



# Aarti Drugs Limited

**Manufacturers of : Bulk Drugs & Chemicals**

**Corporate Office :** Mahendra Industrial Estate,  
Ground Floor, Plot No. 109-D, Road No. 29,  
Sion (East), Mumbai - 400 022. (India)  
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CIN No.:L37060MH1984PLC055433

Ref: ADL/SE/2022-23/38  
July 27, 2022

To,  
Listing/ Compliance Department  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001  
**BSE CODE: 524348**

To,  
Listing/ Compliance Department  
**National Stock Exchange of India Limited,**  
“Exchange Plaza”, Plot No. C/1,  
G Block Bandra - Kurla Complex,  
Bandra (East),  
Mumbai – 400051  
**NSE CODE: AARTIDRUGS**

Dear Sir/Madam,

**Sub:** Press Release on Financial Results for the quarter ended  
June 30, 2022.

Please find attached herewith press release on Financial Results for the quarter  
ended June 30, 2022.

Kindly take the same on record.  
Thanking you,

Yours faithfully,  
**FOR AARTI DRUGS LIMITED**

**RUSHIKESH DEOLE**  
**COMPANY SECRETARY & COMPLIANCE OFFICER**  
ICSI M. No.: A54527



## Press Release

### **Aarti Drugs Limited Reports its Q1FY23 Financial Results**

- ✓ **Consol. revenue grew by ~7% YoY**
- ✓ **Specialty chemicals, intermediates & others grew by ~21% YoY**

**Mumbai, July 27 2022:** Aarti Drugs Limited (Aarti Drugs) (NSE: AARTIDRUGS; BSE:524348), a Mumbai based diversified and fully integrated pharmaceutical company, with interests in Active Pharmaceutical Ingredients (API), Formulation, Specialty Chemicals and Intermediates announced its financial results for the quarter ended 30<sup>th</sup> June 2022.

Particulars (In ₹ Crores)	Q1 FY23	Q1 FY22	YoY%	Q4 FY22	QoQ%
<b>Revenue</b>	<b>622.3</b>	<b>581.6</b>	<b>7%</b>	<b>697.2</b>	<b>(11)%</b>
Gross Profit <sup>#</sup>	193.3	185.3	4%	219.6	(12)%
<b>EBITDA*</b>	<b>67.4</b>	<b>81.3</b>	<b>(17)%</b>	<b>89.0</b>	<b>(24)%</b>
<b>EBITDA Margin %</b>	<b>10.8%</b>	<b>14.0%</b>	<b>(320)bps</b>	<b>12.8%</b>	<b>(200)bps</b>
<b>Profit Before Tax (PBT)*</b>	48.0	64.7	(17)%	70.5	(32)%
<b>Profit After Tax (PAT)</b>	<b>34.8</b>	<b>48.8</b>	<b>(29)%</b>	<b>55.3</b>	<b>(37)%</b>
PAT Margin %	5.6%	8.4%	(280)bps	8.0%	(240)bps
EPS (in ₹)	3.76	5.24	(28)%	5.97	(37)%

Note: <sup>#</sup> Gross Profit = Revenue- Raw Material Consumed; \* EBITDA & PBT excludes exceptional Items but includes other income

#### **Consolidated Financial Highlights – Q1 FY23**

- **Revenue** stood at ₹ 622.3 crores as against ₹ 581.6 crores, a growth of 7% YoY.
- **EBITDA** stood at ₹ 67.4 crores as against ₹ 81.3 crores YoY. **EBITDA Margin (%)** came in at 10.8%.
- **PAT** stood at ₹ 34.8 crores as against ₹ 48.8 crores YoY. **PAT Margin (%)** stood at 5.6%.

#### **Segmental Performance Update**

Particulars (In ₹ Crores)	Q1FY23	Q1FY22	YoY	Q4FY22	QoQ
API	480.1	446.4	8%	571.6	(16)%
Formulation	85.0	86.5	(2)%	66.6	28%
Specialty Chemicals, Intermediates & Others	56.8	47.1	21%	56.0	1%

Note: Segmental revenue from operations

#### **Standalone Business Highlights**

- Standalone Q1FY23 revenue stood at ₹ 551.4 crores as against ₹ 507.4 crores, a growth of 9% YoY.
- The standalone business contributed ~86% to the consolidated revenue for the quarter.

