June 01, 2026

National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (E), Mumbai-400051

Symbol: **ORCHPHARMA**

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort, Mumbai-400001

Scrip Code: **524372**

Ref: (i) Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
(ii) SEBI Master Circular No. SEBI/HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated January 30, 2026

Sub: Transcript of Analysts/ Investors Earning Call held with Public at large on May 26, 2026- Orchid Pharma Limited ("the Company")

Dear Sir/Madam,

This is in continuation to our earlier intimation and submission dated May 19 & 26, 2026.

In reference to the captioned subject and pursuant to Regulation 30 and Sub- Para 15 of Para A, Part A of Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended read with SEBI Master Circular No. SEBI/HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated January 30, 2026, please find enclosed herewith transcript of Analysts/ Investors Earning Call held with Public at large on Tuesday, May 26, 2026 on the financial performance/ financial results of the Company for the Quarter-IV and Financial Year 2025-26, ended on March 31, 2026 and the same be read in conjunction with the Audio Recording submitted via our letter dated May 26, 2026.

Further, pursuant to Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the aforesaid transcript is being made available on the Company's website at https://www.orchidpharma.com/invr_conferencecalls.html

Furthermore, it is confirmed that no Unpublished Price Sensitive Information was shared/ discussed during the aforesaid Analysts/ Investors Earning Call.

You are requested to take the above on your record.

Thanking You,
For **Orchid Pharma Limited**

KAPIL DAYYA
Digitally signed by KAPIL DAYYA
Date: 2026.06.01 18:26:44 +05'30'

Kapil Dayya
Company Secretary & Compliance Officer
Mem. No.: F10698

Encl.: as above

"Orchid Pharma Limited

Q4 FY '26 Earnings Conference Call"

May 26, 2026

MANAGEMENT: **MR. MANISH DHANUKA – MANAGING DIRECTOR – ORCHID PHARMA LIMITED**
MR. MRIDUL DHANUKA – WHOLE-TIME DIRECTOR – ORCHID PHARMA LIMITED
MR. SUNIL KUMAR GUPTA – CHIEF FINANCIAL OFFICER – ORCHID PHARMA LIMITED
MR. NISHANT DALAL – VICE PRESIDENT, FINANCE – ORCHID PHARMA LIMITED
MR. KAPIL DAYYA – COMPANY SECRETARY – ORCHID PHARMA LIMITED

MODERATOR: **MR. VISHAL MANCHANDA – SYSTEMATIX INSTITUTIONAL EQUITIES**

Moderator: Ladies and gentlemen, good day, and welcome to the Orchid Pharma Limited Q4 FY '26 Earnings Con Call, hosted by Systematix Shares & Stock Limited. As a reminder, all participant lines will be in listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Vishal Manchanda from Systematix. Thank you, and over to you, sir.

Vishal Manchanda: Thank you, Iqra. Good evening, everyone. On behalf of Systematix Institutional Equities, I welcome you to the Q4 FY '26 earnings call of Orchid Pharma. We thank the Orchid Pharma management for giving us an opportunity to host the call. Today, we have with us the senior management of the company represented by Mr. Manish Dhanuka, Managing Director; Mr. Mridul Dhanuka, Whole-Time Director; Mr. Sunil Kumar Gupta, Chief Financial Officer; Mr. Nishant Dalal, VP, Finance; and Mr. Kapil Dayya, Company Secretary.

I'll now hand over the call to the company management. Over to you, sir.

Manish Dhanuka: Thank you, Vishal. Good evening, investors, ladies and gentlemen. I'm Manish Dhanuka, Managing Director of Orchid Pharma Limited, and I welcome you to our discussion on the results for the fourth quarter and full financial year of financial year '26. FY '26 has been an important year for Orchid Pharma. Financially, it has been a challenging year for the global antibiotic industry with significant pricing and volume pressure across several products and geographies.

However, strategically, this has also been one of the most important years in Orchid's evolution, where many of the long-term building blocks of the company have started coming together, including the homecoming acquisition of Enmetazobactam back from Allecra.

Over the last several years, Orchid has moved through recovery, stabilization, operational rebuilding and growth phases. We now believe the company is entering the next phase, which is platform creation. Our objective is to build a differentiated anti-infectives platform, spanning innovation, key starting materials, APIs, FDFs and antimicrobial stewardship capabilities, while investing in research for fermentation and protein synthesis for the future.

