



*Results Presentation - Q1 FY24*

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Jai Hiremath

*"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.*

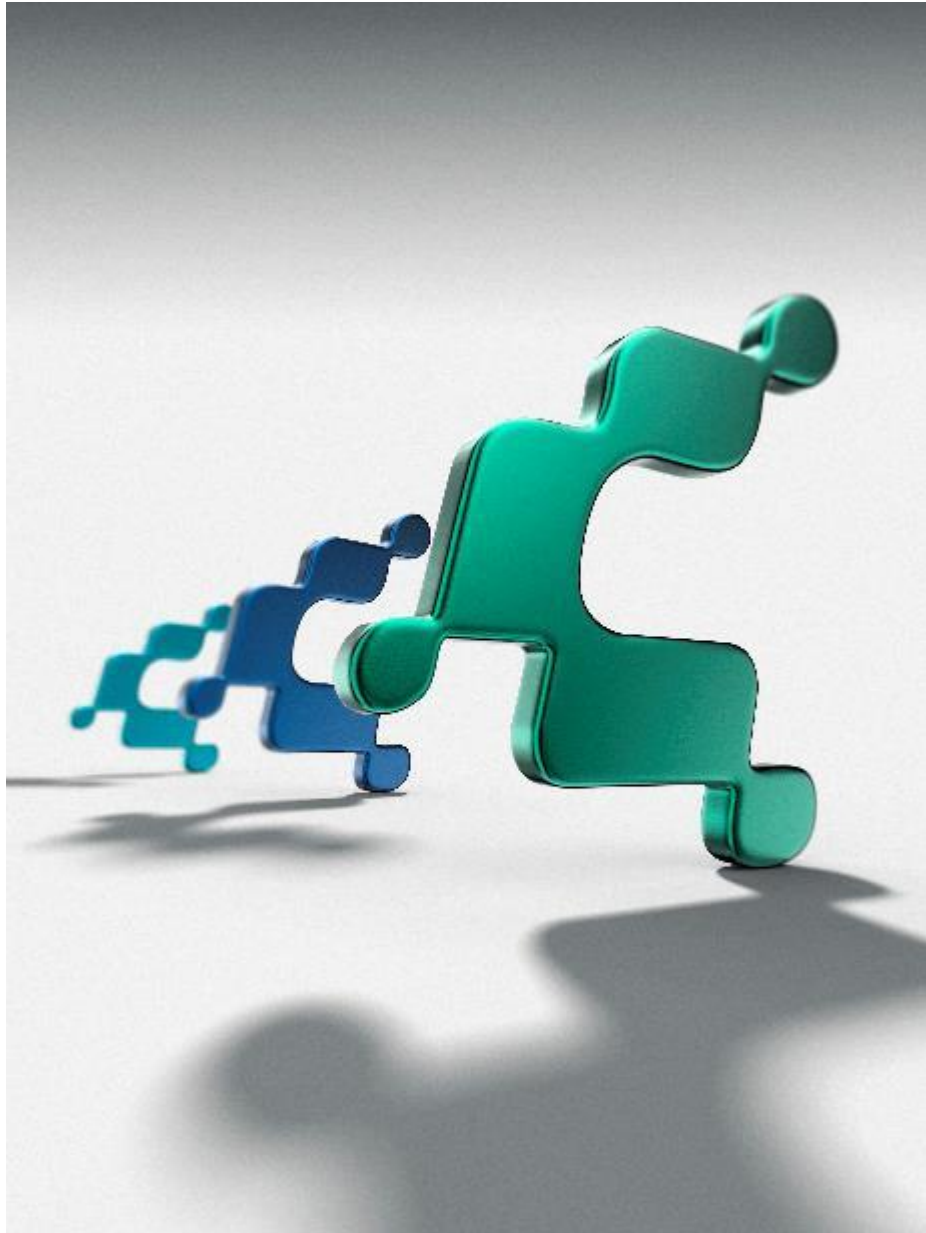
*On 22nd July 2023, the company had received communication from Gujarat Pollution Control Board (GPCB) directing company to seize operations within 15 days from the order date citing certain technical violations. The company has responded to the queries raised by the GPCB and the closure notice has been revoked.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."*



