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August 6, 2025

BSE Limited
Mumbai

SCRIP CODE – 512070

National Stock Exchange of India Ltd.
Mumbai

SYMBOL: UPL

Sub: Intimation of revision in credit rating outlook by Moody's 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 Moody's Investors Service (Moody's) vide its publication dated August 6, 2025, has communicated its rating action on UPL Corporation Limited ("UPL Corp"), wholly owned subsidiary of UPL Limited.

Moody's has affirmed UPL Corp Ba2 corporate family rating (CFR) and senior unsecured debt rating and revised its outlook from "Negative" to "Stable".

The said information was received by the Company on August 6, 2025 at 3:45 p.m.(IST).

The publication by Moody's is enclosed.

We request you to take the above on record.

Thanking you,

Yours faithfully,
For **UPL Limited**

Sandeep Mohan Deshmukh
Digitally signed by Sandeep Mohan Deshmukh
Date: 2025.08.06 16:27:06 +05'30'

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

Encl: As above

MOODY'S
RATINGS

Rating Action: Moody's Ratings affirms UPL's Ba2 ratings; changes outlook to stable from negative

06 Aug 2025

Singapore, August 06, 2025 -- Moody's Ratings (Moody's) has affirmed UPL Corporation Limited's (UPL Corp) Ba2 corporate family rating (CFR) and senior unsecured debt rating.

At the same time, we changed the ratings outlook to stable from negative.

"The ratings affirmation and outlook change to stable are driven by the strengthening in UPL's credit profile supported by continuous efforts in structurally improving working capital management, which we believe will be sustained," says Kaustubh Chaubal a Moody's Ratings Senior Vice President.

"Gross debt reduction and earnings expansion will pave the way for the company's debt/EBITDA leverage to correct towards 4.5x by March 2026, enhancing the company's financial flexibility as it looks to refinance its upcoming debt maturities in 2026," adds Chaubal who is also the lead analyst on UPL.

RATINGS RATIONALE

We expect UPL's revenue growth to remain modest at around 4% in the fiscal year ending 31 March 2026 (FY25–26), tapering to 1.5% - 2.0% thereafter, with EBITDA margins improving toward 18% over the next two to three years - though still below the historical average of 20%. This reflects stabilized industry inventories, UPL's disciplined working capital management, its backward integration strategy, and low operating breakeven, which support margin recovery as market conditions normalize.

UPL derives about 10% of its global revenue from the US. While it operates manufacturing facilities in the US, it imports some raw materials from India that would be subject to the 25% blanket tariff effective August 7. Nonetheless, UPL's geographically diversified operations should help mitigate the overall impact. Although tariffs on imports from India are lower than those from China, we do not expect a material competitive advantage, particularly as trade flows may shift to other markets where UPL is present.

Channel inventories at distributors and farmers across various markets have now somewhat stabilized, but a global oversupply of agrochemicals and geopolitical and trade tensions will constrain product price increases, at least over the next two years. In addition, a shift in buying patterns with distributors restocking closer to planting seasons will keep volume growth moderate for UPL.

Meanwhile, the company continues to streamline working capital and reduce reliance on higher-cost short-term debt. As a result, we expect Moody's-adjusted gross debt/EBITDA to improve to around 4.0x by March 2027 from approximately 5.0x at March 2025, pro forma for the $400 million perpetual notes repaid in May. Lower interest expense will also support a recovery in EBITDA/interest coverage to 2.5x–3.0x over FY25–26 and FY26–27.

UPL's Ba2 CFR continues to reflect its substantial scale, leading global position in post-patent agrochemicals, and geographically diversified, vertically integrated operations. The company's in-house production of key raw materials and broad product portfolio—spanning crop cultivation, protection, and preservation—support its competitive profile across the agricultural value chain.

Nonetheless, like peers, UPL remains exposed to weather variability and the long gestation cycle of agricultural production, which contributes to structurally elongated working capital requirements.

UPL Group includes the ultimate holding company UPL Limited and its various Indian and overseas operating subsidiaries, including UPL Corp. Despite its subsidiary status, UPL Corp shares significant operational and financial integration with its parent, including a common treasury function, making its risk exposure reflective of the broader UPL Group's credit quality. As such, our ratings for UPL Corp continue to reflect the credit quality of UPL Group (UPL) as a whole.

