February 8, 2024

To,
Listing/ Compliance Department
BSE LTD.
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

SCRIP CODE: 543748

To,
Listing/ Compliance Department
National Stock Exchange of India Limited
"Exchange Plaza", Plot No. C/1,
G Block, Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051
SYMBOL: AARTIPHARM

Dear Sir/Madam,

Sub: Results Presentation
Ref: Regulation 30 of the SEBI (LODR) Regulations 2015

Please find enclosed herewith the Q3 FY24 Results Presentation of the Company for your records.

The same is also being uploaded on the Company's website https://www.aartipharmalabs.com/presentation.

Please take the same on your records.

Thanking you,

Yours faithfully,
For AARTI PHARMALABS LIMITED

NIKHIL PANDURANG NATU
Digitally signed by NIKHIL PANDURANG NATU
Date: 2024.02.08 15:25:50 +05'30'

NIKHIL NATU
COMPANY SECRETARY
ICSI M. NO. A27738

Encl. a/a.

Aarti Pharmalabs Limited

Q3 FY 24
Results Presentation

Disclaimer

AARTI PHARMALABS LIMITED may, from time to time, make written and oral forward looking statements, in addition to statements contained in the company's filings with BSE Limited [BSE] and National Stock Exchange of India Limited [NSE], and our reports to shareholders. The company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the AARTI PHARMALABS LIMITED.

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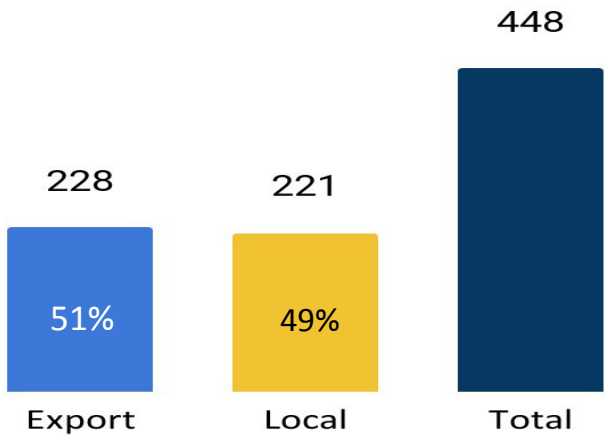
Company Overview

Aarti Pharmalabs at a Glance

Overview

- Established by first generation technocrats in **1984**
- Specialized key business verticals
  - API & Intermediates,
  - CDMO & CMO Services
  - Xanthine derivatives & allied
- Strong **R&D capabilities** with IPRs for customized products
- **Strategically located:** In western India with proximity to ports
- Largest Indian Manufacturer for Xanthine Derivatives (Caffeine and Others)

FY 23-24 Q3 - Consolidated Revenue Breakup (Rs Cr)



Key Metrics

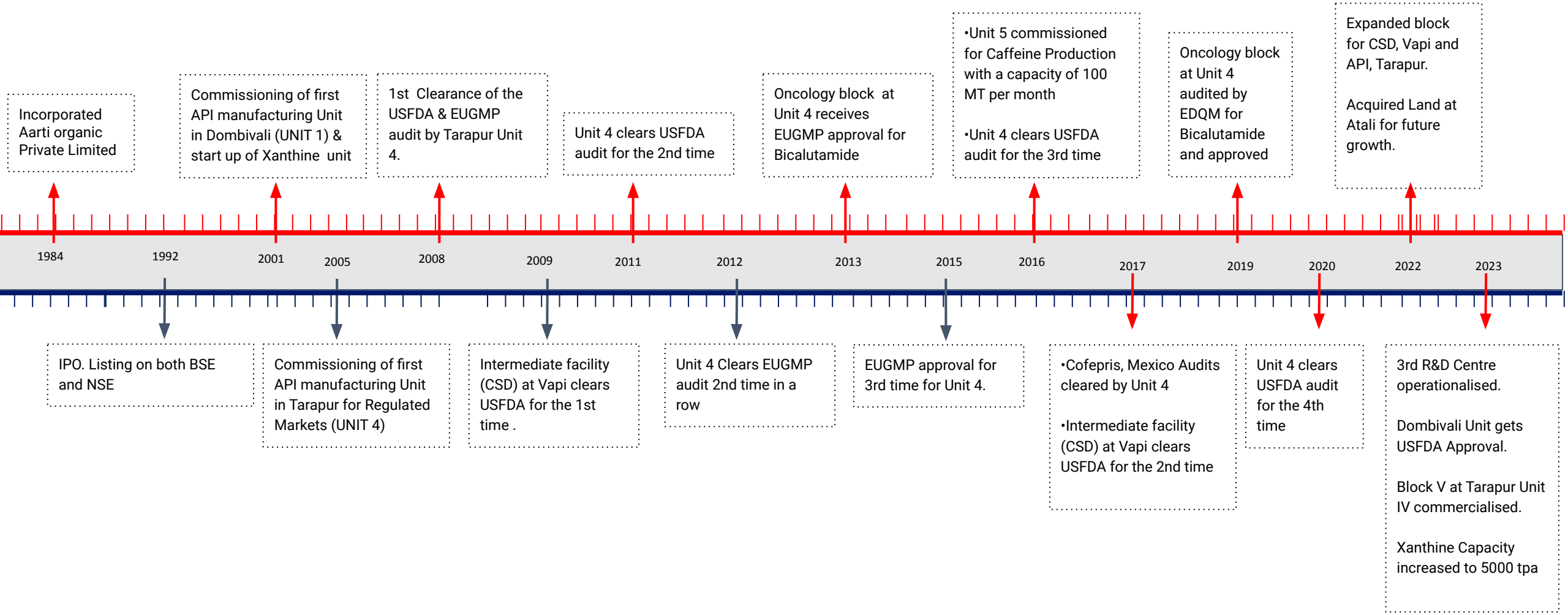
- 150+ Products
- 500+ Global Customers
- 40 USDMF, 20 CEP
- 52+ patents filed
- 6 Manufacturing Units
- 3 USFDA Units
- 2000+ Employees
- 3 R&D Centres

