

**Ref:** EPL/CS/SE/0013/2026**Date:** February 10, 2026

To,

<b>National Stock Exchange of India Limited</b> Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051  <b>Script Symbol: EMCURE</b>	<b>BSE Limited</b> P J Towers, Dalal Street, Mumbai - 400 001  <b>Scrip Code/Symbol: 544210/ EMCURE</b>
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Dear Sir/Madam,

**Subject: Transcript of Earnings Call – Q3 FY26**

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and further to our intimation dated January 22, 2026, please find enclosed the transcript of the Earnings Call for Q3 FY26, held on Wednesday, February 04, 2026 at 04:00 p.m. (IST).

The above-mentioned transcript is also being uploaded on the website of the Company i.e. [www.emcure.com](http://www.emcure.com).

You are requested to take the above information on your records.

Thanking you,

For **Emcure Pharmaceuticals Limited**

**Amruta Yangalwar**  
**Company Secretary & Compliance Officer**  
**Membership Number: A25687**

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“Emcure Pharmaceuticals Limited  
Q3 FY '26 Earnings Conference Call”

February 04, 2026



**MANAGEMENT: MR. SATISH MEHTA – MANAGING DIRECTOR &  
CHIEF EXECUTIVE OFFICER  
MR. TAJUDDIN SHAIKH – CHIEF FINANCIAL OFFICER  
MR. SAMIT MEHTA– WHOLE-TIME DIRECTOR  
MR. VIKAS THAPAR – PRESIDENT, CORPORATE  
DEVELOPMENT, STRATEGY AND FINANCE  
MR. PIYUSH NAHAR–EXECUTIVE VICE PRESIDENT  
CORPORATE DEVELOPMENT AND STRATEGY**

**Moderator:** Ladies and gentlemen, good day, and welcome to Emcure Pharmaceuticals Limited Q3 FY '26 Earnings Conference Call. 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 hand the conference over to Mr. Piyush Nahar, EVP, Corporate Development and Strategy. Thank you, and over to you, Mr. Nahar.

**Piyush Nahar:** Thank you, Renju. Good afternoon, everyone. Earlier today, we released our financials for the third quarter of fiscal '26, along with the press release. These are also posted on our website. We hope you all had the opportunity to review it. I'd like to bring to everyone's notice that this call is being recorded, and the recording and transcripts will be available on our website.

To discuss the business performance and outlook, we have on the call our Managing Director and CEO, Mr. Satish Mehta; our CFO, Tajuddin Shaikh; Whole-Time Director, Mr. Samit Mehta; and President, Corporate Development, Strategy and Finance, Mr. Vikas Thapar.

Before we begin, I want to remind everyone about the Safe Harbor related to today's investor call. Today's discussion may include certain forward-looking statements, which must be viewed in conjunction with the risks that our business faces that could cause our future results, performance or achievements to differ significantly from what is expressed or implied by such forward-looking statements. With this, I'll ask Mr. Satish Mehta to give his opening statements.

**Satish Mehta:** Thank you, Piyush. Good afternoon to all of you, and thanks a lot for joining us today. On behalf of the Board, management team and myself, I wish all of you a very, very happy and successful 2026. I mean, just step back and look at 2025. In my career this has been one of the difficult year, full of challenges and tariff war, all equations which were established over a period of time being questioned, geopolitical disturbances, political upheavals, I have not seen something similar, which happened in 2025 in my career.

But at the same time, we at Emcure view this period as one that strengthened our organization, sharpened our focus, improved our resilience and reinforced our commitment to long-term value creation. FY '26 marks the first year of our 5-year strategic road map. This road map is designed to consistently deliver higher revenue growth, improved operating margins, healthier returns on capital, stronger cash flows, enabling us to build a more durable business that compounds value year after year.

I mean, let me step back and tell you when I started promoting our brands our brands in mid-1995. That's the time, as any other company does, we went in for branded generic products and after that we moved to specialty on the back of science, technology, innovation that we have, about which I keep on talking in every call. What we have done is, we gave maximum number of differentiated specialty products in last 20-25 years.

We gave the concept of chirality, we gave iron anemia, the market we dominate because of Orofer, Orofer FCM and of course, biosimilars. And that's how we have won, the confidence of the medical fraternity as well as the patients in brand Emcure. Emcure is synonymous in the doctor's chamber with innovation and quality.

Now, this is a well-calibrated move to go up the value chain and enhance our margins on a sustained basis. But during the year, something significant has happened, and that is something I would like to talk about.

In late 2025, we entered into exclusive partnership with Novo Nordisk and let me tell you that as far as this particular partnership is concerned, it was after a fierce competition there were at least 8 or 9 companies who were interested in partnering with Novo Nordisk and they selected Emcure. And we became the only company to launch the innovator drug in the game-changing semaglutide category.

Everyone keeps on talking about a lot of numbers for semaglutide market, I wouldn't go into that. But every reason to believe that the GLP-1 which Novo Nordisk has launched, is going to change the market as never before. It is already a blockbuster.

This partnership not only gives us first-mover advantage, but also allows us to bring original innovative product to Indian patients, something that has potential to meaningfully improve outcome for patients suffering from obesity and related comorbidities.

As I have been discussing with Novo Nordisk for the last few months, I'm being given to understand there are 230 comorbidities which are associated with obesity. So this is a great molecule that we are promoting, and there is a lot of science and data Novo Nordisk has. And this being in the category of our rDNA biologic, it's a very difficult product to manufacture.

