



Results Presentation - Q2 & H1 FY22

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Jai Hiremath

"Hikal has delivered another quarter of positive performance. From a segmental performance perspective, the Crop Protection business has performed well, registering a positive YoY growth of 105% in Q2 on the back of strong volume growth of our existing products and further scale up of volumes of our new products. We expect this positive momentum to continue in the next few quarters based on a healthy pipeline of products at various stages.

Unusually heavy rainfalls in the Raigad region had a severe impact on our Mahad operations leading to the shutdown of our Mahad facility for several weeks. This led to a loss in sales and profitability for the crop division. Relentless efforts by our teams from all our sites helped in restarting our operations in a staggered manner and we were able to return to normal operations in due course.

Our Pharmaceutical business remained flat due to a slower offtake by customers in this quarter. This was primarily due to several raw material shortages and global logistics issues. We expect raw material challenges to continue in the next few months and are working with both our suppliers and customers to mitigate the price fluctuations.

Our capex plans and our new product launch plans remain intact for both our divisions. We are seeing tailwinds in terms of new opportunities arising from global supply chain disruptions and the China plus one strategy playing out.

Global supply chain challenges coupled with a steep increase in input raw material prices continue to pose a challenge for our industry going forward. We have put in significant efforts over the past few years on developing alternate sourcing partners and backward integration of certain raw materials. While this will help us in the long-term, we do expect certain disruptions in the short term. Over the next several months we expect the situation to normalise.

As part of our efforts to fight the Pandemic, our employees across the company are 100% vaccinated for their first dose and about 75% have been vaccinated for their second dose. We expect to have all our employees fully vaccinated by the year end.

In alignment with our long-term vision and bold aspirations, we have set out on a transformational journey with a Global consultant to create a roadmap across our business verticals. This initiative will drive future growth and profitability, by giving us a new strategic direction and enabling us to chart our progress in a sustainable manner. The journey forward will not just entail accelerating growth in our existing pharma and crop protection businesses but will also see strong growth in our emerging business verticals such as animal health and biocides.



