June 02, 2025

To	To
Listing Department, **NATIONAL STOCK EXCHANGE OF INDIA LIMITED** Exchange Plaza, Bandra Kurla Complex, Bandra (E), **MUMBAI -400 051** **Company Code No. AUROPHARMA**	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 Q4 FY25 earnings call.

Please refer to our letter dated May 19, 2025, wherein we intimated about the schedule of Investors/ Analysts call on May 27, 2025. We are attaching herewith the Transcript of the said analyst / investor call on the Audited Financial Results of the Company for the fourth quarter and year ended March 31, 2025, 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 above information on record.

Thanking you,

Yours faithfully,
For AUROBINDO PHARMA LIMITED

Digitally signed by BADDIGAM ADI REDDY
Date: 2025.06.02 16:47:53 +05'30'

B. Adi Reddy
Company Secretary

Encl: as above.

Q4 FY25 Earnings Conference Call

27 May 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. Santhanam Subramanian - Chief Financial Officer, Aurobindo Pharma Limited

Mr. Shriniwas Dange - Investor Relations, Aurobindo Pharma Limited

TRANSCRIPT

Moderator: Ladies and gentlemen, good day and welcome to Aurobindo Pharma's Q4 FY25 Earnings Call. Please note that 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 that this conference is being recorded. I now hand the conference over to the management for opening remarks. Thank you and over to you, sir.

Shriniwas Dange: Thank you, Vandit. Good morning and a warm welcome to our 4th Quarter FY25 earnings call. I'm Shriniwas Dange from the Investor Relations team. We hope you have received the Q4 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 Specialities 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 Q4 and full-year FY25 earnings call. I am delighted to start the call by sharing with you that it has been an excellent quarter and the financial year for the company, marked by continued growth reflected in highest ever revenues and EBITDA.

For FY25, our revenues stood at Rs. 31,724 crores and EBITDA at Rs. 6,605 crores, marking a comfortable margin of 20.8%. For Q4 FY25, our revenues stood at Rs. 8,382 crores and EBITDA of Rs. 1,792 crores, with a good margin of 21.4%.

During the year and quarter, we saw good performance across all businesses, mainly driven by volume gains, new product launches, and our performance in the regulated markets, aided by stable pricing. The profitability of the company as well improved significantly, backed by softening of raw material prices, favourable product and business mix, and improved operating efficiencies. This is reflected in the EBITDA margin which is up from 20.1% of last year. Our quarterly margins also have gone up higher compared to the last quarter.

These numbers have been achieved despite one-time recurring expenses on account of fuel and power purchase coal adjustments relating to the Andhra Pradesh government electricity board, inventory-related provisions and corporate development costs.

In addition to these, PLI facilities contributed a negative of Rs. 30 crores plus at the EBITDA level. The accumulated impact of the above factors was a negative of Rs. 105 crores plus.

The contribution of other income vis-à-vis Q3 FY25 and Q4 FY24 were lower at Rs. 123 crores compared to Rs. 143 crores and Rs. 153 crores respectively. Notwithstanding these factors, the company still produced record numbers as mentioned.

Now let me take you through the other details of the results for the 4th Quarter of FY25 and full year FY25 declared by the company:

For Q4, revenues grown by 11% year-on-year and 5% quarter-on-quarter. The gross contribution stood at highest ever absolute levels of Rs. 4,954. Gross margins remained at 59.1%, increased by about 65 basis points quarter-on-quarter, supported by favourable product mix and benign raw material prices, albeit constrained by other one-offs of over Rs. 105 crores plus. Consequently, the EBITDA before forex and other income grew by 6% year-on-year and by 10% quarter-on-quarter to Rs. 1,792 crores. Net profit increased by 7% quarter-on-quarter to Rs. 903 crores.

For the full year FY25, revenue grew by 9% year-on-year, supported by growth across businesses. Gross contribution also reached the highest ever absolute levels of Rs. 18,697 crores, reflecting a margin of 58.9%, and that's an improvement of 240 bps. Gross margins are supported by product mix and benign raw material prices.

Our cash flows have improved significantly on the backdrop of improved working capital position, leading to a net cash surplus of US$ 42 million versus a net debt of US$ 84 million as on December 31, 2024.

Now let me take you through the business highlights.

Formulation business: Formulation business witnessed a growth of 12% year-on-year to Rs. 7,313 crores and contributed around 87% of the total revenue. The revenues are mainly supported by growth across the US and Europe businesses.

For the full year FY25, formulation business witnessed a growth of 12% year-on-year to Rs. 27,388 crores and contributed around 86% of the total revenue. The yearly performance was driven by growth across the businesses.

API businesses: For the quarter, API businesses contributed around 13% and revenue improved by 5% year-on-year to Rs. 1,069 crores. For the full year, API business contributed around 14% and clocked a revenue of Rs. 4,323 crores, which is being the external business, registering a growth of 2%.

The growth in the API business is mainly driven by higher volumes, on account of improved asset utilization with higher capacities.

