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20th November, 2026

To, **The General Manager** **Department of Corporate Services** **BSE Ltd.** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. **Ref.: Scrip Code No. : 540701 (Equity)** **: 975834, 976560, 977467, 977859, 978062, 978230 and 978323 (Debt)**	**To,** **The Manager,** **Listing Department,** **National Stock Exchange of India Ltd.** "Exchange Plaza", C-1, Block G, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051. **Ref. : (i) Symbol – DCAL** **(ii) Series – EQ**

SUB: TRANSCRIPT OF EARNINGS CONFERENCE CALL - QUARTER AND HALF YEAR ENDING 30TH SEPTEMBER, 2026

Dear Sir,

Pursuant to Regulations 30 and 51 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, pls. find enclosed herewith transcript of earnings conference call arranged by the Company with Investors on Monday, 16th November, 2026 to discuss the financial result and performance of the Company for the quarter and half year ended on 30th September, 2026.

The aforesaid transcript is also being hosted on the website of the Company, www.imdcal.com in accordance with the Regulations 46 and 62 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

Kindly take the same on your record.

Thanking You,

Yours faithfully,
For, Dishman Carbogen Amcis Limited

SHRIMA GAURANGBHAI DAVE
Digitally signed by SHRIMA GAURANGBHAI DAVE
Date: 2026.11.20 18:02:33 +05'30'

Shrima Dave
Company Secretary

Encl.: As above

Dishman Carbogen Amcis Limited

Earnings Conference Call Transcript

Event: Dishman Carbogen Amcis Limited – Second Quarter and Half Year Ending September 30, 2026 Earnings Call

Event Date/Time: November 16, 2026/ 1500 HRS

CORPORATE PARTICIPANTS

Harshil Dalal

Global CFO - Dishman Carbogen Amcis Limited

Mr. Paolo Armanino

Chief Operating Officer - Dishman Carbogen Amcis Limited

Mr. Stephan Fritschi

Chief Executive Officer - CARBOGEN AMCIS entities, Company's wholly owned subsidiaries

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Moderator

Good afternoon, ladies and gentlemen. I'm Karthikeyan, moderator for the conference call. Welcome to Dishman Carbogen Amcis Limited Q2 FY27 Earnings Conference Call. We have with us today, Mr. Stephan Fritschi, Chief Executive Officer, Carbogen Amcis; Mr. Paolo Armanino, Chief Operating Officer, India; and Mr. Harshil Dalal, Global Chief Financial Officer.

As a reminder, all participants 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 * and then 0 on a touch-tone telephone. Please note, this conference is being recorded.

I would now like to hand over the floor to Mr. Stephan Fritschi. Thank you, and over to you, sir.

Stephan Fritschi

Thank you very much, and good afternoon, everybody. Welcome to today's investor call covering the Q2 FY26-27 financial results. It's also a pleasure to welcome Harshil Dalal, our Global CFO, and Paolo Armanino, COO at Dishman India. Before we dive into the financial numbers, let's look at the brief operational update from Carbogen Amcis and Dishman.

First, some general remarks. The market trends have slightly changed over the past months, meaning it's still challenging. However, there seems to be a slight trend upwards in early phase projects, which is important for our future. A number of customers await funding for their early-phase programs. Our consideration is if AI development continues slowing down, some shift of venture capital into pharmaceutical industry is expected. This means more new API development projects will be funded, what leads into an increased demand of CDMO services. So, let's see what happens, but we are rather optimistic here.

Let's talk about our sales activities. We were present at multiple exhibitions such as CPHI Milan, the most important event in our industry; at the Festival of Biologics; and at BioJapan over the past months. Customers show an increased interest in our offerings. We could acquire some significant projects in early clinical phase, but also in clinical Phase II.

Another point is our collaboration between the different sites we have, especially between Carbogen Amcis and Dishman in India. So, as earlier mentioned, close interaction between Dishman and Carbogen is intensively promoted on the market and shows some nice successes. Multiple processes are being transferred from Carbogen to Dishman in India. Customers will benefit from lower prices, but still get the high quality as usual.

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Production processes are being transferred for Key Starting Materials, but also for APIs of commercial products. Organizational interactions, integration between Carbogen and Dishman is progressing. More information will be provided by the time. Some specifics on drug substance services, earlier I mentioned our SPRINT initiative. This continues to have strong momentum on the market also with big pharma. New early phase project could be acquired. We could successfully transfer multiple Phase I projects into Phase II programs. More than 12 late-phase projects, including PPQ campaigns are in the portfolio. The trend to convert late-phase programs into commercial products continues.

We could add three more commercial products in this calendar year. There is an increased order income from existing commercial products, which is quite remarkable because after pandemic and as a short pickup, customers had too much material on stock in their commercial APIs. And now they realize they need more, so we could acquire more orders in this area.

The earlier mentioned co-investment expansion project with our Japanese customer is on track. So, the lean management is rigorously pushed forward. So, we increased efficiency and productivity and reduced our costs. Sales and operations strategy have been adjusted. We target more big pharma with big quantities to apply our strengths combined with development with Indian production.

On Drug Product Services, multiple late-phase programs quotations are outstanding. A customer with a commercial product is interested in a potential co-investment to increase the capacity there. The evaluation is in progress. Further information will follow, when it's appropriate. Cost control is rigorously being pursued and optimization initiatives are continuing and ongoing.

A word on specialties. We are increasing our commercial team, to accelerate our sales. There, we have a special focus on the U.S. markets where we expect additional revenue and orders coming in, in short time. Our attempts to conquer the South American market shows some successes. New customers and new orders have been received. Also, strong VDA, vitamin D & analogues, sales with high margin, especially Calcifediol. Halal certification will be obtained in Veenendaal to access new markets, especially in the Asian environment. So, with this short summary, I would like to hand over to Paolo Armanino, our COO at Dishman in India.

