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)
Tel .: 022-2407 2249 / 2401 9025 (30 Lines)
Fax.: 022-2407 3462 / 2407 0144
Email: admin@aartidrugs.com
website: www.aartidrugs.com
CIN No.:L37060MH1984PLC055433

Ref: ADL/SE/2025-26/67
February 3, 2026

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,

Ref: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Sub: Q3 FY26 Investor Presentation

Please find attached herewith Q3 FY26 Investor Presentation of the Company.

Kindly take the same on record.

Thanking you,

Yours faithfully,
FOR AARTI DRUGS LIMITED

RUSHIKESH
VIVEK DEOLE

Digitally signed by RUSHIKESH VIVEK DEOLE
DN: c=IN, postalCode=421301, st=MAHARASHTRA, street=THANE,B-2, DEVIPRASAD SOCIETY, AGRA ROAD ,421301, l=THANE, o=Personal,
serialNumber=9b60f64457feab7f455d17463ebe710861bf01b575f6fc0484483273dabfc17f, pseudonym=39fdd8cc665b44adb709d2b2c0bc1ffe, 2.5.4.20=76af11ab2ea790a8aec8b0d90f9da6fdb715f5b922a7af009bb3f93dc014e116,
email=RUSHIKESH.DEOLE@AARTIDRUGS.COM, cn=RUSHIKESH VIVEK DEOLE
Date: 2026.02.03 19:31:56 +05'30'

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

Aarti Drugs Ltd.

Aarti Drugs Limited

Q3 & 9M FY26 Investor Presentation

February 2026

Safe Harbor

This presentation and the accompanying slides (the "Presentation"), which have been prepared by **Aarti Drugs Limited** (the "Company"), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

Certain matters discussed in this Presentation may contain statements regarding the Company's market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the company's ability to successfully implement its strategy, the Company's future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company's market preferences and its exposure to market risks, as well as other risks. The Company's actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third-party statements and projections.

Aarti Drugs Ltd.

Table of Contents

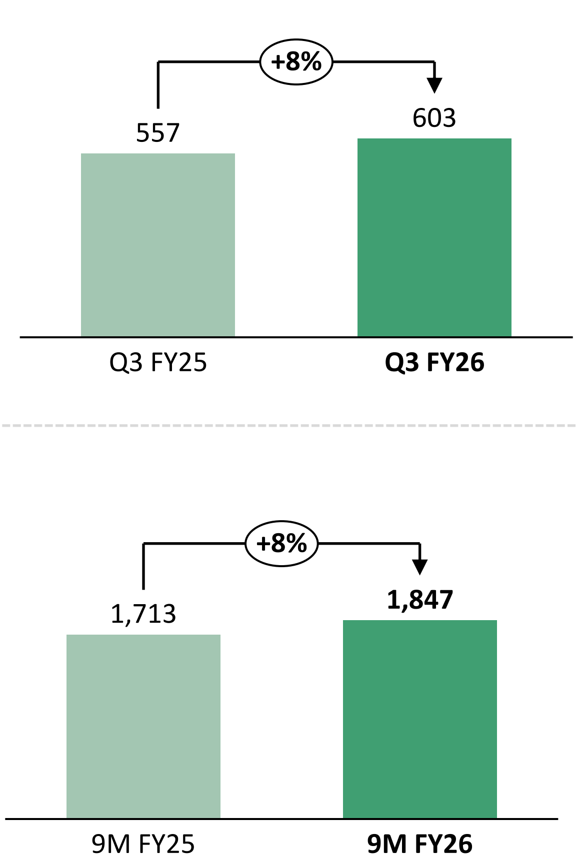
Q3 & 9M FY26 Business & Financial Highlights

Q3 & 9M FY26 Consolidated Financial Highlights

Aarti Drugs Ltd.

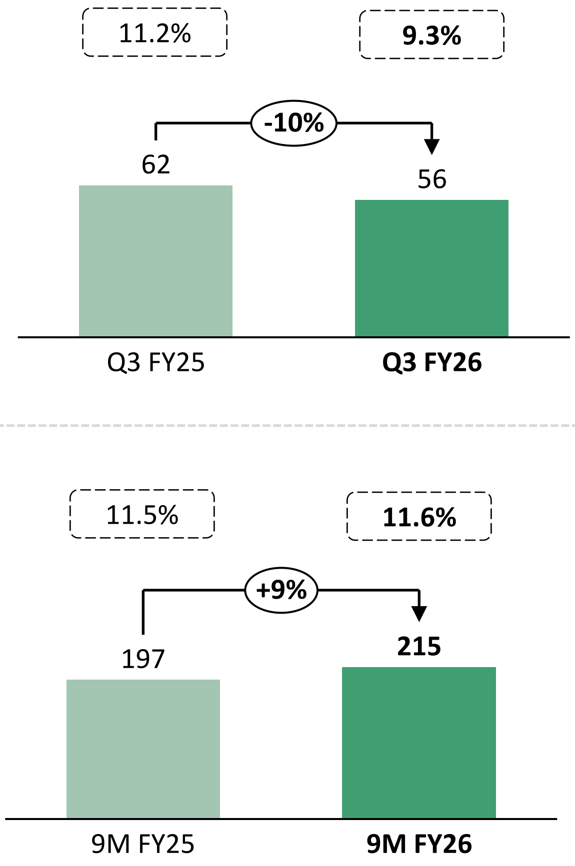
Total Revenue[2]

(Rs. Crs.)



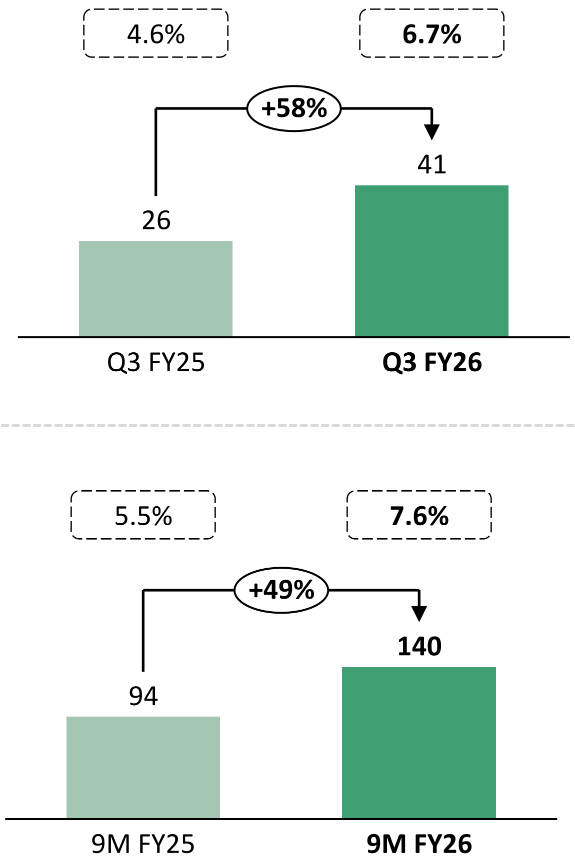
EBITDA & EBITDA Margin[1,2]

(Rs. Crs.)



PAT & PAT Margin[2]

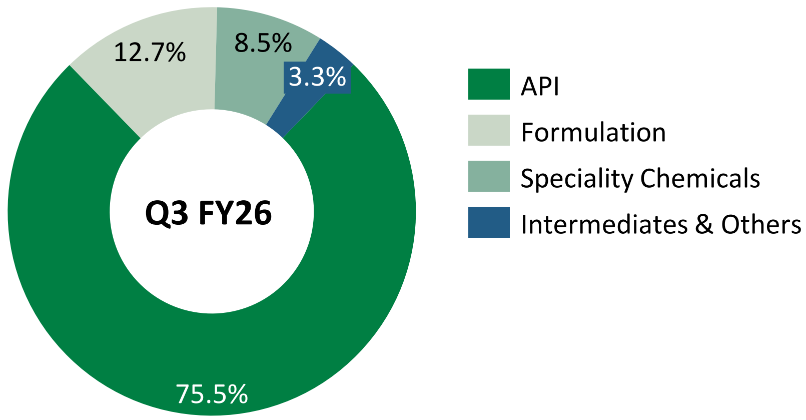
(Rs. Crs.)

