Windlas Biotech Limited



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CIN-L74899UR2001PLC033407

August 21, 2025

To Listing / Compliance Department BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001 To Listing / Compliance Department National Stock Exchange of India Limited Exchange Plaza, C-1, Block G Bandra Kurla Complex Bandra (E), Mumbai – 400 051

BSE CODE: 543329 NSE SYMBOL: WINDLAS

Dear Sir/ Madam,

Subject: Q1 FY26 Earnings Conference Call Transcript

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith Q1 FY26 Earnings Conference Call Transcript.

You are requested to take the same on record.

Thanking you,

Yours faithfully,

For Windlas Biotech Limited

Ananta Narayan Panda Company Secretary & Compliance Officer

Encl: As above



"Windlas Biotech Limited Q1 FY-26 Earnings Conference Call"

August 13, 2025

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 13th August 2025 will prevail.





MANAGEMENT: MR. HITESH WINDLASS – MANAGING DIRECTOR
MS. KOMAL GUPTA – CHIEF EXECUTIVE OFFICER
AND CHIEF FINANCIAL OFFICER



Moderator:

Ladies and gentlemen, good day, and welcome to the Windlas Biotech Limited Q1 FY '26 Earnings Conference Call.

This conference call may contain forward-looking statements about the Company, which are based on the beliefs, opinions and expectations of the Company as on date of this call. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict.

As a reminder, all participants' 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 '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

Today on the call, we have Mr. Hitesh Windlass – Managing Director; Ms. Komal Gupta – CEO and CFO.

I now hand the conference over to Mr. Hitesh Windlass. Thank you, and over to you, sir.

Hitesh Windlass:

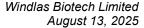
Thank you. Good afternoon, everyone, and thank you for joining us today for our Financial Results for the quarter ended 30th June 2025. We have uploaded the Press Release and Investor Presentation on our website as well as on the Exchanges.

I hope that everybody must have gotten an opportunity to go through it. Initially, I would like to discuss the outlook and way forward for Windlas Biotech, followed by 'Financial Highlights' for Q1 FY26 of the Company, which will be shared by our CEO and CFO – Ms. Komal Gupta.

This quarter reinforces our strong growth trajectory, marking the 10th successive quarter of record revenue performance. The Company reported an earnings per share of INR 8.4 for Q1 FY '26, marking a 30% Y-o-Y increase. In line with its commitment to shareholder value creation, the Board paid a dividend of INR 12.2 crores, equivalent to INR 5.8 per share to its shareholders for FY '25 in August 2025.

The Indian pharmaceutical market registered a Y-o-Y growth of 9% in Q1 FY '26 with a modest volume growth of 1%. We delivered 19.9% Y-o-Y revenue growth for the quarter, driven by steady contributions from all three business verticals.

Our Generic Formulations CDMO vertical continues to deliver healthy performance, driven by customer additions, expansion in product portfolio and consistent delivery of quality manufacturing products.





The Trade Generics and Institutional vertical sustained their growth momentum through deeper penetration across core and adjacent markets, supported by government health care schemes such as Ayushman Bharat and Jan Aushadhi.

In exports, we are actively pursuing several strategic initiatives, aimed at meeting the increasing global demand for high-quality and affordable generic medicines.

On the manufacturing front, we are strengthening our operational infrastructure through the upgrade of our recently acquired Plant 6, which remains on schedule for its planned capacity expansion.

Additionally, our injectable facility is enhancing our ability to serve diverse customer needs and deliver a wider range of products efficiently.

As we move ahead, our outlook on the broader Indian Pharma sector remains optimistic. Our focus remains on driving long-term value for shareholders by boosting operational efficiencies, nurturing key talent and expanding our dosage form capabilities.

I will now request Ms. Komal Gupta, our CEO and CFO, to discuss the financial performance highlights. Over to you, Komal.

Komal Gupta:

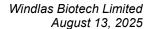
Thank you, Hitesh. Good afternoon, everyone. On the back of performance momentum seen consecutively across last 10 quarters, we delivered another quarter of consistent performance with revenue of INR 210 crores, EBITDA INR 27 crores and PAT INR 18 crores.

The Company recorded 20% Y-o-Y growth in revenue, 27% in EBITDA and 31% in PAT. The Company's gross margin expanded by 71 bps Y-o-Y to 38.3%, while EBITDA margin improved by 70 bps to 12.6%.

Windlas Biotech is strategically focused on strengthening core capabilities and expanding into high potential geographies to meet evolving market needs. Through disciplined execution and operational efficiency, we are well positioned to drive sustainable growth, enhance competitiveness and create long-term value for our shareholders.

Our Generic Formulations CDMO vertical achieved growth of 17.8% Y-o-Y, contributing INR 160 crores in revenue. Our continuous endeavor to ensure delivery excellence and stringent quality standards strengthen our positioning as a trusted CDMO partner in pharmaceutical industry.

The Trade Generics and Institutional vertical grew by 25.2% Y-o-Y to INR 44 crores. This growth was driven by enhanced distribution reach, stronger market presence in previously underserved regions and increased product range.