But the beauty is having started marketing, having started as a branded generic, then specialty, now we are getting involved with innovation. This innovation is just harbinger of many more such innovations to follow and I'm sure with the success of Poviztra, our brand of semaglutide, we will have the proven our execution capabilities to other multinationals and that Emcure will emerge as a company that can be associated with for marketing innovation.

Coming to our portfolio strategy, as I told last time also, we are uniquely placed. As you know, we are strong in both chemistry and biotech, one of the very few companies in the country which has presence in both biology and chemistry.

The budget, which was presented on Sunday, 1<sup>st</sup> of February, by honourable Finance Minister, Nirmalaji Sitharaman, was a pleasant surprise to me. She started with biologics. Government has earmarked INR10,000 crores for Bio-Pharma SHAKTI. And they want to encourage the biosimilars, they want to encourage biologics going forward.

And I'm delighted to tell all of you that we at Emcure are very well positioned to benefit from the same. As of today, when I'm speaking to you, we have a strong portfolio of 7 biotherapeutics which we are already marketing, already commercialized and 2 waiting approval, and a couple of more in development. So this is one area where we should be doing well.

We have given a lot of products which are chemistry driven, like I talked about chirality, I talked about products like anemia management Orofer XT or Orofer FCM. I see a lot of future going forward by working on biologics as well and this also has blessing from Government of India.

Having said all these things, now let me turn my attention to 3Q results already posted. Most of you must have had a chance to go through the results, but let me briefly summarize what has happened. Our Q3 FY '26 performance is a clear reflection of the strategy that we are executing. During the quarter, all our businesses delivered strong growth while we remained firmly on track with our margin objectives.

We delivered 20.4% year-on-year revenue growth with profits of INR 231 crores after one time impact of Labour Code, translating into 48% growth in PAT. Adjusted PAT excluding Labour Code, grew by more than 65%. EBITDA margin expanded by 110 basis points to 19.5% despite investment in new initiatives and impact of Sanofi diabetes in-licensing portfolio, demonstrating the underlying strength and operating leverage that we have in the business.

In India, I'm happy to state our margin continues to build a healthy momentum. The domestic business has recorded a growth of 15% year-on-year. Our growth was led especially by our chronic therapies as in Cardio-Diabeto, CNS, oncology, while new areas like derma and consumer about which I spoke even in the last quarter, continue to scale in line with our plans. During the quarter, we further strengthened our team, especially on the acute side. We remain confident that we will continue to grow above industry going forward.

Moving to international business. The quarter saw strong performance across all international businesses along all verticals, which helped us to deliver 24.5% by the way of growth. Europe is seeing strong traction with very strong growth of 29.6% in the quarter, led by ramp-up of base business. They're realizing the benefit of Amphotericin B and the bolt-on acquisition that we did in the form of Manx.

We expect Amphotericin B to see launches across Europe by end of the year. Our Canada business sustained its growth momentum and grew by 13%, led by market share gains and new launches. Our Rest of India business grew by 30.7%, led by strong growth, in both non-ARV and ARV businesses. We have a robust portfolio pipeline and very positive about the growth going forward.

Before I conclude, let me say from the bottom of my heart, patients come first in everything that we do. We take pride in telling everyone that we are driven by quality and patient care. The philosophy of patient-first will continue to drive our aspirations and the work that we are doing in R&D, whether the chemistry, biologics or even for that matter when we meet the doctors, that is going to be the core part of our philosophy as we serve billions of people at the global level.

While it is early to provide specific guidance for FY'27, we believe the company is well positioned to continue delivering consistent performance supported by multiple growth levers about which I've already talked to you and disciplined execution of our strategy.

Let me tell you, being in the industry for last so many years and being the founding member of Emcure Group, execution, in my opinion, is key to success that plays a very, very important role,

and that's one area where we are going to be absolutely laser-focused going forward. I believe this is only the beginning of our 5-year journey, and we remain confident that our best is yet to come.

I'm grateful to all the Emcurians for trusting me and obviously, my new stakeholders, including the shareholders who have joined the Emcure family. As head of the family, I would like to reassure you, I'm extremely conscious of my responsibility towards the shareholders and everything will be done keeping in view the interest of the shareholders who have reposed their faith in Emcure.

With these remarks, I would now pass on to call Mr. Taj, my CFO, to share the financial details of the last quarter with you before we open the floor for question-and-answer. Once again, thank you, I am very grateful to you. Thank you for patient hearing. And I always look forward to this call. And now over to Taj.

**Tajuddin Shaikh:**

Good afternoon, everyone. Thank you for joining us today. Before we move to the Q&A, I will take you through some of the key financial highlights for the third quarter. Revenue from operations for the quarter grew 20.4% year-over-year to INR 2,363 crores. The domestic business grew 15.4% year-over-year to INR 1,025 crores, driven by strong performance across all key therapies.

International markets maintained their strong growth momentum, growing 24.5% year-over-year to INR 1,338 crores, of which Europe grew 29.6% year-over-year, reaching INR 464 crores. This was led by business base growth and Manx acquisition. Canada reported a healthy 12.8% growth to INR 397 crores. We remain on track to grow in mid-teens for the year.

Emerging markets saw strong growth, 30.7% year-over-year to INR 477 crores with both ARV and non-ARV seeing strong growth. Gross margin for the quarter stood at 59.3% versus 60.1% in 3Q of '26. The decline was largely due to the in-licensing of Sanofi OAD portfolio, along with business mix, both higher international and product mix within geographies. EBITDA, excluding other income, grew 27.2% year-over-year to INR 460 crores.

