

Granules India Limited

Earnings Presentation

FY25

and

Q4FY25

28th May 2025

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Key business updates for Q4 FY 25

- **Gross Margins:** Maintained strong margins for the quarter, were driven by formulations sales and product mix.
- **Formulation Growth:** Sustained increase in formulations' share despite slow down in productivity of Gagillapur facility with ongoing US FDA remediation activities.
- **Cashflow From Operations:** Healthy cash flow from operations of Rs.3,183 Mn with a Net Debt to EBITDA ratio of 0.75x.
- **Senn Chemicals AG (Peptide CDMO) acquisition:** Successfully completed the 100% acquisition on 10th April'25
- **GLS Phase II:** Inaugurated the 7.5Bn formulation dosages facility
- **Product Approvals:** Received Lis dexamphetamine Dimesylate Capsule approval
- **New Product Launch:** Launched Lis dexamphetamine, APAP+Oxycodone HCL, APAP+Hydrocodone and Dofetilide Caps









Quarterly Performance Q4 FY 25

Q4FY25 P&L: Y-o-Y Performance

(In ₹ Mn)

	Q4 FY25	Q4 FY24	Y-o-Y Gr%	Remarks on Y-o-Y performance
Revenue	11,974	11,758	2% 	YoY growth in FD has been offset by the continued decline in API/PFI due to persistent price erosion
Gross Margin <i>Gross Margin %</i>	7,591 63.4%	7,061 60.1%	7% 	Achieved better margins by selling higher margin finished dosage (FD)
EBITDA <i>EBITDA %</i>	2,524 21.1%	2,557 21.7%	-1% 	Professional expenses have gone up on account of consultancy for remediation of USFDA observations
PAT <i>PAT %</i>	1,520 12.7%	1,296 11.0%	17% 	Received Cyber security BI insurance claim of Rs 308Mn (Pre-Tax)

Q4FY25 P&L: Q-o-Q Performance

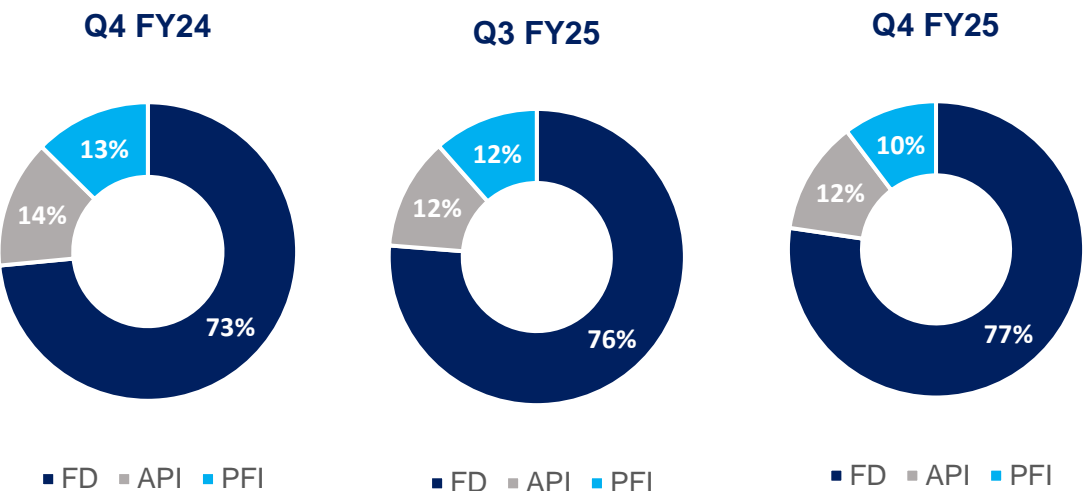
(In ₹ Mn)

	Q4 FY25	Q3 FY25	Q-o-Q Gr%	Remarks on Q-o-Q performance
Revenue	11,974	11,377	5% ↑	Increase in FD and API sales led to higher revenue though price erosion partially offset the overall sales growth
Gross Margin Gross Margin %	7,591 63.4%	7,020 61.7%	8% ↑	Achieved better margins by selling higher margin finished dosage (FD)
EBITDA EBITDA %	2,524 21.1%	2,303 20.2%	10% ↑	EBITDA margin is better despite continued professional expenses on account of consultancy for remediation of USFDA observations and increase in R&D expenses
PAT PAT %	1,520 12.7%	1,176 10.3%	29% ↑	Higher EBITDA and Cyber security BI Insurance claim helped in significant PAT growth

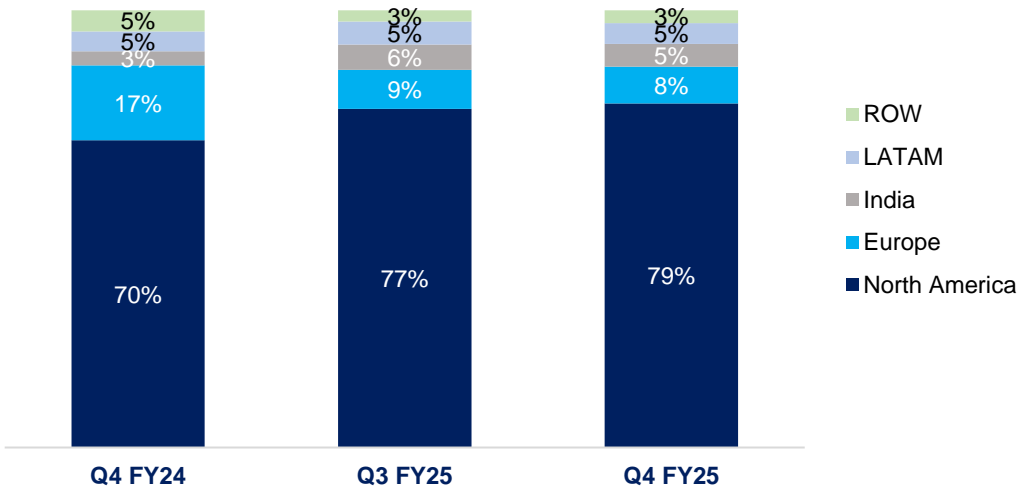
Q4FY25 : Revenue spilt by Segments and Market

(In ₹ Mn)

Division wise share



Region wise share



	Q4 FY25	Q4 FY24	Y-o-Y Gr%	Q3 FY25	Q-o-Q Gr%
FD	9,259	8,642	7%	8,674	7%
API	1,483	1,633	(9%)	1,393	6%
PFI	1,232	1,483	(17%)	1,309	(6%)

	Q4 FY25	Q4 FY24	Y-o-Y Gr%	Q3 FY25	Q-o-Q Gr%
North America	9,421	8,260	14%	8,808	7%
Europe	1,011	2,013	(50%)	1,016	(1%)
India	621	378	64%	657	(5%)
LATAM	573	539	6%	599	(4%)
ROW	348	567	(39%)	296	17%

Q4FY25 Cashflow and Ratios : Q-o-Q

(In ₹ Mn)

	Q4 FY25	Q3 FY25
ROCE%	16.6%	16.4%

Slight increase in ROCE% due to increase in EBIT

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

	Q4 FY25	Q3 FY25
Fixed asset turn	1.54	1.56

Capital expenditure increased due to ongoing investments in the GLS and CZRO projects

Fixed asset turn = Annualised Sales / Average Tangible Gross block

	Q4 FY25	Q3 FY25
Net debt/ EBITDA	0.75x	0.90x

EBITDA margin and CCC days improvement helped in significantly improving the ratio

