



Investor Presentation: Q3 & 9M FY25

February, 2025



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Jai Hiremath
Executive Chairman

“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.”



Quarterly Financials Highlights

Q3 FY25: Operational Highlights



Revenue

Rs. 448 Crore

YoY ↑ 0%

QoQ ↓ 1%



EBITDA

Rs. 72 Crore

YoY ↑ 11%

QoQ ↓ 3%



PAT

Rs. 17 Crore

YoY ↑ 6%

QoQ ↓ 5%



EBITDA Margin

16.1 %

YoY ↑ 160 bps

QoQ ↓ 40 bps



EPS

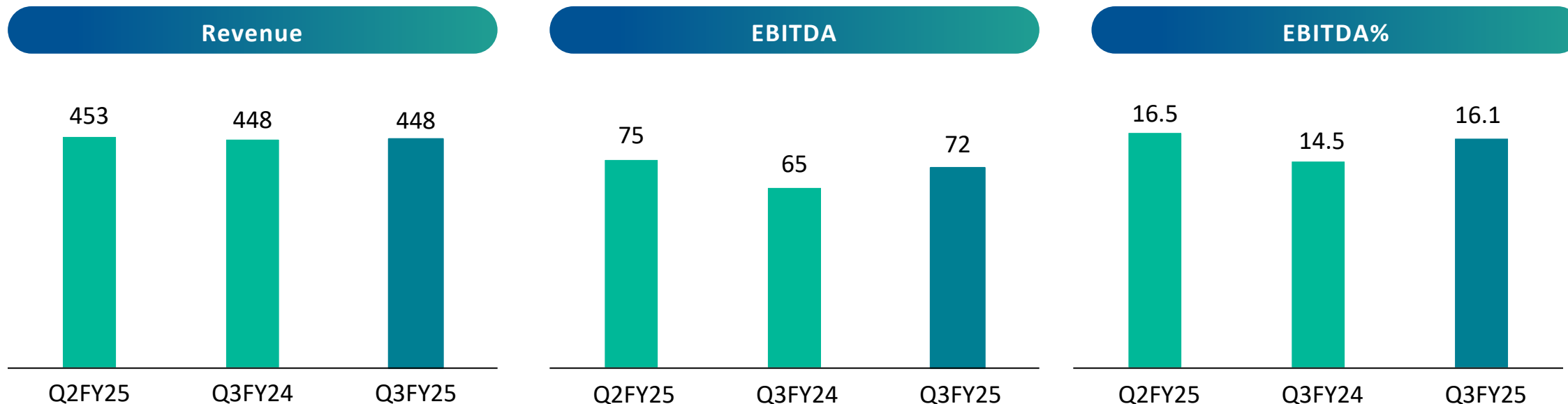
Rs. 1.4

YoY ↑ 6%

QoQ ↓ 5%

Q3 FY25: Consolidated Performance

Rs. In crores



COMMENTARY

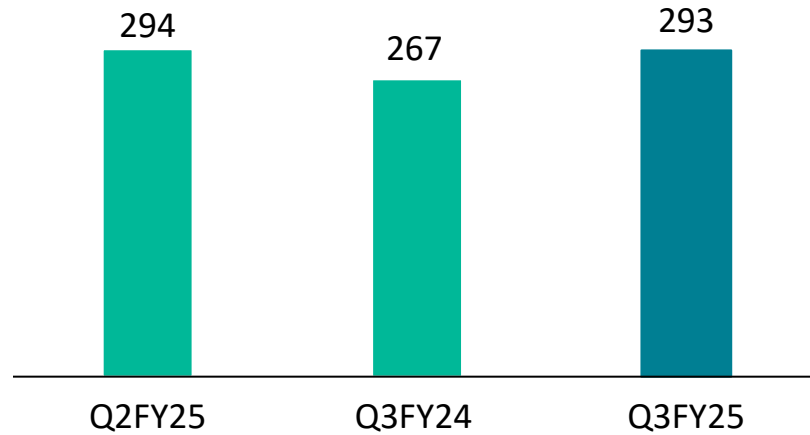
- Board has recommended an interim dividend of 30% of FV
- Revenue recorded at Rs 448 Crore
- PAT stood at Rs. 17 Crore
- Working capital and operating cashflow continues to improve
- With business excellence initiatives, margins shows strong recovery on YoY basis

- Pharmaceutical business is capitalizing on China+1 strategy
- Increased volume demand from existing & new customers however prices continue to remain under pressure
- The stable raw materials prices, focused cost improvement initiatives and intensified customer acquisitions helped us to improve our margin profile

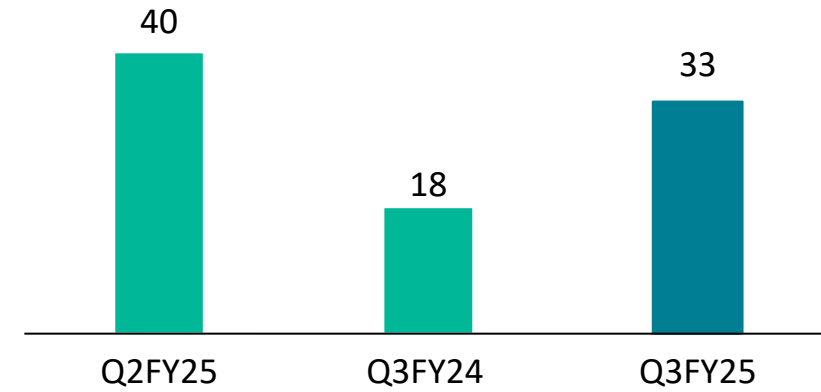
Q3 FY25: Pharmaceuticals Performance

Rs. In crores

Revenue



EBIT



COMMENTARY

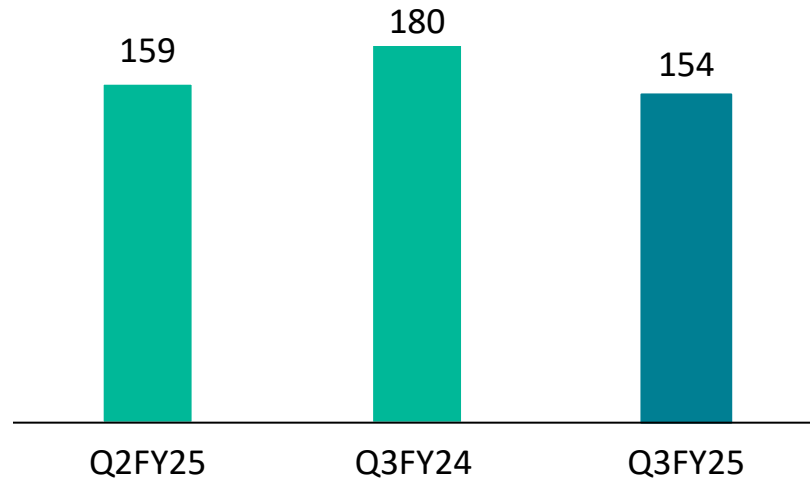
- API business is experiencing volume growth due to successful global customer acquisition and improved geographical penetration
- CDMO business continues to see an increasing flow of new enquiries and several projects are moving up the value chain

- 22 customer audits completed successfully during the quarter
- A combination of product mix and operating leverage have positively driven margins

