



REGISTERED OFFICE

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CIN: L24110TG1991PLC012471

**Dated January 30, 2019**

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 Un-audited financial results for the third quarter ended December 31, 2018 submitted to you on January 29, 2019.

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 46 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**

*T. Chaitanya Tummala*  
(CHAITANYA TUMMALA)  
COMPANY SECRETARY &  
COMPLIANCE OFFICER



Granules India Ltd.



# Investor Presentation

Q3 FY19



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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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# Q3 FY19 Updates

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# Q3 Financial Performance Highlights

## SALES FROM OPERATIONS

**Rs 632 Crs**  
54%↑ over Q3FY18

## EBITDA

**Rs 119 Crs**  
59%↑ over Q3FY18

## PAT

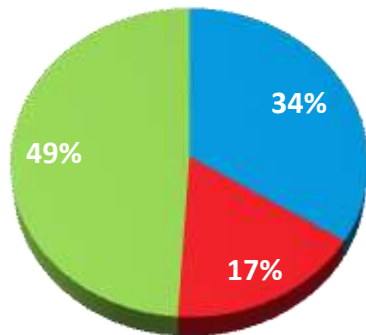
**Rs 60 Crs**  
72%↑ over Q3FY18

## EPS \*

**Rs 9.0**  
44%↑ over 9MFY18\*

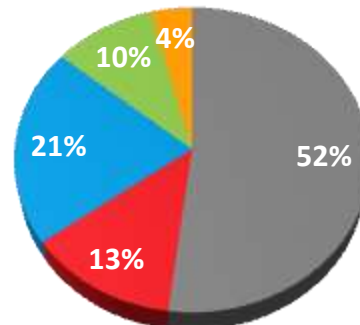
\* Diluted 9M EPS annualised

### Product Vertical wise – Q3FY19



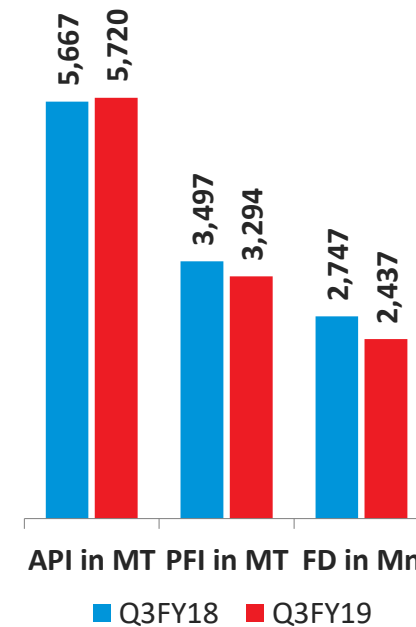
■ API ■ PFI ■ FD

### Geography wise – Q3FY19



■ North America  
■ Europe  
■ India  
■ LATAM  
■ ROW

### Production Details



# About Granules

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# Granules at a Glance



## Building Blocks

- Regulatory Compliance
- Operational Efficiency
- Customer Centricity
- Scale of Operation



## Installed Capacity

- 34,560 TPA of API
- 285 KL
- 4,800 TPA (JV)
- 152 KL (JV)
- 24,400 TPA of PFI
- 18 Bn dosages of FD



## Regulatory Approvals

- USFDA, EDQM, EU GMP, COFEPRIS, WHO GMP, TGA, KFDA, DEA, MCC, HALAL



## Business Divisions

- Core Business
- Emerging Business
- US Generics
- Joint Ventures



## Global Reach

- 60+ countries
- 250+ customers

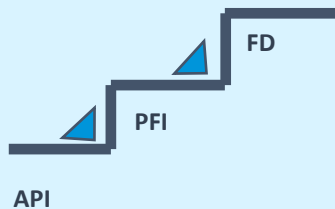


## Revenue Mix

- Over 80% of revenues through exports
- 62% of revenues through regulated markets of USA, Europe and Canada
- LATAM contributes 11% of revenues



