CSD/BSE&NSE/2025-26
August 19, 2025

To
The Manager
Department of Corporate Services
BSE Limited
25th Floor, P. J. Towers,
Dalal Street, Mumbai - 400 001

Scrip Code: 543064

To
The Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (E), Mumbai – 400 051

Scrip Symbol: COHANCE

Dear Sir/Madam,

**Sub: Transcript of the earnings conference call for the quarter ended June 30, 2025**

Pursuant to Regulation 30 read with Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the earnings conference call for the quarter ended June 30, 2025 conducted after the meeting of Board of Directors held on August 13, 2025.

This is for your information and record.

Thanking you.

Yours faithfully,
For **Cohance Lifesciences Limited**
(Formerly, Suven Pharmaceuticals Limited)

KUNDAN KUMAR JHA
Digitally signed by KUNDAN KUMAR JHA
Date: 2025.08.19 16:49:30 +05'30'

**Kundan Kumar Jha**
*Company Secretary, Compliance Officer and Head-Legal*

Encl: as above

# Cohance Lifesciences Limited

## Q1 FY'26 Earnings Conference Call Transcript
## August 13, 2025

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**Moderator:** Ladies and gentlemen, good day and welcome to Cohance Lifesciences Limited Q1 FY '26 earnings conference call.

I hand the conference over to Ms. Cyndrella Carvalho from Cohance Lifesciences Limited. Thank you and over to you, ma'am.

**Cyndrella Carvalho:** Thank you Yusuf. Good evening everyone. Thank you for joining us today on Cohance Lifesciences Q1 FY '26 Earnings Call. This marks our first, full quarter operating as a unified platform under the Cohance identity.

Following the formal integration of our acquired entities and rebanding earlier this year, we appreciate your continued interest and support as we begin this next chapter of growth and execution.

Joining me on the call today are Mr. Vivek Sharma – Executive Chairman, Dr. Prasada Raju – Managing Director, Mr. Himanshu Agarwal – Chief Financial Officer.

Let me now invite Vivek to share strategic overview for the quarter.

**Vivek Sharma:** Thank you Cyndrella, and good evening to all. Q1 FY '26 has been an important start to the year, not only from an execution standpoint, but also in strengthening the foundation we have put in place over the past 12 months.

This was our first full quarter as Cohance Lifesciences, and I am pleased to share that the transition has been on track, both internally and externally, with increasing alignment across teams, customers, and platforms.

We remain focused on our core identity as a technology-led global CDMO anchored in scientific partnership, speed, and reliability. Our 3-pillar structure, Pharma CDMO, Specialty Chemicals, and API Plus continues to provide a resilient foundation for growth.

In line with evolving global sourcing strategies, we are seeing continued inflows of RFQs, reflecting both China Plus One and EU Plus One diversification trends. During the quarter, we responded to a healthy set of RFPs under this team, particularly in HPAPIs, small molecules.These requests are coming from established customers, expanding the scope of engagement further, and reinforces our positioning as a dependable CDMO partner for innovators looking to build supply security.

Among our many ongoing customer engagements, our recent visit to Japan stands out as a key highlight. We strengthen our long-standing partnership with a leading

innovator in ADC payloads, with discussions progressing towards broader strategic collaboration. We are also growing traction with other Japanese innovators across niche modalities, including oligonucleotides, small molecules, and our agrochemical and specialty chemical segments.

During the quarter, we saw encouraging momentum across our CDMO business, particularly in lateral engagements and differentiated modalities, such as ADCs and oligonucleotides. Our capabilities in payload linker synthesis and bioconjugation continue to resonate strongly with global innovators. At NJ Bio, our U.S.-based subsidiary, we received a significant new order from an existing customer for full ADC supply in early-phase payload linker synthesis to bioconjugation work.

To support this and to meet future demand, we have commenced expansion of a dedicated CGMP suite in bioconjugation at the Princeton facility by committing an investment of $10 million. This will significantly enhance our capacity enabling supply of full ADCs to clinical studies. We are pleased to share that our first adjacent payload program is under discussion, further strengthening our position in the ADC payload market, where our 2 leading payload categories together account for nearly 80% of current R&D pipeline programs.

Our CGMP oligonucleotide building block facility at Nacharam, backed by a INR 230 million investment is progressing on schedule, and is expected to be fully operational by the end of CY '25. Early-stage engagements with innovator partners are advancing well, with plant audits anticipated over the coming quarters.

To summarize, excluding the temporary impact of inventory de-stocking, our Pharma CDMO segment delivered over 30% year-over-year growth, supported by robust demand across key customer programs in high-value modalities.

Our niche technology revenue share has risen from the high teens in FY '25 to above 20% in Q1 FY '26 and is on track to approach the mid-20s by the end of FY '26. This segment delivered growth well ahead of the broader pharma CDMO business, excluding inventory de-stocking, underscoring our differentiated capabilities and strong execution in complex modalities. We secured another USFDA approval from our partner program, leveraging priority review and breakthrough therapy designation to fast-track its market entry.

