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Date: May 19, 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 – 400051 **Symbol: ONESOURCE**

Dear Sir/Madam,

Subject: Transcript of Earnings Call pertaining to Audited Financial Results of the Company for the quarter and financial year ended March 31, 2026

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 and financial year ended March 31, 2026. This earnings call was conducted on May 13, 2026, i.e., after the meeting of Board of Directors, 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
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Date: 2026.05.19 17:10:57 +05'30'

Trisha A
Company Secretary and Compliance Officer
Membership Number: A47635

“OneSource Specialty Pharma Limited

Q4 FY '26 Earnings Conference Call”

May 13, 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 day, and welcome to OneSource Specialty Pharma Limited Q4 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. Thank you, and over to you, sir.

Abhishek Singhal: Thank you, Neerav. And thank you all for joining us today for the earnings conference call of OneSource Specialty Pharma Limited for the fourth quarter and 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 and full financial year.

I trust you've had the opportunity to review our results release and the investor presentation, both of which are available on our website as well as on 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 afternoon, everybody. Thank you for joining us today. I'm happy to report OneSource's Q4 results with a strong comeback from our previous quarter. This is obviously because we've been able to start invoicing our drug device combinations.

Most importantly, we have since then received approvals for Canada, and one of our partners have got approvals both for Canada and for the US, which is a tentative approval, giving -- setting the background for a very strong compliance track record, capability, and getting ready for what we think would be an exciting couple of quarters going forward.

It's important to note that we had a few days post-patent expiry in the quarter, but having said that, we were able to start shipping some goods on the GLPs. And as guided earlier in our conversations, you would see an uptick on our quarterly performances going forward. And we're also using the opportunity today to reaffirm our long-term guidance of FY '28, which is a US$400 million of organic revenue with around 40% of EBITDA margins.

Important to note is also that our capacity expansions are going on track. Our second line is now at site and is going engineering and qualification trials, and we expect that capacity to be available to us in Q2, in time with increasing demands for the product from emerging markets.

At this time, we are servicing the Indian market through multiple labels and also the Canadian market where we have now commenced shipments to both partners. All of this will play through over time, and then we expect post the Indian approval, several emerging markets will grant

approvals to various partners in the other larger emerging markets. Consequently, we expect volume uptick to be serviced in line with our capacity expansion.

At this time, we are fully committed to our capacity, and we're very delighted with the progress the company has made, not only on the DDCs but across the modalities that we operate in.

And before I let Neeraj and Anurag take over the call, I just wanted to give you an update on the scheme that we had originally announced, where we had intended to bring the injectables business of Steriscience, which is a related party transaction which the family owns along with TPG, and the business of Brooks, where Steriscience owns 51% with a publicly listed company, Brooks, which makes carbapenems.

We -- you would have probably read our releases where we said that on 26th of February, the stock exchanges and the SEBI had approved our scheme, validating the process and the Board's independent committee decision.

Having said that, we've had several conversations with investors. Most of our large-ticket investors and shareholders are fully committed to this transaction, and we would have got this across the board without difficulty. But having said that, we had a long tail of smaller investors who believed that there would be concerns on the valuation.

Having said that, and also because the pricing of both -- I mean, the pricing of the listed company significantly dropped from the intended valuation price of approximately INR2,200 -- a share, we decided that it's best that we defer this transaction until such time both OneSource delivers on its US$400 million 160 and the incoming assets deliver on its US$40 million of EBITDA.

And then we'll continue to look at opportunities independently to see how we can progress the business beyond the US$400 million and the US$160 million guidance. And I think in all, it's in the best interest that as a group, we are very focused on governance and we're also focused on taking all our shareholders together. We haven't had any significant RPT transactions which hasn't gone through with at least a 95% and above shareholders voting in favor of a scheme.

We didn't get that same comfort this time, although we would have got through majority without difficulties, and we decided to pause this for some more time and come back and discuss this further.

Having said that, both units will pursue its growth, and we will re-look at these opportunities probably in about two years from now, if at all there is a need and the strategic intent is still valid at that time. So, for now, this is on the back burner, and OneSource is very focused on building out its business to its US$400 million target which was guided for FY '28.

