



Ami Organics Limited

CIN No. : L24100GJ2007PLC051093

Registered Office :- Plot No. 440/4, 5 & 6, Road No. 82/A, G.I.D.C. Sachin, Surat - 394230, Dist. Surat, Gujarat, India.

April 22, 2023

To,
The Listing Department,
BSE LIMITED,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort
Mumbai- 400 001

To,
The Listing Department
National Stock Exchange of India Limited,
Exchange Plaza, 5th Floor, Plot No. C-1,
G-Block, Bandra Kurla Complex,
Mumbai -400051

Scrip Code: 543349

NSE Symbol : AMIORG

Subject: Press Release pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir/Madam,

In accordance with Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we are enclosing herewith a Press Release dated April 22, 2023 for dissemination.

This Press Release will be available on the website of the Company www.amiorganics.com.

Kindly take the same on record.

Yours faithfully,
For, **AMI ORGANICS LIMITED**

Ekta Kumari Srivastava
Company Secretary & Compliance Officer



Encl: Press Release



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AMI ORGANICS LIMITED

Ami Organics Announces its Foray into the Semiconductor Industry

Ami Organics enters semiconductor industry through acquisition of 55% stake in Baba Fine Chemicals (BFC)

Surat, April 22, 2023: Ami Organics Limited (BSE: 543349, NSE: AMIORG), a leading global manufacturer of advance pharmaceutical intermediates and speciality chemicals, announced that board has approved acquisition of 55% partnership interest in Baba Fine Chemicals, a fine speciality chemicals company focused on custom synthesis and manufacturing of intermediates. This acquisition heralds AMI Organics' foray into the high entry barrier semiconductor industry.

The acquisition is in line with AMI Organics' strategy of expanding its speciality chemicals division to focus on niche products manufactured using advanced technology with low competition and high entry barriers. AMI Organics has already developed two electrolyte additives used as Solid Electrolyte Interface in Lithium-Ion-Batteries which are awaiting commercial orders from its customers. This agreement gives AMI access to the complementing products of Baba Fine Chemicals that are also focused on the electronic industry, mainly semiconductors.

Transaction details:

- AMI Organics to acquire 55% partnership interest in Baba Fine Chemicals from two partners for the consideration of Rs. 68.2cr subject to adjustments as may be required at closing stage ("Purchase Consideration").
- Third Partner at BFC, Mr. Rakesh Gupta will continue to stay on the board and lead the Marketing and Technical Development for BFC.
- The consideration is based on a valuation of 4x adjusted EBITDA for FY23.
- The Purchase Consideration will be discharged through a combination cash consideration and issuance of securities of the Company to the exiting parties on a preferential basis
- The consummation of the transaction is subject to completion of customary conditions precedent including obtaining such approvals as may be required.
- The acquisition of Partnership Interest shall be subject to such regulatory /statutory approvals as may be required under applicable laws including the approval of the shareholders of the Company for issuance of Subscription Shares on a preferential basis.

About Baba Fine Chemicals Business (BFC):

- BFC is engaged in the business of manufacturing specialty chemicals used in semiconductor and electronic industry.

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- BFC Management has a strong track record of handling custom synthesis for commercial production for several complex products as well as scaling up products from R&D stage to commercial scale.
- BFC is run by highly competent team members who have been in the semi-conductor and electronic industry since its inception.
- BFC has witnessed average 33% growth in revenue in last 2 years.

Synergies:

- Semiconductors is a high entry barrier industry with a long gestation period. The transaction gives AMI Organics entry into this complex industry with a strong brand such as BFC which has 25 years of zero-defect track record.
- BFC's strength lies in synthesising complex chemistries having application in semiconductor industry as well as scaling up those products from R&D to production. AMI Organics is reputed for its focus on process efficiency and manufacturing products with advance technology at larger volumes. Ami Organics will be a fitting partner for BFC in ramping up their products at larger volumes.
- The acquisition will be EPS accretive

Commenting on development, Mr. Naresh Patel, Executive Chairman & Managing Director, Ami Organics Limited, said: *"We are delighted to partner with Baba Fine Chemicals, a name to reckon with in the highly complex semiconductor industry. This partnership provides us with the impetus to make a mark in the lucrative and high entry barrier semiconductor industry. Our synergies will help scale up BFC's niche product basket given that they are the only manufacturers in the country in their product category. With an exciting R&D pipeline, we are thrilled to work with the BFC team to scale-up their products at a higher volume. The acquisition is in line with our focus of expanding our presence in complex speciality chemicals industry and will complement our product basket of electronic chemicals."*

Commenting on development, Mr. Rakesh Gupta, Partner, Baba Fine Chemicals, said: *"AMI Organics has a strong track record of developing products using advance technologies in higher volumes which makes them a perfect match for us. I believe our R&D strengths and AMI's operational excellence will help us grow manifold in the coming years."*

Mr. Rakesh Gupta, Partner, BFC:

- Mr. Rakesh Gupta has been a co-founder of three successful technology businesses, including launch/ownership of Daychem Laboratories Inc., 970, Industrial Park Drive, Ohio, US, which was divested to Heraeus after 20+ years of successful operations. At Daychem, Rakesh managed all aspects of the company including developing business/markets, technology and facilities along with day-to-day operations.
- Rakesh also Co-founded Baba Fine Chemicals business to provide highly specialized chemical intermediates to electronic industry.

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- Rakesh is an Organic/polymer scientist specializing in photoactive compounds and thermally stable and high-performance materials. He is also an expert in structure-property relationship to produce novel material solutions for emerging technologies.
- He had been a part of executive training programs like Strategic Marketing for the Technical Executive Developing and Managing Successful, Technology & Product Strategy at MIT Sloan School of Management and Strategic R&D Management Programme at INSEAD.
- Rakesh earned a Master of Science (MS) in Chemistry from Wright State University (Fairborn, Ohio) and a Bachelor of Science (BS) Honor School of Chemistry from Punjab University (Chandigarh, India).

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 520 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.

ABOUT BABA FINE CHEMICALS:

Founded in 1997, M/S Baba Fine Chemicals (BFC) is a small-scale partnership firm engaged in the business of manufacturing custom specialty chemicals used in semiconductor industry. It was registered as a company "Baba Superchem Pvt Ltd" in the year 1997 which got converted into a partnership firm from the year 2002. BFC has a very high purity specialty chemical manufacturing facility located at UPSIDC, Greater Noida spanning over a ~ 999 sq meter plot with historical plant capacity of 50 kgs per day which increased to maximum capacity of 500 kgs per day post the capacity expansion carried out in FY23.

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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