November 6, 2026

To,
Dy. General Manager
Department of Corporate Services,
BSE Ltd.,
P. J. Towers, Dalal Street,
Fort, Mumbai – 400 001

Ref: Scrip Code: 543322

To,
The Manager – Listing,
National Stock Exchange of India Ltd.,
Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051

Ref: Scrip Name: ALIVUS

Dear Sirs,

Sub: Transcript of Earnings Call

Pursuant to the Regulation 30(6) read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of Earnings Call held on Friday, October 30, 2026 for the second quarter and half year ended September 30, 2026 is available on website of the Company at:

https://alivus.b-cdn.net/alivus_pdfs/investors/financials/reports_presentation/Transcript_Alivus-Earnings%20Call_Q2%20FY27_final.pdf

The said transcript is also attached.

Request you to kindly take the same on record.

Thanking you

Yours faithfully,

For Alivus Life Sciences Limited
(formerly Glenmark Life Sciences Limited)
RUDALF JOSEPH CORRIEA
Digitally signed by RUDALF JOSEPH CORRIEA
Date: 2026.11.06 15:19:11 +05'30'
Rudalf Corriea
Company Secretary & Compliance Officer
Encl.: As above

“Alivus Life Sciences Limited
Q2 FY27 Earnings Conference Call”
October 30, 2026

MANAGEMENT: **DR. YASIR RAWJEE – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – ALIVUS LIFE SCIENCES LIMITED**
MR. TUSHAR MISTRY – CHIEF FINANCIAL OFFICER – ALIVUS LIFE SCIENCES LIMITED
MS. SOUMI RAO – SENIOR GENERAL MANAGER – CORPORATE COMMUNICATIONS – ALIVUS LIFE SCIENCES LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to the Q2 FY27 Earnings Conference Call of Alivus Life Sciences Limited. 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 this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Soumi Rao from Alivus Life Sciences. Thank you, and over to you, ma'am.

Soumi Rao: Good morning, everyone. I welcome you all to earnings call of Alivus Life Sciences Limited for the quarter ended September 30, 2026. From Alivus Life Sciences, we have with us Dr. Yasir Rawjee, our MD and CEO; and Mr. Tushar Mistry, our CFO.

Our Board has approved the results for the quarter ended September 30, 2026. We have released it to the stock exchanges and updated the website. Please note that the recording and the transcript of this call will be available on the website of the company.

Now I'd like to draw your attention to the fact that some of the information shared as part of this call, especially information with respect to our plans and strategies, may contain certain forward-looking statements that involve risks and uncertainties. These statements are based on current expectations, forecasts and assumptions that are subject to risks, which could cause actual results to differ materially from these statements, depending upon economic conditions, government policies and other incidental factors.

Such statements should not be regarded by recipients as a substitute of their own judgment. The company undertakes no obligation to update or revise any forward-looking statement. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

With that, I invite Dr. Yasir Rawjee to say a few words. Thank you, and over to you, Dr.

Yasir Rawjee: Thank you, Soumi. Good morning, everyone, and welcome to our Q2 earnings call. Let me begin by extending our warm wishes for the upcoming festivities. Turning to our performance, we are pleased to report another quarter of healthy execution, reflecting the strength of our underlying business and a significant improvement in profitability.

During quarter 2, revenue from operations stood at INR682 crores, up 16% year-on-year, driven by new product launches and a healthy demand across our existing portfolio. Our non-GPL business grew 20.8% year-on-year and now contributes 79% of our overall revenues. Performance remains healthy across Europe, Japan, North America, LATAM and ROW markets.

Recently launched products continued to gain traction across geographies, further diversifying our revenue base. GPL revenues recorded a marginal growth of 1% year-on-year. For FY27, we expect

the business to follow its historical trend with a stronger contribution in H2 and expect full year GPL revenues to be around INR700 crores to INR750 crores.

Our generic API business grew 11% year-on-year in Q2, supported by healthy demand across regulated and emerging markets. The broader product portfolio continues to strengthen our presence across these markets. Our CDMO business delivered a robust performance during the quarter, with revenue climbing to INR50 crores, up 32.3% quarter-on-quarter and nearly 80% year-on-year.

This was driven by improved traction across existing projects and was complemented by new projects. We continue to see CDMO as an important growth opportunity as our project portfolio progresses. More importantly, we are seeing a clear improvement in the quality of our portfolio that is impacting our earnings. A better revenue mix and improved operating efficiencies are translating into stronger underlying profitability.

