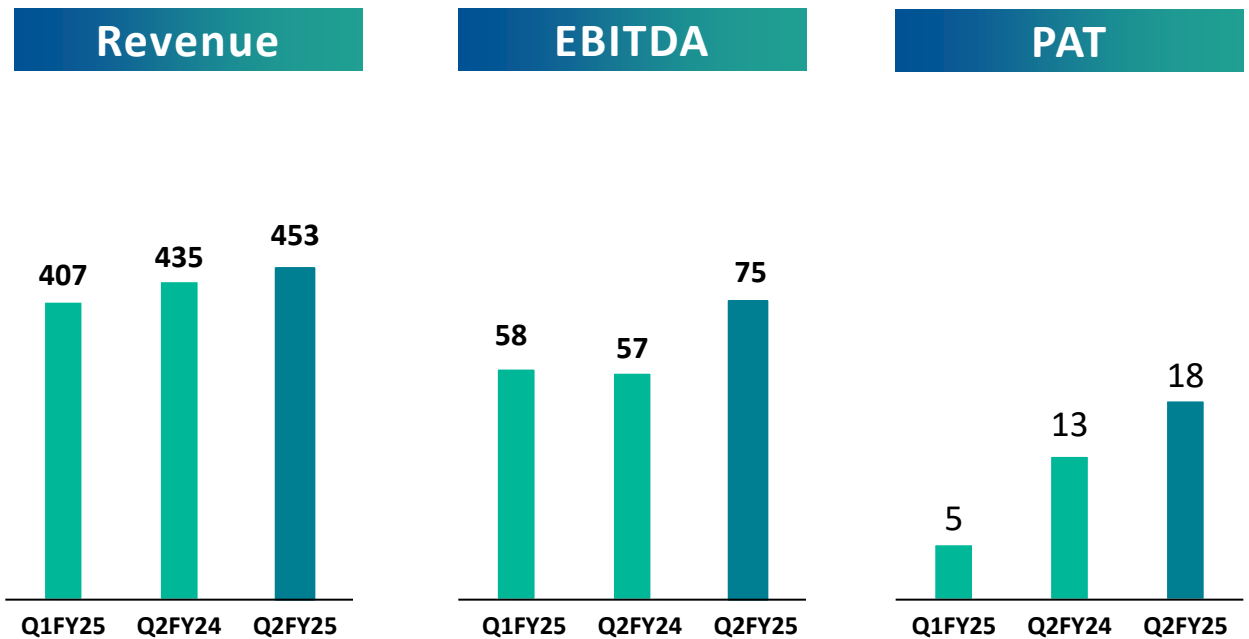


Q2 FY25 EBITDA Margin improved on YoY & QoQ basis

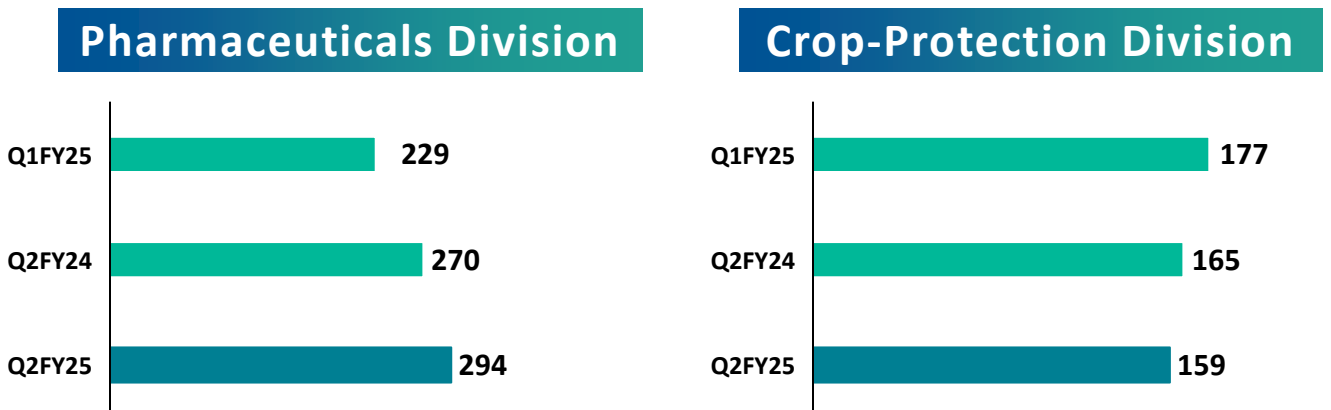
- ✓ Revenue of Rs. 453 crore
- ✓ EBITDA stood at Rs. 75 crore
- ✓ PAT stood at Rs. 18 crore
- ✓ Hikal's long term credit rating is maintained at A+ by ICRA

