SUPRIYA LIFESCIENCE LTD.
Creating true values that bind global health

June 02, 2026

To,

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400 001
Scrip Code: 543434

National Stock Exchange of India Limited
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex
Bandra (E), Mumbai - 400 051
NSE Symbol: SUPRIYA

Dear Sir/Madam,

Subject: Transcript of the Earnings Call for the quarter and year ended March 31, 2026.

Further to our Letters dated May 23, 2026, May 27, 2026 and May 28, 2026, we would like to inform you that the Transcript of the Earnings Call held on May 28, 2026 with respect to Audited Financial Results of the Company for the quarter and year ended March 31, 2026 is available on the Company's website at:
https://www.supriyalifescience.com/ir-financial.php.

Kindly take the information on record.

Thanking you,

For Supriya Lifescience Limited
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Digitally signed by Prachi Suhas Sathe
Date: 2026.06.02 16:03:23 +05'30'
Prachi Sathe
Company Secretary & Compliance Officer

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SUPRIYA LIFESCIENCE LTD.

“Supriya Lifescience Limited

Q4 FY26 Earnings Conference Call”

May 28, 2026

SUPRIYA LIFESCIENCE LTD.

CHORUS CALL

MANAGEMENT: **DR. SATISH WAGH – EXECUTIVE CHAIRMAN AND WHOLE-TIME DIRECTOR – SUPRIYA LIFESCIENCE LIMITED**
DR. SALONI WAGH – MANAGING DIRECTOR – SUPRIYA LIFESCIENCE LIMITED
MR. KRISHNA RAGHUNATHAN – CHIEF FINANCIAL OFFICER – SUPRIYA LIFESCIENCE LIMITED

MODERATOR: **MS. SNEHA SALIAN – EY INVESTOR RELATIONS**

Moderator: Ladies and gentlemen, good day, and welcome to the Supriya Lifescience Limited Q4 FY26 Earnings Conference Call. As a reminder, all participant lines will remain in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing star then zero on your touch-tone telephone. Please note that this conference is being recorded.

I will now hand the conference over to Ms. Sneha Salian from EY IR for opening remarks. Thank you, and over to you.

Sneha Salian: Thank you, Ryan. A warm welcome to all the participants to the Supriya Lifescience Limited Q4 FY26 Earnings Conference Call. The investor presentation and the financial results are available on the company website and on the stock exchanges.

Please note anything said on this call, which reflects our outlook for the future, or which can be construed as a forward-looking statement must be viewed in conjunction with the risks that the company faces. This conference call is being recorded and the transcript along with the audio of the same will be made available on the website of the company as well as on the exchanges.

Please also note that the audio of the conference call is the copyright material of Supriya Lifescience Limited and it cannot be copied, rebroadcasted and/or attributed in the press or media without specific and written consent of the company.

To give you a brief business update and to take you through the results from the management team, we have Dr. Satish Wagh, Executive Chairman and Whole-Time Director; Dr. Saloni Wagh, Managing Director; and Mr. Krishna Raghunathan, Chief Financial Officer.

I would now request Dr. Satish Wagh to provide you with a brief update on the quarter. Over to you, sir.

Satish Wagh: Good morning, and a warm welcome to all the participants. Thank you for joining us as we discuss the Q4 FY26 performance of Supriya Lifescience Limited. I hope you have had the opportunity to review our results and investor presentation, both of which are available on the exchange and the company website.

Before we get into the performance details, I'm pleased to announce a significant regulatory milestone for Supriya Lifescience. Our Lote facility had received the USFDA's Establishment Inspection Report, EIR, with a Voluntary Action Indicated classification following the surprise inspection conducted in February 2026.

The inspection resulted in only one minor observation, which was proactively addressed underscoring the strength and our compliance culture, robust quality system and adherence to cGMP standards. This achievement reinforces our creditability with global regulators and marks an important step in sustaining our growth in regulated markets.

On that note, let me talk you through our full year performance. I am glad to share another achievement. We achieved our FY '26 revenue target. Despite the challenging quarter, we remain

focused on executing our strategic priorities and are delighted to report our highest ever revenue and EBITDA performance for the year with a record quarterly revenue achieved in Q4 FY26 of INR277 crores.

During Q4, industry-wide headwinds arose from geopolitical challenges, including supply chain disruptions, elevated crude and solvent prices and intermittent shortages, which impacted our Q4 FY26 revenue by INR10 crores. However, despite that, we have delivered resilient performance.

Financial year '26 revenue grew to 18.9% year-on-year to INR828 crores, in line with our guided growth of ~20%, while EBITDA stood at INR294 crores with a robust margin of 35.5%. This performance was driven by the favorable product mix expanding global demand and disciplined cost management.

