Date: January 30, 2025

To,
Sr. General Manager
Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400001

BSE Scrip Code: 544319

To,
Sr. General Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G
Bandra Kurla Complex
Bandra (E), Mumbai – 400 051

NSE Symbol: SENORES

Sub.: Compliance under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015– Transcript of the Earnings Conference Call – Q3 and 9M FY25

Dear Sir/Madam,

Pursuant Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and in continuation to our intimation dated January 10, 2025 and January 23, 2025, please find enclosed the transcript of the Earnings Conference Call for the Q3 and 9M FY25, held on Thursday, January 23, 2025 at 04:30 P.M. (IST).

The aforesaid information is also being hosted on the Company's website at www.senorespharma.com.

You are requested to take the same on record.

Thanking you.

For Senores Pharmaceuticals Limited

Vinay Kumar Mishra
Digitally signed by Vinay Kumar Mishra
Date: 2025.01.30 11:47:02 +05'30'

Vinay Kumar Mishra
Company Secretary and Compliance Officer
ICSI Membership No.: F11464

“Senores Pharmaceuticals Limited Q3 FY25 Earnings Conference Call”

January 23, 2025

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recording uploaded on the stock exchange on 23rd January 2025 will prevail.

MANAGEMENT: **MR. SANJAY MAJMUDAR - CHAIRMAN, SENORES PHARMACEUTICALS LIMITED**
MR. SWAPNIL SHAH - MANAGING DIRECTOR, SENORES PHARMACEUTICALS LIMITED
MR. DEVAL SHAH - WHOLE-TIME DIRECTOR AND CFO, SENORES PHARMACEUTICALS LIMITED
STRATEGIC GROWTH ADVISORS – INVESTOR RELATIONS

MODERATOR: **MR. PRASHANT NAIR - AMBIT CAPITAL PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the Senores Pharmaceutical Q3 FY25 Earnings Conference Call hosted by Ambit Capital Private Limited.

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 "*" and then "0" on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Prashant Nair from Ambit Capital Private Limited. Thank you and over to you, sir.

Prashant Nair: Thank you. Hello everyone. Welcome to the Q3 and 9M FY25 Earnings Call of Senores Pharmaceuticals.

We have the following members of Management with us on the call. Mr. Sanjay Majmudar – Chairman, Mr. Swapnil Shah – Managing Director, Mr. Deval Shah – Whole-time director and CFO.

I will now hand over the call to Swapnil to walk us through the quarter. Over to you, Swapnil.

Swapnil Shah: Yes, thank you, Prashant. Good afternoon, everyone. Thank you for joining us on Senores Pharmaceutical Limited's Q3 and 9M FY25 Earnings Conference Call.

Along with me on the call, we have our Chairman – Mr. Sanjay Majmudar; our CFO – Mr. Deval Shah; and Strategic Growth Advisor, our Investor Relation partners.

We have uploaded the Results and Investor Presentation on the Stock Exchanges, and I hope everybody had an opportunity to go through the same.

2024 has been a milestone year for Senores Pharmaceuticals. We got listed on Indian stock exchanges in December 2024. I would take this opportunity to thank the entire Senores team, as well as bankers and all the stakeholders, for their efforts, including all the investors who have shown faith in us, in our business.

Since it's our maiden Earnings Call, I would like to give everyone a brief overview of Senores Pharmaceuticals to begin with:

Senores Pharmaceuticals is a global, research-driven pharmaceutical company engaged in developing and manufacturing pharmaceutical products, predominantly for the regulated markets like US, Canada, and others.

Our strength lies in identifying, developing, and manufacturing a diverse range of specialty, underpenetrated and complex pharmaceutical products, establishing as a preferred partner to our customers. Through various means like data analytics, research of different B2C segments,

market assessments, and with our experienced team, we strategically identify commercial as well as under-penetrated molecules to launch in the various regulated markets that we operate in. Also, we look at upcoming molecules in emerging markets. We leverage our R&D capabilities to develop and manufacture a product portfolio of differentiated as well as complex pharmaceutical products.

We also have a fast-growing emerging market business spanning across 40 plus countries with the main presence in Far East Asian market, CIS, as well as Latin America, Africa, and other markets that are there on the emerging side. Along the side, we are also pouring into API manufacturing and marketing of critical care injectables in India. These businesses are relatively at a nascent stage with huge growth potential as we are all aware.

Regulated and emerging market businesses are carried out through our three subsidiaries. Two subsidiaries are in the US - Senores Pharmaceuticals Inc. and Havix Group Inc. in the US and Ratnatris Pharmaceuticals Private Limited in India. About 60% to 65% of our consolidated revenue comes from regulated markets, largely through our US subsidiaries and about 30% to 35% revenue comes from emerging market through our Ratnatris subsidiary. The balance is from API business as well as critical injectable business that we have.

Going slightly deeper in our key business verticals. Regulated markets, particularly in the US, which is our biggest vertical for Senores and it will remain the focus area for us. Till date, Senores has commercialized about 22 products, which are our own products in the Regulated markets. As on date, we have 24 approved ANDAs and we have received five new approvals in the latest quarter, as we speak. Further to that, we have 51 products that are under the pipeline. Some of them are already filed, some of them are at exhibit stages, some of them are at R&D stage. From these 51 products, we expect five products to be launched in Q4, Financial Year 2025. Out of these 51 products, 28 products have the opportunity of getting CGTs, which is Competitive Generic Therapy. Product pipeline is spread across multiple therapeutic areas like cardiovascular, CNS, pain management, muscle relaxants, so on and so forth.

