



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

Rs. 453 Crore

YoY 4%

QoQ 11%



EBITDA

Rs. 75 Crore

YoY 30%

QoQ 29%



PAT

Rs. 18 Crore

YoY 45%

QoQ 248%



EBITDA Margin

16.5 %

YoY 329 bps

QoQ 223 bps



EPS

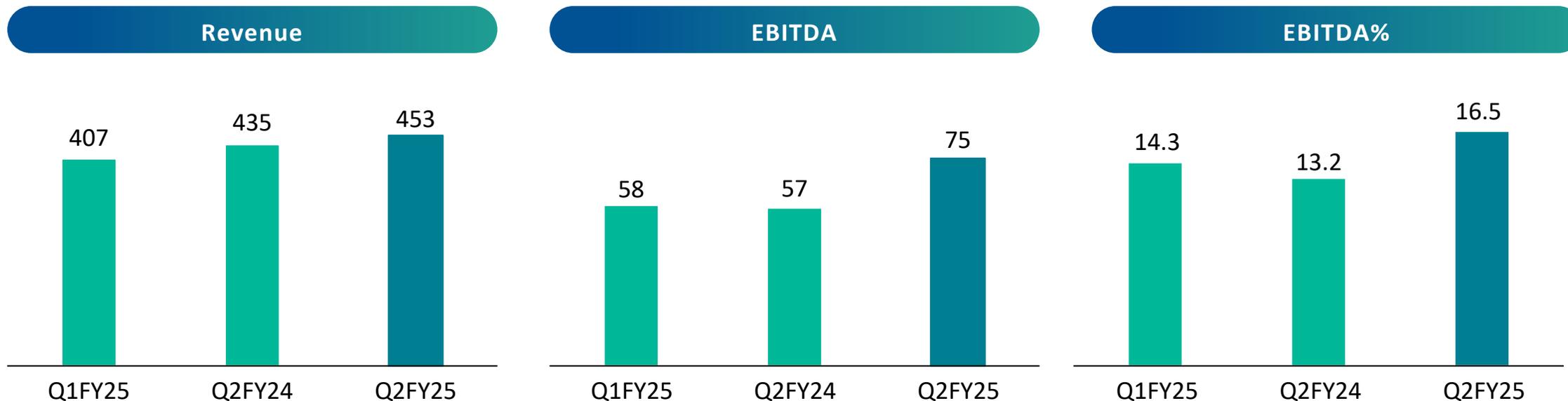
Rs. 1.47

YoY 45%

QoQ 248%

Q2 FY25: Consolidated Performance

Rs. In crores



COMMENTARY

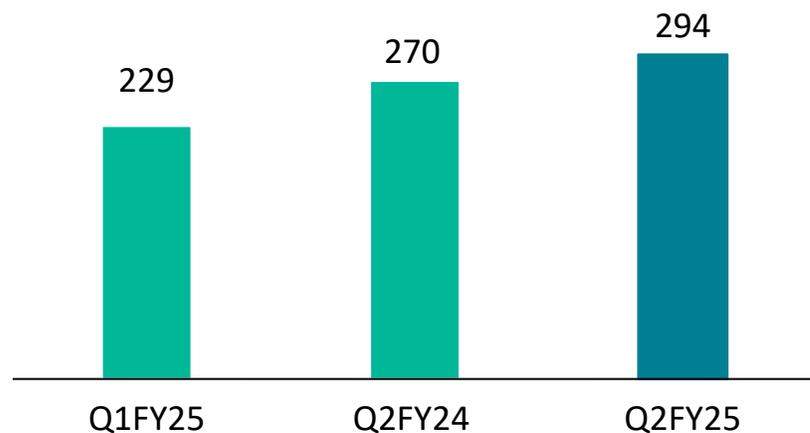
- Revenue recorded at Rs 453 Crore
- PAT stood at Rs. 18 Crore
- Reduced working capital and improved cashflow
- On YoY basis, recovery in margins are primarily due to business excellence initiatives

- 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

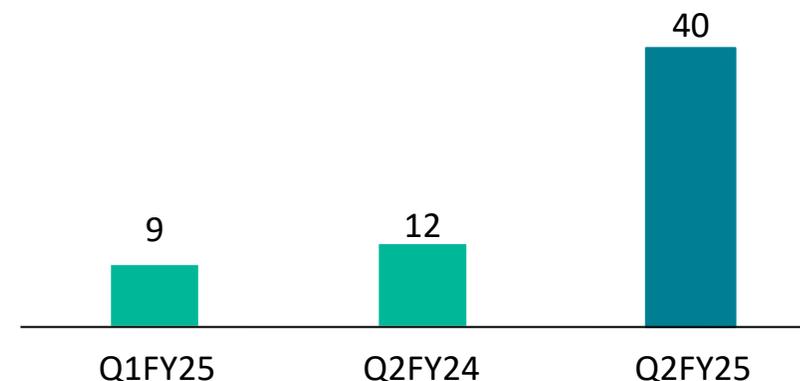
Q2 FY25: Pharmaceuticals Performance

Rs. In crores

Revenue



EBIT



COMMENTARY

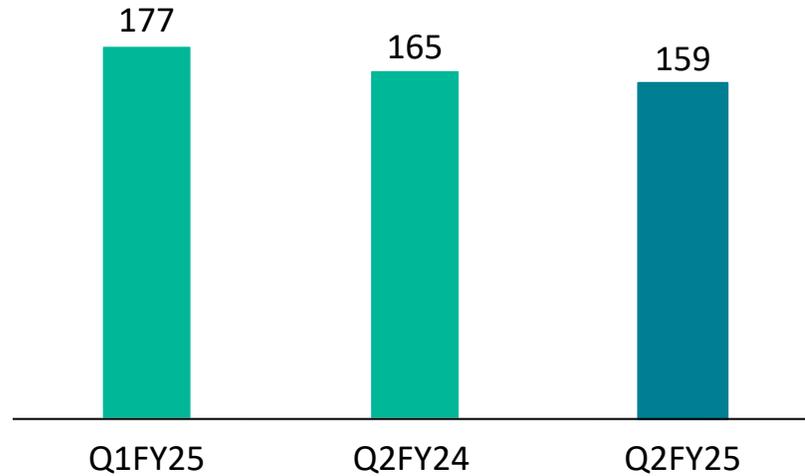
- Volume improvement to continue on account of widespread and deeper penetration globally in API business
- Filed 2 DMFs for two anti-coagulant products, one for US market and other for Europe market
- On CDMO side, supplied validation quantities during the quarter for an innovator customer

