

## Hikal Limited: Q1 FY21 Results

- ✓ Revenue of Rs. 352.8 crore
- ✓ Adjusted EBITDA of Rs. 57.3 crore; EBITDA Margin of 16.2%\*
- ✓ Adjusted PBT of Rs. 27.5 crore\*

**Mumbai, August 04, 2020:** Hikal Ltd., a preferred long-term partner for leading global life sciences companies, announced its financial results for the quarter ended 30<sup>th</sup> June 2020.

### Consolidated Financial Highlights

Particulars (Rs. crore)	Q1 FY21	Q1 FY20	YoY	Q4FY20	QoQ
Revenue	352.8	403.2	-12%	379.0	-7%
Adjusted EBITDA*	57.3	68.5	-16%	70.6	-19%
Adjusted EBITDA Margin*	16.2%	17.0%		18.6%	
Adjusted PBT*	27.5	36.8	-25%	37.7	-27%
COVID Expenses	4.7	0.0		0.0	
PAT	15.0	25.2	-41%	24.5	-39%

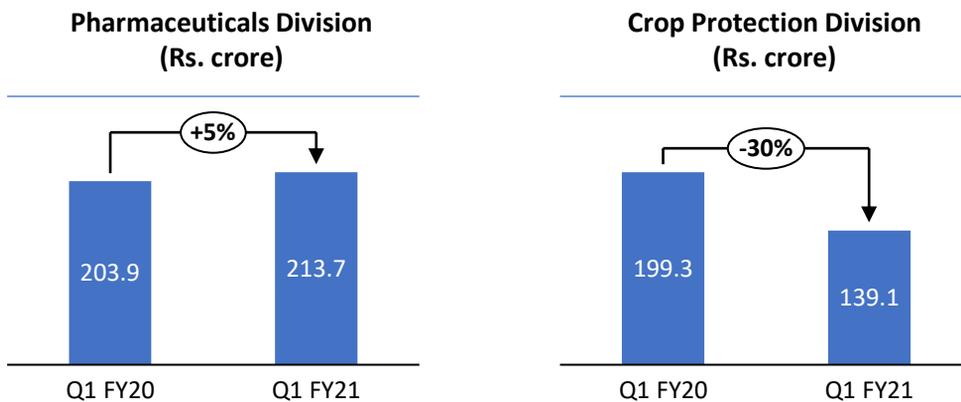
**\* - Excludes COVID Expenses aggregating to Rs. 4.7 crore incurred during pandemic**

- Employee benefits of Rs. 3.0 crore paid to employees as ex-gratia in addition to normal compensation
- Other Expenses of Rs. 1.7 crore (including additional CSR expenditure of Rs. 1.0 crore)

## Key Highlights

- Improvement in Gross Profit Margin lead by initiatives like domestic sourcing of key raw materials, improvement in operating efficiency due to automation and mechanization
- Operating profit impacted lower absorption of fixed costs

## Segmental Performance for the quarter ended 30<sup>th</sup> June 2020



- **Pharmaceutical sales up by 5% to Rs. 213.7 crore** as compared to Rs. 203.9 crore in the corresponding period of the previous year
  - Recovery in operations led by improved volume off-take by customers
  - Commissioning of additional capacity enabled to meet higher demand
  - Post relaxation of Nation-wide lockdown, the operations ramping up steadily at Bangalore and Panoli facilities
- **Crop Protection sales lower by 30% at Rs. 139.1 crore** as compared to Rs. 199.3 crore in the corresponding period of the previous year
  - COVID-19 pandemic lockdown impacted the global customer's operations during the quarter leading to deferment of volume off-take
  - Repeat local lockdowns in Maharashtra (Taloja & Mahad Site) further impacted the production schedule which were already disrupted due to Nation-wide lockdown

**Commenting on the results, Jai Hiremath, Chairman & Managing Director, Hikal Ltd. said,**

*“We started the year with a better than expected performance and I would like to thank all the stakeholders and specially our Employees for standing strong during these difficult times. The revenue in Q1 has been lower by 12% compared to Q1 last year however, with better operational efficiencies we were able to improve our Gross Profit Margins. Our operations were at sub-optimal levels due to the nationwide lockdown and our fixed costs were greater due to the Pandemic which were not absorbed fully thereby impacting our operating profit margins. The performance for the quarter has been impacted by a COVID expense of Rs. 4.7 crore towards employee benefits and other additional costs incurred to mitigate the effect of the pandemic and help society at large.*

*Our Crop Protection Division saw a revenue dip of 30% in Q1 as compared to corresponding period last year mainly due to several headwinds faced by our global customers which resulted in deferment of volume offtake. Restrictions imposed by State Government in Maharashtra where both our crop protection plants are located also led to lower production and sales. Our Pharmaceutical Division has reported a growth of 5% in top line led by improved capacity ramp-up and better volume off-take by customers.*

*Looking forward, we are witnessing improvement in capacity utilization and higher volume off-take by our customers for both our divisions. We continue to be positive on growth prospects of both the divisions based on the new opportunities arising due to supply chain de-risking strategy of our customers.*

*We continue to work on various cost and efficiency improvement initiatives which has already started to show results with improvements in Gross Margins over the last year. We are going ahead with our Capex plans which has been delayed due to the Pandemic and the new capacity is expected to be commissioned between March and June 2021.*

*As the COVID-19 pandemic situation continues to be volatile and with intermittent lockdowns potentially impacting our operations, therefore at this juncture estimating the performance for the current year is difficult. However, with new capacity coming on stream in early part of next financial year along with normalization of COVID-19 related disruption we will be able to capitalize on our strong customer relationships, new customer inquiries, a healthy product pipeline and new opportunities under “Atmanirbhar Bharat.”*

## About Hikal Limited

Hikal is a reliable long-term partner to companies in the Pharmaceuticals, Crop Protection, and Specialty Chemicals industry. The company is in the business of supplying research services, active ingredients and intermediates, manufactured using stringent global quality standards, for its global customers. Hikal's advanced manufacturing facilities have been inspected and approved by leading multinational companies in the Crop protection and Pharmaceutical sectors. The Crop protection facilities are located at Taloja and Mahad (Maharashtra). Hikal's R&T facilities are located at Pune. The Pharmaceutical manufacturing facilities are situated in Jigani (Bengaluru) and Panoli (Gujarat). Hikal is the first Indian life-sciences company to receive the Responsible Care® certification governed by the International Council of Chemical Associations (ICCA).

## Safe Harbor Statement

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.

For further information, please contact

### Company :

#### Hikal Limited

CIN: L24200MH1988PTC048028

Mr. Anish Swadi

[anish\\_swadi@hikal.com](mailto:anish_swadi@hikal.com)

[www.hikal.com](http://www.hikal.com)

### Investor Relations Advisors :

#### Strategic Growth Advisors Pvt. Ltd.

CIN: U74140MH2010PTC204285

Ms. Payal Dave / Mr. Jigar Kavaia

[payal.dave@sgapl.net](mailto:payal.dave@sgapl.net) / [jigar.kavaia@sgapl.net](mailto:jigar.kavaia@sgapl.net)

+91 9819916314 / +91 9920602034

[www.sgapl.net](http://www.sgapl.net)