With that, I'll let Neeraj and Anurag take over the call, and I'll be happy to address any questions which are specific to the opening comments I made. Thank you.

Abhishek Singhal: We'll have Neeraj doing his comment.

Neeraj Sharma: Yes, thank you. Thank you, Arun, and a very warm welcome to everyone joining us today for our quarter four and the full year results. As Arun already mentioned, the Q4 has really marked a strong recovery in line with what we had anticipated, in line with what we had mentioned, with the revenues at almost US$48 million, up almost 47% from the previous quarter.

EBITDA also recovered sharply versus the previous quarter which you saw. And this recovery, what really gladdens us is that this recovery was fairly broad-based. All our service offerings really supported this recovery, including the really much-anticipated generic Semaglutide India launches.

And Arun already mentioned that we were able to do -- get only -- this launch is only at the fag end of the quarter, so the impact was limited. But still, it's a precursor to a strong improvement going forward. And this sequential improvement which we have seen in this quarter, we are expecting it to continue and in fact strengthen as we ramp up our commercial launches across all markets.

Specifically, on Semaglutide, you know many of your questions would be around that, so specifically here, we have moved in this quarter from pipeline to real proof. And when India opened up, our partners were there on day one across multiple customer brands, which is what is really heartening. And today as we speak, our customer base total as on end of April holds almost two-thirds of the Indian market share by value of the generic market, as it is further improving.

Also, the approvals which have come across other markets, they are the ones who are really reflecting this momentum. We are the first and the only CDMO partner for the first three generic Semaglutide approvals in all the highly regulated markets, US and Canada. As you saw in Canada specifically, I'll say with these back-to-back two approvals, both our partners are all set to bring generic Semaglutide to the Canadian patients. And also, with multiple other customers who are due to get approval across various emerging markets, we see a really strong visibility on the commercial ramp-up throughout FY '27.

And while the demand itself is very robust and we have a clear visibility on it, we are at the same time ramping up our capacities as you are well aware. And happy to share, Arun already alluded, happy to share that our capacity expansion remains very much on track. Our current line which is today running is fully committed back-to-back.

And as a part of the US$ 100 million capex which we are doing, the new line which has been installed already a couple of months back is currently undergoing qualification and will be due for availability for commercialization in the next quarter. So, which would really give us that additional boost and help.

At the same time, our nascent biologics business, which also I mentioned last time, it continues to generate a very significant customer interest. Our biologics funnel is at an historic high. In fact, in this year, we have expanded the funnel almost 4x versus previous year. And during the year, we saw a European biosimilar partner getting added, a US biosimilar major coming on board, and we also secured the second project from one of the top three global animal health

companies. So basically, a really strong set of additions which reinforces the momentum we are building in biologics.

Apart from these DDC and biologics, I would also say our base business of injectables and soft gelatin, here also there is significant movement which happened during the year, whether in terms of the 10 new licenses we signed, licensing and CDMO deals, we launched 15-plus products, really added customers which together with our expanding capabilities in our SPD site, we will really be deepening meaningfully our specialty injectable offering.

Apart from the business, what also gives me a lot of matter of pride is our compliance track record, which remains absolutely stellar. We saw the year successfully completing 49 regulatory and customer audits, and these include who's who. In fact, we had surprise FDA inspection during the year at two of our sites, and we completed both successfully getting the EIRs.

We have renewed our EU GMP certification both at our flagship site as well as our sterile injectable site. We had ANVISA approval coming through the year, which gives us -- which puts us in pole position to supply to Brazil as our customers as they start getting approval. So how we have achieved this obviously is through a very meaningful investment in our people and in organization.

We have our flagship site where thanks to all the expansion project, we have added almost 400 people, which is where the bulk of our growth is going to be coming. We have also expanded and deepened the strength of our other organization, whether it is in front-end in the US or whether it is in operations and in quality, just so that we are very well positioned on our FY '27 and '28. Our commitment to our community as well as environment also was recognized by EcoVadis, who have awarded us the bronze medal for FY '25. And this is really with a very strong improvement across all categories. We have also been recognized as a leader by National Stock Exchange sustainability ratings. So basically, a very strong external recognition that this is an area where we are really committed as a company and will continue. Finally, I really want to thank all our teams for their extraordinary commitment and all our customers for the trust they are continuing to place in us.

