Date: 12th November, 2024

To,
The Manager,
Department of Corporate Services,
BSE Limited
P. J. Towers, Dalal Street,
Fort, Mumbai – 400 001
Scrip Code: 533573

To,
The Manager,
Listing Department,
National Stock Exchange of India Ltd.
'Exchange Plaza', Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051
NSE Symbol: APLLTD

Dear Sir/Madam,

Sub: Transcript of Post Results Conference Call held on 7th November, 2024

Ref: Our Intimation dated 18th October, 2024

With reference to the captioned matter, please find enclosed herewith the transcript of the Conference Call held on 7th November, 2024.

We request you to kindly take the same on record.

Thanking you,

Yours faithfully,

For Alembic Pharmaceuticals Limited

Manisha Saraf Digitally signed by Manisha Saraf
Date: 2024.11.12 15:01:43 +05'30'

Manisha Saraf
Company Secretary

Encl.: A/a.

“Alembic Pharmaceuticals Limited

Q2 FY '25 Earnings Conference Call”

November 07, 2024

MANAGEMENT: **MR. PRANAV AMIN–MANAGING DIRECTOR**
MR. R.K. BAHETI – DIRECTOR - FINANCE & CHIEF FINANCIAL OFFICER
MR. NILESH WADHWA – HEAD - INTERNATIONAL BUSINESS AND STRATEGY
MR. AJAY KUMAR DESAI – SENIOR VICE PRESIDENT-FINANCE

Moderator: Ladies and gentlemen, good day, and welcome to Q2 FY '25 Earnings Conference Call of Alembic Pharmaceuticals Limited. We have with us today, Mr. Pranav Amin, Managing Director; Mr. R.K. Baheti, Director, Finance and CFO; Mr. Nilesh Wadhwa, Head, International Business and Strategy; Mr. Ajay Kumar Desai, Senior VP, Finance.

As a reminder, this conference call is only for analysts and institutional investors. All participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star, then zero on your touch-tone phone. Please note that this conference call is being recorded.

I now hand the conference over to Mr. Pranav Amin. Thank you, and over to you, sir.

Pranav Amin: Thank you. Good evening, everyone. Mr. Baheti is here with me, he has got a little soft throat, so I'll just read out his part.

Thank you all for joining the second quarter results conference call. I'm sure you will have received the results by now. However, let me briefly take you through some of the numbers for the quarter ended September '24.

During the quarter, total revenue grew 3% to INR1,648 crores. EBITDA is at INR 257 crores, which is 15.6% of sales, and it's grown by 18%. Net profit grew by 12% to INR153 crores.

EPS for the quarter is INR7.79 per share versus INR 6.95 for the previous corresponding quarter.

The gross borrowings are INR 995 crores compared to INR 784 crores on September 2023. The company has INR 122 crores of cash on hand versus INR 141 crores of cash on September 2023.

I'll just give a brief about the India business on behalf of Shaunak. The India branded business grew 6% to INR 609 crores for the quarter.

It had good growth in specialty therapies such as gynecology, 8%; cardiology, 11%; antidiabetic 18%; and 13% in ophthalmology.

The animal health business again continues its robust growth, and it grew 20% for the quarter, with a basket of strong brands driving the outperformance.

We had 3 launches in India during the quarter, and the new launches continue to do well, along with a lot of promising future launches across key segments.

Coming to the international operations.

We had a surprise inspection from the U.S. FDA at our Oncology facility, which passed without any Form 483.

The U.S. business continues to see price erosion, but we partially offset that with an increase in volumes and new launches. We had about a 25% growth in the U.S. volume.

We continue to build momentum with new launches and should hopefully see better growth in H2 with a lot of our launches coming up and being a little more backended. We should launch about 10 products in H2 as well.

Our R&D expense was 8% of sales at INR 133 crores for the quarter.

We filed 1 ANDA.

We also received 9 approvals and launched 8 products in the U.S. during the quarter. And as I mentioned, we will launch about 10 products in H2 as well.

In terms of financials, the U.S. generics grew 5% to INR 467 crores for the quarter.

The ex U.S. generics was back on growth at 18%. We did have some supply related issues in the first quarter and part of second quarter. So I expect this part of the business to continue growing well H2 also.

