



July 29, 2024

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001

The National Stock Exchange of India Limited

Exchange Plaza, Bandra-Kurla Complex
Bandra (E) Mumbai - 400 051

Scrip code: 532531

Scrip code: STAR

Dear Madam/ Sir,

Sub: Press Release

Please find enclosed herewith Press Release (along with Earnings presentation) issued by the Company titled:

**“Strides Delivers a Strong Q1FY25 with Revenues at ₹10,875m;
Revenue Growth of 16.7% YoY with an EBITDA Margin of 20%
US Revenues at Our Historic Quarter High of \$70m”**

The Board Meeting commenced at 11:40 hrs IST and concluded at 13:50 hrs IST.

This is for your information and records.

Thanks & Regards,
For **Strides Pharma Science Limited**,

Manjula Ramamurthy
Company Secretary
ICSI Membership No.: A30515



Encl. As above

Strides Pharma Science Limited

CIN: L24230MH1990PLC057062

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corpcomm@strides.com, www.strides.com

Strides Delivers a Strong Q1FY25 with Revenues at ₹10,875m; Revenue Growth of 16.7% YoY with an EBITDA Margin of 20% US Revenues at Our Historic Quarter High of \$70m

Q1FY2025 Performance Highlights

- Revenues at ₹10,875m, Grew 16.7% YoY in line with FY25 Outlook
- Gross Margin improved by 264bps YoY to 61.3%
- EBITDA grew by 28.7% YoY to ₹2,170m with EBITDA margin at 20%, a growth of 187bps YoY
- US revenues at a historic high of \$70m in Q1FY25, a growth of 24.5% YoY
- Q1FY25 Adjusted PAT at ₹839m and Reported PAT at ₹683m
- Reported EPS at ₹7.6 and Adj EPS at ₹9.1 for Q1FY25

Bangalore, India, July 29, 2024 - Strides Pharma Science Ltd (BSE: 532531, NSE: STAR) today announced its consolidated financial results for the quarter (Q1FY25) ended June 30, 2024.

Financial Highlights (In ₹ m)

Particulars	Q1FY25	Q1FY24	YoY	Q4FY24	QoQ
Revenues	10,875	9,320	16.7%	10,583	2.8%
Gross Margin	6,671	5,470	21.9%	6,421	3.9%
Gross Margin %	61.3%	58.7%	264bps	60.7%	67bps
EBITDA	2,170	1,686	28.7%	2,040	6.4%
EBITDA %	20.0%	18.1%	187bps	19.3%	68bps
Adj PAT	839	295		670	
Reported PAT	683	(94)		104	

Adjusted PAT = PAT from continuing operations without JV share and exceptional items

Arun Kumar, Founder & Executive Chairperson, and Badree Komandur, MD & Group CEO, commented on the performance and said, "Our emphasis on profitability, efficiency and growth has led to a strong performance across markets, allowing us to deliver superior returns ahead of the projected timelines for our FY25 outlook.

The company achieved critical thresholds of 20% EBITDA margin, ₹683m of reported PAT and 2.3x Debt/EBITDA ratio. We are confident of sustaining the momentum with continuous improvement in the quality of business.

The company has increased its focus on digitization, automation, and ESG for better compliance and business outcomes."

Detailed investor communication on the performance of the Company along with an update on OneSource is attached.

About Strides

Strides, a global pharmaceutical company headquartered in Bengaluru, India, is listed on the BSE Limited (532531) and National Stock Exchange of India Limited (STAR). The Company mainly operates in the regulated markets and has an “in Africa for Africa” strategy and an institutional business to service donor-funded markets. The Company’s global manufacturing sites are located in India (Chennai, Puducherry, and two locations in Bengaluru), Italy (Milan), Kenya (Nairobi), and the United States (New York). The Company focuses on “difficult to manufacture” products sold in over 100 countries. Additional information is available at the Company’s website at www.strides.com.

For further information, please contact:

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Delivering with **Momentum**

Q1FY25 Results | July 29, 2024

Strides Pharma Science Limited



Safe Harbor

Except for the historical information contained herein, statements in this presentation and the subsequent discussions, which include words or phrases such as "will", "aim", "will likely result", "would", "believe", "may", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "likely", "project", "should", "potential", "will pursue", and similar expressions of such expressions may constitute "forward-looking statements". These forward-looking statements involve a number of risks, uncertainties, and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, our growth and expansion plans, obtain regulatory approvals, our provisioning policies, technological changes, investment and business income, cash flow projections, our exposure to market risks as well as other risks. The Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

Strides Delivers a Strong Q1FY25 with Revenues at ₹10,875m Revenue Growth of 16.7% YoY with an EBITDA Margin of 20%

Growth recorded across all major markets



	Q1FY25	Q1FY24	YoY
Revenues	₹10,875m	₹9,320m	16.7% ↑
Gross Margins	₹6,671m	₹5,470m	21.9% ↑
Gross Margin (%)	₹61.3%	58.7%	264bps ↑
EBITDA	₹2,170m	₹1,686m	28.7% ↑
EBITDA Margin (%)	20.0%	18.1%	187bps ↑
Adj. PAT	₹839m	₹295m	↑
Reported PAT	₹683m	-₹94m	↑
Adj. EPS	₹9.1	₹3.3	↑
Reported EPS	₹7.6	-₹0.8	↑

Our emphasis on profitability, efficiency and growth has led to a strong performance across markets, allowing us to deliver superior returns ahead of the projected timelines for our FY25 outlook.

