Anthem BioSciences

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Date: February 09, 2026

To,

BSE Limited,	National Stock Exchange of India Limited
20th Floor, P.J. Towers,	Exchange Plaza, C-1, Block G,
Dalal Street,	Bandra Kurla Complex, Bandra (E),
Mumbai - 400001.	Mumbai – 400 051
BSE Scrip Code: 544449	NSE Scrip Symbol: ANTHEM

Subject: Transcript of Earnings Conference Call.

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 the transcript of the earnings conference call held on February 05, 2026, at 02:30 PM, post announcement of Unaudited Standalone and Consolidated Financial Results of the Company for the quarter and nine months ended December 31, 2025.

The said transcript is also available on website of the Company at https://anthembio.com/investors/.

We request you to kindly take the same on record.

Thanking you,

Yours truly,
For Anthem Biosciences Limited
(*Formerly known as Anthem Biosciences Private Limited*)

DIVYA PRASAD
Digitally signed by DIVYA PRASAD
Date: 2026.02.09 16:25:04 +05'30'

Divya Prasad
Company Secretary & Compliance Officer
Membership No: A41438

“Anthem Biosciences Limited Q3 & 9M FY26 Earning Conference Call”

February 05, 2026

MANAGEMENT:	**MR. AJAY BHARDWAJ - MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER** **MR. GAWIR BAIG - CHIEF FINANCIAL OFFICER**
MODERATOR:	**MR. AMEY CHALKE - JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to Anthem Biosciences Q3 & 9M FY26 Earning Conference Call of Anthem Biosciences Limited hosted by JM Financial Institutional Securities Limited.

As a reminder, all participant line will be in the lesson only mode and there will be an opportunity for you to ask questions after the presentation conclude. Should you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Amey Chalke from JM Financial Institutional Securities Limited. Thank you and over to you, sir.

Amey Chalke: Thank you, Dhanesh. Good afternoon and warm welcome to all the participants on Anthem Biosciences Q3 & 9M FY26 Earnings Call hosted by JM Financial.

Today on this call, we have with us from the Management, Mr. Ajay Bhardwaj – Managing Director and Chief Executive Officer and Mr. Gawir Baig – Chief Financial Officer.

I will now hand over the call to Mr. Ajay Bhardwaj for his Opening Remarks. Thank you and over to you, sir.

Ajay Bhardwaj: Thank you, Amey. Namaskar. This is Ajay Bhardwaj – CEO and Founder of Anthem Biosciences.

I would like to start by reporting that our consolidated revenue from operations for the 9-months ending on December 31st 2025, was Rs. 1,513 crore. The CRDMO business out of which was Rs. 1,260 crore and the specialty ingredient delivered Rs. 254 crore. A very positive growth in EBITDA. EBITDA was stronger than ever at Rs. 671 crore, which gave us an EBITDA margin of 41.5%. This does include other income of Rs. 105 crore, which was on account of forex gains, RoDTEP and financial and other non-operating income. When you compare to the previous year, which was Rs. 72 crore, this time it has grown to Rs. 105 crore.

Now, our PBT before exceptional items was Rs. 572 crore. We are very happy with this number. This year, there was one one-time exceptional item of Rs. 25.4 crore and it is largely because on November 21st, 2025, the government notified four new Labor Codes and as a result we had to take an exceptional of Rs. 25.4 crore. Now, PAT after tax was Rs. 402 crore with our PAT margin at 24.8%. When you compare this with the previous year, this is after the exceptional item, was 25.7%. So, in fact, PAT has grown from Rs. 369 crore in 9M FY25 to Rs. 402 crore.

Our consolidated revenue from operations for Q3 FY26 was Rs. 423 crore, out of which Rs. 333 crore was CRDMO and Rs. 90 crore was specialty ingredients. EBITDA for the quarter was Rs. 191 crore, which is 41.8% and this also includes other income of Rs. 33.5 crore. PBT before exceptional item was Rs. 156 crore and profit after tax was Rs. 93 crore and PAT margin was 20.3%.

In conclusion, I would like to say our 9M FY26 performance has shown a steady progress in revenue terms and with improving margin profile, our EBITDA has grown at 23% and PBT before exceptional item has grown around by about 20%. Our quarterly revenue performance was lower than the Q3 of the previous financial year and that was influenced largely by the higher base that we had that time, although the margin improvement utilized the revenue discrepancy. Our underlying demand remains robust and our historically strongest quarter, which is the 4th Quarter, is still ahead and we are confident of delivering a strong finish to this financial year. This in nutshell has been Anthem's performance for Q3 & 9M FY26

I will leave the floor for questions.

Moderator: Thank you so much, sir. Ladies and gentlemen, we will begin with the question-and-answer session. Our first question comes from the line of Vivek Agrawal from Citigroup. Please go ahead.