Mumbai, November 12, 2024: Hikal Ltd., a preferred long-term partner for leading global life sciences companies, announced its unaudited financial results for the quarter and half year ended 30th September 2024.

Consolidated Performance (in Rs. Crore) :



Segmental Revenue (in Rs. Crore) :



Q2 FY25: Performance Highlights:

- Q2FY25 consolidated Revenue recorded at Rs 453 Crore
- Reduced working capital and improved cashflow
- Pharmaceutical business demonstrated robust performance
- Enhanced operational efficiencies and streamlining costs have resulted in improved margin profile beyond favorable product mix

Q2 FY25: Pharmaceuticals Performance:

- Revenue stood at Rs. 294 Crore, and EBIT stood at Rs. 40 Crore
- Volume improvement to continue on account of widespread and deeper penetration globally in API business
- On CDMO side, supplied validation quantities during the quarter for an innovator customer
- A combination of product mix and operating leverage have positively affected margins
- Filed 2 DMFs for two anti-coagulant products, one for US market and other for Europe market
- 16 customer audits completed successfully during the quarter

Q2 FY25: Crop-protection Performance:

- Revenue stood at Rs. 159 Crore, and EBIT stood at Rs. 8 Crore
- Margin profile was impacted due to reduced operating leverage
- The excess inventory situation is gradually resolving, and volumes are steadily recovering
- Witnessing relatively better traction in domestic market for our select products
- Our CDMO business has a robust pipeline of inquiries from both existing and potential clients
- Currently 7 CDMO Projects in pipeline
- Completed two successful customer audits

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

“The chemical market is gradually showing signs of improvement in 2024 with volumes showing a marginal growth over last year. In Q2 FY25, our revenue amounted to Rs. 453 Cr, with an EBITDA of Rs. 75 Cr, reflecting growth on both QoQ and YoY basis. For the H1 FY25, revenue stood at Rs. 860 Cr, with an EBITDA of Rs. 133 Cr, growth of 4% and 23% respectively. During H1FY25, we have reduced our working capital and improved cashflow. The stable raw materials prices, focused cost improvement initiatives along with intensified customer acquisitions helped us to improve our margins both on a QoQ and YoY basis.

In Q2 FY25, our pharmaceutical segment generated revenue of Rs. 294 Cr and an EBIT margin of 13.7%, an increase of 28.1% and 994 bps, respectively on QoQ basis. In our CDMO business, we continue to receive enquiries from several innovator customers, and we have a robust pipeline of projects at various stages of development. In our API segment, we are experiencing a moderate surge in volume demand from existing and new clients.

In Q2 FY25, our crop protection segment reported revenue of Rs. 159 Cr, with an EBIT margin of 5%. The Crop Protection sector is beginning to show some signs of stabilization. Domestic markets have shown a relatively better recovery trend in the recent quarters. The excess inventory situation is gradually easing, volumes are steadily recovering, however prices are still depressed in the global markets. We are cautiously optimistic that this gradual recovery will continue in the upcoming quarters.

In the Animal Health segment, as a part of long-term agreement with innovator, we have successfully completed the development and validation of six products, and we are on track to finalize the validation of additional products by the end of this year. This is an important milestone in our efforts to secure product registration and eventually launch them in global markets. We continue our efforts to target newer customers in this niche segment.

Under our strategic transformation initiative - Pinnacle, we have made significant progress in maintaining growth across our businesses. We have strengthened our efforts in our ESG initiatives, expanded our geographical reach, upgraded our technology infrastructure and acquired new customers. As we move into the next phase of our strategic plan, we are concentrating more on the front-end to seize opportunities that will contribute to building a robust pipeline across our diverse businesses.

We remain focused to deliver profitable and sustainable growth across all business segments. We expect the second half to be better than the first half with realization from cost-improvement programs and higher revenues.”

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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