



REGISTERED OFFICE

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CIN: L24110TG1991PLC012471

Date: May 16, 2023

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 audited financial results for the fourth quarter and financial year ended on March 31, 2023, submitted to you today i.e., on May 16, 2023.

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.

For GRANULES INDIA LIMITED

**CHAITANYA TUMMALA
(COMPANY SECRETARY &
COMPLIANCE OFFICER)**





Granules India Limited

Earnings Presentation
FY23



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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Yearly Performance

FY23: Y-o-Y performance highlights – P&L

(In ₹ Mn)

	FY23	FY22	Y-o-Y Gr%	Y-o-Y performance
Revenue <i>Value Added %</i>	45,119	37,649	20% ↑	Growth driven by commercialisation efforts made in key geographies including US and Europe
Value Added <i>Value Added %</i>	22,046 48.9%	18,813 50.0%	17% ↑	Lower VA% in FY23 as compared to FY22 because of higher mix of API sales coupled with price erosion in developed markets
EBITDA <i>EBITDA %</i>	9,138 20.3%	7,222 19.2%	27% ↑	Higher productivity and better cost control resulted in higher EBITDA margin as compared to last year despite lower VA margin
PAT <i>PAT %</i>	5,166 11.4%	4,128 11.0%	25% ↑	Improvement in PAT margin is lower than the improvement in EBITDA margin y-o-y because of rise in interest rates this year

FY23: Y-o-Y performance highlights – Cashflow and Ratios

(In ₹ Mn)

	FY23	FY22
ROCE%	21.1%	19.3%

Improved EBITDA margins and asset turnover resulting in improved ROCE

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

	FY23	FY22
CCC	132	138

Improvement in Receivable days and Inventory days resulting in lower CCC

CCC = DIO + DSO - DPO

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

	FY23	FY22
Fixed asset turn	2.06	2.02

Improved utilisation of our plants including newer blocks like MUPS improved the asset turns

Fixed asset turn = Annualised Sales / Average Tangible Gross block

	FY23	FY22
Operating Cashflow	7,387	3,321

Improved EBITDA margins and better CCC resulting in higher Operating cashflow

	FY23	FY22
Net debt/ EBITDA	0.84x	0.97x

Net debt = Gross debt – Cash and cash equivalents

Net debt has increased only by Rs.705 mn despite share buy back of Rs.3,106 mn

	FY23	FY22
Capex	4,105	3,967

FY23 Capex includes Rs.925 mn of investment towards our Green initiatives

Key take aways..

(In ₹ Mn)

1

Operating Cashflow improved from Rs.3,321 mn in FY22 to Rs.7,387 mn in FY23 on account of better EBITDA margins and improved cash to cash cycle. Net debt has increased only by Rs.705 mn despite share buy back (including taxes and transaction cost) of Rs.3,106 mn and capex of Rs.925 mn towards our Green initiatives

2

We have spent nearly Rs.140 mn more in R&D in Q4FY23 as compared to Q3FY23 to invest in our future growth drivers and fuel innovation-driven R&D projects

3

New packaging facility in Virginia, USA partially commercialized and received FDA approval. It will help us improve our working capital cycle and reduce uncertainty of Sales

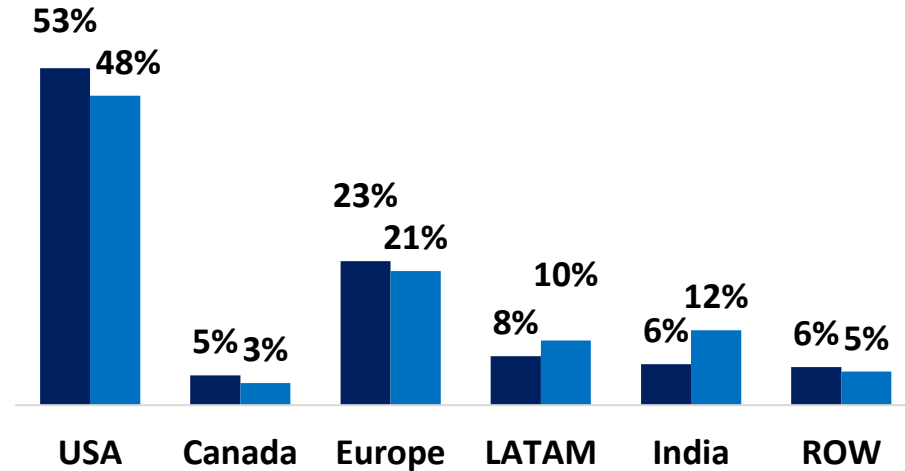
4

Established a wholly owned subsidiary of GIL called "Granules CZRO", to establish the Integrated Green Pharmaceutical Zone (GPZ) in Kakinada, Andhra Pradesh in partnership with Greenko. Capex spend of Rs.20,000 mn over the next 5 years is planned. In FY 23, we had invested Rs.925 mn in CZRO towards land and in FY24, we plan to invest Rs.2,500 mn. Of the Rs.2,500 mn, Rs.1,000 mn will be used for land and civil works, and Rs.1,500 mn will be used to set up a pilot plant for validations of two KSMs and a commercial plant for one of the KSMs

FY23 Revenue split by Market and Segments

(In ₹ Mn)

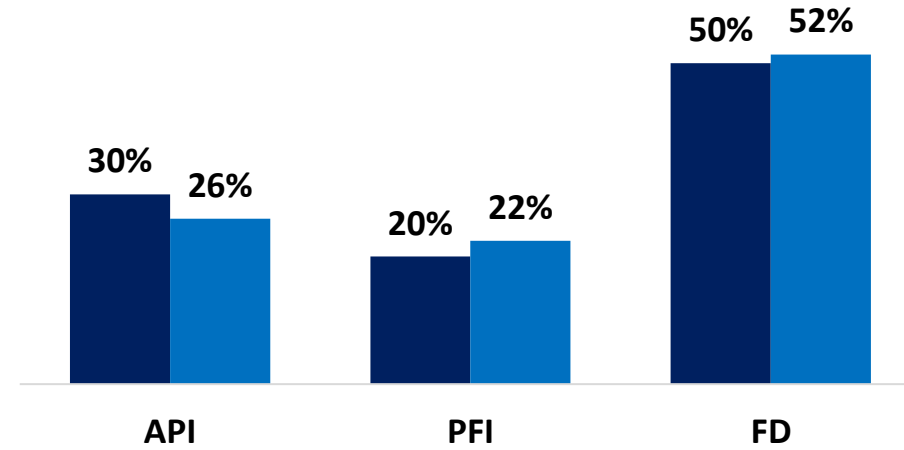
Region wise share



■ FY23 % ■ FY22 %

	FY23	FY22	Y-o-Y Gr%
USA	23,780	18,251	30%
Canada	2,099	1,290	63%
Europe	10,210	7,902	29%
LATAM	3,443	3,811	(10%)
India	2,895	4,415	(34%)
ROW	2,691	1,979	36%

