

February 16, 2026

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

Sub: Transcript of Q3FY26 earnings call.

Please refer to our letter dated February 2, 2026, wherein we intimated the schedule of Investors/ Analysts call on February 10, 2026. We are attaching herewith the Transcript of the said analyst / investor call on the Unaudited Financial Results of the Company for the third quarter and nine months period ended December 31, 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 information on record.

Thanking you,

Yours faithfully,
For AUROBINDO PHARMA LIMITED

B. Adi Reddy
 Company Secretary

Encl.: as above

AUROBINDO PHARMA LIMITED

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Q3 FY26 Earnings Conference Call

10 February 2026

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

Mr. Yugandhar Puvvala – CEO of Eugia Pharma Specialties Limited

Mr. Swami Iyer - CEO, Aurobindo Pharma, USA

Mr. V. Muralidharan – CEO, Europe Formulations Business

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

Mr. Varun Mali – Investor Relations and Corporate Communications Team

Moderator: Ladies and gentlemen, good day and welcome to Aurobindo Pharma's earnings conference call for the third quarter of FY26. Please note all participants' lines will be in listen-only mode and there will be an opportunity for you to ask questions after management's opening remarks. Should you need any assistance during the conference call, please raise your hand from the participant tab on the screen.

Please note this conference is being recorded. I now hand over the conference to Mr. Varun Mali for opening remarks. Thank you and over to you, sir.

Varun Mali: Thank you, Vandit. Good morning, ladies and gentlemen, and welcome to our third quarter FY26 earnings call. I am Varun Mali from the Investor Relations and Corporate Communications team.

We hope you have received the Q3 FY26 financials and the press release that was sent out yesterday. These are also available on our website, www.aurobindo.com.

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

- Dr. Satakarni Makkapati, CEO - Aurobindo Biosimilars, Vaccines and Peptides Businesses, and Director - Aurobindo Pharma Limited.
- Mr. Yugandhar Puvvala, CEO, 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 judgment and future expectations concerning the development of a 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 now hand over the call to our CFO for the business highlights. Over to you, sir.

S. Subramanian: Good morning, everyone. A very warm welcome to Aurobindo Pharma Q3 FY26 Earnings Call. Thank you for taking the time to join us today to discuss the company's financial and operational performance of the third quarter of the current fiscal year.

Let me begin with a brief summary of the performance.

- Our consolidated revenue for the quarter grew by 8.4% year-on-year to 8,646 crores, reflecting sustained business momentum through the nine months of FY26. Business growth was driven by continuous strong performance in our European operations coupled with stable U.S. based business and growth market operations.
- EBITDA for the quarter stood at 1,773 crores with a margin of 20.5%, demonstrating a 9% year-on-year growth. This quarter demonstrates strong operating leverage, fiscal prudence, and consistent execution of our strategy. Last year, this quarter, we had a significant quantity of transient products and this quarter, this is very minimal.

Business highlights: Let me walk you through the key business highlights for the quarter.

The overall formulation business reported a year-on-year growth of 10% with a revenue reaching Rs. 7,683 crores, contributing approximately 89% of the total consolidated revenue.

The growth was led by strong performance in various businesses. The API business contributed to 11% of the overall revenue, amounting to (Rs. 963 crores), in line with the ongoing market trends and prevailing pricing landscape.

U.S. formulation: U.S. revenue stood at USD 420 million, excluding gRevlimid, U.S. Oral Solid remained stable, demonstrating the strength and resilience over a diversified product portfolio. During the quarter, our core business continued to see healthy demand supported by volume expansion and recent product launches.

Our U.S. injectable sales also grew by year-on-year by 17%.

During the quarter, we launched 9 new products and received 7 approvals reflecting strong pipeline performance, coupled with sustained progress in regulatory approvals.

European Business: The European business maintained its strong momentum in growth, delivering 27% year-on-year revenue growth, amounting to Rs. 2,703 crores. In Euro terms, amounting to 261 million this quarter.

Consistent execution across key European markets firmly underpins our trajectory to exceed 1 billion in annual European revenue by close of FY26.

Growth markets: Revenue from growth markets remained flat at Rs. 865 crores or USD 97 million, driven by stable volume and strong diversified commercial base across the strategic market.

We have continued to expand our presence in key markets such as Canada during the quarter.

ARV formulation: ARV formulation reached to Rs. 376 crores or USD 42 million with 22% year-on-year growth. The continued growth momentum was driven by higher volumes and new tender wins across the key markets over the medium to long term.

Operational and financial highlight:

Gross margin for that quarter stood at 59.7%, supported by softer raw material prices and business mix. Gross contribution stood at Rs. 5,165 crores. Excluding g-Revlimid, year-on-year basis, our sales have increased approximately by 9%, gross profit by 13% and EBITDA by 15% respectively. R&D expenditure was Rs. 409 crores, amounting to 5% of the total revenues, thereby reinforcing our commitment to continue to build a robust pipeline of high-value products, including complex generics and specialty therapies.

