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18th November, 2026

To,

The Corporate Relationship Department **BSE Limited** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001. ***Scrip Code: 539523***	**National Stock Exchange of India Limited** Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai 400 051. ***Scrip Symbol: ALKEM***

Sub: Q2 & H1FY2027 - Earnings Conference Call Transcript

Dear Sir(s) / Madam,

We enclose herewith the transcript of "Q2 & H1FY2027 Earnings Conference Call" which was hosted by the Company on Thursday, 12th November, 2026.

The said transcript shall also be made available on the website of the Company.

Kindly take the same on record.

Sincerely,
For **Alkem Laboratories Limited**

MANISH NARANG
Digitally signed by MANISH NARANG
Date: 2026.11.18 12:27:32 +05'30'

Manish Narang
President - Legal, Company Secretary & Compliance Officer

Encl.: a/a

“Alkem Laboratories Limited

Q2 FY27 Earnings Conference Call”

November 12, 2026

MANAGEMENT: **MR. SANDEEP SINGH – MANAGING DIRECTOR – ALKEM LABORATORIES LIMITED**
DR. AMRUT NAIK – CHIEF EXECUTIVE OFFICER – ALKEM LABORATORIES LIMITED
MR. DISHANT HITESH DOSHI – DEPUTY CHIEF FINANCIAL OFFICER – ALKEM LABORATORIES LIMITED
MR. SMEETT JAIN – HEAD OF INVESTOR RELATIONS – ALKEM LABORATORIES LIMITED

MODERATOR: **MR. TUSHAR MANUDHANE – MOTILAL OSWAL FINANCIAL SERVICES LIMITED**

Moderator: Ladies and gentlemen, good morning and welcome to the Alkem Labs Q2 FY27 Earnings Conference Call hosted by Motilal Oswal Financial Services Limited. As a reminder, all participant lines will be in the 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 for 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. Tushar Manudhane. Thank you, and over to you, sir.

Tushar Manudhane: Thanks, Shaurya. Good evening, everyone, and a warm welcome to the second quarter of FY 2027 earnings call of Alkem Laboratories. From the management side, we have Mr. Sandeep Singh, Managing Director, Dr. Amrut Naik, Chief Executive Officer, Mr. Dishant Hitesh Doshi, Deputy CFO, and Mr. Smeett Jain, Head of Investor Relations. Over to you, Smeett.

Smeett Jain: Thank you, Tushar. Good evening, everyone. On behalf of Alkem Laboratories, I welcome you to our Quarter two FY 2027 earnings call. Earlier today, we announced our financial results along with the press release and investor presentation, all of which are filed with the stock exchanges and are also available on our website. We hope you had an opportunity to review them.

Before we begin, I would like to remind everyone that this call is being recorded, and the audio recording and the transcript will be made available on the stock exchanges and our website shortly after the conclusion of the call. Please also note that today's discussion may include certain forward-looking statements, and these statements should be viewed in conjunction with the risks and uncertainties that are associated with our business and the environment in which we operate.

With that, I now would like to hand over the call to our MD, Mr. Sandeep Singh, for his insights. Over to you, sir.

Sandeep Singh: Thank you, Smeett. Good evening, everyone.

Before I discuss the quarter's performance, I am pleased to welcome Dr. Amrut Naik, who has joined Alkem Labs as Chief Executive Officer. Dr. Naik brings extensive industry experience and will work closely with the leadership team to further strengthen execution and advance the group's strategic priorities. On behalf of the Alkem board and entire Alkem team, I welcome him and wish him great success in this new role. Before I go further, I would invite Amrut to introduce himself to the investors and analysts over here. Thank you. Amrut, over to you.

Amrut Naik: Thank you, Sandeep. Good evening, all of you. Indeed a privilege and an honor to be here with you, and happy to have you on the call this afternoon. My name is Amrut Naik. I've joined Alkem as of yesterday as the CEO for the pharmaceutical business, and I come in with about 27 years of experience in the commercial area, leading businesses largely in overseas markets, including the developed and the developing world. Happy to speak further as we move forward. Thank you.

Sandeep Singh: Thank you, Amrut.

Coming to quarter two, we saw a healthy momentum across our India and international business. Our India formulations business performed broadly in line with the market, supported by continued strength in the chronic portfolio. The non-U.S. markets delivered steady underlying performance, led by LATAM, while reported growth also benefited from the integration of Occlutech.

In the U.S., volume growth provided support despite the prevailing pricing environment. We also made progress across our newer growth platforms. During the quarter, we integrated Occlutech into our MedTech business, with its financial performance consolidated into our results from this quarter. In biotech, improving execution of operating performance at Enzene remains a key priority.

As we move into the second half, our focus remains on sustaining growth in the core business and strengthening execution across our operations, addressing regulatory priorities in Daman, and developing our MedTech and biotech platforms in a disciplined manner.