Vivek Agrawal: Thanks for the opportunity. Just to want to understand your full year guidance. In the nine months, the topline was in the low double digit and the full year guidance was somewhere around 20% plus. So, is it still holding that guidance, given that you also talked about that the Q4 is going to be strong? Just some color on the full year guidance, it would be helpful.

Gawir Baig: With respect to our nine-month performance, although revenue has grown at about 11%-12%, we will have a strong finish to the year. Q4 has traditionally been the highest quarter for us because that's the nature of the CDMO business and we should be looking at in Q4 as well.

What we had mentioned was, we would look at a revenue growth estimate of about 20% with EBITDA margins remaining constant, margin profile remaining steady. We will also look at a margin growth of 20% both on EBITDA and PAT terms as well. What we are seeing right now is our margin has improved from last year numbers to current year numbers, and that has been on account of several factors which we had talked about in terms of backward integration, material margins have improved, we have kept our cost under control from an operating leverage point of view. We will continue to grow on the margins and that will reflect in EBITDA performance which will be upwards of 20% from a guidance point of view for the full year as well for FY26, as well as PAT margins upwards of 20%.

In terms of revenue growth, it will be in the mid-teens around 15% to 16% is what we will be anticipating to end the year with. But our margin guidance of 20% plus on EBITDA and PAT remains intact, and we will look at delivering more than the numbers that we have talked about on it. 20% number for EBITDA and PAT.

Vivek Agrawal: Given that we have seen a structural improvement, we have seen margin expansion, how much is likely to be structural? Are we seeing some flow in FY27 as well because it looks like that the gross margins have expanded meaningfully, and that the margins have expanded, EBITDA margin have expanded in this quarter despite sharp increase in employee expenses? Is it fair to assume that in FY27 and FY28, for example, the margins may trend significantly higher than this year?

Gawir Baig: Our aspiration is always to have the margin trend pointing north and if you look at our document as well what we had submitted to SEBI when we are doing the IPO, we had mentioned that for one of the customer products, a lot of intermediates were being outsourced, and hence China procurement had gone up in one particular year.

What had happened over the course of this financial year is, we have completely discontinued China supplies because now we manufacture the intermediate in-house by procuring the raw materials, so we are completely backward integrated, and hence that shift is seen in the material margin improvement. So, structurally, we want to ensure that material margin continues to improve. On products as well, we want to have yield improvement; so that could benefit us as well as our customers. So, material margin we want to move trend north.

Other expenses as well as employee costs are more mostly less variable, more fixed in nature. So, unless we are looking at a significant expansion, which we are keeping in mind that new and getting added, but this being fixed in nature, there would be a lot of some operating leverage which should come in play. Having said so, we are operating at a good level from an EBITDA margin point of view, which is upwards of 40%, and we would want to keep our margin steady. Though aspiration-wise, we want to grow, but we would keep our margin steady.

Vivek Agrawal: Understood. Lastly, you have talked about that some slowdown because of high base, but is there any disruption in a kind of couple of one or two products, etc; and whether these products are expected to come back in the Q4 of next year? Can you provide some data?

Ajay Bhardwaj: Yes, this is a business question for sure. This is a global phenomenon because we have had a very turbulent last year in terms of uncertainty in the marketplace and uncertainty with regard to funding as well as our customers' future plans. What many companies did is they have destocked a little bit and they have rationalized their stocks to lower level of safety stocks. So, that is one reason why there has been a little slowdown. Otherwise, we were very confident of delivering 20% growth in the topline as well.

However, that situation will be in our minds, and what we hear from them is that, it will be corrected in the subsequent year. So, we are very hopeful. We are very positive. Nothing has changed materially for us on the ground, and we continue to add more customers in the biotech space and also have added actually in this year some large pharma customers as well. The numbers are not significant yet, but once you add big pharma customers, some of these numbers can become very significant. So, we are very, very positive about FY27 and FY28.

Vivek Agrawal: That is great. So, you have added one large pharma customer this year, can you provide some more clarity like an advanced molecule or some, for example, molecules in the starting phase like Phase 1 or Phase 2?

Ajay Bhardwaj: No, we have added more than one large customer. Some of it is development work and some of these products have been approved. So, they are going into the market. But as you know, when a new product approval comes in, it takes time to build sales. But what is good is that we are in with the customer on supply of advanced intermediates, and should the product grow, and that of course depends on the success in the marketplace, but obviously big companies always have a better possibility of achieving success. We will grow with them.

Our bet is on the fact that as our customers grow, we will ride on that to grow strongly. At the same time, as we said before, we had 4 new approvals and 4 new products in this year, which have got approval. So, we feel we are in a very good position to benefit from them subsequently.

Moderator: Thank you so much, sir. Our next question comes from the line of Saion Mukherjee from Nomura. Please go ahead.

Saion Mukherjee: Thanks for taking my question. On next year, you indicated things should get better. So, should we expect growth closer to what your trajectory has been around 20% in FY27 on back of the existing commercial product and the new launches that you had ramping up?