Net capex for the quarter stood at USD 79 million, in line with our strategic priorities of enhancing our manufacturing capabilities, strengthening compliance and accelerating automation. We generated net cash inflow of USD 118 million during the quarter, resulting in improved net cash position, including investment and appropriating for the purchase consideration of domestic pharma acquisition of USD 251 million as of 31st March 2025, compared to USD 170 million as of September 30, 2025.

On average, finance costs were 4.9%. Net profit for the period stood at Rs. 910 crores, after one-time cost due to change in the labour code amendment, Rs. 65 crores.

Update on Pen-G plant and MIP: The ramp-up of the facility is progressing in line with the expectation and is well-positioned to deliver a meaningful uplift in profitability over time.

Based on our current production level, we expect to produce more than 10,000 metric tonnes on annualised basis over the next 12 months. It is important to note that the yield levels are steady and improving consistently over time.

The Government of India issued a notification introducing a one-year CIF on minimum import price for Pen-G, 6 APA and Amoxicillin. The policy change will act as a very important and positive catalyst event for the company.

Finally, we consider this decision by Government of India strategically important for creating India's self-reliance in antibiotics and reducing supply disruption risks and will boost the domestic manufacturing of APIs and KSMs.

Outlook: As we go ahead, we are highly confident in our ability to sustain the growth momentum and consistently create long-term value across all business segments, supported by our strength of diversified operating model, expanding manufacturing footprint and strategic bolt-on acquisition.

With manufacturing capacity exceeding 60 billion units and further expansion underway, we are well-positioned to support rising demand across various markets while improving operating leverage.

Europe continues to deliver a strong and consistent revenue growth. Our operational execution, expanding product basket and reliable supply capability continued to drive our performance and reinforce customer partnership.

In the US, we are entering into an important phase of growth. The Dayton facility has successfully transitioned into a commercial phase with manufacturing underway and will begin contributing revenues significantly from FY27 onwards. In parallel, Raleigh facility remains on track pending regulatory clearance and we are fully prepared to scale up the operations. The Lannett acquisition further strengthened the US business, and this is subject to regulatory approvals.

Our OSD China facility continues to progress steadily, advancing towards an annual capacity of 2 billion units, currently supported by EU approval for 10 products and 3 local product approval.

We remain confident of achieving EBITDA break-even in Q4 and meaningfully contribute to the bottom-line EBITDA in the next year.

Our strategy on PEN-G and 6APA and Amoxicillin represents a structurally important initiative that will enhance cost competitiveness, reduce external dependencies and strengthen margin over a period of time.

We expect to ramp it up to nearly 65 to 70% by March '26 against the last year average of 42%. Already, we have significantly ramped up in January '26.

Looking ahead over the next two years, our growth will be driven by several clearly defined and scalable initiatives.

We continue to build differentiated product portfolio with increasing focus on complex generics across dermal, transdermal, nasal, respiratory and oncology with positions as well for sustainable growth over the medium to long term.

Incremental contributions from robust pipeline of new product launches.

The injectable business continues to show steady improvement supported by supply ramp-up, improved service levels and higher capacity utilization contributing to better operating performance.

Supply from China operations into Europe are increasing and helping improve global cost efficiency and supporting margin optimization.

We are seeing incremental benefit from portfolio acquisition which strengthens our business in the growth markets and adds scale to the overall business.

We are progressing well on our biosimilar and biologic strategy.

Taken together, these initiatives provide strong earnings growth visibility and reinforce our confidence in achieving our internal EBITDA margin target of mostly on the higher side of 20% to 21% for FY26. We remain sharply focused on our execution excellence, operational rigor and prudent capital allocation which we believe positions us for sustained performance on long-term value creation.

With that, we would be happy to take your questions.

Our senior leadership team looks forward for sharing additional insights and (clarifications).

Question and Answer Session:

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

The first question is from Tushar Manudhane.

Tushar Manudhane: Thanks. Thanks for the opportunity.

Sir, with respect to Eugia III inspection, if you could share some color in terms of the nature of observations. Secondly, if implementing any measures to address this issues, will this require certain, let us say, temporary stoppage of production or anything of that sort, if you could throw some light on that?

Yugandhar Puvvala: Yeah, I think, Tushar, we have already clearly mentioned this, stating that these are all procedural observations. There is no stoppage of production, no stoppage of any nature and these are procedural and technical. And we are very confident of responding within 15 working days to USFDA. I do not see any issue.

Tushar Manudhane: So, that way the production also will be on the continued process per se?

Yugandhar Puvvala: That is right. I think we are very, very clear. I think last time inspection was completely different and this time inspection is, it is very positive from that perspective that we do not have any data integrity issues, which was the issue last time unfortunately. And these are all procedural in nature and procedural means like it requires a one week or 10 days, some SOP changes, some corrections here and there. So, absolutely no problem.

Tushar Manudhane: That is good to hear, sir. And just one clarification from the opening remarks. So, ex-gRevlimid, we highlighted US sales would have grown at what rate over year-on-year basis or quarter-on-quarter?

S. Subramanian: I think we have given it around 9%.

Tushar Manudhane: US sales, right?

S. Subramanian: No, overall.

Tushar Manudhane: Okay, sir. That's it from my side. Thank you.

Moderator: Thank you. The next question is from Damayanti Kerai.

