Kwality Pharmaceuticals Ltd

INVESTOR PRESENTATION Q3 & 9M FY26

DISCLAMER

Some of the statements made in this presentation are forward-looking statements and are based on the current beliefs, assumptions, expectations, estimates, objectives and projections of the directors and management of Kwality Pharmaceutical Limited about its business, the industry and markets in which it operates. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond the control of the Company and are difficult to predict. Kwality Pharmaceutical Limited does not undertake to update these forward-looking statements to reflect events or circumstances that may arise.

4 Decades of Expertise and Manufacturing Excellence

Expertise in Complex Formulation Development & Manufacturing

Future Growth to be driven by High Margin critical care , Bio-similar and oncology molecules including peptides

Broad and Diverse Product Offering :

- **1000+ developed formulations across 25+ therapeutic use**
- **90% Revenue from out-licensing and supplies**

4/5 Units are EUGMP approved as per annex 1 of recent EU guidelines.

One stop solution across key therapy areas

01 General

02 Beta Lactam

03 Cephalosporins

04 Oncology

05 Biologics

06 Hormones

Research + Manufacturing + Quality Excellence achieved

01 Over **1700** employees, including **80+** in R&D.

02 Completed **600+** regulatory filings across many countries.

03 **20+** audits in the past two years.

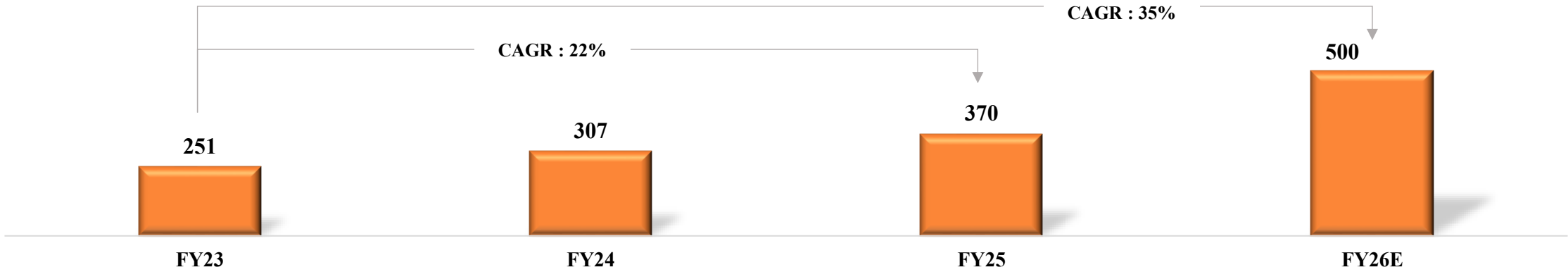
04 Operations span **70+** countries, serving a diverse clientele.

05 Revenue of INR **370 crore in FY25**, Net Profit of **40 crore.**

06 Targeting **35%** growth in FY26

Revenue growth supported by manufacturing scale-up

Revenue (INR Cr.)



All values in INR Cr.

Journey so far…

1983

Company Founded

2018

- Manufacturing Facility Upgradation
- PIC/s GMP for Injectable facility
- R&D / QC facility upgradation
- Exports to **40+ markets**

2020

- **Migrated to BSE**
- Developing vast portfolio of Injectables
- Initiated market filings

2022

- Established Beta lactam Unit
- Developed **10+** complex products (Microspheres , Liposome, Nanoparticle)

2023

- Established Biological Unit
- EU GMP for Oncology & Cephalosporin Units
- Market filings of KPL's niche products

2024

- Initiated development of KPL 1'st Biologics
- 2 BE studies successfully conducted
- Successful approval and commercializati on in High regulated markets – EU / S Africa

2025

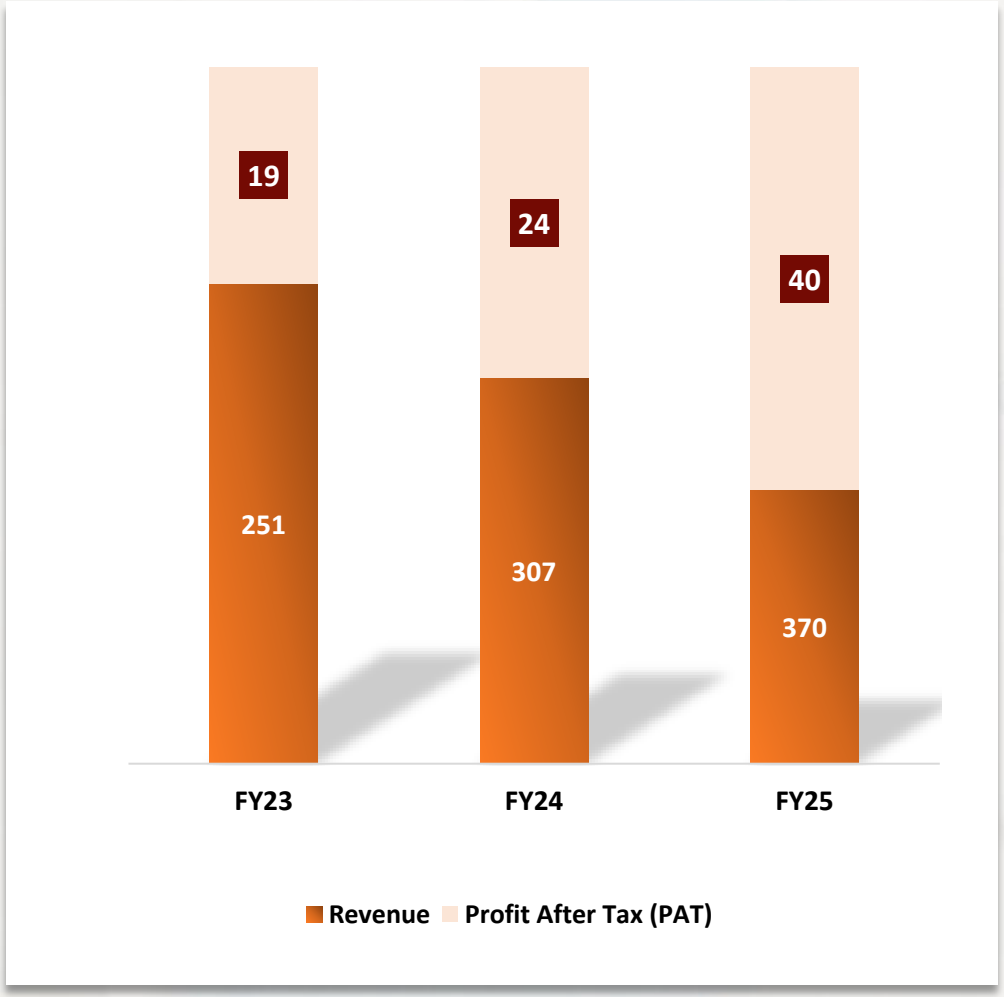
- PICs GMP approval for Beta Lactam unit.
- SFDA approval for General and Beta Lactam.
- EUGMP audit conducted for general and beta lactam
- successful preclinical results for Erythropoetin

