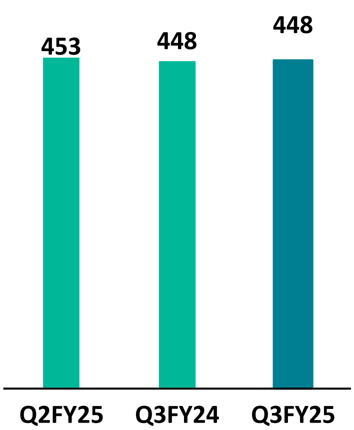
Q3 FY25 EBITDA Margin improved on YoY basis

- ✓ Board has recommended an interim dividend of 30% of FV
- ✓ Revenue of Rs. 448 crore
- ✓ EBITDA stood at Rs. 72 crore
- ✓ PAT stood at Rs. 17 crore
- ✓ Hikal’s long term credit rating is maintained at A+ by ICRA

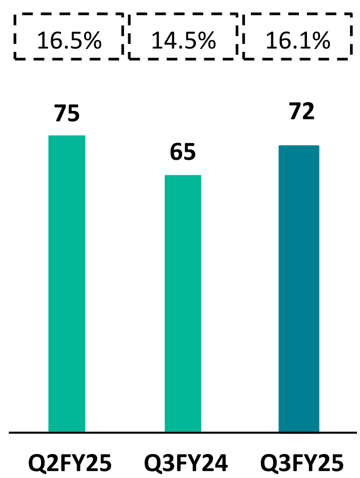
Mumbai, February 04, 2025: Hikal Ltd., a preferred long-term partner for leading global life sciences companies, announced its unaudited financial results for the quarter and nine months ended 31st December 2024.

Consolidated Performance (in Rs. Crore) :

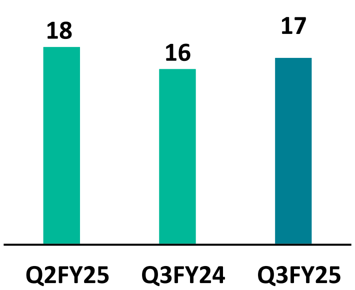
Revenue



EBITDA



PAT



Segmental Revenue (in Rs. Crore) :

Pharmaceuticals Division

Crop-Protection Division

Q3 FY25: Performance Highlights:

- Q3FY25 consolidated Revenue recorded at Rs 448 Crore
- Working capital and operating cashflow continues to improve
- Pharmaceutical business is capitalizing on China+1 strategy
- The stable raw materials prices, focused cost improvement initiatives and intensified customer acquisitions helped us to improve our margin profile

Q3 FY25: Pharmaceuticals Performance:

- Revenue stood at Rs. 293 Crore, and EBIT stood at Rs. 33 Crore
- API business is experiencing volume growth due to successful global customer acquisition and improved geographical penetration
- CDMO business continues to see an increasing flow of new enquiries and several projects are moving up the value chain
- A combination of product mix and operating leverage have positively affected margins
- 22 customer audits completed successfully during the quarter

Q3 FY25: Crop-protection Performance:

- Revenue stood at Rs. 154 Crore, and EBIT stood at Rs. 14 Crore
- Crop Protection industry has started to exhibit signs of stabilization
- The excess inventory situation is gradually resolving as buying at farmer and dealer level is improving
- We witnessed volume recovery however; prices continue to remain low for active ingredients
- Witnessing relatively better traction in domestic market for our select products
- CDMO business has a robust pipeline of 8 projects from both existing and potential clients

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

"In the global pharmaceutical industry, we are witnessing positive momentum led by CDMO opportunities while the crop protection industry is showing signs of stabilization. In Q3 FY25, our revenue amounted to Rs. 448 Cr, with an EBITDA of Rs. 72 Cr, a 11% EBITDA growth on YoY basis. For the 9M FY25, revenue stood at Rs. 1307 Cr, with an EBITDA of Rs. 205 Cr, a growth of 3% and 19% respectively. The stable raw materials prices, focused cost improvement initiatives and intensified customer acquisitions helped us to improve our margin profile. Our focused business initiatives have resulted in increased operating cash flows of Rs. 102 Cr YoY on 9 months basis. Our Board of Directors has recommended an interim dividend of Rs. 0.60 per share (30%).

In Q3 FY25, our pharmaceutical revenue stood at Rs. 293 Cr with EBIT margin of 11.4%, an increase of 449 bps, on a YoY basis. Our CDMO business continues to see an increasing flow of new enquiries as a result of the China+1 strategy by global pharmaceutical companies. We are confident to deliver profitable growth based on a healthy pipeline of projects in various phases of the life cycle. Our API segment continues to gain traction driven by improved geographical penetration and an increased customer base.

In Q3 FY25, our crop protection revenue stood at Rs. 154 Cr, with an EBIT margin of 9%. The sector has started to exhibit signs of stabilization, predominantly driven by domestic markets. We are seeing a marginal recovery in volumes, although global market prices for actives continue to remain low.

In our animal health segment, the project under our long-term agreement with an innovator customer is progressing well and we will conclude the validation over the next two quarters. Our products are undergoing registration and ultimately launching these products in global markets.

Under our strategic transformation initiative - Pinnacle, we continue to make substantial strides toward achieving sustainable growth across our businesses. We are witnessing early signs of success in development of new capabilities and differentiated technology platform as well as customers base expansion. We have successfully integrated sustainable practices into our ESG initiatives."

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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