Press Release

Solara reports a stronger Q2'25 performance

- ***Solara reports Q2'25 Revenue at INR 3,472 Mn***
- ***Gross margins at 50.5%; Significant improvement in Gross margins by 620 bps YoY and 600 bps QoQ returning to historical levels***
- ***EBITDA at INR 616 Mn; with a growth of 46% QoQ and 61% YoY***
- ***Positive PAT at INR 80 Mn***

Bengaluru, India – Oct 21, 2024: Solara Active Pharma Sciences Ltd (Solara) (NSE: SOLARA; BSE: 541540), a leading Active Pharmaceutical Ingredient / CRAMS company, today announced the financial results for the second quarter (Q2'25)

Financial Performance for Q2'25

Particulars	Q2'25	Q1'25	QoQ%	Q2'24	YoY%	H1'25	H1'24	YoY%
Revenue	**3,472**	**3,641**	**-5%**	**4,264**	**-19%**	**7,113**	**7,808**	**-9%**
Gross margins	**1,754**	**1,621**	**8%**	**1,891**	**-7%**	**3,375**	**3,503**	**-4%**
Gross margins %	*50.5%*	*44.5%*	*600 bps*	*44.3%*	*620 bps*	*47.4%*	*44.9%*	*250 bps*
EBITDA	**616**	**421**	**46%**	**382**	**61%**	**1,037**	**581**	**78%**
EBITDA Margins %	*17.7%*	*11.6%*	*610 bps*	*9.0%*	*870 bps*	*14.6%*	*7.4%*	*720 bps*
PAT	**80**	**(134)**		**(170)**		**(54)**	**(362)**	

Commenting on the financial performance, **Poorvank Purohit, MD & CEO of the Company, remarked,** *"We are pleased with the positive outcomes of the course correction measures which we had initiated for the Company. The stated plan to return to growth, enhance profitability and reduce debt has made significant headway. Our efforts on the course correction measures are leading to favourable outcomes resulting in significant margin expansion, in line with the management outlook. The Company reports a strong growth of 46% QoQ and 61% YoY on EBITDA with an improved EBITDA margin of 17.7%.*

While our Revenues are down by 5% QoQ, our relentless focus on profitable growth resulted in Gross margins of 50.5%. Our Regulated market revenues continue to be at around 75% of total revenues. We are confident in continuing the growth momentum and are on track to continuously improving the quality of our earnings while strengthening our balance sheet.

Our ongoing actions on improving profitability through cost improvement programs, operating cost optimization, enhancing R&D productivity, optimizing working capital and debt will continue to yield benefits in the coming quarters.

We reaffirm our FY'25 outlook for Revenue of ~INR 15,000 Mn & the full year EBITDA of ~INR 2,300 to INR 2,600 Mn & Q4'25 exit quarter Revenue ~INR 4,000 Mn & EBITDA of ~INR 800 to INR 900 Mn with EBITDA margins of 20-22%"

More details are given in the Investor presentation.

EBITDA Reconciliation

Particulars (INR m)	Q2'25	Q1'25	Q2'24	H1'25	H1'24	FY24
Profit/loss) before exceptional items and tax	80	(134)	(118)	(54)	(412)	(2,976)
Add : Finance costs	283	307	244	590	490	1,048
Add: Depreciation and amortisation expense	253	251	262	504	521	1,033
Less: Interest income	-	(3)	(6)	(3)	(18)	(22)
Consolidated Reported EBITDA as per press release	**616**	**421**	**382**	**1,037**	**581**	**(917)**

Earnings Conference Call

The Company will conduct earnings call at **3.30 PM IST on October 21, 2024,** where the Management will discuss the Company's performance and answer questions from participants. To participate in this conference call, please dial the numbers below ten minutes ahead of the scheduled start time. The dial-in numbers for this call are **+91 22 6280 1346 or +91 22 7115 8247**. Please note that the conference call transcript will be uploaded onto the Company website in due course.

About Solara

Solara Active Pharma Sciences Ltd (BSE-541540, NSE-SOLARA), headquartered in Bengaluru, India, offers a basket of diversified, high-value Commercial APIs and Contract manufacturing services in over 73 countries. It has a manufacturing base comprising six globally compliant API facilities, with approvals including the USFDA, EU GMP, and PMDA in Japan.

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