SYMBIOTEC

September 28, 2026

To, The Listing Department, BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001 **Scrip code**: 544889	To, The Listing Department National Stock Exchange of India Ltd., Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400051 **Symbol**: SYMBIOTEC

Sub.: Transcript of the Earnings Conference Call for Analysts and Investors for Q1 FY27.

Ref: Disclosure pursuant to Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir/Ma'am,

Pursuant to Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the transcript of Q1 FY27 earnings conference call held on Tuesday, September 22, 2026.

The transcript is also available on the Company's website www.symbiotec.com

This is for your Information and Records.

Thanking you,

For Symbiotec Pharmalab Limited

SALIL JAIN

Salil Jain
Company Secretary & Compliance Officer

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“Symbiotec Pharmalab Limited
Q1 FY27 Earnings Conference Call”
September 22, 2026

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 22nd September 2026 will prevail

MANAGEMENT: MR. ANIL SATWANI – CHAIRMAN AND MANAGING DIRECTOR
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MODERATOR: MR. GOURAV BHAMA – JM FINANCIALS

Moderator: Ladies and gentlemen, we welcome you all to the Q1 FY27 Earnings Conference Call of Symbiotec Pharmalab Limited hosted by JM Financials. 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 do not guarantee the

future performance of the company and may 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 this conference call, please signal an operator by pressing star, then zero on your touch-tone phone. Please note that this conference is being recorded.

I now handover the conferenceto Mr. Gourav Bhama from JM Financials. Thank you, and over to you, sir.

Gourav Bhama: Thank you, Alaric. Thank you. Good evening, everyone. Good morning, everyone. On behalf of JM Financials, I welcome you all to Q1 FY27 earnings call of Symbiotec Pharmalab Limited. We are pleased to have with us management represented by Mr. Anil Satwani, Chairman and Managing Director, and Mr. Raghavender Ramachandran, Chief Financial Officer. We will have opening remarks from the management, followed by a Q&A session. Thank you, and over to you, Mr. Anil, sir.

Anil Satwani: Yes, thank you, and good morning, everyone. I am Anil Satwani from Symbiotec Pharmalab. Thank you for joining us on our first earnings call to discuss the operational and financial performance of Q1 FY27. I am joined here by our CFO, Raghav, and my colleagues, Shubham Saboo and Kapil Mishra, from our management team. And I also have my colleague, Prakash Sawlani, from the US, and also here I have our Investor Relation Advisor from SGA.

On behalf of entire Symbiotec family, I want to begin by thanking each one of you, our new shareholders, our bankers, our customers, our long-standing partners, and our employees for the confidence that you have placed in us through our recent listing on BSE and NSE. We are very excited, trust me. Becoming a publicly listed company is a milestone 30 years in the making, and I am genuinely delighted to have this opportunity to share our story, our performance, and our path forward.

Let me start here with where we come from, because I believe our history says a great deal about who we are today. So, I know I have been telling about my story since last few months over my road shows, but I think, at least to the benefit of someone who has not heard me before, I just like to start with my journey, which began in 1995, and when I started out as a lab-scale manufacturer of steroid APIs and then what began as a small operation grew through the commissioning of our first ever industrial facility at Rau in 2004 into the company you see today.

Symbiotec essentially is a research-driven, science-based pharmaceutical and biotechnology platform. And remember, I'm using both words pharmaceutical and biotechnology, and as we move forward in this call, we'll explain what our expertise in both spaces is about.

So, this pharma and biotech platform, spanning three verticals, of course, our major vertical, the present vertical, is API business, and the two new verticals that we have gone into is, one, the biotech-driven CDMO services and also the complex injectables space as part of forward integration that we have got into.

In any case, over three decades, we have evolved from a few products and a lab-scale operations into a backward-integrated industrial-scale manufacturer with approvals from US FDA, EU-GMP, and Japan PMDA and other leading global regulators. As of today, we have a global position in this category of steroid and hormones APIs.

Let me spend some time on our three verticals one by one, because this is central to understanding where we are today and what are we heading for. Symbiotec, as you know, operates across these three complimentary and interlinked business verticals, right, this API and this fermentation CDMO and our complex injectables platform. Please remember that more than 90% of our annual revenues for the current fiscal year are estimated to come from our main API business, which is the API steroid hormones, and the two new businesses are just about to take off. So, be mindful of this status.

Of course, in the API business, we are, in fact, one of the few companies in the world who are fully backward-integrated, starting from a vegetative source called sterols, which are essentially soyabean-derived phytosterols, working through or working at the intersection of chemistry and biotechnology as two sciences.

And our leadership rests on a portfolio for 60 corticosteroid and steroidal hormones APIs, and supported by 44 US DMFs and 25 CEPs from Europe, and we are still counting. And please be reminded this is one of the largest filing by a single steroid hormones API company in the world.

And as I said before, we have a strong track record with major regulatory agencies. In an industry where the regulatory trust is the ultimate currency, I consider this track record as one of the most valuable assets alongside our technology and manufacturing scale. And that this trust is also reflected in the breadth of our customer relationships.