- 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

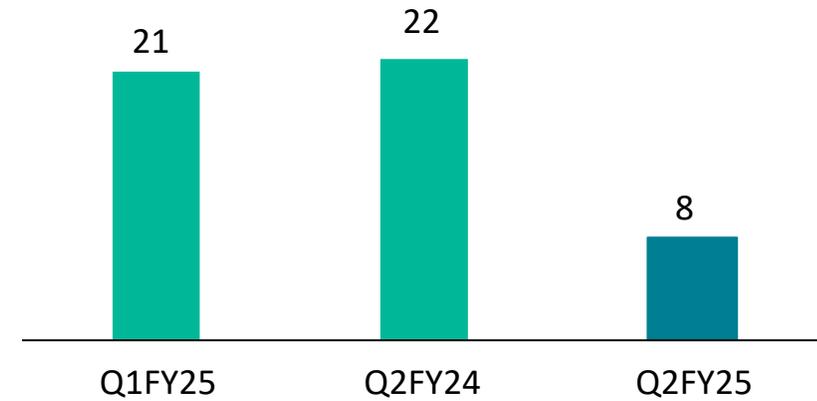
Q2 FY25: Crop Protection Performance

Rs. In crores

Revenue



EBIT



COMMENTARY

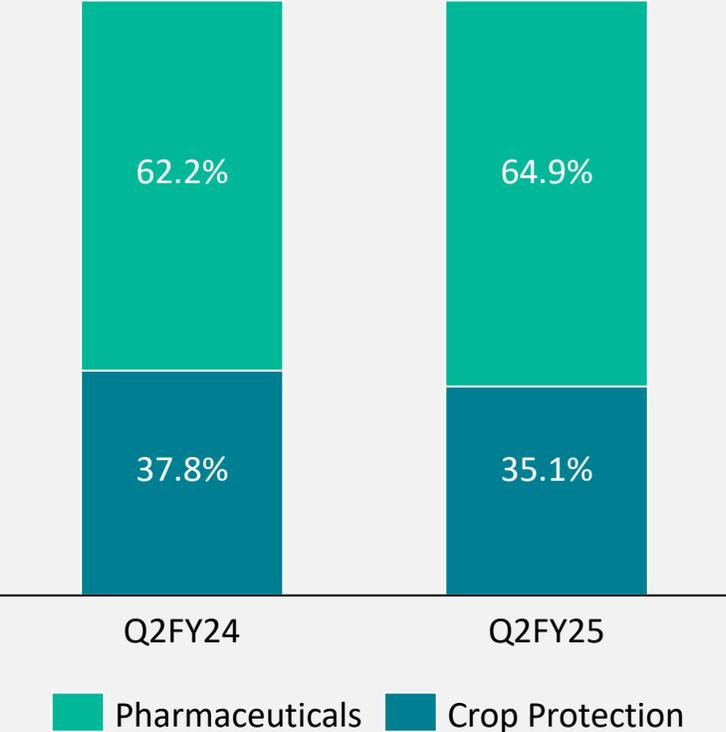
- Margin profile was impacted due to reduced operating leverage
- Currently 7 CDMO Projects in pipeline
- Completed two successful customer audits
- The excess inventory situation is gradually resolving, and volumes are steadily recovering

