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To,

<b>National Stock Exchange of India Limited</b> <b>Exchange Plaza, C-1, Block G,</b> <b>Bandra Kurla Complex, Bandra (East),</b> <b>Mumbai - 400 051</b>	<b>BSE Limited</b> <b>P J Towers,</b> <b>Dalal Street,</b> <b>Mumbai - 400 001</b>
<b>Script Symbol: EMCURE</b>	<b>Scrip Code/Symbol: 544210/ EMCURE</b>

Dear Sir/Madam,

**Subject: Transcript of Earnings Call – Q1 FY26**

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and further to our intimation dated July 28, 2025, please find enclosed the transcript of the Earnings Call for the Q1 FY26, held on Thursday, August 07, 2025 at 3.30 p.m. (IST).

The above-mentioned transcript is also being uploaded on the website of the Company i.e. [www.emcure.com](http://www.emcure.com).

You are requested to take the above information on your records.

Thanking you,

**For Emcure Pharmaceuticals Limited**

**Chetan Sharma**  
**Company Secretary & Compliance Officer**  
**Membership Number: F8352**

**Emcure Pharmaceuticals Limited****Registered Office:** Plot No. P-1 & P-2, IT-BT Park, Phase-II, M.I.D.C., Hinjawadi, Pune - 411057, Maharashtra, India**Phone Nos.:** +91 20 – 35070033/ 35070000 **Fax No.:** +91 20 3507 0060**E-mail:** corporate@emcure.com **Website:** www.emcure.com **CIN:** L24231PN1981PLC024251



“Emcure Pharmaceuticals Limited  
Q1 FY '26 Earnings Conference Call”

August 07, 2025



**MANAGEMENT: MR. SATISH MEHTA – MANAGING DIRECTOR &  
CHIEF EXECUTIVE OFFICER  
MR. TAJUDDIN SHAIKH – CHIEF FINANCIAL OFFICER  
MR. VIKAS THAPAR – PRESIDENT, CORPORATE  
DEVELOPMENT, STRATEGY AND FINANCE  
MR. SAMIT MEHTA– WHOLE-TIME DIRECTOR  
MR. PIYUSH NAHAR–EXECUTIVE VICE PRESIDENT,  
CORPORATE DEVELOPMENT AND STRATEGY**

**Moderator:** Ladies and gentlemen, good day, and welcome to Emcure Pharmaceuticals Limited Q1 FY '26 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

Today, we have on call Mr. Satish Mehta, MD & CEO; Mr. Samit Mehta, Whole-time Director; Mr. Vikas Thapar, President, Corporate Development, Strategy and Finance; Mr. Tajuddin Shaikh, CFO; Mr. Piyush Nahar, EVP, Corporate Development and Strategy.

I now hand over to Mr. Piyush Nahar. Thank you, and over to you, sir.

**Piyush Nahar:** Thank you, Ashi. Good afternoon, everyone. Earlier today, we released our financials for the first quarter of fiscal 2026 along with the press release. These are also posted on our website. We hope you all had a chance to review it. I'd like to bring to everyone's notice that this call is being recorded, and the recording and transcripts will be available on our website.

Before we begin, I want to remind everyone about the safe harbor related to today's investor call. Today's discussion may include forward-looking statements, which must be viewed in conjunction with the risks that our business faces that could cause our future results, performance, or achievements to differ significantly from what is expressed or implied by such forward-looking statements. At the end of the call, if any of your queries remain unanswered, please feel free to connect with us.

Now I'll request Mr. Satish Mehta, our MD & CEO, to provide the opening remarks.

**Satish Mehta:** Thank you, Piyush, and good afternoon to all of you. It's a pleasure to speak to you again post our first quarter results of FY '26. I am pleased to share the positive results of your company to start off the fiscal year ahead. We had a strong start to the fiscal year with all businesses, all verticals showing excellent growth. Overall, our revenue grew by 15.7% year-on-year, while EBITDA grew by 20%. Our PAT grew by 41%, and we reported our highest quarterly profits of INR 215 crores, I repeat INR 215 crores.

Let me now provide key business updates for the quarter. Our domestic business grew faster than the industry in the quarter. We saw strong growth in all our key therapies Gynaec, Cardiac, Anti-infective and Vitamins. As I told you in the last call, our new initiatives that we have taken in Derma and consumer wellness are seeing a positive trend and strong traction. We expect Derma as well as consumer wellness to become our key growth drivers in times to come.

We continue to take steps to strengthen and synergize our domestic business. We expanded our partnership with Sanofi for the diabetes segment. You are aware that is part of the public domain. We'll now be marketing and distributing Sanofi's oral diabetic portfolio, with key brands, Amaryl, and Cetapin. These two brands will be promoted from 1<sup>st</sup> of August.

