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CIN-L74899UR2001PLC033407

November 13, 2026

To
Listing / Compliance Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai – 400 001

BSE CODE: 543329

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

NSE SYMBOL: WINDLAS

Dear Sir/ Madam,

Subject: Q2 & H1 FY27 Earnings Conference Call Transcript

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith Q2 & H1 FY27 Earnings Conference Call Transcript.

You are requested to take the same on record.

Thanking you,

Yours faithfully,

For Windlas Biotech Limited

ANANTA NARAYAN PANDA
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Ananta Narayan Panda
Company Secretary & Compliance Officer

Encl: As above

"Windlas Biotech Limited

Q2 & H1 FY27 Earnings Conference Call"

November 06, 2026

MANAGEMENT: **MR. HITESH WINDLASS – CHAIRMAN AND MANAGING DIRECTOR – WINDLAS BIOTECH LIMITED**
MS. KOMAL GUPTA – CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER – WINDLAS BIOTECH LIMITED

MODERATOR: **MR. ANKIT JAIN – STELLAR INVESTOR RELATIONS**

Moderator: Ladies and gentlemen, good day and welcome to the Q2 and H1 FY27 Earnings Conference Call for Windlas Biotech Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ankit Jain from Stellar Investor Relations. Thank you, and over to you, sir.

Ankit Jain: Thank you, Avirath. Good morning, everyone, and thank you for joining us today to discuss Q2 and H1 FY27 business performance. We have with us the senior management team of Windlas Biotech Limited, represented by Mr. Hitesh Windlass, Chairman and Managing Director, and Ms. Komal Gupta, CEO and CFO.

Before we proceed with this call, we would like to mention that some of the statements made in today's call may be forward-looking in nature and may involve risk and uncertainties. The company also undertakes no obligation to update any forward-looking statements to reflect developments that occur after the statement is made. Documents relating to the company's financial performance, including investor presentation and press release, have been uploaded on the Stock Exchanges and company's website.

I now hand over the conference call to Mr. Hitesh for his opening remarks. Thank you, and over to you, sir.

Hitesh Windlass: Thank you, Ankit. Good afternoon, everyone, and thank you for joining us today to discuss the financial results for the quarter and half year ended 30th September 2026. We have uploaded the press release and investor presentation on our website as well as on the stock exchanges. I hope everyone must have gotten an opportunity to go through it.

To begin, I would like to talk about the outlook and way forward for Windlas Biotech, followed by financial highlights for Q2 and H1 FY27, which will be shared by our CEO and CFO, Ms. Komal Gupta. The Indian pharmaceutical market reported volume growth of 2.3% during the quarter. Windlas Biotech, extending its track record to 15 consecutive quarters of record revenue, with 19% year-over-year growth to INR264 crores.

Each of our three business plays a distinct role in our growth story. Generic formulation CDMO remains our anchor. Customers have entrusted us with a larger share of their portfolios and new products, which lifted Q2 FY27 revenue by 34% to INR215 crores, and H1 FY27 revenue by 32% to INR422 crores. In trade generics and institutional, we have used this period to reshape the portfolio, replacing codeine-based products with new launches that give the business a broader and more resilient base. This vertical generated revenue of INR36 crores in Q2 FY27 and INR66 crores in H1 FY27.

Exports markets have longer lead times. We continue to focus on investments in dossiers, product registrations, and site approvals, with few turning into commercial supplies, resulting in Q2 FY27 revenue growth of 26% to INR12 crores, and H1 FY27 revenue growth of 46% to

INR23 crores. Together, these give us a deeper customer base, a stronger portfolio, and a growing geographical presence.

We remain committed to creating long-term value for our shareholders. The company reported its highest-ever earnings per share of INR17.21 in H1 FY27. In line with our dividend policy and our commitment to shareholder returns, the company paid dividend of INR13 crores, INR6.30 per share related to FY26.

With the INR47 crores buyback successfully completed without promoter participation, the dividend paid, and capex funded from our own resources, we closed the half year with healthy net liquidity of INR223 crores, a balance sheet that supports both shareholder returns and growth.

The opportunities ahead of us are significant, and we approach them with confidence, humility, and determination. Backed by a dedicated team and the commitment to excellence, we are focused on building a stronger Windlas Biotech that creates lasting value for patients, partners, employees, and shareholders alike. Thank you. Over to you now, Komal.

Komal Gupta: Thank you, Hitesh. Good morning, everyone. Consistency is not the most exciting word in business, but it is the one our customers and shareholders value the most. In H1 FY27, Windlas crossed INR500 crores milestone in half-yearly revenue for the first time. Revenue grew 19% y-o-y to INR264 crores in Q2, and 18% to INR512 crores in H1 of FY27.

For our customers, this consistency matters as much as our capacity, because it shows them that Windlas can grow alongside them. Sustaining that confidence quarter after quarter remains our first priority. We remain as focused on quality of our earnings as on the pace of our growth. Excluding non-cash ESOP expenses, EBITDA for Q2 FY27 was INR36 crores, 13.7%, and PAT INR25 crores, 9.5%, while H1 FY27 EBITDA stood at INR70 crores, 13.7%, and PAT INR50 crores, 9.7%.

