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Sai Life Sciences Limited

Earnings Presentation

February 07, 2025

Message from Managing Director & CEO

Mr. Krishna Kanumuri

MD & CEO

"We are pleased to announce a healthy performance this quarter, driven by strong execution, expanding capacity, and deepening customer relationships. Our integrated CRDMO model continues to differentiate us in the market, enabling us to provide seamless solutions across the drug development lifecycle. The pharmaceutical and biotech industries are increasingly seeking partners with end-to-end capabilities, scientific excellence, and a commitment to speed and efficiency areas where Sai Life Sciences has built a strong competitive edge.

The global CRDMO industry presents a tremendous growth opportunity, particularly as large pharmaceutical and biotech companies diversify their supply chains and seek strategic partners beyond China. India is at the forefront of this transformation, with the potential to scale as a global innovation hub. With a robust pipeline of commercial molecules, a growing presence in key global markets, and continuous investments in technology and infrastructure, Sai Life Sciences is well-positioned to capitalize on these industry tailwinds.

As we look ahead, we remain focused on strengthening our service offerings, expanding our capabilities into new modalities, and driving operational excellence. Our unwavering commitment to innovation, quality, and customer-centricity will continue to propel us forward, delivering sustainable value to all our stakeholders."

Message from Chief Financial Officer

Mr. Siva Chittor

CFO

"We are delighted to share our Q3 FY25 financial performance, which highlights robust business momentum, operational discipline, and strong customer relationships.

Revenue from operations grew to ₹439.8 Cr, up 15% from ₹383.6 Cr in Q3FY24, on account of continued momentum in both our CDMO and CRO businesses. Our EBITDA margin increased to 28.3% in Q3FY25, up from 27.5% in Q3FY24, reflecting improved operating leverage and enhanced productivity. PAT grew to ₹53.9 Cr, compared to ₹39.6 Cr in Q3FY24, highlighting that our operational strategies are delivering results and positioning the company for sustained financial strength.

This success is driven by disciplined cost management despite rising employee costs in line with our ongoing investment in talent and organizational growth. Finance costs remained relatively stable at ₹23.1 Cr for Q3 FY25, compared to ₹23.3 Cr in the same quarter last year, indicating effective debt management. As of December 2024, the Company had repaid ₹585.7 Cr of debt out of the planned ₹720.0 crores from the IPO proceeds. The remaining debt was repaid in January, and we expect a reduction in interest costs in the following quarter. We remain focused on investing in digital initiatives, new technologies, and commercial capabilities to fuel future growth.

Over the past five years, our strategic investments in talent, technology, and infrastructure have strengthened our position as a leading integrated CRDMO player. These investments are now translating into higher customer retention, an expanding product pipeline, and improving profitability.

Looking ahead, we expect sustained growth momentum, supported by a strong order pipeline and ongoing investments in infrastructure and capabilities."

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Quarter Highlights

Performance Snapshot

Q3FY25 REVENUE

₹ 440 Cr | ▲ 15% YoY Growth

Q3FY25 EBITDA

₹ 124 Cr | ▲ 19% YoY Growth

Q3FY25 PAT

₹ 54 Cr | ▲ 36% YoY Growth

9MFY25 REVENUE

₹ 1,115 Cr | ▲ 9% YoY Growth

9MFY25 EBITDA

₹ 264 Cr | ▲ 50% YoY Growth

9MFY25 PAT

₹ 82 Cr | ▲ 207% YoY Growth

Continued momentum in both CDMO & CRO business

Improved operating leverage and enhanced productivity

PAT Expansion on the back of EBITDA Margin expansion

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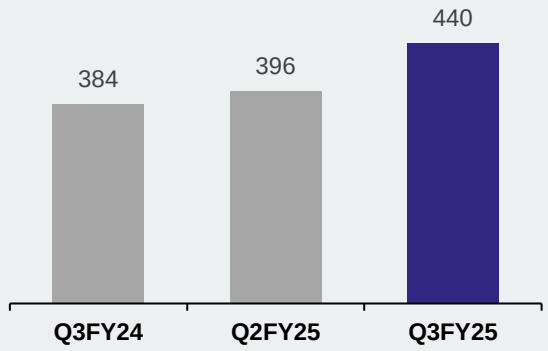
Key Financial Highlights