Paolo Armanino

Thank you, Stephan, and good afternoon to Harshil, Stephan, and to all the shareholders. I would like to begin by mentioning that DCAL sites in Bavla and Naroda continue to experience a significant increase in the audit, customer visit, and request for proposal. This growth is due to a strong commitment of safety worldwide as well as legal approval by major regulatory authorities, including FDA and the government NDA.

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We've got approval and further strengthened customer quantities in DCAL as a preferred partner of CDMO businesses. Following the recent certificate of suitability granted by EDQM, DCAL has continued its regulatory filing across several countries, and it has recently submitted a new U.S. Drug Master File and the letter of authorization to support the new drug application.

During the last quarter, the company made further progresses and the coordinated team effort is currently underway to transfer two Carbogen Amcis legacy products to India. This commercial technology transfer, the first one for a legacy project involving American company has been successfully initiated. Carbogen Amcis and Dishman Carbogen Amcis teams continue to conduct multiple activities on daily basis and the project progresses are reviewed regularly along with the customer. As previously communicated, the activity remains on schedule for completion by the end of this financial year.

Also, second technology transfer is currently underway. After having contributed to the Carbogen Amcis pipeline for the case,

So, the second project is expected to covering two companies of additional pipeline arriving in the upcoming year. So, this I mentioned the second project. In addition to the two projects outlined in Bavla, several other technology transfer, as mentioned by Stephan, are ongoing between Switzerland and India.

Some of these initiatives were discussed, as Stephan mentioned earlier, even recently at CPHI Europe, and the relevant matters are now under evaluation by the customer. As mentioned during our previous call by Angela Ameriks, our U.S. based chief commercial officer, visited India in late September to explore opportunity to further strengthen our global teams and advance our strategic business development initiative.

Our present expertise and strong leadership underscore the organization continued commitment to commercial growth and global expansion. The organization continues to promote integration among teams located in different regions.

Beginning today and continuing over the coming four weeks, nine senior member employees from Carbogen Amcis in Europe will be visiting the site in India. This demonstrates the top management continued support for the strategic decision made over the past several months. These visits are arranged not only to support technology transfer and customer engagement, but also to harmonize systems across the various group area, including project management, R&D, sales, and more recently also BHS.

The CDMO business continued to see significant development at both Bavla and Naroda sites. For instance, the quarterly results of the manufacture at Naroda, which supported the launch of a macrocyclic peptide in the U.S. market is now part of our commercial pipeline.

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Following the product market approval in July 2026, DCAL Naroda secured its first commercial contract. The above example is not an isolated case, in fact another major pharmaceutical company has approached us for a similar purpose.

Following several months of intensive technical collaboration between Carbogen Amcis Switzerland and DCAL India on a semiconductor project, the customer has finally requested quotation for an initial volume of several 100 metric tons. This achievement demonstrates how collaboration among the employees across different group companies can deliver strong results, especially when addressing highly complex technical challenges.

Briefly, regarding our soft gel drug product operation, we continue to experience significant business interest. Our teams keep discussing the opportunity to establish long CDO, CMO, CDMO partnership and support commercialization across different geographical areas.

From an infrastructure point of view, I'm extremely pleased to inform all the shareholders that also the last large Bavla CapEx was completed. DCAL is now having the largest BWT Switzerland purifying water plants in India. This is the largest plant in terms of distribution networking and user point. The completion of this huge project is actually the cornerstone for the entire Bavla operation and the future expansion in terms of capacity. This system, as I mentioned, is to satisfy the needs of the entire site including the future restart of several existing new operational plants.

Also, during the several visit orders we are hosting, the infrastructure is unanimously considered as state-of-the-art facility. Overall, there is a high level of confidence in the organization's current initiative and strong support for its strategic view to integrate it worldwide, scale up operation, and expand its CDMO business and services. And after having said that, I hand over the call to our Global CFO, Harshil.

Harshil Dalal

Thank you very much, Paolo. A very good afternoon to everyone. Regarding the numbers for the quarter ending 30th of September 2026, it was a soft quarter for us, both in terms of revenues as well as in terms of the operating profits. The revenues for the quarter stood at about INR 507 crores, which represents a 22% decline as compared to comparable quarter last year.

The major contributors to the decline in the revenue were one, decline in the development revenue as compared to the same quarter of last year. We had a decline also in the vitamin D analogs, more specifically, Calcifediol and Calcitriol business in this quarter as compared to the last year same quarter. And, also, the drug product business showed a decline in the current quarter. Having said that, taking into account the initiatives and efforts that are ongoing right now, as Stephan and Paolo alluded to, we do expect a recovery in the numbers in the medium to the long term.

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The cost of goods sold stood at about INR 34 crores, which was similar to last year, representing close to about 7%. The employee expenses stood at about INR 321 crores. The other expenses stood at about INR 105 crores, which is a decline of about 23% as compared to comparable quarter of last year. Overall, this translated into an EBITDA of about INR 46 crores for the quarter. And for the first half of the year, this translated into an EBITDA of about INR 106 crores.

As I had mentioned in the previous quarter con call, since most of our expenses are fixed in nature, the decline in the revenue would have a significant impact on the EBITDA. And on the flip side, as the revenues increase in the future, that should also have a significant positive impact on the EBITDA.

The depreciation for the quarter stood at about INR 90 crores, which for the first half translated to about INR 181 crores. The finance cost was also under control at about INR 40 crores for the quarter. So, overall, from a numbers' perspective, this was a soft quarter. But as I mentioned earlier, we do expect a weak way in the medium to long term.

