

REGISTERED OFFICE

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CIN: L24110TG1991PLC012471

Date: January 23, 2024

To,
National Stock Exchange of India Limited
BSE Limited
Symbol: NSE: GRANULES: BSE: 532482

Dear Sir,

Sub: Presentation to the Analysts/Investors

We refer to the unaudited financial results for the third quarter and nine months ended on December 31, 2023, submitted to you today i.e., on January 23, 2024. We are now enclosing the presentation in this regard to the Analysts/Investors.

This is pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Kindly take the above information on record.

For GRANULES INDIA LIMITED

**CHAITANYA
TUMMALA**

Digitally signed by CHAITANYA TUMMALA
DN: c=IN, o=PERSONAL, ou=1722,
pseudonym=5a1421da0044714ae97e87640a0419e,
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34626aa5f699e52ec07753c60, cn=CHAITANYA
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**CHAITANYA TUMMALA
(COMPANY SECRETARY &
COMPLIANCE OFFICER)**





**Transforming Healthcare
through Innovation and Sustainability**

Granules India Limited

Earnings Presentation
Q3FY24



Safe harbour

The Presentation is to provide the general background information about the Company's activities as at the date of the Presentation. The information contained herein is for general information purposes only and based on estimates and should not be considered as a recommendation that any investor should subscribe / purchase the company shares. The Company makes no representation or warranty, express or implied, as to, and does not accept any responsibility or liability with respect to, the fairness, accuracy, completeness or correctness of any information contained herein.

This presentation may include certain "forward looking statements". These statements are based on current expectations, forecasts and assumptions that are subject to risks and uncertainties which could cause actual outcomes and results to differ materially from these statements. Important factors that could cause actual results to differ materially from our expectations include, amongst others general economic and business conditions in India, ability to successfully implement our strategy, our research and development efforts, our growth and expansion plans and technological changes, changes in the value of the Rupee and other currencies, changes in the Indian and international interest rates, change in laws and regulations that apply to the Indian and global pharmaceuticals industries, increasing competition, changes in political conditions in India or any other country and changes in the foreign exchange control regulations in India. Neither the company, nor its directors and any of the affiliates or employee have any obligation to update or otherwise revise any forward-looking statements. The readers may use their own judgment and are advised to make their own calculations before deciding on any matter based on the information given herein.

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Key Business Updates

Performance

- Strong performance in the quarter which is reflected in the improved EBITDA margin
- US formulations volumes have grown, led by both existing and new products
- LATAM business has shown some recovery as compared to the previous quarter

Product Approvals

- ANDA Approval for Sildenafil PFOS
- ANDA Approval for Pantoprazole DR Capsules
- ANDA Approval for Esomeprazole Magnesium DR Capsules

Capacity and Capability building

- Inaugurated the pilot plant at Granules Life Sciences
- R&D spend momentum continued this quarter as well with focused spend on certain new product developments



Commitment
towards Net Zero

Medicine with *near Net*
Zero Carbon footprint

CZRO Update

- **Identified and finalized two sites** at Vizag (12 Acres) and at Kakinada (100 Acres)
- **Phase I at Vizag:**
 - DCDA pilot plant – Projected completion: Q4 FY24
 - PAP – Projected completion: End of FY25
- **Phase II at Kakinada:** Project work expected to start in Kakinada in FY 25.
- Ongoing **collaboration with multiple partners** on technological know-how for molecules envisaged under CZRO for Kakinada.

