CSD/BSE&NSE/2025-26
February 16, 2026

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 and nine months ended December 31, 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 and nine months ended December 31, 2025 conducted after the meeting of Board of Directors held on February 12, 2026.

This is for your information and record.

Thanking you.

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

HIMANSHU AGARWAL
Digitally signed by HIMANSHU AGARWAL
Date: 2026.02.16 15:23:14 +05'30'

**Himanshu Agarwal**
Whole-time Director and Chief Financial Officer
(DIN: 06672915)

Encl: as above

# Cohance Lifesciences Limited
## Q3 & 9 months FY '26 Earnings Conference Call
## February 12, 2026

**Moderator:** Ladies and gentlemen, good day and welcome to Q3 and nine months FY '26 Earnings Conference Call of Cohance Lifesciences Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Cyndrella Carvalho. Thank you and over to you, Madam.

**Cyndrella Carvalho:** Thank you, Neerav. Good evening, good morning everyone and thank you for joining Cohance Lifesciences earnings call for the third quarter and nine months of FY '26. Joining me today, we have our Executive Chairman, Mr. Vivek Sharma; Mr. Yann D'Herve, CEO Pharma CDMO; Mr. Gunjan Singh, Business Head API+; Mr. Amrit Singh, Business Head Specialty Chemical; and our Whole-Time Director and Chief Financial Officer, Mr. Himanshu Agarwal.

Before we begin, I would like to remind you that today's discussion may include forward-looking statements which are subject to risk and uncertainties. Actual results may differ materially. We encourage you to review the disclosures filed by the company.

With that, I will hand the call over to Mr. Vivek Sharma for his opening remarks.

**Vivek Sharma:** Thank you, Cyndrella. Good evening and good morning to everyone joining us today. I would like to begin today's call by acknowledging that our recent performance has come in below our expectations. During this call, the team and I will walk you through where each business stands today, what is now embedded in our revenue base, and how we see the business progressing from here. As we look at FY '26, it has been a transition year for the company driven largely by portfolio mix and customer-led timing factors.

With that context, let me walk you through the key highlights across each business segment, starting with Pharma CDMO. In our Pharma CDMO business, we continue to see a combination of near-term challenges alongside encouraging progress. On the near-term side, destocking in two large commercial products is expected to continue. In addition, one large commercial molecule is approaching patent expiry, which has resulted in lower reload volumes. Further, certain customer reloads and scale-ups have been deferred due to delays in launch sequencing and program timelines.

At the same time, there are several positive developments. Customer engagement has deepened meaningfully with two large global innovators progressing multiple ongoing programs as well as new RFPs. Importantly, one late-stage commercial RFP has converted into a confirmed program, while the balance of the RFP funnel remains actively engaged with several programs now progressing in late development stages.

We currently support a robust late-stage pipeline with nine Phase 3 programs across our portfolio. While the pace of commercialization is customer-led and timing-dependent, this depth of Phase 3 engagement provides clear medium-term visibility as these assets progress towards launch and scale-up.

In parallel, we are expanding relationships with Western CDMOs that are seeking to leverage our technology platforms. In this context, we have secured a commercial KSM opportunity with a Western CDMO, with commercial supplies expected to commence from the second half of FY '27.

Turning to our advanced niche technology platforms, including ADC and oligonucleotides, the near-term environment remains mixed. On the near-term side, decision-making across biotech customers has slowed due to funding constraints, impacting the pace of new signings and renewals. That said, we are encouraged by the large pharma customer momentum. Our adjacent payload platform has been further expanded, and we have already onboarded two new large global innovators and continue to receive strong inquiry for this platform.

I am excited to share that on the existing payload platform; we have filed one new payload with work ongoing on three additional filings in FY '27. Operationally, we successfully completed a business continuity audit at our Vizag facility by a large Japanese innovator customer. In oligonucleotides, we are seeing increasing engagement for higher complexity oligonucleotides and amidite programs, reflecting customer confidence in our chemistry capabilities, quality systems, and regulatory readiness. To support this momentum, we have onboarded two highly seasoned, dedicated business development professionals with over two decades of experience in oligonucleotides, one based out of UK and one in Boston.

Moving on to the API Plus business, performance during the period has been shaped by a combination of regulatory and demand-related factors. On the challenge side, as previously communicated, the Nacharam formulation site received the warning letter following the OAI status. Production for non-US markets has resumed and remediation actions are underway, alongside risk mitigation through filing transfer to alternate facilities.