Exports vertical registered 45.4% Y-o-Y growth to INR 6 crores as we continue to deepen our presence in key regulated and semi-regulated markets. As we progress through FY '26, the Company remains focused on driving process enhancements and strengthening internal efficiencies

We are currently witnessing encouraging trends across all business verticals, backed by a differentiated value proposition and strong customer engagement, the Company is optimally structured to unlock its long-term goals in a sustainable and impactful manner.

That's all from our side. We can now begin Q&A session. Thank you

Moderator:

Thank you very much. We will now begin with the question-and-answer session. (Operator Instructions) The first question is from the line of Dhwanil Desai from Turtle Capital. Please go ahead.

Dhwanil Desai:

Hi, good afternoon, everyone. Congratulations for a very good set of numbers. My first question is how is the ramp-up on the injectable side? And also, if you can help us with the utilization and how do we see the ramp-up going ahead? And a question tied to this is that our gross margin has expanded significantly. So, when do we see the full benefit of cost absorption of the new plant as the scale-up happens on the injectable side?

Hitesh Windlass:

So as Mr. Dhwanil has discussed consistently in our past conversations also, we want to emphasize that our business is more amenable to be evaluated on a longer-term basis, rather than quarter-by-quarter and also as a whole rather than part by part. Thus, we continue to reinforce this message by bringing to your attention at the Company level performance as opposed to dosage form-wise performance. So, our action plans are in place, and we are progressing on the various dosage forms, including injectables.

With regards to your question on the margin expansion, Komal, if you want to add?

Komal Gupta:

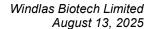
Yes. So, in terms of margin expansion, as we have mentioned in the past, Dhwanil, we see that we expect the margin expansion to happen. Exactly when the correct operational efficiency balance along with the revenue and capacity expansion hits is difficult to mention the timeline, but we see margins growing as you have been seeing consistently.

Dhwanil Desai:

No, I appreciate the point of not disclosing utilization. But I think last 2 quarters, you were talking about increased cost, depreciation, because of the injectable plant. So, I think it would be really good to know that how that cost absorption is happening along with the scale up, even if you don't want to talk about specifics, because we were talking about those factors in the last quarter, right?

Komal Gupta:

Last quarter, we gave injectables revenue detail. We did not give any other detail, and that was in line with what we have been saying for earlier all 3 quarters. Last year was our first year of injectables facility commercialization. And that's why we promised post 31st March call, we





promised all the investors that we would give injectables revenue detail at the end of the year, and we delivered, which was not a very encouraging number. But we don't intend to, in addition to giving the vertical-wise details, which we continue to give right from beginning. We don't want to add up another thing. Last quarter, that was the reason why we discussed.

Depreciation, of course, depreciation increase was coming in from 2 factors for first 3 quarters, which was injectables depreciation. We never give injectables depreciation as a separate number, but we mentioned that most of the increase is because of injectables. In quarter 4, there was also additional depreciation coming in from plant 2 extension capitalization.

This year also, the reduction, if you see, is coming in from mainly the injectables and also some portion of plant 2 extension. That much we can mention, and we can continue to mention, Dhwanil, but we don't intend to continue to give the exact ramp up details for every dosage form, which we do not do earlier also. We don't give tablet capsule, liquid, sachet, such details in past, we have never given.

Dhwanil Desai:

Okay. Appreciate that. Second question is on the, I think in the commentary; we talked about the export market and some steps that we are taking. So, if you can dwell more on that. So, I think export numbers have been growing, but, I think still relatively smaller compared to the scale in the other 2 segments. So, if you can talk on that and how do we see the journey from here?

Hitesh Windlass:

Sure. While this quarter also, if you see, our growth has been good, but of course, it is a small base. And we really have to unlock more markets and unlock more product in our RoW segment. So, the Rest of the Asia, the CIS, the Africa, these are the markets that, or the geographies that we are active in. And we have been adding more and more dossiers, so getting registrations done as well as getting renewals of our existing products done in these markets.

Some new markets also have been, we have been trying to open. So, the registrations are expected. Most of the regulatory authorities don't really give timeline commitments here. So, we have been waiting for some of them. In the past, we had also talked about in-licensing of certain MAs for Europe.

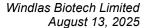
And those are also in the process of transfers where the regulatory authorities, the filings have been done, and we are now in the wait mode to get the transfer approvals. So, there's a lot of work going on in the background. And we are optimistic, and we are expecting that as each of these various filings unlocks or approvals come through, we will be able to commercialize and expand our vertical over there.

Dhwanil Desai:

Okay. That's very helpful. I have more questions, I will come back in the queue. Thank you.

Moderator:

Thank you. The next question is from the line of Sudarshan Padmanabhan from ASK NDPMS. Please go ahead.





S. Padmanabhan:

Thank you for taking my question and congrats on good set of numbers. Sir, my question is just taking forward from the previous participant, not necessarily dwelling on numbers, but if we are looking at utilization of the injectable plant, how have we seen the ramp-up in that plant?

And just taking forward your comments in terms of one is, of course, new client addition is very good for us. But how has the wallet share improved in the last 2 to 3 quarters, if you can qualitatively give some color on that?