USA: For the quarter, the revenue from US formulation increased by 13% year-on-year to Rs. 4,072 crores. On a constant currency basis, US revenue increased by 9% year-on-year basis to US$ 470 million. The growth was mainly driven by volume gains. Our large product portfolio basket helped us optimally maintain price stability. The quarter-on-growth was 8%, mainly supported by account of higher volumes. Revenue from US formulation increased by 7% to Rs. 14,816 crores or US$ 1,752 million.

Europe: For the quarter, the European formulation clocked a revenue of Rs. 2,147 crores, an increase of 17% year-on-year. In constant currency terms, the Europe revenue was €236 against €203 million of last year. The growth was driven by strong performance across all key geographies.

For the full year, the European formulation revenues grew by 17% and clocked a revenue of Rs. 8,356 crores or €921 million or US$ 988 million. The European business is close to clocking a billion-dollar growth revenue.

Growth Market: For the quarter, Growth Market revenue stood at a year-on-year decline of 8% and quarter-on-quarter decline of 10%. In US dollar terms, the revenue was US$ 91 million in Q4 FY25. The decline was mainly on account of the moderated performance in few key markets.

ARV business: For the quarter, ARV business increased by 29% year-on-year to Rs. 308 crores or US$ 36 million. For the year, ARV business clocked increased by 19% to Rs. 1,037 crores or US$ 123 million, mainly due to continued momentum of additional opportunities.

Specialty and Injectable update: For the quarter, revenue increased by 25% year-on-year to US$ 178 million. For the year, Specialty and Injectable global business increased by 4% to US$ 561 million, mainly due to volume gain partly offset by some pricing pressures.

Other Highlights: During the quarter, raw material costs eased up further, supporting our gross contribution to 4,954 crores. Gross margin for the quarter was at 59.1%. For the year, our gross contribution stood 18,697 crores. R&D expenditures stood at Rs. 423 crores for the quarter, which is 5% of the revenue. For the year, R&D expenditure stood at Rs. 1,622 crores which is 5.1% of the revenue. This was mainly towards the clinical trial expenses for multiple projects.

Net capital for the quarter is US$ 90 million and that for the year is around US$ 322 million, which includes capacity enhancement projects, new plant expansions and others.

Improved profitability coupled with improved working capital position, the business generated a net cash flow of US$ 130 million during the quarter. As a result, net cash position after investment stood at US$ 42 million from a net debt position of US$ 84 million. The average finance cost of Rs. 5.5%.

Other update/Penicillin-G related issues: A preliminary assessment of the fire incident at Penicillin-G facility at Kakinada indicates an impact of around Rs. 4 crores. In the interim, due to the incident, we had temporarily halted the plant operations. Before temporarily halting the operations, we have achieved encouraging yields consistently in the month of March. Further, as part of the commitment to regulatory compliance, we have submitted the renewal application for Consent to Operate. The production will resume promptly upon receiving the necessary approvals to avoid any undue risks.

We also understand from the industry sources, that the minimum import prices are being considered on certain critical raw materials, and accordingly, we have made representation to the industry associations.

Strategic initiatives: Expanding manufacturing capacity. We have expanded our Formulation manufacturing capacity further, and at present are having a capacity of 60 billion unit plus. These high capacities along with the proposed new capacity enhancements in the existing, are expected to drive the growth.

We have commercialized our China OSD plant with 2 billion units manufacturing capacity during the year. The capacities will be expanded further over medium term. This plant is expected to contribute revenues in FY26.

We expect our US-based OSD plant at Dayton to be commercialized during FY26. Our other plant in the US at Raleigh, which currently manufactures topical, is expected to be fully operational in the near future to include transdermal and respiratory products.

Long-term growth by building and expanding our strong product portfolio: We are working on multiple respiratory products. In FY25, we have partnered with global pharma major for development of respiratory products. This is a testament of our aspiration of developing and launching more and more complex respiratory products.

Expanding growth market presence: We continue to focus on growth market presence reflected by impressive growth of 24%. Our focus to new and existing markets are Indonesia, China, Canada, South Africa, etc. We continue to focus on our backward integration in terms of API, intermediates, and KSMs.

Biosimilars: We have been already informing the stock exchanges about the new approvals. Our CEO, Dr. Satakarni Makkapati will inform about it more in detail during the call.

Outlook for FY26: We have achieved excellent overall performance across business during FY25. With focused approach and right strategies in place as highlighted a while ago, we are confident to continue our growth trajectory. The growth momentum in Europe and other key markets are expected to sustain, further accelerating our revenue.

During Q4 FY25, we achieved a net cash position with our prudent and productive efforts to optimize working capital cycle. We strengthened the balance sheet and cash flows to demonstrate financial stability for a long-term growth potential.

It is our endeavour to achieve a high single-digit growth excluding transient product through FY26. For FY26, we internally aim to maintain our present EBITDA margins. The tariff announcements are expected in July '25. We would be able to give you a better clarity in the next earnings call.

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

Question & Answer Session:

Moderator: Thank you, sir. We will now open the call for the 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. Please raise your hand from the Participant tab on the screen to ask the question.

The first question is from Damayanti Kerai.

