Operator: Good day and welcome to Indegene Ltd.'s Q2 FY27 earnings conference call. 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 the 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 Mr. Abhishek Agarwal, Head, Investor Relations. Thank you, and over to you, sir.

Abhishek Agarwal – Head – Investor Relations: Thank you, moderator. A very good morning to all of you, and thank you for joining us today for Indegene Ltd.'s earnings conference call for Q2 and the half year ended FY27.

Today, we have with us Mr. Manish Gupta, Indegene Ltd.'s Chairman and CEO, and Mr. Suhas Prabhu, CFO, to share the highlights of the business and financials for the quarter.

I hope you have gone through our results release and the investor presentation, which have been uploaded on the website as well as the stock exchange website. The transcript of this call will be available within a week's time on the company's website.

Please note that today's discussion will be forward-looking in nature and must be viewed in relation to the risks pertaining to our business. After the end of this call, in case you have any further questions, please feel free to reach out to the Investor Relations team.

I now hand over the call to Manish to make his opening remarks.

Manish Gupta – Chairman & CEO: Thank you, Abhishek, and good morning, everyone.

Let me start, as I usually do, with the industry.

For the first time in several years, the major signals are pointing in the same direction at the same time. Capital is back, approvals are at a record pace, the pipeline is large and later-stage, and AI has moved onto the operating agenda of almost every large biopharmaceutical company.

When these turns occur together, their effect compounds. More funding means more trials, more trials mean more launches, and every launch needs content, evidence, and engagement.

Let me take you through these four shifts and what each means for Indegene Ltd.

The first one is that capital and dealmaking are back. Through August, pharma and biotech funding rose about 85% year-on-year to over $69 billion. Biopharma M&A roughly doubled to around $194 billion, and licensing and partnership deal value already exceeded all of 2024-2025. Every acquired or newly funded medicine needs a commercial and medical home, and increasingly, companies partner for it rather than build it. AI amplifies this. Productivity gains are being redeployed into more content, more personalization, and more channels. The value accrues to those who own the domain, data, workflows, and execution. That is the Indegene model.

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The second one is a record approval pace and faster reviews. The US regulator has approved 45 novel medicines so far this year, ahead of the pace of 2023, which was a record year. Priority vouchers are cutting review times for selective medicines from about a year to 1.5 to 2 months. Faster approvals mean regulatory, safety, medical, and launch work must be ready in parallel, which is exactly where our capabilities come together.

The third one is a pipeline that is larger, later-stage, and more complex. About 12,700 molecules are in development globally, more than 2.5 times the level of 2015. Growth is stronger, rather, in the later stages. Phase 2 is also up almost 18%, and medicines awaiting approval are up about 30%, the highest on record. These are the launches over the next 2 to 5 years.

The science is also much more complex: peptides, antibody-drug conjugates, mRNA, and cell and gene therapies are growing fastest, and each needs deeper scientific content, medical education, and safety communication. At the same time, more than $40 billion worth of revenue faces patent expiry over the next decade. For us, that translates into demand. In-market brands must work harder for longer, the next launches must land perfectly, and acquired assets must be integrated fast.

The last one is reallocation. Large pharma is restructuring, but this is not the industry spending less; R&D spending remains above historical levels. The industry is spending differently: redirecting savings through restructuring to later-stage programs, acquisitions, AI, and commercialization; moving from fixed in-house cost to flexible partner models; and consolidating vendors. That favors a scaled, integrated partner.

We recently, in September, had the 2026 chapter of our Indegene Digital Summit. In this, we heard the same from our customers in Philadelphia, with more than 120 senior pharma leaders and 40% higher pharma participation than last year. The question had moved from whether AI can work in pharma to how to scale it and with whom. Two themes stood out. Operating models matter more than tools. AI succeeds when workflows are redesigned first and the business owns the outcome. The second was that the physician front door is changing. Doctors increasingly find information through AI tools, so evidence quality and scientific credibility now drive influence.

Now, closing the industry view, if you bring all this together, capital is back, approvals are at a record pace, the pipeline is deeper and more complex, and the larger companies are reallocating towards flexible partnerships. That means more medicines reaching the market, more complexity per medicine, and a premium on partners who combine deep domain expertise, technology, and global scale. The industry is moving towards exactly the kind of work Indegene Ltd. was built to do.

With that, let me move to our performance for this quarter.

Q2 was another quarter of consistent progress. Revenues came in at 11,223 million, up 39.5% year-on-year and 5.6% sequentially. That makes five consecutive quarters in which we have grown more than 5% quarter-on-quarter in INR terms.

