onesource

Corporate Office:
Star 1, Opp IIM Bangalore, Bilekahalli,
Bannerghatta Road, Bengaluru –
560076, India
T: +91 80 6784 0738

Registered Office:
Cyber One, Unit No. 902, Sector 30A,
Plot No - 4 & 6, Vashi,
Navi Mumbai - 400703, India
T: +91 22 2789 2924
F: +91 22 2789 2942

Date: July 31, 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 June 30, 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 ended June 30, 2026. This earnings call was conducted on July 25, 2026, i.e., after the meeting of Board of Directors held on July 24, 2026, and is being shared for your information and records.

Request you to kindly take the above on record.

For **OneSource Specialty Pharma Limited**

A. TRISHA Digitally signed by A. TRISHA
Date: 2026.07.31 12:37:57 +05'30'

Trisha A
Company Secretary and Compliance Officer
Membership Number: A47635

OneSource Specialty Pharma Limited

Q1 FY '27 Earnings Conference Call

July 25, 2026

MANAGEMENT: **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: Good day and welcome to OneSource Specialty Pharma Limited Q1 FY27 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 the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Abhishek. Thank you and over to you, Mr. Abhishek.

Abhishek Singhal: Thank you, Renju, and thank you all for joining us today for the earnings conference call of OneSource Specialty Pharma Limited for Q1 FY27. We are pleased to 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. I trust you have had the opportunity to review our results release and the 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 with 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 Neeraj for his opening remarks.

Neeraj Sharma: Thank you, Abhishek, and a very warm welcome to everyone joining us today on this Saturday morning. I really appreciate your time and happy to share the Q1 results with you. So, the quarter has been, fairly strong for us. Revenues have been at INR4,490 million and have grown 37% year-on-year. And these are, yes, driven by the semaglutide commercial launch, new MSA contracts, and also new customer wins across our various businesses.

EBITDA has also come in at INR1,233 million, which has been up significantly, 39% year-on-year, as well as sequentially 34% versus last quarter, and which has been in line when we have said last time that we will be showing a sequential quarter-on-quarter growth. The quarter also marks really a meaningful step up in our sema commercialization in Canada, which as you all know, is the largest off-patent market available today in the world.

Currently, all three approvals which are there in the market are with us. And in fact, two of our partners who you know have already launched in the market. Even in India, which is the other significant market open available, many of our customers launched on day one. And as of June 26, more than 40% of the generic pens market sold in India are manufactured at our site.

In fact, I also want to say that, despite the temporary disruption in supplies which has been announced by Dr. Reddy's, our available capacities are full, thanks to really our customer base which spans across markets and across companies. And this has really helped us pull the demand while the DRL supplies resume.

And in fact, in the same time, as we have announced earlier, you well know that our first phase of the US$100 million capex, which we have put in our capex, is now reaching fruition with our

second cartridge line being set for commercialization in this quarter. This line will double our number of sterile days available for production. And this additional capacity will not only support supplies to DRL as and when they resume, but also to multiple countries as which are due to open in the remaining part of the year. But also, this will help expand our customer base. We've been saying we've not been able to add new customers because of supply gap.

Now, we with this new supply available, we would be adding customers. In fact, the process has already begun with our first new GLP customer coming on board last quarter. Within FY27, we will have yet another line which will get installed, which will really make us really one of the very few global CDMOs offering this level of capacity and having complete end-to-end capabilities including assembly, packaging, the works in drug device combination.

In fact, the strength of our complex peptide development and drug device capability was also demonstrated once again when with two of our customers successfully getting the first-to-file status in US with tirzepatide, which is a significant achievement for the team which has worked very hard on it.

At the same time, our second key future growth pillar of biologics saw us adding yet another marquee global biotech major. Our partnership with Formycon really brings together their biosimilar development expertise and our integrated manufacturing capabilities really to expand access, which is what is really key, access to high-quality affordable biologics for really global patients.

It also speaks very well on how India and us specifically are emerging as a trusted partner for the global biologics development and manufacturing. Our pipeline, I think this is what, it's important for us to say, that the pipeline continues to be built with our RFP funnel today is almost 4x of what it was just over a year ago. And this spans across innovators, biosimilars, as well as animal health companies.

