VALOREM ADVISORS

INVESTOR RELATIONS MANAGEMENT SERVICES

AARTI PHARMALABS

1 Aarti Pharmalabs Ltd.

Aarti Pharmalabs Limited (APL), part of the Aarti Group (FY25 turnover: INR 130+ bn), is a globally recognized manufacturer of generic APIs and xanthine derivatives, and a leading CDMO/CMO player. The company specializes in developing cost-efficient, scalable processes and operates USFDA, EU GMP, EDQM, KFDA, and COFEPRIS approved facilities. Strategically located in western India, APL benefits from strong export connectivity and access to regulated global markets.

2 Business Segments (Q3-FY26)

Xanthine & Allied (49%) - India's largest manufacturer of xanthine derivatives catering to beverages, nutraceuticals, and pharmaceuticals. Fully backward integrated and non-China dependent, the segment operates 6,000 MTPA capacity across two plants, expanding to 9,000+ MTPA by H2 FY26 to increase global market share from 15-20% to 20-25%.

API & Intermediates (39%) - Backward integrated API business with 1,100+ kL multipurpose reactor capacity and 14 finished API lines. Supported by USFDA-approved facilities and dedicated approvals for the US, EU, and Japan, with strong regulatory documentation and IPR capabilities driving presence in regulated markets.

CDMO & CMO (12%) - End to end CDMO partner for small-molecule NCEs, offering KSMs, RSMs, intermediates, and GMP APIs from early clinical phases to commercialization. Backed by three R&D centers, complex chemistry expertise, and 59 active projects (40 commercial, 19 under development) across 21 global customers.

3 Key Strengths

- Strong financial profile with an AA- credit rating, reflecting stability and prudent capital management.
- Largest manufacturer of Xanthine derivatives in India with 15-20% global market share.
- Robust regulatory platform with 59 US DMFs and 44 CEP approvals across regulated markets.
- Innovation-driven operations with 62 API patents filed (29 granted) and expertise in novel chemistries.
- One of the leading small-molecule CDMO/CMO companies in India with regulatory-focused operations.
- Global presence with 7 manufacturing units (including 3 USFDA-approved facilities) and exports to 50+ countries.

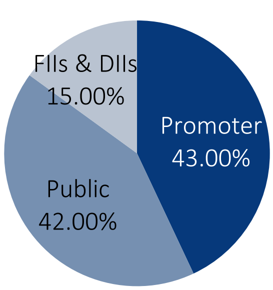
4 Key Growth Drivers

- Expand Xanthine capacity to 9,000+ MTPA to increase global market share and margins.
- Commission the Atali Greenfield project (450+ kL) to scale intermediates and CDMO/CMO.
- Target 30-40% YoY growth in the CDMO business in FY26.
- Increase total reactor capacity to 1,500+ kL to support commercialization.
- Strengthen API & Intermediates pipeline with focus on complex chemistries.
- Invest in renewable power projects to lower costs and reduce carbon footprint.

Key Financials	FY23	FY24	FY25	9M-FY26
Revenue from Operations (INR Mn)	19,452	*18,526*	*21,151*	*12,368*
Sales Growth (Y-O-Y)	62.11%	(4.76)%	14.17%	*(20.27)%*
EBITDA (INR Mn)	3,421	*3,860*	*4,644*	*2,723*
EBITDA Margins (%)	17.58%	20.84%	21.96%	22.02%
Net Profit (INR Mn)	1,935	*2,169*	*2,724*	*1,254*
Net Profit Margins (%)	9.95%	11.71%	12.88%	10.14%
Diluted EPS (INR)	21.35	*23.93*	*30.04*	*13.82*
Diluted EPS Growth (Y-O-Y)	58.27%	*12.08%*	*25.53%*	*(31.92)%*

Key Financial Ratios	FY25
Net Debt to Equity	0.19x
Fixed Asset Turnover	1.94x
Interest Coverage Ratio	14.0x
Return on Equity	13.69%
Return on Capital Employed	16.24%
Debtor Days	94
Inventory Days	199
Working Capital Days	115

Shareholding Pattern



Capital Stucture

Share Price as on 31st Dec, 2025	752.3
Number of Shares o/s (Mn)	90.6
Market Capitalisation (INR Mn)	68,194
Add: Debt (INR Mn)	5,889
Add: Minority Interest	-
Less: Cash & Equivalents (INR Mn)	556
Enterprise Value (INR Mn)	73,527
Networth (INR Mn)	20,462

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