November 06, 2026

To, **Listing Department,** **BSE Limited** **Phiroze Jeejeebhoy Towers,** **Dalal Street,** **Mumbai – 400 001** **Ref: BSE Scrip Code: 544497**	**To,** **The National Stock Exchange of India Ltd.** **The Listing Department** **Exchange Plaza,** **Bandra – Kurla Complex,** **Mumbai – 400051,** **NSE Scrip Code: AHCL**

Subject: Outcome of Q2/H1 FY27 Earnings Conference Call - Transcript

Dear Sir/Madam,

In compliance with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the Company's Q2/H1 FY27 Earnings Call held on November 03, 2026.

The same is being made available on the website of the Company at www.anlon.in

Kindly take the aforesaid information on record.

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

Thanking You.

Yours Faithfully,
For ANLON HEALTHCARE LIMITED

Rasadia Punitkumar Rameshbhai

Digitally signed by Rasadia Punitkumar Rameshbhai
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PUNITKUMAR RASADIA
MANAGING DIRECTOR
DIN: 06696258

“Anlon Healthcare Limited

Q2 H1 FY27 Earnings Conference Call”

November 03, 2026

MANAGEMENT: **MR. PUNITKUMAR RASADIA – CHAIRMAN AND MANAGING DIRECTOR – ANLON HEALTHCARE LIMITED**

MODERATOR: **MR. DIVYA SHETHIA – X-B4 ADVISORY**

Moderator: Ladies and gentlemen, good day, and welcome to the Q2 H1 FY27 Earnings Conference Call of Anlon Healthcare Limited, hosted by X-B4 Advisory. 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. Divya Shethia from X-B4 Advisory. Thank you, and over to you.

Divya Shethia: Thank you. Good evening, everyone, and welcome to the Q2 H1 FY27 Earnings Conference Call of Anlon Healthcare Limited. Today on this call, we have with us Mr. Punitkumar Rasadia, Chairman and Managing Director of the company.

This conference call may contain forward-looking statements about the company, which are based on beliefs, opinions and expectations as of today. Actual results may differ. The statements are not guarantees of future performance and may involve risks and uncertainties that are difficult to predict. A detailed Safe Harbor statement is given on the second page of earnings presentation of the company, which has been uploaded on the stock exchange and company's website as well.

With this, I now hand over the call to Mr. Punitkumar Rasadia for his opening remarks. Over to you, sir.

Punitkumar Rasadia: Good evening, everyone, and warm welcome to Anlon Healthcare Limited's Q2 and H1 FY27 Earnings Conference Call. Thank you all for joining us today. As we step into another existing phase of our journey, I would like to take a moment to express my heartfelt gratitude to all our stakeholders, investors and partners for their continued trust and support. I hope you have had an opportunity to go through our investor presentation, which has been uploaded on the stock exchange as well as on our company's website.

Let me now turn to the strategic progress during the period, which is important to understanding the transformation underway at Anlon. Anlon today operates through the parent company and 5 group entities spanning the pharmaceutical value chain. Apiqo Organics has opened an industrial and fine chemicals vertical as a new revenue stream outside pharmaceuticals, operating its own established product range.

We are also planning to allocate part of its reactor capacity to backward integrated intermediates, which we expect to support profitability as this scales. Bizotic Lifescience provides ready-to-operate API capacity at a second manufacturing site, reducing the execution risk and timeliness associated with the greenfield capacity.

Remember India, which is now Anlon Medicos marks our entry into finished dosage formulation with capabilities in tablet and capsule and access to over 30 formulation dossiers. And we

operate from Q3 FY27, taking us into domestic retail and hospital markets. During the period, we have further incorporated 2 new subsidiaries.

Anlon Biologics has been established to develop and manufacture peptides, oligonucleotides, biosimilar and biological composition. And Anlon Medico to manufacture surgical implants and medical devices across trauma, spine and joints. Both have been structured separately given the distinct manufacturing technology and regulatory pathways involved. We expect first revenue from Anlon Medicos in Q2 FY28 and from Anlon Biologics in Q4 FY28.

In terms of contribution during the half year, Anlon Healthcare on a stand-alone basis accounted for 44.6% of consolidated revenue, Apiqo Organics for 43.7% and Bizotic Lifescience for 11.7%. Within the Anlon stand-alone portfolio, API contributed 17.1% and intermediates 81.1% with the balance from nutraceutical and other products.

