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August 14, 2026

BSE Limited
Mumbai

National Stock Exchange of India Ltd
Mumbai

SCRIP CODE: 512070

SYMBOL: UPL

Sub.: Intimation of revision in credit rating outlook by S&P from "Stable" to "Positive" for UPL Corporation Limited

Dear Sir/Madam,

Pursuant to Regulation 30(6), read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform you that S&P Global Ratings ("S&P"), vide its publication dated August 14, 2026, communicated revision in the credit rating outlook of UPL Corporation Limited ("UPL Corp"), wholly owned subsidiary of UPL Limited.

S&P has revised its rating outlook on UPL Corp from "Stable" to "Positive". S&P affirmed 'BB' long term issuer credit rating of UPL Corp. S&P also affirmed 'BB' issue rating of its senior unsecured notes.

The communication received from S&P is enclosed herewith.

We request you to kindly take the above on record.

Thanking you,

Yours faithfully,
For **UPL Limited**

Sandeep Mohan Deshmukh
Digitally signed by Sandeep Mohan Deshmukh
Date: 2026.08.14 11:23:11 +05'30'

Sandeep Deshmukh
Company Secretary and Compliance Officer
(ACS-10946)

Encl: As above

Research Update:

UPL Corp. Outlook Revised To Positive On Resilient Operations; 'BB' Rating Affirmed

August 13, 2026

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Rating Action Overview

- We expect sales volumes of crop protection products to gradually recover over the next 12 months, supporting UPL Corp.'s sales and earnings.
- The India-based company will combine this with proactive balance sheet management to maintain its ratio of funds from operations (FFO) to debt above the upgrade threshold of 20%.
- On Aug. 14, 2026, S&P Global Ratings revised its rating outlook on UPL Corp. to positive from stable. At the same time, we affirmed our 'BB' long-term issuer credit rating on the company. We also affirmed our 'BB' issue rating on its senior unsecured notes.
- The positive outlook on UPL Corp. reflects our expectation of sustained earnings and a disciplined financial policy over the next 12 months.

Rating Action Rationale

A gradual recovery in volumes will sustain UPL Corp.'s strong earnings over the next 12 months. S&P Global Energy estimates the crop protection market in Latin America (a major one for UPL Corp.) will grow in value by 4% in 2026 and 7% in 2027. An increase in harvest area and crop yields in the region over the next 12-18 months will propel this. Accordingly, we expect the company's earnings to remain resilient despite higher and volatile costs stemming from the ongoing conflict in the Middle East.

UPL Corp.'s results for the fiscal year ended March 31, 2026, exceeded our expectations, with EBITDA 17% above our estimate. This momentum continued into the first quarter of fiscal 2027, supported by favorable currency movements and improved performance in the seeds business. Volumes declined as distributors deferred procurement in response to heightened price volatility, but we expect restocking demand to support volumes throughout the remainder of fiscal 2027.

By our estimates, UPL Corp. will maintain credit metrics commensurate with a higher rating. This will be supported by the company's stable earnings and disciplined financial policy. S&P Global Ratings-adjusted debt for UPL Corp. declined to a multi-year low as of March 31, 2026, as it has prioritized deleveraging over growth in recent years.

UPL Corp.'s ratio of FFO to debt improved to 23% in fiscal 2026. This was higher than our earlier estimate of 18% due to improved earnings. We now forecast this ratio to stay at 22%-25% through fiscal 2028, comfortably above our upside threshold of 20%.

We expect UPL Corp. to proactively manage its upcoming maturities. The company's sustainability linked term loan of US$500 million matures in December 2026. It is exploring various options, including term loans, rupee/dollar denominated bonds and committed facilities.

