Renata PLC

Consolidated financial highlights for the three months ended 30 September 2026

Renata PLC (the Company) remains among the top five pharmaceutical companies in Bangladesh and continues to lead the Animal Health segment, delivering strong revenue and profit performance despite geopolitical uncertainty, rising energy prices, and persistent domestic cost pressures. Performance was driven primarily by volume-led revenue growth, effective procurement, factory overhead efficiencies, realigned asset cost allocation, lower financing costs following strategic capital restructuring and foreign-exchange risk management.

The Company remains focused on strengthening its competitive position through established brands, new product launches, data-driven marketing, and an extensive distribution network. Continued investment in R&D, differentiated product development, export-market diversification, and operational excellence remain central to managing cost pressures, sustaining profitability, and enhancing long-term financial resilience.

11.4% (Solo 11.6%)
Revenue growth primarily driven by volume

37.2% (Solo 44.7%)
Profit growth by BDT 276m

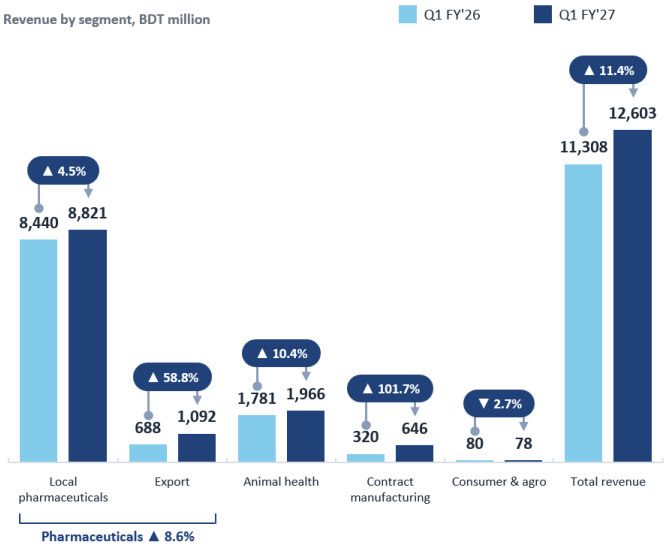
35.2%
Finance cost reduced by BDT 150m

100
Bio-equivalent product portfolio to date

77
International markets presence to date across multiple continents

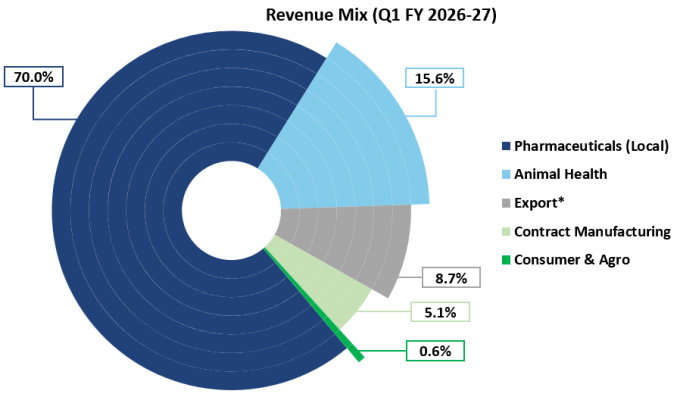
BDT 365m
Incremental capital investments

Renata PLC registered a strong **revenue growth** of 11.4% to BDT 12.60bn during the first quarter of FY 2026-27 compared to the corresponding period of the previous year despite a challenging operating environment. This performance reflects the Company's strong brand equity, sustained market demand, continued focus on R&D and product innovation, export market diversification, and operational excellence.



Pharmaceutical revenue, being 78.7% of the total revenue, increased by 8.6% to BDT 9.91bn during the period. Revenue from animal health, being 15.6% of total revenue, increased by 10.4% to BDT 1.97bn. Revenue from contract manufacturing increased significantly by 101.7% to BDT 0.65bn, whereas consumer & agro remained flat. Revenue from exports, including subsidiaries, increased by 58.8% to BDT 1.09bn.

The Company's bio-equivalent product portfolio addressing chronic and non-communicable diseases has resulted in a substantial number of product registrations and regulatory approvals across international markets, reinforcing the Company's global footprint supporting revenue growth.



*Revenue from export of pharmaceutical products includes subsidiaries' revenue.

In line with the 11.4% volume-led revenue growth, **cost of sales** increased by 10.5% to BDT 6.94bn, where cost of materials increased by 13.0% to BDT 4.72bn and factory overhead increased by 5.4% to BDT 2.22bn. **Cost of materials** increased at a slightly higher rate than revenue, primarily reflecting the sales mix with a greater contribution from products requiring higher-value raw materials.

