Supriya Lifesciences

Presentation for ValuePickr Bengaluru community, July 2025

About Me

- Presented 2 ideas before
  1) Arman Financial Services
  2) Edelweiss

- Accuracy : 50% = Coin Toss. All buy/sell therefore at your own risk ☺

All SEBI disclaimers apply

Purpose of Presentation

- Give focussed information for new and existing investors
- Build a case for Investment
- Provide a template to judge how the business performs or evolves in the future

Supriya Lifesciences

- Primary growth driver : APIs in regulated Markets
- Cash cow : Ketamine API (one of the largest suppliers in the world) and Anaesthetic products
- Dog : Anti-histamine API
- Growth opportunities :

  - CMO
  - Contrast Media APIs
  - Nutraceuticals (Vitamins, Whey Protein)
  - Expand existing APIs in new geographies

Large Market Share in APIs of "Critical Drugs"

Leading exporter from India

% share of exports from India (in terms of volume)

45-50%[2]
Chlorpheniramine Maleate

60-65%[2]
Ketamine Hydrochloride

30-40%[3]
Salbutamol Sulphate

1. As of October 31, 2021; 2. Market share of API exports between FY17-21; 3. in FY18-21
Source : CRISIL Research

Following is the detail of some of its leading API products which it manufactures and supplies to both domestic and export markets, serving the niche therapeutic areas:

Product	Therapeutic area	Certification/Dossiers
Chlorpheniramine Maleate	Antihistamine	EDQM Approval, US DMF, CEP, Health Canada, Taiwan FDA, NMPA DMF, EDMF
Brompheniramine Maleate (BPM)	Antihistamine	US DMF, NMPA DMF, CEP, EDMF
Pheniramine Maleate	Antihistamine	US DMF, , CEP, EDMF, NMPA DMF
Dexchlorpheniramine Maleate	Antihistamine	US DMF, EDMF
Mepyramine Maleate	Antihistamine	US DMF, CEP, EDMF
Ketamine Hydrochloride	Analgesic/Antipyretic/Anesthetic	US DMF, CEP, TGA DMF, Canadian DMF (Human Use & Veterinary), EDMF
Tramadol Hydrochloride	Analgesic/Anti-pyretic/Anesthetic	Korean FDA, EDMF
Riboflavin 5 - Phosphate Sodium	Vitamin	US DMF, EDMF, Kosher, Indonesian Halal, Maharashtrian Halal, FAMI-QS, CEP applied
Salbutamol Sulphate	Anti-asthmatic	EDMF, CEP
Cetirizine Dihydrochloride	Anti-allergic	EDMF
Diphenhydramine Hydrochloride	Anti-allergic	EDMF, US DMF
Bupropion Hydrochloride	Smoking cessation	US DMF
Bisoprolol fumarate	Anti-hypertensive	EDMF, US DMF
Methylcobalamine	Vitamin B12	US DMF, KFDA, Kosher, Halal India, Halal Indonesia

Source: Company, KRChoksey Research

Contact Supriya Lifescience and get a quotation

Supriya Lifescience is a supplier offers 67 products (APIs, Excipients or Intermediates).

Find a price of Brompheniramine Maleate bulk with DMF, CEP offered by Supriya Lifescience

Find a price of Esketamine Hydrochloride bulk with DMF, CEP offered by Supriya Lifescience

Find a price of Ketamine Hydrochloride bulk with DMF, CEP offered by Supriya Lifescience

Find a price of Pheniramine Maleate bulk with DMF, CEP offered by Supriya Lifescience

Find a price of Pyrilamine Maleate bulk with DMF, CEP offered by Supriya Lifescience

Find a price of Riboflavin 5 Phosphate Sodium bulk with DMF, JDMF offered by Supriya Lifescience

Find a price of Salbutamol Sulphate bulk with DMF, CEP offered by Supriya Lifescience

Find a price of Tramadol Hydrochloride bulk with DMF, CEP offered by Supriya Lifescience