Taken together, our installed manufacturing capacity across the group now stands at approximately 1,900 to 2,000 metric tonne per annum against 400 metric tonne per annum at our Anlon parent facility. Our greenfield expansion at Rajkot will add roughly 1,200 metric tonne per annum through 8 new clean lines commissioning in Q1 FY28, which will allow us to run 8 APIs simultaneously, a further 500 metric tonnes per annum of expansion is planned across the group.

On the regulatory side, we have 21 DMFs filed with the global authorities. And we expect 5 to 7 of these products to commercialize during FY27. We are targeting 3 to 5 additional DMF filing this year and the launch of 7 new APIs across additional therapeutic categories. Our Ketoprofen DMF filing for the U.S. market is currently underway.

In CDMO, we continue to develop 3 molecules for 2 global innovator companies, so validation quantities for the first molecule have been supplied and commercial supplies are targeted from Q3 FY27. The remaining 2 molecules are in validation with commercialization targeted between Q4 FY27 to Q1 FY28. I would reiterate that CDMO molecule typically takes a minimum of 3 to 4 years from development to commercial revenue, which is precisely what makes this relationship durable once established.

We are also progressing our Loxoprofen topical gel for the Indian market. Regulatory filings are underway with CDSCO and DCGI with approval anticipated in FY28. The product is positioned against the diclofenac-based topicals that dominate the Indian pain relief market. And it takes us downstream into formulation level value on a molecule where we already control the chemistry and the key starting material.

On the industry, I will be brief. The global API and CDMO market continue to benefit from rising outsourcing with 73% of novel drugs approval in 2025 involving outsourced API manufacturing. Supply chains are diversifying away from single country sourcing. And India remains the principal beneficiary of the China Plus One strategy supported by domestic policy on API manufacturing.

What matters more is where Anlon leaves within that opportunity? We are among the very few Indian manufacturers for Loxoprofen Sodium Dihydrate, Ketoprofen, Dexketoprofen trometamol, molecules with a concentrated global supplier base and high regulatory barriers to entry. We hold DMF approval from PMDA in Japan, NMPA in China and ANVISA in Brazil for Loxoprofen and CEP from EDQM in Europe for Ketoprofen.

Loxoprofen is most prescribed NSAID in Japan. And we manufacture its key starting material, Loxoprofen Acid in-house. In this business, registration rather than price is getting factored. A new entrant must build the chemistry file with the DMF and clear customer audits in each jurisdiction before it can even quote. That is what makes our registered supplier status durable.

Before I take you through the numbers, let me revisit the margin position discussed on our last call in Q1 FY27. Our EBITDA margin had moderated to 17.8% on account of a sharp increase in raw material prices following the global geopolitical situation and consolidation of Anlon Medicos, which was then in an investment and turnaround phase.

We had indicated that we were working towards stabilizing margin in the 25% to 30% range during Q2 and Q3 of FY27. I'm pleased to report that we have made substantial progress on the commitment. Our EBITDA margin for Q2 FY27 recovered to 23.9%, an improvement of over 600 basis points sequentially.

EBITDA for the quarter grew 61.9% quarter-on-quarter. Revenue growth of 20.6%, reflecting the operating leverage now coming through as price revision flow into our contracts. We are approaching the guided range. And we expect to operate within the 25% to 30% band as the remaining price revision take effect and integration benefit across the group are realized.

Let me now take you through our performance for quarter on a consolidation basis. Revenue from operations for Q2 FY27 stood at INR105.61 crores compared to INR52.2 crores in Q2 FY26, a growth of 102.3% EBITDA for the quarter stood at INR25.24 crores against INR13.71 crores in the corresponding quarter, a growth of 84.1%. While profit after tax stood at INR17.18 crores compared to INR9.32 crores, a growth of 84.4%.

For the half year ended September '26, revenue from operations stood at INR193.17 crores compared to INR85.5 crores in H1 FY26, a growth of 125.9%. EBITDA for the half year was INR40.83 crores against INR19.95 crores, up 104.7% with margins at 21.1%. Profit after tax stood at INR25.46 crores compared to INR12.86 crores, a growth of 97.9%.

To place this in context, our revenue for the first half of FY27 has already exceeded our revenue for the whole FY26. As I mentioned on earlier calls, given the seasonality in our business, the half yearly trajectory is more representative measure of underlying momentum than any single quarter.

I would also draw your attention to the improvement in operating cash flow. Net cash used in operating activities in H1 FY27 was INR7.94 crores against INR79.44 crores for the full year

FY26. With the working capital outflow reducing materially, this is consistent with the commitment we made to deliver positive operating cash flow by end of FY27.

