



REGISTERED OFFICE

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CIN: L24110TG1991PLC012471

Dated July 27, 2021

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 first quarter ended June 30, 2021, submitted to you today i.e., on 27th July 2021.

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 30 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

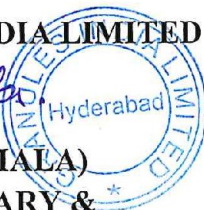
q. Chaitanya

(CHAITANYA TUMMALA)

COMPANY SECRETARY &

COMPLIANCE OFFICER

As Encl:





**Granules India Limited
Q1FY22 Earnings Presentation**

Safe Harbor



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.

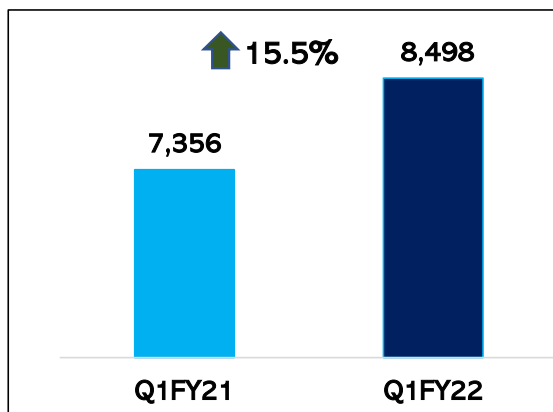
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Q1FY22 - Financial Highlights

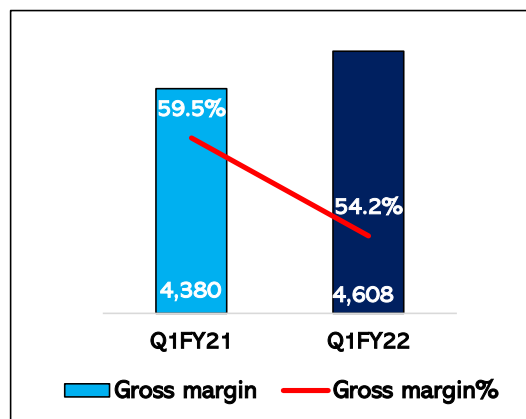


(In ₹ Mn)

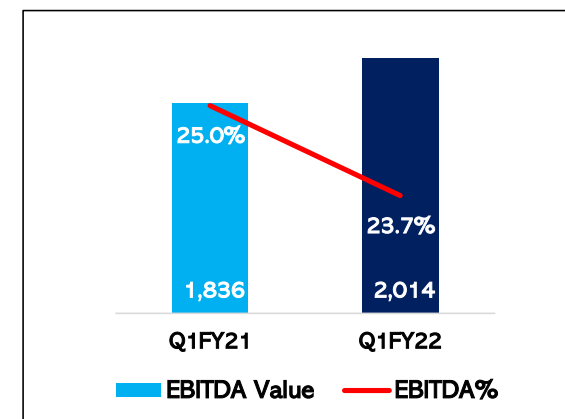
Income from Operations



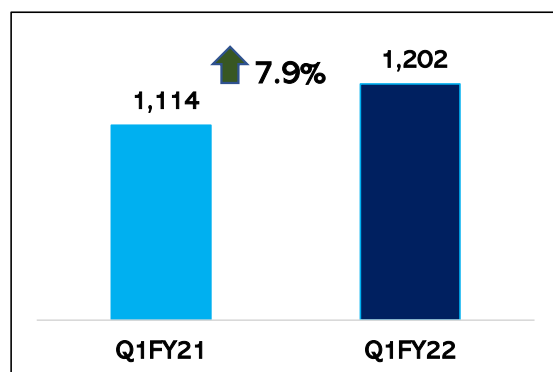
Gross margin and margin %



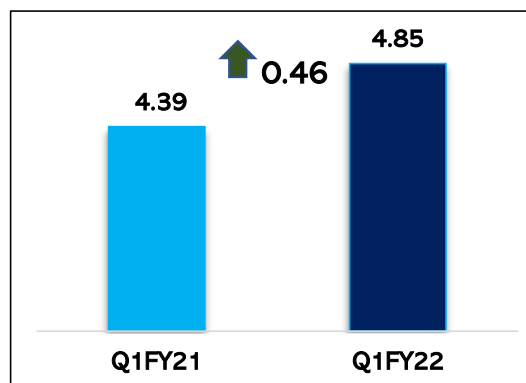
EBITDA and EBITDA margins



PAT value



EPS (In ₹)

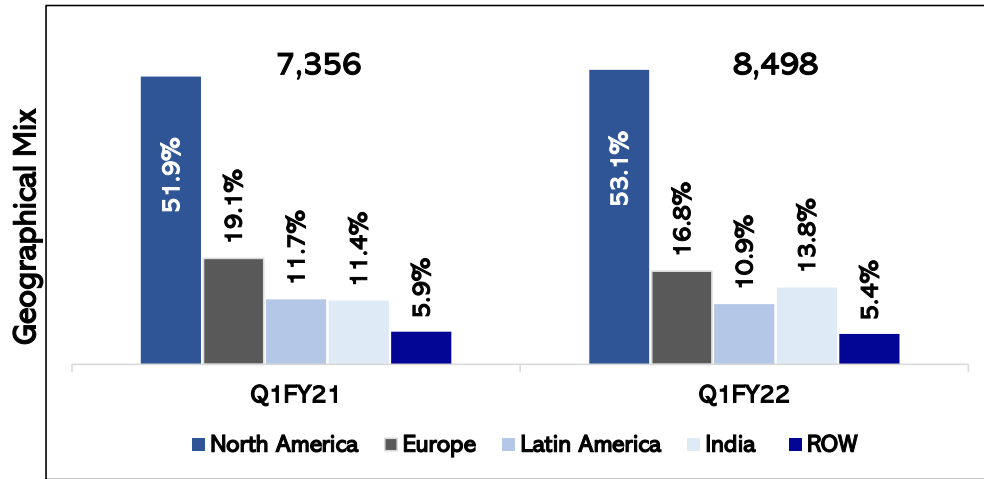


- Income growth driven by new launches and increased market share for existing products, partially offset by loss of MEIS benefit.
- Gross margin % drop was on account of reduction in margins on Para due to increase in KSM price. Favourable forex in Q1FY21 and Air freight collected from customers was part of Sales which was added to Gross margin in Q1FY21.
- EBITDA % drop is on account of lower profitability in Para products and higher logistic cost

