

Date: May 22, 2026

To,  
BSE Limited,  
20th Floor, P.J. Towers,  
Dalal Street,  
Mumbai - 400001.  
BSE Scrip Code: 544449

National Stock Exchange of India Limited  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex, Bandra (E),  
Mumbai – 400 051  
NSE Scrip Symbol: ANTHEM

**Subject:** Transcript of Earnings Conference Call.

Dear Sir/Ma'am

Pursuant to Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the earnings conference call held on May 20, 2026, at 11:00 AM, post announcement of Audited Standalone and Consolidated Financial Results of the Company for the quarter and year ended March 31, 2026.

The said transcript is also available on website of the Company at <https://anthembio.com/investors/>.

We request you to kindly take the same on record.

Thanking you,

Yours truly,  
For Anthem Biosciences Limited  
*(Formerly known as Anthem Biosciences Private Limited)*

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**Divya Prasad**  
**Company Secretary & Compliance Officer**  
**Membership No: A41438**



“Anthem Biosciences Limited  
Q4 & FY26 Earnings Conference Call”

May 20, 2026



**MANAGEMENT:** **MR. AJAY BHARDWAJ – MANAGING DIRECTOR AND  
CHIEF EXECUTIVE OFFICER**  
**MR. GAWIR BAIG – CHIEF FINANCIAL OFFICER**

**MODERATOR:** **MR. AMEY CHALKE – JM FINANCIAL INSTITUTIONAL  
SECURITIES**

**Moderator:** Ladies and gentlemen, good day, and welcome to the Anthem Biosciences Q4 & FY26 Earnings Conference Call, hosted by JM Financial Institutional Securities. 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 this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Amey Chalke from JM Financial Institutional Securities. Please go ahead.

**Amey Chalke:** Good morning and warm welcome to all the participants on Anthem Biosciences Q4 & FY26 earnings call, hosted by JM Financials. Today on this call, we have with us from the management, Mr. Ajay Bhardwaj - Managing Director and Chief Executive Officer and Mr. Gawir Baig - Chief Financial Officer.

I will now hand over the call to Mr. Ajay Bhardwaj for his opening remarks. Thank you and over to you, sir

**Ajay Bhardwaj:** Thank you Amey. Good morning and thank you, everyone, for being on this call. At the outset, I'm very pleased to say we ended the FY26 on a very strong note. Our consolidated revenue from operations for the full year was Rs. 2,124 crores. Out of this, our CRDMO business contributed 83%, delivering Rs. 1,773 crores, which was an 18% growth over last year. Specialty ingredients contributed 17% to our revenue and that delivered Rs. 352 crores worth of sales.

We delivered Rs. 156 crores of other income for the financial year, taking our total revenue to Rs. 2,280 crores, which was a growth of 18% over last year. Other operating income includes gain on account of forex and RoDTEP export incentives of Rs. 63 crores, and financial and other non-operating income of Rs. 92 crores. Our EBITDA was just shy of Rs. 1,000 crores at Rs. 990 crores, which included other income, with EBITDA margins of 43.4%. A growth of 31% on absolute terms, and 420 basis points on margins over the last financial year. PBT before exceptional items was Rs. 849 crores.

A word about the new Labor Code impact and tax expense, our profit after tax for the year was Rs. 592 crores, a growth of 31% over last year with PAT margins of 26%. Net cash position as of March 31, 2026, is Rs. 1,375 crores.

With respect to the quarterly financials, this was our highest revenue quarter ever, that is in Q4 FY26. We delivered a revenue growth YoY of 26% for the quarter, with consolidated revenues at Rs. 611 crores. The CRDMO business delivered Rs. 513 crores revenues with a growth of 31% YoY basis. Specialty ingredients delivered Rs. 98 crores, a growth of 8% YoY. EBITDA including other incomes was Rs. 318 crores, a growth of 52% over last year with EBITDA margins at 48.1% to be precise. PBT before exceptional items was Rs. 277 crores.

We reassessed the impact of the new Labor Code changes, factoring in the revised remuneration structure. As a result, we have recognized a credit of Rs. 98 lakhs as exceptional items on account

of the new Labor Code implementation. PAT was Rs. 190 crores for the quarter with PAT margins at 28.7%, a growth of 130% on a YoY basis.

In a nutshell, it was a strong performance for FY26, with our highest revenue quarter ever in Q4 FY26. Anthem's commitment to prudent cost management and focus on long-term value creation has enabled us to expand profitability margins, while delivering this revenue growth. Our EBITDA and PAT for the year grew by more than 30% in line with our growth aspirations and we continue to maintain a healthy financial position and remain committed to delivering sustainable growth across all business segments.

As we step into this FY27, our priorities remain clear, to build one of the most agile, science-led, and future-ready CRDMO platforms in the world.

Thank you for your attention. I'll now open the floor for any questions and comments.

**Moderator:** Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. Our first question comes from the line of Banshi Desai with JP Morgan. Please go ahead.