- 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



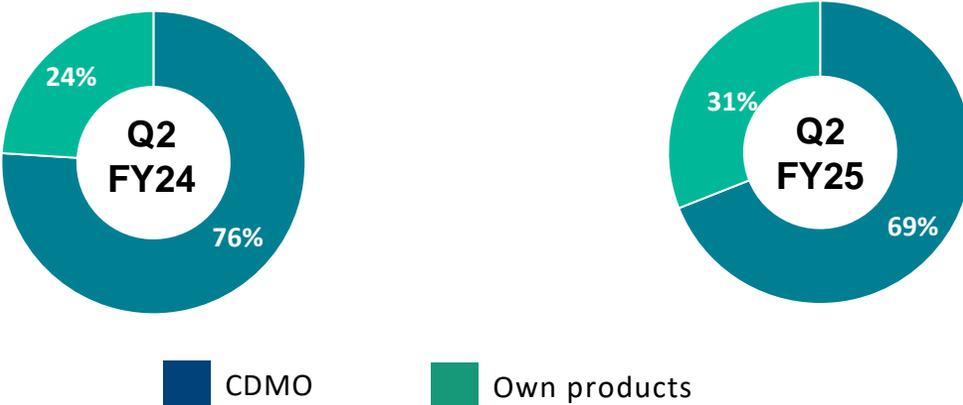
Revenue Split



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

Rs. 860 Crore

YoY 4%



EBITDA

Rs. 133 Crore

YoY 23%



PAT

Rs. 23 Crore

YoY 20%



EBITDA Margin

15.5 %

YoY 237 bps



EPS

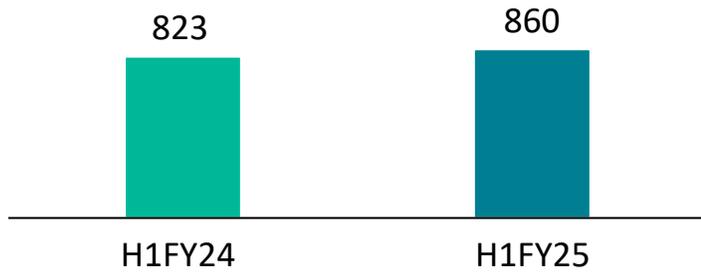
Rs. 1.89

YoY 20%

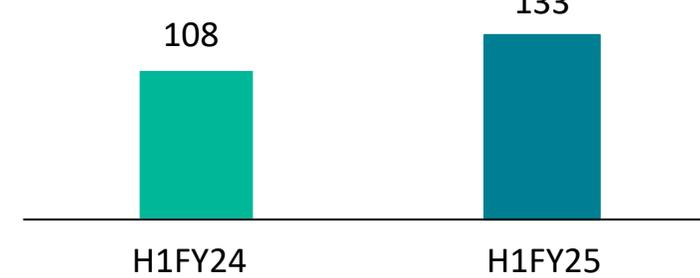
H1 FY25: Consolidated Performance

Rs. In crores

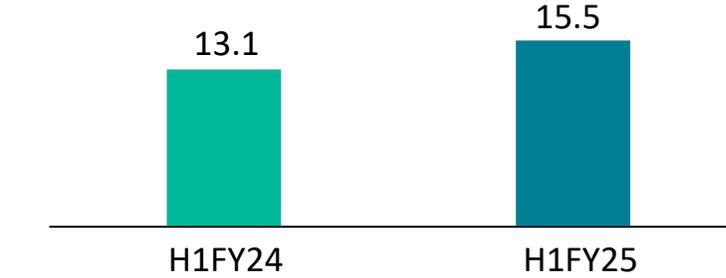
Revenue



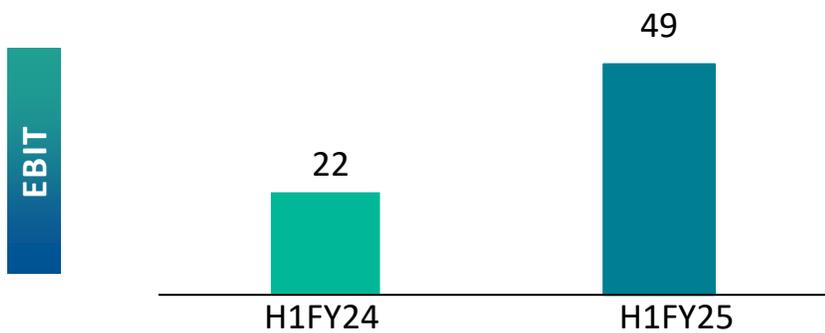
EBITDA



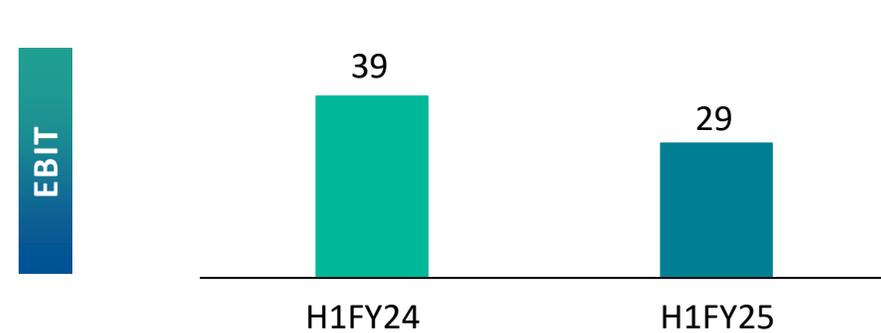
EBITDA%



Pharmaceuticals



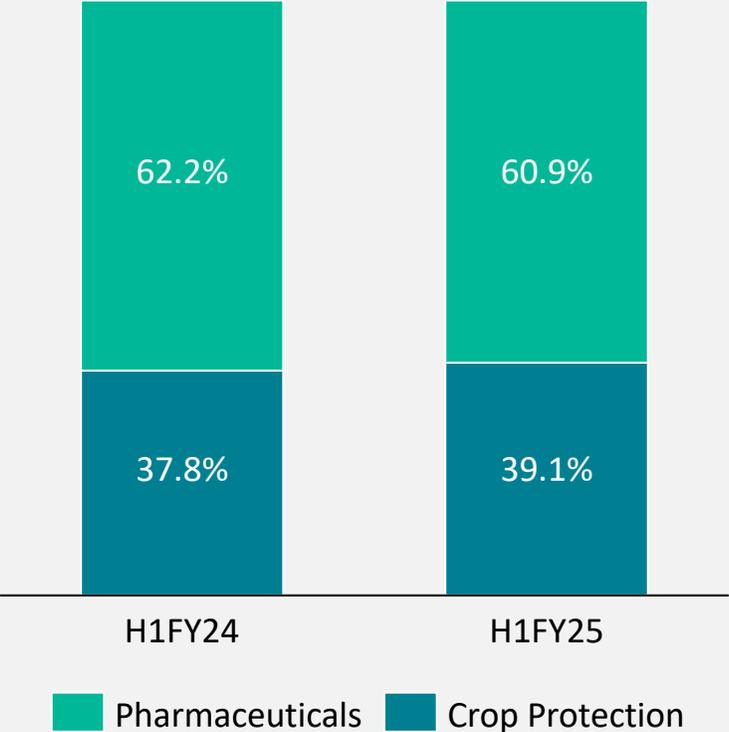
Crop Protection



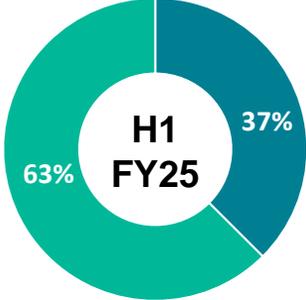
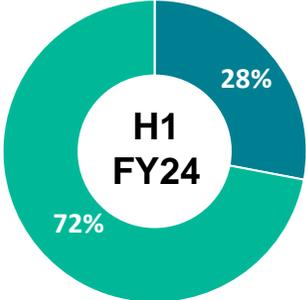
H1 FY25: Revenue Contribution