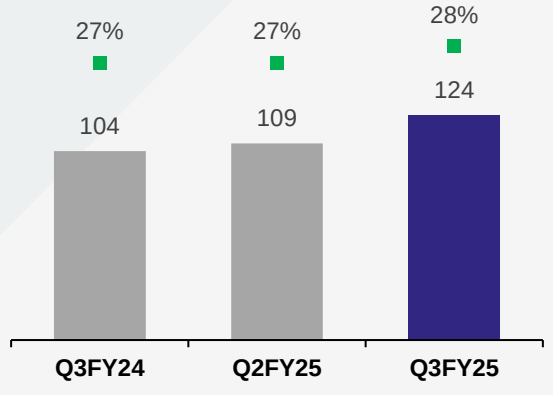
QUARTERLY

Revenue (₹ Cr)



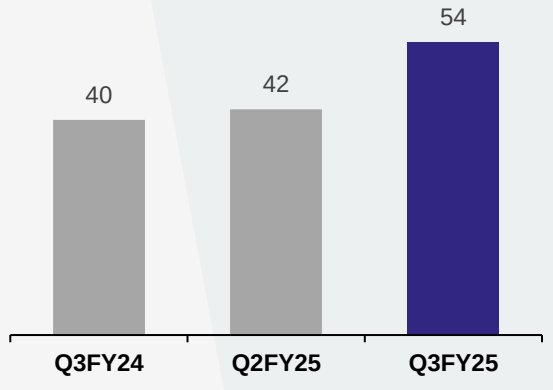
YoY Growth ▲ 15% | QoQ Growth ▲ 11%

EBITDA (₹ Cr) and Margin (%)



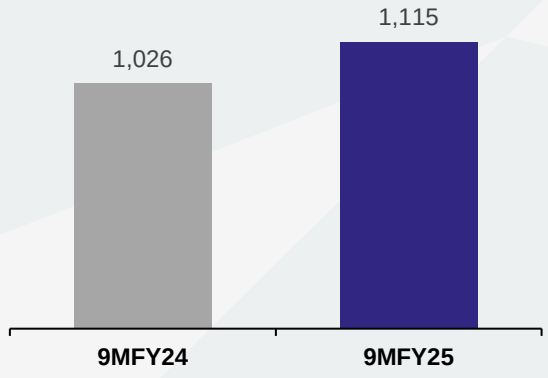
YoY Growth ▲ 19% | QoQ Growth ▲ 15%

PAT (₹ Cr)

