



**Aarti Drugs Limited**

Manufacturers of : Bulk Drugs & Chemicals

**Corporate Office :** Mahendra Industrial Estate,  
Ground Floor, Plot No. 109-D, Road No. 29,  
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website: www.aartidrugs.com  
CIN No.:L37060MH1984PLC055433

**Ref: ADL/SE/2021-22**

**May 16, 2021**

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”, Bandra - Kurla  
Complex, Bandra (E), Mumbai – 400051

**NSE SYMBOL: AARTIDRUGS**

Dear Sir/Madam,

**Sub: Press Release for March 2021**

Please find attached herewith press release on the Financial Results for the quarter and year ended March 31, 2021.

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: Record Performance***

**➤ FY21 Highlights**

- ✓ Revenue of ₹ 2,159 crore; YoY growth of 19.5%
- ✓ EBITDA of ₹ 442 crore; YoY growth of 67.7%
- ✓ EBITDA Margin of 20.5%; Expansion of 590 bps
- ✓ PBT before exceptional item of ₹ 369 crore; YoY growth of 104%
- ✓ PAT of ₹ 280 crore; YoY growth of 98.3%
- ✓ Total Dividend of ₹ 2.5/- per share for the year
- ✓ Issue of Bonus shares (3 Bonus Equity Share for 1 Equity Share held)
- ✓ Board approved Share Buyback of ₹ ~60 crore in March 2021 (currently ongoing)

**Mumbai, May 16, 2021:** 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 and financial year ended 31st March 2021.

Particulars (In ₹ Crores)	Q4 FY21	Q4 FY20	YoY%	FY21	FY20	YoY%
Revenue	502.7	450.6	11.6%	2,159.3	1,807.6	19.5%
Gross Profit #	183.1	167.5	9.4%	838.3	628.6	33.4%
<b>EBITDA *</b>	<b>81.9</b>	<b>72.3</b>	<b>13.3%</b>	<b>441.6</b>	<b>263.3</b>	<b>67.7%</b>
<b>EBITDA Margin %</b>	<b>16.3%</b>	<b>16.04%</b>	<b>25 bps</b>	<b>20.5%</b>	<b>14.6%</b>	<b>590 bps</b>
<b>Profit Before Tax (PBT) *</b>	<b>65.3</b>	<b>52.3</b>	<b>24.7%</b>	<b>368.8</b>	<b>180.8</b>	<b>104.0%</b>
<b>Profit After Tax (PAT) \$</b>	<b>51.6</b>	<b>58.9</b>	<b>-12.3%</b>	<b>280.4</b>	<b>141.4</b>	<b>98.3%</b>
PAT Margin %	10.3%	13.06%	-279 bps	13.0%	7.8%	520 bps
EPS (in ₹)	5.54	6.32	-12.3%	30.09	15.14	98.7%
RoE %	-	-	-	35.8%	23.7%	1,217 bps
RoCE %	-	-	-	34.2%	20.4%	1,385 bps

*Note: # Gross Profit = Revenue- Raw Material Consumed \* EBITDA & PBT excludes exceptional Items but includes other income \$ Exceptional items includes profit on sale of assets of ₹ 8.38 crores in Q4FY20, excluding exceptional items, PAT grew 2.3% YoY*

**Consolidated Financial Highlights – Q4 FY21**

- **Revenue** stood at ₹ 502.7 crores, higher by 11.6% YoY on account of robust volume growth.
- **EBITDA** grew 13.3% YoY to ₹ 81.9 crores. **EBITDA Margin (%)** expanded to 16.3%.
- **PBT before exceptional item** grew 24.7% YoY to ₹ 65.3 crores.

**Consolidated Financial Highlights – FY21**

- **Revenue** stood at ₹ 2,159.3 crores, higher by 19.5% YoY on account of volume growth and secular revenue growth across all business segments.

- **EBITDA** grew 67.7% YoY to ₹ 441.6 crores. **EBITDA Margin (%)** expanded to 20.5%. EBITDA and EBITDA Margins improved significantly on account of
  - Robust volume growth
  - Operational efficiency and operating leverage
  - Better realisations in API segment
- **Finance cost came down by 31.9% YoY to ₹ 23.0 crores.** This has resulted into improved return ratios and profitability.
- **PAT** grew 98.3% YoY to ₹ 280.4 crores. **PAT Margin (%)** expanded to 13.0%.
- **Comfortable Leverage Position:** Debt-Equity Ratio as on 31<sup>st</sup> Mar'21 was 0.38x on a consolidated basis due to strong internal accruals. This puts the Company in a good position for raising long term debt in addition to strong internal accruals to finance upcoming projects.
- **Return on Equity (RoE)** for FY21 stood at 35.8%, a growth of 1217 bps YoY. Significant improvement in RoE was led by lower interest cost and robust growth in profitability.
- **RoCE** stood at 34.2%, a growth of 1385 bps YoY.