Ajay Bhardwaj: Saion, tough question to answer. I am very optimistic, but I can’t give it when we are still not finished with this year. When we are more into the next year early, we will have more visibility. But obviously, as we have said before, and that has not changed, our business tends to be lumpy. It tends to be good in some quarters, not so good in other quarters. But directionally, we are looking, northwards in terms of topline and bottom-line and we expect to retain.

So, if you're saying in the next five years, will we have a CAGR of what we have had in the last five years? I expect so. But will it be immediately next year? I can't say till I am a little bit into that year. It's a little bit still distant from us. But, it won't be for the want of trying. We have been very good in terms of discipline, in terms of execution, and that hasn't changed. What has also not changed is our customers' confidence in us and the regulatory environment for us. If anything, with the new announcement, which is, that India and US are friends again all over, there is nothing, no tensions in trade, which had actually put a lot of unease in our customers' mind, and then with the EU-India trade deal, we expect that things are now on even keel. That's always good for business, and I am very positive.

Saion Mukherjee: Great. Just to get some color, because a lot of moving parts here and if I understand correctly, the last few years, you had quite a good ramp-up in some of your commercial products. So, when you look forward for the next couple of years, which will be a bigger growth driver for Anthem? Would it be the ramp-up of your recently commercialized products, like the four that you had, or the ones which are already in the market, you could get more volumes market share? How should we think? You also talked about lateral contracts. So, I am wondering, can those sort of start ramping up pretty quickly? These are like three drivers that I see, if you can give some colors to, which one would be the most, or if you can rate the importance of these drivers for at least in the short term?

Ajay Bhardwaj: Yes, again, you're asking a very tough question. My simple answer will be all of the above. We would love to see all of them grow. We expect that the commercial products, which have still, the ones that we are already supplying to, which are our established products, they have still a lot of headroom to grow. There are many major markets where approvals are awaited. So, I expect that, there we will have some very decent numbers.

As you rightly said, some of these new products, I expect that they will be a little slower to take off in the next year, if you're looking at next year. But, three or four years from now, we could be like laughing all the way to the bank, as they say, because these would become major products. There is a lot of effort from on our side to go laterally into companies, and that is also yielding fruits. So, this is a hard one to answer. They've shown a lot of interest and if we hit a jackpot with one or two of them, it'll be wonderful. But, can I predict it at this point? I don't have a crystal ball. I am afraid not. But if you say, cumulatively, all these three activities, that is what matters. Put together, it will give us a stronger foundation and a stronger base and therefore, we will be more steady. So, I am not worried. You've rightly, Saion, have pointed out the three corners on which we are, edifices on which we are building, both being our specialty ingredients.

Gawir Baig: Also, for the existing molecules, the base is higher. For the new molecules, you've just gone commercial, base is lower. So, from a base effect point of view, if you look at it, the percentage growth might be slightly higher for the newer molecules, because just because the base is too small for them. Existing molecules, even if we continue to grow at a decent rate over there, that will help us, that will compensate, the overall basket will then show a good growth across both existing and new.

Saion Mukherjee: Understood. Lastly, this material cost to sales, you explained, is it the gross margin improvement because of intermediate supplies now coming to India or is the full impact already there in the numbers? How should we think about this number in the quarter ahead?

Gawir Baig: The impact is there in the numbers. But that's with respect to a particular product in the CDMO revenue stream. So, the material margin is a component, which is a weighted average across multiple products in CDMO, as well as products in the specialty ingredient side. But, to answer your question, the full impact is there, because we don't source the intermediate anymore from China. We are completely now backward integrated with the filings, everything taken care of. So, outsourcing is nil right now and the full impact is baked in.

Saion Mukherjee: This level of margin should sustain in your view, the gross margin?

Gawir Baig: Yes, should be. We should be able to do it.

Moderator: Thank you. Our next question comes from the line of Bansi Desai from J.P. Morgan. Please go ahead.

Bansi Desai: Hi. Thanks for taking my question. My first question is on our pipeline, if you can comment on how this has grown, particularly early phase, Phase 1, Phase 2. We know Phase-3, out of 10 molecules, 4 have been commercialized. So, probably, you would have 6 in the Phase-3 as of today, if you can just update on that. Out of the early phase, any indication as to, how many of them are likely to move into Phase-3, in your view, in next 1 to 2 years?

Gawir Baig: With respect to early phase molecules, we still have similar numbers, about 130 to 140 numbers, which are there on the pipeline side. I think on the Phase 2 programs, it will be about 5 or 6 of them, which would be in the Phase 2 side, which we would expect to move towards Phase-3 in the next couple of years or 18 to 30 months, sort of a time frame, subject to, they're clearing the development hurdles, because in our business, it's also subject to the clinical trials risk. So, the pipeline on early stage is still robust.