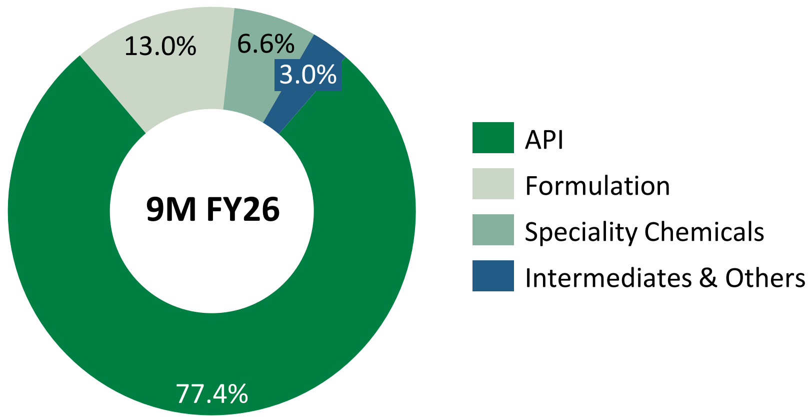


Note:
1. EBITDA includes other income & excludes exceptional items;
2. Total Revenue, EBITDA and PAT exclude Rs.11.34 crore of interest income on IT refunds receivable from the Income Tax Department for Q3&9M FY25

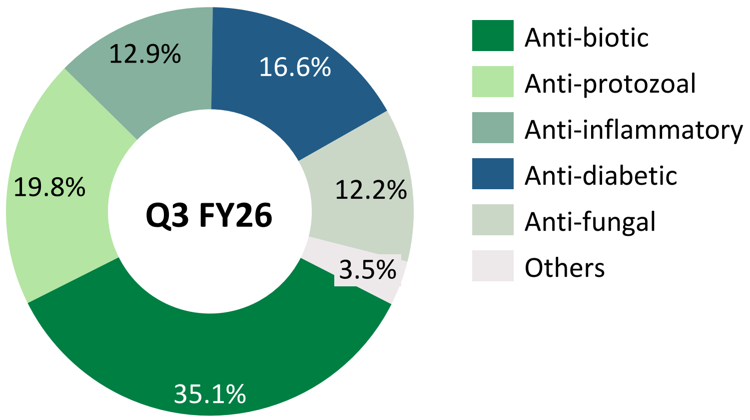
Q3 & 9M FY26 Segment Breakup

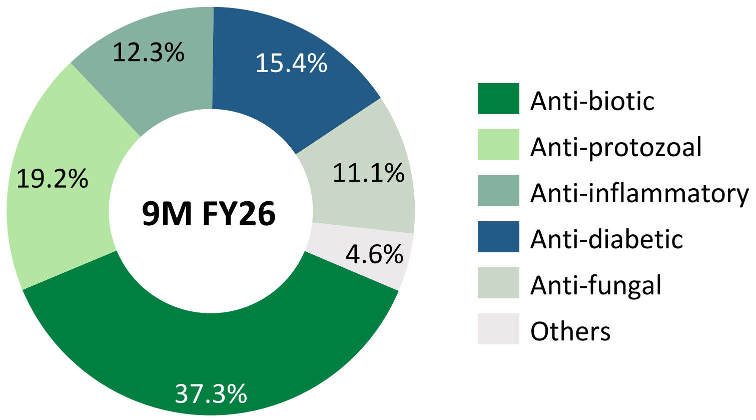
Segmental Revenue





Therapeutic-wise Revenue[1] (Within API Segment)





Note:
1. As of 9M FY26, Therapeutic revenue Includes sale to Pinnacle Life Science

Consolidated Profit & Loss Statement

Aarti Drugs Ltd.

Particulars (Rs. Crs.)	Q3 FY26	Q3 FY25[1]	YoY	Q2 FY26	QoQ	9M FY26	9M FY25[1]	YoY
Net Revenue from Operations	**601.7**	**556.6**	**8%**	**652.8**	**-8%**	**1,845.0**	**1,710.2**	**8%**
Other Income	1.2	0.5		0.1		1.6	3.1	
Total Revenue	**602.9**	**557.1**	**8%**	**652.9**	**-8%**	**1,846.6**	**1,713.4**	**8%**
COGS	386.6	351.4		408.3		1,168.3	1,105.2	
Gross Profit	**216.3**	**205.7**	**5%**	**244.6**	**-12%**	**678.3**	**608.2**	**12%**
Gross Margin (%)	***35.9%***	***36.9%***	***-100 bps***	***37.5%***	***-160 bps***	***36.7%***	***35.5%***	***120 bps***
Employee Expenses	33.2	27.8		33.1		97.0	80.8	
Other Expenses	126.9	115.7		127.1		366.3	330.5	
EBITDA	**56.3**	**62.3**	**-10%**	**84.4**	**-33%**	**215.0**	**196.9**	**9%**
EBITDA Margin (%)	***9.3%***	***11.2%***	***-190 bps***	***12.9%***	***-360 bps***	***11.6%***	***11.5%***	***10 bps***
Finance Costs	9.3	9.1		7.7		25.6	26.7	
Depreciation	17.9	13.8		16.3		48.9	40.9	
Profit before Tax	**29.0**	**39.4**	**-26%**	**60.4**	**-52%**	**140.5**	**129.3**	**9%**
Taxes	-11.5	13.7		15.2		0.9	35.3	
Profit after Tax	**40.5**	**25.7**	**58%**	**45.2**	**-10%**	**139.7**	**94.0**	**49%**
PAT Margin (%)	***6.7%***	***4.6%***	***210 bps***	***6.9%***	***-20 bps***	***7.6%***	***5.5%***	***210 bps***
Earnings Per Share (EPS)	4.44	4.22		4.95		15.30	11.54	

- *Other Income excludes Rs.11.34 crore of interest on income tax refunds receivable from the Income Tax Department.*

- *Gross margins were impacted due to inventory-related factors. The Company had carried higher-cost inventory on its books from the previous year, which was consumed during Q3 FY26. Additionally, some manufacturing facilities remain temporarily shut for scheduled maintenance activities during Q3FY26, driving slower sales. An issue also occurred in shipments leading to delays and shortages in raw material that led to an older higher inventory consumption, impacting gross profitability.*

- *Q3FY26 tax figure includes IT Tax refund of Rs.16.38 crores*

Note:
1. Total Revenue, GP, EBITDA, PBT, and PAT exclude Rs.11.34 crore of interest income on IT refunds receivable from the Income Tax Department for Q3&9M FY25

Management Commentary

Aarti Drugs Ltd.

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

"During the third quarter of FY26, Aarti Drugs delivered a steady performance, supported by healthy traction in the domestic market and strong growth in the export formulations segment, which performed particularly well and contributed positively to overall margins. Total revenue for Q3FY26 stood at Rs. 602.9 crore, growing 8% year-on-year, with EBITDA of Rs. 56.3 crore with margins at 9.3%. While EBITDA saw a year-on-year contraction of 10%—largely due to transient market dynamics and the initial absorption of commissioning costs for new facilities during Q3FY26, January sales have shown encouraging momentum, with improved traction, indicating a positive trend for the coming quarters.

The cornerstone of our Q3 performance remains in the successful operationalization of our growth projects. Our state-of-the-art backward integration plant in Sayakha for methyl amines, is currently in its initial scale-up phase. During its very first quarter of operations, it achieved 30% capacity utilization, and we are confident in our ability to ramp this up to 50% by March or April 2026. Critically, this facility is currently fulfilling 10–15% of our captive Metformin requirements, and we expect to be 100% self-reliant for this key intermediate within the next 6 to 8 months.

Our Salicylic Acid plant in Tarapur has hit a significant milestone, scaling to above ~300 tonnes per month recently. This marks a pivotal shift from import dependence to a self-sustained domestic supply chain. Furthermore, the downstream Salicylates line is currently under implementation, which we believe will transform this segment into a primary value driver for the company in the coming years.

On the regulatory front, certification and approval processes are progressing as planned. Audit observations are currently under review, and inspections have been conducted at one of the facilities as part of ongoing regulatory initiatives, including preparations for European approvals.

After several quarters of realization pressure, we have reached an inflection point aided by stable prices and volume momentum picking up. Overall, the Company remains focused on operational efficiency, margin improvement, and capacity ramp-up, while maintaining compliance with regulatory standards and capital discipline."

Company & Business Overview

Aarti Drugs Ltd.

