



August 1, 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: Results Presentation of the Company for the quarter ended June 30, 2024

With reference to the subject, we are enclosing a copy of the Results presentation on the Unaudited Standalone and Consolidated Financial Results of the Company for the quarter ended June 30, 2024.

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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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



Investor Presentation: Q1FY25

August, 2024



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Jai Hiremath
Executive Chairman

The global chemical industry is experiencing a recovery in demand, with a steady improvement in consumption, production and capacity utilization. We expect prices to stabilize in the coming quarters. In Q1FY25, our revenues reached Rs. 407 Cr, with an EBITDA of Rs. 58 Cr representing a 5% and 16% growth, respectively. This financial improvement was driven by stable raw material prices, as well as our efforts in reducing costs, optimizing processes and diversifying our product range.

In Q1 FY25, our pharmaceutical business generated revenue of Rs. 229 Cr, with an EBIT of 3.8%. While we saw an increase in volume demand from existing customers in the API segment, a combination of product mix and scheduled plant maintenance shutdowns leading to lower capacity utilization affected our margins. In the CDMO segment, we continue to receive multiple requests for proposals from emerging pharmaceutical companies and global innovators. Several projects are progressing through to advanced development stages. We have a healthy pipeline of projects in various stages of development.

In Q1FY25, our crop protection business generated revenue of Rs. 177 Cr, with an EBIT of 11.9%. While the crop protection market is still challenging, we had a favorable product which led to an increase in margins year on year. With the global crop protection industry facing challenges such as overcapacity and price pressure from competitors, particularly from China, we expect the market to stabilize by the end of this calendar year with volumes recovery.

Our animal health business has made significant progress. We have completed the development and validation of five products and are currently on track to finish validating several others by the end of this year. This marks a crucial milestone towards obtaining product registration and eventually launching them commercially in global markets.

Under our strategic transformation initiative, Pinnacle, we have achieved significant strides in sustaining growth across our different business segments. We have focused on reducing risks in our supply chain, developing unique capabilities, acquiring new customers, and building a distinctive technology platform. As we move forward with our strategic plan, we will prioritize front-end opportunities to build and commercialize a robust pipeline across business segments.

Despite ongoing global challenges, we are confident that market conditions will improve in this financial year. Our primary objective is to achieve profitable and sustainable growth in all our business segments. We are committed to adapting our strategies to meet changing market conditions and to capitalize on the growing list of emerging opportunities.

Q1 FY25: Operational Highlights

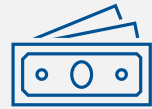


Revenue

Rs. 407 Crore

YoY ↑ 5%

QoQ ↓ 21%



EBITDA

Rs. 58 Crore

YoY ↑ 16%

QoQ ↓ 38%



PAT

Rs. 5 Crore

YoY ↓ 25%

QoQ ↓ 85%



EBITDA Margin

14.3 %

YoY ↑ 140 bps

QoQ ↓ 410 bps



EPS

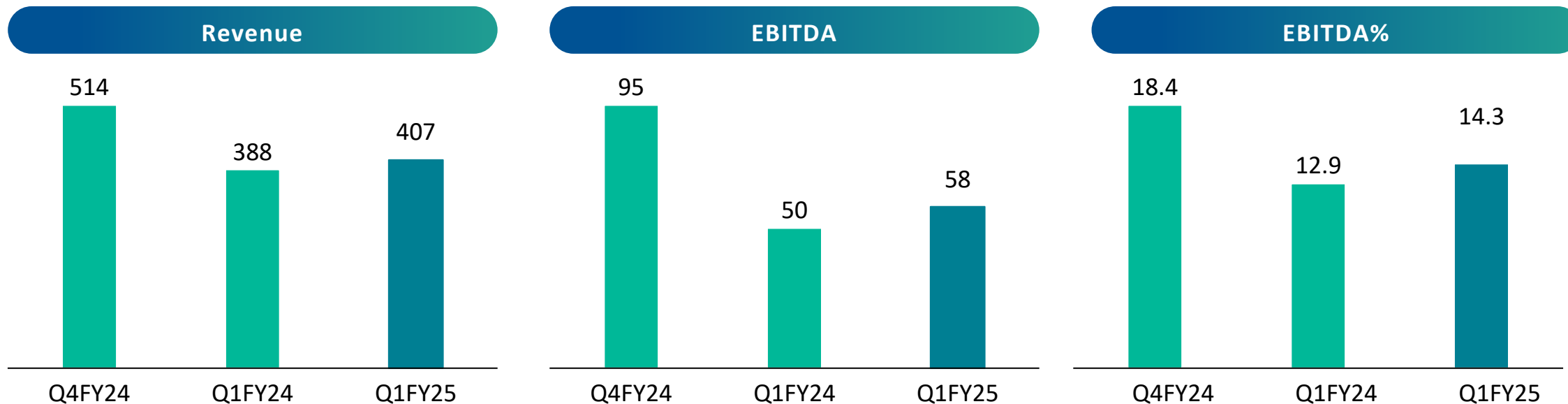
Rs. 0.42

YoY ↓ 25%

QoQ ↓ 85%

Q1 FY25: Consolidated Performance

Rs. In crores



COMMENTARY

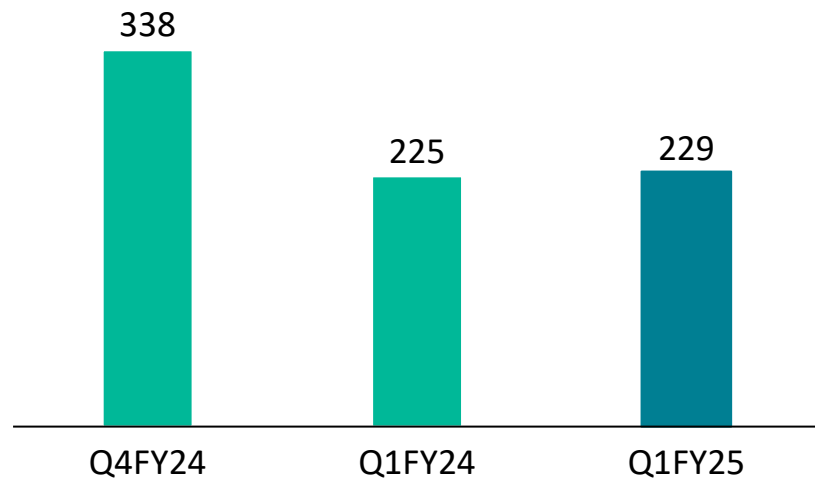
- Revenue recorded at Rs 407 Crore
- Increased volume demand from existing & new API customers
- Several CDMO project deliveries were also pushed back due to customer requirements

- PAT stood at Rs. 5 Crore
- EBITDA stood at Rs. 58 Crore, increase on YoY basis
- EBITDA margins improved by 140 bps on a YoY basis
- On YoY basis, recovery in margins are primarily due to business excellence initiatives