On the Phase-3 side, we haven't added any more from what it was in Quarter 2 of last year. 4 molecules went commercial. So, still at 6. There was one particular molecule, which had gone through FDA review. I think it has come back to the Company for additional work. So, we are waiting for an outcome of that. But as of now, Phase-3 numbers remain the same.

Bansi Desai: We generally hear, improvement in the biotech funding environment, in the recent months. Also, there has been a lot of pent-up demand, given the funding environment has been weak all together in the last 2-3 years. So, are we likely to see, benefits of that, you know, trickling to us as we go ahead? Are we likely to see more expansion of our pipeline on the phase products, especially?

Ajay Bhardwaj: Yes, that's a very good observation, Bansi. Your estimation is absolutely correct. We are seeing an improvement in environment. A lot many requests for RFQs have come in the last one quarter. Suddenly, it wasn't looking so healthy for a while now, but it is turning around and that's what we hear from our customers as well. So, which is always good news for us.

If the rest of the geopolitical scene settles down, of course, that is something you and I can't control. But if it happens, and all indications are that at least on the trade side, we are now not at loggerheads with major Western partners, I think it will be really good for us. So, yes, you're absolutely right. I think new things are going to happen. The rest is, of course, we can just hope and pray that the success of molecules in the marketplace gets better. We have no control on it, but if that happens, again, Anthem will be a direct beneficiary.

Bansi Desai: That's good to know. My second question is on semaglutide API, given the product is going to go generic very soon, we have spoken in the past about manufacturing API for domestic generic players here once the product goes off patent. How should we think about that opportunity? We also at the same time hear China being extremely competitive. I know you mentioned in the past that you are also going to be competitive in terms of pricing, but how do you see this whole opportunity playing out for us?

Ajay Bhardwaj: Well, you know, as we have said repeatedly, we are very much in the mix. However, many companies in India are also taking a big bet on it. But again, I would say we are among the very few who are completely backward integrated. That is Anthem's mantra and has always been. We saw improvement of margins this year. If we are dependent on some for critical raw materials or a critical input from sources outside of India or which are not under our control, we work quite assiduously, make sure that we reverse that situation. So, even in the case of Semaglutide, we are arguably the most backward integrated company in the country. Over the long term, we see a very good play in it. We are in conversations and, you know, in advanced stage of supplying raw materials for different types of testing to many of the customers, many of our customers within India who are playing in that space.

So, yes, it is very much a position for us that we have taken. But I just want to say, for us, peptide is more than just GLP-1 Semaglutide. We are working with innovators and we are working with many other small biotechs because this is an area of very large interest. Anthem has made a sizable investment in developing peptide chemistries. We work with innovators to ensure that we work on novel molecules as well. So, GLP is a more immediate opportunity. However, as we can all imagine, you yourself mentioned China will be very aggressive. But, we believe we will be able to face the competition. But that's more immediate and we also have a long term play in peptides.

Moderator: Thank you. Next question comes from the line of Amey Chalke from JM Financial. Please go ahead.

Amey Chalke: Thank you for giving me the opportunity. I have one question on the capacity utilization. Is it possible for us to give utilization across Unit-1, 2, 3 and are we fine with the available capacity for the 20% growth expectation for the next two years?

Ajay Bhardwaj: Yes, on capacities, we have no problems. We have commissioned expansion units just now, even in Unit-2. So, Gawir will give you the numbers, the details. But yes, capacity wise, we are good and this can take care of the next couple of years. Meanwhile, our Unit-4 will also become available. As we have said repeatedly, we have to be bold in planning expansion and also have a fair degree of perspicacity to see that this business is now pointing in this direction and make those bets in advance. So, capacities wise, we are okay.

Gawir Baig: I will elaborate. Specifically on unit by unit capacity utilization that you have asked for, Unit-1 is a small-scale facility, 25 kiloliters, custom synthesis capacity and we are almost operating at about close to 75% occupancy over there.

Unit-2, where we have 376 kiloliters capacity from a custom synthesis manufacturing point of view. In the last quarter, we had just commissioned the CP7 which is a new block, which was about 76 kiloliters. So, that block is yet to be utilized. Leaving that aside, on 300 kiloliters of capacity, we are roughly about 75% utilized over there. We have close to about 20% incremental capacity to add up over there.

Neo Anthem, which is the third unit, that's still underutilized because it is in a very early stage from a capacity ramping up mode. So, there we have significant scope to add more utilization. That's on the custom synthesis side. On fermentation, Neo Anthem is yet to be commissioned. On unit, on Anthem fermentation, 140 kiloliters, we would be about 46%-47% capacity utilized. So, that will have decent capacity to continue on the growth part.

Amey Chalke: Right. Do we have scope for further Brownfield expansion in Unit-2, Unit-3, or this is what we have added so far?

