

**ALKEM LABORATORIES LTD.**

Regd. Office : ALKEM HOUSE, Senapati Bapat Marg,
Lower Parel (West), Mumbai - 400 013, Maharashtra, India.

- Phone: +91-22-3982 9999 • Fax: 022-2495 2955
- Email: contact@alkem.com • Website: www.alkemlabs.com
- CIN: L00305MH1973PLC174201

01st June, 2026

To,

The Corporate Relationship Department BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001. <i>Scrip Code: 539523</i>	National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai 400 051. <i>Scrip Symbol: ALKEM</i>
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Sub: Q4 FY2026 - Earnings Conference Call Transcript

Dear Sir(s) / Madam,

We enclose herewith the transcript of “Q4 FY2026 Earnings Conference Call” which was hosted by the Company on Thursday, 28th May, 2026.

The said transcript shall also be made available on the website of the Company.

Kindly take the same on record.

Sincerely,
For **Alkem Laboratories Limited**

Manish Narang
President - Legal, Company Secretary & Compliance Officer

Encl.: a/a



“Alkem Laboratories Limited
Q4 FY26 Earnings Conference Call”

May 28, 2026



MANAGEMENT: **MR. SANDEEP SINGH – MANAGING DIRECTOR –
ALKEM LABORATORIES LIMITED**
**DR. VIKAS GUPTA – CHIEF EXECUTIVE OFFICER –
ALKEM LABORATORIES LIMITED**
**MR. NITIN AGRAWAL – CHIEF FINANCIAL OFFICER –
ALKEM LABORATORIES LIMITED**
**MS. PURVI SHAH – HEAD OF INVESTOR RELATIONS –
ALKEM LABORATORIES LIMITED**

MODERATOR: **MR. TUSHAR MANUDHANE – MOTILAL OSWAL
FINANCIAL SERVICES LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the Alkem Laboratories Limited Q4 FY26 Earnings Conference Call hosted by Motilal Oswal Financial Services Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference, 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. Tushar Manudhane from Motilal Oswal Financial Services. Thank you, and over to you, sir.

Tushar Manudhane: Thanks, Dorwin. Good evening, and a warm welcome for fourth quarter FY26 Earnings Call of Alkem Laboratories. From the management side, we have Mr. Sandeep Singh, Managing Director; Dr. Vikas Gupta, CEO; Mr. Nitin Agrawal, CFO; and Ms. Purvi Shah, Head of Investor Relations. Over to you, Purvi.

Purvi Shah: Thank you, Tushar. Good evening, everyone. On behalf of Alkem Laboratories, I welcome you all to our Q4 and FY '26 earnings conference call. We are happy to have our Managing Director, Mr. Sandeep Singh, on the call today to engage directly with all of you, and he'll address any queries related to the future strategy, leadership transition and future outlook. Earlier today, we announced our financial results along with the press release and investor presentation, all of which are available on our website and also have been filed with the stock exchanges. We hope you have had an opportunity to review them. Before we begin, I'd like to remind everyone that this call is being recorded, and the audio recording and transcript will be made available on the stock exchanges and our website shortly after the conclusion of the call. Please note that today's discussion may include certain forward-looking statements, and these statements should be viewed in conjunction with the risks and uncertainties associated with our business and the environment in which we operate. With that, I would now like to hand over the call to our MD, Mr. Sandeep Singh, for his insights. Over to you, sir.

Sandeep Singh: Thank you, Purvi. So good evening, everyone. FY '26 has been a landmark year. We crossed INR3,000 crores of EBITDA. So, it's been a fantastic year. And I will let Vikas fill in more details, but I would just like to say we remain excited for the future, and it has been a great year. We launched GLP-1, where we are doing extremely well. And both Medtech and biosimilar bio CDMOs continue to be our growth areas. With this, I think it's Vikas, you please take over. Thank you, Doctor. And I would like to place on record that Dr. Vikas is going to now kind of proceed from Alkem and he's done a fantastic job, and he will be missed. And I'm sure that you all will join me to wish him all the best for his career. Thank you.

Vikas Gupta: Thank you so much, Mr. Sandeep Singh, and thank you, everyone, for being on the call. And I must, at the beginning, thank you all for all the patience and support and guidance that you had during my tenure at Alkem, and I really value and cherish my journey over here.