Q1FY22 - Revenue spilt by Market, Molecules and Segments

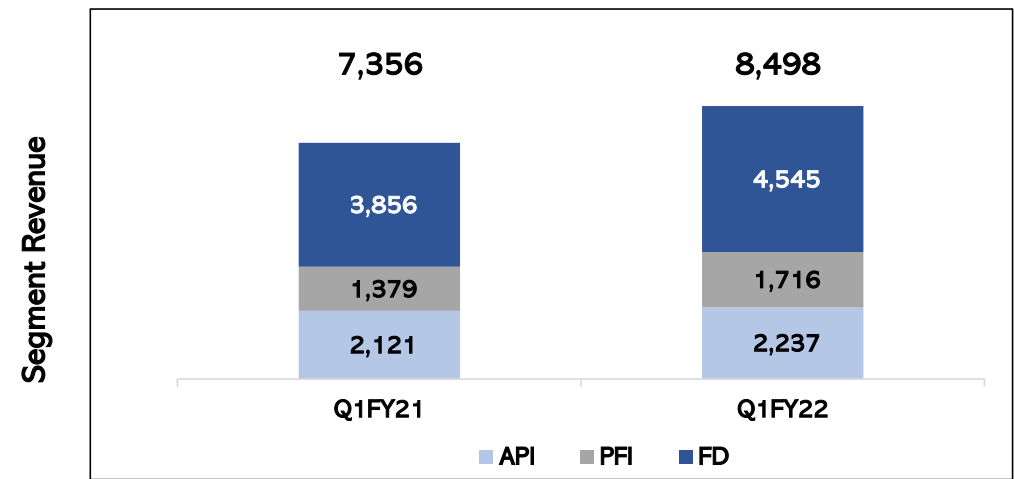


Growth momentum witnessed in North America

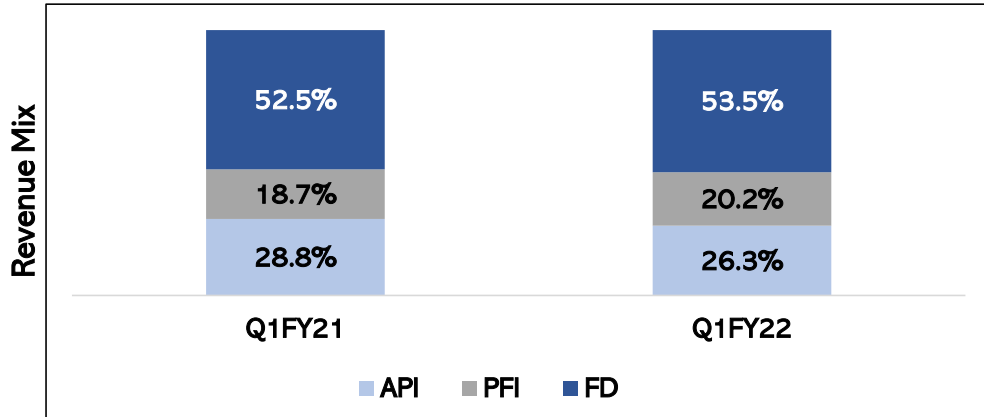


Finished Dosage and PFI segments grew 25% and 18%

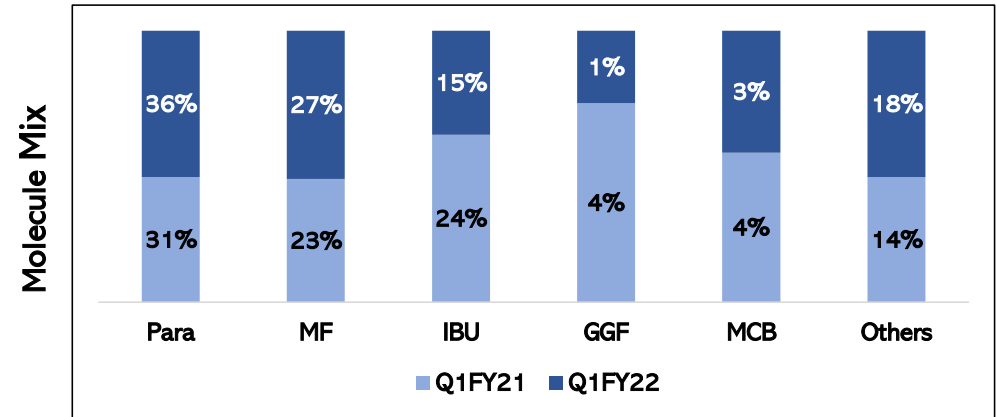
(In ₹ Mn)



Share of Finished Dosage and PFI increased YoY



Share of other molecules increased to 18%





Q1FY22- Key Financial and Business Highlights

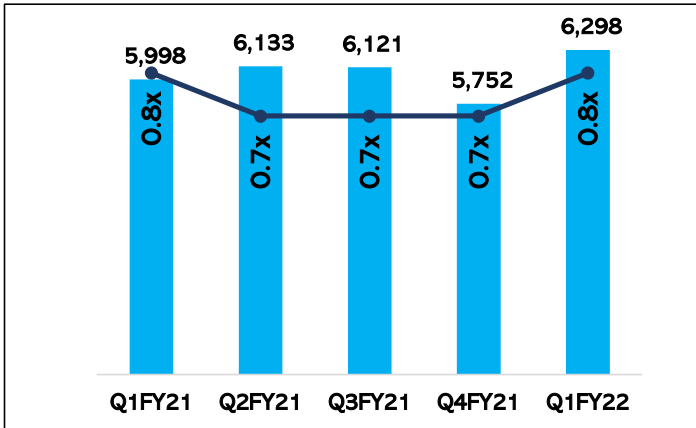
- Successfully completed USFDA inspection for its Virginia facility on 20th Jul'21 and EIR received.
- Paracetamol KSM supply disruption has continued and affected our Revenue and PAT adversely. The KSM supply situation is likely to improve with an increase in the number of domestic suppliers and the recommencement of supply from the Chinese source.
- Q1FY22 revenues at INR 8,498 Mn, growth of 15.5% YoY. EBITDA stood at INR 2,014 Mn, a growth of 9.7% YoY. EBITDA margins stood at 23.7% compared to 25.0%. PAT at INR 1,202 Mn a growth of 7.9%
- Pharmaceutical Formulation Intermediates (PFI) segment grew 25% YoY, Active Pharmaceutical Ingredients (API) segment grew 5% YoY and Finished Dosage (FD) grew 18% YoY
- During the quarter we filed one ANDA, two EU dossiers, one UK dossier and one South African dossier. We received one ANDA approval and launched one ANDA in the US.
- Focus on ESG is continuing and as a part of ESG initiative, the company has identified areas of improvement and initiated a Carbon & Emission, Water & Waste Foot printing exercise and taken up Operational Excellence projects in these areas.
- Completed COVID-19 vaccination drive for the entire Granules family including contract labours.

