Date: January 27, 2026

To,
Sr. General Manager
Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001

BSE Scrip Code: 544319

To,
Sr. General Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G
Bandra Kurla Complex
Bandra (E), Mumbai – 400 051

NSE Symbol: SENORES

Sub.: Transcript of the Earnings Conference Call – Q3FY26

Dear Sir/Madam,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and in continuation to our intimations dated January 15, 2026 and January 20, 2026, please find enclosed the transcript of the Earnings Conference Call for the Q3FY26, held on Tuesday, January 20, 2026 at 04:30 P.M. (IST).

The aforesaid information is also being hosted on the Company's website at www.senorespharma.com.

You are requested to take the same on record.

Thanking you.

For Senores Pharmaceuticals Limited

Vinay Kumar Mishra
Digitally signed by Vinay Kumar Mishra
Date: 2026.01.27 18:09:34 +05'30'

Vinay Kumar Mishra
Company Secretary and Compliance Officer
ICSI Membership No.: F11464

Enclosure: As above

"Senores Pharmaceuticals Limited
Q3FY26 Results Conference Call"
January 20, 2026

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recording uploaded on the stock exchange on 20th January 2026 will prevail.

MANAGEMENT: **MR. SWAPNIL SHAH – MANAGING DIRECTOR – SENORES PHARMACEUTICALS LIMITED**
MR. SANJAY MAJMUDAR – CHAIRMAN – SENORES PHARMACEUTICALS LIMITED
MR. DEVAL SHAH – CHIEF FINANCIAL OFFICER – SENORES PHARMACEUTICALS LIMITED

MODERATOR: **MR. GAURAV TINANI – AMBIT CAPITAL PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to Senores Pharmaceuticals Limited Q3FY26 Results Call hosted by Ambit Capital Private Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone.

Please note that this conference is being recorded. I now hand the conference over to Mr. Gaurav Tinani from Ambit Capital Private Limited. Thank you and over to you, sir.

Gaurav Tinani: Thank you, Iqra. Good evening, everyone. On behalf of Ambit Capital, I would like to welcome you all to the Q3FY26 earnings call for Senores Pharmaceuticals Limited. Joining us from the management today, we have Mr. Swapnil Shah, the Managing Director, Mr. Sanjay Majmudar, the Chairman, and Mr. Deval Shah, the Chief Financial Officer. I thank the management for the opportunity to host this earnings call.

Before we begin, I would like to point out that this conference call may contain some forward-looking statements about the company, which are based on the beliefs, opinions, and expectations of the company as of the date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict. We can now begin with opening remarks from Mr. Swapnil Shah, post which the forum will be open for an interactive question and answer session. Thank you and over to you, Mr. Shah.

Swapnil Shah: Thank you, Gaurav. Good afternoon, everyone. Thank you for joining us on Senores Pharmaceuticals Limited's Q3 and 9MFY26 earnings conference call. We have uploaded the results, press release, and investor presentation on the stock exchanges and company's website. I hope everybody has had the opportunity to go through the same. Building on our established strategies, we have delivered a strong performance across segments for the quarter and nine months of FY26.

Our nine-month results are in line with or slightly ahead of our annual guidance, and we remain confident of achieving our FY26 targets of 50% of top-line growth and 100% of PAT growth over FY25. Speaking about the segmental performance, revenue from regulated markets grew by 60% YoY in Q3FY26 and by 71% in 9MFY26. Driven by product portfolio expansion, prudent selection of sales channels, and differentiated go-to-market strategies, our ANDAs portfolio continues to grow through in-house development and strategic acquisitions.

As of December 2025, we are proud to have a portfolio of 46 approved ANDAs. These ANDAs collectively cover more than 137 ANDA product trends. Over the last year, our portfolio of ANDAs has nearly quadrupled, growing from 12 ANDAs as of December 2024 to 46 ANDAs as of December 2025.

Apart from the existing portfolio of 18 ANDAs which have already been launched, we have 28 approved ANDAs having 100-plus strengths available for launch, and 22 more molecules involving 50-plus strengths under development. This provides a strong pipeline of products which are expected to be rolled out over next quarters. Our CDMO-CMO segment is also witnessing a steady traction and scaling up.

Our portfolio now stands at 16 commercial products, encompassing more than 55 strengths. The moat is our CDMO-CMO segment, which comes from being an end-to-end solution provider for customers, right from development to scale-up to exhibit batch to supply chain planning for commercial production, as well as complete regulatory support, including pre- and post-approvals. I am pleased to share that we have completed acquisition of 75% stake in Apnar Pharma last week.

