

May 15, 2025

<b>The BSE Limited</b> Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001	<b>The National Stock Exchange of India Limited</b> Exchange Plaza, Bandra-Kurla Complex Bandra (E), Mumbai – 400 051
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**Scrip Code: 541540, 890202**

**Scrip Code: SOLARA, SOLARAPP**

Dear Sir / Madam,

**Subject: Press Release**

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Please find enclosed herewith Press Release (along with Earnings Presentation) for the Board Meeting held on May 15, 2025 issued by the Company titled:

## **Solara Q4'25 performance**

This is for your information and records.

Thanking You,

Yours Faithfully,  
**For Solara Active Pharma Sciences Limited**

**S. Murali Krishna**  
**Company Secretary and Compliance Officer**  
**Membership No: A13372**

# Solara Q4'25 and FY25 Performance



- Q4 Revenues at INR 2,790 Mn;
- Q4 Gross Margin at INR 1,605 Mn (57.5%);
- Q4 EBITDA at INR 510 Mn (18.3%);
  
- FY25 Revenues at INR 12,921 Mn vs INR 12,943 Mn in FY24; Flat YoY
- FY25 Gross Margin at INR 6,649 Mn (51.5%) vs INR 4,891 Mn (37.8%) in FY24; improvement by 1,370 bps YoY
- FY25 EBITDA at INR 2,138 Mn (16.5%) vs. negative INR 917 Mn (-7%) in FY24; significant improvement by 2,360 bps YoY
  
- Significant miss on Revenue and EBITDA guidance due to a challenging year of intense competition on Ibuprofen range of products
- While Revenues were flat in FY25 YoY, Gross Margin and EBITDA increased by 1,370 bps and 2,360 bps respectively
- Significant growth on Gross Margin & EBITDA attributed to continued focus on margin expansion

*Except for the historical information contained herein, statements in this presentation and the subsequent discussions, which include words or phrases such as "will", "aim", "will likely result", "would", "believe", "may", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", seek to", "future", "objective", "goal", "likely", "project", "should", "potential", "will pursue", and similar expressions of such expressions may constitute "forward-looking statements". These forward looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, our growth and expansion plans, obtain regulatory approvals, our provisioning policies, technological changes, investment and business income, cash flow projections, our exposure to market risks as well as other risks. The Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.*



## Revenue

- ▶ Q4'25 Revenue at **INR 2,790 Mn vs INR 3,011 Mn** in Q4'24
- ▶ FY25 Revenue at **INR 12,921 Mn vs INR 12,943 Mn** in FY24
- ▶ Revenues were impacted due to increased competition on Ibuprofen range of products and focus on margin expansion

## Gross Margin

- ▶ Q4'25 Gross Margin at INR 1,605 Mn (57.5%) vs INR 1,412 Mn (47%) in Q4'24; Significant **improvement by 1,063 bps YoY**
- ▶ FY25 Gross Margin at INR 6,649 Mn (51.5%) vs INR 4,891 Mn (38%) in FY24; Significant **improvement by 1,370 bps YoY**
- ▶ Improved Gross Margins driven by higher Regulated market mix and focus on profitable products

## Cost Control Measures

- ▶ Tight control on Operating Costs
- ▶ Operating Costs at INR 1,095 Mn in Q4'25 vs INR 1,300 Mn in Q4'24; **reduced by INR 205 Mn YoY**
- ▶ Operating Costs at INR 4,511 Mn in FY25 vs INR 5,808 Mn in FY24; **reduced by INR 1,297 Mn YoY**

## EBITDA

- ▶ Q4'25 EBITDA at INR 510 Mn (18.3%) vs INR 112 Mn (4%) in Q4'24; Significant **improvement by 1,458 bps YoY**
- ▶ FY25 EBITDA at INR 2,138 Mn (16.5%) vs INR -917 Mn (-7%) in FY24; Significant **improvement by 2,360 bps YoY**
- ▶ EBITDA expansion driven by improved Gross margins and tight control on Operating costs.

