QUALITEK LABS LIMITED
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Date: 20th May, 2026

To,
The Bombay Stock Exchange Limited
P. J. Towers
Dalal Street, Fort
Mumbai 400 001

Scrip Code: 544091

ISIN: INE0Q1R01012

Sub: Submission of Management Discussion & Analysis (MD&A) for H2 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 half yearly and financial year Audited Financial Results for the period ended 31st March 2026, we hereby submit the Management Discussion & Analysis (MD&A) for H2 FY26.

The enclosed MD&A provides an overview of the Company's consolidated and standalone performance for H2 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 Sincerely

For Qualitek Labs Limited

Mohit Kumar
Digitally signed by Mohit Kumar
Date: 2026.05.20 20:45:09 +05'30'

Mohit Kumar
Company Secretary cum Compliance Officer
ACS 38142

MANAGEMENT DISCUSSION AND ANALYSIS

H2 FY26 and FY26 Audited Financial Results | Qualitek Labs Limited

FY26 was the year Qualitek crossed ₹125 Crore in consolidated revenue — a fourfold print over FY24, and the strongest set of results since we listed on the BSE in January 2024. It was also the most operationally intense year in our history: Interstellar Testing Centre was consolidated from H1 onwards, we added a food testing lab in Mumbai and a USFDA-approved pharmaceutical lab in Bengaluru, commissioned a second lab in Bhubaneshwar, and expanded capacity at both Panchkula and Chennai. Through all of it, consolidated revenue and PAT nearly doubled, segment depth improved, and our pharmaceuticals and food testing franchises moved meaningfully up the value chain.

Financial Performance Highlights

H2 FY26 consolidated Revenue from Operations came in at ₹70.27 Crore, up 56% year-on-year against ₹45.20 Crore in H2 FY25 and 30% sequentially over ₹54.24 Crore in H1 FY26. For the full year, consolidated revenue stood at ₹124.52 Crore, a 77% increase over ₹70.23 Crore in FY25 and a 4x build over the ₹29.18 Crore reported in FY24 — in line with the Company's stated commitment to double revenue every two years.

H2 FY26 EBITDA was ₹18.05 Crore, more than double the ₹8.90 Crore reported in H2 FY25 and 61% ahead of ₹11.23 Crore in H1 FY26. Full year EBITDA grew 80% to ₹29.28 Crore from ₹16.25 Crore in FY25, driven by operating leverage on a larger base, a richer mix of pharmaceuticals and food testing revenue, and the early integration benefits at Interstellar.

H2 FY26 PAT was ₹9.89 Crore, up 145% over ₹4.00 Crore in H2 FY25 and 107% over ₹4.77 Crore in H1 FY26. Full year PAT grew 91% to ₹14.66 Crore against ₹7.68 Crore in FY25. Gross margin expanded to 87% from 85%, reflecting the asset-light economics of testing services and disciplined management of consumables and direct expenses.

On a standalone basis, FY26 revenue stood at ₹67.60 Crore (up 47%), EBITDA at ₹16.50 Crore (up 41%) and PAT at ₹8.00 Crore (up 51%) — a print that captures the organic momentum at the parent entity ahead of acquired contribution, and confirms that the legacy automotive, defence and electrical & electronics testing platform continues to scale on its own merit.

Margin Movement: Strategic Context

Consolidated EBITDA margin for the year held at 23.5% against 23.1% in FY25 — flat on the full year despite the consolidation of two newly acquired entities still in their integration window. The more important read is in the second half: consolidated EBITDA margin lifted sharply to 25.7% in H2 FY26 from 19.7% in H2 FY25 and 20.7% in H1 FY26, with PAT margin moving to 14.1% from 8.8% a year earlier. This is the shape of operating leverage we expected once new labs cross utilisation thresholds, and it puts our medium-term PAT margin target of above 15% within reach inside the next two years.

Standalone H2 EBITDA margin came in at 25.9%, modestly below the 28.9% reported in H2 FY25. The difference is a planned step-up in employee benefit and pre-operative costs tied to the Pune Unit-II commissioning, the Noida lab gestation, the new VOC testing facility, and the recently acquired land and building at Barwala (Panchkula) earmarked for the next phase of expansion. These costs sit in the current P&L rather than being deferred. We expect standalone margins to re-converge to historical levels as the underlying investments begin contributing revenue.

On the balance sheet, total assets closed at ₹270.84 Crore (FY25: ₹157.92 Crore), with net worth rising to ₹152.49 Crore (FY25: ₹92.78 Crore) on the back of retained earnings and a fresh equity infusion executed during the year. Total borrowings stood at ₹92.97 Crore (FY25: ₹49.98 Crore), funding the Mumbai and Bengaluru acquisitions alongside working capital for the enlarged footprint. Net Debt to EBITDA at approximately 3.0x is consistent with the front-loaded acquisition cycle of the past 18 months, and is expected to compress meaningfully as the acquired entities deliver their first full year of consolidated contribution in FY27.

Strategic Outlook

FY26 closes the platform-building phase. We now operate 10 owned labs and 6 PPP labs across India, with over 1,200 colleagues including 450 scientists, and an installed capability of more than 5 million tests per year. With Interstellar, the Mumbai food lab and the Bengaluru pharmaceutical lab now consolidated, Qualitek is one of the more diversified pure-play TIC platforms in the Indian listed universe — spanning automotive, defence, electrical and electronics, mines and minerals, pharmaceuticals and cosmetics, food and feed, environment and water, and infrastructure testing.

For FY27, we are guiding to consolidated revenue growth of 35–40% over the FY26 base, with consolidated EBITDA margin in a range of 25–27% and PAT margin in a range of 15–17%. The margin guidance carries through the operating leverage we have already begun to see in H2 FY26, where consolidated EBITDA margin printed at 25.7% and PAT margin at 14.1%; the FY27 ranges essentially hold that exit run-rate across the full year and edge it higher as the acquired entities deliver their first clean full year of consolidated contribution. The growth guidance, while measured against an FY26 print that grew 77%, reflects our preference to commit to numbers we are confident of beating rather than headline figures that test the limits of execution.

Delivering against this guidance will rest on a clear set of operating priorities: geographic expansion of transport, defence and mechanical testing into South India; capacity additions at the Mumbai, Chennai and Bhubaneshwar food labs; accreditation and scale-up of the inspection, audit, certification and fumigation businesses under a capex-light model; the build-out of an EMI/EMC facility in Pune and an analytical lab at Noida; and selective bolt-on M&A in pharmaceuticals, food and electricals & electronics. Over the medium term, we remain committed to taking consolidated revenue past ₹500 Crore by FY31, lifting consolidated operating margin above 30% over the next three years, generating at least 30% of revenue from overseas customers by FY31, and operating the business on a cash-surplus, debt-free basis by FY32.

With an enlarged and integrated lab network, a service mix that insulates us from segment-specific cyclicality, expanding accreditations across USFDA, EU and other regulated markets, a strengthened equity base, and a disciplined capital allocation framework in place, Qualitek Labs is well positioned to deliver on its FY27 guidance and to continue scaling its presence as one of India's leading independent TIC players.

ANTARYAMI NAYAK Digitally signed by ANTARYAMI NAYAK Date: 2026.05.20 20:43:49 +05'30'