Q1FY22- Key financial ratios

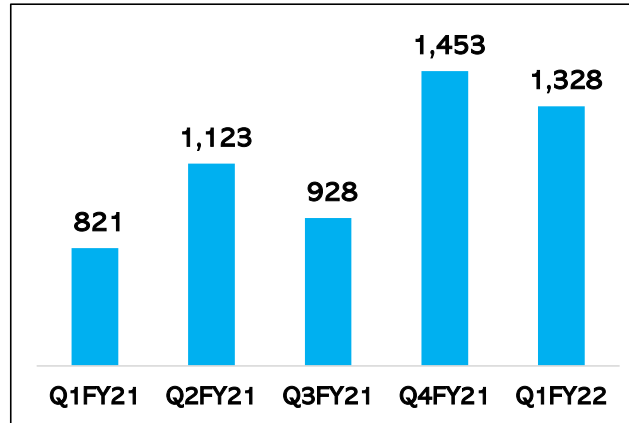


(In ₹ Mn)

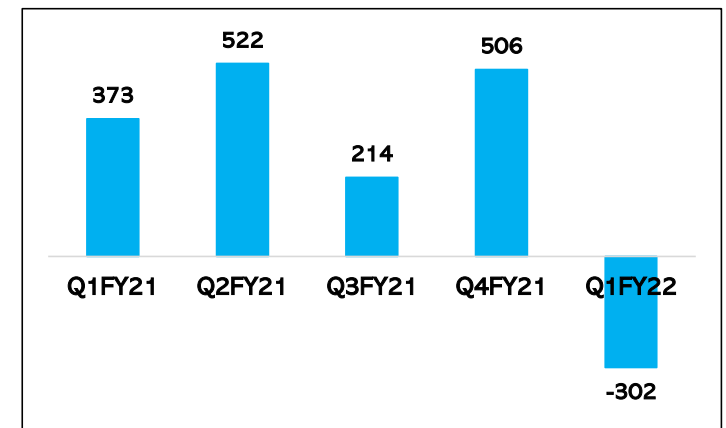
Net Debt & Net debt-to-EBITDA (x)



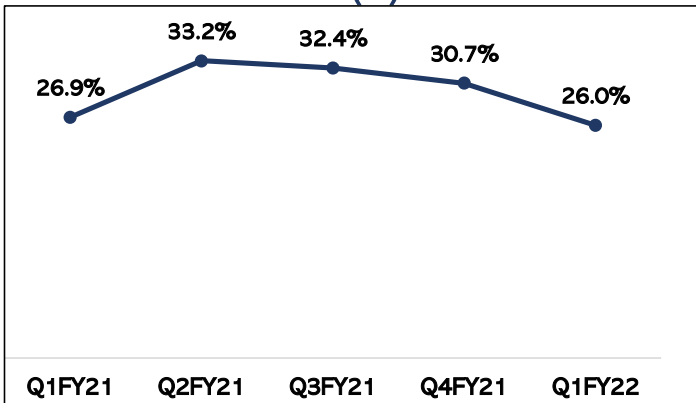
Operational Cash Flow



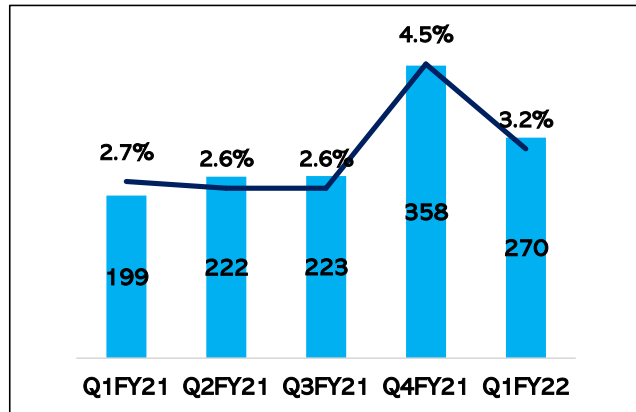
Free Cash Flow *



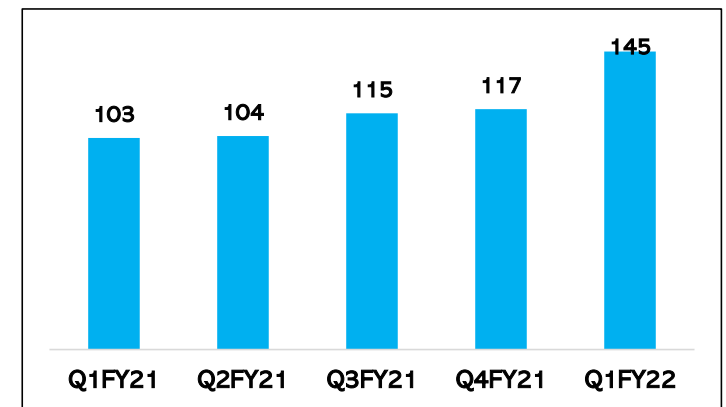
ROCE (%)



