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Date: January 30, 2026

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai- 400001 **Scrip Code: 544292**	**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 pertaining to Unaudited Financial Results of the Company for the quarter ended December 31, 2025

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of earnings call for the quarter ended December 31, 2025. This earnings call was conducted on January 24, 2026, i.e., after the meeting of Board of Directors held on January 23, 2026, and is being shared for your information and records.

Request you to kindly take the above on record.

For **OneSource Specialty Pharma Limited**

Trisha A
Digitally signed by Trisha A
Date: 2026.01.30 21:23:42 +05'30'

Trisha A
Company Secretary and Compliance Officer
Membership Number: A47635

"OneSource Specialty Pharma Limited

Q3 FY '26 Earnings Conference Call"

January 24, 2026

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

Moderator: Ladies and gentlemen, good morning and welcome to the OneSource Specialty Pharma Limited Q3 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.

I now hand the conference over to Mr. Abhishek Singhal from OneSource Specialty Pharma Limited. Thank you and over to you, sir.

Abhishek Singhal: Thank you, moderator. Good morning, everyone, and thank you for joining us today for the Earnings Conference Call of OneSource Specialty Pharma Limited for Q3 financial year 2026. We are pleased to have with us Arun, Founder and Non-Executive Chairperson, Neeraj, CEO and MD and Anurag, CFO of the company, who will walk you through the key business and financial highlights of the quarter.

I trust you have had the opportunity to review our results release and the quarterly investor presentation, both of which are available on our website as well as our 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 statements, which should be viewed in context of the risk inherent in 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 remarks.

Arun Kumar: Thank you, Abhishek. Good morning, everybody, and thank you for joining this call on a Saturday morning, especially in a long weekend. We had a Board Meeting with several of our Directors on a virtual basis yesterday, so we could only announce the results late in the night, and therefore we appreciate your time today.

Before I hand over the call to Neeraj and Anurag to discuss further on our results, I would just like to set the context of today's discussions in terms of our numbers and how we see the business evolving.

Firstly, I would like everybody to draw your attention to my Q4 FY '25 commentary, where I had highlighted that FY '26 is a transitory year, where our primary focus will be to build readiness in our operating capacity, executing our MSAs, and preparing for scale.

All of these key milestones have been achieved, and we continue to invest on this singular focus. Our Q3 FY '26 results have been impacted by revenues being deferred. As all of you know, our DDCs have a major fill-up to our numbers and our FY '28 outlooks.

Having said that, the only large market that was available to operate at scale was Canada, between January and the end of March, when other markets opened. Consequent to several of

our partners having not received the Canadian approval for semaglutide, we have had a scenario where we have deferred – we had to defer our revenues until that event happens.

Now, while I get into more details of the Canadian regulatory approval and our view on that, I would like to reiterate our FY '28 guidance. At the time of our listing in January 2025, the singular guidance that we have provided to investors is a number of $400 million, with an EBITDA of $160 million for FY '28.

This obviously does not include any of the inorganic accretions that we have announced later. We remain extremely confident on our ability to achieve these targets, and I will explain why we believe so. So, let's get into the elephant in the room, which is, of course, the Canadian regulatory approvals.

We have several partners for the Canadian business, and of course, some of you are aware of the public statements that one of our key partners have made about their partnership with us, and this obviously refers to one of our anchor partners, which is Dr. Reddy's. They were expecting an approval for this product at market opening, which was in January.

This has since been deferred, as they had received certain requests for additional information from the regulatory agency. We believe, and based on their guidance, that their approvals are estimated anytime between now and May, and we also believe that other filers from our facility for the Canadian market will be in that range a little later.

Consequently, we believe it may not be prudent to build a near-term guidance on these assumptions, and we'd rather wait for these events to unfold before we can give better clarity on how the DDC businesses for the Canadian market operates.

Having said that, many of our partners have received approvals for the Indian market, and towards the last week of March, those opportunities open up, and while India is a market that we can immediately commercialize, obviously we believe that the competitive intensity for the Indian market is severe, and it is not a market of focus for us.

Having said that, you will find our products at market opening in the Indian market through our partners. Now, several of the other markets that are opening up in the emerging markets, outside of Canada, the only other markets are the emerging markets, where over between 80 to 100 countries open up around the end of March.

Many of these countries, the regulatory process is dependent on what we are able to provide as a document called COPP, which is an Indian Government Certificate of Pharmaceutical product, which is only available after a product is launched in India.

