



REGISTERED OFFICE

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CIN: L24110TG1991PLC012471

Dated January 30, 2017

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

Dear Sir,

Sub: Presentation to the Analysts/Investors

We refer to unaudited financial results for the third quarter ended December 31, 2016 submitted to you on 28th January 2017.

We are now enclosing the presentation in this regard to the Analysts/Investors which is also being uploaded on our website.


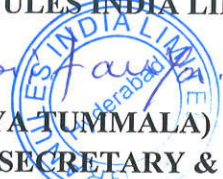
This is pursuant to Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Kindly take the above information on record.

Thanking you.

Yours faithfully,

FOR, GRANULES INDIA LIMITED



(CHAITANYA TUMMALA)
COMPANY SECRETARY &
COMPLIANCE OFFICER



GRANULES

Investor Presentation: Q3FY17



- Company Snapshot
- Business Overview
- Core Business Model
- Initiatives for Future Growth
- CRAMS Business
- Group Structure and Manufacturing Facilities
- Consolidated Revenue Breakup for Q3FY17
- Financial Overview – Trends
- Business Trends

Disclaimer

This presentation may include certain “forward looking statements”, based on current expectations, within the meaning of applicable laws and regulations. Actual results may differ and the Company does not guarantee realization of these statements. The Company also disclaims any obligation to 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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- Present across the entire pharmaceutical manufacturing value chain from active pharmaceutical ingredients (API) to pharmaceutical formulation intermediates (PFI) to finished dosages (FD) manufacturing.
- Manufacturing facilities with approvals from the U.S. FDA, EDQM and other regulators.
- Regulated markets of North America and Europe account for **60%** of overall revenue, while the balance comes from quality conscious customers in Latin America, India and ROW countries.
- Entered potentially higher margin products through establishing in house Research Auctus Pharma acquisition in 2014 with focus on development of new APIs through in-house R&D.
- Presence in potentially higher margin CRAMS business through 50-50 JV with Ajinomoto Omnicem.
- Ventured into manufacturing and marketing of OTC products to the retail chains in the North American markets
- Acquired Formulation facility in Virginia, USA to introduce value added form of existing products and to concentrate into formulation R&D of complex molecules.

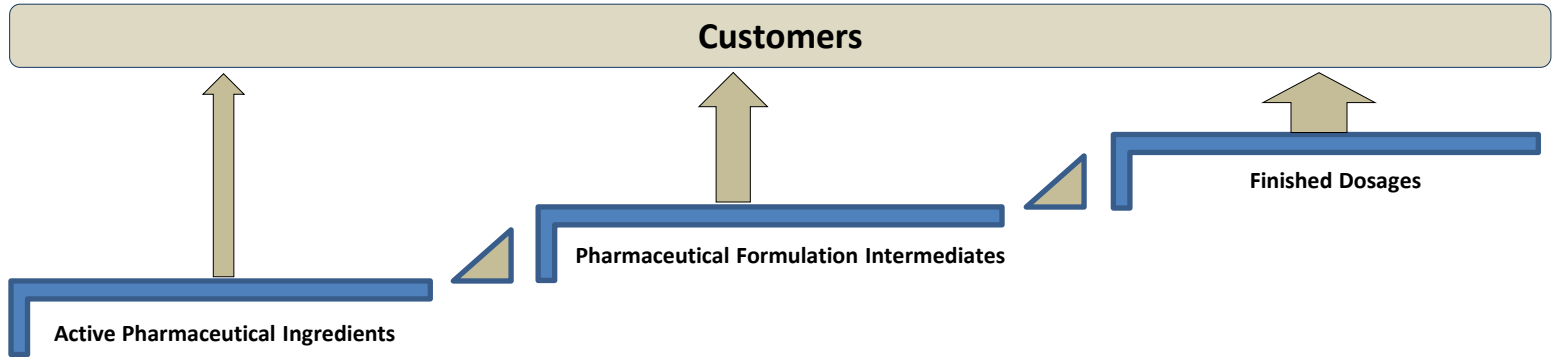
Listing information : NSE	
Market Cap (INR mn) as on Dec'16	23,902
Outstanding Equity Shares (mn)	221.22
Face value of equity (INR/share)	1.0
52 weeks high/low (INR/share)	150.5/99.1
Bloomberg code	GRAN:IN
Sector	Pharmaceuticals

Share Holding Pattern	Mar'16	June'16	Sept'16	Dec'16
Promoters Group (%)	51.2	51.1	51.0	51.9
Public (%)	48.8	48.9	49.0	48.1

