



Results Presentation - Q3 FY24

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Jai Hiremath

“The global chemical industry continues to witness turbulence on the back of increased inventory levels, higher interest rates and intense price competition. We see prices bottoming out over the next few months and at the same time we can see things improving in the industry going forward.

For Q3FY24, we reported revenues of Rs. 448 Cr and EBITDA of Rs. 65 Cr. The softening of raw materials prices coupled with focused cost improvement, lean initiatives and a diversified product mix helped us to improve our margins sequentially on a QoQ basis.

Our pharmaceutical business reported revenues of Rs. 267 Cr and EBIT of 18 Cr for Q3 FY24. In the API business, we are seeing traction on the back of improved penetration across different geographies, stabilized prices and signs of recovery in market demand. On the CDMO side, we continue to maintain a strong pipeline of enquiries from several Pharma innovators, and several products are in advanced stages of development.

For Q3FY24, our crop protection business reported revenue of Rs. 180 Cr and EBIT of 22 Cr. The global crop protection industry continues to experience severe headwinds. Subdued global demand on the back of the destocking situation coupled with intense price competition have impacted the industry. Proactive implementation of cost improvement programs has benefited us in this quarter in maintaining the margin profile. Our new multi-purpose facility at Panoli is completed and stabilization of the plant is in progress.

In the animal health segment, the progress on developing new products as part of a long-term contract with an innovator animal health company is on track. Our new multipurpose plant for animal health was commissioned this quarter and validation of several products has been initiated which is expected to be completed in the upcoming quarters. These validation batches will be a first step towards registration and commercialisation of the products.

Our strategic transformation program – Pinnacle, has made significant progress towards sustainable growth across business verticals. We are seeing good momentum in building new capabilities, attracting new customers and creating a niche and differentiated technology platform. Amidst our transition to the next phase of strategic transformation we've achieved significant progress by integrating sustainable practices as part of our ESG initiative.

Despite the prevailing global headwinds, we expect the market trajectory to change positively over the next few quarters and we remain steadfast in our commitment to drive long-term profitable and sustainable growth across our businesses.”