## *Quarterly Financials Highlights*

# Q1FY24: Performance Highlights



Revenue - Q1 FY24  
Rs. 388 Crore



YoY  
+2%



QoQ  
-29%



EBITDA - Q1 FY24  
Rs. 50 Crore



YoY  
+122%



QoQ  
-43%



EBITDA Margin - Q1 FY24  
12.9%



YoY  
+696 bps



QoQ  
-321 bps



PAT - Q1 FY24  
Rs. 7 Crore



YoY  
+177%



QoQ  
-81%



EPS - Q1 FY24  
Rs. 0.56

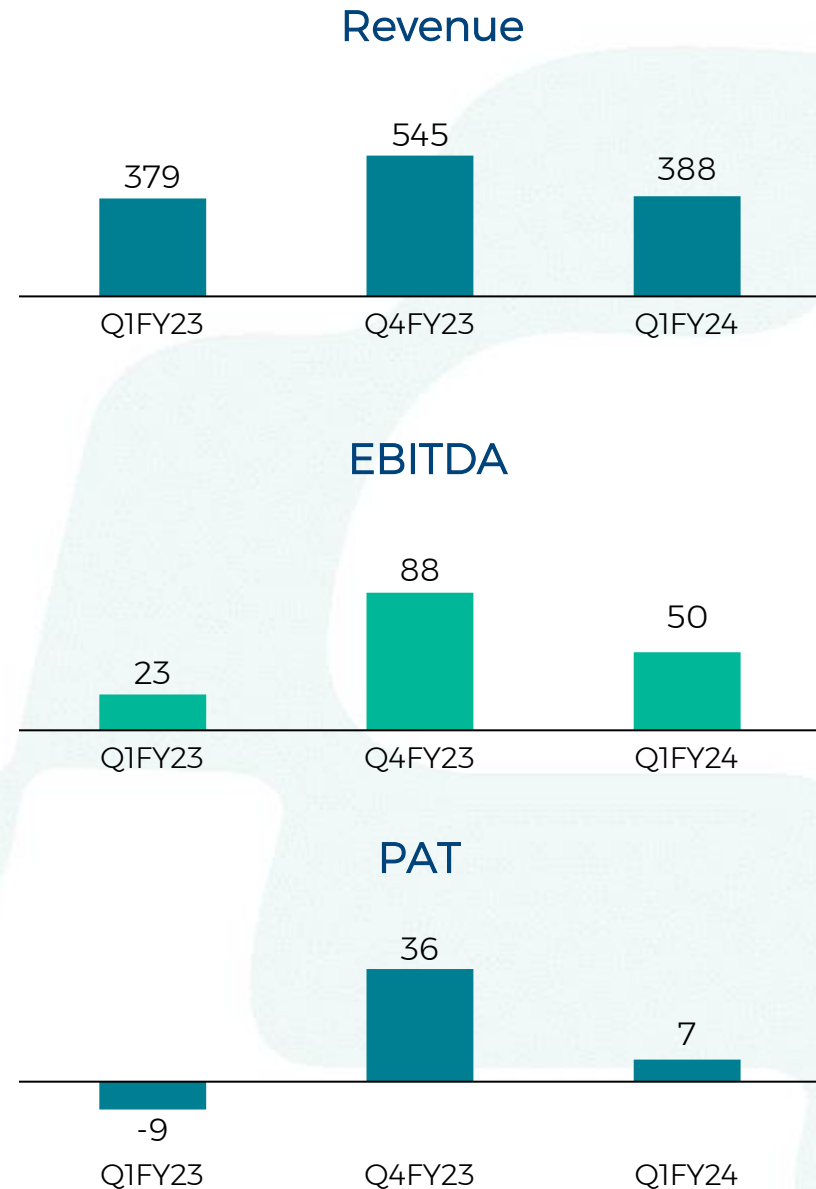


YoY  
+177%



QoQ  
-81%

## Quarterly Performance Highlights

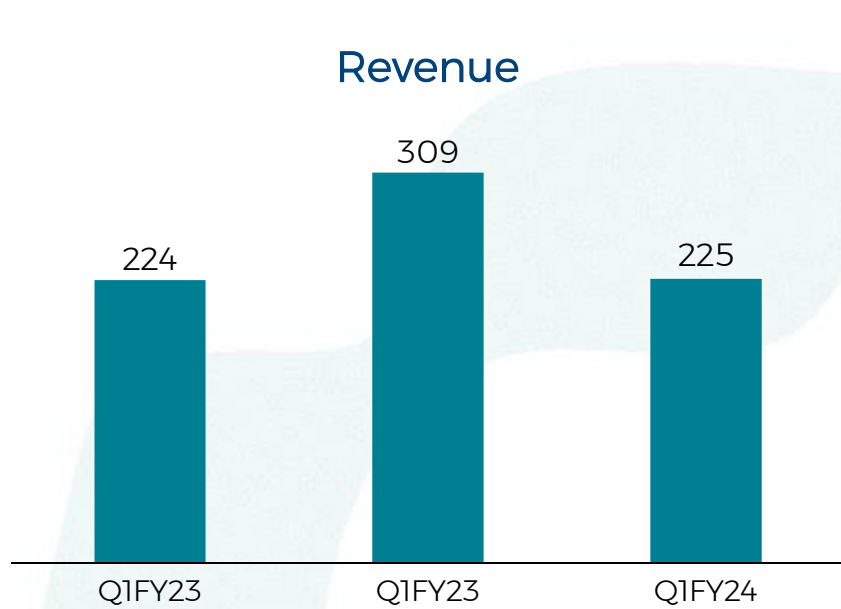


Rs. Crore

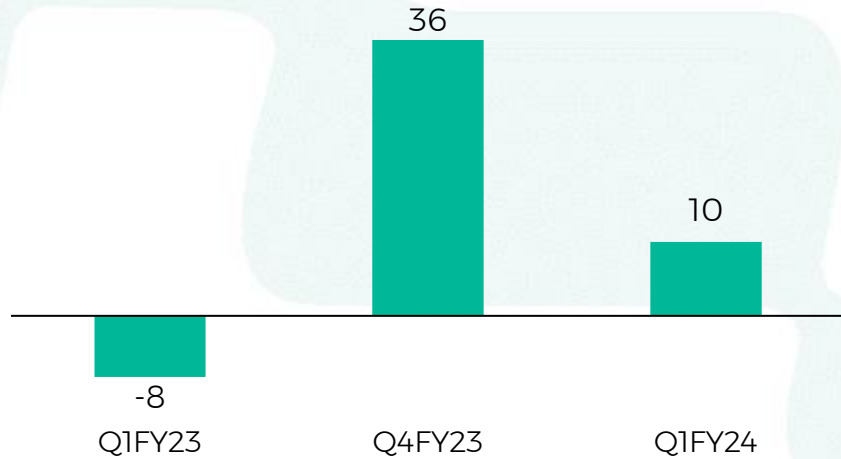
### Performance Highlights

- Revenue recorded at Rs 388 Crore, 2% growth YoY basis
  - Change in product mix
  - Increased demand of select products
- EBITDA stood at Rs 50 Crore, 122% increase on YoY basis
  - Cost improvement initiatives, softening in RM costs and change in product mix
- PAT was Rs. 7 Crore
  - Lower operating leverage sequentially
