



Investor Presentation: Q2 & H1 FY25

November, 2024



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Jai Hiremath
Executive Chairman

“The chemical market is gradually showing signs of improvement in 2024 with volumes showing a marginal growth over last year. In Q2 FY25, our revenue amounted to Rs. 453 Cr, with an EBITDA of Rs. 75 Cr, reflecting growth on both QoQ and YoY basis. For the H1 FY25, revenue stood at Rs. 860 Cr, with an EBITDA of Rs. 133 Cr, growth of 4% and 23% respectively. During H1FY25, we have reduced our working capital and improved cashflow. The stable raw materials prices, focused cost improvement initiatives along with intensified customer acquisitions helped us to improve our margins both on a QoQ and YoY basis.

In Q2 FY25, our pharmaceutical segment generated revenue of Rs. 294 Cr and an EBIT margin of 13.7%, an increase of 28.1% and 994 bps, respectively on QoQ basis. In our CDMO business, we continue to receive enquiries from several innovator customers, and we have a robust pipeline of projects at various stages of development. In our API segment, we are experiencing a moderate surge in volume demand from existing and new clients.

In Q2 FY25, our crop protection segment reported revenue of Rs. 159 Cr, with an EBIT margin of 5%. The Crop Protection sector is beginning to show some signs of stabilization. Domestic markets have shown a relatively better recovery trend in the recent quarters. The excess inventory situation is gradually easing, volumes are steadily recovering, however prices are still depressed in the global markets. We are cautiously optimistic that this gradual recovery will continue in the upcoming quarters.

In the Animal Health segment, as a part of long-term agreement with innovator, we have successfully completed the development and validation of six products, and we are on track to finalize the validation of additional products by the end of this year. This is an important milestone in our efforts to secure product registration and eventually launch them in global markets. We continue our efforts to target newer customers in this niche segment.

Under our strategic transformation initiative - Pinnacle, we have made significant progress in maintaining growth across our businesses. We have strengthened our efforts in our ESG initiatives, expanded our geographical reach, upgraded our technology infrastructure and acquired new customers. As we move into the next phase of our strategic plan, we are concentrating more on the front-end to seize opportunities that will contribute to building a robust pipeline across our diverse businesses.
















We remain focused to deliver profitable and sustainable growth across all business segments. We expect the second half to be better than the first half with realization from cost-improvement programs and higher revenues.”



Quarterly Financials Highlights

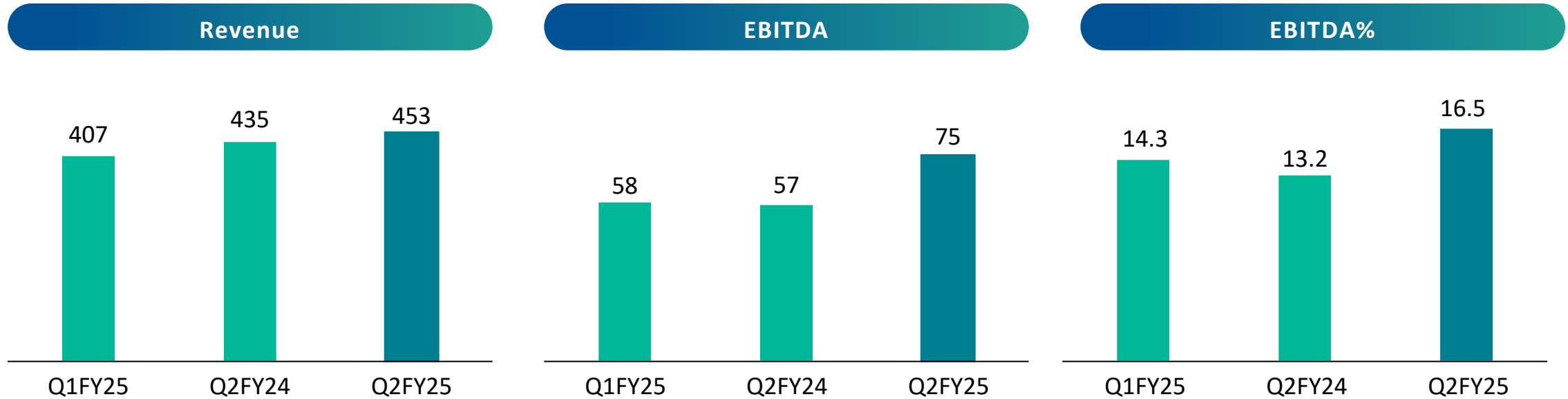
Q2 FY25: Operational Highlights



				
Revenue	EBITDA	PAT	EBITDA Margin	EPS
Rs. 453 Crore	Rs. 75 Crore	Rs. 18 Crore	16.5 %	Rs. 1.47
YoY  4%	YoY  30%	YoY  45%	YoY  329 bps	YoY  45%
QoQ  11%	QoQ  29%	QoQ  248%	QoQ  223 bps	QoQ  248%

Q2 FY25: Consolidated Performance

Rs. In crores



COMMENTARY

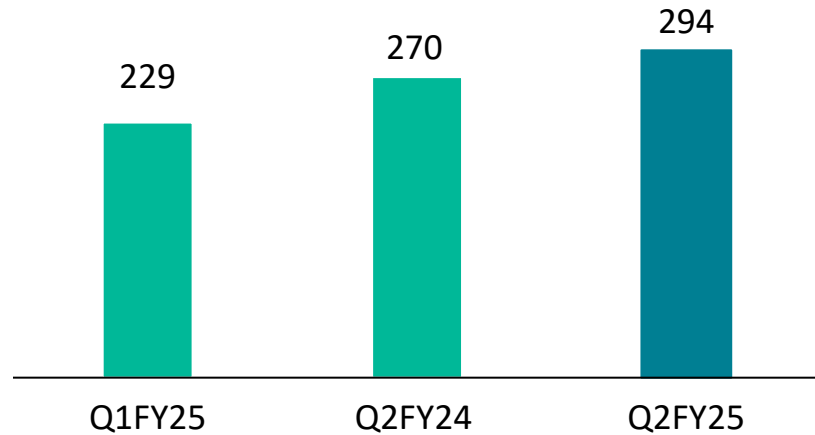
- Revenue recorded at Rs 453 Crore
- PAT stood at Rs. 18 Crore
- Reduced working capital and improved cashflow
- On YoY basis, recovery in margins are primarily due to business excellence initiatives

- Pharmaceutical business demonstrated robust performance
- Increased volume demand from existing & new API customers
- Enhanced operational efficiencies and streamlining costs have resulted in improved margin profile beyond favorable product mix

