

THRU ONLINE FILING

June 4, 2026

BSE Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 023
Scrip Code – 524494

National Stock Exchange India Limited,
Exchange Plaza, C-1, Block-G,
Bandra Kurla Complex, Bandra – (East).
Mumbai-400051.
Scrip Code : IPCALAB

Dear Sirs,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find the transcript of our Conference Call which was held on Monday, 1st June, 2026 from 15:30 hrs IST to discuss the Company's Q4FY26 earnings and business update.

Thanking you

Yours faithfully
For Ipca Laboratories Limited

Harish P. Kamath
Corporate Counsel & Company Secretary
ACS 6792

Encl: a/a

Ipca Laboratories Ltd.

www.ipca.com



“Ipca Laboratories Limited
Q4 FY26 Earnings Conference Call”

June 01, 2026



MANAGEMENT: **MR. A.K. JAIN – MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER– IPCA LABORATORIES LIMITED**
MR. HARISH KAMATH – CORPORATE COUNSEL AND COMPANY SECRETARY – IPCA LABORATORIES LIMITED

MODERATOR: **MR. NITIN AGARWAL – DAM CAPITAL ADVISORS LIMITED**

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

I now hand the conference over to Mr. Nitin Agarwal from DAM Capital Advisors Limited. Thank you, and over to you, sir.

Nitin Agarwal: Thank you, Rico. Hi, good afternoon, everyone, and a very warm welcome to Ipca Labs Limited's Q4 FY26 Post Results Earnings Call, hosted by DAM Capital Advisors Limited. On the call today, we have representing Ipca Labs management, Mr. A.K. Jain, Managing Director; and Mr. Harish Kamath, Corporate Counsel and Company Secretary.

I will hand over the call to Mr. Jain to make the opening comments, and we'll open the floor for questions. Please go ahead, sir.

A.K. Jain: Thanks, Nitin, and DAM Capital for organizing this call. Today's hearing call and discussion answer given may include some forward-looking statements based on our current business expectations. This must be viewed in conjunction with the risk that pharmaceutical business faces. Our actual future financial performance may differ from what is projected, perceived. You may take your own judgment on information given during the call.

Our domestic formulation business in Q4 FY26 has delivered a growth of around 12%. Business was at around INR853 crores as against INR764 crores in Q4 2025. MAT March '26, Ipca rank continue to remain at 16. However, we have marginally improved our market share to 2.09% as against 2.08% in MAT December '25. Six of our brands are featuring among the top 300 brands in the industry. In both chronic and acute segment, we are continuously beating the market.

Overall, for financial year FY26, our domestic business has grown by around 10% to around INR3,817 crores as against INR3,455 crores in FY25. Our export formulation business has delivered a growth of around 9% for the financial year '26 to around INR2,083 crores from INR1,919 crores. The promotional business for the quarter has delivered a growth of around 14%. And for whole of the year also, this business has delivered a growth of around 14%.

Overall business for the financial year has remained around -- is around INR664 crores on promotional business, promotional branded export business as against INR582 crores in last financial year. Generic business, excluding tenders, has delivered growth of around 17% for the financial year to around INR1,149 crores from INR982 crores in FY25.

Our Institutional business has declined during the year to around INR270 crores from around INR355 crores in last financial year. Even in the last quarter of the current year also, business has declined to around INR74 crores as against INR111 crores in Q4 FY25. API business for the whole of the year has delivered business growth of around 10%.

The business now stands at around INR1,396 crores as against INR1,266 crores for FY26. Overall consolidated business for the company in FY26, March '26, has grown by around 6% to around INR2,388 crores from around INR2,274 crores and consolidated revenue for whole of the year has grown by around 8% to around INR9,646 crores against INR8,940 crores for the financial year '25.

Stand-alone EBITDA margins for the Ipca in Q4 has improved by around 25.27%, as against 21.19% in Q4 FY25. This is an improvement of almost around 4.08%. And for the financial year March '26, overall EBITDA margin stand-alone for company has gone up to around 25.18% as against 22.66% in March '26, an overall improvement of around 2.52% and we have significantly overall improved the margins as against our guidelines for the financial year.

The consolidated Ipca Q4 FY26 EBITDA margin has improved around 20.52% as against 18.24% in Q4 FY25, an improvement of around 2.28%. And for all of the financial year, March '26, EBITDA margins has improved to around 20.72% as against 19.94% in March '25, an improvement of around 1.78%. We have delivered better margins as against our guidelines of 20% for FY26 overall.

Having given the broad numbers, now I'll request questions from the participants.