Coming to our expansion plans, the Solapur facility continues to progress as planned and Phase 1 is expected to become operational in Q3 of FY27. Construction of our R&D center at Taloja is also progressing well, and we hope to be on schedule early next year. Our pipeline remains robust with over 630 DMF and CEP filings globally as on September 30, 2026.

Our high potent API portfolio continues to advance with 30 new products in the active grid, representing a total addressable market of $86 billion. Of these, 14 products have been validated, 7 are in advanced stages of development, and the remaining 9 products are progressing through lab development.

As we move into the second half of FY27, we remain mindful of the evolving external environment. At the same time, the continued momentum in our core business progress across CDMO and the depth of our development pipeline provide us with confidence in our growth outlook. So accordingly, we reiterate our FY27 revenue growth guidance of 10% to 12%. We are confident of delivering EBITDA margins in the 35% to 36% range in FY27.

Overall, our priorities remain clear, executing on our growth strategy, scaling our portfolio and strengthening our presence across key global markets. We believe that these initiatives provide a solid foundation for sustainable growth in the future.

So with this, I now turn the floor to our CFO, Mr. Tushar Mistry, who will walk you through our financial performance for the quarter in depth. Over to you, Tushar.

Tushar Mistry: Thank you, Dr. Yasir. Good morning, everyone. Welcome to our Q2 FY27 earnings call. I would like to take a moment to highlight the key performance updates for the quarter and half year ended 30th September 2026. For quarter 2 FY27, revenue from operations stood at INR682 crores, a growth of 16% year-on-year. Gross profit for the quarter was INR439 crores, up 29.5% year-on-year. Gross margins for the quarter stood at 64.4%, up 420 basis points quarter-on-quarter and 670 basis points

year-on-year. This was on account of favorable product mix and recent launches. EBITDA for the quarter was at INR285 crores, up 47% year-on-year. EBITDA margins for the quarter were at 41.8%, up 520 basis points quarter-on-quarter and 880 basis points year-on-year.

Excluding the onetime income, adjusted EBITDA margin was approximately 39.5%, reflecting improved operating efficiencies. PAT for the quarter stood at INR197 crores with PAT margins at 28.9%, up 390 basis points quarter-on-quarter and 680 basis points year-on-year. For first half FY27, revenue from operations stood at INR1,322 crores, a growth of 11.1% year-on-year.

Gross profit for H1 was at INR825 crores, up 22.9% year-on-year. Gross margins for H1 stood at 62.3%, up 590 basis points year-on-year. EBITDA for the first half was at INR519 crores, up 38.4% year-on-year. EBITDA margin for first half was 39.3%, up 780 basis points year-on-year, and PAT for H1 stood at INR357 crores with PAT margins at 27%, up 590 basis points year-on-year.

Looking at the therapeutic mix, CVS and CNS continued to lead the growth during the quarter with both therapies contributing 50% to the top line. Chronic therapies contributed 67% to the top line in Q2 FY27. R&D expenditure for Q2 FY27 was INR27 crores, which was 4% of our sales. For H1 FY27, it was INR51 crores at 3.9% of our sales. On the balance sheet and cash flow movement, capex for the quarter was INR105 crores and for the first half, it was INR190 crores.

We continue to remain a net debt-free company, and we have generated a strong free cash flow of INR270 crores leading to cash and cash equivalents, including short-term investments of INR1,012 crores as of September 30, 2026. Looking ahead, healthy demand trends and enhanced visibility for H2 FY27 provide us with confidence in sustaining our growth trajectory through the remainder of the year.

With that, let us open the floor for Q&A.

Moderator: Thank you. We will now begin the question-and-answer session. The first question comes from the line of Ahmed Madha with Unifi Capital.

Ahmed Madha: Congratulations on a very good set of numbers, Dr. Rawjee and the team. First, just to understand the nature of one-off we mentioned. Can you explain it? I believe the calculation says about INR24-25 crores. Can you explain the nature of the one-off income?

Yasir Rawjee: So, there are two components here. There's a validation supply of a complex product, okay, that had very high margins, okay, and contributed to it.

Tushar Mistry: Plus, there was some income accrual which was done in this quarter, which is a one-off kind from one of the customers that we would be getting which is one-off in nature.

Ahmed Madha: Sure, understood. So, is it fair to assume that this gross margin still will sustain about 60 percentage, which we have also executed last 2 quarters? Obviously, current quarter was 64 percentage plus. Is that a fair way to look at it?

Yasir Rawjee: Yes, we should expect it around that going forward.

Ahmed Madha: And we've been mentioning about new product launches contributing to higher margins and the margins range. Excluding other income, it was close to 30 percentage has moved to almost 34-35 percentage. And you continue to guide that should sustain more or less.