EBITDA margin stood at 19.5% versus 18.4% in 3Q of '25 and 19.3% in 2Q of '26, supported by operating leverage and productivity gains, which was partly offset by Sanofi OAD addition. Depreciation and amortization for the quarter was at INR105 crores. Interest cost was INR38 crores. During the quarter, we also took an exceptional expense of INR 38 crores related to Labour Code changes. The effective tax rate stood at 26.3%.

Profit after tax came at INR 231 crores, showing strong growth of 48% year-over-year. Adjusted PAT came at INR 260 crores and grew 65%. Net debt for the quarter was INR 1,203 crores. The debt has increased primarily due to payout for Zuventus minority stake. With that, I'll now open the floor for questions.

**Moderator:**

The first question comes from the line of Amey Chalke with JM Financial.

**Amey Chalke:**

Yes. Congrats to the management on a good set of numbers. So I have first question on India business. Just wanted to understand the growth factors here for the quarter particularly. We have

delivered 15% growth. I believe this was largely normalized quarter. So is it possible to give some understanding of what has driven 15% growth? And how is the core business performing versus the in-licensed business like Sanofi, etcetera?

**Piyus Nahar:** The domestic business growth of 15%, also includes some element from the OAD portfolio that we in-licensed in the second quarter. So ex of that, the base business is growing in healthy double-digit, 10% plus and that is led by growth across all our therapies, especially the chronic side where in Cardio-Diabeto, we are seeing quite strong growth. We have also been talking about CNS, that is ramping up quite well for us. So those are some of the key drivers for the growth.

**Amey Chalke:** And the iron portfolio has also started delivering double-digit growth where the growth has been an issue for a while?

**Piyush Nahar:** Yes. So even the Iron segment including FCM is now back on growth trajectory.

**Amey Chalke:** Okay. And the second question I have is on the GLP-1 product. So here, basically, what would be our offering when we go to the doctors because we would be competing with one side, there would be a tirzepatide, which is a better product in terms of efficacy, etcetera. Plus there would be a generic competition on the semaglutide, which will come in maybe over the next 1 or 2 months.

So as an innovative product on the semaglutide side, what all offerings we would be taking to doctors when we will be selling this product basically? Is it convenience? Is it something like a pen which is better? Like what all things which will work in our favor to get more market share?

**Samit Mehta:** Sure. So I think just to start off with a lot of the new data that is coming from semaglutide, especially with the new strength that has been approved, shows that it is equal in efficacy, if not better than tirzepatide in weight loss, but far better in terms of the data that it has for cardiac comorbidities. So in that context, positioning semaglutide as a better product than the peers is definitely something that we are educating the entire HCP community.

In addition to that, since it's a very complementary arrangement with Novo, some of the specialties that they are strong in, which is endo, diabeto, we are complementing by going, like I mentioned, since there is great data in cardiovascular and since we are so strong in that segment, we've made a very big push in the entire Cardio segment. So that's how this arrangement at this time is working well.

We are already bracing in terms of the competition. We expect it to be fierce, but there are things that are definitely advantageous. One is, of course, the years of data that the innovator brings, the device that you mentioned also is much more convenient. And as and when required, there will be flexibility in terms of pricing.

**Amey Chalke:** Sure. And how is the offtake so far? And have you added more MRs or field force to sell this product?



- Vikas Thapar:** Yes. So we launched the product only in end December. So 1 month in, we're happy with the initial traction. In terms of the coverage, 2 of our largest divisions are handling promoting and educating the medical fraternity for this product. So we believe that's adequate coverage Pan-India and now the product is very much available across India as well. So, so far, we're very happy with sort of the initial traction that we're seeing with the product.
- Amey Chalke:** Sure. Just last question I have on the gross margin. So it has fallen this quarter despite good India growth. Just wanted to understand reasons here and any guidance on the gross margin front would be helpful?
- Vikas Thapar:** Yes. So on the gross margin front, it's really more of a mix issue. So if you look at, as Piyush mentioned, we have the Sanofi OAD portfolio as well as in a limited sense the launch of Poviztra. And then our international piece of the business has actually grown faster than our domestic business. So when you look at all of those different components, that's what led to the weighted average gross margins coming down slightly this quarter.
- And I think at the same time, a lot of those components of the business have a lower component of opex to support those gross margins. So that's where you're seeing our EBITDA margin still being healthy and in fact, in line with the expansion that we had guided to.
- Amey Chalke:** Sure. So going ahead, should we expect lower gross margin considering our exports are growing faster than India business?
- Vikas Thapar:** So, if you look at it, I think for overall gross margins for FY '26, we're still going to be in that ballpark about 60% range. We haven't put out a specific guidance. But yes, we do anticipate that the international business will continue to grow relatively faster than the domestic business and so, to that extent, you could see these gross margins moving a little bit in that direction. At the same time, like I said, at the EBITDA level, we think that we'll get benefit from economies of scale and operating leverage to support that mix.
- Moderator:** Thank you. Next question comes from the line of Sudarshan Padmanabhan from ASK – NDPMS. Please go ahead.
- Sudarshan Padmanabhan:** Thank you for taking my questions and congrats on good set of numbers. I would like to understand a little bit more on the domestic side where we have done quite well in the last few quarters. We have embarked on pushing a little bit more on the chronic side, I mean, through in-licensing, through Sanofi. And also, if you look at it, embarking or deepening our presence in gynac therapy, etcetera.
- So if you can give some color with respect to the acute, chronic, where do we believe is a sweet spot where we think acute and chronic in terms of having the split, in terms of also engaging with the doctors? So just a little bit more color on that? And how do we expect to expand the therapies from here as well?
- Piyush Nahar:** Sure. So right now, if you look at it, our chronic is now closer to about 50-50 chronic and acute for us. I think going forward we do see chronic doing better than the acute side. If you look at the diabetes side where, the whole idea when we took over the Sanofi portfolio is we see benefit



coming into our own diabetes portfolio where historically we haven't been that strong. We are seeing some of that playing out in the early days. We are seeing a big benefit of that in the cardio also. So we do expect the chronic share to increase over time as we go forward.