Hitesh Windlass:

Yes. So, Sudarshan ji, basically, the CDMO space is not very well documented. So even for us, we don't, we can track how each customer is increasing in contribution to us or in magnitude in terms of how much business we are able to attract. But wallet share is very difficult for us to know, because there is no real set of published data and also customers also don't like to disclose what percentage or what is the total outsourcing they are doing. So hard to answer that question.

On our side, the way we look at it is more in terms of the client concentration being an important factor. So, since we are a B2B business, our internal metrics have been around ensuring that we don't have overdependence on any one customer.

So, we have been over the last 4, 5 years, consistently improving in reducing the contribution of our top most client. And this year also, this quarter also, we are staying in line. All our growth is coming from distributed set of clients. It is not a significant or chunky growth from one business or one customer or one product.

And so that way, we are maintaining the health and the focus of broad-based business development in this vertical. Your third question was around the utilization levels. So, on the utilization levels, not much is changing because of 1 quarter. It's very small period for us to say. So, if you look at our last year's numbers, then we are within a range of similar utilization.

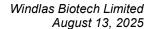
S. Padmanabhan:

Sure, sir. The reason why I was asking more on the wallet share and the interest from customers is the Schedule M, which is intending to be more implemented aggressively with time. So just wanted your sense more qualitatively from your interaction with the clients that is the ecosystem gearing up towards this schedule and implementation, focus on more quality? I am trying to understand the polarization from unorganized inefficient players to organized, is it starting to move.

Hitesh Windlass:

Sure. I think you hit on a very important point, Sudharshan ji, that even when we first got listed, this was one of our important thesis that given the very highly fragmented nature of the contract manufacturer industry, very large number of people present and the increasing quality pressures, we definitely expected that it should lead to more benefit towards the organized players.

Now if you look at Schedule M, there have been a lot of changes done in terms of quality expectations. They are on the infrastructure side, which needs capital. They are on the day-to-day reporting and defect monitoring and reduction side, which requires competent manpower and systems. And they are on the soft aspects of the quality tests also being enhanced.





So Indian Pharmacopoeia has also been revised. So more tests are required to be done. Dissolution test has entered in almost all domestic supplies. So all of this means that there is more cost, there is more oversight, and there is a focus on more careful execution. And this is where the investments that we have been doing, Windlas, many years, whether it was our electronic systems, moving our QA and QC to electronic systems or whether it is our infrastructural investments, the new facilities or even the upgrades to the older facilities. And even on the manpower side, where we have very strong performance-linked compensation, both in terms of variable pay as well as in terms of equity-linked compensation.

So these are very important things that we have been laying the foundation, and we hope that as this structural change of new Schedule M continues to implement and the government becomes more and more stricter over further years, organized companies and people who have this forward thinking should benefit. And so that's how our thesis has been, and we continue to believe in that strongly.

S. Padmanabhan:

Sure, sir. Sir, one final question before I join back the queue is today, when I look at the raw material prices, whether it is chemicals or APIs, lion share of the prices have actually come down. And broadly, if you look at the CDMO business, it's a cost-plus business model. So just wanted your thoughts whether is this something that you would be looking at? Or is it something that doesn't really matter in the overall scheme of things that something goes plus and something goes minus, but business goes as it is?

Komal Gupta:

We can give you the reference of last 10 quarters. There have been quarters when API prices went down a lot. And there have been quarters when API prices grew. Net-net, in the longer scheme of things, as you rightly mentioned, we don't see a solid impact as such, because you end up reaching where you want to reach by doing more volume when API prices are a little bit low. But that ultimately gets also, when you see API prices rising, really your growth percentages don't go haywire. So net-net, in the long term, you end up being positive, good. So we continue to have that optimistic sense. That doesn't change because of API prices going down.

Hitesh Windlass:

And also one more thing is that like our, all our facilities are general category products. So we are not in antibiotics. And a lot of the fluctuation that you see or hear about API prices, because antibiotics are very high volume and high value. So therefore, those companies which are having those dosage forms will have a greater impact, because we are mostly general. So the impact tends to be not so severe that we pointed out.

S. Padmanabhan:

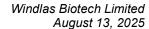
Sure, sir. Thanks a lot. I will join back the queue.

Moderator:

Thank you. The next question is from the line of Vilina Jain from Perpetuity Ventures. Please go ahead.

Vilina Jain:

Hi, sir. Can you highlight the progress which is there on Plant 6 and the commercialization of the same?





Hitesh Windlass: Sure. Plant 6, we had acquired sort of a facility, and we are now in the refurbishment phase. We

expect that it will be about at least maybe 2 to 3 more quarters before we do the mechanical refurbishment, and then we will enter the validation period. But given our understanding, we are completely on track. So, there is no slippage there, but we are expecting also how to bring it sooner so that we can cater to the business requirement. And in terms of CapEx, maybe Komal,

you can also share the budget and those aspects.

Komal Gupta: Yes. CapEx plan that we mentioned earlier is on track. So, INR 40 crores to INR 50 crores

CapEx is what is planned for this plant.

Vilina Jain: Okay. So, we can expect the commercialization then only in FY '27, assuming 2 - 3 more quarters

of refurbishment and validation?