Net debt = Gross debt – Cash and cash equivalents

	Q4 FY25	Q3 FY25
CCC	202	213

Better control of the working capital helped in reducing the CCC days

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

	Q4 FY25	Q3 FY25
Cashflow From Operations	3,183	1,315

Stronger cash flow due to increase in profit and better CCC days

	Q4 FY25	Q3 FY25
Capex	1,598	1,335

Capex includes investment towards Granules life sciences Q4FY25 - 712 Mn

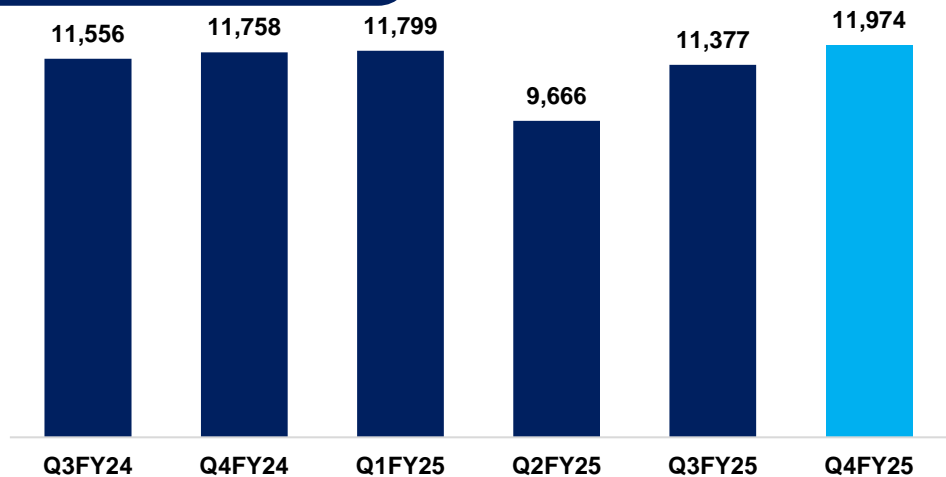
Historical Performance



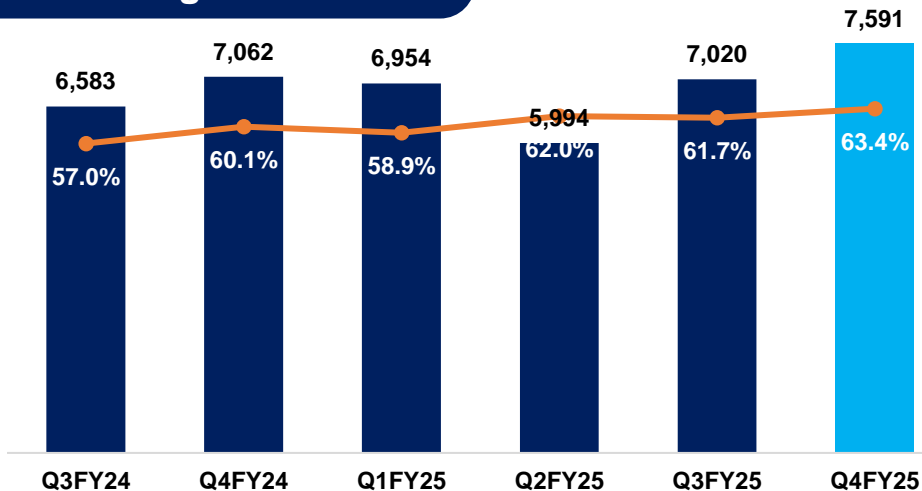
Sales and profitability : Last 6 quarters historical performance

(In ₹ Mn)

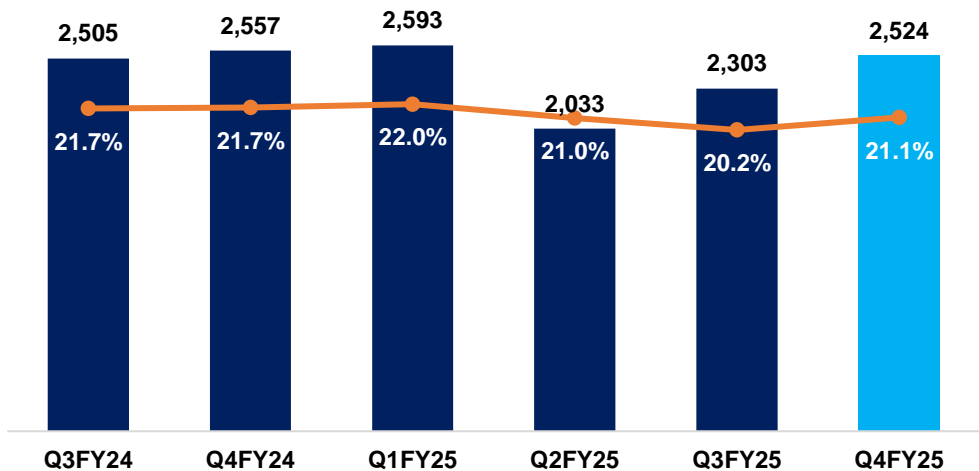
Sales



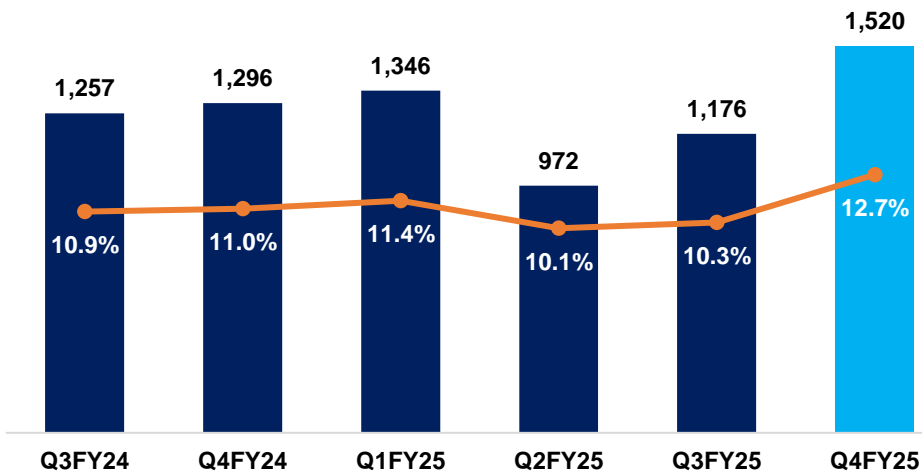
Gross Margin and GM%



EBITDA and EBITDA %



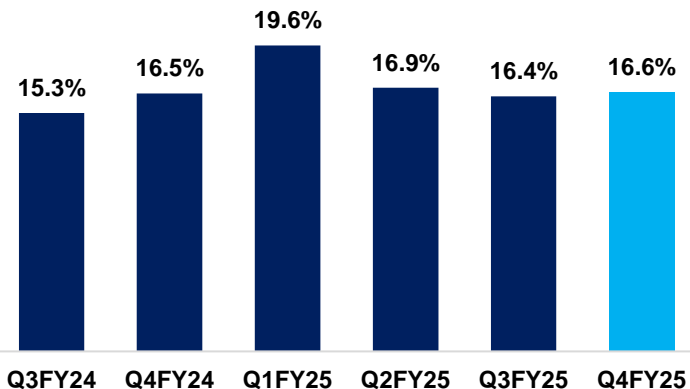
PAT and PAT %



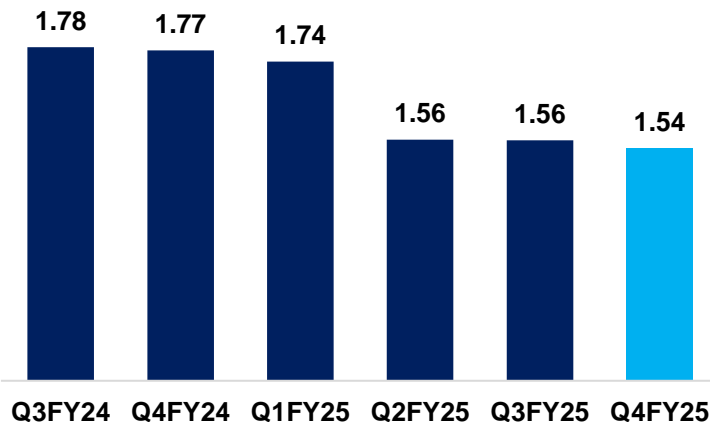
Cashflow and Ratios: Last 6 quarters historical performance

