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To,

National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	BSE Limited P J Towers, Dalal Street, Mumbai - 400 001
Script Symbol: EMCURE	Scrip Code/Symbol: 544210/ EMCURE

Dear Sir/Madam,

Subject: Transcript of Earnings Call - Q4 FY26

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and further to our intimation dated April 28, 2026, please find enclosed the transcript of the Earnings Call for Q4 FY26, held on Tuesday, May 05, 2026 at 03:30 p.m. (IST).

The above-mentioned transcript is also being uploaded on the website of the Company i.e. www.emcure.com.

You are requested to take the above information on your records.

Thanking you,

For **Emcure Pharmaceuticals Limited**

Amruta Yangelwar
Company Secretary & Compliance Officer
ICSI Membership Number: A25687

Emcure Pharmaceuticals Limited

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Emcure Pharmaceuticals Limited

Q4 FY26 Earnings Conference Call

May 05, 2026

MANAGEMENT PARTICIPANTS:

- Mr. Satish Mehta – Managing Director & CEO
- Mr. Tajuddin Shaikh – Chief Financial Officer
- Mr. Samit Mehta – Whole-Time Director
- Mr. Vikas Thapar – President, Corporate Development, Strategy & Finance
- Mr. Piyush Nahar – Executive Vice President, Corporate Development & Strategy
- Mr. Saurabh Paliwal – Head, Investor Relations

Prepared Remarks Session

Moderator: Ladies and gentlemen, good day and welcome to the Q4 FY26 Earnings Conference Call of Emcure Pharmaceuticals 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. Saurabh Paliwal. Thank you and over to you, sir.

Saurabh Paliwal: Thank you. Good afternoon, everyone and welcome to the Q4 FY26 earnings conference call for Emcure Pharmaceuticals. Thank you for joining us today. I am Saurabh Paliwal and we will begin today with brief opening remarks from the management and then open the line for Q&A after the commentary concludes.

Joining me today on the call are Mr. Satish Mehta, Managing Director and CEO; Mr. Tajuddin Shaikh, Chief Financial Officer; Mr. Samit Mehta, Whole-Time Director; Mr. Vikas Thapar, President, Corporate Development, Strategy & Finance, and Mr. Piyush Nahar, Executive Vice President, Corporate Development & Strategy.

We hope you have had an opportunity to review the financial results, the results presentation and the press release that were released earlier. Before we start, I would like to remind everyone that this call is being recorded. I also need to remind everyone about the Safe Harbor linked to today's call. Certain statements made during the call may be forward-looking in nature.

These statements are based on our current expectations, assumptions and management's view as of today. Actual results may differ materially due to a range of factors, including market conditions, regulatory developments, competitive dynamics, operational factors and other risks and uncertainties. For additional details, please refer to our presentation and press release. I'll now hand over the call to Mr. Mehta to begin with his opening remarks. Over to you, Mr. Mehta.

Satish Mehta: Thank you, Saurabh, and good afternoon, all of you. I would like to thank you for joining us to review Emcure's Q4 and FY26 results. It means a lot that you have found time to join me. FY26 marked the start of our 5-year strategy, focusing on turning last year's operational changes into measurable outcomes. I'm very happy to tell my investors that we crossed a major milestone this year, surpassing \$1 billion in revenue and achieving a growth of 16.6% year-on-year, exceeding the guidance that we had given to you.

We also increased our base business EBITDA margins by over 100 basis points and our adjusted PAT grew more than 40%. These outstanding results give us confidence that the investments we are making in our people, our processes and technology, including the adoption of AI across key functions are starting to deliver. I keep saying whenever I have been on the call, that we take pride in telling everyone that Emcure has been built on science, technology and innovation.

Turning to the key strategic highlights from the year. Let me now focus on portfolio expansion. That's the first thing I would like to take up. We strengthened our portfolio in core markets through in-licensing, M&A and internal R&D. I would now like to highlight three notable partnerships from the year that has ended. I'm focusing on in-licensing to begin with.

The first partnership I would like to highlight is with Novo Nordisk, and I'm very happy to inform my investors that Emcure was selected as the exclusive India partner for Poviztra, a patented rDNA biologic semaglutide. Some of the products that we are seeing in the market are of synthetic origin, while this is rDNA biologic semaglutide, which I would like to emphasize. Strong exclusive global data and an established device distinguish Poviztra from the generics which have been introduced.

The initial uptake has been promising, especially after the price cut in April 2026 and I must say the pricing which has been done is very competitive and we obviously have a clear story and strategy. We aim for steady growth through FY27.

After Novo Nordisk, the second in-licensing that I would like to focus on is Sanofi. We expanded our partnership to include the oral anti-diabetic brands, Amaryl & Cetapin, boosting our position in cardiac and metabolic therapies. With this, we are amongst the leading cardiac players and also have now a reasonably strong foothold in the metabolic space as well.

The third partnership that has happened and we started billing from 1st of April was with Roche, where we signed a distribution agreement for select nephrology and transplant medication in India, which has widened our offering in the therapy. It will not be out of place to mention that we have a reasonably strong position in the field of nephrology. We are one of the top five companies and to that extent, this portfolio will obviously help us to augment our position in the field of nephrology going forward.