R&D and R&D % of sales



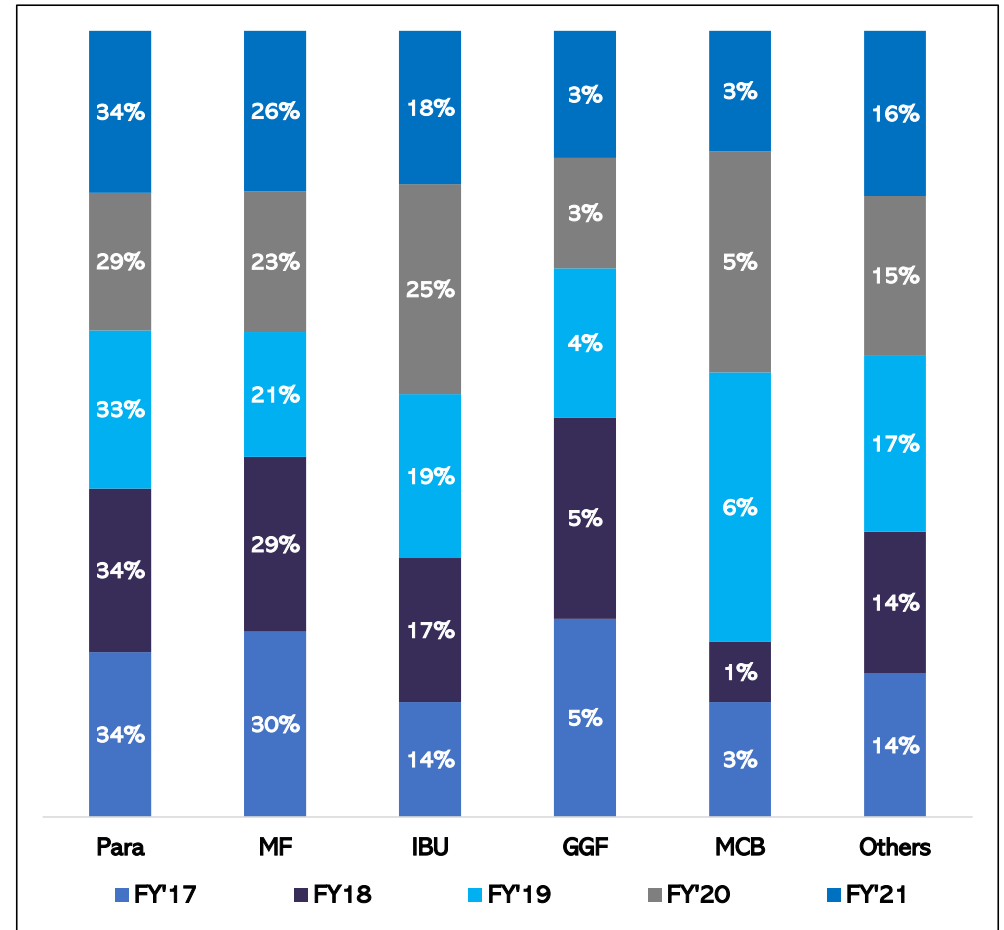
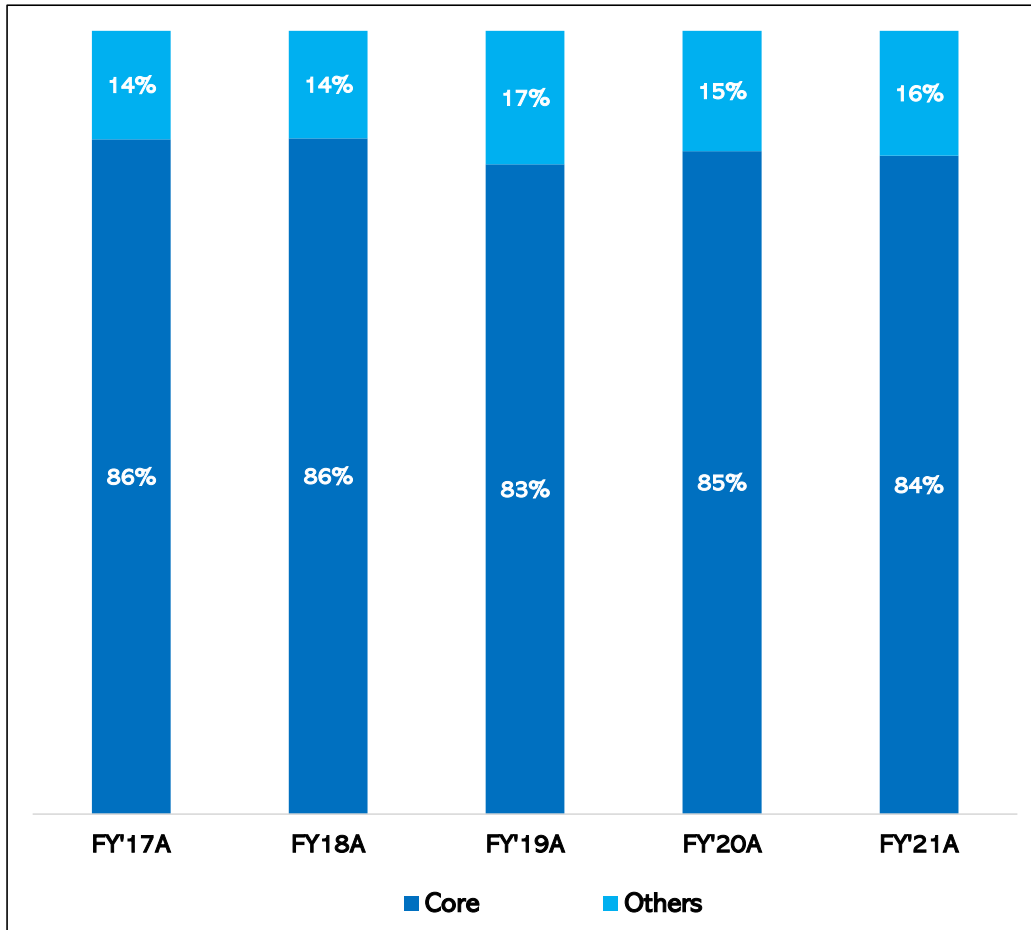
Cash to Cash cycle (days) *



* Increased business has resulted in temporary increase in CCC, while planned capex has brought the Free Cash down for current quarter.