Now, this is strongest ever and also very significant because as biologics is a long gestation business, but at the same time also very sticky. And thus, this business will be a significant contributor to our growth even beyond FY28. Also, in our across our base business, injectables, soft gelatin, we see a very strong customer engagement and spans our across our businesses.

We have had nine new launches during the quarter. We added six new logos, which is really expanding our already wide customer base. One thing which we have always been proud of and it gets reiterated in this quarter, that our compliance track record, remains exemplary. We had 12 successful inspections this quarter across regulatory inspections and customer audits, including two surprise FDA audits across two of our sites.

So, really, really proud of our achievement there. So, in nutshell, I just want to say that, it was a strong start to the year. The commercial momentum in our DDC business, which is supported by our capacity, new capacity coming online, and a very strong build-out in our biologics. With all this, we really remain confident and are happy to reiterate our FY28 outlook of $400 million organic revenue as well as, EBITDA margins of 40%. I really thank you once again and would be happy to take questions along with our CFO Anurag.

Moderator: Thank you. We will now begin the question-and-answer session. The first question comes from the line of Rupesh Tatiya with Longevity Partners. Please go ahead.

Rupesh Tatiya: Yes, hi, hi Neeraj. Thank you for the opportunity and congratulations on good set. I have several questions. Let's see how many I can get in. So, first question Neeraj is on soft gelatin capsules. The capacity went from 800 million to 2.4 billion. It has been quite some time now. The business was around INR550 crores kind of revenue. I thought by now it would already be, INR800 crores, INR900 crores and maybe INR1,200 crores next year. You don't give the split, but it doesn't seem like that business has grown. So, what is the issue there and the corollary to that is the broader group companies are facing issues in ibuprofen, so is that impacting this business?

Neeraj Sharma: Rupesh, thank you for your question. So, I think we have been very clear in saying that we are our new capacity has come on board. Soft gel is a significant business with very long legacy. We are among few companies with such deep expertise in development and manufacturing. And with the capacity we have put up, we are certainly among the top, four or five companies when it comes to pharmaceutical soft gelatin capacity.

Having said that, you know that this business under Strides was primarily focused on captive IP-led products. And with this new capacity which we have added, it has, we have started offering CDMO services. And there is a significant amount of interest in this considering, some of the largest players in Europe have had various challenges, either because of acquisition or otherwise.

And this interest, it takes finite amount of time for tech transfers to happen from other companies, other sites to our site. The process is on. In fact, we see our capacity which was added to be, completely taken over the next 12 to 15 odd months. And I also want to share with you that because, we are completely, we have no possibility to increase capacity further in the current site, we have already initiated a process of starting a greenfield.

And over the next quarter or so we'll be, sharing with you what, the update on that. But we are very we are very confident of our soft gelatin business and we continue to add customers. It will be a strong driver of our growth, in the foreseeable FY28 guidance, but also beyond that period.

Rupesh Tatiya: That's encouraging. And also, any update on the margin improvement program we had for Steri-Science? That also I think we haven't discussed that for a while now.

Neeraj Sharma: So, in the injectable business, as we had said, it's a focused we have, our injectable business is very, very focused on scarcity play, whereas you know that, we either go for products which are very, which require dedicated manufacturing like penicillin. We have one of the few FDA-approved penicillin plants anywhere in the world with an absolutely excellent compliance track record. Thanks to which, we have a significant share of penicillin in the US and the products which are perpetually in FDA shortage list.

Now, so it's a focused portfolio -- it's not a huge portfolio, it's a focused portfolio. And also our customers there are those who really value sustained long-term continued supplies over low prices. So, our plan is very clear.

What we have also said that we are adding new capability in the injectable business, which is around pre-filled syringes, and we are also significantly adding to our lyophilization capacities. And as we had said earlier in fact, this first half itself, we will be taking a shutdown on our one of our sterile injectable sites basically to add this capacity. So, you will see, this addition will be a significant contributor to our FY28 numbers.