With all the momentum which has been driven by the recent approvals which I just spoke about, our continued progress in capacity build-out, and a solid base business, we are confident of a strong FY '27 and also reiterate our FY '28 guidance of US$ 400 million revenue and 40% EBITDA margin.

Thank you. I hand over to Anurag for his commentary to you.

Anurag Bhagania: Thank you Neeraj. A very warm welcome to all of you on this call today. I'm pleased to take you through our quarter four and full year financial results for FY '26. But talking about revenues first, in the fourth quarter, our revenues stood at INR4,282 million. It reflects a strong 47% sequential growth driven across all our service offerings, supported by India Semaglutide commercial launch towards the end of the quarter. On a full year basis, we reported INR14,216 million, which is a 2% decline year-on-year. It reflects the softer quarter that we had in the previous quarter due to delayed Semaglutide approvals in Canada.

On the profitability side, the Q4 EBITDA reported was INR919 million, which is more than 5x sequentially and the margin expanding by 1,550 basis points quarter-over-quarter, reflecting a strong operating leverage on our higher CSA revenues.

For the full year, the EBITDA declined about 35% due to delayed Semaglutide approvals which weighed in on our second half of the results. As you are aware, there is a significant regulatory change on the new Labour Code during this year. During the course of the year, we've already fully provided for this change as an exceptional item in our current year's financials.

Looking at our PAT and EPS, adjusted PAT for the quarter is about INR390 million compared to a loss in the previous quarter. So, this quarter, we reported loss to profit. For the full year FY '26, adjusted PAT stood at INR739 million. Accordingly, our EPS for the quarter is INR3.4 on a fully diluted basis and INR6.5 for the full year. I would like to highlight that our PAT and EPS metrics exclude exceptional items and amortization of scheme-related intangibles, which is a commentary that I've been making repeatedly.

Just want to reiterate that these are balance sheet items, goodwill arising from the scheme of arrangement that we had in the past, which reflects the significant strategic value in the transaction. Goodwill is a non-cash item and does not have any bearing on the operational performance and liquidity of the company.

On the working capital, we've seen a year where we've seen certain increases. There are elevated levels, but all of that essentially to prepare for the long launches that are upcoming in the years, and we expect this to normalize during the course of the year in FY '27.

On the treasury side, as highlighted in our earlier calls, we've had four notch upgrades during the course of this year ever since we got listed last year. And these four notch upgrades are helping us repeatedly take our overall cost of borrowing down. We are trending below 9% today, which is 210 bps lower than what it was in the prior year. All our capacity expansions that Arun and Neeraj talked about are fully funded through incremental borrowings, both from domestic and international banking relationships that we have.

This marks the second annual results after getting listed. And while FY '26 has been a year we've been building with investments and managing the transition to commercial phases, we believe we've got a very good foundation in place and very excited about what lies ahead for us in FY '27 and '28. We expect to scale meaningfully, building towards the 50% plus ROCE expectation that we have for ourselves during the medium term. We are committed to creating the long-term value for our shareholders and we truly value your partnership.

Thank you, and I will hand it back to Abhishek for the questions.

Abhishek Singhal: Neerav, we can open the Q&A now.

Moderator: Thank you very much. We will now begin with the question-and-answer session. First question is from the line of Rupesh Tatiya from Long Equity Partners. Please go ahead.

Rupesh Tatiya: Hello, sir. Thank you. Thank you for the opportunity and congratulations on Canada approvals for Semaglutide. I have two, three questions. Sir first question is, my understanding is that Brazil had 28% duty if local manufacturing requirements are not met. So how are we going to deal with it? How are we going to work around it?

And is it a hindrance for big growth in Brazil? That is question number one. And then question number two, sir, our US deal with Natco plus Mylan, I think it had profit-sharing arrangements as per the press release. Is it fair to assume that similar arrangements might be there with other customers in major regulated markets? So let's start with these two?

