

# Granules India Limited

## Earnings Presentation – Q3FY25

24<sup>th</sup> January 2025

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## Key business updates for Q3 FY 25

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- **Gagillapur facility Inspection:** The Company voluntarily paused the production in the Gagillapur plant in Sep-24 for a risk assessment on account of the US FDA observations. Subsequently in October, the production resumed in a staggered manner.
- **Gross Margins:** Sustained strong margins for the quarter, were driven by formulations sales and product mix.
- **Formulation Growth:** Sustained increase in formulations' share within the business.
- **API/PFI segment:** Lower share due to price erosion, and lower demand due to high customer inventory
- **Cashflow From Operations:** Healthy cash flow from operations of Rs.1,301 Mn with a Net Debt to EBITDA ratio of 0.90x.
- **Product Approvals:** Received approvals for **Bupropion SR Tabs** and **Lisdexamphetamine Chew Tabs** in GPI.
- **New Product Launch:** Launched **Trazodone Hydrochloride** in USA.









# Quarterly Performance Q3 FY 25

# Q3FY25 P&L: Y-o-Y Performance

(In ₹ Mn)

	Q3 FY25	Q3 FY24	Y-o-Y Gr%	Remarks on Y-o-Y performance
<b>Revenue</b>	11,377	11,556	-2% 	YoY growth in FD has been offset by the continued decline in API/PFI due to lower demand and persistent price erosion
<b>Gross Margin</b> <i>Gross Margin %</i>	7,020 61.7%	6,583 57.0%	7% 	Achieved better margins with a higher finished dosage (FD) sales
<b>EBITDA</b> <i>EBITDA %</i>	2,303 20.2%	2,505 21.7%	-8% 	Freight, FTS and professional expenses have gone up on account of recent USFDA inspection. Continued R&D investments further impacted the EBITDA margin.
<b>PAT</b> <i>PAT %</i>	1176 10.3%	1,257 10.9%	-6% 	Decrease in the EBITDA margin impacted the PAT margin

# Q3FY25 P&L: Q-o-Q Performance

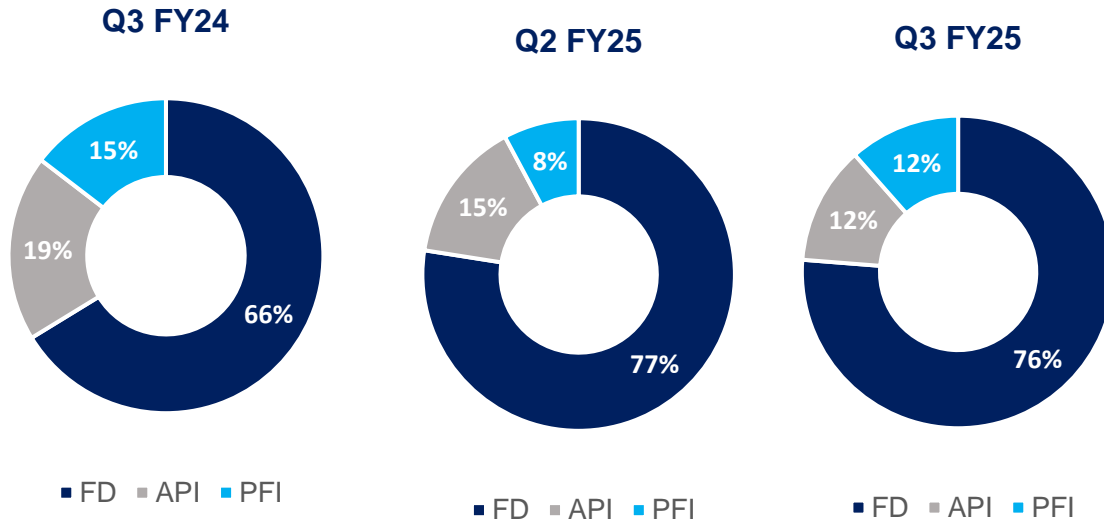
(In ₹ Mn)

	Q3 FY25	Q2 FY25	Q-o-Q Gr%	Remarks on Q-o-Q performance
<b>Revenue</b>	11,377	9,666	18% ↑	Voluntarily paused production in the Gagillapur plant in Sep -24 for a risk assessment on account of the US FDA observations. Subsequently in October, the production resumed in a staggered manner.
<b>Gross Margin</b> <i>Gross Margin %</i>	7,020 61.7%	5,994 62.0%	17% ↑	Sustained higher finished dosage (FD) sales and prioritized sales of higher margin within formulations.
<b>EBITDA</b> <i>EBITDA %</i>	2,303 20.2%	2,033 21.0%	13% ↑	Freight, FTS and professional expenses have gone up on account of recent USFDA inspection, which have slightly impacted the EBITDA margin.
<b>PAT</b> <i>PAT %</i>	1176 10.3%	972 10.1%	21% ↑	Slight improvement in PAT margin.

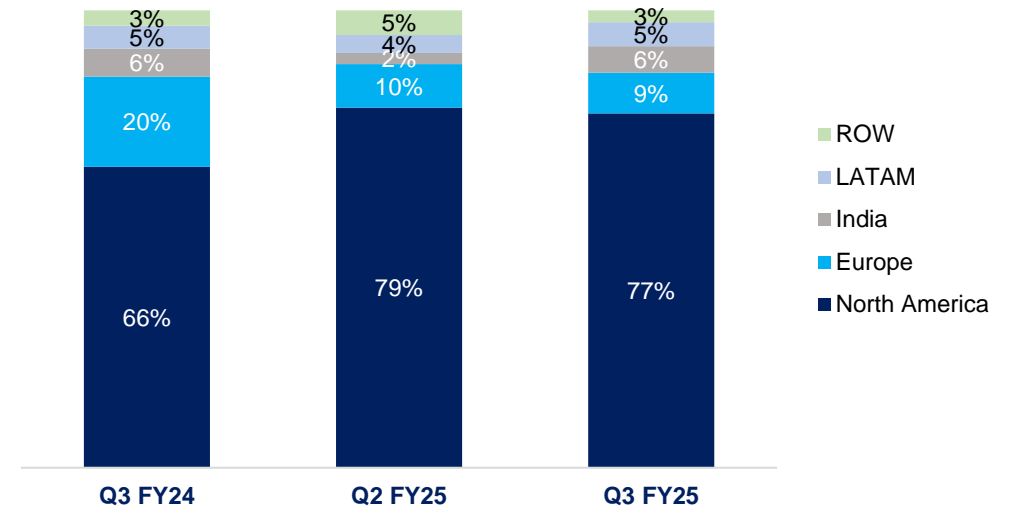
# Q2FY25 : Revenue spilt by Segments and Market

