



REGISTERED OFFICE

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CIN: L24110TG1991PLC012471

Date: October 20, 2022

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 second quarter and half year ended on September 30, 2022, submitted to you today i.e., on October 20, 2022.

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

CHAITANYA

TUMMALA

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

As Encl:

Digitally signed by CHAITANYA TUMMALA
DN: c=IN, o=PERSONAL, ou=1722,
pseudoym=5a1421a00444714ae97e873a6a0119c,
2.5.4.2=Princ72a22e0e916682239073a615ba09938180242f,
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a5f698e2e0775c3e9, cn=CHAITANYA TUMMALA
Date: 2022.10.20 13:16:07 +05'30'





Granules India Limited

Q2FY23 Earnings Presentation



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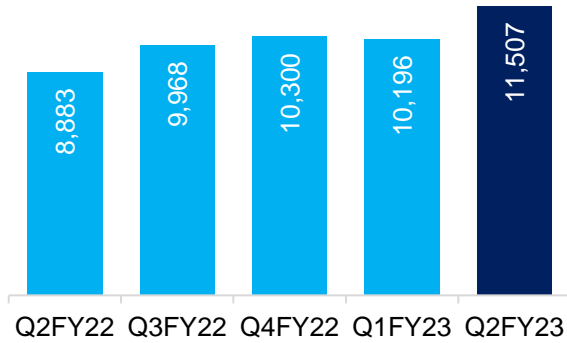
This presentation may include certain "forward looking statements". These statements are based on current expectations, forecasts and assumptions that are subject to risks and uncertainties which could cause actual outcomes and results to differ materially from these statements. Important factors that 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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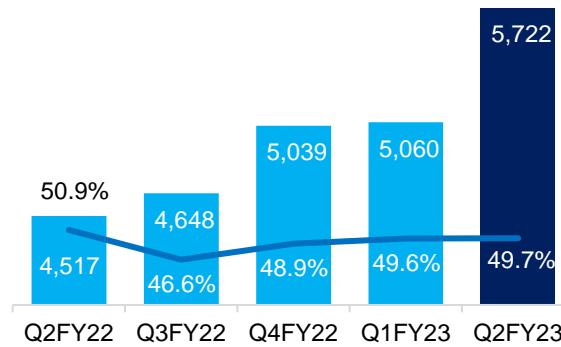


Q2FY23 Financial Highlights

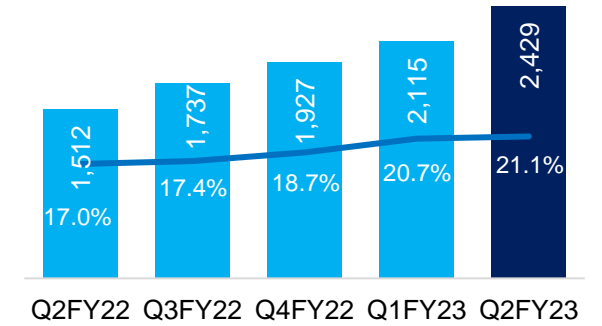
Revenue from Operations (Rs. Mn.)



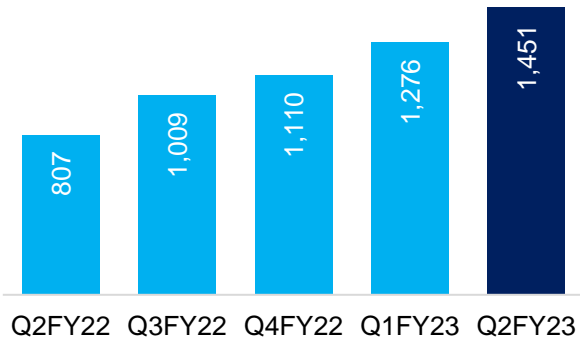
VA and VA% (Rs. Mn.)



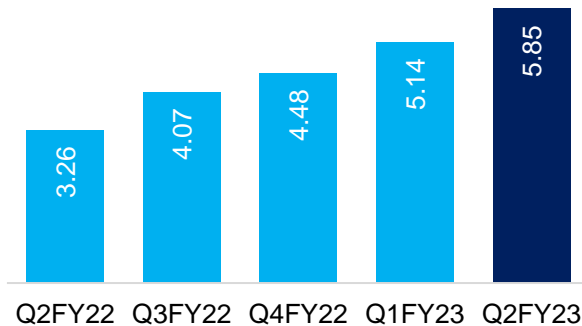
EBITDA and EBITDA margins (Rs. Mn.)



PAT (Rs. Mn.)



EPS (In Rs.)



