

Management: Thank you. Good afternoon everyone and welcome to Ajanta's earnings call. With me today I have Mr. Rajesh Agrawal, our Joint Managing Director, Mr. Arvind Agrawal, our CFO, and Mr. Rajiv Agrawal, our VP of Finance and Investor Relations. I hope all of you have received the results by now.

For the overall business performance, we have now completed the third quarter and first 9 months of the current financial year on a strong note. For the quarter, our revenue from operations grew by 20% and our margins remained resilient despite higher investments and operating expenses. All our businesses are shaping broadly in line with our plans and we remain confident about sustaining this growth momentum going forward. This trend is also reflected in our returns. As of December 2025, our return on capital employed stands at 34% and return on net worth stands at 26%, reinforcing our position among the best performing companies in the industry.

Let me take you through the different business verticals. I will start with the branded generic business in Asia and Africa, which contributed 40% of total revenue. We continue to invest heavily in people, products, and market expansion to ensure long-term consistent growth. I will give you the overview of Asia first. During the quarter, Asia branded generic business sales stood at 288 crores compared to 316 crores last year, reflecting a degrowth of 9%. For the 9-month period, sales stood at 902 crores compared to 888 crores last year, registering a growth of 2%. Asia's performance was modestly below our internal plan, driven by softer than anticipated performance in a few markets. We remain confident that the business will return to its normal growth trajectory over the coming quarters. During the 9 months, we launched 30 new products, largely in chronic therapies, which strengthens the long-term quality of the Asia business.

Moving to Africa, during the quarter, Africa branded business sales stood at 230 crores compared to 173 crores last year, registering an impressive growth of 33%. For the 9-month period, sales stood at 679 crores compared to 617 crores last year, reflecting growth of 10%. During the quarter, we launched 1 new product, taking the total number of launches to 7 during the 9 months of the year. At the beginning of the year, our internal plan envisaged double-digit growth from Asia, while Africa was expected to deliver modest mid-single-digit growth. Over the course of the year, the performance mix evolved differently. Africa delivered stronger than anticipated performance, surpassing our initial plan for both the quarter and the 9-month period. Asia, on the other hand, remained modestly below our original plan due to softer traction in certain markets. Overall, our branded generic business continues to remain in line with our guidance, and we are confident of continued healthy performance over the coming quarters.

Let us talk about the other two verticals of the international business. For US Generics, as guided earlier, the business delivered an excellent performance. During the quarter, US generic business sales stood at 399 crores compared to 263 crores last year, registering an impressive growth of 52%. For the 9-month period, sales stood at 1,052 crores compared to 723 crores last year, reflecting robust growth of 46%. The strong performance was driven by 8 new product launches over the last 12 months, supported by consistent execution and strong customer relationships. The US generic business contributed 26% of the company's total revenue during the 9-month period. We continue to remain a preferred partner for distributors and customers due to our reliable supply, quality standards, and committed execution.

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Moving to Africa Institution, during the quarter, Africa Institution business sales stood at 41 crores compared to 33 crores last year, registering growth of 22%. For the 9-month period, sales stood at 111 crores compared to 118 crores, reflecting a modest degrowth of 6%. The institution business contributed approximately 3% of the company's total revenue during the 9-month period. We expect modest growth for the full year with Q4 performance anticipated to be stronger than the first 9 months. I now invite Mr. Rajesh Agrawal, our Joint MD. Thank you and over to you.

Management: Thank you. Good afternoon everyone. I will now take you through the India business performance. We have completed the current quarter and 9 months on a strong note for the India business. In the current year, the India business contributed 31% to the company's total revenue, supported by the launch of 16 new products, including 1 first time in the country. During the current quarter, sales stood at 409 crores compared to 345 crores in the same quarter of the previous year, registering growth of 19%. In the 9 months of the year, sales stood at 1,250 crores compared to 1,083 crores in the previous year, registering healthy growth of 15%. Our India business also includes revenue from the trade generic segment, which contributed 48 crores in Q3 against 43 crores, a growth of 10%, and in the first 9 months reached 139 crores against 130 crores, a growth of 7%.

