THRU ONLINE FILING

November 6, 2026

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Mumbai 400 023
Scrip Code – 524494

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Mumbai-400051.
Scrip Code : IPCALAB

Dear Sirs,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find the transcript of our Conference Call which was held on Thursday, 5th November, 2026 from 16:00 hrs (IST) to discuss the Company's Q2FY27 earnings and business update.

Thanking you

Yours faithfully
For Ipca Laboratories Limited

HARISH PANDURANG KAMATH

Harish P. Kamath
Corporate Counsel & Company Secretary
ACS 6792

Encl: a/a

“Ipca Laboratories Limited

Q2 FY '27 Earnings Conference Call”

November 05, 2026

MANAGEMENT: **MR. A. K. JAIN – MANAGING DIRECTOR– IPCA LABORATORIES LIMITED**
MR. HARISH KAMATH – CORPORATE COUNSEL AND COMPANY SECRETARY – IPCA LABORATORIES LIMITED

MODERATOR: **MR. NITIN AGARWAL – DAM CAPITAL ADVISORS LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Ipca Labs Q2 FY '27 Earnings Conference Call hosted by DAM Capital Advisors Limited. As a reminder, all participant lines will be in the listen only mode. And there will be an opportunity for you to ask a question. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone telephone. Please note that this conference is being recorded. I now hand the conference over to Mr. Nitin Agarwal from DAM Capital Advisors. Thank you, and over to you, sir.

Nitin Agarwal: Thank you. Good afternoon, everyone, and a very warm welcome to Ipca Labs Q2 FY '27 Earnings Call hosted by DAM Capital Advisors Limited. On the call today, we have representing Ipca Labs management, Mr. A.K. Jain, Managing Director; and Mr. Harish Kamath, Corporate Counsel and Company Secretary. I'll hand over the call to Mr. Jain to make the opening comments, and we'll open the floor for questions. Please go ahead, sir.

A. K. Jain: Thanks, Nitin, and DAM Capital for organizing this call. Today's earnings call and discussions and answer given may include some forward-looking statements based on our current business expectations. This must be viewed in conjunction with the risk that pharmaceutical business face. Our actual future financial performance may differ from what is projected and perceived. You may take your own judgment based on information during the call.

Our domestic formulation business for Q2 FY '27 has delivered growth of around 14%, and it has reached to around INR1,157 crores as against INR1,019 crores in Q2 FY '26. MAT September 2026, Ipca's rank remained 16 as per IQVIA. Our market share has improved to around 2.11% from -- as against 2.09% in September '26. Top 6 brands of Ipca are featuring among the top 300 brands of the industry. Out of top 6 brands, Zerodol SP is the top brand of the company, and it has improved its rank to 8th rank as against 11th in the Q2 FY '26.

Zerodol as the umbrella brand has crossed INR1,500 crores sales as per IQVIA in September 2026. It has become the fourth largest brand in IPM. As per IQVIA, the -- on chronic segment MAT September 2026, Ipca has achieved a growth of around 20% as against IPM growth of around 17%. As per IQVIA, the acute segment, Ipca has achieved a growth of around 11%.

We are at par with the overall market growth there in acute segment, largely because some of the portfolio like antimalarials and antibacterials are declining, antibacterials is having very marginal growth and even cough and cold is having very low growth.

On export formulation business, on a stand-alone basis, Ipca has grown by 32% in Q2 FY '27 to around INR653 crores as against INR493 crores in Q2 FY '26. Our promotional branded business in ROW markets has delivered growth of 19% for Q2 FY '27 to around INR172 crores against INR145 crores in Q2 FY '26.

Generic market, excluding tender, delivered around 36% growth in Q2 FY '27 to around INR364 crores as against INR268 crores in Q2 FY '26. Institutional generic business has delivered

growth of around 45% for the quarter, and API has delivered a growth of around 6% for the quarter.

Our consolidated Q2 FY '27 business has grown by around 14% to around INR2,910 crores as against INR2,557 crores. For Q2 FY '27, we continue to see significant price increase on inputs, logistic cost, shipping cost and even fuel and your -- energy cost.

In spite of all these factors, overall consolidated EBITDA margins have improved to around 22.97% in Q2 FY '27 as against 21.68% in Q2 FY '26. Stand-alone EBITDA margin of Ipca has improved to 26.6% in Q2 FY '27 as against 25.46% in Q2 FY '26. Having given the broad numbers, now I'll request participants to ask questions.

Moderator: The first question is from the line of Saion Mukherjee from Nomura.

Saion Mukherjee: Mr. Jain, I wanted to check on Zerodol franchise. What's the kind of growth you are seeing? And if you can split between volume and price increase in this? And what's the headroom to grow this franchise? What would be the key drivers and any competitive pressure that you might be seeing in the market?