The API business degrew by 15%. This is a trend that we've seen in the last couple of quarters. We've seen some price erosion in the API business and have lost some key accounts. However, the long-term outlook on the API business still looks good and it's a high-margin business for us.

With that, I would like to open the floor for Q&A. Thank you.

Moderator: Thank you very much sir. Our first question is from the line of Rashmi S. from Dolat Capital. Please go ahead.

Rashmi S: One question on the domestic business. We are seeing a very strong growth in your animal health care business. But we are seeing a very -- I mean, we are seeing a growth slowdown in the Specialty segment also. Like earlier, we anticipated that we will be growing this into the double digits. So when can we expect this growth to come back? And what is leading to this slow growth in the Specialty segment?

And in Acute segment, we have seen a decline, and I understand that we have a high base of Azithral, but if you can give more clarity on this part of the business also at Azithral, how are we doing? And for the full year, what should we expect in terms of the overall domestic business?

R K Baheti: Couple of parts in your question. So let me try to answer one by one. H2 -- I mean, H2, we continue to expect to grow better than the market on overall basis, particularly the Specialty segments.

Antibiotics, yes, Acute has degrown -- not degrown has been flat, but we are still better than the market in our RPM. So that's the situation in the market. But our efforts continue and we hope that we should post a better performance in H2.

Ajay Desai: And Rashmi, just to add on the specialty side of the business, basically for quarter 2, market growth was also in single digit, and we performed in line with the market.

Rashmi S: Okay. And what about your ex Azithral, how much growth we have done in Acute part of the business?

Ajay Desai: So basically, on cough and cold side, there is a growth in single digits, but on anti-infective side and you know majorly it is driven by Azithral, the impact is getting felt. Yes.

Rashmi S: Okay. But for the overall FY '25, the growth should be like in the high single-digit sort of for this year?

R.K.Baheti For that kind of growth in whole year, we have to do 15% growth in H2, which may not be possible. We should do a high single-digit growth at least in H2.

Rashmi S: Got it. And then going ahead in FY '26 and '27, how should we look at it? What are the initiatives...

R. K. Baheti: We are not giving guidances.

Rashmi S: No, I'm just asking that what are the initiatives that you are taking to drive domestic growth like in terms of adding market field force or new product launches, what are you focusing on more volume growth, price hike...

R. K. Baheti: Growth not driven by increase in number of field force. It's more driven by better productivity out of our existing team.

Rashmi S: Yes. But anything like any focus on volume growth or price hike or anything...

R. K. Baheti: No, no. I do not like to get into details at this moment.

Rashmi S: Okay. And second question is on the U.S. business. We have done very good number of launches. And what is the expectation in the second half? The current run rate definitely would pick up in the second half. So any guidance on the U.S. part of the business for the full year?

Pranav Amin: Yes. I don't have a guidance for you, but H2 will be much stronger for us compared to H1. A couple of reasons for that. Lot of our launches are back-ended and they will start picking up -- we will start picking share only in this quarter onwards. So H2 will definitely be much stronger for us in the U.S. market as it will be for the ROW market as well.

Rashmi S: Okay. And my last question is on gross margin. Gross margin, despite -- I mean India business has not done well, we were able to maintain it at 74%, which is much better than last year. So is it that it's majorly driven by the U.S. segment and your non-U.S. segment? And in case of India business comes back, at least in line with the IPM in second half, how should we see the gross margins in your second half of the year?

R K Baheti: I've responded to that question multiple times in the past that we are happy with anything which is 70%-plus and 1.5% margin here and there doesn't make big difference. It would depend on the product mix of the quarter. It can depend on new launches which we do, it can also depend on ratio of oral solids and non-oral solids in the U.S. So I think 72% ± is a good range to be in.

Moderator: Our next question is from the line of Damayanti Kerai from HSBC.

Damayanti Kerai: Pranav, my first question is on the U.S. price erosion. So you mentioned you continue to see this. Can you comment like has there been any change compared to, say, last few quarters in terms of intensity of price erosion?

Pranav Amin: I think it's the same. To be honest, it's just product specific, if something happens. It's the same routine price erosion that we continue seeing, it could be anywhere between high single digits to low double digits. That's what we're seeing in terms of the market.

Damayanti Kerai: And what are your expectations on pricing part? Will similar level will continue or we can see some meaningful changes in coming quarters?