Factory overhead increased by 5.4% during the first quarter of FY 2026-27, driven by the following:

- 64.7% increase in toll manufacturing expenses reflecting higher costs associated with production outsourced to third-party manufacturers;
- 27.1% increase in energy costs due to multiple price adjustments driven mainly by 32.4% increase in diesel price (from BDT 102/liter to BDT 135/liter) and 18.6% increase in electricity tariffs (from BDT 10.75/kWh to BDT 12.75/kWh for industrial consumers);

- 11.6% increase in repair & maintenance expenses due to higher preventive maintenance activities and breakdown-related repairs;
- 6.1% increase in people costs reflecting annual salary increments, and upgradation of employment status for temporary workforce; and
- 31.3% decrease in depreciation expenses driven by a change in the depreciation method for plant & machinery and revision of economic useful life of one of its sub-classes, better reflecting the pattern of consumption of the assets' future economic benefits.

Following are the Q1 FY'27 vs Q1 FY'26 variances of the cost pools of FOH in line with annual presentation:

Key Drivers	Q1 2026-27
Factory overhead (FOH)	
Increase in people costs reflecting annual salary increments and upgradation of employment status for temporary workforce	▲ 6.1%
Decrease in depreciation expenses following a change in the depreciation method for plant & machinery, better reflecting the pattern of consumption of the assets	▼ 31.3%
Increased travelling and conveyance expenses due to higher operational movements and production-related activities	▲ 6.4%
Increase in energy costs due to multiple price adjustments, mainly for higher diesel prices and industrial electricity tariffs	▲ 27.1%
Increased supplies and consumables expenses in line with the expanded production volume	▲ 1.2%
Increase in repair & maintenance expenses due to higher preventive maintenance activities and breakdown-related repairs	▲ 11.6%

As a result, the gross profit grew by 12.7% supported by disciplined inventory and procurement management, financial risk management initiatives, retuned asset cost allocation and controlled growth in factory overheads.

Administrative expenses increased by 19.9%, while selling, marketing and distribution expenses increased by 10.5%. Combinedly, the **administrative, selling, marketing and distribution expenses** increased by 11.9% mainly reflecting higher energy costs, people costs, distribution activity, and market engagement.

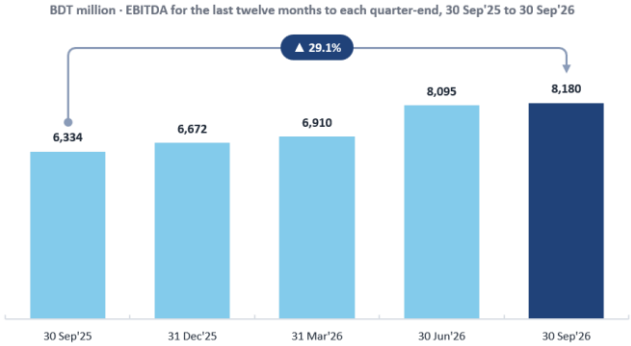
The key drivers of administrative, selling, marketing and distribution expenses during the first quarter of FY 2026-27 include the following:

- 145.4% increase in energy costs primarily driven by a 32.4% increase in diesel prices and an 18.6% rise in industrial electricity tariffs;
- 88.2% increase in export expenses in line with increased export revenue;
- 10.0% increase in selling and marketing expenses driven by expanded brand investment and market-development initiatives;
- 9.4% increase in distribution expenses driven by higher sales volumes, inflationary pressure on fuel and logistics costs; and
- 6.8% increase in people costs driven by inflation-proof annual increments.

Following are the Q1 FY'27 vs Q1 FY'26 variances of the cost pools of SDMA in line with annual presentation:

Key Drivers	Q1 2026-27
Administrative, selling, marketing and distribution expenses (SDMA)	
Increase in people costs driven by inflation-proof annual increments	▲ 6.8%
Decreased travelling and conveyance expenses underpinned by optimized field activities	▼ 0.2%
Increase in distribution expenses driven by higher sales volumes and inflationary pressure on fuel and logistics costs	▲ 9.4%
Increased depreciation expenses due to some major capital work-in-progress projects capitalization during FY 2025-26	▲ 11.9%
Increase in selling and marketing expenses driven by expanded brand investment and market-development initiatives	▲ 10.0%
Increased legal and professional expenses associated with corporate compliance and advisory services	▲ 29.7%

Consequently, **EBITDA** increased by 29.1% on LTM (last twelve months) basis at 30 September 2026 compared to the LTM EBITDA at 30 September 2025.