I will briefly walk you through the key developments and outlook, after which we'll be happy to take your questions and engage in discussions.

Our revenue from operations was INR4,520 crores, year-on-year growth of 13.8%. Biotech sales was INR 70 crores with year-on-year degrowth of 35%, but that's due to the lumpy business nature of the CDMO. MedTech sales were INR 133 crores. That includes Occlutech.

EBITDA was INR1,025 crores, resulted in a EBITDA margin of 22.5%, a growth of 11.3% year-on-year. R&D expenses were 4.3% of our revenues. Profit before tax grew 7.7% year-on-year. Net profit saw a degrowth of 11.7%, and net cash stood at INR4,900 crores plus.

According to IQVIA, we saw the company register a growth of 13.8% year-on-year, at par with the Indian pharmaceutical industry, which grew at 13.8% as well. Acute segment reported a growth of 12.1% at par with the IPM growth of 12.3%. Chronic segment reported a growth of 22.4% versus the industry, which grew by 16%, 640 basis points outperformance. We have outperformed IPM in eight key focus therapies. In multivitamins by ~1.2x, anti-diabetic again ~1.5x, cardiac by 1.1x. Urology, again on a low base, we are 1.1x, Respiratory by 1.6x, Neuro CNS by 1.1x & Derma by 1.6x.

On the regulatory front, remediation of our Daman facility is progressing, and we remain engaged with the U.S. FDA to address the observation related to its OAI status. Separately, the U.S. FDA inspection of our Mandva API facility concluded with no 483s. We are also committed to maintaining the highest standards of quality and compliance across all our sites.

Thank you. With this, we open the floor for Q&A.

Moderator: Thank you very much. We will now begin with the question-and-answer session.

The first question is from the line of Saion Mukherjee from Nomura. Please go ahead.

Saion Mukherjee: On the India business, if you can highlight the dynamics that is leading to the slowdown in the trade generics segment, and also on the prescription business, how you see growth shaping up for the rest of the year and also for FY28?

Sandeep Singh: On trade generics, I think it is a question of just intensity going up of the market. I mean, I have said this before, like few years back, there were much fewer players. Now you have all the biggies jumping on the bandwagon as well. That is one. Number two, we have tightened our own credit policies as well. So these kind of things have led to a growth, I mean, to a situation where our growth is no longer the historic growth we used to have.

Also, keep in mind, Saion, that now we are perhaps the biggest or neck and neck with Cipla. So on a large base to continue to grow at double digits is going to be challenging. However, we are trying to do a few things in this segment as well, where we will see some better growth in H2. We are entering the animal generic side as well, which is early days, so we do not know how well it will go, but we know that we need to do certain things for us to again go back to those high- growth days. But that will be challenging, Saion, with this base.

And coming to the India business, I think India business has done okay. We, of course, can do much, much better. The good thing is that in VMN now we are number one, as per the latest reported IQVIA. Semaglutide injectable, we are number one in volumes, again, to be clear, not in value yet. So I think there are enough tailwinds, and we have that team in place, and we continue to outperform the market as we go forward. Though I cannot say we have outperformed, but we are on par with markets, but this will get better.

Saion Mukherjee: Okay, and the second question is on the other markets, especially U.S. and non-U.S. Firstly, on non-U.S., you know that growth has been very good, double-digit, strong double-digit. How do you see that shaping up sustainability of that growth as the base goes higher? And also on the U.S., can you confirm launch of tolvaptan and any key opportunities that you see or any key launches which get impacted because of the OAI status?

Sandeep Singh: I will let Amrut, our CEO, take that. Amrut, please.

Amrut Naik: Our international business, Saion, has expanded by 22.3% for the quarter gone by. And obviously, U.S. has expanded by 2%, and the non-U.S. component is 58% growth. U.S., obviously, we saw a volume expansion of over 10%. However, the price erosion was to an extent of about 16%, which was partially offset by new product launches to an extent of 3%. So if you look at from a constant currency standpoint, the U.S. business has contracted by 3%, but due to the currency positive impact, we have logged a growth of about 2% at an overall level.

Non-U.S., obviously, our Latin America engine continues to do well, Colombia, Mexico having the key drivers in this particular quarter. Chile is a strong business for us. Australia has continued to do well. And therefore, overall, the non-U.S. piece has expanded quite well in terms of the expectation.

But coming to your next question on tolvaptan in the U.S., yes, we did launch tolvaptan in the month of September. We continue to believe that this product will do well and it will continue

to gain market share. While the forecast is still optimistic, we will see how best we can leverage our position there.

Saion Mukherjee: Any impact on OAI, on new launches, meaningful launches?