Quarterly Financials Highlights

Gradual Recovery in Q3 - expect sequential improvement in revenues and margins



Revenue - Q3 FY24
Rs. 448 Crore



YoY
17%



QoQ
3%



EBITDA - Q3 FY24
Rs. 65 Crore



YoY
13%



QoQ
13%



EBITDA Margin - Q3 FY24
14.5%



YoY
70 bps



QoQ
130 bps



PAT - Q3 FY24
Rs. 16 Crore



YoY
38%



QoQ
30%



EPS - Q3 FY24
Rs 1.32



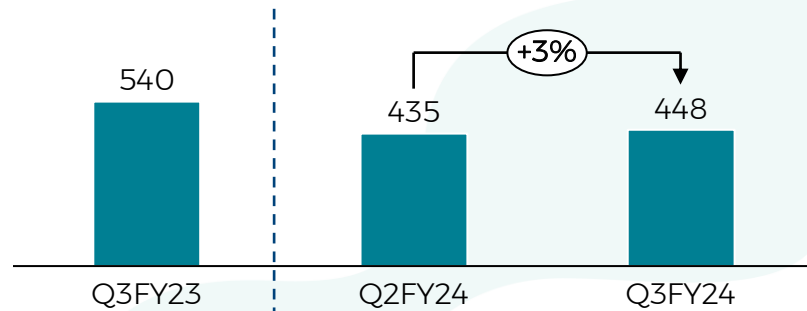
YoY
38%



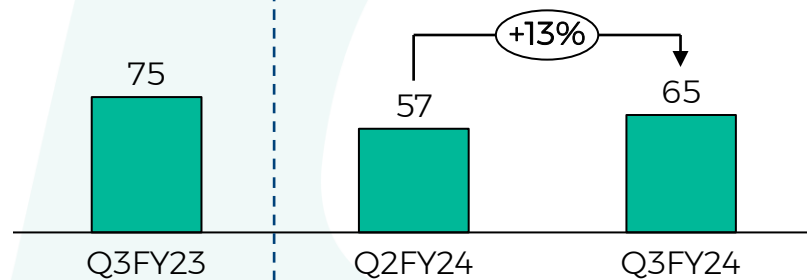
QoQ
30%

Quarterly Performance Highlights

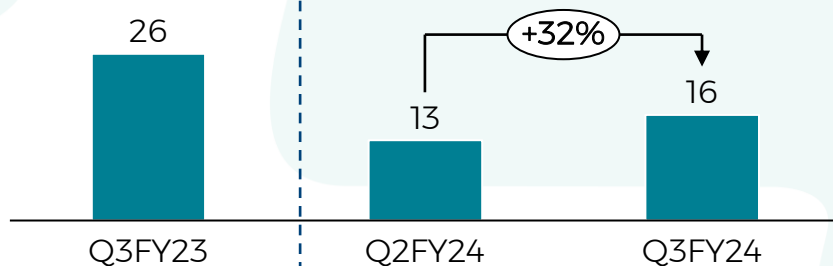
Revenue



EBITDA



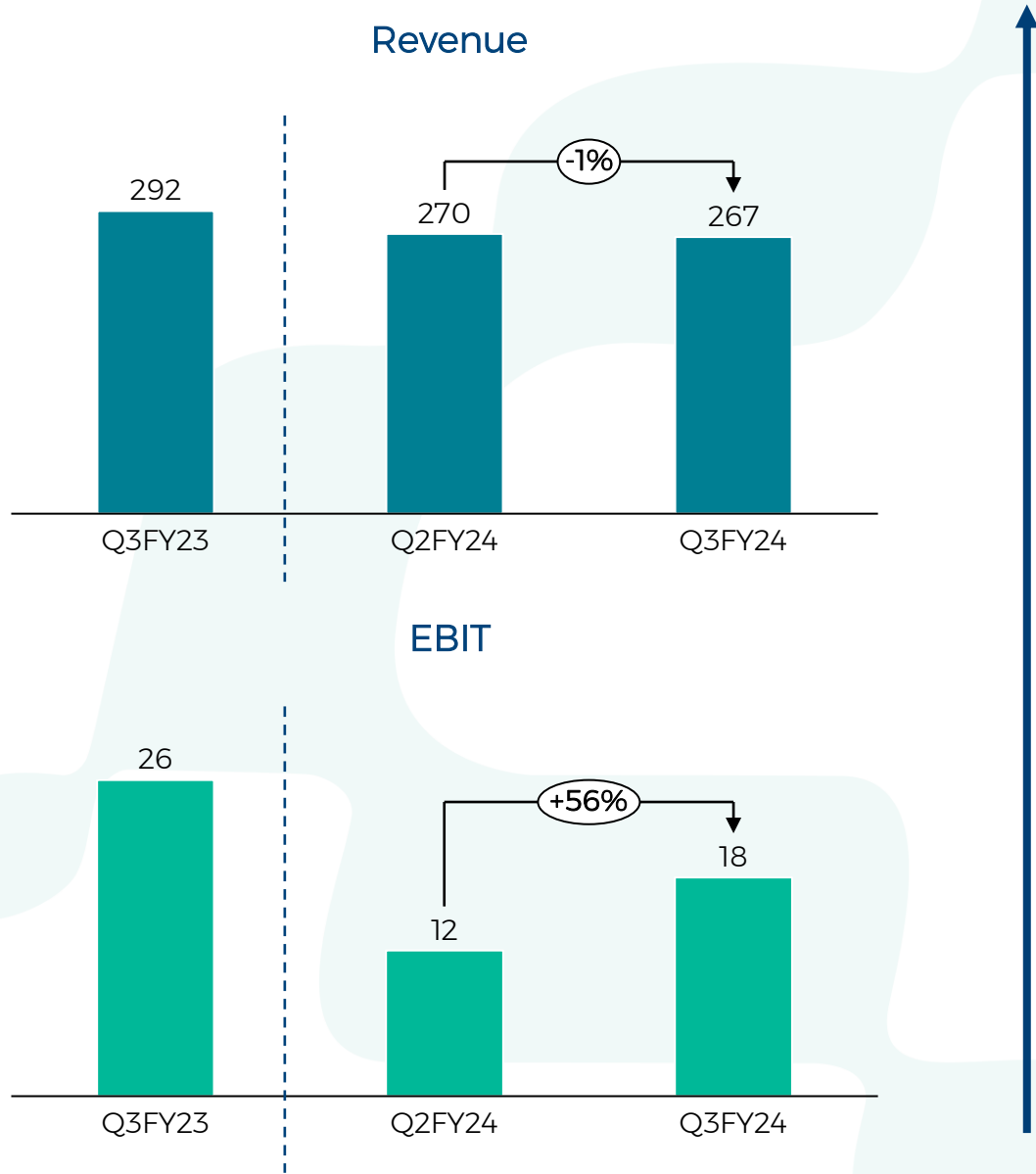
PAT



Rs. Crore

Performance Highlights

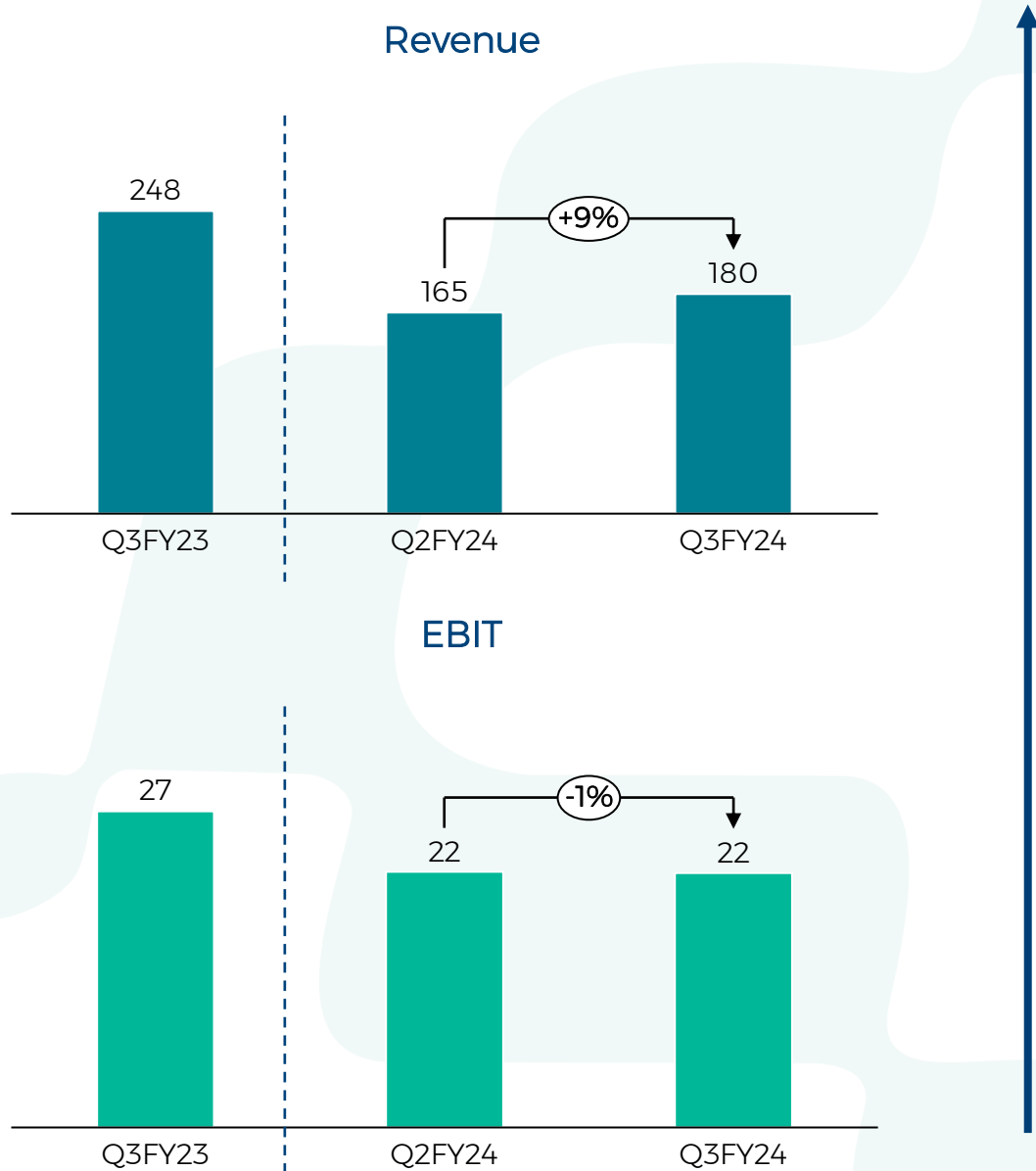
- Revenue recorded at Rs 448 Crore, 3% growth QoQ basis
 - Change in product mix
 - Increased demand of Own products in Pharmaceutical segment
- EBITDA stood at Rs 65 Crore, 13% increase on QoQ basis
 - Cost improvement initiatives, softening in RM costs and change in product mix
- PAT was Rs. 16 Crore
 - Marginal increase in finance costs in view of interest rate hikes
 - Improved operating leverage sequentially
- Hikal's long term credit rating is maintained at A+ by ICRA
- Sequential growth in revenue and margins is expected for Pharma business.
- Animal Health Plant at Panoli has been commissioned



Pharmaceuticals - Performance Highlights

- Revenue stood flat at Rs 267 Crore sequentially
- EBIT stood at Rs 18 Crore, sequential growth of 56%
 - Softening of key RM prices
 - Improvement on account of business excellence initiatives
- New multipurpose Animal Health Plant at Panoli has been commissioned
 - Validation of several products is going on and expected to be completed in upcoming few quarters
- Good traction in Own Products 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



Crop Protection - Performance Highlights

- Revenue stood at Rs 180 Crore
 - Destocking situation continues at an Industry level
 - Operating environment is expected to normalize towards the end of H1 FY25
- EBIT stood at Rs 22 Crore
 - Softening of key RM prices
 - Improvement on account of business excellence initiatives
- 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