These alliances with leading pharmaceutical companies demonstrate our strong commercial capabilities and scale in the India market. The Indian market means a lot to us.

Now after having spoken about in-licensing, I would now talk about M&A and portfolio consolidation.

As far as Zuventus is concerned, we completed minority stake buyout for full consolidation and expect operational synergies to play out over time.

Globally, we acquired the Manx portfolio in the U.K. to grow our U.K. business and the European business. Cutimed, we recently acquired in Canada, enhancing our derma range along with Emcutix.

Let me now focus on our R&D and pipeline updates. I spoke about in-licensing. I spoke about M&A and portfolio consolidation. Now let me turn to what has been happening in our R&D and pipeline and which we take a lot of pride.

Amphotericin B remains a key near-term focus. We launched in select European markets in H2 FY26 and intend expanding to Europe and rest of the world markets in FY27.

For Bevacizumab, the ophthalmic Biosimilar for wet AMD, we received endorsement from CDSCO's Subject Expert Committee, and we plan to launch in H1 FY27, pending approval.

The third important thing is in the field of HIV, where we enjoy a pole position. We are one of the six global voluntary licensees for Gilead Lenacapavir. We filed the DMF and expect to seek product registration in FY27.

Our Scientific Advisory Committee is shaping our long-term pipeline in four areas. One is complex injectables. Second is biosimilars. Third is new delivery routes for existing drugs and something which we have been talking about for the last couple of calls, as well is Antibody Drug Conjugates.

Now having focused on in-licensing, Merger & Acquisition portfolio consolidation and having given you some flavor about R&D and our pipeline updates, let me now turn my attention to business performance.

As far as the year which has just ended FY26, we grew by 16.6% to INR9,204 crores, with a resilient domestic performance and strong international performance.

Now let me focus as far as business performance is concerned, to focus on domestic business, which is very close to my heart. Domestic business grew by 10% in FY26 to INR4,027 crores, led by women's health, cardiac, CNS and oncology.

As far as Q4 is concerned, it was softer, mainly due to Zuventus portfolio and team reorganization causing higher attrition. As you know that we acquired the minority stake in Zuventus, so there was attrition, but integration and new leadership hires have addressed these issues and I'm very happy to say that as far as April is concerned, it's absolutely as per the plan. It is on track. So, nothing to really worry as far as Zuventus is concerned going forward.

New therapy areas about which we spoke last time as well, derma, Emcutix, consumer health, diabetes are scaling well. Poviztra, Novo Nordisk partnership is showing promising early uptake, especially after the price cut, so we are in a sweet spot as far as the pricing is concerned and we do expect reasonable growth in FY27.

I'm very happy to inform, that as far as the field productivity is concerned, it has gone up from INR5.4 lakhs per medical representative to INR7 lakhs over a period of last two years. So obviously, good things are happening.

As far as international markets are concerned, I'm very happy to inform that revenue grew by 22% to INR5,177 crores in FY26.

This was driven by strong base business growth and successful launches with Manx integration. Canada posted solid growth on market share gains and new launches. Rest of the world delivered

healthy growth across non-ARV and ARV with non-ARV supporting revenue diversification and ARV maintaining a strong order book. As you know, the non-ARV business is very important and that's a function of the registration, that we get in the various markets. We got reasonably good registrations. So, we are very bullish as far as the international markets are concerned going forward.

EBITDA margins improved year-on-year due to operating leverage across, both domestic and international markets.

Now having talked about the year that has ended, let me focus on outlook and growth levers for FY27.

As far as the second year of our strategic plan is concerned, I'm very happy to inform my investors that Emcure is very well positioned for strong performance going forward. Our growth drivers are at different stages.

The first growth driver is obviously going to be domestic market. I'm very happy to say that we have a very strong team and portfolio, which will drive better than industry growth ahead, especially in Cardio-Diabeto, biologics, women's health and new initiatives.

I've been leading this domestic initiative for the last 30 years and I feel good about the team which we have built up in the last few months and I feel good about the domestic market going forward.

Then the second lever of growth will be semaglutide partnership, then Emcutix, the derma product that we have launched. And of course, the consumer business Arth, which is showing good uptake, it's stabilizing reasonably well. All these are in initial stages of scale-up and we expect returns from this to build over a period of next few years. And all these areas are growing areas, like as far as Derma is concerned, that's a growing market of INR14,000 crores and there because of the strategic initiatives that we are taking, we are bullish and Arth, of course, we are doing well under leadership of Namita.

Then Canada and Europe, we expect growth to continue, led by market share gains, new launches and expanded portfolio. Canada and Europe will continue to grow.

The fourth lever is Amphotericin B and we expect in the current year, Amphotericin B should make significant contribution on the back of registrations that we are receiving from different geographies, both regulated as well as Emerging markets.

In the rest of the world markets, we expect sustained growth led by non-ARV pipeline and robust ARV order book.

In FY27, we project low to mid-teen revenue growth and as I have been explaining in the last meet and a few calls that I have had the privilege of addressing to you guys that EBITDA margin expansion will happen as committed between 75 to 100 basis points going forward, assuming stable regulations and macroeconomic conditions. I think this is based on the assumptions that

there will not be a major upheaval or problems at the geopolitical level. So, I think, overall, we are quite optimistic and bullish about the business as far as the second year of the execution plan is concerned.