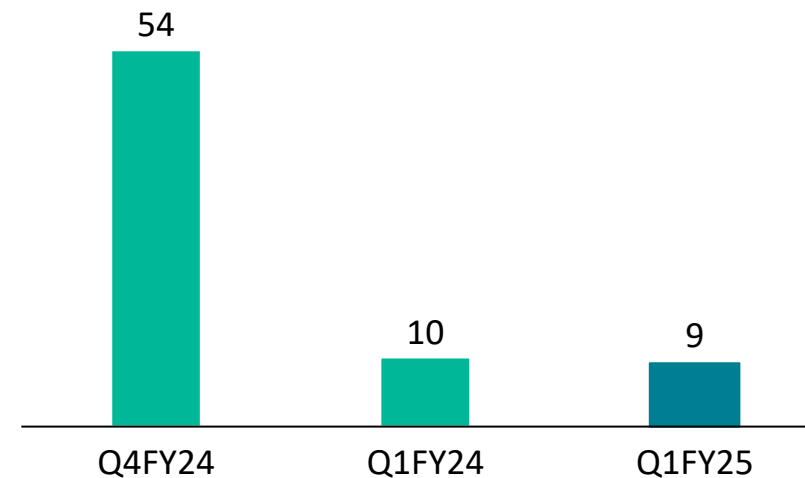
Q1 FY25: Pharmaceuticals Performance

Rs. In crores

Revenue



EBIT



COMMENTARY

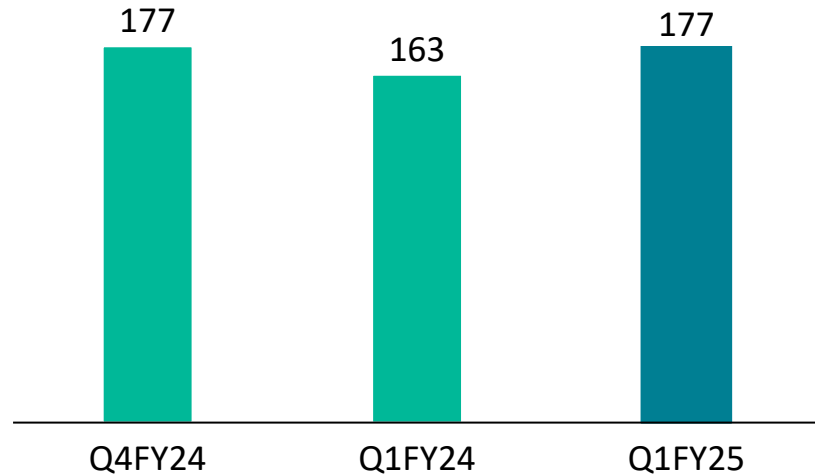
- Revenue Stood at Rs. 229 Crore
- Demand for Own Products is robust
- DMF for 1 product filed during quarter
- 13 customer audits completed successfully during the quarter

- EBIT Stood at Rs. 9 Crore
- A combination of product mix and scheduled maintenance shutdowns leading to lower capacity utilization affected margins
- In the last 2 quarters have received a growing number of inquiries

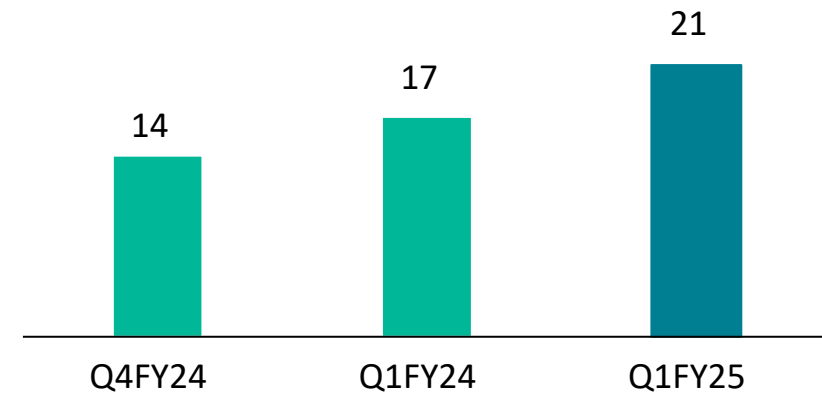
Q1 FY25: Crop Protection Performance

Rs. In crores

Revenue



EBIT



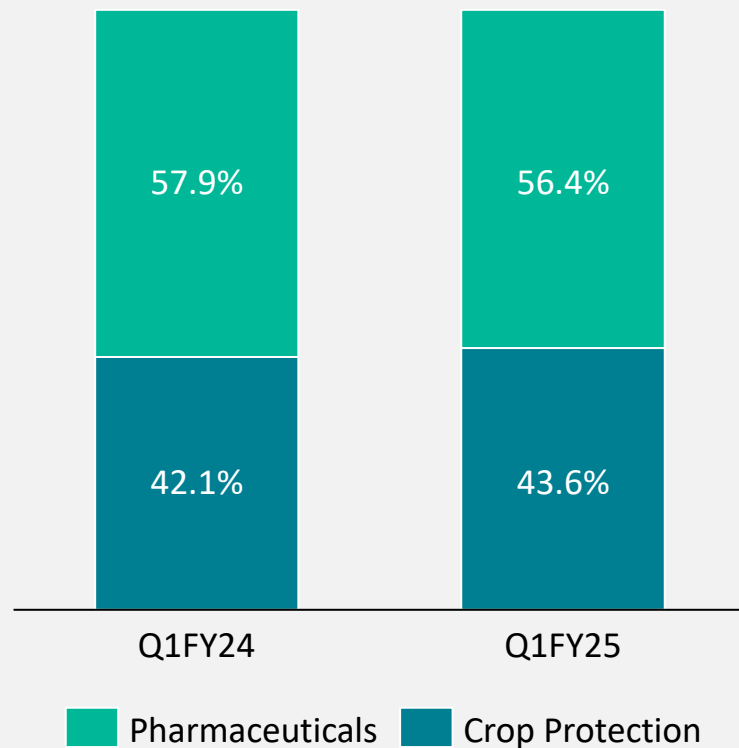
COMMENTARY

- Commercialization of the new products developed in last 2-3 years resulted in revenue growth in CDMO business
- Own products witnessed volume uptick
- 6 CDMO Projects in Pipeline
- Positive traction from several major global innovators in Q1FY25