So we expect to have these certifications in the first few days of April, after which we expect a flurry of approvals for several of our partners in emerging markets, and there are very significant emerging markets that will add up to the volumes.

I will now come to the capacity prioritization. So we could have continued to accept MSAs from new customers, but we decided to prioritize our capacities for commercial sales, considering that we have contractual obligations, but also we obviously make more economics when we move from MSAs to commercials.

Accordingly, till we have all these approvals in place, we expect the next two quarters to remain relatively soft. Having said that, our aggressive capex of over INR700 crores to increase capacities are progressing very well, and we believe that by H2 FY '27, we will have significant additional capacities that will come up for increased demand as we see.

As we see, most of our customers have started increasing their forecasts, and we strongly are now very confident that we'll be able to meet an increased outlook. Another factor that we are confronting and working with our partners is the current batch size and the scale-up.

The current batch size, because of the high cost of development of most of our partners, are suboptimal and in many cases not very commercially viable when you want to run very large production runs.

So we are working very actively with our partners to scale up capacities, but these involve scale-up batch sizes to meet our increased capacity so that we can be more efficient and cost-competitive for our partners to be more competitive in their market space. And we are working with several of our partners, and we are in the process of concluding those activities and getting regulatory approvals in several markets such that we can increase our scale.

In hindsight, these approval-related uncertainties have played out as we have anticipated, reinforcing our decision not to provide an FY '26 or FY '27 guidance and pivoting our guidance to FY '28, which we now continue to reiterate. The negative operating leverage that we expect now in H2 of FY '26 and partially in H1 of FY '27 reflects the absence of new MSAs due to strategic priorities and the fact that commercial supplies have not yet commenced.

Notwithstanding these near-term factors, our confidence in the DDC opportunity remains high. Customer forecasts continue to be revised upwards. There is not one customer who has not revised forecasts upwards.

FY '27 will mark the beginning of material CSA revenues with H2 significantly stronger than H1. We expect a Q4 FY '27-analyzed exit run rate for both revenues and EBITDA to be a good reflection of near-close FY '28 guidance numbers.

Now, you will appreciate that many of these actions are dependent on our partners, and while our partnership philosophy is strong, we are working strongly with these partners to work to get the maximum outcome for both them and for us, and all of this makes business sense for us to reprioritize.

Another operational highlight before I pass on the conversations to Neeraj and Anurag is an update regarding our sterile facility in Bangalore. You will appreciate that this facility is approximately 20 years old since it has got several FDA inspections, including a stellar recent

inspection. However, we are converting a large part of the capacities to include increased demand in specialty injectables like long-acting injectables, high-viscosity pre-filled syringes.

And we are taking a four-month shutdown where we will significantly increase our capacities in lyophilization pre-filled syringes, high-viscosity pre-filled syringes, and also other capabilities, and consequently, this will have a near-term impact. This is not going to be a material near-term impact, but I thought it was important to use this occasion to also bring this up to your notice.

The last point that I wanted to discuss in today's call was a business decision that we have taken as a company. We now have a little over 30 new customers that we have added in the last few years since the formation of Stelis and then eventually OneSource. We currently hold approximately INR250 crores as advances from customers who pre-book our capacities.

It is, in normal circumstances, very easy for us to enforce our take-or-pay contracts, but considering that some of our partners have got delayed approvals, considering that our partners have increasing batch sizes, increasing their contract tenure with us, in many cases, we are now working with our partners to be proactive and find solutions where both partner and us benefit.

And consequently, in some cases, we have either deferred our take-or-pay contracts while we continue to receive significant advances from our customers, and this is very important for us as we have managed in most cases to extend the contractual obligations of our partners. And where we haven't, we obviously are now evoking the take-or-pay contractual obligations.

So with this, I'll let Neeraj to discuss the rest of the call. And then I will, of course, be available if you have any specific questions to my opening comments. Thank you.

Neeraj Sharma: Thank you, Arun, and welcome, good morning, and welcome everyone to our Q3 results. As Arun mentioned, this quarter's performance has broadly been shaped by the semaglutide approval delays for our customers in Canada.

And as the transition from MSAs to CSAs has been pushed out, and as a deliberate choice, we did not take new DDC MSAs purely strategically, as a result, the Q3 revenue declined by almost US$10 million versus the previous quarter. And considering the nature of our business, you know, the revenue shortfall resulted in a very unfavorable operating leverage, and thus the EBITDA declined by more or less the same amount.

