Management Discussion

Chirag Mehta - Executive Director, Eris Lifesciences Limited
Good afternoon, everyone, and welcome to our Quarter Two FY '27 Results Call. I trust you had the opportunity to review the investor presentation.Before we begin the question-and-answer session, I would like to take you through some key highlights. At a consolidated level, we delivered a year-on-year growth of 12.6% in quarter two of FY '27 and 12.8% in the first half of the year. Our DBF business, Domestic Branded Formulation business, grew by 14.1% in Q2 and 14.2% in -- year-on-year in H1 FY '27. Adjusted for the Zorvia business, the Branded Formulations business growth stood at 16.5% and 14.9% for this -- for the quarterly period. SUNDAE continued to maintain its leadership position as a number one brand in prescriptions and in units. On the profitability, consolidated EBITDA grew by 7.3% year-on-year in Q2 FY '27 and 7.2% in H1, while profit after tax have grown by 39.2% in Q2 and 27.3% year-to-date. Further details are all available in the Investor Presentation.We can now open the floor for questions.

Operator
Thank you, sir. [Operator Instructions] The first participant is Niharika Agarwal. Please unmute your line and please ahead with the question, ma'am. Niharika ma'am, please unmute your line and ask your questions.

Questions & Answers

Niharika Agarwal - Analyst
You hear me?

Operator
Yes, we can hear, ma'am.

Niharika Agarwal - Analyst
Okay. So gross margins have improved approximately 134 bps on Q-o-Q, right? But on EBITDA margins, we are still seeing some pressure. So I wanted to understand when will gross margin gains translate into EBITDA expansion?

Amit Bakshi - Chairman and Managing Director, Eris Lifesciences Limited
Yes. So look, we are ahead of our guidance. We guided that in H2, the EBITDA margins will be around 35%, which have moved to 36%, thanks to the earlier improvement of gross margins also. And as stated earlier, H2 will see a improvement in both gross margin and EBITDA forward.

Niharika Agarwal - Analyst
Okay. Thank you. In terms of Zorvia deal, after we account for lost product sales and the 7% loyalty, approximately how much would be the net incremental EBITDA benefit that we see from out-licensing?

Amit Bakshi - Chairman and Managing Director, Eris Lifesciences Limited
Yes. So at an EBITDA level, so we were -- this business which we outsourced was not EBITDA positive for us. It was hardly there. And all this 7% royalty should add up to that.

Niharika Agarwal - Analyst
Okay. Thank you. And my last question was on the Bhopal facility. Could you help quantify the expected cost savings and the timeline for the 100 bps gross margin benefit?

Amit Bakshi - Chairman and Managing Director, Eris Lifesciences Limited
100 bps of gross margin benefit should accrue in the next two quarters. And when we are able to shift the entire business, which is by the somewhere in the Q2 next year, then we would see more like a 1.52% reduction in gross margins.

Niharika Agarwal - Analyst
Okay. And what proportion of the relevant insulin and injectable volumes have already shifted?

Amit Bakshi - Chairman and Managing Director, Eris Lifesciences Limited
Very small. Very small, negligible, but it will ramp up very quickly now.

Niharika Agarwal - Analyst
Okay. And what incremental depreciation and fixed cost should be factored in during the transition?

Amit Bakshi - Chairman and Managing Director, Eris Lifesciences Limited
Yes. So Neharika, the current depreciation, we expect around INR200 crores to INR300 crores more to be capitalized. So that's around 15% of that. INR30 more crores on an annual basis is what should be added to the depreciation.

Niharika Agarwal - Analyst
Okay. Thank you for the opportunity. That's all for me.

Operator
Thank you, ma'am. I'd request all the participants who have raised their hands introduce themselves with their name and followed by the company name they're representing. The next question comes from the line of. Mr. Rahul Agrawal. Please introduce yourself and the company you are representing, sir, and request you to ask the questions.