Apart from our own product, we have a pretty large CDMO, CMO vertical in the US and for other regulated markets. We believe our CDMO and CMO partners rely on our customized formulation, development and manufacturing capabilities to address the growing drug and therapy complexity, cost efficiency and regulatory scrutiny. We partner with many of our CDMO partners early in the drug development process, enabling us to expand our relationship as molecule progresses through different phases of commercialization. This results in a sustained relationship with our partners and gives us an opportunity for recurring revenue stream. For CDMO and CMO, we have partnered with large pharmaceutical companies and currently, as we speak, we have 21 commercial products on the CDMO-CMO as we speak. And 69 products we have in a pipeline on the CDMO-CMO side. As we gain more reference and skill, we envision this business to grow faster with product addition and product approvals as we get on the CDMO-CMO, and wallet share addition and customer addition across markets on this segment of the business.

The regulated market business is catered to from our USFDA approved manufacturing plant based out of Atlanta, US. The facility has about 185,000 square feet of manufacturing area with capacity to produce about 1.2 billion units, both tablets as well as capsules annually. It has maintained excellent compliance record, last FDA approval was without any observation, without any Form 483. We are a DEA compliant manufacturing plant. It has DEA-compliant certification for government supplies that happens in the US. So, large part of our CMO-CDMO vertical also leverages our US manufacturing base, where you're required to manufacture in the US that will go into either a control substance supplies as well as government supplies through BA certification, which is the Buy American Act Certification.

For our emerging market business, as I said, we develop and manufacture pharmaceutical products across different therapeutic areas, as well as different therapeutic dosage forms. So, right from the injections to oral solids, within injections, multiple form of injections, in oral solids, multiple form of oral solids, as we speak, that we manufacture at our Ahmedabad facility, which goes into emerging market, as we speak. The facility has an annual capacity of about 1.5 billion units on the oral solids side, and about a 50 million units on the injectable side. As of today, we have presence in about 40 plus countries globally with a portfolio of 267 registered products, wherein we have recently added 62 more products that we got approval from various countries. A further total, we have 537 products under registration as we speak with 131 new filings that will take place as we move forward. Having put in place a strong product portfolio, we are now streamlining and improving our go-to-market models on emerging market side as we speak.

Speaking of our critical care segment, we launched our division in August 2022. The focus area is to directly supply to hospitals, cutting down all the mid-level distributors and suppliers. So, we tend to tie up directly with multispecialty hospital, hospital chains, and continue to expand our product based on the critical care side of the business. On the APIs, we commenced with an objective of doing an API manufacturing facility as backward integration. Currently, the API facility that we have caters to domestic as well as SAARC countries. However, in the medium to long term, we intend to manufacture API for regulated markets and generic markets, largely for backward integration as we speak. We manufacture currently through our Naroda facility and Greenfield API facility at Chhatral is likely to commence soon. Currently, we have commercialized about 16 APIs, which also includes some of oncology APIs as well.

Again, as I said, Senores is a R&D driven company with a differentiated product portfolio across different dosage forms, which has enabled us to reach a range of targeted markets with the presence in US, Canada, and other emerging markets. Our capabilities include internal research and development, knowledge established, and established manufacturing capabilities, both in India and as well as in US. Again, our strength lies in our ability to identify, research, develop, manufacture, in-house pharmaceutical products for hydrotherapy for which there is a limited competition. We have three R&D facilities, two in India and one in the US, with a team of more than 70 people spread across different locations. If I talk about our key strengths, as I highlighted earlier, our core strength at Senores lies in leveraging our R&D capabilities to identify, develop,

and manufacture niche and complex formulations for regulated markets. So far, we have 100% track record in terms of conceptualization of a product to commercialization. I think that's a very unique feature that as a company, we have so far been able to establish.

Another factor is that the ability to secure CGT certification for a large part of our products. This certification provides us an early access advantage to standard our foothold in the marketplaceas we speak. Relatively early onboarding of the distributor partners to reduce the investment risk for Senores, that's our key. So, we partner up early on in the development cycle that reduces our risk in the entire marketplace, entire business proposition that we offer. And our marketing and distribution partnerships are long-term. It's usually 5 to 7 years relationship that we have. CDMO-CMO also provides recurring revenue, steady cash flow, predictable cash flow, and the visibility on the business as well. So, looking ahead, we will continue to expand our regulated market business, particularly in the US.