Now, while the revenue trajectory got impacted during the quarter, what is really heartening for us, and it should be also for our investors, is that the underlying demand of our business remains absolutely robust. Our order books continue to expand, and this is for customers in Canada, India, rest of the world markets, which are all opening up for semaglutide in this quarter. And both ourselves and our customers, we continue to believe that our customers will certainly be among the first movers across all these markets, notwithstanding the delays, and this includes the Canadian market.

And once the approvals are received over the next couple of quarters and the commercial supply start, we are absolutely confident that the incremental revenue which is coming will flow

meaningfully through to the bottom line. And this is that our capacity expansion plans remain absolutely on track. And as of last month, we have already committed almost three quarters of our total planned 100 million capex investment spend which we have set for our flagship site.

And obviously, we also continue to man and to run these lines. We are expanding our workforce. And in our flagship site, in year-to-date, we have doubled our workforce by adding almost 300 new FTEs. So, overall, we obviously remain very positive about the GLP-1 opportunity. And while we expect the approvals to be staggered over the next couple of quarters, there will be a very, very significant commercial uplift starting in FY '27.

But also going beyond drug device combinations, we have also made notable progress across all other service offerings. In fact, we are most excited about our nascent biologics business, which has benefited from some very strong tailwinds, both from the new FDA guidelines on biosimilars, as well as the passage of the Biosecure Act in the U.S. And as a result, our RFPs today are almost 4x of what they were at the end of last year. And our funnel is at absolute historic high.

Also happy to share that during the quarter, we onboarded yet another global biosimilar customer. This is a U.S.-based biosimilar major. And at the same time, active discussions ongoing with multiple European players. Our customer engagement seems high. The teams are out in the market meeting customers. And also, there have been a significant increase in the customer visits to our sites in this year.

Beyond biologics also, we continue to add customers even during the quarter in our injectables and soft gelatine business. The whole founding philosophy of OneSource, which was the integrated one solution offering and cross-selling, is resonating very well with the customers. In fact, in our soft gelatine business, we have in the last quarter secured approval for our first oncology asset. This is a new, you know, we never had oncology product. Now, we got approval for oncology asset, and this is an NDA.

And happy to also tell you that it has been partnered with one of the top 10 U.S. generic companies, which really adds to our specialty offering. And also, in our injectable business, we continue to -- our customers continue to gain share for both, for existing products as well as adding new projects into the pipeline.

Along with the business, when it comes to operations, also our execution remains robust. And I am extremely proud of the fact that our quality record and the compliance record remains stellar. Year-to-date, we have had 36 inspections, both from regulators as well as our customers. In fact, also delighted to say that yesterday at our flagship DDC site, we have a very, very good inspection. So we will keep you informed on how this continues to advance.

Also, as a very responsible global CDMO, we continue to advance our sustainability agenda, earning actually an EcoVadis Bronze Medal this year and a very meaningful increase across all the categories which were there.

To conclude, what I would say that despite the near-term timing effect and the approval hiccups, our customer orders continue to strengthen, our capacity build-out remains on track, and our commercial readiness is very high, which is really helping us to reiterate our FY '28 guidance, which we have given of becoming 400 million revenue company organically.

And we are absolutely confident of achieving this through execution across all our service offerings. So, as we continue to build OneSource, I really want to thank our teams for their dedication and our customers for their collaboration. Thank you very much.

I will hand over to Anurag, who will share with you details on the financial performance.

Anurag Bhagania: Thank you. Thank you, Neeraj. And a very warm welcome to everyone joining us on this Saturday morning.

I will now present to you key financial highlights for the third quarter of FY '26. As Neeraj already mentioned, and Arun also spoke about it, our quarter performance has been largely impacted because of the delays on customer approvals in Canada. As a result, the reported revenue is about INR2,903 million, which is a 26% year-on-year decline.

The shortfall in revenue combined by our fixed cost base resulted in an EBITDA of INR173 million. Adjusted PAT stands at a loss of INR472 million, and adjusted EPS on a diluted basis is a negative 4.1 per share. As you all know, during the quarter, there has been a regulatory change related to the Code of Wages.

And as is prudent and appropriate, we have fully provided for the impact of this change as an exceptional item in our financials. Our PAT and EPS exclude exceptional items which are related to scheme intangibles. I would also like to highlight that the balance sheet includes goodwill arising from the scheme of arrangement that we had last year, which reflects the strategic value in that transaction.

