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Date: May 12, 2025

BSE Limited **Listing Department-** **Phiroze Jeejeebhoy Towers** **Dalal Street** **Mumbai- 400001** **Scrip Code: 544292, ISIN: INE013P01021**	**National Stock Exchange of India Ltd** **Exchange Plaza, C-1, Block G,** **Bandra Kurla Complex,** **Bandra (E)** **Mumbai – 400 051** **Symbol: ONESOURCE**

Dear Sir/ Madam,

Subject: Transcript of earnings call held on May 06, 2025

Pursuant to Regulation 30 read with Schedule III, Part A of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, (herein referred as LODR) the transcripts of the investor call held on May 06, 2025 is available on the website of the Company at https://www.onesourcecdmo.com/investor-relations/stock-exchange-intimation/.

You are requested to kindly take the same on record.

For and on behalf of
OneSource Specialty Pharma Limited

Trisha A
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Date: 2025.05.12 10:44:34 +05'30'

Trisha A
Company Secretary and Compliance Officer
Membership Number: A47635

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"OneSource Specialty Pharma Limited

Q4 FY25 Earnings Conference Call"

May 06, 2025

MANAGEMENT: **MR. ARUN KUMAR – FOUNDER & NON-EXECUTIVE CHAIRPERSON – ONESOURCE SPECIALTY PHARMA LIMITED**
MR. NEERAJ SHARMA – CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR – ONESOURCE SPECIALTY PHARMA LIMITED
MR. ANURAG BHAGANIA – CHIEF FINANCIAL OFFICER – ONESOURCE SPECIALTY PHARMA LIMITED

Moderator: Ladies and gentlemen, good day and welcome to the OneSource Specialty Pharma Limited Q4 FY '25 Earnings Conference Call. As a reminder, all participant line will be in listen-only mode and there will be an opportunity for you to ask question after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing start then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Abhishek Singhal. Thank you, and over to you, sir.

Abhishek Singhal: Thank you Sejal. Good morning, everyone and thank you for joining us today for the earnings conference call for the fourth quarter and full year ended financial year 2025. We are pleased to have with us Arun, Founder and Non-Executive Chairperson, Neeraj, CEO and MD and Anurag, CFO, who will walk us through the key business and financial highlights for the quarter.

I trust you had the opportunity to review our results release and the quarterly investor presentation, both of which are available on our website, as well as the stock exchange website. The transcript for this call will be posted on the company's website within the next week. Please note that today's discussion may contain forward-looking statement which should be viewed in context of the risk inherent to our business.

Should you have any further questions after this call, our Investor Relations team will be happy to assist you. I now hand over the call to Arun for his opening remark.

Arun Kumar: Good morning everybody and thank you for joining us early today. I appreciate your time. It's been -- it's a pleasure to have this conversation especially given OneSource has come back from a very difficult scenario, little over 2 years to deliver on everything that we said we would, pre-listing and post-listing.

It's been a pleasing outcome for the quarter. As you will notice from the numbers, we recorded a phenomenal top line growth and a very significant EBITDA. And Q4 has been an outstanding quarter, but I would also like to put some color around the quarter performance, not as granular as it is in the decks which I'm sure most of you have read it, but I just wanted everybody to understand that we've had the privilege of adding several customers, especially in our GLP and DDC space.

And consequently we had a great run in Q4, led by increased execution of several contracts. These were new customers that we onboarded in the earlier part of the year and typically are typically challenges to the earlier filers. Consequently there has been a rush for capacities which we were able to deliver and that has resulted in a good outcome for OneSource.

We continue to maintain our near-term outlook for FY '28 for a $400 million revenue top line with a significant EBITDA in the 38% to 40% range as has been previously guided organically and we are very committed to achieve these objectives based on a strong order book that we have now secured.

FY '26 is going to be a transition year and I just want investors to be fully conscious that there are several events that lead to us to give this kind of a tepid conversation around how FY '26 would look like. Predominantly as you know that bulk of our revenue growths will come from the commercial sales of our DDC products.

We are currently on track to believe that almost all our partners will be in a position to supply products in key markets on market formation and as you know that most of the markets open up towards the end, I mean towards the actually the beginning Q4 of this financial year and Q1 of the next calendar year.

So consequently depending upon the freedom to operate and the various regulatory approvals that our partners need to receive, a lot of our commercial supplies of the DDCs will determine how FY '26 will look like. Consequently it will be lumpy, there would be quarters which would be extraordinarily high performances like our Q4 quarters.

It will more or less mirror FY '25 with H1 being a lot tepid compared to a very strong H2 and that's what we think we will achieve. Our endeavor is to ensure that our exit run rate while we will not be able to meet that Q-on-Q, on an annualized basis we would be in that zip code, that's our endeavor. But like I said a lot of that is dependent upon product approvals and customer approvals.