To conclude, H1 FY27 has been a period of significant strategic transformation for Anlon. We have broadened the platform well beyond intermediates and APIs. And while this transformation has carried some near-term pressure on margins, we believe this initiative materially strengthens our long-term competitive position. We remain committed to executing our strategy with discipline and to keeping all our stakeholders updated on our progress.

With this, I would now like to open the floor for question and answer. So, all the stakeholders can ask your question.

Moderator: Thank you, sir. We will now begin with the question-and-answer session. We have the first question from the line Nishita from Sapphire Capital.

Nishita: Congratulations on such good set of numbers. So, I just wanted to understand, like you said, we've already surpassed our FY26 revenue in H1 FY27 itself. So, can we expect our FY27 revenue as a whole to be around INR400 crores?

Punitkumar Rasadia: Yes. As we have mentioned in the last earnings call also that we are expecting between INR380 crores to INR400 crores in FY27. And we are almost in line with that target.

Nishita: Right. And what sort of revenue if you could give some guidance on FY28 as well?

Punitkumar Rasadia: See, right now, considering whatever the projects we are doing the expansion, the way what we are doing, we are expecting between INR650 crores to INR700 crores in FY28.

Nishita: Okay. Okay. And the margins will be in the range of 25% to 30% for both these, right?

Punitkumar Rasadia: Right now, we are expecting to maintain the sustainable margin between 25% to 28%. But I think whatever the global situation is there due to the pricing and some other external factors, we are able to achieve at the range of 23% to 24% as of now. But we are hoping that it will be between the sustainable range of 25% to 27%.

Nishita: Right. Okay. And like how fast can we ramp up our capacity for the template that we're doing in Anlon Medico?

Punitkumar Rasadia: See, Anlon Medicos, we are expected to get the first revenue in Q4 of this FY27 because due to certain re-registration and after takeover, some of the regulatory approvals were pending. So, it was a little bit delayed. So, I think by Q4, we'll start to get the revenue from Anlon Medicos.

Moderator: We have the next question from the line of Vaibhav Mishra from Finvestors Research.

Vaibhav Mishra: Many congratulations for the very strong set of numbers in Q2 and H1. And it's good to see the margins going towards 24% range. So, can we expect margins above this 24% range in Q3 and Q4 and in FY28? I mean to say that we cannot go below this 24% now, correct, sir?

Punitkumar Rasadia: Vaibhav, see, the situation is that last quarter was very unexpected for us due to the geopolitical situation and prices of crude and other petrochemical solvents and all those things. Now the situation is a little bit improved. We are successful to increase the price of our finished goods. We have convinced to our customer and that is the result to reach at the level of 23%, 24%.

Now, we are hoping that we'll at least reach up to 25%, 26% at least in the total financial full year results by FY27. So that is as of now. We are expecting on the basis of projection and the orders what we are having in hand. But for next year, FY28, it is very early to commit anything as of now. If the situation will remain the same, then definitely, we can expect the similar kind of EBITDA margin at the 25% to 27%.

Vaibhav Mishra: All right, sir. And sir, next question is regarding the CDMO. I think we were to start the commercial supply in Q3 FY27 for one of the molecules. So, we are already in Q3, I think 1 month has gone by. So, have you started the commercial supply for that molecule, sir?

Punitkumar Rasadia: We have not started yet because see the commercial quantity and the details we already received from the customer, I think it is still delayed by 1 or 2 months. So mostly by end of last month of Q3 or maybe first month of Q4, we can be able to supply the first commercial segment.

Vaibhav Mishra: Okay. And sir, for molecules 2 and 3, that were expected from Q4 to Q1, what?

Punitkumar Rasadia: I think validation is already completed at our end. So, we are ready to submit the material to customer, but the commercialization will take a minimum 6 to 8 months. So, we can expect after H1 of FY28.

Vaibhav Mishra: That we can expect from H1. Okay. And sir, regarding this capacity expansion that we were targeting in our Anlon Healthcare parent company from 400, I mean, additional 1,200, so that was to start from Q1, right, sir? So, is that on track? I mean, or is it?

Punitkumar Rasadia: That is on track. Construction activity has been already started. And I think by end of November, we'll have the finish of the first floor and other parallel equipment installation activity will be also started. So right now, we are on track. If any delay due to some of the regulatory or statutory approval, then it will be a little bit delayed. But as of now, we are on track that will complete by Q1 FY28.

Vaibhav Mishra: Yes. Sir, I was asking this because see, our next year's growth is, I think, totally dependent on this capacity only because this various capacity we are -- I mean, we are completely utilizing. We'll be completely utilizing by Q4. So, for the next year's growth, we will need that. So that's why I was asking.