The goodwill is a non-cash item and has no bearing on our operating performance and cash flow. On the working capital trends, it reflects a planned inventory build-up for significant launches that are upcoming on the semaglutide launches.

These are all temporary and timing-related, and we expect it to normalize over the course of time, gradually over FY '27. These inventory build-ups are customer-backed, either with advances or firm purchase orders, and largely expected to normalize during the course of time.

On the treasury side, we have got some very exciting developments during the course of the year. We have had two notches' upgrades, two rating upgrades, leading up to four notch upgrades on our credit rating. All of that is now starting to show up on the decrease in interest cost, and we are very happy to announce that we are now 200 bps lower versus last year, less than 9% effective interest rate.

We have made significant arrangements to ensure that our capex plans are fully funded. We have tied up with strong relationships across global, international-leading bankers, including very

significant partnerships with local Indian bankers. We see that for a short-term, the capex funding led increase on the net debt.

However, we are very confident of the near-term guidance of less than 1.5x of EBITDA as our net borrowing. We remain confident about the fundamentals of our business and very strongly building the future of our business, remaining committed to the shareholder value that we want to create.

I thank you all once again and look forward to your continued partnership.

Abhishek Singhal: We're good to open for Q&A.

Moderator: Thank you very much. The first question is from the line of Abdulkader Puranwala from ICICI Securities. Please go ahead.

Abdulkader Puranwala: Yes. Hi, good morning team and thanks for the detailed explanation and offer for the business. My first question is with regards to this plant shutdown. First, was there any impact on this quarter as well? Is it the same DDC plant where you're planning to expand your capacities for injectables?

Neeraj Sharma: Abdul, hi. This is Neeraj here. This is not the flagship DDC site. The expansion plan there goes absolutely on track. The plant Arun was referring to was the general injectable site, which is in Bangalore. And that's a site which is one of the oldest sites in the group where we supply general injectables. And that's the site where we are adding capacities in lyophilization. We are adding some new capabilities.

And that's the site where we would need to take a shutdown. Our flagship site, obviously, there is absolutely no shutdown there in the flagship DDC site. The expansion which I mentioned, we continue to -- in fact, we already committed almost $75 million in that expansion.

Abdulkader Puranwala: Got it, sir. And second is on the quarterly numbers. Just trying to understand the quarter performance, so the INR290 crores of revenue posted in Q3. Is it a fair reflection of your soft gel and injectable business?

Neeraj Sharma: Yes. The gap, as we said, the decline or the shortfall, let's say, for -- in the revenue is primarily from the DDC business. And that's what -- because as we know that, the DDC business has a very, very significant margin -- EBITDA margin. The delta there flows down to the bottom line. That's what is coming to the bottom line. To answer your question, yes, it is a fair reflection.

Abdulkader Puranwala: Okay. And last one on my end. So, I mean, when we talk about the working capital being higher because of the inventory pileup of semaglutide, what is the color we have from our customers? Because we are sitting on some advances as well as on the inventory. So, you know, if you could highlight what happens if the launch gets delayed beyond whatever timeline we are currently thinking about?

Neeraj Sharma: Abdul, as we are a CDMO, as you imagine, whatever inventory comes to us from our customers, it belongs to the customers. Obviously, we have all the procurement has been done in

conjunction, in agreement with the customers, and the delays are actually on their side. As a CDMO, all inventory risk, if that's your question, actually belongs to the customers.

Abdulkader Puranwala: Understood, sir. I have more questions, but I will get back in the queue. Thank you.

Neeraj Sharma: Thank you, Abdul.

Moderator: Thank you. We have the next question from the line of Rupesh Tatiya from Long Equity Partners. Please go ahead.

Rupesh Tatiya: Yes. Hello, sir. Thank you. Thank you for the opportunity. My first question, sir, is to understand the peak capacity utilization. So, I think in the last call, you said that, let's say, on the 40 million base DDC capacity, peak production can only be 20 million to 25 million devices. So that seems a little low to me. So any technical explanation you can give for this?

And then maybe you can also tie this with the batch size increases that we are looking at. I mean, batch sizes, I always thought was an API. It was used in API parlance, but pardon my ignorance. So how -- what are we trying to do there also with this increase in batch sizes? What will happen to the capacity and the capacity utilization?