(In ₹ Mn)

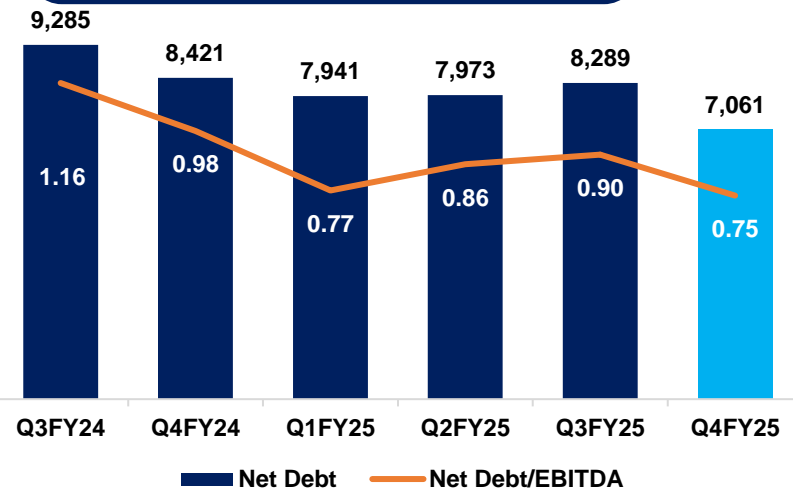
ROCE%



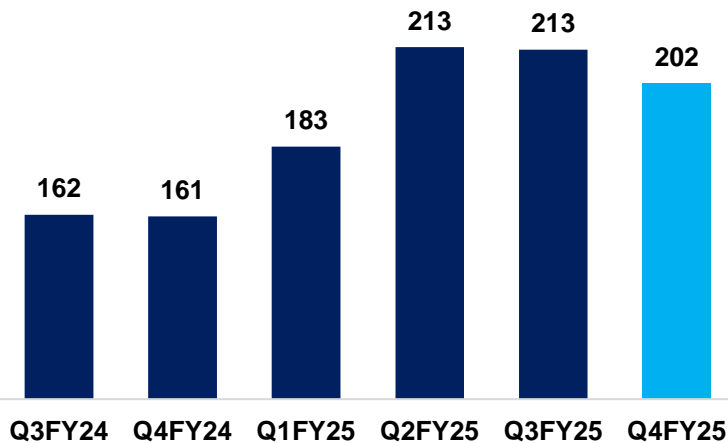
Asset turns



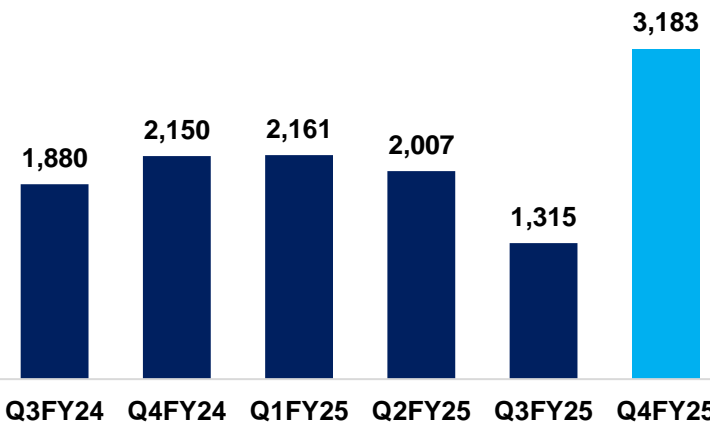
Net debt and Net debt/EBITDA



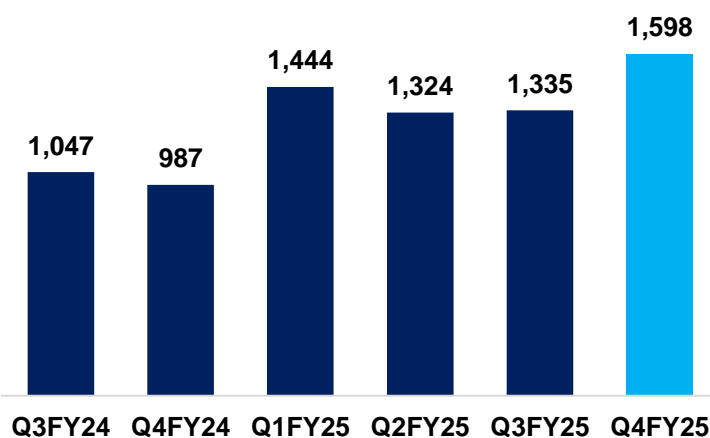
CCC days



Cash Flow From Operation



Capex









Yearly Performance FY 25

FY25 P&L: Y-o-Y Performance

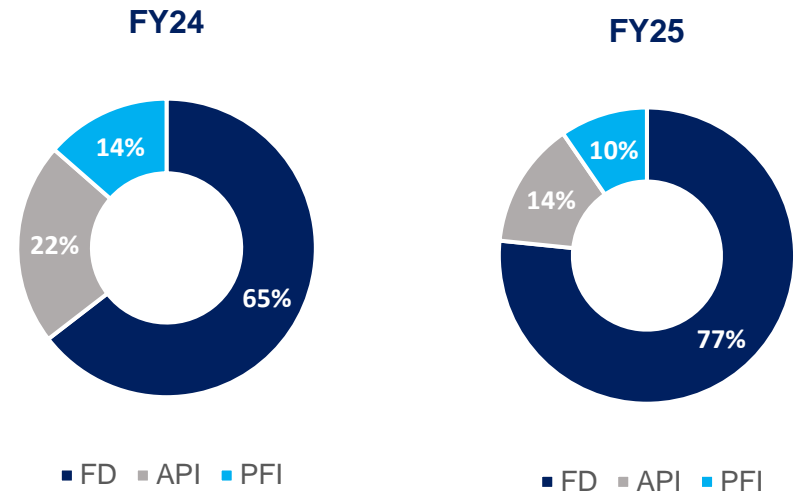
(In ₹ Mn)

	FY25	FY24	Y-o-Y Gr%	Remarks on Y-o-Y performance
Revenue	44,816	45,064	-1% 	Formulations sales grew by 18% despite a voluntary pause of production in Sep'24 at the Gagillapur facility in response to US-FDA observations and with remediation efforts, slow down of production in Q3 and Q4. Further, price erosion and demand issues in API/ PFI has impacted the sales growth
Gross Margin <i>Gross Margin %</i>	27,559 61.5%	24,851 55.1%	11% 	Margin improvement due to strategical shifts towards high margin formulation products
EBITDA <i>EBITDA %</i>	9,452 21.1%	8,560 19.0%	10% 	EBITDA improved due to better margins despite Air freight and professional expenses incurred for remediation of USFDA observations
PAT <i>PAT %</i>	5,015 11.2%	4,053 9.0%	24% 	Increased EBITDA margin and cyber security BI insurance claim helped in PAT growth