## Debt

- ▶ Gross Debt as on 31-Mar-25 at INR 7,760 Mn vs INR 9,994 Mn in FY24; **reduced by INR 2,234 Mn YoY**
- ▶ Post utilization of first call money of the Rights Issue, our Gross Debt by end of May'25 is expected to be at INR 6,472 Mn (Net Debt / EBITDA at **~3 times**);
- ▶ Post realization of second call money of the Rights issue in May'26 and normal debt repayment, Gross debt expected to be at INR 4,461 Mn (Net Debt / EBITDA at **~2.1 times**);

## Compliance Updates

- ▶ In Apr'24, Mangalore facility successfully received the EU GMP certification
- ▶ In May'24, Vizag facility completed USFDA Inspection with Zero 483 inspectional observations
- ▶ During FY25, Ambernath, Mangalore and Puducherry facilities received the WHO GMP certification
- ▶ In May'25, Ambernath facility completed USFDA Inspection with Zero 483 inspectional observations



**Sandeep Rao,**  
MD & CEO

## Performance (INR Mn)

Reduced Operating costs YoY

Gross Margin at historical highs

EBITDA Margin trending positively in line with the guidance

Particulars	Q4'25	Q3'25	QoQ%	Q4'24	YoY%	FY25	FY24	YoY%
Revenue	2,790	3,018	-8%	3,011	-7%	12,921	12,943	-
Gross Margin	1,605	1,673	-4%	1,412	14%	6,649	4,891	36%
Gross Margin %	57.5%	55.4%	213 bps	46.9%	1063 bps	51.5%	37.8%	1370 bps
Operating costs	1,095	1,082	1%	1,300	-16%	4,511	5,808	-22%
EBITDA	510	591	-14%	112		2,138	(917)	100%+
EBITDA Margin %	18.3%	19.6%	-132 bps	3.7%	1458 bps	16.5%	-7.1%	2360 bps
PAT	(21)	81		(1,666)		6	(5,666)	

FY25 was a Reset year for Solara. While we regrettably missed our guidance both on Revenues and EBITDA, we continued to focus on profitable high margin and high quality business which led to Gross Margin expansion from 37.8% in FY24 to 51.5% in FY25 and EBITDA margin expansion from -7.1% in FY24 to 16.5% in FY25.

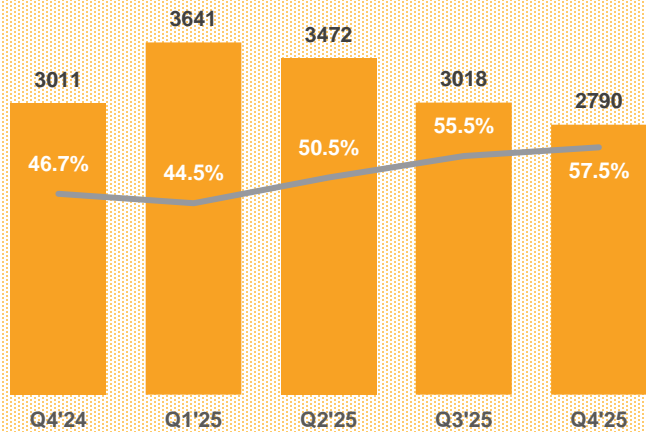
The miss on the Revenue and EBITDA guidance is attributable to intense competition on the Ibuprofen range of products. We continued to do better than expected on the remainder of our portfolio.

Our product mix continues to be healthy with a majority of Revenues coming from the Regulated markets.

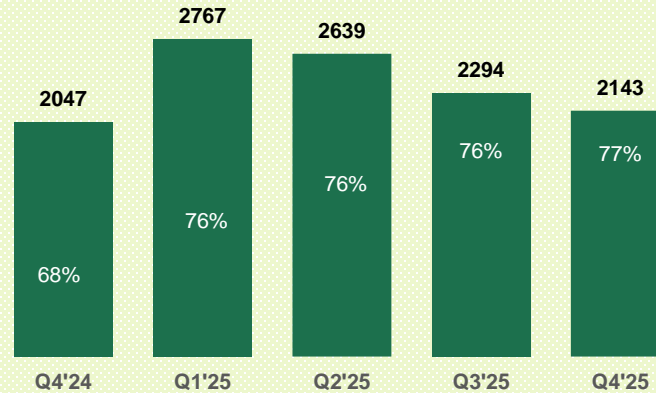
Going ahead, we will continue our ongoing actions on improving profitability through cost improvement programs, operating cost optimization, optimizing working capital and debt as we pivot the organization from reset to growth.



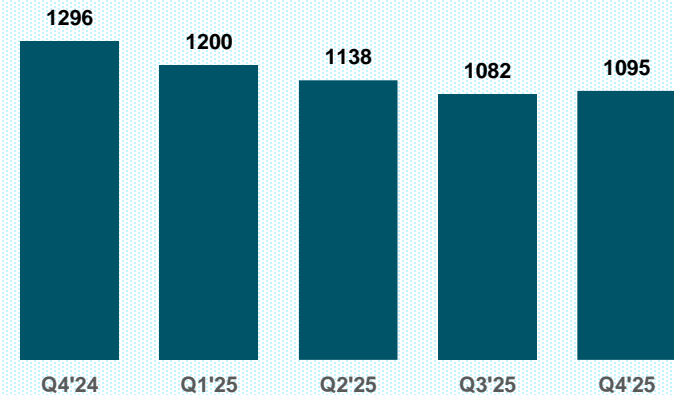
### Revenues (INR Mn) and Gross Margin (%)