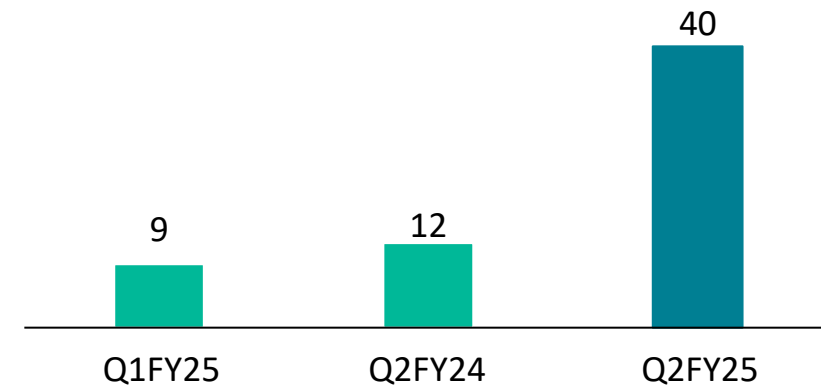
Q2 FY25: Pharmaceuticals Performance

Rs. In crores

Revenue



EBIT



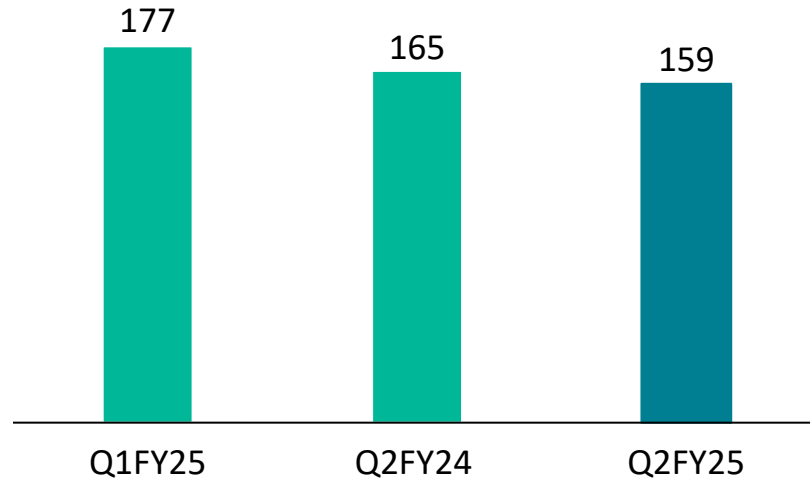
COMMENTARY

- Volume improvement to continue on account of widespread and deeper penetration globally in API business
- Filed 2 DMFs for two anti-coagulant products, one for US market and other for Europe market
- On CDMO side, supplied validation quantities during the quarter for an innovator customer
- 16 customer audits completed successfully during the quarter
- A combination of product mix and operating leverage have positively driven margins
- Enquiries for innovator customers continues to increase over last 3-4 quarters

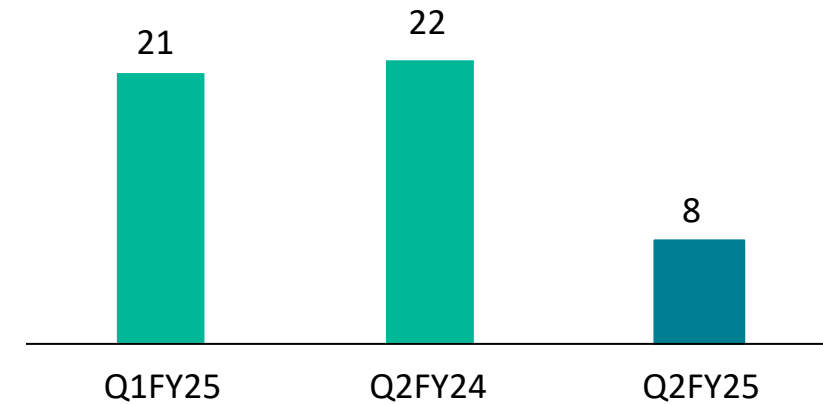
Q2 FY25: Crop Protection Performance

Rs. In crores

Revenue



EBIT



COMMENTARY

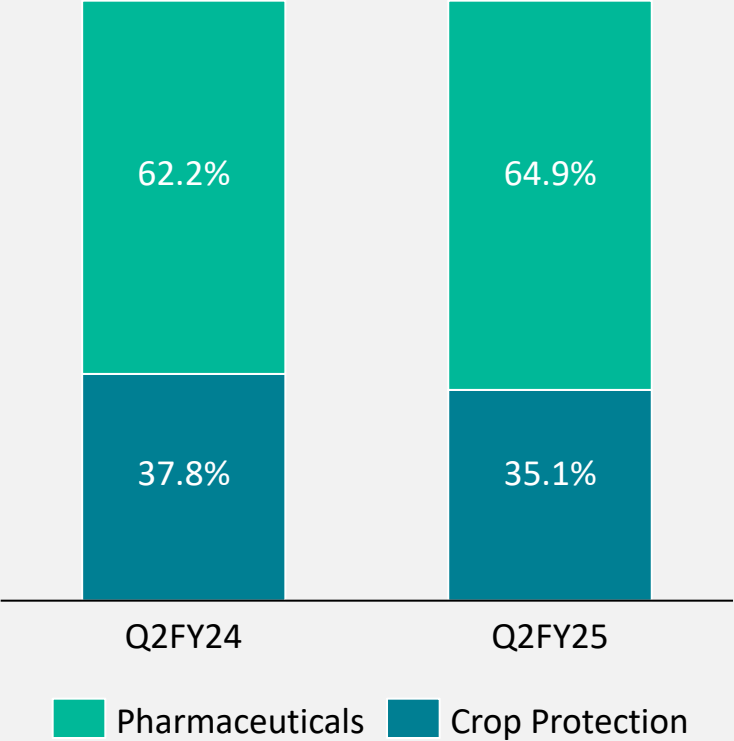
- Margin profile was impacted due to reduced operating leverage
- Currently 7 CDMO Projects in pipeline
- Completed two successful customer audits
- The excess inventory situation is gradually resolving, and volumes are steadily recovering

- Witnessing relatively better traction in domestic market for our select products
- CDMO business has a robust pipeline of inquiries from both existing and potential clients