Hitesh Windlass: It is possible that phase-wise, there might be areas of the facility, we might be able to bring up

sooner. But yes, we want, obviously, to be able to do it like that and bring some benefit in this year. But yes; facility in terms of all the areas and all the sections will mostly come up in next year. But we should have some portion of the facility to be able to cater to our requirements here

also.

Vilina Jain: Okay. And on a fully commercialized optimized capacity, what is the asset turns which we will

be expecting from here?

Komal Gupta: So other than injectables, with our existing plant and plant 6 capitalized, we should be able to

deliver INR 1,000 crores revenue. There might be some upside coming in later on the basis of our past experience where some efficiency improvement we are able to bring in at a later stage on the basis of process improvement and optimizations that are possible in the plant. That should be a later thing though. To start with, as soon as plant 6 is capitalized, we should be able to easily

deliver INR 1,000 crores aside of injectables.

Vilina Jain: Okay. And given that we are optimistic on the injectables progress, do we have any plans on the

Phase II expansion currently?

Hitesh Windlass: No. Currently, we will trigger that expansion, we want to be very careful in terms of the new

areas that we are opening. So Plant 6 is the most important CapEx that we are doing. We need to successfully finish this by this time. And then as soon as the orders require us to do expansion

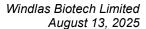
on Plant 5 injectable capacity, we will do that.

That is a much smaller time frame thing because from the facility-wise capabilities, the utilities

and all that area is already built in. We just could add the machinery and qualify it.

Vilina Jain: So that wouldn't take more than a quarter or 2, right?

Hitesh Windlass: Yes. Depending on what machinery we go for, yes.





Vilina Jain: Okay. Understood. And lastly, on the Trade Generics business. So although on a Y-o-Y basis,

we see a growth of 25% for the business. On a Q-o-Q basis, it's been a bit lower. So on an annual

basis, can we still see like INR 200 crores to INR 225 crore run rate for this business?

Hitesh Windlass: So, Vilina, as you know, we are not giving a guidance. But what I want to say is that even if you

look at the past few quarters, there has been a variation in TGx revenue. In some quarters, we are able to ship and meet the deadline for some of the tenders. And in some quarters, there is a seasonal effect in our geographies. So, and still, I would think that the base is still not so big that we can go quarter-by-quarter kind of a trending. We still are just beginning to build this business. And so, my sense is that we look at it annually, and we are definitely committed to growing and

building this vertical in a very strong vertical for Windlas.

Vilina Jain: Understood. Thank you.

Moderator: Thank you. The next question is from the line of Avneesh Barman from Vaikariya. Please go

ahead.

Avneesh Barman: Hi good afternoon, thanks for taking my questions. Komal, is it possible to split the 18% growth

rate in CDMO into volume and pricing?

Komal Gupta: Yes, it's mostly volume-driven growth, if you ask me. There will be a very small portion, which

is driven by, because of prices, its mostly volume driven.

Avneesh Barman: Okay. And as you mentioned, the bulk of API price decreases we have seen in antibiotic side,

which you don't deal with. In your portfolio, the API prices have not moved too much this

quarter. Is that a right assumption to make?

Komal Gupta: They have.

Hitesh Windlass: They have, Avneesh. What, see, in our portfolio, we are dealing with almost close to 400

different APIs, right? And all the prices are also dependent on what is the volume that one is buying at, and also what is the supplier base that one has got in a certain API, so that's why it's very, very complicated, and we don't want to say that, okay, that there is a trend of, which is

impacting growth in terms of...

Komal Gupta: If everyone is wanting to give us the credit, we did work more to deliver this kind of growth.

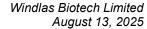
We agree.

Avneesh Barman: Yes, yes. I mean I know it's complicated. But I mean, if you have to put it in simple terms, even

if there is like a little bit of API price decline on a blended basis, that means your volumes would

have grown even more than 18%, right? That's what you are indicating.

Komal Gupta: That's correct.





Hitesh Windlass: That's correct. Yes, Avneesh.

Avneesh Barman: Okay. Great. The second question, I don't know whether Komal, you mentioned in your opening

remarks or not, but I just wanted to know the reason for the depreciation decrease this quarter sequentially. And is this the current run rate before the depreciation for plant 6 comes in,

whenever it comes in.

Komal Gupta: Yes, both are correct. So, depreciation reduction remains the same reason, that was the reason

of increase last year. So injectables capitalization that had happened, because we do use WDV method. In initial years, we end up having more depreciation impact. And as the years pass by, the overall depreciation tends to get lower. That is what is exactly happening in our case, and that's why depreciation reduction. And you are right, this is without the depreciation impact of Plant 6. So, whenever we capitalize Plant 6, there will be some depreciation impact coming in.

Avneesh Barman: So yes, yes. I mean, before that impact, this is the run rate for the existing business as of now?

Komal Gupta: Yes. Yes. This can be considered as a base run rate for this year.

Avneesh Barman: And I think Hitesh mentioned that some phase-wise commercialization for Plant 6 will happen

in the fag end of FY '26. So that is when the extra depreciation starts kicking in, I am guessing.