I will now take you through Ajanta's performance as per IQVIA MAT December 2025. We continue to outperform the Indian pharmaceutical market by 28% as per IQVIA MAT December 2025, with Ajanta delivering an impressive growth of 11% compared to IPM's 9%. We continue to exceed volume growth by 47% relative to IPM and new launches by 59%. This positive trend is evident across most therapeutic segments in which we operate, where our growth has consistently outpaced the segment growth. We remain confident of sustaining this momentum in the coming quarters.

In the covered market, we are 5th largest in IPM and among the top 10 in all our therapeutic segments as per IQVIA MAT December 2025. Cardiology contributed 36%, followed by Ophthalmology 30%, Dermatology 24%, with the remaining 10% coming from pain in India branded sales. You may observe that growth in the Cardiology segment as per IQVIA is slower than IPM, but our internal numbers indicate growth in line with the IPM. This appears to be due to some anomaly in the IQVIA data and we are in touch with them to resolve the matter. The new therapy of Gynecology is taking good shape and is expected to contribute meaningfully to revenue in the coming year.

I am pleased to share that during the quarter we added 150 medical representatives across our existing therapy areas, taking the total additions for the current year to 300. With this, our overall MR strength now stands at 3,750. The newly onboarded teams are being integrated swiftly with a strong focus on accelerating productivity and driving effective field execution. I now invite Arvind Agarwal, our CFO, to take you through the financial performance.

Management: Thank you and good afternoon to all. Before we begin, I would like to mention that during this call, we may make certain forward-looking statements. These statements are based on management's current expectations and are subject to risks and uncertainties that may cause actual results to differ materially.

Other expenses stood at 326 crores compared to 302 crores last year, reflecting an increase of 24%. For the 9-month period, other expenses stood at 1,140 crores compared to 918 crores, also

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reflecting an increase of 24%. These expenses represent our continued strategic investment in products, brands, and people across our branded generic portfolio. We expect other expenses to broadly remain in line with what was seen during the current quarter. R&D; spend, which is included within personnel and other expenses, remained at around 5% of total revenue and is expected to continue at similar levels. R&D; expenditure for the quarter stood at 63 crores compared to 53 crores last year. For the 9-month period, R&D; spend stood at 182 crores compared to 161 crores last year.

EBITDA for the quarter stood at 382 crores compared to 321 crores last year, reflecting growth of 19%. For the 9-month period, EBITDA stood at 1,061 crores compared to 962 crores last year, registering growth of 10%. EBITDA margin stood at 28% for the quarter and 26% for the 9-month period. Excluding the impact of mark-to-market foreign exchange movement, EBITDA margins remained in line with our guidance of 27% plus or minus 1% for the 9-month period. Mark-to-market forex loss recorded under other expenses stood at 61 crores during the 9 months, while forex gain under other income stood at 53 crores. Excluding the impact, the EBITDA margin for the 9-month period would have been around 28%. There were no mark-to-market losses during the quarter. We remain confident of maintaining an EBITDA margin of 27% plus or minus 1% for the remaining period and for the full year.

Profit after tax for the quarter stood at 274 crores compared to 233 crores last year, reflecting growth of 18%. For the 9-month period, PAT stood at 789 crores compared to 695 crores last year, reflecting growth of 14%. PAT margin remains stable at 20% for both the quarter and the 9-month period. The effective tax rate for the 9-month period stood at 23% and is expected to remain in a similar range for the full year. Capital expenditure during the 9-month period stood at 235 crores and is expected to be in line with our full-year guidance of around 300 crores. With this, we now open the floor for questions and answers. Thank you.

Operator: Thank you very much. We will now begin the question and answer session. Our first question comes from the line of Tushar Manudhane from Motilal Oswal. Please go ahead.

Tushar Manudhane – Motilal Oswal: Thanks for the opportunity. Firstly, just for clarification on the growth guidance you gave for full year 2026, if you could just repeat that.

Management: It is in line with what we said, mid-teens growth for the whole year.

Tushar Manudhane – Motilal Oswal: Secondly, on gross margin which has seen significant improvement for the quarter and where we have seen geographies like the US growing at a much higher pace. Could you explain the improvement in gross margin and the sustainability of it?