  - Marginal increase in finance costs in view of interest rate hikes
- Hikal's long term credit rating is maintained at A+ by ICRA
- Sequential growth in revenue and margins is expected for Pharma business in the upcoming quarters
- Panoli site clears US FDA audit for API with 'Zero' 483 observation
  - US FDA approval is in line with derisking strategy for additional API site to service our global customer base

Revenue



EBIT

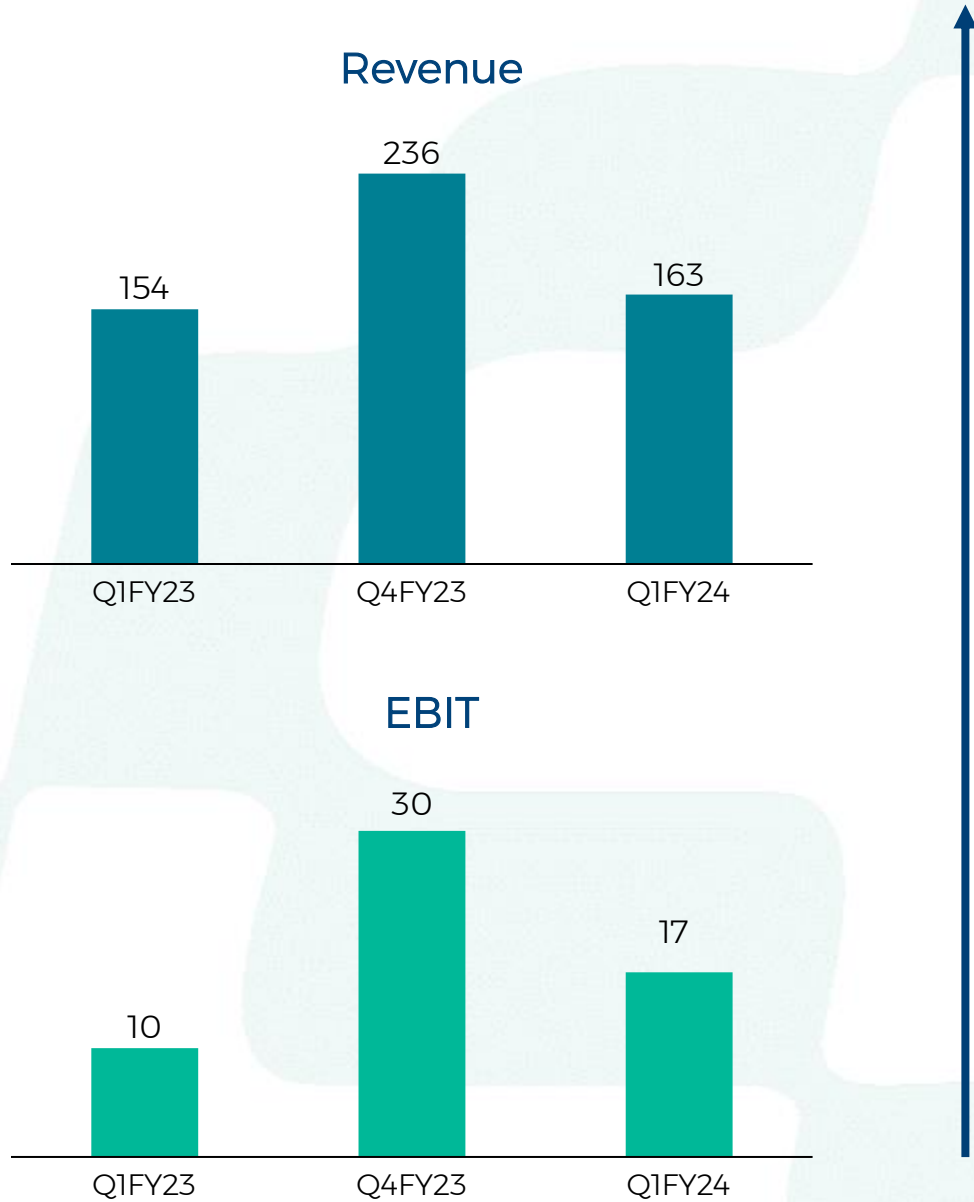


Rs. Crore

Performance Highlights

- Revenue stood flat at Rs 225 Crore vs same period last year
- EBIT stood at Rs 10 Crore
  - Softening of key RM prices
  - Lower operating leverage on sequential basis
  - Improvement in margins on account of business excellence initiatives
- New multipurpose plant for Animal Health is on track at Panoli, Gujarat and commissioning is underway
- 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

