Alivus Life Sciences

Operator: Ladies and gentlemen, good day, and welcome to the Q2 FY27 earnings conference call of Alivus Life Sciences Ltd. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Saumee Rao from Alivus Life Sciences. Thank you, and over to you, ma'am.

Saumee Rao: Good morning, everyone. I welcome you all to the earnings call of Alivus Life Sciences Ltd. for the quarter ended September 30, 2026. From Alivus Life Sciences, we have with us Dr. Yasir Rawji, our MD and CEO, and Mr. Tushar Mistry, our CFO. Our board has approved the results for the quarter ended September 30, 2026. We have released them to the stock exchanges and updated the website. Please note that the recording and transcript of this call will be available on the company's website.

Now, I would like to draw your attention to the fact that some of the information shared as part of this call, especially information with respect to our plans and strategies, may contain certain forward-looking statements that involve risks and uncertainties. These statements are based on current expectations, forecasts, and assumptions that are subject to risks that could cause actual results to differ materially from these statements, depending upon economic conditions, government policies, and other incidental factors.

Such statements should not be regarded by recipients as a substitute for their {? own judgement ?}. The company undertakes no obligation to update or revise any forward-looking statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. With that, I invite Dr. Yasir Rawji to say a few words. Thank you, and over to you, Doctor.

Yasir Rawji – MD & CEO: Thank you, Saumee. Good morning, everyone, and welcome to our Q2 earnings call. Let me begin by extending our warm wishes for the upcoming festivities.

Now, turning to our performance, we are pleased to report another quarter of healthy execution, reflecting the strength of our underlying business and a significant improvement in profitability.

During quarter two, revenue from operations stood at 682 crores, up 16% year-on-year, driven by new product launches and healthy demand across our existing portfolio.

Our non-GPL business grew 20.8% year-on-year and now contributes 79% of our overall revenues.

Performance remains healthy across Europe, Japan, North America, LATAM, and ROW markets. Recently launched products continued to gain traction across geographies, further diversifying our revenue base. GPL revenues recorded marginal growth of 1% year-on-year.

For FY27, we expect the business to follow its historical trend, with a stronger contribution in H2, and expect full-year revenues to be around 700-750 crores.

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Our generic API business grew 11% year-on-year in Q2, supported by healthy demand across regulated and emerging markets. The broader product portfolio continues to strengthen our presence across these markets.

Our CDMO business delivered a robust performance during the quarter, with revenue climbing to Rs. 50 crores, up 32.3% quarter-on-quarter and nearly 80% year-on-year. This was driven by improved traction across existing projects and was complemented by new projects. We continue to see CDMO as an important growth opportunity as our project portfolio progresses.

More importantly, we are seeing a clear improvement in the quality of our portfolio that is impacting our earnings. A better revenue mix and improved operating efficiencies are translating into stronger underlying profitability.

Coming to our expansion plans, the Solapur facility continues to progress as planned, and Phase 1 is expected to become operational in Q3 of FY27. Construction of our R&D center at Taloja is also progressing well, and we hope to be on schedule early next year.

Our pipeline remains robust, with over 630 DMF and CEP filings globally as of September 30, 2026. Our high-potent API portfolio continues to advance, with 30 new products in the active grid representing a total addressable market of $86 billion. Of these, 14 products have been validated, seven are in advanced stages of development, and the remaining nine products are progressing through lab development.

As we move into the second half of FY27, we remain mindful of the evolving external environment. At the same time, the continuing momentum in our core business, progress across CDMO, and the depth of our development pipeline provide us with confidence in our growth outlook.

Accordingly, we reiterate our FY27 revenue growth guidance of 10% to 12%. We are confident of delivering EBITDA margins in the 35% to 36% range in FY27.

Overall, our priorities remain clear: executing on our growth strategy, scaling our portfolio, and strengthening our presence across key global markets. We believe that these initiatives provide a solid foundation for sustainable growth in the future.

With this, I now turn the floor to our CFO, Mr. Tushar Mistry, who will walk you through our financial performance for the quarter in depth.

Over to you, Tushar.

Tushar Mistry – CFO: Thank you, Dr. Yasir. Good morning, everyone. Welcome to our Q2 FY27 earnings call.

I would like to take a moment to highlight the key performance updates for the quarter and half year ended September 30, 2026.