## Business Verticals



Vertically integrated across value chain



## People Strength

- 2,602 people as on 31st March, 2018



## Intangible Assets

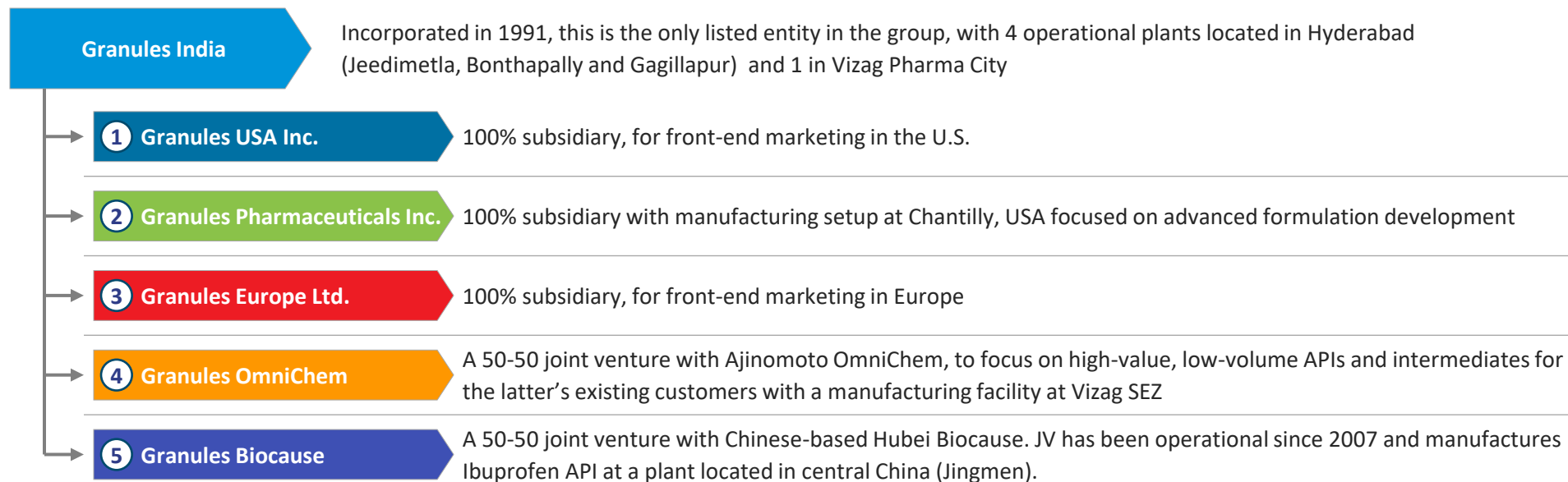
- 24 ANDA filings; 11 approved
- 21 US & 6 European DMF's
- 12 CEPs with EDQM
- 3 patents granted and 52 filed



## Manufacturing Base

- 8 operational manufacturing facilities; 6 in India, 1 in China, 1 in US
- One of the World's largest Paracetamol API facilities.
- World's largest PFI facility
- One of the largest single site FD facilities

# Group Structure and Manufacturing Presence

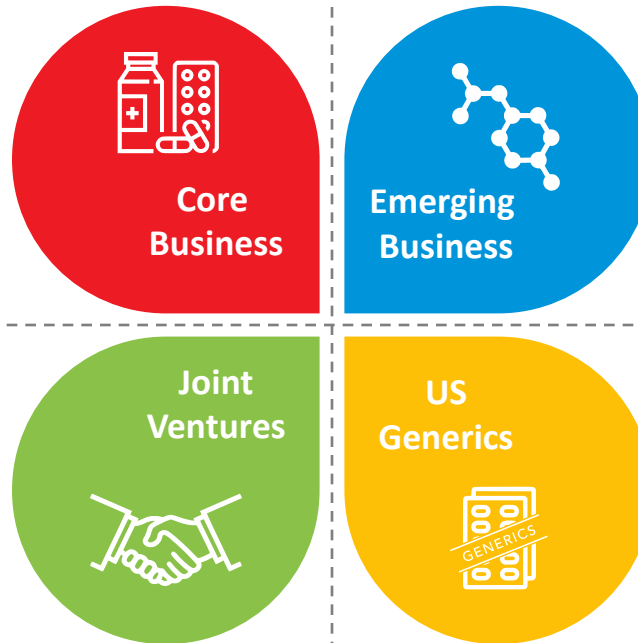


Value Chain	Facility Location	Installed Capacity	Approvals
API	Bonthapally	31,000 TPA	U.S. FDA, EDQM, WHO, COFEPRIS, INFARMED
	Jeedimetla	3,560 TPA	U.S. FDA, EDQM, COFEPRIS, WHO, CDCSO
	Jingmen, China (Biocause JV)	4,800 TPA	U.S. FDA, MHRA, CFDA
	Vizag	285 KL	U.S. FDA, KFDA, EU GMP, WHO GMP, EDQM
	Vizag SEZ (OmniChem - CRAMs JV)	152 KL	U.S. FDA
PFI	Gagillapur	23,200 TPA	U.S. FDA, COFEPRIS, TGA, MCC, INFARMED
	Jeedimetla	1,200 TPA	WHO GMP, COFEPRIS, INFARMED
FD	Gagillapur	18 Bn	U.S. FDA, MCC, COFEPRIS, TGA, INFARMED
	Virginia, USA	0.5 Bn	U.S. FDA, DEA
API Intermediates	Bonthapally	61.5 KL	