## Quarterly Performance Highlights - Crop Protection



### Performance Highlights

- Revenue stood at Rs 163 Crore
  - Disruptive channel inventory correction in Agrochemicals space has reduced the demand of key products in the quarter
  - Demand from customers is expected to recover during H2 FY24 on account of channel inventory normalization
- EBIT stood at Rs 17 Crore
  - Softening of input raw material prices
  - Reduced operating leverage sequentially
  - Successful deployment of business excellence projects
- New multipurpose facility at Panoli, Gujarat is currently stabilizing and commissioning activity is going as per plan
- We have a strong pipeline of opportunities under discussion with various global innovators



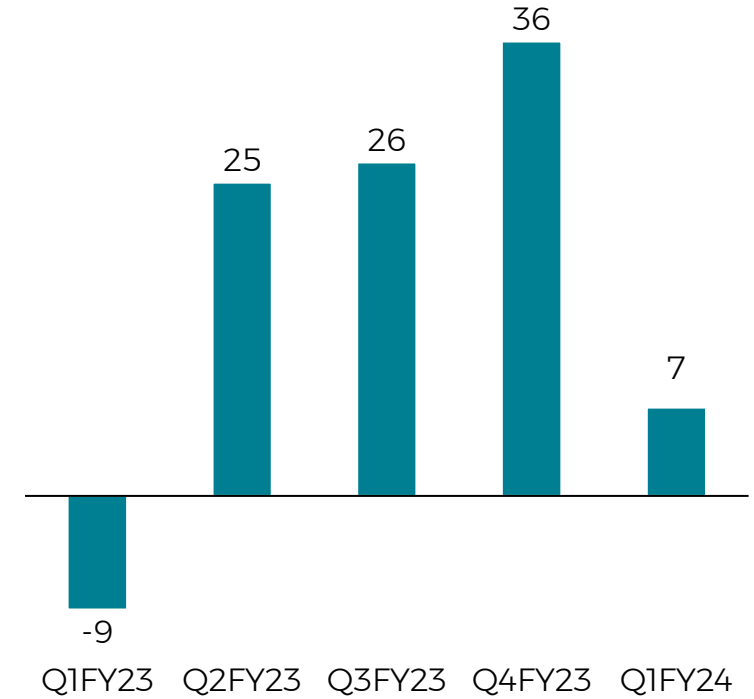
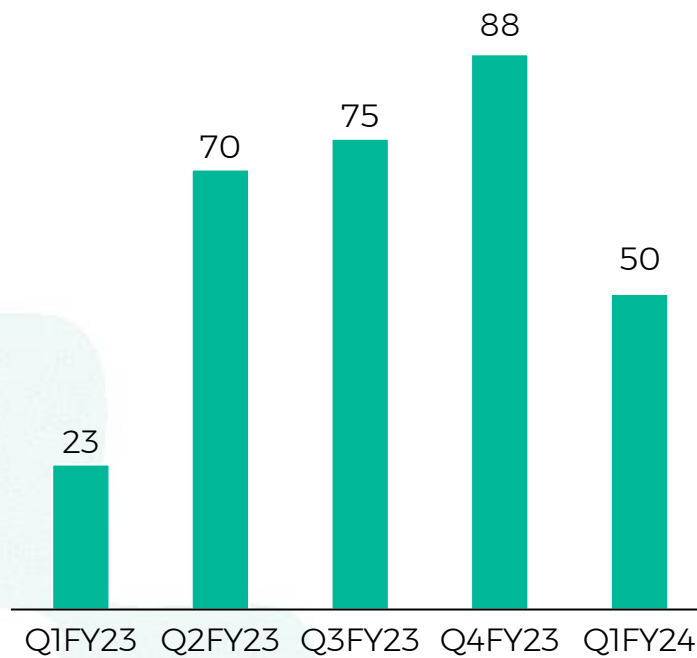
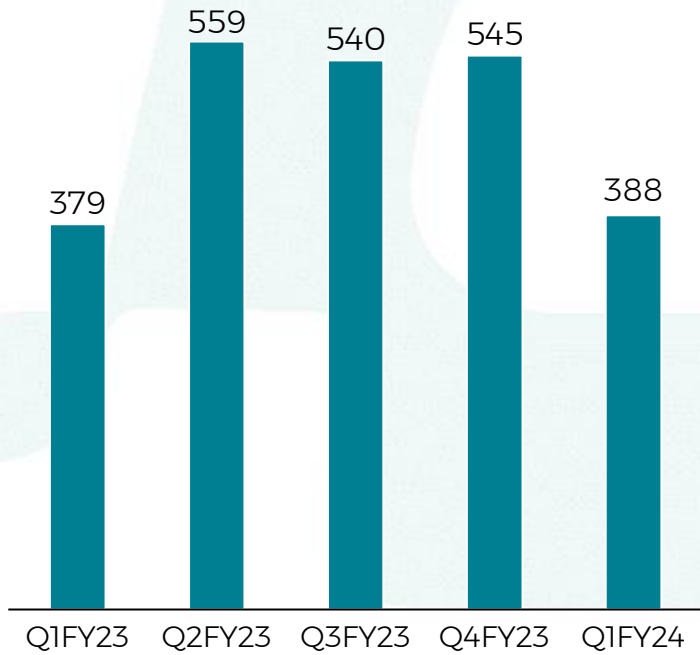
# Quarterly Financial Highlights