Two additional products from our small molecule portfolio are expected to transition to commercial stage over the next 12 to 18 months. We are also awaiting responses from existing customers on pending lateral RFPs, which could translate into additional opportunities in commercial products.

During the quarter, we secured a life cycle management supply mandate from a leading global innovator for a branded product API, underscoring our position as an integrated CDMO partner of choice.

I would like to also take a moment to reflect on the broader organizational evolution underway at Cohance. As part of our strategic journey to build a best-in-class innovation-led global CDMO, we are pleased to announce the formation of the Cohance External Advisory Board. We have inducted 5 highly respected industry stalwarts into the External Advisory Board, each bringing decades of leadership experience across R&D, CMC, commercial and supply chain roles at leading global innovator companies. Their diverse perspectives and deep domain expertise will meaningfully shape our strategic direction and customer partnerships as we scale. The External Advisory Board, EAB as we call it, will function as an independent panel of experts providing a strategic counsel to Cohance leadership on innovation, customer-centric growth, and operational excellence. This initiative reinforces our

commitment to long-term value creation and deep collaboration with global innovators, aligned with our vision to reach $1 billion revenue by 2030.

Dr. Sudhir Singh, who was running the CDMO business, has decided to step back from active executive responsibilities. And on behalf of the Board and entire Cohance team, I would like to extend our sincere appreciation to Dr. Sudhir Singh for his foundational contributions to building a CDMO platform and positioning it for sustained growth and global relevance. We wish him continued success in his future endeavors. Sudhir will closely work with us ensuring a seamless transition.

With our ambition to build a global technology-led CDMO from India, we have appointed Mr. Yann D'Herve as CEO of our CDMO business, a strategic leadership move aligned with our global growth agenda. Yann brings over 3 decades of experience, including nearly 15 years in senior CDMO roles, and has built trusted relationships with leading innovators across the U.S., EU, and Asia. His presence in the U.S., together with our expanding global leadership team, enhances our ability to operate as a unified platform. In parallel, we continue to strengthen our CDMO leadership, deepen our techno-commercial expertise, and expand modality-specific capabilities to stay ahead of evolving customer needs while scaling with agility, quality, and speed.

With that, I would now like to invite Dr. Prasada to take you through the segment performance and key operational updates. Dr. Prasada.

**Prasada Raju:** Thank you, Vivek. Good evening to everyone.

Q1 FY'26 has progressed across our businesses in-line with our expectations. We continue to strengthen our key customer engagements and advance our platform readiness in high growth modalities, positioning ourselves well for the future.

Across these technological platforms, we are now working with more than 19 global innovators, including our NJ Bio and Sapala customer network.

Regarding Pharma CDMO, late-phase activity and differentiated programs continue to drive. Scale-up traction is there. We signed several new CDAs and Master Service Agreements by adding top 4 large innovator customers across the platform, apart from a few mid- and small biotech companies, which indicates growing confidence from global innovators in our integrated model.

I am happy to share with you some of the prominent wins and key developments across the business lines. As shared by our Chairman, Vivek, we have secured a lifecycle management opportunity from a leading innovator for a branded product API. Despite its long-term, sustainable, and margin-accretive nature, this collaboration has immense potential to scale up in the years to come.

We have been chosen as a high-potent project which needs OEB4 infrastructure by a global innovator, validating our infrastructure and regulatory maturity. Commercial contracts for intermediates are under discussion with a large innovator customer under EU Plus One sourcing strategy. The continued ramp-up of payload linker program across both in-house at partnered platforms.

Our ADC platform continues to gain momentum across both payload and bioconjugation modalities. At our Nacharam facility, we also have finalized designs for addition of a new containment which is capable of demonstrating industry hygiene studies up to OEB6 levels to support a customized payload program for a large U.S.-

based innovator. This expands alliance with our increasing flexibility for growing demands of development, commercial supply quantities under this engagement.

It reinforces our high-potency competencies from a global regulatory approved site in India. We are also deepening our engagements with 3 additional large innovator companies beyond 2 ongoing commercial programs, reflecting a unique value proposition, sustained trust in our payload linker capabilities as an integrated global player. Cohance's first program in the adjacent payload family is under discussion, expanding our payload portfolio and strengthening our position across payload linker and bioconjugation workflows.

In parallel, we continue to engage with both existing and new customers, seeing growing interest in RFQs received for payload linker synthesis. These partners are also actively evaluating our Indian-based linker manufacturing capability along with our Princeton-based bioconjugation suite, predominantly as a part of their long-term supply chain strategy.

We are expanding our offerings into next-generation modalities, such as pegylated antibody conjugates, sRNA conjugates and antibody-oligonucleotide conjugates, which are evolving space in the antibody drug conjugates.

Our ongoing development of versatile payload linker program for ADC supports these capabilities. We continue to invest in scientific talent, compliance systems and capacities, enabling us to deliver strong repeat business and deepen strategic collaboration with leading ADC innovators.

