



Results Presentation - Q4 FY24

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Jai Hiremath

“For the financial year '24, we achieved revenues of Rs 1,785 Crores as compared to Rs 2,023 Crores last year. FY24 was marred with several global macroeconomic pressures and depressed market conditions for the global chemical sector on account of inventory build up and overcapacity across the sector resulting in intense price competition from China predominantly in the Crop Protection market.

Our Board of Directors has recommended a final dividend of Rs 0.60 per share (30%). Along with an interim dividend of Rs. 0.60 per share (30%) declared in February 2024, the total dividend for FY24 stands at Rs 1.20 per share (60% of FV).

For Q4 FY24, our pharmaceutical business reported revenue growth of 26% to Rs 338 Cr and EBIT growth of 191% to Rs 54 Cr, on QoQ basis. In the API segment, we witnessed increased volume off-take based on higher demand from existing customers and from newer geographies. This coupled with stabilized raw material prices have supported us in maintaining our margin profile. In our CDMO segment we have received several RFP's from both emerging pharma and global innovators, with several products progressing through the development stages. We have a healthy pipeline of projects in the early to mid-phase that is encouraging. During FY24, 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.

For Q4FY24, our crop protection business reported revenue of Rs 177 Cr and EBIT of Rs 14 Cr. Despite proactive cost improvement initiatives, the global crop protection industry continues to face significant headwinds, including subdued global demand due to inventory in the channel pipeline and intense price erosion from competitors primarily China as a result of large capacity which are under-utilized. We expect the market to stabilize post the end of this financial year and recovery to begin thereafter.

In our animal health business, advancements in developing a portfolio of products under a long-term agreement with an innovator animal health company are proceeding well. During the third quarter, our new multipurpose animal health facility was commissioned at Panoli, Gujarat. Validation of several products is underway, and it is scheduled to be completed in the upcoming quarters. These validation batches mark the initial phase toward product registration and subsequent commercialization.

Under our strategic transformation initiative - Pinnacle, we have taken substantial strides toward sustaining growth across our various businesses. We have gained momentum in supply chain derisking, developing differentiated capabilities, the acquisition of new customers and the building of a distinctive technology platform. As we navigate through the next stage of our strategic plan, our focus is directed more towards the front-end capitalizing on the opportunities to build a healthy pipeline for our businesses.

Despite the current challenging global conditions, we anticipate a favorable shift in market dynamics over the mid to long term, and we remain focused in our strategy to deliver profitable, and sustainable growth across our businesses.”