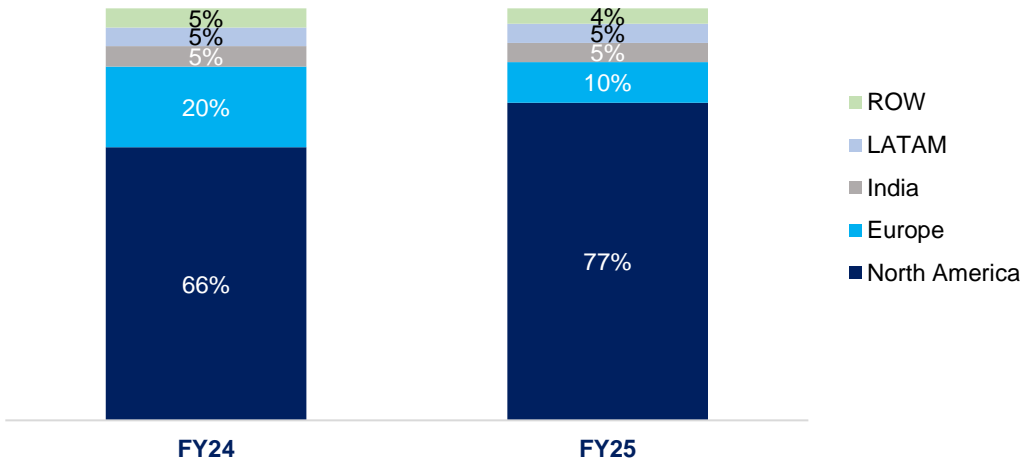
FY25 : Revenue spilt by Segments and Market

(In ₹ Mn)

Division wise share



Region wise share



	FY24	FY25	Y-o-Y Gr%
FD	29,090	34,336	18%
API	9,866	6,185	(37%)
PFI	6,108	4,294	(30%)

	FY24	FY25	Y-o-Y Gr%
North America	29,867	34,535	16%
Europe	8,826	4,438	(50%)
India	2,256	2,088	(7%)
LATAM	2,035	2,082	2%
ROW	2,080	1,672	(20%)

FY25 Cashflow and Ratios : Y-o-Y

(In ₹ Mn)

	FY25	FY24
ROCE%	16.6%	16.5%

Slight increase in ROCE% due to increase in EBIT

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

	FY25	FY24
Fixed asset turn	1.54	1.77

Revenue remained flat year-over-year, while capital expenditure increased due to ongoing investments in the GLS and CZRO projects

Fixed asset turn = Annualised Sales / Average Tangible Gross block

	FY25	FY24
Net debt/ EBITDA	0.75x	0.98x

Better EBITDA helped in significantly improving the ratio and reduction in Net debt by 1,360 Mn and Net debt closed at 7,061 Mn

Net debt = Gross debt – Cash and cash equivalents

	FY25	FY24
CCC	202	161

New launches, increased share of business in USA and increase in sea transit time impacted both inventory days and overall CCC days

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

	FY25	FY24
Cashflow From Operations	8,666	4,394

Improved operating performance contributed to stronger cash flow

	FY25	FY24
Capex	5,700	3,788

FY25 Capex includes investment towards Granules life sciences 3135 Mn

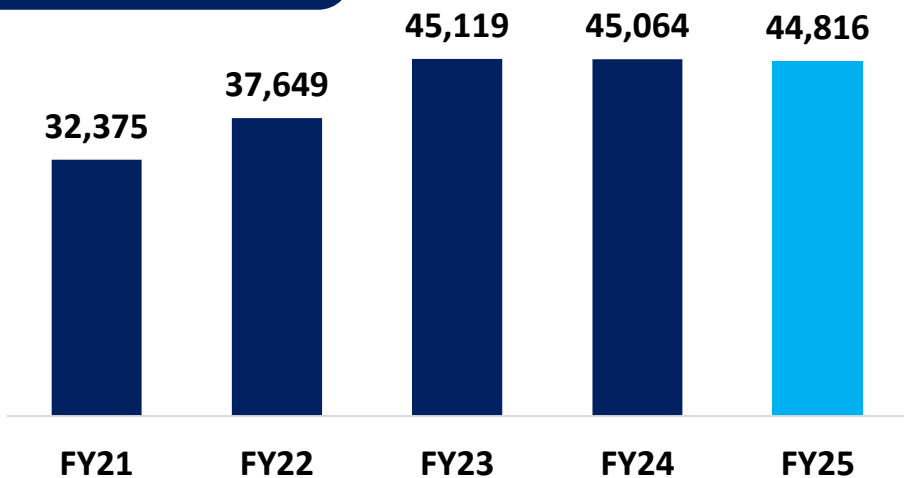
Historical Performance



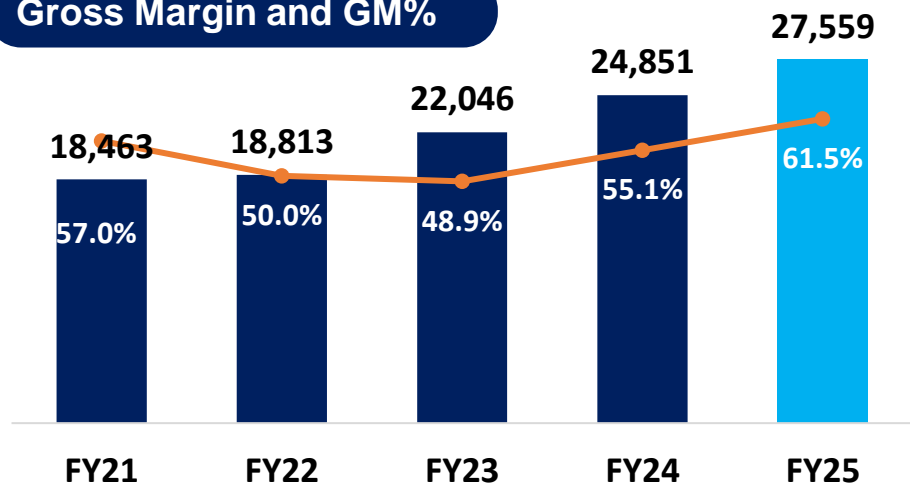
Sales and profitability : Last 5 years historical performance

(In ₹ Mn)

