



HIKAL

Investor Presentation

Q1 FY26
August, 2025



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Leading with Vision

Mr. Jai Hiremath,
Executive Chairman



“The global chemical and life sciences industry continues to face mitigated headwinds, marked by a gradual pickup in demand and capacity utilization, though pricing remains under pressure in some segments. Escalating tariff uncertainties and ongoing trade realignments have added a layer of volatility to global supply chains and procurement cycles. For Q1 FY26, our consolidated revenue stood at Rs. 380 Cr, with EBITDA at Rs. 25 Cr, reflecting a lower-than-forecasted start to the financial year.

Our pharmaceutical segment delivered revenue of Rs. 203 Cr, with an EBIT margin of -12.9%. After the US FDA audit conducted in February 2025, we received an Official Action Indicated (OAI) communication on 22nd May. This led to temporary deferment of offtake in our pharmaceutical division across both the generic and more profitable CDMO business during the quarter, as customers conducted their own risk assessment audits as part of their own internal protocol before resuming supplies typically. This resulted in a short-term quarterly impact on revenue and profitability. We expect these supplies to resume partly in Q2 and through the rest of the year and confirm our overall guidance for full financial year for the pharmaceutical division.

As part of our risk mitigation strategy on the FDA observations, we have taken several proactive measures, including onboarding a seasoned remediation partner to address regulatory observations and the engagement with the regulatory authorities to resolve the matter expeditiously. We have submitted timely comprehensive responses, outlining our CAPA plan along with our implementation progress, and remain actively engaged with the agency to ensure full alignment with regulatory expectations. I would like to reaffirm our unwavering and continued commitment to compliance and quality excellence.

We did have some positive news during the quarter. GMP audits at our Bangalore API facility by two global regulatory agencies - ANVISA, Brazil and PMDA Japan were successfully concluded. This reinforces our regulatory credentials and positions us well for future growth in Japan and key LATAM markets.

Our crop protection business reported revenue of Rs. 178 Cr with an EBIT margin of 9.7%. The business remained largely flat on a YoY basis, reflecting persistent global overcapacity, and continued pricing pressure, particularly from lower priced Chinese competition. Despite these headwinds, our focus on product mix and cost discipline helped maintain operational efficiency. We expect gradual volume recovery and a more stable pricing environment in the second half of the year, aligned with the seasonal demand uptick.

In our animal health business, we continue to make steady progress as several molecules have completed development and validation, and additional ones are moving through the pipeline. These initiatives position us well for global regulatory submissions and eventual commercialization in FY27 and beyond.

Despite the challenging start to the year in Q1 we remain confident of delivering on our guidance for FY26. We expect a more meaningful recovery in Q3 and Q4 FY26, supported by increased demand visibility, improved capacity utilization, and new product commercialization.”



Q1FY26: Performance at a Glance



Q1FY26: Consolidated Performance Summary

CONSOLIDATED: FINANCIAL SUMMARY

Rs. In Crs	Q4FY25	Q1FY25	Q1FY26
Revenue	552	407	380
EBITDA	124	58	25
EBITDA%	22.4%	14.3%	6.5%
PAT	50	5	(23)
EPS	4.08	0.42	(1.84)

CONSOLIDATED: REVENUE SPLIT%

Rs. In Crs	Q4FY25	Q1FY25	Q1FY26
Pharmaceuticals	64%	56%	53%
Crop-Protection	36%	44%	47%

COMMENTARY

- Revenue recorded at Rs 380 Crore; impacted by deferred offtake post USFDA OAI in May 2025
- Regulatory audits of Bangalore facilities by ANVISA, Brazil and PMDA, Japan concluded successfully
- In the Pharmaceutical business, offtake is expected to recover in the second half of the financial year
- In the crop protection business, we are focusing on capacity utilization and operational efficiency whilst aggressively building the future pipeline
- We are making progress in the Personal Care and Specialty Chemicals space, in line with our broader diversification strategy
- Focus remains on cost optimization, operational efficiency, and compliance culture
- We continue to strengthen the balance sheet with improvement in operating cashflow and reduction in debt

PHARMACEUTICALS: FINANCIAL SUMMARY

Rs. In Crs	Q4FY25	Q1FY25	Q1FY26
Revenue	351	229	203
EBIT	55	9	(26)

PHARMACEUTICALS: REVENUE SPLIT%

Rs. In Crs	Q4FY25	Q1FY25	Q1FY26
CDMO	49%	37%	49%
Own Products	51%	63%	51%

COMMENTARY

- Revenue declined due to short-term pause in customer offtake post-OAI status
- Regulatory audits of Bangalore facilities by ANVISA, Brazil and PMDA, Japan concluded successfully
- Several customer audits are completed; expected to recover offtake in second half of the year
- Volumes in key products and markets impacted during the quarter; margin mix remained unfavorable
- Expanding capabilities to support high-potency and complex chemistry projects
- CDMO business has a robust pipeline of various projects from both existing and potential clients; traction in complex chemistry molecules is seen
- Developing differentiated products for enhancing our own product portfolio. Registrations continues to come through in regulated markets such as EU, Japan and Australia