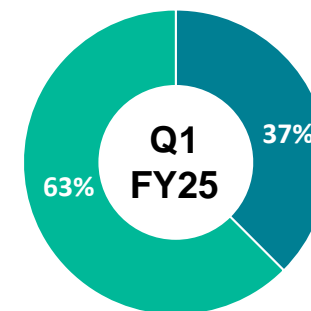
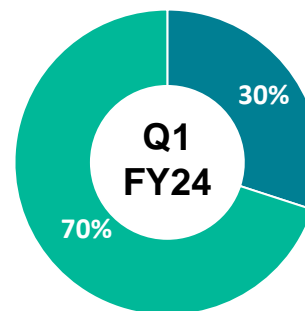
- EBIT stood at Rs. 21 Crore
- Favorable product mix led to an increase in margins year on year
- Global crop protection industry facing challenges: overcapacity and price pressure from competitors, especially China

Q1 FY25: Revenue Contribution

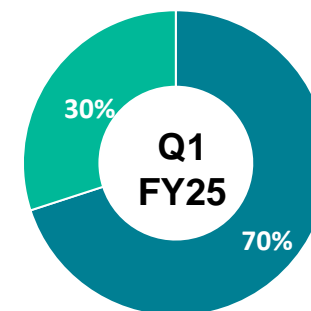
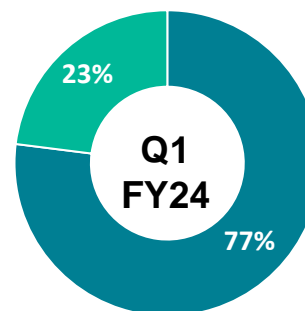
Revenue Split



Pharmaceuticals: Revenue Contribution



Crop Protection: Revenue Contribution



■ CDMO

■ Own products

Q1 FY25: Consolidated P&L



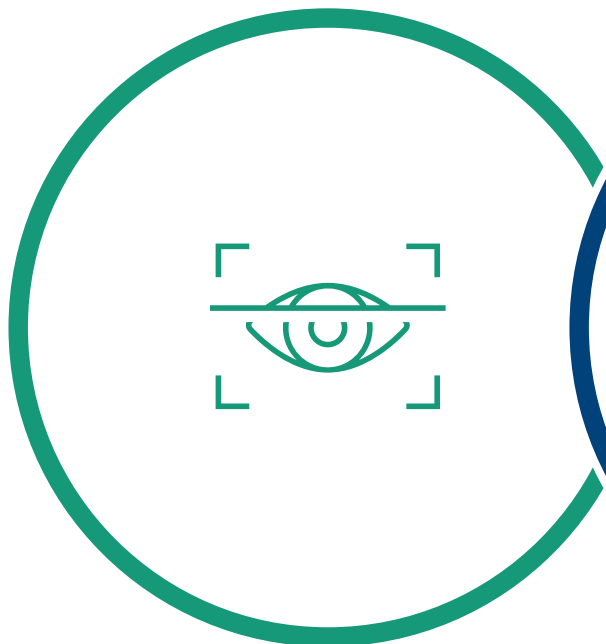
Particulars (Rs. In crores)	Q1FY25	Q1FY24	YoY	Q4FY24	QoQ
Revenue	406.8	388.1	5%	514.1	-21%
Expenditure	348.7	337.8		419.6	
EBITDA	58.1	50.2	16%	94.5	-38%
EBITDA Margin	14.3%	12.9%		18.4%	
Other Income	0.5	0.9		0.5	
Depreciation	31.8	27.7		32.3	
Interest	19.8	13.8		15.3	
PBT	7.0	9.7	-27%	47.3	-85%
Tax	1.9	2.8		13.4	
Net Profit	5.2	6.9	-25%	34.0	-85%
PAT Margin	1.3%	1.8%		6.6%	