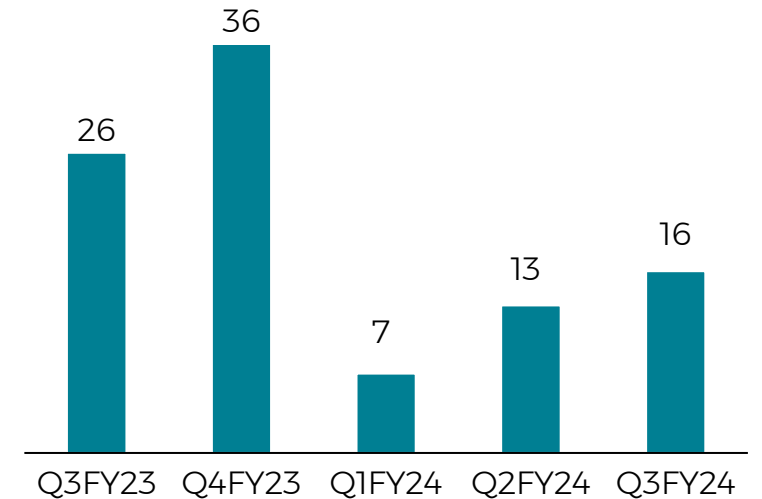
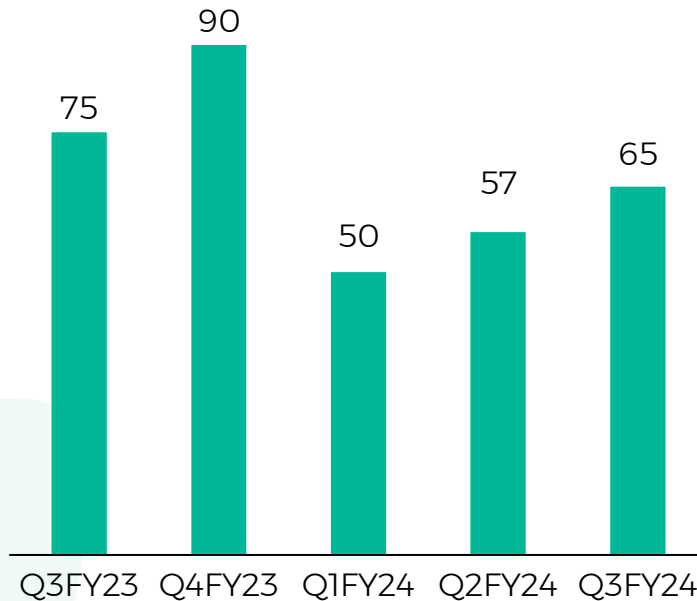
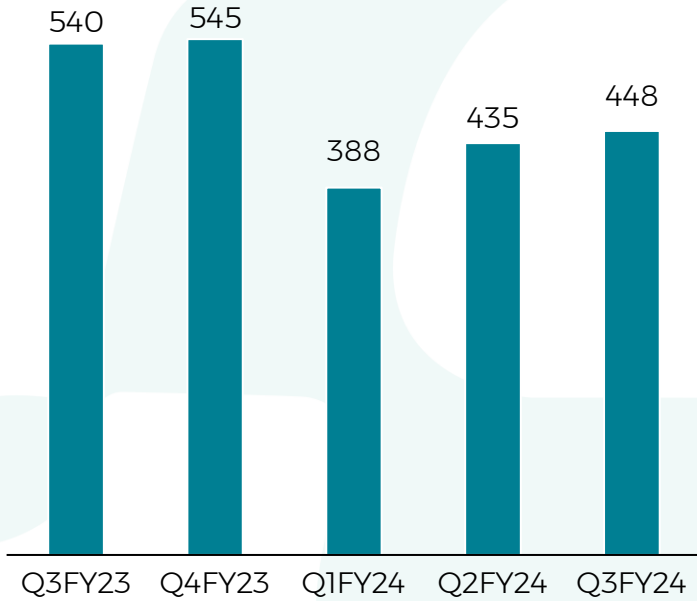
Quarterly Financial Highlights



Consolidated Revenue

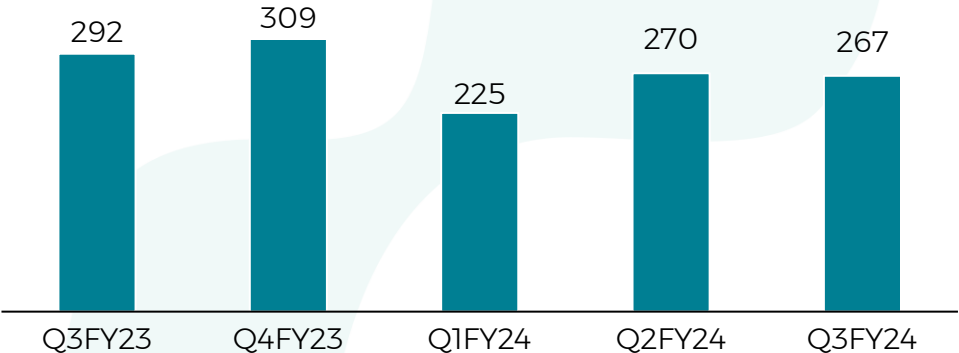
Consolidated EBITDA

Consolidated PAT

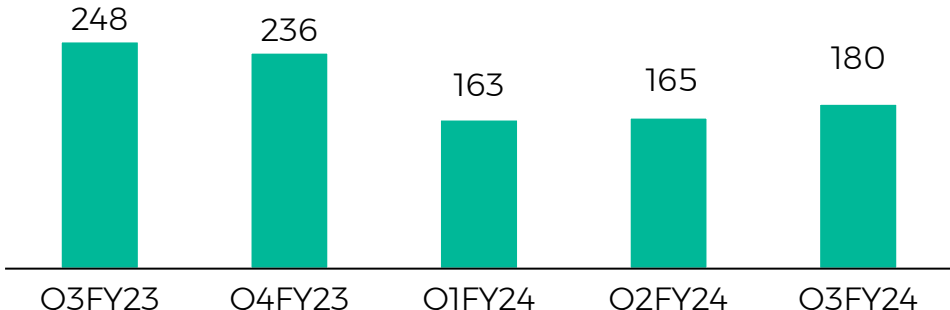


Quarterly Segmental Highlights

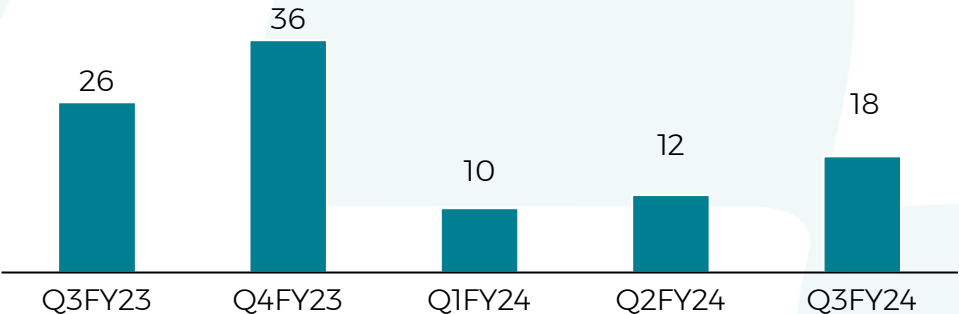
Pharmaceuticals Revenue



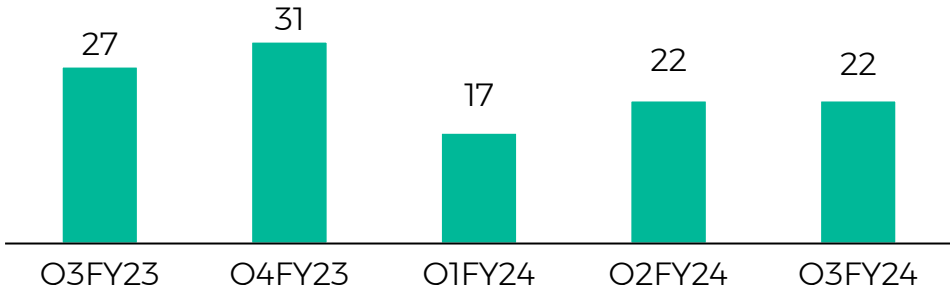
Crop Protection Revenue



Pharmaceuticals EBIT



Crop Protection EBIT



Consolidated Profit & Loss - Q3 FY24

Particulars (Rs. Crore)	Q3 FY24	Q3 FY23	Y-o-Y	Q2 FY24	Q-o-Q
Net Sales	448	540	-17%	435	3%
Expenditure	383	465		375	
EBITDA	65	75	-13%	57	13%
Margin	14.5%	13.8%		13.2%	
Other Income	0	2		1	
Depreciation	29	28		29	
Finance Costs	14	13		13	
PBT	22	36	-39%	17	31%
Tax	5	10		4	
Net Profit	16	26	-38%	13	32%
Margin	3.7%	4.9%		3.0%	



