

Press Release

For Immediate Release

FY21 Income from operations show a record growth - up 25% YoY,
EBITDA at INR 855 Cr, up 63% YoY;
PAT at INR 549 cr, up 64% YoY

Hyderabad, 11th May 2021: Granules India Ltd., a vertically integrated pharmaceutical company, today announced its financial results for the fourth quarter and full year ended 31st March 2021.

Q4FY21 Financial Highlights (All numbers in INR Cr except Margins)

CONSOLIDATED FINANCIALS	Q4FY21	Q4FY20	Growth (YoY)
Income from Operations	799	600	33%
Operating Profit	202	100	102%
Operating Profit Margin	25%	17%	
PAT	128	92	38%
Net Profit Margin	16%	15%	

Financial and Business Highlights for Q4FY21

- Income from operations **up 33% YoY**, despite challenges posed by various business scenarios at the backdrop of COVID-19 and logistics disruption, resulting in shortage of raw materials and lower utilization capacities especially in Paracetamol. Growth was driven by new launches and an increase in the market share of existing products. This also compensated for the loss of the MEIS benefit earlier this year.
- EBITDA for the quarter was **up 102% YoY, +860 bps margin expansion** on account of higher sales and volumes over a lower base of the previous year. The low base of the previous year was due to lockdowns and the export ban of Paracetamol.
- PAT for the quarter stood at INR 128 Cr, up 38% YoY.
- During the quarter, launched 2 new products, filed 3 ANDAs, 1 EU dossier and 1 product in Canada.
- We received approvals for 6 ANDAs, 1 EU dossier and 1 Canadian dossier

FY2021 Financial Highlights (All numbers in INR Cr except Margins)

CONSOLIDATED FINANCIALS	FY21	FY20	Growth (YoY)
Income from Operations	3,238	2,599	25%
Operating Profit	855	525	63%
Operating Profit Margin	26%	20%	
PAT	549	335	64%
Net Profit Margin	17%	13%	

Financial and Business Highlights for FY2021

- FY21 income from operations at INR 3,238 Cr, **record growth of 25% YoY**. EBITDA stood at INR 855 Cr, a growth of 63% YoY. EBITDA margins stood at 26%. PAT at INR 549 Cr a growth of 64%.
- Increased market penetration through existing approvals and new product launches contributed to growth in top-line.
- Gross Margins moved mainly on account of higher PFI and FD volumes, which have grown by around 50% over the previous year.
- EBITDA improved mainly on back of higher volumes and new launches. Our operational efficiencies, in combination with our added capacities, have increased our FD volumes by nearly 50% which translated into higher EBITDA. In addition to this, our focus on our product rationalization based on profitability enabled us to achieve this growth.
- During the year, the **Pharmaceutical Formulation Intermediates (PFI) segment grew 49% YoY, Active Pharmaceutical Ingredients (API) segment grew 12% YoY and Finished Dosage (FD) grew 25% YoY**.
- High contribution from FD continues to grow in absolute terms from INR 1,360 Cr in FY20 to INR 1,699 Cr in FY21 up 25% YoY.
- PFI grew 49% YoY from INR 421 Cr in FY20 to INR 626 Cr in FY21, on the back of increased market penetration and addition of new customers.
- API grew 12% YoY due to new customer additions.
- Strong growth momentum witnessed across geographies.
- Withdrawal of the MEIS scheme in H2FY21 had an impact of ~INR 39 Cr on profitability.
- Net Debt down by 5.1% YoY.
- **As of March 2021, Net debt to EBITDA stood at 0.7x vs. 1.2x as of March 2020.**
- **ROCE stood at 30.7%**, up significantly on account of higher capacity utilization. Capacity increases came through quickly via addition of new modules and equipment with limited capital expenditure.
- During the year, launched 12 new products, filed 5 ANDAs, 2 EU dossiers, 3 products in Canada and 1 in South Africa. We also filed 4 US DMFs and 3 CEPs.
- During the year we received approvals for 14 ANDAs, 1 EU dossier and 1 Canadian dossier.
- Expected to invest ~INR 1000 Cr over the next three years. This is a largely in Finished Dosages, the new MUPS facility, expansion of the API facility and maintenance capex.
- In the US, added 800 Mn capacity of solid oral tablets and another form of formulation, on a single shift basis and will be operational by Q1FY22.
- The Board of Directors have recommended final dividend of 75 paise per equity share of Re.1/- each in addition to interim dividend of 75 paise per equity share of Re.1/- each paid during the year.

Commenting on the results, Mr. Krishna Prasad Chigurupati, Chairman & Managing Director of Granules India Limited said, "I am very pleased with the performance across all our segments and geographies during the year. Multiple product launches across portfolios helped us to deliver a record high growth of 25% in sales. We also delivered a strong growth in profit, which is up 64% YoY. Despite unprecedented challenges over the past year, our robust performance demonstrates the unwavering commitment of our colleagues and the



resilience of our business. We are investing for the next phase of growth across all verticals. I remain confident in Granules India's ability to continue to deliver on our stated goals to our stakeholders in FY2022 and thereafter, while remaining steadfast on ensuring the safety of our employees."

Segmental and Geographical Mix for Q4 and FY21 (All numbers in INR Cr)

Segmental Mix	Q4FY21	Q4FY20	FY21	FY20
FD	461	344	1,699	1,360
PFI	144	78	626	421
API	194	178	912	817

Geographical Mix	Q4FY21	Q4FY20	FY21	FY20
North America	456	345	1,745	1,388
Europe	116	86	567	505
Latin America	71	50	292	210
India	108	100	453	380
ROW	49	18	180	116

About Granules India Ltd. (BSE: 532482, NSE: GRANULES)

Granules India Limited, incorporated in 1984 is a vertically integrated fast growing Indian pharmaceutical company headquartered at Hyderabad with best in class facilities and commitment to operational excellence, quality, and customer service. We are among the few pharmaceutical companies in the world to be present in the manufacturing of entire value chain – from Active Pharmaceutical Ingredients (APIs), Pharmaceutical Formulation Intermediates (PFIs) and Finished Dosages (FDs). Our products are being distributed to over 250 customers in regulated and semi-regulated markets with a global presence extending to over 60 countries with offices across India, U.S. and U.K. The Company has 7 manufacturing facilities out of which 6 are located in India and 1 in USA and has regulatory approvals from US FDA, EDQM, EU GMP, COFEPRIS, WHO GMP, TGA, K FDA, DEA, MCC and HALAL.

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