Management: I think you should consider 28% plus or minus 1%. Some variations happen quarter to quarter, but overall we are very confident that we should be able to maintain it at about 28% plus or minus 1%. For the US business, we have launched 8 products in the last 12 months, and we are now seeing the full-year benefit of that. We have seen an increase in market share for a few products. We also saw contributions from the product for the flu, for which the season starts in December and January. That also aided growth for the current quarter. The combination of these three aspects has resulted in robust growth for the US business.

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Tushar Manudhane – Motilal Oswal: If I model that the launch benefit has been reflected entirely, and you have ended this quarter on a very strong note for the US, how do you think about FY27 for that geography?

Management: It should be good, but it is a little early to give guidance for that. Let us do that in the next quarter when our plans are frozen and our budget is finalized. The growth will probably not be online with what we are doing in the current year, but we should be able to post double-digit growth for sure.

Tushar Manudhane – Motilal Oswal: How much was the constant currency growth for the US business for Q3 FY26 and the first 9 months of FY26?

Management: I do not have that figure right now; we will provide it later. Volume growth is far larger than the effect of currency appreciation.

Operator: Thank you. Our next question is from the line of Abdul Qadir Purawala from ICICI Securities. Please go ahead.

Abdul Qadir Purawala – ICICI Securities: First on the India growth of close to 19%. You mentioned the cardiology portfolio has grown in line with the pharma market. What exactly has driven this outperformance?

Management: It is a good signal for us. We have had very good activities and customer connections. As I mentioned, our gynecology segment has done much better than we were expecting. In Dermatology, we have gained two ranks and outperformed the market by nearly 2 times the growth rate. These segments contributed better than expected.

Abdul Qadir Purawala – ICICI Securities: With the 150 representatives added this quarter, where are they being deployed? Are any new products being launched, such as on the GLP side in India and overseas with your recent partnership?

Management: The representatives added in domestic are across the four therapeutic segments and are pan-India. There is no new therapeutic launch; these are to increase coverage where productivity was high. For GLP, we will be launching in India under our own trademark and expect to be in the first wave of the product launch in March. We have factored that into the growth plans for next year.

Abdul Qadir Purawala – ICICI Securities: Regarding GLP and your overseas partnership with Biocon, how is that arrangement structured?

Management: They will supply the finished product to us. They have the finished product and all required data filed in regulated markets. We have tied up with them for 26 countries; 23 are exclusive to us and 3 are semi-exclusive. We are looking to start filing dossiers from Q1 in all our markets. From 12 months onwards, we should start getting approvals. If all goes well, from FY27 or FY28, the revenues for GLP-1 should start coming in. The product will be commercialized in 26 countries where we have a strong brand presence.

Abdul Qadir Purawala – ICICI Securities: Will it be under our brand name?

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Management: Yes, it will be under our brand name.

Abdul Qadir Purawala – ICICI Securities: Is it a profit-sharing agreement or are you paying upfront fees?

Management: We have confidentiality agreements in place, so I cannot give exact details, but it is a combination of transfer pricing and an arrangement for profit shares.

Abdul Qadir Purawala – ICICI Securities: A bookkeeping question on depreciation. It has been ranging higher than last year. What is the reason for that?

Management: We commenced another manufacturing facility at Pithampur for the liquid line which we announced last quarter. That depreciation is coming in this quarter, causing the increase.

Operator: Thank you. Our next question is from the line of Aman Kumar Singh, an individual investor. Please go ahead.

Aman Kumar Singh – Individual Investor: We have maintained the payout in terms of dividend and buyback in a range between 60% and 80% over the last few years. This year we gave a payout of about 44%. Do we expect a similar payout to what we have seen in the past?

Management: It is not yet decided because there is one more quarter remaining. We need to take a call in the board meeting. As mentioned, there has been news regarding acquisitions. If that happens, the board will advise accordingly. We need to wait until Q4 for that decision.

Aman Kumar Singh – Individual Investor: We are nearing a \$500 million turnover. What is the roadmap to go from \$500 million to a \$1 billion company?