**Banshi Desai:** Thanks for taking my question and congrats on good finish to the year. As we step in FY27, how should we think about the growth for CRDMO business, both for research and development and manufacturing? Also, if you could comment on for our key products where we had witnessed some destocking impact in FY26, are those largely sorted now and should we see growth coming back on those molecules as we move ahead?

**Ajay Bhardwaj:** Well, thanks, Banshi. Just an overall comment, if you look at our track record, we have delivered growth in the vicinity of 20% and more, and that's what we aspire to even in the coming years. We believe that we're in a good place to align with what we've done in the past, but of course, that remains to be seen. But we are very confident of our growth trajectory in this year and the years to come.

On the question of destocking, that portion, there was definitely there with many of our customers, but you have seen that in spite of that we have delivered such good growth. So, going forward, when things get better and when this situation of destocking now swings to restocking, I think Anthem would be even in a better place. I think mostly it's behind us, and we expect that this will have a very positive impact on Anthem's top line and bottom line.

**Gawir Baig:** Banshi, I'll just want to add something over here. Historically, if you look at it last 10 years, our revenue growth has been around 20% level. Even when we started last year, we said that we'll be delivering about 20%, but then the course-corrected and then we delivered about 15% revenue growth. While we had said 20% on revenues and 20% on EBITDA and PAT, whatever was the shortfall on revenues, we more than made up with respect to our EBITDA and PAT performance, with a 30% EBITDA growth and 30% plus PAT growth for FY26.

Our aspirations are quite high. What we have delivered in the past, historically, over a long-term period, and we are not talking about a near-term FY27 or one year or a two-year kind of a period.

We want to refrain from giving any guidance for FY27 or FY28, but long-term, have we put in the ingredients from a growth point of view? I'd say that the answer is yes.

We're investing in our people, we're investing in our facilities, we're investing in technology, and all of this is also seen by our customers. Customers do like us and we're getting more and more projects as well. Our commercial portfolio has increased, our other portfolio from a late-stage point of view has also gone up. So, all the ingredients are there.

I would refrain from giving a forward-looking FY27 or a near-term guidance, but our thought process is to deliver on what we have delivered in the past across all parameters. Last year, we missed out on one parameter, but more than compensated on the two parameters on EBITDA and PAT, but we will continue to do our best to deliver going forward on across all parameters from a growth and profitability point of view.

**Bansi Desai:**

Thanks and appreciate that. My second question is also in terms of how do we from here on intend to augment our relationship with more innovators? I know we've got very strong relationship with probably three of the top 20 big pharma and we've added probably two more there. So, as we move along, what probably the initiatives that you've been taking for broadening our footprint with more large innovators?

Secondly on capacities, do you think this is constrained by our capacity, and therefore, as we move along over the next two years when more capacity comes online, we should see, broadening of our relationship with more big pharma?

**Ajay Bhardwaj:**

Well, yes, it is already, as you rightly said, and there have been two notable additions last year in big pharma, which we didn't have earlier. We expect those relations to broaden and these were done directly. A lot of our relationship with big pharma have come through acquisitions of the biotech's that we've been working with, and when they get acquired, we move into working with big pharma, and then once we're in there, we try to broaden our relationship in other parts of their business.

However, last year we've had two direct contacts and two direct relationships, which are now, I'm glad to say, growing healthily. It's not like flipping a switch. Your customers will have to build confidence in you, and they will slowly start giving you more and more exposure to their business and larger contracts. I think we've already done that, the initial part, and we expect that we will see a bigger part of their pie in the years ahead.

Secondly, a lot of our new programs, at this moment about 10 programs in the Phase 3 in small biotech's, and historically they always get acquired. So, once they get acquired by big pharma, we expect that our relationship will now be with new big pharma. I think we're in a good place. More than 100 projects we're doing in R&D are in early stages, and 10 of them are in Phase 3. We are in a good place to add more big pharma customers to our portfolio.

**Gawir Baig:**

On the point, which you had asked on capacity, I don't see with the capacity additions that we have made in the last financial year with respect to Unit 2 expansion, and also Unit 3

commissioning, we have a decent headroom right now, which we can use up till the time our Unit 4 comes up, both on chemistry and biology. So, capacity will not be a constraint.

Unit 2 expansion added significant capacity. We moved up from 246 kiloliters in Unit 2 to almost about 376 kiloliters in Unit 2, it's a 50% addition. Unit 3 is also fully up and running right now. What we are doing in Unit 4 is more to make ourselves future-ready, so that whenever the capacity comes up for Unit 4, and there are more programs coming in from early-stage biotech innovators or from big pharma, we have the wherewithal to be able to service them. So, capacity is not a constraint for us now.

**Bansi Desai:** All right. Thank you.

**Moderator:** Thank you. The next question comes from the line of Saion Mukherjee with Nomura Holdings. Please go ahead.

**Saion Mukherjee:** Yes. Thank you for taking my question, sir. You mentioned about you're trying to make the business more agile, future-ready CRDMO platform. In that context, what are the big missing pieces that you would like to address, let's say over the next two, three years, either organically or even inorganic is part of your plans, whether in India or even outside India, given the current geopolitical situation and your expanding customer relationships?

