February 13, 2025

To Listing Department, **NATIONAL STOCK EXCHANGE OF INDIA LIMITED** Exchange Plaza, Bandra Kurla Complex, Bandra (E), **MUMBAI -400 051** **Company Code No. AUROPHARMA**	To The Corporate Relations Department **BSE LIMITED** Phiroz Jeejeebhoy Towers, 25th floor, Dalal Street, **MUMBAI -400 001** **Company Code No. 524804**

Dear Sir/ Madam,

Sub: Transcript of Q3 FY25 earnings call.

Please refer to our letter dated January 28, 2025, wherein we intimated the schedule of Investors/ Analysts call on February 7, 2025. We are attaching herewith the Transcript of the said analyst / investor call on the Unaudited Financial Results of the Company for the third quarter and nine months period ended December 31, 2024 and the same is being uploaded on the website of the Company and is available in the following web link.

https://www.aurobindo.com/investors/disclosures-under-regulation-46/investor-meet/conference-call-transcripts/

Please take the information on record.

Thanking you,

Yours faithfully,
For AUROBINDO PHARMA LIMITED

Digitally signed by BADDIGAM ADI REDDY
Date: 2025.02.13 11:48:31 +05'30'

B. Adi Reddy
Company Secretary

Encl: As above.

Q3 FY25 Earnings Conference Call

07 February 2025

Dr. Satakarni Makkapati – CEO of Aurobindo Biosimilars, Vaccines and Peptide Businesses & Director of Aurobindo Pharma Limited

Mr. Yugandhar Puvvala - CEO of Eugia Pharma Specialties Limited

Mr. Swami Iyer - CEO, Aurobindo Pharma, USA

Mr. V. Muralidharan – CEO, Europe Formulations Business

Mr. S. Subramanian - Chief Financial Officer, Aurobindo Pharma Limited

Mr. Shriniwas Dange - Investor Relations, Aurobindo Pharma Limited

Moderator: Ladies and gentlemen, good day and welcome to Aurobindo Pharma's Earnings Conference Call for the third quarter of FY25. Please note all participants lines will be in listen-only mode and there will be an opportunity for you to ask questions after the management's opening remarks. Should you need any assistance during the conference call, please raise your hand from the participant tab on the screen. Please note, this conference is being recorded. I now hand over the conference to management for opening remarks. Thank you, Sir and over to you.

Shriniwas Dange: Thank you, Vandit. Good morning and a warm welcome to our third quarter FY25 earnings call. I'm Shriniwas Dange from the Investor Relations team. We hope you have received the Q3 FY25 financials and the press release that was sent out yesterday. These are also available on our website.

I would now like to introduce my senior management team on the call with us today, represented by:

- Dr. Satakarni Makkapati - CEO of Aurobindo Biosimilars Vaccines and Peptide Businesses & Director, Aurobindo Pharma Limited
- Mr. Yugandhar Puvvala - CEO of Eugia Pharma Specialties Limited
- Mr. Swami Iyer - CEO, Aurobindo Pharma USA
- Mr. V. Muralidharan – CEO, Europe Formulations Business
- Mr. S. Subramanian - CFO, Aurobindo Pharma Limited

We will begin the call with the summary highlights from the management, followed by an interactive Q&A session. Please note that some of the matters we will discuss today are forward-looking, including and without limitations, statements relating to the implementation of strategic actions and other affirmations on our future business, business development and commercial performance.

While these forward-looking statements exemplify our judgment and future expectations concerning the development of our business, a number of risks, uncertainties and other important factors may cause actual developments and results to vary materially from our expectations. Aurobindo Pharma undertakes no obligation to publicly revise any forward-looking statements to reflect in future events or circumstances.

With that, I will hand over the call to Mr. S. Subramanian for the highlights. Over to you, sir.

S. Subramanian: Thank you, Shrini. Good morning, all, and a warm welcome to our Q3 FY25 Earnings Call. I am pleased to share that we have delivered an exceptional performance in Q3 FY25 continuing our strong growth trajectory. This quarter, we have achieved our highest ever quarterly revenues reaching ₹7,979 crores with a remarkable growth both year-on-year and quarter-on-quarter. Our performance is fuelled by robust base product sales in the U.S., sustained momentum in Europe, and ongoing expansion in high growth markets. We saw impressive volume growth, successful product launches and maintained stable pricing, all contributing to a strong quarter.

Gross contribution also stood at highest level at ₹4,663 crores. Gross margins remained at 58.4% increased by 130bps year-on-year despite low transient sales, owing to benign raw material prices.

Our EBITDA stood at ₹1,628 crores with a healthy margin of 20.4% even after absorbing higher R&D cost of around ₹50 crores over Q3FY24 given our strategic focus on development of complex products including specialty and biosimilars.

EBITDA before R&D stood at 25.8% or ₹2,056 crore against ₹1,975 crores in Q3FY24.

Our net profit for the quarter stood at ₹846 crores.

Our cash flows improved significantly on the backdrop of a strong working capital management leading to a reduction in net debt to US$84 million.

Now, let me take you through the business highlights for the quarter.

Formulations Business: In Q3FY25, our formulations business witnessed a robust year-on-year growth of 11% to ₹6,973 crores, contributing approximately 87% of the total revenues.

The API business recorded a revenue 1,006 crores. While pricing pressures continued, these were partly offset by the volume gains and improved asset utilization.