Apart from expanding our existing products to newer micro markets, the focus will be on the faster expansion of our marketed product portfolio coupled with fast tracking of CDMO and CMO segment. We'll also keep looking out for inorganic growth opportunities in form of product acquisitions and so on and so forth. On the emerging market business, we'll continue to focus on the niche range of products, expanding our presence in Mid-Tier markets like Brazil, Mexico, Australia, South Africa, Russia and so on and so forth. We are also continuously working on streamlining our go-to-market models in emerging markets where we could be a deeper penetrated player in some of the markets that we are present in. Another area where Senores is currently working as we discussed is on some of the APIs where we could backward integrate. Largely, it will help us improve our cost competitiveness as well as protect our supply chain on some of the products where we have dependency on single source. Speaking of our Q3 and nine-month FY25 performance, we are delighted to report healthy broad-based performance across all our business segments in Q3 and nine-month FY25. Growth in the regulated market was driven largely by a strong traction on CDMO-CMO segment, as well as our own product, in which we have secured new orders at a steady pace. And then our product and our rolling forecast and order base continues to expand and increase.

In the marketed products segment, we have a strong base in Q3 2024. Consolidation of the acquired business had led to strong reported growth in emerging market segment as well in Q3 for FY25. On the operational front, we received one product, we commercialized one product and we received five approvals in the previous quarter as we speak. So, taking our ANDA number to 24 as we speak, and there are five products that are targeted to launch in the coming current quarter as we have. We added 60 new products, which takes the product portfolio to 267 products in the emerging market as we speak in the December quarter.

With an established regulated market presence, growing emerging market business, and further expansion API and injectable segments we believe there is a strong growth runway for Senores to tap on. We believe we are equipped to leverage the growth opportunities with our expertise and experience that we have developed over last several years. I would like to hand over the call

to our CFO, Mr. Deval Shah, to take you through the financial performance of the company and thank you, over to you Deval.

Deval Shah: Thank you, Swapnil. First of all, a warm welcome to everyone on Senores' maiden Earnings Call.

I will give you a brief of our "Financial and Operational Performance" for Q3 and nine months YTD, till December 31st.

Speaking of the consolidated revenues, our income for Q3 FY25 stood at 906 crores, reflecting the growth of 35.2%, compared to 79 crores of Q3 of FY24. This strong growth has been given the robust performance in both CDMO and the emerging market business. The 9-month FY25 revenue stood at INR 288 crores, which represents a significant growth of 157% from INR 112 crores in 9 months of FY24.

Coming to the segment-wise break-up:

Regulated business revenues stood at INR 70 crores in Q3 of 2025 as compared to INR 68 crores in Q3 of 2024. A growth of 3%. But the growth in CDMO business stood at 68% Y-o-Y. For nine months FY25, revenue from regulated business stood at around INR 180 crores as compared to INR 90 crores in nine months of 2024, a significant growth of almost 100% on a Y-o-Y basis. Emerging market business revenue grew at a stellar 289% on a Y-o-Y basis, stood at INR 26 crores for Q3. For 9 months, FY25 revenue from emerging market grew more than 10x. However, as a rider, Q3 FY24 had revenues from Ratnatris only for 17 days on account of acquisition which happened on 14th of December of 2023. For nine months of 2025, almost 64% of revenue was contributed by regulated markets business, 30% was contributed by emerging market business, and balance was contributed by API and injectable verticals.

Speaking of EBITDA:

EBITDA for Q3 stood at INR 29 crores, indicating an increase of 92% from INR 15 crores in Q3 of 2024. This improvement in EBITDA reflects our operational efficiency and operational leverage in the business. For YTD 9 months, current year EBITDA surged by 287% reaching to INR 74 crores as compared to INR 19 crores in the corresponding previous period. EBITDA margin stood at 27% for Q3, up from 19% in Q3 of previous year, an increase of almost 810 bps. 9-month EBITDA YTD margins were at 26% over 17% seen in corresponding previous period, an increase of almost 870 bps. EBITDA margins in our regulated business stood at almost 40% in Q3, which was similar in the YTD period too. EBITDA margins for the emerging markets business stood at 1% and 1.4% within the quarter and the nine months' period respectively.

PAT after minority interest for Q3 FY25 grew by 142% standing at INR 17 crores compared to INR 7 crores in Q3 of 2024. For 9 months FY25, PAT after minority interest grew by 162% to INR 41 crores as compared to INR 16 crores for the corresponding previous period. PAT margin

stood at 16% for Q3, up from 9% in the corresponding quarter, an increase of 710 basis point. The PAT margin for 9 months stood at 14.1%. To summarize, we have witnessed a very strong performance across all segments and are optimistic of outnumbering our internal targets going forward.

With this, I open the floor for questions and answers.

Moderator: Thank you. We will now begin with the question-and-answer session. The first question is from the line of Ninad Sarpotdar from Aditya Birla Money. Please go ahead.

Ninad Sarpotdar: Sir, couple of questions. How much is the CDMO revenue as a percentage of revenue? And is it included in the regulated segment in the media release that we are given or is it under others?

Deval Shah: CDMO revenue for the quarter is almost 11% of the total revenue and it is included in the US segment, the US revenue. YTD it is almost 12% to 13%.

Sanjay Majmudar: This is the total revenue, not as a percentage of regulated market.

Deval Shah: This is the total revenue I am talking about, consolidated revenue.

Ninad Sarpotdar: It is classified under the regulated markets in your investor review that you have made. You have given out the 63% of regulated market revenue, 30% of emerging market and 6.6% of others. So, I was just wondering where it is classified?