# Business Structure – Granules India

- Focus on core products including Paracetamol, Metformin HCl, Ibuprofen, Guaifenesin and Methocarbamol. Added Cetrizine and Fexofenadine to the portfolio
- Large scale manufacturing enables sustain competitive advantage & secured supply source for the customers
- Pioneered the concept of commercializing PFIs which suits well with large volume drug



- Auxiliary growth engine to secure the future while strengthening the core business
- Growth avenue for differentiated technology platforms producing low volume but high value products
- Business contingency

- Granules Biocause, a venture with China based Hubei Biocause operational since 2007. Objective is to enable core business Ibuprofen API requirement through backward integration.
- Omnicem is a 50:50 JV with Belgium Omnicem, a part of the Ajinomoto Group. Focus on CRAMS as a diversification strategy.

- Fully integrated infrastructure including R&D, manufacturing and marketing enabling “Make in America”
- Business to Consumer reach (B2C)
- Focus on developing niche / differentiated products in areas of modified and immediate release products of varied dosage forms

# Core Business

## Overview

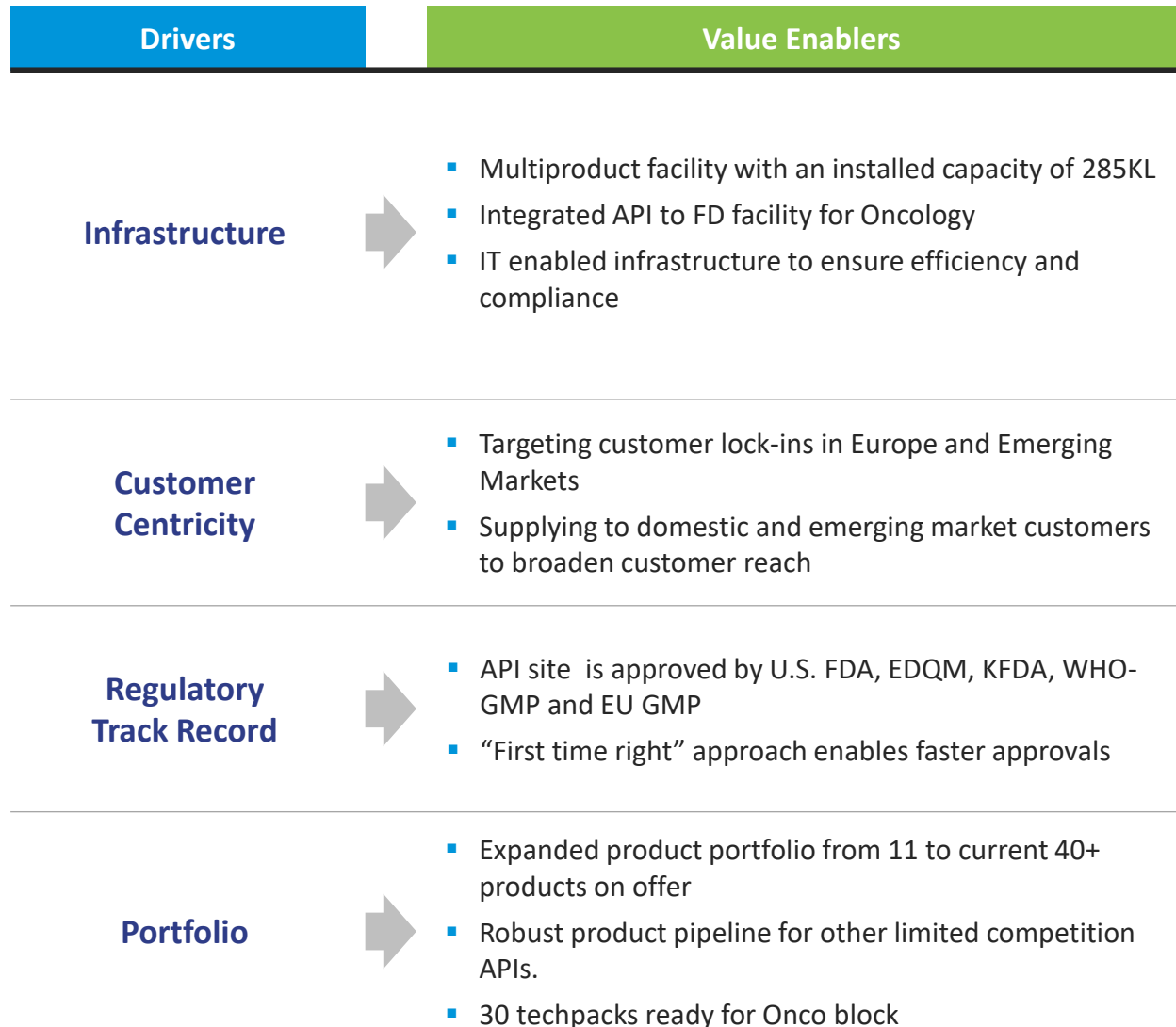
- Present across the entire pharmaceutical manufacturing value chain from API to Finished Dosages.
- Large scale manufacturing enables not only sustain competitive advantage but also build operational efficiency into the system
- Focus on first line of defence portfolio products such as Paracetamol, Metformin HCl, Ibuprofen, Guaifenesin, Methocarbamol, Cetirizine and Fexofenadine etc.
- Pioneered the concept of commercializing PFIs which is for large volume molecules
- 3 US FDA approved plants located in Hyderabad (Jeedimetla, Bonthapally and Gagillapur)