Quarterly Financial Highlights



Revenue - Q2 FY22
Rs. 469 Crore



YoY
26%



QoQ
3%



EBITDA - Q2 FY22
Rs. 91 Crore



YoY
30%



QoQ
-5%



EBITDA Margin - Q2 FY22
19.4%



YoY
62 bps



QoQ
-158 bps



PAT - Q2 FY22
Rs. 44 Crore



YoY
63%



QoQ
-13%



EPS - Q2 FY22
Rs 3.54



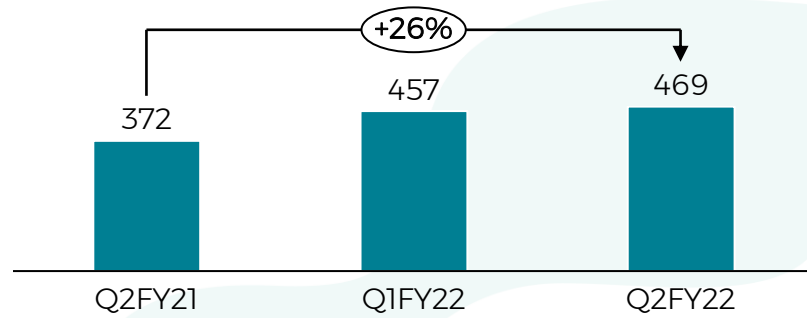
YoY
63%



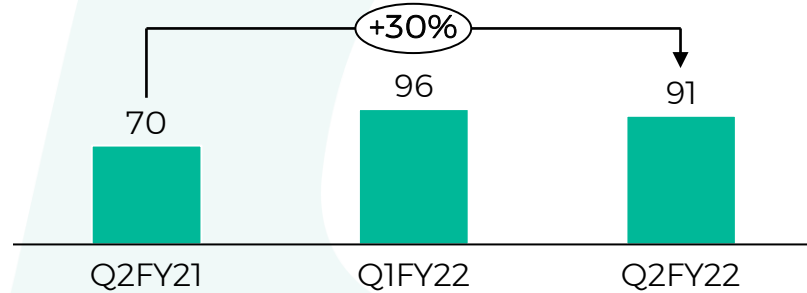
QoQ
-13%

Quarterly Performance Highlights

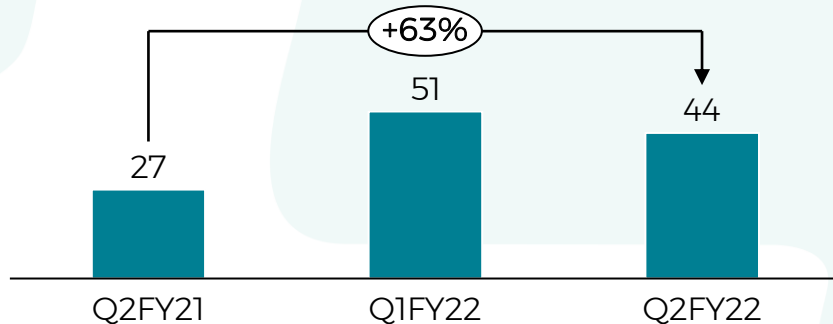
Revenue



EBITDA



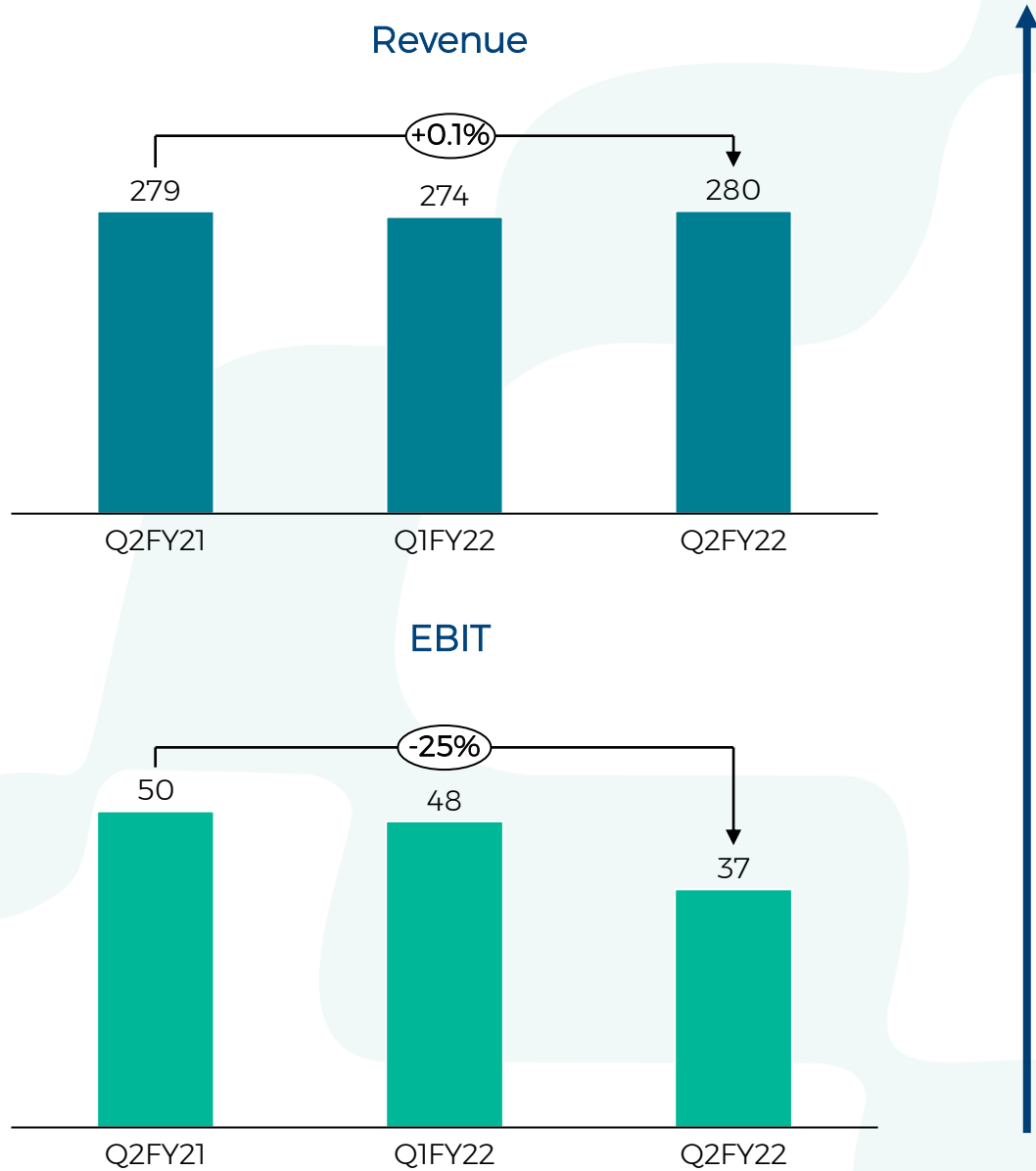
PAT



Rs. Crore

Performance Highlights

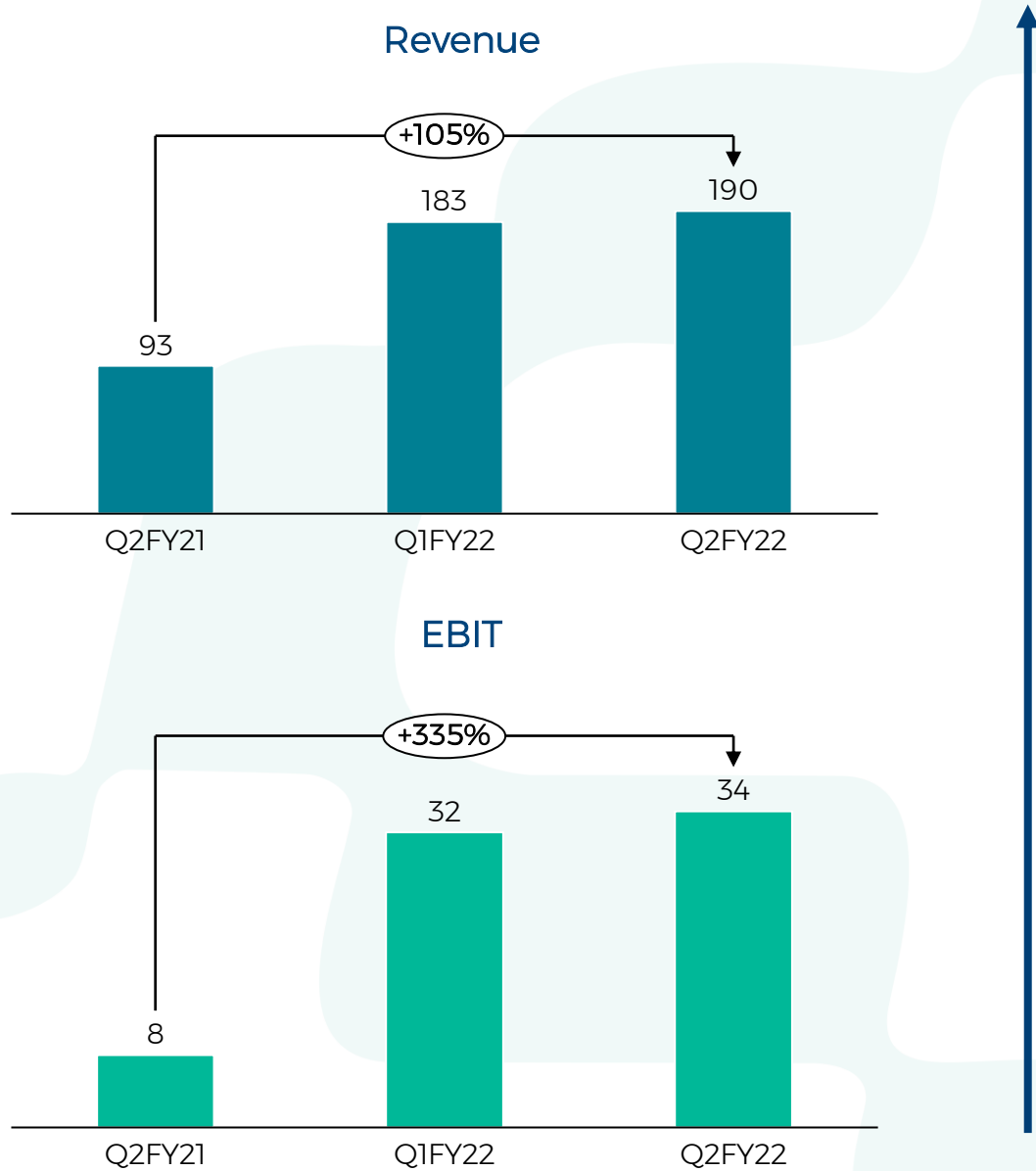
- Revenue recorded an increase of 26% YoY
 - Higher sales volumes for existing products augmented by addition of new products
 - Strong performance in both segments - own products as well as CDMO
- EBITDA increased to Rs 91 Crore, growth of 30% YoY
 - Higher demand as compared to Q2 last year resulting in higher operating leverage
- Improved EBITDA margins by 62 bps YoY to reach 19.4%
 - Improved product mix
 - Higher operating leverage
- PAT was Rs. 44 Crore, YoY growth of 63%
 - Driven by product mix
- Lowered interest rates
- Notable ratio improvements in H1 FY22 vs FY'21
 - Achieved ROCE of 18.1%; ROE of 19.4%
 - Reduced Net debt to Equity from 0.61 to 0.57
- Shutdown of the Mahad facility for 27 days in Q2 FY22 due to heavy rains led to a substantial impact on the revenue & profitability



Pharmaceuticals - Performance Highlights

- Recorded flat revenue at Rs. 280 Crore as compared to Q2 FY21
 - Growth in volumes for several own products
- EBIT at Rs 37 Crore, de-growth of 25% YoY
 - Withdrawal of export incentives by GOI
 - Product mix change coupled with increased raw material price
- Commissioned new capacity in Unit-2, Jigani, Bangalore for CDMO Projects
- Having received the manufacturing license, the production of APIs at Panoli site
- Anti-diabetic portfolio of APIs for future is receiving healthy traction from customers

Quarterly Performance Highlights - Crop Protection



Crop Protection - Performance Highlights

- Revenue recorded an increase of 105% YoY
 - Increased sales volume of existing as well as new products
 - Efficient pass through of raw material price increase
- EBIT of Rs 34 Crore, growth of 335% YoY
 - Higher operational leverage due to increased revenue
 - Business excellence initiatives have resulted in increased throughput and reduction in costs, enabling us to meet increased market demand and improve margins
- Increase in new inquiries from CDMO customers in Q2 FY22
- Significant capex investment for multipurpose facility is on-track for new products