Neeraj Sharma: Hey, Rupesh. Thank you for your questions. On Brazil, I can just tell you that that is applicable only when there is local manufacturing available. As we speak right now, there is no manufacturing which is available in Brazil. And also having said that as a CDMO, all our terms with our customers are ex-works.

So really, any impact of whether it's a tariff or otherwise will actually be to the customers to really be taking over, if that clarifies. And to your second question around profit share is what we have shared in public domain is what we have shared. And that as CDMO, we neither do we talk about which customers we have or the terms which are with them. And I hope you'll appreciate confidentiality is the biggest part of our deal with our customers.

Rupesh Tatiya: Okay. And the other question, Neeraj ji in drug device combination business, we are I think the service provider. So there is we just provide the filling service. So with that context, I mean, can you please explain why our inventories have moved from INR158 crores in March '25 to INR440 crores in March '26? I mean, that number for non-Semaglutide business seems kind of large?

Anurag Bhagania: Rupesh, I want to clarify that while our inventories have gone up, as you would know we are service providers, you rightly said. But you should know that these inventories are part of our entire production process. So these purchases are fully funded by our customers and fungible. So precisely that is the inventory that we are carrying. There is really no risk that we carry on our inventories that we are carrying.

Neeraj Sharma: It is paid for by the customers already, just for you to know, because our benefit to our customers, Rupesh, is the fact that we are able to combine, pool in the demand from various customers and able to get better terms for customers for all the inventory which is fungible among them.

Rupesh Tatiya: So Anurag, this inventory change then will not flow through P&L. Is that fair? It will the inventory up and down will be adjusted against customer advances. Is that a fair way to look at it?

Anurag Bhagania: You're right. That's correct.

Rupesh Tatiya: Okay. Thank you. I have few more I will come back in the queue.

Moderator: Thank you. Next question is from the line of Chirag Shah from White Pine Investments. Please go ahead.

Chirag Shah: Yes, thank you for the opportunity. Sir, I have one question. If I look at H2 results and balance sheet, there is significant amount of investments both in P&L as well as balance sheet without commensurate revenue. Be it staff cost, be it other expenses like inventory example. So what kind of revenue will this investment support? If you can just share some thoughts, it would be helpful. And secondly, the non-CDMO business or the injectable plus capsule business, what kind of EBITDA margins that we do? Because it is difficult to analyze it right now?

Anurag Bhagania: Hey, Chirag. So as I mentioned earlier to Rupesh, I think what you're seeing is an increased elevated level of working capital. These are as expected and as planned. These essentially are preparation for our significantly large launches. These inventories are fully funded and paid for by our customers and pretty much will go off the balance sheet.

The impact on the P&L is practically negligible. It's only the conversion charges for the service fee that we get which will flow into the financials. So not a matter of concern from that standpoint. What we are also doing from a balance sheet standpoint is there is capacity build-out, and that's the increase that you may be seeing in the capex side. So those are the two.

Chirag Shah: But I was more – I was more referring to the staff cost for the wage expenses and the other expenses. Despite drop in revenue, we have seen an increase in both line items and that could be because of the cost that we are bearing on expectations of potential revenue. So what I'm trying to understand is to what kind of revenue scale this staff cost and other expenses can support and beyond that there will be further investments that will be required?

Neeraj Sharma: So I think this is, Chirag, just that this is the investment which is being put in the entire expansion of capacity, whether it was earlier the capex which we said, but this opex is basically to support that expansion. And that is what we have said. It is for supporting our guidance of $400 million revenue.

Out of which the DDC part where the increase is happening is very significant. And that's where it -- we have already said the second line is already here and second line is undergoing qualification right now. So there is opex associated with it and that's when it comes online from next quarter onwards. And similarly, the third line which will be coming online later in the year. So I think that's what you see. And the revenue guidance we've already given which is going to be coming out of this expansion.

Moderator: Thank you. Next question is from the line of Nitin Agarwal from DAM Capital. Please go ahead.

Nitin Agarwal: Hi, thanks for taking the question. On the capacity, if you could probably just remind us on the timelines for the capacity expansion in DDC and by when do you see incremental capacity available? And if you can also give some sense on by when do you see reasonable utilization of these capacities in your plans?