Q2 FY25: Revenue Contribution



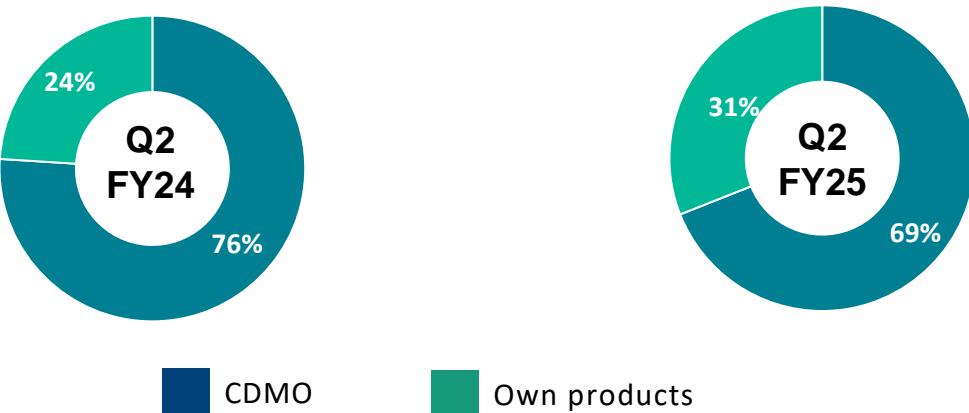
Revenue Split



Pharmaceuticals: Revenue Contribution

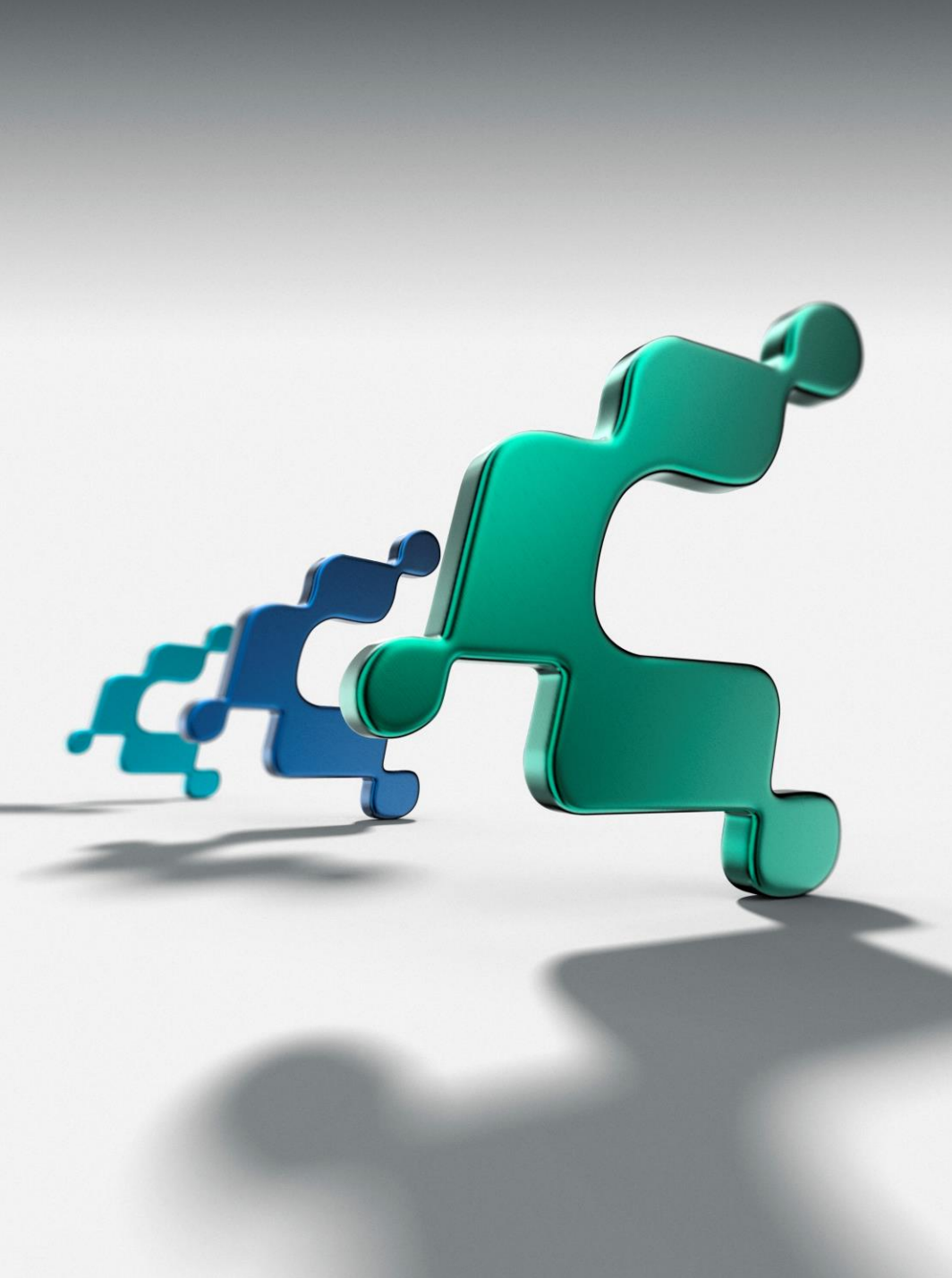


Crop Protection: Revenue Contribution



Q2 FY25: Consolidated P&L











Particulars (Rs. In crores)	Q2FY25	Q2FY24	YoY	Q1FY25	QoQ
Revenue	452.9	434.9	4%	406.8	11%
Expenditure	378.1	377.4		348.7	
EBITDA	74.8	57.5	30%	58.1	29%
EBITDA Margin	16.5%	13.2%		14.3%	
Other Income	0.4	1.0		0.5	
Depreciation	31.7	28.6		31.8	
Interest	18.8	13.1		19.8	
PBT	24.6	16.8	46%	7.0	252%
Tax	6.5	4.3		1.8	
Net Profit	18.1	12.5	45%	5.2	248%
PAT Margin	4.0%	2.9%		1.3%	



Half Yearly Financials Highlights

H1 FY25: Operational Highlights



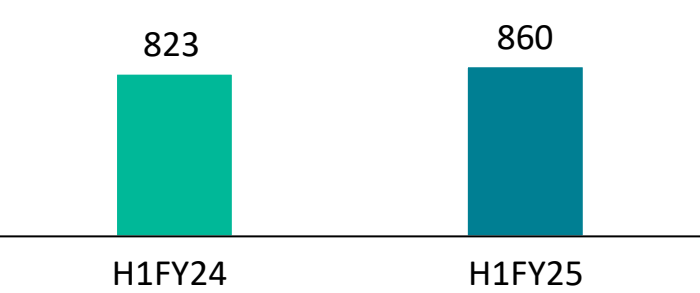
				
Revenue	EBITDA	PAT	EBITDA Margin	EPS
Rs. 860 Crore	Rs. 133 Crore	Rs. 23 Crore	15.5 %	Rs. 1.89
YoY  4%	YoY  23%	YoY  20%	YoY  237 bps	YoY  20%