Komal Gupta: Yes, it should. So whenever the capitalization happens, accordingly for that portion of the year,

depreciation impact should come in. you are right.

Avneesh Barman: Okay. Thank you so much, and congrats on a good set of number. Thanks.

Komal Gupta: Thank you.

Hitesh Windlass: Thank you.

Moderator: Thank you. (Operator Instructions) The next question is from the line of Ankit Gupta from

Bamboo Capital. Please go ahead.

Ankit Gupta: Thanks for the opportunity. And congratulations for a good set of numbers. So just wanted to

check with you last quarter, we had INR 6 crores of revenues from the Injectable segment. I know you are not disclosing the numbers, but are we growing on a Q-o-Q basis on this number

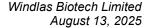
or it has remained a steady range on that?

Komal Gupta: Because we have given last quarter the revenue, Q4, if I mention that, that would be giving the

numbers, which I would want to avoid maybe, so that is the only reason we don't want to do it, although we want to emphasize that we continue to make progress on the action plan for

improving capacity utilization for this facility.

Ankit Gupta: So capacity utilization is improving quarter-on-quarter is what you are saying?





Hitesh Windlass:

So yes, Ankit, see the issue is that whatever the Injectable progress that we are making, we are definitely trying to accelerate and the actions required to do that, which is the more companies auditing the dossiers, more companies auditing the plant, approving, giving us the POs, all of that is in progress, right?

So it is something that dosage form wise, we don't want to begin the tradition of giving numbers, because all our business, this facility is also supporting, CDMO. It is also supporting our Trade Generics. Eventually, for exports also, it will go. So that's why we are not providing the dosage form wise revenue breakup or cost breakups and things like that.

Ankit Gupta:

So, any thoughts on we can double our capacity in Injectable by putting up another floor. So, have we reached the stage that we would be taking a call on expansion on the injectable part or it's too early still?

Komal Gupta:

We would do that when we are very close to the peak utilization of the facility, right? We are not definitely there yet.

Ankit Gupta:

At least FY '27, you will not take a call on that. And most probably you will take a call in FY '27 is what we can think of?

Komal Gupta:

No, we don't know. Honestly, at this point, we don't know. It can happen sooner, or it can happen later, which depends on when we see peak utilization limits reaching, as I mentioned, which is close to INR 100 crores of revenue from this. So, when we see that kind of a run rate hitting, then we would. Even when we see like a couple of months later, that is where we are going to reach then we would start off for the capacity expansion. And as earlier as mentioned by Hitesh, that is not a very long process. It should be maybe 2 quarters is the kind of time line it should take for us to do that.

Ankit Gupta:

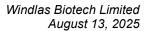
Sure. My second question was on the cash utilization. So, it's been a very long time since we have been accumulating cash and have a very large kitty with us. So, any thoughts on how we think about utilizing it or distributing it to shareholders? Any progress on that front? Or have we taken any call on it yet?

Komal Gupta:

Yes. So, since we got listed, we have maintained compliance with our dividend policy, which is distributing close to 20% of the profit, which we have done consistently. And we hope to continue to do that in future as well us saying that.

Second thing is for M&A transactions also, we have been exploring, but we don't want to rush it. We did not come across something solid.

So, we are not even in the final stages of some opportunity. But we stay open to sharing the wealth with all the stakeholders, that stays on card. And if we come across some opportunity, we would go for that. If at all, we are able to completely stabilize Injectables business as well.





And Plant 6 is also up and running. By that time, if we don't see any inorganic opportunity really clicking in, we would go for CapEx on our own for some other dosage form. That's the plan.

Ankit Gupta: Sure. Okay. Thank you and wish you all the best.

Moderator: The next question is from the line of Nirali Shah from Ashika Stock Service Limited. Please go

ahead.

Nirali Shah: Thank you for the opportunity. Just from the previous participant's question, I wanted to have a

clarity what could be the peak utilization for all the facilities on a blended basis? I mean,

currently, we are in mid-60s range.

Hitesh Windlass: You are asking about peak utilization for all the facilities on a blended basis. So we are in the

similar utilization levels, because if you look at Q4 versus Q1, the revenues are that way. So our revenue and utilization are going to move hand in hand because most of the growth is coming

from volume. So automatically, you can sort of triangulate it.

Komal Gupta:: Yes. So the moment Plant 6 is ready, we are ready for INR 1,100 crores of revenue at peak

utilization. And but we see that there might be some upward possibility in that as well.

Nirali Shah: Okay. And next one on the exports. So we did grow 45% Y-o-Y. Should we view this as a

sustainable growth? Or was there any one-off element in this quarter?

Komal Gupta: None of the verticals, as we earlier mentioned, we should look at the quarterly growth number

and consider that as this. It's better to look at a long-term scenario. For all 3 verticals, we say that and maintain that for the ones where there is good growth percent, and the ones where we might not be very happy with that kind of growth percent. Both, no point looking at the quarterly

growth number. We stay optimistic on exports, but what kind of growth percent number, as you

are aware, we don't really give the guidance for the upcoming periods.

Nirali Shah: And there was no one-off element, right?

Hitesh Windlass: No one-off element.

Komal Gupta: No one-off.

