

Date: 28th May 2026

To,

National Stock Exchange of India Limited BSE Limited Phiroze Jeejeebhoy Towers
Exchange Plaza, C-1, Block G Bandra Kurla Dalal Street, Mumbai – 400001
Complex, Bandra (E), Mumbai – 400051 Scrip Code: 544619
Scrip Symbol- SUDEEPPHRM

Sub: Q4 & FY 2025-26 Earnings Call Transcript

Ref: Regulation 30 of the SEBI Listing Regulations, 2015

Dear Sir/Ma'am,

We refer to our previous letter dated 22nd May 2026, wherein the Company updated the audio link of Earnings call held on 22nd May 2026 to discuss the operational & financial performance of the Company for the quarter and Financial Year ended on 31st March 2026. In context therein, kindly find attached herewith transcript of the referred Earnings call.

A copy of the same is also available on the Company's website at <https://www.sudeeppharma.com/investor-relations/financial-results/#concall-transcript>

Kindly take the same on record.

Thanking You.

For Sudeep Pharma Limited

Dimple Mehta
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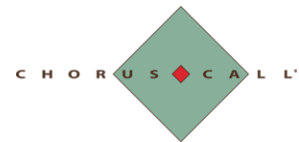
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“Sudeep Pharma Limited
Q4 and FY26 Earnings Conference Call”
May 22, 2026

“E&OE - This transcript is edited for factual errors and readability. In case of discrepancy, the audio recordings uploaded on the stock exchange on 22/05/2026 will prevail.”



**MANAGEMENT: MR. SUJIT BHAYANI – MANAGING DIRECTOR –
SUDEEP PHARMA LIMITED
MR. SHANIL BHAYANI – DIRECTOR – SUDEEP PHARMA
LIMITED
MR. KETAN VYAS – CHIEF FINANCIAL OFFICER –
SUDEEP PHARMA LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Sudeep Pharma Limited Q4 and FY26 Earnings Conference Call. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on the date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

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.

From the company, we have with us today Mr. Sujit Bhayani, Managing Director; Mr. Shanil Bhayani, Director; and Mr. Ketan Vyas, Chief Financial Officer. I would now like to hand the conference over to Mr. Sujit Bhayani, Managing Director at Sudeep Pharma Limited. Thank you, and over to you, sir.

Sujit Bhayani: Good morning, everyone. On behalf of Sudeep Pharma team, I would like to thank you all for joining us today for our Q4 and FY26 earning conference call and for your continued support and confidence in the company. FY26 has been a significant year for us, marked by multiple strategic milestones and meaningful progress across our businesses.

During the year, we successfully completed our listing, acquired Nutrition Supply Services, NSS in Europe to strengthen our nutrition platform, made a substantial progress on our new greenfield manufacturing expansion, and also completed the groundbreaking and initiated construction of a battery material project at Dahej in Gujarat.

What makes this progress particularly encouraging is that it was achieved despite a challenging global operating environment marked by geopolitical uncertainties, volatility in raw material and energy prices, logistic disruptions, and evolving global trade dynamics. Even under these conditions, the company delivered resilient operational performance and growth to conclude FY26 on a positive note.

These developments reflect the continued strengthening of our business fundamentals, customer relationship, manufacturing capabilities, and long-term growth platforms. As we move ahead, we remain focused on building the business with a disciplined and a long-term approach, while continuing to create value across all of our key stakeholders

With that, I will now hand over the call to Shanil, who will take you through the business and operational highlights in greater detail. Thank you. Over to you, Shanil.

Shanil Bhayani: Good morning, and a very warm welcome to all of you joining us today. FY26 has been one of the most transformational years in Sudeep Pharma's journey, marked by meaningful investments towards building the company's next phase of growth through capacity expansion, strengthening

our global commercial presence, deepening customer engagement across international markets, and developing new growth platforms for the future.

These investments were undertaken despite a highly volatile operating environment characterized by geopolitical uncertainty, raw material inflation, logistic disruption, energy supply challenges, and evolving global trade dynamics.

As we enter FY27, we believe many of the strategic initiatives undertaken over the last 18 to 24 months are now beginning to translate into stronger customer engagement, improved market positioning, and better long-term growth visibility across the business.

I would also like to take this opportunity to sincerely thank all our investors for the trust and support you have shown us throughout the journey. For those joining us for the first time, and as a brief refresher for our long-term stakeholders, I will begin by outlining our journey and the strategic direction that continues to guide our growth.

