AARTI PHARMALABS

Aarti Pharmalabs Limited

COMPANY BACKGROUND……………………………………………………

- Aarti Pharmalabs Limited (APL) formerly known as Aarti Organics was established in 1984 as a wholly owned subsidiary of renowned Aarti Industries Limited. It got demerged in October 2022 into a separately listed entity (effective July 2021).
- APL specializes in producing generic Active Pharmaceutical Ingredients (API), offering Contract Development and Manufacturing Organization (CDMO/CMO) services, and is the leading manufacturer of Xanthine derivatives.
- The company operates six manufacturing units meeting global standards and holds accreditations from various agencies including USFDA, EU GMP, EDQM, and KFDA ,COFEPRIS. Strategically located in western India with proximity to ports
- With three cutting-edge R&D facilities, APL spends the most on R&D around 6% of the revenue.
- Preferred partner for beverages, nutraceuticals, and pharmaceutical industries globally.
- Domestic revenue contributes to 47% of the total revenue and rest 53% comes from international as per H1-FY26.

BUSINESS MIX (Q2-FY26) ……………………………………………………

- **XANTHINE & ALLIED (51%):** Largest manufacturing capacity in India for the flagship product 'caffeine'. The company holds a 15-20% global market share.
- **API & INTERMEDIARIES (40%)**: Aarti Pharmalabs produces highly potent pharmaceutical ingredients (HPAPIs) for oncology, corticosteroids, and cytotoxic medicines, ensuring high-quality intermediates with FDA-approved facilities and backward integration for most APIs.
- **CDMO & CMO (10%):** Amongst leading small molecule CDMO/CMO players in India, working with big pharma, innovators and biotech companies.

KEY STRENGTHS ……………………………………………………

- AA- credit
- 61 Patents are filed for APIs. 29 patents granted.
- Exporting in 50+ countries
- Regulatory focused operations with expertise in novel chemistries.
- One of the leading small molecule CDMO/CMO company in India.
- 35 CEP & 56 USDMF

FINANCIAL PERFORMANCE……………………………………………………

(INR Mn)	Op. Income	EBITDA	EBITDA%	PAT	PAT%	EPS
FY23	19,542	3,421	17.59%	1,935	9.95%	21.35
FY24	18,526	3,860	20.84%	2,169	11.71%	23.93
FY25	21,151	4,644	21.96%	2,724	12.88%	30.04
H1-FY26	8,045	1,701	21.14%	775	9.63%	8.54

Key Data	
BSE Code	543748
NSE Code	AARTIPHARM
Reuters	-
Bloomberg	AARTIPHA:IN

Market Data (INR) as on 30th September, 2025	
Face Value	5.00
CMP	828.55
52 Week H/L	971.50/550.25
MCAP (Mn)	75,095.32
Shares O/S (Mn)	90.63
1 Yr. Avg. Vol. ('000)	552.54

Performance as on 30th September, 2025

	3M	6M	12M
Aarti Pharmalabs	(8.24)%	9.31%	28.67%
SENSEX	(4.08)%	4.40%	(4.73)%
BSE MIDCAP	(4.40)%	8.30%	(9.10)%

Shareholding Pattern as on 30th September, 2025	
Promoters	42.88%
Public	42.14%
FII	8.02%
DII	6.96%

BUSINESS SEGMENTS……………………………………………………………

XANTHINE & ALLIED

- APL is the largest Indian manufacturer of Xanthine Derivatives that find application in beverages, nutraceuticals, and pharmaceutical industries. It is frequently used as mild stimulants and bronchodilators, particularly in managing symptoms associated with Asthma or Influenza.
- Non-Chinese dependent and an integrated manufacturer of Xanthine derivatives
- Xanthine derivatives are Operates two dedicated plants with a capacity of 5,000 metric tons per annum.
- Capacity being expanded to 9000+ MTPA by H2 FY26, aiming to raise global market share from 15–20% to 20–25%.

