Granules India Limited

Earnings Presentation
Q1 FY27

21st July 2026

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Management Commentary

Dr. Krishna Prasad Chigurupati

Chairman & Managing Director

" Q1 FY27 marks an important step forward for Granules India as the foundations strengthened during FY26 begin to translate into greater execution confidence, strategic clarity and business resilience. Our focus remains firmly on regulatory and quality excellence, portfolio transformation toward complex and differentiated products, geographic and customer diversification and scaling new growth engines. While external cost pressures and supply chain volatility require continuous management for next couple of quarters, we are continuing to invest in R&D largely towards Complex Gx, digitalization, operational excellence, sustainability and talent to support long-term value creation. With a stronger organization, a more balanced portfolio and clear strategic priorities, we remain confident in Granules' ability to deliver sustainable growth for all stakeholders. "

Revenue	Margin %	EBITDA	PAT
₹14,768 Mn	65.6 %	₹3,389 Mn	₹ 1,800 Mn
+22% YoY Growth	+74 bps YoY	+37% YoY Growth	+60% YoY Growth

Q1FY27 Key Business Takeaways

- **Revenue up 22% YoY to ₹14,768 Mn** with PAT +60% to ₹1,800 Mn and EBITDA +37% YoY
- **Complex Gx mix now 50% of FD portfolio** lifted gross margin to 65.6% and EBITDA margin to 22.9% (+256 bps YoY)
- **Net Debt/EBITDA improved to 0.07x from 0.34x; ROCE up to 18.0%** (~196 bps YoY) on ₹3,874Mn cash flow from operations
- **US products portfolio - Rank #1 in 10 products out of 35 (29%) and Top-3 in 18 products (50%) as per MAT May'26** underscoring deep market leadership
- **5 FD and 4 API filings in Q1FY27; R&D ₹880 Mn (6.0% of sales)** seeding a high-value pipeline for future growth.
- **2nd sole First-to-File — Sodium Oxybate ER (~Brand value $267M MAT Apr'26)** plus 25 ANDAs under approval with market size of ~$40Bn (Brand + Gx) as per May'26 MAT, powering a high-value next launch wave.
- GPI received a VAI-classified and **received FDA EIR** for its April 2026 inspection

Quarterly Performance
Q1 FY27

Q1FY27 Financial Performance

- **Portfolio enrichment toward Complex Gx (50% of FD revenue, increased spending in complex pipeline) is strengthening quality of business.**
- **Strong EBITDA growth of 37% YoY, with capital discipline further supporting healthy free cash flow generation.**

₹14,768 Mn

Revenue ₹12,101 (+22% YoY)

Revenue ₹14,706 (+0.4% QoQ)

65.6%

Gross Margin (+74 bps YoY)

Gross Margin (-11 bps QoQ)

₹3,389 Mn

EBITDA of 22.9%
+256 bps YoY
-99 bps QoQ

(Growth of +37% YoY, -4% QoQ)

₹1,800 Mn

PAT of 12.2%

Growth of +60% YoY
PBT before exceptional items growth of +41% YoY, - 2% QoQ

18.0%

ROCE

(17.6% in FY26)

ROCE = Annualised EBIT / Average Capital Employed

Capital Employed = Total assets – Current liabilities excluding short term borrowings – Cash & Bank Balances

0.07x

Net Debt/EBITDA

(0.34x in FY26)

Net Debt = Interest bearing borrowings – Cash & Bank Balance

29%

Net Working Capital to Sales

(30% in FY26)

NWC to Sales =Average (Current Assets – Current Liabilities)/ Revenue

Current Assets =Total Current Assets – Cash & Bank Balance
Current Liabilities = Total Current Liabilities – Short-term Borrowings

₹3,874 Mn

Cash Flow from Operations

₹1,003Mn in Q4FY26
₹2,806Mn in Q1FY26

Q1FY27 Financial Performance

₹ Mn

Focused investments in Complex Gx R&D and talent are enhancing our future growth prospects while reinforcing the quality of earnings

Particular	Q1 FY27	Q1 FY26	Y-o-Y	Q4 FY26	Q-o-Q
Revenue	14,768	12,101	22%	14,706	0%
Gross Margin	9,690	7,850	23%	9,665	0%
% of Gross Margin	*65.6%*	*64.9%*	*74 bps* ↑	*65.7%*	*-11 bps*
Manpower Cost	2,546	2,028	26%	2,404	6%
R&D	880	678	30%	781	13%
Other Expenses	2,875	2,678	7%	2,958	-3%
EBITDA	3,389	2,467	37%	3,521	-4%
% of EBITDA	*22.9%*	*20.4%*	*256 bps* ↑	*23.9%*	*-99 bps* ↓
PBT (Before Exceptional items)	2,404	1,704	41%	2,464	-2%
Exceptional Items / (Income)	0	259		-159	
PAT	1,800	1,126	60%	2,016	-11%
% of PAT	*12.2%*	*9.3%*	*288 bps* ↑	*13.7%*	*-152 bps*