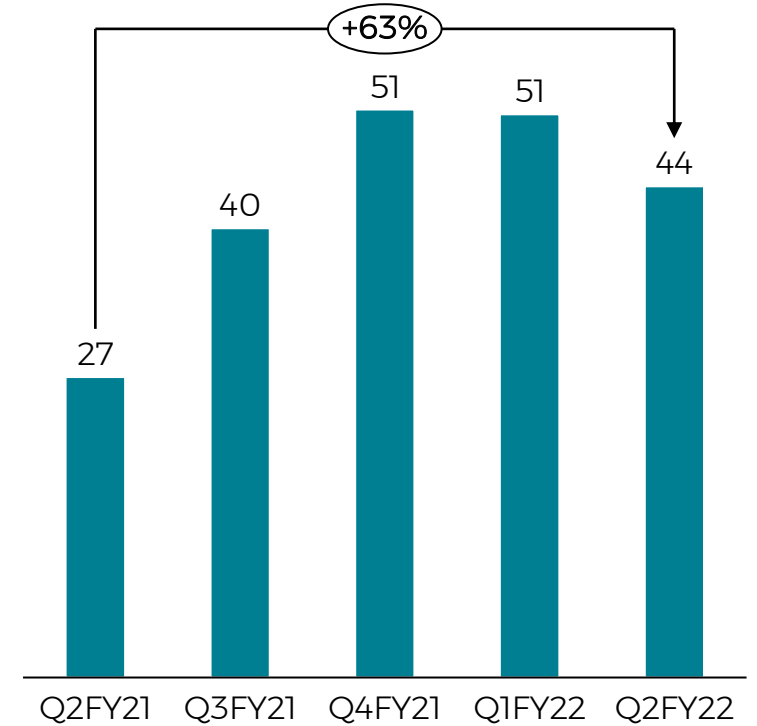
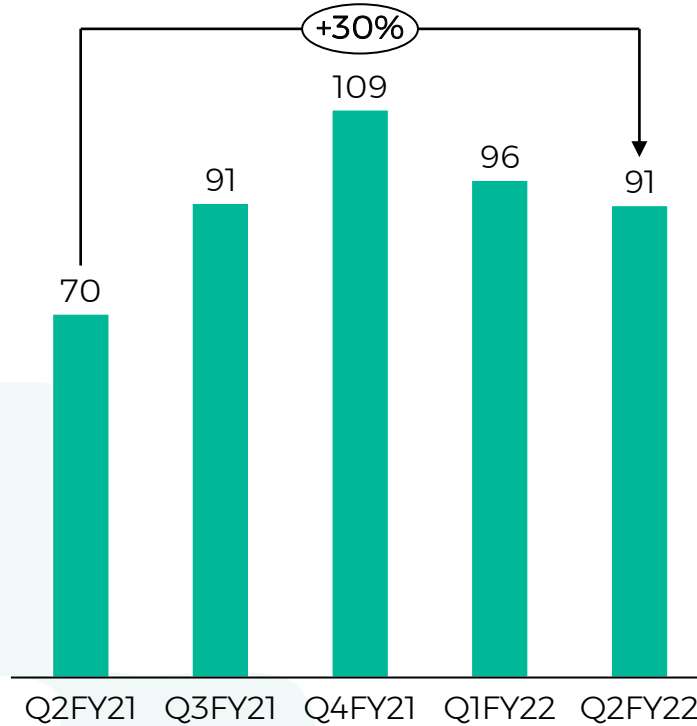
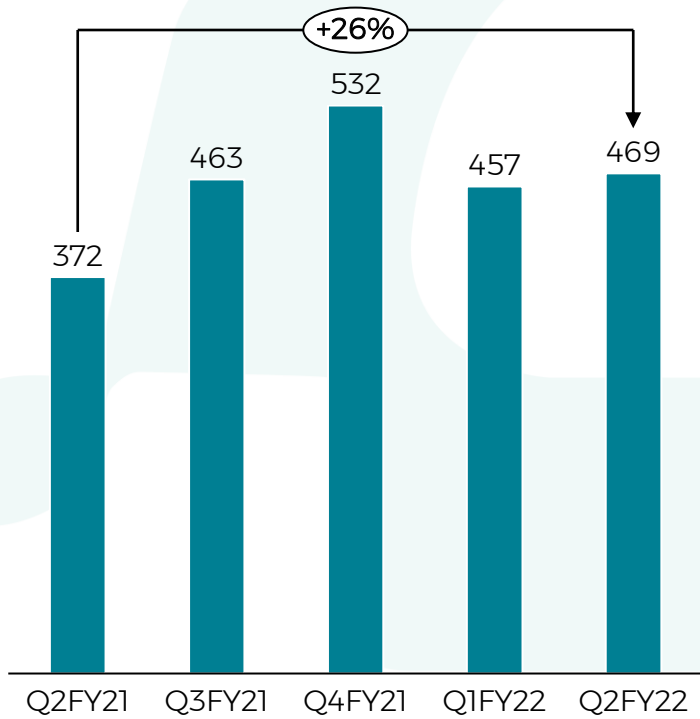
Quarterly Financial Highlights