(In ₹ Mn)

## Division wise share



## Region wise share



	Q3 FY24	Q3 FY25	Y-o-Y Gr%	Q2 FY25	Q-o-Q Gr%
FD	7,658	8,674	13%	7,490	16%
API	2,212	1,393	(37%)	1,420	(2%)
PFI	1,686	1,309	(22%)	756	73%

	Q3 FY24	Q3 FY25	Y-o-Y Gr%	Q2 FY25	Q-o-Q Gr%
North America	7,601	8,808	16%	7,607	16%
Europe	2,279	1,016	(55%)	919	11%
LATAM	587	599	2%	375	59%
India	701	657	(6%)	241	172%
ROW	389	296	(24%)	524	(43%)

# Q3FY25 Cashflow and Ratios : Q-o-Q

(In ₹ Mn)

	Q3 FY25	Q2 FY25
<b>ROCE%</b>	<b>16.4%</b>	<b>16.9%</b>

Slight decrease in ROCE% due to additions in capex

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

	Q3 FY25	Q2 FY25
<b>Fixed asset turn</b>	<b>1.56</b>	<b>1.56</b>

Maintained

Fixed asset turn = Annualised Sales / Average Tangible Gross block

	Q3 FY25	Q2 FY25
<b>Net debt/ EBITDA</b>	<b>0.90x</b>	<b>0.86x</b>

Maintained

Net debt = Gross debt – Cash and cash equivalents

	Q3 FY25	Q2 FY25
<b>CCC</b>	<b>213</b>	<b>213</b>

Maintained

CCC = DIO + DSO – DPO | DIO and DPO are calculated using Material Cost consumed and DSO is calculated using Sales

	Q3 FY25	Q2 FY25
<b>Cashflow From Operations</b>	<b>1,315</b>	<b>2,007</b>

Increase in receivables in Q3 with a higher sales

	Q3 FY25	Q2 FY25
<b>Capex</b>	<b>1,335</b>	<b>1,324</b>

Capex includes investment towards Granules life sciences (YTD 2425 Mn) and CZRO (YTD 236 Mn)



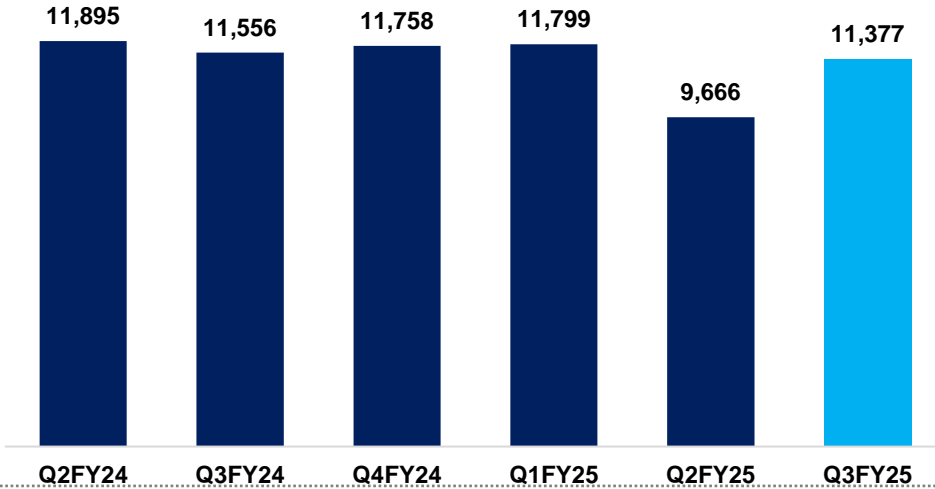
# Historical Performance



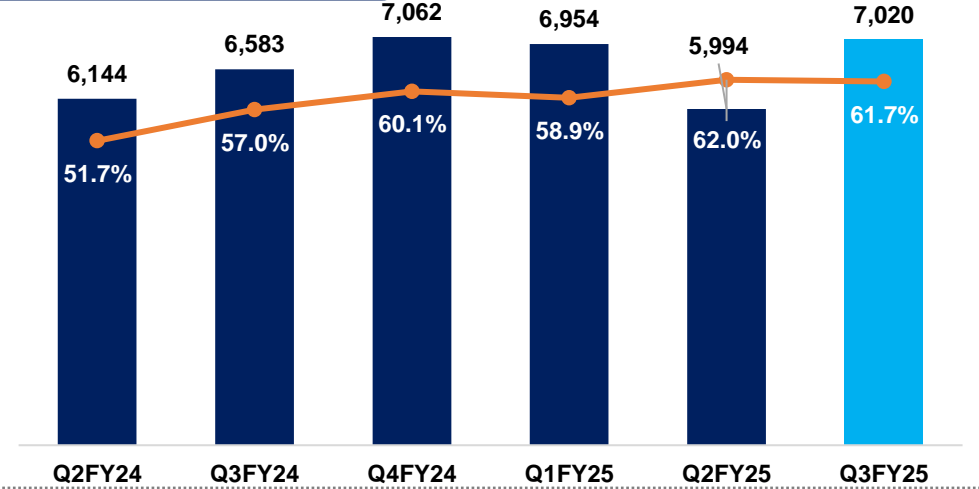
# Sales and profitability : Last 6 quarters historical performance