FY 23-24 Q3 Financial Highlights

53	1507	0.11
Consolidated PAT	Consolidated Fixed Assets Gross Block	Net Debt to Equity

Amt in Crs.

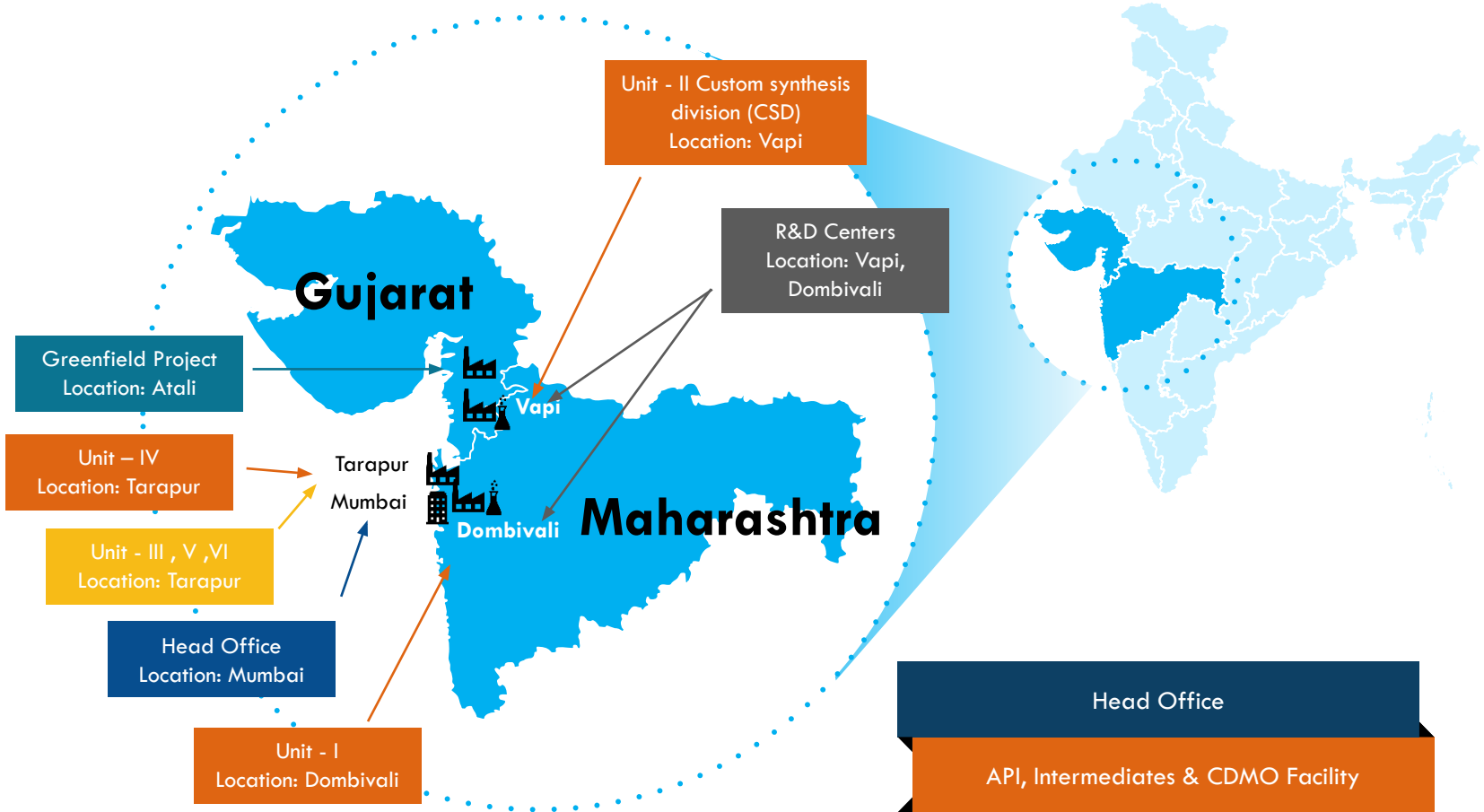
Journey


1984
Incorporated Aarti organic Private Limited
1992
IPO. Listing on both BSE and NSE
2001
Commissioning of first API manufacturing Unit in Dombivali (UNIT 1) & start up of Xanthine unit
2005
Commissioning of first API manufacturing Unit in Tarapur for Regulated Markets (UNIT 4)
2008
1st Clearance of the USFDA & EUGMP audit by Tarapur Unit 4.
2009
Intermediate facility (CSD) at Vapi clears USFDA for the 1st time .
2011
Unit 4 clears USFDA audit for the 2nd time
2012
Unit 4 Clears EUGMP audit 2nd time in a row
2013
Oncology block at Unit 4 receives EUGMP approval for Bicalutamide
2015
EUGMP approval for 3rd time for Unit 4.
2016
•Unit 5 commissioned for Caffeine Production with a capacity of 100 MT per month
•Unit 4 clears USFDA audit for the 3rd time
2017
•Cofepris, Mexico Audits cleared by Unit 4
•Intermediate facility (CSD) at Vapi clears USFDA for the 2nd time
2019
Oncology block at Unit 4 audited by EDQM for Bicalutamide and approved
2020
Unit 4 clears USFDA audit for the 4th time
2022