Let me first discuss the financial performance. For Q4 financial year '26, our standalone revenue for operations stood at approximately INR238 crores, broadly stable on a year-on-year basis compared to approximately INR237 crores in Q4 of financial year '25. We believe this signals a back to business as usual compared to very difficult last few quarters.

Our EBITDA for Q4 stood at approximately INR42.3 crores compared to approximately INR40 crores in Q4 of '25. For full financial year '26, standalone revenue from operations stood at INR811 crores compared to INR922 crores in financial year '25. FY '26 EBITDA stood at INR101 crores compared to INR155 crores in financial year '25.

While the top line and profitability were impacted by industry conditions, we believe it is important to understand the performance in the context of the pricing cycle, the Cephalosporin industry has gone through over the last 12 to 18 months.

During the last three quarters, the price erosion, combined with the downward valuation of inventories led to lesser gross margins. However, in Q4, we have started seeing early signs of recovery and stabilization. Gross margins during the quarter have recovered back to some extent.

While we still remain cautious in calling this a full industry recovery, the business environment currently appears significantly more stable compared to last few quarters. Going forward, we still need to monitor the impact of pricing due to the war, supply chain costs, global competitive intensity and geopolitical situations. However, from a business standpoint, it does not appear -- it does appear that the worst phase of the pricing cycle may now be behind us.

At Orchid, we continue to believe that in antibiotics, long-term competitiveness comes out not only from products, but also from process discipline, manufacturing efficiency, integration and execution capability. One area where Orchid remains sharply focused throughout financial year '26 was productivity, improvement, operational efficiency and cost discipline, despite continuing investments in R&D, AMS platform building and future growth initiatives.

The company was able to reduce costs across multiple operating heads on an absolute basis, such as power and fuel costs, finance costs continued to decline. Several other operating expenses categories also came down, despite inflationary pressures and the scaling up of multiple strategic initiatives. This reflects the strong operational execution effort across manufacturing, procurement, engineering, supply chain and quality functions.

Coming now to the new initiatives and strategic updates. First on the merger between Dhanuka Laboratories and Orchid Pharma. During the March hearing, the order was reserved. We are still awaiting the formal written order. We expect this to be received shortly after the court vacations.

Strategically, we believe the merger is significantly more important than only the legal consolidation. The merger creates a unified anti-infective platform with integrated manufacturing, combined R&D, better capital allocation, capacity rationalization, improved operational efficiencies and cleaner organizational structure, removal of duplicacy of functions, reduction in compliance costs and administrative overheads. As these synergies begin getting realized over time, we internally estimate that the merger itself can potentially contribute nearly 1% to 2% EBITDA margin expansion.

Coming now to the 7ACA project. The project currently is on track, although execution remains a race against time. We are still committed to the commissioning in the first quarter of calendar year 2027. The process technology also continues to be repeatedly validated and optimized at our Chennai facility to ensure that the design parameters are fully stabilized as well as optimized before commercial commissioning.

Coming down to now, Exblifep. Currently, we are at an early stage commercialization. The product is currently selling in only India and Europe. We now have Q1 numbers emerging from

Europe. And while still not financially meaningful, they are encouraging and represent multiple orders.

It is about fourfold improvement over the previous quarter. Commercial discussions continue across multiple geographies. Currently, we are actively discussing opportunities in the United States, Russia, Latin America and Southeast Asia. In some of these markets term-sheets, all definitive agreements are under discussion. We will announce binding agreements as and when they are finalized.

Depending on the geography and market complexity, agreements are being structured differently, some with upfront and milestone, and downstream royalty structures, some with milestone-linked payments through transfer price linked economics without downstream royalty tracking.

Coming down to Cefiderocol and AMS. The Cefiderocol facility remains on track for commissioning by the end of this calendar year. Subject to regulatory approvals and registrations, we expect product launch during Q2 or Q3 of calendar year 2027. AMS continues to grow steadily, and is now increasingly being recognized positively within hospitals and infectious disease specialists.

The platform currently remains an EBITDA drag of approximately INR8 crores annually. But strategically, we believe it is extremely important. It positions Orchid not merely as a manufacturer of antibiotics, but as a long-term participant in responsible anti-infective healthcare solutions. Importantly, the AMS platform also gives us a strong market entry point for products like Cefiderocol.

During the year, we also launched another differentiated product, Ceftaroline in the domestic market. Currently, apart from Pfizer, Orchid is the only other supplier in this category in India, and the product has been well received among doctors and institutions.