(In ₹ Mn)

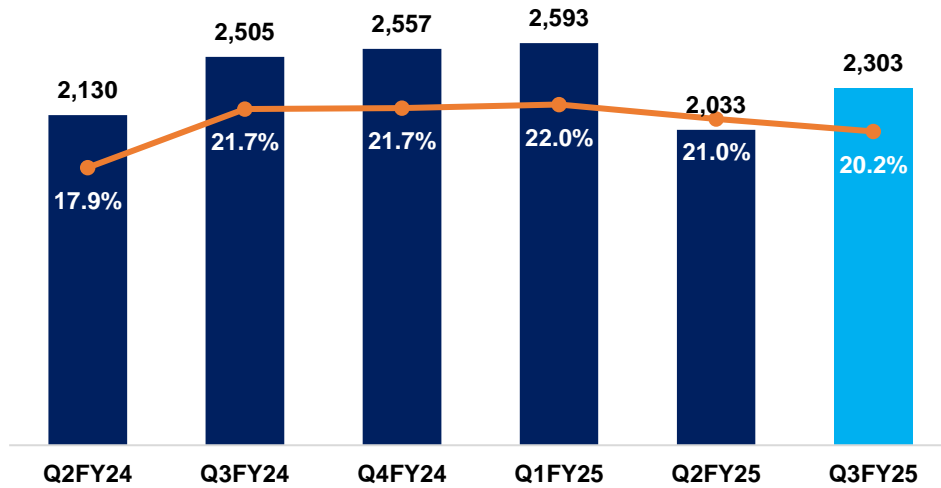
## Sales



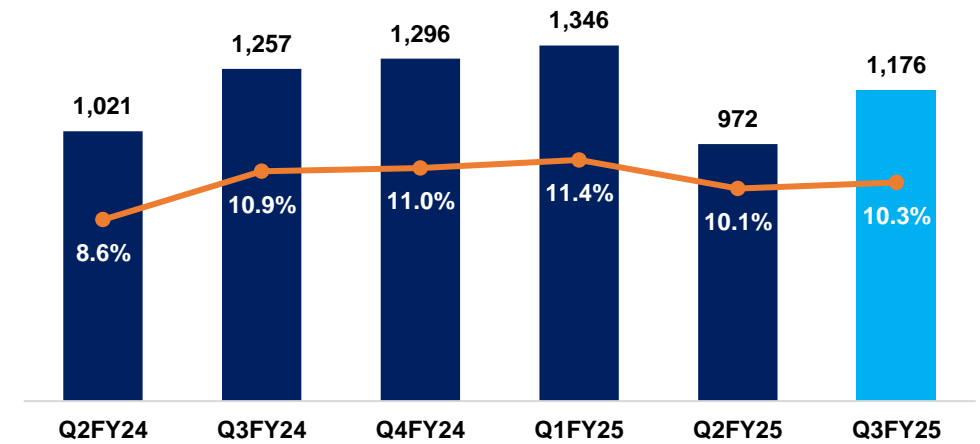
## Gross Margin and GM%



## EBITDA and EBITDA %



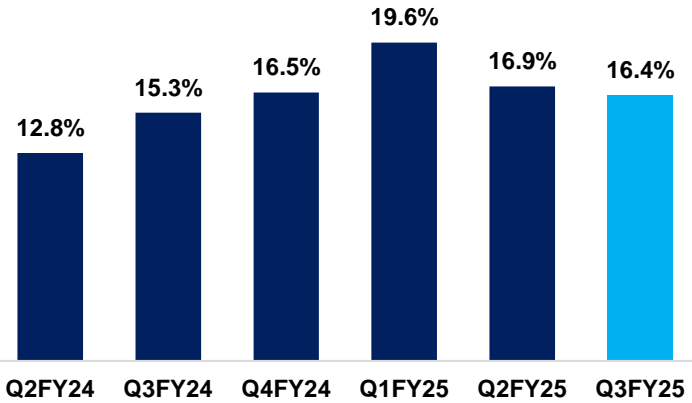
## PAT and PAT %



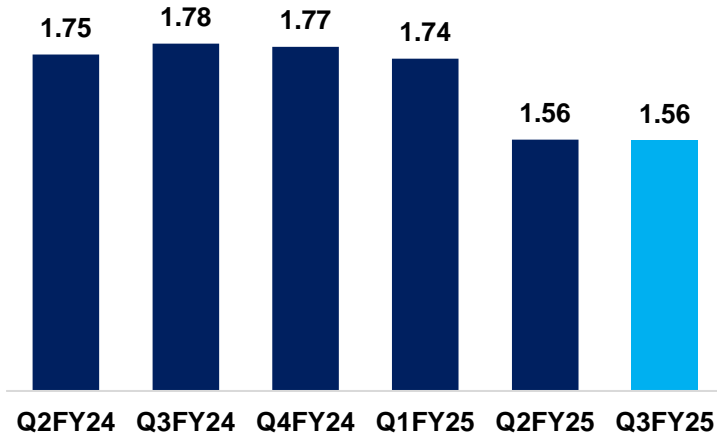
# Cashflow and Ratios: Last 6 quarters historical performance

(In ₹ Mn)

