

Alivus Life Sciences

31 July 2026

Operator: Ladies and gentlemen, good morning and welcome to the Alivus Life Sciences Limited Q1 FY27 earnings conference call. As a reminder, all participant lines will remain in a 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 the operator by pressing star and then zero on your touch-tone telephone. Please note that this conference is being recorded. I will now hand the conference over to Ms. Somi Rao, Senior General Manager of Alivus Life Sciences Limited, for opening remarks. Thank you, and over to you.

Management: Good morning everyone. I welcome you all to the earnings call of Alivus Life Sciences Limited for the quarter ended June 30, 2026. From Alivus Life Sciences Limited, we have with us Dr. Yashir Rao, our MD and CEO, and Mr. Tushar Mistry, our CFO. Our board has approved the results for the quarter ended June 30, 2026. We have released them to the stock exchanges and updated them on our website. Please note that the recording and transcript of this call will be available on the website of the company.

Now I would like to draw your attention to the fact that some of the information shared as part of this call, especially information with respect to our plans and strategies, may contain forward-looking statements that involve risks and uncertainties. These statements are based on current expectations, forecasts, and assumptions that are subject to risk and which could cause actual results to differ materially from these statements depending upon economic conditions, government policies, and other incidental factors. Such statements should not be regarded by investors as a substitute for their own judgments. The company undertakes no obligation to update or revise any forward-looking statement. Our actual results may differ materially from those expressed or implied by these forward-looking statements. With that, I invite Dr. Yashir Rao to share his views. Thank you, and over to you.

Management: Thank you, Somi. Good morning everyone and welcome to our Q1 FY27 earnings call. We are pleased to begin the first quarter on a positive note, marked by healthy revenue growth, improving profitability, and continuing momentum across our markets. We reported revenues of 640 crores, which is 6.4% year-over-year growth during the quarter. Our performance this quarter was particularly encouraging as it was delivered despite a significant decline in the GPL business, reflecting the growing strength of our broader portfolio and the resilience of our business model.

Our non-GPL business delivered strong growth of 26.5% year-over-year, driven by successful new product launches and strong demand across all geographies. The momentum we have built in recent quarters continues to strengthen, with recently launched products continuing to gain scale across markets. This has provided greater diversification to our revenue base and created a platform for sustainable growth going forward, giving us confidence in the sustainability of this momentum.

GPL has been muted as a result of inventory rationalization. If you recall, Q4 was pretty strong and we saw a dip in Q1, with a decline of 52.6% year-over-year. However, the strong execution across the non-GPL portfolio helped us to offset this impact, underscoring the benefits of a broader and increasingly diversified growth engine. While growth in the GPL business is expected to remain flattish in FY27, the business has been historically weighted towards the second half of the year. We

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Alivus Life Sciences

31 July 2026

expect a similar trend to play out this year, resulting in a stronger H2 performance. At the same time, we expect the healthy growth momentum in the non-GPL business to continue, supported by a robust product pipeline, recent launches, and sustained demand across all markets. This provides us confidence in our ability to deliver growth despite the near-term weakness in the GPL business. Overall, the underlying strength of the India business remains intact.

Geographically, we saw broad-based growth across all markets during the quarter, highlighting the strength of the diversified business. On the profitability front, a favorable product mix and newer launches helped improve gross margins to 60.2%, an increase of 510 basis points year-over-year. Enhanced operational efficiencies and forex gains also supported a 650 basis points year-over-year improvement in EBITDA margins to 36.6%. These margins reflect the quality of our growth and disciplined execution.

Our CDMO business recorded 3.8% year-over-year growth during the first quarter. Given the inherently lumpy nature of the CDMO business, the performance does vary from quarter to quarter. We have seen that before. However, we can expect the segment to gain momentum in the second half of the year, supported by contributions from new D&D projects.

On the capex front, Sholapur continues to progress as planned. There is a little bit of a delay, but it is going to be operational in early Q3 FY27. Construction at Taloja, the R&D center, has begun in earnest and it will happen on schedule. The pipeline remains robust with 617 DMF and CEP filings globally as of June 30. Our high-potency API portfolio continues to advance with 29 products in the active grid representing a total addressable market of \$82 billion. Of these, 13 products have been validated, 7 are in advanced stages of development, and the remaining 9 products are progressing through lab development stages.

While we remain watchful of the evolving geopolitical and demand environment, the strength of our business fundamentals gives us confidence in our growth outlook. We are guiding for revenue growth of 10-12% in FY27, with growth skewed towards H2 FY27. We also remain confident of sustaining EBITDA margins in the 30-32% range. With this, I now turn the floor to our CFO, Mr. Tushar Mistry, who will walk you through our financial performance for the quarter in depth.

