

Hikal Limited: Recovery on track in Q3FY23

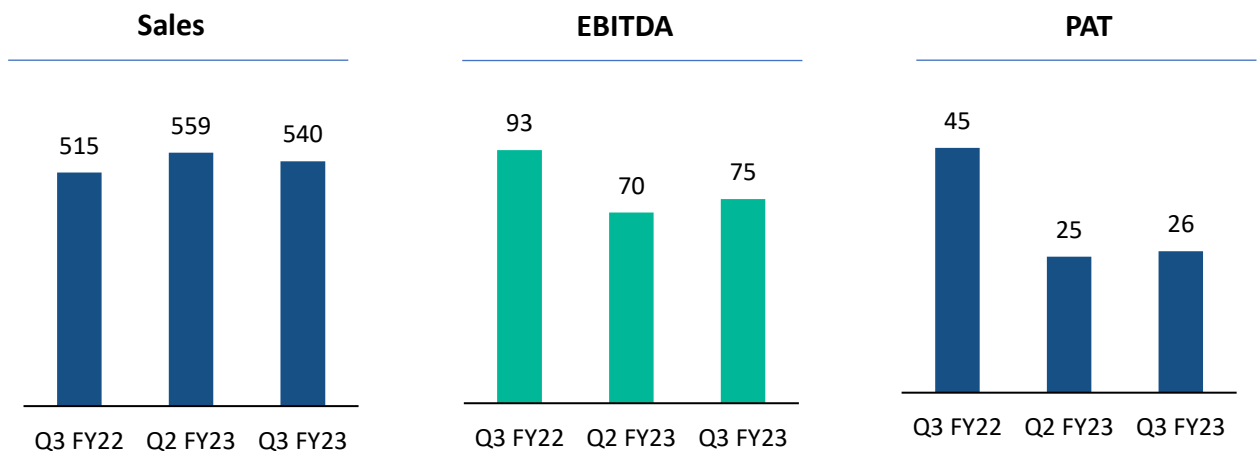
➤ Q3 FY23 Highlights

- ✓ Revenue of Rs. 540 crore; YoY growth of 5%
- ✓ EBITDA of Rs. 75 crore; QoQ growth of 7%
- ✓ PAT stood at Rs. 26 crores
- ✓ Hikal's long term credit rating is maintained at A+ by ICRA
- ✓ Interim Dividend of Rs. 0.60 per share (30% of Face Value)

Mumbai, February 2, 2023: Hikal Ltd., a preferred long-term partner for leading global life sciences companies, announced its financial results for the quarter ended 31st December 2022

Q3 FY23 Performance:

(Rs. in crore)

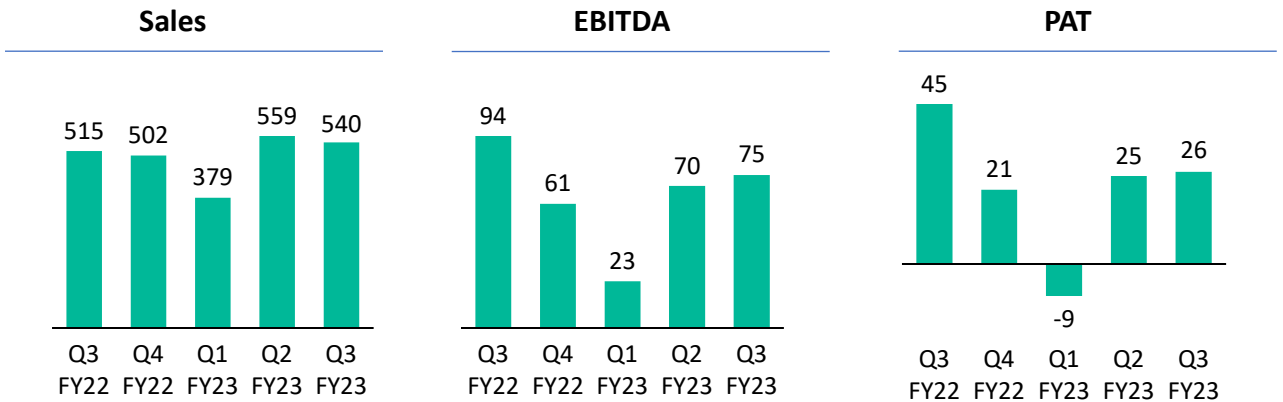


Key Highlights

- Sequential QoQ recovery in margins on back of cost improvement initiatives and softening of raw material prices
- Leading Global consultancy firm onboarded for ESG initiatives