Neeraj Sharma: Rupesh, how I can explain to you is in the following way. Yes, you're right that the 40 million cartridge, that's the headline capacity. So one way to look at it is the headline capacity of the line.

The second way to look at it also is the number of days which are available in a site to produce that, right? So, how it works in any manufacturing, especially in sterile injectable manufacturing, we always work on number of days. And when -- it's also that the days taken between MSAs and CSAs are different.

When we run commercial campaigns, we can do, for example, as many as six batches in 7 days. However, when we end up doing MSAs, we end up doing only two batches in seven days. So purely from number of cartridges, it would be you can imagine less than a third of the commercial. So we don't always look at the number of cartridges coming out while it is in the MSA phase.

As I said earlier in my call, because the MSA to CSA progression has been prolonged, that's why it's not the right time to see actual number of output. It is number of days which get utilized. That's number one. And to your second point on the batch size increase, how it again works, batch size is not just of the API. Batch size is also of the finished product.

That's how for you to understand that in one day, we make one batch. So if we make a batch of, let's say, 200 liter and a certain quantity comes out per day, in the same day if we are able to increase the batch size to 500 liter, the output becomes two and a half times that within the same time taken. You can imagine the actual output from the site goes up by that scale and that is the point which Arun mentioned, that requires regulatory approval and in conjunction with our customers, we are working towards that.

Rupesh Tatiya: Okay. Just one follow-up, sir. When we go, let's say, 100% CSA at some point in H2 FY27, on this 40 million capacity the peak production can be 70%, 80%. That's a fair assumption?

Neeraj Sharma: So, yes. So that in a sterile injectable, that's what typically works 70%, 75% capacity utilization is what we work with.

Rupesh Tatiya: Okay. My second question, sir, is, let's say, whatever these 20 million, 25 million devices we sell, whenever we sell, first 25 million, let's say, what would be the rough split between different geographies based on your vantage point? I know your customers obviously will have more information, but based on whatever you have seen in the market, looked at the market between, let's say, Canada, India, Brazil, Turkey, Saudi Arabia, ROW, any rough split you can give just to understand which markets have high volumes?

Neeraj Sharma: Yes. I mean, Rupesh, that data is the same which is available to us is available to you. The fact is that Canada is by far the largest, obviously, the second largest semaglutide market in the world after US. So that will remain the biggest consumer, but at the same time as the approval come in, as the product becomes available, the market will expand in all the major markets, whether it's Brazil, Turkey, Saudi Arabia, India, so on.

So all these will ramp up, but I would only say that as a CDMO, we will go by our customers location to us. And for us, as I mentioned previously also, we are agnostic, whether in terms of pricing or anything else. For us, geography doesn't matter. We supply the product at our factory gate.

Rupesh Tatiya: So just this last comment, we are geography agnostic. But now, I think in the opening comment also Arun said that India will become severely competitive. And also regulatory barriers are different across the different markets. I mean, Middle East, India will be a little bit lower. Canada will be higher. Brazil is probably also higher. So do you not see fill-finish pricing diverging between the countries based on the regulatory barriers?

Neeraj Sharma: Sorry, I didn't get your last point. So again, I think the pricing is for our customers to work at, Rupesh. But again, I have always maintained. A we have the right capacity, B we have the right capabilities to support our customers both in terms of their demand and for them to remain competitive. And that's the reason which Arun mentioned and I just explained for us to expand batch sizes, it helps both additional capacities and remaining competitive throughout.

Moderator: Thank you. We have the next question from the line of Nitin Agarwal from Dam Capital. Please go ahead.

Nitin Agarwal: Hi, thanks for taking my question. You know, just sort of referring back to the earlier comment in the opening comments around the fact that we're renegotiating some of our take or pay agreements. I mean, so directionally, what are the [inaudible] to the business in terms of, obviously, when we are letting, what is it that business gaining from a more structured perspective when we're looking at some of these contracts? Just help us understand that a bit better?

Neeraj Sharma: Yes. So Nitin, I think Arun mentioned that the customers who we have and we are fortunate to have -- the who's who of the generic industry. Some of these names are in public domain. What we gain from being acting like partners and not like mercenary CDMOs is to really gain a long term partnership with the customers to ensure because we know that the changes which are there are not because of any inherent gap either in their demand forecast or in their willingness to buy. It is purely based on regulatory delays. And that's the reason we are being flexible with some of our key customers, gain their trust, gain their long term relationship. But having said that, that's not with all. There are customers with whom we are invoking these clauses strongly and will continue to do as we progress.