### Regulated Market Revenues (INR Mn)



### Operating Cost (INR Mn)



- Significant improvement in Gross Margin at 57.5% & EBITDA margins at 18.3%
- Improved margin profile attributed to cost improvement programs and operating cost optimization.
- Improved quality of earnings over the last four quarters with more focus on healthy product mix and Regulated markets.
- Significant operating cost reduction over the last four quarters leading to opex leverage. The Operating cost for FY25 at INR 4,511 Mn vs INR 5,808 Mn in FY24; **reduced by INR 1,297 Mn YoY**

## Q4'25 QoQ and YoY Performance (INR Mn)

Particulars	Q4'25	Q3'25	Change	Q4'24	Change
<b>Revenue</b>	<b>2,790</b>	<b>3,018</b>	<b>-8%</b>	<b>3,011</b>	<b>-7%</b>
<b>Gross Margin</b>	<b>1,605</b>	<b>1,673</b>	<b>-4%</b>	<b>1,412</b>	<b>14%</b>
Gross Margin %	57.5%	55.4%	213 bps	46.9%	1,063 bps
<b>Operating cost</b>	<b>1,095</b>	<b>1,082</b>	<b>0%</b>	<b>1,300</b>	<b>-16%</b>
<b>EBITDA</b>	<b>510</b>	<b>591</b>	<b>-14%</b>	<b>112</b>	<b>355%</b>
EBITDA Margin %	18.3%	19.6%	-132 bps	3.7%	1,458 bps
Exceptional items (gain)/loss	-	-		1,221	
Depreciation	243	245		253	
Finance cost (net)	288	265		304	
Tax	-	-		-	
<b>PAT</b>	<b>(21)</b>	<b>81</b>		<b>(1,666)</b>	

- Regulated Markets constitute 77% of our total revenues (Q3'25 - 76%; Q4'24 – 68%)
- Gross Margin at 57.5%, up by 213 bps QoQ driven by Product mix change, improved Regulated market mix and our continued focus on profitable products and cost improvement programs
- EBITDA margin at 18.3%, down by 132 bps QoQ and significant improvement YoY

## FY25 YoY Performance (INR Mn)

Particulars	FY25	FY24	Change
<b>Revenue</b>	<b>12,921</b>	<b>12,943</b>	<b>-</b>
<b>Gross Margin</b>	<b>6,649</b>	<b>4,891</b>	<b>36%</b>
Gross Margin %	51.5%	37.8%	1,370 bps
<b>Operating cost</b>	<b>4,511</b>	<b>5,808</b>	<b>-22%</b>
<b>EBITDA</b>	<b>2,138</b>	<b>(917)</b>	<b>100+%</b>
EBITDA Margin %	16.5%	-7.1%	
Exceptional items (gain)/loss	-	1,902	
Depreciation	992	1,033	
Finance cost (net)	1,140	1,029	
Tax	-	(785)	
<b>PAT</b>	<b>6</b>	<b>(5,666)</b>	

- Regulated Markets constitute 76% of our total revenues (FY24 – 66%)
- Gross Margin at 51.5% up by 1,370 bps YoY
- EBITDA margin at 16.5% significant improvement YoY
- Our ongoing actions on improving profitability through cost improvement programs, operating cost optimization, optimizing working capital and debt will yield benefits in the coming quarters

## FY25 Guidance

## FY25 Performance

## Update on FY25 Guidance

Revenue

₹ 15,000 Mn+

₹ 12,921 Mn

Revenue trending lower than guidance due to increased competition on Ibuprofen range of products and the Company's focus on margin expansion

EBITDA

₹ 2,300 Mn- ₹ 2,600 Mn

₹ 2,138 Mn

~93% achieved

EBITDA Margin

15%-17%

16.5%

In line with guidance

## Q4'25 Exit Quarter Revised Guidance

## Q4'25 Performance

## Update on Q4'25 Exit Quarter Guidance

Revenue

₹ 3,400 Mn- ₹ 3,600 Mn

₹ 2,790 Mn

Revenues were lower than guidance on account of continued price pressure on Ibuprofen range of products and the Company's focus on margin expansion

