



“Alivus Life Sciences Limited Q4 FY’25 Earnings Conference Call”

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MS. SOUMI RAO – ALIVUS LIFE SCIENCES LIMITED.

Moderator: Ladies and gentlemen, good day and welcome to Alivus Life Sciences Limited (formerly Glenmark Life Sciences Limited) Q4 FY'25 Earnings Conference Call.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*" then "0" on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Soumi Rao from Alivus Life Sciences. Thank you and over to Ms. Rao.

Soumi Rao: Good morning, everyone. I welcome you all to the Earnings Call of Alivus Life Sciences Limited for the quarter and year ended March 31st, 2025.

From Alivus Life Sciences, we have with us Dr. Yasir Rawjee – our Managing Director and Chief Executive Officer, and Mr. Tushar Mistry – our Chief Financial Officer. Our Board has approved the results for the quarter ended March 31st, 2025. We have released the same to the Stock Exchanges and updated it on our website. Please note that the recording and transcript of this call will be available on the website of the Company.

Now, I would like to draw your attention to the fact that some of the information shared as part of this call, especially information with respect to our plans and strategies, may contain certain forward-looking statements that involve risks and uncertainties. These statements are based on current expectations, forecasts and assumptions that are subject to risks which could cause actual results to differ materially from these statements depending upon economic conditions, government policies and other incidental factors. Such statements should not be regarded by recipients as a substitute of their own judgment. The Company undertakes no obligation to update or revise any forward-looking statement. Our actual results may differ materially from those expressed in or implied by the forward-looking statements.

With that, I invite Dr. Yasir Rawjee to say a few words. Thank you and over to you, Dr. Rawjee.

Yasir Rawjee: Soumi, thank you. Good morning everyone, and welcome to our Q4 and FY'25 Earnings Call.

Before we get into the Company's performance for the quarter, let me briefly touch upon the broader industry landscape:

So the global industry continues to evolve around structural changes because of ongoing supply chain shifts, geopolitical tensions and regulatory reforms in US drug pricing, and also the rising demand from emerging markets. Our growth is supported by increasing outsourcing, rising demand for specialized APIs and efforts to diversify supply chains. Additionally, the industry is

making meaningful strides in adopting sustainable manufacturing practices and next generation technologies.

So coming to Alivus and our quarter performance:

We have made pretty strong progress this quarter, reporting revenues of Rs.650 crores, which is a year-on-year growth of 21.1%. So Q4 witnessed broad based revenue growth coming from all regions. Now GPL and non-GPL business grew at 31% Y-o-Y and 19% Y-o-Y respectively. The generic business posted a growth of 22.6% Y-o-Y, while the CDMO business also grew 22.6%. From a geographical perspective, growth was well distributed with India, Europe, Japan and ROW all playing a significant role in this growth.

Moving on to our profits for the quarter:

Our EBITDA margin for the quarter was 32.1%, up 520 bps Y-o-Y and 80 bps Q-o-Q. Primarily driven by a more favorable product mix coupled with product launches especially in the ROW markets.

Coming to our full year performance:

GPL grew by 8.8% Y-o-Y, whereas non-GPL business grew 6.3% Y-o-Y. Sales revenue growth, excluding other operating income remains at 7.1%. On an overall basis, we reported revenue of Rs.2387 crore, reflecting a Y-o-Y growth of 4.5% in-line with our FY'25 guidance. Notably, we were able to maintain margins at 30% Y-o-Y, despite the absence of PLI benefits this year. A testament to the overall resilience and efficiency of our business. From a geographical standpoint, India, Europe, ROW and Japan like I said earlier contributed to full year growth, with Japan in particular recording a remarkable growth. Although it is on a small base that said, we expect this positive momentum to continue.

Another encouraging development is the headwinds in the Latin market have started easing gradually, with early signs of improvement now visible. On the other hand, the US market is experiencing a slower than expected growth owing to a bunch of challenges externally as well as a little bit of destocking with our customers. So we believe that this will turn around in FY'26. Our CDMO performance remains soft during the year primarily because of the cyclical nature of demand in this segment. Project number 4, is gradually gaining traction, and the 5th project is expected to commercialize in the second half of this year.

