as revenues are predominantly USD-linked, providing a natural hedge and improving realizations during domestic currency depreciation.
- **How will Espee contribute to future growth and margins?** Enables forward integration into high-margin, service-led clinical trial supply (sourcing, storage, and logistics), while strengthening relationships with global pharma and CRO players.
- **What is the long-term strategic roadmap for Remus?** Focus on expanding the product pipeline, deepening geographic presence, scaling B2C operations, and leveraging Espee's capabilities. Plans include setting up new subsidiaries and strengthening positioning in niche pharma segments over the next 3 years.

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