2026

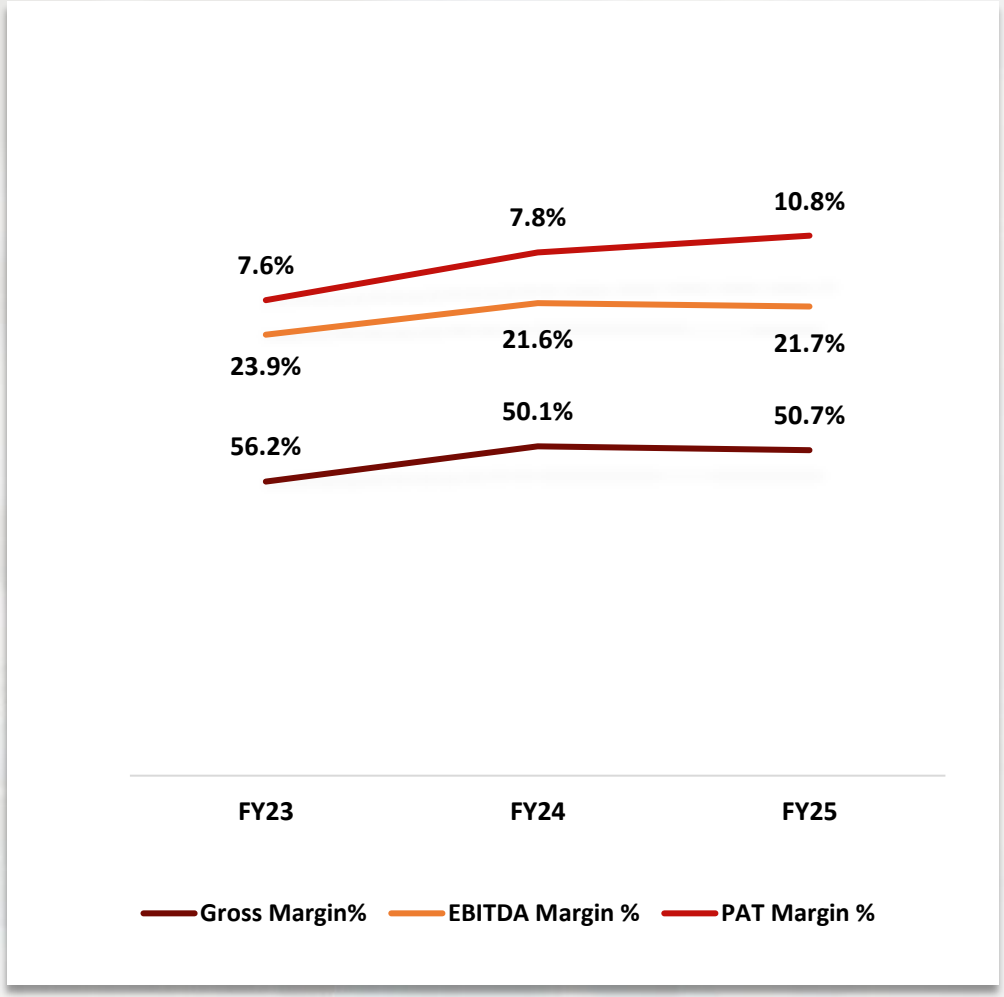
- **40+ BE** studies ongoing (**3+** successfully completed)
- Ongoing capacity expansion in biologics and oncology
- WHO GMP for Biologics (Drug Substance and Drug Product)
- New plant construction (unit6)

Profit growing ~3x times faster than its revenue

Revenue Scale Translating into Profit Acceleration



Margins Holding Firm, Profits Expanding



All values in INR Cr.

Leadership backed by Experience

Name	Ramesh Arora
Designation	Chairman and Managing Director
Years of experience	42 Years
KRA	IT , Legal, Strategic collaborations and new developments

Name	Ajay Arora
Designation	Director
Years of experience	31 Years
KRA	Purchase and Infrastructure development, Supply Chain Management

Name	Aditya Arora
Designation	Director
Years of experience	11 Years
KRA	Quality Assurance Quality Control, Regulatory Compliance, Business Development

What sets us apart?

01

Diversified portfolio across high entry barrier dosage forms

02

Open and Flexible Business Model, Powered by in house R&D capabilities for complex molecule development

03

Globally accredited, strong manufacturing capabilities

04

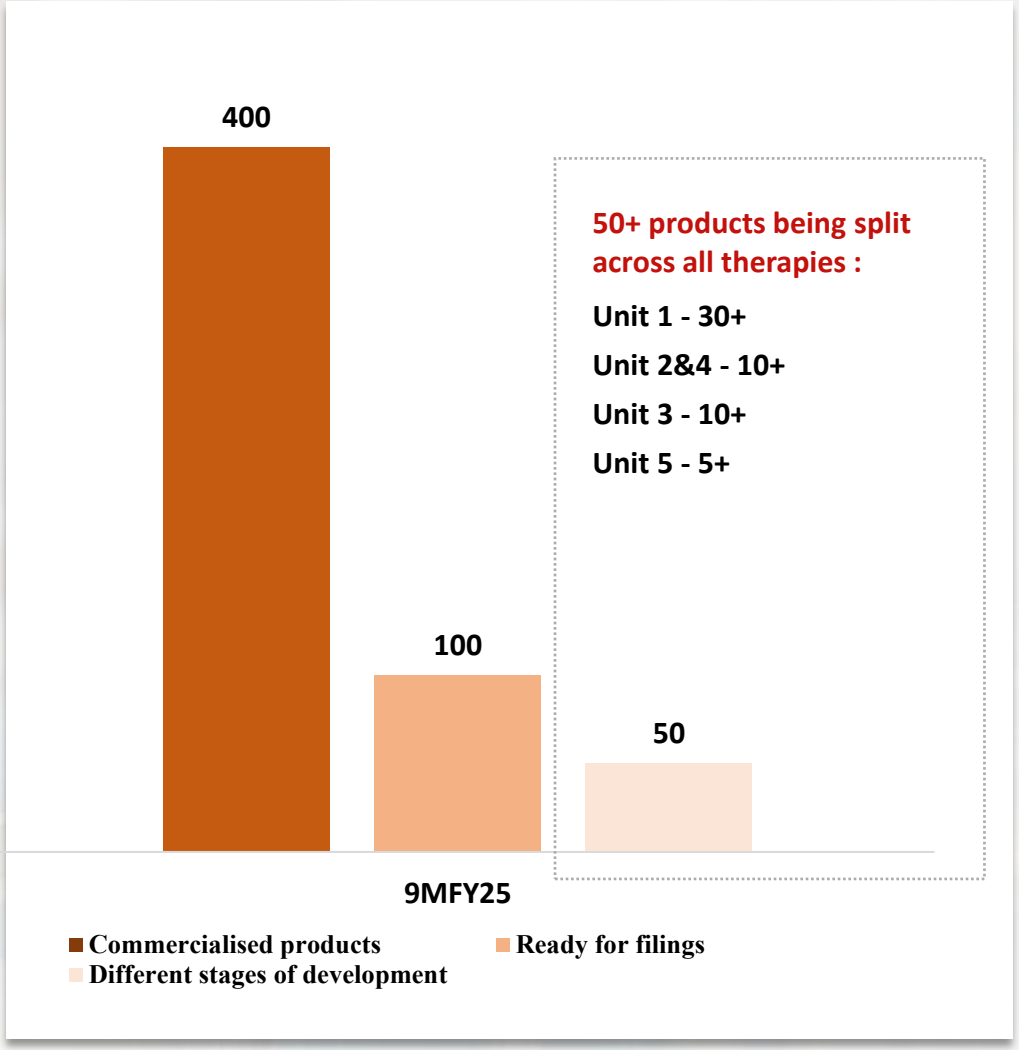
Wide Presence across 70+ countries

05

Healthy Balance sheet providing headroom for capex

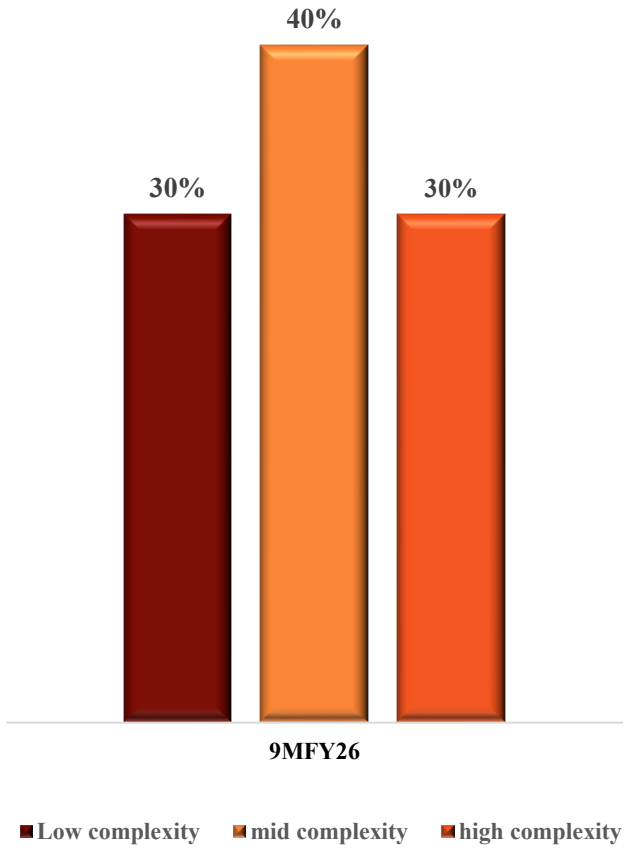
1000+ products across key therapies - Broad Dosage form capabilities