The balanced 25% is expected to be completed by Q2 of FY '27. Given our strong growth, momentum, and product expansion across ANDAs and CDMO-CMO, we sought to diversify manufacturing geographically. The acquisition of Apnar Pharma, which is a US FDA-approved facility and expansion-ready infrastructure, provides strong strategic benefits and positions us to sustain growth over the coming years.

Apnar's facility is relatively new and already has many constructed clean rooms for quick expansion. In addition to the US, the plant is also approved by UK MHRA and Health Canada. This immediately enables us to penetrate deeper in the regulated markets of UK and Canada, where we currently have very limited presence.

In addition to market access, the acquisition also includes five approved ANDAs, which is expected to give at least $16-$18 million in revenue in the next 12-15 months. The addition of this US FDA-approved facility significantly enhances our manufacturing capability and flexibility. It will open opportunities to shift manufacturing of select products from the US to India, where US-based manufacturing is optional.

Diversified manufacturing enhances operational agility, supporting faster scale-up, quicker product launches, and sustained growth momentum. It also strengthens our ability to pursue a broader range of CDMO-CMO opportunities, leveraging cost advantages across both facilities. Regulated markets, our largest vertical continues to deliver consistent growth, driven by portfolio expansion, new customer additions, and deeper market penetration, supported by a healthy pipeline and long-term CDMO-CMO contracts.

We have clear visibility for sustained growth and profitability in the years ahead. Furthermore, in line with our strategy to strengthen our presence in the US, we have set up Zoraya Pharmaceuticals, bolstering our operations and product development trends in the US. Zoraya is equipped to manage the full lifecycle of pharmaceutical commercialization, and this expansion would focus on direct distribution and marketing of some strategic products in the US.

Moving to emerging market business, revenue for Q3 FY '26 grew by 48% on a Y-o-Y basis. As we had highlighted earlier, EBITDA margin has significantly improved towards the mid-teens range now. We achieved our highest-ever quarterly revenue, EBITDA, and PAT in the emerging market business in Q3.

Importantly, the business is now cash-flow positive as well. During this quarter, we received approval of 56 new products, bringing our total portfolio of 450 registered products as of December 2025. Additionally, more than 850 products are currently under registration.

A shift towards mixed molecules and a refined go-to-market strategy is driving improvements across key metrics in emerging markets, including better pricing and margins. Overall, the emerging market business is demonstrating a steady momentum in both growth and profitability. We are also in the process of obtaining PIC/S approval for our Chhatral manufacturing facility for emerging markets. This approval will enable us to expand our footprint in key mid-tier markets such as Vietnam, South Africa, and others.

Turning to the India business, our branded generic business has continued to build on a strong momentum seen over the last few quarters. Revenue for this quarter stood at about INR10.5 crores, an increase of over 6x on a Y-o-Y basis. For nine months, the revenue from branded generic stood at about INR31 crores, growing more than 7x on a Y-o-Y basis.

On a consolidated basis, we continue to remain a strong focus on cash flow generation, with operating cash flows demonstrating a steady upward trajectory. Despite robust business growth, our EBITDA to operating cash flow conversion has improved significantly over the last year, reflecting enhanced operational efficiency and disciplined working capital management.

Our cash flow performance has shown consistent and sustained improvement and we remain confident of maintaining further, strengthening this metric going forward. All in all, we have consistently delivered on our commitments in both revenue and profitability, underscoring the effectiveness of our strategy and execution. Our focus remains firmly on establishing business models across both regulated and emerging markets.

We see a long and promising growth trajectory ahead for Senores and are well-positioned to capitalise on the same. With our deep industry expertise and extensive experience, we are confident in our ability to continue driving sustained and profitable growth in the years to come.

With that, I would like to hand over call to Mr. Deval Shah, Chief Finance Officer, to take you through the financial operation performance. Thank you, and over to you, Mr. Deval.

Deval Shah: Thank you, Swapnil. A warm welcome to everyone on our Q3 and nine-month FY '26 earnings call. I will take you through our financial and operational performance for the quarter and nine months period ended December 2025. Starting with the quarter's performance, our consolidated income for Q3 FY '26 stood at INR175 crores, reflecting a strong growth of 64% on Y-o-Y basis.

Growth was broad-based and driven by both regulated as well as the emerging market businesses. Revenue from regulated markets grew by 60.5% Y-o-Y and came to INR113 crores. This was driven by steady product portfolio expansion and scaling of the CDMO-CMO segment. Revenue in the emerging markets grew by 47.5% Y-o-Y and came to INR38 crores in Q3 FY '26. India's branded generics business grew more than six-fold on Y-o-Y basis, with revenue for Q3 coming to INR10.5 crores.