What I find most encouraging is how evenly this growth is spread across our client base. Our top five accounts grew 9.2% sequentially in INR terms, and our top 20 accounts grew about 6.7%. It is still early, but our largest client relationships are starting to move upwards. The work we had been

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building with these clients is now steadily showing up as revenue.

Outside the top 20, growth continued as well. Our biggest relationships and our newer ones moved forward together this quarter, which is the balance we had been building towards.

The numbers at each rung of the client base tell the same story. We now serve 107 active clients, 31 more than a year ago. Clients contributing over $1 million a year rose to 59, up from 54 last quarter. Clients above $10 million now number 13, one more than last quarter. Each of these relationships began small and grew as clients trusted us with more of their work.

Productivity is also rising alongside. Revenue per employee on a trailing 12-month basis is USD 79,600, which is up from around USD 69,000 a year ago. We are growing revenue faster than headcount because most of our delivery now runs on our GenAI-enabled platforms, and more of the work is priced on output and outcomes rather than on time spent. The two reinforce each other. As GenAI lifts productivity, output-based pricing lets more of the gain show up in revenue per employee.

Now, we come to new deal wins and new business. We had a good quarter in terms of deal wins: nine deal wins with annual contract values above $1 million, including three large deals: one in the $5 million-plus range and two in the $3 to $5 million range.

Let me start with enterprise commercial, which saw most of the action. In the largest new deal win of this quarter, we won a mandate from our existing top-five customer to migrate their content platform in major geographies outside the US. This is an expansion in scope of the mandate we won last quarter to migrate their content platform in the US. While the work commences in Q3, the ramp-up will likely impact Q4 and beyond.

The first deal in the $3 to $5 million range is the one I mentioned in our last call: a top-20 pharma company had brought us in for a change management consulting engagement. Last quarter, we described it as a sub-million-dollar start with the real room to grow. One quarter later, it has become a mandate to set up a global content factory across commercial and medical content for the company's international business. This is the path we want our engagements to follow: earn trust on a focused piece of work and then take on the operating model that comes after it. We are very excited about this opportunity.

Finally, the last deal win is from a top-30 global pharma company to manage their global digital content, where we are replacing a large incumbent. This is another deal which has tremendous potential to grow in the future.

Coming to the deals in the $1 to $3 million range, we continue the expansion of our GenAI-enabled TEKtonic model with our largest customer, with a deal win for the Canada market.

Let me remark on TEKtonic for a moment. With our largest customer, the TEKtonic model was contracted starting with Germany at the end of last fiscal. Last quarter, it extended to Spain. This quarter, the client took it across the Atlantic into Canada. That is three markets in three successive quarters and the first one outside Europe. While TEKtonic wins continue to accumulate with the largest customer, the ramp-up in this case remains slow. However, we continue to invest resources

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and effort into driving change management and adoption within the customer's operations across all markets where we have won.

Beyond TEKtonic, our push upstream in the content value chain delivered another success, this time through our GenAI-led agentic AOR with a top-20 pharma company, where an initial pilot, which we had spoken about earlier, turned into a full-scale engagement north of $1 million. What makes this deal instructive and interesting is how it began. The relationship started with our TEKtonic offering and evolved into agentic agency of record. I highlight this because it shows our content engagements can now start anywhere in the value chain: strategy, studio, or production, and then move upstream or downstream. In fact, the lines are blurring to the point where agentic AOR, TEKtonic, and production work, we believe, might no longer be distinct in the future.

We signed four more deals in the $1 to $3 million range, split evenly between enterprise commercial and enterprise medical segments.

Besides these new wins, we also had a successful extension of an ongoing deal. A fast-growing US-based emerging pharma company had partnered with us in Q3 last fiscal to assist them with new product launches. We have now signed multiple additional work orders, aggregating $3 million-plus, to continue assisting them with their launch activities.

Taken together, this quarter was a testament to Indegene Ltd.'s domain expertise and a validation of our new-age solution approach to solving our customers' needs across different areas, segments, and spectrums of customers. Continued wins with our GenAI-enabled offerings, TEKtonic, and agentic agency of record confirm that our strategy to move upstream has found recognition in the market. It also puts us on a path of broad, balanced growth: more clients, larger clients, and rising productivity.

Let me now move to the BioPharm acquisition, and the reason I do so is that on October 1, BioPharm completed its first year as part of Indegene Ltd. It was, of course, a reasonable-sized acquisition from our perspective.

When we announced this acquisition, we had provided two strategic reasons: that together, we would become a powerful player in data-driven omnichannel and brand activation. We also said the combination would unlock real revenue and cost synergies across a shared client base. One year in, we are making progress on both.