Find a price of Diphenhydramine Hydrochloride bulk with DMF, CEP offered by Supriya Lifescience

Find a price of Bisoprolol Fumarate bulk with DMF offered by Supriya Lifescience

Find a price of Cetirizine Dihydrochloride bulk with DMF offered by Supriya Lifescience

Find a price of Chlorpheniramine Maleate bulk with DMF offered by Supriya Lifescience

Find a price of Dexchloropheniramine Maleate bulk with DMF offered by Supriya Lifescience

Find a price of Dextromethorphan Hydrobromide bulk with DMF offered by Supriya Lifescience

Find a price of Hydroxocobalamin bulk with DMF offered by Supriya Lifescience

Find a price of Methylcobalamin bulk with DMF offered by Supriya Lifescience

Find a price of Pentoxifylline bulk with CEP offered by Supriya Lifescience

Find a price of Allopurinol bulk with DMF offered by Supriya Lifescience

Find a price of Bupropion Hydrochloride bulk with DMF offered by Supriya Lifescience

Find a price of Hydroxocobalamin Hydrochloride bulk offered by Supriya Lifescience

Find a price of Ibrutinib bulk offered by Supriya Lifescience

Find a price of Ibuprofen Piconol bulk offered by Supriya Lifescience

Find a price of Iohexol bulk offered by Supriya Lifescience

Find a price of Isoflurane bulk offered by Supriya Lifescience

Find a price of Lidocaine bulk offered by Supriya Lifescience

Find a price of Lidocaine Hydrochloride bulk offered by Supriya Lifescience

Find a price of Liraglutide bulk offered by Supriya Lifescience

Find a price of Lisdexamfetamine Dimesylate bulk offered by Supriya Lifescience

Find a price of Methylcobalamin bulk offered by Supriya Lifescience

Find a price of Midazolam bulk offered by Supriya Lifescience

Find a price of Midazolam Hydrochloride bulk offered by Supriya Lifescience

Find a price of Midazolam Maleate bulk offered by Supriya Lifescience

Find a price of Pentobarbital Sodium bulk offered by Supriya Lifescience

Find a price of Ruxolitinib Phosphate bulk offered by Supriya Lifescience

Find a price of Semaglutide bulk offered by Supriya Lifescience

Find a price of Sevoflurane bulk offered by Supriya Lifescience

Find a price of Sildenafil Citrate bulk offered by Supriya Lifescience

Find a price of Theobromine bulk offered by Supriya Lifescience

Find a price of Tigecycline bulk offered by Supriya Lifescience

Find a price of Tofacitinib Citrate bulk offered by Supriya Lifescience

Find a price of Tramadol Hydrochloride bulk offered by Supriya Lifescience

Risk is not Market Share but Obsolescence

Critical but Simple APIs

Drug API	Usage	Risk of Obsolescence	Opportunity
Salbutamol Sulphate	Steroid in Asthma Inhalers	Yes, newer generation of drugs	• First line drug for Asthma
Chlorpheniramine Maleate	Anti-histamine	Yes, newer generation anti-histamines like Cetirizine Hydrochloride, Chlorpheniramine also linked to Dementia	• Diversifying into new generation anti-histamines like Cetirizine
Ketamine Hydrochloride	Anesthetic in surgery, anti-depressant (secondary use)	No	• Safety, efficacy v/s other Anesthetics • Anti-depressant use on rise

Elon Musk feels he rules the world. Is there a ketamine drug link?

Tesla boss Elon Musk seems to be on a mission to conquer the world, and even Mars. But his odd-hour rants, alleged Nazi salute and chainsaw act have raised eyebrows. Some now wonder if this has to do with ketamine, which he takes for his depression treatment. This is what ketamine is, and what its overuse could lead to.