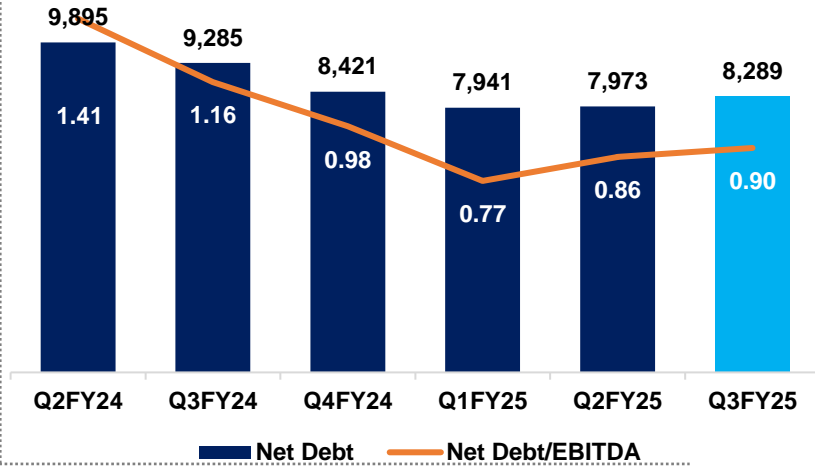
## ROCE%



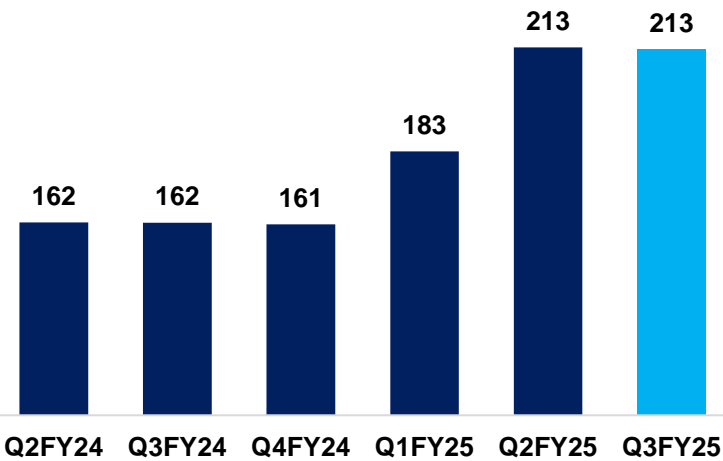
## Asset turns



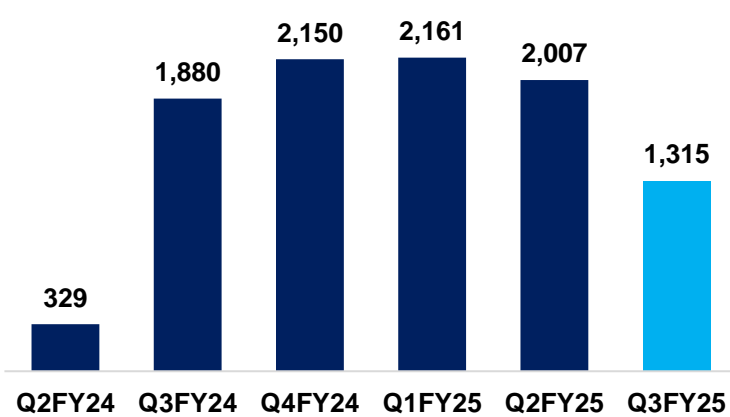
## Net debt and Net debt/EBITDA



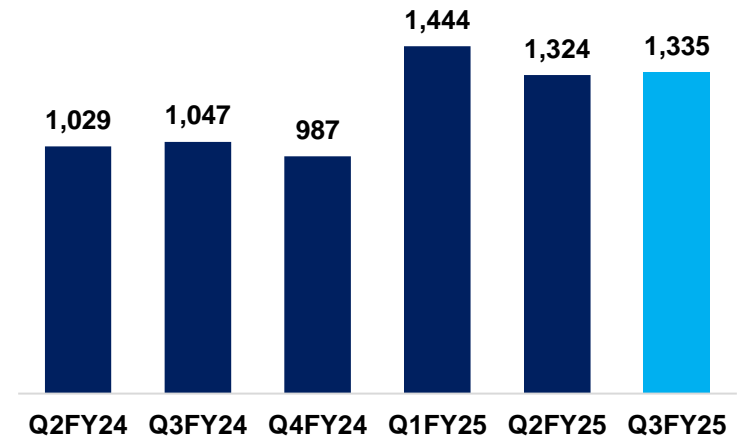
## CCC days



## Cash Flow From Operation



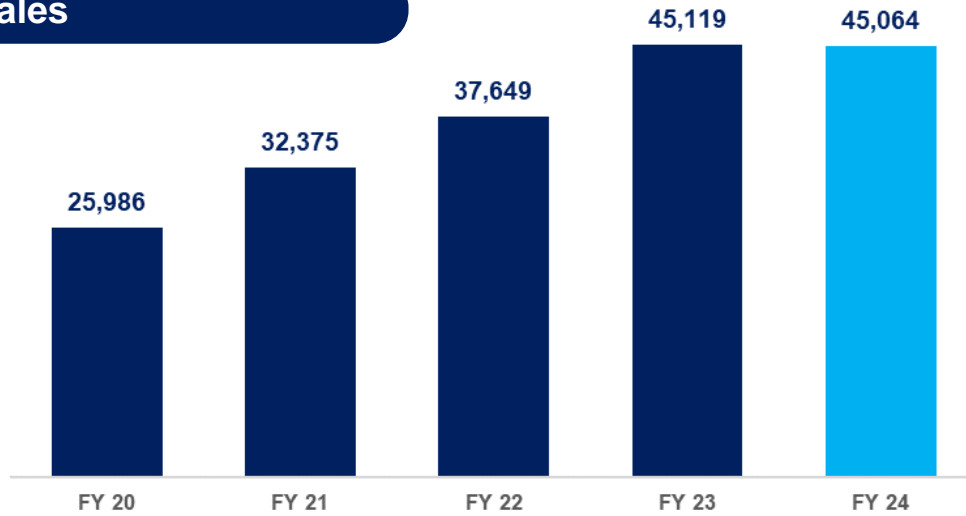
## Capex



# Sales and profitability : Last 5 years historical performance

(In ₹ Mn)