Export segment, a key growth driver contributing 82% of the financial year revenues. Europe delivered healthy growth with a 40% share during the year. Backward integration initiatives, which also progressed in financial year '26 at 76%, strengthening cost efficiency and supporting sustainable growth.

Coming to our new product launches. For financial year '26, we introduced a key cardiovascular product during Q3 '26, which began contributing to Q4 '26. This product has started the scale and expected to pick up higher momentum going forward. We also launched our ADHD product, which has seen strong demand for LATAM and Europe, with a further growth anticipated over the coming quarters.

Additionally, our liquid anaesthetic product was commercialized during the year and has been supported by steady month supplies. Finally, on the contrast media, while developing the product, we identified the opportunities for further enhancement which can enhance our economics on the product. Hence, we have decided to continue with the development. It is expected to be launching H2 financial year '27.

For financial year '27, we plan to further strengthen our anesthetics and ADHD portfolios with ~2 new launch in each segment aimed at enhancing pipeline depth and supporting broader market penetration, along with the sustained growth. We will provide more details about these products in coming quarters.

We are also glad to share that we have secured all clearances for the Patalganga land, with phased development to begin with Phase 1 groundbreaking in financial year '27. We iterate our guidance of approximately 20% annual growth revenue and EBITDA margin, 33% to 35%.

Our trajectory towards the INR1,000 crores revenue milestone by financial year '27 remains firmly on track, underpinned by a robust pipeline. Planned launches of 3 to 4 products annually and sustained demand across core therapeutic segments, including anesthetics, antibiotics, anti-anxiety, vitamins and ADHD.

However, the growth won't be linear across the quarter as we have scheduled our annual maintenance shutdown in August for our older blocks A&D. Nevertheless, we remain highly

confident and well positioned to achieve the INR1,000 crores revenue target by financial year '27 as demonstrated in financial year '26.

Going forward, our focus remains on expanding the regulated market; while strengthening our competitive edge through backward integration, regulatory expertise and broad portfolio supported by growing customer traction and disciplined execution, we are well positioned to capture long-term growth opportunities and deliver consistent value.

With that, I'm now inviting our CFO, Mr. Krishna Raghunathan, to take you through the detailed financial performance of Q4 and financial year '26. Thank you.

Krishna Raghunathan: Thank you, sir. Good morning, everyone. Let me take you all through the operational highlights of the quarter and year-end, following which we will open the floor for question and answers.

For Q4 FY26, the company reported revenue from operations of INR277 crores as against INR184 crores in Q4 FY25, a growth of 50% year-on-year. EBITDA for the quarter stood at INR98 crores as against INR68 crores in Q4 FY25, a growth of 44% year-on-year and EBITDA margin stood at 35.5% for Q4 FY26. PAT stood at INR74 crores as against INR50 crores in Q4 FY25. PAT margin stood at 26.8% for Q4 FY26.

For FY26, revenue stood at INR828 crores as against INR696 crores in FY25, a growth of 19% year-on-year, broadly in line of our guided numbers. EBITDA stood at INR294 crores as against INR261 crores in FY25, a growth of 13% year-on-year. EBITDA margins were at 35.5% for FY26, surpassing our guided range of 33% to 35%. PAT stood at INR209 crores. PAT margins were at 25.3% for FY26.

Our capex for FY26 at INR152 crores, largely driven by spend on Ambernath facility along with maintenance capex and smaller projects, including the Ribo Block and formulation plant requirements.

On the Patalganga land, as our Chairman has updated, we have received all necessary clearances and will be developing the facility in phases. The project will include two API/advanced intermediate blocks and two formulation blocks. The total capex earmarked for this facility is around INR200 crores for Phase 1.

On borrowings, we would like to report that for the full year, we have not utilized any working capital limits, except for letters of credits and bank guarantees.

With that, we can open the floor for question and answers. Thank you.

Moderator: Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. We take the first question from the line of Rachna Kukreja from SIMPL. Please go ahead.

Rachna Kukreja: Good morning. Thank you for the opportunity and congrats team on a good set of numbers. I have a few questions. For FY26, top therapeutic areas have contributed around 91% to our revenues. So this means that other therapeutic areas have contributed around 9% in FY26 versus 7%. That comes to around INR75 crores in FY26 versus INR50 crores in FY25. So if you could

please provide some color or list down on which are the other therapies contributed here? And is this likely a one-time event?