Consolidated Revenue

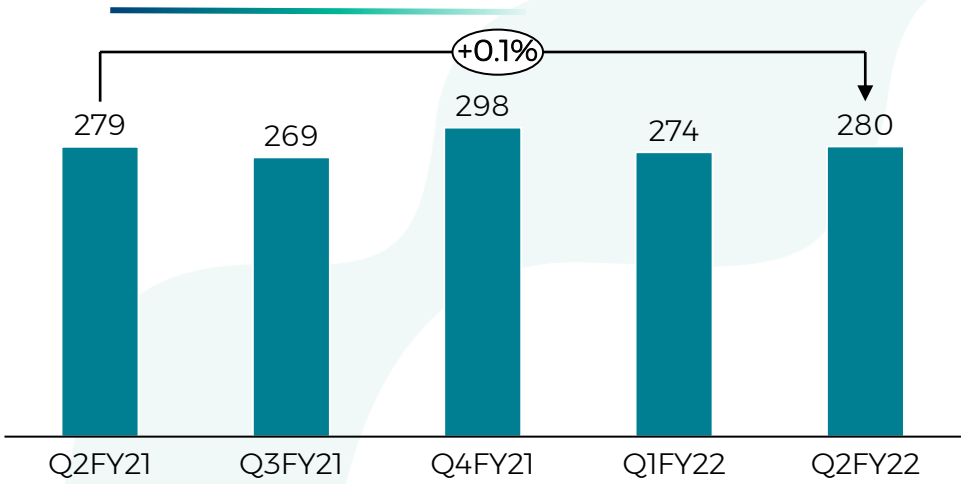
Consolidated EBITDA

Consolidated PAT

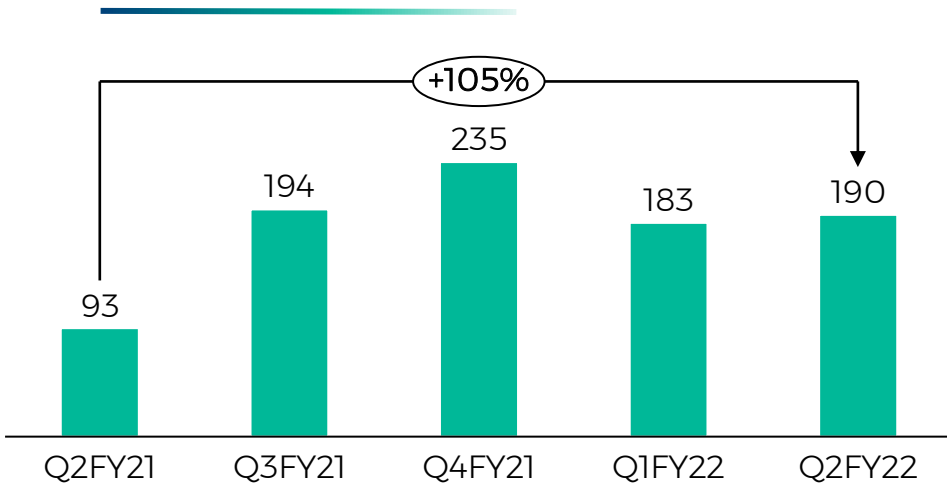


Quarterly Segmental Highlights

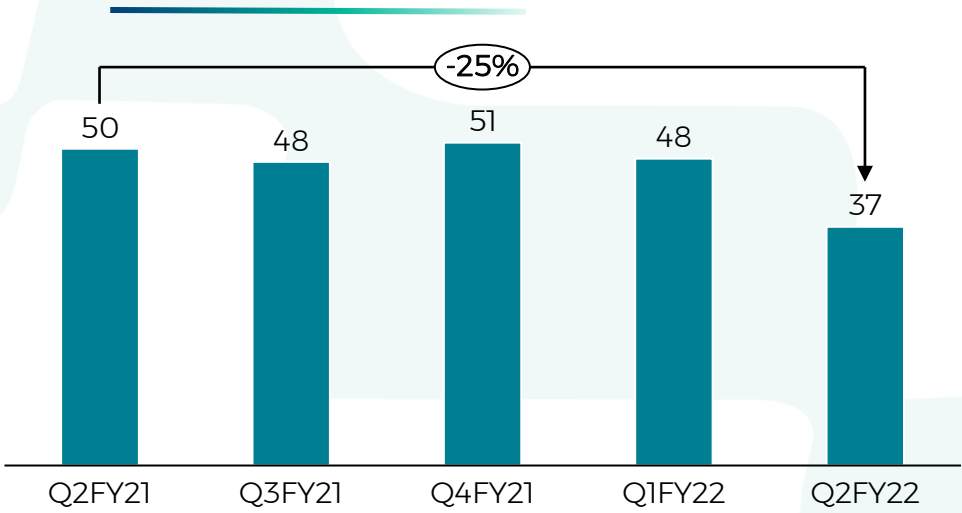
Pharmaceuticals Revenue



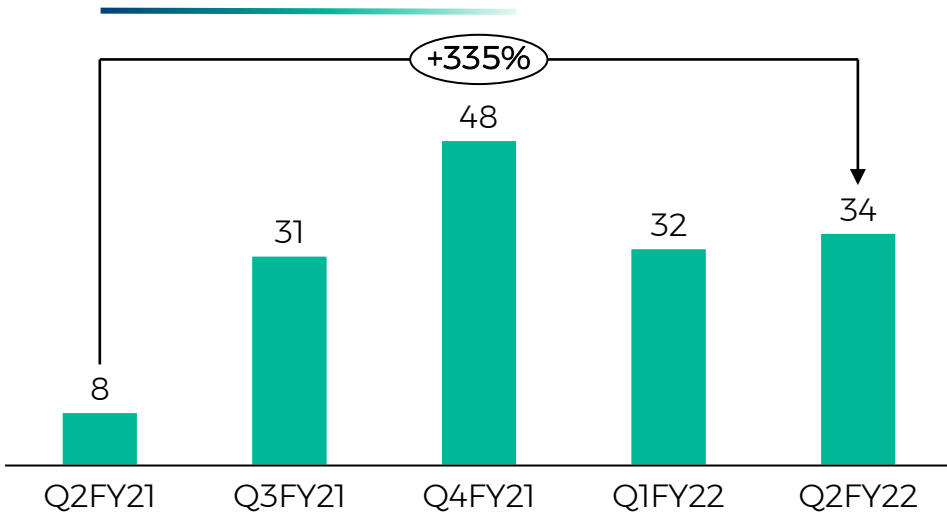
Crop Protection Revenue



Pharmaceuticals EBIT



Crop Protection EBIT



Consolidated Profit & Loss - Q2 FY22



Particulars (Rs. Crore)	Q2 FY22	Q2 FY21	Y-o-Y	Q1 FY22	Q-o-Q
Net Sales	469	372	26%	457	3%
Expenditure	378	302		361	
EBITDA	91	70	30%	96	-5%
Margin	19.4%	18.8%		21.0%	
Other Income	1	1		3	
Depreciation	24	21		23	
Finance Costs	8	9		8	
PBT	60	41	45%	68	-13%
Tax	16	14		18	
Net Profit	44	27	63%	51	-13%
Margin	9.4%	7.2%		11.1%	

Consolidated Balance Sheet

Assets	Sep-21	Mar-21
Total Non Current Assets	1129	1,035
Property, Plant and Equipment	727	646
Capital work in Progress	249	245
Right to Use Assets	65	65
Other Intangible Assets	1	1
Intangible Assets Under Development	9	9
Financial Assets		
Investments	1	1
Loans	-	-
Other	16	20
Non-Current Tax Assets (Net)	2	2
Deferred Tax Asset(Net)	-	-
Other Non Current Assets	60	45
Total Current Assets	939	878
Inventories	325	267
Financial Assets		
Investments	18	-
Trade Receivables	436	485
Cash & Cash Equivalents	11	8
Bank Balances	33	29
Loans	8	-
Other	-	-
Other Current Assets	107	89
TOTAL ASSETS	2068	1,913

Equities & Liabilities	Sep-21	Mar-21
Shareholders Fund	1015	933
Share Capital	25	24
Other Equity	990	909
Total Non Current Liabilities	385	324
Financial Liabilities		
Borrowings	296	263
Lease Liability	-	1
Provisions	24	22
Deferred Tax Liabilities (net)	36	38
Other Non-Current Liabilities	29	-
Total Current Liabilities	668	656
Financial Liabilities		
Borrowings	328	346
Lease Liability	-	-
Trade Payables	241	230
Other Financial Liabilities	37	41
Other Current Liabilities	44	12
Provisions	4	4
Current Tax Liabilities (Net)	14	23
TOTAL EQUITY & LIABILITIES	2068	1,913

Cash Flow Statement

Rs. Crore	Half Year ended 30-Sep-21	Half Year ended 30-Sep-20
Profit before tax	128	64
<i>Adjustments</i>	67	59
Operating Profit Before Working Capital Changes	195	123
<i>Change in operating assets and liabilities</i>	28	(40)
Cash generated from operations	223	83
<i>Income taxes paid</i>	44	17
Net cash inflow from operating activities (A)	179	66
Net cash inflow/(outflow) from investing activities (B)	(156)	(65)
Net cash outflow from financing activities (C)	(19)	(25)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	4	(23)
Cash and cash equivalents at the beginning of the year	8	32
Cash and cash equivalents at the end of the year	11	9