Damayanti Kerai: Good morning and thank you for the opportunity. This is Damayanti from HSBC Securities.

My first question is again on Eugia. So, as you mentioned, the observation seems to be procedural in nature and it might be resolved within your stipulated timeline. But given we are yet to get full clearance from the FDA, what kind of trajectory we should build for or we should assume for the US injectable sales? In your opening remarks, obviously, you mentioned this segment has seen good pickup. So, if you can just talk a bit about it.

Yugandhar Puvvala: Yeah, Damayanti, like see, these are procedural in nature and we will respond and we are cautiously optimistic about the future of this facility. But ultimately, US FDA has to take a decision in terms of the warning letters. So, I cannot comment on what exactly they will do, but we feel confident that we will be in a position to respond. And in my view, probably like next year will be again same double-digit growth, what with the ramp up of supplies and other stuff happening from various other facilities.

So, it should be in that same trajectory till the time the warning letter gets lifted. If in case if the warning letter gets lifted, then it will be a different this thing, that we can talk in subsequent quarters. But at this juncture, we are cautiously optimistic.

Damayanti Kerai: So, during the quarter, you mentioned injectable sales grew 7% or 17%. Sorry, I missed that number.

Yugandhar Puvvala: It is 17%. That is what Subbu mentioned.

Damayanti Kerai: 17%. Okay. So, that's good to hear.

My second question is on your Europe business. So, although in reported numbers, I think reported terms, growth looks very strong. In constant currency, we are seeing this segment growing in low double digit for last two quarters or so. So, with now the China supply improving, how do you see this business ramping up and say from current low double digit in constant currency, what kind of growth we can assume once we see higher supplies coming from China?

V. Muralidharan: Good morning. Murali here. Low double digit in itself is well ahead of the market growth rate. So, this is what we are tracking.

And all of our leading geographies, whether it is France, Portugal, Germany, and Netherlands, they are all showing double digit growth. And of course, with more launches happening and

supplies from China, we expect to grow further. And several launches are lined up, both yet to launch and some of the loss of exclusivity products. So, we expect further ramping up in the coming period.

Damayanti Kerai: So, trajectory should improve as China supply picks up. That's what we should look forward for.

V. Muralidharan: Definitely. This is what the trend we have been demonstrating if you really observed from the last couple of years, Q-on-Q, and we will continue to maintain that momentum.

Damayanti Kerai: Sure. And one last question, if I may ask, if you can update on your Vizag facility, what is the status or update there?

Yugandhar Puvvala: Damayanti, are you talking about injectable facility? Which one are you referring to?

Damayanti Kerai: Injectable one, yes.

Yugandhar Puvvala: Yeah. Injectable one, like we have already filed 3 products and some 10 more products are under filing. We expect a slow commercialization to happen in next year, FY27. And because we are going to file a very, very important product from this facility, because we have a cartridge line where like we will be taking all the GLP-1 products from there and we'll be filing. And we have a PFS, we have a BFS and total, so, it will be 8 lines by end of this year, this calendar year. And that is what we want to restrict it to, so that the ramp up should happen starting from FY27 and we should take full benefits starting FY28.

Damayanti Kerai: Okay. So, '27-28 is a time when we can see a significant contribution coming from here.

Yugandhar Puvvala: That's right.

Damayanti Kerai: Okay. Thank you very much.

Moderator: Thank you. Next question is from Neha Manuria.

Neha Manuria: Thanks for taking my question.

My first question is on Lannett. Could you give us an update on where we are in the approval process from the FTC and when should we expect the completion of that transaction? And just to follow up on Lannett, you know, in your view, what would be the rough overlap between the Lannett portfolio and Aurobindo portfolio that, you know, FTC could probably look at?

Swami Iyer: Thanks, Neha, for the question. Right now, we are actively engaging with the FTC through our attorneys and we are very pleased with the progression of the process to this

point. We feel confident that this process will be completed early in the next fiscal year, that is Q1 of '27.

As far as the overlap is concerned, you know, there are no surprises, there are no negative surprises. That is all I can say because obviously, this is a very confidential matter. I cannot disclose it. But we are quite pleased with the way it has progressed and with, like I said, there are no negative surprises.

Neha Manpuria: Understood. So, I should assume that, you know, there is no risk from an FTC perspective in terms of timelines for the closure of this deal?

Swami Iyer: At this point, we are not looking at it. In fact, we are looking for a closing sometime soon. When I say soon, it is, like I said, in the first quarter of '27.

Neha Manpuria: Understood. Understood. That is very helpful, sir.

My second question is on the Pen-G capacity. Subbu sir, you know, roughly what would have been the EBITDA impact from the Pen-G facility in fiscal '26? And as we think about the 10,000 tons production that you have mentioned over the next year, at what point do you see this actually start reflecting in the gross margins and, you know, possibly even external sales? You know, how should I think about how we monetize this capacity?

S. Subramanian: You see, as I said, you know, while we have been improving the yields consistently and increasing the production this quarter, obviously, the MIP is having a, I mean, compared to the current prices, the MIP prices are a little bit more.

So, the full impact of it, we will be seeing it from the first quarter because there is already a stock available in the market, which hopefully will get consumed by end of February or mid of March. So, you should start seeing the improvements in April onwards.