We had planned to transition finance, HR, and IT, and we will close out the seller's transition services by the end of March. We finished that by the end of February with no disruption to client engagements and strong retention. When we did the deal, I said this was a team that would be very difficult to hire in the United States. That team is with us and now fully part of Indegene Ltd.

On cost synergies, we have realized around $1.5 million in annual savings, and we have reinvested these savings in growth, most visibly by expanding BioPharm's go-to-market team from 3 to 9 people.

Now, the growth. A year ago, many of you had asked why BioPharm's revenue, which had been broadly flat for a few years, would change. Our [cut off]

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Manish: Our answer was that the business had been run primarily for margins with very little support, and Indegene Ltd.'s sales engines, technology, data, and management teams could unlock much more.

The early evidence is encouraging. The second tranche of payment requires revenue growth in excess of 15% in calendar year 2026 over 2025. Based on the current trajectory, we expect the payout to be close to the maximum amount. This is a reflection of how well the integration and growth have come about. As a caveat, we have already provided for this entire amount in our balance sheet.

The bigger story is what BioPharm has done for the rest of Indegene Ltd. We are including BioPharm's capability in existing and new enterprise omnichannel engagements. Its data and targeting capabilities are now giving us an edge in some of our largest pursuits, which sit in our pipeline right now.

Data and AI is a dimension in which long-term value can be created. Tandem brought us over 20 years of proprietary data on how physicians respond to promotions, spanning more than 300 million exposure events and 15 million engagements.

It expanded our physician profiles from 1.8 million to over 3.6 million, with much deeper coverage in oncology, rare diseases, and ophthalmology.

We have combined Tandem and {? envisage ?} in our audience intelligence platform, part of the Indegene data universe that forms the data foundation of our AI stack beneath Cortex.

It is already at work beyond omnichannel in agentic AOR, our AI-led agency model. It powered research using synthetic key opinion leaders, completing in days what a traditional agency takes months to do.

A year ago, we described this combination as more data, more engagement, and more brand impact. One year in, we are seeing all three.

BioPharm is no longer an acquisition we talk about. It is a capability embedded in how we win. We believe its biggest contribution to Indegene Ltd. is still ahead of us.

With that, let me request Suhas to take you through the financials in detail. Over to you, Suhas.

Suhas: Thank you, Manish, and a very good morning to all participants on the call today.

Let me start with revenue. Revenue for Q2 was Rs 11,223 million, or US Dollar 117.5 million. In dollar terms, that is strong growth of 27.5% year-on-year and 4.4% sequentially.

EBITDA came in at Rs 1,873 million, up 32% year-on-year, at a margin of 16.7%.

I want to put that figure in context because the more important story is what the quarter absorbed. Q2 is when our annual wage increase takes effect, and this year, the wage hike impacted margins by about 150 basis points. Improved productivity and favorable exchange rates have largely offset this impact. In July, we told you Q2 would break from the usual pattern, and it has.

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Beyond EBITDA, other expenses were as anticipated and largely in line with the past quarter. However, interest income was down 44% sequentially, from Rs 237 million to Rs 134 million. While the invested funds largely remained constant quarter-on-quarter, the markdown in our mutual fund portfolio NAVs due to the increase in interest rates towards the end of the quarter compressed the near-term yields. The quarter-on-quarter impact of lower yields impacted PBT by about 90 basis points and PAT by about 70 basis points.

Coming back, the annual wage hike is already in the base. The impact of productivity and workforce transformation initiatives, combined with operating leverage, is anticipated to have a favorable impact on EBITDA in the coming 2 quarters.

Looking ahead, we also expect some of this quarter's pressures below the EBITDA line to ease. The amortization charge will reduce in Q3 and beyond. We anticipate yields to increase with the higher interest rates prevailing, combined with a conscious shift in the investment portfolio towards a higher allocation to held-to-maturity instruments, which reduce volatility. Taken together, these should impact PBT positively, aggregating up to 90 to 95 basis points. This would help our PAT margin expand faster than our EBITDA margin in the coming quarters.

Profit before tax was Rs 1,474 million. With the effective tax rate steady at 23.8%, profit after tax came in at Rs 1,123 million, or 10%, also up 10% from a year ago.

Coming to the business mix, the business mix was steady, with Enterprise Commercial contributing about 71% of our revenue and Enterprise Medical 25%, followed by Others at 4%. By geography, North America continued to be the highest contributor, accounting for 74%, followed by Europe at 23% and the rest of the world at 3%.

Our largest customer today represents 7.8% of revenue, and our top 10 together make up 49%.

