



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)
Tel .: 022-2407 2249 / 2401 9025 (30 Lines)
Fax.: 022-2407 3462 / 2407 0144
Email: admin@aartidrugs.com
website: www.aartidrugs.com
CIN No.:L37060MH1984PLC055433

Ref: ADL/SE/2022-23/97
January 27, 2023

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 SYMBOL: AARTIDRUGS

Dear Sir/Madam,

Sub: Press Release on Financial Results for the quarter and
nine months ended December 31, 2022.

Please find attached herewith press release on Financial Results for the quarter and
nine months ended December 31, 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 Q3 & 9MFY23 Financial Results

- ✓ **9MFY23 Consol. revenue grew by ~10% YoY**
- ✓ **Specialty chemicals, intermediates & others grew by ~15% YoY during 9MFY23 led by strong offtake for Specialty Chemicals**

Mumbai, January 27, 2023: 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 31st December 2022.

Particulars (In ₹ Crores)	9M FY23	9M FY22	YoY%	Q3 FY23	Q3 FY22	YoY%
Revenue	1,975.0	1,802.7	10%	665.0	641.5	4%
Gross Profit [#]	602.0	591.5	2%	202.1	222.0	(9)%
EBITDA*	213.4	251.8	(15)%	71.7	96.7	(26)%
EBITDA Margin %	10.8%	14.0%	(322)bps	10.8%	15.2%	(443)bps
Profit Before Tax (PBT) [*]	150.9	199.5	(24)%	49.7	78.7	(37)%
Profit After Tax (PAT)	110.2	149.7	(26)%	36.7	58.3	(37)%
PAT Margin %	5.6%	8.3%	(276)bps	5.5%	9.1%	(366)bps
EPS (in ₹)	11.90	16.14	(26)%	3.96	6.29	(37)%

Note: [#] Gross Profit = Revenue- Raw Material Consumed; * EBITDA & PBT excludes exceptional Items but includes other income

Consolidated Financial Highlights – 9M FY23

- **Revenue** stood at ₹ 1,975.0 crores as against ₹ 1,802.7 crores, a growth of 10% YoY.
- **EBITDA** stood at ₹ 213.4 crores as against ₹ 251.8 crores YoY. **EBITDA Margin (%)** came in at 10.8%.
- **PAT** stood at ₹ 110.2 crores as against ₹ 149.7 crores YoY. **PAT Margin (%)** stood at 5.6%.

Consolidated Financial Highlights – Q3 FY23

- **Revenue** stood at ₹ 665.0 crores as against ₹ 641.5 crores, a growth of 4% YoY.
- **EBITDA** stood at ₹ 71.7 crores as against ₹ 96.7 crores YoY. **EBITDA Margin (%)** came in at 10.8%.
- **PAT** stood at ₹ 36.7 crores as against ₹ 58.3 crores YoY. **PAT Margin (%)** stood at 5.5%.

Segmental Performance Update

Particulars (In ₹ Crores)	9MFY23	9MFY22	YoY	Q3FY23	Q3FY22	YoY
API	1,578.9	1,422.5	11%	557.3	513.3	9%
Formulation	217.4	217.1	0%	49.9	54.9	(9)%
Specialty Chemicals, Intermediates & Others	177.7	154.7	15%	57.1	66.6	(14)%

Note: Segmental revenue from operations

Standalone Business Highlights

- Standalone Q3FY23 revenue stood at ₹ 626.5 crores as against ₹ 594.8 crores, a growth of 5% YoY.
- The standalone business contributed ~92% to the consolidated revenue for the quarter.
- ~61% of the revenues came from the domestic market and 39% from the exports market for Q3FY23 for a standalone business.
- Domestic revenue grew approximately by 8% while exports grew by around 2% year-on-year for Q3FY23.
- Within the API business, the antibiotic therapeutic category contributed ~45%, anti-diabetic ~16%, anti-protozoal ~16%, anti-inflammatory ~12%, antifungal ~8% and the rest contributed ~3% to total API sales for Q3FY23.

Formulation Segment Highlights

- Q3FY23 revenue for formulation stood at ₹ 49.9 crores as against ₹ 54.9 crores.
- ~39% 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 overall API revenue for the quarter grew by 9% YoY. However, due to a correction in raw material prices, the company made some price adjustments in order to defend its market share. Owing to API price correction, the company undertook inventory loss of approx. ₹ 6 crores as a prudent practice. All of this weighed on the gross margins by almost ~100 bps during the quarter. The company has increased the inventory levels of imported KSMs and other raw materials due to a sudden spike of Covid-19 cases and holidays related to a new year in China. API sales volume in exports were affected to some extent due to shortage of US Dollar in many countries. The finance cost also increased due to higher working capital requirements and rising interest rates.*

*The company has already received commitments from the customers for the brownfield expansion products as well as has received committed line of order for a campaign based product. As a result, **the company is eyeing to double the revenue from Specialty Chemicals business within the next 12 months** through the ongoing brownfield expansion.*

Formulation segment revenue stood at ₹ 49.9 crores for the quarter. The formulation segment contributed 8% to the consolidated revenue for the quarter. The company’s core focus remains on growing the exports revenue.

The capex for 9MFY23 stood at ₹ 115 crores and is expected to be in the range of ₹ 200-250 crores for the entire FY23. Tarapur greenfield facility is expected to be completed well within the timeline which will enable the company to foray into new API therapy of Dermatology. The construction activity for the Gujarat capex has also been ramped up. Tarapur specialty chemicals facility will be fully ramped up post the installation of equipments which are being imported. These equipments are expected to arrive by April 2023. The company’s various capex initiatives are expected to be completed and fully scaled up over the period of next 2 years in a phased manner and are expected to bolster the topline and profitability growth.”

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

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 Limited

CIN: L37060MH1984PLC055433

Mr. Rushikesh Deole

Email: investorrelations@aartidrugs.com

Contact no.: +91 22 24048199



Strategic Growth Advisors Pvt. Ltd.

CIN: U74140MH2010PTC204285

Mr. Jigar Kavaiya / Mr. Chinmay Madgulkar

Email: jigar.kavaiya@sgapl.net / chinmay.m@sgapl.net

Contact no.: +91 9920602034 / +91 9860088296