In addition, a small number of API products were impacted by customer-related approval delays and demand softness. Despite this, we have continued to rebuild the API and formulation pipeline. During the year, we completed eight DMF CEP filings and filed five partner ANDAs. These filings provide a foundation for recovery in this segment as customer approvals and demand normalizes.

In Specialty Chemicals, we continue to make progress on customer diversification and pipeline development. On the positive side, a Japanese customer has been onboarded, with validation completed and commercial qualification planned for the second half of FY '27. Engagement with two large European agrochemical innovators also continues, supporting medium-term pipeline development. At the same time, the agrochemical business has been impacted in the near-term by Chinese generic pressure and regulatory phasing.

Stepping back, we remain excited about our organization capabilities, reflecting in our strong technology-led CRDMO platform. Accordingly, we have continued to invest in quality systems, regulatory capabilities, and complex chemistry platforms. Over the past few quarters, we have also strengthened leadership depth across business, with experienced leaders now fully embedded and operating with clearer accountability and execution discipline. These investments position us well to

scale as customer programs progress. Overall, what we are seeing in FY '26 is largely a timing and product mix impact.

I would like to reassure you that during this challenging period, we have not lost any customers or cancelled any orders. Customer OTIF metrics remain healthy, and we are able to service customer demands effectively. We continue to be an essential part of the innovative drug manufacturing supply chain and we continue to win new customers and new business, including recent notable wins with two large innovator customers.

Importantly, our technology platform continues to attract a strong interest from large global innovators and biotech companies, with RFQ engagement levels remaining healthy and increasingly focused on high-complexity programs. Based on current visibility and execution phasing, we have revised our FY '26 revenue outlook to reflect an early-to-mid double-digit decline.

Looking ahead, we believe FY '27 will be a year of growth driven by the successful pipeline built across businesses and recovery in the API Plus segment, led by product filing and partner products.

With that, I will now hand the call over to Yann to walk you through the Pharma CDMO business. Yann.

**Yann D'Herve:** Thank you, Vivek. Good evening everyone. From a Pharma CDMO perspective, Q3 fiscal year 26 in particular has been characterized by strong new customer engagement, which has translated into a meaningful increase in late-stage RFP activity, both from new customers and for new programs with existing customers, strengthening our prospects as we look ahead to fiscal year 27.

With the completeness of our business development team in December, our strategy has yielded a double-digit number of commercial and late-stage RFPs, including engagements originating from Western CDMOs. We are also deepening relationships with top 10 global pharmaceutical companies, both of whom have visited our sites with senior-level representation and indicated intent to commit additional new business in FY '27.

As is typical for the CDMO business, which is inherently lumpy, these new relationships are expected to start yielding business in FY '27 and grow progressively as we complete customer qualification. Near-term revenues were impacted by customer-led delays in reloads and payload intermediate off-take, driven by higher inventory levels at customer supply chain endpoints, changes in launch timing, and reprioritization of programs.

These resulted in a sharper than expected near-term impact. I want to clarify here that no business was lost, as far as we know. Beyond near-term inventory normalization, there is some moderation in demand for certain mature commercial products as they approach late lifecycle or patent expiry phases.

In these cases, innovators are recalibrating volumes earlier than we had previously anticipated as part of lifecycle and inventory management strategies. As a result, we now expect the steady-state contribution from some of these large commercial products to be lower than earlier trajectory assumptions. These earlier than expected volume recalibrations have contributed to the current timing gap outside of destocking.

Pharma CDMO revenue in Q3 was impacted by these factors, driving Pharma CDMO decline of 27% year-on-year, meanwhile adjusting for the destocking, it was 7% growth. When adjusted for inventory destocking in select molecules and NJ Bio consolidation effects, underlying demand trends remain stable.

We have also meaningfully strengthened our business development organization, adding senior, high-capability professionals with deep experience across innovator and biotech customers. The Pharma CDMO business is now supported by a dedicated global business development team of nine professionals, actively engaged across North America, Europe, and Japan, and strategically positioned in critical hubs, Boston, San Francisco, Northeast US, UK, Switzerland, and Asia.

Our approach remains execution-led with emphasis on lateral RFQ conversions, capacity commissioning, and customer-led ramp-ups. Customer engagement remains strong with RFQ intensity increasing at least 2x year-to-date, including a higher proportion of Phase 3 and commercial opportunities.

Over the last 3 to 4 months, the company has undergone more than 16 large and mid-pharma innovator and biotech audits and visits, many of which have also led to senior-level customer delegation visits and indication of intent to deepen ongoing engagement.