The company achieved critical thresholds of 20% EBITDA margin, ₹683m of reported PAT and 2.3x Debt/EBITDA ratio. We are confident of sustaining the momentum with continuous improvement in the quality of business.

The company has increased its focus on digitization, automation, and ESG for better compliance and business outcomes.

Arun Kumar

Founder and Executive Chairperson

Badree Komandur

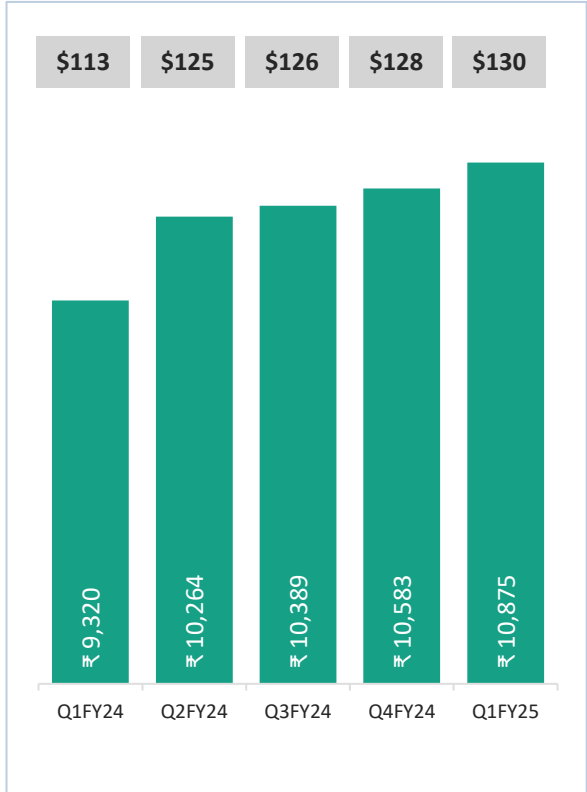
MD and Group CEO

Adjusted PAT = PAT from continuing operations without JV share and exceptional items

Stable Revenue Growth with Improved Margins

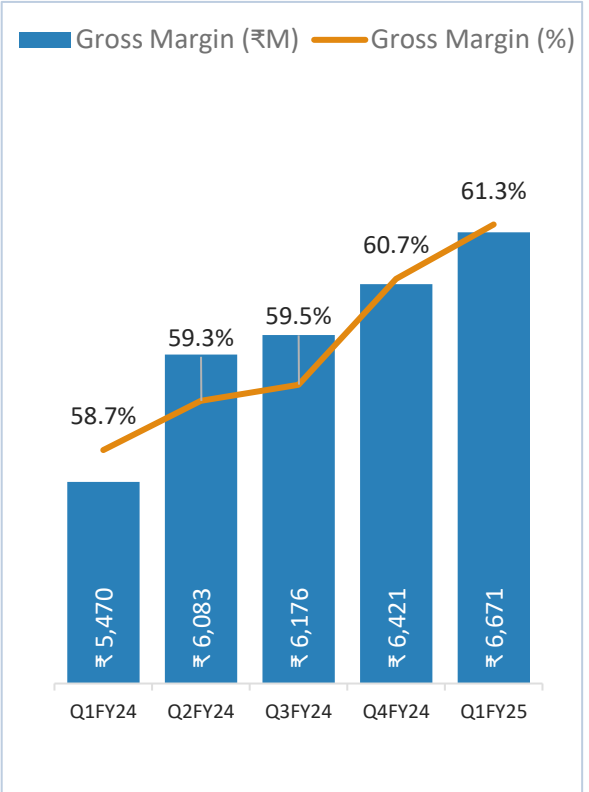
Q1FY25 Adjusted PAT at ₹839m and Reported PAT at ₹683m

Total Revenue (₹/\$M)



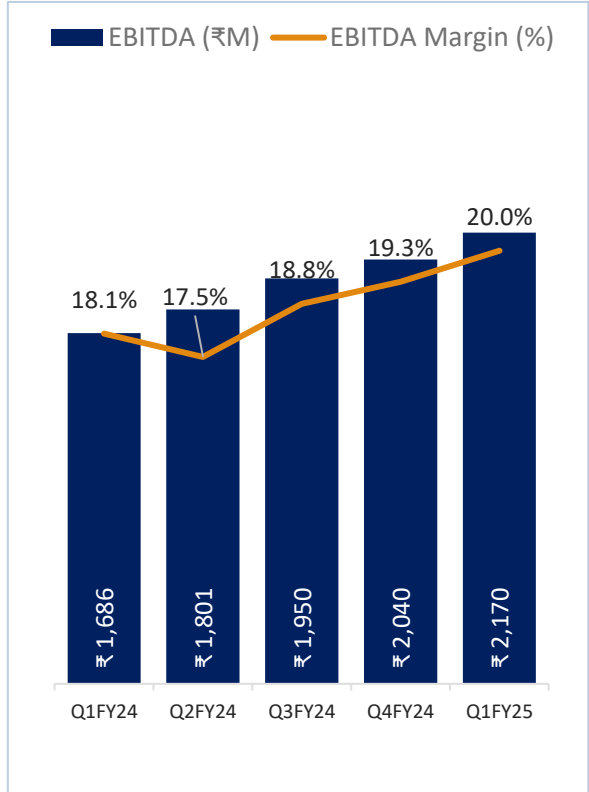
- Linearity in revenue with higher focus on margin growth