More clarity in terms of just more sort of nuances in terms of how should one look at it in terms of new launches, which have contributed margins? A little bit of explanation that can help us sort of triangulate what things we have achieved in terms of getting margins which are probably close to industry leading.

Yasir Rawjee: See, certainly, it's the new products, the launches that we've had that is contributing to higher margins, and when we say new products, it's not just what we launched this year. There have been launches of last year that have been sustaining the momentum not only in terms of growth, but also in terms of our margin profile. So, as we keep moving ahead, I mean, we're kind of building it up with the new pipeline.

And that's why even after we take away this one time, we are seeing much improved margins. I won't be able to give you which products because, frankly, we don't get into a product-wise discussion. But we can say this much that the quality of our portfolio is steadily improving in terms of more complex, more high-end molecules. And that helps to the overall growth as well as the margins.

Ahmed Madha: I understand you can't disclose product names but let me put it other way. Sometimes what we see in the industry is when there are new launches, the margins are extremely high and then as the formulation partner sells the product and then they face a price erosion probably a year or 2 later, the margins for API player as well as the formulation partner will erode.

So is this kind of a nature of the new launches we have had where because of the ramp, in the initial ramp-up, the pricing you are getting is much higher. Same will be the case with your customer. And then as things move forward, margins will normalize? Or this is sort of a case where there is certain step jump in the margins because of the quality of your incremental portfolio?

Yasir Rawjee: The margins on newly launched products have a sort of shelf life, should I say, right, of maybe 18 to 24 months, and then it starts normalizing. But then if we keep enhancing the portfolio with newer launches, then it should sustain. We don't see a challenge there.

Moderator: I am sorry to interrupt, Ahmed. I would request you to rejoin the queue. Thank you. The next question comes from the line of Yog Rajani with Omega Portfolio Advisors.

Yog Rajani: My question is regarding the second half of the year. So, second half, we normally see higher GPL contribution, which, as you've highlighted earlier, is a lower-margin business than our non-GPL and CDMO business. So how do you see the margins being affected for the second half?

Tushar Mistry: Yes, you're right. Second half of the year, GPL generally picks up the volumes, and that is what we are expecting in H2 as well. While we have been maintaining that comparatively, the non-GPL business is a better margin business, but GPL business is not very low-margin business. It is a good, stable margin business, and we should see that kind of margin for H2 as well. And that's why we are confident of the guidance that Dr. mentioned in his commentary of about 35% to 36% EBITDA margin for the overall financial year.

Yog Rajani: All right. My second question is regarding the CDMO business. We've recently seen a huge growth in our CDMO business Y-o-Y as well as Q-o-Q. Could you give us some more insights into what is happening in the CDMO business? And how can we see the growth going from here?

Yasir Rawjee: So we haven't added new projects. We are still driving the CDMO business with these 5 projects, but we've seen an uptick in demand across these projects. And certainly, the newer projects that we've added last year are contributing quite substantially. So that's what's led to that improvement.

Yog Rajani: And would we see further improvements, as we said, we have a lot of clients that -- like potential clients that we are talking to and we have new facilities also coming up in the second half of this year. So is there any guidance in terms of how we would be scaling up the CDMO business? Even qualitative is all right. I understand we can't get into.

Yasir Rawjee: Yes, that's what. We have a number of projects that are -- we are in discussions. And hopefully, we should close in the first half of next year on a couple, but certainly, one more project will get added, so they are in advanced stages. So that should keep driving the momentum of the new projects. But we have quite a few that we are in discussions.

Moderator: The next question comes from the line of Ankit Minocha with Adezi Family Office.

Ankit Minocha: Congratulations on the excellent set of numbers. My first question is with regard to -- I mean, now that we have settled new promoters on board and you have all of these new launches and say, a reasonable margin trajectory also going ahead, should we recalibrate maybe our growth expectations from the company? I mean, I believe in earlier con calls, you've also always mentioned at profitable growth. So I mean, profitable growth currently looks probable. So I mean, can we move to a higher double-digit growth range over the next 2 or 3 years as a company, do we think?

Yasir Rawjee: See, Ankit, we have grown our non-GPL business almost 21% this quarter, okay. So in that sense, we are already there at double digit. Now you know this, you've been following us, that the GPL contribution has remained relatively flat, and it's quite substantial. So as a result of that, when we

add it all together, we want to be clear that's a good business like Tushar said, we'll keep that going. But when you put it together, then we are in this 10% to 12% range in terms of the growth.