CROP PROTECTION: FINANCIAL SUMMARY

Rs. In Crs	Q4FY25	Q1FY25	Q1FY26
Revenue	201	177	178
EBIT	36	21	17

CROP PROTECTION: REVENUE SPLIT%

Rs. In Crs	Q4FY25	Q1FY25	Q1FY26
CDMO	62%	70%	67%
Own Products	38%	30%	33%

COMMENTARY

- Revenue for the quarter remains flat as anticipated
- We witnessed volume growth however margins remain under pressure
- The Crop Protection industry is undergoing strategic realignments leading to near term challenges as well as long term opportunities
- CDMO business has a robust pipeline of 8 projects from both existing and potential clients
- Several customer audits and visits completed successfully during the quarter
- We are making progress in the Personal Care and Specialty Chemicals space, in line with our broader diversification strategy



Q1FY26: Consolidated P&L



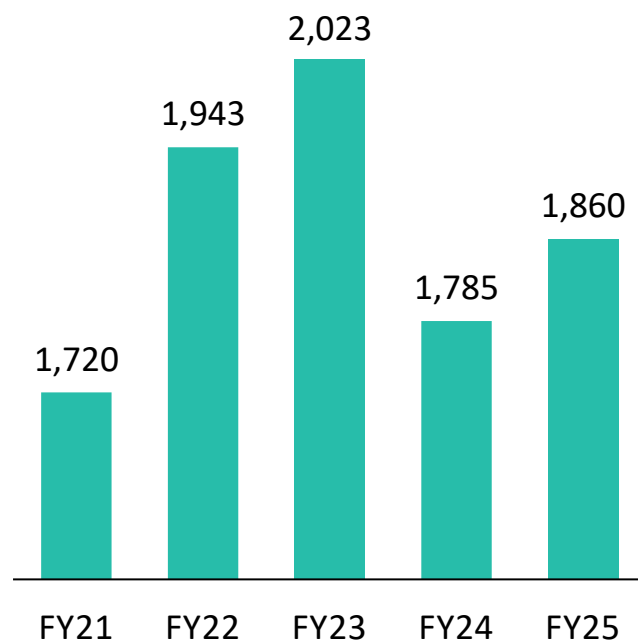
Particulars (Rs. In crores)	Q1FY26	Q1FY25	YoY	Q4FY25	QoQ
Revenue	380	407	(6.5)%	552	(31.1)%
Expenditure	356	349		429	
EBITDA	25	58	(57.4)%	124	(80.0)%
EBITDA Margin	6.5%	14.3%	(778)bps	22.4%	(1585)bps
Other Income	1	1		1	
Depreciation	39	32		38	
Interest	17	20		18	
PBT	(31)	7	(539.1)%	68	(144.9)%
Tax	(8)	2		18	
Net Profit	(23)	5	(537.4)%	50	(145.2)%