- ~64% of the revenues came from the domestic market and 36% from the exports market for Q1FY23 for a standalone business.
- Domestic revenue grew approximately by 3% while exports grew by around 23% year-on-year for Q1FY23.
- Within the API business, the antibiotic therapeutic category contributed ~46%, anti-diabetic ~13%, anti-protozoal ~19%, anti-inflammatory ~10%, antifungal ~9% and the rest contributed ~4% to total API sales for Q1FY23.

#### **Formulation Segment Highlights**

- Q1FY23 revenue for formulation remained largely stable at ₹ 85.0 crores as against ₹ 86.5 crores YoY
- ~56% of the revenue came from exports during the quarter.

**Commenting on the results Mr. Adhish Patil, Chief Financial Officer – Aarti Drugs Limited said,** *“The company’s performance specifically for this quarter was marred by geopolitical uncertainties, sharp downward currency movement and sustained inflationary environment. The company posted revenue growth of ~7% YoY in Q1FY23, which was primarily driven by higher realizations in Antibiotics, Antiprotozoals and Specialty Chemicals, Intermediates & Others. Growth in API business remained below expectation primarily due to inventory recalibration at the customer’s level owing to high API prices. Margins and profitability continued to remain affected as inflationary pressure weighed on raw materials, power and fuel costs, coupled with sharp depreciation in the currency. The company has undertaken multiple price hikes in the recent past to mitigate this impact. As a result, the company witnessed the highest ever realisations for most of its API products in Q1FY23. The company expects normalised margin levels once the input price volatility stabilises, which is expected from H2FY23.*

*Formulation segment revenue stood at ₹ 85.0 crores for the quarter, a marginal de-growth of 2% YoY. The formulation segment contributed ~14% to the consolidated revenue for the quarter. Exports continued to remain a key focus area for the formulation segment. ~56% of the revenue came from exports during the quarter.*

*The capex for Q1FY23 stood at ₹ 35 crores and is expected to be in the range of ₹ 250-350 crores for the entire FY23. The civil construction activity for Gujarat capex remains well on track, however heavy monsoons have slowed Civil work temporarily. Tarapur specialty chemicals brownfield capacity which had taken scale-up batches in the last quarter has now been ramped up and optimization of the process is ongoing. It might take little more than a couple of months to contribute meaningfully. For Tarapur greenfield API facility, Boiler and ZLD treatment plants have been operationalized from May 2022 and commissioning of plant is expected by the end of FY23.*

*Looking beyond the short-term challenges, we remain sanguine about the opportunities both in API and non-API business. The growth trajectory is expected to be healthy for all the segments in the upcoming years driven by the projects and higher utilization of existing capacities. The pace of growth in exports is expected to continue in the formulation business.”*

## **About Aarti Drugs Limited**

Aarti Drugs Limited was established in the year 1984 and forms part of \$6 Billion Aarti Group of Industries with robust R&D Division at Tarapur, Maharashtra Industrial Development Corporation (MIDC) in close vicinity to manufacturing locations. The Company is engaged in the manufacturing of Active Pharmaceutical Ingredients (APIs), Pharma Intermediates, Speciality Chemicals and produces Formulations with its wholly-owned subsidiary- Pinnacle Life Science Private Limited. Products under APIs include Ciprofloxacin Hydrochloride, Metronidazole, Metformin HCL, Ketoconazole, Ofloxacin etc. whereas Specialty Chemicals includes Benzene Sulphonyl Chloride, Methyl Nicotinate etc.

For more information, please visit [www.aartidrugs.com](http://www.aartidrugs.com)

## **Safe Harbor**

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project-related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.

**For more information please contact:**



**Aarti Drugs Ltd.**

**Aarti Drugs Limited**

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