Consolidated Revenue

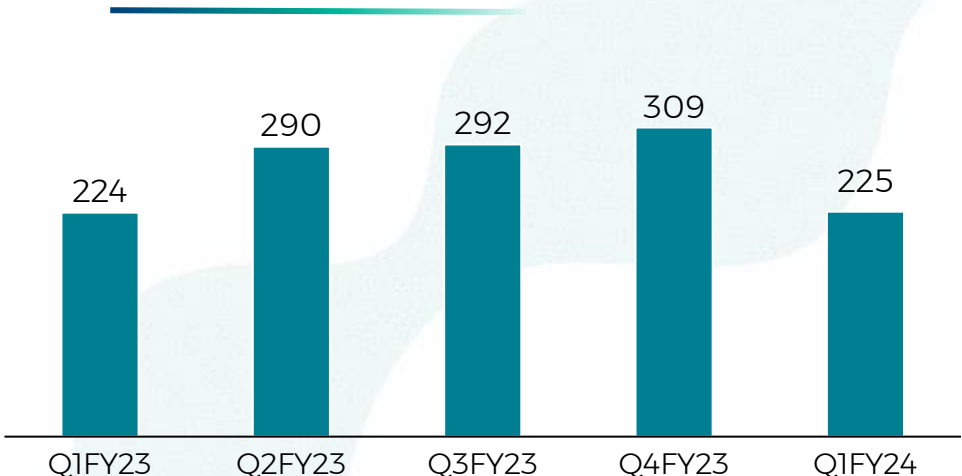
Consolidated EBITDA

Consolidated PAT

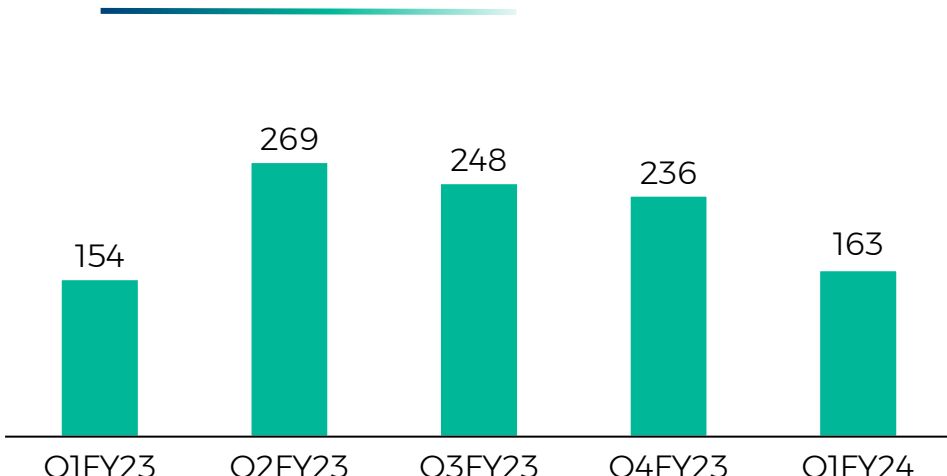


# Quarterly Segmental Highlights

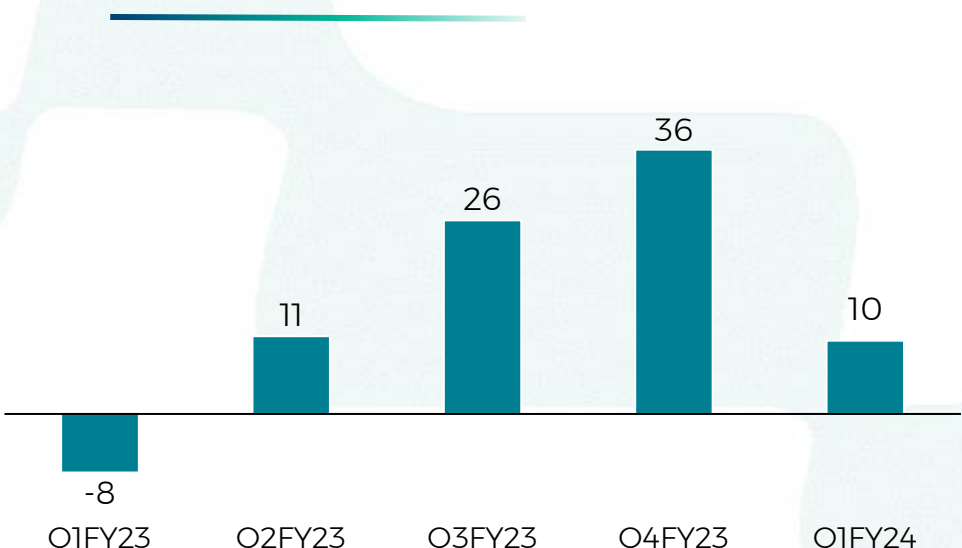
Pharmaceuticals Revenue



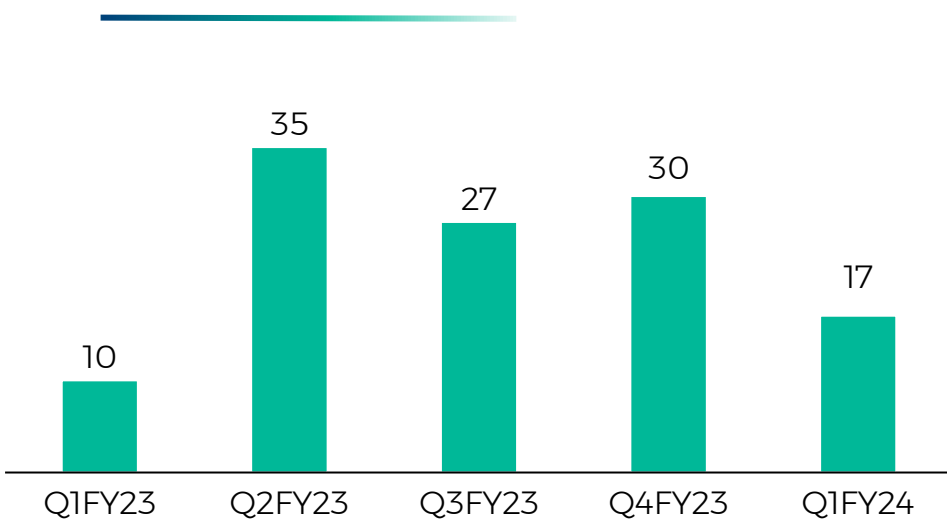
Crop Protection Revenue



Pharmaceuticals EBIT



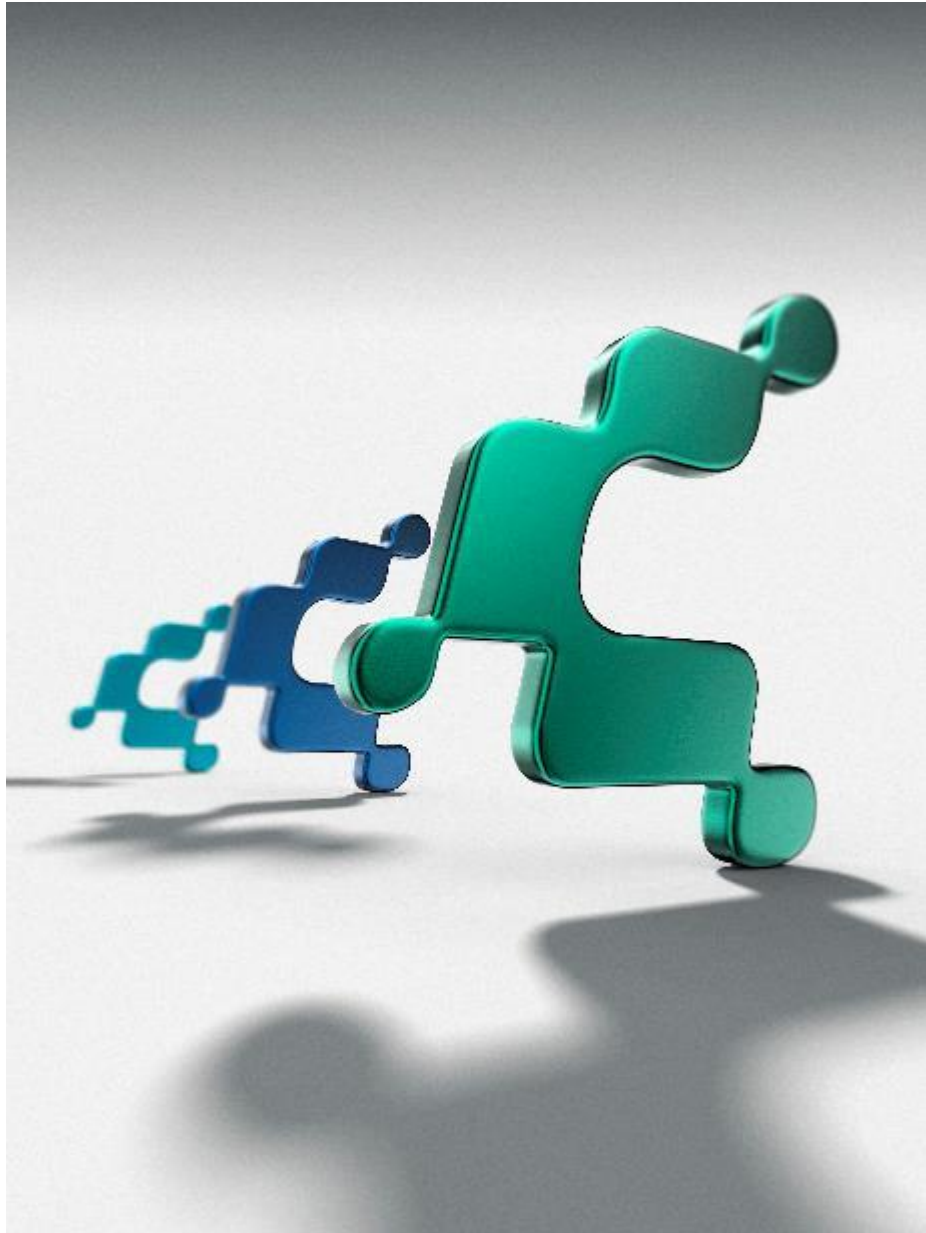
Crop Protection EBIT



Rs. Crore

## Consolidated Profit & Loss - Q1

Particulars (Rs. in Cr)	Q1 FY24	Q1 FY23	Y-o-Y
<b>Net Sales</b>	<b>388</b>	<b>379</b>	<b>2%</b>
Expenditure	338	356	
<b>EBITDA</b>	<b>50</b>	<b>23</b>	<b>122%</b>
<b>Margin</b>	<b>12.9%</b>	<b>6.0%</b>	
Other Income	1	3	
Depreciation	28	27	
Finance Costs	14	11	
<b>PBT</b>	<b>10</b>	<b>(12)</b>	<b>181%</b>
Tax	3	(3)	
<b>Net Profit</b>	<b>7</b>	<b>(9)</b>	<b>177%</b>
<b>Margin</b>	<b>1.8%</b>	<b>-2.4%</b>	