**Ajay Bhardwaj:** Thanks Saion. Again, in terms of becoming more agile and more ready, science-led, and be ready for our customers, what Anthem is doing is investing in technology. Though, if you were to look at our factories, we do have traditional bioreactors and bioreactor, but at the same time, we are also investing heavily in changing the way chemistry and biology is done.

We are looking at can we do this in a continuous fashion? Can we change it to bringing better automation and control? Can we also do more green chemistry? All of this at a commercial scale. Where we have the advantage is that when we look at a program, we look at it very early in its evolution, and so when an early program comes in, you can implement all these, so that, when it goes to the regulators, you've already implemented these new technologies.

That puts us in a place where we have the respect of the customer, but also the regulators love better control, more green chemistry, and at the same time delivering higher quality as a result of all these better controls. The emphasis on technology will remain, and this is not just limited to what we've already told everybody, we are adding new aspects to this technology, and as and when you visit Anthem, you'll be able to see those in action. So, this is the first part.

Secondly, in terms of acquisitions and growth, apart from our organic growth, which is also substantive, we are not averse to looking at acquisitions, both in India and abroad. We are actively searching. Unfortunately, we haven't come across the right candidate, and I've said this ad nauseam and I'll repeat it again, we will not do an acquisition for the sake of an acquisition. It has to make sense and it must be the right asset. So, we're always scouting for such targets. But once they come along, only then at the right one there, we'll make that call. So, to answer, we will drive our business through technology.

**Saion Mukherjee:** Understood. Just one more question on capex, if you can talk about your capex number for next year as you're expanding the new unit, and slightly medium-term capex outlook, let's say over the next three, four years, if you can guide for that?

**Gawir Baig:** Sure. Saion. In terms of our capex plan, the first and the major capex what we're incurring right now is on Unit 4. We have articulated that this is going to be our largest project. Unit 1, 2, and 3 put together, the Unit 4 is going to be much larger than all the units put together. So, it's a 30 acre piece of land, and all our Units 1, 2, and 3 put together is close to about 30 acres.

In Phase 1 of that expansion, and we are looking at investing almost about Rs. 1,200 odd crores across two years, this year FY27 and in FY28. We aim to complete the Phase 1 expansion by March '28 financial year, maybe towards the latter half of March '28. This will add close to about 365 kiloliters of custom synthesis capacity and 100 kiloliters of fermentation vis-à-vis our current capacity which is 425 kiloliters custom synthesis and 180 kiloliters fermentation. We are more or less doubling on custom synthesis and adding 50% more on the fermentation side. So, that's on Unit 4.

We'll be completing a few more expansion, which is ongoing more on Unit 2 and Unit 3, which is lying as CWIP in our books in this half year of FY27. But largely, medium-term if you look at it, it's going to be Unit 4, which will be driving the major part of it.

Just to add, we still have two more phases to be done with respect to Unit 4. That we will take it up once Phase 1 gets completed, and that will be post March '28. But the aspirations are huge over there, so that we can build a much larger facility, which will in Phase 1 at least double, in Phase 2 it could be triple from an overall capacity size point of view.

**Saion Mukherjee:** Understood. Just a clarification, next year your capex would be north of Rs. 600 crores, right?

**Gawir Baig:** Yes.

**Saion Mukherjee:** Would that be a right assessment? Rs. 600 crores plus from residual capex plus maintenance capex, so what would be the number we should go with next year?

**Gawir Baig:** Roughly about Rs. 700 crores and then post that will be about Rs. 500 crores.

**Saion Mukherjee:** Okay, understood. Yes, thank you.

**Gawir Baig:** This we are investing for the future.

**Saion Mukherjee:** Yes, yes.

**Moderator:** Thank you. The next question comes from the line of Debanjan Bhakta with Universal Sompo General Insurance. Please go ahead.

**Debanjan Bhakta:** I want to get some color on the product side. As you're seeing new orders coming on the new RFQs, what modalities are they coming in? Are they biological entities or chemical entities?