Rahul Agrawal - Analyst, EverFlow Partners
Thank you. This is Rahul from EverFlow Partners. Amit, my first question is on the Bhopal site. Eearlier when we had increased the capex there and expanded potential capacity there, you had indicated that there could be potential beyond just fulfilling our internal requirements, be it partnerships or scale-up there. Is there any progress on that? And what sort of scale do you expect in the medium-term from that site?

Amit Bakshi - Chairman and Managing Director, Eris Lifesciences Limited
Yes, Rahul, there is a progress on that side, but nothing concrete as now -- as of now to tell you. But the kind of facility which you have built up is quite a bit in demand. We have conducted a couple of audits there. So I think the results of the audit will also come in the next couple of months. So we are still in discussing, nothing which I can tell you at this point of time from other than our own insulin manufacturing point of view.

Rahul Agrawal - Analyst, EverFlow Partners
Got it. And when you say audits, you mean for EU or other regulatory certifications?

Amit Bakshi - Chairman and Managing Director, Eris Lifesciences Limited
Yes, regulatory. Yes.

Rahul Agrawal - Analyst, EverFlow Partners
Got it. And on the GLP-1 side, Amit, how is the ramp-up coming along? What sort of scale do you think does the generic market reach on a run rate basis by the end of the year? And where are we today? And how do you expect Eris's position in that?

Amit Bakshi - Chairman and Managing Director, Eris Lifesciences Limited
So Rahul, we are quite excited with the GLP opportunity. We still remain very positive on the outcome. As of now, we maintain number one in units and number one in prescription because we have a vial, a component also. Therefore, we are number two as in value. But the market is ramping up well, and I feel that the market might double up in the next year from where we started from. So looks like now we are talking about what, INR40 crores, INR45 crores a month? That is the -- that's the number. I think that next year, we should be doing around INR80 crores, INR90 crores a month.

Rahul Agrawal - Analyst, EverFlow Partners
Got this. For the next full year, you are saying?

Amit Bakshi - Chairman and Managing Director, Eris Lifesciences Limited
Yes.

Rahul Agrawal - Analyst, EverFlow Partners
Got it. And one last question, Amit, on the Swiss Parenterals side, how's the progress on the regulatory issue remediation there? By when do you expect that to progress? And is the original target of CDMO scale-up to potentially a INR1,000 crore level over three, four years still intact? Or is that something that you would have to review once the regulatory process gets over and you review the contracts with the partners?

Amit Bakshi - Chairman and Managing Director, Eris Lifesciences Limited
Yes. So Rahul, we are in touch with everybody. As of now., we have already stated in the slide that nothing has moved out. The progress is on. As far as the remediation, we will be taking a close down in the month of November to get everything done. And we expect by the end of the year, sometimes in the end of the year, we would be able to invite the auditors once again. So the remediation work is online. We have spoken to all our CDMO partners. Anyway, we had only one active sales during the current year. Rest of them were anyways in the next year, and their development work is going on regularly as we speak. So till this point time -- point of time, this is the status.

Rahul Agrawal - Analyst, EverFlow Partners
Got it. Thank you. Thank you so much.

Amit Bakshi - Chairman and Managing Director, Eris Lifesciences Limited
Thank you.

Operator
Thank you so much, sir. I would request all the participants to introduce themselves first along with the company they represent and then go forward with the questions. The next participant is Mr. Harith Ahamed. Please go ahead, sir.

Harith Ahamed - Analyst, Avendus Spark
Thanks for the opportunity. So the first question is on the plant shutdown that you talked about at our Swiss facility. So how should we think about the financial impact for the quarter -- for the December quarter?

Amit Bakshi - Chairman and Managing Director, Eris Lifesciences Limited
Yes, Harit, as of now we see that there is an opportunity for us be 5% plus minus of the last year numbers. I'm talking about the top line.

Harith Ahamed - Analyst, Avendus Spark
Okay.

Amit Bakshi - Chairman and Managing Director, Eris Lifesciences Limited
So the way we have planned out at this point of time, it is 5% here and there. Chirag, that's the...

