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BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001, India. Scrip Code: 544172	National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051, India. Trading symbol: INDGN

Dear Sir / Madam,

Subject: Transcript of the conference call on financial results for the quarter ended June 30, 2026

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the conference call for the quarter ended June 30, 2026, held on July 31, 2026.

The above information will be made available on the website of the Company: https://www.indegene.com/

We request you to kindly take the same on record.

Thanking You

Yours Sincerely,
For Indegene Limited

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"Indegene Limited

Q1 FY27 Earnings Conference Call"

July 31, 2026

MANAGEMENT:
MR. MANISH GUPTA – CHAIRMAN AND CHIEF EXECUTIVE OFFICER
MR. SUHAS PRABHU – CHIEF FINANCIAL OFFICER
MR. ABHISHEK AGARWAL – HEAD, INVESTOR RELATIONS

Moderator: Ladies and gentlemen, good day, and welcome to the Indegene Limited Q1 FY27 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Abhishek Agarwal, Head of Investor Relations, Indegene Limited. Thank you, and over to you, sir.

Abhishek Agarwal: Thank you, moderator. A very good morning to all of you and thank you for joining us today for Indegene's earnings conference call for the first quarter of financial year 2027. Today, we have with us Mr. Manish Gupta, Indegene's Chairman and CEO; and Mr. Suhas Prabhu, CFO, to share the highlights of the business and financials of the quarter.

I hope you have gone through our results release and the investor presentation, which have been uploaded on the website as well as the stock exchange website. The transcript of this call will be available in a week's time on the company's website.

Please note that today's discussion will be forward-looking in nature and must be viewed in relation to the risks pertaining to our business. After the end of this call, in case you have any further questions, please feel free to reach out with the Investor Relations team. Over to Manish.

Manish Gupta: Thank you, Abhishek. Good morning, everyone, and thank you for joining our Q1 FY27 earnings call.

Given that we are already midway through 2026, it is a good moment to take stock both of how our industry is doing and the start we have made to the year. Let me begin with the industry, then turn to our performance, our deal momentum, and I also want to continue to talk about what makes Indegene structurally different, as well as our outlook for the year.

Let's start with the industry. The global pharma industry continues to show resilient growth in 2026, expanding in the mid to high single digits year-on-year through the first half of the year. Notably, the top 20 global pharma companies who are the core of our customer base are outpacing that average with cumulative revenue growth of roughly 10% to 12% year-on-year in the first calendar quarter. These companies are expected to stay ahead of the broader industry. While anti-obesity remains the primary growth driver, what stands out is the breadth of momentum. High-value therapeutic categories such as immunology, oncology and mental health are all growing in double digits.

Most large pharma companies delivered strong first half results. The outcome varied by portfolio mix. 8 of the top 25 biopharma posted double-digit revenue growth in the first quarter. Only a handful of those with heavy loss of exclusivity (LoE) exposure or waning COVID-19 sales saw a decline. Smaller biotechs had a more mixed first half. Funding in biotech and IPO conditions remain selective. But an uptick in partnerships and M&A provided relief with big pharma spending over $100 billion on biopharma acquisitions in the first half – on pace for the largest deal value since 2019 – as companies buy pipeline to address patent cliffs. The outlook for the second half and beyond remains constructive with analysts projecting sustained mid-single-digit global pharma growth through 2027.

Now let's look at the regulatory front. There are no major items of note this quarter. The industry continues to navigate pricing pressure, loss of exclusivity through a two-pronged response. First, several mega brands facing material loss of exclusivity risk are reimagining their marketing spends to maximize portfolio economics, a trend that benefits us directly. The $10 million-plus omnichannel marketing deal, which we had won and spoken about in Q3 is a clear example of that. Second, the drug pipeline remains near historic highs, as the industry shifts towards advancing multiple candidates rather than betting on a single blockbuster. This is a multiyear trend, and its effect is that pharma will need far more efficient ways to run commercial operations across wider portfolios with lower peak sales per asset. A key enabler for this, we believe, is going to be AI, which is already compressing timelines and lowering the cost of advancing candidates. Each of these forces plays to Indegene's strength.

With this broad background, now let me turn to our own performance. And let me be direct, we have started the year well. Q1 revenues came in at INR10,631 million, growing 39.7% year-on-year and 6% quarter-on-quarter. This is the strongest quarter-on-quarter growth we have delivered in a first quarter in four years, and we see this as a base on which we will continue to build momentum. This growth is broad-based, not a one-off. Importantly, it was led by accounts beyond our top 20, which now contribute more than a third of our total revenues.

