Emcure

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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** **Script Symbol: EMCURE**	**BSE Limited** **P J Towers,** **Dalal Street,** **Mumbai - 400 001** **Scrip Code/Symbol: 544210/ EMCURE**

Dear Sir/Madam,

<u>Subject</u>: Transcript of Earnings Call – Q1 FY27

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 July 15, 2026, please find enclosed the transcript of the Earnings Call for Q1 FY27, held on Thursday, August 06, 2026 at 4:00 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 AMIT YANGALWAR
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Amruta Yangalwar
Company Secretary & Compliance Officer
ICSI Membership Number: A25687

Emcure Pharmaceuticals Limited

Q1 FY27 Earnings Conference Call

August 06, 2026

MANAGEMENT PARTICIPANTS:

- Mr. Satish Mehta – Managing Director & CEO
- Mr. Tajuddin Shaikh – Chief Financial Officer
- Mr. Samit Mehta – Whole-Time Director and COO
- 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 Emcure Pharmaceuticals Limited Q1 FY27 Earnings Conference Call. 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. Please note that this conference is being recorded.

I now hand the conference over to Mr. Saurabh Paliwal, Head of Investor Relations. Thank you, and over to you, sir.

Saurabh Paliwal: Thank you, Dorwin. Good afternoon, everyone, and welcome to Q1 FY27 Earnings Conference Call of Emcure Pharmaceuticals. We will begin today's session with opening remarks from the management, followed by a Q&A session.

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

We hope you had an opportunity to review the financial results, the results presentation and the press release, which was released earlier this afternoon. Before we start, please note that this call is being recorded.

I also need to remind everyone about the safe harbor related to today's call. Certain statements made during this call may be forward-looking in nature. These statements are based on our current expectations, assumptions and management's views 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. The detailed disclaimer accompanying the results presentation and the press release applies to this earnings call.

I will now hand over the call to Mr. Mehta to begin his opening remarks. Over to you, sir.

Satish Mehta: Thank you, Saurabh. Good afternoon to all of you. This is Satish Mehta, CEO of Emcure, and I'm absolutely pleased to speak to you post publication of our Q1 results, which I believe you must have seen it by this time.

Before I start talking about the performance for the quarter, which has ended, I would like to share some important Board and organizational updates.

Number one, our Chairman, Mr. Berjis Desai, has been appointed as member of National Commission for Minorities. It's a full-time employment of Government of India.

As a result of this appointment, Berjis Desai is going to step down from the Boards of all listed companies. So obviously, he will retire from the Board of Directors of Emcure at the conclusion of our Annual General Meeting.

Berjis and I have been working together for more than 35 years, and he has been very much responsible in shaping the value system and culture of the organization and provided immense guidance and contribution to Emcure.

Obviously, being a stalwart and a very eminent lawyer in his own right, he has helped in improving the governance standards and institutional processes of the company. We will obviously continue what we have jointly built over a period of last 35 years and take it to the next level.

The entire management of Emcure and every Emcurean is grateful to Berjis for the contribution that he has given to company in the last 35 years, and things wouldn't have happened but for his active participation.

With the recommendation of the Board, I will now take on the role of Chairman in addition to my existing role as Managing Director and CEO of the Company post the conclusion of the upcoming Annual General Meeting

I assure all of you that company strategy, operations, execution, everything remains unchanged.

In terms of this new position that has been entrusted to me, I feel humbled and I'm committed to give more than what I have done so far, and I will work very closely with the Board, senior management team and each and every Emcurean to take the company to the next level.

The second important announcement I would like to make is that Samit Mehta now takes over as Chief Operating Officer of Emcure. As far as Samit is concerned, he is extremely passionate about science and technology. He has done his MBA from Wharton and has spent more than two decades with the organization. He has also been involved in giving a lot of innovative products and has worked very closely with the R&D and manufacturing. Going forward, he will have a broader oversight of group R&D, manufacturing operations, and licensing activities.

Samit will also play a bigger role, not only in the areas where he is directly involved, but also in overall strategy. He will get more involved in the management of the company and clear signal to everyone about the way forward.

The third important thing that has happened is we have just recently acquired 12.05% minority stake in Gennova, making it a 100% owned subsidiary of Emcure.