Pranav Amin: The fundamentals haven't changed. So we continue to see pricing pressures. As I mentioned from the high margin that we were selling some products has come down. So the impact will get a little lesser, but I expect H2 to be much better for us because we have a bunch of new launches that will start picking up stream in this quarter and the next quarter as well.

Damayanti Kerai: So you mentioned around 10 new launches in second half, right, or that's for full year?

Pranav Amin: Yes. 10 new launches in the second half and also, but the first -- the launches -- 8 launches that we've done in this quarter, as you've seen historically, Alembic will always gradually ramp up our market share. I think the same thing will happen. Hence, you will see that 8 launches that we've launched this quarter plus the 10 in H2 as well, both these put together.

Damayanti Kerai: Okay. That's clear. And 1 question on R&D. So earlier, you indicated INR 550 crores of R&D for this fiscal. Do you maintain it or there is any change in your expectation in terms of spend?

Pranav Amin: It will be a little bit on the lower side, we would be closer to the INR500 crores, INR520 crores kind of levels.

Damayanti Kerai: Okay. And again, if you can remind where the majority of R&D is going right now in terms of formulations or...

Pranav Amin: So I would say about 70% of it is formulations and about 30% of it would be on the API side.

Damayanti Kerai: Okay. And my last question is on your API. You mentioned you lost some accounts. So those are permanent losses or what has led to that?

Pranav Amin: Yes. It's a fundamental business shift. What has happened is we've seen pricing erosion in the API business. As you know, our API business over the last 15, 20 quarters has been growing very significantly, and it's a very high-margin business for us. So we lost some business. Some partners have put in an alternate source.We are still the part of it. We may recover it. But I expect that part of H2 will also be at these levels of the API business and hopefully, next -- towards the end of the year or next year, we will start getting back to growth in API.

Damayanti Kerai: So API should be recovering from next fiscal, most likely?

Pranav Amin: Yes, I believe so.

Moderator: Our next question is from the line of Abdulkader Puranwala from ICICI Securities.

Abdulkader Puranwala: Sir, just a couple of questions, starting with your U.S. business. So among the 8 products what you have launched in this particular quarter, any flavor you would like to add on how the launches have been. Is it in line with your expectations, when you talk about a very strong second half of '25?

Pranav Amin: Yes. I expect H2 to be much stronger for us, while on the H1, Q1 and Q2, we did launch some products and I'll give an overview of the international generics what happened in H1.

We had some supply constraints in H1, which we were very aggressive with picking up share in the market. We had the ROW business also which didn't grow as much in the first quarter. It's back to about 18% growth in the second quarter. This has a strong order book, and I expect that the H2 will remain at these similar levels 15% to 20% growth, at least, for the ROW business.

The U.S. generics also we've ramped up. Generally, as I told Damayanti earlier that we generally slowly ramp up our market share. So you'll see the benefit of that coming in H2 and a couple of new launches as well. So that should help the U.S. business ramp up as well.

Abdulkader Puranwala: Understood. And then second is on filing. So if I look at the H1 numbers, you have filed 4 products for the first half. Again, I know what do you aim to file in the second half? And just if I compare with your R&D. So your R&D, it's still kind of flattish if I compare with H1 '24, but the filing count has not been that significant. So...

Pranav Amin: Yes. So it's a good question. What happened is, a couple of years back when we started tapering off R&D spend, a lot of the projects were already in the pipeline, so you will see a lag in R&D filings. I mean this year, we will see a lag in R&D filing because some R&D filings, number one, are getting pushed back to complex. And number two, we had a slight lag when we started reducing the cost. So we have let go some projects. So there will be a lag. From next year onwards, we will get back to the higher 15-odd ANDAs that we've been filing.

Abdulkader Puranwala: Understood, sir. And sir, final question on the other expenses. So just to understand, is this the run rate to what we can peg for the quarters ahead or does this includes certain one-offs or any further color to that?

R K Baheti: No, there are no one-offs, except that some expenses particularly in the India business, typically, Q2, Q3 have higher expense in promo and marketing than Q1 and Q4. So apart from this, there are no one-offs. But if you compare Q2 versus Q2 of previous year, it will be similar numbers.

Moderator: Our next question is from the line of Tushar Manudhane from Motilal Oswal Financial Services.

