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Speaker – Tushar Bohra

- **Co-founder & Fund Manager, MK Ventures**, a proprietary investment firm.
- Over 15 years of cross-functional, cross-industry experience including **7 years in consulting and 8+ years in investing.**
- Before MK Ventures, I was Assistant Vice President – Investments at Reliance Capital Ltd., and part of the investment team at **Nippon India Asset Management**. Previously, I have also worked at Accenture Management Consulting and Tata Consultancy Services Ltd.
- I lead the team's investment initiatives in **Pharma / Healthcare, Telecom, Emerging Technologies & Business Models** and have also extensively worked in other sectors including **Consumer**, **IT, Automotive**, **Chemicals**, and **Real Estate**.
- Bachelor of Engineering degree (Electronics & Telecommunications) from Mumbai University and an **MBA (PGDM) from the Indian Institute of Management Calcutta**
- Besides investing, I am also very passionate about writing, and maintain my own **blog** (**https://thestormcatcher.com**)**.** I have also authored a **book** titled **"Ouch! Middle Age!",** available on Amazon Kindle.

Investment Philosophy

- **Strong business models with reasonable but certain growth characteristics**
- **Passionate promoter with a clear and well articulated vision for the company**
- **Significant upside optionality – playing either Business Optionality or Perception Gaps**
- **Superior / Improving - balance sheet / return ratios / cashflows**
- **Valuations that I can relate to**

GRANULES INDIA

DISCUSSION DOCUMENT

CMP: 380 (9th August 2021); MCAP: 9,414 Cr.;
Net Debt: 630 Cr.;

FY21 Rev 3,238 Cr.; FY21 EBITDA 855 Cr.; FY21 PAT 549.5 Cr.

Why Granules (1/2)

- B2B is all about relationships, execution!
- Simple businesses, executed well, create immense wealth over time
- Cost Leadership, Process Efficiency, Consistency of Quality and Continuous Incremental Innovation – hard to beat, especially at scale!
- DNA for Growth – whether present, and whether can be capitalized on
- Honest mistakes, volatile times are often an opportunity

Why Granules (2/2)

1. Leadership in key molecules; has achieved critical scale
2. Clear template for growth established, being replicated in other molecules
3. Zero regulatory issues
4. Vertically Integrated
5. Best in class growth characteristics
6. Return Ratios (adjusted) are comparable with leaders in peerset
7. Ability to walk away from decisions gone wrong
8. Promoter Interests fully aligned
9. Significant Perception Gap
10. Investing for the future; key investments at monetization stage

Key Numbers

CMP	INR Rs.	**380**
Shares O/s	No. of Shares in Cr.	**24.76**
FY21 Revenue	INR Cr	**3,238**
FY21 EBITDA	INR Cr	**855**
FY21 PAT	INR Cr	**549.5**
Net Debt	INR Cr	**630**
FY21 Net Worth	INR Cr	**2,151**
Market Cap	INR Cr	**9,414**
EV	INR Cr	**10,044**

Particulars	FY 16-21 CAGR	FY 11-21 CAGR
Revenue CAGR	19.0%	21.2%
EBITDA CAGR	25.4%	31.3%
PAT CAGR	34.5%	38.7%
EPS CAGR	31.3%	35.8%

Source: Company Filings, earnings calls, publicly available info. Databases: Ace, Bloomberg

Granules India Limited – At a Glance

Key Building Blocks	Regulatory Compliant mfg. capacity	Strong R&D Capacity	Robust Financial Performance (FY21)
Regulatory Compliance **Operational Efficiency** **Customer Centricity** **Scale of Operation**	• 6 plants in India, 1 in US • Amongst world's largest Paracetamol API capacities • World's largest PFI facility • One of the world's largest FD facilities	• 57 ANDA filings with 43 approved ANDAs • 24 US and 7 European DMF's • 19 CEP's with EDQM • 8 patents granted; 15 pending	Revenue: Rs. 3,238 Cr (24.6 % YoY Growth)
Global reach • 75+ countries • 300+ customers Scale advantage in key molecules – Paracetamol, Metformin, Ibuprofen	• 39,360 TPA and 352 KL of API capacity • 24,640 TPA of PFI capacity • 23.3 Bn dosages of FD capacity	• Dedicated R&D centers with capability in process R&D, API and finished dosage products • 45,000+ sq ft of R&D space • 200+ scientists	EBITDA: Rs. 855 Cr (~26% EBITDA Margins) PAT: Rs. 549 Cr (~17% PAT Margins)
Vertically Integrated across the Value chain	• Facilities approved by all major regulators including USFDA, EDQM, EU GMP, COFEPRIS, WHO GMP, TGA, KFDA, DEA, MCC, INFARMED, Health Canada	• 3,500+ employees • ~25% in quality	ROE: ~28% ROCE: ~26% Asset Turnover: ~1.6

Source: Company Filings, earnings calls, publicly available info. Databases: Ace, Bloomberg

Strong front end presence, backed by both product specific dedicated facilities and multi-purpose plants; no compliance issues at any plants

Key Operating Subsidiaries and JVs

Granules India Limited

- 100% → **Granules USA Inc**
- 100% → **Granules Pharmaceuticals Inc**
- 100% → **Granules Life Sciences Pvt Limited**
- 100% → **Granules Europe Limited**

Manufacturing Presence (not including JV facilities)

Value chain	Location	Installed Capacity	Major Approvals	Regulatory Status
API (39,360 TPA & 352 KL)	Bonthapally	34,560 TPA	USFDA, EDQM, WHO GMP etc.	Clear
	Jeedimetla	4,800 TPA	USFDA, KFDA, TGA, EDQM etc.	Clear
	Unit IV – Vizag	352 KL	KFDA, WHO GMP, COFEPRIS etc.	Clear
PFI (24.640 TPA)	Gagillapur	23,200TPA	USFDA, COFEPRIS, Health Canada etc.	Clear
	Jeedimetla	1,440 TPA	USFDA, KFDA, TGA, EDQM etc.	Clear
FD (23.3 Bn)	Gagillapur	21.8 Bn	USFDA, COFERPIS, TGA, INFARMED etc.	Clear
	Virginia, USA	1.5 Bn	USFDA, DEA	Clear

Source: Company Filings, earnings calls, publicly available info.

Integrated Manufacturing Infrastructure - Vertical integration in key molecules enabling market share leadership

Paracetamol – Granules Market Share – 16% - Leader

Mfg.	Location	API	Granulation	Finished Goods
Granules India	India	✔	✔	✔
Mallinckrodt	US	✔	✔	✔
Anqiu Luan	China	✔	✔	✔
Zhejiag Kangle	China	✔	✔	
Farmson	India	✔		

Metformin – Granules Market Share – 13% - Leader

Mfg.	Location	API	Granulation	Finished Goods
Granules India	India	✔	✔	✔
Harman	India	✔	✔	✔
USV	India	✔		✔
Wanbury	India	✔		
Aarti Drugs	India	✔		

Ibuprofen API

Mfg.	Location	API	Granulation	Finished Goods
Granules India	India		✔	✔
SI Group	US	✔	✔	
Solara	India	✔	N.A.	✔
IOL	India	✔	N.A.	N.A.
BASF	India	✔	N.A.	N.A.
Shandong Xinhua	China	✔	N.A.	N.A.