Saloni Wagh: So we have actively introduced a lot of products in the anesthetic therapeutic category last year. And we have also introduced in cardiovascular and other advanced intermediate, because the anesthetic portfolio now has 6, 7 products and they are our fast-growing products across regulated markets, you feel that they are the larger contributors.

Having said that, other than anesthesia, antihistamines are fairly stable. Vitamins, we have actually seen a very good growth because also the DSM volumes have now stabilized. And for a lot of other vitamins like B12 and all, we are getting good traction.

And other than this, the other therapies like anti-hypertensive are also seeing good traction. So it is not like that that the larger contribution is coming from the top therapeutic categories or only a few selected products. The range in those products is also growing for us.

Rachna Kukreja: Second, apart from key therapeutic categories, other than mentioned in the presentation, and as you said, what would be other categories where we are seeing growth?

Saloni Wagh: So these are mainly smaller therapeutic categories like anti-allergic where we had some products, but as a strategy, we are not aggressively venturing into non-regulated market because we are a very margin-focused company. So our goal is always to tap more regulated markets. So their contribution will always remain to the lower end. But yes, anti-allergic are there, like I mentioned, antihypertensive is there, which is not shown in the presentation. So these are 2, 3 categories where we are seeing decent growth. But as a strategy, we are only focusing more on the regulated markets.

Satish Wagh: See, I would like to add something on it. Ma'am, you should see first the portfolio of all the products. We are focused on China. So whatever products are not getting from India, those products are focused on the therapeutic category. So whatever products we add, they are having a future growth for the next 3 years, which we will visualize and we put. This is some information for your additional knowledge.

Rachna Kukreja: Second question is growth has been across markets, but overall, Asia and Europe have grown very strongly. So again, if you could provide some color on what has driven growth in these markets?

Saloni Wagh: So we have always maintained that regulated markets are our focus areas. And Europe has always been a large revenue contributor for us. The main growth in Europe has come because we have actively got CEP approvals for two, three products. So there is some traction we are already noticing that the existing products where we already have CEP, we were able to acquire new customers. So that's one of the main reasons why the Europe market has grown.

In Asia, whenever we launch any new product, the first penetration happens in domestic market as well as the Asian market because the regulatory barrier for these markets is lower and they are semi-regulated. So all the new products that we launched, the 3 products last year, where we

have seen good traction in Asia and semi-regulated markets. That's why the contribution of these 2 markets has grown in this year.

Moderator: We take the next question from the line of Sajal Kapoor from Antifragile Thinking. Please go ahead.

Sajal Kapoor: Yes. Thanks for the opportunity. I'm trying to understand the business over a medium- to long-term horizon. So my questions are probably a little different from what you normally get asked. So two questions to begin with. Reflecting on the last decade, what problem is Supriya now capable of taking on that would have seemed out of reach perhaps 10 years ago? And how has your R&D approach had to evolve to make that possible? That's my first question.

Saloni Wagh: So the first thing is on the regulatory part of it. I think now we are more capable of handling regulatory expectations. And the best example for that is the USFDA approval that we got in the last quarter. It was a complete surprise inspection where the auditors just walked into our facility with no prior intimation. And we were able to clear that surprise audit of 7 days across 7 manufacturing blocks with only 1 minor observation.

So I think definitely because of the better infrastructure and the capacities that we have built in the last 3, 4 years, regulatory has been a positive takeaway for us in that. And on the R&D, of course, the R&D approach has also changed for us in the last 5, 6 years.

Previously, the R&D was only focused on life cycle management. And the spend on R&D was also significantly low, but in the last 3 years, we have set up a new R&D facility at Lote, plus a new R&D facility at Ambernath. So our spend has also doubled.

And with now our R&D-focused approach, we have been able to successfully launch 3 to 4 new products every year. So I think these 2 things have definitely been very different from what we have seen in the last 1 decade.

Sajal Kapoor: Yes, that's helpful. And second is as the business continues to scale after expanding across products, capacities and geographies almost simultaneously, what becomes the dominant priority between capital allocation, managing complexity or improving utilization of current capex, growth capex like Ambernath and other newer sites. What is more important today?

Saloni Wagh: So I think today, the most important thing for us is further capacity building and now a lot of funds would be allocated towards that. Like our Chairman mentioned that we already got the clearances for Patalganga. And because we can see a very good growth in our existing set of products plus the new launches, which will come up in the next couple of quarters. We need to be prepared for when these products scale.

So a large portion of the capex would be put up for Patalganga to the tune of about INR200 crores in the next 2 years for further capacity building. Plus CMO, CDMO, we are seeing good traction. There are a lot of the larger companies want to tie up with us for a lot of APIs and basket kind of products. So we need to put up capacity for taking care of that growth as well. So I think a lot would be focused on capacity enhancement.