Gawir Baig: Unit-1, full. Unit-2, full. No scope of expansion. The scope of expansion which was there, we added in this financial year, where we added 130 kiloliters. In Unit-3, after this initial completion of this expansion, which is the fermentation capacity, what we have done is we have constructed shelves which could be repurposed. So, the reason why we have constructed shelves is it prevents any element of civil work and hence any disruption which could happen onto the overall infrastructure in Unit-3. We have constructed 3 different shelves which could be repurposed and where we can quickly fit out on custom synthesis or fermentation or any other form of expansion which we want to do. So, there are three blocks which are empty blocks in Unit-3. We have scope to expand over there.

Amey Chalke: Sure. In Unit-4, have we finalized yet on the modalities of which we would be making the new unit or is it yet to be done?

Ajay Bhardwaj: Some of it is going to be small scale molecule expansion which we know we will need because a lot of the thrust in early development is in small scale molecules. Again, going by past performance, some of these molecules will start moving towards commercialization and we will need extra capacity. So, that is going to happen. Then we are going to be expanding more in peptides. We need to add more fermentation because large scale fermentation, because there is projects that are being discussed with us on that and then oligos. These are some of the novel and if some of the peptide projects start looking rosier, then we will add more oncology product that is high potent capacities as well.

Amey Chalke: Sure. The last question I have is on the fermentation side. We have a good experience of working on the fermentation related technology, but so far we have been limited to only pharma. Is there any thought process of going into non-pharma fermentation opportunity; because some of our peers are also thinking on that. Thank you so much.

Ajay Bhardwaj: You're right, Amey. If there is opportunity to do something which is non-pharma and it will give us the right IP protection for our clients and the right kind of product, yes, we will do it, for sure. We are having some of those discussions. It is in some way not new to us. We do nutrition based products anyway, which are fermentation based and they are non-pharma. But, we might even look at something industrial if it is the right product mix and it has a great future. We have some discussions with respect to that as well.

Amey Chalke: Sure. Last question, I have on the specialty ingredients, what will be the growth driver for specialty ingredients for next two to three years? One is the GLP-1. Apart from this, what all things would drive the growth in specialty ingredients?

Gawir Baig: On specialty ingredients, there are three growth drivers. One, obviously, you've talked about on GLP-1. The second one is we are investing significantly on fermentation. The intent over there is a lot of probiotic work, what we do for our clients. Some significant amount of probiotic strains gets imported from outside of India. Hence, we have tied up with a fairly large Indian customer where we are looking at, from an import substitution point of view, we'd be supplying that probiotics to them going forward for India market as well as for with respect to this customer, for India market as well as for ROW markets. For other customers, the probiotics part will be a significant growth story on the specialty ingredient side.

The third growth factor for specialty ingredients is the biosimilar products. We are working on the development of a biosimilar product for a particular US customer, which is an approved biosimilar drug. They manufacture it outside of India and we have been working with them on the development of this biosimilar so that the manufacturing could shift to India and we can supply to them from India. So, major growth drivers are these three.

Existing products, we still will continue to grow. We have a couple of products on vitamin K2-7, Serratiopeptidase, these are our flagship fermentation-based products. We will continue to grow in those products. Probiotic strains, enzymes, these are all organic growth. These are the new areas where, probiotics is not a new area specifically, but it's a focus area for us and the new areas are the GLP-1 and the biosimilars for us for specialty ingredients growth.

Moderator: Thank you. Our next question comes from the line of Neha Manpuria from Bank of America. Please go ahead.

Neha Manpuria: Thanks for taking my question. As we are starting work or doing work on Unit-4, you mentioned that, there's a fair bit of order that you're sort of building up, but how should we think about creating capacity versus when getting into new business, particularly if I look at CAPEX across peers, both in India, China, and Europe on the CDMO side. Is that capacity investment essential to get new business? That's my first question. Second, on peptides, while you did mention that you want to get more on peptides, what do you think differentiates Anthem on its ability to get more business on peptides? How should we get more confidence around that? Thank you,

Ajay Bhardwaj: Thank you, Neha. The first question is a very important and also a little bit of a philosophical question. How do we decide what capacities to put? In our business, first we have to build it and then they will come. Our customers want to see that we have the capability as well as the capacity to handle the project. Then only they are interested in giving us the project.

We all admire China's scale, but they build capacities and then they were able to fill it up with the business from the world. So, some of that without being, we have to do it carefully. So far we have managed our CAPEX versus our business fairly well and that's reflected in our return on our ROCE, which are very strong. We have to build new capacities, then only we can attract more customers. So, when do we start building these new capacities? You start building them in advance of when you see that some of these projects that you are looking at, which are in Phase 2 now, may advance to Phase-3 and phase three to commercial. At that point, you have to plan your capacity and that's why we are so bullish about it.

Second, of course is, our projects tend to be Greenfield. It's very hard for us to, we have looked around for acquiring a good asset, but it's very hard to find really good assets. So, we build Greenfield a lot and to a standard that will pass muster with regulators, as well as our own internal standards, as well as our customer standards. I think we are second to none when it comes to that, and that's another reason why we have to start building in advance.