As I speak about the Q4 and the annual results for the financial year FY '26, it has been a landmark year for Alkem, and it has been marked by a very strong broad-based growth. We have had a record profitability. We have continued our progress across our strategic priorities. So, I'm happy to share that we delivered our highest ever EBITDA during the year with surpassing INR3,000 crores on an annualized basis, reflecting the strength of our business growth strategy, disciplined execution and operational excellence. Our performance was supported by a very

healthy momentum across both the India branded generic market as well as the international businesses. In India, we continue to outperform the market across several key therapies with strong traction in Chronic segments and sustained brand performance.

I'm particularly pleased with our new product performance and the launches that we have done. It has been outstanding during the year, and a key highlight has been the successful day 1 launch of semaglutide in the month of March 2026. While these are very early trends, but I'm happy to share that in the most recent IQVIA report, we could garner a market -- unit market share of around 11% and we expect it to go up even further in the coming months. So, it has been a strong launch that we have done. Internationally, both the U.S. as well as non-U.S. businesses delivered very strong growth, supported by the new launches, market expansion and steady execution. Importantly, the year also reflected the benefits of an improving business mix. We got operating leverage and continued our cost discipline, which contributed to a meaningful margin expansion.

I will now present the key financial highlights of Q4 and FY '26. In Q4, our total revenue from operations was INR36,033 million with a Y-o-Y growth of 14.6% India sales were INR23,245 million with a Y-o-Y growth of 8.8%. But if you look at our branded generic business growth, that has been close to 10% and international sales were INR12,223 million with a Y-o-Y growth of 25.4%. EBITDA was INR5,174 million, resulting in an EBITDA margin of 14.4% for the Q4 FY '25 versus 12.4% for Q4 2025 -- sorry, it is INR5,174 for FY '26 EBITDA grew by 32.2% Y-o-Y. R&D expenses for Q4 FY '26 were INR2,293 million, which is 6.4% of our total revenue from operations. But on an annualized basis, it is pretty much as per our guidance. Profit before tax was INR5,578 million with a Y-o-Y growth of 40.7%. Exceptional items for the quarter included INR602.7 million incremental liability towards gratuity and leave encashment for the past service cost following finalization of central loans under the labor codes and INR747 million impairment of real estate investments. Net profit was INR2,365 million.

According to IQVIA data for Q4 FY '26, the company registered a growth of 11.1% Y-o-Y versus the IPM, which grew at close to 10% Acute segment reported a growth of 10% versus IPM, which grew by 7.7% and chronic segment reported 16.1% versus the IPM growth of 13.6%, which is almost a 250-basis point outperformance. We have outperformed in 6 key focused therapies, which are meaningful for us in terms of the internal value, which is GI therapy, Vitamins and Minerals, Pain, Antidiabetic, Respiratory and Dermatology.

For FY '26, the key financial highlights, the total revenue from operations stands at INR1,47,123 million with a Y-o-Y growth of 13.5%. India sales were INR98,514 million with a Y-o-Y growth of 9.7%. International sales were INR4,610 million with a Y-o-Y growth of 22.5%. EBITDA was INR3,052 million, resulting in an EBITDA margin of 20.4% versus 19.4% in FY '25 and EBITDA overall grew by 19.6% Y-o-Y. R&D expenses for the whole year were INR6,173 million, which is 4.2% of the total revenue from operations versus INR5,620 million in FY '25, which was 4.3% of the total revenue in that year. Profit before tax after exceptional item was INR28,709 million, which is a Y-o-Y growth of 13.6%. There were exceptional items for the year, and I think subsequent details can be given by the finance team by Nitin in the later call.

The outlook, as we enter FY '27, we strive to drive the growth and profitability with continued focus on strengthening execution, improving the overall portfolio mix and expanding our differentiated pipeline, thereby creating long-term value through disciplined investments and operational excellence. While we remain optimistic on sustaining our momentum in FY '27, the current geopolitical environment and evolving global supply chain dynamics have resulted in increased logistics costs along with some pressure on APIs and the packaging materials. We are continuously watching these changing trends. These external factors may lead to some near-term headwinds. However, we are closely monitoring the situation and trying to proactively manage our supply chain. We are confident that with our strong capabilities and adequate inventory built up, we are well positioned to mitigate the potential disruptions and ensure continuity of operations. For FY '26, our tax rate has gone up and we can have the subsequent details on the reasons for the same later during the call. With this, I will open the floor for Q&A.