Ankit Minocha: Okay, sure. And in terms of margins, I mean, this quarter, obviously, there was some one-off but there are significant higher margins because of new product launches. You're talking about 35% to 37% for this entire year. How should we look at FY28? I mean, do we think of maintenance of that kind of margin profile will be feasible? And what will kind of be driving that as well?

Yasir Rawjee: We should be aiming for that, right? But as a floor, right, as a floor, let's say, nothing works out. We'll still be between the 30% to 32% range. I mean we have reasonable visibility for next year. And like I said, we will aim to achieve similar margins as what we are guiding to FY27. But just to keep it balanced, I think if nothing works out, we'll still be at 30% to 32%.

But the way things are going, we see that there is enough launch momentum from launch products, and so we should continue. Plus, there's the global situation, right? I mean, so far, we've been able to manage it reasonably well because we've taken good calls on inventory, and that has helped us as well. So it's not only the new launches, but also the way we managed the whole cost escalation, right, by having judicious sort of inventory interventions.

Ankit Minocha: Understood. And finally, in terms of the pricing environment, how does it look like for the company, the different molecules and overall for the sector in your view?

Yasir Rawjee: Could you come back again, the pricing environment you said?

Ankit Minocha: Yes, the pricing environment that you're currently seeing, are there pricing pressure or a pricing is pricing doing well?

Yasir Rawjee: I mean, see, the generic business does have that, right? So we do factor in some level of erosion. I must say that the erosion has been a little less this first half. But it's reasonable because we are in regulated markets and there's a fair understanding of what the customers are also able to do at the front end. So it's not unreasonable. It's kind of regular on the erosion. So the pricing environment, I would say, is quite stable.

Moderator: The next question comes from the line of Nitin Agarwal with DAM Capital.

Nitin Agarwal: Congratulations team for a good set of numbers. Dr. Yasir, two things. One is, a- on the input cost inflation that you talked about, which is coming through over the last few quarters. I mean has it been easy for you to pass it on to your customers?

Yasir Rawjee: Yes. Nitin, we have had a price inflation on our raw materials. But largely speaking, we've been able to pass it on to the customers.

Nitin Agarwal: Okay. That's good. And secondly, with the Solapur facility coming on stream in the first phase in the second half of the year, as you mentioned, I mean, strategically, what kind of impact does it have on the business, both on the generic and the CDMO side, right? I mean not from the near term, but even take a 2-3-year view with a large capacity, which was not there for us available at any point in time from our fresh greenfield capacity capabilities. I mean, what kind of tailwind does it bring to the business possibly to your assessment?

Yasir Rawjee: It's going to be a big contributor in 2 to 3 years' time because it's a large facility, we have a good runway for bringing in newer products that will be coming in. Ankleshwar today contributes almost 65% to our revenue. So it will be nice to have a similar facility of this size.

It also helps us on the CDMO side because we can offer these kind of capacities to potential customers, for larger volume APIs and maybe even high-value intermediates. We are looking at Solapur, in the 2- to 3-year time frame as a pretty big growth driver.

Nitin Agarwal: Just sort of just trying to understand there, the fact that we were a bit of capacity constrained in the last few quarters. I mean, rather we were operating at optimized capacity, does it -- has it really led to any sort of supply misses also for us, business we had to forego because capacities are not there?

Yasir Rawjee: Fortunately, not. Because where we did have some crunch was on the intermediate side, pharma capacity was quite -- we managed that quite reasonably. So we haven't lost any kind of business or had to postpone orders or anything of that sort.

Nitin Agarwal: Okay. And secondly, on the new product launches, I think we've got a large -- so the 2 things is, a- of the DMF that we filed in the U.S., how many are yet to be commercialized? And two, are sort of high-value complex DMFs around HP, high-potency APIs and the iron sucrose. Over what frame do you see these getting commercialized?

Yasir Rawjee: So of the 160-odd DMFs that we have in the U.S., we are working on the -- commercially, we have about around 90 to 100 is what is contributing commercially. Another 60 still have to come off patent, so we have that runway that should fructify in the next sort of 3- to 5-year period. Some may go even beyond that, but most of them should start giving us a commercial benefit in a 3- to 5-year time frame.

Coming to the high potent portfolio, Nitin, most of our portfolio essentially starts coming off from late FY28 to around FY '33-FY '34. So it's a 5 to 6-year window in which we expect to commercialize most of these high potent molecules. And then there is another element here, we are seeing that a lot of these onco products did not get filed. The patents did not get filed in many ROW markets. So that's an early entry opportunity that we are also looking at with our customers in those markets.