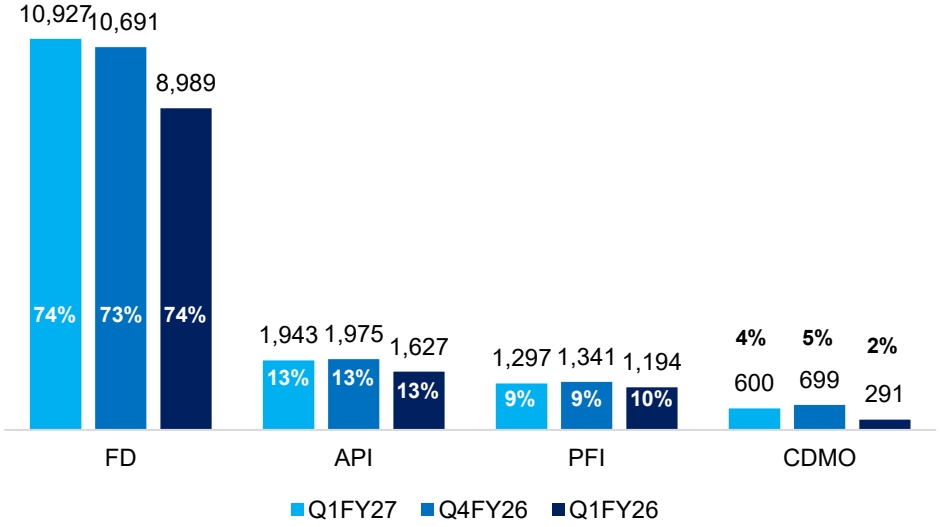
Peptides CDMO had an EBITDA loss of ₹124Mn in Q1FY27 as compared to positive EBITDA of ₹15Mn in Q4FY26 in line with project milestones services and projects

Revenue Diversification: Segments and Regions

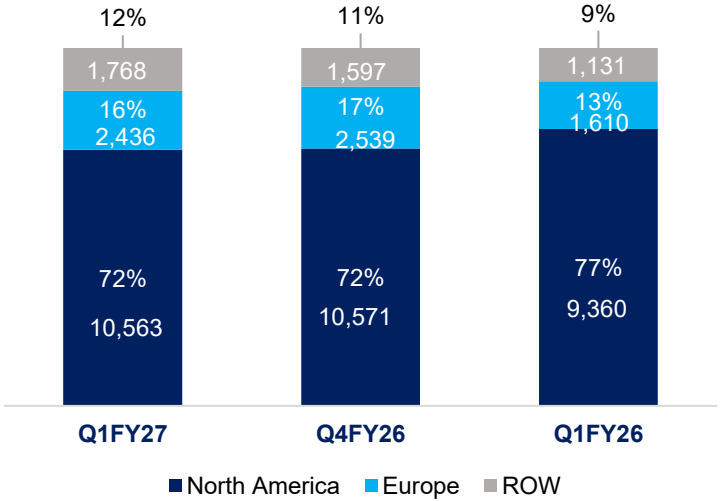
₹ Mn

- YOY Higher Revenue growth of Finished Dosages contributed by Complex Gx.
- YOY Higher growth in Europe and Rest of World are enabling us to maximize return on R&D capital.

Segments



Regions



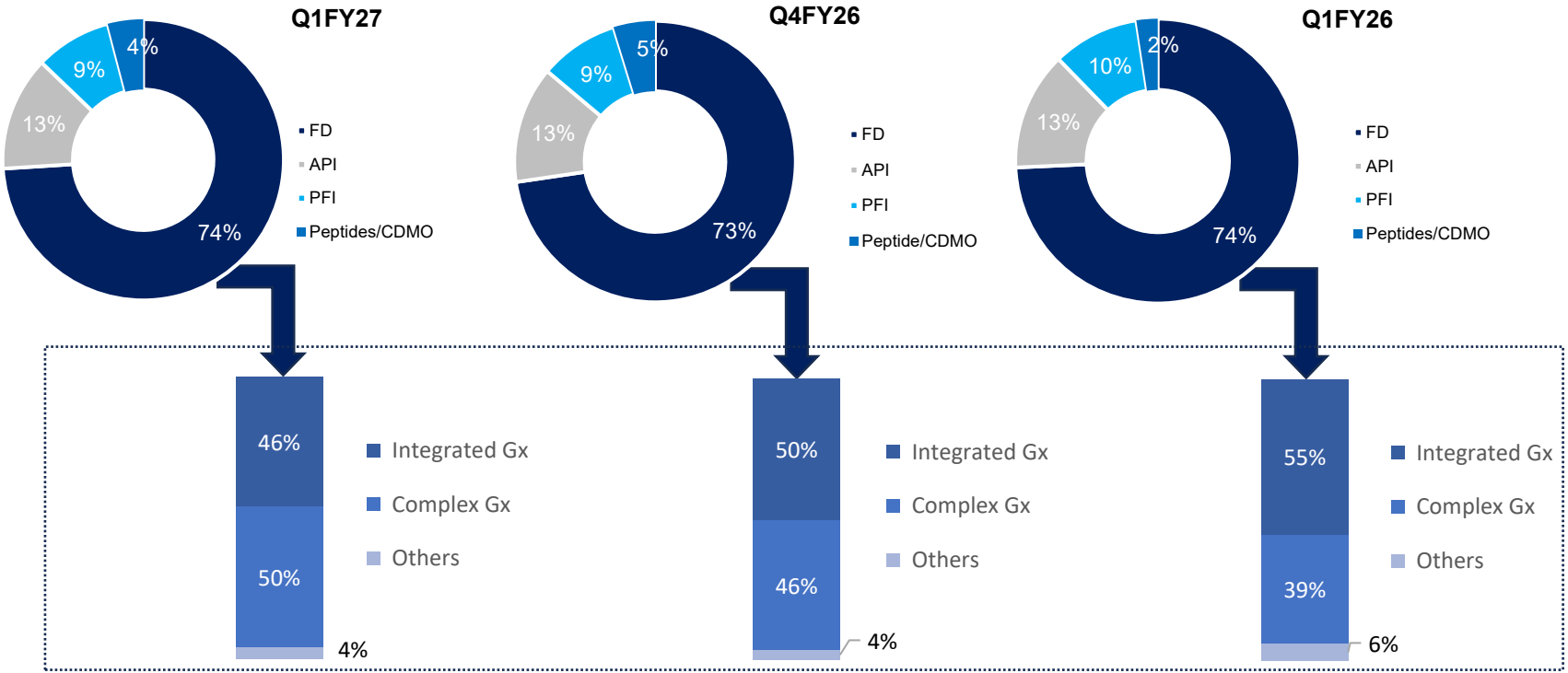
YoY Growth	FD **+22%**	API **+19%**	PFI **+9%**	CDMO **+106%**	North America **+13%**	Europe **+51%**	ROW **+56%**
QoQ Growth	FD **+2%**	API **-2%**	PFI **-3%**	CDMO **-14%**	North America **0%**	Europe **-4%**	ROW **+11%**