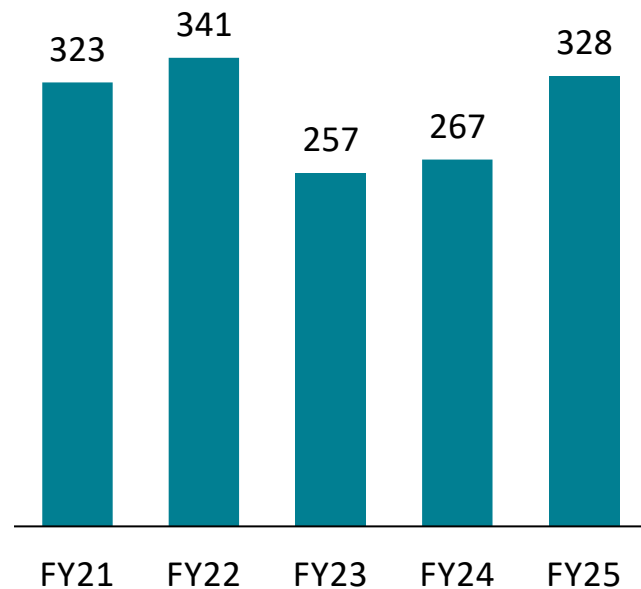
Historical Performance Highlights

Rs. In crores

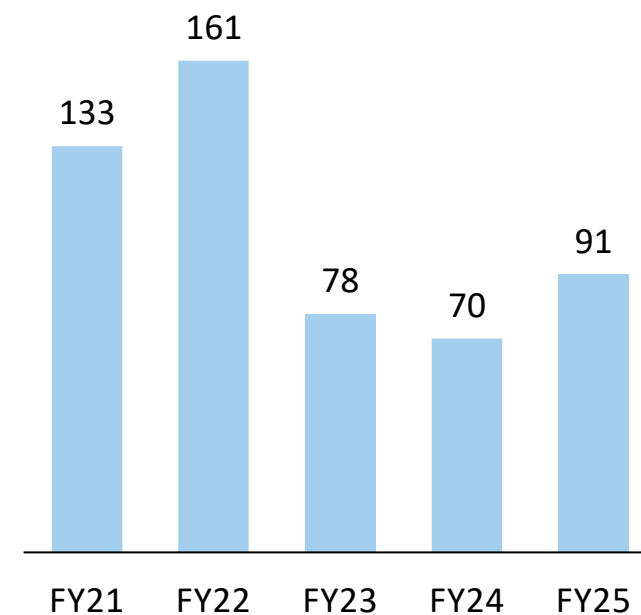
REVENUE



EBITDA



PAT

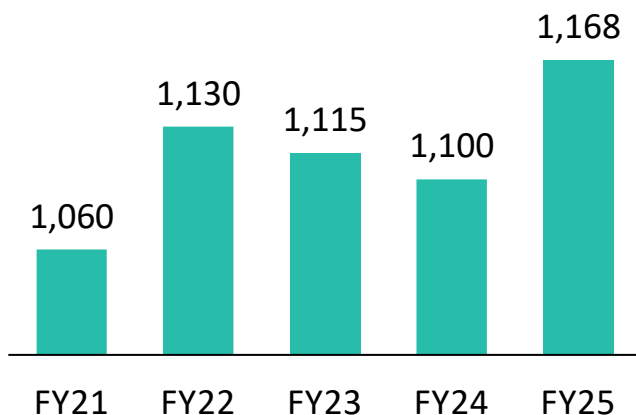




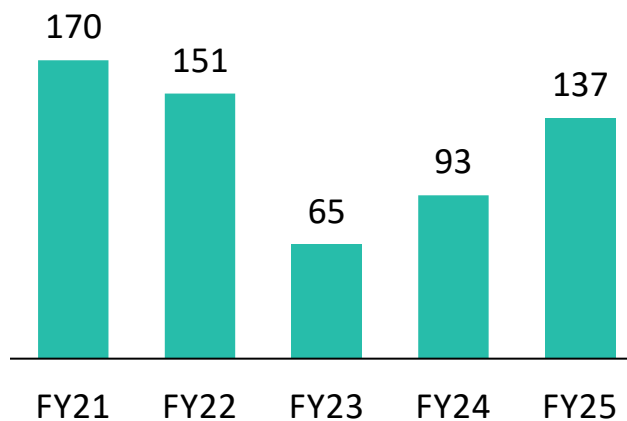
Historical: Segmental Highlights

Rs. In crores

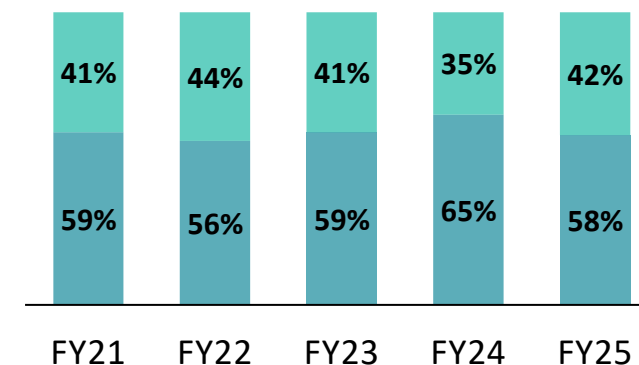
REVENUE



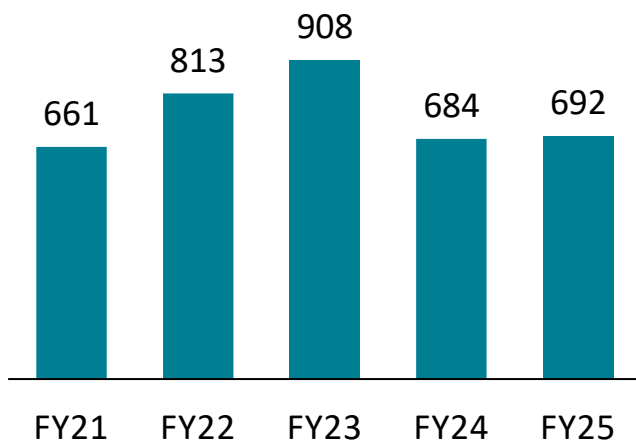
EBIT



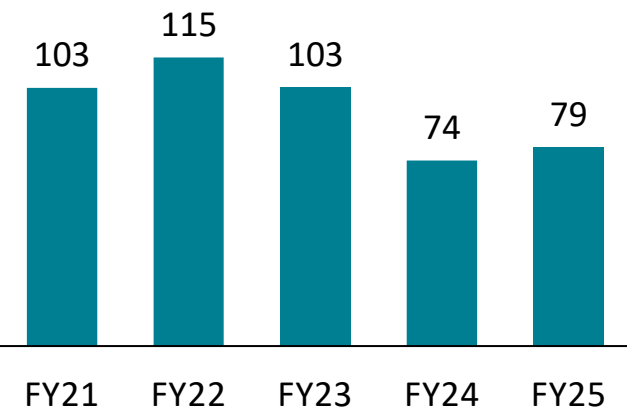
REVENUE SPLIT %



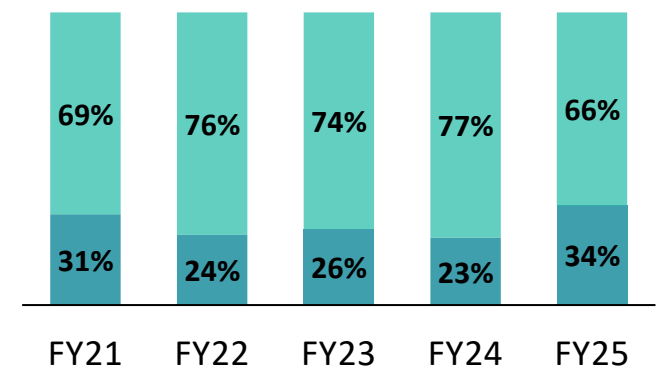
REVENUE



EBIT



REVENUE SPLIT %





Consolidated Balance Sheet



Assets (Rs. In Crore)	Mar-25	Mar-24
Total Non Current Assets	1,533	1,520
Property, Plant and Equipment	1293	996
Capital work in Progress	121	414
Right to Use Assets	63	65
Other Intangible Assets	8	10
Intangible Assets Under Development	-	-
Financial Assets		
Investments	10	5
Loans	0	-
Other	21	16
Income Tax Assets (Net)	3	2
Other Non Current Assets	14	12
Total Current Assets	996	967
Inventories	334	304
Financial Assets		
Current Investment	-	-
Trade Receivables	522	550
Cash & Cash Equivalents	13	13
Bank Balances	5	8
Loans	-	-
Other	65	14
Other Current Assets	56	78
TOTAL ASSETS	2,529	2,487