Amrut Naik: Yes. Like we had clarified last time, the OAI status doesn't impact our ongoing inline products. It does impact our new launches, I mean, new approvals primarily. In quarter two, per se, we didn't have any new product launch, but in quarter one, we did launch Dapagliflozin and Dapagliflozin Metformin combination. These are the only two products that we launched. However, going forward, I think we have a few more launches that are coming up, and that will hopefully happen.

Saion Mukherjee: Okay, thank you. I'll check.

Amrut Naik: Thank you.

Moderator: Thank you. The next question is from the line of Dr. Kunal Dhamesha from Macquarie Capital Limited. Please go ahead.

Kunal Dhamesha: Sandeep, the first question on our EBITDA margin guidance for FY 2027. Guided for 20%-21%. For the first half, we have been comfortably above the higher end of the range. Would you be open to looking at a higher guidance for EBITDA margin?

Sandeep Singh: No, sorry, I was not clear. Are you asking me, am I revising my guidance for EBITDA upwards, sir? Sorry.

Kunal Dhamesha: Yes. Quite very strong guidance for EBITDA margin.

Sandeep Singh: No, I don't think so, chief, because see, now you got Occlutech, which diluted our margin by 80 basis points this quarter, and we really don't know how Enzene would also pick up and how fast. I think right now revising it would be premature. As these businesses pick up, for surely, we'll get back to you, and we ourselves will tell you beforehand. But right now, I would not like to revise it, sir. Thank you.

Kunal Dhamesha: Sure. The drag that is coming from Enzene and MedTech.

Sandeep Singh: Yes.

Kunal Dhamesha: I think we mentioned around 50 basis point in the presentation, if I remember it correctly, right? So, when do you expect this drag to be away from the EBITDA, especially in MedTech?

Sandeep Singh: I think a year and a half is something which you should factor in, because these are growth kind of engines for Alkem to some extent. So, we'll have to be a little bit patient here, and it's going more or less to plan. Of course, Enzene could have done slightly better, I think, and faster, but it's going as per plan, and it doesn't worry me too much. I'm more concerned on the growth of these two companies. I would rather trade growth for breaking even.

Kunal Dhamesha: Sure.

Sandeep Singh: But growth will do well.

Kunal Dhamesha: And when we are talking about growth for these two verticals, how should we think about the range of the growth that these businesses can provide? Is it meaningfully higher than, let's say, our core India business? How should we think about it?

Sandeep Singh: Yes, for sure. See, I think that's an easy part. Higher than core India business, for sure, they'll be much higher because the base is not comparable, and these are new segments. So, I think on growth part, that's pretty easy for me to say that. So, I think Enzene would become double in size in four years' time, roughly, in revenue. Therefore, EBITDA would also start breaking even in a year and a half to two, maximum.

And MedTech, similarly, would also come out of the EBITDA in a year's time. And more importantly, on growth, I think they will be 3x what they are in five to six years' time. It will be a little back-ended, but it would. We will not get into the segments if we didn't think it can add meaningful growth. So, I'm very optimistic on them.

Kunal Dhamesha: Sure. And lastly, on R&D expense, that has jumped meaningfully as a percentage of revenue on a year-on-year basis, and there is some jump on quarter-on-quarter as well. If you could suggest, is it more lumpy in nature, or is it a range that we want to put out, or let's say, on an an annual basis, and quarters would vary around that? If you could provide that range, would be great.

Sandeep Singh: Dishant, you can come.

Dishant Doshi: Our guidance is close to 4%-4.5%, and that we are maintaining. R&D is always lumpy, and we have ordered some RLD in this quarter, and that is why you are seeing the jump. Generally, Q4, our R&D is on the higher side. But overall guidance remains the same, between 4%-4.5%.

Kunal Dhamesha: Sure. Thank you, and all the best.

Dishant Doshi: Thank you.

Moderator: Thank you. The next question is from the line of Damayanti Kerai from HSBC. Please go ahead.

Damayanti Kerai: My question is again on your newer businesses. Sandeep, you mentioned Enzene, you could have done better, but nonetheless, it is going on track. If you can help us understand some of the hits and misses which you have seen so far in this business, and which are the key growth drivers which are visible to you, and which can make this business 2x in next four years?

Sandeep Singh: I think the first miss, very honestly, is the denosumab BLA, for which hopefully we should have received approval if we could do a good job. So, that is the one setback which certainly Enzene and Alkem has had. They are still away, and now you know how competitive it is going to be. We have 11 players, so that will certainly hurt, number one. Number two, the way we were thinking of seeing a ramp-up in U.S. and CDMO is not happening. I do believe that having a facility in U.S. is a big advantage and ultimately, they will come.

Lastly, we have seen in biosimilars in B2B business in India, the price erosion or competitive index, what do you want to call it, is slightly more than what we thought. I think it is a

culmination of all three of them, is nothing in particular which is pinning it down. But if I have to pick one, I think it is the BLA disappointment. Because in CDMO business, what happens if you are U.S. FDA approved, it makes a big difference, and also it builds confidence. So, we need to get a U.S. site approved by U.S. FDA and get the BLA approved as well. So, that will be a key milestone whenever it happens.