Damayanti Kerai: Hi, good morning. My first question is on Revlimid. So, I understand moving from 3Q to 4Q, you have booked sizably large sales from Revlimid. But my question is whether this 4th Quarter number, it reflects what you originally planned, or have you held back some supplies due to some price renegotiation which we are seeing in the market due to entry of additional competition in the market for Revlimid?

Yugandhar Puvvala: Damayanti, normally, we don't comment on Revlimid sales or units or value. But yeah, like in fact, we have done whatever we planned to do. And we are only left with balance for the next year. But beyond that, I think I won't be in a position to comment in terms of the numbers.

Damayanti Kerai: Sure, but nothing has spilled over from 4Q to next fiscal, if you can just indicate that.

Yugandhar Puvvala: We haven't. In fact, like nothing has spilled from Q4 to the next year. It is just as planned. We have done it. So, whatever limited quantity will be there for FY26, that is what we will do. But there's nothing, no spillovers from FY25 to FY26.

Damayanti Kerai: Sure. And in your margin expectation for FY26, which you mentioned to be at similar level, are you including significant pickup happening from, say, China plant or some of the plants in the US?

S. Subramanian: See, US plant, Swami will talk about it, and which we have already mentioned it in the original remarks. In the China plant, already it has incurred some losses, and that will become break-even or slightly positive in the coming year.

Damayanti Kerai: And China is supplying to all the markets, right? Local market as well as Europe and US, or…?

S. Subramanian: No, not US. They are they will be supplying to China during the year, as well as Europe. Europe, they can start immediately. But China, they will be able to do it after some time, maybe Q2.

Swami Iyer: Subbu, I can contribute here for Europe, from China plant, the supplies have already started.

Damayanti Kerai: Okay, that's helpful. And in the US plant, Dayton is supplying normally, but Raleigh facility is something where you believe pickup will happen like in some time. Right now, I think there is pending issues, right?

Swami Iyer: I'm not sure I heard Damayanti fully, but Dayton plant is going to commence the manufacturing on a commercial basis. They have manufacturing of course, and then we expect commercialization in the Q2 of the current fiscal. And the other facility that you talked about, Damayanti, I am not sure what exactly you are saying.

Damayanti Kerai: Raleigh plant ?

Swami Iyer: Raleight plant.

Damayanti Kerai: What is the status?

Swami Iyer: So, the Raleigh facility, we had an FDA inspection, and some issues were raised. We are addressing it proactively. The Raleigh plant does not have much contribution in terms of revenue currently, and we do not have any major product launches that is planned in the short term. So, we believe that this is not going to impact our numbers in a meaningful way.

Damayanti Kerai: Okay. That's helpful. Thank you. I'll get back in the queue.

Moderator: Thank you. The next question is from Tushar Manudhane.

Tushar Manudhane: Thanks for the opportunity. Sir, firstly, on the Europe business, it has been a consistent high-teen growth for a couple of years. If you could just sort of elaborate.

Tushar Manudhane: So, just on Europe market, I wanted to understand, like, it has been a good year, good second consecutive year for the high-teen growth in the Europe business per se. So, if you could sort of further elaborate in terms of the strategy to sustain this growth movement, that's my first question.

Management: Thank you, Tushar. Yes, Europe has been showing momentum, and we are able to sustain this. Of course, there is a combination of factors. Shortages management, I would say one, meaning market intel to understand what's going short and addressing it by Aurobindo replacement products. At the same time, ensuring our own out-of-stock situation does not lead to shortages, meaning our enhanced supply chain efficiency, turnaround time at Malta, all these are very carefully being engineered. In the process, we are able to sustain this momentum.

Coming back to your question which was, are we able to sustain? In my opinion, very strongly, yes, because the number of launches we made in FY25 were significant. But in FY26, more number of products are planned, and some of them are going to be loss of exclusivity products. So, all these are in the positive note for us to believe that we will be posting a much stronger growth in the coming year. Thank you.

Tushar Manudhane: Thank you, sir. Just on the margin front, while the start of Pen-G plant, probably resumption of normalization in Eugia-3. On the positive side, probably offsetting the Revlimid impact. Is there any other factor to be considered for margin uptick or downtick for FY26?

S. Subramanian: See, some of the new units, like China, which I explained, they were incurring some losses, which is expected to be break-even or a very nominal positive in the coming year. Like that, every unit, whatever has happened, we are able to improve upon the performance. Across all the businesses we have been looking at it.

Tushar Manudhane: Can you quantify how much losses are China plant for FY25?

S. Subramanian: The China plant last year was the first year. We have incurred a loss of around Rs. 35 crore plus. There are multiple opportunities which we are working on to improve the performance, coupled with the growth plans, which Murali has rightly explained by launching new products, the full year impact of the last year launches, etc., which will help to maintain the profitability. That's what we believe.

But having said that, I want to make it clear that we need to wait for the impact on account of the tariff announcement, which is likely to happen in the month of July ‘25, even though we don't feel there will be a major impact, etc. Nevertheless, we should wait for the announcements.

Moderator: We'll move to the next question. Next question is from Neha Manpuria.

