Make it better together

13th November 2026

To
The Listing Department,
National Stock Exchange of India Limited
NSE Symbol: **SAILIFE**

To
The Corporate Relations Department,
BSE Limited
BSE Scrip code: **544306**

Dear Sir/Madam,

Ref: **Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").**

Sub: **Upgradation in the Credit Rating.**

Pursuant to Regulation 30 read with Para A(3) of Part A of Schedule III of SEBI Listing Regulations we wish to inform you that India Ratings & Research Pvt. Ltd. ("India Ratings") has upgraded the credit rating of the Company on 13th November 2026. In this regard, we are enclosing herewith the press release issued by the India Ratings.

The Summary of the rating are given below:

Instrument Type	Rating Type	Rated Limits (₹ million)	Current Rating	Previous Rating	Rating Action
Bank loan facilities	Long-term/short-term	7,690/-	IND AA/Stable/IN D A1+	IND AA-/Positive/IN D A1+	Long-term rating upgraded; Short-term rating affirmed

Kindly take the above information on your record.

Thanking you.

Yours sincerely,
For **Sai Life Sciences Limited**

RUNA KARAN
Digitally signed by RUNA KARAN
Date: 2026.11.13 21:43:33 +05'30'

Runa Karan
Company Secretary & Compliance Officer
Membership No. A13721

Encl.: As Above

India Ratings Upgrades Sai Life Science's Bank Loans to 'IND AA'; Affirms Short-term Rating at 'IND A1+'

Nov 13, 2026 | Sai Life Sciences Limited | Pharmaceuticals

India Ratings and Research (Ind-Ra) has upgraded Sai Life Sciences Limited's (SLS) bank loan facilities' long-term rating to 'IND AA' from 'IND AA-', with a Stable Outlook, while affirming the short-term rating at 'IND A1+'. The detailed rating actions are as follows:

Details of Instruments

Instrument Type	Regulator of Instrument	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (INR million)	Rating Assigned along with Watch/Outlook	Rating Action
Bank Loan Facilities	-	-	-	-	7,690	IND AA/Stable/IND A1+	Long-term rating upgraded; Short-term rating affirmed

Analytical Approach

Ind-Ra continues to take the consolidated view of SLS and its wholly-owned subsidiaries, Sai Life Sciences Inc., Sai Life Pharma Private Limited and Sai Life Sciences GmbH to arrive at the ratings, as all the companies operate under a similar line of business and have a common management.

Detailed Rationale of the Rating Action

The upgrade reflects Ind-Ra's expectation of sustained improvement in SLS's business and financial profile, supported by the continued growth across its contract research organisation (CRO) and contract development and manufacturing organisation (CDMO) businesses, stronger operating profitability, and comfortable credit metrics, despite investments in capacity/capability building. The business profile has also strengthened with an increase in the late-stage and commercial molecule pipeline, providing a healthy base for future growth. The integrated drug discovery model and progression of molecules from development to commercial manufacturing should improve revenue visibility and enable SLS to capture a larger share of customer spending across the drug-development value chain. The company's diversified product mix offsets inventory destocking and patent expiry risks.

However, SLS is entering a sizeable investment phase, with capex of INR11 billion-INR13 billion planned in FY27. While the capex is likely to support the next phase of growth, incremental debt funding and the time required for the new capacities to ramp up are likely to keep the net leverage (adjusted net debt/operating EBITDA) elevated, relative to the current levels, and return ratios subdued over the medium term. The timely commissioning and ramp-up of the enhanced capacities, as well as improvement in asset utilisation and the consequent recovery in return ratios will be key monitorables. Historical precedence suggests a timely ramp-up of expanded capacities with an improvement in the return on capital employed (ROCE) in a time-bound manner.

The Stable Outlook reflects Ind-Ra's expectation that SLS will sustain its strengthened business profile and healthy profitability, while managing the higher capex without a significant deterioration in leverage.

List of Key Rating Drivers

Strengths

- Healthy business profile; strong clientele
- Supply chain realignment benefits accrue, despite a weakening funding scenario for biotech companies
- Significant improvement in financial performance in FY26/1HFY27; likely to remain healthy in near-to-medium term

Weaknesses

- Credit metrics to moderate amid sizeable capex; remain comfortable
- Geopolitical and inventory destocking risks
- Regulatory and forex risks

Detailed Description of Key Rating Drivers

Healthy Business Profile; Strong Clientele: SLS is a Hyderabad-based CRO/CDMO in the pharmaceutical sector, with a significant presence in regulatory markets, such as the US and Europe. The CRO business contributed 35% to the consolidated revenue in FY26 (FY26: INR7,754 million; FY25: INR6,264 million), while the CDMO business contributed 65% to the revenue in FY26 (FY26: INR14,171 million; FY25: INR10,681 million). The contribution from pharmaceutical and biotech companies to the total CDMO revenues increased to 94% and 6%, respectively, in FY26 (FY25: 91% and 9%), while that of CRO revenues increased to 48% and 52%, respectively, (38% and 62%), indicating a more stable business profile.

