



August 8, 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 ended June 30, 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 June 30, 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.

Admin. Office: Great Eastern Chambers, 6th Floor, Sector 11, CBD Belapur, Navi Mumbai - 400 614, India. Tel. + 91-22-6277 0299, + 91-22-6866 0300

Regd. Office: 717, Maker Chambers - 5, Nariman Point, Mumbai - 400 021, India. Tel. +91-22 6277 0477. Fax: + 91-22 6277 0500

www.hikal.com info@hikal.com CIN: L24200MH1988PTC048028

Hikal Limited: Resilient Performance Amid Industry Headwinds

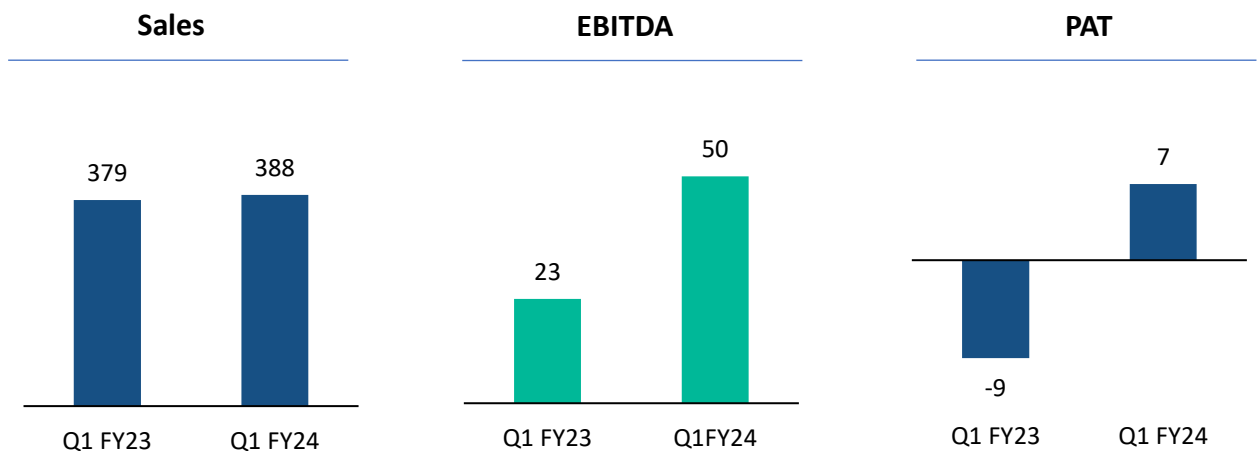
➤ Q1 FY'24 Highlights

- ✓ Revenue stood at Rs. 388 crore
- ✓ EBITDA stood at Rs. 50 crore, 122% increase on YoY basis
- ✓ PAT stood at Rs. 7 crores
- ✓ Hikal's long term credit rating is maintained at A+ by ICRA

Mumbai, Aug 08, 2023: Hikal Ltd., a preferred long-term partner for leading global life sciences companies, announced its financial results for the quarter ended 30th June 2023

Q1 FY24 Performance:

(Rs. in crore)

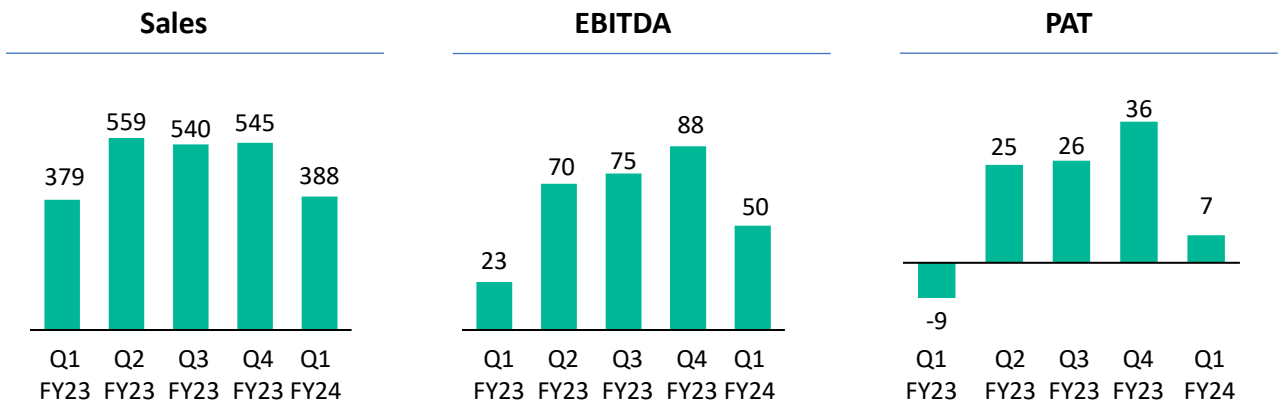


Key Highlights

- Hikal's Panoli site undergone US FDA audit which was concluded with 'Zero' 483 observations
 - US FDA approval is in line with de-risking strategy for additional API site to service our global customer base
- Muted volumes coupled with pricing headwinds and high-cost inventories on our customers side impacted topline and profitability
- The performance is expected to gradually pickup and operating leverage to improve in the second half of the year