USA: During the quarter, our U.S. formulations business recorded revenues of US$435 million against US$421 million in Q2FY25, reflecting a strong quarter-on-quarter growth. The price erosion on overall basis remained neutral supported by our well diversified portfolio.

Revenue from overall generic products in USA increased by 4% year-on-year to US$297 million driven by volume gains and new product launches. The Specialty & Injectables business in US remained at US$76 million mainly due to low transient business sales and cut-off related issues due to the Christmas.

As of December 31st, 2024, we have a total of 226 Specialty & Injectables ANDA filings with 170 having final approvals and 56 under review.

During the quarter, we filed 4 ANDAs, received final approval for 8, and launched 7 products.

Europe: Our Europe formulations business continues to deliver strong results, registering a revenue of ₹2,121 crores, a significant growth 23% year-on-year. In constant currency terms, our revenue stood at €236 million against €229 million in Q2FY25. This growth was driven by robust performance across all key European geographies.

Growth Markets: Revenue from the growth markets saw a remarkable 39% year-on-year increase reaching ₹873 crores or US$104 million driven by our successful geographical expansion and strong sales momentum.

ARV: The ARV business stood at US$36 million [₹307 crores]. The growth in ARV business was driven by additional opportunities.

Now, going to the other highlights -

The raw material costs continued to be at benign levels supporting our gross margin, which stood at 58.4% against 57.1% of previous year.

Net Capex for the quarter is around US$106 million.

The business had a net cash inflow of US$49 million during the quarter. This is supported by improved working capital position. As a result, the net debt after investments at the end of December improved to US$84 million from US$133 million in September 24. We expect the net debt to improve further by the end of the fiscal year FY25.

The average finance cost for the quarter was 5.6%.

The average USD-INR exchange [for the quarter] is at 84.46 against 83.76 in Q2FY25.

Strategic Initiatives:

Expanding our manufacturing capacities: We have a present formulations annual manufacturing capacity of 50 billion+ units. We intend to further increase the capacity to drive future growth.

We have commercialized our China plant with an annual OSD [manufacturing capacity] of around 2 billion units, which is expandable further over near to medium term. The plant is expected to contribute to revenues in FY26.

We expect our US based OSD plant at Dayton to be commercialized in the next fiscal year. Our other plant in Raleigh, which is currently manufacturing topical is expected to be fully operational next fiscal year to include transdermal and respiratory products.

Building a strong portfolio with respiratory and nasal: We are working on multiple respiratory products. Recently, we have partnered with a global pharma major for development of respiratory product, highlighting our commitment towards the complex portfolio.

Our backward integration: We are witnessing good yield improvements in the capacity ramp up process in our strategic investments namely, the Pen-G and forward derivatives is on track. We expect to break even by March 2025.

Strong biosimilar product line: The recent [EU-GMP Certificate of compliance] certificate followed by [two CHMP] positive opinions emphasize our commitment and capabilities in this space.

Looking ahead:

We are confident to continue our growth trajectory driven by our robust and diverse product portfolio coupled with significant capacity enhancements, multiple upcoming launches and favourable market conditions.

Our backward integration efforts are expected to drive enhanced operational efficiencies and deliver strong contribution to our financial performance in FY26, which not only offsets the anticipated decline in transient sales but also strengthen and sustain our revenue and profitability growing forward.

The growth momentum in Europe and other key market is expected to sustain, further accelerating our revenue stream. At the same time, our proactive efforts to optimize the working capital cycle will further enhance our balance sheet and improve cash flows, reinforcing our financial stability and long-term growth potentials.

We are on track to achieve our internal EBITDA margin target of 21% to 22% for FY25. The next quarter [Q4FY25] is expected to be strong and driven by increased transient sales, execution of strategic initiatives and improved operational efficiencies.

This concludes my remarks. Now, our business leaders will give more clarity on any specific aspect in our Q&A session. We are happy to take your question. Thank you.

Question & Answer Session:

Moderator: Thank you, Sir. We will now open the call for Q&A session. We will wait for a few minutes until the queue assembles. We request participants to restrict to two questions and then return to the queue for more questions. While asking questions, request you to please identify yourself and your company name. Please raise your hand from the participant tab to ask the question.

The first question is from Tushar Manudhane.

Tushar Manudhane: Yeah. Good morning, Sir. Just on Pen-G, to start with, like what kind of operational loss currently we have for the quarter?

S. Subramanian: We had around ₹60 crore operational loss and the plant has gone for a small shutdown for including/modifying some of the equipment which has completed, and we started it 10 days back.

Tushar Manudhane: And what kind of pricing outlook are we sort of building once we break even or let's say for the external sales?

S. Subramanian: Current pricing of Pen-G is around US$26. However, we are not depending on the Pen-G sales alone. We have created capacities across the value chain of Pen-G, so we

will be able to supply it as Pen-G or 6-APA or Amoxicillin etc. So we will be able to manage it even if the price goes down and we may even do better.

Tushar Manudhane: Understood. And secondly in terms of the raw material prices, what's the outlook whether do you see the inventory in this industry itself lowering down, so that will benefit in terms of raw material prices for us going forward?

S. Subramanian: I think the current raw material prices continue to be there [at current levels] and what will happen because of the inventory going down is a very futuristic question, but I think, at any point of time, we will be having around three to six months tops, so may not be a big issue in our view.

