



REGISTERED OFFICE

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CIN: L24110TG1991PLC012471

Dated October 30, 2018

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 Un-audited financial results for the second quarter ended September 30, 2018 submitted to you on October 29, 2018.

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 India Ltd.



Investor Presentation

Q2 FY19



Disclaimer

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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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Q2 FY19 Updates

Q2 Financial Performance Highlights

SALES FROM OPERATIONS

Rs 581 Crs
48%↑ over Q2FY18

EBITDA

Rs 105 Crs
25%↑ over Q2FY18

PAT

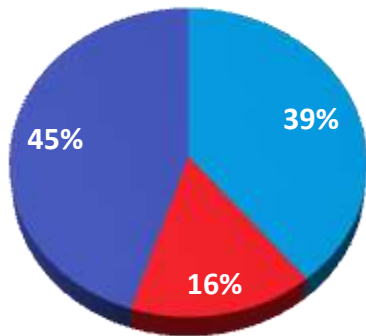
Rs 60 Crs
49%↑ over Q2FY18

EPS *

Rs 9.5
35%↑ over Q2FY18*

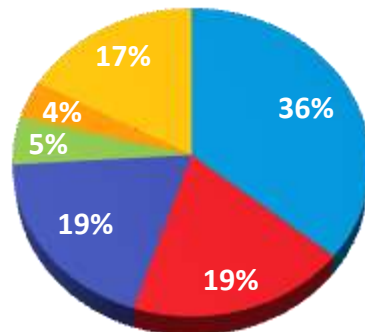
* Diluted Q2 EPS annualised

Product Vertical wise – Q2FY19



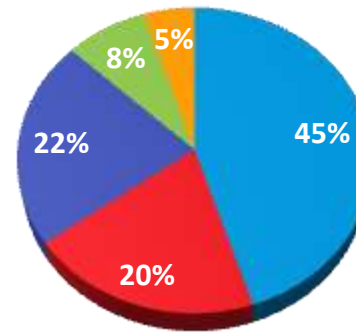
■ API ■ PFI ■ FD

Molecule wise – Q2FY19



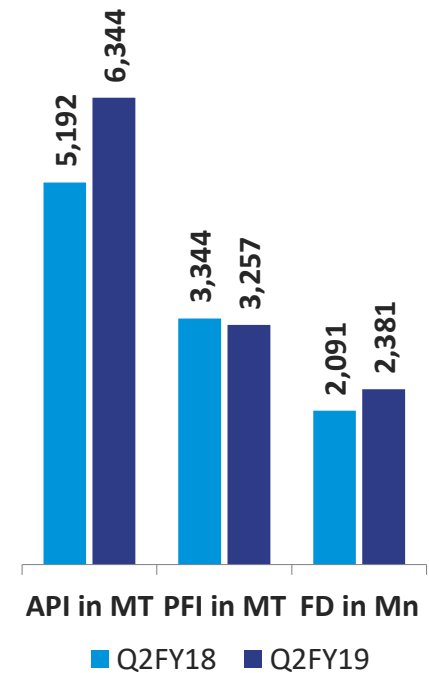
■ PARA ■ MF ■ IBU
■ GUAI ■ MCB ■ Others

Geography wise – Q2FY19



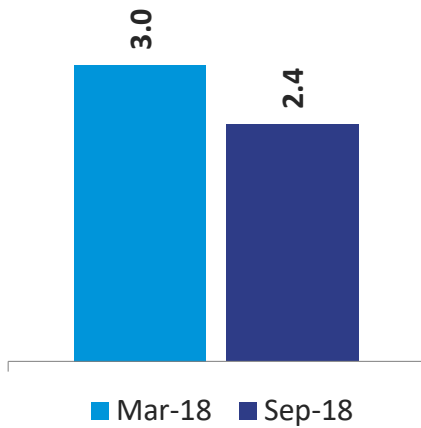
■ North America
■ Europe
■ India
■ LATAM
■ ROW