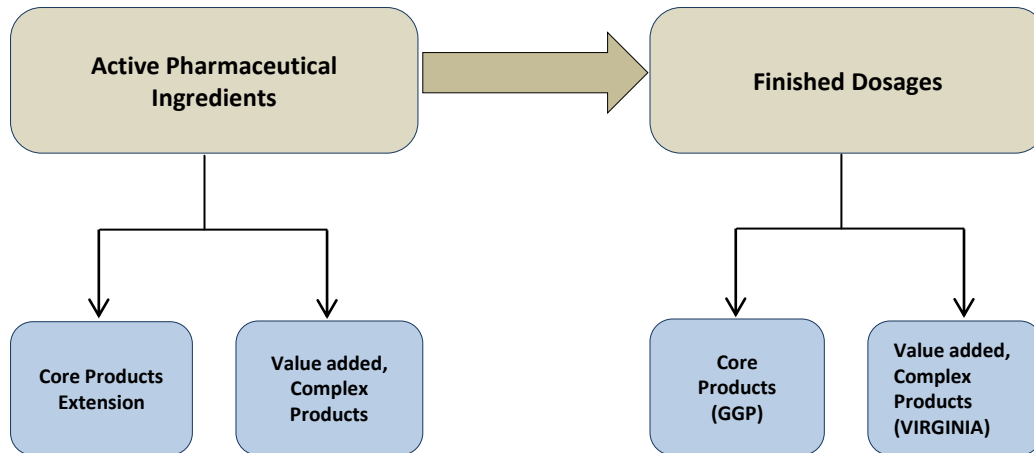
Financial Snapshot	FY 14	FY15	FY16
Sales (INR Mn)	10,959	12,937	14,312
EBITDA (INR Mn)	1,626	2,130	2,844
EBITDA Margin	14.8%	16.5%	19.9%
PAT (INR Mn)	752	909	1,185
PAT Margin	6.9%	7.0%	8.3%
Net Worth (INR Mn)	3,557	4,312	6,660
Total Debt (INR Mn)	4,417	4,822	4,741

All the numbers are based on IGAAP financials

CORE BUSINESS

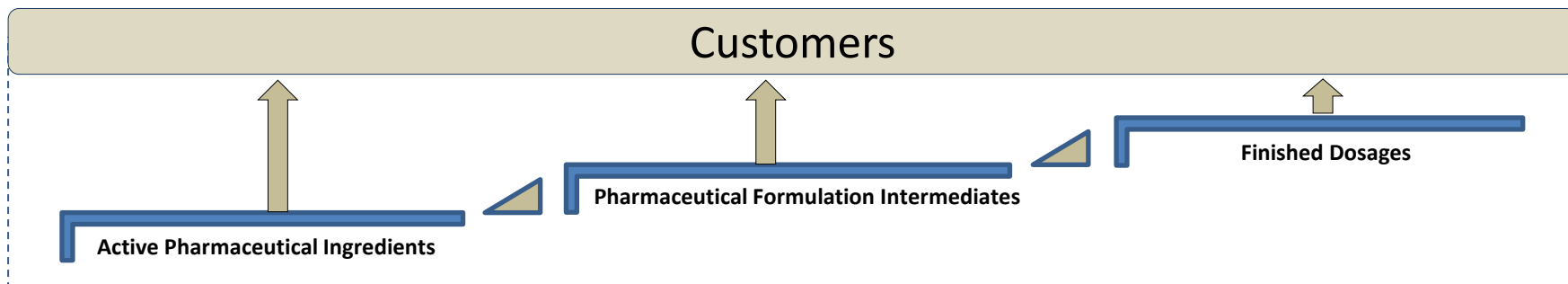


STRATEGIC GROWTH PLANS



CRAMS Business

Product: Low-volume, value added Products
Market: Innovator and Brand Owner in the Regulated Markets
Plant Location: Vizag



- ❑ **Vertically integrated** across the entire value chain from active pharmaceutical ingredients (API) to pharmaceutical formulation intermediates (PFI) to finished dosages (FD) manufacturing of “**High Volume Steady Business**” Products
- ❑ Strong presence in ‘**first line of defense**’ products such as such as **Paracetamol, Ibuprofen, Metformin and Guaifenesin**.
- ❑ Delivered robust growth over 5years (FY11-FY16) in key molecules :
 - Paracetamol (**16% CAGR**)
 - Metformin (**50% CAGR**)
 - Ibuprofen (**15% CAGR**)
 - Guaifenesin (**35% CAGR**)
 - Methocarbamol (**21% CAGR**)
- ❑ Future Growth from existing portfolio
 - **Increasing emphasis on finished dosages** will increase revenue and profitability
 - Improving **efficiencies and yields**
 - Growth will be driven by **larger wallet share from existing customers** as well as **new customers** additions
 - Enhancing the product basket with **new ANDA filling**
- ❑ Capacity augmentation of APIs in base molecules: (**under implementation**)
 - Addition of **7,000 TPA in Metformin capacity** to reach to **9,000 TPA**
 - Addition of **2,000 TPA in Guaifenesin capacity** to reach to **3,200 TPA**
 - Addition of **6,000 TPA in Paracetamol capacity** to reach to **24,000 TPA**
- ❑ Addition of **4,000 TPA PFI capacity** : (**under implementation**)

New API Division

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- ❑ **Auctus Acquisition**
 - Auctus was a loss-making yet high-potential API business
 - Significant saving in time for Granules on **growth strategy**.
 - USFDA approved multipurpose API manufacturing facility in Vizag and an intermediate manufacturing facility in Hyderabad
 - The Company's **22 regulatory filings** include 8 European filings, 4 USDMFs, 3 South Korean DMFs, 3 IDL China, 2 Health Canada, 1 Italy and 1 Spain.
- ❑ **Granules Research Centre**
 - Established in house R&D cell to develop new generic products in a 10,000 sq.ft area in Hyderabad.
 - Presently over **70 scientists** are focusing towards complex products.

