

## Hikal Limited: Continued Strong Quarterly Performance

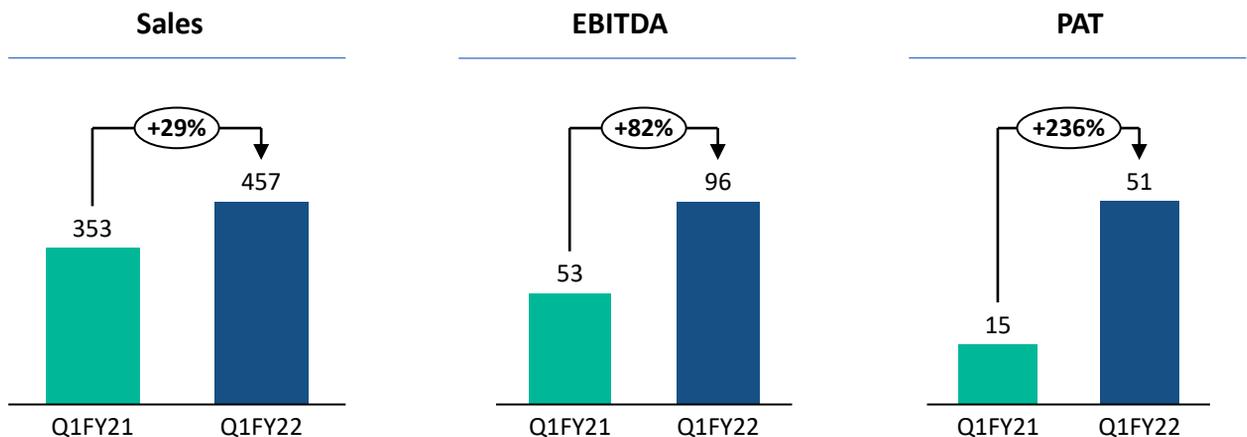
### ➤ Q1 FY22 Highlights

- ✓ Revenue of Rs. 457 crore; YoY growth of 29%
- ✓ EBITDA of Rs. 96 crore; YoY growth of 82%
- ✓ EBITDA Margin of 21%; Expansion of 606 bps
- ✓ PAT of Rs. 51 crore; YoY growth of 236%

**Mumbai, August 06, 2021:** 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 2021.

### Q1 FY22 Performance:

(Rs. in crore)

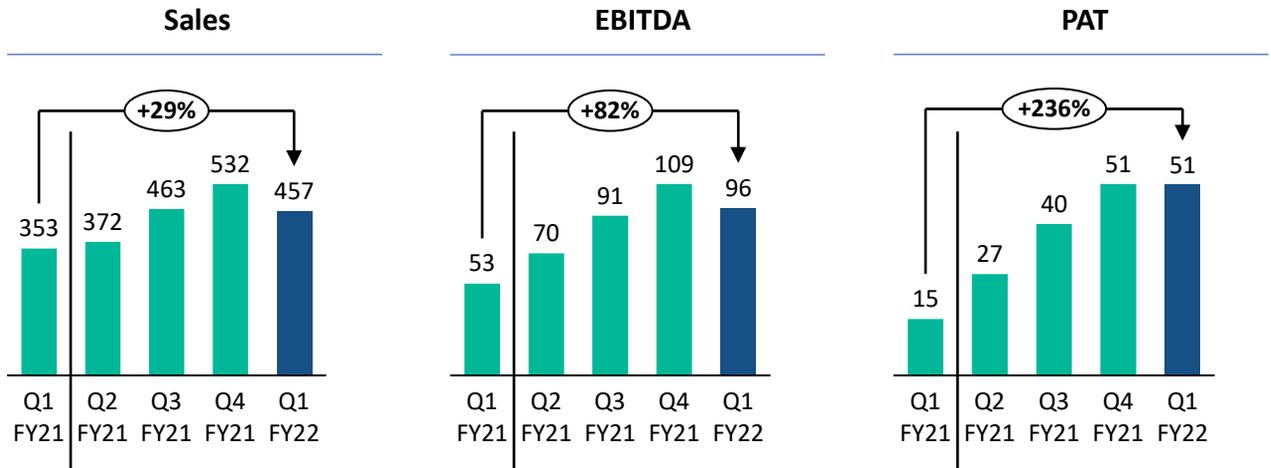


### Key Highlights

- Higher sales of existing products and addition of new products
- Strong performance in both own generics as well as CDMO segment
- Hikal transformational journey with a global consultant has been initiated
- Steady improvement in EBITDA margins continues, aided by improved product mix and higher operating leverage
- YoY growth of 236% in PAT driven by higher business profitability coupled with a move to the new corporate tax regime
- Temporary halt in supply of oxygen at the Talaja plant, due to diversion of industrial oxygen for medicinal purposes, leading to sales impact on a key product
- HIBEX, our business excellence initiative is yielding fruitful results in enhancing operational efficiency by improving throughput of existing production facilities and reducing cost
- Lowered interest rates