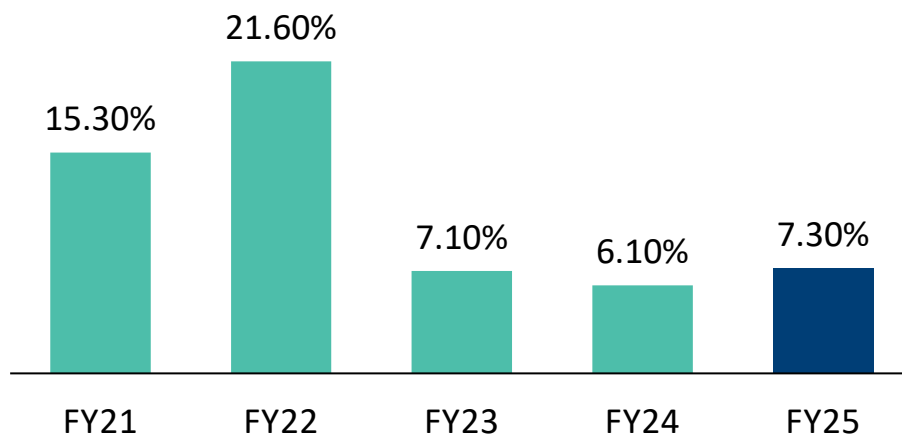
Equities & Liabilities (Rs. Crore)	Mar-25	Mar-24
Shareholders Fund	1,263	1,188
Share Capital	25	25
Other Equity	1,238	1,163
Total Non Current Liabilities	476	543
Financial Liabilities		
Borrowings	367	423
Lease Liability	2	3
Provisions	15	28
Deferred Tax Liabilities (net)	33	30
Other non current liabilities	59	59
Total Current Liabilities	790	756
Financial Liabilities		
Borrowings	395	392
Lease Liability	0	-
Trade Payables	304	279
Other Financial Liabilities	45	41
Other Current Liabilities	16	28
Provisions	17	4
Current Tax Liabilities (Net)	13	12
TOTAL EQUITY & LIABILITIES	2,529	2,487

Particulars (Rs. In Crore)	Full Year ended 31-Mar-25	Full Year ended 31-Mar-24
Profit before tax	124	95
<i>Adjustments</i>	<i>215</i>	<i>175</i>
Operating Profit Before Working Capital Changes	339	270
<i>Change in operating assets and liabilities</i>	<i>(29)</i>	<i>(53)</i>
Cash generated from operations	310	217
<i>Income taxes paid</i>	<i>(30)</i>	<i>(30)</i>
Net cash inflow from operating activities (A)	280	187
Net cash inflow/(outflow) from investing activities (B)	(137)	(174)
Net cash outflow from financing activities (C)	(144)	(27)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	0	(14)
Cash and cash equivalents at the beginning of the year	13	27
Cash and cash equivalents at the end of the year	13	13