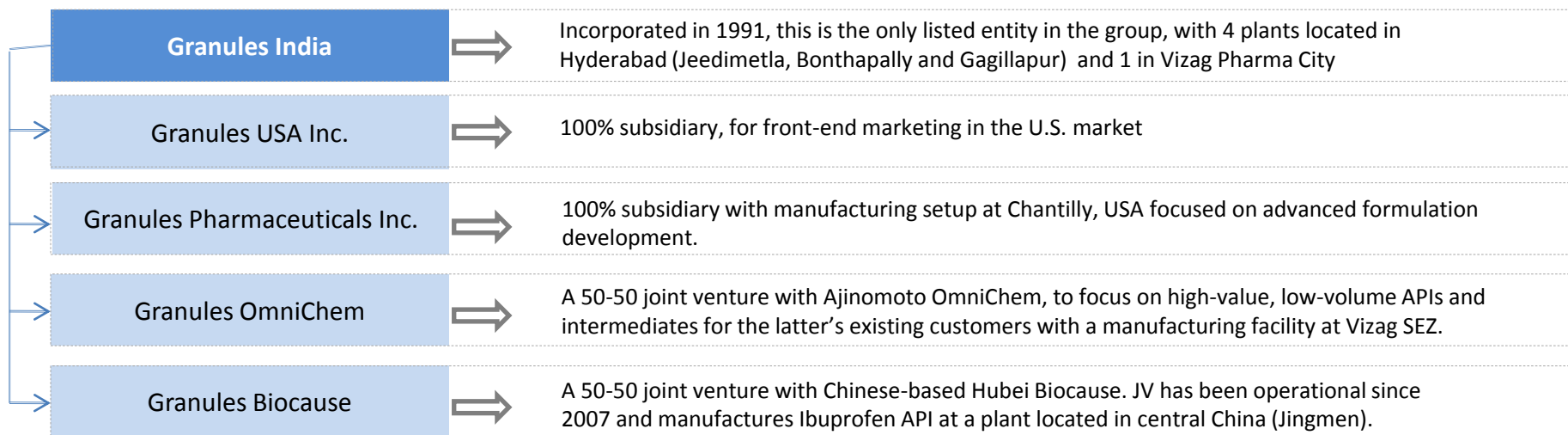
Granules Pharmaceutical Inc.

- Acquired formulation facility in Virginia ,USA to introduce value added form of existing products and to concentrate into formulation R&D of complex molecules.
- Part of group's diversification strategy to enter into the high value, low volume products
- Primary focus on formulation research and development of a list of 12-14 products, the ANDAs of which will be filed within the next 1-3 years.

Granules Consumer Health

- Marketing of store brand OTC products with direct relationship with retail outlets in the US (B→B→C)
- Extension of core business with existing products in the initial stage and thereafter continuously increasing product offering by introducing new OTC products .

- ❑ **Foray into Contract Research And Manufacturing Services**
 - Set up in **July 2011 as a 50-50 JV company** with Belgium based Omnicem, a part of the Ajinomoto Group. The JV has set up a facility in Vizag SEZ for manufacturing of high-value APIs for Innovators and Brand Leaders on a contract manufacturing basis.
- ❑ **JV strategy**
 - To provide a **cost effective manufacturing base to innovators for their products when they go off patent** - this will help Omnicem's customers decelerate loss of market share for their brands
- ❑ **Progress and timelines**
 - Project is complete and commercial sale has started.
 - Supply of API intermediates to OmniChem (JV partner) till the facility is approved by regulatory authorities.
 - Currently working on **4-5 products**
- ❑ **Growth from CRAMS business**
 - USFDA / EDQM approvable plant
 - Omnicem's established customer base to be major contributor to revenues
- ❑ **Financial Snapshot:**
 - Revenue 9MFY17 – INR 975 Mn.
 - EBITDA 9MFY17 – INR 212 Mn.
 - PAT 9MFY17 – INR 108 Mn.

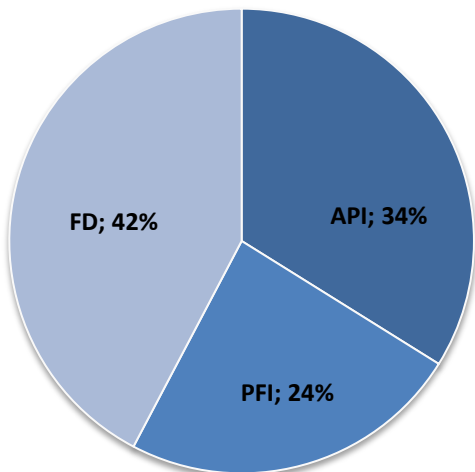


Value Chain	Facility Location	Installed Capacity	Approvals
API	Bonthapally	18,000 TPA	U.S. FDA, EDQM, WHO GMP
	Jeedimetla	3,560 TPA	U.S. FDA, EDQM, COFEPRIS, WHO GMP, HALAL
	Jingmen, China (Biocause JV)	4,800 TPA	U.S. FDA, MHRA, CFDA
	Vizag	285 KL	U.S. FDA, KFDA, EU GMP, WHO GMP
	Vizag SEZ (OmniChem - CRAMs JV)	152 KL	
PFI	Gagillapur	17,200 TPA	U.S. FDA, COFEPRIS, TGA
	Jeedimetla	1,200 TPA	HALAL
FD	Gagillapur	18 Bn	U.S. FDA, MCC, COFEPRIS, TGA
	Virginia, USA	0.5 Bn	
API Intermediates	Bonthapally	61.5 KL	

