Onesource Specialty

Operator: Ladies and gentlemen, good day, and welcome to the Q2 FY27 earnings conference call of Onesource Specialty Pharma Ltd. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing star and then zero on your touch-tone 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, Danish, and thank you all for joining us today for the earnings conference call of Onesource Specialty Pharma Ltd. for the second quarter and half year ended September 30, 2026. We have with us Neeraj, CEO and MD, and Anurag, CFO of the company, who will walk you through the key business and financial highlights for the quarter and for the first half of the financial year. I trust you had the opportunity to review our results release and the investor presentation, both of which are available on the company's website as well as on 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 statements, which should be viewed in the context of the risks 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 Neeraj for his opening remarks.

Neeraj – CEO and MD: Thank you, Abhishek, and a very warm welcome to everyone joining us this late evening for our Q2 results. Q2 was a strong quarter for us. In fact, it was our third consecutive quarter of sequential growth and was in line with the trajectory that we had outlined in our previous calls.

Revenue increased 37% year-on-year and 15% sequentially, and in the quarter we delivered more than 5 billion Indian rupees in revenue. More hearteningly, EBITDA grew 53% year-on-year and 32% sequentially, and the margin expanded by more than 400 basis points quarter-on-quarter, reaching 32% for the quarter. The fact that the pace of EBITDA growth was higher than revenue growth really demonstrates the operating leverage inherent in our business model. If you look at the first half, putting both quarters together, there has been 47% year-on-year growth in EBITDA. The growth both in this quarter and in the first half has been driven by the additional DDC capacity that came online in the last quarter, which was Q2, and which helped us with both commercial and MSA revenue coming in, thanks to that execution.

Staying with our DDC line expansion, many of you saw that our second cartridge line is now running commercial batches. Even though geopolitics impacted its start by almost 6 months, the fact is that the line has been operational since September and has immediately doubled our total sterile production base. As we had said last time, the additional capacity supports both the new launches that are coming in and provides us with a significant ramp-up of the commercial volumes that we are expecting during the second half.

I am also happy to share with you that our third line has successfully completed its Factory Acceptance Test in Germany and is now at our site, ready for qualification. The arrival of this line took longer than anticipated, obviously due to the extended transit times because of what is happening in the Gulf. As you also know, these are very bespoke lines, and I think I explained in my

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previous calls and interactions with many of you that these lines are built for much larger batch sizes. Therefore, they require quite rigorous qualification involving multiple European vendors.

Keeping that in mind, while we are making every effort for it to start in Q4, the commercialization might get pushed to the start of FY28. However, I want to reiterate here that we will have all 3 lines fully operational and available for FY28.

This is not just filling capacity. I think that is what is important to highlight here and what really differentiates Onesource Specialty Pharma Ltd. from every other CDMO. Every one of our lines is backed by full end-to-end capabilities, including not only cartridge filling but also assembly, labeling, packaging, and so on, including cold chain, all under one roof. This differentiates us not only in India but globally as well.

Our semaglutide footprint continued to grow during the quarter, and our partner Hikma launched the first generic semaglutide in Saudi Arabia, which really expands our presence in a very important market that is off-patent. More hearteningly, Dr. Reddy's API supply has commenced, as they also discussed in their earnings call. This would really help with a relaunch in Canada, as well as launches across multiple other markets where they already have approval. Apart from Dr. Reddy's, the supply ramp-up from our other Canadian customers is also on track for Q3.

Moving on to the second strong leg of our business, which is emerging very quickly, biologics is increasingly becoming a key growth pillar for us. During the quarter, we had multiple new project wins, both from new customers that we onboarded and from existing customers. We have onboarded 2 projects for end-to-end development-to-commercialization from a US biotech. We secured an additional new program for one of the top global animal health companies, which is an existing customer. This came back-to-back after the previous quarter, when we had wins from an EU customer.

These wins, whether from the US or Europe, reflect the integrated offering that we have, which we call “gene to device” in biologics. Very few CDMOs offer this, and it also reflects India's growing position as a trusted hub for global biologics and biosimilar development, as well as manufacturing. The same is reflected in our biologics RFP funnel, which is at an all-time high, with multiple projects in advanced stages. All of this is really going to drive growth beyond FY28 for us.