- Gawir Baig:** Both. I would say that across both custom synthesis side and biology side, plus on the advanced technologies on the custom synthesis, more on the peptides or on the RNAi side, we're getting more and more orders there.
- Debanjan Bhakta:** Okay. Another question, what payload are we developing in the ADC platform? What type of payload?
- Ajay Bhardwaj:** I'm not at a liberty to disclose those. Those are confidential work that we do for our clients. But we do a variety of payloads, at least I think 15 - 20 payloads we work on and depending on what our clients want, and some of them are proprietary. So, that's a very interesting area and we have a huge amount of activity going on there. I'm sorry, I won't be able to give you the names of the payloads.
- Debanjan Bhakta:** Okay. Lastly, from the current manufacturing revenue, not the ID resource, how much of it coming from biologics, and how much it is coming from chemical entities? The current manufacturing revenues.
- Gawir Baig:** A larger portion of it is from custom synthesis. But see, Debanjan, a lot of work includes enzymatic work, there's a lot of peptides work, which gets done, a lot of work on the RNAi side. Even in custom synthesis on some of the areas we use biotransformation. So, it's very difficult to articulate and differentiate saying that this is pure-play biology and this is pure-play custom synthesis, but a sizeable portion of our work comes from the NCE molecule side on the custom synthesis side.
- Debanjan Bhakta:** Okay. Thank you for that.
- Moderator:** The next question comes from the line of Vivek Gautam with GS Investment. Please go ahead.
- Vivek Gautam:** Congratulations, sir, for good set of numbers. My question is any risk of destocking, inventory, etcetera, in our company? In GLP-1, how is the overall opportunity size for us and expected growth rate for next two, three years and differentiator for our company, sir? Thank you.
- Ajay Bhardwaj:** Okay, to answer the first question, the destocking that had to happen has already happened. So, this year, everything will be in the positive territory, they are restocking now. That part is behind us.
- Second part is on the question of GLP-1, see, if you follow the GLP approvals in India, most of them have their active is from China. Now we are in conversations with I would say all the big players to give them an alternate, which is based here in India. We're in a very good position as far as GLP-1 goes, but this will be in the after most of them have launched and so, we will be in a good place to replace imports. That is a position that we've always been strong in. The third question was on?
- Vivek Gautam:** Differentiator for our company and opportunity size and expected growth rate for the next few years, sir.

**Ajay Bhardwaj:** Historically, we've grown upwards of 20% and we feel confident that this is what we want to maintain. However, as I say, we don't give forward-looking guidance, so I would not be able to give a number, but we do aspire to the growth that we have maintained so far. As far as Anthem is concerned is aligned to give you that growth rate.

In terms of what differentiates us, I think it starts at the very, very basic thing. We are very different from our peers in India. We are more focused on small biotech's, and therefore, we are more on the discovery side rather than the full-time equivalent type of business. What we differentiate ourselves is by technology as well.

I think in that we have no peers in the country. We absolutely approach every problem from a new technology solution, and which our clients love. I think that gives us a lot of visibility and traction with our clients.

The third part that differentiates us is our culture as well as a very large number of our employees are on our ESOP plan. 40% at the time of announcing stock options. So, we have a very young, energized workforce, which wants to see the company grow, and I think our margins really speak that difference.

**Vivek Gautam:** Any risk of AI in the discovery stage where we are focused?

**Ajay Bhardwaj:** Yes. AI is coming into all, kinds of function of the company. It starts with the recruitment, with HR, with warehousing. So, we are trying to bring in. There's a lot of type of hype of AI, but you have to pick up the use cases and implement them case by case as they are relevant to you. It's not some overarching thing that you can say, I have now put the company on AI. It has to be in the areas where it is relevant. So, it's a work-in-progress, we are constantly exploring that.

**Vivek Gautam:** Thank you, sir.

**Moderator:** Thank you. The next question comes from the line of Vivek Rakholiya with Ficom Family Office. Please go ahead.

**Vivek Rakholiya:** Thanks a lot for the opportunity and apologies in advance if my questions are very basic. I'm very new to the company. I wanted to understand firstly on the peptide front, a listed peer claims to have also developed the capability of making the full peptide chain, right from fragments to the APIs, and they have even started expanding their capacity for the same. How do you see this development and what would be your strategy to differentiate against the competition; domestic and international?

**Ajay Bhardwaj:** Okay. For instance, this is not a science lesson, but when you say peptide, it is an organic molecule. So, there are very different types of peptides and it's a full body of chemistry by themselves. There is many ways to make depending on the peptide that is of interest, you can make different fragments, then do convergent synthesis, or you can do even a serially by step-by-step, or you can do partly by fermentation and partly by synthesis and then do what's called biosynthesis. So, there are all kinds of ways of doing it.

Depending on the peptide in question, we've actually done seven or eight or maybe even more than that, 10-12 peptides, which we are working on. Each of them follow a different strategy. It depends on the structure and the way it must be built. So, I won't have an answer, to give you a very generic answer, how are we doing this?

Again, when we look at a problem, we look at what is the most optimal solution in terms of economics. We approach the problem from that side, which therefore, our aim is always to get the best cost of goods.

As to the other question that somebody is doing all this assembly of a peptide right from beginning. I'm not privy to what they are doing, but Anthem is in a very, very good place as far as GLP-1 type of peptides are concerned. I believe that we have extremely competitive cost of goods, rivalling even the Chinese. think we're in a good place there. We're very competitive.

**Vivek Rakholiya:**

Great. Thanks a lot for that answer. Just stepping back in terms of molecules and complexities, would it be the correct understanding that the TAM of peptide is larger than that of oligonucleotides?

Also, just wanted to confirm, if between say peptide, oligonucleotides, and ADCs, how would you rank yourself on the basis of the complexity of the subject that you work with, your capability and the TAM of these areas, and competition if you can explore areas of these three molecules and modalities?

