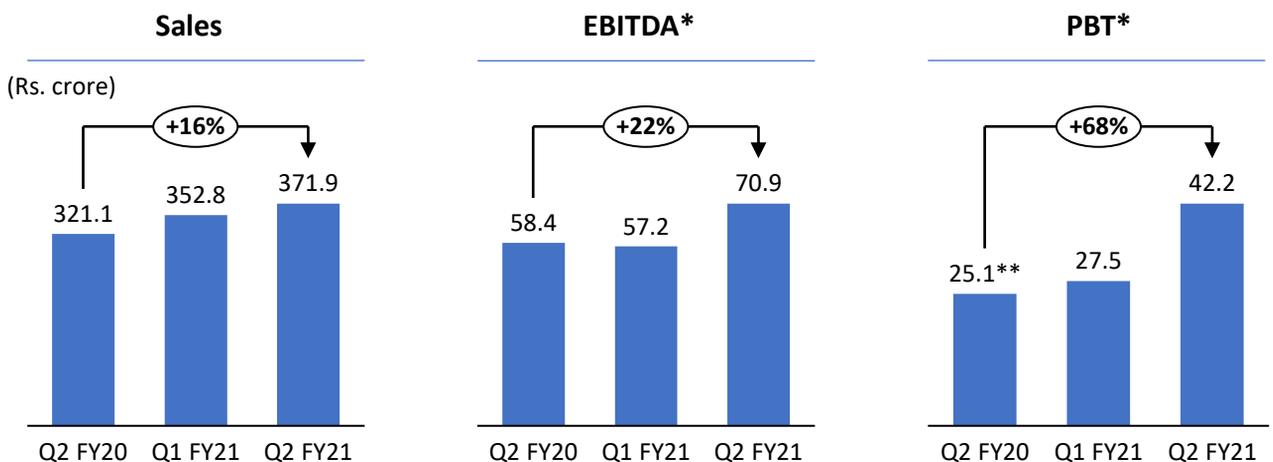


Hikal Limited: Q2 FY21 Results

- ✓ Revenue of Rs. 372 crore; YoY growth of 16%
- ✓ EBITDA* of Rs. 71 crore; YoY growth of 22%
- ✓ EBITDA Margin* of 19.1%; Expansion of 90 bps
- ✓ PBT* of Rs. 42 crore*; YoY growth of 68%

Mumbai, November 04, 2020: 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 2020.

Consolidated Quarter Performance:



* Excludes expenses related to COVID-19, aggregating to Rs. 5.9 crore incurred during pandemic upto September 2020

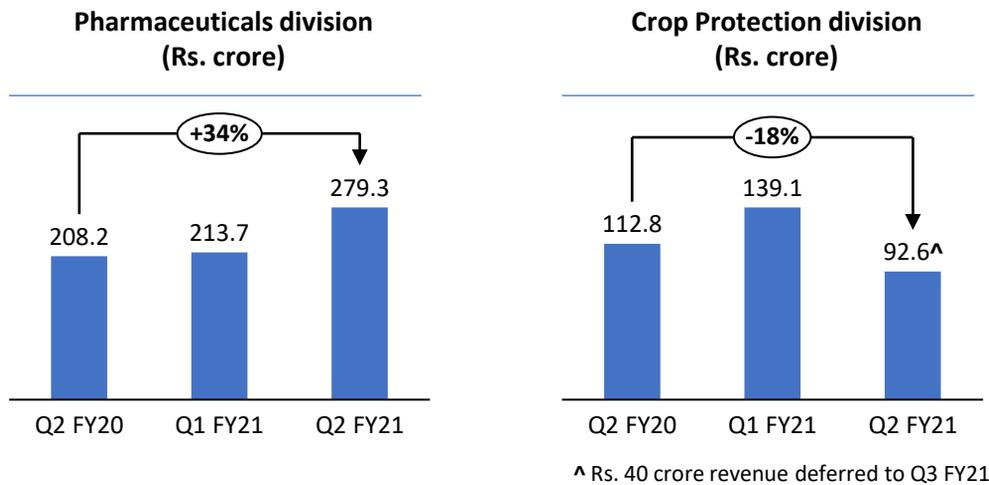
- Employee benefits of Rs. 3.0 crore paid to employees as ex-gratia in addition to normal compensation
- Other Expenses of Rs. 2.9 crore (including additional CSR expenditure of Rs. 1.0 crore)

** Excludes exceptional Item related to payment of Customs Duty of Rs. 15.42 crores on past imports of raw materials at an Export Oriented Unit post GST implementation

Key Highlights

- Revenue growth driven by higher offtake of existing products and new market opportunities
- Improvement of EBITDA margin by 90 bps YoY (excluding the COVID-19 expenses) in Q2 due to:
 - Higher volumes and sales in Pharma
 - Focus on higher margin products resulting in an improved product mix
 - Increased efficiencies through business excellence initiatives, resulting in higher output and reduction in costs

Segmental performance for the quarter ended 30th September 2020



- **Pharmaceutical sales up by 34% to Rs. 279.3 crore** as compared to Rs. 208.2 crore in the corresponding period of the previous year
 - Increasing trend in customer demand provides a positive outlook on the business
 - A strong top-line growth YoY was driven by increased volumes in the newly commercialized products and commissioning of additional capacity enabled to meet higher demand
 - Continued recovery in operations resulting on better utilization of production capacities
- **Crop Protection sales lower by 18% at Rs. 92.6 crore** as compared to Rs. 112.8 crore in the corresponding period of the previous year
 - The revenues were lower than planned, as a major long term contract manufacturing customer deferred the shipments worth Rs. 40 Cr. from Q2 to Q3 due to COVID-19. The annual sales of the Crop Protection division will not be impacted.
 - Delay in completion of capital expenditure projects due to the adverse impact of COVID-19

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

“The overall performance for Q2 has been better than the corresponding period last year as well as well the previous quarter due to higher sales offtake which resulted in better capacity utilization in our pharma division. Our EBITDA Margins improved on higher sales and significant operational efficiencies.

Our Pharmaceutical division registered a strong growth of 34% for the quarter as compared to same quarter last year. This performance was led by strong volume off-take supported by new capacity at our Bangalore unit which was commissioned late last year.

One of our long-term global customers in Crop Protection faced several operational challenges due to the ongoing COVID-19 restrictions at their facility. This led them to defer their volume off-take in Q2. We expect them to take the full supply by Q3 of this financial year.

Our Capex programme, after a brief disruption due to COVID-19 lockdown has resumed and is going on at full swing. We expect to start commissioning several projects during Q1 of FY22. We are implementing several business excellence initiatives across our company to enable us to deliver sustainable growth in both our top-line and bottom-line in the near term. We also continue to explore new opportunities with customers and alternative raw material supplies in the domestic market under the “Atmanirbhar Bharat” initiative of the government.

Based on the current operating environment, we expect that our performance in H2 will be much better as compared to in H1. We expect to close the current financial year with better financial performance as compared to the last financial year. We see several tailwinds in our business and as we start getting our new capacity on-stream, we expect revenues and profitability to grow faster in next several years. Our strong customer relations, new business opportunities as well as healthy product pipeline will enable us to renew our growth trajectory over 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 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.

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