

Invest in India's Healthcare Prowess

Presenting

HDFC Pharma and Healthcare Fund

November 2025



Refer disclaimer on page 21



Domestic spend

- ✓ Penetration uptake
- ✓ Increasing elderly population^ and life expectancy
- ✓ Disease pattern change



Exports opportunity

- ✓ Patent expiries
- ✓ Complex drugs foray
- ✓ Outsourcing by global Big Pharma companies



Manufacturing leadership

- ✓ Booster shot from Government's PLI scheme
- ✓ Labour cost advantage
- ✓ Ready R&D ecosystem

PLI – Production Linked Incentive. R&D – Research & Development

^ population above 60 years

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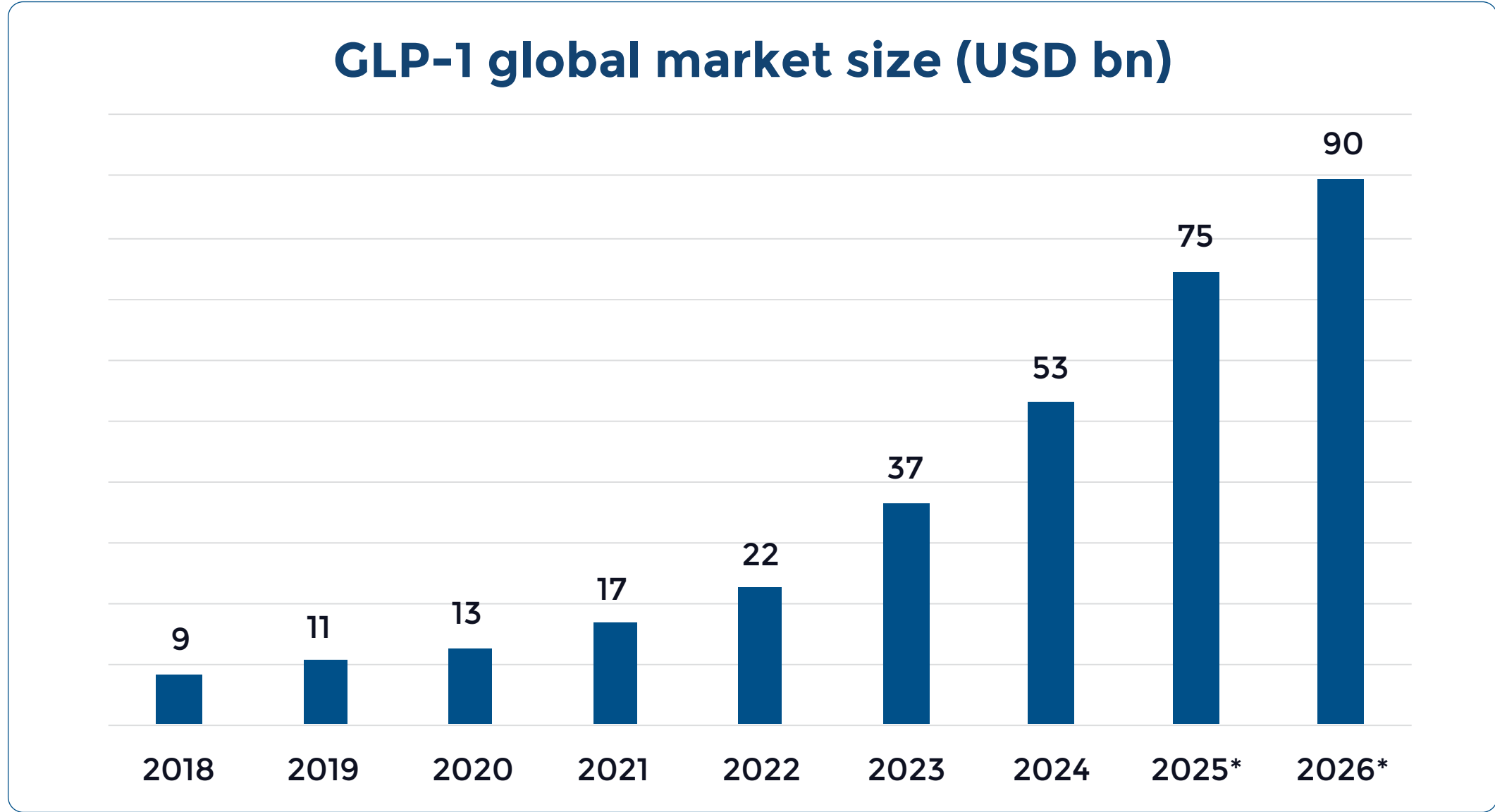
Favourable macro trends in healthcare services & CDMO

Development	Most recent update	Remarks	Impact		
			Generic exports	CRDMO [^]	Hospitals
Tariffs	End-September 2025	Tariffs on 100% patent-protected drugs suspended Generics exempted, pending Section 232 investigation [@]	+	+	=
US National Defence Authorization Act (modified Biosecure Act)	October 2025	Prohibits the use of biotechnology equipment or services from any biotechnology company of concern (no Indian company named)	=	+	=
Central Government Health Scheme (CGHS) pricing	October 2025	Rates of 2,000 medical procedures revised after 10-15 years	=	=	+

[^]Contract Research Development and Manufacturing Organization (CRDMO), is an organization that serves the pharmaceutical industry and provides clients with comprehensive services from drug development through manufacture.

[@] Section 232 of the Trade Expansion Act of 1962 authorizes the president of the United States to adjust the imports of goods or materials from other countries if the quantity or circumstances surrounding those imports are deemed to threaten national security. This can be done through tariffs or other means.

- GLP-1 drugs for type 2 diabetes and obesity is estimated to grow to a market size of ~USD90 bn in 2026
- These drugs are going off patent in 2026 in key markets like China, India
- Eli Lilly’s GLP-1 drug Mounjaro is now clocking ~Rs10bn annual sales in just 6 months of launch in India



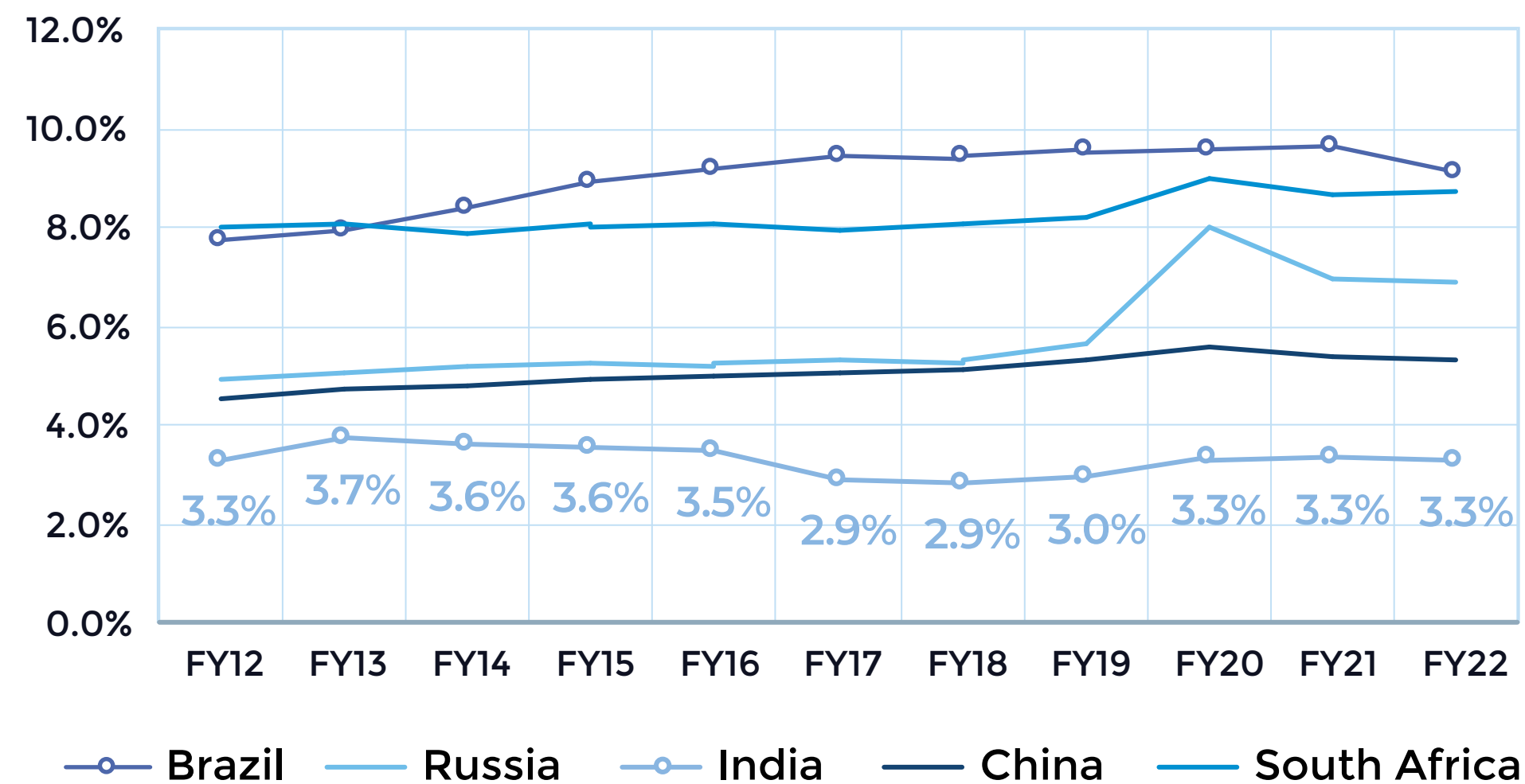
GLP-1 patent expiries in 2026	Addressable opportunity (USD mn) FY30 estimate
China	3,200
India	1,300
Brazil	1,000
Mexico	700
Canada	350
South Africa	200
Total	6,750