Division wise share

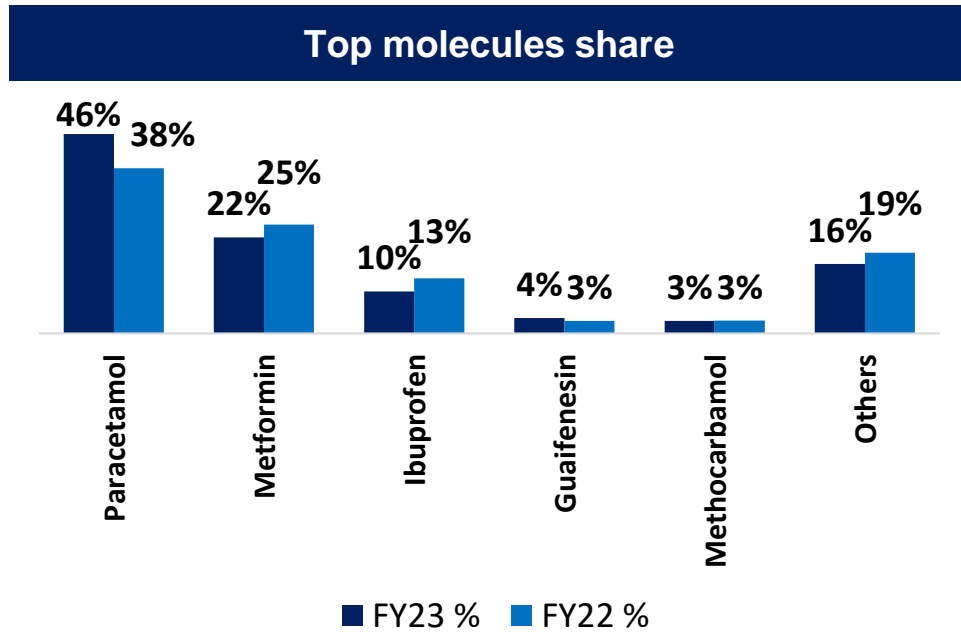


■ FY23 % ■ FY22 %

	FY23	FY22	Y-o-Y Gr%
API	13,414	9,751	38%
PFI	9,021	8,456	7%
FD	22,684	19,442	17%

FY23 Revenue spilt by Molecules

(In ₹ Mn)

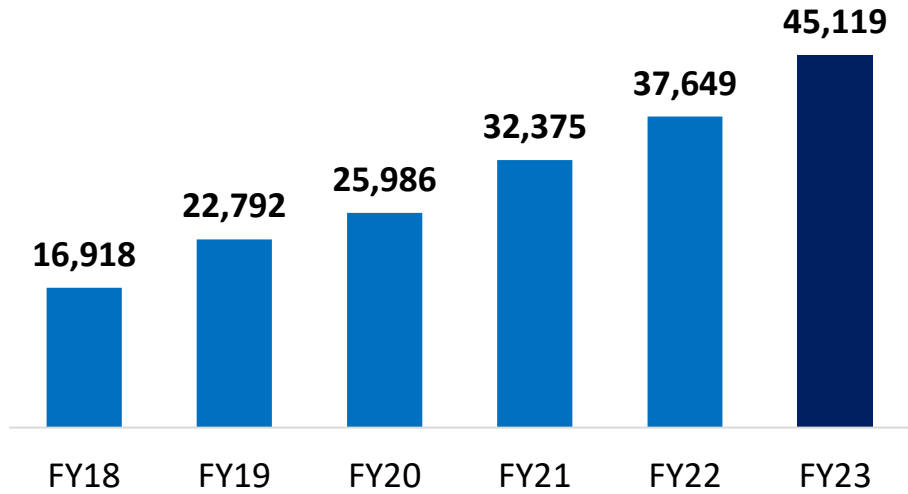


	FY23	FY22	Y-o-Y Gr%
Paracetamol	20,626	14,282	44%
Metformin	9,960	9,410	6%
Ibuprofen	4,366	4,768	(8%)
Guaifenesin	1,616	1,100	47%
Methocarbamol	1,317	1,114	18%
Others	7,233	6,974	4%

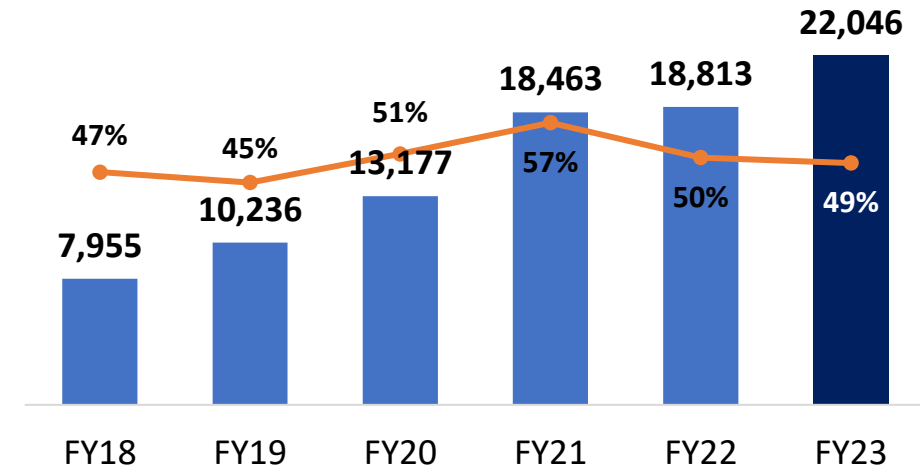
Last 5 years historical performance – Sales and profitability

(In ₹ Mn)

