



*Results Presentation - Q3 FY23*

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Jai Hiremath

*"Hikal has recorded an improved performance in this quarter in line with earlier guidance of a sequential recovery. We had an improvement in EBITDA margins on the back of several cost improvement initiatives. We are witnessing softening of key raw material prices and we expect the trend to stabilize in the upcoming quarter.*

*The revenue for the Crop Protection business stood at Rs 248 Crores in Q3 FY22. We are focusing on the optimal product mix to improve revenues and margins going forward. We are in the process of commissioning our new multipurpose facility at Panoli for the launch of our new products.*

*Our Pharmaceuticals business has registered a YoY revenue growth of 9% and revenue stood at Rs 292 Crores for the quarter based on increased volumes of CDMO products. We have a strong pipeline of products in various stages of development. We are focusing on cost improvement initiatives to improve margins for existing API's and improve penetration of new products across different geographies. Our new Animal Health Multipurpose facility is on track and expected to be commissioned in Q2 of FY24.*

*The board has approved interim dividend of Rs. 0.60 per share which translates to 30% of Face Value.*

*Hikal has partnered with a leading global ESG consultant to build the sustainability strategy for reduction of carbon footprint across the value chain of Hikal to better understand the needs of all our stakeholders, colleagues, partners and communities in which we operate.*

*As part of our commitment to doing business in a responsible way, we are taking several initiatives to ensure clean energy, reduction of carbon footprint, reduction of waste generation across all our sites. We have further increased renewable power by signing long term agreements for our Panoli, Taloja and Mahad sites.*

*Pinnacle, our business transformation initiative, is on track to create a robust roadmap across business verticals to drive a profitable and sustainable growth over the next five years through a focused strategic direction.*

*We continue to monitor the macro-economic environment, rising interest rates, impact of China opening, rising energy costs and the ongoing geopolitical unrest. Both of our businesses have a strong growth outlook. We aspire to deliver sustainable and profitable volume-led growth over the medium term."*



