



Suven Pharmaceuticals Announces Q2 and H1FY25 Results

Revenue grows by 12% in Q2 (YoY); Growth outlook maintained for FY25

Hyderabad, November 12, 2024

Suven Pharmaceuticals Ltd. (BSE: 530239, NSE: SUVENPHARM), a technology-led global Contract Development and Manufacturing Organization (CDMO), today announced its financial results for the second quarter and half year ended September 30, 2024.

The company reported progress in its strategic initiatives, including a strong pipeline in Phase III, an increase in Request for Quotations (RFQs), and conversion of Spec-Chem/Ag-Chem business to SBU, setting the stage for future growth. Revenue for the quarter stood at INR 258Cr., posting a growth of 12% YoY, and gross margins witnessed a 473 bps expansion driven primarily by business mix and the consolidation of the recently acquired oligonucleotide business. Adjusted EBITDA was Rs 112 Cr. with EBITDA margins at 43.3%.

Q2 and H1FY25 Financial Performance Highlights

- Q2 Pharma CDMO Performance: Pharma CDMO business has posted growth of 40% YoY in Q2 driven by BD efforts and backed by macro tailwinds, leading to a technology lead robust pipeline.
- H1 Performance:
 - Adjusted EBITDA & Adjusted PAT margins stood at 40.7% & 31.3% respectively.
 - Generated free cash flow of Rs 110 Cr. and maintained a cash & bank balance of Rs 656 Cr. Capex for H1FY25 was Rs 69.4 Cr.

Strategic and Operational Highlights:

- Phase III pipeline has expanded with the addition of one new Molecule
- One of our Phase III read-outs yielded positive results
- RFQ inflow grew by 2.2x vs in H1FY24, with a healthy mix of lateral projects, tech-led projects, and a broader set of customers.
- Continuing the efforts to convert SpecChem/AgChem business into a Strategic Business Unit; the Macro effect for AgChem has bottomed out, and we're seeing some early signs of recovery.
- We're looking to cross-sell and mine customer relationships to our oligonucleotides business.

Executive Commentary:

Mr. Vivek Sharma, Executive Chairman, said, *"There is a strong momentum favoring the CDMO sector, with India as the biggest beneficiary driven by efforts to diversify supply chains, along with supportive macroeconomic trends like the potential US Biosecure Act. Suven with its strong track record and extensive offerings, continues to be committed to offering a tech-led end-to-end CDMO platform to its customers."*

Dr. V. Prasada Raju, Managing Director, added, *"On the front end, we have continued our concerted BD efforts to serve both the large innovator customers as well as select Biotechs, and we can see the green shoots of our efforts in our robust RFQ pipeline. From a delivery perspective, we have focused on backward integration and expanding our capabilities across the value chain, so we are well prepared to take forward the opportunities we envisage across Small molecules, ADC platform, and oligonucleotides. Our outlook for the medium to long term remains healthy."*

Outlook:

Overall, there is no change in outlook. H1 has been in line with our estimates, while H2 will see better growth trajectory. We expect to grow on a full-year basis at a combined platform level with growth acceleration from FY26.

Suven Pharma has released its ESG report and uploaded the ESG profile on the company website. In H1, Suven Pharma achieved multiple certifications, including ISO22301 and ISO50001.

Earnings call details

Suven Pharmaceuticals Ltd will conduct a conference call to discuss its Q2 & H1FY25 results performance. The management team will be represented by Mr. Vivek Sharma (Executive Chairman), Dr. V Prasada Raju (Managing Director), Dr. Sudhir Kumar Singh (Chief Executive Officer), Mr. Himanshu Agarwal (Chief Financial Officer) and Cyndrella Carvalho (Head IR).

The conference call will be initiated with a brief discussion after which the floor will be opened for Q&As. The financial results will be announced earlier on May 30, 2024.

In order to pre-register - Copy this URL in your browser:

<https://services.choruscall.in/DiamondPassRegistration/register?confirmationNumber=1767413&linkSecurityString=bc11a94a4>

Details of the conference call are as follows:

Timing	: 6.30 pm IST on Tuesday, November 12, 2024
Conference dial-in Primary number	: +91 22 6280 1141 / +91 22 7115 8042
Hong Kong Local Access Number	: 800 964 448
Singapore Local Access Number	: 800 101 2045
UK Local Access Number	: 0 808 101 1573
USA Local Access Number	: 1 866 746 2133

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For more information, please visit www.suvenpharm.com OR contact:

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