Nirali Shah: Okay. And just last one because you mentioned that...

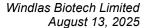
Moderator: I request you to rejoin the queue for the follow-up question as there are many participants in the

queue. Thank you.

The next question is from the line of Nitin Agarwal from DAM Capital. Please go ahead.

Nitin Agarwal: Sir, thanks for taking my question. Sir, on our branded Trade Generic business, if you can give

us some qualitative sense on over the last, say, last year or thereabouts, how has the portfolio





expanded for the business? And from a geographical perspective, how has been increasing the area that you have been reaching out to a number of distributors you would be reaching out to.

Hitesh Windlass:

Sure, sure, Nitin. So in terms of our portfolio, we have an active portfolio of somewhere around close to 200-plus products. And we are also increasing this. My sense is that to really have, there's still a lot of room to grow in terms of portfolio also for us. But, so it happens stepwise. Some of the larger companies, if you see, they have a portfolio of more than 600 - 800 products. So there's a lot of room for us to grow there.

In terms of the geographic areas, we are still mostly focused in the North, where UP, Bihar, Madhya Pradesh, and Rajasthan, these are the areas where we have been more successful. And we are now also looking to have more push and see how we can activate and strengthen the other states. So that progress is also ongoing.

In terms of our distribution network, again, just based on, between last quarter and this, so Q4, we have already talked about close to about 1,000-plus stockists network that we are working with. So that number last 3 months, no significant change over there.

So this has been more on the increasing the depth of more products, the growth is on that. And there are obviously some seasonal aspects between Q4 and Q1. But yes, the longer-term view is, Nitin, to have more than 5,000 - 6,000 stockists in order to be able to cover India in a justified way. And that requires more products also that will be able to put more products also when you have a larger network, and of course, requires the strengthening of the team and all those things.

Nitin Agarwal:

And since you mentioned that, do you think that it will be feasible for us to hit that kind of distribution for our range.

Hitesh Windlass:

I am sorry, I could not hear that question cleanly. Can you please repeat?

Moderator:

Nitin, can you please be a little louder? We can't hear you properly.

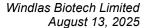
Nitin Agarwal:

I am sorry, I was asking since you mentioned that 5,000 - 6000 distributors would be an aspirational number to get to, to be, to make an optimal reach out on trade generic business. How much time do you think it will take for us to get there?

Hitesh Windlass:

So Nitin, it really depends on when, a lot of times when you appoint a stockist, and you start the business, you realize that the stockist, the payment cycle with him works with us or not, is he as organized as we would want him to be or not? Is he as aggressive in his area to push the product? So there always is some number of stockists that you end up dropping and some number of stockists that you keep on adding. So, we have to, and because we work with a very small sales force, we don't have like a huge army of medical reps like branded generics companies.

So, if you have, you have to be very, very particular in understanding the flow of goods, what kind of products the stockist is selling, how quickly he is able to liquidate which kind of products.





And based on that only, you increase the exposure with each stockist. So, this is going to be a sort of a nucleation and a growth kind of a model. So, you nucleate a few and then see which ones of them grow and then keep on expanding. So, it's not like, we don't want to say that we are less aggressive in terms of appointing and trying out new stockist.

But we also have to be very importantly careful and make sure that the health of the business is appropriate, and we are not dumping inventory or there is no expansion is justified under the right health reasons of the thing. So, I don't want to, okay, one could do it immediately also, but there will be a time. We will build it strongly.

Nitin Agarwal:

And just last one on this. Over in the markets where you are operating, how's the experience been with the competitive intensity? Has it, you see any major changes? Has it gone up? There's been lot of companies, at least the larger listed companies also seem to be interested in scaling up their brand, the Trade Generic game. So, have you seen more competitive intensity increasing in some of the business?

Hitesh Windlass:

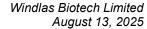
Yes. I think that as more and more companies jump into the fray, the branded generic companies have sort of a dual problem to solve. One is that they have to build a new vertical, which is working on slightly different way as opposed to their branded generic. So you are not meeting a doctor, so it's a different capability.

Second is that when they sell low-priced products, even if they are branded differently, the same product goes and cannibalizes their branded generic revenue in their core markets also. And we have seen large companies talking about even in their earnings call, rejigging the distribution network because of this cannibalization issues. So it's not a straightforward thing where anybody who jumps in is able to secure those wins.

But yes, this area is getting more attention. And one of the things that I am actually quite happy about is that the perception that Trade Generics are poor quality products, that is going away, because as more and more companies are looking to come in and bring products into the Trade Generics vertical, the acceptance is increasing.

We are seeing more even patient level acceptance coming up when people go on to the website, online stores and see same product available at various different prices, they ask this question. And some of our stockists come and say that, okay, your products, even though we are not putting them on the 1mgs or the PharmEasys, but they are now there.

And locally, the stockists are pushing them and are able to generate business. So my sense is that this vertical is going to grow and India needs it, too, right? Because a huge population is living in these villages and Kasbas. And I mean, like I have spoken in the past also, Allahabad has 3,000 villages in one district. How are you going to cover it with Branded Generic Medical Reps, so there will be a huge way of market opening that we believe should happen and enough room for everyone to grow. And yes, of course, competitive intensity will also be there.