In closing, I would like to tell my investors that our strong performance highlights our diversified business model, India-led manufacturing, scientific strength, focus on science, innovation, technology and more than anything else, one area on which we are hugely focused is on execution; because that's one area where we will distinguish ourselves when we compare with other companies. The focus will be on execution going forward.

Our priorities are clear and priorities are absolutely well defined to achieve sustainable above-industry growth, very important, both in domestic and other market. The second area, as far as execution is concerned is going to play a very important role in expanding margins. which is very important going forward to get the synergies on account of the scaling of the business that is happening and to create long-term value for our stakeholders.

It is very important that stakeholders are at the core of the strategies that we will be formulating. I am extremely conscious of the fact that you have reposed faith in me and my company, to that extent and that will always remain at the back of my mind as we execute our policies going forward. Again, I would like to reiterate that Emcure's science-driven portfolio has a record of delivering complex products that set us apart.

Our ongoing investments in people, products, processes and partnerships position us for growth and profitability across all geographies as in, India, Canada, Europe and the rest of the world, as we progress with our strategic plan. Going forward, the focus will be on growth, and obviously on improving the margins.

Now I would also like to thank all my Emcureans for all unstinted support they have given us and we are very proud of that. I would also like to thank all our shareholders for reposing faith in us and our partners for their support. I intend to build on it for my shareholders and partners going forward to deliver better results year after year.

Thank you for giving me your patient hearing. Your support means a lot to us, all of us. Now I will hand over to Taj, our CFO, to review the Q4 and FY26 financials. Taj, over to you.

Tajuddin Shaikh:

Good afternoon, everyone. I will take you through the key financial highlights for the fourth quarter and the full year FY26.

I will be discussing all comparisons on a year-on-year basis.

Starting with the Q4 performance:

Revenue from operations for the quarter grew by 16.7% to INR2,470 crores up by 16.7%. The domestic business grew by 5.2% to INR977 crores due to softness in Zuventus, arising from the recently concluded minority stake transaction and related leadership changes and team and portfolio reorganization.

International markets maintained strong growth momentum, with revenues growing 25.7% to INR1,493 crores. Europe reported revenues of INR538 crores, a growth of 35.8%, with base business and products such as Manx and Amphotericin B scaling up being contributing factors. Canada reported a 28.6% growth, with revenues increasing to INR399 crores, led by market share gains and new launches. Emerging markets grew 15.5% to INR556 crores, with both ARV and non-ARV segments seeing strong growth.

Gross margins for the quarter stood at 59.4% versus 57.8% in Q4 FY25, up 160 basis points because of a better business mix, especially new launches in international markets. EBITDA, excluding other income, grew 24.5% to INR485 crores. EBITDA margins improved to 19.7% from 18.4% in Q4 FY25 and 19.5% in Q3 FY26, supported by operating leverage and productivity gains, being partly offset by Sanofi OAD contribution. Depreciation and amortization for the quarter was INR106 crores. Interest cost was INR46 crores.

During the quarter, we also booked an exceptional expense of INR43 crores related to the Mantra earn-out, which was higher than initial expectations due to better performance achieved. This was partly offset by a reversal of INR12 crores due to reassessment of new Labour Code related liabilities. Excluding the impact of exceptional items, the effective tax rate stood at 25.4% for the quarter.

Consequently, reported PAT for the quarter was INR244 crores, with a PAT margin of 9.9%. Adjusted PAT came in at INR279 crores, showing strong growth of 36% year-on-year, with a PAT margin of 11.3% which was up by 160 bps.

Net debt as of March 31, 2026, stood at INR1,054 crores. The increase in debt over the last year has primarily been because of pay-outs for Manx and the Zuventus minority stake acquisition.

Moving to the annual performance for FY26:

Revenue from operations grew to INR9,204 crores, a strong growth of 16.6%.

Domestic business grew to INR4,027 crores, representing a growth of 10%.

International markets performed well, with revenues growing 22.2% to INR5,177 crores, driven by strong performance across Europe, ROW markets and Canada. Europe was the strongest performer, with revenues growing 25.5% to INR1,850 crores. ROW markets scaled up to INR1,840 crores, delivering a 21.8% growth, both ARV and non-ARV verticals contributing to the strong performance. Canada grew 18.7% to INR1,487 crores through base business growth and new launches.

Gross margins for FY26 stood at 60.3%, up 20 bps. EBITDA for the year was INR1,789 crores, growing 21.8% from INR1,469 crores in FY25. EBITDA margins improved 80 bps to 19.4% reflecting improved utilization and productivity gains. The EBITDA margin improvement is despite the increase in R&D investments during the year.

R&D investments stood at INR383.5 crores for FY26, corresponding to 4.2% of revenue, an increase of 50 bps year-on-year.

Depreciation and amortization grew to INR415 crores from INR384 crores in FY25. Excluding exceptional and one-time impacts, our effective tax rate for FY26 was 26%.

Reported PAT was INR941 crores with a PAT margin of 10.2%. PAT adjusted for exceptional items was INR1,008 crores, reflecting a growth of 41% with adjusted PAT margins at 10.9%, up by 189 basis points.