Management: Thank you, Dr. Yashir. Good morning everyone. Welcome to our Q1 FY27 earnings call. I would like to highlight the key performance updates for the quarter ended June 30, 2026. For Q1 FY27, revenue from operations stood at 640 crores, a growth of 6.4% year-over-year. Gross profit for the quarter was 385 crores, up 16.3% year-over-year. Gross margins for the quarter stood at 60.2%, up 510 basis points year-over-year, driven by new launches, product mix, and operational efficiency.

EBITDA for the quarter was at 234 crores, up 29.1% year-over-year. EBITDA margin for the quarter was at 36.6%, up 650 basis points year-over-year. PAT for the quarter stood at 160 crores with PAT margins at 25%. Turning to the therapeutic mix, CVS and CNS continued to anchor growth during the quarter, together contributing 58% to the top line. Overall, 20 therapeutics accounted for 74% of the top line in Q1 FY27. R&D expenditure for Q1 FY27 was 24 crores, which was 3.7% of our sales.

On the balance sheet and cash flow movement, our capex for the quarter stood at 85 crores. We expect to incur a capex of approximately 540 crores in FY27. We generated a strong free cash flow

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Alivus Life Sciences

31 July 2026

of 90 crores leading to cash and cash equivalents, including short-term investments, of 880 crores as of June 30, 2026. We continue to remain a debt-free company. Overall, we believe the business is well-positioned to deliver steady growth over the coming quarters while maintaining strong profitability, supported by improving demand trends and continued operational discipline. With that, let us open the floor for Q&A.

Operator: Thank you. Ladies and gentlemen, we will now begin the question and answer session. Anyone who wishes to ask a question may press star and one on their touch-tone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use their handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. We take the first question from the line of Ahmed from Unifi Capital. Please go ahead.

Ahmed – Unifi Capital: Thank you for the opportunity. Dr. Rao, congratulations on the great set of numbers, especially for the non-GPL business. My first question is to understand the growth. The margins are a little better. If you look at the last three quarters, obviously the gross margins have improved materially. You have spoken about a lot of process improvements, yield improvements, and so on. If one has to try to understand the delta which has come in, how much is due to the process improvements you have made and how much is because certain products or new launches have done well in the initial life cycle and that may sort of normalize as we move ahead? How should we look at it? The point I am trying to understand is whether 60% is a more sustainable gross margin or, as things move ahead, it may normalize a little bit.

Management: So, the two main reasons are launches and operational efficiency. Launches will not—the margins from launches will not just drop off or normalize. Because we are always ready with a second-generation process. We expect the launches have not fully fructified and there are still markets opening up for the new molecules that we recently launched. That growth, along with the margin stability, will continue. We have had significant improvement on the operational efficiency side, which also is incremental and will continue to deliver.

Ahmed – Unifi Capital: Sure. In that case, if we assume gross margins to be more sustainable—obviously there will be a quarter or two here or there—the EBITDA margin guidance which you have then implies it is fairly conservative.

Management: Yes, you know, we can guide to a better margin, frankly. We could even go up to 34%. The issue is this war situation and what it is doing to raw material prices. So, we need to be a little cautious. There is no point giving you a higher guidance and then not delivering. I would much rather—as a company, we have always been conservative—we tell you what we can do, and if there is an upside, there is an upside. But basically, it is the war situation that has made us a little more cautious in giving a higher guidance.

Ahmed – Unifi Capital: Sure. Regarding the war situation itself, how do you see raw material prices? Have they corrected meaningfully from the peak for you as a basket? Have you been able to pass on the pricing? Have there been price hikes in your end products that help you mitigate part of the raw material hikes?

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Alivus Life Sciences

31 July 2026

Management: There has been an increase in raw material prices. It has not been very steep, and we have managed to pass on a part of it to our customers. But we will have to see how to manage that. If there is a steep increase, customers do understand. We have had positive feedback from customers that they know the situation and are okay to support. But you cannot do that across the board. So, we need to understand that too.

Ahmed – Unifi Capital: If we try to assume the near-term, should the 60% margin broadly hold?

Management: Yes, like you said, a quarter here or a quarter there, but I think we can hold.