To specifically address our commercialization pipeline, we currently support 9 Phase 3 molecules across our Pharma CDMO portfolio. Of these, four molecules are expected to move into commercial supply over the coming fiscal year across therapy areas including pulmonary, ADHD, anti-diabetic, and oncology.

Two of these molecules have already received US FDA approval and entered the initial launch phase. The third has received priority review status and the fourth is awaiting clinical data readouts expected in calendar year 2026.

While pipeline maturity continues to improve, the pace of commercial ramp-up has been slower than originally anticipated, driven by customer launch sequencing, inventory management, and cautious initial scale-up.

As a result, this commercialization pipeline is taking longer to reach steady-state contribution, which has added to the current timing gap. In advanced platforms, including ADC payload intermediates, we continue to be the exclusive payload intermediate supplier to a major innovator.

During the year, one new ADC payload DMF was filed, with three additional payload filings progressing on track. Near-term demand remains influenced by biotech funding cycles, but customer programs remain active.

A $10 million cGMP US-based expansion is underway, enabling full ADC supply capability up to Phase 2B by fiscal year '27 end. Customer engagement is further supported by the successful completion of the business continuity audit at our Vizag site.

In oligonucleotides, beyond capacity build-out, we are seeing increased customer engagement through higher value and higher complexity RFPs, reflecting growing confidence in our chemistry, quality systems, and ability to support differentiated programs. The cGMP oligonucleotide building block

facility at Nacharam is nearing operationalization, positioning the platform to scale as customer programs and launch-phase assets progress. Customer qualifications and early commercial engagements are advancing as planned.

At our subsidiaries, customers continue to recognize the quality of execution and technical capabilities of the team, including through public commentary. However, given delays in certain customer clinical programs and the slower pace of contract renewals in the current biotech funding environment, the recent trajectory has been muted, including into fiscal year '27.

To reiterate, this reflects timing and funding dynamics at the customer level and does not change the long-term relevance of the integrated ADC platform which we continue to be very excited about.

Now I hand over to Gunjan to talk about API Plus segment.

**Gunjan Singh:** Thank you, Yann, and good evening everyone. Let me begin with an update on the API Plus business, which includes our generic API and the formulation segment. In the API business, our performance during FY '26 has been driven largely by product-specific dynamics rather than broad-based demand softness.

Three products in particular accounted for most of the impact: two were delayed due to extended timelines for customer approvals and the third was affected by a facility-related issue at a key European customer. These were discrete identifiable issues and do not reflect any deterioration in the underlying competitiveness of the API portfolio.

At the same time, we have been actively repositioning the portfolio and strengthening business development efforts to reduce dependence on a small set of products and expand engagement across a broader opportunity set.

Business development teams are increasingly focused on newer molecules, alternate sourcing opportunities, and incremental wallet share with existing customers, particularly in regulated and semi-regulated markets. While near-term revenues have been impacted, inquiry flow and pipeline depth have significantly improved, providing a more balanced base as we look ahead.

On the development front, there has been some interesting progress. We remain firmly on track to meet our filing and pipeline objectives. Over the last 9 months, we have completed eight DMF and CEP filings against our target of ten.

In addition, eight new products have completed lab development, with two more expected to be completed in the coming quarter. These developments materially expand our offering set to our business development teams and support deeper multi-product customer engagement.

Before I move to our formulation business, I am really excited to share a couple of interesting developments. As you may have heard earlier, we are working with a large European Big Pharma on a lifecycle management opportunity. Happy to share that we shipped the first validation quantity in the last quarter to the customer and the commercial for this product will get materialized in FY '28.

Another interesting development was with another Big Pharma company, again based out of Europe, with whom we have already been in relationship. Here, after a long time, we received approval to add

a dedicated block for the product. This will enable us to have the largest capacity globally for this customer, who again has the largest market share globally.

Turning to formulation, a demand deferral by one customer had a modest impact on the Q3 performance. That said, the focus over the last year has been on diversification and pipeline rebuilding, rather than chasing immediate volume recovery. BD efforts are increasingly centered on partner and niche formulation opportunities, including products with limited competition, complex supply chains, or long-term profit share potential. We are also seeing a growing interest from our existing API customers to extend relationships into finished dose formats.

During the year, we completed five formulation filings on behalf of our customers, which has further strengthened platform credibility and enabled earlier engagement during the product selection and qualification phase. Several of these programs are progressing through customer qualification and regulatory reviews, with commercial timelines typically linked to commercial launch sequencing rather than internal constraints.