5 years Revenue – Contribution from Core vs other molecules

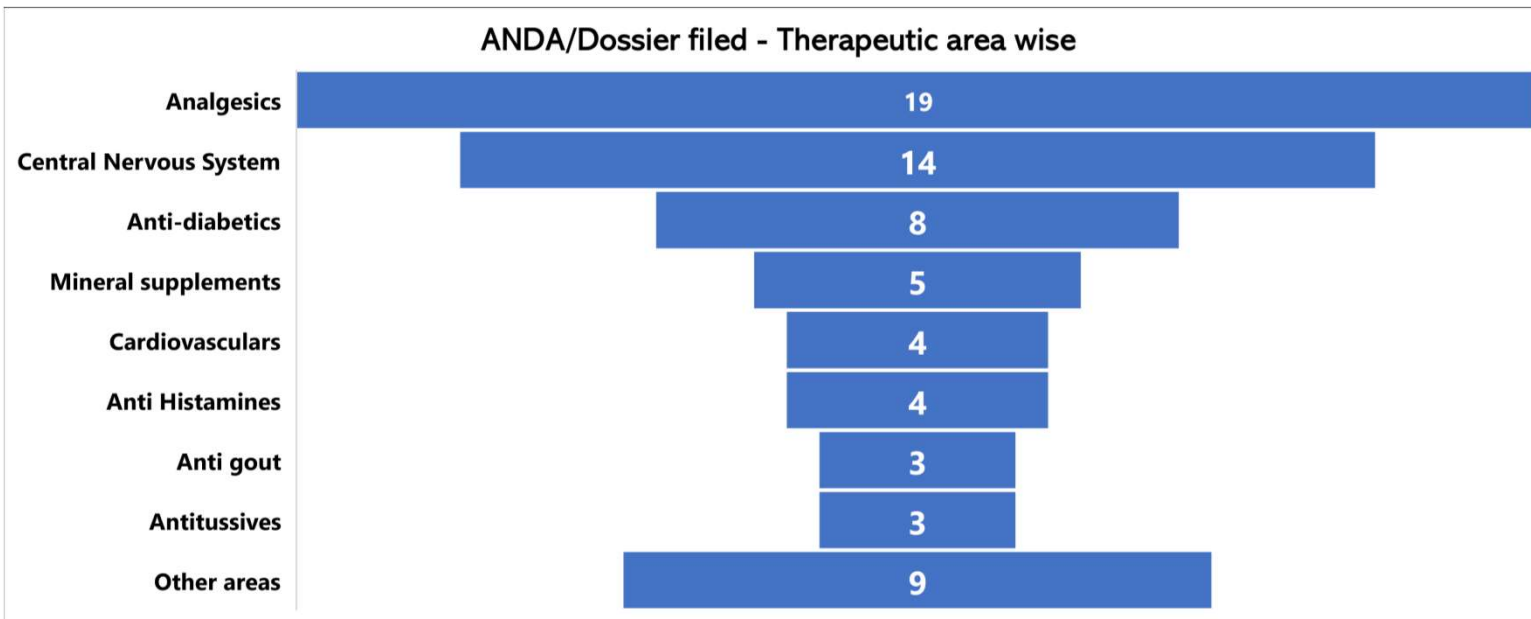


Core includes Paracetamol, Metformin, Ibuprofen, Methocarbamol and Guaifenesin

ANDA/Dossier filing status as of June'21



Filing Status	GPI IP	GIL IP					Total
	USA	USA	Europe	Canada	South Africa	UK	
Approved	19	24	2	1			46
Tentatively Approved	1	1					2
To be approved	8	4	3	2	2	2	21
Total Products	28	29	5	3	2	2	69



Total GPI products include:

CII – 7
 PFOS – 4
 Liquid Orals - 3

IMS value for these products is approximately \$ 8,518 mn

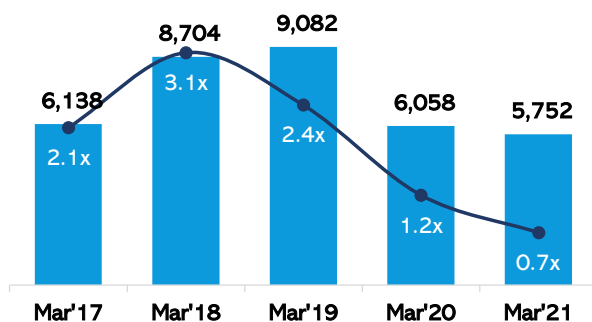
Source IMS MAT May 2021

Improving returns; focus on OCF generation for funding capex while meeting increased working capital requirement: 5-year trajectory

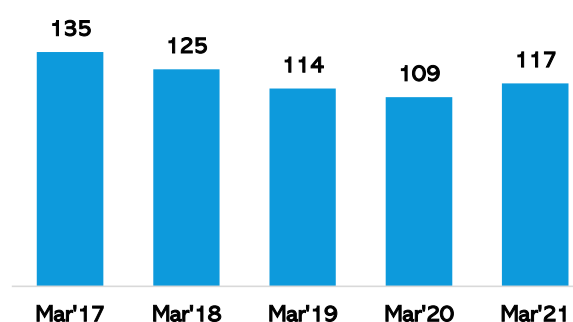


(In ₹ Mn)

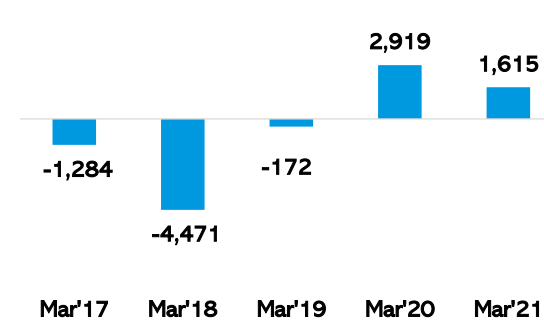
Net Debt & Net debt-to-EBITDA (x)



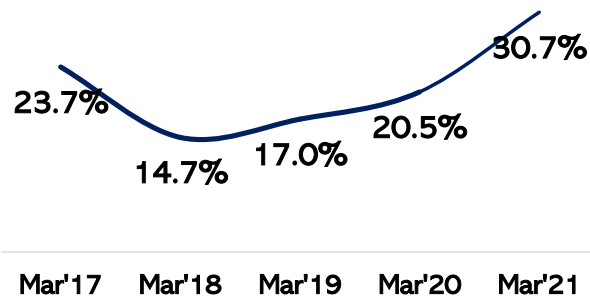
Cash-to-Cash cycle (days)



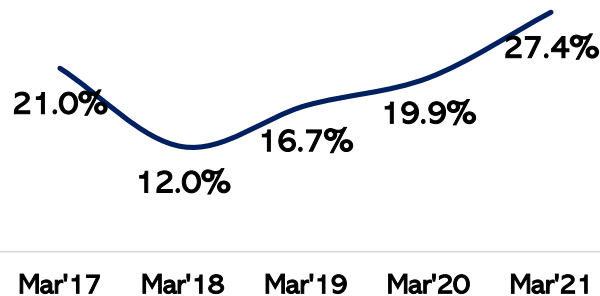
Free Cash Flow (FCF)