Punitkumar Rasadia: Yes. So, we are almost on the track as of now. But I think maybe because there is some procedure of the public hearing that is going to be happened in the December. If there is not any delay or any postpone from the regulatory agency, then it will be 1 or 2 months delay. Otherwise, right now, as of now, we are on track for the construction part and the installation part.

Vaibhav Mishra: So, I think by Q1, it will complete. So, from Q2, we will get revenues from this or from Q1, we will get or from Q2?

Punitkumar Rasadia: From Q2, yes.

Vaibhav Mishra: Yes. And sir, INR130 crores capex we were doing for this expansion. So how much we have spent in-house, sir, out of INR130 crores?

Punitkumar Rasadia: Yes. I think right now it is not much spent. The only first initial stage, we have spent around INR15 crores to INR20 crores. Some of the part is given for the equipment, whatever we have finalized. So, maximum spend is expected by December only because we have to pay the advance payment to most of all the suppliers.

Vaibhav Mishra: Okay. Okay. And sir, regarding this stake that we were to acquire in Bizotic and Apiqo. So, when can we expect that to complete that transaction so that we can own 100% in them?

Punitkumar Rasadia: I think by 15th or 20th of this November because we already got the approval in principle from the stock exchange. So, allotment and swapping process is going on. So maybe within the next 8 to 10 days, it will be completed.

Vaibhav Mishra: Next 8 to 10 days. Okay, sir. And regarding this DMF filing that we were targeting, I think 21 DMFs we have filed and 5 to 7, we expected to commercialize in this year. So, have we commercialized any till now? I mean the additional 5 to 7 that we were expecting?

Punitkumar Rasadia: Yes. Out of the product what we are doing, almost 4 is already commercialized and validated. Their filing is already going on. So, I think 3 of the products we have planned to file by the December and remaining by the February and March.

Moderator: We have the next question from the line of Rounak Bajpai from Wealthmine Advisory.

Rounak Bajpai: Sir, my first question was in terms of margin improvement. We have gone up Q-o-Q by 600 bps. So, what is the reason for that? Is it that the raw material prices have normalized or have we passed on the cost to our customers?

Punitkumar Rasadia: Majorly, we have passed on the cost to the customer. Because raw material prices are not normalized yet. It is almost at par with what is increased after that war situation in the March.

Rounak Bajpai: Okay, sir. Understood. Sir, also you mentioned finished dosage in CDMO business. So, what kind of value addition are we targeting initially for these 2 segments? And what is the timeline for that value addition to reflect on the numbers?

Punitkumar Rasadia: See, right now, value addition, we have not considered in the figures of INR380 crores to INR400 crores also and next year, INR650 crores to INR700 crores also. Because see, generally, CDMO is depends on so many parameters. Now, we have validated one product. We are going to supply the commercial to customer. So, first year, they will also get the response with the market and the end product, what they are selling to the patients.

So, it will take a little bit time, at least 1 to 3 years to get the acceptability in the market for the product and the response from the patients and all those things. So, it depends on so many parameters. So, it is a little bit early for us to commit anything on that CDMO's contribution in the total turnover.

But to be on safer side, right now, we are not considering anything from the CDMO business. And the figures what we are expecting revenue that is with our existing business and whatever we are having the sure-shot commitment from the customer.

Rounak Bajpai: But if all done so well, let's say, so can we expect it by end of the quarter 4 FY28?

Punitkumar Rasadia: FY28, Q4, we are expecting one molecule will be definitely giving the significant contribution in the revenue. Another two molecules that is going to be commercialized in the last quarter of this FY27. So, I think we are able to comment anything on that after that only, that how much time it will take for the further commercialization time, so after submitting the validation quantity.

Rounak Bajpai: Also, sir, in terms of our cash flow improving, so what is the current working capital cycle? And what is the optimal working capital cycle that we are targeting and by what time?

Punitkumar Rasadia: See as of now, considering the current situation and considering the type of the unit operation, what we are doing at the manufacturing stage for the different products. I think 170 to 180 days would be the nominal working cycle for the cash flow.

And as of now, the working capital cycle, we have, means, operating cash flow, it is improved because of whatever the pending remaining receivables from the customer that we have recovered significantly. And we have reduced our credit terms to the customer.

And we become a little bit like say, the stronger control over the credit for 90 to 100 days only instead of the customer earlier paying between 130 to 140 days. So that has impacted and give us the cushion to improve the working capital cycle.

Rounak Bajpai: Okay, sir. And also, if I'm correct then our capacity for the quarter 2 was 1900 MTPA to 2000 MTPA. So, what is the utilization that we had for quarter 2?