Quarterly Financials Highlights

Gradual Recovery in Q4 - sequential improvement in revenues and margins



Revenue - Q4 FY24
Rs. 514 Crore



YoY
6%



QoQ
15%



EBITDA - Q4 FY24
Rs. 94 Crore



YoY
7%



QoQ
45%



EBITDA Margin - Q4 FY24
18.4%



YoY
220 bps



QoQ
390 bps



PAT - Q4 FY24
Rs. 34 Crore



YoY
6%



QoQ
108%



EPS - Q4 FY24
Rs 2.75

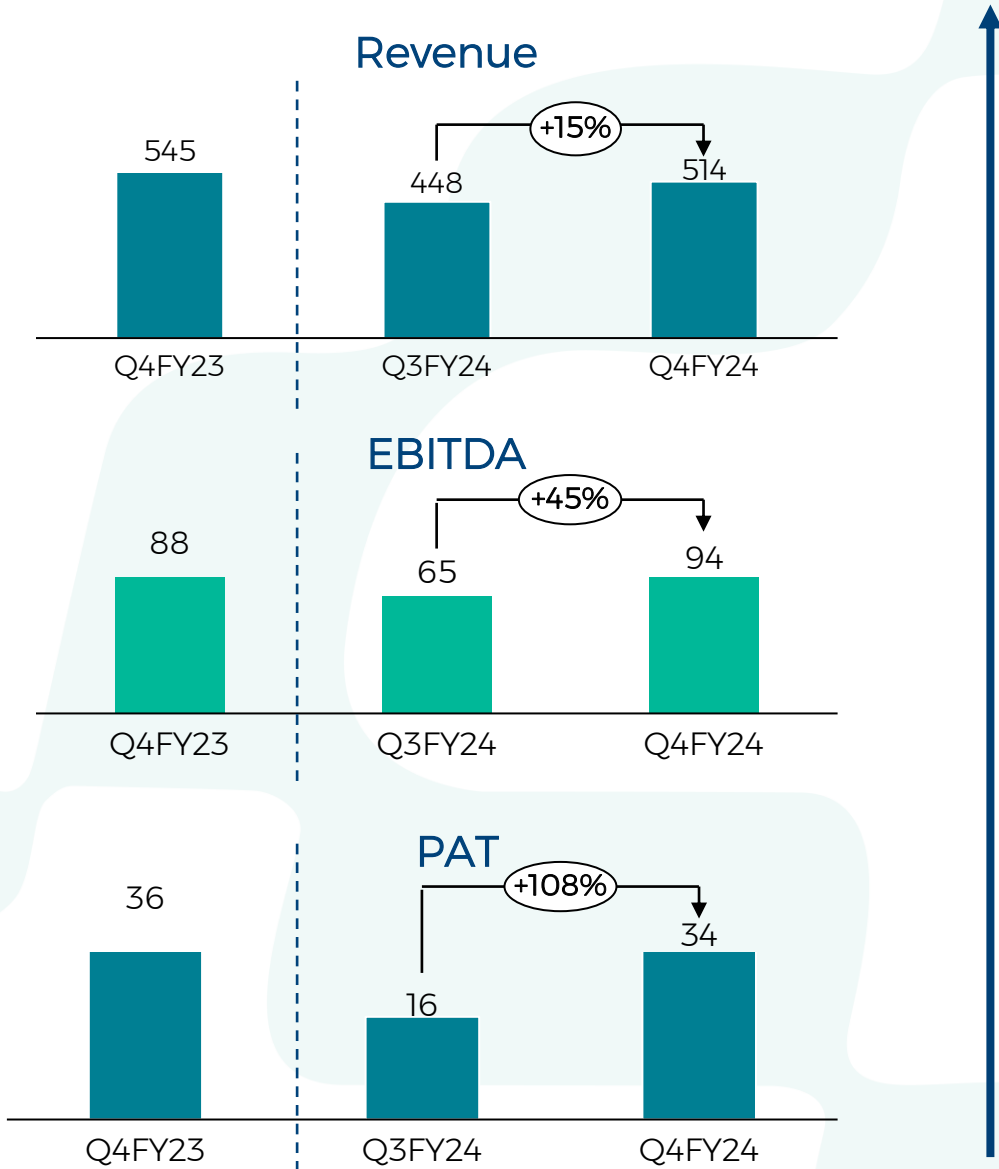


YoY
6%



QoQ
108%

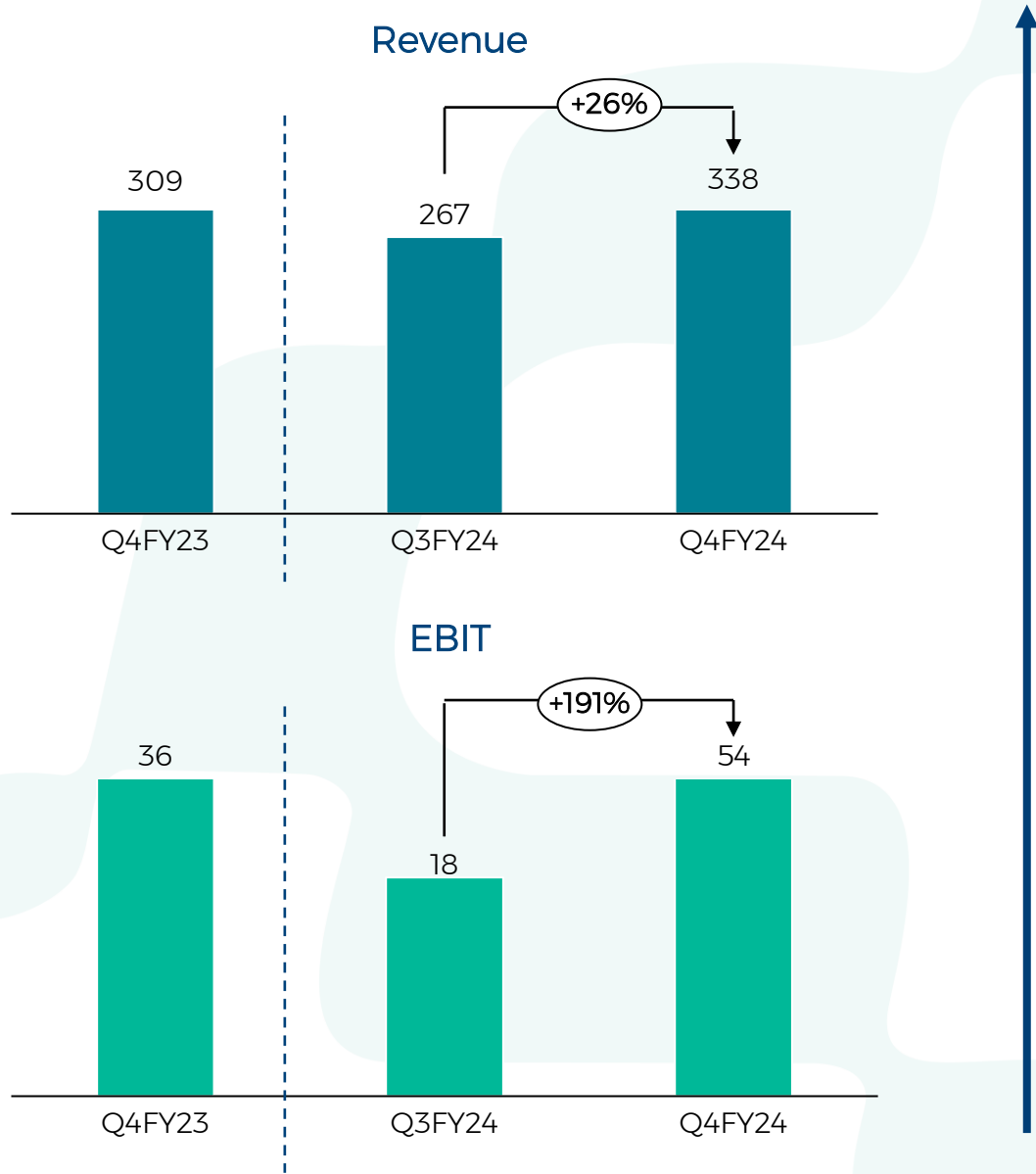
Quarterly Performance Highlights



Rs. Crore

Performance Highlights

- Revenue recorded at Rs 514 Crore, 15% growth QoQ basis
 - Change in product mix
 - Increased demand of Own products in Pharmaceutical segment
- EBITDA stood at Rs 94 Crore, 45% increase on QoQ basis
 - EBITDA margins improved by 390bps on a QoQ basis
 - Sequential QoQ recovery in margins on back of softening of raw material prices and several operational improvement initiatives
- PAT was Rs. 34 Crore, 108% increase on QoQ basis
 - Improved business profitability driven by better product mix
- Hikal's long term credit rating is maintained at A+ by ICRA