Types	Revenue share %	Therapies
Injectables	56%	Generals, Beta Lactam, Oncology & Cephalosporins, Biologics
Tablets	27%	Generals, Beta Lactam, Oncology & Cephalosporins
Capsules	4%	Generals, Beta Lactam, Oncology & Cephalosporins
Liquid externals and orals	5%	Generals
Creams and ointments	3%	Generals
Dry syrups	2%	General, Beta Lactam & Cephalosporins
Ophthalmic	1%	General
Sachets	1%	General and Beta Lactam
Suppositories	1%	General

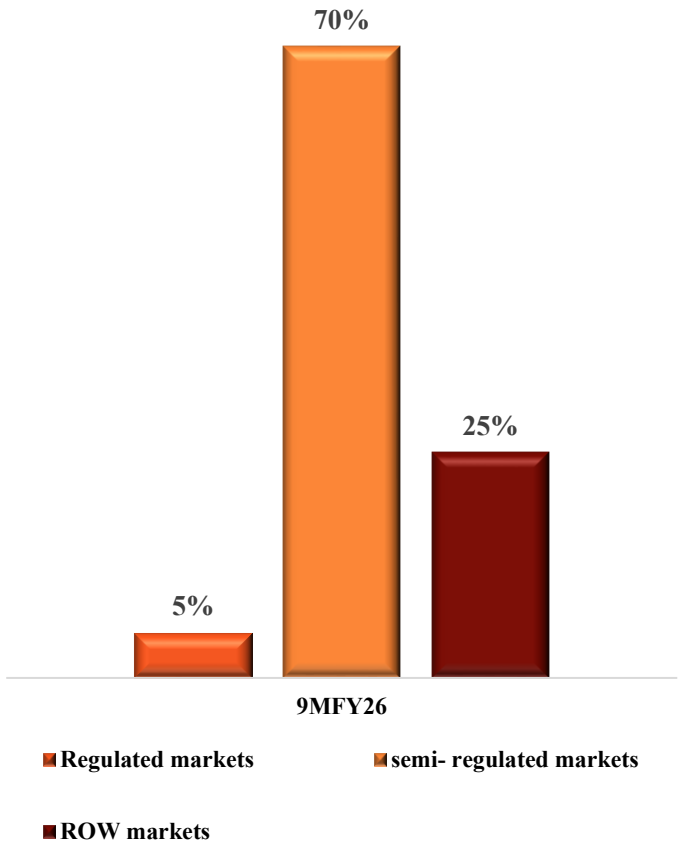


Portfolio diversification across key dimensions ..contd

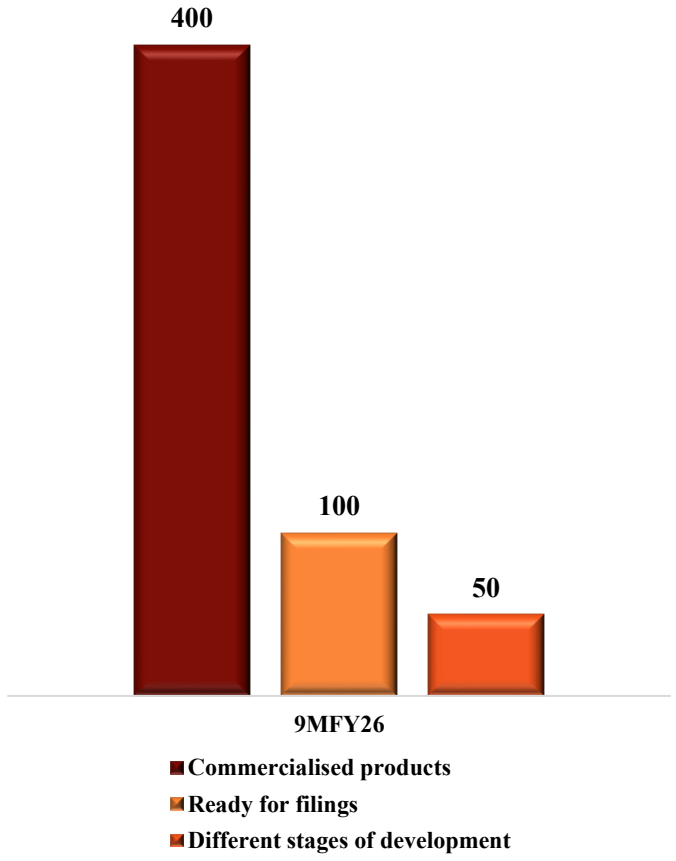
30% of the portfolio operated in high complex molecules



Core growth from semi-regulated markets, with upside from regulated geographies

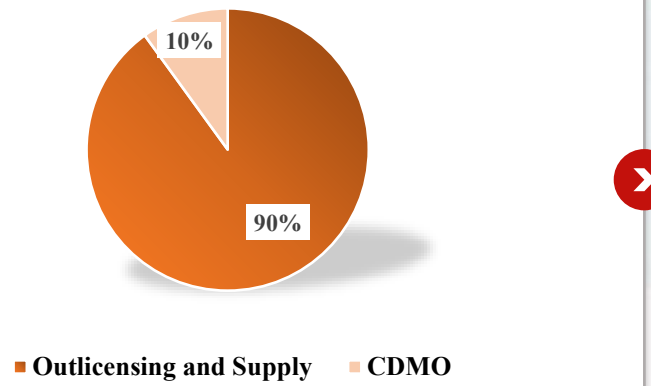


Built for scale, supported by pipeline depth



Out-Licensing & Supply : Asset - Light Global Market Access

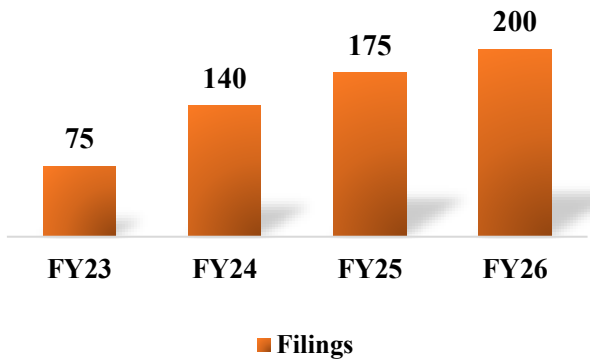
Revenue share



Strategic Partnerships

100+ clients across LatAm, MENA, Europe, Asia & Africa; expand via **700+** filings.

Filings



Tie to Moats

Regulatory Approvals : EU GMP, ANVISA (Brazil), INVIMA (Colombia), etc., prove quality for tough markets.

Affordable niche focus : Vision targets affordable complex molecules with high quality focus

Proven growth : Filings jumped from 75 (2022-23) to 200 (2025-26); exports to LATAM, Africa, MENA via licensing.