We serve over 200 customers across more than 40 countries, including innovators, big pharma, and also world's leading generic and specialty pharma companies across North America, Europe, Latin America, and Asia.

What matters is not only the number of customers, but the durability of this relationship. Trust me, nearly 70% of our FY26 revenues come from customers who we have served them for more than seven years, and our average relationship tenure with our top five customers exceed 10 years. And by the way, there are relationships with the big pharma that has gone close to two decades by now. So, in a business which is built on very complex, regulated environment, that kind of loyalty is very hard earned, and we believe it is hard to displace.

I should explain why this position is defensible, very defensible, because the number alone do not show it all. 20 years ago, we concluded that in steroid chemistry, the margins belongs to whoever makes the precursors. We started, of course, as a company which was doing only few steps of synthesis and dependent on external suppliers from US and China.

At that point of time, we were exposed, and we realized that -- long back we realized that buying intermediate, we are exposed on price, on supplies for as long as we stay in the business, right? But we went backward into this chemistry and developed a very cutting-edge fermentation-backed biotech platform and stayed there for a decade. That gave us the flexibility to something

called make versus buy across most of our portfolio, helping us protect our margins where input prices move.

Our major customers have qualified us as their primary API source in their filings, in their registrations, and replacing us means very tedious requalification, refiling, product by product, market by market for an ingredient for those customers that is small part of their cost, but a very large part of their risk. So, it's difficult for them to displace us so quickly. It took me ages to get into these customers, but I can see that it will take them -- it will take ages for any other competition of ours to come and displace us.

Now, if I have to summarize our API business in few words, I would say that Symbiotec has built and maintained a very high quality manufacturing system through decades of inspection by every major global regulatory agency, which has resulted into a very mature business with very stable recurring revenues from a long-standing customer relationship. That's our steroid hormones API business.

On our second vertical, which is biotech CDMO service, is where I believe some of our very large long-term opportunity lies. We are building on the same fermentation biotechnology platform that underpin our backward integration in the API business. Remember, we learned this biotechnology from 2008 to now 2026, and we put this biotechnology effort into newer spaces which is much larger addressable market opportunity for us. And this represents our CDMO, CMO services of both biopharma and biomanufacturing areas.

These are very early days, of course, but we have made some good progress in establishing trust among our partners and winning substantial contracts along the way. Just to put it on record, one, we have signed a 5 year take-or-pay contract for insulin as a drug substance in the biopharma space

And, two, in the biomanufacturing, a 10-year take-or-pay contract with a US-based company for an alternative protein product, and, three, it is a term sheet which we have signed with a European company for an alternate protein product, again.

Our recently commissioned Ujjain facility, which is this big fermentation scale that we have created with 400 kiloliter of large scale fermentation, this is the starting base, of course, for the biopharma and biomanufacturing CDMO business for us, which is spanning across precision fermentation. Of course, we can look at nutraceuticals, functional foods, alternative proteins, and many, many other industrial biotech products, including polymers.

I want to be precise about what we are selling here. It's not just about selling our fermentation tank capacity. Remember, designing an organism is one skill, but running a plant that consistently convert fermenter of broth into a finished shippable product is a very different one.

For any new synthetic biology company, especially coming from the Western world, the journey from a successful laboratory innovation to a commercially viable product is often where the real challenge begins. They might have solved the science, but they still have to cross what the industry calls as a valley of death.

And this is nothing but the gap between providing that something can be made and proving that it can be made competitively and profitably at the commercial scale. And we help these companies cross this valley of death by offering our capacities and capability in in in fermentation biotech both of our capacities and capabilities.

We have been running this fermentation, of course, under FDA and EU GMP inspection for years now. Of course, we engineer our own plants where we are already running our molecules successfully. This combination of regulatory experience and process know-how and, of course, the engineering capability is why our partner come to us rather than investing years of their own development with of their own substantial capital to build that that capability themselves.

This is where our scale and cost advantage becomes so important. Based on our market research and understanding, we believe that we are one of the lowest capital cost per kiloliter of fermentation capacity because way we design and engineer our plant and leverage our existing infrastructure and capability. Trust me, we are one of the lowest capital cost per kiloliter of fermentation capacity.

More importantly, our opex, the operating cost or scale allows us to run fermentation and downstream processing at a very competitive cost per kilogram of an output product. This means our customers can just plug in their innovation into our established biomanufacturing ecosystem and reach commercial scale and potentially an EBITDA-positive business model much faster.

So, from a loss-making P&L to a EBITDA-positive P&L, this is what we help them cross this this path. Anyway, if I have to just summarize our biotech CDMO opportunity, I will say that arguably this is the most exciting time for India to plug into a multi-billion dollars of TAM, the addressable market, which is coming straight from the synthetic biology breakthroughs.

I personally believe biomanufacturing is rapidly becoming one of the most consequential industrial shifts of our time, and it matters to Symbiotec story because of our capability and capacity that we have created in biomanufacturing.