As far as the segment-wise revenues and the margins are concerned, for the CDMO business, we did a revenue of about INR 388 crores in the quarter. And for the first half, this stood at about INR 929 crores. As compared to the comparable quarter of last year, the revenue was about INR 509 crores and for the first half last year was about INR 1120 crores. So, there is a decline both in the first half as well as in the quarter. This was also on account of certain shipments that were deferred to the second half of the year as was mentioned in the Q1 con call. And we also saw because of the lack of funding for certain biotech companies, some of the orders have also been deferred to the next financial year.

For the Marketable Molecules segment, the second quarter represented a revenue of INR 118 crores as compared to INR 143 crores in Q2 of the last financial year. For H1, they stood at about INR 256 crores as compared to INR 240 crores in H1 of last financial year. The decline in the Marketable Molecule segment was largely represented because of the decline in the vitamin D analogs business in the quarter as well as in the first half of the year, and this also translated into lower margins in Q2 as well as in H1 of the financial year. We do expect stronger uplift in the revenues as far as the vitamin D analogs are concerned, which is the most profitable sub-segment of the Marketable Molecules segment to happen in the second half of the financial year.

On the CDMO side, the margins for the quarter stood at about 12.3% as compared to 25% in Q2 of the last year. And for H1, this translated into 8.7% as compared to 21% in H1 of last year.

From a CapEx perspective, the total CapEx that was done in the quarter was about $5.4 million as compared to the first half of the financial year, which stood at about $10.3 million. So, as we have guided for the full year, the CapEx should be close to about INR 200 crores, which immediately includes, apart from the maintenance CapEx, our initiative on the digital transformation, where the biggest project that we're implementing right now is SAP across the organization.

So, with these financial highlights, I would request the moderator to open the floor for any questions.

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Moderator

Thank you, sir. Ladies and gentlemen, we will now begin the question-and-answer session. If you have a question, please press * and 1 on a telephone keypad and wait for your turn to ask the question. If you like to withdraw your request, you may do so by pressing * and 1 again.

Ladies and gentlemen, if you have a question, please press * and 1 on the telephone keypad.

The first question comes from the line of Smit Shah from JHP Securities. Please go ahead.

Smit Shah

Yeah, so we've been trying to turn around the Bavla facility since the last so many years. And what we are seeing is that there are smaller Indian pharma companies which have very less expertise and exposure to CDMO, yet they are bagging single molecule contracts which are upwards of INR 500-800 crores. And even though we have 20 plus years of experience in CDMO, we have not managed to be even secondary suppliers for even one molecule, which can give us upwards of INR 500 crore revenues over the tenure of the molecule staying on patent.

So, where do you think are we going wrong? And every other quarter, we are caught up with one one-off or the other in the P&L. So, why is it that we are not seeing linear growth or performance by the company?

Harshil Dalal

Thank you for your questions, Smit. So, yes, I mean, the nature of our business is lumpy. So, `the business is dependent upon one, the molecules coming for development. And historically, what we have been targeting are the small molecules, so essentially the biotech company. But now as Stephan alluded, we are also now trying to target the big pharma also on the development side, especially the molecules in Phase III as well, with a very clear idea that we could do the commercial manufacturing out of the India sites.

So, the two tech transfers that currently are being undertaken, and there are also several in the pipeline, as Paolo mentioned. With that, we do expect the assets in India being utilized in a much better manner than they are right now. Obviously, it does take time because the customer has to make the changes in the filings, which have been done with the regulatory agencies. So, that is something which does take time. The idea is very clear that we would want the Swiss entity to focus on its core strength, which is the development of extremely niche complex molecules and have India do the larger scale manufacturing.

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And that is something that we are pursuing right now, especially after the clearance of all of the regulatory issues in India and getting back the customers' confidence, it does take time. I think we have or we are in the process of passing through that particular phase where we would be seeing more and more molecules being manufactured out of the India sites.

Stephan Fritschi

No, I just wanted to add maybe to what Harshil said. At the moment, we are also focusing on the life cycle management of our existing, commercial products in Carbogen. And by doing this, we transfer more processes to India. But as Harshil said, it takes time, of course, to detect transfer, but especially the regulatory affairs stuff where you need to update the files. And we are very confident and we are optimistic and we see some signs, that this is really something which will be successful.

Smit Shah

Got it. Understood. And so just tentatively from which quarter onwards can we see, like, Bavla doing INR 150 crore kind of top line? And one more thing that we said that some of the orders were deferred to H2. So, do we still maintain the single digit top-line growth, the high single digit top line growth guidance for FY27? And on the consolidated basis, what will be the EBITDA margins for the whole year?

Harshil Dalal

So, one, regarding the deferment of revenue from Q1 to H2 of the financial year, that still remains. From a guidance perspective, this year, we might not see a growth in the revenues. And but having said that, it's not that the orders have been lost, it is something which we might need to service in the next financial year, especially for the orders that we were expecting to service in Q2. So, because of that, we might not see a growth in the top line. But if you take into account a medium-term view, we will definitely be seeing at least a high-single digit or a double-digit growth if you take a medium-term view.

Smit Shah

Okay. And, Bavla reaching INR 150 crore quarterly run rate, any tentative timeline from which quarter you see that happening?

Harshil Dalal

Well, it depends upon when we complete the technology transfers to Bavla. Plus, we are also in talks with one of the big pharma where we could be manufacturing the key starting material/intermediates for them, which also looks to be quite promising project. So, it will be difficult to give exactly from which quarter, but I would say in the next financial year, for the full year, we should expect a revenue which will be in excess of INR 400 crores to INR 450 crores.

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Smit Shah

Got it. Thank you so much. That's it from my side.