Q3FY24: Y-o-Y performance highlights – P&L

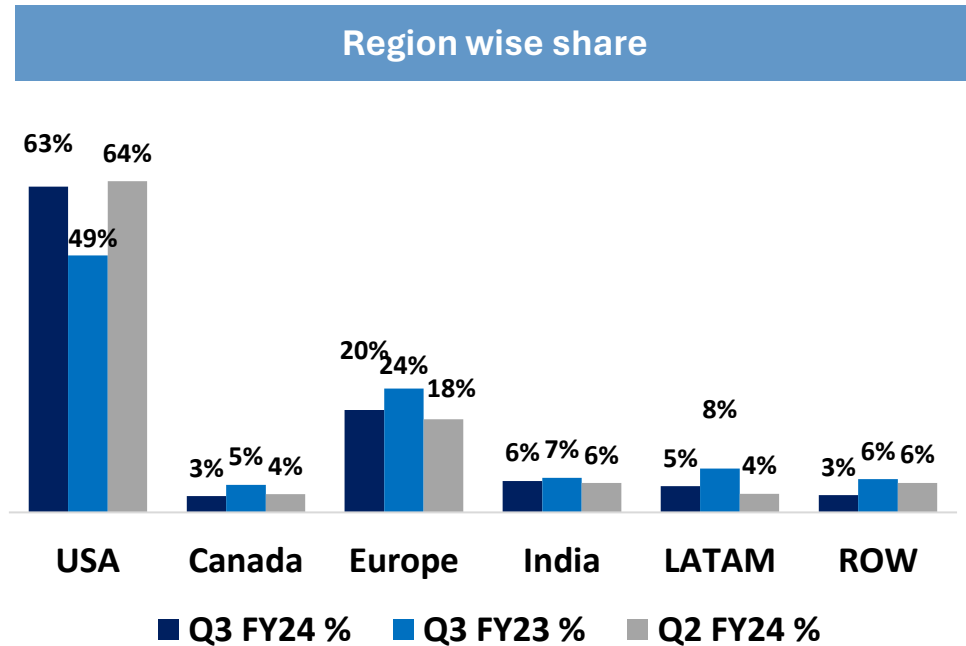
(In ₹ Mn)	Q3 FY24	Q3 FY23	Y-o-Y Gr%	Y-o-Y performance
Revenue	11,556	11,461	1% ↑	Volumes growth was higher as compared to value growth. Sales in the US region grew well, led by both existing and new products
Value Added	6,583	5,544	19% ↑	VA% has improved primarily on account of better product mix (increase in sales of Formulations). Price erosions were more than offset by the reduction in price of key raw materials
Value Added %	57.0%	48.4%		
EBITDA	2,505	2,313	8% ↑	Expenses (primarily manpower and R&D) increased as part of capability and capacity building which will drive future growth in short to medium term
EBITDA %	21.7%	20.2%		
PAT	1,257	1,243	1% ↑	Higher interest rate as compared to last year impacted PAT margin
PAT %	10.9%	10.8%		

Q3FY24: Q-o-Q performance highlights – P&L

(In ₹ Mn)	Q3 FY24	Q2 FY24	Q-o-Q Gr%	Q-o-Q performance
Revenue	11,556	11,895	(3%) ↓	Revenue is down primarily because of reduction in prices of Paracetamol across all regions.
Value Added	6,583	6,144	7% ↑	VA% is significantly better due to better product mix (increase in sales of Formulations) coupled with reduction in prices of key raw materials
<i>Value Added %</i>	57.0%	51.7%		
EBITDA	2,505	2,130	18% ↑	Better VA margin resulting in an improved EBITDA
<i>EBITDA %</i>	21.7%	17.9%		
PAT	1,257	1,021	23% ↑	Better VA margin resulting in an improved PAT
<i>PAT %</i>	10.9%	8.6%		

Q3FY24: Revenue split by market

(In ₹ Mn)