Half-Yearly Financial Highlights

Financial Highlights - Half-Yearly



Revenue - H1FY22
Rs. 926 Crore

↑ YoY
28%



EBITDA - H1FY22
Rs. 187 Crore

↑ YoY
53%



EBITDA Margin - H1FY22
20.2%

↑ YoY
328 bps



PAT - H1FY22
Rs. 95 Crore

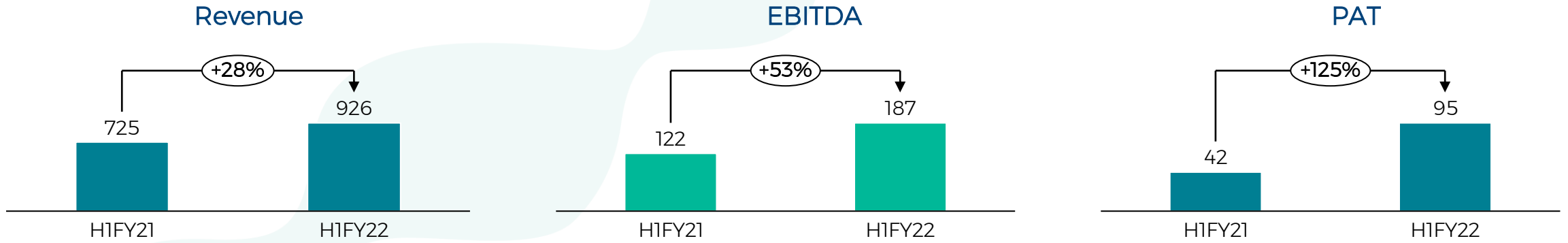
↑ YoY
125%



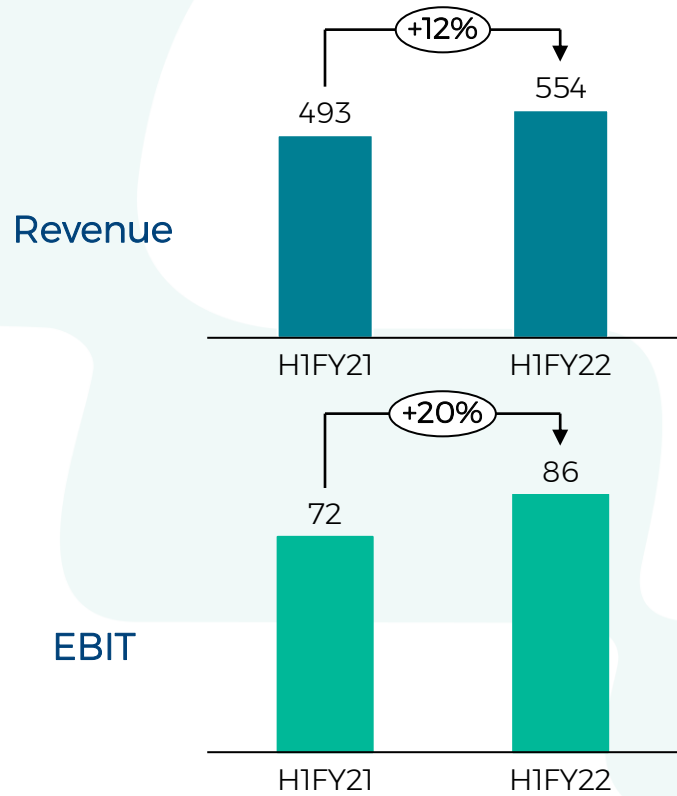
EPS - H1FY22
Rs 7.67

↑ YoY
125%

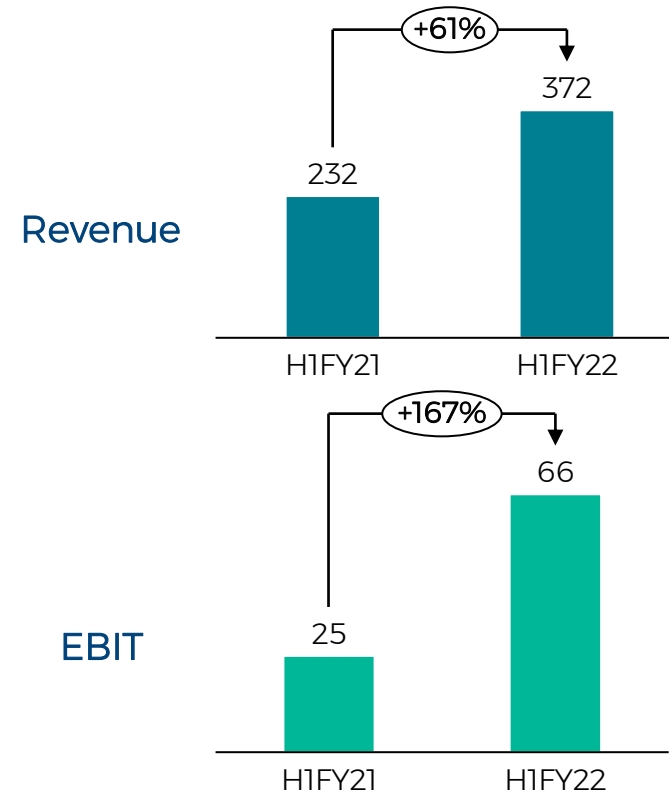
Half-Yearly Performance Highlights