Punitkumar Rasadia: In the Anlon or on consolidated basis?

Rounak Bajpai: Consolidated basis, sir.

Punitkumar Rasadia: See, right now on the consolidated basis, we are using almost 65% to 67%.

Rounak Bajpai: 65% to 67%. Okay.

Punitkumar Rasadia: But in Anlon stand-alone, we are at the optimum capacity of 85%, 86%. So now further, we can go after the new expansion only.

Rounak Bajpai: Okay. So, in terms of consolidated basis, we expect it to remain the same for the next 2 quarters? We can expect it to go higher?

Punitkumar Rasadia: Same.

Rounak Bajpai: Same, okay. Understood. And sir, last question. What is the revenue split between API and intermediate right now for H1? I think you mentioned it, but I forgot. And also, what is the margin for both the segments separately?

Punitkumar Rasadia: See, right now, intermediate and API where we are working, so intermediate is around 80% and API is around 20%. But the reason is that one of the products like Ketoprofen, what we are using, that is an API also is there, and it is the raw material, which is used as an intermediate for making of the Dexketoprofen.

So, the Ketoprofen API, what we are manufacturing, which is sold by us as an API that is considered as an API. Otherwise, where it is used for the manufacturing of the Dexketoprofen that is considered as an intermediate. So that's why the percentage of the intermediate is a little bit higher than compared to percentage of the API.

Rounak Bajpai: Okay, sir. And what is the margin profile of both the segments separately?

Punitkumar Rasadia: See, the API and intermediate is not having that much difference. So, we are working on the EBITDA of somewhere around 35% of the gross margin with the API and intermediate with a gross margin of around 35%.

Moderator: We have the next question from the line of Prateek Srivastava from Nivesh Vista.

Prateek Srivastava: Again, congratulations on a great set of numbers. Sir, my first question is actually around the DMF filing. So, I think on the Q1 concall, we said that we'll have in FY27, we'll have 7 DMF, the guidance of 7 DMF filing, but now it's cut down to 3 to 5. And what is happening on the U.S. Ketoprofen filing. When will that be done, sir?

Punitkumar Rasadia: See, we have planned the 7 DMF in FY27. So out of that 3 DMF is almost done and that we are planning by the December, filing by the December, another 2 to 3 DMF, it is planned by the Q4 of FY27. So around 6 DMF we'll file definitely by FY27. Maybe one is delayed because the complexity of that stability data and all those things. So maybe it will be delayed by 1 or 2 months. Otherwise, we are almost on track.

And regarding the Ketoprofen U.S. filing, it is at the same position. It is on hold because we are expecting the U.S. FDA trigger by one of our customers, which has not started yet. And right now, we are not having any plan to file the DMF directly for the U.S. of the Ketoprofen.

Prateek Srivastava: Got it. So, the second question again is on the numbers which are reviewed. So, I only see that only the parent has been reviewed by the auditor. The other 5 subsidiaries are only management furnished. So, I'm not sure I have heard.

Punitkumar Rasadia: Sorry, can you -- pardon? I just missed your voice.

Prateek Srivastava: Yes. Can you hear me now? Yes. Can you hear me now?

Punitkumar Rasadia: Yes, you're audible now.

Prateek Srivastava: Yes, sir. I was saying that on the numbers, I only see that only parent numbers are reviewed. The other 5 subsidiary numbers are only management furnished. Only the parent numbers are auditor reviewed. Sir, I think the SEBI requires 80% coverage requirement on a consolidated basis. And we only have like 57% of consolidated revenue which are audited so far.

Punitkumar Rasadia: No, I think consolidated is also reviewed by the auditor.

Prateek Srivastava: Are the other subsidiary numbers were reviewed by the auditor?

Punitkumar Rasadia: Yes.

Prateek Srivastava: Okay. Okay. Maybe I misunderstood.

Punitkumar Rasadia: I think the result what we have published in that both are given separately stand-alone and consolidated both.

Prateek Srivastava: Got it. Okay. I'll check that again. And sir, my last question is on this working capital. I'm seeing that I think our receivable days right now are around 123 days annualized after Q2 annualized revenue. Now, I'm seeing our payable days are 40 days, so we are paying fast and collecting slowly. Debt has also gone up, if I'm right.

Punitkumar Rasadia: See, the issue is that right now due to the geopolitical situation, the price we can get the material on 90-day basis also. But the cost of material is increased along with the interest rate also is if we are having the cash in hand and we are getting with the lower credit terms, then we are getting the better price that can also be beneficial in increase our PAT and profitability. So that's why we are buying with the short payment terms.