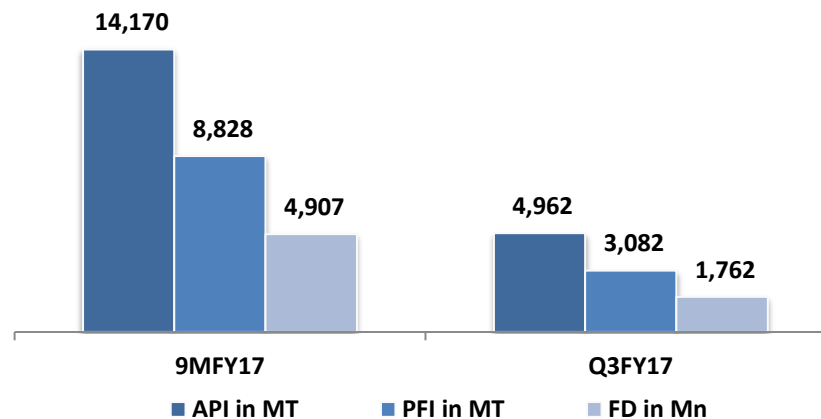


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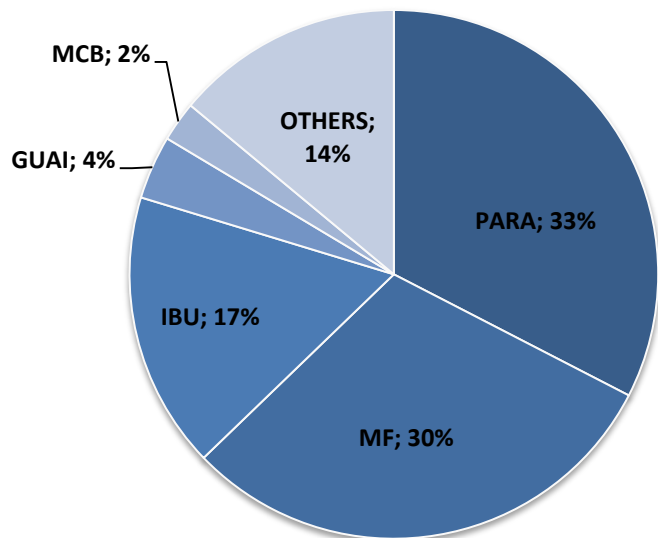


PRODUCTION DETAILS



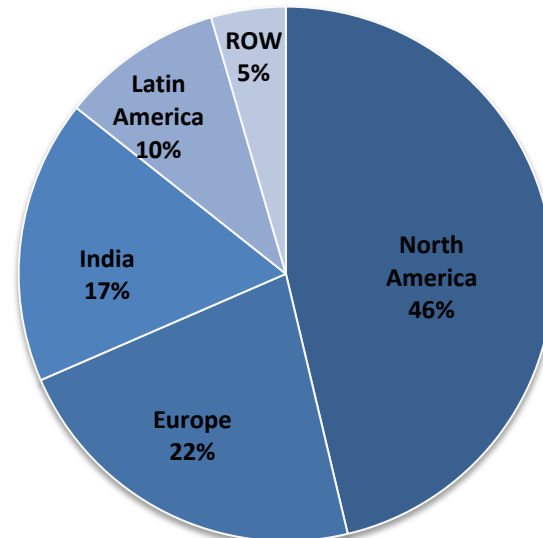
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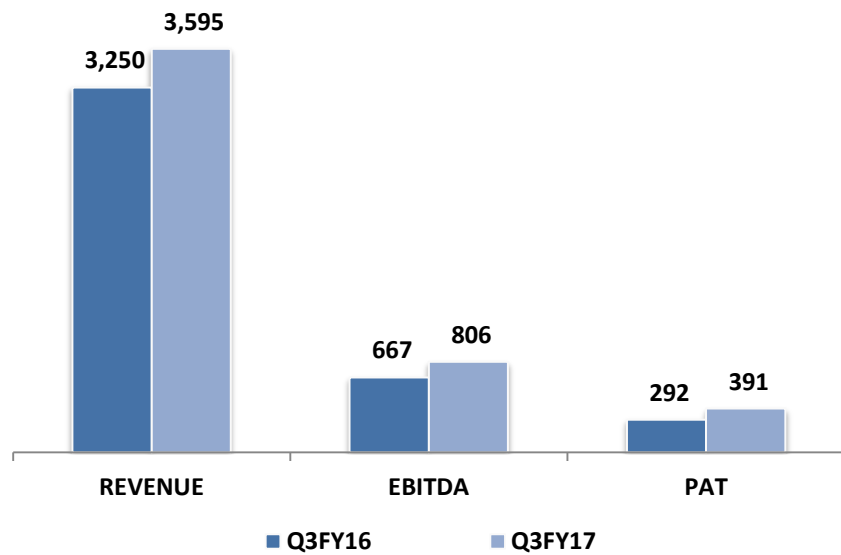