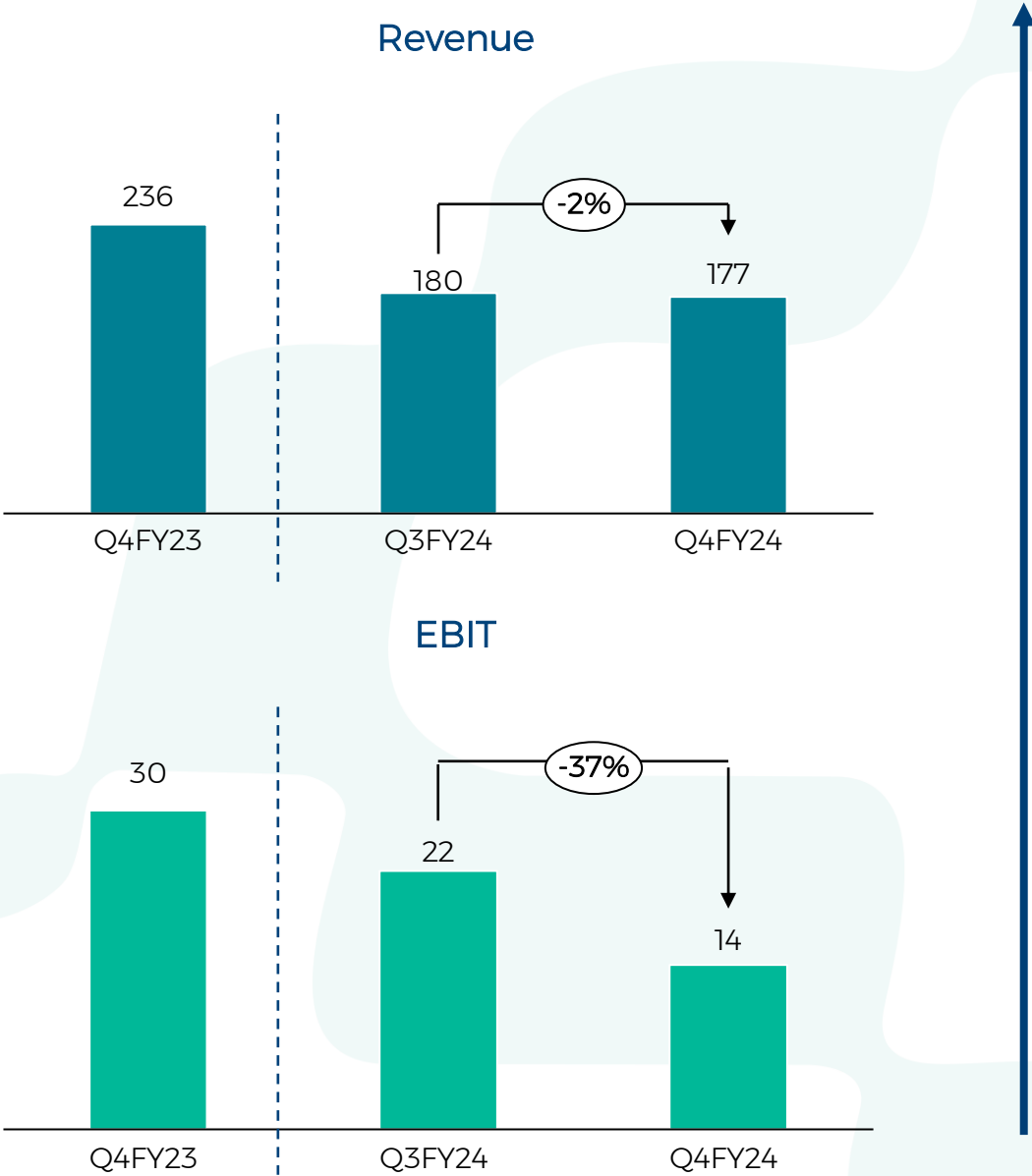


Rs. Crore

Pharmaceuticals - Performance Highlights

- Revenue recorded at Rs 338 Crore, 26% growth QoQ basis
 - Change in product mix
 - Increased demand of Own products in Pharmaceutical segment
- EBIT stood at Rs 54 Crore, sequential growth of 191%
 - EBIT margins improved by 900bps on a QoQ basis
 - Softening of key RM prices
 - Improvement on account of business excellence initiatives
- Animal Health
 - Four products are validated as per plan & several other products are under validation 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 flat at Rs 177 Crore on QoQ basis
 - Overcapacity and high channel inventory situation continues to affect at an Industry level
 - Operating environment is expected to stabilize towards the end of financial year
- EBIT stood at Rs 14 Crore, 37% degrowth on QoQ basis
 - Intense price erosion from competitors primarily from China
- Commissioning activity is going as per plan at the new multipurpose facility at Panoli, Gujarat.
- We have a strong pipeline of opportunities under discussion with various global innovators