Headquartered in Vadodara, Sudeep Pharma was established in 1989 with a single manufacturing facility and two calcium-based products. Over the years, the company has evolved from being a manufacturer of mineral-based pharmaceutical excipients into a technology-driven global supplier of mineral excipients and specialty ingredients.

Today, we cater to customers across pharmaceutical, food, and nutrition segments globally, supported by a diversified portfolio of approximately 100 products. We currently operate five manufacturing facilities, four located in Gujarat and one in Ireland, which was added through the acquisition of NSS in May last year.

NSS is a specialized nutrition blending company with a strong presence in critical segments such as infant nutrition and medical nutrition. At present, Sudeep Pharma serves customers in close to 100 countries with operations broadly organized under two key business verticals, pharma food and nutrition, and specialty ingredients.

Starting with our pharma food and nutrition vertical, this business continues to remain the core pillar of Sudeep Pharma, contributing approximately 56% of our FY26 revenues. During the year, the vertical reported revenue growth of 10% over FY25. The performance was driven by continued healthy demand across our calcium and iron portfolio, with India and Europe being the key growth contributors geographically.

Complementing our existing product portfolio, we are witnessing a strong rise in demand for the next-generation mineral molecules such as bisglycinate, which we recently launched under our AbsorBis brand portfolio. These ingredients are clinically proven for enhanced absorption in the human body, targeting key areas such as sleep, muscle relaxation, and recovery. These products are strategically positioned within higher value application – sorry, these products are strategically positioned within higher value application segments with superior realization and margin profile.

With several key customer approvals already secured across North America and Europe, we expect this category to progressively become an important contributor towards both growth and margin expansion for the company, with a total global demand of approximately \$1 billion for the bisglycinate ingredient category alone.

While the business faced challenges during the year due to sharp increase in critical raw material prices, particularly phosphoric acid, arising from higher sulfur costs globally, we were able to successfully pass on the price impact to customers without material margin compression. This reflects the highly critical and functional role of our ingredients within the customer formulations, resulting in a strong customer stickiness and acceptance.

The benefits of these pricing actions are expected to progressively reflect over the coming quarters. Importantly, with the addition of our upcoming greenfield facility, which I will discuss in more detail shortly, we believe this vertical is now entering its next phase of growth. Historically, growth in this segment was partially moderated due to infrastructure and capacity limitations.

However, the new facility will significantly strengthen our capabilities in higher value molecules such as gluconates, glycinate, and citrates, while also expanding our overall manufacturing infrastructure for future growth.

Coming to our specialty ingredients vertical, this business continues to demonstrate strong momentum during the year and remains our fastest-growing segment. The contribution of specialty ingredients increased from 34% in FY25 to approximately 44% in FY26, with overall revenue growth of 62% compared to FY25, reflecting the increasing scale and strategic importance of this business.

Revenue for the vertical grew from INR172 crores to INR280 crores during the year. This segment is particularly witnessing strong traction globally across critical applications such as infant nutrition, medical nutrition, sports nutrition, and dietary supplements, where customers increasingly value differentiated, high-functionality ingredients supported by reliable supply capabilities. Looking ahead to FY27, we are particularly encouraged by the momentum we are witnessing across North America and Europe.

Over the last 12 to 18 months, we have made meaningful investments in strengthening our commercial presence, technical teams, inventory infrastructure, warehousing capabilities, and customer engagement across both these strategic markets. We are now beginning to see the early benefits of these investments through stronger customer conversion, improving wallet share, deeper engagement with large global accounts, and a growing pipeline of commercialization opportunities.

Importantly, these markets represent a structurally higher value-product mix for the company and therefore, remain strategically important not only from a growth perspective but also from a long-term margin expansion standpoint.

While we remain mindful of the broader macroeconomic environment, we believe FY27 could mark an important inflection point in scaling our international business. The growth during the year was primarily led by product expansion, wallet share gain, and new customer approvals. Compared to FY25, we received around 51 new customer approvals in FY26, which are expected to meaningfully contribute to the growth of the business in the coming financial year.

With respect to NSS, the acquisition we made in Ireland earlier last year, the integration process across operations and supply chain continues to progress smoothly. To further strengthen the business and accelerate expansion outside of Ireland, we recently appointed Mr. Mattias Fredrickson, as the new business head of NSS. Mattias brings over 30 years of industry experience across the pharma and nutrition ingredient sector in Europe, along with strong market relationships and extensive commercial expertise.