Source: Nomura research; ^GLP1 drugs act by activating the GLP-1 receptor on the cells of human body. The activation of GLP-1R drives various physiological changes, such as: 1) controlling sugar levels; 2) inhibition of glucagon release that reduces liver’s glucose output; 3) slowdown in gastric emptying, resulting in lower food intake; 4) impact on the brain, which provides a sense of satiation. These changes help control metabolic disorders and weight loss. All figures, charts/graphs, estimates and data included are as on date and are subject to change without notice.

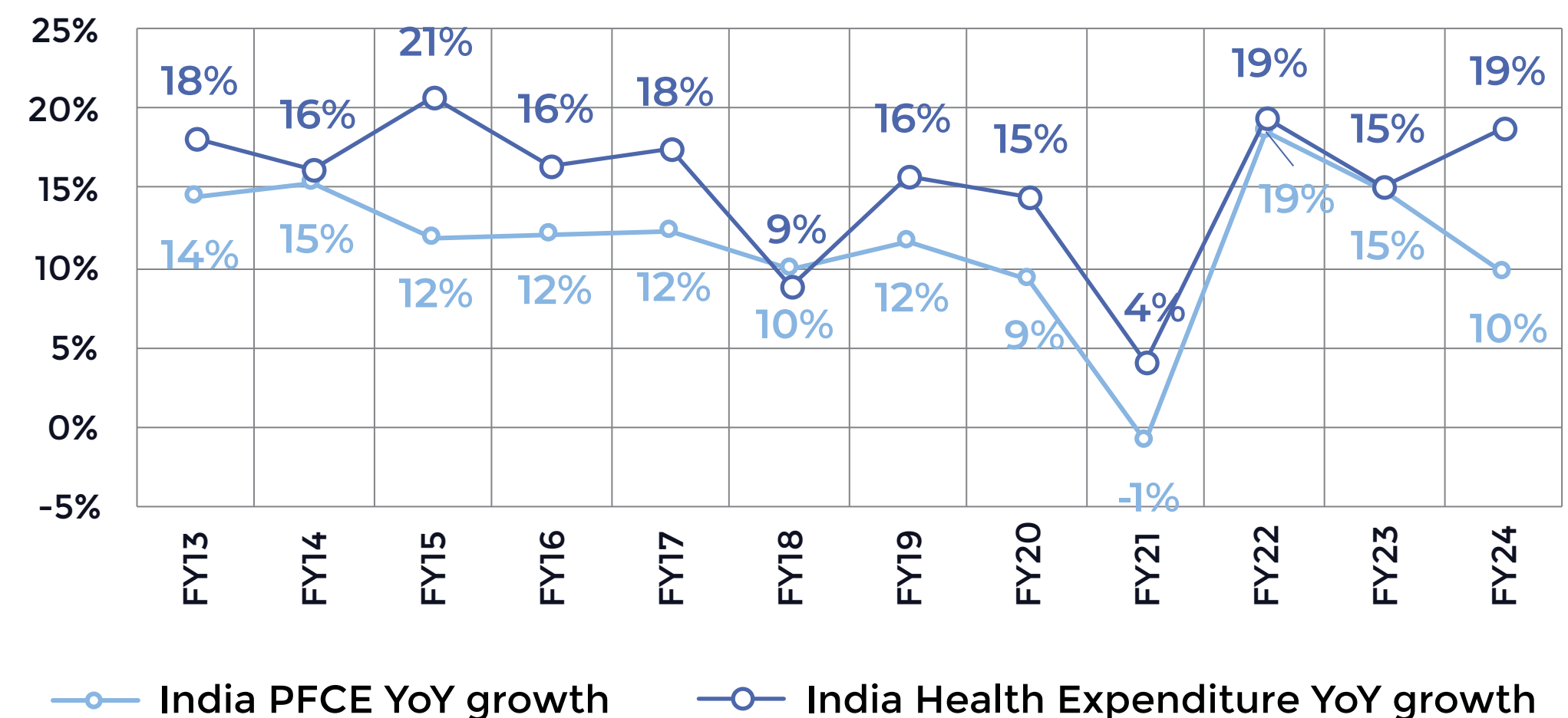
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- In the last 10-years, India's healthcare expenditure growth has consistently outpaced private final consumption expenditure (PFCE)
- Still, India's healthcare spend relative to GDP continues to be lowest amongst BRICS countries
- Ageing population, rising per capita income and insurance penetration uptake are key demand drivers for quality healthcare

Healthcare spends as % of GDP for BRICS countries



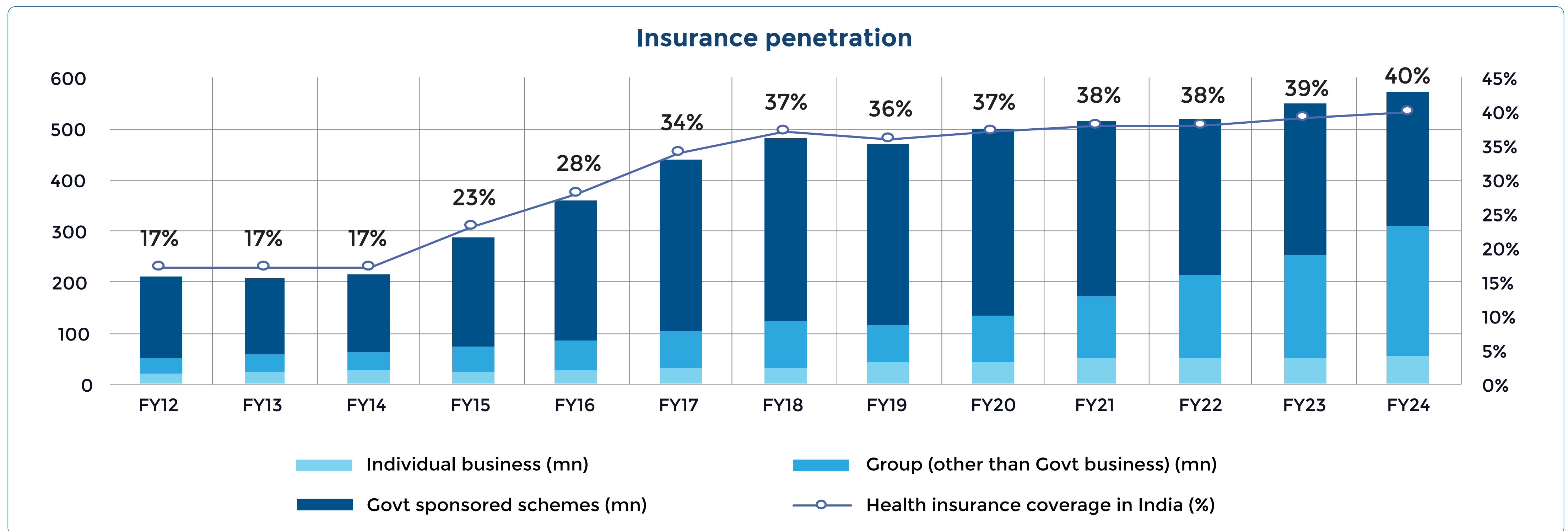
Private final consumption expenditure (PFCE)



Source: IIFL Research

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- Total lives covered by group and individual insurance now stands at ~310mn, which is ~2.6x vs FY18 levels
- Insurance penetration as percentage of total population has now reached ~40%