Let me delve a little deeper into two of our larger relationships, since you will see the movement in the aggregate numbers. Revenue from our largest customer slightly eased this quarter, as the TEKtonic engagements that we signed with them are ramping up more gradually, though the scope we contracted keeps expanding. The contracted business, as Manish described, keeps growing, and as execution catches up, we expect revenue from this client to return to an upward path.

Separately, one customer moved from the $25 million-plus cohort to slightly below. This customer had moved into the $25 million-plus cohort 2 quarters ago, and the drop is a small variation in the quarter-on-quarter volumes. We believe this is a temporary drop, given that the largest win this quarter, the $5 million-plus win that Manish mentioned, is with this customer. As the deal ramps up, we expect the customer to get back into the $25 million-plus cohort in the coming 2 or 3 quarters.

Despite these 2 movements, our top 20 accounts grew 6.7% sequentially in INR terms, which shows strong growth in our top 20 accounts beyond the 2 that I already spoke about.

Coming to the DSOs, the DSOs net of unearned and unbilled revenue were slightly higher at 69 days, up 2 days, and cash and investments stood strong at Rs 13,896 million.

With that, let me close with the margin path. Our outlook remains unchanged. We continue on the path to quarterly EBITDA margins of 19% plus by Q4 of this year. Three things give us confidence.

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First, this year's wage cycle is now fully in the base.

Second, the outcome-linked omnichannel contract with one of our large customers has progressed positively in the first 2 quarters.

Third, we have deal wins during the quarter, as well as a healthy pipeline going into H2.

As they scale, the go-to-market and delivery investments that we highlighted in the past and made ahead of time begin to pay off. As all of this plays out, margin growth in H2 is likely to outpace revenue growth as we exit Q4.

With that, let me pass it back to Manish for the outlook. Over to you, Manish.

Manish: Thank you, Suhas.

Before we open the line for questions, let me close with where we believe we are headed. While we do not provide formal guidance, I want to restate 2 goals we had set for ourselves and discussed with you all.

First, organic growth in FY '26, with our biggest relationships and our newer ones moving forward together, as they did this quarter. That is the balance we have been building towards.

The second one was to have our quarterly EBITDA margins back in our historical range by Q4, as Suhas mentioned, as our go-to-market investments and successes in deal wins get into full-scale execution and are reflected in the revenue through this period.

Our focus for the rest of the year is clear. We are working on these 2 objectives, both are underway, and they keep us firmly on track for our FY27 goals while building a strong foundation for FY28.

Looking further ahead, our Enterprise Commercial business is entering an important new phase. Five years ago, we set out to move upstream in the commercialization value chain by fundamentally changing how pharma approaches content, from strategy and creation to production and deployment.

We have since built the pieces required to make that vision real. TEKtonic, agentic AOR, and omnichannel have expanded our presence upstream and downstream, supported by technology built organically and a lot of capabilities that were built organically and through acquisitions, such as Cult Health, {? MJL and Cake ?}, and, very recently, BioPharm.

We are bringing together {? envisage ?} and Tandem into a strong audience intelligence capability and integrating that data with industry-specific platforms, contextualized workflows, and AI embedded throughout the way we work.

It has taken time to build this model because we are defining a market, not simply entering one. But now we believe we are at an important inflection point. Clients can increasingly enter our ecosystem anywhere, from strategy to creatives to production, and expand across the value chain.

Over time, we believe the distinctions between agentic AOR, TEKtonic, and production will matter less. The destination is one integrated, AI-led content model spanning the entire commercialization

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value chain. That is where we intend to keep investing, and we see this as an important growth opportunity for the next few years.

To sum it up, where we stand, exactly a year ago on this call, we told you we were making deliberate, ahead-of-the-curve investments. Last quarter, we told you we were genuinely confident about how they would pay off. Today, that confidence is turning into evidence.

Stronger industry demand is moving from testing to scale, a broader and deeper client base, an acquisition that is delivering, and a second half where growth and margins come together. The building blocks are in place, the momentum is real, and we believe the best is still ahead of us.

With that, let me hand over to the moderator to open the line for questions. Thank you so much.

Operator: Thank you very much, sir. Ladies and gentlemen, we will now begin with the question-and-answer session. Anyone who wishes to ask questions may please press star and one on their touch-tone phone. If you wish to withdraw yourself from the question queue, you may press star and two. Participants are requested to use only handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. You may please press star and one to ask questions.

The first question is from the line of Vinay Menon from Monarch Capital. Please go ahead.

Vinay Menon - Monarch Capital: Hi. Thank you for the opportunity, and congratulations on a great set of numbers. A couple of questions from my end. If you can just mention the run rate for TEKtonic, which you give on a quarter-on-quarter basis, that would be helpful.

Manish: Suhas, do you want to take this?