## **Quarterly Financials Highlights**

**Robust performance in both Pharmaceutical and Crop Protection businesses, with recovery in EBITDA margins**



Revenue – Q3 FY23  
Rs. 540 Crore



YoY  
+5%



QoQ  
-3%



EBITDA – Q3 FY23  
Rs. 75 Crore



YoY  
-20%



QoQ  
+7%



EBITDA Margin – Q3 FY23  
13.8%



YoY  
-425 bps



QoQ  
+133 bps



PAT – Q3 FY23  
Rs. 26 Crore



YoY  
-42%



QoQ  
+6%



EPS – Q3 FY23  
Rs. 2.14



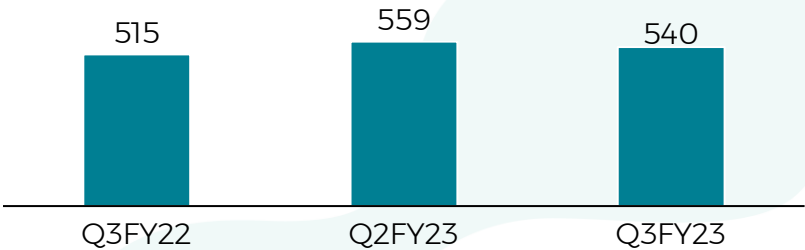
YoY  
-42%



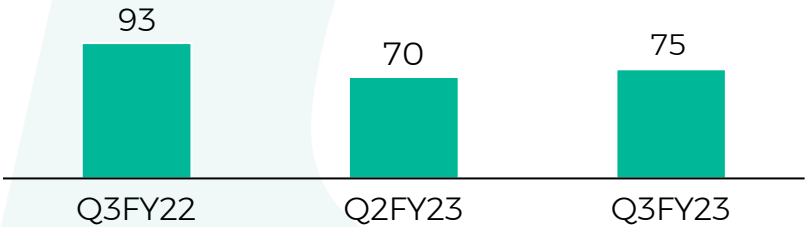
QoQ  
+6%

# Quarterly Performance Highlights

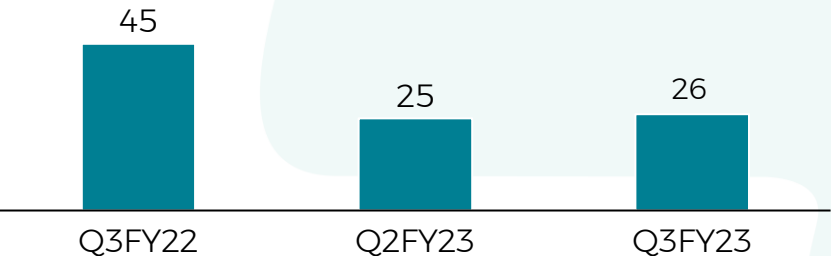
## Revenue



## EBITDA



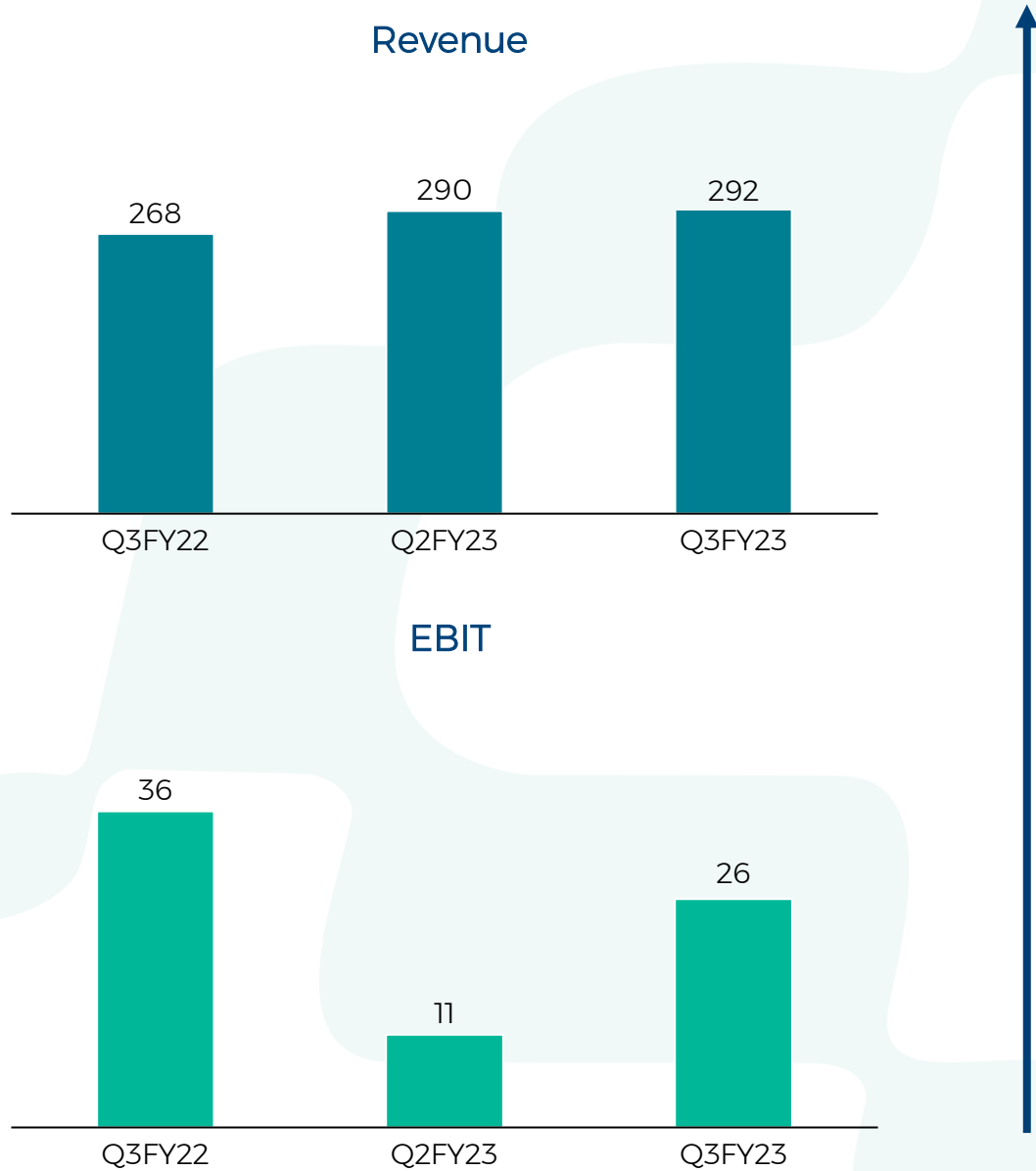
## PAT



Rs. Crore

## Performance Highlights

- Revenue recorded an increase of 5% YoY and stood at Rs 540 Crore
  - Higher volume sales
- EBITDA stood at Rs 75 Crore
  - Sequential recovery in margins on back of cost improvement initiatives and softening of raw material prices
- PAT was Rs. 26 Crore
  - Increased depreciation on account of assets additions and marginal increase in finance costs in view of interest rate hikes
- Hikal’s long term credit rating is maintained at A+ by ICRA
- Leading Global consultancy firm onboarded for ESG initiatives