Moderator: We take the next question from the line of Sanjay Kumar from ithought PMS. Please go ahead.

Sanjay Kumar: Thanks for the opportunity. So, first question on the cardiovascular product. I think we had previously indicated that we have 1,000-ton capacity, of which 300 tons you are in advanced discussions. So have we converted that to a final order? If yes, can these 300 tons be fully utilized in FY27? Also, can you talk about the regulatory aspects of this particular intermediate? Because if I'm right, I think there is a PLI for this product, which was won by another competitor.

Saloni Wagh: So we have seen very good scale-up of this advanced intermediate in quarter 4. Already, we have started seeing revenue contribution and the 300 metric ton, I think will come very close to that number in FY27, looking at the current order book that we have. So that product is scaling up really well.

From the regulatory perspective, we have not enrolled ourselves into any PLI scheme. And as a policy and our Chairman's thought process, we don't intend to do that. We are focusing more on getting the customer traction and getting the larger customers to qualify us and make us a part of their dossier, which has already started happening. So we have been able to lock in contracts with three, four very large users, who will take care of the 300 metric ton capacity.

Sanjay Kumar: And the cost for this will roughly be around $100 per kg?

Saloni Wagh: So, any product-specific prices and costing cannot be discussed in this forum.

Sanjay Kumar: Okay. Second question on the anesthetic. Have we signed a CMO customer for the liquid anesthetic or the sevoflurane formulation? And what is the contract structure for this product? And if you can talk about the capacity and the revenue potential in FY27?

Saloni Wagh: So we have 1,000 metric ton plus capacity, which is built in the current facility. And the CMO discussion is at an advanced stage, but we'll not be able to divulge any more information on that unless a firm term sheet is signed. So the revenue contribution and all we'll be able to tell only in the coming few quarters once everything is finalized.

Satish Wagh: I want to add one more piece. First thing, I think you people must understand we are China plus one. So if China is saving a product and India does not have any manufacturer, what do you think the product should be manufactured or product has a future? What is your suggestion on that?

Sanjay Kumar: Definitely, sir, there is a future we have.

Satish Wagh: So having an experience in the manufacturing facility for almost more than 47 years. So we do have an understanding that we will do the best. And China plus one we will fight continuously because we don't want to fight in India with other manufacturers. Otherwise, it will be EBITDA of 7% in the future. I'm sure you understand.

Sanjay Kumar: Definitely. Yes, sir. Got it.

Moderator: We take the next question from the line of Krisha Kansara from Molecule Ventures. Please go ahead.

Krisha Kansara: So, firstly, congratulations on a good set of numbers. My first question is on the F block at our Lote Parshuram plant, which was mentioned in your presentation. So how much capacity are you planning to add with this new block? And what kind of capex are we envisaging for the same?

Saloni Wagh: So we are planning to add about 150 to 200 KL further the capacity and this will come up in the next 2 years' time. We are expecting about INR40 crores to INR50 crores of capex dedicated for the F block.

Krisha Kansara: And secondly, on the growth drivers. So we do our revenue to be INR80 crores in this quarter, which is a very impressive growth. So, my question is, by any chance, was there any contribution from the CDMO segment, because we were expecting some kind of revenue from our DSM contract in this quarter? Or was this entirely driven by the API segment, given that we launched two new APIs in the last quarter?

Saloni Wagh: So it's a combination of our new launches. Plus, of course, the DSM contract is now stabilized, and we are doing volumes of about 3 tons a month. So DSM actually has contributed to the tune of INR30 crores, INR35 crores in the last financial year. And the peak that we expect is about INR60 crores, which we'll be able to see in FY27.

So the growth is mainly coming from the DSM contract coming or reaching this stable condition, plus the new launches, the new product that we launched, the cardiovascular advanced intermediate as well as the anesthetic API, they have also contributed to the last quarter.

Plus, the growth in the existing basket is also there. So, all our existing APIs across different therapies, we are seeing good traction in regulated markets like Europe and LATAM. So their demands have also gone up. So, I would say it's a combination of all three.

Moderator: We take the next question from the line of Abhishek from Padmaja Investments. Please go ahead.

Abhishek: My first question is regarding USA market. Like what are the constraints? Like, why are we not able to scale despite having USFDA regulation and all? It's like 1% above market in the Q4 FY26 number, if you see. We are even filing DMS too. Like, where is the gap?

Saloni Wagh: So the current portfolio that we have, the larger market is in Europe and LATAM because most of the finished formulators are based across the geography. So the current portfolio inherently does not have a very large market in the U.S.