For quarter two FY27, revenue from operations stood at Rs. 682 crores, a growth of 16% year-on-year.

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Gross profit for the quarter was Rs. 439 crores, up 29.5% year-on-year. Gross margins for the quarter stood at 64.4%, up 420 basis points quarter-on-quarter and 670 basis points year-on-year. This was on account of a favorable product mix and recent launches.

EBITDA for the quarter was Rs. 285 crores, up 47% year-on-year. EBITDA margin for the quarter was 41.8%, up 520 basis points quarter-on-quarter and 880 basis points year-on-year. Excluding the one-time income, adjusted EBITDA margin was approximately 39.5%, reflecting improved operating efficiencies.

PAT for the quarter stood at Rs. 197 crores, with PAT margins at 28.9%, up 390 basis points quarter-on-quarter and 680 basis points year-on-year.

For the first half of FY27, revenue from operations stood at Rs. 1,322 crores, a growth of 11.1% year-on-year. Gross profit for H1 was Rs. 825 crores, up 22.9% year-on-year. Gross margins for H1 stood at 62.3%, up 590 basis points year-on-year.

EBITDA for the first half was Rs. 519 crores, up 38.4% year-on-year. EBITDA margin for the first half was 39.3%, up 780 basis points year-on-year. PAT for H1 stood at Rs. 357 crores, with PAT margins at 27%, up 590 basis points year-on-year.

Looking at the therapeutic mix, CVS and CNS continue to lead the growth during the quarter, with both therapies contributing 50% to the top line. Chronic therapies contributed 67% to the top line in Q2 FY27. R&D expenditure for Q2 FY27 was Rs. 27 crores, which was 4% of our sales. For H1 FY27, it was Rs. 51 crores, at 3.9% of our sales.

On balance sheet and cash flow movement, capex for the quarter was 105 crores, and for the first half, it was Rs. 190 crores. We continue to remain a net debt-free company, and we have generated strong free cash flow of Rs. 270 crores, leading to cash and cash equivalents, including short-term investments, of Rs. 1,012 crores as of September 30, 2026.

Looking ahead, healthy demand trends and enhanced visibility for H2 FY27 provide us with confidence in sustaining our growth trajectory through the remainder of the year.

With that, let us open the floor for Q&A.

Operator: Thank you. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touch-tone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

The first question comes from the line of Ahmed Madha with Unifi Capital. Please go ahead.

Ahmed Madha – Unifi Capital: Thank you for the opportunity, and congratulations on a very good set of numbers, Dr. Rawji and the team. Firstly, just to understand the nature of the one-off that we mentioned. Can you explain the nature of the one-off income? I believe the calculation says it is about 24-25 crores.

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Yasir Rawji – MD & CEO: There are two components here. There was a validation supply of a complex product that had very high margins and contributed to it. Plus...

Tushar Mistry – CFO: Plus, there was some income accrual that was done in this quarter, which is a one-of-a-kind income from one of the customers that we would be getting, which is one-off in nature.

Ahmed Madha – Unifi Capital: Understood. Is it fair to assume that gross margin should still sustain above 60%, which we have also exhibited in the last two quarters? Obviously, the current quarter was above 64%. Is that a fair way to look at it?

Yasir Rawji – MD & CEO: Yes, we should expect it to remain around that level going forward.

Ahmed Madha – Unifi Capital: Can you give us some more sense? We have been mentioning that new product launches are contributing to higher margins, and the margin range, if I look at it excluding other income, which was close to 30%, has moved to almost 34-35%. You continue to guide that it should sustain more or less. Could you provide more clarity and some nuances on how one should look at the new launches that have contributed to margins? A little explanation would help us triangulate what we have achieved in terms of getting margins that are probably close to industry-leading.

Yasir Rawji – MD & CEO: Certainly, it is the new products and the launches that we have had that are contributing to higher margins. When we say new products, it is not just what we launched this year. There have been launches from last year that have been sustaining the momentum, not only in terms of growth but also in terms of our margin profile. As we keep moving ahead, we are building it up with the new pipeline. That is why, even after we take away this one-time income, we are seeing much-improved margins. I will not be able to tell you which products, because...

Management: Frankly, we do not get into a product-wise discussion. But we can say this much: the quality of our portfolio is steadily improving in terms of more complex, higher-end molecules. That helps overall growth as well as margins.