What I would also like to discuss today is a very important strategic direction for Orchid going forward. Orchid today remains the only Indian sterile Cephalosporin manufacturer with a U.S. FDA-approved facility. However, despite operating this business for nearly six years after NCLT takes over, we have not been able to meaningfully participate in the U.S. market.

The reason – the large reason for this is structural. Just as there are very few sterile Cephalosporin API manufacturers globally, there are also very few sterile Cephalosporin FDF players capable of undertaking CMO manufacturing and commercial launches for these products for the U.S. market. We have, therefore, taken a strategic decision to leverage the sterile Cephalosporin platform we are building and invest further in fill, finish and formulations capabilities at the same site, along with the drug product development team and infrastructure for the same.

Our objective is to make the facility fully capable of addressing regulated sterile formulation opportunities for the U.S. market. Over the next few years, Orchid plans to launch approximately five to six large sterile products catering to nearly two-thirds of the U.S. Cephalosporin market

opportunity. This overall opportunity size is estimated at approximately $1.2 billion. 50% of this is few patented products going off patent shortly. 30% is sterile generics, 20% are oral.

Products under development and evaluation are Ceftaroline, Ceftazidime-Avibactam, Ceftolozane, Cefepime, Ceftaroline and Ceftriaxone. While we believe we have the strength in the complicated molecules, which are going off patent, which form 50% of the sterile landscape, we believe that over the next five years, the U.S. business can become an important contributor to both Orchid's top line and the bottom line.

With the merger now nearing completion, the broad platform that Orchid had envisioned over the last several years is now starting to come together. Once the 7ACA project is commissioned and the sterile FDA platform is operational, Orchid will become one of the very few integrated sterile Cephalosporin companies globally, spanning fermentation, key starting materials, API, formulation development, fill-finish manufacturing, dossier ownership and global commercialization.

Some of these products will be innovative products like Exblifep, some will be differentiated first generics and some will be large sterile Cephalosporin products for regulated markets. We believe this integrated model creates a strong long-term foundation for Orchid's future growth. I would like to thank all our employees, investors, customers, partners and stakeholders for their continued support and confidence in Orchid Pharma.

Thank you very much. We would now be happy to take your questions. We continue to believe that 7ACA is one of the most strategically important projects undertaken by Orchid.

Moderator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question, may press star and one on their touch-tone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets, while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. Participants, you may press star and one to ask a question. The first question is from the line of Sagar from Xponent Tribe. Please go ahead.

Sagar: Hi, sir. Am I audible?

Moderator: Yes, you are audible.

Sagar: Okay. Sir, firstly on Enmetazobactam, in Q3, we mentioned that we'll announce a licensing deal every quarter. And I believe in the last quarter, you've mentioned that you were talking to a Japanese player as well. So we haven't made any announcements yet. So could you give us an update on, A, where the Japanese customer is; and B, why haven't we been able to sign a firm contract up until now?

Mridul Dhanuka: Yes, sure. Thanks for your question. So specifically, country-wise comments, I won't be able to share because of confidentiality in the way our agreements are structured. Like Mr. Manish explained in his speech, in some countries, we have reached a term-sheet stage, and we are negotiating the definitive agreements. So depending on where they are, these long-term agreements are taking more time to negotiate than we thought originally. So I was hoping that

today, we could have announced at least one, but unfortunately, we don't have the definitive agreement signed yet.

Sagar: Okay. Okay. In terms of the data that you're getting from Europe, I believe it's still early days. You said, we've grown 4x Q-on-Q on a small base, I believe. But just from key opinion leaders there, what is the kind of feedback that you're getting from users of this or prescribers of this product?

Are there certain benefits that -- or superior benefits that people have spoken about? Are there other challenges that may be coming up in terms of prescription? If you could just give a qualitative overview of how you think the product would be scaling up?

Manish Dhanuka: We feel that the biggest challenge in selling antibiotics is inclusion into the formulary and inclusion into the government tenders because antibiotics sells largely through the public health systems in Europe. So as we are seeing the inclusion into a few countries, like South of Europe, the sales are growing there.

When it comes to molecules, see, we do believe that the molecule has great potential and any doctor who wants to preserve carbapenem for future, would definitely prescribe this product. To be very honest, we don't know how the product is being promoted in Europe, but we feel as more countries get included into the formula -- the product gets included into more formularies, the sales will definitely grow. Moreover, I think the Gulf region will also start very soon the sales.