Sanjay Majmudar: CDMO revenue is actually only coming from regulated markets. This percentage is what Deval just mentioned, it is of the total revenue. So, if I look at CDMO on the regulated market front, it is almost about 19%. And again, this is the beginning of the CDMO revenue cycle. You will witness this percentage going significantly up quarter-over-quarter because of the strong tailwind that we have in the CDMO side. Most of it will start capturing quite aggressively from Q4 of this year.

Ninad Sarpotdar: And how much are the margins on CDMO business currently?

Sanjay Majmudar: As a matter of strategy, we will stick to the consolidated margin of the EBITDA level of a regulated market business, which is around 40%. Because then, there are business how we have to look at it.

Ninad Sarpotdar: So, just to understand that there is a scope of expansion in these margins side?

Swapnil Shah: Yes, so as I said, we have currently 21 approved CDMO-CMO products as we speak. Within this 21, some of the products got launched in month of August, September, October time frame. So, this year you will have the remaining period that is what is left in current financial years and the next year you will get a complete full year of those 21 products that we currently commercially have. Apart from these 21, we have 69 more products that are under CDMO/CMO

vertical that will get commercialized at different stages. So, some will get commercialized say next month, some will get commercialized after 2-3 months. So, likewise, we have 69 products that we have. So, give you very precise number. So, we are expecting about 15 to 17 CDMO/ CMO products to get commercialized in current quarter over and about 21 that we have. And total we have 21 plus 69, as we speak in terms of number of products. So, that's a significant growth that we expect out of our CDMO/CMO vertical.

Sanjay Majmudar: And 18%-19% which I just spoke about is actually the last quarter but if you look at 9 months it goes up as high as about 24%. The CDMO as a part of the total regulated business.

Ninad Sarpotdar: And sir, any particular reason for the emerging market margins to be so low at around 1% and how much these can go up to? I am just getting color on that.

Swapnil Shah: Emerging market there is a lot of activity that we have done in last two years in terms of changing the product mix. And earlier, last part of our focus was on the African markets. So, we are changing the product mix as well as market mix. As you saw, we have several hundreds of products and under registration on emerging market. And large part of our focus has been now on the CIS, Southeast Asia and Latin American markets. There are margin profiles are better than the African market that predominantly how the emerging market was structured. So, in next coming quarters, you will see as we get more approvals on account of this different markets, largely on the Latin America, CIS and Far East markets, the margin will continue to expand on emerging market as well. Our product mix is also very different. We are doing a lot of products that are first to launch, first to market in multiple of markets, multiple of countries that we are present in. That should also give us good margin profile as and when these products get launched. So, yes, definitely we expect our EBITDA margins to significantly improve on the emerging market side as well.

Ninad Sarpotdar: Can you put a rough number on it? Like how do you see it flowing?

Sanjay Majmudar: I think it's a little premature, but as Swapnil explained, when we acquired this business and then we have started transforming it, I think an optimum targeted level of EBITDA would be much higher, but we will speak as we go forward. But our internal target at the optimum level is at least 15% to 18%.

Ninad Sarpotdar: Just one last question, that you said, just one clarification that you said, five products are expected to be launched in Q4. Any CGT opportunities in these and how are the margins on the CGT products?

Swapnil Shah: So, again, you know CGT is granted once the product is launched, right? So, this quarter we are launching five products as we speak. So, probably we can update once the product is launched, and CGT is granted. Currently out of five, one is CGT designated product rather. Whether we get it or not, that will be determined once the product is launched. So, we'll update as and when that event occurs.

Ninad Sarpotdar: And how does the margin behave as compared to 40%? How much is the difference between them?

Sanjay Majmudar: 40% is the branded margin of own products, which are non-CGT and CDMO. As we speak, whatever earlier products which we had already launched, the CGT window is over. So, today, it is own products which have a CDMO. In general, the margin of our own products is higher than that of CDMO and CGT whenever that window is there it is again higher than the normal, but I think it's better if we again keep on looking at the blended margins.

Moderator: Thank you. The next question is from the line of Vivek Gautam from GS Investments. Please go ahead.

Vivek Gautam: My query is on the regulatory compliance track record of our company and how has our experience been with FDA and other regulators and what we do and what are our differentiators and moat in it? And second is about the ultra-competition intensity in the US market. Heard that generic prices are reducing day-by-day and a lot of competition is increasing so how do we tackle that sir? And if a few word on the expected growth rate and opportunity size for us? Thank you.

Swapnil Shah: So, regulatory compliance wise, we have been so far audited four times. Last audit happened just very recently, which we got approved without any observation. What is important for us is we also regularly get audited by our customers, right? So, our customers are largely large pharmaceutical companies across the globe, all top names that you can think of in the space, they are all our customers. So, very regularly we get audited by customers. So, there's a continuous compliance that happens for our plant. It's just not that FDA comes and then the audit happens. Every other month there is a large customer auditing us on multiple fronts. So, that helps us keeping our systems in check, continuous compliance on our manufacturing side of the business. So, that probably answer your regulatory questions. Second one was on the revenue side. So, we expect the growth trajectory to continue with the number of products that we have that will go live, that will get launched in this quarter, in coming quarters, both on our own products as well as on our CDMO/CMO. I think we touched base on the exact numbers in the earlier question. So, I feel the growth is going to be strong with all that we have planned and whatever that is going to be launched. Coming to competition as far as US is concerned. Competition, we like any other company, the competition is always going to be there. But how strongly we are placed in terms of combating the competition, as you can see, we have two business models, right, on the US on the regulated side, one is of our own product, and the other one is on a CDMO/CMO side. Our revenue streams are also multiple revenue streams that we get for our own product, as well as CDMO/CMO. So, competition can come, but our dependency on each product revenue stream is not more than 2% to 3%. So, even if that one product can give me a lot of competition, my revenue drops from 3% to 1.5% or maybe 2%. In overall scheme of things you look at it, my revenue is dropped only 1% from a competition in case if that one product can give me that kind of competitiveness. So, overall we feel, we are very balanced as far as companies concerned with multiple business verticals, both on the CDMO/CMO as well