Tushar Manudhane: And lastly on Eugia, when do we see the production scaling up or let's say the sales scaling up, we've seen now like second quarter where sales been really trending downwards?

S. Subramanian: Yeah, my colleague, Yugandhar will answer.

Yugandhar Puvvala: Hi, so as you rightly said, it is basically like we are scaling up the production mainly from Eugia-3 and we have completed all the remedial actions and this quarter onwards, we will be reaching to our original what we used to do, which is around 60 to 70% of capacity utilisation. Right now, we are still doing around 50% capacity utilization. So, I expect this quarter onwards, we should go back to the previous levels, and I don't expect any further decline happening from here on.

Tushar Manudhane: Thank you.

Moderator: Thank you. The next question is from Kunal Randeria.

Kunal Randeria: Good morning, Sir. So, my question is around your plans in China? So how should we look at this market shaping up because in the past you and several of peers have spoken of this opportunity, but I don't think there has been any material contribution yet. So, just wondering if you can share some details, the kind of products you have, the time it takes to get approval, the reimbursement process, the launch pipeline you have, and the revenue projection for the next two to three years?

S. Subramanian: Yeah, Kunal, we started our China plant in the last week of November, and it is in the ramping up process. The China plant will start billing sometime in the month of April, mainly to the European markets. We also have certain approvals for China and also we already got the European approval, so we can supply to Europe. China, we are in the process of getting it and after that there may be an inspection for U.S. also. So, in the next year, it will ramp up fully and probably in another two to three years, we will see good traction coming out of the China plant.

Kunal Randeria: And the kind of products and just curious, why would you be, not trying to supply more to the Chinese market?

S. Subramanian: No, immediately we are having the European approval, so will supply to Europe. As and when we get the approval from China regulatory authorities for the China plant, we will supply to China also.

Kunal Randeria: Right and any revenue number you would like to call out now, for the next three years?

S. Subramanian: No. This being the first year, we may not like to, but certainly I see a significant revenue coming up in two to three years' time.

Kunal Randeria: Sure. Just one more if I can, for the fourth quarter, should your gRevlimid sales be higher than the fourth quarter of last year?

Yugandhar Puvvala: I think yes and beyond that, I don't want to say anything, but yes.

Kunal Randeria: Sure. Thank you, Sir.

Moderator: Thank you. The next question is from Kunal Dhamesha.

Kunal Dhamesha: Hi. Thank you for the opportunity. Sir, when I look at, we have said that our revenue growth in this quarter on a year-on-year basis is excluding the transient product is around 12% year-on-year. So, that's a good outcome. Can you help us with a similar number for nine months FY25?

S. Subramanian: I'll work it out Kunal. I don't have it right now. I'll get it done.

Kunal Dhamesha: Sure. And on the transient product, how do we expect it to evolve in FY26 since there is a patent expiry also coming in for us, because there will be some buying pattern changes as well, so how are you thinking about it?

S. Subramanian: Yugandhar.

Yugandhar Puvvala: Sorry, Kunal, I didn't get, is it specific to some product?

Kunal Dhamesha: It's specific to gRevlimid right because there's patent expiry in let's say January, and everyone is given a particular market share, so is there a meaningful change that you expect early on in the year, let's say FY26 in terms of buying pattern, price erosion, volumes, or would it be more?

Yugandhar Puvvala: There are lot of things possible, Kunal. We don't know exactly how the market will shape up going forward into FY26. So, we are conscious of that and whatever volume what we have, we wanted to maximize the opportunity in Q4 and Q1. That's our thought process. Now, how things will shape up? I won't be in a position to clearly tell, but yes, the closer you go towards Jan 2026, things are going to change dynamically. Okay. So, I don't know what others will do, but I know what I will do. Obviously, like we do have plans of continuing gRevlimid post the patent expiry starting from 1st Feb 2026 and it will be like any other generic, but we want to be there even the post [patent expiry].

Kunal Dhamesha: Sure. And one for Dr. Satakarni on the positive CHMP opinion that we have got on Filgrastim now. So, what's our launch plan? I believe we need to still get the marketing authorization approved and then we can launch. So, what's the timeline there and then how the pipeline is looking?

Dr. Satakarni Makkapati: Good morning, Kunal. So, with respect to the positive opinions we have received from CHMP for Filgrastim and the long acting Filgrastim, I expect the marketing approvals in two months' time. That's the usual timeline from receiving a positive opinion to completing the European Commission formalities for receiving a positive opinion [read it as 'marketing approval']. So, considering Dyrupeg or the pegylated Filgrastim gets approved in April and Filgrastim slightly before that, we already have a bevacizumab biosimilar approval in UK. So, I think we will be starting our commercial supplies into the EU starting the quarter of July. So, in all likelihood, I expect a quarter and quarter and half of revenue bookings to begin from this year. That's Part-1 of your question. Now, what was the Part-2? About the pipeline, right? Kunal?

Kunal Dhamesha: Yeah. In terms of, how we have evolved, let's say quarter 2 to quarter 3, any clinical trial updates, etc that we have or the pipeline products?