**Ajay Bhardwaj:**

Again, you're asking a very fundamental question. Right now, peptides are the most successful commercial molecules. In terms of TAM, they would be the biggest. But for some applications peptides don't work, so there you'll need an ADC, and that's a very big area of growth in the pharma industry.

When you bring oligonucleotides; they are everywhere again. Anthem has capability to do work in all these areas. Because these are the new modalities and these are new areas of research, and as I said, Anthem addresses all the problems through, find solutions, technological solutions. So, we are present in these three modalities in a very strong way.

I mean, it'd be unfair to compare ADC versus peptides versus oligonucleotides, because they all do specific jobs and they are designed for that. The idea is to get to the patients the right treatment. Anthem is present in all of them. As far as market is concerned, given the very large nature of diabetes, as well as obesity, right now peptides are the largest sales, and in the foreseeable future that's what it looks like.

**Moderator:**

Thank you. The next question comes from the line of Dhawal Khut with Jefferies. Please go ahead.

**Dhawal Khut:**

Hi, thanks for taking my question. I wanted to understand what steps are we taking to build a pipeline in large molecule, and wanted to delve deeper into the BD side of large molecule, how willing are innovators to give their projects to Indian CRDMO? How easy or difficult is it to

bring those early-stage molecules in the country versus let's say the willingness in small molecule?

Does India have any cost benefit advantage versus a Korea or China? Because CRDMO from these region claim that in large molecule there's no cost difference, their yields are extremely high. So, just wanted to get thoughts around the large molecule CRDMO space? That's my first question.

**Ajay Bhardwaj:**

Okay. Thanks, Dhawal. Anthem is as I said, is focused equally and not all our peers in India at least are, we are focused very well on biology as well as chemistry. We're making investments in this space as well, so that we can do large molecules manufacture. We are working with about four, five projects where we would be the development partner and hopefully then the manufacturing partner in large in large molecules.

To answer your question about, how willing they are, they have no problem, most of the people, most of the customers we work with, they don't see a problem of coming to India. The problem if there are any lies in the capacities. In Korea particularly and in China also, the large companies have built up massive capacities. In that sense, they are ahead of us. There's no denying that. Because there is the upfront investment in large molecules is quite large, so you must be willing to invest billions of dollars for those kinds of capacities, which some of the players in Korea and China have done that.

Second part that what is Anthem doing to get people on board? Again, we plug away at this, because I think in terms of early development, Anthem is a very, very good partner, and if you have early development at least in biologics, the chances are that you can retain the project because you would know more about it than anybody else, and they would not like to transfer out when all the regulatory work has also been done at Anthem.

Our strategy is a little different, it has to be. We can't go in there, like, Celltrion or Samsung and say will give us the project or even Lonza, a ready-made project because they have the capacity to support it. But all the Indian companies are in the same position. Biosimilars India is already making a dent. In novel molecules also, it is in the same position that we were in small molecules let's say 20, 25 years ago in NCEs, and I think this is a very good place, because now the mental barriers of giving work to India are not there. So, the more we invest, which we are, the more we will see projects come our way.

**Dhawal Khut:**

Got it, sir. This is very helpful commentary. Secondly, just wanted to get the update on the biosimilar asset that we are working on, how's the progress going on? Eventually when things will hit our P&L, we'll put it under the CRDMO category, or will it fall under the specialty ingredient?

**Ajay Bhardwaj:**

That's going really well. That project is well on its way and as you know, there is a process of doing this, it has to be refiled three batches, all that is going on now. Typically, the lead times in approval of another site tends to be one year or so. I think, which will hit our P&L next year. Where will we classify it? I think it will go in CRDMO.

- Dhawal Khut:** Thank you, sir. I have more question; I'll join back the queue.
- Ajay Bhardwaj:** Yes. Thanks, Dhawal.
- Moderator:** The next question comes from the line of Ashish with UTI. Please go ahead.
- Ashish:** Yes, thanks for the opportunity. Sir, if you could also talk about specialty ingredient, what is the kind of order book that we are dealing with right now? Is this segment currently a victim of destocking as we can see in the revenue growth numbers?
- Gawir Baig:** Ashish, with respect to specialty ingredients, the nature of the business is slightly different. We are dealing with products like serratiopeptidase, vitamin, probiotics, enzymes, all these products, that is more catered towards the India and RoW markets. We are also looking at getting these products filed for some of the developed markets as well.
- These are our own products where we are selling to multiple customers. It's slightly different than the CDMO business where we are working with the innovators one-on-one, and where there is dedicated manufacturing, which we do for some of the customers, and we get order books from them and there's a significant large lead time in terms of supplying those molecules. Hence you have order book right at the very beginning of the year for six months down the line.
- Specialty ingredients has been a flow business for us. If you look at specialty ingredients, I just want to add over there, last year, towards the first three quarters of the year was a little bit flat for us, but we have started increasing revenues in specialty ingredients from the fourth quarter onwards. We delivered about 8% growth in the fourth quarter and we would aspire to grow that business also in a similar growth trajectory as what we are looking at growing for our CDMO business. Overall, a 20% growth for specialty ingredients as well.
- We don't have order book sort of a concept in specialty ingredients, because we manufacture and then we try to sell to the customers who are already taking the product across multiple geographies and across multiple product categories.
- Ajay Bhardwaj:** We are very confident. Now, we are also adding in Unit 4 a dedicated facility, this is something, which has been lacking. What has been happening, one reason why the growth tends to be a little patchy there is that when we have the same facilities for specialty ingredients and our NCE business. Sometimes when we get new projects in that area for CRDMO, we tend to give less importance to the specialty ingredients business. So, some of their capacities get cannibalized by our CRDMO business. That's one reason why they're not able to really see the growth, but now we're investing in a separate facility and that will help us a lot in the future.
- Ashish:** Okay. Given that some part of the gross block is actually fungible, how do you maintain margins then? Is there an aspiration, because you have spoken about the revenue growth aspiration, anything on the EBITDA margin side you would like to comment on?