Leadership in API Manufacturing

Aarti Drugs Ltd.

Over a decade, API manufacturing has transitioned towards highly regulated, specialized business

1. Largest producer of **Nimesulide** in the world
2. Largest producer of **Ketoconazole** in the world
3. Largest producer of **Metronidazole Benzoate** in the world
4. Largest producer of **Tinidazole** in the world
5. Largest producer in **Fluoroquinolones group** in the world
6. One of the leading producers of **Metformin** in the world
7. Largest producer of **Metronidazole** in India

14
Manufacturing Facilities

5,088
MT/Monthly Capacity

80+
Finished Products

50+
API Molecules

~2,067
Employees

~35%
Export Revenue

1,26,642
Sq.m. Plant Area

100+
Presence across countries

Diversified Presence across Segments

Aarti Drugs Ltd.

Presence Across APIs, Formulation, Specialty Chemicals, Intermediates Segments

Active Pharmaceuticals Ingredients (API)

- ✓ Leading API producer with 50+ molecules across therapeutic categories including antibiotics, antiprotozoals, anti-inflammatories, anti-diabetics, and anti-fungals
- ✓ Global Leader:
  - Largest manufacturer of 5 molecules globally
  - Among the top producers of 2 additional molecules worldwide
- ✓ API Infrastructure:
  - 9 manufacturing units contributing ~90% of total revenues
  - Installed capacity: 45,511 MTPA

Formulations

- ✓ Diversified into formulations in 2014 via wholly owned subsidiary.
- ✓ Flexible manufacturing model: In-house + outsourced production backed by strong R&D
- ✓ UKMHRA / PICS approved
- ✓ WHO-GMP approved plant in Baddi, Himachal Pradesh
- ✓ Oncology formulation is USFDA approved
- ✓ Installed capacity:
  - 3 billion tablets
  - 300 million capsules

Specialty Chemicals, Intermediates & Others

- ✓ Backward integrated to supply intermediates for antibiotics, antifungals, anti-inflammatories, and cardiovascular APIs.
- ✓ Manufacturer of specialty chemicals in Benzene and Chloro-sulphonic chemistries
- ✓ Installed capacity: 13,742 MTPA

Diversified Product & Client Mix

Aarti Drugs Ltd.

Presence across Segments, Geographies, API Therapies & Customers to ensure Growth and Risk Minimization

Segmental Mix

- API business contributes 81% of sales in FY25
- Focus on increasing contribution from Speciality Chemicals, Intermediates & Others, going forward

Geographic Mix

- Domestic - Export mix at 63% for FY25
- Presence across 100+ countries
- None of the region contributes more than 2/3rd of the revenue with Asia contributing the highest at 52% of total sales

API Therapy Mix

- Top 5 therapies contributes 95% of API sales in FY25
- Anti-biotic products contributes highest at 40% to API sales in FY25
- Leaders in Domestic market in most of top 10 products

Customer Mix

- Domestic: Largest client contributes ~4% of domestic sales whereas top 10 clients contribute ~26%
- Exports: Largest client contributes ~4% of exports sales whereas top 10 clients contribute ~22%

Expanding Product Portfolio

Geographic Expansion

Diversified Customer Base

→

- ***Growth***
- ***Risk Minimization***

Journey

1984
Incorporation

1993
Listed on BSE Limited

1996
Amalgamation of Rupal Chemical Industries Ltd, Rashesh Chemicals & Pharmaceuticals Ltd, Manjarati Chemicals Pvt. Ltd, Manjarati Plastisizer Pvt. Ltd, Effective Chemicals Pvt Ltd, Star Aluminium Industries Ltd and AvezWire Industries Ltd.

2003
Listed On National Stock Exchange of India Limited

2008
One of our facilities got approved by the USFDA

2014
Crossed Rs. 1,000 crores turnover

Expanded into the formulations segment with our 100% subsidiary Pinnacle Life Science Private Limited

2021
Surpassed a consolidated turnover of Rs. 2,000 Crores

Pinnacle Life Science Private Limited surpassed a turnover of Rs. 200 Crores
----
Surpassed a Profit After Tax (PAT) of Rs. 200 Crores

2022
Crossed Rs. 2,500 crores Consolidated Turnover

2024
Forayed into the personal care segment with the commissioning of a greenfield project for dermatology products at Tarapur

2025
Capex for Greenfield project at Sayakha, Gujarat & Tarapur completed
----
Entered into share subscription and shareholders agreement with Prozeal Green Power Pvt Ltd. for setting up captive solar power plants in Gujarat and Maharashtra

Manufacturing Footprint

Aarti Drugs Ltd.

Baddi Pinnacle Plant
Formulation Plant WHO-GMP

Sarigam-1
WHO-GMP

Sarigam-2
WHO-GMP/
COFEPRIS/CEP

Sayakha
WHO-GMP

E-22
- Australian Government – Department of Health and Ageing - Therapeutic Goods Administration
- EUGMP / WHO-GMP / Japanese Accreditation
- USFDA*

G-60
- ANVISA-Brazil
- WHO-GMP
- COFEPRIS-MEXICO

E-21
- WHO-GMP
- K-FDA(Korean FDA)

N-198
EUGMP, WHO-GMP & ISO Certification

K-40
WHO-GMP / COFEPRIS

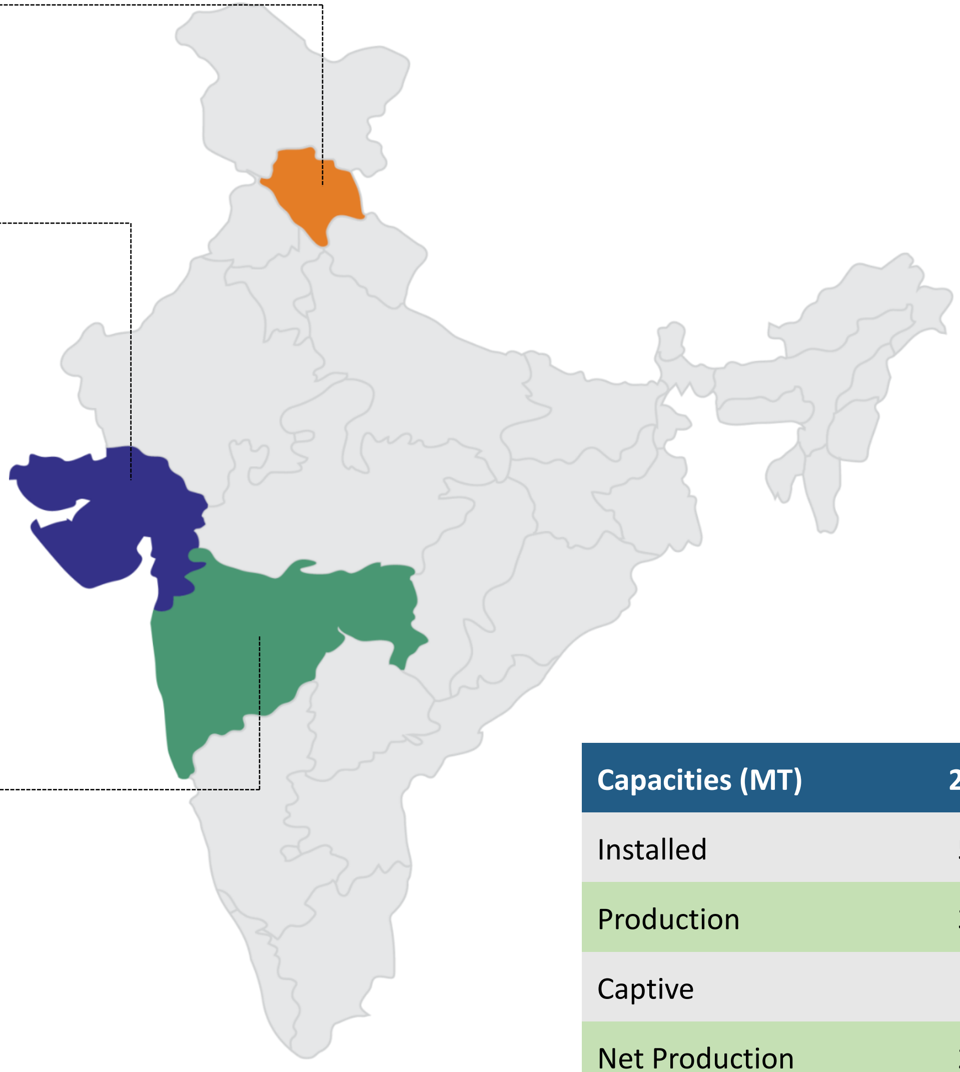
W-61
EUGMP & WHO-GMP

E-120
WHO-GMP

E-9/3
ISO-9001:2008

T-150
Intermediate
ISO Certification

G61/62
ISO certification



- ✓ The capacity of Multi-purpose plant ranges from kilograms to multi tons levels
- ✓ Long term experience of Multi-step synthesis and fractionations at high temperatures
- ✓ **Total reaction capacity in excess of 1300 KL**, consisting of SS and GL reactors across its units, varying from 0.5 KL – 18 KL

Capacities (MT)	2022-23	2023-24	2024-25
Installed	51,126	57,179	61,053
Production	38,215	41,116	44,915
Captive	9,382	9,864	11,621
Net Production	28,834	31,251	33,294

Maps not to scale . All data , information , and maps are provided " as is " without warranty or any representation of accuracy

Diversified Geographic Presence

Aarti Drugs Ltd.