Ahmed – Unifi Capital: Sure. On the GPL part of the business, obviously this was a steep de-growth. You alluded to full-year numbers being flat. Does that confidence come from the conversations in terms of the order pipeline and product pipeline you want to deliver over the next three quarters? There is a certain hesitance among investors that if that part of the business de-grows materially, then the entire effort on the non-GPL business is sort of offset. How should one look at it as a whole for the full year? I understand Q1 was inventory assimilation, but what gives us confidence to achieve the 700–750 crore range which you have been delivering for the last three years in the GPL business?

Management: That is exactly right. They are an old customer and a very big customer spread. There are more than 50 commercial products that we supply there. Q1 is not an indicator of how the year will go, and we are pretty confident that in the worst case, it will be flattish growth.

Ahmed – Unifi Capital: On the new launches and high-potency API pipeline, I am assuming there will be gradual progress happening every quarter in terms of commercializing those 29 products we have as of now. Is there anything coming by the end of this fiscal year, or is it more tilted towards FY28, FY29 and beyond? Are there any new launches we can expect to happen in the end of FY27?

Management: It starts off in the end of calendar 2027 with the patent expiries. But then we have a good run for the next 4 to 5 years with the pipeline on APIs. End of calendar 2027 would be more like FY28. Of course, the CDMO part starts off a little earlier because they have to launch quantities and customers have to prepare for launch. So, we could see something, but our projections are more for FY28.

Ahmed – Unifi Capital: Sure, that helps. And lastly—

Management: That is fine. Thank you.

Operator: Thank you. We take the next question from the line of Yog Rajani from Omega Portfolio Advisors. Please go ahead.

Yog Rajani – Omega Portfolio Advisors: Hi, thank you. My first question was regarding the margin improvement. Since our GPL business has come down, would it be a fair assumption that the non-GPL business is more margin-accretive than the GPL business?

Management: Yes, we can say that.

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Alivus Life Sciences

31 July 2026

Yog Rajani – Omega Portfolio Advisors: Okay, great. My second question is regarding how we are positioned with regards to the global conflict. As I understand, we are very good at solvent recovery compared to many of our peers. Does that put us at a significant competitive advantage in the current situation?

Management: Net consumption is favorable for us on our processes, but there is still a requirement. We have a pretty wide product basket, so the range of solvents we use is much bigger than if we had a smaller portfolio. Solvents do have an impact, and you have seen oil prices and the way they are going. We are trying to get better. Recently, we introduced a membrane-based technology apart from just regular distillation, and that is proving to be pretty effective. We might scale that up, but again, we might improve recovery by about 5-10% there. It is not like we will recover everything.

Yog Rajani – Omega Portfolio Advisors: Okay, thank you.

Operator: Thank you. We take the next question from the line of Kaustav from Paul Asset. Please go ahead.

Kaustav – Paul Asset: Thank you for the opportunity. You previously highlighted that you are expecting to close two brand new CDMO contracts in early H2 FY27. Is this still on track or are there any changes?

Management: It is on track.

Kaustav – Paul Asset: It is on track, right. As I understand the non-GPL business is more margin-accretive. Will the EBITDA margins blend lower as GPL revenues improve in H2 FY27?

Management: Yes, we factored that into the figures. That is the reason why we are giving a range of 32%. As Dr. Yashir mentioned, it can go to 34%. But given the current quarter is 36.6%, if GPL comes in, it can come down to around 34% in our steady-state scenario.

Kaustav – Paul Asset: Okay, understood. I will get back in the queue.

Operator: Thank you. We take the next question from the line of Supreet D. Patil from iSight Fintrade Private Limited. Please go ahead.

Supreet D. Patil – iSight Fintrade Private Limited: Good morning management team. I have two questions. The first question is, beyond the regular outlook, what are the top two to three execution priorities you are focusing on in the next few quarters? Alongside that, what do you see as the biggest risk in client adoption, regulatory shifts, or compliance pressures? How are you preparing to manage them while strengthening the position of Alivus Life Sciences Limited in API and licensing solutions?

Management: That is a big question. Sholapur will be up and running by Diwali. We are going to trigger an inspection within a year from a major regulatory agency. We will line up those products. If we are able to achieve that within a year of getting Sholapur up and running, then that is a big milestone because it gives us a good runway for the next 3 to 4 years for servicing the business.

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Alivus Life Sciences

31 July 2026

As far as compliance pressure goes, I think we have had a decent track record. Things have been going well. Because we got a VAI in Ankleshwar and an NAI in Dahej from the FDA, a lot of agencies are not coming anymore. This year has been relatively light in terms of the audit scenario from major agencies. Of course, we continue to have customer audits and those are fine. I do not see any major compliance pressure issues. You also asked about scaling up the business and execution priorities. We have to get the launches right. So far, so good. If you have seen the last three quarters, launches have been contributing significantly. The launch momentum is pretty strong because patents do not expire at the same time in all markets. As patents expire, our newer products are having significant volume growth. We need to execute and ensure that we service those markets.