As you know, 15 months back, we also added the cardiovascular portfolio, and we have done a reasonably good job. Now with this cardiovascular portfolio along with metabolics, I'm pleased to tell my shareholders that your company is emerging as a strong player in the field of cardio-

diabeto segment. We were strong in cardio, with Amaryl and Cetapin, have every reason to believe that we will also emerge as a player to return with in metabolic diabeto segment as well.

I am pleased to inform that we are strengthening our team with some significant additions. I'm happy to welcome Mr. R.S. Vasan into the Emcure family as President - India business. He brings with him rich experience in managing India formulation business for the last 40 years, with various multinational and Indian companies. And as far as his last 15 years, he was associated with Sun Pharma. We remain confident that we'll continue to grow above industry during the year with the steps that we are initiating, and I'm confident about our journey in the domestic business. With some briefing about the domestic business, let me now move to the International segment.

Our International business grew strongly by 20% with all the verticals and geographies seeing good traction. Our Canada business continues to show strong growth led by market share gains and new launches. Our rest of the world, we call it as emerging markets is also seeing strong traction in both ARV and non-ARV segments. This is led by new product approvals in our target countries. I told you that we have a reasonably strong presence in ARV, but at the same time, the strategy is to strengthen non-ARV segment, and this is driven by unique products that we are selling in the Emerging Markets. I'm happy to inform that EU grew double-digit growth, and we have a healthy pipeline going forward.

As mentioned in my last call, Emcure has embarked on a journey of growth and improved margins through innovation, partnership, and newer geographical reach. This is the first year of our 5-year vision to take Emcure into the next orbit. I repeat, this is the first year of our 5-year vision to take Emcure into the next orbit.

During this period, our focus will remain on building strong foundation through investments in new technologies, processes and above all, people to deliver highly profitable and above average growth. I'll repeat our focus will remain on investment in new technologies, processes and people to deliver highly profitable and above average market growth.

Emcure remains an India focused company with huge opportunity to tap the unmet medical needs of over 1.4 billion people. We are very, very committed to the domestic market. All I can say is that we at Emcure are very excited in this phase as we see a huge opportunity unfold ahead of us.

We remain focused on building a company that creates everlasting value for all its stakeholders. I'm very satisfied with what we have achieved so far and even more excited about what lies ahead of us.

I will end my opening remarks by saying, watch this space as more exciting opportunities unfold, helping make your company one of the most admired companies within the pharmaceutical industry. Watch out for this particular space as together with new people, your companies will emerge as one of the most admired company within the pharmaceutical industry.

Let me touch base on another topic of interest before I conclude. We all keep on talking about tariffs and what's happening with the Trump administration. Unfortunately, but true that 50% tariff has been announced on exports from India and you never know what is going to happen about the pharma industry only President Trump knows about it.

But I want to highlight that your company is predominantly insulated from US market with our exposure to US being less than 3%. Let me repeat that as far as Emcure is concerned, your company is predominantly insulated from the US market with our exposure to US being less than 3%.

With these remarks, I will now pass on the call to my CFO, Tajuddin Shaikh, to share the financial details of last quarter before we open up the floor for your questions and answers. Absolute pleasure in talking to you, and thanks for making it convenient to attend the call which means a lot to me personally and obviously to the company for your continued interest in Emcure. Thank you very much.

**Tajuddin Shaikh:**

Good afternoon, everyone. Thank you for joining us today. Before we move to the Q&A, I'll take you through some of the key financial highlights for the first quarter. Revenue from operations for the quarter grew by 15.7% year-over-year to INR 2,101 crores, up from INR 1,815 crores in Q1 FY '25. The domestic business grew by 9.4% year-over-year to INR 995 crores driven by strong performance across all key therapies.

International markets maintained solid momentum, growing 22% year-over-year to INR 1,106 crores. Emerging markets grew impressively by 42% year-over-year to INR 360 crores with strong contributions from both ARV and non-ARV portfolio.

Canada reported a 16.4% growth to INR 342 crores. Europe saw robust growth of 12.8% year-over-year, reaching INR 403 crores. Gross margins for the quarter stood at 61.8% versus 57.8% in Q4 and 62.4% in Q1 of '25. The change was driven largely by product and business mix. EBITDA, excluding other income, grew 20.1% year-over-year to INR 404 crores.

EBITDA margins stood at 19.2% versus 18.5% in Q1 '24 and 18.4% in Q4 '25, supported by strong operating leverage and productivity gains. Depreciation and amortization was flattish quarter-over-quarter at INR 99 crores. Interest cost was INR 27 crores, reflecting lower borrowings. The effective tax rate stood at 26%. Profit after tax came in at INR 215 crores, showing strong growth of 41% year-over-year.

With that, I will now open the floor for questions.

**Moderator:**

The first question is from the line of Mr. Amey from JM Financial.