On a reported basis, EBITDA and PAT were INR29 crores and INR18 crores for the quarter, and INR56 crores and INR36 crores for half year. We delivered this while continuing to invest in capacity and capability, which reflects the operating discipline that allows us to fund our future from strength of our present.

In line with our long-term growth aspirations, the commercialization of Plant 6 in September 2026 marks a key addition to our manufacturing infrastructure. During Q2 FY27, Plant 4 and Plant 5 injectable facility received EU GMP certification, in line with our long-term export strategy.

Our earlier investments in Plant 2 extension and injectable facility continue to progress steadily. Our focus on capital efficiency is reflected in ROCE and ROE at 28% and 24% respectively, despite Plant 6 capex. Windlas is well positioned to respond to evolving industry dynamics and capitalize on emerging opportunities. We remain confident in the strength of our fundamentals and our ability to create enduring value for all stakeholders. Thank you.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Krisha Shah from Mangal Keshav Finance. Please go ahead.

Krisha Shah: Hi, congratulations on a good set of numbers. I just had two to three questions. First, our new Plant 6 that has gone live in September 2026, it currently has a capacity of 200 million tablets and capsules, which if we see is significantly smaller than all of our existing facilities. Are we looking to expand the capacity going forward, given that the current revenue potential from this plant would be very insignificant?

My second question is that exports currently contribute around 5% of revenue. I am aware that we do not provide any guidance on segments, so I just wanted to understand whether there is a strategic focus on scaling up the exports business, given that this vertical offers the best margins, and do we have a vision for exports to be around 10% to 15% of total revenue over the next three to five years?

Komal Gupta: All right. With Plant 6, as we have mentioned earlier, we can serve up to INR1,100 crores at company level. However, there is a scope of up to 10% of improvement in capacity through consistent efforts, as we have also done in past. Beyond that, in terms of capex spend, we have been very strategic in terms of, when we start reaching a peak level in our existing capacity levels, that is when we start working on the new capacity building, instead of putting a lot of capex and building one big facility and then struggling to fill it. We would like to keep it phase-wise, and that is what we intend to continue to do.

About exports, we cannot really give guidance, but as we mentioned, we have consistently been working on increasing the product portfolio, getting the facilities approved by various authorities, as we also mentioned for our injectable plant and Plant 4, we recently got EU GMP approved. Before that, in the earlier quarter, we got Philippines approval. That is in terms of getting plant approvals.

Then there is a consistent dossier filing and response to the earlier filed dossiers that we are working on. Beyond that, once we get approvals, then we are trying to build the business. That is consistently going on in the background, and the results, as we always say, depend on a lot of things and most of the times are also binary. We continue to stay very, very optimistic, although this is our smallest vertical in terms of revenue as of now, but one where we see a lot of potential.

Krisha Shah: Okay, great. Just one last question from my front. Trade generics, as we have seen, has taken a hit because of the codeine business that we are trying to shut down. Going forward, what efforts are we trying to take to scale up the trade generics vertical and get it back to contribute positively to our revenue?

Komal Gupta: See, the fundamentals of the business don't change. We have to grow our product offering in terms of range of products that we are bringing to this vertical and a lot of SKUs that we are working on. Second is geographical opening of various states is what we need to continue to work on, and we are consistently working in this direction. We continue to stay very optimistic in terms of growth possibility in this vertical, and we continue to consistently work on the strategy that we had defined earlier, because that still holds strong.

Krisha Shah: Okay, perfect. Thank you. Thank you so much.

Komal Gupta: Thank you.

Moderator: Thank you. The next question is from the line of Ankit Gupta from Bamboo Capital. Please go ahead.

Ankit Gupta: Thank you for the opportunity and congratulations for a very good set of numbers. The first question is on the CDMO side. We have seen significant growth in this segment, and even on a sequential basis, we have seen decent uptick in our growth rates for almost touching 34%, 35% for this quarter. Hitesh did highlight about us getting more share of business from our customers. Can you elaborate more on this?

Historically, if you look at it, this segment has grown at a growth rate of around 20%, 22% But in this half year, we have seen a significant uptick in our growth rates. I know you don't give guidance, but do you think the kind of momentum we have seen in the first half should continue in second half as well as in FY28?

Komal Gupta: As you rightly mentioned, of course, we don't give guidance, but we would also like to re-emphasize that how we look at it and how we also would appreciate if all the shareholders also look at our numbers is not in the light of a particular quarter or a smaller portion of the year. For any vertical, kind of growth that we deliver, be it a little lower than earlier or higher than earlier, should be seen in the light of long-term instead of looking at a particular quarter or half year.

Ankit Gupta: Sure. But can you elaborate more on us getting more share, and how much of this growth rate is because of higher API prices, which we have seen with crude also going up in the past two quarters? How much of that will be because of us getting more market share from our customers, and how much can that be from higher crude prices impacting the API prices overall?