Granules Formulations Portfolio Segmentation

Segment	Definition
Integrated Gx	Products where API is key; API forward integrated to value added PFIs and FDs (mid to high volume) **Value proposition:** Backward integration/ Strategic tie ups Supply chain security and cost competitiveness
Complex Gx	Products with high entry barriers due to various reasons: • Complexity in formulation development and manufacturing • Complexity in API development • Complexity in IP/ BE strategy • Complexity in Compliance • Complexity in route of administration or drug-device combination
Others	Products that are time based/ opportunity products with an inherent capability of falling into the integrated basket.

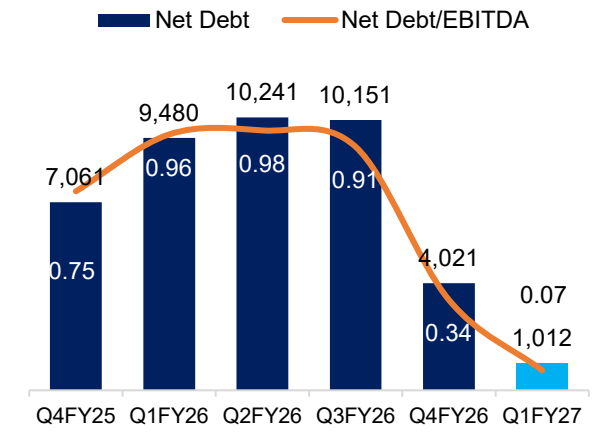
Portfolio Architecture and Evolution

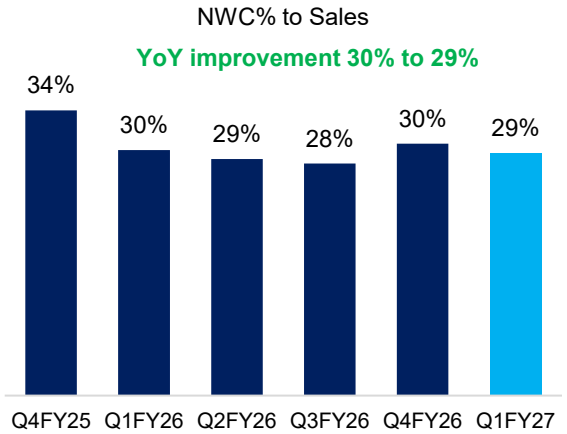
Accelerated growth in Complex Gx products resulting in 50% share of FD from 39% YOY basis

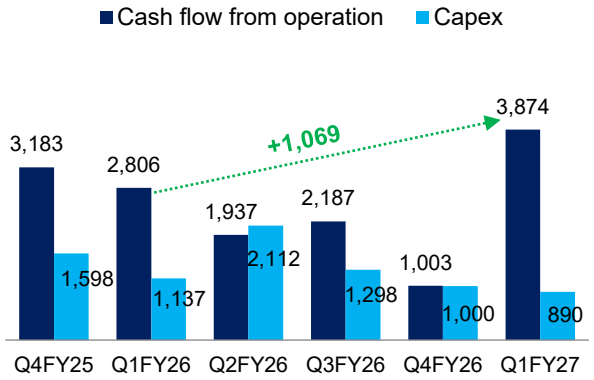


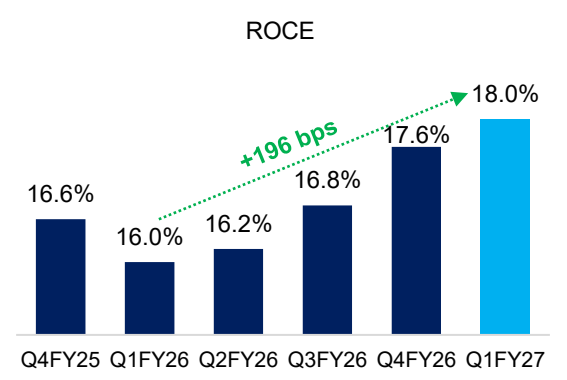
Capital Efficiency and Allocation Discipline