Key APIs are fairly complex to manufacture

Complexity Spectrum

```text
High Complexity ──────────────────────────────► Low Complexity
|           |           |           |           |           |           |
Concord     Neuland     Supriya      Blue Jet   Aarti       Divis       Laurus
Biotech     Labs      Lifesciences Healthcare Pharmalabs Labs         Labs
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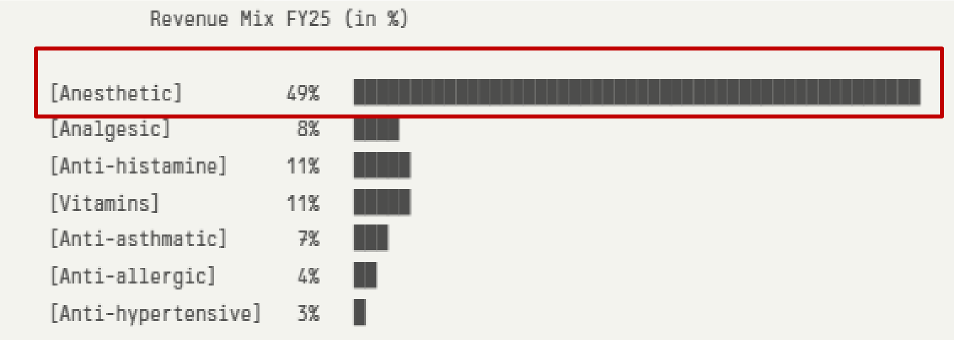


Key Complexity Drivers:

- Fermentation/Semi-synthesis (Concord): Biological processes with variability
- Particle Physics (Neuland): Polymorphism and PSD require advanced crystallization tech
- Hazardous Chemistry (Supriya): Air/moisture-sensitive reactions (e.g., Grignard)
- Chiral Synthesis (Blue Jet): Stereochemistry control in amino acid derivatives
- Scale Economics (Divis/Laurus): High-volume production reduces per-unit complexity

Ketamine Synthesis requires Grignard Reaction. Ketamine is the key revenue driver (see image 2 above)

Diversification across Products/Regions

Therapeutic Area	Q1FY23-24	Q2FY23-24	Q3FY23-24	Q1FY24-25	Q2FY24-25	Q3FY24-25
Analgesic/ Anaesthetic	45.90%	50.00%	49%	48.50%	54.90%	60%
Anti-histamine	19.50%	13.30%	15%	11.60%	9.30%	12%
Vitamins	11.50%	11.80%	14%	11.10%	11.60%	10%
Anti-asthmatic	5.80%	7.20%	7%	7.00%	9.20%	4%
Anti-allergic	5.00%	6.10%	5%	4.60%	5.20%	4%
Anti-malarial	-	-	-	-	-	-
Anti-hypertensive	1.30%	2.00%	2%	4.00%	1.80%	1%

Region	FY20-21	FY21-22	FY22-23	FY23-24	9MFY24-25
Asia	52%	51%	45%	38%	32%
Europe	16%	30%	33%	41%	43%
LAC	19%	12%	12%	11%	17%
North America	5%	3%	8%	6%	4%
Others	8%	4%	2%	4%	4%

Reduced Chinese Dependence and Pivot to Regulated Markets

Moat ? None. Just Competitive Advantage

- Operational efficiency
- Cost control
    - ❑ Backward Integration
- Quality matters in Anaesthetics
- Customers more Quality than Price sensitive

Comparative Analysis Table

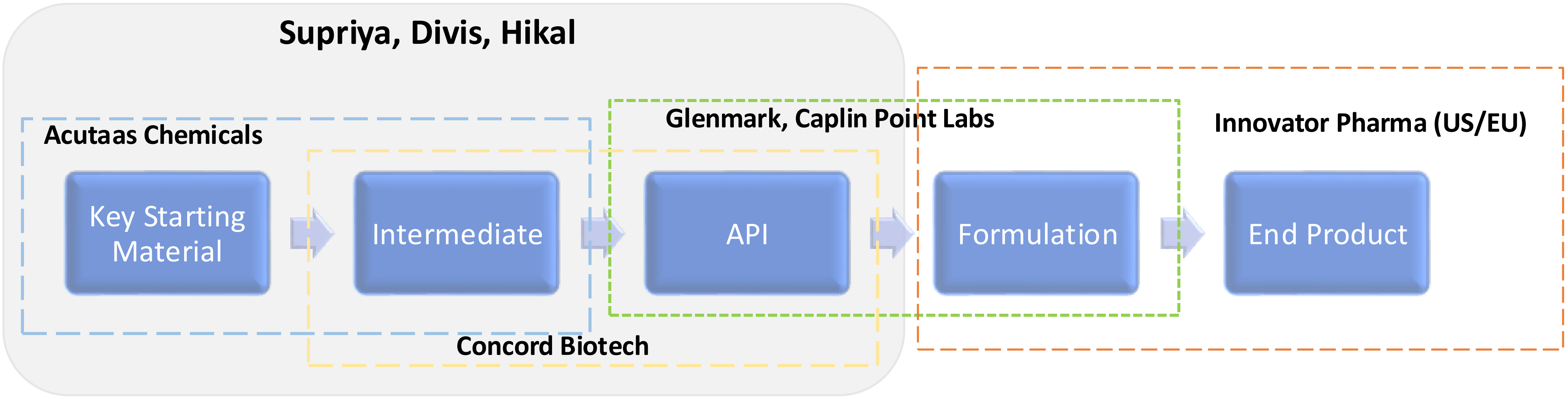
Company	FY24 OPM (%)	FY25 OPM (%)	Observed OPM Variance (2024–2025)
Supriya Lifescience	30.3–35.1	36.7–37.4	**Low (steady upward trend)**
Divi's Laboratories	29–32	30–33	Moderate (some quarterly swings)
Aarti Drugs	16–21	18–22	High (greater volatility)
Laurus Labs	21–28	23–27	Moderate-High

Supriya Life science's OPM variance is notably lower than peers:

The company has demonstrated a steady and significant improvement in operating margins, with minimal quarter-to-quarter volatility since 2024