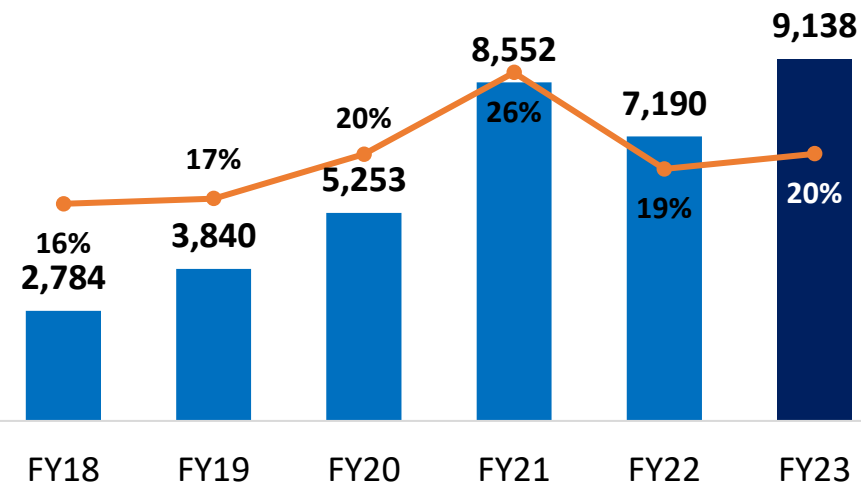
Sales: 5yr CAGR: 22%



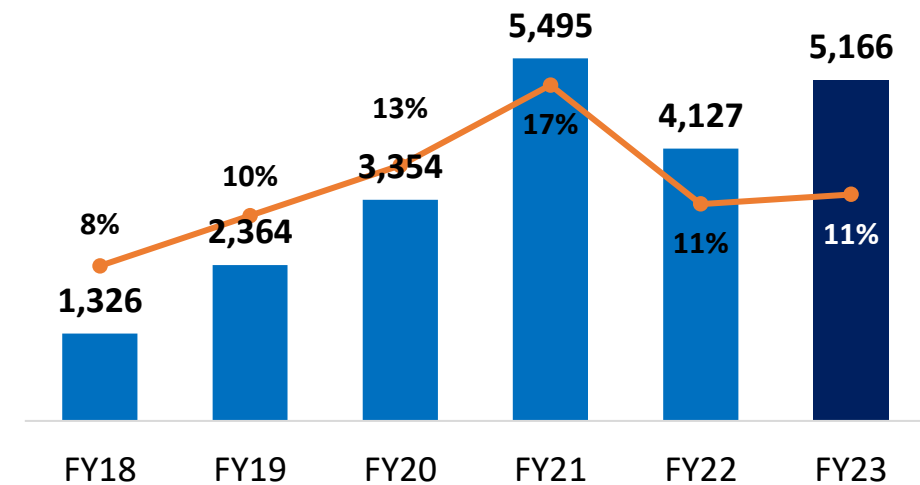
VA and VA%: 5yr CAGR: 23%



EBITDA and EBITDA%: 5yr CAGR: 27%



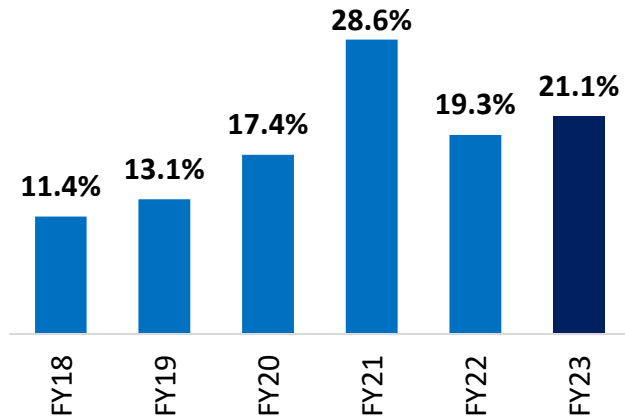
PAT and PAT%: 5yr CAGR: 31%



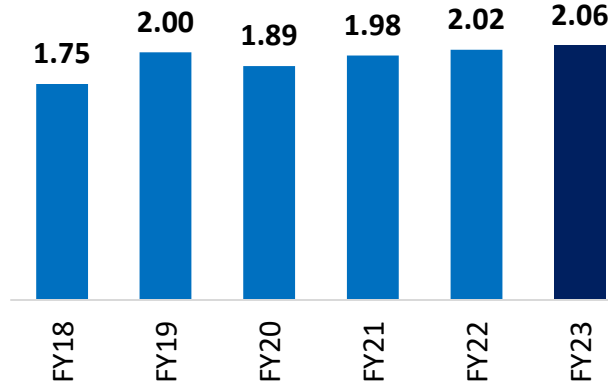
Last 5 years historical performance – Cashflow and Ratios

(In ₹ Mn)