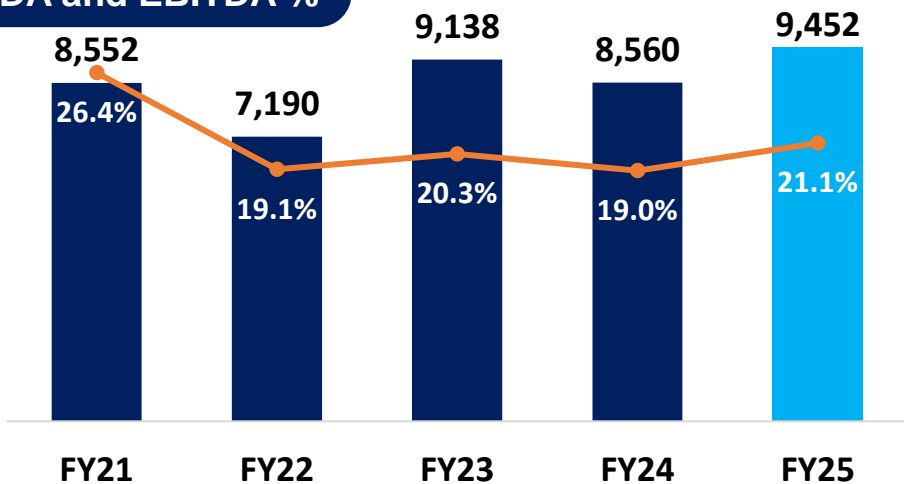
Sales



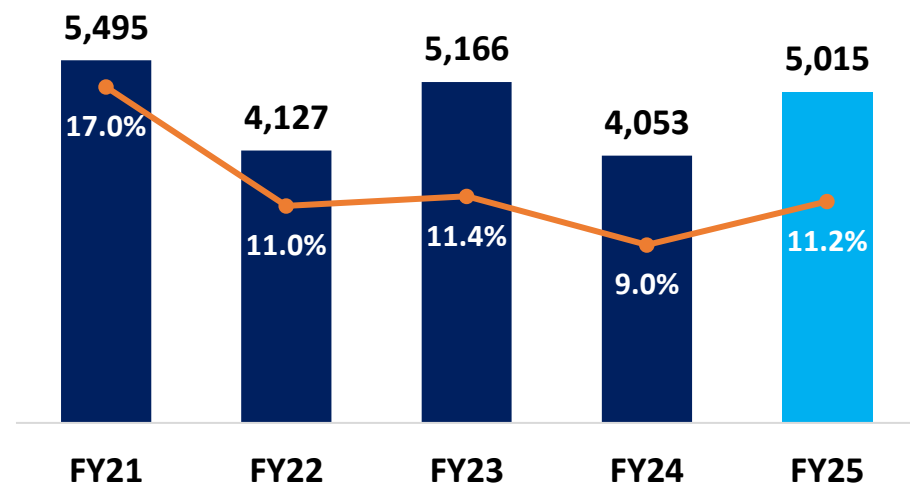
Gross Margin and GM%



EBITDA and EBITDA %



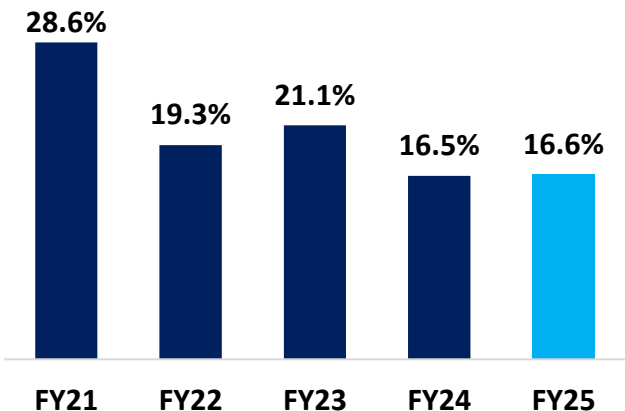
PAT and PAT %



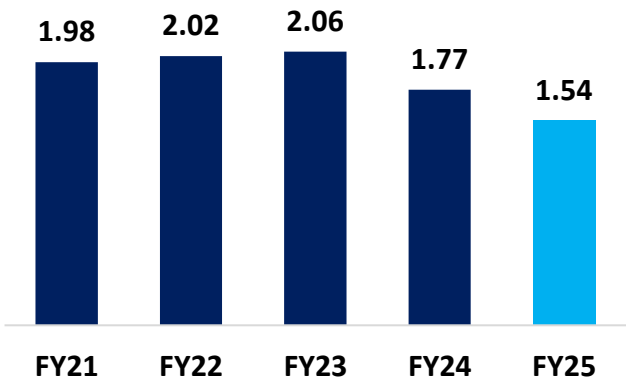
Cashflow and Ratios: Last 5 years historical performance

(In ₹ Mn)

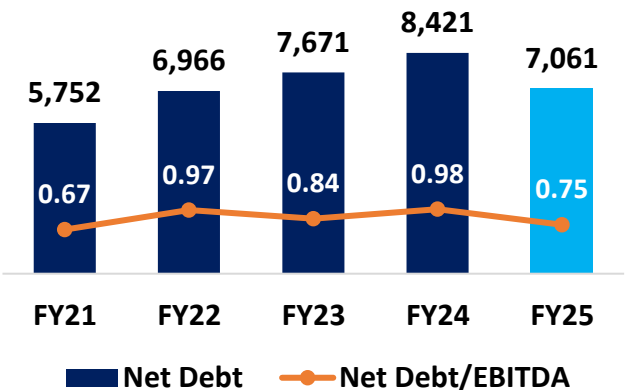
ROCE%



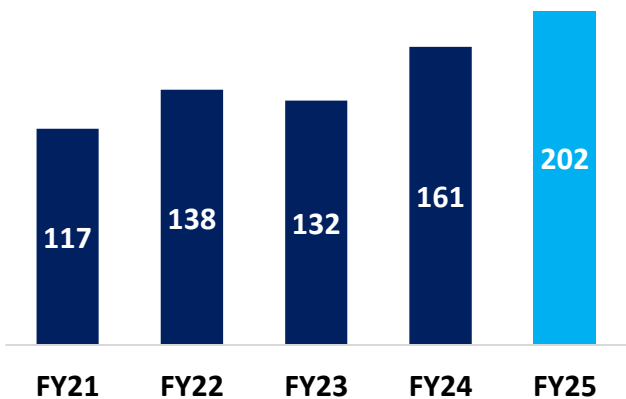
Asset turns



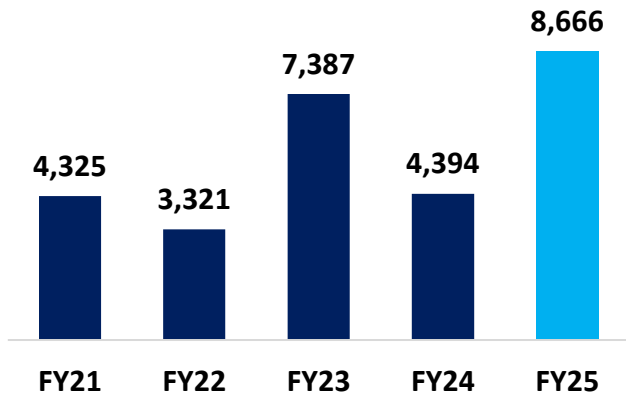
Net debt and Net debt/EBITDA



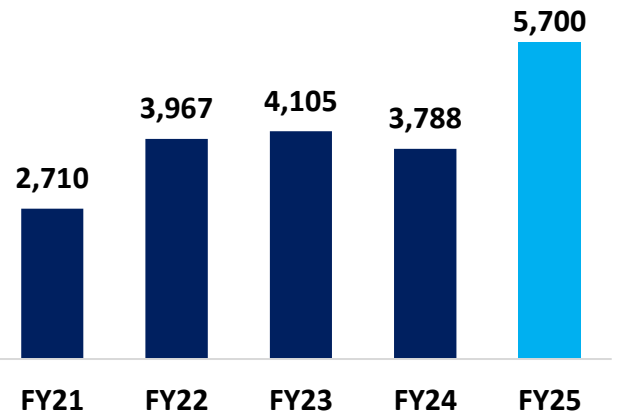
CCC days



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.