Drivers	Value Enablers
<b>Scale</b>	<ul style="list-style-type: none"><li>▪ One of the World's largest PFI and single site FD facility</li><li>▪ API capacity 34,560 MT, PFI 24,400 TPA &amp; Finished Dosages 18 billion</li><li>▪ DMFs, Dossiers, ANDAs for APIs and finished dosages, which can be repacked and marketed by customers under their own brand name</li></ul>
<b>Present Across Value Chain</b>	<ul style="list-style-type: none"><li>▪ Fully integrated in key molecules from APIs to Finished Dosages</li></ul>
<b>Expanding Portfolio</b>	<ul style="list-style-type: none"><li>▪ Selective addition of molecules to the portfolio</li><li>▪ Enhancement of existing products through introduction of controlled release and controlled substances</li><li>▪ Access to value-added products, such as rapid-release caplets and bi-layer tablets</li></ul>
<b>Regulatory Compliance</b>	<ul style="list-style-type: none"><li>▪ All plants are FDA and other regulatory body approved</li><li>▪ Regular customer audits ensures continuous compliance</li><li>▪ Dedicated resource to monitor and improve compliance parameters</li></ul>

# Emerging Business: Multi APIs / Onco

## Overview

- Addition of USFDA approved multiproduct manufacturing site enabling scale-up and manufacturing of niche APIs through in-house R&D for organic ANDA filling and customers' formulation development
- Helps core US business in integrated play – both OTC & Rx space.
- Multiproduct and multi-stage manufacturing facilities in Vizag to manufacture and market products in different technology platforms
- Limited competition space; developed unique products with complex technology and high entry barriers give exposure to early launch opportunities
- Fully integrated facility to offer APIs and FDs in Onco Therapeutic Segment which features among the top growth segments
- Business contingency for API manufacturing for supply chain continuity