Consolidated EBITDA for Q3 FY '26 stood at INR54 crores, growing by a robust 86% on Y-o-Y basis. EBITDA margin came to 30.9%, improving by 360 bps on Y-o-Y basis. Even on sequential basis, EBITDA margin has improved by about 30 bps. Profit after tax and minority interest for the quarter grew by around 85% Y-o-Y and came to approximately around INR32 crores.

Coming to the nine-month performance, the consolidated income for nine months FY 2026 stood at INR474 crores, showing a strong growth of 65% Y-o-Y. This is driven largely by the regulated market business. Revenue from regulated markets for nine months of FY 2026 stood at approximately INR310 crores. Revenue from emerging markets grew by 17% Y-o-Y and came to INR99 crores.

Revenue from India's branded generics business grew by more than 7x and stood at INR31 crores for nine months. EBITDA for nine months FY '26 stood at INR138 crores, growing by a whopping 87% on Y-o-Y basis. EBITDA margin improved by 340 bps on Y-o-Y and stood at 29%.

Profit after tax and minority interest for nine months FY '26 stood at INR84 crores, more than doubling on a Y-o-Y basis. PAT margin for nine months of FY '26 stood at 17.7% compared to 14.2% for the corresponding period of last year. This is an increase of 350 bps.

As Mr. Swapnil has highlighted, we are maintaining a strong focus on cash flow generation, operating cash flow for nine months for FY '26 stands at around INR51 crores, showing a significant improvement over last year.

To summarise, we have witnessed a strong performance across segments during the quarter and for the nine months for the current year. We are well-positioned to continue this momentum and confident of delivering sustained profitable growth going forward.

With this, I would now like to open the floor for questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Pal Balar from Trinetra Asset Managers. Please go ahead.

Pal Balar: Hi sir. So I just wanted to know that after doing the Apnar Pharmaceutical Limited acquisition, how much margin expansion we can expect from it? So, what kind of synergies we will get in terms of if you could quantify that? So, this was my question.

Swapnil Shah: Yes, hi, this is Swapnil. So, currently the contribution from Apnar will be as stated, you know, we are expecting about INR120 crores to INR150 crores kind of revenue from Apnar in FY '27 as we speak. Also, we have stated that this quarter itself will be cash flow positive from Apnar facility as three products are already going to be launched within this quarter from that facility.

It is very early to say what kind of margin expansion that will happen from Apnar as we speak. However, we see margins expanding in when we reach that optimal number of utilization of that facility. And being in both the geography, I think a lot of synergies can also be created between both manufacturing locations. So, that is what we feel Apnar will value to us.

Pal Balar: And secondly, if I see regulated market, emerging market, API and branded generic, so going forward, how much revenue contribution we can get from these four business verticals?

Swapnil Shah: So, on the branded generics side of the business, we feel that we should be able to conclude this between INR40 crores and INR50 crores. And next year could be another INR80-plus crores is what we are projecting on the branded generic side. On emerging market side of the business, we feel we should be able to do about INR170 crores to INR180 crores, the revenue next year.

And API is a small contributor, I think we do not go beyond a point to focus on the revenue because it is a strategic play for us, largely for backward integration and some strategic products that we want to backward integrate. So, that is the API vertical for us.

Pal Balar: So, going forward, we will mainly focus in terms of revenue contribution. We will have a large number of revenue from regulated market, right?

Deval Shah: That's right.

Moderator: The next question is from the line of Abhishek Jain from Alfaccurate Advisors Pvt. Ltd.

Abhishek Jain: Thanks for opportunity and congrats for a strong set of numbers. Sir, my first question is on the regulated market side. So, in the last nine months, how has the revenue mix is evolved in terms of the own ANDA product sourced and the CDMO or CMO business?

Swapnil Shah: Yes. Hi, Abhishek. So, on a regulated market, we have two verticals, as you know, our own products and the CDMO, CMO. Mix today on the split is largely about 55% on our own product and about 45% on the CDMO, CMO side of the business. And we feel probably full year, we will have about 60% of our own product and about a 40% on the CDMO, CMO side when we conclude this year. For the next year, we feel more or less this mix will continue.

Maybe our own product, we may be able to get about 65% and CDMO, CMO contribution could be 35%, largely because with the Apnaracquisition , a lot of our own products will be also giving us a much, much better realization as we speak.

Abhishek Jain: Got it. And sir, how is the gross margin difference between own products and the CDMO business?