I am also pleased to share that our Ankleshwar plant received the EIR following the routine GMP inspection by US FDA at the end of January this year.

Our pipeline remains robust, with 561 DMF and CEP filings globally. As on March 31st, 2025 the high potent API portfolio remains on the development path with 24 products now in the

active grid, representing a total addressable market of \$49 billion. Of these seven products are validated, five products are in advance stages of development, and the remaining 12 products are progressing through various stages in lab development.

Looking ahead at FY'26 we expect volume growth in mid-teens. However, given the pricing pressure we expect the revenue growth to be in the high single digits as it stands. The Q1 FY'26 trends as we see now, are encouraging from a growth perspective. So we will take stock of the whole year performance on a quarterly basis as things develop. We would like to reiterate that margins will continue to be in the 28% to 30% band in the foreseeable future.

With this, I now turn the floor to our CFO – Mr. Tushar Mistry, who will walk you through a detailed financial performance for the quarter.

Tushar Mistry:

Thank you, Dr. Yasir. Good morning everyone. Welcome to our Q4 and FY'25 Earnings Call.

I would like to briefly touch on the key performance highlights for the quarter and year ended 31st March 2025 before opening the floor for questions-and-answers.

For Q4 FY'25, our revenue from operations stood at Rs.650 crores, a growth of 21.1% year-on-year, and 1.2% on sequential basis. The gross profit for the quarter was at Rs.367 crores, up 23.2% year-on-year and 2.9% sequentially. The gross margins for the quarter stood at 56.5% driven by better product mix. EBITDA for the quarter was at Rs.209 crores, up 44.2% year-on-year, and 3.8% sequentially. EBITDA margin for the quarter was at 32.1% up 520 bps year-on-year, and 80 bps sequentially, driven by higher gross margins coupled with new product launches. And the PAT for the quarter stood at Rs.142 crores, with PAT margins coming at 21.8%.

Moving on to the full year numbers:

Revenue from operations for FY'25 was at Rs.2387 crores, a growth of 8.8% in GPL and 6.3% in non-GPL business, which led to an overall sales was of 7.1% normalizing for the PLI impact. Gross profit for FY'25 was at Rs.1306 crores, and gross margins were at 54.7%. EBITDA was at Rs.717 crores with EBITDA margin at 30% maintaining steady margin throughout the year. PAT was at Rs.486 crores with PAT margin of 20.3%. Looking at the therapeutic mix, CVS and CNS continue to lead the growth during the year, with both therapies contributing 55% to the top line. R&D expenditure for FY'25 was at Rs.81 crores, which was 3.4% of our sales and for the quarter, it was at Rs.24 crores.

Touching upon the balance sheet and cash flow statements:

Starting with a cash conversion cycle. Working capital was higher during FY'25 at 192 days due to increase in debtor's days. As indicated earlier, GPL credit days have increased as per the

agreement. The skewness of GPL business towards the second half of the year results in higher debtors days at the end of the year. We believe this trend should continue going forward.

Coming to capital expenditure:

CAPEX for quarter was at Rs.47 crores, while for FY'25 was at Rs.166 crores. We plan to incur about, we have a carry forward of about Rs.190 crores of CAPEX as we had indicated earlier, that we have about Rs.300 to Rs.350 crores of capital layout in FY'25. So we have a carryover of about Rs.190 crores, plus additionally we are planning to incur another Rs.350 to Rs.400 crores in the current year for which we have pre CAPEX approvals from the Board.

These CAPEX include the Greenfield expansion in Solapur, expansion in Ankleshwar, Dahej, as well as the new R&D center that we are planning near Mumbai. We continue to remain a net debt free Company, and I am happy to inform you that we have generated strong cash flow from operations of Rs.233 crores in FY'25 with cash and cash equivalents, including short-term investments of Rs.549 crores on the books as of 31st March 2025.

