



February 8, 2024

BSE Ltd.,
P J Towers,
Dalal Street,
Mumbai - 400 001.
Scrip Code: 524735

National Stock Exchange of India Ltd.,
Exchange Plaza,
Bandra-Kurla Complex, Bandra,
Mumbai - 400 051.
Symbol: HIKAL

Dear Sir/Madam,

Subject: Earnings Press Release on the Results of the Company for the quarter ended December 31, 2023

With reference to the subject, we are enclosing a copy of the Press Release on the unaudited Standalone and Consolidated Financial Results of the Company for the quarter ended December 31, 2023.

This is for your information and records.

Thank you,

Yours sincerely,
for HIKAL LIMITED,

Rajasekhar Reddy
Company Secretary & Compliance Officer

Encl: As above

Hikal Ltd.

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Hikal Limited: Sequential Recovery in Q3 FY24

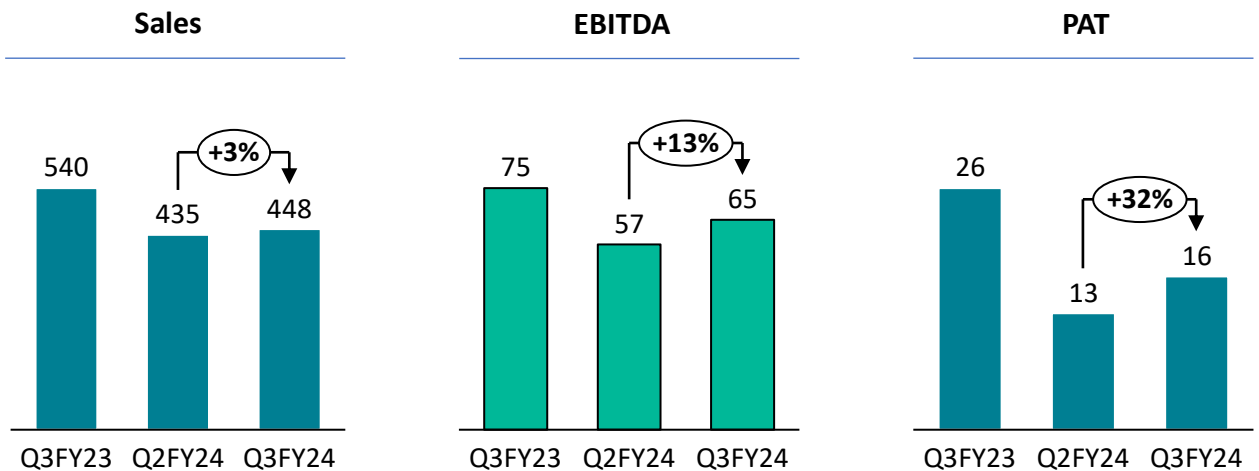
➤ Q3 FY24 Highlights

- ✓ Revenue stood at Rs. 448 crore
- ✓ EBITDA stood at Rs. 65 crore, 13% increase on QoQ basis
- ✓ PAT stood at Rs. 16 crores, 32% increase on QoQ basis
- ✓ New multipurpose Animal Health Plant at Panoli has been commissioned

Mumbai, Feb 08, 2024: Hikal Ltd., a preferred long-term partner for leading global life sciences companies, announced its financial results for the quarter ended 31st December 2023.

Q3 FY24 Performance:

(Rs. in crore)

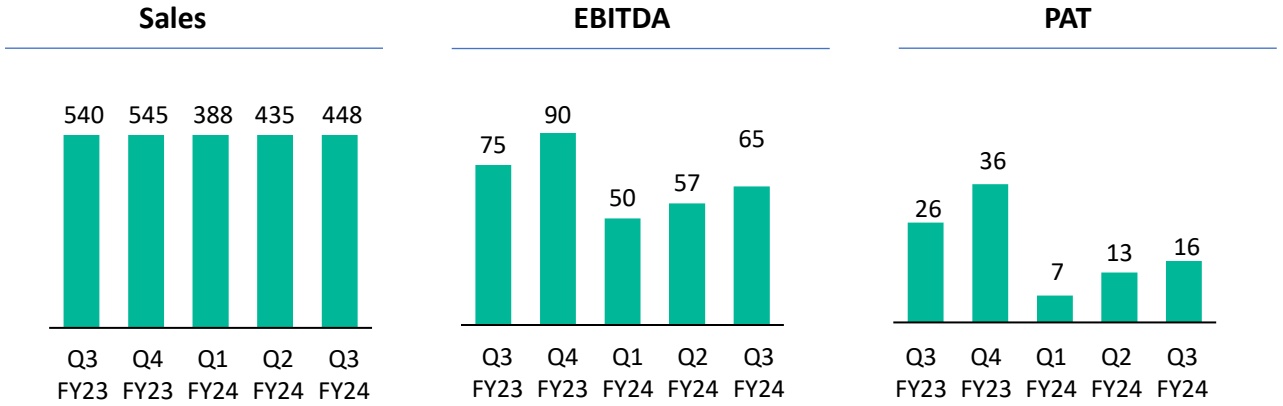


Key Highlights

- Softening of raw material prices coupled with business excellence initiatives led to sequential improvement in margins.
- Destocking continues across the Crop Protection Industry.
- Good traction in Own Pharmaceuticals Products from customers in Japan, Latin America and Middle East geographies for the newer product portfolio