Suhas: Sure, Manish. Good morning, Vinay. Thanks for your question. TEKtonic has grown from a run rate of about $1 million a quarter to $1.7 million this quarter. The contracts, as we mentioned, have actually crossed a level of more than $2 million a quarter as we look ahead.

Operator: I'm sorry.

Manish: Sorry, yes.

Operator: Please proceed, sir.

Manish: Yes, but if I elaborate a bit more on that, Vinay, as you mentioned, we were talking about TEKtonic. It is still very relevant, but today we are seeing deals in agentic AOR, a combination of TEKtonic, and a bunch of other things. As I mentioned, the lines are blurring. Enabled by AI, of course, things are changing fast. We continue to be on top of these developments. The good news is that today we are winning from all sides: the higher side of agentic AOR, the lower side of content production, and the middle of the TEKtonic offering. Any company working very actively with AI would confirm that things are changing fast, so you have to be on top of it, and we are.

Vinay Menon - Monarch Capital: Okay, that helps. On the receivables part, I just saw that unbilled revenue has jumped. Is this also on account of more outcome-based revenue that we are expecting in H2? Could this be the trend going ahead with the change in the way we look at the business?

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Manish: Suhas?

Suhas: Again, Vinay, this is typically a quarter where we also see slight delays in customer confirmations, given that it is summer time both in Europe and the US, where we derive most of our business. Last year, the same quarter actually bucked the trend, so to say. However, we believe that going into Q3 and Q4, we would see the AR and, more importantly, the unbilled revenue coming back to what we normally see.

Of course, outcome-based contracts do have milestone payments, billing, and payments, and therefore there would be some timing-related variances, unlike the monthly billing that you would see on plain-vanilla time-and-material contracts. However, we do not anticipate that to be materially different from what we have seen. Therefore, the net DSOs, as you see, have varied only by 2 days, from 67 days to 69 days. We do not anticipate this to be materially different.

Vinay Menon – Monarch Capital: Okay, all right. That helps. One last question is that we have seen frontier labs, especially Anthropic, announce a couple of partnerships with pharma companies where they are working on drug discovery. Are we also looking to partner with a frontier model, or is this some kind of a threat to our model of working?

Manish: We do not see that as a threat to our model of working, Vinay. We are partnering with a lot of players. We have actually put a dedicated partnership team in place in the US and India, and we are partnering with multiple players in the broader technology ecosystem. Definitely the frontier labs, but also many other technology providers. When I say technology providers, I am talking about technology companies.

We believe that it is going to be important for the frontier models and all these companies to address the last mile. As I said, the theme even in the recent summit was that you have to redesign the workflows and the skill sets, and the technology is the easier part here. That is where a company like us fits in. Most technology companies will have to partner with companies like us. It is an amazing opportunity for us.

Vinay Menon – Monarch Capital: Okay. Thank you. Thank you. That is all my questions, and all the best.

Operator: Thank you. We will take the next question from the line of Rolin Nandur from Edelweiss Public Alternatives. Please go ahead.

Rolin Nandur – Edelweiss Public Alternatives: Yes, hi, Manish and Suhas. A couple of questions from my end. On TEKtonic, you mentioned that the ramp-up at your largest client's end is slightly slower while the scope of work increases. Could you help us understand why both are happening at the same time, where the ramp-up is slower but the scope is increasing? On TEKtonic, since you said that the lines are blurring as to how you win the deal or engage with the client, how do we then think about an ROI on some of the investments that we have made specifically on TEKtonic?

Manish: We made some investments in TEKtonic, but TEKtonic is not a standalone business unit or whatever it is. I will not measure ROI on TEKtonic standalone. Measuring ROI on a $2 million kind of offering on a standalone basis does not even make sense, and the reason we did it was not for the

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$2 million offering.

We are moving upstream from what we are doing on content and various other things. Now, there are 2 things that we see. One is that we were moving a bit upstream, but we also have proof points of moving upstream at the highest end, which is the agentic AOR concepting. We have cracked that, and we have won deals in that space. The important thing for us is how we capture the entire value chain. We will, of course, be measuring ROI at that level. We are very bullish about what we are seeing there.

Now, coming to the client per se, why is this happening? Here are the dynamics that play out. There is a central team, and executive leadership wants to drive more centralization. That gets reflected in the signed orders. But now local geographies and every therapeutic area have brand teams, which have been working on a decentralized model for a very long period of time. Getting that organizational dynamic right in these very large companies takes time. Given that it is a new area, we have seen this in the past. Fifteen years ago or 10 years ago, the same customer, when they started the journey with us, did not follow a linear path.