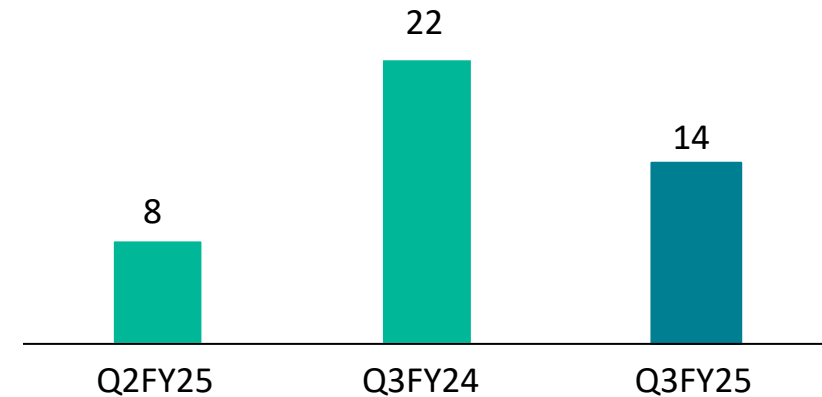
Q3 FY25: Crop Protection Performance

Rs. In crores

Revenue



EBIT



COMMENTARY

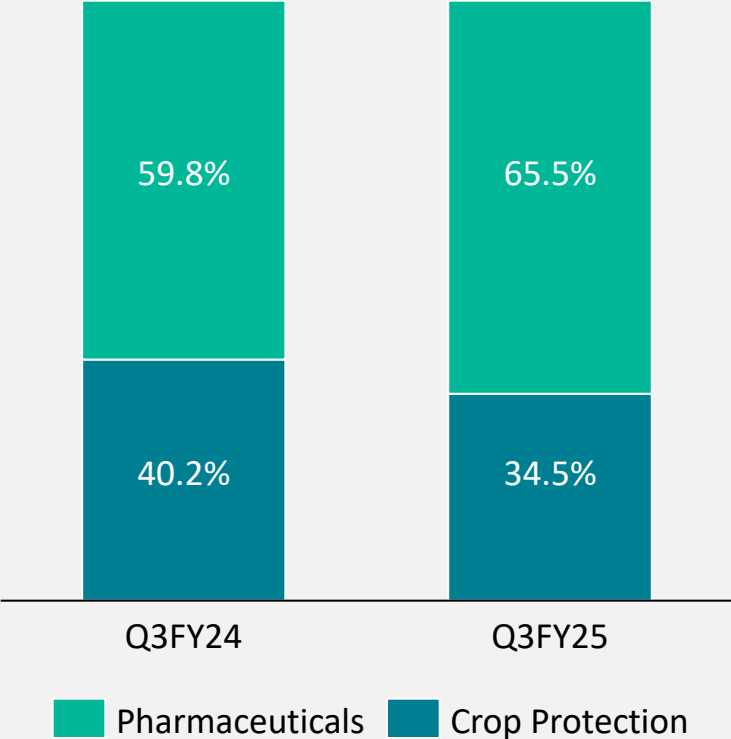
- Crop Protection industry has started to exhibit signs of stabilization
- The excess inventory situation is gradually resolving as buying at farmer and dealer level is improving
- We witnessed volume recovery however; prices continue to remain low for active ingredients

- 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

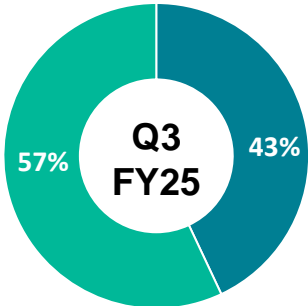
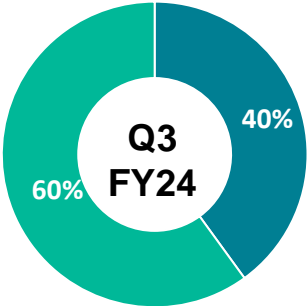
Q3 FY25: Revenue Contribution



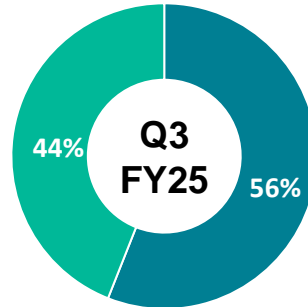
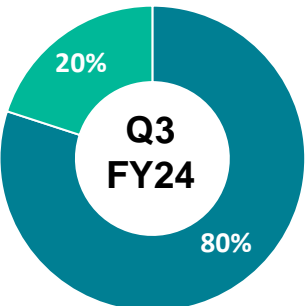
Revenue Split



Pharmaceuticals: Revenue Contribution



Crop Protection: Revenue Contribution



CDMO

Own products

Q3 FY25: Consolidated P&L

Particulars (Rs. In crores)	Q3FY25	Q3FY24	YoY	Q2FY25	QoQ
Revenue	447.7	447.6	0%	452.9	-1%
Expenditure	375.5	382.7		378.1	
EBITDA	72.2	64.9	11%	74.8	-3%
EBITDA Margin	16.1%	14.5%		16.5%	
Other Income	3.6	0.1		0.4	
Depreciation	33.2	29.0		31.7	
Interest	18.7	14.2		18.8	
PBT	23.8	21.7	10%	24.6	-3%
Tax	6.6	5.5		6.5	
Net Profit	17.3	16.3	6%	18.1	-5%
PAT Margin	3.9%	3.6%		4.0%	