Mridul Dhanuka: So just adding on to that, some of the key opinion leaders now that we are talking to various countries in various markets. So everywhere we are getting a feedback that this is a very important product with respect to launch and every country would like to have it. The only question remains of the economics of how it's going to be priced. But with respect to the attractiveness of the product, so every country we approach to whether it is big or small, everywhere the opportunity is appearing exciting.

Sagar: Okay. So historically, we've maintained that at peak, we can do $200 million to $250 million, which is reached in approximately three years from the date of launch, right? I understand launch date would be different in different geographies. But is that the number we still something to maintain, especially in light of the new information we are getting on pricing?

Mridul Dhanuka: Hi. So we have -- you are talking about the older number I have mentioned, although we have become much wiser since the time we have bought the product and talking to various countries. We still maintain the lifetime sales would be between $1 billion to $2 billion overall during the life of the patent. And the peak should be reaching fourth or fifth year of the launch, not three years. So fourth, fifth year of launch should be the peak. And like you said, depending on which geography it is launched, when that's the time the peak would arrive. So depending from there, we will have to calculate what is the total earnings potential for Orchid on this.

Sagar: Okay. Okay. On the base business, you're saying the worst is behind, right? I mean we'll yet to come back to our previous gross margin levels. I think we've done a great job on cutting costs and obviously reporting great EBITDA margin here. But what are you seeing on this business?

Is the recovery still intact even in Q1 as we speak or improving? How do you see this business at least for FY '27, as far as the growth is concerned?

Manish Dhanuka: See, we believe that the growth, as we have been maintaining, the growth is mainly coming from the non-regulated markets, as more and more population get access to the antibiotics. And the next growth is probably going to come from Africa and probably South of Asia. So there is definitely growth in Cephalosporin.

But as we understand that the capacities are also continuously getting enhanced. So it's always the situation of demand and supply that determines the pricing. So we do understand that the pricing in the non-regulated markets will be competitive, and we have to continue to make ourselves more competitive all the time.

While I think we do have the cushion of being present in the regulated markets, which give us higher margins. But for growth, we have to look at the ROW trajectory, and we continue to improve our competitiveness through cost efficiencies.

Sagar: Right. But should we at least for FY '27 assume a 12% EBITDA margin for the base business?

Manish Dhanuka: Yes, Sagar, we are targeting something around that. We are targeting a good sales growth as well, but we have to see how the market reacts.

Sagar: Okay. And sir, on the fill-finish piece that you spoke about, could you give us more clarity on what is the capex you're doing here? When does it commercialize? How does this exactly ramp-up?

Manish Dhanuka: Capex for which activity?

Sagar: Fill-finish.

Manish Dhanuka: Yes. So it is the same Cefiderocol project, which will have this fill-finish facility as well, right?

Mridul Dhanuka: Yes. So the total capex we are estimating is around INR50 crores, which includes equipment and capability but one size. So and filing dossier, so all of that is included. It's not a significant capex because it's part of the Cefiderocol facility. Only some you can say, matching equipment will be ordered. Most of it would be filing and development expenses.

Sagar: Okay. Thank you. I'll get back to you.

Moderator: Thank you. A reminder to all the participants, anyone who wishes to ask a question, may press star and one. Participants, you may please press star and one to ask a question. We will take our next question from the line of Nikhil Upadhyay from SIMPL. Please go ahead.

Nikhil Upadhyay: Yes. Hi, good evening. And good set of numbers and good improvement in the base business. Mridul, I wanted to understand on the pricing, how you are looking at the overall environment? And do you see sustainable price improvement? And what are the factors, which are leading to this price improvement? Or is it more transient in nature? Some sense if you can give.

Manish Dhanuka: Hello?

Nikhil Upadhyay: Yes.

Manish Dhanuka: Yes. So you see the pricing did increase in the month of April, due to the war. People were a little anxious about covering their materials. And obviously, the cost has also increased since you all know the solvents and all the inputs are more expensive. Now it remains to be seen whether we will be able to pass on all the costs that are increasing or only partly. It's always a challenge in a competitive industry to pass on the cost and increase the price. So we are trying to review prices on almost a weekly basis, so that we can beat this challenge.

Nikhil Upadhyay: Okay. Okay. And Manish ji, another question was you mentioned in the starting, and maybe I could be wrong here, but I thought you mentioned something about the inventory loss. Can you quantify what was the amount of inventory loss we had?