Gross Margin



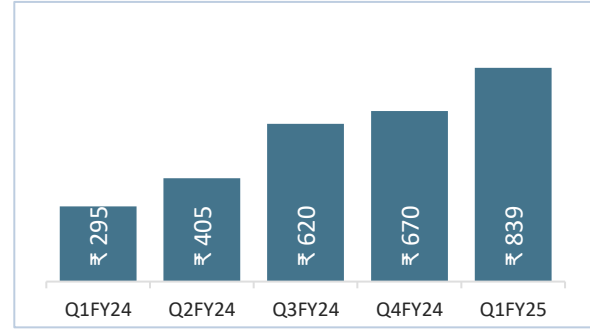
- Quality of business improved on the back of superior portfolio mix
- Gross Margin improved to 61.3% in Q1FY25

EBITDA & EBITDA Margin

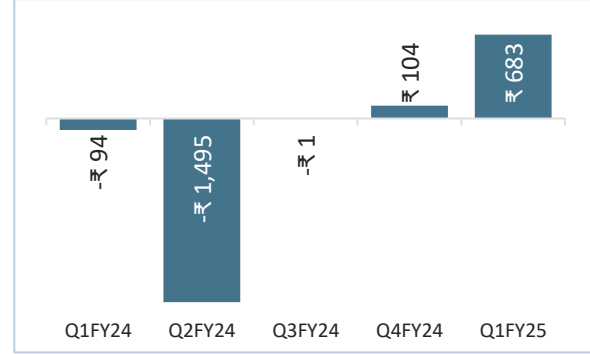


- Q1FY25 EBITDA margin in line with FY25 outlook at 20.0%

Adj. PAT (₹M)







Reported PAT (₹M)



- Significant drop in loss pick up with OneSource (erstwhile Stelis) delivering its second consecutive EBITDA positive quarter

Strides Reaffirms FY25 Outlook



PARAMETERS	FY25 OUTLOOK	COMMENTS	Q1FY25 STATUS UPDATE
 REVENUE	CONTINUING BUSINESS REVENUE TO GROW AT 12-15% YoY	Growth is targeted to come in H2FY25 based on global product launches	Revenue grew by 16.7% YoY, ahead of FY25 outlook
 EBITDA MARGIN	AIMING FOR AN EBITDA OF ₹9,500M – ₹10,000M	EBITDA margin to be in the range of 20%-22%	Achieved EBITDA of ₹2,170m for the quarter (H1 being our leaner operating half) EBITDA margin of 20% in line with the FY25 outlook
 NET DEBT TO EBITDA	NET DEBT TO EBITDA <2.0x AS OF MARCH'25	Efficient working capital cycle and operating cashflow to aid debt reduction	Net Debt to EBITDA at 2.3x in Q1FY25 on annualized basis gives us strong confidence to achieve outlook
 US BUSINESS	US REVENUE TO BE IN RANGE OF \$285-\$300M	Poised to achieve ~\$400m by FY27-28	US revenues increased from \$57m in Q1FY24 to a historic high of \$70m in Q1FY25 We are encouraged by our strong Q1 performance in spite of H1 being a leaner operating half

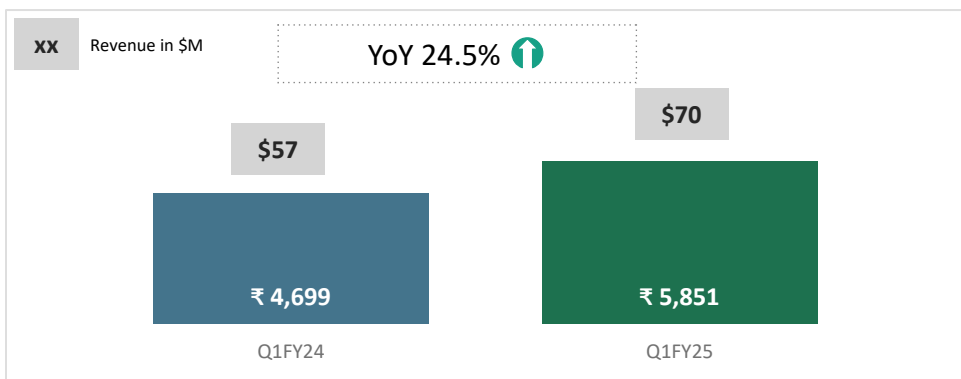
US Market

- US Revenues at a Historic High of \$70m in Q1FY25, Grew 24.5% YoY
- Reaffirming FY25 Revenue Outlook of \$285m - \$300m
- The US Business Poised to Achieve the ~\$400m Objective by FY27-28