Tushar Manudhane: Sir, with respect to this API business, we've lost some accounts. So if you could just maybe probably elaborate the reasons for this?

Pranav Amin: Yes. It's just a matter of price erosion and competitors offering lower prices, and we moved some, I think. There are a few key accounts that we lost is built up which occurred, but we're seeing price erosion. Unfortunately, the data, export data from India is very opaque and people have taken advantage of that. So that is what has caused part of this.

But we're working on it to get some of the business back that we can. As you know, we do supply and we'd like to keep higher margins. We do like to supply, stress a lot more on the quality and timely deliveries and we're supplying at higher prices. We're also seeing China get a little more aggressive on the API side as well.

Tushar Manudhane: Sir, is this to do with the inventory in the system or the API portfolio that we have or despite normalized inventory, we are seeing further price erosions?

R K Baheti: No. Inventories, Tushar, have been built largely ahead of these planned launches. So these are planned...

Tushar Manudhane: No. No, not for the -- not at the company level, sir? I'm referring to the inventory of those products at the industry level.

R. K. Baheti No, no, I'm talking about inventory for the International business largely has been built for planned launches.

Tushar Manudhane: No, no, sir, I meant to ask that the lost business, particularly for the API side. So like maybe the other guys are able to -- are willing to supply at lower prices. So just trying to further understand that is it the inventory at the industry level itself is still so high, but the other players are coming and willing to sell at a lower prices, which we are not -- we don't want to do, is that the case?

Pranav Amin: No, no. It's just purely related to pricing. These products are used by others as well. So I'm not worried about the inventory per se. It's not a concern. It's just that they move -- we are still part of their active filing, right? Because DMF is part of the active ANDA or the dossier that we have. It's that that they move to a second vendor. Sometimes, buyers do it to getting a better price when they keep switching between 2 vendors as well.

Tushar Manudhane: And lastly, this is to do with supply to U.S. market or ex U.S. market for API business?

Pranav Amin: API is global market. So it pretty much goes all over the world. So it's -- it's U.S. as well as Canada, Europe, Brazil, everywhere. We're seeing a couple of products. There were 1 or 2 customers, which were selling in the U.S., but they have an FDA issue. So that has a lower offtake from us. The rest is just pricing pressure and some customers have moved to another buyer. And the third issue is our buyers themselves have lost market share in some products.

Moderator: Our next question is from the line of Bino Pathiparampil from Elara Capital.

Bino Pathiparampil: Just 2 products in the U.S. market. I wanted to know if it is something we can expect in the next 12 to 24 months. One is bosutinib and the other is olaparib?

Nilesh Wadhwa: So, yes, I think these launches are expected, but it will go as per the settlement.

Bino Pathiparampil: Yes. I mean, could you give any color in terms of can we expect in the next 12 to 18 months or is it beyond that?

Moderator: Sorry to interrupt, sir, if you can come a bit closer to a mic.

Nilesh Wadhwa: So these will go as per the settlement we have. Date cannot be disclosed right now.

Bino Pathiparampil: Understood. And on olaparib, is there a settlement already or is it still under litigation?

Nilesh Wadhwa: Yes, olaparib is under partnership.

Bino Pathiparampil: Yes. I'm wondering if you have settled it already or is it still under litigation?

Nilesh Wadhwa: Still under settlement.

Moderator: Our next question is from the line of Gagan Thareja from ASK Investment Managers.

Gagan Thareja: Yes. Sir, the first one is on your operating cash flow, which I think is negative year-to-date for this year. There's a rise in working capital. There's also an increase in debt sequentially as well. So can you elaborate on this?

Pranav Amin: Yes, I'll just start on the business side, and then I'll let Mr. Baheti talk about it.

So business side two things happened. As I mentioned, Q1, Q2, we had a lot of supply constraints in the market. These supply constraint caused us to build up more inventory. So this -- and as I said, that H2 will be more robust for both U.S. as well as Europe. So we should see a little more normalized.

Number two, we have a lot of launches coming up, and we've been planning for that. So those launches is something that we built up inventory. Those are two of the reasons why we had a little higher inventories, which has led to a little higher debt.

R K Baheti: Yes. And in September quarter, debt spiked a bit because of the dividend outflow, and it will settle down over the year.