Moderator: Thank you. Mr. Tatiya, please re-join the queue for more questions. Next question comes from the line of Abdulkader Puranwala from ICICI Securities and a reminder to all the participants that you may press '*' and '1' to ask a question.

Abdulkader Puranwala: Yes, hi. Thank you for the opportunity. Just taking the conversation ahead from the previous participant. So, you mentioned about the plant shutdown on the injectable side. So, did that have any impact in this quarter as well or that's something you plan to do in the second quarter?

Neeraj Sharma: So, Abdul, it will be it will be starting this quarter. The Q2 will be the quarter in which the shutdown will be taken, and it will last between this quarter and the next quarter.

Abdulkader Puranwala: Okay, sure. Understood. And sir, if I have to just understand your sequential performance. So, if I look it in the US dollar terms, so your revenues were quite identical, but the margin in this quarter has improved significantly. So, anything to highlight here both on a mix point of view, as well as on your overheads if you could help us understand the numbers a little bit better?

Neeraj Sharma: Yes, so I can definitely say Abdul that it's basically the mix which is driving this. You know, the as you see there's a significant improvement in margins which primarily coming from higher contribution from the drug device combination business, which I already said in my opening remarks.

And also you know right additionally, it's always the case that our base business soft gelatins, as well as injectables is primarily H2 heavy, so the contribution from soft gel obviously starts more towards the second half of the year when the flu seasons pick up etcetera. So, primarily coming from that, the margin gets driven up. That's why the mix between revenue as well as margin.

Abdulkader Puranwala: Got it, and so next question is on, one of your customers have been talked about shutting down their API manufacturing and they've been talking about some kind of a delay in terms of the market re-entry. So, I understand we would have many customers to cater to, but are you assessing some kind of a temporary disruption in the near term because of that customer pulling out for a temporary period?

Neeraj Sharma: So I think Abdul as you rightly mentioned, I alluded to it also in my opening remarks, that the benefit of having a very diverse customer base, we have more customers in Canada, we have customers all across, we have customers with commercial launches, we have customers with MSAs. So, thanks to all these, we are able to actually pull demand into this quarter, therefore, which is what the timeline which Dr. Reddy's has shared publicly. And therefore, thanks to that we have had, we don't anticipate any impact on our supplies.

As I said, we don't have any reasons to not believe what Dr. Reddy's has said, in terms of resumption. And therefore, for us, we are very we are very clear that we have enough capacities. All our capacities right now are full, thanks to multiple customers. And at the same time, you know that we are adding new capacities starting this quarter itself. And as and when Dr. Reddy's resume, our capacities will be sufficient to meet their demand, as well as demand of our other customers.

Abdulkader Puranwala: Okay. So, when we talk about our capacity addition and customer demand. So, just directionally if I have to understand what is the kind of order book visibility do you have today? I know we are reaffirming our FY28 guidance, but achieving that $400 million kind of a revenue do we have that kind of an order book visibility today?

Neeraj Sharma: So, I can tell you Abdul, the short answer to your question is yes. The little bit longer answer is that, we've got multiple pillars of that business, right? So yes, indeed drug device combination is going to be one of a very important contributor. And there as you know, that apart from the customers who already are there and we in Canada for example, three-on-three even if Dr. Reddy's had this temporary disruption, still three-on-three approvals in Canada are with us.

India we are today almost 40% of the market generic pens we are supplying, multiple new markets opening up in the next six, eight, nine months and our customers being present across all those markets. So keeping all those in mind, we you know, the drug device combination business has a very significant traction and that order book is very clear.

When I come to our other key pillar which I have already mentioned, our biologics business, very significant traction, we have already announced new contracts, new customers coming on board. We have a very strong funnel there which is going to be converting over the next coming quarters.

Our base business as I mentioned to you, soft gelatin new customers getting added, the capacity available getting filled, the injectable which I just mentioned to you, while we take shutdown of few months in this year, but that is entirely going to be available, the new capacity and the new capability available for the full year FY28. So, each of our business offerings is going to be contributing to our FY28 guidance what we have given.

Abdulkader Puranwala: Got it, sir. Thank you and all the best.

Neeraj Sharma: Thank you.