His previous experience, particularly with one of the world's largest vitamin and mineral companies, is expected to play an important role in accelerating NSS's expansion across high-potential European markets, especially within infant nutrition and critical care segments.

Moving to our new greenfield manufacturing project, this facility has been strategically developed to strengthen both our manufacturing infrastructure and future product capabilities for the pharma, food, and nutrition verticals. During the year, the project experienced some delay in commissioning, primarily due to shortages and disruptions in LPG and energy supplies.

However, I am pleased to share that we have now successfully completed internal production validation and qualification at the facility and have initiated the customer approval process. We expect customer qualification timelines to range between six to 12 months, depending on product categories and customer audit requirements. Once operationalized at scale, the facility will significantly enhance our capabilities in high-value, next-generation mineral molecules, including glycinate and gluconate.

I would now like to share an update on Sudeep [inaudible 0:12:57], which represents one of the most exciting long-term growth opportunities for the company. During FY26, we successfully conducted the groundbreaking ceremony for our battery materials project at Dahej, which remains on track for commissioning of Phase 1 capacity of 25,000 metric tons per year by April 2027. Work at the site continues to remain a key priority as we push to bring capacities online in line with growing customer demand.

At SAM, customer engagement and commercial traction continue to strengthen significantly during the year. Global customers across the LFP value chain are increasingly accelerating their China Plus One sourcing strategies, driven by supply chain diversification requirements, geopolitical considerations, and the need for long-term supply security across critical battery materials. This is creating a significant opportunity for Sudeep Advanced Materials, particularly given our positioning as one of the very few companies globally, capable of offering a reliable ex-China source of battery-grade iron phosphate at scale.

During the year, we materially expanded our global qualification pipeline and are currently engaged with 42 customers across the cathode, cell, EV, and ESS ecosystem, spanning across Korea, Japan, Indonesia, India, Europe, and the United States. Out of these 42 customers, 22 customers are currently at the lab validation stage, 14 customers have progressed to pilot-scale evaluation, and six customers have successfully completed commercial validation and are currently in active off-take discussions with us.

Encouragingly, we have also started receiving initial commercial purchase orders, including approximately 700 metric tons over the last month alone, supporting customer efforts to diversify sourcing away from China. Based on the strength of current customer engagement, ongoing qualification progress, and commercial discussions underway, we are increasingly confident about the demand environment for our Phase 1 capacity of 25,000 metric tons.

While we remain disciplined in our execution approach, the current trajectory of customer engagement, qualification progress, and ongoing commercial discussions give us increasing confidence in the demand visibility for this business vertical. We believe the battery materials industry is entering a powerful long-term structural growth cycle. The rapid expansion of energy storage infrastructure, particularly to support the next generation of AI-driven data centers, is expected to remain a major growth driver for this segment.

During FY26, we delivered healthy growth across both business verticals, expanded our global customer base, strengthened our international presence, and continued to execute on key strategic priorities. As we enter FY27, we are encouraged by the momentum across the business. The investments we have made over the last several years are beginning to translate into accelerating commercial activity, deeper customer relationships, and a growing opportunity pipeline.

With an enhanced operating platform, increasing global relevance, and multiple drivers for future value creation, we believe Sudeep Pharma is well positioned to capitalize on the opportunities ahead.

With that, I would now like to hand over the call to Mr. Ketan Vyas, our CFO, who will take you through the financial performance for Q4 and FY26 in greater detail.

Ketan Vyas:

Thank you, Shanil, and good morning, everyone. We are pleased to report strong financial performance for Q4 and FY26, despite a volatile operating environment. This [inaudible 0:17:28] the pricing impact to customers without material margin compression during the period.

Coming to financial year '26 financial highlights, revenue from operations for FY26 grew by 27.9% on year-on-year basis to INR642.3 crores as compared to INR501.9 crores in FY25. EBITDA for FY26 also grew by 16.8% to INR221.9 crores as against INR189.9 crores in FY25. EBITDA margin for the year stood at 34.6% as compared to 37.8% in FY25. PAT for the year stood at INR174.3 crores as against INR138.7 crores in FY25.

