sms
Pharmaceuticals Limited

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CIN : L24239TG1987PLC008066
Email: info@smspharma.com, www.smspharma.com

Date: 10th November, 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: Investor Presentation

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we are enclosing here herewith a copy of investor presentation of the Company for the second quarter and half year ended 30th September, 2025.

This Investor Presentation 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
Digitally signed by THIRUMALESH TUMMA
Date: 2025.11.10 17:39:22 +05'30'

Thirumalesh Tumma
Company Secretary

Investor Presentation

Q2 & H1 FY26

NOVEMBER 2025

Safe Harbour

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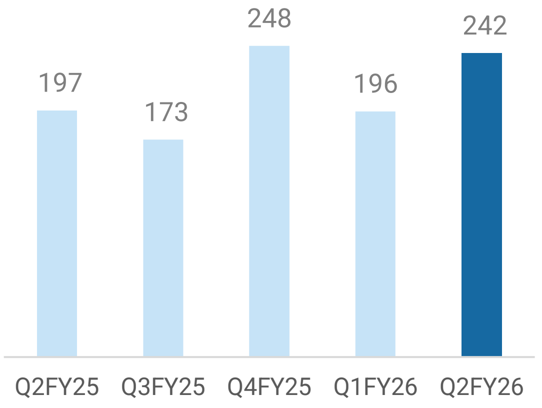
01
PERFORMANCE REVIEW

Executive summary

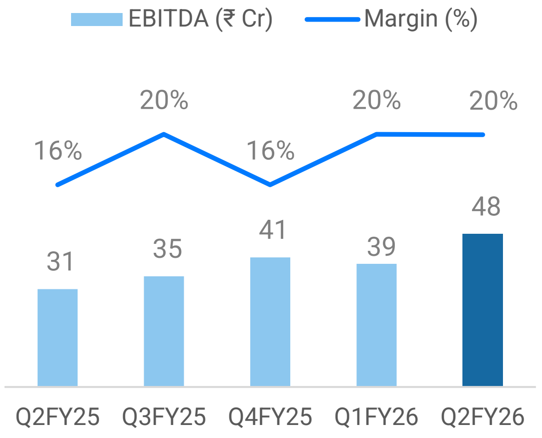
- Strong quarter led by volume growth and market share gains across key APIs
- Gross margin expanded 30% YoY, driven by backward integration
- EBITDA margin at 20% in Q2FY26; up by 54% YoY aided by backward integration and operating leverage
- PAT stood at ₹25.32 crore, up by 80% YoY; Record highest in a quarter
- ₹280 crore capex programme progressing well, on track for completion by November 2026
- On track to deliver 20% revenue growth in FY26 with EBITDA margins of 20%.

Q4FY25 financial highlights

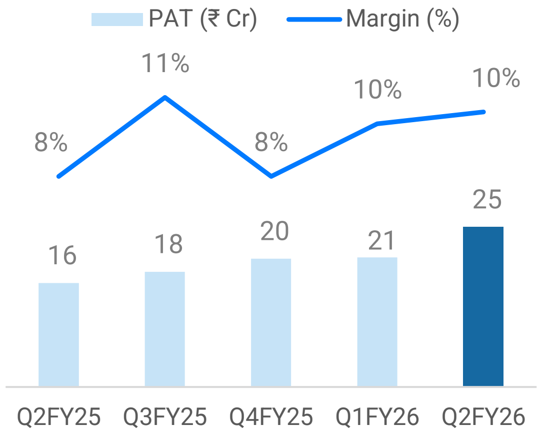
REVENUE (₹ CRORE)



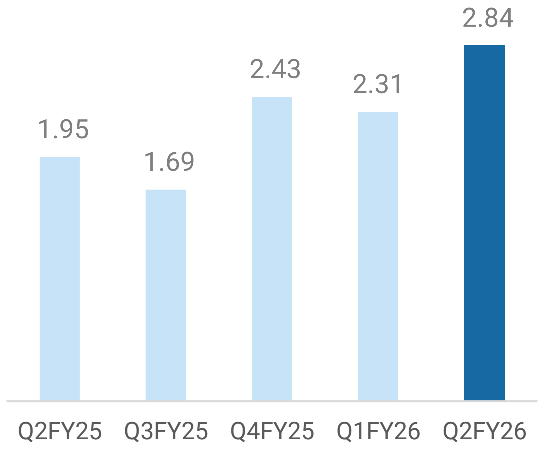
EBITDA & EBITDA MARGIN



PAT & PAT MARGIN



EPS (₹)



₹242 crore
Revenue from operations
▲ 23%

₹48 crore
EBITDA
▲ 54%

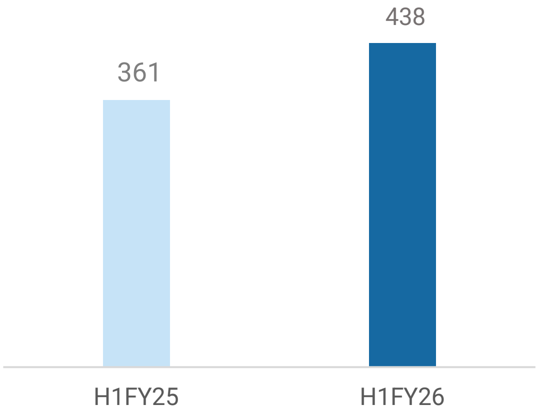
₹25 crore
PAT
▲ 80%

₹2.84
EPS
▲ 70%

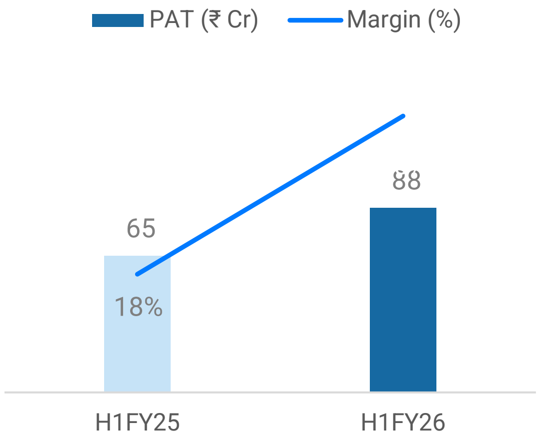
▲ YoY

H1FY26 financial highlights

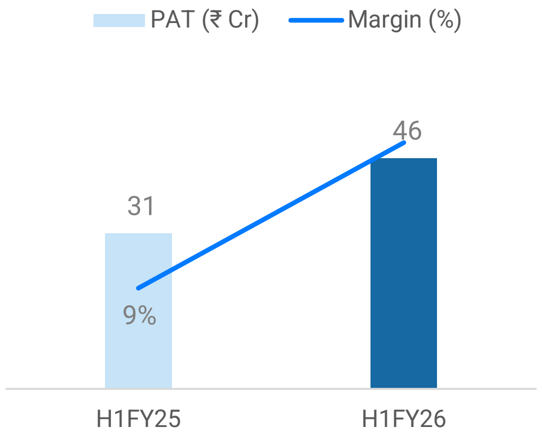
REVENUE (₹ CRORE)