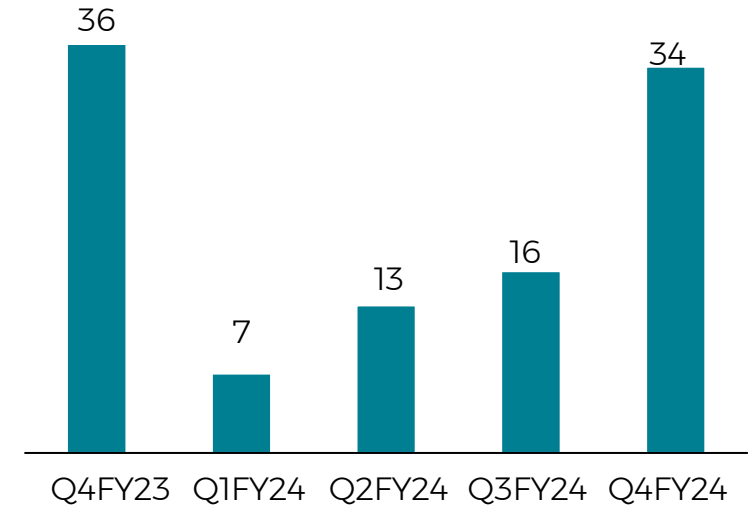
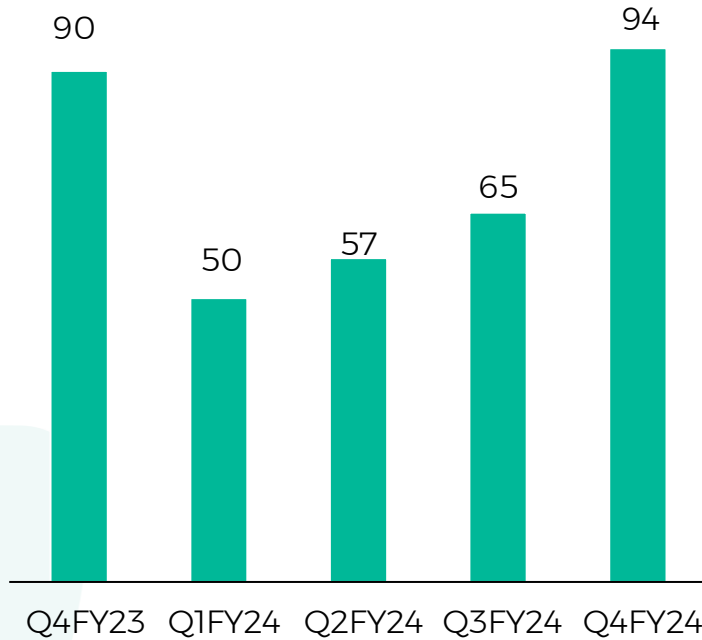
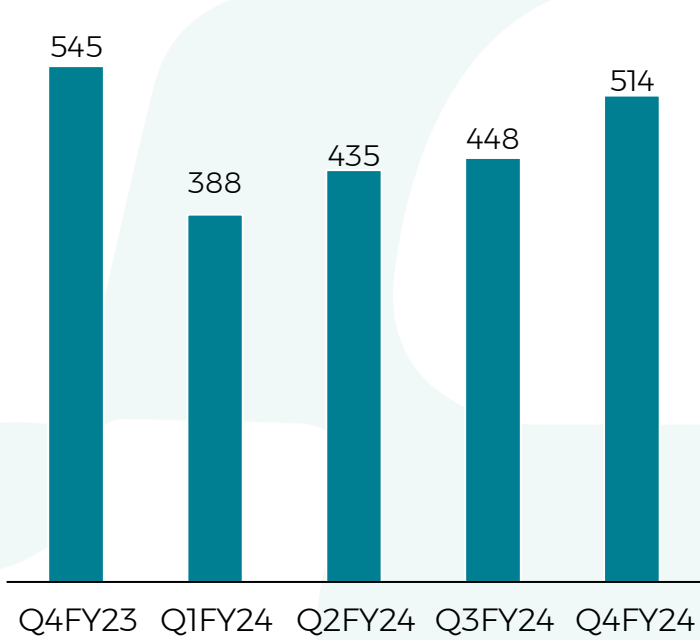
Quarterly Financial Highlights