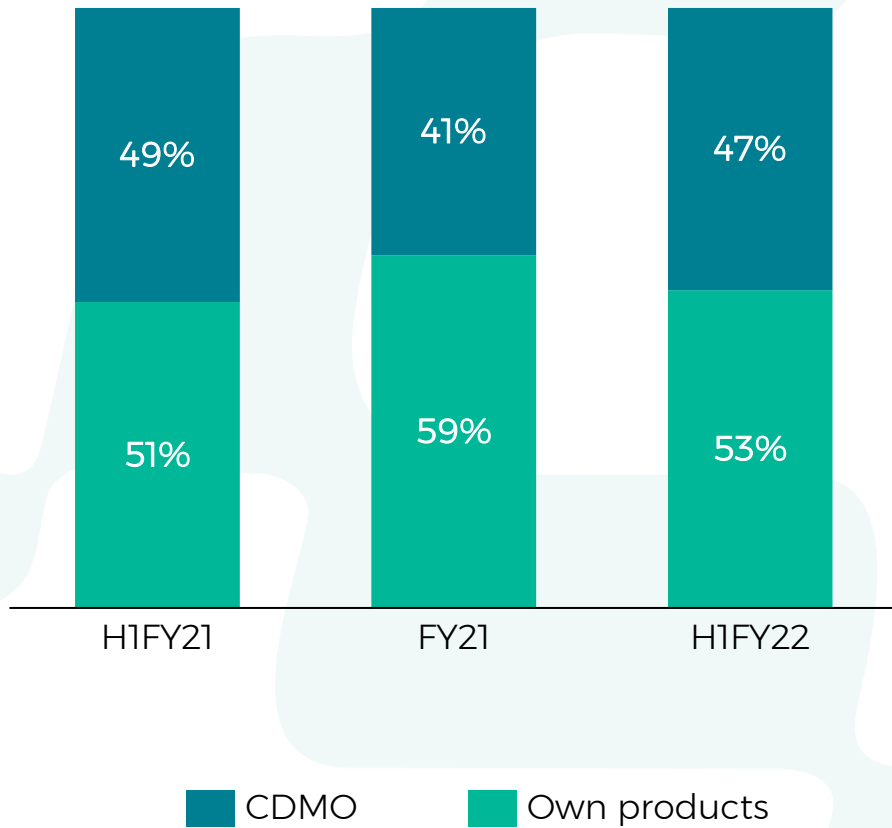
Pharmaceuticals Division



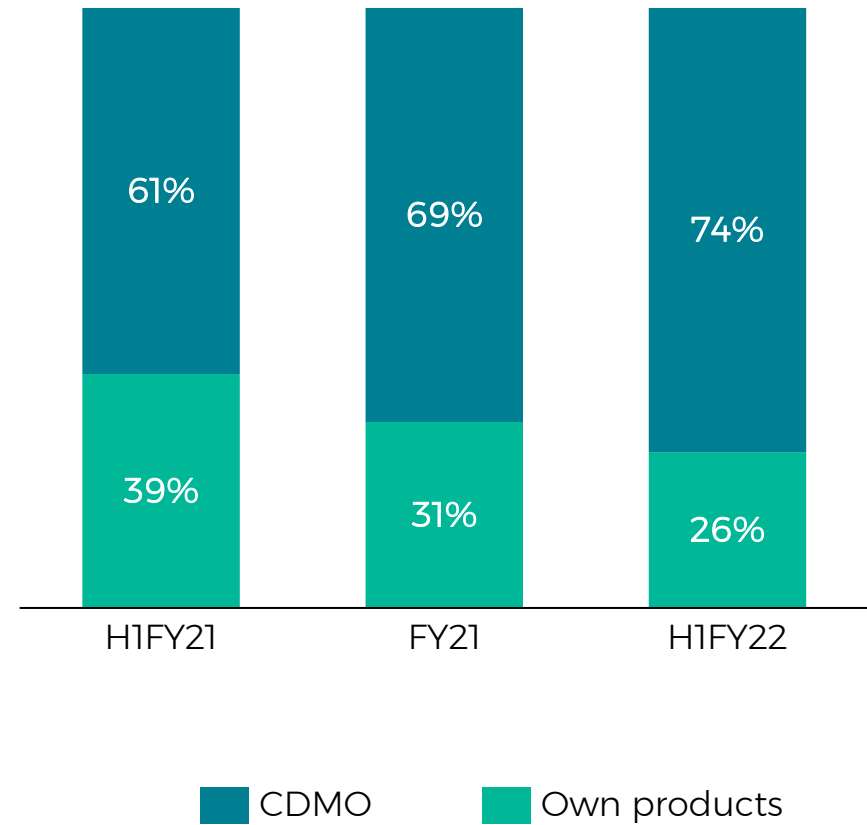
Crop Protection Division



Pharmaceuticals Revenue Break-Up



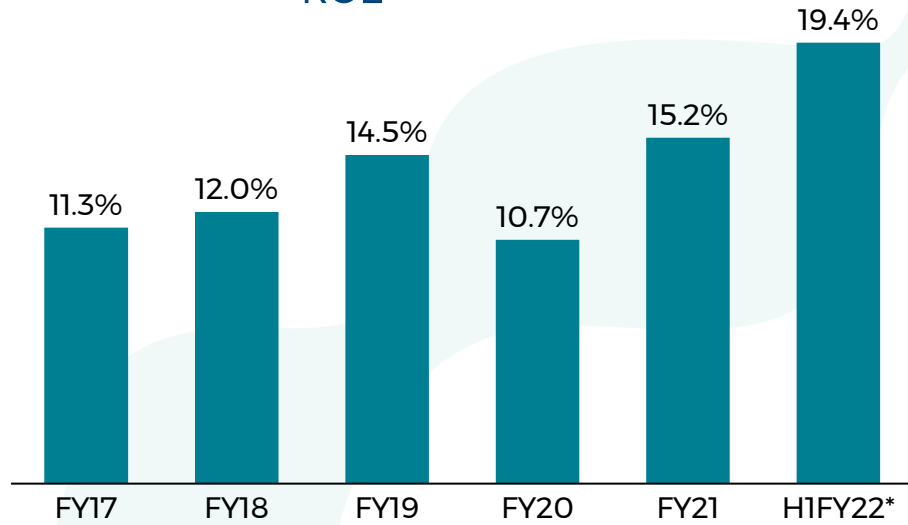
Crop Protection Revenue Break-Up



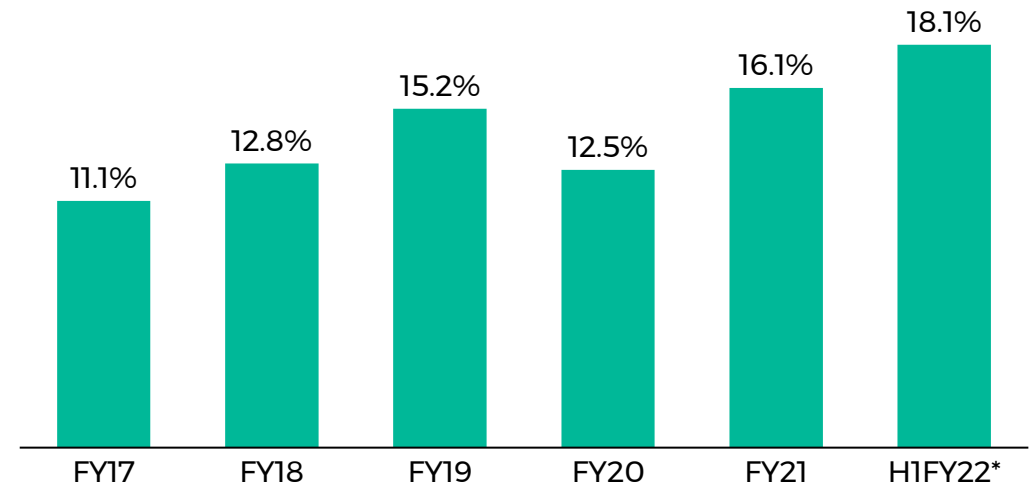
Ratio Analysis



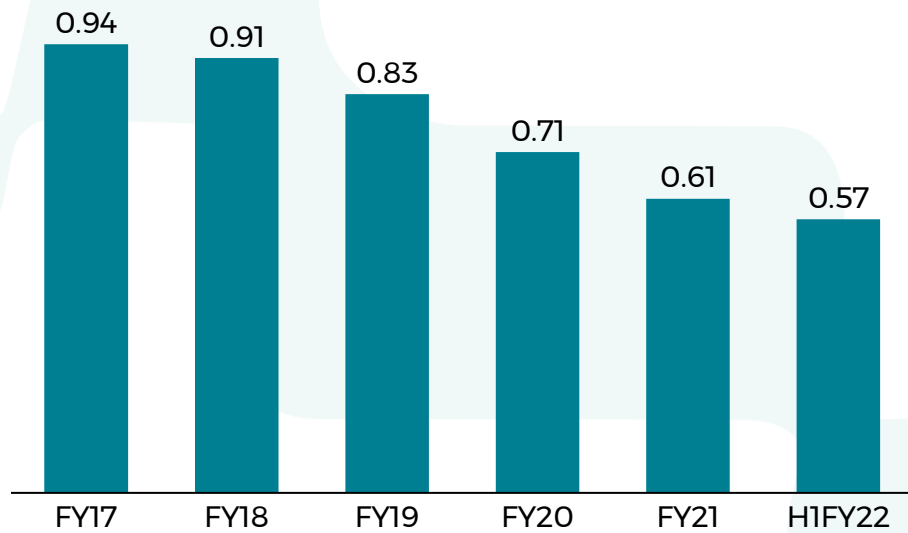
ROE



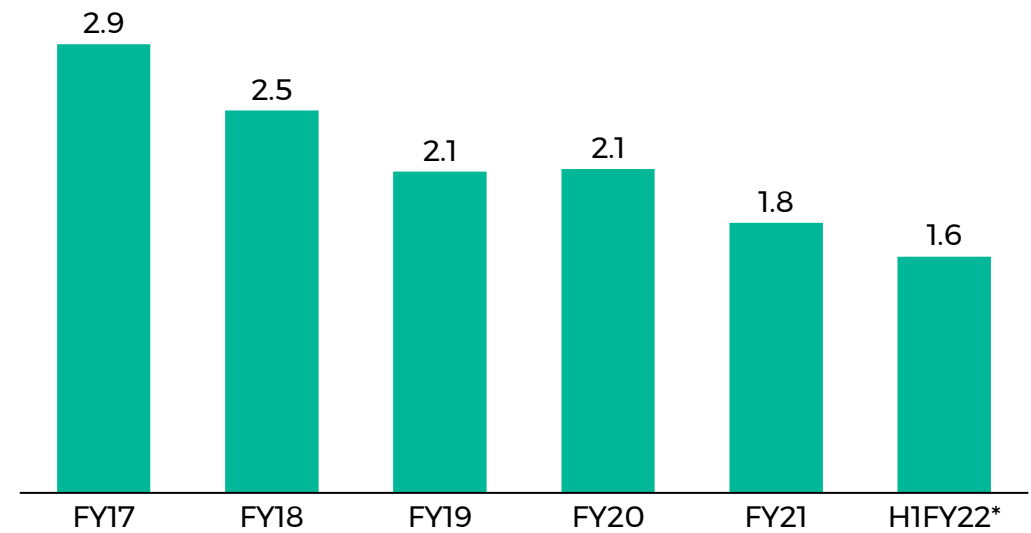
ROCE



Net Debt / Equity