The strategic control of our biological platform will ensure that we have a sharpened focus on biosimilars and adjacent therapeutic platforms.

We began the journey 15, 16 years back. As far as Samit is concerned, because of his passion for science and technology, apart from being Chief Operating Officer of Emcure, he also serves Chief Executive Officer of Gennova, our biotech arm wholly owned 100% subsidiary.

He will obviously be focusing on taking Gennova, biosimilars and other technologies to the next level because I personally believe that, given the development at the global level, a lot is happening in the field of biologics. Under Samit's leadership, Gennova will have a robust product pipeline, particularly as biosimilars and biologics are going to play a very important role.

The Gennova consolidation now gives us full control across all our Indian and foreign subsidiaries. With Gennova, Zuventus and all our other subsidiaries now 100% owned by the parent company, we have a very simplified and aligned group structure that ensures strategic coordination across all businesses.

Having discussed about these three major events, let me focus on our quarterly performance, which I believe most of you have seen.

Q1 FY27 marks the beginning of the second year of our 5-year plan, and I'm very pleased to say that we have started on a very strong footing, and Q1 gives a very encouraging early signal. Q1 FY27 reflected strong all-round performance with broad-based growth across revenue, profitability and earnings.

Revenue for the quarter grew by 22.8% year-on-year to INR 2,580 crore, supported by strong momentum across geographies.

As far as EBITDA is concerned, it has grown by 25.8%, to INR 508 crore. Margin has improved to 19.7%, an expansion of 50 basis points reflecting productivity gains and operating leverage in this quarter.

Profit after tax grew faster at 36.2% to INR 292 crore, underlining the strength of quarter's operating performance. Enormous amount of cost control has been exercised in operating parameters and operating performance.

So, outstanding performance as far as the second year of the 5-year strategy plan about which I talked last time, we have obviously begun on very, very strong footing.

With that, let me turn to the performance of our India business.

On a year-on-year basis, it has grown by 10.2% to INR 1,095 crore, returning to double-digit growth compared with Q1 of previous year. If you compare this with Q4 of '26, we have grown by 12%. The performance is in line with our plan and in line with our expectations.

All our leading brands in CNS, cardiology and gynaecology have shown very good traction and strong growth. We have also seen improvement in Zuventus following the changes which have taken in the previous quarter.

As I mentioned last time, there were some challenges in Zuventus, but now we are moving towards stability. There are 3 areas on which we have been working, stability, consolidation acceleration.

We have achieved stability and we are almost in the process of completing the consolidation phase. Having achieved the first two objectives we are obviously moving towards the third phase, which is acceleration going forward.

Our in-licensed products from Sanofi and Roche, along with Poviztra, from Novo Nordisk, have complemented the performance of our own brands and broadened our presence in relevant therapy areas. It is a matter of happiness that through Poviztra, we have a very solid presence in obesity market, which I believe is going to grow going forward.

I'm also happy to inform that our consumer business through our wholly owned subsidiary, Emcure Wellness, is also gaining traction. In fact, one of the product Bitter Drops, is showing early signs of scalable growth. It has been very well received by the consumers. It is showing good traction and going forward I'll keep updating you about the performance.

We remain confident of continued growth in India as we strengthen our sales teams and our portfolio continues to gain traction. I believe that going forward, whether it is Q2, Q3, Q4, you will see the northward movements as far as the Indian business is concerned.

As I told you last time, the Indian business continues to receive significant oversight and attention from the senior management including myself. This part of the business is very close to our heart, and you will see positive movement quarter after quarter. As I mentioned earlier, the process of consolidation is now largely behind us, and we will obviously move towards acceleration going forward.

Having said that, now let me turn my attention to International Markets.

The international business delivered very strong and robust growth during the quarter with revenue of INR 1,485 crore, a growth of 34.2%. Growth was supported by base business ramp-up, new launches and tailwinds because of currency. All regions contributed to this strong performance.

Europe grew by 32.8% to INR 537 crore with growth led by a strong base business performance and enhanced contribution from liposomal amphotericin B.

Canada grew by 24.6% to INR 427 crore with continued growth in the base business, while Rest of the World grew by 44.8% to INR 522 crore, led by very strong performance in the ARV business.