Moderator: Thank you very much. We will now begin the question-and-answer session. Our first question comes from the line of Aanchal Jalan with Lotus Wealth.

Aanchal Jalan: Sir, if you want to grow at 15% to 20% for the next 2 to 3 years, how many molecules do you think we should be launching at a yearly level because old molecules will have higher competition and price erosion is also happening there. So how many launches do you think we should be doing in a year? And secondly, what is our product pipeline for Q1 and Q2 of FY27? Yes, that's my question.

A.K. Jain: As far as we are concerned on the old molecules, we don't see any kind of price erosions as such. And normally, our policy is to take the price rise of around 5% to 6% in a year, depending on what kind of price rise competitors are also taking at the marketplace. So that policy will continue that way. And as far as domestic market are concerned, we don't launch too many products in a year.

Each division has around 2 or 3 power brands and then there are support brands in each division. And at the most in each division, we may launch one product or some line extension in here and there. So if we have 20 divisions in the year, we should be launching in domestic market around 18 to 20 products.

So that has been our business philosophy because more number of products you launch, the attention of the people get diluted and that results in the overall defocus from the main power brands. So we normally don't launch too many products in the marketplace. As far as generics are concerned, let's say, currently, we are marketing around 8 products in U.S.

And I think this year also maybe around 6 to 8 products will be commercialized in the current financial year. And as far as European and other markets are concerned, each market situations are different. But normally, we launch 3 to 4 products in each market in every year in generics. That is our overall position.

Anchal Jalan: Okay. And sir, specifically for Unichem, 6 to 8 products, right?

A.K. Jain: Unichem has also a good pipeline, and I think they should also be launching at least 5 to 6 products in the current year.

Anchal Jalan: And then FY27?

A.K. Jain: Yes, that's apart from Ipca.

Moderator: Our next question comes from the line of Surya Patra with PhillipCapital.

Surya Patra: Congrats for the good set of numbers. Sir, first question is on the U.S. business. Is it possible since it is a full year financials, what was the U.S. revenue that we would have generated out of Ipca and what outlook that we are providing for next year?

A.K. Jain: Overall, if you look at the consolidated numbers for the overall business, Ipca USA and Unichem USA put together, I think in the quarter, U.S. has done business of around INR428 crores as against INR388 crores in Q4 last year. So there is a growth of around 10%. And overall, for the whole of the financial year, U.S. business is around INR1,567 crores as against INR1,379 crores last year. So U.S. has given a growth of around 14% on a consolidated basis.

Surya Patra: Okay. Similarly, sir, if you can just give some sense about the kind of growth that you have seen for the full of the -- for FY26 basically for the key markets like, let's say, Europe, Africa, CIS, Australia like that?

A.K. Jain: Let's say, India should be growing around 12% to 13% in the current financial year. CIS market will have around 10% to 11%. Overall promotional market, we expect almost around 12% to 13% kind of growth. Then overall generic market will also have around 12% to 13% kind of growth, which will include the U.S. also.

So overall company as a whole, we should be able to, including Unichem and put together around 12% to 13% kind of growth on a consolidated basis. And on EBITDA side from 20.7% currently on a consolidated basis, I think it should be almost around 22% or 22.3% something more or less on that line.

Surya Patra: Okay. Yes. So next point was about the gross margin. In fact, we have seen strong improvement. And for the full of the year also, there is a kind of improved performance that we have seen. But see, what can be attributed for this improved performance, whether it is a currency advantage or it is the synergy or it is the product mix improvement, U.S. picking it up. So what would have contributed to this margin improvement? And how sustainable the gross margin be?

A.K. Jain: I'd say cash stand-alone, if you look at against growth of around 10%, our overall material cost has declined by around 2%. Overall, for the whole of the year, except from February onwards, earlier, the overall price was -- prices of materials has remained steady. So there was not much of fluctuations as far as the material cost was concerned around for the first 11 months, for the whole of the financial year because we maintain certain stocks.

So as far as consumptions are concerned, not much except in the March, certain solvent prices and February and March, the solvent prices and some other materials, which was supply chain disturbance like ammonia and so many other things, [acid/alkali 0:13:28], there are many of those materials has moved up. So little material cost has moved up in the month of February and March in Q4 of the current financial year on a stand-alone basis, if you look at the numbers. The improvement in overall margins is by and large because of product mix changes.

Domestic business is doing good. ROW market business is doing good. Cardiac business proportions has moved up. And overall, the generic business, which is happening in most markets has also given us the better overall margins. So -- and even on the API side, we have improved overall margins.