Harshil Dalal

Thank you.

Moderator

Thank you. The next question comes from the line of Harshit Rathi from Neogen Advisory. Please go ahead.

Harshit Rathi

Yes, sir. On the previous conference call, you mentioned that the CHF 200 million ECB had been deployed and that it would take approximately 60–90 days for the impact to reflect. Could you clarify from which quarter we can expect to see a reduction in interest costs? Also, has the ECB been fully deployed, or is there anything still pending?

Harshil Dalal

Sure. So, yes, we are still on track. So, we're just completing the final piece of drawing down the funds. So, we do expect that, that should happen, we are trying, before the Christmas holiday. Otherwise, it would be in the new calendar year. But we should start seeing the interest cost coming down further as soon as the ECB is deployed. So, most likely, it should be from Q4, otherwise from Q1 of the next financial year.

Harshit Rathi

Okay, sir. We have also been raising NCDs at around 10% since August, and Dishman's land has been released against a cash FD lien. Could you clarify how much cash is currently locked as margin and, at the current cash burn rate, how many months of requirements does this cover?

Harshil Dalal

Well, the NCD is largely raised for refinancing some of the existing NCDs. So that's the major purpose as well as for certain maintenance CapEx that we need to do in India. But apart from that, there is no other fresh fundraising that we are doing because of the ECB that we are in the process of raising.

Harshit Rathi

Okay. And sir, how has been the response from the Japanese innovator molecule? As in what is the response and what can be the yearly revenue run rate from next financial year? If you could just give a hint on what is the run rate of the molecule and the remaining that can be earned from it?

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Stephan Fritschi

From an operation standpoint, the outlook is still positive. There was previously a dip down in the order income, but now the outlook midterm is that they come back with increased orders.

Harshit Rathi

Okay, sir. And what would be the revenue potential for us from this? Could you give us an idea of the annual revenue that we could potentially generate?

Harshil Dalal

I think it depends upon how the end product revenues keep on increasing. So, we typically would be a certain percentage of that revenue. So, with the second co-investment coming out, which we expect should go live in the next financial year; post that, it will give us increased capacities to cater to the increased requirements, especially because they have also received approval for the first-line treatment as well, which obviously is a factor for the uplift in the outlook.

Harshit Rathi

Okay. And, sir, what is the EBITDA margin that we are maintaining for this financial year?

Harshil Dalal

Well, for the current financial year, we would have to see how the next two quarters look more likely in terms of revenues. But I think we should be close to about 15-16% for the full year.

Moderator

Thank you. The next question comes from the line of Subhankar Ojha from SKS Capital. Please go ahead.

Subhankar Ojha

So, quickly, on this ECB borrowing that we have a board approval already in place, where are we in terms of the entire process? How much have we progressed? And by when do we plan to complete this entire process?

Harshil Dalal

So, as I mentioned earlier, basically, we are in the process of finishing certain conditions, etc., for the drawdown of the funds, which will then be increased in the form of external commercial borrowing at the India level. So, we are trying to get at least the first tranche done before the Christmas holidays.

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Otherwise, it might spill over to the new calendar year. So, most likely, if not this quarter, it should be in Q4 of the current financial year.

Subhankar Ojha

And just quickly, sir, once this process is completed, what is the overall reduction in your consolidated interest cost? I mean, we are right now having a run rate of INR 40 crores per quarter approximately. Once the entire process is done, what would be the yearly saving in interest for us?

Harshil Dalal

I think the quarterly interest should be coming down to around INR 20 to 25 crores.

Subhankar Ojha

Half of that what you're paying right now?

I'm sorry?

Subhankar Ojha

I'm saying half of what you're paying right now?

Harshil Dalal

Yes. That's correct.

Subhankar Ojha

So, it's a 160 to about INR 80-85 odd crores, right?

Harshil Dalal

Exactly.

Moderator

Thank you. The next question comes from the line of Tarang Agarwal from Old Bridge Asset Management. Please go ahead.

Tarang Agarwal

Hi. This question is for Stephan and Harshil. I just wanted to understand what exactly did not go as planned during this quarter and, for that matter, even in Q1. Were you also surprised by how H1 has panned out?

From our perspective, when we look at the industry in India, the CDMO space appears to be doing reasonably well. It has also been around three and a half years since the Bavla site came out of the

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challenging phase, but the timeline for meaningful capacity utilization has continued to get pushed out. This year, while Bavla has continued to lag, we have also seen some unexpected softness in the Swiss business.

So, could both of you help us understand what exactly transpired during H1 and what has been different from your initial expectations?

Harshil, you have also mentioned that you remain optimistic about the medium-term outlook. Could you clarify what you mean by “medium term” and the timeframe over which you expect to see a meaningful improvement?

Lastly, looking at the cash flow statement, I was also curious about how cash flows have evolved during H1. Could you please elaborate on the key movements there as well? Thanks

Stephan Fritschi

Maybe I can start with the more operational side. As you quite rightly say, we continuously say we are optimistic. Why are we optimistic for the midterm future is because we have the assets and we have the organization, meanwhile, to conquer and tackle the targets what we have defined over the recent months.

Historically, Carbogen Amcis was focusing on biotech, small scale, niche products and so on and so forth. There, the price competition is quite high because we are Swiss based and the costs are, by nature, much higher than in other regions in the world.

So, what we have done now with Bavla being back on track with all the GMP challenges, we have now an asset in our wide organization what we can access. So, as I already said earlier in this call, we want to use and utilize the Bavla assets more extensively. The challenge here is or it's maybe not the challenge in that sense, it's just the nature of the business. It's not something what you can do from one day to the other. It takes some time to, A, set up the organization, what we are pretty much there now, but also to talk to the clients and to change the reputation in the market, which is now not only small scale, but also big scale pharma products, what can be supplied by the Dishman Carbogen Amcis Group.