About Us

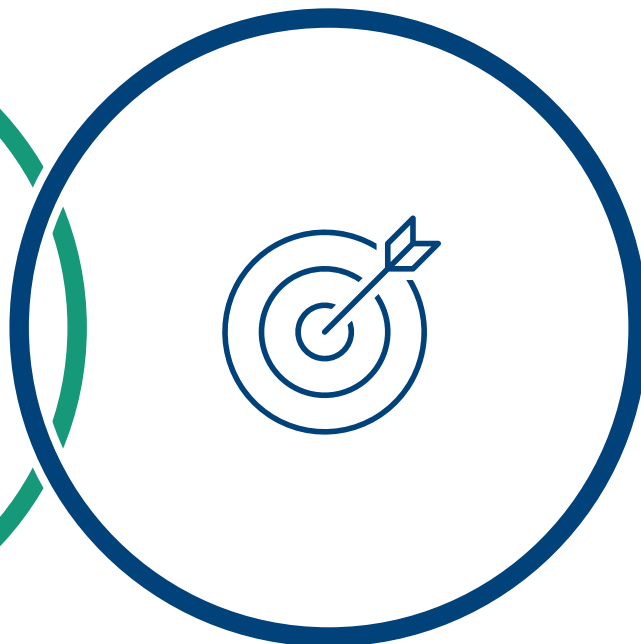
Our Vision & Mission

VISION

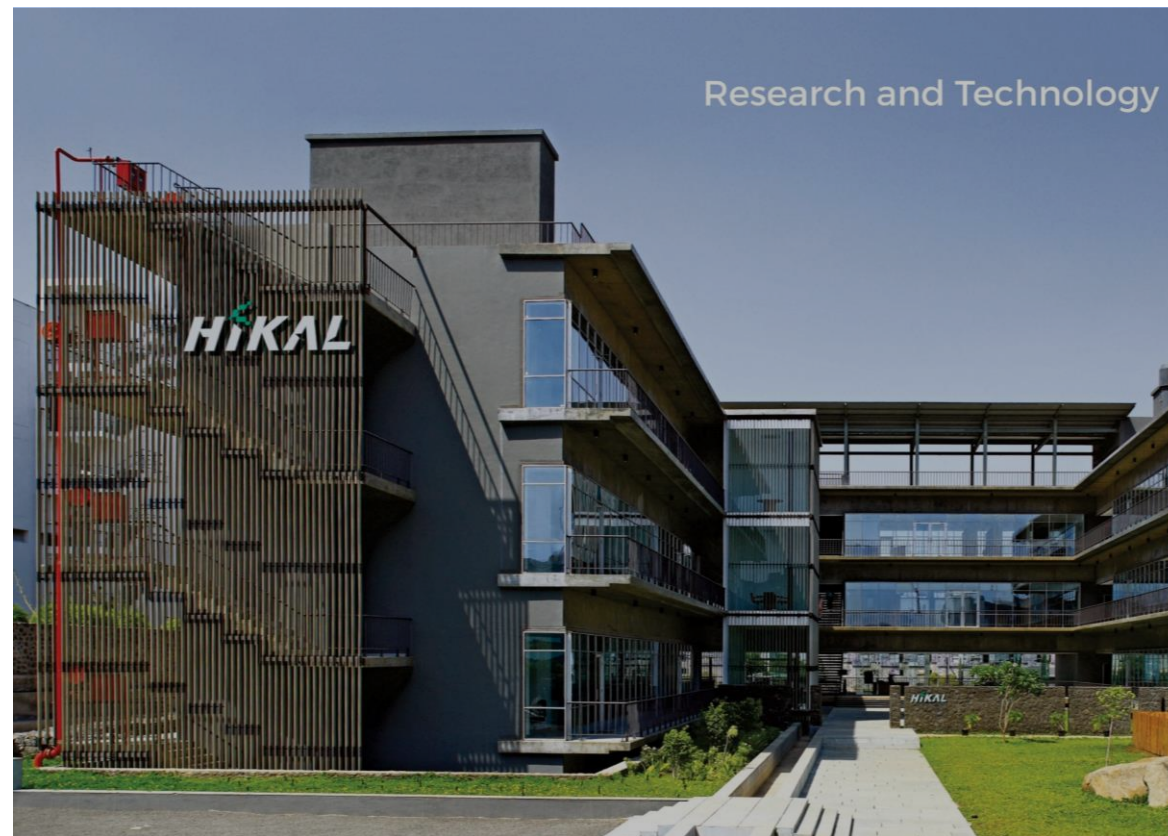


To be the leading global fine chemical company to the Pharmaceutical, Crop Protection, and Specialty Chemical Industries

MISSION



To create value through superior, chemical products and operate as a responsible company. Building trust and respect of our customers, shareholders and employees using science, technology and sustainable processes in harmony with the environment.



We have a strong presence across multiple segments with a healthy financial standing

Key Milestones

1988

Founded by **Jai Hiremath** as a chemical business

1991

First Plant site set up in **Mahad, Maharashtra**

1995

Listed on Bombay Stock Exchange & National Stock Exchange

1997

Taloja plant commissioned for CDMO Project with US Innovator

2009

New **R&T Centre established & Tokyo** office to expand in Japan

2001

Acquired **R&D & Manufacturing site in Bangalore** from Wintac Ltd

2000

Acquired the **manufacturing site** from Novartis in Panoli, Gujarat

2014

Co-generation plant and **Biomass boilers commissioned** at all sites (sustainability initiative)

2021

Signed 10-year multi product contract with leading AH global innovator

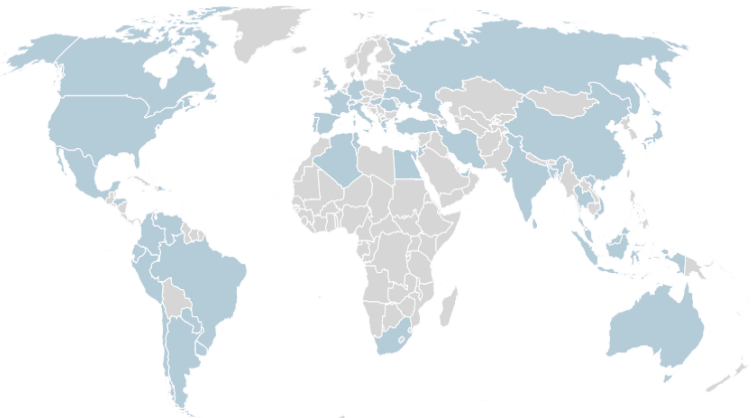
2024

Two Multiproduct facilities commissioned

Domestic & Global Presence

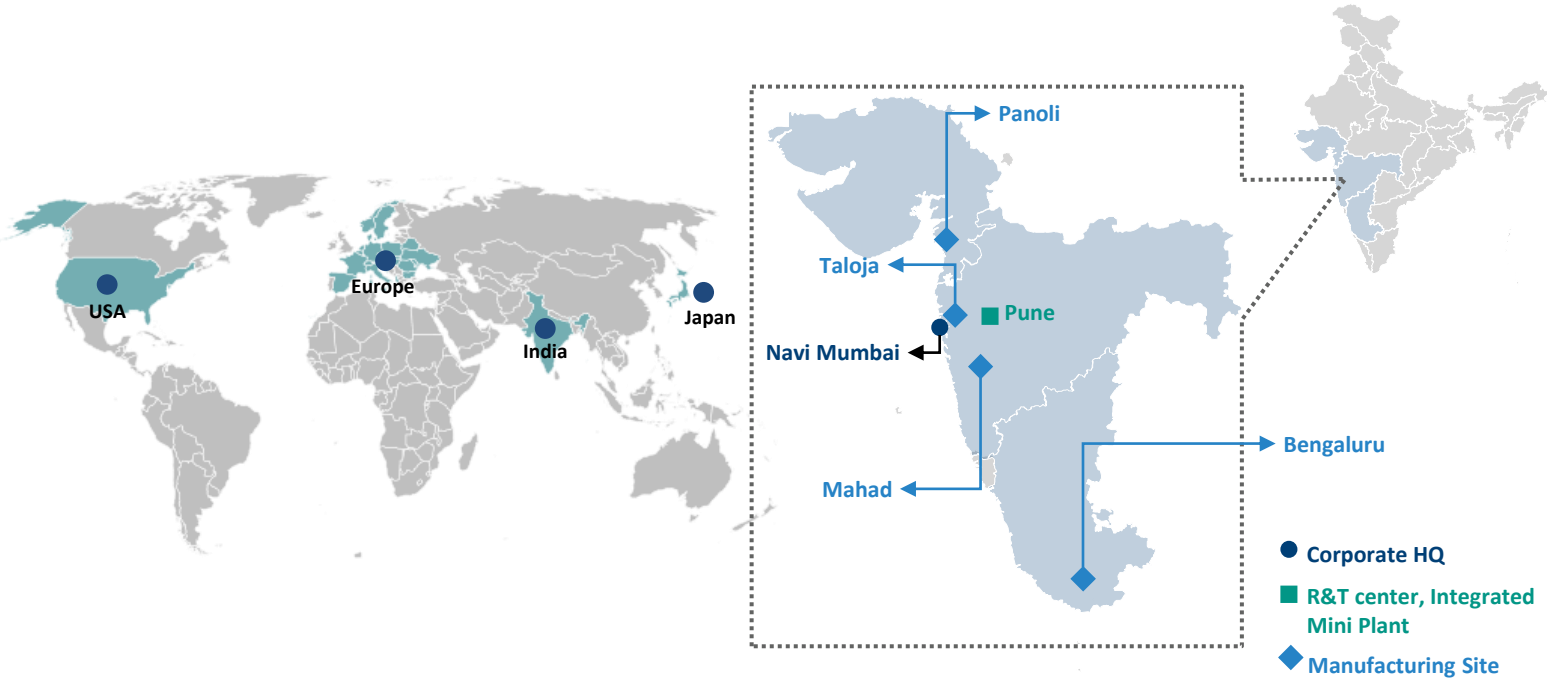


We Service Clients Globally



We serve markets across Americas, Europe, ME & Africa, Asia (incl. Japan), and Australia

Through our Global Footprint



We have offices across USA, Europe, India and Japan

And manufacturing facilities across India

Note: Not all countries and territories labeled.