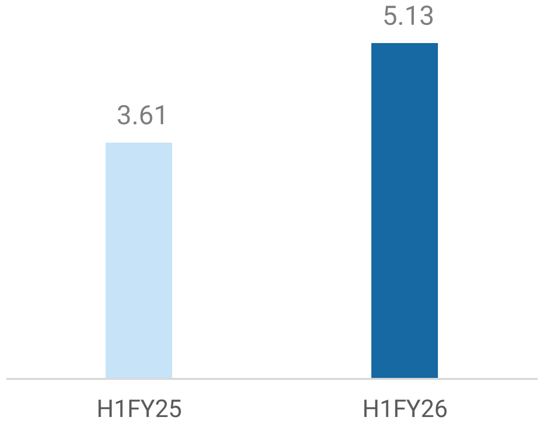
EBITDA & EBITDA MARGIN



PAT & PAT MARGIN



EPS (₹)



₹438 crore

Revenue from operations

▲ 21%

₹88 crore

EBITDA

▲ 35%

₹46 crore

PAT

▲ 50%

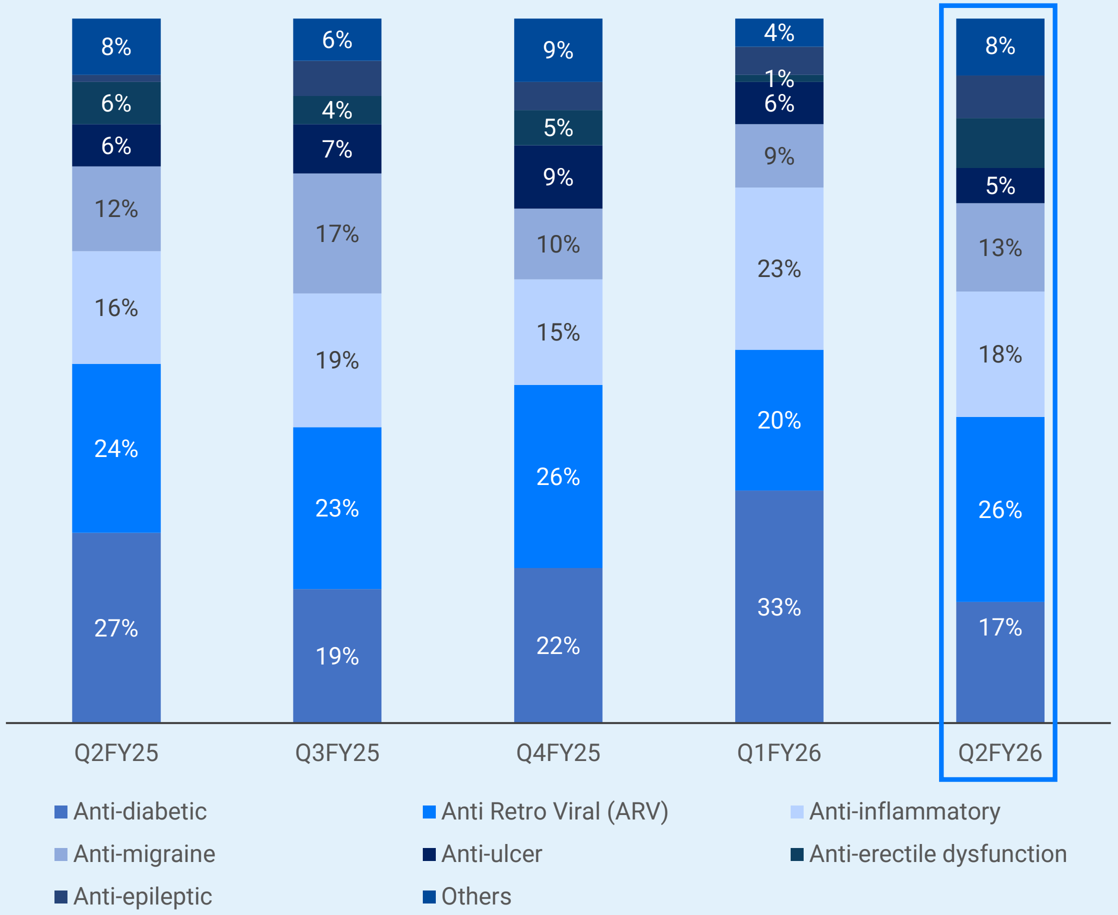
₹5.13

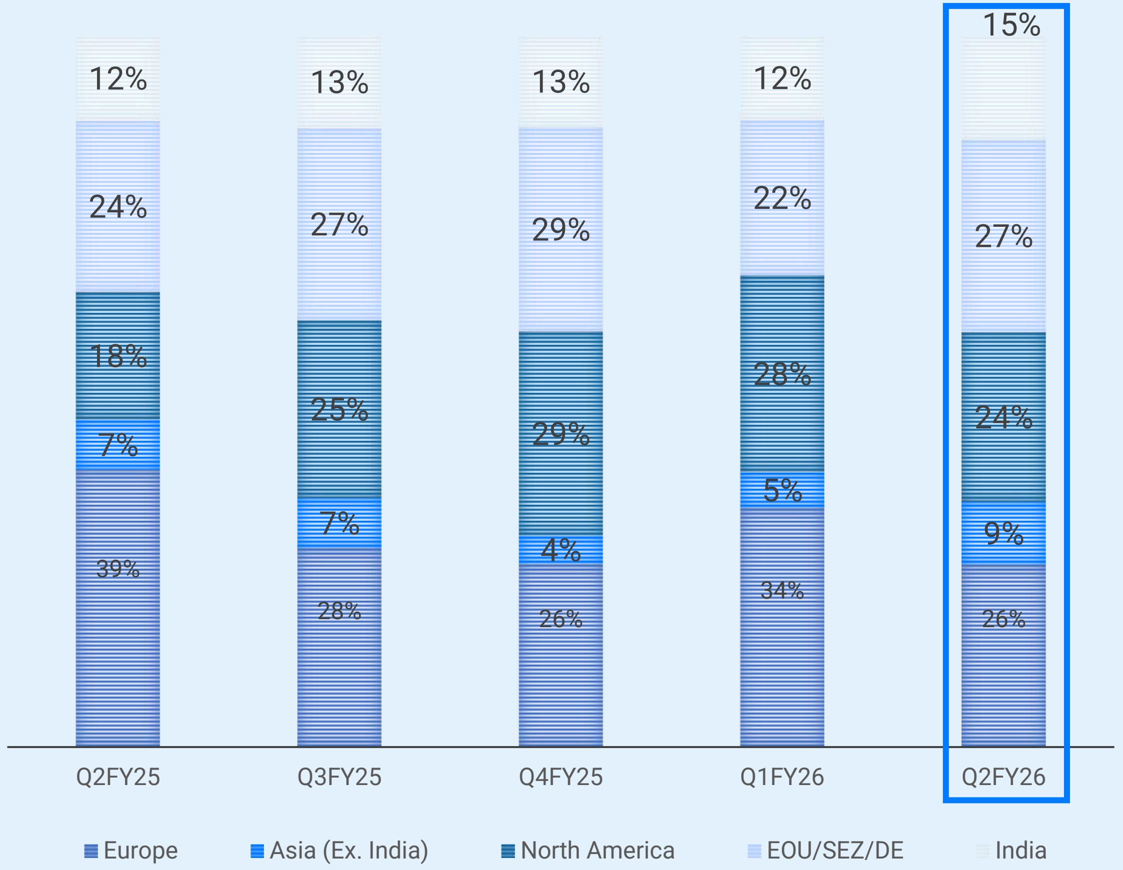
EPS

▲ 42%

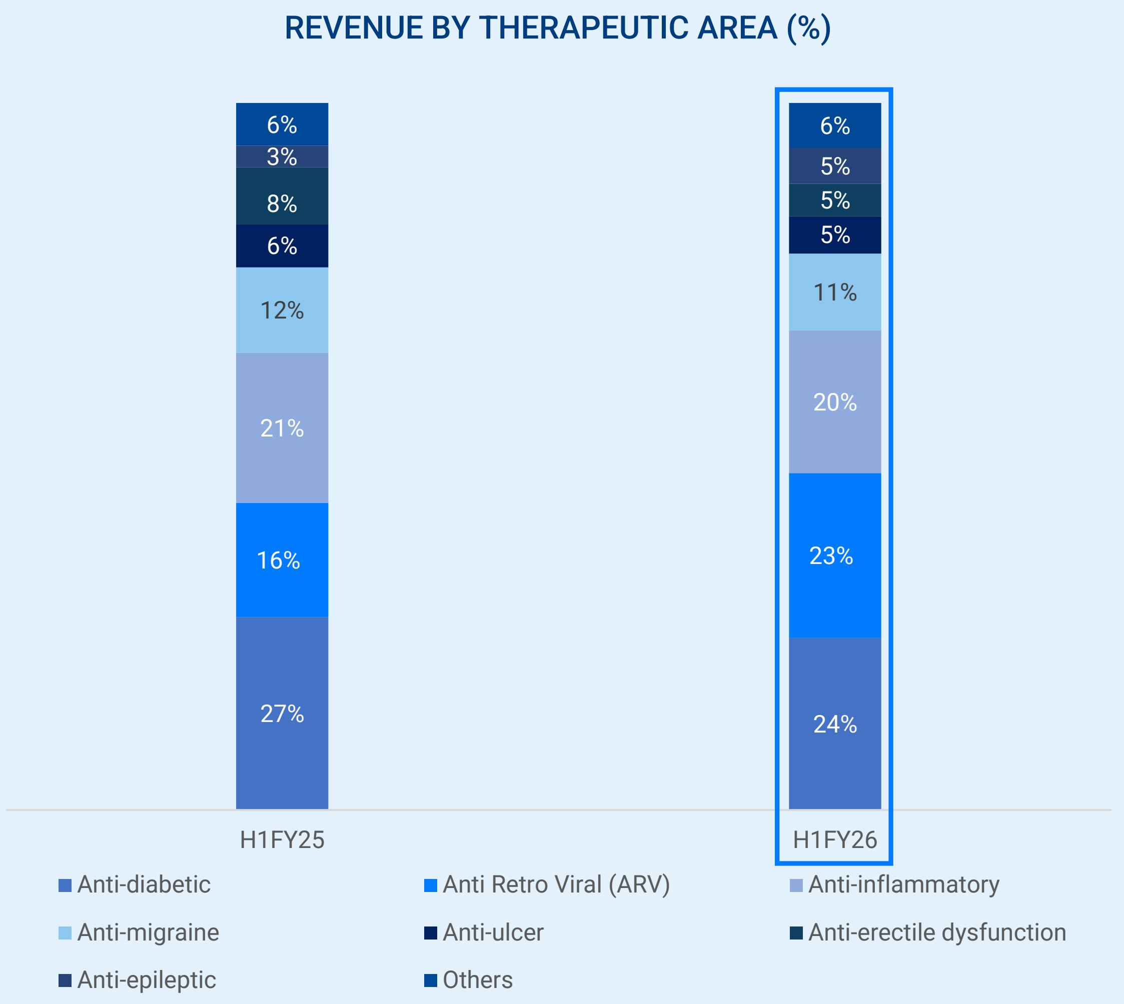
