



Pharmaceuticals Limited

**Registered & Corporate Office :**

Plot No. 72, H. No. 8-2-334/3 & 4, Road No. 5,  
Opp. SBI Executive Enclave, Banjara Hills,  
Hyderabad - 500 034, Telangana, INDIA.  
Tel : +91-40-2525 9999, Fax : +91-40-2525 9889  
CIN : L24239TG1987PLC008066  
Email: info@smspharma.com, www.smspharma.com

Date: 12<sup>th</sup> February, 2025

To,  
The Manager,  
Corporate Filings Department,  
BSE Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai- 400 001

The Manager,  
Listing Compliance Department,  
National Stock Exchange of India Ltd.  
Exchange Plaza, Plot no. C/1, G Block,  
Bandra-Kurla Complex, Bandra (E),  
Mumbai - 400 051.

**Security Code: 532815**

**Symbol: SMSPHARMA**

Dear Sir/Madam,

**Sub: Press release on Financial Results**

Please find enclosed the press release on the Financial Results for the quarter ended 31<sup>st</sup> December, 2024.

This press release may also be accessed on the website of the Company at [www.smspharma.com](http://www.smspharma.com)

Kindly take the same on record and disseminate on your website.

Thanking you  
Yours Faithfully

**For SMS Pharmaceuticals Limited**

**Thirumalesh Tumma  
Company Secretary**



**February 12, 2025**

## Margins hold strong amid steady revenue growth

- Higher volume drives 7% YoY revenue growth
- Margin expansion aided by backward integration and favourable product mix
- EBITDA grew 15% YoY with EBITDA margin at 19% vs 18% a year ago
- PAT increased by 59% YoY due to lower finance costs

SMS Pharmaceuticals Limited (SMS Pharma) (NSE: SMSPHARMA; BSE:532815), a diversified and integrated pharmaceutical company specialising in Active Pharmaceutical Ingredients (API) and complex Intermediates for global customers, has announced its unaudited financial results for the quarter ended December 31, 2024.

**Commenting on the performance, Mr. P. Vamsi Krishna, Executive Director, stated:**

*“We continued to see healthy volume demand for our products, supported by notable client wins across key APIs—an encouraging sign for future growth. While we are navigating pricing pressures, our focus on profitability has kept margins strong and steady. Looking ahead, we expect to end the year on a strong note. The second phase of our backward integration project, set to begin commercial production in March 2025, will drive margin expansion from FY26 onwards. Our CMO business is also set to take off and contribute to our performance. Additionally, our capacity expansion remains on track, enabling us to scale volumes across our key APIs.”*

### Summary of financial performance

(₹ Cr)

Particulars	Q3FY25	Q3FY24	YoY Growth (%)	Q2FY25	QoQ Growth (%)	9MFY25	9MFY24	YoY Growth (%)
Revenue from operations	173.35	161.48	7%	196.75	-12%	534.55	463.47	15%
Revenue by business segment								
API	169.24	160.30	6%	191.50	-12%	520.42	456.05	14%
Intermediates & others	4.11	1.17	251%	5.25	-22%	14.13	7.42	90%
Gross profit	67.11	50.74	32%	59.06	14%	184.47	148.31	24%
Gross profit margin	39%	31%	729bps	30%	870bps	35%	32%	251bps
EBITDA	33.21	29.00	15%	31.47	6%	98.20	83.00	18%
EBITDA margin	19%	18%	120bps	16%	316bps	18%	18%	46bps
PAT	18.24	11.48	59%	14.10	29%	48.82	32.54	50%
PAT margin	11%	7%	341bps	7%	336bps	9%	7%	211bps
EPS	2.15	1.36	58%	1.67	29%	5.77	3.84	50%



## Performance review

Revenue from operations in Q3FY24 was ₹173.35 crore, up 7% YoY, driven by strong demand. We witnessed healthy growth in our high-value product portfolio. Notably, we maintained our leadership position in our key APIs in the anti-diabetic segment and steadily gained market share in the anti-inflammatory segment. In 9MFY25, revenue from operations reached ₹534.55 crore, reflecting a 15% YoY growth. We made significant inroads in securing notable client wins, reinforcing our leadership in these APIs.