Methocarbamol – Granules Market Share – 68% - Leader

Mfg.	Location	API	Granulation	Finished Goods
Granules India	India	✔	✔	✔
Synthokem Labs	India	✔	N.A.	N.A
Gennex Labs	India	✔	N.A.	N.A

Guaifenesin – Granules Market Share – 60% - Leader

Mfg.	Location	API	Granulation	Finished Goods
Granules India	**India**	✔	✔	✔
Synthokem Labs	India	✔	N.A.	N.A
Haizhou Pharma	China	✔	N.A.	N.A

Source: Company Filings, earnings calls, publicly available info. Databases: Ace, Bloomberg

The company has achieved this leadership over time through systematic execution of key business initiatives

Key Milestones / Phases

2008-2014
Moving beyond APIs

- Started FDs at Gagillapur in 2008
- 1st ANDA approval in 2010
- R&D focus under Dr. Prasada Raju, started focusing on complex generics
- CRAMS JV initiated with Azinomoto Ominchem
- Augmented API capabilities, acquired Auctus

2015-18
Investing for the future

- Massive capex, investments
- Acquired FD facility in US, front end set-up
- Received DEA license for controlled substances
- Capacity expansions in core business
- Launched 1st complex generic in US; Granules Consumer Health (OTC
- Focus on product selection for future growth
- Rise in leverage, capital raise

2019 and beyond
Scaling Up; Investments begin to deliver

- Para / Metformin expansions approved, received Para FD approval, gaining FD market share in both products
- 20 ANDAs approved in GPI, over all 57 filed / 45 approved
- More launches through own US front-end; scale up OTC
- Expanding formulations filings in EU / other Reg markets
- Onco/Hipo block commissioned; regulated market filings initiated; revenue generating from FY21; FDA approvals awaited
- New Products introduced in Core business
- Divested Omnichem and Biocause JVs for ~220 Cr.; debt reduced
- Building up capabilities / capacities in MUPS

The company has successfully transitioned to formulations from APIs, thereby improving the overall margin profile / return ratios

Revenue breakup by Segment

GRANULES INDIA LIMITED-CONSOLIDATED											
Sales Break-up (Rs. Cr)	**FY11**	**FY12**	**FY13**	**FY14**	**FY15**	**FY16**	**FY17**	**FY18**	**FY19**	**FY20**	**FY21**
API	220	270	337	429	570	539	545	660	821	817	912
% of sales	46%	41%	44%	39%	44%	39%	38%	39%	36%	31%	28%
PFIs	155	195	216	315	310	387	344	416	388	421	626
% of sales	33%	30%	28%	29%	24%	28%	24%	25%	17%	16%	19%
Finished Dosages	100	190	212	352	412	456	545	616	1,071	1,360	1,699
% of sales	21%	29%	28%	32%	32%	33%	38%	36%	47%	52%	52%
Total	**475**	**654**	**764**	**1,096**	**1,293**	**1,383**	**1,435**	**1,692**	**2,279**	**2,598**	**3,237**

- **In last 10 years Finished Dosages i.e., formulations have grown at a CAGR of ~33% and now account for 52%+ of revenue of the company**

- **API’s and PFI’s have grown at a CAGR of ~15% each over the same period. API growth is higher in tonnage terms, but because of captive usage the same is not visible in terms of revenue**

Incremental growth is being driven largely by a basket of other products, both volume based and high value complex offerings

Revenue break-up by Products

Rs. Cr.	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY23E	FY25E
Total Sales	764	1,096	1,293	1,383	1,435	**1,692**	2,279	2,599	**3,238**	4,570	**6,920**
Paracetamol	367	460	530	553	488	575	750	750	1,100	1,380	1,740
Metformin	168	263	297	360	431	491	480	600	840	1,050	1,320
Ibuprofen	161	241	207	166	187	288	430	650	580	730	920
Guaifenesin	38	66	65	83	72	85	90	80	100	120	150
Methocarbamol	15	22	26	28	43	17	140	130	100	120	150
Core	**749**	**1,052**	**1,125**	**1,190**	**1,220**	**1,455**	**1,890**	**2,210**	**2,720**	**3,400**	**4,280**
Core %	98%	96%	87%	86%	85%	86%	83%	85%	84%	74%	62%
Growth %		40%	7%	6%	3%	19%	30%	17%	23%	12%	12%
Others	**31**	**44**	**155**	**194**	**201**	**237**	**390**	**390**	**520**	**1,170**	**2,640**
Others %	4%	4%	12%	14%	14%	14%	17%	15%	16%	26%	38%
Growth %		43%	254%	25%	4%	18%	65%	3%	33%	50%	50%

- Over FY18-21, total revenue grew at 24.2% CAGR, while core molecules grew at CAGR of 23% and other molecules grew at ~30% CAGR
- However, future contribution assumed to be pulled up by others as a category, which will rise from 16% of revenue in FY21 to 38-40% by FY24. Expected to post a CAGR of ~50% over FY21-25 vs a realistic 12% CAGR built for core molecules and ~21% CAGR for overall business
- Core continues to grow led by increasing formulations market share (esp Paracetamol, Metformin), increasing presence in EU and ROW and introduction of new combinations / products in Core 3 (for example Glumetza in Metformin, Paracetamol combination products etc.)
- Others basket will be driven by high volume products like Losartan, MUPS based products, Gabapentin, Fexofenadine etc. and complex US Formulations business (57 ANDAs filed, 43 approved / 2 tentative approvals and 12 pending) / US OTC
- For the first time in Q1F22, Granules has broken down the products pipeline by therapeutic area, indicating clear focus segments going ahead

Granules is operationally one of the best performing midcap pharma stocks in last decade, and continued to deliver good numbers even in a challenging phase for the sector in last 5 years

Snapshot of Key Parameters

Particulars (In Cr.)	FY12	FY15	FY18	FY20	FY21	*CAGR (%) FY18-21*
Net Sales	654	1,293	1,692	2,599	**3,238**	***24.3%***
EBITDA (excl. OI)	79.3	209	279	525	**855**	***45.3%***
EBITDA Margin %	12.1%	16.1%	16.5%	20.2%	**26.4%**	
Adj. PAT	29.9	90.9	132.6	336	**549**	***60.6%***
Net Profit Margin %	4.6%	7%	7.8%	12.9%	**17%**	
Gross Block (+CWIP)	384	903	1,707	2,164	**2,384**	
Net Debt	172	417	862	606	**578**	
Net worth	245	431	1,299	1,825	**2,151**	
ROE	13%	23%	13%	27.5%	**27.95%**	

- Granules has been one of the best performers in Pharma with **over the last 10 years with strong growth in revenue and profits over this period**
- PAT has grown at a scorching 60% CAGR between 2018-21, led by both revenue growth and improving margins. This is much higher than the sector average / average for Top 10 pharma companies
- This growth was achieved despite Granules being heavily US market focused, and in a so-called commodity product basket, in the worst of pricing scenario in last 4 years.
- **Management is guiding for 20-25% PAT CAGR (FY21-24)**

Source: Company Filings, earnings calls, publicly available info. Databases: Ace, Bloomberg

Granules is amongst very few companies with zero regulatory issues with USFDA / EUGMP / MHRA

Company Name	Regulatory Issues faced in last 5-7 years
Sun Pharmaceutical Industries Ltd.	
Divi's Laboratories Ltd.	
Dr. Reddy's Laboratories Ltd.	
Cipla Ltd.	
Gland Pharma Ltd.	
Cadila Healthcare Ltd.	
Aurobindo Pharma Ltd.	
Lupin Ltd.	
Torrent Pharmaceuticals Ltd.	
Biocon Ltd.	
Alkem Laboratories Ltd.	
Laurus Labs Ltd.	