API & INTERMEDIARIES

- Backward integrated for most Active Pharmaceutical Ingredients (APIs), giving them control over the entire production value chain and ensuring high-quality intermediates.
- Operates USFDA approved manufacturing facilities, ensuring stringent compliance and quality standards.
- Enjoys a distinct advantage over competition in having dedicated US, EU, and Japan approvals in place.
- One of the preferred partners in regulated markets led by robust regulatory documentation and IPR support required for such markets .
- 1100kL+ multipurpose reactor capacity and 14 API finished lines

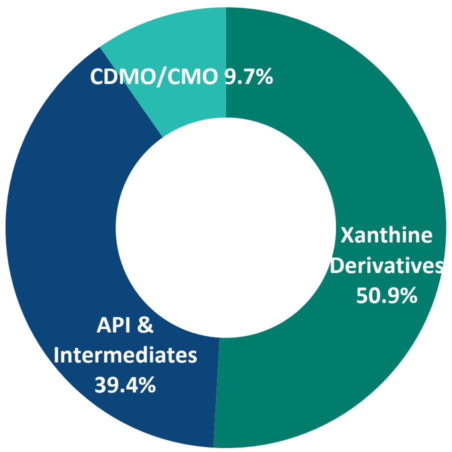
CDMO & CMO

- Specialize in producing small batches for safety testing and offer drug substance services—including NCEs, APIs, RSMs, and intermediates—to global innovators and big pharma.
- Offering end to end services including process development and manufacturing of KSMs, RSMs, Intermediates & GMP APIs for small molecule NCEs, from early clinical phase (Phase 1,2,3), launch to commercial supplies.
- Experienced in complex chemistries like cyanation, flow chemistry, nucleotides amongst others.
- Supported by 3 R&D centers and pilot facilities focusing on CDMO. Presently working with 21 customers on 59 active projects, of which 39 are in the commercial stage and 20 are under different stages of development, both at customer's end.

Growth Drivers

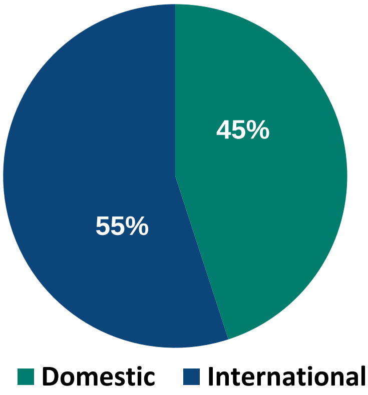
- Fortify market leading position in the Xanthine segment by ongoing brownfield capacity expansion to 9000+ MTPA.
- Increasing capacities of existing products and, Adding 450+ kL reactor volume in Phase 1, with plans for further expansions. Commercialization expected by FY26 end which will lead to overall capacity to 1500+ kl.
- Actively expanding CDMO and CMO opportunities, with the business projected to grow strongly by 30–40% year-over-year in FY26.
- Invested in two renewable power projects. Estimated to generate half of the company's power requirements.
- Strong pipeline of new products in API & Intermediates business.
- Expect EBITDA growth of 8-12% YoY in FY26.

Quarterly Revenue Breakup

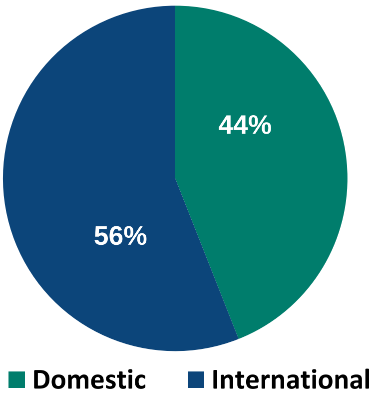


Geographical Spilt

Xanthine Derivatives



API & Intermediates



PEER COMPARISON (TRAILING 12 MONTHS) INR MN ……………………………………………………………

Company	Operating Income	Operating EBITDA	Operating EBITDA%	PAT	PAT%	Market Cap
Aarti Pharma labs	19,458	4,631	23.80%	2,664	13.69%	75,095.32
Laurus Labs	63,585	14,912	23.45%	6,807	10.71%	4,545,05.57
Granules India	48,422	10,076	20.81%	5,128	10.59%	1,25,265.59
Piramal Pharma	89,357	11,641	13.03%	(237)	(0.27)%	2,53,753.47
Aurobindo Pharma	3,25,144	66,510	20.46%	34,207	10.52%	6,29,501.84