The question on that you asked on peptides, well, without taking any names, we are already making a few peptides commercially. All of them are in the generic space and we supply to many customers in India and also in talks with customers overseas now and with GLP-1, which our partners all recognize that they have the ability to do it. That is the reason why innovator companies are looking at Anthem to partner with us to develop new peptides. If they didn't have confidence in our ability, they will not come to us. So, peptide is something we have, I would say, reached a fair degree of proficiency in making and developing. We are in a good place there. I don't have any names to give you, but trust me and believe me that we are among the pioneers in peptide development in the country now.

Gawir Baig: I'd like to add something on this. Peptides, we started work around 2012-14, around that time when we were doing lab scale work for most of our customers. We currently work with innovator peptides, close to about 8-9 programs are there on innovator peptides, which are under development. From lab scale, now we have expanded into a full-blown 16 kiloliters commercial scale manufacturing facility at Neo Anthem. It's a fantastic facility. You should come visit and see us on the peptide facility.

As a competitiveness or a differentiator to customers, we have the ability of doing discovery development and commercial manufacturing on peptides and commercial and manufacturing at scale with the new facility which has just come up. So, that gives a good proposition for customers to keep their products in more development or in a late scale project also to come to us because you don't then need to venture out somewhere else looking out for capacity to tech transfer the project. So, that's a differentiator for us.

On the generic peptide, GLP-1, I did talk about, we are completely backward integrated over there. We manufacture the fermentation fragment as well as the synthesis and only companies in India to be completely backward integrated and hence be competitive from a cost point of view to compete against the Chinese on semaglutide. So, that's the uniqueness or the competitiveness when we target our Indian customers who are looking at tapping the ROW markets as well as India markets in the GLP-1 space, the generic semaglutide space.

Neha Manpuria: That's very helpful, sir. Just a follow-up on the first question. On Unit-3, as we see it ramping up probably in FY27, more so in FY28, would it be fair to assume that we get to that 1.4-1.5 asset turn probably in 3 years' time? Would that be a fair assumption?

Ajay Bhardwaj: I would say that's a good assumption. Definitely, we have to do it.

Moderator: Thank you so much. Our next question comes from the line of Jash Gandhi from Dalal & Broacha. Please go ahead.

Jash Gandhi: Thank you for the opportunity. I just wanted to confirm on the four new molecules that have been approved in the past quarter, have they started contributing to our revenues? When can we see a full ramp-up of these molecules?

Gawir Baig: They have contributed revenues for this nine months because customers have taken smaller batches because they are just looking at launching this product in the market. But, I think the major impact we will get to see only towards end of this calendar year when we get to know more orders from them. This is still at an early stage of commercial launch. So, the product will see a full-blown impact, maybe in a couple of years for these four commercial molecules to show good results as what our existing molecules have shown.

Ajay Bhardwaj: I was just going to add that the products which are with small biotechs, they don't really take off right away because more often than not, these companies are already apparently negotiating to sell themselves to Big Pharma. So, there is always a little lull. Now that they have an approved product, they are taking quantities to go for a launch, but at the same time, they're also working on mergers and acquisitions, as a result of which we very often find that only after Big Pharma steps in, there is a possibility of a quick ramp-up. But this is not an event that we know fully of and we can't control it also. This is another reason why sometimes there is a lag between the product being commercially approved and giving you the full benefit of full-blown commercial success. So, that time we have to wait.

Jash Gandhi: Is the end market potential for these products lucrative enough for large pharma’s? Any indication? What size could they reach? Are they expected to be blockbusters?

Ajay Bhardwaj: Some of them are. Remember, very often the indication in which they get their first approval is usually a small or an orphan indication. That is just to get the product approved. Parallely, people start working immediately on other indications and that's what's happening with these molecules and that's the reason why they've taken more material for more clinical trials as well. So, very often a small molecule indication is an entry point and after that is when the expansion takes place. Some of these products are in that mode as well. One of our biggest products got one approval. Today it has 6 or 7 indications which are approved and that's what makes it a blockbuster. So, this is happening parallelly.

Gawir Baig: Just to add, I think in the last call I would have given some estimates of the peak market sales for these four products. Roughly, peak market sales roughly is about $10 billion. I haven't checked any changes on the analyst estimates for these four end molecules in this course of the last 2-3 months unless numbers would have changed significantly, but my sense is it's a $10 billion estimates across the four molecules which are there which got commercial for us.

Moderator: Thank you. Our next question comes from the line of Kartik Bane from Bajaj Life Insurance. Please go ahead.

Kartik Bane: Thank you very much for the opportunity. I just wanted to understand this Rs. 1,000 crore CAPEX for the Unit-4 that we have planned in terms of two years, where exactly are we? What would be the execution milestones and bottlenecks to watch out for?

