



May 29, 2023

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 and Financial year ended March 31, 2023

With reference to the subject, we are enclosing a copy of the Press Release on the Audited Standalone and Consolidated Financial Results of the Company for the quarter and financial year ended March 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: Margin improvement in FY23

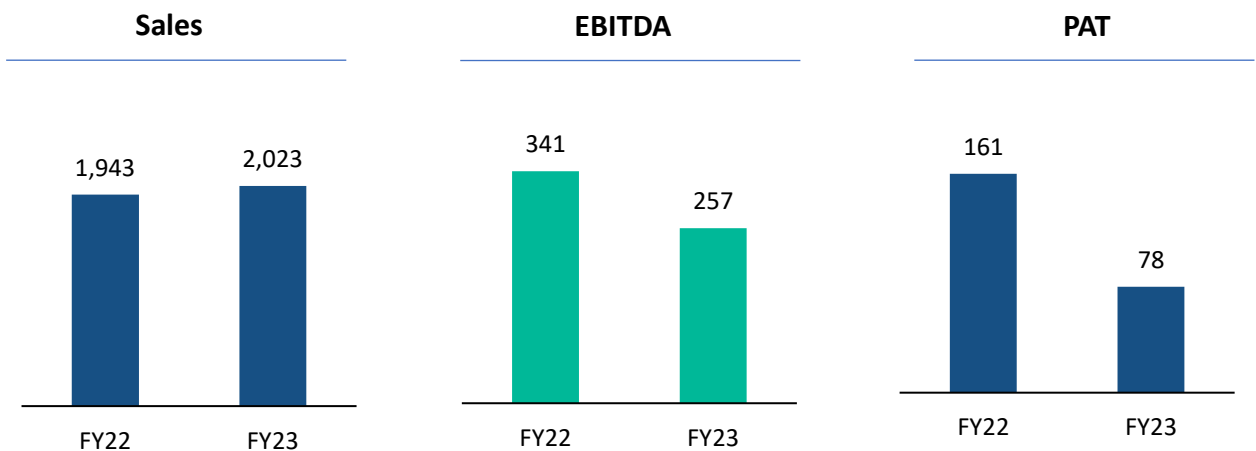
➤ FY23 Highlights

- ✓ Revenue of Rs. 545 crore; YoY growth of 9%
- ✓ EBITDA stood at Rs. 90 crore
- ✓ PAT stood at Rs. 36 crores
- ✓ Recommended a final dividend of Rs 0.6 per share (30% of FV); Total dividend for FY23 stands at Rs 1.2 per share (60% of FV)
- ✓ Hikal's long term credit rating is maintained at A+ by ICRA

Mumbai, May 29, 2023: Hikal Ltd., a preferred long-term partner for leading global life sciences companies, announced its financial results for the quarter and full year ended 31st March 2023

FY23 Performance:

(Rs. in crore)

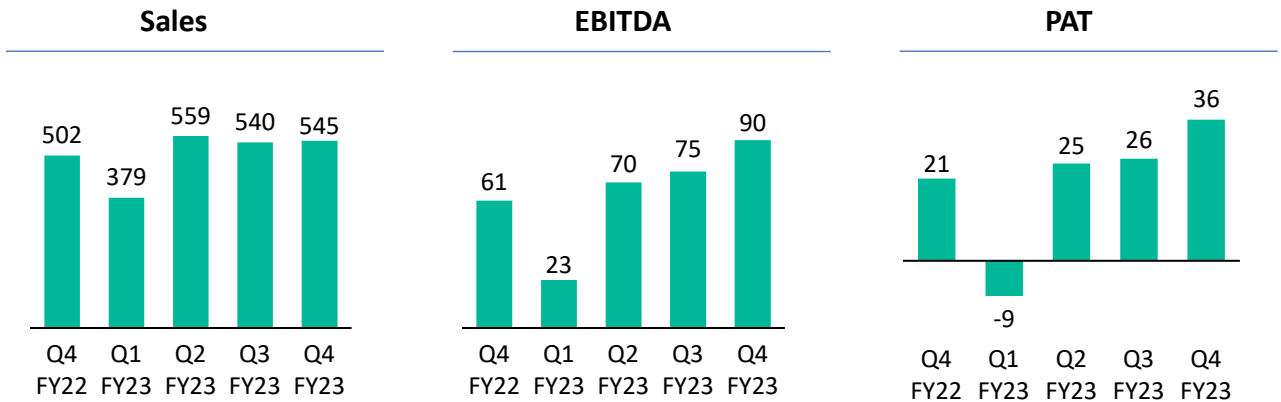


Key Highlights

- Hikal's Panoli site undergone US FDA audit which was concluded with 'Zero' 483 observations
- Sequential QoQ recovery in margins on back of softening of raw material prices and several operational improvement initiatives
- Enhanced efficiencies on account of ongoing business excellence programs across value chain