▲ YoY

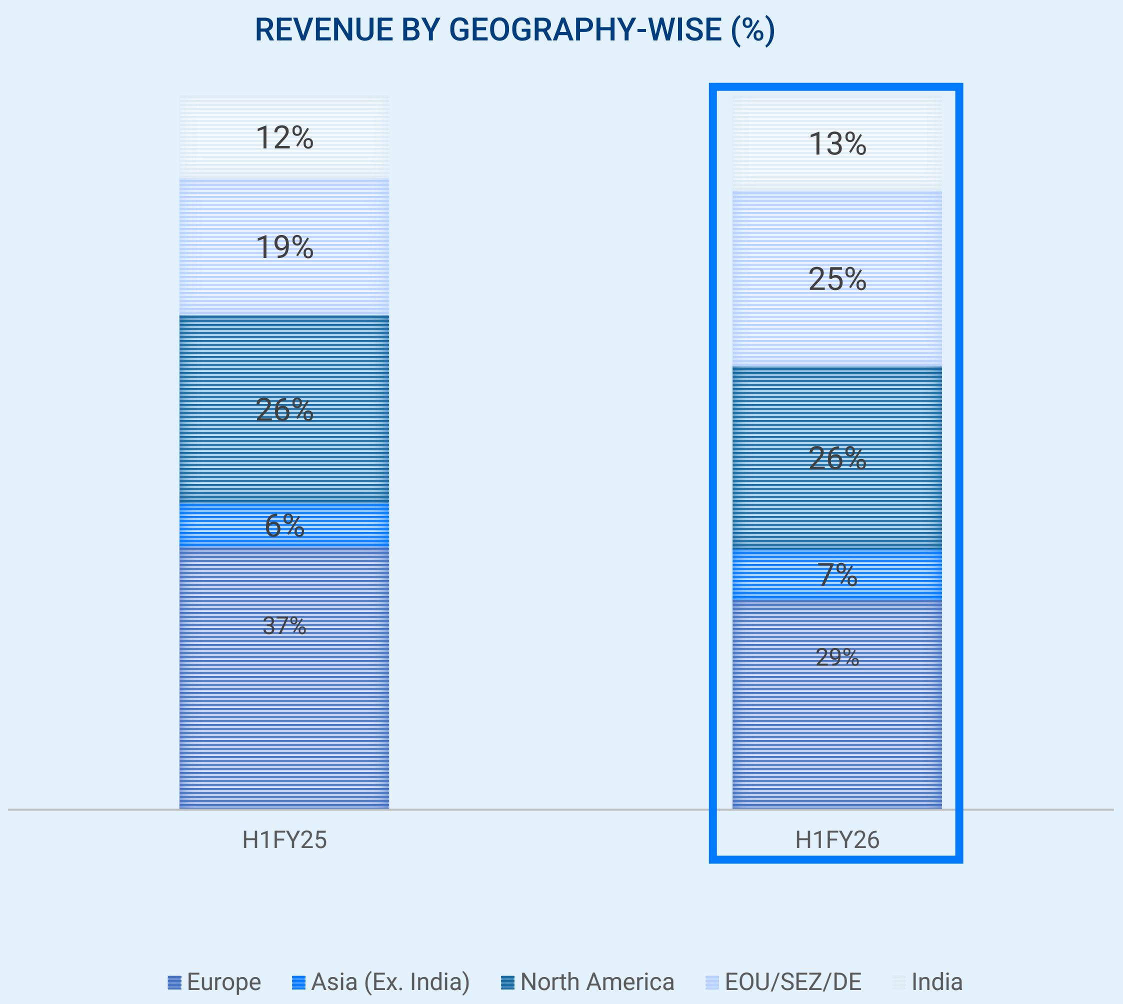
Key operating metrics Q2FY26





Key operating metrics H1FY26





02

COMPANY OVERVIEW

SMS Pharma at a glance

Established in

1989

36 years in API manufacturing and development

SMS's business model Is underpinned by Its scale of operations and depth In capabilities