As shared earlier, the OAI status of our Nacharam formulation site received in September has since progressed to a warning letter. We had already implemented multiple remediation measures and are now executing an enhanced supplementary program to comprehensively address the FDA's observations, working closely with external experts. While production at the site has resumed, it will take some more time for the plant to return to earlier operating levels. In parallel, we are also transferring select filings to alternate facilities to manage risk and ensure supply continuity.

As again mentioned earlier, we have also onboarded on the API Plus side strengthened our talent base, adding senior resources across levels with strong industry credentials and operational depth. This enhances our ability to support a broader and more complex pipeline as it matures. The nine-month period API Plus segment overall reported a revenue decline of 8% year-on-year to INR8.15 billion. Overall performance by FY26 reflects known pricing resets, approval timelines, and shipment adjustments. The Q4 order book remains healthy, consistent with seasonally stronger demand profiles. More importantly, the pipeline across API and formulation is broader.

**Amrit Singh:** Thank you. Good evening, everyone. So let me now cover the Specialty Chemicals business. To set the background, as you are aware, in Specialty Chemicals we operate across agrochemical CDMO and performance chemical, including OLED materials and photochromic coatings with global innovators. FY26 performance in Specialty Chemicals has been impacted by regulatory timing and program phasing, consistent with the longer gestation nature of this business. Engagement with a large Europe-based agrochemical customer continues, supporting future pipeline development and medium-term monetization.

Also, I am very happy to share that we have been shortlisted in the RFP stage for the patent regime AI, which is active ingredient, by a US-based agrochemical innovator. And more so, we are fully back-integrated for this AI, which could help us to position as a strategic partner for this active ingredient. While near-term revenues are affected by global macro conditions and qualification timelines, these engagements materially strengthen the resilience and visibility of the business.

We have made good progress in onboarding a Japanese customer, with laboratory and pilot validation successfully completed for the first project. We expect to submit the commercial qualification campaign for this project by the end of FY27.

Now coming to Performance Chemical, we are cementing our relationships with key innovators in the OLED and photochromic coating space. On the new development front, we are working on applications of our existing technology platforms in chemicals used for semiconductor chip processing. In nine months, the Specialty Chemical segment reported a revenue growth of 32% year-on-year to INR1.9 billion.

Overall, FY27 is expected to remain a transition year for Specialty Chemicals with earnings improving as qualification programs convert across both agrochemical CDMO and performance chemical. Thank you so much, with that I hand over to Himanshu for the further updates.

**Himanshu Agarwal:** Thanks, Amrit. Good evening everyone. Let me walk you through the financial impact of the specific drivers Vivek outlined and quantifying how these timing and mix effects translated into our reported performance. At a high level, FY26 performance has been influenced by clearly identifiable factors such as destocking in two large commercial products, which together impacted revenue by nearly INR260 crore as customers normalize inventories earlier than anticipated.

Second, the temporary disruption of our Nacharam formulation facility following the OAI classification and subsequent warning letter has led to a shipment deferral of approximately INR55 crore. Third, product-specific customer-related approval delays and demand softness in select API products. And finally, subsidiary performance has remained muted due to lower project renewals in the current biotech funding environment.

As FY26 is the first full year of NJ Bio consolidation, the cost base is fully reflected in our P&L while the revenue has lagged. Importantly, these drivers are timing, product mix, and consolidation related, not structural in nature. From a profitability perspective, EBITDA for the year has been impacted by three primary components: a shift in business mix with lower contribution from higher margin commercial products and advanced CDMO programs.

Operating deleverage resulting from lower revenue absorption, while we have continued to invest in leadership, business development, quality, and our technology platforms; and finally, the first-year consolidation effect from subsidiaries where margins have remained subdued given the current biotech funding.

As you would observe, all these factors are timing and not structural in nature. Turning now to the reported numbers. Given the inherently lumpy nature of the CDMO industry, we believe a nine-month view provides a more representative performance versus the quarterly trend. On a nine-month FY26 basis, our revenue has declined by 6.7% to INR1,650 crore.

Gross margins have improved to 72.8%, up 204 basis points year-on-year, supported by product mix and the consolidation of recent acquisitions. Adjusted EBITDA for nine-month FY '26 has declined by 43% to INR348 crore, with adjusted EBITDA margins at 21%. For context, stand-alone adjusted EBITDA margins stood at 24%, highlighting the impact of subsidiary consolidation and muted operating leverage.