Hence, we are not worried. Change management takes time, and the dynamic between the central teams and the brand teams will play out. Over time, change management will settle and things will progress towards more centralization. But that dynamic is playing out right now, and hence you see this divergence.

Rolin Nandur – Edelweiss Public Alternatives: Sure, that is very clear, Manish. Thank you so much. Also, based on your answer, you mentioned that you have won a significant deal on the GenAI-enabled transformation and upstream engagement as well. You also mentioned that you have cracked GenAI AOR, which is a step upward on the upstream journey compared with what TEKtonic would have done. Could you give me some more contours of this particular deal? What is the GenAI element in this, and how difficult would it be for some of the large frontier models to enter a similar domain or win a similar kind of deal from your clients?

Manish: We have spoken about this in one of our earlier calls. If I am not wrong, this happened in our Q4 call, when we had done a pilot with one of our customers. We challenged the customer, who was working with an agency for one of their launches, to continue working with the agency but do a parallel pilot with us for concepting. This meant determining how they were going to launch the new molecule, what positioning to take, what doctor segments to target, what messages to use, and what creatives to develop. When I say messages, I am talking about the scientific messages.

This entails looking at the clinical data of this molecule, the clinical data and claims that competing molecules are making, the entire space from a therapeutic perspective, and then coming out with the right scientific messages, the right creatives, and the right physician profiles. Agencies typically take a couple of months to get this done. It is obviously a fairly expensive and very iterative process, with a large team involved from the agency side.

We had a discussion with the client that we would do this with them in a few-day workshop using our agentic approach. We needed a number of things from them and had to come prepared for this. We did that, and the client was saying that if we achieved 60% to 70% of what agencies do, they would be very happy. What they saw after a couple of days was much better than what an agency

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would do in a 3-day workshop. We did that, and after some time, we were called back to essentially handle a number of things for this molecule. We became the primary agency. As we speak, we have the next level of meetings set up to see how we can work with this company at a much more enterprise level using this approach.

That is one example, and it is one thing that has evolved over the last 6 months. Our teams are busy doing a lot of these workshops and discussions with multiple clients right now. As you can see, this is first in the industry, and nobody is close. That is what we are taking to the industry today. Let me also be realistic: it is a change in the approach to how things are done, and of course it will take its own time.

Now, regarding your question about frontier models, there are many nuances to how pharma marketing is done. What we did in 3 days took almost 2 to 3 years for us to build. That includes understanding the nuances of how pharma marketers, creative professionals, and some of the medical directors think; our experts sitting with some of the people in the agencies that we had acquired; creating knowledge-engineering graphs internally using Cortex; and then building all that into the workflows and agents.

It was a fairly long process, which required a lot of nuanced understanding and, of course, designing the workflows, the AI agents, and the checks and balances. It is fairly elaborate.

Rolin Nandur – Edelweiss Public Alternatives: Sure, sure, Manish. Thank you so much. Just one last question from my side. This engagement model that you have mentioned in your slide, where 60% plus of the revenue is outcome-aligned, what is the cap to this number based on the impact we are investing in, and how do you see the industry moving and the street moving, as you mentioned at the beginning of the call? What is the theoretical cap that one could put on this number? How much more can it grow? Could it be 80%-90% of our revenue in 5 years' time?

Manish: It is a difficult question to answer. There would be some level of FTE layer. Now, in our case, most of that is not FTEs offshore in a location like India. But FTEs will be experts, as I had mentioned earlier: omnichannel orchestrators, brand liaisons, brand managers, or regulatory experts in different markets across the world who become the custodians and orchestrators to manage a lot of the work being done at scale using AI-enabled workflows.

A lot of AI-enabled workflows can grow, but I would not hazard a guess on exactly how much right now. There is a lot of work to be done. But Suhas, do you want to take an attempt to add more color to this?

Suhas: Sure, Manish. While it is difficult to guess where it would cap, what we can mention is that most of our wins in the current quarter, Rolin, have been output- or outcome-based rather than FTE-based contracts, except for one. That gives us confidence that this number would keep trending upwards.

We are also making a focused effort to convert our pure FTE contracts into hybrid contracts with a mix of outcome-based arrangements as we head into the renewal cycles for these contracts. We believe that this will keep moving upwards meaningfully hereon.

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Rolin Nandur – Edelweiss Public Alternatives: Thanks, Manish and Suhas, and all the very best.

Operator: Thank you. A reminder to all participants that you may please press star and one to ask questions. The next question is from the line of Rengavarchini K from Wealthified. Please go ahead.

Rengavarchini K – Wealthified: Good morning, sir. Congratulations on the good set of numbers. My first question is on the TEKtonic side. Which geographies are you targeting for its expansion, and how do you see the opportunity shaping up across these markets? That is my first question, sir.