A. K. Jain: Overall, for, let's say, April to September, if you look at -- our pain segment has grown by around 14% from 1,000 internal numbers from 1200 -- from INR1,065 crores to around INR1,216 crores. So we have -- is continuously growing at 14% for the first half of the current year. And in fact, in the second quarter -- this quarter of the current financial year, on pain segment, we have grown by around 16%. The overall pain segment has delivered a number of around INR628 crores from INR543 crores. So we have recorded almost around 16% growth.

So on a continuous basis, both our portfolio of rheumatoid arthritis and osteoarthritis, which includes Zerodol and all rheumatoid arthritis products, that -- they are continuously performing and continuously growing in the range of around 14% to 15% kind of range. So we have absolutely no concern on that. And in fact, from current INR1,500 crores of umbrella brand, we are looking similar kind of growth to continue for next 3, 4 years, yes.

Saion Mukherjee: And sir, how much of the growth of, say, 14% to 16% would be volume-led?

A. K. Jain: Volume-led growth may be almost around 8% to 9% and price growth may be around 4% to 4.5%, yes.

Saion Mukherjee: And do you expect the volume growth momentum to sustain?

A. K. Jain: Yes.

Saion Mukherjee: Okay. And sir, one other question was on growth and margin guidance, sir, if you can reiterate the numbers, any fresh look you have for FY '27? And how should we think about...

A. K. Jain: Whatever guidelines we have given earlier, that will stand, yes. In earlier quarters, we have given that -- earlier quarter, we have given guidance that overall growth guidelines was almost around

12% to 13%, which was revised to 14% to 16%. So that would remain. And consolidated EBITDA margin guidelines was from 22% to 23%, that will also stand there.

Saion Mukherjee: And sir, what is your expectation...

A. K. Jain: We are not revising the guidelines.

Saion Mukherjee: Okay. Sir, and what is the medium-term EBITDA expectation, let's say, over the next 2, 3 years, where do you see EBITDA margin consolidated lifting?

A. K. Jain: Every year, we should be improving by almost around 1% to 1.25% of EBITDA on a consolidated basis. And Ipca EBITDA will grow by almost around 1.5% stand-alone EBITDA.

Moderator: The next question is from the line of Shashank Krishnakumar from Emkay Global.

Shashank Krishnakumar: So I think this quarter for Unichem Q-o-Q, we saw a sharp gross margin uptick. If you could just share what drove that and whether this is a figure that we can work with going forward as well? And also for Unichem, also, are we sticking with their earlier guidance of 10% top line growth and around 13% margins?

A. K. Jain: Let's say, Unichem has delivered almost around 11.3% kind of EBITDA margin in current quarter. I think overall because of freight increase, the freight was significantly increased in this particular quarter. And freight numbers almost around INR30 crores extra has gone in this quarter. If you look at the other expenditure of Unichem, that has moved from INR142 crores to INR189 crores. So there is an increase of almost around 47% in -- INR47 crores in other expenses, out of which almost INR31.2 crores is only increase in the freight expenses.

It is all because of significant increase in the increase in overall freight costs and also overall a little increase, let's say, air shipment has also gone up because of overall time the shipping lines are taking to deliver the goods and all that. So some of the consignments are was to be sent by air and all. Air percentage of overall has gone up almost in this quarter to around -- from 5%, 6% to around 25% -- so that has taken almost around INR30 crores out of the freight expenses out of EBITDA that has gone. And that has resulted in a little lower EBITDA margin.

Otherwise, let's say that European business and -- has done well. The Brazil till now, they were incurring losses for first 2 quarters of the current financial year. That has started delivering now the profit. So in time to come, Brazil business will also move up. So if situation normalizes, the margins can move up. But if your freight and all these cost -- energy costs and it remains high, maybe it may remain between 11% to 13% kind of thing, EBITDA margin.

Shashank Krishnakumar: Got it, sir. And the GM that we saw this quarter is sustainable, right, close to 58%.

A. K. Jain: It may be 1% or 2% here and there vary because input costs are fluctuating too much, yes.

Shashank Krishnakumar: Got it. Sir, if you could also call out the U.S. portfolio growth, both for Ipca, which is getting booked in Unichem and the Unichem portfolio this quarter?

A. K. Jain: Overall, let's say, U.S. in dollar terms, if you look at overall portfolio growth is almost around 9%. And Ipca's portfolio is, let's say, value growth is almost around 74% in dollar terms. So I think Ipca's portfolio, I think, for the quarter has given almost around $5.8 million of sale. And Unichem's portfolio is almost around -- has become $38.5 million for the quarter.

Moderator: The next question is from the line of Rashmi Shetty from Dolat Capital.

Rashmi Sancheti: Sir, on the institutional business, you earlier guided INR3 billion, INR300 crores for this year, and we have already done INR236 crores in first half, you feel that it will be lumpy and in second half, sales will be pretty low or you are upgrading the guidance for that?