Damayanti Kerai: The U.S. site is not yet approved by the U.S. FDA?

Sandeep Singh: See, they have inspected it, but till the BLA is not approved, we are not very sure. It is little gray area.

Damayanti Kerai: Okay. That needs to have full clarification. Got it. Given the experience you have so far, what kind of further investment you look to do in these businesses? Or you think it is invested well and you will look for ramp up before putting in more capital in these businesses?

Sandeep Singh: Sorry, your question is on Enzene and MedTech both? I did not hear.

Damayanti Kerai: Enzene specifically.

Sandeep Singh: Enzene, I think more or less we have done. I think INR 300 crore-INR350 crores over the next three years we will need to invest on capex. Other than that, we are more or less done with the capex cycle over here on Enzene.

Damayanti Kerai: Okay. On the MedTech part?

Sandeep Singh: On MedTech part also, I think we need a similar kind of thing we will need to do at MedTech as well, maybe close to INR 400 crores next three to four years.

Damayanti Kerai: Okay. So, both put together almost say INR 600 crore- INR 700 crores kind of capex over next.

Sandeep Singh: Yes.

Damayanti Kerai: Three, four years.

Sandeep Singh: Three, four years. Correct.

Damayanti Kerai: Got it. And my final question is, when I look at the September quarter numbers, so obviously the below EBITDA items, specifically depreciation or interest or your tax, these are the new norms to assume, right?

Sandeep Singh: Dishant, please.

Dishant Doshi: Yes. That's correct. Basically, because of the Occlutech acquisition, there is a PPA allocation also in the depreciation. That is close to INR28 crores for the quarter, and that will remain for subsequent quarters also. Even in the finance cost, because there is a borrowing, the Occlutech, so interest cost is also added in a consolidated result, and that will remain in the subsequent quarter. That's the correct understanding.

Damayanti Kerai: Okay. Thank you. All the best.

Sandeep Singh: Thank you.

Moderator: Thank you. The next question is from the line of Bino Pathiparampil from Elara Securities Private Limited. Please go ahead.

Bino Pathiparampil: Couple of questions. First, two or three quarters back, we had this price increase in penicillin because of the government import price imposition. Can we assume that the impact of that price increase is now fully in the base?

Sandeep Singh: Dishant, please.

Dishant Doshi: See, it is not fully in the base because we were having the old inventory. It is not only Pen G, it is amoxicillin plus clavulanic acid also, and there is an impact of minimum import price levied by the government. But we were having the inventory of all those material. Because of that, the full impact is not there in H1, but you will see the impact in H2.

Bino Pathiparampil: Okay. That is already baked into your EBITDA margin guidance?

Dishant Doshi: That is correct.

Bino Pathiparampil: Okay. Second, what is this Enzene plant in the U.S. doing now? It is completely sitting idle?

Sandeep Singh: No, it is not completely sitting idle. It is partially standing. What I mean is, it has some business and H2 will be far busier than H1. It has some CDMO business, but not the way it should be completely doing.

Bino Pathiparampil: We can see some benefit of margin, overall margin improvement.

Sandeep Singh: Yes, for sure.

Bino Pathiparampil: Because of some pickup? Okay.

Sandeep Singh: 100%. What I am telling in simple words is, one should not see the losses of this quarter and multiply by four. That is not going to happen. You will see an improvement.

Bino Pathiparampil: Great.

Sandeep Singh: Thank you.

Bino Pathiparampil: Couple of other questions, small questions. One, Occlutech, have you consolidated it for the full quarter or only part of the quarter?

Dishant Doshi: It is for two and a half months. So, from 16 July, we have consolidated.

Bino Pathiparampil: Oh, great. And one last question on the U.S. price erosion. You mentioned 16% price erosion, which sounds very unusual. Was it on any specific product, or was it like across your portfolio?

Sandeep Singh: I think it's because of only one product, sir. It's because of Sacuval.

Bino Pathiparampil: One product. That's in the base now.

Moderator: Thank you. The next question is from the line of Rashmmi Shetty from Dolat Capital Private Limited. Please go ahead.

Rashmmi Shetty: Just a follow-up from the earlier participant. On the U.S. business, when you said that the price erosion is mainly coming from the one product. We are also expected to ramp up in the tolvaptan launch, plus some new launches expected. How should we look at the second half for the U.S. business in constant currency terms? Because first half seems to be very flattish, and earlier you have given a guidance of around single-digit growth in the U.S. So, is it something that you would like to revise it, or you keep it same?