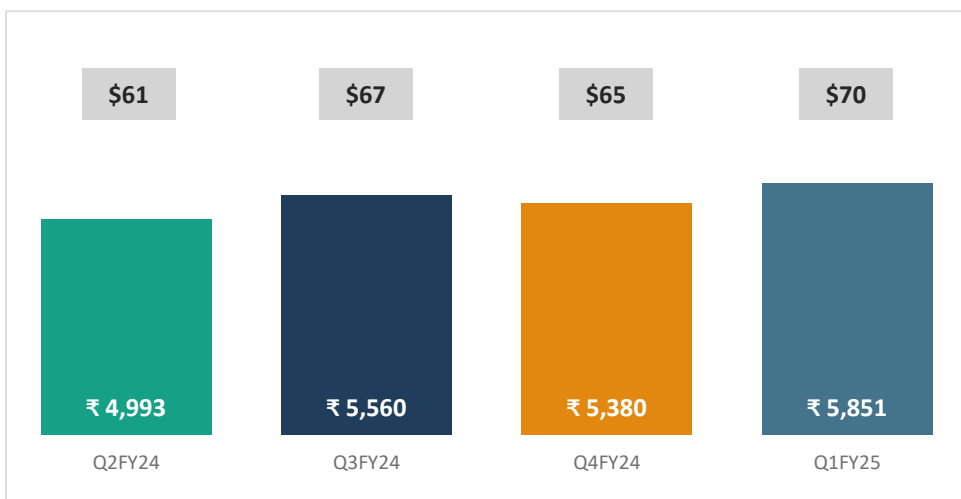
US Revenues at a Historic High of \$70m in Q1FY25, grew 24.5%YoY

Reaffirming outlook of \$285m - \$300m for FY25

Year-on-Year Comparison (₹/\$M)



Last Four Quarter Trend (₹/\$M)



YoY growth are on ₹ reported numbers

Highlights

- ▶ Q1FY25 Revenues at ₹5,851m (\$70m), grew 24.5% YoY
- ▶ First full quarter of gSuprep with ~30% market share
- ▶ Received 3 new product approvals
- ▶ Launched 1 significant dormant product from the acquired Endo portfolio
- ▶ Total commercialized products at 67
- ▶ Sustained market share across the product portfolio enabled YoY growth
- ▶ Disciplined and calibrated portfolio launch approach led to improved profitability
- ▶ Ranked amongst the top 3 in 35 products enjoying a market-leading position for several years, contributing ~75% of our total US revenues
- ▶ Industry-leading customer service levels amongst generic pharma players leading to near-zero Failure-To-Supply penalties

Business Outlook

Generics

- ▶ 60 products have been identified from our dormant ANDAs which are under various regulatory phases of PAS (prior approvals supplements) for source change and cost leadership to be relaunched over the next 3 years to achieve the stated objective of \$400m generics revenue

Beyond Generics

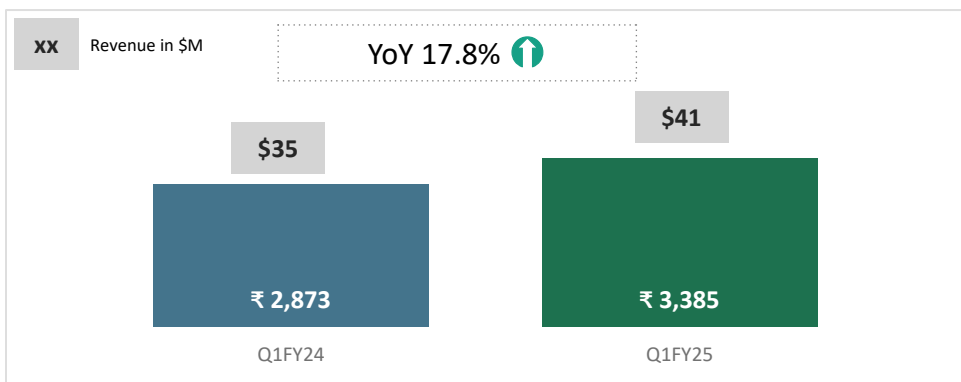
- ▶ The company has invested in new segments of Control Substances Nasal Sprays and 505 (b) (2) as part of a longer-term strategy beyond the ~\$400m generics revenue objective.
- ▶ We expect to file 2 products with the USFDA by Q1FY26