Neha Manpuria: Yeah, thanks for taking my question. First question on the US business. I know you're not giving the breakup of the US anymore, but just wanted to understand improvement in both the base business in the injectable as well as the oral solid. Is it fair to assume that the injectable business has gone back to pre-disruption levels Unit 4 [Eugia Unit-3] disruption levels in this quarter?

Yugandhar Puvvala: Neha, I think last year we have taken whatever supply-related disruption issues and it got offset by some other opportunities. But I think from Q1 of next financial year

i.e. FY26 Q1 onwards, we should be back to normal. But last year has been a tough year because of Eugia-3 remediation issues and supply disruptions. But I think from Q1 onwards, we should be back to where we were in the past.

Neha Manpuria: And Yugandhar, how should I think about growth for the injectables? I mean, you know, given that Unit 4 [Eugia-3] hasn't been cleared as yet? How do we see growth in the Eugia business, as Revlimid also goes away? So just some colour there.

Yugandhar Puvvala: Neha, like FY26 is going to be muted in terms of growth per se, because obviously you said it right, Eugia-3 is yet to be cleared and there's no super star product which is going to come in FY26. But we expect FY26 to be in the similar levels as FY25, whether it is including or excluding Revlimid. But FY27 should be a good year. That is what we believe, that FY26, we will be in a position to clear all the issues with FDA. And FY27, we have significant launches and settlement-based launches that are planned. So, FY27 should be a great year. But FY26 will be muted in terms of growth.

Neha Manpuria: Got it. My second question is on the PLI capacity. Subbu, post the fire, by when do we expect production to normalize here? Would it be fair to assume that the PLI capacity we were expecting to be profitable and ramp up. Is that still on track or could there be some delays on it based on when we get back to operation on the PLI capacity?

S. Subramanian: So, Neha, to put it clearly, and if we are to make a profit as contemplated, we need to run the plant full capacity. We don't want to run the plant half of the capacity pending the approval, because it's a big plant. If some minor accident happens or etc., it will have a great impact which we don't want to take that risk.

And second is, today on TV, I have seen that the COVID is once again coming back with all these things. Probably, government may start looking into that, giving the approval fast, that is there.

And third, I understand from the industry, government is also working on the minimum import prices. If that happens, then it will be a good and ensure that we are not incurring losses and we will be able to achieve the profits as contemplated or planned earlier.

Neha Manpuria: Understood. And in timelines for operation, when should we…?

S. Subramanian: I think when it comes to the government, we cannot give the timelines.

Neha Manpuria: Okay, fair enough. Thank you, Subbu.

Moderator: Thank you, Neha. The next question is from Surya Patra.

Surya Patra: Yeah, thanks for the opportunity, sir, and good set of numbers. Congrats for the good set of numbers, basically. My first point is, in the opening remarks, you mentioned that the growth is likely to be sustained in FY26. But you highlighted about the growth obviously would be led by the Europe and emerging markets, but kind of remained silent about the other bigger markets like US and all. So, knowing the fact that US contributes almost like 45%

of the total. So, is there a kind of a risk that we have to the overall growth guidance? Or if you can give clarity more on the US business?

S. Subramanian: Surya, I told in the opening remarks, we will be able to achieve high single digit revenue growth, excluding the transient product. And we will be able to give better clarity post tariff announcements. But as on date, the existing business, we are trying to grow it with a high single digit growth.

Surya Patra: Okay, okay, fine. Regards the European business, it looked like that it has surpassed your earlier guidance of €900 odd billion. And now, optically, there are things which should contribute incrementally to the growth. And you have also mentioned about the possibility or what are the factors of growth here. I just wanted to have a sense that, regards the kind of facilities that would be contributing towards the growth. So, obviously, we have been saying that the China plant which has commissioned, that will facilitate the growth in Europe. The Vizag facility is also likely to see the injectable growth in Europe. So, on that specific front, sir, supply chain for Europe, if you can be a bit more elaborative about what progress you have already achieved, so far as your injectable launches for Europe? And how meaningful the China supply could be for Europe? Because last year, I believe still the outsourcing of European operation was still to the tune of around 50 odd percentage. So, going ahead for FY26, given these two plans progress, what one should think and expect?

S. Subramanian: Murali?

V. Muralidharan: Yeah, thank you. Thank you for this question. On our current revenue achievement, as you have noted, quarter-on-quarter, consistently, we are crossing the €200 million mark. But now that is no longer a challenge because we are already up towards €225 in terms of revenue. And how we are able to accomplish this, is again, how the supply chain efficiency is going to further contribute to this. This is not only by way of Vizag injectable plant, but also our Unit 15 at Vizag for the oral solids; the capacities have been substantially upped thanks to the management on strong investments. So, there is a very considerable volume output happening from our Unit 15.

And China supplies have just started. Two products so far, but we expect 10 products to kick in during the financial year. And the injectable facility also will be up and running. Meaning, it is already approved and supplies will start from Vizag.

Additionally, I would like to touch upon the turnaround time of the batches at Malta, because we have a substantial volume and there the waiting time was significant. But through innovative measures, we are able to turn it around much faster. So, that allows the time to market opportunities being availed and working capital not being locked, which benefits us there. So, a combination of all this means enhanced capacities, turnaround time at Malta, and also more and more tech transfers are happening that will offer better gross margin upside for us. So, I'm just addressing your queries through this. Anything else to be touched upon, do let me know. Thank you.