## Revenue by therapeutic area

(₹ Cr)

Particulars	9MFY25		9MFY24		YoY Growth (%)
	Amount	As % of revenue	Amount	As % of revenue	
Anti-diabetic	131.12	25%	109.82	24%	19%
Anti Retro Viral (ARV)	98.41	18%	101.82	22%	-3%
Anti-inflammatory	109.16	20%	75.28	16%	45%
Anti-migraine	71.86	13%	65.04	14%	10%
Anti-ulcer	34.14	6%	48.84	11%	-30%
Anti-erectile dysfunction	36.43	7%	30.05	6%	21%
Anti-epileptic	19.61	4%	7.34	2%	167%
Others	33.82	6%	25.28	5%	34%

In Q3FY25, gross margins improved to 39%, up 729bps YoY and 870bps sequentially, driven by the impact of 1<sup>st</sup> phase of backward integration project and higher revenue contribution from high-value therapeutic areas. Consequently, EBITDA margins for Q3FY25 stood at 19%, up 120bps YoY and 316bps sequentially. PAT rose to ₹18.24 crore, up 341bps YoY and 336bps sequentially, with PAT margin expanding to 11%.

In 9MFY25, gross margins increased to 35%, up 251bps YoY. Consequently, the EBITDA margin was at 18%, up by 46bps. PAT was ₹48.82 crore, up 50% YoY primarily due to lower finance costs. Our PAT margin improved to 9% in 9MFY25 vs. 7% in 9MFY24.

VKT Pharma Private Limited, our associate Company, reported a PAT of ₹1.16 crore for Q3FY25. It achieved record-high revenues and margins for both the quarter and 9MFY25—reflecting positively on its future prospects.

## Project update

The second phase of our backward integration project is complete, with trial runs ongoing and commercial production expected to begin in March 2025. With this, we will complete vertical integration of all key intermediates, significantly impacting our overall cost of production. This impact will be visible from FY26 onwards through a higher overall EBITDA margin. Our capacity expansion project remains on schedule for completion in FY26, enabling significant volume growth in key APIs.



### **Strategic update**

VKT Pharma successfully completed the USFDA regulatory audit with only one minor observation, which is procedural in nature. This marks a key milestone as VKT Pharma has fully transitioned to operations this fiscal year, encompassing both direct product sales and contract manufacturing. The positive audit outcome strengthens its market position and enhances its ability to expand into key regulatory markets.

### **Outlook**

SMS Pharma remains focused on strengthening its leadership position across key APIs. We expect to end the year on a strong note and maintain this momentum into the next year. The culmination of new client wins, increased capacity, and lower cost of production will drive this performance.

### **About SMS Pharmaceuticals Limited**

Established in 1990, SMS Pharmaceuticals Limited is a diversified and integrated pharmaceutical company specialising in API and intermediates. The Company operates two state-of-the-art manufacturing facilities in Hyderabad and Vizag, with capacities of 200 KL and 3,000 KL respectively. Supported by strong in-house R&D capabilities, the Company has a proven track record of delivering quality products across a diversified portfolio of therapeutic segments, serving as a trusted partner to a global customer base in over 70 countries.

### **DISCLAIMER**

*Certain statements that are made in the Press Release may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like significant changes in the economic environment in India and overseas, tax laws, inflation, litigation, etc. Actual results might differ substantially from those expressed or implied. SMS Pharmaceuticals Limited will not be in any way responsible for any action taken based on such statements and discussions; undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.*

### **For any further information, please contact:**

<b>Company</b>	<b>Investor relations</b>
<b>SMS Pharmaceuticals Limited</b>	<b>Eqsponent Partners</b>
Mr. Thirumalesh Tumma Email: <a href="mailto:complianceofficer@smspharma.com">complianceofficer@smspharma.com</a>	Mr. Aditya Dutta Email: <a href="mailto:smspharma.IR@eqsponent.com">smspharma.IR@eqsponent.com</a>