Coming to Q4 FY26 financial highlights, revenue from operations for the quarter grew by 15.7% on Y-o-Y basis to INR182.3 crores in Q4 FY26 as compared to INR157.5 crores in Q4 FY25. EBITDA for the quarter stood at INR62.6 crores as compared to INR58.8 crores in Q4 FY25. EBITDA margin for the quarter stood at 34.3%.

PAT for the quarter stood at INR48.5 crores as compared to INR44.2 crores in Q4 FY25. On the business mix, FY26, our export business contributed to 60%, while domestic business contributed to 40%. For FY26, speciality business contributed to 44%, while pharma food and nutrition business contributed to 56%.

Coming on the balance sheet side and explaining the working capital performance. During the year, our working capital days increased from 184 days to 213 days, which was mainly due to increase in inventory days.

Our inventory value increased by INR88 crores as compared to previous year, of which raw material increased by INR41 crores and finished goods increased by INR37 crores. Increase in finished goods inventory was largely strategic in nature to support customer commitment in the Europe and US region for the upcoming quarters. We are seeing the inventory getting liquidated in the current and upcoming quarters.

Further, on the raw material side, our price contract was scheduled to expire in March '26 especially for key raw materials like phosphoric acid. Considering the significant volatility in global phosphorus and related raw material prices, we proactively increased our raw material inventory to ensure supply continuity and mitigating procurement risks.

Consequently, raw material inventory increased from INR54 crores to INR95 crores, representing an increase in INR41 crores. There was also an impact on cut-off sales because of which there was an increase in FG of INR10 crores.

That said, we are consciously focusing on improving balance sheet efficiency and through tighter inventory management, better receivables collections and overall working capital optimization, which should support our gradual normalization going forward.

We are internally focused on managing our net working capital cycle and targeting to come around 150 to 160 days within this financial year. As of 31st March 2026, the company's net debt stood at INR33.6 crores with a net debt-to-equity ratio of 0.04x, reflecting a conservative and comfortable leverage position.

With this, I would like to conclude the presentation and open the floor for questions. Thank you.

Moderator:

Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Sanjesh Jain from ICICI Securities. Please go ahead.

Sanjesh Jain:

Yes. Good morning. Thanks. Thanks for this opportunity. I've got a few questions. First from the pharma food and nutrition, I understand that we don't look at quarterly. But even for the year

as a whole, the growth is 10%. I believe there will be some amount of pricing benefit which would have baked into it because of the raw material inflation, which is phosphoric acid.

It appears that the volume growth in the segment is probably 5-ish percent or somewhere around 5% as an inflation. How should we see this segment and why the growth has been relatively muted when we compare to the specialty? I thought we were looking for a faster growth even in the same segment.

Shanil Bhayani: Yes. Good morning, Sanjeshji. Thank you for the question.

Sanjesh Jain: Good morning.

Shanil Bhayani: So I think while we don't have data maybe in the deck, I think pharma food nutrition has actually grown faster from a quantity standpoint. So product mix has changed. I think the quantity volume growth is north of 20% in this category. What we are seeing is for phosphate specifically, the price increase we have only passed on to the customers in Q1. So we have continued to honor the orders in March and April.

You will see the partial benefit reflecting Q1 and more importantly in Q2 going forward. Also phosphate is the category where our capacity utilization is at its optimum level. So as soon as we now that we have the Greenfield commissioned, that will significantly be able to give us flexibility in taking on larger off-take agreements or building wallet share specifically for phosphate.

Sanjesh Jain: Got it. But even if I look at it from the EBITDA standpoint for the segments, it really doesn't show the 20% growth benefiting into the EBITDA, if I were to believe that the volume growth was 20%. The EBITDA growth is still a little underwhelming, in fact, for this entire year. What explains that?

Shanil Bhayani: You mean specifically, EBITDA in general?

Sanjesh Jain: Pharma, food. No, no. EBITDA for pharma food and nutrition.

Shanil Bhayani: So I think there are a couple of things that we are doing, Sanjesh, I think. One is, there is, so phosphate in general, I would say that is where, say for example, from a margin contribution, it probably has one of the larger margin contributions for the business. Other product categories which we have recently introduced into the category or as a product glycinate, gluconate, the operational cost is currently higher because we are operating at lower capacity, running a temporary or I would say smaller capacity line.

So you will see all these ingredients materially kind of deliver the margin that they're capable of once we move these product categories to the greenfield. Currently, they are being operated plus additionally what has happened is for pharma food nutrition, we have gone through a significant recruitment cycle to support the new greenfield that we have, that we are going to be operating.

