

Hikal Limited: Steady recovery in Q2 FY23

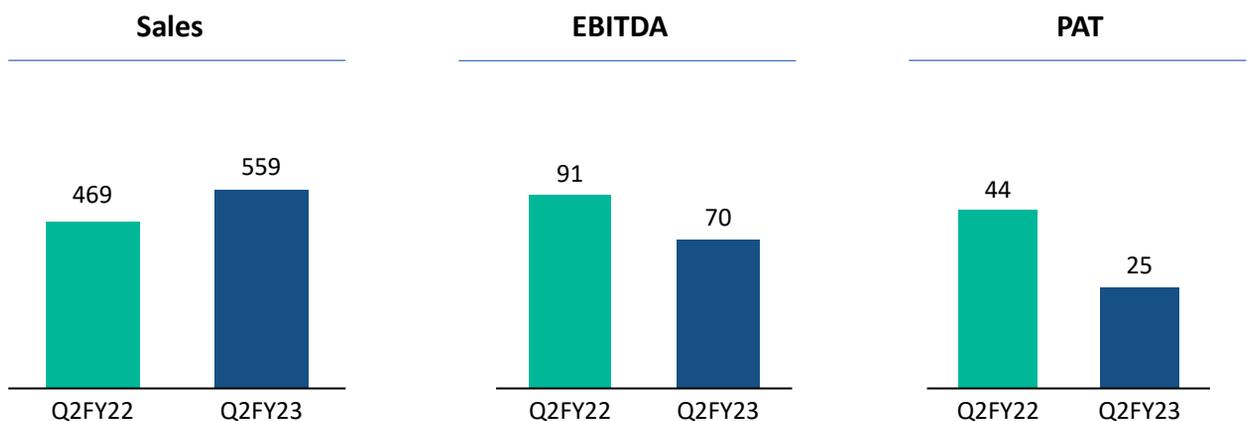
➤ Q2 FY23 Highlights

- ✓ Revenue of Rs. 559 crore; Y-o-Y growth of 19%
- ✓ EBITDA of Rs. 70 crore
- ✓ PAT stood at Rs. 25 crores
- ✓ Hikal's long term credit rating is maintained at A+ by ICRA

Mumbai, November 09, 2022: Hikal Ltd., a preferred long-term partner for leading global life sciences companies, announced its financial results for the quarter and half-year ended 30th September 2022

Q2 FY23 Performance:

(Rs. in crore)

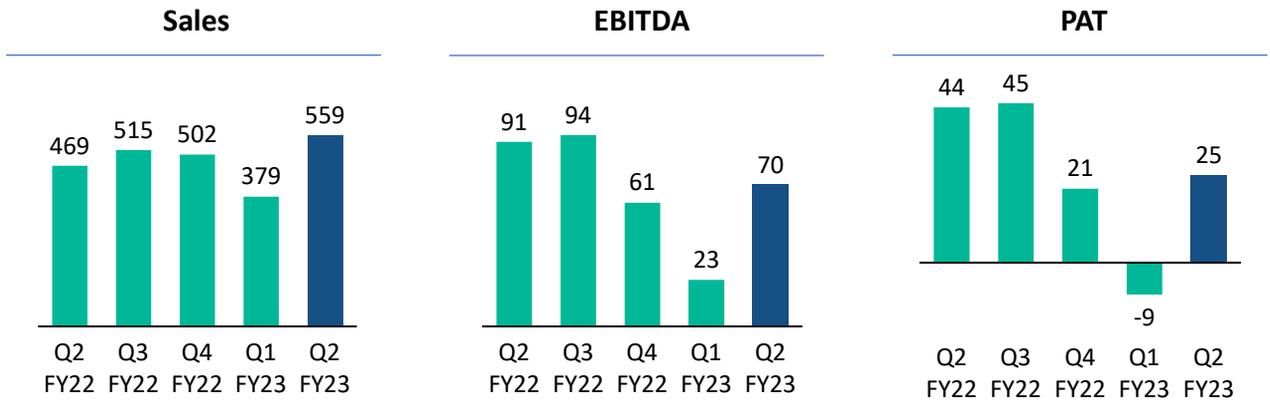


Key Highlights

- Crop Protection business has demonstrated strong rebound on account of industry tailwinds
- Sequential recovery in revenue and margin for Pharma business in upcoming quarters on back of improved demand outlook