Other Regulated Markets

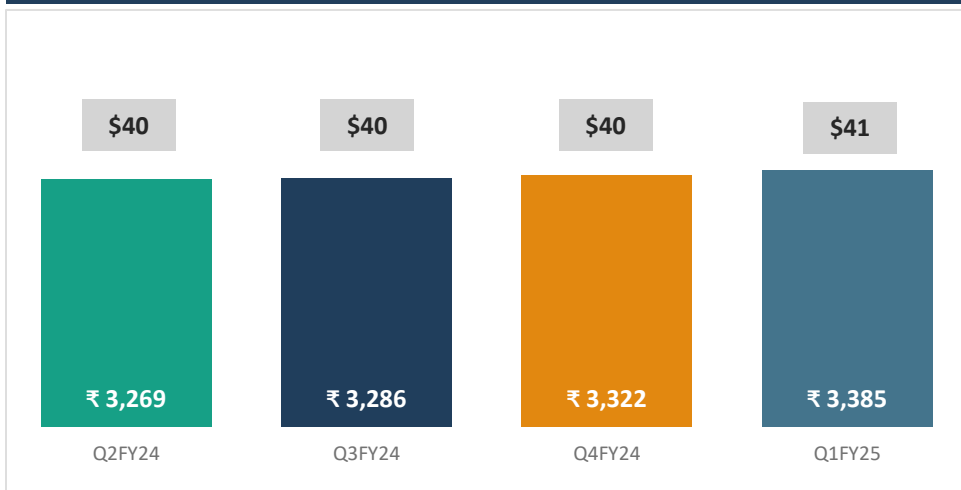
- Other Regulated Markets Revenues at \$41m, Grew by 17.8% YoY
- Portfolio Maximization and Increased Focus on B2B Partnerships will Continue to Drive Growth

Other Regulated Markets Revenues at \$41m, grew 17.8% YoY

Year-on-Year Comparison (₹/\$M)



Last Four Quarter Trend (₹/\$M)



YoY growth are on ₹ reported numbers

Highlights

- ▶ All regulated markets ex-US form part of the Other Regulated Markets
- ▶ Q1FY25 Revenues at ₹3,385m (\$41m), grew 17.8% YoY
- ▶ Robust demand for key products coupled with new long-term supply contracts, has significantly propelled growth within the UK and Nordic market
- ▶ Strong customer advocacy and dependable supply enabled us to expand our customer base

Business Outlook

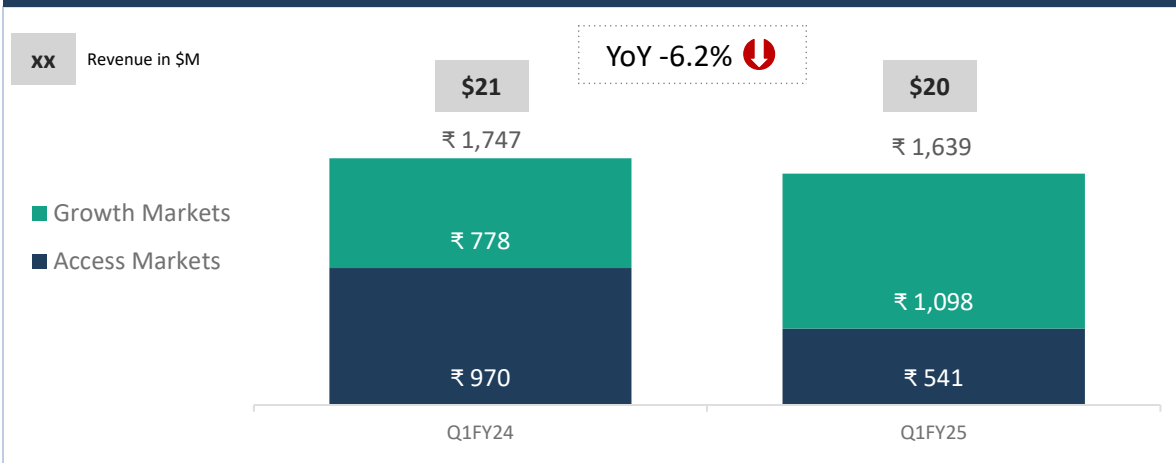
- ▶ Significant growth in this segment is expected in H2FY25 driven by new product approvals and partner launches
- ▶ Expansion of product portfolio and new customer acquisitions to drive growth
- ▶ Conversion of the existing strong funnel of new opportunities to deliver growth
- ▶ Continued momentum in filings and approvals to fast-track growth

Growth and Access Markets

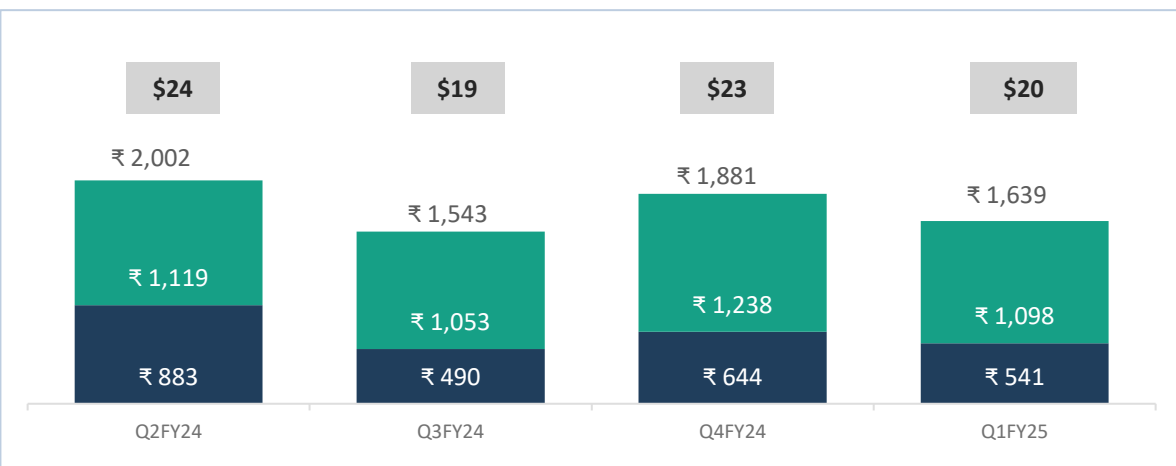
- Growth Markets Positioned for Strong Growth via Geographical Expansion & New Products