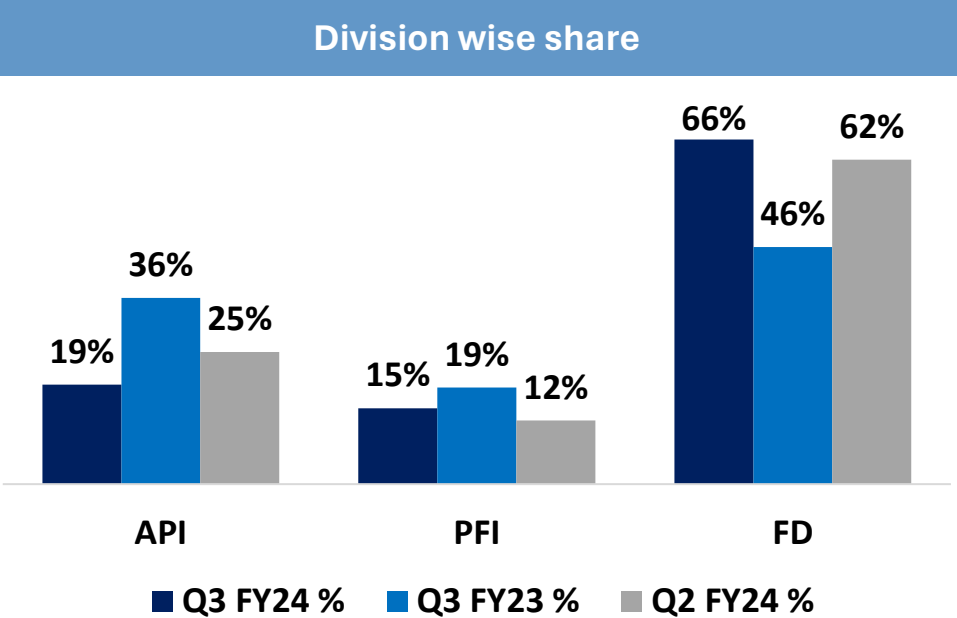


	Q3 FY24	Q3 FY23	Y-o-Y Gr%	Q2 FY24	Q-o-Q Gr%
North America	7,601	6,268	21%	7,989	(5%)
Europe	2,279	2,728	(16%)	2,128	7%
LATAM	587	968	(39%)	429	37%
India	701	763	(8%)	673	4%
ROW	389	735	(47%)	676	(42%)

- Significant Volume growth in North America YoY, partially offset by price erosion
- Paracetamol Price erosion in Europe leading to the decline in sales YoY
- Volume decline continued in Latin America YoY, primarily on account of inventory correction by customers in these regions

Q3FY24: Revenue split by division

(In ₹ Mn)



	Q3 FY24	Q3 FY23	Y-o-Y Gr%	Q2 FY24	Q-o-Q Gr%
API	2,212	4,106	(46%)	3,021	(27%)
PFI	1,686	2,130	(21%)	1,457	16%
FD	7,658	5,224	47%	7,417	3%

- Y-o-Y decline in API segment was led primarily by reduction in Paracetamol prices which were reduced in-line with the reduction in the key raw material prices (no impact on margins)
- Share of PFI business has reduced y-o-y as more customers are converting into FD from PFI, coupled with correction in inventories in the LATAM markets
- FD volumes increased significantly in the US across all major products especially controlled substances

Q3FY24: Cashflow metrics and Ratios

(In ₹ Mn)

	Q3 FY24	Q2 FY23
ROCE%	15.3%	12.8%

ROCE% improved QoQ because of improvement in EBIT due to increase in better product mix.

ROCE = Annualised EBIT / Average capital employed
 Capital employed = Equity + Total Borrowings + LT liabilities - Cash

	Q3 FY24	Q2 FY24
CCC	162	162

Maintained similar CCC as compared to the previous quarter.

CCC = DIO + DSO - DPO

DIO and DPO are calculated using Material Cost consumed and DSO is calculated using Sales

	Q3 FY24	Q2 FY24
Fixed asset turn	1.78	1.75

Higher asset turns are primarily on account of increase in annualised sales.

Fixed asset turn = Annualised Sales / Average Tangible Gross block

	Q3 FY24	Q2 FY24
Operating Cashflow	1,880	329

Higher EBITDA and improved cash realisation from receivables resulting in higher Operating Cashflow

	Q3 FY24	Q2 FY24
Net debt/ EBITDA	1.16x	1.41x

Net debt has decreased by Rs.610 mn.