Our order book continues to be very strong in all the subsets of our business and while our biologics drug substance business is nascent, we are seeing strong traction and I let both Neeraj and Anurag, Neeraj to talk on the business side and Anurag on the finances and the balance sheet that they would give you more granularity. But I just thought it was important to set the context for FY '26,. '27 would be a very solid consistent Q-on-Q growth.

'28 we will meet our near term guidance organically that we have delivered or kind of provided an outlook when we listed and when we did the road shows for the pre-IPO placements. And then of course we believe that from all our enablers and our significant capex expansion we are ready to get to that near term number. So thank you for listening to this overview and then I will request Neeraj to get into the granularity of the business. Thank you all.

Neeraj Sharma: Thank you, Arun and welcome everyone to our -- our Q4 and full year results as a listed company. In fact the journey of OneSource from merely an idea 2 years ago and through all our NCLT approval process, the culminating and listing and now our first full year results have all been hugely exciting for all of us at OneSource.

What really gives me a feeling of great satisfaction is that our inception philosophy as a one-stop CDMO continues to play out. Now we have added 15 new customers across all our service offerings. We have won multiple RFPs in this time and it's equally important that while we have added new customers and got new business from them, there has been significant repeat business coming from our existing customers which really shows very strong trust in our capabilities which our customers have.

W have increased our total logo count to more than 70 now with our customer base, including leading innovator companies, we have got biotech, we have got top of the global generic companies, so you name it and we have as our customers.

And the very fact that our customers trust in our capabilities is not only, you know, is across our service offering, but especially if you look at drug device combinations where we have delivered almost 50 projects, whether fully delivered or in terms of various stages of execution, including GLPs, all GLPs but beyond GLPs as well, as well as both small and large molecules.

And what has really helped all these new RFPs which we have won, the licensing deals which we have gotten into the very high level MSA executions which we did especially in DDC which Arun mentioned in his opening talk, all these have together helped us deliver a very strong performance in Q4, but also in the full year FY '25 with full year revenue in excess of INR1,400 crores which is up 30% versus previous year and EBITDA of INR466 crores which is more than twice of FY '24, I think which is really a commendable feat I think which the team has achieved.

Our Q4 EBITDA margin which is at 43% reflects really the impact of drug device combination even if most of it has come from MSAs. We will talk more, Anurag when he talks about the numbers later. What also gives me immense satisfaction is our compliance track record which continues to be stellar. We had more than 60 regulatory and customer audits during the year across our sites.

In fact, we had successful FDA re-inspections at our penicillin and general injectable sites. We had Health Canada coming in. In fact, our flagship site received approvals from ANVISA, from Saudi agencies among others, which is really going to pave the way for us to start supplying Semaglutide when it -- in these markets as our customers get approvals and patents expire in early 2026 calendar.

Then in anticipation of the launch of Semaglutide, we have always mentioned even in our last call and in all our interactions that our progress towards expanding our capacity, especially in drug device combination is on track with the first phase set to conclude towards the end of the year. Again, Anurag will talk a little bit more on our capex program.

While our new customers and RFP wins continue across all our segments, we are also going to be having big commercial launches in the next 12 to 24 months which we have set. And along with our stellar compliance record, we are very happy to reaffirm the outlook which we gave last time which is of FY '25 to '28 revenue growth CAGR of 30% and steady state EBITDA of margin of 40%.

And of course, Arun already mentioned and I would just reiterate that how the current FY '26 is a really pivotal year for us. This is the year when multiple drug device combination projects move from the MSA to the commercial stage and the Sema patent expiry happens in some of the largest markets. We have seen Canada, Brazil, Saudi Arabia, India, etcetera in Q4.

And obviously, while the launches will depend upon our customers getting approval, but the very fact that many of our customers have paid us reservation fee with take-off pay arrangements

is a mark of confidence. Obviously, FY '27 which is the first full year of commercialization for Sema in many markets will see the CSA contribution to our business more in line with steady state.

Finally, what we also, you know, we've done in this last quarter and FY '25 is to really strengthen our leadership team with number of new additions we have shared with the market, but also not only at the leadership level, but also level -- at the critical operational levels. We will continue to do that.

Also, as we had mentioned in our last call, we have now in this quarter brought in a very highly accomplished board led by our founder Arun which obviously is working with the leadership team and myself to help us reach our aspirations really to make OneSource a respected global pharma CDMO. Thank you for your time and I will ask Anurag to take you through our financial ratios and other financial highlights.

Anurag Bhagania: Thank you. Thank you Neeraj and good morning everyone. Like Arun and Neeraj already mentioned on the call, we had a very strong financial performance for this quarter and for the full year. I am pleased to take you through our quarterly and full year financial numbers.