With that, I will now open the floor for questions.

Q&A Session

Moderator: We will take the first question from the line of Amey Chalke from JM Financial. Please go ahead.

Amey Chalke: **So, the first question I have on India business. We have delivered around 5% growth this quarter. I understand there was Zuventus impact. Is it possible to quantify this impact? And does it mean that since there is attrition and all what you mentioned, the next few quarters year-on-year growth could be affected on account of this restructuring?**

Piyush Nahar: Sure. Thanks, Amey. So, I think just to give the context, right. As you know, we took over the Zuventus business in end of Q2, early Q3. We have brought a new management team and Q4 is when we did the restructuring of the whole team and portfolio. So, most of the slower growth that you are seeing is because of that.

Ex of the Zuventus impact for the full year would have been close to the 9% - 10% base business growth that we have been talking about, that we delivered even in the first 9 months. So majority of the decline that you're seeing in Q4 was led by Zuventus. I think the restructuring was a mix of portfolio restructuring, team refocus and which led to a high attrition.

We don't think it impacted us for the full year. For FY27, what we do expect is we continue to be growing above industry as the CEO had mentioned in his opening statement. April, we are now back on track.

Moderator: Due to no response from the current participant, we will take the next question. We have the next question from the line of Tushar Manudhane.

Tushar Manudhane: **As far as international market is concerned, if you could just share how much would have been the constant currency growth for each of the segments, Europe, Canada, Emerging market? That's my first question for the quarter.**

Piyush Nahar: Overall, for the international market, the currency impact was about 7% to 8%. It was slightly higher, closer to 11%, 12% in Europe, while Canada and Emerging markets it was slightly lower.

Tushar Manudhane: So then considering even if I say constant currency growth of Europe almost 20%-22% for the quarter and then we have niche product scale that's happening in what kind of outlook can be seen for next two years 27-28?

Piyush Nahar: Are you asking for overall international markets?

Tushar Manudhane: No, I was referring particularly for Europe, for the constant currency growth has been with good scale in certain niche products. So just trying to understand the outlook for '27 '28 for Europe.

Piyush Nahar: In the near term, the growth, we do expect it to be stronger in Europe, especially as Amphotericin B gets launched. But yes, once it reaches the scale, so I think over the next 2 years, we do still expect mid-teens growth in the Europe business as a CAGR.

Tushar Manudhane: And that should help to get better gross margins as well at least for Q4, it is not getting reflected compared to Q3 despite the overall international growth.

Piyush Nahar: If you look at it among the business itself, right, usually domestic is a higher GC business versus international. Now if you look at it, despite the domestic being slightly softer in Q4, our overall GC has improved Q-o-Q. So, some of that is reflecting out. I think for the full year, we do expect the GCs to remain around that 60% point.

Tushar Manudhane: Understood. And just lastly on the domestic, what kind of industry growth we think would be there for FY27?

Piyush Nahar: I think we continue to expect industry growth to be around 8% to 9%, and for us, the target, is to grow faster than the industry – probably at low double-digits.

Moderator: We will take the next follow-up question from the line of Amey Chalke from JM Financial.

Amey Chalke: I just have one follow-up question on Zuventus. So what kind of operational synergies do you expect in Zuventus? Like, will it improve our India margins? Are you going to consolidate our like a common molecule brands which are present in both the entities or the MR field force, are you going to cut it down so that, that could improve the profitability? Any color on that would be helpful.

Satish Mehta: So, basically, let me tell you that as far as we are concerned, Zuventus is a different segment altogether. Just to give you a flavor, as far as Emcure is concerned, it essentially focuses on Gyneac, Cardio and Metabolics. That's what we do as far as Emcure is concerned.

Amey Chalke: Sorry to interrupt, sir...

Vikas Thapar: I think we lost the CEO. Can you guys hear me? This is Vik.

Moderator: Yes, I can hear you, sir.

Vikas Thapar: Yes. I'll try and take a stab until Satish is able to join back in. I think the synergies are going to be more in terms of how we are organized on the sales and marketing efforts. I think what Satish was trying to highlight that given these 2 segments still cater to very different therapeutic segments, on the manufacturing synergies, it's less because we have plants that are catering to specific sets of products on both sides.

But definitely, on some of the sales and marketing and related support functions, that's exactly some of the restructuring efforts that are underway to be able to synergize and get some operating leverage in the sales and marketing aspects of the Zuventus business.

Moderator: We have the next question from the line of Bansai from JPMorgan.

Bansai Desai: **So just 2 questions from my side. Firstly, on India, if you can just help us understand slightly more in detail as to how the acquisition of minority stake affected the Zuventus portfolio and the attrition. The second part to it is that of our total MR count, what percentage of field force is for Zuventus? And what is the kind of restructuring we saw there?**

Piyush Nahar: Sure. So, I think what happened along with the minority stake, we also had was a big change in the management team, right? So, Mr. Guha had been leading that business since the inception, he stepped down and we had a new team coming in. I think when the new management came in, we also had a relook at the whole portfolio, the team structure that we had. I think something similar to what we did in the cardio diabeto when we took over the Sanofi - we restructured the teams, which division was going to which therapies, what is the focus. That is what we took over in Q4.