1. Diversified API player with a global presence
2. Globally compliant manufacturing facilities
3. Global and domestic leadership in key products
4. Vertically integrated across product portfolio
5. Strong presence in regulated markets
6. Strategic focus on R&D

Key facts

#1 Global and Domestic leadership in key products	55+ APIs across 14 diverse therapeutic segments.	88% Revenue from regulatory markets
3,120 KL Reactor volume	1,500+ Employees	75+ Countries where we have a presence
120+ DMFs filed till date	100+ Scientists in R&D	800+ Customers

Ready for the next stage of growth…

sms pharmaceuticals ltd.

1989-2011

- Became the world's largest manufacturer of Ranitidine API
- Acquired a facility to manufacture high value products in Hyderabad
- Successful expansion into regulatory markets
- Successful listing on NSE and BSE

2011-2017

- Started a green field project in Vizag to build an API facility in more than 100 acres of land
- Investment in VKT Pharma, an associate company, for forward integration
- Rising market share of high value in the regulated markets drive revenue and margin growth

2017-2022

- Demerger of SMS lifesciences to unlock operational efficiencies and further increase focus on high-value molecules
- Established leadership position in anti migraine, anti diabetic, anti-ulcer and ARVs etc.

2022-2025

- Launched Asia's biggest dedicated and automated production block for ibuprofen
- Backward integration projects to improve margins across product portfolio
- Successful audits and inspections by EQDM and USFDA at Vizag plant and VKT pharma respectively
- Meaningful contribution of VKT pharma to the bottom line for the first time

Future

Focused strategy in place to deliver revenue growth with margin expansion

Diversified across therapeutic areas and products to mitigate risk

Therapeutic areas	Category	H1FY26 revenue share
Anti-inflammatory	High-volume	20%
Anti Retro Viral (ARV)	High-volume	23%
Anti-diabetic	High-value	24%
Anti-migraine	High-value	11%
Anti-ulcer	High-volume	5%
Anti-erectile dysfunction	High-value	5%
Anti-epileptic	High-value	5%
Others	High-value	6%

State-of-the-art, accredited manufacturing facilities

Manufacturing capacity: 120 KL for niche small-volume molecules

Regulatory approvals: USFDA, EUGMP, KFDA, CDSCO, PMDA
Six times approved by the USFDA

Total area: 48,158 m^2

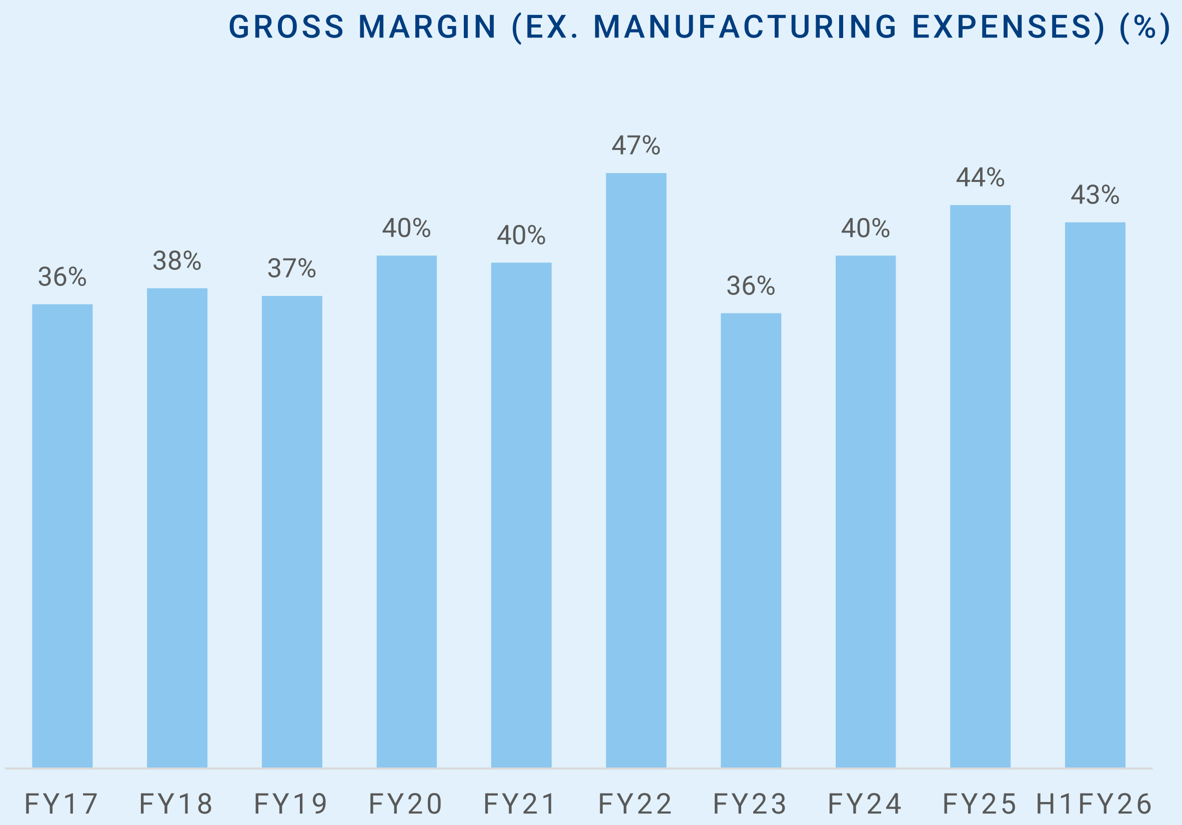
Manufacturing capacity: 3,000 KL for niche large-volume molecules