Neha Manpuria: And what would be the EBITDA impact in your assessment from, you know, the Pen-G capacity, you know, this year? I mean, what would be a rough assessment of how much burn we have seen from that facility?

S. Subramanian: I think we should be getting a good EBITDA and you are already knowing the numbers while we may not like to specifically talk about the EBITDA numbers, but it is well-known based on the current market price and the MIP price, etc. Even assuming some discount, we could see a better improved EBITDA in the coming year.

Neha Manpuria: And is it fair to assume that when you say we'll start seeing an impact of this from first quarter, you know, the facility will break even in first quarter FY27?

S. Subramanian: Let me put it like that. To give you some more color, we have already (achieved break-even) on the Pen-G facility and we started making a little bit contribution now itself.

However, where we have been losing out is on the 6APA prices where there is a predatory pricing and it is going well below the cost of manufacture internationally also. And with the correction in the MIP, etc, hopefully this should get resolved by end of March or maybe by April. You got it?

Neha Manpuria: Understood, understood. So, I should start assuming 6APA sales, external sales from first quarter as well then in that case.

S. Subramanian: Correct. Because there is enough stock in the market and at low prices.

Neha Manpuria: All right, got it. This is very helpful, sir. Thank you so much.

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

Bino Pathiparampil: Hi, good morning. Subbu sir, just to follow up, this Pen-G sale for the quarter, how much was produced and was it also, was it sold or fully utilized internally?

S. Subramanian: I think the last quarter we are fully utilized. We are fully utilized and we, see we are now, based on the January production, we are nearly, nearly 9,000 to 10,000 (MT) annualized number. We have gone to that extent. We have already ramped up significantly in the month of January and hopefully this will get further ramped up in the coming months, depending upon the availability of the stock in the market. So, we will ramp up in such a manner there is no over material available like that.

Bino Pathiparampil: Understood. And last quarter whatever was produced was used internally?

S. Subramanian: Yes, it has been everything, I mean barring few tons, right, we have mostly consumed it internally.

Bino Pathiparampil: Understood.

S. Subramanian: But one good thing is the yields are improving, the production has stabilized fully. And it is a question of we need to put more fermenters and then produce the maximum capacities. Two things, one is utilization of all the fermenters, and the second factor is the yield improvement. Yield improvement we have been achieving, progressing well and full deployment of the fermenters, we are, we are in the process only. We will do it and ramp it up the way, the time we need to ramp it up.

Bino Pathiparampil: Got it. Sir, what I was wondering is, you know, last quarter the MIP was not in place, so the market price was low. So, using our in-house Pen-G, did it really help the margins? Because from outside you would have probably...

S. Subramanian: No, as I told you, Pen-G, we have been making, I mean, we are making a breakeven of slight profit. It's a question of 6APA across the market and the resulting Amoxicillin price, which has really put the entire market at a loss. So that is getting corrected. Hopefully by April it should get corrected fully.

Bino Pathiparampil: No, you break even, I understand that, but since the market prices were lower for the entire product basket, not just Pen-G or 6APA.

S. Subramanian: Yeah, so we incurred loss and that loss has been in, that loss has been absorbed as part of the EBITDA margin.

Bino Pathiparampil: Okay, got it. The second, you know, the quarter gross margin about 59.5% is one of the highest, you know, probably higher than some of the quarters where generous contribution of generic Revlimid was there. So, what has led to this kind of strong margins and how sustainable is it?

S. Subramanian: I think we have been consistently improving, I mean, this question was meant for me or any specific business you're asking?

Bino Pathiparampil: No, no, overall gross profit.

S. Subramanian: Overall, I think with the improved performance of the Pen-G and the related products, I think our losses, whatever the losses we have incurred has come down and which will turn into positive and this will help. And overall, Yugandhar also said, the injectable business is expected to go up and every business is working, and Murali has said that he is working on a double-digit growth, etc. So, all put together, I think we should be able to show a sustainable improvement in the EBITDA margin and the overall profitability.

Bino Pathiparampil: Got it. And one last small question, there is this product Pomalidomide - Pomalyst, which is opening up for generic competition soon anytime now, are we part of that first to market launches?

Yugandhar Puvvala: Yes, we'll be launching and we have already prepared for the launch.

Bino Pathiparampil: Okay, this quarter itself, right?

Yugandhar Puvvala: That's right.

Bino Pathiparampil: Okay, thank you.

Moderator: Thank you. I request participant to restrict to two questions and then return to the queue for more questions. For asking the question, participant may raise their hand from the participant tab.

The next question is from Tarang Agrawal.

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

Moderator: Yes, Tarang.

Tarang Agrawal: Hi, a couple of book-keeping questions. We've been seeing a reasonably elevated tax rate for last four quarters. And second, just following up on the earlier participant, not specifically for Pen-G, but really, you know, various capacities are in the process of ramp up – Lyfius, Qule, Auroactive, China, Dayton, Raleigh, (Eugia) Steriles. So just wanted to get a sense on what's the EBITDA burn of all these businesses which are in the ramp up phase, probably for nine months of FY26 or your estimate for FY26?