Pharmaceuticals



Jigani Unit 1, Karnataka

- US FDA Approved API and Advanced Intermediates Manufacturing Site
- cGMP Multipurpose API Facilities.

615 m³ TOTAL REACTOR VOLUME



Jigani Unit 2, Karnataka

- Scale-up and Launch Plant
- Multipurpose and Multi-product cGMP Facility – APIs and Intermediates.

93 m³ TOTAL REACTOR VOLUME



Panoli, Gujarat

- Acquired Manufacturing site from Novartis in 2000
- US FDA Approved Site for KSMs and APIs
- Four Multipurpose facilities

737 m³ TOTAL REACTOR VOLUME

Crop Protection



Mahad, Maharashtra

- First Manufacturing Facility of Hikal
- Specialty Chemicals, Fungicides, Herbicides, and Intermediate Manufacturing Site

549 m³ TOTAL REACTOR VOLUME



Taloja, Maharashtra

- Commissioned in 1997 in Technical Collaboration with Innovator company
- Fungicides, Insecticides, and Intermediates Manufacturing Site

593 m³ TOTAL REACTOR VOLUME



Panoli, Gujarat

- Acquired Manufacturing site from Novartis in 2000
- Specialty Chemicals, Insecticides, Fungicides and Intermediates Manufacturing Site

720 m³ TOTAL REACTOR VOLUME

Our state-of-the-art R&T facility



15 Synthetic Laboratories	4 Instrumentation Labs	1 Kilo Lab (Scale up & Pilot)
1 Process Safety Lab	1 Effluent Treatability Lab	1 Solid State Chemistry Lab
1 Innovation Lab	1 Simulation Lab	1 High Pressure Lab
6 Process Development Lab	>250 Post Graduates	26 PhD

Key Operational Metrics



5

Manufacturing facilities



\$60Mn

Capex invested in new Assets



3000+

Employees



24

Production Blocks

Pharmaceuticals



67

Active DMFs



27

Commercialized APIs



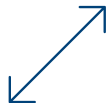
2,460MT

Active Pharma Ingredients Sold in FY24



360MT

Advanced Intermediates Sold in FY24



1,600m³*
Capacity

Crop Protection



1 Kilo lab

(Scale up & Pilot)



22

Commercialized Products



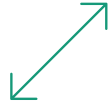
3,740MT

Active Ingredients Sold in FY24



640MT

Advanced Intermediates Sold in FY24



2,500m³*
Capacity

Note: *Includes upcoming expansion plane



Sustainability Initiatives

Driving Sustainable Growth

High potential based on industry trends, customer requirements

Environment

Decarbonization

Material circularity

Water management

Social

Health and safety

- Employee
- Customers

Community relations

Diversity & inclusion

Governance

Fair sourcing

Governance & corruption

Transparency & risk management

Note: * Resource Intensity

PHASE 1 Initiation Program (Completed)

- Baselineing for GHG1&2
- Material Topics Identification
- GHG Reduction Targets (SBTIs)
- Deployment of ESG Platform
- Evaluation of ESG readiness and performance vs peers

PHASE 2 Program Governance (Ongoing)

- Baselineing for GHG Scope 3
- Signatory to SBTi
- Setting Scope 1 and Scope 2 emissions target based on phase 1 findings
- Design of Decarbonization Pathway
- Energy Efficiency Audit
- Renewable Energy Integration
- Accounting of scope 3 emissions

PHASE 3 Actions & Impact (To commence)

- Submission SBTi Targets
- Deployment of Energy saving Project
- Public Goals (Carbon neutrality, SBTi, RE100, other)
- Verified Emissions Reductions
- Renewable Energy & Cleantech(PPA / VPPA)

Our efforts have been recognized by leaders in sustainability assessment



We have been awarded with the bronze rating by EcoVadis



Key Regulatory Approvals



Integrated Management Systems across all sites





Awards



Our Chairman recognised by WWF India for Hikal's impactful contribution towards Nature Gaudian Program



Our Corporate Communications & Digital team awarded with the Bronze Award for Excellence in Environmental Stewardship at the Imagexx 2024 Summit Awards for Hikal's #PledgeForGreenChange campaign