### Consolidated Quarter Performance:

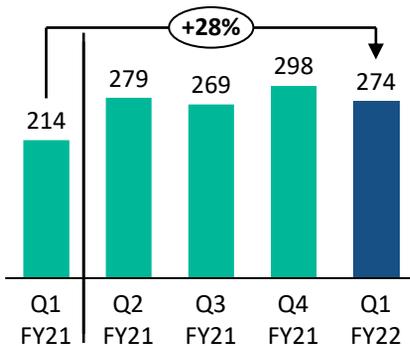
(Rs. in crore)



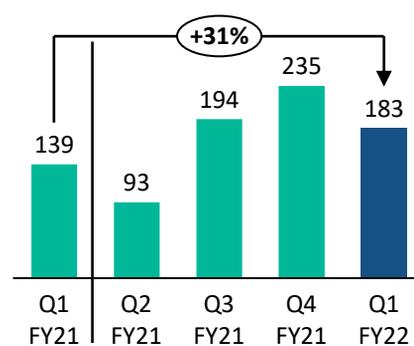
### Segmental Performance for the quarter ended 30<sup>th</sup> June 2021

(Rs. in crore)

#### Sales - Pharmaceuticals Division



#### Sales - Crop Protection Division



➤ **Pharmaceutical sales up by 28% to Rs. 274 crore** as compared to Q1 FY21

- Strong growth in both own generics as well as CDMO segment
- Favorable product mix and business excellence initiatives resulting in cost and throughput improvement, have contributed to significant YoY segmental margin expansion

➤ **Crop Protection sales up by 31% at Rs. 183 crore** as compared to Q1 FY21

- Increased sales volume of existing as well as new products
- Successfully scaled up volumes of a new fungicide for a Japanese CDMO client
- Substantial YoY increase in segmental profitability due to higher operating leverage and business excellence initiatives

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

*“I am happy to report that we have recorded a strong performance in Q1 despite the challenges posed by the second wave of the COVID-19 pandemic. We have continued the growth trajectory that the company had established over the past two quarters.*

*Our Pharmaceutical business has performed well, registering a YoY growth of 28% for the quarter based on increased volumes of existing API Generics and CDMO products. We have a healthy pipeline of new products, supported by our new capacities which would come on stream as a result of the capex incurred over last 12-24 months.*

*The Crop Protection business registered a robust YoY growth of 31% in Q1 on the back of strong volume growth of our existing products and further scaled up volumes of a new product. We expect this positive momentum to continue in the next few quarters based on a healthy pipeline of projects at various stages.*

*Our operations were slightly impacted by the second wave of the COVID-19 pandemic. We were directly affected by government restrictions on oxygen supply. We had to shut down one of our dedicated plants at Taloja. We used this opportunity to perform regular maintenance activities in order to mitigate the loss of production.*

*The Company has opted for the new tax regime, which has resulted in a higher net profit. This when considered with the reduced finance costs as a result of successful renegotiation of lower interest rates, have strengthened the financial parameters of the Company. With this added liquidity, cost reduction efforts and enhanced operational efficiency as a result of our focused business excellence initiatives, we are confident of further sustainable profitability improvement in the coming years.*

*In line with our vision, we have set a bold aspiration of driving profitable growth and transforming our businesses across different verticals. As part of our transformation journey, we have already engaged a leading global consulting firm to work along with us. This will enable us to pivot our growth in a sustainable manner. The journey forward will entail accelerating growth in our existing Pharmaceutical and Crop Protection businesses, as well as investing in our emerging business verticals such as Animal Health and Biocides. We are confident about the prospects of all our businesses in the near future.”*

## 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, Mahad (Maharashtra) and Panoli (Gujarat). 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

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