Manish Dhanuka: So I would not be able to put a number, but we believe that the first quarter, the loss was the maximum because we were carrying inventory having planned for a good growth during the year and suddenly the prices crashed 15%, 20%. So I'm imagining that the difference in last -- between last year and this year's profit would be a loss on the inventory valuation.

Mridul Dhanuka: Our Q2, Q3 gross margins were around 31%, 32%. So here we were carrying high price inventory and forced to sell at a lower value. Towards the end of Q3, we decided we need to sell at the current market prices rather than hold inventory. That's what led to the recovery of Q4 and we also starting getting lower priced inventory. That's what led to the improvement in the gross margins.

Nikhil Upadhyay: Okay. Sure. I will come back in the queue. Thanks.

Moderator: Thank you. Next question is from the line of Loveleen Bagga from Systematix. Please go ahead.

Loveleen Bagga: Hi. Loveleen, this side. Thanks for the opportunity. Sir, my first question is can you tell me the mix between the regulated market and emerging markets? And what was in Q4 FY'25 also?

Manish Dhanuka: Can you just repeat, Loveleen, your question? Your voice is not very clear. There is echo.

Loveleen Bagga: Just a second. Am I audible now?

Manish Dhanuka: Yes.

Loveleen Bagga: Hello?

Manish Dhanuka: Yes, you are audible now.

Loveleen Bagga: Okay. So I wanted to ask that what is the mix between the regulated market and emerging markets? And also what was it last year that is quarter four FY '25?

Manish Dhanuka: So we report this annually. Our trend has been one-third, two-third, broadly fluctuating 5% here or there. For this year, whole year, 30% is regulated and 70% is ROW. That's what the end of year number, Loveleen.

Loveleen Bagga: So can the regulated market mix can get better in FY'27?

Manish Dhanuka: See, most of the business in regulated market is like exclusive. We are regulated market business is based on the long-term contracts. So it's very difficult to predict because we are the only supplier over there. If our customer ends up getting a big contract or a tender, our sales increase. If they lose their business, we lose our business. So it's very difficult for us to take a decision at the beginning of the year.

Loveleen Bagga: Okay. So also, if you can give a guidance on Enmetazobactam sales in FY '27?

Manish Dhanuka: Enmetazobactam is selling as vials in India, which is sold by both Orchid and Cipla. They're not selling Enmetazobactam as API.

Mridul Dhanuka: And product-wise numbers, we don't share. So that's the policy.

Loveleen Bagga: Okay. Got it. And the last question is, you said in your opening remarks that EBITDA margin post-merger will expand. So we understand that Dhanuka is a lower margin business. So if you can add some color to it?

Manish Dhanuka: Yes. So some efficiencies like in purchase and some duplicacy or administrative expenses will definitely get optimized that will reduce some of the overheads. And what we were trying to say is that the combined EBITDA of Dhanuka and Orchid over that, there will be an efficiency improvement of 1% or 1.5%, 2%. In terms of percentage, yes, Dhanuka -- in terms of percentage, Dhanuka has lower percentage EBITDA, but it will add incremental EBITDA to the overall EBITDA of Orchid. That combined EBITDA number in terms of percentage will have an improvement.

Loveleen Bagga: Okay. Got it. Thanks.

Moderator: Thank you. Before we take the next question, a reminder to all the participants. You may press star and one to ask a question. Next question is from the line of Sagar from Xponent Tribe. Please go ahead.

Sagar: Hi, sir, thank you for the follow-up. Sir, you said that on the base business as well, you are targeting good growth in '27. Can you please quantify what is the target as far as '27 is concerned?

Manish Dhanuka: Yes. We wish to follow the same trend that has been going on last four, five years, except this year was an aberration. So we hope we can continue between 10% to 15% again this year. That's our target.

Sagar: 10% to 15% for '27, okay.

Manish Dhanuka: Yes.

Sagar: And for Dhanuka, could you please tell us the numbers for '26 revenue and EBITDA?

Manish Dhanuka: Yes. The revenue numbers are INR450 crores, which was INR500 crores last year, so almost same 10% reduction. EBITDA numbers, I don't have at this point of time. The audit is going on. Maybe after some time, we will announce the combined numbers.

Sagar: Okay, sir. Okay. On your on Enmetazobactam, you said that you're talking to customers in U.S. as well. And I'm assuming that would be one of the largest markets. Previously, you said that you expect U.S. to get signed this year itself. So can we expect U.S. deal to get finalized in the next two quarters? And would it be also possible for you to give us a flavor of the kind of players or marketing partners you are targeting here?