**Sudarshan Padmanabhan:** Yes, sure, sir. And with respect to the licensing strategy, I mean, of course, it gives you the edge when you go and speak to the physicians, etcetera. I mean the kind of deal that we had with respect to semaglutide, what is the strategy here in terms of strengthening our presence with the doctor community? Where do we think we would like to kind of engage more? And how do we see the proportion of the business coming in from this part of the in-licensing or primarily tying up with the innovators?

**Vikas Thapar:** So if you look at in-licensing overall for Emcure, it probably represents about 6% or 7% of our total revenue base and even if you were to bifurcate that for the domestic business, it's probably somewhere in the low to mid-teens contribution to the overall domestic business.

We firmly believe that having access to some of these very strong legacy brands or even innovative brands like your second brand, Poviztra, it allows us to really build on our strengths. We've always been known as a company that's bringing new products and engaging with the medical fraternity with science-backed products.

And I think this in-licensing strategy fits firmly with that, where we're then able to also have a rub-off effect on the rest of our portfolio. So we like to highlight examples like a Cardiac segment where on our own we're very strong amongst the top 10 players. But with the complementary nature of the Sanofi portfolio, we're now overall the fourth largest company in the Cardiac segment.

And we have seen that by giving one or 2 of our Emcure brands to that team, we have seen sales immediately pick up for some of those brands given their strong Doctor Connect as well. So I think these are some of the aspects that we will continue to look for in evaluating and trying to do more such in-licensing arrangements.

**Sudarshan Padmanabhan:** Sir, one final question before I join back the queue is on the export side of the business. This quarter or the last few quarters we have been seeing very good growth coming in from the launch of Amphotericin. And we are also having, if I'm correct, probably a little later on launching semaglutide as well. So, if you can give some color with respect to how we are looking at the export market in the next couple of years. And specifically with respect to semaglutide in the international market, do we think that apart from Amphotericin, this can be a shot in the arm for us given that there is a lot of players also coming into the space?

**Vikas Thapar:** Let me just give a macro answer, and then Samit can talk a little bit about some of the pipeline that might drive that growth. So, the international markets, we are very bullish that they will continue to grow mid to high-teens for us organically. And we've seen that very strong performance across markets, whether you talk of Canada, Europe or the rest of world, emerging markets.

Obviously, in Europe, in particular, the Manx portfolio that we acquired earlier at the start of the year as well as the launch of our liposomal Amphotericin B in U.K., Italy and soon to be rolled

out in other parts of Europe, is what's driving the very strong performance that will continue into FY '27.

In Canada, I think it's been fairly broad-based. If you look at the Mantra plus Marcan complementary portfolio, we've delivered 13% revenue growth. And I think we are again bullish that low-teens sort of growth should continue in that market given the very robust pipeline of in-house products that we have.

And on the emerging markets, I think it's a combination of the complex injectables or some of these differentiated products that we continue to file and await regulatory approvals and then launch, that is driving the growth in these markets. I think semaglutide will be one of the products that obviously, over time becomes more meaningful for us in some of these international markets. But I think it's a much broader portfolio of these various products that's going to drive that. So Samit, I don't know if you want to give some more color on that?

**Samit Mehta:**

Sure. So I think from the beginning, we've always said that we first built out some technology platforms and then commercialize products of it. So for example, on the liposomal platform, while Amphotericin B was commercial success, it's also a proof-of-concept that is now being utilized to work on at least three more products, which will, over the next few years get filed and commercialized across different markets.

Iron, of course, given the strength that we have in the domestic market, we are now leveraging by filing some of our injectable iron products globally. And third, but not the least, is the biologics portfolio, where we are seeing great success in India. And now as emerging market approvals are coming through, we see that being a big driver pushing future growth.

**Moderator:**

Next question comes from the line of Kunal Randeria with Axis Capital.

**Kunal Randeria:**

So I'll just take what Samit just said about the biosimilar portfolio expanding to emerging markets. So would you like us to maybe know which products you will be targeting? Would it be largely tenecteplase, or there are other products in the pipeline? And which geographies would you target and some timelines would also be welcome?

**Samit Mehta:**

I think while tenecteplase would be the flagship as far as the biologics go, we also believe that some of the other products that we have, which are commercial here, whether it's the pegaspargase, whether it's erythropoietin, whether it is even something like our PEGylated filgrastim or for that matter the products that we have which we are waiting for near-term approval. All of these have huge potential in the emerging markets. So of course, it will be a phase-wise approach since there will be costs also involved either with clinical trials or filings and approvals but we see this as something that can go across all emerging markets, especially in our strength areas like Latin America, Southeast Asia where we are starting off with.

**Vikas Thapar:**

And I think liposomal Amphotericin B is another example of a product that we have already been filing in some of the emerging markets, and it will take its time in terms of getting market-wise approvals but like Europe, we see a huge opportunity for some of those key injectable products as well for the emerging markets.