SLS offers integrated services across the pharmaceutical life cycle, from discovery services to development and manufacturing of new chemical entities for global innovator pharmaceutical and biotechnology companies. Over its 27 years of operations, the company has completed more than 300 discovery programmes, with over 40 programmes advancing to clinical phases (from the investigational new drug to phase III). In terms of therapy, the company has worked on high value-added areas, such as oncology and other key therapy areas, including central nervous system, inflammation and antivirals. The company is now investing in other high-growth complex chemistries and modalities, namely antibody-drug conjugate (ADCs) and oligonucleotides.

SLS has a diversified customer base and provided services to 19 out of the top 25 global pharmaceutical companies, by market capitalisation in FY26 (FY19: 9 out of the top 25), as well as several biotechnology companies.

Supply Chain Realignment Benefits Accrue, despite A Weakening Funding Scenario for Biotech Companies: While the funding scenario for small biotech companies in the US remains challenging, with 22% of SLS revenues deriving from biotech companies, Ind-Ra notes that SLS benefits from the supply chain realignment as large global customers have started diversifying their business away from China due to geopolitical issues. According to SLS's investor presentation of 2QFY27, its CDMO portfolio constituted 34 commercial molecules, and 14 molecules are under phase III or pre-registration phase. In its CRO business, more than 65% revenues from customers are derived from integrated discovery programs.

Strong Financial Performance in FY26/1HFY27; Likely to Remain Healthy in Near-to-Medium Term: The consolidated revenue increased to INR21,925 million in FY26 (FY25: INR16,946 million; FY24: INR14,652 million), driven by robust demand across both CDMO and CRO segments. SLS continues to benefit from the strong operating leverage, with consolidated EBITDA improving to INR6,312 million in FY26 (FY25: INR4,057 million; FY24: INR2,855 million). The consolidated revenue improved to INR12,129million in 1HFY27 (1HFY26: INR10,339 million), with EBITDA of INR3,344 million (INR2,668 million), with a margin of 28% (26%).

The company's EBITDA margins improved to 29% in FY26 (FY25: 24%; FY24: 19.5%), supported by improved gross profit and a decline in other expenses and employee cost (as a percentage of sales). This also translated into improvements in the ROCE to 18% in FY26 (FY25: 12%; FY24: 10%). SLS has guided for a revenue CAGR of 15-20% and EBITDA margins of 28-30% over the medium term. Ind-Ra expects SLS to maintain healthy operating EBITDA margins in the near-to-medium term. Ind-Ra notes that the quantum of contract assets on SLS's books stood at INR5,111 million in FY26 (FY25: INR3,963 million; FY24: INR2,968 million).

Credit Metrics to Moderate amid Sizeable Capex; Remain Comfortable: SLS's interest coverage (EBITDA/gross interest expenses) improved to 16.1x in FY26 (FY25: 5.3x; FY24: 3.3x) and the adjusted net leverage (total adjusted net debt/EBITDA) remained at 0.2x in FY26 (FY25:0.0x; FY24: 2.6x). SLS has a sizeable capex programme of INR11 billion-INR13 billion in FY27, of which INR6.2 billion has been incurred until 1HFYE27, which is on track with the planned capex. This is likely to result in a moderation in credit metrics over the medium term. The capex will be funded through a mix of internal accruals and incremental borrowings, resulting in an increase in the net leverage, from the current low levels, while free cash flow is likely to remain constrained in the near term. Nevertheless, the impact on the financial profile is likely to remain manageable, supported by healthy operating profitability and cash generation. The timely commissioning and ramp-

up of the enhanced capacities, improvement in asset utilisation and subsequent moderation in net leverage to below 1.5x will remain key monitorables. The company witnessed a trajectory of improvement in ROCE, which improved to 18% in FY26 (FY25: 12%; FY24: 10%). SLS had expended INR12,572 million on capex over FY23-FY26.

Geopolitical and Inventory Destocking Risks: SLS is exposed to geopolitical developments and changes in global pharmaceutical sourcing strategies, given its predominantly international customer base. While supply-chain diversification provides opportunities for Indian CRDMOs, changes in trade policies, in-shoring requirements, or procurement strategies could impact order flows. CDMO revenues may also be susceptible to temporary inventory adjustments by customers. However, Ind-Ra notes that the management does not currently expect destocking to have a material impact on SLS, supported by its diversified portfolio of commercial and late-stage molecules, which limits dependence on any single product.