A. K. Jain: Institutional business, normally, we don't give any kind of, let's say, very aggressive guidelines because of -- by nature of this business itself, we wish to be very conservative. This year, because of, let's say, guidelines was given, I think -- overall, I think in first quarter, significant amount of shipment, which was to go in last financial year because of nonavailability of ships and other things, those businesses got shifted in the first quarter of the current year. That shipment was almost around INR25 crores. But in second quarter also, we have grown good in this financial year. And the trend would continue. But we don't expect this kind of growth.

Rashmi Sancheti: Okay. So as of now, we should maintain that INR300 crores number for the full year?

A. K. Jain: It will certainly exceed because, say, what this INR25 crores was never taken into account on guidance. So maybe it may become INR325 crores, INR330 crores, INR340 crores. But overall, we don't expect this business to grow significantly. It may come down also next year here and there. Yes.

Rashmi Sancheti: Got it. Got it, sir. And sir, on the branded business front, we still maintain that 15% growth. So in generics and branded business, we should expect a little soft quarter in H2, right, to achieve the guidance?

A. K. Jain: Business is going good on generics. We are delivering good growth overall. And branded business, let's say, overall in the first half of the current year has given growth of almost around 22% except one particular geography where West Asia shipment not happening in time has given some kind of decline in that business a little bit by 3%. But overall, all other market has grown very well, in fact. So we maintain our guidelines of 15% to 16% growth overall in India.

Rashmi Sancheti: Okay. And sir, on the bookkeeping question. On the interest cost part, you all have repaid some debt, right, on the long-term borrowings. And the interest cost was still high in quarter 2. If you can explain related to that? And how should we see the run rate in quarter 3 and quarter 4?

A. K. Jain: Our interest cost in the quarter 2 has also come down. It's not gone up because last year, we have paid our entire foreign currency debt, which was outstanding in books because we were carrying the cash in books. So we -- before this -- around the time when the rupee depreciation started, we thought it prudent that let us pay every -- all dollar loans in books. So right now, we have only a very small borrowing of around INR155 crores or so on rupee term loan, which probably

at the year-end would be -- we will close by around INR70 crores, INR75 crores. I think that's the balance is going to remain at this.

So -- and practically, we are debt-free company because we are getting almost around INR700 crores cash in books and debt are hardly any. That debt also, we are not prepaying because that debt is contracted at very low rate compared to the current market rate of what we are realizing on deploying money in mutual funds and all. So we are not prepaying that debt.

Rashmi Sancheti: Correct. I understood. What I meant was that this INR12 crores run rate, which we have done in last 2 quarters, this number should decline in H2, right, because of the debt.

A. K. Jain: Yes, yes, it will decline. Yes, it would decline, yes.

Moderator: The next question is from the line of Nitin Agarwal from DAM Capital Advisors.

Nitin Agarwal: Just a couple of questions from my side. Sir, on the -- if you can give us a little more color on how the U.K. and the Europe business have -- U.K., Europe and the Australia business have [inaudible 0:19:13] this quarter in the first half?

A. K. Jain: Yes, I'll give the numbers. Overall, generics-wise, if you look at in Q2, European business has grown by around 23%. Australia and New Zealand has grown by around 24%. U.S. has grown by 31%. Canada has grown by 45%. South African business has grown by 46%. Overall, so most businesses in generics has done well.

Nitin Agarwal: And sir, U.K., we had some issues here every now and then. So those businesses are stabilized for the U.K.?

A. K. Jain: U.K. as my portfolio is growing. Last financial year, we were facing a lot of problem in -- because of, let's say, our earlier kind of portfolio was just very old products, maybe genericized 15, 20 years old, and those products were selling below cost in the market. So last year in Europe, in U.K., we have U.K. portfolio, we have suffered in the overall, I think in the whole of the year, maybe around 2.5 million kind of loss in U.K.

But because of that kind of scenario, there are lots of disturbance in U.K. market today that a lot of products are going in short supplies and all. And prices are returning back because situation of selling product at lower price cannot continue for long. So that has changed and the -- our European -- U.K. subsidiary has also delivered profit in this year. And U.K. overall business is moving up now.

Nitin Agarwal: And sir, on our subsidiaries, you can give us an update on how the various subsidiaries?

A. K. Jain: Let's say, except one subsidiary, which is Pisgah, all subsidiaries have done well. And they are all in profit, yes. Pisgah will take some little more time because there are good order positions on their API side. And so maybe I think by next financial year, things will start improving there.

Moderator: As there are no further questions from the participants, I now hand the conference over to management for closing comments. Thank you, and over to you, sir.

Management: Yes. Thank you, Madam. Having answered all the questions, I think we can close this con call. Thank you, everyone, for participating in this con call. Thank you.

Moderator: Thank you, sir. On behalf of DAM Capital Advisors Limited, that concludes this conference call. Thank you all for joining us, and you may now disconnect your lines. Thank you.