H1 FY25: Consolidated Performance

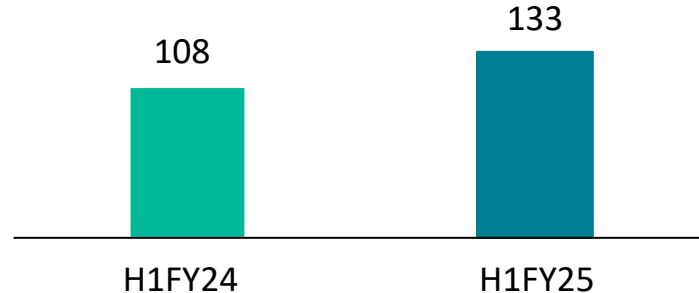


Rs. In crores

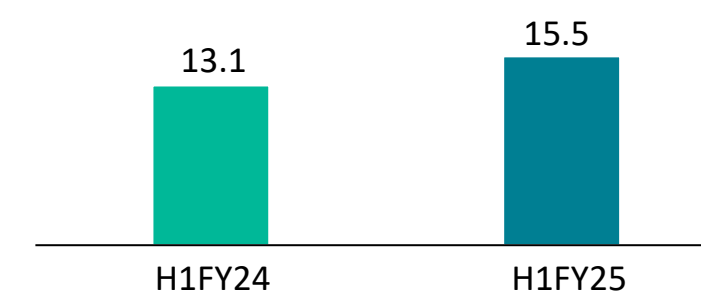
Revenue



EBITDA

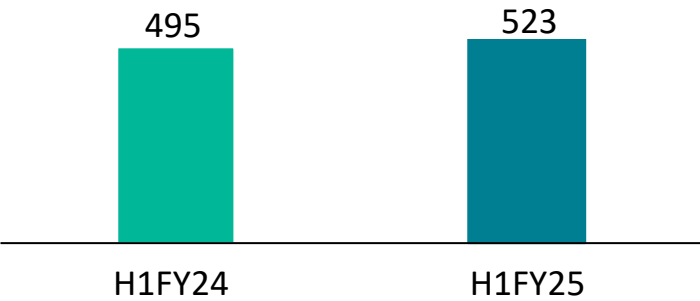


EBITDA%

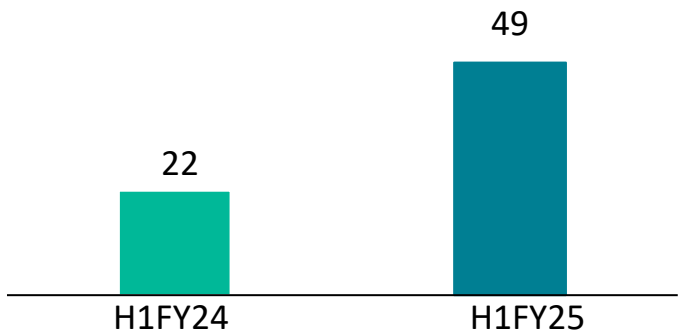


Pharmaceuticals

Revenue

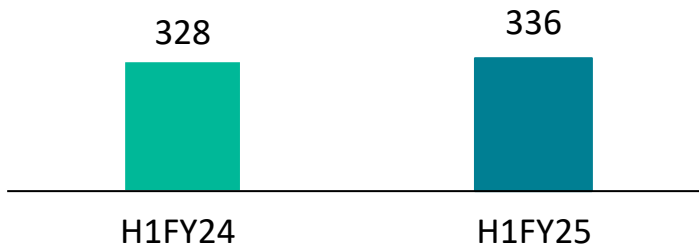


EBIT

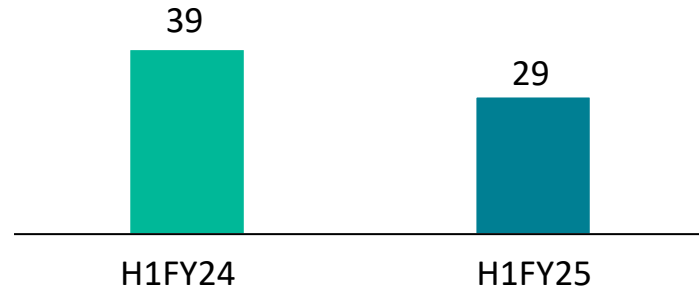


Crop Protection

Revenue



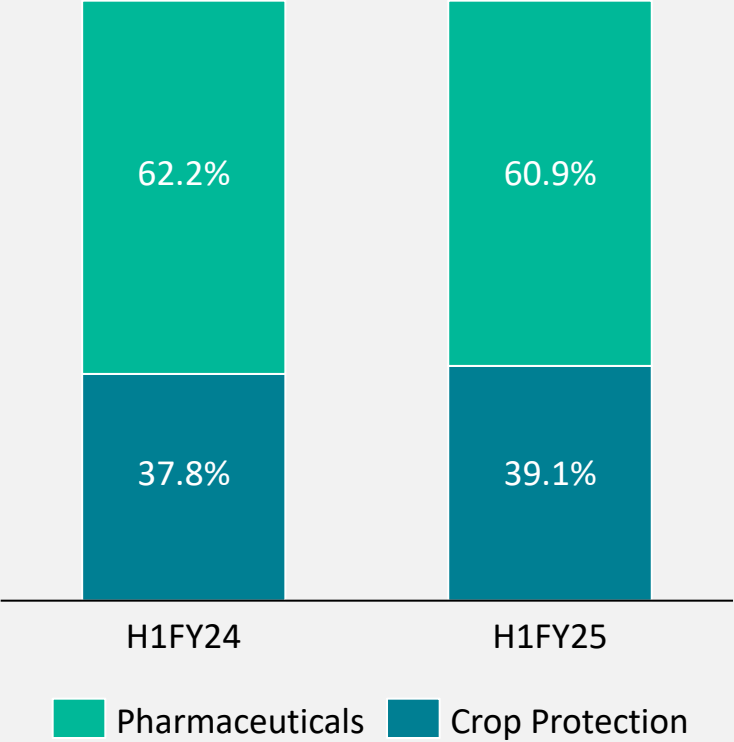
EBIT



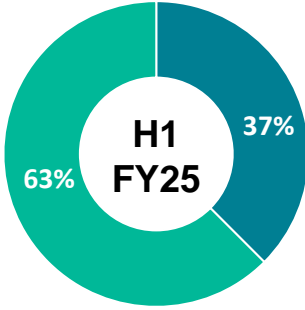
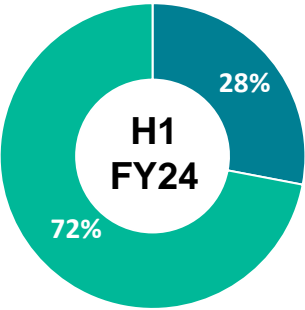
H1 FY25: Revenue Contribution



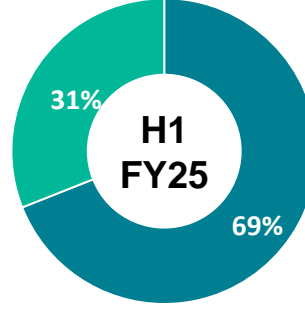
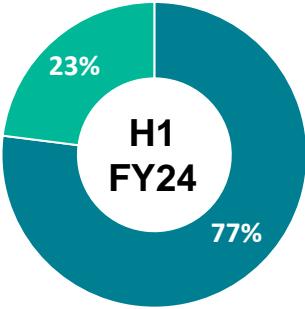
Revenue Split



Pharmaceuticals: Revenue Contribution



Crop Protection: Revenue Contribution



■ CDMO ■ Own products

H1 FY25: Consolidated P&L

Particulars (Rs. In crores)	H1FY25	H1FY24	YoY
Revenue	859.7	822.9	4%
Expenditure	726.8	715.2	
EBITDA	132.9	107.7	23%
EBITDA Margin	15.5%	13.1%	
Other Income	0.9	1.9	
Depreciation	63.5	56.3	
Interest	38.6	26.9	
PBT	31.6	26.5	19%
Tax	8.3	7.1	
Net Profit	23.3	19.4	20%
PAT Margin	2.7%	2.4%	

Consolidated Balance Sheet

Assets (Rs. In Crore)	Sep-24	Mar-24
Total Non Current Assets	1,530	1,520
Property, Plant and Equipment	965	996
Capital work in Progress	438	414
Right to Use Assets	64	65
Other Intangible Assets	9	10
Intangible Assets Under Development	-	-
Financial Assets		
Investments	9	5
Loans	-	-
Other	22	16
Income Tax Assets (Net)	6	2
Other Non Current Assets	16	12
Total Current Assets	930	967
Inventories	338	304
Financial Assets		
Current Investment	8	-
Trade Receivables	459	550
Cash & Cash Equivalents	20	13
Bank Balances	8	8
Loans	-	-
Other	5	14
Other Current Assets	91	78
TOTAL ASSETS	2,460	2,487

Equities & Liabilities (Rs. Crore)	Sep-24	Mar-24
Shareholders Fund	1,203	1,188
Share Capital	25	25
Other Equity	1,179	1,163
Total Non Current Liabilities	554	543
Financial Liabilities		
Borrowings	433	423
Lease Liability	3	3
Provisions	29	28
Deferred Tax Liabilities (net)	30	30
Other non current liabilities	59	59
Total Current Liabilities	703	756
Financial Liabilities		
Borrowings	340	392
Lease Liability	-	-
Trade Payables	292	279
Other Financial Liabilities	35	41
Other Current Liabilities	20	28
Provisions	4	4
Current Tax Liabilities (Net)	12	12
TOTAL EQUITY & LIABILITIES	2,460	2,487

Consolidated Cash Flow Statement

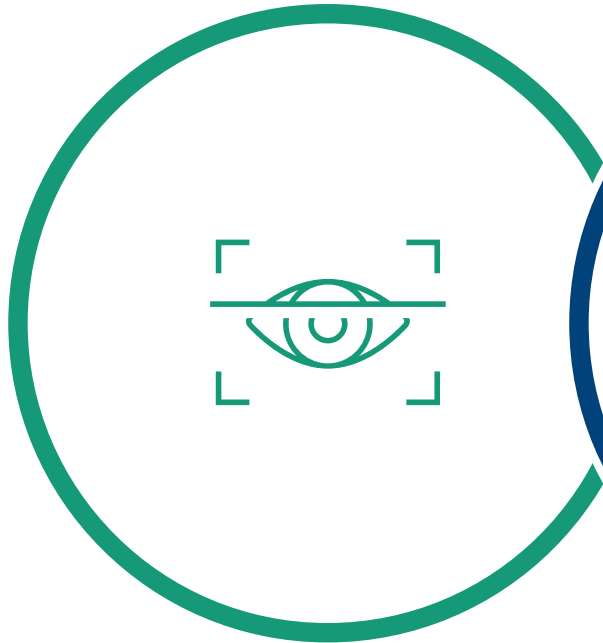
Particulars (Rs. In Crore)	Half year ended 30-Sep-24	Half year ended 30-Sep-23
Profit before tax	32	26
<i>Adjustments</i>	<i>101</i>	<i>87</i>
Operating Profit Before Working Capital Changes	133	113
<i>Change in operating assets and liabilities</i>	<i>48</i>	<i>3</i>
Cash generated from operations	180	117
<i>Income taxes paid</i>	<i>(12)</i>	<i>(14)</i>
Net cash inflow from operating activities (A)	168	102
Net cash inflow/(outflow) from investing activities (B)	(71)	(105)
Net cash outflow from financing activities (C)	(90)	(13)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	7	(16)
Cash and cash equivalents at the beginning of the year	13	27
Cash and cash equivalents at the end of the year	20	11