Revenues first. In Q4, revenues stood at INR4,260 million and they grew 22%. On a full year basis, revenues were INR14,449 million and they grew 30% year-on-year. On EBITDA impact with the strong growth on the top line coupled with our stable cost base, we continue to see a strong operating leverage play out and I am pleased to report that for the quarter, an operating EBITDA of INR1,825 million, up 79% year-on-year.

And what's pleasing to see is that the PAT of INR992 million for the quarter is actually versus a loss, a negative PAT in the prior year. On a full year basis, we delivered EBITDA of INR4,665 million and an adjusted PAT of INR936 million, excluding one-timers.

Adjusted PAT as you know PAT excludes one-timers and exceptional items relating to formation of OneSource, primarily regulatory fees, taxes, duties and prepayment of interest. Our EPS for the quarter stood on an annualized basis at INR48.9 and for the full year at INR21.4 on a fully diluted basis. EPS calculations, however, exclude exceptional items and scheme-related intangibles that are being amortized.

ROCEs, you know, a quick highlight, our ROCEs for the full year are 22.9% and Q4 annualized at 40.9%, close to 41%. But beyond the numbers, this quarter continues to be a transformative period as we build OneSource.

The critical pieces on the integration program, as you know, we already spoke about it in the last call. We got listed earlier this year, but now we are working very closely with our commercials and operations team, the supply chain teams to integrate the business and we have made significant progress towards that journey.

It is a comprehensive integration program, systems, processes, but most importantly the various IT systems. It will tremendously help OneSource in terms of driving customer wallet share and operational synergies.

On the treasury operations, during the quarter we see very strong operational cash driven by strong collections from our customers across the businesses. This year we prepaid high-cost debt and complicated debt earlier in the quarter and we reduced it by almost 50% by the end of last quarter itself, net of cash and cash equivalents. During this quarter, we further reduced our debt to INR4,707 million net of cash and cash equivalents and we anticipate maintaining a healthy below 1.5 debt to EBITDA over the medium term.

We, like we earlier mentioned, we aim to be debt free, net debt free in the next 2 to 3 years. With the significant reduction in debt during the year, coupled with our credit rating upgrade, we have now better access and economical access to funds and therefore our interest costs are down to 278 million this quarter, down 20% quarter-over-quarter and significant reduction versus the prior year.

On our growth programs, as you already know, we are executing our plan to expand our capacity and capability, and will continue to invest over about $100 million over the next couple of years and we will consciously balance our ability to leverage and access funds on attractive terms, as well as our internal accruals and customer participation in those programs.

Fixed asset turns, we anticipate that we will remain higher than 2 fixed asset turns currently already at 1.9. As a reminder, as part of the scheme of arrangement, we are carrying INR10,572 million of intangibles and about INR38,275 million of goodwill as of March 2025. This is as per appropriate accounting guidance owing to lack of common control between the three entities.

Therefore, we will have a slightly inflated balance sheet for the time being and you will see more coming along the way as we work through this. Thank you once again for our first annual results call and I will hand it back to Abhishek for opening the line for questions.

Abhishek Singhal: Can we take the questions now, please?

Moderator: Sure, sir. Thank you very much. We will now begin the question and answer session. Anyone who wishes to ask a question, may press star and 1 on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and 2. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Nitin Agarwal from DAM Capital. Please go ahead.

Nitin Agarwal: Hi. Thanks for taking my question and congrats to Arun, Neeraj and the management team for a fantastic F '25. Arun, just taking off from the comment that you made on the F '26 guidance, just to be clear, I think what we should be looking at may be F '25-'6 which is kind of closer in nature to F '25 where bulk of the revenues in DDC will still be coming from milestones and licensing fees, et cetera from the contracts.

And the commercial revenues will be a little back-ended, maybe as in because the patents for Sema really began to expire only towards the end of March or '26. So '27 is where the commercial revenues will begin to really pick up, leading to '28 guidance as you guided, put it out already.

Arun Kumar: Yes, that's right. So FY '27, you're spot on. On FY '26, the first market that opens up is in Canada which is in the early days of January of '26 and bulk of the countries go up patent in March of 2026. So commercial supplies, if everything goes to plan, would only start in Q4 from a freedom to operate perspective, but then we are working through that.

In the interim, we continue to have MSAs, including DDCs as we acquire more customers. But given that we have a very strong number of customers in DDC, we have now 20 plus customers manufacturing with us drug device combinations. It is prudent for us not to acquire, to onboard additional customers because then there will be a clash for capacity.