But because we have not entirely started generating revenue, all of those, all those expenses of employees are also sitting in the pharma food nutrition vertical today.

Sanjesh Jain: So next year, what, how should we see for pharma food and nutrition with green plant already operational? I think we have largely done our hiring. All those heavy lifting we have already behind and already in the cost. How should this number look, say in FY27-'28? Should it grow at say 15% at least in terms of EBITDA?

Shanil Bhayani: I think that would be -- that is I would say the expectation. If not, and what we see, what do we expect for '27 and '28, Sanjeshji, is Europe and North America, both were, I would say underperformers for this category specifically. We are, as I mentioned earlier in the commentary, we have received a lot of key customer approvals, especially both in the state as well as the new category that we are launching.

So we remain fairly optimistic for this category. And I think we should be comfortably positioned to achieve the growth that you mentioned in this category for both the years, '27 and then for '28.

Sanjesh Jain: Got it, got it. One for this quarter. On the other expenses, it appears that the cost has gone up quite sharply, both sequentially and Y-o-Y. What explains such a sharp increase in the other expenses?

Shanil Bhayani: So Sanjesh ji, two factors here. I think Y-o-Y, NSS was not part of the, was not acquired last year. So that is the reason. But more importantly, for Q3 versus Q4, I would say there are a couple of one-time expenses. So one, there is an approximate, I think, INR3 crores CSR expenditure, which is in this quarter. Second, in March, we had a significant shortage of LPG and our specialty ingredients vertical runs on this.

So we basically paid a significant premium to CQ and we built a larger inventory. So around INR1.5 crores is towards, I would say for the month, higher in power and fuel, specifically to LPG. And third, I would say there is a, I would not maybe call it, it's a one-time expense, but it will, it's hit the expense because of certain production delays in March because of lower capacity, we had to airlift material to our largest customer. So there's INR2 crores impact in selling distribution, specifically for this air freight that we did. So that is the, why you see the other expense higher compared to Q3.

Sanjesh Jain: So this expense going forward should fall, right? Because LPG is now available, airlifting probably not happening and the one-time expenses not being there. This will drop sequentially, right, when we look at Q1.

Shanil Bhayani: Exactly. Exactly.

Sanjesh Jain: Got it. Got it. Now, following on the specialty and one comment you have made in your remarks that you have secured 500 metric ton of battery chemical material from a domestic player. Have

we started manufacturing it commercially or how it is, how do we plan this 500 metric ton to supplier or some of these supplies coming for us?

Shanil Bhayani: So, sanjeshji two things, one, I think we received 700 metric ton orders for battery materials and these are across domestic as well as global. I mentioned last time that we have commissioned around 5,000 tons to 7,000 tons, depending on how we run the plant for, in our existing pharma facility to manufacture battery grade iron phosphate.

So, we are currently utilizing that capacity to service the 700 ton purchase order that we have and so we will, the goal is to run 50% of that capacity to fulfill commercial orders and the remaining 50% to help other customers in their validation and scale-up process.

Sanjesh Jain: So, next year it is fair to assume that we will be selling say 2,500 metric ton here or there in terms of the battery chemical, in terms of volume, right?

Shanil Bhayani: In FY27?

Sanjesh Jain: Yes, FY27.

Shanil Bhayani: That is a fair assumption, yes.

Sanjesh Jain: Got it. One on the specialty has been doing quite well, both on margin and growth. How does the order book look like for us in FY27? Should the growth momentum be maintained in the specialty?

Shanil Bhayani: I think, so yes, I think specialty ingredients will continue to be the, say the faster growing category. I think for '27 also we have a very good outlook. I think our – there are two categories which are growing extremely well. One is the encapsulation technology that we have. There we were already working with the largest bakery in the world.

In the last financial year, we have gotten approval with, I think, two of the other top five globally as well. So, we have very good visibility for this category. And then we have, secondly, we have the premix category for which we got approved with, say the largest infant nutrition company. So, that will also mutually contribute to the business in FY27.

Sanjesh Jain: Got it. Got it. Shanil, really helpful with all those answers and I wish you best of luck for the coming quarters.

Shanil Bhayani: Thank you, Sanjesh.

Moderator: Thank you. Next question is from the line of Nishita from Sapphire Capital. Please go ahead.

Nishita: Yes. Am I audible?

Shanil Bhayani: Yes.