Expanded block for CSD, Vapi and API, Tarapur.
Acquired Land at Atali for future growth.
2023
3rd R&D Centre operationalised.
Dombivali Unit gets USFDA Approval.
Block V at Tarapur Unit IV commercialised.
Xanthine Capacity increased to 5000 tpa

Manufacturing Facilities

Manufacturing Units	Location
Dombivali	Unit - I (API & Intermediates)
Vapi	Unit - II (API Intermediates & Custom Synthesis Unit)
Tarapur	Unit – III (Xanthine Unit)
	Unit – IV (API Unit)
	Unit - V (Xanthine Unit
	Unit - VI (Spack Unit)
Atali	New unit under construction

Other Set-ups	Location
Research and Development Centers & Pilot Plant	Vapi, Gujarat
	Nerul and Dombivali-Maharashtra
Corporate & Head Office	Mumbai, Maharashtra



Key Business Verticals

APIs and Intermediates

- **US FDA approved manufacturing facility**
- Exports to lucrative regulated markets - US, EU and Japan contributes to 58% of total exports.
- **Backward integrated intermediates** for most APIs
- Distinct advantage having dedicated USA, Japan and EU approvals
- **Dedicated blocks for Anti-Cancer and Cortico Steroids products**
- HPAPIs development and manufacturing
- Flow chemistry from lab to manufacturing
- Complete CMC documentation support