Net Debt / EBITDA



* - Annualized



Annual Financial Highlights

Financial Highlights - Annual



Revenue – FY21
Rs. 1,720 Crore

↑ FY17-21 CAGR 14% ↑ YoY 14%



EBITDA – FY21
Rs. 323 Crore

↑ FY17-21 CAGR 13% ↑ YoY 18%



EBITDA Margin – FY21
18.8%

↑ YoY 65 bps



PAT – FY21
Rs. 133 Crore

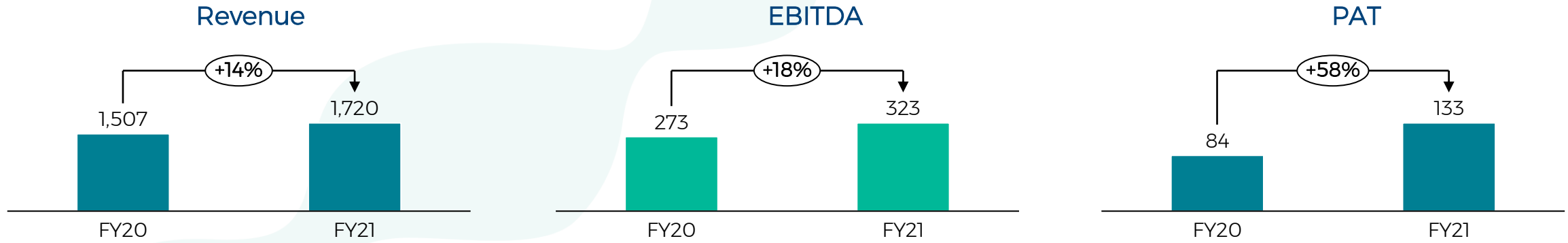
↑ FY17-21 CAGR 19% ↑ YoY 58%



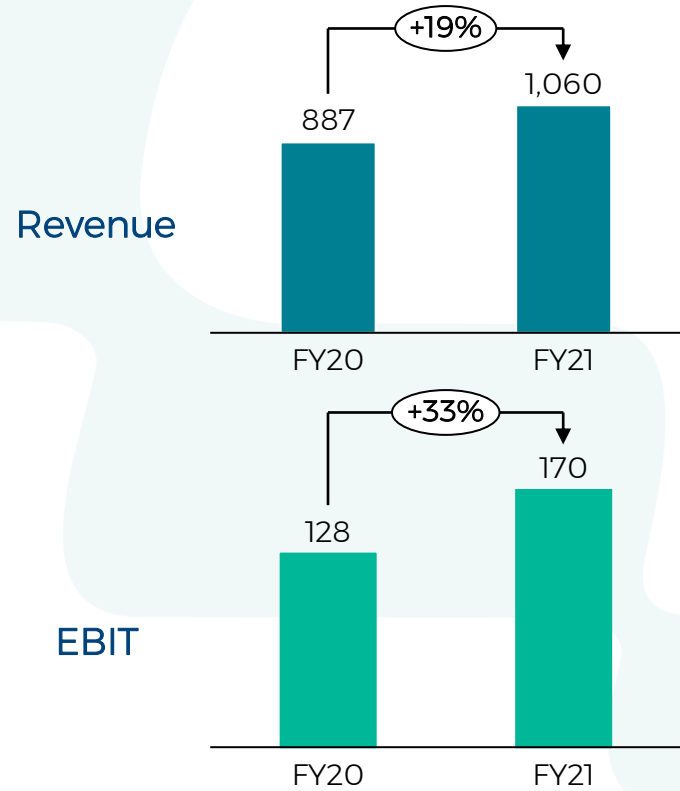
EPS – FY21
Rs 10.80