Dr. Satakarni Makkapati: So, we have four more products in the Phase 3 clinical trial. As I told you, I think last quarter the biosimilar to Xgeva and Prolia, which is a Denosumab biosimilar being tested in post-menopausal osteoporosis. We are on track to conclude the clinical study by May this year [2025], which means that we will have the clinical study report available with us by September [2025], and I hope to, if there are no further delays in gleaning the data, because this trial was completely conducted in 8 European countries and 65 sites, I expect the European filing to be in the October quarter and the U.S. filing to be in the Q4 of the next fiscal [FY26].

With respect to Omalizumab, which is a biosimilar to Xolair that is being tested in chronic spontaneous urticaria across the European sites in Caucasian public (patients), we are slightly delayed by about four to five months in closing out the (patient) recruitment. I think I talked about it last quarter, but what is important to note is, we made-up for a couple of months by increasing the number of sites in India, earlier India was not part of the recruitment plans which means that I'll still have a delay of three months in closing out the study. But I'm quietly confident that by the end of this year, the Omalizumab clinical study will be concluded as well. We already announced positive Phase 1 results with Omalizumab versus the European and the U.S. innovator product, I think last year. So, we are quite confident of closing out the Omalizumab clinical study by the end of the year, and Q4 filing, at least in Europe, still looks a possibility in the next fiscal. So, that's about the Omalizumab clinical study.

The Bevacizumab clinical study has been going on for about 3 years now. We are inching towards the closure. I think in two quarters time we will conclude the recruitment phase and probably we will have a filing in Q1-Q2 of the next fiscal, which means (in) FY26-27 for Bevacizumab, but with the MHRA approval that we received for the Bevacizumab, we are talking to a few regulatory agencies in the emerging and the semi-regulated markets where we can position the dossier based on the MHRA approval alone. It's still very dynamic in the

way regulatory agencies look at how the product gets approved only based on Phase 1 and what is the process forward in approving it. So, if there are any approvals that I receive in emerging markets or semi-regulated markets, I'll let you know.

The ophthalmic product is slow. We have an ophthalmic product in clinical trials. We are only at around 50% of the recruitment. So, I don't think we'll be able to complete the recruitment in 2025 as estimated before. I think we will be well into the second half of 2026 when we (will) conclude the Phase 3 clinical trial for the ophthalmic product. So, in the nutshell, except for the ophthalmic product, the pipeline is advancing fairly well and with approvals that we have received or the positive opinions that we have received, we are quite confident by 2026, we will be able to at least have six to seven products in the European and the semi-regulated markets. I hope that answers your question.

Kunal Dhamesha: Yes, yes. Thank you, Sir for the detailed update and all the best.

Dr. Satakarni Makkapati: Thank you.

Moderator: Thank you. The next question is from Anubhav Agarwal.

Anubhav Agarwal: Yeah. Hi, guys. Good morning to all. Two questions, one is for Yugandhar Sir. First on the injectable business, when I look at IQVIA data, I do not see significant ramp up over last two or three quarters. The sales are just languishing. I understand that you guys been shipping this quarter had cut-off effect etc., but is it just a production problem where you say that you have 50% capacity utilization or there is unwillingness from the customer side to take product because of Eugia-3 situation?

Yugandhar Puvvala: No, it is mainly the production problem. Anubhav, I can tell you that with full confidence, it is that we are ramping up slowly and we don't want to rush anything and all our contracts and interest from the customers is very, very high and we are not in a position to meet the demand, but I do not want to rush anything just to meet the demand. I expect Q4 and Q1 of next year to be much better, but in terms of customer interest and all the contracts very much in place, absolutely no issues.

Anubhav Agarwal: And on the utilization, the reason utilization is low because CAPA progress is happening, does the facility still have lot of consultants over there?

Yugandhar Puvvala: No, consultants are no longer there, we just have transient consultants, we had a meeting with FDA and everything has been sorted out in October itself and we have transient consultants who are just two or three people working with us. Beyond that, we don't have any consultants, no longer available and no longer required, even as per FDA, and what we are doing is, because we have put in lot of CAPAs, we are recruiting more people to ensure that we meet up to our CAPAs and the recruitment process has taken time because in injectables getting good manpower is also not easy. So, now we have all the people in place, we have 95% of our requirement in terms of number of people, all have joined, they are under training from February onwards. Everybody is on the job, so that's why from March onwards, I expect the production ramp up to happen to the original levels.

Anubhav Agarwal: That's very helpful. My second question is on the biosimilar front, and this is both for Subramanian Sir and Dr. Satakarni Sir. I'm just trying to understand, we have R&D of about ₹1,700 crore for the year, how much of that is going to biosimilars? That's one part of the question. Secondly, how much freedom has Dr. Satakarni Sir got in terms of expense that he can do in the biosimilar front? What is the target and when does biosimilars as a business become profitable for Aurobindo?

Dr. Satakarni Makkapati: Anubhav, I would take the question and ask Subbu to chime in with the numbers. The Part 1 of the question - I think we spend roughly about as a company 30%-35% of our R&D into funding the development of biosimilars. Subbu will be able to give the exact numbers, but this is primarily driven by the Phase 3 clinical expenditure. So, out of the overall spend that we make on biosimilars, around 70% to 75% of the expenditure is incurred towards conducting the pivotal or Phase 3 efficacy studies. So, in the nutshell around 30% to 35% of the overall Aurobindo R&D spend is spent towards biosimilars. Now, to the Part 2 of the question. What was the Part 2 of the question? If you can repeat again.