Elsewhere in the deck, you'll notice that we have increasing capacities from our 40 million rated capacity to a little over 90 million as early as December. So we also want to be conscious about allotting capacity to the customers that have either provided a take-or-pay contract to us and or we have very specific long-term arrangements.

So consequently, taking more customers at the cost of upsetting established customer relations is not something any CDMO, for that matter, we would do. So we would have a lull here in onboarding new DDCs for GLPs. Of course, we look at adding customers around other formats. But Yes, like you rightly said, '27 could be more defining and more predictable.

'26, our goal is to set all the right enablers that get us to the FY '28 guidance of 400. Our aim is to do much better. Obviously we'll do a lot better than FY '25 absolute numbers that were announced today, yesterday rather. But can we grow significantly greater than our exit rate would be all up in the air because of the situation that I just explained.

Nitin Agarwal: Thanks. And on our F '28 guidance, to your mind, what are the risks, if any, which one can sort of, keep in mind while looking at that number? I mean, what are the risks, which one should can crystallize, which can impact the guidance?

Arun Kumar: Well, I think in the near term, we do know that there are several GLPs in the works. But there's also very significant new uses and new clinical trials delivering outstanding results. So we think that this space will expand with multiple treatment options.

We believe that the need for self-medicated injectable auto-injectors would continue to be a significant part of the business. We also believe that a lot of the global markets are unmet, which will expand quite significantly both from affordability and ability to cover a larger population. You're probably aware that even the WHO has now added obesity as a key area of focus for them and are considering GLPs as a solution.

So all of that should significantly expand the market opportunity in my view. So we don't see any near-term risks in the market. We believe that when orals do come in, there will be an impact.

But I think a combination of pill burden and pricing and availability of these products in the markets that have gone off-patent or will go off-patent in the next 12 months would be more a function of timing. So I strongly believe that we do not see any risk to our FY '28.

And of course, we have several levers, right? There are several levers ever since we opened up our books for CDMO across our platform. We have a flurry of RFPs across our soft gelatin business, our injectables business. You would see in our deck that we would become very significant players in high-viscous pre-filled syringes.

So we're adding new capabilities and subsets within our broader platform. We are cross-selling a lot, as Neeraj already mentioned. We are able to secure a lot of customers across various subsets of our platforms and domains. So we're very excited about the sum of parts story, and I think we'll get there without difficulties.

Compliance is an added risk. We believe that we have a strong group, you know. We are recognized for being a leader in this space. We continue to heavily invest in digitalization and upgrading our quality standards. We all know that we are only as good as our next inspection.

But, Yes, we're very confident as we go out with the kind of enablers and the team that Neeraj has been able to assemble in a short period of time to deliver on the FY '28 outcomes.

Nitin Agarwal: Thank you so much, and best of luck.

Arun Kumar: Thank you.

Moderator: Thank you. Before we take the next question, a reminder to all the participants that you may press star and 1 to ask a question. The next question is from the line of Amey from JM Financial. Please go ahead.

Amey: Yes, thank you for taking my question, and congrats to the management on this set of numbers. So first question I have, is it possible for us to give a make-up of DDC revenues for either quarter or for full year?

Neeraj Sharma: So, Amey, hi. So, you know, we are not specifically giving DDC number. But I think we have very clearly mentioned that, you know, today, as we speak, we are close to about 50 DDC projects, right? And these are in various stages of execution.

Some have already been delivered. Some of these projects are just waiting approvals, which will go into the commercial launches, as Arun already mentioned, towards the end of this financial year. And then there are other projects which are currently still in the pre-approval MSA stage, where we will continue to derive income, you know, as revenue stream, which is MSA revenue, which we have seen already giving us a very strong year and quarter in the last quarter.

So, while DDC will obviously be a significant driver or continue to be a significant driver of our revenue in FY '26 and beyond, also in our, obviously, FY '28 outlook, which we have given. But also, it's not just DDC. I think that's also the point Arun just mentioned, that our business has got multiple legs.

You know, of course, DDC is a significant growth contributor. But also, you know, whether it is sterile injectables, whether it is soft gelatine capsules, where we have recently added capacity and taken the capacity to three acts, and we've got multiple new customers onboarded. So, Yes, so while DDC will continue to lead our growth strategy, but we have got all service offerings contributing.

Amey: Sure. And the second question I have is on the new commercial, new line which will get added by quarter 4 or December of this year. So, will we need a re-inspection or validation, and that will take some time, and then the actual commercialization happens from that line? r is it from December onwards we'll start generating or doing production from that line?

Neeraj Sharma: Yes, so, I mean, the line which is getting added is getting added in our current site within the current suite itself. And as far as our understanding of guidance, FDA guidance goes in various regulatory agencies, because remember these markets, the first markets which will open are Canada, Brazil, and so on. So, based upon our understanding of guidance, we do not need another inspection. So, we should be able to get into the market as soon as we are ready and qualified lines.