**Annual Financials Highlights**

## Financial Highlights - Annual



Revenue – FY23  
Rs. 2,023 Crore

↑ YoY  
+4%



EBITDA – FY23  
Rs. 257 Crore

↓ YoY  
-25%



EBITDA Margin – FY23  
12.7%

↓ YoY  
-482 bps



PAT – FY23  
Rs. 78 Crore

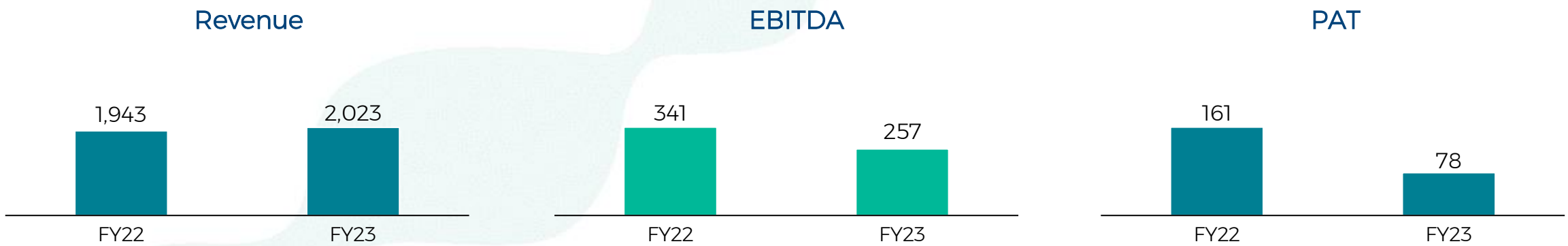
↓ YoY  
-51%



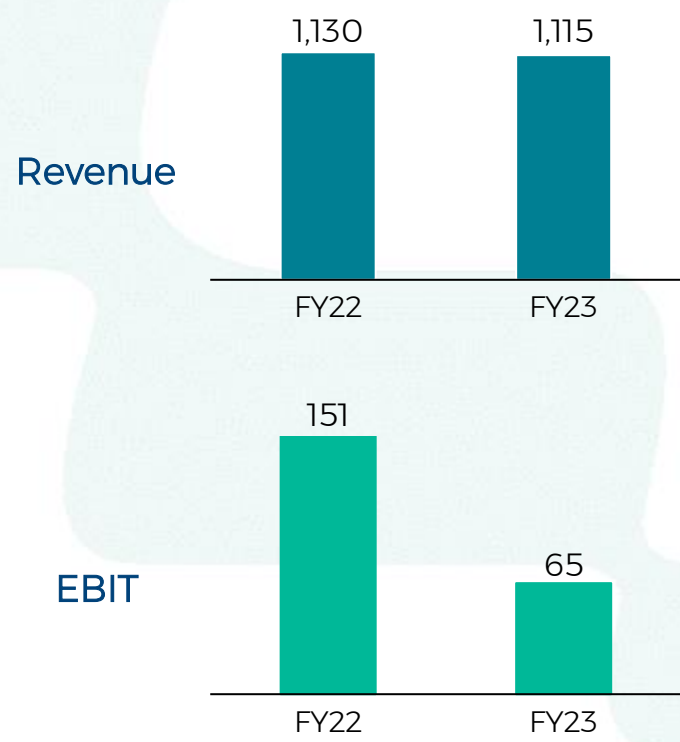
EPS – FY23  
Rs 6.36

↓ YoY  
-51%

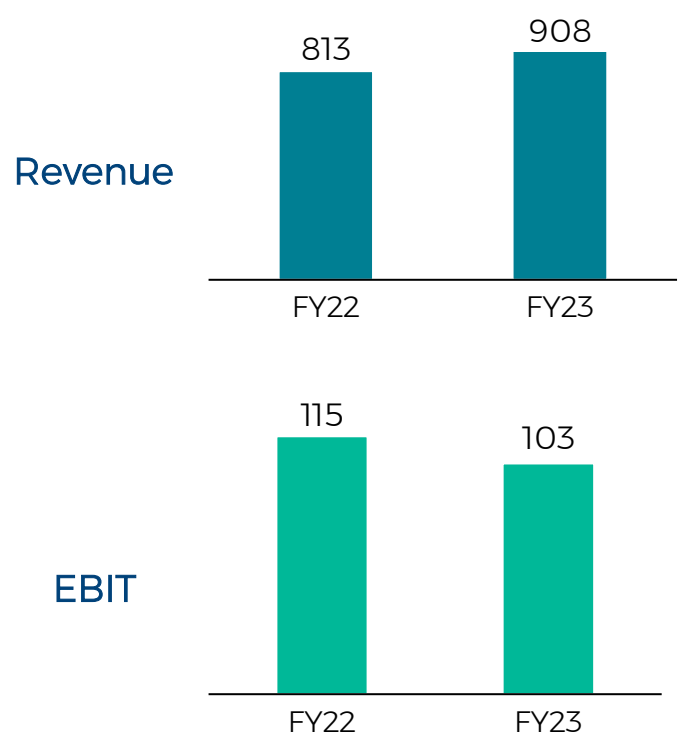
# Annual Performance Highlights



## Pharmaceuticals Division



## Crop Protection Division



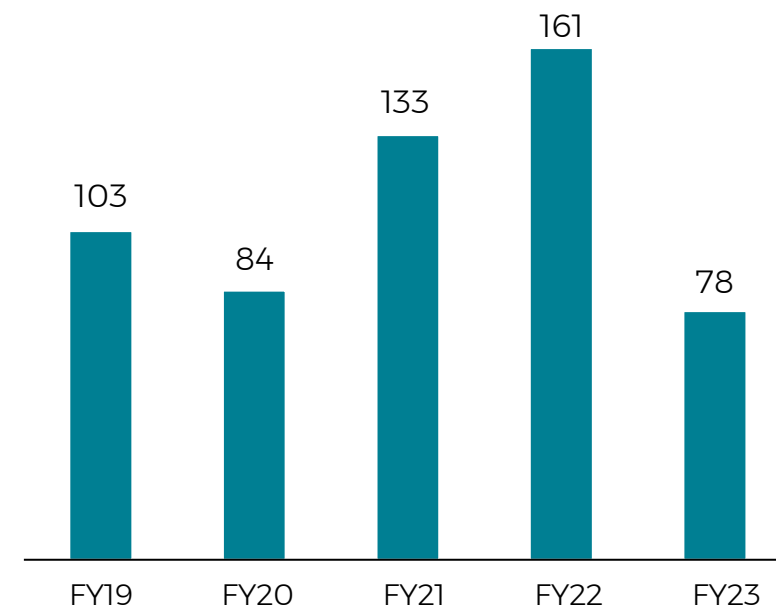
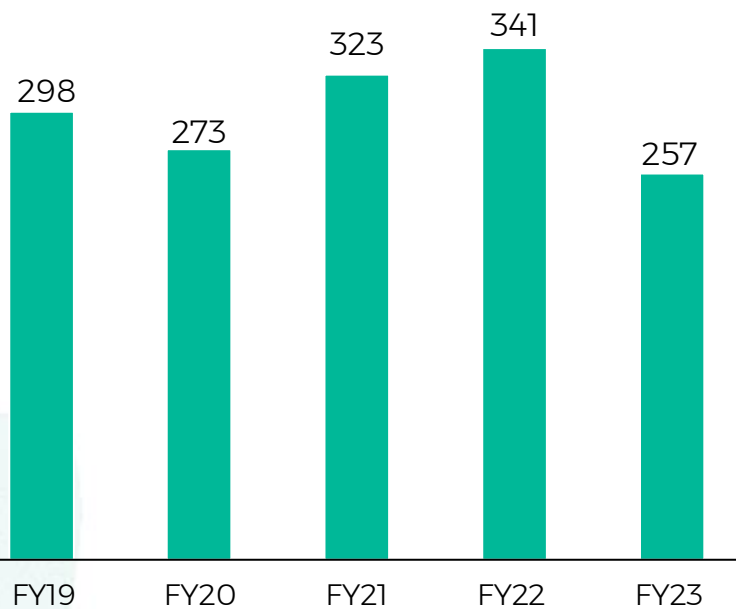
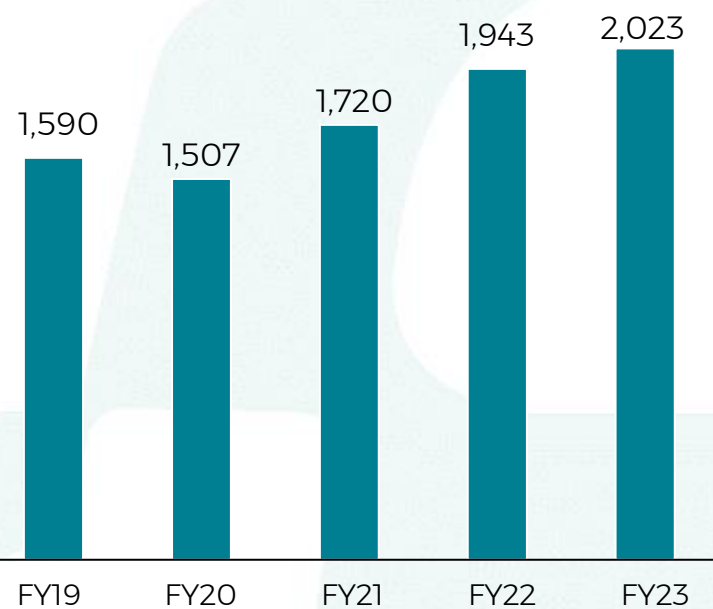
# Yearly Financial Highlights