Anubhav Agarwal: Yes. Your part 2 of the question is, when does biosimilars as a division becomes profitable? Secondly, you are only using part of R&D as a resource right now, but Aurobindo has a very strong balance sheet also, so do you have the liberty to buy products also as your peers are doing versus or developing all yourself?

Dr. Satakarni Makkapati: That's a very interesting question. I'm dabbling with those thoughts, Anubhav myself, because any company of the size of us, cannot do all biosimilars by ourselves. It requires enormity of resources allocation to conduct and develop these many products and clinical studies that we are doing. If you look at when we started out in 2018, July to now, we have conducted about I think 6 Phase 3 clinical trials, around 8 or 9 Phase 1 clinical trials, so that's the size of biosimilar studies at companies like Sandoz and the Mylan do.

But having said that, any in-licensing opportunity that comes our way, that we believe will lend advantage to our businesses in Europe and U.S., we are open to those. We are scouting for a couple of opportunities, but we are more internally focused right now. In fact, our second wave of products or the third wave of products that you may call them post 2028, most of the product pipeline is now in a decent development stage where we may begin the Phase 1 and Phase 3 clinical studies starting end of 2025 and early 2026. So, any products that we miss out from our portfolio, which we think will make a significant addition to our commercial base in regulated or semi-regulated markets, we are open to in-licensing opportunities. There is enough freedom to go out and scout for products and in-license them when and if required, Anubhav, but right now, we covered most of the important products that we think will position us both in Oncology, Dermatology, and the Immunology segments, so Dermatology is part of Immunology. So, we are pretty confident with the broader pipeline that we (are) already have (ing).

To answer the next part of your question, when we think as a business, we will be breaking even. As I told you, 2028 to 2030 will be the inflection point of this business. You can already see that we have 3 products which are approved, 2 with a positive opinion in Europe, 1 in UK, and we are expecting one more this year and with Denosumab, Omalizumab, and one more

in the next year, we expect at least 7 products to be commercialized fully by the year 2027 (28). And [by] 2028 to 2030, will build in a good revenue base for us, where I think the company takes off by itself. So, we are enthusiastic about the progress that we are making and we are very sure footed in our investment and very prudent about the product choices we are making in the biosimilar segment, Anubhav.

Anubhav Agarwal: Thanks. That's very comprehensive. Thank you very much.

Dr. Satakarni Makkapati: Thank you.

Moderator: The next question is from Yash Darak. Hi, Yash please unmute.

Yash Darak: Hello, am I audible?

Moderator: Yes.

Yash Darak: Yeah. Can you please state operationalisation status of Pen-G and at what percent of utilization are we currently working, and how do we see it progressing forward?

S. Subramanian: Yash, the question of talking about utilization is secondary. The first thing what we have done is, how do we improve the yields etc., which we have been working and we have been fairly successful after the slight modifications etc., we have done and we have been seeing very good really results and in next two months we will continue that and the ramp up will take place starting April.

It is not the question of capacity utilization. You need to achieve the desired yield level, that's what we are working on.

Yash Darak: So do we expect the sales to ramp up from April?

S. Subramanian: I think that is what we are planning. In fact, touch wood, everything goes well, March also, we may be able to do that, but let's take it as April.

Yash Darak: Okay and secondly, Sir there was a PLI scheme which was introduced in the budget with amounting to ₹2,445 crores, are we expecting to benefit from that?

S. Subramanian: That is more of R&D know, if I am right?

Yash Darak: Yes, with regards to APIs.

S. Subramanian: Yeah, I think I have not seen in the last four days any guidelines as such. I was probably busy with the board papers and other things. Probably, certainly if there is an opportunity, we will apply to them. I think a lot of good things are being done in by the various business teams starting biosimilars injectable, peptides, everything, respiratory and other things. So, certainly we will look into every possible opportunity, but we have not seen the guidelines as on date.

Yash Darak: Understood.

S. Subramanian: At least I have not seen it.

Yash Darak: Yeah, yeah, understood. And final question will be in regards to the margin. When we guide for 21% to 22% of EBITDA margin, is it excluding the R&D or is it including the R&D?

S. Subramanian: See, everything put together [including R&D] only we document.

Yash Darak: Because we haven't been able to, you know, achieve the guided target in these quarters, so are we still confident of achieving the 21% to 22% EBITDA margin guidance?

S. Subramanian: Yes.

Yash Darak: Okay Sir. Thank you. That's all from my side.

Moderator: The next question is from Surya Patra.

Surya Patra: Thanks for the opportunity, Sir. My first question is on the respiratory product opportunity. What you have talked in the opening remarks also, so we know that there has been around 14 odd products that has already been there in the various stages of development, and I think the last quarter that we have also collaborated with one of the U.S. company to develop even a basket more. So, could you give some sense of what is the progress on those products? What kind of product that we are talking about there, and by when that we will really start seeing revenue contribution coming from that side?

S. Subramanian: Swami?

Swami Iyer: I can take this question Subbu.

Swami Iyer: Primarily we're talking about the MDI and DPI. Yes, you're right. We had announced last quarter about tie up with an international firm. Now, apart from that, we have a good R&D setup, and are developing few products which are in the various stages, in some cases the filings have been done (at least 2 of them) and few more are in advanced stage. We believe that these are good products with fairly good dollar values and we anticipate some of these products to come in late in the FY26 or maybe in the mid first half of FY27 and then from there we would have regular products coming in.