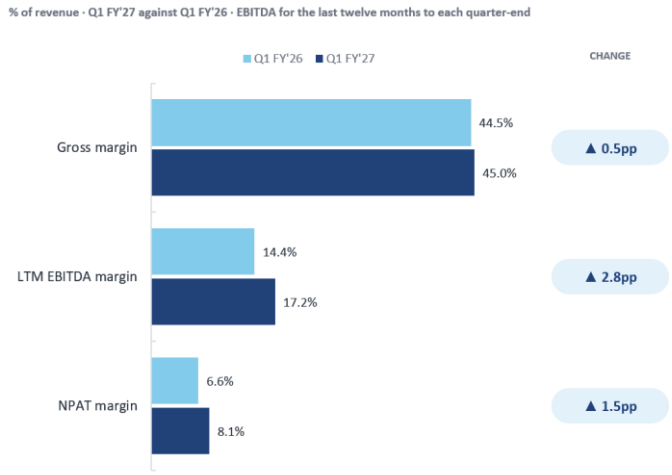


Net financing costs decreased significantly by 35.2% during the first quarter of FY 2026-27 as compared to the corresponding period of last year, contributed mainly by the following:

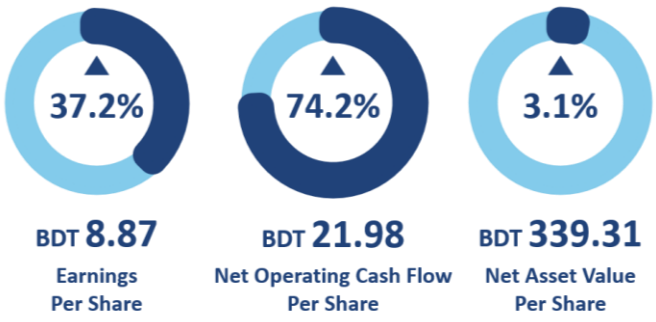
- 38.6% decrease in gross interest expenses (prior to interest capitalization) driven by the Company's continued capital restructuring efforts, including the shift from short-term borrowing to lower-cost long-term funding, supported by the issuance of BDT 3.25bn convertible preference shares, reduced overall finance cost pressure;
- 94.8% decrease in interest capitalization primarily reflecting the major capital work-in-progress projects capitalization during FY 2025-26;
- 30.4% decrease in interest income from the temporary surplus funds placed in interest-bearing accounts;
- 119.9% decrease in foreign exchange (FX) loss driven by the FX risk management initiatives of the Company and relatively stable FX rates throughout the period; and
- Ongoing focus on working capital improvement further reduced the finance costs.

Further, the Company entered into two additional interest rate swap contracts with Standard Chartered Bank, each covering USD 15m of the IFC loan drawdowns, effective July 15, 2026. These arrangements mitigated the Company's exposure to rising SOFR and the associated impact on net financing costs.

The Company achieved a surging 37.2% growth in net profit during the first quarter of FY 2026-27 despite facing adverse national and international macroeconomic conditions and pricing constraints. This performance reflects effective cost management, operational efficiency, tactical focus on high-margin products, and strategic initiatives for financial risk management, demonstrating the Company's resilience amid a challenging operating environment.



The net profit of BDT 1.02bn during the first quarter of FY 2026-27 is considerably higher when compared to the average net profit of BDT 911m of the financial year just has been completed. This growth is primarily contributed by higher revenue growth (11.4% in Q1 FY 2026-27 vs 7.7% in FY 2025-26), significant decrease in net financing cost and favorable impact from realigned cost allocation of plant & machinery, partially offset by significant increase in cost of materials, energy cost and distribution expense.



Thus, the consolidated earnings per share (EPS) increased by 37.2% to BDT 8.87 during the first quarter of FY 2026-27 compared to BDT 6.47 during the corresponding period of the previous year.

The net operating cash flow per share (NOCFPS) increased by 74.2% to BDT 21.98 during the first quarter of FY 2026-27 compared to BDT 12.62 during the corresponding period of the previous year mainly due to strong growth in operating profit.

The net asset value per share (NAVPS) increased by 3.1% to BDT 339.31 on 30 September 2026 as compared to BDT 329.19 on 30 June 2026, by the increase of net profit after tax offset by relevant equity adjustments.



Renata PLC continues to emphasize R&D and product innovation, building on the milestone of 100 bioequivalent products developed to strengthen its product pipeline and expand international market access.

The Company remains focused on redeveloping existing products for regulated markets, including the USA, Canada, Europe and Australia, while expanding its differentiated pipeline of injectables, anticancer formulations, and other specialized products.

Renata also prioritizes manufacturing productivity through resource optimization, product yield analysis, and the introduction of Overall Equipment Effectiveness (OEE) and Manufacturing Throughput as key performance indicators to improve equipment utilization, output, and operational efficiency.

The operating environment remains challenging amid geopolitical conflicts, trade realignment, energy price volatility, supply chain disruptions, and persistent domestic cost pressures. Rising fuel and electricity costs, coupled with limited scope for commensurate price adjustments, continue to pressure margins and reinforce the need for operational efficiency, cost discipline, and prudent financial management. Reductions in US-funded programs also pose risks to export prospects.

Renata PLC remains focused on sustainable and profitable growth through geographic diversification, regulatory expansion, differentiated product development, and operational excellence. Disciplined resource allocation, sustainable energy sourcing, and effective working capital and capital structure management remain central to protecting margins, strengthening cash generation, and enhancing financial resilience.