Just to back up my conviction, guys, there are McKinsey and BCG reports that are estimating over a billion liter of fermentation capacity needed in the next decade or so. And here, we are still talking about few million liters. So, just imagine the true potential runway is all there for us in the coming years.

Anyway, moving on to the, is only that much time I can spend on each opportunity. So, moving on to our third vertical, the so-called complex injectables, which is part of our forward integration, right, from API into finished products, right. This is where we are now built very differentiated, a proprietary drug-device combination platform called double-chamber vials and bags.

This platform typically is called as ready-to-use and ready-to-dispense, RTUs. And the elegance of this format is in what it eliminates, essentially traditionally administering any drug powder drug requires a reconstitution with separate diluent. It's a multi-step process that takes time, handling, and it and when you switch to this so-called ready-to-use, ready-to-dispense product, it just reduces the risk of errors at every stage.

It reduces the contamination, reducing the dosing errors, it reduces the time pressure, particularly in the emergency and critical care settings, right. So, our dual chamber system integrates this drug and diluent in a single sealed device, enabling reconstitution within the device with a fewer preparation steps and less handling.

And then for hospital and clinics, this value lies in a simpler preparation and more efficient clinical workflow. And that is the value proposition that already commands a substantial premium over conventional single-vial systems in the market today. And precisely this premium that transforms our economics.

In short, we are not simply selling a better product, gentlemen. We are offering a very incrementally innovative solution that moves us from API supplier to a very differentiated drug-device platform company. And in doing so, we capture, of course, a far greater share of a value that we have created.

And on the commercial note on dual chamber vial platform, in August 2026, we signed a term sheet with a very large US-based pharmaceutical multinational covering products from this platform. And this definitive agreement is at the very advanced stage, and we expect it to be signed in early Q3 FY27. We are just a whisker away.

Speaking of our investment and the infrastructure capabilities, I consider our R&D capabilities central to our identity as a science-led company. We today are operating from a three dedicated R&D centers in Indore, in our city. One, the organic chemistry lab; two, the biotechnology lab; and, three, of course, is complex injectable R&D lab.

And here, we have more than 150 scientists that are working with us, consistently invested 3% to 5% of our sales in R&D over the years, which is reflecting a sustained commitment to our innovation.

Our manufacturing infrastructure, of course, in our existing API facility, which is Rau site and the Pithampur SEZ site, we have cumulatively invested more than INR650 crores over the years, helping us generate around INR900 crores of API revenue at an asset turnover ratio of about 1.5x.

And further, of course, in pursuit of our growth momentum that we wish to maintain, we have also invested close to INR1,000 crores in two new facilities, which I just talked about. One, the biotech CDMO, a large-scale fermentation plant, and, two, of course, this injectable facility that we have at Mhow.

And this will, of course, serve our future growth engines, and we should start seeing first of these revenues new revenues in the next 6 to 12 months. We are just a few quarters away from the new business revenues. Our immediate priority, of course, is to bring this investment into commercial production and earn returns on our capital already committed.

Anyway, of course, it's not about technology and the reactors and fermenters. Often, it is all the human resource. And I want to recognize my team here. I genuinely believe our team is an important asset as a new facility or the product that we operate. I have led this company since

its inception in 1995 and have spent over 30 years in this industry, but I am certainly not alone at the top.

I can tell you I am supported by an experienced senior leadership team, our operational and technical leadership team across manufacturing, quality, R&D, regulatory affairs, and engineering that carries an average of about 20 years of experience each with a background some of the most respected names in our industry. This is the team that has seen how the best companies in this sector operate and have chosen to build their career here with us.

And we also been very fortunate to be backed up, it is time for me to acknowledge the support coming from institutional investors over the years, InvAscent, Motilal Oswal, and earlier support coming from Actis, Franklin Templeton, and late Rakesh Jhunjhunwala-ji, those investors who believed in our story well before it reached the public markets today. And thanks to all of them, of course.

And I am so proud to say that my next generation, my children, are now involved into this business, and they are they are gearing up to take the business to the next levels. So, I am very excited now that Gen Next is already in the business. Before I hand over this call to my CFO, gentlemen, I like to just put our current earnings in context. I know there are different ways to read our reports which we posted yesterday evening.

Our reported earning already includes the expense and depreciation coming from the new businesses, while the associated revenues are expected to begin over the next 6 months to 12 months from our new businesses, right. And on the guidance front, I just want to be very clear with our investors with a high degree of confidence.

Based on our current visibility and business outlook, we are definitely targeting 20% and 25% growth for this current fiscal year in our revenues and our EBITDA, respectively. Of course, this could be plus-minus some percentage, 5%, due to this global operating environmental uncertainties that we are all aware of today.

We are conscious that becoming a listed company is not an end point, but it's just a new beginning, one that comes with new set of responsibilities to all of us. We intend to meet these responsibilities with same discipline, scientific rigor, and long-term orientation that has guided Symbiotec for the past 30 years.

Thank you once again for your trust and your time today, gentlemen. I will hand over now to our CFO for a more detailed walk-through for financial performance, following which we'll be happy to take your questions and get into interesting discussions.