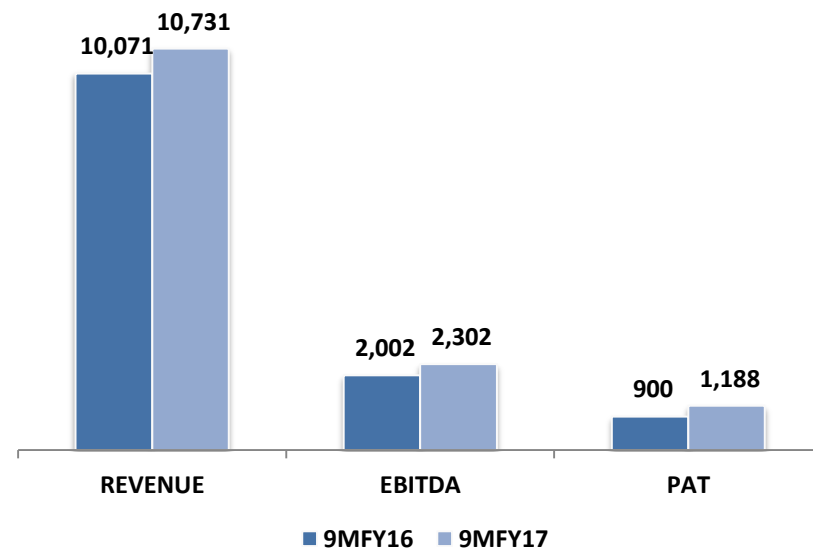
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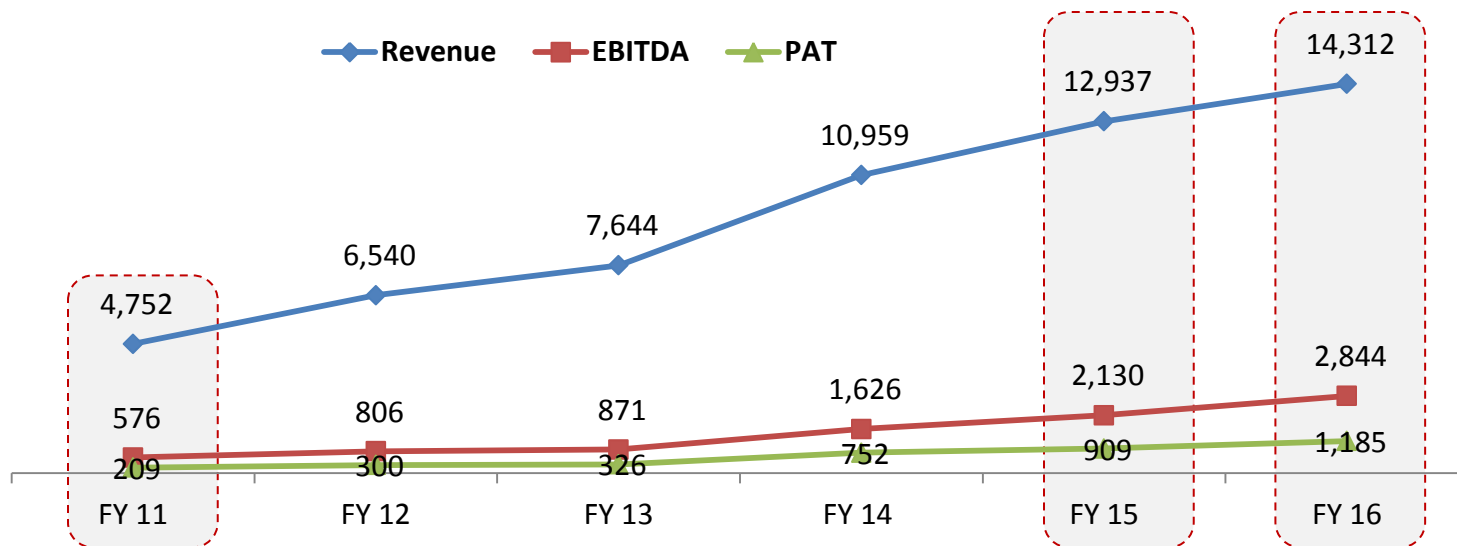
PARA – Paracetamol; MF – Metformin; IBU – Ibuprofen; GUAJ – Guaifenesin; MCB – Methocarbamol