Supreet D. Patil – iSight Fintrade Private Limited: Can I ask my second question?

Management: Yes, go ahead.

Supreet D. Patil – iSight Fintrade Private Limited: This question is for Mr. Mistry. From a financial point of view, what key risks or challenges do you anticipate in the coming quarters? What specific measures are being taken to manage margins, cash flow, and balance sheet strength, especially in areas like raw material cost volatility or receivables?

Management: As Dr. Yashir mentioned earlier, we are confident of delivering these margins. He guided to 32% on a conservative basis, but if the steady-state affairs remain and the war-like situation does not impact us significantly, we can be touching 34% margin as well. We are seeing that raw material prices are going up. It started from solvents and now it is moving toward KSMs. We are actively monitoring this on almost a daily basis and looking at the impact on the cost of production. We then take adequate steps to engage with customers and see how we can pass some of this on. While this exercise used to be infrequent, it is now being done on a more regular basis so that we do not get caught on the wrong side of the margins.

As far as the cash flows are concerned, cash flows are robust. We have not had any defaults on receivables yet. Receivables are coming in a timely manner. We do not see those challenges. Exchange is favoring us today because of the rupee depreciation to a great extent since we are net exporters. There will be a slight increase on the inventory side as we keep building inventory so that we are able to continue to support our customers in a timely manner and at more predictable prices. We will be covering our inventories at prices that are more suitable to us, and that will continue to happen over the next few quarters. Overall, while the balance sheet has cash, it is a good position to be in. Even in these times of uncertainty, we are well-positioned to face these challenges effectively.

Operator: Thank you. We take the next question from the line of Pratik Kothari from Unix PMS. Please go ahead.

Pratik Kothari – Unix PMS: Good morning. If you can break this growth down into volume and price for FY27.

Management: In the non-GPL business, you have seen a 26.5% growth. Compared to Q1 last year, the exchange has given us an impact of about 7%. So if we look at a constant currency growth, it is

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Alivus Life Sciences

31 July 2026

about 20%. Within that 20%, the volume growth will be about 21-22% and the price decline is about 1-2%.

Pratik Kothari – Unix PMS: Okay. Phase 2 of Sholapur seems to have been pushed out by another year. Any comments on why the delays happened? Even in FY27, the capacities that were supposed to come have been delayed by a quarter or two. How are we thinking about building capacity?

Management: We have been pretty calibrated with respect to bringing on new capacity. The key is to get Sholapur Phase 1 and 1.1 on track. Once the facility is built out and we get audited by the FDA or a European agency, our ability to use Sholapur for the regulated markets improves significantly. The thought process is that as it is a greenfield project, we need to have a functioning facility, which we are going to do by Q3 and then a little later in Q4. Once it is operational, it is about how much business we can service out of Sholapur.

The main thing is to bring an agency in quickly for an inspection. Once we get that inspection, then we can really drive business hard from Sholapur. We do not want to hurry it up. Our experience on brownfield expansion is that we are able to put the manufacturing infrastructure up in about 8 or 9 months. We do not want to hurry Phase 2 and get into a situation where we have a lot of under-absorption. That would not make sense. We have Dahej, Ankleshwar, and Mohol, which are regulated sites. We are comfortably able to manage the business now because there is brownfield expansion happening in Ankleshwar and Dahej, which should give us a lot of comfort for this year and even going into next year. Beyond that, we need to get Sholapur audited.

Pratik Kothari – Unix PMS: Thank you and all the best.

Operator: Thank you. We take the next question from the line of Ahmed from Unifi Capital. Please go ahead.

Ahmed – Unifi Capital: Regarding the capex front, we have pushed out the timelines a little bit over the last couple of quarters. Considering we are already operating at probably 80-90% utilization or higher, can capacity constraints to grow in the second half or in FY28 be a challenge, considering Ankleshwar and Dahej have been pulled out?

Management: Ankleshwar and Dahej are on track. We did not push those out. Only Sholapur got pushed out a bit, partly due to some slowdown with labor. Dahej and Ankleshwar will complete on time. Because 80% or more of the business is regulated market business, we cannot do that out of Sholapur yet. Our priority on capex has continued to be the completion of the expansion of Dahej and Ankleshwar. Dahej is getting 160 KL and Ankleshwar is getting 110 KL.

Ahmed – Unifi Capital: So is this capacity enough for us to grow double digits for this year and hopefully FY28 as well?