Moderator: Thank you very much. We will now begin the question and answer session. Our first question comes from the line of Sucrit D Patil from Eyesight Fintrade Private Limited.

Sucrit D Patil: I have 2 questions. My first question to Mr. Sandeep is, what type of strategic levers are you prioritizing in FY '26, '27 to expand Alkem's domestic formulation leadership and accelerate growth in chronic therapy and manage risk from regulatory pricing pressures and global competition? That's my first question. I'll ask my second question after this?

Sandeep Singh: Yes. So, I think there is no strategic lever for '26, '27. Every year, we don't have a strategic lever. We are continuing on whatever strategy we had decided last 2 years, and that's paying good yield. I think Vikas can go into depth. But for example, GLP-1, we're doing extremely well in semaglutide. So, things are working. What pricing risk we do to mitigate, I think nobody in the world can do that because the pricing is going by regulations which we have to follow. Vikas, over to you.

Vikas Gupta: Yes, sure. So Sucrit, I think I've always maintained that domestic is one of our top most priorities. So, one, we have strengthened our new launches a lot in our domestic business. We have -- I spoke about a few years ago, we had restructured the businesses, and that's paying very good dividend in terms of the overall growth that we are seeing across therapies as far as domestic business is concerned. We recently launched semaglutide, and I think that will be one of the biggest priorities for us in the coming year. We are seeing very good trends as far as -- and that will propel our overall chronic growth in addition to -- and that will contribute to even the India growth overall. We have also looked at strategic expansion of manpower as far as India business is concerned, domestic business is concerned. So, we have added people wherever we are very bullish about growth and largely on the chronic side because that is where our entire focus has been. And I was just looking at the trends. If you look at the definition of acute and chronic, then today, our chronic business as far as branded generic business is concerned. We are close to 22% of our business is from chronic and which is if you see our last 3- or 4-years trend, every year, we are improving it internally by at least 1%. And we see with now newer and newer products coming in over a period of time on chronic, we expect it to get strengthened even further. So I think it's a journey, and we are very consistent, as Mr. Sandeep Singh just mentioned. So this is -- we are just playing on the whole -- we'll focus on execution of whatever strategy we have planned out for domestic business.

Sucrit D Patil:

My second question to Mr. Agarwal is, again, a forward-looking one. What type of capital allocation and risk management framework have been applied in '26, '27 to balance dividend payouts with funding for R&D in biosimilars and specialty drugs hedge -- sorry, any hedge against forex and raw material volatility? And any liquidity buffers put into place to sustain the profits and go for the large case expansion projects?

Nitin Agrawal:

Okay. Let me first take the forex part. So, we have a forex policy, and we generally cover 80% or we hedge 80% of our forex exposure. In terms of raw material prices, see, due to what going on, we can see the raw material prices are increasing, the packing material prices are increasing and we have been cautiously watching the prices, and we have been taking calls on a weekly basis whether to cover and how much to cover. Definitely, there is an impact on first quarter. There will be impact going forward also if the situation doesn't improve from here. I will not share any numbers in this call regarding how much will be the impact, but we are continuously monitoring our inventory levels. And whenever there is a dip in price, we also book for API and for packing material also, we build our inventory. But you're right that there will be some impact on account of the API prices and packing going forward in this year. On capital allocation, we said during our last call also that Occlutech is one of our biggest investment in last 10 years and we don't foresee any further investment into acquisitions at least for the next 12 months. We want to first actually integrate Occlutech into our Alkem MedTech business, and that itself will take, say, another 12 months to do it. In terms of dividend policy, currently, I think we actually declare 25% to 30% of our PAT as dividend. In next year, since we'll be coming out of MAT, definitely, the PAT, you will see that -- and we have actually discussed this in a few of our previous calls also that our tax rate will significantly go up from FY '27. So definitely, there will -- if we maintain the same dividend which we have declared in the last few years, if we maintain the same absolute value, then definitely the payout percentage will go up. But we don't foresee any major reduction in absolute value of dividend. The second good thing is that we will be -- we have decided to move to the new tax regime from April '26 onwards. So, the past declaration -- sorry, the past numbers, which I have shared that our tax rate will be around 35% to 38% going forward. So, we want to revise our guidance on tax rate. The number will be around 27% to 29% going forward. So, which will increase our cash accumulation also over the years. I hope I have answered all the question or is any other.