Company Name	Regulatory Issues faced in last 5-7 years
Ipca Laboratories Ltd.	
Natco Pharma Ltd.	
Ajanta Pharma Ltd.	
Alembic Pharmaceuticals Ltd.	
Glenmark Pharmaceuticals Ltd.	
Suven Pharmaceuticals Ltd.	
Jubilant Pharmova Ltd.	
Wockhardt	
Granules India Ltd.	
Sequent Scientific Ltd.	
Aarti Drugs Limited	
Strides Pharma Science Ltd.	

Regulatory Issues at Multiple Plants

Regulatory Issue – at least 1 Plant

No Regulatory Issues

Source: Company Filings, earnings calls, publicly available resources

ESG Focus

Simple Holding Structure

- Granules has only 4 relevant subsidiaries and all the subsidiaries are **wholly owned**.
- All subsidiaries are operating subsidiaries
- No non-business entity as subsidiary
- No issues of promoter cross holdings

Immaterial Related party Txns

- The company has only done transaction amounting to Rs. 0.6 Cr relating to rent and 0.2 Cr relating to rental deposit with Tyche Investments (Enterprises under same management)
- **Apart from the above, all transactions are normal business transactions**

Promoter Alignment

- Promoters fully aligned with Granules, no other significant commercial interests
- Had taken pledging of shares to raise capital to invest in business; now, with the purpose achieved, pledge has been reduced
- Taken up asset monetization, equity sale, to reduce personal leverage

Focus on ESG Initiatives

- Identified areas of improvement and **initiated a Carbon & Emission, Water & Waste Foot printing exercise** and taking up improvement projects in these.
- Recently made executive level hire to oversee the ESG initiatives

Source: Company Filings, earnings calls, publicly available info

Quarterly numbers

QUARTERLY FINANCIALS CONSOLIDATED											
Narration	**Dec-18**	**Mar-19**	**Jun-19**	**Sep-19**	**Dec-19**	**Mar-20**	**Jun-20**	**Sep-20**	**Dec-20**	**Mar-21**	**Jun-21**
Sales	**632**	**613**	**595**	**700**	**704**	**600**	**736**	**858**	**845**	**799**	**850**
% Growth YOY					*11%*	*-2%*	*24%*	*23%*	*20%*	*33%*	*16%*
Expenses	518	516	477	556	541	500	552	602	633	597	648
Operating Profit	**113**	**98**	**119**	**144**	**163**	**100**	**184**	**256**	**212**	**202**	**201**
OPM	*18%*	*16%*	*20%*	*21%*	*23%*	*17%*	*25%*	*30%*	*25%*	*25%*	*24%*
Other Income	6	2	2	9	4	23	6	3	16	3	8
Depreciation	27	27	29	30	39	39	34	36	37	44	39
Interest	7	7	7	7	7	7	6	6	7	7	7
Profit before tax	85	65	85	115	89	137	149	217	184	154	163
% Growth YOY					*5%*	*110%*	*76%*	*89%*	*107%*	*13%*	*9%*
PBT Margin	*13%*	*11%*	*14%*	*16%*	*13%*	*23%*	*20%*	*25%*	*22%*	*19%*	*19%*
Tax	26	20	27	19	25	44	38	54	37	26	43
Net profit	**58**	**45**	**58**	**96**	**64**	**92**	**111**	**164**	**147**	**128**	**120**
% Growth YOY					*10%*	*105%*	*93%*	*71%*	*129%*	*38%*	*8%*

- Sharp rise in profits in FY21 (sustainable), due to a) higher gross margins due to higher FD revenue share; b) improved pricing + formulation market share gains in Ibu / Para / Metformin; c) launch of Methergine, Metformin ER and Methocarbamol formulations; d) improved performance from own front end in US with several new launches
- Gross margins to improve further in FY22, as formulations contribution increases from US; rising operating leverage to further contribute to improved EBITDA margins going ahead.
- Note that the higher profits is despite switch to a more conservative accounting practice as advised by the auditors
- Q4 FY20 numbers impacted by Covid, plus H2FY20 numbers impacted by JV divestment. H2FY21 impacted by issues in paracetamol supply chain which is persisting into Q1FY22

Key Financials – Strong growth over FY19-21 along with balance sheet strengthening and visible FCF (1/2)

Profit & Loss Account / Income Statement										
Rs Cr	**Mar-12**	**Mar-13**	**Mar-14**	**Mar-15**	**Mar-16**	**Mar-17**	**Mar-18**	**Mar-19**	**Mar-20**	**Mar-21**
Sales	**654**	**764**	**1,096**	**1,294**	**1,357**	**1,411**	**1,685**	**2,279**	**2,599**	**3,238**
% Growth YOY		*17%*	*43%*	*18%*	*5%*	*4%*	*19%*	*35%*	*14%*	*25%*
Expenses	575	679	938	1,084	1,081	1,112	1,406	1,895	2,073	2,382
Material Cost (% of Sale	*63.4%*	*61.1%*	*58.9%*	*57.7%*	*53.4%*	*48.2%*	*53.2%*	*55.1%*	*49.3%*	*43.0%*
Operating Profit	**79**	**85**	**158**	**209**	**276**	**299**	**278**	**384**	**525**	**855**
Operating Profit Margin	*12%*	*11%*	*14%*	*16%*	*20%*	*21%*	*16.5%*	*16.8%*	*20.2%*	*26.4%*
Other Income	1	2	4	4	6	10	11	27	37	27
Depreciation	21	23	30	53	58	72	76	105	137	151
Interest	17	18	20	32	37	32	33	28	27	26
Tax	13	14	37	37	61	65	63	89	116	155
Net profit (post exceptior	**30**	**33**	**75**	**91**	**123**	**165**	**133**	**236**	**335**	**549**
% Growth YOY		*9%*	*131%*	*21%*	*35%*	*34%*	*-19%*	*78%*	*42%*	*64%*
Net Profit Margin	*5%*	*4%*	*7%*	*7%*	*9%*	*12%*	*8%*	*10%*	*13%*	*17.0%*
EPS	1.5	1.6	3.7	4.5	5.7	7.2	5.2	9.3	13.2	22.2

Balance Sheet										
Rs Cr	**Mar-12**	**Mar-13**	**Mar-14**	**Mar-15**	**Mar-16**	**Mar-17**	**Mar-18**	**Mar-19**	**Mar-20**	**Mar-21**
Equity Share Capital	20	20	20	20	22	23	25	25	25	25
Reserves	225	254	335	411	611	878	1,273	1,493	1,800	2,126
Borrowings	204	270	442	482	641	657	978	991	892	849
Other Liabilities	123	138	195	289	289	321	393	469	506	712
Total	**571**	**683**	**992**	**1,203**	**1,563**	**1,879**	**2,670**	**2,979**	**3,223**	**3,713**
Gross Block	354	387	654	844	823	984	1,200	1,473	1,875	2,145
Capital Work in Progress	29	109	125	62	77	130	290	323	148	185
Investments	0	10	0	0	70	108	157	210	129	19
Other Assets	291	301	385	524	856	859	1,222	1,328	1,596	2,123
Total	**571**	**683**	**992**	**1,203**	**1,563**	**1,879**	**2,670**	**2,979**	**3,223**	**3,713**
Working Capital	169	163	190	235	568	538	829	859	1,090	1,410
Debtors	95	71	111	137	375	418	628	674	662	765
Inventory	110	136	174	225	254	269	280	384	438	782
Cash & Bank**	32	42	42	65	130	50	116	89	284	271

Cash Flow										
Rs Cr	**Mar-12**	**Mar-13**	**Mar-14**	**Mar-15**	**Mar-16**	**Mar-17**	**Mar-18**	**Mar-19**	**Mar-20**	**Mar-21**
Cash from Ops	**26**	**91**	**108**	**150**	**151**	**188**	**-1**	**262**	**476**	**432**
% Growth YoY		*256%*	*18%*	*39%*	*1%*	*24%*	*-100%*	*-40414%*	*82%*	*-9%*
Cash from Investing	-54	-128	-255	-146	-162	-326	-462	-270	-161	-277
Cash from Financing	49	46	147	19	86	56	529	-17	-213	-299
Net Cash Flow	**20**	**10**	**0**	**24**	**75**	**-82**	**66**	**-25**	**103**	**-144**

Multiple Growth Drivers

1. **Address gaps in FD for existing molecules –** incrementally, formulations driven growth for – Paracetamol, Guaifenesin, Methocarbamol; filing in other regulated markets like EU, Australia for Metformin, Paracetamol etc. as needed. Increasing geographical coverage and product coverage. Para FD approved in FY20 for US, along with some Para based opioids – has driven growth in FY21. Glumetza approval for Metformin last year.