Production Details

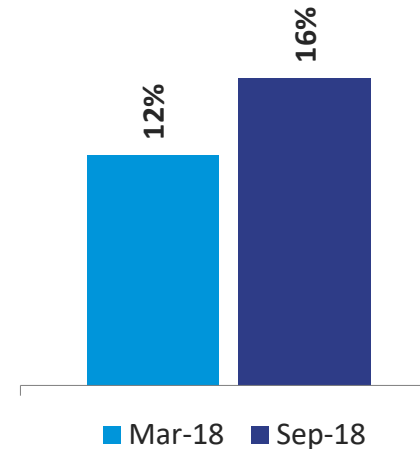


Q2 Balance Sheet Highlights

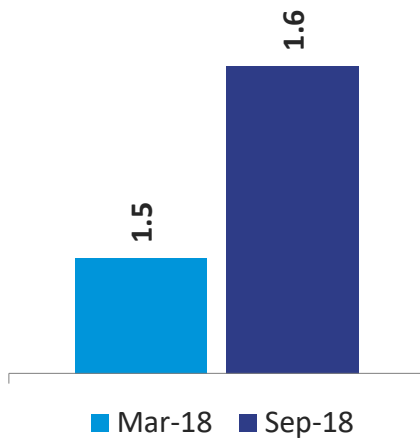
Net Debt to EBITDA



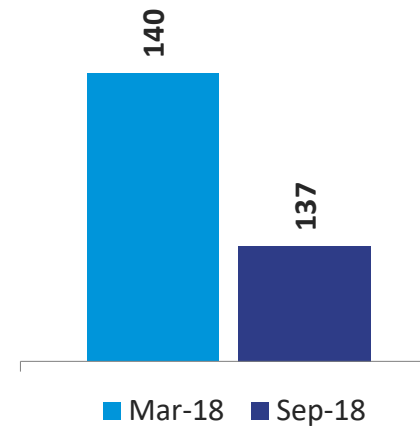
Return on Equity



Asset Turnover (x)



Cash to Cash Cycle (Days)



Key Highlights for Q2FY19

- **48% growth in topline** on a year on year basis **driven by API and FD sales**
- **Net Profit grew by 49%** to INR 60 Crs
- **JVs reported a combined profit of INR 13 Crs**
- Successfully **passed on** the higher **raw material prices to** majority of our **customers**
- **GPI successfully launched Metformin XR and Methocarbamol** under our own label
- **Validation of Oncology API Block** in Unit 5 has been **successfully initiated**
- Continued Management focus on improving **debt profile**
- Positive shift in **cash conversion cycles**
- Concluded **USFDA audit** at **Virginia Facility** with 2 observations

About Granules

Granules at a Glance



Building Blocks

- Regulatory Compliance
- Operational Efficiency
- Customer Centricity
- Scale of Operation



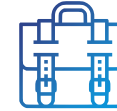
Installed Capacity

- 34,560 TPA of API
- 285 KL
- 4,800 TPA (JV)
- 152 KL (JV)
- 24,400 TPA of PFI
- 18 Bn dosages of FD



Regulatory Approvals

- USFDA, EDQM, EU GMP, COFEPRIS, WHO GMP, TGA, KFDA, DEA, MCC, HALAL



Business Divisions

- Core Business
- Emerging Business
- US Generics
- Joint Ventures



Global Reach

- 60+ countries
- 250+ customers

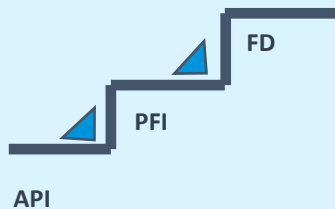


Revenue Mix

- Over 80% of revenues through exports
- 62% of revenues through regulated markets of USA, Europe and Canada
- LATAM contributes 11% of revenues