Net debt = Gross debt – Cash and cash equivalents

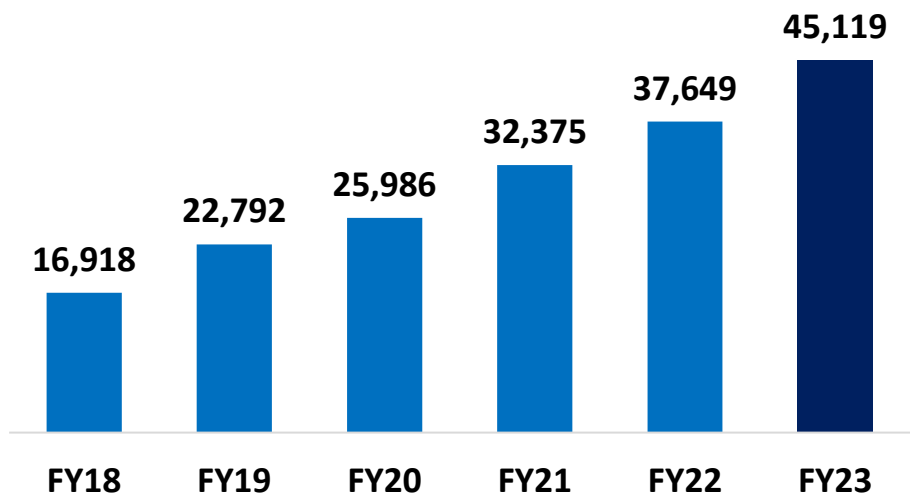
	Q3 FY24	Q2 FY24
Capex	1,047	1,029

Capex investment kept in-line with last quarter

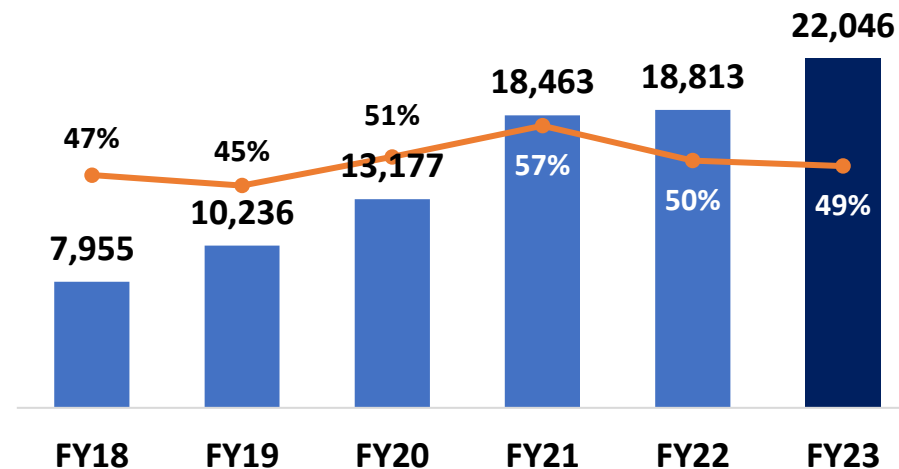
Last 5 years performance: Sales and profitability

(In ₹ Mn)