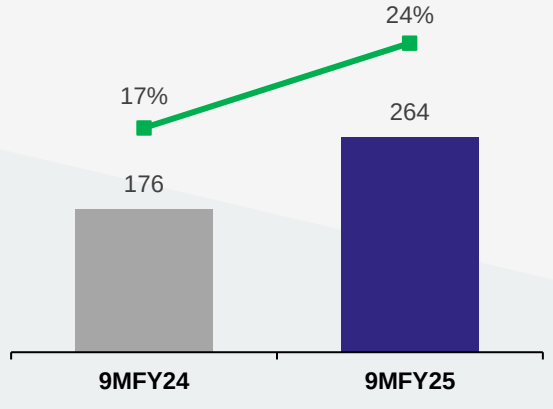


YoY Growth ▲ 36% | QoQ Growth ▲ 30%

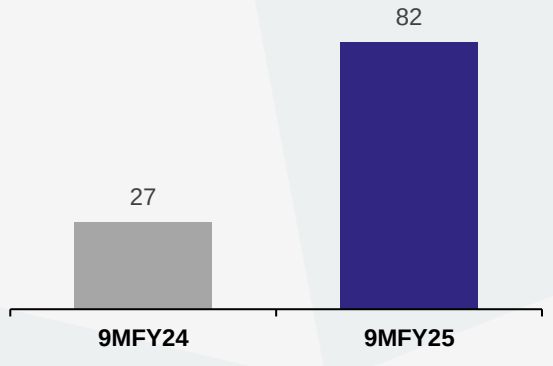
NINE MONTHS



YoY Growth ▲ 9%



YoY Growth ▲ 50%



YoY Growth ▲ 207%

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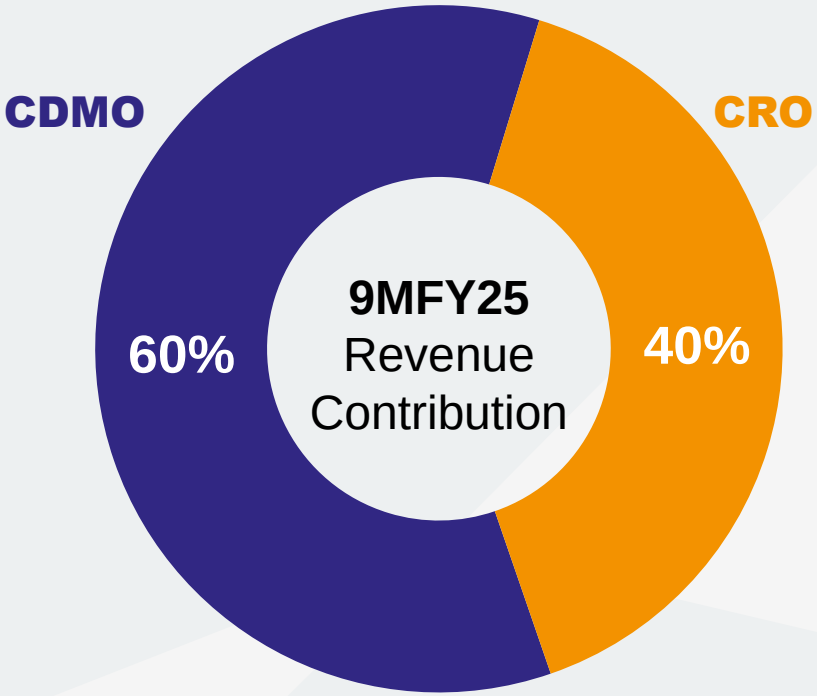
Operating Highlights: Key Business Updates



- Both CRO and CDMO businesses continue to demonstrate growth momentum, supported by increased business from existing customers and new collaboration

CAPITAL EXPENDITURE

- Capital expenditure for 9MFY25 was ~₹300 Cr
- The Company has added an additional 100 KL in November to its manufacturing capacity. The Company further expects to add an additional 100 KL in Q1FY26.
- The Company has expanded its Discovery R&D capacity in Hyderabad by addition of lab spaces for chemistry by 15%
- Average Capacity Utilization for the 9MFY25 was 65%

STRONG CASH FLOW GENERATION

- Operating cash flow for 9MFY25 stood at ₹246 Cr, accounting for 93% of EBITDA for the period. The company also generated a positive free cash flow of ₹21 Cr during this timeframe

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Company Overview

Sai Life Sciences at a Glance

25+
Years of experience

(Incorporated in 1999)

One-stop platform
for discovery,
development and manufacturing

3,000+
Total employees

300+
Active customers across US, UK, EU, Japan

USFDA, PMDA
100% successful track record of regulatory inspections across our R&D and manufacturing facilities.