Komal Gupta: See, there is no official data that is published anywhere in terms of how much outsourcing each of the customers are doing and how much is given, who has grabbed how much. However, when we say that we have taken more market share, we are not saying that we have taken it forever. What we are saying is in these two quarters, looking at the numbers that we have been able to deliver in CDMO, there is of course a higher share that we have been able to take in our CDMO vertical.

What I can share, what have we seen, we have seen a positive response coming in from our customers. We have seen our business development team being able to negotiate well and get more business from our customers. They have gotten more confident, and all those things stay positive. In terms of execution, how it will pan out in the coming quarters is something that we would refrain from mentioning, but we of course see a very positive momentum, not just in this vertical, in all three verticals.

Ankit Gupta: Sure. And on API prices, what would be the average increment in the API prices across the basket we would have seen in Q2?

Hitesh Windlass: This also is very, very distributed, because we work with almost more than 700- 800 different APIs, and the API orders also change according to a quarter. For example, it could be as winter comes, then disease profile changes and people stock up with different kind of medicines. The question is, API prices themselves have a lot of volatility, and that has been happening since a long time.

What do you consider a base? I think from our perspective, the way we see it is that when API prices were going down, our business still delivered strong growth, and this is the 15th quarter of growth where despite the market volume growth being so less, we have delivered. My instinct is to say that this is a credit to the team rather than credit to API prices.

Ankit Gupta: Sure, sure. And Hitesh, maybe Komal might not answer this, but if you can say, do you think the momentum that we have seen in CDMO is expected to continue in the near to medium term?

Hitesh Windlass: We would ask you to look at our last 15 quarters, sir.

Ankit Gupta: Sure, okay. And on the trade generics side, we have seen some improvement happening on a q-o-q basis. It might be seasonal also, that we understand the business is a bit seasonal. In FY26, we were on our way to cross almost INR200 crores kind of revenue, and because of this codeine impact, our last three quarters have been impacted. When do you think that we can come back to that base of INR200 crores that we were aspiring to cross in FY26?

Hitesh Windlass: Again, this is something that we would not comment on. I think that the way we look at it is that while we would have lost our codeine-based business, that is also something that most other large brands in trade generics of codeine have also had a suffering and similar kind of impact. I had explained on previous calls how codeine-based formulations, which were some of the biggest brands in the Indian pharma market, have been pulled back by those brand owners.

So, question is that, does codeine define trade generics, or is the requirement for medicines and the gap of access to quality medicines remain fundamentally there, regardless of one particular SKU being impacted? I think in the long run, we are of the very strong belief that there is a value proposition of Windlas where we have a very large range of products, our recognition is already there in the distribution with stockists and with retailers who have seen for the last 25 years us manufacturing for some of the leading brands. And every single pack has 'Manufactured by Windlas Biotech' written on it. There is a recognition that we are a quality player.

And third is our focused approach, how we build it step-by-step. None of those three are changing. For us, the mantra has been that we figure out ways to cover for the codeine loss through extending our liquid capacity to other players as well in CDMO, it has been most successful in CDMO so far, and for us also in trade generics to fill that gap with more and broader SKU of products: more cough syrups also, non-codeine ones, more syrups also, and other products as well.

This is a combined sort of an approach, and longer term, we would have done that even if we had codeine, we would have still done that. This is something that we have to continue, and let the numbers fall the way they have and improve. Obviously, we are driving to recover our position, but when that happens is something that we cannot say.

Ankit Gupta: Sure. Last question on the injectable side. If you can talk about…

Moderator: Sorry to interrupt, Mr. Gupta. May we request you to return to the question queue for a follow-up question?

Ankit Gupta: This is the last question, if you can allow. I'll come back in the queue after that. On the injectable side, if you can indicate how the segment is performing for us? We have recently got EU GMP approval for this, and how do you see the scale-up happening post this approval on the regulated market side?

And also on the domestic side, how has been our—it's been almost more than one and a half, two years since the plant started its operations, so how is the capacity utilization now? How is the ramp-up? We're also looking to expand this segment, putting more capex for this segment, so if you can talk about that.

Hitesh Windlass: So, you know, as we spoke about in this update, Plant 4 and Plant 5—injectables is Plant 5, but Plant 4 both received their EU GMP certification. We are actually very happy with that. It is a significant milestone for Windlas and a strong validation of the quality systems, processes, and manufacturing capabilities that we have established.

While these plants have been operationalized, injectable also with a focus on serving the domestic market so far, as this certification and as Komal mentioned, we had shared with you the Philippines approval in the previous update all of these are the building blocks to building a strong business in export markets. This is not the only thing, right? We have to get the plant certified, and then we have to get products registered, which are individual applications to individual countries. That work is also on.

In the long run, what it enables us to do is to craft a stronger mix. These markets have different margin profile for exports, and as we choose our product portfolio, as we choose clients in these markets, it gives us a stronger base to build on. Even it has some impact on domestic, because once a plant is EU GMP approved, a lot of the quality is like a statement even for domestic customers who are buying from there already, that the quality systems are withstanding an inspection by a regulated market.