**Amey:**

Basically, the 9% growth, which we have delivered this year in India, is it fair to assume that this base is on the normal base as well, if you can give us the breakup in terms of the volume and price for this 9% growth for the quarter?

**Piyush Nahar:**

Sure. Yes, this is on a normalized basis. I think in terms of the price volume, volume would have been about 4% price about 4% and about a 1% to 2% of new launches that we have.

- Amey:** So is it fair to say that from the negative trajectory of volumes in post COVID for 2 years than last year around 2% volume growth, what we have seen. Now we are moving towards like 4% to 5% kind of a volume growth for the full year?
- Piyush Nahar:** Yes. That is what we are targeting.
- Amey:** Sure. And going ahead because there will be diabetes sales additions happening, right, from the Sanofi. So how should we look at the number for the full year? Is it possible to quantify how much of the sales coming in from the Sanofi Diabetes portfolio?
- Piyush Nahar:** Sanofi would roughly be about INR 200 crores portfolio annualized. So, we'll get about 9 months of that in the year.
- Satish Mehta:** 8 months we'll be getting in the current year. And on an annualized basis, it is INR 200 crores.
- Amey:** Got it. And in terms of MR addition, has there been any MR addition for diabetes or we will be working with same cardio metabolic MR
- Piyush Nahar:** So we already have three divisions in the cardio diabetes space. So we're not adding new MRs. This will get fit in the current one.
- Amey:** Sure. And the last question I have on the FCM performance, if you can elaborate for this quarter how the performance will be especially now the competition has been largely settled in
- Piyush Nahar:** So I think on the prescription side now, we're seeing revival on growth. So this quarter, Orofer FCM grew in double digits for us. So that is doing well for us. I think where we are seeing still a bit more challenging is on the institution side, where some of the competition is still there at lower pricing. But I think on the promoted side, we are seeing traction and revival.
- Satish Mehta:** And just to add, I mean, the promotion, we are essentially focusing on quality and certain parameters where we are better than the competitors, because as you know, this particular product we brought in the country for the first time. So we are having a lot of data and the scientific promotion is also helping us. And we are getting the traction going forward. And as Piyush rightly said, in prescription market, we are doing well. But when it comes to the question of institutions, the challenges remain.
- Amey:** Got and just last question, like how much would be the mix in terms of prescription and institutional for us for that particular product franchise?
- Piyush Nahar:** Orofer FCM or for the overall?
- Amey:** For FCM franchise
- Management:** I think now a majority will be prescription-driven now.
- Amey:** Okay. Sure, sure. So that should start reflecting in our performance in the subscription.
- Moderator:** The next question is from the line of Mr. Alankar from Kotak Institutional Equities.

- Alankar:** You had spoken about further launches in FY '26 in the women's side segment in the previous quarter. Can you take us through the progress on that front?
- Piyush Nahar:** So yes, at, we have launched two areas. One is we talked about the PCOS and second is on the menopause. Both of them have been launched in last quarter. I think as we have talked about last time, these are new concepts we are trying to establish in the market. So early days, but we are seeing good traction out there. But I think for them to become material will take time because we are still establishing these concepts out in the market.
- Alankar:** Understood. And also, if you can comment Piyush, on the performance of the Iron portfolio in this quarter?
- Piyush Nahar:** Have the numbers of Iron portfolio
- Management:** So Gynec has done very well for us, which includes largely iron. I think there, we are doing much ahead of the industry. So even if you look at IQVIA, the IQVIA reflection is about 13-odd-percent growth in the Gynec segment. And so all of our XT continues to grow in double digits. FCM has already talked about on the prescription side, we are again now in double-digit growth. So that Iron segment is now back on growth move for us.
- Alankar:** Understood. Just one question there before I get into the international business. So on FCM, a clarification, if I take into account both the prescription business as well as the institutional business, was there any drag at all if I look at the reported domestic growth in this quarter?
- Piyush Nahar:** It would still be about 1% drag. So ex of that would have been about 10.5%.
- Alankar:** Okay. So adjusted for Orofer FCM, the growth is about 10.5% in India? Okay. Got it. Then on the international bet, was there any meaningful benefit of the Amphotericin B launch in Europe in this quarter? Or we expect the ramp-up to be more gradual towards the course of the year?
- Samit Mehta:** Yes, this is Samit. In UK, yes, we have started actively supplying. However, in Europe, as we had told you over the last call, we got the approval under the DCP and each country typically takes anywhere between 3 to 5 months for its own national approval, which we expect to start from the end of this quarter. So I think the ramp-up in the second half of the year will be much higher than what we will see in H1.
- Alankar:** Understood. That's helpful. And a quick one on ARV and non-ARV. Now Satish sir mentioned about good growth in both ARV and non ARV in ROW, what was the ARV contribution in this quarter?
- Piyush Nahar:** ARV would have been roughly about half of it.
- Alankar:** Sorry, you mentioned 50%?
- Piyush Nahar:** 50%, yes.
- Alankar:** And final question from my side, any update on the filing of semaglutide in Canada?