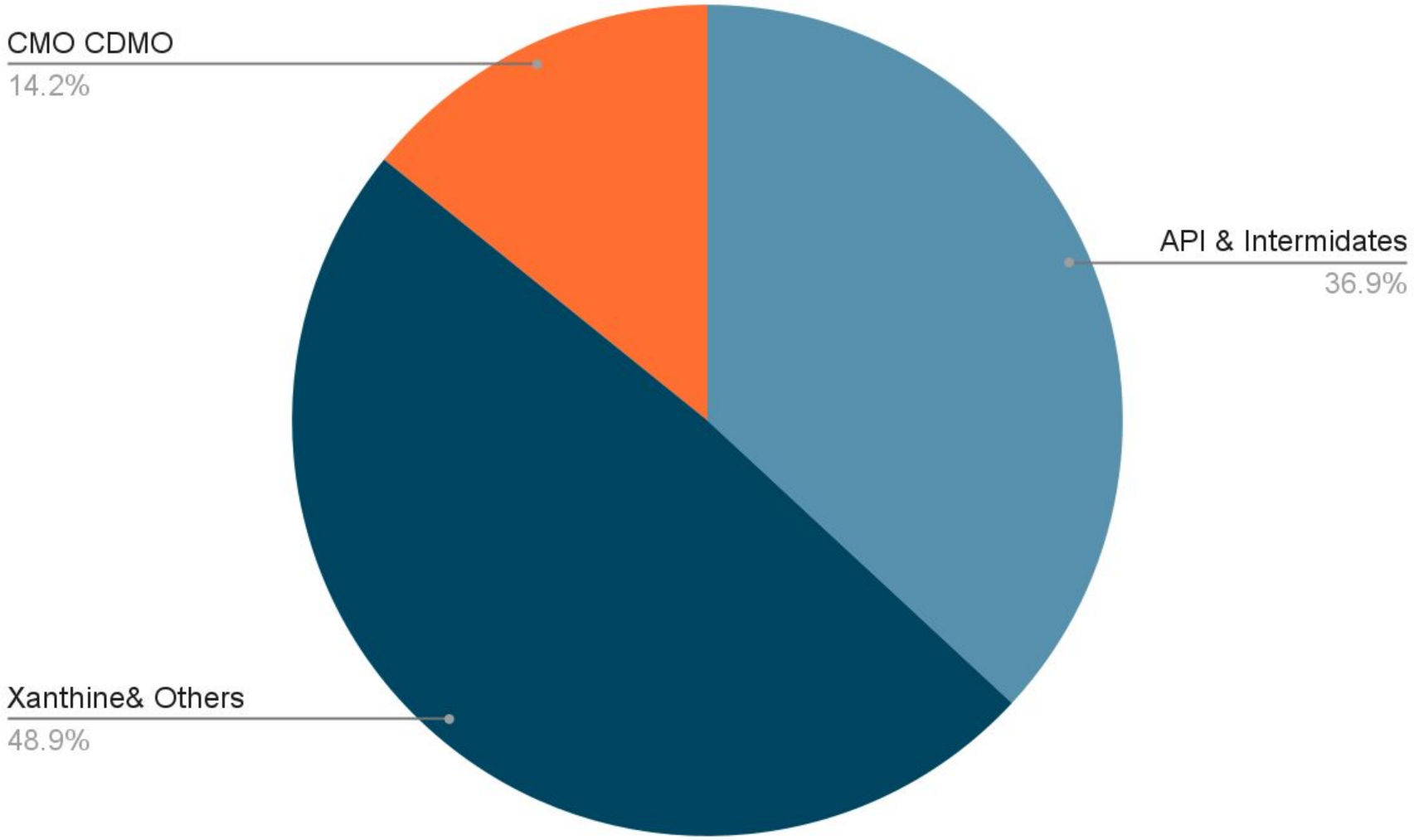
CDMO / CMO Services

- CRAMs activity focused on API & intermediates
- Working with **15** Innovators & Big Pharma companies
- Development and manufacturing of RSMs, KSMs for NCEs
- **Dedicated R&D & Pilot facilities** focusing CDMO.
- **19 Products commercialized** and **20 products under development by Innovators**.
- CMO offerings for regulated markets.

Xanthine derivatives & Allied (Caffeine and others)

- Largest Indian Manufacturer for Xanthine Derivatives (Caffeine and others)
- Xanthine derivatives find applications in **beverages, nutraceuticals, cosmetics and pharmaceuticals**
- Aarti's capabilities – **2 dedicated plants**
- Key certifications – "Star Kosher", "HACCP", "Sedex SMETA-4PillarP", "FSSC-22000 (GFSI)" for manufacturing & testing..

