Date: 11th February, 2026

To,
The Manager,
Department of Corporate Services,
BSE Limited
P. J. Towers, Dalal Street,
Fort, Mumbai – 400 001
Scrip Code: 533573

To,
The Manager,
Listing Department,
National Stock Exchange of India Ltd.
'Exchange Plaza', Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051
NSE Symbol: APLLTD

Dear Sir/Madam,

Sub: Transcript of Post Results Conference Call held on 5th February, 2026

Ref: Our Intimation dated 21st January, 2026

With reference to the captioned matter, please find enclosed herewith the transcript of the Conference Call held on 5th February, 2026.

We request you to kindly take the same on record.

Thanking you,

Yours faithfully,

For Alembic Pharmaceuticals Limited

MANISHA SARAF

Digitally signed by MANISHA SARAF
Date: 2026.02.11 19:00:32 +05'30'

Manisha Saraf
Company Secretary

Encl.: A/a.

“Alembic Pharmaceuticals Limited

Q3 FY '26 Earnings Conference Call”

February 05, 2026

MANAGEMENT: **MR. PRANAV AMIN – MANAGING DIRECTOR**
MR. SHAUNAK AMIN – MANAGING DIRECTOR
MR. R.K. BAHETI – EXECUTIVE DIRECTOR
MR. G. KRISHNAN – CHIEF FINANCIAL OFFICER
MR. AJAY KUMAR DESAI – SENIOR VICE PRESIDENT-FINANCE

Moderator: Ladies and gentlemen, good day, and welcome to Q3 FY '26 Earnings Conference Call of Alembic Pharmaceuticals Limited. We have with us today, Mr. Pranav Amin, Managing Director; Mr. Shaunak Amin, Managing Director; Mr. R.K. Baheti, Executive Director; Mr. G. Krishnan, CFO; Mr. Ajay Kumar Desai, Senior VP, Finance.

As a reminder, this conference call is for analysts, institutional investors. 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. G. Krishnan. Thank you, and over to you, sir.

G. Krishnan: Thank you. Good evening, everyone. Thank you for joining the conference call to discuss the financial results for third quarter and 9 months ended December 2025. Let me briefly take you through the numbers for the period before handing it over to Shaunak.

So moving on, we continued the momentum that we had in the first half of the financial year into the third quarter. Revenue for the quarter grew by 11% year-over-year to INR 1,876 crores. The quarter saw broad-based growth driven by volume expansion, new product launches and increased traction in ex-U.S. markets, offset in part by pricing pressure in U.S. generics and API.

Gross margin was at 72% for the quarter compared to 74% in the previous year. The moderation was primarily driven by change in product mix and pricing challenges, partially offset by cost improvement programs that we have in our International Business.

Pricing pressure in international generics, particularly in the U.S. and API business has persisted during the quarter. These headwinds were mitigated by sustained cost efficiency programs, helping us remain competitive in the market. As communicated earlier, our gross margin remained in the operating range of 70% to 75%. So hence, the gross margin of 72% for the quarter is something that we are comfortable with.

EBITDA before R&D expenses and exceptional items stood at INR464 crores for the quarter, representing 25% of revenue compared to 23% in the previous year, again, reflecting an improved operating leverage and prudent management of discretionary spending during the quarter, and hence the year-on-year EBITDA growth was at about 20%.

R&D expenses increased by 33% year-over-year to INR 165 crores for the quarter, and this is in line with the full year guidance of INR 600 crores to INR 650 crores that we had provided earlier.

Profit before tax for the quarter, but before exceptional items grew by 15% year-on-year to INR 205 crores, again, reflecting underlying revenue growth and margin improvement that we have seen during the quarter.

Profit after tax for the quarter before exceptional items grew by 21% year-on-year to INR 168 crores.

Pursuant to the changes under the New Labour Code, the company has recognized a onetime provision of INR42 crores towards employee benefits. However, this does not impact operating performance or any immediate cash flow.

Adjusted for this exceptional item pertaining to the Labour Code related impact, reported profit after tax was lower by 4% compared to previous year.

Net working capital stood at INR 2,944 crores, broadly near the September levels.

