

# Pure play APIs.

**SOLARA ACTIVE PHARMA SCIENCES**

*Q4 FY18 Performance review | May 2018*



# Solara Today



API only business model with large scale infrastructure, wide products and established customer relationships

## Capabilities

Complex chemistry capabilities including handling of catalytic hydrogenation, hydride reductions, organometallic reactions, hazardous reactions amongst others



## Infrastructure

5 Globally compliant API and diversified facilities with capacity over 1600kl



## Orientation

Consciously favoring value over volumes thereby limiting pricing pressure in the long term and creating capacities after assuring demand



## Research

Pipeline of 20+ products under different stages of development



## Market Presence

Presence in 40+ countries, 75%+ regulated market sales and 100+ Filings



## Compliance

Commitment to highest levels of compliance, consistency and quality with zero 483s in last 2 USFDA audits



# Key Highlights for Q4FY18 and FY18



*Solara with a combined API businesses of Strides Shasun and Sequent(Human APIs) is well poised to emerge as a significant pure-play API company. The focus is clearly on regulatory compliance and high-quality product offerings to customers across the Globe.*

**Jitesh Devendra**  
**MD and CEO**

## Q4 Financial Performance

- Net Revenues at ₹3,043mn, registering a growth of 17.7% Quarter on Quarter(QoQ) over Q3FY18
- Earnings Before Interest Taxation, Depreciation and Amortization(EBITDA) at ₹383 mn, registering a growth of 64.1% QoQ
- EBITDA margins(EBITDA/Net Revenues) at 12.61%, up by 357 basis points(bps) QoQ

## FY18 Financial Performance

- Net Revenues at ₹11,214mn , registering a growth of 18.5% Year on year(YoY) over FY17
- EBITDA at ₹1,438 mn, reporting a growth of 16.2% YoY
- EBITDA margins at 12.8% for FY18

## Operational Developments

- New R&D centre set up in Bangalore completed and integrated with the operations
- Integration of all sites as per the scheme of merger now completed
- Name Change to Solara Active Pharma Sciences completed with the revamped website and branding for the customers
- Received listing approval from NSE and awaiting BSE approval and SEBI exemption approval

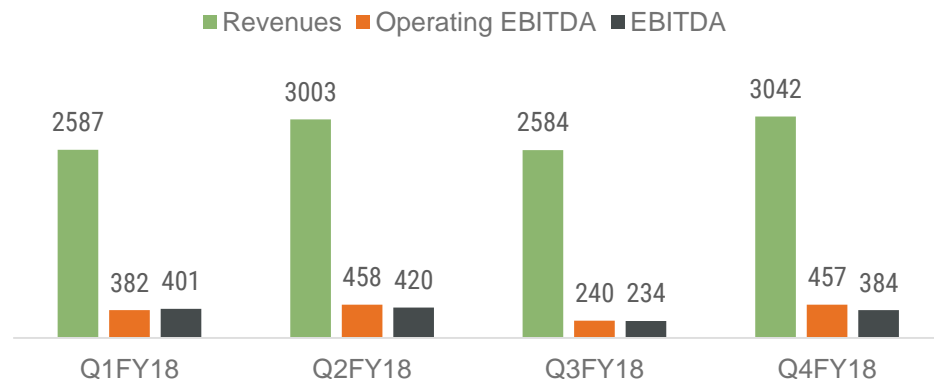
# Q4FY18 Performance



## Q4FY18 Review

Particulars	Q4 FY18	Q3 FY18	Change
Revenue	3,042	2,584	17.7%
Operating EBITDA	457	240	90.9%
Operating EBITDA Margins	15.0%	9.3%	
R&D Cost	(27)	(53)	-49.5%
Exchange gain/(loss)	(47)	47	-200.3%
EBITDA	384	234	64.1%
EBITDA Margins	12.6%	9.0%	