Gagan Thareja: Right, sir. Can we expect to maintain our working capital days and cash conversion cycle for FY '25 at same level as FY '24 at the close of the year?

R K Baheti: Probably that will be a close call. But going forward, if we talk of FY '26, I think we should be back to normal level

Gagan Thareja: All right. And on the domestic business, is it possible to understand I mean, it generally seems that across-the-board acute heavy portfolio companies are struggling for growth. While it's understandable that you grow -- your growth is in line with the covered market. Is it possible to further drill down and understand why the covered market in Acute segment seems to have grown so weekly across the board for Indian companies?

I mean, as a customer, I don't see any reduction in incidence of infectious diseases. Personally speaking, my experience has not been any different this year, if anything worse than last year?

R K Baheti: Actually, it is because this time monsoon was little late. June was bad. So the offtake from the stockist was low. July onwards it picked up. But again, the footfall with the doctors for acute has gone down.

If you look at the market share, we have not lost the market share. We continue to perform better than the market. We continue to improve; maybe a small percentage -- a percentage basis point, but we continue to improve on our key products market share. So that way, we are really not worried, but yes, market has been slightly slow.

Gagan Thareja: Okay. And would it had something to do with trade generics also? I mean do you believe that overall branded generics in Acute segment would have additionally lost share to trade generics.

R K Baheti: Possible. I mean, I would not say it's still significant. But in pockets, some regional players can play as disruptor, trade generics can. But -- overall all India basis, not much difference.

Moderator: Our next question is from the line of Harith Ahamed from Avendus Spark.

Harith Ahamed: I see a tangible CWIP of almost INR650 crores on the balance sheet. Can you share which facilities this is related to? And if we are capitalizing any costs currently like we used to do in the past?

R K Baheti: We have 3 major projects around as of now in hand, one is a new formulation facility for domestic market, which is coming up near Indore. That should be completed by the end of this financial year.

The second is peptide block, which we are building at our existing API facility, and the third is couple of line extensions which we are doing at F3, 2 more lines we're adding like I shared this previously also. Currently, we have 3 operating lines, we're adding 2 more lines to, one will be operational, I think, by end of this year or early next year.

Harith Ahamed: Okay. And in your annual report, you talked about 2 filings in the peptide space. So can you comment whether these are indeed -- these are for GLP-1 products?

Pranav Amin: The GLP-1s, as you know, is an interesting area, and it's a good future that we're seeing. And we're entering some of these, both in formulation and API perspective. Hence, we have to build this capability for in-house APIs. We've got R&D developed. And some of the products we're going to tap with day 1 as well.

Harith Ahamed: But the 2 filings that you have already done, are these for GLP-1 product?

Pranav Amin: Sorry, I didn't get, the GLP or how many filings we've done?

Harith Ahamed: In your annual report, you mentioned a couple of filings, 2 NDAs filed for peptides. So I was wondering if these are GLP-1 products.

Pranav Amin: No, the ones that we filed are not GLP-1, they are the peptides.

Harith Ahamed: Okay. And when I look at your number of MRs and calculate the PCPM, we've been around that 4 lakh PCPM for some time. So any divisions that are underperforming where we can expect improvement or any other measures that we've undertaken, which can drive an improvement in our PCPM and our domestic margins?

R K Baheti: We don't look at the underperformance or overperformance by the average of 4 lakh or 3.5 lakh. We look at the performance from the budget which we have given to them. So if any new division or any new product which we introduced would have a lower PCPM to start with, and that is not something which is worrying. So there are multiple factors, which we evaluate when we evaluate performance of the people.

But having said that, I agree that there is a scope for improvement in our MR productivity and that's what we are working on. In response to one of the earlier questions I said that the next level of growth will come from productivity improvement and not increasing the number of people.

Moderator: Next, there's a follow-up question from the line of Rashmi S. from Dolat Capital.

Rashmi S: Yes. One bookkeeping question on other income, that seems to be pretty high during the quarter. So does it include any forex gain or any one-off?

R K Baheti: Yes. So there were some forex gain this quarter.

Rashmi S: And if you can quantify that?

R K Baheti: That would be about INR10 - 12 crores

Rashmi S: INR10 crores to INR12 crores. Okay. And when I see the balance sheet, the short-term borrowings have jumped up from INR450 crores to around INR995 crores. This would remain at the same level until the end of the year, or any repayment is planned?