Understanding Backward Integration 1/3

India imports nearly Rs 42000 crore APIs/KSMs intermediates. India is excessively dependent on China, importing of nearly 70 per cent of the APIs/KSMs



70% of API sales by Revenue come from Backward Integrated products, including Anesthetics and Anti-Asthmatic product categories

Understanding Backward Integration 2/3

New Product development strategy entails careful product selection (China+1) then backward integration

Parth Agrawal: So, does that even increase the competitive intensity for you, which was not there previously?

Saloni Wagh: At this point, in fact, we are trying to go with backward integration. I think that is going to be one of our very strong points. Whichever products we have selected, by the way of backward integration, we will be able to make a significant difference in the market. And with this kind of backward integration up to KSM level, we are very confident that we will also be able to keep the competition out even in the newer products.

Parth Agrawal: So, in the newer products as well, you are starting with the backward integration. You're not just testing the market first and then based on the size, you will take backward integration. From day one, we are going for backward integration. Is that the case?

Satish Wagh: Supriya normally, whenever enters any API, they always consider backward integration, much lesser competition, new products, which can fit China, not manufactured in India at all. This is the strategy of Supriya Lifescience under the leadership of Dr. Satish Wagh.

Understanding Backward Integration 3/3

New Product development strategy entails careful product selection (China+1) then backward integration

Saloni Wagh: So, the four new products which we are launching, first we have already launched in Quarter 4, but that particular product, the global market size is about $300 million. And the three new products what we are launching in the next financial year, one of them which is coming in the ADHD category is about 90 million, contrast media is about 500 million. And then we have some cardiovascular drugs which is about $100 million. So, if I put together all this, we are closer to $1 billion in terms of API market size. We are targeting these molecules because globally today for these particular molecules the supply dependence is there only on one manufacturer predominantly for most of these it is from