In quarter three FY '26, the revenue declined by 19.5% to INR545 crore, reflecting the lumpy nature of commercial drawdowns and shipment timing. Gross margins have declined by nearly 126 basis points, largely due to product mix tilted towards lower margin business. Adjusted EBITDA for quarter three stood at INR85 crore, with margins at 15.5%. Stand-alone EBITDA margins remain

close to 19%, again illustrating the effect of consolidation and operating deleverage. While near-term margin pressure is evident, this reflects business mix, volume, and consolidation dynamics rather than a reset of platform structural profitability potential.

Turning to cash flows. Despite earning volatility, the business continues to demonstrate resilience. During the first nine months of FY '26, we have generated free cash flow of INR175 crore, reflecting continued cash generation from the core platform. Capital expenditure during the first nine months amounted to INR161 crore, primarily directed towards advancing our differentiated platforms such as ADC and oligonucleotides, strengthening our quality and compliance system, and selective capacity and capability upgrades aligned with our customer programs. Our balance sheet remains sound and our capital allocation priorities remain unchanged.

To conclude, while FY '26 has reflected timing-related pressures and margin product mix shifts, the underlying platform, technology capabilities, and our customer engagements remain intact. With the action taken and the assumptions now embedded, we believe the business is positioned for recovery as customer drawdown normalizes and our commercial assets scale progressively through FY '27. Thanks. And with that, now I will hand it over to Cynderella.

**Cyndrella Carvalho:** Thank you, Himanshu. I request the operator to open the Q&A. Neerav?

**Moderator:** The first question is from the line of Foram Parekh from BOB Capital Markets. Please go ahead.

**Foram Parekh:** Yes. Thank you for the opportunity. My first question is since we have lowered the revenue guidance for FY '26 to mid -- to early-to-mid double digit, so my first question is are we retaining our USD1 billion sales target for FY '30? And what would be the drivers since, you know, FY '26 has seen such decline?

**Vivek Sharma:** Hi Foram. Thanks for the questions. So yes, we are committed to a USD1 billion guideline. Timing might shift slightly because of the challenges we have seen this year, but overall management is fully committed to the long-term guideline that we have.

**Foram Parekh:** Okay. And my sub-question would be since FY '26 is going to see a decline, so do we -- can we anticipate growth in FY '27, or it is still far away?

**Vivek Sharma:** No, yes, we are fully working for growth in FY '27.

**Foram Parekh:** Okay. My second question is on the API side; I see in the presentation that we have written order book visibility -- I mean recovery looks gradual in the order book for FY '27. And since API contributes almost 50% of our total sales, so how should we look at it? Can we anticipate growth in FY '27 and therefore, it can be looked at a blended level?

**Himanshu Agarwal:** Foram, I think if you look at the commentary that was shared as well as subsequently by the business heads, I think we are seeing a lot of traction in our business. I think all the business partners have talked about how they are seeing the business growth, right? And therefore, API as well is looking at growth in the business. The growth that we are reflecting in FY'27 or indicating in FY '27 is a function of what offshoots we are seeing as of now, which is what we have transparently shared with the larger community. So yes, to answer your question, both FY '27 as well as API, we would be looking at growth.

**Foram Parekh:** Okay. And would you like to quantify what is the growth we are looking at for FY '27 on a blended level?

**Himanshu Agarwal:** So Foram, I perfectly understand the question and the need of the question at this junction. But given that we are in February, we are still in the midst of iron tightening our budget assumptions and very carefully looking at the risk profile. We do understand -- and you do understand as well that we have not reached to our expectations in FY'26 and therefore, we are very, very careful with the guidance that we give out hereafter. I would request you and the community to be patient with us and give us some more time for us to validate, test and give you more color to FY '27 in one or two quarters.

**Foram Parekh:** Are we calling out on the niche technology contribution for the quarter, like contribution from ADC and oligo for this quarter?

**Himanshu Agarwal:** Yes, I think I think two important aspects. One, we started calling out the niche technology percentage and the contribution which we have indeed called out for this quarter. But as I mentioned at the start of my communication on financials, we are a lumpy business and we are determined by the customer inventory management and the forecasting. So therefore, quarter-on-quarter it is little difficult for any analyst to attribute the percentages. Though we have called out the third quarter, for nine months it has been around 15% and that is what I would urge the community to look at.