- Samit Mehta:** Yes. In Canada this month, we will be executing our filing batches. So I think we continue to be on track to file towards the end of this fiscal year.
- Alankar:** Got it. And in India, I'm assuming we are on track to be amongst the first wave of launches, as you had mentioned earlier.
- Samit Mehta:** Yes. That continues to be our effort.
- Moderator:** The next question is from the line of Mr. Gagan Thareja from ASK Investment Managers Limited.
- Gagan Thareja:** Is it possible to give some flavour on how the Sanofi Cardiac portfolio is doing for you or 1Q of this year compared to last year?
- Management:** So the Sanofi portfolio, I think it's broadly similar to what we have reported for the overall domestic growth, it's been going in line with that. I think our target for Sanofi has been to grow that in line with the IPM. And I think that's what we have been there in Q1.
- Gagan Thareja:** And on the additional diabetic portfolio that you acquired from Sanofi, is it possible to understand the rationale, are these drugs not generally not seeing a slower sort of growth given that we've had a new generation of drugs coming in for diabetes or these still constitute the first line of treatment and therefore, will you expect them to grow healthily?
- Satish Mehta:** Gagan this is Satish Mehta. Sulfonylurea continues to be first kind of treatment and products like Glycomet and others, they continue to have traction. If you recollect in the call so that I had probably a year back at that time, I was trying to communicate to my equity holders that we would like to be strong in, skin care, dermatology and we would like to be strong in metabolics.
- As far as skincare is concerned, we took a big step by getting somebody like Sathya starting Emtutix and getting traction. And as far as metabolics is concerned, this is a hook, Amaryl which will connect me to all the major consulting physicians and diabetologists with the help of that I feel that there will be profound effect on other products and will do well.
- As you know, our brand Vylda -Vildagliptin is doing quite well. That's one of the top 3 brands post LOE. So with Amaryl coming to the fold, our position in the diabetes segment, metabolics will significantly strengthen and that will also help us when we go for semaglutide as and when we get to LOE.
- So this is plan of overall strategic thinking because with Amaryl, we get a good connect with the doctors and obviously, the same doctors are my potential prescribers to Semaglutide as well.
- Gagan Thareja:** Okay. And was the sales force also transferred to Emcure from Sanofi for these?
- Satish Mehta:** No, that Piyush explained some time back. We already have 3 divisions in CARDIO-DIABETO. So this is going to be one of the divisions.



- Gagan Thareja:** All right. And is it possible to understand the contribution? I mean I understand it's early days, but it's still possible to understand how the Derma and Consumer Wellness divisions are ramping up? Any flavor would be helpful here?
- Satish Mehta:** Currently, we are in the investment mode. I mean, we just started a few months back. And even you know, in pharma, the gestation period is 18 - 24 months but at the same time, the beauty is we are getting prescriptions. I mean the unique products we are launching in the Derma segment and also whatever Namita is doing in Arth that is obviously very well received.
- But this is a patience game. It's not going to happen in a day. It has taken me 30 years to get the company to this level.
- Vikas Thapar:** I think just to add. I think what we had guided last time is that overall, we think that these 2 new initiatives should drive about 1% or 2% additional growth in our overall domestic business. So I think we're on track for delivering that for the year.
- Satish Mehta:** Thanks, Vik. Very helpful.
- Gagan Thareja:** And one more, sir, on the Asparaginase and the wet AMD product, any further updates on when you believe you can come into the market with these?
- Samit Mehta:** Sure. So for the Asparaginase we have already submitted our dossier to the DCGI and we're waiting to hear from them in terms of when they constitute the SEC and when it will be reviewed. So fingers crossed there. And on the wet AMD also very positive in the sense that we should be completing our clinical trial by the end of September. So whatever time it takes after that to compile it dossier and submit it to the CDSCO. So very hopeful that at least one, if not both, should get approval in this financial year.
- Gagan Thareja:** A final one from my side, sir, you could give us the latest gross debt position for the company?
- Tajuddin Shaikh:** Latest gross it is around INR 700 crores.
- Moderator:** The next question is from the line of Mr. Bharat Shah from ASK Investment Managers Limited.
- Bharat Shah:** Satish Bhai, it was good to hear the 5-year journey that you outlined, which will be marked by not just new partnerships but new innovation, driving new products and geographies and is underpinned by investment in people processes and technology. So that's the session to hear that we feel that on a sustained basis, the growth will come in, so which this quarter is marked it we'll have to wait.
- Just to put a little bit of scepticism on that, if you pardon me, but ultimately, in the pharmaceutical business, sustained and predictable growth will come only from the fresh portfolio of products. The well-aligned therapeutic areas. And all of that is to be driven by new products developed through the sustained research effort.
- But a large part of our portfolio, my impression is more me too. And therefore, how do we aspire to remain on a continuous growth journey? Or what are the steps being taken so that we address these game on Internet behind half the business and...