As far as our base business, especially injectables, is concerned, we discussed last quarter that we are adding new capabilities, including pre-filled syringes and new lyophilization capacity. The planned shutdown of the site is currently underway. It started at the back end of Q2, but the new capacity will be available from next quarter onwards. At the same time, both our injectable and softgel businesses grew last quarter, with multiple launches taking place in several markets during the quarter.

Another thing that we are always proud of is our compliance track record. During the quarter, we successfully completed multiple regulatory and customer audits. As the new capacity comes online, maintaining this track record is what the whole team is focused on.

To conclude, with Line 2 already commercial, Line 3 progressing, new launches coming through, more launches coming in the coming quarters, a very strong biologics funnel, and momentum

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across the business, we are really set for our next phase of growth. We expect the second half to be stronger than the first. On that basis, we are also reaffirming our FY28 outlook of 400 million in revenue and 160 million in EBITDA. It is also important that, as we build the capabilities, capacities, and customer relationships, we believe this will sustain growth beyond the current year and beyond our guidance period.

Finally, I really want to thank our teams for their commitment and our customers for the trust they continue to place in us. I want to thank everyone here, and I would be happy to take questions along with Anurag, our CFO.

Abhishek Singhal: Danish, we are good to go. Can we please take the Q&A?

Operator: Sure. Thank you very much, sir. Ladies and gentlemen, we will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touch-tone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question.

Ladies and gentlemen, we will wait for a moment while the question queue assembles.

Our first question comes from the line of Rupesh Tatia with Long Equity Partners. Please go ahead.

Rupesh Tatia – Long Equity Partners: Hi, sir. Am I audible?

Neeraj – CEO and MD: Yes, Rupesh. Go ahead.

Rupesh Tatia – Long Equity Partners: Congratulations, Neeraj, on a fantastic set of results. My first question is on capacity across all our businesses. For softgel, what is the capacity utilization? For SteriScience, I think we had a plant shutdown, so can you quantify what kind of revenue loss we saw in Q2, and is that capacity going to be available in Q3, or is it going to take some time? On DDC, is the new line a 500-liter batch-size line, or are we still on the 200-liter batch size? When do we expect this capacity to reach optimum utilization on Line 2 DDC? This first question is on capacities, of course, as a follow-up on this.

Neeraj – CEO and MD: Rupesh, thank you for asking. As you know, we have been maintaining this. I will start with the DDC capacity, since you spoke about it, and answer that in that order.

The new line, which we mentioned last time as well, is going to increase the output simply because it can work with much larger batch sizes. This is the line that will run 500-liter batches for us. When we say that it is doubling our sterile capacity, that is what it is really doing. The 500-liter batch size will be used on this line. In fact, all the new lines being added can handle significantly larger batch sizes, and that is why, as I mentioned, because these are fairly bespoke lines, the qualification period takes much longer. That is what you saw with the second line that is coming online. It will all be 500 liters and even larger. In fact, these lines can handle even larger batches.

As far as injectables are concerned, as I mentioned, the site where we took a shutdown began the shutdown only at the back end of the quarter ending September. The shutdown will last through the current quarter, and starting in January, the lines will be available. This will significantly increase our lyophilization capacity and capability. There is a big gap between supply and demand for

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lyophilization capacity globally. In fact, most of the shortages that you see in Europe or the US, if you look at the FDA shortage list, are 70%–75% attributable to injectables, and lyophilization is a major contributor to that. We are therefore looking at significantly improving those supplies for these markets.

Finally, on softgel, the traction continues. We have had multiple launches, and capacity utilization continues to increase. However, you will also remember that we have said that at our current site there is no possibility for us to expand further. That is why we are going ahead with a greenfield site for softgels. This would not only add significant new capacity but also provide us with the opportunity to enter the completely new area of containment and high-potency softgel, where there is significant demand from customers. I hope that answers your question. Thank you.

Rupesh Tatia – Long Equity Partners: Just one clarification, and then I will ask my second question. What is the capacity utilization in softgel? Is it 60%, 70%, or is it optimum? If you can quantify it. Also, this new line has a capacity of {? 500 kl ?}, 500 liters, which is 2.5 times the existing line. Will it take 2-3 quarters to reach optimum utilization, or will it reach optimum utilization very quickly? Those are the clarifications.

My second question is regarding the $400 million revenue for FY28. The Q4 exit run rate will be, let us say, $90 million, with a 38% or 36% margin. Will we be within striking distance of that as a Q4 exit run rate? Generally, you give this exit run rate across our companies, so that is my second question.