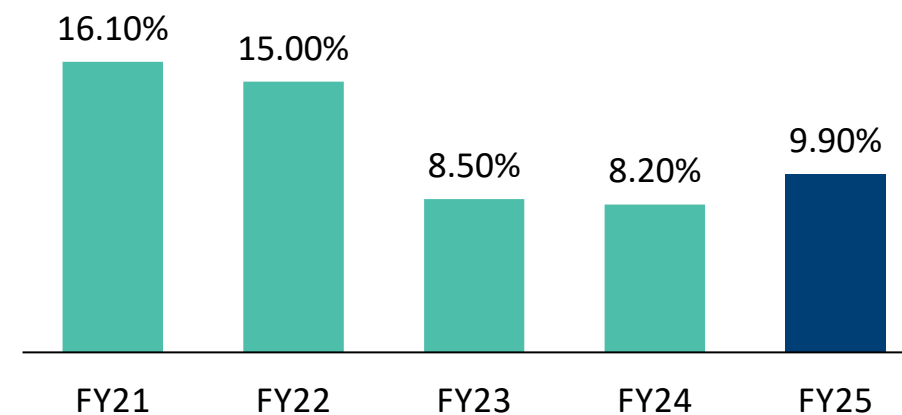


Historical: Ratios

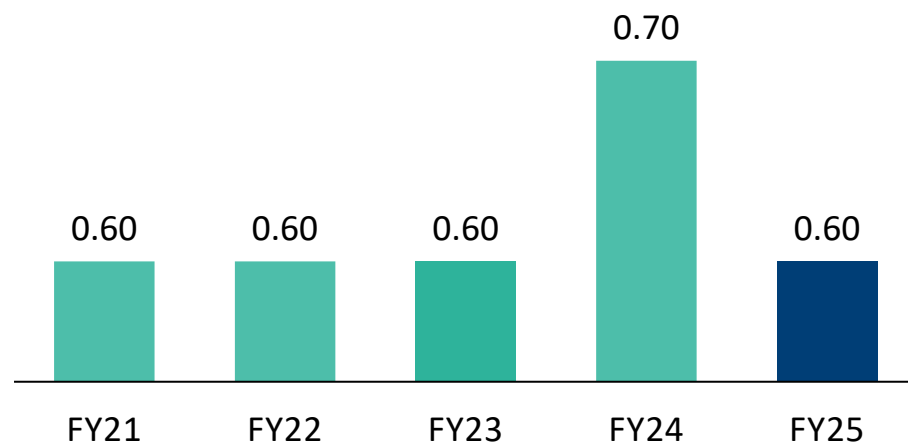
ROE%



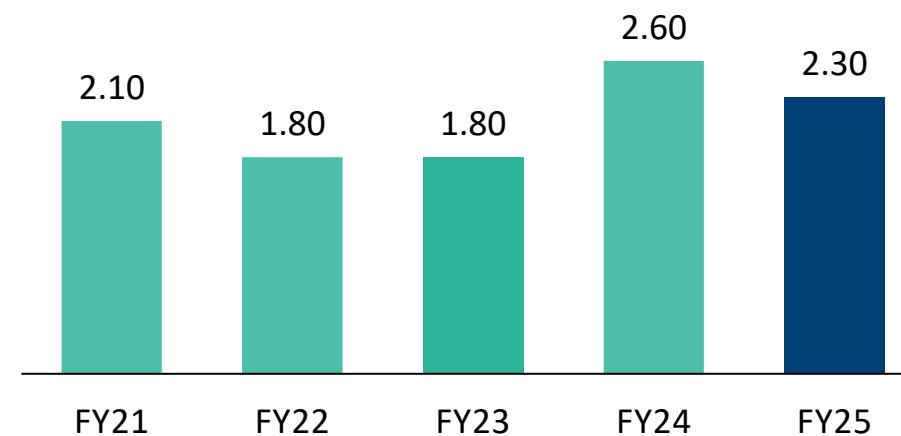
ROCE%



NET DEBT / EQUITY (X)



NET DEBT / EBITDA (X)





Corporate Snapshot



VISION

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



01



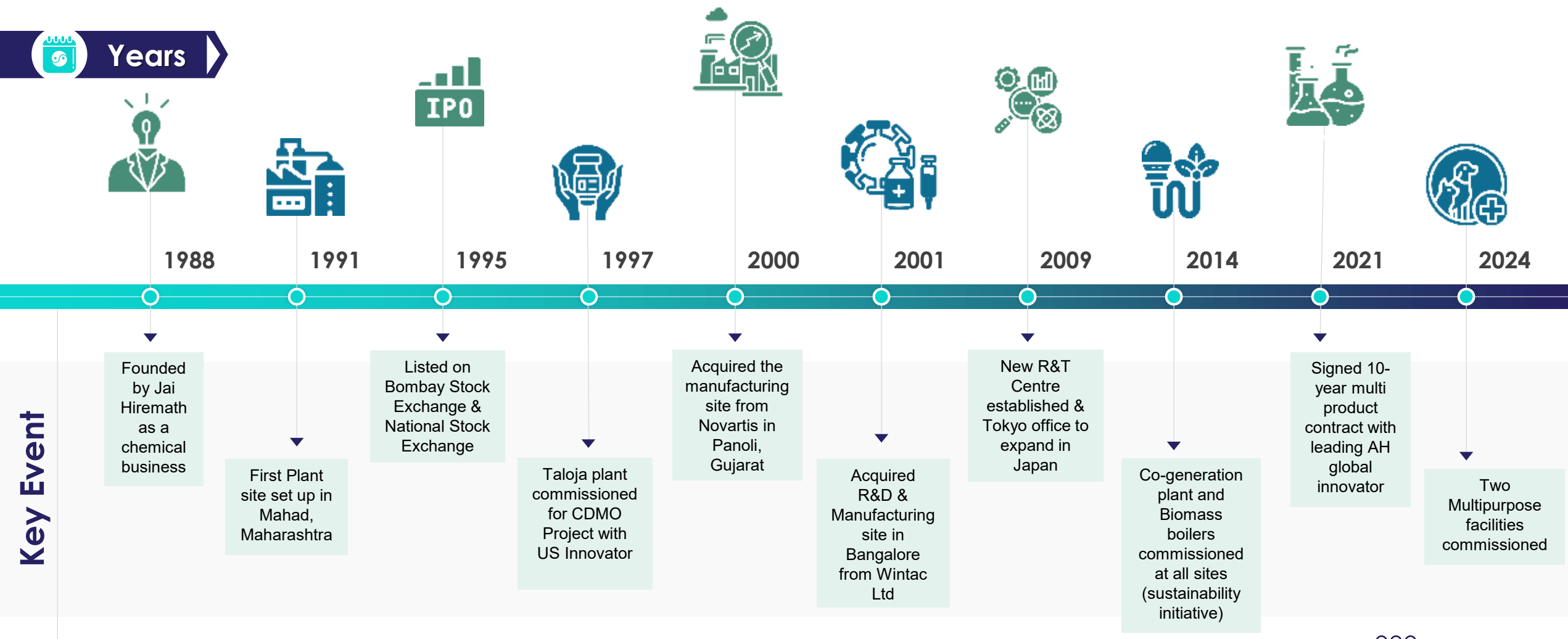
02



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.