Management: In existing markets, we are continuously increasing sales and therapeutic segments. In India, we have launched two new segments. Internationally, we have moved into the psychiatric portfolio. The idea is to increase field presence and add new therapeutic segments. We are looking to add at least one new segment next year and expand into new territories, possibly taking a serious look at Latin America.

With all this, we are expecting and hoping the growth momentum will continue in the coming years.

Aman Kumar Singh – Individual Investor: It was mentioned in the press that you are actively looking for acquisitions, specifically mentioning Plus. Do those possibilities still exist?

Management: Those possibilities do exist. We will see how it develops.

Aman Kumar Singh – Individual Investor: There was a news article regarding a potential acquisition of a non-related business, which the company denied. I hope that denial is firm and we are still only focusing on the pharmaceutical business.

Management: Absolutely, we are very clear about this. A clarification was issued that it was by one of the promoter's family offices, not by Ajanta Pharma. Ajanta Pharma remains only in the pharma business and will continue to do so.

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Operator: Thank you. Our next question comes from the line of Kashi Thakur from Elara Capital. Please go ahead.

Kashi Thakur – Elara Capital: Regarding the India business, could you share the breakup of the growth in terms of volume, price, and new products?

Management: Volume growth for IPM is at 2.1%. Ajanta grew at 3.1%, so we are 1.5 times the IPM volume growth. For new products, IPM has shown a contribution of 2.5% to growth, while Ajanta has shown 3.9%. Again, this is clearly 1.5 times the IPM growth rate contribution toward our 11.4% growth.

Kashi Thakur – Elara Capital: What is the PCPPM for the first 9 months?

Management: The PCPPM for the first 9 months is approximately 3.6 lakhs per month.

Operator: Thank you. Our next question is a follow-up from Tushar Manudhane from Motilal Oswal. Please go ahead.

Tushar Manudhane – Motilal Oswal: Regarding GLP semaglutide for Asia and Africa, how do you see the competition shaping up post-patent expiry in these markets where you have exclusive segments?

Management: We believe India will have aggressive competition, perhaps 15 to 20 plus companies. In our other markets, we believe it will not be as aggressive, staying around 4 to 6 companies depending on who gets approval. Competition intensity in emerging markets will not be as high as in India.

Tushar Manudhane – Motilal Oswal: From a pricing point of view, how do you see that playing out given the per capita income and demand in those regions?

Management: The DNA of Ajanta is to operate at an acceptable margin. We are not interested in selling the product without meeting our margin threshold. Pricing is a factor of competition, and since we expect less aggression than in India, we believe pricing should remain decent. We are expecting good margins.

Tushar Manudhane – Motilal Oswal: Would this require additional marketing spend or will it be managed by the existing team?

Management: It will go through the existing team. We already have an adequate presence in all our markets where we are launching this, and it complements our current presence in the segment and weight loss area. They will be able to capitalize on this because we already have relationships with specialty doctors in the field.

Operator: Thank you. Our next question comes from the line of Videsh from White Oak. Please go ahead.

Videsh – White Oak: For the first 9 months, Asia is quite muted. Can you explain that?

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Management: We hoped Asia would post double-digit growth, but some countries have seen low traction. We are confident that structurally and fundamentally nothing is wrong. We hope for a revival starting in Q4. Some shipments from Q3 were pushed to Q4; had those been recorded, Q3 would have looked better. We will see that catch-up effect in Q4.

Videsh - White Oak: I was surprised we did not see any forex loss in other expenses. Our head book should have had some mark-to-market.

Management: Fortunately, everything was booked into the second quarter, and the closing of Q3 was lower than Q2. Because of that, there was no loss at all during this quarter.

Videsh - White Oak: That was the case for the US Dollar, but surely not for the Euro?

Management: The thing is, there is the Euro as well, but we got some benefit in the Euro too.

Videsh - White Oak: Is this Biocon partnership also for India?

Management: It is not for India; it is for emerging markets.

Videsh - White Oak: Is the responsibility for regulatory approval on Ajanta or Biocon?

Management: It is on us. Biocon will provide the dossier, but the responsibility for approval is ours.

Videsh - White Oak: Are you following the COPP route for those approvals?