Moderator: We have the next question from the line of Deepak Chokhani from Raid Capital.

Deepak Chokhani: Just wanted to know in terms of the recent capital raising proposal, what will be the use of proceeds? And by when will it be finalized?

Punitkumar Rasadia: See, we have recently planned for the further fund infusion and all those things because there are so many activities going on in terms of the subsidiary and the parent company also. So, we are going for the Anlon Biologics where we are planning for some of the novel molecules for the peptide, oligonucleotide and the biosimilar facility.

So that fund is mostly going to be used for the further capex in parent and subsidiary companies and the exact planning and structuring is going on. And mostly within the November, before end of November, we'll finalize it and we'll call for the AGM and all those activities. So exact figure and amount is yet to be decided, but we have just finalized it up to INR250 crores. That is what we have intimated to exchange.

Moderator: We have the next question from the line of Bhavesh Patel from Patel Investments.

Bhavesh Patel: Congratulations, Punit bhai, on the great set of numbers. It is great to have highest ever quarterly revenue this quarter that we have. And as you highlighted, the half yearly numbers are -- I mean, exceeding the last year number as well. So, both the progress and growth is very impressive. And I'm sure exciting times are ahead for long-term investors like us.

I have a couple of questions. And that is, you did touch upon but still want your input on this is with the recent integration of companies, the consolidated EBITDA margin and PAT margin are decreasing. And can you let us know when would we have the kind of steady-state EBITDA margin and PAT margin guidance, maybe even FY28 onwards?

Punitkumar Rasadia: Bhavesh bhai, the reason is that right now, EBITDA and PAT margin are different in the categories of the business as Anlon Healthcare is working in the pharmaceutical intermediate and API with the set of the gross margin and EBITDA margin expectation is around 25%, 27%, with the PAT margin between 13% to 14%.

While we are in the Apiqo, it is the volume product, a little bit lower value product compared to the pharma market and slightly lower regulation in terms of the GMP and audit from the regulatory agency. There you will have the revenue is on the very higher side. But the sustainable EBITDA margin is somewhere around 20% to 23% with the PAT margin is around 11% to 13%.

So if you consider both these things and making it the total consolidation. Then I think the sustainable EBITDA margin for all consolidation is between 23% to 25%, while PAT margin is between 11% to 13%. So just last quarter, we have been affected by all this pricing war and all the short supply of the raw material.

That's why last quarter, it was reduced. But now I think this quarter, we have a little bit improved. And we are expected to sustain that. And mostly by end of the year, we'll reach up to the sustainable level what we are claiming.

Bhavesh Patel: And yes, we see the progress and wonderful performance on Apiqo side as well. In fact, if you can also help, highlight the plans and actions that will be taken by management to improve the

ROE because here also, especially we have seen a downward trend from a couple of years back. So -- and I can understand because of the integration of many companies, but still any particular action you're going to take to improve the ROE?

Punitkumar Rasadia: Bhavesh bhai, first, specifically to improve the ROE, we have to increase the profitability, and we are continuously working on that. And you rightly said that the reason in the down trend is that we are acquiring the 4, 5 companies and the operations are just started with just 6, 8 months. So that effects on the ROE.

But I think by FY27, you will definitely get the improvement in the ROE also once we are getting the better profitability in terms of the CDMO business or the formulation business. Even as far as in the new products, what we are introducing in the API, where we are having the better profitability compared to our regular product.

Bhavesh Patel: Great. And it's wonderful to see the progress that you have done in terms of almost being cash flow positive. And as you mentioned, maybe annual basis, we will be cash flow positive for FY27. There are 2 things, especially from a long-term investor like us.

Are you even thinking about dividend, if at all next year or maybe beyond? But at the same time, continue on your great growth story and increasing the capacity. So even if we are reinvesting every money in the business for increasing, that is also okay. But just want to understand from a long-term holder perspective.

Punitkumar Rasadia: Bhavesh bhai, it is early for me to commit anything on the part of the dividend. But management will definitely try to see that what is the possibility after all the ongoing activity of the further capex and expansion and further other commitments. So, I think by last quarter, we'll see that what is the cash availability and free cash flow with us after all the positive cash flow. So maybe in last quarter, we'll see on that and we'll revert to you for that.

Bhavesh Patel: Fantastic. That's all from my side and really very impressed with the entire leadership team, including you. Thank you for everything that you are doing and best wishes.

Punitkumar Rasadia: Thank you, Bhavesh bhai.

Moderator: We have the next question from the line of Priyansh Miri from NGP Family Office.

Priyansh Miri: Sir, I hope I am audible?