Leverage achieved

Monetizes in - house product development

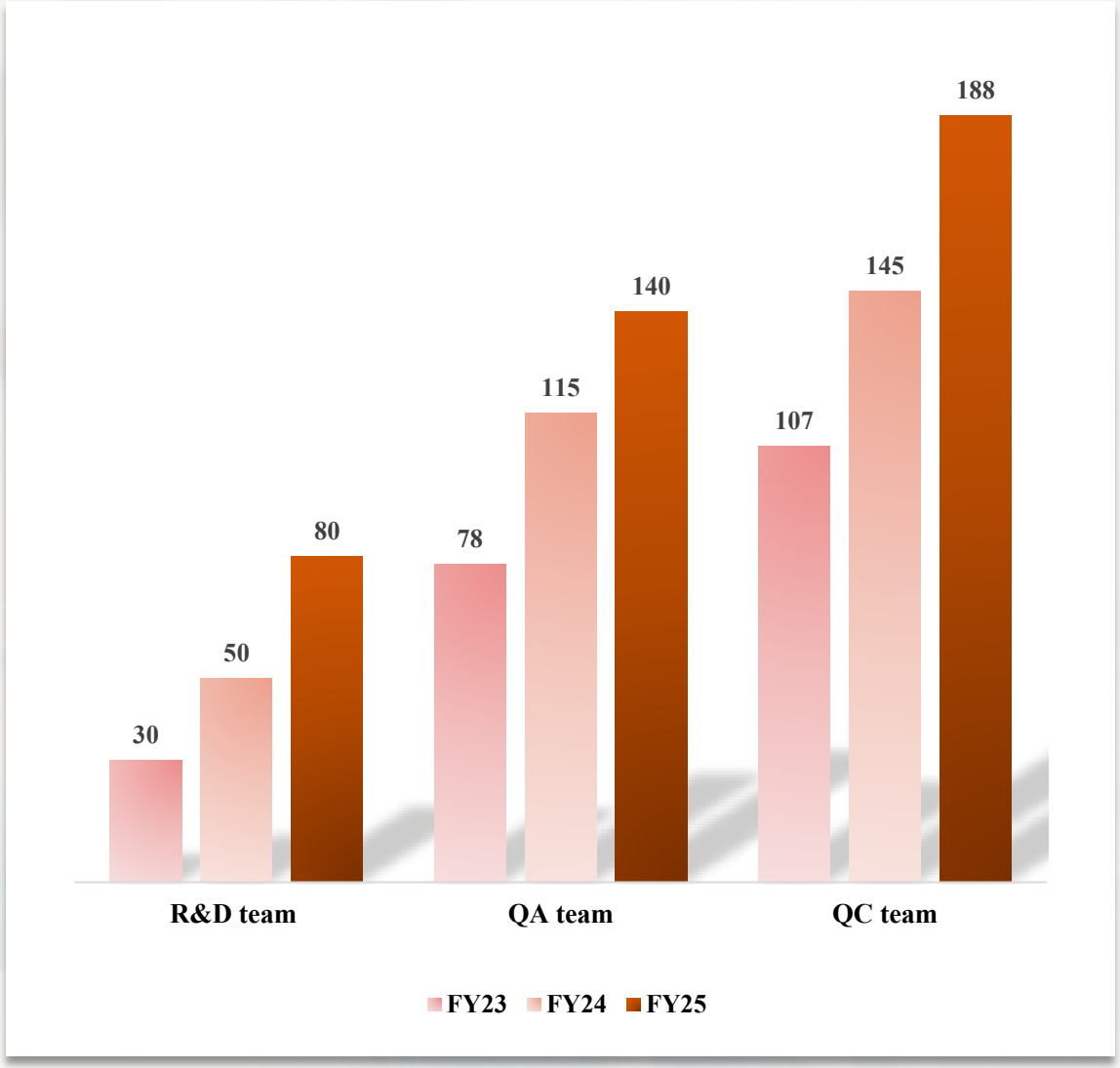
Enables rapid international expansion

Stable export revenues with limited front - end risk

CDMO: End-to-End Partnership Driving High-Value Growth..contd

Metric	Kwality Stats	Benefits
R&D Headcount	80 scientists (DSIR-recognized)	Proves innovation muscle
QA & QC team strength	140+; 188+	Dedicated QA and QC teams function independently across each unit.
Tech Focus	Liposomal Pegylated Injectables, Emulsion Technology, Lyophilized Injectables, Long - acting Injectables, Niche Biological Injectables	High-margin niches (30 - 40%)
Capacity	300M injectables/year + biologics	Serving large and global demand
Capacity Utilization	Multi-block (oncology at 60-70%)	Efficient asset use
Global Certifications	EU GMP, PICS – opens almost all the markets across the world	Low regulatory risk

Boosting talent, attaining expertise



Core Research Initiatives

01

Biosimilars Development

Building end-to-end biologics development and analytical capabilities to support future biosimilar launches and biologics CDMO engagements.

02

Hypothesis driven innovation

Enhancing existing drug molecules through formulation and process optimization to improve efficacy, safety, and manufacturability for high regulated markets.

03

Oncology Research

Conducting studies to strengthen capabilities in complex and high-value therapeutic segments (OSD & Injectables)

04

Chronic Disease Research (Exploratory)

Early-stage research focused on chronic and lifestyle diseases, supporting long-term specialty pharma and CDMO opportunities.

05

Infrastructure & Capability Expansion

Ongoing investments in increasing R&D capabilities MABs, analytical method development, and laboratory infrastructure to scale complex development work.

4/5 units being EU - GMP approved

Unit 1 : General

Unit 3 : Oncology

Unit 5: Biologics

Unit 2 : Beta Lactam

Unit 4 : Cephalosporins

Corporate Head Office

Unit 6 :
Hormones is under construction, expected to commence by H2FY26

01 Successfully completed 20+ regulatory, customer, and vendor audits over the past two years.

02 Proactively upgrades plant practices by benchmarking against Form 483 (USFDA) observations across the industry

03 Centralized CQA team ensures audit learnings are consistently implemented across all manufacturing units

DSIR approved In house R&D "Innovation Centre" at Amritsar Campus

Comprehensive Offerings with Advanced Manufacturing Capabilities

Amritsar Plant (Campus 1)
Himachal plant (Campus 2)

	Unit 1 (General)	Unit 2 (Beta Lactam)	Unit 3 (Oncology)	Unit 4 (Cephalosporins)	Unit 5 (Biologics)	Unit 6 (Hormones)
Capabilities	Oral Solids - Tab/Capsule, Suppositories Ointments/Creams, Oral Liquids Dental Cartridges Injectables (Vials/Ampoules/PFS)	Oral Solids - Tab/Capsule Powder for Injection Dry Syrup Sachet	Oral Solids -Tab/Capsule Injectables (Vials) (Liquid/Lyophilized)	Oral Solids -Tab/Capsule Powder for Injection Dry Syrup	Drug Product - PFS Drug Substance - Sterile Liquid	Sex and Synthetic hormones
Capacities	Tablets – 1800 Million Capsules – 180 Million Ampoules – 200 Million Vials – 200 Million Lyophilized Products – 3 Million Dry Powder Injection – 100 Million PFS – 1 Million Dental Cartridge – 40 Million Suppositories – 40 Million Ointments – 20 Million	Tablets – 3000 Million Capsules – 1500 Million Powder for Injection – 50 Million Dry Syrup – 200 Million Sachet – 100 Million	Tablets – 380 Million Capsules – 38 Million Liquid Injection (Non peptide) – 47 Million Lyophilized Powder & Cake – 15 Million (Peptide based)	Tablets – 205 Million Capsules – 31 Million Powder for Injection – 19 Million Dry Syrup – 7 Million	Bioreactor Capacity - 100 lts *(Installing Capacity of 500 lts+)* PFS - 1 Million	Under construction
Major Regulatory Accreditation	EU GMP, PICS	EU GMP, PICS	EU GMP, PICS	EU GMP, PICS	WHO GMP	-

Differentiated Capabilities

Lyophilized Injectables

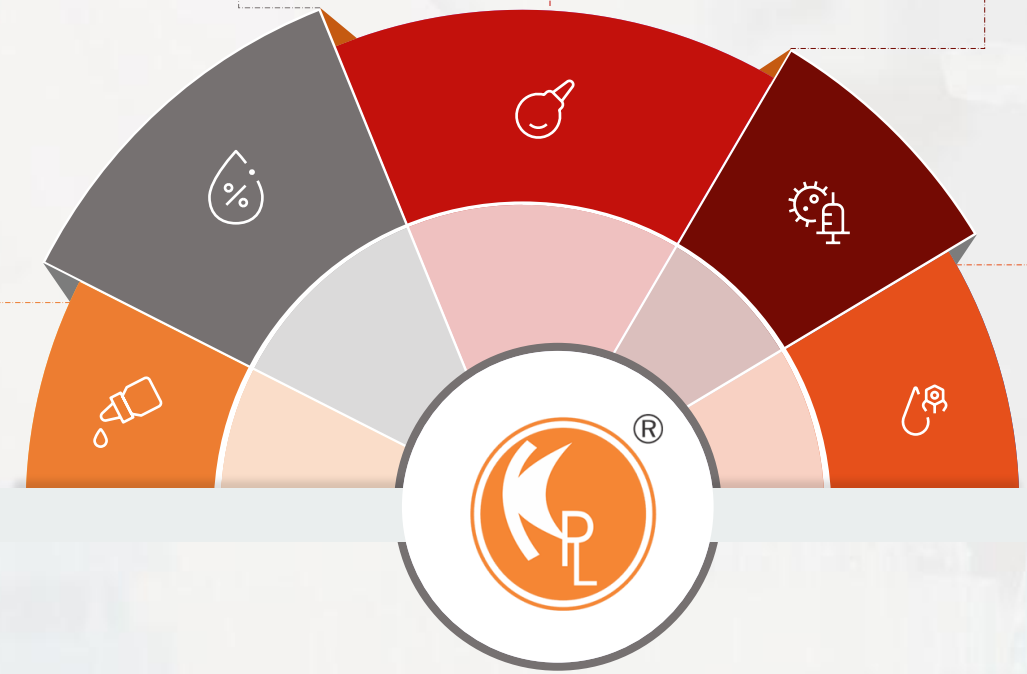
- Solubility via Freeze - drying
- Improved Stability

