



Pharmaceuticals Limited

Registered & Corporate Office :

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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: 25th May, 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 fourth quarter and year ended 31st March, 2023.

This press release may also be accessed on the website of the Company at 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 its Q4FY23 Financial Results

- ✓ PAT margins expanded 185 bps sequentially
- ✓ Anti-Diabetic segment continues to witness healthy growth

Hyderabad, May 25, 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 31st March 2023.

| Particulars (In Rs. Crores) | Q4 FY23 | Q3 FY23 | QoQ% | Q4FY22 | YoY% | FY23 | FY22 | YoY% |
|-------------------------------|--------------|--------------|--------------|-------------|---------------|--------------|--------------|---------------|
| Revenue | 149.4 | 148.8 | 0.4% | 60.9 | 145.3% | 522.1 | 519.9 | 0.4% |
| Gross Profit | 64.2 | 53.6 | 19.7% | 27.8 | 131.3% | 191.1 | 249.6 | -23.4% |
| EBITDA | 24.5 | 20.7 | 18.1% | -4.0 | N.A. | 59.4 | 119.5 | -50.3% |
| Profit After Tax (PAT) | 8.1 | 5.2 | 52.6% | 8.9* | -9.3% | 3.9 | 67.9* | -94.3% |

*Includes reversal of deferred tax liability amounting to Rs. 22.15 crores in Q4F22 and Rs. 14.30 crores in FY22.

Segmental Performance Update

| Particulars (In Rs. Crores) | Q4 FY23 | Q3 FY23 | Q4FY22 | FY23 | FY22 |
|-----------------------------|---------|---------|--------|-------|-------|
| API | 146.1 | 146.2 | 59.8 | 502.4 | 499.5 |
| Intermediates & Others | 3.4 | 2.6 | 1.1 | 19.6 | 20.3 |

API Segment Highlights

- Q4 & FY23 revenue for the API segment stood at Rs. 146.1 crores and Rs. 502.4 crores, respectively.
- Q4 & FY23 API segment contributed approximately 97.8% and 96.2% to the consolidated revenue, respectively.
- Within the API segment, ~15% of the revenues came from the domestic market and ~85% from the exports market (including deemed exports) for Q4FY23.
- Within the therapeutic areas, anti-diabetic contributed ~26%, anti-migraine ~21%, anti-ulcer ~13%, anti-epileptic ~3%, anti-erectile dysfunction ~8%, anti-inflammatory ~17% and the rest contributed around 12% to the total sales for Q4FY23. The contribution from ARV therapeutic category was almost negligible.

Commenting on the results Mr. P. Vamsi Krishna, Executive Director – SMS Pharmaceuticals Limited said, “The company has achieved healthy financial and operational performance in Q4FY23 while registering a revenue of INR 149 crores with sequential PAT growth of 53% at INR 8 crores. Margins also witnessed expansion sequentially by 246bps with Q4FY23 EBITDA margins coming in at 16.4%.

Despite facing severe headwinds in the initial part of FY23, we were able to maintain our top-line viz-a-viz FY22. Introduction of new products, expansion of high-value product portfolio, and strong demand in non-ARV segments have contributed to better performance in the second half of FY23.

At the onset of the year, the company experienced a slowdown in growth due to a multitude of challenges such as market volatility, pricing pressures and minimal ARV segment contribution. But with the raw material prices stabilising and the market gaining normalcy, we experienced better growth and margins and expect the same trajectory to continue in the upcoming quarters of FY24.

The anti-diabetic segment has exhibited robust demand owing to the expiration of multiple gliptin patents and has been contributing healthily to our revenues. Other therapies including anti-migraine and anti-ulcer have also witnessed steady growth.

Post miniscule contribution from ARV segment in FY23, we have now started gaining traction, and expect this segment to register an upswing going forward. Moreover, we are attracting good demand for Ibuprofen and are adding new customers across various geographies.

The company is focusing on vertical integration for some of its volume products which will help us in improving our margin profile. In addition, we are aggressively focusing on R&D with an aim to achieve cost optimization for the newly added and existing products, which will substantially improve the bottom line and significantly aid margin expansion and profitability.

Despite the challenges posed by fall in demand for ARV products, our company adeptly pivoted to more lucrative therapies without compromising our revenue stream. Our company is strategically positioned to capitalise on untapped market opportunities and is fully dedicated to providing long-term value for all stakeholders through its sustained focus on operational efficiency and core competencies.”

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](https://www.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:



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SGA Strategic Growth Advisors

Strategic Growth Advisors Pvt. Ltd.

CIN: U74140MH2010PTC204285

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