About Us

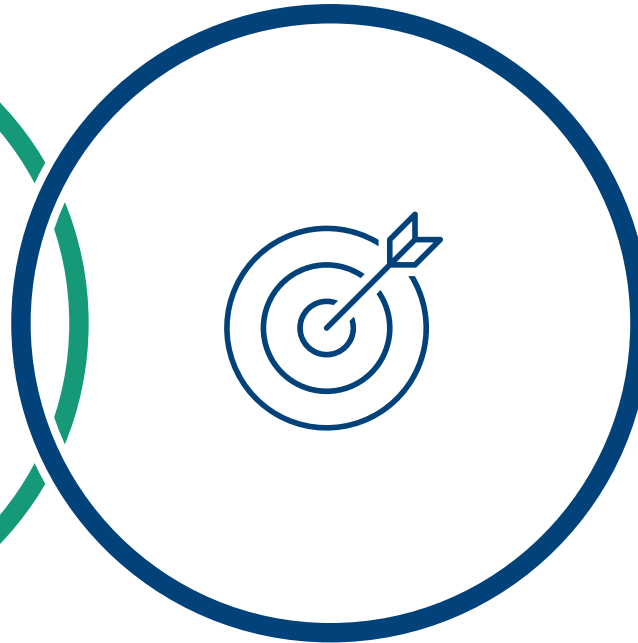
Our Vision & Mission

VISION



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

MISSION

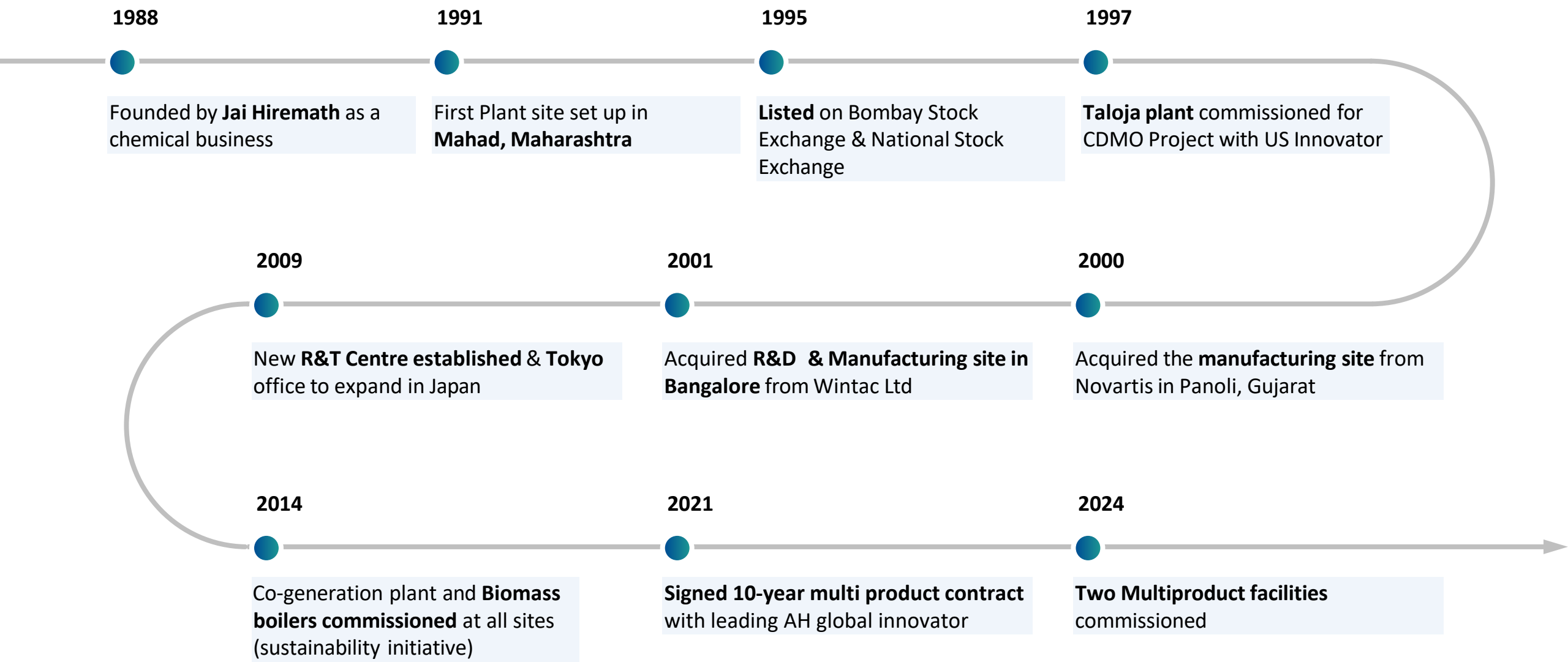


To create value through superior, chemical products and operate as a responsible company. Building trust and respect of our customers, shareholders and employees using science, technology and sustainable processes in harmony with the environment.