Management: Mostly it is individual countries. The COPP route is applicable for Europe, and while a few countries in Africa have mutual recognition, we are mostly dealing with individual countries.

Operator: Thank you. Our next question is from the line of Umesh Ladha from Nirmal Bang. Please go ahead.

Umesh Ladha - Nirmal Bang: In the last 9 months, our US business is up almost 50%. Are newer products the only contributor, or are older products also growing in volume?

Management: Older products have also increased market share in some important areas. That is a factor along with the new products.

Umesh Ladha - Nirmal Bang: In which therapeutic segment are we majorly present in the US?

Management: In the US, there is no specific focus on a therapeutic segment. We look at individual product opportunities. However, we have a presence in CNS and mostly oral solids.

Operator: Thank you. The next question is from the line of Dhruv Maheshwari from Perpetuity Ventures LLP. Please go ahead.

Dhruv Maheshwari - Perpetuity Ventures LLP: Can you provide guidance on how to look at the impact of labor costs on staff costs going forward?

Management: We have already provided for it. We provided 7 crores in employee costs on account of new labor code regulations. There will be an additional liability for gratuity and EPF which has

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already been accounted for in this quarter.

Operator: Thank you. The next question is from the line of Forum Parikh from Bank of Baroda Capital Market. Please go ahead.

Forum Parikh – Bank of Baroda Capital Market: For the Asia business, could you name the markets where we have seen softer traction?

Management: We do not give granular details on a country-wise basis.

Forum Parikh – Bank of Baroda Capital Market: What is the guidance for FY26 for Asia branded and Africa branded?

Management: For FY26, Asia should post mid-single-digit to high-single-digit growth. For Africa, we should probably post growth in the low double digits.

Forum Parikh – Bank of Baroda Capital Market: Regarding the India business, how much does gynecology contribute now?

Management: The contribution is currently insignificant because it is a very new therapy. It will take some years to have a meaningful contribution to the entire India business. What is encouraging is the acceptance from gynecologists. Our brands have been picked up well in a competitive segment, and we are confident it will become a prominent therapy in the next 2 to 3 years.

Forum Parikh – Bank of Baroda Capital Market: Will the guidance for FY27 include GLP products? What guidance should we look at for the FY27 India business?

Management: That is still in the works. We will come out with firm guidance during the Q4 earnings call, but we will be in the first wave of GLP launches and that will be included in next year's growth plans.

Forum Parikh – Bank of Baroda Capital Market: What is the total addressable market you are looking at for Asia and Africa for the GLP product?

Management: It would not be comparable to Europe or the US. Asia can do better than Africa, but not in the range of billions of dollars. It is a growing segment that is expanding exponentially. Globally it is already 50 billion and growing at 30% to 45%. It is difficult to put a specific number on it while it is still evolving.

Operator: Thank you. Our next question comes from the line of Kunal Rambhia from Axis Capital. Please go ahead.

Kunal Rambhia – Axis Capital: I am trying to understand the 19% domestic growth. Is there channel filling happening or is there a recovery in cardiology? There is a discrepancy between your numbers and IQVIA.

Management: This 19% is normal sales; it is not channel filling or a temporary bump. This quarter is historically a good quarter for us, and the next quarter is usually lower. IQVIA is recording Ajanta's growth at 14.8% for Q3. That is secondary growth. Our internal growth is 19%.

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In the 15% that IQVIA is recording, they are showing cardiology growth lower than what we are recording internally. If you add that back, it aligns perfectly with our numbers.

Kunal Rambhia – Axis Capital: You mentioned adding sales force in export businesses. Is this in existing markets or new frontiers?

Management: It is in existing export markets.

Kunal Rambhia – Axis Capital: Can you give guidance on how this expansion will take place over the next couple of years?

Management: I will restrict my outlook to the current year. We can discuss next year during the next quarter's call.

Operator: Thank you. We have no further questions. I would now like to hand the conference over to Mr. Yogesh Aggarwal for closing comments.

Management: Thank you everyone for joining this call. If there are any further questions that remain unanswered, please reach out to our investor relations team. Thank you.

Operator: Thank you. On behalf of Ajanta Pharma, that concludes this conference call. Thank you all for joining us. You may now disconnect your line.

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