Break up of Revenue as per IND AS

BREAK-UP Q3FY17

BREAK-UP 9MFY17


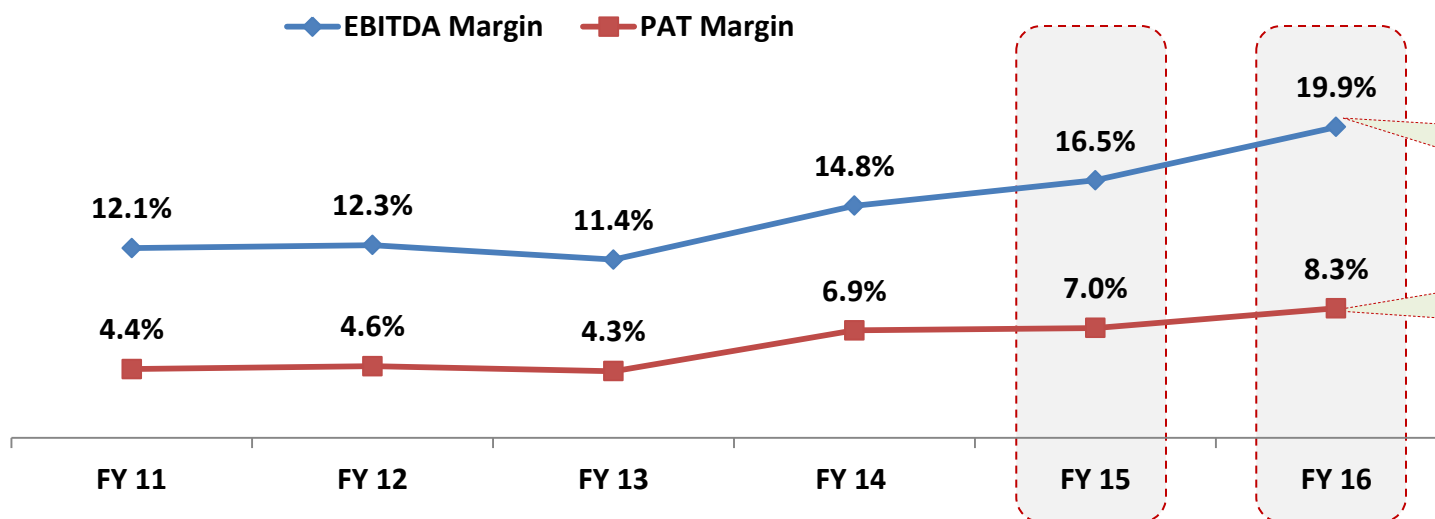
Amounts in INR Mn

Break up of Revenue as per IND AS



5 Year CAGR	
Revenue	25%
EBITDA	38%
PAT	41%

Y-o-Y Growth	
Revenue	11%
EBITDA	34%
PAT	30%

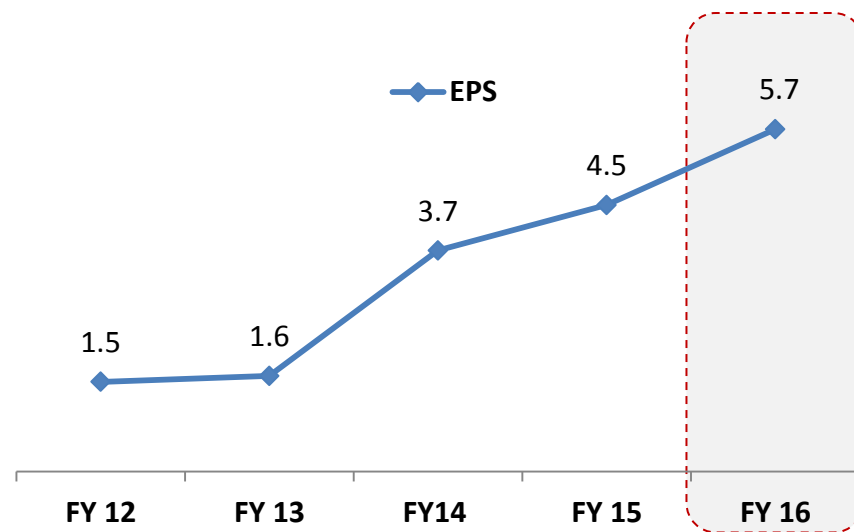
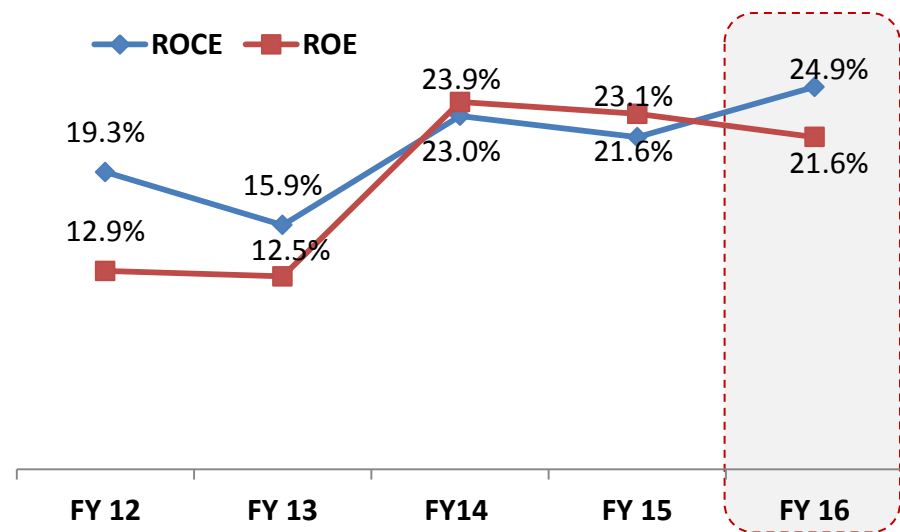
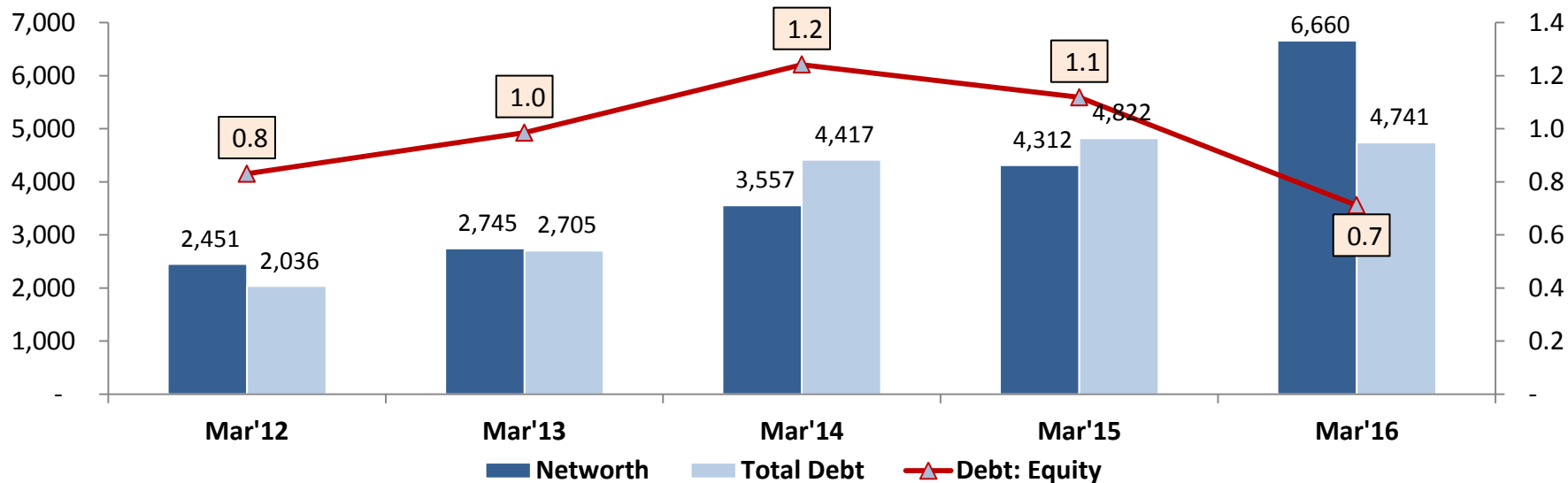