Chirag Mehta - Executive Director, Eris Lifesciences Limited
Yes.

Amit Bakshi - Chairman and Managing Director, Eris Lifesciences Limited
Yes. So that's how we are looking at it. The good thing is we were expecting a little more kind of -- the business has been a little robust than we would have imagined. So we've got the numbers right. So this is our outlook.

Harith Ahamed - Analyst, Avendus Spark
At margins similar to Q2 levels?

Amit Bakshi - Chairman and Managing Director, Eris Lifesciences Limited
Sorry, say that again.

Chirag Mehta - Executive Director, Eris Lifesciences Limited
Sorry.

Harith Ahamed - Analyst, Avendus Spark
At EBITDA margins, similar to Q2 levels, or will there be a drop?

Amit Bakshi - Chairman and Managing Director, Eris Lifesciences Limited
Yes, yes.

Harith Ahamed - Analyst, Avendus Spark
Okay. And Amit, your comment on the performance of our semaglutide brand, good to hear the traction there. So if you could give a bit of color on how, what the numbers look like in 2Q, you had provided that for 1Q, and some color on the breakup between the vial presentation and pen device.

Amit Bakshi - Chairman and Managing Director, Eris Lifesciences Limited
Okay. So Harit, the breakup I don't have, but I think our numbers -- represent numbers for the quarter could -- would be around INR16 crores to INR18 crores. We'll be close to that number for a quarter, INR16 crores to INR18 crores coming from GLP. But it's ramping up well. Harith, we are also coming up with a very large study, one of its kind, where we are basically being able to demonstrate that it is the visceral fat which creates all the problem regarding the risk of CAD, CKD. So it's a very large and very appreciable study. We hope that it will be published in the next two months.

Harith Ahamed - Analyst, Avendus Spark
Okay. Just wanted to confirm, did you mention a INR45 crore run rate that we're tracking now or...

Amit Bakshi - Chairman and Managing Director, Eris Lifesciences Limited
No, I said for the market. I said for the market without the oral. The market without the oral was tracking INR45 crores, INR50 crores.

Harith Ahamed - Analyst, Avendus Spark
Okay. Got it. And then your comment on -- comment that we are approaching the end of our capex cycle, so will you be able to share the capex expectation for FY '27 and how we should think about FY '28?

Amit Bakshi - Chairman and Managing Director, Eris Lifesciences Limited
So FY '27, another INR50 crores, INR80 crores this year left. How much? INR100 crores. Still left INR100 crores? Okay. So around INR100 crores left in this -- in the second half, and then we should move down significantly.

Harith Ahamed - Analyst, Avendus Spark
Okay. Understood. Thanks for taking my questions. I'll get back in the queue.

Amit Bakshi - Chairman and Managing Director, Eris Lifesciences Limited
Thank you.

Operator
Thank you, sir. The next question comes from Mr. Kunal Randeria. I would request Mr. Kunal to introduce himself and also introduce the company he represents. Please go ahead, sir.

Kunal Randeria - Analyst, Axis Capital
Hi, good afternoon, and thanks for the opportunity. Sir, first question on the insulin business. Amit sir, you mentioned in the past that there is a good scope for you to ramp up on the government side of business. So just wondering whether that opportunity still stands. Where are you in terms of monetizing it?

Amit Bakshi - Chairman and Managing Director, Eris Lifesciences Limited
Yes, Kunal. So we stand by what we said, and the expansion of the insulin portfolio as well as the capacity in Bhopal both will enhance the supply side of the business. So nothing changes on the stand. We still remain positive about that.

Kunal Randeria - Analyst, Axis Capital
So you mean to say the demand is intact. Once the supplies ramp up, that is when you should start seeing some revenue traction? So which should be what, late '28, early '29 then?

Amit Bakshi - Chairman and Managing Director, Eris Lifesciences Limited
No. So look, Kunal, our production from -- if you see the slide, we have put a pack shot which has been manufactured from our Bhopal facility. So our Bhopal has already started manufacturing, which means the controls in -- are in our hand as of now. So this should ramp up, say, from the first quarter of next year. The ramp-up should start from the first quarter of next year.