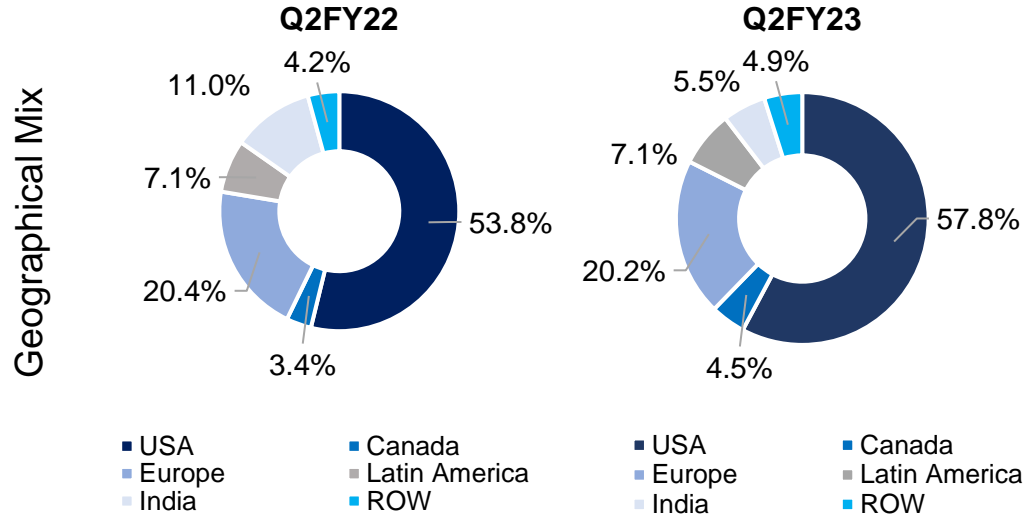
- Revenue growth YoY is mainly driven by higher paracetamol sales and also increased market share and new launches.
- EBITDA % increase YoY is on account of higher sales.

Q2FY23 Revenue spilt by Market, Molecules and Segments

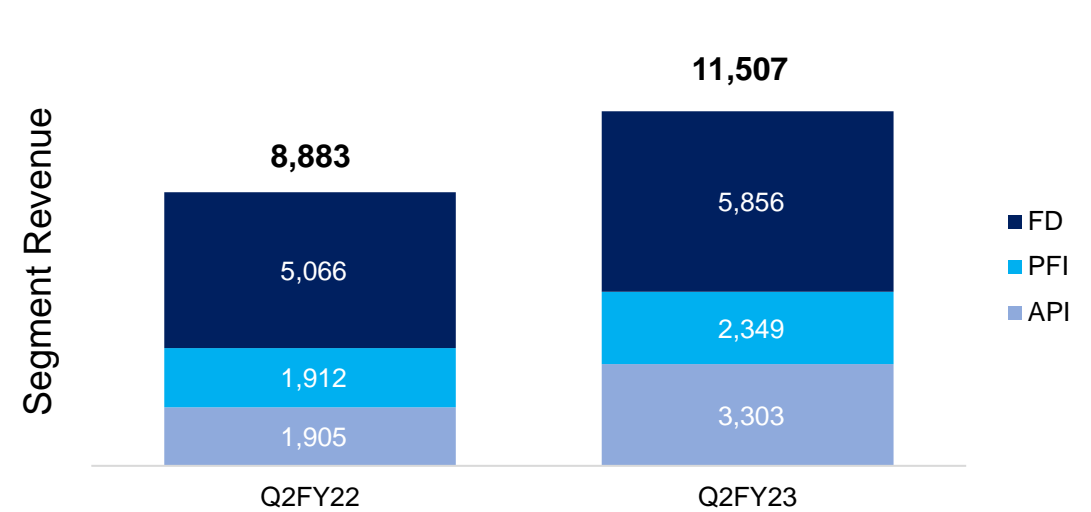


(In ₹ Mn)

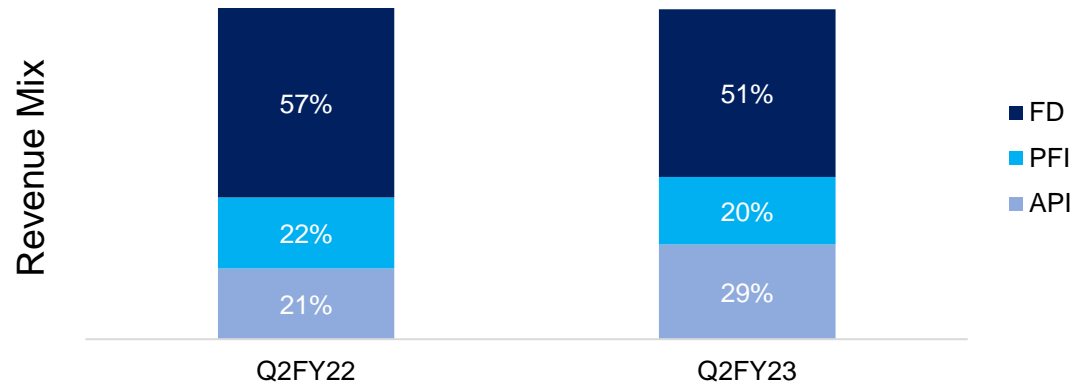
Growth in USA due to higher Paracetamol sales