Gawir Baig: Currently, the civil work is going on. What we are doing is, it's a 30 acre land parcel and we are looking at a Phase 1 and a Phase 2. We are looking at only half of the land parcel right now to construct and the civil work is ongoing right now. So, significant spends haven't happened because construction takes time. I think towards in March '27 financial year, we will have major portion of CAPEX going out for this Rs. 1,000 crore Phase 1 expansion that we are doing. It's still in an early stage civil work mode right now on Unit-4.

Kartik Bane: Okay. Secondly, on the EBITDA margin outlook or the growth that we have got, how much is contributed by the constant currency as most of our projects are also outside India?

Gawir Baig: If you look at it, what we have given out in the financial is, the specialty ingredients is pure play India income, because 90% of the business is India and specialty ingredients. CDMO is where it's completely export oriented and dollar denominated. As a policy, we don't hedge and hence, whatever appreciation from a currency, we recognize as an FX income, which we have articulated as the other operating income in the opening statement that Ajay had mentioned. The other operating income, which is not factored in the revenue from operations line item is about Rs. 41 crore for 9M FY26 and for Q3 FY26, it is about Rs. 6.4 crore.

Kartik Bane: Okay. Lastly, of the molecules in the early stages, do we have any ADCs there? Out of these 130, 140, how many would be ADCs?

Gawir Baig: In late stage, there is one molecule, which is in Phase-3 there is one molecule, which is the ADC. On the early stage, I would say we will have about 6 to 7 programs, which are ongoing.

Moderator: Thank you. Our next question comes from the line of Sanjay Kumar from ithoughts PMS. Please go ahead.

Sanjay Kumar: Thanks for the opportunity. First is just a follow up on semaglutide. Are we focusing on the overall sema or the injectable version of semaglutide? Last quarter, I think we had said that process validation is underway. So, any timelines for filing DMF and have you signed any customers in India?

Ajay Bhardwaj: We are not in the fill finish thing. So, we focus on semaglutide as the active, not the oral or injectable. We have signed up with a bunch of customers in India. Are we filing a DMF in the US yet? No, but that is something which will be subsequent, because at the moment, most of our customers are focused on launching it in ROW. That is something which we are very, very well geared up for. We have done validation batches and all the rest of it. So, we haven't filed the DMF, though we are in a position to do it. Though all the documentation and DMC document needed for that is ready. But we are working with our customers to do that. We are working with major Indian companies in this space.

Sanjay Kumar: No, I understand it's the API, but the customers who have signed with us, will they be using it for oral or injectable? Do we have any visibility on that or we don't?

Ajay Bhardwaj: Many of them are trying to develop oral. Oral is a little hard, but everybody will use it for injectable right away. But oral also has patents which are longer, which go a little further. But I know that there are a few people who are working on oral as well. So, oral will definitely be in the mix.

Sanjay Kumar: Okay. Secondly, couple of questions on biosimilars. We have repurposed a plant for biosimilar. What is the reactor scale or the capacity from this plant and the product that we have signed, is it a 49:30 mound or a fusion protein?

Ajay Bhardwaj: It's a microbial biosimilar. We have two trains, one is each of 200 liter fermentation, and that can produce a lot of product. Because microbial fermentations are usually 1 or 2 days only, as opposed to CHO fermentation, which can be weeks. It is large molecule based on microbial bug.

Sanjay Kumar: Got it. What is the current global market size for this biosimilar, and what revenue can we expect in FY28 for this product?

Ajay Bhardwaj: This product is massive. It's gone biosimilar a long time ago. There are other players in it, but the company that we are working with have a decent market share in the US. So, they already have got this product in the market, which they currently make in the US. The idea for them is to stop that production and shift that production to us, so that they can get all the advantages of Anthem's technology, as well as the low cost input that we provide. They have a fairly decent business already.

Remember, this particular area, it's been generic for a long time. There has been no replacement for it. There are other players who make this. But in this space, though this is a very old molecule, it's the only one that is approved for this indication, and no new replacements have come. So, it has stood the test of time.

Sanjay Kumar: Okay. Can you comment on the future pipeline for bio-similars? You said this is a microbial, but can we also do a CHO based mammalian bio-similars? Where are we on the other biosimilar?

Ajay Bhardwaj: Yes, Sanjay, we are working on a bunch of projects there. Those are also bio-similars again. We have chosen some products where there are no bio-similars available, even though the product has gone off patent and we are working with one of them is fairly advanced. We expect that that should go in the market in the next two years.

Sanjay Kumar: Is this 200 liters capacity enough for us?

Ajay Bhardwaj: We will have to build new capacity for that. That's something which is going to be a separate facility. Unit-3, we have created, as we said, the infrastructure already, what we are putting in place. That's already past the design stage. We are now negotiating with vendors to supply, partly single use and partly fixed fermentation for CHO cells.