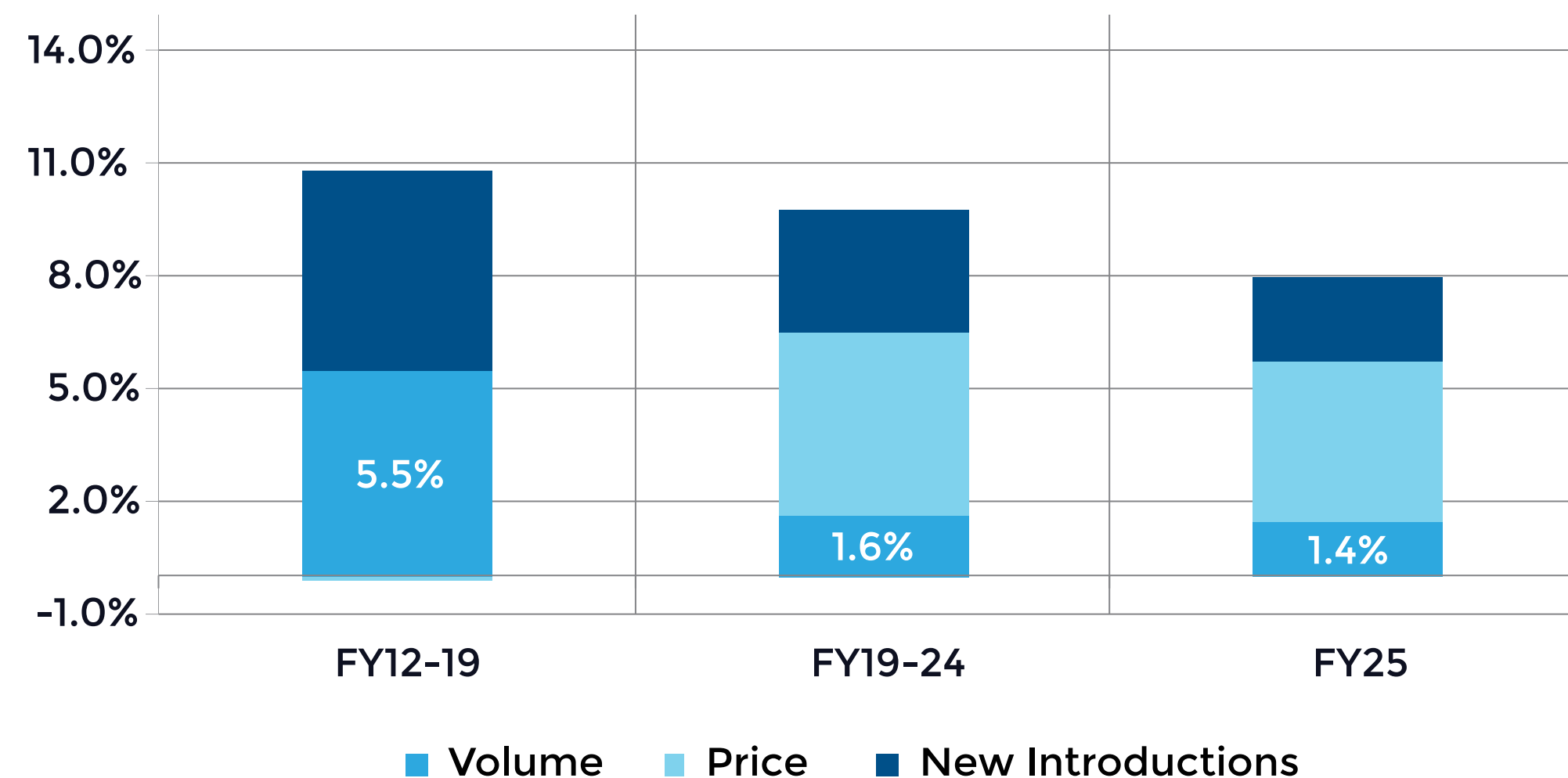


Source: IIFL Research

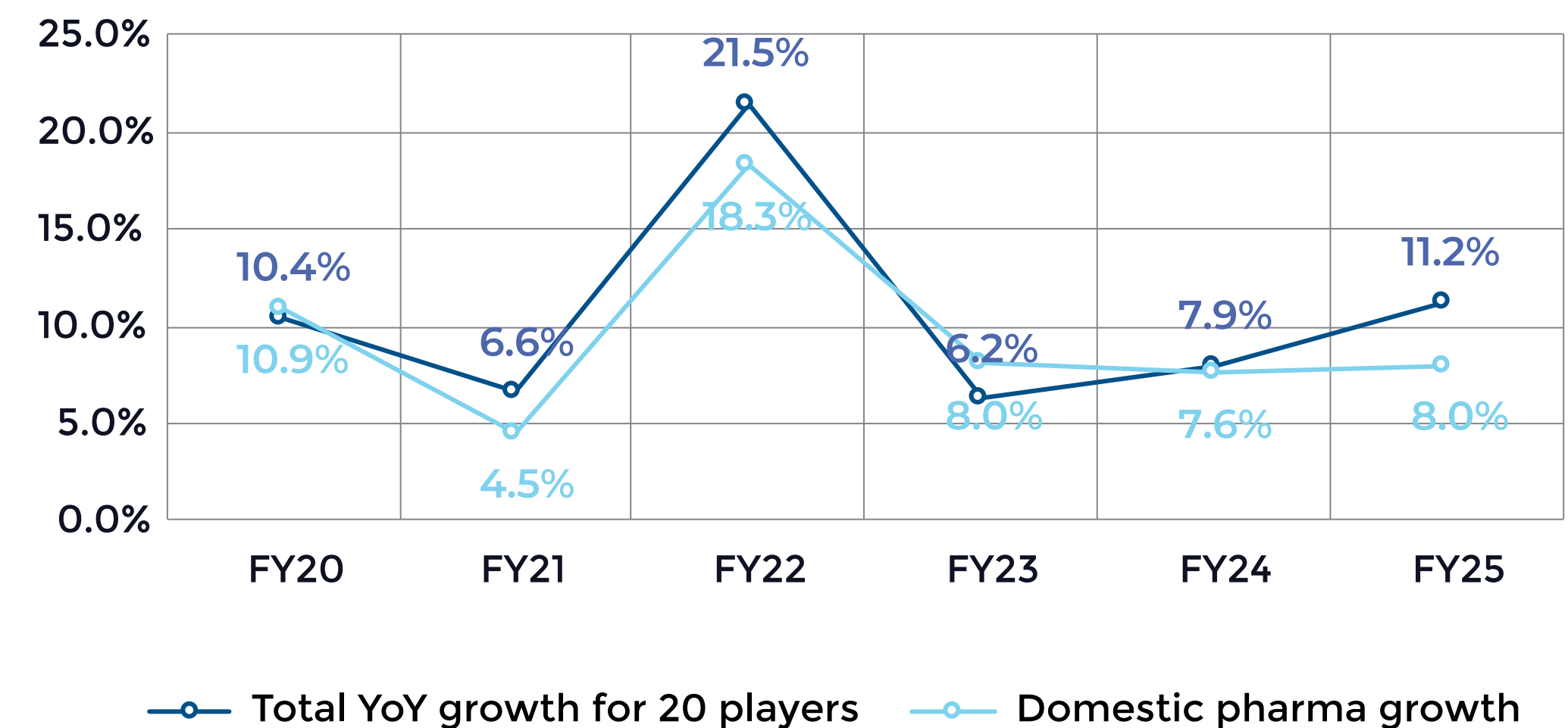
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- Growth slowing in Indian branded generic market due to competitive pressures from unbranded generics
- However, top 20 companies have outperformed the market growth consistently...
- ...which is an indication that large listed companies are growing faster than the market