Key Business Verticals



Strong Presence in API & Intermediates

54

APIs have been commercialized by APL since it entered the pharma business in year 2000

13

New APIs are under development at APL's dedicated R&D facility/ Validation for pharmaceuticals

41

US DMF approvals obtained across multiple therapeutic areas

21

CEP approvals available for sale in European Union across multiple therapeutic areas

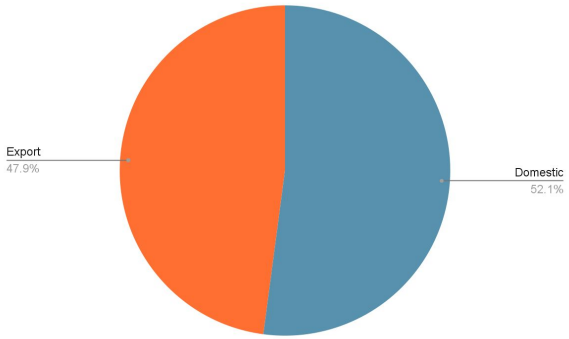
~100

Generic Intermediates are available at R&D, Pilot and Commercial scales

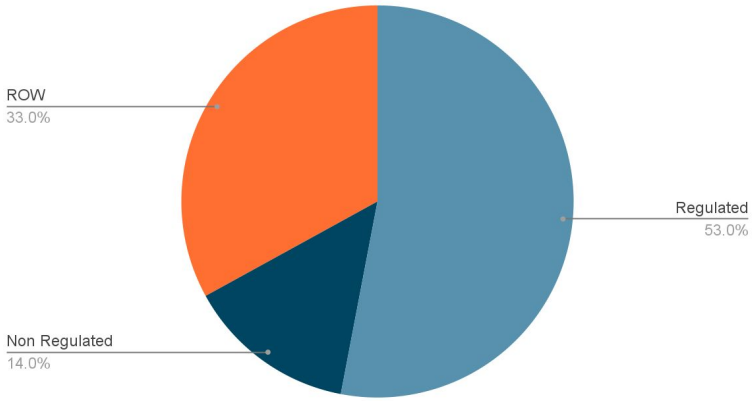
Major therapeutic categories of Generic APIs for regulated markets

Cardiovascular	Anti Asthmatic	Anticoagulant	Anti Cancer	Anti Diabetic	CNS Agents

Q3 FY24 Export and Domestic Revenue



Market Segmentation



CDMO / CMO

- Sustainable supply for APIs/NCEs/Intermediates in commercial scale
- Global regulatory accreditations (USFDA ,EUGMP, EDQM, KFDA, COFEPRIS)
- EHS and Quality are the highest priority. Facilities were audited as per PSCI principles
- High potent molecules (Oncology/Cytotoxic) development and manufacturing
- Backward integration strength for raw materials

CDMO/CMC Services

- Synthetic Route Scouting & Design
- Process Development (DoE and QbD) & lab demonstration
- Process Engineering (Data Generation)
- Analytical method development and validations
- Custom Synthesis from kg to multi ton scales
- Kilo & Pilot Scale Manufacturing (non-GMP & GMP) for IND phase and Tox batches
- Drug substances manufacturing for Clinical supplies (Ph-I/II/III)
- Process Validations
- HPAPIs (OEL: 1 - 10 µg / m^3 ; OEB: 4) development and manufacturing
- Impurity Profiling (including impurities & reference standards synthesis)
- CH Stability Studies
- Launch support and commercial manufacturing
- Strong know-how in end-to-end CMC documentation for regulatory filings

Manufacturing Capabilities & Strengths

- Strong expertise in development of robust & cost-effective process for rapid scale up and commercial production
- HPAPI (Cytotoxic/ Oncology) and Cortico Steroids development and manufacturing
- Hydrogenation facilities from lab scale to manufacturing scale (0.1 - 10 KL reactors)
- Cryogenic reactors operating within temperature range of -80^{0}C to +150^{0}C
- High temperature and High vacuum distillations
- 20+ years of experience in pharmaceuticals manufacturing to several global clients
- Impeccable regulatory track record (>15 years) and facilities approved by several pharma clients from EHS and Quality perspectives
- Backward integration of raw materials to mitigate risks/ delays

Strong footprints with global Accreditation

Site/Unit Name	Regulatory Agency	Month and Year of Audit
Unit IV, Tarapur, Mumbai	USFDA	Mar 2008, Sep 2011, Mar 2015, Dec 2016, Feb 2020
	EUGMP	Apr 2008, May 2012, Aug 2013, Jan 2015
	EDQM	Sep 2019
	KFDA	Nov 2017
	COFEPRIS	Apr 2017, May 2017
Unit II, CSD, Vapi, Gujarat	USFDA	Sep 2009, Aug 2017
Unit I, Dombivli, Mumbai	USFDA	Jun 2022

Xanthine Derivatives

- Xanthine derivatives are synthetic compounds that resemble natural occurring xanthines such as caffeine etc.,
- Commonly used as mild stimulants & bronchodilators, notably in the treatment of asthma or influenza symptoms
- 2 dedicated manufacturing units
- Aggregate Capacities of about 5000 MTA for Xanthine Derivatives.
- One backward integrated unit for providing KSM for Xanthine derivatives.
- APL has about 15-20% Global Market Share
- Sole Non Chinese integrated manufacturer. Benefitting from China + 1.