Business Verticals



Vertically integrated across value chain



People Strength

- 2,602 people as on 31st March, 2018



Intangible Assets

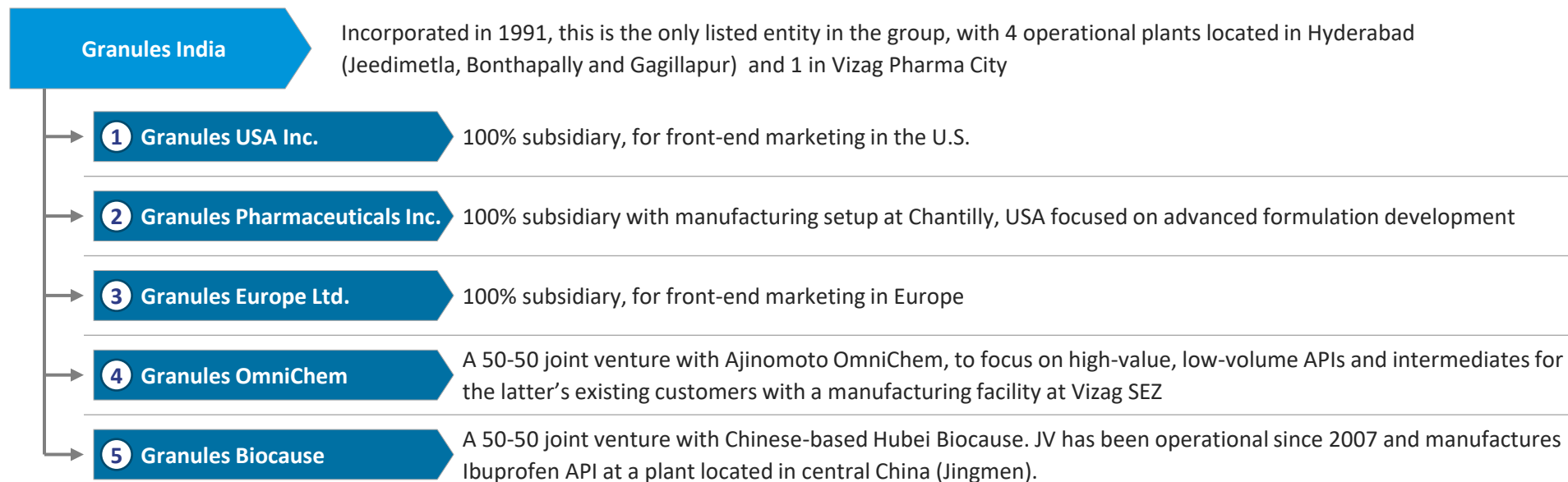
- 23 ANDA filings; 7 approved
- 21 US & 6 European DMF's
- 12 CEPs with EDQM
- 3 patents granted and 52 filed



Manufacturing Base

- 8 operational manufacturing facilities; 6 in India, 1 in China, 1 in US
- One of the World's largest Paracetamol API facilities.
- World's largest PFI facility
- One of the largest single site FD facilities

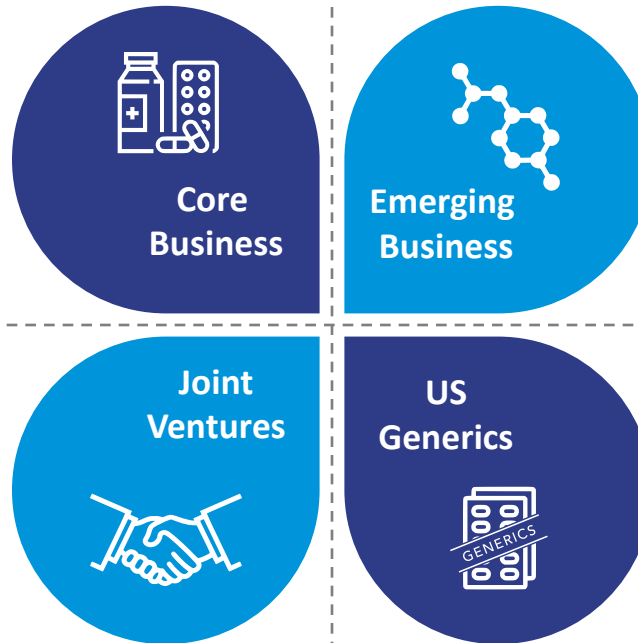
Group Structure and Manufacturing Presence



Value Chain	Facility Location	Installed Capacity	Approvals
API	Bonthapally	31,000 TPA	U.S. FDA, EDQM, WHO, COFEPRIS, INFARMED
	Jeedimetla	3,560 TPA	U.S. FDA, EDQM, COFEPRIS, WHO, CDCSO
	Jingmen, China (Biocause JV)	4,800 TPA	U.S. FDA, MHRA, CFDA
	Vizag	285 KL	U.S. FDA, KFDA, EU GMP, WHO GMP, EDQM
	Vizag SEZ (OmniChem - CRAMs JV)	152 KL	U.S. FDA
PFI	Gagillapur	23,200 TPA	U.S. FDA, COFEPRIS, TGA, MCC, INFARMED
	Jeedimetla	1,200 TPA	WHO GMP, COFEPRIS, INFARMED
FD	Gagillapur	18 Bn	U.S. FDA, MCC, COFEPRIS, TGA, INFARMED
	Virginia, USA	0.5 Bn	U.S. FDA, DEA
API Intermediates	Bonthapally	61.5 KL	

Business Structure – Granules India

- Focus on core products including Paracetamol, Metformin HCl, Ibuprofen, Guaifenesin and Methocarbamol. Added Cetrizine and Fexofenadine to the portfolio
- Large scale manufacturing enables sustain competitive advantage & secured supply source for the customers
- Pioneered the concept of commercializing PFIs which suits well with large volume drug



- Auxiliary growth engine to secure the future while strengthening the core business
- Growth avenue for differentiated technology platforms producing low volume but high value products
- Business contingency

- Granules Biocause, a venture with China based Hubei Biocause operational since 2007. Objective is to enable core business Ibuprofen API requirement through backward integration.
- Omnicem is a 50:50 JV with Belgium Omnicem, a part of the Ajinomoto Group. Focus on CRAMS as a diversification strategy.