Moderator: Next question comes from the line of Girish Bakhru with OrbiMed. Please go ahead.

Girish Bakhru: Thanks. Neeraj, just trying to assess; line two utilization. I mean, can the customer from line one be added to line two? And I mean in case let's say, Apotex in this case requires more capacities, I mean, who takes that call? Is it the customer or you can shift given the higher batch size in line two?

Neeraj Sharma: Yes, thank you Girish for the question. So, the answer to your question is straight that the lines what we have added, even when we had started this program of adding capacity, the idea was line, all lines should be able to cater to all our customers. And that is exactly how we have planned. The capacities are fungible across customers, across products.

So, based upon all the work which the teams have done, both our teams and our customer teams, we will be moving existing customers on the new line as well. In fact, customers will be serviced from both the lines.

And as we have said, we are very working very closely with the customers to actually increase the batch sizes as well from mostly 200 liter to 500 liter, which would be of immense benefit to our customers as well as for us to be able to bring a significant increase in the output from the from the same sterile days.

So, so yes, in fact, one line is coming in online this quarter the another line will also be ready within this current financial year. So, all these customers would be able to use.

Girish Bakhru: Understood. And this batch size variation, let's say, does it need to be resubmitted to authorities for approval or can this be done without any paperwork?

Neeraj Sharma: Yes, so our understanding Girish along with our customers is that it should be possible for most geographies. It will depend market to market, but in most geographies, it should be possible to increase the batch size in a pretty quick time period.

Girish Bakhru: Okay. And can you share, I mean, how many CSAs are right now on line one and how many anticipate on line two, say end of the year?

Neeraj Sharma: I think that may not be hugely relevant metric for you. I think what you need to understand is that the customers who we have are fairly as I mentioned three-on-three in Canada. You have Dr. Reddy's has told you some other names also which are going to be getting added. And we've got new customers we have added from MSA point of view.

So, the idea of adding capacity is -- the new lines is that, we should have the flexibility to be moving from one line to another, customer A to customer B, so that not only we are able to meet the demands of all the customers, but to be able to get, right customers and give them the timelines which they really need to reach the market. So, so therefore I think the right metric for you is that we have sufficient customers and sufficient customer demand on both the lines which will be available for this year.

Girish Bakhru: Understood. But I'm just thinking more from let's say given you have these extra sterile days now available, you would rather have more mix of commercial agreements, right? So, is there a significant mix change we will see going forward between what is MSA versus CSA?

Neeraj Sharma: So, the lines are driven by the CSA. That's we have always said that the mix of the company is going to be driven by significantly more CSA. The whole idea is that the capacity has been

constrained till now, right? We've been very open about it that we have more demand than we are able to cater.

But now with the new line coming in, the capacity has there is more capacity, significantly more capacity available. And thanks to that, we are absolutely able to onboard new customers, which also in the previous calls I have mentioned that we are not able to add new customers because of this capacity constraint.

Now that we have clear visibility of the new capacity getting added, we have initiated adding new customers. We already had a new customer coming in last quarter. And that is what is key for us. But just in terms of the mix, it will be significantly more MSAs, sorry, significantly more commercial sales than MSAs.

Girish Bakhru: Very helpful. Thank you. Thank you so much. It's very helpful.

Moderator: Thank you. Next question comes from the line of Gautami Agarwal, an Individual Investor. Please go ahead.

Gautami Agarwal: Hello, sir. So, we know about your FY28 guidance of USD160 million EBITDA. But can you highlight few initiatives you are taking for a longer term, which is beyond FY28? So, if we model for FY29-30 for OneSource, do we think of growth trajectory longer term on 28 basis remains intact or otherwise? Can you give some clarity on that bit?

Neeraj Sharma: Yes, thank you for asking. One clear answer for you is that yes, our EBITDA trajectory will continue to go upward beyond FY28. And this is going to be dependent on all our modalities, which all our service offerings. I already mentioned today that our biologics business, which is a great contributor to going to be on this growth, simply because while our RFPs have seen significant growth over this last 12-15 months, biologics takes time to establish, but it sticks on much longer.