Growth Markets Revenues at \$13m, grew 41.2% YoY Access Markets Revenues remain lumpy at \$7m

Year-on-Year Comparison (₹/\$M)



Last Four Quarter Trend (₹/\$M)



YoY growth are on ₹ reported numbers

Growth Markets

- ▶ Growth Markets includes Africa operations and new geographies of LATAM, MENA, CIS, APAC
- ▶ Q1FY25 Revenues at ₹1,098m (\$13m)

Business Outlook :

- ▶ Significant regulatory filings in new territories have commenced however the regulatory timelines in most markets are longer
- ▶ Growth Markets will have lumpy quarters until business stabilizes in next two years
- ▶ Focus on portfolio maximization strategies and astute channel partner expansion will drive the future growth

Access Markets

- ▶ Q1FY25 Revenue at ₹541m (\$7m)
- ▶ Continued focus on CIPs with vendors to reduce costs and enhance competitiveness
- ▶ Contribution to overall revenues continues to be small

Business Outlook :

- ▶ Global Funds allocation was muted in FY24. However, Strides received a higher allocation in FY25 on the back of superior DIFOT (Delivery In Full On Time)
- ▶ Access Markets revenues continue to be lumpy while we expect a stronger H2FY25

Financial Performance

- Strong Financial Discipline Enabled Profitability and Cashflow Generation

Income Statement – Q1FY25

Income statement (₹m)					
Particulars	Q1 FY25	Q1 FY24	YoY	Q4 FY24	QoQ
I. Revenue	10,875	9,320	16.7%	10,583	2.8%
II. Material Costs	4,204	3,850		4,162	
III. Gross Margin (I- II)	6,671	5,470	21.9%	6,421	3.9%
Gross Margin %	61.3%	58.7%	264bps	60.7%	67bps
a. Personnel Cost	2,122	1,675		1,992	
b. Other Opex	2,379	2,109		2,389	
IV. Total Opex (a+b)	4,501	3,784		4,381	
V. EBITDA (III-IV)	2,170	1,686	28.7%	2,040	6.4%
EBITDA Margin %	20.0%	18.1%	187bps	19.3%	68bps
c. Depreciation and amortisation	486	596		498	
d. Net Finance Cost	677	697		680	
e. Exceptional items – net (gain) / loss	37	60		81	
f. JV share of loss	118	329		486	
VI. Profit/ (loss) before tax (V-c-d-e-f)	852	3		296	
g. Tax	169	97		193	
VII. Profit/(loss) after tax from continuing operations (683	(94)		104	
h. Profit from Discontinued Operations	-	-		1	
VIII. Profit / (loss) for the period (VII+h)	683	(94)		104	-

Reconciliation of EBITDA (₹m)			
Particulars	Q1FY25	Q1 FY24	Q4FY24
Profit before exceptional items & tax	1,007	392	863
Less: Finance income	127	67	122
Add : Depreciation and Amortization	486	596	498
Add : Finance costs	804	764	802
Consolidated EBITDA as per press note	2,170	1,686	2,040

Net Debt reduced by ₹367m in Q1FY25, Net Debt at ₹19,983m

Current Net Debt to EBITDA stands at 2.3x – Tracking ahead of the outlook of <2x



Particulars (In ₹m)	Mar'24	Jun'24
Working Capital Loans	15,742	14,938
Long Term Loans	8,403	8,795
Gross Debt	24,145	23,733
Cash and Cash Equivalents*	-3,795	-3,750
Net Debt	20,350	19,983

* Cash and cash equivalents ₹ 3,750m consists of cash balance ₹ 1,798m deferred consideration receivable ₹ 773m and deposits of ₹ 1,180m

Finance cost (In ₹m)	FY24	Q1FY25
Interest Cost on Borrowings (A)	2,544	647
Other Finance Charges (B)	601	157
Finance Income (C)	353	127
Net Finance Cost (A+B-C)	2,791	677

- Credit Rating Upgrade to “CARE A, Stable ” in Q1FY25
- Significant investments in Q1FY25 on working capital and capex for future growth