Kunal Randeria - Analyst, Axis Capital
Got it. Sir, you also have a slide where you showed that you have kind of done better in OAD this time around. You have been struggling in OAD for a while now. So is this more of a -- is this what your primary sales also reflect? And should we expect to grow at least in line with the market going forward?

Amit Bakshi - Chairman and Managing Director, Eris Lifesciences Limited
So Kunal, look, while we were struggling, but 50% of our struggle was because of the discontinuation of our large brand last year. So what happens by July, August, it tapered off. So when it tapered off, we were like 4% to 5% was contributed only by that brand. And -- so otherwise, there was always a basic amount of growth. So what happened, when it got tapered off and then we had a couple of new launches which are actually doing quite good. So contrary to what we had been telling you in the past, I remember last time I told we would be 70% of the growth. Maybe we could be ahead of the market in the coming quarters. So that point has kind of is behind us, and our new product which have come from our own R&D, it just took six, eight months more than we were expecting, but the ramp-up is quite good.

Kunal Randeria - Analyst, Axis Capital
Got it, sir. That's useful. And just one more if I can. Mr. Sameer, sir. Can you share what your net debt number is today and your expectations? Because the cash generation has been pretty strong. So just want to kind of understand your net debt number today, and how do you see it at the end of FY '27 and '28?

Unidentified Speaker
Yes. So net debt as of today is around 2,150, 2,144 to be precise currently as of 30 September.

Amit Bakshi - Chairman and Managing Director, Eris Lifesciences Limited
And we are aiming for around INR150 crore to INR200 crore of a pay down this year. We are trying for INR150 crore to INR200 crore pay down this year.

Kunal Randeria - Analyst, Axis Capital
Right. So in the next year should be what, INR400 crores, INR500 crores more?

Amit Bakshi - Chairman and Managing Director, Eris Lifesciences Limited
Should be because this -- I mean once the capex cycle cools down, I think that's not a -- that's a fair number to think about.

Kunal Randeria - Analyst, Axis Capital
Got it, sir. Thank you, and all the best.

Operator
Thank you, sir. [Operator Instructions] I would request all the participants to self-introduce themselves and introduce the company they represent before they ask the questions. The next question comes from the line of Mr. Manish Reddy. Please go ahead and introduce yourself, sir.

Kunal Randeria - Analyst, Axis Capital
Hello. Thank you for this opportunity. My first question is regarding the Bhopal facility. What is the expected full year EBITDA benefit once the Bhopal manufacturing shift is completely? And when should the earnings be visible? And the second question is related to the capex cycle. So most of

the capex cycle is expected to wind down by the end of FY '27. So Eris BioNxt, Swiss, Levim expected to contribute more from next year. So what kind of earnings growth are we expecting for the FY '28? Will it be a meaningful acceleration considering the FY '27? What are the key assumptions behind the acceleration? Thank you.

Amit Bakshi - Chairman and Managing Director, Eris Lifesciences Limited
Yes. So you're right. The -- all this investment which was going from the last couple of years should kind of sweat out in the next year. So Bhopal is a clear-cut case where the earnings will look up, and once we shift all our products there, and by the time we do it, we will have a gross margin benefit which will then precipitate into an EBITDA margin benefit. So that's what I told you earlier that we expect 1.5 to 200 basis point of gross margin coming down, which will then be reflecting in the EBITDA also. Simultaneously, there will be tax gains also because, as of now, we pay around 37% tax on outsourcing and Bhopal is a 115BAB, so we will come down to 15% of net tax. So that is Bhopal.Levim will largely contribute into getting newer products. As I mentioned that, we are the first company to get a semaglutide recombinant approved for clinical trials, and we have a lot more products coming out from Levim. And each of these products are meaningful from a value consideration once they are launched. So Levim's contribution will not be seen in volume -- in value term, but will be more seen from a product term, which will then precipitate into value.And the third major investor investment had gone in the large block which we have built in Swiss, which we -- which will also be a good revenue churner for us in the next year. We expect March, April, the PV batches to happen. And we had been a little short on supplies capacity. So once that comes up, it will be advantage in the Swiss business. So you're right, there are two direct components, and then there is one indirect component which should add to growth and margins.