Nine Months Financials Highlights

9M FY25: Operational Highlights



Revenue

Rs. 1307 Crore

YoY 3%



EBITDA

Rs. 205 Crore

YoY 18%



PAT

Rs. 41 Crore

YoY 14%



EBITDA Margin

15.7%

YoY 210 bps



EPS

Rs. 3.29

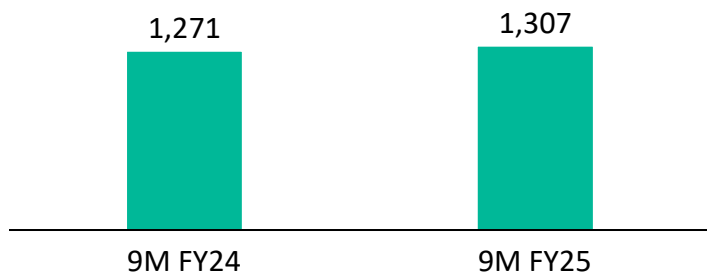
YoY 14%

9M FY25: Consolidated Performance

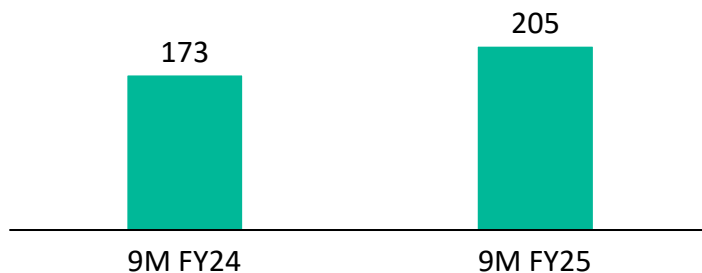


Rs. In crores

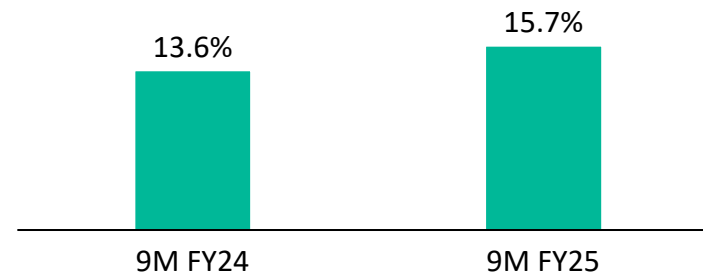
Revenue



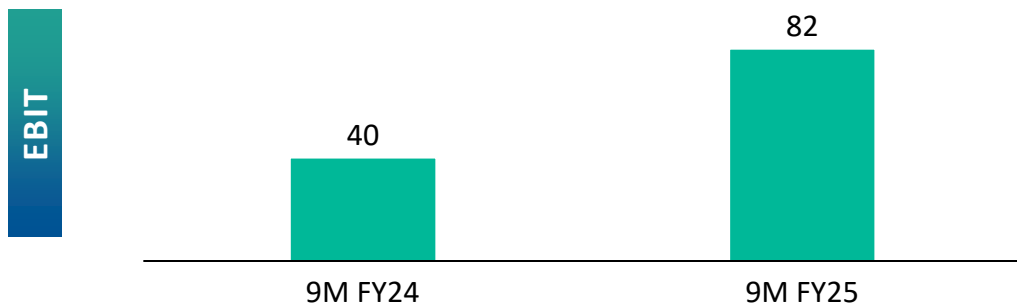
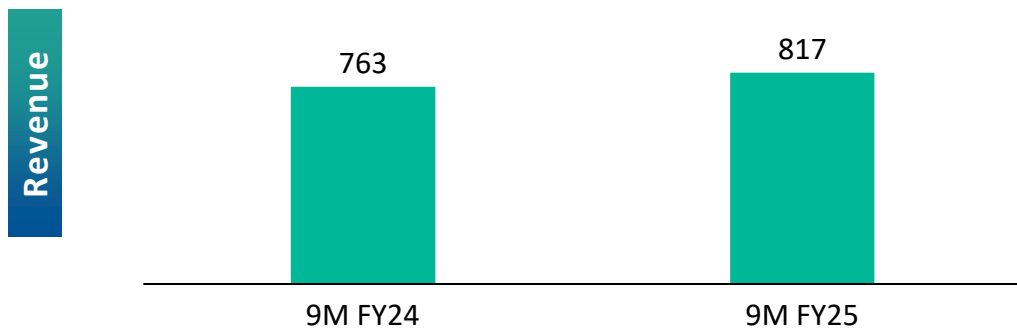
EBITDA



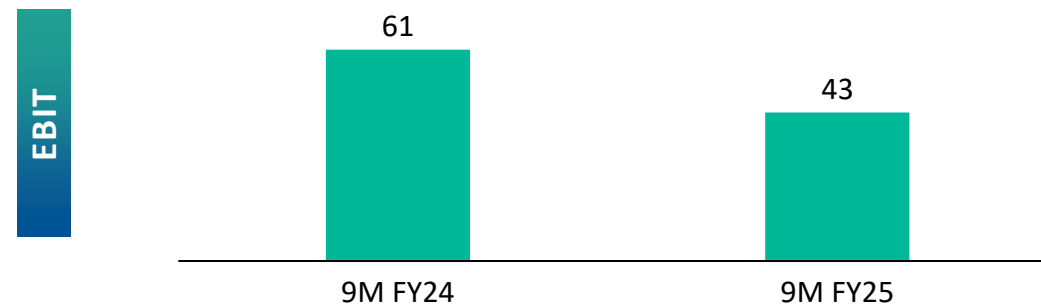
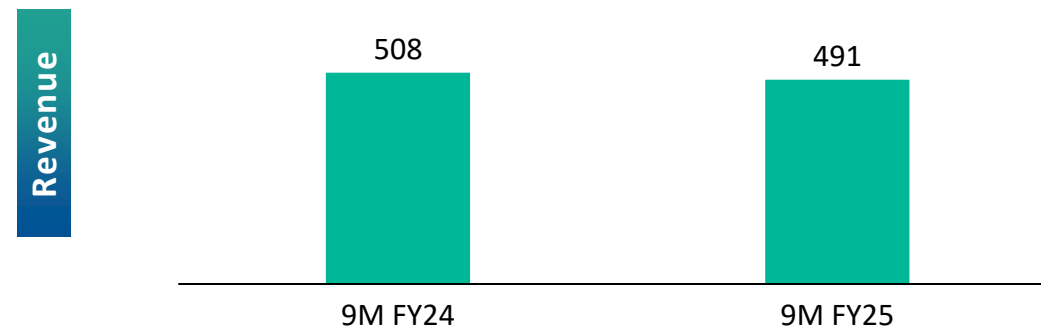
EBITDA%



Pharmaceuticals

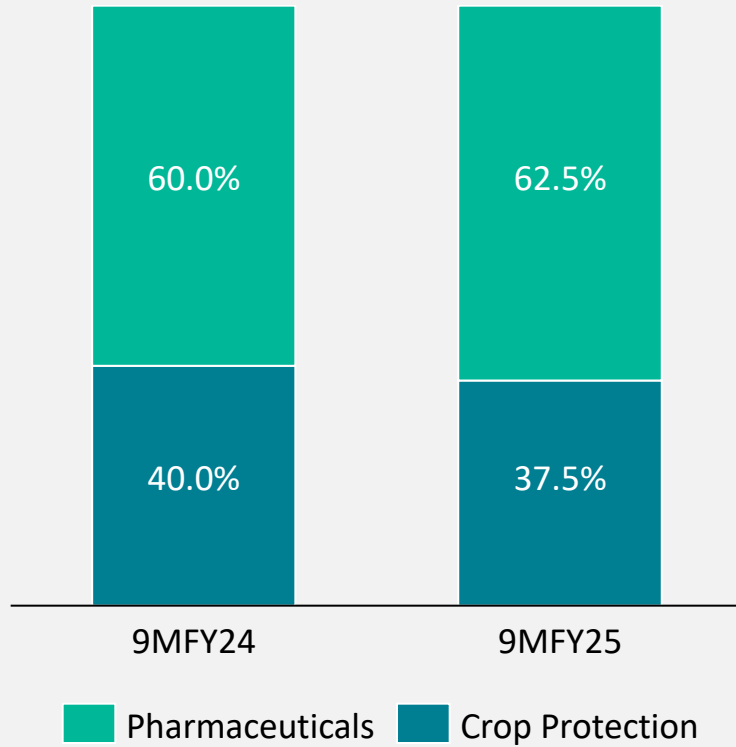


Crop Protection

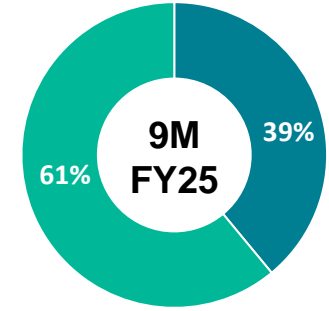
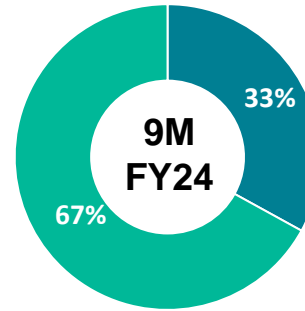