Neeraj – CEO and MD: [pause] Rupesh, as far as the cartridge line is concerned, it is a fairly quick ramp-up. We have significant demand, as you are aware, both from existing customers and existing markets, as well as from markets that are opening. Therefore, the ramp-up to optimum capacity is fairly quick for the cartridge line.

For softgel, there is a key requirement from customers who are moving from other CDMOs and other manufacturing sites to us, so that takes a finite amount of time. It is ramping up. We started adding capacity last year, and we increased that capacity almost 3 times. A significant part of it is already covered, and we already have visibility of more than 80% from a capacity utilization point of view. That is why, since we cannot increase capacity at this site, we are going ahead with a new greenfield site.

As far as your question on FY28 is concerned, as I said, we have reiterated our guidance for the full year, and all 3 lines will be available for FY28. The issue is simply that, because it is a bespoke line, qualification takes longer. Therefore, whether it will be available for the full fourth quarter or only part of it is something that I mentioned earlier. To answer your question, the lines will be available in FY28, and that is why we are reiterating our guidance.

Rupesh Tatia – Long Equity Partners: Just one quick question. In biosimilars, will we be part of {? Stelara ?} across all our partnerships? I understand that Formycon is almost a first-to-file applicant. If you can answer that question, I will thank you.

Neeraj – CEO and MD: As you understand, Formycon is a key customer, but we will not be able to comment on specific molecules. Having said that, I can tell you that with all our customers, we have

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some of the largest products in the biosimilar space.

Rupesh Tatia – Long Equity Partners: Okay. Thank you.

Operator: Thank you. Ladies and gentlemen, anyone who wishes to ask a question may press star and one.

Our next question comes from the line of Abdul Kadir Puranwala with ICICI Securities. Please go ahead.

Abdul Kadir Puranwala – ICICI Securities: Hi, sir. Thank you for the opportunity. My first question is regarding the supplies for Dr. Reddy's. Can you provide any indication of how the ramp-up is happening in terms of the revised APIs that you would have received? How are you looking ahead over the next 6 months in terms of capacity reservation for this client?

Neeraj – CEO and MD: Abdul, thank you for your question. It is very much in line with the commentary they already made on their earnings call. The supply of API, as I have already mentioned, has commenced. Within the current ongoing quarter, we expect supplies to start, first to the Canadian market and then to multiple other markets where they already have approvals, including emerging markets, India, and multiple other markets. There are also markets where approvals will come in over the next 2 quarters.

We see the numbers that they have given in their earnings commentary, and we do not see any reason not to follow exactly what they have said.

Abdul Kadir Puranwala – ICICI Securities: Got it, sir. Very helpful. Referring to slide 9 of your presentation, where you talk about 6 new order wins, including 2 biologic products, can you help us understand what the remaining 4 are about? Are they in the DDC segment, or are you pursuing something apart from that as well?

Neeraj – CEO and MD: These multiple wins are across businesses. There are wins in biologics, wins in DDC, and wins in the base business. That is how we operate and assess the business. It is across the company. As I mentioned earlier, the momentum is across our businesses, and the wins are both from a new-launch perspective and from existing business.

Abdul Kadir Puranwala – ICICI Securities: Sure. My next question is for Anurag. If I go through the cash flow statement, trade receivables for the first half of FY27 have increased somewhat. Is there anything to read into that, or is it simply related to shipments that would have occurred toward the later part of the quarter?

Anurag: Thank you, Abdul. I want to give you the broader macro picture. If you look at developments over the last couple of quarters in terms of the overall shipping lines and supply lead times, including access to containers and everything else, there are multiple impacts that we are seeing as a result of all these geopolitical developments. People I speak to and meet, at least within the CFO community, are experiencing an impact of about 2-3 percentage points on the P&L.

When I compare this with our results, I see that since most of our raw material is pass-through, we do not have any significant impact, at least as far as the P&L is concerned. We have seen

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implications for fuel, freight costs, and shipping-line availability, but at least we have seen significant control as far as the P&L is concerned. We do see some implications from these delays in terms of the overall cycle times related to working capital.

Delayed deliveries to customers impact the overall cycle time by at least 45-60 days. I believe this is not structural; it is temporary and is only a timing impact. Hopefully, within a quarter or two, we should start seeing this normalize. Of course, there is also an implication from the significantly higher volumes in the last couple of quarters, which also shows up in the overall receivables. However, there is clearly no quality issue with the receivables.