But some of the new products that we are launching, case in point, the anesthetic that we launched last year, plus the ADHD drug and some of the new products that we will launch in the next financial year, they will have a larger market in the U.S. So you will see in the next 3, 4 years, the exposure to U.S. market will grow. But having said that, Europe and LATAM would still be the larger market for us.

Abhishek: And second question is on the protein. Like, the advent of this weight loss drugs, protein consumption has significantly increased, right? So, like, where are we on this? Like, do we have

any firm orders in place? Like, I do remember you saying that there are a few inquiries from Southeast Asian countries in the past con call. Like, can we expect a jump in FY27?

Saloni Wagh: No. So we have said this in the last couple of earnings calls as well that this particular technology is a very new technology in the protein market and especially for the Indian market, it's first of its kind. So a lot of research is happening with the larger end users. They have already bought smaller quantity samples from us, and they are developing their products, the finish formulations with those samples.

So this will not be like an immediate turnaround for us. I think it would still take some time. I'm not seeing any large revenue that can come in FY27. But we will, of course, keep updating as and when we have some development on that.

Moderator: We take the next question from the line of Rupesh Tatiya from LongEquity Partners. Please go ahead.

Rupesh Tatiya: Thank you for the opportunity. My first question is, sir, on this cardiovascular intermediate. I mean you were saying that you have order book, which will utilize, let's say, 300 metric ton of capacity.

And then if I were to tie that back with your revenue growth guidance, where you're saying you will go from INR830-odd crores to INR1,000 crores. But this single product itself will give us that kind of growth is my understanding. So are you expecting some degrowth in your core portfolio? I mean, the two things don't add up, just this one product and the revenue growth guidance.

Saloni Wagh: So the 300 metric ton what we indicated will not come fully in FY27. I said we get to maximum utilization in FY27, but the entire number to come will happen over the next 2 to 3 years' time. So that's the reason why we are not guiding the full potential revenue in FY27 for that product.

And there is no degrowth in any of the therapeutic categories or our product basket. They are all growing, but because regulated markets have been a focused area for us regulatory approval takes time. So the growth will also come eventually. It will not come in 1 years' time, although there is potential for the product.

Rupesh Tatiya: So, 100, 150 metric ton, is that a fair number for the model?

Satish Wagh: Sir, in terms of quantity, we cannot discuss on this forum, please.

Rupesh Tatiya: And the second question is how do you see liquid anesthetic product ramp-up in FY27? And the linked question to that is, where are we on the European approval for the formulation facility? I thought we should have already had a visit by now, maybe some sort of approval, but the whole thing looks delayed.

Saloni Wagh: So no, we have not been able to get the audit dates from the auditors. But we have some indication from them that the audit would be scheduled in H2 of FY27. Before that, there was

no availability of the auditors, but we are expecting it to happen in H2 FY27. And it's typically around October or November, the day we have earlier.

Rupesh Tatiya: So, without the approval, how do you see the ramp-up of liquid anesthetic products in FY27?

Saloni Wagh: So, in FY27, as far as the finished formulation liquid anesthetic ramp-up is there, we'll not see much revenue contribution. The liquid anesthetic contribution will only come from the API from the Lote side because it will take us 3 to 4 years to get the ramp-up in the finished formulation facility.

Satish Wagh: I will add some more things on this. See, for selling the product, you don't need a European agency to come here because we already have WHO and COPP in existence. For selling that product, currently, even in U.S., our (inaudible) (00:31:15), we have already filed the CEP. So selling is not a big issue because this is, again, China plus one.

Moderator: We take the next question from the line of Darshil Jhaveri from Crown Capital. Please go ahead.

Darshil Jhaveri: So basically, Q4, we've done a really great growth. And usually, we don't have that much seasonality in Q4, Q3. So, can we expect Q4 run rate of INR270 crores to be maintained over the period of time? So, what do you feel about that?

Saloni Wagh: So no, I mean we'll not be able to give any quarter-on-quarter guidance of the run rate. Like we have said that in FY27, we'll be able to achieve the INR1,000 crores. So, all quarters might not be linear growth, because like our Chairman said already that in the quarter 2, we are expecting some shutdown and some refurbishing activities. So that run rate maintenance will not happen. But we'll be able to achieve the INR1,000 crores guidance that we have given.

Darshil Jhaveri: And with capacity utilization, I think we are around 76%. So, by this year end, we will be completely utilized, right? And the new facilities that we are going to commensurate that would be in FY28, right? Is that a fair understanding what would be the potential from them if you would quantify in FY28?