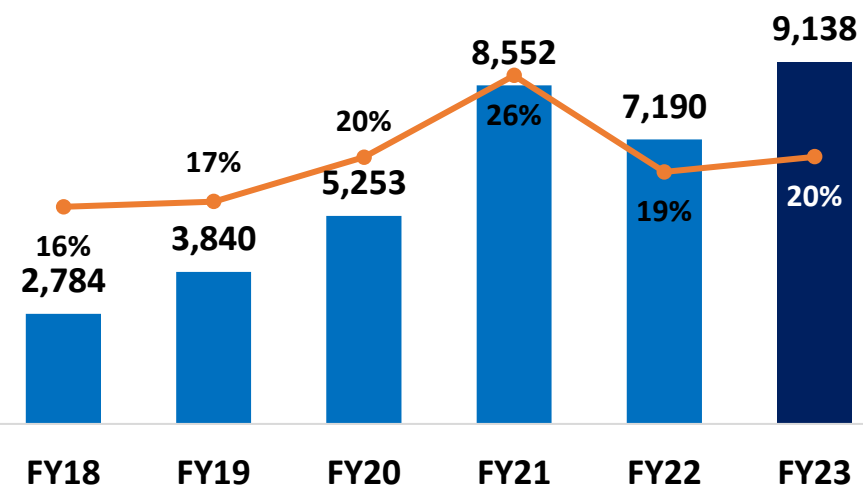
Sales: 5yr CAGR: 22%



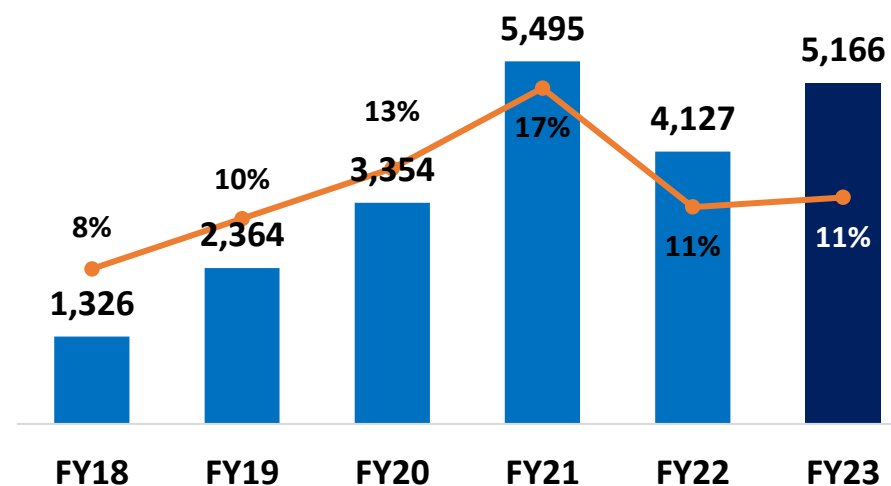
VA and VA%: 5yr CAGR: 23%



EBITDA and EBITDA%: 5yr CAGR: 27%



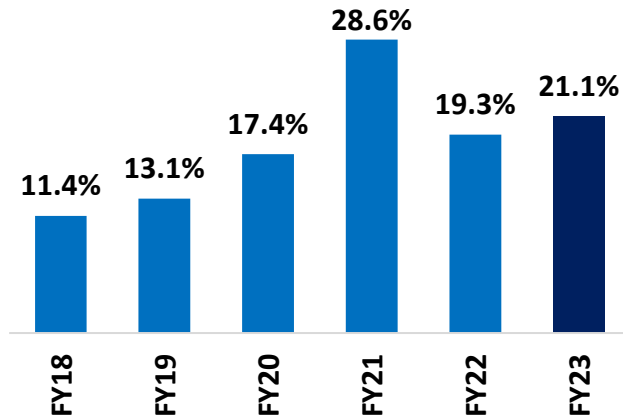
PAT and PAT%: 5yr CAGR: 31%



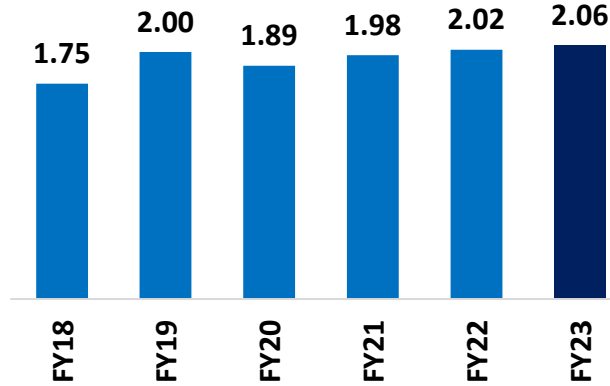
Last 5 years performance: Cashflow and ratios

(In ₹ Mn)