Regulatory approvals: USFDA, KFDA, CDSCO, PMDA
Three times approved by the USFDA

Total area: 3,45,007 m^2

Sustained gross margin expansion across multiple cycles

Gross margin expansion in a competitive generics landscape



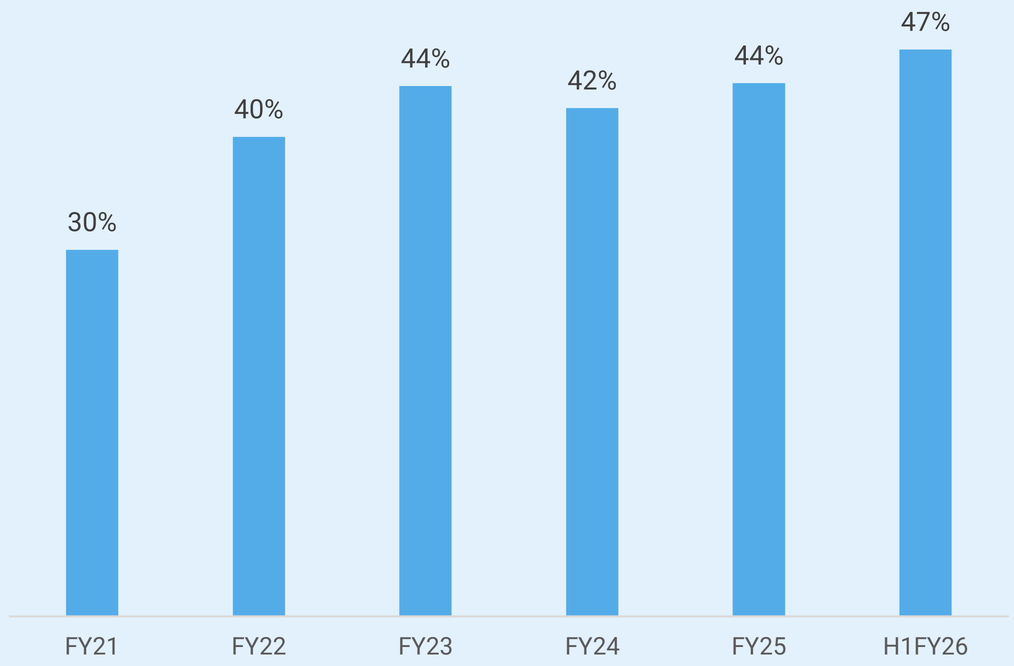
Enabled by

- High-value product mix supports better realisation per MT
- Scalable manufacturing enables operating leverage and market leadership
- Strong foothold in regulatory markets ensures pricing power and durability
- Strategic R&D focus drives process optimisation and margin protection

High-value portfolio ensures high quality of cash flows

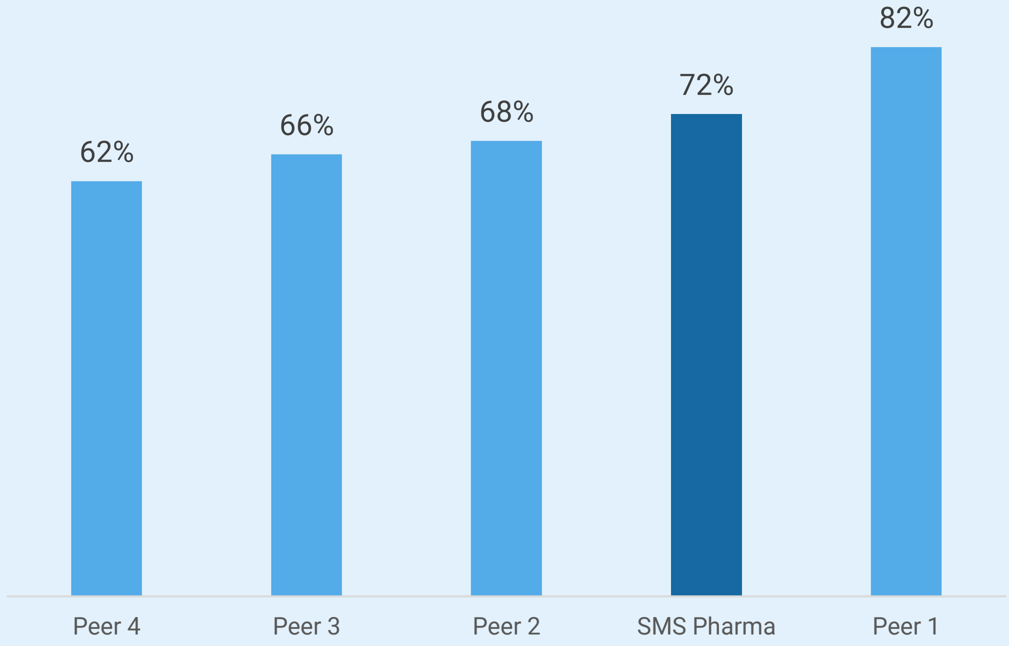
Stable and majority share of high-value product portfolio

SHARE OF HIGH-VALUE PRODUCTS (%)



OCF conversion on par with leading API companies (10 Year avg)

OCF CONVERSION RATIO*

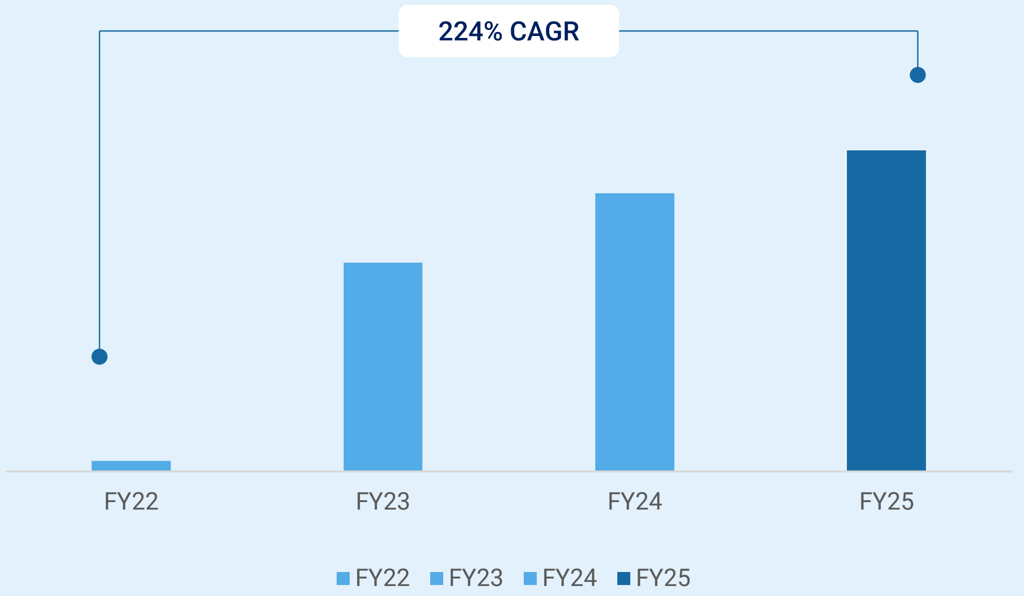


* OCF conversion ratio is defined as cash flow from operating activities divided by EBITDA