as of our own product. Also on the US side, being the manufacturer in the US, we cater to control substance as well as government business. Again, on the control substance and government business, our competition is with the local manufacturer in the US. So, we don't compete with foreign manufacturing sites largely. So, also on that account, it's also limited. So, I think we feel we are very balanced, well-placed, as far as competitiveness is concerned.

Vivek Gautam: I was talking about the price erosion of generics in US markets. How much is the status today and is it decreasing a lot, price erosion or further and what about the injectable plant status and any new acquisition plans of any molecules?

Swapnil Shah: Price erosion is varied. It's not consistent across the products, right? So, in some products, in fact, we have seen the prices have got a little better also. But of course, you know, with competitiveness being there, the prices do get eroded. But as I said, you know, our base portfolio is still to achieve its optimum. And with the new launches coming in, both are on our own product on the CDMO/CMO. Even though there might be a little competitiveness in the market place, we feel our growth is going to be strong with the new launches that is planned. So, on the injectable side, as we said we will start that work. We just completed our IPO process, as you know. So, we will start that work. On the R&D side, we already started some work on the development side of the product. But as we move forward, we'll continue to update on that side of the business as well.

Sanjay Majmudar: So, just to add on the erosion, as compared to para IV, we are not into para IV at all. We are already into only generics. So, the products are already in that generic category. So, therefore, the impact of an erosion, though being there, is not as significant as generally it is feared. And again, just to add to what Swapnil said, we have a plant in the US. We are focused on the CDMO/CMO side as well as on the control substance side. All our partners are predominantly supplying to government, or they are control substance manufacturers. In this space, the competition is relatively limited. I think there are not more than 4 or 5 players who have the similar capability of offering similar solutions. And we have a very strong backup from India. So, our regulatory plus our R&D, there's a very big team sitting in India. So, that way, we are very, very effectively competing. And I think our pipelines are very robust from that point of view.

Vivek Gautam: And any plans of acquisition of any molecules, something in our acquisition, secondary?

Swapnil Shah: We will look to acquire products as such. We are in the process of evaluating a few products. As we move forward, if there is any update, we'll inform appropriately.

Sanjay Majmudar: Surely, that's a part of the strategy, yes.

Vivek Gautam: The last question is about the tariffs we heard new Trump Government, how do we stand out and our pharma, Indian pharma sector is a bit aloof from that?

Sanjay Majmudar: New government. You mean Mr. Trump?

Vivek Gautam: Trump, yes. Tariff, imposition threat.

Swapnil Shah: We don't know anything, right? So, I mean, it is anyone's guess as we speak. So, we'll watch. We'll continue to look at it.

Sanjay Majmudar: But as it is, for the regulated markets. Nothing goes out of India. Everything is manufactured in USA. So, that way, our **(Inaudible) 0:36:41** is anyway gelling with what he feels. So, I don't see any conflict, rather. There could be a little bit of support, but very honestly, we are agnostic to that.

Moderator: Thank you. The next question is from the line of Aman Goyal from Axis Securities. Please go ahead.

Aman Goyal: My question is related to CDMO part. We already have 21 approved products. So, what is the timeline to launch all these products in upcoming quarters and how do we see for the 69 new products in the pipeline? So, I'm currently just trying to understand that our top line that we have at INR 214 crores last year, the kind of opportunity and growth we are looking? And with these 21 new products, what is the market size that we are tapping it now?

Swapnil Shah: As I said, 21 products that we have were launched at a different time point. So, we probably, so far in nine months, we have probably covered two months, three months, we are all depending upon when the product was launched, right? So, next year or maybe this quarter in the next year, we expect all these 21 to give us the complete exposure of three months as well as the full year. And the new launches of the 69 that we'll have and that will come at a different stage. Out of 69, as I said, about 15-17 are expected to launch in Q1 on the CMO/CDMO side. As we speak, there are launches happening in the current quarter. So, that will drive our growth significantly. Now from the revenue standpoint coming out of CDMO-CMO, we expect next year CDMO/CMO revenue to be around $25 million to $30 million on the overall basis. We expect our revenue for next year to be around INR 670 crores to INR 700 crores. This year will probably end at around INR 410 crores to INR 440 crores (+/-5%). So, a large part of next year will be given by CDMO.

Sanjay Majmudar: So, we are in the process of accumulating the number. What Swapnil has said is the broad target with which we are working currently and that is what it looks like.

Aman Goyal: That's a very strong number, sir. So, in terms of margins, consolidated margins for nine months is 27%, 25% now. So, what is the right range of margins we can look now?