Emulsion Technology

- Fast Absorption
- Low Globule Size
- Low Osmolaity

Long - acting Injectables

- Sustained Drug Release
- Peptide-based Injections
- Polymeric Microspheres
- In-situ Forming Depots



Liposomal Pegylated Injectables

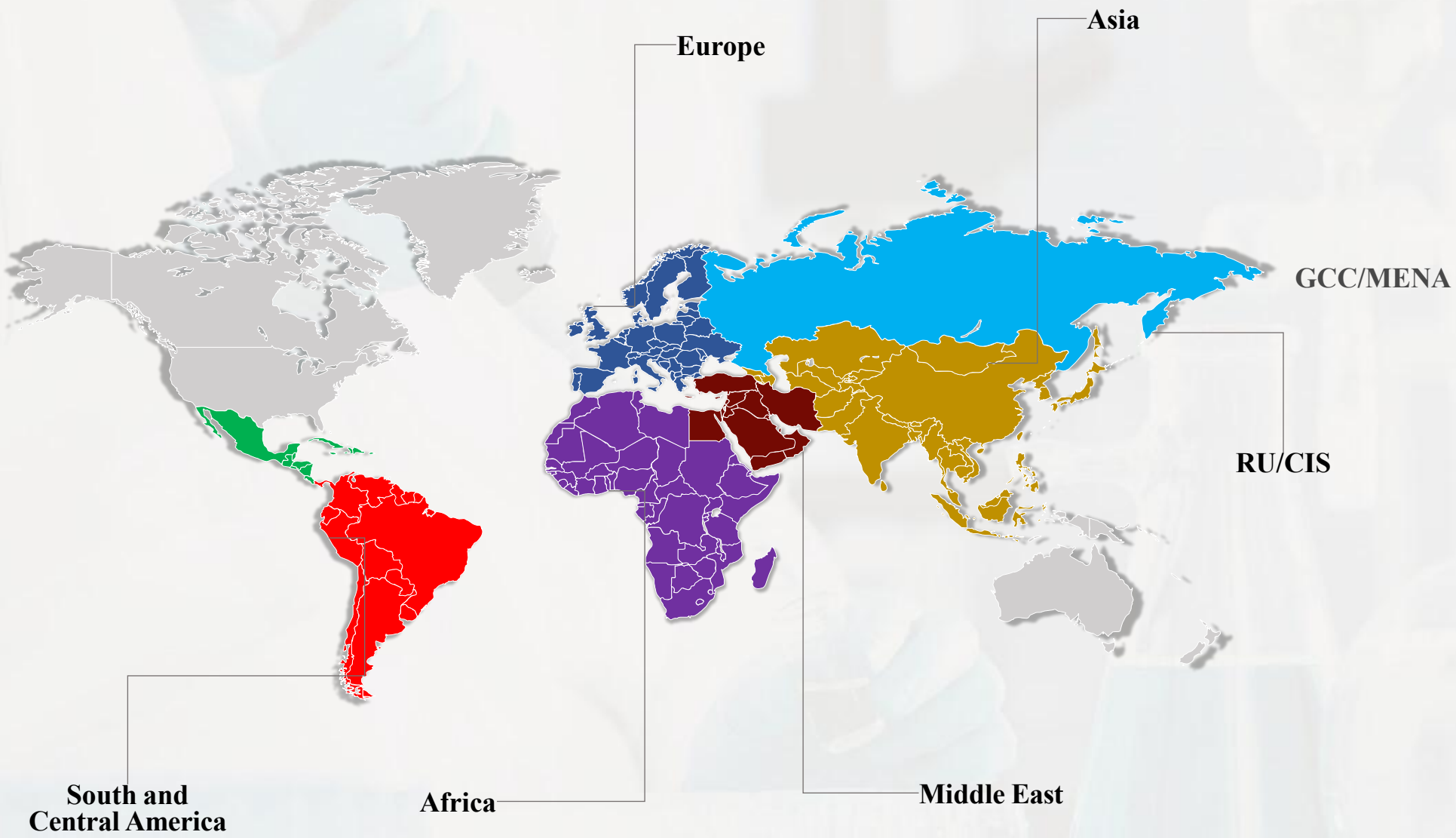
- Tissue Targeting
- Intracellular Targeting
- Increased Exposure Time
- Drug Solubilization

Niche Biological Injectables

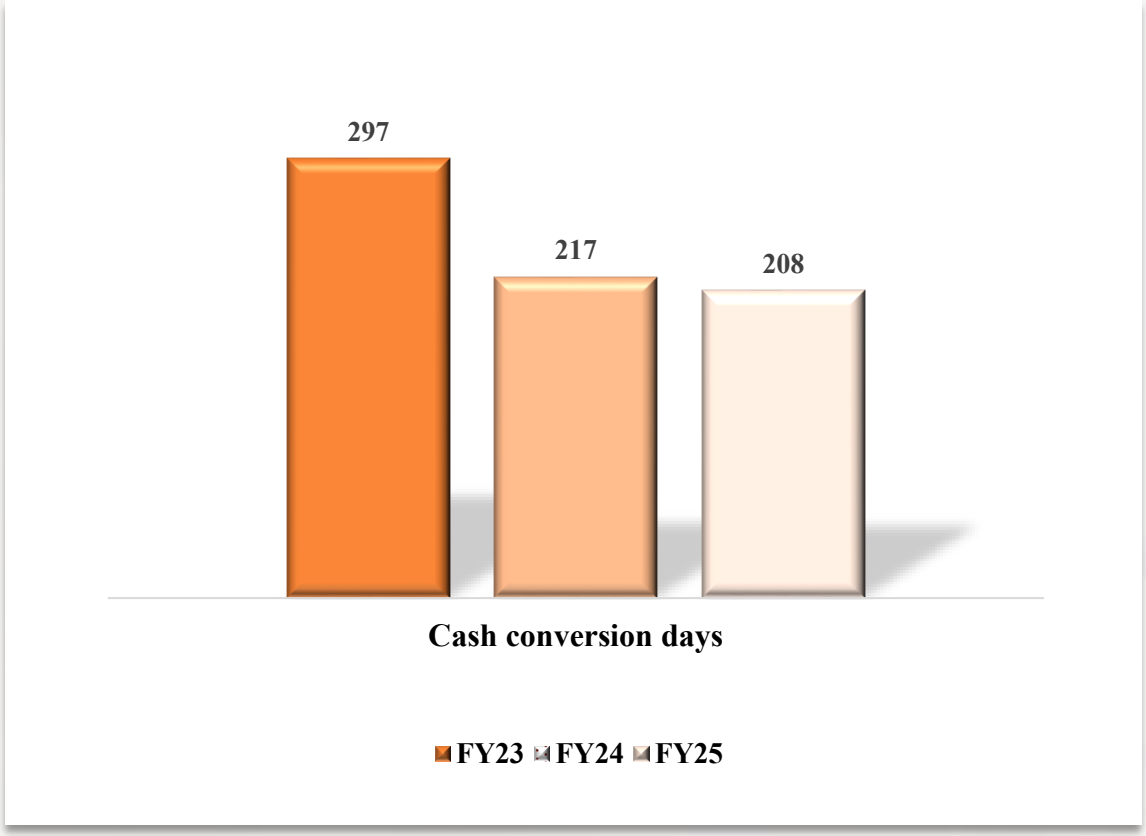
- Low Genotoxicity
- Low Immunogenicity
- High Specificity
- Backed with robust preclincal and clinical data