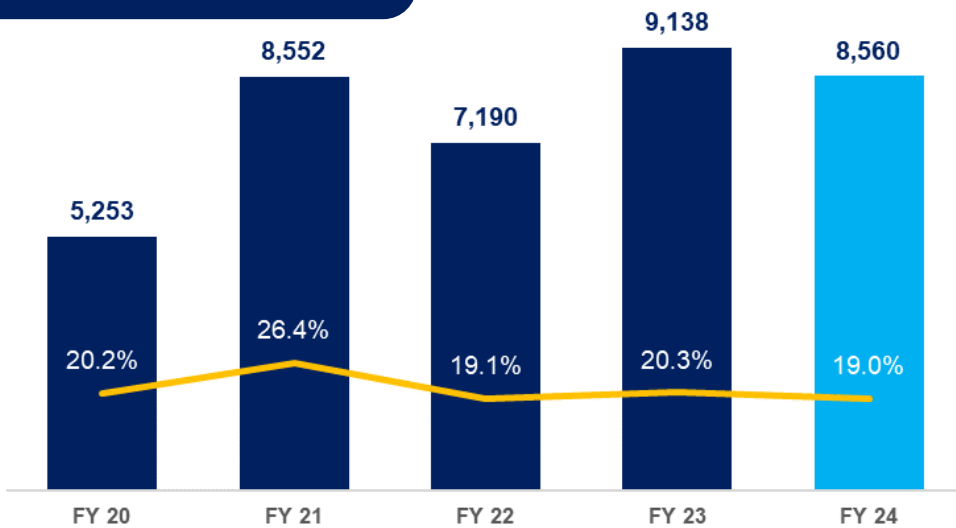
## Sales



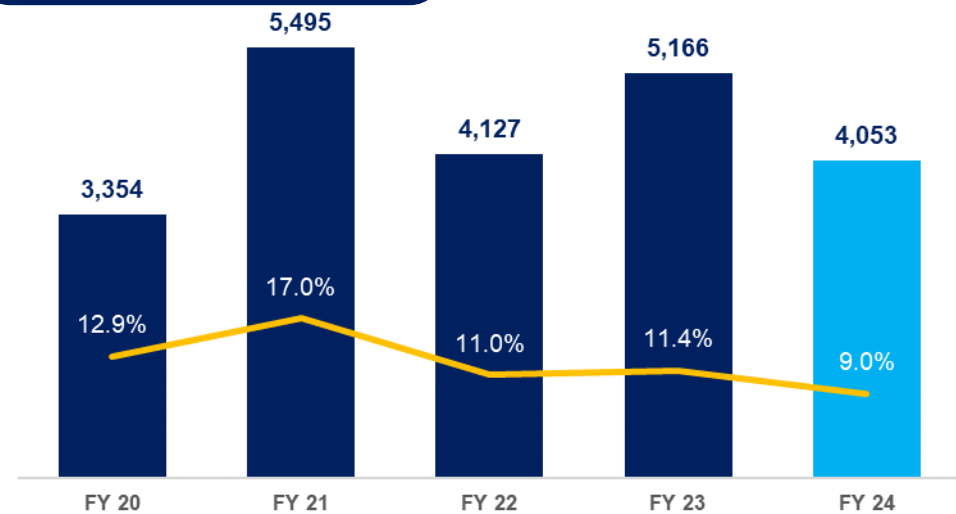
## Gross Margin and GM%



## EBITDA and EBITDA %



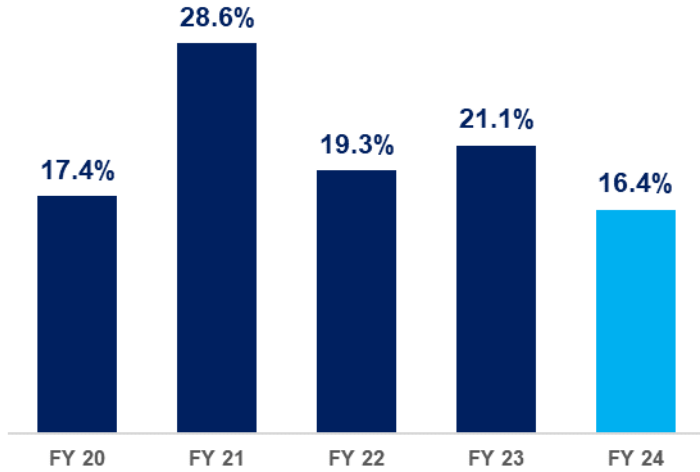
## PAT and PAT %



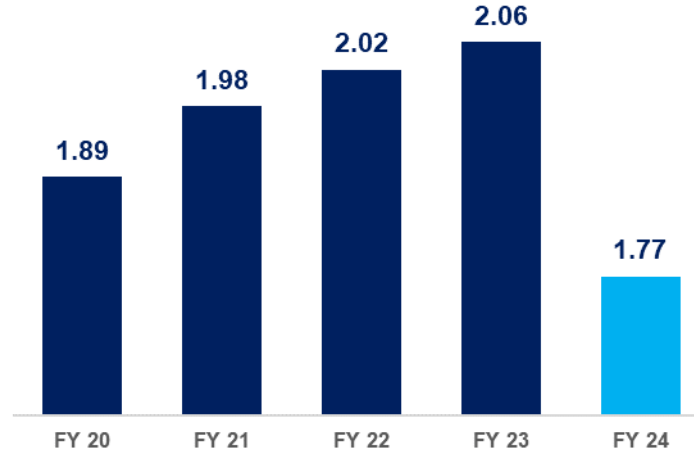
# Cashflow and Ratios: Last 5 years historical performance

(In ₹ Mn)

