



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/2023-24/46
July 21, 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 ended
June 30, 2023.

Please find attached herewith press release on Financial Results for the quarter ended June 30, 2023.

Kindly take the same on record.

Thanking you,

Yours faithfully,

FOR AARTI DRUGS LIMITED

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



Q1 FY24 Business & Financial Performance

Mumbai, 21st July 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 audited Financial Results for the quarter ending 30th June 2023.

Particulars (In Rs. Cr.)	Q1 FY24	Q1 FY23	YoY%	Q4 FY23	QoQ%
Revenue	661.7	622.2	6%	743.3	(11)%
Gross Profit [#]	215.4	193.3	11%	227.8	(5)%
EBITDA*	84.7	67.4	26%	94.4	(10)%
EBITDA Margin %	12.8%	10.8%	200 bps	12.7%	10 bps
Profit Before Tax (PBT)*	63.5	48.0	32%	73.3	(13)%
Profit After Tax (PAT)	48.0	34.8	38%	56.2	(15)%
PAT Margin %	7.3%	5.6%	170 bps	7.6%	(30) bps
EPS (in Rs.)	5.18	3.76	38%	6.07	(15)%

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

Buyback of Equity Shares

The Board of Directors of the Company has approved Buyback not exceeding 6,65,000 fully paid - up Equity Shares (representing up to 0.72% of the total number of outstanding Equity Shares of the Company) at a price of Rs. 900/- per Equity Share, payable in cash for an aggregate amount of up to Rs. 59.85 crores. This represents 5.44% and 5.10% of the fully paid-up equity share capital and free reserves as per latest audited balance sheet of the Company for the financial year ended March 31, 2023 on standalone and consolidated basis, respectively, on a proportionate basis through the tender offer.

Consolidated Financial Highlights – Q1 FY24

- **Revenue** stood at Rs. 661.7 crores as against Rs. 622.2 crores, a growth of 6% YoY
- **EBITDA** stood at Rs. 84.7 crores as against Rs. 67.4 crores YoY. **EBITDA Margin (%)** came in at 12.8%
- **PAT** stood at Rs. 48.0 crores as against Rs. 34.8 crores YoY. **PAT Margin (%)** stood at 7.3%

Segmental Performance Update

Particulars (In Rs. Cr.)	Q1 FY24	Q1 FY23	YoY%	Q4 FY23	QoQ%
API	524.5	480.1	9%	631.2	(17)%
Formulation	89.9	85.0	6%	56.8	58%
Specialty Chemicals, Intermediaries & Others	46.7	56.8	(18)%	54.0	(13)%



Standalone Business Highlights – Q1 FY24

- Standalone Q1 FY24 revenue stood at Rs. 591.6 crores as against Rs. 551.2 crores, a growth of 7.3% YoY
- The standalone business contributed ~86% to the consolidated revenue for the quarter
- API volumes grew considerably at ~18%, led by secular growth across acute as well as chronic therapies
- ~68% of the revenues came from the domestic market and 32% from the exports market for Q1FY24 for a standalone business
- Domestic revenue grew approximately by 13.6% while exports de-grew by around 4.0% YoY for Q1 FY24
- Within the API business, the antibiotic therapeutic category contributed ~48%, anti-diabetic ~13%, anti-protozoal ~17%, anti-inflammatory ~11%, antifungal ~7% and the rest contributed ~4% to total API sales for Q1 FY24

Formulation Segment Highlights

- Q1FY24 revenue for formulation stood at Rs. 89.9 crores as against Rs. 85.0 crores. ~67% of the revenue contribution is from exports during the quarter

Commenting on the same, Mr. Adhish Patil, CFO & COO, Aarti Drugs Limited said,

“The company posted revenue growth of ~6.3% YoY in Q1FY24, which was primarily driven by good volume growth getting partially set off by the downward rate variance. Growth in API business was led by volume growth of 18% driven by domestic market demand uplift. The company expects improved margin levels each quarter from now onwards as the input price is seen to be stabilised, which is also witnessed in our Q1 FY24 margin performance, though there might be few products specific instances where raw materials are still showing downward trend. Moreover, exports have been a laggard for API this quarter due to USD shortages for some of the export geographies.

Formulation segment revenue stood at Rs. 90 crores for the quarter, a growth of 6% 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. ~67% of the formulation revenue came from exports during the quarter led by new business gains.

Specialty Chemical industry, globally, has been in tepid environment where demand is seen weaker which also affected our business in some ways. We have set out action plans to mitigate this impact and expect to grasp every possible opportunity to grow in this area. Specialty Chemical business was impacted YoY, due to absence of couple of campaign-based products in the Jun’23 quarter.

The capex for Q1 FY24 stood ~Rs. 48 crores and is expected to be in the range of Rs. 250-350 crores for the FY24. With all the Capex plans getting executed this fiscal year i.e Gujarat Saykha Capex, Tarapur Capex on Dermatology and Specialty chemical, which are high margin accretive segments that will gain better growth to our business. Due to some external factors, the project is now expected to come into commercial operations in Q3FY24.

Looking beyond the short-term challenges, we remain positive 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 period driven by the execution of existing 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. The Company have total 12 manufacturing facilities out of which 9 manufacturing facilities are in Maharashtra, 2 Manufacturing facilities in Gujarat and 1 Manufacturing facility of Pinnacle is located at Himachal Pradesh. Products under APIs include Ciprofloxacin Hydrochloride, Metronidazole, Metformin HCL, Ketoconazole, Ofloxacin etc. whereas Speciality Chemicals includes Benzene Sulphonyl Chloride, Methyl Nicotinate etc.

For more information, please visit www.aartidrugs.co.in

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

Company:

Aarti Drugs Limited



CIN: L37060MH1984PLC055433

Mr. Rushikesh Deole

investorrelations@aartidrugs.com

+91 22 24048199

Investor Relations (IR)

Strategic Growth Advisors Pvt. Ltd.



CIN: U74140MH2010PTC204285

Mr. Deven Dhruva / Mr. Harsh Shah

deven.dhruva@sgapl.net / harsh.shah@sgapl.net

+91 98333 73300 / +91 97689 74808