Deval Shah CDMO, CMO is slightly lower than our own products. I said 4% to 5% or 5% to 6% lower than own products. But overall margin, gross margins , EBITDA margins are at 40% for the US-regulated business.

Abhishek Jain: So in the coming quarter, we would be able to sustain the margin of 40% plus percent in this segment?

Deval Shah: Yes, I think we should be able to sustain or even improve by 1% or so. With our more and more own products are coming in, and these own products will always have a better margin for us.

Abhishek Jain: Understood. And sir, in the emerging market, we have seen a very strong jump in EBITDA margin in this quarter. So just wanted to understand what is the reason? Is it because of the change in revenue mix or is it because of that operating leverage benefit?

Swapnil Shah: Yes, Abhishek. So in emerging market, last call also we said there were some products which we got approval for, but we could not generate the commercialization in last quarter. I think a lot of those commercialization have happened over this quarter, like the quarter ended in December.

And that commercialization will continue. As you know, we got 56 product approval just in last quarter. So those commercialization of all 56 will happen or at least large part of 56 will happen in coming quarter. So we feel the growth trajectory also in the emerging market should continue. And our per unit metric has also significantly improved.

So we are at about close to INR2 per unit today as we speak on our emerging market manufacturing, which we feel will continue to drive up as the product mix will continue to change as we get more approvals and we commercialize more products in different markets as we speak.

Abhishek Jain: Got it. And sir, in emerging market, how is the current revenue mix between distributor-led models, P2P and on-brand?

Swapnil Shah: It's difficult to give the exact number, but it is well-balanced, as I can say, with the distributor-led direct export businesses continue to see significant uptick over last three to four quarters, which will further grow. So revenue mix from an export-based, dollar-based revenue will continue to expand from where we are today to next four to six quarters.

Because all the registrations that we are talking about today, which are we have 450 and there are 800 plus is going to come in, they are for direct exports. So our dollar revenue realization will significantly increase in the next four to six quarters.

Abhishek Jain: That's all from my side.

Moderator: Thank you. The next question is from the line of Maitri Sheth from Choice Institutional Equities. Please go ahead.

Maitri Sheth: Hi, congratulations on a great set of numbers. Just one question, what sort of EBITDA margin, are we looking at for FY '26?

Deval Shah: FY '26, I think we already at 29%. So we should be a percentage more around 30% by end of the year. Blended total.

Maitri Sheth: Blended total. And can we assume a 100 bps growth in FY '27 or would Apnar, see an increase of expenses and we'll see 30%?

Sanjay Majmudar: It's difficult to quantify exactly, but there will be definitely a decent growth. As we move into the fourth quarter and then as we start Apnar, we'll be able to guide you better.

Maitri Sheth: Okay, that's all. Thank you.

Moderator: Thank you. The next question is from the line of Kashish Thakur from Elara Capital. Please go ahead.

Kashish Thakur: Hi, sir. Thank you for the opportunity, and congratulations on the good set of numbers. Sir, two questions from my end. First, just wanted to know what has been our organic growth, broadly just speaking about our own products, not including the acquired ANDA. Just asking about their own products, what has been that kind of organic growth in this quarter? And secondly, what has been the contribution from the control substance in the quarter?

Swapnil Shah: Hi, Kashish. Thank you. So, as you know, we had a good product approval of Deferiprone in November end. So, the Deferiprone was launched in this quarter, that was an organic development that got approved. We launched it with Dr. Reddy as we speak, which is public information.

As we move forward, every quarter we have one or probably two launches, organic launches of a new product development that we have done. So, that will significantly also drive our growth forward. As you know, we currently have about 22 products that are under development.

Some of them are already filed, some of them are at exhibit stage, some of them are at different stages of R&D, which will continue to give that growth in next 6 to 8 quarters for us of those 22. So, it will continue our trajectory.

Coming to control substance, right now that's not being quantified in terms of what is the control substance contribution, largely speaking, but control substance has been about a 15%-20% overall revenue that comes out of control substance, which we feel will continue. Depending upon the quarter, depending upon the product launches, we have about two control substance product launches next year in the sense of the current FY '27 year. So, I think that will further grow our controlled substance revenue mix as well.

Sanjay Majmudar: I think commercialization will now actually take traction.

Kashish Thakur: Understood, sir. Thank you, sir. So, just one last question. I just wanted to know about margins. So, I think, sir, you just highlighted that our own product margin is a bit higher as compared to CDMO products, right? And I think so we quantify control substance in CDMO. So, is the control substance margin higher as compared to blended average of CDMO or how is it?