Nitin Agarwal: And in these large customers, where are you the flexibility sort of working again? What does it do to the business? Does it mean that you've got more visibility of volumes now, F28 and beyond or what are the changes?

Neeraj Sharma: Yes. So we definitely have visibility from customers, in fact, long term, in fact, beyond three years as well. So that we, in fact the whole idea of this is getting into a much longer term, much longer term relationship with them. And that's exactly how, that's exactly how it's a double street we work both ways. We give them flexibility and we get a much longer term view from them. And in fact, that has been one of the key supporters where we have decided to invest 100 million in capex. This is all based upon some very strong visibility from the customers.

Nitin Agarwal: And just following up on the business as we -- the newer capacity that you're talking about, what are timelines when these capacities incrementally will start to become available for us?

Neeraj Sharma: They are as we have said we are in by end of the financial year FY27, we would be having, almost, let's say, installed almost 200 odd million. I mean, these new capacities will be available. And as we go along in this year, you know, at regular intervals, the capacity enhancement will be happening.

Nitin Agarwal: And what kind of regulatory timeline do you have for post when these facilities are available for them to be commercially available for you to supply to customers?

Neeraj Sharma: Yes. So we have done that work and for most customers, most markets there will not be any new regulatory impact because many of the markets these are annual reportable kind of changes. So, there is not likely to be additional regulatory timelines involved here.

Nitin Agarwal: And secondly, just the last one on this, on the guidance that you put out you've talked about a debt to EBITDA peak guidance of less than one and a half times for FY28. So, just two questions here. One is, what is our expect in the near term what is our peak debt that we're expecting given the delays in revenue recognition? And two, I think we had earlier talked about being net debt, net cash positive over the forecast period. So, what sort of changes this outlook here from a guidance perspective?

Arun Kumar: Nitin, let me try and answer that. So while on the base business, on a steady state, we expect to be debt free by 28. But given our visibility on the biologics, especially on the microbial, we will

need to put more capex. So, 1.5 is more a guided number. On the base, 500 million, 200 million EBITDA, we don't expect to have debt on a regular basis.

But we're just keeping that guidance of 1.5 as more an internal measure as we believe that there could be more investments in terms of beachheads in the US and Europe. And also an increased capacity build out in our microbials. So it's more a guidance, guided number. But on the base business steady state there should be no debt.

Nitin Agarwal: And if I can stick, I don't know that on the biologics CDMO, there's been a lot of positive commentary in the deck around the progress we've made in biologics CDMO. I mean, if you can help us understand a bit better exactly what is changing and how should we see the, probably a qualitative sense of the trajectory for this business?

Neeraj Sharma: Yes. So Nitin, what really is happening number of positive things which are happening both at a macro level and obviously which are flowing through at the company level. So you may have followed and everybody has -- there's a lot of noise around the final approval of the Biosecure Act, right?

Which came in but it doesn't matter what the shape or form of the Biosecure Act, what it really does is to actually accelerate the entire diversification, the geographical diversification plan for companies. And that is resulting in a lot of bio-techs, big pharma American, Japanese, European looking at India, especially OneSource as a positive -- as a probable site for drug substance.

And something which is more immediate and near-term has been the change in the FDA guidelines on the biosimilar approval timelines which is -- what has happened there is that there's a -- thanks to the change in the guidelines, most biosimilars do not require now or will not require a clinical trial of Phase III.

And the two things as a result the cost of developing a biosimilar has come down from 100, 120 million to 30, 40 million. And the timeline of -- from start to finish to -- in the market coming down from almost eight, nine years to half of that. So all these really are in favor of CDMOs especially the CDMOs with capacity as Arun mentioned, microbial.

Microbial capacity which we are fairly unique in that and ability to offer a very competitive solution to our customers. So that is really as these things are really helped increase the funnel of biosimilars which we have.

Moderator: We have the next question from the line of Madhav from Fidelity.

Madhav: I wanted to understand if the India supplies for example for us starts a little bit earlier than Canada, for example. Is there like a big difference in pricing that we have across different markets? Like if we supply to a customer in Canada versus maybe the same customer in India does the pricing vary from a OneSource perspective?