Abdul Kadir Puranwala – ICICI Securities: Understood, sir. Very clear. Thank you.

Operator: Thank you. Our next question comes from the line of Girish Bakhru with OrbiMed. Please go ahead.

Girish Bakhru – OrbiMed: Thanks for taking my question, and congratulations on the great numbers. Neeraj, can you comment on how many sterile days Line 2 was available in Q2 and how much it ran?

Neeraj – CEO and MD: As I mentioned, September was the month when we started the line and made it active. The fact remains that, as I said, on an annualized basis it doubles our sterile days. That is the key metric you should be looking at.

Thanks to this line, we have the ramp-up not only of the commercial sales that we will undertake for Canada and other markets, but also the ability to do MSAs for existing customers that have been pending and to add new customers. As you know, we have not been able to do that for the last year because of the capacity constraint we had. Now, with this line, we immediately have multiple options and multiple opportunities available to onboard customers and meet the demand of existing customers, especially with Dr. Reddy's now coming back on track.

Girish Bakhru – OrbiMed: Understood. In the past, you have commented that the number from Line 1 was around 60,000 pens per day. If I compare the batch-size factor, should we assume that this 60,000 will grow by 2.5 times through Line 2?

Neeraj – CEO and MD: It is like-for-like. If you look at the yields and so on, it is roughly 50,000-55,000 on the first line. If it goes to 500 liters, it comes to approximately 120,000-130,000, because the yield varies from product to product and from customer to customer. But, more or less, that is the calculation.

Girish Bakhru – OrbiMed: Understood. I am not asking for the exact pricing number, but when we look into FY28, can you provide a broad comment on the blended realization that we can expect? Will it remain largely the same or reduce while volumes increase with the new line and with more markets in emerging markets, including Brazil and Turkey, opening up? How should we look at realization?

Neeraj – CEO and MD: I think our realizations are not seeing any major shift. As we have always said, our pricing to customers has always been volume-based and not market-based, whether it is emerging markets, Canada, or anywhere else. We do not see that changing.

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We have also always said that when batch sizes increase in a sterile business, the cost of manufacturing per unit comes down, and we are happy to share those savings with our customers. It is therefore a fairly win-win situation. Customers that are efficient enough and able to allow us to move to larger batch sizes receive the benefit of that efficiency, because we also benefit from it and share that efficiency with them.

Girish Bakhru – OrbiMed: Got it. Just one last question, if I can squeeze it in. I know FY28 is still being finalized, but how much DDC can we forecast within the FY28 guidance of 400 million in sales? As a ballpark, is it 50% or much higher?

Neeraj – CEO and MD: I can only tell you that the fact that I mentioned our 3 lines, that we are eagerly awaiting the third one to be added, and that our customers are also eagerly awaiting it, means that DDC will be a strong contributor to FY28. It will be a contributor to our second half and will remain a very strong contributor to our FY28 numbers.

Girish Bakhru – OrbiMed: All right. Thank you very much.

Operator: Thank you. Ladies and gentlemen, anyone who wishes to ask a question may press star and one. Our next question comes from the line of Chirag Shah with White Pine Investment Management Private Limited. Please go ahead.

Chirag Shah – White Pine Investment Management Private Limited: Thank you for the opportunity, and congratulations on a good set of results. Neeraj, my first question is about the batch sizes that you indicated. If I break it down between Line 1 and Line 2, we can assume that Line 1 is operating at optimal batch sizes, six days a week, and so on. Where would we be on Line 2, and how should we think about the flow-through to the EBITDA level?

Neeraj – CEO and MD: Chirag, thank you for your question. Although your voice was not very clear, whatever I understood was that the earlier line, the first line, had a maximum batch size of 200 liters. That was the level to which all our customers had moved. We started on the same line at 30 liters and ramped up to 200 liters.

On the new line, based on demand, the current capability of the line is to go up to 750 liters, but customers are currently ramping up to 500 liters. I think that is the situation.

There is very strong demand from existing customers and existing markets, as well as from new markets where customers will be receiving approvals and from new customers that are coming on board. There is therefore robust demand, and that is why we have said that we are very excited that the third line is already at our site. It is an exciting development for us.