## Pharmaceuticals - Performance Highlights

- Revenue recorded an increase of 9% YoY
  - Higher CDMO volume intake from leading global innovator companies
- EBIT stood at Rs 26 Crore
  - Sequential recovery in margins on back of cost improvement initiatives and softening of raw material prices
- New opportunities under discussion with various global innovators
- Acquired new customers in Latin America and Middle east market for the API Generics business segment
- Expect to commission new multipurpose plant for Animal Health vertical at Panoli, Gujarat by Q2 FY24

## Quarterly Performance Highlights – Crop Protection



Rs. Crore

### Crop Protection - Performance Highlights

- Revenue recorded flat growth of 1% YoY
- EBIT stood at Rs 27 Crore
  - Sequentially the sales have been lower and the raw material prices remained on a higher side
- Plan to commission the new multipurpose facility at Panoli, Gujarat by the end of current fiscal year
- Cost improvement ongoing to improve the margins further
- Acquired 26% stake in a solar power manufacturing firm for increased renewable energy supply at two of Hikal’s manufacturing site



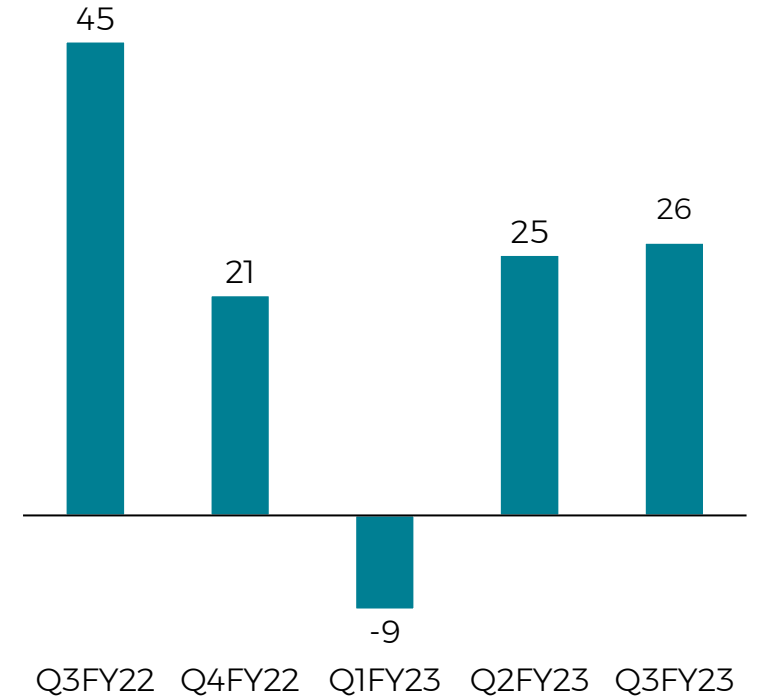
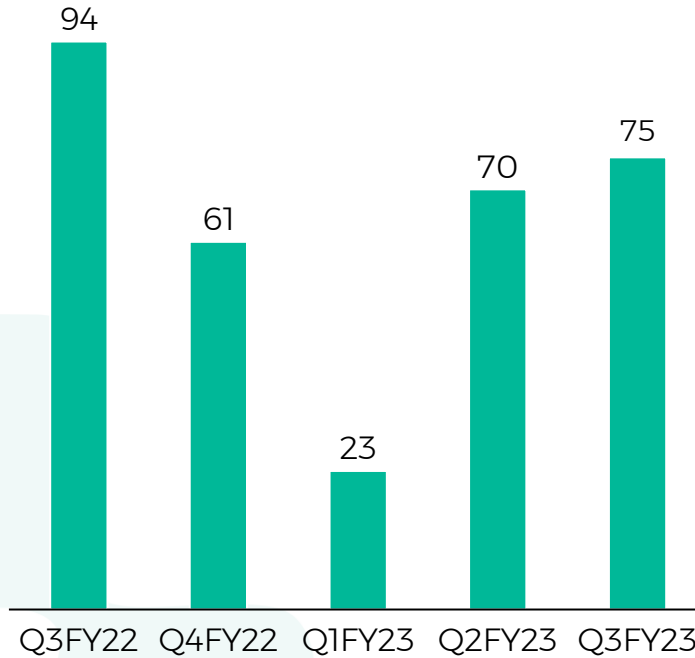
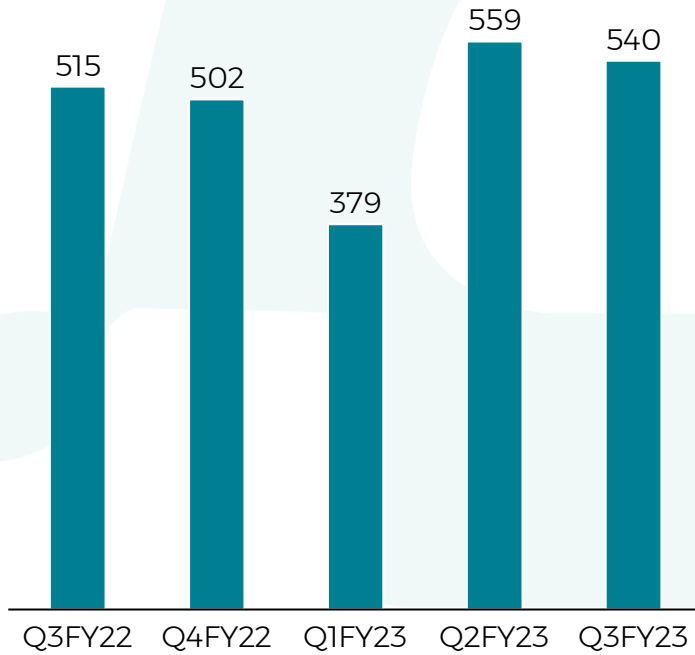
# Quarterly Financial Highlights