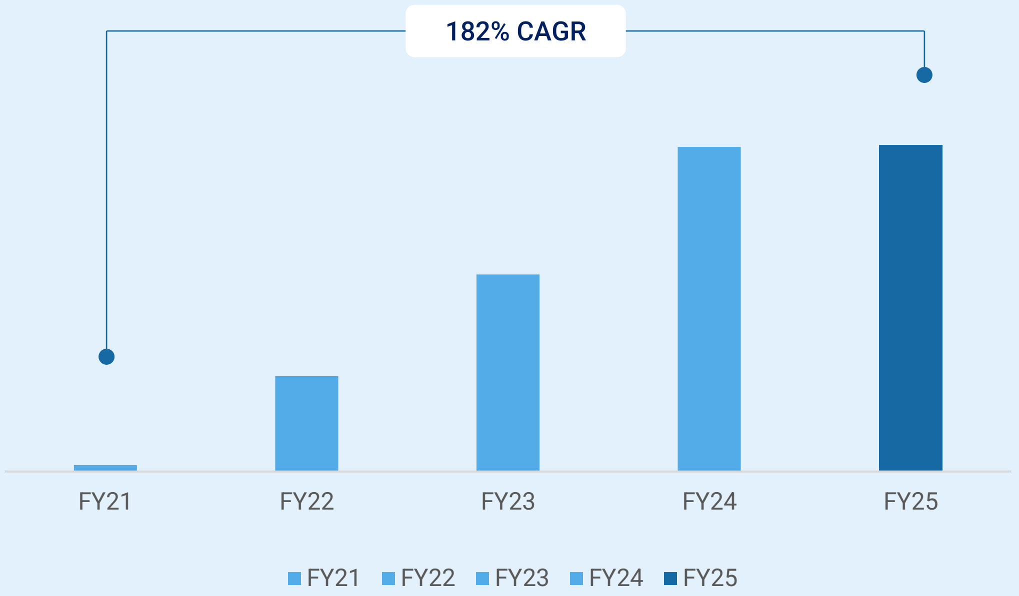
Manufacturing facilities enables scale and leadership position

- **Rapid scale-up** of APIs enabled by decades of in-house technical expertise
- **Strong first-to-market** capabilities in key therapeutic areas
- **Operating leverage** drives cost efficiency, enabling competitive pricing and faster market share

ANTI-DIABETIC SALES (MT)



ANTI-INFLAMMATORY SALES (MT)



Strategic R&D focus enables margin protection

Stable gross margins despite price erosion

New product development
Added 20 new products since FY22

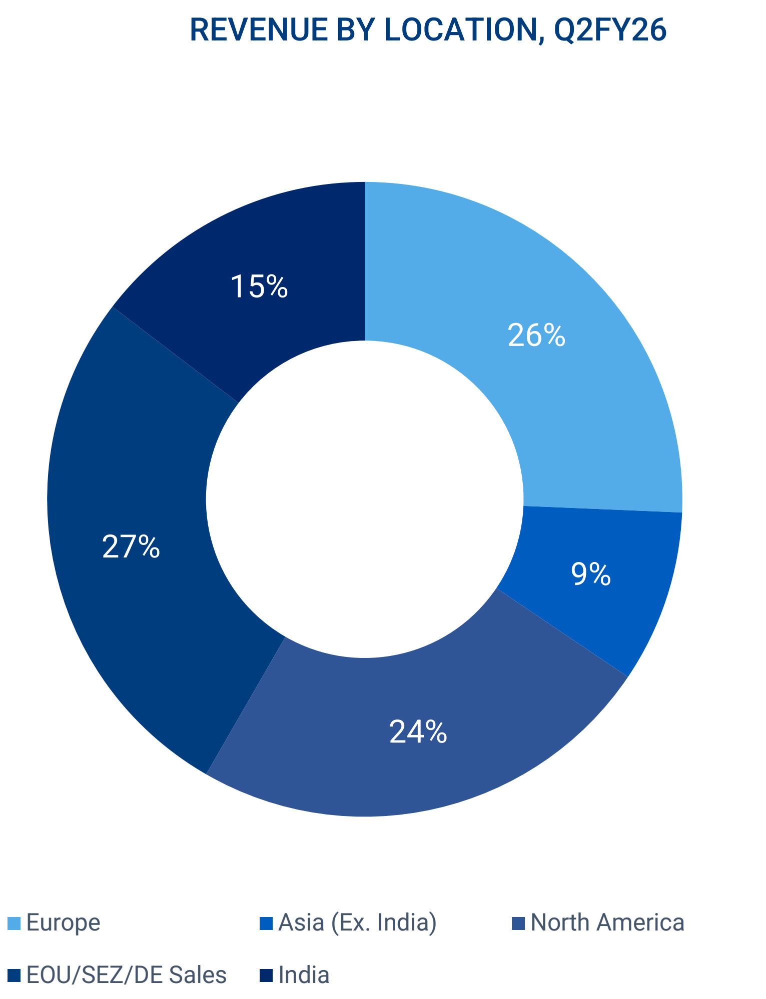
Process optimisation
35+ process patents

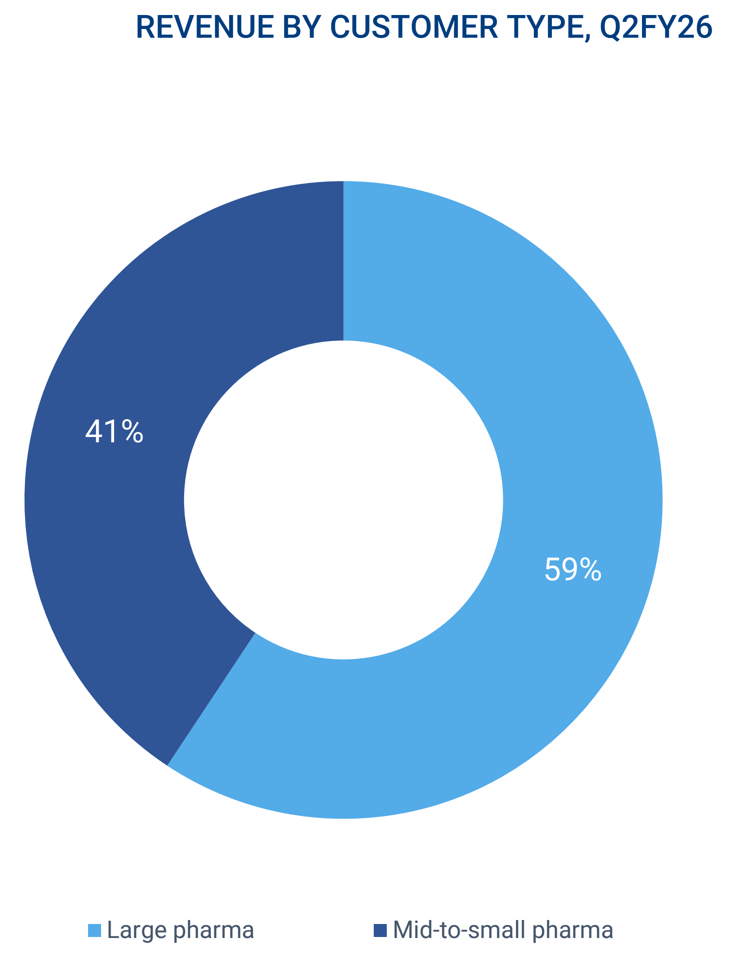
Strong partnerships
JV with Spanish pharma giant Chemo Iberica S.A.