2. **Value Addition in Core Business:** Planning to reduce existing low margin revenue segments (e.g. Para OTC sales) and switch to better value added products. Looking for higher value addition across key products - shifting some existing large clients like GSK from APIs to PFI / FDs and adding new clients like J&J (Paracetamol)

3. **Emerging Business:** Leverage Auctus platform to add more medium volume / medium value molecules – Cetrizine, Losartan, Fexofenadine, Gabapentin, Loratidine some of the products identified. Also working on formulations / CMO opportunities in these

4. **Complex Molecules:** Significantly ramping-up filings through Virginia facility – several combination products (including those from existing core molecules + new ones), controlled substances (DEA license obtained; 5 controlled substances launched) + high volume complex API / niche formulations being filed from US. Planned ~10-12 filings every year. Also increasing filings in EU and other regulated markets.

5. **HiPo / Oncology:** 5 DMFs filed in HiPo and 6 in non HiPo. Of the 6 in Non HiPo 5 to be captively used. In HiPo/Onco pursuing contract manufacturing opportunities.

6. **MUPS –** new facility to go live in Q4, 5 products approved from existing block in various markets, 15 under development

7. **Working on VA products for US -** transferring some products from India to US for VA program

8. **Raw Material Security:** Backward integration (to API level) achieved across all existing core molecules; building redundancy in API / Intermediate sourcing (KSM level integration) from day 1 in new molecules to assure RM security and prevent volatility in earnings

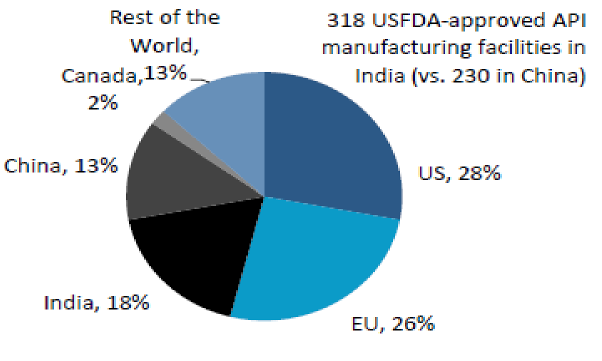
Source: Company Filings, earnings calls, analyst views, internal assessment

Thematic Overview

India has the largest number of DMF filings in US, and also the largest number of FDA approved API / FD plants for any single country outside US

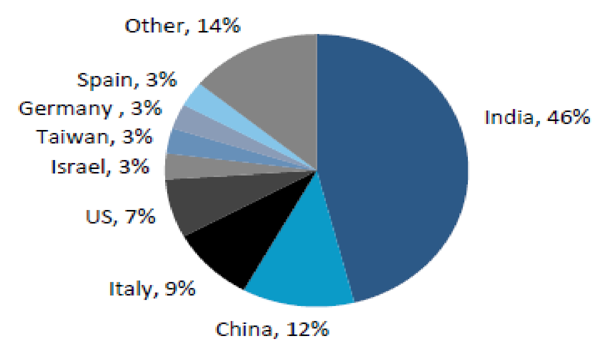
FDA-approved manufacturing network & capabilities across generic value chain are India's advantages – as customers look to diversify sourcing

USFDA approved API manufacturing facilities by country /region (Aug 2019)



