



Suven Pharmaceuticals announces Q1 FY25 financial results

*Strategic Initiatives on Track; Improvement in Gross Margins, Adj. EBITDA margins at 37.9%
Continued high RFQ inflow*

Hyderabad, August 09, 2024

Suven Pharmaceuticals Ltd. (BSE: 530239, NSE: SUVENPHAR), announces its financial results for the first quarter of the fiscal year 2025 (Q1FY25).

In line with its stated business strategy the Company continues to deliver operational progress. With emphasis on Business Development and R&D coupled with a positive industry macro has led to sustained higher inflow of RFQs pipeline 2x Vs previous years in Q1. RFQs pipeline witnessed healthy mix of laterals and mid-phase projects and also several new customers across geos reflective of efforts being in the right direction. Revenue for the quarter stood at Rs 2.31bn. The quarter was in-line with our expectation of muted couple of quarters. We continue to expect growth from 2HFY25. Our gross margins for the quarter improved by 157 bps to 72.4% YoY. Our adjusted EBITDA margins for the quarter were 37.9% with adjusted EBITDA at Rs 874mn, and our PAT margins for the quarter were 28.1% with APAT of Rs 649mn. With the right input metrics in place, we reiterate our outlook for YoY growth on a full year FY25 vs FY24 on the back of growth in 2HFY25.

Mr. Annaswamy Vaidheesh, Executive Chairman, commented on the quarter's performance: *"Customer sentiment towards India remains strong, bolstered by supply chain de-risking strategy. This, along with our focus on business development and R&D, has led to a high influx of RFQs. While the Ag Chem segment's recovery has been slower than expected, we continue to anticipate growth in the second half of FY25. We are also pleased to have completed the first phase of our acquisition of Sapala Organics while our proposed merger with Cohance has received approvals from stock exchanges and SEBI and we have filed our petition with the hon'ble NCLT "*

Dr. V Prasada Raju, Managing Director, added: *"In Q1FY25, we sustained higher inflows of RFQs, with a healthy mix of lateral and mid-phase projects. Our business development efforts have secured new customer RFQs across the US, EU, and Japan. Additionally, our R&D engagement is deepening, with RFQs in new categories. We continue on our path to meet the aspiration of organically doubling the combined business over next five years with M&A activities accelerating growth beyond that".*

Q1 FY25 Financial Highlights:

- Operational revenue declined by 34% primarily due to lumpy nature of the business; in-line with our expectations and continuing headwinds in Spec Chem destocking.

- Gross margins at 72.4% improved by 157bps driven by business mix
- Adjusted EBITDA margins were 37.9%, adjusted for a onetime charge of Rs 5.57 crore largely comprising ESOP charges
- Generated free cash flow of Rs 33.1 crore.

Business and Operational Highlights:

Pharma CDMO

- Customer sentiment remains positive towards India driven by Bio-Secure Act as well as supply chain de-risking
- Suven Pharma's strategic focus on expanding the RFQs basket has resulted in an improved mix of mid-phase and lateral projects including commercials translating to an enhanced value per RFQ.
- New customer RFQs have been received from customers across US, EU and Japan. underscoring the Company's strategic focus on broadening customer base and relationships
- The first phase of the Sapala Organics' acquisition was completed by acquiring a 51% stake on fully diluted basis. Sapala is amongst the few CDMOs in the high growth Oligo building blocks & nucleic

Agchem and Spec Chem

- The focus is on leveraging the downcycle to convert the specialty chemical service line to a new strategic business unit
- Considering business needs and customer specifications, the Company has begun investing in domain experts and operating advisors. The endeavor is also towards having dedicated facilities and initiatives to drive continuous improvements, including automation and EHS best practices.

Earnings call details

Suven Pharmaceuticals Ltd will conduct a conference call to discuss its Q1FY25 results performance. The management team will be represented by Mr. Annaswamy Vaidheesh (Executive Chairman), Dr. V Prasada Raju (Managing Director), Mr. Himanshu Agarwal (Chief Financial Officer) and Cyndrella Carvalho (Head Investor Relations).

The conference call will be initiated with a brief discussion after which the floor will be opened for Q&As. The financial results will be announced earlier on August 09, 2024.

In order to pre-register - Copy this URL in your browser:

<https://services.choruscall.in/DiamondPassRegistration/register?confirmationNumber=0835429&linkSecurityString=5537fbd0e>

Details of the conference call are as follows:

Timing	: 6.30 pm IST on Friday, August 9, 2024
Conference dial-in Primary number	: +91 22 6280 1141 / +91 22 7115 8042
Hong Kong Local Access Number	: 800 964 448
Singapore Local Access Number	: 800 101 2045
UK Local Access Number	: 0 808 101 1573

USA Local Access Number	: 1 866 746 2133
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