Manish: On TEKtonic, at least right now, most of our demand is, of course, from the United States and North America, I would say, and from some of the large European markets. Spain, Germany, and the UK are the places where we see demand, and expansion would be in those large geographies.

Rengavarchini K – Wealthified: Understood, sir. My second question is that we are seeing large players like TCS expanding into life sciences through their platform TCS ADD, Advanced Drug Discovery, which overlaps with our {? BMS ?} segment offerings. How do you see competition from IT companies, and what plans do we have going forward? That is my question, sir.

Manish: We are right now fairly involved in the market, with broad coverage. In all transparency, we do not see IT companies too much, at least in the kind of deals we compete for. Of course, IT companies are there, more on the CIO side. We are selling to marketing professionals, chief marketing officers, and chief medical officers. That is a place where we continue to get more strategic traction.

In some of the discussions I have had on various things, we do not see IT companies playing there. At least, we do not see them today at all. That is not a segment we worry about too much. As I mentioned earlier, from a competitive perspective, the sectors we compete with are agencies and CROs, which are much more domain-focused.

Rengavarchini K – Wealthified: Understood, sir. Thank you very much. All the very best.

Operator: Thank you. The next question is from the line of Satish from Kotak Institutional Equities. Please go ahead.

Satish – Kotak Institutional Equities: Hi, Manish and Suhas. Congratulations on an excellent set of results.

Manish: Hi, Satish.

Satish – Kotak Institutional Equities: A couple of questions. First, regarding that $10 million ACV deal, is it entirely outcome-based? Is there any significant contribution from that deal already in the revenue numbers? Will it fully ramp up in the next quarter?

The second question is that, if I look at the growth composition this quarter across service lines, Enterprise Medical was on the weaker side, whereas Commercial was strong. Will Commercial continue to grow faster than Medical in the coming quarters? What explains the strong growth in the Other segment, and can that grow at the company average in the future?

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Manish: Sure. Satish, I will let Suhas also talk about this. The $10 million deal has had some small amount recognized this quarter, but most of our contribution is still ahead of us. We are fairly comfortable with what is going to get recognized, and a larger portion is going to be recognized in H2. That is one piece. Suhas, do you want to add anything to this and to any other part?

Suhas: Sure. Satish, we believe that Q4 is when any true-up on this contract would show up, given that it is a full-year threshold that we have to meet and beat on the outcomes to be certain of the full revenue recognition. This is a calendar-year recognition, so it would be February or March by the time we get the data locked and receive customer confirmation. Therefore, Q4 is when we anticipate this to show up more meaningfully.

Manish: There was a second part to the question, right? I missed that.

Satish – Kotak Institutional Equities: Yes, the second part of the question was regarding service-line growth. Medical was on the weaker side, and we saw strong growth in the Other segment. The question was whether the growth in the Other segment is because of volatility or whether it will grow in line with the company average in the future. The second question is whether the strength in Commercial will continue to make it grow faster than Medical in the future.

Manish: I would say that, right now, the reality is that we are seeing a lot of traction on the Commercial side. We continue to make significant investments in Medical as well, but for the next 2 quarters, we might see higher growth rates in Commercial. On Others, Suhas, I will let you step in. Other income—the Other segment.

Suhas: Sure. To elaborate, Satish, even in the current quarter, the Q2 deal wins were a little more skewed towards Commercial, though we saw 2 million-dollar-plus deal closures in Medical. Therefore, we anticipate over the next couple of quarters that Commercial will outpace the growth in Medical, with Medical coming off a very strong growth base in relative terms in the past quarters.

However, we continue to see a good number of deals in the pipeline in Medical as well. Therefore, we remain positive that Medical will also follow the trend that we are seeing in Commercial.

Coming to the Other segment, it is a small base, as you know. We had announced a deal win in the December quarter, which was a relatively large deal contributing to the chemical segment, which is part of the Others segment. While the deal went live a couple of quarters ago, the ramp-up happened in August, and therefore we saw a meaningful uplift in relative terms in the Other segment.

That would get fully annualized in Q3, which will see a bit more uptick in the Others segment due to the large contract that we had mentioned and closed in December. Yes.

Satish – Kotak Institutional Equities: I got that, Suhas.

Suhas: That explains it. Thank you, Satish.

Satish – Kotak Institutional Equities: Got that, yes. Thanks for your responses. I will get back in the queue for further questions.

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Manish: Thank you.

Operator: Thank you. The next question is from the line of Divyansh Agarwal from Ionic Asset Managers. Please go ahead.