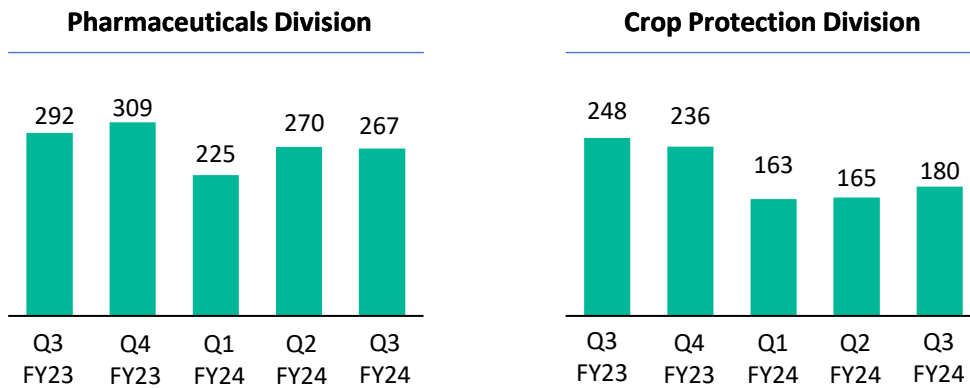
Consolidated Quarter Performance:

(Rs. in crore)



Segment wise Revenue Performance for the quarter ended 31st December 2023

(Rs. in crore)



➤ **Pharmaceutical sales stood at Rs. 267 crore in Q3 FY24**

- New opportunities are under advanced stage of discussion with various global innovators for the CDMO business
- Validation on several products has been initiated at recently commissioned multipurpose plant for Animal Health at Panoli, Gujarat

➤ **Crop Protection revenue stood at Rs. 180 crore in Q3 FY24**

- Operating environment is expected to normalize towards the end of H1 FY25
- New multipurpose facility at Panoli, Gujarat is completed. Currently, the plant is under stabilization and commissioning activity is ongoing

Commenting on the results, Jai Hiremath, Executive Chairman, Hikal Ltd. said,

“The global chemical industry continues to witness turbulence on the back of increased inventory levels, higher interest rates and intense price competition. We see prices bottoming out over the next few months and at the same time we can see things improving in the industry going forward.

For Q3FY24, we reported revenues of Rs. 448 Cr and EBITDA of Rs. 65 Cr. The softening of raw materials prices coupled with focused cost improvement, lean initiatives and a diversified product mix helped us to improve our margins sequentially on a QoQ basis.

Our pharmaceutical business reported revenues of Rs. 267 Cr and EBIT of 18 Cr for Q3 FY24. In the API business, we are seeing traction on the back of improved penetration across different geographies, stabilized prices and signs of recovery in market demand. On the CDMO side, we continue to maintain a strong pipeline of enquiries from several Pharma innovators, and several products are in advanced stages of development.

For Q3FY24, our crop protection business reported revenue of Rs. 180 Cr and EBIT of 22 Cr. The global crop protection industry continues to experience severe headwinds. Subdued global demand on the back of the destocking situation coupled with intense price competition have impacted the industry. Proactive implementation of cost improvement programs has benefited us in this quarter in maintaining the margin profile. Our new multi-purpose facility at Panoli is completed and stabilization of the plant is in progress.

In the animal health segment, the progress on developing new products as part of a long-term contract with an innovator animal health company is on track. Our new multipurpose plant for animal health was commissioned this quarter and validation of several products has been initiated which is expected to be completed in the upcoming quarters. These validation batches will be a first step towards registration and commercialisation of the products.

Our strategic transformation program – Pinnacle, has made significant progress towards sustainable growth across business verticals. We are seeing good momentum in building new capabilities, attracting new customers and creating a niche and differentiated technology platform. Amidst our transition to the next phase of strategic transformation we've achieved significant progress by integrating sustainable practices as part of our ESG initiative.

Despite the prevailing global headwinds, we expect the market trajectory to change positively over the next few quarters and we remain steadfast in our commitment to drive long-term profitable and sustainable growth across our businesses.”

About Hikal Limited

Hikal is a reliable long-term partner to companies in the Pharmaceuticals, Crop Protection, and Specialty Chemicals industry. The company is in the business of supplying research services, active ingredients and intermediates, manufactured using stringent global quality standards, for its global customers. Hikal's advanced manufacturing facilities have been inspected and approved by leading multinational companies in the Crop protection and Pharmaceutical sectors. The Crop protection facilities are located at Taloja, Mahad (Maharashtra) and Panoli (Gujarat). Hikal's R&T facilities are located at Pune. The Pharmaceutical manufacturing facilities are situated in Jigani (Bengaluru) and Panoli (Gujarat). Hikal is the first Indian life-sciences company to receive the Responsible Care® certification governed by the International Council of Chemical Associations (ICCA).

Safe Harbor Statement

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.

For further information, please contact

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