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

Tarang Agarwal: Hi, a couple of questions from me. One, sir, if I look at your fixed cost base excluding R&D for FY25 versus FY24, there's been a quantum leap. And we're aware that it's because of plethora of reasons, Eugia remediation, Pen-G, Vizag, China, so on and so forth. I mean, just to get a sense, how much would that quantum be for FY25, these one-offs, because of regulatory reasons because of state considerations or because of just amplifying capacity, which is not contributing to revenue.

S. Subramanian: Tarang, the total other expenses during the year was Rs. 1,995 crores against Rs. 1,805 crores. The other expenses have not grown significantly. One of the reasons is the translation impact is taking place. Otherwise, the fixed expenses remained the same in India, Eugia, USA,etc . Because Euro earlier, we used to translate at a lower price, I mean, lower rate, now we translated at a higher rate. So, you cannot exactly say there is a significant impact. You look at the Q3, Q4 alone, where there is not much of remediation charges, it is mainly on account of the translation impact.

Tarang Agarwal: Okay. So, I mean, the one-offs like the Rs. 100 crore that you spoke of in Q4, and in Q1 and Q2, we are aware that Pen-G and remediation was resulting in a significant expansion in cost space. So, I was just trying to get a sense on what that number is. Would that be to the tune of Rs. 400-500 crores for FY25 or would it be materially low?

S. Subramanian: See, we said there is a one-off impact of Rs. 105 plus crores during the quarter. You take 50-50 between the cost of goods and other expenses, approximately.

Tarang Agarwal: Okay. Second question is on the US. Basically, just wanted to get a sense on what was the finish for OTC for FY25? And just a broad sense on how are we looking at the oral solids and OTC business for FY26? Thank you.

Tarang Agarwal: I mean, OTC used to be about US$ 100 million for you. So, how much did was OTC for you in FY26? And what is your perspective on the oral solids business for FY26?

V. Muralidharan: Yeah, typically, we do not talk about the numbers for OTC, that I leave it to Subbu. But in terms of growth, OTC has done well in the last two quarters, this quarter has been good, it continues to be good and it continues to grow. So, we are looking forward to better growth in OTC.

With regard to OSD, we believe that we are confident in our outlook for improved growth in the current fiscal, which is FY26. We have planned a number of new launches. And our team continues to assess opportunities with a view to drive medium to long-term growth and value creation with a more diversified portfolio of growth drivers, primarily. So, this is what we are looking at, and we are optimistic in short.

Tarang Agarwal: Okay, just a couple of more. What are the cumulative investments in the biosimilar business till March 25?

S. Subramanian: Yeah, it is around US$ 400 million plus.

Tarang Agarwal: Okay, yeah.

Moderator: The next question is from Amay Chalke.

Amey Chalke: Taking the biosimilar question from Tarang ahead. So, is it possible to give some colour, because we have said in the presentation that we would be launching biosimilars in Europe next year. When should we expect meaningful contribution to come in, considering three to four products are already filed in Europe?

Dr. Satakarni Makkapati: Amey, this is Satakarni. So, in the biosimilar space, as you know that we received two approvals from the European Medicines Agency in the last quarter. And we had one approval of Bevqolva in Q3 of the last fiscal. We also received a positive opinion for Dazublys, which is our version of Trastuzumab biosimilar, I think, last month and we are expecting the approval from the European Commission in July. So, we plan to start our supplies from the 2nd Quarter, as I mentioned in the last earnings call, from the 2nd Quarter of this fiscal. Once we iron out our supply chain and stabilize our manufacturing and supplies, I expect the meaningful contributions from the biosimilars business to flow in from the next fiscal year. We expect it to be a double-digit revenue starting the next fiscal.

Amey Chalke: Sure. And the second, yes, sir. And the second question I have on the US, is it possible to give some colour on the pipeline for the US market? We have said that the plant is under preparation for transdermals and respiratory products, etc. So, where are we in terms of the filing in these types of products? Thank you.

Swami Iyer: So, this is not in the near term. I think we are progressing better than what we anticipated in terms of filings. We believe that these products would come in to the medium term, not necessarily the short term.

Amey Chalke: So, in the short term, the drivers would be largely the injectable products and the hormone products, or anything else we should be looking out there as well?

Swami Iyer: So, injectable product, I will leave it to Yugandhar to talk about. As far as the short-term drivers are concerned, we expect newer launches from the oral solids and volume increases in certain products that we have launched recently. And also, some other new launches that we did in the last 1-2 quarters.

Amey Chalke: Sure, sir. Thank you so much.

Moderator: Thank you. The next question is from Bino.

Bino: Hi, good morning, good evening. First question to Murali, you know, just probably a little bit more on Europe, you said the FY26 will see an improved growth because of some LOE products, etc. So, one, would you be able to name some of these LOE products? And two, assume we have a very good growth in FY26, how should we look at growth in this market, being a mature market ahead, FY27 to date, etc? Will it come back to the normal market growth rate of single digit or do you see a pretty long runway?

