

## Press Release

### **Suven to acquire a majority stake in an oligonucleotide focused CDMO player, Sapala Organics; adding another high-growth complex technology to its CDMO business**

- Presence in the highly attractive, fast growing, Oligo & nucleic acid building blocks segment
- Sapala's deep expertise in complex oligo building blocks, acts as a strong differentiator, making it one of the few players globally
- Suven has agreed to acquire an initial controlling stake, operate the business together with the selling shareholders for the next few years and eventually acquire 100% of the shareholding in Sapala

**13<sup>th</sup> June, 2024, Mumbai/Hyderabad:** Suven Pharmaceuticals Limited ("Suven"), one of India's largest integrated CDMO players, has entered into a definitive agreement for a strategic controlling investment in Sapala Organics Private Limited ("Sapala"), subject to regulatory approvals and conditions.

Sapala is a Hyderabad based CDMO focused on Oligo drugs and nucleic acid building blocks including specialized/modified Amidites & Nucleosides, drug delivery compounds (including GalNAc), Pseudouridine, amongst others. Oligo & nucleic acid building blocks market is a ~\$750M market and is expected to grow at a robust ~20% CAGR. Sapala is one of the very few players globally with experience in a comprehensive range of specialized building blocks. Sapala has a strong customer base including innovator Pharma, CDMOs & diagnostic companies, and is a key partner in their Oligo drug NCE programs.

Sapala was founded by Dr P Yella Reddy who has extensive experience in nucleic acid chemistry and formerly worked as Director (R&D) with Aisin Cosmos R&D Co. Ltd (Toyota Group) in Japan & India for 20+ years.

Sapala had a revenue of over INR 670mn and adjusted EBITDA margins of 45%+ for FY24. Suven has entered into an agreement to initially acquire a controlling stake whereas the existing shareholders of Sapala will continue to hold a significant minority stake for the next few years. Dr Reddy will continue to run the business as the CEO and also be associated with the Suven+Chance platform as a strategic advisor for the Japan market. Overall, 100% acquisition is expected to be in the range of 13-15x EBITDA multiple and is linked to the next three years' financial performance.

## **Suven Pharmaceuticals Limited**

**Registered Office:** # 215 Atrium, C Wing, 8th Floor, 819-821, Andheri Kurla Road, Chakala, Andheri East, Chakala Midc, Mumbai- 400093, Maharashtra, India  
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**Corporate Office:** # 202, A-Wing, Galaxy Towers, Plot No.1, Hyderabad Knowledge City, TSIC, Raidurg, Hyderabad - 500081 Telangana, India  
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Email: [info@suvenpharm.com](mailto:info@suvenpharm.com) | Website: [www.suvenpharm.com](http://www.suvenpharm.com) | CIN: L24299MH2018PLC422236

On the acquisition, Mr Annaswamy Vaidheesh, Executive Chairman, Suven said “We are delighted to partner with Sapala and believe it is a strong strategic fit. We see massive potential given it’s a niche technology in the rapidly growing space. Nucleic acid based therapy targets diseases at a genetic level and has the potential to help patients immensely and cure previously incurable conditions. With this acquisition, we now have multiple differentiated technology platforms such as ADCs and Oligos amongst others. We will continue to invest both organically and inorganically to further build on these.”

Dr V Prasada Raju, Managing Director, Suven added “Sapala has built unique capabilities in the complex Oligo building blocks segment. The space is poised to grow multi-fold with many of our own customers looking to expand in this space. We are convinced that combining Sapala’s R&D depth, team’s 30+ years of experience and Dr Reddy’s Japan experience with our customer access & manufacturing capabilities will help drive significant synergies across the entire platform.”

Dr P Yella Reddy, founder of Sapala said “We have built Sapala as a unique CDMO player in the oligonucleotides value chain, largely thanks to the highly capable team that I have had the privilege of leading. Sapala has earned the trust of its customers over the last two decades by consistently taking up challenging projects, developing and scaling up highly complex technologies. A strategic partner like Suven, with its wider reach and resources will help to take Sapala to the next level while providing significant growth and development opportunities for Sapala's employees as well. We at Sapala are excited with the possibilities that this partnership brings. I also look forward to working with the larger team at Suven for their Japan market initiatives and hope to contribute to the platform’s success in that market.”

The transaction will be subject to customary closing conditions.

Steadmount Capital Advisors and Banyan Advisory acted as advisors to Sapala.

### **About Suven Pharma**

Suven is India’s leading innovator focused, integrated Pharma & Specialty Chemical CDMO Company that has grown 16%+ CAGR over last 10 years and has 40%+ EBITDA margins. It specializes in Custom Synthesis, Process R&D, Scale Up and Contract Manufacturing of intermediates, APIs and Formulations. Suven does ~90% of its business with innovators. It has a strong pipeline of Phase 3 and late Phase 2 molecules with 100+ active projects.

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### **About Sapala Organics**

Sapala is a Hyderabad based CDMO focused on Oligo drugs and nucleic acid building blocks including Phosphoramidites & Nucleosides, drug delivery compounds (including GalNAc), Pseudouridine, amongst others. It is one of the only players experienced in comprehensive range of complex, specialized building blocks. Sapala works with many innovator Pharma companies, CDMOs, diagnostic companies on their NCE programs. It has a 250+ workforce including 100+ member R&D team. Sapala recorded INR 670mn sales in FY24 with ~45%+EBITDA on an adjusted basis.

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