End Use

Cola Drinks

Energy Drinks

Pharmaceuticals

Nutraceuticals

Certifications

GMP CERTIFIED

HALAL INDONESIA

FSSC 22000

HACCP

HALAL INDIA

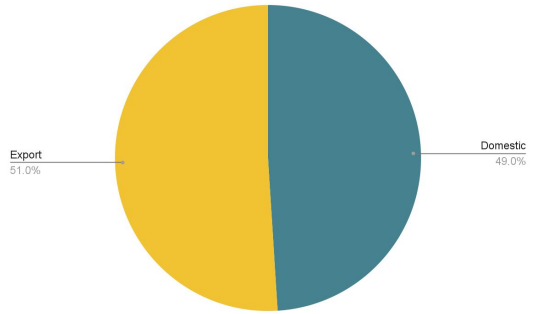
fssai

STAR-K KOSHER

FDA MAHARASHTRA FOOD AND DRUG ADMINISTRATION

ISO 22000

ISO 9001:2015



R&D Strengths & Capabilities

3	70+	7	22	53
State-of-the-art R&D centres at Maharashtra & Gujarat	Scientists	PHDs.	Patents Granted	Process patents filed

150+	50+
Process for more than 150 Intermediates developed and manufactured on kilo lab scale	More than 75 API commercialized

160	39 crs
Developing 40 products per Year in next four years	R&D Spend in FY23

Strong Focus on R&D & Process Innovation

Innovation at various reactions

- Carbohydrate Chemistry
- Chiral Chemistry
  - Asymmetric Synthesis
  - Bio Catalysts
  - Chiral Epoxides
  - Kinetic Resolution
- Coupling Reactions Chemistry
  - C-C Coupling
  - C-N Coupling
- Isomerization Reactions
- Triphosgene Reactions
- Steroids synthesis
- Flow Reaction with Phase transfer catalyst.

Strong focus on R&D and process innovation

- Aarti has been increasing its presence in the fast growing Pharma segment by going through various inhouse innovations and having its own IP.
- Focus on **lifestyle APIs and Intermediates**

ESG at APL

Environment - Highlights

- ISO 14001 : 2015 certification
- All plants are Zero Liquid Discharge (ZLD) plants
- Approx. 50% water of total water consumption is recycled
- Green chemistry principles incorporated during product development stage
- Recycle & reuse of solvents and safe disposal of Hazardous waste
- Regulatory compliance monitoring through Compliance Mgt. System (CMS)

Social - Highlights

- Hazard Identification and Risk Assessment (HIRA), Hazardous Area Classification (HAC) and work permit system in place
- Safety Trainings - Induction, On the job, Classroom, Demos
- Incident management - "Safety Alert", Learning from Incidents, Root cause analysis and Global CAPA Implementation
- Safety Thought For The Day- One slide tool circulated
- Industrial Hygiene study conducted
- Stregthened HR policies and procedures, Incorporating requirements of UN Global Compact, International Labour Organisation's (ILO) Declaration and Sexual Harassment of Women at Workplace Act, 2013, etc
- Variousinitatives to improve diversity and inclusion

Governance - Highlights

- Robust Compliance Monitoring Framework - implemented PWC's GRC tool to track & regularly monitor various governance aspects
- Internal monitoring and control systems for anti - corruption, bribery and anti - competitive practices
- Core Business Process digitized on a robust SAP ERP backbone
- Environment, Health, Safety & Quality processes digitized on Intelex Cloud platform
- APMS at par with CCPS & OHSAS

Financial Performance

Q3 FY24 : Highlights (Consolidated)