Domestic pharma growth break up %



Market growth vs top-20 players

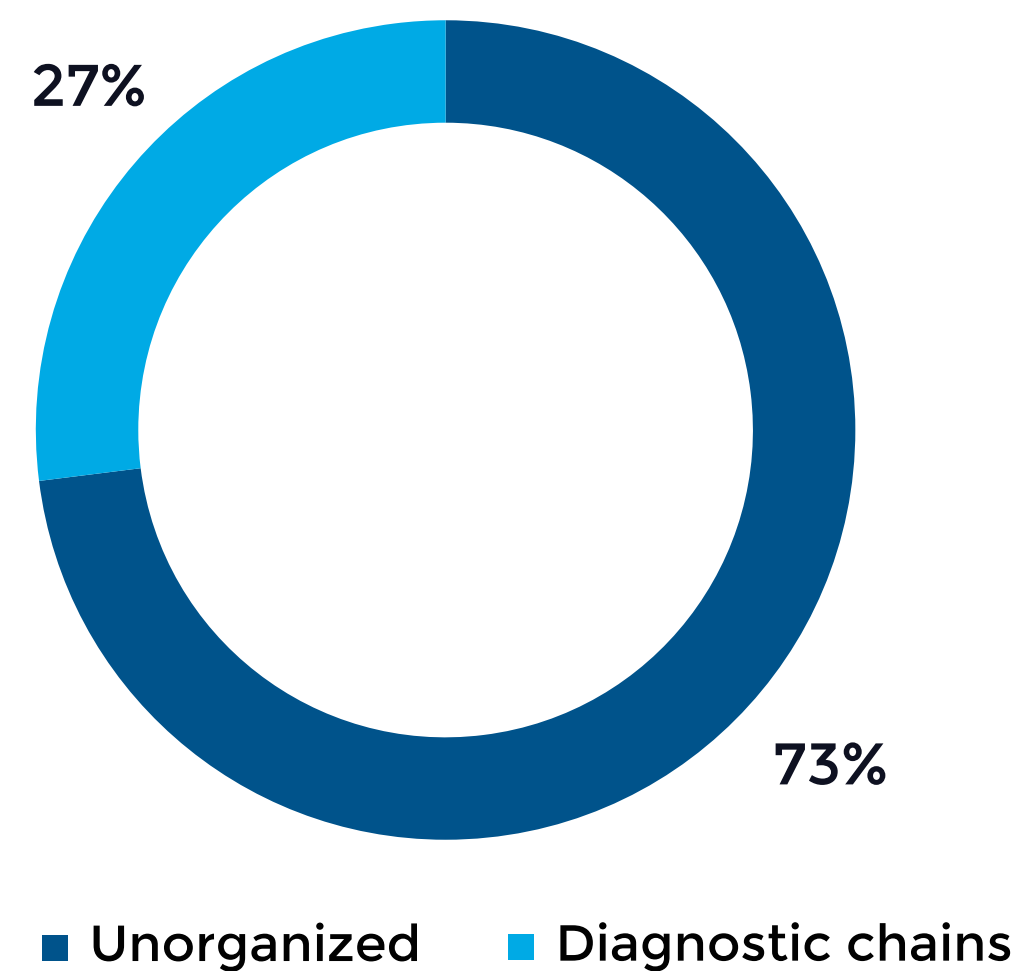


Source: IIFL Research

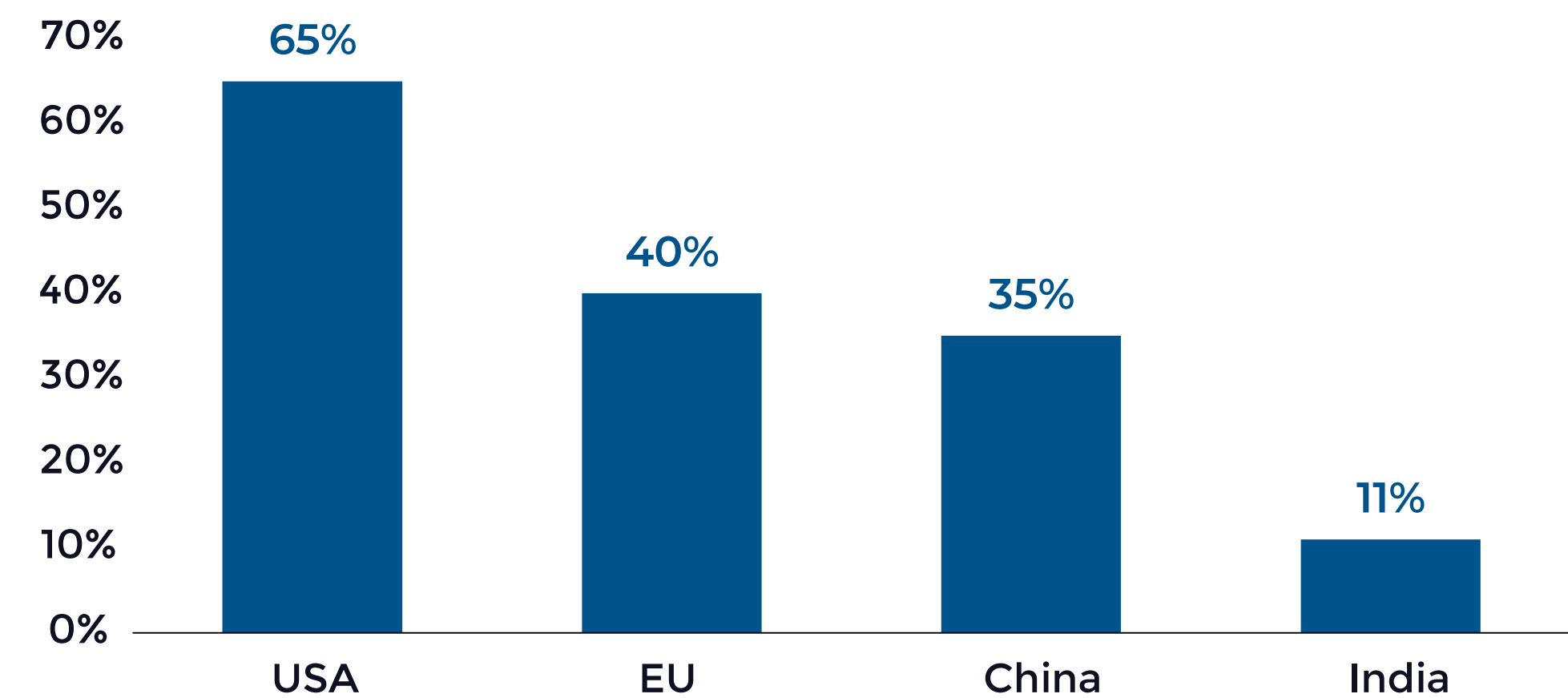
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- Unorganized to organized shift is a key growth driver for healthcare services like diagnostics and pharmacy retail

Unorganized accounts for ~73% of OOH[^] market



Modern pharma retail penetration in various countries (share of organized %)