Outlook for FY25

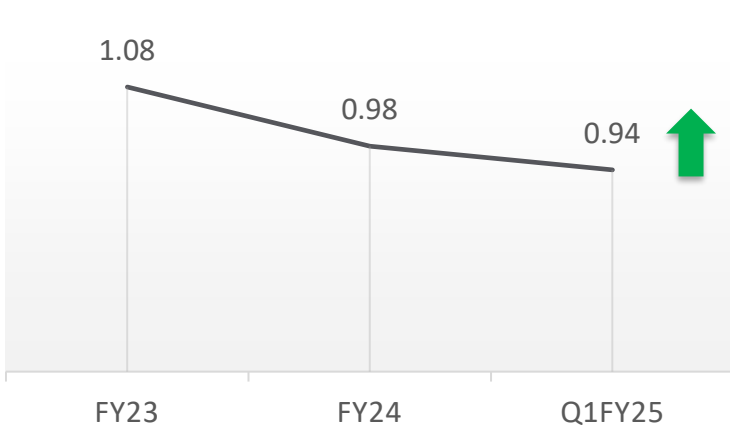
➤ Aiming for Net Debt reduction of ₹5,000m (including debt pushdown of ~₹2,800m to OneSource)

➤ Our focus on cash-to-cash cycle improvements and operating cash generation will enable us to achieve the outlook of Net Debt/EBITDA

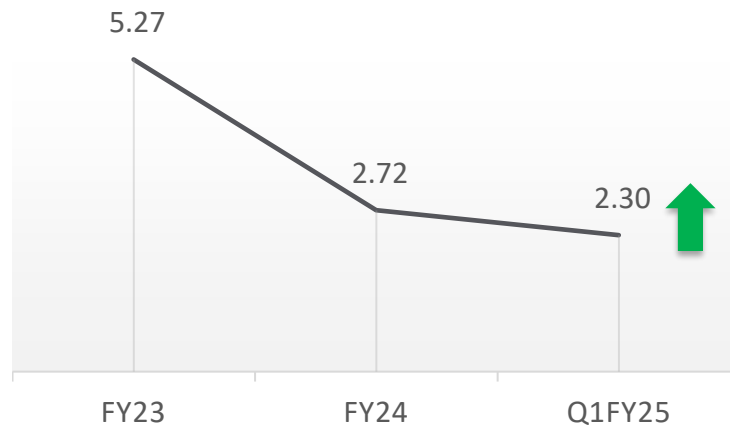
➤ Continuing Capex of ₹1,500m - ₹2,000m to be funded from internal accruals

Key Balance Sheet Ratios

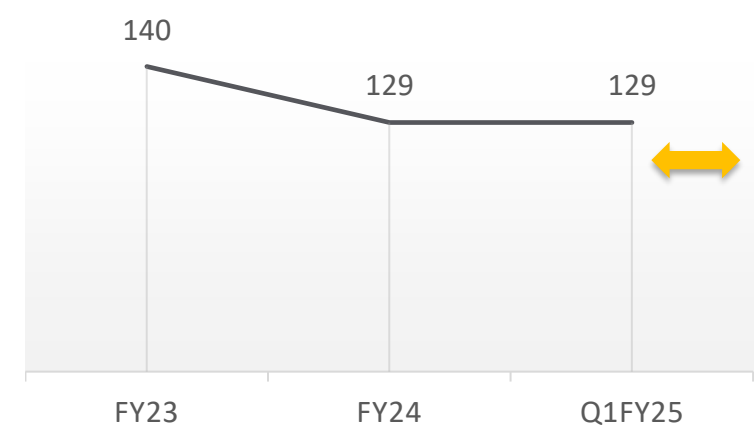
Net Debt to Equity (x)



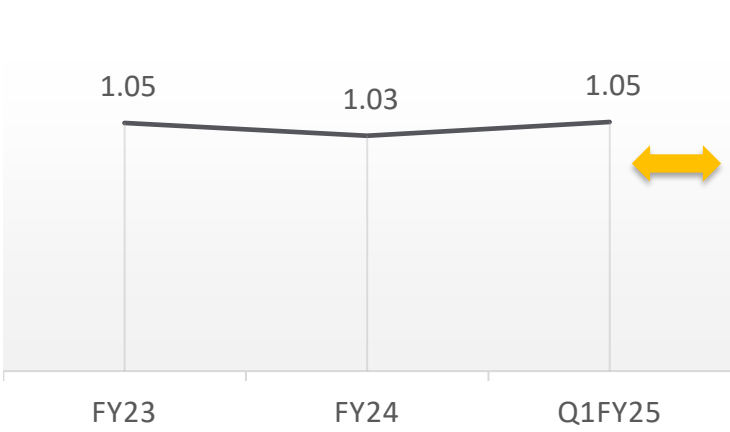
Net Debt to EBITDA (x)



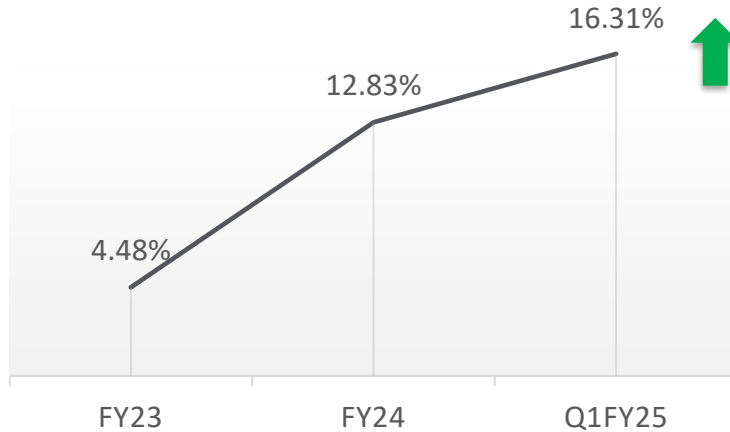
Cash to Cash Cycle (Days)