- Fully integrated infrastructure including R&D, manufacturing and marketing enabling “Make in America”
- Business to Consumer reach (B2C)
- Focus on developing niche / differentiated products in areas of modified and immediate release products of varied dosage forms

Core Business

Overview

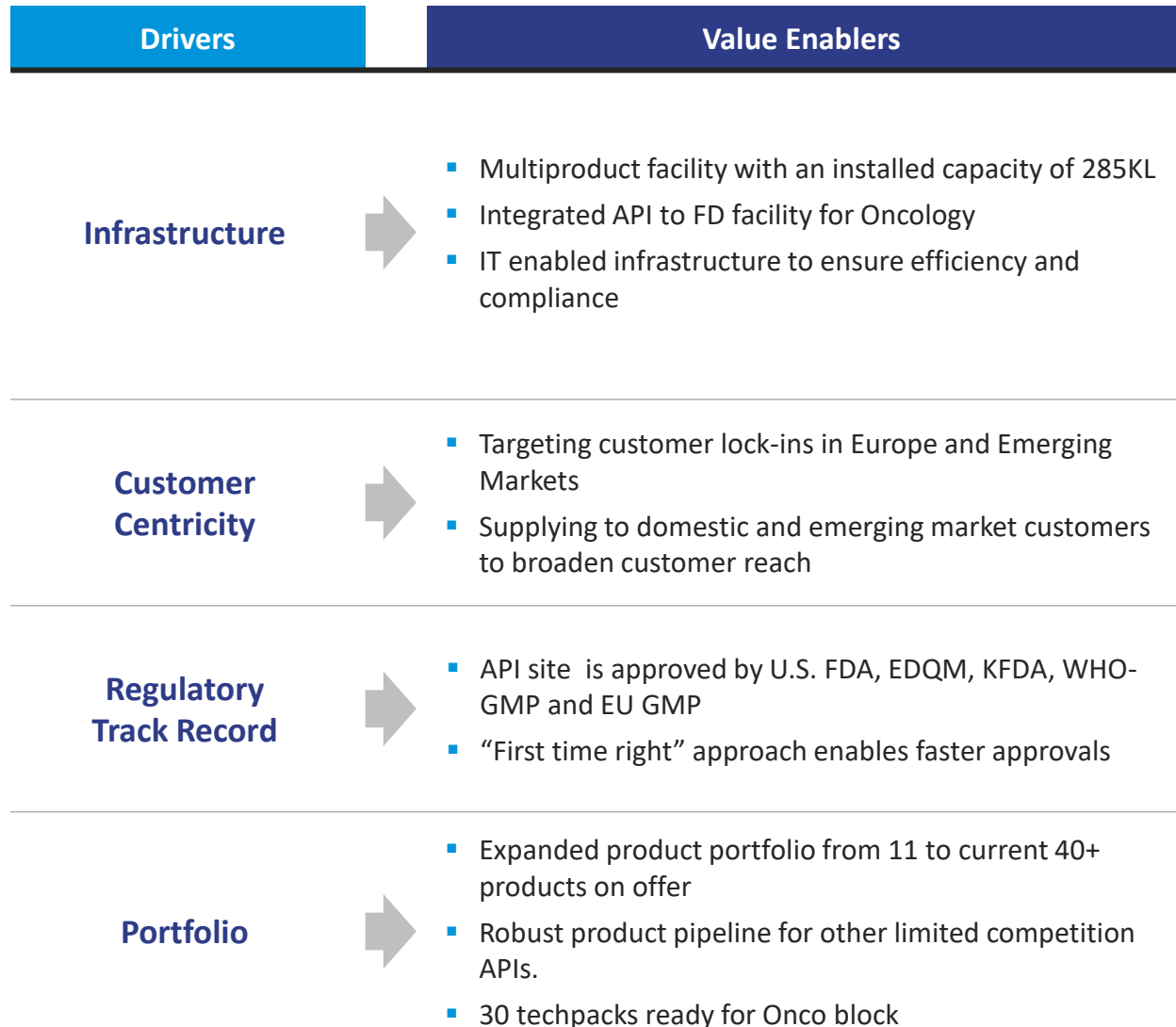
- Present across the entire pharmaceutical manufacturing value chain from API to Finished Dosages.
- Large scale manufacturing enables not only sustain competitive advantage but also build operational efficiency into the system
- Focus on first line of defence portfolio products such as Paracetamol, Metformin HCl, Ibuprofen, Guaifenesin, Methocarbamol, Cetirizine and Fexofenadine etc.
- Pioneered the concept of commercializing PFIs which is for large volume molecules
- 3 US FDA approved plants located in Hyderabad (Jeedimetla, Bonthapally and Gagillapur)