North America

8% FY24 | 11% FY25

Latin America

10% FY24 | 14% FY25

Africa

11% FY24 | 11% FY25

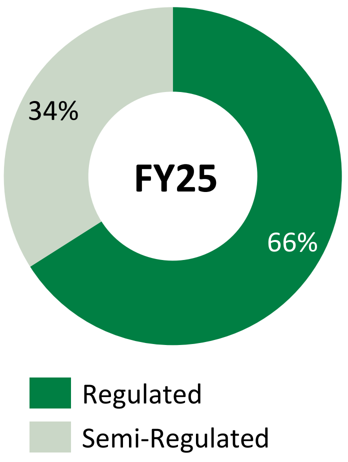
Europe

14% FY24 | 12% FY25

Asia

57% FY24 | 52% FY25

Market Segmentation



Presence in 100+ Countries across 6 Continents ensures diversification and risk minimization

Maps not to scale . All data , information , and maps are provided " as is " without warranty or any representation of accuracy

Our Esteemed Clientele

MICRO LABS	INTAS	Abbott	ALKEM	LABORATE PHARMACEUTICALS INDIA LTD	Indoco
Cipla	medley INTEGRITY IN MEDICINE	Unique	Mankind Serving Life	Kopran	SUN PHARMA
Zydus Cadila	Alembic Touching Lives over 100 years	LUPIN PHARMACEUTICALS, INC.	SANOFI	torrent PHARMA	Pfizer zoetis

Our Vision & Mission

Aarti Drugs Ltd.

VISION

To be the Preferred Global Supplier of Bulk Drugs by:

- ✓ Ensuring consistent quality, timely delivery, and competitive pricing
- ✓ Offering customized, customer-centric solutions
- ✓ Adopting cost-effective, safe, and flexible manufacturing practices
- ✓ Upholding high business ethics in all operations
- ✓ Continuously upgrading technology and developing new products

MISSION

To achieve global market leadership by:

- ✓ Driving product growth and innovation
- ✓ Fostering a winning culture rooted in ethics, values, and collaborative competition
- ✓ Delivering excellence in customer service, quality, and R&D

Aarti Drugs Limited has a strong presence across multiple segments with healthy financial standing

Key Executive Management

Aarti Drugs Ltd.

Shri Chandrakant V. Gogri
Chairman Emeritus

- One of the Founder Promoters of the Company
- Has 50+ years of experience across Projects, Operations, Process Development, and Marketing (domestic & international) in the Chemical and Pharma sectors
- Offering strategic guidance to the Board

Shri Prakash M. Patil
Chairman, MD & CEO

- Has over 25 years of experience in the chemical & pharmaceutical industry
- Instrumental in driving the company's strategic direction, project execution, and operational excellence
- Actively involved in business development, innovation, and expanding global reach

Shri Rashesh C. Gogri
Managing Director

- Brings over 21 years of experience in Production, Marketing, and Project Implementation in the Chemical and Pharma sectors
- Also serves as Vice Chairman & Managing Director of Aarti Industries Ltd and Chairman of Aarti Pharmalabs Ltd

Shri Harshit M. Savla
Joint Managing Director

- Associated with the company since 1987
- Brings over 36 years of experience in Finance, Exports, and Administration
- Played a key role in expanding the Company's API and Formulation businesses

Shri Adhish P. Patil
Chief Financial Officer & Chief Operating Officer

- Has 18 years of experience across Manufacturing, Finance, Investor Relations, Compliance, Consulting, and IT in the Pharma and Consulting sectors
- Named among India's Top 100 CFOs in 2014 and Top 200 CFOs in 2023 by StartupLanes

Shri Vishwa H. Savla
Managing Director, Pinnacle Life Science Private Limited

- Actively involved in operations of Pinnacle and Aarti Drugs since the inception of the formulation business
- Specializes in Strategy Management, Export Business, and Market Research in the formulations segment

Shri Harit P. Shah
Executive Director

- Associated with Company since September 1995
- Has over 36 years of experience in Sales, Purchases, and Exports
- Overlooks oversees domestic sales and export operations
- Possesses deep knowledge of the pharmaceutical industry

Shri Uday M. Patil
Executive Director

- Associated with Company since October 2000
- Has over 36 years of experience in factory administration.
- Specializes in liaisoning with various Government and Semi-Government bodies

Members of Board

Independent Directors

Aarti Drugs Ltd.

Shri Ankit V. Paleja

Independent Director

- A qualified lawyer with 16 years of legal experience
- Currently a Partner at Crawford Bayley & Co. (Advocates & Solicitors)
- Specializes in Equity Investments, M&A, Banking & Finance, and Corporate Transactions

Smt. Neha R. Gada

Independent Director

- Chartered Accountant and certified Insolvency Professional
- Brings over 21 years of experience in Securities Law and Corporate Law compliance
- Co-founder of Dhhanish Advisors Pvt. Ltd.

Shri Sandeep M. Joshi

Independent Director

- Holds a Chemistry degree from Mumbai University and an MBA from Symbiosis Institute of Business Management, Pune
- Has 25 years of experience in export marketing and business development in both Indian and international companies

Prof. Bhaskar N. Thorat

Independent Director

- Holds M. Chem. Engg. and Ph.D. in Chemical Engineering from the Institute of Chemical Technology (ICT), formerly UDCT
- Senior Professor of Chemical Engineering at ICT, Mumbai
- Has authored over 100 research publications in reputed international journals

Shri Hasmukh B. Dedhia

Independent Director

- Chartered Accountant with DISA (ICAI) certification
- Brings over 40 years of experience in Audits, Due Diligence, Consultancy, and Business Restructuring
- Expert in Internal Auditing and strengthening internal controls

Shri Ajit E. Venugopalan

Independent Director

- Chartered Accountant by qualification
- Banking professional with over 30 years of experience in the Banking and Finance domain

ESG Initiatives

Aarti Drugs Ltd.

E Environment	• Zero Liquid Discharge (ZLD)	• Carbon Footprint Reduction	• Eco-friendly Packaging	• Efficient Utilities & Green Technologies
S Social	• Healthcare Initiatives	• Woman Empowerment	• Fair Trade Practices	• Gender Diversity
G Governance	• Stakeholder Responsibility	• Risk Management Governance	• Adherence to Regulatory Compliance	• Board Composition and Governance

Awards and Accolades

Aarti Drugs Ltd.