Surya Patra: Okay. And this collaboration, if you can just add some color on this?

Swami Iyer: We have tied up with the firm for the development of the product and we'll be launching it. This is a little medium-term, it's not short-term. Obviously, the development takes some time. We believe that this product has got a large market and we also feel confident that we should be able to launch it without any IP constraints. We have taken care of that we believe and this is a large company that we have tied up with and there is another party which is helping in the development too.

Surya Patra: My second question is on the U.S. business front. I think we have seen there is a kind of uptick in the branded Oncology business beyond the kind of a run rate of a US$ 25 to US$ 30 million, what it is been indicated earlier and similarly, even though OTC also has seen a kind of sequential as well as YoY uptick, and on the Eugia front, what around sequentially in the last two quarters $20 million kind of sequential decline that we are witnessing, so is it entirely because of that Eugia facility issue? So, if you can address these 3 segments?

Swami Iyer: Sure. Eugia part, I would leave it to Yugandhar to handle. Other than Eugia, I can talk about Rx oral solids and the OTC. So, Yugandhar, would you like to take up Eugia first?

Yugandhar Puvvala: Yeah, I think I already clarified that, like last two quarters have been mainly related to supply related issues and, per quarter we were impacted by around US$10 million and I expect from this quarter onwards we'll be back to normal run rate. It is mainly driven by the supply challenges, not related to the demand challenges. So, that I hope I've clarified multiple times. I hope that addresses your question.

Surya Patra: Thank you, Sir.

Swami Iyer: Okay. So, I'll talk about the oral solids and OTC. On both sides, we had a very good quarter with all round progress. There's been steady progress and we believe that this will continue going forward and we are focused on sustainable long-term based business and we are making more efforts to try and achieve that goal. We have a robust set of commercial products already in important, in almost all therapeutic segments and we are rapidly moving to a future with much more diversified portfolio. You know, you had mentioned about the MDI, the inhalation product. Similarly, we have in transdermal area and we are trying to diversify into different presentation, more value-added, value creating product, and we also amassed expansive pipeline with great potential to sustain and you know, our goal is to be the global generic powerhouse which we are to an extent at this point, but we expect to continue being there and doing better.

Surya Patra: Awesome.

Swami Iyer: I'll just briefly mention about OTC. So, finally, we have seen some traction in the OTC business in the last two quarters and December quarter was fairly significant in terms of some breakthrough. We think that OTC would continue to grow and over the next few quarters, I think you would hear more about it and we would see fairly good growth in OTC business.

Surya Patra: Sir, with your permission, can I just ask one more question, Sir? This is about AuroPeptides. Now, Dr. Satakarni Sir, can you give some sense about what is our preparedness about the GLP-1 and also the kind of a competitive edge that we would be having because here most of the competing peers are indicating about integrated operation there.

Dr. Satakarni Makkapati: Hello. AuroPeptides is into the manufacturing of APIs. So, with respect to GLP-1s, right now, we have 1 GLP-1 peptide, active DMF, the other one we are going to file the DMF this year and we are investing in development of another GLP-1 Peptide. Anything on the finished product, you should talk to Yugandhar. He'll be able to answer that.

Surya Patra: Yeah. Yes, please.

Yugandhar Puvvala: Yeah, Surya. We have entire GLP product range. In fact, at our Vizag plant, we have a significant capacity cartridge line where we'll be filing all the GLP-1 products, Liraglutide, Semaglutide, Teriparatide, okay. Everything in the GLP pipeline is covered by us and we will be filing from our new Vizag plant.

Surya Patra: Okay. And even the device is our captive?

Yugandhar Puvvala: Device is always outside, because either it is from BD or from somebody else like the device manufacturing company, but device assembly, along with the medicine happens in our plant. But device per say is always from outside companies.

Surya Patra: Thank you, Sir.

Moderator: Thank you. Next question is from Bino Pathiparampil.

Bino: Hi, good morning. Couple of questions from my side. We have seen exceptionally strong growth in Europe and ROW for the quarter as well as nine months, what is driving this?

S. Subramanian: Which one Bino?

Bino: Europe, ROW, both.

S. Subramanian: Yeah. Murali, please.

V. Muralidharan: Yeah. Hi, good morning. This is Muralidharan. Thank you for raising this question. Yes, Europe has been contributing close to 27% of the global revenues for Aurobindo. Currently, we are doing this based on the wide portfolio of the products and efficient supply chain and increased supplies originating mainly from India and faster turnaround of the products at our quality lab, mainly at Malta. Some of these factors and a well-oiled, frontend infrastructure and machinery, commercial infrastructure. So, all these are working in our favor at this moment. Also, we are availing the market opportunities in a big way and, other mechanisms, standard ones like the demand for testing and timely supplies. All these are contributing to this robust performance, and we expect the momentum to continue in the coming year and quarters ahead. And having said that, we are looking for further launches that will happen from Eugia space as well as biosimilar space and that will further take us to the higher levels.

Bino: Got it. But most of these things would have been a work in progress over the years, but what has really happened this year that suddenly there is a growth spurt?

V. Muralidharan: No, you're right in it, but at the same time, over the last several quarters or last couple of years, we were fine tuning. We were missing out on couple of these aspects to happen in the right tandem and definitely things are happening at the right perspective as of now.

Bino: Got it, got it.