In conclusion:

I would like to reiterate that we remain optimistic about our future trajectory, supported by a favorable demand environment and a healthy order book. With that, let us open the floor for Q&A.

Moderator: Thank you. We will now begin the question-and-answer session. First question comes from the line of Ahmed Madha with Unifi Capital. Please go ahead.

Ahmed Madha: Firstly, on the capital allocation and CAPEX, obviously we had very high payouts till last year, and with the change in ownership it is obvious we will focus on growth. So in that context, could you give some idea on how are we thinking about CAPEX for the next three years. Also, it seems we have pushed out 2650 KL capacity line from FY'27 to FY'28. Wouldn't it be more logical to fasten up the CAPEX, your thoughts please sir?

Yasir Rawjee: Okay. So basically, let me take the last part first, right as far as pushing out the volume expansion see, we have always been calibrated okay with respect to so while we thought we would need around 2600 KL by FY'27 we feel now that we can push it out. And the reason for that is that, we have done a lot more brownfield expansion especially on pharma capacity, both in Dahej as well as Ankleshwar which will be completed this year. So given that kind of pharma capacity, we will have a pretty good runway for the next couple maybe even two, three years going forward. So then what happens is, that our three year plan basically has to be done largely completed this year which as Tushar just explained, is a carryover from FY'25 but then it will be pretty aggressive in FY'26 to complete these brownfield expansions, plus the Solapur first

phase, and then hopefully we will get our R&D center built out as well. So that should give us a pause to have an aggressive expansion because Solapur will give us sufficient capacity on the intermediate side. Plus we can trigger an inspection by taking some validations of some key APIs. But then on the commercial side, we can expect both Ankleshwar as well as Dahej to continue to service the business.

Ahmed Madha: So is it fair to assume our CAPEX will be FY'26 will be Rs.400, Rs.450 crores in that range?

Yasir Rawjee: No, it will be upwards of Rs.550. So you add Rs.190 to Rs.350, Rs.400 so we are around Rs.550-ish crores, Rs.550 to Rs.600.

Ahmed Madha: Okay. And could you explain how our 4th product pipeline is shaping up for FY'26, any new major product launches in the pipeline. Also, our HP API pipeline is building up nicely as you explained in the presentation. So can we expect anything major to come out of this and contribute to revenues in the next one, two years?

Yasir Rawjee: So, see the launches that we have seen in FY'25 as well as what is coming up in FY'26 are products that we sort of developed and seeded with customers about four, five years ago. This was keeping in mind the patent expiration dates, in various markets. So that is coming along as expected. As far as this portfolio that we are developing goes, patent expiries are sort of starting off from calendar 27 onwards. So we should see in FY'28, the launches from this pipeline should start from FY'28 onwards. But then there will be launches like we had this year, we had last year, then we are going to have this year and so on. So those will keep coming, because we have been developing the pipeline now pretty aggressively for the last six years since the Company became independent split up basically from Glenmark.

Ahmed Madha: And how do you assess the impact of changes happening at the industry level in the near term, specifically the tariffs from USA, what is your judgment. And in this context, are we being conservative seeing high single digit growth, or is it a fair to expect that similar to FY'25, when the things will be high single digit revenue growth?

Yasir Rawjee: Yes, so like we said, we are already seeing a volume growth of mid-teens that is very clear that we are seeing that. But then there is erosion in the market. So depending on how we are able to manage that erosion, we should be definitely in the high single digits to be able to drive the growth. As well as, the good news is that Q1 is also looking pretty promising, so the momentum that we have had in the last two quarters continues. As far as the industry goes, except the US, things are pretty much where they were last year. So on May 7th, three large industry organizations this is the Pharmaceutical Research and Manufacturers of America, the Biotechnology Innovation Organization and the Association of Accessible Medicines. These are three large industry bodies in the US that made a representation on May 7th to the US government basis on invitation. So this was solicited by the Commerce Secretary, and so they

have made a pretty strong case for basically not having tariffs, because they have argued, pretty successfully that it would basically entail a big supply chain risk to the pharmaceutical supply chain, and would put R&D investment also on the back burner. So, with all this plus, so they have also made an alternative suggestion to the Trump administration on having, in place of tariffs other incentives that would help to drive local manufacturing in the US. So, let's see it's still out there, the jury is still out there in terms of how the US government takes it. But given the fact that there is a fairly strong internal push by industry bodies in the US itself not to have tariffs, we think that the outlook from the US will remain quite positive. So, maybe it will lead to a small upside, but that remains to be seen.