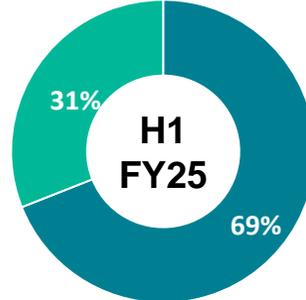
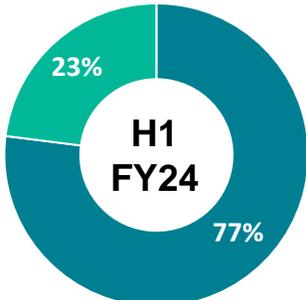
Revenue Split



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

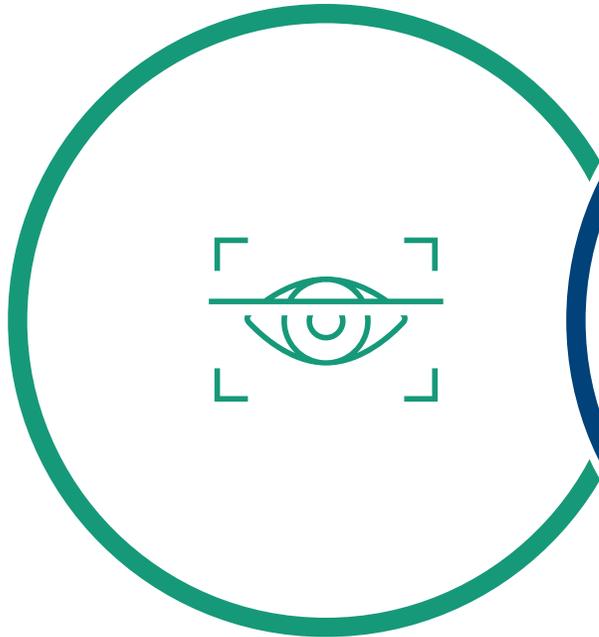
Particulars (Rs. In Crore)	Half year ended 30-Sep-24	Half year ended 30-Sep-23
Profit before tax	32	26
<i>Adjustments</i>	<i>101</i>	<i>87</i>
Operating Profit Before Working Capital Changes	133	113
<i>Change in operating assets and liabilities</i>	<i>48</i>	<i>3</i>
Cash generated from operations	180	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

