

## **Press Release**

### **Suven Pharma reports FY24 second quarter and half yearly financial results PAT growth of 10%; stable margins despite revenue softness**

SUVEN Pharmaceuticals Limited ("SPL", "Company"), an integrated Contract Development and Manufacturing Operations (CDMO) company, today announced unaudited financial results for the second quarter and half-year ended 30 Sept'2023. Reported consolidated revenue from operations for the half year was Rs. 578.6 Cr declined 6% year-on-year. Profit after tax increased by 11% to Rs 200.2 Cr compared to the same period last year. Reported consolidated EBITDA stood at Rs 265 Cr with EBITDA margins of 46%. Consolidated revenue from operations for the quarter was Rs. 231Cr, declined 17% year-on-year. Profit after tax increased by 10% to Rs 79.5 Cr compared to the same period last year. Reported EBITDA is Rs 98 Cr with EBITDA margin of 42%.

Commenting on the first 30 days of new management team, Mr Annaswamy Vaidheesh, Executive Chairman, SPL, said, "Transition to the new management is completed smoothly and we feel good about the progress. We have augmented the senior leadership with proven track record and deep experience in the space. Our team has met most customers in person; customers' feedback has been very encouraging. Our team has also interacted with all our 1200+ employees and is focused on retention of the existing culture and ethos of the company. Overall, we are excited about our vision to rapidly scale Suven Pharma into a globally respected CDMO organization"

Commenting on the quarter, Dr V Prasada Raju, Managing Director, SPL, said, "Q2 revenues have been soft due to inventory de-stocking globally in Specialty chemicals. However, in H1 FY24, we have maintained healthy EBITDA margins of 46% and grown PAT by 11%, driven by continued momentum on Pharma CDMO. We are excited about the medium to long term growth opportunities Suven has and with the team we have onboarded we are confident of accelerating growth. We are committed to continued rigour on ESG & Quality and to being the partner of choice for our customers".

Dr Sudhir Kumar Singh, CEO, SPL, said, "I am pleased to share that we have initiated building out the commercial engine, already hired key leaders for US and EU markets and are in the process of building the team below them. Our focus is to continue scaling existing business and share of wallet with our key customers, while also on winning new business. We are seeing positive signs basis initial customer discussions. We have seen record number of RFQs in Q2 FY24 that is encouraging for our medium-term pipeline."

#### **Financial performance:**

Consolidated financial summary for first half FY24 (YoY) is as follows:

- Revenue from operations was Rs 579 Cr declined 6% YoY.
- Reported EBITDA was Rs 265 Cr higher by 5.6% YoY;
- Adjusted EBITDA including operating Fx was Rs 270 Cr, higher by 3.6% YoY;
- Adjusted EBITDA margins were at 46.7% Vs 42.2% in 1HFY23.
- PAT was Rs 200 Cr increased 11.4% YoY.

### **Suven Pharmaceuticals Limited**

Consolidated Second quarter FY24 (YoY) is as follows:

- Revenue from operations was Rs 231 Cr declined by 17% YoY.
- Reported EBITDA was Rs 98 Cr marginally declined by 1.9% YoY.
- Adjusted EBITDA was Rs 102 Cr, marginally declined by 1.8% YoY;
- Adjusted EBITDA margins were at 43.9% Vs 37.1% in Q2FY23
- PAT was Rs 80 Cr increased by 10.4% YoY.

**Segmental performance:**

• **Pharma CDMO:**

- Pharma CDMO business continued the growth momentum and reported growth of 24% in H1 FY24 YoY.
- Revenue growth ex Covid molecule is 38% in H1 FY24 YoY.

• **Specialty Chemical CDMO:**

- The decline in speciality chemical is primarily led by global supply chain destocking.

• **Formulation Business:**

- The formulation and other services segment has grown well; on a lower base.

**Cash Flow**

- We generated Operating Cash flow of Rs 252 Cr in H1 FY24. Our total cash including the Investments and cash & cash equivalents on books stood at Rs 714 Cr as of H1 FY24.