₹ Mn









Balance Sheet Strength continues

- Strong balance sheet and financial flexibility provide the capacity to fund growth and navigate market uncertainties.
- Improved working capital efficiency continues to support stronger cash generation and operating discipline.

CAPEX Discipline

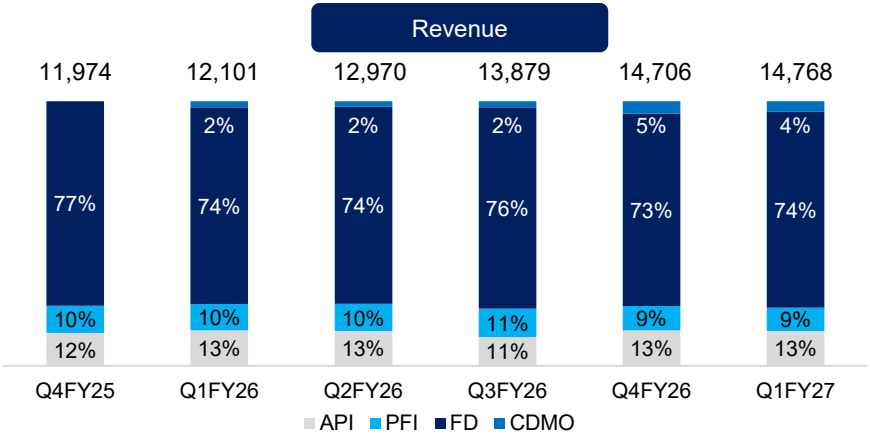
- Capex moderated in Q1FY27 as the Genome Valley investment completed.
- Investment activity is expected to pick up gradually, driven by digitalization and modular growth projects at existing facilities

Return on Capital Employed (ROCE)

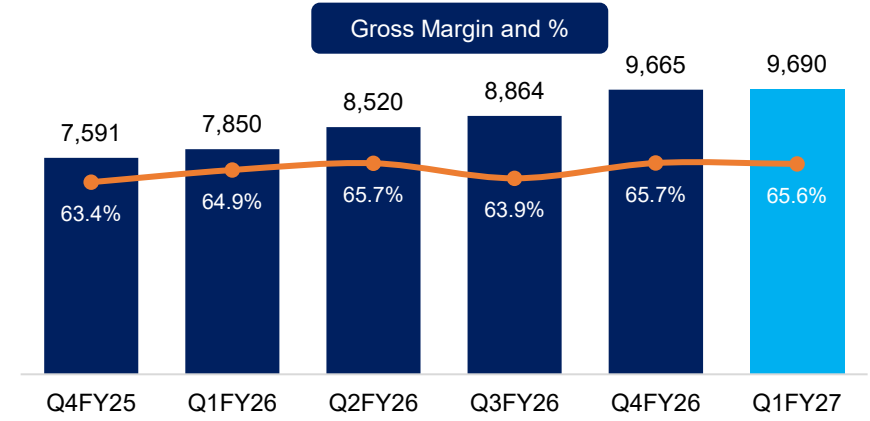
- ROCE improved to 18.0%, up ~196 bps YoY, driven by stronger profitability and an increasing contribution from the Complex Gx portfolio.
- Genome Valley and Peptide CDMO remain in the ramp-up phase, offering meaningful upside returns in the medium term

Quarterly P&L Performance Trend (Last 6 Quarters)