Yugandhar Puvvala: Subbu, this question is for you. I think he's asking EBITDA burn because of various initiatives.

S. Subramanian: Yeah. So, Tarang, the first question is on the tax rate. What has happened is today, CuraTeQ, today Lyfius, all these are independent companies, right. We have incurred losses on account of the ramping up and other things, and CuraTeQ on account of the R&D cost and other things, right. So ideally for the losses, we should have taken a tax credit, but we have been very conservative in our accounting. So, we are not taking the tax credit. Once we start making profit we'll take that tax credit with a retrospective effect. So, that is the reason why you are seeing a higher tax rate. Otherwise, the tax rate for the entire company, in fact Lyfius the tax rate is around 15% and Qule also 15%, so we will move towards that. Over a period of time, we will be around 25%. But today we are in a ramping-up phase, and that is the reason you are seeing it. So nothing to worry about it. Okay?

Tarang Agrawal: So there's a deferred tax asset that's getting created, is it, for all these?

S. Subramanian: No, we are not creating the deferred tax asset. That is the point I am trying to tell.

Tarang Agrawal: Okay, got it. Okay.

S. Subramanian: If I take the deferred tax asset, if I create it, automatically I should give the credit to the P&L, which I have not done.

Tarang Agrawal: Got it. Yeah, right.

S. Subramanian: In terms of the EBITDA impact loss, as I told you, we are incurring losses in some of these which will get translated into profit in the coming quarters. We are not specifically giving any number, but we will be making profit coming over the period of time.

Tarang Agrawal: Got it. On the biosimilars business, we saw an announcement around vaccine restructuring. And second, I was curious for Lucentis, is the Phase 3 through EMA waived?

Dr. Satakarni Makkapati: Hi, this is Satakarni. I would answer your first question. With the AuroVaccines merger, the intent is consolidating and improving our utilization of the existing capabilities that were built in AuroVaccines. Essentially, the idea is to retain some flexibility to repurpose the capacities that we have built there from 2018 to the COVID period, as these capacities, some of them, can also be needed to support the future biosimilars roadmap. So, in the nutshell, from the board and management, this is more

about us looking into operational efficiency and agility, but not a change in strategic direction. So I hope this answers the part 1 of your question. What was part 2?

Tarang Agrawal: For ranibizumab, is the Phase 3 waived in Europe?

Dr. Satakarni Makkapati: No. So Ranibizumab is a product that goes into the eye. So it's an ocular product used for wet AMD. So essentially, you need to inject the drug into the (vitreous cavity near the) retinal nerve of the eye. That requires a small minor surgical procedure, which is done in a clinical setting. So the Phase 3 is not waived for such products because you can't do a PKPD study of such ocular products that gets injected into (the vitreous cavity near) the retinal nerve of the eye in healthy volunteers. So you will not have any volunteers to do this study. And hence, a Phase 3 for products like Ranibizumab will not have a waiver. Does that answer your question?

Tarang Agrawal: Got it. Yes, yes, understood. Thank you. Last question on the US generics business. You know, up till calendar year '24, OTC was doing about \$100 million of revenue. Just curious, how has that played out for calendar year '25, and what's outlook for calendar year '26? Thank you.

Swami Iyer: Thanks, Tarang. We don't normally talk about the dollar value for separate set of business. But I can tell you for the last couple of quarters or three quarters, OTC has really picked up, and we are looking at it as a fast-growing segment within the US, and we expect very good momentum in the sales and volumes for the OTC business.

Tarang Agrawal: Okay, thank you.

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

Shyam Srinivasan: Yeah, hi, good morning. Thank you for taking my question. Satakarni sir, just again on the biosimilar journey, now in the next 12 months, what are some of the milestones and timing that we need to keep in mind? And any way to kind of assess how large this could be for us over time, maybe fiscal '27 and over time?

Dr. Satakarni Makkapati: Good morning, Shyam. In terms of milestones, Shyam, in the last quarter we have announced (the) first Canadian approval (for Dyrupeg), which is an important milestone for us, on the back of the four biosimilar approvals that we had in the European Economic Area. So we are preparing some momentum in Europe and growth markets through these approvals, which will be translating and converting into launches in this year. We have already built our first product. The previous quarter, we have... we are trying to execute multiple things. Bevqolva, which is Bevacizumab biosimilar, is already launched in the UK. Dazublys, which is our Trastuzumab biosimilar, was launched in the Baltics territory through a partner. This means we are moving from the readiness or the development phase, to real on-the-ground commercialization.

Beyond this, (we also...) our strategy in the European Economic Area extends far beyond simply selling biosimilars through our subsidiary. So, we aim to achieve comprehensive coverage across the European Economic Area, across LATAM markets, and also in Canada. In fact, in LATAM, we are making a stepwise and disciplined approach country by country. We

just won a tender in Mexico, which we have to service in this year. So, we have made a strong start with Mexico.

We are also making a foray into Brazil. In fact, we have a GMP ANVISA inspection announced in May, which will then lead the path towards (potential) approval of at least four products. So, over the medium term, with the Omalizumab and Denosumab biosimilars that I was providing guidance for, which I have to complete the validation campaigns and then start filing them from June/July in both Europe and US, the capacities will get freed up, and the commercialization readiness will become more real.