Sanjay Majmudar: We are not, at this point in time, giving any specific margin guidance. But having said that, our major contributor right now is the regulated markets, where we are about 40% odd margin run rate with technically nothing coming out of emerging markets. Next year, we definitely expect an improvement in the margins driven by a strong growth from the CDMO-CMO side as well as our own product side in regulated market and some positive margins coming from the EM side. So, while I am not doing any specific margin guidance, you can definitely expect a decent

growth in the margin percentage but as we go forward in subsequent quarters, we will give more clarity on this.

Moderator: Thank you. The next question is from the line of Divyaxa Agnihotri from HDFC Securities. Please go ahead.

Divyaxa Agnihotri: I just had a couple of questions. First, on your CDMO side, what is your customer contraction, like your contribution from your top 5 or top 10 customers? How does that look this quarter? That's my first question. And the second question would be on your backward integration plans and your setting up for your green field unit. So, is there any timeline, any feedback, any details regarding that setup? Those are my two questions.

Sanjay Majmudar: We have a significant number of products from, say, our top two customers on the CDMO side. So therefore, taking customer-wise sales is not correct. It is more on the product-wise from the CDMO side, that is what Swapnil explained there are more than 20 products. I think 10 or 11 or 12 products are from the top two customers. Then we have another 2 or 3 other customers, each of whom we have 1 or 2 or 3 products. But again, all these products have not reached their optimal. It will start getting at an optimum level in the coming year.

Divyaxa Agnihotri: And on the API, a new Greenfield expansion that you have mentioned in your presentation. So, regarding that, any details you have with like the timeline or CAPEX for that Greenfield expansion?

Swapnil Shah: We expect our regulated market facility to commence this quarter and a few of our key products we are looking to backward integrate. Now that could be both on the CDMO/CMO, as well as on our own product side, as well as some could be on our emerging market. So, good part of our current existing supply probably in some part of time in future, probably about after a year or so, will be from our inhouse manufacturing side.

Divyaxa Agnihotri: And sir if I can just squeeze in 1 small question, regarding your IPO proceedings. So, what is the timeline for like the production of your sterile injections in your plant and facilities. So, the INR 107 crores that you have set aside for that, when are you planning to use that amount?

Deval Shah: So, the CAPEX on the injectable, I think, will be starting. We have started the groundwork now. So, actual CAPEX will start from Q1 of next year. And we expect it to get over within next 18 months to 24 months.

Sanjay Majmudar: So, overall, time frame for utilization is 18 months to 24 months.

Swapnil Shah: Yes, also one critical update here is the site is our existing oral solid site. So, that is not a different site that we are looking to establish our injectables in. So, the product, we already have our land with us. The supporting infrastructure is already created. So, the labs are there, the vault is there, cage is there, warehouse is there. So, you know, it's not a different location.

Sanjay Majmudar: Another strategy for which we intend to use our general corporate purpose funds is we are also looking at one more greenfield site in India to cater to the mid-tier emerging markets. They are not the ones which we can cater from our Ratnatris site. So, that work of scouting for that site and all these things have started, you will expect announcements as we firm up that idea, but that is also the process we have immediately started.

Moderator: Thank you. The next question is from the line of Shaurya Punyani from Arjav Partners. Please go ahead.

Shaurya Punyani: I just have one small question, a clarification. So, you said a CDMO of business is, for nine months, is 12% to 13% of total revenue, right?

Sanjay Majmudar: It is about 19% of the regulated revenue in 3 months and 24% in 9 months. CDMO/CMO is only in the regulated side. And that is happening with our US plant. We don't do anything from here.

Shaurya Punyani: So, it's 24% of the revenue, okay.

Sanjay Majmudar: And that is, again, not optimum. As we move ahead, this percentage will rise.

Moderator: Thank you. The next question is from the line of Darshil Jhaveri from Crown Capital. Please go ahead.

Darshil Jhaveri: I just wanted to know, I think maybe I missed it, so what kind of growth outlook we are seeing for the year end and next year sir?

Sanjay Majmudar: So, as Swapnil mentioned, this year, the 4th Quarter will be very strong. We expect to end this year anywhere in the range of, I don't want to use the word 420, but say 410 to 430-440. Next year we expect the growth at least of the top line to be much more than 50%-60%. And the bottom line growth should be nearly doubling than what we are anticipating this year. So, this year we should end up at a patch of around 55, around that, this year, 55 to 60, this year. And then we expect, but again, don't take this as a guidance. We are working on it, but yes, we do see a very, very strong growth in PAT, much more than the top line growth.

Darshil Jhaveri: So, this, so the emerging markets like currently, so we are breaking even on operating level. So, on an optimum basis, like we can do how much in that business, sir, emerging markets?

Sanjay Majmudar: As we explained, this was an acquired business which we consolidated for the first time in FY24. When we acquired the whole business model has been changed. So, now we are moving completely away from P2P, pure business, to more of a distributor and a CDMO or CMO based on registrations of niche products in all these multiple geographies. So, a registration pipeline as we have given in this is more than 530-540 products. As we speak, 237 products already registered. But it takes anywhere between 9 to 12 months once a product is registered to do the tie-up and start marketing. So, according to me, even next year, we will not reach the ideal level

of margin. But next year, our EBITDA should definitely improve in higher single digit. Ideally, by FY 26-27, FY27-28, our target is it will be definitely in higher teens.