Punitkumar Rasadia: Yes, you are audible.

Priyansh Miri: Sir, when we talk about our revenue number for FY28, INR700 crores. So, what is the expected split for medical devices and the CDMO part, if you can elaborate?

Punitkumar Rasadia: See, medical devices, we have not expected any revenue by FY28 because we are expecting by Q3, it will be started to be contributing to the revenue. But I think first year, it will not be

significant. So, it is not considered in our projection of next year. We are mainly considering our ongoing business with ongoing products and the products what we have filed before last 1 or 2 years and which is now at the stage of the commercialization. So, we have the clarity from the customer.

And we have visibility for the next 2 years, 3 years projection for the set of the product what we have developed. So, on basis of that and the expansion, what we are doing right now. On the capacity, we are planning and projecting the revenue of INR680 crores to INR700 crores.

Priyansh Miri: Understood, sir. Sir, what about the CDMO part, sir? That is also not included in?

Punitkumar Rasadia: CDMO, out of that CDMO, one molecule we are expecting. But that first year would not be that much, the 20% or 25% of the revenue. That will be the good amount, but not sizable considering the INR680 crores to INR700 crores. So, I think that clarity we can have in the last quarter once the first treatment and the performance or results from -- we'll get it from the -- our customer who is expecting from the market and patients.

Priyansh Miri: Understood, sir. Sir, coming back to this medical device, what was the rationale given that we are switching from our API formulation track to medical devices. So, do we see any import substitution or demand from customers for this section?

Punitkumar Rasadia: See, there are 2 things. We are firstly not diverting from API and all those things. Basically, we are very strong in the area of the pain management where NSAID like Ketoprofen, Dexketoprofen, Loxoprofen is going to be used. And that medicines are mostly used for the patient for the orthopedic hospitals and other pain management segments. And in line with that, the products what we are supplying to customers is the major market and hospital supply for the medical devices.

So, we are just planning to enter in the whole ecosystem where we are supplying that implants or joints and everything. And we are planning to provide the medical medicine solution in terms of the Ketoprofen or Dexketoprofen compared to what the Indian patients are right now using ibuprofen or diclofenac because all these other NSAID like Loxoprofen is one of the safest NSAID compared to the ibuprofen, naproxen or diclofenac. So, we just want to enter in that whole ecosystem for that.

Priyansh Miri: Understood, sir. Sir, so your view on the EBITDA. Will it be ballpark around our -- what we do as a core business or above it? Can you give us some ballpark?

Punitkumar Rasadia: So that is for medical device?

Priyansh Miri: Yes, sir. Medical device.

Punitkumar Rasadia: So, see, basically, we are planning right now for the domestic market as well as some of the parts in the African market. And we are having an opportunity. And we see the space where our

medicine is getting used by the doctors and patients. So more or less the marketing and the end user will remain the same. So, we have to just put some additional efforts to promote our products, the implants and all those things. So ballpark number within the next 3 years, we are expecting somewhere around INR70 crores to INR80 crores of the business revenue in surgical business.

Priyansh Miri: Okay, sir. And EBITDA will be upwards of 25%?

Punitkumar Rasadia: Yes, that business is giving a better EBITDA compared to the pharma and medicine.

Priyansh Miri: Yes. Yes. That is what I want to understand. Okay, sir. Sir, another question on the share swap or taking the full ownership of our recent acquisition. So, you mentioned it will be complete by Q3, right?

Punitkumar Rasadia: Yes, we already got the in principal approval from the exchanges. So, allotment process is going on. So maybe within the next 8 to 10 days, it will be completed.

Priyansh Miri: Understood, sir. Sir, so for this, we are going for a share swap, right? But for further capex, like will internal accrual be sufficient? Or do you see any?

Punitkumar Rasadia: See, right now, we are going with the banks for the around INR65 crores to INR70 crores of the term loan for the ongoing capex at the Anlon Healthcare current capacity and further remaining balance will do with the internal accruals, so that is what we are planning right now.

Priyansh Miri: Understood, sir. Sir, one last question on our product side. Like injectables are also on our books, sir, going, let's say, 3 or 5 years down the line, given that is also?

Punitkumar Rasadia: Not 3 to 5 years, but mostly by end of next year, we'll have that. Because already that expansion for the injectable facility at Anlon Medicos is already started. Because that Anlon Biologics, what we are planning, the peptide or biosimilars or oligonucleotide, that is -- we are not planning to sell as an only API. So, we'll go in the finished dosage formulation way only. So, we are having some -- so we'll go with the end-to-end solution as a CDMO.

Priyansh Miri: So, do we have any tie-up or demand visibility already?