Amey: So just last question, if I can squeeze in. The first market is Canada, like you said. So, here, if at all if our partner is not able to get the approval, still are we expected to get revenues, or like how things will pan out then, like?

Neeraj Sharma: Amey, I think it's very important, as we have always said, right, that we have got our customer base, which is who's who of the global industry. So, it's not, we are not dependent upon only one customer. You know, we've got multiple customers, and all our customers feel they would be in a good position to enter the market at the time of market formation.

And honestly, you know, for us, what is important is at least some of our customers get approval. It's not important that every single customer needs to get approval. But even if some of the customers get the approval, we are all set to support whichever customer gets the approval. We are all set to, from a capacity point of view, to be able to service these customers.

So, our outlook is not dependent upon one customer or two. We have a very, very large and diverse customer base.

Amey: Thank you so much. I will join back.

Moderator: Thank you. A reminder to all the participants that you may press star and 1 to ask a question. The next question is from the line of Madhav from Fidelity Investments. Please go ahead.

Madhav: Hi, good morning. I just wanted to understand that as the Canadian and the Brazilian markets open up initially next year for Semaglutide generics, is there any sort of broad sense in terms of how much the volumes of the patient base in these markets can expand, like as the prices come down as generics enter? Would you have any sort of reading on that? Thank you.

Neeraj Sharma: So, I can, you know, without going into very specific numbers, I can just tell you the following, that both these markets, like most markets which are or almost all markets which are coming off patent in the next year, have been very, very poorly served. In fact, the key driver in these markets will be increased access.

You know, just to give you some idea that in a market like Brazil, which is, you know, one of the largest population markets globally, the penetration, the way it has been, the Novo has served the market, there is less than 1% penetration of what it should have been. In Canada, it is about 4% or 5% penetration.

So, you know, we see these markets right now, what the numbers which IQVIA shows are really, you know, not reflective of the true demand. And once there is, there are generic players in the market and there is a much higher access, we see the markets really taking their true potential, which could be anywhere, you know, between 10 to 12 times in case of Brazil, for example. Or maybe about 4 to 5 times in case of Canada. So, we see access really driving the growth in these markets.

Madhav: When you say 4 to 5 times in Canada, that means you're saying the number of pens sold or the patient pool can potentially be 4 to 5 times higher, right? That's the way to read it.

Neeraj Sharma: That's correct. Based upon what the IQVIA numbers are today.

Madhav: All right. Yes. Thank you.

Moderator: Thank you. The next question is from the line of Abdul Kader from ICICI Securities. Please go ahead.

Abdul Kader: Yes. Hi. Thank you for the opportunity. So, my first question is with regards to your order book and capacity addition. So, in your opening remarks, you talked about a strong order book and, you know, you're talking about increasing your capacity also to close to 90 million.

So, I mean, you know, how should we look at the utilization part considering, you know, you're talking about a significant capacity to be added in, you know, across your business segments over the next 1, 1.5 year period?

Neeraj Sharma: Yes. So, Abdul, thank you for your question. So, what we are, you know, we've mentioned in our, you know, talk today and also in our deck, you will see that we are already at close to about, you know, 50 drug device combination projects, right? Some of these are already executed, filed, waiting approval. Some are still under execution.

So, our capacities, which we are currently having and also what we are adding towards in this year, towards the end of the year, will be servicing both our ongoing MSAs, as well as CSAs. And obviously, the rated capacities are really seen, you know, when the full commercialization happens and we take the batches as per commercialization.

So, the key for you to understand is that our order book, you know, is very strong. We have -- because we have got these 50-odd projects, you know, ongoing or delivered across our

customers, we have got forecasts from our customers going up to next 3 years. So, that's the way we are building, ramping up capacity in line with our customers' forecast, in line with the patent expiry, which are happening over the next 2 to 3 years.

And when we see, you know, our order book today based upon what our customers are saying, I think we have a fairly strong utilization of especially the first phase, which we are putting in. In fact, that's why we have mentioned that we are not, you know, this is just the first phase, which is getting over this year.

We are just behind this by end of next year, FY 2026, we will be adding, you know, another, we will be almost doubling the capacity from where we will be at the end of 2025. So, this is based upon proactive, you know, move from our end to make sure that our customers' demands are met. And that's what our customers trust us to do.

Abdul Kader: Got it, sir. Sir, my next question is pertaining to your NCE and NBE projects. So, I see in your list deck that there is one new project getting added this quarter. So, any color on, you know, by when would, you know, the revenue booking in a meaningful way happen from this particular segment? And, you know, in your DDC business and specific with your biologic NBE, NCE part of the business.