Yugandhar Puvvala: Just to add like there can be supply challenges from a lot of companies and we are in a position to, take in fact like even Eugia has been growing at a rate of 20% in Europe. So, we don't want to comment on other organizations, but yes, we have been seeing supply challenges from multiple companies and we are in a position to fulfil the demand wherever the gaps are.

Bino: Understood. Thank you. My second question now is about India. So, you have this Trastuzumab approval already. How do you plan to sell it? Have you partnered with other companies? And second, when the GLP-1 opportunity opens up in India, how do you plan to sell it? You have partners already in place?

Dr. Satakarni Makkapati: I will take the trastuzumab question Bino. So, we have an approval by the CDSCO for Trastuzumab. We are putting together our domestic marketing and sales team, which will kick in probably by the end of this year, but until then, the first two quarters the sales will be through co-marketing partners. But going forward, in the domestic market, we are going to add a good sales team essentially to take our biosimilars to the patients and the prescribers. So, that's the strategy that you will see evolving in the next two to four quarters time.

Bino: Understood. And the sales team is only for biosimilars, you won't have any other products?

Dr. Satakarni Makkapati: For the biosimilars, we are having a separate sales team because they specialize in branding it, and importantly, there is a lot of network that is required to put forward biosimilars to the prescribers convincingly. But having said that, any support to medication or concomitant medication that goes with biosimilars will also be marketed by the same team.

Bino: Understood and GLP-1 plans?

Dr. Satakarni Makkapati: For India, GLP-1, we have our plans. We are talking to the agencies to see what sort of study requirements must be met, but you will see some announcement from me in the next two quarters time about our strategy in the domestic markets of GLP-1s.

Bino: Sure. Thank you.

Moderator: Thank you. The next question is from Tarang Agarwal.

Tarang Agarwal: Hi, good morning. Am I audible?

Moderator: Yes.

Tarang Agarwal: Okay. On Eugia Sir, you said that Eugia utilisation is currently at about 50% for Eugia-3, does this also include the expanded capacity of Eugia-3?

Yugandhar Puvvala: No, Tarang. It's actually like expanded capacity is line 13, line 14, and that I'm not even considering. I'm talking about the existing capacity of because those lines are not approved so far. So, I don't consider them as a capacity available. But up to whatever lines we have, we have been using around 70%-75% in the past. Right now, we were using around 50%, so like we are confident that we will come back to our original levels of 65%-70% capacity utilization of the previous capacity. As and when the new line gets approved, that will be an additional capacity.

Tarang Agarwal: Sir, so practically, what is the utilization that the business can go through number 1. Number 2, between line 13, line 14 and the Vizag plant, when do you expect the approvals to come through and if one were to consider line 13 and line 14 capacity to be theoretically available and Vizag to be theoretically available as on date, what would be the utilization for the injectables business?

Yugandhar Puvvala: Vizag is still in nascent stages because we got approvals for terminally sterile lines. Now, we will be going for the aseptic lines approval that audit is due and then we will be adding different varieties of things in Vizag, the cartridge lines will be all exclusive only for Vizag and there is a PFS, BFS all those lines what we will be adding. So, between Eugia-3 and Vizag facility, we will have significant capacity to take care up to FY30 in terms of the capacity available for the business and our business growth plans.

Tarang Agarwal: Alright. And would it be fair to presume that for the normalized injectables business, US$85 million to US$90 million of U.S. revenue and about US$45 million of Europe revenue could be a good base to go from Q4 onwards?

Yugandhar Puvvala: Yes.

Tarang Agarwal: Got it. Thank you, Sir. And the last question on Europe, Sir you know fantastic execution of the last three years I would say. Euro revenues have been growing at a range of anywhere between 10% to 13%. If I look at it from a nine monthly basis, just wanted to get a pulse of, you know, how are the margins on this business because as we understand at some point of time the margins were low middle digits and there was an inflection point that the business was looking for those margins to really inch up, so comment there would be helpful and how should we see this €235 million run rate going forward on a quarterly basis?

V. Muralidharan: Yeah, Tarang, thank you for this. Yeah, I mean on the margin side as well as we are very constantly looking at the opportunity sales to be availed, definitely we are clocking better margins. Of course, the specific numbers, Subbu will be able to comment at the appropriate time and coming to the run rate of €230 million plus is, we are confident of sustaining this in the coming period as well. If I have to take January as a benchmark,

definitely we are on it, but yes, we will announce the full quarter results as we come to the end of the financial year.

Tarang Agarwal: Okay. Thank you, Sir. All the best.

V. Muralidharan: Thank you.

Moderator: Keeping in mind the time we will restrict to one question only. The next question is from Neha Manpuria.

Neha Manpuria: Yeah. Thanks for taking my question. Swami Sir, you know the 2 billion units in China that will free up capacity probably in the India manufacturing for the U.S. market and the fact that we're also adding capacity in Raleigh, etc., you know how much additional capacity would you have for the U.S. market going into next year and how confident are we of being able to actually capitalize on that without necessarily putting pressure on the market given how large we've become in the U.S.?