INCOME STATEMENT (CONSOLIDATED)

Income Statement (Mn)	FY23	FY24	FY25	H1-FY26
Operational Revenue	**19,542**	**18,526**	**21,151**	**8,045**
Operating Expenses	16,031	14,666	16,507	6,344
EBITDA	**3,421**	**3,860**	**4,644**	**1,701**
EBITDA Margin (%)	***17.59%***	***20.84%***	***21.96%***	***21.14%***
Depreciation and amortisation	625	732	869	476
Finance costs	211	172	269	175
Other Income	23	49	101	16
PBT before Joint Venture	**2,608**	**3,005**	**3,607**	**1,066**
Share of JV				(24)
PBT	**2,608**	**3,005**	**3,607**	**1,042**
Tax Expense	673	836	883	267
PAT	**1,935**	**2,169**	**2,724**	**775**
PAT Margin (%)	***9.95%***	***11.71%***	***12.88%***	***9.63%***
Other Comprehensive Income	(35)	(4)	(98)	1
Total Comprehensive Income	**1,900**	**2,165**	**2,626**	**776**
Diluted EPS	21.35	23.93	30.04	8.54

BALANCE SHEET (CONSOLIDATED)

Liabilities (INR Mn)	FY24	FY25	H1-FY26
Equity share capital	**453**	**453**	**453**
Other equity	17,117	19,446	20,009
Total Equity	**17,570**	**19,899**	**20,462**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	-	1,036	2,007
Lease liabilities	167	117	542
Noncurrent financial liabilities	-	77	160
Provisions	61	81	67
Deferred Tax Liabilities (Net)	1,079	1,284	1,315
Total of Non-current liabilities	**1,307**	**2,595**	**4,091**
Current liabilities			
Financial liabilities			
Borrowings	2,641	2,928	3,881
Lease liabilities	45	51	157
Trade Payables	3,783	2,778	2,854
Other financial liabilities	302	474	815
Provisions	63	117	120
Current Tax Liabilities (Net)	-	11	-
Other Current Liabilities	110	171	279
Total of Current liabilities	**6,944**	**6,530**	**8,106**
Total Liabilities	**8,251**	**9,125**	**12,197**
Total Equity & Liabilities	**25,821**	**29,024**	**32,659**

Assets (INR Mn)	FY24	FY25	H1-FY26
ASSETS			
Non-current assets			
Property, plant and equipment	9,942	10,887	13,330
Capital work-in-progress	785	3,066	1,605
Right-to-use assets	205	154	674
Goodwill	18	18	18
Other Intangible assets	169	307	275
Intangible assets under development	584	678	852
Financial assets			
Investments (others)	368	292	1,873
Loans	59	73	76
Other Financial Assets	113	140	300
Other non-current assets	122	227	393
Total of Non-current assets	**12,365**	**15,842**	**19,396**
Current assets			
Inventories	6,429	5,876	6,206
Financial assets			
Investments	704	476	-
Trade receivables	5,193	5,754	4,701
Cash and cash equivalents	236	67	322
Bank balances other than above	4	19	234
Loans	13	10	5
Other financial assets	63	12	1
Other current assets	780	968	1,605
Current Tax Assets (Net)	34	-	189
Total Current assets	**13,456**	**13,182**	**13,263**
Total Assets	**25,821**	**29,064**	**32,659**

INVESTOR RELATIONS TEAM AT VALOREM ADVISORS ………………………………………………………………

Name	Designation	Email	Phone
Anuj Sonpal	CEO	anuj@valoremadvisors.com	+91-22-4903-9500
Purvangi Jain	AVP	purvangi@valoremadvisors.com	+91-22-4903-9536

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