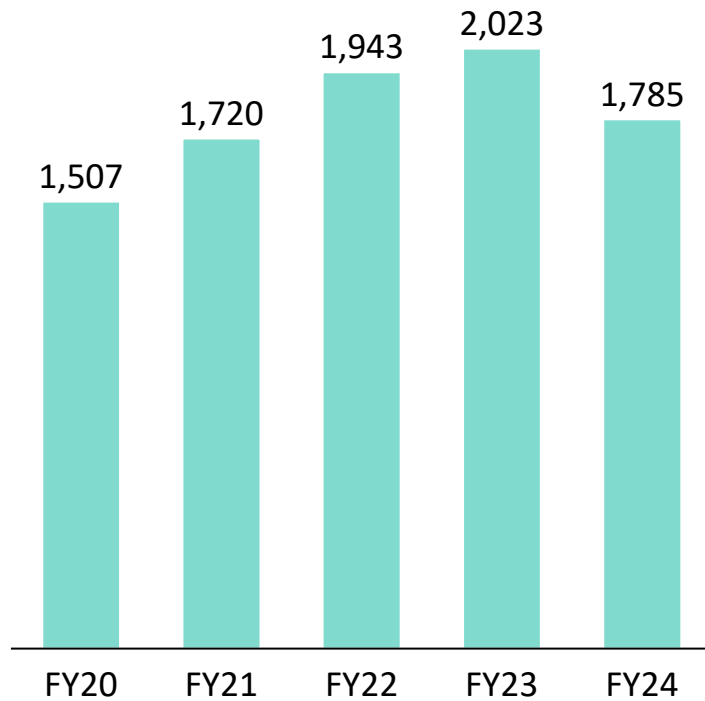


Historical Financials

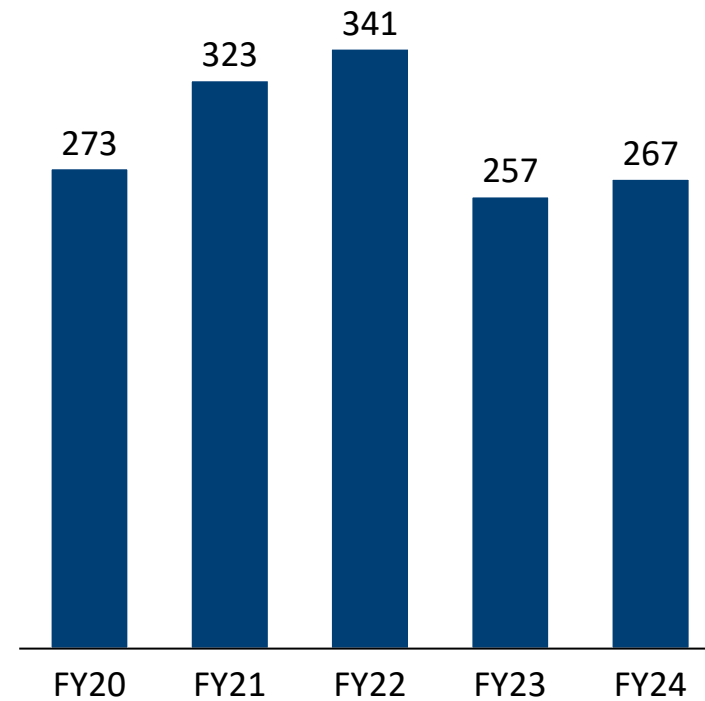
Yearly Financial Highlights

Rs. In crores

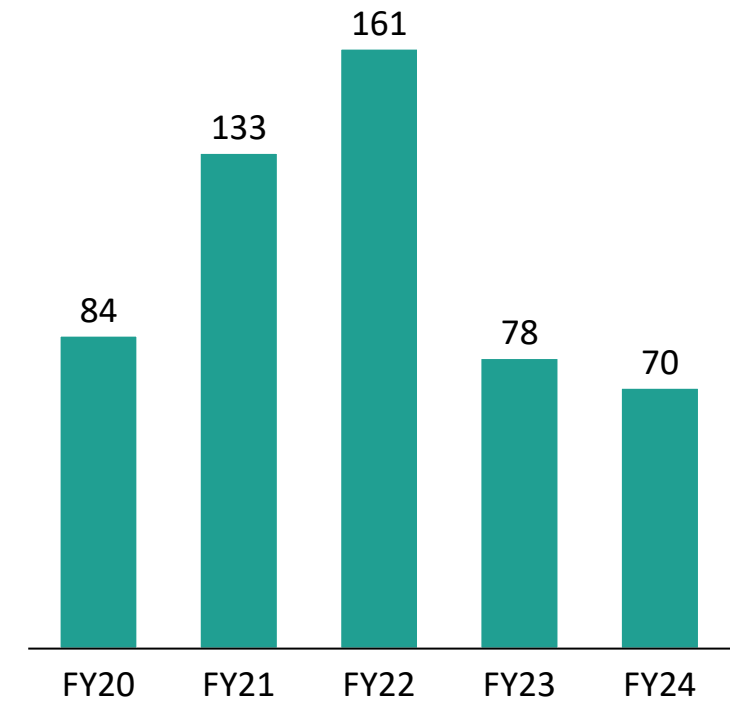
Revenue



EBITDA



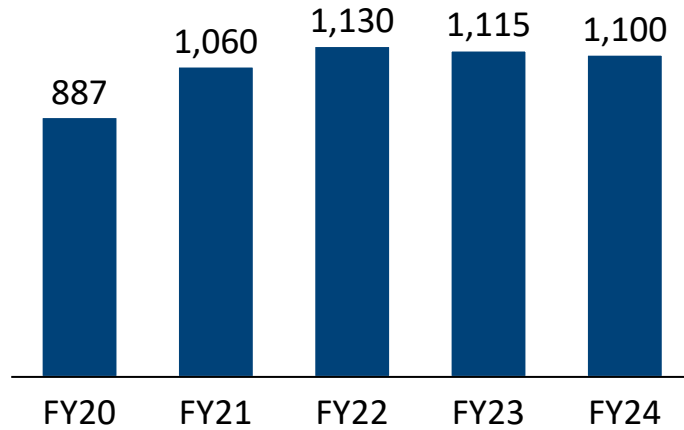
PAT



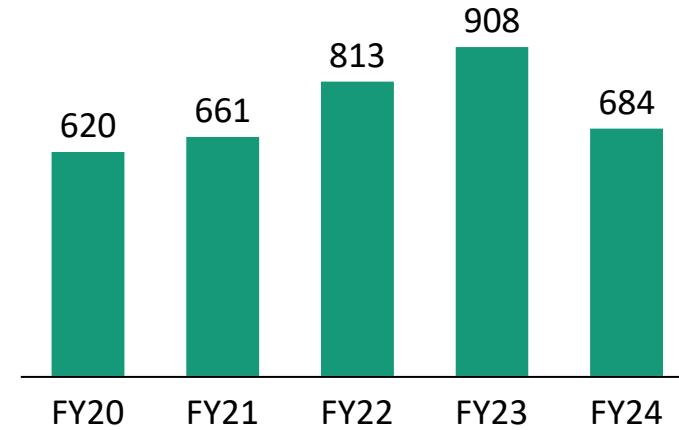
Yearly Segmental Highlights

Rs. In crores

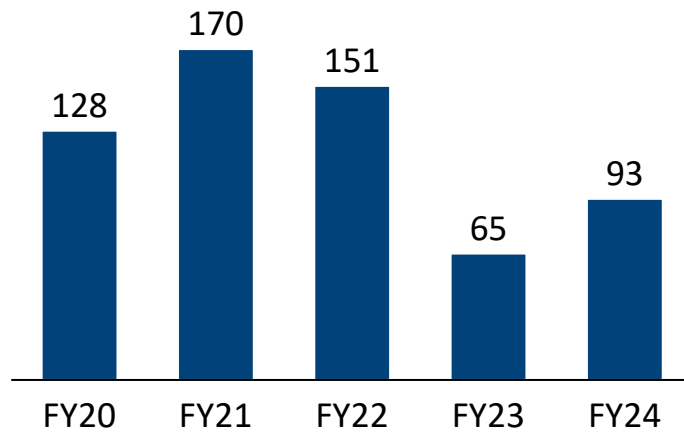
Pharmaceuticals Revenue



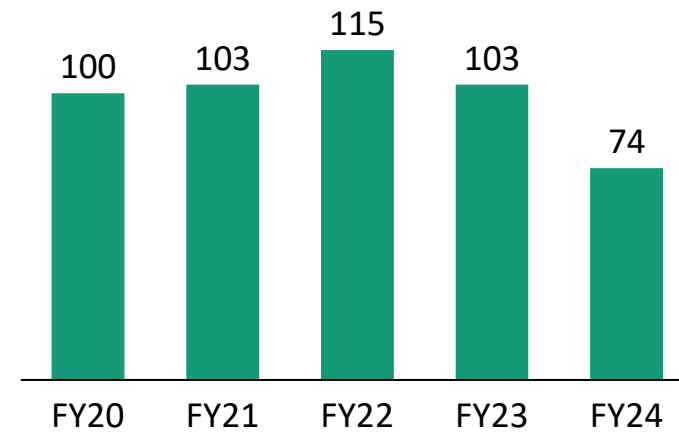
Crop Protection Revenue



Pharmaceuticals EBIT

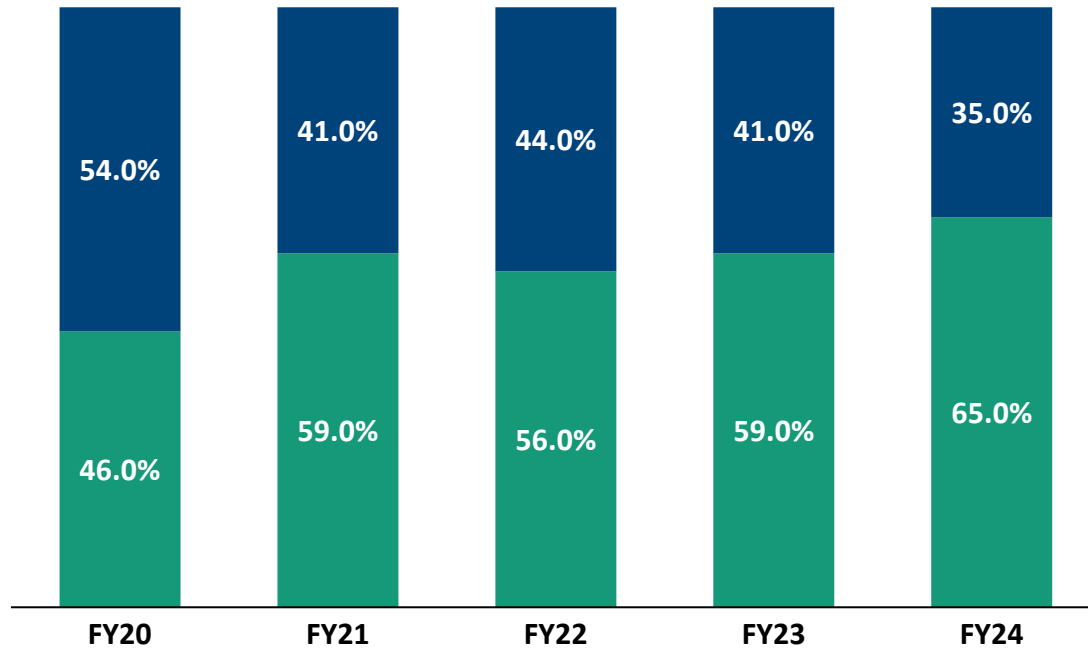


Crop Protection Revenue

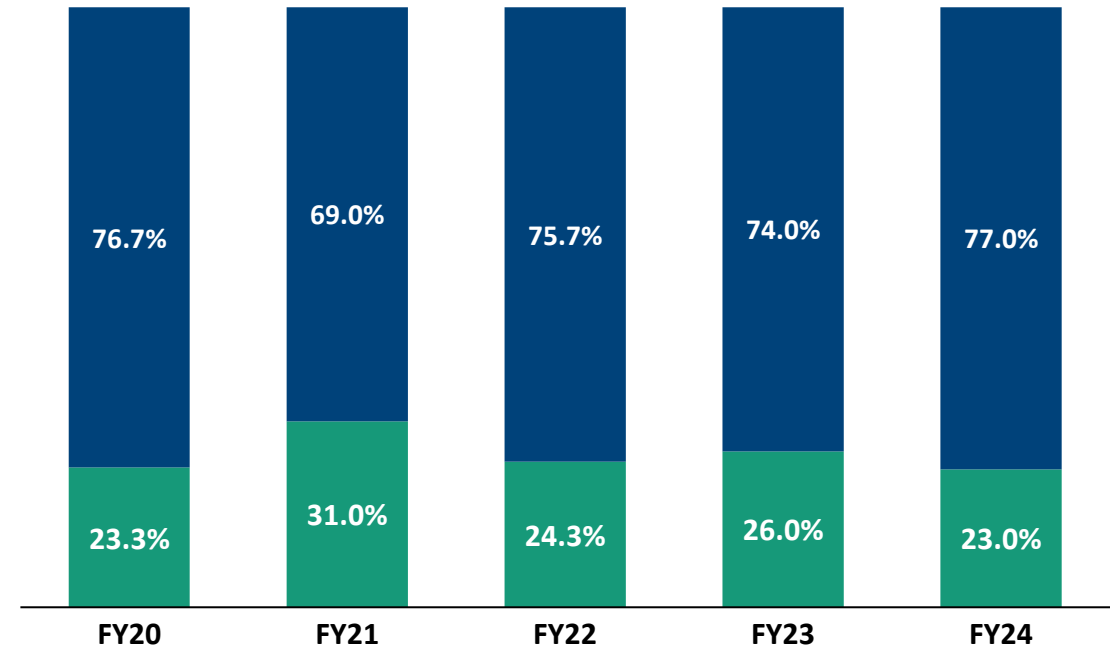


Sales Break-Up

Pharmaceuticals Revenue Break-Up



Crop Protection Revenue Break-Up



CDMO Own Products

Consolidated Profit & Loss – Full Year



Particulars (Rs. In Crore)	FY24	FY23	Y-o-Y
Net Sales	1,785	2,023	-12%
EBITDA	267	257	+4%
Margin	15.0%	12.7%	230 bps
Depreciation	118	109	
Finance Costs	56	48	
Exceptional Item	-	-	
PBT	95	105	-9%
Tax	26	27	
Net Profit	70	78	-11%
Margin	3.9%	3.9%	-

Consolidated Balance Sheet



Assets (Rs. In Crore)	Mar-24	Mar-23
Total Non Current Assets	1,520	1,446
Property, Plant and Equipment	996	885
Capital work in Progress	414	402
Right to Use Assets	65	63
Other Intangible Assets	10	-
Intangible Assets Under Development	-	10
Financial Assets		
Investments	5	5
Loans	-	-
Other	16	19
Income Tax Assets (Net)	2	2
Other Non Current Assets	12	60
Total Current Assets	967	940
Inventories	304	317
Financial Assets		
Current Investment	-	-
Trade Receivables	550	442
Cash & Cash Equivalents	13	27
Bank Balances	8	33
Loans	-	-
Other	14	17
Other Current Assets	78	104
TOTAL ASSETS	2,487	2,386