Swapnil Shah: So, on the CDMO /CMO side of the business, as you are aware, our margins are fixed, So, product could be significantly bigger or significantly smaller. We have our set margins and set rolling plans that we manufacture based on our customers' guidance.

So, depending upon what opportunity that we are taking up, our margins are more or less fixed. What happens is on our own product and the required portfolio coming in, there's a significant launch plan over next 6 to 8 quarters that we have, we have said at least 3 to 4 launches, or sometimes even 5 per quarter that are the kind of launches that we have in next 6 to 8 quarters.

So, if you look at the growth plan, those portfolio launches are going to significantly drive our growth. It's from a margin standpoint, again, as Deval Bhai said, our own product gives us a better margin profile, it goes into various channels. There's a government play that happens. There is a cross-distribution to different distribution channels. So, that kind of significantly gives us that slightly better margin profile.

Deval Shah: Just to add, I think we also have certain products in our own product portfolio which are controlled substances. So, there the margins are bound to be higher .

Kashish Thakur: Understood, sir. Thank you so much. All the best for your future quarters. Thank you.

Moderator: Thank you. The next question is from the line of Nishita from Sapphire Capital. Please go ahead.

Nishita: So, you mentioned FY '26 topline guidance, growth guidance of 50%, but if we look at our quarterly revenue run rate, we are doing much better than that. So, are you going to revise your guidance or do you stick to the 50% guidance because we see a much better growth than that?

Swapnil Shah: Thank you, Nishita. Right now, Nishita, I would suggest we expect our growth trajectory to likely remain the same, at least for the next few quarters, as we speak.

Sanjay Majmudar: Just to add, you are right. FY '26, we have guided very specifically about the topline and bottom-line growth. We are on track in terms of topline. We are, in fact, slightly better in terms of bottom line, and these 9-month results, you can extrapolate generally our Q4 is equally or a little, in fact, a little stronger than Q3 in general. So, yes, we are bettering our profitability guidance of this year by a few, marginally better, but it's always better as a management to remain a bit conservative.

Nishita: Okay. Understood. Yes, that is it from us. Thank you.

Moderator: Thank you. The next question is from the line of Ravi Shah from VRS Capital. Please go ahead.

Ravi Shah: Hi, sir. Thanks for the opportunity. Sir, first of all, congratulations on a strong performance. My question is relating to our product portfolio. So, there has been some change in the way we have disclosed our product portfolio this quarter. Just wanted to understand a little bit more about that. So, how should we look at our pipeline going forward? And should one focus more on the number of ANDAs, or is it the strengths we should look at? Which is a better metric to understand those?

Swapnil Shah: Yes. Hi, Ravi. So, earlier so far, we have always maintained as ANDA products, which are individual strengths as our ANDA products. So, that has been changed from a previous quarter to this year where we are disclosing both like ANDA numbers as well as individual ANDA products in form of strengths.

You can look at us on both the trajectories. The reason behind that is individual strength has its individual business potential. Not necessarily all strengths work. Some strengths have a large government business. Some strengths are heavy on the pediatric side of the business. Likewise, each strength demonstrates a different distribution model and distribution margin profile and distribution different goal for us. So, largely, I would say both the parameter numbers are very important to measure strengths, which are ANDA products as well as individual ANDA numbers.

Ravi Shah: Understood, sir. Thank you so much. And I have one last question, sir. You have 22 ANDAs under development and 28 approved ones that are to be launched. In how many quarters do we expect to launch all these products? Also, what can be the reasonable number in terms of product launches on an annual basis over the next three, four years time frame?

Swapnil Shah: So, we feel all the 28s that are approved yet to be launched will be launched within next six to eight quarters. And out of 22, we feel at least we should be able to launch 10 products in next six to eight quarters. I think that's a visibility that we have today.

Ravi Shah: Understood, sir. Thank you so much, sir and all the best.

Moderator: Thank you. The next question is from the line of Prince Choudhary from Pinc Wealth. Please go ahead.

Prince Choudhary: Hello. Yes, sir. Thank you for the opportunity. Sir, I want to understand what sorts of products are part of the purchase of stock in trade, and there is a lot of fluctuation. Like last quarter, it was INR11 crores, and this quarter it is INR37 crores. So, how should we look at that?

Deval Shah: Can you come again stock in trade what is it?

Prince Choudhary: Sir, I want to understand what sorts of products are part of purchase of stock in trade. And also, there is a lot of volatility with significant difference sequentially from INR11 crores to INR37 crores. So, how should we look at that?