Saloni Wagh: So, we are doing a lot of debottlenecking activities, and that's one of the reasons why we are taking the shutdown in quarter 2. So, all the debottlenecking across different blocks, plus we are also planning to put up F block, and there is an extension that will come to the D block.

So, all these put together will give us an additional capacity of 150 to 200 KL, which will be utilized over the period of 2 to 3 years. So, we'll not be able to quantify at this point how much of an additional revenue that would give, but we are building that capacity to take care of the growth that we are seeing in the existing APIs plus the new launch products.

Darshil Jhaveri: And just last question from my end. It's a bookkeeping question. Q4 for the tax rate was relatively low. So, what is our effective tax rate for like the next year? Could we quantify that?

Krishna Raghunathan: I think the average will be somewhere between 24 to 25.17%, that would be the rate you will be landing to. And Q4 is a basically full year minus 3 quarters, that is how the Q4 numbers are derived. So, for full year, you can expect somewhere around say 25.17%.

Moderator: We take the next question from the line of Adityapal from MSA Capital Partners.

Aditya: Great set of performance. Q4 was really, really good. And as you had commented last quarter that this quarter is really going to be good as per your commentary it came in. Just wanted to understand on the gross margins. So, we saw a bit of hit on gross margin. Is it largely because of the scale-up of cardiovascular intermediate? Or is it because of some raw material prices that we are seeing?

Saloni Wagh: So, as you know, that we never guide on gross margin. So, I'll not be able to comment anything.

Aditya: I just want your commentary that what happened this quarter versus the 3 quarters that went into FY26? No guidance, just commentary.

Saloni Wagh: So no, I mean, we don't talk on gross margins, we'll not be able to speak on gross margins. If you have a question around the EBITDA margin, yes, there I can explain a little bit that the expenses of Ambernath have started for us, which is a very large number and the revenue from Ambernath has still not started.

So that is one of the reasons why although the EBITDA has grown in absolute terms in terms of percentage, it looks slightly lower than the last financial year only because the expense part of Ambernath has now started.

Aditya: And when are we expecting one, the Riboflavin of DSM contract, to start to scale up because that is largely Lote Parshuram event and the other is Ambernath. When can Ambernath become a revenue event for us?

Saloni Wagh: The DSM I already commented just a while back that already we have done around INR30 crores, INR35 crores of revenue last year from DSM and INR60 crores is the peak. I think we'll come very close to that number in FY27. Ambernath, we have started some revenue generation but very small. I think the full effect of Ambernath revenue contribution will still take about 2 to 3 years. But in FY27, you can see some revenue contribution from Ambernath mainly coming in from the semi-regulated markets.

Moderator: We take the next question from the line of Kiran from Table Tree Capital.

Kiran: First question, just from a regulatory clarity perspective in Ambernath usage, so we have USFDA, EIR and EU-GMP for the Lote facility. Ambernath EU is scheduled in H2 FY27 and USFDA, we don't know yet. Is that the right understanding? And when will Ambernath start contributing to revenues? Is it FY28?

Saloni Wagh: So, in FY27, Ambernath will contribute to revenue. But the full effect of Ambernath will at least take 3 to 4 years. As far as the FDA is concerned, yes, like rightly said, the EU audit is scheduled for H2 FY27, but we still have not got the dates for USFDA audit. We are following up with them. However, due to unavailability of auditors, we are not able to get a data as of now. But the Lote facility has all the approvals, including USFDA, which has happened in the last quarter.

Kiran: The second question, we were supposed to launch a media product in Q4. What is the status and scale-up? And two, on our main products, are we seeing any pricing pressures in the European or the U.S. market? If you could just answer these two, that would be great.

Saloni Wagh: So, like our Chairman explained in his opening speech in contrast media, we have identified that the technology needs to be further strengthened, and we see an opportunity for that because we are a very margin-focused company. We need to get the best process in line and the most cost-efficient one. So, a lot of work is happening on that in the R&D. We are expecting to now launch this product in H2 FY27 in the coming few quarters as soon as we have some clarity, we can let you know the launch date. But as of now, it's scheduled to be in H2 FY27.

Kiran: Got it. Pricing pressure on the main product?

Saloni Wagh: Pricing pressure, as of now, we are not seeing much because we have a very agile way of working and a lot of the price increases that we were seeing in Solvents because of the increase in the crude prices, we were able to pass them on to our customers, because we work with customers on a purchase order basis. So whatever little increase we have seen in raw material prices, we have been able to pass on to the customers, and they have also accepted that. So, we are not seeing much pressure in terms of pricing on the final API.