Ahmed Madha: Got it. Last question from my side, there is slight receivable bump up in the end of March balance sheet any comments on that?

Tushar Mistry: Yes, but as I explained in my opening remarks, Glenmark Pharma has the increased number of days as per the agreement. So the entire Rs.200 crores that you see as a bump up is all on account of that. We don't see any challenges as far as a non-GPL business is concerned, that remains steady.

Ahmed Madha: Could you elaborate more on the agreement. What will be the number of days for the GPL business?

Tushar Mistry: So, that will be upwards of 150 days as per the agreement. But also what happens is, since the GPL business is more skewed towards second half, the end of the year looks a bit skewed as far as the number of days is concerned for GPL also.

Moderator: Thank you. Next question comes from the line of Dilip an Individual Investor. Please go ahead. Since there is no reply from the line of Mr. Dilip, we will move to the next. The next question comes to the line of Tarang Agarwal with Old Bridge. Please go ahead.

Tarang Agarwal: Just a couple of questions. One, what was the volume growth for FY'25 and second, from a FY'26 standpoint, does the OAI on Glenmark Indore impact your business. Thanks.

Yasir Rawjee: Tarang just repeat the last part, please again.

Tarang Agarwal: From a FY'26 impact, does the Glenmark Indore OAI impact your volumes?

Yasir Rawjee: It's been 10%, the volume growth in FY'25 has been 10% and with regard to the OAI status of the Indore site for GPL, I don't think it's likely to impact us in any way, because we supply pretty uniformly to all the GPL sites, and I am sure GPL will be working to sort this out, but it has no impact on demand for our APIs.

- Tarang Agarwal:** Okay. Just one more question doctor, in your initial address you did talk about some softness in the US, in terms of pricing, but the broader sense that we are picking up is, it's a fairly buoyant market currently so especially the generic space. So where is the disconnect and what is driving your slightly somber outlook on the US?
- Yasir Rawjee:** It's a good question, but there is a mix right of things here, one is see, when I talk about softness, I am particularly talking about our portfolio because it's a higher end there are newer molecules that we are launching and so there is a fair chance of more erosion on those set of molecules from our customers that's what I am sort of referring to. I do agree with you that, on an overall basis, things are pretty much bottomed out. But, so far so good, we have had, we are okay. But on pricing, we do expect a little bit of push from our customers.
- Tarang Agarwal:** Got it. And the last question, from our overall CAPEX standpoint, how much is your budget for the R&D center specifically, and will it all be, how confident are you to deploy the commitment that you have laid out in FY'26 itself for the overall CAPEX numbers that have been outlined?
- Yasir Rawjee:** So on the R&D center, we should be spending somewhere between Rs.70 to Rs.80 crore to build that out. On the overall, it's a bit challenging but then most of the projects have started off. So the brown fields in Ankleshwar, the Brownfield in Dahej is well underway. Solapur is also coming along pretty well and these are the two, the three big items on the manufacturing side that consume the CAPEX. And then, like I said, R&D will be about Rs.70 to Rs.80 crore. So we should do most of this 550 crores and we need to really, it needs to happen,
- Tarang Agarwal:** Got it. And sir last question, I know this is many of my last, but definitely the last. If you could give a sense on what's happening on iron sucrose for you?
- Yasir Rawjee:** So, you know we don't talk about products particularly, but since you asked particularly it's being reviewed, so it's under review.
- Moderator:** Thank you. Next question comes from the line of Nitesh Dutt from Burman Capital. Please go ahead.
- Nitesh Dutt:** Sir you mentioned that you have visibility of mid-teens kind of volume growth, but because of erosion, you see value growth at say high single digits. So are you seeing more than 5% to 6% erosion year-on-year and has it accelerated recently and how is the overall competitive scenario in your set of products, is it leading to more erosion as of lately?
- Yasir Rawjee:** See typical Nitesh we see about 4% to 4.5% of erosion on our pipeline. Now, competition is there, but then because we are operating largely in the regulated market space, that competition is not an immediate problem it could become a problem a year and a half to two years out. So