9M FY25: Revenue Contribution

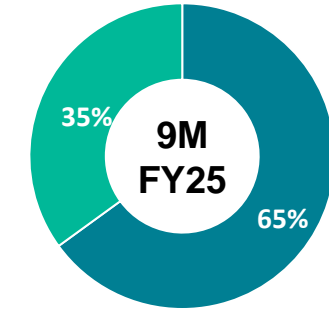
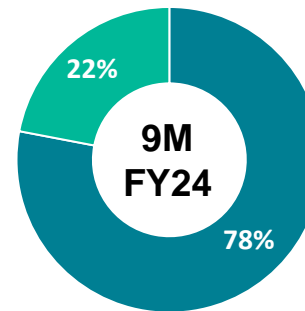
Revenue Split



Pharmaceuticals: Revenue Contribution



Crop Protection: Revenue Contribution



CDMO

Own products

9M FY25: Consolidated P&L



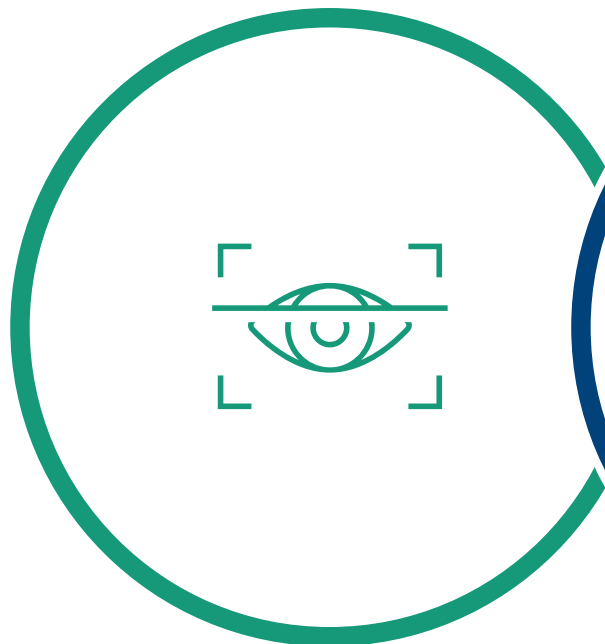
Particulars (Rs. In crores)	9MFY25	9MFY24	YoY
Revenue	1307.4	1270.5	3%
Expenditure	1102.4	1097.9	
EBITDA	205.0	172.6	19%
EBITDA Margin	15.7%	13.6%	
Other Income	4.5	2.0	
Depreciation	96.7	85.3	
Interest	57.3	41.1	
PBT	55.4	48.2	15%
Tax	14.9	12.6	
Net Profit	40.6	35.6	14%
PAT Margin	3.1%	2.8%	



About Us

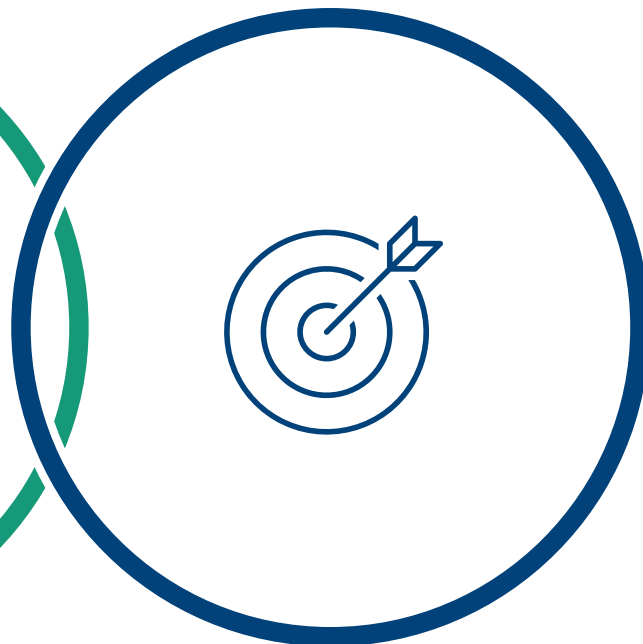
Our Vision & Mission

VISION



To be the leading global fine chemical company to the Pharmaceutical, Crop Protection, and Specialty Chemical Industries

MISSION



To create value through superior, chemical products and operate as a responsible company. Building trust and respect of our customers, shareholders and employees using science, technology and sustainable processes in harmony with the environment.



We have a strong presence across multiple segments with a healthy financial standing

Key Milestones

1988

Founded by **Jai Hiremath** as a chemical business

1991

First Plant site set up in **Mahad, Maharashtra**

1995

Listed on Bombay Stock Exchange & National Stock Exchange

1997

Taloja plant commissioned for CDMO Project with US Innovator

2009

New **R&T Centre established** & Tokyo office to expand in Japan

2001

Acquired **R&D & Manufacturing site in Bangalore** from Wintac Ltd

2000

Acquired the **manufacturing site** from Novartis in Panoli, Gujarat

2014

Co-generation plant and **Biomass boilers commissioned** at all sites (sustainability initiative)