Mridul Dhanuka: So with respect to, yes, closure, I think we hope at least the discussions are in advanced stages that they would be closed in this quarter, coming quarter, at least. U.S. would be possibly a quick launch because the product is approved, but will still take some time to get the things in motion after the agreement is there. With respect to the color of the companies, I think at this stage, it is confidential, we will not be able to share.

Sagar: Okay. Okay. No worries, sir. On 7ACA, sir, what is the pricing right now?

Mridul Dhanuka: Can you come again, please?

Sagar: 7ACA pricing?

Mridul Dhanuka: Yes, around $61 is the current price.

Sagar: Okay. So this also seems to have increased, right? And correct me if I'm wrong, I believe it was about $55 just a couple of quarters back.

Manish Dhanuka: Right. Right.

Mridul Dhanuka: So long-term average is around $60. So it fluctuates plus/minus 5% to 8% around that. So maximum is $65, minimum is $55. So it just fluctuates between this range most of the time.

Sagar: Okay. Okay. Understood, sir. Thank you. All the best.

Moderator: Thank you. Next question is from the line of Harsh Shah from Avener Investment Management. Please go ahead.

Harsh Shah: Yes, hi. Thanks for taking my question. So regarding Cefiderocol, the prices are currently US$150, right? And we have put up a capacity of 1 million vials. So maybe could you share how could be the ramp-up of this capacity maybe by the end of FY '28 or in FY '29, like what should be the utilization rates?

Manish Dhanuka: See, 1 million vials, I think is quite a good capacity for such a last line antibiotic. I don't see that we will need to increase capacity very soon.

Mridul Dhanuka: So in terms of utilization, it depends on slightly the price elasticity. I have explained on earlier calls, our agreement is designed to be a cost-plus basis where we are guaranteed a fixed PBT. So the idea is that based on the licensing countries, once the commercial licensing is done by GARDP. It is our estimate that it could be around 400,000 vials for the first few years depending on which all geographies open. India is expected to be one of the largest market and maybe one-third capacity could be India and rest of the capacity could be global.

Harsh Shah: Okay. Understood. Rest of my questions have been answered. Thank you.

Moderator: Thank you. Next question is from the line of Vishal from Systematix. Please go ahead.

Vishal Manchanda: Yes. Hi. Good evening, sir. Sir, on the 7ACA project, your presentation suggests 75% will be used in-house. And I think -- my understanding is you had guided 25% was something you were looking to use in-house and the rest you will sell to third parties. Is there a change here or...

Mridul Dhanuka: No, no, it's the same. So Vishal, what we meant earlier was 25% is our existing consumption and rest of it would be added to the downstream processing systems. So everything will be consumed in-house. Whatever we are going to additionally consume this 50%, that will be converted to downstream and sold from Orchid Chennai facility as downstream products. So if you look at only 7ACA basis, only 20%, 25% would be sold to third-parties. The rest of it would be sold through Orchid as downstream products.

Vishal Manchanda: But do we have enough API capacities to use that 75% in-house or we'll have to add the downstream capacities to use it in-house?

Manish Dhanuka: So the downstream products will be sold as intermediates, not as API. We will have to add some capacities. We are trying to reengineer our current plants to gear up with the minimum investment to meet that requirement.

Vishal Manchanda: Okay. Will this require meaningful investments?

Manish Dhanuka: At this point of time, we are trying to reengineer the existing plants only. We'll probably have the exact number, say, after a few months' time.

Mridul Dhanuka: As we ramp up 7ACA production, initial requirement would be consumed in-house. It is an easy replacement, 25%. And then a large quantity we can produce with the spare capacity already available. So I don't think for the first year, that's going to be a challenge. And by the time we come to that in our project, we have already budgeted an amount for that downstream investment. We are trying to see how that can be minimized with reengineering in the existing facility.

Vishal Manchanda: Okay. And any guidance that you can give in terms of how this will translate into your margins? And overall, since you're going to sell downstream products, so can we assume an asset turn higher than -- so earlier, you were guiding less than 1x asset turn. So will this mean a higher asset turn for you now?

Mridul Dhanuka: So for the downstream only capex addition, the asset turn would be very, very high because it's intermediate and it does not require the same level of clean room and investment. We had guided earlier of 5% kind of additional EBITDA on the downstream products.

Vishal Manchanda: Okay. Okay. So that stands you would do that?

Mridul Dhanuka: Yes, that's what we want to do.

