

Date: 21st May, 2026

To,
The Manager,
Department of Corporate Services,
BSE Limited
P. J. Towers, Dalal Street,
Fort, Mumbai – 400 001
Scrip Code: 533573

To,
The Manager,
Listing Department,
National Stock Exchange of India Ltd.
'Exchange Plaza', Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051
NSE Symbol: APLLTD

Dear Sir/Madam,

Sub: Transcript of Post Results Conference Call held on 15th May, 2026

Ref: Our Intimation dated 29th April, 2026

With reference to the captioned matter, please find enclosed herewith the transcript of the Conference Call held on 15th May, 2026.

We request you to kindly take the same on record.

Thanking you,

Yours faithfully,

For Alembic Pharmaceuticals Limited

Manisha Saraf
Company Secretary

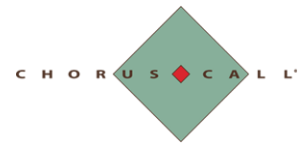
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ALEMBIC PHARMACEUTICALS LIMITED



“Alembic Pharmaceuticals Limited
Q4 FY '26 Earnings Conference Call”

May 15, 2026



**MANAGEMENT: MR. PRANAV AMIN – MANAGING DIRECTOR
MR. G. KRISHNAN – CHIEF FINANCIAL OFFICER
MR. AJAY KUMAR DESAI – SENIOR VICE PRESIDENT
MS. ISHA LAMBA – HEAD, CORPORATE DEVELOPMENT
AND INVESTOR RELATIONS**

Moderator: Ladies and gentlemen, good day, and welcome to the Q4 FY '26 Earnings Conference Call of Alembic Pharmaceuticals Limited. We have with us today Mr. Pranav Amin, Managing Director; Mr. G. Krishnan, CFO; Mr. Ajay Kumar Desai, Senior Vice President, Finance; and Ms. Isha Lamba, General Manager, Corporate Development and Investor Relations. As a reminder, this conference call is only for analysts and institutional investors.

As a reminder, this conference call is only for analysts and institutional investors. 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 this conference call, please signal an operator by pressing star and then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Pranav Amin, Managing Director. Thank you, and over to you, sir.

Pranav Amin: Thank you, and good evening, everyone. Thank you for joining us at the Alembic Pharmaceuticals Q4 and FY '26 Investor Call. I'm joined with Mr. Krishnan, the CFO, as well as members of the management team.

I will begin with a brief perspective on the environment, performance across our businesses and strategic actions and a directional view for FY '27. And then Krishnan will take you through the financial performance for the quarter and the full year ahead.

The external environment continues to remain dynamic across the markets, pricing pressure, competitive intensity, regulatory expectation and supply chain volatility, continue to shape the performance. In this backdrop, outcomes are being driven less by

market tailwinds and more by execution, quality, portfolio choices, cost discipline and capital allocation.

Our approach through the financial year has remained anchored on 4 clear priorities, which is maintaining our gross margin, protecting the core business, improving operating leverage, and investing selectively in future growth platforms, while sharpening operation excellence across all the businesses.

So while FY '26 included strategic investments and quarters and some quarter-specific impacts, the broader direction remains clear. We are working to build a stronger and more execution-led platform for the medium term.

Starting with the India business. The business delivered 4% year-on-year growth. The quarter was supported by price-led growth and new launches. While within the portfolio, Specialty Therapies and animal healthcare continued to perform relatively better.

Specialty growth was supported by Gynecology, Gastrology and Ophthalmology, while animal healthcare grew strongly and remained an important growth driver. Focus brands also continued to grow ahead of the broader portfolio, which is important from a quality of growth standpoint.

The Indore facility is fully operational. Capacity utilization is improving, and this gives us a better base for supply reliability, logistics, operating efficiency and future scaling. We also continued the portfolio refresh with new product launches during the quarter, and that should support better growth quality moving forward.

For the full year, India business delivered a growth of 5%. Operationally in the India business on a firmer footing, and we continue to strengthen the field operations and productivity metrics, focused governance to drive performance.

The Q4 international business growth remained positive with U.S. showing growth led by volumes and new launches. The ex U.S. markets also continued doing well and grew 20% for the year, whilst the quarter was muted, but the full year grew 20%. The quarterly performance of ex U.S. is mainly muted due to a higher base and one-off variances. We're confident of continuing this growth in the ensuing quarters.