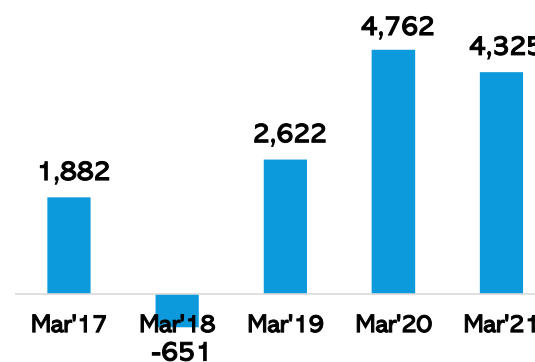
ROCE (%)



ROE (%)



Operating Cash Flow (OCF)



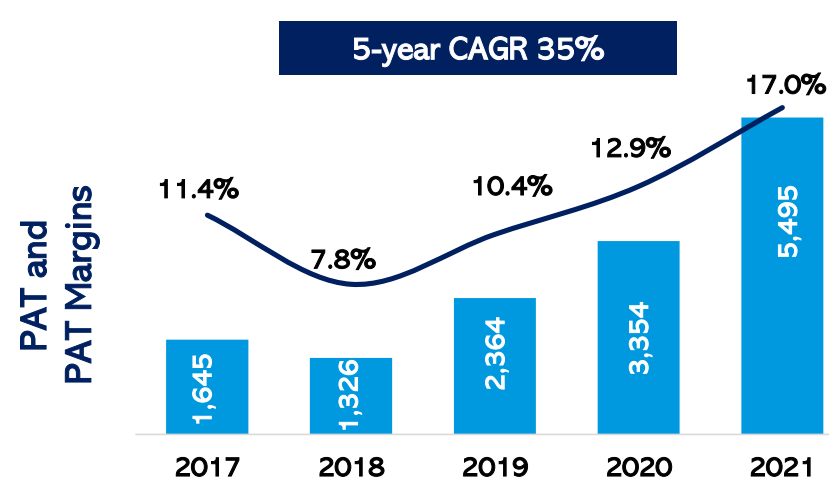
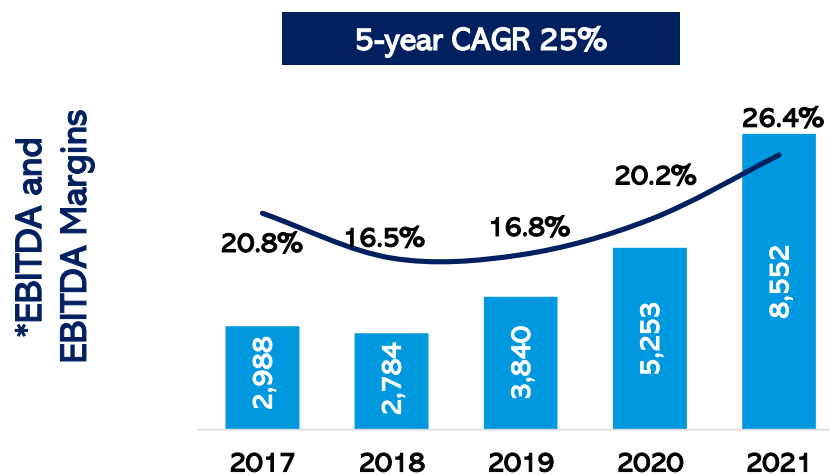
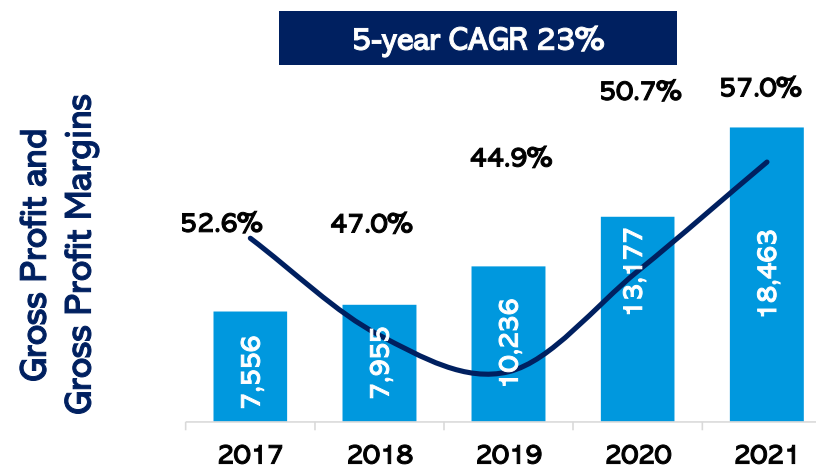
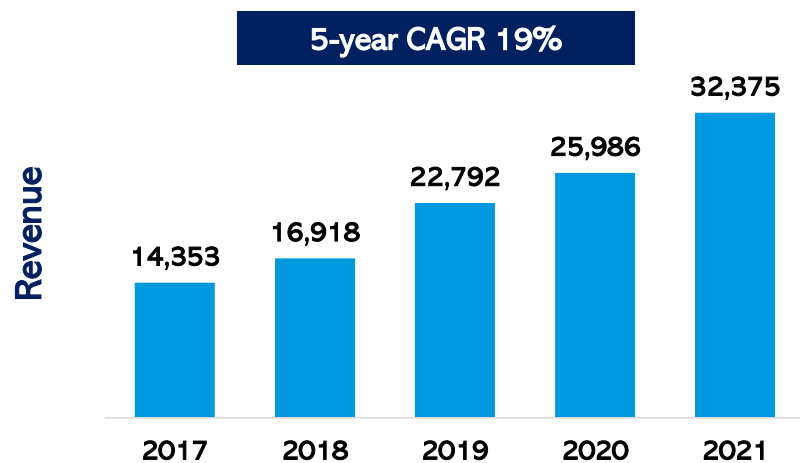
ROCE = [EBIT/Avg. Capital Employed (Total assets-current liabilities)]

FCF= CF from operating activities - Capex

5-year trajectory: Creating value for stakeholders



(In ₹ Mn)