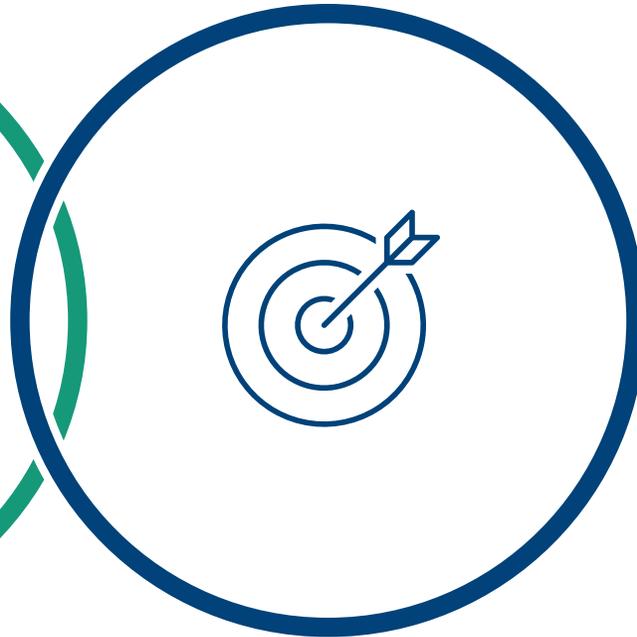
Our Vision & Mission

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

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

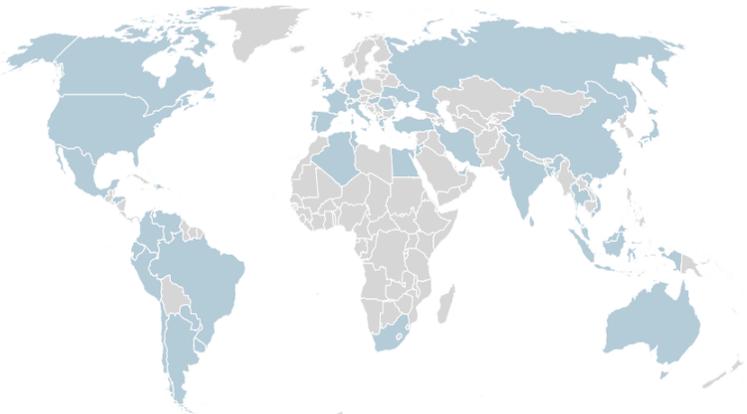
2024

Two Multiproduct facilities commissioned

Domestic & Global Presence

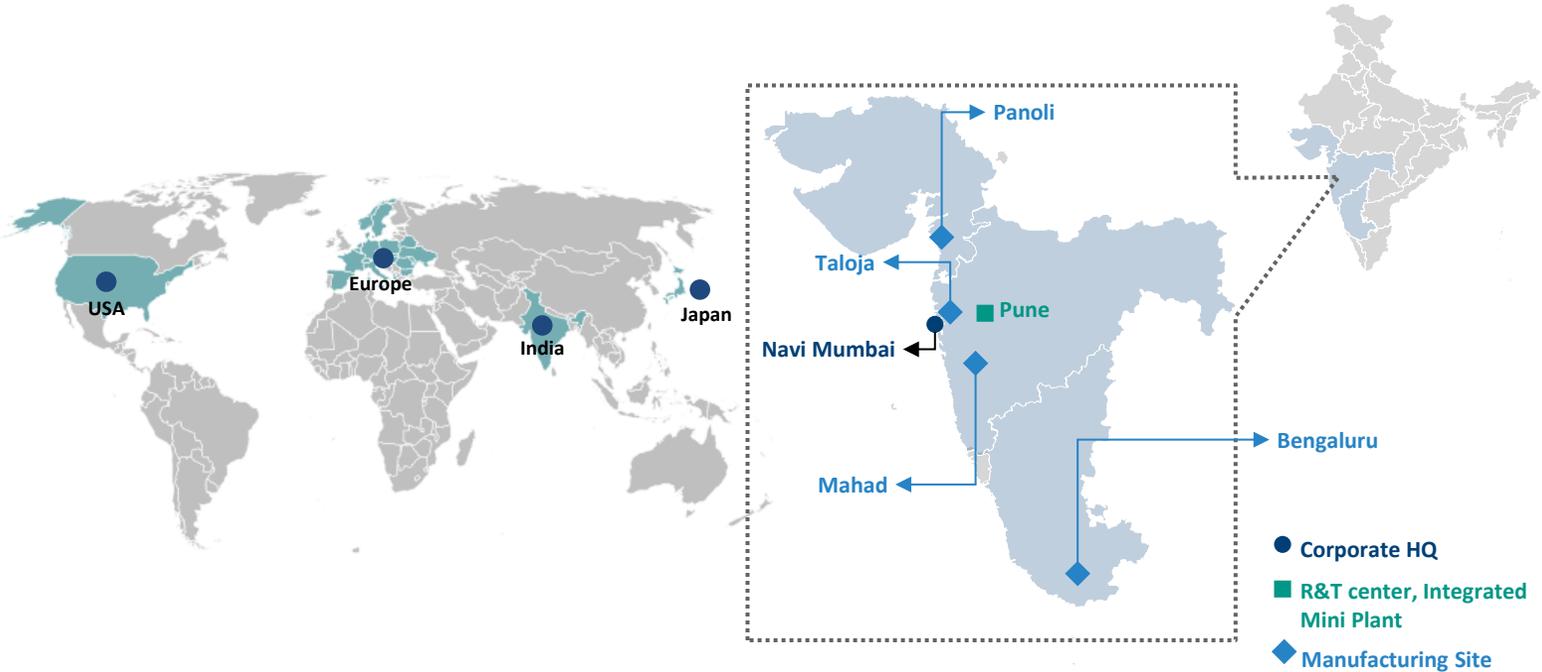


We Service Clients Globally



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.