- Kunal Randeria:** Okay. So should we assume that R&D will kind of inch up going forward in the next couple of years?
- Samit Mehta:** As an absolute number, yes. But as a percent, we are very conscious, percent of top line, and we will continue to maintain it in the region that we traditionally have been.
- Kunal Randeria:** Sure. And would it be fair to say that, on Vik's comment on Amphotericin B, since you are only launching in the market now, if let's say 100 is your kind of target sales, you barely touched 10% of it, and there is still scope to grow over the next 2 to 3 years?
- Piyush Nahar:** Yes, I won't get into the numbers, but yes, we just started launching it across markets. So right now, we are present fully only in the U.K. market. Most of the other geographies, we are just either just in the phase of launching or we will be launching in the coming quarter.
- Kunal Randeria:** Sure. And just last one more, if I can. So Lenacapavir, you are one of the few companies to have the license. So would you like to update us on the progress and the eventual market potential for the drug?
- Samit Mehta:** Again, I can't put a number to the market potential, though we think it's a revolutionary introduction in the field of HIV, both therapeutically and prophylactically, it offers the opportunity for cure. So market could be huge. We are making very good progress. So to tell you, we have completed our API validation batches at our U.S. FDA approved facility and in terms of formulation, both on the injectables and the oral solids, reasonably, pretty much same status where we've already entered our plans to execute the batches.
- Kunal Randeria:** Sure. A couple of your domestic peers have announced some kind of tie-up with some aid agencies. So you haven't announced anything of that sort. So do you think it puts you at a disadvantage?
- Samit Mehta:** No, I think there are several procurement agencies. I think a couple of the peers have mentioned about one or two of them, but there are so many different tenders, so many procurement agencies, whether it's WHO or the PAHO there's a lot of them. And given traditionally, we've been very strong and have great relationships with these agencies, I think we will continue to have a good opportunity in the market.
- Piyush Nahar:** And I don't think any of those agreements exclude us out from those supplies. So whenever the products get approved, the agencies put out tenders where everybody is allowed to participate.
- Kunal Randeria:** So Piyush, you mean those aren't exclusive agreements with those pharma companies? You can also come. Okay. Got it. Perfect. That was very helpful. Thank you and all the best.
- Moderator:** Thank you. Next question comes from the line of Bharat C. Shah, Shah Family Office. Please go ahead.
- Bharat Shah:** Yes. Satish bhai, first and foremost, congratulations on bettering yourself. I had basically two sets of questions. The first is, you frequently guided about your various growth levers in terms of the product portfolio, the partnerships and in-licensing arrangements and product portfolio

expansion, etcetera. But I'd be happy to get revisited about how you see the picture for next 3 to 5 years, both in terms of domestic market growth that you believe likely there is a compounded rate as well as the international territory where you seem to be doing surprisingly well, surprising at least to my mind. So I'd be keen to hear your view on long-term growth drivers?

**Vikas Thapar:**

Yes. I will start with this, and then I'll let Satish bhai also chime in. So if you look at the domestic market, what we've been guiding all along is that we believe the industry will continue to grow very healthy high single-digits or maybe even touching double-digits. And we aspire to continue to grow faster than industry. So even if we're talking about a 3 to 5-year time horizon, we believe that we will continue to outgrow the industry, again, driven by our in-house R&D strength as well as the in-licensing arrangements that we will continue to look for in terms of augmenting our portfolio.

On the international side, while obviously, in some of the markets we're seeing very aggressive growth. We think over a 3 to 5-year horizon, both Europe and Canada, we believe, can continue to grow at a compounded low-teens sort of growth rate. And on the emerging market side, we've highlighted that there's an HIV component which we are seeing some strong performance over the last 12 months and a very strong order book. Having said that, I think with Lenacapavir and how that plays out, has the potential to keep that segment fairly strong for us and in fact, probably a better margin profile. On the rest of the business, the non-ARV business is where we believe it's still a relatively small contributor to the overall portfolio today. With the kind of product pipeline we're working on, that can continue to grow healthy double-digits as well.

This is without talking about any sort of M&A that we might do over that 3 to 5-year horizon, which we will obviously look forward to, especially while we're generating very healthy free cash flows over the next several years. So I think all in all, we believe and we're very bullish that we will continue to grow a very healthy amount in both India and the international markets over this time horizon that you highlighted.

**Satish Mehta:**

You wanted to say something Vik? Good to talk to you Shah. Vik has said everything. I mean, let me tell you that the company that we have built up is on the premise that we are not run-of-the-mill company. We will essentially focus on science, technology and innovation.

And in my opening remarks, I did tell you that when I started marketing our products in mid-90s, at that time, we were in branded generics. From branded generics we graduated to specialty products with emphasis on biologics and chemistry and now we are working with Novo Nordisk's innovator molecule we are bringing for the first time in the country. I believe that journey will continue.

As Vik rightly said that as far as the industry is concerned, in the next 3 to 5 years, we'll grow by a high single-digit or maybe 11%, 12%. But at the same time, as far as we are concerned, we'll be growing faster than the industry. That's my belief. And that is based on the good work in the science and technology that we are doing.

Talking about the international market, we are simply not in the commodity business. And that's what Samit was trying to say, the growth will come from products like, say, Amphotericin B,

Lenacapavir and we have a product pipeline which is quite exciting, which will do well in the international market.

So the focus will be on giving differentiated products in the international market, so the margins are taken care. Keep on investing in R&D so that we have a good technology-driven pipeline. As far as the Indian market is concerned, same story, give differentiated products and keep on looking for opportunities like Poviztra there is Novo Nordisk opportunity has come our way. So fairly well-defined thought process, Shah sahab, we have.