Neeraj Sharma: Yes, Nitin. So if you see our -- as I mentioned, the current line is currently completely busy on doing the CSAs, the commercial manufacturing for both Canadian partners as well as our multiple Indian partners. The new line which is currently undergoing qualification, it was installed earlier in the year and is now undergoing qualification.

That line will be available from next quarter onwards. And that's what will, A, it'll ease pressure on the existing line and as and when customers keep moving, because that is also the line which has the capability of going to a significantly larger batch size of 500 liter, which actually is in the interest of our customers and us to be able to churn even higher output from that line.

And once the third line, because you know that we are going to be adding two lines, two additional lines this year and as the year will be ending, we'll be having the second new line. So by end of the year, we will have three lines installed. And you will see, as we have said, the sequential improvement in both revenue and EBITDA quarter-on-quarter, that sequential improvement actually is built on basis of these new capacities being available.

Because as I mentioned in my note, we have a very clear visibility on a very robust demand from all the markets which are either already where the approvals are there or the approvals are going to be coming. And with this capacity expansion, that demand will keep getting serviced and that you will see shown in our sequential quarter-on-quarter improvement. And you also know that there is another additional line which will be coming next year, but I'm not even factoring that. I'm just staying put with three lines which will be ready and which will be visible by end of FY27.

Nitin Agarwal: And what will be the capacity available? We had a 40 million in the first line, and how many cartridge capacity will be there by the end of the year available with us?

Neeraj Sharma: Yes, so Nitin, I think last time if you remember we explained that our capacity, the way to look at the capacity is in the number of sterile days which are available as a sterile injectable company. And that is roughly we look at roughly about 225 odd days of sterile manufacturing available to us.

And in this, it is then a function of batch sizes. Now, if we do a 200 liter batch size, we can do roughly 60,000 odd pens per day. And if we were to take the batch size to 500 liter, that number immediately goes up by 2.5x as you can imagine. So from the same line, the output can vary quite significantly and increase quite significantly depending upon the batch sizes.

So the customers who will move to the batch sizes will be able to get a much higher output from us. And the same will be applicable to all the three lines. So you can imagine that with 225 sterile days for us in on one line and you multiply by three gives you the 675 odd days which will be available to us once all the three lines are up and running making commercial.

And that's the best way to look at our capacity. And also at the same time, I would also tell you that what we are really good at and what our customers are really valuing us for is all the capacity which I am telling you is not only for filling, it is end-to-end including assembly. So we are telling our—offering our customers the full finished packed product.

Nitin Agarwal: And secondly on the biologics CDMO business, I think there is.

Moderator: Nitin, sorry, your audio is coming muffled. Can you please speak through the handset?

Nitin Agarwal: Sorry, is it better?

Moderator: Yes.

Nitin Agarwal: You're saying on the biologics business, we probably made a lot of progress on the funnel. But with what we see in the business now in terms of the pipeline the way it's building out, when do you see this business beginning to contribute to a meaningful proportion of our console EBITDA for the business by what time does that begin to happen?

Neeraj Sharma: So Nitin, biologics is a really very exciting business for us. As you see, there are so many global tailwinds which are supporting, including the recent changes in the guidelines by FDA as well as Europeans, which have opened the biosimilar business dramatically, expanded the size of the biologics business, the biosimilar business globally.

And obviously, the access and the attractiveness of CDMOs like us because of the comparative cost which we offer, because of the agility and time to market which we offer, has made us really, really attractive. So while the tailwinds and the funnel is very strong, what happens in biologics is it's a fairly long gestation in terms of closing the agreement.

So while the funnel is really strong, we see agreements getting signed and you will see that happening over the next full FY27 and FY28. For you -- you will already see a meaningful contribution coming in FY27 and FY28, but the real kicker is once the commercial manufacturing starts for biologics, which is I would say still beyond the current time horizon which we are looking at FY28. We see the commercial manufacturing happening '29 onwards. However, the contribution from biologics will already be meaningful in FY28.