Emerging Business: Multi APIs / Onco

Overview

- Addition of USFDA approved multiproduct manufacturing site enabling scale-up and manufacturing of niche APIs through in-house R&D for organic ANDA filling and customers' formulation development
- Helps core US business in integrated play – both OTC & Rx space.
- Multiproduct and multi-stage manufacturing facilities in Vizag to manufacture and market products in different technology platforms
- Limited competition space; developed unique products with complex technology and high entry barriers give exposure to early launch opportunities
- Fully integrated facility to offer APIs and FDs in Onco Therapeutic Segment which features among the top growth segments
- Business contingency for API manufacturing for supply chain continuity



US Generics

Overview

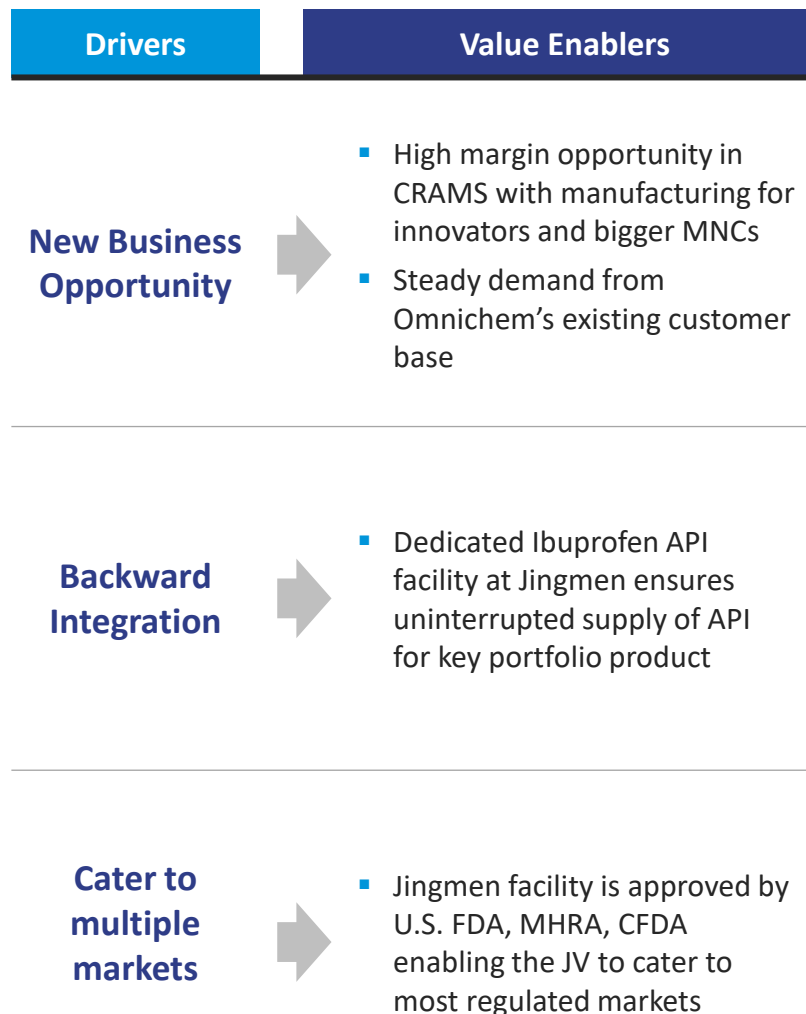
- Fully integrated infrastructure from R&D, manufacturing to marketing enabling “Make in America”
- Balanced product portfolio. Combination of internal capabilities and market dynamics
- Strategic portfolio selection focusing on limited competition in Para III
- US FDA approved facility in Virginia with a team strength of 90+
- Access to talent pool in the US
- Business to Consumer – front end sales and marketing for Rx & OTC products



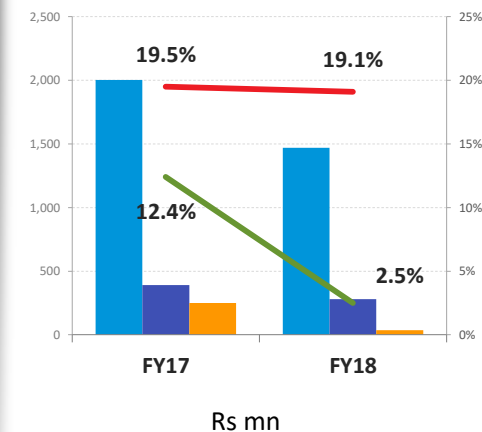
JVs – Granules Omichem & Granules Biocause