Diverse therapy areas
Oncology, CNS, Inflammation, Antivirals, Rare diseases and more

10+
Years: Enduring customer relationships

18/25
of the largest pharmaceutical companies are customers

300+
Discovery programs completed

>65%
Integrated Drug Discovery (IDD)

20+
Assays transferred from Boston to Hyderabad

18 months
Demonstrated time from Hit to IND

31
Commercial molecules in current portfolio of projects

11
Filed / Phase III molecules in current portfolio of projects

16
Tech Transfers from UK to India

40+
Programs advanced to IND or Phase I/II/III

5
Molecules from discovery to market

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Experienced Management Team and Board Supported by a Qualified Scientific Talent Pool

Experienced Founder and Management Team with Average 25+ Years of Industry Experience

Kanumuri Ranga Raju — 25+
Chairman and Whole time Director

Krishna Kanumuri — 20+
Managing Director and Chief Executive Officer

Siva Chittor — 15+
Chief Financial Officer

Sauri Gudlavalleti — 2+
Chief Operations Officer

Maneesh Raghunath Pingle — 5+
Executive Vice President & Head – Discovery Services

Tuneer Ghosh — 9+
Executive Vice President & Head – CMC Services

Dean David Edney — 4+
Senior Vice President & Global Head - Process Research & Development

A Vasanthamurugesh — 10+
Senior Vice President - Manufacturing and Technology Transfer

BVNBS Sarma — 22+
Senior Vice President & Head - Discovery

Muniandi Damodharan — 10+
Chief Quality Officer - Global Quality and Regulatory Affairs

Chopperla Srikrishna — 13+
Senior Vice President & Head of Safety

Sidhartha Das — 2+
Senior Vice President - HR and Administration

Runa Karan — 16+
Company Secretary, Compliance Officer and Legal Head

Supported by an Experienced Board

Mitesh Daga
Non-Executive Director

Rajagopal Srirama Tatta
Independent Director

Ramesh Ganesh Iyer
Independent Director

Suchita Sharma
Independent Director

STRONG TALENT POOL

2,125 Scientists | **1,343** Master's Degree | **276** PHDs | **8+** years avg. experience for scientists and scientific staff

Key Milestones

1999 — **Year of incorporation**
Started as a Medicinal Chemistry Services provider to US Biotech

2002 — **Acquired additional facilities**
to include process R&D capabilities – evolving to serve biotech customers

2004 — **Launched small-scale biotech manufacturing**
acquired Prasad Drugs, Bolarum, now known as Unit III

2006 — **Expanded manufacturing capacity**
by acquiring a 40KL plant, Merrifield Pharma in Bidar, now known as Unit IV.

2009 — **Successful FDA inspection**
of GMP Manufacturing site, Unit IV

Expanded Discovery capabilities
with the goal to become an integrated Discovery provider

2011 — **Animal Facility**
gets AAALAC accreditation

2012 — **Unit II Expansion: Advancing R&D for Pharma CDMO**
expanded Process and Analytical R&D facilities in Unit II, advancing its capabilities for large-scale pharma CDMO services

2013 — **Added 100KL capacity**
at Unit IV to match foray into pharma

2016 — **Successful USFDA audits**
at Unit II and Unit IV; Successful PMDA audit at Unit IV, Bidar

2017 — **Added Biology capabilities**
becoming a fully integrated Discovery player

Opened new production block (PB-07)
at Unit IV, Bidar with >120KL capacity

2018 — **Successful USFDA audit**
at Unit IV, Bidar

2019 — **Opened new production block (PB-08)**
at Unit IV with >170KL capacity

Forays into international markets
with R&D labs in Manchester, UK, and Greater Boston, USA

2020 — **Opened dedicated Clean Room block**
in Unit IV, Bidar

2022 — **Added special-purpose Amidites block**
in Unit IV, Bidar

2023 — **Opened dedicated HPAPI manufacturing block**
at Unit IV, Bidar

Partnership with Schrodinger

2024 — **Listed on Indian Stock Exchanges**
(NSE & BSE)

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Sai Life Sciences – A Leading CRDMO with scaled operations across both verticals

Sai Life Sciences operates as both a Contract Research Organization (CRO) and a Contract Development & Manufacturing Organization (CDMO), offering an end-to-end platform for global pharmaceutical and biotech companies

CRO

DRUG DISCOVERY

- **Medicinal Chemistry** - Hit identification, lead optimization, and SAR studies
- **Biology & Pharmacology** – In vivo studies and biomarker discovery
- **Computational Drug Discovery** – Molecular simulations and data analytics

