

INVESTOR UPDATE

PERFORMANCE REVIEW: Q2FY14



AARTI INDUSTRIES LIMITED

RIGHT CHEMISTRY FOR BRIGHTER TOMMOROW

Presentation Path



AARTI INDUSTRIES LIMITED

- Aarti Industries - Profile
- Core Strengths
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Aarti Industries - Profile



AARTI INDUSTRIES LIMITED

- **Leading manufacturer of Speciality Chemicals & Pharmaceuticals** with diversified end-uses in Pharmaceuticals, Agrochemicals, Polymer, Additives, Surfactants, Pigments, Dyes, etc.
- Promoters are **First Generation Technocrats** with sound entrepreneurial Skills.
- Manufacturing units of **Global Scale & Size** and are situated in the State of Gujarat, Maharashtra, Madhya Pradesh and U.T. of Silvassa.
- **Highly integrated Plants** with Cost-Efficient Manufacturing Process,.
- Pioneer to introduce **latest technology** and manufacturing processes in India with the help of **World Class R & D**
- Globally ranks at 1st - 5th Position for majority of its key products

Core Strengths



AARTI INDUSTRIES LIMITED

- Presence in high margin specialty chemicals with diverse applications
- Global Scale Units
- Manufacturing more than 125 products
- Ability to Supply Basket of products to Global Customers & MNCs
- Tagged as “Strategic Supplier” by various Global MNCs
- Backward Integration
- Latest Manufacturing Technology & World Class R&D
- Superior Cost Management Skills & Economies of Scale
- Capability to convert by-products into commercially viable product
- IPRs for Developing Customized Products & Products under Secrecy Agreements
- Captive Power Plants