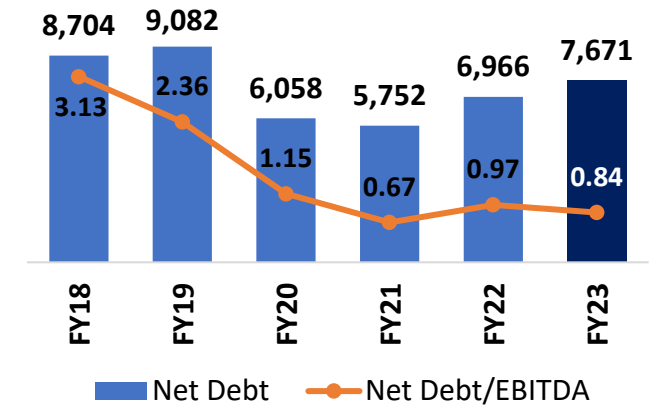
ROCE%



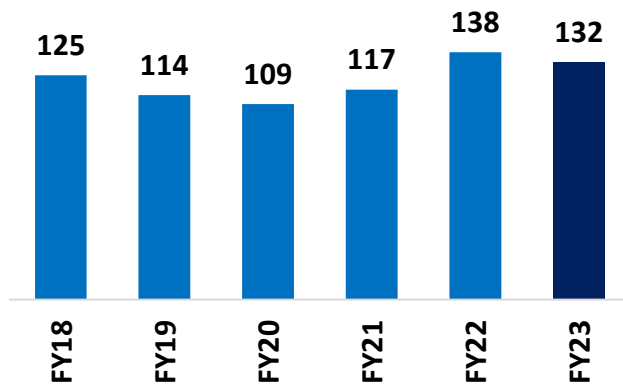
Asset turns



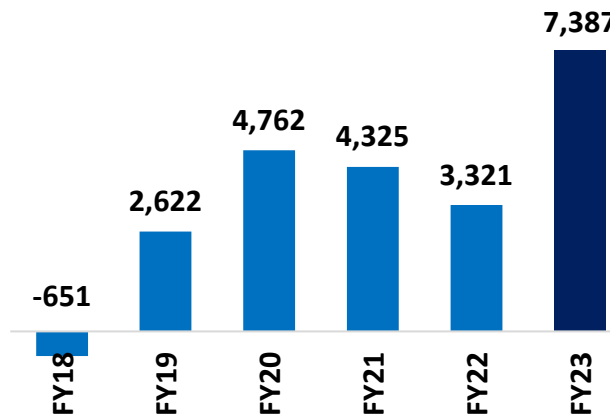
Net debt and Net debt/EBITDA



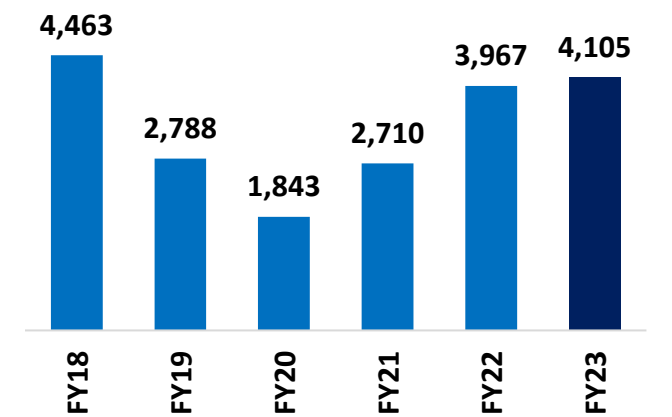
Cash to Cash cycle



Operating Cash flow



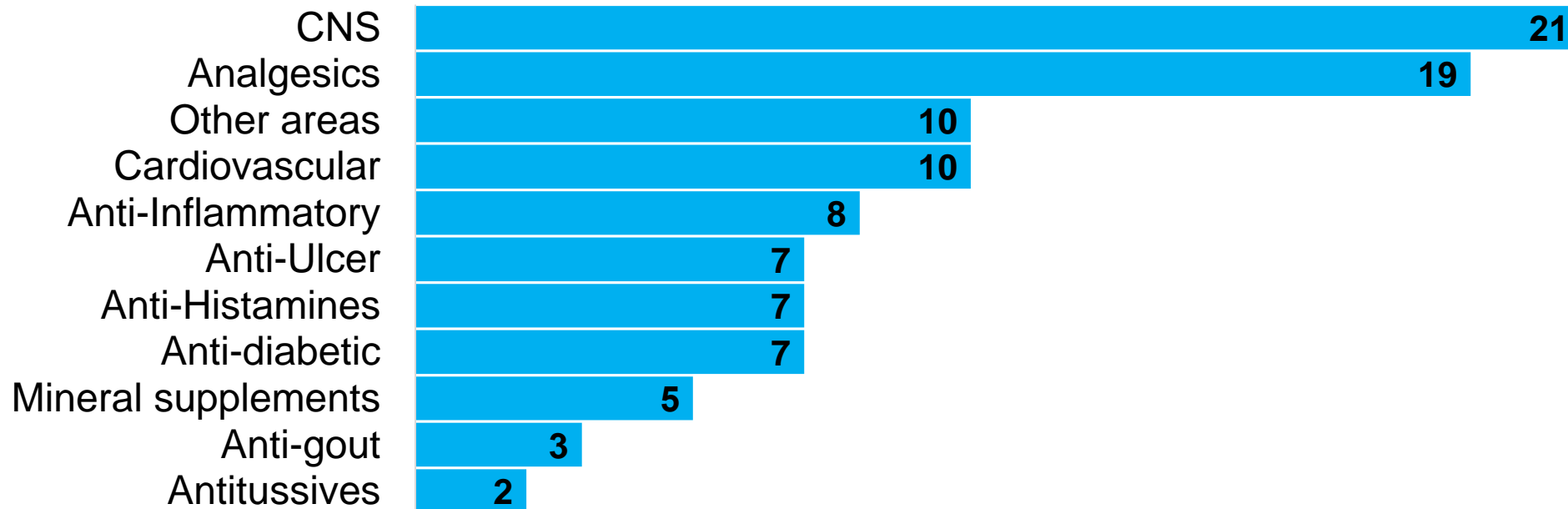
Capex



ANDA and Dossier Filing status

Filing Status	GPI IP	GIL IP					Total
	USA	USA	Europe	Canada	Others (SA, Belarus, Isreal & India)	UK	
Approved	26	62	8	6	3	2	81
Tentatively Approved	1	2	-	-	-	-	2
To be approved	3	8	1	0	7	-	16
Total Products	30	72	9	6	10	2	99

ANDA/Dossier filed - Therapeutic area wise



Strategic Priorities and Organizational Transformation

Our Purpose, Vision & Values

Purpose

Healing lives
responsibly
through pioneering
green science

Vision

To establish ourselves as a world leader in green chemical and pharmaceutical industry by harnessing cutting-edge technologies to enhance quality of life.

Values

- 1 Challenging Limits
- 2 Futuristic Thinking
- 3 Empowering Employees
- 4 Customer Driven
- 5 Quality Everywhere
- 6 Environmental Stewardship



Strategic Priorities

Strengthening the core

R&D and Innovation

Sustainability

Strengthening the core

Building & sustaining our competitive advantage

**World-class.
World Scale.**

A dependable partner for high-quality pharmaceutical products.



60+ Products

80+ Countries

300+ Customers

World's largest Paracetamol API facility



One of the world's largest PFI facilities

One of the world's largest single-site FD facilities

Regulatory Approvals, Quality & Compliance



Manufacturing Excellence

Process Innovation and improvements

Backward integration
KSMs and advanced intermediates

Scale & Large Volume
Global Leadership in Core Molecules

MUPS Capacity & Controlled Substances
facilities

Granules
Oncology
Offerings



Dependable CDMO offering



Integrated supply chain

Vertically-integrated, multi-product API and oral solids formulation manufacturing capability

Strengthening the core

Our manufacturing network & capabilities

Bonthapally



API: 34,560 TPA

Jeedimetla



API: 4,800 TPA
PFI: 1,440 TPA

Bonthapally II



API (Intermediate):
61.5 KL PA

Vizag (Unit 4)



API: 380 KL PA

Vizag (Unit 5)