1991

CHEMEXCIL
Outstanding Performance in Export

2001

CHEMEXCIL
Outstanding Performance in Export, Organization of Pharmaceutical Product, Best Vendor

2005-06

AVAYA GLOBAL CONNECT
Customer Responsiveness

2009

CHEMEXCIL
Outstanding Performance in Export

2012

CHEMEXCIL
Outstanding Performance in Latin American Export

2013

ABBOTT
Best Vendor of the year

2014

CHEMEXCIL
Government of India (Ministry of Commerce and Industry)

Certificate of Recognition - Star Export House

2015-19

ABBOTT
Business partner of the year

2020-23

PHARMEXCIL
Outstanding Performance in Export

2024

SILVER 2024 ecovadis Sustainability Rating

EcoVadis assessment score is 69, secured the Silver Medal

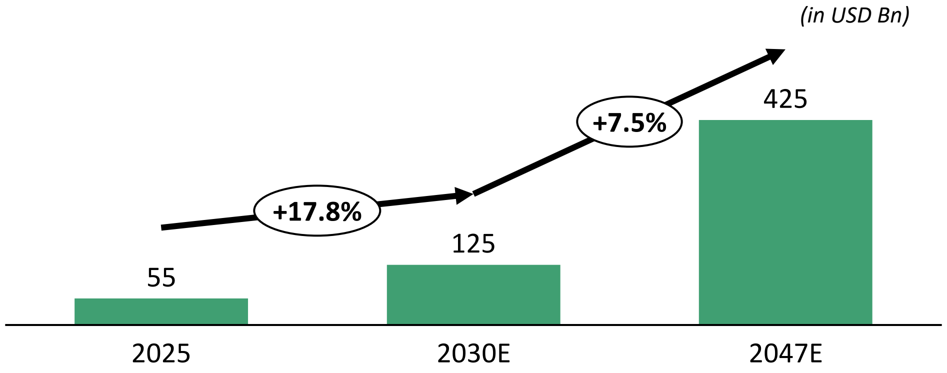
Industry Overview

Indian Pharmaceutical Industry

Aarti Drugs Ltd.

Indian Pharmaceutical Market Value

India produces 60,000+ generics drugs across 60 therapeutic categories and supplies 500+ APIs



20% (FY25) — *India's Contribution to global generic drug exports*

8% share — *API market (third largest globally in FY25)*

34% — *Contribution to pharma market by cardiac, gastrointestinal and anti-diabetic segments*

Largest Supplier of Generic Drugs

- India remains the largest global supplier of generic medicines, catering to 20% of global generic drug demand and supplying 60% of the world's antiretroviral (ARV) drugs
- The country fulfills a significant share of demand from the US (40%), the UK (25%), and global health organizations like UNICEF (30%)

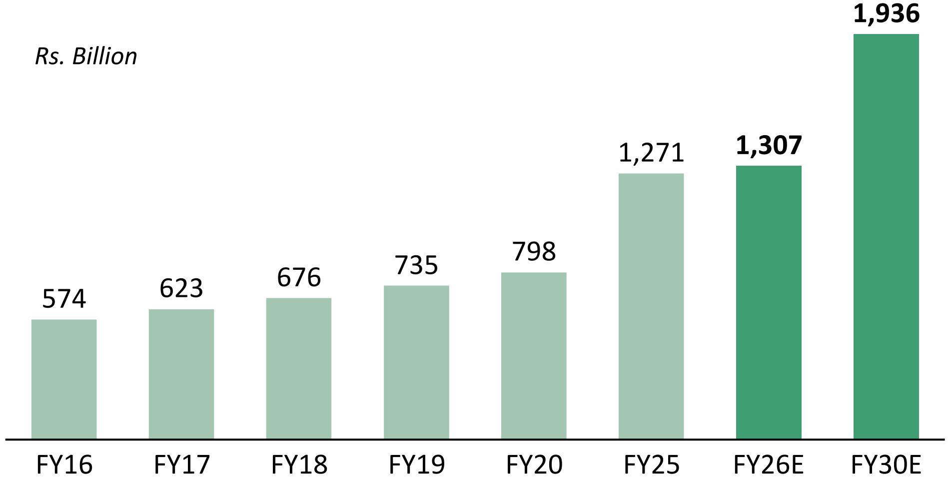
Exports Driven Growth

- Pharmaceutical exports grew to USD 30.5 billion in FY 2024–25, registering a 9.4% year-on-year increase
- This was supported by a diversified portfolio and expansion into new geographies
- Formulations and biologics continue to account for 75% of total exports
- The United States remains the largest export destination, followed by markets such as the UK, Brazil, France, and South Africa

API Leadership

- India is ranked as the third-largest API market in the Asia-Pacific region, enjoying an 8% market share in the global market

Market size of Active Pharmaceutical Ingredient (API) industry in India from 2016 to 2020 with estimates until 2026



Source: KPMG, Indian Pharma Outlook, Global Market Estimates

Multiple Triggers will lead to high Growth Momentum

Robust Domestic Demand

- Rising domestic population
- Higher Insurance Coverage penetration

Increased Investments

- 100% FDI in the pharmaceutical sector under automatic route

Government Support

- Increased government spending on hospitals and healthcare
- Rs. 15,000 crores Production-Linked Incentive (PLI) Scheme for Enhancing India's Manufacturing Capabilities
- Atmanirbhar Bharat scheme for making India self reliant

Technology

- Artificial intelligence will help the pharmaceutical industry to design new and automated algorithms which will help to achieve faster, precise, accurate, and repeatable results

Innovation and R&D

- Focus to develop new complex generic drugs, supplemented by the New Drugs and Clinical Trial Rules, 2019 and the Atal Innovation Mission.

Cost Advantage

- Quality services at marginal costs compared to US, Europe, and South Asia
- Expertise in low-cost generic patented drugs and a movement towards end-to-end manufacturing

Key Strengths & Growth Drivers

Aarti Drugs Ltd.

Unique Competitive Position

Aarti Drugs Ltd.

Economies of Scale	Good Purchasing Power	Long-term relationship; repeat business from customers	4 decades of experience
Superior Quality	Client Diversification	Strong International presence	Less regional dependence

Known brand in API space + **Process improvement R&D, cost leadership** + **Phase-Wise Capex to mitigate debt trap risks** + **Green field projects** + **High entry barriers**

- **Known brand in API space**: Reliable in terms of quality and timely deliveries. Honouring commitments in changing market conditions
- **Process improvement R&D, cost leadership**: Thus, fundamentals right from procurement, production till sales have a strong foundation and sound setup
- **Phase-Wise Capex to mitigate debt trap risks**: Newer capacities established since last two years will help grow top-line
- **Green field projects**: Sufficient land parcels in industrial zones in Maharashtra and Gujarat to take care of green field projects in next 3 to 4 years
- **High entry barriers**:
  - High regulatory standards
  - Capex requirements
  - Long gestation period
  - R&D costs

Aarti Drugs is well poised to overcome industry challenges

Aarti Drugs Ltd.

Specialized player in the highly challenging Pharmaceutical Industry

Industry's Unique Challenges

- ✓ High R&D costs
- ✓ Long gestation period
- ✓ Time consuming approval procedures
- ✓ Demands large variety and small batch size orders
- ✓ Highly complex manufacturing
- ✓ Stringent quality & compliance requirements in developed markets
- ✓ Highly competitive industry

Aarti Drug's Core Competencies

- ✓ Demonstrated manufacturing excellence for 4 decades
- ✓ R&D focused, driven by continuous improvement and innovation
- ✓ Ability to consistently deliver high quality products on timely basis
- ✓ Meeting stringent regulatory & compliance requirements of domestic & international regulators
- ✓ Long standing relationships with leading pharmaceutical companies
- ✓ Fully integrated facilities – lower outside dependence for sourcing raw materials

Well placed to capitalize on future growth opportunities

Capex of Rs. 600 crores nearly complete; Boosting capacity, margins

Aarti Drugs Ltd.

Anti-diabetics

- ✓ With a manufacturing capacity exceeding 1,450 TPM, ADL is one of the leading Metformin manufacturers in the world.
- ✓ Aiming for higher utilization. In future planning for additional 350 TPM of brownfield expansion
- ✓ The launch of Gliptins will further enhance and solidify the position of this category
- ✓ The greenfield project at Sayakha, Gujarat, dedicated to backward integration of anti-diabetic products along with few more intermediates, has commenced trial production which is expected to stabilize soon. This is anticipated to contribute meaningfully to the Company's profitability over a long period of time

Antiprotozoals

- ✓ Enhancing the position in the Indian market through a brownfield expansion focussed on selected products, which will increase production capacity by approximately 40%
- ✓ Secured approval to market the products in China, expanding market reach into new territories
- ✓ By pursuing incremental expansions and improving downstream products within the antiprotozoals segment, the Company is poised to accelerate our growth trajectory

Formulations

- ✓ Commenced commercial operations in Latin America and a few African markets along with undertaking new registrations in export markets and government tenders
- ✓ Formulation Oncology Investments Plant is USFDA approved
- ✓ Currently, pursuing expansion into new geographies, alongside toll manufacturing of formulations
- ✓ Filed ~330 registrations across 16 geographies and established a foreign subsidiary to seize emerging opportunities

Anti-inflammatory

- ✓ Targeting highly regulated markets, undertaken the construction of a multi-purpose facility to better serve our customers.
- ✓ The brownfield expansion of existing facilities is underway for few therapeutic drugs, further driving growth in this segment.
- ✓ The enhanced capacity is expected to yield revenues of ~Rs. 35-50 Crores annually based on product selection.