We have announced INR 230 million for GMP oligonucleotide block at Nacharam facility. As we explained in our last concall, it is expected to be fully commercial by end of CY, FY '25-'26. This leverages our expertise in modified nucleosides, log nucleic acids to scale up these chemistries from R&D to commercial manufacturing with up to a multiple kg slot in a fit-to-purpose GMP facility.

Overall, project implementation is progressing as planned and the qualification is near completion. It's important to notify the early customer interest remains robust and the platform will be a vital to our future modality mix.

Coming back to speciality chemical segment:

As we have alluded during our last call, customer engagement remained very positive. The AgChem business continues to have improving sequential recovery and the visibility is in line with our communicated expectations.

Performance Chemicals shipments are expected to ramp up in the latter part of the year. Overall, we remain confident of delivering full-year growth targets. We are also now focused on adding 2 more customers in this segment, while we deepen our existing relationship with the large innovator company.

Regarding API Plus and FDA business, it has delivered a strong performance backed up by deeper business fundamentals, scaling up of existing product portfolio, and a healthy pipeline that by securing orders in hand. We have validated 2 new products in API and are also on track for 7 to 8 new product validations and subsequent regulatory filings. Commercialization efforts of formulation projects are delivering expected results.

With this, let me now hand over to our CFO, Himanshu for the financial overview.

Thank you and over to you, Himanshu.

**Himanshu Agarwal:** Thank you, Dr. Prasada and good evening to all.

Our Quarter one FY'26 performance is in-line with our expectations, and the trajectory we had outlined earlier. As always, we encourage you to evaluate our performance on a full-year basis as quarterly trends may not be reflect the underlying momentum of the business.

Let me walk you through our Q1 Financial Year performance:

We reported revenue growth of 13% year-on-year in Q1FY'26, led by performance in specialty business and API segment.

Excluding the inventory destocking in Pharma CDMO, the revenue growth for the quarter exceeded 25%. While revenue recognition was back ended this quarter to the shipment timing and inventory destocking, operating indicators remained healthy and aligned with our expectations.

The Pharma CDMO segment posted a year-on-year 1% revenue growth in Q1FY'26. However, adjusting for the inventory destocking in the commercial products, which we had outlined earlier, the segment delivered ahead of 30% plus growth, driven by robust demand across key programs and high-value modalities.

We also want to highlight that our niche technology revenue share has advanced from a mid-teens revenue share in FY'25 to above 20% in Q1FY'26 and is well on track to approach mid-20s shares by FY'26.

Growth in this segment was well ahead of the Pharma CDMO business, reflecting scale-up in ADC and oligonucleotides. We expect this segment to be a meaningful driver of our growth trajectory as the bioconjugation capacity expansion in Princeton, the cGMP oligonucleotide building block facility at Nacharam, and the customized payload linker synthesis ramp up in the U.S. and India, together in the coming fiscal years will deliver significantly higher margins.

The adjusted EBITDA margins reflects ongoing investment ahead of scale, and the integration of recently acquired high-tech growth assets.

During the quarter, we invested INR559 million in CAPEX, primarily towards capacity expansion on NJ Bio, final stage validation and Nacharam Oligo suites as well as debottling across core manufacturing platforms.

We generated INR 2.3 billion in free cash flow. We ended the quarter with a healthy cash balance of INR 4.4 billion on our books, underscoring our disciplined approach to capital allocation and operational execution.

We continue to maintain a healthy balance sheet and our capital allocation remains sharply focused on scaling differentiated platforms, enhancing modality readiness, and capturing operating leverage over the medium term.

We reiterate our FY'26 guidance, and we continue to maintain our long-term guidance of reaching USD1 billion, INR 85 billion in 2030. As we scale-up further, our medium-term plans to achieve mid-30s EBITDA margins remain intact.

In closing, Q1 has indeed laid the ground work for the rest of FY'26 and beyond. We remain focused on delivery, execution excellence, scaling differentiated platforms like ADC, oligos, and strengthening our position as a trusted global CDMO partner.

With that, I hand it over to Cyndrella.

**Cyndrella Carvalho:** Thank you, Himanshu. With that growth focus mindset, we are happy to open the floor for questions.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. First question is from the line of Avnish Burman from Vaikarya. Please go ahead.

**Avnish Burman:** Good evening. Thanks for taking my question. My question is specifically on the Pharma CDMO side. The APIs that you would be making for innovator Big Pharma companies, I wanted to know whether you are exporting these APIs into facilities in the U.S.? Or are they majorly being exported into some European countries like Ireland and the formulation is happening there? So which is the major export country for your APIs under the Pharma CDMO?

**Vivek Sharma:** Thanks for your question. A major portion of this is going to Europe.

**Avnish Burman:** Okay. This is regarding the tariffs. My understanding is that APIs do not come under the definition of pharmaceutical as defined by Section 232 investigations. Is this understanding correct that APIs that are being imported into the U.S. are getting tariff as of now?

**Vivek Sharma:** We don't make APIs, we do intermediates, and they are right now not part of the tariffs that are being talked about. As far as we are aware, Pharma is exempt. And right now, we are exempt from any tariff discussions.