Amrut Naik: One overhang at the moment is the site remedial measure that the site is undergoing, and therefore new product approvals have been stalled. Therefore, new product launches that are likely to happen are not really going to meaningfully raise the revenue guidance for us. Therefore, the year is going to look like a single digit, somewhere mid-single digit growth for the year. That is the expectation. Tolvaptan, obviously we have aspirations, but then there are also challenges around the REMS issue, and therefore we may not be able to meaningfully scale up that product. We may be able to get some in the period going forward we may be able to scale up that product. But in the next two quarters, maybe that seems a little difficult.

Rashmmi Shetty: Okay. The single-digit growth which you are talking about, is it in INR terms you are guiding, or is it in constant currency terms?

Amrut Naik: It is in constant currency.

Rashmmi Shetty: Constant.

Amrut Naik: The quarter two is expected to be slightly better than quarter. H2 is expected to be slightly better than H1. So quarter three and quarter four, the overall outlook is slightly better compared to our Q1, Q2 actual.

Rashmmi Shetty: And other question is on the balance sheet part. Due to this Occlutech consolidation, how much gross intangibles have you added?

Dishant Doshi: We have added identifiable intangibles of close to INR 1,100 crore, and that will be amortized over a period of 10 years, and there is a goodwill of close to INR 700 crores.

Rashmmi Shetty: INR 700 crores we are supposed to add it in our goodwill, and just on the other intangible part, the rest of the part, right?

Dishant Doshi: INR 1,100 crores.

Rashmmi Shetty: Okay, INR 1,100 crores you are saying that to be added to the gross intangibles, and another INR 700 crore on the goodwill part.

Dishant Doshi: That is correct. You are correct.

Rashmmi Shetty: Okay. That INR 1,100 crore, which is amortized for the 10 years.

Dishant Doshi: That is correct. Broadly.

Rashmmi Shetty: Broadly. Okay. Understood. Just from the India part, the branded business we are doing at par with the market, but the other businesses are basically dragging down a bit, whether it is MedTech or whether it is your trade generics business or this biosimilar business. So the overall outlook looks like that it would be more or less in the same scenario, like 9%-10% range. Is the understanding correct?

Amrut Naik: It's not correct. I think we will end up by around close to 11% of India growth overall.

Rashmmi Shetty: For this year, you're saying?

Amrut Naik: Of course, this year.

Rashmmi Shetty: Okay. Got it, sir. Thank you so much.

Amrut Naik: Thank you, ma'am.

Moderator: Thank you. Ladies and gentlemen, anyone who wishes to ask a question may press star and one on the touchtone telephone. We will also wait for a moment while the question queue assembles.

The next question is from the line of Kunal Dhamesha from Macquarie Capital Limited. Please go ahead.

Kunal Dhamesha: Just one on the pending ANDA for the U.S. Of these 23 pending ANDAs and 18 tentative approvals, how many would be filed from Daman facility?

Sandeep Singh: I didn't understand the question. Sorry, Dhamesha.

Moderator: Sorry to interrupt.

Kunal Dhamesha: Yes, sorry.

Moderator: Mr. Dhamesha. Yes, sir. Please proceed.

Kunal Dhamesha: So of these 23 pending ANDAs and 18 tentative approvals, how many of them are filed from Daman facility?

Sandeep Singh: Dishant, go on.

Dishant Doshi: So see, I think what is important is what is due for launch in next 6 to 12 months. So around eight products is due for launch, which was filed from the Daman facility. So that's the, in a way, concern, and we are trying to resolve the same.

Kunal Dhamesha: How far along are?

Amrut Naik: Rest assured, I think Daman facility remediation is our topmost priority at the moment, and we will ensure that that happens in an expeditious manner. We are working with several, both external and internal stakeholders, in terms of making sure that we have a fast resolution of this, because we understand the extent of impact it has on our U.S. business. Going forward, obviously, three important products that we had lined up for launch, that approval has been delayed, and that is really impacting us. Therefore, this remains a top priority for the organization, and we stay committed in terms of getting this resolved faster.

Kunal Dhamesha: Sure. Dr. Naik, how far are we along in terms of the process before we can re-invite agency for the inspection?

Amrut Naik: So, in fact, we have submitted everything. All our responses has already been sent to the U.S. FDA. We are, in fact, waiting for their counter responses in terms of how and when they will come for a re-audit. So, that is basically pending. Otherwise, I think whatever we had to do from a remediation perspective, we have already submitted our responses.

Kunal Dhamesha: Sure. Is there any meaningful cost related to remedial that is sitting in H1 for us, or it is immaterial?

Dishant Doshi: It is not significant.

Amrut Naik: Because I believe these were more procedural gaps identified, not infrastructural, and therefore, I think there is no material cost to it.

Kunal Dhamesha: Correct. Sure. One question on tolvaptan. I know there is a REMS on the product. What I believe generally, companies use the REMS of innovator to make things easier, right? Was it not an option for us to use it, or how should we think about that?