V. Muralidharan: Thank you, Bino, for this question. Let me take up the growth first and then the LOE products. So, in terms of growth, the generic growth in Europe is rather flat or low single digit or maximum 4 to 5%. But we have been consistently clocking a high single digit growth. And I'm confident in this new fiscal as well, we'll be doing close to 8-9% growth, contributed by several factors, which I have already listed a couple of times. And, you know, internally, we had kept a billion-dollar mark for this year as our mission, and we almost reached that. As Subbu mentioned, it was US$ 987mn for the current year. So, obviously, next year we'll be scaling past the billion mark in style.

Coming to the LOE products, there are about six products. I'm not sure whether I can name these at this moment, but these will be launched during the year, market-by-market. In some cases, we are going on a risk-based approach based on the legal opinion we have got, but we are confident we'll be able to successfully launch and clock the annualized revenues in the next fiscal. Thank you.

Bino: Understood. Second question, a follow-up to Yugandhar. You mentioned about a few interesting launches, including settlements in the US in FY27. Would you be able to name them?

Yugandhar Puvvala: Yeah, it is public information. So, we have most of the oncology oral solids which are going to come, which is related to Pomalidomide, Nintedanib, Sugammadex. So, there are multiple. In fact, we have tentative approvals. We expect final approval to happen just before the launch, but there are multiple settlements which will kick in end of FY26 and into FY27. So, I think beyond that, I cannot read the entire list, but yes, we have interesting launches lined up for FY27.

Bino: Got it. Is Macitentan part of it?

Yugandhar Puvvala: No.

Bino: Okay. And one last, Subbu sir, the tax rate for the year was high compared to earlier years. What should we look at for FY26 at a consolidated level?

S. Subramanian: I think the tax rate, the general tax rate for us is around 25%. But being very conservative, we don't take the deferred tax credit for all the loss-making units. Once they start becoming break-even, et cetera, I will get the tax rates done. So, you can take approximately 28 to 30% is the tax rate. Probably you'll get a better idea going forward in the coming quarters.

Bino: Thank you. Thank you very much.

Moderator: Thank you. The next question is from Andre.

Andre: So, my question is rather broad, but in the opening remarks, Mr. Santhanam said that he was quite satisfied with the good results which you have in the last year. Now, if I were to look at it from an outside perspective, with the exception of the European business, the general growth trajectory in last year has been somewhere in the neighbourhood of 10%,

whether you look at revenues or profit, etc. I'm making a slightly broad statement. Now, what is it that makes you say that these results are good? I want to understand your own evaluation and your own expectations of the business. Were there conditions in the business that were rather difficult last year, which makes a 10% kind of revenue profit growth satisfactory or more than satisfactory for you? And if I were to extrapolate for next year, against a comment saying that you expect next year to be muted in terms of results, for the reasons that you applied, what would, in that context, be an expectation of a good result for next year?

S. Subramanian: See, this year, if you really see the Q4, year-on-year growth, we have achieved around 10%. So, we are saying, excluding the transient product, we'll be achieving around high single-digit growth. That means the base business is growing consistently, Plus anything, the transient product will contribute, which has been mentioned earlier, that will get added to that.

And second, please do not expect all businesses have to continuously perform every quarter. That is the reason what we have done is, you see, there will be some pressure for any, some business in some quarter, etc. So, we are making the results, everything on a market basis,. That is the reason you have to look at it. If we get into every business, this business is growing, not growing, etc., it's very difficult. And second, with such a base [revenue] of around Rs. 32,000 crore, some quarters there may be a drop, some quarters there may be a high. But overall, you have to look at the year as a whole, whether we are doing it or not doing it like that. It's not a small business where it can grow by 50%, 40%, 30% like that. It's a very big business. And when we say Rs. 32,000 grew by 8 or 9%, we are talking about a growth of around Rs. 2,500 to Rs. 3,000 crores.

Andre: Okay. So, if I would understand you correctly, what you're saying is that for a business with a large base, there are different components, which will at any point of time move in different directions. Some will grow in…

S. Subramanian: Different directions, but our job is to ensure that overall, everything put together on a consolidated basis, we have to grow.

Andre: So, therefore, a growth of 10% overall is good by your internal measures.

S. Subramanian: Yeah, high single digit, I said that.

Andre: Okay. And therefore, for the next year, what is it that you would consider a good performance?

S. Subramanian: High single digit is what we are targeting.

Andre: Okay. Thank you. Thank you very much.

Moderator: Thank you. The next question is from Jigar Walia.

Jigar Walia: Hello. Sir, one is, if you can explain importance of Eugia Unit-5 versus Unit-3, I mean, Unit-3 has been discussed a lot, but if you can give some more clarity with regards to how Unit-5 versus Unit-3.

Yugandhar Puvvala: Yeah, Unit 5 Jigar, we have already four lines which are installed, and we are actually almost adding four more lines related to BFS, PFS, cartridge, and one more aseptic line. So, it will be almost eight significant lines with capabilities of aseptic, terminally sterilized, cartridge products and BFS products and bag products. So, we expect Vizag to be a future plant, not only as a de-risking for Eugia-3, but also contributing significantly starting FY27. So, we have plans of filing roughly around 10 products for US and around 15 products for Europe. And obviously, all these products will be extended to the other geographies. So, FY26 will be the significant filing year, with FY27 contributing decent enough revenues for this plant. So, if you need to know anything else, most welcome, you can ask.