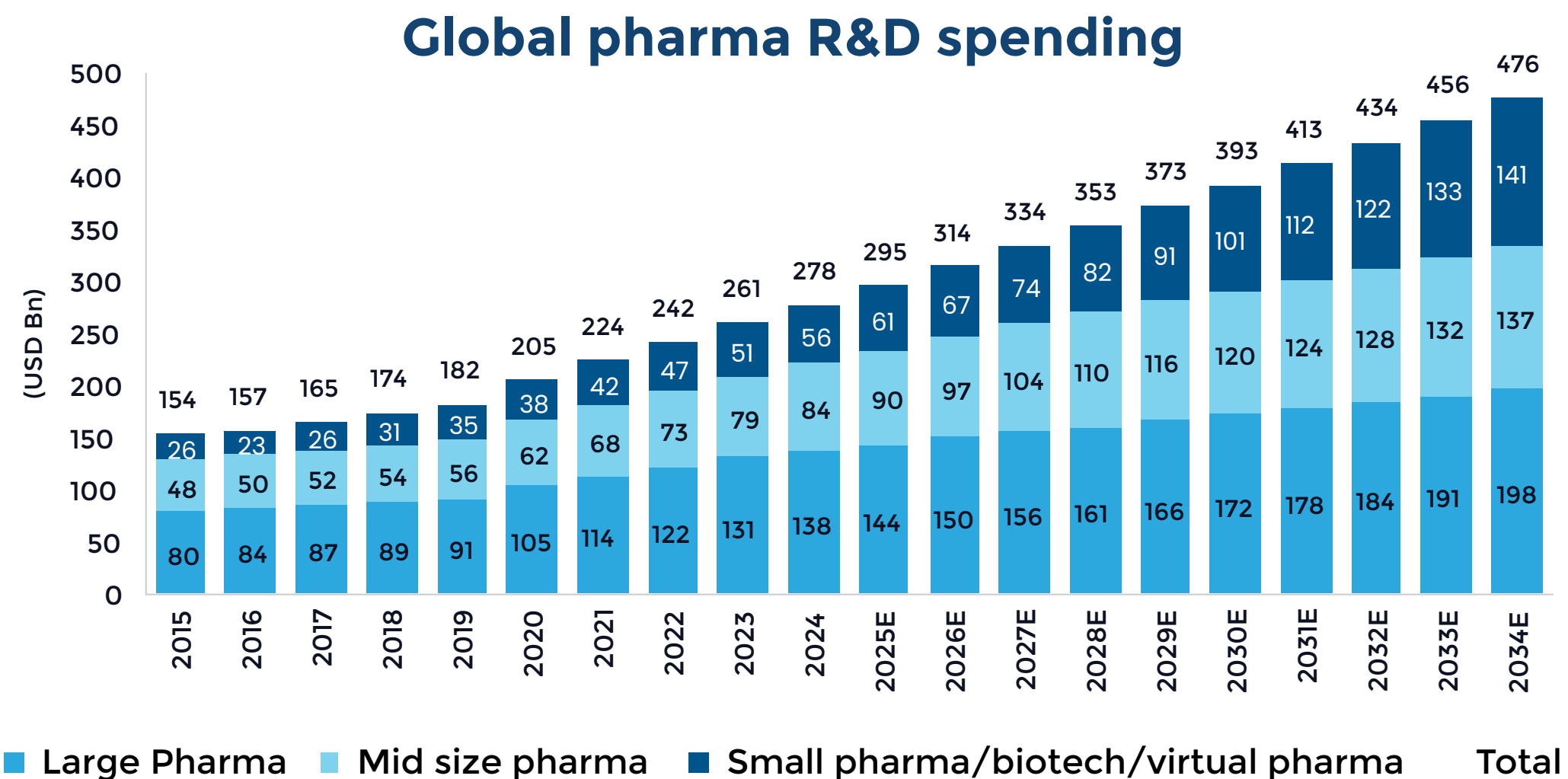


Source: Investec; [^]OOH is acronym for out-of-hospital diagnostics market

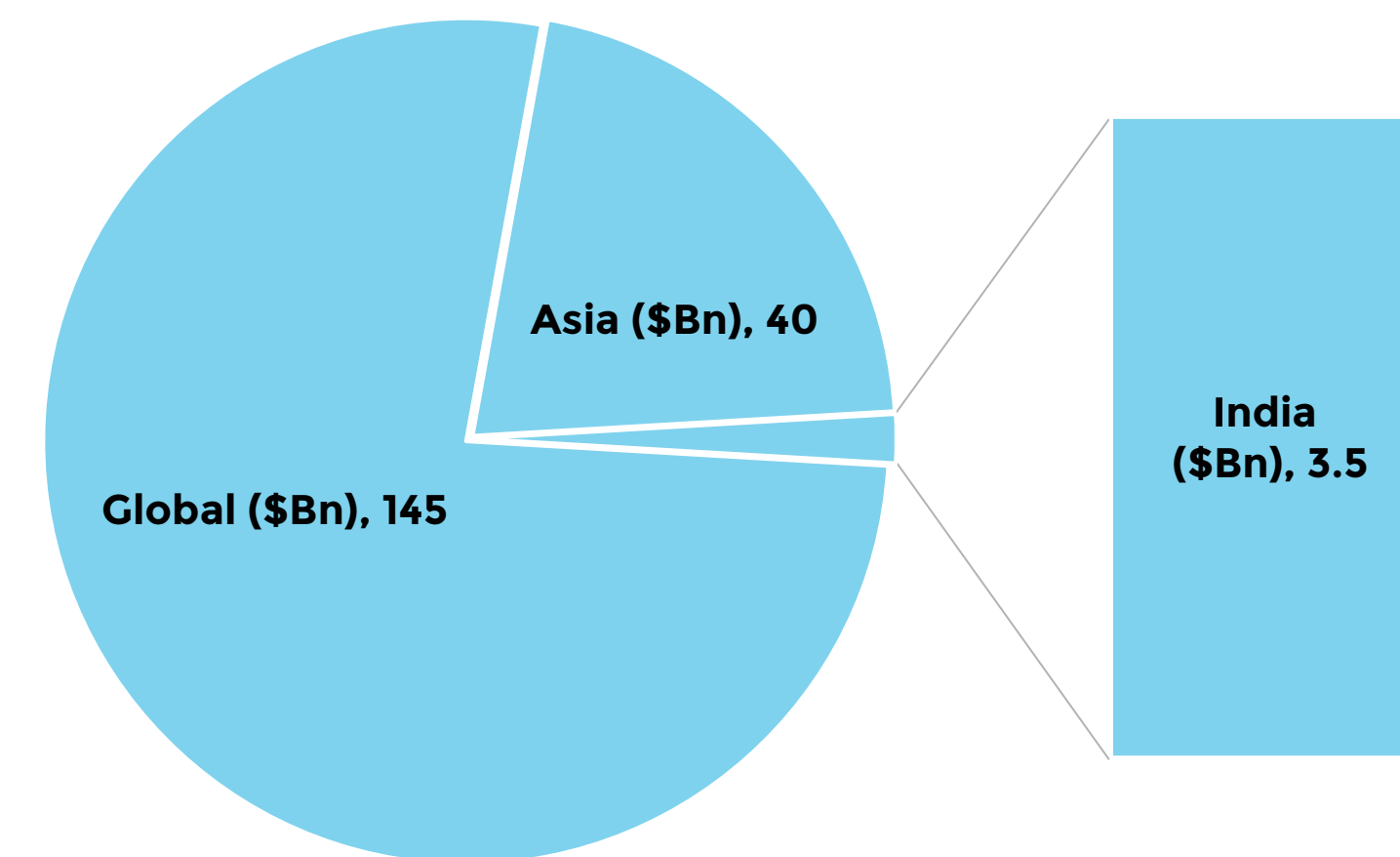
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India's CRDMO[^] share set to increase

- Global pharma R&D spend continues to increase and is likely to grow at a CAGR of ~6% over the next 10 years
- India's share of CRDMO is very low at ~USD3.5bn vs >USD150bn total addressable market
- Geopolitical diversification, available talent pool and track record of USFDA compliance bodes well for Indian companies

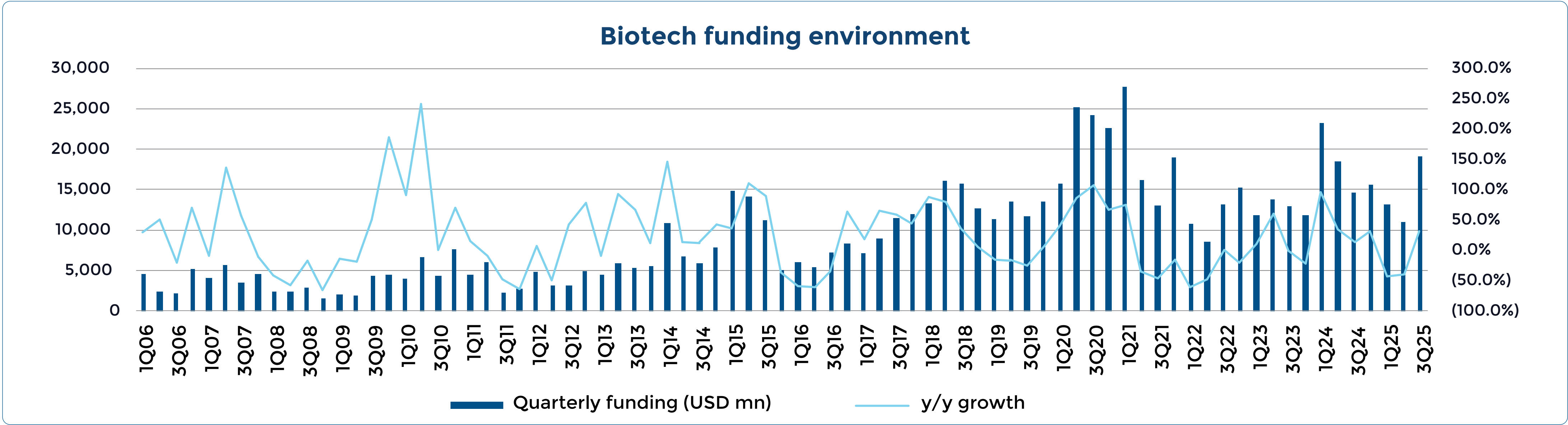


India's share of global CRDMO (USD bn)