Overview

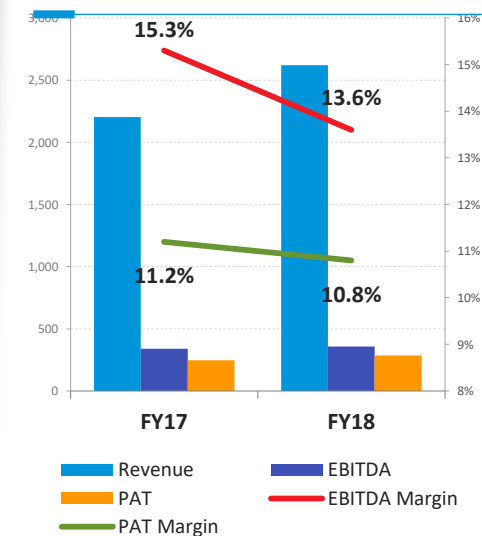
- Granules Biocause, a venture with China based Hubei Biocause operational since 2007. Objective is to enable core business Ibuprofen API requirement through backward integration.
- Enables the core business to de-risk the supply chain management
- Omnichem is a 50:50 JV with Belgium Omnichem, a part of the Ajinomoto Group. Focus on CRAMS as a diversification strategy
- Omnichem foray primarily caters to high-value, low-volume API and intermediates for Omichem's existing customers
- Provides a cost effective manufacturing base to innovators when CRAMS products go off-patent



Granules Omnichem



Granules Biocause



Core Management Team



Mr. C. Krishna Prasad
Chairman and Managing Director

Mr. Prasad is the Founder of Granules and has three decades of experience in the pharmaceutical industry. In 1984, he set up a Paracetamol manufacturing facility, focused on capital and process efficiency. Pharmaceutical Formulations Intermediates (PFIs) as a cost efficient product for global formulations manufacturers, a concept pioneered and popularized by him.



Mrs. Uma Devi Chigurupati
Executive Director

Mrs. Uma has rich experience of 30 years in various fields. Mrs. Uma with Mr. C. Krishna Prasad co-founded Triton Laboratories Private Limited in the year 1984, which was later amalgamated with Granules India Limited. Presently, she is spear heading CSR activities and HR initiatives.



Dr. Prasada Raju
Executive Director

Dr. Prasada Raju has 24+ years of techno commercial experience in pharmaceutical space. His experience includes new product development, fostering strategic partnerships, driving synergies between Industry and Academia, new geography expansions, IP driven early Product Portfolio Development and Program Management. He was previously associated with Dr. Reddy's



Ms. Priyanka Chirugupati
Executive Director, Granules Pharmaceuticals, Inc.

Ms. Priyanka Chigurupati is the Executive Director of Granules Pharmaceuticals Inc. and responsible for the US Generics business. Ms. Chigurupati has a Master of Science degree in Business Management from Case Western Reserve University. Within Granules, she has had a variety of roles across several divisions in the US and in India including the Core business, Emerging Business and Consumer Health over the past 5 years.



Mr. Karuppannan Ganesh
Chief Financial Officer

Mr. Ganesh is a Chartered Accountant with post qualification experience of 30 years. He has worked on cross border M&A activities, international treasury & taxation, corporate development and control. Prior to joining Granules India, Mr. Ganesh worked in Dr Reddy's Laboratories as Sr Vice President - Corporate Finance. He also worked with Philips India, Coca Cola, ABB and Manali Petrochemical on various capacities



Mr. Sreekanth Muttineni
Chief Operating Officer

Mr Sreekanth Muttineni joined Granules India in September 2016. During nine year tenure with Lupin Ltd, he was responsible for manufacturing operations. Prior to that, Mr. Muttineni had worked at Aurobindo Pharma Ltd as General Manager – Operations and led the establishment of generic pharmaceutical facilities and commercialization.



Mr. Stefan Lohle
Chief Marketing Officer

Mr. Lohle has over two decades of experience in the Pharmaceutical industry. Mr Lohle has been associated with Granules since 2001 and previously was Head of Latin American Operations, where he primarily focused on the PFI Business. Mr Lohle previously served at Kimberly Clark Corporation for New Project Development.