Jigar Walia: This is helpful. And Unit-3 would be also having eight lines or would it be…?

Yugandhar Puvvala: No, that Unit-3 has actually 17 lines. Okay. So, we don't want to create such a massive plant again, but we wanted to limit any future plants to be in the range of maximum 10 lines. So, we have expansion possibilities within the Vizag plant, but only thing is, at this point of time, we want to restrict ourselves to around eight lines.

Jigar Walia: Makes sense. Thank you. The other question is, you partially mentioned in terms of the cumulative investments on Biosimilar, etc. But overall, as a company, we made investments in Pen-G, Biosimilar and CDMO, and these are probably not contributing positively to the earnings as of now. If you can just give a cumulative number in terms of investments and maybe how much is a cumulative type of impact on the P&L now, and as it normalizes, so one can understand the data going ahead.

Santhanam Subramanian: I can give you a very broad, rough estimate. We have invested around Rs. 2,700 crores in Pen-G. It has the potential to take the EBITDA more than Rs. 1,000 crores. It has the potential, and if good prices, if we get, it can be higher also. But what I'm saying is, there is potential In terms of the Biosimilar, Satakarni has already mentioned to you what is he planning to do? So, this is very clear. CDMO also. Satarkarni, can you talk about CDMO?

Dr. Satakarni Makkapati: Yeah, I mean, Jigar, so the CDMO business that we have in TheraNym, we are investing close to about Rs. 1,000 crores to build the 15 KL into multiple bioreactor capacities. The plant would be commissioned in Q2 of the next fiscal [FY27], and we expect the validation batches to complete by Q4 [FY27], which means we will see the revenues coming in from the following fiscal [FY28]. It takes time to build these plants, two and a half to three years. So, we are very much on track with commissioning the facilities and ensuring that it becomes into the commercial supply chain soon in the next 4-6 quarters' time.

Jigar Walia: Got it. And over, I mean, roughly over what, 3-4 years, should we see that these would earn company level EBITDA margins or could it be sooner?

Dr. Satakarni Makkapati: For the CMO, it would be about 3-5 years' time frame, because it depends on the sponsor or the client and what capacities will they actually utilize, which we think is fair bit of capacities right now. And also, it depends on, once you complete your validation batches, how long would it take for the regulatory approvals to come in. So, anywhere between 3-5 years' time frame, 3 the best case and 5 the worst case, we see normalcy sitting in.

Jigar Walia: Great. Last, if I can squeeze in with the free cash flows improving post-CapEx commitments, is there any possibility for buybacks?

S. Subramanian: That's a good question. The last buyback was closed on August 31st 2024. So, you cannot do a buyback before August of this year. So, we have enough time to think about it and our cash flows are pretty strong. Maybe board can consider either buyback or dividend. But the probability is good, actually, with the cash flows strengthening.

Moderator: Thank you. The next question is from Shyam Srinivasan.

Shyam Srinivasan: Good morning. Thank you for taking my question. Just the first one on the on the Pen-G plant. I just want to understand a little bit about the fire accident and the subsequent 20-25 day… I think you also put a press release yesterday saying you are waiting some approval from the Andhra board. So, just can you give some clarity around what went wrong and what are the mitigation efforts and when does this restart? That's question one.

Also want to know in terms of production, how are we thinking, again Pen-G? What is the monthly or the annual trajectory we would likely go back to? And Subbu sir, you also mentioned about prices for Pen-G, if they are favourable, we'll do certain level of EBITDA. Just want to understand how is it trending right now? We've heard some Chinese players actually cut 6-APA prices, for example. So, just want to understand the dynamics around Pen-G and what's our outlook for the next 12 months?

S. Subramanian: So, the first question is fire accident. This fire accident happened in the coal yard near the conveyor belt. This has happened because of the self-ignition of the coal heap. What I understand from the technical people, the temperature on the surface vis-à-vis temperature inside the coal heap was very high, and that led to self-ignition of the coal. And this is very common if you really see in the cement industries, etc. But unfortunately, it was near the conveyor belt, which has impacted the conveyor belt, and that has been rectified.

In the meantime, we also applied for the renewal as one year was over in April. So, we have subjected ourselves to the inspection. And in the meantime, this accident has happened and hence it could not be proceeded with. Now, we'll take it up with the PCB (Pollution Control Board). We cannot give a time frame, but certainly, everybody will look into this project positively.

And apart from that with the new COVID news, we need to push the government very fast, which we are likely to do going forward.

And third, in terms of the pricing, etc. 6-APA pricing, etc., I mean, if it is low, it's good. We can also take advantage of that, so that we can make more money than what we can anticipate by doing it ourselves, unless the minimum import price comes, etc. It's always better to take advantage of any opportunities coming in terms of reduced price. That's the way any company will do that.