Vishal Manchanda: Okay. And on the fixed dosage formulation capabilities that you have built for -- you are building for the U.S. market, all the approval requirement, how long that can take, the planned approval requirement? Or is it going to get approved along with the ANDA that you will file for the product?

Manish Dhanuka: So currently, the plan is that we will try and file the ANDA from an alternate CMO. And as we approach the U.S. FDA for our inspection and when we get the approval, then we can use our site as an alternate manufacturing site. So we would like to derisk the molecule by having two sites of manufacturing, one would be ours and one would be a CMOs. So we do not want to delay the filing of ANDA because of the delay in the U.S. FDA approval of the facility. We'll launch from our CMO. We'll file from the CMO.

Vishal Manchanda: Okay. And so like all the ANDAs will be filed from third-party CMOs or maybe the first ones that you kind of are prioritizing will be filed from the third-party and then...

Manish Dhanuka: No, maybe first two, yes.

Mridul Dhanuka: Yes. So Ceftazidime-Avibactam and Ceftaroline would be the first two candidates. They will be filed through a CMO.

Vishal Manchanda: Okay. And on Enmetazobactam, if you could share how will we be progressing in terms of the number of patients that we would have treated in the last 12 months?

Mridul Dhanuka: Just a second. Let me get that number for you. So about 30,000 patients we would have treated in last year.

Vishal Manchanda: Okay. That's a meaningful number.

Mridul Dhanuka: Yes.

Vishal Manchanda: Got it. And again, coming to the presentation, you are trying to build beyond your core Cephalosporin platform. So the first area that you are highlighting is non-Cephalosporin generics. So does that mean you'll remain in antibiotics, but you'll also get into the other antibiotics, the penicillin-based antibiotics as well?

Mridul Dhanuka: So that part of the presentation talks about the assets that we are going to acquire through the merger of Dhanuka Labs. So there is a non-Cephalosporin facility and a formulation facility as well there. So that's an integrated business in itself, but it's much smaller. So it will require investments in development and going forward. That's going to be a smaller part of the business. But the idea is how do we derisk and make it meaningful going forward. So we have enlisted

some of the areas that we'll be working on. But as alluded in the presentation, even for the next five years, 90% is still going to be Ceph.

Manish Dhanuka: But that business will be non-Ceph, non-penicillin.

Vishal Manchanda: Okay. So it could also be outside of antibiotics?

Manish Dhanuka: Yes, yes. Non-antibiotics largely.

Vishal Manchanda: And would you -- do you have intentions to build that meaningful? Or you don't have any intentions around that? Or you would continue like the way it is going?

Manish Dhanuka: See, the biggest challenge that you see in synthetic APIs today is identification of the right molecule and the right market. So we continue to do that. And it will really depend if we can develop a technology where we have an advantage over competition or against China. So we continue to explore molecules, do our R&D on those molecules and try and commercialize them. But you understand it's not that easy in today's environment with China creating huge capacity.

So we have got certain niche in some two or three products. We'll continue to grow there and continue to explore newer molecules. But the advantage that we have is that we have an integrated facility. We have a formulation facility and we have an API facility. We try and make our own API and try and sell the finished formulations, export to all the ROW countries.

Vishal Manchanda: Okay. Okay. Thanks. And sir, just one more on 7ACA. The commercial sales will begin from the first quarter of CY '26 -- CY '27, sorry?

Mridul Dhanuka: So the first sales actually would be to Orchid itself internally. So you can say the sales to third-parties will happen after the first few quarters.

Vishal Manchanda: Got it. Got it. Thank you very much.

Moderator: Thank you. A reminder to all the participants, if you wish to ask a question, please press star and one. Next question is from the line of Rupesh Tatiya from Long Equity Partners. Please go ahead.

Rupesh Tatiya: Hi, Manish, hi, Mridul. I am in a bad network area. Am I audible?

Mridul Dhanuka: Yes, Rupesh, we can hear you.

Rupesh Tatiya: Yes. Sorry, I missed first maybe 15, 20 minutes of the call. Any update on out-licensing Enmetazobactam? I think we were expecting maybe one announcement every quarter. Where are we on that? And then the other innovator project, where are we on that?

Mridul Dhanuka: Yes. So we are in multiple stages of discussion in Japan, Russia, U.S., Latin America and Southeast Asia. Some are in term-sheet space, some are in definitive agreement space. We wanted to announce one deal before the call. Unfortunately, it's not signed so we cannot. Hopefully, within this quarter, we should announce one. But lots of them advanced discussion, and we hope to sign a lot of deals this year.