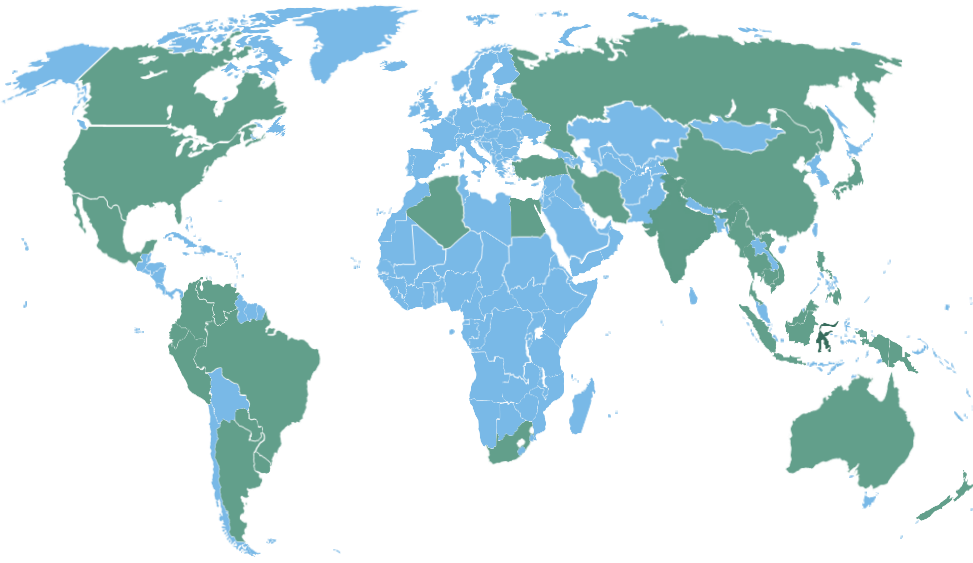
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Domestic & Global Presence

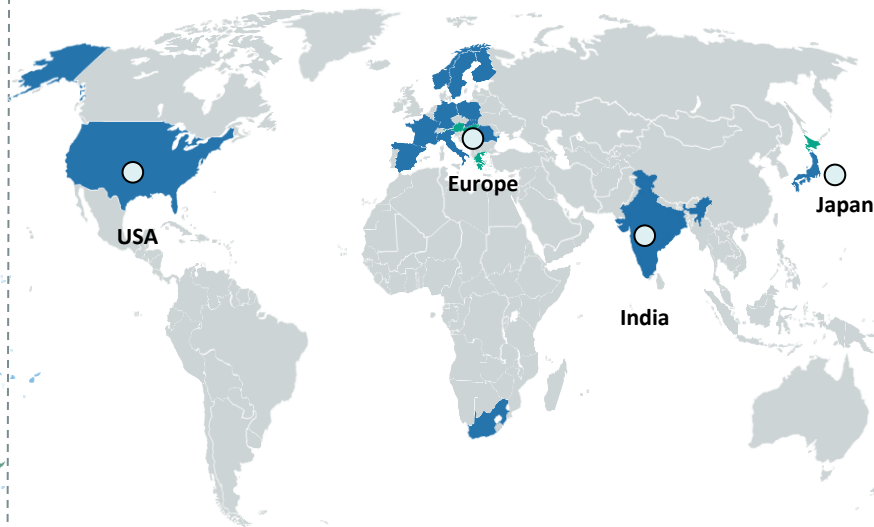


We Service Clients Globally

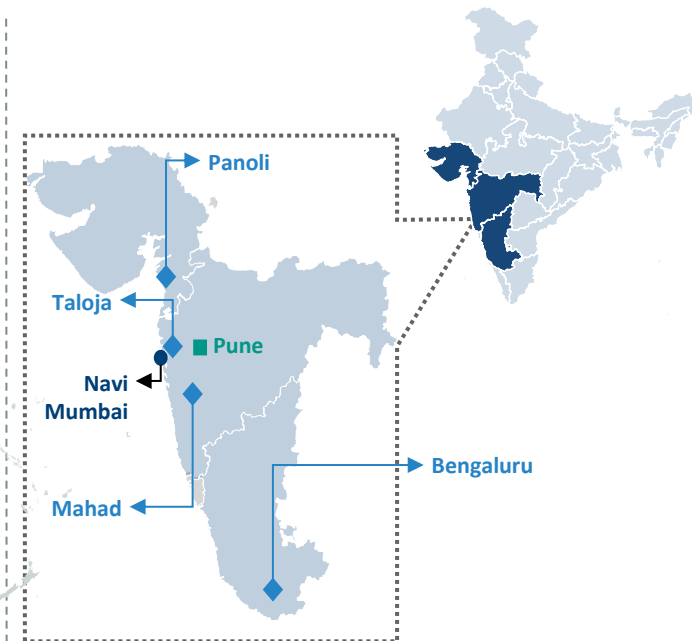


We serve markets across Americas, Europe, ME & Africa, Asia (incl. Japan), and Australia

Through our Global Footprint



We have offices across USA, Europe, India and Japan



And manufacturing facilities across India

Note: Maps not to scale. All data, information, and maps are provided "as is" without warranty or any representation of accuracy, timeliness or completeness. Not all countries and territories labelled.