**Avnish Burman:** Okay. So right now, whatever intermediates you are producing, you are exempt. But are you exporting any of these intermediates into U.S.? Or is everything going into Europe?

**Vivek Sharma:** Predominantly Europe.

**Avnish Burman:** Okay. Just one more question. This is a hypothetical one. Let's see tomorrow, something comes out of the Section 232 investigation and there is a tariff number that is being suggested. Is there an agreement or an understanding on how will it get passed on in the supply chain, whether your customer will bear it or whether you will have to bear a part of it? Is there some color on that?

**Himanshu Agarwal**: Most of our current agreements with the customers are on FOB basis. We do not have the liability to pay the tariffs, when the goods reach the shore of U.S. So hopefully, that addresses the query that you have on the hypothetical question, if Pharma were to get tariff.

**Avnish Burman:** It does Himanshu, thank you so much.

**Moderator:** Thank you. Next question is from the line of Dhawal Khut from Jefferies. Please go ahead.

**Dhawal Khut:** We have been investing into building teams and building talent. So wanted to know what is our current BD team strength, especially overseas? And where are these

teams located? And what is the future plan? Do we still see a lot of aggressive hiring within these teams? That's the first question.

**Vivek Sharma:** Dhawal, thanks for your question. Yes, you are right, we have been investing in our front-end capabilities in all 3 major markets, U.S., Europe and Japan, Southeast Asia. So today, in North America, we have 4 PDs. These are all experienced CDMOs, several of them are PhDs that we have hired in the last 9 months or so. They are based in the East Coast and West Coast.

We also have added a resource, a very experienced ex-pharma executive in Europe as well as 1 very seasoned executive to the Japanese market.

Now in addition to that, NJ Bio also comes with it many capabilities. So we have ADC specialists and they have 2 PD resources essentially that are focused on ADCs.

We also have our Sapala resources. So they have a few resources in Japan as well as one resource based in India that travels. So a combination of all of them is about 10 resources, 11 resources, that are really helping us build brand and then growing customer relationships and integrating with customers. I just wanted to clarify this is pure CDMO business, right? Yes, in addition to that API Plus has its own separate, Specialty Chem has its own separate team.

**Dhawal Khut:** Do you think we have the right team sizes? Or you think there is some room to augment it further on the CDMO side?

**Vivek Sharma:** It's not about quantity. I think it's the quality of people that we are focused on. So I think U.S., we will announce some more people, I think as time progresses to really add to people with some unique experiences as well as unique capabilities. But I am actually very excited about this Customer Advisory Board that we have really engaged with. These are very experienced people. So with the combination of Customer Advisory Board, our PG team, and with Yann coming in, and several of us really putting a lot of time on front end. I am very excited, I think, with the teams that we have. And this is a process of evolution. You may add 1 or 2 resources here and there, but we are not looking for major expansion in the quantity of team. We may add 1 or 2 people if required, but there's no major expansion plans there. There's a lot to be done with the team that we have, and we are excited I think with the potential. CPHI is coming. We are already blocking our calendar, sort of meetings are lined up. Other events are coming. This comes back in the U.S. in a few weeks. So the team is really excited. There is lot of effort going on with the existing teams. We feel the need. We will be happy to even bring some specialist people, in order to help us accelerate the growth.

**Dhawal Khut:** It was helpful. Secondly, there are many payloads, where our payloads are going to other global CDMOs. So in those cases, does the end innovator know where is the payload coming from? Or is it completely at the discretion of the global CDMO, where the payload and linker is coming? Or the innovator is just informed about it. But again, the final decision is with the CDMO or is it the other way, where the innovator mandates the CDMO to use payloads from certain manufacturer. How does that supply chain and decision-making work?

**Vivek Sharma:** Dhawal, that's a very good question. Final decision is fully with the innovator, and innovator is fully aware and is part of the decision-making process on selection of the products that we supply. And our product is a key part of the end-to-end supply chain that is required for the end molecule that the customer has presented.

As recent as a few months ago, I personally met the end customer, the final customer. So yes, they are fully integrated, and they are fully aware, and they are fully involved with us in the decision-making process, and the future plans for that product and the other products they might want to launch that's required that material or a similar material.

**Dhawal Khut:** Got it. One last bit. As a firm, do you think mAB manufacturing or antibody manufacturing looks an area that we would like to explore if any inorganic opportunity comes up or whatever, even trying to build it organically? Or you want to focus within the peptide/small molecule space? And other key commissioning, which are highlighted within the PPT?

**Vivek Sharma:** Yes, Dhaval, we are a customer-centric organization. Our focus is to grow with customer and invest with customers. Even the investments we have announced are very customer focused in terms of where the customer needs it and where customer is growing.

Our discussions with customers have reflected that they want to control the enough supplies, they have enough resources, they want to do it themselves. From our perspective, the lens that we go with, we haven't seen much need and desire actually for customer to really partner with us on that space, you know, the customers that we work with.