Consolidated Revenue

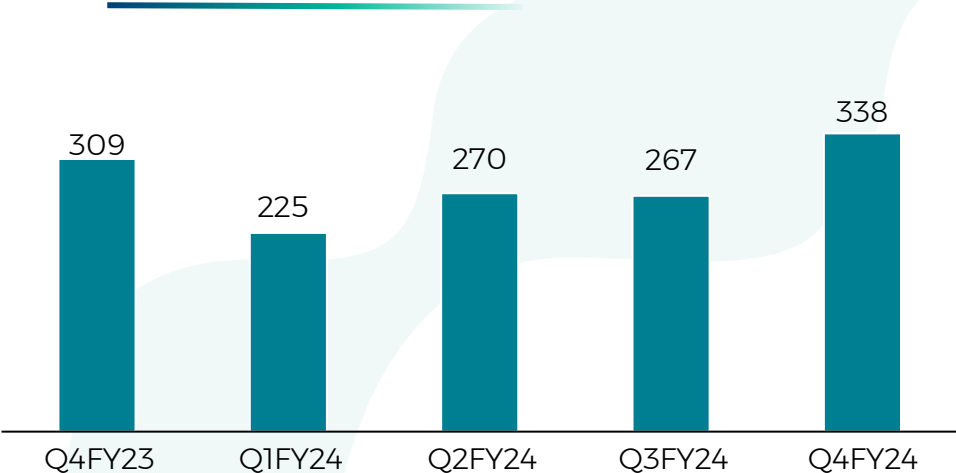
Consolidated EBITDA

Consolidated PAT

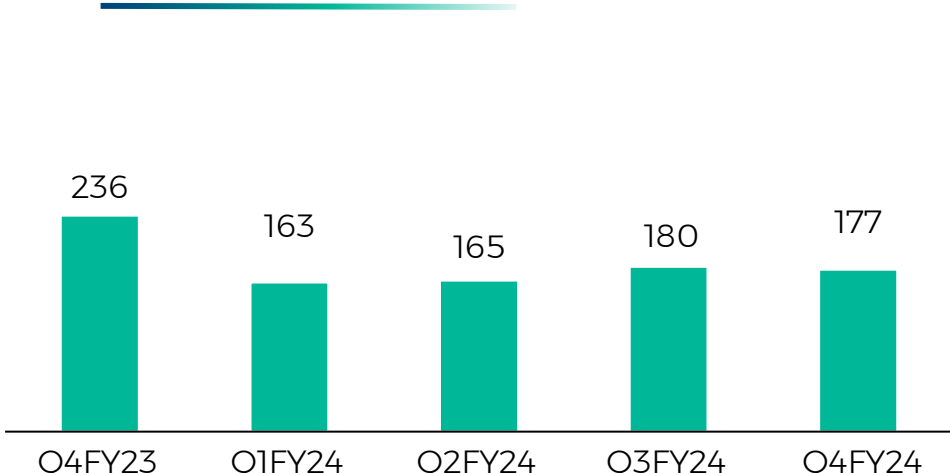


Quarterly Segmental Highlights

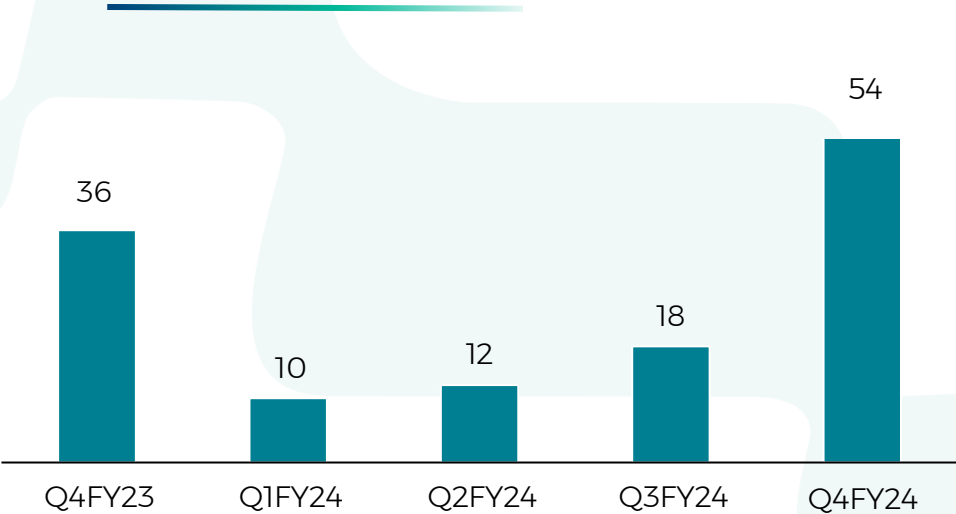
Pharmaceuticals Revenue



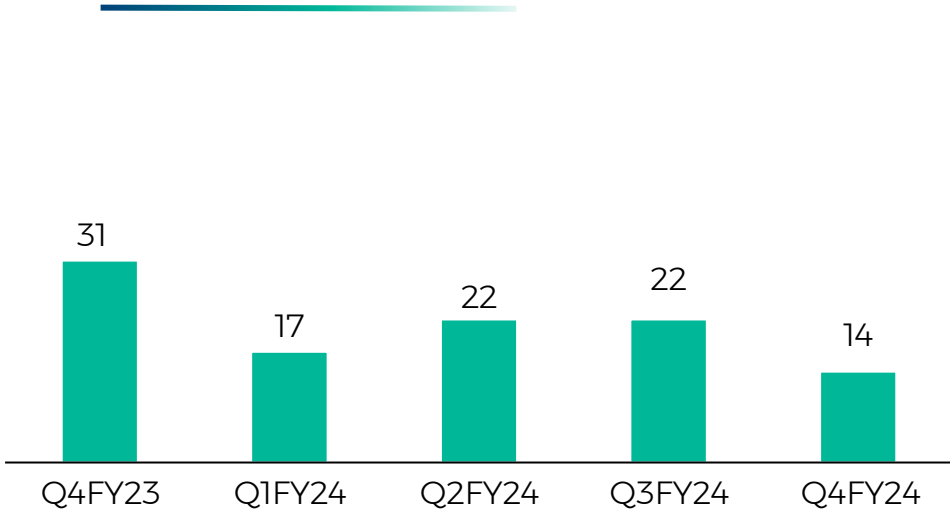
Crop Protection Revenue



Pharmaceuticals EBIT



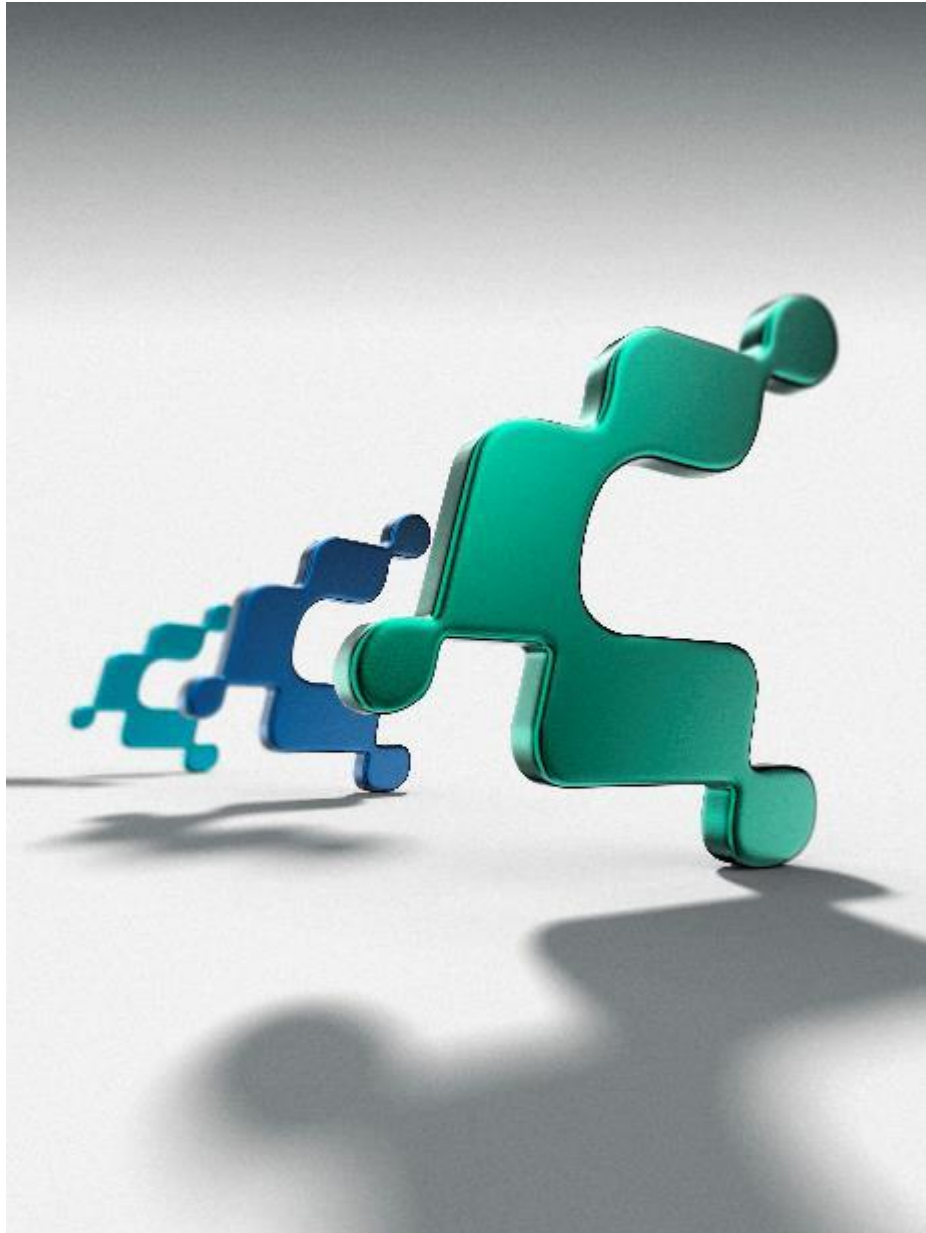
Crop Protection EBIT



Consolidated Profit & Loss - Q4 FY24



Particulars (Rs. Crore)	Q4 FY24	Q4 FY23	Y-o-Y	Q3 FY24	Q-o-Q
Net Sales	514	544	-6%	448	15%
Expenditure	420	556		283	
EBITDA	94	88	7%	65	45%
Margin	18.4%	16.2%		14.5%	
Other Income	0	0		0	
Depreciation	32	27		29	
Finance Costs	15	13		14	
PBT	47	49	-3%	22	117%
Tax	13	13		5	
Net Profit	34	36	-6%	16	108%
Margin	6.6%	3.6%		6.6%	