₹ Mn

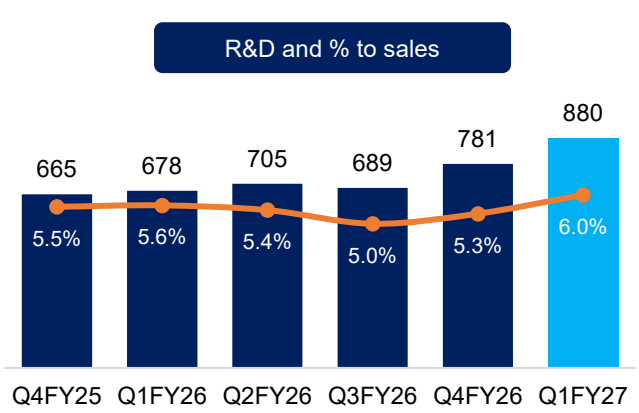


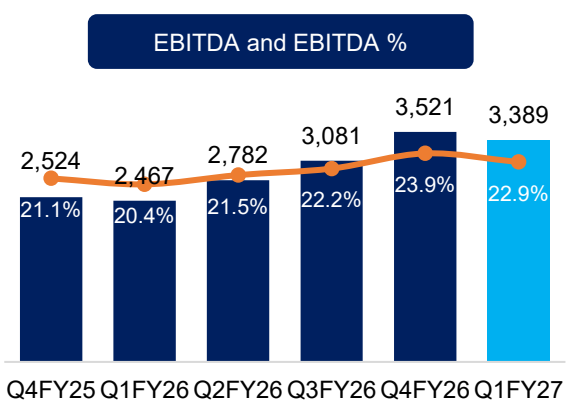
- **YOY 22%↑** Higher Revenue growth of Finished Dosages contributed by Complex Gx.
- YOY Higher growth in Europe and Rest of World are steadily diversifying the healthy revenue mix and return on capital.

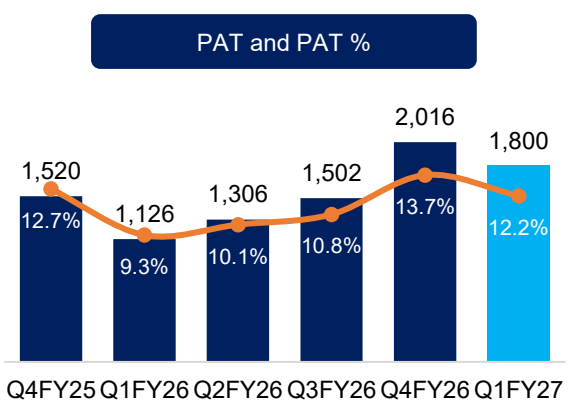


Gross margin expanded around **74 bps ↑ YoY** to 65.6%, led by a higher contribution from Complex Gx.

Quarterly P&L Performance Trend (Last 6 Quarters)







- R&D investment increased to 6% of sales, to support a differentiated, high-value pipeline and future growth opportunities.
- Multiple filings and approvals across key markets continue to strengthen the portfolio and launch pipeline.

- EBITDA grew **37%** ↑ **YoY**, with margin expanding **256 bps** to 22.9%.
- Growth was driven by a higher Complex Gx finished-dosage, increasing from 39% share of FD to 50% YoY.

PAT grew **60%** ↑ YoY, supported by margin expansion from improved product mix

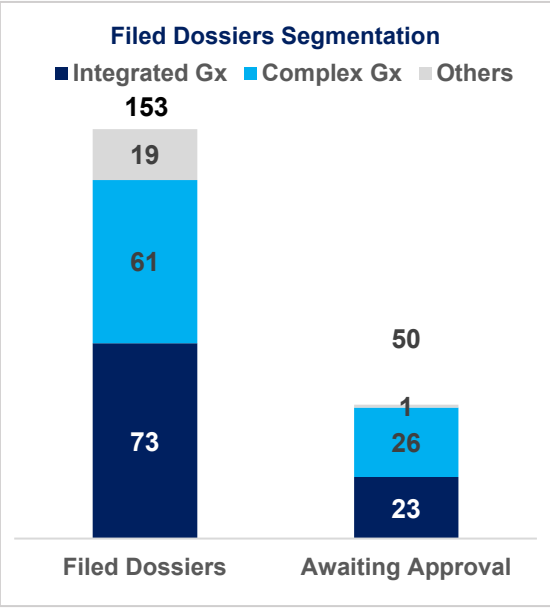
R&D Capability

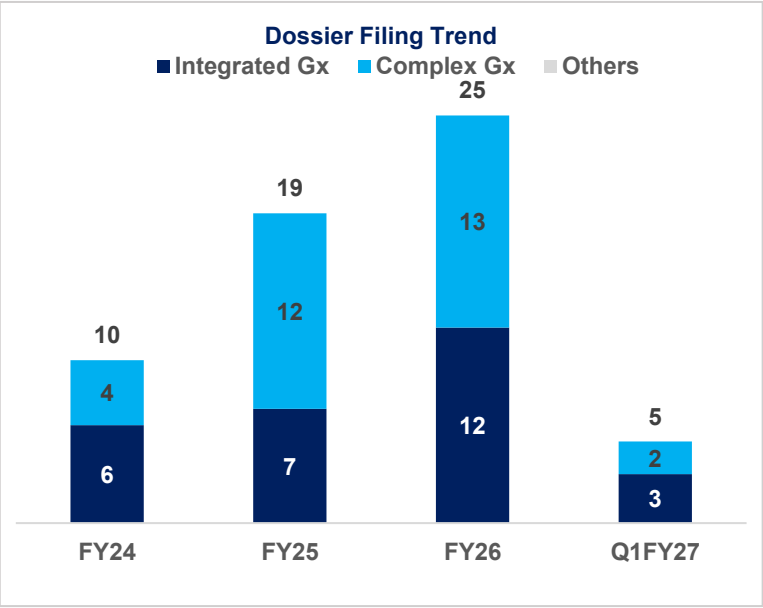
FD Portfolio Transformation: Scaling to Complex Gx