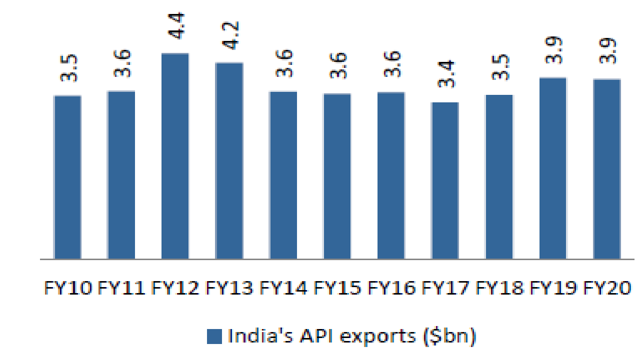
Source: USFDA, Spark Capital Research

US DMFs by region of holder



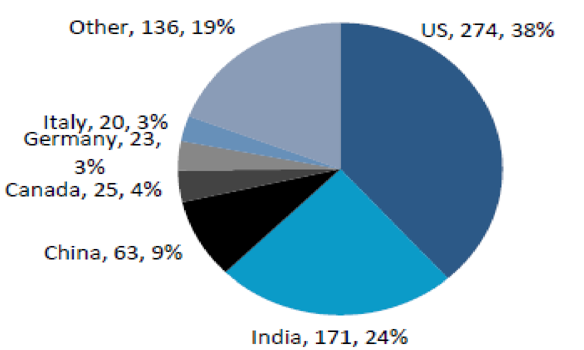
Source: USFDA, Spark Capital Research

However, India's API exports have remained virtually flat



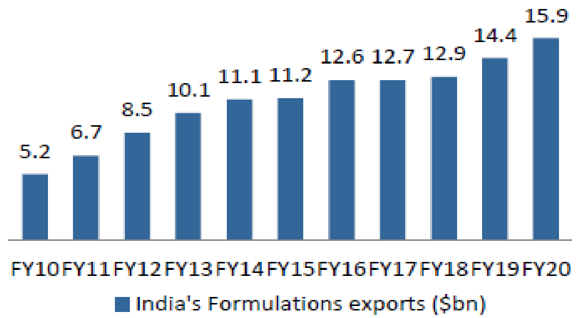
Source: DGCIS, Spark Capital Research

USFDA-approved formulations manufacturing facilities by country/region



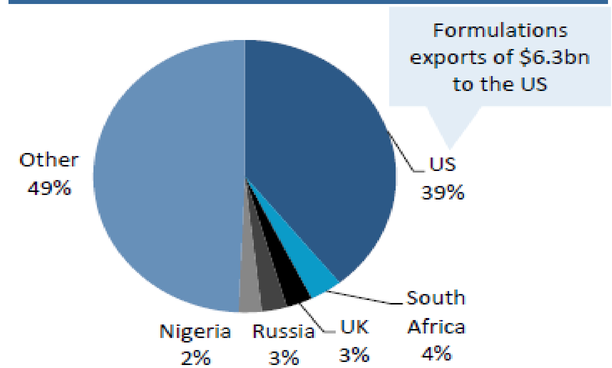
Source: USFDA, Spark Capital Research

India's formulations exports – ~3x in the last decade



Source: DGCIS, Spark Capital Research

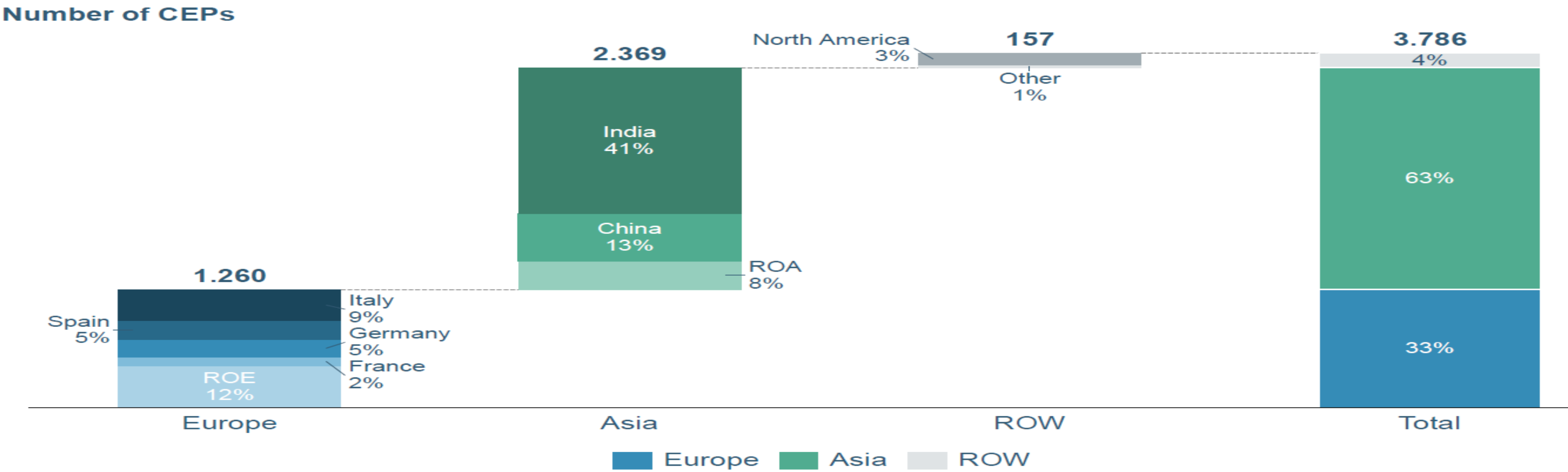
India's formulations exports – geographic breakup



Source: DGCIS, Spark Capital Research

Source: Spark Capital Research Sept 2020

India also has the largest number of EU CEP filings for any single country globally



1. Only 33% of CEPs (US - DMF equivalent) for APIs required in Europe are held by European manufacturers. 40%+ of all CEPs are held by India alone. Indian manufacturers virtually control the API supply for Europe. Over last 2 decades, Asian manufacturers have actually taken more than 70-80% of incremental registrations, a large chunk of which came to India
2. For 93 APIs there are no CEPs in Europe while for 50%+ APIs, there are only between 1-5 CEPs worldwide, indicating very few manufacturers, mostly concentrated in Asia
3. Today, Europe is mainly a producer of complex, smaller-volume APIs (larger API portfolio but low volume for each molecule) while Asia has concentrated the high-volume manufacturing (smaller API portfolios but constantly expanding). Within this, Indian manufacturers tend to be larger and more focused on high-volume APIs, while being compliant of EU regulations
4. Cost of setting up and running an API facility in EU being significantly higher restricts its competitiveness. Timelines for site setup and approvals also very long in EU.
5. Average ~9 CEPs per manufactuer in India compared to ~3 CEPs in China, however ~70% of the manufacturers till have a small portfolio with 1-3 CEPs. This means the remaining have a substantially higher number to take average to ~9, and are critical to EU supply chains. Note that 1 API can have more than 1 CEP registration, depending on country wise registrations

Source: Progenerika Study on API sourcing for EU

The change in narrative – from fastest fingers first to last man standing – 1/2

1. **Background:**
    1. Pharma large-caps underperformed in last 5 years, led by challenges in US market – pricing pressure + regulatory issues + specialty investments. And this applied to the bigger global generics players as well – Teva, Mylan, Sandoz, Perrigo
    2. Growth in the US market moderated, driven by price erosion – generics prices declined by about eight percent annually between 2015 and 2018
    3. However in midcap pharma, growth continued unabated, even in the US market. The growth momentum shifted from largecaps to midcaps, from formulations to APIs, and API led strategies, from Para IV based opportunities to so called commodity generics

2. **Approach 1: Fastest Fingers First**
    1. Traditional generics model was based on capturing an opportunity early, before it became commoditized. "FASTEST FINGERS FIRST" approach. Firms built capabilities of being first to crack a particular molecule, have an extensive set of filings, litigations and exclusivity periods, trying to capture a pie of an originally large but rapidly shrinking market
    2. As this strategy started reaching saturation, the larger companies resorted to a number of strategies to maintain profitable growth. This includes i) letting go of the long tail – smaller products which were heavily competitive and not earning any profits for the larger generic companies, ii) Re-look at the sourcing strategy, including vertical integration for some of the key products, completely outsource the non core products – at times both formulations and APIs, or just APIs, iii) capacity closures, particularly APIs, iv) switch to complex generics and specialty basket to improve profitability
    3. Too many ANDAs, lack of focus on all products, making way to focus on selective large products

3. **Approach 2: Last Man Standing**
    1. What has happened in last 5 years is a different game altogether – LAST MAN STANDING. The strategy is not to go after blockbuster molecules, but to identify a limited number of products where you can create a difference in a crowded market by virtue of introducing either a new technology / process led manufacturing, improve yields and cost structures, use vertical integration to gain entry into a crowded market and then to eventually gain disproportionate market share.
    2. The market may originally seem small / too competitive, but as competitors start to move out, or if you have identified a product which is attractive enough but no one else wants to or can touch, you strike gold! Average number of competitors
    3. Focus on 40 products maybe, instead of 400 – and continue to refine capabilities and competitive edge, control the supply chain in those chosen 40.

4. Irrespective of the approach followed, key has been "product selection".

The change in narrative – from fastest fingers first to last man standing – 2/2

1. **Product Selection:** If formulations is about filings (number of filings, approvals, Para IVs etc.), API strategy is about scale, capacity, tonnage, supply chain!
2. **API Driven Strategies**: The companies who missed first wave of US generics, have chosen their products carefully, products on which they had been working for several years, and used their API capabilities to create a superior offering
   1. Granules went from 2k tons to 11k tons API capacity in Metformin, has continued to expand capacities in Paracetamol and Ibuprofen as well, and meaningfully gained market share in last 2-3 years in formulations
   2. Strides was 14^{th} entrant in Ranitidine, and went on to become No. 1 in market share, before the product went of the shelf due to NDMA issues
   3. Ipca is a global leader in products like Losartan, Chloroquine and Artemisin derivatives, Metoprolol, Atenolol, Hydrochlorothiazide etc with both scale and backward integration, and looking to consolidate positions further
   4. Laurus was one of the last entrants in Efavirenz for tender markets, and went on to control almost 50% API market share at the peak of Efavirenz demand. They are repeating the same with Dolutegravir now (30% global market share; doing CMO / third party API supplies + own formulations), but this time the aggression is higher since they are an early entrant, and have a growing access to the formulations market as well through TLD. The company has further indicated 15 molecules where they want to be 25%+ of global market share
   5. Divis has virtually captured the global market in molecules like Naproxen Sodium, Dextromethorphan
   6. Neuland – one of the global API leaders in Ciprofloxacin – 90% of US market share
   7. Hikal – Leader in Gabapentin
3. **Squeezing out the margins**
   1. Over last 5 years API companies have improved profitability by gaining margins on both sides – higher realizations thereby eating into gross margins of formulations players (or forward integrating themselves) and improved own gross margins by lowering raw material costs – thereby gaining margins from their suppliers or moving further back in the product chain themselves.
   2. Almost every API company today, is also backward integrated, with many having taken significant steps in last 2 years to de-risk China sourcing or to create a competitive advantage
   3. The formulations market share gains have not necessarily been in regulated markets alone. Companies like Aarti, Ipca, Laurus have also succeeded in either domestic market or in tender business, on back of a superior offering at scale
   4. An inherent part of this strategy has been to be a narrative setter rather than follower in key products, and significant investments into capacity building and backward integration
   5. Rather than have 400-500 filings, focus on 30-50 molecules and have global leadership in those
   6. Specializing in / further strengthening synthesis and CDMO capabilities has been another route that API / Chemistry driven companies have used. But not the core topic of discussion today.