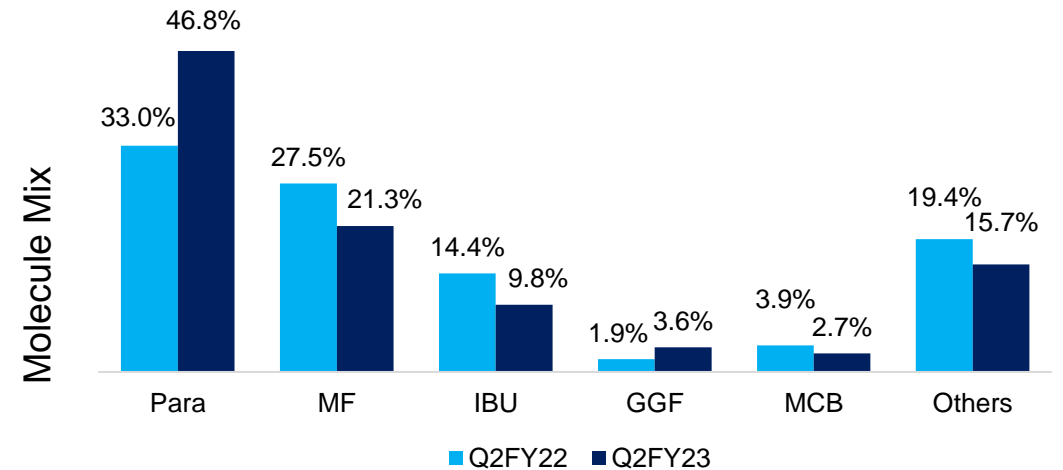
Finished Dosage, PFI and API segments grew 16%, 23% and 73%



Share of API increased YoY



Share of Para increased from 33% to 46.8%





Financial and Business Summary for Q2FY23

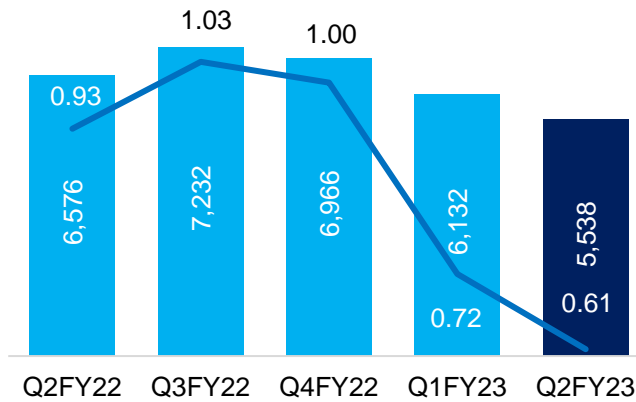
- Revenue from Operations for Q2FY23 stood at INR 11,507 Mn, growth of 30% YoY. Revenue share from USA increased to 57.8% when compared to 53.8% YoY.
- During the quarter we filed two ANDAs, two US DMFs, three CEPs, and received two US ANDA approvals.
- Active Pharmaceuticals Ingredients (API), Pharmaceutical Formulation Intermediates (PFI) and Finished dosages contributed 29%, 20% and 51% of revenue from operations respectively.
- Free cash flow increased to INR 1,240 Mn for Q2FY23 as against INR 324 Mn for Q2FY22.
- ROCE for Q2FY23 increased to 25.0% as compared to 21.8% YoY.
- Net debt for Q2FY23 stood at INR 5,538 Mn vs INR 6,132 Mn in Q1FY23 and Net debt to EBITDA at 0.61x.
- Q2 FY23 financials include the impact of buyback, and the Company has recorded a liability towards the buyback of equity shares of Rs. 2,500 Mn and the corresponding tax payable of Rs. 580 Mn as on September 30, 2022.

Q2 FY23 Financial Ratios

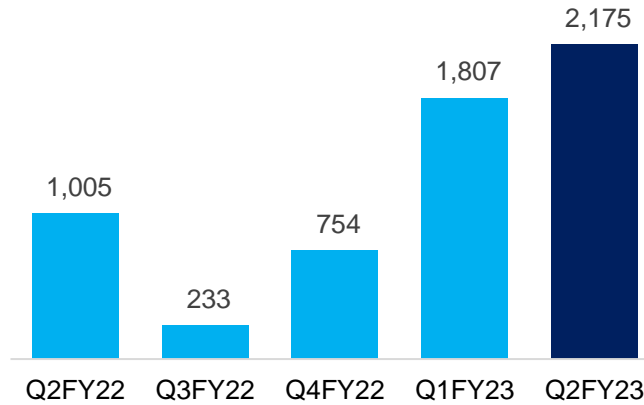
(In ₹ Mn)



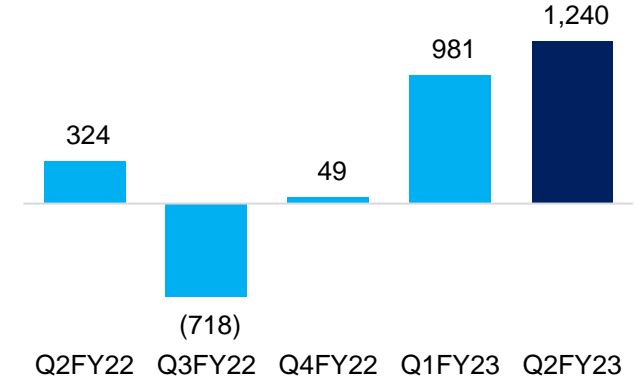
Net Debt & Net debt-to-EBITDA (x)