So, it's more a question of time, how long it takes until we can utilize everything what we want and can utilize. But it does not take that much more time any more than it was in the past.

Tarang Agarwal

Stephan, I appreciate the points you’ve made, and we recognize the strategy you’ve outlined. We’ve been following the company and the sector for quite some time, and the reason I’m asking is that this is not a question arising from just one or two quarters. We’ve been hearing similar commentary around achieving these objectives for almost two years now.

The broader strategy has also been known for some time. Even after the Bavla site moved past its earlier challenges, the intention was to improve utilization and scale the business. We are now in 2026, and the

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more recent development appears to be the shift from emerging biopharma and early-stage molecules toward larger customers and more commercialized products.

Against that backdrop, what is a little difficult to understand is the sharp deceleration in the business during H1. Was there something specific that happened during H1 that was not anticipated? Or were there certain challenges that were already known but perhaps not fully reflected in the earlier commentary?

Also, when you say that around CHF 10 million of revenue has been deferred to H2, how should we interpret that? Should we expect this CHF 10 million to come on top of the normal H2 revenue base, or is it already part of your H2 expectations? Essentially, we are trying to understand what specifically changed during H1 and how much of that should normalize in H2.

Stephan Fritschi

Again, operationally, there's nothing happening which was kind of a shock or surprising. What we observed is that this goes back now for more than a year, we saw a gap in early phase. So, because we were quite busy over the past years in late phase and commercial production, there was not really capacity for early phase. But this has changed now, and we adjusted our strategy, our sales force to tackle the early phase. And there, we are successful.

The challenge there is to bring a Phase I project into Phase II, Phase III, and commercialization is a process something between 5 and 10 years. So, actually, if you see what we did, we were quite successful that the normal time we could shrink to maybe two years in certain projects where we started early phase. And now we are entering into already Phase III production in specific cases. These are mainly oncology projects, but those are special indications for prolonged treatments. So, this is just a matter of momentum, where we need to, hedge the early phase for the future business.

Now, in parallel, we are also tackling directly the client for Phase III. Of course, there the challenge is often clients have already their suppliers identified. And we offer now alternatives while clients evaluate. And we think we are quite attractive because we can, as I said before, offer the big volumes out of India and the quality side, the quality system, with the Swiss stamp. So, this will be successful, there's no doubt.

Tarang Agarwal

Okay. And the draft that you're witnessing right now in the business, how long do you think this is going to extend itself?

Stephan Fritschi

In the transfer of the projects we're doing?

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Tarang Agarwal

Yes. I mean, just to get a context delivered right now, the quarterly revenue run rate?.

Stephan Fritschi

So, we are in the most advanced or one of the bigger ones, tech transfers. We have multiple ones in the pipeline. The biggest one is now in full progress. So, we're expecting to do the validation campaign, somewhere in March, April. Until then, we have pilot runs, tech transfer also together with the client. So, he's closely in the loop. And so far, everything goes according to plan.

And once the validation batches are done, then of course, the clients need to change the filing. This we can only do once we have gathered all the data and the material is on the table.

Tarang Agarwal

Yes. Just a couple of other things. You know, if I look at your late Phase III pipeline and your number of commercialized molecules and your product development pipeline, it's near about CHF 100 million right now. Late Phase III pipeline is extended from 10 to about 13 molecules in the last six months, and you've commercialized one molecule. How should we read into this? How much of it is getting contributed in your current revenues? How should we sort of see that mapping over the next six months or three quarters?

Harshil Dalal

So, I think the just to add to what Stephan said, in the first half, what we saw was, the early phase development work was kind of dry as compared to the Phase III. So now as the order book has been increasing, including that on the Phase III, we would start seeing both the early phase as well as the Phase III revenues increasing in the second half of the year as well as that should go into the next financial year.

So, even currently, as we speak, the order book that we have started building up for the next financial year looks much, much better because it does take time because we were targeting these only phase molecules. So, it did take much more time than what we were expecting. And that is where in the first half of the year, there was not that much amount of revenue that we could accrue in the books for those molecules, but it should start happening from the next financial year and more specifically going into the next financial year.

So, that's basically what we have seen. Last year, what we had seen was there was a huge amount of revenue, especially in the first half, that had come from the Japanese customer, which in the current year, we will see much of it happening in the second half of the year. So, it all depends upon when exactly the customer requires those quantities, what is the stock position, how the molecule has picked up, etc.

So, overall, when I mentioned that over the medium term, what I meant was that maybe for the current financial year, the numbers might not look that great as compared to what we were expecting. But if you

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take into account the next financial year and even going beyond, fundamentally, the growth remains intact, and that is something that we will keep on seeing as we move into the future.

So, nothing changes from a fundamental perspective. Yes, we have this temporary blip in the financial results, but it would auto correct itself in the coming quarters.

Tarang Agarwal

Okay. So, as I understand, in at least in so far as the base is concerned, you had some element of revenue. And depending on how the customer takes deliveries, that will determine the timing of revenue when it hits your P&L. Now, whether it happens in H2 or whether it happens in financial year is something which is totally out of your control. So that's one.

The second thing, what I understand is the operating dynamics of early stage pre-commercial -- or emerging biopharma pre-commercial development business have sort of deteriorated. And in some sense, you all are trying to sort of pivot towards larger customers and maybe late-stage molecules which are closer to commercialization. Correct?

Harshil Dalal

Exactly. Because in the only phase, Tarang, sorry to interrupt, but just to add, what had happened and what we were not expecting is that some of the biotech companies are taking much longer times than what we were expecting in terms of giving their molecule or starting the work on their molecules. And one of the reasons that we could clearly see is that because the biotech companies, they are dependent upon the funding that they receive.