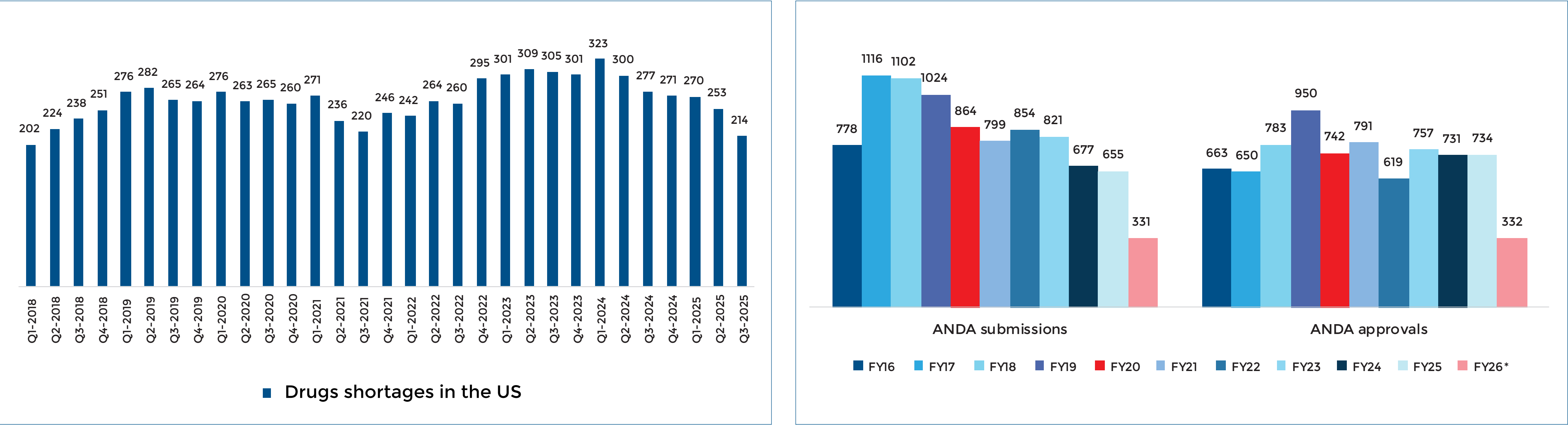
Source: Nuvama Institutional Equities; [^]Contract Research Development and Manufacturing Organization (CRDMO), is an organization that serves the pharmaceutical industry and provides clients with comprehensive services from drug development through manufacture.

- Growth of companies operating in CRDMO[^] space is highly dependent on global biotech funding environment
- High global interest rates exerted a negative impact on biotech funding in CY22/23, but is now inflecting
- US Biosecure Act could diversify supply chain away from China and potentially benefit Indian companies



Source: Jefferies; [^]Contract Research Development and Manufacturing Organization (CRDMO), is an organization that serves the pharmaceutical industry and provides clients with comprehensive services from drug development through manufacture.

- US generics[^] supply demand balance has turned unfavourable as drug shortages are trending down
- Active drug shortages are at historical low levels in 3QCY25
- However, ANDA^{^^} approvals and submissions are on a declining path, so a big structural downcycle is unlikely



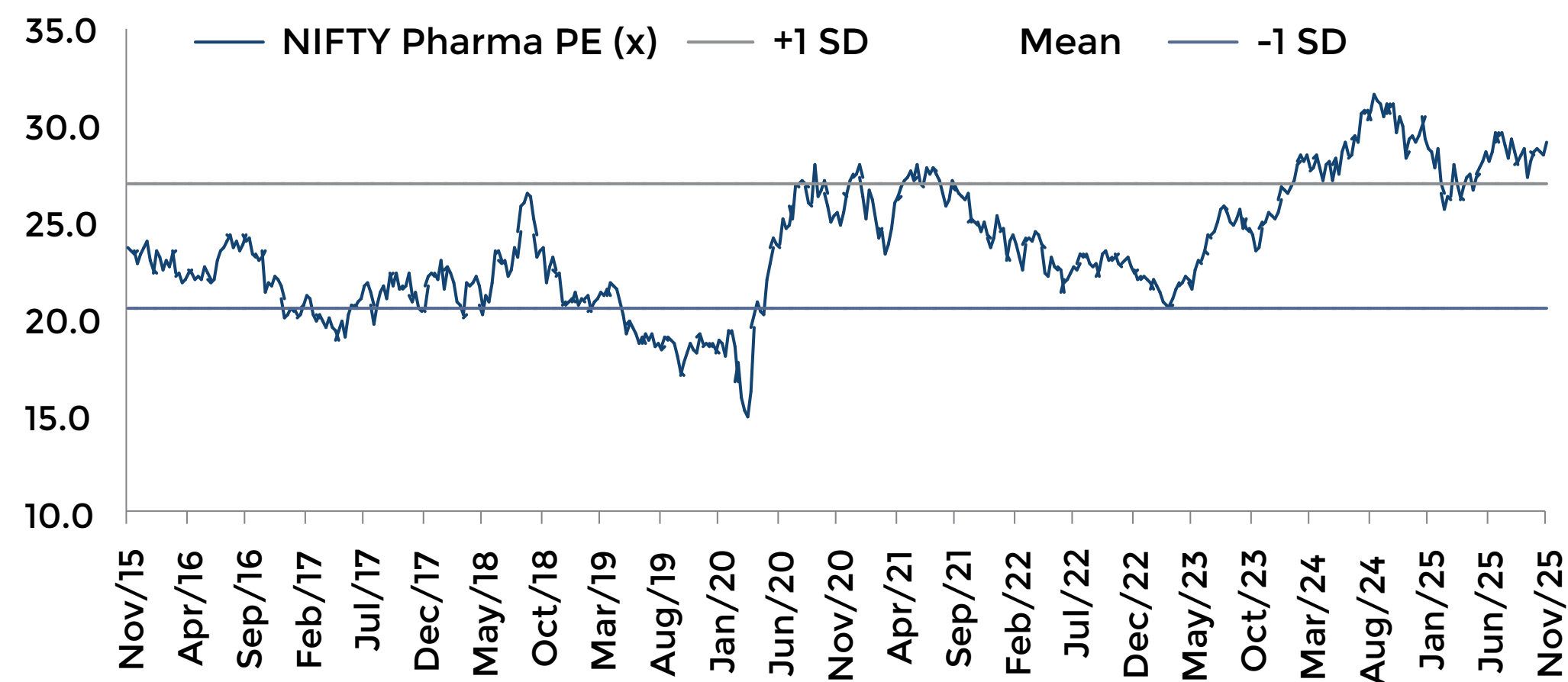
Source: Nuvama Institutional Equities; [^]Copies of drugs whose patents have expired. Generics contain the exact same active ingredients as their brand-name counterparts and are usually synthesized from chemicals. ^{^^} ANDA is acronym for abbreviated new drug application, a technical term for generic drug filings in the US. *FYTD