Manufacturing Network & Capacity

Bonthapally



API: 34,560 TPA

Jeedimetla



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

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

Gagillapur



FD: 26.8 Bn
PFI: 23,200 TPA

Virginia, USA



FD: 1.5 Bn

GPAK, USA



2 OTC lines
1 Rx line

Genome Valley



FD: 2.5Bn dosages (Phase I)
FD: 7.5Bn dosages

Senn, Switzerland



Peptide CDMO

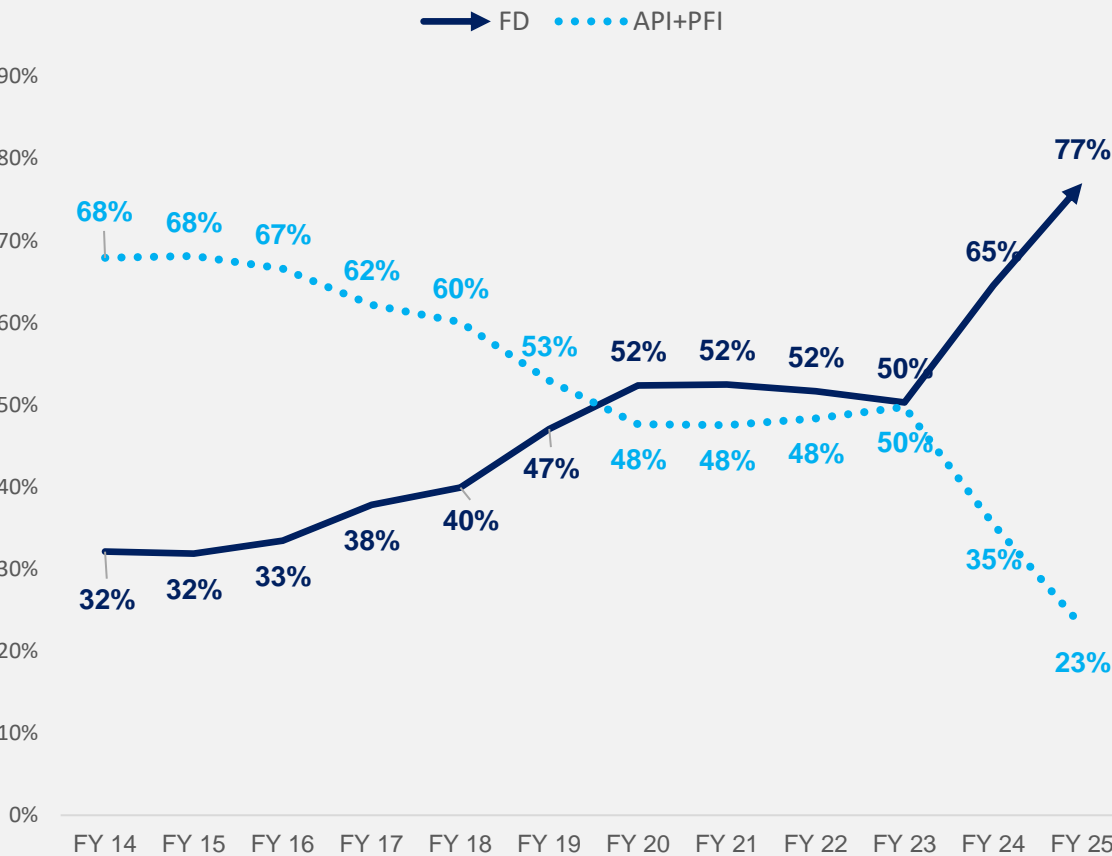
Business Strategy Update



Business Strategy : Moving up the value-chain and Product Diversification

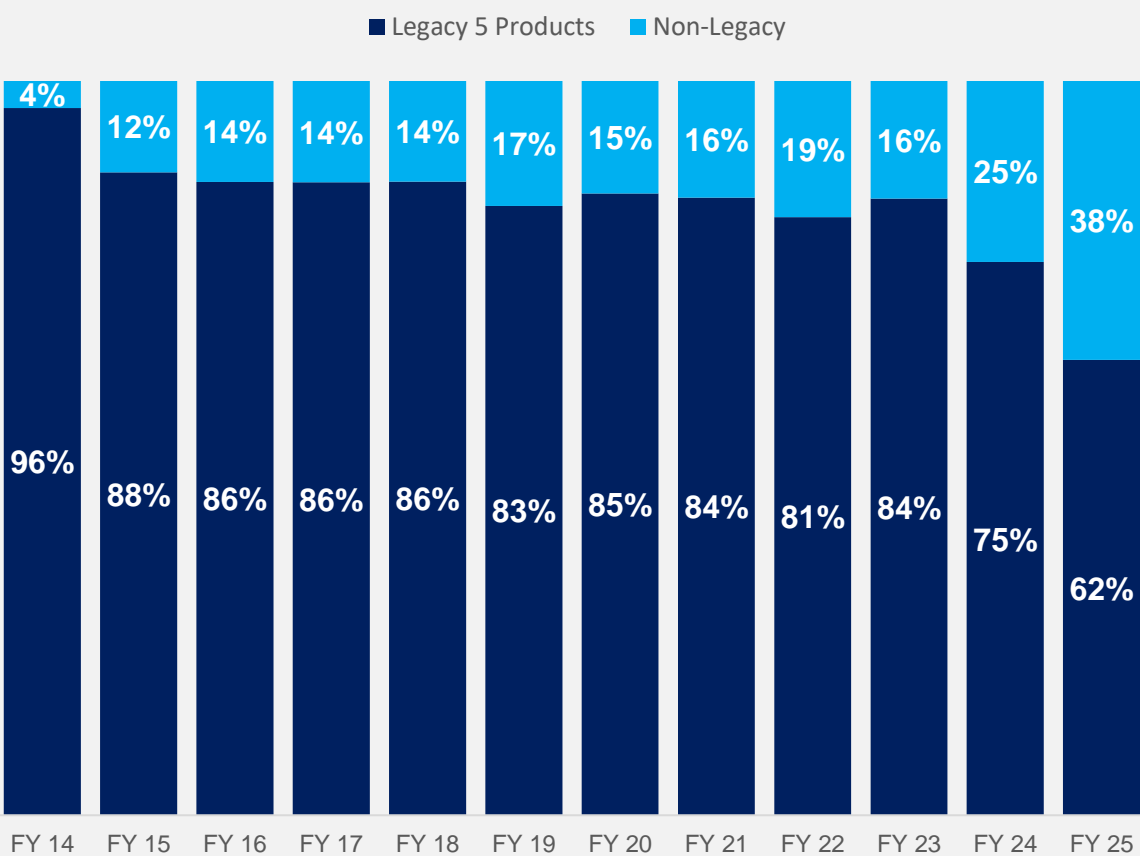
Moving up with the Value Chain

Revenue Share By Business Segment



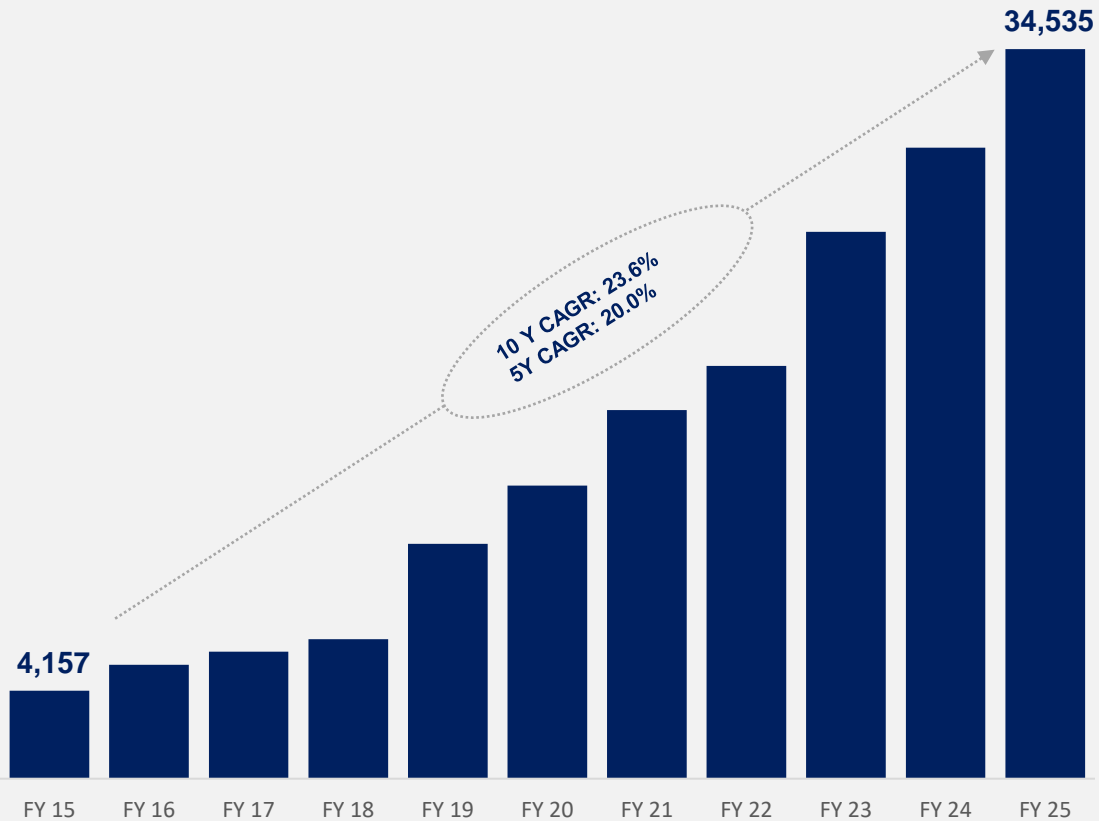
Product Diversification

Revenue Share By Product Segment



Business Strategy : Strengthening Business in North America

North America Growth Trajectory (INR Mn)



Unique Manufacturing Platform of Optimizing “**Make in India**” (GIL) and “**Make in America**” (GPI , GPAK)

Market leadership in CNS/ADHD (GPI operations), adding to the leadership position in large volume molecules

Prioritizing OTC business through GCH and GPAK :
Growing OTC business through partnership with Brand owners and leading Retailers in the US.