Our active client base crossed the milestone of 100, reaching 105, and we have added 2 customers to the $10 million to $25 million bucket, taking that cohort to 9. Our revenue per employee, something which we've been alluding to in all our calls now is approximately $77,000. On a trailing 12-month basis. This remains industry-leading, a direct reflection of the quality of our engagements and the productivity of our model.

A word on demand environment. Across our conversations, customers are genuinely excited about the potential of AI. And when they are ready to move, that excitement is translating to real expanding work. What we are also seeing is that while the enthusiasm is real, enterprise adoption remains measured and the pace of change on the ground is slower. Now we at Indegene view this as an opportunity rather than a concern.

And let me tell you why. Our large Tectonic engagement in Germany, which we announced in Q4, illustrates the dynamic well. While offtake on the existing scope has been measured, the customer confidence was strong enough that they expanded into a further region during the quarter, and I want to speak about this in the deal wins.

This, we believe, is typical in new technology adoption cycles and it is precisely the environment in which a partner that can understand the domain, engineer trust and can operationalize AI at scale wins.

With that, let me come to deal wins and the FY27 momentum. We had a robust quarter on deal wins. In Enterprise Commercial segment, we signed 1 deal in the $3 million to $5 million range, where a top 5 customer selected us to migrate their content platform. We also signed 4 deals with annual contracts in the $1 million to $3 million range, three in commercial and one in medical. The first one is the extension of the Tectonic engagement with our largest customer. I just spoke about this. The Germany engagement has now expanded to Spain.

A top 20 pharma company chose us to support its brands across the U.S. for creative and digital production using omnichannel assets. Another biotech company engaged us to enable its content platform end-to-end from assessment and maturity through build and migration. And in medical, a biotech company brought us in for medical writing. This is going to be for submissions. Beyond these, we won a couple of deals in the sub-million-dollar bracket. The reason we bring these, that while these are modest today, these are the first phase of larger engagements with the potential to grow into multimillion dollar relationships. One with a midsized European company supporting launch readiness with scope to extend into data analytics and another where a top 20 pharma company selected us for a change management consulting assignment with the potential to set up a global content factory for their international business unit. We are very excited about this one.

I also wanted to highlight two offerings that are gaining strong traction. The first is Agentic AOR. Building on the proof of concept we completed with a multinational pharmaceutical company, and we spoke about this earlier in our Q4 earnings call, we are now in advanced discussions to close the next phase of that engagement.

Now if you step back and see, together Agentic AOR and Tectonic, which we spoke about earlier, demonstrates the direction we are taking as a company, moving upstream and capturing a larger share of the value chain. We are winning high-value work in how customers conceive, plan and build their commercial and medical activities. From a strong base in running content operations, which we had for a very long period of time and omnichannel campaigns at scale, we are bringing upstream capabilities, brand strategies, creatives as the same accountable partner.

Our organic and inorganic capability investments over the past 4 years, combined with our technology investments in Content Super App agents and our proven ability to run global commercial operations at scale, create a truly differentiated proposition. The second offering, which we're seeing traction on, is our regulatory One-Click Submission. We spoke about the engagement with a midsized pharma company, which continues to expand in scope, taking on new reports and is becoming a blueprint for the industry. We continue scaling our homegrown platforms, Medico-Legal Review and Medical Writing, where our domain expertise is embedded in technology, and these are central to delivering an output rather than headcount.

Taken together, none of this is a one-off. The deals we signed this quarter and the offerings I've just described are repeatable capabilities, ones we can take to every one of our customers. It is this capability on top of a strong and consistent pipeline that gives us the confidence to say that FY27 will be a stronger year than FY26.

With this, let me step back and reiterate something more fundamental. Why we stay confident quarter-on-quarter, whatever the environment, it is because Indegene is structurally different. I spoke about this in Q4. I want to speak about it again a bit today. We are a new category of a company, not a better version of any old one. Many of you have asked how to benchmark us, as IT services, agency or a CRO, none of these molds fit. 4 things set us apart and together we call them the Indegene EDGE. E for Embedded revenue partner, D for Deep domain expertise, G is Gen AI disruptor, and E is the Engagement model. Let me talk about each one of them.

Let's talk about Embedded revenue partner. We work inside our clients' revenue engine, the commercial and medical functions behind launches, growth and brands. Our buyers are focused on growth, ROI and compliance. This is where we differ from any IT company. Any IT vendor sits on the cost side of the budget, bought by the technology organization and measured on efficiency and arbitrage and is therefore exposed to cost cutting. We sit on the other side. Commercial budgets tied to the products clients most want to grow. And this, we believe, still is an underappreciated point. Even the savings we deliver through productivity and AI do not vanish as our clients' margins. They are redeployed as more volume, more personalized content and more channels, which return to us as more work. We win either way. And we are far more resilient to cost cutting than a typical services model.