R K Baheti: So I responded to this in previous question saying that Q2 typically would have a higher borrowing because of a chunk of dividend outflow.

Rashmi S: Okay.

R K Baheti: And the borrowing level will get reduced over a period of time. Also, as Pranav said, we have built some working capital, which should also get consumed before the end of the financial year. So hopefully, the borrowing level will be much lower by -- before end of the year.

Moderator: Our next question is from the line of Amlan Das from Nomura.

Amlan Das: Sir, probably I missed in the opening remarks, what was your R&D spend for the quarter?

Pranav Amin: INR130 crores, it was about 8% of sales.

Moderator: Our next question is from the line of Ankit Gupta from Bamboo Capital.

Ankit Gupta: Sir, my question was on the GLP front. You are saying that we have a couple of products where we'll be like -- we'll be planning to launch on the first day. So just wanted to understand, are there some of the large products like Sema or how relatively lower-revenue products?

Pranav Amin: So we don't really give details of what we launched. But one thing I can say that H2 is going to be a much better for us for the U.S. as well as ROW business. As I mentioned that ROW will be better because in Q1, we had some supply constraints. We expect growth in H2.

And in U.S., as I mentioned, we launched 8 products in Q2, and we gradually start picking up, ramping up market share -- we have some supply constraints. We also have about 10 launches in H2 as well. So with all this put together, H2 will be a much stronger business for U.S. and ROW generics.

Ankit Gupta: Sure. So my question was particularly on the GLP given the kind of growth the innovators are seeing in this segment. So like -- as you said, we are also planning to launch these products. So how is the competitive intensity there? And are we also planning to launch, or have we filed for some of the large products like Sema?

Pranav Amin: Yes. we will launch -- we will target semaglutide and tirzepatide both. There's still time of tirzepatide and the launch is still some time off. Sema, we will not be in the first wave, we will be a little late. it's both interesting products. So we will -- they're both in aggregate.

Ankit Gupta: And sir, how do you see the competitive intensity there? These are very big blockbuster products...

Pranav Amin: It's a big product and the indications are increasing day on day off. So we expect volumes also to continue growing. There's a lot of people working on this as well. So it will be competitive for sure. It's a good opportunity and you need to be present in this opportunity.

Ankit Gupta: And just like -- like are we also planning to liraglutide?

Pranav Amin: No, liraglutide we're a little late, so we haven't filed that.

Ankit Gupta: Sure. Sure. And this will be manufactured by us or will be outsourcing to some other ARC?

Pranav Amin: Mr. Baheti mentioned earlier that we've set up a peptide facility, purely as R&D. We're setting up a facility to do peptide as well as the GLP-1 peptides, so we will manufacture in-house.

Ankit Gupta: Okay. Okay. So just wanted to get your sense, given this, these are a relatively new area for us and these are peptide products which are difficult to manufacture. So do you think we have developed enough capabilities to manufacture them in-house?

Pranav Amin: Yes. That's why we did the capex. We did the R&D way before this, the peptide R&D we've been doing for 4 - 5 years now. So we do have confidence in that. And I think it's a good segment, as I mentioned, it's not just Lira, Sema and tirzepatide. We will see more GLP-1s coming because we're seeing indications in the market improve. So we want to be present in this segment.

Ankit Gupta: Sure. And just one question on this. Sema is like are we planning to launch Sema in Canada? Also I think that patent is getting expired in January '26. So will we be launching there as well?

Pranav Amin: as I mentioned, Sema will be a little late. We haven't disclosed marketwise what our strategy is, but we'll be a little late. The following ones will be in time for all the markets.

Moderator: As there are no further questions, I would now like to hand the conference over to Mr. Pranav Amin for closing comments.

Pranav Amin: Yes. Thank you, everyone. As I mentioned, it was a mixed bag. API was a little bit slower for us this quarter, but the other businesses are looking good. H2 should be a much stronger finish for us, especially on the back of the ROW and the U.S. business, and look forward to talking to you next quarter. If there's any further questions, you can please reach out to us. Thank you, and wish you all the best.

Moderator: Thank you. Ladies and gentlemen, on behalf of Alembic Pharmaceuticals Limited, we conclude this conference. Thank you for joining us, and you may now disconnect your lines.