# US Generics

## Overview

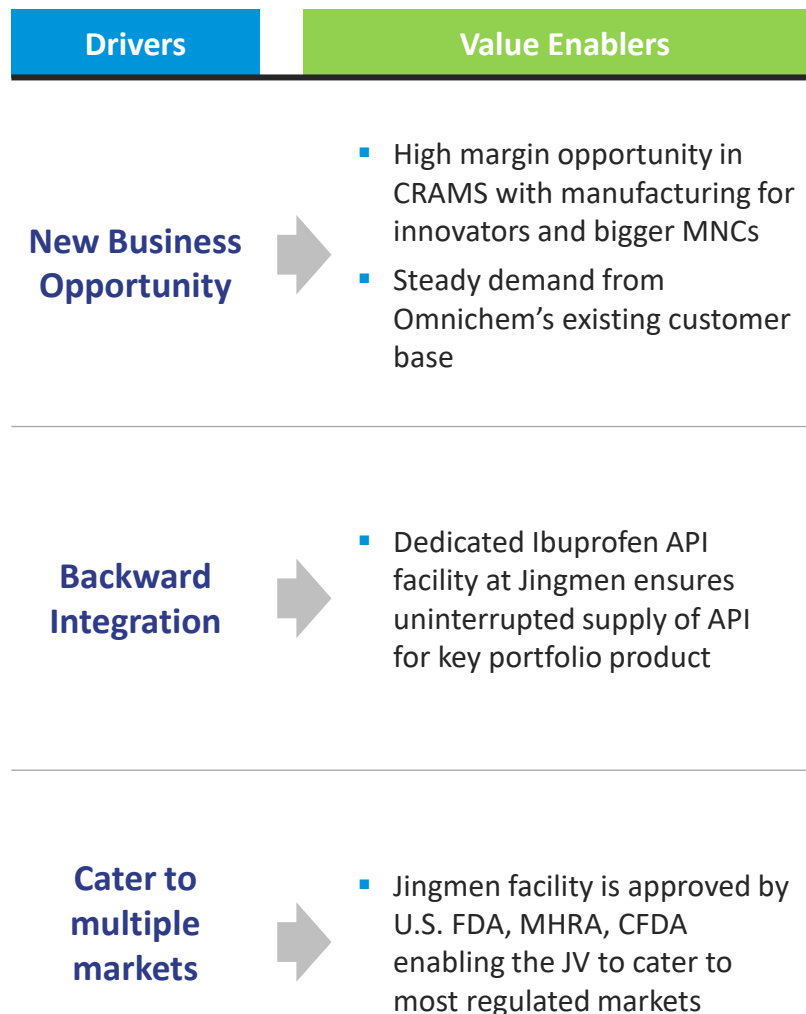
- Fully integrated infrastructure from R&D, manufacturing to marketing enabling “Make in America”
- Balanced product portfolio. Combination of internal capabilities and market dynamics
- Strategic portfolio selection focusing on limited competition in Para III
- US FDA approved facility in Virginia with a team strength of 90+
- Access to talent pool in the US
- Business to Consumer – front end sales and marketing for Rx & OTC products



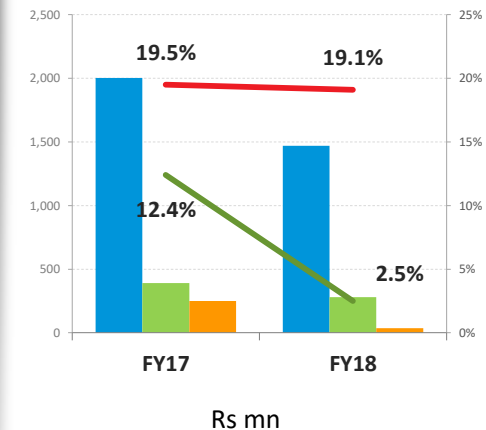
# JVs – Granules Omichem & Granules Biocause

## Overview

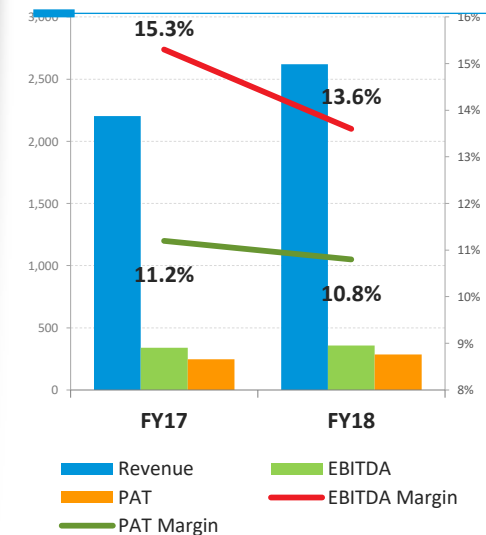
- Granules Biocause, a venture with China based Hubei Biocause operational since 2007. Objective is to enable core business Ibuprofen API requirement through backward integration.
- Enables the core business to de-risk the supply chain management
- Omnichem is a 50:50 JV with Belgium Omnichem, a part of the Ajinomoto Group. Focus on CRAMS as a diversification strategy
- Omnichem foray primarily caters to high-value, low-volume API and intermediates for Omichem's existing customers
- Provides a cost effective manufacturing base to innovators when CRAMS products go off-patent



## Granules Omnichem



## Granules Biocause



# Core Management Team



**Mr. C. Krishna Prasad**  
*Chairman and Managing Director*

Mr. Prasad is the Founder of Granules and has three decades of experience in the pharmaceutical industry. In 1984, he set up a Paracetamol manufacturing facility, focused on capital and process efficiency. Pharmaceutical Formulations Intermediates (PFIs) as a cost efficient product for global formulations manufacturers, a concept pioneered and popularized by him.