Annual Financials Highlights

Financial Highlights - Annual



Revenue – FY24
Rs. 1,785 Crore

↓ YoY
-12%



EBITDA – FY24
Rs. 267 Crore

↑ YoY
+4%



EBITDA Margin – FY24
15.0%

↑ YoY
+230 bps



PAT – FY24
Rs. 70 Crore

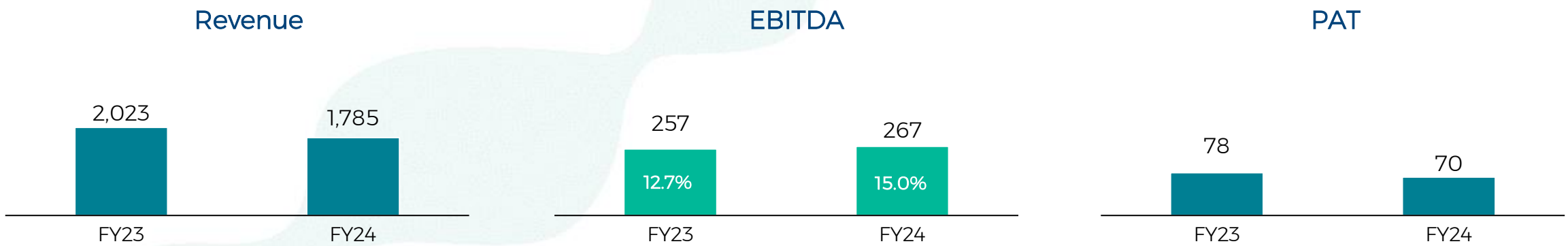
↓ YoY
-11%



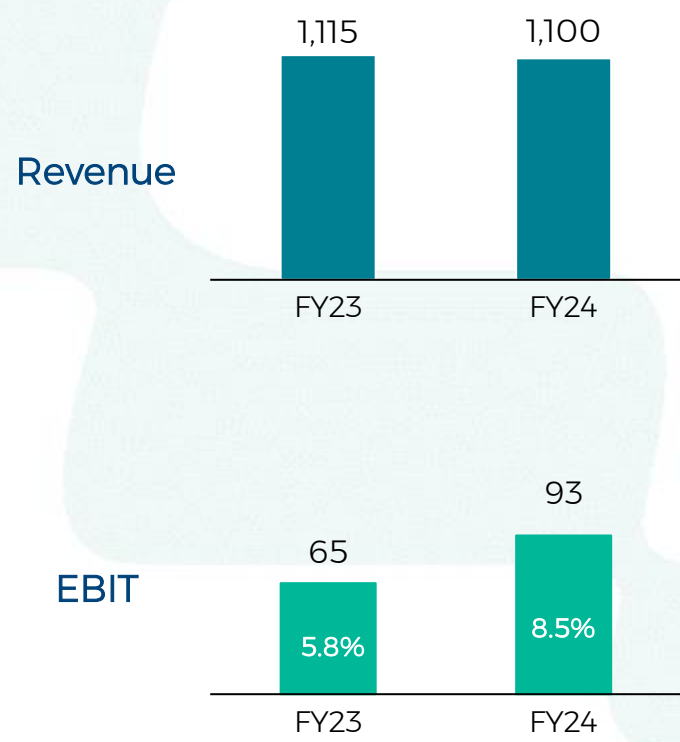
EPS – FY24
Rs 5.64

↓ YoY
-11%

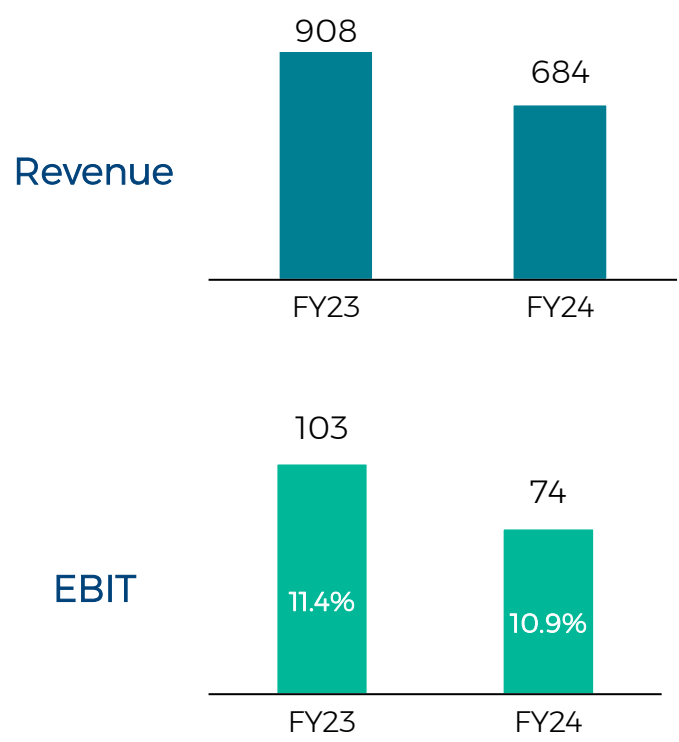
Annual Performance Highlights



Pharmaceuticals Division



Crop Protection Division



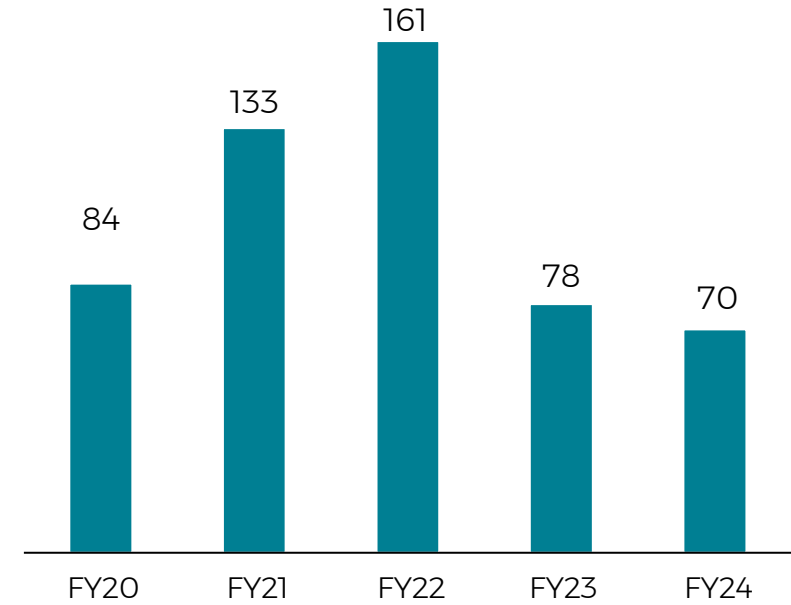
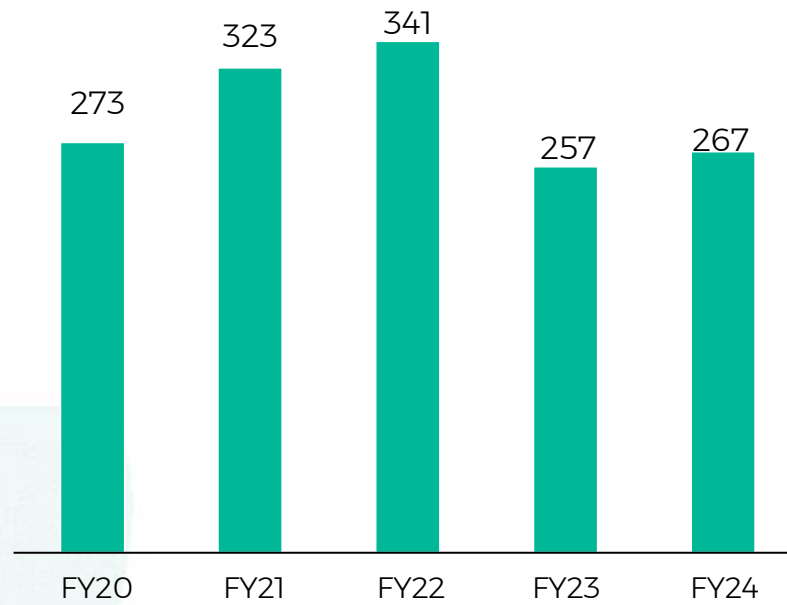
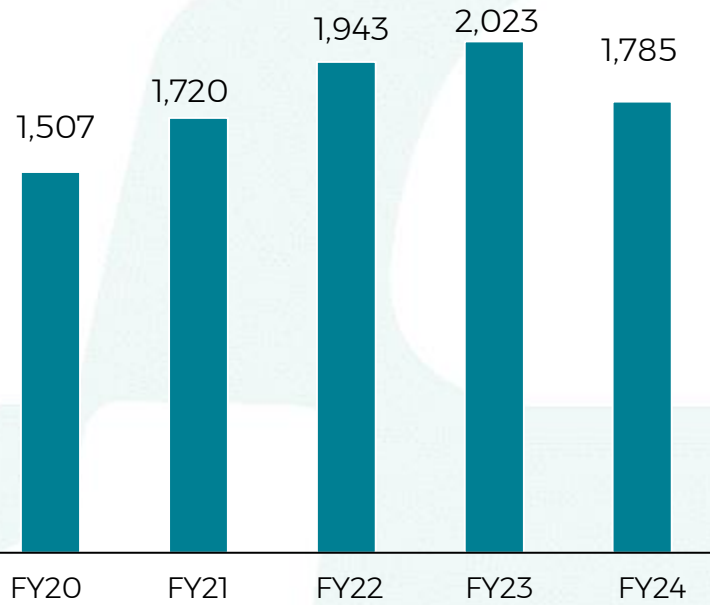
Yearly Financial Highlights