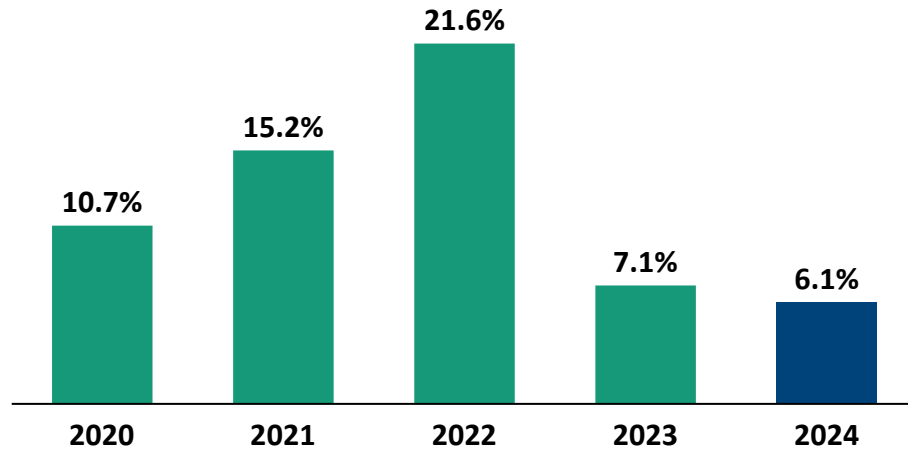
Equities & Liabilities (Rs. Crore)	Mar-24	Mar-23
Shareholders Fund	1,188	1,134
Share Capital	25	25
Other Equity	1,163	1,109
Total Non Current Liabilities	543	590
Financial Liabilities		
Borrowings	423	490
Lease Liability	3	-
Provisions	28	23
Deferred Tax Liabilities (net)	30	33
Other non current liabilities	59	44
Total Current Liabilities	756	662
Financial Liabilities		
Borrowings	392	258
Lease Liability	-	-
Trade Payables	279	314
Other Financial Liabilities	41	49
Other Current Liabilities	28	24
Provisions	4	3
Current Tax Liabilities (Net)	12	14
TOTAL EQUITY & LIABILITIES	2,487	2,386

Consolidated Cash Flow Statement

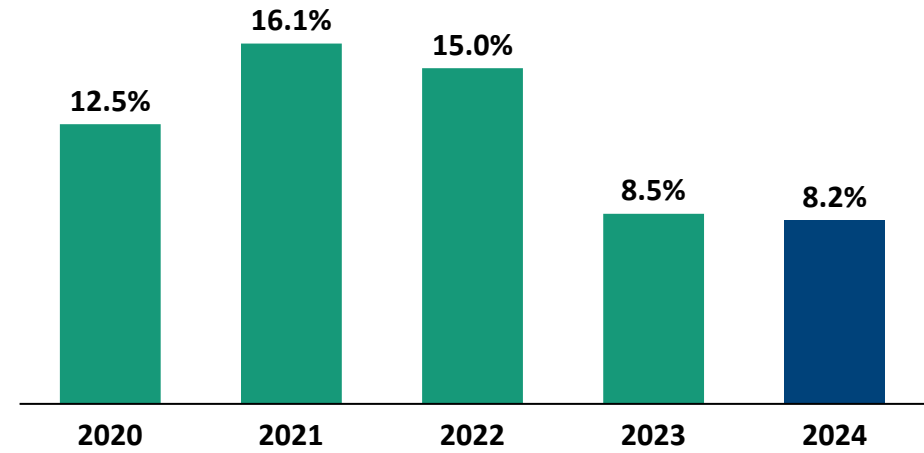
Particulars (Rs. In Crore)	Full Year ended 31-Mar-24	Full Year ended 31-Mar-23
Profit before tax	95	105
<i>Adjustments</i>	<i>175</i>	<i>163</i>
Operating Profit Before Working Capital Changes	270	268
<i>Change in operating assets and liabilities</i>	<i>(53)</i>	<i>76</i>
Cash generated from operations	217	344
<i>Income taxes paid</i>	<i>(30)</i>	<i>(29)</i>
Net cash inflow from operating activities (A)	187	315
Net cash inflow/(outflow) from investing activities (B)	(174)	(292)
Net cash outflow from financing activities (C)	(27)	(8)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(14)	15
Cash and cash equivalents at the beginning of the year	27	11
Cash and cash equivalents at the end of the year	13	27

Ratio Analysis

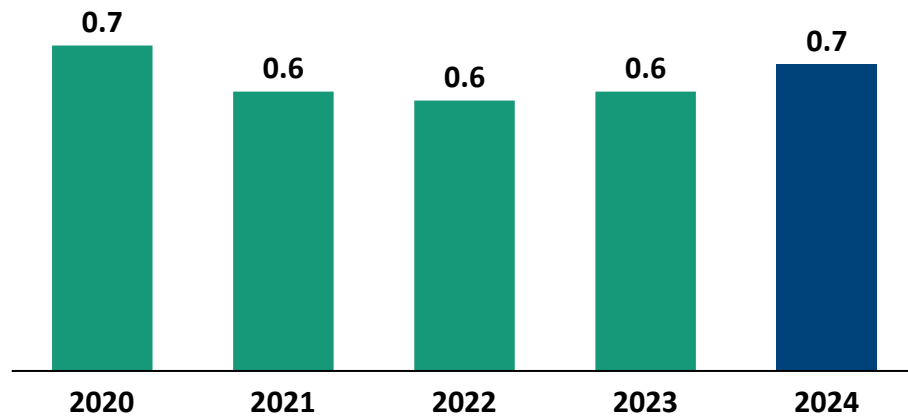
ROE%



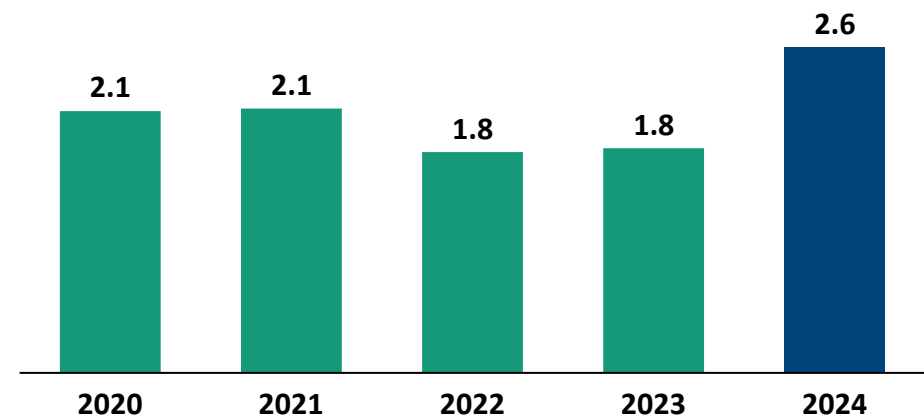
ROCE%



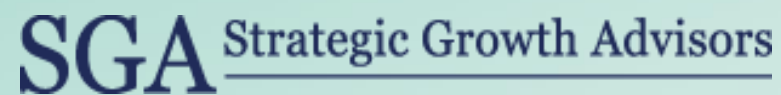
Net Debt / Equity (x)



Net Debt / EBITDA (x)



Thank You



Company:

Hikal Limited

CIN: L24200MH1988PTC048028

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Strategic Growth Advisors Pvt. Ltd

CIN: U74140MH2010PTC204285

Mr. Jigar Kavaiya / Ms. Ami Parekh

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