Hemant: I understand that we cannot disclose product names, but let me put it another way. Sometimes what we see in the industry is that when there are new launches, the margins are extremely high, and then, as the formulation partner sells the product and faces price erosion, probably a year or two later, the margins for both the API player and the formulation partner erode. Is this the nature of the new launches we have had, where, because of the initial ramp-up, the pricing you are getting is much higher, the same is the case with your customer, and then, as things move forward, margins will normalize? Or is this a case where there is a step change in margins because of the quality of your incremental portfolio?

Management: The margins on newly launched products have a sort of shelf life, perhaps 18-24 months, and then they start normalizing. But if we keep enhancing the portfolio with newer launches, then the margins should be sustained. We do not see a challenge there.

Hemant: And any—

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Operator: Sorry to interrupt, Hemant. I would request you to rejoin the queue. Thank you. The next question comes from the line of Yog Rajani with Omega Portfolio Advisors. Please go ahead.

Yog Rajani – Omega Portfolio Advisors: Thank you for taking my question, and once again, great numbers. My question is regarding the second half of the year. In the second half, we normally see a higher GPL contribution, which, as you highlighted earlier, is a lower-margin business than our non-GPL and CDMO businesses. How do you see the margins being affected in the second half?

Management: [pause] Tushar, go ahead.

Tushar: You are right. In the second half of the year, GPL generally picks up volumes, and that is what we are expecting in H2 as well. While we have maintained that the non-GPL business is comparatively a better-margin business, the GPL business is not a very low-margin business. It is a good, stable-margin business. We should see that kind of margin in H2 as well. That is why we are confident of the guidance that the Doctor mentioned in his commentary, of about 35% to 36% EBITDA margin for the overall financial year.

Yog Rajani – Omega Portfolio Advisors: Thank you. My second question is regarding the CDMO business. We have recently seen significant growth in our CDMO business, both year-on-year and quarter-on-quarter. Could you give us some more insights into what is happening in the CDMO business and how we can see the growth progressing from here?

Management: We have not added new projects. We are still driving the CDMO business with these five projects, but we have seen an uptick in demand across these projects. Certainly, the newer projects that we added last year are contributing quite substantially. That is what led to the improvement.

Yog Rajani – Omega Portfolio Advisors: Would we see further improvements? We have said that we have a lot of potential clients with whom we are in discussions, and we also have new facilities coming up in the second half of this year. Is there any guidance in terms of how we would be scaling up the CDMO business? Even qualitative guidance is fine. I understand that we cannot get into—

Management: We have a number of projects that we are in discussions about, and hopefully we should close a couple in the first half of next year. Certainly, at least one more project will be added. They are in advanced stages, and that should drive and keep driving the momentum from the new projects. But we have quite a few projects that we are in discussions about.

Yog Rajani – Omega Portfolio Advisors: Thank you.

Management: Sure.

Operator: The next question comes from the line of Ankit Minocha with {? Adezi Family Office ?}. Please go ahead.

Ankit Minocha – {? Adezi Family Office ?}: Good morning, and congratulations on the excellent set of numbers. My first question is with regard to the fact that we now have settled new promoters on board, and we have all of these new launches and a reasonable margin trajectory going ahead. Should we recalibrate our growth expectations from the company? In earlier concalls, we have

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always mentioned profitable growth. Profitable growth currently looks probable. Can we move to a higher double-digit growth range over the next 2 or 3 years at the company?

Management: Ankit, we grew our non-GPL business by almost 21% this quarter. In that sense, we are already at double-digit growth. You know, if you have been following us, that the GPL contribution has remained relatively flat, and it is quite substantial. As a result, when we add it all together, we do not want to give the wrong impression. As Tushar said, it is a good business, and we will keep it going. But when you put it together, we are in this 10% to 12% range in terms of growth.

Ankit Minocha – {? Adezi Family Office ?}: Thank you. In terms of margins, this quarter obviously included some one-off income, but there are steady second-half margins because of new product launches. You are talking about 35% to 37% for the entire year. How should we look at FY28? Do you think maintaining that kind of margin profile is conceivable, and what will guide it?

Management: We should be aiming for that. But as a floor, let us say that if nothing works out, we will still be between the 30% to 32% range. We have reasonable visibility for next year and, as I said, we will aim to achieve similar margins to what we are guiding for FY27. But, to keep it balanced, I think that if nothing works out, we will still be at 30% to 32%. However, the way things are going, we see enough launch momentum from the launched products, and we should continue. In addition, there is the global situation. So far, we have been able to manage it reasonably well because we have taken good calls on inventory, and that has helped us as well. It is not only the new launches, but also the way we have managed the cost escalation by having judicious inventory interventions.