Thank you. Over to you, Raghav.

Raghavender R.: Thank you, Anil, and a very warm welcome to all on our Q1 FY '27 earnings call. Let me quickly brief upon the operational highlights before I get into the financial highlights.

On the API business, we have recently completed a U.S. FDA audit at our Pithampur site in August 2026. We have submitted our responses to the few procedural observations and are awaiting the EIR.

On Complex Injectable business, we are very happy to announce that we have filed the first molecule ANDA for DCV in this month, and the filing of the second molecule is scheduled for quarter four. On the licensing arrangement for these two DCV products in the U.S., the term sheet, as Anil mentioned, is already in place, and the formal agreement is in a very advanced stage, with the signing expected soon.

On Biotech CDMO Services business, we have multiple customers onboarded to utilize our capacities. First, a 10-year take-or-pay agreement with a U.S.-based alternate protein player already in place.

Second, another 10-year take-or-pay term sheet with a Europe-based alternate protein player in place, and the agreement as well is in advanced stage with signing very soon.

Third, a five-year take-or-pay biopharmaceutical agreement for insulin drug substance supply.

Now, let me take you over to some financial highlights. Consolidated revenue for quarter one FY '27 stood at INR218 crores, representing a growth of 7% year-on-year. This revenue was largely contributed by our API business, with revenues at INR215 crores and a growth of 6% year-on-year driven largely by volume increase.

Gross margins in the API business remains strong at 60% plus for quarter one FY '27, and API EBITDA for quarter one FY '27 stood at INR66 crores, a steady 9% year-on-year growth driven by sales volume growth and a strong gross margin mix.

The consolidated EBITDA for quarter one is INR45 crores, and net profit is about INR14 crores. And this may not be a true reflection of our underlying profitability due to the expenses drag from new businesses, which is about INR23 crores of operating expenses and INR11 crores of depreciation. Such expenses in the corresponding quarter of the previous year got capitalized as pre-operative expenses without flowing through the P&L.

While we expect the first couple of quarters to remain lumpy due to the drag of new business expenses without corresponding revenue in the same period, we expect a very strong second half on the back of milestone cash flows coming in and some small revenues from biotech CDMO services in quarter four.

Moving on, our net debt position as on 30th June stood at INR398 crores, and with the recent IPO proceeds of INR142 crores, which is net of expenses, and considering further capex in the September quarter, our net debt as of today roughly stands around INR326 crores. Our capex for quarter one FY '27 is approximately INR68 crores.

Lastly, before I conclude, I would like to re-emphasize that we would have invested cumulatively more than INR1,000 crores in capex for the new businesses, and revenues from

this new capex is expected to commence in the next 6 months to 12 months. Thank you. With this, I shall now leave the floor open for Q&A.

Moderator: Thank you. We will now begin with the question-and-answer session. The first question comes from the line of Saion Mukherjee with Nomura Holdings. Please go ahead.

Saion Mukherjee: Yes. Thanks for taking my question, and congratulations on the successful listing. My question is, you know, related to the fermentation business that you talked about in some detail. If you can, you know, give us some color from the next 5 years perspective, how should we think about the capacity ramping up?

You know, you mentioned about three contracts which are already in place. Given the opportunity, how many such contracts do you expect if one has to take a 5-year horizon taking into consideration, you know, limitations on capacity and execution at your end?

So, if you can paint a picture from a 5-year perspective in terms of capacity, revenue that we could expect from this business, and also typically these 5-year or 10-year take-or-pay, how does that work in terms of upside and downside, you know, for these contracts? What's the minimum level of, you know, value that you can get, and what's the upside here for us?

If you can just help us understand how to think about this business from, you know, a medium-term perspective. Thank you.

Anil Satwani: Yes, I get your questions. I think I would like to first go into the first part of your question, which is our next 5 years visibility on our capacities and revenues coming from this large-scale fermentation.

So, please understand that today we have created a capacity which is roughly around 400 kL. Of course, there's a biologics capacity which is over and above this. We'll talk about the biologics a little later, but let's talk about this large-scale fermentation, which we essentially like to use for our CDMO, CMO opportunities within biomanufacturing.

And yes, the kind of agreements that we already signed on this biomanufacturing side and the kind of visibility we are getting from customers whom we have shared or signed already the term sheet, this looks like that if this all comes true at least the one that is already at the advance stage, if it comes true, we have to build four times bigger the capacity that we already have.

And this is basically just for the simplification purpose. Let me just say that I divide it into Phase 0, Phase 1, and Phase 2. This is what we have so far put into our agreements. The Phase 0 is that that my customers have to utilize our existing capacities. And because this this capacity is not enough, we have to go with the Phase 1 and eventually the Phase 2. So, Phase 0, because this is not enough for our customers given the nature of the products that they have and the nature of demand that we have in the biomanufacturing sector, which I just talked about.

So, we have large part of our capacities already booked by some of these customers that we have signed an agreement or a term sheet with. And, of course, when we talk about the Phase 1, we're already talking about 4 times bigger capacities, I think over next 2 years to 3 years. And this is

the visibility that I'm giving you only from our existing two customers that we have signed agreements/term sheet with.