Having spoken about stellar performance of international markets and getting back on the growth track as far as the domestic business is concerned, let me spend a few moments on the R&D and the pipeline.

During the quarter that ended, we received 15-plus product approvals across developed and emerging markets. These approvals provide visibility for continued business growth for Emcure across market. As far as the international markets are concerned, the growth is driven by the quality of filing, type of products that we file and the number of approvals we get, which plays a very important role.

As we discussed previously, we continue to build differentiated capabilities across biologics, complex injectables, novel delivery system, especially focused on liposomal platform.

Going forward we will continue to focus on technology-driven differentiated products which will be the core strategy that we will be pursuing as far as the Emerging markets, Europe and Canada are concerned.

Again, something interesting has happened as in the month of July. As part of government technology transfer initiative, ICMR licensed a novel anti-HPV candidate for Cervical Intraepithelial Neoplasia to Emcure. This product will have to go through various phases, and we are very excited because this is an NCE and the development is part of our women health care portfolio. As you know, women health care portfolio of gynaecology is one of the segments where we are doing well, and this molecule is part of that segment.

Also in July, we signed a royalty-free, non-exclusive voluntary licensing agreement with Merck Sharp & Dohme to make and sell a generic version of experimental once a monthly oral HIV pill across 129 low and lower-middle income countries. The drug alimatravir, a pre-exposure prophylaxis or PrEP candidate, is currently in late-stage development. As I told you, we are doing exceedingly well as far as the ARV segment is concerned. Last time we spoke about lenacapavir, the molecule which has been licensed by Gilead.

This is one more feather in our cap getting - MSD product, which is also a pathbreaking molecule, oral pill once a month. So obviously, as we go along, we continue to strengthen and consolidate our ARV portfolio.

In conclusion, I would like to say that FY27 has begun with a strong start to the second year of our 5-year journey. We delivered broad-based growth, saw improvement in India over the Q4 of FY26, with the consolidation of Zuventus. We have continued with our strong international momentum, acquired full ownership of Gennova and deepened our leadership bench.

Our priorities are well defined. The emphasis going forward will be on execution, that is key to success Second thing, acceleration and improvement as far as the Indian domestic market is concerned. We'll keep on doubling down on the international business where scale will play an important role and getting technology-driven differentiated products will be an important growth driver. We will continue to focus on this while we also will work to advance the differentiated pipeline and convert growth into operating leverage.

If you recollect last time, I had very specifically mentioned that we, as a company, as far as the strategy is concerned, will double down on what we are doing - make the big brands bigger. The second is R&D, and I am very proud of the R&D capabilities that we have built. We will continue to bring new products through our own R&D engine.

Even today, when I'm speaking to you, all the products which have come from our R&D, like Ferrous ascorbate, Orofer XT or Orofer FCM or Pause or for that matter, all chiral compounds, they are doing exceedingly well. So do expect R&D to contribute to the growth of the company, make big brands bigger.

The third obviously important vertical as part of the strategy is to work on in-licensing from multinational companies, also looking out for products from ICMR and looking out for products which are in early stage of development.

I'm very happy to say that Emcureans have shown a lot of resilience. If you look at the global environment, what's happening in West Asia, Middle East or even for that matter, what's happening with Russia and Ukraine, there continues to be significant uncertainty, Emcureans have shown a lot of resilience, and everyone is absolutely committed to the growth of the company,

With our diversified presence across geographies and the various growth verticals that I have spoken about, going forward, the performance is going to be northwards and improve quarter-over-quarter. All of us at Emcure are very positive about the direction that company is taking, and obviously, we'll be counting on your support as we go forward.

With that, I will complete my opening remarks. I would like to reiterate my confidence in Emcure to deliver low to mid-teen revenue growth in FY27. As I have said, we expect to see positive movement quarter after quarter, and as we discussed in the past we are committed to give 70 to 100 basis points of EBITDA margin expansion. So, we remain very bullish about the business.

With that, I will request my CFO, Taj, to give a little more colour and run through the financials before we open the floor to questions.