I think with the management change and that restructuring, that is what led to a higher attrition in the field force. As you know, acute is largely a short-term treatment, right? So, if you have a gap in the field force, it does lead to a much higher sales drop than what you will see in the normal chronic business.

Coming to your question on the field force, about 40% of the field force is in Zuventus for us.

Bansai Desai: **Okay. And what percentage of this 40% would have seen restructuring or change in MR?**

Piyush Nahar: So, I think we structured the whole. But the attrition normally, is about 20% to 30%. This quarter, we had a much higher attrition out there.

Vikas Thapar: It's not just the attrition; it's also restructuring of a couple of the divisions and the products. So I think it's not just the attrition aspect. It's also being repurposed. So there's a little bit of disruption related to that, that happens normally as part of any such exercise. So I think all in all, what we're trying to highlight is that that was something carried out towards the end of Q3 and in Q4.

But it's starting to pay us dividends in the sense that for April, as the CEO mentioned, we are right on target in terms of our own internal expectations for Zuventus. So we're very happy with the progress that we're seeing, particularly over the last 45 to 60 days.

- Bansi Desai:** All right. Just if you can call out what is our MR strength as of today?
- Piyush Nahar:** Close to 4,000.
- Bansi Desai:** The reason why I asked these questions is that at least with some of your peers, what we've seen is that on the acute side, when we see such restructuring of field force, it does take a while for the productivity to show up because as you highlighted, this is short-term treatment. A lot of it is based on your relationship with doctors, etcetera.
- So that is the reason why I was trying to check, but it's good to know that you're mentioning that you're already seeing improvement in the month of April. So, we basically should not expect this to sustain, right, in terms of impact going into the next quarter.
- Satish Mehta:** We'll be back on track. And again, the other thing that I would like to say is that as Zuventus is concerned over a period of time, we have built some very strong brands. So that should also take us through. So, I think that's how Vik mentioned some time back, right from April onwards, we are on track and every reason to believe that things will get better by the day.
- Bansi Desai:** All right. And second question, just on our employee expenses. This year, we've probably grown at about 7-odd percentage. Should we assume this run rate to continue?
- Tajuddin Shaikh:** Yes, we expect it to be around 10% next year.
- Moderator:** We will take the next question from the line of Dheeresh Pathak from WhiteOak Capital.
- Dheeresh Pathak:** So just carrying forward on domestic growth. So, for April, can you confirm, like with Zuventus, the growth is in line with the market? Or is it still below market growth, including Zuventus in the month of April?
- Piyush Nahar:** Dheeresh, I don't think we'll comment on monthly growth and all. But as the CEO mentioned, right, I think versus what we had targeted out, we are fully on track for that. I think once we have a quarter, that's when we talk about the full quarter growth.
- Dheeresh Pathak:** Okay. And Q4, did you say that ex of Zuventus, the growth was high single digit? Did I hear that right or something like that?
- Piyush Nahar:** Ex of Zuventus, for the full year, we would have been that high single-digit growth.
- Dheeresh Pathak:** For the full year. And in Q4?
- Piyush Nahar:** Q4 would have been about less than 8%.
- Moderator:** We will take the next question from the line of Bino from Elara Capital.
- Bino:** Just a question. You recently in-licensed these Nephro brands from Roche. Could you give a sense of what the annual revenue run rate for those brands? And also what sort of upfront payment have you made?

Piyush Nahar: So, there's no upfront payment that we have made for this similar to all the other in-licensing we have done. The portfolio is 2-3 key brands, so it will be less than INR50 crores annualized.

Satish Mehta: What happens is that we have a reasonably strong presence in nephrology. We ourselves have a strong position. So it should help Roche, it should help us.

Bino: **And a question on your guidance of low to mid-teen growth. What sort of currency assumptions have you made? Does that include the benefit of depreciation of INR.**

Piyush Nahar: So, I think the currency assumption, what we are building is an average currency of 92 USD: INR.

Moderator: We will take the next question from the line of Sidharth Negandhi from CWC.

Sidharth Negandhi: **You mentioned certain AI initiatives that are beginning to show results. If you could provide some color on that? That's question one. Second is in terms of market share in your covered markets, how did that pan out in Q4 and in the full year? And the third is in the semaglutide part that you're talking about, right? How are you seeing catch-up post you taking down the pricing in the month of April, given the launch of generics, are you seeing your market share flow back? Those are the 3 questions.**

Vikas Thapar: Let me start on the AI front and I can have my colleagues join in. I think the AI initiative; is in very early days. And obviously, AI landscape keeps changing by the day. But what we are trying to do is really champion it across the company. So in places like R&D and manufacturing, we are seeing definite benefits in terms of some of the speed of research and development of some of the products in the pipeline that we're working on as well as in manufacturing looking at how to obviously get better efficiencies or throughputs using AI to study our own batches being produced, etcetera. Then across the organization, I think whether you talk of support functions like legal, HR, finance, I think we are starting to adopt AI in different ways and means, to be able to make our workforce a lot more productive.

Even on the marketing side, whether it's analysis of sales force effectiveness and related sales and marketing initiatives like graphics design or marketing brand plans, etcetera, these are all areas where we are seeing some adoption of AI bearing some fruit. But we're very excited because I think the real benefits of that will accrue over the next two or three years as we become more and more well versed in using it more holistically across the organization.