Neeraj Sharma: So, Abdul, I'll just talk about the NBE part first. Because the NBE, as you know, that biologics as their very nature have got long gestation. And, you know, obviously, it's a first-in-class product, which we have. We are right now in the phase of doing clinical production, which is what will happen in this year.

And based upon the approval timelines, as you know, we expect the product to be commercialized somewhere between '28 and '29. In fact, we have said earlier that our, you know, our near-term outlook, which we have given, does not include contribution or any meaningful contribution from the commercial sales of the NBE, which we have. So, it will still be a lot of pre-approval revenue, which will be coming in that outlook.

For other NCE-1, again, as you can appreciate, I will not be able to give you specific details. But I can tell you that there are products in various, you know, patent expiry there. Some launches could happen as early as FY '27. And some could be slightly later. But these are very significant opportunities because in some, we have the complete exclusivity as NCE-1 files.

Abdul Kader: Got it, sir. Thank you, and I will get back in queue.

Moderator: Thank you. Ladies and gentlemen, you may press star and 1 to ask a question. The next question is from the line of Rupesh Tatiya from IntelSense Capital. Please go ahead.

Rupesh Tatiya: Hello, sir. Thank you for the opportunity and congratulations on a great set of numbers. My first question is, we have not talked much about, you know, non-GLP DDC projects. I think PPT mentioned several of them. Seven, at least, were won recently, and these are high-value molecules.

So, it would be great if you can, you know, provide some color on this, either, you know, therapeutic area. What would be the commercialization timelines? What would be the potential of these, you know, non-GLP DDC molecules? Can they sum up to, let's say, 10 million, 20 million in volume? If you can give some color on that, that would be really helpful.

Neeraj Sharma: Okay, Rupesh, thanks for your question. Now, here we have, the question is very valid, and we always said that our expertise is around drug-device combination and not any specific molecule. Obviously, we are, you know, we are in a very sweet spot as one of the biggest growth opportunities, which is GLP-1, but our capability and our portfolio is much beyond in drug-device combination.

While, as you can appreciate, keeping customer confidentiality, I will not be able to give you specific molecules. But what I can tell you is that our, in fact, our first drug-device combination product got, which got approved in U.S. for our customer is actually, is a non-GLP. It's a peptide, and it's a very unique product. It's, you know, first of its type. Even innovator doesn't have that drug-device combination, and we expect the commercialization to happen in FY '26.

Our first product, which got approved in Europe as a drug-device combination, is a biologic peptide, and we expect that commercialization to also happen in FY '26. And there are a number of other products which are in the pipeline.

But what I can -- you know, in fact, we have got 10 plus total products for in drug-device combination, total molecules. And I can also tell you that, you know, these are -- while these are good products, but obviously the volume are not in line with, you know, with the likes of GLPs because the markets are very different. But these are attractive products for us because, you know, per-unit realizations are, you know, are very, very attractive.

But also the fact that many products which are in the pipeline are drug-device combination. I have always said that the move towards self-administration is a big driver of global R&D dollars, and that also is a big boost to our business, especially because, as I said, our expertise is in doing drug-device combinations. And you will see more, you will see us adding significant numbers when we talk about our funnel for drug-device combinations.

Rupesh Tatiya: Okay, good to hear that, sir. My next question, sir, is -- and congratulations on passing, you know, on these audits. So one clarification there now is for Brazil approval, there is no pending action on at least OneSource, right? Is that a fair assumption to make?

And then similar update, can you give on Health Canada? I mean, is Health Canada inspection done or there would likely be another inspection before the product gets approved?

Neeraj Sharma: Yes, so your first point is correct, that as far as Brazil is concerned, OneSource is all set, you know, whether from approval of our site or from our capability and capacity. We are just now awaiting customer approvals before entering, you know, starting manufacturing for our customers.

As far as Health Canada is concerned, if you are aware, Health Canada, you know, will not come and inspect as long as the site has FDA or European approval. And as you know, we have both European and FDA approval. So we don't expect Health Canada requiring any inspection before giving approvals from our site.

Rupesh Tatiya: That's very good to hear, sir. And just my final question, sir, is on liraglutide launch. I mean, where are we on that? And I think on March 29, you gave one notice to exchanges that one of our site received 4 observations, USFDA observations. I was not sure if it was for DDC. So maybe, I mean, where are we on liraglutide launch and whether those observations have, you know, delayed the liraglutide launch in U.S. markets?

Neeraj Sharma: So, no, but, you know, I'll answer your last question first. There has been no delay on liraglutide launch, you know, whether because of any observation or not. We already -- our customers have got, you know, liraglutide approvals already, especially for Europe. And in the process of launching, I think this launch could happen as soon as next quarter.