Net debt marginally declined to about INR 1,213 crores compared to the previous quarter.

Moving on to the 9-month results. Revenue grew at 12% year-on-year to -- close to about INR 5,500 crores. Again, growth was broad-based across all the businesses. EBITDA before R&D spend and exceptional items for the previous -- for the period was about INR 1,391 crores, which is 25% of the revenue and resulting in a 25% year-over-year growth. This reflects strong revenue growth and better utilization of facilities -- capacity utilization across facilities.

EBITDA post R&D expenses was INR921 crores, which is 17% of revenue.

PAT before exceptional items for 9 months grew by about 22% to INR505 crores.

While I have given a broad overview of the financials for the quarter, I now request Shaunak to take you through the India Branded Business. Over to you, Shaunak.

Shaunak Amin: Yes. Thank you, Krishnan.

The India Branded delivered a 6% year-on-year growth, reaching a revenue of INR652 crores for the quarter.

Gynaecology, Ophthalmology, animal healthcare segments have demonstrated accelerating performance.

Our anti-infective segment grew in line with performance, and we have launched successfully 4 new products in this quarter.

I will now hand over the discussion to Pranav

Pranav Amin: Thank you, Shaunak.

I'm pleased to present the performance for the third quarter of FY '26. The Q3 performance reflects continued momentum as we strengthened our presence across key markets and achieved growth in both formulations and API. The performance was driven by a 36% growth in ROW markets, reflecting our strategic geographic expansion and focused execution. The U.S. business grew 6%, supported by higher volumes and new launches in the last few quarters despite continuing pricing challenges.

We have executed a few out-licensing and manufacturing agreements as well that support our injectable and onco capabilities. These strategic contracts, along with the in-house products, will help us scale utilization in these new facilities over the next 12 to 18 months. We continue to maintain sharp focus on profitability and operational excellence.

We filed one ANDA during the quarter and cumulative ANDA filings were at 270.

Our R&D investment is approximately 9% of revenue, and it demonstrates our sustained commitment to pipeline development and long-term value creation.

The focus remains on complex and differentiated areas such as injectable, peptides, oral solids and drug discovery with an emphasis on early-entry opportunities, including First to File, Day-1 and NCE-1 launches.

We received 7 approvals in the U.S.

We launched 2 approved products in the U.S. during the quarter and cumulatively have 23 ANDA approvals and 20 tentative approvals.

We hope to launch another 4 to 5 products in the fourth quarter of the year.

We're also on track to launch our first branded product in the U.S. in February 2026. Sometime in Q4, we'll do it. Pivya is a first-line oral antibiotic targeting uncomplicated urinary tract infections in women with a track record of low treatment and emergent adverse events. This will help us target this particular market in the U.S.

While the launch will have an impact on near-term profitability, we expect the product prescription share to scale up during the course of the next 12 to 18 months. We are confident of the medium- to long-term market opportunity that the product will help us capture. Moreover, this helps us with a strategic shift towards part branded business which we can ramp up hopefully in the years to come.

With this, I would like to open the floor open for Q&A.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Damayanti from HSBC.

Damayanti: My first question is on India business. So Shaunak, we have seen some improvement, but the growth seen so far is still below the market growth rate. So when we are anticipating Alembic India growth to catch up with the market growth? And what kind of progress you have seen versus last quarter when we spoke?

Shaunak Amin: Yes. So the India business is quite complicated, and to grow it on a sustained basis requires a lot of interventions to make it happen.

Q1 of the coming financial year is where we feel we should be back in line with the market growth rate.

Damayanti: Okay. So whether that will be driven more by improvement in processes or you are looking forward to some meaningful launches, et cetera, which can really help you to catch up with the market growth rate?

Shaunak Amin: Launches continue to happen, but we're basing this to be more back of operational execution to drive this growth in Q1.

Damayanti: Okay. So next fiscal is the time line where you think your India growth will converge with the market growth rate?

Shaunak Amin: Yes.

Damayanti: Okay. My second question is to Pranav regarding your upcoming launch of Pivya in the U.S.?

Pranav Amin: Yes.