Tajuddin Shaikh: Good afternoon, everyone. I will now walk you through our financial performance for Q1 FY27. Unless stated otherwise, all growth numbers in my remarks are on a year-on-year basis. Revenue from operations grew 22.8% to INR 2,580 crore, reflecting strong execution across both domestic and international businesses.

Growth was broad-based with international markets continuing to be the bigger growth driver, while the domestic business delivered a resilient performance. Domestic revenue grew 10.2% to INR 1,095 crore, led by strong performance across key therapies, including CNS, cardiology and women's health franchise.

International business grew 34.2% to INR 1,485 crore, continuing to be a key growth engine for the company. Europe grew 32.8%, supported by amphotericin scale up and steady execution in the base business. Canada grew 24.6%, led by new launches and market share gains. Rest of the World delivered strong growth of 44.8%, supported by robust growth in the ARV segment and continued momentum in the non-ARV segment.

Gross profit stood at INR 1,507 crore, up 16.1%. Gross margin was 58.4%. Margins declined year-over-year, led by increased exports and a function of product and business mix. R&D investments were INR 90 crore, representing 3.5% of revenue. R&D investments are expected to pick up in the remainder of the fiscal year to support our full year plans.

EBITDA grew 25.8% to INR 508 crore, reflecting the benefits of scale, operating leverage and continued productivity initiatives. EBITDA margins improved to 19.7%, up 50 bps, supported by operating efficiencies and disciplined cost management.

Depreciation and amortization grew to INR 110 crore from INR 99 crore in Q1 of FY26. Interest cost was INR 32 crore. Effective tax rate for the quarter stood at 25.6%.

Profit after tax grew 35.4% to INR 292 crore with PAT margin improving 110 bps. This reflects strong operating performance and improved profitability.

Gross debt as on 30th June stood at INR 1,291 crore with cash and cash equivalents at INR 189 crore. Net debt stood at INR 1,103 crore. Net debt is expected to increase in the next quarter, reflecting the Mantra and Gennova payouts completed in July.

Looking ahead, we remain focused on sustaining growth across our domestic and international businesses, improving operating efficiencies and driving steady margin expansion over the medium period.

With that, I will open the floor for questions.

Q&A Session

Moderator: Thank you. We will now begin with the question-and-answer session. Our first question comes from Kunal Randeria.

Kunal Randeria: **Kunal Randeria here from Axis Capital. Sir, firstly on the India business, good to see that the growth has touched double digits. As you guided in the last quarter, is this a clean growth? I mean, is there any element of channel filling over here after Q4 or is this how the growth should be going forward?**

Piyush Nahar: There is no channel filling in this quarter, Kunal. This is a normalized growth that we have. And I think as the CEO mentioned, we expect growth to improve further from these levels that we have seen in the coming quarters.

Kunal Randeria: **Right. And this improvement in growth would be, I know CEO sir said a few things about your existing brands, your therapies are doing well. But how much of your revenue contribution would be coming from some of these in-licensed products? Are they growing in line with the company average or below that or above that? Some color would be helpful.**

Piyush Nahar: So, I think most of the in-licensed are growing in line with the industry. I think that's what we talked about even when we've taken over the portfolio, they will continue growing in line with the industry growth. But where we're talking about faster industry growth, that will be driven more by our own brands across women's health, cardio, CNS, oncology, those segments.

Kunal Randeria: **Right. Got it, got it. Second question is on the ROW business. You are coming off a very high base of last year you had a 42% growth. Now you have 45% growth driven by the ARV business. What would be the ARV contribution? And I mean, would that mean that FY27 base would be higher, then '28 could be a bit subdued.**

Piyush Nahar: No. We are seeing growth in both our ARV and non-ARV segment. Yes, ARV is higher in the current quarter. So, about 2/3 of the business in ROW will be ARV in this quarter. But for the full year, we do expect we end up at about that 50%- 55% range.

Kunal Randeria: **Got it. And just one more, if I can. I guess the gross margin decline has been lower to the geographic mix of the business. But is there any lever for gross margin expansion beyond the geographic mix changing?**

Vikas Thapar: No, I think broadly, it is due to the geography mix. We obviously continue to look for ways and means to improve some of the activities around procurement or COGS improvements. So that should continue as an ongoing basis. But by and large, I think we have been guiding historically to about a 60% plus gross margin.