Rupesh Tatiya: So this deal that is in advanced stages, can you disclose it is for which geography?

Mridul Dhanuka: Yes. So like I said, these are the geographies I talked about, some of them are at term-sheet stage. Some of them are in definitive agreement negotiation stage. So that means term sheet has been signed in some of these markets. I cannot talk about which market what has happened. But the markets are Japan, Russia, U.S., Latin America and Southeast Asia, a couple of countries.

Rupesh Tatiya: So in six months, is it fair to assume all these markets out-licensing agreements will be in place?

Mridul Dhanuka: I would love to do that. But if you have to assume something, I would say 50% will be signed in for sure. Because it takes a long time. We've acquired this six months ago, the discussion on out-licensing, a lot of due diligence going on and then they want to take the patents, all of that takes time.

Rupesh Tatiya: Okay. Okay. And I mean, based on these discussions, now you have an outsider's view on Enmetazobactam, how are you looking at lifetime value of this product?

Mridul Dhanuka: So same. As I've always mentioned earlier on the call, $1 billion to $2 billion lifetime sales.

Rupesh Tatiya: And that is holding, right?

Mridul Dhanuka: Yes, yes.

Rupesh Tatiya: Even with the outsider's opinion, this is holding, yes.

Mridul Dhanuka: Yes. Fingers crossed, yes, we will see -- learn more once we sign some of the deals. So then more and more things will emerge. But yes, right now, it holds.

Rupesh Tatiya: Okay. Okay. And where are we on the Shionogi's project?

Manish Dhanuka: Yes, the plant commissioning, as earlier also announced, is going to be December of '26. And because it's a new molecule, we'll file with the DCGI, depending on the approval time, I'm hoping maybe we get a clinical trial waiver about six months' time to launch in India.

Rupesh Tatiya: Okay. So December '26 commissioning, if the waiver comes, second half calendar '27 is when the commercialization can start?

Manish Dhanuka: Yes.

Rupesh Tatiya: And how about other markets, non-India markets?

Mridul Dhanuka: So everywhere we need to first register the product. I think first for non-India market, we'll need to do the WHO, PEQ, et cetera. India would be definitely the first launch. Right now, the commercial licensing is not signed for other countries. So the engagement has not started by GARDP with us on which country they have given to whom. So I think maybe that should start in a couple of quarters once we are closer to the commissioning.

Rupesh Tatiya: Okay. Okay. And Dhanuka, can you give annual revenue and EBITDA PAT numbers, unaudited...

Manish Dhanuka: Yes. We announced in the call. INR450 crores is '25-'26 number. EBITDA PAT is currently being evaluated because that's a non-listed entity takes slightly more time. Revenue is INR450 crores.

Rupesh Tatiya: Okay. Okay. And maybe 7ACA prices, any trend, any market intelligence on how the competition is behaving, anything on that?

Manish Dhanuka: Yes, same price currently, it's around $61. Long-term average is $60. So stable, I would say, the price.

Rupesh Tatiya: Okay. Okay. Cool. Thank you. Thank you for answering my questions.

Moderator: Thank you. A reminder to all the participants. Anyone who wishes to ask a question, may press star and one. As there are no further questions from the participants, I now hand the conference back to the management for closing comments

Manish Dhanuka: Thank you, everyone, for the questions and for the continued engagement with Orchid Pharma. We fully understand that investors ultimately judge companies not only on plans, but by execution and long-term value creation. As we said in the presentation, over the last few years, we have consciously focused on rebuilding the company step by step operationally, financially, technologically and strategically. Many of the initiatives we discussed today are the result of the groundwork that has been laid patiently over the several years. What gives us confidence today is not only the opportunities ahead, but also the capabilities we have built internally to execute them.

While the industry environment may continue to remain dynamic in the near-term, we believe Orchid today is significantly stronger, more integrated and better positioned than it was a few years ago. We remain committed to disciplined execution, prudent capital allocation, strengthening competitiveness and creating sustainable long-term value for all stakeholders.

I would also like to sincerely thank all our shareholders, employees, customers, partners and lenders and stakeholders for their continued trust and patience and support through Orchid's journey. Thank you once again. We look forward to updating you on our progress in the coming quarters. Have a good evening.

Moderator: Thank you. On behalf of Systematix Shares & Stocks Limited, that concludes this conference. Thank you all for joining us today, and you may now disconnect your lines.