Kunal Randeria - Analyst, Axis Capital
Thank you. Any number are we looking for the FY '28?

Amit Bakshi - Chairman and Managing Director, Eris Lifesciences Limited
Numbers you can calculate now. If the gross margin comes down by 150 basis point and it gets precipitated into EBITDA, then it's all about putting these two things together.

Kunal Randeria - Analyst, Axis Capital
Okay. Yes. Thank you.

Operator
Thank you, sir. The next participant is to Mr. Nilay Parekh. I would request Mr. Nilay to introduce himself and also introduce the company he represents.

Nilay Parekh - Analyst, Perpetuity Ventures
Perpetuity Ventures. I have multiple questions in line. My first question is basically on the FY '27 guidance for the Swiss Parenterals. Can you throw some light for the same?

Amit Bakshi - Chairman and Managing Director, Eris Lifesciences Limited
Yes. So we just mentioned, we will be plus/minus 5% of what we achieved last year.

Nilay Parekh - Analyst, Perpetuity Ventures
Okay. And in terms of this EBITDA margin, can you say some...

Amit Bakshi - Chairman and Managing Director, Eris Lifesciences Limited
EBITDA will be in the range of 25%. So there'll be improvement in EBITDA. Top line will be in a 5% range.

Nilay Parekh - Analyst, Perpetuity Ventures
Okay. Sure, sir. So my second question is, could you please elaborate on strategic rationale behind out-licensing this injectable as well as this acute portfolio to the Zorvia Healthcare?

Amit Bakshi - Chairman and Managing Director, Eris Lifesciences Limited
Yes. So if you would -- if you're following us from sometime last year, we did made a mention that we have INR100 crore portfolio which doesn't suit us, our specialty, and all of them has been acquired. So we got a very good vehicle where we think that this business can actually grow, and it still remains with us. Number two was, it was never EBITDA positive for us, and it was a drag on our gross margins also. After removing the Zorvia, I think from 87%, we move up couple of basis point in chronic therapy. So we might come close to 90% in chronic/subchronic, which in our view is very strategic. So these are two, three reasons where we tried and do this.

Nilay Parekh - Analyst, Perpetuity Ventures
And for -- so the last question is regarding this INR30 crores to INR35 crores of this exceptional, this loss that we have received this quarter. So could you provide some this more -- these details on the products that were this -- related to that?

Amit Bakshi - Chairman and Managing Director, Eris Lifesciences Limited
Yes.

Nilay Parekh - Analyst, Perpetuity Ventures
This receivable write-off. Yes.

Amit Bakshi - Chairman and Managing Director, Eris Lifesciences Limited
Why not? Of course. So guys, if you would have -- again, I'm sorry, if you would have been following us, there was a category in our portfolio which is called at-risk. What at-risk means, where there was a -- we challenged the patent for some good reasons. And there was a group of around four products, if I remember correctly. These four products created a very good sales for us. So you understand almost 20% of that finally we were not able to sell, and that is which has been kind of taken back.

Nilay Parekh - Analyst, Perpetuity Ventures
Okay, sure. Sure, sir. Okay. And that's it from my side. All the best for the quarter ahead. Thank you.

Amit Bakshi - Chairman and Managing Director, Eris Lifesciences Limited
Thank you. Thank you. Thank you.

Operator
Thank you, sir. The next participant is Mr. Foram Parekh. I would request Mr. Forum to introduce himself and also introduce the company he represents from.

Foram Parekh - Analyst, BoBCaps
Thank you for the opportunity. My name is Foram Parekh. I'm from BOB Capital. So my first question is on OAD growth, which is 12%. So if you can give us the breakup, how much is coming from price

growth and how much is coming from volume?