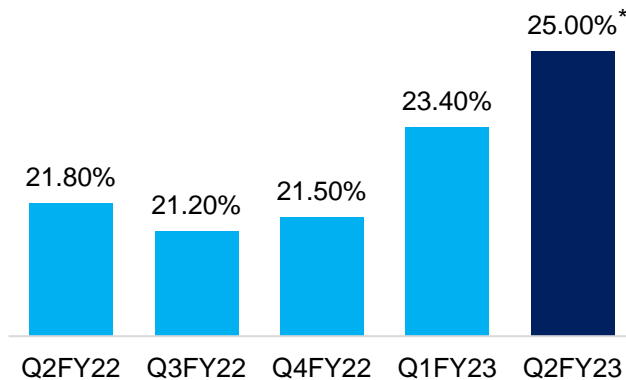
Operational Cash Flow



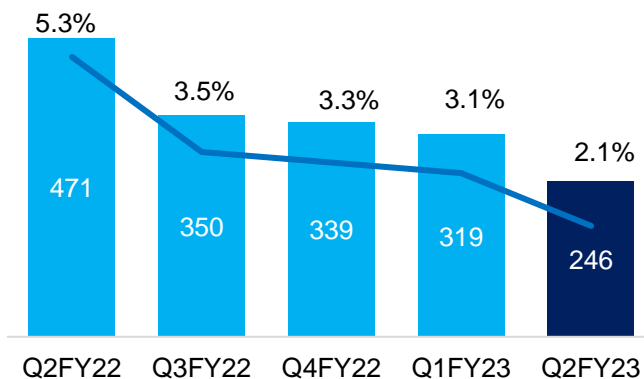
Free Cash Flow



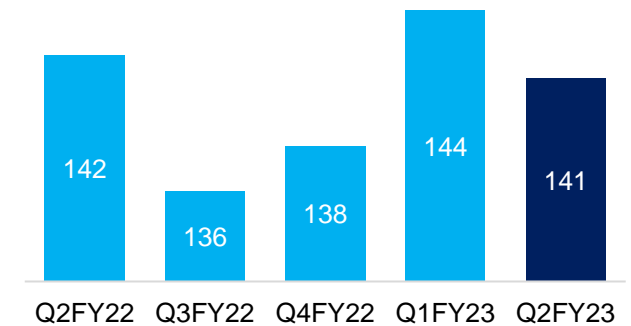
ROCE (%)



R&D and R&D % of sales



Cash to Cash cycle (days)



*Buyback liability was not considered for calculations



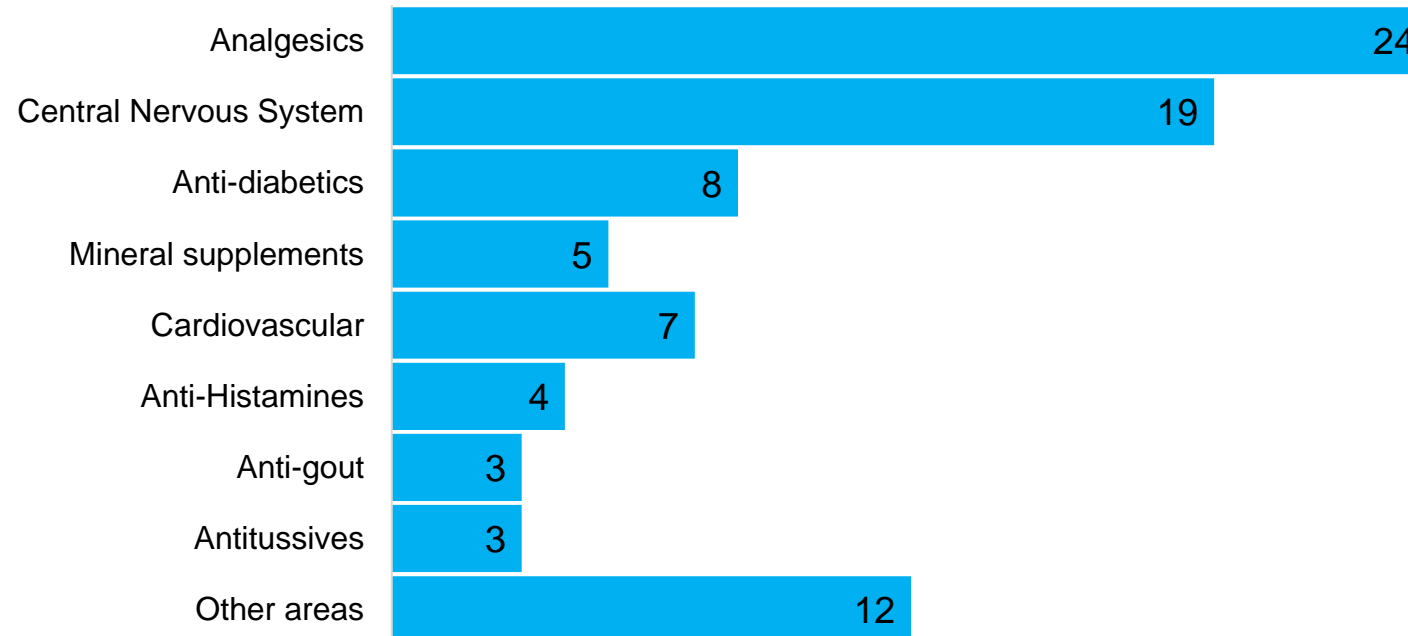
ANDA/Dossier filing status

Filing Status	GPI IP	GIL IP					Total
	USA	USA	Europe	Canada	South Africa	UK	
Approved	23	27	4	4		1	59
Tentatively Approved	1	1					2
To be approved	5	10	3	2	3	1	24
Total Products	29	38	7	6	3	2	85

Total GPI products include:

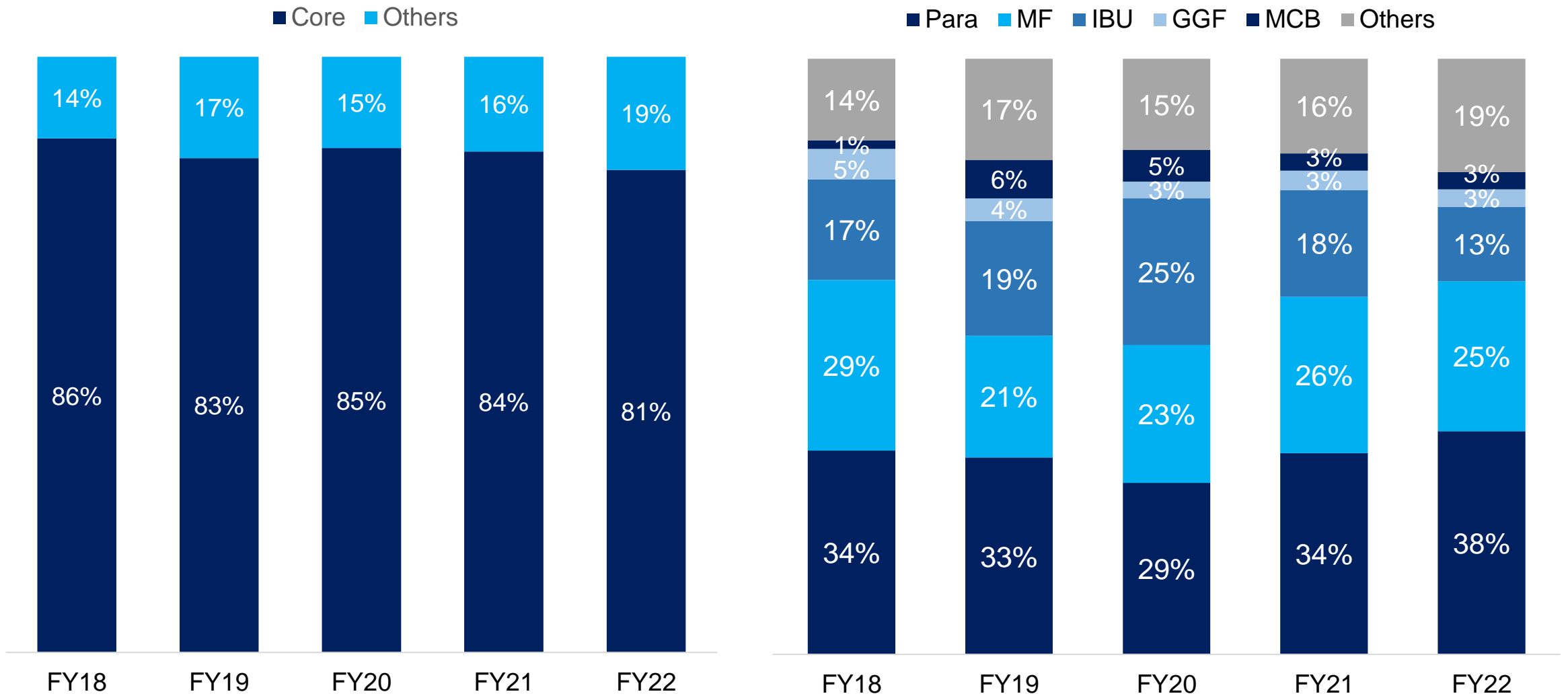
- CII – 8**
- PFOS – 4**
- Liquid Orals – 3**

ANDA/Dossier filed - Therapeutic area wise





Revenue trend – percentage share from Core and Other Molecules



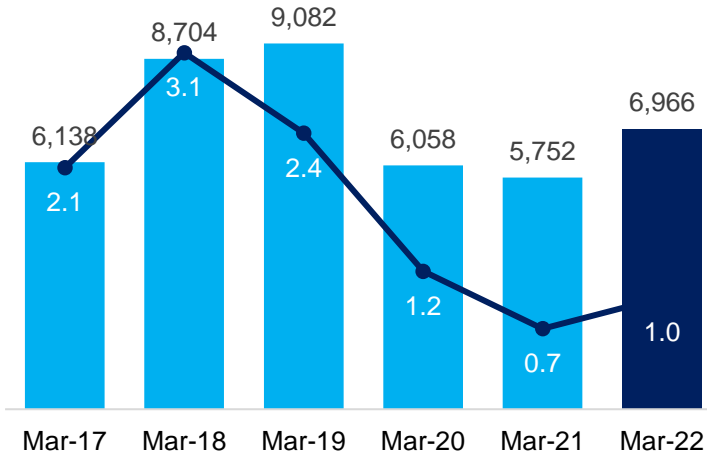
Core includes Paracetamol, Metformin, Ibuprofen, Methocarbamol and Guaifenesin