2021

Signed 10-year multi product contract with leading AH global innovator

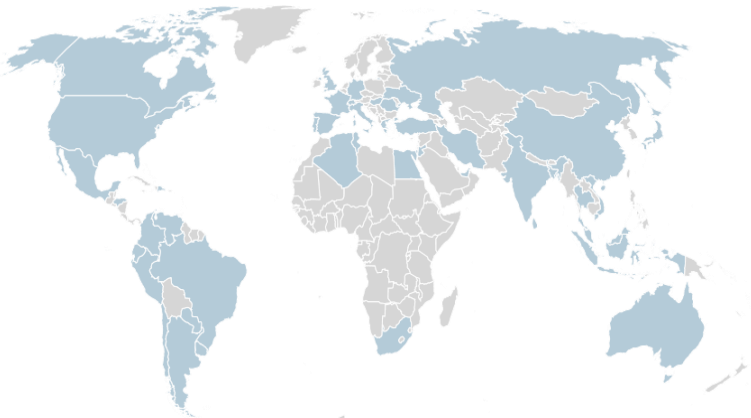
2024

Two Multiproduct facilities commissioned

Domestic & Global Presence

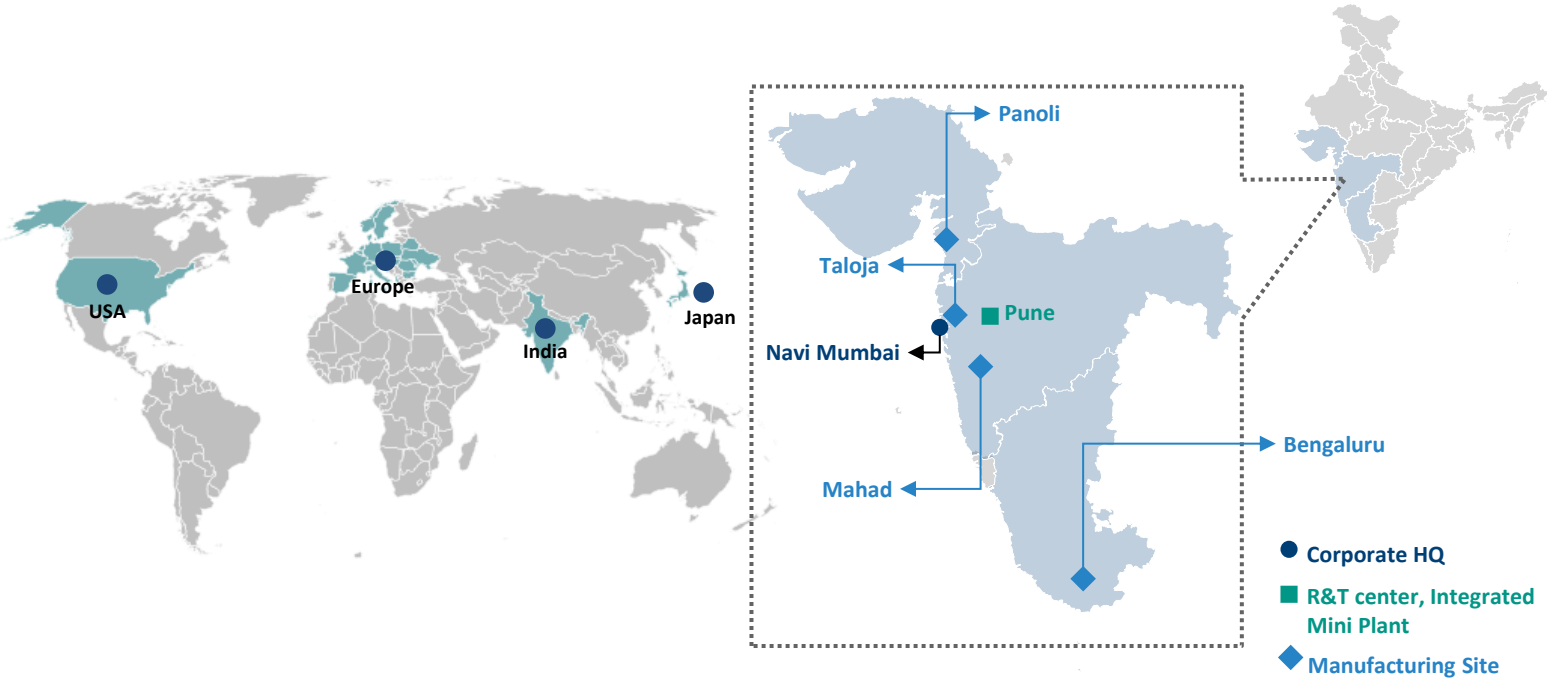


We Service Clients Globally



We serve markets across Americas, Europe, ME & Africa, Asia (incl. Japan), and Australia

Through our Global Footprint



We have offices across USA, Europe, India and Japan

And manufacturing facilities across India

Note: Not all countries and territories labeled.

Pharmaceuticals



Jigani Unit 1, Karnataka

- US FDA Approved API and Advanced Intermediates Manufacturing Site
- cGMP Multipurpose API Facilities.

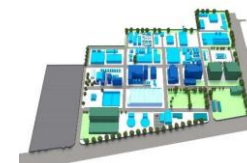
615 m³ TOTAL REACTOR VOLUME



Jigani Unit 2, Karnataka

- Scale-up and Launch Plant
- Multipurpose and Multi-product cGMP Facility – APIs and Intermediates.

93 m³ TOTAL REACTOR VOLUME



Panoli, Gujarat

- Acquired Manufacturing site from Novartis in 2000
- US FDA Approved Site for KSMs and APIs
- Four Multipurpose facilities

737 m³ TOTAL REACTOR VOLUME

Crop Protection



Mahad, Maharashtra

- First Manufacturing Facility of Hikal
- Specialty Chemicals, Fungicides, Herbicides, and Intermediate Manufacturing Site

549 m³ TOTAL REACTOR VOLUME



Taloja, Maharashtra

- Commissioned in 1997 in Technical Collaboration with Innovator company
- Fungicides, Insecticides, and Intermediates Manufacturing Site

593 m³ TOTAL REACTOR VOLUME



Panoli, Gujarat

- Acquired Manufacturing site from Novartis in 2000
- Specialty Chemicals, Insecticides, Fungicides and Intermediates Manufacturing Site

720 m³ TOTAL REACTOR VOLUME

Our state-of-the-art R&T facility



15 Synthetic Laboratories	4 Instrumentation Labs	1 Kilo Lab (Scale up & Pilot)
1 Process Safety Lab	1 Effluent Treatability Lab	1 Solid State Chemistry Lab
1 Innovation Lab	1 Simulation Lab	1 High Pressure Lab
6 Process Development Lab	>250 Post Graduates	26 PhD

Key Operational Metrics



5

Manufacturing facilities



\$60Mn

Capex invested in new Assets



3000+

Employees



24

Production Blocks

Pharmaceuticals



67

Active DMFs



27

Commercialized APIs



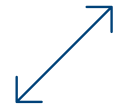
2,460MT

Active Pharma Ingredients Sold in FY24



360MT

Advanced Intermediates Sold in FY24



1,600m³*
Capacity

Crop Protection



1 Kilo lab

(Scale up & Pilot)



22

Commercialized Products



3,740MT

Active Ingredients Sold in FY24



640MT













Advanced Intermediates Sold in FY24



2,500m³*
Capacity



Sustainability Initiatives

E nvironment 	 Decarbonization	 Material circularity	 Water management
S ocial 	 Health and safety <div data-bbox="759 788 1090 873"><p>Employee</p><p>Customers</p></div>	 Community relations	 Diversity & inclusion
G overnance 	 Fair sourcing	 Governance & corruption	 Transparency & risk management

Note: * Resource Intensity

PHASE 1 Initiation Program (Completed)

- Baselining for GHG1&2
- Material Topics Identification
- GHG Reduction Targets (SBTIs)
- Deployment of ESG Platform
- Evaluation of ESG readiness and performance vs peers

PHASE 2 Program Governance (Ongoing)

- Baselining for GHG Scope 3
- Signatory to SBTi
- Setting Scope 1 and Scope 2 emissions target based on phase 1 findings
- Design of Decarbonization Pathway
- Energy Efficiency Audit
- Renewable Energy Integration
- Accounting of scope 3 emissions

PHASE 3 Actions & Impact (To commence)

- Submission SBTi Targets
- Deployment of Energy saving Project
- Public Goals (Carbon neutrality, SBTi, RE100, other)
- Verified Emissions Reductions
- Renewable Energy & Cleantech(PPA / VPPA)

Our efforts have been recognized by leaders in sustainability assessment



We have been awarded with the bronze rating by EcoVadis



Key Regulatory Approvals



Integrated Management Systems across all sites





Awards



Our Chairman recognised by WWF India for Hikal's impactful contribution towards Nature Gaudian Program



Our Corporate Communications & Digital team awarded with the Bronze Award for Excellence in Environmental Stewardship at the Imagexx 2024 Summit Awards for Hikal's #PledgeForGreenChange campaign