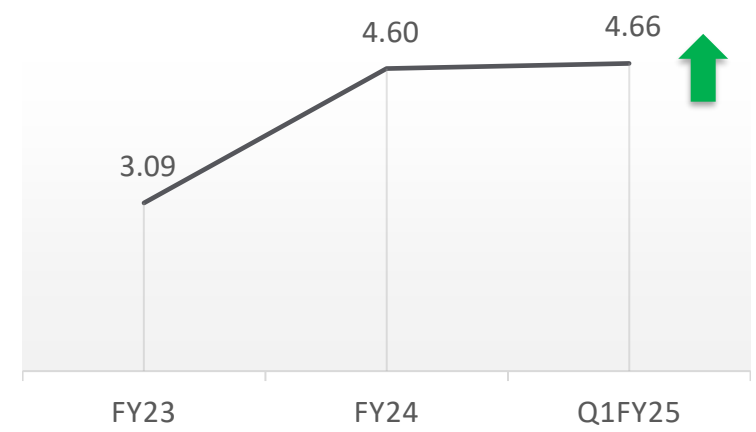
Current Ratio (x)



RoCE (%)



Fixed Asset Turnover Ratio (x)



Q1FY25 ROCE and Net Debt to EBITDA ratios are on annualized basis
 All other ratios are computed on TTM basis
 *Capital Employed = Equity + Net Debt



OneSource Specialty Pharma Ltd

(formerly known as Stelis BioPharma Ltd)

OneSource – Q1FY25 Updates



OneSource (erstwhile Stelis) – Biologics and Drug-Device Combinations Business

- Biologics division (Stelis) achieved revenue at \$9.4m in Q1FY25, which is ~45% of FY24 total revenue
- Recorded an adjusted EBITDA of \$1.2m, second consecutive quarter of being EBITDA positive
- Strong H2 with commercial supplies for GLPs to commence



Steriscience – Complex and Specialty injectables (CMO+CDMO)

- Complex and Specialty injectables (CMO+CDMO) business on track to achieve targeted EBITDA



Soft Gelatin Capsules (Strides Business Moving to OneSource)

- On track to achieve targeted EBITDA

OneSource – FY25 Outlook

- ▶ Aiming for Revenue in range of \$175-190m
- ▶ Aiming for EBITDA in range of \$60-65m

Update on OneSource Listing

Received “No objection”* from Stock Exchanges (NSE and BSE) on 21st May’24, post clearance from SEBI



NCLT filing admitted, expecting NCLT orders for conducting Creditors/Shareholders meeting shortly

*Received “No objection” from NSE and “No adverse observations” from BSE

OneSource – Q1FY25 Key Business Updates



OneSource (erstwhile Stelis) - Biologics and Drug-Device Combinations Business

Drug Device Combination (DDC)	Drug Substance
<ul style="list-style-type: none"> Onboarded 2 additional customers including a top 3 global generics company (total 15 logos) Inhouse PTH DDC approved by UK MHRA – to be marketed in partnership with a leading European Gx player 	<ul style="list-style-type: none"> Onboarded top 3 Global Animal Health companies for a novel biologics with a 10 yrs supply contract – first significant Drug Substance win

- Significant upticks in RFPs (15) issued in Q1FY25, 2.5x of standard RFPs

- Concluded successful national audits from S. Arabia & Taiwan, including the successful European approval of the facility in Q4FY24

Steriscience – Complex and Specialty injectables (CMO+CDMO)

- Onboarded one of N.America’s largest buying groups for 3 IP owned products in a multi year supply contract
- Proprietary DDC product licensed to one of the largest generic player in EU5

- 4 RFPs issued in Q1FY25

- Successful closure of US FDA audit with a VAI status

Soft Gelatin Capsules (Strides Business Moving to OneSource)

- Manufacturing capacity expanded from 1 Bn to 2.4 Bn units in anticipation of increased CDMO demand

- Previously secured CDMO contracts from top 2 global private labelers will commence in H2FY25

Q1FY25 Earnings Call Details



*invites you to interact with the senior management
on Q1FY25 Performance*

July 29, 2024

3:30pm IST / 11:00am BST / 6:00am EDT / 6:00pm HKT

Participants from the Management would be:

Arun Kumar

*Founder & Executive
Chairperson*

Badree Komandur

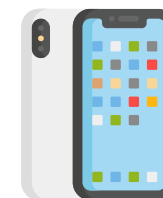
*Managing Director &
Group CEO*

Vikesh Kumar

Group CFO



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Join through an operator using dial in numbers

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USA	18667462133	Singapore	8001012045
UK	08081011573	Hongkong	800964448



Thank You !

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Website: www.strides.com