**Mrs. Uma Devi Chigurupati**  
*Executive Director*

Mrs. Uma has rich experience of 30 years in various fields. Mrs. Uma with Mr. C. Krishna Prasad co-founded Triton Laboratories Private Limited in the year 1984, which was later amalgamated with Granules India Limited. Presently, she is spear heading CSR activities and HR initiatives.



**Ms. Priyanka Chirugupati**  
*Executive Director, Granules Pharmaceuticals, Inc.*

Ms. Priyanka Chigurupati is the Executive Director of Granules Pharmaceuticals Inc. and responsible for the US Generics business. Ms. Chigurupati has a Master of Science degree in Business Management from Case Western Reserve University. Within Granules, she has had a variety of roles across several divisions in the US and in India including the Core business, Emerging Business and Consumer Health over the past 5 years.



**Mr. Karuppannan Ganesh**  
*Chief Financial Officer*

Mr. Ganesh is a Chartered Accountant with post qualification experience of 30 years. He has worked on cross border M&A activities, international treasury & taxation, corporate development and control. Prior to joining Granules India, Mr. Ganesh worked in Dr Reddy's Laboratories as Sr Vice President - Corporate Finance. He also worked with Philips India, Coca Cola, ABB and Manali Petrochemical on various capacities



**Mr. Sreekanth Muttineni**  
*Chief Operating Officer*

Mr Sreekanth Muttineni joined Granules India in September 2016. During nine year tenure with Lupin Ltd, he was responsible for manufacturing operations. Prior to that, Mr. Muttineni had worked at Aurobindo Pharma Ltd as General Manager – Operations and led the establishment of generic pharmaceutical facilities and commercialization.



**Mr. Stefan Lohle**  
*Chief Marketing Officer*

Mr. Lohle has over two decades of experience in the Pharmaceutical industry. Mr Lohle has been associated with Granules since 2001 and previously was Head of Latin American Operations, where he primarily focused on the PFI Business. Mr Lohle previously served at Kimberly Clark Corporation for New Project Development.



**Mr. Atul Dhavle**  
*Chief Human Resources Officer*

Mr. Atul Dhavle is a Graduate in Production Engineering from Nagpur University and holds a Postgraduate certificate in Business Management from XLRI. He has over 26 years of experience with reputed organizations like Mahindra & Mahindra, DuPont, Welspun, Dr. Reddy's and handled various assignments in Human Resources and Operational Excellence functions.