Moderator:

Our next question is from the line of Neha Manpuria with Bank of America.

Neha Manpuria:

My first question is on the India business growth. Vikas sir, you mentioned that the semaglutide launch priority, which will add to growth. Given that we have grown this year at close to about 10%, how should we think about growth going forward? Should we assume that growth improves further? And if you could also give us some color into how the trade generic business grew in FY '26 rebranded?

Vikas Gupta:

So, thanks for your question. I have always maintained that we will grow 100 to 150 basis points higher than the market. Now what has happened is GLP has added to overall market growth as well. So, if the market growth improves, we will continue our growth trajectory 100 to 150 basis points higher than the market, which is what we have achieved even in the current year, and we expect that to happen in the coming year as well. And definitely, semaglutide will add -- will

play a role in -- for us to ensure that kind of growth. What was your second part of your question? Sorry, come again.

Neha Manpuria: On the trade generics.

Vikas Gupta: Trade generic, this year, we had carved out a separate entity, and during that transition, we have had certain challenges. So, this year, the growth has been lesser as far as trade generic is concerned, it's close to around 4.3% on an annualized basis. But our focus on -- in the trade generic business has largely been on the profitability. I have said it earlier also, we have focused on margin improvement as far as trade generic business is concerned. So, we have not chased just top line. There are challenges in that business in terms of the overall receivables that can happen. So, we want to focus on margin improvement as far as trade generic business is concerned. And our key growth driver, branded generic business where we want to be very fast as compared to market. I think that is what it continues. On trade generic business also, we are pretty hopeful that the coming year, our growth will be much better than this year.

Nitin Agrawal: Just to add, because of the sales cutoff issues, we could not deliver. So, the reported growth is on the lower side.

Vikas Gupta: On the trade generic.

Nitin Agrawal: On the trade generic side.

Neha Manpuria: Understood. That's helpful. My second question is on the cost pressures that you mentioned. Given that we don't know when the situation is going to improve and the cost pressures that you've talked about, how should we think about the margin improvement guidance that we have mentioned in the past that we should see 100 basis points margin improvement every year? Would it be possible for us to deliver on that or do you think the best case at the moment would be for us to be able to maintain the FY '26 margins?

Dr. Vikas Gupta: So, Neha, this is -- you know that geopolitical environment is very unstable, right? and when we had given the guidance of 100 basis points improvement maybe every year, that is more on a more stable and a like-to-like period. And we still believe that operationally, if everything remains the same, we would do that. In the current scenario, it's a moving goalpost. We don't know how much time, how much price variability, how inflation will play out. But I think we will continue to do things that are there in our control. We are taking various measures, whatever we can to mitigate or minimize the risk. But yes, I think in the current scenario, it looks like whatever we have achieved in the current year, we should be pretty much in line with at least that. But of course, as the quarters would progress, we will have more clarity on what kind of headwinds would play out. And I think in the -- by H2 or Q3 of this year we will be clearer as to how the environment is prevailing because anything that we predict at this stage may or may not turn out to be true because this is something beyond any -- and I'm sure every business is having a similar trend and every business is having a similar sentiment.

Neha Manpuria: Sure. Understood, sir. But based on -- okay, my second -- sorry, one last question, if I may. On the operating cost in the quarter, I see that R&D has increased materially. We've also seen an increase in other expenses. So, any color on -- is this a sustainable base of cost that we should assume? So, I mean, R&D, what should be the range as well as the other expenses?

Dr. Vikas Gupta: So, in terms of R&D spend, I've always maintained our filing cycle is such that Q4, we file maximum number of products. So, in Q4, even last year, we had 5% of our revenue as the R&D spend. And this year, it has been around 6%, 6.5%. But if you look at the annual spend for -- it will be within the range of 4% to 5% only. Even this year, we have been at 4.2%. Last year, we were at 4.3%. So, it has been pretty similar in terms of our overall percentage. And we expect it to be similar between 4% to 5% even in the coming year.