Of course, we may be separately in advance stage discussion with over a half a dozen potential customers that will come up with million liter of fermentation capacity each. So, the kind of demand that we're seeing, the kind of traction that we're seeing is over the roof.

And this is what I was just referring to a while ago that this is one of its kind of industrial shift that I'm witnessing and the world has to witness, right. So, we remain extremely bullish about this possible biomanufacturing CDMO, CMO services, and we already have significant contracts in place.

And talking about, what was your second part of the question? Sorry, I missed the trail. You wanted to know more about.

Saion Mukerjee: Yes. The second part was that, based on the contracts that is on hand or the new contracts that you would expect and, of course, the demand is very high, if you can talk about the revenue potential in terms of numbers or let's say, for every liter, how much revenue, if there is a benchmark that you can talk about. And because these are take-or-pay contracts, what's the minimum revenue stream that we can expect even in case, let's say, the demand for these products don't meet the initial expectations? If you can just help us understand a range of revenues that one can generate from these investments that we would make.

Anil Satwani: Yes. Look, in any manufacturing, of course, every revenue generation is can be easily linked with the capex that we do, right? So, as I said that we have done a capex of INR1,000 crores, out of which, I think is over INR500 crores is what we have done in our so-called biomanufacturing and biopharma fermentation facility.

So, now expecting our so-called asset-turn ratios, which industry trends look like, it has to be greater than 1. Now, I cannot make a very specific numbers in terms of our asset turnover ratios at the early stage of our business in biomanufacturing, right? But I think it will always be greater than 1. And, of course, as we move forward in phase 1 and phase 2, as I said, we have to create, multiple times of the capacity that we have created.

This means we need to do more capex using our internal accruals and, of course, using the partners' capital, because when we build large capacities for our customers, we also want their skin in the game. So, that will come up. But I cannot drive you into the specifics of specific numbers of our contracts, each of the contract.

All I can tell you at the high level, each of this contract is multi-million dollars of an opportunity coming from phase 0 itself, which is essentially our own existing 400 kL facility. Incidentally, because every time a new contract comes, every time a new product comes, you have to make some adjustment in terms of your facilities.

While the upstream part of the biomanufacturing, which is a fermentation part, remains generally common, generally most of it, but the downstream part can vary from product to product. And hence, we are tweaking in some of our downstream processes. So, likely, we'll see the start of

the revenues from our so-called biotech CDMO services or biomanufacturing CDMO services in Q4, but it is in next year when we are having a significant chunk of these revenues, and this is multi-million dollars of revenues each contract.

I think that's how I would like to just give you, because unfortunately, due to the confidentiality of our agreements in place with the customers, we cannot talk about the specific contours in terms of revenues and the exact capacities that we are blocked for them. I hope this is good enough a guidance that it is multi-million dollar contracts with each customers, including our phase 0, which is our existing facilities.

Saion Mukerjee: That's helpful, sir. And just one last question is, on the API business, we have seen decent growth with improvement in gross margin. So, is there any dynamics at play, given the cyclicity of API that we typically see? How sustainable are these numbers, both from a growth and margin perspective, in the quarters and maybe even going into FY28, if you can talk about that? Thank you.

Anil Satwani: Yes, look, as you know, our API business is rock solid. We have a very global position in terms of our registrations, DMFs, and CPs, and customer qualification across the globe that we have done. It has taken us ages, as I just said a while ago, to get into these customers. And we have not got into all customers that we dream of, right?

We are still in the process, because it's such a difficult business, such a difficult qualification with existing multinationals who get into. So, the game is still on in in in terms of steroid and hormones. But, of course, the business that we have is already sticky in nature, and these margins are essentially helping us because we are one of the few backward-integrated companies who are not being dictated by the other suppliers.

So, of course, we have created a very unique position for ourselves on the back of this backward integration called make versus buy. So, we can always make all the intermediates that we want. We can always buy, should someone choose to supply at reasonable conditions, right? So, this make versus buy always allow us to always sort of look into our margins which are they are fairly predictable.

So, I don't see any reason why would this profile change. I think we have been actually consolidating our profit margins, as you have seen, because we are moving more and more towards the regulated markets and more and more towards those customers that are giving us long-term contracts for the products which are more valuable than the other ones, right?

So, this shift in the product mix, geography mix is essentially driving our margins. And we'll continue to do gross margins around 60%. Of course, we are currently much higher than 60%, but I think that's the base that that we expect our business to continue with. And similarly on the EBITDA lines, we are we are very close to 30% margins, and this is what we'd like to maintain.

Of course, some points here and there because of this global uncertainties. We don't know what goes through some logistics shipping costs changing, some solvent prices going up and down, where we are not backward-integrated. We are backward-integrated on the intermediate that we manufacture. Of course, we don't manufacture solvents, right.

So, because of those global uncertainties, some points in our gross margins and EBITDA margins can move here and there from year on year, but largely we are in control and we seem to be improvising our margins and EBITDA from time to time because of the more concentration on our customers, products which are more valuable than the others.