- Nishita:** Hello. Yes. Perfect. So I had a few questions. One is on the battery material capex that we are doing. In the presentation, we mentioned that in four years, we will add 25,000 metric tons each year. So, is it safe to assume that the capex for each incremental 25,000 of metric tons is going to be INR300 crores?
- Shanil Bhayani:** So, hi, Nishita. No. So, the current capex is higher because it also includes the land acquisition. And while we are installing the equipment for 25,000 tons, we are developing the infrastructure, so all the buildings and the raw material processing and the utility area for our Phase 2 as well. So, I had mentioned previously as well that to achieve our target of 100,000 tons, we are looking at a capex of approximately INR600 crores.
- Nishita:** Okay. So INR600 crores is for the full the capex, full capacity of 100,000 metric tons.
- Shanil Bhayani:** That is correct.
- Nishita:** Okay. And what will be the revenue potential from this 100,000 metric tons at peak utilization?
- Shanil Bhayani:** Yes. I mean, I would say the pricing has been fairly dynamic recently. But we think it would be fair to assume an average price of around \$2. We say between INR1,600 crores to INR1,800 crores is the potential for this at 100,000 tons utilization.
- Nishita:** Okay. Okay. Understood. And my next question would be, what is the total capex another spending in FY27, including the battery material and the Greenfield project?
- Ketan Vyas:** Hi, Nishita. It's Ketan here. The gross capex spent during the year was INR127 crores, of which we spent on SAM land purchase of INR34 crores. We had the Greenfield project spent, additional spend of INR80 crores, and there was a maintenance capex of about INR13 odd crores.
- Nishita:** And what is it going to be in FY27?
- Ketan Vyas:** In FY27, we'll see major greenfield expansion is over. So maybe there would be around INR10-odd crores for completing the greenfield project and a maintenance capex of INR15-odd crores. That would be in the core business. Shanil already mentioned on the SAM capex for FY27.
- Nishita:** Right. Right. Understood. Also, if you could give some revenue outlook for FY27 and FY28, that would be really helpful.
- Shanil Bhayani:** So, Nishita, I think while we don't give direct guidance on revenue, but I think, as I was maybe mentioning to Sanjeshji as well, we have a very, I would say we are fairly comfortable and confident that in '27, we will continue the momentum that we have built this year. Both verticals, we expect actually pharma food nutrition to grow faster than it has grown in FY26 of 10%. And specialty ingredients will continue to track similar growth to what we have done over the last two, three years. So that is how we kind of build visibility for '27 and '28.

- Nishita:** Right. Okay. And you mentioned that our margins in the PFN, the pharma food and nutrition segment, the margins will also grow. So do we see the overall consolidated margins growing as well?
- Shanil Bhayani:** Yes. So I think if you see our margins for the year, I would say, around maybe 200 basis points on the EBITDA side, maybe lower and also on the PAT, also because we have invested significantly in building out the teams across Europe and North America. They will both start to positively contribute to the business this year. So once that happens, I think in the next couple of quarters, you will see the margin kind of tracking back to what we were delivering maybe in FY24 and FY25.
- Nishita:** Okay. So we can see the margins at similar level as 37%, 38%.
- Shanil Bhayani:** Correct.
- Nishita:** In FY27. Okay. Perfect. Thank you so much.
- Moderator:** Thank you. We will take our next question from the line of Nitin Gandhi from Inoquest Advisors. Please go ahead.
- Nitin Gandhi:** Yes. Thanks for taking the question. Living aside battery materials, what is the maximum revenue potential of the business?
- Shanil Bhayani:** Hi, Nitin. Good morning. You mean with the capacity that we are bringing on?
- Nitin Gandhi:** Yes.
- Shanil Bhayani:** So excluding battery, once this greenfield now that is commissioned, the business can scale to approximately INR1000 crores to INR1200 crores without any incremental capex in the existing product portfolio.
- Nitin Gandhi:** Okay. And are there measures to increase margin beyond 35% to some 40% or it will remain flat at 35% only at peak?
- Shanil Bhayani:** So I think, as I mentioned, I think if you see the last couple of years, we were maybe our margin profile was stronger than it is this year. There is an upfront cost that we are incurring today or have we have incurred in FY26 for mainly on the on building out the inventory, warehousing and the team that we have built. They will positively contribute and you will see margins, kind of increase back to the historical average levels of 24, 25.
- Nitin Gandhi:** No, no. I think living aside those one-time adjustments which happened during this exceptional year '26, while building the new facilities, are there any steps, designs or some other level way or product mix or something which you aspire to do so that the margin can further increase. Maybe complexity level is increased or whatever it is.