Nitin Agarwal: Thank you so much.

Moderator: Thank you. (Operator Instructions) The next question is from the line of Veer Vadera from

Niveshaay. Please go ahead.

Veer Vadera: Good afternoon. Congratulations for a great set of numbers. So I have one question. If we look

over the period of time, the Company's product mix has evolved and overall share of CDMO segment has been declined a little bit, even though it holds significant revenue potential in the future, how should we view this trend going forward? And also, I wanted to know the margin

profile for each segment like CDMO, Trade Generic and export side?

Komal Gupta: So the margin profile stays similar within the verticals. We don't see a huge change that has

happened. A little bit on higher side, I would say, but not a significant change for me to really

mention.

In terms of how we see the growth, honestly, I will tell you how we look at it internally. We are

looking at all the 3 verticals where there is infinite potential for us to grow in all 3. And we are

trying our best to push all the 3 segments separately.

Whichever we are able to execute better, we are very happy. So that is how we look at it. We don't want to gun for a growth of a particular vertical more than the other. That is not how we

look at it, because we have, of course, separate teams and we have separate strategies for all 3

verticals, and we are trying to push all 3.

Veer Vadera: Okay. Thank you. Best of luck for the future.

Moderator: Thank you. The next question is from the line of Amit Agicha from HG Hawa. Please go ahead.

Amit Agicha: Yes. Thank you for the opportunity. So my question was like what is the current order book size

in value and volume terms and how much is from repeat customers versus new ones?

Hitesh Windlass: Yes, this is a competitively sensitive information, so we are unable to share this.

Amit Agicha: Okay, sir. Thank you, and all the best.

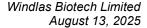
Moderator: Thank you. The next question is from the line of Shreyansh Jain from 3A Capital. Please go

ahead.

Shreyansh Jain: Thank you for the opportunity. Congratulations for a good set of numbers. So my first question

is that could you throw some light on strategies to compete with pharma giants like Cipla in

trade generic segment?





Hitesh Windlass:

See, we are not always competing, right? So first of all, I want to, also in light of the prior question, Cipla has been doing trade generics for the last 40 years, right? They are the largest with INR 2,500 crores kind of revenue.

We would love to make Cipla trade generics in our in our CDMO vertical. right? So when Cipla grows and we are able to supply to them as a manufacturer in CDMO, that is a win for us. And yes, when our product goes in the market and that is seen as a product coming from, which is having authentic quality, affordable price and accessible, then we also win some market share through in our trade generics vertical.

So the goal is never to have a winner takes all. And in these complicated markets, Cipla is, even though it's been around for 40 years, but Leeford is also about the same size, which they have built in the last 15 years. So how could Leeford build the business when Cipla was the biggest giant out there.

So I think the idea has to be huge opportunity and also execution. It is about your team, your product, the quality, consistency, your relationship, you are managing the sales channel, how you are incentivizing your people. So a lot of those things have a play, and that is part of building the business.

Shreyans Jain:

Okay. And could you highlight the market size of trade generic segment in India?

Hitesh Windlass:

Again, it's not covered by IPM or any of the larger sort of data providing companies. But there have been some estimates talking about close to 30,000 - 35,000 crore kind of a space. But I don't really know whether that is validated or not.

Shreyans Jain:

Okay. And do we see any challenges in terms of CDMO business if the U.S. imposed tariffs on Indian players who is our clients?

Hitesh Windlass:

No, not at all. In fact, I think that one of the good things about us is that most of our business is in domestic market. So in some sense, neither our customers' domestic market business nor our domestic market business is really impacted by the international tariff kind of issues. So we are somewhat insulated, although we don't have opportunities to sell in those markets either, but we are somewhat insulated by these kind of things.

Shreyans Jain:

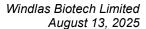
Okay. Okay. Understood. Thank you.

Moderator:

Thank you. The next question is from the line of Paras Chheda from Purpleone Vertex Ventures LLP. Please go ahead.

Paras Arvind Chheda:

Thank you for the opportunity. Congratulations for a strong set of results. Just to clarify from my understanding, did I understand it correctly that our peak revenue potential, including the Plant 6, but excluding the injectables is about INR 1,100 crores?





Komal Gupta: No, no. Including the injectables, that is INR 1,100 crores. Excluding injectables, it would be

INR 1,000 crores. Injectables about INR 100 crores. That is how we are reaching INR 1,100 crores, including injectables. However, I also mentioned that through efficiency initiatives that we generally drive, and in past, we have seen that happening in Plant 2, there might be some

upside to this number impact.

Paras Arvind Chheda: Okay. So this is also inclusive of plant side potential.

Komal Gupta: Yes.

Paras Arvind Chheda: Okay. And again, for clarification, if you don't come across any inorganic opportunity, because

you have been, I think, sitting with this cash for quite a long time now, this will again get into

organic CapEx mode once again.

Hitesh Windlass: Yes. So the way we think about it is, we want to do strategically more dosage form expansion.