Divyansh Agarwal – Ionic Asset Managers: Hi. Firstly, congratulations on a good set of numbers. Regarding the EBITDA margin, while we have laid out our plans to try and reach about 19% by the end of this year, could you give us a margin walkthrough? While we mentioned it for Q2, on a quarter-on-quarter basis, how did the margins pan out? Could you give us a small walkthrough of how we see the margins moving from the current 16.7% to about 18%-19%?

Manish: Suhas, will you take this?

Suhas: Sure, Manish. Thanks, Divyansh, for your question. We have, as you rightly pointed out, provided a walk from Q1 to Q2 margins. While we do not give any specific guidance going forward, I would request you to look at the walk between Q1 and Q2 and the factors favoring the margins that will continue going forward, namely productivity and workforce transformation, which in the last quarter contributed approximately 85 basis points of uplift to the margin.

The favorable exchange rate is another factor. The exchange rate is difficult to call, but having said that, we book a significant portion of our forex exposure for the coming 2 quarters ahead at any given point in time. About 75% of the 2-quarter-ahead exposure is already hedged.

Therefore, we are fairly confident that favorable exchange rates, the continuing impact of our workforce transformation, and operating leverage as we continue to grow will continue to add positively to the EBITDA margin, both in Q3 and more significantly in Q4, given that we also mentioned the uplift from the $10 million outcome-based contract that we anticipate in Q4.

Divyansh Agarwal – Ionic Asset Managers: Got it, sir. Secondly, regarding the clients, while we mentioned that one of our clients at $25 million-plus has moved lower, could you give us some color? Has there been any retalks or renegotiations to start another leg of business with them, or have we completely moved on and are going towards acquiring more clients in different categories?

Manish: Not really. We mentioned a win with this client last quarter, and this quarter also, one of the deals I spoke about in the $5 to $10 million range is with this client. Revenue recognition for this client will start again, as I said, probably a little bit in Q3, but more importantly in Q4.

We are very confident that this client will get back to the $25 million-plus category. It was just some variation in volumes that has happened recently, which caused the dip. It was just above $25 million, and then slipping just a little below $25 million created a category shift, but it is in the same ballpark.

With this win in our order book right now, which has to be executed in the next 2 or 3 quarters, we will get there soon.

Divyansh Agarwal – Ionic Asset Managers: Got that. Thank you so much, sir, for answering the questions, and all the best for the second half. Thank you.

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Manish: Thank you.

Operator: Thank you. The next question is from the line of Ankur Pant from IIFL. Please go ahead.

Ankur Pant – IIFL: Hi. Thank you for taking my questions, and congratulations on a good set of numbers. My question is on the cadence heading into H2. Q3 has historically been a good quarter for Indegene Ltd. as well. Now, with Q2 on a solid base, growth and deal wins being strong, do we expect growth in H2, particularly in Q3, to continue to sustain the momentum that we have seen in Q2 and then further spike with the ramp-up of the $10 million ACV deal in Q4? Is that the correct understanding as we head into H2?

Manish: We do not give guidance, especially quarter-on-quarter, on this matter. All we can say is that I am going to go back to some of the things we said. We believe that this year should be organically stronger than last year. We believe H2 should be stronger than H1. We are fairly confident about H2, given where we sit today.

Ankur Pant – IIFL: Sure. On the margin front as well, is it fair to say that earlier we were expecting the $10 million deal to ramp up in Q3, and now we expect it in Q4? Therefore, the bigger margin jump that we were expecting would come in Q4. Is that the right way to look at it?

Manish: Suhas, do you want to take that?

Suhas: Sure. Ankur, what we had mentioned was that revenue recognition would start after 2.5 quarters of the project going live, which it has, because the contract started in January. However, given that it is an outcome-based contract, there would be a revenue recognition curve, which we believe would result in Q4 being the period in which the revenue would peak. Therefore, that would also have a meaningful impact on the margin as we exit Q4.

Ankur Pant – IIFL: Thank you, that helps. Thank you, Manish. Thank you, Suhas. All the best.

Ankur Pant – IIFL: Thank you.

Operator: Thank you, sir. Ladies and gentlemen, that was the last question. I will now hand the conference back to Mr. Abhishek Agarwal for closing comments. Thank you, and over to you, sir.

Abhishek Agarwal: Thank you once again for your active participation and continued interest in Indegene Ltd. We look forward to your participation in the earnings call and such opportunities going forward. I appreciate all of your questions once again. Thank you, all, and have a good day.

Operator: Thank you, members of the management. Thank you, sir. On behalf of Indegene Ltd., that concludes this conference. We thank you for joining us, and you may now disconnect your lines. Thank you.

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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