Deval Shah: So, we have started CMO exercise for our own products in India. So, those go with the purchase of trading stock. So, getting manufactured outside earlier we are not doing it. So, we are getting it done at three locations in India, and now Apnar will be the additional location.

Prince Choudhary: So, these are part of our own subsidiaries, right? So, whatever we purchase from a manufacturing facility that is a part of this one is a purchase of stock in trade?

Deval Shah: It includes that also, but it also includes some outsiders.

Prince Choudhary: What is the percentage contribution of outsiders?

Deval Shah: So, this is what you are seeing in outsiders because internal gets knocked off while it gets consolidated .

Prince Choudhary: So, this is more of an outsourced?

Sanjay Majmudar This is actually an outsourced production, which technically is reported as a purchase of stock in trade.

Prince Choudhary: Okay. Understood, sir.

Moderator: Thank you. The next question is from the line of Pujan Shah from Molecule Ventures. Please go ahead.

Pujan Shah: Thanks for the opportunity, sir. My first question pertains to, so we are guiding our 50% growth, and we will be going to achieve that in FY '26. So, considering the FY '27, are we expecting a shy to INR1,000 crores mark revenue because considering the consolidation of Apnar, which can contribute to INR120 crores, INR150 crores and on our base business, we can grow up to 30%, 35%.

Can we expect an INR1,000 crores revenue mark with an EBITDA margin of 30%, because next year also, we will get the backward integration facility of API that will meaningfully contribute to expanding our EBITDA margins. So, are we assuming in a correct phase, or am I missing something?

Swapnil Shah: Pujan, you know our company more than what we know our company. So, no, thank you for your feedback and your acknowledgement on our efforts that we have been able to grow at such a pace and will continue to grow. I think right now, I would not say anything about INR1,000 crores or 30% or 32% kind of a number. I think what I feel is that there is a strong pipeline of products that are scheduled for launch.

As I said, 28 ANDAs are scheduled for launch, with another 22 out of 22 good parts of the chunk will be launched on our own products. That's on the regulated market. Under CDMO or CMO, we also have a significant launch plan that you have already seen.

On emerging market also, you saw 56 product registration came in last quarter, which will get commercialized in this quarter and will get a full year next year. Our branded generics in India are also witnessing pretty high growth numbers. So, all in all, if you look at all metrics, it all points out to robust growth.

Giving a specific number right now, I think it's a little premature. You know, let us get Apnar running, get those goals achieved within this quarter.. And I think probably when we disclose our full-year results, I think with specific numbers, we should be able to guide.

But all your pointers are also what we think, and as I said, you know our company better than we do. So, no, we are going towards, we are a hard-working bunch. We continue to work hard for the higher growth numbers.

Sanjay Majmudar: So, Pujan, just to add, whatever internal thought processes that we are evolving, Apnar's plan, there would be some shifting of production as well of relatively low cost products from US to India. So, it is not one plus one equals two, you get my point.

So, yes, 25% plus growth target, what we indicated on the second quarter call is the minimum on which we are working. It can be better. Give us one more quarter, and we'll be able to give you a clearer answer to that.

Pujan Shah: Sure, sir. Thanks for the detailed explanation. My second question pertains to the emerging market. So, are we expecting the similar kind of EBITDA margins as we have been transitioning the business from being a negative EBITDA margin to flat and then we have performed way better. So, I just wanted to understand the dynamics right now. Should we consider the similar kind of margins should be expected in FY '27?

Swapnil Shah: Yes. So, we feel our margin profile on the emerging market, what we've seen in Q3, will further improve in Q4. And for the full year, what we see today as aconsolidated, we should get better further. So, , your observation is correct. I think we are going towards a better EBITDA profile in the emerging market as we speak.

Pujan Shah: And last, a bookkeeping question, sir. So, Swapnil sir, I have been looking at our con call history as well and was trying to understand our revenue recognition model. So, could you just help me a brief stating about how we recognize our model in terms of sales?

Because what I am being understood is that whenever we try to launch a product, we get a one-time fee and then ultimately licensing fee and then eventually it will be a partnership model for our own product model. And in terms of government, we get a CDMO basis.

Obviously, we don't have a direct reach to the government, but ultimately with a partnership, we have a direct reach to the government for the control substances as well. So, we directly recognize our fee and profit sharing from our partners who sells the product. Is that a correct understanding, or am I missing something?

Swapnil Shah: So, Pujan, it's correct and everything is contractual, So, both on our own products as well as CDMO, CMO. These are all the revenues that you've just mentioned, each stream of the revenue are part of our contract, the contractual obligation with our partner. So, your understanding is largely correct on that side.