As I already mentioned, we have very strong operating leverage in our business because the incremental cost is very limited compared with the incremental revenue. You can already see the EBITDA margins improving for us quarter-on-quarter, again because of the operating leverage. That is why we have provided the guidance that we have given.

Chirag Shah – White Pine Investment Management Private Limited: Let me rephrase it. I think you missed my question. I was trying to understand the efficiency level in terms of the number of batches that we run per week and, obviously, the batch size. Line 1 is at an optimal level, right?

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Therefore, the efficiency gain from Line 1 and the operating leverage gains are limited. Where are we on Line 2? You indicated that customers have gone up to 500 liters, but not all customers would have done so. In the current results, what element of excess costs is still lying there, and how should we think about it as we increase the revenue size from Line 2?

Neeraj – CEO and MD: In terms of efficiency, you are right that Line 1 is running at optimal efficiency. Line 2 has given us the opportunity to undertake MSAs. Utilization in an MSA is obviously different from utilization in commercial production, and it is going to be a ramp-up. Remember, as market volumes ramp up, our line will also ramp up accordingly.

Because there is a mix of MSA and CSA, a typical steady-state picture is that any line should have 75% commercial and 25% MSAs. That is also how we expect the steady state for this second line to be.

Chirag Shah – White Pine Investment Management Private Limited: My second housekeeping question is about this. What is the consumable that we see as a line item in raw materials? It varies significantly, so is it linked to any specific business, or what exactly could be classified as consumables?

My second question is about employee cost. There has been a steady increase over the last 5-6 quarters. Are we still in the hiring phase? How long do we need to continue hiring, and when will that stabilize for us?

Anurag: Chirag, thank you for those questions. Consumables are a variable, and they depend on the activity level. Every time we take a fresh batch, every time we take an engineering batch, or every time there is a significant ramp-up in volumes around any of those activities, consumables will vary in those particular quarters. They are clearly a function of the level of manufacturing activity.

As we have said in the past, we are in line with our guidance in terms of ramping up our overall capabilities within the organization and building up the employee base in Unit 2, which is our flagship site. Ramping up capacity by 2-3 times within this year was clearly part of what we wanted to achieve, and we are on track with that.

There is clearly nothing that surprises us in terms of the increase in employee costs. The way you should look at our business is that these are elements of fixed costs that we will have to incur to enable the manufacturing lines, because these are specialized capabilities. These capabilities require a high level of quality oversight, and building all of that is a conscious, focused effort toward building that capability, which we are working toward.

Operator: Thank you. Ladies and gentlemen, anyone who wishes to ask a question may press star and one. Our next question comes from the line of Harshil Patil with ASK Wealth Advisors. Please go ahead.

Harshil Patil – ASK Wealth Advisors: Thank you for the opportunity, and congratulations on the good set of numbers. I have one question to start with. Regarding ETR, the expected tax rate, I believe we have a significant amount of deferred tax in it. I wanted to understand how we should look at the expected tax rate for FY27 and FY28 going forward, and how long the deferred tax

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benefit will be available to us.

Anurag: I am sorry, I missed the name of the person who asked the question. Very quickly, this is Anurag. [laughs] At this moment, we anticipate that you should assume that the current level of ETR will continue through FY28, at least until Q3 FY28.

Harshil Patil – ASK Wealth Advisors: So, until Q3 FY28, we should assume the current rate of taxation. Is that what you said?

Neeraj – CEO and MD: That is right.

Anurag: These are our brought-forward losses, which we continue to utilize as we continue to generate more profits. These will continue to remain available for at least a significant part of FY28.

Harshil Patil – ASK Wealth Advisors: Understood. My second question is about capacities. We have discussed this, but I wanted to understand one point regarding both the new lines and the existing lines. As I understand it, this appears to be a space characterized by strong demand and supply constraints. When it comes to commissioning new lines, ideally, what kind of time frame does it take to scale up from 10%-15% utilization to perhaps 70%-80% utilization?

Neeraj – CEO and MD: As I explained, these lines are not typical lines. They are bespoke lines made to deliver the batch-size output that customers require, based on the robust demand we have.

What you need to understand is that because these are bespoke lines involving multiple vendors, they take time. The whole qualification process takes time, especially for the new line that has come in, which has a German isolator and a German filling line. Because of that bespoke nature, the entire qualification period from installation of the line to the start of commercial batches takes a significant amount of time.