And the kind of customers we are adding across the segments, whether it is animal health, biosimilars, innovators, this is going to be a very long legs of our business because many of these customers the commercial revenues will start coming in FY29 onwards. So, right now over the next two years, most of these will be the development MSA revenues and then getting converted beyond.

And thanks to the visibility which we have on our customers, we are also going to be taking some other capacity expansion because we see our current biologics capacity will require expansion. So, we are going to be expanding both the mammalian as well as microbial capacity. So, this will be a very strong driver of our growth beyond FY28.

Also, our soft gelatin business, which we just spoke about, that with the capacities getting filled, this will again be driving growth for us. The new capabilities being added in injectable business, those will be significantly beyond FY28 for us. And then we should certainly not forget that the drug device business has got also very long legs.

The reason we have adding all these capacities is because right now up to FY28 guidance, we are only dependent on the emerging markets apart from Canada, emerging markets volumes. However, from '29-30 onwards Europe opens up, and then of course US opens up with all our FTF customers. So, again reiterating all the businesses, the drug device combination, biologics, as well as the soft gel and injectables will be driving our business beyond FY28.

Gautami Agarwal: Okay, okay, sir. Thank you. That perfectly answered my question. Thank you.

Neeraj Sharma: Thank you.

Moderator: Thank you. Next question comes from the line of Pranav Chawla with JM AMC. Please go ahead

Pranav Chawla: Congratulations sir for the good set of results. I just want to understand on the bilogics, you recently announced a couple of contracts can you give some color on those contracts? When will they begin to contribute and when it should begin and how large can these contracts become for us? And do you plan to add any dedicated capacity for these?

Neeraj Sharma: Yes Pranav, I think your voice is breaking, but I understood the questions. So you see as we have been saying right, we are really focused on expanding the biologics business and that's what we that new wins are really helpful. We announced in the last quarter that one of our pillars which is animal health business we were able to get additional contract, then we are in this quarter another pillar of our business which is biosimilars.

We added a very, very important large global player, Formycon as a customer. Last year we had said, we had another European biotech company which was a customer. So, these are all going to be staying with us for long-term. The reason they are coming to us is simply because with the change in biosimilar guidelines as you know in both US and in Europe.

There is a requirement of agile partners of manufacturing, who are quick to help companies reach the market and remain competitive over a very long time. And that is what OneSource offer to these customers. So these companies have got a very strong pipeline and partnering with them will give us access to that pipeline.

And we see them significant contributors in our growth journey as I said beyond FY28 because while right now we will do the MSAs for them. But the commercialization for these companies will be FY29 and beyond.

To your question on the capacity, as I mentioned, yes based upon the visibility pipeline visibility we have today, we do see the need to go beyond our existing capacity in both mammalian and microbial and as and when we have recently come to the process of completing the capex in the drug device combination.

So, therefore we would not shy away from adding capacity as and when it is it is required to be able to service not only the demand of these existing customers, but also the customers who are in the pipeline.

Pranav Chawla: Sir, one last thing from my end. So, within the biologics, where do you stand in the value chain for a customer? Do we also do R&D, or we are primary a CMO partner? Just trying to get some color on your biologics?

Neeraj Sharma: Yes. Thank you. Sure. So, our value proposition to our customers is that we are very among, very few completely integrated drug substance and drug product player in biologics. We actually can take right from a gene to the final product which the patient uses.

So, we provide entire value chain from scaling up to the drug substance and not once you scale up to a drug substance to be able to fill finish in the same site and to be able to pack it, assemble it in an autoinjector or in a pen injector and give the final pack which the patient opens at home.

So, the full end-to-end value chain is our proposition. We have a very strong significant R&D team, development team which is able to offer services across the board. So that's the value we offer to our customers.

Pranav Chawla: And one last question, if I may be able to squeeze in. So, from what we understand a lot of domestic players are also trying to get into the CDMO piece for biologics. Obviously, our backward integration or being able to be part of the whole supply chain does help, do you see this as a material risk going forward for our biologics offering?