I think to your second question around semaglutide, I'll let my colleagues also answer. But certainly, we wanted to be aggressive in terms of the post generic entry in terms of offering a very robust price point while still offering the innovator brand. And so we are starting to see some green shoots of that as well. I will pause and let Piyush or Satish comment on semaglutide and as well as the last question that you had.

Satish Mehta: Samit, would you like to talk about? Samit, go ahead. So that's something that is very close to your heart.

Samit Mehta: Sure. No. I mean, Poviztra, there's obviously a lot going for that brand. A, it's an innovative brand; B, it's an rDNA biologic versus the synthetic generics that have entered the market. Now with this price reduction, I think we have a real sweet spot in terms of the pricing vis-a-vis the generics. And of course, across specialties, there's close to 1,000 sales reps that are actively promoting this product. So, we believe that all this should get us very good traction over the short to medium term as well.

Satish Mehta: The other thing I would like to add is only some time back; we got also permission for NASH - SEC has cleared, so it should be coming any time. In addition to that, what really happens that in the price war that is going on with so many generics in the market. With an absolutely correct pricing strategy, thanks to, Novo Nordisk and reach and penetration and having out some head start because we started promoting the product from December onwards.

So, I think going forward, I'm quite optimistic about Poviztra, we should do well on the back of the clinical data that we have. As far as Novo Nordisk is concerned, we have access to 40 clinical trials they have done all over the world. As Samit rightly alluded to ours is rDNA, rest of the products are synthetic. So, I think on the back of, say, science and technology that we'll be talking, we'll distinguish ourselves from the competition. And let's see how it plays out. But at the same time, as I'm talking to you, I'm quite optimistic. And third one, Piyush?

Piyush Nahar: Which is covered market share. I think overall, given the impact that we had in Q4, our market share would have probably been flattish for the year.

Moderator: We will take the next question from the line of Ankush Mahajan from Sanctum Wealth.

Ankush Mahajan: **My question is related to the India business. So, if you see there are different parts in the India business. Semaglutide and Sanofi business. So, despite all these parts our growth is just 5%. So, I just try to understand what kind of growth we have seen in base business than other business also. And what we are, as compared to the previous questions, we are realizing that the peers, those have acute portfolio are facing such problems like the restructuring of the team and all. So, the growth is almost delayed for a few quarters. So, would you throw some more light on that part?**

Piyush Nahar: So, I think as you mentioned, so yes, so the restructuring had an impact on Q4. What we are seeing at least in the last 45 days, 40 or 35 days of the year, the revival and the business performing as per plan. So, I think for us, we don't expect the impact to last for a very long time for us.

Satish Mehta: But as I explained some time back, I'm sure you must have this, that we had problem only in Zuentus. As far as other business are concerned, like Emcure, where we are strong in gynaec, cardiac and metabolic that continues to perform as per our expectations. And our onco and nephrology also is performing as per our expectations.

And because of change in management and restructuring that we explained, we had a bit of a setback as far as Zuventus is concerned. But as I told in my opening remarks, right from April onwards, we are on track. So, nothing to worry really.

Vikas Thapar:

I would like to just clarify one point. The acquisition of the minority stake and the departure of Mr. Guha happened in the month of October. So, this is not a recent departure and therefore, we're concerned about the lagging effect of that over the next two, three quarters. What we're trying to highlight is some of this started already in, let's say, end of our Q3, carried into predominantly Q4, where we took the efforts over the prior three months in Q4 to have a lot of that restructuring take place.

And now we're seeing the green shoots of that. So, from our perspective, we think that Zuventus is more or less tracking back on track starting in Q1 itself as opposed to being concerned that this is going to be a, let's say, two, three additional quarters lag. We're already about four, five months into that entire process.

Ankush Mahajan:

My assessment is that we are almost lost INR80 crores to INR90 crores of business in the first quarter, sorry, in the last quarter, Q4 quarter from Zuventus side. So, but half of that, we have grown in the semaglutide side and others also. So, this growth should be on the higher side?

Piyush Nahar:

So, I think the semaglutide side is still ramping up, right? So, it's not a big driver for, or a big contributor to growth at this point. As you know, I think what we talked about even last time, the initial few months, it was more about market shaping and building the business and all. And then, March onwards, there was anticipation of generics coming in, so there is a price cut.

So Q4, we didn't have that much of a semaglutide delta in there in the business out there. I think what we are highlighting is ex of Zuventus, if you look at it, our domestic business is growing at that high single digit, low double-digit rate on an organic basis itself.

Moderator:

We will take the next question from the line of Foram Parekh from BOB Capital.

Foram Parekh:

My first question is on the domestic side. If you can quantify the contribution of these in-licensing products to the domestic business?

Satish Mehta:

In-licensing makes up for the domestic about 15% of our sales.

Foram Parekh:

Okay. And are we still scouting or are we still interested in doing more such in-licensing deals in the near-term?

Satish Mehta:

I'll take that question. So, as far as we are concerned, the entire focus will be on organic growth, build our own brands and take them to the next level, also launch the products from our R&D. And at the same time, suppose if something comes in in-licensing, we are obviously fairly open because let me tell you, getting the portfolio, cardio portfolio from Sanofi has obviously given a fillip to our products elsewhere that has worked out well.