Neeraj Sharma: So Madhav as I said thank you for your question. But as I said earlier for us the market is completely immaterial. Our pricing with our customers is fixed. And it is based upon volumes

and not volume tiers and not on end market. So whether they sell it in Canada or they sell it in India, or in Brazil or in Saudi Arabia, our pricing to our customers is the same.

Madhav: And just one more, if you could share any update on how do you see the supply landscape for generic semaglutide evolving? I know the question is asked to you very regularly. But now that we are very close to generic launches globally. How do you see the supply landscape evolving? What kind of market share we could have? I know that don't need a point estimate. But just very broad thoughts are also helpful just to understand how that shapes up in the next one or two years. Thank you?

Neeraj Sharma: Madhav, again I would -- if I answered it at a macro level, we are only seeing the demand continue to be -- actually to expand. And this is true across markets as, as the supply that you've seen, whatever supply improvements have come from Novo have all been taken up and volumes have been boosting across markets in a secular way. That is as far as the overall market is concerned.

When it comes to supply position obviously what we have to be very, very clear is the regulatory position it will first is going to be defined by regulatory position. As I mentioned despite the delays, our customers expect to be in the first wave of approvals. And we and our customers continue to believe that they will be very limited number of players getting approved in a market like market like Canada.

So for the supply obviously the first movers will continue to get will definitely get a significant share of the opportunity. And overall supply chain I also want to add that the supply chain overall continue to remain constrained, whether it is in API's or in cartridges or in devices. And obviously also in the fill finish capacity. So it will be a factor of increasing supply as the markets open up. And that's what -- that's how we see it happening.

Madhav: Appreciate that point. My only question was that let's say two years later like really obviously the customer which you'll speak about. And then there could be other customers as well. With these customers do we expect to have a lion's share of their wallets? As they ramp up their volumes globally? Or this could be split across two, three, four CDMO vendors? Like how do you see that sort of evolving in a couple of years' time?

Neeraj Sharma: This is -- these drug device…

Arun Kumar: So Madhav, let me just answer this. So one is -- one of the reasons why we keep extending or engaging with our partners for extended period in contract period is when we renegotiate some of or kind of soften our hard stands on take or pay is when we know our customer is at market formation, will take a significant market share. And that enables us to extend the period of the contract.

To answer your point, it's normal that competition generics would come. And then customers would lose market share. So we have to A, position for competitive pricing, which is what we do in terms of batch size increases and stuff like that. Devices -- change of devices, the whole nine yards we do in terms of a CDMO typically to make the partner more competitive.

And that allows us to sign up longer term contracts because bulk of the work is suggested and done by us in partnership with our customer. So at market formation it's typical that customers lock in generic companies and buyers universe for a longer period of time. And they typically in the more sophisticated markets like Canada and others will have the first sight of refusal to match pricing.

So it's important for us to align with near term significant upsides to long term consistent CDMO contracts. And that is why we are tweaking and remodeling a little bit of our operating model with our customers.

Moderator: We have the next question from the line of Abhishek Kumar Jain from Alpha Accurate.

Abhishek Kumar Jain: Sir, my first question on that Oral GLP-1. So how do you see adoption of the Oral GLP-1 by innovators or generics as a trade to the utilization rate of this new injectable capacity?

Neeraj Sharma: So Abhishek obviously this is Oral, especially for obesity has recently been launched. I think we have maintained earlier that Oral will definitely have a place in the entire anti-obesity and diabetes regime. They will certainly have a role to play especially for the patients who have needle phobia or who cannot take needle. But having said that thanks to the difference in the efficacy levels.

And because of the frequency of dosing, daily tablet versus a weekly injection. It is widely expected both by all major analysts as well as in fact the companies themselves, Lilly and Novo, have been very clear in saying that Oral will get a share but no more than a quarter to max a third of the total anti-obesity market. That's at the innovator level.

You also mentioned generic. There is, no generic pill going to be available at least for the next eight, nine years because there is, these are recent coming in. It's going to be a significant patent protection for a very long time.

Moderator: Thank you. We have the next question from the line of Sucrit D Patil from Eyesight Fintrade Private Limited. Please go ahead.

Sucrit D Patil: Good morning to the team. I have two questions. My first question to Mr. Sharma is as OneSource expands its specialty formulations and CRAMS business. How do you see the product mix and capacity utilization evolving over the next two to three quarters?