Because, you know, while we are set for launch, it's not, you know, it depends upon our customers' also ability to be able to, you know, to launch and for us to actually enter the market with them.

But for your question around the observations, yes, our site was inspected, you know, as a norm. We did get some 483 observations, which are also norm. We have already responded to FDA on those. And, you know, we are confident that we will close out that inspection also well in time.

Moderator: **T**hank you. The next question is from the line of Alankar Garude from Kotak Institutional Equities. Please go ahead.

Alankar Garude: Hi, thank you for the opportunity. Sir, can you talk about the pricing arrangements of your take or pay GLP-1 contracts? What I mean is, from a pricing standpoint, are your contractual terms broadly similar across all clients for GLP-1?

Neeraj Sharma: Yes, so, you know, I can tell you the following, right, that we have, as you said, many of our customers need access to capacity. And in order to get access to capacity, you know, we have a number of arrangements with our customers. Some customers have participated in our capex program. Some have done take or pay deals with us. Some have given us reservation fee, long-term forecast.

So there are multiple ways where customers are securing access to capacity, which, as you know, is the single most rare commodity right now, which is capacity. So I think that's what I can tell you right now as far as our pricing and contractual arrangements.

Alankar Garude: So, sir, these contracts basically have an annual price revision built in?

Neeraj Sharma: So, I think, Yes, I think it's -- as you can imagine, as a CDMO, you know, there's only so much I can tell you on that. But I can tell you these are commercial contracts, these are long-term contracts. You know, and that's what our customers are looking from us, you know, that we

support them right from market formation to their securing market shares. I think that's what, and that's what they are, that's what they will be paying us for.

Alankar Garude: Okay, sir. So maybe a final question related to this. When you talk about $400 million sales by FY '28, are you assuming pricing per pen to be stable in a given market like, say, Canada till FY '28?

Neeraj Sharma: So I can tell you the following, right, that if you are - if your concern is around in-market pricing, you know, I can't comment on that, you know, simply because that's a function of how our customers will be pricing and how that dynamic plays out.

I just want to say that we are, you know, as a CDMO, we take only a small fraction of the in-market price. So the impact of anything going around in the market, we don't see impacting, you know, our pricing in any way. Our pricing is anyway based on volume, you know, we do staggered pricing based upon volume, and that's how our customers want, and that's how we are protected.

And having said that, you know, we also feel that there will be, you know, there may not be as many players in the market, especially at the time of market formation, as you may be thinking.

Alankar Garude: Understood. But, sir, just that clarification on your assumptions, which are going into that guidance.

Neeraj Sharma: Alankar, sorry, I think there is a, you know, we have limited time and a long queue. Maybe you can come back in the queue and, you know, let others have a chance, please.

Alankar Garude: Fair enough, sir. Thank you and all the best.

Moderator: Thank you. The next question is from the line of Ritwik Sheth from One Up Finance. Please go ahead.

Ritwik Sheth: Yes. Hi. Good morning, sir. Sir, just one question. Sir, any of our customers are ready for a launch in India or China, or these are all predominantly Brazil and Canada?

Neeraj Sharma: So, we have, you know, as I mentioned, we have a global customer base, a very diverse customer base, and most of our customers are global players. So, you know, as a global player, they have multiple markets which they are targeting. And for sure, you know, India could be one of the markets where, you know, our customers are wanting to enter.

You know, but as a CDMO partner of choice, we, for us, you know, we are completely agnostic where our customer really wants to sell the product. It will definitely be Canada, Brazil, and some of the other markets, and yes, India could very well be one of the markets.

Ritwik Sheth: Okay. And just a follow-up on this. Also…

Moderator: Sorry to interrupt, sir. I would request you to please use your handset.

Ritwik Sheth: Yes. Is this better?

Moderator: Yes, sir.

Ritwik Sheth: Yes. So, just a follow-up on this. Would there be any difference in realization for our services offered to a customer in Canada and India for the same product? Because the end price would be significantly different. So, would our service charge or our charges be significantly different?

Neeraj Sharma: No, my simple answer to that question is no. For us, geography is not really important. Our customers, where they are really launching the product is not important for us. Our pricing is purely volume-based pricing, and it is completely agnostic of the geography.

Ritwik Sheth: Okay. Great. Thank you, and all the best, sir.

Neeraj Sharma: Thank you.

Moderator: Thank you. The next question is from the line of Aman Vij from Astute Investment. Please go ahead.

Aman Vij: Good morning, sir. My first question is on our Lira, Teri, and Sema launches in H1 and H2. If you can just give the number of launches we are expecting of these three individual products in H1 as well as H2?