Now let's come to the second one, Deep domain expertise. Built over 27 years in life sciences with more than 29% of our people from a health care background. But the real asset is not headcount. There's domain knowledge beneath it, embedded in our clients' workflows over decades. Our work is critical, judgment-intensive and heavily regulated. It needs human judgment and AI together. And it is far less susceptible to automation than coding on any infrastructure. Every new technology, Gen AI included, compounds on that hard-won knowledge. AI is an accelerant for us. We don't believe it's a threat.

Third, we ourselves have been a Gen AI disruptor. Gen AI reshapes our economics on 2 fronts. On demand side, clients face exploding complexity, rising content volumes, heavier compliance burdens fragmented across brand-by-brand, market-by-market models, which pushes them to centralize. We meet that at the enterprise level, reengineering entire end-to-end processes rather than selling point solutions and taking wallet share from incumbents, which are typically agencies and CROs I spoke about earlier. On economics, Gen AI is driving price deflation. Incumbents at very large scale lack the growth headroom to offset falling prices. We are the opposite. Large enough to serve global clients end-to-end, nimble enough to convert deflation into new volumes and share gains. So, Gen AI is a tailwind, as I spoke about earlier. The very technology that erodes incumbents' economics, expands ours and opens client budgets that were closed to us even a few quarters back.

The last and very important one, Engagement model. Our engagement model for years, and I would have spoken about this even when we were doing IPO, were built around outputs and outcomes, not headcount. Most of our revenue is outcome-aligned. Paid for work delivered and value created, not bodies deployed. Priced on outputs, every efficiency gain flows straight to our bottom line, giving us a structural incentive to adopt new technology faster than peers and to keep the upside rather than pass it through. Reinforcing this is a single integrated global delivery model, unlike much of the agency world, which is scattered and local. This gives us scale and consistency that brand-level players simply cannot match.

Now none of this is new. You've heard it before. I've returned to it today because in a journey of a company in a changing environment, these are exactly the things that do not change: embedded revenue, deep domain expertise, a Gen AI disruptor and outcome-aligned engagement model. That is the Indegene EDGE. And it is why our confidence rests not on any single quarter, but on the durability of this business over a long horizon. Now over that long horizon, the impact of Indegene EDGE shows up in numbers.

I just want to take a step back. It's been 2 years since we listed. Now in this period, we prioritized gaining market share and continue to build on our competitive differentiators by building proprietary Gen AI platforms, investing in GTM and making strategic acquisitions. We set out to grow on 2 fronts at once, widening our client base and deepening our large client relationships with growth being our priority. And we delivered.

Our total revenue is up 57% from Q1 FY25. That's the time when we had listed. On the widening, our active client base has grown from 65 to 105, million dollar-plus clients from 36 to 54 and revenue from accounts beyond the top 20 has become more than 2.5x. This is not a top-heavy business riding on a few names. It's broadening, and it's broadening fast.

As we move upstream in our clients' value chain into higher-value work, this growth has come with rising quality and not rising headcount. The revenue per employee grew 25% in the last 2 years to over USD 77,000. And the share of delivery talent with healthcare expertise has risen to 29% from 22%. Our cash position has strengthened by over 30% in the same period. Growth breadth, depth of expertise and financial strength all at once and all compounding. This is what this business delivers when you give it time.

The deepening of top accounts is still ahead of us as our largest clients have not yet shown up in these numbers. The intent, opportunity and momentum are there. The evidence of the depth is sitting in our pipelines today, and we are confident we will convert it into revenue soon. This confidence is grounded into the Indegene EDGE, the same embedded, outcome-aligned, domain-led model that widened our base is what will deepen these relationships and continue to disrupt the incumbents. When it does, it lands on top of everything I just described.

With that, let me hand over to Suhas, who will take you through the financials for the quarter and how we see the margin trajectory also playing out. Suhas, on to you.

Suhas Prabhu: Thank you, Manish. Once again, a very good morning to all, and we appreciate your participation on the call today.

Let me take you through the financial performance for the quarter in more detail. Revenues for the quarter came in at INR10,631 million or USD 112.5 million, representing growth of 26.5% year-on-year and 2.5% quarter-on-quarter in U.S. dollar terms.

Let me turn to margins. Our EBITDA for the quarter was INR1,795 million at a margin of 16.9%. On a reported basis, that is 50 basis points higher quarter-on-quarter. As you will recall, the prior quarter carried an adverse impact of roughly 240 basis points from the mark-to-market of undesignated forward contracts, ahead of us adopting hedge accounting, due to forex volatility. And adjusting for that impact in the past quarter, our margins declined sequentially.