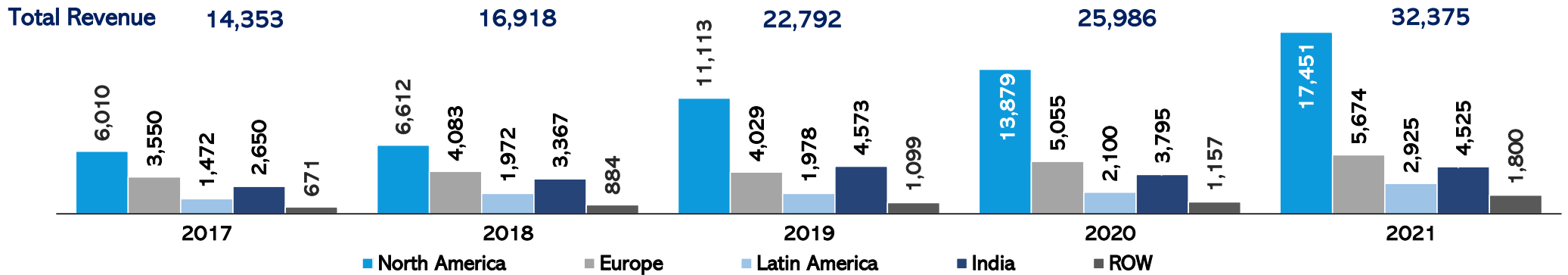
Note: *FY20 EBITDA includes one time expense of INR 217 Mn for impairment of investment in the US

Increasing share from FDs while focussing on backward integration



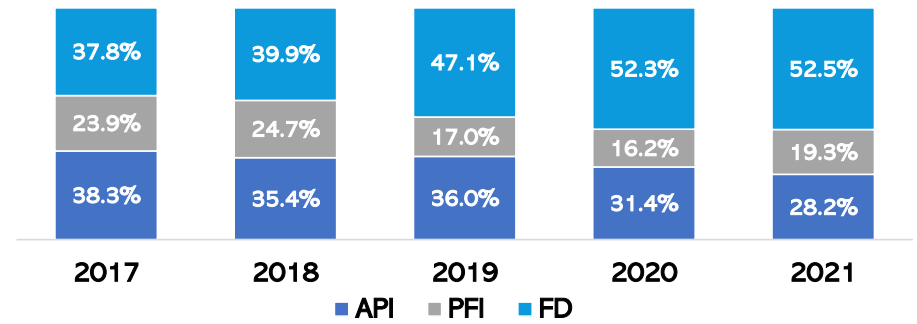
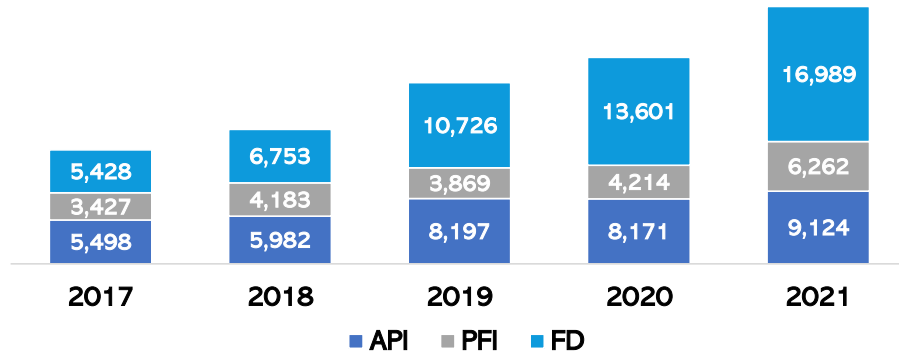
(In ₹ Mn)

Higher revenue contribution coming from regulated market, 72% of total revenues

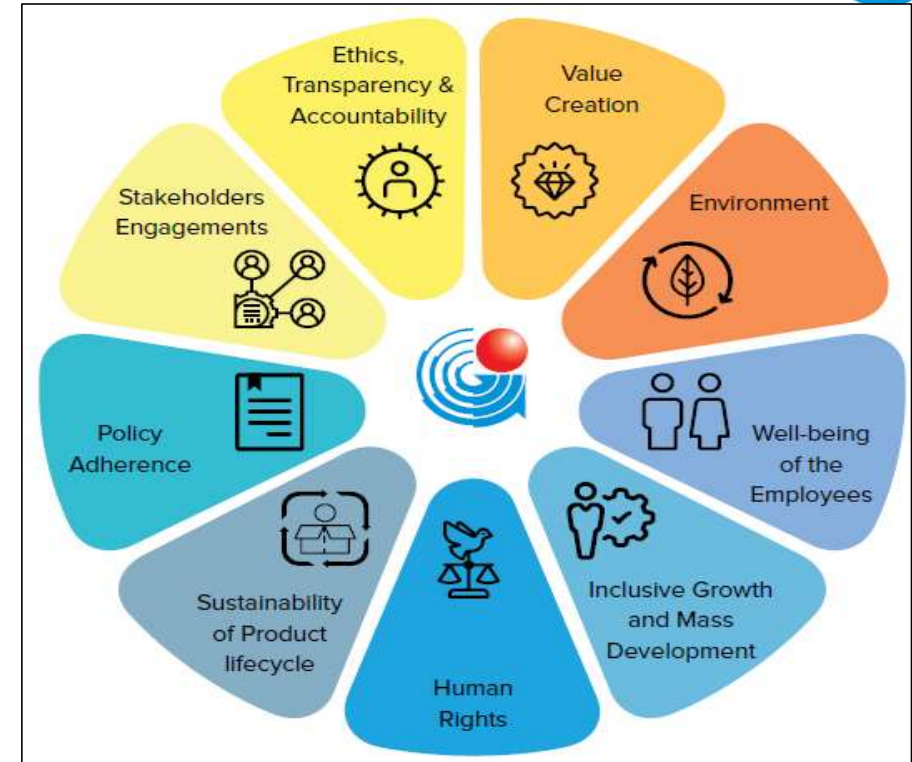
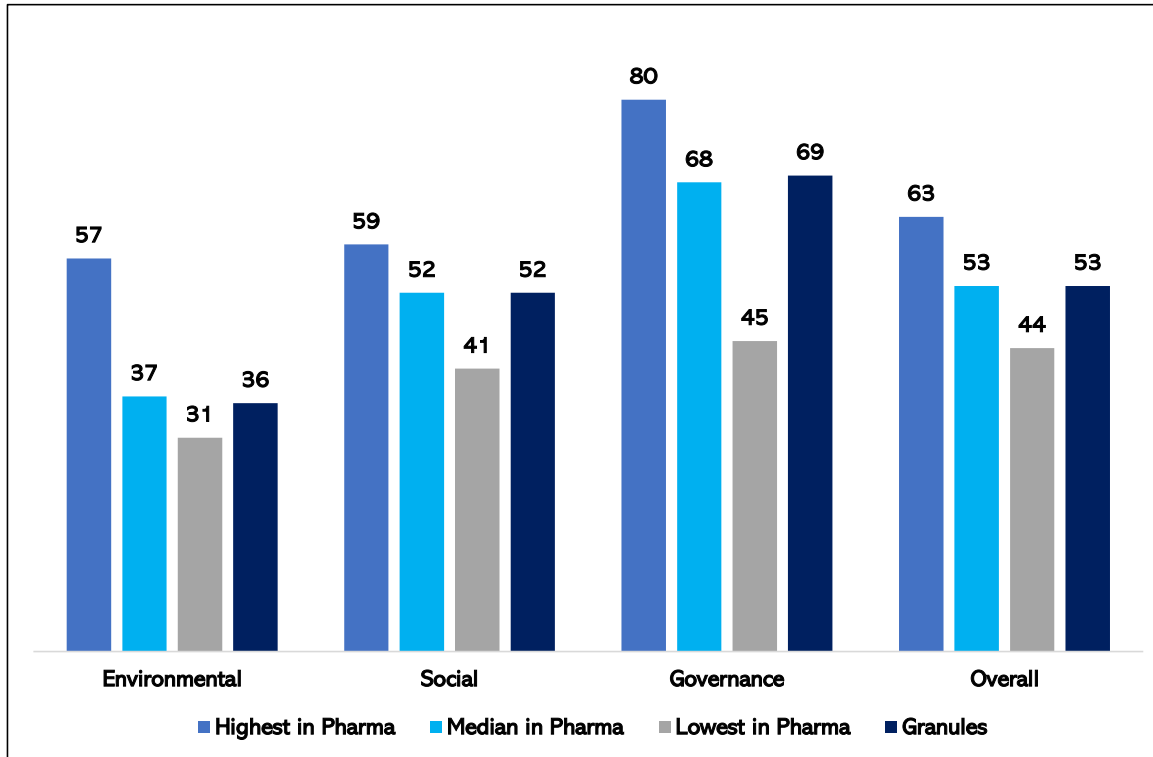