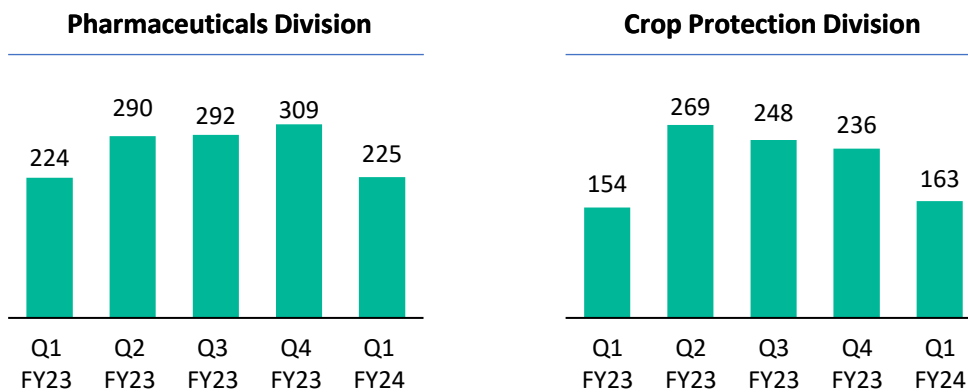
Consolidated Quarter Performance:

(Rs. in crore)



Segment wise Revenue Performance for the quarter ended 30th June 2023

(Rs. in crore)



- **Pharmaceutical sales was flat and stood at Rs. 225 crore** as compared to Rs. 224 crore in Q1 FY23
 - Good traction in Generics from customers in Japan, Latin America and Middle East geographies for the newer product portfolio
 - New opportunities are under advanced stage of discussion with various global innovators in CDMO business
 - New multipurpose plant for Animal Health is on track at Panoli, Gujarat and commissioning is underway
- **Crop Protection revenue stood at Rs. 163 crore** as compared to Rs. 154 crore in Q1 FY23
 - We have a strong pipeline of opportunities under discussion with various global innovators
 - New multipurpose facility at Panoli, Gujarat is currently stabilizing and commissioning activity is ongoing

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

“FY24 has started off on a challenging note due to global macro-economic pressures and high channel inventories leading to lower demand across both our businesses. The chemical industry faced difficulties due to China's opening up and depressed market conditions specifically in the Crop Protection end use markets.

For Q1FY24, we reported revenues of Rs. 388 Cr. and EBITDA of Rs. 50 Cr. During the quarter we witnessed disruptive channel inventory correction across the supply chain in both the businesses. We were able to navigate through the market headwinds on the back of improved cost control measures and softening of certain raw materials prices.

On 22nd July 2023, the company had received communication from Gujarat Pollution Control Board (GPCB) directing company to seize operations within 15 days from the order date citing certain technical violations. The company has responded to the queries raised by the GPCB and the closure notice has been revoked. There has been no interruption in production and operations at the site, which continues to operate as normal. We are deeply committed to upholding the principles of responsible care and sustainable business practices.

For Q1FY24, our pharmaceutical business reported revenues of Rs. 225 Cr. In the pharmaceutical industry, we witnessed softening of raw material prices at the same time competitive pricing environment. On the Generics side, sales have stabilized, and the inventory is expected to normalize by end of next quarter. We expect that the off take will return to normalcy in the second half of this financial year. We have strengthened our sales network in geographies like Latin America, Middle east and Japan. On the CDMO front, we continue to have a strong future pipeline and are aggressively capitalizing on new opportunities. During the quarter, our API facility in Panoli, Gujarat, was audited by the US FDA, and the audit was concluded with ‘Zero’ 483 observations as a testament of our commitment to high standards of regulatory compliance.

Our Crop Protection business reported revenue of Rs.163 Cr. for Q1FY24. The global agrochemical industry has been going through a challenging phase over the last several quarters as end customers are destocking amid high channel inventories. The market is witnessing pricing pressure given the higher base of previous year and very aggressive price competition from the Chinese companies. We are experiencing a decline in prices of certain products due to the cost of inventory with channel partners. However, we anticipate a recovery in demand towards end of Q3 FY24. On margins side, softening of raw material prices and deployment of cost improvement programs is expected to have a favorable impact.

In our Animal Health business, the progress on developing new products as part of a long-term contract with an innovator animal health company is progressing well. Our new multipurpose plant for Animal Health is on track at Panoli, Gujarat and commissioning is underway. We will be validating several products in the upcoming quarters.

We are well-positioned to benefit from the significant opportunities considering the current shift in the global supply chain and the diverse capability built over the period of three decades. We are anticipating a better second half of the year with an up-trending revenue, realization from cost improvement programs and raw material price stabilization. We are confident that the journey of longer-term sustainable growth and profitability is still very much intact.”

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

Company :	Investor Relations Advisors :	PR Advisors :
Hikal Limited CIN: L24200MH1988PTC048028	Strategic Growth Advisors Pvt. Ltd. CIN: U74140MH2010PTC204285	
Mr. Anish Swadi anish_swadi@hikal.com	Mr. Jigar Kavaiya jigar.kavaiya@sgapl.net +91 9920602034	Ms. Meeral Salia meeral.s@sgapl.net +91 7738364559
	Ms. Ami Parekh ami.parekh@sgapl.net +91 8082466052	
www.hikal.com	www.sgapl.net	www.sgapl.net