Regulatory and Forex Risks: With over 90% of its revenue derived from regulated markets, SLS maintains a strong compliance track record of handling the United States Food and Drug Administration's (USFDA) inspections. Being a preferred contract research and manufacturing services player for global pharmaceutical companies, SLS's manufacturing facilities are regularly inspected by these players.

Despite the recent increase in USFDA scrutiny on all Indian manufacturing facilities, SLS has maintained its successful track record of regulatory inspection (the US: USFDA; Japan: the Pharmaceuticals and Medical Devices Agency). In the past 12 years, the company has faced 11 inspections with a 100% success rate. However, the risk of future inspections remains, and any adverse outcomes could be a credit negative for the company, as a significant proportion of revenue may emanate from the same. SLS derives 97% of its revenue in foreign currency, whereas the majority of its costs are incurred in Indian rupees, exposing the company to any adverse movements in the forex rate. However, the company takes a forward cover to hedge its export revenue and receivables, which helps to mitigate the forex risk to a certain extent.

Liquidity

Adequate: On a consolidated basis, SLS had maintained adequate liquidity with cash balances and liquid investments of INR1,889 million at FYE26 (FYE25: INR3723 million; FYE24: INR1,847 million). The average month-end utilisation for its fund-based limits was 24% for the 12 months ended June 2026. The cash flow from operations improved to INR5,091 million in FY26 (FY25: INR3,140; FY24: INR2,631 million) due to favourable changes in working capital. Furthermore, the free cash flow remained negative due to a higher capex of INR5,930 million in FY26 (FY25: INR3,693 million; FY24: INR1817 million).

As on 1HFY27, company has availed INR700 million in term debt and is likely to raise additional borrowings in 2HFY27 to fund its sizeable capex programme. Its scheduled debt repayments remain moderate and are likely to be funded through internal accruals. Ind-Ra expects free cash flow to remain constrained over the near term, given the planned capex of INR11 billion-INR13 billion in FY27.Nevertheless, healthy operating cash generation, available cash balances and low utilisation of fund-based limits provide liquidity headroom to meet near-term obligations and fund a portion of the capex.

Rating Sensitivities

Positive: A significant increase in the scale of operations, while maintaining operating profitability, ROCE and credit metrics, following the completion and ramp-up of the ongoing capex, resulting in sustained healthy free cash flow and credit metrics, on a sustained basis, could lead to a positive rating action.

Negative: Lower-than-expected EBITDA generation and/or higher-than-expected debt levels due to higher capex/working capital/investments, leading to an increased likelihood of the consolidated net leverage exceeding 1.5x, on a sustained basis, will lead to a negative rating.

Any Other Information

Standalone Performance: SLS's standalone revenue stood at INR21,532 million in FY26 (FY25:INR16,420 million) and EBITDA stood at INR6,000 million (FY25: INR3,904 million), with an EBITDA margin of 28% (FY25: 24%). The interest coverage improved to 18.4x in FY26 (FY25: 5.6x), while the net leverage stood at 0.24x (FY25: net cash).

About the Company

SLS was incorporated in January 1999, as a medicinal chemistry company. In 2002, it expanded its service offerings to include process research and development services. The company entered into contract manufacturing services in 2005 with the acquisition of Prasad Drugs Limited, followed by the acquisition of Merrifield Pharma Private Limited (an USFDA-approved unit) in Bidar, Karnataka, in 2006 to expand its manufacturing capabilities.

Key Financial Indicators

Particulars (Consolidated; INR million)	1HFY27	FY26	FY25
Revenue	12,129	21,925	16,946
EBITDAR	3,344	6,312	4,057
EBITDAR margin (%)	27.6	28.8	24
Gross interest coverage (x)	18	16.1	5.3
Net leverage (x)	-	0.2	Net cash
Source: SLS; Ind-Ra			

Status of Non-Cooperation with Previous Rating Agency

Not applicable

Rating History

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook		
	Rating Type	Rated Limits (INR million)	Current Rating	14 August 2025	15 May 2024	22 September 2023
Bank loan facilities	Long-term/short-term	7,690	IND AA/Stable/IND A1+	IND AA-/Positive/IND A1+	IND A+/Stable/IND A1+	-
Issuer rating	Long-term	-	-	-	-	WD

Disclosure on instruments / activities and names of regulators:

A list of products/activities or ratings of instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by Ind-Ra on its website. A link to the same has been provided below for ready reference:

Rating Activities

Note: Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Bank wise Facilities Details

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Bank loan facilities	Low

For details on the complexity level of the instruments, please visit https://www.indiaratings.co.in/complexity-indicators.

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APPLICABLE CRITERIA AND POLICIES

Corporate Rating Methodology

Parent and Subsidiary Rating Linkage

Short-Term Ratings Criteria for Non-Financial Corporates

The Rating Process

Evaluating Corporate Governance

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