Ankit Minocha – {? Adezi Family Office ?}: Understood. Finally, in terms of pricing, how does the pricing environment look for the company, for the different molecules, and for the sector overall?

Management: Could you come back again? You said the pricing environment?

Ankit Minocha – {? Adezi Family Office ?}: Yes, the pricing environment that you currently see. Is there pricing pressure, or are prices doing well?

Management: The generic business does have that, right? We do factor in some level of erosion. I must say that the erosion has been a little lower in the first half. But it is reasonable because we are in regulated markets, and there is a fair understanding of what the customers are also able to do at the front end. It is not unreasonable. The erosion is fairly regular, so I would say that the pricing environment is quite stable.

Ankit Minocha – {? Adezi Family Office ?}: Thank you so much, and I wish you and the team all the best. Thank you so much.

Operator: The next question comes from the line of Nitin Agarwal with DAM Capital. Please go ahead.

Nitin Agarwal – DAM Capital: Thanks for taking my question, and congratulations to the team for a brilliant set of numbers. Doctor, two things. First, regarding the input cost inflation that you talked about, which has been coming through over the last few quarters, has it been easy for you to pass it on to your customers?

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Management: Yes, it has. Nitin, we have had price inflation in our raw materials, but, largely speaking, we have been able to pass it on to the customers.

Nitin Agarwal – DAM Capital: That is good. Secondly, with the Solapur facility coming on stream in the first phase in the second half of the year, as you mentioned, what kind of strategic impact does it have on the business, both on the generic and the CDMO side? I am not referring only to the near term; even if you take a 2-3-year view, with the large capacity that was not available to us at any point in time from our fresh greenfield capacity capabilities, what kind of tailwind does it bring to the business, in your assessment?

Management: It is going to be a big contributor in 2-3 years because it is a large facility, and we have a good runway for bringing in newer products. Ankleshwar today contributes almost 65% to our revenue. It would be good to have a similar facility of this size. It also helps us on the CDMO side because we can offer these kinds of capacities to potential customers for larger-volume APIs and perhaps even high-value intermediates. We are looking at Solapur as a pretty significant growth driver in the 2-3-year timeframe.

Nitin Agarwal – DAM Capital: Just trying to understand this: the fact that we were somewhat capacity-constrained in the last few quarters, or rather were operating at optimized capacities, did it lead to any supply misses for us? Did we have to forgo business because capacities were not available?

Management: Fortunately not. The area where we did have some constraint was on the intermediate side. Pharma capacity was managed quite reasonably. We have not lost any business or had to postpone orders or anything of that sort.

Nitin Agarwal – DAM Capital: Secondly, on the new product launches, we have a sizeable number of DMFs. Of the DMFs to be filed in the US, how many are yet to be commercialized? Also, our high-value complex DMFs around HP, high-potency API, and iron sucrose—over what timeframe do you foresee these being commercialized?

Management: Of the 160-odd DMFs that we have in the US, we are working on the commercial side, and about 90 to 100 are contributing commercially. Another 60 still have to come off-patent. We have that runway, which should fructify over the next 3-5-year period. Some may go even beyond that, but most of them should start giving us commercial benefit in a 3-5-year timeframe.

Coming to the high-potent portfolio, Nitin, most of our portfolio essentially starts coming off-patent from late FY28 to around FY33 and FY34. It is a 5-6-year window in which we expect to commercialize most of these high-potent molecules.

There is another element here. We are seeing that many of these oncology products did not have their patents filed in several ROW markets. That is an early-entry opportunity that we are also looking at with our customers in those markets.

Nitin Agarwal – DAM Capital: There are a lot of companies focusing on high-potency oncology, including companies from the Indian ecosystem. What gives us an edge? What is our right to win versus the peer set here?

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Management: So far, the tie-ups that we have had across geographies have been quite reasonable. Once we get those tie-ups in place, then, at launch, we would have customers and we would be entering those markets.

Nitin Agarwal – DAM Capital: The very last one is on the formulation CR that we acquired last quarter. Can you give us any more color on how you are looking at this business over the next 2-3 years?