So that has resulted in overall margin improvement on a stand-alone basis. But as far as Unichem is concerned, their overall EBITDA margins has declined from 12% to around 8% and their turnover has not moved up. So that has resulted in overall otherwise EBITDA margins improvement for consolidated business would have been further higher.

Surya Patra: Okay. Just last one point, sir, whether it is supply chain disruption or any impact on the raw material availability or the price rise. So that situation is kind of already behind us or even the current quarter subsequent period could see some impact in the FY27?

A.K. Jain: There is a significant improvement increase in the prices now. Let's say, if you look at packaging material, aluminum has moved up, PVC, PVDC has significantly moved up. On solvent price, if you look at prices are still 40% to 50% higher than what we were paying in the month of January or earlier in the whole of the financial year.

And let's say, prices of a lot of other API has moved up because of, again, some or other things in the supply chain is disturbed. And overall, I see if current end of petroleum prices remain, overall material costs should rise by almost around 10% to 12%. So that looks like that that's the kind of price rise is there in the -- currently in the market.

Like say, simple product like paracetamol has moved up significantly. Metformin has moved up significantly. And that moment is much higher than what number I'm talking. I'm talking of overall. Overall is around 10% to 12% kind of overall increase is there in the marketplace.

Surya Patra: So practically, the product prices have gone up higher than the input prices?

A.K. Jain: I would say that these inputs has gone up. As against that, what is happening on our output. Like say, as far as API is concerned, what we are selling today, entire cost increase, we are passing on to the consumer or to the buyers. So there are no issues. As far as the domestic market is

concerned, products which are in price control, the prices remain at the same level. You can't increase even a paisa on that.

And overall, the other decontrolled products as against 5% kind of price rise, which we are taking. Looking at the overall input cost increase, we -- this year price rise a little higher, may be around 6% to 7% to offset the kind of price increase which has happened at the marketplace. That will completely offset the entire overall cost rise, which are there in the marketplace.

As far as generic market are also concerned, there the arrangements are a little longer term. So we are taking up with the buyers and increasing the prices wherever they are possible. So I don't foresee much of that impact coming, there could be maybe 0.5% point increase in the -- or maybe 0.75% increase in the material cost.

But I don't think so that will disturb my EBITDA margin significantly in the current year because, again, the product mix change and that's playing so overall, your margin. And therefore, I have given the projections also of guidelines for the EBITDA margin for whole of the year that it should -- it will move by around 1% to 1.25% in the current financial year.

As against earlier, we were always talking of around 1.5% or a little more EBITDA margin improvement. That's a little lower guidelines is only on account of material cost. But if the petroleum prices again are moving up lower, then probably margins could still be better.

Moderator: Our next question comes from the line of Rajakumar Vaidyanathan with RK Investments.

Rajakumar Vaidyanathan: Sir, I just want to know what is the outlook for the Unichem business? When do you think the margins will improve?

A.K. Jain: Unichem last financial year had -- their U.S. business has not grown up, mainly because on certain high-volume businesses, they have lost certain market share. They again started gaining the market share. And I think in current financial year, their U.S. business should grow by around 10%. So hopefully, with that, the margins will also move up. They have done well in European market in last financial year. And we also see from further from that point of view that business will improve and margins will improve there.

Plus they have also incurred some certain additional costs in last financial year because of their Ireland facility, there were -- manufacturing was happening. So that is closed. And some -- those people were also given your package on severance and all those kind of things. So that cost also got debited. And all those productions are shifted back to India. So that is also will result in better margins overall on production of those products here.

And also the overhead costs, they were incurring and incurring in at Ireland facility may be around EUR 4 million to EUR 5 million. So that expenditure will also stop in the current financial year. So overall, there will be better improvement in the Unichem also in the current year.

We foresee that I think Unichem margin may become around 12% to 13% in the current financial year from that level. And from that level, again in future years as our filings in other markets

start coming up and then we start launching products in other markets. Margins will keep on improving.

Rajakumar Vaidyanathan: Okay. Sir, this 12% to 13% that you mentioned, that is the overall margin for FY26-'27?

A.K. Jain: For Unichem, yes.

Rajakumar Vaidyanathan: Overall, the full year margin, right?

A.K. Jain: Yes.

Rajakumar Vaidyanathan: Okay. And sir, the second question is, this inventory at Unichem seems to be on the higher side. Last quarter also, I raised this question, you said there are some actions being taken, but the inventory remains more or less at the same level as '25?

A.K. Jain: Overall, I think inventory-wise, a lot of actions has been taken. And -- but if you look at the nature of business itself in case of Unichem because it's a U.S. business and supply chain disturbances, all were happening. So certain kind of inventory, the movement was taking longer time by ship and all that. They have started shipping everything from ships instead of air shipment. Significant amount of air shipment was there in Unichem maybe a year back to almost around 40% kind of shipment was moving by air.