OUTLOOK

The stable outlook reflects our view that UPL will sustain its strong business profile and maintain at least adequate liquidity. We anticipate that the company's credit metrics will remain appropriate for its Ba2 ratings. The stable outlook also incorporates our expectation that the company will pursue a balanced growth strategy while adhering to prudent financial policies.

LIQUIDITY

We assess UPL's liquidity as adequate. Cash and cash equivalents of $637 million as of June 2025, estimated cash flow from operations totaling $1.6 billion over the 21 months till March 2027, and proceeds from the rights issuance of $200 million will be sufficient to cover its short term debt repayment, scheduled long term debt maturities, capital expenditures and shareholder payments over the same period.

Nonetheless, as a global agrochemical company, UPL's cash flow is highly susceptible to changing weather patterns and seasonality, leading to significant intra-year working capital fluctuations, requiring continued reliance on uncommitted, short-term working capital facilities to manage temporary mismatches. Any shortfalls or delays in freeing up working capital could further pressure UPL's liquidity.

FACTORS THAT COULD LEAD TO AN UPGRADE OR DOWNGRADE OF THE RATINGS

Upward rating momentum could develop over time if UPL's profitability returns to historical levels and its EBITDA margin is sustained at or above 20%, gross debt/EBITDA leverage at well below 4.0x, and EBITDA/interest coverage maintained at above 3.0x, while generating consistent positive free cash flow on a Moody's adjusted basis.

Downward rating pressure will emerge if UPL's EBITDA margin falls below 12%, its gross debt/EBITDA leverage remains above 5.0x, or if the company is unable to maintain EBITDA/interest coverage of at least 2.0x. Weakening liquidity or the adoption of aggressive financing to fund revenue growth, such that the company fails to improve its liability mix, with current liabilities continuing to dominate total liabilities on a sustained basis, would also exert negative ratings pressure.

Any deviation from our expectation of leverage improvement, shareholder-friendly policies such as share repurchases or higher-than-expected dividends, or any large debt-funded acquisitions that weaken the company's financial profile and delay deleveraging would also hurt the ratings.

PRINCIPAL METHODOLOGY

The principal methodology used in these ratings was Chemicals published in October 2023 and available at https://ratings.moodys.com/rmc-documents/410490. Alternatively, please see the Rating Methodologies page on https://ratings.moodys.com for a copy of this methodology.

The net effect of any adjustments applied to rating factor scores or scorecard outputs under the primary methodology(ies), if any, was not material to the ratings addressed in this announcement.

CORPORATE PROFILE

UPL Corp is a wholly-owned subsidiary of UPL Limited, a leading global agrochemical company that operates in the post-patent space. UPL Limited generated revenues of INR460 billion ($5.5 billion) and EBITDA of INR68.8 billion ($813 million) during the fiscal year ended 31 March 2025.

Listed on India's National Stock Exchange and the Bombay Stock Exchange, UPL Limited was 33.5% (as of 30 June 2025) owned by its promoter family, led by Jaidev Shroff, chairman and group CEO.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on https://ratings.moodys.com/rating-definitions.

For any affected securities or rated entities receiving direct credit support/credit substitution from another entity or entities subject to a credit rating action (the supporting entity), and whose ratings may change as a result of a credit rating action as to the supporting entity, the associated regulatory disclosures will relate to the supporting entity. Exceptions to this approach may be applicable in certain jurisdictions.

For ratings issued on a program, series, category/class of debt or security, certain regulatory disclosures applicable to each rating of a subsequently issued bond or note of the same series, category/class of debt, or security, or pursuant to a program for which the ratings are derived exclusively from existing ratings, in accordance with Moody's rating practices, can be found in the most recent Credit Rating Announcement related to the same class of Credit Rating.

For provisional ratings, the Credit Rating Announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating.

Moody's does not always publish a separate Credit Rating Announcement for each Credit Rating assigned in the Anticipated Ratings Process or Subsequent Ratings Process.

These ratings are solicited. Please refer to Moody's Policy for Designating and Assigning Unsolicited Credit Ratings available on its website https://ratings.moodys.com.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

The Global Scale Credit Rating(s) discussed in this Credit Rating Announcement was(were) issued by one of Moody's affiliates outside the EU and UK and is(are) endorsed for use in the EU and UK in accordance with the EU and UK CRA Regulation.

Please see https://ratings.moodys.com for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

Please see the issuer/deal page on https://ratings.moodys.com for additional regulatory disclosures for each credit rating.

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