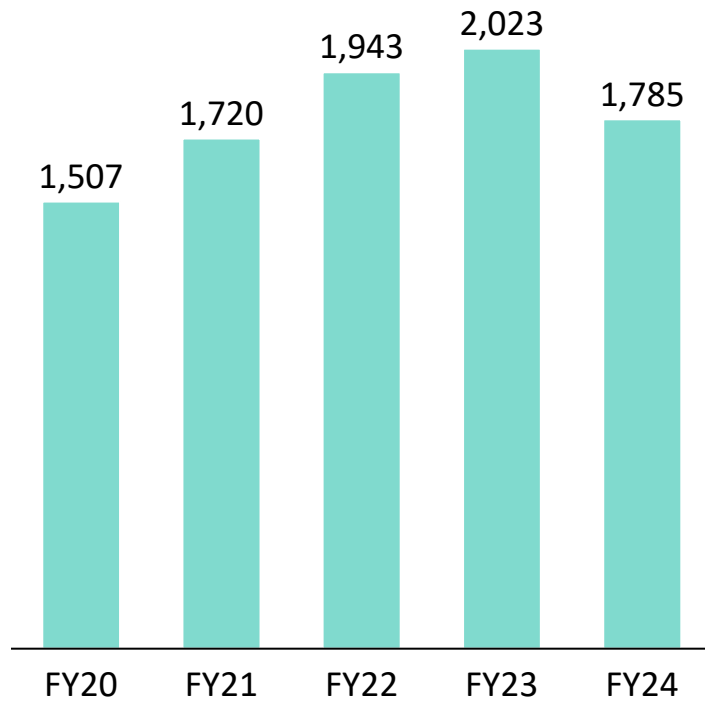


Historical Financials

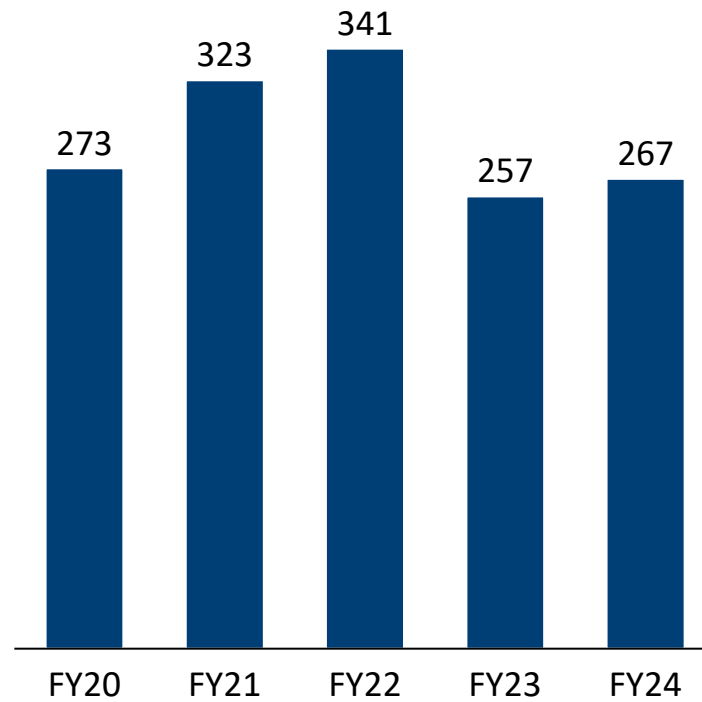
Yearly Financial Highlights

Rs. In crores

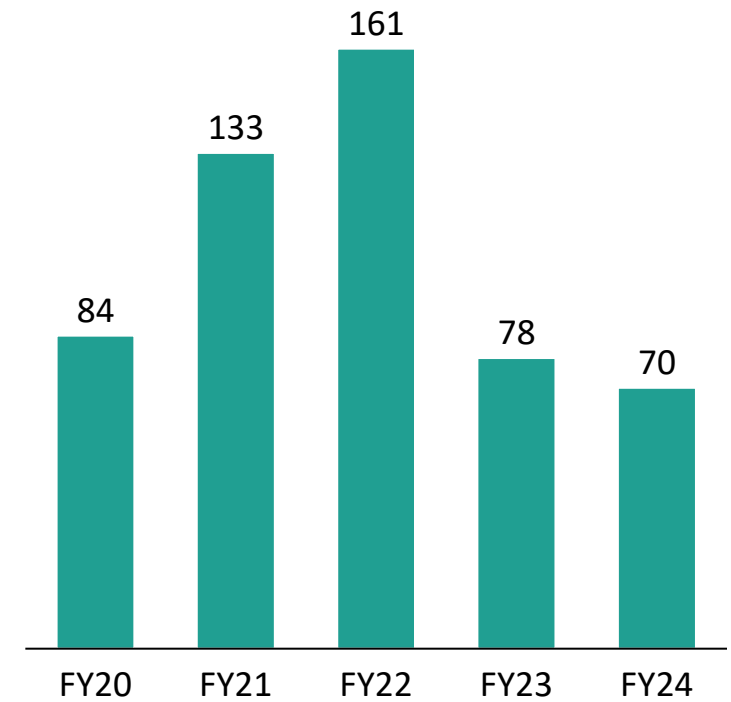
Revenue



EBITDA



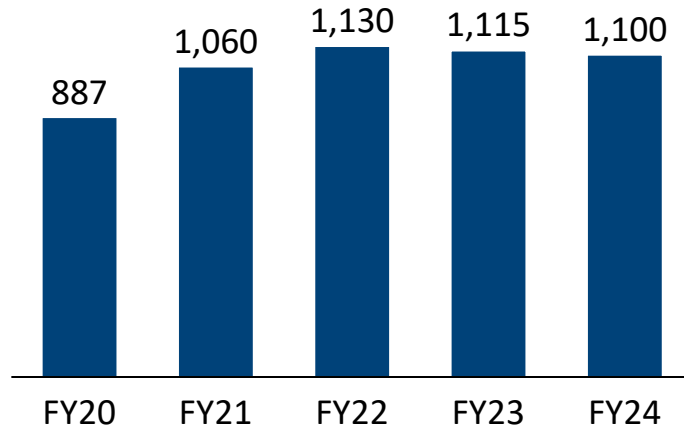
PAT



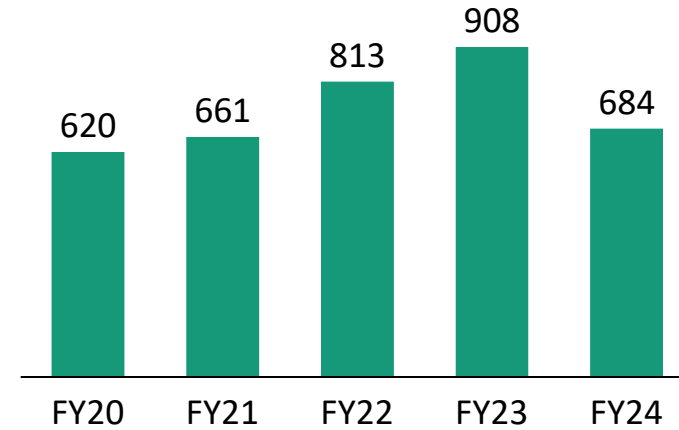
Yearly Segmental Highlights

Rs. In crores

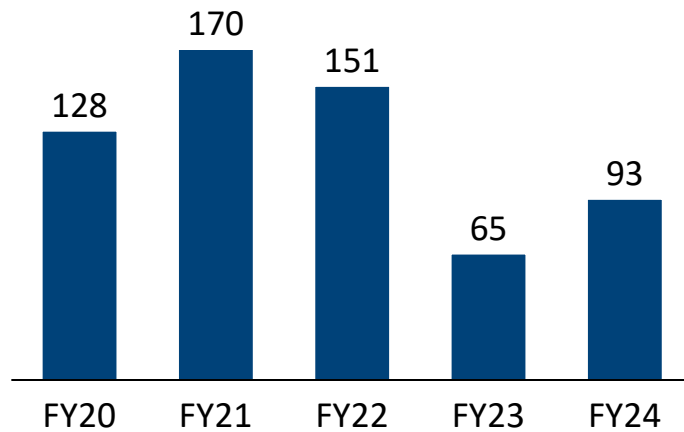
Pharmaceuticals Revenue



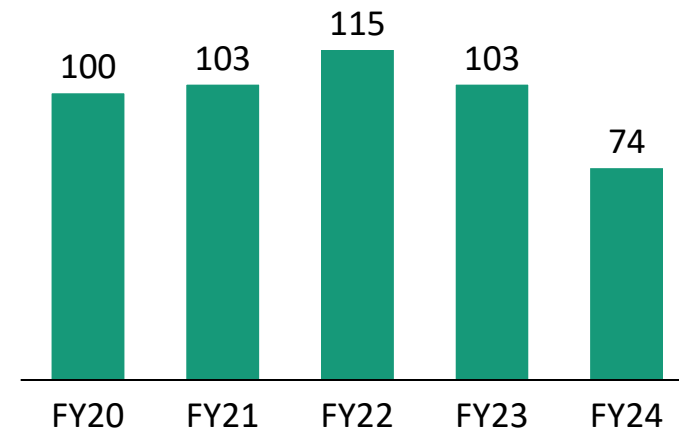
Crop Protection Revenue



Pharmaceuticals EBIT

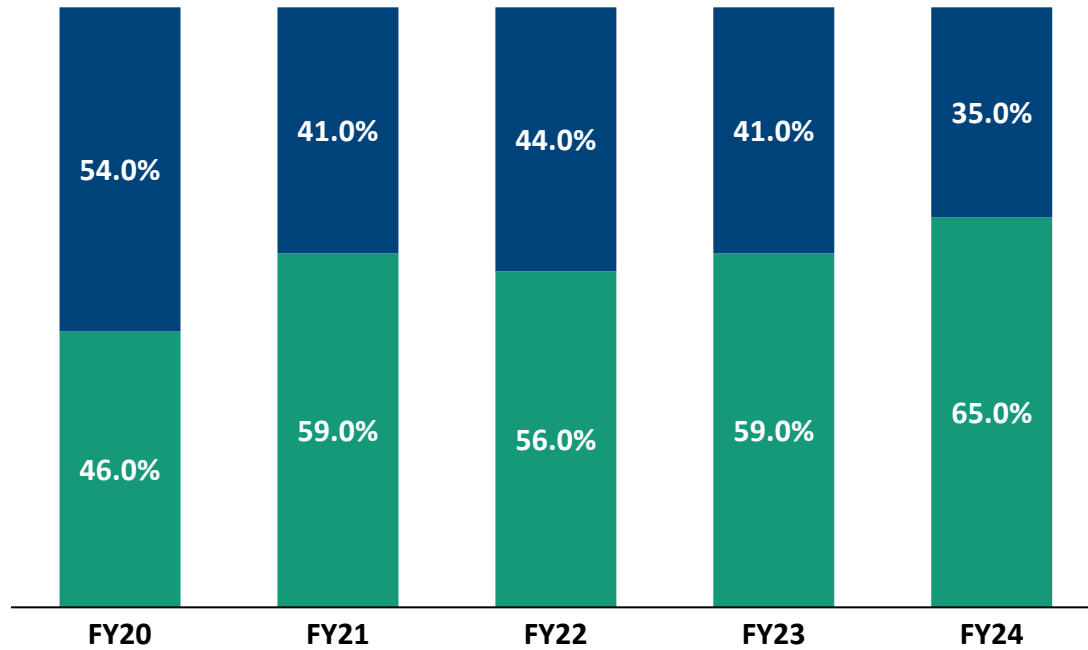


Crop Protection Revenue

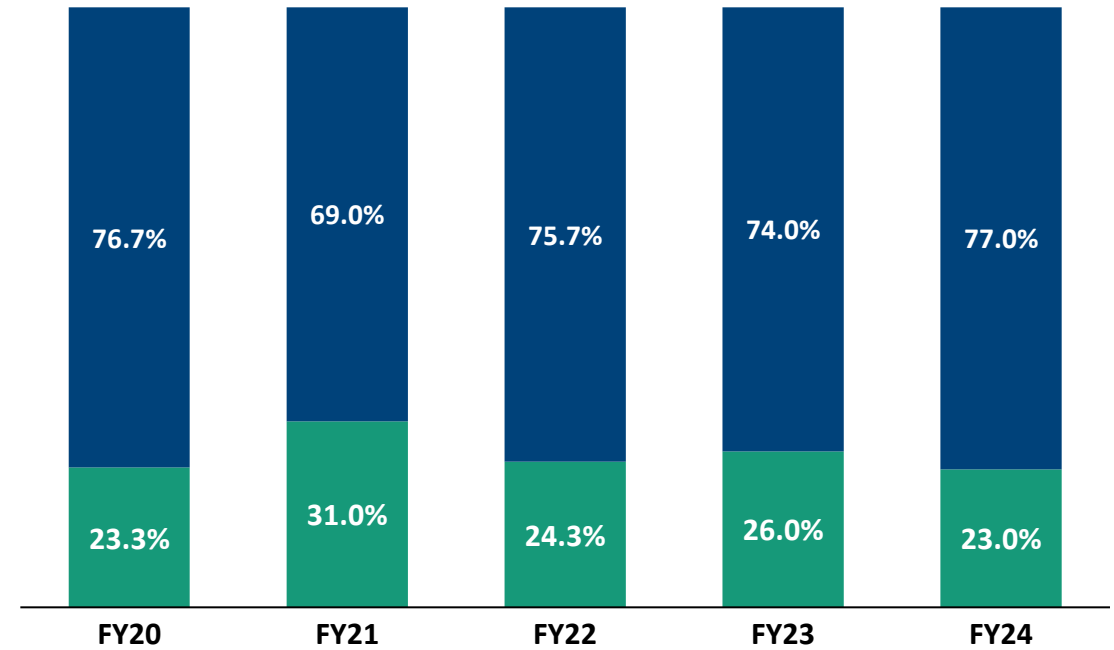


Sales Break-Up

Pharmaceuticals Revenue Break-Up



Crop Protection Revenue Break-Up



CDMO Own Products

Consolidated Profit & Loss – Full Year



Particulars (Rs. In Crore)	FY24	FY23	Y-o-Y
Net Sales	1,785	2,023	-12%
EBITDA	267	257	+4%
Margin	15.0%	12.7%	230 bps
Depreciation	118	109	
Finance Costs	56	48	
Exceptional Item	-	-	
PBT	95	105	-9%
Tax	26	27	
Net Profit	70	78	-11%
Margin	3.9%	3.9%	-

Consolidated Balance Sheet



Assets (Rs. In Crore)	Mar-24	Mar-23
Total Non Current Assets	1,520	1,446
Property, Plant and Equipment	996	885
Capital work in Progress	414	402
Right to Use Assets	65	63
Other Intangible Assets	10	-
Intangible Assets Under Development	-	10
Financial Assets		
Investments	5	5
Loans	-	-
Other	16	19
Income Tax Assets (Net)	2	2
Other Non Current Assets	12	60
Total Current Assets	967	940
Inventories	304	317
Financial Assets		
Current Investment	-	-
Trade Receivables	550	442
Cash & Cash Equivalents	13	27
Bank Balances	8	33
Loans	-	-
Other	14	17
Other Current Assets	78	104
TOTAL ASSETS	2,487	2,386