### Consolidated Revenue

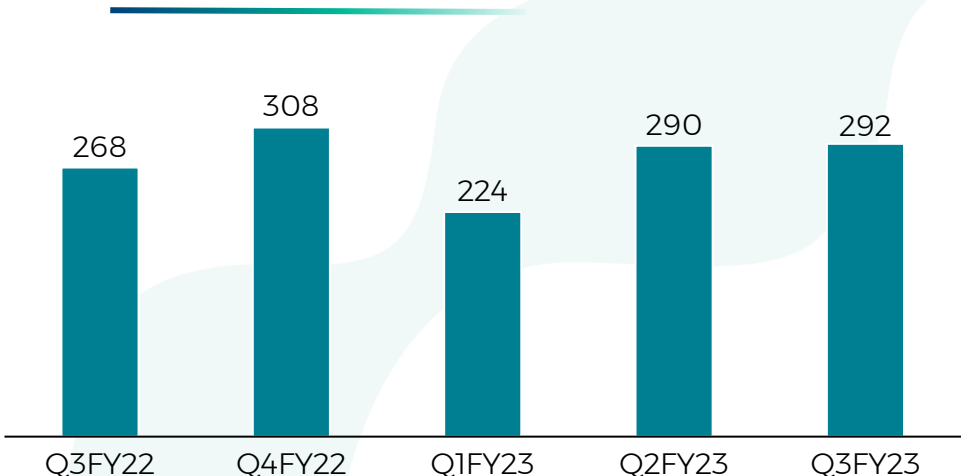
### Consolidated EBITDA

### Consolidated PAT

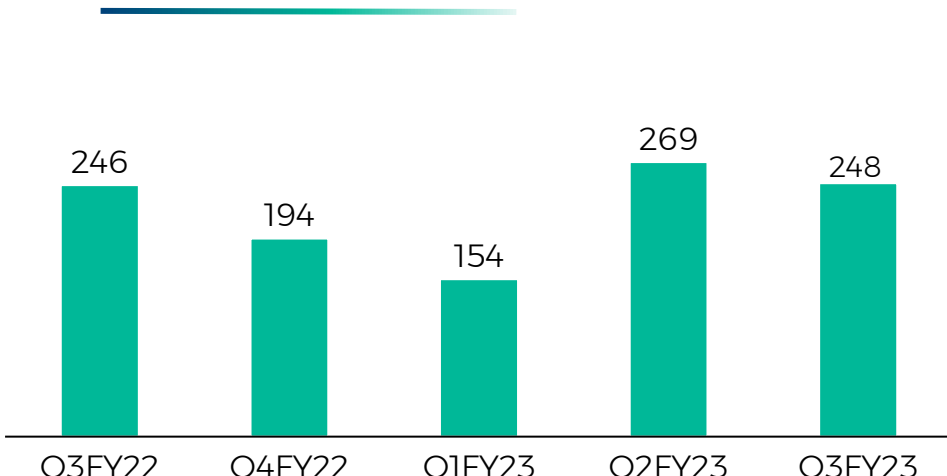


# Quarterly Segmental Highlights

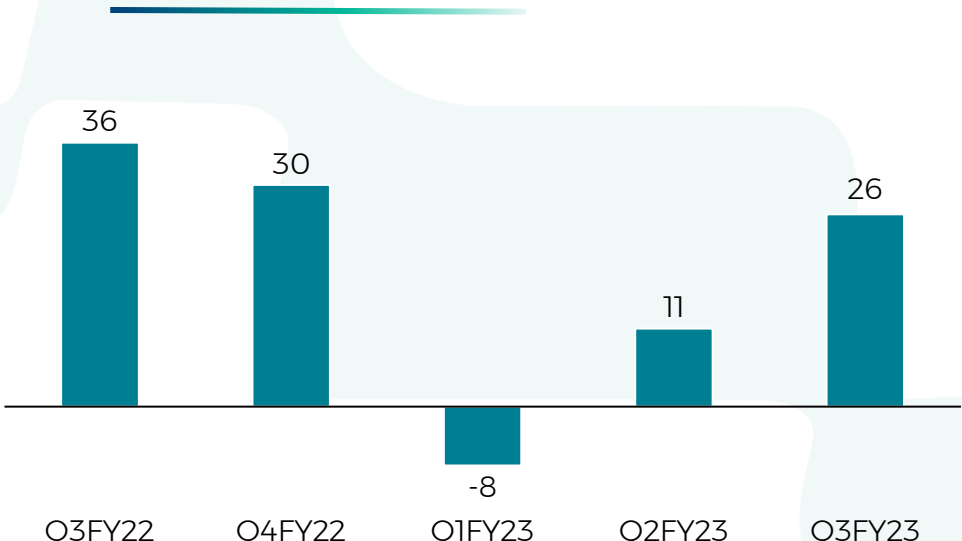
Pharmaceuticals Revenue



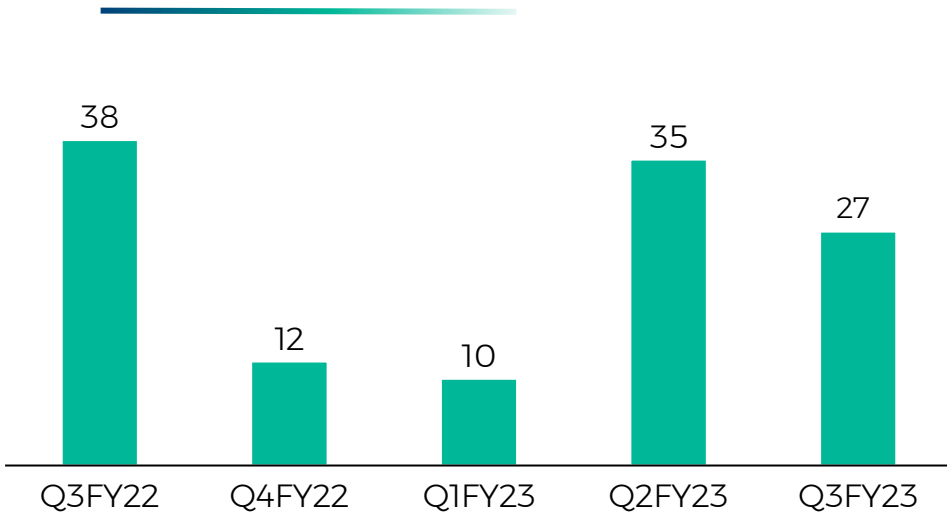
Crop Protection Revenue



Pharmaceuticals EBIT



Crop Protection EBIT



Rs. Crore

## Consolidated Profit & Loss - Q3

Particulars (Rs. in Cr)	Q3 FY23	Q3 FY22	Y-o-Y	Q2 FY23	Q-o-Q
<b>Net Sales</b>	<b>540</b>	<b>515</b>	<b>5.0%</b>	<b>559</b>	<b>-3.3%</b>
Expenditure	465	422		489	
<b>EBITDA</b>	<b>75</b>	<b>93</b>	<b>-19.7%</b>	<b>70</b>	<b>7.0%</b>
<b>Margin</b>	<b>13.8%</b>	<b>18.1%</b>		<b>12.5%</b>	
Other Income	2	1		1	
Depreciation	28	25		27	
Finance Costs	13	7		11	
<b>PBT</b>	<b>36</b>	<b>62</b>	<b>-41.9%</b>	<b>33</b>	<b>9.2%</b>
Tax	10	17		8	
<b>Net Profit</b>	<b>26</b>	<b>45</b>	<b>-41.5%</b>	<b>25</b>	<b>6.3%</b>
<b>Margin</b>	<b>4.9%</b>	<b>8.8%</b>		<b>4.4%</b>	