on the newer products we expect to see some erosion, but not very significant. So it would be in this 4.5% kind of range.

Nitesh Dutt: Got it, thanks. And secondly, you expect mid-teens kind of volume growth going forward FY'25 was at 10% so this incremental delta, fair to understand it will mainly be driven by newer product sites. What kind of visibility and conviction you have that volume growth can get accelerated by this amount?

Yasir Rawjee: I am not sure I got the question on the acceleration, if you don't mind could you please repeat the question?

Nitesh Dutt: I am just asking volume growth, our typical volume growth for FY'25 it was 10% you mentioned and going ahead, you are guiding for 15% kind of volume growth. So just wanted to understand where this delta will be driven from is it mostly from new products, or do you expect your existing set of products also to grow faster than the current 10%?

Yasir Rawjee: So it's both Nitesh, okay. The new product like I said we have had quite a few launches in this last year, but then not all markets opened up last year, so we expect a few more markets to open up in FY'26 that will drive volume, plus we have a few more launches also, new launches in FY'26 so yes, the incremental volume will come from the newer launches, but our base business is also pretty solid, and that continues to have pretty nice volume growth as well. So we are pretty confident that we will get to this 15% volume growth.

Nitesh Dutt: Got it. Sir, what is the outlook for your CDMO business, and any guidance there as well?

Yasir Rawjee: So see CDMO like we have explained in the past also, it's basis three commercial products that continue to drive the volume. The fourth product started off with commercial business in Q3 of last year. But it's on a slow off take. We expect that to sort of get to full potential by the end of this year and so that should kick in pretty nicely the fourth project. And then the fifth project we expected regulatory approval in H1 but it's more likely to come in H2. So again it will be kind of back loaded this year, the CDMO, but hopefully by the time we close this year we will see a pretty good CDMO growth as well.

Nitesh Dutt: Got it. So last question on margins, this quarter we are at 31% when we started the year we were at 26, 27 because of PLI, one time employee expenses, etc. So going forward again, what kind of normalized margins should we expect is 30%, 31% the fair range of margins?

Tushar Mistry: Yes, we are expecting between 28% to 30% kind of margin range going forward.

Moderator: Thank you. Next question comes from the line of Nitin Agarwal with DAM Capital. Please go ahead.