But given the strength we're seeing where we're outperforming on the international piece of the business, I think where the gross margin is coming in at or somewhere in that ballpark 59% or 59% to 60% if we continue to see this trend of the international business outperforming.

Moderator: Our next question is from Alankar Garude.

Alankar Garude: **Satish bhai, Piyush, you spoke about domestic growth picking up here on. Just trying to understand where are we in the Zuventus restructuring journey? Maybe in some sense, if you can quantify it, maybe we are 60% there, 70% there. Some sense on that would be useful**.

Satish Mehta: I had made a very interesting statement, Alankar, there are 3 phases. First, I told you about stability, consolidation acceleration. These are the 3 very specific terms I used. So, as I told you in the last quarter, we had a problem. We had attrition as far as Zuventus is concerned. So now the stability has come back, normalization has taken place. consolidation has also happened and now we are moving towards acceleration.

So as far as Zuventus is concerned, I think most of the job has been done, and we are moving in the right direction. So, Zuventus is no more my worry. It's only a question of putting it on a high growth. That's the basic objective in which we are working. We have a very good team in place. All new people, they are also fairly well trained. going forward, you should see good traction as far as Zuventus is concerned.

Alankar Garude: **Sure. Got it. Maybe a follow-up there will be if we look at the IPM growth, it's clearly picked up over the last 2, 3 quarters. And in context of that, Emcure's domestic growth because**

of the challenges we've seen on the Zuventus front has been lower. So would you like to call out when exactly would the company be back to growing at par with the market?

Piyush Nahar: Alankar, from next quarter onwards, you will start seeing that. So, if you look at even last year, 2H, we had seen a bit of impact and slowdown out. So that base effect will also start playing out from 2H this year. From second quarter onwards, you'll start seeing us more in line with the industry and then second half will be faster than the industry growth.

Satish Mehta: Second half, Alankar will be much better. As far as this quarter is concerned, we think we should be in line with the industry growth. And again, as far as Q4 is concerned, if you compare Q1 over Q4, we have grown by 12.1%. So, it's all moving in the right direction.

Alankar Garude: **Got it. The second question is again on domestic growth. I mean, if we strip off the Sanofi diabetes portfolio, if we strip off Roche Nephro and Poviztra, would you like to give some range as to where the domestic growth was in the first quarter?**

Piyush Nahar: I think if I strip out the Sanofi OAD and the Roche, we'll probably be about 6%, 7% growth in the quarter. Poviztra effectively is a new brand that we are launching out. .

Alankar Garude: **Got it. And so basically, when you talk about growing at par or maybe outperforming the market, you're looking at it at an aggregate level. You're not just looking at the organic growth.**

Piyush Nahar: So, next quarter onwards, if you look at it, OAD will be in the base. Roche is a much smaller business. So, it doesn't impact the growth much.

Alankar Garude: **Got it. The final question before I come back in the queue, maybe Satish bhai to you is, if you look at the traction in semaglutide Poviztra, not just specifically on Poviztra, but in general for the market, we've seen quite interesting trends over the last few months. Maybe some media articles say that the pickup has been slightly slower.**

There is inventory in the channel. There are companies who say that more or less the traction has been in sync with expectations. What is your view as far as the pickup is concerned? And how should we expect the market to evolve maybe over the next 3 to 6 months?

Satish Mehta: I don't have a crystal ball here. As far as we are concerned, we are marketing innovation. One good thing that has happened from our point of view that last15 days back, Poviztra was cleared or semaglutide of innovator was cleared for MASH.

So that's one area where we see the growth. And that's one area where we will possibly have a poor position. But to really opine what's happening in that particular market, the jury is out, wait for 3 to 6 months before we know what's really going on because I'm given to understand almost 40, 50 brands are being launched.

At this stage, it is difficult to assess how much of this is channel stocking and how much represents actual consumption, so I would not like to hazard a guess. I could only talk about what's happening at our level. And I can only say one thing as far Poviztra, is concerned, month-over-month, we are growing.

Alankar Garude: **And if you can comment on the acceptance levels, both among physicians as well as patients, any instances which you can highlight which give you confidence that things will pick up going forward?**

Satish Mehta: No, because what happens as the innovator is concerned, first of all it is rDNA molecule, second it is part of the public domain that 2 major Indian players, had a recall. And third this product being biologic, the absorption or even for that matter, the solubility is also a very major challenge.