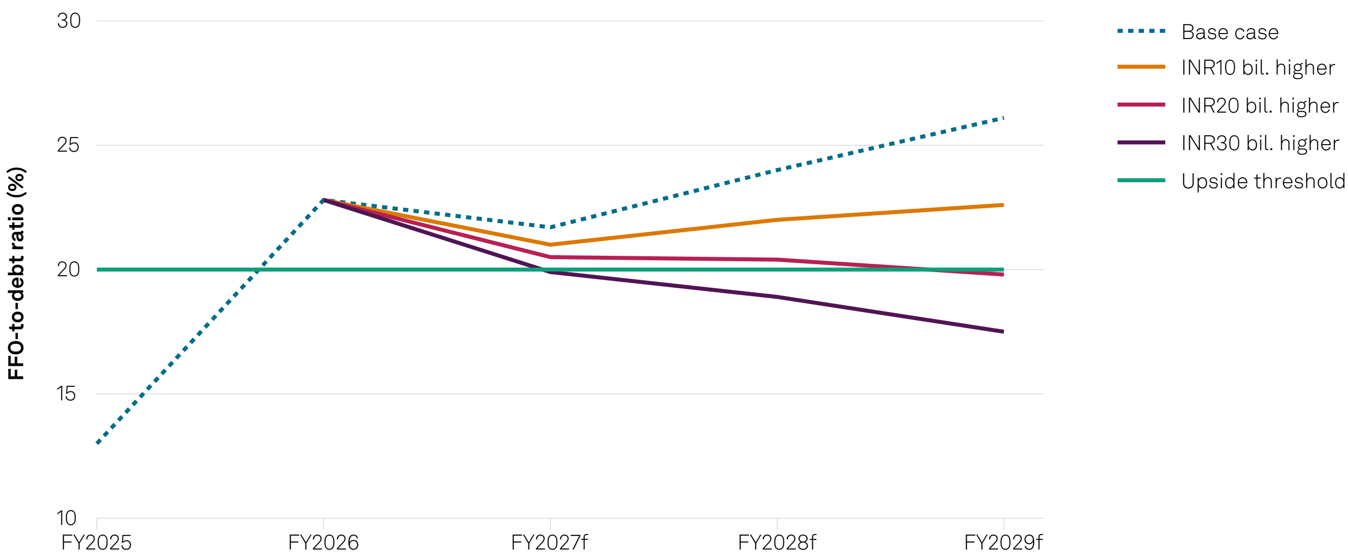
Additionally, UPL Corp. has debt maturity of US$500 million in September 2027. Refinancing would be crucial as it would soon fall within the 12-month window and weigh on the company's liquidity. Nevertheless, the company has a record of addressing its past maturities in a timely manner.

Adverse weather and volatile raw material prices could derail the improvement in UPL Corp.'s credit profile. Severe El Nino conditions could lower crop yields in various geographies and hurt demand for crop protection products. We estimate a 10% decline in volumes from our base case could lower the ratio of FFO to debt below our upgrade threshold of 20%, all else being equal.

UPL Corp. is also exposed to volatility in active ingredient prices. Inventory losses due to a sharp correction in those prices could weaken the company's profit margins. Easing supply chain constraints and falling crude oil prices could trigger such a scenario.

UPL Corp.'s credit ratios are sensitive to large swings in working capital. The company has experienced considerable volatility in cash flow in the past due to large movements in working capital. UPL Corp.'s substantial business in Latin America results in its receivables being higher than the industry average. This weighs on how quickly it can turn sales into cash.

Elevated working capital could weigh on UPL Corp.'s FFO-to-debt ratio



FY--Financial year ending March 31. f--Forecast. The scenarios above indicate incremental working capital usage compared with our base case. Source: S&P Global Ratings.

We expect working capital requirements in fiscal 2027 to rise by Indian rupee (INR) 14 billion, largely because increasing sales require a higher buildup of inventory. Incremental working capital usage is likely to normalize to below INR10 billion in subsequent years. While our base case is for UPL Corp.'s FFO-to-debt ratio to approach 25% over the next 12-24 months, an additional INR20 billion in working capital requirement could weaken this ratio below 20%.

Outlook

The positive outlook on UPL Corp. reflects our expectation of sustained earnings and a disciplined financial policy over the next 12 months.

Downside scenario

We may revise the rating outlook on UPL Corp. back to stable if: (1) a delayed recovery in demand for crop protection products leads to stagnant volumes and compressed margins; or (2) debt increases materially, driven by an extended working capital cycle, large unanticipated acquisitions, or elevated shareholder distributions. In such scenarios, UPL Corp.'s FFO-to-debt ratio could weaken below 20%.