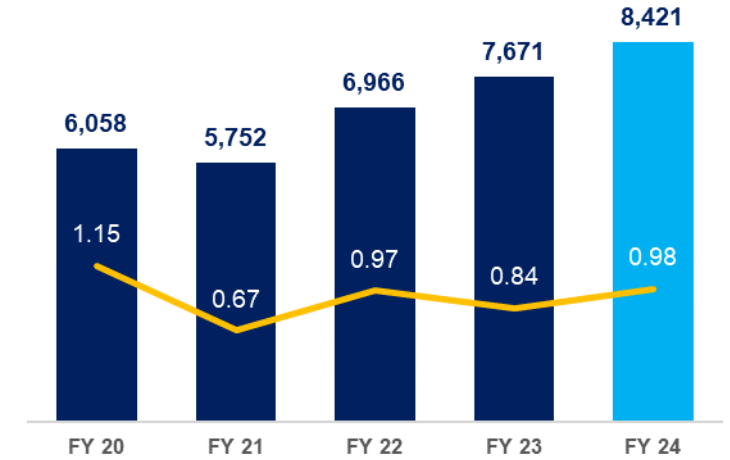
## ROCE%



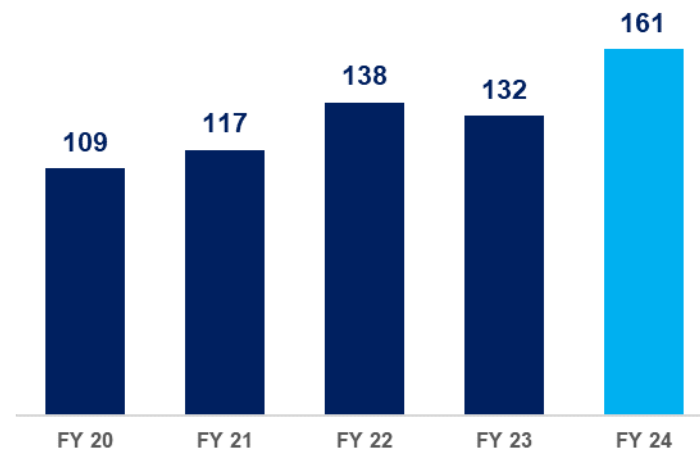
## Asset turns



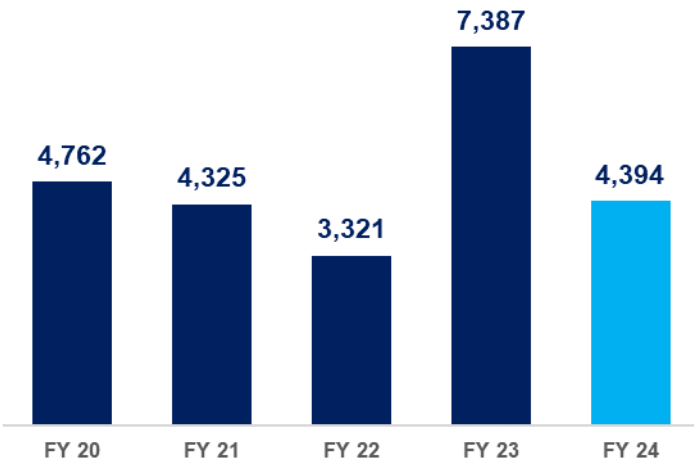
## Net debt and Net debt/EBITDA



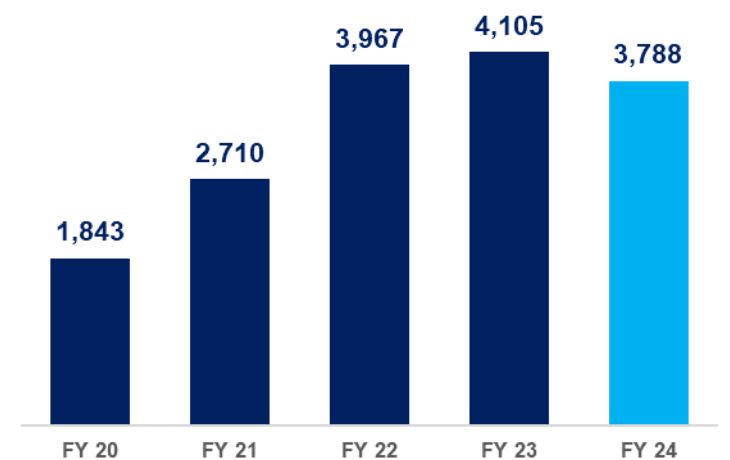
## CCC days



## Operating Cash flow



## Capex





## Granules at a glance

# Granules Purpose, Vision & Values

## Purpose

Healing lives responsibly through pioneering green science

## Vision

To establish ourselves as a world leader in green chemical and pharmaceutical industry by harnessing cutting-edge technologies to enhance quality of life.

## Values

- 1 Challenging Limits
- 2 Futuristic Thinking
- 3 Empowering Employees
- 4 Customer Driven
- 5 Quality Everywhere
- 6 Environmental Stewardship

# An Illustrious Journey Spanning Four Decades

## Building A World Class, Vertically Integrated Pharmaceutical Manufacturing Platform

From being a paracetamol API manufacturing facility to a multi-faceted global pharmaceutical company, we have consistently achieved manufacturing success, set new standards of quality and expanded our presence across the world.



Triton Laboratories was formed to produce Paracetamol API at our Bonthapally facility in Hyderabad



A new large volume PFI facility in Gagillapur and a wholly owned subsidiary - Granules USA for marketing in the US



Acquired Auctus Pharma - An API Manufacturing Facility with regulatory approvals



Laid foundation for Oncology OSD Plant in Visakhapatnam



GPAK is a 79,000 sq. ft. packaging facility with 4 packaging suites & WH facility



Triton opened its second manufacturing facility at Jeedimetla to produce multiple APIs

Entry into the Finished Dosage segment

Sets up a wholly owned subsidiary in the US; Granules Pharmaceutical to focus on formulation R&D to forward integrate its APIs