Saion Mukerjee: Got it, sir.

Moderator: The next question comes from the line of Tushar Manudhane with Motilal Oswal Financial Services. Please go ahead.

Tushar Manudhane: Thanks for the opportunity. Sir, on the DCV side, while the two products you have given the visibility, can you share the further how many more products beyond that will be filed, let's say, over next 12 to 24 months?

Anil Satwani: Yes, of course. Look, of course, we have we have already filed one. The second one is getting filed in next couple of months, so that is on track. And I think we have prepared five to six different products which already have been developed. Very soon we would like those products to go into validation stream, because by the time we get our approvals in '27-'28, we will have a lot of time to do the validation of other products.

So, there are five to six products that have been developed. They're getting into the validation at the plant level very, very soon. But trust me here, we are not worried about so-called the number of products. We are more worried about our capacities, because the kind of traction that we're seeing and kind of estimation that we are getting from our partner who are going to distribute our products in this advanced market, it looks like that we may have to come up with our second line very, very soon, because this capacity that we have is very limited already, and the traction is huge.

So, if I've answered your question, there are five to six products they're already developed, going into the validation in the coming quarters. And we may have to come up with another line, which is a good problem to have once we start selling and we see how the brownfield expansion will take place.

And this is where we remain very confident that once this product is launched, we'll need more capacities. So, it's the capacity constraint at this juncture, as we see our estimation, not the number of products. But we are already ready with our number of products.

Tushar Manudhane: Got it, sir. And on biotech CDMO side, there's mention of 600 KL new capacity to be put up. So, is this to do with addition of new customer or existing customer where 400 KL is already sort of booked, and then 600 KL is something which is additional, which is required?

Anil Satwani: So, as I said a while ago, this 400 KL is booked, a large part of it is booked through our existing contracts, which is, I call it as Phase 0. And the Phase 1 is this, which you're referring to, 600 KL, which we need to, of course, build as a brownfield expansion. This would need typically 15 to 18 months. But before it kicks in, we would like to utilize our existing 400 KL capacities. But, yes, this 600 KL is with a customer whom we have already signed the term sheet with, and we should be going ahead with this construction starting Q3 itself as '27.

Tushar Manudhane: So, just last one question if I may squeeze in. The overall capex for next two years, if you can just highlight, in addition to whatever is already put on this two new growth drivers, which is CDMO and complex injectables?

Anil Satwani: So, look, capex is a function of what visibility we have from our customers, from our contracts, right? So, of course, this Phase 1 visibility we already have. And as soon as we finish the Phase 1, there is already Phase 2. So, based on this visibility that we already have, we believe that we'll continue to invest closer to INR200 crores to INR250 crores each year.

And, of course, if there are more opportunities coming our way, we will have to just be more innovative that how do we find those optimistic, very large capexes, right. So, that is something that we want to reach to that point. But looks like the kind of traction we have, we may have to accelerate in terms of capex spending.

But the visibility that I can currently give you based on our operating cash flows is minimum INR200 crores to INR250 crores each year for the next two to three years. Of course, as our surplus cash flows improves, we will do more capex.

And I think it will be largely dictated and governed by the contracts that we sign with our customers. And trust me, these customers do not have many choices given the economics that we're offering them, given the capability and capacity. I think they are willing to wait for another 15 to 18 months once this new facility is up and running for them.

Currently, we are utilizing to the best of our ability our existing Phase 0, 400 KL. So, this has become kind of a bait. Come, use our 400 KL, and interim, we'll build this Phase 1 new facilities for you. So, we are doing this with multiple customers. We already have one customer that is signed agreement. We already have one customer that has a term sheet signed, agreement round the corner. And we have few more customers that we are at advanced stage of discussion.

Tushar Manudhane: Great. Thanks for addressing my questions. All the best.

Moderator: The next question comes from the line of Harith Ahamed with Avendus Spark. Please go ahead.

Harith Ahamed: Hi. Good morning. Congrats to Anil sir and the team for a great IPO. Couple of questions from my side. The first one is on the operating expenses from the new businesses that you've disclosed at INR23 crores for the quarter. So, how should we think about this number for the remainder of FY27? Should we expect this to remain at a similar level, or will there be a step-up as we get closer to commercial supplies?

Anil Satwani: I think it is best to be answered by our CFO, Raghav, so over to him.

Raghavender R.: Hi, Harith. Good morning. On the expenses drag of expenses from this new businesses, this INR23 crores as a run rate should more or less continue for the next two, three quarters in terms of the run rate of expenses, and similarly on the depreciation about INR11 crores. Of course, subject to some small inflationary increase, but otherwise it's a good number to consider for each of the quarters.

Harith Ahamed: Thanks, Raghav. And Raghav, the expectations of certain milestones from the two new businesses in the second half. So, if you can share some more color on this, what exactly will trigger these milestones, and any ballpark number that you can share? And apart from these milestones, are we expecting any revenues for FY27, maybe from the insulin drug substance supplies or DCV supplies in non-US markets? So, some color on the revenue profile of the two new businesses.