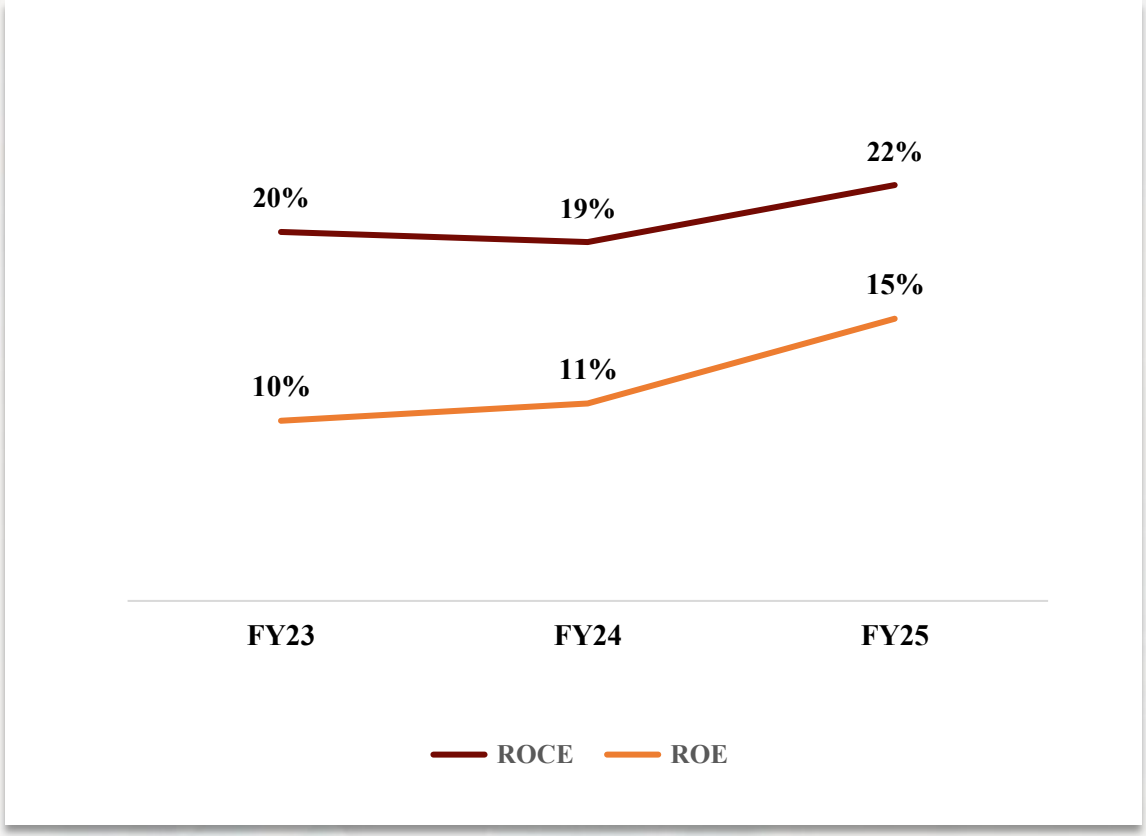
Export led growth strategy

Operating in 70+ Markets



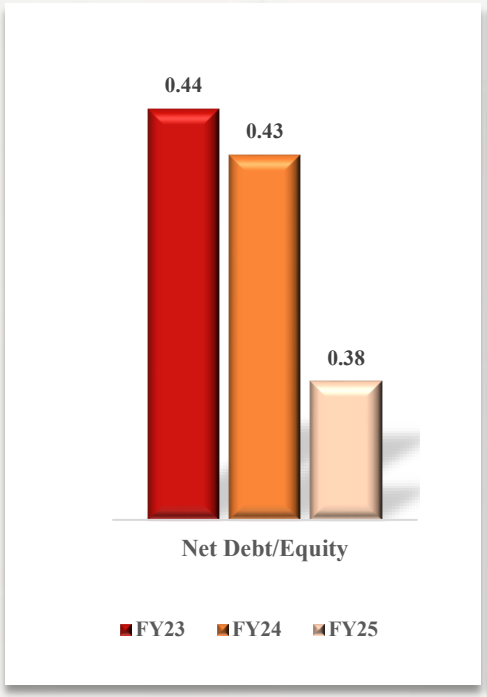
Working Capital Normalising with Scale, Improving Capital Productivity

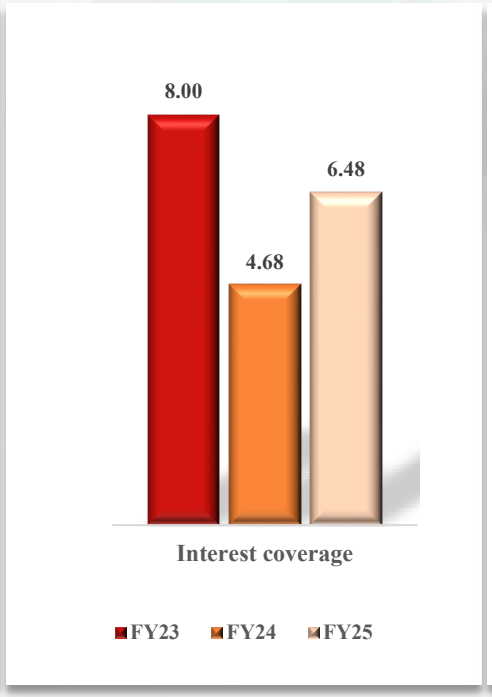


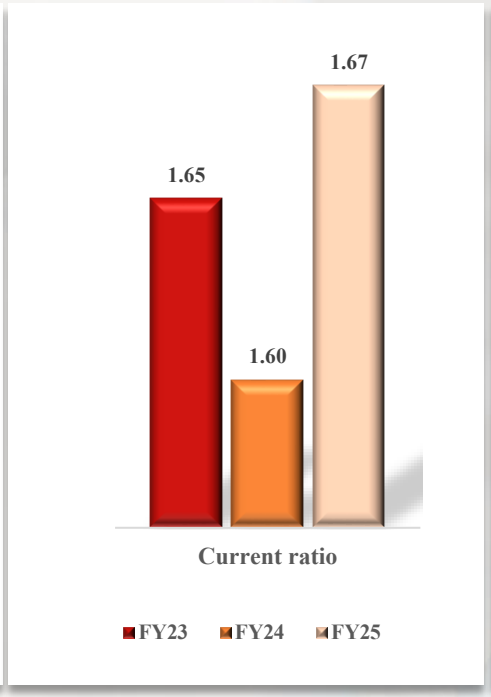


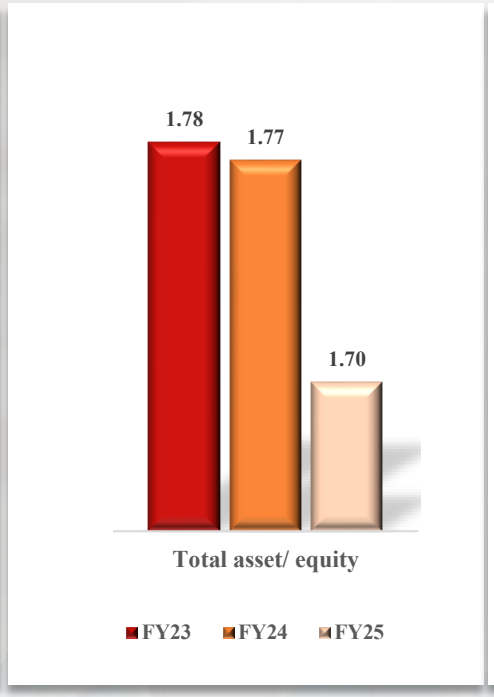
Massive Inventory discipline from 310 days to 167 days has helped improving capital productivity and offset the receivable stretch arising from a higher share of export - and CDMO - led contracts with milestone-based billing and longer credit cycles

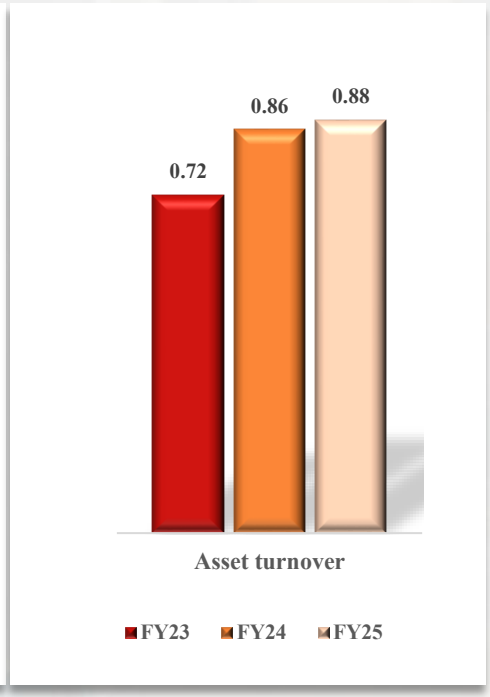
Low leverage and strong coverage - significant headroom for capex











Scaling to next orbit : INR 650+ Cr FY27 revenue milestone

Action plan for the next two years

Expanding to high margin specialty platforms

Commercialize its first biologic, Erythropoietin, in H1 of the next financial year, while continuing to build its presence in complex and niche injectable manufacturing.