Nine Months Financials Highlights

Financial Highlights - Nine Months



Revenue – 9M FY24
Rs. 1271 Crore



YoY
14%



EBITDA – 9M FY24
Rs. 173 Crore



YoY
3%



EBITDA Margin – 9M FY24
13.6%



YoY
230 bps



PAT – 9M FY24
Rs. 36 Crore



YoY
16%



EPS – 9M FY24
Rs 2.89



YoY
16%

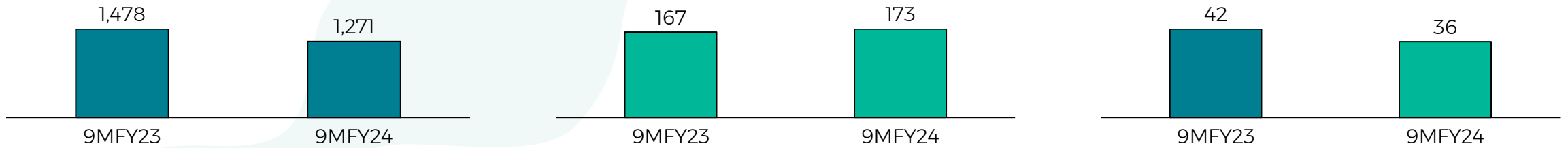
Nine Month Performance Highlights



Revenue

EBITDA

PAT

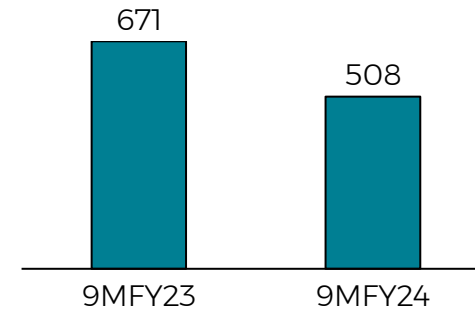
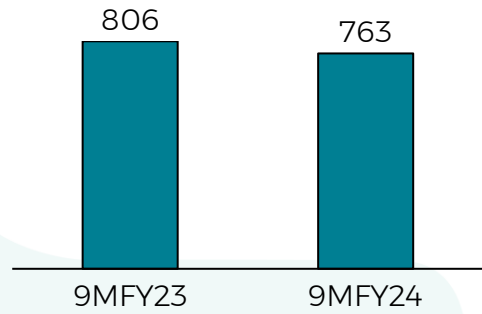


Pharmaceuticals Division

Crop Protection Division

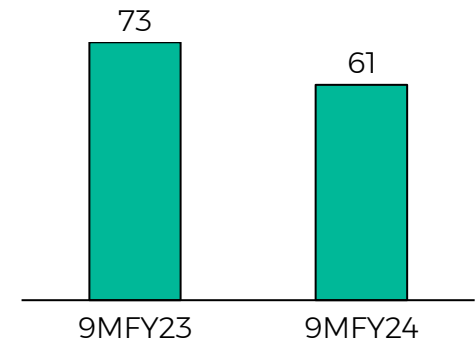
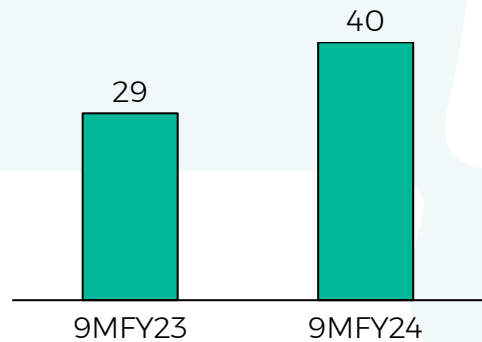
Revenue