These are all building blocks, and they all contribute towards the goal of maximizing revenue, maximizing growth with quality, with margin. I can sort of state that we are executing towards that goal, and I'm very glad to share that we have been successful in our first attempt with EU GMP for injectables.

Ankit Gupta: And how is the ramp-up happening, if you can share?

Hitesh Windlass: We have not commented on the ramp-ups, as you know, so I will not be able to share anything on that.

Ankit Gupta: Capex plans, expansion?

Hitesh Windlass: Are you saying?

Komal Gupta: Capex, I think, as we mentioned earlier, once we start reaching the peak revenue levels, then we would start for our regular dosage form, oral solids. Right now, nothing is started. We would rather work on making Plant 6 a regular, fully utilized plant as of now. However, if the growth is so much that we need to start working, whenever that time clicks, we would immediately start working on that. This is about the oral solids dosage form.

Again, in injectables, we have earlier mentioned that once we reach peak capacity utilization levels, then we would look at the expansion that is possible in our existing facility. For other dosage forms, we have been actively looking for any acquisition opportunity, nothing in final stages as of now. At some point of time, we would take a call to start internally working on our own, building a new dosage form in case we are not able to finalize anything externally. That too, right now nothing has been initiated. The regular maintenance capex is what we expect as of now.

Ankit Gupta: Sure. Okay, thank you and all the best.

Moderator: Thank you. The next question is from the line of Mayank Agarwal from Scientific Investing. Please go ahead.

Mayank Agarwal: Hi, thank you for the opportunity. My questions have been answered. Thank you.

Moderator: Thank you. We'll move on to the next question. The next question is from the line of Ishit Desai from FODs Family Office. Please go ahead.

Ishit Desai: Thank you for the opportunity and congratulations on another good set of numbers. Sir, my first question is on the adjusted EBITDA margins. With the oral solids and liquids scaling up, one would have expected the operating leverage to come in, and also with injectables inherently being higher EBITDA margin business, one would expect that margin would have inched up, we have seen some improvement, but maybe not to the extent of mix we would have seen.

Is the drop in trade generic business one of the reasons where is it an inherently higher margin business? And is that the right way to look at that once it again scales up, it will be margin accretive in the overall mix?

Komal Gupta: Before I answer this question, I just wanted to add one thing that I missed mentioning when capex discussion was going on. There is one more efficiency or opex reduction project that we are working on, which might pan out in the coming quarters, but I'm sure everyone would be happy to hear the kind of work that we are working on. It should be around INR25 crores to INR30 crores capex bringing in operational efficiency, but we would come back with a little bit more once we take a few steps in that direction.

Now coming back to your question in terms of EBITDA, I would say that we have consistently been improving, and I don't agree that in terms of operational efficiency they have not been converted in our numbers, honestly speaking, because if you exclude ESOP, the kind of EBITDA percent that we mentioned is clearly an improvement in terms of EBITDA. 13.7% for Q2 we have delivered, and again for H1 also similar percent, which is not what was our average.

We have actually delivered, excluding ESOP, the EBITDA or PBT growth. Whatever we have been working on, several things we consistently keep working, and we don't give a breakup. But we have always said that we see that there is a positive growth in terms of EBITDA percent that possibility is there. We maintain that, and in fact we would like to take pride in mentioning that we have to some extent also delivered that. If post ESOP is gone, if we are able to maintain these percentage, that in itself is an improvement. 13.7% is we used to deliver somewhere around 11% to 12%, so there is...

Ishit Desai: Just to reframe, I was trying to understand historically we have mentioned that trade generics is a slightly better margin, I'm not looking at explicit numbers, but in terms of margin profile, that has been a little better margin business for us. Hence, I wanted to understand as and when that kind of stabilizes and comes back to normal, is that a fair understanding that it will be margin accretive not looking at any absolute percentage of what value it will bring, but just to understand it would be a margin accretive, it's a little better margin business than CDMO, right? Is that the right understanding?

Komal Gupta: Yes. So, we have never mentioned in terms of EBITDA what is the contribution of all these verticals, but material margin basis, yes, you are right. We have said that it is a higher margin business as against CDMO business. Having said that, seasoned investors like you are more educated than us maybe, to know that EBITDA would be a factor of too many combinations.

Plant 6 opex would start coming in against that, the revenue coming in, and the material margin combination of all three verticals, how that pans out, how quickly we are able to convert it into great numbers is what we have to see. Similarly, injectables. Injectables exports of course have much higher margin in comparison to the domestic business, but domestic is also lucrative in comparison to CDMO.

Some of it has already come in the numbers that we have mentioned. Ultimately, it depends on how well we are able to execute and bring in a good mix at any point of time. But in terms of opportunity, of course, yes, there is further opportunity to deliver a better margin.

Ishit Desai: Sure, thank you so much for that. My second question is slightly on the medium- to longer-term perspective. Given that we are largely a manufacturing partner with some of the generic pharma companies right now, if you were to look at four to five years down the line, are we as a promoter group looking to be a more development and manufacturing partner, probably start working with innovators or early-stage development with some of these companies?