Neeraj Sharma: So, Yes. Again, you know, these are -- we have said that we have 10 molecules in DDCs, and these include some of the ones which you mentioned. I obviously will not be able to give you very specifics around these products.

But, you know, it would be sufficient to say that depending upon the patent expiry and the approval our customers would receive, we would most certainly be bringing or launching these products into the market in FY '26.

Aman Vij: If you can talk about the commercial launches, sir? Commercial, we were expecting 8 to 10 in…

Neeraj Sharma: I'm talking about commercial launches. All these products would be, you know, launched commercially. As, you know, for Liraglutide already said, we have approvals in our customers have approvals in Europe, and we do have approval also for teriparatide. That also approval we have. So, the plan is to be launching these products within FY '26.

Aman Vij: But you are not commenting anything on the number of launches. Like earlier you were saying 8, we were expecting 8 to 10. Does that number stay or some have been delayed to FY '27? That was the question.

Neeraj Sharma: I don't think we have ever said any particular number of launches. But as we have said that our, you know, Lira approvals already in place. We have got, you know, the teriparatide approvals already in place. They would be coming into the market.

And there are, you know, what we have said that there are many products which would be moving from MSA to CSA as the approvals come in. So, there is absolutely no change to what we mentioned.

Aman Vij: Sure, sir. On the, next question is on the competition price of vials. So, oral competition you have talked about. So, do you expect a similar thing to happen in other geographies? Because then that is a risk to our DDC model. If you can talk about that.

Neeraj Sharma: The entire western world is very clearly, as I said, the whole idea of these products is self-administration. And I think that's where the market is. That's where the entire move is. And that we see no change into that. Because, you know, vials require intervention of a healthcare professional. And that is exactly against the whole concept of self-administration.

So, we don't, you know, while markets like India, you know, it could well be possible, the vials. But the very fact that it is a self-administration route is what is important. Having said that, I, you know, also have to tell you that our capacities are fungible.

In fact, some of the new lines which we are putting up at our flagship site are combi lines. Which are actually, which can do both vials, as well as cartridges. So, it is depending upon how, you know, how our requirement is, how our customer's requirement is. You know, we could, in these lines, we could do 100% cartridges or 100% vials.

Moderator: Thank you. The last question is from the line of Umang Ghada from Avener Capital. Please go ahead.

Umang Ghada: Hi, sir. Thank you for taking my question and congratulations on a great set of numbers. So, my question was again, slightly on the demand side, which the last participant asked. There, you know, a lot of new therapies are coming for weight loss. And a lot of oral drugs are also gaining traction in GLP for weight loss and diabetes as well. So, do you see or anticipate or your customers in turn anticipate some softness in demand? Not in near term, but in the further term, 2, 3 years down the line?

Neeraj Sharma: I think we have always maintained that orals will have a place in the anti-obesity market. You know, and that's how, that's how it is, it is how we see. You know, Lilly has come out with this, this product. But, you know, there are a couple of things to look at here.

You know, this, the pill burden, which is there for a whole product, which requires, you know, a daily tablet. And the fact that, you know, compared to that, a once a week injectable. I think it's a very different ballgame. In fact, if you see, even Lilly has very clearly mentioned that they expect the peak share of their oral product to be no more than 25% of the total anti-obesity, anti-obesity market.

So, keeping that in mind, you know, we are, you know, we are very confident that the mere access of the drugs, of the injectable drugs is going to be significantly higher. Right now, the penetration levels are so low in some of the largest markets in the world. And that will continue to drive.

As I said, orals will have their place. But, you know, but they will -- they will, their role will be limited to that 20%, 25%, which even the innovators are talking about. And remember, you know, while there are oral therapies in the play, there are also injectable therapies in the play, which are once a month injectable, for example. So, if, you know, if that were to come once a month injectable, obviously, you know, again, way more attractive than a daily tablet in any form.

Umang Ghada: Understood. So, like, we don't see any demand challenges as such, in terms of our visibility. So, a very small update, I would require that, you know, that the capacity that you are adding, the 220 million which are planning to go, all of this is planned to be added in India, or some capacity is to be planned outside of India as well, like, in terms of location?

Neeraj Sharma: Yes. So, right now, the number which we have given are primarily for, primarily expansion in India. But as a CDMO, you know, with the global footprint, global aspiration, we will certainly continue to explore opportunities to expand outside of India. These expansion could be through either organic route or even inorganic route. So, that we continue to evaluate.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. I now hand the conference over to the management for closing comments.

Neeraj Sharma: Yes. So, thank you, thank you everyone or joining us early in the morning and asking some very, very insightful questions. You know, this was our first full year call and we really look forward to your continued interest and we look forward to speaking to you again in the next quarter. Thank you very much.

Arun Kumar: Thank you.

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