At the same time, the good thing is that once these lines start, utilization ramps up fairly quickly. The current second line that we have started is also moving very quickly toward significant utilization.

However, remember that this is a sterile process. As we have said, the overall utilization I am referring to is in the range of 225-230 sterile days in a year. Because of all the work involved, including media fills and the various quality reviews that take place, we have 225 days. Considering the demand we have, we expect the current line to reach those 225 days fairly rapidly.

Harshil Patil – ASK Wealth Advisors: With Line 3 slated to come online probably in Q4 or in the early days of FY28, I believe that toward the first half of FY28 we should expect the same ramp-up pattern for that line as well, which is 225-230 sterile days in a year.

Neeraj – CEO and MD: That is correct. That is correct.

Harshil Patil – ASK Wealth Advisors: I have just 2 final bookkeeping questions, if I may squeeze them in. For the Q2 results, do we have any impact from currency fluctuations on margins or anything similar?

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Anurag: [pause] There is a marginal impact from currency fluctuation. It is reported in the financials and called out separately, so you will be able to see it in the publicly available financials. That is all. It is about {? 3 crores ?}.

Harshil Patil – ASK Wealth Advisors: Okay, sir. That was all from my side. If there is anything else, I will get into the follow-up.

Neeraj – CEO and MD: Thank you.

Operator: Thank you. Ladies and gentlemen, anyone who wishes to ask a question may press star and one. The next question comes from the line of Mohammad Patel with Edelweiss Public Alternatives. Please go ahead.

Mohammad Patel – Edelweiss Public Alternatives: Can you hear me?

Operator: Yes, we can.

Neeraj – CEO and MD: Yes, please go ahead.

Mohammad Patel – Edelweiss Public Alternatives: I have a two-part question. First, how is semaglutide doing in the markets where our customers have received approval? How are our customers performing currently?

Neeraj – CEO and MD: Mohammad, as you have seen, this was always a product constrained by supply rather than demand, whether in the largest markets in the world, such as the US and Europe, or in other markets that are now available off-patent, such as Canada, Brazil, India, and many others. Demand remains robust.

We have very clear visibility on the numbers from India. If you see how Sema, from February {? 5 ?}, before the patent expiry, was at anywhere between 20,000-25,000 units a month, it is now looking at more than 200,000 units a month as of September. This is at a time when India typically takes 3 years to stabilize for a chronic therapy like this. There is therefore still a very strong growth path available there.

Management: See, in markets like Canada, which is obviously the largest market outside the US, we have already seen the market grow from 8 million units to 12 million units. Currently, after genericization, we are talking about approximately 16-17 million units, and the market continues to grow. This is again because the generics have only recently launched.

Unfortunately, Dr. Reddy's had to exit the market, and now it will return. Once all the players and the product are sufficiently available, we will see that market continue to grow. We have said earlier, and there is sufficient market analysis available, that markets such as Canada and Brazil should be anywhere between 4-6 times their current size. There are therefore very strong tailwinds behind this.

The fact that we have all the major customers in these markets also supports this. In Canada, all 4 approvals are with us. In Brazil, many customers are waiting for approval. In India, there are multiple approvals. I think all this market movement is supporting the robust demand that we are seeing.

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Mohammad Patel – Edelweiss Public Alternatives: Is it safe to say that customer projections for FY28 are strong at the moment?

Management: Yes. The fact that we are committing capex is based both on the robust demand that we see from our customers and on the overall increase in market demand that we are seeing.

Mohammad Patel – Edelweiss Public Alternatives: I have one last question. How should we think about Onesource Specialty Pharma Ltd.'s growth beyond FY28?

Management: All our businesses have long growth runways beyond FY28. I will start with drug-device combination. As more markets open up, you will see Europe starting to open in FY28 and FY29, and the major US market opening in FY30 and FY31. Western Europe and the US will open. DDC itself therefore has a very long growth runway.

In emerging markets, you will see that growth is already quite significant. That is why our capacity expansion has been kept in line with the fact that these products have a number of markets opening up, including large markets.

When it comes to our second pillar, biologics, all the revenue in the guidance period that we have given is from what we call MSA, which is pre-approval R&D revenue. After that, from FY29 onwards, commercial revenue will start. Those commercial revenues are of a very different order of magnitude compared with comparable small molecules. Therefore, biologics will provide very strong growth.