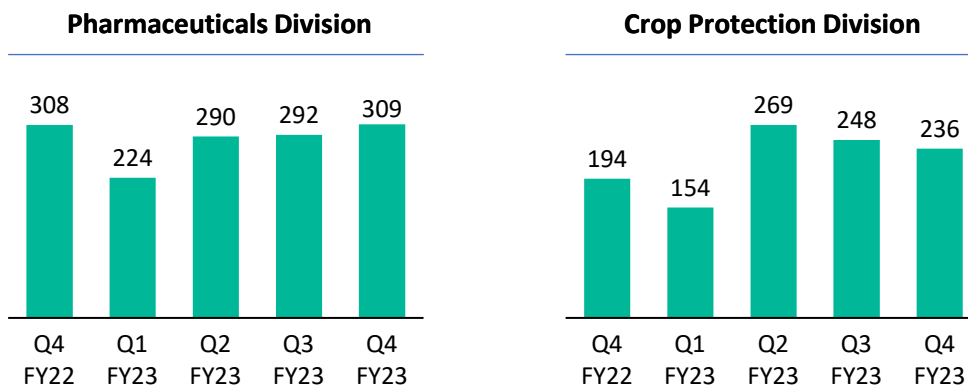
Consolidated Quarter Performance:

(Rs. in crore)



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

(Rs. in crore)



- **Pharmaceutical sales was flat and stood at Rs. 309 crore** as compared to Rs. 308 crore in Q4 FY22
 - Improvement in margins on account of business excellence initiatives
 - Enhanced traction from existing as well as new customers in CDMO business
 - New multipurpose plant for Animal Health is on track at Panoli, Gujarat and is expected to be completed in H1-FY24

- **Crop Protection sales grew by 22% at Rs. 236 crore** as compared to Rs. 194 crore in Q4 FY22
 - New opportunities under advance stage of discussion with various global innovators
 - New multipurpose facility at Panoli, Gujarat is reaching completion; currently stabilizing and commissioning activity is going as per plan

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

“For the financial year ’23, we achieved revenue of Rs 2,023 Crores, which is a growth of 4% as compared to last financial year. FY23 has been a challenging year where we witnessed significant headwinds in both our businesses. Despite the challenges we have recorded a sequential quarter-on-quarter growth in profitability.

Our Board of Directors has recommended a final dividend of Rs 0.6 per share (30% of FV). Along with an interim dividend of Rs. 0.6 per share (30% of FV) declared in February 2023, the total dividend for FY23 stands at Rs 1.2 per share (60% of FV).

We are pleased to report that during Q4FY23, despite limited top-line growth, we were able to sequentially expand operating margins with efforts put forth by our team to reduce costs and strengthen operational effectiveness.

The Crop Protection business revenue stood at Rs 236 Crores in Q4 FY23 with YoY growth of 22%. We have seen softening of key RM prices and prices are stabilizing. Our multipurpose plant at Panoli is reaching completion and commissioning is underway. The crop protection industry is currently witnessing an inventory correction across the supply chain. We expect the situation to normalize from second half of this year.

For Q4FY23, our pharmaceutical business reported revenues of Rs. 309 Crores. The pharmaceutical industry is facing fierce competition, but price erosion is currently occurring at a slower pace than in the year 2022 suggesting that the worst of the erosion is behind us supported by improved raw material and logistics cost. On the CDMO side, there is a lot of inventory and destocking is taking place. We expect the situation to normalize by the end of Q2. We have a strong future pipeline in our CDMO business and are actively pursuing new opportunities. We have increased our footprint in emerging markets and added several new customers.

I am pleased to inform you our API facility in Panoli, Gujarat, was audited by the US FDA from 8-12 May 2023, and the audit was concluded with ‘Zero’ 483 observations which highlights our high standards of regulatory compliance.

Our new multipurpose facility for animal health is on track and should be operational during H1 FY24. Development of new products as a part of a long-term contract with an innovator animal health company is going as per our plan.

One of the key factors that sets us apart is our commitment to sustainability, which is the core of our ESG Strategy. We understand the growing global concern for the environment, and we are working to make a positive impact through our operations. Our investments in technology, waste reduction initiatives, and sustainable manufacturing processes will help position us as a preferred partner for our global customers.

Project Pinnacle initiatives have already begun to yield positive results and will help us emerge stronger, and more sustainable.

We foresee a slowdown in the coming couple of quarters due to the global economic downturn and increasing pricing pressure. However, we are focusing on operational excellence and capital efficiency to reduce costs and improve our margins to remain competitive in this challenging global environment. We are well positioned for sustainable growth in the medium to long term, driven by our focus on innovation, commitment to sustainability, global presence, and a strong financial foundation.”

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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|---|---|--|
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