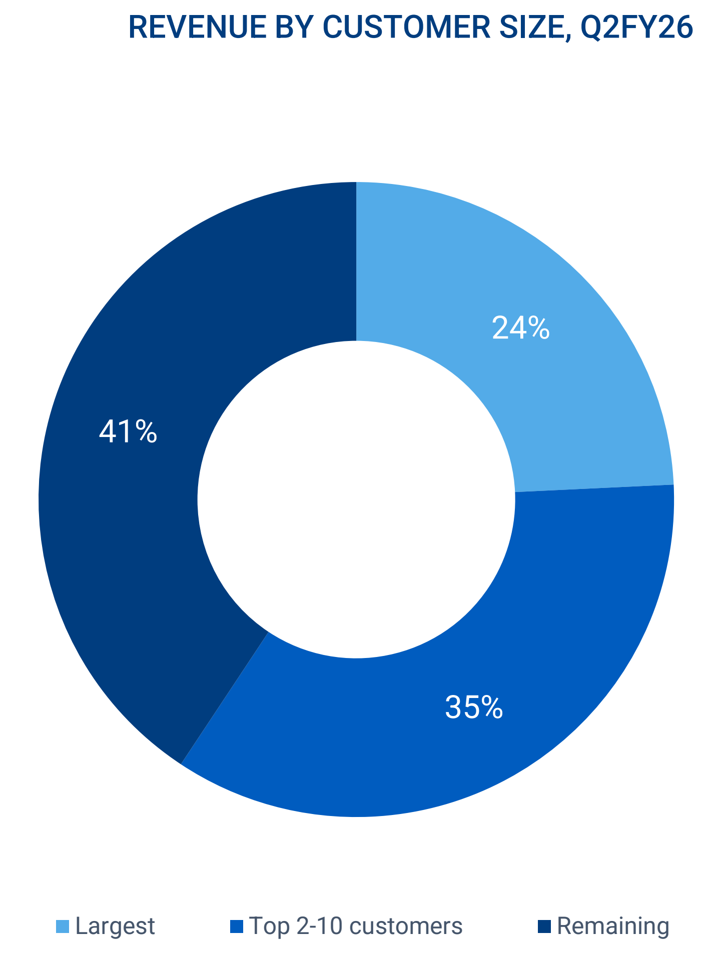
Focus on commercialisation
100+ scientists

Large technical team
120+ DMFs filed till date

Established, well balanced and diversified customer portfolio







Long standing relationship with marquee customer base

teva

SUN PHARMA

Zydus dedicated to life

Cipla

ALKEM

SciеGen Pharmaceuticals Inc.

GRANULES

sanofi

Johnson & Johnson

Dr.Reddy's

Mylan®

LAURUS Labs Chemistry for Better Living

Glenmark A new way for a new world

CHEMO Global Affinity in Healthcare

AUROBINDO

Experienced BoD to deliver on strategy

Shri. Ramesh Babu Potluri
Chairman & Managing Director

Shri. Vamsi Krishna Potluri
Executive Director

Shri. Shravan Kudravallii
Independent Director

Shri. Sarvepalli Srinivas
Director

Shri. Dr. Suresh Kumar Gangavarapu
Independent Director

Shri. Sunkara Venkata Satya Shiva Prasad
Non-Executive Non Independent Director

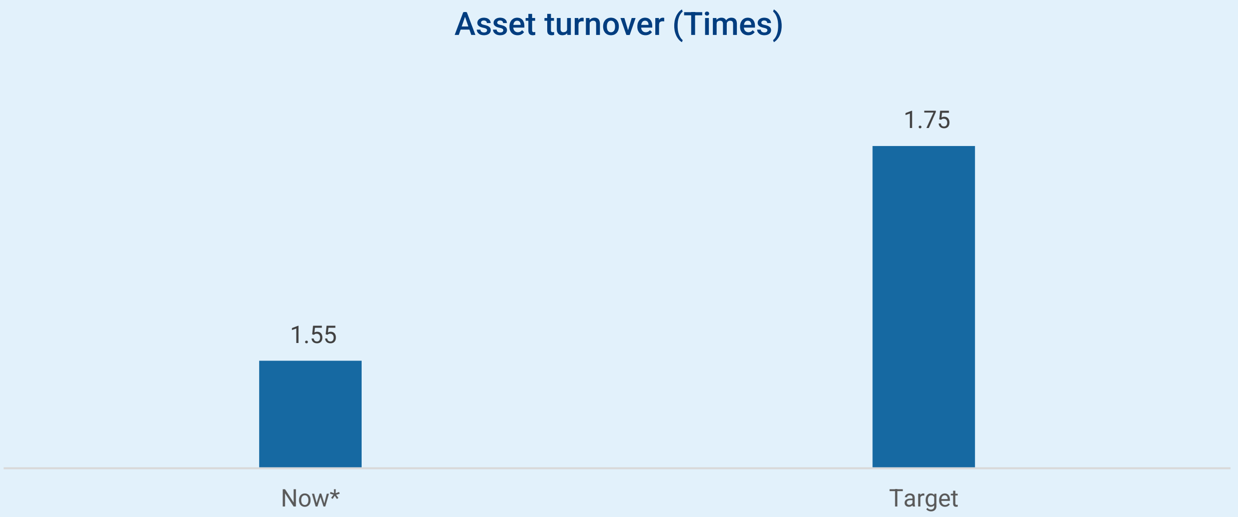
Smt. Shanti Sree Bolleni
Independent Director

Shri. Trilok Potluri
Non-Executive Non Independent Director

03 WAY FORWARD

Ramp-up of high-volume product portfolio

Targeting 1.75 average net asset turnover levels over next 2-3 years



* Annualised figure based on H1FY26 numbers

Key drivers

- **Anti-inflammatory:** Aspiring to become the #1 player in the world
- **Strategic partnerships:** Aim to generate additional revenues through our arrangement with Chemo
- **Other APIs:** Market share wins in key APIs

Backward integration to improve quality of earnings

Low price risk

Protection against market fluctuations

Culture of learning by doing

Strengthens core R&D capabilities

Cost-competitive structure

Increasing margins & reliability

Several products where we have backward integrated

Low

Dependency on China for raw material

Ability to backward integrate for molecules helps protect gross margins

Strengthening product portfolio

30

DMF, CEP and dossier filings targeted over next 30 months

2x

R&D investment to double over next 15 months

PRODUCT PIPELINE

Lab Scale Development & Commercial Validation Completed

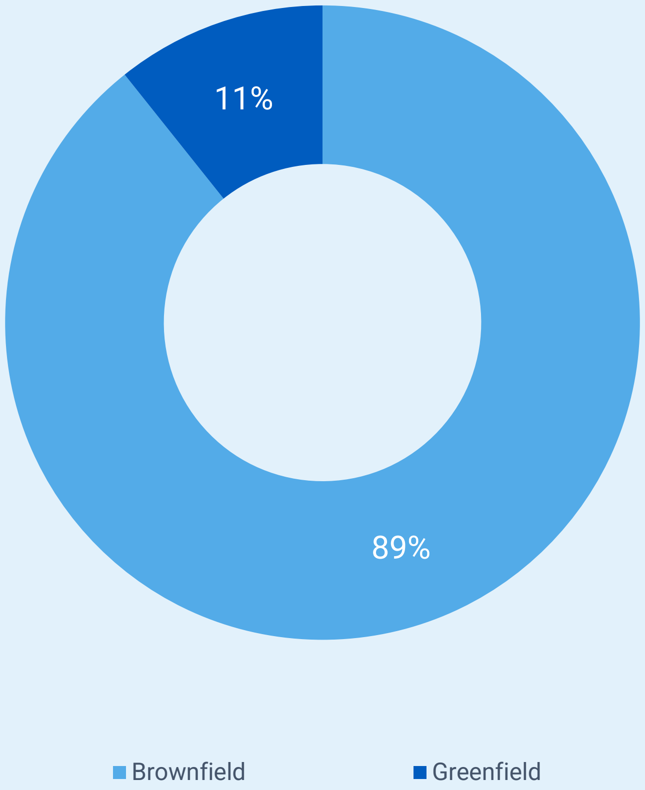
- Anti-inflammatory
- Anti-diabetic
- Anti-depressant