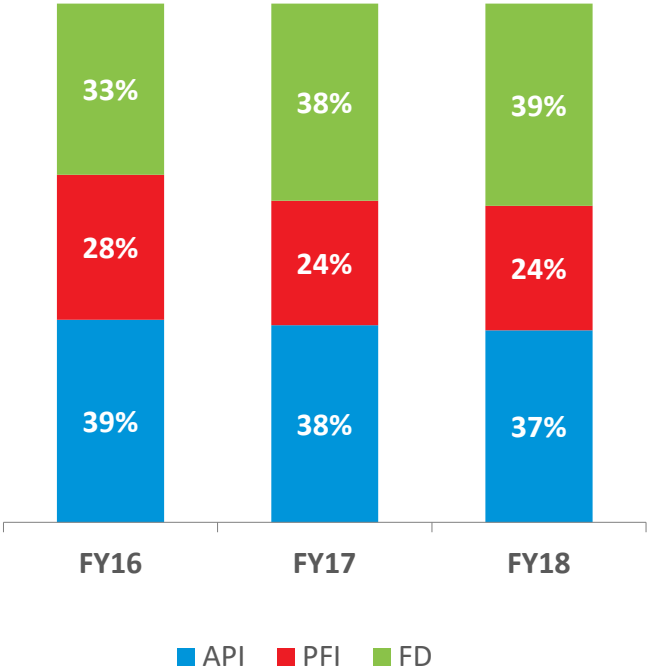
# Financial Performance

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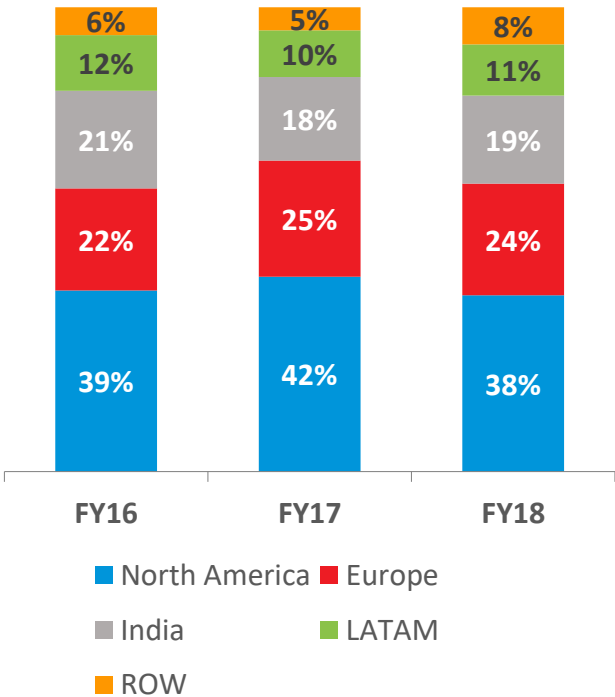
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# Consolidated Metrics

Product Vertical wise



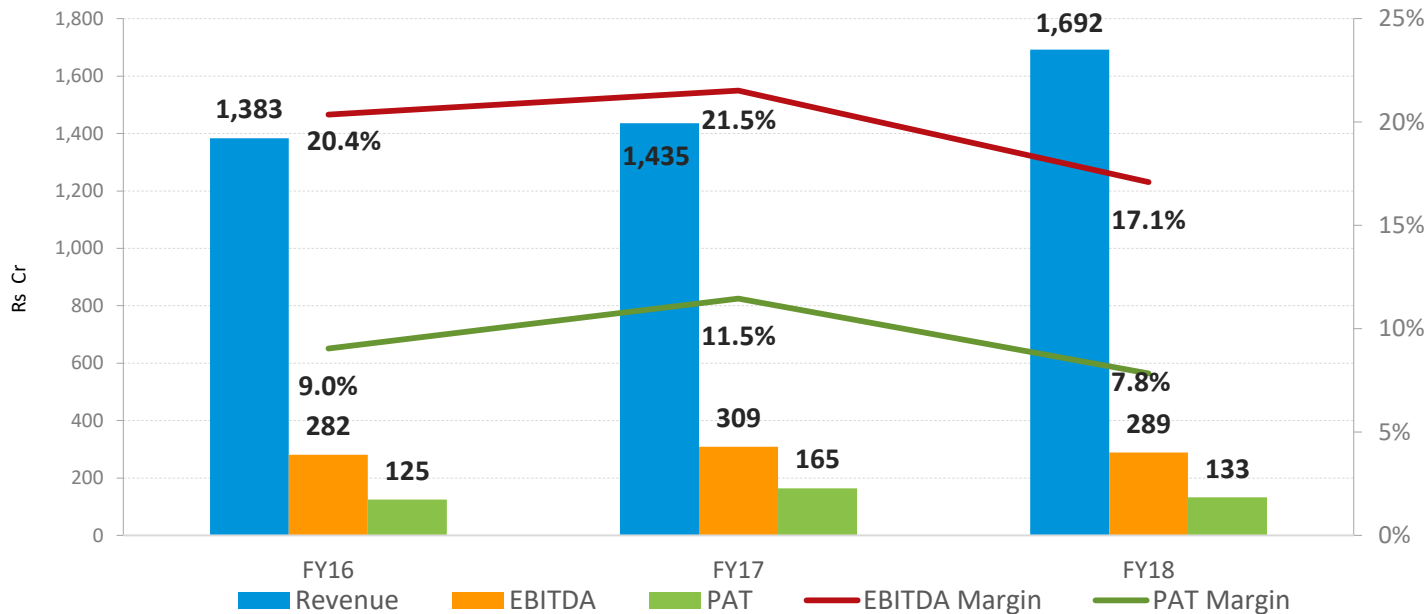
Geography wise



# Break up of Revenue as per IND AS



# Consolidated Financial Overview – Trends



## Key Balance Sheet Trends (Rs Cr)

	FY 16	FY 17	FY 18
Net Worth	662	904	1,304
Capital Employed	910	1,086	1,758
Total Assets	1,563	1,876	2,644

## Future Value Drivers

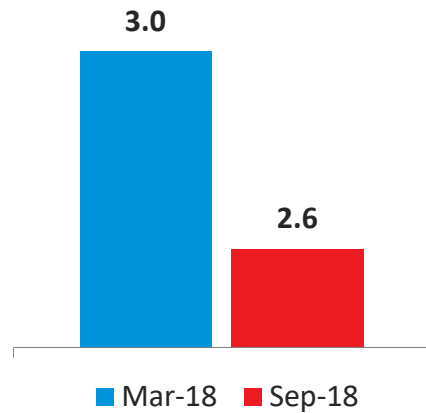
Optimal Utilization  
of Core Business  
installed capacities