Management: Yes. Also, Sholapur is not going to run empty. In Phase 1 and 1.1, we have already mapped out enough products to come out of Sholapur. Initially, we will be loading it with some large-volume intermediates for captive consumption, and we also have a big backward integration block coming up. All that will keep Sholapur busy once it starts. The only thing is we can only do

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Alivus Life Sciences

31 July 2026

ROW business out of Sholapur to begin with. For about a year, we will be parking ROW business there.

Ahmed – Unifi Capital: Got it. Thank you and all the best.

Operator: Thank you. We take the next question from the line of Yog Rajan from Omega Portfolio Advisors. Please go ahead.

Yog Rajan – Omega Portfolio Advisors: Hi, thanks for taking my question again. We have constantly increased our R&D expenditure as a percentage of our revenue, currently around 3.7%. Is there a target cap? I would like to understand what R&D expenses in the future could look like and whether it would be more CDMO or API driven.

Management: We should end up at a steady state of around 4%. It is driven by new APIs because the pipeline has been growing nicely. There is significant investment in new APIs. We also put a fair amount of effort into our second-generation and next-generation processes in order to keep the margins comfortable. That is a big part of the R&D effort. There is some CDMO element as well where we support customers with analytical and regulatory support for specialty CDMO projects like 505B2 filings. Largely, though, it is API. We see a strong enough pipeline that we are developing and it makes sense to make that investment in R&D today so that the future is secure.

Yog Rajan – Omega Portfolio Advisors: As the R&D spend has gone up, it has not affected our PAT margins; they have actually gone higher. Is that a trend we see in the future?

Management: PAT will continue to be good. The whole business is driven by a pipeline. As the pipeline builds better, we continue to drive business growth and margins.

Yog Rajan – Omega Portfolio Advisors: I had a question about our acquisition strategy, as we have 880 crores on our balance sheet. In case FDA-approved facilities are available, would we be interested, or are we interested in acquiring companies with their own pipelines?

Management: Capacity is not a challenge for growth at Alivus Life Sciences Limited, and our facilities are top-of-the-line. We would not spend money just on facilities. Regarding pipelines, unless it is a very different platform technology, we would not go after it just for that. We are actively looking at synergistic opportunities. We believe in something that adds greater value to what we already have. We do not want to do $1+1=2$; we would rather have $1+1=3$ or 4 . We want to expand laterally. We are more driven by "API plus"—getting more out of the existing portfolio as well as the new portfolio and whatever platform technology provides for both API and CDMO.

Yog Rajan – Omega Portfolio Advisors: Great, thank you.

Operator: Thank you. We take the next question from the line of Bhavna Israni from Ambit Asset Management. Please go ahead.

Bhavna Israni – Ambit Asset Management: Congratulations on the good set of results. I wanted to check on the CDMO side. Indian CDMO companies are currently in a sweet spot. From the perspective of Alivus Life Sciences Limited, how many new customers have we added in the last two to three quarters, and how have inquiries been? How do you see the CDMO business panning

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out in the next two to three years?

Management: For CDMO, we have active discussions on about 7 projects right now, but it takes time to fructify. We are seeing that Indian companies are in a sweet spot, especially with interest from the US. Our focus remains on life cycle management and specialty projects. In about 1 to 1.5 years, we can get a project going, and regulatory approvals do not take that much time. Growth will be better in the next two to three years. We are doing 160–170 crores in revenue, which is expected to improve toward the second half of this year because two new projects are kicking in and older projects are coming back. We believe CDMO will grow faster than the overall business. I cannot put a specific number on it right now as it depends on the size and number of projects we crack.

Bhavna Israni – Ambit Asset Management: You mentioned working on 7 projects, but any new inquiries?

Management: I was talking about 7 new inquiries that we are currently working on. Our current revenue is coming out of 5 projects.

Bhavna Israni – Ambit Asset Management: As CDMO growth accelerates in the second half of FY27 or in FY28 and new products commercialize, can we expect the margin profile to increase from here, or is 33–34% a sustainable basis since CDMO is a high-margin business?

Management: It does add to margins, but the overall volume is small. Plus, the API business is also doing very well in terms of margin. Most of the margin growth in the last few quarters has been driven partly by CDMO, but the new API launches have also contributed quite well. Improvement will come from a mix between CDMO and new launches.

Bhavna Israni – Ambit Asset Management: Got it. Thank you.

Operator: Thank you. There are no further questions from the participants. On behalf of Alivus Life Sciences Limited, that concludes this conference call. Thank you for joining us and you may now disconnect your lines.