And as Stephan had also mentioned in his opening remarks, what we had seen is that some of the funding which was expected to come in was actually diverted to AI companies because of the now actually a bubble which has been created. But that funding got diverted to AI because of which these companies were not able to progress the molecule in the manner that was expected out of them. And that resulted into lower revenues that we could accrue in the first half of the year, which now we are seeing that the funding is coming back and that should help us to increase the pipeline of the early phase molecules as well.

So, even if you see our development pipeline, what we had mentioned in the presentation of Q1, we were at about CHF 89 million, which has now increased to CHF 98 million. So, now we are already seeing that pipeline also increasing, and we expect that, that should increase in the future as well.

Tarang Agarwal

Okay. So, to Stephan and Harshil both, now that maybe the remaining part of '27 would be slightly soft and you expect a reasonable recovery kicking in from FY28, we'll wait for the revenues to sort of start locking in. But, what are the yardsticks that you're seeing on the ground with your interaction with your

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customers, with your team internally that gives you that confidence that maybe better days are ahead. You know, some objective yardsticks that you can speak of, which does not necessarily get represented in your financials, but is a reasonably decent lead indicator of why you think 2028 could pan out better.

Stephan Fritschi

That's a good question. Thank you for that. So actually, just the previous month, I went to the U.S., and I regularly go into contact with clients to get answers to these questions like you asked. So, the confidence I'm convinced about is that clients are open for discussion. And they are more open and livelier in the discussion than a year ago, for example, because they get more funding, projects are better defined now, and they are open also for the concept that we developed in Switzerland, have a European-based development center, but also the potential of production in India. Not every project goes to India, of course. Some projects and campaigns are small scale, and customers want to keep it in Europe. So that's fine. So, also this, we can offer.

So, in general terms, there is more diversity in the client base. So, ADC is still dominant in the market. But also small molecule itself, there are more projects on small molecule, which is then also playing into our hands because our asset is bigger in small molecule than in ADC conjugation. But also the link of payload, which is the active part of the ADC, there, we are strong and we get the traction on the market and customers are willing to talk about this. And this is the first indication.

A year ago, we were not even getting visits and appointments because people said, “We have no projects,” or “We have not the money to talk about.” This time, when I went, people were more open and say, “Okay, in the next three to five months, we get a molecule, RFP,” and so on and so forth.

So, this is the indication what I'm referring to that the market is more lively than in previous times. I don't know, did I answer your question?

Tarang Agarwal

I mean, I understand where you're coming from, but it doesn't give us a lot of confidence in terms of how things would pan out going forward. Okay, just a couple of things. Harshil, if you could just give us a cash flow bridge. There's been a reasonable squeeze on the working capital. We've seen a fairly sharp decline in payables. So, if you can explain the cash flow bridge for H1?

Harshil Dalal

Sure. So, on the working capital debt, so if you see, on one side, there is decrease in the trade receivables. And on the other side, we also saw the decrease in the trade payables. So, overall, from a working capital perspective, yes, that has shortened it. But on the other side, we also saw an increase in the inventories.

So, the increase in the inventories is largely representative of the production that was done for the orders, but for which the shipments have yet not happened. So that is something which we expect should go out

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in the remaining two quarters. The decrease in the receivables is largely on account of the lower revenues because of which the receivables had decreased as compared to the March 31st of the financial year. So, this is largely on account of that. On the cash position itself, if you see, we are sitting on a cash balance of close to about 1,000 crores.

On the flip side, there is also borrowings, which has also increased a bit as compared to the cash position. So, overall, from a net debt perspective, we are still sitting comfortably at close to about 165 million of net debt at a consolidated level.

Tarang Agarwal

165. And finally, when is this funding transaction going to come through? Because after Q1, it was anticipated Q2. Now in your response to an earlier investor, you indicated that it might come in Q3 or spill over to Q4. So, I mean, why are time lines so hazy around this? I mean, what is holding it back? And realistically, when do you see it coming?

Harshil Dalal

So, there is nothing holding it back. It is just a process where, one, we were expecting that things will move fast track, but because of the holiday season in August that we saw, the things got spilled over to September, October in terms of completing the necessary agreements. So, now we are in the process of just finalizing some of the condition precedents plus obtaining the tax opinions, etc.

So that we are expecting should get completed in the current month, and, we should see the drawdown most likely happening before the holidays. But as I mentioned, it all depends because there are multi-jurisdictional law firms, banks, etc., involved. So, that might spill over to January in the worst case.

Tarang Agarwal

What is the kind of a drawdown that we could probably see coming through in Q3 and how do we see it pan out?

Harshil Dalal

Yeah, we will look at least close to about 50 million as the first drawdown.

Moderator

Ladies and gentlemen, if you have a question, please press * and 1 on the telephone keypad.

Yes, the next question comes from the line of Ojas Mehta from Sunk Cost Fallacy Capital. Please go ahead.

Ojas Mehta

Hello. With this lower biotech funding, which is hurting our development revenues and your focus is shifting more towards commercial manufacturing, right? So, then how do we prevent Swiss high-field

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scientists and lab costs from dragging our margins going forward? Like, are we looking to right size the skill development capacity? What's your take on this?

Harshil Dalal

Well, as we mentioned, the funding environment had been somewhat slow, based on what we were hearing from our customers. However, we expect this to improve over the coming months, and as Stephan mentioned, we are already starting to see some signs of recovery.

This is particularly relevant for early-phase development work, where we are actively focusing on winning more business. At the same time, we are also targeting customers directly at the Phase III stage, with the objective of becoming a second supplier. This positions us to participate once the molecule is commercialized, with manufacturing either in India or Switzerland depending on the volumes and customer requirements.