Anil Satwani: Yes, Harith, this is Anil. So, please understand that given the confidentiality that we have signed with our customers, we cannot get into the exact numbers, etc. However, at the higher level, I can tell you that whatever this drag we have on the operating expenses from both our subsidiaries will be set off in the milestone revenues that we are about to have in Q3, Q4, which is H2 in total.

And you can just do your, maybe simple arithmetics that what it means as I cannot just say exact numbers. But all this opex will be set off by this lumpy revenue that we will have in Q3, Q4 as part of our milestone. I think that will satisfy your -- that will, I think, justify our confidentiality and your curiosity.

And on the insulin side as your subsequent question, we believe that the sales revenues from our biologics division will kick in only in the next year, early next year, because while the plant is ready, we are about to get into the validation. But we also need certain stability studies and get the approval from DCGI, even if it means we don't have to go for the clinical trials, because we are working as a CMO for some of the existing biologics companies in India.

So, we don't have to go through the clinical trials, but definitely there's a formality as an approval from DCGI. So, we expect not all this to happen in the current fiscal year. Hence, the revenues from our biologics division is likely to kick in, in early next fiscal year.

Harith Ahamed: That's helpful, sir. I'll get back in the queue.

Moderator: Thank you. The next question comes from the line of Sagar Tanna with Alchemie Ventures. Please go ahead.

Sagar Tanna: Hi, sir. Can you tell us how much capex we've incurred for the API business and when is it likely to generate commercial revenues for us?

Raghavender R.: Yes, Sagar. This is Raghav here. So, on the API business, we have roughly invested close to INR640 crores, which is the gross block as of 30th June. And if you look at our numbers, that is already delivering a revenue today of roughly about INR800 crores - INR900 crores. So, this -- on the API business, we are already generating revenue. It's the new businesses where we were talking about where the revenues are expected to start in the coming 6 to 12 months.

Sagar Tanna: And what is the current capacity utilization on the API business?

Raghavender R.: It's roughly about 70%-80%, Sagar.

Sagar Tanna: Got it. Thank you.

Moderator: Thank you. The next question comes from the line of Anubhav Sahu with McPro Research. Please go ahead.

Anubhav Sahu: Hello. Yes, many thanks for the opportunity. Firstly, just wanted to check, I mean, kind of a clarification on the guidance front. Anil, you mentioned about 20%, 25% for revenue, EBITDA. I hope it's at the consol level. And if you could also provide some color on the net profit trajectory you expect?

Anil Satwani: Yes, Yes. Of course, it is on the consol basis, but for further color, I would ask Raghav to give you.

Raghavender R.: Yes. So, while, of course, we've given EBITDA guidance of roughly about 25% and on the PAT levels, one needs to keep in mind that there is this drag of depreciation as well, which is in addition to the opex drag before EBITDA. And this drag would slightly reduce the percentage growth on the PAT from the previous year. But if you look at cash PAT, which is PAT plus depreciation, then the growth is upwards of 25% as mentioned by Anil for EBITDA.

Anubhav Sahu: Okay, got it. And secondly, we are on the verge of again pickup in capex intensity. There's an indication of 600 KL in the presentation, which you also clarified probably will come in, in next 15 to 18 months. So, if you could provide what would be the capex outlay for this particular initiative? And is it for like one of the three customers which, the two contracts or one term sheet which we have highlighted or it's something new?

Anil Satwani: Contracts, of course, this 600 KL as Phase 1 expansion, right. And, of course, we'll be using part of our internal accruals to fund it. And on top of it, because we want our customers skin in the game, that's our business model on the CMO largely, because, you see, first of all, understand that we don't operate in a very typical moving door CMO or CDMO services.

Here, we are talking about very sticky relationship, because all these products are new products, new technologies, and we are specifically building these large-scale fermentation volumes exclusively for them, right? On an exclusivity basis. So, we need their contribution. So, a large part of this capex is also being funded by these companies. And, of course, we are also putting our skin in the game. So, it's a combination of our internal accrual and also the partner's capital flowing into this.

Anubhav Sahu: Okay. And would it also have revenue sharing kind of I mean, it could also be a case of revenue sharing in those cases where there is a capital participation from the customer?

Anil Satwani: Sorry. So, this is more as a CMO service. We are not going to share any profit. It is on a -- it's a time-based. Whatever time they use and this is exclusively for them for multi-year, so this is a take-or-pay agreements where they have to utilize our facilities. Even if they don't utilize, they have to pay us. So, these are the typical take-or-pay contracts that we have with them. So, there is no profit sharing here. We charge them for our time and service.

Anubhav Sahu: Okay. And, sir, last one on the if you could provide some colour on the milestone payment. I think it's for the DCV business. So, frequency of that, and if you could quantify what to expect in next couple of years?

Anil Satwani: I said a while ago because of the sensitivity around confidentiality that we've signed with our customers, we are not supposed to talk about the specific numbers or specific terms and condition in the agreement. But all I can tell you is that given the nature of milestone and the quantum of milestone, we will be setting off all our so-called opex numbers for the current year. So, you can, I think, do your a little mathematics and what it means. But it's a substantial multi-million dollars.