China and as you know the global trend people are looking for China plus one manufacturer. I think we can benefit a lot in these molecules. We have been working on them for the past 2-3 years. We have really focused on end-to-end backward integration. So, we are very confident that globally other than China, we will be one of the first manufacturers to offer the products to the regulated market customers, not only with full backward integration, but complete regulatory support. So, we are very confident that when these products launch, they will significantly contribute to the revenue. And some of these actually have the potential of becoming the top product for the company in the next 2 to 3 years.

Long-Term Strategy of Supriya Lifesciences

Expand Geographies

Sell Critical Drugs at low cost in New Geographies

- Defend and gain Market Share
- Target Regulated Markets like Europe, US and LatAm

New Products

Develop New products in Adjacent Areas

- Existing Categories: New Anesthetic Product in Europe (Molecule name not revealed). Vitamins and Nutraceuticals (Existing capability) such as Whey Protein
- Contrast Media APIs
- New Categories : Statins, ADHD, Anti-Diabetics, Formulations as well
- Cancer Drugs like Enzalutumide
- New R&D lab at Ambernath for new product development and CMO/CDMO opportunities, which is expected to be operational by Q2FY25

China + 1

Backward Integration and Quality make it a preferred CMO Partner

- Deliberate Management focus on drugs made in China
- European companies looking for a CMO partner without supply-chain risk (Cost + Quality + Risk Management)
- Buyers looking to source Critical Drugs from a single source

Valuations : Not Value but Smallcap Quality

Reverse DCF

Earnings
188 Cr

Discount Rate (%)
15

Terminal Multiple

5 YEAR	10 YEAR	20 YEAR
20	15	10

SUPRIYA LIFESCIENCES

20.00 %	18.00 %	15.10 %
Implied Growth Rate over a 5 year period*	Implied Growth Rate over a 10 year period*	Implied Growth Rate over a 20 year period*

Sample P/E Ratios of API Pharma Companies

Company	P/E Ratio (July 2025)	Notes
Divis Laboratories	82.3 [1]	API specialist, India
Alembic Ltd.	10.2 [7]	API + generics, India
Pharma Industry Avg.	27.8 – 40.0 [1] [2]	Broader pharma sector average

Reverse DCF

Earnings
188 Cr

Discount Rate (%)
13

Terminal Multiple

5 YEAR	10 YEAR	20 YEAR
30	20	20

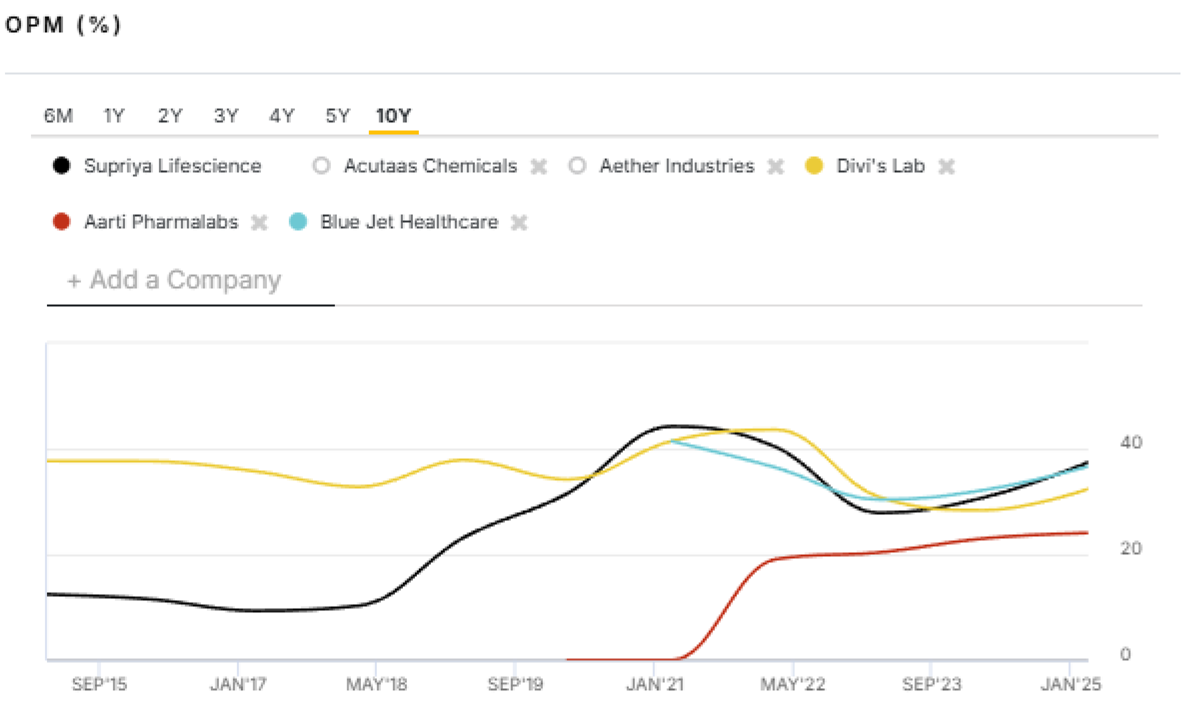
10.00 %	13.00 %	11.00 %