Nitin Agarwal: So just pushing on that point, there is a lot of companies, typically high potency oncology has been an area where a lot of companies have been focusing on over the last few years, even from an India ecosystem perspective, what gives us an edge, what is the right to win versus the peer set here?

Yasir Rawjee: See, so far, the tie-ups that we've had across geographies have been pretty reasonable. So I mean, once we get those tie-ups in place, then at launch, we would have customers and we would be entering those markets.

Nitin Agarwal: Okay. And last one. On the formulation CRO that you acquired last quarter, anymore -- if you can give us some color on how you're looking at this business over a next 2-3-year perspective? I mean this segment?

Yasir Rawjee: So, we will be building -- we've already identified a portfolio of around 25-30 dossiers that would be developed in the next 3 years. And have a reasonably close commercialization window. So we expect to start seeing that portfolio sort of coming in about 3 to 4 years' time. And the momentum with that will continue at the rate of around 10 to 12 filings every year. And these will be across markets, not just focused on North America and Europe.

Moderator: The next question comes from the line of Alankar Garude with Kotak Institutional Equities.

Alankar Garude: Sir, can you take us through the technology platforms that you have been working on over the past few years. You've spoken about flow chemistry in the past? And how some of these initiatives have been helping improve the quality of the portfolio, as you mentioned, and hence, that repercussion on EBITDA margins?

Yasir Rawjee: So Alankar, see, I would sort of break it up into one is that we went quite aggressively on the oncology side. We got started just 4 years ago, but we built up a pretty solid portfolio. Of course, it hasn't seen the light of day as I explained just in my last response, that we expect that from late FY28 to around FY '33-FY '34, we should see that commercialization. Flow chemistry, we have already commercialized one project and it's amazing how we've been able to knock down the COGS to less than half of what we had. It was a product that we already had and had a number of customers. But with flow chemistry, we've been able to knock down the COGS to less than half of what we were doing with the batch processing.

So flow is definitely going to play a big role going forward because we have 5 projects right now that we should execute commercially in flow in about 18 to 24 months. And then, of course, there's the filing and so on.

So that has certainly will be a good addition to our overall -- on the platform side. Then, of course, we have the IQGenX platform that, again, I just mentioned, what we are planning to do with that. And another area that we've developed internally is pellets. So we have currently 15 pellet products

that we have already developed and we're going to validate them within this next year to be able to launch those as well.

I mean that pretty much sums up what we've been doing and of course, there's the complex products that we've been talking about and on the iron complexes, and that is coming along pretty well. So we've already got 4 products that we are developing in various stages of development.

Alankar Garude: Understood, sir. Sir, just a follow-up on the formulations part. From a manufacturing standpoint, where do you stand? And broadly, if you could break it up between oncology and non-oncology, what is going to be our strategy on the manufacturing front?

Yasir Rawjee: So like I said, we'll be building up a portfolio of around 25 products, right, in the next 3 years. And there is a strong inclination within the company to have our own manufacturing facility. We haven't taken a call yet to do it for sure because there are third-party manufacturers that we can tap at least in the short term.

But then we feel that to protect intellectual property and to keep a good handle on quality, we might be better off if we build our own facility which would take about 18 to 24 months. So we would be well timed in terms of being able to manufacture our own products that could see approval in about 3 to 4 years' time.

That said, coming to the onco, what is interesting about most of the onco portfolio that we have and we do intend to go aggressively with the oncology portfolio for the front end. When I say front-end, I mean, our business will remain a B2B but we will stay sort of in the out-licensing space with that, but the good part about most of the onco portfolio that we have is that it's oral solids. I mean the larger chunk of the business in this will come from oral solids rather than injectables. I mean this is the newer portfolio that we are working on.

I mean if you look back, earlier oncology therapies were largely driven by injectable therapies. So here, again, there is a good synergy if we build a facility here, right? We would not initially go for an injectables facility because most of the onco portfolio would also be an orals portfolio.

Alankar Garude: Understood, sir. The second question is again on margins. If you adjust the margins for the 2 one-offs, the margins or EBITDA margins have still expanded by almost 650-700 basis points in the first half. Broadly, what would be the contribution of the stable pricing environment that you mentioned, let's say, erosion in the first half to this margin expansion in the first half?

Yasir Rawjee: I would say around 2.5%.

Alankar Garude: Understood. And broadly, you expect that to continue over the foreseeable future?

