



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/2023-24/111
January 24, 2024

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 nine months ended December 31, 2023.

Kindly take the same on record.

Thanking you,

Yours faithfully,

FOR AARTI DRUGS LIMITED

RUSHIKESH DEOLE
COMPANY SECRETARY & COMPLIANCE OFFICER
ICSI M. No.: F12932



Q3 & 9M FY24 Business & Financial Performance

Mumbai, 24th January 2024

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 nine months ending 31st December 2023.

Consolidated Financial Highlights

Particulars (In Rs. Cr.)	Q3 FY24	Q3 FY23	YoY%	9M FY24	9M FY23	YoY%
Revenue	607.6	665.0	(8.6)%	1,911.5	1,975.0	(3.2)%
Gross Profit [#]	202.4	202.1	0.2%	630.9	602.0	4.8%
EBITDA*	71.8	71.7	0.2%	233.6	213.4	9.5%
EBITDA Margin %	11.8%	10.8%	100 bps	12.2%	10.8%	140 bps
Profit Before Tax (PBT)*	51.6	49.7	3.8%	171.4	150.9	13.6%
Profit After Tax (PAT)	36.7	36.7	0.1%	124.3	110.2	12.8%
PAT Margin %	6.1%	5.5%	60 bps	6.5%	5.6%	90 bps
EPS (in Rs.)	3.99	3.96	0.8%	13.47	11.90	13.2%

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

Dividend

Board of Directors have recommended an Interim Dividend distribution of Rs 1 per share for FY24.

Consolidated Financial Highlights – Q3 FY24

- **Revenue** stood at Rs. 607.6 crores as against Rs. 665.0 crores, a decline of 8.6% YoY
- **EBITDA** stood at Rs. 71.8 crores as against Rs. 71.7 crores YoY. **EBITDA Margin (%)** came in at 11.8%
- **PAT** stood at Rs. 36.7 crores as against Rs. 36.7 crores YoY. **PAT Margin (%)** stood at 6.1%

Consolidated Financial Highlights – 9M FY24

- **Revenue** stood at Rs. 1,911.5 crores as against Rs. 1,975.0 crores, a decline of 3.2% YoY
- **EBITDA** stood at Rs. 233.6 crores as against Rs. 213.4 crores YoY. **EBITDA Margin (%)** came in at 12.2%
- **PAT** stood at Rs. 124.3 crores as against Rs. 110.2 crores YoY. **PAT Margin (%)** stood at 6.5%

Segmental Performance Update

Particulars (In Rs. Cr.)	Q3 FY24	Q3 FY23	YoY%	9M FY24	9M FY23	YoY%
API	485.1	557.3	(13.0)%	1,517.5	1578.9	(3.9)%
Formulations	79.3	49.9	59.0%	257.0	217.4	18.2%
Specialty Chemicals	31.4	30.5	3.0%	93.4	99.7	(6.3)%
Intermediaries & Others	10.1	26.6	(61.9)%	40.7	77.9	(47.8)%



Standalone Business Highlights – Q3 FY24

- Standalone Q3 FY24 revenue stood at Rs. 539.9 crores as against Rs. 626.5 crores, a decline of 13.8% YoY
- The standalone business contributed ~87% to the consolidated revenue for the quarter
- ~67% of the revenues came from the domestic market and 33% from the exports market for Q3 FY24 for a standalone business
- Domestic revenue declined by ~4.5% while exports declined by ~28.5% YoY for Q3 FY24
- Within the API business, the antibiotic therapeutic category contributed ~48%, anti-diabetic ~14%, anti-protozoal ~16%, anti-inflammatory ~10%, antifungal ~9% and the rest contributed ~4% to total API sales for Q3 FY24

Formulation Segment Highlights

- Q3 FY24 revenue from formulation stood at Rs. 79.3 crores as against Rs. 49.9 crores, registering growth of 59% YoY. ~58% of the revenue contribution is from exports during the quarter

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

“In the face of geopolitical uncertainties and macroeconomic volatilities, the Company has demonstrated resilience by achieving 8.4% year-on-year volume growth in APIs amidst lower realizations due to negative rate variance, which have impacted revenues in Q3 FY2024. Nevertheless, it is noteworthy that there has been improvement in gross margins, attributed to stabilization of input costs for the majority of our products and operational efficiencies. However, at current selling prices level we expect the gross margin to improve further and also on the account of higher percentage of export sales in future.

Recently, the demand for exports faced challenges in certain regions during the FY24 till date due to heightened interest rates, dollar shortages, destocking and conservative ordering. However, we anticipate a turnaround in the export business in near future, as we expect interest rate reductions and a surge in demand. Despite these challenges, we maintain a positive outlook, remaining optimistic about achieving our growth and margin objectives.

Formulation segment’s revenue stood at Rs. 79.3 crores for the quarter, a growth of 58.7% YoY with exports contribution of ~58%. In 9M FY24 revenues stood at Rs 257.0 crores, with growth of 18.2% YoY.

Specialty Chemical industry, while India's domestic chemicals demand is expected to stay strong in 2024, price expectations are not very robust as the market struggles to find the right balance amid new production capacities coming on stream in the country, changing trade flows, weak global demand and volatile upstream prices.

The capex for 9M FY24 stood at ~Rs. 162 crores and is expected to be in the range of Rs. 250-300 crores for the full year FY24. Greenfield Projects at Gujarat Sayakha for Speciality Chemicals and Tarapur on Dermatology product is on track and in final stages of completion. Operational commencement for Dermatology is expected in Q4 FY24. This shall lead to operating leverage from next year once these projects are commissioned and capacity utilization is ramped up.

Despite short-term challenges, we maintain a positive outlook for both our API and non-API business. Ongoing projects and optimized capabilities will fuel steady growth in the coming years. Notably, we anticipate continued growth in exports within the formulation business. We are committed to overcoming challenges and achieving long-term success.”



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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