Two factors caused this. First, we have invested in workforce transformation that had a onetime impact on margins this quarter but will have a long-term impact in reducing our employee cost as well as tempering the impact of wage hikes going forward. Second, we carried the cost of contracted Tectonic in certain Gen AI engagements where the revenue contribution is still building slowly. Manish mentioned this earlier.

As this reverses with revenues from these engagements coming through and the favorable impact of workforce transformation is realized, both these factors will largely offset the impact from the annual wage hike cycle in our second quarter, thereby keeping our margins stable unlike the declining Q2 EBITDA margin that we have historically trended.

Moving down the P&L. PBT came in at INR1,527 million, up 45.3% sequentially. And the effective tax rate for the quarter was at 23.9%. PAT grew 45.9% sequentially to INR1,162 million at 10.9% of revenue, up approximately 300 basis points sequentially.

On the segments and geography, the mix was stable. Enterprise Commercial, our largest segment, contributed 70.6% of revenue. And revenue and North America, our largest geography, 75.1%. On the customer side, revenues from accounts beyond our top 20 has almost doubled year-on-year in rupee terms and now contributes 33.4% of total revenue. As a result, the share from our largest cohorts declined even as those cohorts continue to grow in absolute terms, indicating a healthy diversification.

Our active customer count rose sharply, up 14 sequentially to 105, a direct result of the sales and go-to-market investments we made last year. We continue to engage these customers through our land-and-expand strategy. Finally, the DSOs, net of unearned and unbilled revenue, was 67 days, up 4 days quarter-on-quarter. And our cash and cash equivalents combined with investments remain strong at INR14,602 million.

Before I close, let me spend a moment on margins going forward and the expected trajectory for the rest of FY27. First, I will refer to our August 2025 earnings call in which we highlighted investments in go-to-market and technology, impacting margins by 150 basis points starting Q3 of FY26 with a 6 to 8 quarter period for normalization. With the current and anticipated momentum in FY27, we are on track. And the margin normalization is expected in 6 quarters, that is by Q4 of FY27.

Second, the ramp-up of signed deals through the year, and most notably, the outcome-based omnichannel engagement we won in the third quarter of FY26 with one of our top customers. We have been carrying that cost of engagement since it went live in Q4 FY26. And with revenue expected to be recognized starting Q3 FY27, it adds to our H2 revenues with costs already being incurred in the P&L. And hence, most of that revenue will flow straight to the bottom line.

And finally, productivity benefits from workforce transformation and other Gen AI-led initiatives across operations and support functions, the impact of which will keep widening progressively. We reiterate the trajectory that we set out in October last year, which is a recovery to the margin band we have historically operated in.

Through the inflection point in Q3 FY27, the EBITDA in H2 FY27 will be back in the range that we have operated in the past, that is 19% to 20%. Nothing we have seen in this quarter changes that expectation. And if anything, our conviction that we are on track for this has increased.

With that, let me pass it back to Manish for the outlook.

Manish Gupta: Thank you, Suhas. Let me close with a few words on how we see the year ahead. We have started FY27 on a strong note. As I said earlier, our best first quarter sequential growth in 4 years, with a broadening client base and a well-qualified pipeline. On that basis, we expect our organic growth in FY27 to be better than FY26, and we anticipate an acceleration in the second half.

As discussed over recent quarters, we have made deliberate ahead-of-the-curve investments in our go-to-market engine and capabilities that compressed margins near term. A conscious choice to capture the opportunities now showing up in the numbers I just walked through.

Our priority now is twofold. First, deepen existing relationships and convert the pipeline, including in our largest clients into signed deals and revenue. And the second priority is bringing margins back to the levels we historically operated. H2 of this fiscal year is when we believe both these priorities will start coming together.

The outcome-based omnichannel engagement begins contributing from Q3, aiding both growth and profitability, alongside our other deal wins scaling more meaningfully. And if you add the productivity initiatives we have, we expect the margin recovery to become clearly visible to you.

Stepping back, the industry is growing. The large enterprises at the heart of it are growing faster still. AI is a structural tailwind to our model. And we are the partner best positioned to help the industry move from promise of AI to performance at scale. That is the Indegene EDGE, and it is why we enter the rest of FY27, not merely optimistic, but genuinely confident.

With that, we can open the floor for questions. Back to you, moderator.

Moderator: The first question comes from the line of Sucrit Patil with Eyesight Fintrade.