Now it's hardly around 4%, 5% kind of shipments are moving it. And that's for the whole transit time has improved and increase in all that. So that has little inventory has gone up on that account. But overall, we don't see any kind of concern on that account. The U.S. cycle itself is a little longer, and their business is mainly U.S.

As far as Ipca is concerned, if you look at overall last 2 years, if you look at '25 and '26 by large, put together, our inventory is at the inventory and receivables entire -- there's hardly any money has been put in overall in working capital. The entire -- your cash generation is overall, there is accruals are there, and there is hardly any kind of money has gone in working capital in last 2 financial year. We have perfect control as far as your overall inventory cycles are concerned.

Rajakumar Vaidyanathan: Okay, sir. Sir, lastly, the question is on the Lyka Labs subsidiary. So the performance has been deteriorating. So because lastly, you took an impairment for Krebs Bio. So will it also lead the same way because the performance is really deteriorating quarter-on-quarter?

A.K. Jain: Let's say, I should not be speaking for Lyka Lab, I think you should be talking, but to Lyka Lab on that part. But otherwise, I see broadly, if you look at they have started marketing their injectables and animal health care products in the market, and they have recruited a lot of field force. And it takes time. Last 2 years, a significant amount of expenditures has gone in creating the more sustainable business because of that. Because of addition of addition of field people, there is on P&L account, there are pressures.

But I think journey is going very well as far as those -- the animal health care and team, which has launched and also the critical care team they have launched, they are progressing well, and we don't foresee much of concern on that account. Maybe the profitability is currently lower.

But as the time goes, these teams start maturing and business start building up, margins will start moving up there also.

Moderator: Our next question comes from the line of Shashank Krishnakumar with Emkay Global.

Shashank Krishnakumar: My first one was on the other expenses for Unichem, which sort of saw a sharp increase this quarter. So was it primarily driven by an increase in R&D? And if you could also share what the R&D spend was for both for Unichem and Ipca stand-alone as a percentage of sales in FY26?

A.K. Jain: I think Unichem that other expenditure has moved up is largely because of R&D because they are looking at some kind of institutional business in U.S. So around 4 to 5 products has been -- technology transfers are given to third-party manufacturers so that from -- we can manufacture those products for the U.S. itself to supply to -- for the government purposes.

And therefore, this quarter had around INR10 crores to INR12 crores of additional expenditure on account of those technologies transfers to the U.S. are supporting manufacturer. So other than that, there's hardly any kind of exceptional cost. The other expenditures by and large, moved only on that account.

Shashank Krishnakumar: Got it. So what was the R&D for Unichem and Ipca this year, FY26 as a percentage of sales?

A.K. Jain: It's around 3.71%.

Shashank Krishnakumar: Got it. Sir, just secondly, if you could just share the market-wise growth trends for the year gone by for both branded formulations and generics, particularly because this quarter, we saw an increase in generic revenue, for which market primarily drove that. If you could just share some color around how the individual markets have performed?

A.K. Jain: Domestic has grown by 12% for Ipca. Branded formulations has grown by 14%. Institution has declined by 33%. Generic market in this quarter has grown by around 39%. So that's overall Ipca is concerned. And as far as the whole of the financial year is concerned, domestic has grown by around 10%, branded by 14%. Institutional, there is a decline of around 24% and generics has gone up by around 17%, yes. So that is already given in press release. If you go through our press release, yes, all those numbers are very well displayed there.

Shashank Krishnakumar: So I'm looking for more market-specific trends, which you usually share any particular market which drove growth this quarter or during this financial year?

A.K. Jain: Let's say, branded is by and large driven by, let's say, our CIS market and French-speaking African market. India is by and large driven by our pain and cardiac and derma and neuro and CNS portfolio what we have. Institutional has by and large declined because of funding constraints currently being faced by the institution. And generics are -- both Europe has done well. Australia and New Zealand has done well. So it's broadly all markets and also the U.S. launches, which has happened current year. So overall, the business has been good as far as generics are concerned.

Shashank Krishnakumar: Got it, sir. And just the last one, if I could squeeze in. Could you just comment on the performance of subsidiaries ex of Unichem this quarter and for the full year?

A.K. Jain: As far as Unichem are concerned, I think current year was tough for them. I think -- and I have already shared the guidelines as far as Unichem is concerned that how they will be performing in current financials. They should be growing around 10% in current financial year, and they will improve their EBITDA margins also.