Management: We will be building a portfolio. We have already identified around 25-30 dossiers that would be developed in the next 3 years and have a reasonably close commercialization window. We expect to start seeing that portfolio coming in about 3-4 years from now. The momentum will continue at the rate of around 10 to 12 filings every year. These will be across markets, not focused only on North America and Europe.

Hemant: Thank you so much. Best of luck.

Operator: The next question comes from the line of Alankar Garude with Kotak Institutional Equities. Please go ahead.

Alankar Garude – Kotak Institutional Equities: Good morning, everyone. Can you take us through the technology platforms that you have been working on over the past few years? You have spoken about flow chemistry in the past and how some of these initiatives have been helping improve the quality of the portfolio, as you mentioned, and hence their impact on EBITDA margins.

Management: Alankar, I would break it up into a few areas. First, we went quite aggressively into oncology. We got started just 4 years ago, but we built up a pretty solid portfolio. Of course, it has not seen the light of day, but, as I explained in my last response, we expect to see commercialization from late FY28 through around FY33 and FY34.

We have already commercialized one flow chemistry project, and it is remarkable how we have been able to reduce the COGS to less than half of what it was. It was a product that we already had and had a number of customers for, but with flow chemistry, we have been able to reduce the COGS to less than half of what it was with batch processing. Flow chemistry is definitely going to play a big role going forward because we currently have 5 projects that we should execute commercially using flow chemistry in about 18-24 months. Then, of course, there are the filings and so on. That will certainly be a good addition to our overall platform.

Then, of course, we have the IQgenics platform, which I have just mentioned. Another area that we have developed internally is pellets. We currently have 15 pellet products that we have already developed, and we are going to validate them within the next year so that we can launch them as well.

Alankar Garude – Kotak Institutional Equities: That is very helpful, sir. Very—sorry, please carry on.

Management: No, that pretty much sums up what we have been doing in the last few years. Of course, there are also the complex products that we have been discussing, including the iron complexes. That is coming along quite well. We already have 4 products that we are developing at various stages of development.

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Alankar Garude – Kotak Institutional Equities: Understood. Just a follow-up on the formulations part. From a manufacturing standpoint, where do you stand? Broadly, if you could break it up between oncology and non-oncology, what is going to be our strategy on the manufacturing front?

Management: As I said, we will be building up a portfolio of around 25 products over the next 3 years. There is a strong inclination within the company to have our own manufacturing facility. We have not yet taken a firm decision because there are third-party manufacturers that we can tap, at least in the short term. However, we feel that, to protect intellectual property and maintain good control over quality, we might be better off building our own facility, which could take about 18-24 months. We would therefore be well-timed to manufacture our own products that could receive approval in about 3-4 years.

That said, regarding oncology, what is interesting about most of the oncology portfolio that we have is that we do intend to pursue the oncology portfolio aggressively for the front end. When I say front end, I mean that our business will remain B2B, but we will remain in the out-licensing space.

The good part about most of the oncology portfolio that we have is that it is in oral solids. The larger portion of this business will come from oral solids rather than injectables. This is the newer portfolio that we are working on. If you look back, earlier oncology therapies were largely driven by injectable therapies. Here again, there is good synergy if we build a facility. We would not initially build an injectable facility because most of the oncology portfolio would also be an oral-solids portfolio.

Alankar Garude – Kotak Institutional Equities: Understood. The second question is again on margins. If we adjust the margins for the two one-offs, EBITDA margins have still expanded by almost 650-700 basis points in the first half. Broadly, what would be the contribution of the stable pricing environment that you mentioned, and the lower erosion in the first half, to this margin expansion in the first half?

Management: I would say around 2.5%.

Alankar Garude – Kotak Institutional Equities: Understood. Broadly, do you expect that to continue over the foreseeable future?

Management: Let us see. It is also driven by the mix. If we maintain this mix, we should be able to keep it going. Let us see. There is also the GPL element that Tushar spoke about earlier. With higher GPL revenue coming in, we should see that going down somewhat. It is a little difficult to predict at this point.

Alankar Garude – Kotak Institutional Equities: That is helpful. That is all from my side. Thank you.

Management: Sure. Thank you.

Operator: The next question comes from the line of Ejaz Lakhani with Unifi AMC. Please go ahead.