Operational Scale-up at Tarapur Greenfield Project

- ✓ The Salicylic Acid plant at Tarapur has commenced operations and is gradually scaling up production and is targeting a cumulative capacity of ~1,600 tonnes per month by the end of 2025-26.
- ✓ This is expected to contribute meaningfully to long-term profitability

Brownfield / Greenfield Capacity Expansion

Backward Integration

De-bottlenecking

→

Asset Turn - 2.5x

Revenue:
Rs. 1,200 crores
+
Captive consumption:
Rs. 300 crores

→

Revenue Growth

Higher Margins

Higher RoCE

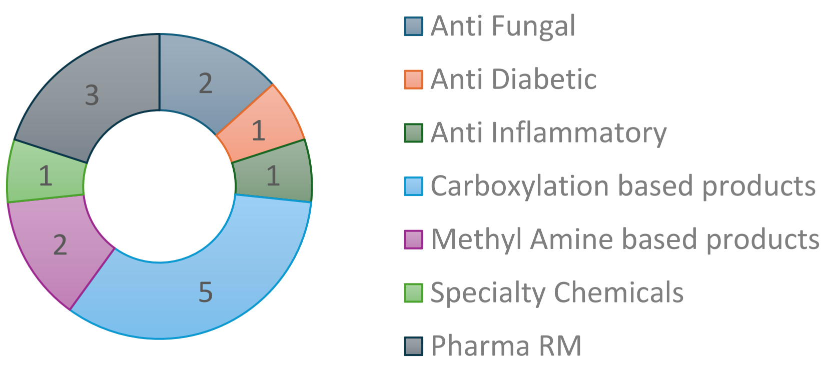
Product Pipeline

Aarti Drugs Ltd.

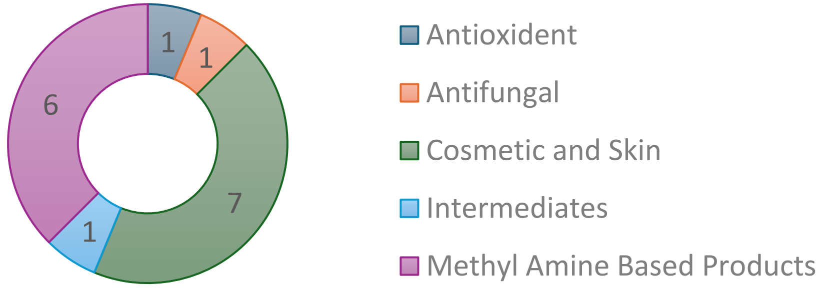
As of 31-Mar-25

API

Product Under Development

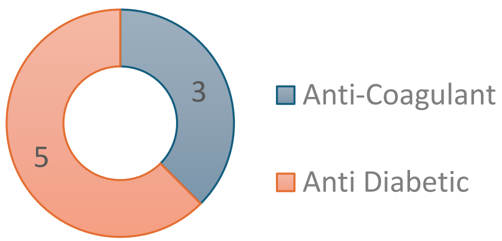


Product Under Pipeline

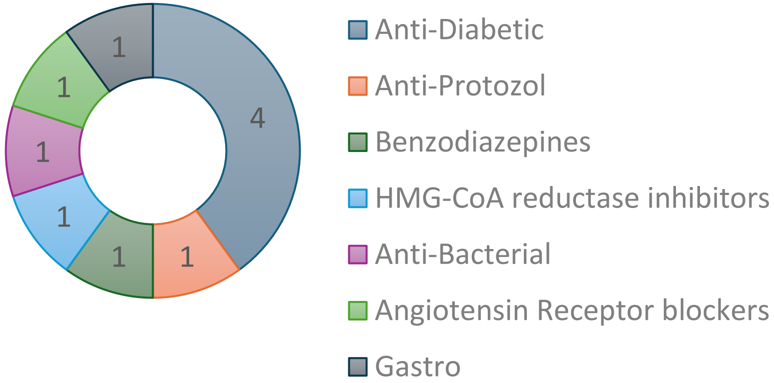


Finished Dosages

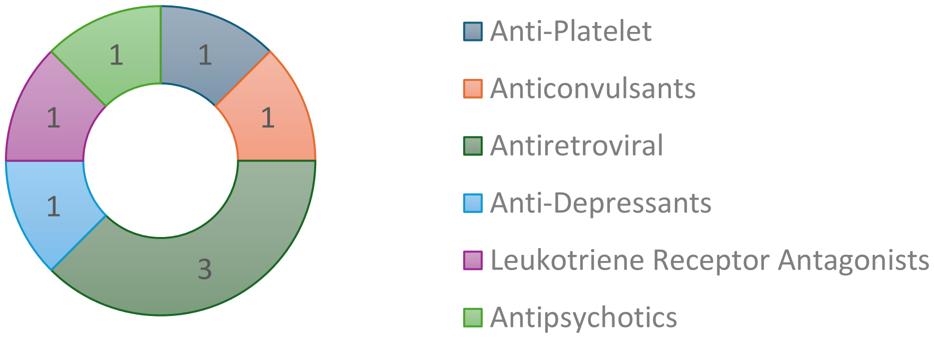
Product Under Development : New Age Molecules For regulated Markets



Product Under Development: LATAM & Emerging Markets



Product Under Development



Number of Products

Strong R&D thrust on continuous innovation

Aarti Drugs Ltd.

R&D Center at Tarapur

- Supports manufacturing facilities at Tarapur and Sarigam on API process development
- Pilot plant used for kilo scale manufacturing
- Recognized by Department by Science and Industrial Research (DSIR) Government of India
- Frequent visits of Experts and Professors from ICT and Council of Scientific and Industrial Research (CSIR) for guidance for product development

R&D Center at Turbhe

- Supports development of complex generics for in-house formulation business
- Developing complex oral solids for Regulated as well as Emerging markets

✓ Well supported by in-house project management team to ensure timely implementation of new products on commercial scale

✓ Developed 30+ APIs (new and existing) in last 5 years

✓ Developing new age Formulation products for Europe, USA, Australia, Brazil, Canada & Chile for Day 1 launches

✓ Plans to expand R&D capabilities to develop complex Semi solids (creams & ointments) as well as Oral liquids

✓ Majority of products developed with integrated API provides an end-to-end control

2
Doctorates

79
Master Graduated (M.Sc.)

6
Technicians

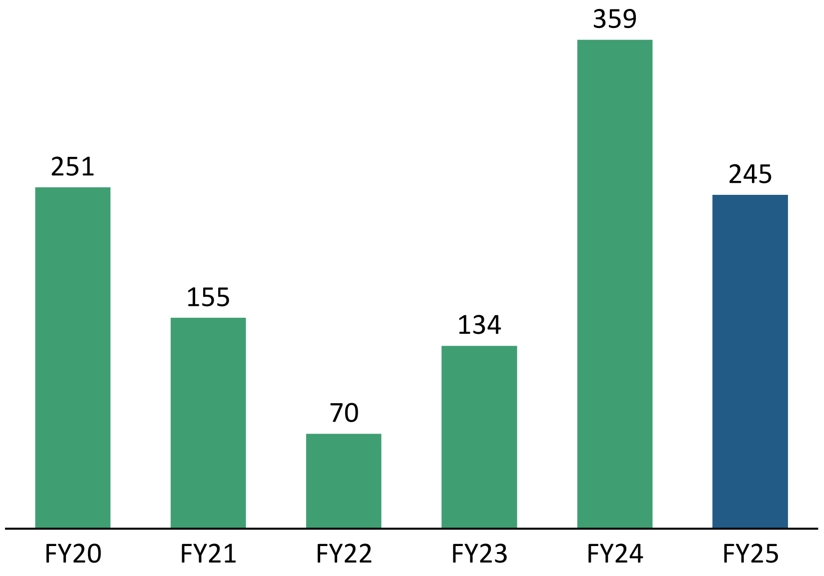
Rs. 46 Crores
R&D Spends (FY25)