In particularly, how will backward integration automation in manufacturing and regulatory compliance process be applied to improve efficiency, reduce cycle time, and strengthen the competitiveness in the global market? That's my first question. I'll ask my second question after that. Thank you.

Neeraj Sharma: Yes. So, I think we already mentioned that we continue to expand and invest in new capex. And as the commercial approvals come and the volumes ramp up, our supply for drug device combinations will increase and the capacity utilization will move in line with that. We'll keep updating you as and when the new capacities come online.

To your question on how we are working on increased productivity, etcetera, you know, I think we are very proud of the fact that we have a legacy and a DNA in sterile injectables going back almost 2.5 decades. And in that area, we are really being pioneers in many, many ways, whether it comes to, how to develop sterile injectables, how to manufacture.

And we have a team which we are proud of, both in development as well as manufacturing and quality with a very stellar compliance track record. And we will continue to build on that for our customers.

Sucrit D Patil: Thank you. My second question to Mr. Anurag is, with strong cash flows and ongoing expansion, how do you plan to sustain EBITDA margins while funding new investments? From a financial point of view, how will you manage working capital cycles, hedge forex exposure on export revenues, and apply digital cost control initiatives to ensure return on equity remains strong and the balance sheet keeps on strengthening over the period of time? Thank you.

Anurag Bhagania: It's a great thank you very much for that question. It's part of our inherent fabric that we have built over time, looking at each of those dimensions that you talk about, built around controls, built around process strengthening, and the use of digital interventions across the board in our financial processes. We are building a future business with very strong foundation, and all of that is part of our process.

Moderator: Thank you. We have the next question from the line of Mehul Panjwani from 40 Cents. Please go ahead.

Mehul Panjwani: Good morning, everybody. Thank you so much for the opportunity. My first question is about the comment about the two soft quarters. So, can we expect complete normalcy to return to the revenue recognition after two quarters? That is my first question.

Neeraj Sharma: Yes. So, we have, as Arun mentioned in the that, you know, once we have visibility on the approvals, you know, coming in into the major markets and we start supplying, we are absolutely going to be having sequential improvement in quarter-after-quarter. So, that's exactly the plan as you highlight.

Mehul Panjwani: So, when would we know about the visibility on the approvals?

Neeraj Sharma: We continue. So, that's what we have If you have seen our customers, especially what is in public domain, Dr. Reddy very clearly said that they are expecting approval coming in any time between February and May, and that's what the confidence level of our customer is on what we are also working towards.

Moderator: Thank you. The last question is from the line of Abdulkader Puranwala from ICICI Securities. Please go ahead.

Abdulkader Puranwala: Yes. Hi. Thanks for the follow-up. So, just quickly on this new oncology contract what you had with one of the largest companies, could you help us understand what is the opportunity here and, when the supplies actually start?

Neeraj Sharma: Yes. So, this is, a product which is, as I mentioned, which has been approved through the NDA route. It's a branded product. It's a fairly unique opportunity. There is just one more company offering that product in the market, and this is a product which we should be launching in the next quarter. I mean, it should be launched by our customer in the next one quarter.

Abdulkader Puranwala: Got it. And, just on sema approval, so I know that the timeline, would be set by the regulator, but just to understand, in terms of our supplies, so if I say, one of your customers gets an approval in, say, Q4 or Q1, then by when should that exactly, reflect into our numbers? That is when the supply should begin for us.

Neeraj Sharma: Yes. So, Abdul, we will, as soon as the approvals come, because there are some aspects which will have to be put on the individual pen post-approval. So, it would be, fairly soon after the approvals come that the supplies will start.

Of course, the volume ramp-up, will take its time, but the supplies will start in very short order after the approvals come. So, whether it is in, whether it is in Canada or any other market, very, soon after the approvals, the customer should start putting the product in the market.

Abdulkader Puranwala: Okay. Okay. And a final one from my end. So, we had previously, announced the acquisition of the two injectable facilities. So, where are we in the transaction right now?

Anurag Bhagania: Yes. Hi. This is Anurag. The process is working very well. It has moved forward. When we, spoke last, it was an application submitted to the Stock Exchange. There is a discussion between the Stock Exchange and SEBI. You know, process is working very well. We anticipate, us to be able to get the final all regulatory approvals in place by third quarter of FY27.

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

Neeraj Sharma: Yes. Thank you very much, everyone, for coming in on a Saturday morning and listening to us. We wish you a very pleasant, long weekend. Thank you.

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