I believe 29 (2029)... to answer the second part of your question, as I have always stated, 29 (2029) would be the inflection year for biotech. All the efforts that we have made in bringing four biosimilars into the market (read as approval) in the last one year, and with two or three more ready for filing in both Europe and US, we expect to ramp all this up, convert this into some sort of commercial momentum by 2029, which is our inflection year, I believe. Does that answer your question?

Shyam Srinivasan: Yeah, thank you, Dr. Satakarni. Just one sub-question before I go to the second one. This budget announcement of this BioShakti, Dr. Satakarni, anything... ? I know it's early and maybe the details are not yet out for biomanufacturing in the country. You know, anything that you have, any insights from industry discussions? Or if you were to say or recommend to the government, what would be some of those things?

Dr. Satakarni Makkapati: Very interesting question. I get asked this question in the last 2-3 days. Broadly, Shyam, I speak for myself and not for Aurobindo here. Broadly, initiatives like Biopharma Shakti are directionally positive for the sector, if executed well, and that's my big takeaway... if executed well, it has the potential to strengthen the ecosystem, biotech ecosystem, in terms of... from the fine script what I read, in terms of skill development, the clinical trial sites, and how we go about conducting clinical trials, and the availability of the sites, faster translation from development to manufacturing, and let me remember... the predictable regulatory and quality environment that the government wants to create around this initiative. So for the biosimilars and biopharma industry, I think the biggest takeaway will be an improved ecosystem, maybe into the beginning of the next decade, if it is implemented well.

The challenge is, therefore, can we develop a stronger local capability in clinical development? When I say clinical development, do the trials that we do for complex biologics and biosimilars and new chemical entities in India stand the scrutiny and rigor of the agencies like FDA and EMA? Are many companies going to achieve that sort of skill (expertise/competence)? That's question one.

Then I believe this also helps build stronger local capability in single-use and critical consumable supply chains. As you know, during COVID, the industry in general has suffered from dependency on the West on single-use bags, filters, and resins, which are so vital to delivering a drug and purifying them or producing them. And hopefully, the commentary in the Biopharma Shakti about skill development, because there's a lack of human resources pool right now that can really help us compete with the evolved (biotech) industry in the West. So, I believe these are the three big takeaways: an improved ecosystem in terms of local capability building process and clinical development, innovation, single-use (and) critical consumable supply chains, etc.

So what is important, again, to summarize, is the regulated markets will continue to require extremely stringent quality systems and rigor in GMP and GCP compliance. So, the success of Biopharma Shakti will depend on the execution. So let's wait and watch. It's just been, I think, two weeks, so let's wait and watch. I am supportive of the tailwind it brings, especially when people like you ask the questions, which means you are looking forward to the tailwinds that it will bring. So let's wait and watch that it translates into real results.

Shyam Srinivasan: Thank you. Helpful. So just my last question to Subbu sir on the balance sheet, our net cash. I know there's a Lannett acquisition still. But just want to understand from an outlook perspective on M&A, or what are some of the key priorities for us apart from CapEx and dividends, what are some of the key priorities for us as we look forward?

S. Subramanian: So Shyam, which I told you earlier also, we are not going for any major greenfield project other than whatever we are committing to TheraNym which is the biologics which Satakarni has informed. Otherwise, we are not going for any major organic. In terms of the inorganic, yeah, we keep on looking at it, but it is not that we need to do it urgently, etc. If we get the targets at the right price and to our strategy, fitting into our strategy, we will look into that. I think this is the main thing actually in terms of the capital allocation.

Shyam Srinivasan: Helpful, sir. Thank you and all the best.

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

Kunal Dhamesha: Yeah. Sir, just one question on the Pen-G and 6-APA. Since the prices of those imports had started coming down at the start of FY26 or the end of FY25, and we have imported little bit of 6-APA in FY26, so is it fair to say that some of the gross margin improvement that we are baking in from the internal consumption from our facility is already there in the numbers? Because we are already getting a lower price imports, right?

S. Subramanian: Kunal, your question is right. That was the scenario one month to one and a half months back, but now the prices have started going up, okay? And whatever may be the production, We are anyway not going to buy it from them unless it is required, absolutely essential for various reasons, right? We will be producing, and our cost of production is also coming in line. So we should be seeing an improvement in the gross margins very clearly going forward, right? That is the thing.

Kunal Dhamesha: Okay, and so the MIP, when you would have made the representation to the government, what would be the basis of that? Would that be like the cost of production plus a decent profitability? Is it on that basis that the government would have decided based on your representation, or there are more factors into consideration?

S. Subramanian: Kunal, your question is absolutely right. But since I'm privy to certain information which has been worked along with the government, I am unable to disclose anything further on this.

Kunal Dhamesha: Sure, sir. Thank you and all the best. Thank you.

Moderator: Thank you. Next question is from Jigar Valia.

Jigar Valia: Yes, thank you so much for the opportunity. One question is with regards to the Lannett acquisition. The settlement amount of the fines. Is it final, or it can increase? And will it get adjusted in the price or not?