Because such capabilities typically also take four to five years to build. Four to five years down the line, how should we look at Windlas as a company? Will it be more a manufacturing and development, or probably more focused on manufacturing partner only, but at a higher scale, given that now we have balance sheet strength also? Are we also starting to look to invest towards the development part of capabilities as well?

Hitesh Windlass: So, you know, your question around. If I rephrase your question, when we do developmental work in the generics industry, on our investor slides we also have a value chain slide where we try to clarify this. We play in the ecosystem where most of our sales are in the domestic market, and most of the domestic market is a generic industry. The innovation that happens over here is new dosage forms, or new combinations, or new molecules coming off patent. It is in the generic frame.

Komal Gupta: And we are already participating in that. We are doing that development work.

Hitesh Windlass: Yes, we are doing clinical trials, bioequivalence studies, new formulation developments, and all of those are classified as new drugs by the regulator in India. These are new launches that our customers work actively with us, and that is the reason why almost 100% of our intellectual

property in the process side for manufacturing is owned by us. The regulatory permissions are all owned by us.

Now question is, what you asked is about, if I understood you right, can this service be extended to the innovator side or early-stage work, which some of the companies like let's say maybe very large biotech companies like Syngene and others are doing, and whether Windlas sees itself as a player in that five, seven years down the line.

I really don't have an answer to that. I think first we have to do the justice to the opportunity at our doorstep. There is a huge opportunity in all three verticals that we are currently working on. Whether our capabilities will extend naturally to the innovator kind of things, if you see, even companies who have built that, those businesses have been very client-focused, so one account, most revenue coming from one or two accounts.

We have been more broad-based and more distributed in our approach. I feel it's a fundamentally different ballgame. If we get there through some kind of an acquisition or something, who knows? I cannot call the future. But as of now, we are completely focused on our three verticals.

Ishit Desai: Right, so even from next four to five years' perspective, you see enough on the platter which can, in the current set of expertise, where we should focus on and keep growing, right? That's the right understanding.

Komal Gupta: Hello?

Ishit Desai: Yes. Sorry.

Hitesh Windlass: Can you hear us?

Ishit Desai: Yes. Thank you, sir. I could hear your answer completely. I just wanted to reconfirm that what you are mentioning is that even from a medium to long-term perspective, you see enough opportunities based on our current expertise and skill sets to focus on for us to keep growing from that perspective, and as of now, there are no intentions to look at that set of skill sets or platform or capability development, given that there are opportunities in the existing set itself. Is that the right understanding?

Hitesh Windlass: That's correct. We are very gung-ho about all three of our verticals, and we are executing towards that. If something comes serendipitously, then it's a different case, but we are not trying to build something there as of now.

Ishit Desai: Sure, sir. Thank you. I'll join back the queue. Thank you.

Moderator: Thank you. The next question is from the line of Dhwanil Desai from Turtle Capital. Please go ahead.

Dhwanil Desai: Hi, good afternoon, everyone, and congratulations for once again a very consistent performance. Most of my questions have been answered. Just two questions. One is, sir, if we look at the peer set of ours, a lot of them are actually getting large contracts from European players, especially on the CDMO side. Now with Plant 4 and 5 both kind of now EU GMP in place, are we pursuing

such opportunities? Are we open to that? How do you look at that thing, if you can talk a bit about that, how you guys are thinking?

Komal Gupta: We are working on a lot of things, Dhwanil. Once we finalize something and already start commercializing, that probably then is when we'll come back on what are our, because we don't know, whatever we are working on, which ones will materialize on a lot of things. As of now, nothing from our side to announce.

Dhwanil Desai: But is there a fair understanding that there is a traction on the EU players, EU market CDMO thing kind of moving to India? Is that a fair understanding that there is traction in that entire space?

Hitesh Windlass: I don't know, Dhwanil. That's something that has to be looked at with market data, the export-import data or things like that. Probably better to check there.

Dhwanil Desai: Got it. And you guys had already started registration for the injectables in the Europe market, right, I think when we started the plant? Have we–and I think we got one registration also, one approval also. If you can talk about at least pipeline, that what kind of registration we have done submissions, how many approvals we have got for the EU market on the injectable and oral side?

Hitesh Windlass: As you know, we have filings for sure, but so far there are no approvals, and we are expecting some of them to come. We'll continue to do the filings. As the business builds, then it'll show up in our P&L.

Dhwanil Desai: Got it. And last question. Plant 6, all cost in terms of the operations and depreciation and everything has come into this P&L, or something will flow over to Q3 as well?

Komal Gupta: It will flow over to Q3. September towards end, I think 28th of September is the commercialization date, so it'll be flowing in Q3.

Dhwanil Desai: Okay, got it. Thank you. That's it from my side.

Moderator: Thank you. The next question is from the line of Kumar Saurabh from Scientific Investing. Please go ahead.

Kumar Saurabh: Hello. Congrats both of you on great set of numbers. My question is around ESOP. I think three quarters back, we came up with the ESOP scheme, and if I understand, it was based on individual performance, company performance, and lot of things. If you can share something about how has this ESOP worked out? Are you happy the way it is going? How has been the ESOP impact on overall performance of the company?