BIG PICTURE – APIs becoming strategically important to the value chain

Historically a Commodity Play:

- Globally ~180-200bn USD market; India is the 2nd largest API buyer after US
- India sources >80% of intermediates, >50% of APIs from China. For some products, the dependency is even higher.
- APIs historically unregulated, either unorganized or (in case of volume plays) controlled by Chinese supply. B2B industry, scale and operational efficiency key to profitability. Most formulations guys procured APIs externally.

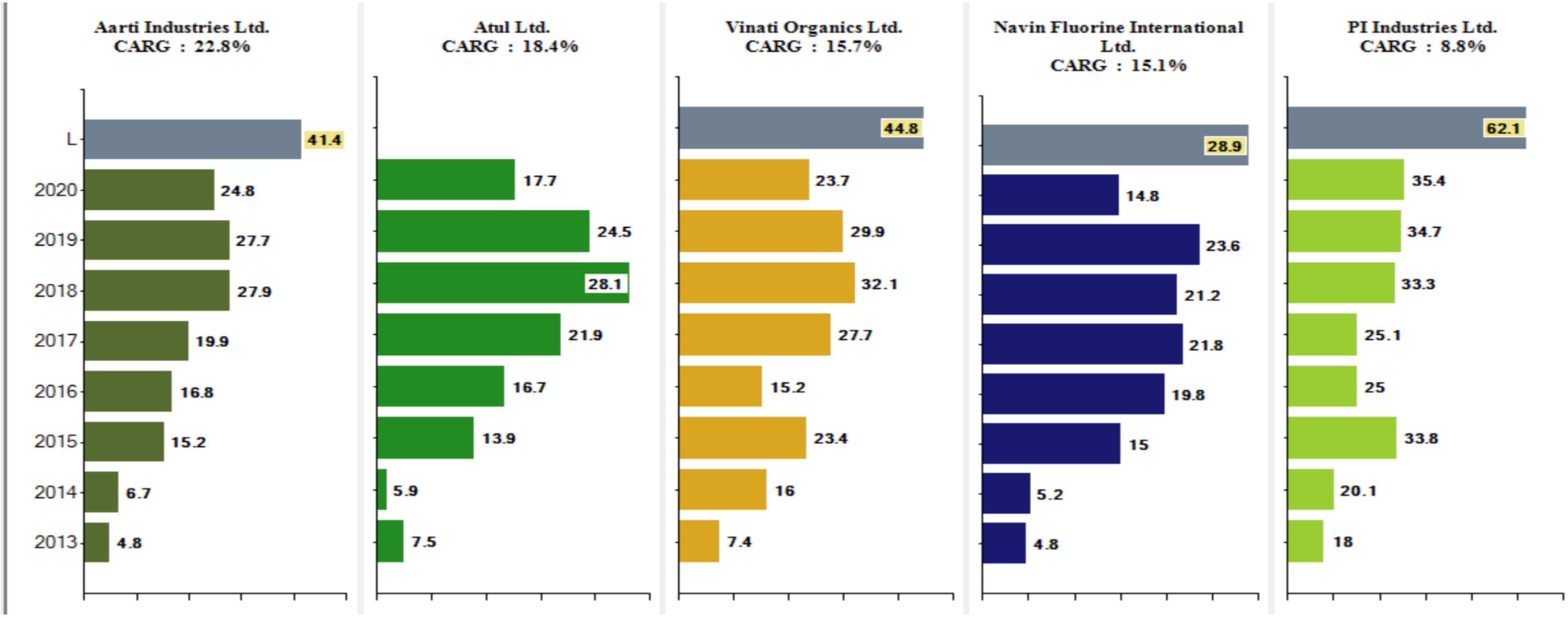
What's Changing:

- **Regulatory Intervention:** Regulators globally, led by FDA and EMA have increased scrutiny of API operations, driven by greater focus on API quality. Increasingly, even intermediate capacities are coming under scrutiny. Recent action on Chinese company Zhejiang Huahai Pharma – major API supplier for Valsartan – is a case in point.
- **Chinese Supply Concerns:** Several drugs impacted in last ~1.5 years due to crackdown by Chinese Govt. Reports estimate 40% China factories were shut down at some point last year for environmental inspections, resulting in missed orders, increased costs. Affected drugs include Vitamins, Paracetamol, Sartans, Floxacins etc.
- **Supply Distortions:** Regulatory intervention and quality concerns led to supply disruptions for several drugs, especially where a meaningful portion of the supplies of APIs or Key Starting Materials were linked to China. Also leading to price hikes across the chain.
- **Supply Security:** Quality API manufacturers are getting a premium, as formulations players focus on securing API supplies for key products; this has led to improved operating performance for Indian API players across the board.

Responses from Indian Players (including Granules):

- Backward integrating / tying up alternate sourcing for key starting materials, to reduce dependence on China
- Opportunistic price hikes across APIs and Intermediates; consolidating presence in key APIs; scaling up capacities
- Looking at API CRAMS
- Forward integrating in their key APIs to more tightly control the value chain and further enhance profitability

The structural rerating of the Indian Chemicals sector visible in the improvement in PE multiples beginning 2015. Pharma cos have been a little late to the party, but will dance harder than their cousins in Chemicals



1. Average EBITDA margins for the leading chemicals players went up on average ~10%+, driven by sharp gross margin expansion and operating leverage; gross margin for most of these players is between 55%-60%
2. However for most of the players, market gains have been due to valuation rerating, as seen above (PE multiples), as price CAGR significantly higher than profit CAGR
3. Chemicals companies also have made / are making substantial investments into capacity additions, showing that the growth cycle which began in 2014-15, is continuing unabated
4. Pharma API / CRAMS companies have followed a similar curve as chemicals companies, but with notable differences – higher gross block addition upfront, correspondingly lower ROCEs in this period, EBITDA and Gross margin profile has moved up with 1-2 year lag to chemicals companies and is only now reaching similar levels. Why has market not caught this movement???

Source: Ace Equity; Data Efforts credited to Omkara Capital

Perceived vs Real Commodity - Scale isn't always bad

Granules is not the only API company with strong dependence on 1-2 products / categories. Such dependence is a regular phenomenon across Pharma / Chemicals companies

Dependence on Specific Products - examples

Granules
Paracetamol ~1100 Cr.
Metformin ~900 Cr.
Ibuprofen (FDs) ~600 Cr.

IOL
Ibuprofen ~1000+ Cr.
(>50% of revenue)

Solara
Ibuprofen ~550 Cr. (~34% of revenue)
Ranitidine

Laurus
TLD ~1700 Cr. (~36% of revenue)

Divis
Naproxen ~1100 Cr. (~16% of revenue)

Ipca
Losartan ~500 Cr. est.