Punitkumar Rasadia: We are already discussing with some of the potential customers for the tie-up. And there is some open market also for all these products because this is a niche segment. And we are coming with some great molecules with a bigger capacity.

Moderator: We have the next question from the line of Vaibhav Mishra from Finvestors Research.

Vaibhav Mishra: Sir, my question is regarding the Anlon Medicos capacity. I think we had 500 MTPA to 600 MTPA. So, what kind of revenue can we expect at peak utilization from this Anlon Medicos capacity? What can it contribute at peak?

Punitkumar Rasadia: See, Anlon Medicos is a finished dosage formulation capacity, so 500 metric tonne is not the metrics to be used for the finished dosage. It is considered in terms of the number of tablets, capsule or ointment.

Vaibhav Mishra: So, what peak revenue we can get at this capacity, sir?

Punitkumar Rasadia: I think right now, the set of the product what we are planning in terms of the tablet and capsule that we can go up to the -- in existing setup with the product what we have finalized up to the INR80 crores to INR90 crores at the peak level. But the ointment what we are planning, the topical gel of the Loxoprofen. So, we are expecting the approval by at least Q1 of FY28 from the DCGI.

Once it will come, then we have plan to go with the pan-India marketing with our own formulation of the Loxoprofen. So, in those terms, the revenue may be much, much higher than what is the existing of the tablet and capsule, maybe 2x or 3x. So that is what we are anticipated right now.

Vaibhav Mishra: As of now, INR80 crores to INR90 crores, but after using the ointment, we can go much higher.

Punitkumar Rasadia: Yes.

Vaibhav Mishra: And sir, in Apiqo, we are planning. In PPT, you have mentioned that we are planning to add something 500 MTPA to 600 MTPA in Apiqo as well. So, any timeline for that expansion in Apiqo?

Punitkumar Rasadia: Apiqo expansion is expected to be complete by Q1 of FY28. That activity has already started from our end.

Vaibhav Mishra: So along with this Anlon parent?

Punitkumar Rasadia: Yes. Because there is some spare land at Anlon -- Apiqo's capacity. We just have to construct the block and install the equipment. Otherwise, remaining utilities and other facilities already there.

Moderator: We have the next follow-up question from the line of Priyansh Miri from NGP Family Office.

Priyansh Miri: Sir, one small follow-up question. The 3 APIs or the core APIs that we are targeting in our business. Is there any history sir, where China's dumping of that salt has created any margin pressure? Or how insulated are we sir, in terms of pricing on the salts?

Punitkumar Rasadia: See the thing is that the product what we are doing in that we are not having any dependency on any material from China. And we are almost replacing the Chinese manufacturer in all Europe, LATAM and Eastern side, Japan and Korea. So, China is nowhere in the competition in our product. And we are not planning to go with N number of products.

So, we are just focusing on the products where we are strong in terms of the chemistry, where we are strong in handling of the hazardous and poisonous material, which can give us the leverage against the China and in which we are trying to be the world largest for that.

So, we are planning that by -- after expansion of the existing capacity. We will be the world largest for the Ketoprofen and Dexketoprofen. So right now, Chinese prices and dumping is not relevant for us.

Priyansh Miri: Okay, sir. So, sir, just want to understand this further. Is this because the European client or U.S. clients are looking for China Plus One option? Or are we good in terms of cost advantage also like we are the lowest cost?

Punitkumar Rasadia: Both the things, both the things. Right now, we are having almost all the approvals, documentation and the capacity-wise, quality-wise, at par or better than the Chinese manufacturer, then there is an advantage of the China Plus One policy. And cost-wise also, we are almost lesser 10% or more than 10% to the Chinese price.

Moderator: Ladies and gentlemen, that was the last question. And with that, we conclude the question-and-answer session. I now hand the conference over to Mr. Punitkumar Rasadia for the closing comments. Thank you, and over to you, sir.

Punitkumar Rasadia: Yes. Thank you, everyone, for joining Anlon Healthcare Limited's Q2 and H1 FY27 earnings conference call and thank you for your questions. We would like to have your continued support as before. And we want you to be part of Anlon's journey with us. There is a great deal coming on the way. And we'll work to deliver on everything we have committed.

Should you have any further questions or require any clarification, please do reach out to our Investor Relations team at X-B4 Advisory and we would like to be happy to revert. We look forward to connecting with you again after the declaration of our Q3 results. Thank you once again.

Moderator: Thank you, sir. On behalf of Anlon Healthcare Limited, we conclude this conference. Thank you, everyone, for joining with us today and you may now disconnect your lines.