Revenue

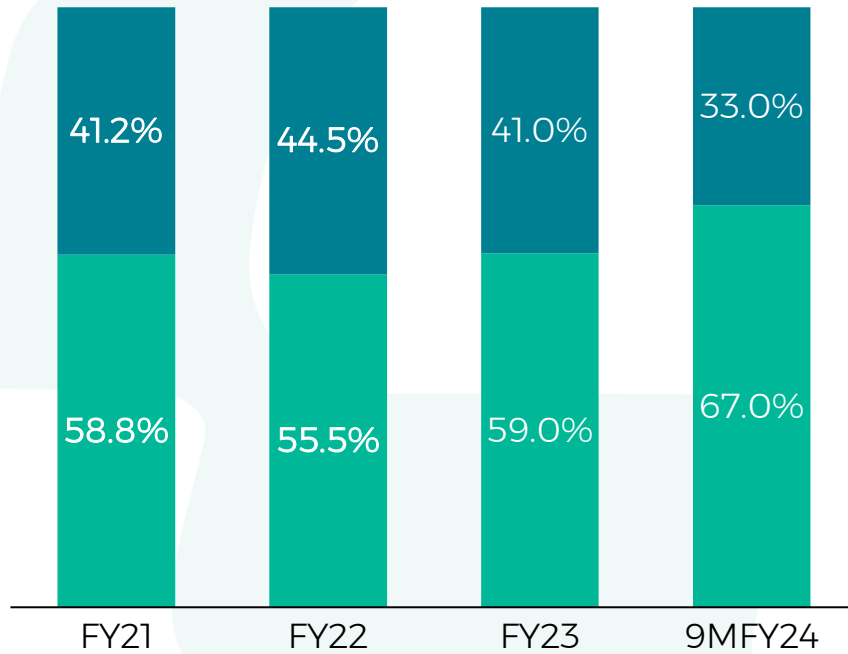


EBIT

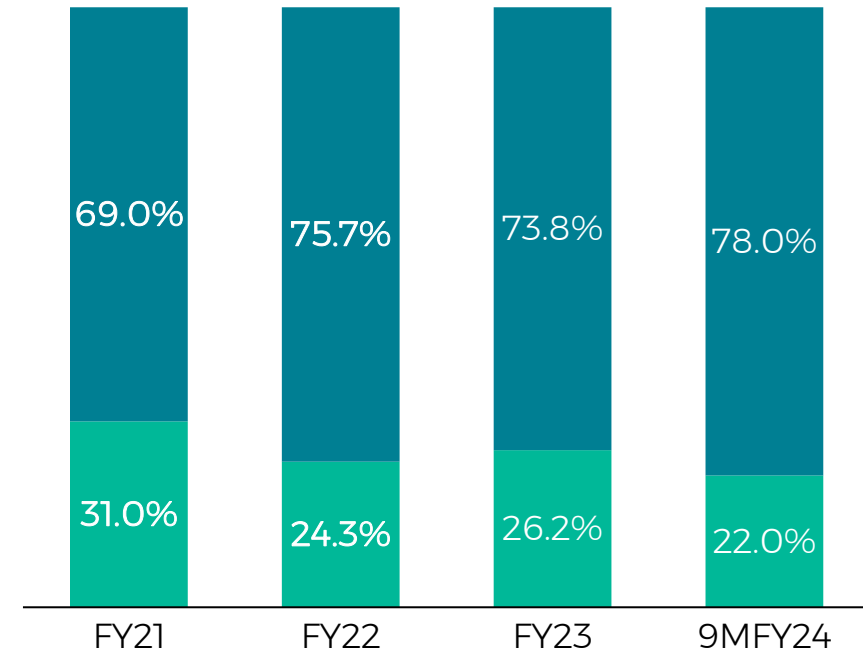
EBIT



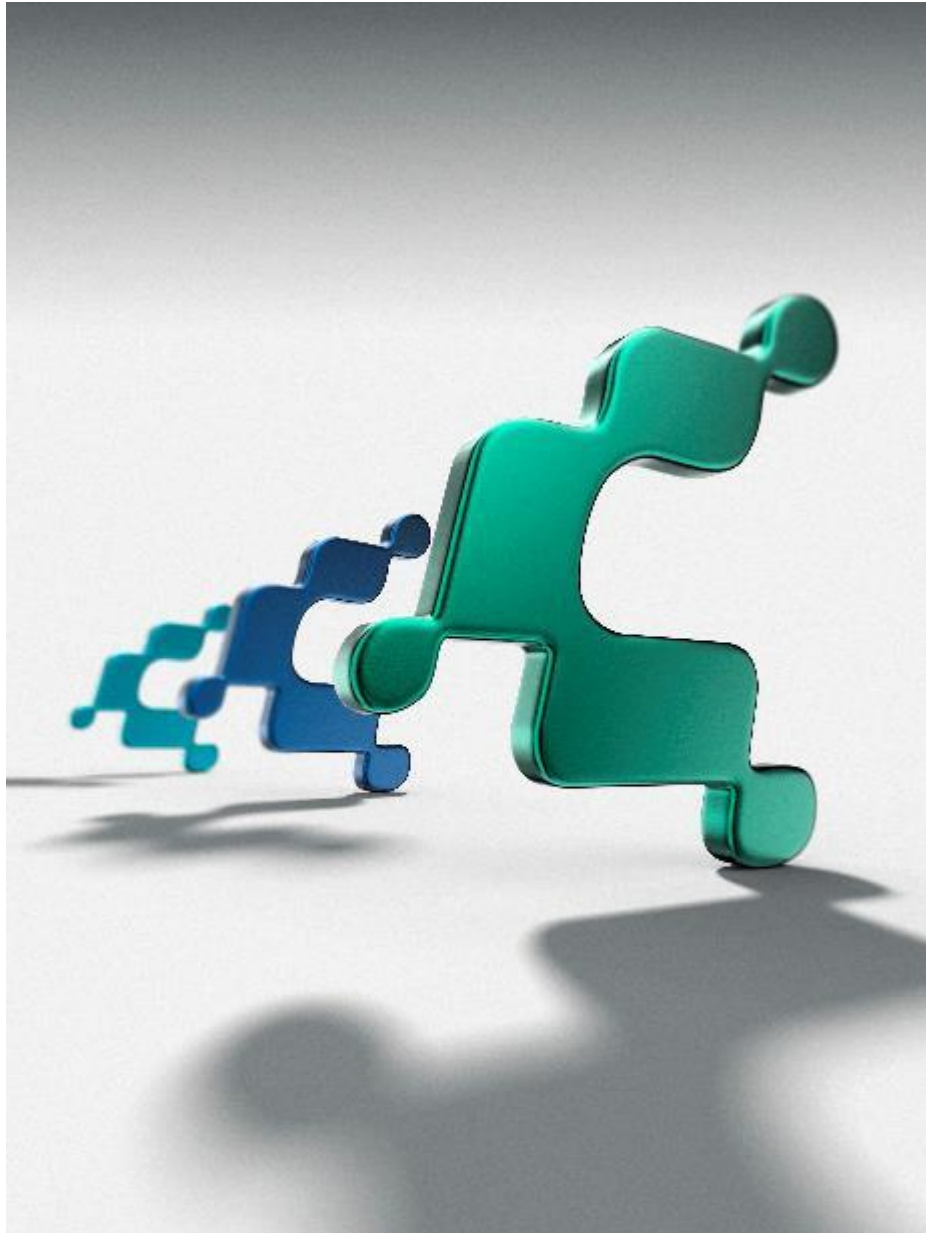
Pharmaceuticals Revenue Break-Up



Crop Protection Revenue Break-Up



CDMO Own Products



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

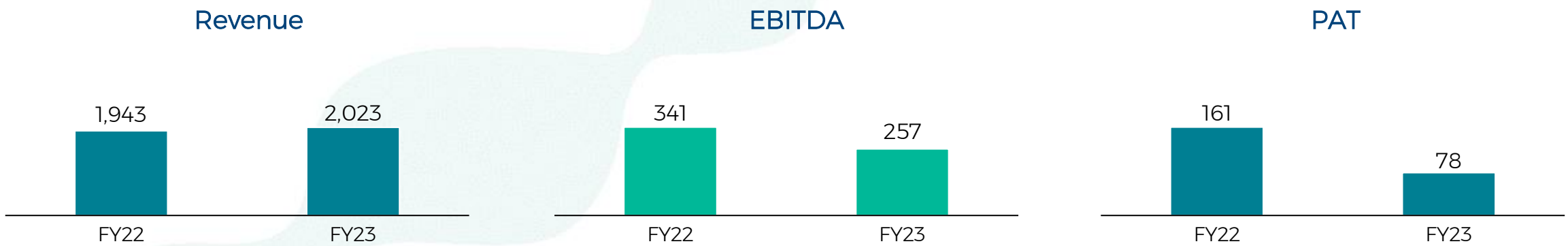
↓ YoY
-51%