Largest single manufacturing site for Multi-Unit Pellet system facility

Granules Life sciences (GLS) a Formulation facility





# Manufacturing Network & Capacity

## Bonthapally



API: 34,560 TPA

## Jeedimetla



API: 4,800 TPA  
PFI: 1,440 TPA

## Gagillapur



FD: 26.8 Bn  
PFI: 23,200 TPA

## Virginia, USA



FD: 1.5 Bn

## GPAK, USA



2 OTC lines  
1 Rx line

## Bonthapally II



API (Intermediate):  
61.5 KL PA

## Vizag (Unit 4)



API: 380 KL PA

## Vizag (Unit 5)



API: 15 KL PA  
FD: 1.1 Bn

## Genome Valley

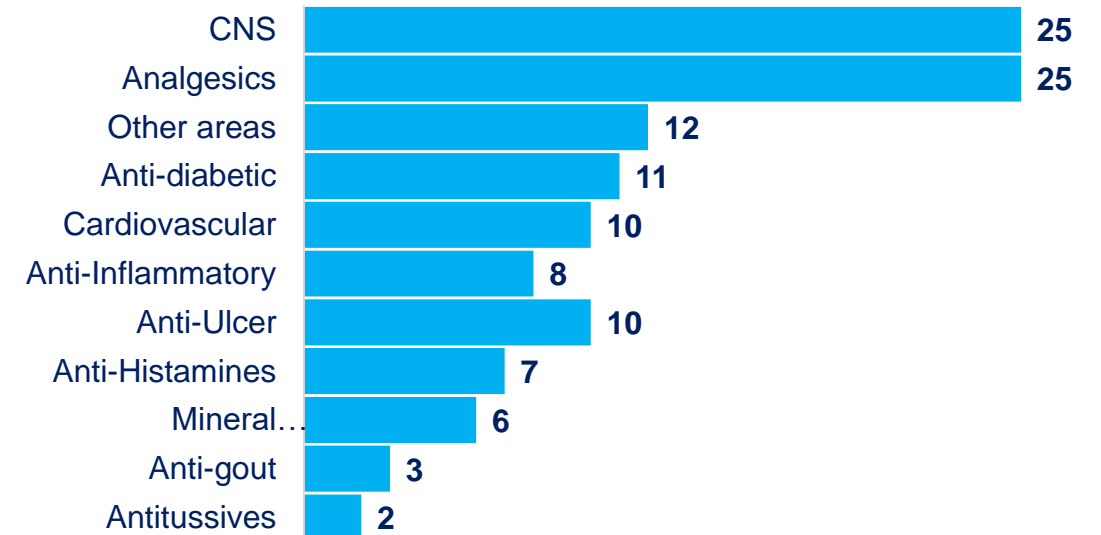


FD: 2.5 Bn dosage (Phase I)  
FD: 7.5 Bn dosage (upcoming Phase II)

# ANDA/Dossier filing status

Filing Status		Approved	Tentatively Approved	Filed	Total Products
<b>GPI IP</b>	<b>USA</b>	30	0	3	<b>33</b>
<b>GIL IP</b>	<b>USA</b>	37	1	12	<b>50</b>
	<b>Europe</b>	8	0	4	<b>12</b>
	<b>Canada</b>	7	0	0	<b>7</b>
	<b>ROW</b>	7	0	8	<b>15</b>
	<b>UK</b>	2	0	0	<b>2</b>
<b>Total</b>		<b>91</b>	<b>1</b>	<b>27</b>	<b>119</b>

## ANDA/Dossier filed - Therapeutic area wise



# Sustainability at Granules : Pioneering Innovation for Complete Supply Chain Decarbonization of Pharmaceuticals

Net Zero by **2050**

**The Granules Commitment**

**GRANULES CZRO**

Building our flagship green pharmaceutical plant\*  
\*(At Kakinada, AP, India)

**Our SBTi Targets Approved**

**SCIENCE BASED TARGETS**

Near-term, Long-term, and Net Zero targets (2050 or sooner), aligned to 1.5°C pathway, have been validated and approved by SBTi

**WE SUPPORT**

**UN GLOBAL COMPACT**

**PSCI**  
PHARMACEUTICAL SUPPLY CHAIN INITIATIVE

**GOLDEN PEACOCK AWARDS**  
Winner Sustainability 2024

**27.8 %**

Scope1 and Scope2 Intensity\*  
\*Over last year

**22.8 %**

Scope1 and Scope2 Absolute Reduction\*  
\*Over last year

**47.7 %**

Share of Renewable Energy of Electricity #  
Including PPA & I-RECS #

**88.1 %**

Haz. Waste generated sent for Co-processing

**CDP**  
DISCLOSURE INSIGHT ACTION

**C Score**

Received for climate change in our CDP disclosure

**MSCI** **BB**

**ESG RATINGS**

CCC	B	<b>BB</b>	BBB	A	AA	AAA
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**ecovadis**