Shyam Srinivasan: Thank you, Subbu sir. Helpful. This minimum input price, you mentioned this few times. Sorry, I have not understood what the proposal is. Is it to help domestic industry? Sorry, can you explain what could be the contours of it?

S. Subramanian: I think what I understood from the industry sources is, government is contemplating of putting the minimum input prices of few products, etc. So, we have also represented our product. Once we come to know from the government anything officially, we will certainly let you know.

Shyam Srinivasan: Sorry, Subbu sir, sorry to interrupt you. This is for which product? Sorry, I didn't understand. Where are we looking for minimum input supports?

S. Subramanian: For PLI products only.

Shyam Srinivasan: All PLI products. Understood. Okay, I got it.

S. Subramanian: Yeah. I mean, this is, we came to know from the industry sources. I want to make it abundantly clear.

Shyam Srinivasan: Understood, sir. Okay. Lastly, you also mentioned in your opening remarks about July being a tariff. Maybe there is some… again, like you said, industry, there's a lot of discussion. But generics were exempted last year in 2019, even under Trump-1. So, has there some change been, which seems to suggest that…?

S. Subramanian: Nothing, we are not suggesting anything. Whatever, we are not making anything, we are not guessing anything. We are just saying there is an announcement likely in the month of July. So, let's wait for that. That's it. We don't want to make any guesses about it.

Moderator: Thank you, Shyam. We will now take the last two questions. The next question is from Nitin Agarwal.

Nitin Agarwal: Sir, I was saying about the biosimilar business, we mentioned that we invested almost US$ 400 million in the business so far. At what time frames do we start to expect making decent ups of our expected ROCs on this business? This is going to be ‘27, ‘28, or subsequently?

Dr. Satakarni Makkapati: So, Nitin, we expect ‘28 would be the inflection year for the biosimilar business. And the business will stabilize with about seven products in the regulated markets, both in Europe and possibly a couple of products in the US by 2030. So, you should look at ‘28 to 2030 as the years where you can see biosimilar business trajectory building up.

Nitin Agarwal: And Satakarni Sir, while not looking at specific guidance, but given the way you are seeing the business, the way you see the dynamics in the biosimilar business, the pipeline that we have, I mean, over this timeframe, '28, '29, '30, excluding the CDMO part, only the biosimilar part, I mean, what is the potential of the business to get to in terms of size? Is it a $500 million business, a billion-dollar business? Where does it get to in terms of the investments that we made and the capabilities that we have in this business?

Dr. Satakarni Makkapati: So, in one of my earlier answers to one of the earnings call questions, I explained that I would hate to put numbers to it because we are looking at extremely complex and dynamic environments, both in Europe as well as the US when it comes to biosimilar business and its disruption. Having said that, with the portfolio that we are having, especially with the four products that are now approved, followed by the Denosumab, Omalizumab, and the Bevacizumab, which are likely to get approved in the next 4-6 quarters, I expect by 2030-31, the business would be anywhere between US$ 250 to around US$ 400 million in revenues. It depends on various factors. So, it is very subjective, and you cannot pinpoint to a certain number, but expect to be a significant size provided certain regulatory decisions go our way in the US and other regulated markets.

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

Anubhav Agarwal: Hi guys, just Subbu sir, getting some clarity on the guidance here. One, what contribution are you including from Pen-G plant coming back in the guidance here? Or how many months of production are you including?

S. Subramanian: I think we are including around 6-8 months.

Anubhav Agarwal: And that would be roughly about 3-4% of revenues, 5-6% of revenues? I'm just trying to understand, because that number can be 3-4% in a guidance of high single digit growth.

S. Subramanian: See, we cannot specifically tell the numbers of individual business. But what we can tell is, suppose if you are able to make a production of anywhere between 8,000 to 10,000 tons in a year, certainly ~50% will go into the external market. So it all depends upon the price at that particular point of time, etc. As I told you earlier, Anubhav, if we are unable to make it in one business, we'll try to make it up in another business. That's the way we keep on moving. And we have multiple levers, multiple businesses in every market. We have to try to work on that.

Anubhav Agarwal: Sure, that's helpful. Second clarity on the guidance is, on lenalidomide or generic Revlimid, very roughly, year-on-year would be significantly… So, FY26 would be significantly lower than FY25, flattish? Just, a very rough qualitative sense would help us, because I know your guidance is excluding the transient product, but at the same time, margin is an absolute number, right, which is same year-on-year.

Management: FY26 will be less than FY25.

Anubhav Agarwal: That's helpful. Last clarity is on other operating income. So, this year was about 350 crores. Roughly, next year, will it be a flattish number, growth of about higher single digit? Just some idea about other operating income.

S. Subramanian: Mostly, our other operating income should be around 200 crores plus.

Moderator: Thank you, everyone. Ladies and gentlemen, we'll have the closing remarks.

Shriniwas Dange: So, thank you all for joining us on the call today. If you have any of your questions unanswered, please feel free to get 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.

Moderator: Ladies and gentlemen, on behalf of Aurobindo Pharma, that concludes today's conference. Thank you for joining us, and you may now disconnect your lines and exit the webinar. Thank you.

END OF TRANSCRIPT

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