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

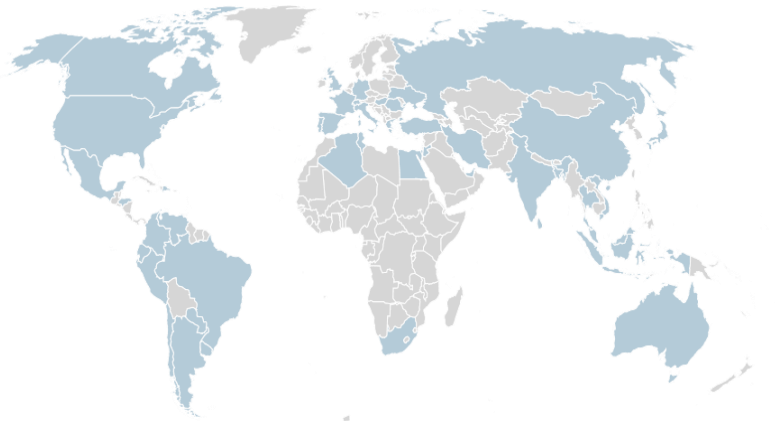
Key Milestones



Domestic & Global Presence



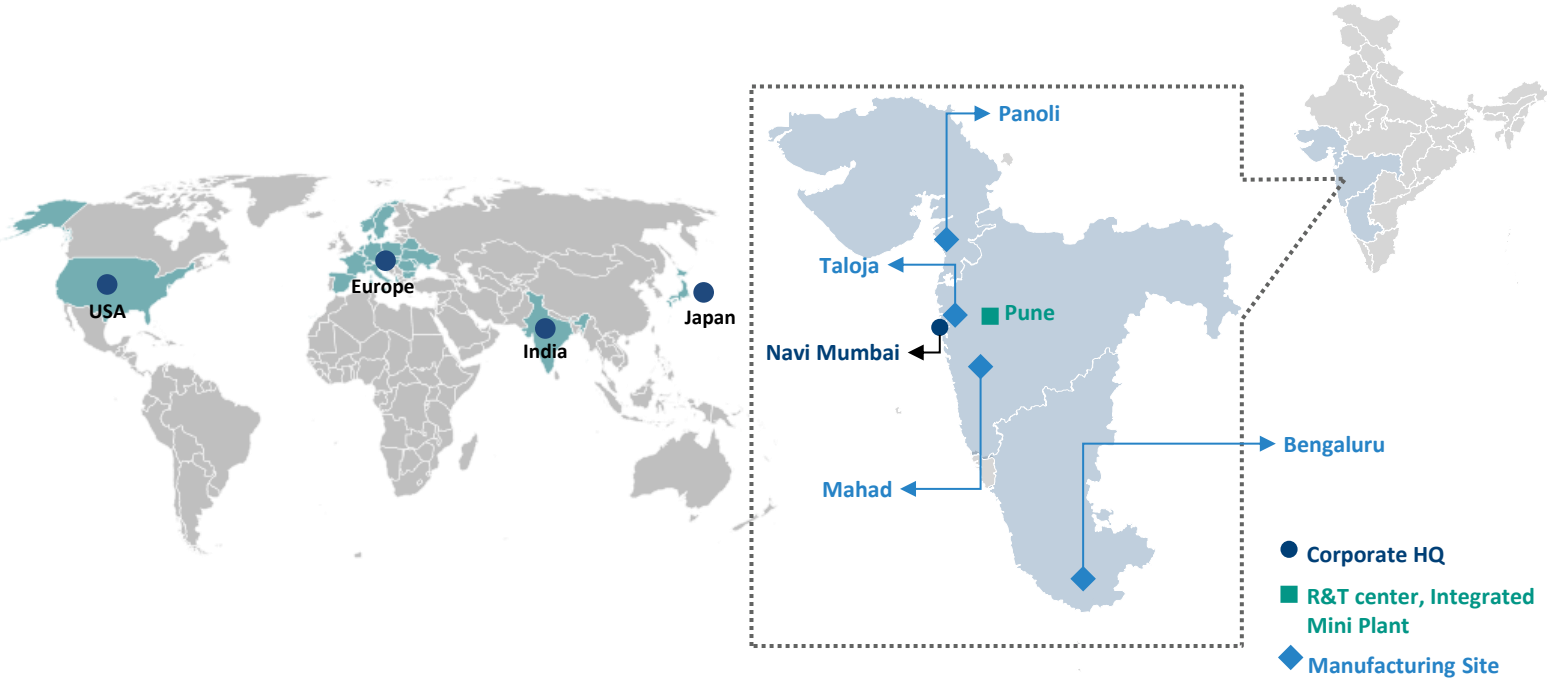
We Service Clients Globally



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

Note: Not all countries and territories labeled.

Through our Global Footprint



We have offices across USA, Europe, India and Japan

And manufacturing facilities across India

Pharmaceuticals



Jigani Unit 1, Karnataka

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

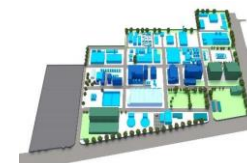
615 m³ TOTAL REACTOR VOLUME



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



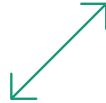
3,740MT

Active Ingredients
Sold in FY24



640MT

Advanced Intermediates
Sold in FY24















2,500m³*
Capacity

Note: *Includes upcoming expansion plane



Sustainability Initiatives

<div><div>E</div><div>nvironment</div><div></div></div>	<div><div></div><div>Decarbonization</div></div>	<div><div></div><div>Material circularity</div></div>	<div><div></div><div>Water management</div></div>
<div><div>S</div><div>ocial</div><div></div></div>	<div><div></div><div>Health and safety</div><div>Employee</div><div>Customers</div></div>	<div><div></div><div>Community relations</div></div>	<div><div></div><div>Diversity & inclusion</div></div>
<div><div>G</div><div>overnance</div><div></div></div>	<div><div></div><div>Fair sourcing</div></div>	<div><div></div><div>Governance & corruption</div></div>	<div><div></div><div>Transparency & risk management</div></div>

Note: * Resource Intensity

PHASE 1

Initiation Program (Completed)

- Baselining 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)