- Gawir Baig:** Our aspiration across all the parameters, whether it is revenue, EBITDA, or PAT, is the same. If we continue to grow our business in a particular growth rate; our costs are also escalating in a similar growth rate. With a little bit of an operating leverage, we'll be able to keep our margins constant and continue to have witness a similar growth trajectory in EBITDA as well as in a PAT term.
- Ashish:** Okay. So, 38% to 40% EBITDA margins is a fair number to assume?
- Gawir Baig:** We've delivered so far, and we'll continue to deliver those numbers going forward as well.
- Ashish:** Okay. Lastly, on headwind side, at least for our business, do you not see any risk emanating from the tariff situation, right?
- Ajay Bhardwaj:** No tariffs is not a problem, because most of the big pharma that we work with already have separate deals with the administration in the US. Secondly, these are very difficult times to predict what will happen as in terms of headwinds. Nobody anticipated a war in in the Middle East.
- There's so many so many things, which are up in the air. In spite of that Anthem has grown and grown really well, and I don't see why we couldn't do that. But these are times where there are inflationary pressures, that we can see it. At the same time, we also know that what will deliver; the goods is our technology platforms, and we believe that we'll be able to maintain both growth and profitability.
- Ashish:** That's very helpful. Thanks, and all the best.
- Moderator:** The next question comes from the line of Saion Mukherjee with Nomura Holdings. Please go ahead.
- Saion Mukherjee:** Yes. Thank you for the follow-up. Just one question, Anthem today is still a very small company, compared to many global peers, and you have a very cohesive unit, high-quality service, which is also reflected in steady growth and also very high profit margins and profitability.
- Now, if we look forward over the next four, five years, even if you grow at 20%, maybe your scale will double or maybe triple, and if you add inorganic, it could become even larger. Your comments do suggest that we are at an inflection point where CRDMO in India is accepted, also Anthem as a company is gaining traction with big pharma. I think the opportunities can come your way at a much faster pace, and that would require you to grow much bigger or much faster than what you have grown in the past. That would also probably present some challenges on execution and profitability.
- Have you envisioned Anthem from a five, seven-year perspective, slightly longer-term aspiration you have, and these levels of profitability, can it sustain because it's already very high compared to anyone else in the industry?

**Ajay Bhardwaj:**

We have envisioned five to seven years of growth. As we said, we're investing such a large amount in Unit 4. By the time that comes in, gets thing and gets filled up, the capacity of Unit 4 is going to be greater than all our units put together. So, yes, there are much bigger players out there, we've also had the fastest growth rate among all our peers. At the end of the day, it is about your growth rather than worrying about what other's size is, right? Somebody can have a bigger company, but we are growing faster than most. That's one thing.

Secondly, we are investing in the future, and if we weren't looking at five years ahead, why would we invest in such a large amount of money.

The third thing about acquisitions and growth within terms of getting into an inorganic growth situation, yes, we are very keen on that and if we get something, which is of right quality and the right geography, we will definitely go for it. There is no doubt about it that we are looking at all possibilities. Our cash situation allows us to be flexible; we can look at these possibilities.

You're your absolute right, our margins are really, really high and just to maintain them would be a yeoman task, but I think we're equal to it, and we believe we can maintain them. But, we really want to grow them as well. We are better than our peers in terms of our growth, in terms of our margins, and we intend to stay there.

**Saion Mukherjee:**

Okay, great. Thank you.

**Moderator:**

Thank you. The next question comes from the line of Amey Chalke with JM Financial Services. Please go ahead.

**Amey Chalke:**

Sure. Thank you for giving me opportunity. I have first question on CRO about how it has done during the year and the quarter, and if we can provide the breakup? Also, along with that, the GMs have gone up over last one year as well as this quarter or the second half, it is consistently above 65%. Is it contributed by the higher CRO mix and what is the outlook over there?