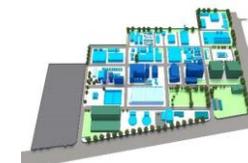
615 m³ TOTAL REACTOR VOLUME



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



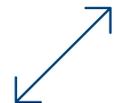
2,460MT

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



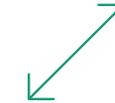
3,740MT

Active Ingredients Sold in FY24



640MT

Advanced Intermediates Sold in FY24



2,500m³*
Capacity



Sustainability Initiatives

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

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



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

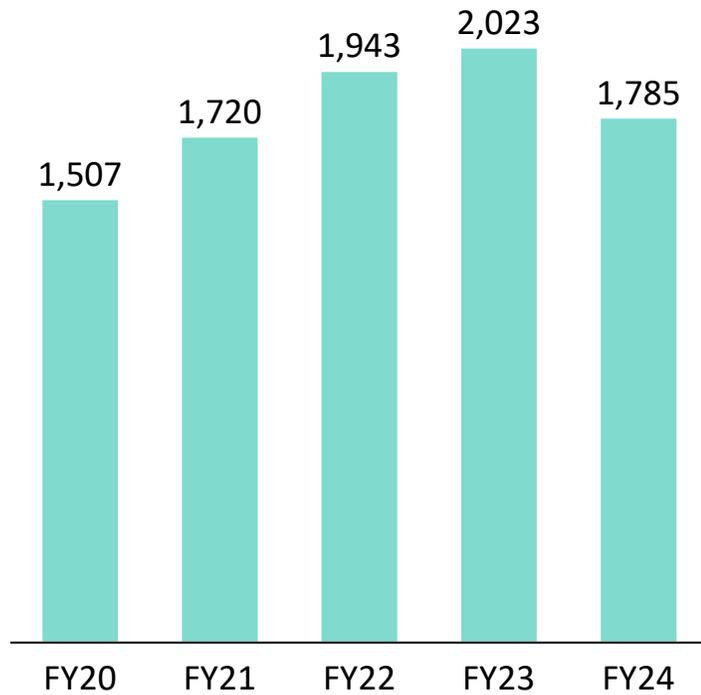


Historical Financials

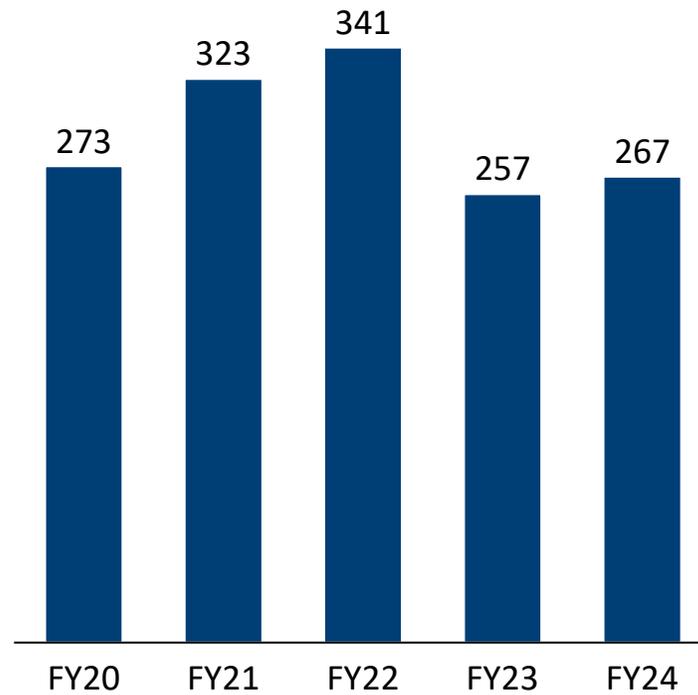
Yearly Financial Highlights

Rs. In crores

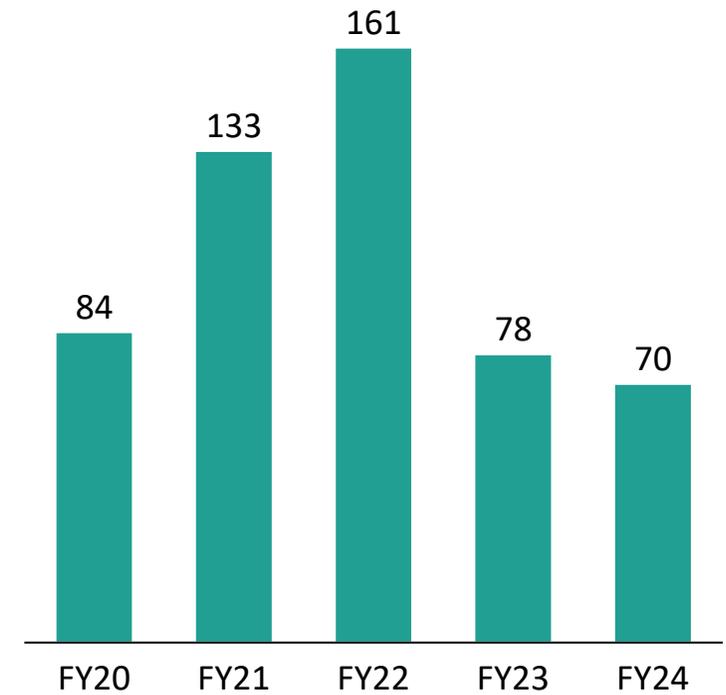
Revenue



