



Suven Pharma reports FY24 third quarter and nine months financial results APAT margin at 32% and Adjusted EBITDA margins at 44%

Hyderabad, February 5, 2024

SUVEN Pharmaceuticals Limited ("SPL", "Company"), an integrated Contract Development and Manufacturing Operations (CDMO) company, today announced unaudited financial results for the third quarter and nine months ended 31 Dec'2023. Reported consolidated revenue from operations for the nine months under review was Rs. 798 Cr, lower by 18% year-on-year. Adjusted Profit after tax declined by 7% to Rs 257 Cr compared to the same period last year. Adjusted consolidated EBITDA stood at Rs 349 Cr with EBITDA margins of 44%. Consolidated revenue from operations for the third quarter was Rs 220 Cr, lower by 38% compared to the corresponding period last year. Adjusted Profit after tax of Rs 57 Cr with PAT margin of 26% compared to 28% last year. Adjusted EBITDA is Rs 78 Cr with EBITDA margin of 36%.

Commenting on the first operational quarter executed by collaboration of our professional management team, our Executive Chairman, Mr Annaswamy Vaidheesh, said, *"At a macro level, our quarter was in line as expected despite near-term challenges of destocking in Specialty Chemicals. Our commitment to employees is reinforced through the announced ESOPs scheme, aiming to align interests with growth objectives. Welcoming Mr. Himanshu Agarwal as our new CFO, we look forward to his insights into our financial strategies. Guided by our global leadership team, Board, and Advisory Council, our mid to long-term growth prospects are exciting."*

Our Managing Director, Dr V Prasada Raju, said *"Our commitment to ESG and sustainability is demonstrated through launched initiatives and our target is to achieve Gold rating from Eco Vadis. Despite near-term macro*

challenges in Specialty Chemicals, we maintain confidence in our medium-term outlook. Our focus on customer engagement, team building, EHS and ESG infrastructure, cost improvements, technology investments, M&A pipeline development, and efficient CAPEX project execution aligns with our priorities for the coming year, reinforcing our commitment to long-term growth and success”.

Our CEO Dr Sudhir Singh emphasized “The RFQ pipeline and conversion are progressing well as we strive towards medium term business opportunities. Our focus lies on prioritizing strategic customer relationships, operational optimization, and fostering long-term growth. The ongoing progress of our R&D Lab, Suryapet expansion, operational capacity expansion, is consistent with our effort towards Suven plus growth trajectory. Our Business Development team position us for continued success and strategic growth opportunity as several discussions on early and late-stage project engagements are ongoing. Despite near-term softness, our confidence remains strong in achieving medium-term growth.”

Financial performance:

Consolidated financial summary for nine months FY24 (YoY) is as follows:

- Revenue from operations was Rs 798 Cr declined 18%YoY.
- Reported EBITDA was Rs 330 Cr declined by 17%YoY;
- Adjusted EBITDA including operating Fx and inventory provision was Rs 349 Cr, declined by 12%YoY;
- Adjusted EBITDA margins were at 44% Vs 41% in 9MFY23.
- APAT was Rs 257 Cr declined 7%YoY.

Segmental performance:

Pharma CDMO:

- Pharma CDMO business continued the growth momentum and reported growth of 24% in 9M FY24 YoY, excluding the covid supplies base effect.

Specialty Chemical CDMO:

- The decline in speciality chemical is primarily led by global supply chain destocking. We do not anticipate any structural disruption at the Industry level.

Formulation Business:

- The formulation and other services segment has grown well; on a consolidated basis.

Cash Flow

- We generated Operating Cash flow of Rs 280 Cr in 9M FY24. Our total cash including the Investments and cash & cash equivalents on books stood at Rs 753 Cr as of 9M FY24.

Financial Snapshot:

Particulars	Q3 FY24	Q3 FY23	YoY change	9M FY 24	9M FY 23	YoY change
Revenue from Operations	2,198	3,538	-38%	7,984	9,710	-18%
Material costs / COGS	724	1,096	-34%	2,313	2,927	-21%
Material Margin	1,474	2,441	-40%	5,671	6,783	-16%
Material Margin %	67%	69%		71%	70%	
Other Direct Costs	327	474	-31%	943	1,358	-31%
Staff Costs	328	297	11%	902	849	6%
Other Expenses	167	204	-18%	526	601	-12%
EBIDTA	651	1,467	-56%	3,301	3,975	-17%
EBIDTA %	30%	41%		41%	41%	
FX MTM gain	-1	25	-106%	50	124	-60%
Old Inventory provision	134	-134	-200%	134	-134	-200%
Adjusted EBIDTA	784	1,358	-42%	3,485	3,965	-12%
Adjusted EBIDTA %	36%	38%		44%	41%	
Depreciation and Finance Cost	140	136	3%	401	389	3%
Other income	145	105	37%	399	226	77%
PBT	789	1,327	-41%	3,482	3,801	-8%
Tax	221	350	-37%	913	1,028	-11%
Adjusted PAT	568	977	-42%	2,569	2,773	-7%
Adjusted PAT Margin	26%	28%		32%	29%	

Earnings call details

Suven Pharmaceuticals Ltd will conduct a conference call to discuss its Q3 & 9MFY24 results performance. The management team will be represented by Mr. Annaswamy Vaidheesh (Executive Chairman), Dr. V Prasada Raju (Managing Director), Dr. Sudhir Kumar Singh (Chief Executive Officer) & Mr. Himanshu Agarwal (Chief Financial Officer).

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 February 05, 2024.

In order to pre-register - Copy this URL in your browser: <https://services.choruscall.in/DiamondPassRegistration/register?confirmationNumber=5358061&linkSecurityString=1fc59895cc>

Details of the conference call are as follows:

Timing	: 6.30 pm IST on Monday, February 05, 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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