#### Segmental Performance Update

Particulars (In ₹ Crores)	Q4 FY21	Q4 FY20	YoY%	FY21	FY20	YoY%
API	392.1	360.7	8.7%	1,704.7	1,441.4	18.3%
Formulation	61.7	50.5	22.3%	284.7	208.4	36.6%
Specialty Chemicals, Intermediates & Others	47.9	38.4	24.7%	165.3	156.3	5.8%

#### API Segment Highlights

- Q4 revenue for APIs stood at ₹ 392.1 crores, a growth of 8.7% year-on-year and for FY21, API revenue stood at ₹ 1,704.7 crores, a growth of 18.3% year-on-year.
- API segment contributed approximately 79.1% to the total consolidated revenue.
- Within the API segment, 65.4% of the revenues came from the domestic market and 34.6% from the exports market for FY21.
- Domestic revenue grew approximately by 15.4% and exports by around 20.6%. Approximately 10% of the growth in the API segment was driven by volume growth due to good demand across multiple therapies.
- Within the API segment, the antibiotic therapeutic category contributed around 44%, anti-protozoal around 15%, anti-inflammatory around 12%, anti-diabetic around 10%, antifungal around 6 % and the rest contributed around 13%. Anti-inflammatory segment share to the total API revenue increased mainly on the account of Nimesulide, Diclofenac Sodium and Celecoxib.

### Formulation Segment Highlights

- Q4 revenue for formulation stood at ₹61.9 crores, a growth of 22.2% year-on-year and for FY21, formulation revenue stood at ₹ 284.9 crores, a growth of 36.5% year-on-year.
- ~36% of the revenue came from exports for FY21.

**Commenting on the results Mr. Adhish Patil, Chief Financial Officer – Aarti Drugs Limited said,** “We are delighted with the financial and operational performance across all our segments and geographies during the year. Operating leverage, process improvement initiatives and product launches across portfolios helped us to deliver a record high profit. We are very confident in strengthening our performance further in FY 2022 and beyond.

*The API segment registered a growth of 8.7% in Q4 YoY basis on the back of strong volume growth. On a full year basis, the API segment delivered a growth of 18.3%, which was driven by a strong volume growth, better realisations and improved product mix. We expect this positive momentum to accelerate in FY 2021-22 based on the incremental capacities which would be available in FY22.*

*Our formulation segment too fared well, registering a YoY growth of 22.3% for the quarter. For a full year, the segment delivered a strong growth of 36.6% based on account of higher volume sales and robust exports demand.*

*With the improvement in our operating leverage, process efficiencies and better realizations in sales, our EBITDA margins showed a meaningful improvement at 20.5% for FY21. Our balance sheet strength continues to remain robust. The company incurred a capex of Rs. 88 crores in FY21 and we are planning a greenfield capex of tentatively Rs. 550 crores over a period for next 3 years. Our gross debt stood at ₹ 344 crores and of which ₹187 crores would be the term loan. Our net debt to equity ratio improved to 0.38x from 0.6x in FY20. However, our leverage is expected to increase by some extent in the coming few quarters as we continue to ramp up our capex plan in greenfield and brownfield projects. Nonetheless, lower cost of debt is expected to augment our return ratios further. Net operating working capital requirement was little higher on the accounts of higher RM inventory. We are taking steps to reduce for coming period.*

*The company continued the efforts towards becoming more environmentally friendly. The company has recently converted two more of its facility to zero liquid discharge category. With this, the company has converted a total four number of facilities towards zero liquid discharge.*

*The company is well on track of growing the contribution from lifestyle & chronic therapeutic areas and reducing share from acute therapies from the API business segment. We have a robust pipeline of products under development and under pipeline for API, Intermediates and Finished Dosages, with more focus on anti-fungal, anti-diabetic and anti-coagulant.*

*The company is also in the process of commissioning a new production line for new anti-diabetic product launches. In addition, brownfield expansion of one of the antibiotic products would also be completed shortly.*

*We are expecting our growth trajectory to remain robust, driven by excellent operational execution and manufacturing capacity expansion, through a combination of brownfield as well as greenfield in API and formulation segment. Our margins, profitability and return ratios are also expected to improve in tandem, due to operating leverage and backward integration. We are also exploring*

various opportunities in terms of new product launches, new therapy addition and geographic expansion.

We remain confident in Aarti Drug's ability to create the value for all the stakeholders going forward, without compromising on the safety of our employees."

### **About Aarti Drugs Limited**

Aarti Drugs Limited was established in the year 1984 and forms part of \$1000 Million 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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