



# 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 49% of the total revenue and rest 51% comes from international as per Q1-FY26.

## BUSINESS MIX (Q1-FY26) .....

- **XANTHINE & ALLIED (49.6%):** Largest manufacturing capacity in India for the flagship product ‘caffeine’. The company holds a 15-20% global market share.
- **API & INTERMEDIARIES (40.8%):** 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 (9.6%):** Amongst leading small molecule CDMO/CMO players in India, working with big pharma, innovators and biotech companies.

## KEY STRENGTHS .....

- AA- credit
- 60 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 & 53 USDMF

## FINANCIAL PERFORMANCE.....

(INR Mn)	Op. Income	EBITDA	EBITDA%	PAT	PAT%	EPS
<b>FY23</b>	19,452	3,421	17.59%	1,935	9.95%	21.35
<b>FY24</b>	18,526	3,860	20.84%	2,169	11.71%	23.93
<b>FY25</b>	21,151	4,644	21.96%	2,724	12.88%	30.04
<b>Q1-FY26</b>	3,862	953	24.68%	495	12.82%	5.46

### Key Data

<b>BSE Code</b>	543748
<b>NSE Code</b>	AARTIPHARM
<b>Reuters</b>	-
<b>Bloomberg</b>	AARTIPHA:IN

### Market Data (INR) as on 30<sup>th</sup> June, 2025

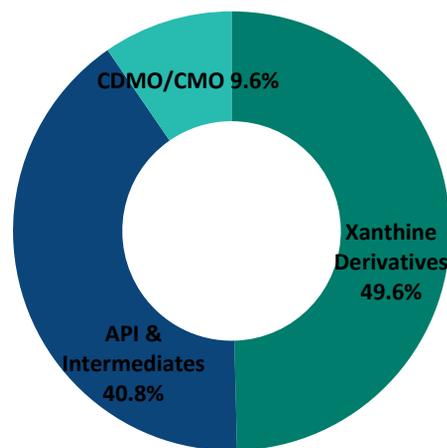
<b>Face Value</b>	5.00
<b>CMP</b>	892.15
<b>52 Week H/L</b>	948.80/521.00
<b>MCAP (Mn)</b>	80,859.68
<b>Shares O/S (Mn)</b>	90.63
<b>1 Yr. Avg. Vol. ('000)</b>	496.56

### Performance as on 30<sup>th</sup> June, 2025

	3M	6M	12M
<b>Aarti Pharmalabs</b>	17.70%	29.86%	47.45%
<b>SENSEX</b>	8.75%	6.82%	5.77%
<b>BSE MIDCAP</b>	12.98%	0.59%	1.10%

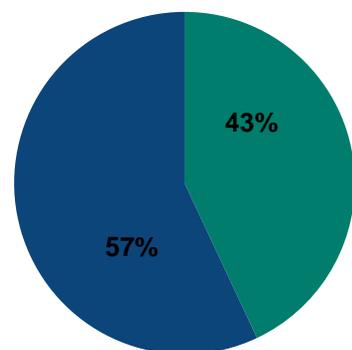
### Shareholding Pattern as on 30<sup>th</sup> June, 2025

<b>Promoters</b>	43.72%
<b>Public</b>	41.14%
<b>FII</b>	7.35%
<b>DII</b>	7.79%



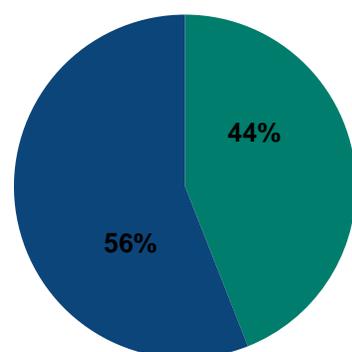
**Geographical Split**

**Xanthine Derivatives**



■ Domestic ■ International

**API & Intermediates**



■ Domestic ■ International

**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 60 active projects, of which 33 are in the commercial stage and 27 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 12-15% Y-o-Y in FY26.