FTF
Sole First-To-File

Amphetamine Extended-Release Tablet

Sodium Oxybate Extended-Release Oral Suspension





R&D Pipeline Momentum

153 Total dossier Filed

100 Approved

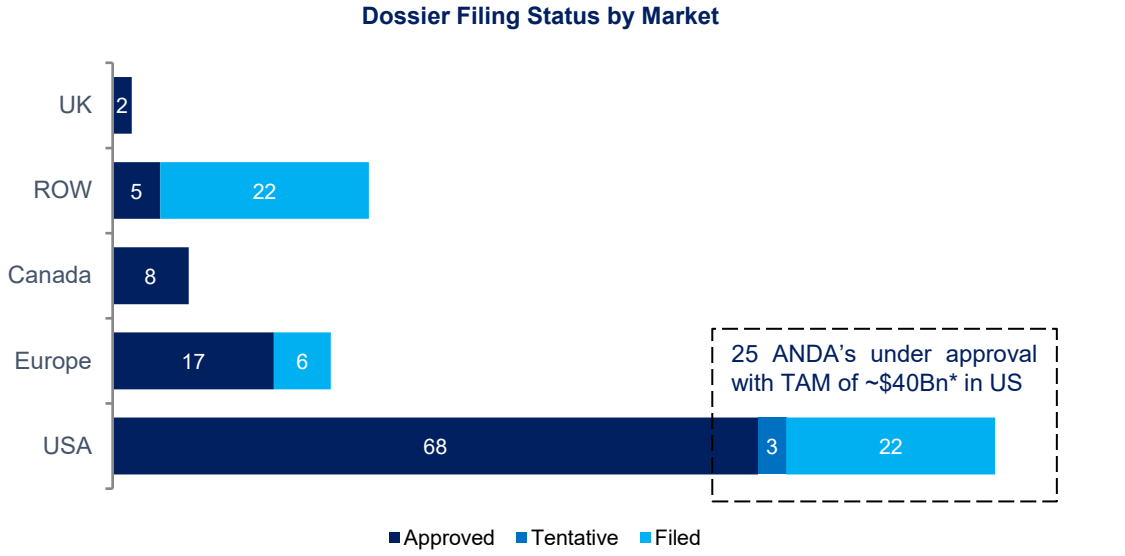
3 Tentatively Approved

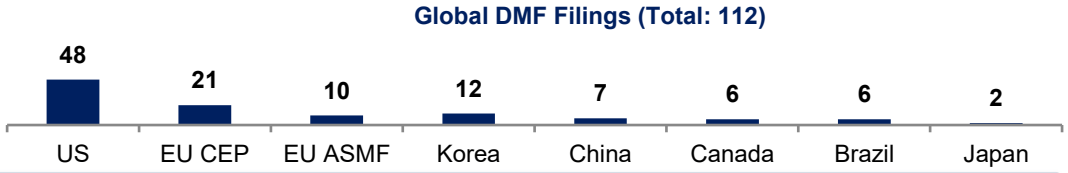
50 Awaiting Approval

61 Complex Gx Filed

FD portfolio is progressing strategically up the complexity curve, indicating a purposeful move toward more sustainable value creation.

R&D Pipeline and Capability





Global Extensions of key complex molecules
Q1FY27 : 5 dossiers filed and 4 API filed

*As per IQVIA May'26 MAT Branded and Gx

R&D Centre Network

Genome Valley
Integrated product development

Pragathi Nagar
CoE for CNS API; KSMs; Bio Lab (Enzyme)

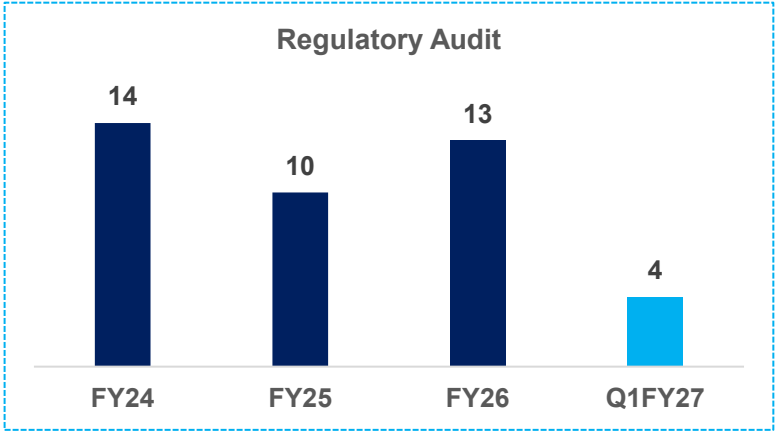
GPI R&D, USA
CNS Finished Dosage; Complex FD tech