Neha Manpuria: And other expenses?

Nitin Agrawal: In terms of other expenses, definitely, there will be some inflationary pressures and not only on the API prices, but on other costs also, but we don't expect it to increase. There will be increase of -- I'm talking increase without, say, Occlutech acquisition, which will happen in, say, 1 or 2 months, the share transfers will happen. Other than that, the other expenses can increase by 7% to 8%, not beyond that.

Vikas Gupta: See, if your question is only on the Q4, why we have, say, an INR200 crores type increase from Q3 to Q4 on our other expenses, then there are various heads and various reasons to it. One, we carried out some due diligences because we were acquiring certain companies. So that has added to -- that's a onetime cost which is featuring in this quarter. We had foreign currency impact because even the foreign subsidiaries expenses as the rupee would depreciate, that adds on to the cost. So that's one impact. Then there are some internal renovation costs, etcetera, which were more onetime, which is also featured as part of other expenses. But as Nitin has guided, I think from a broad outlook range, you can consider it more than that.

Moderator: Our next question comes from the line of Sandeep Kumar with Clindus Research Solutions.

Sandeep Kumar: An update on.

Moderator: Sorry to interrupt, Sandeep, but your line is not very clear.

Sandeep Kumar: Am I audible enough?

Moderator: This is a little better, please go ahead.

Sandeep Kumar: Could management provide a regulatory launch time line for the Denosumab portfolio? Currently, I know we are in the FDA inspection activity. So how should we think about the approval and launch timing for Prolia & Xgevia biosimilars in the U.S.?

Sandeep Singh: So yes, we are under approval. I think this -- I think if we are good, maybe by next quarter -- I mean, next year's first quarter. So, there's still some time. And second thing, keep in mind that we don't have a basket yet. So, we have to figure that out as well. So, there could be an option we will out-license it to someone also, but we will not be launching it this year.

- Sandeep Kumar:** Yes. Okay. So my second question is on the European market. I know we have got the approval for Prolia biosimilar. So how we are going to tackle the pricing pressure in Europe? And when you are expecting the submission of a biosimilar in the European market?
- Sandeep Singh:** What -- sorry, what biosimilar last one?
- Sandeep Kumar:** Prolia biosimilar.
- Sandeep Singh:** Okay, that you asked Denosumab is the same thing, okay. So, we have -- I think that we have European partners for that. In European partner. So, the pricing pressures for everyone, we'll figure it out how it settles. But yes.
- Sandeep Kumar:** So, when are we expecting the submission for Xgevia biosimilar in the European market?
- Sandeep Singh:** I think one second, -- so I think we got approval for both. So right now, we have a partner only for one. So, we are not going to launch it anytime soon.
- Sandeep Kumar:** Okay. So, my last question is on Romosozumab of Evenity biosimilar?
- Sandeep Singh:** Excuse me, which mab?
- Sandeep Kumar:** Romosozumab.
- Sandeep Singh:** Yes, what about it?
- Sandeep Kumar:** Could you please provide any insights that when you're going to start?
- Sandeep Singh:** I don't think so we have that product in our pipeline.
- Vikas Gupta:** See, right now, we do not have the product in our pipeline. I think at an appropriate time, we can talk about that particular product. But please -- I mean, be more specific, that will be my request if there is any question...
- Moderator:** Our next question is from the line of Kunal Dhamesha with Macquarie.
- Kunal Dhamesha:** So, the first one on the -- what are your estimates or internal budget for growth in our various line of businesses for FY '27? And on margin, I think there are a lot of pulls and push -- but let's say, if we kind of combine all that, there is a positive impact of currency depreciation as well. Where do you see the FY '27 margin range to be? That's the first question?
- Vikas Gupta:** Kunal, thanks for your question. See, in terms of our estimates, if you ask me domestic, I've already called out that we should be 100 to 150 basis points higher than the market, which means that maybe a double-digit kind of growth is what we are looking forward to. If you look at from U.S. market, U.S. market from a currency-to-currency basis, the dollar to dollar, we are looking at a high single-digit margin and the currency gain would add up to that. And then if we have some new launches that will come in the H2, they will also contribute to some extent on our overall U.S. growth. From the ROW markets, we have looked at a higher teen's kind of growth. And we assume that, that is going to be the trend even in the coming year. So, I think this is the

broad outlook on the growth that we are anticipating for FY '27. I think I've already answered the question on the overall margins when Neha was asking. In the current scenario, we have touched a 20.4% kind of growth like-to-like, we would -- we should be within the range of 20% to 21%. But of course, there will be a better clarity on it considering the geopolitical situation stabilizes and we have more clarity on costs as we progress quarter after quarter within the year.