### Consolidated Revenue

### Consolidated EBITDA

### Consolidated PAT



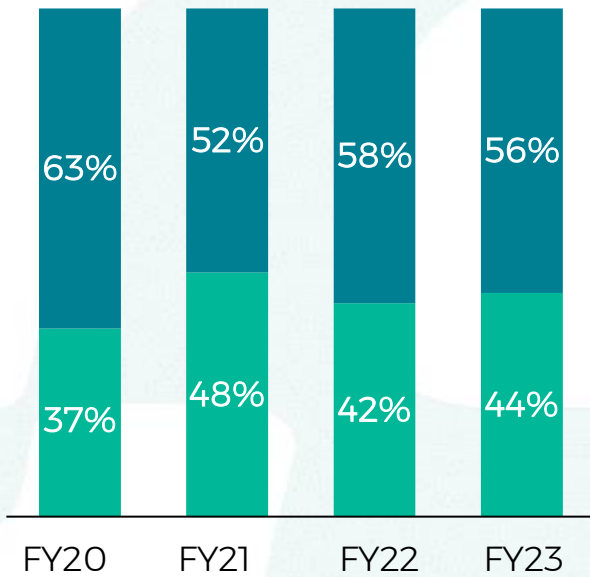
Rs. Crore

# Sales Break-Up

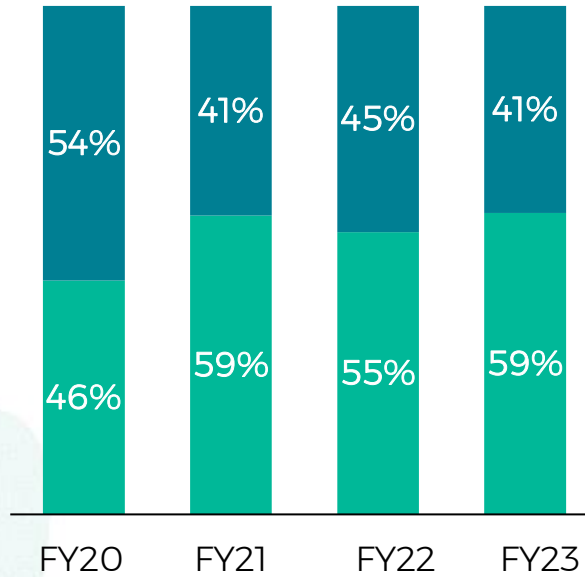


- CDMO
- Own products

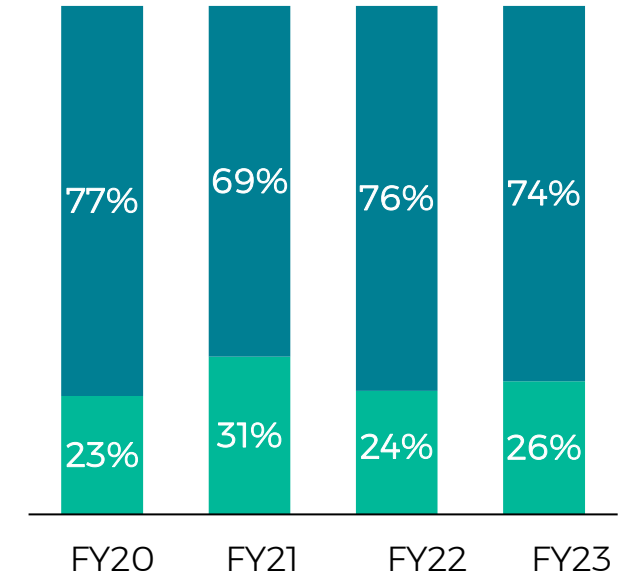
### Company Revenue Break-Up



### Pharmaceuticals Revenue Break-Up



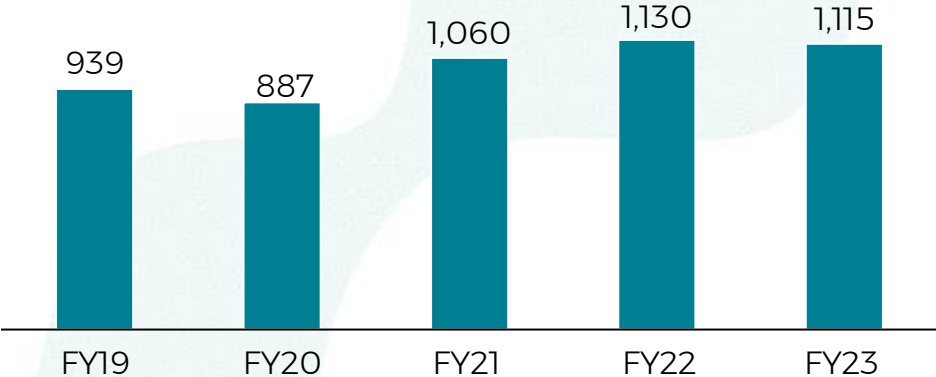
### Crop Protection Revenue Break-Up



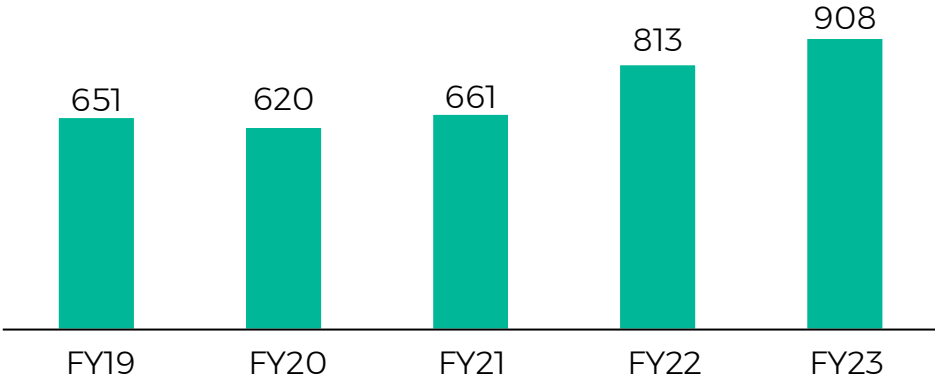


# Yearly Segmental Highlights

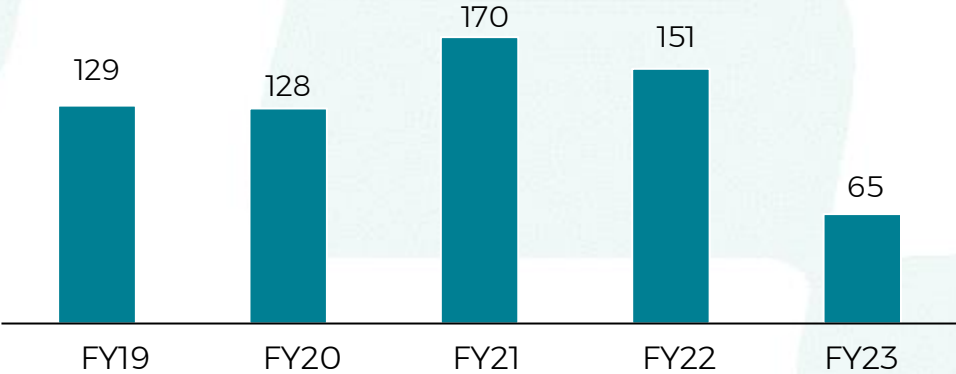
Pharmaceuticals Revenue



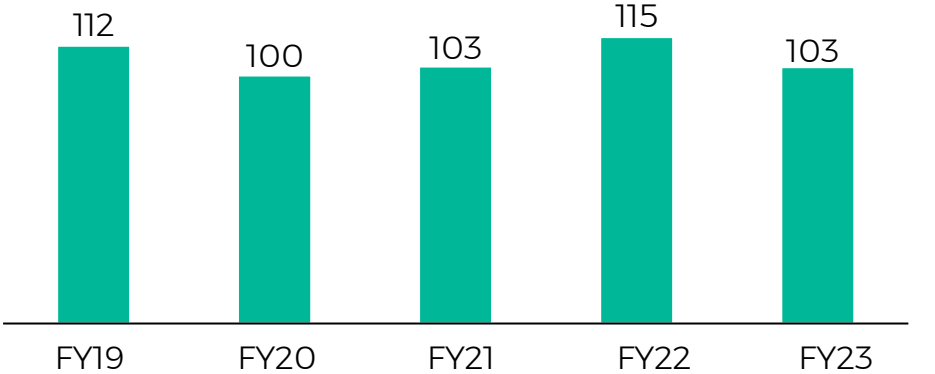
Crop Protection Revenue



Pharmaceuticals EBIT



Crop Protection EBIT



## Consolidated Profit & Loss - Full Year

<b>Particulars (Rs. Crore)</b>	<b>FY23</b>	<b>FY22</b>	<b>Y-o-Y</b>
<b>Net Sales</b>	<b>2,023</b>	<b>1,943</b>	<b>4%</b>
Expenditure	1,766	1,602	
<b>EBITDA</b>	<b>257</b>	<b>341</b>	<b>-25%</b>
<b>Margin</b>	<b>12.7%</b>	<b>17.5%</b>	
Other Income	5	5	
Depreciation	109	96	
Finance Costs	48	31	
Exceptional Item	-	-	
<b>PBT</b>	<b>105</b>	<b>219</b>	<b>-52%</b>
Tax	27	58	
<b>Net Profit</b>	<b>78</b>	<b>161</b>	<b>-51%</b>
<b>Margin</b>	<b>3.9%</b>	<b>8.3%</b>	

## Consolidated Balance Sheet

<b>Assets (Rs. Crore)</b>	<b>Mar-23</b>	<b>Mar-22</b>	<b>Equities &amp; Liabilities (Rs. Crore)</b>	<b>Mar-23</b>	<b>Mar-22</b>
<b>Total Non Current Assets</b>	<b>1,446</b>	<b>1,249</b>	<b>Shareholders Fund</b>	<b>1,134</b>	<b>1,068</b>
Property, Plant and Equipment	885	815	Share Capital	25	25
Capital work in Progress	402	285	Other Equity	1,109	1,043
Right to Use Assets	63	64	<b>Total Non Current Liabilities</b>	<b>591</b>	<b>376</b>
Other Intangible Assets	-	1	Financial Liabilities		
Intangible Assets Under Development	10	10	Borrowings	490	287
Financial Assets			Lease Liability	-	-
Investments	5	1	Provisions	24	24
Loans	-	-	Deferred Tax Liabilities (net)	33	36
Other	19	15	Other non current liabilities	44	29
Income Tax Assets (Net)	2	2	<b>Total Current Liabilities</b>	<b>661</b>	<b>769</b>
Other Non Current Assets	60	57	Financial Liabilities		
<b>Total Current Assets</b>	<b>940</b>	<b>964</b>	Borrowings	258	388
Inventories	317	329	Lease Liability	-	-
Financial Assets			Trade Payables	313	249
Current Investment	-	10	Other Financial Liabilities	49	68
Trade Receivables	442	438	Other Current Liabilities	24	48
Cash & Cash Equivalents	27	11	Provisions	3	3
Bank Balances	33	38	Current Tax Liabilities (Net)	14	12
Loans	-	-	<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>2,386</b>	<b>2,213</b>
Other	17	17			
Other Current Assets	104	120			
<b>TOTAL ASSETS</b>	<b>2,386</b>	<b>2,213</b>			