Anubhav Sahu: Yes, sir. Thanks for this, and thanks a lot.

Moderator: The next question comes from the line of Kartick Bane with Bajaj Life. Please go ahead.

Kartick Bane: Good morning, sir. Thank you for the opportunity. I have a question on the complex injectables in CDMOs. Were there any revenues recognized from these two parts of the revenue last year? And why is there no revenue recognized for this quarter?

Raghavender R.: Yes. Hi, Kartick. So, on the CDMO and injectable business, there were a few milestone revenue which we recognized in the previous year. And please note that these milestone revenue are not consistent quarter-on-quarter, but, of course, they are periodical. And between years, we definitely receive them.

So, last year, we recognized roughly about INR33 crores, which was in fourth quarter, and you would see that in the numbers. And this year in quarter one, we have not had any revenues from the CDMO and injectable.

Kartick Bane: Okay. And my second question is on the guidance on the R&D as a percentage of sales.

Raghavender R.: So, we consistently have been investing about 3% to 4% of our sales as R&D, and we expect this to continue, probably with a slight increase as well to about 5% in the future.

Kartick Bane: Okay. Thank you very much.

Moderator: Thank you. The next question comes from the line of Raaj with Arjav Partners. Please go ahead.

Raaj: Hello, am I audible?

Moderator: Yes, Raaj Please go ahead.

Raaj: Sir, when do you expect the launch of generic version of Premarin in the API division?

Anil Satwani: Well, that's an interesting question. Look, there are a lot of regulations around this tricky molecule. So, while we may have already done our part in terms of our API development, which is a breakthrough itself, our partner has to look into the formulation development, because this is where the lines are divided. We develop API, and our partners develop the formulation, right?

And once they develop and eventually submit with FDA and then only we know whether FDA has given us the approval and how quick will it be. It's difficult, because we have finished our R&D part, and we are we are in no control over the formulation development. So, at this point

of time, I cannot give any guidance with respect to time for our Premarin generic launch as a formulation.

Raaj: All right. And, sir, two years from now, that is in FY29, how would our sales composition be like? How much of sales would come from our API segment?

Anil Satwani: So, our API segment is currently, as I said, we are looking at the growth in high single digits, right? So, it's not flat, but it's not also dynamically growing, but it's growing in a in a high single digit. It technically can grow much higher, but we like to present our conservative view. So, I think if you just do your simple arithmetics that if it is growing at the single high digits for the next several years, what this revenue from the API business would look like.

Raaj: All right. So, I was asking about the composition of API into the overall sales 2 years from now?

Anil Satwani: Now, it is almost 100%, right? It's more than 90%, so to say, right? And, of course, as the DCV sales kicks in, our CDMO biotech business, this will start dropping down. But I think going forward, let's say, 5, 6 years of vision if you're to talk about, this should be definitely less than half.

Raaj: Okay. All right. Thank you.

Moderator: Thank you. The next question comes from the line of Rohan Kampani with JM Financial. Please go ahead.

Rohan Kampani: Hi, guys. Thank you for taking my question. So, my question was, on the two new businesses of the CDMO and injectables business, what gross margins and steady-state EBITDA margin should we expect once these businesses reach mature utilization?

Anil Satwani: Look, as you have seen, we do not like to go into a straightforward, guidance on the forward-looking EBITDA and gross margins, but I can only talk about, look, what is the industry trend in these complex CMO or complex injectable space? Usually, this industry trend is higher than 70% as gross margins and higher than 35% as EBITDA margins.

And because we are into the same orbit where we have a very differentiated fermentation biotech CMO and very differentiated device called dual-chamber platform, right? So, we believe that we should be in the similar margin profile. I hope that satisfies, your needs at this point of time.

Rohan Kampani: Okay. Thank you very much. All the best.

Moderator: Ladies and gentlemen, we will take that as the last question for today. I would now like to hand the conference over to the management for the closing remarks.

Anil Satwani: Yes. Hi, look, first of all, thank you very much for your time, your attention, and I can share with you that, of course, no one has seen, the future. I can only estimate, I can only envision my future, but I can only tell you that the excitement of running Symbiotec model at my end, in particular, in last three decades has never been as high as it is today.

Why because I continue to believe that DNA of success, we have now implanted, that we have learned, that has earned us this global position in our steroid hormones complex business, we have planted into new verticals which are significantly higher addressable markets. And the kind of traction we see is it's very unprecedented.

So, and, of course, the next generation coming in the business that has also, injected next level of excitement at my end. So, we remain very, very excited. We remain very committed to deliver value for all the shareholders.

And thank you for all your support, and we'll continue to come every quarter with hopefully more exciting, more valuable information that will be transform this business into new orbits completely. Thank you, gentlemen. Thank you for your time and attention. I appreciate it.

Moderator: Thank you, sir. Ladies and gentlemen, on behalf of JM Financials, that concludes this conference call. Thank you for joining us and you may now disconnect your lines.