Swami Iyer: Thanks, Neha. I'll take the second question first, on the ability to sell the volume that's being generated. We are happy to take on more volumes. We have a good market as you know we are number 1 in years in terms of prescription, we have a large base, but we believe that we have a scope to grow. We are today 11% market share. We think that there is scope to grow given our background, given our infrastructure in India. Now, the North Carolina facility is nothing to do with the oral solids. It's a differentiated presentation. One is the topical, transdermal and the inhalation. So, that we don't have to count towards the normal 2 billion odd we are selling here. As far as China is concerned, China is not only for US , it's also for other market so, we are looking for contribution from China in terms of volume and even our own units, I think they are adding balancing equipment. They are able to ramp up. We could see some more volume surge in the next few quarters and we'll be able to take it on. We don't see a situation at this point where we would have these facilities being underutilized except for pockets. There may be a seasonal issue at that time, it may be an issue, otherwise we think we're good.

Neha Manpuria: Understood. So, we don't see a situation where the additional capacity in India you know does not necessarily get absorbed in the U.S. We have that much of visibility?

Swami Iyer: Yeah, not in the short to medium term, definitely.

Neha Manpuria: Understood. And my last question on the CDMO capacity, I see that we've announced an expansion, you know in the presentation we mentioned we're adding I think another 30KL. Is this still for MSD or is this a new CDMO contract or this is an anticipation of demand?

Dr. Satakarni Makkapati: Neha, this is in anticipation of the demand. The reason being that when we conceptualize a facility for 4X15 KL bioreactor capacities building 2 lines and leaving out the other two in for Phase 2 addition, we will not want to leave it too late, so we just wanted to make sure that as we construct the facility now, we have the scope of adding these two lines, so that there are no future design changes that would be required. So, it's more of

an engineering prudence that drove the decision, and the business prudence would be that we at some point would expect more demand and to meet the demand, it is better to have the capacities in place than arrange it then with some sort of a delay. So, it's more of an anticipation of the demand and considering the engineering requirements now.

Neha Manpuria: Understood. Got it, Sir. Thank you so much.

Moderator: Thank you. Keeping in mind the time, we will now take last two questions. The next question is from Shyam Srinivasan.

Shyam Srinivasan: Good morning. Thank you for taking my question. So just one on the macro and new administration in the U.S., so just want to understand there's a potential tariff on pharmaceuticals. So, as a company, as an industry, what are some of the pushbacks that we give like a lobby back to the U.S. government, which probably may think of tariffs? Is it our footprint in the U.S. in terms of manufacturing when we talk about new capacity additions in the U.S., is there more onshoring as a team that you will probably suggest to them and what could be some of the mitigation efforts on this one? So, I know it's a hypothetical question at this point of time but want to understand what are some of the broad contours that the management is thinking about?

Swami Iyer: Yeah. Thanks, Shyam. Subbu, I will take this question. As yet, we don't know what's the final outcome, we don't know what the tariff, there's a lot of noise right now. We do know that from China, there is some input tariff. But there's nothing that we believe is going to be a challenge for us, we would continue to import from India and competitors would be in the same state as we are in, that's one. You're right as not just as a mitigation strategy, but as a strategy itself, we have built up good infrastructure in the U.S. We have a Dayton plant that's coming up and we also have the Puerto Rico plant, which we can commercialize very soon with short notice. So, we believe that we are well geared up to meet any challenges that comes up as far as the U.S. market is concerned.

Shyam Srinivasan: And Subbu Sir, just if I may squeeze in, in terms of ROCEs, are these investments, or is there a way to make sure these ROCEs are higher than where our corporate averages are because that's the prime reason why we moved manufacturing out in the first place, so is there any other way to recoup margins or returns?

S. Subramanian: Shyam, the units like penicillin or Qule or China, these are all in the ramping up and then incurring losses. Once the full ramp up is taking place, you see it'll get converted into positives, so which will help us to improve the ROCE and the capital expenditure which you're doing more of adding lines to the existing plans etc. which also will help to improve the ROCE in a significant manner. Probably you can see the big actions, coming in the second half of the next fiscal. Clearly, you will able to see that that's what my belief.

Shyam Srinivasan: Got it. Thank you and all the best.

Shriniwas Dange: Yeah. So, the next question is from the line of Mr. Vivek Agarwal. We'll take this last question and then conclude. So, Vandit, can you please unmute Vivek Agarwal?

Vivek Agarwal: Yeah. Thanks for the opportunity. The question is related to gross margins. Currently, we are in the range of around 58%-59% over the last few quarters and again it's a decent number. Just want to understand will you be able to maintain this margin, let's say around one to two years down the line? Because there's a couple of moving parts like Pen-G is coming, there maybe like Revlimid might be coming down, so any broader color would be helpful for one to two years perspective how we should look at this number? Thank you.

S. Subramanian: Vivek, while asking question, you have already given the answer. What else can add beyond what you're saying. Already all this product Pen-G and other things should start contributing, which will help to retain the gross margin certainly.

Vivek Agarwal: Understood. Thank you, Sir. I'm just trying to understand, can this margin move up from here on meaningfully or you will be able to maintain this margin? Thank you.

S. Subramanian: I think let's park this question for the next call.

Vivek Agarwal: Okay, Sir. Thank you.

S. Subramanian: Thank you.

Vivek Agarwal: Good luck.

Shriniwas Dange: Thank you all for joining us on the call today. If you have any of your questions unanswered, please feel free to keep in touch with the Investor Relations team. The transcript of this call will be uploaded on our website, www.aurobindo.com in due course. Thank you and have a great day.

S. Subramanian: Thank you.

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