Ejaz Lakhani – Unifi AMC: Dr. Rajiv, firstly, congratulations to you and the team for a very steady and very good set of numbers. My query is on the non-GPL business, which has now moved up into the current range. Do you expect this number to sustain for the next couple of quarters in the same 500-crore range?

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Management: Yes, we expect that to happen.

Ejaz Lakhani – Unifi AMC: Understood. Do you expect any tailwinds—or, rather, are there any headwinds—on account of container shortages or any costs that you can see as headwinds in the near term?

Management: This global situation, which is being impacted by the Middle East conflict, has the potential to create issues. Freight is one issue, but even though freight has gone up, it has not significantly impacted us. We are paying more for freight, but it is a small component, so we can manage that.

The headwinds are on the prices of solvents, which are driven by crude. As I was explaining, we took inventory positions at the right time and managed that over the last 3 quarters. Going forward, we hope to continue doing that. But you never know. If crude, for example, touches $200 a barrel, solvent prices would be impacted accordingly. That is probably the only headwind that we see, based on our experience over the last 8-9 months, which could arise and affect us.

Apart from that, we have managed the raw materials. Even our operating costs have been fairly stable because we moved away from gas. Gas prices are rising sharply, and that is also impacting operating costs. We shifted to bio-briquettes as fuel for running the boilers. This has benefited us from an operating-cost perspective. We are therefore fine. But, as I said, crude prices could impact solvents, and that would have a significant impact on our cost structure.

Ejaz Lakhani – Unifi AMC: Understood. What would solvent costs be as a percentage of our basket? Could you give us a range?

Management: On the overall basket, it is around 10% to 12% of our raw material costs. As a percentage of COGS, it would be more like 7% to 8%.

Ejaz Lakhani – Unifi AMC: Understood. On R&D, you spoke about flow chemistry, particle engineering, and all these capabilities that you are trying to build. From a team and R&D perspective, is the team build-out completed, or will additions of people on that side continue to take place?

Management: For all the platforms that I mentioned earlier in response to Alankar's question, we have specialized teams working on all these projects. We may add one or two people here or there, but overall, the teams are quite stable in R&D.

Ejaz Lakhani – Unifi AMC: Thank you, Doctor, and all the best.

Management: Thank you.

Operator: The next question comes from the line of Pratik with Unique PMS. Please go ahead.

Pratik – Unique PMS: Good morning, sir. I have one question on the CDMO business. Is capacity constraint in any way preventing us from winning more projects?

Management: There are large CDMO projects in terms of volume, and many times they relate to intermediates. We have not entertained any of those because we did not have the capacity. Now,

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with Solapur coming up, we can open that door. My personal experience in this space is that many times large pharma companies start with an intermediate and then migrate to the API. Certainly, with Solapur coming up, that window, or rather that opportunity, can also be tapped with a high level of confidence.

Pratik – Unique PMS: For the 5 projects that we have, do they still remain in the $5 million to $7 million per molecule range?

Management: I think that is what we are seeing in terms of the ticket size.

Pratik – Unique PMS: Even for projects that are quite advanced or in an early stage, would they have a similar size to what we are currently targeting?

Management: It is a range, Pratik. I would not say that it is exactly between $5 million and $7 million. There is also a relationship element that we have to factor in. If we are bringing in innovators who have a deep pipeline, they do want to test the waters with us through smaller projects in the beginning, and we are willing to entertain those projects. We do not want to be too selective. As long as we can deliver within the capacity and do not have to make significant investments, we are entertaining even smaller projects.

Pratik – Unique PMS: Perfect. Thank you, and all the best.

Management: Sure.

Operator: A reminder to all participants: you may press star and one to ask a question. The next question comes from the line of Siddharth Nigandi with CWC. Please go ahead.

Siddharth Nigandi – CWC: Congratulations, Dr. Rajiv, Tushar, and the team, on a great set of numbers. I had 3 questions. First, considering the upper end of your guidance of 12% growth with 35% to 36% margins—

Siddharth Nigandi – CWC: At the upper end, this leaves us with about 13% growth and 33% margins for the second half. Considering how the first half has panned out and the expected GPL growth in the second half, do you believe that the overall FY27 guidance has upside potential? That is question one.

Question two: you spoke about bio-briquettes. Considering how the year has panned out for crops, and given that bio-briquettes from maize are likely now to have ethanol usage, do you see supply being a challenge? Is gas fungible with briquettes to that extent as a fuel source?