5-year trajectory: Key Ratios and Cash Flow

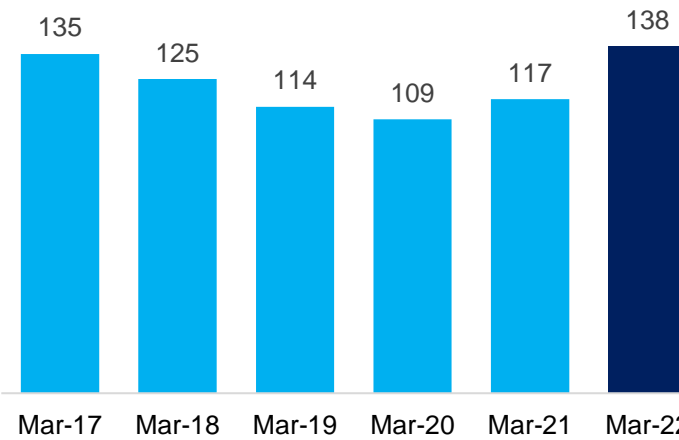
(In ₹ Mn)



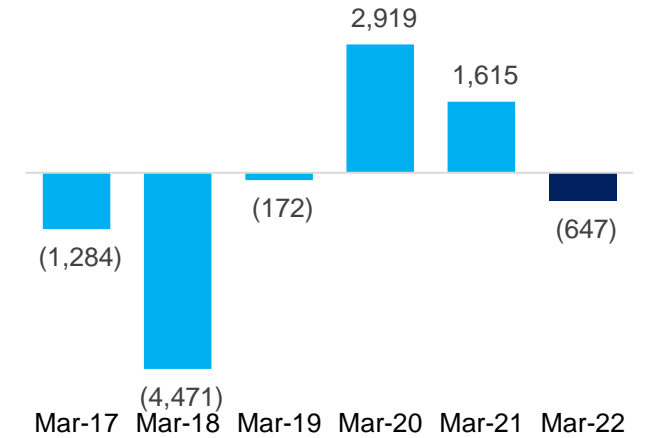
Net Debt & Net debt-to-EBITDA (x)



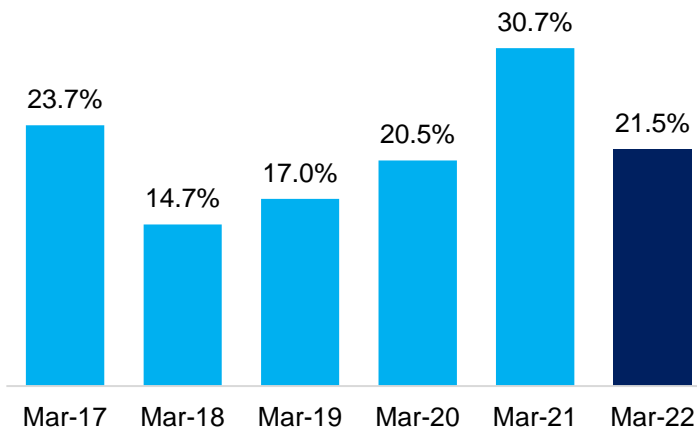
Cash-to-Cash cycle (days)



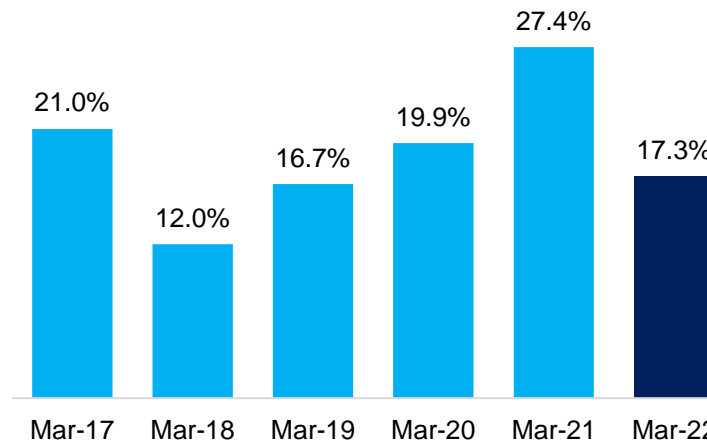
Free Cash Flow (FCF)



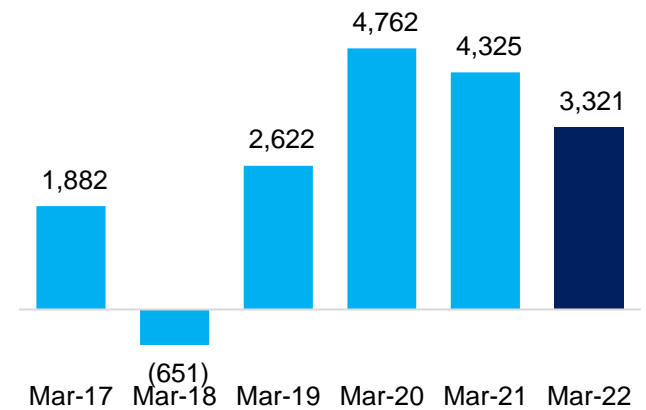
ROCE (%)



ROE (%)



Operating Cash Flow (OCF)