- Nitin Agarwal:** Doctor on the generic API business. Now you talked about the single, late single digit growth for FY'26, but on a structural basis do you still see a possibility of this business being yearly double digit growth on a more three, five year view, or this is the new normal for this business, given the way things are?
- Yasir Rawjee:** There is definitely an upswing. Now, when that will kick in is the \$60,000 question. But given the fact that we see basically a lot of the new products are kicking in now and we saw it in FY'25, we will see this in FY'26 as well. So we are pretty confident, what happens is that, our expectation on the volumes for new launches is driven by the number of tie ups that we have. So that is a sort of surrogate marker for us, but it has done much better this year. And that is also reflected on the margin side. So coming back to growth, your question on growth, we would be going up from here, but I won't predict, you know Nitin you always say I am conservative but rather be that way.
- Nitin Agarwal:** Secondly on this CDMO business, beyond this 4th contract chaining up, if you can give us some color on the kind of conversation that you would be having, and is there any change, any acceleration in inquiries, RFPs which you witnessed and probably implications of that, if you take again a slightly long view beyond 26?
- Yasir Rawjee:** Yes, that is ongoing, as far as pipeline goes we continue to have quite a few discussions in the pipeline. That's going on, the thing is like I have explained before, CDMO is like a step function, it's not a slope so the moment something qualifies, we get qualified in something, then once we start validation supplies is when we know it's coming until then it's a zero. But once you make validation supplies, then it's a one. So, that's why we are not talking about beyond 5th. But, there are quite a few irons in the fire with respect to trying to bring more CDMO projects into the pipeline. So probably in late FY'26 or in early FY'27 we will be able to give better color on this.
- Nitin Agarwal:** Thanks, qualitatively are you currently, if I just sort of extrapolate our ranges are about Rs.50 to Rs.60 crores per contract, is the kind of CDMO what we are working on. But in the future negotiation that you are having, is there an upscale on the size or this is pretty much remains the sweet spot on the CDMO business?
- Yasir Rawjee:** No, on average you are right, it will be around Rs.50 to Rs.60 crore. That's where it would be, because the space that we are targeting again is on lifecycle management and on the 505 B2. So that gives us, that sort of \$7, \$8 million kind of opportunity.
- Moderator:** Thank you. Next question comes from the line of Harshal Patil with Mirae Asset Capital Market. Please go ahead.
- Harshal Patil:** Sir just have two questions more from an understanding perspective. So sir, just one thing we did see in the initial comments that there is some bit of destocking also a part of visibly, few of

our clients and then we are talking about 4%, 4.5% of a price erosion. So my question, therefore, is to understand that, is there any destocking led postponement or delays that we are kind of envisaging more towards the US markets or any other markets in specific?

Yasir Rawjee:

So see, I particularly refer to some of our US customers and this is on the CDMO side, not anything else. So overall, we have got pretty solid demand that continues, there's no kind of top of it. But the reason we had a soft CDMO performance for the year was because of this phenomenon. And then we are sitting on a pretty small base of only three projects, commercial, and the 4th one I said is kicking in, but it's going to sort of get to full potential in about a year's time.

Harshal Patil:

So going there towards FY'26-27 we see these things kind of improving, like precisely the first half of 26 or do you see the phenomena still continuing out there?

Yasir Rawjee:

Like I said, CDMO it will still be a little back loaded in terms of this year's performance.

Harshal Patil:

Okay, got it sir. Sir second thing is, with respect to the tariff things that you just explained. So definitely on the US representation thing is quite clear, but sir there were also some news going around between some deal getting in between US, China and stuff like that. So do we really see any impact, basically on the Indian CDMO players or Indian players into the US markets because of that kind of tariff link getting into place. Any qualitative inputs from your side would be helpful sir.

Yasir Rawjee:

Very difficult to tell here, but at least whatever we are able to tell, even our government is working to. So, the thing is that this could sort of cut either way but again, it's pretty standard I don't know if someone is going to get hit more than someone else, that's the point.

Moderator:

Thank you. Next question comes from the line of VP Rajesh with Banyan Capital. Please go ahead.

VP Rajesh:

I joined a little bit late, so this may have been already answered, but just was curious what is the kind of margin we have from our largest customer given we are increasing the working capital, et cetera, are we getting good margins compared to our Company wide margin?

Tushar Mistry:

So Rajesh, the margin from our largest customer will be in the same range as our other businesses, though it could be slightly less than the overall numbers because it also has a factor of product mix, and the largest customer would have more products which are older products with lower margin, but also has a good set of new products which has good margin as well. So overall, I would say it is not very off from our overall other business margins.

VP Rajesh:

I see. So basically, you are saying it is probably more closer to 28% and 30% the breach that you provided?