Injectable was the first one. Plant 6 is expansion of the core. So oral solids, again, we have done that. But once we have used up Plant 6 capacity and we are seeing the line of sight to that and

injectable is also ramping up.

We would love to then add another dosage form. And if we don't find inorganic, then we would

want to build and obviously grow. So there will always be phase-wise a very judicious, but very

thoughtful use of capital for organic and inorganic in that manner.

Paras Arvind Chheda: Right. And when I say another dosage form, you mean injectables or it could be another...

Komal Gupta: No, no another.

Hitesh Windlass: Other dosage forms. We like we don't have so many dosage forms that we are not currently in

steroids, hormones, we are not in soft gel capsules, inhalers, we are not in eye drops. We are not in so many ointments. So there is a lot of room to grow. And our strategy is that as we add a dosage form, it should cater to all 3 of our verticals. So we have to be able to use it in TGx Institution, in CDMO as well as in exports. So that's why we want to keep going that way after

stabilizing each step.

Paras Arvind Chheda: Correct. And is it fair to assume that this injectable facility, the margins over there are relatively

better compared to this one.

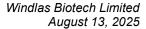
Hitesh Windlass: Yes. On a fully developed business, the gross margins for injectables are higher. That's the

industry sort of...

Paras Arvind Chheda: I mean how much percentage would you put it on EBITDA margin?

Hitesh Windlass: If you look at some of the pure injectable players in CDMO, they are somewhere in the range of

18% to 21% EBITDA.





Paras Arvind Chheda: So potentially at least 10% of our revenue could be at least high teens to 20% in that region

potentially?

Hitesh Windlass: Potentially, yes, once we execute and are able to...

Paras Arvind Chheda: Yes. And just last question from my end. In terms of broadly revenue growth over the medium

term, let's say, 3 to 5 years, and you will have some capacity organically or inorganically that will keep coming up and there is this market growth that we are seeing, right? So what kind of revenue growth do you sort of sort of not really project, but aim towards over the next 3 to 5 years. On a sort of a CAGR basis, something like that, given where the market is, given the

trends in the industry, et cetera.

Hitesh Windlass: Yes. We don't want to sort of say that we are not giving a guidance and then give a guidance.

But I think the right thing, sir, is to look at our past performance, in the last 10 quarters how we have delivered. And our aspiration is always do better things, and we will continue to do everything that we can, staying committed to the same without saying that this is the number or that is the number that we are aiming for. We are trying to leverage every opportunity, unlock avenues for growth. And at different points in time, there will be different activities that we have

to focus on to get there. So, but we see room for growth in every vertical.

Paras Arvind Chheda: Right. So, for example, what we see, if you look at the historical growth itself, over the last 2

years, financial years, we have grown by 50%, for example, I mean, broadly. The current industry setup, the dynamics the way it is some sort of historical growth that you point out, there

is room to grow further the way the industry and the dynamics that are there currently.

Hitesh Windlass: So, while there are challenges, there are also opportunities, right? So as we also discussed that

higher quality systems and higher quality demands are pushing pressure on the smaller manufacturers. And so there is probably sort of a downwind that benefit that organized players

like us will get.

Second thing is that the growth in trade generics, not just for Windlas, but for many other people,

so that is undocumented in the industry growth numbers. So as that grows, again, we will have

more opportunities to grow.

And third, which is actually probably one of the most important things, if you look at the top 50

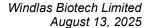
India listed companies and if you ask them, who is doing CapEx for their domestic market? Probably the answer will be very, very, very few. Because there is a strong base of organized

suppliers of contract manufacturers like us. So we see this, all these signs as opportunities. And

of course, competition is part of life, right?

So you have to always price right. You have to always deliver and meet the service expectations

and grow that way. So that remains the same for everyone.





Komal Gupta:

Yes. So just to clarify, we are not saying that we would maintain the growth percentages to kind of say that maintain the growth percentages that we have given in last 2 years or last 5 years or last 10 years, the CAGR and the percentage growth, and the averages would be very different. So what we are saying is we can only commit to you that we would continue to make our efforts.

We would continue to do stuff that is good for Company in the long term, instead of looking at the short-term picture. That is what we are committed to. That is what we have been doing. And so that's why just to, while we see all the growth possibilities, we don't want you to assume from our answer that there is a particular percentage of growth, bettering the growth percent is not what we are saying. It might happen or it might not happen. That is not something that we know. What we are internally pushing might be a much bigger number, but we don't know if that is going to happen or not.

Paras Arvind Chheda:

No, no, I understand that. See, I have been tracking the Company for the last couple of years now, although I missed this last quarter. But I must admit that this is one of the most very well-managed companies, at least amongst what I have come across. And the management is excellent.

Now the only one thing that I think, and again, because you are better at your industry, but that there could be a little bit of that aggressive move towards capacity expansion given our investments where we are, the cash that we are sitting on.

But all said and done it's, of course, up to you all, but it's one of the best companies. So I do understand it's difficult to project, but just sort of a trend that I was looking out for in terms of where do we stand and the industry growth.

Komal Gupta:

Thank you for your kind words.

Moderator:

Thank you very much. Ladies and gentlemen, due to time constraints, we will take that as the last question for today. On behalf of Windlas Biotech Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.