50
Graduates (B.Sc.) & Engineers

Robust Balance Sheet

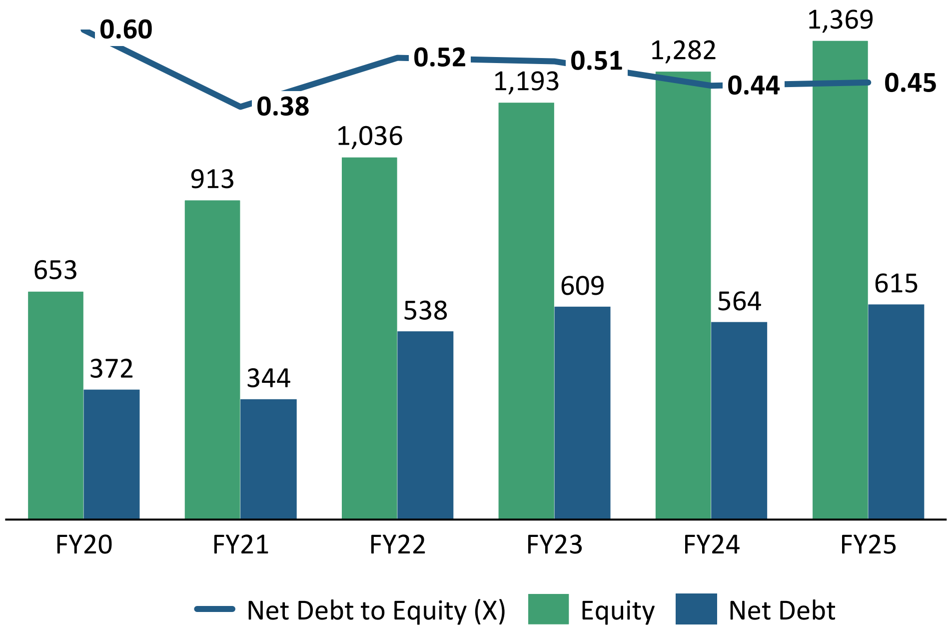
Net Operating Cashflow

(in Rs. Crore)



Debt to Equity Profile

(in Rs. Crore)



Strong cashflows led to robust Balance Sheet giving financial flexibility for Growth

Strong net operating cashflow generation

Low leverage provides Balance Sheet strength

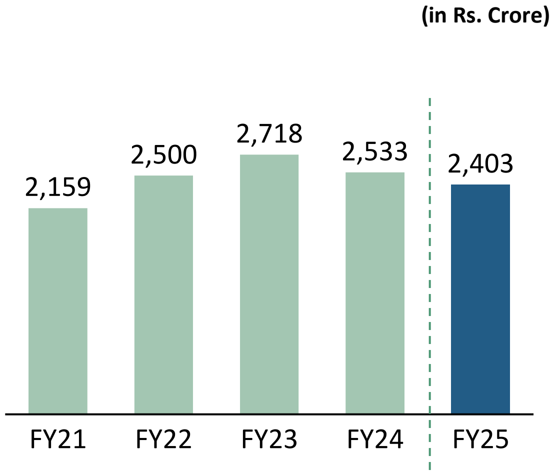
Historical Financial Performance

Aarti Drugs Ltd.

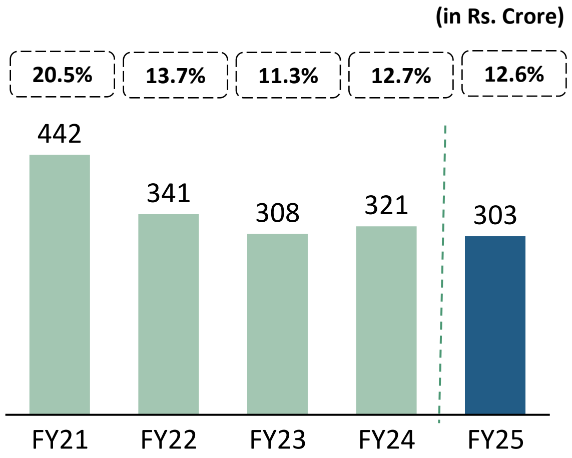
Historical Consolidated Performance

Aarti Drugs Ltd.

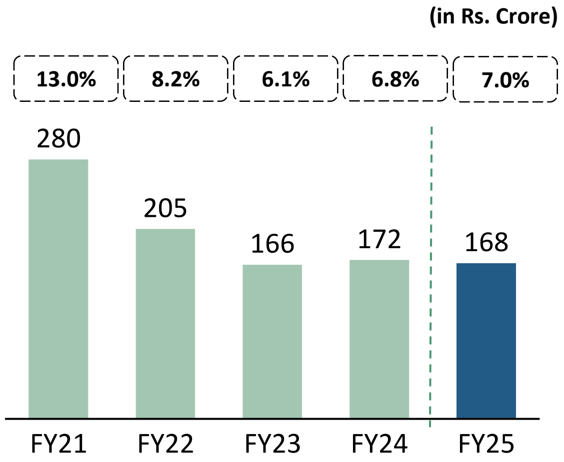
Total Revenue



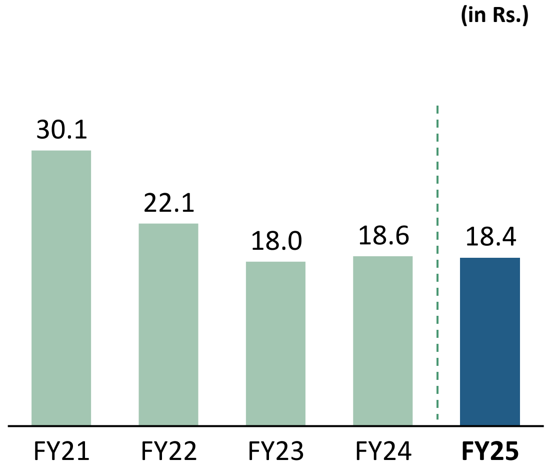
EBITDA & EBITDA Margin



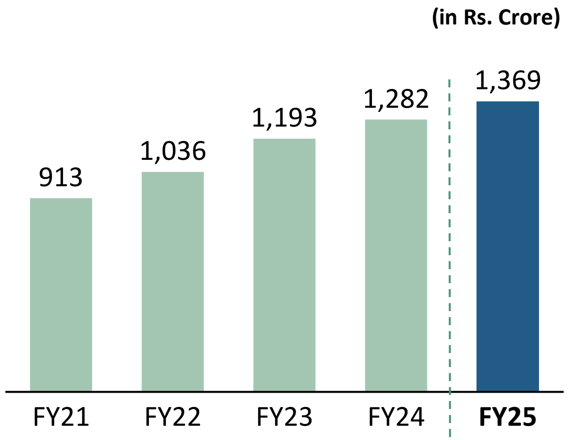
PAT & PAT Margin



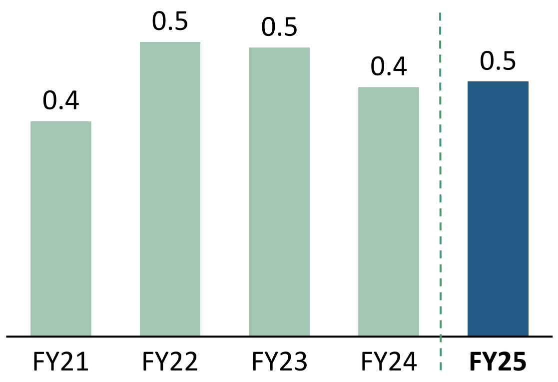
Earnings Per Share



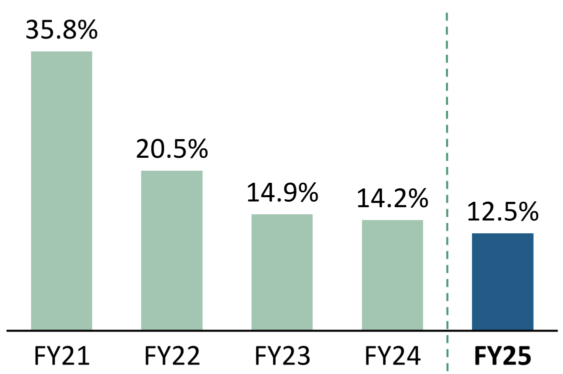
Net Worth



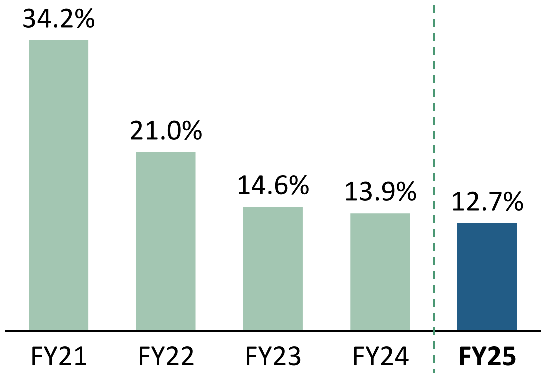
Leverage (X)



RoCE (%)



RoE (%)



Note: EBITDA includes other income & excludes exceptional items

Historical Profit & Loss Statement

Aarti Drugs Ltd.