Sucrit Patil: I have 2 questions. The first question to Mr. Gupta is, just want to understand beyond the regular outlook what are the top 2 to 3 execution priorities you are focusing on in the coming quarters? And alongside that, what do you see as the biggest risk in client adoption, regulatory shift or compliance or competitive pressure? And how are you preparing to manage them while strengthening Indegene's position in the healthcare solutions and digital transformation? That's my first question. I'll ask my second question after this.

Manish Gupta: Let me take a step back. At a broader level, we continue to execute on our GTM engine, deepening our client relationships. Our priority is to move the whole customer pyramid, get into our first $50 million accounts, move more accounts to $25 million. That is the priority which we have been speaking about continues to be there.

The second is to continue to expand our customer base, which is on track. If I take a slightly long-term view, we continue to invest in our capabilities and tech stack, building end-to-end solutions for our clients to adopt AI much more meaningfully. And when I say meaningfully, drive outcomes rather than just provide some point solutions. That's what we continue to focus on.

I would say this is probably the more long-term trend. If I step back and look at the current quarter priorities, it is essentially focused on making sure that the pipeline we have gets converted into revenues, and we have a decent pipeline, including with the largest customers, we get that converted. And the other one is getting our margin profile back keeping the tight control on that.

The reason we are confident about that this is not resting on some revenue which we'll win in the future. This is resting on revenue which we will, in all probability, be recognizing, contracts which we already have. That's what gives us confidence. Suhas, you want to add on to this piece?

Suhas Prabhu: And Sucrit, you also spoke about the risks. What we keep a look out for is the regulatory environment and the policy decisions, especially in the U.S., which impacts this industry the most. But having said that, currently, the policy outlook is stable. The drug pricing and the MFN-related decisions are largely behind this industry, and the new launch pipeline is very healthy and robust. But having said that, that's one thing that we are constantly on the lookout for.

Sucrit Patil: My second question to Mr. Suhas is, from a financial point of view, I want to understand what key risks or challenges do you anticipate in the coming quarters? And what specific measures are being taken to manage margins, cash flow and strengthen the balance sheet, especially in areas like client receivables compliance or currency volatility.

Suhas Prabhu: Coming to the currency volatility, we have in the last quarter moved our accounting to the designated hedge accounting as per the accounting standards. And therefore, volatility due to mark-to-market, if there are sudden movements in the dollar-rupee or other currencies that we use, will no longer be impacting us going forward.

Of course, the current undesignated hedges, which will still be material till December of this year is the only thing that we have to look out for from an accounting perspective. We continue to hedge, as we have in the past. And therefore, we believe that the currency volatility will not impact us at an operating margin level going forward.

Coming back to the risks on receivables and cash flow management. Most of our business, more than 90% comes from not just the top 20 pharma, which are probably Fortune 500, Fortune 1000 kind of company, but also mid-tier pharma companies, which are multibillion-dollar companies with very strong balance sheets.

And credit risk has not been a significant part of our risk profile in the past. We rarely see receivable risks, and we have very minimal provisions or bad debt write-offs even if I go back 27 years in our history.

Having said that, we have a strong governance process and innovative deal structures in our commercial terms when we engage with biotech and emerging pharma where the risk profile could be slightly different from the traditional ones. And one other thing that we are looking out for is the performance on our outcome-based model contracts, which we have been operating for a very long time. But in the current age of evolving Gen AI needs, it is also getting the customer involved, getting the signoffs and interim markers being ticked off as we move deeper on those engagements. I would say that the cash flow and receivable risk is not a significant one.

Moderator: The next question comes from the line of Prolin Nandu with Edelweiss Public Alternatives.

Prolin Nandu: I have just one question, and I want to start with the clarification on the margins, right? While you mentioned H2 should normalize, but in the same opening statement you mentioned Q4 should see some normalization of the margin back to our pre-investment level.

Is there any delay there? So just clarification on that. But more importantly, Manish, could you just help us understand the nature of these expenses? While you talk about the investment, but what gives us confidence that this is in true sense investment and not something that we need to continue in an ever-changing world?

And given an option, some of the expenses, would you want to capitalize because they are going to add long-term value to us bearing how the accounting works, that's a different story. But just to understand the nature of these expenses, could you give us some instances where these expenses are leading to long-term relationship or strengthening of relationship with our customer or adding more to our business. And hence, the nature of the expenses is more like an investment rather than a P&L expenses?

Manish Gupta: Let me break this up. And I'll give you a bit of a trajectory. I think the first time when we came and communicated that we're going to take a hit in margin was in October 2025, which was our Q2 earnings call for the financial year FY25-26. And before we took the hit, we came out and said we want to take this hit.

And at that time, what we have seen is the nature of our conversations with our clients were changing. They were much more strategic in nature. Our tech stacks and capabilities were coming together, and we needed capabilities in the front at a very different scale.