Other than that, we have domestic subsidiary, which is called Trophic Wellness. They have done well. I think they have significantly contributed. They are marketing neutraceuticals with business around, maybe around INR125 crores, and I think they're generating profit of almost around INR40 crores plus overall profit. So that's that. Lyka already talked, but it's not our subsidiary, it's an associate company.

As far as the Krebs are concerned, their performance is improving now. One of their plant, which is at Nellore has started EBITDA positive. Other plant, there are certain concerns going on right now as far as polishing departments are concerned. So once that is resolved, I think hopefully, we should be able to put that plant also on EBITDA positive kind of number.

As far as the U.S. -- European subsidiaries are concerned, we have 2 subsidiaries in U.S. One is Ipca formulation marketing company and another is Onyx Scientific, which is doing your business of rendering the research services to the other formulation company. Onyx is facing some kind of issues there because of overall inquiry levels for those kind of projects has gone down because of current overall environment. This subsidiary has been last 8, 10 years has been doing very well.

But the last 1, 1.5 years, there are certain issues. But we are now seeing sign of improvement there. And Ipca subsidiary which is marketing the formulation in -- particularly in U.K., that has given a loss of almost around 2 million to 3 million kind of bonds. And largely because of last financial year, the pricing scenario in that market was very, very bad. But we are seeing now, again, there are a lot of shortages and overall improvement in the prices. So we hope to do better there also.

As far as U.S. subsidiary is concerned, Ipca is only one, which is a major one, which is Pisgah Labs. So there also there is a formulation facility is under construction there. I think probably I think in the fourth quarter of the current financial year, they should be able to ready to commission the plant. So any meaningful turnover coming from there will be, I think, in next financial year only, not in current financial year. And their API facility is also seeing now good order position now. So hopefully, there will be further improvement in that operations also.

Moderator: Our next question comes from the line of Tushar Manudhane with Motilal Oswal Financial Services.

Tushar Manudhane: Sir, on the export exports front, you have guided for broadly 12% to 13% revenue growth. Is this considering the currency depreciation as well? Or is this in INR terms?

- Harish Kamath:** No. The guidance given is in INR terms, Tushar.
- Tushar Manudhane:** Okay. Got it. And as far as domestic formulation is concerned, given the raw material linked price hike, but if you could at least -- if you could share what could be the price volume new launches growth that we can expect for FY27?
- Harish Kamath:** No, the guidance given for domestic branded business is around 12%. Maybe out of that 1% to 2% could be new product and balance price increase and volume.
- A.K. Jain:** And Tushar, if you look at our overall material cost to sales ratio of Ipca is only 25%. Even if there is an increase, that will get offset by overall your overall increase in the top line and also overall the profitability of your products in domestic ROW and all those kind of things. So we don't foresee that this ratio will significantly alter. Maybe it's only 0.5% here and there.
- Tushar Manudhane:** How has been the freight cost trending? Or will that -- maybe like at the gross margin level, I understood like the -- it's possible to pass it on the increase in the raw model. But how to think about the freight or the logistics costs?
- A.K. Jain:** Normally, let's say, our branded formulation business and certain API business, that all happens through, let's say, C&F basis. There are a lot of other generic businesses that happens on where the freight are borne by the party. So overall, I think our freight cost has moved up by almost, I think, in the fourth quarter by almost around 25%. And that trend is continuing currently also. So that will have some impact on the overall number on the profitability till the time this issue of -- issue remains of Iran-U.S. kind of conflict, which is currently happening, the Strait of Hormuz and all that kind of thing.
- The oil prices are elevated. Wherever air shipments are concerned, the freight has multiplied now. And even getting the sometimes the cargo availability of space also, it takes a lot of time. So sometimes material remain for 10, 15 days. So availability itself is becoming an issue now to the various destinations. So that issue remaining, yes.
- Tushar Manudhane:** So then effectively, will this have impact on Q1, but overall, we think that subsequently in the coming quarters, we'll sort of come back.
- A.K. Jain:** There will be some impact, but if business improvement is also there, but like say, last year, we have grown by 10%. This year, we are guiding for 12% to 13% kind of growth. So that growth will offset everything because the material cost to sales ratio is around 25%. So if you take your overall gross margin addition itself will be high. So all these costs should get offset.
- Moderator:** As there are no further questions from the participants, I now hand the conference over to the management for closing comments.
- Harish Kamath:** Yes. Since all questions are answered, I think we can close this conference call. Thank you, everyone, for participation.
- Moderator:** Thank you. On behalf of DAM Capital Advisors Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.

A.K. Jain:

Thank you.