Pujan Shah: Okay, got it, sir. And is there anything historically happened that we have any disagreement or any failure of contract which has impacted our inventory or any write-off has been happened in the past or it never happens in the case?

Swapnil Shah: So, Pujan, we only manufacture basis on a confirmed purchase order that we get from our partners and our manufacturing capacities are pre-sold. So, our finished goods inventory that we carry is very less like in terms of maybe max 15 days in terms of FG inventory that we carry.

So, if you look at it, so far, we've never had an issue of any inventory write-off because anything that we make is already pre-sold based on the purchase order that we get from our partners. So, that has not happened with us. We will not make it if there is no confirmed order, So, there is no question of inventory write-off whatsoever.

Pujan Shah: Okay, got it, sir. Thank you for explaining each question very well. Best of luck for the upcoming quarter.

Moderator: Thank you. The next question is from the line of Viraj Shah from Shah Investments. Please go ahead.

Viraj Shah: Hi, sir. Congratulations. Sir, recently just wanted to understand the other expense and depreciation line items for Q3. For this quarter, there's a good enough decline in the other expense compared to the last quarter that is Q2, FY '26. Also, depreciation has come down significantly from the last quarter at a time when we are expanding manufacturing capacity at the US plant. So, just wanted to understand these two line items from your side.

Deval Shah: Yes. Hi, Viraj. So, first coming to the other expenses, I think other expenses are a function of the consolidation thing and we have rationalized certain expenditure in the current quarter. So, there is a slight fall in other expenses to INR22 crores.

So, there is no specific reason, but we are controlling the expenses in a better way. We have put up solar plant in our facility. W just saved us the energy. We have gone for certain automations. We just saved us some labor costs. So, this is the addition of so many measures what we have taken.

Viraj Shah: Okay. Understood. Sir, recently there was some pledge of shares on the promoter side. We just wanted to understand the reason for the same. Also, any broad timeline when we expect this pledge to go?

Swapnil Shah: So, Viraj, there was a small pledge that happened that was largely to consolidate some of the borrowings, and it's not likely to go up any pledging whatsoever.

Viraj Shah: Okay. Understood, sir. Sir, also given that you have the proceeds from IPO still there, the company is now getting steady cash flow, operating cash flow. In that background, I just wanted to understand the rationale behind the insurance of the warrant, which was there for the promoter group recently.

Sanjay Majmudar: Yes. So, now, if you see, out of my IPO proceeds, we have specific about INR100 crores earmarked for our Atlanta facility, which we can't touch. On the GCP side, we have now a very little amount. As you see, as of 31st December, even after that, we had just about INR25 crores, and then we had done this Apnar acquisition in the current quarter, which further reduces.

Going by the growth trajectory, we worked out a situation where maybe about INR75 crores to INR100 crores could be an additional infusion required over the next 12 months, partly for new product acquisitions in terms of ANDAs or primarily for working capital margin.

So, with this, we thought that it was too small an amount to really go out and reach the market. And then therefore we thought of this structure as a warrant structure where 25% can be contributed now and as and when it is required, promoters can contribute the balance amount over maybe 6 to 12 months. That was the basic logic.

Viraj Shah: Okay. I understood, sir. Sir, all the best for the future.

Sanjay Majmudar: Thank you.

Moderator: Thank you. The next question is from the line of Foram Parekh from Bank of Baroda Capital Markets. Please go ahead.

Foram Parekh: Thank you for the opportunity. Congratulations on the good set of numbers. My first question is, could you please tell us about the acquired ANDAs? Like we have good 18, 20 acquired ANDAs. How many ANDAs have we launched, if at all? And by when do we intend to start commercializing and account on a quarterly basis, on average?

Swapnil Shah: Yes. Hi, Foram. So, we have launched about four ANDAs from the acquisition portfolio, as you speak. And as I said, we have another 28 products that are approved, that are yet to be launched, which are also part of our acquisition portfolio, which will be launched in the next 6 to 8 quarters, as we have stated before. So, the launch will continue.

Also, some of those products, we are also launching in government business, not just the retail or anything. So, a lot of government side of the business, out of that acquisition, will also happen. And it is already happening. Out of four, I think three, we have already launched in the government, as we speak. So, that will continue to grow on that side.

Foram Parekh: Okay. And could you tell us on the margins front, like I know this quarter, margins have fallen from 44% to 40%. But with so many product launches, do you see this visibility of surpassing the peak EBITDA margin of 44% with so many product launches?