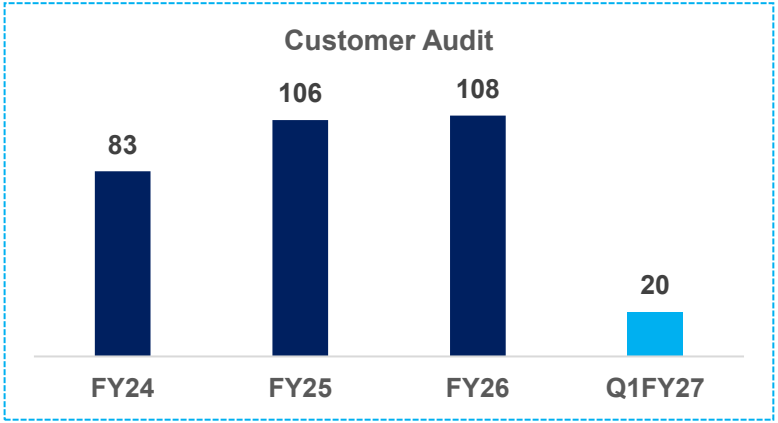
Pune R&D
New technologies; KSM & backward integration

Ascelis Peptides Lab
Peptide R&D at IIT Hyderabad

Senn Chemicals AG
Peptide CDMO R&D, Switzerland

Quality Compliance and Audit Readiness





Facility	USFDA Inspection	EIR Status
GPI (Virginia)	Apr'2026	✓
Gagillapur	Aug'2024	Reinspection
GCH Packaging	Dec'2025	✓
Genome Valley	Dec'2025	✓
Bonthapally	Jun'2025	✓
Jeedimetla	Jun'2023	✓
Unit IV	Jun'2023	✓
Unit V	Apr'2024	✓

- GPI received a VAI-classified FDA EIR for its April 2026 inspection.
- Gagillapur April 2026 TGA Australia inspection closed with no critical findings.
- Czech Agency issued an EU GMP certificate for Genome Valley.
- Phased facility upgradation for quality compliance and digital transformation program across all manufacturing facilities, with capex investments of approximately Rs.260 Mn in the last one year and planned investment of Rs.750 Mn, focused on automation and digitalization initiatives within Quality operations for next two years.

Manufacturing & R&D Structural Advantage

10	39 Bn+	39,360	441	6
Manufacturing Facilities	Annual FD Dosage Capacity	API Capacity (TPA)	R&D Scientists	R&D Centers

- **Bonthapally** API: 34,560 TPA
- **Jeedimetla** API: 4,800 TPA | PFI: 1,440 TPA,
- **Vizag Unit-IV -** API: 380 KL PA | **Unit-V**: API-15 KL PA, Onco FD 1.1 Bn dosages
- **GPAK, USA** 2 OTC + 1 Rx Packaging lines
- **Gagillapur** FD: 26.8 Bn dosages | PFI: 23,200 TPA
- **Genome Valley** FD: 10 Bn dosages
- **GPI Virginia, USA** FD: 1.5 Bn dosages
- **Senn Chemicals, Switzerland** Peptide CDMO

R&D Investment: ₹880 Mn (6.0% of sales) in Q1FY27 | 153 dossiers filed globally | 103 approvals (including tentative approval) | 112 DMFs across US, EU, Canada, Japan, Korea, Brazil, China

Granules' Strategy and Execution

Building Durable Earnings Through Strategic Execution

Consistent Growth

- 6 consecutive quarters of sequential growth
- **20%** YoY sales growth to ₹53,656 Mn
- Diversified across API, PFI, FD and CDMO
- FD at **74%** of revenue
- Formulations business compounded at **20%** CAGR over FY22 to FY26, reflecting a structurally strengthening growth engine

Portfolio Upgrade

- Shifted from volume driven to value driven Complex Gx-led business model
- Complex Gx now **43%** share in FD
- Oncology and Peptide CDMO emerging as next-gen growth engines

Quality Upgradation

- Strengthening quality and compliance systems across all manufacturing sites.
- Expanding digital capabilities through MES, electronic records, and integrated laboratory systems.
- Enhancing data integrity and governance to build a more robust and sustainable compliance framework.

Margin Expansion

- Record **Gross** and **EBITDA** margins in FY26
- Gross Margin expanded by ~1507 bps, EBITDA margin expanded ~290 bps over FY22-FY26
- Complex Gx mix driving structural margin improvement

Capital Discipline

- CAPEX investment of ₹5,547 Mn was made in FY26, totaling ₹23,107 Mn cumulatively from FY22 to FY26, covering the Genome Valley 10 Bn tablet facility, MUPS facility, and packing facility in the USA
- Growth capital expenditures have been funded through cash flows from operations.

Four Decades of Strategic Evolution

Foundation

- Pioneered Paracetamol API in India; cost leadership became a durable moat
- Built Bonthapally hub – scalable platform anchoring decades of growth
- Scaled Jeedimetla API capacity for global regulated markets
- Cultivated global customer relationships anchoring predictable volumes
- Embedded a culture of disciplined execution and capital efficiency

Forward Integration

- Entered Finished Dosages – unlocking per-molecule margin expansion
- Established GPI in the US – direct access to the largest regulated market
- Gagillapur PFI facility deepened backward integration for end-to-end cost advantage
- In-house API, PFI and FD control mitigated supply risk and reduced external dependence
- Centralized quality and regulatory oversight improved compliance across regulated markets

Scale & Diversify

- Built world's largest single-site MUPS facility – a rare manufacturing moat
- Packing Facility in Virginia full US supply chain control, cutting lead times
- Revenue scale-up validated a compounding, multi-geography business model
- R&D investment accelerated transition to Complex Gx, MUPS and higher-value FD
- Enhanced FD capabilities with Additional Genome valley 10Bn Tablets capacity