Neeraj Sharma: See, I can tell you there is a significant increase in demand for CDMO services globally, especially in biologics. Today biologics and drug device combination are two of the fastest growing segments in CDMO globally. Thanks to this demand. More than 50% of all drug discovery today is in biologics. With all the change in guidelines, biosimilar access is just going to get a huge boost.

With all this demand coming in, India today has got a very, very insignificant share of this. So, with the demand coming in, with the challenge, the need to push out of China, all this put together means that the share which will come to India will be sufficient, there will be enough demand for all the new capacity coming in.

Remember, the capacity which is available in India is still a very small fraction of what is available in countries like South Korea, for example. So, I see this as an opportunity for companies, coming to India and especially to OneSource because we are among a very, very small group of CDMOs offering integrated drug substance and drug product in the same site.

Pranav Chawla: Got it. Thank you so much, sir, for answers. That is all for me.

Moderator: Thank you. Next question comes from the line of Ritika Agarwal with The Valuequest. Please go ahead.

Ritika Agarwal: Hi, sir. Thank you for taking my question. First question is what we understood is you're expanding capacity in almost all of these segments, which is DDC, injectables, soft gel, and biologics maybe going ahead. Could you help us understand what is the capacity utilization currently for each of these segments?

Neeraj Sharma: So, Ritika, as we mentioned, the reason for our investing significant amount in adding capacity in drug device combination was basically because we didn't have capacity to service the demand we have. So, you can imagine, the utilization of all our current capacity there is complete. And similar function I can tell you for injectables because the reason we are adding so much lyophilization capacity is that, the demand today is higher than the capacity.

Soft gelatin, the reason we decided to add capacity because till now under Strides, the entire business was captive. It was in-house development meant for sales by Strides' front end. But now as it has as it comes to OneSource, we are able to really offer this expertise both in development and in manufacturing to a very wide group of customers, which is what the demand is.

But at the same time, it will, there we need to keep capacity to service new customers. As a CDMO, please understand, we have to have capacity first and then add customers because we can't start building capacity when we have the customers because that's the whole model of CDMOs, that we build capacity, build capability, and then go and serve. So, it's a is going to be a combination of using the capacity to serve existing customers and then keeping spare capacity to be able to onboard new customers.

Ritika Agarwal: Got it, sir. So, we should understand DDC and injectables are running probably at the peak capacity, while soft gelatin we are adding capacity to serve the CDMO demand. But apart from that, of the current 2 billion kind of capacity, what should be our current capacity utilization for soft gel?

Neeraj Sharma: Can you just on soft gel, your question is that what kind of capacity utilization?

Ritika Agarwal: Yes, yes, on the current capacity.

Neeraj Sharma: Remember that as I said, right, it's we increased the capacity we to basically cater to CDMO customers. And CDMO customers basically are those who would do the tech transfer from their existing sites. And as we speak right now, that's the process which is underway where customers are, doing the tech transfer.

And at the same time, so as I mentioned, we will, over the next two years or so completing the capacity utilization of this site and beyond that we would need a greenfield site to be added. So, that's what we will be doing.

Even on our, drug device combination, what we have added while our capacities on cartridge filling are complete, remember we also have pre-filled syringes capability capacity which still is, most of it is available as we add new customers in that specific area. So, both, some capacity is fully utilized, lot of capacity still available for us to be able to add new customers and to add to our growth to FY28 and beyond FY28.

Ritika Agarwal: Sure. Last question, what is the kind of capex that we are looking for this year and the next year, including all the capacity expansions that we are talking about?

Neeraj Sharma: We already said, right, roughly last year we mentioned we had taken about US$100 million capex to be invested across sites, most of it coming to drug device combination. As we sit today, almost 80% of that capex has been committed. So, that's where, we are looking at.

As and when, we do the capacity expansion in biologics, we will see what additional capex will be required, but it will be it will be certainly significantly lower than what we have invested in or what we are investing in drug device combination.

Ritika Agarwal: So, for this year, no significant capex is what we are looking at. What would be the capex number which is balance 20% of the $100 million and anything additional apart from that?

Neeraj Sharma: As of now, this is what we have, clear visibility on. As I mentioned, as and when we expand our biologics, we would be needing beyond this number, but it will be it will be significantly lower amount than what we have invested in DDC.