Consolidated Revenue

Consolidated EBITDA

Consolidated PAT



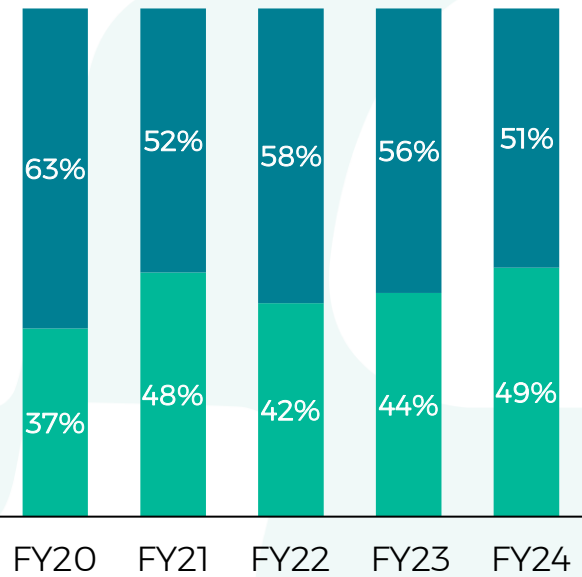
Rs. Crore

Sales Break-Up

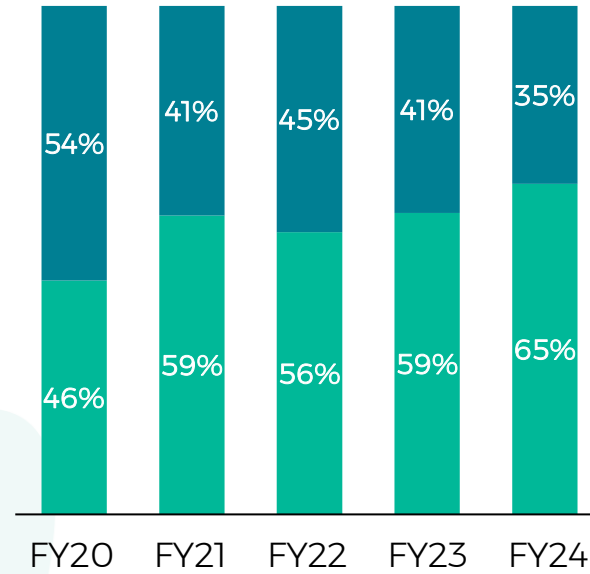


- CDMO
- Own products

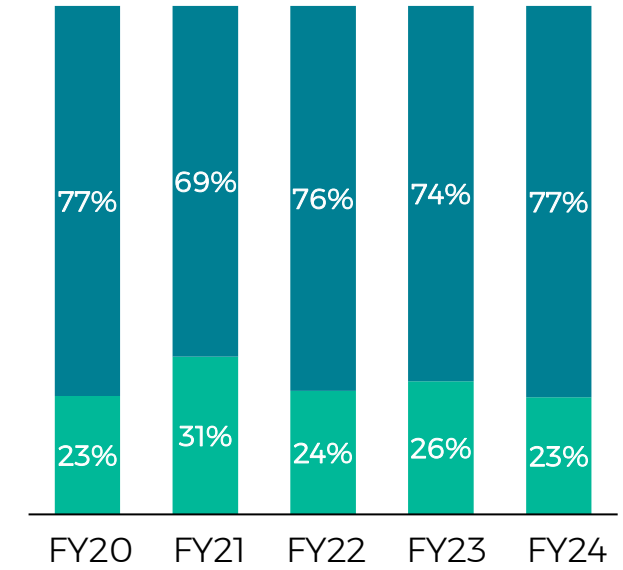
Company Revenue Break-Up



Pharmaceuticals Revenue Break-Up

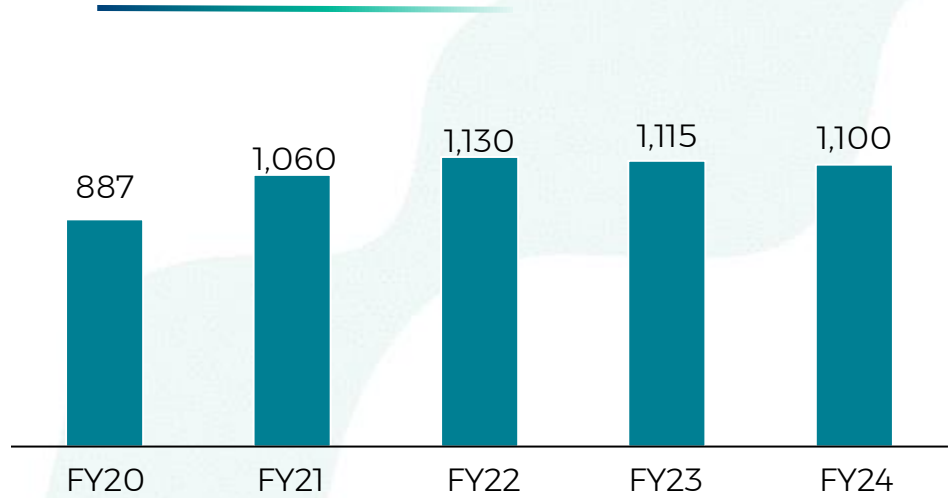


Crop Protection Revenue Break-Up

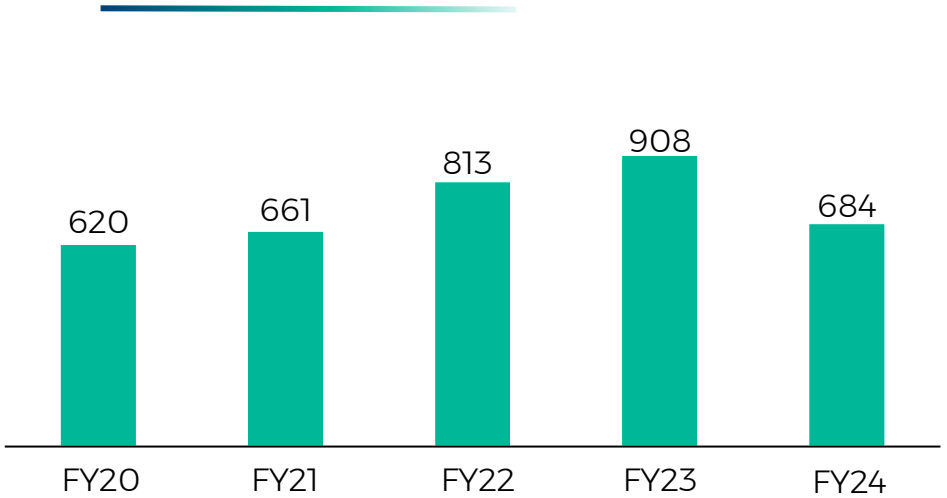


Yearly Segmental Highlights

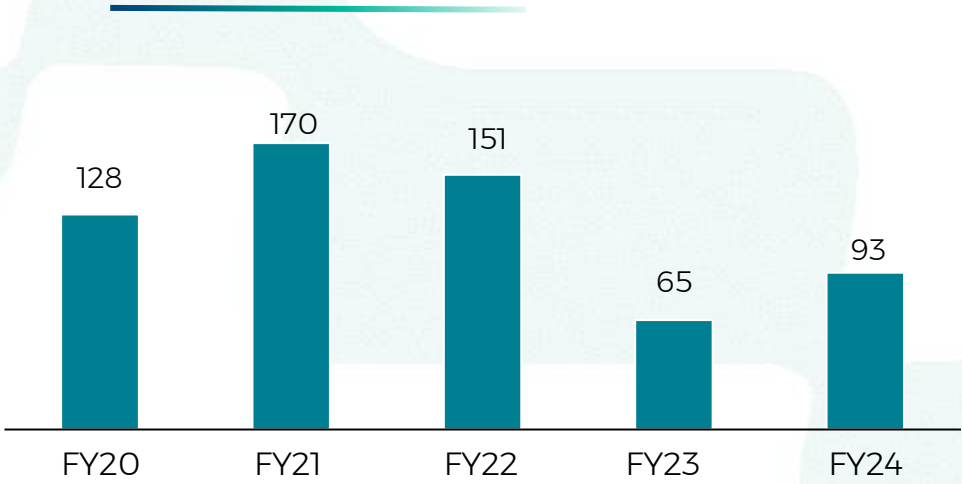
Pharmaceuticals Revenue



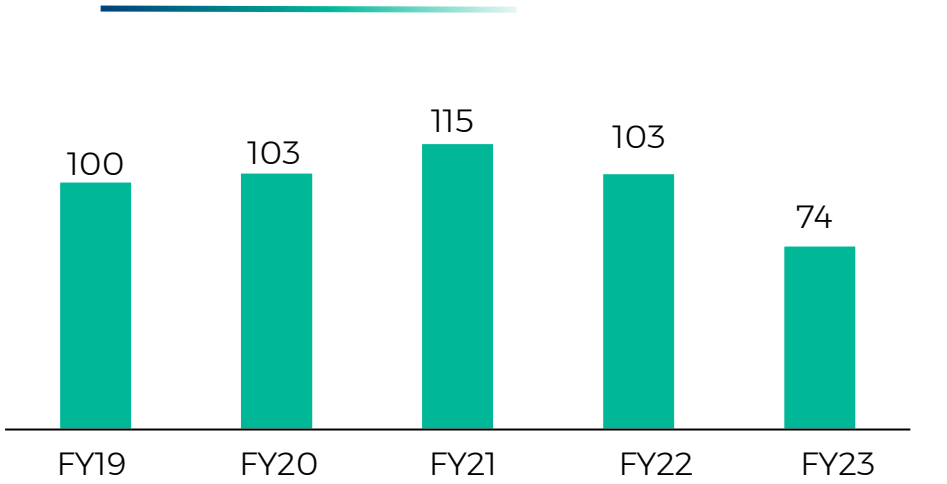
Crop Protection Revenue



Pharmaceuticals EBIT



Crop Protection EBIT



Consolidated Profit & Loss - Full Year



Particulars (Rs. Crore)	FY24	FY23	Y-o-Y
Net Sales	1,785	2,023	-12%
Expenditure	1,518	1,766	
EBITDA	267	257	+4%
Margin	15.0%	12.7%	230 bps
Other Income	2	5	
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. Crore)	Mar-24	Mar-23
Total Non Current Assets	1,521	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	939
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

