

QUALITEK LABS LIMITED

CIN.L74999DL2018PLC334105

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Date: November 14, 2025

To,

The Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001

Scrip Code: 544091

Company Name: Qualitek Labs Limited

Subject: Submission of Management Discussion & Analysis (MD&A) for H1 FY 2025-26.

Dear Sir/Madam,

Pursuant to the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), and further to our submission of the Quarterly and Half-Yearly Unaudited Financial Results for the period ended 30th September 2025, we hereby submit the Management Discussion & Analysis (MD&A) for H1 FY26.

The enclosed MD&A provides an overview of the Company's consolidated and standalone performance for H1 FY26, key operational highlights, and the business outlook following the integration of Interstellar Testing Centre Private Limited (ITCPL) and expansion of multi-location TIC capabilities.

The aforesaid information shall also be made available on the Company's website at:

<https://www.qualiteklab.com/compliances/>

You are requested to kindly take the above information on record.

Thanking you.

Yours faithfully,
For **Qualitek Labs Limited**

Antaryami Nayak
Managing Director
DIN: 07232463

Encl.: Management Discussion & Analysis (H1 FY26)

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Management Discussion & Analysis (H1 FY26)

Overview

Qualitek Labs delivered a strong performance in H1 FY26, its first half-year of consolidated reporting following the integration of Interstellar Testing Centre (ITCPL). Growth remained broad-based across automotive, food & agri-commodities, pharma, EV, electricals & electronics, environment, minerals, and infrastructure testing. The Company continued to strengthen its multi-location TIC (Testing, Inspection & Certification) platform while executing planned capacity and capability investments to support long-term scale.

Consolidated Performance

The Company has demonstrated a strong financial growth in H1-26 VLY. On a consolidated basis, the Company reported **₹54.2 crore** in revenue for H1 FY26, a **37% YoY increase** reflecting strong demand across its diversified TIC portfolio.

Gross Profit was **₹46.2 crore**, with a robust **85% gross margin**, consistent with the high-value nature of analytical and regulatory testing. EBITDA stood at **₹11.2 crore** (21% margin), and PAT at **₹4.8 crore** (9% margin).

The Company has added 9 new labs in the last 18 months with an annual revenue potential of INR 120 Cr to be generated in next 2~3 years. The actual revenue from these labs in H1-26 is only INR 8.9 Cr. At EBITDA level, the new labs have incurred loss of INR 3.3 Cr in H1-26 which has impacted the consolidated EBITDA margin in H1-26. Whereas, the established labs have delivered EBITDA margin of 32% on a Revenue of INR 45.3 Cr in H1-26.

Sequentially, the EBITDA and PAT margins were lower than H2 FY25, in line with consolidation-phase dynamics — including the integration of ITCPL, ramp-up costs at Noida and Pune, capability expansion in automotive, E&E and minerals testing, and higher depreciation/finance costs linked to recent capacity additions. These investments are strategic and expected to unlock better operating leverage in H2 FY26 onwards as utilisation improves.

The sequential moderation versus H2 FY25 reflects planned front-loaded investments across new capabilities (EV testing, VOC, pharma packaging, advanced E&E, sustainability, food), higher employee costs associated with annual increments, domain-specialist hiring, and integration-driven certification and audit expenses. These costs, together with higher depreciation and interest from recent capex deployments, also contributed to sequentially lower PAT compared to H2 FY25. The sequential comparison to H2 FY25 reflects the expected transition phase as newly commissioned labs scale toward optimal utilisation.

Standalone Performance

Revenue from Operations for H1 FY26 stood at **₹29.0 crore**, a **39% YoY increase**, driven by higher utilisation across all the locations and increased contribution from specialised testing segments.

Gross Profit rose **38% YoY** to **₹24.0 crore**, with a gross margin of **83%**, remaining broadly stable despite incremental expenses related to new service lines and new geographies.

EBITDA for the period was **₹6.6 crore**, up **46% YoY**, translating to an EBITDA margin of **23%**.

Profit After Tax (PAT) stood at **₹2.8 crore**, **64% YoY increase**, with PAT margin at **10%**, supported by improved operational efficiency and strong gross contribution.

Operational Highlights (H1 FY26)

- Completed **100% acquisition of ITCPL**, expanding presence across pharma, food, environment and automotive testing.
- Successfully completed acquisition of **Food testing lab in Mumbai** by way of slump sale.

- Established **Labops Global Pvt. Ltd.** (74% subsidiary) to drive turnkey lab operations, accreditations consultancy and outsourcing-led models.
- Expanded Noida lab with certified **Electricals & Electronics, Polymer, Automotive and VOC** testing capabilities; secured large defence EMI/EMC orders.
- Enhanced **Pune Unit-II** with pharma packaging, medical device testing and ISTA approval;
- Operationalized food and agri-commodities testing lab in **Gandhidham**, Gujarat. Ready for further expansion in new segments like minerals and environment.
- Capacity expansion in food segment at **Chennai and Bhubaneswar** labs.
- **Panchkula** pharmaceuticals lab cleared PICS audit for Ukraine exports.
- Strengthening pharmaceuticals testing business in South and West regions.
- The **minerals** vertical with a new Bhubaneswar lab got the accreditation in October 2026 to generate the Revenue and ongoing expansion across coastal regions.
- Scaled PPP operations with operationalization of Drug testing lab in **Baddi** and award of 3-years contract for lab operation and maintenance in **Panipat** from a leading oil marketing PSU.
- Secured **NABL and NABCB accreditations** across multiple domains; expanded inspection & certification services.
- Rolled out **LIMS-based digital workflows**, improved automation and client dashboards.
- Reinforced governance and leadership bandwidth through senior capability hires, Board strengthening and inter-subsidiary structural alignment.

Outlook

The Company remains focused on its medium-term goal of **doubling revenue every two years** and driving profitability improvement. Growth will be supported by the scale-up of newly added capacities, deeper penetration across high-value verticals such as EV, minerals, pharma and advanced E&E testing, and the transition toward recurring Opex-based and digital-enabled service models. As utilisation improves across the expanded lab network in H2 FY26, the Company expects better operating leverage and margin expansion.