Moderator: We take the next question from the line of Dheeraj Kumar Reddy from Alpha Square. Please go ahead.

Dheeraj Kumar Reddy: The first one being like in the previous participant's question, you mentioned about your R&D budgets being like almost doubled or like even they went beyond over the last decade. What are the areas currently we are investing into? And also, maybe if you can touch upon like beyond FY28, what are the kind of growth areas today that the company is focusing on? I know that like for the next 2 years, I think the growth is almost sorted, but what is beyond FY28 or FY29?

Saloni Wagh: So in regard to R&D, we have actually set up 2 new R&D labs. One we set up at Lote about 2 years back, and we have also set up one in Ambernath last year. The main focus of R&D is in 3 different areas. One is addition of new APIs to the portfolio every year from newer therapies. And we are always focusing on like our Chairman said niche molecules where we are able to bank on the China plus one strategy.

Other than this, R&D is also focusing on CMO, CDMO CRO areas, where we are looking at larger tie-ups with the larger multinationals or innovators. So that's one area that we are working on. And then there is also formulations R&D at Ambernath, which is focusing on finished formulations. Mainly, we are focusing again there on niche areas like liquid and aesthetics and injectables. So, these are the 3 different areas where R&D is currently focusing and that's why the R&D budget has also doubled.

We expect this to grow in the next couple of years with increasing investments in R&D across these 3 different areas. As far as the growth in the next 3 to 4 years is concerned, we have already said that we'll grow 20% plus year-on-year. So, I think that kind of trend, we would continue. When Ambernath is fully commercialized and with Patalganga coming in, the growth can be accelerated, but that we'll be able to comment in the coming few quarters.

Dheeraj Kumar Reddy: Now my next question is if everything comes online, Ambernath and Patalganga, what is the maximum potential for the company? I mean in terms of revenue and in terms of like overall margin structures because obviously, by then our expenses also would have been much more, there could be some operating leverage also which will kick in. Do you see like this 35%, 36% today, what we are doing can actually go to 38%, 39% because cost being like much more accretive to the overall business?

Saloni Wagh: Like I said, the larger guidance on FY28 and the next couple of years, we'll only be able to give in the coming few quarters because we still have not reached the full revenue potential of Ambernath, the regulatory approvals have not yet come in. So, once I think all those things are there, we'll be able to guide on the further numbers.

Dheeraj Kumar Reddy: No I'm just trying to understand what is the peak revenue potential if Ambernath and Patalganga goes online and what is the peak overall?

Saloni Wagh: It completely depends on the product mix for us. And we are still not in that stage where we have finalized the new product pipeline for Patalganga. So, it completely depends on the product mix and the kind of CMO, CDMO opportunities that we get because Ambernath is a mainly CMO, CDMO focused finished formulation facility. It completely depends on that.

And as of now, we have a lot of discussions ongoing. But up and until nothing is signed and the term sheets are not there, we'll not be able to guide on the full potential numbers. But we will come to that in the coming few quarters once we have full clarity on the CMO, CDMO opportunities.

Dheeraj Kumar Reddy: On the EBITDA margin?

Saloni Wagh: The EBITDA margin, 33% to 35% is something that we would like to continue guiding because whenever we launch any new products may it be on the API side or the finished formulation side, the first scale-up always happens in semi-regulated markets where the prices that you get are not as high as the regulated market. And then it takes 2 to 3 years for the product to mature into regulated markets.

And because now we are actively every year, adding 3 to 4 new molecules in our basket, plus new products on the finished formulations also. There will always be some products in semi-regulated markets, and some in regulated. And because the cycle will continue for us in the next 5 to 6 years, the margin would be around 33% to 35%.

Moderator: We take the next question from the line of Deepankar Bisht from CCV Investment Managers. Please go ahead.

Deepankar Bisht: Thanks for the opportunity. So, my question was, in the presentation, it is mentioned that GLP-1 product development this is mainly Indian generic company. So, is this a signed agreement or is it still in discussion?

Saloni Wagh: It's still in discussion phase, but it is at a very advanced discussion phase, but we still have not signed the agreement.

Deepankar Bisht: So, by when can we expect the revenue from this segment?

Saloni Wagh: So, revenue will take at least 2 years because the development has also not started. We are still in discussion with them. And as for their expectation, some development work has started, but I think it will still take 2 years minimum for some revenue to start coming in from this.

Deepankar Bisht: And next question was that net working capital days was 170 days in FY26 compared to 158 days in FY25. And I believe it was 124 days in FY24. So, what reversed this improvement? And what sort of working capital target for FY27?