EBITDA margin improved by **3.4%** form % in Q4FY16

PAT margin improved by **1.3%** form % in Q4FY16

Amounts in INR Mn

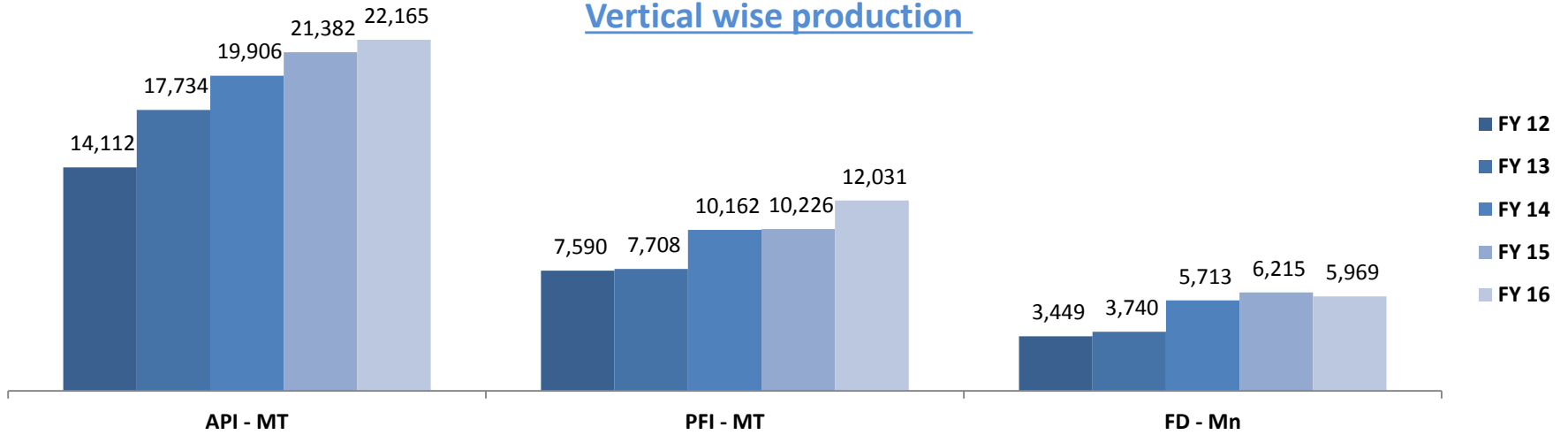
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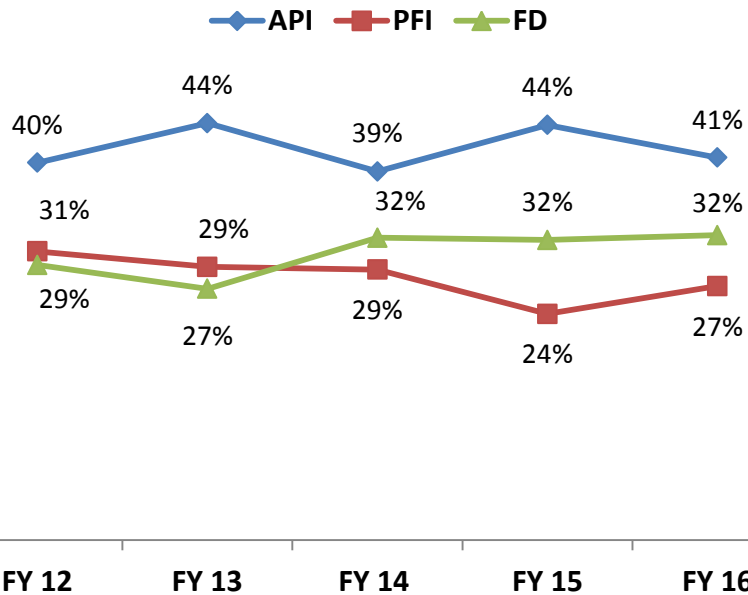
Amount in INR Mn

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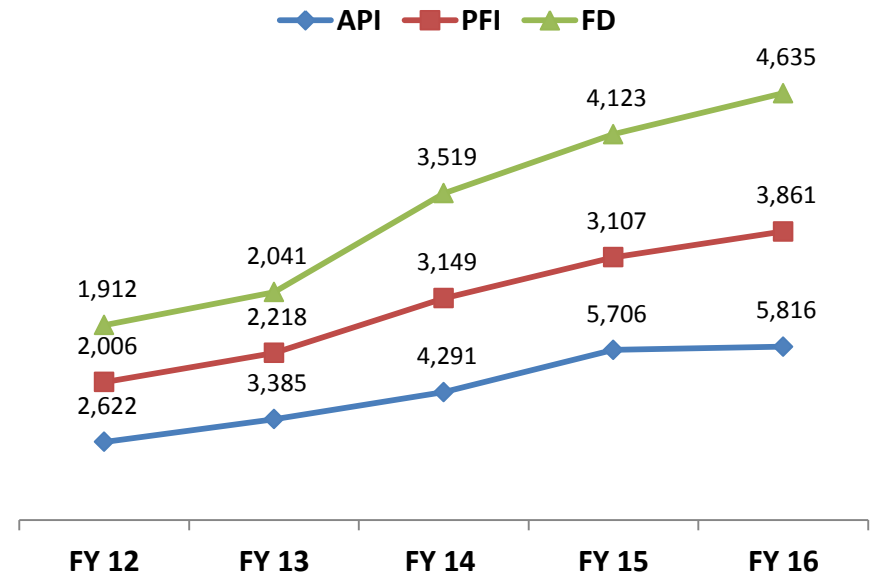
Vertical wise production



