



Pharmaceuticals Limited

Registered & Corporate Office :

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CIN : L24239TG1987PLC008066
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Date: 10th August, 2025

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 quarter ended 30th June, 2025.

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



August 10, 2025

Strong performance sets tone for the year; PAT up 24% YoY

- Revenue up 19% YoY on higher volumes
- EBITDA up 17% YoY (EBITDA margin: 20%) on optimal product mix and operating leverage
- PAT margin steady at 10%
- Backward integration for key APIs commissioned in June 2025
- R&D investment to double over 18 months to accelerate pipeline development
- ₹250 crore Capex plan on track

SMS Pharmaceuticals Limited (SMS Pharma) (NSE: SMSPHARMA; BSE:532815), a diversified and integrated pharmaceutical company specialising in Active Pharmaceutical Ingredients (API) and complex Intermediates for global customers, has announced its unaudited financial results for the quarter ended June 30, 2025.

Summary of financial performance

(₹ Cr)

Particulars	Q1FY26	Q1FY25	YoY Growth (%)	Q4FY25	QoQ Growth (%)	FY25	FY24	YoY Growth (%)
Revenue from operations	196.05	164.45	19%	248.20	-21%	782.75	709.26	10%
Gross profit	65.35	58.29	12%	74.88	-13%	259.34	211.56	23%
Gross profit margin	33%	35%	-211bps	30%	316bps	33%	30%	330bps
EBITDA	39.37	33.51	17%	40.81	-4%	139.00	116.62	19%
EBITDA margin	20%	20%	-30bps	16%	364bps	18%	16%	132bps
PAT	20.50	16.48	24%	20.31	1%	69.14	49.83	39%
PAT margin	10%	10%	44bps	8%	227bps	9%	7%	181bps
EPS	2.31	1.95	18%	2.43	-5%	8.16	5.89	39%

Revenue by therapeutic area

(₹ Cr)

Particulars	Q1FY26		Q1FY25		YoY Growth (%)
	Revenue	As % of total revenue	Revenue	As % of total revenue	
Anti-diabetic	65.16	33%	45.05	27%	45%
Anti Retro Viral (ARV)	38.48	20%	12.86	8%	199%
Anti-inflammatory	45.25	23%	43.43	26%	4%
Anti-migraine	17.21	9%	19.31	12%	-11%
Anti-ulcer	11.24	6%	10.15	6%	11%
Anti-erectile dysfunction	2.73	1%	17.04	10%	-84%
Anti-epileptic	7.70	4%	8.89	5%	-13%
Others	8.28	4%	7.72	5%	7%



Commenting on the performance, Mr. P. Vamsi Krishna, Executive Director, stated:

We commenced FY26 on a strong footing, driven by our diversified product portfolio and notable client wins in key APIs. We made strong progress on our strategic roadmap, laying a solid foundation for the next five years of growth.

Our joint venture with Chemo continues to be value accretive, with our anti-diabetic portfolio gaining market share in Europe. We are also deepening our strategic partnership with them through an expanded basket of anti-diabetic products. In Ibuprofen, we continue to see growing demand, supported by strong visibility in regulated markets and a competitive cost position driven by improved processes and plant engineering.

We have successfully commissioned our backward integration project. This milestone marks a critical step in strengthening our supply chain and improving cost efficiencies. The project has delivered the desired outcomes in quality and performance, and we are now scaling up production. With full backward integration now in place for our key APIs, we expect to see a meaningful improvement in margins over the next few quarters.

On the R&D front, we have established a robust pipeline of high-potential molecules. In the next 18 months, we aim to accelerate regulatory momentum with multiple DMF, CEP, and dossier filings, targeting around 30 submissions over the next three years.

We will be doubling our R&D spend over the next 18 months. Our peptide-focused subsidiary has commenced construction of its dedicated R&D facility, while the capex plan for a CDMO greenfield site in Andhra Pradesh has been finalised, with land acquisition underway.

To support these initiatives, we are undertaking a ₹250 crore capacity expansion programme, which will be funded through a mix of internal accruals and debt. Our disciplined capital allocation strategy will support sustained revenue growth alongside continued margin expansion.

We remain on track to achieve our targeted 20% revenue growth for FY26 with an EBITDA margin above 20%, translating to an asset turnover ratio of ~1.0x — among the best in the industry. Our growth will continue to be driven by a diversified product mix, a strong pipeline of new products and our proven execution capabilities.



Performance review

Revenue from operations in Q1FY26 was ₹196.05 crore, up 19% YoY, driven by strong demand for key APIs. Our anti-diabetic products recorded strong growth and continued to gain market share in Europe. We continue to see growing demand for Ibuprofen from regulated markets, driven by our focused business development efforts over the past few years. Our ARV segment recorded healthy growth, supported by our efforts to broaden our customer base and secure key clients.

Gross margins grew by 12% YoY to reach ₹65.35 crore. EBITDA margin stable at 20%, improving 364 bps sequentially but down 30 bps YoY, driven by higher volumes. EBITDA for Q1FY26 rose by 17% YoY to reach ₹39.37 crore. PAT was ₹20.50 crore, up 24% YoY. As a result, PAT margin was stable at 10% in Q1FY26.

Our share of profit in our associate company, VKT Pharma Private Limited, stood at ₹1.78 crore, supported by strong revenue growth and improved margins—reinforcing the long-term value of our investment in the entity.

Project update

We have successfully commissioned our backward integration project in Q1FY26, and we are now scaling up production. With full backward integration now in place for our key APIs, we expect to see a meaningful improvement in margins over the next few quarters.

A ₹250 crore capacity expansion, and funded through internal accruals and debt, is underway for:

- Capacity expansion for existing and new products
- Strengthening the Effluent Treatment Plant to meet the additional loads
- Construction of a dedicated R&D facility for our peptide-focused subsidiary
- CDMO greenfield site in Andhra Pradesh

Outlook

We are on track to deliver 20% revenue growth in FY26 with EBITDA margins of 20%. This translates into an asset turnover ratio of ~1.0x — among the best in the industry. Our growth will continue to be driven by a diversified product mix, a strong pipeline of new products and our proven execution capabilities.



About SMS Pharmaceuticals Limited

Established in 1990, SMS Pharmaceuticals Limited is a diversified and integrated pharmaceutical company specialising in API and intermediates. The Company operates two state-of-the-art manufacturing facilities in Hyderabad and Vizag, with capacities of 200 KL and 3,000 KL, respectively. Supported by strong in-house R&D capabilities, the Company has a proven track record of delivering quality products across a diversified portfolio of therapeutic segments, serving as a trusted partner to a global customer base in over 70 countries.

DISCLAIMER

Certain statements that are made in the Press Release may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like significant changes in the economic environment in India and overseas, tax laws, inflation, litigation, etc. Actual results might differ substantially from those expressed or implied. SMS Pharmaceuticals Limited will not be in any way responsible for any action taken based on such statements and discussions; undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

For any further information, please contact:

Company	Investor relations
SMS Pharmaceuticals Limited	Eqsponent Partners
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