Finished Dosage: 5Y CAGR 30%

FD revenue contribution increased to 52% from 38% in last 5yrs



ESG Journey - Granules



Source: S&P Global CRISIL Ranking

Our efforts have been recognized by CRISIL, an S&P Global company, with a healthy score among the pharmaceutical companies in their “ESG Gauge” of the top 225 Indian companies.

CSR Initiatives



As a part of CSR initiative, we have donated Paracetamol tablets to the government of Telangana for fighting against COVID



In Summary



2–3-year Financial Goals:

Revenue CAGR ~20%+

PAT CAGR ~20%+

ROCE ~25%+

Timely launches of products expected FY22 while increasing the market share of existing products by passing on cost benefits realized through operational efficiencies

Focus on **Cash conservation** and liquidity management

Focus on Free cash flow generation and reduction in net debt

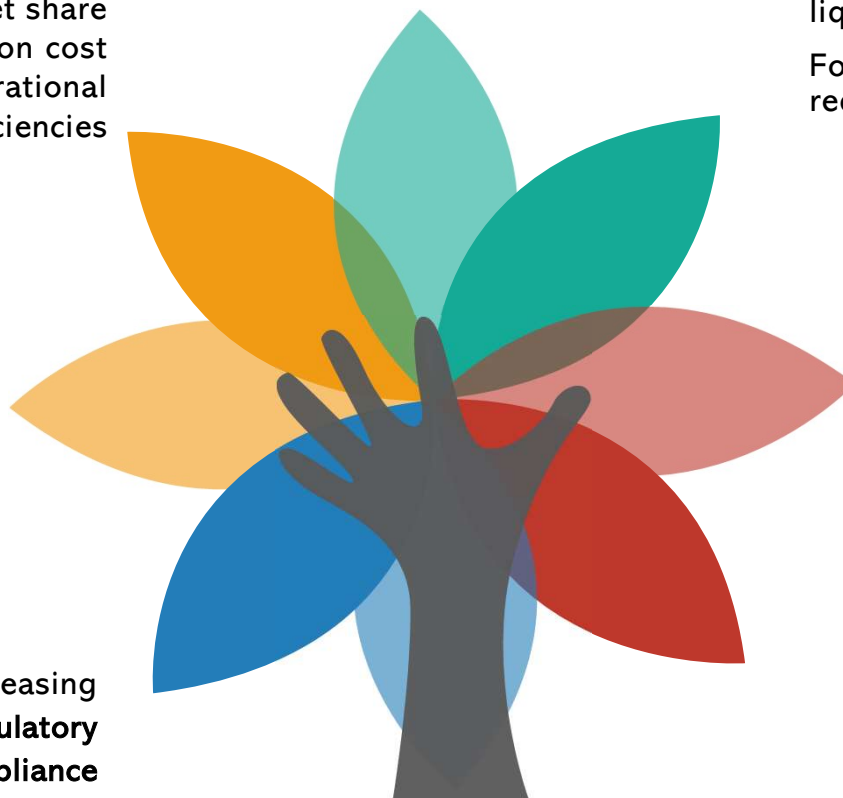
Continue rationalizing R&D portfolio while building towards sustainability

Timely completion of new block construction in Gagillapur and other expansion activities

Improve profitability through better capacity utilization and by enhancing product mix and operational cost efficiencies

Ensure employee safety while increasing productivity and **ensuring Regulatory Compliance**

Working capital management with high **focus on inventory management** to ensure supply security





Glossary

API: Active Pharmaceutical Ingredient

PFI: Pharmaceuticals Formulation Intermediates

FD: Finished Dosage

OTC: Over the counter drugs

Rx: Prescription drugs

IR: Immediate Release

ER: Extended Release

CII: Control substances

PFOS: Powder for oral suspensions and solutions

MUPS: Multi-unit pellet system

Para: Paracetamol

MF: Metformin

IBU: Ibuprofen

GGF: Guaifenesin

MCB: Methocarbamol



Thank you

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