Kunal Dhamesha: Sure. And second question is on the -- what is the current contribution from the Medtech? And when will the Occlutech acquisition be concluded? And then when will we start seeing those numbers in the Alkem's numbers?

Sandeep Singh: Yes. The contribution is less than a percentage right now, Medtech very small. And when the deal will close maybe in like in 45 to 60 days.

Kunal Dhamesha: 45 to 60 days, it will get completed.

Sandeep Singh: Yes, we estimate so.

Kunal Dhamesha: Okay. So, first quarter onwards, like quarter 2 onwards, we'll have full impact of Occlutech?

Sandeep Singh: `Yes. If the deal closes, yes.

Kunal Dhamesha: Okay. Perfect. And lastly, on this trade generic where Dr. Vikas highlighted that the focus has also been on the profitability. Just from a qualitative or directional perspective, between, let's say, the kind of business segments we have, like India branded generic, U.S., ROW, where would the trade generic profitability would fit in from the, let's say, the chronological order perspective? I think India branded would be the highest, but then where would trade generic fit in?

Vikas Gupta: We have not called out segment-wise profitability anyways. But what I can tell you is we have improved in the last few years. And now even trade generic is not very far from our corporate margins. So that has been our intent. And that is what we are continuously focusing on. So that's the range that I can give you.

Kunal Dhamesha: Sure. Thank you, and all the best to the team and all the best to Dr. Vikas for your new beginning.

Vikas Gupta: Thank you so much, Kunal. Thanks for all your support.

Moderator: Thank you. Our next question comes from the line of Abdulkader Puranwala with ICICI Securities.

Abdulkader Puranwala: Sir, my first question is with regards to the revenue and the cost of Enzene and the U.S. biologic plant what you have started. So, if you could highlight exactly the cost as well as the revenue in Q4?

Sandeep Singh: Yes. Broadly, I'll tell you, then maybe Nitin can fill in, he's a numbers man. So, see, if you split Enzene into 2 businesses, that is India and U.S., the reason I'm saying that because Enzene India started much earlier, Enzene U.S. just got commissioned last year or just a few months back.

So, India is around -- is in breakeven, much more than breakeven. We are in late -- early double digits, you can say teens EBITDA. U.S., we will lose money, of course, because it takes time to ramp up. So overall, yes, we'll not be EBITDA positive. Maybe this year, we'll be close to it. But I think India and engine U.S., we have to see separately to be fair to it. So, engine U.S. will take time to kind of get EBITDA breakeven.

Abdulkader Puranwala: Okay. And sir, on previous expectation what we had of at least a onetime asset turn at this particular site. So, I mean post the imposition of tariffs and more focus on in-sourcing, how is the order inflow at the U.S. engine manufacturing facility?

Sandeep Singh: I think early to say, see, these headlines are great. Everybody feels fantastic, but big companies take a lot of time. And don't forget big companies are setting up their own capacity. So that also plays out. We have to keep that in mind. So, I think its early days to declare any victory or that onetime asset turnover look dramatically different. Nothing of that sort has happened yet.

Abdulkader Puranwala: Understood. And sir, last one, just a suggestion from my end. So, if going ahead in the PPT after completing the acquisition of Occlutech, if you could also highlight the progress of Enzene as well as the Medtech business in terms of the way the assets are moving, would be very helpful.

Sandeep Singh: Yes, we'll do that. Whenever there's something meaningful to report, we will do it, sir.

Moderator: Our next question comes from the line of Tushar Manudhane with Motilal Oswal Financial Services.

