



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: 14th November, 2022

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 second quarter and half year ended 30th September, 2022.

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 Q2FY23 Financial Results

- ✓ Revenue and gross profit grew 148% and 51% respectively on a sequential basis driven by a healthy product mix
- ✓ Anti-diabetic category contributed 58% to Q2FY23 revenue

Hyderabad, November 14, 2022: 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 30th September 2022.

Particulars (In Rs. Crores)	Q2 FY23	Q1 FY23	QoQ%	Q2FY22	YoY%	H1 FY23	H1 FY22	YoY%
Revenue	159.4	64.4	148%	174.7	-9%	223.8	337.7	-34%
Gross Profit	44.1	29.2	51%	81.0	-46%	73.3	159.4	-54%
EBITDA	14.2	0.0	-	48.2	-71%	14.2	93.9	-85%
Profit Before Tax (PBT)	0.8	-12.8	-	35.3	-	-12.0	68.0	-

Segmental Performance Update

Particulars (In Rs. Crores)	Q2 FY23	Q1 FY23	Q2FY22	H1 FY23	H1 FY22
API	159.1	63.6	174.1	222.5	324.9
Intermediates & Others	0.3	0.4	0.6	0.7	12.8

API Segment Highlights

- Q2 & H1 FY23 revenue for the API segment stood at Rs. 159.1 crores and Rs. 222.5 crores, respectively.
- Q2 & H1 FY23 API segment contributed approximately 99.8% and 99.6% to the consolidated revenue, respectively.
- Within the API segment, ~20% of the revenues came from the domestic market and ~80% from the exports market (including deemed exports) for Q2FY23.
- Within the therapeutic areas, anti-diabetic contributed ~58%, ARV therapeutic category contributed ~8%, anti-migraine ~11%, anti-ulcer ~3%, anti-epileptic ~3%, anti-erectile dysfunction ~4%, and the rest contributed around 13% to the total sales for Q2FY23.

Commenting on the results Mr. P. Vamsi Krishna, Executive Director – SMS Pharmaceuticals Limited said, *“The company’s operational as well financial performance improved significantly on a sequential basis. This was mainly driven by accelerated demand for non-ARV products, especially from the recently launched anti-diabetic segment. This clearly shows the company’s successful shift from anti-ARV products to other product segments. The company turned EBITDA positive during the quarter due to a favourable product mix. However, suppressed API pricing, high-cost inventory and negative operating leverage impacted the EBITDA margins to some extent. The company has de-stocked almost*

the entire high cost inventory in Q2FY23. The pressure on input costs has also lowered during Q2FY23 and price stabilization of input costs should further aid the margin expansion, going forward.

The company is focussing on adding more non-ARV products to the basket. Over the past few months, there has been a tectonic shift in market dynamics for ARV products due to which the company's capacities remained underutilized, which ultimately impacted the profitability. We firmly believe that the prices have bottomed out and we remain optimistic about pricing as well as volume uptick going forward.

The company is also witnessing healthy demand for Ibuprofen which has been recently commercialised at the Vizag facility. The company is gaining market share on month on month basis in domestic as well as exports markets. The company has also received the CEP approval for Ibuprofen which will enable the company to export Ibuprofen to the European markets.

The company has successfully recouped the lost ground in Q2FY23 and remains confident of returning into the growth trajectory along with sustainable profitability led by a pick-up in non-ARV products, continued investment in process improvement, geographic expansion and new product launches.”

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

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

Contact no.: +91 9100123244

SGA Strategic Growth Advisors

Strategic Growth Advisors Pvt. Ltd.

CIN: U74140MH2010PTC204285

Mr. Jigar Kavaiya / Mr. Chinmay Madgulkar

Email: jigar.kavaiya@sgapl.net / chinmay.m@sgapl.net

Contact no.: +91 9920602034 / +91 9860088296