So, we had a bunch of people in various areas, our commercial business, our medical business, consulting, technology. And a lot of them were on site in U.S. and Europe. And that's a hit we were taking.

That is what we had called out as the first hit. That time, what we said is that we are taking this hit. However, we believe in 6 to 8 quarters, which is the end of this financial year to mid of next financial year. That's the broad range we had given.

Your first question, is there any delay? What Suhas alluded to, no, there is no delay. In fact, what we said is 6 to 8. We had got a range over there. We are saying we don't need this range. It's not going to be 6 to 8, it's going to be 6. By March end, we get back to that 19% to 20% range. That was one piece.

Now the second thing is, outside of these investments, we won some very strategic deals. And those deals are where we have invested heavily on. And the revenues still have to flow in for those deals. And they will flow in, that's what we are talking about, the second half on this year. These are with some of our largest customers, super strategic deals which we believe have the potential to kind of define the industry. And I spoke about Tectonic in the past. That's a place where we're moving upstream. The second one, where we are investing heavily on, is this deal where we are managing the entire portfolio of brands for a pharma company in the United States. More than $1 billion worth of products have been given to us. And we are the partner which is managing physician outreach and hence the prescription uptake.

So those are the kind of deals which we have done, which we invested in. And the revenue visibility to us in the second half is pretty decent on these deals. Suhas, you want to add anything to this?

Suhas Prabhu: Yes. Maybe just to reiterate, if I was not clear, what we had indicated was that these investments would be absorbed and therefore get normalized in 6 to 8 quarters. What we are calling now is that we have strong confidence that we would be able to get there in 6 quarters, which means by the Q4 of this year – 6 quarters from when we made those investments.

Manish Gupta: The last one, let me come back, is the capitalization piece you spoke about. We continue to invest heavily in our tech stack. This is our proprietary tech stack. We continue to invest in that. I would say we have ratcheted up the investments a bit over there because we're investing in a data layer where we have our own data integrating with various data sources. Cortex, something which I've spoken about, which is the context layer, which we are building on top of that apps. And then on top of that still workflows for our clients. As a practice, we've been expensing these out. Technically, there is a case to be built over there in capitalization. But we continue to expense these out to keep our P&L and balance sheet clean.

Prolin Nandu: Just so what I understand, and just to correct me if I'm wrong, what you're saying is that you will reach that target of margin in 6 quarters. And this is despite the fact that you have won large deals, and you have invested in it? Is that a fair summary?

Manish Gupta: Six quarters was from October 2025. So, it's no longer 6 quarters from here, 3 quarters.

Prolin Nandu: But this is despite the fact that you have invested in some of large the deals which maybe you did not factor it in when you gave this guidance. Is that fair?

Manish Gupta: Yes, absolutely.

Moderator: The next question comes from the line of Vinay Menon with Monarch Capital.

Vinay Menon: A couple of things, what was the organic growth this quarter? And how much was from BioPharm. If you can give that breakup, that will be good.

Manish Gupta: We're not breaking up organic and inorganic growth from a BioPharm perspective, anymore. We gave it for two quarters because now given the kind of deals that is coming in, I would say

BioPharm is reasonably well integrated into our business. It's very difficult to peel out what was BioPharm, what was anything else. Suhas, you want to?

Suhas Prabhu: And sequentially, both are in the base...

Manish Gupta: Yes. Both are in the base from a sequence perspective.

Vinay Menon: Okay. And what was the constant currency growth for this quarter? I don't find that number in the presentation.

Suhas Prabhu: Vinay, we disclosed U.S. dollar growth, given that about 84%-85% of our revenues are in U.S. dollar. But if I do a quick approximation, given that we also have euro and GBP, which are the next two significant currencies, it will be a tad north of our U.S. dollar growth of 2.5%, will be more in the 2.6% to 2.7% range.

Moderator: The next question comes from the line of Prakash Kapadia with Kapadia Financial Services.

Prakash Kapadia: Two questions from my end. You talked about some outcome-based things getting executed. As we plan to data mine our customers and scale the business, what is the percentage we are looking at these outcome-based deals? Is that going to be the norm for the industry and us as we plan to scale because everybody wants the proof of the pudding and then people want to scale? Is that trend happening for us and industry?

And secondly, you mentioned about second half being better in terms of margin recovery and some of the costs have already been incurred. Typically, on a historic basis, there is an order book and execution cycle. If you could delve deeper for us to understand how revenue and order book and visibility flows in so that some of the initiatives which you talk can flow to the P&L. So those are my 2 questions.