## **Nine-Monthly Financials Highlights**

## Financial Highlights - Nine Months



Revenue - 9M FY23  
Rs. 1,478 Crore



YoY  
3%



EBITDA - 9M FY23  
Rs. 167 Crore



YoY  
-40%



EBITDA Margin - 9M FY23  
11.3%



YoY  
-811 bps



PAT - 9M FY23  
Rs. 42 Crore



YoY  
-70%

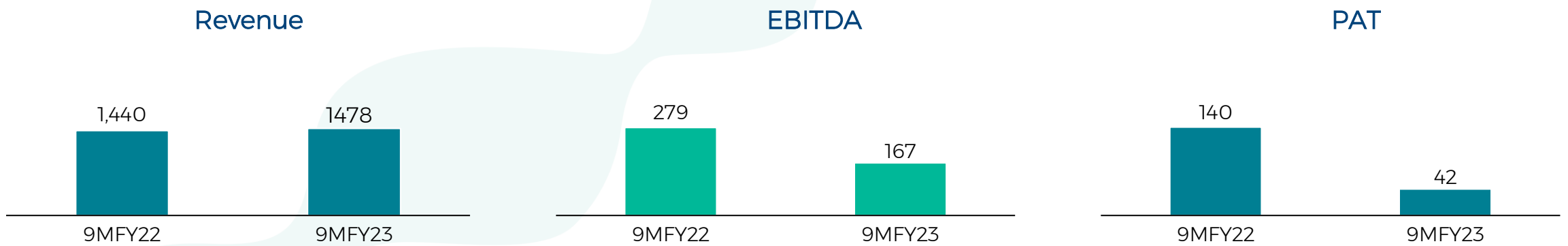


EPS - 9M FY23  
Rs 3.43

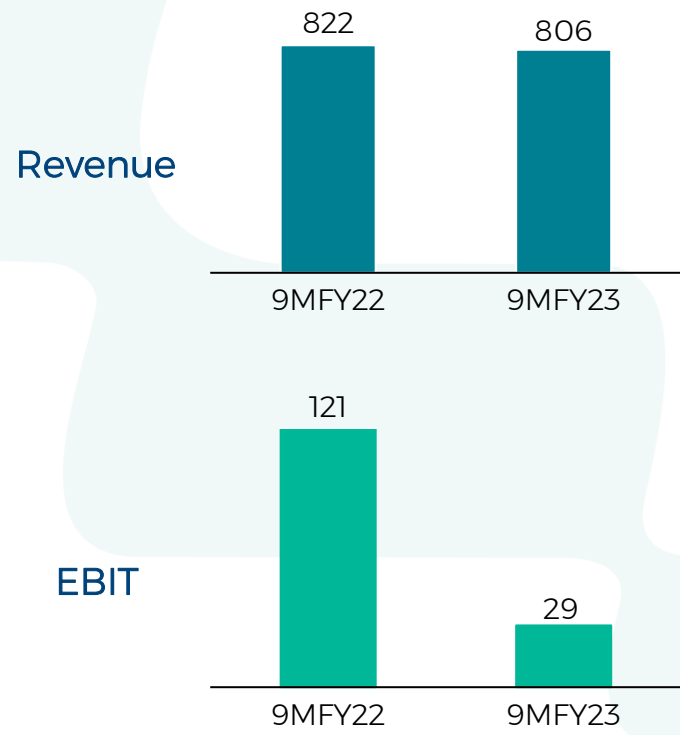


YoY  
-70%

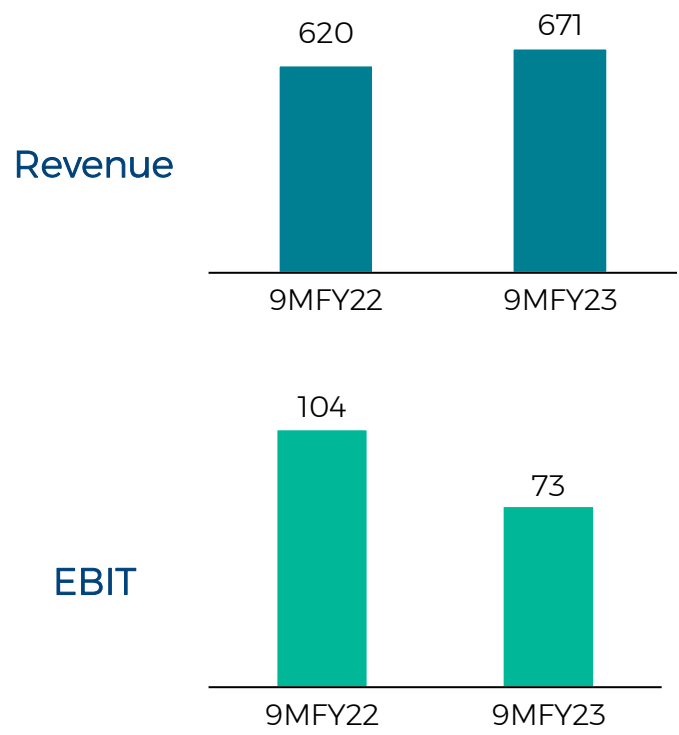
# Nine Months Performance Highlights



## Pharmaceuticals Division



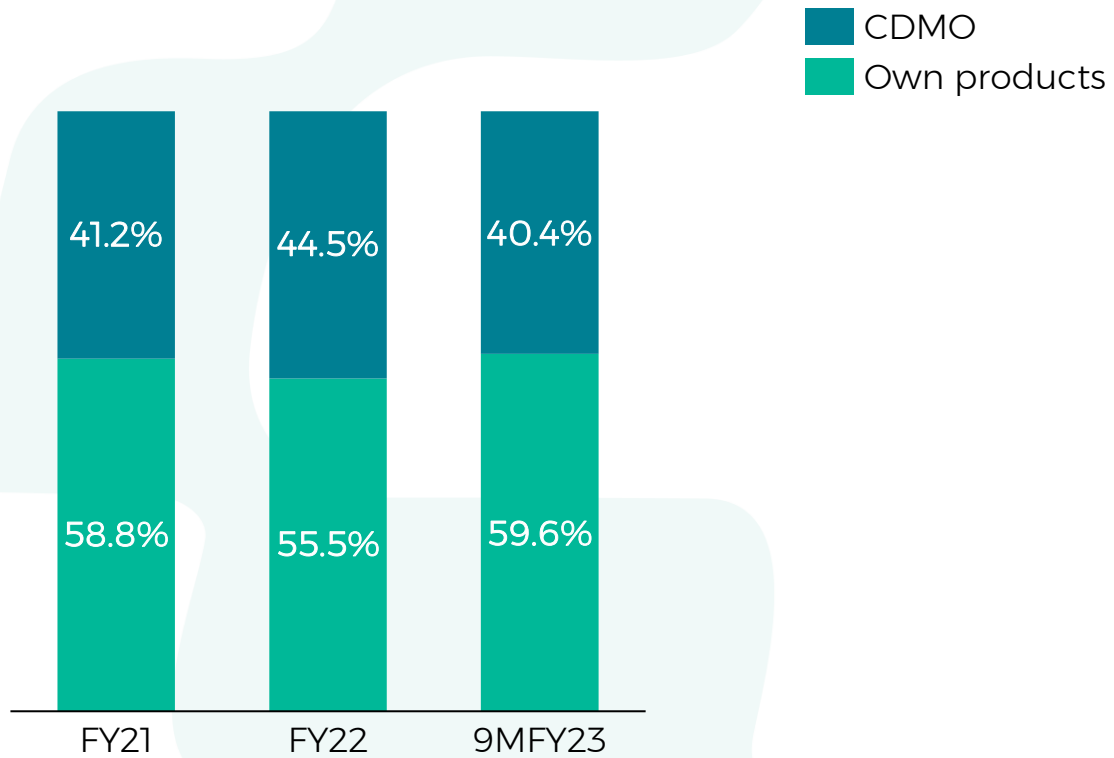
## Crop Protection Division



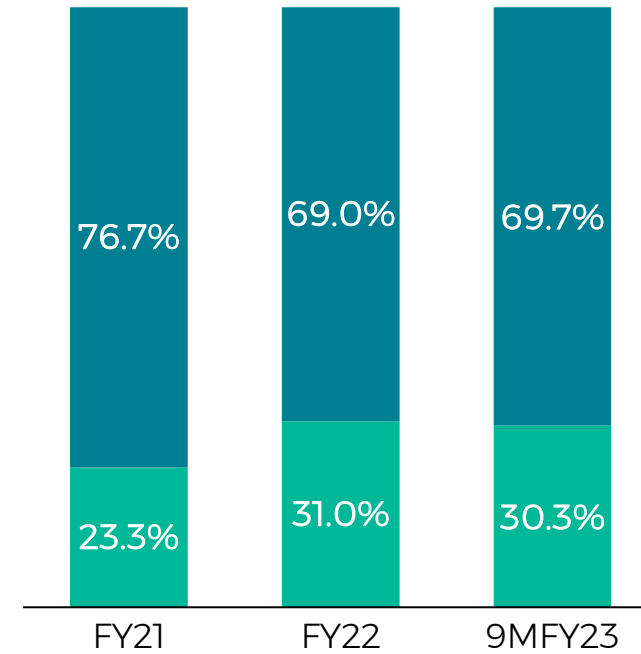
Rs. Crore

## Sales Break-Up

### Pharmaceuticals Revenue Break-Up



### Crop Protection Revenue Break-Up





## **Annual Financials Highlights**



# Financial Highlights - Annual



Revenue – FY22  