- Tushar Mistry:** You can assume that.
- VP Rajesh:** Okay. And in terms of the CAPEX that we talked about, what is the kind of asset turnover we are looking for, is it going to be same or better than what we have historically done?
- Tushar Mistry:** So, see right now we are in an investment phase, as we mentioned there's a good amount of capital outlay that we have planned. So in the near term, the asset turns will have an impact. It should be lower compared to what we have seen in the past. Also, past was higher because the capital investment was not as high and we were really struggling with our capacity. That's the reason why asset turns were higher. But from a new capital investment perspective, the asset turns initially, there will be a slow tick off, but gradually it should reach within that two times range over a period of time.
- Moderator:** Thank you. Next question comes from the line of Alankar Garude with Kotak Institutional Equities. Please go ahead.
- Alankar Garude:** Sir you spoke about the strong representation by the industry groups against tariffs, but say assuming tariffs get announced in the backdrop of the generic API industry having seen pricing pressure for quite a few years now. Do you think the generic API industry can absorb any further price cuts?
- Yasir Rawjee:** It's very difficult to say, actually see, the push is coming from within the US also pretty strong push. And it's a fairly integrated supply chain between the US distributors and the Indian and other foreign suppliers into the US. So difficult to tell, see the other thing Alankar is that, there will definitely be a difference between API and those front end, I don't think it's going to get a similar treatment, because if API gets a similar treatment then there is no difference between a US supplier and an Indian supplier, because both will have to sort of pay the tariffs before or after. So, I don't know, it's very difficult to speculate at this point. As far as the pricing environment and so on, somewhere in the chain someone have to absorb this, if it's not going to be the consumer, I don't know, very difficult to tell at this point. But the good news is that the industry associations are making a pretty strong push in the US itself.
- Alankar Garude:** Have there been any discussions, conversations with clients already on tariffs and impact of pricing?
- Yasir Rawjee:** Not us. We have not had anything, neither with our US customers, nor with our global, generic players who are largely Indian.
- Alankar Garude:** Got it. The second question, does the funding environment have any impact at all on the CDMO order book for us?

- Yasir Rawjee:** No, because again, we are largely concentrated in the lifecycle management space which is an ongoing business for the big pharma. And they are just moving to a better cost base to basically protect themselves against generic entry. That is one element, the other element is a specialty element again and here, because these are sure short therapies, it's only a question of enhancing the therapeutic benefit in a, 505 B2 kind of scenario. So our CDMO sort of the projects that are in the pipeline are not being impacted at all by any kind of funding.
- Alankar Garude:** Okay, sir just one follow up on that, in terms of the macro there is uncertainty both for the innovators as well as, to an extent for the generic companies your clients, is that something which can be a risk over the next, say one or two years, as far as our CDMO order book is concerned?
- Yasir Rawjee:** I will very confidently say no.
- Alankar Garude:** Okay, sir that's reassuring. And one final thing, in the previous call you had spoken about working on two differentiated platforms, and you had said that there are plans to add more platforms in the coming months. Is it possible to provide any update on this please?
- Yasir Rawjee:** Alankar, we try to speak about it when we get to a sort of mature state, work is on we have got some collaborations going. Work is on but, probably around second half or towards the end of this year, we would be able to give you some color in terms of what we are looking at. But work is on, and it's pretty, it's going well that's all I can say.
- Moderator:** Thank you. Next question comes from the line of Neeraj Shah with Perpetuity. Please go ahead.
- Neeraj Shah:** Actually, I wanted to ask that you are mentioning your generic API business in strategy you have mentioned that you would pursue second source opportunities with top generic players. So can you please elaborate what is this and what are you, can you explain this part?
- Yasir Rawjee:** Okay, so basically when we enter into a customer's file this happens before they get approval, so that's when we are usually the first source, so while the ANDA player is sort of developing the dossier and filing, and we partner with them at that stage. Then we are the first source, but then when the ANDA player already has approval, but is looking for another API source, that's when we go in as a second source or an alternate source. So that's the difference.
- Neeraj Shah:** Okay, got it sir. And any debt you are planning for FY'26-27?
- Yasir Rawjee:** Could you please repeat that Neeraj?
- Neeraj Shah:** Are you planning any debt for FY'26-27?
- Yasir Rawjee:** No, we are not planning any debt.