And as Vik rightly mentioned, as we go up the value chain, we will also be inclined to look at some bolt-on acquisition if we come across. So very clear strategic road map we have, but at the same time, everything will be done keeping in view the interest of the shareholders and do it in a way by which whatever we do will be accretive.

**Moderator:** Thank you. We have lost the line of Mr. Shah. We will promote the next, that is Vamsi Hota from ASK Investment Managers. Please go ahead.

**Vamsi Hota:** Hi, sir. Thanks for the opportunity and congratulations on a good set of numbers. Firstly, I'm tracking the company for the first time. So apologies in advance if some of the questions are rudimentary. With the change in the U.S. FDA stance on the approval for biosimilars process, right, in terms of the lack of need for a mandatory Phase III clinical trial, do we have plans of further entering somewhere down the line into the U.S. market with our biosimilars portfolio? That is my first question?

**Samit Mehta:** Sure. So as far as biosimilars go, we are closely tracking these evolving regulatory guidelines, while though not directly as an aspiration to enter the U.S. market but given the kinds of products we have, there are some potential collaboration opportunities that could come up where we could partner with someone to file our products and have them front-end the product.

So that's as far as U.S. goes. But given that a lot of the global agencies do follow the U.S. guidelines, we are very hopeful that similar kind of approach is adopted by some of the other countries, including in Europe, Canada, the emerging markets and of course, finally in India as well where we can then really ramp up a lot of our pipeline.

**Vamsi Hota:** Very helpful, sir. Just one more question in terms of the recent Biopharma Shakti scheme that has been announced. So while it is definitely a positive for the overall sector, how do you see this translating specifically for, let's say, a company? Is it a company like yours? So is it going to be via any kind of PLI benefit that you foresee from this? Or is it going to be some kind of manufacturing incentive in terms of setting up the facility from the government or like so how is this going to translate to a company-specific opportunity?

**Satish Mehta:** Early days, it is very difficult to opine right now. I mean the policy -- I mean, it is simply being mentioned in the budget speech of the Honourable Finance Minister. Once we get the fine print, we'll be in a position to respond. I mean, but what I like about her statement that, first of all, she started with biologics. So that extent a lot of importance is being given by Government of India to biologics. Then a corpus of INR10,000 crores is earmarked. And if I recollect the speech that she made, she specifically mentioned about 3 aspects of usage. She mentioned about oncology,

she talked about diabetes and she talked about rare disease. So these are the three statements which were made by her. So once the fine print is out we will see how it plays out?

**Samit Mehta:**

I think just to build on that, a couple of specific things also. A, Gennova definitely is into all these disease areas, especially oncology. Two things that were mentioned in terms of usage of funds. One was, of course, to set up many more clinical trial centers. The number given was 1,000 and hopefully, that should really speed up patient recruitment for a lot of the clinicals that we do and number two was also to strengthen a few, or establish a few more NIPERs with capabilities and expertise in biologics. We really value that because we are always at the forefront of industry and academia collaboration. So there we would love to collaborate with these upcoming institutes to also generate new IP.

**Satish Mehta:**

No, Samit, one more thing was also mentioned was sorting out the regulatory processes by which they want to strengthen the CDSCO. And you just mentioned about USFDA. So they also want to bring about the method of working or everything in line with the best global practices. So early days, but at the same time, government is acutely conscious of the fact that we have to support.

And some time back, statement was made that as far as India is concerned, the vision of Government of India is in due course of time, this particular sector should contribute \$500 billion, it is an ambitious target. So to that extent, I do expect a lot of support. Let us look at the fine print and then maybe next time, next call if we have some more details, we'll be able to share.

**Vamsi Hota:**

Sure, sir. Thanks for the detailed response and all the best.

**Moderator:**

Thank you. Next question comes from the line of Kunal Randeria with Axis Capital. Please go ahead.

**Kunal Randeria:**

My questions have been answered.

**Moderator:**

Thank you. The next question comes from the line of Bharat C. Shah, with Shah Family Office. Please go ahead.

**Bharat Shah:**

Satish bhai, to continue the dialogue. Actually, I was on the call earlier also, but probably the coordinator of the call did not like my voice and did not allow me to proceed with my questions. But so to summarize both you and Vik were saying, also what Satish mentioned, essentially, domestic business industry is likely to do 8% to 10%. We probably doing 12% to 14%. International, Europe and Canada is pretty much well stepped up, supplemented by specialty portfolio, not commodity portfolio and should be doing hopefully 14% to 16% kind of a growth. And non-ARV rest of the world market, hopefully should be doing 14% to 16%. So all put, summarizing somewhere in the range of 13% to 15% compounded overall will be a fair summary over the next 5 years?

**Vikas Thapar:**

Yes. I think broadly, without getting into each of the specific numbers, I think broadly, if you look at it, a low to mid-teens compounded growth rate is what we will aspire for. And that's what we've been guiding to. I think for the year, obviously, we had guided in the past to roughly a

13% growth. I think we're probably tracking slightly ahead of that. And similar sort of guidance we would probably be looking at for FY '27 forward.

**Bharat Shah:** Okay. And secondly, on the margins, we already are at what I would regard as a pretty healthy margin this quarter at operating level almost 27% sorry, 20%. Would we say margins over this journey would remain in this band, improve? Or is the risk of coming off?