Particulars (Rs. Crore)	FY25	FY24	FY23	FY22	FY21
Net Revenue from Operations	**2,387.0**	**2,528.6**	**2,716.1**	**2,488.6**	**2,154.8**
Other Income	16.4	4.0	2.2	11.3	4.5
COGS	1,542.1	1,677.7	1,888.5	1,688.8	1,321.0
Gross Profit	**861.3**	**854.9**	**829.8**	**811.1**	**838.3**
Gross Margin (%)	**36.1%**	**33.8%**	**30.6%**	**32.6%**	**38.9%**
Employee Expenses	112.1	102.3	92.0	82.8	80.5
Other Expenses	445.8	432.1	429.9	387.5	316.1
EBITDA	**303.4**	**320.5**	**307.9**	**340.8**	**441.6**
EBITDA Margin (%)	**12.7%**	**12.7%**	**11.3%**	**13.7%**	**20.5%**
Finance Costs	35.9	33.5	33.3	20.7	23.0
Depreciation	55.8	51.4	50.3	50.0	49.9
PBT before exceptional item	**211.8**	**235.5**	**224.2**	**270.0**	**368.8**
Exceptional Item	0.0	0.0	0.0	0.0	-0.2
PBT	**211.8**	**235.5**	**0.0**	**270.0**	**369.0**
Taxes	43.7	63.9	57.8	65.0	88.6
Profit After Tax	**168.1**	**171.6**	**166.4**	**205.0**	**280.4**
PAT Margin (%)	**7.0%**	**6.8%**	**6.1%**	**8.2%**	**13.0%**
Earnings Per Share (EPS)	18.35	18.56	17.97	22.12	30.09

Consolidated Balance Sheet

Aarti Drugs Ltd.

Equities & Liabilities (Rs. Crore)	Mar-25	Mar-24	Mar-23	Mar-22	Mar-21
Equity					
Equity Share capital	91.3	91.9	92.6	92.6	93.2
Other Equity	1,277.7	1,189.6	1099.8	943.8	820.2
Non Controlling Interest	0.3	0.4	0.2	-0.1	0.0
Total Equity	**1,369.3**	**1,282.0**	**1,192.6**	**1,036.3**	**913.4**
Financial liabilities					
(i) Borrowings	284.0	275.3	204.7	138.5	147.6
(ii) Lease Liabilities	1.7	0.9	0.4	1.9	0.0
(iii) Other Financial liabilities	0.2	0.2	12.4	9.6	10.9
Deferred tax liabilities (Net)	78.2	75.7	71	72.4	77.1
Provisions	4.3	2.7	3	9.2	21.7
Total Non Current Liabilities	**368.4**	**354.9**	**279.3**	**231.6**	**257.3**
Financial liabilities					
(i) Borrowings	328.2	287.1	401.8	399.8	157.2
(ii) Lease Liabilities	1.2	0.9	2.0	2.6	0.0
(iii) Trade Payables	416.1	425.5	480.3	468.7	330.0
(iv) Other financial liabilities	20.2	26.3	14	0.0	0.0
Provisions	4.3	3.0	4.4	3.7	2.8
Other current liabilities	66.9	51.6	42.8	65.2	105.4
Current tax liabilities (Net)	0.0	1.2	4.2	0.0	0.0
Total Current Liabilities	**837.0**	**795.5**	**949.5**	**940.1**	**595.4**
Total Equity and Liabilities	**2,574.7**	**2,432.4**	**2,421.4**	**2,208.0**	**1,766.0**

Assets (Rs. crores)	Mar-25	Mar-24	Mar-23	Mar-22	Mar-21
Non Current assets					
Property, Plant and Equipment	856.3	808.2	673.2	685.7	659.2
Capital work in progress	330.2	260.9	210.4	76.7	19.3
Intangible assets	7.1	1.2	0.8	0.2	0.3
Right to use assets	2.7	1.8	2.2	4.1	5.9
Financial Assets					
(i) Investments	22.4	20.0	18.8	19.5	17.3
Other non-current assets	17.6	19.7	23.7	28.4	7.3
Total Non Current Assets	**1,236.3**	**1,111.6**	**929.1**	**814.6**	**709.2**
Current Assets					
Inventories	472.9	485.9	516.3	525.9	415.0
Investments					
(i) Trade receivables	751.2	704.6	864.8	749.9	555.2
(ii) Cash and Bank Balances	19.7	9.4	9.0	22.3	9.8
(iii) Other Financial Assets	0.8	11.3	12.0	12.6	12.7
(iv) Loans	10.0	0.2	0.3	0.0	0.0
Other current assets	80.9	109.3	89.4	82.6	64.1
Total Current Assets	**1,338.4**	**1,320.7**	**1,492.3**	**1,393.4**	**1,056.8**
Total Assets	**2,574.7**	**2,432.4**	**2,421.4**	**2,208.0**	**1,766.0**

Consolidated Cash Flow statement

Aarti Drugs Ltd.

Particulars (Rs. Crore)	FY25	FY24	FY23	FY22	FY21
Net Profit before Tax and Extraordinary items	**211.8**	**235.5**	**224.2**	**270.0**	**369.0**
Adjustments for: Non Cash Items / Other Investment or Financial Items	84.3	83.0	85.2	70.4	68.6
Operating profit before working capital changes	**296.1**	**318.5**	**309.3**	**340.4**	**437.6**
Changes in working capital	3.6	102.8	-116.3	-187.4	-186.1
Cash generated from Operations	299.7	421.3	193.0	**153.0**	**251.5**
Direct taxes paid (net of refund)	-55.1	-62.4	-59.7	-83.4	-96.7
Net Cash from Operating Activities	**244.6**	**358.9**	**133.3**	**69.6**	**154.8**
Net Cash from Investing Activities	**-164.6**	**-223.7**	**-164**	**-148.9**	**-71.7**
Net Cash from Financing Activities	**-82.1**	**-136**	**16.5**	**92.0**	**-81.1**
Net Decrease in Cash and Cash equivalents	-2.2	-0.8	-14.1	12.8	2.0
Add: Cash & Cash equivalents at the beginning of the period	6.7	7.5	21.6	8.8	6.8
Cash & Cash equivalents at the end of the period	**4.6**	**6.7**	**7.5**	**21.6**	**8.8**

Rewarding Shareholders over time

Aarti Drugs Ltd.

Distribution Policy

Considering various financial parameters, the Company may elect to distribute

~15% to 30%

of Consolidated Net Profits

Distributed ~Rs. 69.48 Crore as Dividend over last 7 years

+

Distributed ~ Rs. 229.15 Crore through buyback of shares over last 7 years

=

Distributed ~ Rs. 278 Crore in form of dividend & buyback of shares over last 7 years

Aarti Drugs Ltd.

Thank You

Company: Aarti Drugs Limited

CIN: L37060MH1984PLC055433

Aarti Drugs Ltd.

Mr. Rushikesh Deole

investorrelations@aartidrugs.com / +91 22 24048199

www.aartidrugs.co.in

Investor Relations: Strategic Growth Advisors (SGA)

CIN: U74140MH2010PTC204285

SGA Strategic Growth Advisors

Mr. Deven Dhruva / Ms. Krisha Shrimankar

deven.dhruva@sgapl.net / krisha.shrimankar@sgapl.net

Tel: +91 98333 73300 / +91 87797 99281