Vinati
ATBS ~600 Cr. (>65% of revenue)

Hikal
Gabapentin ~700 Cr.
(40% of revenue)

- While in % terms Granules' dependence on select molecules is high, this must be looked at in terms of the scale other cos. have in their key molecules, in most cases quite comparable to Granules' scale in its key molecules
- Given the large market of Paracetamol & Metformin (as also Ibuprofen) in volume terms (ROW / EMs), value terms (regulated markets), there is still room for Granules to grow sales at double digits in these molecules for next 5 years
- Para & Metformin are first line of defence molecules, and their usage continues to grow, in some cases also by possible new applicable areas (Metformin being trialled for anti-ageing application). Granules' strong presence and increasing revenue scale / market share in these products is not only sustainable, but also highly value accretive

Estimates, basis publicly available information for select API companies; these are only ballpark numbers, any errors of commission/omission regretted

Divis Laboratories – Q1FY22 Concall –

“So for us, we have 2 goals: one is we look for the most efficient process, green chemistry, and look at atom-to-atom efficiency and see the best process available.”

“A typical example, if you look at our history, either with gabapentin or naproxen, naproxen sodium, dextromethorphan, all these products, some of them, we are the 20th one to enter into the market, but we became 60% to 70% market share leaders. All this comes over goodwill, consistency. Our process helps us to do this.”

Strong market share is also a core feature of successful companies in Pharma / Chemicals space

Leadership in select products - examples

- Divis – 60-70% market share in most of their leadership products, like Naproxen / Naproxen Sodium / Gabapentin / Dextromethorphan and targeting similarly high market share in several new molecules
- Vinati – 65% global market share in IBB, 65% global market share in ATBS, 70% market share in Isobutylene
- Laurus - >30% market share in Dolutegravir; intent is to build 15 products with 25%+ global market share
- Aarti Industries - Amongst the top-3 players in dichloride benzene (DCB) and nitro chloro benzene (NCB) products globally
- Deepak Nitrite – Largest and efficient domestic phenol-acetone manufacturer
- Gujarat Fluorochemicals – Top 4 players in PTFE polymer
- Sudarshan Chemicals – Third largest player globally in pigment and largest in India with ~35% market share
- Tata Chemicals – Among the largest Soda Ash players globally

Estimates, basis publicly available information for select API companies; these are only ballpark numbers, any errors of commission/omission regretted

Aggressive Capex is a pain when the product is the same; otherwise, it only makes for a very interesting game!

Capex is a part of the path to leadership – Indian cos aggressively building scale - examples

- Aarti Industries – Investing ~₹ 1,000cr + since past couple of years, FY22E capex at ~₹ 1,500cr, FY22-24E capex ~₹ 4,500-5,000cr, among top 3 globally in nitrochloro benzene, dichloro benzene
- Atul – ₹ 1,500cr capex plan over the next few years
- Deepak Nitrite – ₹ 1,000cr growth capex over the next 3-4 years, largest domestic phenol-acetone manufacturer
- GHCL – ~₹ 3,000cr greenfield capex for 500,000MTPA Soda Ash capacity, currently in land acquisition, post which the capex will commence, to take ~3+ years for commissioning
- Gujarat Fluorochemicals – Invested ~₹ 600-700cr in last 3 years on fluoropolymers and fluorospecialty chemicals, submitted EC for a new capex of ~₹ 1,100cr, top 4 players in PTFE polymer
- Navin Fluorine – ~₹ 450cr+ for a dedicated facility and another ~₹ 450cr over the next 3-4 years on existing business segments
- PI Industries – ~₹ 500cr+ per year capex on augmenting capacities
- Rallis India – ₹ 800cr capex plan underway, to be completed over the next 2-3 years
- SRF – Investing ~₹ 1,000-1,200cr since past 3 years, to invest ~₹ 1,500+ over the next couple of years across business segments
- Sudarshan Chemicals – ~₹ 1,000cr capex plan underway, to be completed over the next couple of years
- Tata Chemicals – ₹ 2,700cr Soda Ash, Sodium Bicarbonate, Salt expansion underway, to be completed over next 3 yrs
- UPL – ₹ 2,200-2,500cr capex per annum over the next few years

Estimates, basis publicly available information for peers; these are only ballpark numbers, any errors of commission/omission regretted

Breaking the myth regarding Granules' commodity business

FY21 (INR Cr)	Core business	Overall
Gross Block	1,100	2,145
Net Block	550	1,332
CWIP		239
Capital Advance		107
Working Capital (CE- Net Block - CWIP - Advance)	1,130	1,346
Capital Employed	**1,680**	**3,024**
Revenue	2720	3238
EBITDA	700	855
Depreciation	78	151
EBIT	623	704
ROCE (On Closing Basis)	**37.0%**	**23.3%**

Assumptions/Rationale

1. Core Gross Block excludes:
a. R&D capitalized (primarily over 2017-2020) >300 Cr.

b. Vizag Unit V (commissioned last year, yet to turn profitable) ~300 Cr.

c. Capex for GPI Virginia Plant / Auctus (which are not contributing to core business) ~450 Cr.

2. In our view, **CWIP and Capital Advances** are entirely being done for the Non-Core business

3. **For arriving at Core Net Block:**
We are assuming 50% of core assets depreciated, 25% of non-core / intangible assets as depreciated, to account for newer vintage of non-core. This ties back with our back of envelope calculations from last 5-6 years annual reports

4. **Revenue is bifurcated** on actual basis between Core and Non-Core business i.e., 84:16

5. **Depreciation has been bifurcated** in the ratio of Calculated Gross Block of Core and None Core Business

6. **EBITDA for non-core business:** While US generics business should be higher margin, assuming it at 30% margin for now since it is not fully capturing operating leverage today

These are our estimates / scenario building based on publicly available info. Presenting this data for representation only. Please use your own discretion on nos.

Granules invested ~1,200 Cr. in both core business and emerging initiatives over 2015-19, which have now started to yield returns – Key Monitorable

Activity	Investment	Current Status & Remarks
Paracetamol API capacity expansion in Bonthapally: 18,000 TPA to 24,000 TPA	**~275-300 Cr.**	Customer validations for regulated markets in progress, could take about 5-6 months. Expanded capacity was not being fully utilized **Optimum utilization happening from FY20 post ANDA approval**
Expansion of 7,000 TPA Metformin API capacity (at Bonthapally) and 2,000 TPA Guaifenesin API capacity		Recently got regulated market approvals for expanded Metformin capacity. To be used captively, reflects in improved gross / EBITDA margins from Q3FY20. Their Metformin samples also cleared recently with NDMA levels found to be within acceptable limits. **Optimum utilization beginning FY21**
PFI capacity: 17,200 to 23,200 TPA		**Already being utilized**
US Virginia Facility - capex, renovation & R&D spends, operational expenses capitalized	**~550-600 Cr.**	**Started yielding returns from FY19; FY22-FY24 to be strong growth years**
US Pharma	**~75 Cr.**	Investments made in US Pharma-Windlass JV including for getting exclusive marketing rights to 4 ANDAs and their subsequent pipeline. So far hasn't yielded much returns. **Written down 22 Cr. investment in FY20.**
Construction of Oncology (API + FD) Block at Vishakhapatnam	**~285 Cr.**	5 HiPo prod validated to be used captively, validations in progress for Onco APIs. EU approval received, FDA likely by end of year. Commercial revenue generation started, break-even in FY22 end. **Optimum utilization from FY22**

Source: Company Filings, earnings calls. Have not included the equity investment in Omnichem

Granules - Stats on Profitability / Productivity vs Peers

As compared with peers chosen from both Pharma and Chemicals

1. **Quality of Debt / Balance Sheet:** At 3%, Granules has one of the lowest finance cost, as validated amongst a peerset of ~30 Chemical / API / CDMO companies. This, though, must also be viewed in conjunction that it is primarily an exports oriented business and the debt is mainly FCY denominated

2. **Asset Turns – much better than what's reflected on books:** As highlighted in previous slide also, a part of Granules' asset is either R&D capitalized (the practice has been entirely discontinued from mid 2019), or relating to the newly built assets (Vizag Unit 5) which will start contributing from this year, scale-up from next year. Virginia plant also is still to be optimally utilized since the product approvals have started to roll-in, but the sales is only started last year, and yet to scale up. Adjusted basis Granules' asset turn works out to above 2.8, which is amongst the best in comparable companies.