Implied Growth Rate over a 5 year period*	Implied Growth Rate over a 10 year period*	Implied Growth Rate over a 20 year period*

With annual revenue growth 20%, PAT should grow marginally faster and they have maintained 20% Earnings CAGR for past 5 years, hence reasonably we can expect them to continue

Valuations

Richa: And sir my second question is on the pricing scenario. Are you witnessing any kind of pricing pressure and how confident you are when it comes to this 33% to 35% kind of margin guidance?

Saloni Wagh: So as of now, we are not seeing any pricing pressure for the products that we operate in. And we are very confident that we will be able to maintain this 33%-35% margin because we have a lot of new products. We have diversified the geographies with the new launches, the formulation coming in, and plus scale up of our existing portfolio in regulated markets. I think we're very confident that we will maintain this 33% to 35% EBITDA margin.



Capex is in Place without Debt Burden

Period / Date	Project / Facility	Capex Amount (₹ Cr)	Status	Intended Use / Details
FY2022-23 (Up to)	R&D Facilities, Lote & Ambernath	Part of ₹100 Cr (2022–25)	Partially online / Underway	New R&D centers: Lote for product lifecycle mgmt., Ambernath with pilot plant for new molecules and CDMO services.
FY2023-24	E Block, Lote Parshuram	Ongoing (part of ₹100 Cr for 2022–25)	Under construction	New 340 KL block replacing 145 KL for scale, de-risking portfolio.
Feb 2024	CDMO Facility at Ambernath	60 Cr (next 3 years)	Construction ongoing	Dedicated site for contract development & manufacturing (CDMO) services to drive new growth segments.
Q3 FY2025E	Ambernath Formulations Facility	Part of ₹200 Cr for FY24-25	Commercial production Q3 FY25	New 70 KLPD block for formulations; will expand company capacity to 1,020 KLPD.
FY2025–27	Module-E, R&D labs (Ambernath)	200 Cr (next 2 years)	Under construction	Expansion for CMO/CDMO operations and R&D capabilities.

Investment Rationale in Summary

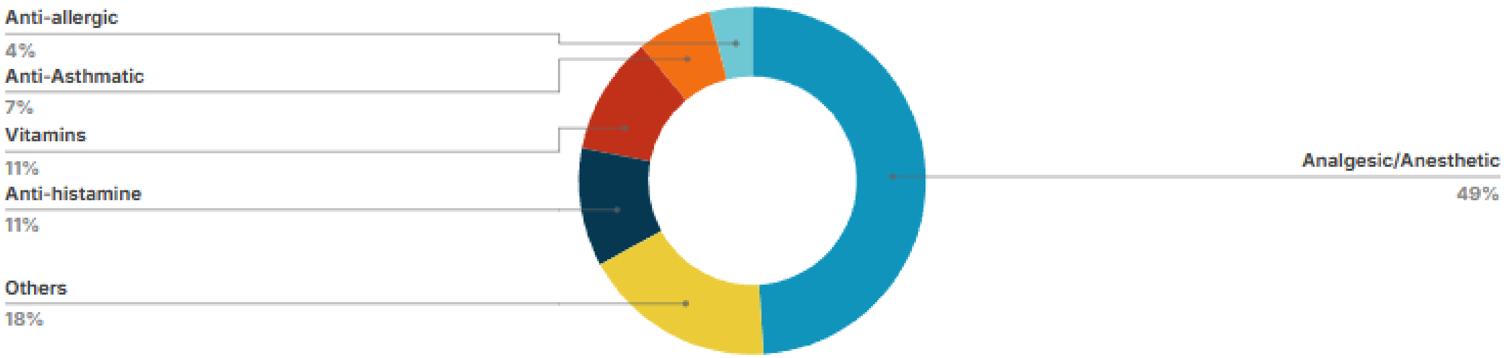
- Clear Strategy
- Good product, customer and geographical diversification
- Good and Clean Management, including 2nd generation promoters
- Strong China + 1 candidate in post-Tariff world (especially for CMO orders)
- Debt free with strong cash flows
- Stable Margins drive Stable ROEs

Challenges to Rationale (What to watch)

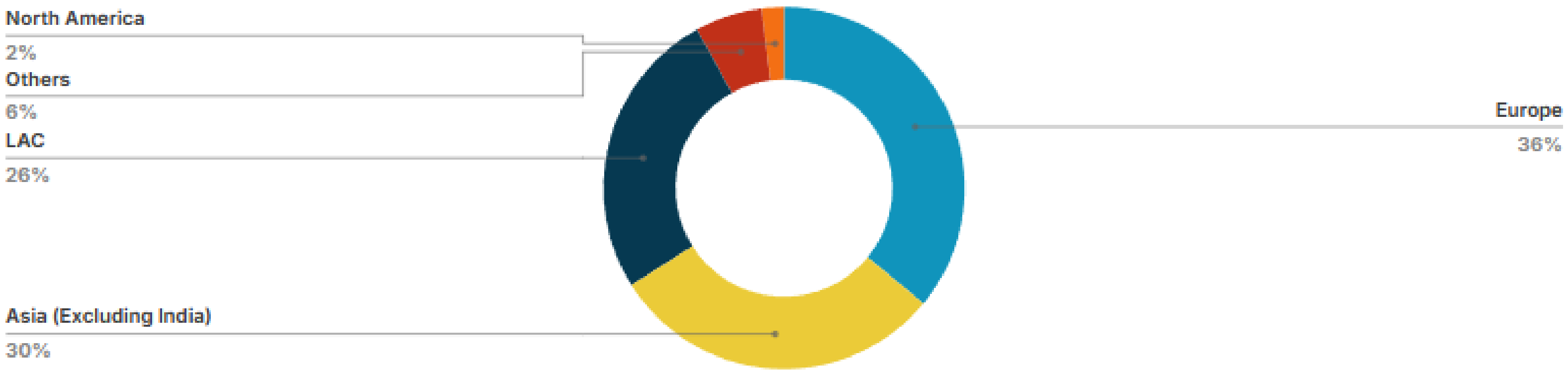
- New CMO orders and clear revenue from CMO from 2026 (up to 20% of total revenues by FY27)