Apart from business development, we continue to focus on improving operational efficiency. We have implemented cost-control measures across the Group to ensure that we achieve the appropriate level of profitability on the molecules we manufacture for our customers.

For us, capacity utilization is not limited to physical assets such as plants, machinery and buildings. It also includes the utilization of our people and resources. We continuously assess this based on our project pipeline and the business we expect to win over the next 12 to 18 months, allowing us to align our resources and cost base accordingly.

Moderator

Thank you. The next question comes from the line of Vivian Joshi. Please go ahead.

Vivian Joshi

Hi, am I audible?

Moderator

Yes, sir, you are audible. Please go ahead with your question.

Vivian Joshi

I think most of the questions have been asked before. So, I would just like to ask something that the last conference was also held, I think, in the middle of the quarter. Did the management have a sense of how bad this quarter was going to go? Because if I play back the last quarter, everything seemed hunky dory, and this has been like the worst quarter in maybe two and a half years. Like, we have never had this lower revenue for the last maybe three years probably in the quarters.

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I'm not really satisfied with the answer that it was just a blip. This seems something very drastic. So, is there something which we are missing here? So, if you can throw some light, that would be nice.

Harshil Dalal

So, it was obviously an unusual quarter for us. But what we saw was that the revenues that we could accrue in terms of the development work, especially in August and September, those were quite low, as compared to what our expectation was. And this was because certain orders, which we were expecting could be completed by the end of September, they were not. And because of the customer requirements, some of them were also deferred to the next year because of the funding situation.

So, that was something that we were not expecting the last time when we spoke, but that is an unfortunate thing which happened in the current quarter.

Vivian Joshi

And just one more question, we seem to be, I don't know, I mean, I just get a sense that almost all our activities seem to spill over far too frequently. So, I mean, is there some lack of urgency? Or I don't know how to describe it. Like, we seem very okay with, “Okay, this didn't happen this quarter, it will happen next quarter. Maybe by January, it will happen.” Like for example, the funding thing has been on for maybe over six months now. Commercial transaction usually does not take that much time. It's like both sides are really clear that you want to get it done ASAP, right? And this will now literally take a year from where it was first announced to where it will be finalized. So, I mean, do we lack execution or urgency as an organization? Or do you think it's normal? Or do you think something could be improved here?

Harshil Dalal

So, on the funding side specifically that you asked, we obviously, after we received the shareholders' approval, after that, we had to undertake the process of the two more announcements that were also made just a few weeks back, which was largely in terms of the share transfers as well as in terms of the settlement between the family members. So, all of those were the steps which had to be completed before the final fundraise was done.

And there are the months of July, August, where in Europe, especially because of the holiday season, that did take much longer because most of the people were not available. And it is not just addressing the ECB portion, which is going to come to India, but it is going to be a larger fund raise, which is also going to take into account the other two announcements that we had made. So that is where it does take time getting into the agreements that need to be finalized, signing of the agreements, fulfilling the conditions precedent.

And since there are multi jurisdictions that are also involved, there are also law firms from various jurisdictions that are involved, etc. So, all of that has taken time, and this was something which we did try to accelerate, but you can only push as much as you can because on the other side, there are other parties

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also being involved. So, I would not say that, that has been delayed quite a lot. It is in process. It is something that we are executing. We are making the announcements to the stock exchange as each of the steps are getting completed. And that is something that we are confident of completing in the next month.

Vivian Joshi

Just a small follow-up. Since you mentioned the family agreement, was that overhanging, like distracting the management from performance? Whatever, I don't know because it seems like -- I don't know.

Harshil Dalal

There is no bearing on the financial performance of the company.

Moderator

Thank you. The next question comes from the line of Vivek Kumar. Please go ahead.

Vivek Kumar

Sir, this is regarding your revenue. Last year, we had completed INR 2,900 crores. And this H1, we have completed just INR 1185 crores. So, are you confident to complete INR 2900 crores revenue for this year?

Harshil Dalal

Well, so, if you see the last financial year in the first half of the year, the revenue was about INR 1,360 crores. As compared to that, we dropped a revenue of INR 1,185 crores, which is lower by about 13% as compared to H1 of last year. So, for the full financial year, we obviously do not expect growth over the revenues of the last financial year. But we do expect to get closer to that number by the end of the year.

Vivek Kumar

And sir, your operating profit was INR 566 crore, and we have completed just INR 106 crore in H1. So, are you confident that we will match last year's operating profit?

Harshil Dalal

So, from an operating profit perspective, it would be lower as compared to last year because as I mentioned, most of our costs are fixed in nature. So, to the extent that the revenue number does not get achieved, and again, the composition of the revenue in the current year where we saw in the first half, like for example, our Marketable Molecule segment where was more of the cholesterol business as compared to the vitamin D analogs.

While we do expect the vitamin D analogs business to pick up in the second half of the year, again, it depends upon the composition for the full year, which might have an impact on the margins. So, yes, from

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an operating margin perspective, we might not be able to get there. And any decline in the revenue as compared to last year, that will also have an impact on the EBITDA margins.

Vivek Kumar

So, roughly, we will close around INR 500 crores operating profit?

Harshil Dalal

That would be difficult to mention right now. We will just have to see how the Q3 numbers look.

Moderator

Thank you. Next is a follow-up question from Harshit Rathi from Neogen Advisory. Please go ahead.

Harshit Rathi

Yes, sir. I think FY27 would be a soft year also. But, as far as FY28 is concerned, what shall we expect? As in the guidance, I guess, do not match with what we say and what we give. So, but as of now, at least for an investor's perspective, what is the growth that can we expect at least for FY28 and EBITDA margins, if you could just?