Sandeep Singh: The ramp-up is going to be very slow. I am not sure whether we can use the REMS of innovator. I am not aware of that, but we are part of the REMS program, and it is a selected product, so selected outlets and pharmacies sell it. So, it is going to be slow. I know we look at Lupin's, and we all get excited, Lupin's numbers, but it is not going to be close to that. Let us give it a quarter to see how it is. But right now, we are not anywhere close to having a very meaningful contribution.

Kunal Dhamesha: Sure. Last one on the understanding part. The numbers you suggested for the India business, as in our acute grew in line with IPM acute, and chronic was faster, but our total was again in line with IPM. What is the missing piece here? Is it trade generics?

Sandeep Singh: India is part of it, IQVIA doesn't cover it. When we say in line with market, we have no data on the trade generics of the industry. We are comparing the whole India business with just the branded business, which IQVIA covers.

Kunal Dhamesha: Sure. Thank you and all the best.

Sandeep Singh: Thank you.

Moderator: Thank you. The next question is from the line of Neha Manpuria from Bank of America. Please go ahead.

Neha Manpuria: Just one clarification. In the presentation, the 50 basis points impact that you mentioned for Enzene and Occlutech. So, if I were to adjust it, basically what I am trying to understand is if I were to strip out Enzene and Occlutech, our base business margins would be 23%. Is that the right understanding for the quarter?

Sandeep Singh: It will be more than that, but Dishant, you go ahead.

Dishant Doshi: Yes. See, 50 basis point guidance was only for the Occlutech, and that was for the full year, and it was initial estimate. As we move forward, definitely, but it is in the same range. There is not much difference. For the quarter two, it was around 80 basis points. And our pharmaceutical core business is close to 26% EBITDA for the quarter two. But quarter two is generally very high. You should not take this number for quarter two. But definitely, it is higher than what you told.

Neha Manpuria: Okay, understood.

Dishant Doshi: Yes.

Neha Manpuria: Basically, Occlutech is about 80 basis points, and Enzene will be an additional impact.

Dishant Doshi: Yes.

Neha Manpuria: About 100 basis points.

Dishant Doshi: Yes.

Neha Manpuria: Oh, okay. Understood. If I were to, I understand that quarter two obviously is the best quarter. If I were to look at, let's say, pharma business margins for the full year based on your guidance, given that you are expecting these businesses to break even in 18 months' time, which is probably exit FY 2028, how should we think about the pharma business margin trajectory? Is it fair to assume that because of the operating leverage, et cetera, pharma business margin should move up? How much should that move up by in your assessment to offset the losses from these businesses?

Dishant Doshi: See, basically, except biotech and MedTech, there is a geopolitical situation also coming in. There is a MIP impact also. But generally, our guidance is 100 basis point improvement year-on-year. But again, it depends upon a lot of factors, but that's the aspiration.

Neha Manpuria: This 100-basis point is basically on reported margins?

Dishant Doshi: Yes.

Neha Manpuria: Understood. Okay. Thank you so much.

Moderator: Thank you. The next question is from the line of Sandeep Kumar from Clindus Research Solutions LLP. Please go ahead.

Sandeep Kumar: Yes. I have two questions on denosumab biosimilar. I hope I have not missed that update. What is getting delayed for this U.S. approval for this denosumab biosimilar?

Sandeep Singh: Sorry, this is on Enzene. Sorry, I missed that question on denosumab. What is getting delayed is basically some analytical queries we had, not infrastructure or anything like that. It is basically regulatory queries.

Sandeep Kumar: Okay. Is there any timeline?

Sandeep Singh: We will have to kind of refile this very soon, and this will then get done, because some analytical methods we had to redo. That is going to take time.

Sandeep Kumar: Okay.

Moderator: Yes, please go ahead.

Sandeep Kumar: **S**orry for the connection. My second question is on the EU market. When can we expect the launch of XGEVA biosimilar in EU?

Sandeep Singh: We already have approval. We will have to find somebody and launch it, but it is not something very meaningful. There are other players and, so it does not move the needle too much.

Sandeep Kumar: Will Theramex remain the same commercial partner for XGEVA biosimilar also?

Sandeep Singh: No, they are more women's healthcare, and this will be more onco, so this requires a different therapy area.

Sandeep Kumar: Thank you for the update.

Moderator: The next question is from the line of Rashmmi Shetty from Dolat Capital Private Limited. Please go ahead.

Rashmmi Shetty: Sir, on the non-U.S. part, excluding Occlutech, in first half we have shown a growth of 31%. So, this kind of momentum is expected to continue in second half also?

Sandeep Singh: Amrut.

Amrut Naik: Yes. I expect a strong double-digit growth in the second half as well, and that will be led primarily by markets like Chile, Australia, which are very strong in our overall portfolio. Plus, Germany, U.K. are also picking up quite well. The highlight for the quarter gone by has been Colombia and Mexico, and there we anticipate the momentum to continue in quarter three and quarter four. I expect a steady state growth in the subsequent quarters as well, and should land us well by the end of the year. Let's say if I take a weighted average, we should somewhere land up between mid-teens to higher teens.