And as far as metabolics are concerned, we hardly had any presence before we got metabolics portfolio as in Amaryl & Cetapin from Sanofi. And what really happened on the back of this portfolio, my own products with good GC have also started doing well. So I think, while the emphasis will be obviously on organic growth and focusing on our big brands becoming bigger. But at the same time, as I mentioned in the early part of my address, in-licensing will continue to be part of our strategy going forward, wherever it is going to be accretive and going to add value to our current portfolio.

Foram Parekh: **Sure. And on this Poviztra brand, how should we look at it? I mean, despite the competition, but then we had a price cut and we had some encouraging results out of it. So, do we see it becoming a meaningful contributor in the next couple of years to the domestic sales?**

Satish Mehta: I think so because what really happens, thanks to Novo Nordisk, the pricing is very competitive. And as the market crowds and most of the people will be talking about, say, price war is going to happen in times to come. But as far as we are concerned, we'll talk about the merit of the product, which is rDNA product, not synthetic, backed up by a lot of clinical data. So we'll be differentiating ourselves on the back of science, we'll be talking to the doctor. To that extent, as I'm talking, there is every reason to believe that this product should do well going forward for us.

Vikas Thapar: I was just going to add that, as you already mentioned, as the indications of use continue to widen and more and more specialists become comfortable writing the brand, that's where we think we will continue to gain momentum with this brand as well.

Foram Parekh: **Sure. My second question is on the R&D pipeline towards ADC. So, if you can just explain, what part of the ADC are we? and when do we see this getting commercialized? How long is it for the commercialization to take place?**

Samit Mehta: Sure. So there are two parts to the ADC program. One will be a biosimilar ADC and the other will have some element of innovation in it, especially the linker around which we have our own IP. So the linker and payloads will be in-house. The conjugation will be done in-house for the mAb since it's a crowded market with available drug substance, we are partnering with a company to work on the mAb.

So in that context, the biosimilar ADC should have a shorter approval pathway. And the innovative ADC, of course, will be slightly longer, but we are seeing some encouraging results in terms of identifying some potential lead candidates.

Foram Parekh: **Okay. So, by when do we expect commercializing these products? Is it in the near couple of years' time?**

Samit Mehta: So the biosimilar ADC, the only reason I'm not giving out a very specific time line is because the regulatory landscape in India itself is evolving. Many countries globally have done away with Phase III trials, which are typically the most expensive studies, which have the longest time

line as well. So if there is some regulatory pathway that is similar to these countries, then it could take away a significant portion of the development time line.

So there's no point in trying to guess where and at what time these paths will coincide, but it could make a significant difference in the approved time lines with and without a Phase III. So it may not be accurate to give out a time line, but obviously, the biosimilar will be earlier than the novel one.

Foram Parekh: **Okay. And lastly, on the capex front, if you can just give us the capex expected for FY27?**

Vikas Thapar: Yes. So I think we guide around that INR400 crores rough number. I think we'll broadly be in that range of INR400 - 425-ish crores.

Moderator: We will take the next question from the line of Kunal Randeria from Axis Capital.

Kunal Randeria: **Sir my first question is around the assumptions on your guidance. So, you said barring any geopolitical events. But as we speak, there are geopolitical events that might just push up the prices or would have already pushed up the prices on raw materials. So how much of it some of the price cost increase would be already baked in your guidance?**

Piyush Nahar: So Kunal, I think a couple of factors, right? One is, I think given the nature of the business and especially some of the markets we are in, for most of the markets, we do have between one to two quarters of inventory. So at least for the next one or two quarters, we don't see much of an impact coming through. I think post that, we'll have to see if this price elevation last across raw material and how much we can pass it on to the customer side.

You would have seen even in the domestic market, the IPA has reached out for price hike. I think we are also looking at what we can do within the international markets. So it's still an evolving phase. At this point, we don't think, unless it deteriorates further, it should not be a major impact, but we'll have to see as it evolves.

Satish Mehta: Kunal, one more point that I would like to add. This is an industry-wide problem, not necessarily restricted to one company. And the advantage that we will have is that we are not in a purely generic-generic market because we have differentiated products. So to that extent, our ability, that's what I presume. I don't know how it plays out, will be better in terms of asking for a higher price going forward.

And as far as India is concerned, this is an industry-wide problem. IPA has very proactively taken up with the government, and we are also involved in the negotiation. So let's see how it plays out going forward. It's an industry-wide problem.

Kunal Randeria: **Understood. Sir, the second question is, I think you were looking to file for semaglutide in Canada. Now with a couple of approvals, it might be a bit late, I guess. So, what is the path? Would you be kind of now partnering with someone, maybe as a marketing partner? What's the path ahead?**

Satish Mehta: Vik, would you like to take that?

Vikas Thapar: So in fact, in Canada, as you know, both Apotex and Reddy's did get the approval very recently. You'll be happy to know that our Mantra subsidiary in Quebec has partnered with Dr. Reddy's and we'll be launching the product hopefully sometime in Q2 and then ramp up from there. We are obviously filing our own product in Canada as well for addressing, I think, the more midterm opportunity throughout Canada.