Tushar Manudhane: Sir, firstly, on -- like as Vikas moves on, so if you could give a clarity in terms of are we going to look for a new CEO and then now that Occlutech is also there where, of course, business heads are there. So, if you could sort of give an overall CXO level in terms of the changes that would happen or any new person coming up on, if you could just share?

Sandeep Singh: Yes. Thank you, sir. I will -- -- so yes, we will look for a CEO. We have engaged with the top 3 global head and up for this. And that would be in place. It would take a few months, but business will go on because promoters are completely involved. And you spoke about Occlutech and other businesses. Keep in mind that the group businesses, which are not pharma, Occlutech or Enzene, they will report to, let's say, other promoters or MD. And the CEO would be look at the hardcore pharma business. That's the structure which we have. And going forward, it will remain the same.

Abdulkader Puranwala: Got it, sir. Sir, secondly, coming to the domestic formulation market, if you could share the number of MRs, attrition rate and what -- how do you think about scaling the MRs in FY '27, '28 maybe?

Dr. Vikas Gupta: So, we -- I just mentioned we have expanded some field force in the recent quarter. And so, our number of MRs at a group level is around 14,500. The other -- what was the attrition was the other question, right? We are at 18% to 19% kind of attrition currently and which has been a substantial reduction from the previous years and much lower than the industry average that we see. So, I think it's a pretty stable field force and now with the added number of people and large

part of that addition is on the chronic side because that's where we see the growth opportunity and which is what we are going after.

Tushar Manudhane: And just one on the semaglutide side, while in terms of dosage-wise, we are going to be only into injectables?

Vikas Gupta: Yes. So, at this stage, we have approval from the regulator for injectables, and we have entered that market. Our clinical trial for tablets is on. We will be going to the regulator in a while and once we get the approval from the innovator, we'll figure out the go-to-market strategy for...

Tushar Manudhane: And will this get extended further to ROW or let's say, non-U.S. markets?

Vikas Gupta: Yes, yes, correct. So, at this stage, we are looking at, like I mentioned in the earlier call as well, India is showing a lot of opportunity. We want to be absolutely sure and be on top of our supply chain for domestic market. We are also working on rest of the markets, including the U.S., but that will be -- that's not immediate. It will be in a while. So, we will start our filing even for the U.S. market, maybe in 1.5 years, we will file for U.S. And for ROW markets, we are just figuring out. We will be going after it, but it will be, say, a few quarters from now.

Tushar Manudhane: Okay. And just lastly, I missed the U.S. growth guidance, if you could repeat.

Dr. Vikas Gupta: On the U.S. growth...Yes. I mentioned that on a dollar-to-dollar basis, we will be a higher single-digit kind of growth. There will be a forex gain that might add to that growth. And then there are new launches that we are looking at. So put together, I think that's the guidance that I would give on the U.S. growth.

Moderator: Our next question is a follow-up from Neha Manpuria with Bank of America.

Neha Manpuria: Yes. Vikas sir, on this high single-digit U.S. guidance that you've mentioned, does this include the CDMO business that would also be reported under the U.S. revenue line.

Vikas Gupta: No, no. This I'm talking of pharma.

Neha Manpuria: Okay. So, the CDMO would be reported separately in that case?

Vikas Gupta: That will be a part of Enzene, but yes, you're right. As a geography, we report that. But this guidance is largely on the pharma.

Neha Manpuria: And when should we start seeing revenue from the CDMO business come through for Alkem?

Sandeep Singh: No CDMO has already started for Enzene, not from the U.S. plant that much. Last year, we recognized some CDMO from U.S. that was like less than INR100 crores. So, it's pretty small. It would take time for us to get like meaningfully like INR200 crores, INR300 crores. It will take us a couple of years.

Nitin Agrawal: And where would that reflect in the segmental breakup that we give?

Sandeep Singh: That will come in Enzene.