Manufacturing Capabilities

Pharmaceuticals



Jigani Unit 1, Karnataka

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

615 m³ TOTAL REACTOR VOLUME

74,800 m² site area



Jigani Unit 2, Karnataka

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

93 m³ TOTAL REACTOR VOLUME

8,000 m² site area



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

84,6000 m² site area

Crop Protection

Mahad, Maharashtra

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

549 m³ TOTAL REACTOR VOLUME

27,000 m² site area



Taloja, Maharashtra

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

593 m³ TOTAL REACTOR VOLUME

60,000 m² site area



Panoli, Gujarat

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

720 m³ TOTAL REACTOR VOLUME

36,700 m² site area





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

15 Synthetic Laboratories	4 Instrumentation Labs
1 Process Safety Lab	1 Effluent Treatability Lab
1 Kilo Lab (Scale up & Pilot)	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



74

Active DMFs



31

Commercialized
APIs



440MT

Advanced Intermediates
Sold in FY25



2,850MT

Active Pharma
Ingredients Sold in
FY25



1,600m³*
Capacity

Crop Protection



31

Commercialized
Products



4,350MT

Active Ingredients
Sold in FY25



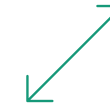
1 Kilo lab

(Scale up & Pilot)



760MT

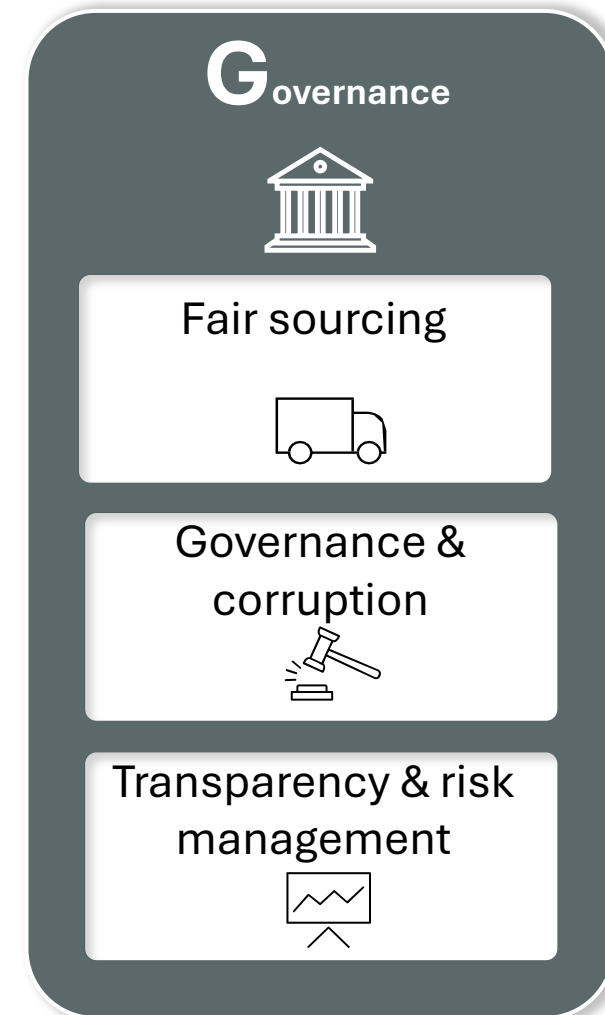
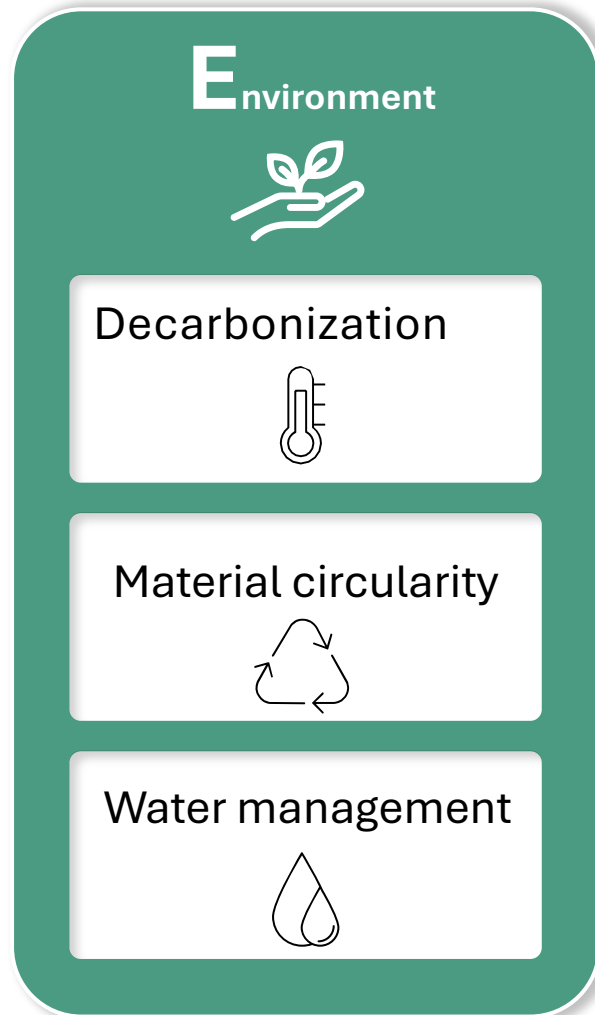
Advanced Intermediates
Sold in FY25