Manish Gupta: Let me talk about the outcome and output things and pass it on to Suhas. As a company, we already being operating in a 60-ish percent approximately output plus outcome-based contracts. And this is not new for those of you we met during the IPO process, you would have actually spoken about this. A very significant portion of the dedicated FTEs outside of the 60%, is standing in FTE contracts who supporting this output outcome-based contracts. These are not sitting as pure FTE contracts outside. These are resources in countries like U.S., multiple European countries, Japan, China which are very specialized role like omnichannel orchestrators, digital specialists, brand liaisons, regulatory experts in these markets.

Now these are required to make sure that you have the right skill sets, infra, to run these complex global commercial engagements, which are outcome-output based. We see that trend continuing. Although we are already at a level which the other service companies will be aspiring for.

What we are also seeing, and that's the deal we are speaking about, is not just output but outcome-based, where our incentives are linked with clients' true revenue incentives, which is revenue uptick. And we have experience in doing those deals. We are seeing those conversations also expand. Those conversations also are expanding because of the breadth of capabilities and the trust we are able to bring with clients of our understanding of the domain, and the capability sets we have to deliver that outcome, which is as critical as it gets revenue. Suhas, I'll pass it on to you for the order book.

Suhas Prabhu: Sure. And Prakash, as Manish mentioned, most of our engagements are hybrid contracts. They have a certain FTE component, which kicks in pretty early as the engagement goes live, pretty much within a month of us signing these contracts. And then as the volume builds up is when the output-based revenues start flowing in. And these typically take 3 to 4 quarters to ramp up to its full potential for a typical $1 million to $3 million, maybe even $4 million kind of a deal.

Having said that, the large omnichannel engagement deal, this was one of our largest that we announced in our quarter 3 earnings call last year, north of $10 million in ACV is a pure outcome-based contract wherein while the engagement has gone live, the revenue recognition is deferred by about 3 quarters because there is no FTE component in the same, and is based on client acceptance of certain outcomes which are measured on a quarterly basis and trued up on a full year basis. And therefore, the revenue recognition would start from Q3. This is not something that we have signed at a full outcome basis in the past and is therefore being called out specifically and impacting the margins in the near term. But with revenue recognition starting in Q3, as we anticipate, the revenue will start flowing directly to the bottom line because the costs are already being incurred last quarter, current quarter and going forward.

Manish Gupta: If I just can add in on this part, the client has been sharing the revenue upticks with us for now 5 months. And those numbers are very encouraging.

Moderator: The next question comes from the line of Varun Bahl with Plutus Investment.

Varun Bahl: My question is regarding your Gen AI strategy. If you could explain your proprietary Gen AI model in terms of developing vertical oncology and the integration with frontier models or open-source Chinese AI models, especially with the twin challenges of the IP protection narrative, which is very strong these days and cost pressure of frontier models.

Manish Gupta: That's a great question, and I'm glad you asked that. Our Gen AI strategy for a while has been very nuanced. First of all, we are very clear, we will not get into the trap of saying that we train 5,000 people, 10,000 people, whatever it is on Gen AI. We said we're going to be solving problems for our customers.

How do I bring down the cost of an asset development? What kind of IP can I build so that, for example, the contract Suhas was talking about where you're doing omnichannel outreach to physicians, automatically based on the physician profile, I am able to say that you know what, here is the method to reach out to this physician, here is the first touch point based on the interaction you see, automatically, there's a second touch point required. Those are medical writing. How do I automate clinical study reports, various protocol offering. I can go on and on, 200 reports.

Now that was a broad approach we were taking in solving for these problems at the highest level. From a technology stack perspective, what we have been doing is at the bottom infra layer from our perspective is that we said, let's make sure that we have all our data assets in place. We used to have our own data assets called Invisage and physician profiling.

When we acquired BioPharm, they had a data asset, which we've now integrated. We are buying a bunch of data. We are partnering with other people. We are making sure that we have access to all the public data sources and of course continue to mine our own data. There's a data infrastructure, we're calling it Indegene data universe at the bottom of the stack.

The second one is, I think it's been a while now, we announced Cortex as our platform, which we're going to be using internally for knowledge engineering. That's where all these medical experts, the creative, digital specialists, how they do things, that context gets built in. Cortex was designed for 2 things. One is that we wanted to make sure that we are separating the SME layer from the technical layer. The SMEs can build these workflows and do the knowledge engineering and what model to use, whether it's open weight, some frontier model, we removed that from this layer. So, right at the beginning, the architecture was such that we are not wedded to one model. Depending on the use case and what is the right model to be used from an accuracy and cost perspective, we continue to iterate. And we had this effort for a long period of time to be working on all models and seeing what model fits a particular case. We continue to earn that.