Nitin Agarwal: And just one last one, Arun, if you could probably answer that. We're talking about FY28 guidance which we've been holding on for the last couple of years. Now, if you look at OneSource as a business qualitatively, how should one think about the business beyond the FY'28? If you can give us some qualitative feel on how should we visualize the business scaling up beyond that?

Neeraj Sharma: I would request Arun to answer. It's a good question. Thank you.

Arun Kumar: Hi, Nitin. On your question, basically there are several modalities. There's a lot of conversation and noise around the DDCs, which of course is an important segue to our $400 million. But we have several modalities including our soft gels, injectables, and the biologics, which is the nascent build-out as Neeraj said that'll take a little time before we've got a lot of contracts signed up early stages and a lot of RFPs issued, but material conversion will take at least another 2, 3 years.

And we already see the need to expand capacities in that area. But we believe that the soft gel in our $400 million target, we've alluded to the fact that our soft gels and injectables business are trending closer to the $100 million mark. We see a lot more growth opportunities there. We're expanding more capacities.

Neeraj alluded to the enhancements of capacities in our injectable space. We have a fourth line coming in unit two, which is a dedicated injectable capability with several features including an SPD with high viscosity pre-filled syringes. So there are several legs beyond the $100 million which we are investing heavily now and we brought in a lot of new capabilities in our R&D and market access.

So we are very confident those businesses will grow quite smartly in the next many years and should give us much more leg up on the beyond 400 goals. Of course, the Steriscience assets would have added to the whole story, but that's for another day. But having said that, the $400 million organically will also have some inorganic elements, not necessarily the Steriscience assets, and clearly they would also -- that's a pivot that we'll continue to look as we create beachheads internationally.

Moderator: Thank you. Nitin, I'll request to come back for a follow-up question. Next question is from the line of Kunal Lakhan from CLSA. Please go ahead.

Kunal Lakhan: Yes, hi. Thanks for taking the question. A little more elementary question. With respect to semaglutide, do we have like a minimum commitment on volumes from our clients, say either on a quarterly or an annual basis, irrespective of whether the clients are able to sell their inventory in their respective markets or not?

Neeraj Sharma: Yes, so I can tell you that right now the biggest challenge actually for the customers is access to capacity. And for them to secure this access, customers have done capacity reservation with us. And that capacity reservation includes blocking capacity and submitting to pick up that capacity both by paying upfront fee as well as take-or-pay kind of contract. So right now, as I said, we are only looking at how we can service this demand than worrying about whether they will sell or not.

Kunal Lakhan: Sure, I get that. And once these markets like Brazil and other markets open up, right, going into say FY '28 or '29, right, would these terms be different or you see similar terms in terms of access to supply, access to capacity still remaining a priority with these clients?

Neeraj Sharma: See, again it depends how the demand develops. But I can tell you considering right now the way we have seen India pick up, we are seeing even the brand in other markets where the expansion which is happening continues to go beyond what was anticipated. And the demand-supply gap will continue to be there at least for next 2 years.

So -- while I cannot forecast the future, but I can tell you certainly over a next 2 year period, there will be a challenge more -- I mean, demand will be robust and the gap will be more from supply than the demand.

Kunal Lakhan: Understood, sir. Very helpful. Thank you so much.

Moderator: Thank you. Next question is from the line of Aniket Singh from Kotak. Please go ahead.

Aniket Singh: Hi, sir. Firstly, on the Semaglutide Canada opportunity, when do you expect approvals for your other clients in the Canadian market? Do you expect them to come in by the end of FY27 or maybe sometime earlier or beyond FY27?

Neeraj Sharma: So, honestly, that's a question which we are not directly involved in managing the regulatory strategy or discussing with the regulatory agencies. But I think as we have all seen in public domain that there would be more approvals which will be coming in over the next few quarters. So now when exactly these are going to be there, it's very difficult to anticipate. But you saw Health Canada talking about that there are more approvals which are currently in the pipeline.

Aniket Singh: Got it, sir. And secondly, sir, you have given some information on few ROW markets in your presentation. So can you give some more thoughts on how big could the market be in Brazil and few LatAm and select ROW markets that you have mentioned in your presentation?