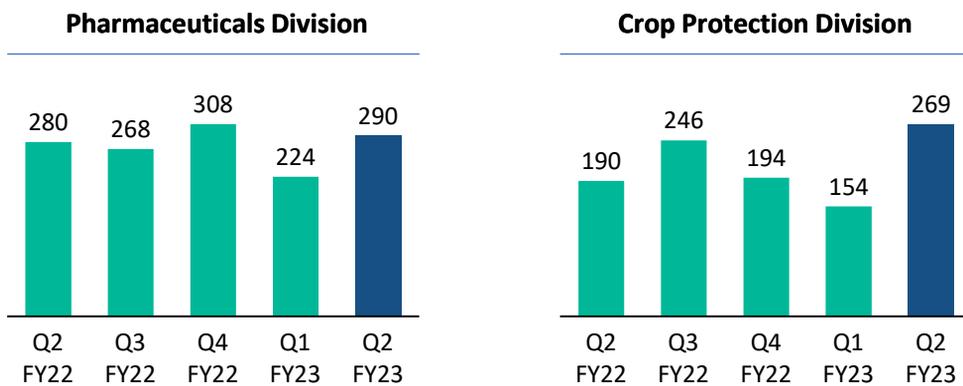
Consolidated Quarter Performance:

(Rs. in crore)



Segmental Performance for the quarter ended 30th September 2022

(Rs. in crore)



- **Pharmaceutical sales grew 4% YoY and stood at Rs. 290 crore** as compared to Rs. 280 crore in Q2 FY22
 - Business excellence initiatives and optimization of product mix are helping absorb some of the impact of increased input costs
 - Commercialized two new advanced intermediates for a global innovator company
 - Construction of new multipurpose plant for animal health is on-track at Panoli, Gujarat. We expect to commission it in the first half next calendar year.
- **Crop Protection sales grew by 42% at Rs. 269 crore** as compared to Rs. 190 crore in Q2 FY22
 - All plants operational at full capacity utilization
 - Higher demand forecast from existing global innovator companies
 - Construction of new multipurpose plant is on-track at Panoli. Expected to commission in Q4 FY23

Commenting on the results, Jai Hiremath, Executive Chairman, Hikal Ltd. said,

“Hikal has recorded a steady performance in Q2 in line with earlier guidance of a sequential recovery as we continue to move towards resuming our strong growth trajectory. In Q2, we achieved the highest-ever quarterly revenue in the history of Hikal, backed by strong demand in our Crop Protection business. We continue to keep an eye on the macro-economic environment, any potential for supply chain disruption, rising energy costs and the ongoing geopolitical unrest.

The Crop Protection business, with Rs 269 Crores revenues in Q2 FY23, witnessed a strong growth of 42% on a YoY basis on the back of robust demand from customers in both own products and CDMO segments. We expect this momentum to continue in the next few quarters. We have received several new enquires from global innovator companies which are at various stages of execution. The commissioning of the new Crop Protection multipurpose facility at Panoli, Gujarat will be in Q4 FY23.

The Pharma division business revenue stood at INR 290 Cr registering a 4% growth on a YoY basis. Soft demand, as well as pricing pressures in the end market, continue to be a concern. We have commercialized two NCE advanced intermediate with large potential for global innovator companies. Cost improvement programs, softening of raw material prices and optimal product mix will improve margins going forward. Our new Animal Health multipurpose facility is expected to come on stream by the first half of next calendar year.

Our efforts to develop alternate suppliers to reduce dependence on a single geography or vendor is on track and will help us in being a partner of choice to our global customers. To mitigate the increase in energy costs, we are further implementing renewable energy projects which will help reduce costs and lower our carbon footprint significantly.

We are continuing our strategic transformation journey, ‘Pinnacle Program’. Ongoing initiatives will help to reach our bold aspiration of driving profitable as well as sustainable growth. Significant progress is being made in building capabilities in terms of resources as well as infrastructure.

We expect to see a positive momentum in both businesses in the medium to long term.”

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.

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