Valuations – opportunities in certain pockets

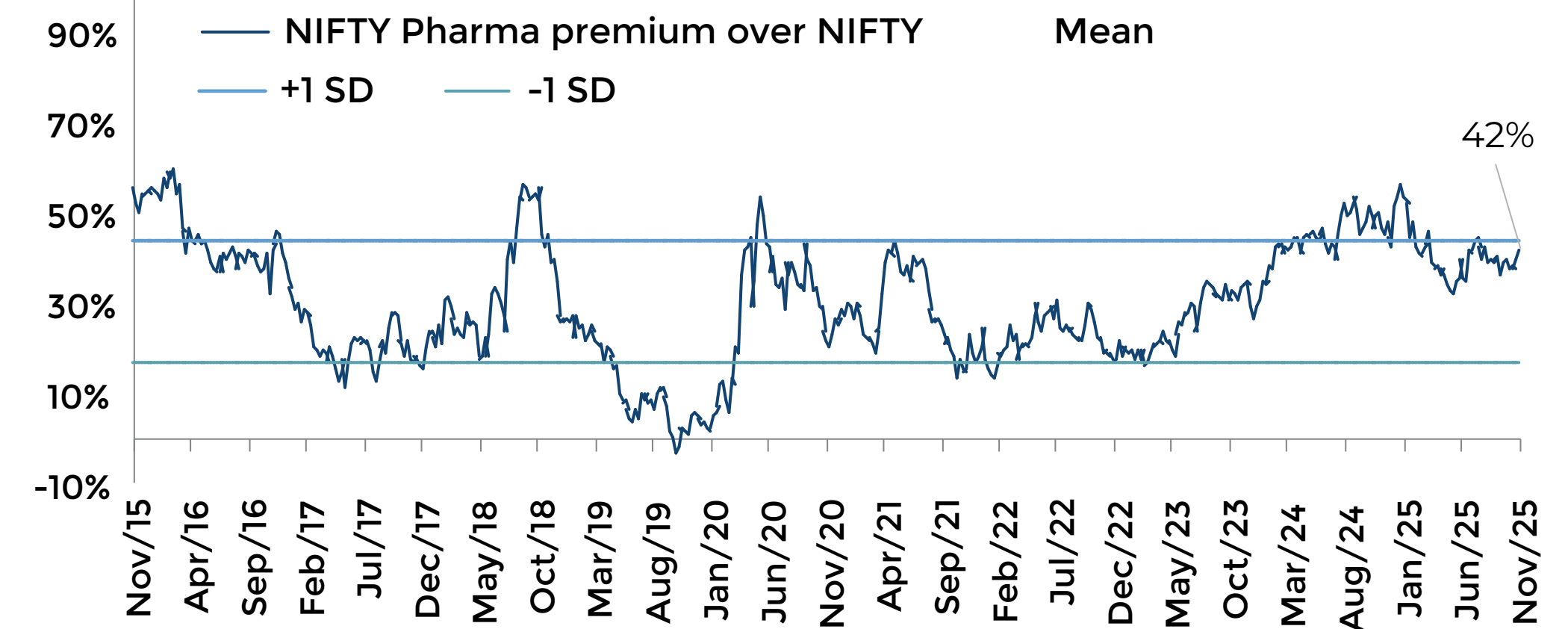
Pharma valuations are still reasonable

- Nifty Pharma is trading at ~29x 1-year forward PER, implying a premium of ~20% to its 10-year average PER of ~24x
- Frontline pharma companies have witnessed an improved US generics pricing environment, subdued raw material costs and certain one-off opportunities
- Given robust fundamental outlook, pharma valuations in broader healthcare space are still reasonable

Nifty Pharma - 12 months fwd P/E band



Nifty Pharma vs. Nifty 50 Index - 12 mth fwd P/E premium/discount

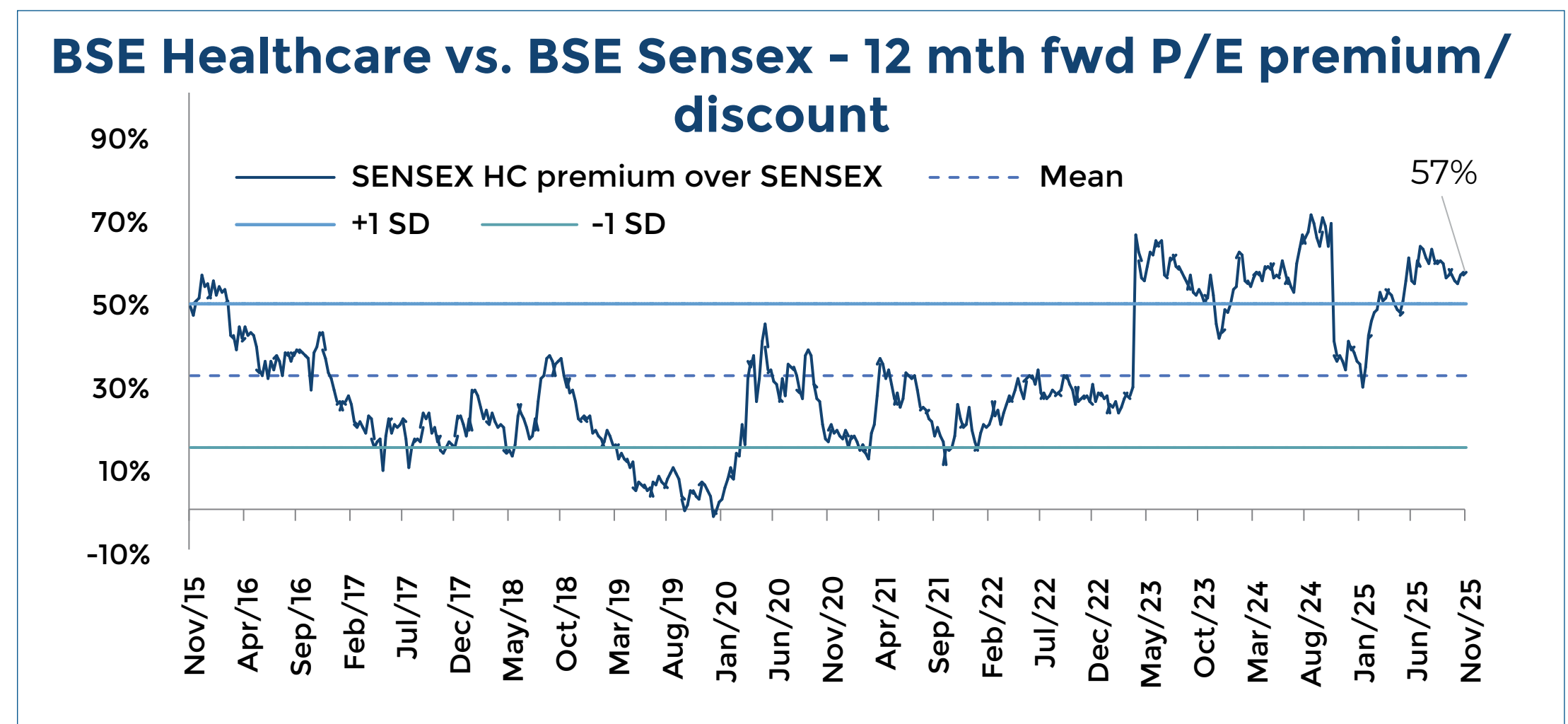
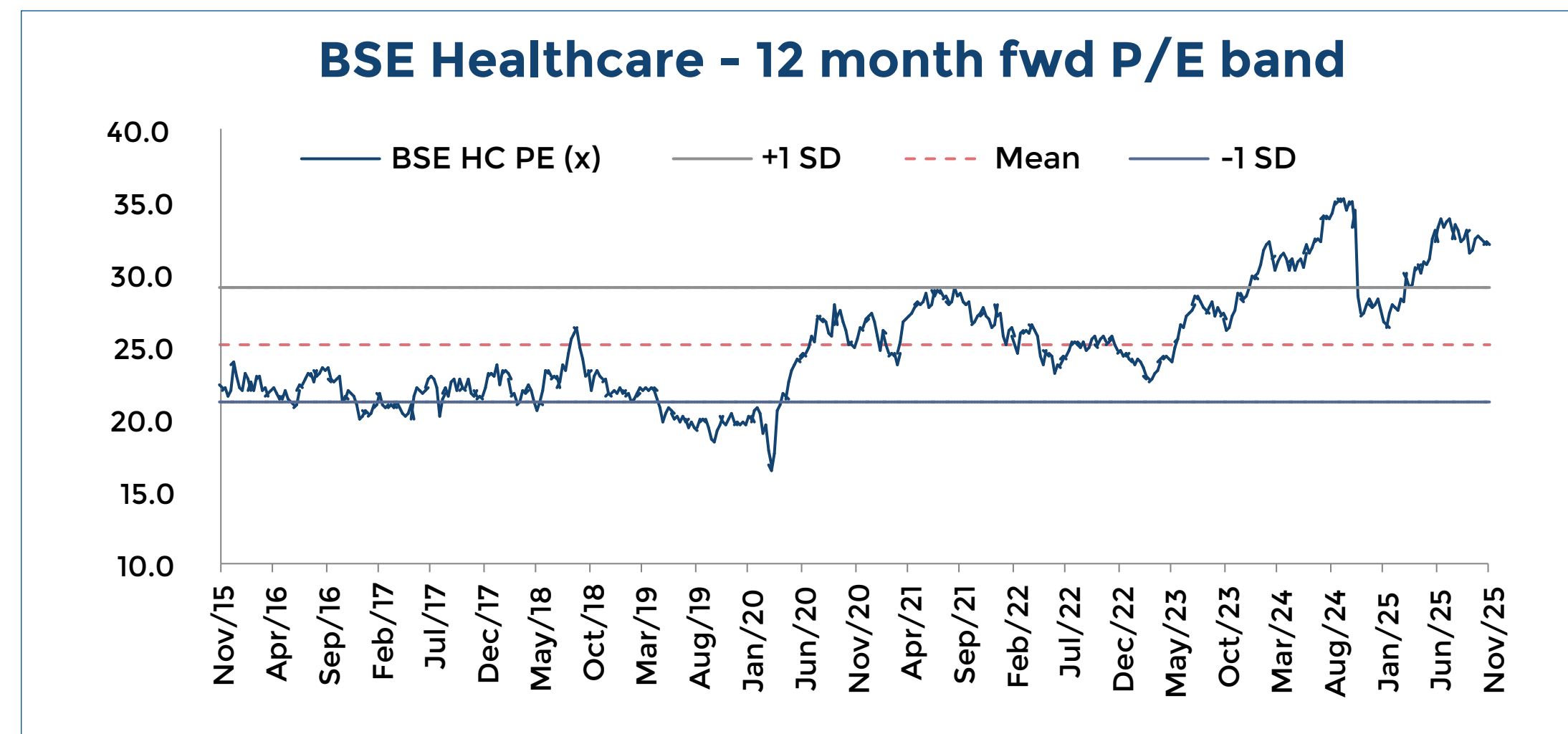