- Margin stability
- Growth in Europe and LatAm
- Market share gain/loss in anti-histamines

APPENDIX

THERAPEUTIC AREA BREAK-UP



LOCATION WISE BREAK-UP



Key Molecules

Molecule	Global (MTPA)	Supriya (MTPA)
Dextromethorphan Hydrobromide	1406	250
Pentoxifylline	3798	300
S-Ketamine Hydrochloride	5	2
Phenylephrine Hydrochloride	430	60
Allopurinol	1871	300
Benfotiamine	170	60

Case study#1 — Innovative bromination process in the synthesis of salbutamol sulphate

Background

Salbutamol sulphate synthesis traditionally involves the use of liquid bromine for the bromination reaction to produce the bromo intermediate. This process presents challenges due to bromine's volatile and lacrimatory nature, making it difficult to handle. Liquid bromine is not environmentally friendly, and its high reactivity results in numerous impurities, reducing yield and creating disposal challenges due to its lacrimation properties.

Challenges

The primary issues with using liquid bromine in the synthesis of salbutamol sulphate include handling difficulties due to bromine's volatile nature and strong lacrimation, making it hazardous for personnel and challenging to manage safely. Bromine is not an eco-friendly reagent, posing significant environmental risks. Its high reactivity leads to the formation of various impurities, reducing the overall yield of the synthesis process. The side products generated are difficult to dispose due to lacrimatory properties, complicating waste management.

Activity

To address the issues associated with using liquid bromine in the synthesis of salbutamol sulphate, Supriya's research and development team devised a novel process by substituting liquid bromine with N-bromo succinimide (NBS) for the bromination reaction. NBS, being a solid reagent, is easier to handle and less lacrimatory than liquid bromine, significantly reducing handling risks. NBS's milder reactivity results in fewer impurities and higher yields, with the overall yield increasing to 0.95-1.05 w/w compared to 0.75-0.80 w/w with liquid bromine. The residue generated from NBS is easier to recycle and less harmful, addressing environmental concerns effectively. As a result, the yield improved significantly from 0.75-0.80 w/w to 0.95-1.05 w/w. The use of a milder reagent decreased impurity formation. Safety handling improved due to the solid nature and reduced lacrimation of NBS. The process became more environmentally friendly, with easier disposal and recycling of residues.

