



## AMI ORGANICS LIMITED

**Q2FY23 Revenue up 20.2% YoY,**

**EBITDA margin improved by 107bps to 19.1% QoQ**

**PAT margin improved by 161bps to 13.0% QoQ**

**Surat, November 05<sup>th</sup>, 2022:** Ami Organics Limited (AMI) (BSE: 543349), NSE: AMIORG) today reported financial results for the Quarter and half year ended September 30<sup>th</sup>, 2022.

### Consolidated Financial Results – Q2 & H1FY23

Particulars (Rs. Mn)	Q2FY23	Q2FY22	YoY	Q1FY23	QoQ	H1FY23	H1FY22	YoY
Revenue from Operations	1,470	1,223	20.2%	1,310	12.2%	2,780	2,354	18.1%
Gross Profit	706	661	6.8%	639	10.4%	1,345	1,148	17.2%
Gross Margin	48.0%	54.0%		48.8%		48.4%	48.8%	
EBITDA	281	274	2.8%	237	18.8%	518	495	4.7%
EBITDA Margin	19.1%	22.4%		18.1%		18.6%	21.0%	
PBT	257	225	14.2%	203	26.5%	460	406	13.3%
PAT	190	175	9.0%	149	28.1%	339	312	8.7%
PAT Margin	13.0%	14.3%		11.3%		12.2%	13.2%	
EPS	5.5	5.1		4.1		10.0	9.1	

**Commenting on results, Mr. Naresh Patel, Executive Chairman & Managing Director, Ami Organics Limited, said:** “We continue our robust trajectory with 20% YoY growth during Q2, primarily driven by a significant increase in the Advanced pharmaceutical intermediate business which grew by 25% YoY. That said, the Company witnessed a flattish growth in the specialty chemicals business. Our margins continue to strengthen as we keep tight control on cost as well as because of lower freight rates. I believe margins will continue to see the improvement in coming quarters.

*I am delighted to announce that we have successfully developed Methyl Salicylate using flow technology which is expected to commercialize from Q3 onwards. This shift in manufacturing technology has resulted in a considerable reduction in production time, 3x capacity expansion, and cost savings of around 5-7%.*

*Electrolyte additives continue to see good inquiries from clients across the globe and we expect to commercialize the product before the end of FY23.*

*Overall, I remain optimistic about our business growth in the coming quarters and years on the back of various strong growth levers.”*



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### Key Results Highlights (Consolidated):

- ✓ **Revenue** from operations for Q2FY23 grew by **20.2% YoY** to Rs.1,470mn; Sequentially revenue grew by 12.2%
- ✓ The Gross margins for the quarter were at 48.0% as compared to 54.0% in Q2FY22 and 48.8% in Q1FY23.
- ✓ **EBITDA** for the quarter came at **Rs. 281mn up 2.8% YoY** compared to Rs. 274mn in Q2FY22 and up 18.8% on a sequential basis compared to Rs. 237mn in Q1FY23
- ✓ **EBITDA margins** for the quarter were at **19.1%** as compared to 22.4% in Q2FY22 and 18.1% in Q1FY23. We have been able to **improve our EBITDA margin on a sequential basis** due to improvements in operating expenses whereas lower EBITDA margins of the Specialty Chemical business continue to put pressure on consolidated EBITDA margins.
- ✓ **PAT** for the quarter was at **Rs. 190mn up 9.0% on YoY basis**. The PAT margins for the quarter were at 13.0% as compared to 14.3% in Q2FY22 and 11.3% in Q1FY23.

### Key Business highlights:

- ✓ **Export at 58%**; domestic business at 42%
- ✓ Specialty Chemicals – Methyl Salicylate:
  - Successfully **developed Methyl salicylate using Flow Chemistry**. Successfully erected Flow reactor at Jhagadia plant and expect to start production from Q3FY23
  - **Increase in volume capacity by 3x**
  - **Cost saving of 5-7%**
- ✓ Electrolyte additive update:
  - Expecting **commercial trial order in November 2022**
  - Products are in **various stages of qualification** with customers in China, Korea, India, and Europe
  - Expecting **commercial orders to start from the first half** of the calendar year 2023
- ✓ Import Substitute Product Updates:
  - Received trial order for agrochemical intermediate. We expect to commercialise the same in Q3FY23
  - Received trial order for pharmaceutical intermediate from European client and we expect to commercialise the same in Q3FY23
- ✓ Capex Update: Company has received Environmental clearance. Excavation work is completed. Civil construction is Started. Started ordering machinery for the plant.

### COVID-19:

The outbreak of Coronavirus (COVID -19) pandemic globally and in India caused significant disturbance and slowdown of economic activity. The Company has assessed the impact of pandemic on its financial results/position based on the principle of prudence in applying

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judgements, estimates and assumptions including sensitivity analysis and has concluded that there is no major impact of COVID 19 on the recoverability of carrying values of assets and expects to recover the carrying value of its assets. Considering that it is a dynamic and evolving situation, the management will continue to closely monitor and evaluate the impact of any material change in macro-economic and other related factors, which may have a bearing on the Company's operations.

**ABOUT AMI ORGANICS LIMITED:**

Ami Organics, headquartered at Surat, is a R&D driven manufacturer of specialty chemicals with varied end usage, focussed on the development and manufacturing of advanced pharmaceutical intermediates ("Pharma Intermediates") for regulated markets and generic active pharmaceutical ingredients ("APIs") and New Chemical Entities ("NCE") and key starting material for agrochemical and fine chemicals. AMI has developed and commercialised over 450 Pharma Intermediates for APIs across 17 key therapeutic areas since inception and NCE, with a strong focus on R&D across select high-growth high margin chronic therapeutic areas.

**CAUTIONARY STATEMENT:**

*This press release contains certain forward-looking statements. Any forward-looking statement applies only on the date of this press release. By their nature, forward-looking statements are subject to a number of known and unknown risks and uncertainties that may or may not occur in the future and as a result of which the actual results and performance may differ substantially from the expected future results or performance expressed or implied in the forward-looking statements. No warranties or representations are made as to the accuracy, achievement, or reasonableness of such statements, estimates or projections, and Ami Organics has no obligation to update any such information or to correct any inaccuracies herein or omission here from which may become apparent.*

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