Source: Axis Capital

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Punchy valuations in services segment

- BSE Healthcare index is much broader with >90 constituents; Nifty Pharma companies are a subset of this index
- The index is trading at ~32x 1-year forward PER, implying a premium of ~28% to its 10-year average PER of ~25x
- Premium to BSE SENSEX is ~57%, which is considerably higher vs 10-year average premium of ~32%
- Hospitals constitute ~20% and small/mid-caps constitute ~55% of the index
- Strong earnings performance and emergence of structural growth drivers (e.g., insurance penetration) has resulted in recent re-rating of above segments



Source: Axis Capital

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Fund overview

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Top 10 Equity Holdings (as on 31st October, 2025)

Company Name	% to NAV
Sun Pharmaceutical Industries Ltd.	10.70
Divis Laboratories Ltd.	8.87
Lupin Ltd.	6.67
Glenmark Pharmaceuticals Ltd.	6.05
Alkem Laboratories Ltd.	5.83
Max Healthcare Institute Limited	5.49
Ipca Laboratories Ltd.	4.12
Laurus Labs Ltd.	3.80
Aster DM Healthcare Limited	3.71
Torrent Pharmaceuticals Ltd.	3.63

For complete portfolio details, please refer www.hdfcfund.com.

Total Turnover = Equity + Debt + Derivative

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Portfolio Quants

	Weight
Asset Under Management	1967 cr
Number of Stocks	31
Top 10 Stocks	58.87%
Portfolio Turnover Ratio	
Total turnover	34.48%
Equity Turnover (%)	34.48%
Market Cap Composition	
Large Cap	38.2%
Mid Cap	25.3%
Small Cap	37.7%
Cash and Cash Equivalents	1.7%

Name of the Scheme	HDFC Pharma and Healthcare Fund	
Type of Scheme	An open-ended equity scheme investing in Pharma and healthcare companies	
Investment Objective	To provide long-term capital appreciation by investing predominantly in equity and equity related securities of Pharma and healthcare companies. There is no assurance that the investment objective of the Scheme will be achieved.	
Benchmark Index	BSE Healthcare Index TRI	
Fund Manager \$	Mr. Nikhil Mathur (Since october 4, 2023)	
Investment Plans	• Direct Plan • Regular Plan	
Investment Options	Under Each Plan: Growth, Income Distribution cum Capital Withdrawal – Payout and Reinvestment of IDCW	
Minimum Application Amount	Purchase / Additional Purchase: 100/- and any amount thereafter. Note: Allotment of units will be done after deduction of applicable stamp duty and transaction charges, if any.	
Load Structure	Exit Load	In respect of each purchase/switch-in of units, an Exit load of 1% is payable if units are redeemed/switched-out within 30 days from the date of allotment. • No Exit Load is payable if units are redeemed / switchedout after 30 days from the date of allotment.

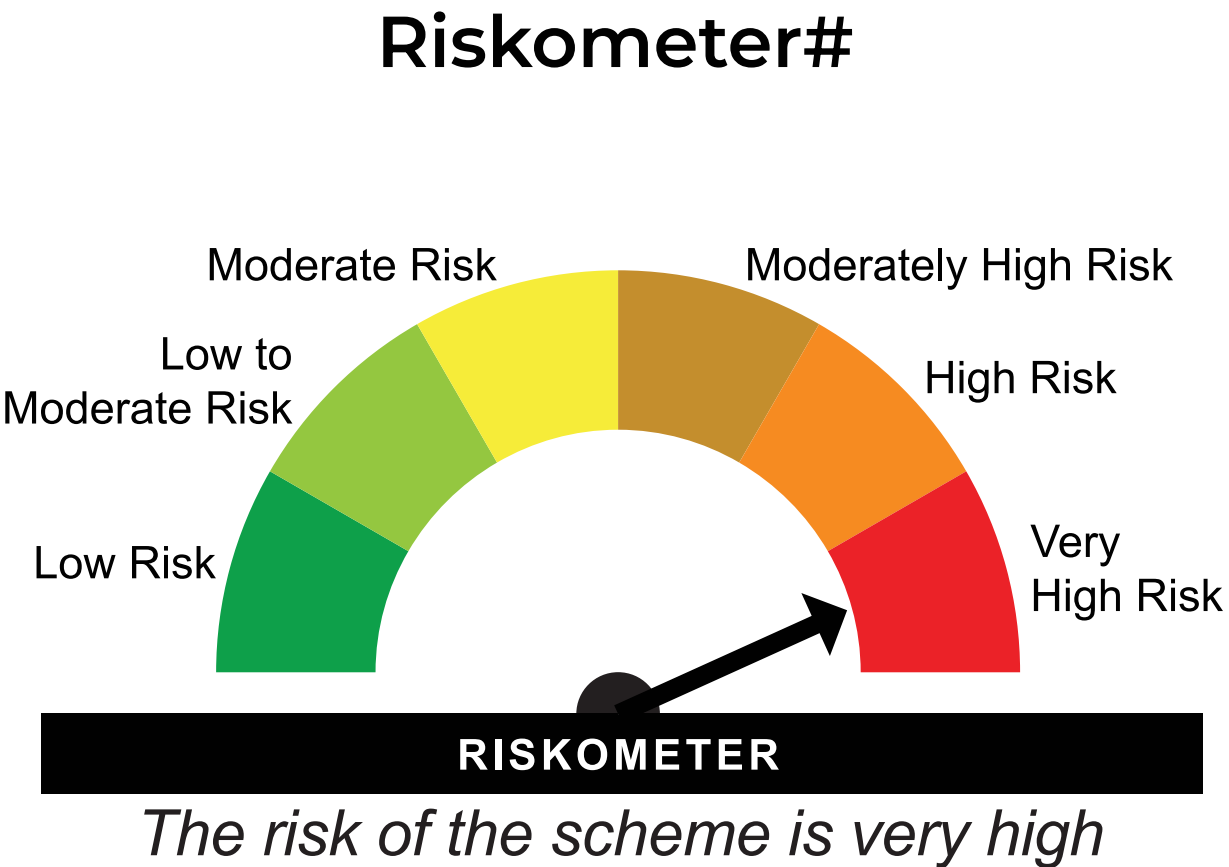
\$Fund Manager Overseas investment – Mr. Dhruv Muchhal (Since October 4, 2023).

For further details, refer SID and KIM available on www.hdfcfund.com and at Investor Service Centres of HDFC Mutual Fund.

HDFC Pharma and Healthcare Fund (An open-ended equity scheme investing in Pharma and healthcare companies) is suitable for investors who are seeking*:

- To generate long-term capital appreciation
- Investment predominantly in equity & equity related instruments of Pharma and healthcare companies

*Investors should consult their financial advisers, if in doubt about whether the product is suitable for them.
#For latest riskometer, investors may refer to the Monthly Portfolios disclosed on the website of the Fund viz. www.hdfcfund.com.



The Scheme Riskometer as on 31st October 2025 being sectoral in nature carries higher risks versus diversified equity mutual funds on account of concentration and sector specific risks.

The views expressed herein are as of 27th November 2025 and are based on internal data, publicly available information and other sources believed to be reliable. Any calculations made are approximations, meant as guidelines only, which you must confirm before relying on them. The information contained in this document is for general purposes only and not an investment advice. The document is given in summary form and does not purport to be complete. The document does not have regard to specific investment objectives, financial situation and the particular needs of any specific person who may receive this document. The information/ data herein alone are not sufficient and should not be used for the development or implementation of an investment strategy. The statements contained herein are based on our current views and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Stocks/Sectors referred are illustrative and should not be construed as an investment advice or a research report or a recommendation by HDFC Mutual Fund (“the Fund”) / HDFC AMC to buy or sell the stock or any other security covered under the respective sector/s. The Fund may or may not have any present or future positions in these sectors. Past performance may or may not be sustained in future and is not a guarantee of any future returns. HDFC AMC / HDFC Mutual Fund is not guaranteeing / offering / communicating any indicative yield on investments made in the scheme(s). Neither HDFC AMC and HDFC Mutual Fund (the Fund) nor any person connected with them, accepts any liability arising from the use of this document. The recipient(s) before acting on any information herein should make his/her/their own investigation and seek appropriate professional advice and shall alone be fully responsible / liable for any decision taken on the basis of information contained herein.

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Mission: To be the wealth creator for every Indian

Vision: To be the most respected asset manager in the World

Thank You