**Satish Mehta:** Bharat Bhai can I?

**Bharat Shah:** Yes.

**Satish Mehta:** Bharat Bhai let me a step back and tell you, in 1995, when I began my journey as everyone dissuaded me, from entering into the market and my friends from multinationals went to the extent of saying Satish Bhai you will get beaten up. Market is very fragmented, very, very competitive and you are one of last entrant.

Now when I'm talking to you in 2025, the reason why we have done well is because of science, innovation, and technology. And I take pride in telling everyone that as far as my company is concerned, it is in the forefront in launching new products and we're giving new products to the industry.

To give you a few examples, I gave more than 11 products in the field of Chirality. S-Amlodipine S-Metoprolol, S-Etodolac they have been doing exceedingly well. We gave Ferrous Ascorbate for the first time. We gave Ferric Carboxymaltose about which Amey asked some time back.

Similarly, we have given 7 biosimilars and now Samit just told you some time back, we were talking about Asparaginase, we are talking about Bevacizumab. So to that extent, as far the gene of the company is concerned, it is driven by science and technology, and we are doing a lot of work in R&D. To that extent. I'm very confident that going forward, my company will be in a position to bring new products because Bharat Bhai you are spot on. The competition is very intense as far as me-too products are concerned. To that extent for any company to survive and make headway, it has to focus on science and technology, and that's one area where we are committed, and we are taking a lot of steps in that direction. Samit, would you like to add something.

**Samit Mehta:** I think when we spoke about the 5-year vision internally for each of the years, we have already identified which is the product launch for which a lot of the work has already been done, whether it is filing batches or submissions. So we have very crystal-clear clarity on each of these 5 years, the one big blockbuster products.

So for example, like we did mention Liposomal Amphotericin B similarly across the years, building on the liposomal platform. There are a few other products there's, of course, GLP-1s and within that, some incremental innovation that we're doing. And of course, towards the end towards year 4, year 5, there will obviously be what we've spoken about earlier and which we've honestly started efforts the whole space of ADC.

**Satish Mehta:** Vik, would you like to add something?

**Vikas Thapar:** I think it's covered.

**Bharat Shah:** So basically, what we are seeing is it is not merely a reason good to say kind of a statement, but in other words, it's not just good English, but there is a decent mathematics behind it.

- Satish Mehta:** Absolutely. There is absolutely a clear vision and game plan as far as the lowest therapeutic segment is concerned. So the strategy will be clear. One R&D will drive., the second thing, we like to work with multinationals. We have demonstrated by working with Sanofi, we've got a big portfolio, something similar will happen and third part of the strategy, we'll be working at a global level to get some products like Samit mentioned about ADC or maybe something in Phase I pick them up and see whether we can develop for the domestic market. So there is absolute clarity at the senior level about the way the new products will launch in each and every therapeutic segment Bharat Bhai.
- Bharat Shah:** Yes, that is very heartening to know. A related question, you mentioned Satish Bhai that this 5-year journey will be marked with above average growth rate. And could you be a little more specific as to what is meant by that? Will it be double-digit or very healthy double-digit, what kind of growth did you have in mind? And also on the margin, make a comment, from 20%-odd that we now wait. Do you think our margins also, what kind of trajectory would hold out?
- Satish Mehta:** So I will break it in 2 parts. As far as the growth part is concerned, I will answer, margin part Vik will answer. As far as growth is concerned, I would like to have 2% more than the industry growth, whether we are talking about India or other markets, okay? Other markets are also very, very competitive, Europe and Canada so that will be the aspiration. If you grow by more happiness. But at least now as well, the basic objective will be to grow by 2% more than the industry growth in various markets. And regarding margin, we have been talking that there is a journey towards the desired results, I will ask him to opine on that, Vik?
- Vikas Thapar:** Yes. So what we have guided, if you can hear me, is that from the rough margins that we've guided to for this year, we should continue the journey of increasing our margin profile by about 300 - 400 basis points over this 4 to 5-year journey, which will be driven by obviously both productivity gains in terms of our India business as well as improving our gross margin profile with the business and product mix that we will be working on in the pipeline.
- And overall operational effectiveness in terms of just the scale economies we will get as we continue to scale different verticals within our business.
- Bharat Shah:** Which means about 20% operating margins now over the 5-year period, it should be somewhere in the end of 23% - 24%.
- Vikas Thapar:** That continues to be the goal and aspiration that we'll be working towards.
- Bharat Shah:** And one last thing. When do we think the INR700 crore debt on the books is likely to become zero?
- Vikas Thapar:** If I can just add there, we had guided on the debt was that barring any M&A, that should be approaching close to zero even by the end of the current fiscal year. Having said that, 2 of our recent announcements, one was the acquisition of product portfolio for Manx, which is going to be paid for in various milestones as well as our recent announcement of acquiring the minority stake from Zuventus I think these 2 initiatives will obviously add to our gross debt position which will probably push out our debt approaching zero by at least 1 to 1.5 years going forward.