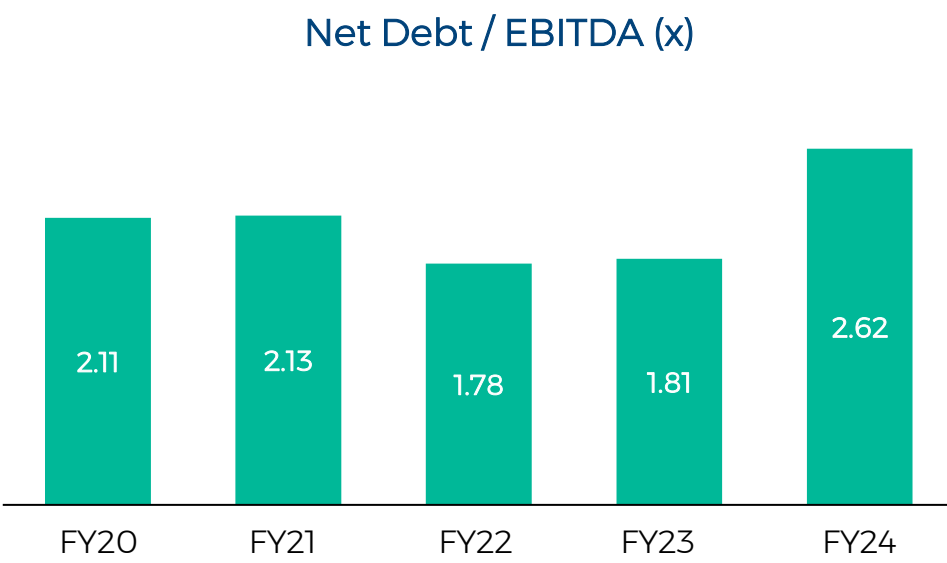
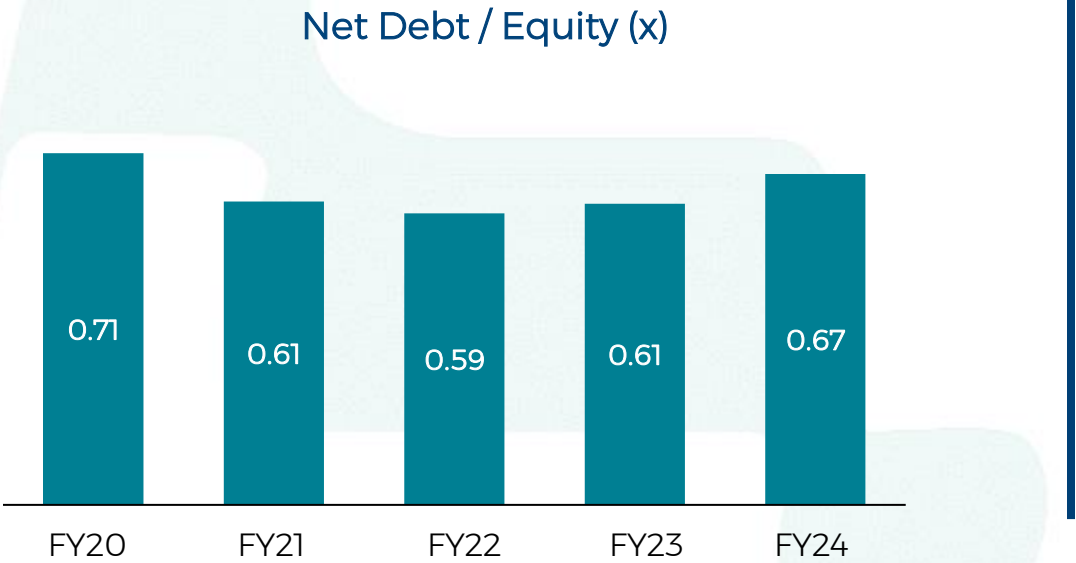
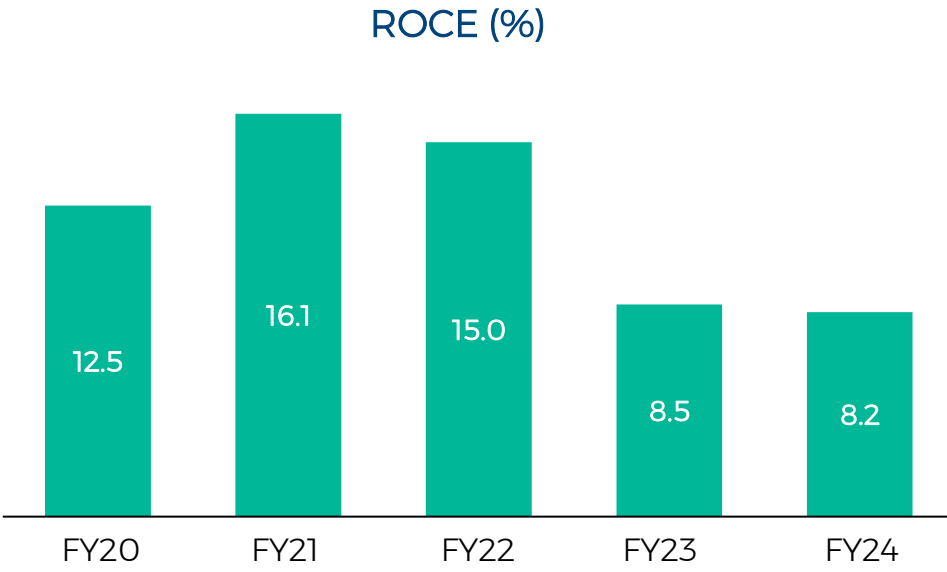
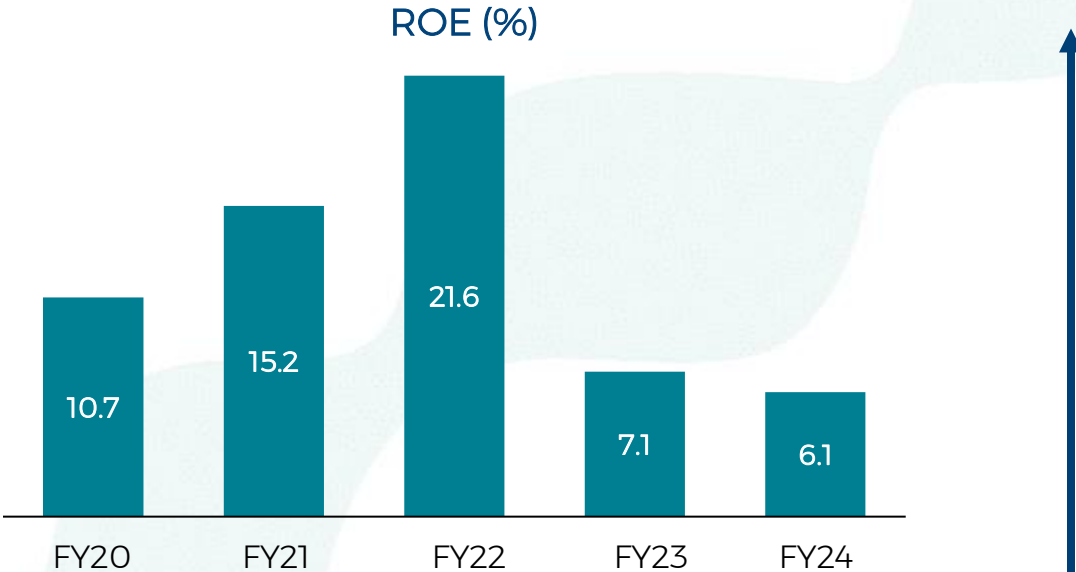
Equities & Liabilities (Rs. Crore)	Mar-24	Mar-23
Shareholders Fund	1,188	1,134
Share Capital	25	25
Other Equity	1,163	1,109
Total Non Current Liabilities	543	590
Financial Liabilities		
Borrowings	423	490
Lease Liability	3	-
Provisions	28	24
Deferred Tax Liabilities (net)	30	33
Other non current liabilities	59	44
Total Current Liabilities	757	662
Financial Liabilities		
Borrowings	392	258
Lease Liability	-	-
Trade Payables	279	313
Other Financial Liabilities	41	49
Other Current Liabilities	29	24
Provisions	4	3
Current Tax Liabilities (Net)	12	14
TOTAL EQUITY & LIABILITIES	2,487	2,386

Consolidated Cash Flow Statement



Particulars (Rs. Crore)	Full Year ended 31-Mar-24	Full Year ended 31-Mar-23
Profit before tax	95	105
<i>Adjustments</i>	175	163
Operating Profit Before Working Capital Changes	270	268
<i>Change in operating assets and liabilities</i>	(53)	76
Cash generated from operations	217	344
<i>Income taxes paid</i>	(30)	(29)
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

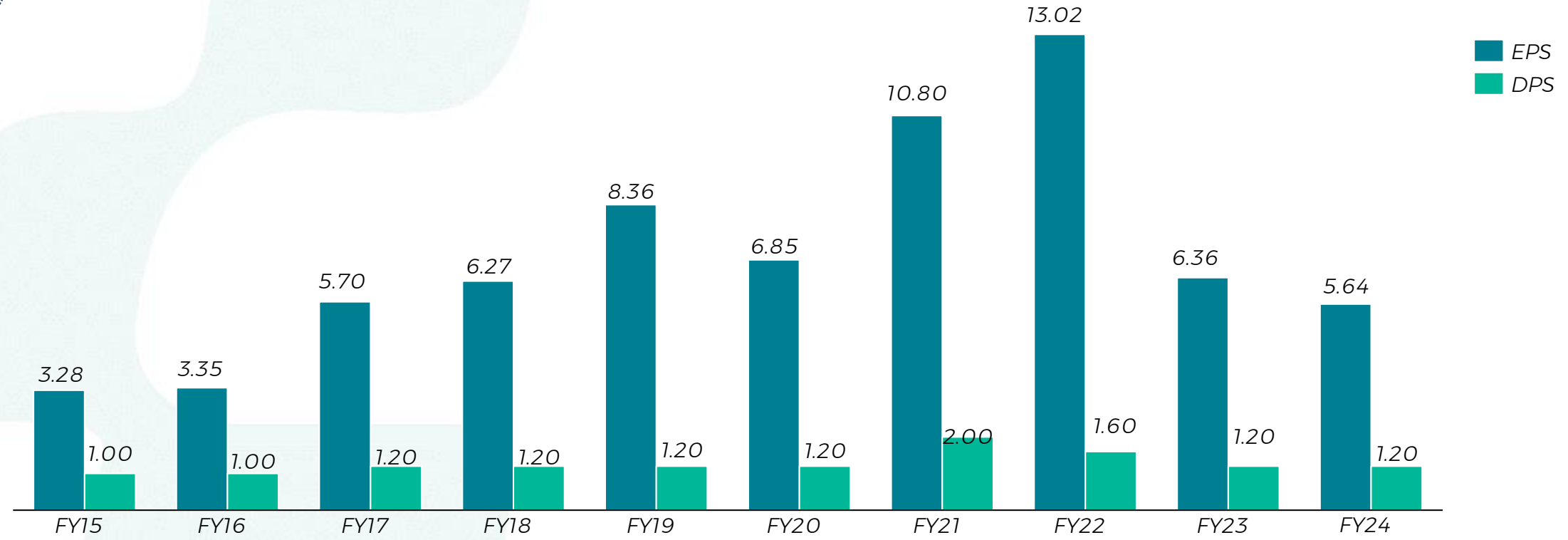


Annual Dividend Payout



Dividend Payout including DDT

22% 18% 19% 17% 20% 19% 19% 12% 19% 21%



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



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