And since the innovator, Novo Nordisk and of course, Emcure, we took a decision to make the pricing very competitive. I have every reason to believe that, over time, we will emerge as one of the stronger players and perform better than most brands. The reasons are quite clear — first, the innovation itself; second, the extensive data available with the product; and third, the increasing number of clinical-trial ppublications that come with our association with the innovator. So things will work out very well because the generics got launched only sometime in the month of March. So, there is a lot of noise, a lot of brands. So let's see how it plays out. But it's a question of survival of the fittest and I believe our association with the innovator will prove to be a very smart strategic move.

Moderator: Our next question comes from Alok Dalal.

Alok Dalal: **On the export side, what is the constant currency growth for the quarter?**

Piyush Nahar: Overall company level, the forex impact was about 6% to 7%. So, on the international would have been about 12%.

Alok Dalal: **And for growth in Europe and Canada over the coming years, will it be more broad-based growth or will it be driven by 1, 2 big product opportunities like Ampho, for example?**

Samit Mehta: I think there will continue to be big hitters that will contribute and continue to gain momentum, whether it's Ampho or some of the other filings that we are expecting approval for shortly. But that said, we have a portfolio approach depending on the market, say, for example, in U.K., we also have a retail presence. So, there's a large number of plain vanilla generics as well, which contribute meaningfully. So, I think that mix will continue to happen. Of course, 1 or 2 big products will contribute more than some of the others.

Vikas Thapar: It's a bit different for the 2 geographies. So, if you look at Europe, multiple countries, I think it's going to be a little bit more concentrated in terms of some of the high-profile pipeline products that we're working on. For Canada, however, single market, I think that's a fairly broad-based growth. There's no sort of big hit or product as such driving concentration in that market.

Alok Dalal: **So, is Ampho now introduced in all countries of Europe or is it just a few ones today?**

Samit Mehta: It's pretty much in all the countries and there also, we are ramping up supplies. So, the order book across the different countries should also go up in line with the supplies.

Piyush Nahar: Alok, what happened is we have introduced the product, but again, most of them are tender-based and they'll have their procurement cycles.

Alok Dalal: **Right. So it should pick up in the coming quarters is what you're trying to suggest?**

Piyush Nahar: Yes.

Alok Dalal: **Okay. And last question is on semaglutide for Canada. I saw in the presentation, there is a filing lined up for it. So what could be the time line that we are looking at?**

Piyush Nahar: We'll be filing in the current quarter in the next few months

Alok Dalal: **In next quarter?**

Piyush Nahar: In next few months.

Alok Dalal: **Next few months. Okay. So then Piyush, you will be in the second wave. Do you still feel there is upside once you are able to get approval and launch the product?**

Piyush Nahar: I think it will be a decent product. But as we said, Canada, we are not banking on one product, which will be a meaningful growth driver. It will be one of the portfolio products that we'll have.

Alok Dalal: **Okay. And since this is, the product, it was known that it was going to go off patent and company has a relatively stronger positioning in Canada versus others. So what could be the reason why you are in the second wave as compared to first wave?**

Samit Mehta: Yes. So, we were looking at semaglutide as a global development. So, it was tagging along, whether it is Canada or some of the emerging markets with our domestic development and then with whatever discussions were ongoing, there was some delay in terms of looking at expanding that or progressing that and that's why most of these other markets, which also had patent expiry, it's going to be more a second wave filing than in March when it expired.

Moderator: Alok, before we proceed, may I request you to please announce your company name as well.

Alok Dalal: Yes, sure. I'm from Jefferies India Private Limited.

Moderator: Our next question comes from Tushar Manudhane.

Tushar Manudhane: **Tushar from Motilal Oswal Financial Services. Sir, firstly on gross margin, while there has been currency benefit as well. So what has led to probably lower of the gross margin both year-on-year as well as quarter-on-quarter basis? I'm not sure if you have already covered this in your comment.**

Piyush Nahar: Tushar, I think it's largely driven by the business and product mix? So, with Europe and ARV being higher, that leads to a slightly lower GC. Effectively, we always talked about in international markets, there are certain businesses where it's more B2B model. So where probably GC is lower, but at EBITDA level, they are more accretive.