2,500m³*
Capacity



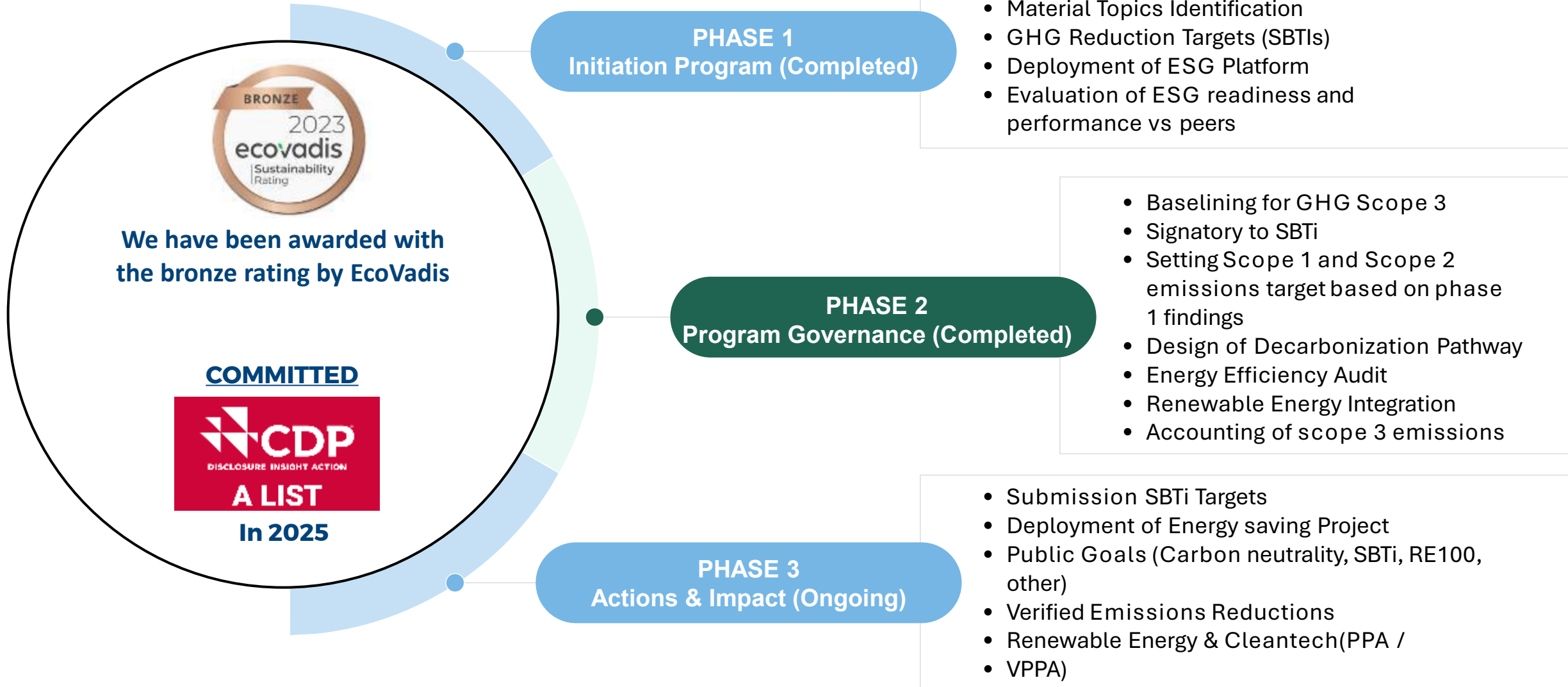
Our Commitment to Society





ESG – Key Initiatives

Our efforts have been recognized by leaders in sustainability assessment





Key Regulatory Approvals



ecovadis

Integrated Management Systems across all sites



Recognitions & Achievements



Awards & Accolades

Employer of the Year Award

Received at the India HR Summit & Awards (December 2024) for demonstrating excellence in creating a supportive and inclusive work environment that empowers employees to thrive.



TISS Leapvault CLO Awards 2024 (November 2024)

- Gold Award: Skill Development Initiative
- Silver Award: Employee Engagement Initiative

Recognizing our innovative programs to enhance workforce skills and strengthen employee engagement, which are key drivers of our success.



The Great Managers Award 2024

Ranked among the Top 50 Companies with Great Managers by People Business (December 2024). This honour highlights our focus on nurturing effective leadership and managerial excellence.





WOW Workplace Award 2025

Hikal has been recognized as one of the WOW Workplaces of 2025 in the Manufacturing & Allied category. The Jombay WOW Workplace Awards highlight organizations with excellent employee reviews. The evaluation uses Jombay's AI engine to analyse employee testimonials against the WOW Engagement framework for organizational rating.



ET NOW Best Organizations for Women

The 5th Edition of ET NOW Best Organizations for Women celebrates organizations in India that excel in empowering women and advocating for their rights. Hikal Limited has been shortlisted based on criteria such as female workforce representation, policies preventing harassment, benefits for women employees, CSR initiatives, gender diversity targets, and leadership programs for women



Thank You



Company:

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