Revenue Contribution (%)

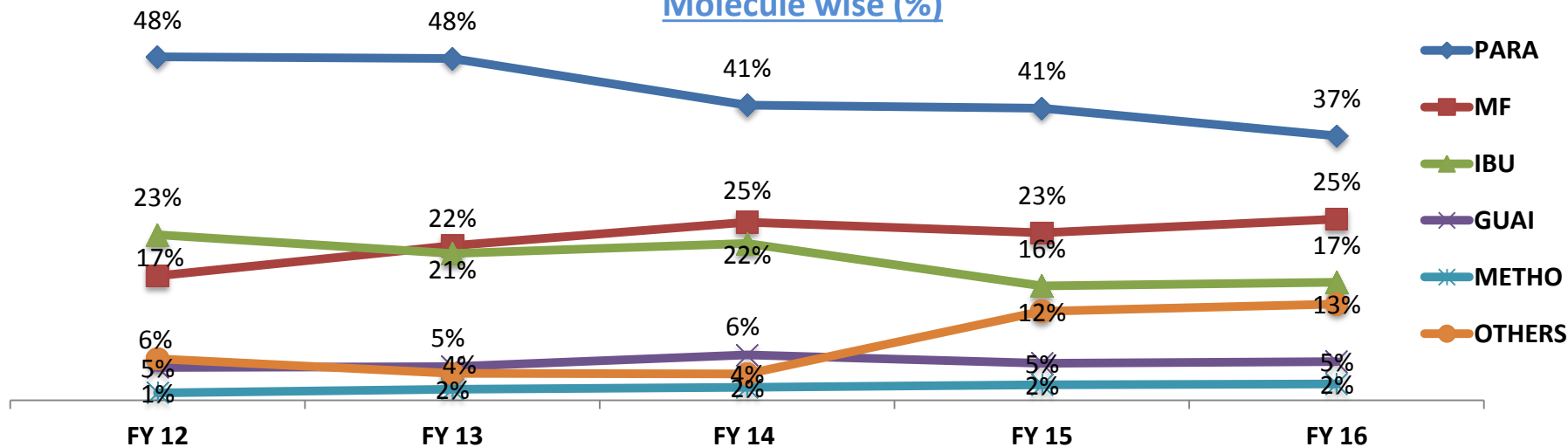


Revenue (INR Mn)



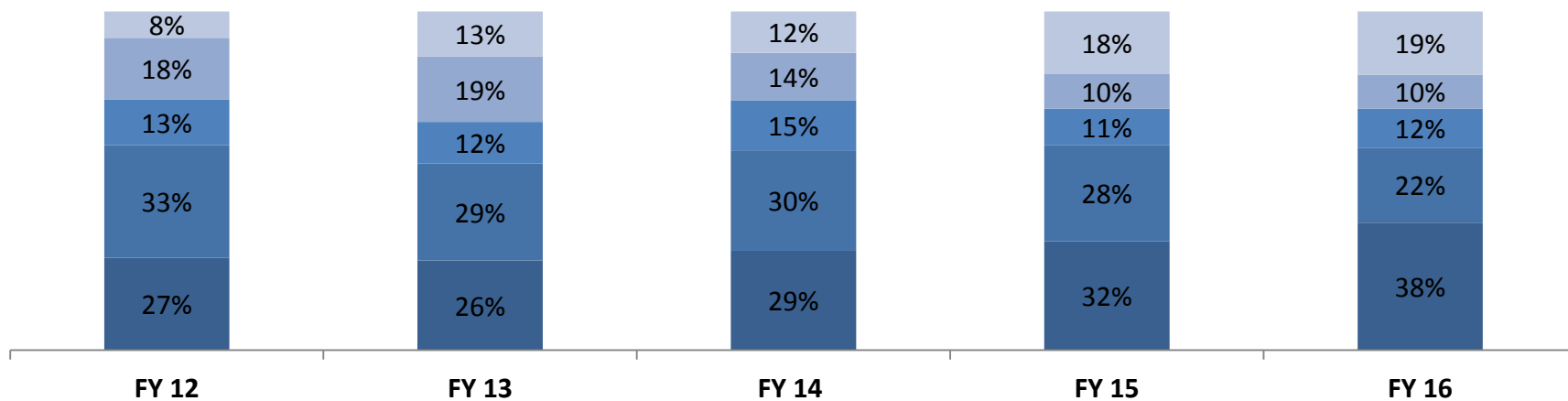
Business Trends (2/2)

Molecule wise (%)



Geography wise (%)

■ North America ■ Europe ■ Latin America ■ ROW ■ India



All the numbers are based on IGAAP financials

Thank You

For Further information, please visit:

www.granulesindia.com

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