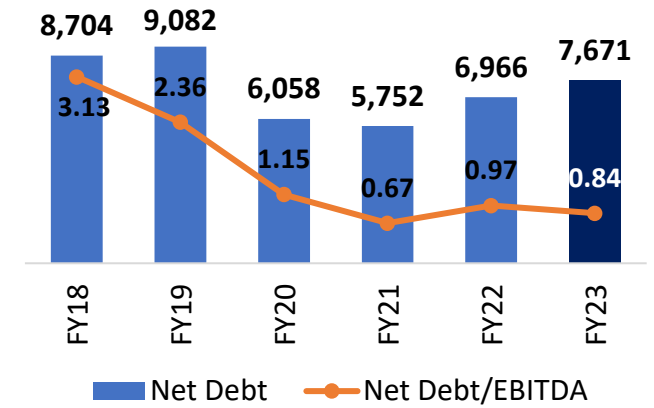
ROCE%



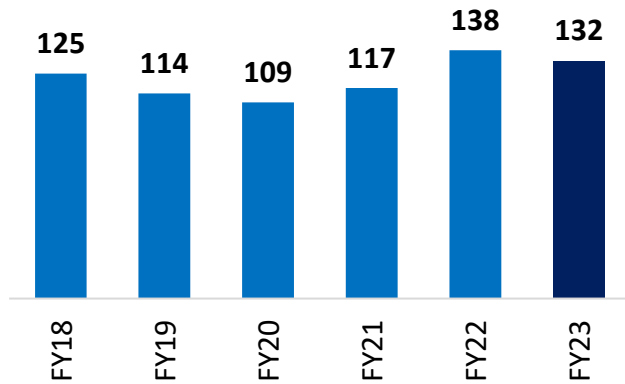
Asset turns



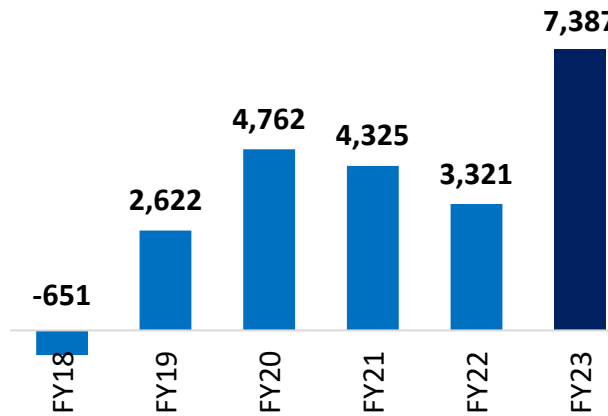
Net debt and Net debt/EBITDA



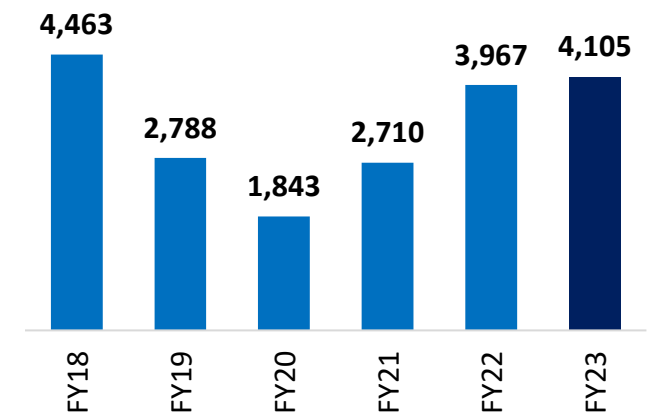
Cash to Cash cycle



Operating Cash flow



Capex



Quarterly Performance

Q4FY23: Y-o-Y performance highlights – P&L

(In ₹ Mn)

	Q4 FY23	Q4 FY22	Y-o-Y Gr%	Y-o-Y performance
Revenue <i>Revenue</i>	11,955	10,300	16% ↑	Growth driven by commercialisation efforts made in key geographies including US and Europe
Value Added <i>Value Added %</i>	5,720 47.8%	5,039 48.9%	14% ↑	Lower VA% in Q4FY23 as compared to Q4FY22 because of higher mix of API sales coupled with price erosion in developed markets
EBITDA <i>EBITDA %</i>	2,281 19.1%	1,927 18.7%	18% ↑	Higher productivity and better cost control resulted in higher EBITDA margin as compared to last year despite lower VA margin
PAT <i>PAT %</i>	1,196 10.0%	1,110 10.8%	8% ↑	Improvement in PAT margin is lower than the improvement in EBITDA margin y-o-y because of rise in interest rates this year

Q4FY23: Q-o-Q performance highlights – P&L

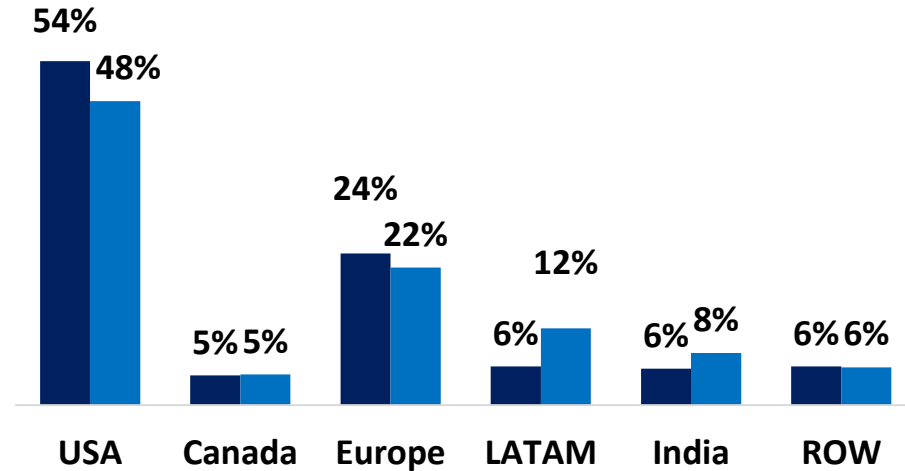
(In ₹ Mn)

	Q4 FY23	Q3 FY23	Q-o-Q Gr%	Q-o-Q performance
Revenue <i>Value Added %</i>	11,955	11,461	4% ↑	Growth driven by commercialisation efforts made in key geographies including US
Value Added <i>Value Added %</i>	5,720 47.8%	5,544 48.4%	3% ↑	Lower VA% in Q4FY23 as compared to Q3FY23 because of price erosion in developed markets
EBITDA <i>EBITDA %</i>	2,281 19.1%	2,313 20.2%	(1%) ↓	
PAT <i>PAT %</i>	1,196 10.0%	1,243 10.8%	(4%) ↓	

Q4FY23 Revenue spilt by Market and Segments

(In ₹ Mn)

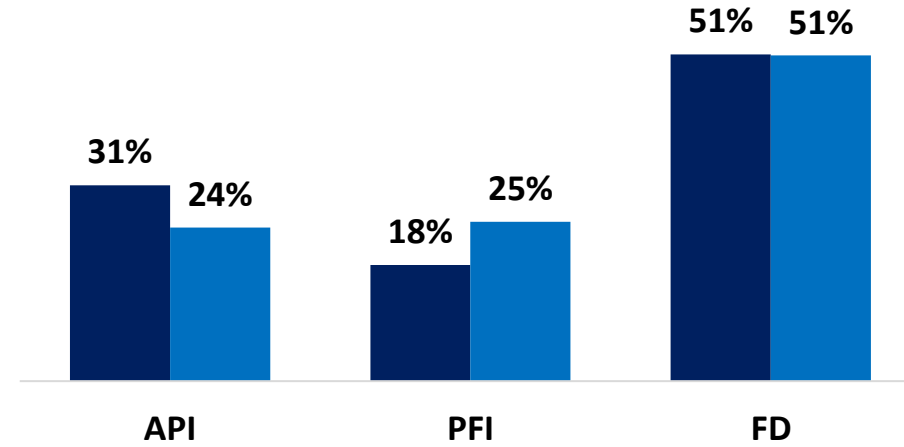
Region wise share



■ Q4 FY23 % ■ Q4 FY22 %

	Q4 FY23	Q4 FY22	Y-o-Y Gr%
USA	6,408	4,904	31%
Canada	554	491	13%
Europe	2,871	2,219	29%
LATAM	720	1,239	(42%)
India	680	838	(19%)
ROW	722	610	18%