Damayanti: So this is a branded product, right? And in this space, I think what we have seen in the market, there were earlier launches, which were good in terms of efficacy, but somehow there were a problem on the reimbursement part, et cetera. That's why many -- I'll say many brands went out of the market.

So what are your expectations in terms of reimbursement for this product? And what preparations are currently underway? So what makes you think, like, this will be a success compared to other AMR products which were there in the U.S. market?

Pranav Amin: So the success is relative, right? what we're trying to build is just some kind of incremental business. As you know, we've said given the details about the licensing. It wasn't very expensive. It's a higher royalty outgo for us. We believe there are a couple of products already in the market, and we can position ourselves well. There are some new ones which are very expensive. There are some older ones which are genericized.

In terms of efficacy, we sit on a sweet spot. Let's see how it goes. It's still early days. Let's take a couple of quarters to see where we stand. In terms of the reimbursement and the co-pays and everything. U.S. team is working on that with the respective customers and the bodies.

Damayanti: Okay. But it's on track for launch this quarter, right, on -- in the fourth quarter?

Pranav Amin: Yes. It's on track for launch in this quarter. The MRs are being onboarded right now. The material is being shipped to the U.S. So we're on track for a Q4 launch.

Damayanti: Okay. And my last question is on U.S. business again, where we continue to see challenges on the pricing part. And then you mentioned some contracts on the injectable and onco space, which might help you in coming quarters, et cetera. So besides -- first, like, when these contracts will start appearing in your numbers? And when do you think U.S. will be back on growth track?

Pranav Amin: U.S. is already on the growth track as we speak. We are growing in terms of volumes. We're growing quite a bit with the pricing pressure. it's 6%. Last year, Q3, we had a higher base because we had a few more launches in Q3 of last year, a few big launches that bumped up Q3 last year.

But I expect the U.S. business to grow between 10% to 12% for the full -- on full year basis. And we are well on track for that. We have a few interesting launches happening in Q4 as well.

Moderator: The next question is from the line of Candice Pereira from Dolat Capital.

Candice Pereira: So just to clarify, the R&D number is INR165 crores, right, for this quarter?

G. Krishnan: Yes.

Candice Pereira: Okay. And will it remain in this range for the next year as well for FY '27 9% of revenue?

G. Krishnan: Sorry, your voice is a bit muffled. If I understand the question is, is it going to be at the same level for next year?

Candice Pereira: Yes.

G. Krishnan: we will guide sometime when we start the next year. But for the current year, we are seeing it about 8% to 9% of total revenue as R&D spend. And it's been at the similar levels for Alembic in the last few years. So for next year, specifically, we will discuss at the time when we do the quarter 4 results.

Pranav Amin: Yes. But by and large, we will be along the same numbers between that 8%, 9% kind of range generally.

Candice Pereira: Okay. Got it. And the other income is slightly higher this quarter. So is there any forex gain? And how much is it?

G. Krishnan: Yes. And forex gain should not be big. So yes, so the other income is about INR15.5 crores, and most of that will be forex gain.

Moderator: The next question is from the line of Rahul from IIFL.

Rahul: Sir, on the domestic business, can you talk about the challenges which we are facing because our domestic business growth has been quite tepid over the past 3 to 4 years. So we have been underperforming market growth. And in the past as well, we have talked about growth improving, but we haven't seen that playing out. So just in terms of how our domestic business is shaping up to be.

And do you think that with the kind of scale up in investments which we were doing for the U.S. business, over that period maybe the investments on the domestic business have been on the lower side due to which now we are struggling to grow even in line with market?

Shaunak Amin: No Rahul, I mean, I don't think there's an issue of underfunding the business. I mean, if you want to talk about something that maybe we were too conservative on, the whole doctor spend scenario in the context of UCMP, possibly we were too conservative and extremely sensitive to it relative to the market. That's what I understand.

So maybe that was one of the factors which has led to this. Ex of this, historically, Alembic has not been a high-growth company. But we wanted to fix the fundamental issues that have been plaguing us. That compounded with the post-COVID drop that we saw, rather the COVID bump that we saw for a large part of our large brands in the business, dealing with those -- when those markets prepped, it compounded the whole view. I agree with you, the growth has been tepid. But we're quite confident of this going forward.