**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%	80,859.68
Laurus Labs	59,287	12,662	21.36%	5,062	8.54%	3,90,904.13
Granules India	45,105	9,314	20.65%	4,794	10.63%	1,20,034.89
Piramal Pharma	91,338	13,470	14.75%	981	1.07%	2,69,657.17
Aurobindo Pharma	3,20,248	65,390	20.42%	33,896	10.58%	6,59,267.92

## INCOME STATEMENT (CONSOLIDATED)

Income Statement (Mn)	FY23	FY24	FY25	Q1-FY26*
<b>Operational Revenue</b>	<b>19,452</b>	<b>18,526</b>	<b>21,151</b>	<b>3,862</b>
Operating Expenses	16,031	14,666	16,507	2,909
<b>EBITDA</b>	<b>3,421</b>	<b>3,860</b>	<b>4,644</b>	<b>953</b>
<b>EBITDA Margin (%)</b>	<b>17.59%</b>	<b>20.84%</b>	<b>21.96%</b>	<b>24.68%</b>
Depreciation and amortisation	625	732	869	228
Finance costs	211	172	269	68
Other Income	23	49	101	16
<b>PBT before Joint Venture</b>	<b>2,608</b>	<b>3,005</b>	<b>3,607</b>	<b>673</b>
Share of JV	-	-	-	(18)
<b>PBT</b>	<b>2,608</b>	<b>3,005</b>	<b>3,607</b>	<b>655</b>
Tax Expense	673	836	883	160
<b>PAT</b>	<b>1,935</b>	<b>2,169</b>	<b>2,724</b>	<b>495</b>
<b>PAT Margin (%)</b>	<b>9.95%</b>	<b>11.71%</b>	<b>12.88%</b>	<b>12.82%</b>
Other Comprehensive Income	(35)	(4)	(98)	10
<b>Total Comprehensive Income</b>	<b>1,900</b>	<b>2,165</b>	<b>2,626</b>	<b>505</b>
Diluted EPS	21.35	23.93	30.04	5.46

## BALANCE SHEET (CONSOLIDATED)

Liabilities (INR Mn)	FY23	FY24	FY25	Assets (INR Mn)	FY23	FY24	FY25
<b>Equity share capital</b>	<b>453</b>	<b>453</b>	<b>453</b>	<b>ASSETS</b>			
Other equity	15,132	17,117	19,446	Non-current assets			
<b>Total Equity</b>	<b>15,585</b>	<b>17,570</b>	<b>19,899</b>	Property, plant and equipment	9,227	9,942	10,887
Liabilities				Capital work-in-progress	622	785	3,066
Non-current liabilities				Right-to-use assets	11	205	154
Financial liabilities				Goodwill	18	18	18
Borrowings	2	-	1,036	Other Intangible assets	2	169	307
Lease liabilities	5	167	117	Intangible assets under development	397	584	678
Noncurrent financial liabilities	-	-	77	Financial assets			
Provisions	54	61	81	Investments (others)	355	368	292
Deferred Tax Liabilities (Net)	788	1,079	1,284	Loans	59	59	73
<b>Total of Non-current liabilities</b>	<b>849</b>	<b>1,307</b>	<b>2,595</b>	Other Financial Assets	94	113	140
Current liabilities				Other non-current assets	25	122	227
Financial liabilities				<b>Total of Non-current assets</b>	<b>10,810</b>	<b>12,365</b>	<b>15,842</b>
Borrowings	2,142	2,641	2,928	Current assets			
Lease liabilities	4	45	51	Inventories	6,020	6,429	5,876
Trade Payables	3,395	3,783	2,778	Financial assets			
Other financial liabilities	247	302	513	Investments	510	704	476
Provisions	55	63	117	Trade receivables	4,501	5,193	5,754
Current Tax Liabilities (Net)	35	-	11	Cash and cash equivalents	121	236	67
Other Current Liabilities	128	110	172	Bank balances other than above	1	4	19
<b>Total of Current liabilities</b>	<b>6,006</b>	<b>6,944</b>	<b>6,570</b>	Loans	13	13	10
<b>Total Liabilities</b>	<b>6,855</b>	<b>8,251</b>	<b>9,165</b>	Other financial assets	51	63	52
<b>Total Equity &amp; Liabilities</b>	<b>22,440</b>	<b>25,821</b>	<b>29,064</b>	Other current assets	413	34	-
				Current Tax Assets (Net)	-	780	968
				<b>Total Current assets</b>	<b>11,630</b>	<b>13,456</b>	<b>13,222</b>
				<b>Total Assets</b>	<b>22,440</b>	<b>25,821</b>	<b>29,064</b>

## INVESTOR RELATIONS TEAM AT VALOREM ADVISORS .....

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