**Foram Parekh:** Sure. That is helpful. Thank you and all the best.

**Moderator:** Thank you. Next question is from the line of Amlan Das from JPMorgan. Please go ahead.

**Amlan Das:** Hi sir. Sir, my first question is regarding the Nacharam facility. Since it has been under OAI since the past few months and recently it also received a warning letter and as you had pointed out that it had an impact of around INR55 crore. So is this a peak of the negative impact that we see from this facility or should we bake in some more impact due to this ongoing warning letter? That is my first question.

**Himanshu Agarwal:** Gunjan, can I request you to address this?

**Gunjan Singh:** So sure. Thanks, Himanshu. So as you rightly said, you know we received the, first the 483s and then the OAI which subsequently got converted to a WL. We are putting in all the efforts from our side. We have got some really exceptional talent recruited in the team recently. At the same time, we are taking external consultants' help into it who are experts and have done the similar remediation exercises in the past. And we are not shying away from anything which is required to regain the confidence of the authorities and our customers there. There will be some slowdown for sure because there will be some delays while we implement the remediation activities. Our revenues or our production or dispatches and production for the non-US markets would continue, while the US will take a gradual resumption. Additionally, I would also add our overall exposure to the site was quite limited. Only 2% of the total revenues were to the US market from this site.

**Amlan Das:** Okay, 2% of the US revenues you said. Sir -- so following on that, since it is a 2% of US revenues you said, right? If I did, I hear that correctly? Hello?

**Himanshu Agarwal:** No, so what we have mentioned is that it is 2% of our total revenue. So the plant contributes 2% of the US sales. Yes, but it is on the total revenue for the business.

**Amlan Das:** Sorry, it is still not clear. So is it 2% of the console sales or 2% of the US revenues per se?

**Himanshu Agarwal:** It is less than 2% of the consolidated sales.

**Amlan Das:** Okay, understood. Thanks. Next, my next question is regarding the RFQs. Since you have been saying that you have been gaining a good traction on RFQs since the past few quarters. So I just wanted to understand what is the conversion rate on these RFQs? As suppose you have 100 RFQs from different customers, how much -- how much of those actually converts to a commercial molecule and what is the typical timeline for that?

**Himanshu Agarwal:** Yann can we request you to take this please?

**Yann D'Herve:** Yes, I can take this - this part, right. So first of all, the good news is that we are receiving much more RFQs, that are Phase 3 and commercial. The nature of commercial RFQs is that it takes much longer for conversion, right, because very often clients here have already one supplier and they are looking at the second supplier most likely to derisk their supply chain. So that is good news and it takes more time to get conversion.

So since the effort, right, has yielded at least double the value, even more right, in our funnel in the last quarter, which is good news. This funnel will essentially release orders, right, in the next two to three quarters. That is what it takes, okay. In terms of percentage, right, of win on RFQ, normally the percentage win is around 20%. That is what you can expect and it depends on the on the Phase, right, very often. So what I can tell is that the funnel that we have today is significantly better than what we had one quarter ago and that will continue to increase with our business development team strategically located, right.

**Amlan Das:** Thanks, sir. And -- and if I could squeeze one more. Of these four molecules which are going commercial next year, what could be the end market size that we could guess from -- that we could understand for these molecules?

**Yann D'Herve:** Very good question. It really depends on the application, right. So I can give you an example. One application is ADHD. I mean, the volume could be -- could be almost triple-digit metric tons, right, for this particular application. For oncology, it is different. It is normally the demand is much lower. So those molecules differ per nature given the application in the market.

**Amlan Das:** So could you please quantify it in value terms in dollar terms per se if -- if it is possible?

**Yann D'Herve:** So our clients might not know themselves, right. So very difficult to quantify.

**Amlan Das:** All right sir. Those are my questions. Thank you.

**Moderator:** Thank you. Next question is from the line of Kunal Damesha from Macquarie. Please go ahead.

**Kunal Damesha:** Hi, thank you for the opportunity. The first one on the Nacharam plant, so we are seeing that the impact is around INR55 crore, right?

**Moderator:** I am sorry to interrupt you. Can you speak a little louder please?

**Kunal Damesha:** Can you hear me now? Is it better?

**Moderator:** Yes.

**Kunal Damesha:** Hello. Yes. So Nacharam impact of 55 crore which represents around 2% of the full-year 25 sales, which means that if that is the impact, the sale of from that plant has gone to zero now in the 9-month FY26?

**Himanshu Agarwal:** So Kunal, I think the plant produces material that we supply to US and it also produces material that we supply to non-US market. Yes, I mean -- if you would recollect we had taken a voluntary shutdown of the plant so that we could proactively remediate and ensure that all CAPAs are adhered to, yes.