Expected Outcome

Margins will go up by 300 bps by FY27

Unlocking Regulated Market Upside Through EU-GMP Readiness

4 of 5 manufacturing plants are EU-GMP approved, with 40+ bio-equivalence programs covering 40+ molecules targeted at highly regulated markets.

Expected Outcome

Widen global reach

Achieving operational efficiency and cost optimization

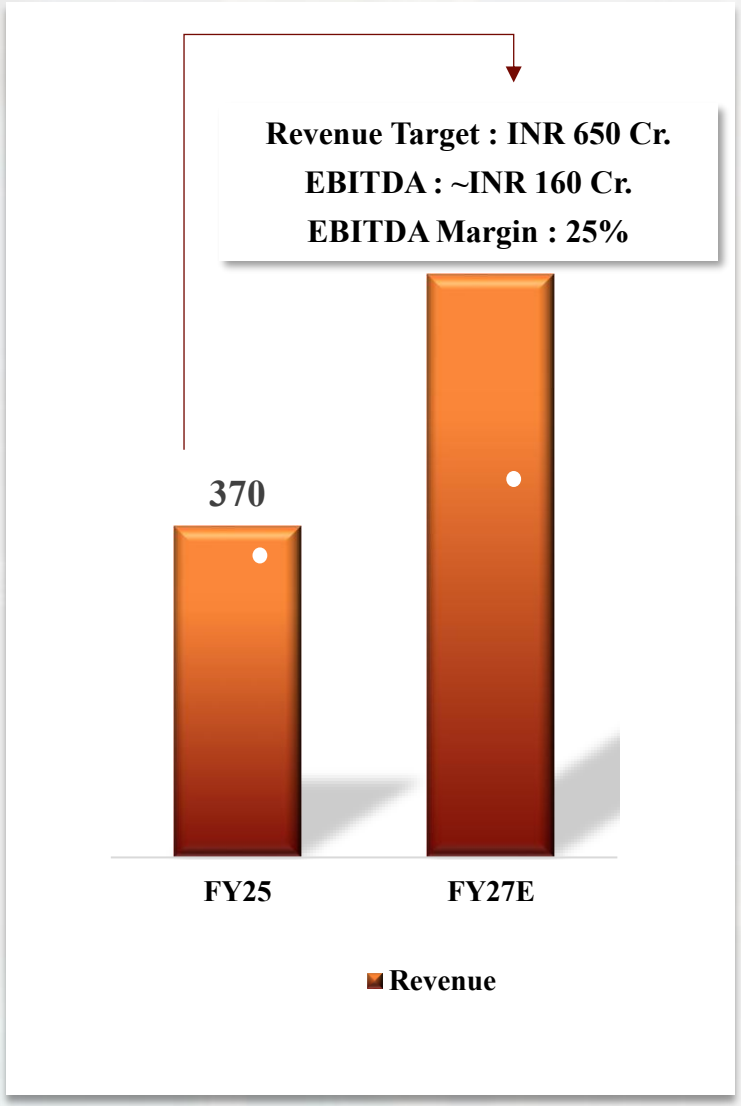
Implementing secondary packaging tech transfers in international markets to optimize logistics and local compliance costs, with 10+ projects already completed.

Expected Outcome

Improves cost efficiency & faster entry into markets

Capex –led expansion across Operations

- Scaling Oncology, Biologics, and Hormone capacities to address demand growth
- Advancing new formulations through BE studies
- Expanding capabilities with monoclonal antibodies (MABs)



Global Accrediations

- EU GMP - EUROPE
- ANVISA - BRAZIL
- MOH - PERU
- COFEPRIS - MEXICO
- PIC/S
- INVIMA - COLOMBIA
- FDA - BOTSWANA
- MCAZ - ZIMBABWE
- TFDA - TANZANIA
- FDA - PHILIPPINES
- FDA - SAUDI
- KMCA - KURDISTAN
- FDA - GHANA
- FDA - MALI
- DPML - IVORY COAST
- UAE - GMP
- CAMBODIA GMP
- IRAQ GMP
- FDA - YEMEN
- FDA - MALAWI
- SRI LANKA - GMP
- UGANDA - GMP
- FDA - RWANDA

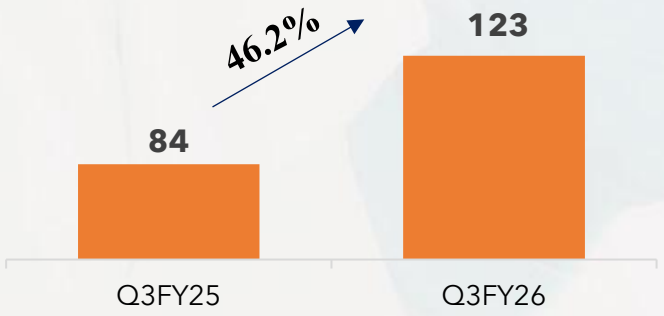
and many more...

Q3 & 9MFY26 Financial Performance

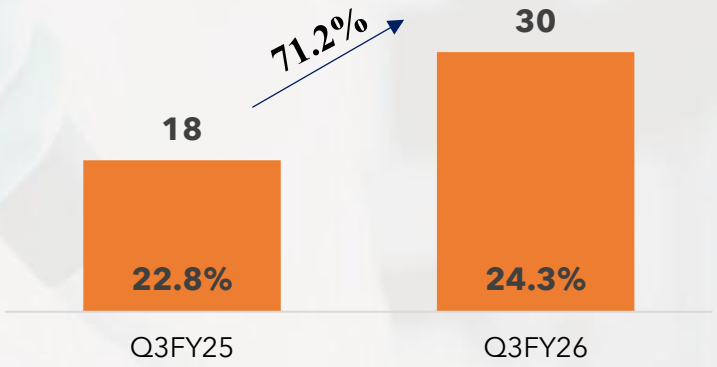
Solid execution reflected in Q3 FY26 and 9M FY26 performance.

Quarter Performance

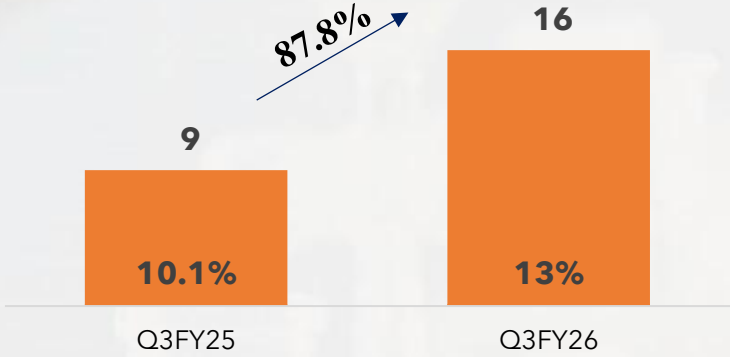
Revenue



EBITDA and Margins (%)

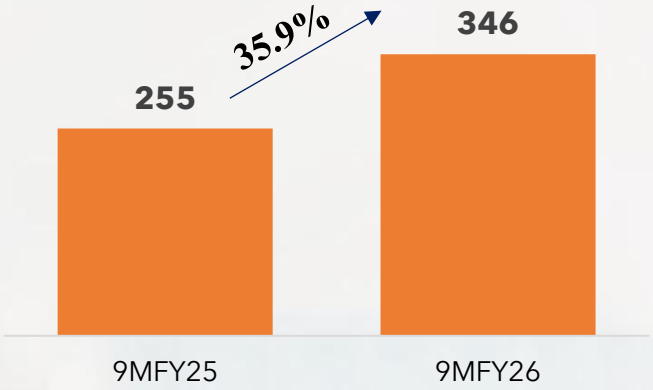


PAT and Margins (%)