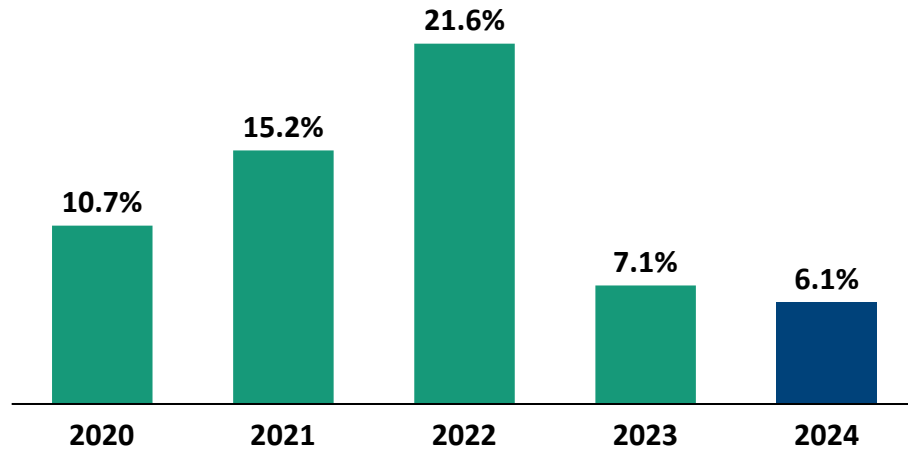
Equities & Liabilities (Rs. Crore)	Mar-24	Mar-23
Shareholders Fund	1,188	1,134
Share Capital	25	25
Other Equity	1,163	1,109
Total Non Current Liabilities	543	590
Financial Liabilities		
Borrowings	423	490
Lease Liability	3	-
Provisions	28	23
Deferred Tax Liabilities (net)	30	33
Other non current liabilities	59	44
Total Current Liabilities	756	662
Financial Liabilities		
Borrowings	392	258
Lease Liability	-	-
Trade Payables	279	314
Other Financial Liabilities	41	49
Other Current Liabilities	28	24
Provisions	4	3
Current Tax Liabilities (Net)	12	14
TOTAL EQUITY & LIABILITIES	2,487	2,386

Consolidated Cash Flow Statement

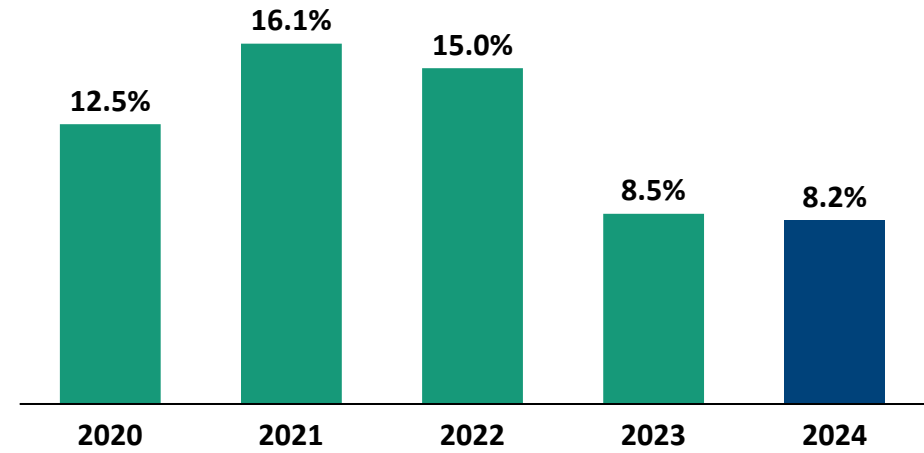
Particulars (Rs. In Crore)	Full Year ended 31-Mar-24	Full Year ended 31-Mar-23
Profit before tax	95	105
<i>Adjustments</i>	<i>175</i>	<i>163</i>
Operating Profit Before Working Capital Changes	270	268
<i>Change in operating assets and liabilities</i>	<i>(53)</i>	<i>76</i>
Cash generated from operations	217	344
<i>Income taxes paid</i>	<i>(30)</i>	<i>(29)</i>
Net cash inflow from operating activities (A)	187	315
Net cash inflow/(outflow) from investing activities (B)	(174)	(292)
Net cash outflow from financing activities (C)	(27)	(8)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(14)	15
Cash and cash equivalents at the beginning of the year	27	11
Cash and cash equivalents at the end of the year	13	27

Ratio Analysis

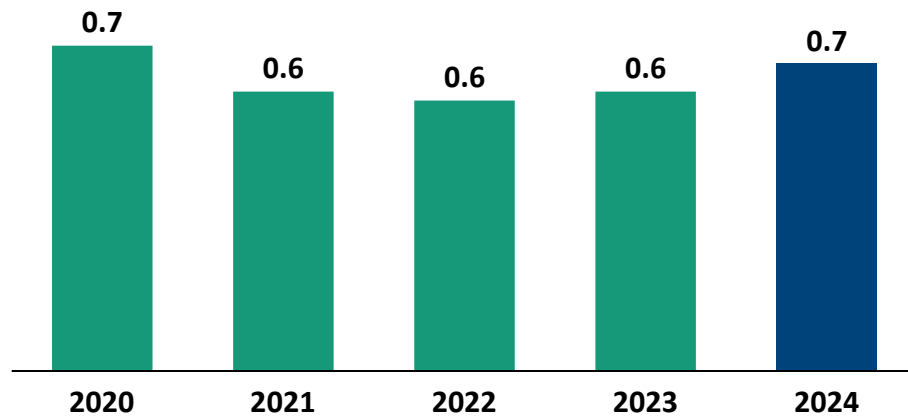
ROE%



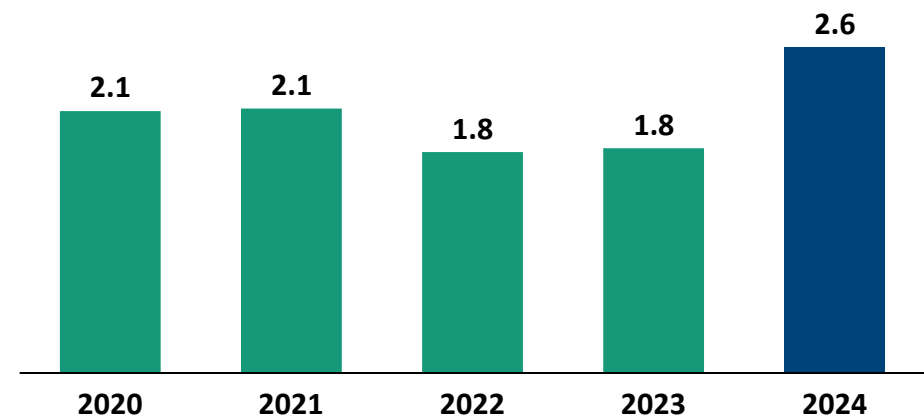
ROCE%



Net Debt / Equity (x)



Net Debt / EBITDA (x)



Thank You



Company:

Hikal Limited

CIN: L24200MH1988PTC048028

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