Deval Shah: Forum, I think last quarter also we said that this 44% was a one-off, I think due to some product mix and other mix of income. But sustainable margin, what we see, gross margin, EBITDA margin for the US business is around 40%. Going forward, it will be improved by a percentage or so, but long term, what we see is around 40%.

Foram Parekh: Okay. And likewise in the emerging markets also, like this quarter we have done good, but we also have good 56 products to be launched. So, with this 13%, what could be the peak margin we can anticipate on the emerging market front?

Swapnil Shah: Yes. So, what we've said is we expect EBITDA margin on emerging market to be upwards to close to 20%.

Swapnil Shah: At the peak. Not necessary, that will happen next quarter. What we see next quarter is definitely better than this quarter in terms of margin profile. And full year, if you look at it from a previous year, it is going to be significantly, very significantly better.

Swapnil Shah: FY’27. So, next year, FY’27, we feel that margin when we get to about 18%, 20% to 22% kind of a number should stabilize and then maybe another three, four quarters, it should improve further couple of basis points. So, we feel that trajectory we already have started, which will continue to get better as next quarters come in.

Foram Parekh: Sure. That's helpful. Thirdly, could you please tell us on the capex front, like our Atlanta Oral Solid Facility, I mean, we have 1 billion tablets, and we intend to expand to 2 billion tablets. So, like, by when can we expect this expansion to be completed, any light on that front?

Deval Shah: So, that capacity expansion, I think it's likely to be done by next year. Now, since we already have Apnar in our fold, so we already have an extended capacity directly now. So, next year, we'll see and expand the capacity there.

Swapnil Shah: Yes. So, what we are structurally doing is, we are, as Sanjay bhai just mentioned, there are a lot of, there are some low margin products that doesn't require or that's optional for US manufacturing, might be moving to India at Apnar. So, that opens up my capacity for the US. So, that can be utilized for a higher margin business.

So, overall, if you look at scheme of things on both the sides, we get facility utilized, your facility utilization opens up for a higher margin, and those products are being made at India side. So, put you, put all these things together, I think we are already at about a 2 billion manufacturing unit capacity, which further will grow next year as we put in more capacities.

But we are watching it carefully quarter over quarter, month over month in terms of what is the utilization levels, how swiftly we are able to transition our products from US to India, how the margin profile happens for India. So, we are keeping very close watch on those metrics as we speak.

Foram Parekh: Okay. That's also very helpful. And my last question is a little broad sense. So, we are seeing 100% PAT growth since two years in a row and with so many levers, you know, with Apnar and new product launches, both on the developed and acquired side and expanded capacity. So, do we expect, I know it's a little premature, but can we have visibility of recording 100% growth at the bottom line in FY'27 as well?

Sanjay Majmudar: Forum, we wish that your words would come true, but as we say it very cautiously, please give us some more time to work out how exactly the next year is going to pan out. You see, from last year to this year, 100% growth was also due to a relatively lower base effect. Now, once I'm at INR650 crores and maybe a INR100 plus crores kind of a PAT this year, 100 and 105, 115, whatever it comes, to expect that 100% to, you know, it's a little asking too much, but I would say a very decent top line growth and a slightly better bottom line growth is what we are targeting. You get my point?

Foram Parekh: Yes, sure. No problem. That's helpful. And all the best for the next quarter.

Moderator: Thank you. The next question is from the line of Maitri Seth from Choice Institutional Equities. Please go ahead.

Maitri Seth: Thank you for the follow-up opportunity. Just a few questions. One is on the capex front. If you can quantify how much capex spend we are expecting for the next two to three years?

Deval Shah: So, capex two to three years, I think we need, should be around INR50 crores to INR100 crores in between, depending on the requirement. Because earlier we were planning a capex in the US, but since we have got Apnar now,

Deval Shah: Sort of the fixed capital asset. Annual kind of a run rate.

Maitri Seth: Okay. And second is on the receivable and payable days, if you can help us understand how many receivable and payable days we are seeing currently?

Deval Shah: I think net versus capital cycle is around 90 days, 94 days.

Maitri Seth: Okay. Thank you.

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

Swapnil Shah: Thank you. I would like to once again thank everyone for joining our earnings call. We will keep updating the investor community on a regular basis on the development sets and orders. I hope we've been able to address all your queries. For any further information, kindly get in touch with us directly or through our investor relations partner. Thank you very much.

Sanjay Majmudar: Thank you, and have a good evening.

Moderator: Thank you all. On behalf of Ambit Capital Private Limited, that concludes this conference. Thank you all for joining us today, and you may now disconnect your lines.