Revenue from operations

INR **448** crs

2.0% QoQ

EBITDA

INR **97** crs

9.1 % QoQ

PAT

INR **53** crs

1.9% QoQ

Domestic : Export

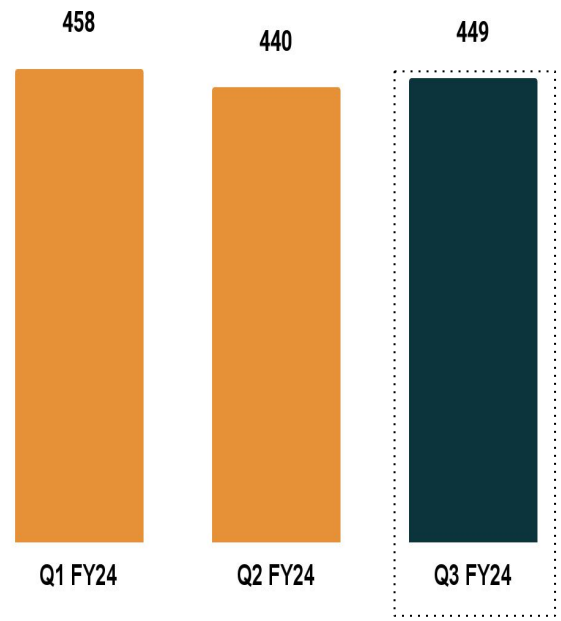
49:51

Highlights of Q3 FY 24

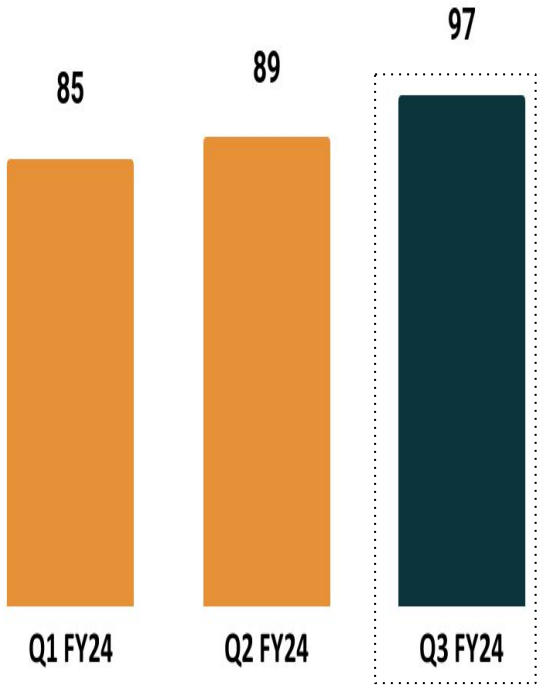
- Q3 FY24 registerd highest ever EBIDTA till date.
- Revenues increased by 2% QoQ..
- EBITDA on consolidated basis was higher by 9.1% Quarter on Quarter.
- EBIDTA Margin improved to 21.6% compared to 20.2% in the last quarter and 18.2% in Q3 of FY 23

Q3 FY24 Highlights (Consolidated)

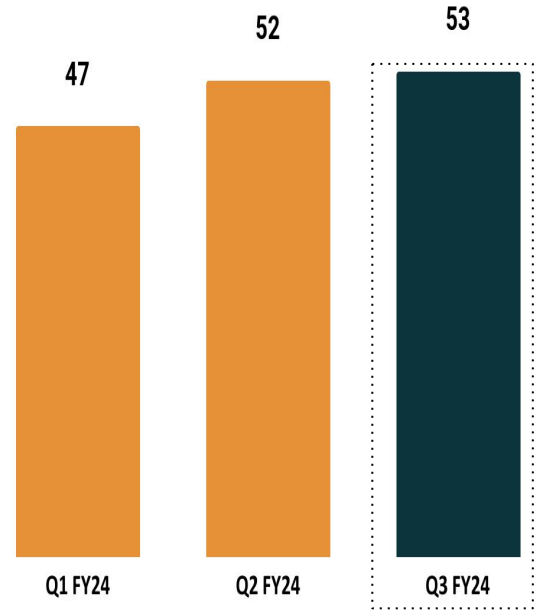
Revenues



EBITDA



Profit After Tax



Key Performance Indicators

Q3 FY24 – Consolidated Profit & Loss

Particulars (Rs. Crore)	Q3 FY24	Q2 FY24	Q-o-Q (%)	Q3 FY23	Y-o-Y (%)
Gross Income from Operations	449	440	*2.0%*	472	*-4.9%*
Exports	228	198	*15.1%*	229	*-0.3%*
% of Total Income	*50.8%*	*45.0%*		*48.4%*	
EBITDA	97	89	*9.1%*	87	*12.2%*
EBITDA Margin (%)	*21.6%*	*20.2%*		*18.4%*	
EBIT	78	71	*10.5%*	70	*11.4%*
EBIT Margin (%)	*17.4%*	*16.1%*		*14.9%*	
PAT	53	52	*1.9%*	48	*10.7%*
PAT Margin (%)	*11.8%*	*11.8%*		*10.2%*	
EPS (Rs.)	5.82	5.72	*1.9%*	5.26	*10.7%*