Division wise share

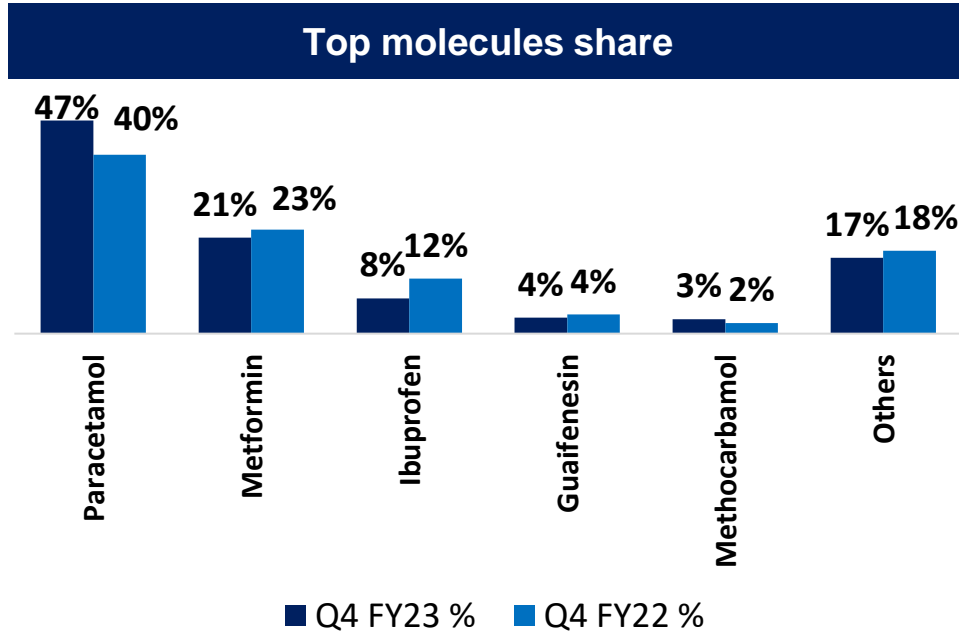


■ Q4 FY23 % ■ Q4 FY22 %

	Q4 FY23	Q4 FY22	Y-o-Y Gr%
API	3,664	2,478	48%
PFI	2,174	2,568	(15%)
FD	6,117	5,254	16%

Q4FY23 Revenue spilt by Molecules

(In ₹ Mn)

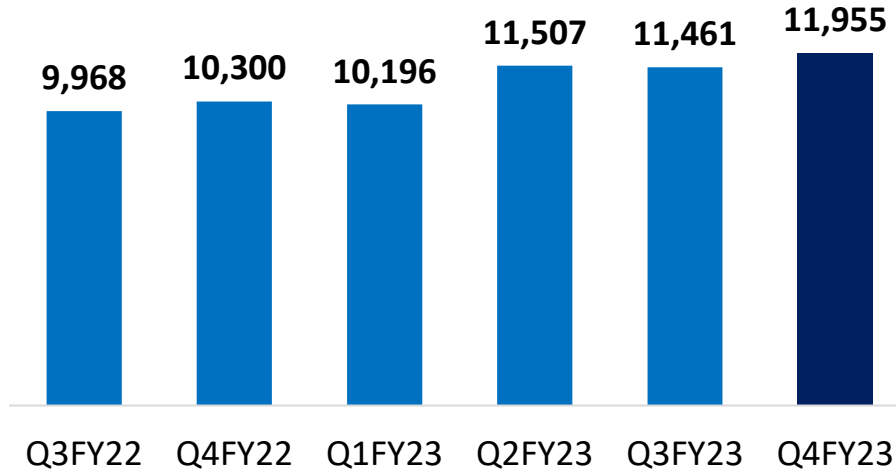


	Q4 FY23	Q4 FY22	Y-o-Y Gr%
Paracetamol	5,660	4,093	38%
Metformin	2,547	2,377	7%
Ibuprofen	935	1,260	(26%)
Guaifenesin	422	437	(3%)
Methocarbamol	377	236	60%
Others	2,014	1,897	6%

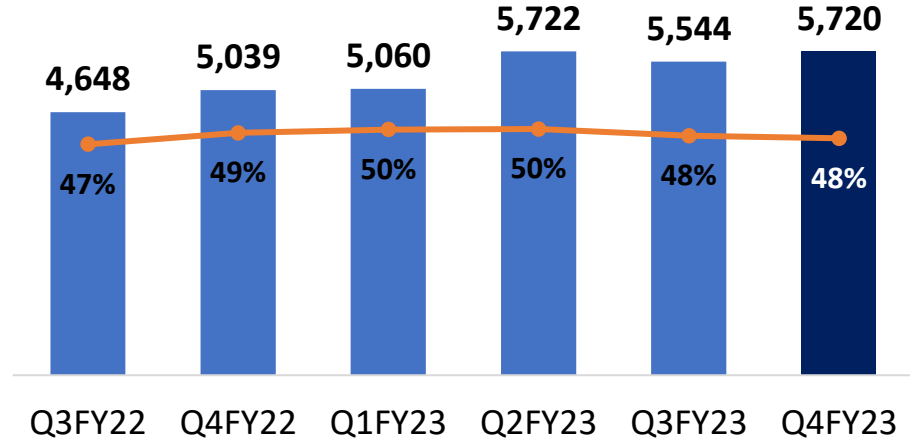
Last 5 quarters historical performance – Sales and profitability

(In ₹ Mn)