We continue to build the pipeline and launch platform. During the quarter, we had 6 new launches in the U.S. further ANDA filings and approvals and progress on partnership-led opportunities. Our new facilities are getting better utilized, and we foresee much greater volumes coming out of these facilities in the current year.

The broader international business remains a key growth engine. But the business will require sharper product selection, disciplined launch and tighter control. On a yearly basis, we are pretty happy with the operational outcomes and the way the business has panned out, and I'm confident that moving forward this year will show some of these results.

The API business delivered a modest growth in Q4, driven primarily by volumes, while pricing remained a headwind. This is consistent with the broader market environment we have discussed in earlier calls as well. Our response continues to be on cost improvement, portfolio choices and capturing opportunities, where our development and manufacturing strengths provide a better economic profile.

At a broader level, we are consciously moving towards a more execution-led strategic model. This means higher focus on quality of portfolio and launches with asset utilization, stronger cost and working capital discipline and selective investments in platforms.

One part of the strategic pivot is our U.S. branded business approach. We view this as calibrated strategic entry with a focused go-to-market model and measured investment. The objective is not rapid scale, but to build a credible and sustainable specialty platform over a period of time. While there may be a short-term impact on profitability, which should get offset from improved operating leverage in the core business.

In terms of the FY '27 directional outlook, we are planning a pragmatic view of the external environment. We are not assuming any major easing in pricing pressure, competition or supply chain volatility. At the same time, we do see room for performance through internal levers. On the international business, we expect product launches to be phased through the year with a few meaningful day 1 launches in the first couple of quarters and better volumes in the existing portfolio.

We also expect the U.S. branded business to scale up, supported by selective product additions to strengthen the franchise. New product additions, deeper collaborations and expansion into new territories across Europe and Asia will also support the ex U.S. markets.

We expect the India business to improve and growth momentum and hope to be closer to market growth with a renewed approach to strengthen focused brands.

The international generic business are also likely to grow at a decent amount by low to mid-teen range and the API business to grow in the high single or low double-digit growth. This will translate into an overall top line consolidated growth to be in the low double-digit range .

R&D investments are likely to be around INR750 crores to INR800 crores as we calibrate our portfolio and structurally move

towards higher value opportunities, focusing on NCE-1, First-to-File and Day 1 molecules.

While being cautious in global geopolitics and related developments, the focus will be not only on growth, but on the quality of growth, better capacity utilization, focused cost savings, working capital and investing in a differentiated product portfolio.

With that, let me hand over to Krishnan, who will take you through the financial performance for the quarter and full year.

G. Krishnan: Thank you, Pranav. Good evening, everyone. Let me take you through the financial performance for quarter 4 and then the full year of 2026, and give you all some flavor of FY '27 as well.

For the quarter, revenue from operations stood at INR1,838 crores, up by 4% year-on-year. The quarter reflected a resilient performance in the top line, supported by new launches in the U.S., volume-led growth in API and Animal Health, partly offset by pricing pressure in certain segments.

On the operating front, EBITDA before R&D stood at INR455 crores, up by about 8% year-on-year with core margins at almost at 25% compared to 24% in the previous year, same quarter. This reflects better business mix with slightly better gross margins at 71%, but staying in the previously mentioned range of about 70% to 75%.

The EBITDA is after net operating expenses of the U.S. branded business, which started operations in quarter 4. Going forward, we continue to expect the operating leverage improvement to offset the new -- offset the launch phase margin impact of the U.S. branded business.

R&D spending for the quarter was at INR209 crores compared with INR151 crores in the same quarter last year, representing

11% of revenue versus 9% last year. The increase was driven by peptide-related development activities that we did during the quarter and higher filings in U.S. and ex U.S. markets compared to the previous year. This we believe will help us position for growth in the subsequent periods.

At the profit level, the reported profit after tax for the quarter stood at INR203 crores. The quarter included an exceptional item of INR24 crores as well as onetime tax adjustments of INR101 crores, which is a positive impact relating to MAT Credit and tax regime related adjustments.

From a balance sheet perspective, net working capital stood at -- almost close to INR3,000 crores, an increase of about INR50 crores versus the December levels, mainly driven by receivables that are not at due. Gross debt was at INR1,361 crores broadly in line with the December levels. For the full year, revenue grew by about 10% year-on-year, supported by growth across businesses, while absorbing a higher level of investment in R&D and strategic growth initiatives.