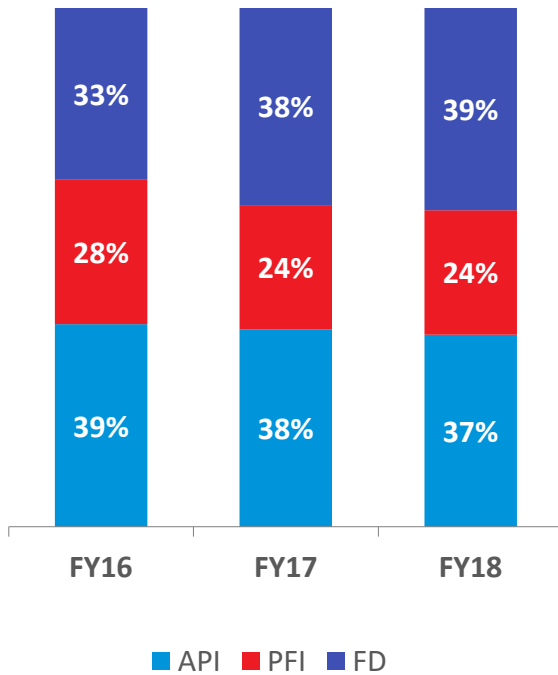
Mr. Atul Dhavale
Chief Human Resources Officer

Mr. Atul Dhavle is a Graduate in Production Engineering from Nagpur University and holds a Postgraduate certificate in Business Management from XLRI. He has over 26 years of experience with reputed organizations like Mahindra & Mahindra, DuPont, Welspun, Dr. Reddy's and handled various assignments in Human Resources and Operational Excellence functions.