**Vikas Thapar:** Yes. I think there, barring any M&A or in-licensing, if we look at the organic growth, we anticipate our margin profile to continue to improve. And so over a 3- to 5-year horizon, we would anticipate at least a 300 to 400 basis point improvement in our EBITDA margin profile with roughly 100 basis points or so improvement year-on-year for the next 2 to 3 years is what we have guided to in the past as well. And if you look at it this year, we're broadly on track for delivering that sort of organic margin improvement that we had talked about earlier.

**Bharat Shah:** Yes. So 20% going to more like 23%, 24% over 3 to 4 years' time?

**Vikas Thapar:** That is definitely our aspiration.

**Bharat Shah:** All right. Thank you. This is very, very helpful. This sounds, pardon my saying so, but almost a bit mathematical. Is there any risk of something slipping off our eyes and kind of giving us a root surprise? I mean if something was to go wrong in this picture, what could it possibly be?

**Vikas Thapar:** I mean, I think the sort of industry or overall macro risks are always going to be there. So in that sense, things that we could control, obviously, we feel bullish about executing on the business. I think it comes down to some of these key product launches that we have planned to the extent that those get delayed or have any regulatory hiccups, I think those are the kinds of risks that I would potentially look at, that could have some disruption to the overall guidance. But barring that, I think other than any geopolitical or macro risks, we should be in line with sort of the guidance that we provided.

**Satish Mehta:** To add to Vik, we don't have any significant presence in the US. So, to that extent, we are possibly better placed than the peer group.

And the business is so well spread like domestic, emerging Europe and Canada. So all things going wrong - well, I don't know. It can still happen. But at the same time, when you compare with the peer group, I feel good about what we are doing. But I don't have a crystal ball. Anything can happen.

**Bharat Shah:** Sure. Of course. On that note, thank you so much and very best of the wishes. I think from the IPO time, with some amount of initial tentativeness, but I think Emcure is now finding firm feet and moving forward in a very nice way. So congratulations to you, Satish bhai, and the entire Emcure team.

**Satish Mehta:** Shah sahib, I very much appreciate your sentiments and your support means a lot to all of us, to me as a person to family and all of us who are sitting over here. Thanks.

**Bharat Shah:** Thank you.



- Moderator:** Thank you. Next question comes from the line of Foram Parekh with BOB Capital Markets. Please go ahead.
- Foram Parekh:** Thank you for the opportunity, and congrats on a good set of numbers. My first question is on the domestic side. We mentioned that our in-licensed portfolio is 6% to 7% of the total sales and probably low to mid-double-digit contribution of the domestic sales. So, my question is, do we have any threshold limit that beyond this, the in-licensing portfolio should not exceed. And as a result, our gross margins should be protected at a particular percentage or it should not fall beyond a certain percentage?
- Piyush Nahar:** So, first, I don't think specifically we're looking at a threshold and all. But how we look at this in-licensing is that it must be more strategic and where it makes strategic sense in therapies. So if you look at cardio, the whole idea was that with the Sanofi portfolio, we become among the top 4, 5 players and we saw a lot of benefits in terms of the portfolio synergies, which is what is now playing out in the segment.
- Similarly, diabetes, we didn't have a significant presence there, and we were looking at semaglutide coming through. So the OAD portfolio was in preparation for that. So I think all of these have been more thought through. When we think of in-licensing it not just as a top on, but where we look at where it has a rub on a benefit on our portfolio.
- Obviously, when we look at it, the whole idea is that while, yes, in gross margins level, they are slightly dilutive. But at EBITDA on a synergized basis or more importantly on ROCE, they are much more healthier.
- Foram Parekh:** Yes. But can you comment on the gross margin percentage? I mean, something that beyond which we feel that it will not slip? Is there some percentage do we have or we can guide upon?
- Vikas Thapar:** Rather than talk specifically to the gross margin, I think just to build on what Piyush said, I think for all in-licensing arrangements, we would be targeting stand-alone deals with at least a double-digit EBITDA margin profile and then some aspect of synergies too as a rub off to the rest of the portfolio, such that we have a combined EBITDA margin profile that is in line with what we would expect. And as Piyush said, what's even more important is the return on capital or the free cash flow generation. In most of these deals that you would have seen, there is little to zero upfront payment or commitment. And so to have access to these types of portfolios that are cash flow accretive from day 1 of us handling the assignment, is something that we think is still good business.
- Foram Parekh:** Sure. And my second question is on the European side. We believe that Amphotericin B has been launched in Italy and fully present in UK. So if you can just guide us how many countries are we still expecting the launch to be in Europe? And therefore, this quarter's growth rate, would it be able to measure in the subsequent quarters as well?
- Tajuddin Shaikh:** Yes. So we are there in 23 countries now, the approval has come in. But the launch has taken some time. So this quarter would be similar to what we did last quarter. We can see growth coming in from the next year onwards.