Rashmi Shetty: Oh, yes. On this high base, even next year, this kind of growth is sustainable?

Amrut Naik: On the? Sorry, I couldn't get.

Sandeep Singh: High base.

Rashmmi Shetty: On FY 2027 base, this similar kind of growth is sustainable next year also?

Amrut Naik: Yes. That will be primarily, I mean, mid-teens is what we are expecting to grow next year as well. And obviously, since the base will be higher, the absolute delta will be much more, and we are quite upbeat about the several filings that we have done in multiple markets, and the aggressive plans that we have in terms of ramping up our both the developed market strategy in Europe as well as the Emerging market strategy. I think overall, we expect to continue this momentum going forward.

Rashmmi Shetty: And sir, in the U.S. business, you mentioned that we have done some launches in quarter one. How many launches, total number of launches we had done in Q1?

Amrut Naik: So, we had done only two. Primarily, it was Dapagliflozin and Dapagliflozin metformin combination. Those are the only two products that we had launched, and they have not really picked up to the level that we had anticipated. They have been a little suboptimal from our standpoint.

Rashmmi Shetty: Understood. Few more product launches are expected, but you still feel that in the second half it could be a little challenging?

Amrut Naik: Yes.

Rashmmi Shetty: Okay. Just on the EBITDA margin guidance, like in the pharma business, you mentioned that every year 100 basis point improvement we will see, but because of the Enzene and biosimilar and MedTech business will be seeing some drag. Is it fair to understand that this year probably we might close lower than compared to what we had done in FY 2026?

Dishant Doshi: Yes, that is correct. So, FY 2026 was 20.4%.

Amrut Naik: So, it may be marginal. We may be at best on par with respect to last year. So, last year, I think our margins were about 20.4%, and we expect almost the same levels to complete this year as well. Right now, our going is a little higher, but given the dynamics that Dishant explained, I think quarter three, quarter four, we may have some margin pressures, and therefore it may land up more or less at the same levels where we were last year.

Rashmmi Shetty: Understood. But from here on, from FY 2028 onwards, we should see 50 basis points of improvement every year, right?

Sandeep Singh: Yes. More than that, ma'am, hopefully.

Amrut Naik: I mean, we should have a meaningful operational leverage coming in, and I believe our growths, both in the domestic market and in international markets, the idea is to make sure that we are

ahead of the IPM in India, and in the international markets, obviously, it will be significantly better. So, I think a combination of two should land us well in terms of releasing better EBITDA margins going forward.

Rashmmi Shetty: Okay. Thank you. That is it from my side.

Amrut Naik: Thank you.

Moderator: Thank you. Next question is from the line of Tushar Manudhane. Please go ahead.

Tushar Manudhane: Sir, just on the Enzene side, if you could share the product pipeline where the exhibit batches of clinical trials have been done other than Denosumab, which can be an interesting opportunity for us over next two to three years?

Sandeep Singh: I think, first thing I want to kind of explain is that Enzene, as we go forward, will be a more CDMO rather than a biosimilar play. Therefore, I think the biosimilar pipeline will not be that important for Enzene, number one. Second, since it is CDMO, I do not think we can disclose a lot of things, but the funnel seems good. That is why our confidence is that H2 will be far better than H1. Yes, and this is going to be a CDMO, so it is going to be a process where you will do supplies for clinical trial batches. Some of them will go to commercial or rather most of them will not go, but one or two will go, and that will become a big recurring revenue.

Beyond that process right now, it is a different business than the Alkem parent's business, so we will have to use a different lens. So it is going to take two to three years for it to really kind of come out of it and start performing. That is how the nature of CDMO is, and we have picked that path.

Tushar Manudhane: Understood, sir. Just maybe one more on this. Whatever learnings with respect to denosumab BLA, while not sharing the CDMO products per se, would that have, let's say, further repercussions on the other products?

Sandeep Singh: No.

Tushar Manudhane: Maybe just a follow-up maybe.

Sandeep Singh: No, we'll not have any repercussions because we have not had any issue as such with any regulatory agencies. These are more on product-related analytical methods where we have some differentiation. Nothing got to do with your infrastructure or data integrity and things like that.

Tushar Manudhane: Got it. Lastly, on the Occlutech side, since acquisition and now, is there any change in terms of outlook, in terms of scale-up of that business, improvement in the profitability, if you could share some thoughts?

Sandeep Singh: I think it is too early. We just acquired like two, three months back, so nothing. I think the story is intact. The gross margins of Occlutech are 80%, so I think it is a good business. The big delta would be in U.S. whenever we launch our products in U.S. Right now, we are present in U.S., but in a very, very insignificant way. Once Occlutech launches products, and we think that will be in 2028, you will see a major ramp-up. Again, this is again a two-year game.