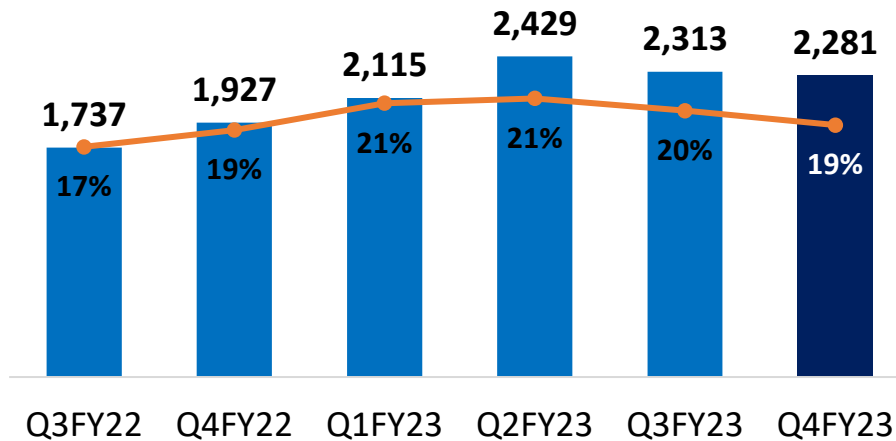
Sales



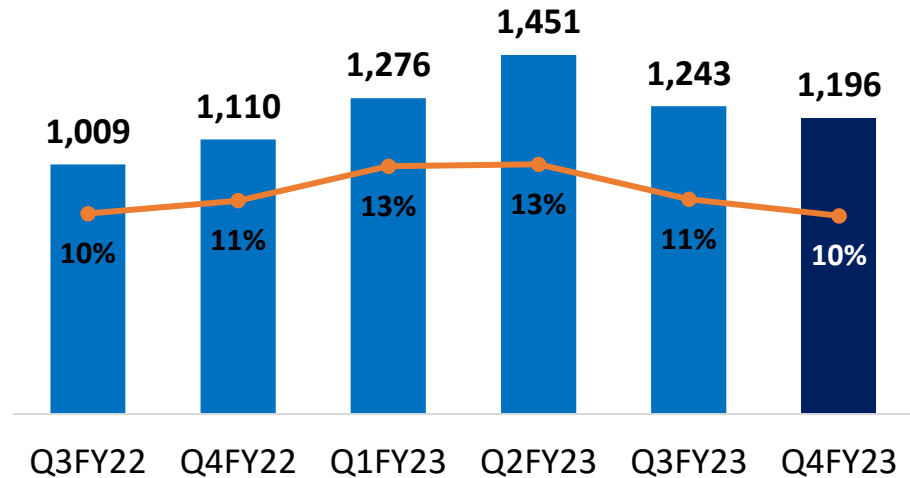
VA and VA %



EBITDA and EBITDA %



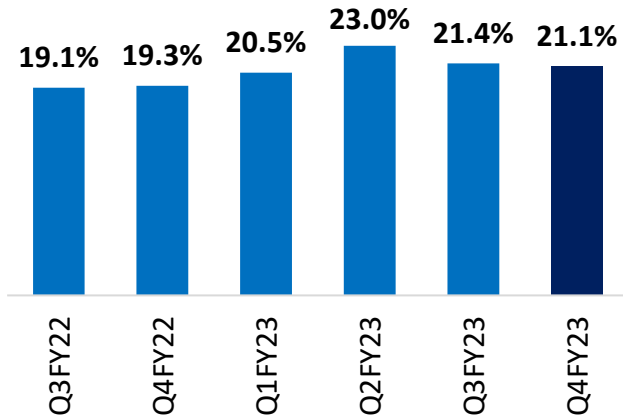
PAT and PAT %



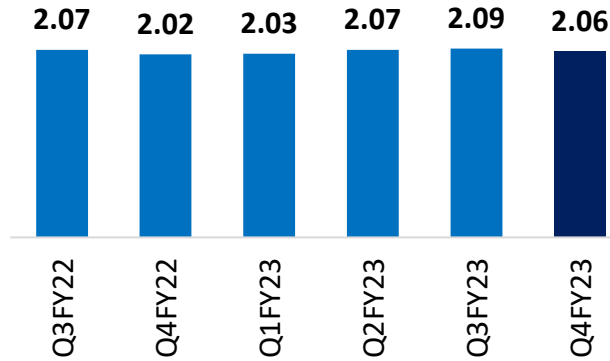
Last 5 quarters historical performance – Cashflow and Ratios

(In ₹ Mn)