Rs. 1,943 Crore

↑  
FY18-22  
CAGR  
11%

↑  
YoY  
13%



EBITDA – FY22  
Rs. 341 Crore

↑  
FY18-22  
CAGR  
9%

↑  
YoY  
5%



EBITDA Margin – FY22  
17.5%

↓  
YoY  
-124bps



PAT – FY22  
Rs. 161 Crore

↑  
FY18-22  
CAGR  
20%

↑  
YoY  
21%

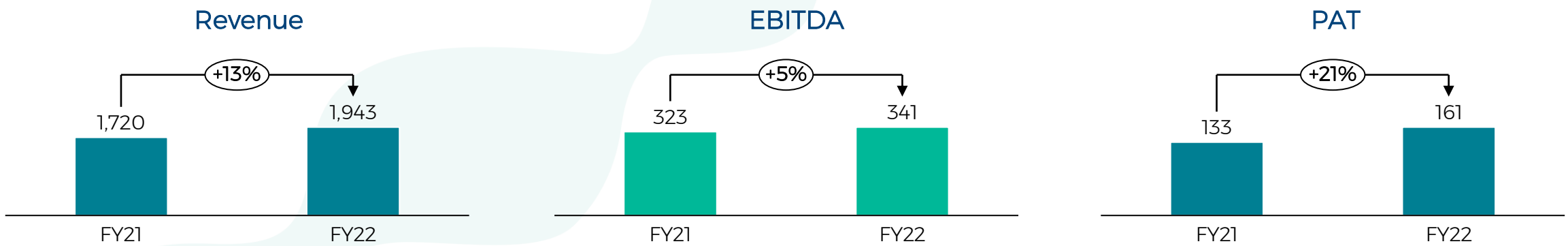


EPS – FY22  
Rs 13.02

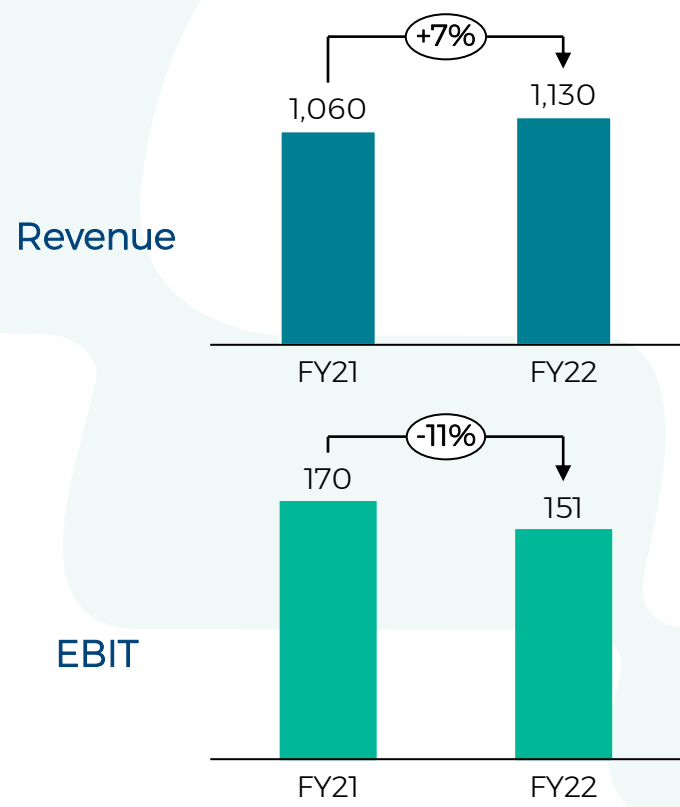
↑  
FY18-22  
CAGR  
20%

↑  
YoY  
21%

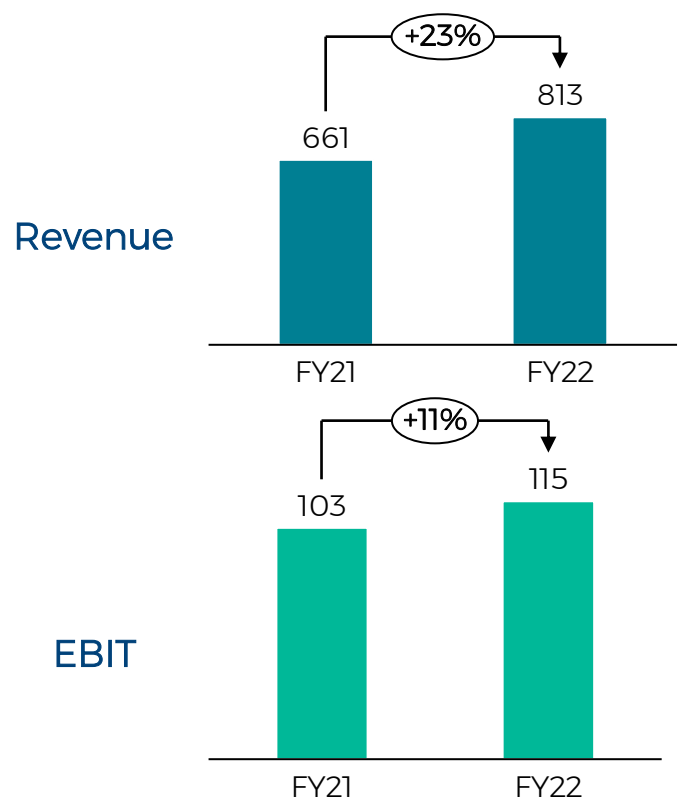
# Annual Performance Highlights



## Pharmaceuticals Division



## Crop Protection Division



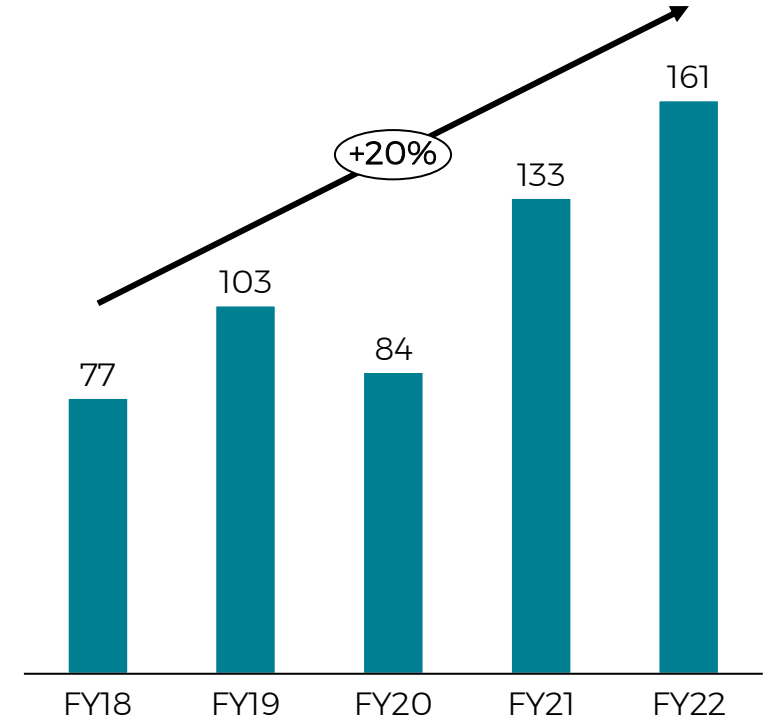
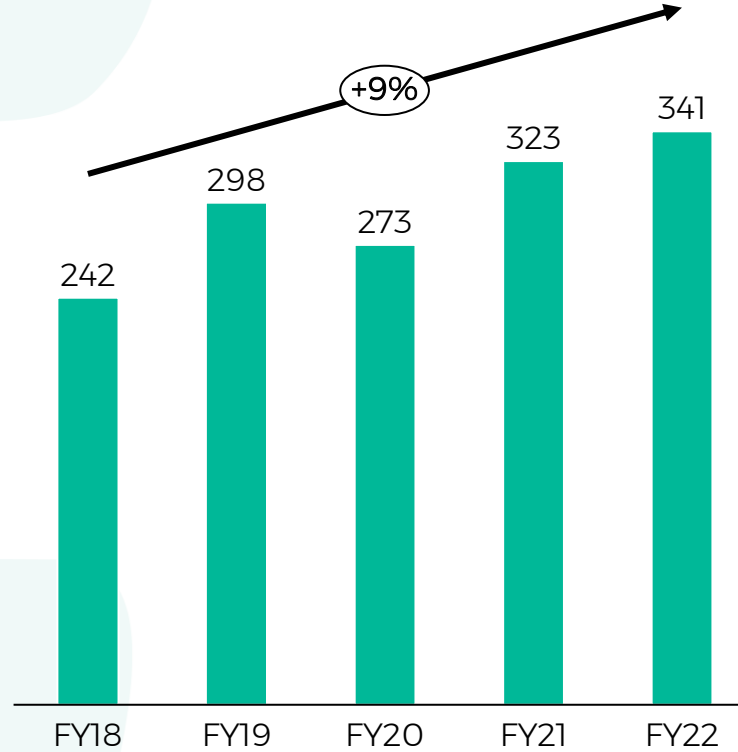
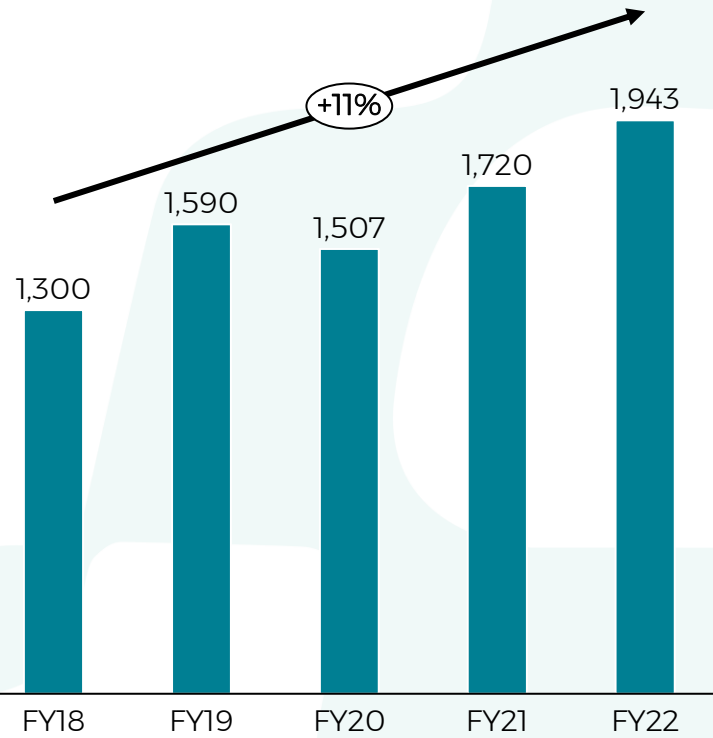
# Yearly Financial Highlights