Amit Bakshi - Chairman and Managing Director, Eris Lifesciences Limited
We don't have the breakup available with us, but you can conveniently, I mean, consider that it is as per the industry, right? There's nothing which I need to tell you which is out of the order. So it is as normal as it's in the IPM. It's an IPM reflection.

Foram Parekh - Analyst, BoBCaps
Okay. And I see that domestic growth ex of Zorvia has been 16% -- 16.5%. So now with OADs performing above the IPM level and expected to stay there, so -- and we have demerged, I think, the dermatology and all these brands. So can we expect domestic region to grow around the current levels of 16.5%, 17%, as IPM is also growing?

Amit Bakshi - Chairman and Managing Director, Eris Lifesciences Limited
Yes. So we have given a guidance of 300 basis point ahead of the market, and I think we'll stick to that.

Foram Parekh - Analyst, BoBCaps
Okay. And just a broader question, how do you look at the domestic IPM growth shaping out next year? This year has performed very well. And one of the reasons is because of new launches, because of sema generics. So now with sema generics being in the base next year, how do you see IPM growth sustaining?

Amit Bakshi - Chairman and Managing Director, Eris Lifesciences Limited
Yes. Look, we are also happy to see the growth being what it is. And while sema has participated in growth, but it is not as big as it could turn the whole lever. So there is a lot of growth coming in different specialties, cardiology being one other than diabetes. So it's a pleasant thing for us also. As of now, we predict that the growth next year would also be in the range of 11% to 12%. But this is a little bit of a new thing, so we need time to kind of wrap our head around. But as of today, looking at how the numbers have behaved, it seems the IPM would be around 11%, 12% next year also.

Foram Parekh - Analyst, BoBCaps
Sure. That's helpful. And my second question is on tax rate. If you can give us some guidance on how the tax rate would be for FY '27 and next year as well?

Unidentified Speaker
Yes. So Foram, the tax rate -- effective tax rate that we see for the current year should be in the range of 20% to 21%, and similar, I think, will continue next year also.

Foram Parekh - Analyst, BoBCaps
Sure. That's helpful. Thank you.

Amit Bakshi - Chairman and Managing Director, Eris Lifesciences Limited
Thank you.

Operator
Thank you, sir. [Operator Instructions] The next question comes from Mr. Keerthan Donga. I would request Mr. Keerthan Donga to introduce himself and the company he represents.

Unidentified Participant
Thank you for the opportunity. I'm Keerthan from Leo Capital. My question was on insulins. We have a bunch of product launches lined up in segments which we have not been able to serve historically. How large is the market opportunity for us in those segments?

Amit Bakshi - Chairman and Managing Director, Eris Lifesciences Limited
We alluded to this last -- in last quarter. If I remember correctly, it has around INR2,500 crores of analog markets, which have been growing very healthy almost in double-digits. So that is the whole piece which we want to represent in the coming years. And now diabetes contribute to 38% of our overall revenue, which is quite significant. And two of the brands in INR200 crore plus are also coming from the same franchise. So we feel that diabetes is our moat, and with the kind of new product filing which we are doing, we feel this will be a significant growth driver for the future.

Unidentified Participant
Okay. Thank you.

Operator
Thank you, sir. [Operator Instructions] The next participant is Mr. Mohammed Patel. I would request Mr. Mohammed Patel to introduce himself and the company he represents from.

Mohammed Patel - Analyst, Edelweiss Financial Services Limited
Hi. Can you hear me?

Operator
Yes, sir.

Mohammed Patel - Analyst, Edelweiss Financial Services Limited
This is Mohammed Patel from Edelweiss Public Alternatives. I have couple of questions. So the first one is, what led to the sequential improvement in gross margin and EBITDA?

Amit Bakshi - Chairman and Managing Director, Eris Lifesciences Limited
So gross margin, basically product mix, and EBITDA should have -- EBITDA also is a result of a better product mix. Bhopal has started contributing in one of the SKU. So this could be one reason. But largely it is product mix based, and EBITDA also followed. The EBITDA growth was little lower because we had a little higher other expenses this quarter. So that's about it.