**Gawir Baig:**

Amey, with respect to the gross margins, we had articulated this that for one of the intermediates where we were outsourcing it, we were not completely backward integrated, we became backward integrated during the course of last year, and it started showing in the gross margins with respect to the material margin movement.

That integration is complete. We source the raw material, manufacture the intermediates, manufacture the API and supply to the customer, and we are not reliant on any external source. The backward integration had helped us in terms of improving our material margins, which has moved up over Q3 and Q4 of last year.

Now in terms of the split of revenues, a large portion of our business still comes from commercial molecules. In the course of last year, we had 4 molecules, which went commercial and our commercial pipeline increased to 14. On the on the late-stage side, we had 10 at the beginning of the year. We got four of them moved towards commercial, but we also added a few

more molecules in the late-stage pipeline and now the late-stage pipeline stands at 10 Phase 3 molecules. Along with that, we work on 100 plus programs on the early-stage side.

The development and manufacturing batches what we supply for some of these early-stage, late-stage molecules is roughly about 15% of our revenues. Commercial is about 60% and 14%. R&D is about 8% to 9% of our business, and the balance is specialty ingredients. Specialty ingredients is about 17% of our business. That's the breakdown.

**Amey Chalke:**

Thank you so much. One question I have for Ajay, in CRO; AI companies are also started coming in in the US market. Although, we are fortunately more manufacturing company, but how do you see this AI evolution in the CRDMO space? Do you think that there is any space for this AI coming into the manufacturing side of it, which can be a material advantage on the AI?

**Ajay Bhardwaj:**

Okay, Amey, what we hear is that it will be a big aid in discovery, which is identification of molecules given a particular target. It will do it far faster and better. We also hear that it will give us many more optimized routes of manufacture. So, there AI will definitely play a part, I'm pretty sure of that.

But at the end of the day, somebody has to get into the plant and manufacture, and that's 83% of our business, it's a very high percentage of our business. We feel that we are a little protected, manufacturing still has to be done. But there are areas where it will start to optimize your plants with better use of AI. That'll only help us and that will help us improve our margins, hopefully.

So, I don't have a clear-cut answer to it, but there will be portions of your business, which will benefit from it. I think we'll implement it in depending on case by case as to where we see the maximum benefit and implement AI there. Overall, a company, which has to be AI-ready, it's not a catch-all, but it will solve certain problems better than people can, and I think that's something that we are definitely looking.

**Amey Chalke:**

Sure. Just last question. On GLP-1, when is the commercialization is expected on the generic side of it, and can it be a material segment for us going ahead? Thank you so much.

**Ajay Bhardwaj:**

Well, looking into the future, it will be big contributor, I'm pretty sure of it. At the same time, all our customers are working on their new formulation with our material, so it also depends on when they can get approval and when we can get approval for to launch it. I think it's just sitting there, otherwise we're in a good place. That could happen in six months, it could happen in eight months, but I think we're there.

**Amey Chalke:**

Sure, sir. Thank you so much. I would join back.

**Moderator:**

The next question comes from the line of Dhawal Khut with Jefferies Group. Please go ahead.

**Dhawal Khut:**

Thanks for the follow-up. I just wanted some more color on the Phase 3 molecule pipeline that we have. Two parts to it. On the first part, the recently added four molecules, how many are lateral entry for us versus molecules coming from Phase 2 and graduating to Phase 3?

Secondly, can you divide this entire basket of 10 molecules big pharma versus biotech as of now, and what would be the modalities of this entire basket of 10 molecules?

**Gawir Baig:** In terms of the additions, which have happened in Phase 3, all of them are non-lateral. These are molecules where we were working with them on early Phase 2, and they have moved to Phase 3. All of them are emerging biotech. It has come from our entire biotech funnel where we work right from discovery, development, supplying them the small quantities, and then as the quantities progress and as the product moves from Phase 1 to Phase 2, have moved to Phase 3.

It's a good mix of molecules, which are on ADC side. We have some molecules where we also do biotransformation and that has also moved on Phase 3. So, I won't say that, it's more dominated towards a one particular therapeutic category or one particular technology category. It's a good mix across all the spectrum of ADC, peptides, or oligos, etcetera, work what we do and everything is coming from the emerging biotech customer.

**Dhawal Khut:** Okay. So, this basket of 10 is a mix across different technologies that you have. Is that the fair understanding, right? At least you have one molecule in each of them.

**Gawir Baig:** Yes, correct.

**Dhawal Khut:** Lastly, is US pharma tariff creating any challenges in terms of business development, especially with the US customers, or you think the customers are also taking it with a bit of a pinch of salt, because there's lot of to and fro, the clarity is not there, and they are planning for long-term?

**Gawir Baig:** No, it hasn't had any impact on us. If you look at the nature of our business, most of our commercial products are with the big pharma, and they have entered into separate arrangements with respect to the tariff part with the administration.

The early-stage biotech cluster for us is still in the early development or in the late development stage, so they are still in the drug candidate category for us. At least till now, we haven't had any impact with respect to the tariff announcement.