### Consolidated Revenue

### Consolidated EBITDA

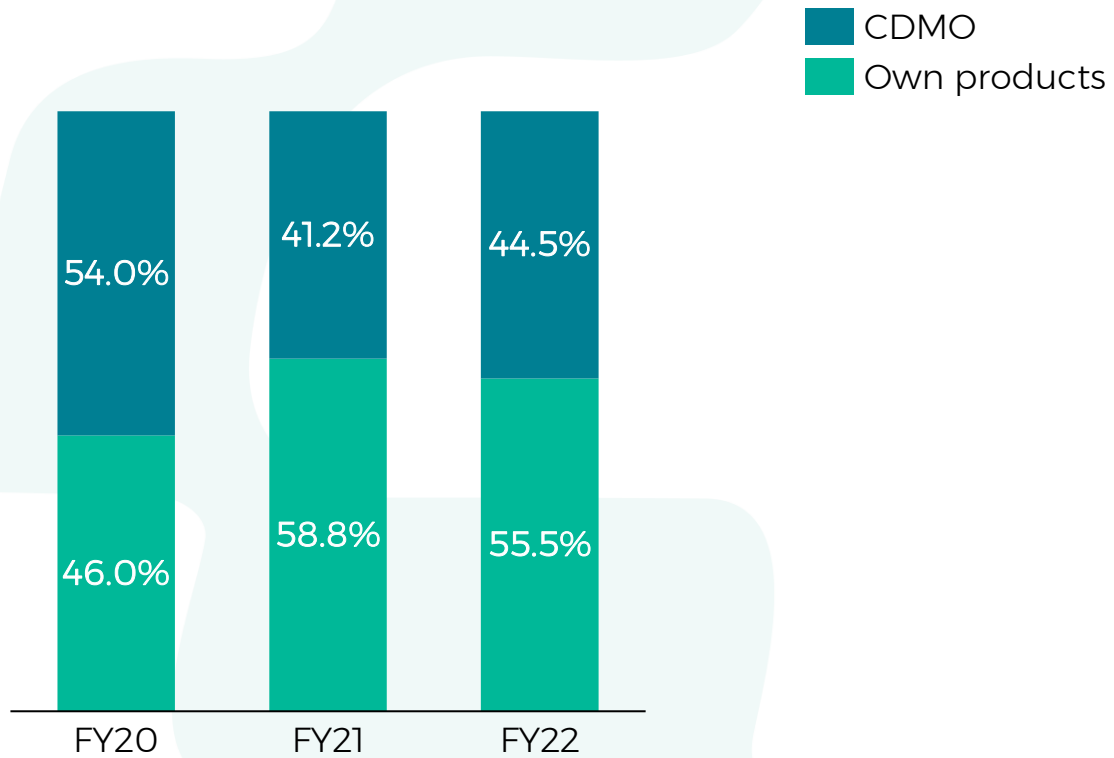
### Consolidated PAT



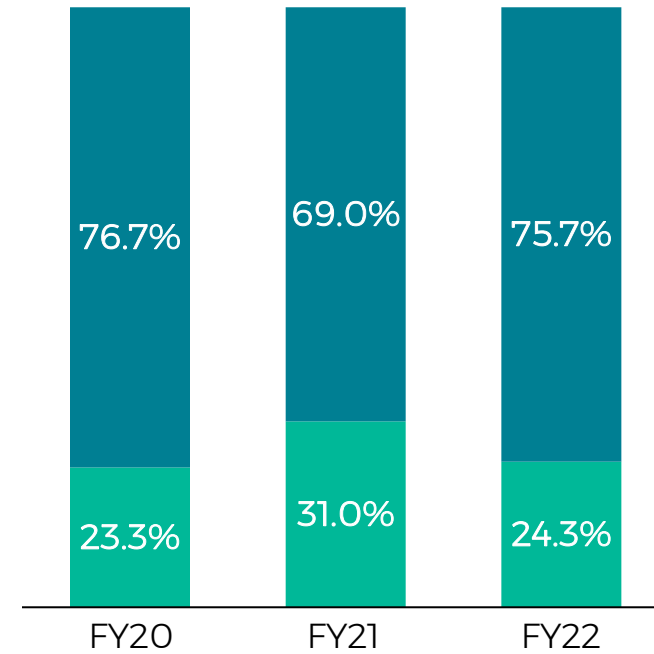
Rs. Crore

## Sales Break-Up

### Pharmaceuticals Revenue Break-Up

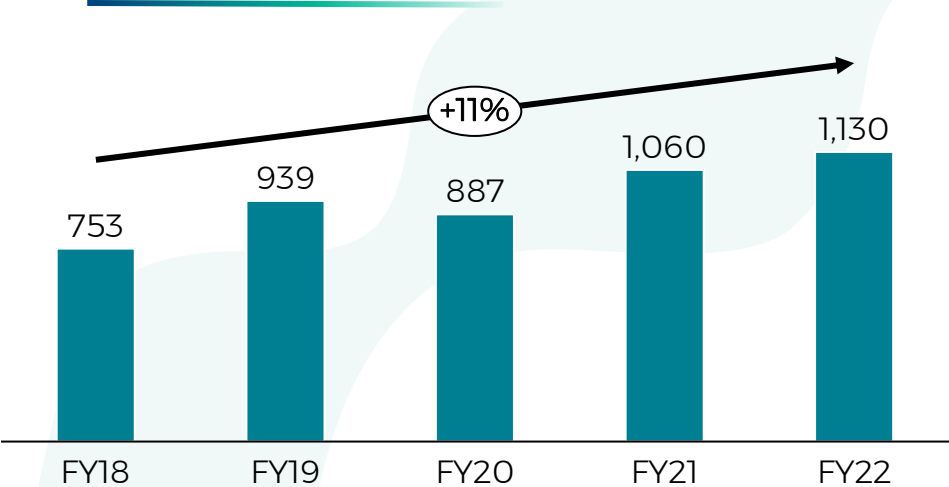


### Crop Protection Revenue Break-Up

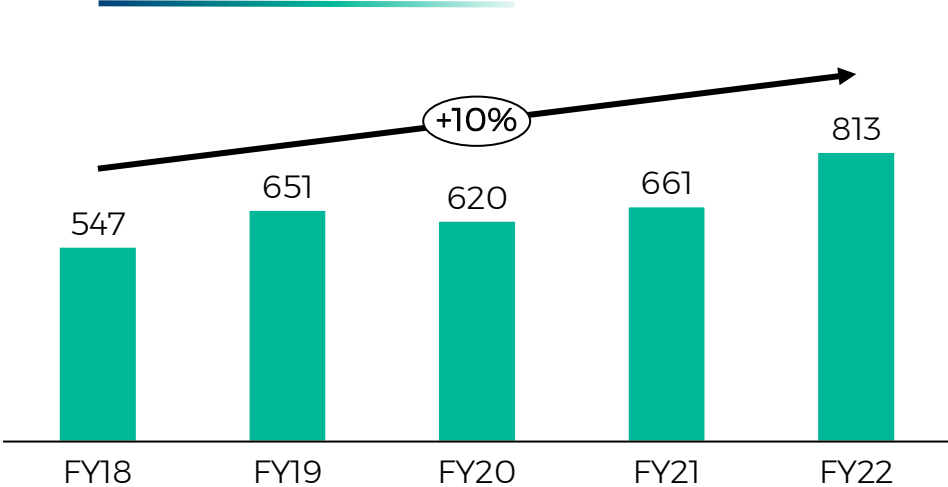


# Yearly Segmental Highlights

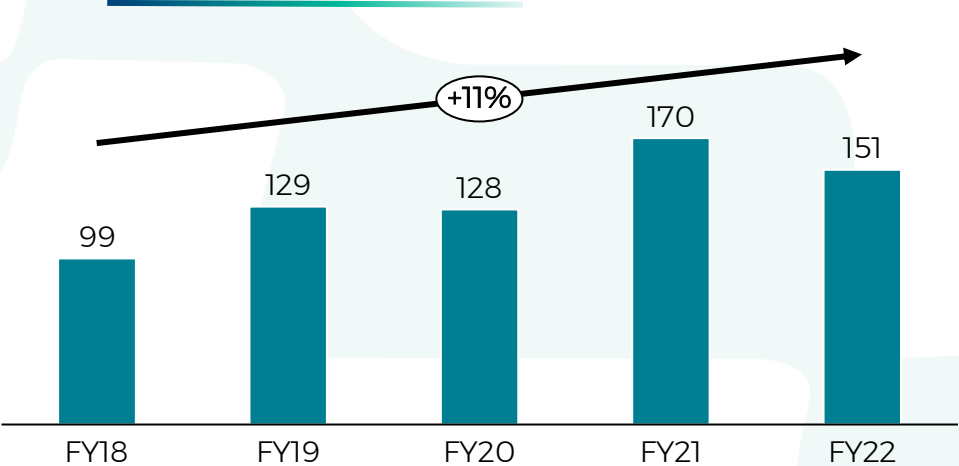
Pharmaceuticals Revenue



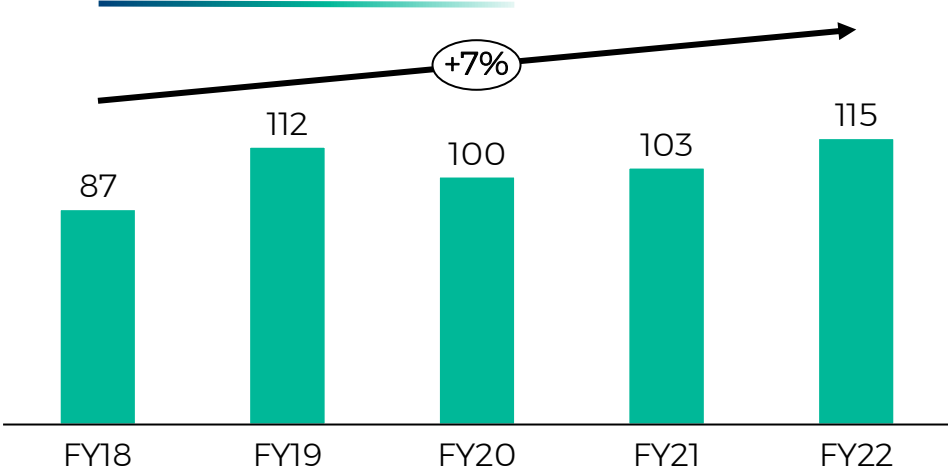
Crop Protection Revenue



Pharmaceuticals EBIT



Crop Protection EBIT

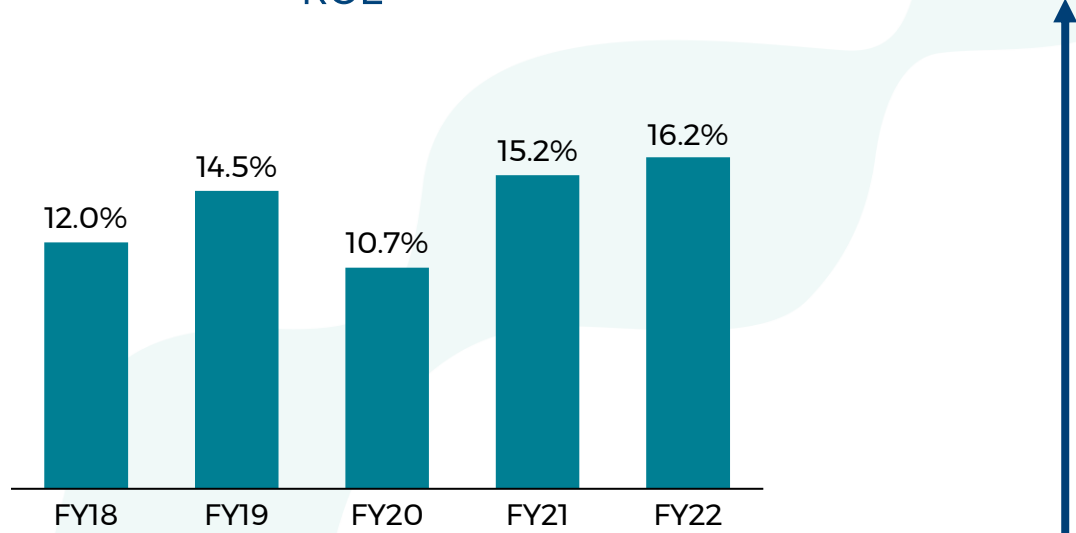


## Consolidated Profit & Loss - Full Year

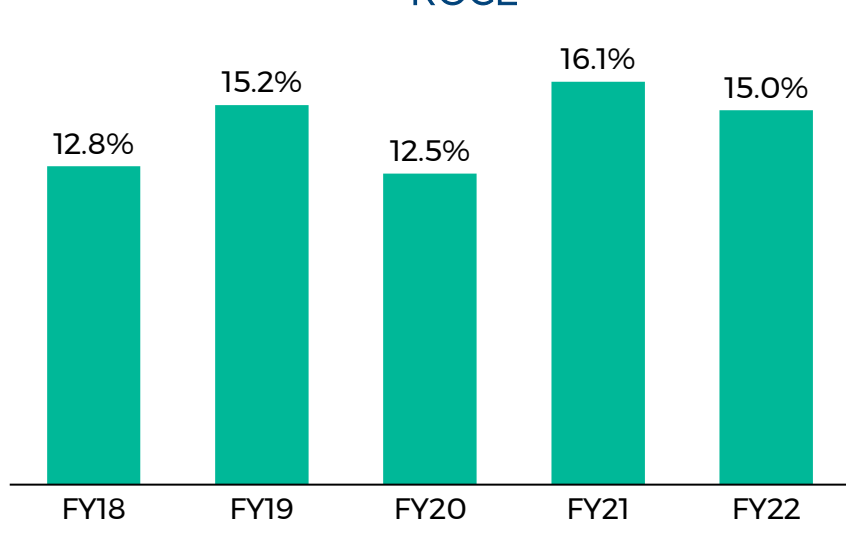
Particulars (Rs. Crore)	FY22	FY21	Y-o-Y
<b>Net Sales</b>	<b>1,943</b>	<b>1,720</b>	<b>13%</b>