Neeraj Sharma: So Brazil today, if you look at IQVIA, Brazil is the largest market outside of North America for Semaglutide, right? So it's a very -- it's a large country, significant population, and a country which is very focused on weight reduction. So it is going to be a very significant market. And if you see there are other markets which are fairly large, whether it is Turkey, whether it's Saudi Arabia, because this is a factor of population size.

And you look at these markets, Turkey with 80 million people, Saudi Arabia again large populations. So these will be interesting. But also you need to see that many of these markets today, whether it is Southeast Asia, whether it is Latin America, the brand has not been available. It has been a very, very constrained supply because brand has focused only on US and Europe and the developed markets. So these markets will really grow much.

So there are no clear numbers available simply because the brand has done a very, very poor job of even supplying these. The clear example was India, which is the second largest diabetic population in the world, and the brand got launched months back and not years back as it should have been. And you see the growth.

So I think that's how we will have to wait and see, but there is a very significant market out there in each of these emerging markets. And also we have customers in all these -- we have a very strong customer base which will be covering all these markets which are opening.

Aniket Singh: Got it, sir. And sir, lastly, while you have given your FY28 guidance, but now as few of your customers have already got Semaglutide approval in few markets, do you want to give some color on full year FY27 numbers? Maybe some inclination?

Neeraj Sharma: Yes, so I think we as we said, we will stay right now with FY28 guidance while we continue to progress with the commercial launches, expanding capacities this year. So this year, right now, we are reiterating FY28.

Aniket Singh: Okay, thank you.

Moderator: Thank you very much. Next question is from the line of Dr. Kartick Bane from Bajaj Life. Please go ahead. Dr. Bane, can I request you to unmute your line and proceed with your question?

Management: Take the next question.

Moderator: Due to no response, we move on to the next participant. Next question is from the line of Ritika from Valuequest Investment Advisors. Please go ahead.

Ritika: Yes, hi, sir. Thank you for taking my question. First question is on Brazil market. As per ANVISA's website, we see only handful of applicants which are currently under review, though there would be 17 applicants. So could you help us understand of these top filers, what would be our partnership number? Though we've said we have five partners, but out of these top applicants, where would our partnership share be?

Neeraj Sharma: So Ritika, again as I said, this is not information which is in public domain. What ANVISA has not given -- it doesn't give details on which ones are currently under evaluation, what are the names, who are. So I can only tell you that our customers are a fairly, variable bunch. We have some of our global generic company partners who have filed in Brazil.

We've got Brazilian companies who have filed in Brazil. We've got regional strong leaders who have filed. So it's very, very difficult to really understand where they are. But as and when the approvals will start coming, our customers should certainly be in that first wave.

Ritika: Sure. Second question is on Saudi Arabia as a market. Three months back, we had given out the notification of approval of the drug in Saudi Arabia, Semaglutide. Why would there have been delay in launches? Could you help us understand that?

Neeraj Sharma: No, so here it's not a delay because the fact is that while Saudi Arabia there was no patent, you're aware that there was a patent in India, right? So that's the -- that was a constraining factor and not the Saudi patent. Now that all that is freedom to operate is there, so as we have said, Saudi launch is imminent.

Ritika: Sure. Last question is on customer advances. What would this number be currently on our books versus INR250 crores last quarter?

Anurag Bhagania: Ritika, the number would likely be at almost the similar levels. There's not significant change on that number.

Ritika: Sure, thank you so much.

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

Aman Vij: Good afternoon, sir. First question is on the biologics part. You explained how FY27 and FY28 could be good growth years for the business. I just wanted to understand what is the number in terms of revenue and say EBITDA loss for FY26 and when do we expect the breakeven in this biologics business?

Neeraj Sharma: So, I think we have mentioned that earlier. The stage of evolution we are in right now, we don't really break it down in that granularity business-wise because the modalities our customers take are all together. So -- and as you know, right, as I've mentioned that CDMO, our biggest asset is actually confidentiality of our customers. So we don't really break down business-wise revenue or any other financial.

Aman Vij: If you can answer which year can we expect the business to breakeven and start contributing in terms of profitability also?