Business Growth to be driven by primarily new launches, both in Rx and OTC, supplemented by BD in new dosage forms

Business Strategy : Expanding Reach Through Commercial Excellence

Expanding Reach

EUROPE



LATAM



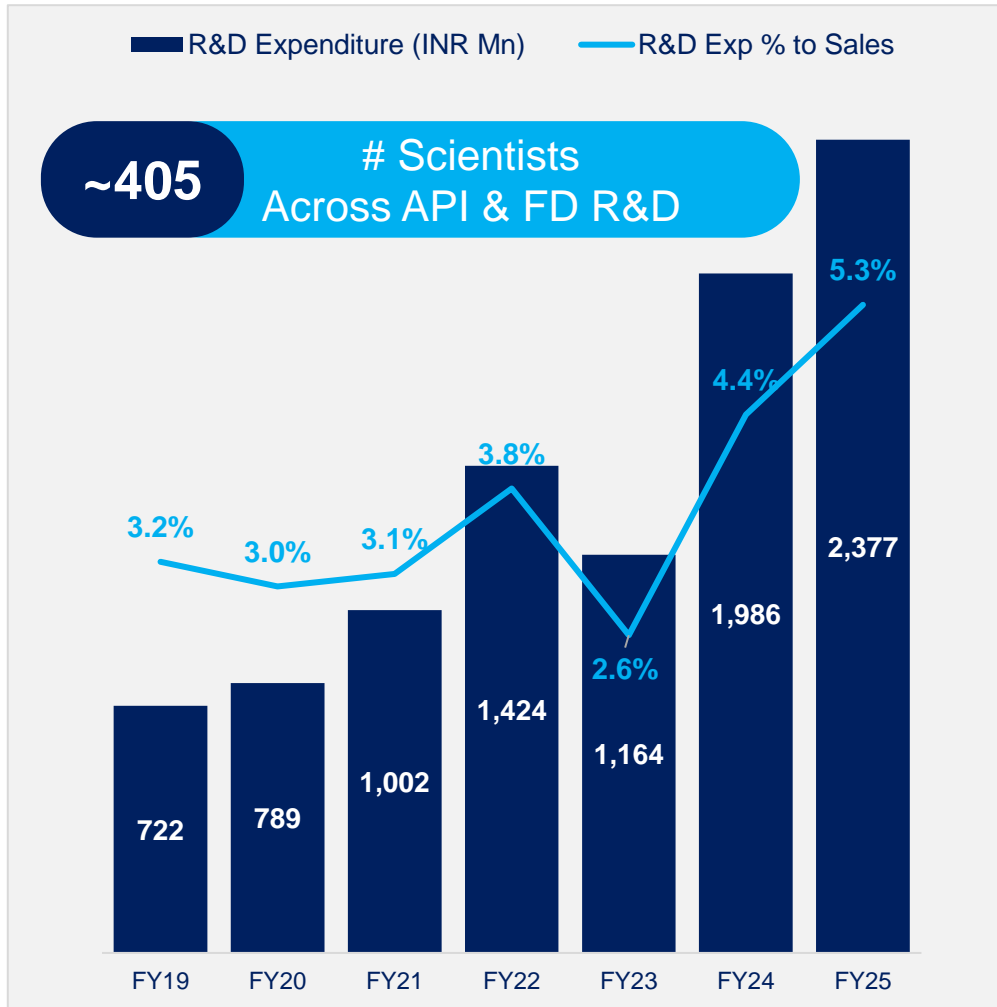
AMEA



Replicate commercial success of North America in other key markets
Strengthening Teams | Building Commercial Excellence Processes

- Revamped and augmented **Commercial leadership team**
- **Formulation Driven Growth in Europe** through key partnerships and Dossier Sales/ BD Deals on existing and New Products
- **Extension of the Commercial portfolio and new products**
- **Customer focus:** New Initiatives focus on customer service excellence

Business Strategy: Building R&D Capability and Product Pipeline



Integrated Product Development

Genome Valley – MN Park
R&D facility for Integrated Product Development

- Fast tracking product development through seamless coordination & shared analytical resource