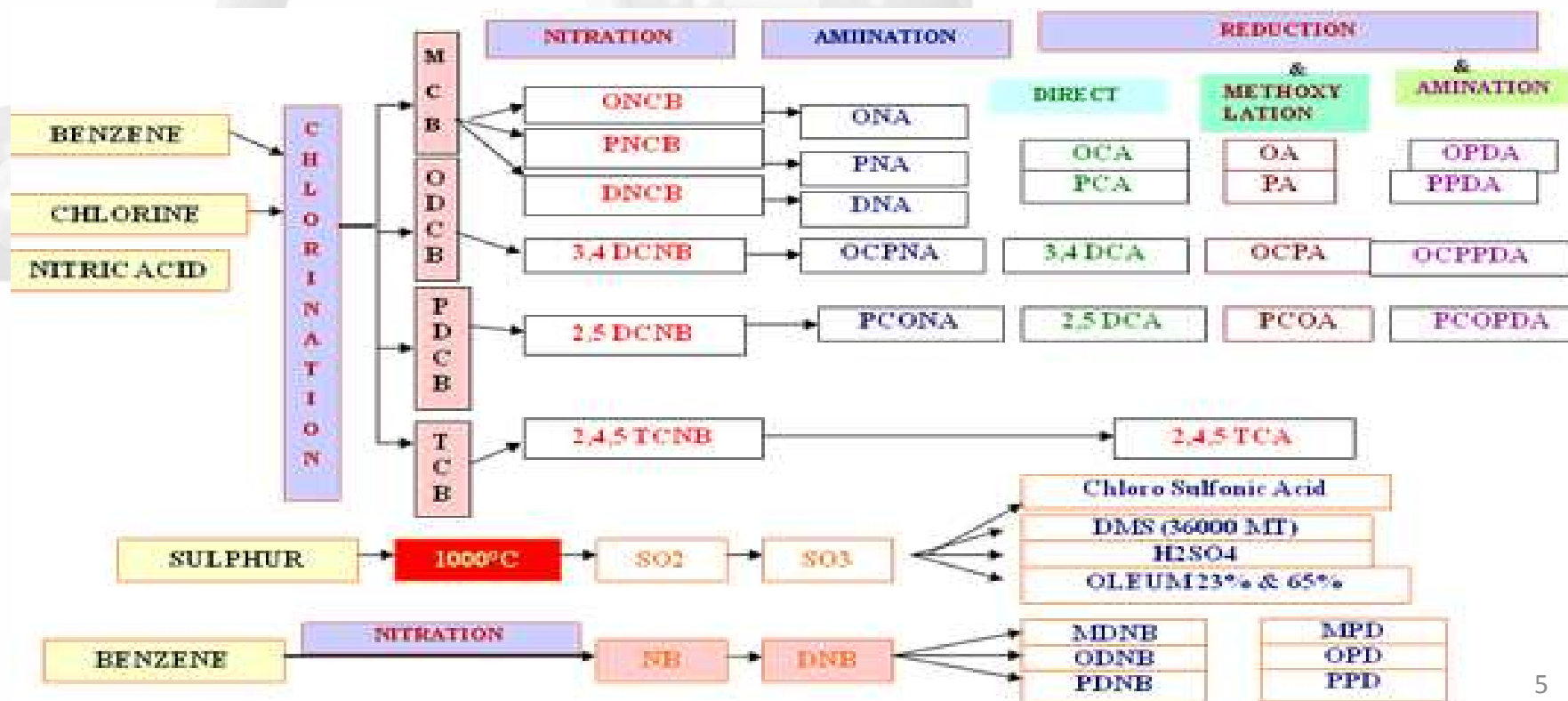
Product & Process Flexibility



AARTI INDUSTRIES LIMITED

A significant portion of Aarti's Production capabilities are process driven and not based on a particular product. This gives Aarti the flexibility to change its input mix and manufacture different products, thereby resulting into optimum utilization of production capabilities

Brief Structure of Aarti Industries' Production Capabilities



Segmental overview



AARTI INDUSTRIES LIMITED

Performance

- Polymer & additives
- Dyes, Pigments, Paints & Printing Inks
- Fuel Additives, Rubber chemicals, Resins, etc.

Home & Personal Care

- Non-ionic Surfactants
- Concentrates for shampoo, hand wash & dish wash

Agro-ingredients & Fertilizers

- Fertilizer
- Nutrients
- Agrochemicals & intermediates

Pharmaceuticals

- Active Pharmaceutical Ingredients (APIs)
- CRAMS

Q2 FY14 Segmental Performance (standalone)



AARTI INDUSTRIES LIMITED

In Rs. Lakh

Particulars	Performance	Agro	Pharma	H&PC	Total
Income	44,666	9,055	6,947	3,867	64,535
<i>% of Total Income</i>	<i>69.21%</i>	<i>14.03%</i>	<i>10.76%</i>	<i>5.99%</i>	<i>100%</i>
Export	21,941	4,066	3,395	734	30,135
<i>% of Sales</i>	<i>49.12%</i>	<i>44.90%</i>	<i>48.87%</i>	<i>18.98%</i>	<i>46.70%</i>
EBIT	6,501	1,751	1179	193	9,624
<i>EBIT Margin</i>	<i>14.55%</i>	<i>19.34%</i>	<i>16.97%</i>	<i>4.99%</i>	<i>14.91%</i>

Condensed Statement of Operations

(standalone)



AARTI INDUSTRIES LIMITED

In Rs. Lakh

Particulars	Q2FY14	% of Total Income	Q2FY13	% of Total Income	Y-o-Y Growth (%)
Income from Operations	63,770	98.81%	46,209	98.40%	38.00%
Other Operating Income	765	1.19%	753	1.60%	-1.59%
Total Income	64,535	100.00%	46,962	100.00%	37.42%
• Exports	30135	46.70%	23,645	50.35%	27.45%
Operating Expenditure	53,933	83.57%	39,570	84.26%	36.30%
EBITDA	10,602	16.43%	7,392	15.74%	43.43%
Depreciation	2,160	3.35%	1,575	3.35%	37.14%
Other Income	354	0.55%	113	0.24%	213.27%
EBIT	8,796	13.63%	5,930	12.63%	48.33%
Finance Cost	2,761	4.28%	1,994	4.25%	38.47%
Profit Before Tax	6,035	9.35%	3,936	8.38%	53.33%
Tax Expenses	1800	2.79%	1,110	2.36%	62.16%
Profit After Tax	4,235	6.56%	2,826	6.02%	49.86%

Figures for the quarter ended 30th Sep 2012 does not include figures of demerged activities of Anushakti Chemicals & Drugs Ltd (Manufacturing Division) merged with the Company w.e.f. 1st April, 2012. To this extent these figures are not comparable.

Condensed Statement of Operations

(standalone)



AARTI INDUSTRIES LIMITED

In Rs. Lakh

Particulars	Q2FY14	% of Total Income	Q1FY14	% of Total Income	Q-o-Q Growth (%)
Income from Operations	63,770	98.81%	58,585	98.69%	8.85%
Other Operating Income	765	1.19%	779	1.31%	1.80%
Total Income	64,535	100.00%	59,364	100.00%	8.71%
• Exports	30135	46.70%	30,748	51.79%	-1.99%
Operating Expenditure	53,933	83.57%	51,740	87.16%	4.24%
EBITDA	10,602	16.43%	7,624	12.84%	39.06%
Depreciation	2,160	3.35%	2,021	3.40%	6.88%
Other Income	354	0.55%	236	0.40%	50.00%
EBIT	8,796	13.63%	5,839	9.84%	50.64%
Finance Cost	2,761	4.28%	2,636	4.44%	4.74%
Profit Before Tax	6,035	9.35%	3,203	5.40%	88.42%
Tax Expenses	1800	2.79%	950	1.60%	89.47%
Profit After Tax	4,235	6.56%	2,253	3.80%	87.97%