Rahul: So some of your peers have also been actively expanding their rep teams in India in order to, let's say, drive penetration in some of the smaller Tier 2, Tier 3 markets. So while we are adhering to the ethical norms might have slightly impacted our growth. But do you think that there is a need for us to expand our field force in order to drive better penetration at the market level, which could help us to drive better growth going forward?

Shaunak Amin: I personally don't think at this point we are looking at any further large expansions. But that being said, yes, there is a large opportunity in the India market, assuming if things start going as per our expectations operationally, I mean, we would consider and look at those plans to take it forward.

On the point of the UCMP, I don't think it's a small bit. It's a very large bit. That's a large part of many companies where there is extremely high growth.

Rahul: Then if that is your stated strategy, that's not going to change going forward. So then our domestic business in the best-case scenario would, let's say, grow only in line with market or continue to slightly underperform market?

Shaunak Amin: I think, Rahul, we can take this offline. It is a lengthier discussion because we're talking of multitudes of company. But yes, the alignment UCMP possibly more companies are sensitive to it today than they were in the last 2 years.

Rahul: And a question with respect to the U.S. business. So while we have been aggressively investing in terms of R&D, so FY '25, we saw a slowdown in our R&D spend. But again, this year, there has been an acceleration. So when do we actually see our U.S. growth picking up from whatever complex opportunities, which we are pursuing.

So Pranav talked about injectable, peptides, even drug device combinations. So just some outlook in terms of how do you see the U.S. trajectory over the next 2- to 3-year period because, as I said, we have been aggressively investing behind this business?

Pranav Amin: No, Rahul, the U.S. business has been growing. What's happening is due to increased competition and competitive intensity, we are finding that the opportunities are becoming little less. Having said that, in terms of volume, we continue growing.

With some of the injectable that we're doing, we've got a few injectable opportunities, we're getting a few more. And over the next 2 years is when we should see a lot more of that coming up.

Ophthalmic, we've done a pretty good job, and we've got a lot of market share in most of the ophthalmics that we've got and a lot of leadership positions over there. And injectable, the general injectable and complexes also, we'll do that over the next couple of years once we get the additional approvals.

Rahul: So do you think that the U.S. business can grow at a mid-teens kind of a constant currency rate going into '27 and '28?

Pranav Amin: Yes, it could. Ideally, I would like to go into the mid-teens like between 10% to 15%, at least I would expect the U.S. business to continue growing every year.

Rahul: And one last question from my side with your permission. So with respect to this branded product launch, sir, what kind of a margin drag should we factor in, let's say, for an initial period till the product starts scaling up?

Pranav Amin: Till the product starts scaling up we wouldn't have any margin because until it gets to a certain point, you have your MR cost, you have the royalty payments, you have everything else. So let's wait for a couple of quarters, and you guys will all get a much better idea. We will also get a much better idea how quick the ramp-up is happening.

Rahul: But let's say, if we had to budget in the opex for this business, what kind of opex do you envisage for this business for, let's say, FY '27?

G. Krishnan: So Rahul, the way you should look at it is at an overall company level the margin is something that you should factor. And what we are seeing is that the core business margins have shown improvement in the current financial year. And with better capacity utilization in the existing facilities that we have put, the margin expansion is something that we should see coming out in the next few quarters.

Now we are -- like Pranav said, we don't know exactly where we will land on the top line, so hence the margin pressure on Pivya launch is something it's not possible for us to predict at this point. But from a modeling perspective, you could assume that the margin expansion will be sort of a cushion for the expenses that will come from Pivya.

Moderator: Thank you. As there are no further questions from the participants, I would now like to hand the conference over to Mr. G. Krishnan for his closing comments.

G. Krishnan: Thank you for joining us on the call for third quarter. Please feel free to reach out to the team for any clarifications or questions you might have. And thank you once again. Have a very good evening.

Moderator: Thank you. Ladies and gentlemen, on behalf of Alembic Pharmaceuticals Limited, we conclude this conference. Thank you for joining us, and you may now disconnect your lines.