Question three is on CDMO. That business is clearly lumpy, and therefore, on a sustained basis from where we are this quarter, do we continue to produce these kinds of numbers? Should we see some quarter-on-quarter lumpiness? On an annual basis, what kind of CDMO growth are you targeting?

Management: I will take the last 2 questions, and Tushar will take the first one. Tushar, do you want to go ahead on the upside potential?

Tushar: Siddharth, your calculation on the full-year or second-half numbers is right. If you had those kinds of numbers, then that would be the growth and margin that we have assumed, considering 2

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factors.

First, of course, the GPL business will pick up or take off in the second half. As we mentioned, it has reasonable margins, but not margins as good as the non-GPL business. That will have its own impact from a margin perspective.

On the growth side, the non-GPL business generally sees the fourth quarter as somewhat subdued compared to the other quarters, and that would also result in this kind of growth in the second half. While the non-GPL business will pick up—sorry, the GPL business will pick up—the non-GPL business will be flat or slightly lower than the current quarters that you are seeing.

Siddharth Nigandi – CWC: That is helpful.

Management: Coming to the bio-briquette situation, there are a number of inputs used in bio-briquettes. These include corn, sugarcane, and groundnuts, but basically, they come from waste, which has reasonably high calorific value and is essentially at the end of the life cycle of that product. When you ask about ethanol, ethanol is produced using corn, but after all that is done, there is still solid waste with fairly high calorific value. This is then converted into briquettes.

We are not limited to corn. As I said, we also have sugarcane, groundnut, and many other crops, and India is a large agricultural country. We do not see any problem there. In the last few months, we have also seen very little escalation in the cost of bio-briquettes. We are not seeing much of a challenge.

Siddharth Nigandi – CWC: Understood.

Management: On bio-briquettes, regarding CDMO, I agree with you that it is not a quarter-on-quarter business, so one should not assume that we will simply keep producing the same numbers. It is basically driven by the number of projects that we have and our ability to deliver them. We look at it at least on a yearly basis. We expect it to perform much better than last year, and we have enough indications that it will.

I will not put a number on it yet in terms of saying that we will close the year at a particular figure. You can draw your own conclusions.

Siddharth Nigandi – CWC: What I wanted to know was more of a longer-term, 3-year understanding of what growth you would target in the CDMO business, rather than what the rest of FY27 will look like.

Management: Then it is a different answer. The whole idea of adding new platforms to the API platform and moving into an API-plus mode is to broaden the scope of what we can offer. We can then pursue a very different set of customers who are looking for more than just an API.

That is how we are moving forward. The IQgenics platform, for instance, will not only work for producing dossiers, but we will also be able to offer it along with the API development platform to customers who are looking for a formulation as well. There are also pre-formulated products such as pellets and granules that we could offer to our potential CDMO customers.

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That creates a very different expansion opportunity over 2-3 years. We will be bringing those capabilities in. IQgenics is not the only platform that we are bringing in. There will be a few more platforms of this kind that we will introduce to create a more comprehensive offering for CDMO customers.

Siddharth Nigandi – CWC: One last question on intermediates. You called out a constraint on intermediates, while there was no constraint in terms of overall capacity. I assume that meant you would have purchased those intermediates. With Solapur coming up, does that mean that, over time, there could be more insourcing of intermediates, which would improve margins? Considering that Solapur will initially come up at a lower capacity utilization, what sort of margin impact do we see? Also, can Solapur reach the same 3 asset turns that we historically achieved over 2-3 years?

Management: We have started Solapur as a BI site. As we explained earlier, we have already developed certain technologies. On certain large products where we see a benefit in insourcing, those technologies will be put in place at Solapur, and we will start making those products ourselves instead of buying them.

That is certainly the plan. It will have an impact on margins. In the longer term, Solapur will be both an intermediates and an API site because we have a plan that, once it starts operating, we will trigger, if not a US FDA inspection within a year, then at least a European EU GMP inspection, so that we can start catering to the API market as well.

Having said that, we expect that in 2-3 years, our asset turns at Solapur should be quite good and more in line with what we have today. In the short term, that is not likely to happen. We cannot achieve those levels of asset turns, partly because of the BI facility, and also because we cannot cater to regulated markets for API supply from Solapur.

Siddharth Nigandi – CWC: Very useful. Thank you so much, and I wish the team all the best.

Management: Thank you.