PRECLINICAL & IND SUPPORT

- **DMPK & Toxicology** – ADME profiling, safety & efficacy studies
- **Regulatory Support** – Preclinical regulatory documentation, IND filing

CDMO

DRUG DEVELOPMENT

- **Process Research & Development** – Route scouting, process intensification, impurity profiling
- **Analytical Development & Validation** – Method validation, stability studies

COMMERCIAL MANUFACTURING

- **GMP Manufacturing** – Clinical trial materials (Phase I-III), API & finished dosage forms
- **Technology Transfer & Commercial Scale-Up** – From lab to large-scale production
- **Regulatory Compliance** – US FDA, PMDA-certified facilities

Phase 1 **DISCOVERY** (CRO) → Phase 2 **DEVELOPMENT** (CRO & CDMO) → Phase 3 **MANUFACTURING** (CDMO)

One-Stop Platform for Integrated Drug Discovery and Development, ensuring seamless progress from research to commercial manufacturing

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Modern R&D and Manufacturing Infrastructure

Discovery Biology Lab, Greater Boston

- Laboratory equipped for fit-for-purpose **exploratory biology**
- Houses **advanced cellular and biochemical** analysis platforms
- **21** scientific staff (2)

Process R&D Laboratory, Manchester

- Centre of excellence in process chemistry
- Engaged in **advanced process research** and **development**
- **65** scientific staff (2)

Integrated Discovery and Development Facility, Hyderabad

- **Fully integrated R&D campus** for discovery, process development and manufacturing
- **374** member CMC R&D team (2)
- **922** member Discovery services R&D team (2)

API Manufacturing Facility, Bidar

- Houses **multi-purpose production trains**
- Manufactures APIs and advanced intermediates for both clinical and commercial purposes
- Capacity – **525KL**(1)
- Scientific Staff – **592**(2)

Notes: (1) The company also has a production facility in Bollaram with a capacity of 44 KL, leading to a cumulative capacity of 560+ KL (2) As of March 31, 2024

Long Standing Customer Base

Top 25 Global Pharma Companies(1)

Johnson & Johnson	*Viatris*
Pfizer	*Vertex Pharmaceuticals*
Novo Nordisk	*Merck*
Bayer	*AstraZeneca*
Astellas Pharma	*Amgen*
AbbVie	*CSL*
Sanofi	*Sandoz*
Eli Lilly	*Roche*
Boehringer Ingelheim	*GlaxoSmithKline*
Daiichi SankyÅ	*Gilead Sciences*
Novartis	*Teva*
Bristol-Myers Squibb	*Merck KGaA*
Takeda	

Serve **18** of **25** top global pharma companies(1)

Serve **280+** Innovator Pharmaceutical Companies and Biotechnology Firms(2)

10+ Average relationship tenure years with Top 10 customers (3)

Source: Frost & Sullivan
Notes: (1) In terms of revenue for the calendar year 2023 (2) In FY2024 (3) As of RHP Date

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The CRDMO Market Opportunity

1. Small Molecules with over **65%** contribution[(1)] dominate the Global Pharma Market
2. **72% of 302 FDA approved** drugs in 2018–23 were small molecules NCE (New Chemical Entities)
3. Increasing Outsourcing Across the Pharma Value Chain
   - Global Small Molecule Non-clinical CRO Industry in 2028: **US$ 6.7Bn** (CAGR 2023-28: 7.8%)
   - Global Small Molecule Innovator API CDMO Industry in 2028: **US$ 51.3Bn** (CAGR 2023-28: 6.8%)
4. **India CRDMO industry to grow faster**[(2)] than APAC CRDMO as well as global CRDMO industry on account of
   - China +1 (Across the Western World)
   - Biosecure Act (USA)
   - Inflation Reduction Act (USA)
5. Increasing Preference for Integrated CRDMOs – **"One Stop Platform"**