Komal Gupta: In fact, you look at the performance and make a judgment. We continue to hold the exact same view when we announced the ESOP and how we see everything being panned out. Our view stays consistent. We hope that the market, the street, all our investors agree with us now.

Kumar Saurabh: Okay. And the second question is, I think you mentioned in the beginning, in the IPM the volume growth is 2.5%, though if I remember, the IPM growth is 14%, 15%, which means bulk of the

growth is price-led than volume-led. For us, it's the volume-led growth which benefits us more. Do you think this 2.5% kind of volume growth rate is a normal growth rate, or if you can share with your experience of IPM, do you expect it to get better with time, or this is the kind of growth rate which happens on the volume side?

Hitesh Windlass: That's a very difficult question, sir, because if you looked at historically, India market overall growth percent has always been between 8% to 12%, 8% to 11%, 12%, right? Out of that, three components were identified by most data companies: one was new launches, one was price growth, and the third was volume growth.

Volume growth used to be somewhere between 3% to 4% for the longest periods of time. It is only in the last two, two and a half years where we had, or maybe even longer, where we had flat, negative volume growth. So, question is that, okay, what is the norm? And question is that also, is the demand gone down?

Certainly, we don't see the demand going down in terms of healthcare. You see the cardiovascular side of things or chronic side of things, diabetes, all of that is increasing with lifestyle diseases. If you see the hospital beds, the CAGR on hospital beds is incredibly high. There is investment going on in order to treat more patients where there wasn't care, care is getting added. Income growth is also, as incomes grow, people spend more on healthcare.

I never really understood the flat or negative volume growth. Now question is, you are asking me whether this now new is a norm? I really don't have an idea over there also. We are looking at it carefully, we are studying it, but I think only time can tell what is the new norm.

Kumar Saurabh: Sure, sir. I found it a bit surprising, so I thought I'll pick your brains. And last question. I know you are the promoters; you have all the skin in the game, but can we get into any kind of scenario where we exhaust our capacity and we have demand, but we don't have capacity to cater? Because beyond INR1,100 crores, INR1,200 crores, I know you have told when the right time is there, we'll do it. But can there be any possibility when we are short of capacity and there is a demand to cater, or we are quite confident we'll never get into that situation?

Komal Gupta: We would ensure that never happens.

Hitesh Windlass: Yes.

Kumar Saurabh: Sure, sure. That's all I had. Wish you all the best. Thank you.

Moderator: Thank you. The next question is from the line of Aniket Nikumb from ABN Capital. Please go ahead.

Aniket Nikumb: Hello, am I audible?

Hitesh Windlass: Yes.

Aniket Nikumb: Yes. Thank you for the opportunity and congratulations on your continued, consistent execution. I just had one question, a little bit of follow-up on the comment you made earlier. You talked about an opex saving plan of something like INR25 crores to INR30 crores. Just wanted to make

sure I understood that correctly, or is that a capex investment which will get some savings? Maybe if you can just highlight what you meant.

Komal Gupta: Yes, that's correct. It's a capex investment which should ideally result in some operational expenditure reduction.

Aniket Nikumb: Okay, got it. And maybe another question just a little bit more broadly. As we're seeing in the news a little bit, especially in Maharashtra, the FDA has become very active in terms of food and drugs and so on, and we've always been talking about the Schedule M implementation. Just any comment from you folks on what you are seeing on the ground in terms of implementation of regulations? Are people switching to bigger manufacturers? What are you seeing, if you can just highlight?

Hitesh Windlass: So, for sure, this is the implementation has tightened drastically, right? Many plants have been shuttered, and the regulator has been doing testing. What used to be maybe 20,000, 30,000 samples in a year, the regulator is picking more than 1 lakh samples from the market and testing, and ensuring that compliance is there randomly on random basis. There is definitely a lot more enforcement.

I think overall for us, as a quality-conscious player who wants to actually be ahead of their own commitment towards quality We are audited almost 70 to 80 times a year. Almost every week, one or two audits are going on by our customers. We learn from them, we improve our systems, and we are continuously on this quality improvement journey.

I feel that in some sense, our customers become the moat for us. When we learn from them, we are better, and we end up preventing some inadvertent mistakes and growing with them. I feel that our model as a responsible manufacturer is very self-reinforcing. When we cater to this large multinational customer group, the large Indian players, we and their audits happen, we learn from that and we improve, and that reduces our risk in terms of regulatory exposure.

So, I actually like the space we are in, and if the regulatory standards become tougher, it should help more organized players. That's sort of a textbook situation. I think that there might be hiccups here and there that might come, but more or less, getting better standards in medicine is good for the country, good for the patient, good for us, good for the company.

Aniket Nikumb: Yes, no, got it. Makes sense. Sir, one last question if I may. You've alluded historically as well that you would consider doing some inorganic acquisition, inorganic type opportunities if there is some new therapeutic area or a new dosage form, and we've been looking at it maybe for some time.

Maybe just a question for you folks on at what point will you say, okay, I want to do inorganic versus maybe just organically go for the capex, right? Because we are generating a healthy amount of cash, we have a healthy balance sheet. How does the management think about that trade-off?