Darshil Jhaveri: And sir, just last question from my end, sir. So, total how much CAPEX you are looking in the next two years, sir, that we are planning to do. A ballpark figure will also do?

Sanjay Majmudar: Next year what is firmly on the ground is more than INR 200 crores. On the ground in terms of our drawing board.

Swapnil Shah: Just to add one more thing on the mid-tier manufacturing side, products we already have. So, we have already spent on the R&D on the product. What we need is just infrastructure to cater to those markets. So, that's where strategically we are looking at it. Also, on emerging market as we touched base upon the margins. So, we have total 537 products under registration. So, that will also significantly add as each product gets approved, significantly add our current margin profile and product mix will also significantly change.

Moderator: Thank you. The next question is from the line of Rohan Vora from Envision Capital. Please go ahead.

Rohan Vora: One clarification on the regulated non CDMO part. So, as I understand we have 22 own molecules that are commercialized today and that in Q3 probably that contributed to around INR 70 crores odd of revenue. So, just wanted to understand what is the addressable market for these molecules, and what is the runway that is still left for these molecules in addition to the new molecules that you will add to the regulated part of the portfolio. That was one. And the second question was, how do we deal with the threat that we do have our own portfolio in the regulated markets and then we also do CDMO for the partners. So, how do we make sure that they are secure enough to give us work? Thank you.

Swapnil Shah: So, I would look at it as 22 plus 5, which we are going to launch in this quarter. So, it's about 27-28 products. So, the way I look at it out of those 27-28 products, 30%-35% of the portfolio will reach its optimum in next 6 months to 12 months as we continue to gain more market share on each side of the business. 30%-35% of the portfolio has either reached their optimum market share as we speak or soon going to be reaching. And 30-35 products is at a level where I don't see a major drop in terms of market share that we have or major increase in the market share. So, largely I would say out of those 27- 28 products of our own product, this is broadly, I would see going forward, in terms of where we'll see those products to be.

Sanjay Majmudar: So, the market, that can take us to a turnover of about 250 odd crores. Just taking an average of INR 7 crores to INR 10 crores per product, more or less. I'm not talking of 51 pipeline products. That we will keep on adding. Every year we'll keep on adding new products. That 51 pipeline products over a 3-year period can create an opportunity of almost another, I don't know, maybe 700 million-800 million. And you know the targeted market share is in the range of 20%-25%. But we'll see as and when we move ahead, we will have a strong growth coming from own-product portfolio in a sustained basis.

Swapnil Shah: And also, on CDMO/CMO side, as Sanjay Bhai said in earlier discussion, there are not many companies that offer end-to-end solution to a partner. So, right from R&D to regulatory support, getting products from conceptualization to scale up to filing to commercial manufacturing, complete regulatory support, complete analytical support, back home R&D that can even further enhance the process, how the cost can be leveraged upon. There are a lot of factors that we bring on table for our partner apart from our manufacturing infrastructure that we have. So, we feel there are not many companies in our size today are able to offer, you know, now with the API piece coming in, we can go back in terms of API manufacturing also. So, right from the intermediates to a distribution of finished goods, everything comes under one umbrella. So, I'm sure you also know the market well. I mean, they're not many companies or I personally don't know in our size any company has that kind of capability to offer to our CDMO partners. So, I think that mixture is unique, that mixture is different and that will continue to leverage upon it and gain more business on that side.

Sanjay Majmudar: There is no conflict between my CDMO/CMO as well as my own products. The whole philosophy is different. In own products we partner with large pharma companies and on the CDMO/CMO side, they are not my products, but it's focused on controlled substances and government.

Rohan Vora: Sir, just one clarification. So, what you said was that these 27 molecules will give us a peak of INR 250 crores and the additional 50 molecules you said was INR 700 crores-INR 800 crores at the peak?

Sanjay Majmudar: Yes, more or less, yes.

Moderator: Thank you. The next question is from Dhwanil Desai from Turtle Capital. Please go ahead.

Dhwanil Desai: My first question is on the US business. I think we have been tracking a lot of pharma companies who are operating in the US market and complex generics injectables, all kind of relatively high entry barrier segments. So, there the margin profile is very inferior to what we are doing today. So, can you throw some light as to what are we doing different? Is it the combination of CGT and control substance which is giving us this kind of a margin? What is the secret sauce of such a high margin for us?

Deval Shah: I will just tell you. The revenue for us is one of the profit shares by the other company, the gross revenue comes in the P&L account, what they sell in the market. So, for us the revenue stream is a profit share. So, my major revenue comes from there so that gives me a better margin profile as compared to the other companies.