- Shanil Bhayani:** Yes. So I think I mentioned in my commentary that, you know, we have we have launched a new product molecule for called bisglycinate, which are again clinically proven for higher absorption. That product category will be a higher margin contribution -- will have higher margin contribution to the business. FY27 will be the first year where we kind of produce at a scale. But maybe in starting FY28, you will see the higher contribution coming from this category towards the business.
- Nitin Gandhi:** Okay. What is the market for that in North America?
- Shanil Bhayani:** I mentioned, I think the current global demand for this ingredient is around \$1 billion for the ingredient alone. North America would be 40% to 50% of that global demand.
- Nitin Gandhi:** Okay. Thanks. Thanks for taking my question.
- Shanil Bhayani:** Thank you.
- Moderator:** Thank you. We will take our next question from the line of Shreya Chatterjee from Ageless Capital. Please go ahead.
- Shreya Chatterjee:** Hello, sir. Thank you for taking my question. For the pharma and nutrition segment, the new molecules that you mentioned, could you just give a color as to how, like what's the margin or the unit pricing or the unit economics profile of your current portfolio versus your new molecules and like what can be the, like you said, it's \$1 billion market potential, but where do we see capturing the market of that and how competitive are we versus our global peers?
- Shanil Bhayani:** So I think there were a few questions. I will try to answer. And then if I miss out on anything, please let me know. So bisglycinate, I think, like our core business, the competition sits between Europe and North America. I think there is a company in North America which is the largest in this category. The competitiveness is more on the chemistry or the performance of the ingredient, not necessarily the price.
- Because if you see, so maybe globally there is a huge demand or a very, I would say, double-digit growth in demand for magnesium supplements, specifically magnesium bisglycinate, which is targeted for better sleep and muscle recovery. We have, I would say, in FY26, we have received approvals from two of the largest consumers of this product in the U.S. market.
- As you know, it's a clinical product. It takes time to build wallet share, but we are very, very, I would say, excited for this opportunity. And over the next two years, two to three years, you will see this category becoming a sizable revenue contributor for Sudeep.
- Shreya Chatterjee:** You also mentioned about the, like these might be of higher realization and you also have a couple of products in your portfolio. So how much should one think, like how much higher realization would it be versus your current portfolio? And similarly, in case of battery chemicals, how competitive are we versus, for example, China or the other players?

Shanil Bhayani: So, I think it's -- the realization for the bisglycine or the new category is very different to our core business. So I would say it would not be fair to even compare those. On the battery side, the goal is, and my honest answer is, the goal is not to compete with China.

Our focus right from the beginning since we started this business has been to give a product which has, which is highly competitive from a performance perspective against the Chinese iron phosphate because 100% of iron phosphate today is manufactured in China.

We are now -- we have now successfully achieved the product performance that is required by the customer. And because there are geographic or regulatory requirements that require an ex-China supply chain, we are benefiting from the China Plus One or the regulatory requirements for this category.

Shreya Chatterjee: So if I understand correctly, you mentioned that in both pharma and battery chemicals, you are targeting a more high-value performance kind of a chemical. So that will have a higher realization and that will invariably place you at a better competitive scenario. So if you could just quantify like how much higher the realization would be for both these verticals, like any color to that, like a range or something versus the normal commodity grade things that you supply.

Shanil Bhayani: So, as I said, I think, see, I think the battery, the battery business will operate with very different financial metrics. It will have a very different working capital scenario, different margin profile and different scalability altogether. As I said, from a margin perspective, we will not talk too much today about the battery as well as the new molecules that we bring into market, right? We have to also safeguard our, I mean, not to make everything too public because our suppliers, customers, everyone would have access to this information.

Shreya Chatterjee: Yes, but then the realization would be different, like not just battery chemical. I'm talking about the pharma food nutrition as well. The realization of your new grade molecules that you are bringing, including the molecule that you talked about, that will be higher, like 10%, 20% percent higher than your current portfolio. The realization I'm talking about, not the margin.

Shanil Bhayani: So, realization, as I mentioned, it would not be fair to compare because the -- like the bisglycinate product they were talking about has four times the realization of our current portfolio, right? But it is, so it is, as I said, it really depends on and it gets too technical, but you look at the strength of each product and the realization varies based on strength on the application clinical data. So, which is why I'm not giving you a straight 10%, 20% answer for this category.