Yasir Rawjee: Let's see. I mean it's also driven by the mix, right? So if we maintain this mix, we should be able to keep it going. Let's see, I mean then there is the GPL element that Tushar just spoke about some time

back, right? With the higher GPL revenue coming in, we should see that going down a bit. We'll see, it's a little difficult to predict at this point.

Moderator: The next question comes from the line of Aejas Lakhani with Unifi AMC.

Aejas Lakhani: Dr. Rawjee, firstly, congratulations to you and the team for really very steadfast and very good set of numbers. Great job, sir. Sir, my query is on the non-GPL business, which has now inched up in the current range. Do you expect this number to kind of sustain for the next couple of quarters in the same INR500 crores kind of a range?

Yasir Rawjee: Yes. We expect that to happen.

Aejas Lakhani: Understood. And Dr., do you expect -- I mean, are there any tailwinds on account of, I don't know, container shortages or -- sorry, headwinds on account of any container shortages or any costs which you are able to see as headwinds that you are facing in the near term?

Yasir Rawjee: Yes. So see, this global situation that is getting impacted by the Middle East conflict, okay, has the potential to -- I mean, freight is one issue, but really freight doesn't even if freight has gone up, but it hasn't significantly impacted us. We are paying more for freight, but it's a small component. So we can kind of manage that. Where there are headwinds is on the prices of solvents that are driven by crude. So here, like I was explaining, we've taken inventory positions at the right time and managed that in the last 3 quarters.

Going forward, we hope to continue to do that. But you never know. I mean, if crude, let's say, touches $200 a barrel, I mean, solvent prices accordingly would get impacted. And that is probably the only headwind that we see based on our experience of these last 8-9 months, right, that could come and get us. But apart from that, we managed on the raw materials. Even on operations, our operational costs have been fairly stable because we moved away from gas, okay.

Gas prices are going crazy and that is impacting operational costs as well. But we went for bio-briquettes for our fuel for running the boilers. And here, again, that has benefited us from an operational cost perspective. So we are okay, but the gas -- like I said, crude prices could impact solvents, and that will have quite a good -- quite a significant impact on our cost structure.

Aejas Lakhani: Understood. And the solvent cost as a percentage of our basket would be -- could you call out a range?

Yasir Rawjee: Yes. The overall basket, maybe it's around 10% to 12% on our raw material cost. So on the COGS, it would be more like 7% to 8%.

Aejas Lakhani: Understood. And Dr., just on the R&D, you spoke about flow chemistry and particle engineering and all these capabilities that you're sort of trying to build out. From a team perspective and R&D

perspective, is that team build out sort of completed? Or is there other additions of people on that side that will continue to take place?

Yasir Rawjee: We are pretty -- for all these platforms that I mentioned earlier to Alankar's question, we've got those specialized teams working on all these projects. We may have 1 or 2 here or there, right? But I mean, overall, the teams are pretty stable in R&D.

Moderator: The next question comes from the line of Pratik with Unique PMS.

Pratik: Sir, one question on the CDMO. Is capacity constraints in any way kind of not helping us win more projects?

Yasir Rawjee: See, there are large CDMO projects in terms of volume. And many times, they relate to intermediates. Now here, we've not entertained any of that because we really didn't have the capacity. But now with Solapur coming, we can open that door. And my own personal experience in this space is that many times, large pharma companies would start off with an intermediate and then migrate us to the API. So certainly, with Solapur coming up that window or rather that opportunity also can be tapped with a high level of confidence.

Pratik: And for the 5 projects that you have, they still remain to be in the INR5-7 million per molecule range?

Yasir Rawjee: Yes. I mean I think that's what we are seeing in terms of the ticket size.

Pratik: And even for projects that would be in quite advanced or close would be a similar size that we are currently targeting?

Yasir Rawjee: It's a range, Pratik. I mean, I won't say that it's exactly between INR5 million to INR7 million. Because see, there's also a relationship element that we have to factor in. If we are bringing in innovators who have a deep pipeline, they do want to test the waters with us, right, with smaller projects in the beginning. And we are okay to entertain those projects. So, we don't want to be too picky. And as long as we can deliver within the capacity and we don't have to make significant investments, we are entertaining even smaller projects.

Moderator: Next question comes from the line of Sidharth Negandhi with CWC.

Sidharth Negandhi: Congratulations, Dr. Rawjee, Tushar and the team for a great set of numbers. I have 3 questions. First off, considering the upper end of your guidance of 12% growth with 35% margins, right, 35-36% margins. So, both on the upper end leaves us with about 13% growth and 33% margins for the second half. Considering how the first half has panned out and the expected GPL growth in the second half, do you believe that the overall FY27 guidance has an upside potential? That's question one.