S. Subramanian: Swami?

Swami Iyer: The settlement of Lannett is their liability, and Aurobindo is in no way liable, nor does it change the math.

Jigar Valia: Okay, so the price also remains the same, while these will be settled independently.

Swami Iyer: Yeah, till today, I mean, till the actual acquisition happens, and any liability till that date will be that of Lannett.

Jigar Valia: Okay, with regards to the PLI amount, when and how much are we expecting to come from the government?

S. Subramanian: So it is like this, Jigar. As per the government, it is Rs. 240 crores for every 10,000 MT, right. And as and when we produce the quantity, it will proportionately come.

Jigar Valia: Got it, and we are already at nine, ten thousand you've mentioned kind of, so.

S. Subramanian: Absolutely. You can see... I mean, hopefully everything goes well, we should be able to see the full year... next year, we should be able to see the full amount.

Jigar Valia: Great. One question I'll take now is you mentioned capital allocation, the buyback figure given there has been some tax this thing as well. And last time we did it at Rs. 1,450, now the price is lower, and of course there is a slight tax benefit for the non-promoters.

S. Subramanian: Yeah, it's a very good... I mean, this is a very good option which came in the budget. Probably the entire management, I mean, top management, promoters, board, everybody is aware of that. I think this is coming with effect from 1st April. Let's wait and see. We have another two months' time. Now, this needs to be passed by the Parliament and any changes, anything we will take into account and decide appropriately. The board will consider these and then decide in their best wisdom, depending upon the circumstances.

Jigar Valia: Got it. Thank you. Thanks.

Moderator: Thank you. The next question is from Harshit Dhoot.

Harshit Dhoot: Hi, first of all, congratulations to Subbu sir and the Aurobindo Pharma management team for the MIP on the Pen-G part. Sir, just one help which I wanted on the modelling purpose. We have got the MIP at \$25 for Pen-G. But sir, if you do the calculation,

the two Pen-G equals to one 6-APA, and most of the formulation plants source 6-APA or the Amoxicillin, where the prices are similar to the market. So from the modelling purpose, should we take the prices at \$25 per kg, or we should reduce it down keeping in line to the ratio and MIP that we got on the Amoxicillin and the 6-APA?

S. Subramanian: Harshit, your question is very good, but you should ask some of the consumers to get the right answer.

Harshit Dhoot: The consumers are saying that we should buy Amoxicillin...

S. Subramanian: Certainly I may not like to give any number now.

Harshit Dhoot: No, no, no, I'm not looking for exact number. Just directionally, sir, lower than 25?

S. Subramanian: I think directionally I have already said no, the prices have started going up. To what level it can go up, where it will end, we do not know, but certainly we are very confident about it.

Harshit Dhoot: Okay, so because two Pen-G one 6-APA implies \$50 prices, but we got the MIP of \$37 prices. So if we take in modelling the \$25 price and it implies to \$50, while actually it will be \$37. Is it right understanding, sir?

S. Subramanian: Yeah, right understanding. But certainly when you buy Pen-G solid and then convert it into 6-APA, there are additional cost involved, etc. But the way our process have been done is we will not crystal, we will not do solid Pen-G. We will convert it at the liquid level. There is a saving coming.

Harshit Dhoot: Okay, sir, and the second part. As the Eugia plant inspection has just completed, are there any other plants which are due for inspection, or which you think can be for the inspection for let's say next six months or one year?

S. Subramanian: Yugandhar?

Yugandhar Puvvala: No, these are all unannounced audits. We don't know when they will come and what they will do. So there is nothing called pre-scheduled inspections, mainly from USFDA. So it will be very difficult for me to comment which plant might get audited next.

Harshit Dhoot: Okay, sir, thanks. Thanks a lot, sir. Thank you.

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

Nitin Agarwal: Sir, thanks for taking my question. So there has been a significant depreciation of the Rupee against the USD, as well as the Euro over the last few months. Are the numbers fully reflecting... already beginning to reflect some of the impact of depreciation, or how should we think about it next year?

S. Subramanian: I think one of the things... the depreciation is not... because of that translation effect also, the depreciation is going up, right? And that is also one of the reasons. You're talking about the Rupee depreciation on the top line, or how, what is your exact question?

Nitin Agarwal: Yes, sir, the rupee impact of the Rupee depreciation on a P&L, what kind of gains can we get,? And is it already beginning to reflect in the numbers?

S. Subramanian: It's already started reflecting on the numbers, right? Whatever sales are happening at the end customer i.e. at the Europe level or US level, etc., we translate at the average rate for the quarter. And so the numbers are reflecting the actual... If there is further depreciation of any currency, etc., against dollar or appreciation against dollar like Euros, etc., that also will get reflected going forward.

Nitin Agarwal: So my question was, is there a lot of gross margin improvement, or can we...? Is it fair to assume a fair bit of that has come on because the depreciation of the Rupee against the dollar and the Euro?

S. Subramanian: No, no, because everything will get translated into... No, whether it's a cost, everything we will translate into the average rate. So it is not that only the top line we are translating, other things we are not translating. In fact, if you really see, you look at the other expenses, typically it used to be around Rs. 1,700–1,800 crores. Because of the translation effect, etc., it is now at Rs. 2,000 crores.