**Silver Rating\***

\*Achieved by Unit - 1 Bonthapally

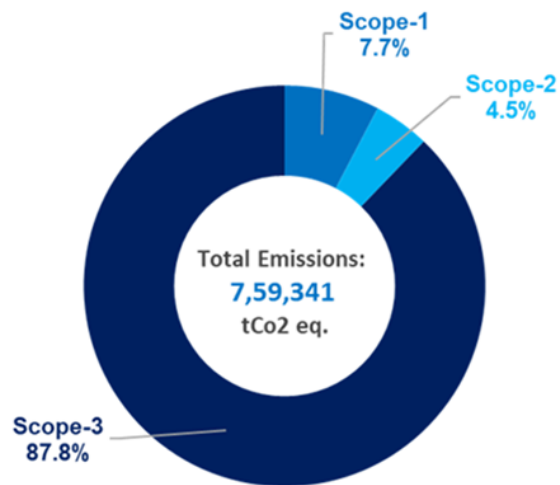
**Partner Collaboration Platforms**

SMETA the Sedex Members Ethical Trade Audit

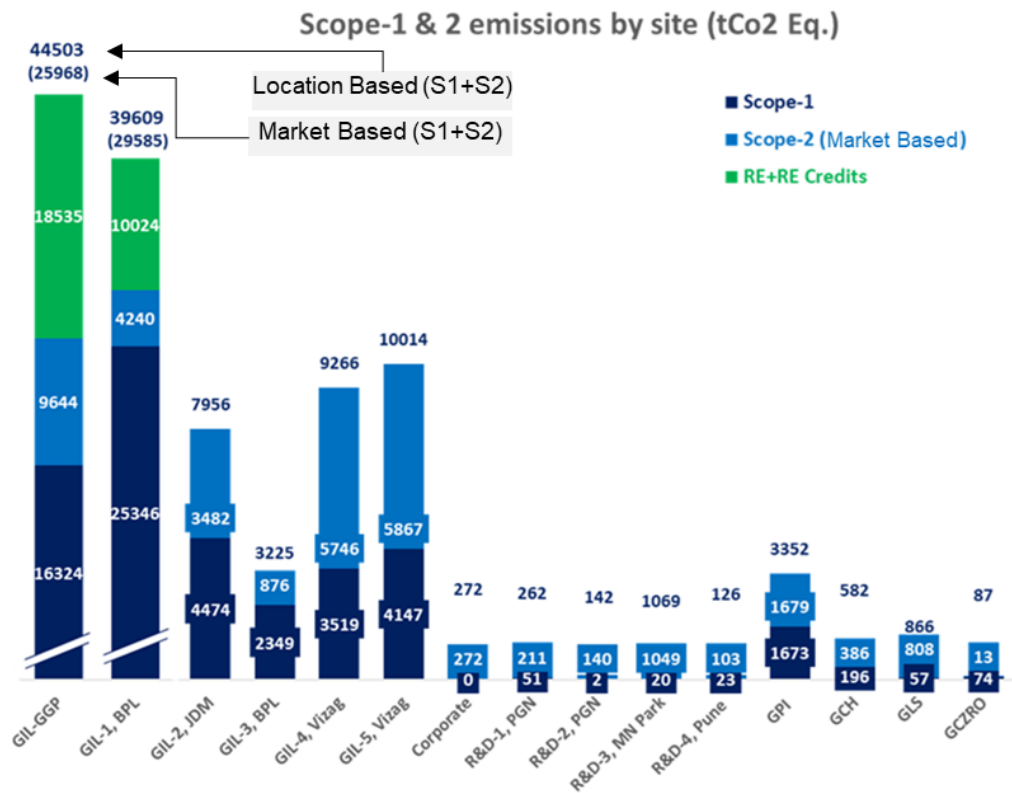
## GIL's Carbon footprint

Scope (t Co2 Eq.)	FY23	FY24
Scope-1	57,816	58,247
Scope-2 Market Based	57,974	34,399
Scope-3	6,27,630	6,66,694
<b>Total Emissions</b>	<b>7,43,420</b>	<b>7,59,341</b>

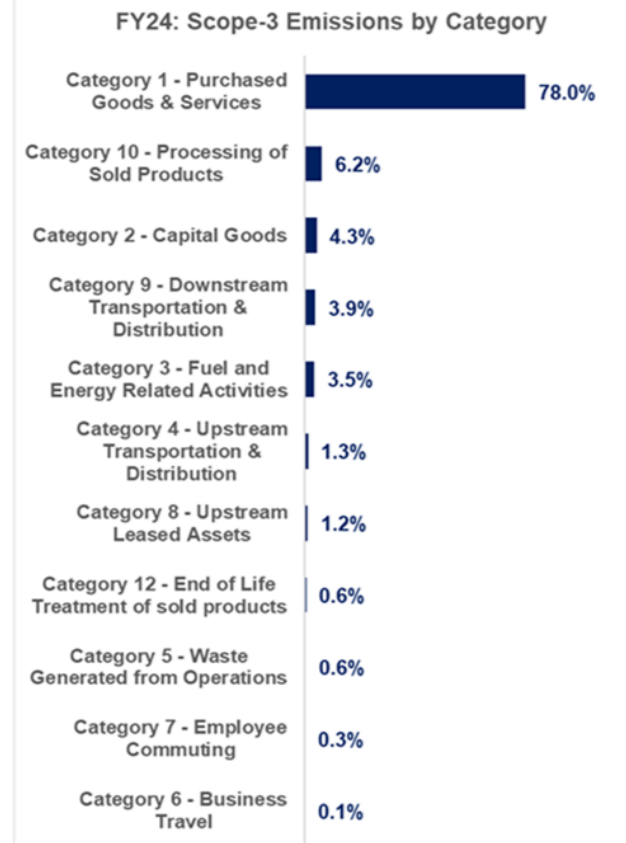
## Granules Emission Profile - FY24



## Our Scope 1 & 2 emission by unit



## Our Scope 3 emission: by category



Our emission disclosures for FY 23 has been updated during FY 24 disclosure cycle to **include emissions for all our subsidiaries** and now includes disclosure of our **comprehensive scope 3 emissions** in addition to previously disclosed Scope 1 and Scope 2 emissions.

Granules scope 3 emission which represents 87.8% of our total carbon footprint, calculation of which is based on **GHG protocol's corporate value chain (scope-3) accounting** and includes **11 out of 15 categories** which are applicable to Granules operations.

# Social Impact Initiative : Pharma Pathshala at Swarna Bharat Trust

Granules initiative to train a rural workforce through the Swarna Bharat Trust

Vocational education & technical skills in pharmaceutical operations to High School youth to ensure employment in any pharmaceutical manufacturing company.

## GRANULES INDIA IS ENGAGED IN:

- Setting up of the infrastructure along with classrooms, laboratories, etc.
- Developing the course content
- Training the trainers
- Providing faculty
- Providing industrial internship for the students
- Assessing & certifying the students on completion of the course

1,200+

Students trained through Pharma Pathshala



## COURSE CONTENTS:

Enhancing Technical Skills  
CGMP  
Unit Operations  
Communication  
Analytical Thinking

Basics of pharmaceuticals  
Pharma Analysis  
Enhancing Soft Skills  
Time Management  
Decision Making





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