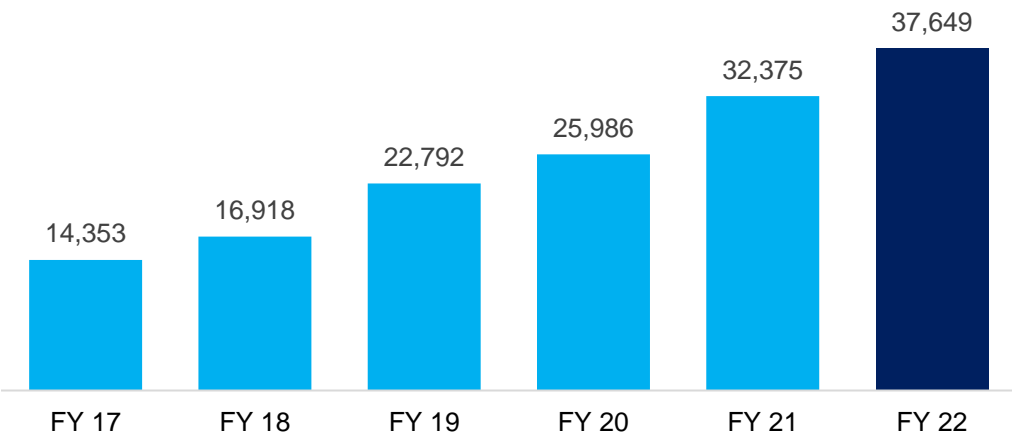
ROCE = $[EBIT / \text{Avg. Capital Employed (Total assets-current liabilities)}]$; FCF = CF from operating activities - Capex

5-year trajectory : Revenue and Profitability

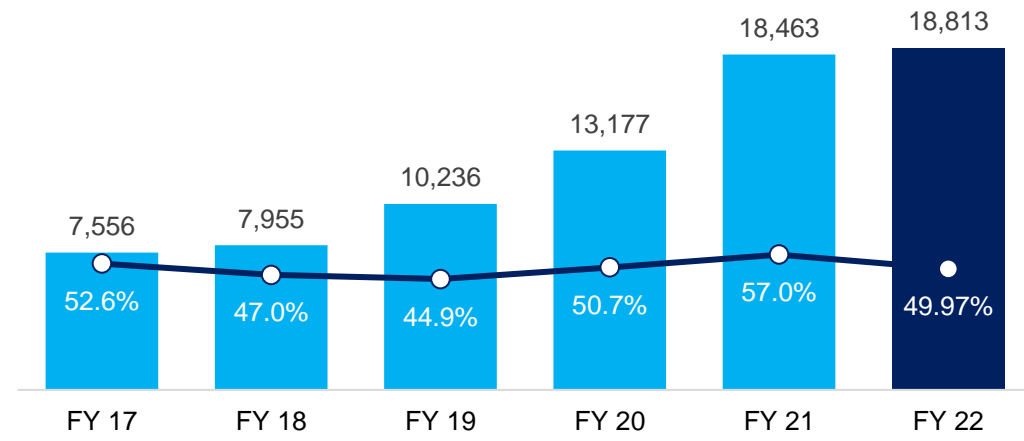
(In ₹ Mn)



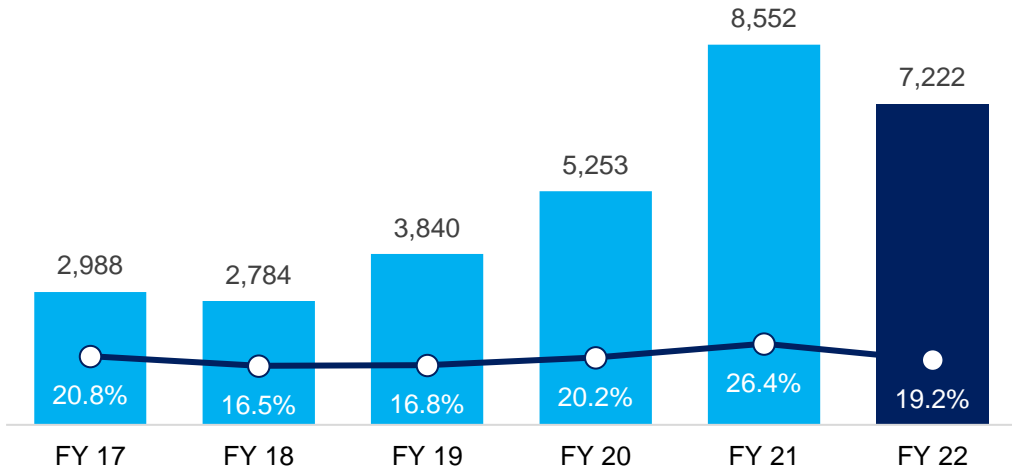
Revenue



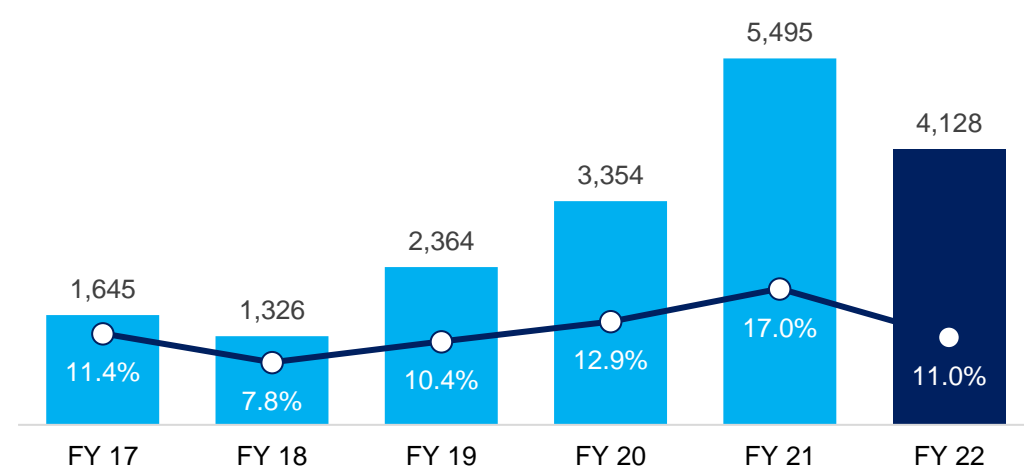
VA and VA % (previously Gross Margin)