Having said that, both of these initiatives, we think, are going to be very accretive and I think its money well spent over what we have announced.

- Bharat Shah:** Sure. Thank you very much. And all the very best Satish Bhai and the entire Emcore team.
- Satish Mehta:** Bharat Bhai we very much value your support and thanks to all for participating. And kindly feel free to reach out to us any time. We are available 24/7. We value your support.
- Bharat Shah:** Much appreciated.
- Moderator:** The next question is from the line of Mr. Tushar Manudhane from Motilal Oswal Financial Services.
- Tushar Manudhane:** Thanks for the opportunity. Joined which a bit late so I'm not sure if you have already addressed. But just wanted to understand on the gross margin front quarter-over-quarter, where it's a business composition in terms of geography has not changed much, but we've seen good improvement in the gross margin. If you could just elaborate on that first?
- Piyush Nahar:** So the gross margin, I think what we indicated last time, right, it's largely driven more by the product mix in the international market. So I think you have to look at more at an annual level. At a annual level, I think what we had indicated is we expect this year to be about 50 basis points higher than what we ended last year, but between quarters, you will have variations depending on the product mix that you have across businesses.
- Tushar Manudhane:** And therapy-wise as far as the India market is concerned, of course, there's secondary data available, but if you could throw some light in terms of these therapies, we have sort of performed better than the industry and where we have dragged?
- Piyush Nahar:** So I think Cardiac and Gynaec, Gynaec we have done much better. Cardiac also has been more in line. I think. Others, I think we have more and less in line in the industry which has -- what has driven it before as I talked about is some of the new launches and all which have come up.
- Tushar Manudhane:** And as far as the emerging market is concerned, where we have seen on a year-on-year basis, sharp increase in the revenue, but how to think about it on an annualized basis for next 2, 3 years?
- Piyush Nahar:** I think for this year, what we had indicated is that for the emerging markets, we expect to grow in high teens to 20% around that.
- Satish Mehta:** And again, what will happen to Emerging Markets when we are talking about, say, ARV and non-ARV, ARV is a function of winning the tender, so there is an element of uncertainty. So it's very difficult to predict to know what happens though the company is in a good position. And as far as non-ARV is concerned, that is also a function of getting registration in various countries. And if you get the registrations for some marquee products that we market in case there will be uptick. So I think one can as Piyush rightly said, when we talk about the base business that I mentioned some time back, normal growth was 2%, that will be the aspiration. But suppose if

we get to know some of the products registered for which the number of filings are pending, there will be obviously be an upside.

**Tushar Manudhane:** And as far as, let's say, operational cost, is it going to have some meaningful increase, let's say, FY '26 FY '27, or is it more to do with like inflation linked increase?

**Piyush Nahar:** I think it's largely inflation linked and the business growth driven.

**Tushar Manudhane:** Sir, as far as our business growth is more than the inflation, then effectively, it should help get much superior EBITDA margins as we go along right?

**Piyush Nahar:** Yes, that is the intention.

**Satish Mehta:** That's what Vik was indicating.

**Tushar Manudhane:** Yes. So I meant to ask effectively that should reflect in itself, where FY '25 at least the EBITDA margin or Q1, it was similar to the fourth quarter or first quarter. So I'm just trying to ask that when do we see that improvement in the margins?

**Vik Thapar:** I think what we had guided last time was that even on operating cost side, we should see about 100 basis point improvement vis-a-vis last year on account of both of these areas, a better productivity with the Indian field force as well as some of the scaling of the business and better utilization of our manufacturing facilities. So overall, as the business continues to grow healthy double digits and inflation where it is. That's where we feel bullish that we'll continue to get roughly that 100 basis points of expansion that we had indicated.

**Moderator:** The next question is from the line of Mr. Alankar from Kotak Institutional Equities.

**Alankar:** Samit, you mentioned about working on an incremental innovation in GLP-1. Can you please elaborate on that?

**Samit Mehta:** Sure. So in terms of some of the approved GLPs, we are looking at some tweaking in terms of improving the compliance through different dosage systems and the incremental innovation within the formulation space.

**Alankar:** Okay. And I mean, currently, our filing both in India as well as markets like Canada would be through the synthesis route, right?

**Samit Mehta:** Yes, that is going off patent in 2026. The fermentation route, the semisynthetic is going off in 2028. So we'll be fully synthetic right now.

**Alankar:** Fair enough. The other question was on the Zuventus acquisition. Now due to this acquisition, will there be any change from an operational standpoint in the acute business?