For FY '26, EBITDA before R&D and exceptional items stood at INR1,846 crores, representing 25% of revenue and a 20% year-on-year growth. This reflects growth in the business with better operating leverage across facilities. EBITDA after R&D was at 17% of revenue. Profit before tax and before exceptional items grew at 10%, broadly reflecting the revenue growth that we had during the year. Reported profit after tax grew at 16% to INR675 crores.

Overall, FY '26 was a year of steady core operating delivery alongside higher investment in the pipeline and future growth platforms. While some of these investments have a near-term impact on reported profitability, they are very well aligned to improving medium-term growth quality and strategic positioning.

As Pranav mentioned earlier, our current view for FY '27 is directional and based on current visibility. At a consolidated level, we are targeting a low double-digit growth, top line growth. Alongside growth, our focus will remain on margin protection, working capital management and capital efficient execution. We expect margin improvement from core business to give enough headroom to support the launch phase of U.S. branded business.

With the launch of Pivya, we expect the branded business franchise to scale up to a meaningful revenue profile in the next few quarters.

We expect capital expenditure for the year to be in the range of INR300 crores to INR350 crores, primarily towards capacity, debottlenecking and replacement capex. In summary, FY '26 reinforced resilience, while FY '27, we believe, is focused on maintaining the momentum and winning through execution.

With that, we can now open the floor for questions and answers.

Moderator: Thank you very much. We will now begin the question and answer session. Your first question comes from the line of Jahnvi Mishra from Green Portfolio Private Limited.

Jahnvi Mishra: Sir, actually, I would like to ask about the F2 and F3 facilities that remain underutilized, pending FDA approvals. Like could you tell us roughly how much cost these facilities are adding to the P&L every year without corresponding revenue? And at what point, whether through our own product approval or the contract manufacturing deals that we have signed, do these facilities start covering their own cost? And what is our internal time line for that?

Pranav Amin: We don't give facility-wise breakup, but I can just give you a flavor of what's happening. Both F2 and F3 are working at a much higher occupancy level than they used to. We're seeing more

meaningful contribution from these. If you see F3 has multiple lines, and the ophthalmic line is already chock-a-block.

In fact, we're doing an expansion of the ophthalmic line, because it's already at full capacity in terms of the other 2 lines. And actually, those are also about 40% and 60% capacity utilization for both.

In terms of F2, the injectable line and OSD, they are both working at a decent amount. We have a few limited competition opportunities coming, which is what is going to enable them and use these facilities. So the unabsorbed OSD of both these is not as much of an issue for us.

They may be -- it's too small a drag in the whole scheme of things. But it's more important for us to keep some headway in these facilities as we have some important day 1 launches coming from these facilities as well as we're seeing a lot of opportunities for product launches in the next couple of quarters.

Jahnvi Mishra: Okay, sir. And sir, of the contract manufacturing deals that are already signed for F2, F3, like are any of them expected to generate meaningful revenue in '27 itself? Or like is it more of a FY '28 story?

Pranav Amin: No, it's already started. Some of the licensing and some of the contract manufacturing is in progress. So we'll see part contribution from that in FY '27 itself.

Moderator: Our next question comes from the line of Rahul Jeewani from IIFL.

Rahul Jeewani: Sir, can you call out what kind of an impact you saw in the quarter from the investment into the U.S. Specialty business? So, is there any drag sitting on the current quarter's margins, because of

Pivya? And how do you see that going forward as well into FY '27? So that's my first question.

Pranav Amin: Yes. Yes. Thanks, Rahul. Yes there was a drag in the quarter due to the Alembic Therapeutics business, which is a sub that has launched the Pivya product. I'll give a direction and Krishnan will give you further details.

There was a drag on the business because of that. The product just got launched in February. So we have taken up some of the costs. I expect another quarter or two of the drag coming, by the end of the year, we should start seeing a decent contribution. And last quarter is when we see it starting to turn around.

It's an interesting area. The only thing it's branded. So it does take more time to get the doctor habits to change. So we're quite confident. The initial trend is quite healthy. So there will be a drag for another quarter or two. Krishnan, do you want to?

G. Krishnan: Yes. So on the specific drag, I don't want to put a number to this, then it becomes a continuous discussion on what's the product level margins that we're going to disclose. Directionally, if you see for the full year, we have been able to maintain the margins. For the quarter, there is a bit of drag coming in from the higher R&D spend as well.