**Ajay Bhardwaj:** Your point is good point; I think the biotech's are taking this with equanimity. As you yourself said, there's so much back and forth, nobody's very clear what the intent is. It seems to be the intent is very undefined and in the long run, it doesn't really matter. That's how people have taken this view now that. India and America are on the same side. So, I think everybody's okay with it.

**Dhawal Khut:** Got it, sir. This is very helpful commentary. All the very best. Thank you.

**Moderator:** Thank you. Ladies and gentlemen, in the interest of time, we will take the last question from Udit Bokaria with Catamaran. Please go ahead.

**Udit Bokaria:** Thanks for the opportunity. Just wanted to understand a few of the commercial molecules, which we were working with biotech companies were acquired by large pharma. You had mentioned in the past that they are yet to be launched commercially by the big pharma, because they were

still doing some assessment, right. So, when do we expect that to be launched? That's the first question. Secondly, if you can share what your US biotech partner is talking about now, biotech funding environment, and are you seeing increase in the inquiries?

**Gawir Baig:**

I'll take on the biotech funding side. Biotech funding has been recovering, and I think till about April, the four months, it's gone up by about 50-odd percent YoY. So, there's a recovery, which has happened on the biotech funding side, and we are also seeing that with respect to the requests, which is coming in on the early-stage development projects. While the projects are smaller in size, but the number of requests, which is coming in is increasing. Biotech funding is not a side of concern for us.

Now with respect to the commercial molecule questions, which you had asked for, last four molecules, which went from our Phase 3 pipeline to commercial last year, one of them was with a big pharma. The rest three were with the emerging biotech customer, and they have launched the product in the market. Maybe towards the end of the year, some maybe towards the middle of the year. So, it's launched, but the ramp-up will take some time. They are still in the early phase of their launch in the market.

**Udit Bokaria:**

How should one read from the customer indication when can we expect the ramp-up happening for these products?

**Gawir Baig:**

It takes two to three years to build to have the ramp-up, because, we might have mentioned the peak sales estimates for the four commercial molecules, which went commercial last year, but that peak sales estimate is typically from the analysts are four to five years from the launch date.

So, it will take some time to launch because they will be looking at launching those molecules in one geography, then they are looking at filing, doing registrations in other geographies and launching it. With respect to registrations also, it will take some time. It will be two to three years for the molecules to see that ramp-up happen on the overall sales.

**Udit Bokaria:**

The current contribution from these four molecules would be less than 5% or meaningless, is that the fair understanding?

**Gawir Baig:**

Not really, because they have launched it in the market, they had taken launch quantities from us. Ballpark, the current contribution from these four molecules will be in the range of closer to about 8% to 9% of our revenues. So, when I talked about commercial molecules being about 60% of our revenues, 8 odd percentage ballpark will be from these new molecules, which had been launched. 8% to 9%.

**Ajay Bhardwaj:**

There's a lot of headroom to grow.

**Udit Bokaria:**

Understood. Just back on the biotech funding part, in terms of our capacity to handle number of projects, currently we are doing 100 projects, so how should we think what is the peak capacity of inquiries that we can handle, and how are we ramping that up?

**Ajay Bhardwaj:** As you said, we have invested in Neo Anthem, our Unit 3, which is where we've put in a lot of labs, so we can handle many more projects. But I must also tell you, these projects come in different slices, right? It is not that these are everything comes at one go. So, there'll be, out of these 100 projects, some would be at the early stage of just development of the chemistry, some would be at a stage of optimizing that chemistry, and then another would be how we can get a commercial optimization of the of the process.

When there are so many aspects to it, it is not that we have different teams to address that. At any given time, we can handle a lot of projects. It's not that we are constrained by that. But you're right, you need more and more labs, and that's what we built in Unit 3. So, if the projects go to 200, we'll be fine. We'll be able to handle that.

**Moderator:** Thank you. Ladies and gentlemen, that brings us to the end of the question-and-answer session. I would now like to hand the conference over to the management for the closing remarks.

**Ajay Bhardwaj:** Okay. First of all, thank you everyone for attending this. As we have said, our aspiration is to be the most admired, the most agile, and the one CRDMO that follows the best practices around the world. Our customers have shown their trust in us by being very sticky. We have very long-term relationships with most of our customers, which is yielding us very good results. Going forward, I expect that to remain and we are very confident about the future and in the investments that we have made.

Unit 3 is already turning around and it's going to be in the positive territory this year. Unit 4 will be ready by the next financial year. We are in a very good place to become the leading CRDMO out of our country and after that the sky is the limit.

Thank you for your confidence in us and we will work very hard to honour that confidence. Thank you very much.

**Gawir Baig:** Thank you, everyone.

**Moderator:** Thank you, sir. Ladies and gentlemen, on behalf of Anthem Biosciences Limited, that concludes this conference call. Thank you for joining us, and you may now disconnect your lines.

*This Transcript has been slightly edited at few places for clarity and accuracy and may contain transcription errors. The Company or the sender takes no responsibility for such errors, although an effort has been made to ensure a high level of accuracy.*