EBITDA



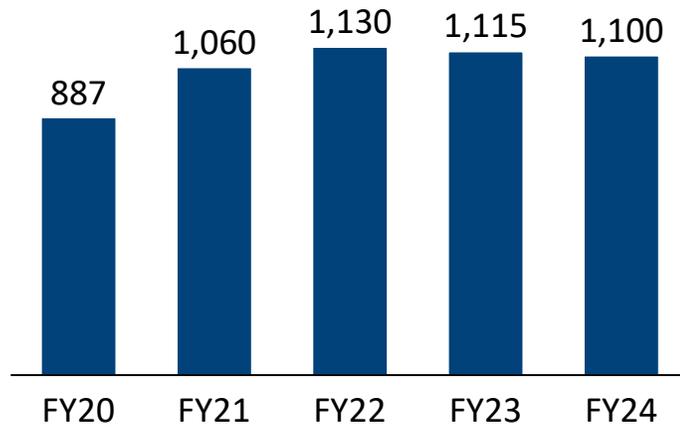
PAT



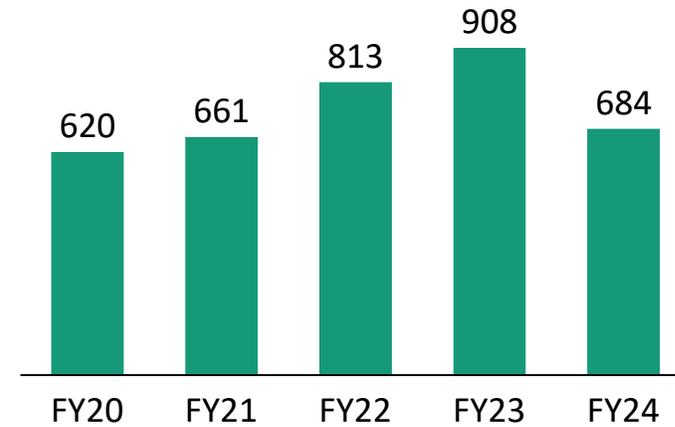
Yearly Segmental Highlights

Rs. In crores

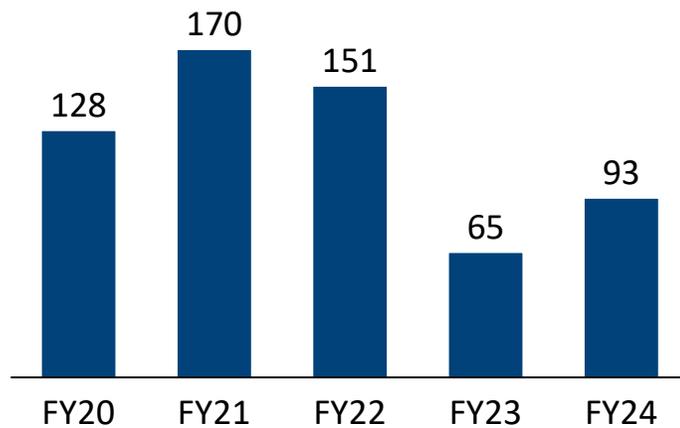
Pharmaceuticals Revenue



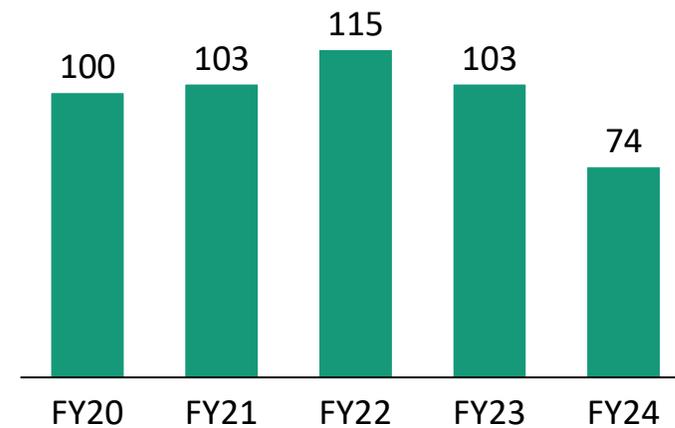
Crop Protection Revenue



Pharmaceuticals EBIT

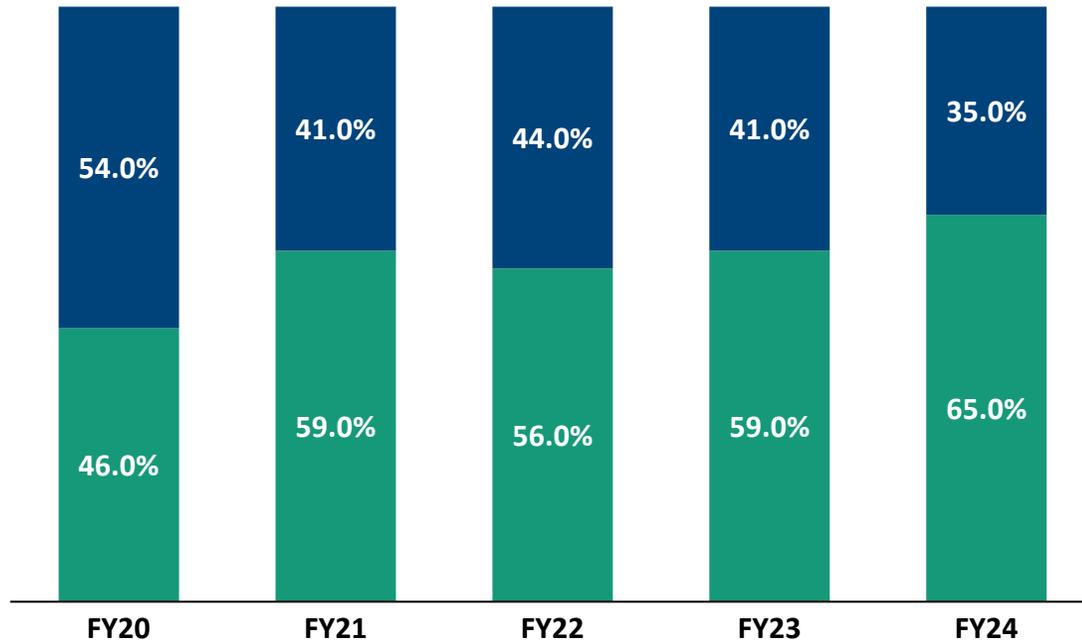


Crop Protection Revenue

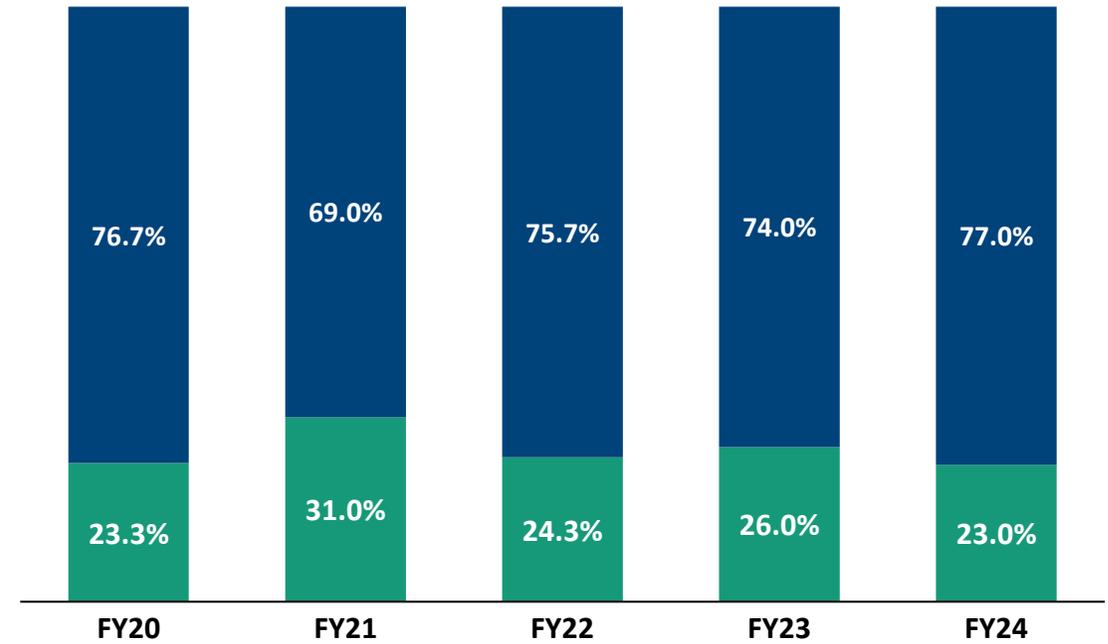


Sales Break-Up

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

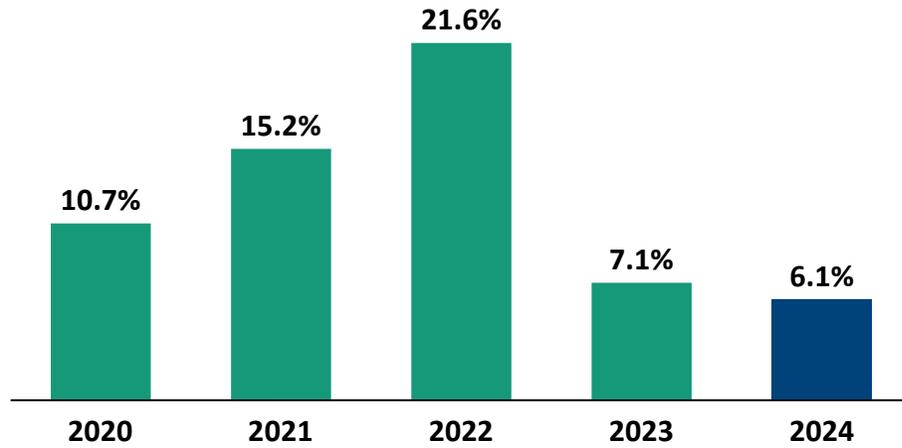
Equities & Liabilities (Rs. Crore)	Mar-24	Mar-23
Shareholders Fund	1,188	1,134
Share Capital	25	25
Other Equity	1,163	1,109
Total Non Current Liabilities	543	590
Financial Liabilities		
Borrowings	423	490
Lease Liability	3	-
Provisions	28	23
Deferred Tax Liabilities (net)	30	33