And in the capabilities that we have invested in, whether it is the small molecule CDMO, whether it is oligo or the ADC, we see a lot of potential to really grow, a lot of pipeline discussions, a lot of early stage discussions that can move to advanced stages. So, we want to remain focused immediately in those spaces and then penetrate deep and expand and extend our relationship with customers. Right now, we are not looking any math capabilities to acquire.

**Moderator:** Next question is from the line of Harith Ahamed from Avendus Spark. Please go ahead.

**Harith Ahamed:** Good evening. Thanks for the opportunity. My first question is on the de-stocking which you alluded to. Is this specific to a particular product or one or two products? Or are you referring to a de-stocking situation which is more general across the portfolio?

**Himanshu Agarwal:** The de-stocking that you referred to is specific to few products. I think we had mentioned it earlier as well. Just mentioned, it is related to two large commercial molecules that we are experiencing the de-stocking right now.

**Harith Ahamed:** And the second one is on this new expansion that you announced at Nacharam facility for oligonucleotides. So, just trying to understand how exactly this expansion enhances our offering on the oligo side. What exactly are we capable of supplying now versus what will be our enhanced capability going forward post the expansion?

**Prasada Raju:** Our starting point of oligo is predominantly research-driven. And the important requirement for us is to abilities to have cGMP capabilities. That is where we have started looking at it.

We also have mapped what could be the potential sub-segment of these modalities where needs immediate scale up based on the customer interest. And we have figured out nucleosides is one modality sub-segment they are looking for. Locked Nucleic Acid, not many companies in the world can actually make it to the extent of purity what we make.

These are all the few decision drivers which have actually triggered for creating a GMP capability. And we are pretty sure with the customer interest what we have received, we should definitely be able to expand our R&D capability to a cGMP level of manufacturing.

After then, there is also a logical extension. And we have clearly laid down our internal thinking process as well. This is the first step of our business progression. And once we lock in some of the customers, we also have a further capacity expansion to make the final oligonucleotide at scale. So, this is the broad plan that we have, which cannot happen unless you have a multi-kilo level cGMP manufacturing capability.

Last but not least, it is also important to understand these capabilities have to exist in a regulatory approved plant. This particular block is coming in in a USFDA approved site, so, which gives the comfort for the innovator companies to come and qualify us. I hope this answers your question, Harith.

**Harith Ahamed:** Yes, sir. That is helpful. And then the last one is on the expansion at NJ Bio. Your release talks about post this expansion, supplying Phase 1 to clinical quantities. But when I look at our payload capabilities, we already supply at commercial scale. So, how should we think about further enhancing our bioconjugation capabilities to commercial scale?

**Vivek Sharma:** So, Harith, you know, at NJ Bio, as we move, we are adding capacity on conjugation suites. As part of acquisition of NJ Bio, we also have facility available very close to Princeton and NJ Bio, which can be converted at a very fast pace to build commercial capability.

And as customer progresses, as I said, we are investing behind customers. As customer makes progress on the molecules, let there go, we can convert the facility. It is actually a semi-built facility that is already ready in a pharma park with lot of basic infrastructure. The time to make this existing site to a commercial is very fast.

However, we are investing where the customer needed and with this customer that we are working and the others that we are talking to. As the molecule progresses from the stage that we are working, if we see the need, we have plans ready that we can very quickly expand into commercial capability and then work accordingly.

Right now our focus is to really finish this site quickly and then take the molecules forward and deliver on what we had and then see the readouts and then accordingly invest capital behind our customer growth.

**Harith Ahamed:** Understood, sir. Thanks for taking my questions.

**Moderator:** Next question is from the line of Shyam Srinivasan from Goldman Sachs. Please go ahead.

**Shyam Srinivasan:** Just one question was on the 1Q performance and relative to what the Fiscal '26 outlook is. Sir, margins have come in lower, and even if you adjust for the one-off expenses, 23%-24%, you've guarded for a low 30% kind of margin. So, what gives us confidence?

You also mentioned about these de-stocking. I presume it is in CDMO. Just want to understand how should the rest of the quarters pan out and what gives us the confidence of the guidance for Fiscal '26 remains intact?

**Himanshu Agarwal:** As mentioned during the call, we have reiterated our guidance both for FY '26 and more importantly for the FY '30 or 2030, $1 billion. So, we remain committed to delivering the $1 billion, INR 85 billion in 2030.

If you notice, we have kind of carved out the impact of the destocking molecules. And as we know that CDMO business has these peaks and troughs. And we had called out that there are two commercial molecules where we are experiencing de-stocking.

If you isolate that, and if you peel the onion, you realize that pharma CDMO has grown at around 30% and all three engines are actually firing. Because you look at spec chem, it is growing at 28%, API has grown at 90%. So, while we have always maintained that this is a business which we should not look at quarter-to-quarter, and that is what I will stay firm with you as well. We should not interpret anything from a quarter-to-quarter business.