EBITDA

₹ 700 Mn - ₹ 800 Mn

₹ 510 Mn

~73% achieved

EBITDA Margin

20%-22%

18.3%

~92% achieved

Net Debt to EBITDA\*

<2.5 times

~2.1 times

In line with guidance

\*Net Debt – Adjusted for the uncalled money on the Rights issue

## Sources of funds (INR Mn)

Particulars	Mar'24	Mar'25
Shareholders' funds	9,339	10,969
Less: Goodwill	-3,651	-3,649
<b>Net worth</b>	<b>5,688</b>	<b>7,320</b>
Term Loan	2,391	2,031
Working capital Loan	7,603	5,729
<b>Gross Debt</b>	<b>9,994</b>	<b>7,760</b>
<b>Total</b>	<b>15,682</b>	<b>15,080</b>

## Use of funds (INR Mn)

Particulars	Mar'24	Mar'25
Net Tangible Fixed Assets	11,166	10,787
Net Non-current Assets	1	(175)
Net Current Assets	4,515	4,468
<b>Total</b>	<b>15,682</b>	<b>15,080</b>

## Net Debt (INR Mn)

Particulars	Amount
<b>Gross Debt as on Mar'24</b>	<b>9,994</b>
Add: New Term loan	750
Less: Repayment from Rights issue application money	( 1,186)
Less: Other repayments	(748)
<b>Gross Debt as on Mar'25</b>	<b>7,760</b>
Less: Post realization of first call money of the Rights Issue in which 75% will be used for debt repayment	(1,130)
Less: Repayment from Operating Cash Flows	(158)
<b>Expected Gross Debt by end of May'25</b>	<b>6,472</b>
Less: Post realization of second call money of the Rights issue in which 75% will be used for debt repayment	(1,063)
Less: Repayment from Operating Cash Flows	(948)
<b>Expected Net Debt by May'26</b>	<b>4,461</b>

- ▶ During FY25, we reduced our Gross Debt from INR 9,994 Mn to INR 7,760 Mn; a reduction of INR 2,234 Mn (INR 1,186Mn from Rights Issue application money and balance INR 748 Mn from operating cash flows)
- ▶ The Net Debt by end of May'25 at INR 6,472 Mn post utilization of the 75% of the 1<sup>st</sup> call money towards debt reduction (Net Debt to EBITDA ~3 times)
- ▶ After adjusting for the uncalled Rights Issue money in which 75% will be used for debt repayment (INR 1,063 Mn) and repayment during FY26, our adjusted net debt by May'26 expected at ~INR 4,461 Mn (Net Debt to EBITDA ~2.1 times).
- ▶ Post carve-out of the CRAMS and Polymers business, which is subject to shareholders approval, there will be a push-down of INR 2,000 Mn of debt to the proposed entity., the net debt in May'26 is expected to be at ~ INR 2,461 Mn (Net Debt to EBITDA < 1)

Adjusted Net Debt to EBITDA (adjusted for the Uncalled Rights issue money & post push-down to the proposed CRAMS entity) < 1



# Update on the Demerger of the CRAMS and Polymers business from the Generic API business (“Catalog API Business”)



- Subject to Shareholders and statutory approvals, the Company announced the carve-out of the CRAMS and Polymers business, which delivered revenues of **~INR 1,080 Mn in FY25**, from its' Catalog API business on account of significantly different value drivers for each business.
- The Catalog API business will benefit by having a stronger Balance Sheet with the **transfer of INR 2,000 Mn of debt** to the new Company and a higher ROCE & ROI.
- Consequent to the Rights Issue and the restructuring of the business, **the Net Debt on the Catalog API business in May'26 is estimated at INR 2,461 Mn (estimated Net debt to EBITDA at < 1)**
- The new company – “Synthix Global Pharma Solutions Limited”, housing the CRAMS and Polymers business, has been incorporated in April 2025 post the in-principle approval from the Board during the last quarter.
- The New Company shall invest and grow the CRAMS and Polymers business to size in **4-5 years** thereby unlocking significant shareholder value.
- The Company would initiate the next steps with respect to securing all the necessary shareholder and statutory approvals in upcoming quarters.

## **FY25 Key Updates:**

- New management team took charge in Feb'25
- Continued to focus on high gross margin business
- Improved quality of Balance sheet

## **FY26 Outlook:**

- Increased focus on Gross Margin and EBITDA growth
- Network optimisation to be prioritised.
- Revenue and EBITDA expected to grow marginally by 10% and 15%-20% respectively.
- The Net Debt in May'26 is expected to be at ~ INR 2,461 Mn (Net Debt to EBITDA at < 1)
  - After adjusting for the uncalled Rights Issue money and repayment during FY26, our Net Debt is expected to be at ~INR 4,461 Mn (Net Debt to EBITDA ~2.1 times)
  - Post carve-out of the CRAMS and Polymers business, which is subject to shareholders approval, there will be a push-down of INR 2,000 Mn of debt to the proposed entity.

Thank you