Upside scenario

We could raise the rating on UPL Corp. if resilient earnings, proactive addressing of upcoming debt maturities, and prudent working capital management lead to a sustained improvement in the company's credit quality. In such a scenario, we would expect liquidity to improve further and the FFO-to-debt ratio to remain comfortably above 20%.

Company Description

UPL Corp. is a wholly owned subsidiary of India-listed UPL Ltd. UPL Corp. owns 78% of UPL Corp. Ltd. Cayman, a subsidiary focused on global crop protection business (outside of India).

UPL Ltd.'s offerings cover the entire agricultural value chain, including seeds, seed treatment, crop protection, storage of agricultural products, and solutions for after the harvest. In fiscal 2026, the company had INR518 billion in revenue and INR100 billion in adjusted EBITDA.

Our Base-Case Scenario

Assumptions

- India's real GDP to grow 6.6% in fiscal 2027 and 7.2% in fiscal 2028, compared with 7.7% in fiscal 2026.
- Brazil's GDP to grow 1.8% in 2026 and 1.7% in 2027, down from 2.6% in 2025.
- A gradual recovery in the global agrichemical industry over the next two fiscal years, supported by improving demand and easing raw material supply constraints.
- UPL Corp.'s revenue to rise 5 % in fiscal 2027, on the back of favorable currency movement and a gradual increase in volumes. We expect this trend to continue through fiscal 2028 with 4.8% revenue growth.
- Annual capital expenditure (capex) to be INR25 billion-INR30 billion in fiscal 2027 and fiscal 2028.

Key metrics

UPL Corp. Ltd.--Forecast summary

Period ending	Mar-31-2023	Mar-31-2024	Mar-31-2025	Mar-31-2026	Mar-31-2027	Mar-31-2028	Mar-31-2029

UPL Corp. Ltd.--Forecast summary

(Mil. INR)	2022a	2023a	2024a	2025a	2026e	2027f	2028f
Revenue	535,200	429,150	466,100	518,390	544,565	570,786	598,576
EBITDA	113,350	52,810	82,390	100,040	99,396	104,358	109,614
Funds from operations (FFO)	76,016	6,016	37,712	65,432	63,385	67,106	69,878
Capital expenditure (capex)	23,600	19,950	16,950	24,060	26,466	29,113	32,024
Debt	325,117	349,532	289,367	287,590	292,732	280,136	268,110
Cash and short-term investments (reported)	61,430	62,970	98,570	67,270	61,190	20,000	20,000
Adjusted ratios							
Debt/EBITDA (x)	2.9	6.6	3.5	2.9	2.9	2.7	2.4
FFO/debt (%)	23.4	1.7	13.0	22.8	21.7	24.0	26.1
EBITDA margin (%)	21.2	12.3	17.7	19.3	18.3	18.3	18.3

All figures are adjusted by S&P Global Ratings, unless stated as reported. Adjusted debt includes non-recourse receivable factoring. The company does not use any reverse factoring arrangement as per management confirmation. a--Actual. e--Estimate. f--Forecast. INR--Indian rupee.

Liquidity

We assess UPL Corp.'s liquidity as less than adequate. We estimate it will have a ratio of sources of liquidity to uses of less than 1.0x for the 12 months ending June 30, 2027. This is primarily because the upcoming term debt maturity and large working capital swings would weigh down the company's liquidity.

Although UPL Corp.'s long-standing relationships with banks and high standing in credit markets are reflected in its domestic and global bond issuances over past years, we question its ability to absorb high-impact and low-probability events without having to refinance. Pronounced downward pressure on its earnings from a downturn in the crop protection industry illustrates this point.

UPL Corp. maintains undrawn committed short-term bank lines of more than US$1.5 billion, which provides adequate buffer in times of a liquidity crunch. In addition to this, the company has US$1.1 billion of factoring facilities, about half of which was unutilized as of June 30, 2026.

UPL Corp.'s upcoming debt maturities comprise a term loan repayment of US$500 million in December 2026, followed by US$500 million maturing in September 2027.