I think the most important thing that we have also called out during the quarter is the contribution coming from the niche technologies. And we have mentioned that the niche technology share of the total revenue has steadily grown from mid-teens in last year to early 20s. And we are expecting it to be mid-20s as we end FY '26.

I think that should also give us confidence of how the niche technologies, which is where we are building a platform, and we are calling that out very categorically for 2030, is growing.

So, I believe that we remain firm on our 2030 guidance of $1 billion, as well as mid-EBITDA, which we have called out.

**Shyam Srinivasan:** Himanshu, thank you for that, but I was more looking at '26 only. So, if you could just rehash and tell us what the current year guidance only is because maybe there are some confusion on the previous call. So, what are we calling for organic growth for Fiscal '26, full-year? And what is the margin levels that we are expecting for full-year Fiscal '26?

**Himanshu Agarwal:** Shyam, thank you for this question because it helps me clarify our position very clearly. So, see, for us, the organic and inorganic are two sides of the same coin. It is about capital allocation. And I think as an organization, we do believe, we have created this platform in the last 5 years, based on a mix of organic and inorganic.

So, that is the way we have been. And we do believe that we have the secret sauce of integrating first finding out, leveraging those assets, buying them, and then integrating to create a niche technology platform. That is what we have been doing.

So, for us, inorganic growth is a core part of our thesis. And you will see that we continue to add value-accretive, high-quality businesses. I think we should consider this as an appropriate use of our capital to acquire capabilities, geographical presences, as well as customer versus other organic model of doing CAPEX and building the same over a longer period of time. For us, inorganic is a way to scale up business, and ultimately, the investment in CAPEX will yield the right results for us.

So, I would urge you guys to kind of think about it in the way we look at and not separating it as an organic or inorganic. It is just a capital allocation philosophy. And maybe our philosophy may be slightly different in the way we run our business.

**Shyam Srinivasan:** Thank you, Himanshu. I have not got the answer, but I will take it offline.

**Moderator:** Next question is from the line of Abdulkader Puranwala from ICICI Securities. Please go ahead.

**Abdulkader P:** So, my first question is with regards to the opening remarks on your interaction with the Japanese customer. So, where are we in this discussion now? And do we have any visibility of certain onboarding of certain plans or certain new projects coming in, in the near term?

**Vivek Sharma:** Thank you so much for your question. Our relationship is very strong. We are heavily committed to that part of the world. We have a full-time, very experienced, dedicated resource just for the CDMO business in addition to the Oligo resources and actually all different parts of the businesses that we have, all three engines. Actually, that is a very unique thing. CDMO, API, specialty chem, ADC, and Oligo. All five of them are seeing interaction from Japan area.

This recent trip that I did, we met with a lot of existing customers, a lot of new customers along with actually Dr. Naresh and also we met with some very large innovators and had very exciting meetings. I am happy to share Dr. Naresh is actually going back again because customers want to see him and discuss some of the important things.

So, in addition to existing relationship, we have actually onboarded a new customer, which I talked about in my opening remark. It is also from Japan on a CDMO. That is a commercial molecule. That tech transfer is going on. That is scaling. And we are expected to reach its full potential at least based on our projection the next year, year-and-a-half timeframe, right? So, that is happening.

On the spec chem, actually, we have onboarded a Japanese customer last quarter, and we are doing a very early phase work with them, and that is looking very, very promising.

So, we have multiple relationships with Japan. We continue to invest time, and I am personally committed to see a lot of growth coming from that area. The relationship with customers is very strong. And we are excited, I think, with the potential with existing products with same customers, with new products with the same customers and the new customer pipeline that we are developing in that area.

**Abdulkader P:** And just one more on your API business. How does this fit into the entire scheme of things when we are approaching innovators and at the same time we have this generic business? So, what is the perception that the innovators would have when we are into a generic kind of a business or a business model?

**Prasada Raju:** Thank you for this question to clarify ourselves. The very fact that we have defined our thesis for API+ is not to compete with the innovator companies on Paragraph IV filings. It is more of a matured product with a deeper cost leadership position by securing global capacity where we can gain a market leadership position. Those are all the products that we always play.

On the contrary, you must have followed our commentary in the early part of our con call where we mentioned one of the branded products was qualified by the innovator company which API belongs to them?

So, what it implies is we become a lifecycle management solution providers for the innovator companies for their matured molecules. In fact, it actually complements our strategy of CDMO by complementing our overall skill set about API.

As you understand, the skill set and the regulatory environment that is required for making intermediate to API is completely different. So, we have that unique competency and that complements and propels the growth of both the engines of CDMO as well as API+.

Vivek, you want to add something?

**Vivek Sharma:** No, I think you complemented. So, we are seeing good traction, Abdul, just in addition to the one that Dr. Prasada talked. I actually had a discussion with a different customer recently and they were looking at different businesses and when they looked at our products, they were very excited and they immediately started inquiring about two APIs that we do because they are securing it from a very high cost area and the immediate inquiry was, can we work with you guys..

I personally see it is very complementary. It is helping our customers and the innovators actually optimize their costs, accelerate their speed, and then even have alternate sources in certain places.