Segmental Revenue Growth Trend

(standalone)



AARTI INDUSTRIES LIMITED

In Rs. Lakh

Segments	Q1 FY13	Q2 FY13	Q3 FY13	Q4 FY12	Annual FY12- 13	Q1 FY14	Q2 FY14
Performance Chemicals	25,409	28,451	27,993	37,741	1,19,594	40,267	44,666
Agri-Intermediates & Fertilisers	10,466	10,384	10,154	12,815	43,819	9,015	9,055
Pharmaceuticals	4,803	4,284	4,387	5,210	18,684	6,332	6,947
Home & Personal Care	4,211	3,843	3,402	3,706	15,162	3,750	3,867
Total Income	44,889	46,962	45,936	59,472	1,97,259	59,364	64,535

Financial Highlights – over 5 quarters

(standalone)



AARTI INDUSTRIES LIMITED

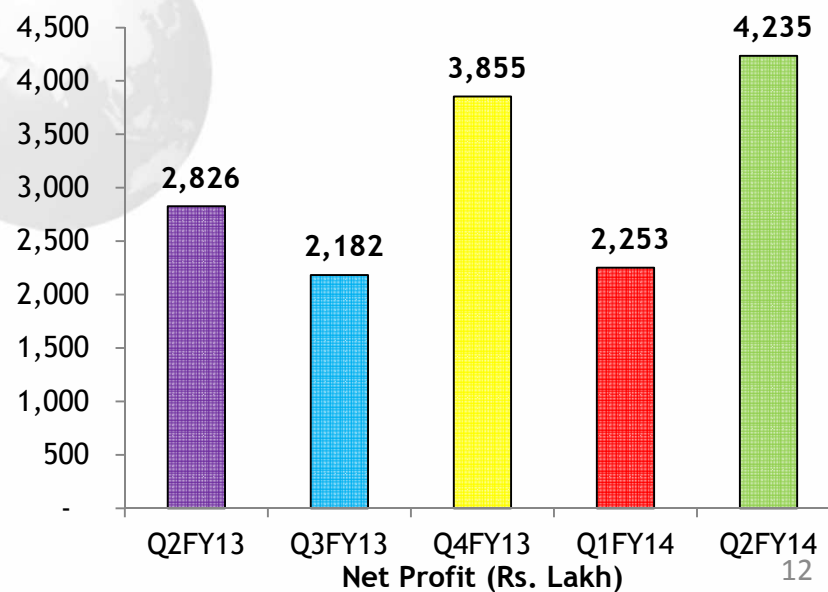
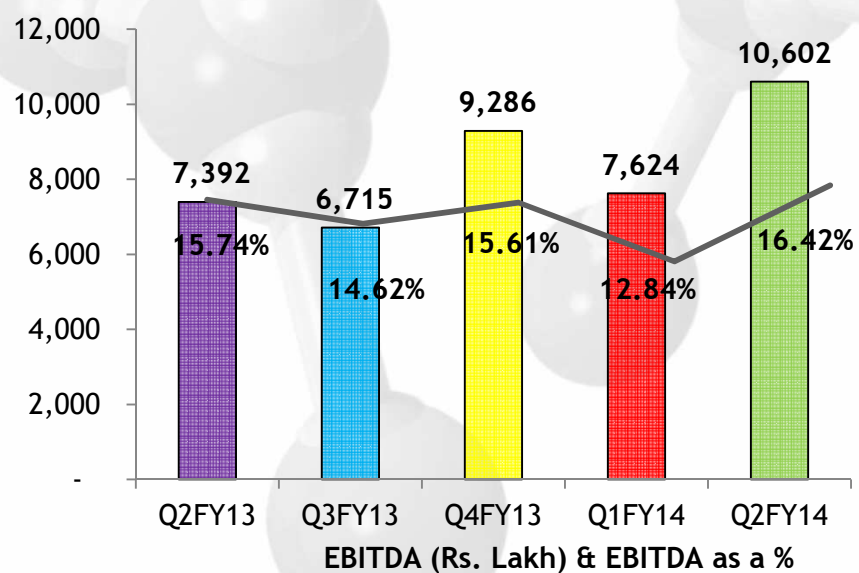
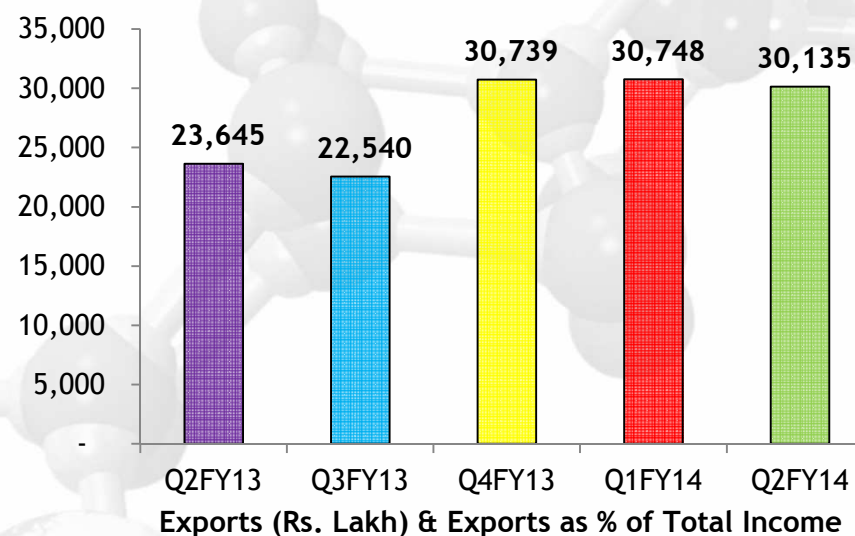
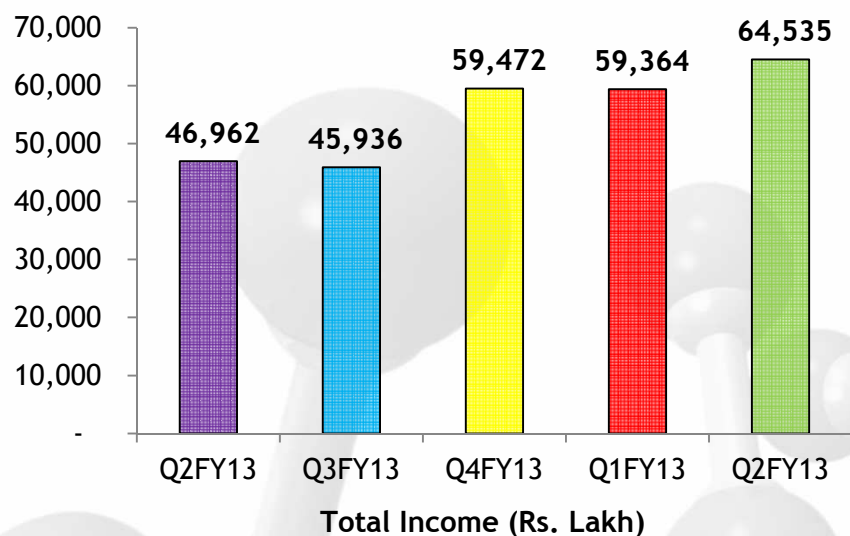
In Rs. Lakh