## **Suven Pharmaceuticals Limited**

## Financial Table on Q2 and 1HFY24

INR million									CAGR		
Consolidated P&L Snapshot	FY20	FY21	FY22	FY23	Q2FY23	Q2FY24	H1FY23	H1FY24	FY20-23	Q2 YoY	H1 YoY
Revenue	8,338	10,097	13,202	13,403	2,784	2,311	6,172	5,786	17.1%	-17.0%	-6.3%
COGS	(2,292)	(3,019)	(3,991)	(4,091)	(860)	(576)	(1,831)	(1,589)			
<b>Material Margin <sup>2</sup></b>	<b>6,046</b>	<b>7,078</b>	<b>9,211</b>	<b>9,312</b>	<b>1,924</b>	<b>1,735</b>	<b>4,341</b>	<b>4,197</b>			
<i>Material Margin%</i>	72.5%	70.1%	69.8%	69.5%	69.1%	75.1%	70.3%	72.5%			
Manufacturing Expenses <sup>3</sup>	(1,038)	(1,338)	(1,732)	(1,763)	(461)	(293)	(885)	(616)			
Employee cost	(651)	(762)	(1,005)	(1,105)	(286)	(286)	(552)	(573)			
R&D expenses	(141)	(111)	(104)	(86)	(21)	(45)	(43)	(66)			
Other expenses	(399)	(462)	(577)	(693)	(157)	(132)	(354)	(294)			
<b>EBITDA</b>	<b>3,816</b>	<b>4,405</b>	<b>5,794</b>	<b>5,665</b>	<b>999</b>	<b>980</b>	<b>2,508</b>	<b>2,649</b>	<b>14.1%</b>	<b>-1.9%</b>	<b>5.6%</b>
<i>EBITDA%</i>	45.8%	43.6%	43.9%	42.3%	35.9%	42.4%	40.6%	45.8%			
Operating Forex gain / (loss)	50	115	138	268	35	36	99	51			
<b>Adjusted EBITDA</b>	<b>3,866</b>	<b>4,520</b>	<b>5,932</b>	<b>5,933</b>	<b>1,034</b>	<b>1,015</b>	<b>2,607</b>	<b>2,701</b>	<b>15.3%</b>	<b>-1.8%</b>	<b>3.6%</b>
<i>Adj. EBITDA%</i>	46.4%	44.8%	44.9%	44.3%	37.1%	43.9%	42.2%	46.7%			
Depreciation & Amortization	(235)	(316)	(391)	(477)	(120)	(119)	(235)	(244)			
Finance costs	(199)	(91)	(62)	(54)	(3)	(5)	(17)	(16)			
Other income (excl. gain from sale of investment in associate)	131	27	123	195	74	163	120	254			
<b>Adjusted PBT <sup>4</sup></b>	<b>3,563</b>	<b>4,139</b>	<b>5,603</b>	<b>5,597</b>	<b>985</b>	<b>1,054</b>	<b>2,474</b>	<b>2,694</b>	<b>16.2%</b>	<b>7.0%</b>	<b>8.9%</b>
Tax	(875)	(1,053)	(2,138)	(1,484)	(264)	(258)	(678)	(692)			
<b>Adjusted PAT <sup>4</sup></b>	<b>2,688</b>	<b>3,086</b>	<b>3,465</b>	<b>4,113</b>	<b>721</b>	<b>796</b>	<b>1,796</b>	<b>2,002</b>	<b>15.2%</b>	<b>10.4%</b>	<b>11.4%</b>
<i>PAT%</i>	32.2%	30.6%	26.2%	30.7%	25.9%	34.4%	29.1%	34.6%			
Gain from sale of investment in associates (other income)	-	-	662	-	-	-	-	-			
Share of Profit/(Loss) of Associates	482	537	411	-	-	-	-	-			
<b>Reported PAT</b>	<b>3,170</b>	<b>3,623</b>	<b>4,538</b>	<b>4,113</b>	<b>721</b>	<b>796</b>	<b>1,796</b>	<b>2,002</b>	<b>9.1%</b>	<b>10.4%</b>	<b>11.4%</b>
<i>Reported PAT%</i>	38.0%	35.9%	34.4%	30.7%	25.9%	34.4%	29.1%	34.6%			
Adjusted EPS <sup>5, 6</sup>	10.56	12.12	13.61	16.16	2.83	3.13	7.06	7.86			
Reported EPS <sup>5, 6</sup>	12.45	14.23	17.83	16.16	2.83	3.13	7.06	7.86			

1) HI Numbers are unaudited 2) Higher MM% in current quarter on favorable product mix 3) Product mix change & plant run time leading to lower mfg. expenses 4) Numbers are adjusted for Share of Profit/(Loss) of Associates and gain/loss on sale of investment in Associates for comparability 5) EPS & Adjusted EPS are basis existing # outstanding shares (~255 Mn) 6) EPS and Adjusted EPS for Q2 & H1FY23 and Q2 & H1FY24 are not annualized

## Suven Pharmaceuticals Limited

Registered Office: # 8-2-334 | SDE Serene Chambers | 3rd Floor | Road No.5  
 Avenue 7 | Banjara Hills | Hyderabad - 500034 | Telangana | India | CIN:L24299TG2018PLC128171  
 Tel: 91 40 2354 9414 /1142 /3311 | Fax: 91 40 2354 1152 | Email: info@suvphenarm.com | www.suvenpharm.com