- Baselining 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

Awards & Accolades



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



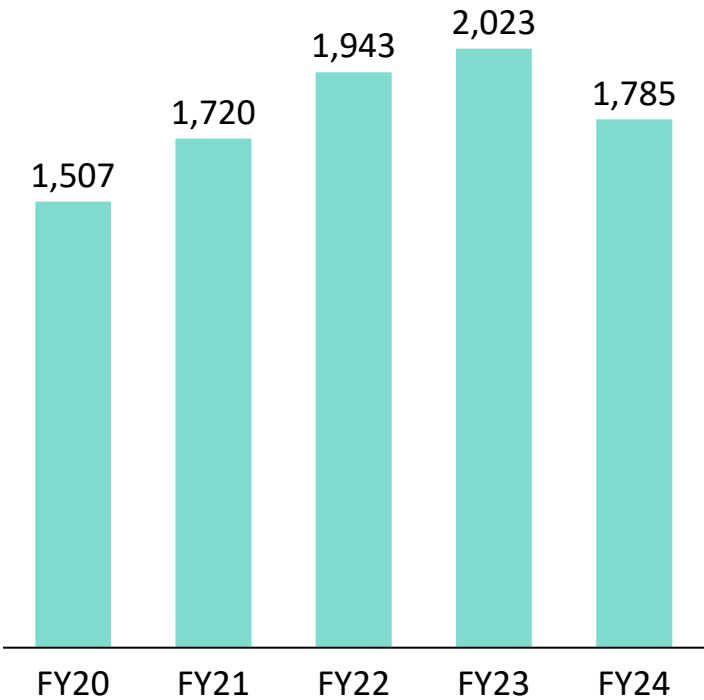
Historical Financials

Yearly Financial Highlights

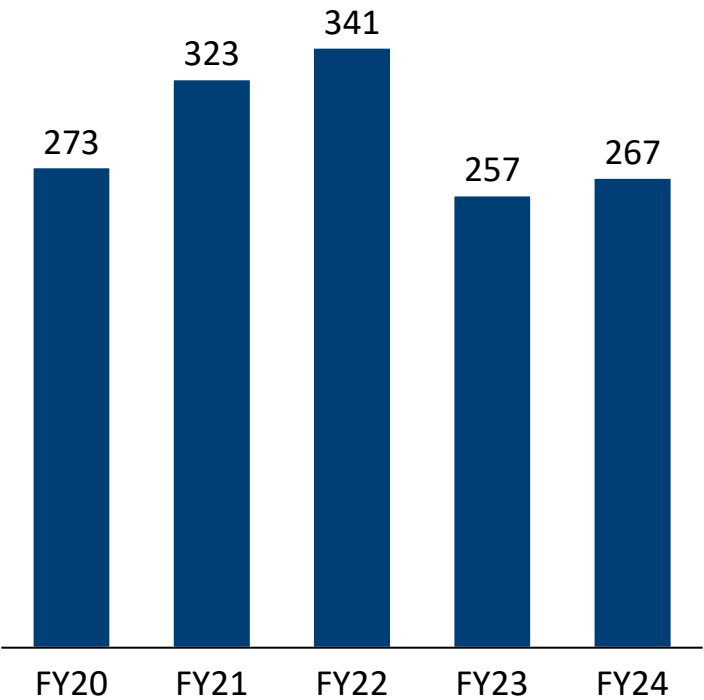


Rs. In crores

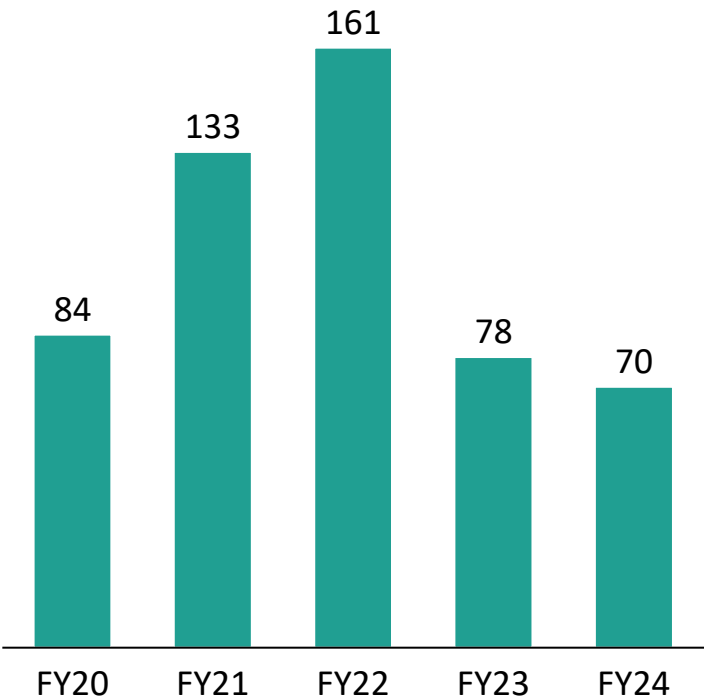
Revenue



EBITDA



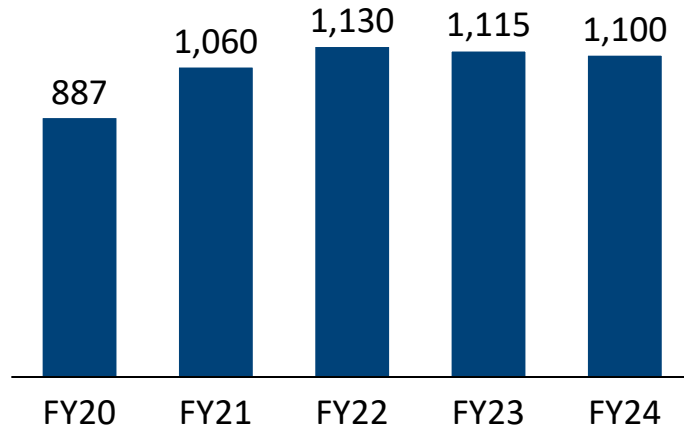
PAT



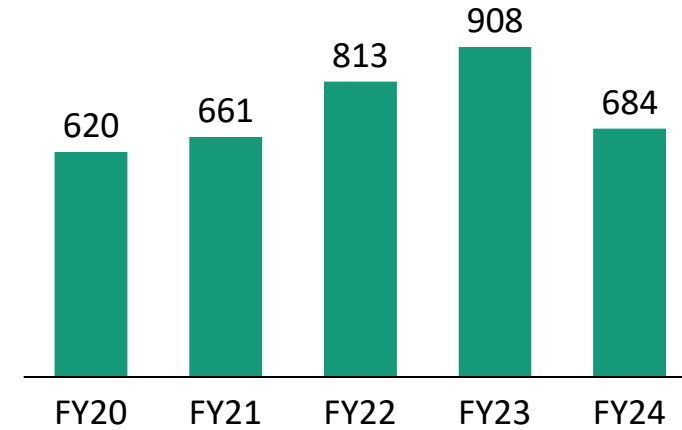
Yearly Segmental Highlights

Rs. In crores

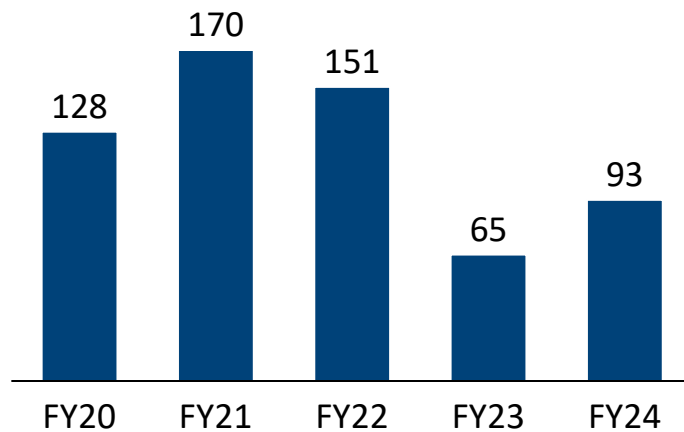
Pharmaceuticals Revenue



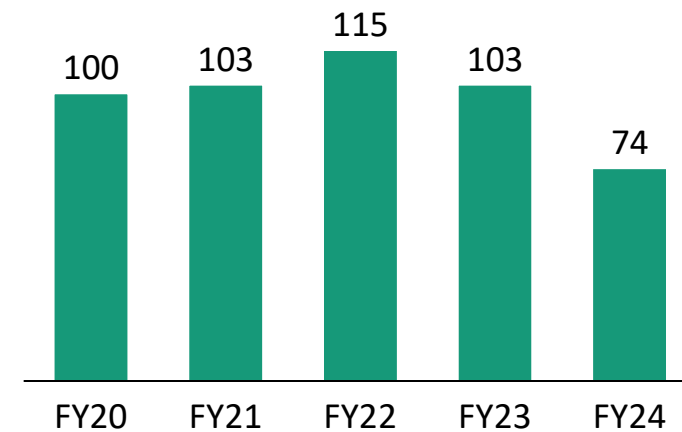
Crop Protection Revenue



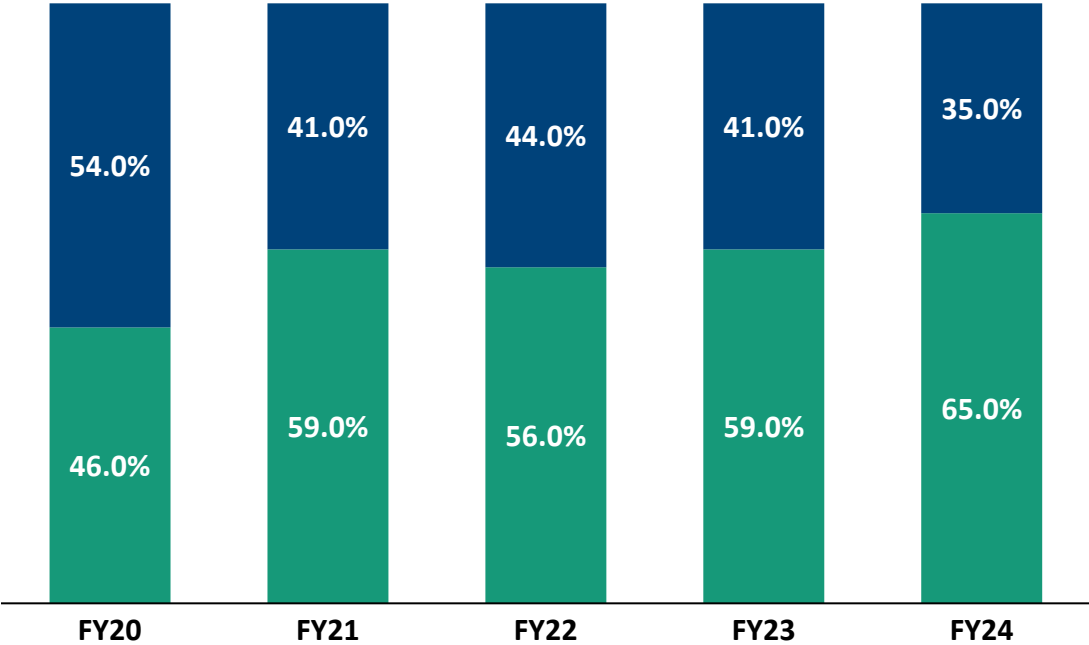
Pharmaceuticals EBIT



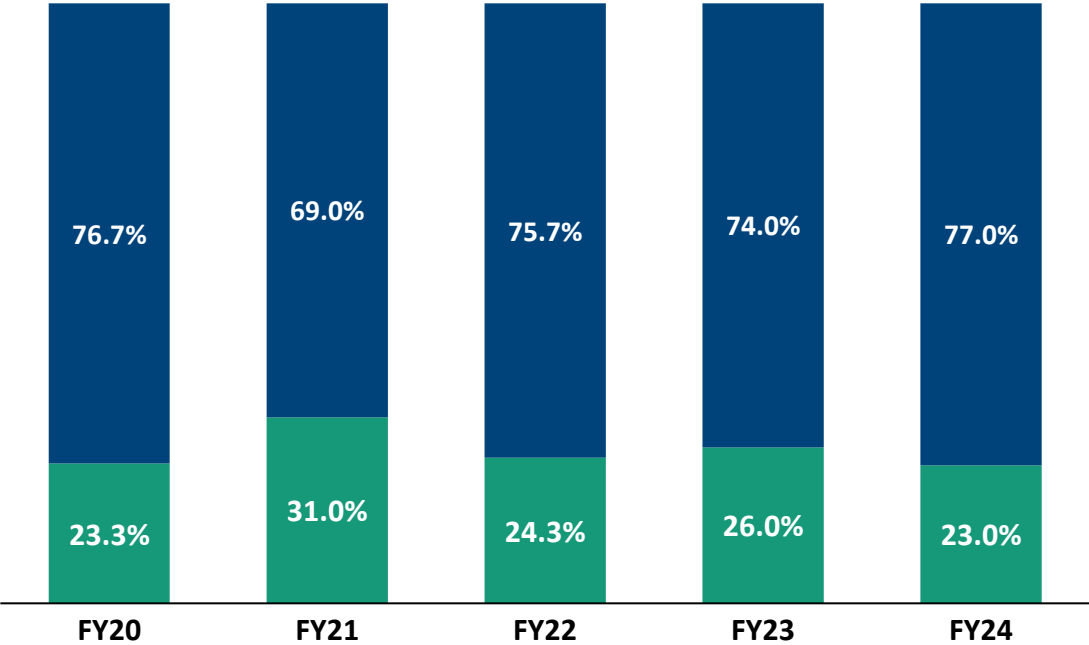
Crop Protection Revenue



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