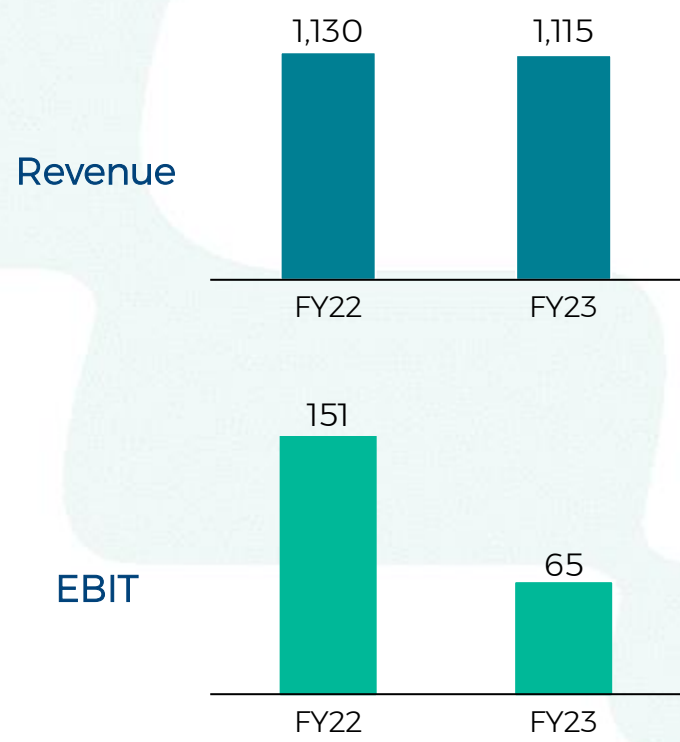
EPS – FY23
Rs 6.36

↓ YoY
-51%

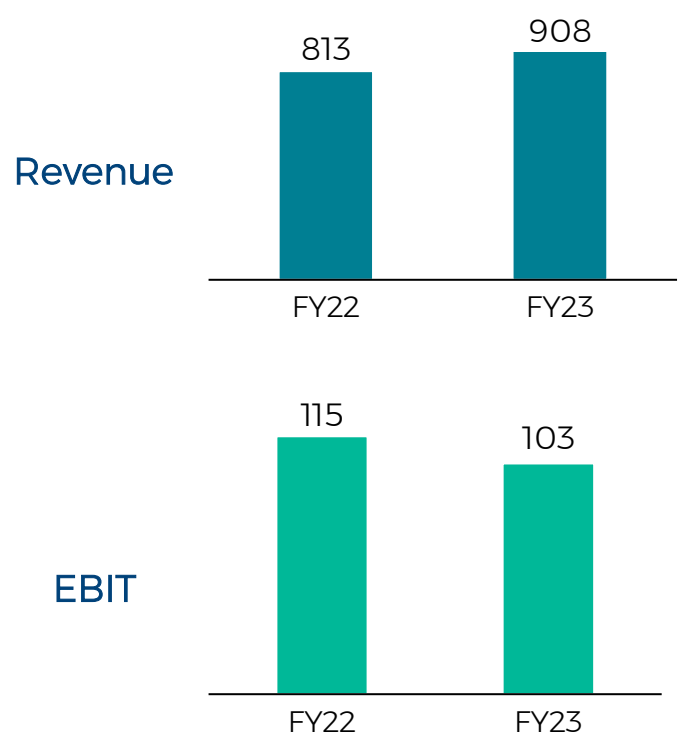
Annual Performance Highlights



Pharmaceuticals Division



Crop Protection Division



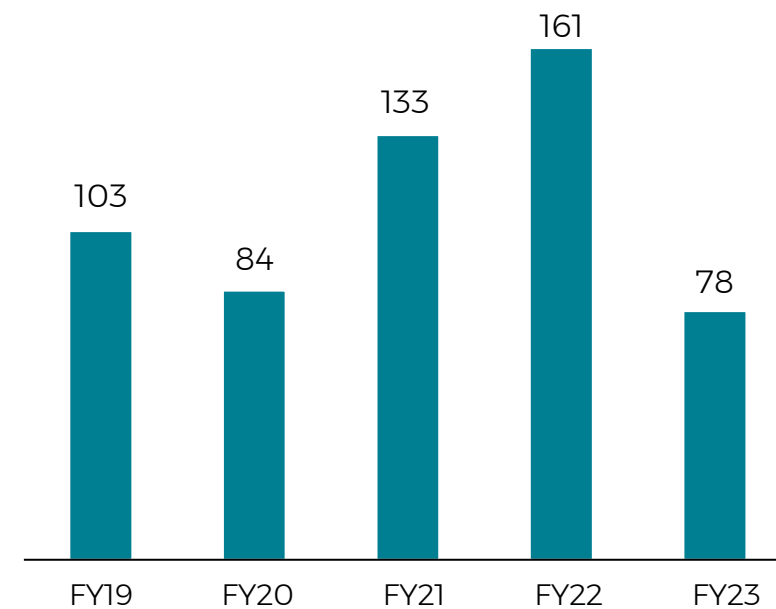
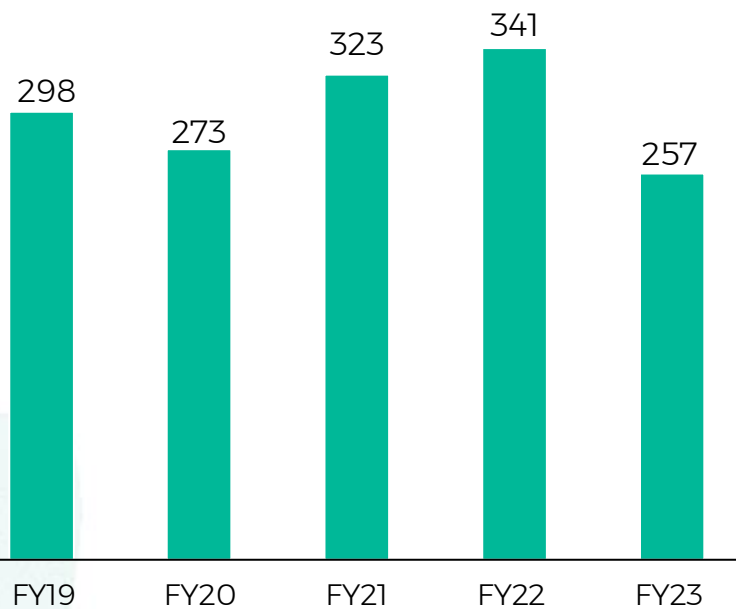
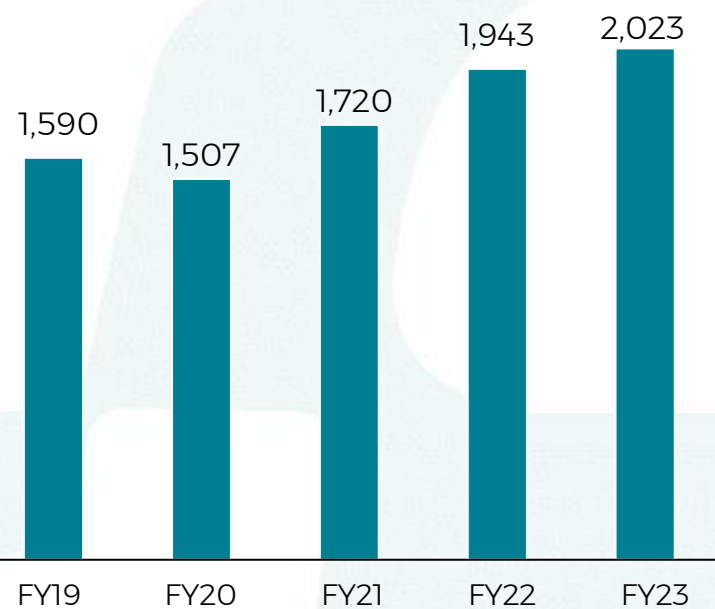
Yearly Financial Highlights