## QoQ Trend



## Key Highlights

- » Sales growth driven by normalisation of supplies on expected lines
- » From a geography standpoint, US contributed 36% of sales for the quarter and was largely flat QoQ. Europe contributed 23% of sales for the quarter and grew 44% QoQ driven by improved supplies. ROW contributed 41% of sales for the quarter and grew 31% QoQ driven by improved supplies
- » Exchange loss of ₹47mn impacted EBITDA performance

# FY18 Performance



## Q4FY18 Review

Particulars	FY18 Proforma	FY17 Proforma	Change
Revenue	11,215	9,463	18.5%
Operating EBITDA	1,537	1,186	29.6%
Operating EBITDA Margins	13.7%	12.5%	
R&D Cost	-101	-	0.0%
Exchange gain/(loss)	2	51	-95.8%
EBITDA	1,438	1,237	16.2%
EBITDA Margins	12.8%	13.1%	

## Key Balance Items

Balance sheet items	Value in ₹m
Shareholders' funds	7,640
Less: Goodwill	-3,634
<b>Networth</b>	<b>4,006</b>
Term Loan	3,027
Working Capital	3,302
Less: Cash	-470
<b>Net Borrowings</b>	<b>5,859</b>
Tangible Assets	6,981
Intangible Assets	1,008
<b>Total Assets</b>	<b>7,988</b>

## Key Highlights

- » Fiscal ended with a stellar growth of 18.5% and in building Solara as one of the leading API companies with pureplay API focus
- » The Company expanded its operating EBITDA from ₹1,186mn to ₹1,537mn registering a robust 30% growth in absolute terms
- » The investments in R&D accounted to ₹101mn. These investments are pivotal for company's play in the next orbit of growth with new products and pipeline
- » Company's net debt to EBITDA stood at 4.08 while its asset turns improved to 1.40x

# Consolidated FY18 Income Statement



PARTICULARS	Q4 FY18 Audited	Q3 FY18 Unaudited	FY18 Proforma	FY17 Proforma
Revenue	3,042	2,584	11,214	9,463
Material Consumption	(1,550)	(1,384)	(5,794)	(5,029)
<b>Gross Margin</b>	<b>1,492</b>	<b>1,200</b>	<b>5,420</b>	<b>4,434</b>
%	49.1%	46.4%	48.3%	46.9%
Operating Expenses	(1,035)	(960)	(3,883)	(3,249)
<b>Operating EBITDA</b>	<b>457</b>	<b>240</b>	<b>1,537</b>	<b>1,186</b>
%	15.0%	9.3%	13.7%	12.5%
R&D Cost	(27)	(53)	(101)	-
Exchange gain/(loss)	(47)	47	2	51
<b>EBITDA</b>	<b>384</b>	<b>234</b>	<b>1,438</b>	<b>1,237</b>
%	12.6%	9.0%	12.8%	13.1%
Finance cost (net)	(123)	(125)	(402)	(270)
Depreciation	(176)	(191)	(671)	(551)
Exceptional item	-	-	218	(31)
<b>Earnings Before Tax</b>	<b>84</b>	<b>-82</b>	<b>583</b>	<b>385</b>
Taxes	(21)	23	(61)	(84)
<b>Earnings After Tax</b>	<b>63</b>	<b>(60)</b>	<b>522</b>	<b>300</b>
Minority Interest	(0)	(0)	(0)	(1)
<b>Earnings from continued operations</b>	<b>63</b>	<b>(60)</b>	<b>523</b>	<b>302</b>

# Solara- 5 years perspective



## Business Continuity

Portfolio of new products and new customers to augment current base and enable steady growth



## Worldwide Presence

Established strongholds in key regulated markets and growth territories



## Robust Product base

Constant stream of revenue from new product validations



## Best Customer Connect

Organization Focus to win with customer delight as the primary goal



**Strive to be amongst the Top 10 pure play Global Active Pharmaceutical Ingredients company that builds significant value for stakeholders while committing to protect Human life and the environment**

# THANK YOU.

[www.solara.co.in](http://www.solara.co.in)