**Satish Mehta:** Nothing changes.

- Alankar:** Okay. Fair enough. And the final question is more of a clarification on what Vik just mentioned. I think in the previous call, we had spoken about 150 basis point EBITDA margin expansion for FY '26. So is it 100 basis points or 150 basis points guidance for FY '26
- Vik Thapar:** So I was specifically alluding to the opex portion of it as 100 basis points, Piyush just mention that we also anticipate 50 basis points expansion in our gross margins based on the product and business mix.
- Moderator:** The next question is from the line of Mr. Gagan Thareja from ASK Investment Managers Limited.
- Gagan Thareja:** The first one is on the ARV, I believe there's going to be a retendering cycle this year, later this year. Any idea you can give us in terms of whether funding agencies from a budgeting standpoint are going to be constrained or that is not a constraint whatsoever?
- And secondly, Lenacapavir category now has been post the Phase III trials, even WHO strongly recommends for prophylactic benefits to take up in a category? How do you see this evolving over a period of time, do you see Lenacapavir becoming the first line of treatment perhaps in the next 2, 3 years?
- Satish Mehta:** First question, you take Lenacapavir, Samit will take and I will also chime in.
- Piyush Nahar:** Yes, on the tendering, I think as of now, we haven't heard anything that there have any constraints on happening. I think most of the tenders are continuing as normal. So we haven't seen that impact.
- Samit Mehta:** And in terms of Lenacapavir, absolutely not entirely certain how long the duration will be for that becomes the treatment of choice because different countries and different agencies have to change their adoption protocol. But definitely in the medium term, it should be one of the dominant therapies as far as the ARV space goes.
- Satish Mehta:** Gagan, one more thing I would like to tell you, if you see the latest issue of economist, they are extensively covering HIV and a couple of constraints, I would like to flag off one as far as the PEPFAR funding is concerned to restore, but at the same time against \$3.5 billion that they have been giving it has been reduced to \$2.9 billion if I remember correctly.
- The second thing that has been happening in the Americas and in the most generous in terms of contributing to global fund, there also the funding has been reduced. So I think what really happens after couple of years as in we Lenacapavir the market. I think the product, this article also says that Lenacapavir is going to be a game changer. But the funding of global funding, PEPFAR funding, then all the governments, which will be interested in buying that will also play a very important role because unlike what is happening right now, like TLD, it is not going to be that cheap. I believe. Samit, can I say that?
- Lenacapavir, it's going to be a game changer, but at the same time, there will always be a cost attached to it. So we will wait and watch how it plays out. But it's technological breakthrough. Let's accept that. It's a big thing.

- Gagan Thareja:** And is it possible to give some idea of the EU business growth ex of the bank's numbers, which I believe would have been there in the contribution for the first quarter?
- Piyush Nahar:** Manx was quite small. It has been about \$1 million to \$2 million in the quarter. I think Manx will ramp up over the quarters.
- Gagan Thareja:** And is it possible to give any idea of how you see the scale up in Liposomal Amphotericin and Tenecteplase, over the next, let's say, 2 to 3 years what sort of scale? Is it possible here? And also in the other 2 products, which are under trials for you? Any possible idea?
- Samit Mehta:** Sure. So in terms of Liposomal Amphotericin, like I mentioned, we have approvals in a lot of the major markets, but there are still a few big markets where our product is likely to get approved in the near future. The kind of capacity we have created and the bets we have taken on this product are pretty significant because there are 2 different facilities with large lyophilization capacities that we have installed and are ready to churn out product. So I don't see any constraints coming in, in terms of capacity. And I think the full effect of all the approvals and the max volumes will probably materialize in the next 12 months across different geographies, probably in Europe and UK and U.S. will be more near term in the next 4 to 6 months. But some of the other big Emerging Markets where the full potential will probably take 12 months.
- Satish Mehta:** Now the second question that he asked was regarding Tenectase and other...
- Samit Mehta:** Yes. I'll come to that as well. So on Tenecteplase players as well, not only are we seeing new registrations slow in for the original indication of MI, which is your Myocardial Infarction. But surprisingly, there's a lot of interest and uptake also happening, which is doctor driven from those countries for the indication of stroke. There are countries which have started picking up small volumes on a name patient basis they are seeing excellent results, and they are now pushing towards getting full registration, which will then have a log-fold increase in terms of the kind of uptake that happens.
- So Tenecteplase is going to be, again, in the next 18 to 24 months, a very dominant product for us. And in terms of the other 2 in the pipeline as far as clinical channel, I'm assuming you're referring to r-Asparaginase and Bevacizumab there as well the trials have been done, keeping in mind a dossier that can be submitted across all the emerging markets.
- So for example, for r -Asparaginase, the reference product is the EU approved product. And hence, once that approval comes through, we should also be able to file across a lot of different countries where there is a severe unmet need. So overall, across these 4 products, we see the next 18 to 24 months having a significant ramp-up.
- Gagan Thareja:** Sure. That's great. A final one from my side, sir, Canada, is it -- is the Q1 growth sustainable for the full year?
- Vik Thapar:** Yes. So in Canada, I think the growth is sustainable. We had basically been guiding to sort of a mid-teens growth rate for the Canadian operation as a whole. And we're very happy with the Mantra acquisition, which continues to track even ahead of our own expectations at the time of doing the deal and some of the synergies, even at a product level being rolled out across Canada

as a result of that continue to play out. So we are very bullish on continuing that momentum for Canada.