Mohammed Patel - Analyst, Edelweiss Financial Services Limited
Yes. Your next question was regarding other expenses. So can you explain why it was 27% higher?

Amit Bakshi - Chairman and Managing Director, Eris Lifesciences Limited
Yes. So man, this is the season for us to -- there's a lot of new launches coming in, and lot of money is going on the development also of new products as well as filing and regulatory. So it's a combination of both.

Mohammed Patel - Analyst, Edelweiss Financial Services Limited
Okay. My next question is, so in the slide you have mentioned gross margin levers, 100 basis point from Zorvia, 100 basis point from Bhopal. I just wanted to understand the timeline of when this will happen.

Amit Bakshi - Chairman and Managing Director, Eris Lifesciences Limited
No, both of them are short-term in the H2. Chirag ji, right?

Chirag Mehta - Executive Director, Eris Lifesciences Limited
Correct.

Mohammed Patel - Analyst, Edelweiss Financial Services Limited
Okay. And on the Zorvia deal, when is it going to start reflecting in the numbers?

Amit Bakshi - Chairman and Managing Director, Eris Lifesciences Limited
Number means?

Mohammed Patel - Analyst, Edelweiss Financial Services Limited
In the quarterly numbers.

Amit Bakshi - Chairman and Managing Director, Eris Lifesciences Limited
Reflecting next quarter.

Chirag Mehta - Executive Director, Eris Lifesciences Limited
From next quarter, it should start, Mohammed.

Mohammed Patel - Analyst, Edelweiss Financial Services Limited
Okay. And my last question. So are we on track for the product launches that we had targeted for FY '27?

Amit Bakshi - Chairman and Managing Director, Eris Lifesciences Limited
Yes. We are on -- largely, we are on track, Mohammed. We got pushed and pushed on Esaxerenone which we think is a very good product. Finally, we got the permission last week. So we are launching in the next three days.

Mohammed Patel - Analyst, Edelweiss Financial Services Limited
Okay. And that should drive the cardiac growth?

Amit Bakshi - Chairman and Managing Director, Eris Lifesciences Limited
Yes. That should drive the cardiac. You're absolutely right.

Mohammed Patel - Analyst, Edelweiss Financial Services Limited
Okay. And what about FY '28? How many product launches are we planning?

Amit Bakshi - Chairman and Managing Director, Eris Lifesciences Limited
I can tell you what is coming from the regulatory pathway. The other products, we are still -- we haven't bundled them together. So we are expecting one, two, three analogs to be launched in the next year, all coming from our own stable.

Mohammed Patel - Analyst, Edelweiss Financial Services Limited
Okay. And how should we look at Swiss for next year?

Amit Bakshi - Chairman and Managing Director, Eris Lifesciences Limited
We are looking at positively. But the real -- we don't expect any major turnaround till Q1 next year. Post-Q1, depending upon how the GMP things happen, and how the new block gets into function, things should start looking up quite a bit.

Mohammed Patel - Analyst, Edelweiss Financial Services Limited
Okay. Thank you so much. All the best.

Amit Bakshi - Chairman and Managing Director, Eris Lifesciences Limited
Thank you.

Operator
Thank you, sir. [Operator Instructions] The next question comes from Mr. Yasser Lakdawala. I would request Mr. Yasser Lakdawala to introduce himself and the company he represents.

Yasser Lakdawala - Analyst, M3 Investments
Hi, this is Yasser Lakdawala from M3 Investments. Amitji, what would you sort of like -- what's your sort of like mid-term guidance on like a field force additions? I think we've got oncology, nephrology, neuroscience, like small portfolios there.

Amit Bakshi - Chairman and Managing Director, Eris Lifesciences Limited
Correct.

Yasser Lakdawala - Analyst, M3 Investments
Thought process on scaling those up and what kind of sort of field force addition would you be looking at over the next two to three years? Any thoughts on that would be great.