So, from a modeling point of view, I would take about 100 to 150 basis points of impact coming from Pivya, from the branded business in U.S. And we believe that the margin trajectory for FY '27, the core EBITDA margins that comes from the generic formulations and API business should be more than sufficient to offset this impact.

Rahul Jeewani: Sure, sir. And sir, on R&D, this quarter, we saw an increase. You said that the increase was on account of peptide development. But can you talk about in terms of how do you measure the R&D

productivity, particularly for the U.S. business? And -- why I say so is because when we were benefiting from Sartan opportunity in the U.S., at that point in time, our annual R&D spend was around INR650 crores, which we had moderated over last couple of years to, let's say, closer to INR550 crores kind of an annual number.

Now for next year as well, we are again guiding for increase in R&D spend to INR750 crores to INR800 crores. So just in terms of how do you measure productivity of this R&D investment, because the high R&D investments are, in fact, dragging your reported EBITDA margin?

Pranav Amin:

Yes, Rahul, good question, actually. So a few things. So first of all, the Q4 was a little bit of an outlier at 11% of sales is a little higher than we would have liked to be. You're right. Historically, we have gone up to about 14%, 15% of revenue as R&D spend, we have tapered it down last couple of years.

The quality of the filings that we're doing is also going up, which has caused some higher spend. But moving forward for the year, I don't expect it to be at 11%. It will come back down to about 9% again. And on an absolute amount, we'll be at that INR750-odd crores level.

The reason why this last quarter was a little higher is because we have a few selective complex and peptide developments, which were a little more expensive. That's what created a bump. But in terms of how we measure it, we generally have an IRR for each of our R&D projects. That's what we base our calculations on and what makes sense.

As it's getting more competitive, development cost is also getting more expensive. So the threshold IRR has come down, but we still see some opportunities, and that's how we're measuring.

We're measuring it by opportunity-to-opportunity. The only way we can grow is that we do have products in the market. And hence, we will not go up to the 15% levels, but it's 8% to 9% of revenues where we'll be at.

Rahul Jeewani: Sure, sir. And you said you measure R&D productivity through IRR. So, let's say, over FY '22, '23 or '24, the R&D spend, which we would have done at that point in time, what kind of an IRR would those spends would be generating as of now, if you can share some numbers?

Pranav Amin: So, Rahul, it's a little tough to say, because what's happening is a lot of the filings that happened there, especially from the new facilities, let's say, the Peptides and everything, they're all late expiry. The whole point of the Peptides facility was that it's -- we are locking in some of the day 1.

You will see one of them, 1 launch happening in the end of this quarter. So, it's still tough to put it all together. As I mentioned, the returns came down compared to the returns that we were seeing pre-2020. That's one of the reasons why we tapered down some of the R&D costs as well.

Rahul Jeewani: Sure, sir. And last question from my end before I join back the queue. You talked about FY '27 guidance from a top line growth perspective. Can you provide some color in terms of EBITDA margins as well, given that we will have the drag of Pivya this year, while on the base business, F2, F3 we'll see an improving utilization by the end of the year. So do you think you can improve margins over FY '26 levels? Or we should be baking in flat margins versus...

Pranav Amin: It's a good question, Rahul. The way I see the business is that the Pivya drag, as I mentioned, by the end of the year it will not

be a drag anymore. And for the rest of it will be covered up by the core business and the business growth that we're seeing.

We have a few interesting opportunities in the U.S. I expect the U.S. business to grow between 10% to 15% at least. The ROW will continue the growth at 15-plus percent. API will be closer to the 10% growth. And India, we hope with some changes, we will get to market growth.

So with all this, we'll have a high contribution. In terms of capex also we don't have too much this year. We will see -- definitely see an improvement in the margins this year. As I mentioned, at some point, we would go back up to the 20% kind of EBITDA margins over a 2, 3 year period. And I expect that this year, it's going to be a good year that we will start seeing improvement in the margins as well.

Rahul Jeewani: Sure, sir. Are we quantifying any number for FY '27?

Pranav Amin: No, no, I'm not giving any guidance. Let's see how the first couple of quarters go and then we'll get an idea.

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

Tushar Manudhane: Sir, just on your U.S. guidance of 10% to 15% is INR terms, right? So 5%, 6% depreciation is what is -- currency depreciation is what is baked in. So effectively 7%, 8% growth in constant currency terms. Is that the way to think about?

