



**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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website: www.aartidrugs.com  
CIN No.:L37060MH1984PLC055433

**Ref: ADL/SE/2022-23/65**  
**October 20, 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 SYMBOL: AARTIDRUGS**

Dear Sir/Madam,

**Sub:** Press Release on Financial Results for the quarter and  
half year ended September 30, 2022.

Please find attached herewith press release on Financial Results for the quarter and  
half year ended September 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 Q2FY23 Financial Results**

- ✓ **Q2FY23 Consol. revenue grew by ~19% YoY driven by healthy realisation growth**
- ✓ **Continued robust momentum in Specialty chemicals, intermediates & others, which grew by ~52% YoY during Q2FY23**

**Mumbai, October 20, 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> September 2022.

Particulars (In ₹ Crores)	Q2 FY23	Q2 FY22	YoY%	H1FY23	H1FY22	YoY%
<b>Revenue</b>	<b>687.8</b>	<b>579.7</b>	<b>19%</b>	<b>1,310.0</b>	<b>1,161.3</b>	<b>13%</b>
Gross Profit <sup>#</sup>	206.6	184.2	12%	399.9	369.5	8%
<b>EBITDA*</b>	<b>74.3</b>	<b>73.8</b>	<b>1%</b>	<b>141.7</b>	<b>155.1</b>	<b>(9)%</b>
<b>EBITDA Margin %</b>	<b>10.8%</b>	<b>12.7%</b>	<b>(190)bps</b>	<b>10.8%</b>	<b>13.4%</b>	<b>(260)bps</b>
Profit Before Tax (PBT)*	53.2	56.1	(5)%	101.2	120.8	(16)%
<b>Profit After Tax (PAT)</b>	<b>38.7</b>	<b>42.6</b>	<b>(9)%</b>	<b>73.5</b>	<b>91.4</b>	<b>(20)%</b>
PAT Margin %	5.6%	7.3%	(170)bps	5.6%	7.9%	(230)bps
EPS (in ₹)	4.2	4.6	(9)%	7.94	9.9	(19)%

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

#### **Consolidated Financial Highlights – Q2 FY23**

- **Revenue** stood at ₹ 687.8 crores as against ₹ 579.7 crores, a growth of 19% YoY.
- **EBITDA** stood at ₹ 74.3 crores as against ₹ 73.8 crores YoY. **EBITDA Margin (%)** came in at 10.8%.
- **PAT** stood at ₹ 38.7 crores as against ₹ 42.6 crores YoY. **PAT Margin (%)** stood at 5.6%.

#### **Consolidated Financial Highlights – H1 FY23**

- **Revenue** stood at ₹ 1,310.0 crores as against ₹ 1,161.3 crores, a growth of 13% YoY.
- **EBITDA** stood at ₹ 141.7 crores as against ₹ 155.1 crores YoY. **EBITDA Margin (%)** came in at 10.8%.
- **PAT** stood at ₹ 73.5 crores as against ₹ 91.4 crores YoY. **PAT Margin (%)** stood at 5.6%.

#### **Segmental Performance Update**

Particulars (In ₹ Crores)	Q2FY23	Q2FY22	YoY	H1FY23	H1FY22	YoY
API	542.5	462.7	17%	1,023.3	909.2	13%
Formulation	82.5	75.7	9%	167.6	162.2	3%
Specialty Chemicals, Intermediates & Others	62.8	41.2	52%	118.7	88.1	35%

Note: Segmental revenue from operations

### Standalone Business Highlights

- Standalone Q2FY23 revenue stood at ₹ 624.9 crores as against ₹ 511.6 crores, a growth of 22% YoY.
- The standalone business contributed ~88% to the consolidated revenue for the quarter.
- ~62% of the revenues came from the domestic market and 38% from the exports market for Q2FY23 for a standalone business.
- Domestic revenue grew approximately by 19% while exports grew by around 28% year-on-year for Q2FY23.
- Within the API business, the antibiotic therapeutic category contributed ~44%, anti-diabetic ~17%, anti-protozoal ~16%, anti-inflammatory ~10%, antifungal ~8% and the rest contributed ~5% to total API sales for Q2FY23.

### Formulation Segment Highlights

- Q2FY23 revenue for formulation stood at ₹ 82.5 crores as against ₹ 75.7 crores, a growth of 9% YoY
- ~44% 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 achieved healthy growth despite the geopolitical uncertainties, adverse currency movement and macro-economic volatilities, led by higher realizations in APIs and Specialty Chemicals. The quarter witnessed the highest-ever realizations for most of the API products along with moderation in input costs. We firmly believe that there is a potential for further moderation in the quarters, which in turn can expand the margin profile of the company. The company witnessed a marginal increase in OPEX due to upward movement in power and fuel costs along with one-time arrears paid to the employees and Labour contractors. Further, the finance cost was slightly impacted due to higher working capital requirements and even the interest rate has gone up in the quarter. Nevertheless, the business is optimistic about attaining its growth and margin goals on the back of higher efficiency and falling raw material prices.*

*Revenue from the formulation segment totalled ₹ 82.5 crores for the quarter, up 9% YoY. The formulation segment's share of the total revenue for the quarter was 12%. The formulation segment's core focus area remained exports. During the quarter, exports contributed 44% of the total revenue.*

*Specialty Chemicals, Intermediates & Others continues to be a key enabler for growth of the company. The growth in this segment is mainly driven by the niche Chlorosulphonation products along with recently augmented capacity. The company will focus to further enhance the market share for this segment.*

*The capex for H1FY23 stood at ₹ 77 crores and is expected to be in the range of ₹ 200-300 crores for the entire FY23. The civil construction activity has picked up the pace for Gujarat capex which was impacted due to heavy monsoon during H1FY23. Tarapur specialty chemicals brownfield capacity*

which had taken scale-up batches earlier have now been ramped up and expected to contribute to the topline meaningfully from Q3FY23 onwards. Tarapur greenfield API capex is also expected to be completed within its timeline. These capex initiatives, funded through an optimal mix of debt and internal accruals are expected to drive the growth across segments along with improvement in profitability and market share.

The company remains optimistic about the prospects for all the segments. In the following years, the growth trajectory for all segments is anticipated to remain solid, driven by incremental capacity addition and higher utilisation of existing capacities.”

### **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:**



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