Question two, you spoke about bio-briquettes. Now considering how the year has panned out on crops, right? And then there is bio-briquettes from maize, which is likely now to have ethanol usage.

Do you see supply being a challenge? And is the gas and briquette fungible to that extent as fuel source? That's question two.

And question 3 was on CDMO, right? That business is clearly lumpy, right? And therefore, on a sustained basis from where we are this quarter, do we continue to get these kind of numbers? Should we see some lumpiness quarter-on-quarter and therefore, on an annual basis, what kind of CDMO growth are you targeting?

Yasir Rawjee: I'll take the last 2. Tushar will take the first one. Tushar, you want to go ahead on the upside?

Tushar Mistry: Yes, Sidharth. Your calculation on the full year or the second half numbers is right. If you had to do that kind of numbers, and that is the growth and that is the margin that we have assumed considering 2 factors. One is, of course, the GPL business will pick up or take off in the second half, which we have mentioned is reasonable margin, but not as good a margin it has been on GPL business. So that will have its own impact from a margin perspective.

On the growth side, the non-GPL business generally sees the fourth quarter a bit subdued compared to the other quarters. And that would also result in this kind of growth in the second half. I mean while GPL business will pick up, the non-GPL business will be kind of flattish or slightly lower than the current quarters that you are seeing.

Sidharth Negandhi: Got it. That's helpful.

Yasir Rawjee: Okay. Coming to the bio-briquettes situation, see, there's a number of inputs, okay, in terms of bio-briquettes, it's corn, it's sugarcane, ground nuts. But basically, it comes from the waste, okay, which essentially has a reasonably high calorific value and really is at the end of the life cycle in terms of that product. So when you ask about ethanol, yes, ethanol is produced with corn. But after all that is done, you will still have a solid waste with a fairly high calorific value. And so this gets then converted to briquettes. And we are not limited to corn here. Like I said, we have sugarcane, ground nut and so many other crops. And India is a large agricultural country. So I mean, we don't see any problem there.

In these last few months, we've seen very little escalation really in terms of the bio-briquettes cost also. So we are not seeing much challenge in bio-briquettes.

CDMO, I agree with you. It's not a quarter-on-quarter thing. So one should not assume that we'll just keep hammering away. But it's basically driven by the number of projects that we have that they are able to deliver. And we look at it at least on a yearly basis. So we expect it to perform much better than last year, and we have enough indication that it will. But I won't put a number yet on it, right, in terms of giving you that, okay, we'll close the year with X or Y or whatever. I mean you can make your conclusions.

Sidharth Negandhi: Sure. What I wanted to know was more a longer term 3-year understanding what growth you would target on the CDMO business rather than just, okay, what's the rest of FY27 going to look like?

Yasir Rawjee: Okay. Then it's a different answer here because, see, basically, the whole idea of adding new platforms, right, to the API platform and getting into an API plus mode basically broadens our scope of what we can offer. And then we can go after a very different set of customers, right, that are looking for not just API, but even more. So that's how we are going forward.

I mean the IQGenX platform, for instance, is not only going to work for producing dossiers, but we are also going to be able to offer that along with the API development platform to customers who are looking for a formulation as well, right? And then, of course, there are preformulated products like pellets and granules and so on that we could also -- that we not could, but we will be offering to our CDMO potential customers. So that then has a very different sort of expansion mindset in 2 to 3 years.

We will be bringing in those. IQGenX is not the only platform that we are bringing in. There will be a few more of this kind that we would bring in to sort of have a more comprehensive offering to the CDMO customers.

Sidharth Negandhi: Got it. One last one on the intermediates. You called out the constraint on intermediates, which -- while there is no constraint in terms of overall capacity, there was a constraint on intermediates, which I assume would have meant that you would have purchased those.

So with Solapur coming up, does that mean that over a period of time, there could be more in-sourcing of intermediates, which improves margins? And then considering Solapur comes up, obviously, initially at a lower capacity utilization, I'm assuming, what sort of margin impact do we see on that? And on Solapur, can we get to the same 3 asset turns that we were historically at over, say, 2 to 3 years?

Yasir Rawjee: See, we have started off -- Solapur to be -- to start off as a Backward integration site because like we had explained earlier that we have certain technologies developed already. So certainly, on certain large products where we see a benefit in in-sourcing, those technologies would be put in place in Solapur and we would start buying from -- we would start making it ourselves.

That is certainly the plan. It will have an impact on margins, but longer term, Solapur will be both an intermediates and an API site, because we do have a plan that once it starts off, then we will trigger, if not U.S. FDA within a year, then at least the European EU GMP inspection.