Source: Frost & Sullivan
Notes: (1) By revenue in 2023 (2) During 2023-2028

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Annexure

Consolidated Statement of Profit and Loss

Particulars (₹ crores)	Q3FY25	Q2FY25	Q3FY24	9MFY25	9MFY24	FY24
Revenue from operations	440	396	384	1,115	1,026	1,465
Other income	4	4	3	11	11	14
Total income	**444**	**400**	**387**	**1,126**	**1,037**	**1,479**
Expenses						
Cost of materials consumed and changes in inventories	121	104	107	298	322	446
Employee benefits expense	133	135	122	398	364	495
Other expenses	66	55	58	171	179	239
Forex exchange (gain)/loss	(5)	(6)	(8)	(16)	(15)	(15)
EBITDA	**124**	**109**	**104**	**264**	**176**	**300**
EBITDA Margin	*28%*	*27%*	*27%*	*24%*	*17%*	*20%*
Finance costs	23	21	23	65	65	86
Depreciation and amortisation expense	34	36	31	101	88	119
Profit before tax	**72**	**55**	**53**	**109**	**33**	**109**
Total Tax expense	18	14	13	27	7	26
Profit after tax	**54**	**42**	**40**	**82**	**27**	**83**

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Awards & Recognitions

Excellence in Digitalizing Learning & Development, 2023 by ISTD

Awarded as "Excellent Energy Efficient Unit" at CII's 24th National Energy Management Awards for the fourth consecutive year

Winner of Gold in Brandon Hall Group's Excellence in Technology Awards in "Best Advance in Content Authoring Technology" category

AAALAC International full Accederation for the animal house

Ecovadis Silver

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Glossary

APIs	Active pharmaceutical ingredients
Biotechs	Biotechnology companies, often referred to as biotech companies, are largely startups in the pharmaceutical sector which typically focus on developing innovative drugs and drug development technologies to address unmet medical needs
Blockbuster End Molecules	Blockbusters are drug products with annual sales of over US$1 billion in the Financial Year 2023
CDSCO	Central Drug Standards Control Organization, India
CMC / CDMO	Chemistry, Manufacturing and Control / Contract Development and Manufacturing Organization
CMO	Contract Manufacturing Organization
COFEPRIS Mexico	Federal Commission for the Protection against Sanitary Risk of Mexico
CRDMO	Contract Research, Development, And Manufacturing Organization
CRO	Contract Research Organization
DMPK	Drug metabolism and pharmacokinetics
GATT	General Agreement on Tariffs and Trade
Generic drugs	Refer to pharmaceutical drugs that have the same chemical composition as the original innovator drug and can be sold by companies after the patent on the original drug expires
Innovation Clusters/Hubs	Nine regions identified by Frost and Sullivan including Boston/Cambridge in Massachusetts, Manchester/London/Cambridge in UK, Chicago in Illinois, New Jersey, New York, Paris in France, Switzerland and Japan. In 2022, approximately 57% of global R&D spending were in these nine pharma hubs
Innovator Drugs	Refer to first drugs created containing specific active ingredients and undergo approval or patent process for use
Large Molecule	Have a large molecular weight and made of proteins that are complex in structure compared to small molecule drugs. Costly to manufacture and, at this time, in most cases can only be administered by injection or infusion. Typically manufactured biologically, i.e. extracted from living organisms, but often include certain synthetic chemistry processes
Large Pharma Companies	Pharma companies with revenues > USD 10 billion
Mid Pharma Companies	Pharma companies with revenues in range of USD 500 million to USD 10 billion
NCE	New chemical entities
PMDA	Pharmaceuticals and Medical Devices Agency, Japan
Small Molecule	Organic compound with low molecular weight, small molecule drugs are known for their affordability, ease of administration (largely orally), and broad therapeutic coverage. Typically manufactured using synthetic chemistry processes
Small Pharma Companies	Pharma companies with revenues lower than USD 500 million
TRIPS	Trade-Related Aspects of Intellectual Property Rights
USFDA	United States Food and Drug Administration

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Safe Harbor

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.

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Thank You

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