Consolidated Revenue

Consolidated EBITDA

Consolidated PAT



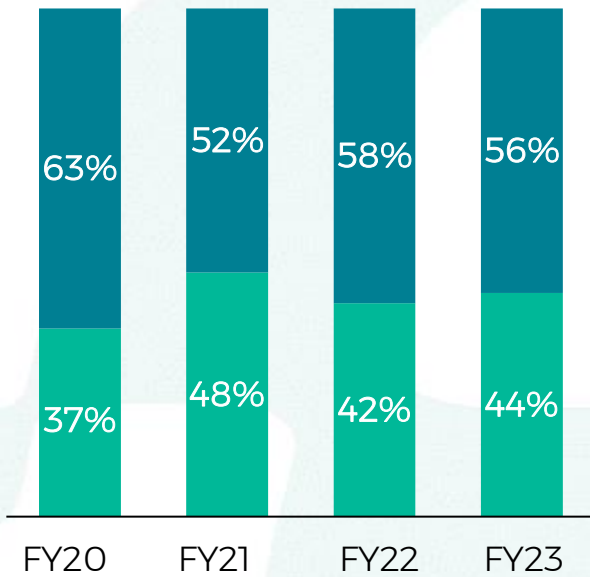
Rs. Crore

Sales Break-Up

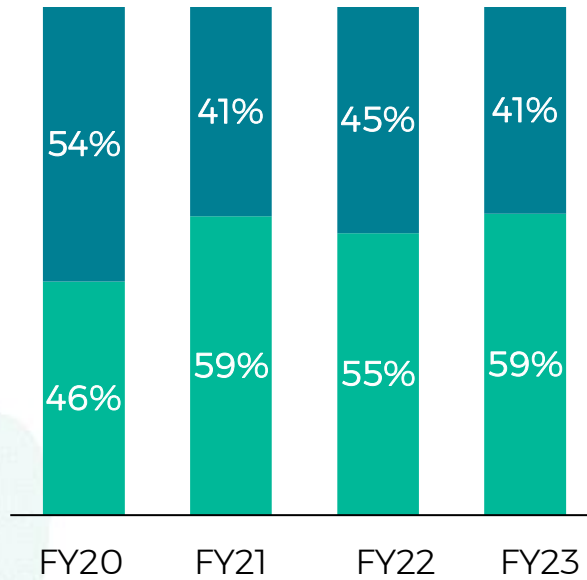


- CDMO
- Own products

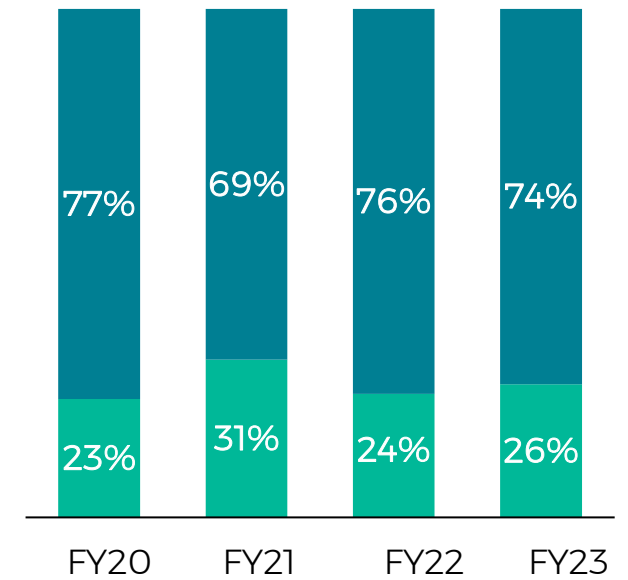
Company Revenue Break-Up



Pharmaceuticals Revenue Break-Up

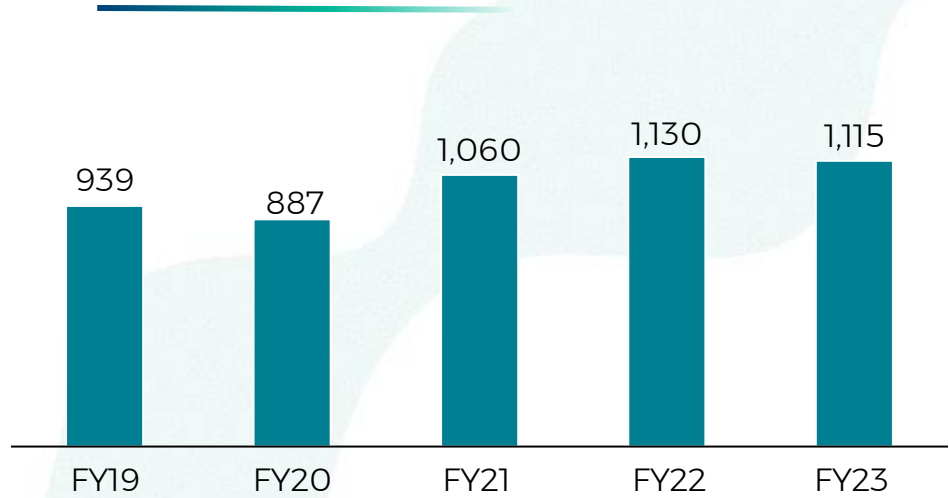


Crop Protection Revenue Break-Up

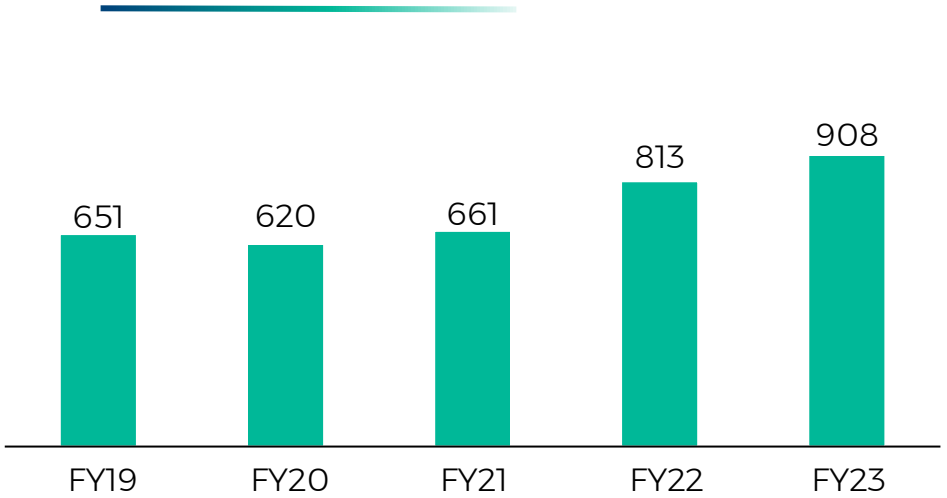


Yearly Segmental Highlights

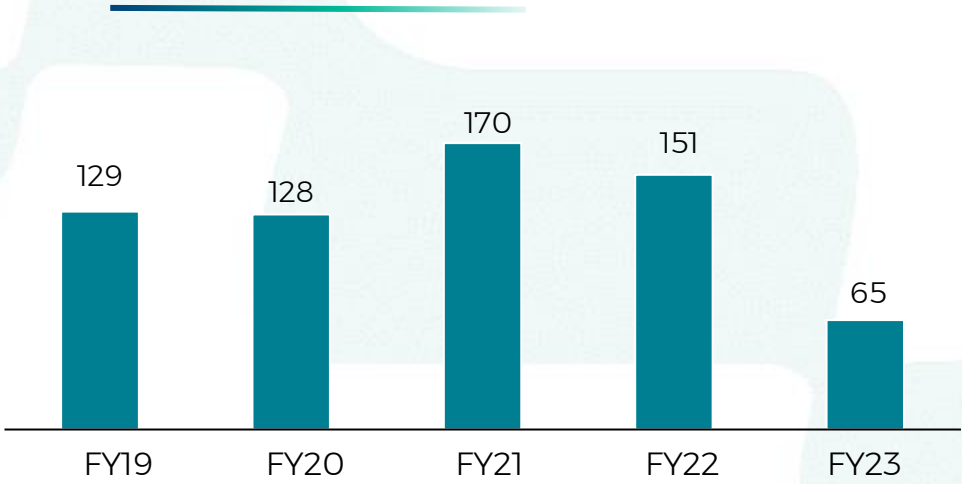
Pharmaceuticals Revenue



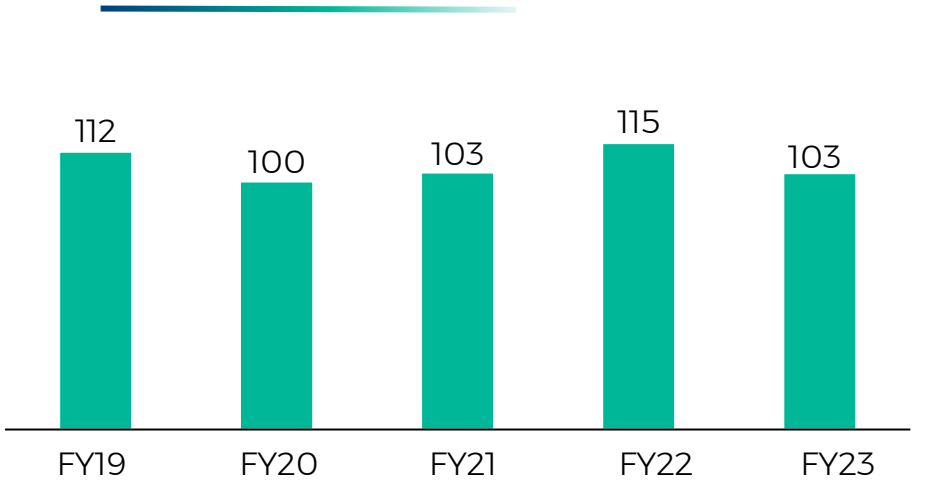
Crop Protection Revenue



Pharmaceuticals EBIT



Crop Protection EBIT



Consolidated Profit & Loss - Full Year

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

Consolidated Balance Sheet



Assets (Rs. Crore)	Mar-23	Mar-22	Equities & Liabilities (Rs. Crore)	Mar-23	Mar-22
Total Non Current Assets	1,446	1,249	Shareholders Fund	1,134	1,068
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	Total Non Current Liabilities	591	376
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	Total Current Liabilities	661	769
Other Non Current Assets	60	57	Financial Liabilities		
Total Current Assets	940	964	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	-	-	TOTAL EQUITY & LIABILITIES	2,386	2,213
Other	17	17			
Other Current Assets	104	120			
TOTAL ASSETS	2,386	2,213			