Komal Gupta: At a point where we see that injectables has actually now kind of maxed out existing facility, and we have initiated also the increase in injectables, oral solids continue as is, at that point of

time, we would just start, if by then we are not able to finalize anything on inorganic, we would put capex into another dosage form on our own.

Hitesh Windlass: I think to your point, having the strong balance sheet provides you the optional value of taking a call when the opportunity is the clearest. What we have avoided is to rush into something and then own somebody else's problem, and try to say that, okay, maybe it's coming for cheap so we can fix it and things like that. We have been very careful and prudent, and that's something that we will continue to be. As Komal mentioned, our organic investments shall go from the philosophy that she shared.

Aniket Nikumb: Great, thank you so much and wish you all the best. Happy Diwali to all.

Komal Gupta: Thank you. Happy Diwali.

Hitesh Windlass: Happy Diwali.

Moderator: Thank you. The next question is from the line of Miten Lathia from Fractal Capital Investments. Please go ahead.

Miten Lathia: Hitesh ji, congratulations on a very good set of numbers. Somebody asked this question earlier, but would it be safe to say that ex of the API movement, our organic growth would have been somewhere in the 15% to 20% ballpark range?

Hitesh Windlass: Very difficult, Miten ji, because the API change itself is not a very quantified base, right? What do you pick? Things have been fluctuating so wildly in the API side, and let's say what has happened in paracetamol has not happened in metformin or what has happened in some other molecules. Doing this statement is, at least I don't have the data, and I don't think industry has also published anything to make that kind of a statement.

Miten Lathia: Which is why I was looking for a range. Would the delta to growth, let's say if one were to just take a wild guess, would the delta to growth have been in the 5% range or 10% range? I know that it's difficult, which is why I didn't ask for volume growth, because that wouldn't make sense.

Komal Gupta: We did not give any such thing when API rates were really reducing and everyone kept asking us about that. Honestly speaking, we don't also try to do that internally. That is not something that we drive, and that's why it would be wrong on our part to say anything to that even in terms of range.

Hitesh Windlass: Even the guess would be such a wild guess that it's worth not, it's better if we don't make that guess, Miten ji.

Miten Lathia: Appreciate, sir. The second one would be, given that the codeine event is behind us, would it be fair to assume that FY28 trade generics growth would resume to our pre-codeine event numbers sort of, or is that still work in progress for us and we can't say that comfortably?

Hitesh Windlass: From our aspiration perspective, absolutely, and why not more, right? But from execution perspective, how it will pan out is like giving a guidance, right, and we certainly don't want to do that.

Komal Gupta: In terms of long-term growth, we continue to stay as positive as we were.

Miten Lathia: Understood. Hitesh ji, Komal, wish you a very happy festive ahead. Thanks again.

Hitesh Windlass: Thank you. To you also, Miten ji.

Moderator: Thank you. The next question is from the line of Gautam Gosar from Monarch AIF. Please go ahead.

Gautam Gosar: Hi, thank you for the opportunity and congratulations on good set of numbers. Actually, I have a question on the capital allocation part. You guys now have a cash balance of north of INR220 odd crores, and every year we may be generating around INR100 odd crores more. If we don't have a capex plan of more than INR30 odd crores a year, then I just wanted to understand your thoughts on the capital allocation going forward, or have you decided anything of doing one more buyback or returning the money to the shareholders? Any thoughts on that?

Hitesh Windlass: So, I think there is a regulatory restriction also in terms of how soon or when these things happen. Question is that always, I think we have to look at the historicals and see where Windlas Biotech comes strong. We have a dividend policy, as per that policy, a certain percentage of profit is distributed as dividend. We have done two buybacks in the last five years.

Komal Gupta Post listing, we have done two buybacks.

Hitesh Windlass: So, this is again also, none of the buybacks promoters have participated, so the idea has been to give benefit to shareholders. Can another one happen? For sure, why not. Do we know when we are doing it or what it is? No, I don't have that. We have just completed this one. Question is always about deploying it in the best possible way to grow the company, to reward the shareholders, and follow a disciplined approach.

Komal Gupta: In terms of capital allocation, I would like to say that future allocation, having good liquidity is done by us with the intent of being able to do what we want to do at any point of time, not being restricted either in terms of having the cash or having the debt raising capability. That is the goal that we work with. Because we have liquidity, we want to put the money somewhere is not how we think about it. How we think about is having enough, number one. Number two is in terms of strategy of how to spend the money is very clear.

We have always maintained that we want to be able to do an acquisition opportunity that we like, we want to be able to do the capex and providing capacity for our core business dosage forms, we want to be able to then start on our own at any point of time that we like to start capex internally for that kind of a plan, we want to be able to do buyback when we think that the market price is lower than much lower than what we think and we want to reward our long-term as well as long-term shareholders mainly.

And we also want to be able to not have a reason to continue with the guiding percentage of dividend policy, and when we feel like we want to do something for our employees, good long-term employees, we want to be able to do that. That is how we think about it. We have always maintained that this is how we look for capital allocation, instead of thinking that we have so

much money lying idle; what should we do with it?That is never the intention that we come with.