**Moderator:** The next question is from the line of Bhavesh an Individual Investor. Yes, Mr. Bhavesh go with the question please. As there is no response from the participant, we'll move to the next. The next question is from Bharat Shah from ASK Investment Managers Limited. Please go ahead.

**Bharat Shah:** Satish bhai, more than a question. I just wanted to site a comment. When you were referring to the ARV portfolio, internationally and the contribution from America to the program, which is supported and you referred to the generosity, which has declined. But I just wanted to say, America and generosity are oxymoron of terms. I thought I'll just put that a little bit of a view on that.

And then to a question, based on the 5-year region plan that we have done, in terms of capital expenditure on assets, I suppose, more or days we are in place. In other words, it's unlikely that we will be incurring material capital expenditure in buying, putting more assets manufacturing assets. Is that understanding right?

**Vik Thapar:** I can take that question. So, what we had been guiding to is that we expect annualized sort of capex spending in the range of about INR 350 crores a year. If you look at that, roughly about INR150 crores of that goes towards more repair and maintenance capex and about INR200-odd crores is in earmarked for. Some top-up investments for capacity enhancements or product-specific type capex requirements that we have. So barring anything else. I think that's the range that you're going to see on the capex front. Of course, we will continue to evaluate and be aggressive in terms of any M&A or strategic alliance or in-licensing deals, which may have some capital allocation there, our focus areas are obviously going to be India first and foremost and some of the emerging markets to the extent that we have an opportunity to get some product both on portfolios in places like Europe, like we have recently done or Canada, we'll continue to evaluate as well. But by and large, you're right that most of the infrastructure required to cater to our 4, 5 year growth plan is already well in place.

**Moderator:** The next question is from the line of Bhavesh an Individual Investor.

**Bhavesh:** Congratulations on a good set of numbers. My question is with respect to the cash and cash equivalent as on June 30, 2025. So I just wanted the number?

**Tajuddin Shaikh:** Yes, INR200 crores.

**Bhavesh:** Including the investment?

**Tajuddin Shaikh:** Yes.

**Bhavesh:** So why there is no other income in this quarter then?

**Tajuddin Shaikh:** There's a very small amount of other income. The amount of cash is at the end of the quarter. Throughout the quarter, you don't have cash used to reduce debt.



- Bhavesh:** And one more thing, sir, I'm a user of your Emcure Aqua Oat Moisturizing Cream. And just wanted to provide an honest review about it. So it's a really good formulation and the cream does the job quite well. So I just wanted to appreciate it. And will be a consumer and also a long-term shareholder of the company. Thank you.
- Satish Mehta:** Bhavesh, you are going to get line extension and absolutely super packing top of the line matching the global standards in the next 2 or 3 months. And we share one thing in common. I'm also a big time fan of Aqua Oat and I also utilize the product. Extension, which is quite exciting. And I like it. If somebody likes my product, it makes me feel happy.
- Bhavesh:** So I'm using it for the last almost couple of years. So one Derma she recommended me. So she was the HOD of KEM hospital. So she recommended me that go for Aqua Oat, it will reduce your sensitivity of the skin. So it has been a helpful cream for me. And it's the plus point of the cream is a fragrance free. So a lot of screens in the market have fragrance and alcohol. So that doesn't seem...
- Management:** I mean many times what really happens, so I've seen that on some fragrance, so it goes for itching also. That also happens.
- Bhavesh:** I have one package at home like whenever it gets over, I bought another one. So thank you for you and all the best for the future quarters.
- Moderator:** Thank you as that was the last question for the day, I would now hand the conference over to Mr. Piyush Nahar for closing comments. Over to you, sir.
- Piyush Nahar:** Thank you all for joining today's investor call. If any of your queries will remain unanswered, please feel free to get in touch with us. Thank you.
- Satish Mehta:** Thank you very much. This is Satish Mehta. Your feedback means a lot to me. We feel very enlightened by the inputs given. And we are committed to improve, committed to take whatever suggestions coming from you very, very seriously. And we will go to for your company with more vigor than ever before, because you give us a lot of motivation. Thank you very much.
- Moderator:** Thank you. On behalf of Emcure Pharmaceuticals Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.