Result

By replacing liquid bromine with N-bromo succinimide in the synthesis of salbutamol sulphate, Supriya addressed handling, environmental, and impurity-related challenges. This innovative approach not only enhanced the overall yield but also ensured a safer and more sustainable manufacturing process, demonstrating Supriya's commitment to continuous improvement and environmental responsibility in pharmaceutical manufacturing.

Scenario	Impact on Supriya
Tariffs limited to formulations	Minimal (low U.S. formulation exposure)
Tariffs extended to APIs	Moderate risk for future U.S.-bound API contracts
Global API reshoring	Long-term threat, offset by niche product focus

Conclusion

Supriya faces **limited immediate risk** due to its **non-U.S.-centric export strategy**, but prolonged tariffs could pressure margins if partners pass on costs. Its **China-substitution strategy** and **European regulatory stronghold** (9 CEPs) provide insulation compared to Indian peers like Aurobindo or Dr. Reddy's[23].

Key Risk: If tariffs expand to **intermediates/chemicals** used in API production, Supriya's backward-integrated supply chain (65–68% of revenue) might face input cost pressures[1].

1. Supriya's focus on non-U.S. markets and China-substitution strategy reduces tariff vulnerability. ↩ ↩[2] ↩[3] ↩[4] ↩[5]
2. Indian API exporters face indirect risks if formulation partners absorb tariff costs. ↩
3. Companies with high U.S. exposure (e.g., Aurobindo: 48% revenue) are more impacted than Supriya. ↩

Big numbers

Research investment

0.6
₹ cr, spent on R&D capex in 2023-24

0.19
Research as a % of the Company's revenues, 2023-24

Therapy areas

46
% of revenues from the largest therapy area, 2023-24

87
% of revenues from the five largest therapy areas, 2023-24

Accelerated filings

18
DMF filings until the close of 2023-24

9
CEP filings with EDQM

Business investments

32.33
₹ cr of capital expenditure in the four years ending 2023-24

200
₹ cr of projected capital expenditure in two years ending 2024-25

Exports

71
%, of revenue generated from exports in 2019-20

78.74
%, of revenue generated from exports in 2023-24

Regulated markets

33
%, proportion of the Company's revenues derived from regulated markets, 2019-20

47.12
%, proportion of the Company's revenues derived from regulated markets, 2023-24