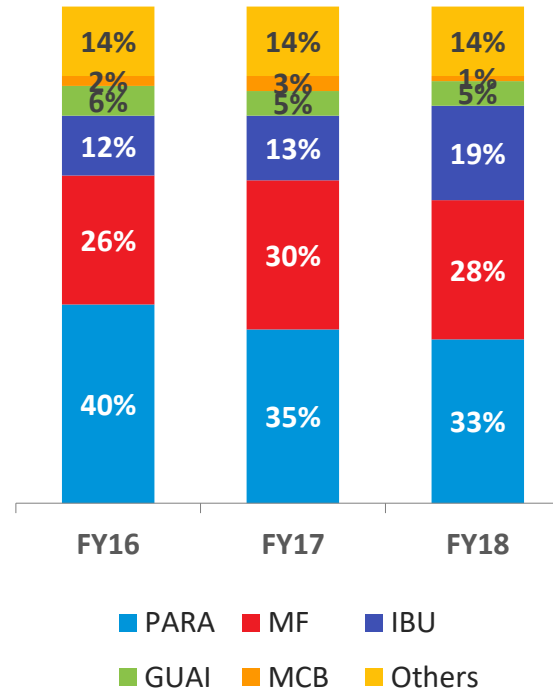
Financial Performance

Consolidated Metrics

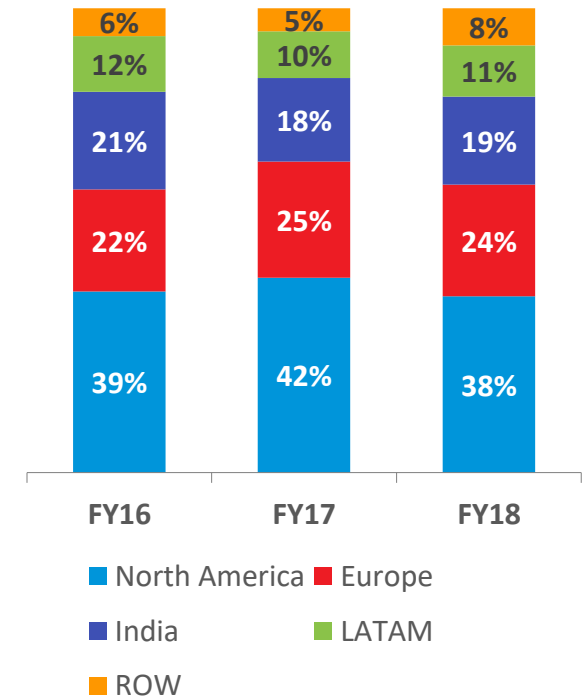
Product Vertical wise - FY18



Molecule wise - FY18

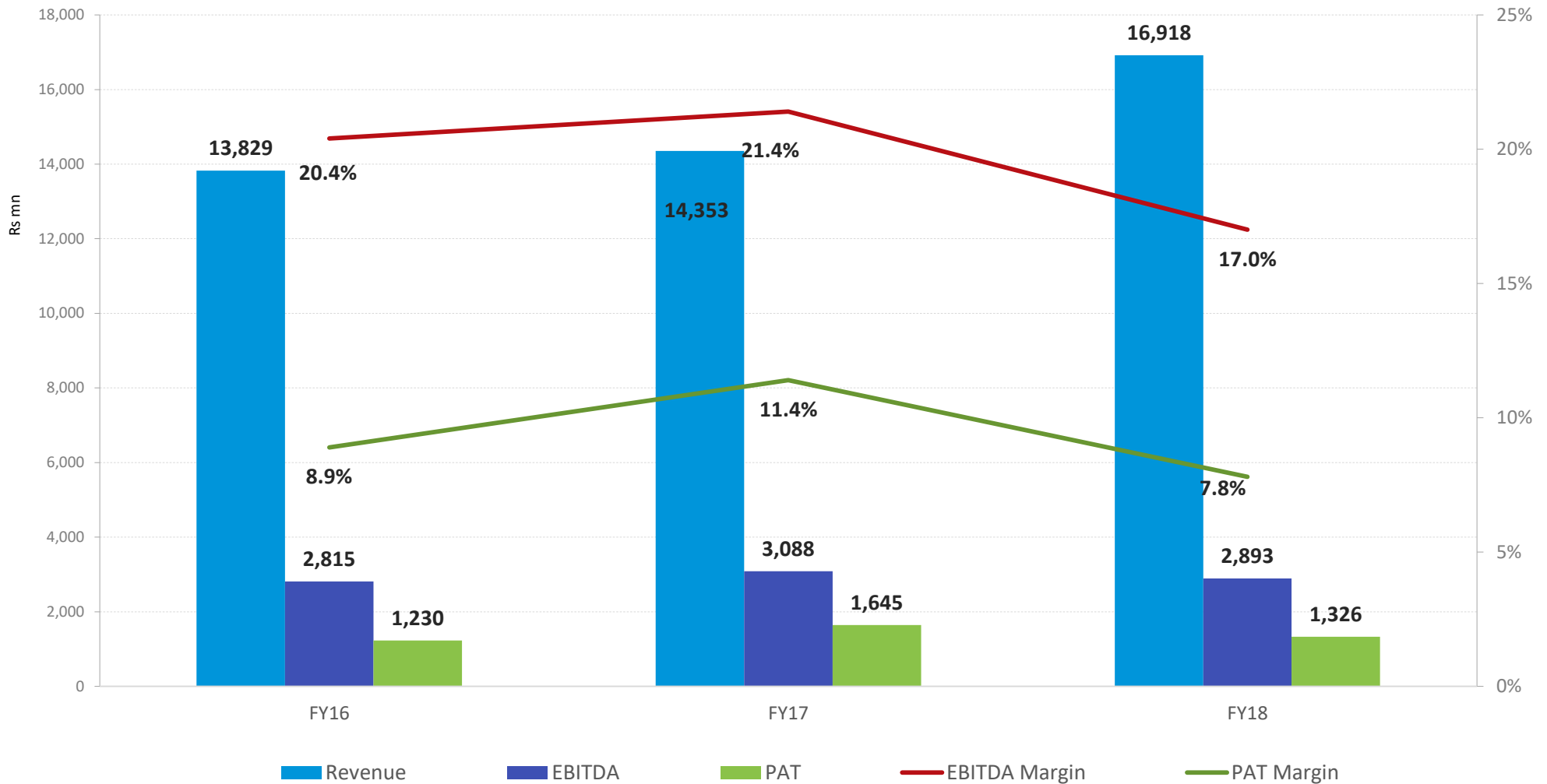


Geography wise - FY18



PARA – Paracetamol; MF – Metformin; IBU – Ibuprofen; GUAI – Guaifenesin; MCB – Methocarbamol
 ## Break up of Revenue as per IND AS

Consolidated Financial Overview – Trends



Way Forward

Way Forward

Building Blocks in Place



- Integrated platform in place that can address the entire value chain from intermediates to finished dosages
- Investments in FD including pulsatile drug release, orally disintegrating modified release and abuse deterrent technology platform for controlled substances
- Omnichem JV geared to address high growth opportunity in the CRAMS space

Profitable Growth through Execution



- Expanding portfolio range with addition of differentiated and limited competition products in API/FPI
- Omnichem's established customer base to be major contributor to revenues
- Building portfolio of strong brands in regulated markets

Steady Returns to the Stakeholders



- Financial discipline to a key focus
- Focus on generating operating leverage
- Identifying newer growth avenues to deliver sustainable growth

Huge Economies of Scale

Foundation of Quality & Compliance

Experienced and Proven Management team





For further information, please contact:

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