On top of that is the agent layer. I spoke about Content Super App, Medical Writing platform. Now these are very broad catch-all phrases. Within each of these, there are multiple agents which are doing different things. When we are saying Agentic AOR, that itself will have a few agents delivering certain different outcomes. The same thing is true on the medical writing side.

On top of the agent layer is the Transform AI, where you have the workflows, the skill sets, which are going to be required to deliver those differentiated outcomes. So that's a broad and a very high-level strategy which we are deploying at Indegene, and I could speak about this for a few hours.

Varun Bahl: Yes, it's on a slightly broader market question, especially since you are dealing with such intellectual data, can you see any kind of a direction in terms of having more ownership of the data for the enterprises that you are dealing with? Are they slightly concerned about data protection while integrating the frontier models with your data and your Agentic models?

Manish Gupta: Not really. The companies, especially the larger companies, will be very clear in terms of how they protect their own data. Those contracts we will have. And that's a bit of a give and take which happens in every contract. We would say that our systems can learn from this data, but it stays your data and that every contract gets negotiated that way. Our legal team has been completely trained on making sure that they know how to do this stuff.

I think what we are seeing more as a broader trend, and we believe the direction the market will go into is that larger pharma companies will want to have their own open weight models deployed on their own infra. The bigger concern is not with us, what they don't want is the frontier models to be competing with them tomorrow by having access to all their data. So more and more, we would see that on-prem, open weight models being deployed by our larger customers will become a norm.

Moderator: The next question comes from the line of Chandan Kumar with Narnolia Financial Services.

Chandan Kumar: I just have a question. You have recently highlighted your Gen AI platform as the next phase of growth. Could you quantify what percentage of revenue is currently generated through AI-led platform engagements and how you expect that mix to evolve over the next 2 to 3 years?

Manish Gupta: Chandan, unfortunately, we can't break this out because unlike other companies, for us, AI is getting embedded in everything we do. And I think I've spoken about this earlier. We have been on the AI journey not after OpenAI announced their Gen AI model GPT-3 or whatever it was. We embarked on this journey more than a decade back. And we have been on the AI journey since then.

Everything which we are doing, every of our asset we are building at a global level for a pharma company, whether it's commercial or medical, we are deploying NLP, machine learning, computer vision at the back of it, automating processes. Content volumes went up 5-7x and we continue to bring down the cost per unit using those methods. All Gen AI has done has given us better tools to address the same problem, that how do we enable pharma companies to get more efficient and effective in sales and marketing and managing compliance and reducing the time it takes to do clinical trials. So, to that extent, it is embedded in everything we do, unlike other companies for which they are creating a new category or a new line of business. Here, it's embedded into everything we do.

Chandan Kumar: I have one more question. You have given the EBITDA outlook that it will be back in the historical trend by this year end. Could you just tell me the key margin driver other than the cost you already incurred?

Suhas Prabhu: Other than the costs that are already incurred, given our growth trajectory, the investments that we have made in the go-to market, the business leadership in the front and the revenue uptick from contracted business in Tectonic are the other drivers that would get the margins back into this range because those are costs that are not going to increase in line with the increased revenue.

Moderator: The next question comes from the line of Chirag Kachhadiya with Motilal Oswal Financial Services.

Chirag Kachhadiya: Just on margin part. So, from 4Q FY27 should we expect it will be in the range of around 19%, 20%.

Suhas Prabhu: Yes, Chirag.

Chirag Kachhadiya: Okay. And Manish, few broader questions. The deals which we target, depending in for past 1 year is out listing. Those are incremental ones in context to the overall existing pie of the business?

Manish Gupta: Yes, yes. What we call out over here is net new business. We don't talk about renewals in our earnings calls.

Chirag Kachhadiya: And what is generally the renewal deals in the organic part of the business annually?

Manish Gupta: Our net retention has been more than 100% for our customers.

Suhas Prabhu: Yes. And typically, renewal cycles are Jan to December. And while there will be some volume fluctuations and periodically also some rate renegotiations but those are cycles of 3 to 4 and even 5 years in some customers. Therefore, the renewal in absolute terms would be either 2%, 3% plus or minus that 100%. We have never lost any major enterprise deal in the renewals.

Moderator: Ladies and gentlemen, we will take that as the last question for today. I would now like to hand the conference over to the management for the closing remarks.

Manish Gupta: Thank you once again for your active participation and continued interest in Indegene. We look forward to your participation in the earnings call and such opportunities going forward. I appreciate all your questions once again. Thank you all and have a good day.

Moderator: Thank you, sir. Ladies and gentlemen, on behalf of Indegene Limited, that concludes this conference call. Thank you for joining us, and you may now disconnect your lines.

(This document has been edited for readability and is not a verbatim record)