Shreya Chatterjee: Got it. And what's the current capacity utilization across all our facilities right now, excluding the battery thing that's coming online across our brownfield facilities?

Shanil Bhayani: So, for our pharma food nutrition, without the greenfield that we are commissioning this year, we are, I would say we are between 65% and 70% utilization on that vertical, which is why the greenfield. On specialty ingredients, we would be between 35% and 40% utilization.

Shreya Chatterjee: Got it. Thank you. Thank you for taking my question.

Shanil Bhayani: Thank you.

Moderator: Thank you. We will take our next question from the line of Akash from Sahasrar Capital. Please go ahead.

Akash: Yes. Hi. Good morning. Am I audible?

Moderator: Yes, you are.

Akash: Hello.

Moderator: Sir, you are audible. You may please proceed.

Akash: Yes. Hi. So my question was regarding the proprietary green technology that we have. So, is it only for the battery materials or it is also for the pharma and food ingredients that we are manufacturing? And if you can help us understand what exactly we are doing and is it benefit us in terms of byproduct or the raw material that is left over? Are we doing any value addition in that? And is it getting being reused?

Shanil Bhayani: Hi, Akash. So, when we talk about the six proprietary technologies that is towards the specialty ingredients vertical that we have. These are tech that we have built and developed in-house, again, to compete with the players across, mainly across North America and Europe.

And the second question that you had around battery materials. So, yes, this technology also is built, developed in-house as a product. It's not a new product for us. We have been making a food grade iron phosphate for the past 10 years. We've built on that chemistry expertise and then engineered the product to have the superior performance for the battery industry. And...

Akash: And so, is it helping? Sorry.

Shanil Bhayani: No, no. I wasn't mentioning maybe to the other question. So, I didn't maybe entirely catch the question clearly, but there is no byproduct raw material that we are using for these, say, these product categories.

Akash: Okay. Okay. Got it. Thank you. And so, will it help us in any way in the margins profile that we have right?

Shanil Bhayani: Yes. So I think specialty ingredients has been a stronger -- has a stronger margin profile that has been the growth driver and that will continue to sustain going forward. So based on that, the margin of the overall business should improve.

Akash: Okay. Thank you.

- Moderator:** Thank you. We will take our next question from the line of Nitin Gandhi from Inoquest Advisors. Please go ahead.
- Nitin Gandhi:** Yes. Thanks. Coming back on glycinate, what are we targeting? Pure or buffered? And how are we positioning mid-premium or little higher? And what are the distribution channels you are targeting? Costco Wellness or Subscription Wellness or whatever best you can share on those parts? And whom are we benchmarking against the existing product for sale, market share or something? Thank you.
- Sujit Bhayani:** Hello, Nitin. So we will be offering both the fully chelated one, the chelated one and the buffered as well. Because this is as per the need of the market. And, of course, as the companies you mentioned, of course, these are our targets. And we have got good approvals, so that – with the CMOs for this product. And as you might be aware, the largest manufacturer or the market leader in this product is a company called Volchem in the U.S.
- Shanil Bhayani:** Nitin, can you hear us?
- Nitin Gandhi:** Yes, I can hear you. I thought you were giving some more inputs. I was quiet.
- Sujit Bhayani:** And for the sales, we have our own sales team in Europe and the U.S. So our focus is to work through our sales team for getting the optimal benefits in the pricing.
- Nitin Gandhi:** More of a B2B, B2C, what are your targets?
- Sujit Bhayani:** So, we are a B2B company and we work with all the large CMOs of the companies you mentioned.
- Nitin Gandhi:** Okay, fine. Wish you all the best. Maybe we will take some questions when we meet personally. Thank you.
- Sujit Bhayani:** Thank you.
- Moderator:** Thank you. Ladies and gentlemen, as there are no further questions from the participants, I would now like to hand the conference back to the management for closing comments.
- Shanil Bhayani:** Thank you everyone for taking the time to join Sudeep Pharma's Q4 and FY26 investor call and we look forward to continue engaging with all our investors. Thank you.
- Moderator:** Thank you very much.
- Ketan Vyas:** Thank you. Thank you.
- Moderator:** On behalf of Sudeep Pharma Limited, that concludes this conference. Thank you all for joining us today and you may now disconnect your lines.