Transformation

- Pivoted into high-barrier segments: Peptide CDMO and Complex Gx
- Complex Gx reached 43% of FD (from 31%) – decisive premium-margin shift
- Structurally de-risked through customer and portfolio diversification
- Deepened regulated-market filings funnel R&D and GLS scale
- Acquired Senn Chemicals – entered Peptide CDMO, adding a high-value growth vector

Multi-Engine Growth Drivers

Complex Generics Scale-up

- CNS portfolio driving US volume
- Complex Gx share rose from 31% to 43% of FD in just one year (+1200 bps YoY in FY26)
- Controlled substances, MUPS platform; 59 complex dossiers filed; 180-day exclusivity opportunities
- Total 148 dossier filings - 97 dossiers filed & approved; 51 Filings awaiting approvals as on FY26
- Total Complex Gx dossier filings 59, 32 approved and 27 awaiting approval

Peptide CDMO Ramp

- Senn Chemicals acquired Apr 2025. Swiss-based CDMO with 60+ years in peptide synthesis
- EBITDA Breakeven achieved in Q4FY26; Ascelis Peptides subsidiary driving R&D pipeline
- TFA-free peptide chemistries for cosmetics segment; GLP-1 / peptide therapeutics market expanding rapidly

Geographic Diversification

- Evolving from a North America-centric model to a multi-region value platform, anchored in regulated markets across North America, Europe and Select ROW
- Europe and regulated ex-North America markets emerging as the next growth engines, backed by expanding dossiers, complex launches and rising CDMO engagement
- Geographic expansion aligned with portfolio complexity, enabling scalable rollout of Complex Gx, Peptides and Specialty products with high entry barrier

Capacity Expansion

- Genome Valley GLS: 10Bn dosages now is USFDA approved, Rx Products shipments started
- GLS approval increases formulation capacity by 40%; enables multisite manufacturing
- Vizag dedicated oncology OSD, Virginia US facility (1.5Bn dosages)
- FY26 capex: ₹5,547 Mn; de-risking strategy across multiple facilities

Innovation Platforms

- FY26 R&D spend 5.3% of revenue up 20% YoY
- Focus areas: CNS/ADHD, oncology, peptides, high barrier, metabolic disorders
- IIT Hyderabad R&D center boosting peptide & particle synthesis development capabilities

Oncology Pipeline

- Day 1 / Day 181 launch opportunities for high-value oncology molecules
- Active development pipeline; targeting high-barrier generics
- Dedicated oncology OSD plant in Vizag with separate API block
- Strategic pivot to high-complexity, high-margin therapeutic segments for long-term growth

Granules Purpose, Vision and Values

Values

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

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

Commitments

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

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

In support of
WOMEN'S EMPOWERMENT PRINCIPLES
Established by UN Women and the UN Global Compact Office

PSCI Supplier Partner

SMETA | Sedex
SMETA the Sedex Members Ethical Trade Audit

Ratings & Certifications

GOLD | Top 5%
ecovadis
Sustainability Rating
MAY 2025

Climate Change | A
Water Security | B
Forests | B-
CDP
Discloser
2025

Supplier Engagement Leader
A
CDP
2025

Granules India Limited
Pharmaceuticals
Corporate Sustainability Assessment (CSA) Score 2025
62 /100

Expires 2026-10-16
SUPPLIER PLUS
Sedex

BUREAU VERITAS
ZERO WASTE TO LANDFILL
CERTIFIED Gagillapur Unit

ASPIRING WATER POSITIVE PLANT
CERTIFIED
CII-TRIVENI WATER INSTITUTE
Gagillapur and Bonthapally units

MSCI BB
ESG RATINGS
CCC | B | BB | BBB | A | AA | AAA

SCAN
Supplier Compliance Audit Network
Gagillapur unit achieved a 97% score in the C-TPAT audit

Partner Collaboration Platforms

ProjectGigaton
Orei
Secaro
sphera

Sustainability Performance

45.7 %
Scope1 and Scope 2 Absolute Reduction *
*Over base year FY 23

8.8 %
Scope 3 Absolute Reduction*
*Over base year FY 23

98 %
Share of Renewable Energy of Electricity #
Including PPA & I-RECS #

93 %
Waste diverted from landfill

39 %
Of Wastewater generated is recycled

Our CSR Journey : Empowering Communities, Enriching Lives

OUR GOAL
Touch 1 Million
Lives by 2030

OUR PROGRESS
4,50,000 +
Lives Positively Touched

FOCUS AREAS

Skill Development
1,700 +
trained through Pharma Pathashala since inception from 2017

Health
15,000 +
Benefitted through Breast Cancer 85 Screening Camps, Awareness sessions Eye Screenings to school children

Education
2,000+
Students are benefiting through vidya Volunteers, Educational support through NGO partners

Environment & Biodiversity
18,000 +
Native trees have been planted.
1,00,000 + Participants in Fourth Edition of Granules Green Heartfulness Run

Investor Communication

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