Key Performance Indicators

Q3 FY24 – Standalone Profit & Loss

Particulars (Rs. Crore)	Q3 FY24	Q2 FY24	Q-o-Q (%)	Q3 FY23	Y-o-Y (%)
Gross Income from Operations	373	356	*4.8%*	359	*3.9%*
Exports	203	172	*18.0%*	172	*18.0%*
% of Total Income	*54%*	*48%*		*48%*	
EBITDA	88	74	*19.9%*	72.6	*21.9%*
EBITDA Margin (%)	*23.7%*	*20.7%*		*20.2%*	
EBIT	72	57	*24.4%*	58	*23.2%*
EBIT Margin (%)	*19.2%*	*16.1%*		*16.2%*	
PAT	48	42	*15.3%*	38	*25.3%*
PAT Margin (%)	*12.9%*	*11.7%*		*11.3%*	
EPS (Rs.)	5.32	4.61	*15.3%*	4.25	*25.3%*

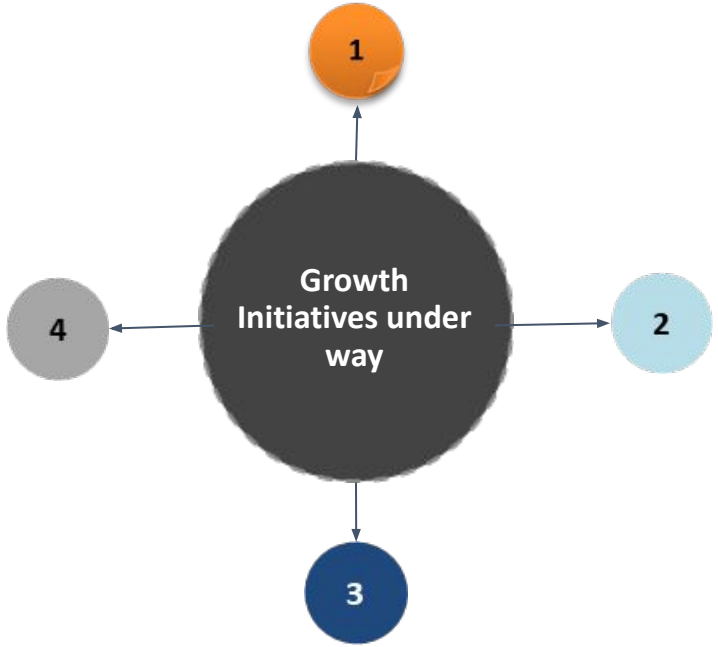
Q3 FY 24 other highlights

- Highest ever EBDITA and net Profit in Q3 FY24.
- Interim dividend of Rs 2 per share.
- Revenue contribution of CDMO / CMO has grown to 14% (from 7% in Q2FY24 and 6% in Q3FY23).
- Sales to regulated market continues to remain the key area of focus.
- The work on the Greenfield Project at Atali, Gujarat has gained momentum in this Quarter. The Company expects to complete the Project in H2 of FY 24-25.
- In addition to Atali greenfield expansion, company is planning further expansion of xanthine capacities over the next 15-18 months.
- With its strong Chemistry and manufacturing capability, we will continue to look for Backward integration opportunities to become China independent. The project to manufacture the main RM for Xanthine Products, which is currently being imported, is scheduled to be commissioned in Q4 of FY 24.

Growth Strategies

Our Growth Strategy

- Increase in capacities of existing products & Adding new 40+ Value added product each year.
- Further expansion in Xanthine Capacities.



Develop and explore more opportunities for innovator for APIs and Intermediates

Atali Project

- ~ 80 acres of land in Gujarat (between Dahej & Bharuch)
- Adding 400+KL reactor volume in Phase1 and target to add similar capacities in future
- Capex of about 350-500 crs in Phase 1
- Construction works initiated.
- Commercialization expected in FY25

Increase presence in regulated market

Outlook

FY24

- Rampup of new expended blocks at Unit IV, Tarapur & Xanthine Derivatives
- Expected EBIDTA Growth to be about 8-10% over FY23.

FY25 and beyond

- Commissioning of Blocks at Atali in phased manner from FY25.
- Rampup @ Atali project will bring in operating leverages in FY26 and beyond
- Expecting EBIDTA growth to be about 12-17% over next 2-3 years.

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THANK YOU

Aarti Pharmalabs Limited

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