



Pharmaceuticals Limited

**Registered & Corporate Office :**

Plot No. 72, H. No. 8-2-334/3 & 4, Road No. 5,  
Opp. SBI Executive Enclave, Banjara Hills,  
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: 10<sup>th</sup> February, 2024

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 third quarter ended 31<sup>st</sup> December, 2023.

This press release may also be accessed on the website of the Company at [www.smspharma.com](http://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 robust Q3FY24 operational performance**

- ✓ Q3FY24 EBITDA up by 57% y-o-y at Rs. 29 crore
- ✓ Q3FY24 PAT up by 205% y-o-y at Rs. 11.5 crore
- ✓ Ibuprofen gaining significant traction
- ✓ Significant increase in the sales volume of multiple products.

**Hyderabad, February 10, 2024:** 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 and nine months ended 31<sup>st</sup> December 2023.

Particulars (In Rs. Crores)	Q3 FY24	Q3 FY23	YoY%	Q2 FY24	QoQ%	9M FY24	9M FY23	YoY%
Revenue	161.48	148.80	8.5%	166.64	(3.1%)	463.47	372.63	24.4%
Gross Profit	50.71	37.57	35.0%	50.14	1.1%	148.31	85.75	73.0%
EBITDA	29.00	18.51	56.7%	27.82	4.2%	83.00	31.71	161.7%
Profit After Tax (PAT)	11.48	3.77	204.5%	11.73	(2.1%)	32.54	-10.57	NA

### Segmental Performance Update

Particulars (In Rs. Crores)	Q3 FY24	Q3 FY23	Q2 FY24	9M FY24	9M FY23
API	160.30	146.20	162.94	456.05	368.73
Intermediates & Others	1.17	2.56	3.70	7.42	3.90

### API Segment Highlights

- Q3 & 9M FY24 revenue for the API segment stood at Rs. 160.3 crores and Rs. 456.1 crores respectively.
- Q3 & 9M FY24 API segment contributed approximately 99.3% and 98.4% to the consolidated revenue respectively.
- Within the API segment, ~12% of the revenues came from the domestic market and ~88% from the exports market (including deemed exports) for Q3FY24.
- Within the therapeutic areas, anti-retroviral (ARV) contributed ~33%, anti-diabetic contributed ~13%, anti-migraine ~13%, anti-ulcer ~8%, anti-epileptic ~1%, anti-erectile dysfunction ~7%, anti-inflammatory ~18% and the rest contributed around 6% to the total sales for Q3FY24.

**Commenting on the results Mr. P. Vamsi Krishna, Executive Director – SMS Pharmaceuticals Limited said,** *“Sales volume growth, improved product mix, and new product introductions have been the primary drivers of our topline growth. Additionally, our operational profit margins have improved as a result of more efficient cost management. From 50–55% in the prior quarter, our capacity utilization climbed sequentially to around 65–70% in Q3FY24.*

*We have implemented extensive backward integration to lower our total costs and increase our profit margins, which has led to an improvement in gross margins. However there has been price erosion, for otherwise the profitability margins would have been even better.*

*We have seen a significant increase in the sales volume of several of our products when compared to previous quarters. With the noticeable increase in sales volume, we are now starting to see the benefits of operating leverage.*

*As we have been mentioning for the past few quarters, our ibuprofen product has seen improved performance sequentially. It is gaining significant traction in the market, with approvals received from both the USA and Europe. We have already begun commercial supplies in several of these regulated countries. We have also witnessed a positive trend in the price realizations for ibuprofen. The ARV segment is also performing admirably. Our anti-diabetic product of Sitagliptin is also gaining momentum in terms of volume. Our other therapeutic categories are thriving, with a steady influx of new customers.*

*The company is poised to capitalize on the capex it had undertaken, with further ramping up ibuprofen production in the coming quarters. We are positive about future outlook, as we continue to expand our presence in the ibuprofen market. Two of our major segments of anti-diabetic & ARV will also experience sustainable growth, as we expect strong volumes in the upcoming quarters for both segments. This growth will get further impetus by our new product offerings.*

*In the upcoming fiscal year, our goal is to file at least 10 DMFs (Drug Master Files) in the United States. With the increase in our R&D spend, we can expect a significant rise in the number of new product launches. Consequently, we will continue to aggressively push new products and continuously seek to attract new customers. In the next fiscal year, we anticipate achieving growth in the mid-teens, accompanied by a slight enhancement in operating margins.*

*The Board of Directors has given their approval for a fund-raising initiative through the issuance of convertible equity warrants on a preferential basis to the Promoter Group. The warrants will be priced at Rs. 127 per warrant, aggregating to Rs. 114.30 crore. 55% of the funds raised will be allocated towards capex, 35% towards working capital, and the remaining 10% for general corporate use. We will reveal the detailed capex plans in the near future.”*

## **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](http://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:**



**SMS Pharmaceuticals Limited**  
CIN: L24239TG1987PLC008066

Mr. Thirumalesh Tumma  
Email: [complianceofficer@smspharma.com](mailto:complianceofficer@smspharma.com)

Contact no.: +91 9100123244



**Strategic Growth Advisors Pvt. Ltd.**  
CIN: U74140MH2010PTC204285

Mr. Jigar Kavaiya / Mr. Parin Narichania  
Email: [jigar.kavaiya@sgapl.net](mailto:jigar.kavaiya@sgapl.net) / [parin.n@sgapl.net](mailto:parin.n@sgapl.net)

Contact no.: +91 9920602034 / +91 9930025733