Operator: The next question comes from the line of Nitin Agarwal with DAM Capital. Please go ahead.

Nitin Agarwal – DAM Capital: Thanks for taking my question again. Doctor, you mentioned the pellets product that you are working on. Can you give us some more color on the opportunity that you see here?

Management: The thing is that there is significant interest in our API portfolio, not as APIs but as pellets. There are quite a few companies, for instance, in the OTC space, that would like a more ready product that they can quickly fill into a capsule, pack, and sell.

There was considerable overlap with what we have in our API portfolio. We started this development about a year ago, and we are seeing a number of opportunities that we can pursue. On the regulatory side, there is also a benefit because we can essentially file a drug DMF rather than get into any kind of dossier filing to drive this business.

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It is coming together. The only thing is that we have to ensure that we find a good manufacturing partner initially before building our own facility, which should take about 18-24 months. The filing process, approval, and ability to sell should therefore be about a year from now.

Nitin Agarwal - DAM Capital: Is this going to be a replacement for, or a value-added product to, the API offering? Or will it be an incremental market that we create for ourselves?

Management: It is both. It is a value addition to the API, and it opens us up to other customers who would not typically buy APIs.

Nitin Agarwal - DAM Capital: Perfect. Thank you so much.

Management: Sure.

Operator: The next question comes from the line of Prasanjit Paul with Paul Asset Management. Please go ahead.

Prasanjit Paul - Paul Asset Management: Good morning, and thank you for the opportunity. First of all, congratulations on the great set of numbers. We have strong cash on our balance sheet, and every quarter we are generating strong cash flow, which is excellent.

My question is: with this amount of cash, we can grow organically or inorganically, and we have many options. Do you have any long-term vision, such as over 4 or 5 years or by 2030, of where we want to reach? What would that growth path be—organic growth, inorganic growth, or CDMO-led growth? I want to understand the long-term vision in terms of growth acceleration and the cash balance.

Management: We are certainly looking in a few directions to grow, and we have looked at a number of inorganic opportunities over the last 15 months or so. The clear understanding we have regarding what we want to acquire is something that will enhance the API platform we have built.

It would need to have a good level of synergy with the API platform because then we can continue to add more value to what we already do. As I answered in the previous question on pellets, it is a value addition, and it also opens us up to an entirely new set of customers.

That is the thought process. We are continuing to make investments on the organic side. As I said, it is very likely that we will soon decide to build an oral-solids formulations facility, and we should complete that in about 18-24 months. But it is not just that. We will also look at other opportunities on the CDMO side to see what more we can do to create more value with this API portfolio.

We are open to both options. Organically, it is simpler because we make the plans, build a portfolio, continue filing, and move ahead. That is a relatively straightforward pathway.

On the inorganic side, we have to be careful to ensure that there is clear synergy when we pursue an inorganic opportunity. That is all I can say at this point. Clearly, we want to create more value and add more value to what we have already done.

Prasanjit Paul - Paul Asset Management: Do you have any long-term ballpark figure or aspiration in mind? For example, by 2030, do we want to reach a particular level, or should CDMO account for a

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particular portion of our overall revenue?

Management: You mean in terms of a financial target?

Prasanjit Paul – Paul Asset Management: Yes.

Management: Yes, those targets exist, but the more important point is the underlying philosophy of the company: whatever we do, we have to do a good job and make sure that we build a quality business. As long as we stay with that fundamental principle—

Management: [inaudible] thinking in terms of building a quality business and, in the longer term, ensuring sustainability, both in terms of margins and longer-term sustainability. That will lead to its own numbers. I cannot tell you what we [trails off]

Management: Except that, on CDMO, we have been guiding that we will double the business from where it is today in the next 3-4 years. That would effectively contribute approximately 12% to 15% of overall revenues, which is how we are looking at the CDMO business. For the other businesses, we do not want to give a number, but, as the Doctor explained, there are a good number of initiatives that we are working on, which should lead to those kinds of organic as well as inorganic growth opportunities.

Prasanjit Paul – Paul Asset Management: Thanks a lot for the answer, and I wish you all the very best.

Management: Thank you.

Management: Thank you.

Operator: Ladies and gentlemen, as there are no further questions from the participants, on behalf of {? Alivus ?} Life Sciences Ltd., that concludes this conference call. Thank you for joining us, and you may now disconnect your lines.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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