We have opened the plant for non-US markets and we continue to service the non-US market. What you are seeing Rs 55cr is an effect of both the loss of supplies to US market as well as to non-US market during the period of the shutdown. So it is a mix of both. Again to repeat, we have opened the plant for non-US market.

**Kunal Damesha:** But then we are saying that the plant contributes less than 2% of total sales, right? So then last year full full-year revenue was INR2,600 crore, so then 2% is like INR52 crore?

**Himanshu Agarwal:** Let me -- let me clarify. The plant -- total plant does not contribute to 2% revenue. The total plant US revenues is less than 2% of our consolidated revenue, which you said in FY25 was INR55 crore. That is correct. But qualification is that it is US revenue.

**Kunal Damesha:** So US revenue from the plant is less than 2% of total revenue?

**Himanshu Agarwal:** That is correct. Thank you for that expression.

**Kunal Damesha:** Okay, perfect. Secondly, the way you are talking about the destocking impact of INR260 crore from the two commercial product, the correct way to understand this is the 9-month FY26 – or 9-month FY25 numbers for those two product minus 9-month FY26 number for those two product is INR260 crore, that is the impact, that is the decline?

**Himanshu Agarwal:** Yes, that is broadly correct.

**Kunal Damesha:** Okay. And let us say when you would have -- have you analyzed these two product as to how the innovator sales moved versus how the -- our supply how our supply moved historically and was there a way or a pattern for you to figure out, that your supplies are running higher than the innovator sales growth? Have you done such an exercise and if yes have you done extended such an exercise for the remaining seven molecules which we supply currently on a commercial basis?

**Himanshu Agarwal:** I would lean onto Yann to reply to you. I believe he has done lot of work on this. Yann, please.

**Yann D'Herve:** Yes. So I mean good question and the answer is yes, right. So we are, of course, based on client interaction as well as market intelligence we develop our model for our forecast, right. That is clear. One thing to keep in mind as information, right: normally between the production of the key starting material where we are active, right, and the consumption of the drug in the market, you have about two years, right, two plus years.

As such, when drugs are getting closer to patent expiry, which is the case for one here, what is happening is that the originator will reset their supply chain and we have a new base, right, happening for the for the need of the key starting material based on the market that they expect to retain, right.

So that is essentially what we have and of course we are trying to forecast properly with marketing intelligence and customer interaction.

**Kunal Demesha:** So Yann, for the remaining seven molecules that we supply, barring these two, would we be kind of, you know, comfortable with our forecast plan for the next couple of years that we would not see such a hiccup in in majority of those molecules?

**Yann D'Herve:** Yes, yes, that that is correct. In fact, what I mean what we have, right, we have a binodal distribution of our commercial pipeline, right. And what you see is essentially a reduction in the more mature part of the customer pipeline. Where we can influence and where we are influencing, right, is the acquisition of new projects that are freshly commercial, right, or Phase 3.

And also, what we have is when commercial drugs have been approved, which is the case for many others that have been approved last year, right, have been approved in calendar year 2025, right, you can project that for the next 10 years you will have a constant growth for these early stage, I mean for these first node right of the binodal distribution.

So that is why I mean what we are seeing today is a reduction in our more mature part of the portfolio, right, and what we have is actually a pretty good pipeline on the early stage that will essentially render value for the next 10 years, right.

**Kunal Demesha:** Sure. And let us say for a product where the patent expiry is not a near term concern of the two products, is it just the inventory drawdown or innovator would have added some new source beyond us? Is there a clarity that you have?

**Yann D'Herve:** So, I mean, in fact, in the market, right, you have two phases where you have uh less predictability, right? One phase is when it is getting closer to patent hiring, right? And the other phase is when the drugs have been freshly approved because then the marketer does not even have, I mean, very often does not know, I mean, or does not know, projects that the projections are never correct, right?

Nobody can project properly on how a drug will deliver so well, right? So what is happening is that you have a little bit more unpredictability, right? When the drug is freshly approved and a little bit more unpredictability when the drug is mature. Our pipeline essentially is very much heavy on those two ends of the spectrum, right? So that explains a little bit the less predictability that we have right now in our portfolio.

**Kunal Demesha:** Sure. And lastly on the four molecules that we expect to commercialize, right, and where two are already approved. So, would we have like the master services agreement in the place and waiting for purchase orders or we are yet to sign MSAs for those product?

**Yann D'Herve:** So for those products we always have contracts, right. I mean those contracts may or may not include minimum orders, right, especially at the beginning, that is where you have because of the predictability, I mean our customers are also very cautious, right, how they approach the situation.