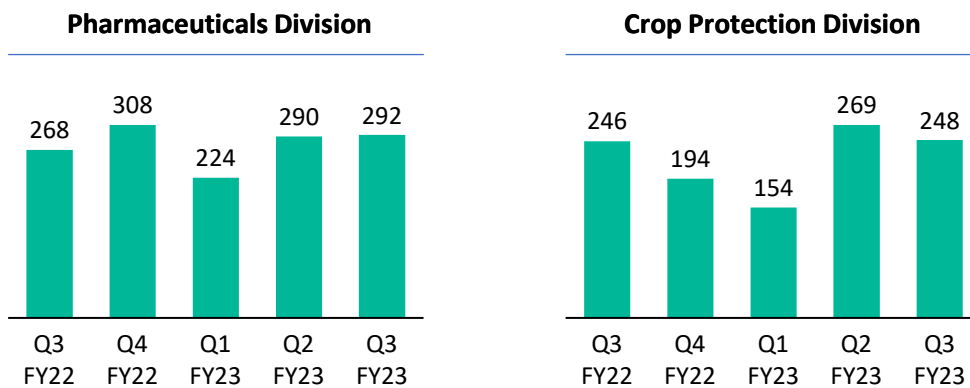
Consolidated Quarter Performance:

(Rs. in crore)



Segment wise Revenue Performance for the quarter ended 31st December 2022

(Rs. in crore)



- **Pharmaceutical sales grew 9% YoY and stood at Rs. 292 crore** as compared to Rs. 268 crore in Q3 FY22
 - New opportunities under discussion with various global innovators
 - Acquired new customers in Latin America and Middle east market for the API Generics
 - Expect to commission new multipurpose plant for Animal Health at Panoli, Gujarat by Q2 FY24

- **Crop Protection sales grew by 1% at Rs. 248 crore** as compared to Rs. 246 crore in Q3 FY22
 - Plan to commission the new multipurpose facility at Panoli, Gujarat by the end of FY23
 - Cost improvement ongoing to improve the margins further
 - Acquired 26% stake in a solar power manufacturing firm for increased renewable energy supply at two of Hikal's manufacturing site

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

“Hikal has recorded an improved performance in this quarter in line with earlier guidance of a sequential recovery. We had an improvement in EBITDA margins on the back of several cost improvement initiatives. We are witnessing softening of key raw material prices and we expect the trend to stabilize in the upcoming quarter.

The revenue for the Crop Protection business stood at Rs 248 Crores in Q3 FY22. We are focusing on the optimal product mix to improve revenues and margins going forward. We are in the process of commissioning our new multipurpose facility at Panoli for the launch of our new products.

Our Pharmaceuticals business has registered a YoY revenue growth of 9% and revenue stood at Rs 292 Crores for the quarter based on increased volumes of CDMO products. We have a strong pipeline of products in various stages of development. We are focusing on cost improvement initiatives to improve margins for existing API's and improve penetration of new products across different geographies. Our new Animal Health Multipurpose facility is on track and expected to be commissioned in Q2 of FY24.

The board has approved interim dividend of Rs. 0.60 per share which translates to 30% of Face Value.

Hikal has partnered with a leading global ESG consultant to build the sustainability strategy for reduction of carbon footprint across the value chain of Hikal to better understand the needs of all our stakeholders, colleagues, partners and communities in which we operate.

As part of our commitment to doing business in a responsible way, we are taking several initiatives to ensure clean energy, reduction of carbon footprint, reduction of waste generation across all our sites. We have further increased renewable power by signing long term agreements for our Panoli, Taloja and Mahad sites.

Pinnacle, our business transformation initiative, is on track to create a robust roadmap across business verticals to drive a profitable and sustainable growth over the next five years through a focused strategic direction.

We continue to monitor the macro-economic environment, rising interest rates, impact of China opening, rising energy costs and the ongoing geopolitical unrest. Both of our businesses have a strong growth outlook. We aspire to deliver sustainable and profitable volume-led growth over the medium 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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