Amit Bakshi - Chairman and Managing Director, Eris Lifesciences Limited
So boss, we have never been a huge fan of adding a lot of people. And the specialties which you are mentioning are less people-driven, more product-driven. So the point is that can we enrich oncology? While we talk about the Bhopal facility from a biotech point of view, but we also have a MAB unit there. And we will start some tech transfer in the month of December. And once those tech transfer happens and we go through the regulatory framework, by second half of next year, we will have couple of MAPs coming out of our own stable. But these will only be formulations. So we are strengthening -- we are trying to strengthen the portfolio in these segments rather than increase the people as of now.

Yasser Lakdawala - Analyst, M3 Investments
And would you say that from a, say, like a three -- say, three- to four year perspective, looking at like 2030, or -- are you sort of happy with the current sort of portfolio mix that we have? Or would you still see room to add any, say, therapy area you feel that you probably want to get in? It's a high growth area or feel you get some good products that you could probably in-license. Are you happy with this current mix at the moment?

Amit Bakshi - Chairman and Managing Director, Eris Lifesciences Limited
Yes. So actually, we have tried hard to reach this mix actually. If you look at our mix today, it is 37% diabetes, 15% cardio, right? A similar number in derma and a similar number in VMN. This makes four, five therapies quite concentrated, and these are the therapies which have a lot of tailwind also. And these also happen to be the therapy where we have invested in getting differentiated and new products. So from a therapy point of view, in fact, this is what we wanted to look like. So we are quite open with the therapy.For in-licensing and something, look, we will be in -- we will be playing in these therapies. If we get something which is exciting, then we might go for it. But anything new which we want to do from a therapy point of view, the answer today as of now is no.

Yasser Lakdawala - Analyst, M3 Investments
Sure. And so going forward, I mean, can we expect from a capital allocation standpoint, like majority of our cash flow would be sort of reducing our debt and maybe in case we do get some strategic opportunity, we have that room available. But broadly, you would say we'll be paring down debt over the next two to three years, at least, right, three to four years?

Amit Bakshi - Chairman and Managing Director, Eris Lifesciences Limited
So boss, we have been always like this. Look, we have spent a lot of -- we know that we had two choices, either to get it -- get the debt down or to build capabilities. We believe building capabilities is far-reaching than paring down the debt. And eventually, the -- all our acquisition turns out to be very well. Today at a gross -- at a company level if we are delivering 36%, then you understand almost all business we acquired, some of them were languishing at 8%, 10% EBITDA. They have all come to this level, company level. So other than this, paring down debt is the only priority.

Yasser Lakdawala - Analyst, M3 Investments
Absolutely. Thanks a lot, and wish you all the best. And Happy Diwali to all your team. Thank you.

Amit Bakshi - Chairman and Managing Director, Eris Lifesciences Limited
Thank you so much. Same to you.

Yasser Lakdawala - Analyst, M3 Investments
Thank you.

Operator
Thank you, sir. [Operator Instructions] There are no more questions, I believe, and we now hand over the call to Mr. Chirag Mehta for the closing comments.

Chirag Mehta - Executive Director, Eris Lifesciences Limited
Thank you all for your participation today. Before we conclude, let me just briefly recap the key highlights. As we mentioned, our insulin and biologics business has reached an important milestone with the approval to commence clinical trial in the recombinant semaglutide. And our analog portfolio is also progressing well into a regulatory phase. International business remained steady and our EU GMP CAPA plan is on track. Our long-term outlook for the business remains unchanged and stable.For H1 FY '27, consolidated revenues, as mentioned before, has grown by 12.8%. Consolidated debtor days have improved by 10 days from 80 days to 70 days. And our capital expenditures stood at INR220 crores. EPS for the period was INR23.58. Thank you once again for your time and continued interest in Eris Lifesciences. We are planning to hold an Investor Day on 19th November and look forward to seeing you all there. Thank you so much.

Operator
[Operator Closing Remarks]