



Aarti Drugs Limited

Manufacturers of : Bulk Drugs & Chemicals

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CIN No.:L37060MH1984PLC055433

Ref: ADL/SE/2022-23/12
May 9, 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 for Quarter and Year ended March 2022

Please find attached herewith press release on Financial Results for the quarter and Year ended March 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 Q4 & FY22 Financial Results

- ✓ **Q4FY22 consolidated revenue grew 39% YoY**
- ✓ **Q4FY22 API revenue and volume grew by 46% and 23%, respectively**
- ✓ **Specialty chemicals, intermediates & others continued the robust momentum**

Mumbai, May 09, 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 and financial year ended 31st March 2022.

Particulars (In ₹ Crores)	Q4 FY22	Q4 FY21	YoY%	FY22	FY21	YoY%
Revenue	697.2	502.7	39%	2,500.0	2,159.3	16%
Gross Profit [#]	219.6	183.1	20%	811.1	838.3	(3)%
EBITDA*	89.0	81.9	9%	340.8	441.6	(23)%
EBITDA Margin %	12.8%	16.3%	(351)bps	13.7%	20.5%	(680)bps
Profit Before Tax (PBT)*	70.5	65.2	8%	270.0	369.0	(27)%
Profit After Tax (PAT)	55.3	51.6	7%	205.0	280.4	(27)%
PAT Margin %	8.0%	10.3%	(233)bps	8.2%	13.0%	(478)bps
EPS (in ₹)	5.97	5.54	8%	22.12	30.09	(26)%

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

Consolidated Financial Highlights – Q4 FY22

- **Revenue** stood at ₹ 697.2 crores as against ₹ 502.7 crores, a growth of 39% YoY.
- **EBITDA** stood at ₹ 89.0 crores as against ₹ 81.9 crores YoY. **EBITDA Margin (%)** came in at 12.8%.
- **PAT** stood at ₹ 55.3 crores as against ₹ 51.6 crores YoY. **PAT Margin (%)** stood at 8.0%.

Consolidated Financial Highlights – FY22

- **Revenue** stood at ₹ 2,500.0 crores as against ₹ 2,159.3 crores, up 16% YoY.
- **EBITDA** stood at ₹ 340.8 crores as against ₹ 441.6 crores YoY. **EBITDA Margin (%)** came in at 13.7%.
- **PAT** stood at ₹ 205.0 crores as against ₹ 280.4 crores YoY. **PAT Margin (%)** came in at 8.2%.

Segmental Performance Update

Particulars (In ₹ Crores)	Q4FY22	Q4FY21	YoY	FY22	FY21	YoY
API	571.6	392.1	45.8%	1,994.2	1,704.7	17.0%
Formulation	66.6	61.7	7.8%	283.7	284.7	(0.4)%
Specialty Chemicals, Intermediates & Others	56.0	47.9	17.0%	210.8	165.3	27.5%

Note: Segmental revenue from operations

Standalone Business Highlights

- Standalone Q4 revenue stood at ₹ 642.1 crores as against ₹ 452.9 crores, a growth of 42% YoY.
- The standalone business contributed ~90% to the consolidated revenue for the quarter.
- ~61% of the revenues came from the domestic market and 39% from the exports market for Q4FY22 for a standalone business.
- API volumes grew considerably at ~23%, led by healthy growth in chronic therapies, especially in anti-diabetic segment.
- Domestic revenue grew approximately by 37% while exports grew by around 50% year-on-year for Q4FY22.
- Within the API segment, the antibiotic therapeutic category contributed around 43%, anti-diabetic around 17%, anti-protozoal around 14%, anti-inflammatory around 12%, antifungal around 9% and the rest contributed around 4% to total API sales for Q4FY22.

Formulation Segment Highlights

- Q4FY22 revenue for formulation stood at ₹ 69.0 crores as against ₹ 61.9 crores, a growth of 11% YoY.
- ~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 reported resilient set of performance with improved product mix even though the entire globe continued to face unparalleled challenges in the business environment. The company posted robust revenue growth of 39% in Q4FY22, which was primarily driven by 46% YoY growth in API business along with 17.0% in Specialty Chemicals, Intermediates & Others. EBITDA and PAT grew by 9% and 7%, respectively. EBITDA and EBITDA margins were mainly affected due to continuous inflationary pressure on input costs. The company’s FY22 revenue stood at ₹ 2,500 crores, a growth of 16% YoY. The improved product mix and better operating leverage partially offset the higher raw material costs. As communicated earlier, EBITDA margins and profitability is not exactly comparable on a YoY basis due to elevated API margins during FY21 on account of Covid-19 related disruptions.

The growth trajectory in the API segment is expected to accelerate further in the upcoming quarters driven by recently commissioned anti-diabetics facility, ongoing expansion and backward integration. The company continued the healthy pace of growth in Specialty Chemicals and Intermediates both for Q4 and FY22. The company’s presence in niche chemistry along with strong R&D skills is expected to drive the growth momentum further.

Formulation segment revenue stood at ₹ 69.0 crores for the quarter, a growth of 11% YoY. The formulation segment contributed ~10% to the consolidated revenue for the quarter. Exports continues to be a key focus area for the formulation segment. ~39% of the revenue came from exports during the quarter.

On a consolidated level, the ongoing geopolitical conflicts, continuous inflationary pressure on manufacturing costs, China lockdown induced supply chain disruptions coupled with sharp upward movement in crude oil prices affected the margins and profitability. The company has undertaken

multiple price hikes during the quarter to partially offset the impact. However, these price hikes weren't sufficient as the velocity and volatility of increase in input costs remained very high. The company expects normalisation in the margins once the input prices stabilise which we expect by the end of Q2FY23.

The company has successfully completed 3rd party mock audit for the US FDA import alert Tarapur facility and the final response will be submitted to the US FDA towards the end of H1FY23. The company remains confident of the positive outcome. Recently, for the same facility, the company has cleared Australia TGA inspection audit.

The capex for FY22 stood at ₹ 145 crores and is expected to be in the range of ₹ 250-350 crores for the entire FY23 which would be funded through a mix of internal accruals and debt. The activity for Gujarat civil project work has picked up the pace and will be operational towards the end of FY23. Tarapur specialty chemicals brownfield expansion facility has commenced successfully and the scale up batches have been undertaken since the start of the current month. For Tarapur greenfield API facility, Boiler and ZLD treatment plants would be operational by this month end and the company is planning to scale up the batch production by the end of FY23. The balance sheet continued to remain strong with a comfortable net debt to equity of 0.52x as of March 31, 2022.

The company continued to reward the shareholders and paid ₹ 81 crores in FY22 in the form of dividend and share-buyback. The company's continued focus to augment manufacturing facilities, strong R&D capabilities, overhead cost rationalization and efficiency enhancement are expected to enhance the strategic value proposition. This coupled with company's chemistry skills and growing chronic therapy share is expected to deliver long-term sustainable growth along with value creation for the shareholders."

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:



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