- Moderator:** Thank you. Next question comes from the line of Ahmed Madha with Unifi Capital. Please go ahead.
- Ahmed Madha:** So, I had a question on the price erosion which you spoke about, is it specific to few specific products in just US or is it broad based?
- Yasir Rawjee:** It's not, price erosion doesn't happen on every product, but typically when there is a bigger volume off take especially when launches happen, we do see a bit of price erosion there. On the base business, there is a relatively lower price erosion because things have kind of steadied or bottomed out, or whatever you want to put however you want to see it. So, if I had to classify it, it's more on the newer set of products that see erosion.
- Ahmed Madha:** And in terms of molecule concentration, product concentration could you spell out the number top five, top 10 products?
- Yasir Rawjee:** Top five products would contribute about 35% of our revenue. I am making a educated guess, we can come back to you with the exact number, but it would be around 35% top five.
- Ahmed Madha:** Okay. And just last is the presentation we disclose quarterly therapy wise revenue contribution. And this presentation, we have annual numbers and I am just trying to work out the quarterly number for Q4 and what I see is there is slight change in the mix between others and CVS, is it fair understanding and would you like any comment on that, just to understand the change in the therapy mix?
- Yasir Rawjee:** See, at the quarterly level, it's quite wavy Ahmed.
- Ahmed Madha:** That I understand, but still at annual level also there is slight change. So just wanted to understand is there any product where there is significant erosion, is there any new addition or something like that, if there is anything as such?
- Yasir Rawjee:** So we have a pretty good traction on a urology segment. That's doing pretty well and that's picking up pretty nicely the urology segment. There are a few molecules here and there on pulmonary fibrosis and stuff that are also doing pretty well. But, overall it's difficult to sort of, at the quarter to it's wavy, that's all I can say.
- Moderator:** Thank you. Next question comes from the line of Nitesh Dutt with Burman Capital. Please go ahead.
- Nitesh Dutt:** I have a follow up question on CDMO, sir you used to guide last year that in four years or so you target to make the CDMO business 4x of FY'24 size. So, do you think we are still on track for Rs.500, Rs.600 crore kind of number by FY'28 or so?

- Yasir Rawjee:** FY'28 might be a bit challenging to get there, but see the traction is pretty good on these and I answered to an earlier question, that how CDMO is picking up. We have a number of projects in the pipeline and like I said, we are in the range of around \$7 to \$8 million on average. But they can be even higher. Some of them are even higher, but it's a matter of us locking in another five, six projects, and we should be there.
- Moderator:** Thank you. Next question comes from the line of Sanjay Tapte an Individual Investor. Please go ahead.
- Sanjay Tapte:** I have three questions. First is, what is our exposure to the US market. Secondly, around one or two years back, we had entered into some CDMO MOU with an innovator from Japan. So what is the status of that. And thirdly, all our three expansions at Solapur, Dahej and Ankleshwar they are expected to go on stream in what period in Q2 or Q3, Q4. That's all.
- Yasir Rawjee:** Okay. So, in terms of exposure to US, I don't know how to, the thing is we have got a pretty good business in the US, it's about 25%, 30% of our overall business. So, when you say exposure, it gives it a different connotation, but I just take it as positive, we have a 25% to 30%. No, it's a pretty stable, solid business. As far as the CDMO with the Japanese client, this is our 5th project, which is under regulatory approvals and like I said, we expect that they will get regulatory approval to use us as an API source in the second half of FY'26, that's the 5th project that I was talking about earlier. As far as the expansion in brownfield goes that we will see coming online by early second half of this year. So around November, December timeframe, we should see that kicking in both in the Dahej as well as in Ankleshwar. And on Solapur, it would be more like Q4 phase one Solapur with 300 KL would come in Q4.
- Moderator:** Thank you. Ladies and gentlemen due to time constraints, we have reached the end of question-and-answer session. On behalf of Alivus Life Sciences Limited that concludes this conference. Thank you for joining us. You may now disconnect your lines.