Ritika Agarwal: Thank you.

Moderator: Thank you. Ms. Agarwal please rejoin the queue for more questions. Next question comes from the line of Anish Jobalia with Girik Capital. Please go ahead.

Anish Jobalia: Hi, sir. Good morning and thank you for the opportunity. Sir, my first question is if you can give some comments on how our customers are seeing the response for the generic versions of the weight loss drugs that have been, like introduced in the key market like Canada and India, that would be helpful because they've been recently launched, so just to know how the response has been?

Neeraj Sharma: Anish, as we have mentioned earlier in previous calls as well. The constraint in this market has been supply, not demand. In fact, the demand has been significantly outpacing supply both in the markets where the brand was present or was launching. So, what generics have essentially done is to provide access to the latent demand which has been there.

So, if you see all the markets, India for example, which is a completely out-of-pocket market, you see how within a year, we were at less than 2,000 pens in a month going up to now 150,000-160,000 pens. So, all this and this is, you see still significant constraint in supplies. The same Canada is very early yet to say.

But I think there is a there is a clear trajectory because the demand of the patient number is going up and the availability as well as the price delta versus the brand will all drive significant demand. And that's what our customers are showing. All our customers, their forecasts remain as robust as ever.

Anish Jobalia: Okay, sir. Sir, am I audible? That's great to hear. So, my second question is basically, sir, we have one line coming up in this quarter. So, are there any risks that we have to monitor in terms of scaling up of those lines? If you can just speak a little bit about are there any challenges or like to how they will be scaling up over the next few quarters? And also, if you can comment

like in this year, we are only looking at one line, or all the four lines will be in place which we are targeting?

Neeraj Sharma: Understood. Yes, see, as I mentioned, till now we have been really struggling to meet the demand because of one line was heavily overbooked. And the reason for us to add new line, not new line, but new lines is because, we have a very clear visibility on the demand. So, the current the new line, which is coming on board, we are absolutely sure of getting that capacity filled.

And the third line will also be ready within this current financial year. In fact, that by three lines will be available fully for FY28, but later in the FY28 we are going to be having a fourth line as well, because as I said, not only we are bothered about filling all the demand over the next two years, but beyond with lot of new markets opening up from '28-'29 onwards, we will have sufficient capacity to cover all our customers who are literally the who's who of the global generic market. We will be able to service all the demand coming beyond the emerging markets as well.

Anish Jobalia: Okay, sir. Thank you for your time and wishing you all the very best to achieve your guidance.

Neeraj Sharma: Thank you.

Moderator: Thank you. Next question comes from the line of Maulik Varia with 360 ONE Capital. Please go ahead.

Maulik Varia: Yes, hi, sir. I hope I'm audible. Thank you for the opportunity. So, my question is you secured your first oncology soft gel NDA with a top 10 US generic. So, has the customer launched the product and if yes, how should we think about the revenue ramp up as I think there's only one supplier other than you?

Neeraj Sharma: Yes, thank you Maulik. Yes, indeed, the product which is our first oncology product going into the market, it is expected the customer is expected to launch it in the current quarter. What this product is really giving us as I said the first ever oncology unique because it's a brand, it's an NDA and not an ANDA and, it there is only one other supplier as you mentioned.

So, it gives the capability basically to showcase the capability of OneSource in this specialized oral technology. In terms of revenue, I can only say that it's a small market, so we don't really see a very significant contribution to the revenue in near term.

Maulik Varia: Okay, thank you, sir.

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

Nitin Agarwal: Hi, thanks for taking question. Neeraj, just to follow up some of these things have been asked earlier, just let me trying to get a little more color on this. So, on the sterile on a line one, how would you assess like for example what we done in Q1 in line one, have we achieved because the line is running to capacity, so but from a EBITDA perspective, is it the optimal contribution from the sterile days which a line one has that we achieved in Q1?

Neeraj Sharma: Yes, Nitin, thanks. See, as we have said, right, that we look at one line at about roughly 225 odd days, sterile days available. And based upon the per day realization for us, I would say that quarter one we had, reached fairly the full contribution which is there per line. And that's how, that covers the last quarter.