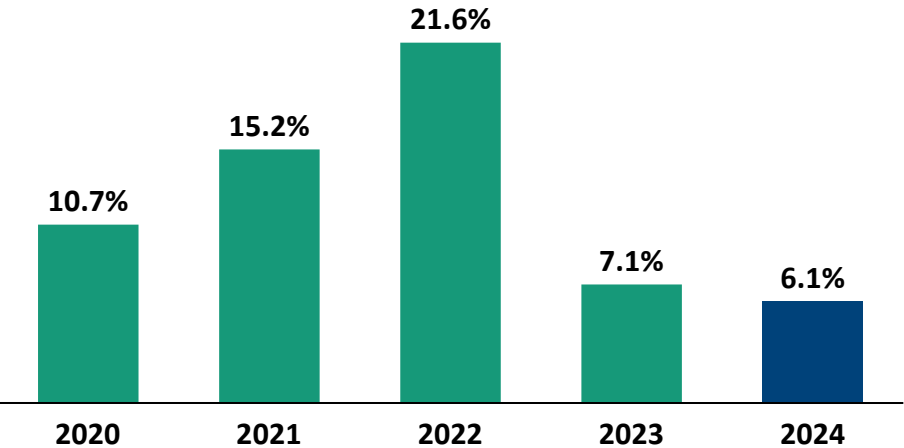
Assets (Rs. In Crore)	Mar-24	Mar-23
Total Non Current Assets	1,520	1,446
Property, Plant and Equipment	996	885
Capital work in Progress	414	402
Right to Use Assets	65	63
Other Intangible Assets	10	-
Intangible Assets Under Development	-	10
Financial Assets		
Investments	5	5
Loans	-	-
Other	16	19
Income 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

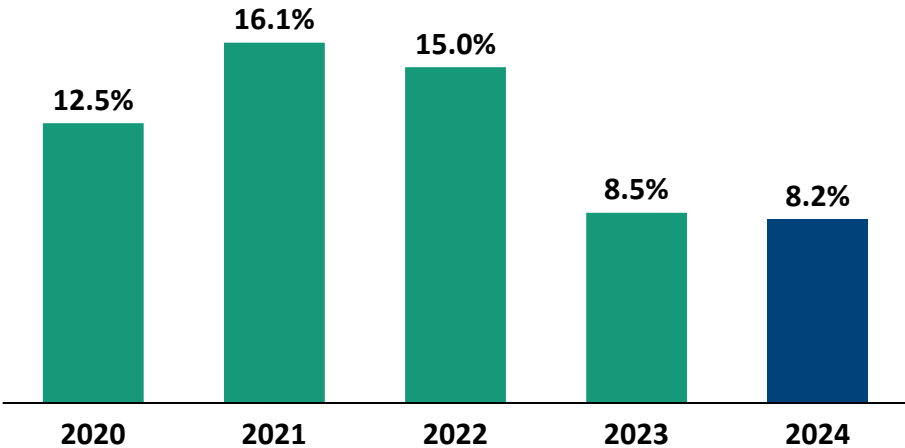
Consolidated Cash Flow Statement

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

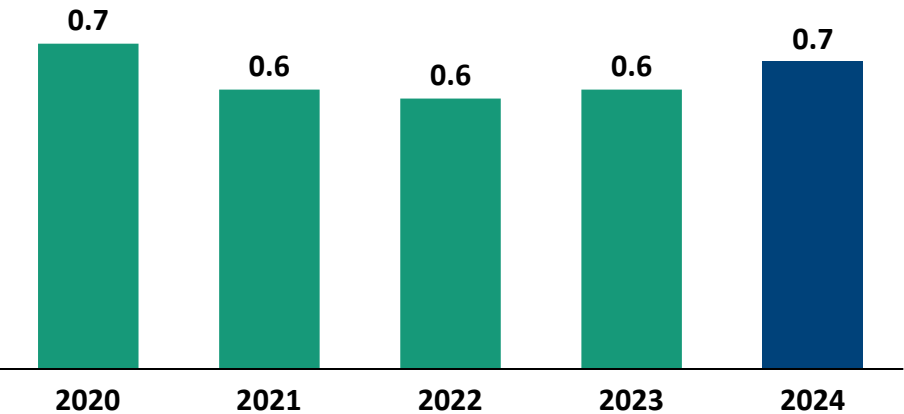
ROE%



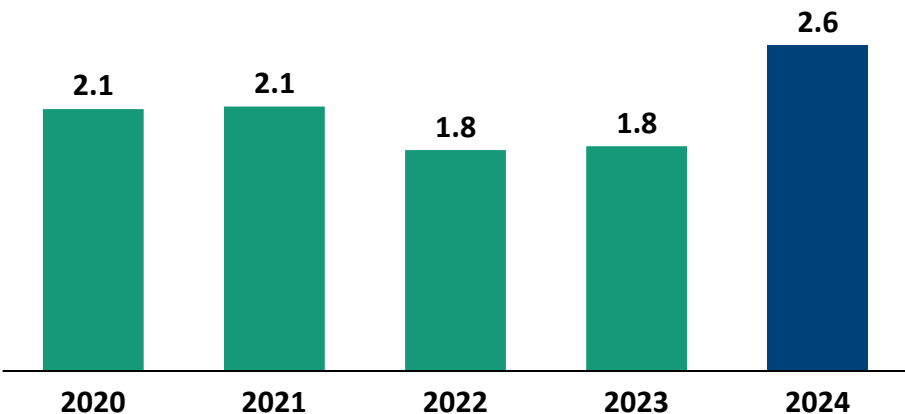
ROCE%



Net Debt / Equity (x)



Net Debt / EBITDA (x)



Thank You



Company:

Hikal Limited

CIN: L24200MH1988PTC048028

Mr. Kuldeep Jain

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