Principal liquidity sources	Principal liquidity uses
• Cash and cash equivalents of about INR49 billion as of June 30, 2026. • Cash funds from operations of about INR47 billion over the 12 months ending June 30, 2027.	• Short-term debt maturities of INR102 billion over the 12 months ending June 30, 2027. • A seasonal working capital swing of about INR10 billion. • Minimum capex of about INR4 billion over the 12 months ending June 30, 2027.

- Short-term working capital lines up to the seasonal working capital requirement of INR10 billion.
- Dividend payments of about INR5 billion in the same period.

Covenants

The company was compliant with its financial covenants as of March 31, 2026.

Environmental, Social, And Governance

Social factors are a moderately negative consideration in our credit rating analysis of UPL Corp. Herbicide products constitute about one third of the company's total revenue. This segment--including crop-protection chemicals and seeds and traits--is facing greater focus and growing public scrutiny about the impact on health and the environment.

Governance factors are also a moderately negative consideration in our credit rating analysis. Past accidents at the company's manufacturing plants in India resulted in casualties, while chemical spills in South Africa stirred controversy with government entities in Durban. Since the incidents, UPL Corp. has implemented and strengthened revised protocols for storage of hazardous chemicals while enhancing safety training across all its manufacturing sites globally.

Issue Ratings--Recovery Analysis

Key analytical factors

Our simulated default scenario assumes a payment default in 2031 due to a meaningful and prolonged weakening in global demand from the agribusiness sector. Under this scenario, we consider that UPL Corp.'s enterprise value could provide an average recovery for the senior unsecured credit facilities.

UPL's debt structure consists of bonds totaling US$725 million, term loans of US$900 million, sustainability linked term loans of US$500 million, and working capital facilities of about US$870 million. We recognize the outstanding amounts under the factoring facilities (about US$700 million) as priority claims and adjust the recovery value accordingly.

We rate UPL's US$449 million and US$276 million senior unsecured notes 'BB' with a recovery rating of '4', indicating average (30%-50%) recovery prospects under our hypothetical default scenario.

Simulated default assumptions

- Simulated year of default: 2031
- EBITDA at emergence: INR40 billion
- Implied enterprise value multiple: 5x

Simplified waterfall

- Net enterprise value (after 5% administrative costs): INR190 billion
- Less priority claims: INR56 billion*

- Residual value available to unsecured claims: INR135 billion
- Unsecured claims: INR294 billion*
- Recovery expectation: 30%-50% (rounded estimate: 45%)

*Debt amounts include six months of accrued interest that we assume will be owed at default.

Rating Component Scores

Component	
Foreign currency issuer credit rating	BB/Positive/--
Local currency issuer credit rating	BB/Positive/--
Business risk	Satisfactory
Country risk	Intermediate risk
Industry risk	Moderately high risk
Competitive position	Satisfactory
Financial risk	Aggressive
Cash flow/leverage	Aggressive
Anchor	bb
Modifiers	
Diversification/portfolio effect	Neutral/Undiversified
Capital structure	Neutral
Financial policy	Neutral
Liquidity	Less than adequate
Management and governance	Moderately negative
Comparable rating analysis	Positive
Stand-alone credit profile	bb

Related Criteria

- Criteria | Corporates | General: Recovery Rating Criteria For Corporate Issuers, March 31, 2026
- Criteria | Corporates | General: Sector-Specific Corporate Methodology, July 7, 2025
- Criteria | Corporates | General: Corporate Methodology, Jan. 7, 2024
- Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities, Jan. 7, 2024
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, April 1, 2019
- Criteria | Corporates | Recovery: Methodology: Jurisdiction Ranking Assessments, Jan. 20, 2016
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- General Criteria: Methodology: Industry Risk, Nov. 20, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 20, 2013

- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- UPL Corp.'s Group Status Unchanged Amid Proposed Reorganization, Feb. 20, 2026

Ratings List

Ratings List		
Ratings Affirmed; Outlook Action		
	To	**From**
UPL Corp. Ltd.		
Issuer Credit Rating	BB/Positive/--	BB/Stable/--
Foreign Currency	BB/Positive/--	BB/Stable/--
Ratings Affirmed; Recovery Ratings Unchanged		
UPL Corp. Ltd.		
Senior Unsecured	BB	
Recovery Rating	4(45%)	