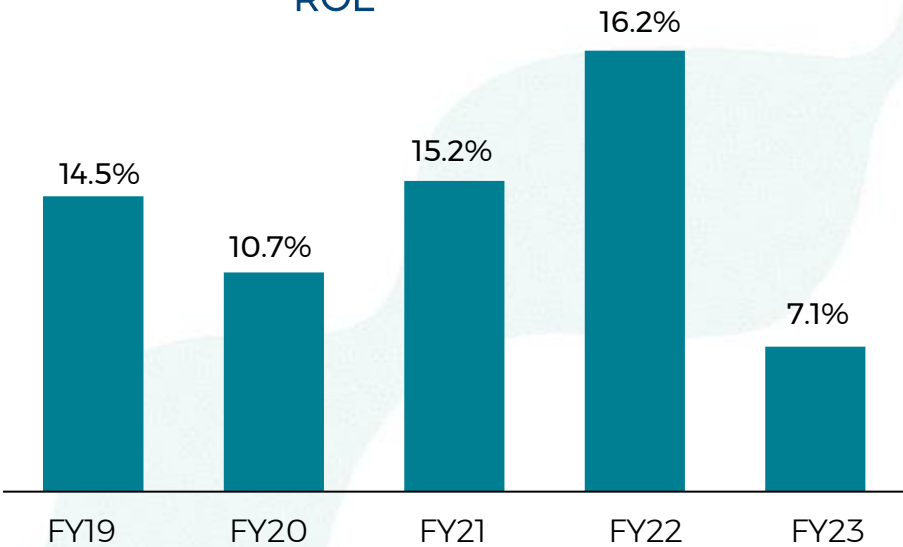
Consolidated Cash Flow Statement



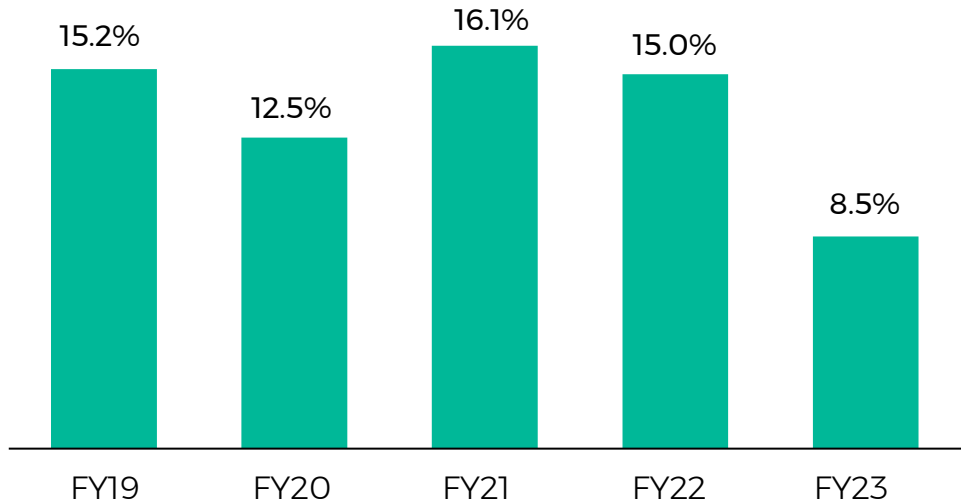
Particulars (Rs. Crore)	Full Year ended 31-Mar-23	Full Year ended 31-Mar-22
Profit before tax	105	219
<i>Adjustments</i>	163	126
Operating Profit Before Working Capital Changes	268	345
<i>Change in operating assets and liabilities</i>	76	19
Cash generated from operations	344	364
<i>Income taxes paid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

Ratio Analysis

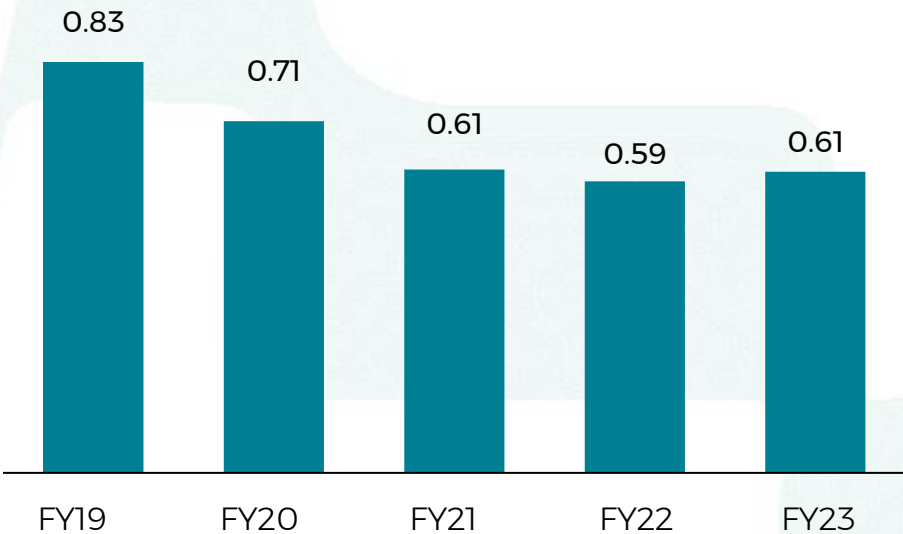
ROE



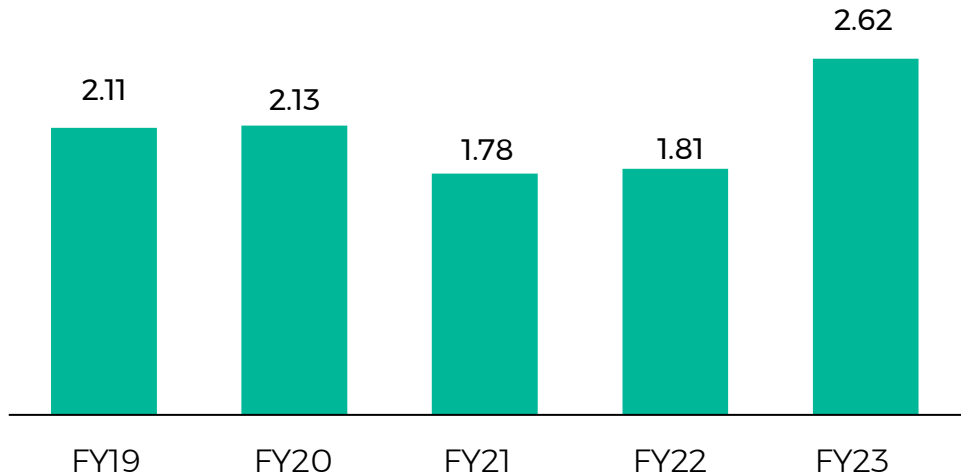
ROCE



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



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