Expenditure	1,602	1,397	
<b>EBITDA</b>	<b>341</b>	<b>323</b>	<b>3%</b>
<b>Margin</b>	<b>17.5%</b>	<b>18.8%</b>	
Other Income	5	5	
Depreciation	96	85	
Finance Costs	31	36	
Exceptional Item	-	-	
<b>PBT</b>	<b>219</b>	<b>206</b>	<b>6%</b>
Tax	58	73	
<b>Net Profit</b>	<b>161</b>	<b>133</b>	<b>21%</b>
<b>Margin</b>	<b>8.3%</b>	<b>7.7%</b>	

# Ratio Analysis

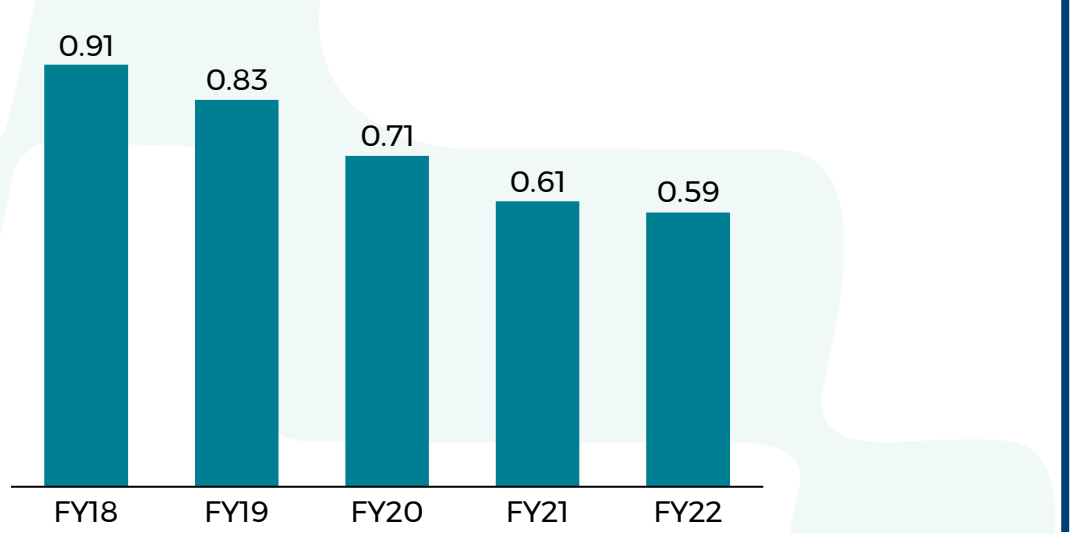
## ROE



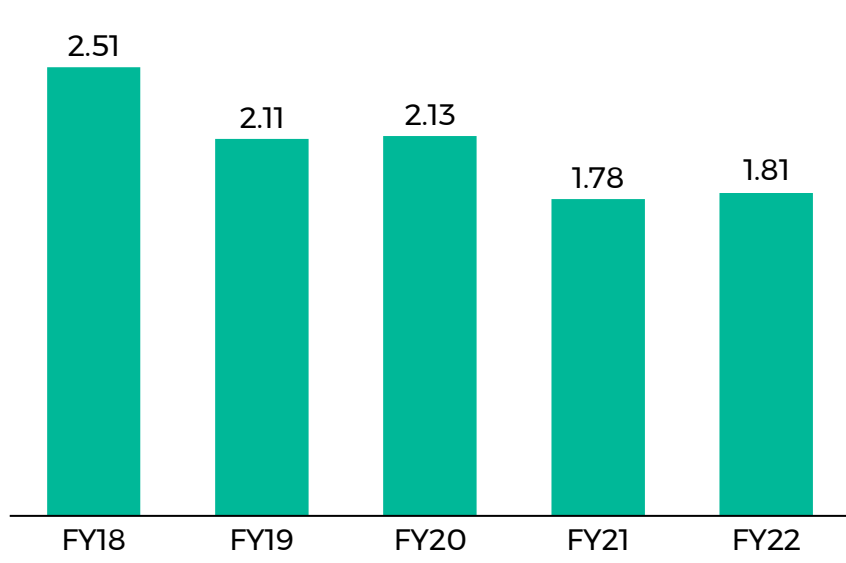
## ROCE



## Net Debt / Equity



## Net Debt / EBITDA



# Annual Dividend Payout

Dividend Payout including DDT

24% 22% 18% 19% 17% 20% 19% 19% 12% 17%



Interim dividend of Rs. 0.60 per share (30% of FV Rs. 2 per share)

\*Note- Interim Dividend





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