Dhwanil Desai: So, you are basically profit share and then the cost below there is no RM cost involved, so your EBITDA margins are pretty high**.**

Sanjay Majmudar: No, there is a mix of license fee plus fixed cost in my manufacturing margin and 50% profit share for these, which I share from my marketing partners. So, what they were saying that

because of the mix of these three, the sales that is booked in my balance sheet is actually a significant portion is a profit share where there is no cost actually. That is having said that the two other factors, one, product identification; second, our philosophy is we generally identify products which are relatively niche, underpenetrated. We have a very different philosophy. And then these are the products we generally large, big pharmas are not interested. But since they want it as a part of their pipeline, so that is when we fit in very nicely. We don't compete with them. Rather, they are all our partners. You get my point? So, that is another factor which is helping us a lot. And then CDMO/CMO is a very different cup of tea because of the focus on serving the government, which are long-term contracts with practically no price erosions. And then the control substance is where it has to be from a plant based out of US. So, therefore again, I'm not really competing with a large number of USFDA plants situated in India servicing this market.

Dhwanil Desai: So, sir, is it safe to assume that CGT plus control substance sale would be, if you take out the CDM as well, that will be a major portion of the US market revenue?

Sanjay Majmudar: No, so my own product is the CGT, but you may consider it as a part of the own product portfolio.

Dhwanil Desai: So, second question on the CDMO side. So, I think out of this, molecules which are currently commercialized and the pipeline, how many of them would fall into generic category which are off patented and how much of them, any on the patented side of it, that also we are working on, on the CDMO/CMO side, how should we look at it? In the value chain, are we doing the formulation CMOs or it is from the API levels? Where are we that in terms of value chain?

Swapnil Shah: So, we are a formulation-focused company. So, API is something which complements our whole proposition of a CDMO, as we speak. So, as an API standalone CDMO that is not the business we are looking at as we speak. So, that's one thing. Now, in terms of generic, non-generic, currently, large part of our portfolio also on the CMO is a generic portfolio. We have some products that we are working on the NDA side of the business on the CDMO. So, these are again the generic products, but they are the new applications that we are filing with FDA. So, that is the unique work that we are doing on the CDMO side. But again, these are still, as I said, these are off-patented products.

Sanjay Majmudar: 100% generic portfolio. But long-term vision is we want to start working on the NCs, etc. as a part of the CDMO portfolio, but it's a long-term vision, not in the immediate future.

Dhwanil Desai: And the last question is, the biggest risk in generally US focused market is the USFDA, and we have a single plant in Atlanta. So, how do we think about this risk? What are the measures that we can take apart from of course ensuring that the quality standards are adhered to the customer visit happens, so all the systems are kind of upgraded? But USFDA risks still remain. So, any thoughts on de-risking on that part of it?

Swapnil Shah: We will look into it. Of course, there are thoughts around it. However, as far as US manufacturing is concerned, that caters to very specialty segment. It doesn't cater to the normal

segment that we usually see how foreign plants or how plants in India, China, and other countries are catering it to. So, that's one thing. Second thing is from a compliance standpoint, I think the good part for us is we get audited regularly by our customers. Large pharma companies globally that you can think about, they regularly audit us. So, that gives us a continuous compliance, C-GMP as we speak, to our current quality systems. I think that is a large contributor to our zero 483 in our FDA inspections that have happened so far and that will continue to grow, that will continue to happen because our business model is, we are not going to change, right, it will continue to be what it is, we'll continue to expand on that side and then customer audits are warranted, it's going to happen as we move forward. So, I think that gives us a lot of comfort from a compliance standpoint.

Moderator: Thank you. The next question is from the line of Hardik Gandhi from HPMG Shares and Securities Private Limited. Please go ahead.

Hardik Gandhi: I just wanted to know a few questions. First, what are the utilization levels right now for our different plants?

Sanjay Majmudar: So, average in India, the utilization is at about 60%-65%, a little high, maybe in the range of 65%-70%. In US, it's about 50% right now, but we expect it to be because we have significantly augmented this capacity only in the current fiscal. It has gone up by almost 5x as you would have seen as compared with the DRHP numbers. And that has been done in anticipation of the significant tailwind on the CDMO/CMO side. We expect this utilization to inch up to 60%-65% in the next year, the FY26.

Hardik Gandhi: And along with this, since we mentioned that in the US, currently CDMO forms a small part of it, but we expect to expand that portfolio, I just wanted to know the other products, which is the marketed products, which you have your own partnership with other brands. So, on that front, what is the customer concentration for the top five customers? What is the percentage?

Swapnil Shah: Top five customers give us about 65% of revenue on our own product side.

Sanjay Majmudar: But again, number of products, if you look, top five in terms of number of products, would not be more than 20%-25%.

Hardik Gandhi: And just the last one, on the API front, we are saying we'll backward integrate for even the US plant, is that correct?

Sanjay Majmudar: No, , no, no. API is being set up in India.

Hardik Gandhi: We supply the API for US products from here.

Sanjay Majmudar: Yes, we want it to be approved or approvable by all regulatory authorities, including USFDA.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to Mr. Swapnil Shah for the closing comments.

Swapnil Shah: Thank you, everyone. So, good set of questions. I take this opportunity to thank everyone for joining the call. We will keep updating our investor community on a regular basis for incremental updates of our company. I hope we have been able to address all your queries. For any further questions or information, kindly get in touch with me, my team and our IR advisors, Strategic Growth Advisors. Thank you once again.

Sanjay Majmudar: Thank you and have a great evening.

Moderator: Thank you, ladies and gentlemen. On behalf of Ambit Capital Private Limited that concludes this conference. Thank you for joining us and you may now disconnect your line.