Controlled Substances

Pragathi Nagar R&D

- CoE for CII API Development
- Select KSMs

GPI R&D

- CII Finished Dosage
- Complex technologies FD

New Technologies

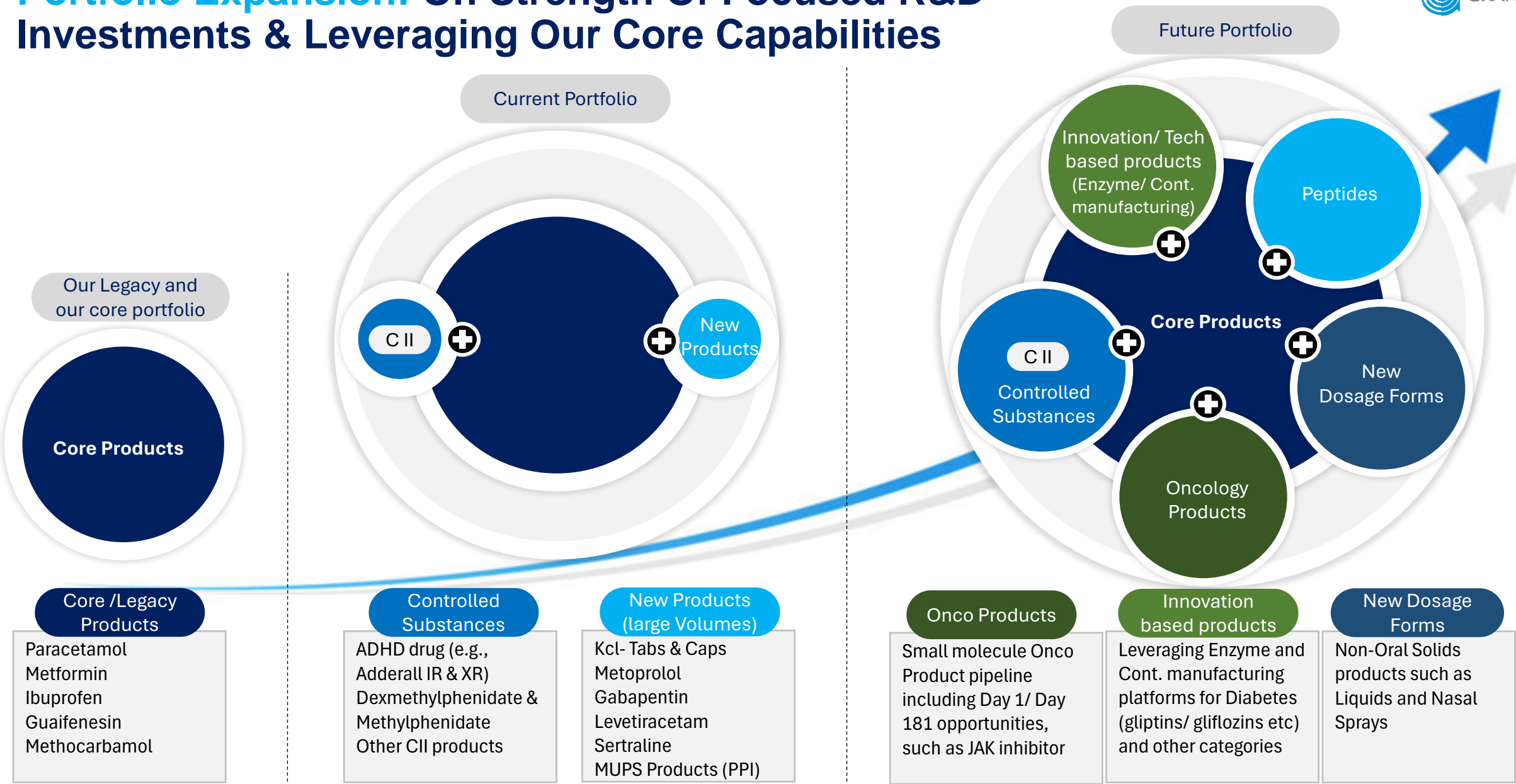
Bio Lab at Pragathi Nagar

- Enzyme & Fermentation

Pune R&D

- New technologies
- KSM & Backward Integration

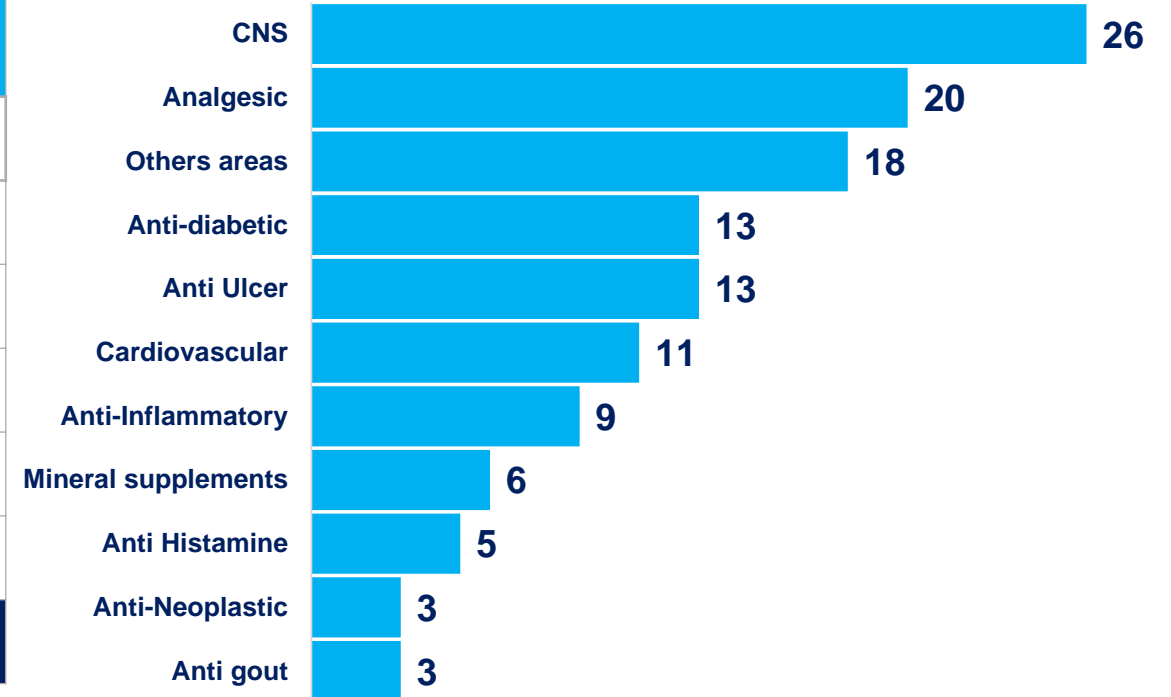
Portfolio Expansion: On Strength Of Focused R&D Investments & Leveraging Our Core Capabilities



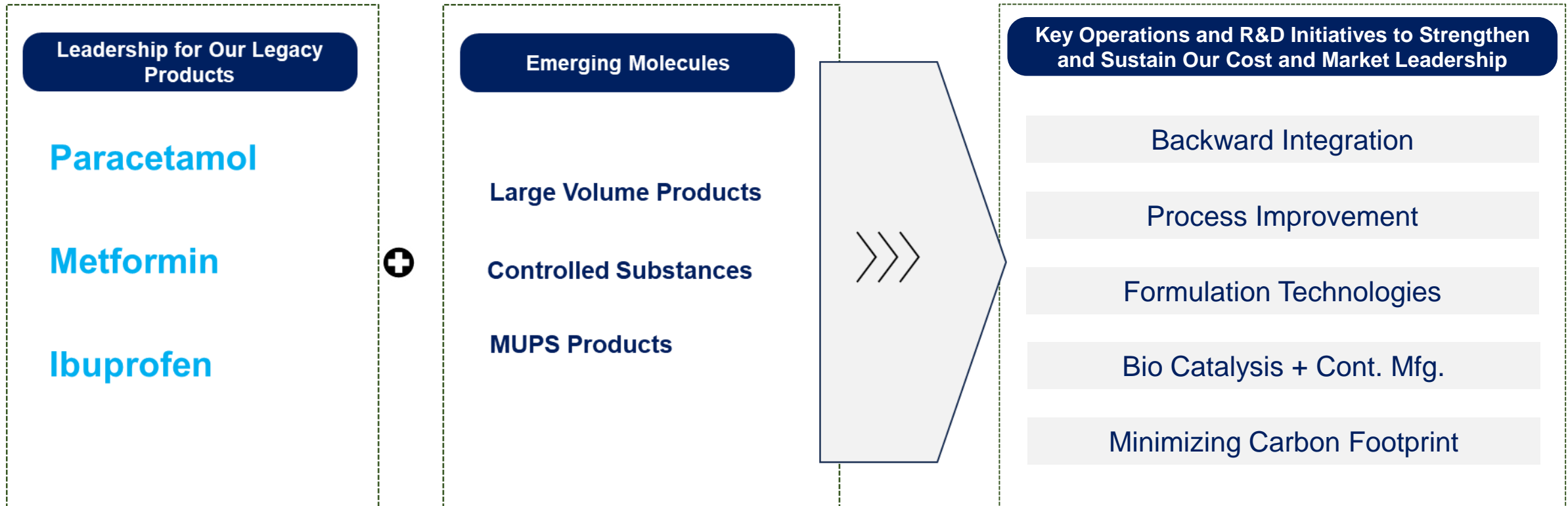
ANDA/Dossier filing status

Filing Status		Approved	Tentatively Approved	Filed	Total Products
GPI IP	USA	31	0	3	34
GIL IP	USA	37	1	13	51
	Europe	8	0	10	18
	Canada	7	0	0	7
	ROW	7	0	8	15
	UK	2	0	0	2
Total		92	1	34	127

ANDA/Dossier filed - Therapeutic area



Business Strategy: Building & Sustaining Key Product Leadership



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



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



We've had our
**NET-ZERO
TARGETS**
approved

#NetZeroStandard

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

23 %

Scope1 and Scope2
Intensity*


*Over base year



32 %

Scope1 and Scope2
Absolute Reduction*


*Over base year



69 %


Share of Renewable
Energy of Electricity #

Including PPA & I-RECS *



80 %

Haz. Waste generated
sent for Co-processing



Net Zero by
2050

The Granules
Commitment

GRANULES
CZR

Building our flagship
green pharmaceutical
plant*

*(At Kakinada, AP, India)



GOLD | Top 5%

ecovadis
Sustainability Rating
MAY 2025

B

CDP
Discloser
2024

Granules India Limited
Pharmaceuticals

S&P Global CSA Score 2024
A key component of the S&P Global ESG Score

59 /100

As of March 14, 2025.

MSCI **BB**

ESG RATINGS

CCC	B	BB	BBB	A	AA	AAA
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Partner Collaboration Platforms



SMETA the Sedex Members Ethical Trade Audit

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

1,450+

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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thank you!



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