Nitin Agarwal: Right, right. And the last one on this, on for Europe, what kind of sourcing do we do? What proportion of our supplies are done from India, and how much do we source in Europe itself?

S. Subramanian: I think Murali, you would like to take the question, or can I answer?

Mr. V. Muralidharan: Yeah, I would know, maybe I can give a high-level update. Closer to 60% of the sourcing happens from in-house sources, and steadily we are also transferring the third-party products, the key ones, to our sites. And the balance comes from third-party sites.

Nitin Agarwal: Thank you. Last one, sir, on US, how many new approvals or new launches are expecting in FY26?

Swami Iyer: Can you repeat that question, Nitin?

Nitin Agarwal: So how many new launches are we expecting in the US market in FY27, sorry?

Swami Iyer: So approval is one thing, and then we have the launches, because some of the launches could be what is approved, we may be launching later. So we launched about nine products in the last quarter ending December. We believe similar kind of trend would continue for the next 12 months. On a yearly basis, if you multiply, that's what we can look at.

Nitin Agarwal: If it is a large and similar, CapEx should we assume for the business for FY27?

S. Subramanian: I think, other than the biologics CapEx which I mentioned, where we are trying to work... I mean aligning with a strategy of the biologics, I don't think we will be incurring anything beyond around USD 150 to 200 million, because we are not planning for any greenfield.

Nitin Agarwal: Right.

S. Subramanian: Maybe some acquisitions, etc., may come, right? That is a one-of, depending upon the target.

Nitin Agarwal: And how much money is spent or spent on the biologics, CDMO business over the next couple of years?

Dr. Satakarni Makkapati: Nitin, so the CapEx into the CDMO business, TheraNym, right now is about USD 120 to 130 million over the last seven quarters. Subbu, you may correct me. So that is where the CapEx expenditure stays, unless we have a few business deals and we decide to expand our CMO offering and build additional capacities. But right now, what has been spent on TheraNym, or what will be spent on TheraNym in total, with the spend that was incurred over last 6-7 quarters, is all put together will be, I think, USD 120 to 130 million.

Okay, thank you so much. Thank you. The next question is from Jigar Valia.

Jigar Valia: Yes, sir, thank you for the follow-up. It is a follow-up on the previous question only. With regards to this USD 120–130 million, how much would have come in by now, and how much would come in FY27? And if I had to assume that these are for two products, and if there is a product addition, then another Rs. 300-400 crores of additional would one should budget with every new product?

Satakarni Makkapati: I will answer your part two of the question and will ask Subbu to answer the specifics of the budget later. So part two of your question, this deal was signed for one product in May 29, 2025 (read as 29th May 2024), and then we added second product schedule somewhere towards the end of, I think, Q2 or Q3 last fiscal. So essentially, this is for two products, and the CapEx... the total CapEx projected, is around 120 to 130 million for both the products – (for building) the capacities for both the products together.

Subbu, can you answer him on the CapEx flow?

S. Subramanian: Yeah, Jigar, the CapEx, as Satakarni says USD 100 to 120 million type, probably we may be incurring anywhere between 80 to 120 million in the current... the next two years.

Jigar Valia: Got it, got it. And so...

S. Subramanian: We have incurred certain things already, depending upon the level of progress Satakarni is going to make in this... accelerate the entire process in this Q4, the balance will be incurred in the going forward.

Jigar Valia: The bulk should come up in FY27.

S. Subramanian: Correct.

Jigar Valia: Got it, and just one last question is with regards to... is there anything if you can help as... overall how should the US market and sales look for margins look for the next year, maybe dollar terms or whichever? And should we... With this CapEx, etc., is there something on the RO returns or the ROC or ROE that we may want to comment on? Thank you, sir.

Swami Iyer: So Subbu, you want to talk about the margins of the years?

S. Subramanian: No, no, you see, Jigar, we are not giving any specific margins for any business, overall margins only. Yeah,? You can take it the balance, Swami.

Swami Iyer: Yeah, so the next year, the coming year, I think it should not be different from the current year. Actually, we are looking for some improvements in terms of numbers, overall numbers. So obviously, when the numbers improve, the margins should also be better. We are not seeing anything that's going to be negative at this point of time.

Jigar Valia: Okay, okay. I was more like, is a double digit something which is possible or which one should expect?

S. Subramanian: Double digit of what?

Jigar Valia: Growth? US growth?

S. Subramanian: Okay, that, Swami would...

Swami Iyer: Oral solids is sitting at base of about 1 billion, and then as in specific segment we might have. But if you see the oral solids at 1 billion, it's very difficult to achieve. But who knows. We have got Lannett that's going to be merged, acquired, hopefully with the FTC approval, and that can create synergies and that can help us better business deal. But as you grow bigger, it's going to be difficult in terms of percentage of growth.

Jigar Valia: Got it. Thank you very much, sir. Thanks a lot, sir.

S. Subramanian: Thank you.

Moderator: Yes, sir, please go ahead.

S. Subramanian: Vandit, there is only one person left, and with that you can close it.

Moderator: So he also left. 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 so much.

END OF TRANSCRIPT