But we're very, very excited about our partnership with Dr. Reddy's to be able to capture a decent market share in the Quebec market, where we anticipate that the pricing dynamics will be more favourable there relative to even the rest of Canada. And it just shows you the strength of our team that DRL has chosen to partner with us for trying to capture that early mover advantage in the Canadian market.

Kunal Randeria: **Okay. That's good. So, would it be like a profit share kind of an agreement or more of a marketing margin kind of, fixed marketing margin kind of an agreement?**

Vikas Thapar: Yes. So I don't want to specifically comment on the deal dynamics. I think it's early days. But I think it's a decent opportunity for us, specifically for the Quebec region. And I think only time will tell how lucrative that can become. But obviously, at the same time, I must say that in the early days, there were a lot of numbers being thrown around for the Canadian market. Obviously, some of the pricing has corrected a bit. So we think it's still a decent opportunity for us, looking at the dynamics of the deal as well as longer term, when we anticipate entering at some point in the future with our own product to address the remainder of the market.

Moderator: We will take the next question from the line of Avnish Burman from Vaikarya.

Avnish Burman: **My first question is a continuation of the previous participant's question on the impact of the business because of the Middle East conflict. I just wanted to know whether you are facing any constraints in terms of container availability, raw material, or even people in your factory? Is there any impact on the business because of that?**

Piyush Nahar: I don't think we're seeing any supply issues right now. I think the impact that we have is largely more on the pricing front. Supplies have not we have not seen impact.

Satish Mehta: Again, the supplies, in a limited sense, what is really happening, the solvents, where the prices have shot up, the solvents that we require for active pharmaceutical ingredients are not available and that is an industry-wide problem that we are facing. Even for that matter one must admit that the insurance cost and the freight cost have also gone up because of the longer route that is required to be taken.

But at the same time, it's difficult to opine what the impact is as of now. As Piyush rightly mentioned some time back, we are carrying inventory everywhere. And if the war continues for a few months, I think the entire industry or entire industry, not necessarily pharma, all of us are going to be impacted.

Avnish Burman: Okay. So, for example, cost, as you mentioned, freight and insurance costs and all, I mean, these are inventory independent. So in these kinds of cost increases, are you able to pass it on? Or are you taking it right now in your P&L?

Piyush Nahar: So I think it's a mix. I think the guidance we are guiding out includes the current what we are seeing in terms of the pricing.

Avnish Burman: Okay. And for your domestic business, if you have any CMO partners in India, are you facing any bottlenecks from those partners?

Piyush Nahar: As of now, no.

Avnish Burman: Okay. Okay. My second question is on this. The FDA announced some developments on the biosimilar front, where they reduced the R&D requirements for biosimilars. Just your opinion on how it impacts the new entrants or the incumbents differently? If you can just talk about that a little bit.

Samit Mehta: Yes. I think many companies will now find it a little more lucrative to enter the biosimilar space because like I was previously mentioned, Phase III, which is essentially an efficacy study for a lot of biosimilars, could possibly be waived off. And that was the largest component in terms of both cost as well as elongating the timelines. So once that goes away and we see more approvals coming through that have been filed without the Phase III or with the waiver, then definitely, the biosimilar space will heat up a little more.

And that said, that's where a company like Emcure's Genova will have the advantage, given that we have been in this business for quite a long time. And have developed strong expertise on both the mammalian as well as the bacterial platforms, on which most of the biosimilars are anyway produced. So in terms of maximizing or optimizing the titres, the yields, the COGS, we are there. So even with competition being very intense and COGS playing a major role, we should be able to thrive in the market going forward.

Moderator: Ladies and gentlemen, we will take that as the last question for today. And that concludes the question-and-answer session. I now hand the conference back to the management for closing comments.

Satish Mehta: This is Satish Mehta. Thanks for your very active participation. I would like to reiterate that we have delivered strong growth in FY26, which has exceeded our initial guidance. I understand your concern about Zuventus, but I would like to again reiterate we are in good shape. April has been as per our expectations. And I believe we will deliver the growth as per the guidance which has been given by the company. Nothing to worry about as far as the domestic business is concerned.

With our diversified business model, as we kept on talking about our position that we have in Canada, Europe and Emerging markets, I believe we are very well positioned to continue our growth trajectory. And as Piyush mentioned and I also mentioned in my initial remarks, low to

mid-teen growth with continued EBITDA margin expansion in FY27, we will keep on working. That is something which will happen.

And as we mentioned, the entire focus will be on execution, processes and people and growth will be well diversified because the company and the business that we have built, we have very strong four verticals, as in the domestic market, but at the same time, excellent position in Canada, Europe and Emerging markets that we have.

So, to that extent, business is in good shape. and we should deliver results as per the expectations of the market going forward. So thank you very much for giving patient hearing and looking forward to interacting with you from time to time. And if you have any follow-up questions, kindly feel free to reach out to us and we'll be more than happy to answer. Thank you very much.

Moderator:

Thank you, members of the management. On behalf of Emcure Pharmaceuticals Limited, that concludes this conference. Thank you all for joining us today and you may now disconnect your lines.

- Ends -

Note: The contents of this transcript have been edited to improve accuracy and readability