



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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CIN No.:L37060MH1984PLC055433

Ref: ADL/SE/2023-24/82
October 19, 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

Ref: Regulation 30 of SEBI (LODR) Regulations, 2015

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



Q2 & H1 FY24 Business & Financial Performance

Mumbai, 19th October 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 and half year ending 30th September 2023.

Consolidated Financial Highlights

Particulars (In Rs. Cr.)	Q2 FY24	Q2 FY23	YoY%	H1 FY24	H1 FY23	YoY%
Revenue	642.2	687.8	(6.6)%	1,303.9	1,310.0	(0.5)%
Gross Profit [#]	213.2	206.6	3.2%	428.5	399.9	7.2%
EBITDA*	77.1	74.3	3.8%	161.8	141.7	14.2%
EBITDA Margin %	12.0%	10.8%	120 bps	12.4%	10.8%	160 bps
Profit Before Tax (PBT)*	56.3	53.2	5.8%	119.8	101.2	18.3%
Profit After Tax (PAT)	39.6	38.7	2.2%	87.6	73.5	19.1%
PAT Margin %	6.2%	5.6%	60 bps	6.7%	5.6%	110 bps
EPS (in Rs.)	4.3	4.2	2.5%	9.5	7.9	19.3%

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

Consolidated Financial Highlights – Q2 FY24

- **Revenue** stood at Rs. 642.2 crores as against Rs. 687.8 crores, a decline of 6.6% YoY
- **EBITDA** stood at Rs. 77.1 crores as against Rs. 74.3 crores YoY. **EBITDA Margin (%)** came in at 12.0%
- **PAT** stood at Rs. 39.6 crores as against Rs. 38.7 crores YoY. **PAT Margin (%)** stood at 6.2%

Consolidated Financial Highlights – H1 FY24

- **Revenue** stood at Rs. 1,303.9 crores as against Rs. 1,310.0 crores, a decline of 0.5% YoY
- **EBITDA** stood at Rs. 161.8 crores as against Rs. 141.7 crores YoY. **EBITDA Margin (%)** came in at 12.4%
- **PAT** stood at Rs. 87.6 crores as against Rs. 73.5 crores YoY. **PAT Margin (%)** stood at 6.7%

Segmental Performance Update

Particulars (In Rs. Cr.)	Q2 FY24	Q2 FY23	YoY%	H1 FY24	H1 FY23	YoY%
API	508.9	542.5	(6.2)%	1,033.6	1,023.3	1.0%
Formulations	86.6	82.5	5.0%	176.5	167.5	5.3%
Specialty Chemicals	34.4	37.2	(7.4)%	62.0	69.2	(10.4)%
Intermediaries & Others	11.6	25.6	(54.8)%	30.5	49.5	(38.3)%



Standalone Business Highlights – Q2 FY24

- Standalone Q2 FY24 revenue stood at Rs. 577.5 crores as against Rs. 624.8 crores, a decline of 7.6% YoY
- The standalone business contributed ~87% to the consolidated revenue for the quarter
- API volumes grew considerably at ~10%, led by secular growth across acute as well as chronic therapies
- ~67% of the revenues came from the domestic market and 33% from the exports market for Q2FY24 for a standalone business
- Domestic revenue grew by ~1.0% while exports declined by ~21.0% YoY for Q2 FY24
- Within the API business, the antibiotic therapeutic category contributed ~47%, anti-diabetic ~16%, anti-protozoal ~17%, anti-inflammatory ~10%, antifungal ~8% and the rest contributed ~2% to total API sales for Q2 FY24

Formulation Segment Highlights

- Q2FY24 revenue from formulation stood at Rs. 86.6 crores as against Rs. 82.5 crores, registering growth of 5% YoY. ~49% of the revenue contribution is from exports during the quarter.

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

“Despite the geopolitical uncertainties and macro-economic volatilities, company was able to achieve ~10% volume growth YoY in APIs amid lower realisations, which impacted revenues in Q2 FY24. In H1 FY24, APIs revenue grew around ~1.0% YoY. However, we have witnessed improvement in margins, due to operational efficiencies and input cost stabilisation for majority of our products.

Moreover, exports demand has been sluggish for some of the geographies for APIs in the H1 FY24 on account of USD shortages, increased interest rates and cautious spending by customers. The company witnessed a marginal increase in OPEX due to one time buyback costs, Labour rates revision and other expenses. Nevertheless, we are optimistic about attaining growth and margin goals.

Formulation segment revenue stood at Rs. 86.6 crores for the quarter, a growth of 5.0% YoY with exports contribution of ~49% whereas in H1 FY24 revenue stood at Rs 176.5 crores, with growth of 5.3% YoY.

Specialty Chemical industry, globally, the demand visibility has been weak and due to absence of couple of campaign-based products in H1 FY24 which has impacted this segment. Moreover, there is some spill over of execution of campaign based Specialty products into next quarter.

The capex for H1 FY24 stood at ~Rs. 109 crores and is expected to be in the range of Rs. 250-300 crores for the full year FY24. We expect Gujarat Sayakha Project, Tarapur Capex on Dermatology and Specialty chemical to get completed by mid H2 FY24 which shall lead to improve in margins once these projects are commissioned and capacity utilization is ramped up.

Inspite of short-term challenges, we remain optimistic about the growth avenues for our API and non-API business. All our growth plans shall enable steady growth over the next few years, basis the completion of ongoing projects and better utilisation of current capabilities. 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 Specialty 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

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