API: 15 KL PA
FD: 1.1 Bn

Gagillapur



FD: 26.8 Bn
PFI: 23,200 TPA

Virginia, USA



FD: 1.5 Bn

GPAK, USA

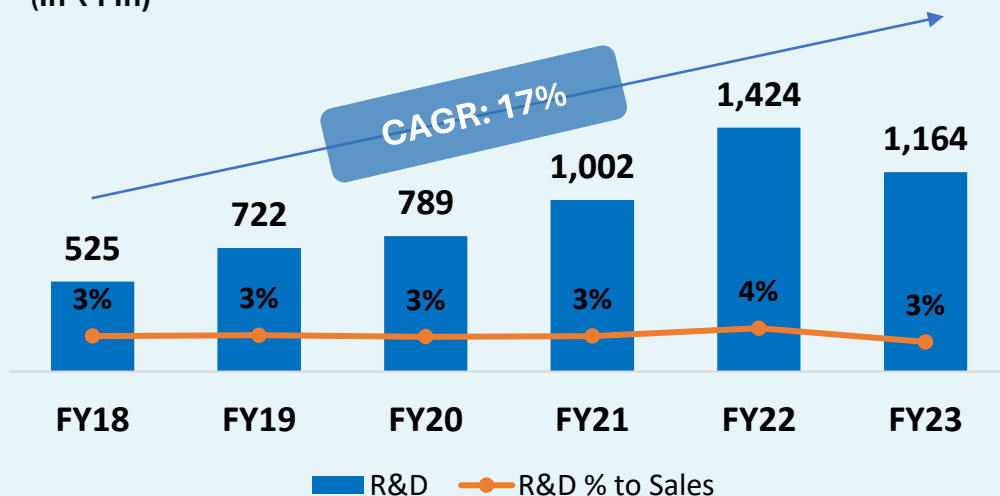


2 OTC lines
1 Rx line

R&D and Innovation: Expanding capabilities

Strengthened headcount to ~300 across spectrum of R&D centers with complementary capabilities

(In ₹ Mn)



Integrated Product Development

Genome Valley – MN Park

R&D facility for Integrated Product Development

- ~170 scientists across API & FD R&D
- Fast tracking product development through seamless coordination & shared analytical resource

Controlled Substances

Pragathi Nagar R&D

- CoE for CII API Development
- Select KSMs

GPI R&D

- CII Finished Dosage
- Complex technologies FD

New Technologies

Bio Lab at Pragathi Nagar

- Enzyme & Fermentation

Pune R&D

- New technologies
- KSM & Backward Integration

Sustainability at Granules

**One Planet.
One Purpose.**

**Embracing
green science.**

Net Zero by
2050

The Granules
Commitment

GRANULES
CZRO 

Building our flagship
green pharmaceutical
plant*

**(At Kakinada, AP, India)*



R&D and Innovation: Becoming an innovation and science-led enterprise

Enzyme & Bio Transformation

Eco friendly substitute to metallo-catalysis

Continuous Manufacturing/ Flow Technology Platform

Excellence in identified chemistries

Formulation Technology & Processes

To drive efficiency & cost leadership



Green Score in R&D Development

Implementation of Green card and Eco scale initiatives from the early stages of development

Green Chemistry Matrix

Atom Economy

Atom efficiency

E-factor

Eco-Scale for process efficiency

6 parameters & 38 sub-parameters at every stage of the reaction

Yield

Safety

Effluent

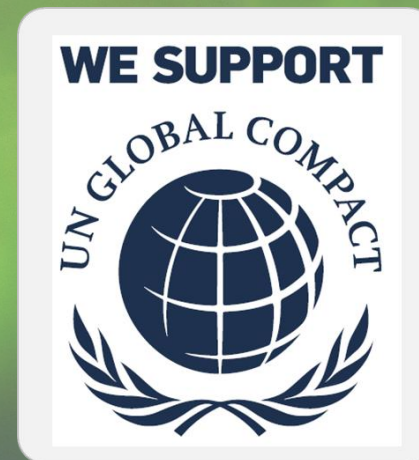
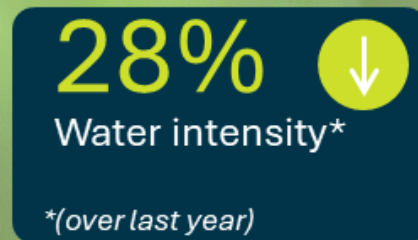
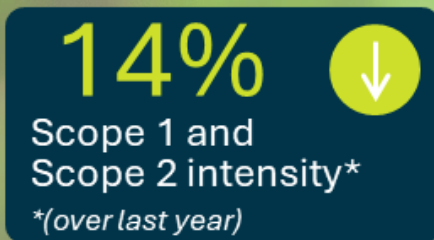
Input/ RM
Cost

Operations
Parameters

Infrastructure
considerations

One Planet. One Purpose.

Demonstrating action against a shared commitment





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thank you!



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