- Foram Parekh:** Sure. Thank you for taking my questions.
- Moderator:** Thank you. Next question comes from the line of Kartik Bane with Bajaj. Please go ahead.
- Kartik Bane:** Thank you for the opportunity and congratulations on a good set of numbers. Sir, my question is on the MR productivity after we have MRs from Sanofi. So what is the current productivity? How is the ramp-up of the MR productivity tracked? And is there any specific therapy area or cluster that is giving us higher PCPM than others?
- Piyush Nahar:** So our current productivity is about 7. And if you compare it to last year, we are around 6, 6.1 at a similar quarter. And I think where we're obviously seeing higher productivity is in our chronic and Women's Health segment, which will do quite well for us.
- Kartik Bane:** Okay. Thank you.
- Moderator:** Thank you. Next question comes from the line of Amlandad with JPMorgan. Please go ahead.
- Amlandad:** Yes. Hi, sir. Sir, my question is regarding the European portfolio. Would it be possible to quantify how much share of revenue is from the Manx portfolio, and the one that you acquired in last April?
- Piyush Nahar:** So, Manx will be right now 5% to 6%. It's a couple of million dollars that you'll have in the quarter.
- Amlandad:** Okay. And on Amphotericin B, how large would be the European market for the product, sir?
- Samit Mehta:** Total European market will be in excess of EUR100 million, I would say. Yes, in excess of EUR100 million, the total market.
- Amlandad:** Okay, okay. Okay, sir. Those are my questions. Thank you.
- Moderator:** Thank you, Next question comes from the line of Bharat C. Shah with Shah Family Office. Please go ahead.
- Bharat Shah:** Yes. This question is for Mr. Tajuddin Shaikh. Mr. Shaikh, I just wanted to understand over the next 3 to 5-year growth journey and margin journey, I had a very good discussion with Satish bhai and Vik and Samit. Just wanted to understand in this 5-year journey, borrowings, which today I think it is uptick a bit and stands at close to INR1,200 crores.
- So in 5-year journey, what do you think the borrowing level would look like? In other words, when do you expect the borrowings to be kind of come off from the balance sheet? And our fixed assets at about INR 3,300 crores, with what kind of likely intensity this asset block will grow over the next 5 years?
- Tajuddin Shaikh:** Okay. We are at ~INR 1,200 crores net debt. We are also having an earnout payment of close to around INR350 crores coming in the month of May. So that would take us close to INR 1,500 crores. We expect this to go off the balance sheet probably in the next 24 months to 36 months.

- Vikas Thapar:** Yes. The earnout payment he's referring to is the final earnout related to the Mantra acquisition, which will happen in Q1 of next year. And again, just to reiterate that with that earnout plus the rough INR 1,200 crores now, we anticipate that with the cash flow generation that we are expecting, probably by end FY '28, we should be cash flow positive, barring any other acquisitions that we go in for.
- Bharat Shah:** Sure. And on the gross block, Mr. Shaikh?
- Tajuddin Shaikh:** On the gross block, we expect about INR 300 crores to INR 400 crores addition per year, depending on what we get in and all. This is without taking into account any acquisitions or anything coming in.
- Vikas Thapar:** I think we've been guiding to that INR 350 crores to INR 400 crores, and we foresee that, that will continue for the next 2 to 3 years.
- Bharat Shah:** Right. That means over the 5 years, gross block probably may expand by 50% or thereabouts. And from INR 1,550-odd crores of borrowing level net debt in May '26, hopefully, by December '28, we should be net debt at a zero level. Is that a fair summation?
- Tajuddin Shaikh:** Yes.
- Vikas Thapar:** Broadly, yes.
- Bharat Shah:** Okay. Thank you.
- Moderator:** Thank you. The last question comes from the line of Banshi Desai, JPMorgan. Please go ahead.
- Banshi Desai:** Yes, hi. Thanks and congratulations on a strong set of numbers. So just two questions. So firstly, on our international markets growth, which has been pretty robust. I assume this also has seen benefits of favourable currency across markets. So if you could just comment on whether we are seeing those benefits at our gross margin levels as well?
- And therefore, as and when these currencies normalize over the next few quarters, how should we think about our gross margins? Because our in-licensing component probably would continue to grow Sanofi portfolio. You also have Novo Nordisk products. So I'm just thinking through how should we think about gross margins in that light once the currency normalizes?
- Piyush Nahar:** On the gross margin side, there's not going to be much benefit that you saw because we also have imports that comes in dollar terms where you have the currency hit that you get. So net-net, I don't think there's significant benefit as a percentage level that you see for us.
- Banshi Desai:** All right. And for Amphotericin B market, which you mentioned EUR100 million, if you can also talk about the competitive landscape. I understand you're the only generic approved at this point in time, but how do you see competition evolving over the next few years?
- Samit Mehta:** I think competition will come eventually. But a couple of things. One is, of course, tenders are typically locked in for a couple of years in several countries. So that should give us some benefit.

And we also believe that the kind of capacity that we have created, it's probably second to the innovators.

Since this is a very high-volume product, being able to consistently ship out these quantities also should hold us in good stead. So, while we can't do away or wish away competition, I think we will continue to hold a favourable position whenever it comes in.

**Vikas Thapar:** And I think just to add on that product specifically, the EUR 100 million plus is just a Europe opportunity. We think there's an equally large opportunity when you add up all the rest of world markets, where we're also going to be over time launching the product as well.

So given the in-house capacities we have and looking at the potential of these markets, we'll obviously look to capitalize wherever we can even in the face of some competition that will eventually come.

**Bansi Desai:** Thanks for that. And if you could share where are we manufacturing this particular product, in which site of ours?

**Samit Mehta:** Depending on market, we have couple of sites. So one of the sites is from Sanand and the other site, which is servicing a few of the other markets is in Pune.

**Bansi Desai:** All right. Thanks so much and all the best.

**Samit Mehta:** Thank you.

**Vikas Thapar:** Thank you.

**Moderator:** Thank you. Ladies and gentlemen, that was the last question for today. We have reached the end of question-and-answer session. I would now like to hand the conference over to the management for closing comments.

**Piyush Nahar:** Thank you, all, for joining today's investor call. If any of your queries still remain unanswered, please feel free to get in touch with us. Thank you. Have a good day.

**Moderator:** Thank you. On behalf of Emcure Pharmaceuticals Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.