



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: 09<sup>th</sup> November, 2023

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 second quarter and half year ended 30<sup>th</sup> September, 2023.

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**

## Press Release

# **SMS Pharmaceuticals Limited reports robust Q2FY24 operational performance**

- ✓ Q2FY24 EBITDA up by 105% y-o-y at Rs. 28 crore
- ✓ PAT at Rs. 11.7 crore, with PAT Margin at 7.0%
- ✓ ARV (Antiretroviral) segment witnessing a remarkable resurgence

**Hyderabad, November 9, 2023:** SMS Pharmaceuticals Limited (SMS Pharma) (NSE: SMSPHARMA; BSE:532815), a Hyderabad based diversified and fully integrated pharmaceutical company, with interests in Active Pharmaceutical Ingredients (API) and Intermediates announced its financial results for the quarter ended 30<sup>th</sup> September, 2023.

Particulars (In Rs. Crores)	Q2 FY24	Q2 FY23	YoY%	Q1 FY24	QoQ%	H1 FY24	H1 FY23	YoY%
Revenue	166.64	159.43	4.5%	135.34	23.13%	301.98	223.82	34.9%
Gross Profit	50.14	31.13	61.1%	47.46	5.6%	97.60	47.71	104.6%
EBITDA	27.82	13.56	105.2%	26.18	6.3%	54.00	12.76	323.2%
Profit After Tax (PAT)	11.73	-2.01	N.A.	9.34	25.6%	21.06	-14.78	NA

### Segmental Performance Update

Particulars (In Rs. Crores)	Q2 FY24	Q2 FY23	Q1 FY24	H1 FY24	H1 FY23
API	162.94	159.17	132.80	295.74	222.52
Intermediates & Others	3.70	0.26	2.54	6.24	0.65

### API Segment Highlights

- Q2 & H1 FY24 revenue for the API segment stood at Rs. 162.9 crores and Rs. 295.7 crores respectively.
- Q2 & H1 FY24 API segment contributed approximately 97.8% and 2.2% to the consolidated revenue respectively.
- Within the API segment, ~13% of the revenues came from the domestic market and ~87% from the exports market (including deemed exports) for Q2FY24.
- Within the therapeutic areas, anti-retroviral (ARV) contributed ~21%, anti-diabetic contributed ~33%, anti-migraine ~11%, anti-ulcer ~11%, anti-epileptic ~1%, anti-erectile dysfunction ~8%, anti-inflammatory ~13% and the rest contributed around 2% to the total sales for Q2FY24.

**Commenting on the results Mr. P. Vamsi Krishna, Executive Director – SMS Pharmaceuticals Limited said,** *“The second quarter of fiscal year 2024 has witnessed a sustained positive trajectory in terms of enhancing operational performance. The company's revenue grew by 5% y-o-y to Rs. 167 crores, primarily driven by robust growth in ARV (Antiretroviral) vertical. The growth in top-line is majorly on account of much improved volume growth, as few of our verticals witnessed significant decrease in price realization due to prevailing market conditions. As per our analysis, we anticipate the encouraging volume growth to continue in H2FY24.*

*The Gross Profit Margin for the second quarter of fiscal year 2024 experienced a modest decrease compared to the previous quarter, primarily attributed to the rise in Fuel and Power Cost. Furthermore, it is worth noting that there has been a marginal uptick in Other Expenses when comparing year-on-year figures. This can be attributed to the rise in business development expenditure, the advance payment of US FDA regulatory fees, and the escalation in both freight rates and insurance premiums. The rise in Employee Cost can be attributed primarily to the augmentation of our workforce in response to improved business prospects.*

*In the second quarter of fiscal year 2024, our operating profit demonstrated a substantial increase of 105% to reach Rs. 28 crore. The company's net profit for the current quarter amounted to Rs. 12 crore, marking a significant turnaround from the loss incurred in the second quarter of the fiscal year 2023.*

*The ARV business has exhibited a notable resurgence, with sales of ARV experiencing a commendable upswing, with the tendering activity in the ARV business also picking up pace.*

*The Ibuprofen segment has exhibited a positive trend of month-on-month growth, indicating a steady increase in its performance. Our analysis suggests that the market landscape for Ibuprofen is poised for significant transformation in the foreseeable future. The company exhibits a strong capacity to capitalize on any prevailing market deficiencies, thereby positioning itself favourably.*

*The Sitagliptin segment has exhibited commendable performance and is anticipated to maintain positive momentum in the upcoming year. We have a prominent presence in the European market, and currently command an impressive 40% market share for the active pharmaceutical ingredient (API) of this particular product.*

*The decline in revenue share generated by the Anti Diabetic portfolio can be attributed primarily to price erosion. However, it is worth noting that the volume growth has demonstrated resilience, maintaining a steady upward trajectory and exhibiting recent signs of acceleration. In addition, it is important to consider the impact of the high base effect, given the exceptional performance by this segment in Q2FY23. It is important to note that the Anti Diabetic portfolio has demonstrated sequential increase in its quarterly share. The company is also strategically implementing a backward integration strategy to safeguard and enhance the profitability of its Anti Diabetic product line. Our Anti Diabetic vertical exhibits a robust order book, indicating a favourable outlook for future.*

*Our current capacity utilization would be in range of between 50% to 60%. By the end of FY25, we should be inching towards the 75% capacity utilization mark. Going forward for full year, we will be able to maintain the Gross Margin and EBITDA Margin at about the same levels that we have achieved in H1FY24, provided we don't have any major escalation in the geopolitical issues.*

*Our products are well-positioned to meet the growing demand for APIs and intermediates in India and overseas. We stay committed to developing new products and technologies, which will enable us to maintain our competitive edge in the long term. We are cautiously optimistic that this positive trend will continue for upcoming quarters as well. We are also expanding our product portfolio and capacity, which will help us to drive future growth."*

## **About SMS Pharmaceuticals Limited**

Established in 1990, SMS Pharma is a global player in API and intermediates manufacturing having strong research and the manufacturing team supported by state-of-the-art facilities. The Company has capabilities in a wide range of APIs / intermediates and has handled varied process reactions and reactor volumes up to 2,000 KL. The company undertakes contract manufacturing of API, Intermediates (advanced and basic) offering a competitive advantage to its clients especially in the late-stage lifecycle of products. The Company has demonstrated its manufacturing excellence over the past 2 decades in a broad portfolio of therapeutic segments by being a trusted partner to a customer base in over 70 countries (including clientele in the top 20 pharma companies). With 2 manufacturing facilities (two USFDA inspected), 2 pilot plants, 1 R&D center and 1 USFDA approved Independent Testing Laboratory, SMS Pharma is an ideal partner for custom synthesis, process development and mass manufacturing of customer's own discovery products.

For more information, please visit [smspharma.com](http://smspharma.com)

## **Safe Harbor**

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.

**For more information please contact:**



**SMS Pharmaceuticals Limited**  
CIN: L24239TG1987PLC008066

Mr. Thirumalesh Tumma  
Email: [complianceofficer@smspharma.com](mailto:complianceofficer@smspharma.com)

Contact no.: +91 9100123244



**Strategic Growth Advisors Pvt. Ltd.**  
CIN: U74140MH2010PTC204285

Mr. Jigar Kavaiya / Mr. Parin Narichania  
Email: [jigar.kavaiya@sgapl.net](mailto:jigar.kavaiya@sgapl.net) / [parin.n@sgapl.net](mailto:parin.n@sgapl.net)

Contact no.: +91 9920602034 / +91 9930025733