Tushar Manudhane: **Okay. So as this sort of Europe business scales up or even the Canada business scales up with Quebec. So where do you see this gross margin sort of settling maybe FY27, '28?**

Piyush Nahar: I think '27 will probably be around the 59%.

Vikas Thapar: Yes. I think if I can just add a little bit of colour here. I think at the start of the year, our overall guidance was that overall top line would be growing somewhere in the low to mid-teens, and we expect the gross margin profile of the entire business to be somewhere in the 60% to 61% sort of frame.

Given our strength of performance in Q1 and visibility we have, particularly on some of the order book on the ARV segment, etc., we think that in terms of the overall top line guidance, we're more comfortable being at the higher end of the guidance that we had given at the start of the year. Having said that, that will obviously then as a mix of that piece being a bit higher, impact the gross margin. So that's why I think Piyush's guidance of closer to 59% as an overall mix would be about right on a higher end of the guidance on the top line.

Tushar Manudhane: **Got it. And secondly, on the India business side, if you could break down growth into price, volume, new launches?**

Piyush Nahar: Yes. So, I think if you look at it, the new launches would have been about 1% to 2%. The rest of it is largely price and volume that you have.

Tushar Manudhane: **And within that, how much would be volume?**

Piyush Nahar: I think price is about 5% for us, 4% to 5%.

Moderator: Our next question is from Ankush Mahajan.

Ankush Mahajan: **So, my question is related to the Poviztra, how is the response from the market because it's an innovative product when we compare with the generic products? And what kind of the market share we are building in this product now?**

Satish Mehta: We are getting traction month after month. Very recently we have been approved for MASH. So, we are also approaching hepatologists and gastroenterologists. So, let's see how it plays out. But having said that, I think there's a lot of noise because so many brands are being marketed. Eventually over a period of time in the back of innovation, rDNA molecule, then even for that matter, a lot of data is coming from the parent company, we should emerge as one of the bigger players over a period of time. and I see that traction month after month.

Ankush Mahajan: **Sir, my second one is related to the very strong growth in the rest of world business. So, what are the reasons behind it?**

Satish Mehta: As far as the rest of the world is concerned, as we alluded to earlier, the emerging markets are currently, driven by ARV. However, if you look at the full year, we expect the contribution from ARV and the rest of the business to be broadly 50:50.. As far as the European market is concerned, growth has also been driven by the differentiated technology-driven product that we are launching.

We are also seeing good traction from the bolt-on acquisition that we did in U.K. in the form of Manx that is also adding to the business because most of the products are now commercialized. And, as far as Canada is concerned, we have a very strong base supported by a robust product pipeline. So. it's a well-rounded strategy that the company is following in terms of solid growth and getting a lot of approvals and that will continue to drive the business in these 3 geographies.

Moderator: Ankush, may we have your company name as well, please?

Ankush Mahajan: Yes, I'm from Sanctum Wealth.

Moderator: Our next question is from Foram Parekh.

Foram Parekh: **My name is Foram Parekh. I'm from Bank of Baroda Capital Markets. My first question is on the net debt. So, in our opening remarks, we mentioned about net debt going up in the next quarter, while it has also gone up in this quarter. So if you can talk about our strategy of debt repayment or by when can we expect to become net cash?**

Taj Shaikh: So, I'll answer your last question first. Probably by the end of FY28, we should be net cash. And on the question on the debt going up, first, I'll answer the one, why it's going to go up in the next quarter. We have made these payments for acquisition of Mantra and also the Gennova minority stake. So that will take us by debt by close to around INR 450 crore to INR 500 crore.

On your question on why the debt went up from Q4 to Q1, yes, my working capital went up a little bit, but that's now stabilized in this month. So that will come to normal in this quarter. So, by the end of next quarter, we should have a net debt of close to around INR 1,450 crore. From what today, I see at INR 1,560 crore.