Gautam Gosar: Understood. I hope we see a positive capital allocation announcement soon, and wishing you all the best for that, and wishing you a very happy Diwali.

Hitesh Windlass Thank you. Happy Diwali to you as well.

Moderator: Thank you. The next question is from the line of Vansh Gupta from Prescient Capital. Please go ahead.

Vansh Gupta: Hi, sir. Thank you for the opportunity and congratulations on a great result. I just wanted clarity on something that I believe Ms. Komal has already given some light upon. When we look at our CDMO growth this quarter, would it be fair to assume that a majority of that growth was driven by the new products that our customers have launched, or if you can share some light on whether that was driven by an increased offtake in the existing products, or if you've added any new, significantly new customers who contributed to the growth?

Komal Gupta: It's a combination of several factors, few of them already mentioned by you: more business in existing products and new products with existing customers, and new products with new customers as well. We have grown across all these, and how much is difficult to mention, but it's a combination of all these factors.

Hitesh Windlass: And there's no one-off basically.

Komal Gupta: Yes, no one-off.

Vanshi Gupta: Got it. So, it's not like we are seeing increased product launches from our customers, which is driving majority of our growth. It's a fair split across all three.

Hitesh Windlass: Yes, it's neither concentrated in product, neither concentrated in customer, neither new, neither old. It's a combination of all of these things.

Vansh Gupta: Got it, sir. And sir, is it so that any specific therapeutic categories are contributing to this increase in our CDMO growth, or if you can just share the top three therapeutic segments that you cater to in the CDMO segment?

Komal Gupta: It would be unfair to have that breakup on such a short period of quarter, because as I mentioned, the overall number is also not something that we should say now this is the new norm, right? In one quarter, in fact Q1 and Q2, there are different therapeutic categories that have grown, because it's such a small number for three months in which one therapeutic category, if we have done that more, should not even be looked at, honestly.

Vansh Gupta: Right, ma'am. So, for the half year again, the growth has been across all of the therapeutic categories in the company? It was not limited to any few numbers?

Komal Gupta: No, I'm not saying that. I'm actually saying that we should not look at which therapeutic category we have done more on a short period of H1.

Hitesh Windlass: And there is also, see again the therapeutic category because we are working across a huge number of products, for a drastic change to happen across therapeutic category, it would require some drastic change to happen on the disease side or the population side. We are catering to such a wide and distributed product and customer base, so no change.

Komal Gupta: Yes, but if you are asking if there is an exception, any kind of exception, any kind of one-timer, that has not been there.

Vansh Gupta: Understood, ma'am. Very clear. That's all from my end. Thank you so much and all the best.

Moderator: Thank you. The next question is from the line of Ankit Gupta from Bamboo Capital. Please go ahead.

Ankit Gupta: Thanks for the opportunity again. On the injectable side, with this EU GMP approval coming in and we have already filed MAs there, any timeline when we can expect a revenue contribution from EU on the injectable side?

Hitesh Windlass: No, I mean, we are aware and we have certain expectations, but we have not been sharing that.

Ankit Gupta: I'm not asking for the numbers, but when can we expect this geography to contribute to our sales? From when, like FY28?

Hitesh Windlass: There's an internal expectation, but we don't want to mislead you by giving you a date and then whether because it is dependent on the authority, right, who is reviewing the dossier, and they are not time-bound. Whatever expectations are informal, and it's better not to share those with market and then mislead the attendees. That's why we choose not to share these kinds of details.

Ankit Gupta: Have we received approvals as of now for some of the products?

Hitesh Windlass: Sorry.

Ankit Gupta: Have we received approvals for any of the products as of now for the injectable plant?

Hitesh Windlass: For Europe?

Ankit Gupta: Yes, for any of this we got some approvals.

Hitesh Windlass: I already answered this earlier when I mentioned that we have done filings, and the process is that you first get the plant approved, and then one by one, each filing is reviewed, and product-wise approvals take their own sort of timeline and process.

Ankit Gupta: Okay. And what will be our model here? It will be like a CDMO kind of model, or will we be tying up with some of the marketing companies over there by using our own MAs?

Hitesh Windlass: It will be a mix.

Ankit Gupta: Okay. Let's say not in near term, but two, three years down the line, do you think this can be a big segment for us?

Hitesh Windlass: Of course. Obviously, we want to grow the business, and how it pans out, which markets, which products, those are all very dynamic things. We want to definitely grow the business.

Ankit Gupta: Sure. Okay, thank you. Thank you very much.

Moderator: Thank you. Ladies and gentlemen, we'll take that as the last question for the day. And now I would like to hand over the conference to the management for closing comments.

Hitesh Windlass: Thank you, everyone, for your support and wishes. We all from Windlas Biotech wish you a very, very Happy Diwali and a great festive season to everyone and your families.

Komal Gupta: Happy Diwali, everyone. Thank you.

Hitesh Windlass: Thank you.

Moderator: Thank you. On behalf of Windlas Biotech Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.