3. **Working Capital:** Granules' working capital cycle is reasonably placed in the peerset, and better than most of the Pharma companies in the peerset. Indicating therefore, that there is no major concern in working capital

4. **Capital Allocation:** Core business ROCE is above 30%, indicating historically capital allocation has been reasonably good – certainly better than perceived. As some of the new capex starts to perform, we can expect overall ROCE to inch up further from current mid / high 20s.

5. **Regulatory Track Record:** Best in class among peerset and overall in pharma companies. Existing 6 facilities are fully compliant with all key regulators. 7th facility is awaiting inspection by FDA

Source: Bloomberg, Ace Equity, Company Filings, Publicly available info.

Other Factors worth considering

Price Performance - Granules has consistently created wealth for investors over last decade, driven by strong financial performance

Price Performance - Granules vs NSE Pharma Index / Broader Pharma Segment

Company	Price CAGR – Short & Long Terms (Rounded off)		
	1 Year	5 Years	10 Years
Granules	**20%**	**25%**	**49%**
Median of Top 11 Pharma Cos. by MCap	**33%**	**2%**	**7%**
Median of Top 30 Cos. by MCap	**36%**	**10%**	**13%**
NSE Pharma Index	**22%**	**5%**	**12%**

Good Price Performance over Last 5 years - Despite Being in an Investment Phase

- Granules did ~1,200 Cr. capex / investments over 2015-2019; in this period the company expanded its balance sheet through both debt increase (~500 Cr.), and equity dilution (~500 Cr.), leading to steep drop in return ratios
- A poor H2FY18, led to temporary blip in price performance for the company, but improvement in financials from Q1FY19 and sustained robust results over last 6 quarters led to the stock once again outperforming broader Pharma segment.
- Granules has given ~20% returns over last 1 year and an impressive 49% CAGR over last 10 years
- Recent underperformance can be attributed to the issues in Paracetamol supply chain – KSM Para-Ameno-Phenol availability has been constrained and prices shot through the roof due to relocation requirement for a key supplier.

Source: Bloomberg, Ace Equity, Company Filings, Publicly available info. Prices and return calculations taken as of 6th August 2021.

Granules has very poor coverage amongst leading MNC and Domestic brokerage houses despite the large current size, and strong track record of profitability and wealth creation

Analyst Coverage

Broker/Firm	Reco	Target Price	FY22E PAT (INR Cr)	FY23E PAT (INR Cr)	Post Q1 Fy22 Coverage date
BP Wealth	Buy	425	562	752	29th July 2021
InCred Equities	Add	447	559	738	30th July 2021
Motilal Oswal	Buy	440	580	679	29th July 2021
Sharekhan	Buy	475	558	780	11th May 2021
Spark Capital	Reduce	355	505	592	29th July 2021
ICICI Securities	Hold	375	584	711	29th July 2021
KR Choksey	Buy	459	434	721	12th May 2021
Anand Rathi Securities Pvt. Ltd.	Hold	392	505	600	28th July 2021
Centrum Capital	Buy	450		756	31st July 2021
Average		**424**	**536**	**703**	

- Company has guided for 20% PAT growth in FY22 and 25% in FY23 on a base of 550 Cr. PAT in FY21. Even assuming conservatively a 20% CAGR in FY21-23, PAT estimates should be ~650 Cr. in FY22 and 790 Cr. in FY23.
- As against this, most brokers are projecting a much lower PAT (<600 Cr. for FY22 and ~700 Cr. for FY23)
- There are no MNC brokers covering Granules, while even amongst domestic brokerage houses, few of the prominent ones like Kotak, Ambit, JM etc. not covering the stock

Source: Bloomberg, Ace Equity, Company Filings, Publicly available info.

The shareholding is characterized by wide disparity between FII holdings and DII holdings

Shareholding Pattern

Particulars	% Shareholding	Filing Date	Particulars	% Shareholding	Filing Date
Promoters	***42.04%***	***30-06-2021***			
FII's	***18.35%***	***30-06-2021***	***DII's***	***2.86%***	***30-06-2021***
Top FII's:			Top DII's:		
FIL Limited	4.40%	23-07-2021	Kotak AMC	0.57%	30-06-2021
Government Pension Fund - Global	3.01%	30-06-2021	ICICI Pru AMC	0.34%	30-06-2021
FMR LLC	3.01%	15-07-2021	Tata AMC	0.25%	30-06-2021
Norges Bank	2.98%	31-12-2020	UTI AMC	0.24%	30-06-2021
Vanguard Group	2.02%	30-06-2021	Nippon AMC	0.24%	30-06-2021
Dimensional Fund Advisors	1.42%	23-07-2021	IDFC MF	0.23%	30-06-2021
Alliance Bernstein LP	0.89%	31-05-2021	L&T MF	0.21%	30-06-2021
BlackRock Inc	0.89%	22-07-2021	HDFC AMC	0.21%	30-06-2021
State Street Corp	0.46%	23-07-2021			
Others	***36.76%***	***30-06-2021***			
Top Shareholders:					
Mahima Stocks Pvt Ltd	1.49%	31-03-2021			
Rao Kolli Basava Sankar	1.25%	28-05-2021			
Sankar Rao K B	1.21%	16-06-2021			

Source: Bloomberg, Ace Equity, Company Filings, Publicly available info

Granules has virtually no holding by DIIs despite being a consistent wealth creator in last decade

Observations on MF Investments into Granules

- **Current Market Cap of Pharma & Healthcare sector is approximately 14.75 - 15 Lakh Crores and Current Market Cap of Granules India Limited is approximately 9,200 – 9,500 Crores**
- Therefore, Weightage of Granules as a percentage of Pharma and Healthcare market cap is approximately 0.7%.
- Weightage of Granules will be more than 2% if considered on free float basis
- **Investment by Mutual funds in Pharma and Healthcare companies is approximately 1.1 Lakh Crores whereas Investment by Mutual funds in Granules is significantly low at mere 2.86% of Granule's equity i.e., 260-275 Cr**
- If we consider Investment by mutual funds based on total weightage of Granules in the Pharma and Healthcare sector, then on conservative basis, Investment should have been around Rs. 660-700 Crores
- Further, ~95% of the DII holding in Granules is through Arbitrage funds and adjusting for that the overall DII holding in the company is virtually zero
- **As per our understanding no Healthcare and Pharma focused sectoral fund hold any meaningful quantity of Granules in their portfolio, even though the company is amongst the top 30 Pharma companies in India by Market cap. This shows the apathy towards the company by the Mutual fund community.**

Source: Bloomberg, Ace Equity, Company Filings, Publicly available info. Data compiled with inputs from sell side brokerages. Relevant, as of June 2021

Thank You

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