Sanjay Kumar: Okay. What will be the CAPEX that we needed to set up a 16 KL peptide facility? Just trying to understand the replacement cost.

Gawir Baig: If you look at proportionate CAPEX, including, the other utilities, which is set up as part of the facilities, then it will be about Rs. 200 odd crore.

Sanjay Kumar: Okay. Got it.

Gawir Baig: Because that will be, other utilities like ETP and ancillary blocks, etc; which is common to the facility, common to the plant. Other blocks are there. So, you have to proportion that as well. From that point of view, it will be roughly about Rs. 200 crore.

Sanjay Kumar: Okay. Let's say we make 200 kg output of peptides; What kind of EBITDA margin can we make in peptides, be it GLP-1s or other generic peptides?

Ajay Bhardwaj: We are very confident that we will be able to do, what we have done. I don't have numbers them in front of me, but it is eminently doable. We so far have been laser focused, I would say, paranoid about margins, and I don't see that going away. Trust me, we are in a very good place as far as, see the peptide, for instance, you just take GLP-1, making the peptide is only half the story, there is a fermentation element. So, you have to be able to do fermentation effectively and at a price, at a cost.

All of you know P29 from China is very, very competitive and cheap. We find that still a very attractive proposition. We don't see any worries there. If you take the whole manufacture of, say, GLP-1, right from fermentation to the finished product, we will be able to get the EBITDA that we have been historically been used to.

Sanjay Kumar: Okay. Even if, let's say, some API prices crash to, say, $100 per gram, we could still make 35% kind of EBITDA margins in peptides?

Ajay Bhardwaj: Absolutely. $100 would be a nice price. It's a dream.

Sanjay Kumar: Wow. Okay. That's good to hear.

Ajay Bhardwaj: I believe we will go lower than that, but yes, $100 would be very nice.

Moderator: Thank you. Our next question comes from the line of Vivek Gautam from GS Investment. Please go ahead.

Vivek Gautam: I just wanted to know about any destocking we are facing in any molecule and that is leading to some sort of soft performance over the last few quarters and if the situation might improve in the coming quarters? Secondly, what portion of our portfolio will comprise of GLP-1 drugs in FY28?

Ajay Bhardwaj: Vivek, you're right about destocking. There has been some definitely because of the general geopolitical tension that we have seen in the last one year where we have been in loggerheads with a major trading partner, United States. It has put a lot of anxiety in the mind of big pharma and as well as small pharma biotech's. So, people have been very wary about building up too much stock and carrying too much inventory. They have been a little bit mindful of reducing the number of days of safety stock and that has affected us. Otherwise, we would have been a bumper growth this quarter also.

But again, we are seeing signs of recovery that all the destocking that had to happen has happened and these results that we are reporting is subsequent to that. We feel that going forward, we will be in a very good position as far as filling up the new requirement which will be post-destocking. So, that is one.

On the GLP, what percentage of revenue? I do not know, hard to say. But will it be a significant part of our turnover? I would say yes. Will it be 20%-30%? I do not think so. But it still will be a major contributor to our topline as well as the bottom-line.

Vivek Gautam: On this recent budget announcement of India, was there some incentive for the biopharma companies and the trade deals with being signed in US, EU, UK and other countries also? How does that play?

Ajay Bhardwaj: The details of that Vivek are yet unknown. I do not really know how this will play out with the US and all that. But yes, the government is encouraging, which is a good thing. The government sees biotech as a strategic sector of economy. It should have been recognized long ago, but it is better late than never. I think that this will definitely have a very positive impact. But they are offering incentives and PLI-based things. I do not know. The details will still come out.

Anthem is already, regardless of what the government policy is, we are going to be, we are firmly entrenched in this. We have been doing this for two decades and before that, I have been involved for four decades in this now. So, biotech is very close to us. We will continue to, if the winds become favorable from the side of the government, then it is even more, it gives us more tailwinds. So, I am just very bullish about this. I am super confident that biotech, which we have talked about for such a long time, as a sector, its time has come.

Moderator: Thank you. Ladies and gentlemen, due to the time constraint, that was the last question for today. I would like to hand the conference over to the management for the closing comments. Thank you and over to you.

Ajay Bhardwaj: Thank you very much to JM Financials and to all the people who were on the line. Unfortunately, only so much time and only that many questions. As we said, we would communicate to us, we have tried to be as transparent and as open about how we see the prospect of Anthem and where Anthem is headed. We really appreciate the support that we have got from the investors and the investment community. You will see that regardless of what happens going forward in the geopolitical situation, Anthem will continue to invest, continue to invest in technology. Our edge, which is something that we are laser focused on, is doing the same things differently and doing different things. That will not change. That is our mantra.

Thank you very much for being on this call and I look forward to talking to you again at the end of the year.

Gawir Baig: Thank you, everyone.

Moderator: Thank you so much. Ladies and gentlemen, on behalf of Anthem Biosciences Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.