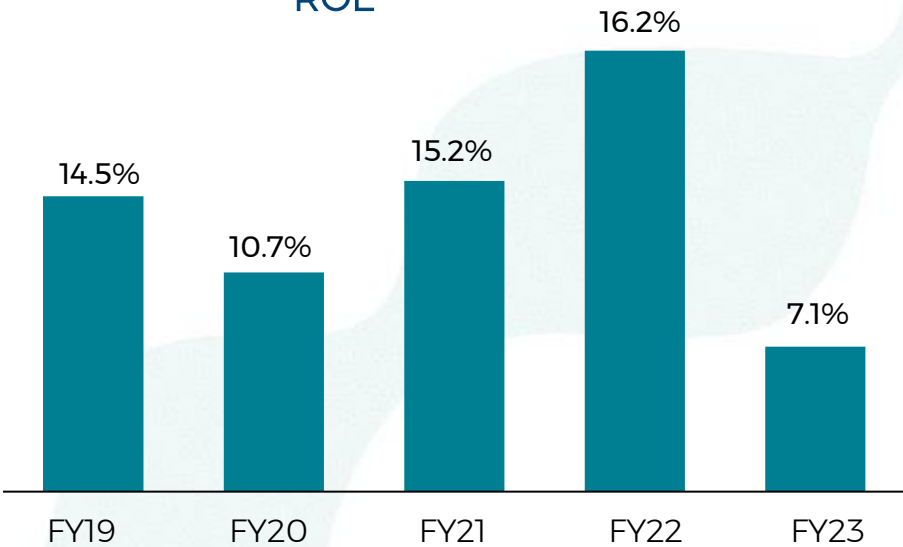
## Consolidated Cash Flow Statement



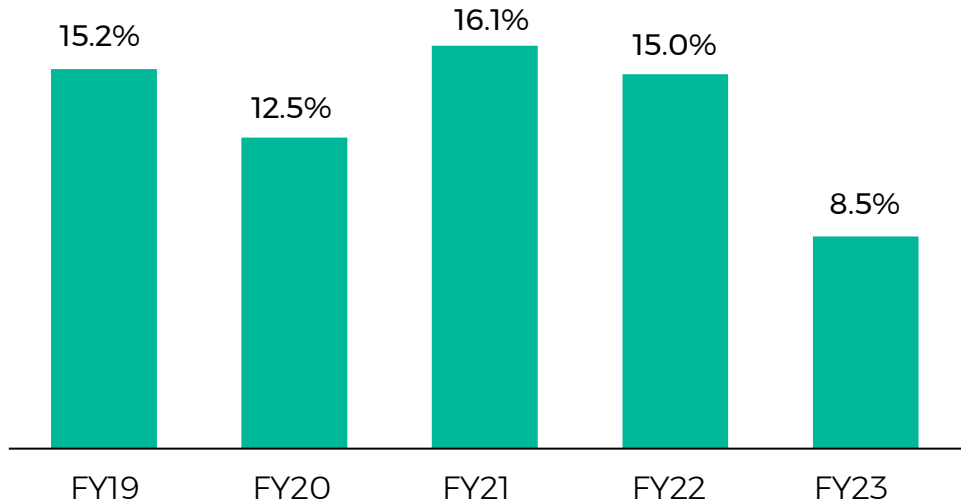
<b>Particulars (Rs. Crore)</b>	<b>Full Year ended 31-Mar-23</b>	<b>Full Year ended 31-Mar-22</b>
Profit before tax	105	219
<i>Adjustments</i>	163	126
Operating Profit Before Working Capital Changes	268	345
<i>Change in operating assets and liabilities</i>	76	19
Cash generated from operations	344	364
<i>Income taxes paid</i>	29	70
<b>Net cash inflow from operating activities (A)</b>	<b>315</b>	<b>294</b>
<b>Net cash inflow/(outflow) from investing activities (B)</b>	<b>(292)</b>	<b>(284)</b>
<b>Net cash outflow from financing activities (C)</b>	<b>(8)</b>	<b>(6)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>15</b>	<b>3</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>11</b>	<b>8</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>26</b>	<b>11</b>

# Ratio Analysis

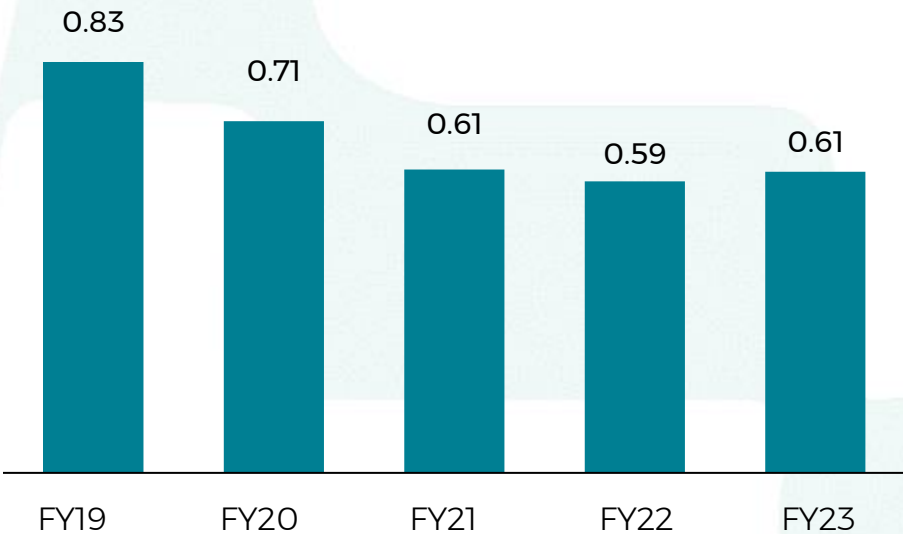
## ROE



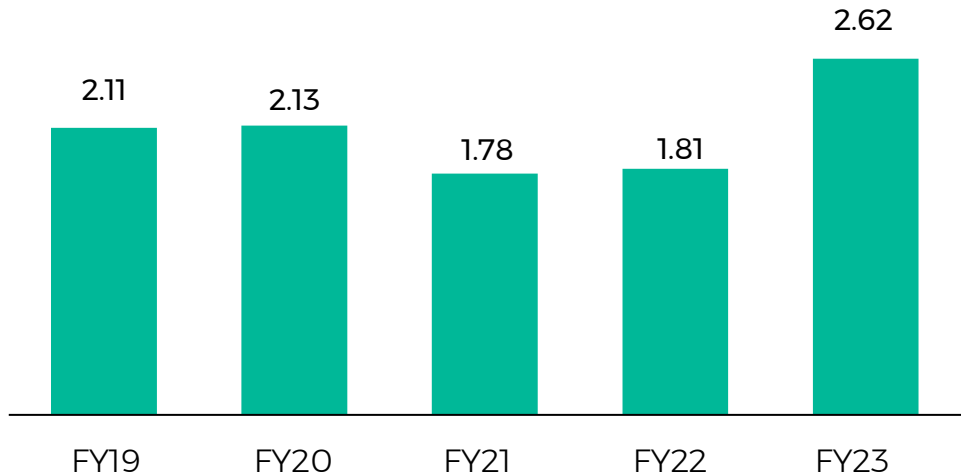
## ROCE



## Net Debt / Equity



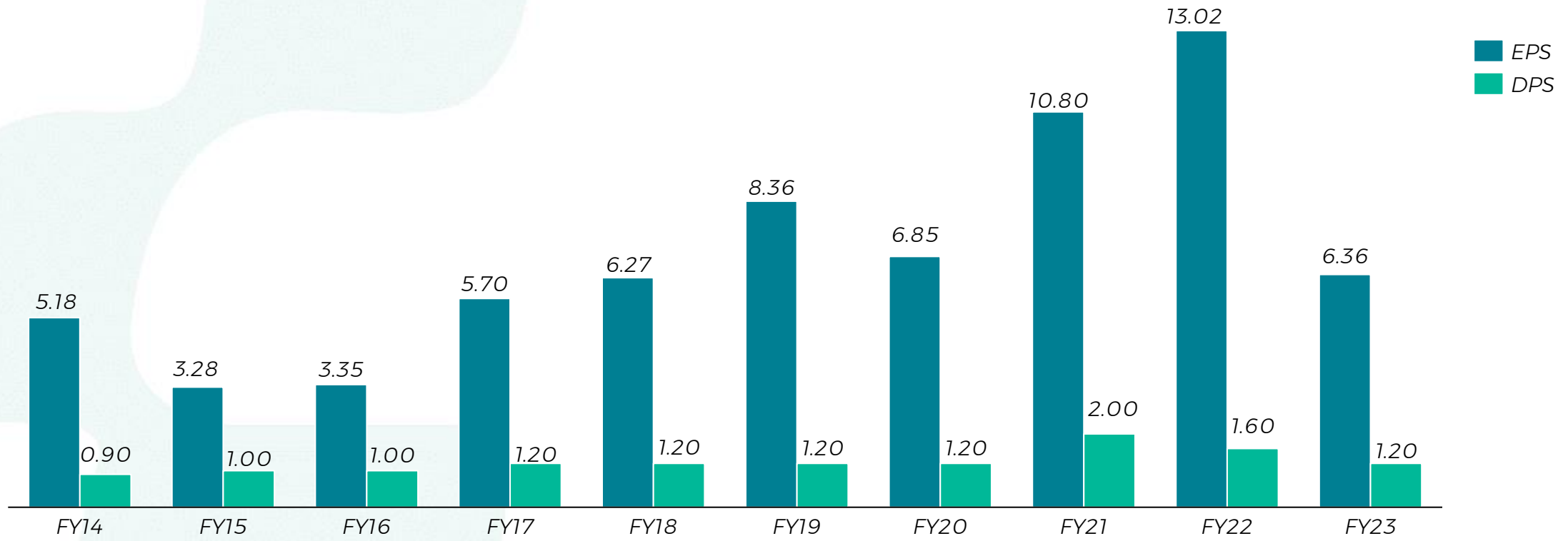
## Net Debt / EBITDA



# Annual Dividend Payout

Dividend Payout including DDT

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



The above dividend is based on Face Value of Rs. 2 per share



**Company :**

**Hikal Limited**

**CIN: L24200MH1988PTC048028**

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**Investor Relations Advisors :**

**Strategic Growth Advisors Pvt. Ltd.**

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**HIKAL**

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