- Nitin Agrawal:** Currently, we don't share segment-wise sales or profitability, Neha. So, our plan is once it will become substantial, we'll start hitting not only for our but also...
- Sandeep Singh:** It will not reflect in the U.S. business
- Nitin Agrawal:** Yes. Currently, it is part of U.S., you're right.
- Moderator:** Our next question is from the line of Rahul Jeewani with IIFL Securities Limited.
- Rahul Jeewani:** Just on the U.S. business, we had received the approval for Tolvaptan. So when -- if you can talk about in terms of when could be a launch for the product? And when you launch, do you think the market would still be limited competition or you would expect the market to become competitive at the time of Al's launch?
- Vikas Gupta:** So, our expected launch is around September or October, somewhere around that time. And it's a limited player launch. It's not as crowded as some of the other markets, other product categories that we have seen. I think as compared to those, it's a limited player launch. So it should not be as crowded as some other -- as normally it happens in U.S.
- Rahul Jeewani:** Okay. So essentially, we are targeting launch in September, October of this year. So contribution should come in second half?
- Vikas Gupta:** Second half. Second half.
- Rahul Jeewani:** Sure. And with this Tolvaptan launch, given that you are talking about, let's say, limited competition market, that would imply that the U.S. business should grow much faster?
- Vikas Gupta:** Sorry, Rahul, just to qualify. At this stage, we still have 4 months, 5 months, we don't know. Other things will come down. So... The same. What happens is on the base business, U.S. as a market is a value erosion that we see over a period of time. So maybe in some products, you see a value erosion that would happen. But on the back of some of the new launches, we are able to make up. So, I think that is how -- that's why the guidance is on those lines.
- Rahul Jeewani:** Sure, sir. And my second question is with respect to the India business. You talked about TDX business growing, let's say, 4%, 4.5% in FY '26. That would essentially imply that the branded generics business grew closer to 11% last year. Now next year -- so what my question was, obviously, TGx growth last year was impacted because of the restructuring which you carried out. So, let's say, TGx on a stable trajectory next year and we're benefiting from GLP-1 or Sema scale up in India, then potentially the BGX growth for FY '27 could be even better than this 100, 150 basis point outperformance which you called out versus the IPL?
- Vikas Gupta:** See if the GLP-1 really, say, adds a lot of value, I'm sure the market growth would also be much higher. So that's why I have given the growth guidance relative to the market growth. So, if market also is bullish and the market growth from, say, a 9% moves to 11%, then our growth also will be much higher. I think it will be -- as a guidance, I would say 150 basis points ahead of market is fairly doable as far as that is concerned because that is just one product category.

And our large base is still acute. So chronic is, say, 22% to 23% of our overall base over there. So sometimes that weighted average plays out. But I think I will not do that calculation. I would just keep the focus clear on are we beating the market as far as 100 to 150 basis points is concerned. And then yes, of course, the growth can be bullish.

Nitin Agrawal: I mean FY '26 you assume we acquired -- also. So there was some incremental on account of acquisitions, which have already built in the base now.

Rahul Jeewani: Okay, sir. And given that you touched about on the acute business, so on anti-infectives, we have seen that the market continues to remain muted, both for the IPM as well as Alkem. So, any visibility in terms of when could we see some sort of a growth improvement in the acute therapies in India?

Vikas Gupta: See, the market may have been muted. But if you look at our growth, we have outperformed even in acute. And in acute, anti-infective is muted. And that too in anti-infectives, if you would see the struggle has been on the oral liquids as well as on the injectable side, right? If you see overall oral solids, they are still -- there have been some growth. It has been a shade better than -- so I think if you look at our growth, our growth has been, say, a high single-digit kind of growth even on that segment. But even in acute, we've -- say, for example, we've -- A to Z has been a great story for us in the recent years. We are really outperforming the market. We have seen very good growth coming out of that segment. Respiratory is growing pretty fast for us. So, there are areas, pain and analgesics we see as a category, we have revived our growth. So, if you look at some of those segments, we are getting good traction. But of course, when anti-infective market will come back, it is very hard for anybody to predict. That's more -- yes, I mean, we would rather not predict it and just do things that are in our control.

Rahul Jeewani: Sure. Dr. Vikas. Thank you for answering the question. I will join back the queue.

Moderator: Thank you. We have no further questions, ladies and gentlemen. I would now like to hand the conference over to the management for closing comments.

Purvi Shah: Thank you, everyone, for joining today's call and for all the thoughtful questions and active participation. Should you have any follow-up queries or require any further clarification, please feel free to reach out to us. Have a pleasant evening. Thank you.

Moderator: Thank you. On behalf of Motilal Oswal Financial Services, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.