**Abdulkader P:** And so, final one is for me. So, your capacity expansion at NJ and Sapala, so when does that come on board? And when you talk about the niche specialties scaling up to, say, 25%, is that going to be driven by the new capacities for your building block?

**Vivek Sharma:** So, the expansion of Oligo site at our Nacharam site is actually in late stages of construction. We expect some validation and other things to happen next quarter. And I think by the end of this calendar year, we should have it live. We are actually already having some active discussions with customers to really bring some products there.

ADC sites, the work has already started. And the timeline for that could be early calendar next year, somewhere at that time frame. A lot depends on, I think, some of the other factors there. But we are aggressively pursuing and trying to force the contractors to finish it before the end of fiscal year.

So, we should see some traction this year. Our hope is that on both of them, we are having active discussions. We should see, sign up some contracts. But next year, we will see a full-fledged impact of those sites.

**Abdulkader P:** Thank you for answering my questions.

**Moderator:** Next question is from the line of Chirag Shah from White Pine Investments Management. Please go ahead.

**Chirag Shah:** The first question I have is this one-time expenses that we have, when can we expect them to not appear in P&L because the way I look at it, the more we do M&A, the more this one-time will keep on coming. So, if you can throw some light on this one-time expenses that you classify, is this the last year assuming there are no further M&A or is there a last quarter? That is one because that is a significant part of our EBITDA bridge. That is why I am asking.

**Himanshu Agarwal:** For us, what we do is we classify the non-operating related expenditure into the one-time expenses. The nature of business is such that we have an employee ESOPs and that we categorize as one-time expenses or these appear as whatever you wish to call them, these are the adjustments that appear there, right?

For us in the current quarter, we have also incurred certain professional and legal services, which is associated with talent acquisition and contractual compliances.

Now, these are actually part of our ongoing commitment to secure top talent and protecting company's intellectual property as well as competitive positions.

In auditor's view, this was considered as a one-time expenses and it was classified as such. So, that is what they are pertaining to this quarter. I think it is very difficult for me to answer a question about when they can disappear. I mean, I would be as interested as you that they disappear. But that is the correct nature of the business.

**Chirag Shah:** Because in '24 we had the reasonable amount. In '25, we had a reasonable amount of one-time. And your EBITDA bridge really changes simply because of this number. I understand Forex is a different thing altogether and I appreciate that. So, that is one.

Second question is just again coming back to F'26 outlook. The way to look at this is there has to be a significant ramp up in H2 CDMO for us to have a 30% kind of margin given the way that Q1 has played out. Is this the right understanding or assumption for us to be closer to 30% margin, H2 has to be a significant ramp up in pharma CDMO?

And a related question is, this 30% adjusted growth in pharma CDMO you called out, any indication from customer by when this inventory de-stocking will get over or at what stage they are? Because that...

**Vivek Sharma:** Chirag, I think two points. One, we have reiterated our guidance for FY '26. Number two, we have commented that we are a long-term business. We are investing in the business to deliver a $1 billion by 2030 and mid-30s EBITDA. I think that is the guidance we would want you to look into and consider.

As far as destocking is concerned, allow me to finish my second part of the question. As far as destocking of the commercial molecules is concerned, we had mentioned that it is a year phenomenon. At Quarter 1, it is very difficult for the customer to share any appreciation more than what they have shared at this stage.

**Chirag Shah:** This is helpful.

**Moderator:** Next question is from the line of Vivek Agarwal from Citigroup. Please go ahead.

**Vivek Agarwal:** The question is related to API supply contract that you got for a branded product. You have mentioned in the opening remarks. So, just want to understand what kind of the product it is, and what is the overall market size of that product at an innovator level, and from your end, when you can commercialize that product?

**Prasada Raju:** It is a commercial product for us in that we are not making for customers. Based on our experience of making this product with long-term stability and our proven track record, customers actually qualified us, which enables us to increase our market share from what it is now to a substantial level. At this stage, we can share up to this extent.

We will definitely be the dominant market player for this particular product with this new addition of the innovator as a lifecycle management solution. We can be one of the largest in the globe for this molecule.

**Vivek Agarwal:** So, this product is already commercialized by the innovator in the market actually, if I understand.

**Prasada Raju:** So, already commercial for the innovators, and they have been sourcing from one of the European counterpart. Because of their strategic change, they are looking for a long-term sustainable partner outside of Europe. That is how, it is a long process. It took almost six quarters' time to reach to the stage what we are talking about. Otherwise, it is a fully, fully commercial product for the innovator under their own brand.

**Vivek Agarwal:** And what would be the overall market size of the product at an innovator level?

**Prasada Raju:** It is difficult to put that number attached to it right now.

**Vivek Agarwal:** No problem at all. Just one more question around this destocking. It is quite common in the CDMO business, right? So, is it possible for you to highlight what is the reason for the destocking by the innovator? And is it possible you can see some kind of a ramp up in the coming quarters from these couple of molecules?