Pranav Amin: Yes. again, it's not a guidance, but just the way I see the business right now, we'll definitely have growth in the market. Yes, that's one way of looking at it. I'm saying, yes, in terms of INR terms, I mentioned 10% to 15%.

Tushar Manudhane: And sir, on peptide side, like what kind of investment we are envisaging in terms of R&D and in terms of capex separately?

Pranav Amin: So capex is all done. We've already completed the capex of the peptides. This was a filing that had to happen, some of the batches and it's important, it's a big filing. So hence, we had some costs related to that. Moving forward, we will not have as many such costs, as and when a product comes into development. But this was an outlier because the batches were conducted, and there was an NCE-1, 5.

Tushar Manudhane: So how many filings are we sort of thinking on peptide? Maybe over next 12 months?

Pranav Amin: We've got a couple. The portfolio is about 5 to 6 that we had. Two of them are filed already and the rest are going on.

Tushar Manudhane: And sorry for my ignorance, but how much capex you have already done for peptide?

Pranav Amin: We haven't given a disclosure because it's a part of an already ongoing and existing API facility and that's why we've done the peptide API investment. In terms of the formulation, it gets taken care of by our regular formulation capacity that we have.

Tushar Manudhane: Okay. So this is not a dedicated capex for peptide business?

Pranav Amin: No. It is part of a facility I mean, an ongoing facility where we've fine-tuned on block.

Tushar Manudhane: Sir, on the API side at a portfolio level, have we seen like sort of price increases given the crude-linked derivatives, so to say, solvents have seen sharp increase in prices. So subsequently, have you seen API prices moving up for us? API prices still do...

Pranav Amin: Good question, Tushar. So I'll just give you a background. Just as you said, I'll give you background about our API business. Our API business, we generally -- it's a pretty high-margin business and a pretty high -- it's quite a profitable business for us. Because one of the reasons is we do sell APIs at a much higher price. We don't compete at the bottom level whether -- for lack of a better -- whether Chinese or the are dropping prices. So we do have premium prices on the markets. That's one.

And our business values the compliance and the supply chain resilience, right? So we have good prices on the API side in the market. Secondly, in terms of -- are we seeing increase in some solvents? Yes, we're seeing it. Have we passed it on? No, it's still not a materially big issue for us. As you know, we generally do carry a higher bit of inventory, and that's helped us out right now. We're okay we're utilizing the inventory. We do have higher prices. So that's not as much of a concern for us at this stage.

Tushar Manudhane: Understood. So probably considering the current inventory is at least for next year?

Pranav Amin: Yes. It's not impacting any margins for us.

Tushar Manudhane: And as far as branded business, so post launch, of course, it's too shorter time period. But any sort of either in terms of increasing prescription or any color you would like to...

Pranav Amin: Yes, I don't have any data that I can share with all of you, but I can just say it's just been only February end right that we launched. So it's only been a couple of months. And this is where we're visiting the doctors, we've started off with a smaller field force, reaching out to doctors only in high prescription territory for UTIs. So we're seeing a good trend. We're seeing good feedback. it will be another quarter or two until we are more comfortable giving out more metrics on this.

Tushar Manudhane: And lastly, just on a broader question, sir, like in terms of capital allocation, like the peptide is one area where you've done reasonable investment over the last 1 to 2 years. Now this branded business is there. So, likewise, any other areas where the capital allocation would happen in, let's say, FY '27, '28? Or these are the key areas to focus on?

Pranav Amin: So what's going to happen is in terms of capital allocation, if you see in terms of capex, we are broadly done with all our capex, even the branded business, it doesn't entail any capex. The only investment was in-licensing of the product. So on the branded side, we will in-license few more products. We're seeing some opportunities that we can build into Alembic Therapeutics to grow the branded business. So that is one part.

Second is the R&D investments will continue, though is in a measured manner to see where it happens. And that's it, these are the 2 broad areas and complex products is where still -- basically it will be R&D and the branded business.

Moderator: As there are no further questions from the participants, I now hand the conference over to Mr. G. Krishnan for closing comments.

G. Krishnan: Thank you for joining us on the quarter 4 and full year conference call. If you have got any follow-up questions, please reach out to the Investor Relations team. Thank you.

Moderator: Thank you. Ladies and gentlemen, on behalf of Alembic Pharmaceuticals Limited, we conclude this conference. Thank you, every one, for joining us, and you may now disconnect your lines.