Tushar Manudhane: Got it. Just on that gross margin, lastly, how much in Enzene we make in terms of gross margin or CDMO business?

Sandeep Singh: Dishant, maybe.

Dishant Doshi: So, see, we do not share gross margin for CDMO and biosimilar, but it is in line with our corporate margin, all put together, entire Enzene.

Tushar Manudhane: Okay. That is, it from me, sir.

Dishant Doshi: Gross margin.

Moderator: Thank you. The next question is from the line of Madhav Marda from MLP. Please go ahead.

Madhav Marda: I just wanted to understand, given that Mr. Amrut Naik, you are coming from a more of a very rich experience outside of India, but given Alkem is sort of greater focus on the India market, just wanted to understand your plans for ramping up India business in the next three to five years. Just how are you looking at it, or is it very early to comment? Just wanted to get your views on that. Thank you.

Amrut Naik: I am glad that you asked me that question. Obviously, my strength lies in the international markets, and I have done almost all the markets other than India. But the Indian market is not different than the branded generics that I have done elsewhere. In fact, it is much more harder to build businesses in overseas markets. And what I have done is we have built branded generic market, which is a very difficult and a very similar kind of a play that you have here in India. I do not think the fundamentals of the business are different. Obviously, the dynamics in India is different, and I do think that we have a great team here.

I think the individual cluster heads, I have had a first round of meeting with them, and I strongly believe that the market-beating growth that we have committed to the investor community, I think that we will continue to demonstrate that in India. The incremental gain is going to come from international markets, and I think both what we do in the U.S., what we do in international markets, I think the combination of the two will play for us quite well as we move forward. So, I am fairly confident that the market-beating growth in India will continue.

While I am still learning the ropes, but it is not too difficult given that the fundamentals of the business are the same. And you would also appreciate that I come from a pharmaceutical background. I am a PhD in pharmaceuticals. I have done a PhD in pharmacology.

I am basically a pharmacist, and I understand the pharmaceutical business quite very well because this is my 27th year in the industry. Therefore, I do not think understanding and navigating the India business is going to be a challenge for me. I think it is only the type and the nature of the business which changes, but the fundamentals remain the same. So, I think it is going to be a balanced approach, not that one is important over the other. But I think the strength that we have in India will be leveraged for the international markets, and I see them collectively together as one engine of growth rather than looking at them separately.

Sandeep Singh: Thank you, Amrut. You will do very well for India, I am sure.

Madhav Marda: That is super. Just one more question if I can ask. On the India business, is there any, like, one or two key strategic focus areas for you on the pharma part of the business? Any early thoughts that you would like to focus on particular things as a priority? Thank you so much.

Amrut Naik: As you are aware, I think building chronic franchise is going to be very critical for us. Today, we are at about 24%- 25%, from an IQVIA standpoint, compared to the industry, which is at about 65/35. Obviously, going forward, chronic, gaining market share in chronic is going to be very, very critical. I have been following semaglutide for quite some time now, and it is very inspiring to see what the team has done in the past six months.

Even within the cutthroat competition that exists in India, very quickly, we have been able to gain significant market share. Like Sandeep said, we are now number one in terms of volume. I think anti-diabetic is an area which obviously will remain a focus for us. Cardiovascular is an area where we will continue to ramp up.

Neuropsychiatry is another area which is very, very dear to me, and we have actually built neuropsychiatry franchise, with the world over. Obviously, I look forward doing it in India as well. Dermatology is another important area to focus upon. I think chronic as a whole segment will be a focus area for us. Acute is our strength, chronic is a developing area. Going forward, what I am also enthused is the fact that chronic, we are doing very well. Our growth is far better than the IPM, and therefore, I think focusing on the chronic segment more from an execution standpoint is going to really make the whole difference in terms of what we want to achieve.

We did talk about vitamins, minerals, and nutritional products, respiratory, derma, neuropsychiatry, anti-diabetics, cardiovascular. So that is what we are going to really play an important role in terms of. Execution is going to be key in terms of gaining better market shares in all our represented molecules. Chronic will remain the focus area for us in terms of improving, becoming materially a large company in chronic. I mean, those are my immediate thoughts, but maybe three, four months down the line, maybe in the next meeting, I should have a better understanding and direction as to what path we would like to take from here on. I hope this answers.

Madhav Marda: No, perfect. Thank you so much.

Amrut Naik: Thank you.

Moderator: Thank you. As there are no further questions from the participants, I now hand the conference over to the management for closing comments.

Smeett Jain: Thank you, Shaurya, and, thank you, everyone for joining today's call. Should you have any follow-up questions or require any clarification, please feel free to reach out to us. Thank you.

Moderator: Thank you. On behalf of Motilal Oswal Financial Services Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.