Lab scale development and validation completed

- Anti-hypertensive
- Antipsychotic
- Ulcerative colitis

Launch of major Capex projects to support strategy

Capex project mix



₹280 crore

Capex spend to be completed in Nov 2026

Capex oriented towards:

- Capacity expansion for existing APIs
- Building capacities for new API pipeline
- Land acquisition in process for a greenfield project

Strategic focus:

- Completed one Capex cycle in last 3-4 years; Now focused on asset utilisation to deliver best-in-class returns
- Current round of Capex is targeted to deliver returns in the high-teens range

04

HISTORICAL FINANCIAL PERFORMANCE

Consolidated P&L statement

Particulars (₹ Cr)	Q2FY26	Q1FY26	YoY Growth (%)	Q2FY25	QoQ Growth (%)	H1FY26	H1FY25	YoY Growth (%)
Revenue from Operations	242.43	196.75	23%	196.05	24%	438.48	361.20	21%
COGS	165.55	137.68	20%	130.70	27%	296.26	243.85	21%
Gross Profit	**76.88**	**59.07**	**30%**	**65.35**	**18%**	**142.22**	**117.35**	**21%**
Gross Margin (%)	**32%**	**30%**	**169bps**	**33%**	**-162bps**	**32%**	**32%**	**-5bps**
EBITDA	**48.38**	**31.47**	**54%**	**39.37**	**23%**	**87.73**	**64.97**	**35%**
EBITDA Margin (%)	**20%**	**16%**	**396bps**	**20%**	**-13bps**	**20%**	**18%**	**202bps**
Other Income	1.43	1.30	10%	0.59	142%	2.03	2.67	-24%
Finance Costs	5.74	4.61	25%	5.84	-2%	11.58	9.27	25%
Depreciation	10.02	8.62	16%	9.75	3%	19.77	17.00	16%
PBT	**34.05**	**19.54**	**74%**	**24.37**	**40%**	**58.41**	**41.37**	**41%**
Taxes	8.91	5.68	57%	5.65	58%	14.57	11.14	31%
Reported PAT	**25.14**	**13.86**	**81%**	**18.72**	**34%**	**43.84**	**30.23**	**45%**
Add: Share of Associate Profit/Loss	0.18	0.24	-100%	1.78	-90%	1.96	0.34	476%
PAT after MI & Assoc	**25.32**	**14.10**	**80%**	**20.50**	**24%**	**45.80**	**30.57**	**50%**
PAT Margin (%)	**10%**	**7%**	**328bps**	**10%**	**-1bps**	**10%**	**8%**	**198bps**
Earnings Per Share (EPS)	2.84	1.67	70%	2.31	23%	5.13	3.61	42%

Consolidated balance sheet

Particulars (₹ Cr)	H1FY26	FY25	FY24	FY23
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	513.93	530.85	434.19	409.50
Capital Work-in-Progress	53.59	34.67	30.27	33.19
Right-of-use Assets	-	-	0.41	1.05
Intangible Assets	2.61	2.13	2.66	1.47
Financial Assets:				
Investments	14.30	11.68	10.94	10.52
Bank Balances	3.57	2.95	2.69	2.54
Other Financial Assets	7.19	6.95	5.17	5.09
Other Non-Current Assets	20.12	8.98	13.87	5.61
Sub-total	**615.31**	**598.21**	**500.20**	**468.96**
Current Assets				
Inventories	317.47	284.73	233.70	223.50
Financial Assets				
Trade Receivables	221.42	203.23	236.23	148.35
Cash and Cash Equivalents	99.49	41.40	36.04	7.31
Bank Balances	0.19	0.19	0.16	0.16
Other Financial Assets	2.38	9.89	3.28	6.60
Other Current Assets	20.20	14.64	22.75	18.97
Current Tax Asset (Net)	-	0.39	1.73	5.76
Sub-total	**661.15**	**554.47**	**533.89**	**410.65**
Total	**1,276.46**	**1,152.68**	**1,034.09**	**879.61**

Particulars (₹ Cr)	H1FY26	FY25	FY24	FY23
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	9.37	8.87	8.47	8.47
Other Equity	719.98	630.77	527.86	452.06
Sub-total	729.35	639.64	536.33	460.53
Non-Current liabilities				
Financial Liabilities				
Borrowings	121.30	139.36	122.09	121.13
Lease Liabilities		-	-	0.61
Provisions	1.22	1.21	1.16	1.40
Deferred Tax Liabilities (net)	49.41	48.10	42.80	41.02
Sub-total	**171.93**	**188.67**	**166.05**	**164.17**
Current liabilities				
Financial Liabilities				
Borrowings	203.00	171.39	158.09	131.38
lease Liabilities		-	0.59	0.94
Trade Payables:				
Dues to Micro & Small Enterprises	0.16	0.10	0.96	0.69
Dues to Creditors Other than MSMEs	139.58	113.82	150.36	106.74
Other Financial Liabilities	26.06	33.37	15.85	11.22
Provisions	1.20	1.11	1.03	1.04
Other Current Liabilities	5.18	4.58	4.83	2.90
Sub-total	**375.18**	**324.37**	**331.72**	**254.91**
Total	**1,276.46**	**1,152.68**	**1,034.09**	**879.61**

Consolidated cash flow statement

Particulars (₹ Cr)	H1FY26	FY25	FY24	FY23
Cash flow from operating activities				
Profit before tax	**58.41**	**92.34**	**66.11**	**5.35**
Cash generated from operations	52.33	101.54	65.52	27.05
Cash flow from operating activities	**42.32**	**81.71**	**50.12**	**22.45**
Cash flow from investing activities				
Capex	-29.67	-123.38	-52.16	-29.92
Cash flow from operating activities	**-30.5**	**-123.43**	**-52.07**	**-29.76**
Cash flow from financing activities				
Net Proceeds from Share Warrants	47.62	38.09	28.48	-
Proceeds from Long Term Borrowings	6.39	63.72	45.09	9.41
Repayment of Long Term Borrowings	21.96	-44.10	-37.76	-43.06
Net Proceeds from Short Term Borrowings	29.01	10.80	20.21	25.88
Dividend paid	-3.55	-3.39	-2.54	-2.54
Cash flow from financing activities	**46.27**	**47.08**	**30.68**	**-31.97**
Net increase/decrease	59.09	5.36	28.73	-39.28
Opening balance	41.40	36.04	7.31	46.58
Closing balance	**99.49**	**41.40**	**36.04**	**7.31**

THANK YOU

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