Scale-up of  
Granules  
Pharmaceutical Inc

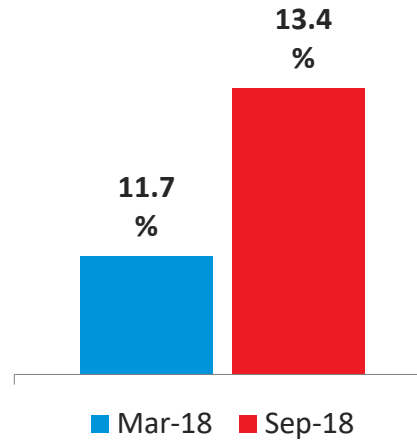
Operationalization of  
Multiple API  
and  
Oncology Block

# Balance Sheet Highlights

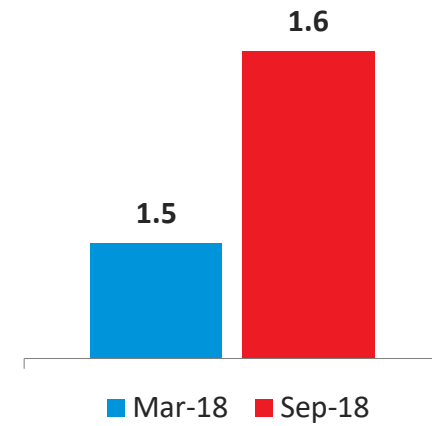
### Net Debt to EBITDA



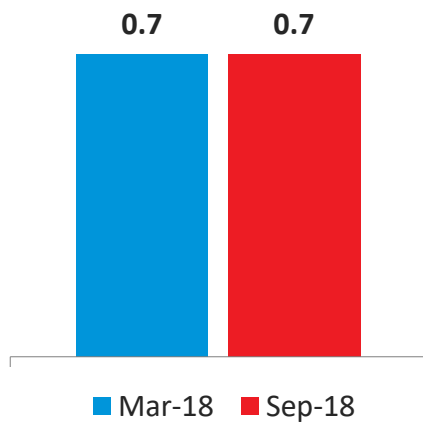
### ROCE



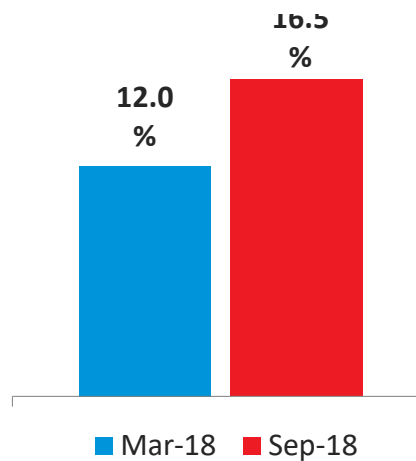
### Asset Turnover (x)



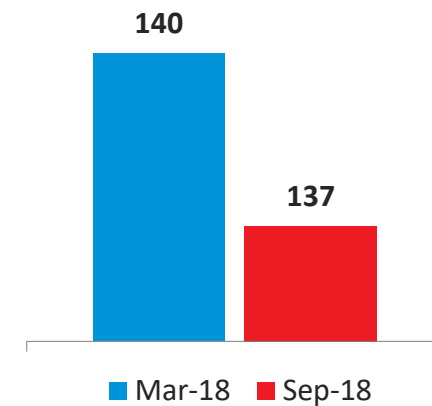
### Net Debt to Equity



### Return on Equity



### Cash to Cash Cycle (Days)



# Way Forward

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# Way Forward

## Building Blocks in Place



- Integrated platform in place that can address the entire value chain from intermediates to finished dosages
- Investments in FD including pulsatile drug release, orally disintegrating modified release and abuse deterrent technology platform for controlled substances
- Omnichem JV geared to address high growth opportunity in the CRAMS space

## Profitable Growth through Execution



- Expanding portfolio range with addition of differentiated and limited competition products in API/FPI
- Omnichem's established customer base to be major contributor to revenues
- Building portfolio of strong brands in regulated markets

## Steady Returns to the Stakeholders



- Financial discipline to a key focus
- Focus on generating operating leverage
- Identifying newer growth avenues to deliver sustainable growth

Huge Economies of Scale

Foundation of Quality & Compliance

Experienced and Proven Management team





*For further information, please contact:*

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