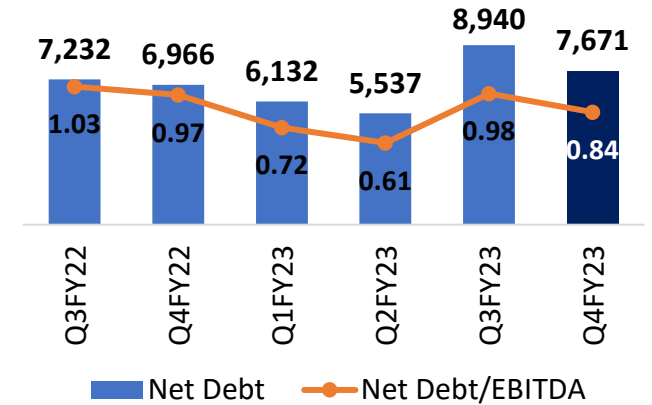
ROCE%



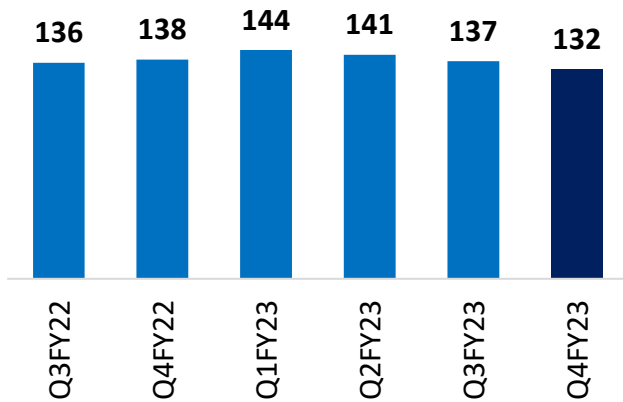
Asset turns



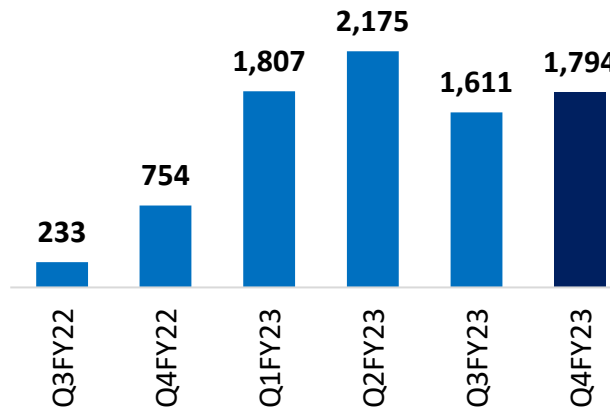
Net debt and Net debt/EBITDA



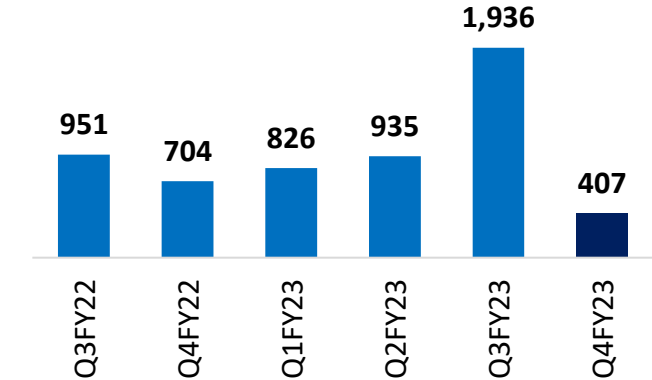
Working Capital days



Operating Cash flow



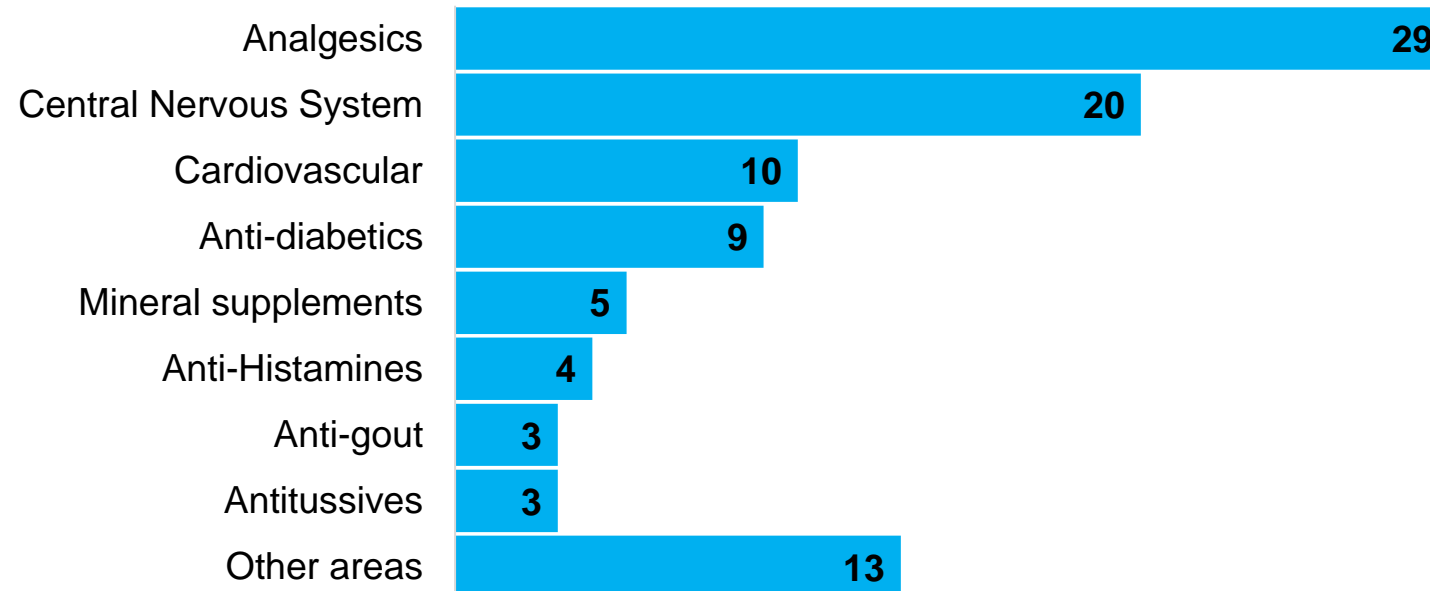
Capex



ANDA/Dossier filing status

Filing Status	GPI IP	GIL IP						Total
	USA	USA	Europe	Canada	South Africa	UK	Others	
Approved	24	29	5	5		3	1	67
Tentatively Approved	1	1						2
To be approved	5	10	3	2	4		3	27
Total Products	30	40	8	7	4	3	4	96

ANDA/Dossier filed - Therapeutic area wise



Sustainability Initiatives at Granules

Our Ongoing Sustainability efforts have been focused on **Energy, Water & Waste Management**



Our efforts are getting recognized in the universe of sustainability



Received Score “C”
in the 1st CDP Climate Change disclosure in 2022



Silver Rating
Unit-1 Bonthapally

Bronze Rating
Jeedimetla unit

The facilities at GGP, BPL, JDM, Unit-4 and Unit-5 are ISO certified



Environmental Management System



Occupational Health And Safety Management System

We are currently developing a comprehensive, long-term sustainability and ESG roadmap

- Completed **stakeholder engagement, benchmarking, and materiality assessment**
- Baselining and Reporting exercise underway** for Scope 1 and Scope 2 emissions
- Next Steps:** announcing our **long-term and medium-term decarbonization commitments** to our stakeholders