**Himanshu Agarwal:** I think it is a customer specific point which is there. I am assuming that it would be a function of many subjects including inventory management and the commercial demand from their side.

**Vivek Agarwal:** So, for these two products, whatever supplies that you made in this particular quarter, so these are likely to remain more or less similar for the rest of the year. Is it the right way to look at?

**Himanshu Agarwal:** Sorry, Vivek, your voice is not clear for us. Could you please repeat the question?

**Vivek Agarwal:** No problem, I will take it from Cyndrella later.

**Moderator:** Next question is from the line of Dhawal Khut from Jefferies. Please go ahead.

**Dhawal Khut:** On the 2030 guidance, which is a $1 billion, how much you think the current platform can get you up to? Very, very, very ballpark because, let's say, in Fiscal '25, we were at almost $335 million and we need to reach $1 billion. So, that is almost a gap of $660 million. So, how much of this delta can the current platform bridge?

I won't hold on to those numbers because I know it is early days. But you think like 80%-90% of it is achievable by the current capability, you just need to invest into the capacities and maybe inch up on the capability curve, or you think there are big missing gaps, and the current platform can get maybe 50%-60% of it, and there are other capabilities that you need to really get into the market, and post that, you will probably be able to get into the rest of the delta of this 2030 guidance?

**Himanshu Agarwal:** Dhawal, honestly, you know, we could go for an hour on this particular subject. I mean, obviously for us as an organization, there is very deep work that has been done before we have articulated this. I am genuinely struggling as to where to start and where to end the answer to this question.

Let me give you a pointer. One of the reasons we have called out the niche tech and the share of revenue is for the very reason for the investors to appreciate and understand how we have been investing behind niche tech and how that share of revenue is growing.

If I mention what we have articulated, we were at mid-teens in FY '25. We have increased the share of revenue to early 20s, and we are guiding to mid-20s in niche tech. And if you look at some of the earlier materials we have shared, niche tech is

slated to grow upwards of 22% to 25% in the market. And we believe that we can get a dominant share there.

So, I would like to end it here because I think this is a subject where we could spend a lot of time working together on this and helping you relate to the entire strategic direction of the company.

**Dhawal Khut:** And secondly, from a tariff standpoint, how does the math work on the spec chem., ag chem? Is it exposed to the U.S.? Or do you think the exposure to the U.S. is extremely low and that is not really an area to be looked into?

**Himanshu Agarwal:** Our supplies in ag chem. are to LATAM. So, we are not exposed to you guys. In the spec chem, on the Olig piece, our customer is specifically willing to pick up the tariff if and when the tariff was to get implemented. So, we are not having an exposure on either of the two segments on the tariff side.

**Dhawal Khut:** This is helpful. Just a few bits on the bookkeeping side. So, what was the reason for other income? And how do you see that going forward?

And secondly, on ESOP charges, what year do you expect them to hit our P&L? And what could be the ballpark quantum? Will it be sort of a starting number next two, three years?

**Himanshu Agarwal:** ESOP charges is not a static number. I think it has been variable in FY '25 versus '26. In all fairness, we have been waiting for completion of the merger. There will be further ESOPs which have to be granted, and hence the charge will increase on the ESOP.

**Dhawal Khut:** So, what kind of charge are we expecting for '26? Any expectation for '27 as well?

**Himanshu Agarwal:** No, it is too early. I have to work with our HR colleagues. I don't have visibility to share with you at this stage. Please allow me some time.

**Dhawal Khut:** Yes, sure, no issue. And on the other income, how do we see that shaping up into next few quarters and for the year? Because from a Q-o-Q standpoint, there is a significant fall. Was a payment for some of the acquisition done in 4Q or is there something else? Is it PLI income? Something, something else?

**Himanshu Agarwal:** No, no, I think we need to, okay, a majority part of the other income was the Treasury-related income, which was invested when we acquired the assets of NJ Bio and Sapala. So, that is what has led to the decline in the other income apart from other minor elements of it.

**Dhawal Khut:** So, this is the sort of number that we can look forward to in the next few quarters. Is that right understanding?

**Himanshu Agarwal:** Dhawal, you will have to really excuse me for these kind of questions.

**Dhawal Khut:** No problem.

**Himanshu Agarwal:** See, the cash balance will determine the other income, right? And we are reporting healthy cash in the balance sheet.

**Dhawal Khut:** Thank you.

**Moderator:** Ladies and gentlemen, we will take that as the last question for the day. I would now like to hand the conference over to the management for the closing comments.

**Cyndrella Carvalho:** Thank you, everyone. We look forward to our next call. Thanks for your time and joining us.

**Vivek Sharma:** Thank you.

**Prasada Raju:** Thank you all of you.

**Himanshu Agarwal:** Thank you, everyone.

**Moderator:** Thank you, sir. On behalf of Cohance Lifesciences Limited, that concludes this conference. Thank you all for joining us.

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*Please note:* *We have edited the language, made minor corrections, without changing much of the content, wherever appropriate, to bring better clarity.*