EBITDA & EBITDA Margin



PAT & PAT Margin

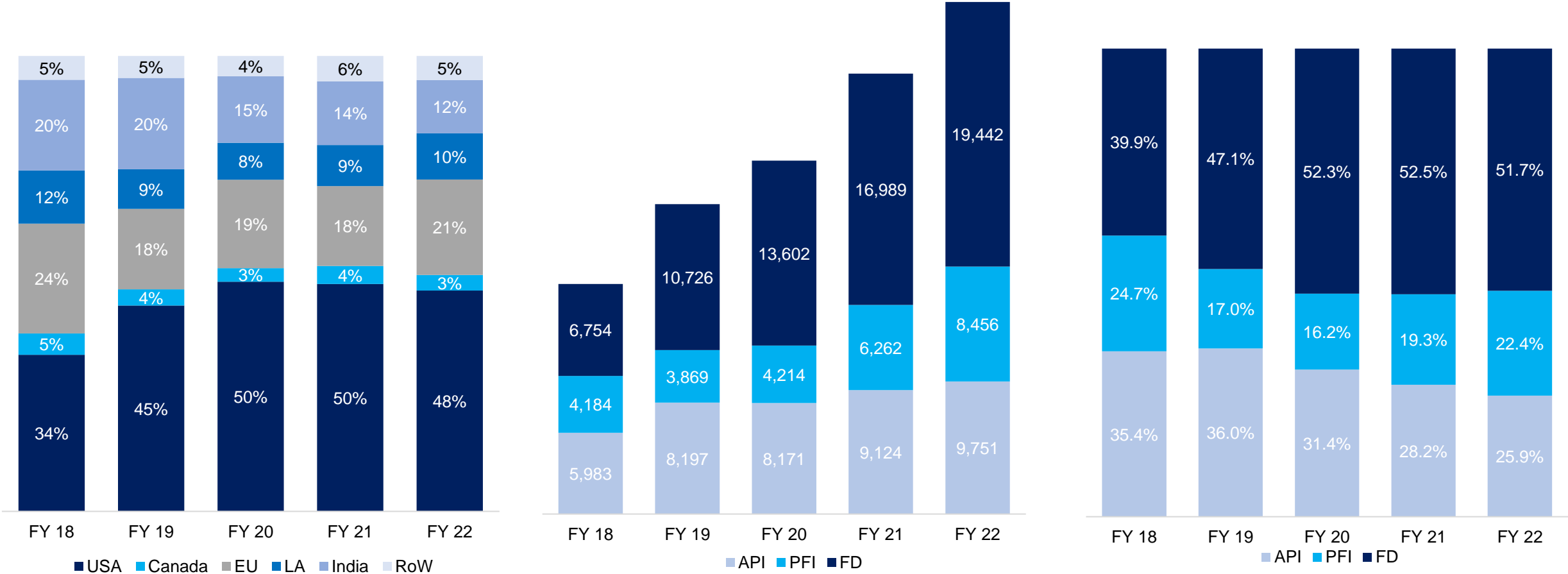


5-year trajectory: Market and Segment mix

Higher revenue contribution coming from regulated market, 73% of total revenues

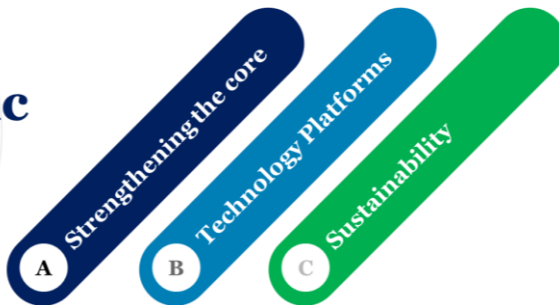
Finished Dosage contribution in value going up

FD segment share increased to 40% to 52% in last 5yrs





Strategic Levers



Strengthening the Core

Drive cost leadership and EBITDA transformation, through **strong focus on cost management**

Commercial excellence incl. new product launch management capabilities to propel growth in US and other geographies. B2B business with focus on value-add APIs.

Build the formulations business (oral solids) as a key value driver over next 5 years

- Gain formulations market share in core molecules in the US market, and expand beyond the US (e.g., Europe)
- Launch formulations beyond the core molecules (ANDA pipeline)

Technology Platforms

Invest to build a strong Science and Technology backbone (including new technology platforms), that helps us build differentiated and sustained value proposition across all our businesses

Sustainability

Build leadership in ESG by embedding sustainability in org structure and management system/ business practices

- **Investments in sustainability initiatives** (energy and water conservation, minimum waste generation, minimum usage of reagents, recycling of byproducts) in ongoing and future capital projects to reduce environmental footprint.
- **Continued trainings and investments in infrastructure** to build a sustainable safety culture.



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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