Harshil Dalal

Well, I would say it will depend upon how we close the current year. But taking a fair estimate, if you have to take FY28-29, we are talking about at least 10-12% growth in terms of top line on a yearly basis. And the EBITDA margin should be in excess of 20-21%.

Moderator

Thank you. The next is a follow-up question from Smith Shah from JHP Securities. Please go ahead.

Smit Shah

Yeah. So, we spoke about the tech transfer that we are doing for the Bavla facility. So, what I also wanted to understand was that what is the average value of commercial molecules at Bavla facility?

Harshil Dalal

Sorry, Smit. Are you asking about the molecule that is getting transferred?

Smit Shah

Yeah.

Harshil Dalal

So that, you know, the yearly run rate could be close to about anywhere between CHF 15 to 20 million.

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Smit Shah

Got it. Understood. And, so one more thing, what I wanted to understand is that this is what I'm assuming that whatever molecules and all are there, for that, you might be having proper contracts in place, right? So is it very regular for these companies to defer their procurement or their development by, like, 6 months or 12 months even though they are bound by contract.

So that is what I wanted to understand that even though we say that we have contracts and we have visibility for the next 12 months, still the very next quarter ends up being a one-off quarter. So, can you shed some light on that?

Harshil Dalal

So, the conflicts would already be in place. So, like, for example, the development order pipeline that we talk about close to CHF 100 million, so there would already be contracts in place. What we are trying to say is that how much of that would be done in that particular quarter would depend upon how the customer would want that molecule be delivered, develop all the milestones to be achieved. So, it all depends upon the constant interaction with the customers.

So that is where I say that on a medium-term basis, we are confident of achieving what we have set out. There could be certain quarters where the quarters could be softer or certain quarters where those could be extremely good, like we had seen in Q4 of last year. So, it all depends upon, in that particular quarter, how much of the work is done for that particular customer, which is largely driven by the customer's requirements as well.

Smit Shah

Got it. And also can you tell us that what was the revenue and the EBITDA margin that we did in the French facility this quarter?

Harshil Dalal

So, the French facility, we did a revenue of about CHF 1 million in the quarter. And we've had a negative EBITDA of roughly about CHF 1.73 million.

Smit Shah

Got it. That's it from my side. Thank you so much and all the very best.

Moderator

Thank you. The next is a follow-up question from Tarang Agarwal from Old Bridge Asset Management. Please go ahead.

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Tarang Agarwal

Okay, Harshil, just so on the cash flow bridge, right, if I see the specific line item which talks about decrease in trade payables and other payables by about INR 237 crores, just wanted to check what it is exactly.

Harshil Dalal

Yeah, so this would also immediately include the decrease in the advances that we have received from certain customers, more specifically also from our Japanese customer because on one side, the co-investment is already ongoing. So, to the extent that the cash is deployed for that co-investment that will reduce the liability side.

Tarang Agarwal

Okay. And on the tech transfer, what are the key steps or potential impediments remaining before it can be completed? Is the process progressing as per the normal timeline, or do you foresee any challenges or delays?

Secondly, could you give us some sense of the size and profile of the customer involved? And should we view this as the first of potentially multiple products with this customer, or is the opportunity currently limited to this particular product?

Stephan Fritschi

Thank you very much for this question. This specific tech transfer I was referring to is from a big pharma. And it's quite significant, as Harshil mentioned, something between CHF 15 and 20 million revenues to be expected once it's transferred. So, the tech transfer itself follows the normal procedure. There's nothing to be expected as a surprise at the moment.

So, what we do is we transmitted all the technical information to the Bavla site. They make development work in the lab to familiarize and also to adjust to their equipment. And this is so far, it goes smoothly. So, it is following the expected time line, which has been agreed with the client.

As I previously said, it's around till April when we can do the validation batches. This is not the only tech transfer which is ongoing. We have multiple ones, about three commercial, two intermediates, Key Starting Material and some others as well. Plus, we have a number of handful quotations outstanding with clients where we have this interaction between Carbogen and Bavla described. So, it's quite busy, and things are going smoothly so far.

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Tarang Agarwal

Stephan, just to get better clarity, could you give us a sense of the overall annualized revenue potential from the tech transfers you've mentioned? This includes the one currently underway as well as the couple of additional opportunities you referred to across active materials, KSMs and intermediates.

Stephan Fritschi

Yeah. Of course, it's a bit difficult to say now because in parallel of the technical transfer, it's also the whole contract negotiation going on with the new prices. So, I would say, all-in-all, we're talking about CHF 30 million or something like this. But this is really roughly, roughly, because the customer, of course, expects the tech transfer, but also expects some benefits cost benefit on this side. So, we are also negotiating a new contract.

Tarang Agarwal

I understand, but I'm just looking for a ballpark number here.

Stephan Fritschi

So, my assumption is something around CHF 25 to 30 million.

Moderator

Thank you. Due to time constraints, that was the last question for the day. I now hand the conference over to Mr. Stephan Fritschi for closing comments.

Stephan Fritschi

Okay. Thank you very much. So, thank you for all your interesting questions. As a summary, I can say, all in all, Dishman Carbogen Amcis is very well positioned to conquer additional and new businesses. Our attraction in the market has increased, and we are looking very optimistically to our future. So, with this, thank you for your interest in Dishman, and I wish you all a nice evening. Thank you.

Moderator

Thank you, sir. Ladies and gentlemen, this concludes your conference for today. On behalf of Dishman Carbogen Amcis, we thank you for your participation and for using Door Sabha's conference call service. You may disconnect your lines now. Thank you, and have a pleasant evening.

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