Other non current liabilities	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

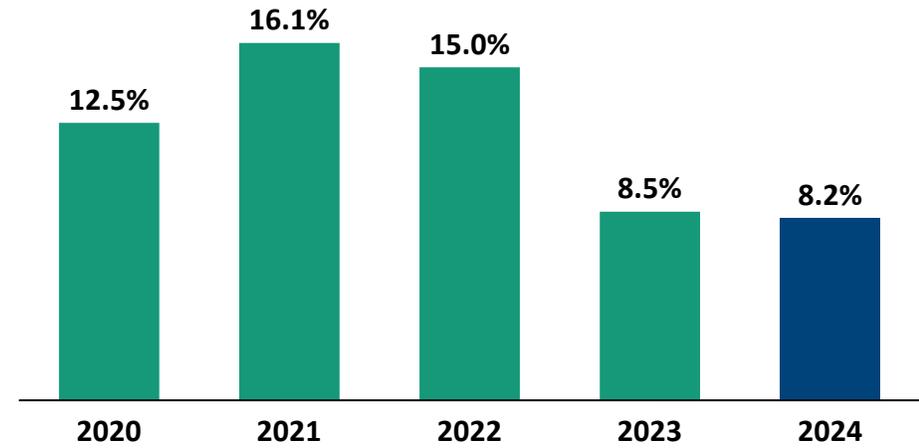
Particulars (Rs. In Crore)	Full Year ended 31-Mar-24	Full Year ended 31-Mar-23
Profit before tax	95	105
<i>Adjustments</i>	<i>175</i>	<i>163</i>
Operating Profit Before Working Capital Changes	270	268
<i>Change in operating assets and liabilities</i>	<i>(53)</i>	<i>76</i>
Cash generated from operations	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

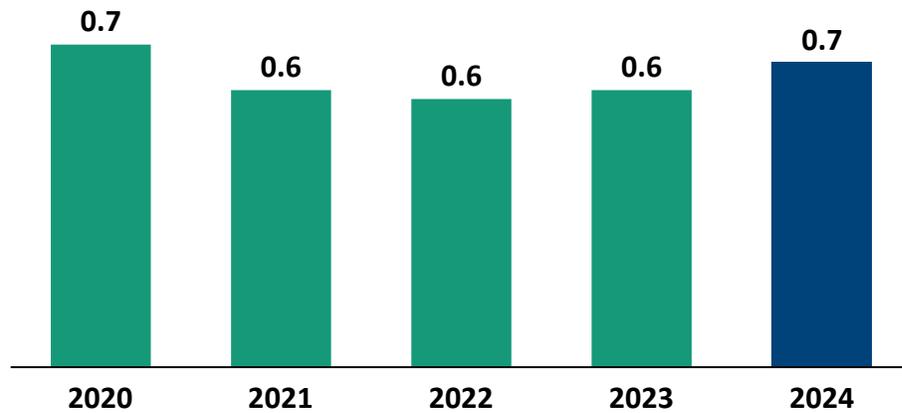
ROE%



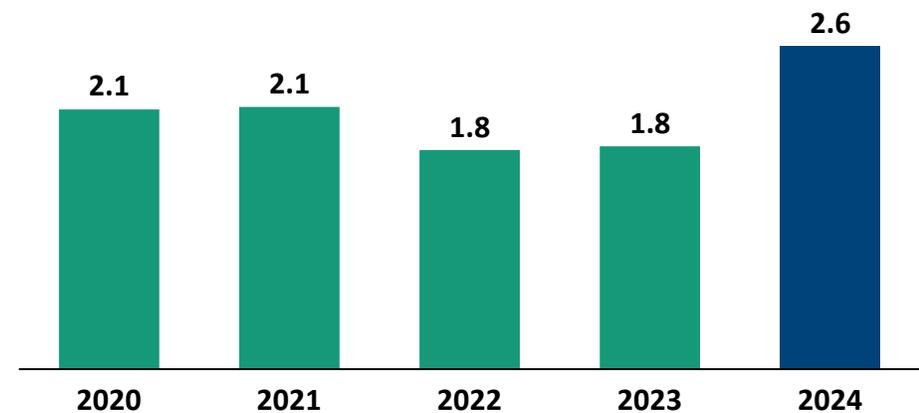
ROCE%



Net Debt / Equity (x)



Net Debt / EBITDA (x)



Thank You



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CIN: L24200MH1988PTC048028

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