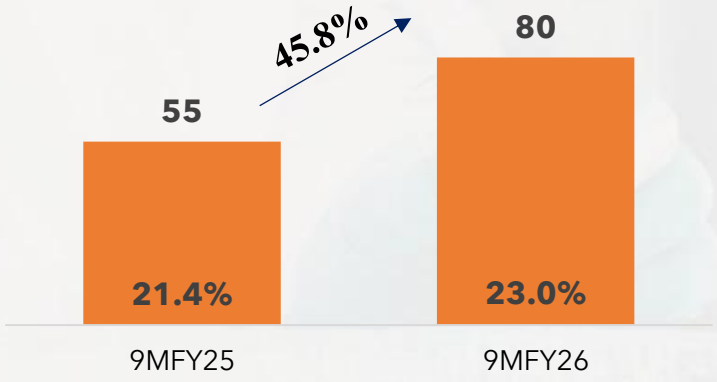


9M Performance

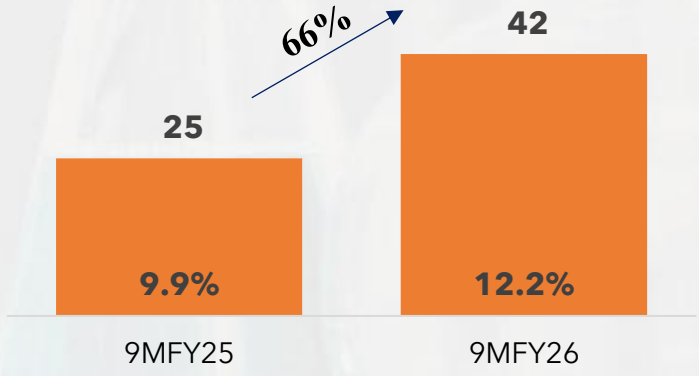
Revenue



EBITDA and Margins (%)



PAT and Margins (%)



Profit and Loss Statement – Q3 & 9MFY26

Particulars	Q3FY26	Q2FY26	QoQ	Q3FY25	YoY	9MFY26	9MFY25	YoY
Revenue from operations (Net)	**123.4**	**111.1**	**11.2%**	**84.4**	**46.2%**	**346.0**	**254.5**	**35.9%**
(a) Cost of materials consumed	57.1	54.0		36.8		161.1	113.1	
(b) Purchases of stock-in-trade	2.3	1.0		1.9		11.3	9.4	
(c) Changes in inventories of finished goods work - in - progress and stock - in - trade	-0.3	-0.4		0.0		-0.7	-0.8	
COGS	**59.1**	**54.6**	**8.2%**	**38.7**	**52.6%**	**171.8**	**121.7**	**41.1%**
Gross Profit	**64.3**	**56.4**	**14.0%**	**45.7**	**40.9%**	**174.2**	**132.8**	**31.2%**
(d) Employee benefits expense	14.4	13.3	7.9%	11.1	29.7%	39.8	31.1	28.1%
(g) Other expenses	20.0	17.8	12.8%	17.1	17.1%	54.9	47.2	16.3%
EBITDA	**30.0**	**25.4**	**18.1%**	**17.5**	**71.2%**	**79.5**	**54.5**	**45.8%**
(e) Finance Cost	2.5	2.8	-12.7%	2.2	12.7%	8.1	7.4	9.5%
(f) Depreciation and amortization expense	4.8	5.0	-2.8%	4.6	5.8%	14.5	13.2	10.2%
Other Income	0.5	0.9	-41.2%	0.7	-19.4%	1.8	1.2	55.9%
Profit before exceptional items and tax	**23.2**	**18.5**	**25.6%**	**11.4**	**103.4%**	**58.7**	**35.1**	**67.3%**
Exceptional Items	0.8	0.0	-	0.0	-	0.8	0.0	-
Profit/Loss before tax	**22.3**	**18.5**	**21.1%**	**11.4**	**96.1%**	**57.8**	**35.1**	**64.9%**
Tax	6.3	4.3	46.4%	2.9	120.9%	15.2	9.7	56.5%
Profit/Loss after Tax	**16.0**	**14.1**	**13.3%**	**8.5**	**87.8%**	**42.0**	**25.3**	**66.0%**

Performance drivers for Q3 &9MFY26

Expansion in Regulated Markets
Initiated supplies to highly regulated markets including Mexico and South Africa
Secured new product registrations during the quarter and commenced commercialization of approvals received in previous quarters

Regulatory & Compliance Milestones
Successfully completed EU-GMP, Russian, and Ukraine audits, enabling entry into new regulated geographies
Advanced product filings following receipt of regulatory certifications

Global Market Presence
Participated in CPHI Worldwide, Milan, enhancing engagement with global customers and partners

Capacity and Infrastructure Expansion
Ongoing expansion in biologics and oncology capacities
Construction of a new hormone manufacturing facility underway

Bioequivalence (BE) and Development Programs
Continued BE program for 40+ oral solid dosage products across multiple therapies
Completed over three BE studies during the quarter

R&D and Product Pipeline Progress
Reported successful EPO pre-clinical outcomes and progressed to the clinical trial stage
Added three new products to the biologics development pipeline

Historical Statement of Profit & Loss

Particulars	Mar-23	Mar-24	Mar-25
Revenue from operations (Net)	**251**	**307**	**370**
(a) Cost of materials consumed	113	154	165
(b) Purchases of stock-in-trade	0	1	16
(c) Changes in inventories of finished goods work - in - progress and stock - in - trade	-3	-1	1
COGS	110	153	182
Gross Profit	141	154	188
(d) Employee benefits expense	30	33	44
(g) Other expenses	51	55	64
EBITDA	**60**	**66**	**80**
(e) Finance Cost	6	10	10
(f) Depreciation and amortisation expense	15	20	18
Other Income	3	2	2
Profit before share of profit of equity accounted investees exceptional items and tax	**42**	**38**	**54**
Share of profit/(loss) of associates and joint ventures accounted for using equity method (net of income tax)	0	0	0
Profit before exceptional items and tax	**42**	**38**	**54**
Exceptional Items	17	7	
Profit/Loss before tax	**26**	**31**	**54**
Tax	6	7	14
Profit/Loss after Tax	**19**	**24**	**40**

Balance Sheet

Particulars (In INR Cr.)	Mar-23	Mar-24	Mar-25
ASSETS	**354**	**394**	**447**
Non-current assets	**146**	**152**	**163**
Property Plant & Equipment	120	139	144
Intangible Assets	0	0	2
Capital Work in Progress	14	0	0
Deferred Tax Assts	0	0	2
Investments			
Other Non current Assets	12	12	16
Current Assets	**207**	**243**	**284**
Inventories	86	78	83
Trade Receivables	72	114	154
Cash & Bank Balances	3	2	12
Bank Balances other than above	4	4	3
Other Current Financial Asstes	7	16	13
Other Current Assets	35	28	18

Particulars (In crs)	Mar-23	Mar-24	Mar-25
EQUITY & LIABILITIES	**354**	**394**	**447**
Equity			
Share Capital	199	223	262
Other Equity	10	10	10
Equity attributable to Equity Holders of the company	190	214	254
Non Controlling Interests	201	224	264
	-1	-2	-2
Non-Current Liabilities			
Borrowings	29	20	15
Provision	27	20	15
Deferred tax liabilities	1	0	0
Current Liabilities			
Borrowings	126	152	170
Trade Payables	63	79	97
Other Current financial Liabilities	35	44	56
Other Current Liabilities	3	3	5
Provisions	19	19	5
Current tax liabilities	0	0	0

Cash Flow Statement

Particulars	FY25	FY24	FY23
Cashflow from Operating Activities	52.72	42.98	41.38
Cashflow from Investing Activities	(28.52)	(26.39)	(48.44)
Cashflow from Financing Activities	(14.44)	(17.39)	0.99
Cash and Cash Equivalents as at end of period/Year	**12.02**	**2.26**	**3.07**

THANK YOU

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