Krishna Raghunathan: We are looking at around 170 to 180 days going forward. So what is happening is as the business has grown, debtors' days had increased because the last 2 months and because of the debtor days, see what do you call the working capital days, also has gone up. We would be trying to hit somewhere between 170 to 180 days moving forward because now the Ambernath will also be coming into the picture. We believe that somewhere around 170 to 180 days, I think, should be a stable state number.

Deepankar Bisht: And sir, for this cardiovascular segment, is this filed in US and EU as well or just for semi regulated markets?

Saloni Wagh: So, this is an advanced intermediate. So, we need not do any filings in Europe or US?

Moderator: We take the next question from the line of Sajal Kapoor from Antifragile Thinking. Please go ahead.

Sajal Kapoor: Thanks for the follow-up. And Krishnaji, just one for you probably. It's regarding the conversion of EBITDA into operating cash, as the trajectory has somewhat shifted post COVID. So, inventory days have been running at close to 200 days for 2 years now.

Is that a deliberate buffer given the backward integration model and positioning Supriya as a USFDA approved alternative to China? Or this is a near-term sort of a blip, and we can expect inventory days to normalize below 200 because obviously, that will help converting more of EBITDA into operating cash flow to then fuel Patalganga and the other growth capex that we might be taking, let's say, in 2028 and 2029.

Krishna Raghunathan: See, Sajal, what is happening here is, we see a lot of the products are having a higher volume. And because of the backward integration, you are necessarily, you need to carry higher inventory. And specifically, like the cardiovascular product as well as the liquid anesthetic, I think since the capacities are huge, even the intermediates, what we had to hold are becoming huge. And that is one of the reasons why the inventory levels are also up.

Of course, the rest of the inventory, there is also Ambernath inventory, which is also getting added up. Already in the increase, I would attribute at least INR10 crores to INR15 crores from Ambernath inventory. So, these two are increasing the inventory days as well as the amount in inventory.

Sajal Kapoor: And finally, on the receivables from 72 days, we are now at 78 days. Is a slight upward jump, not massive, but how do you see receivables going ahead?

Krishna Raghunathan: No, I'm not much concerned on the receivables side. See, we will be able to maintain between 80 to 85 days even at the worst of times. I think major amount of receivables were of the last 2 months.

So that is why the receivable days have also gone up a bit. I don't think that would be concern see like as long as we have our control substances where we do take amounts in advance. I am not much concerned might be on the Ambernath side, once it crops up, we will have to see how the things pan.

Moderator: We take the next question from the line of Sanjay Kumar from ithought PMS. Please go ahead.

Sanjay Kumar: The first was on the contrast media. Can you explain some competitive advantages that we have managed to develop because the incumbent is a giant, who works on large scale and efficiency.

Saloni Wagh: I think the technology that we have and the process, that we are working on, is more cost efficient than whatever route is available in the market currently. Also, as a product, it's a very, very large molecule and the market size of that product is growing year-on-year. So, there is definitely space for 2, 3 large companies to participate and get a sizable share of the market. And that's what we are focusing on.

We are not intending to be market leaders with more than 40%, 50% of the market share. But because the molecule itself is so large, and a lot of our existing customers across regulated markets have been prompting us to take up this product, because they have very large requirements. So, I think that's the reason why we chose the product and the process is something which would be a standout as compared to what is available in the market, which would result into better costing.

Sanjay Kumar: Can you explain on the process in terms of, let's say, iodine recovery or the usage? How are we when compared to the leader?

Saloni Wagh: No. Unfortunately, we'll not be able to divulge a lot of information about our process because that's something that the R&D has worked on for the last 2, 3 years. So, it's a very confidential thing to us as a company.

Sanjay Kumar: Then on the novel semaglutide tablet formulation for which we have patent, how is it different from Novo's oral tablet?

Saloni Wagh: I think the binding agent, what we have is different from what they are currently using, we are still doing a lot of research on that. We have filed the patent, and we have, in fact, approached Novo on this also because the formulation that we have has better absorption as compared to what is available on the market. That is how it is different.

Sanjay Kumar: On CVS, we were doing 5 steps so far. Eventually, we wanted to get to 8 steps. So where are we in that backward integration process for the cardiovascular product?

Saloni Wagh: So, at this point, we have already gone to full backward integration because when the volumes scaled up, we were waiting for the volumes to scale up, now that the volumes have scaled up, we have already fully backward integrated.

Moderator: Ladies and gentlemen, due to paucity of time, we take that as the last question and conclude the question-and-answer session. On behalf of Supriya Lifescience Limited, that concludes this conference call. Thank you for joining us, and you may now disconnect your lines.

(This document was edited for readability purpose)