**Kunal Demesha:** So my understanding is, you know, during at the time of commercialization, typically innovators are okay to enter into a long-term contract, right, so is that understanding correct or there are all sorts of contracts and that kind of go on.

**Yann D'Herve:** I mean, we I mean, by nature, right, we have long-term contracts with customers. So those long-term contracts might or might not include minimum orders, right, okay. But by nature, the business, there are long-term contracts with obligations in it, yes.

**Kunal Demesha:** Sure, thank you. And lastly for Himanshu, this Rs106 million reversal, what does it pertain to?

**Himanshu Agarwal:** So Kunal, that is essentially the ESOPs, if you are looking at the employee line, right?

**Kunal Demesha:** Yes, yes.

**Himanshu Agarwal:** Yes, yes, so that is essentially on the ESOP. That is an ESOP adjustment.

**Kunal Dhamesha:** Okay. Okay, yes. Thank you. I will move back in the queue.

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

**Shyam Srinivasan:** Hi, thank you for taking my question. Just two quick questions. One on this qualitative comment around earlier than expected life cycle for some mature commercial products, just trying to double click here. Is that something that is industry-specific you think, something that you are seeing more because products do see end of life cycle all the time. So has something changed, now versus earlier?

**Himanshu Agarwal:** Yann, can I request you to please take this?

**Yann D'Herve:** I mean the question, right, what you are asking, I mean is it a standard in the industry to have this less predictability when products get to the end of the life, the patent life, right. The answer is yes. There is less predictability. That is for sure. Especially when you are key starting material supplier and the product that you make, right, are essentially made two years before the products are consumed in the market.

**Shyam Srinivasan:** Yes, and what has changed now, that the predictability has increased? I think I am just trying to look for more qualitative evidence, and should we expect this in the next, whatever, three, five years that this unpredictable nature, this two-plus years, you are saying will probably continue?

**Yann D'Herve:** Yes, so that is what I was trying to explain. You have more unpredictability when your customer products, right, are in close to patent expiry or have just been approved, right. That is where the unpredictability is the highest. When the products have been in the market for four or five years, the predictability is much better. In our case, we have a heavy load of products in those two buckets.

I mean, that is where our sales were, right. As such, that increases the unpredictability for Cohance versus maybe other players, may have a more balanced portfolio with products that have been, for example, commercial since about five years. We have less of those in our portfolio. So it is a good news long-term because we have a strong early, I mean, early commercialized pipeline.

**Shyam Srinivasan:** That is helpful. Just second question on Himanshu on the margins. I am not asking for a quantitative number, but nine-month I am again not using third quarter. Nine-month 24% for consol, 21% for stand-alone. Last year was like, you know, pro forma is 30%. So are we now moving to a slightly lower trajectory of margins?

Again not looking at the quantitative level but from the mix of how we are: 50% API, right, 40% CDMO, the rest is spec. So just want to understand: is there a down guide? Maybe we come down and then start stabilizing there but just want to understand just the margin walk there. Thank you.

**Himanshu Agarwal:** Yes, so Shyam, I think the important aspects to understand is there is multiple factors that that are in play here, okay. And I had alluded to some of them. Let me try explaining them. Typically, the commercial products come at higher margins, okay. And I think Yann has alluded to the interplay that we have experienced as a business, where we have a lower mix of lower contribution of commercial products. That is kind of had an impact on the margins, okay.

You are right, the API business comes with relatively lower margin than the CDMO and the niche-tech business. The niche-tech business continues to do well, and I think if you look at the trajectory that is coming in, right. So we have got -- we have talked about two commercial products which will mature and two new commercial also. And then there is new payloads kind of coming in.

I would say that, these are timing issues for us. We are not sensing that there is a change in the margin profile from a mid-term perspective. But yes, short-term is impacted. I would not disagree and that is what is reflected in the current performance. But we remain close to the guidance that we have set, that we will reach to the margins of 30-plus, which we had set, but in short-term we will you will have to allow us to get back to the right mix of the business.

**Shyam Srinivasan:** Thank you and all the best here.

**Moderator:** Thank you very much. Ladies and gentlemen, we will take that as the last question. I now hand the conference over to Ms. Cyndrella Carvalho for closing comments.

**Cyndrella Carvalho:** Thank you everyone for joining. We will see you again in after the quarter four numbers. Thank you.

**Moderator:** Thank you very much. On behalf of Cohance Lifesciences Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.