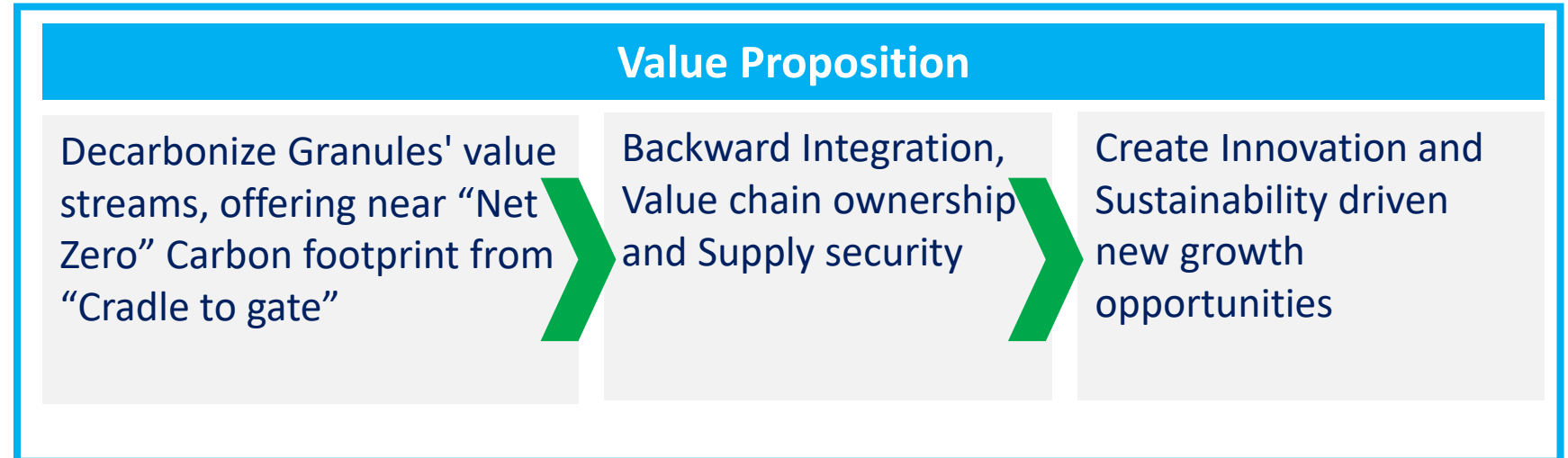
Sustainability Redefined: Innovating for a Greener Future

Kakinada Green Pharmaceutical Zone (GPZ) : Granules Partnership With Greenko

**KAKINADA GPZ
with Greenko**

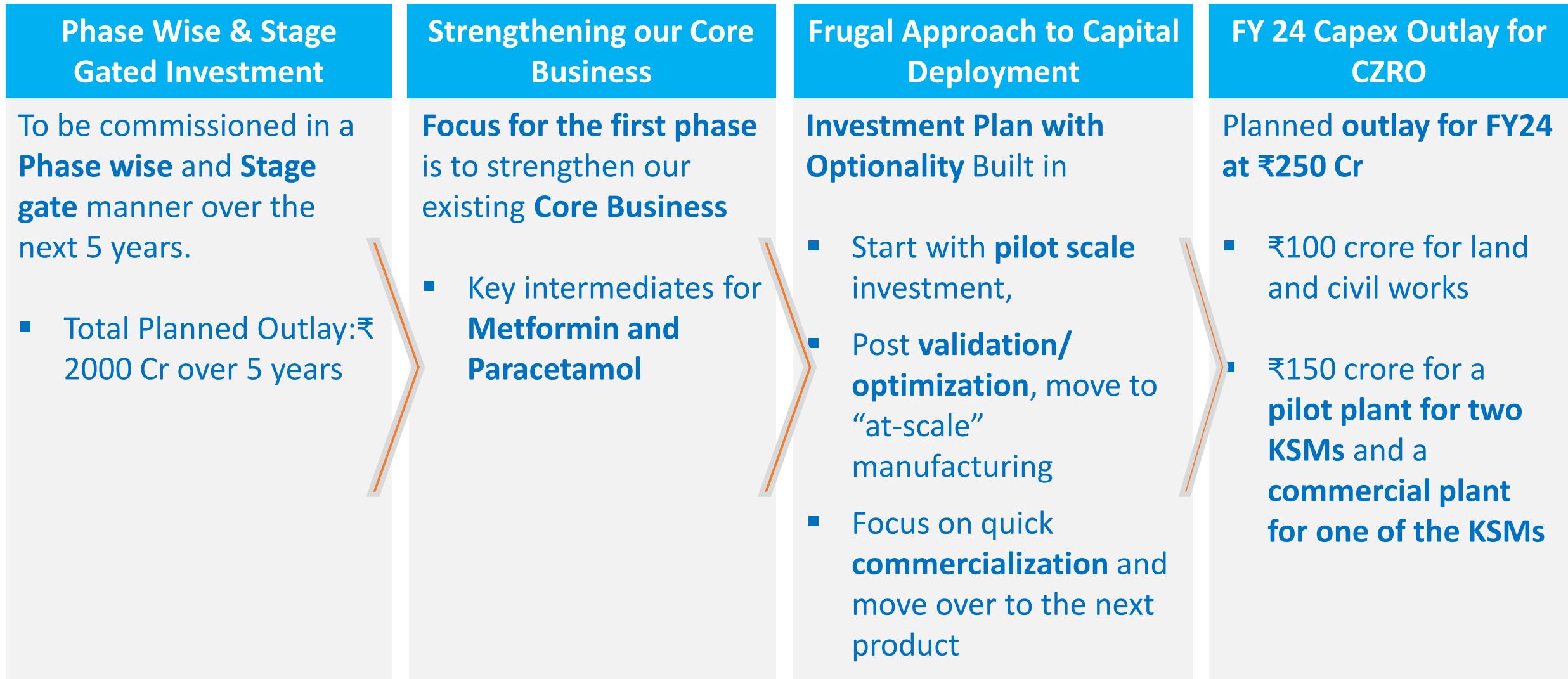
**GRANULES
CZRO***

 		
<p>Develop and Promote State-of-the-art Integrated Green Pharmaceutical Zones (GPZ) with first collaboration in Kakinada, Andhra Pradesh</p>	<p>Supply of Carbon Free Green Energy and Green Molecules Solutions</p>	<p>To build a green field facility for large scale manufacturing of KSMs, Intermediates, APIs and fermentation-based products</p>



* Granules CZRO is the wholly owned subsidiary of Granules for Kakinada GPZ initiative

GRANULES CZRO: Frugal Approach to Investment



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

NA: North America

EU – Europe

RoW – Rest of the World

VA – Value Addition (Sales minus cost of materials consumed)



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thank you!



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