Neeraj Sharma: As I said, whether what would be the profitability, whether it is breaking even already or not, I will not get into that. But as I mentioned that the -- it's a business which is going to be expanding year-on-year and will already contribute meaningfully to our FY28 numbers and beyond.

In fact, that is the business which has got very long runway for us beyond FY28 because the commercial manufacturing is going to be starting beyond FY28 and that is a very, very meaningful growth on these numbers. I mean, just to let you know, it's a very strong EBITDA business.

Aman Vij: Sure, sir. On soft gelatine part, in my understanding, the new capacities are already online. So could you talk about say capacity utilization and when can we see -- start seeing good growth and higher capacity utilization in that business?

Neeraj Sharma: Yes, so this is, as you know, that last year we have expanded the capacity. And since then, we have onboarded new customers. We continue to onboard. In fact, thanks to all the challenges in having capacity available for our European customers and who are really coming to us. So that soft gelatine capacity, we are actually seeing an increase.

And as we have said by most likely by end of this year or if not next year, we would have no real capacity available beyond. And that's why if you also know that we have a limited period agreement, transition agreement with Strides, and we would be expanding into our own site. And that's the time where the next set of expansion on the capacity will happen. So by within the current period, we look at this capacity to be fully utilized.

Aman Vij: Sure, sir. Final question on Sema side. You explained how the based on batch size, whether it is 200 KL or 500 KL, the capacity becomes 2.5x. So in your...

Neeraj Sharma: Yes, just to clarify, it's not KL, it's liters. It's only, it's 200 liter and 500.

Aman Vij: Yes, yes. 200 liter and 500 liter. So, in your understanding, when do you expect, say, this to happen for the, at least the first original line?

Neeraj Sharma: Yes, so our original line, the current line, we can't go beyond 200. That's why the new lines which we have done, see, it's again, the existing line predates all the exuberance and excitement around GLPs and where the market was. So that line can do maximum 200. It's the new line -- all the new lines which we are doing which can go even up to between 750 to 1,000 liters is what where we are going to be changing.

Aman Vij: And for the first new line, when do you expect this to happen?

Neeraj Sharma: So it's a process. You know, customers already working on it. We'll keep updating you, but it's not a long-term plan. It's going to be happening sooner than we anticipated.

Aman Vij: Thanks for answering the question.

Moderator: Thank you. Next question is from the line of Dr. Kartick Bane from Bajaj Life. Please go ahead.

Kartick Bane: Hello, can you hear me now, this time?

Neeraj Sharma: Yes, yes. Please go ahead.

Kartick Bane: Okay, thank you. Yes, thanks for the opportunity. So I would like to know more about the oral Semaglutide opportunity and how would that impact our business?

Neeraj Sharma: So I think, it's a good product. And we are very clear that there are patients who just cannot take injections because they have a needle phobia. And for them, oral tablets are an absolute relief. Having said that, orals have a challenge of [inaudible] they still don't match the efficacy of injectables. Orals also require a daily dosing, what we call a very high pill burden. And obviously, with the daily dose, the side effect challenges also increase. So with all in mind, while they are a very good solution for people who really need and can do with a lower weight loss, and the expectation.

Moderator: Can you just mute your line please?

Kartick Bane: Yes. I am sorry.

Neeraj Sharma: Yes, so we don't expect the orals to be taking about anywhere between 25% to maybe a third of the total market. So the market will overwhelmingly stay as injectable. Simply look at the pipeline of products, the other GLP products which are coming, which are overwhelmingly injectable.

Kartick Bane: Okay, thank you. And my second question is that you mentioned Canadian partner. Would you like to clarify if the Canadian partner is Indian company or outside India company?

Neeraj Sharma: See, I think we have said, right? that it's one company is in public domain, which is Dr. Reddy's. So and the second partner is also in very clear we have put in public domain. Our partner is Orbicular, and Orbicular has a partner in one of the largest Canadian companies. So I think it's -- there are only two companies who are approved, so you can, I'm sure, figure out which ones are those.

Kartick Bane: Okay, thank you very much. Thanks a lot.

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

Neeraj Sharma: Yes, thank you very much for taking time and asking such insightful questions. Really appreciate the interest, and we look forward to speaking to all of you next quarter. Thank you very much.

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