Foram Parekh: **That's helpful. My second question is on our domestic organic growth, which was mentioned at 6% to 8% growth. So if you can give us some colour, why is the organic growth of growing at a slower pace? And how do we see organic growth pacing going forward? Will it come at par with the IPM?**

Vikas Thapar: Yes. I don't know if you were able to catch it. I think the CEO had answered that if you look at year-over-year quarter, part of that mid- to high single-digit growth for organic was impacted by some of the consolidation happening at Zuventus level. I think as we look for the rest of the year, our guidance is that we'll be in line for the Q2 and in fact, faster than industry growth as we accelerate Zuventus back to kind of what we had seen off of a lower base of last year for the second half of this year. So we're confident in terms of the overall guidance that even the organic business should be growing at par or faster than the industry growth when you look at the full year.

Foram Parekh: **Sure. That's helpful. Thirdly, on the R&D side, we mentioned that R&D expense is also likely to go up. So, some guidance, if you could share what is the number that we should be working for FY27, the contribution?**

Piyush Nahar: R&D, I for the full year will be between that 4% to 5% range. So, I think we continue to maintain that outlook.

Foram Parekh: **Sure. And lastly, is it possible for us to give the segmental constant currency growth for the international markets?**

Piyush Nahar: I don't think we break that out, but broadly, as I said, for the overall corporate level about 6% forex impact, international would have been about 12% to 13%.

Moderator: The next question is from Alankar Garude.

Alankar Garude: **This is Alankar from Kotak Institutional Equities. Sir, you were earlier planning to launch semaglutide in Quebec via your partnership with Reddy's in the second quarter, the current quarter. Post the issue faced by Dr. Reddy's, what are the revised timelines?**

Piyush Nahar: I think, Alankar, we will defer to Reddy's on this. Whenever we have the product with us, we'll be able to launch it out.

Alankar Garude: **Okay. No, sir, just checking there, I mean, they have mentioned about a relaunch possibly in November. Earlier, there was a lag between the launch in Quebec and the rest of Canada. So just checking whether that lag will be there in at the time of the relaunch as well or you'll be launching it in Quebec at the same time as Reddy's launches in Canada, rest of Canada?**

Piyush Nahar: I think it will depend on how the supplies from Reddy's shape up and how much supplies we can get.

Alankar Garude: **Fair enough. Okay. And the other question was, historically, if I look at the domestic market, there are some of these metrics like covered market and number of brands prescribed per doctor where Emcure has been lower than most of your relevant peers. So, as you do more of licensing deals apart from new launches, how should we expect this to move as you progress on your 5-year road map?**

Satish Mehta: Of course, as far as domestic is concerned, very close to our heart. And we should be not only on par with the industry, but we should also do better than them. That is the strategy on which we are working. And that's what I was telling some time back as far as domestic is concerned, there are 3 levers on which we'll be working. We'll try and make big brands bigger. We have some real jewels in the armory.

The second thing we'll obviously be working with multinationals and other in-licensing products. And, more than 30% to 35% of my sales are coming from the products which are developed by R&D, whether you are talking about ferrous ascorbate, ferric carboxymaltose or 11-12 chiral compounds that my company has given or Tenecteplase for both stroke and MI. So that journey will continue. As I mentioned some time back, the process of consolidation phase is over. We are moving towards acceleration. And you will see a lot of, , good news as soon as the domestic market is concerned going forward. Personally, I'm very bullish about it.

Vikas Thapar: So, Alankar, if I can just add. I think the whole rationale we've been highlighting for some of these in-licensing deals is these are, in some cases, very strong legacy brands that come with strong pen habits of the doctors. And so, we believe that with the complementarity of Emcure's portfolio, we obviously want to leverage the co-prescription along with those writing habits. So that is indeed the overall strategy to see that the co-prescription should go up as we handle some of these in-licensing assignments along with our portfolio that we continue to build.

Moderator: As we have no further questions, I would now like to hand the conference over to the management for closing comments. Over to you, gentlemen.

Saurabh Paliwal: Thank you, Dorwin. Thank you, everyone, for joining us today. In case you have any further questions or need any clarifications, please do get in touch with us. With this, we conclude the conference call. Have a wonderful rest of the day.

Moderator: Thank you. On behalf of Emcure Pharmaceuticals Limited, that concludes this conference. Thank you all for joining us. You may now disconnect.

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