There is also the base business. All the capacity that we are adding in our injectable business will be filled over the next 2-3 years. I mentioned soft gelatin, where a completely new line is coming up, along with a new modality of high-potency softgels. You will see all of these contributing to growth beyond FY28.

Mohammad Patel – Edelweiss Public Alternatives: Is high-double-digit growth something that we aspire to?

Management: We have not given that outlook. As we progress, we will provide you with an outlook during FY28 regarding what will happen beyond that.

Mohammad Patel – Edelweiss Public Alternatives: Thank you. All the best.

Management: Thank you.

Operator: Thank you. Our next question comes from the line of Abdulkadir Puranwala with ICICI Securities. Please go ahead.

Abdulkadir Puranwala – ICICI Securities: Thank you for the follow-up. First, regarding Brazil, I understand that a few generics have received approval. Is there any indication from our customers about when they are likely to launch this product there?

Management: It is a very interesting market, Abdul, simply because it again has a very high incidence of diabetes and obesity, along with a very strong focus on body positivity, aesthetics, and so on. It is therefore a very interesting market.

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At present, while there are a couple of approvals, there is only one generic that has actually launched the product, which is the local Brazilian company. Many of our customers are waiting to receive approval, and some of them have already announced publicly that the approvals will come over the next quarter or two. We are ready to support their demand, and you will soon see approvals coming in.

Abdulkadir Puranwala – ICICI Securities: Understood. Lastly, one bookkeeping question. For the current quarter, Q2 FY27, could you share the MSA-to-CSA ratio for the DDC business?

Management: It has started because the line became available from September onwards, as I said. Since then, we have been able to do MSAs. Because the new line was available for a very limited period, it would be difficult to provide a figure, and it would not give you the correct picture. However, as I said, in a steady state we should be at a 75%–25% ratio between commercial and MSA revenues.

Abdulkadir Puranwala – ICICI Securities: Got it, sir. Thank you.

Operator: Thank you. Our next question comes from the line of Sanjay with Ampersand. Please go ahead.

Sanjay – Ampersand: Hi, sir. Thank you for the opportunity. In addition to the EBITDA margin guidance, can you provide some information about return on capital employed and your deleveraging plans?

Management: Sanjay, we have a clear line of sight in terms of moving forward with our cash-generation engine. We are currently in a significant investment cycle, and as we have said in the past, we will continuously move toward generating free cash going forward.

At this moment, we will continue to remain between 1.5 times EBITDA in terms of our debt levels. We anticipate that by the end of FY28, we should be in the high 20s in terms of our ROCE returns. That is what we anticipate at this moment. We are clearly moving toward that goal.

Operator: Thank you. Our next question comes from the line of Gaurav Bhama with JM Financial. Please go ahead.

Gaurav Bhama – JM Financial: Sir, my question has been answered. Thank you for the opportunity, and congratulations on the good set of numbers.

Management: Thank you.

Operator: Thank you. The next question comes from the line of Prabhat Agrawal with {? Finvestors ?}. Please go ahead.

Prabhat Agrawal – {? Finvestors ?}: Yes, thank you, sir. I wanted to ask one question. You mentioned 12 launches this season. How many are GLP-1 DDC launches versus sterile injectables?

Management: Prabhat, as I mentioned, the very significant launch was the launch of semaglutide in Saudi Arabia by our customer Hikma, which is very important. Across the portfolio, launches have taken place in soft gelatin and injectables, and in markets such as the US, Europe, and some

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emerging markets. It is a fairly large list.

Obviously, we cannot discuss individual customers, except for those that are in the public domain or that are acceptable for us to announce. However, I can tell you that this spans modalities, markets, and customers.

Prabhat Agrawal – {? Finvestors ?}: Okay. Thank you, sir. I wanted to ask one more thing. FY28 EBITDA is expected to be $160 million. Is this adjusted or reported?

Management: It is reported. All our EBITDA numbers are reported numbers.

Prabhat Agrawal – {? Finvestors ?}: Okay. Thank you, sir. Congratulations on the good set of numbers. Thank you very much.

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

Management: Thank you, everyone, for this late evening. We really appreciate all the questions, and thank you for participating. Have a nice evening.

Operator: Thank you very much, sir. Ladies and gentlemen, on behalf of Onesource Specialty Pharma Ltd., that concludes today's call. Thank you for joining us, and you may now disconnect your lines.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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