And once the new line gets fully functional from next quarter onwards, we will start seeing the same contribution of sterile days because our as you know, each line doubles our sterile days. So, from 225 for a on a full year basis, the next line will provide us another 225 and when the third comes in another 225. So, let's say for FY28 we'll have 675 sterile days available to us.

Nitin Agarwal: Which I get. My question here is that, from the delta that we looking at, right, from the two lines coming through, that there still is a lot of gap between what we delivered in Q1 to versus what we expect to achieve in FY28 with the sterile days tripling, right? So, my only question was have we achieved the optimal EBITDA contribution from line one in Q1?

Neeraj Sharma: So, I would just say, from a revenue perspective yes, but remember also that, we have been saying that with all this new capacity coming in, the opex has to be upfronted. So, while the new line revenue will be coming in as the lines get installed, but the opex is there today already.

So, as new lines will come in, the opex leverage will play in more. So, the real, optimal contribution from those lines will come when all the lines are in place because very limited incremental opex because most of the opex we have upfronted on these lines already.

Nitin Agarwal: Okay, so the revenue is largely sort of reflective of the peak utilization of line one, the profitability is not because there's a lot of costs for subsequent phases already upfronted in the in the expenses.

Neeraj Sharma: Indeed, absolutely.

Nitin Agarwal: Got it. Okay, thank you so much.

Moderator: Thank you. Next question comes from the line of Gaurav Shukla with Finvestor. Please go ahead.

Gaurav Shukla: Sir, congratulations for good set of numbers and thank you for giving me opportunity. Sir, my question is that how we see FY27 and FY28 in this scenario, what is the effect of geopolitical issues on this and new latest announcement of President of America about tariff on generic after 2 years? How will you see, sir? Some comments, sir.

Neeraj Sharma: Yes. Sure. See, the geopolitics is in a flux, no doubt about that. Especially what is happening in the Middle East is in nobody's interest. So, for us also, typically it has impacted in terms of the freight challenges, with the Suez and Strait of Hormuz being closed, all the shipments from India to Europe and to US have to take a much longer route across the Cape of Good Hope, which actually really increases the shipment time.

But not only that, it also, is leading to constraint in the supply of containers, because the turnaround is reduced. So, that is certainly not in anybody's interest. It also increases the cost of

freight, but the benefit let's say or how would I say for as a CDMO, our impact is fairly muted there simply because, we have all ex-works contracts.

So, the any additional time and cost is actually picked up by our customers. So, but it is not in anybody's interest because, we really hope the things calm down quickly. On the impact of, the announcement from US administration couple of days back, as we have all seen, right, that the number of changes and the backdowns done by this administration, we see exactly the same story to pan out. It's too early to say, but we don't see this to be causing any long-term harm to us or to our customers.

Moderator: Thank you. Mr. Shukla, please rejoin the queue for more questions. Next question comes from the line of Parth Sodha with Trinetra Asset Management. Please go ahead.

Parth Sodha: So, first of all, good morning and thank you for the opportunity. Almost my questions are covered, but I need just more clarity on the FY27. Like what are the key milestone investors should monitor over the remaining 3 quarters of FY27 to assess whether the company is on track to achieve FY28 objectives?

Neeraj Sharma: I think as we have said that, right now we have got fairly strong visibility on our order book and our capacity utilization. So, therefore the first thing which we have been tracking is the addition of the capacity which as I mentioned we will be adding new capacity starting this quarter.

And our next capacity expansion will happen towards end of the year as again we have mentioned, which is a key thing for you to see. You will also start seeing once, the impact of new line getting added and the revenues ramping up accordingly in the second half as also we have mentioned. Other than that, I mean, that's the operating leverage and of course you will see this as a sequential quarter-on-quarter improvement in our revenue and in EBITDA.

Parth Sodha: Got it. Thank you so much and all the best.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. We have reached the end of question-and-answer session. I now hand the conference over to the management for closing comments.

Neeraj Sharma: Yes, thank you for all the questions, thank you for the interest, and thank you once again for spending your Saturday morning with us. Thank you very much.

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