Particulars	Q1 FY13	Q2 FY13	Q3 FY13	Q4 FY13	Annual FY12-13	Q1 FY14	Q2 FY14
Total Income	44,889	46,962	45,936	59,472	2,09,612	59,364	64,535
• Exports	21,749	23,645	22,540	30,739	98,673	30,748	30,135
% of Total Inc.	48.45%	50.35%	49.07%	51.69%	47.07%	51.79%	46.70%
EBITDA	6,811	7,392	6,715	9,286	35,624	7,624	10,602
EBITDA Margin	15.17%	15.74%	14.62%	15.61%	17.00%	12.84%	16.42%
EBIT	5,504	5,930	5,136	7,347	27,884	5,839	8,796
EBIT Margin	12.26%	12.63%	11.18%	12.35%	13.30%	9.84%	13.63%
PAT	2,504	2,826	2,182	3,855	13,134	2,253	4,235
PAT Margin	5.58%	6.02%	4.75%	6.48%	6.27%	3.80%	6.56%
EPS	3.16	3.57	2.76	4.35	14.83	2.54	4.78

Financial Highlights – Graphical Layout (standalone)



AARTI INDUSTRIES LIMITED





Exports led Growth:
Growth in exports volume across various developed markets had been a key driver for increased operations.

Flexibility to maximize margins – Interchangeable Production facilities of Performance & Agro-chemicals helps optimise the product mix to fetch better margins.

Increase in pharmaceutical volumes have resulted into improvement in margins and profitability in this segment and the same is expected to improve further

Growth Drivers



AARTI INDUSTRIES LIMITED

Thank You

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