So that we can start catering to the API market as well. Having said that, we expect that in 2 to 3 years, our asset turns in Solapur should be pretty good, more in line with what we have today. But in the short term, that is not likely to happen, we don't -- we can't get to those level of asset turns, partly because of the BI and then also we can't cater to reg markets for API supply from Solapur.

Moderator: The next question comes from the line of Nitin Agarwal with DAM Capital.

Nitin Agarwal: Dr., you mentioned a thing about the pellets product that you're working. So can you just give us some more color on the opportunity that you see here?

Yasir Rawjee: Yes. I mean, see, the thing is that there's a pretty significant interest in our portfolio -- in our API portfolio, not as API, but as pellets because there are quite a few companies that are, for instance, in the OTC space, okay, that would like a more ready product for them to quickly sort of fill into a capsule and then pack and sell. So there's quite a good overlap with what we have in our API portfolio.

So here, we got into this development about a year back. And we are seeing a number of opportunities that we can tap. Now on the regulatory side also, there is a benefit here because we essentially can file a drug DMF rather than get into any kind of dossier filing for driving this business. So it's coming together.

The only thing is that we've got to ensure that we find a good manufacturing partner initially before we make our own facility, which should take about 18 to 24 months. So the filing element and then the approval and then be able to sell, that should be about a year from now.

Nitin Agarwal: So this is going to be what, a replacement value-added product to the API offering or it will be the incremental market that we'll be creating for ourselves?

Yasir Rawjee: It's both. It's a value add to the API, and we open up to other customers as well who would not typically buy API.

Moderator: The next question comes from the line of Prasenjit Paul with Paul Asset Management.

Prasenjit Paul: First of all, congratulations for the great set of numbers. Sir, we have a strong cash in our balance sheet. And every quarter, we are generating strong cash flow, which is great. Now my question is with this amount of cash, we can grow organically, inorganically. We have a lot of options. So do you have any long-term vision like, let's say, 4-5 years or by 2030, we wish to reach at that level? And what could be that growth path, organic growth, inorganic growth or like CDMO-led growth, just want to focus on the long-term vision with the growth acceleration, cash balance and all.

Yasir Rawjee: Yes. So, we certainly are looking in a few directions to grow, and we have looked at a number of inorganic opportunities in the last 15 months or so. And the clear sort of the clarity that we have with respect to what we want to get is basically something that will enhance the platform, the API platform that we have built.

So it would need to have a good level of synergy with the API platform because then we can sort of continue to add more value to what we already do. And like I answered the last question on the pellets, right, it's a value add plus we open up to a whole new set of customers. So that's the thought process.

We are continuing to make the investments on the organic side. Like I said, very likely that we'll take a call soon to build a formulation, oral solids facility, and we should get that done in about 18 to 24 months. But it's not just that, I mean, we'll be looking at other things as well on the CDMO side also to see what more we can do to create more value with this API portfolio that we have. So yes, we are open to both. Organically, it's simpler because we just sort of make the plans, build a portfolio, and then keep filing and then we go ahead. So that's a relatively straightforward pathway.

On the inorganic side, we have to be careful, okay, in terms of making sure that there is a clear synergy build when we go for something inorganic. So that's all I can say at this point. But clearly, we want to be able to create more value and add more value to what we have already done.

Prasenjit Paul: Okay. Sir, any long-term ballpark figure or aspiration in your mind, okay, by 2030, you wish to reach there or CDMO should be that much of our overall revenue? Any such thing?

Yasir Rawjee: You mean in terms of our financial target?

Prasenjit Paul: Yes.

Yasir Rawjee: Yes, they are there. But I mean, the thing is that see, what's more important is the underlying sort of philosophy in the company that whatever we do, we've got to do a good job at it and make sure that it's a quality business that we build. As long as we stay with that kind of fundamental thinking in terms of building a quality business and both in terms of margins, but also in terms of longer-term sustainability. That will lead to its own numbers.

Tushar Mistry: Except the fact that on CDMO, we have been guiding that we will double the business from where it is today in next 3 to 4 years' time, which would effectively contribute to about between 12% to 15% of the overall revenues is how we are looking at the CDMO business. Others, we don't want to give a number, but then as Dr. explained, there are a good amount of initiatives that are there, which we are working on and should lead to that kind of organic as well as inorganic growth opportunities.

Moderator: Ladies and gentlemen, as there are no further questions from the participants on behalf of Alivus Life Sciences Limited, that concludes this conference call. Thank you for joining us, and you may now disconnect your lines.