↑ FY17-21 CAGR 19% ↑ YoY 58%

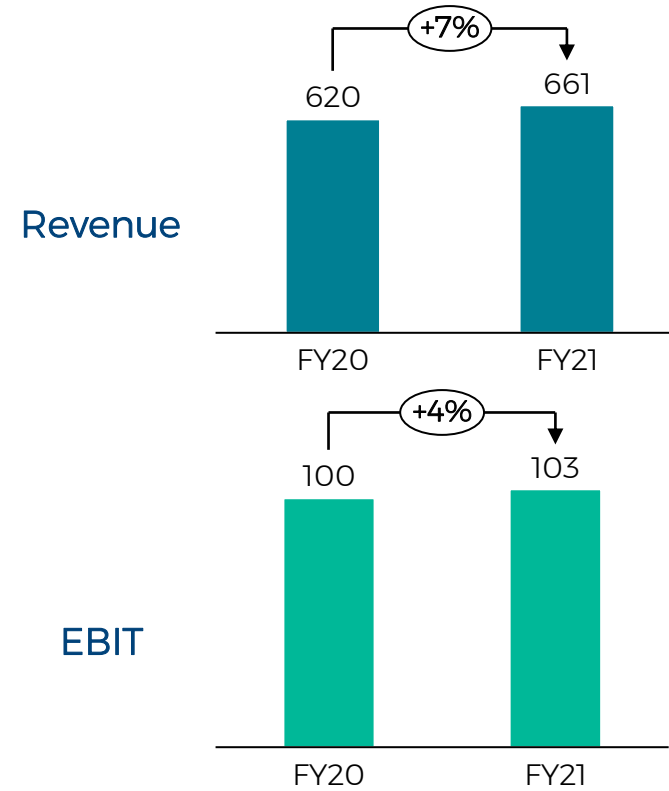
Annual Performance Highlights



Pharmaceuticals Division



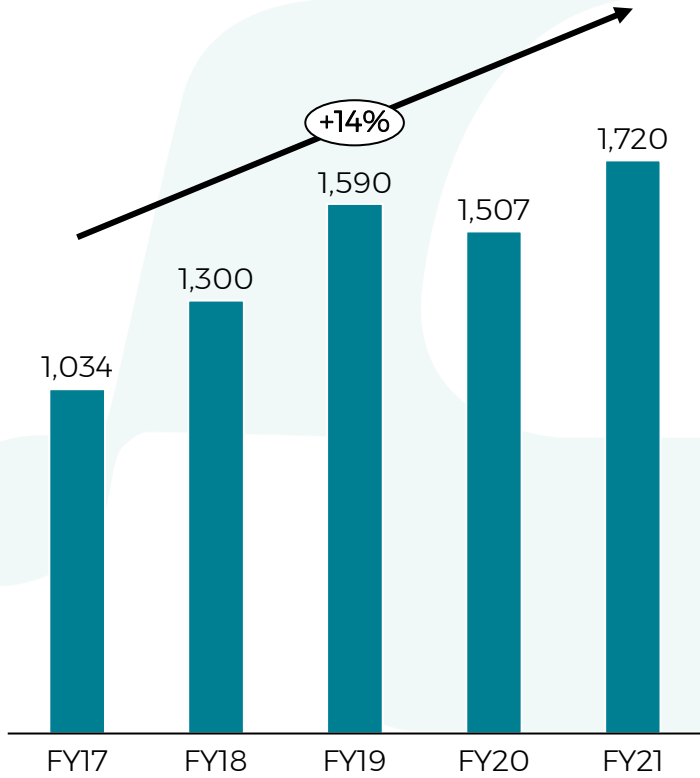
Crop Protection Division



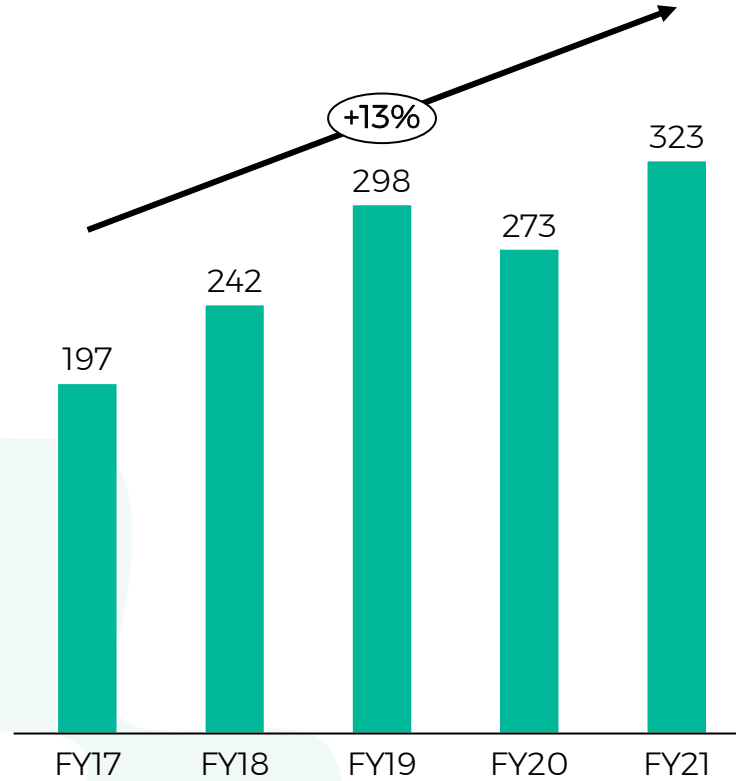
Yearly Financial Highlights



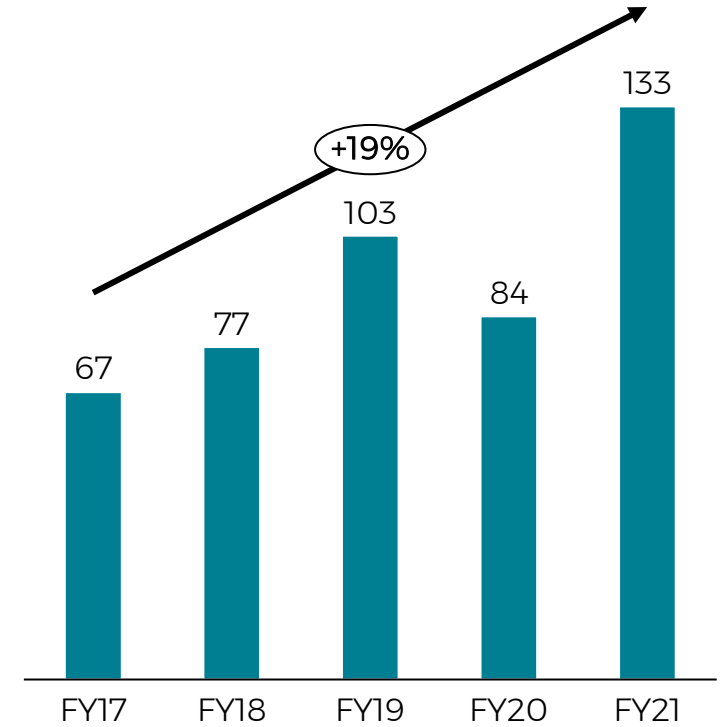
Consolidated Revenue



Consolidated EBITDA

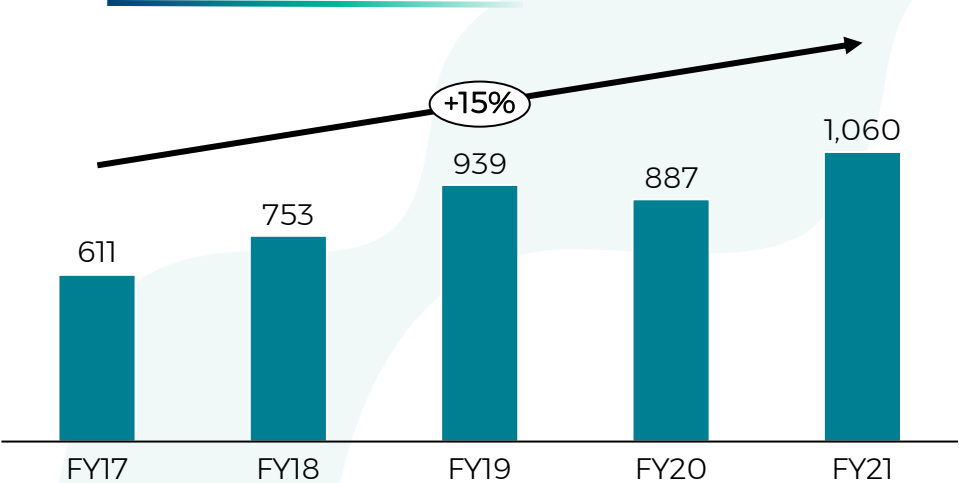


Consolidated PAT



Yearly Segmental Highlights

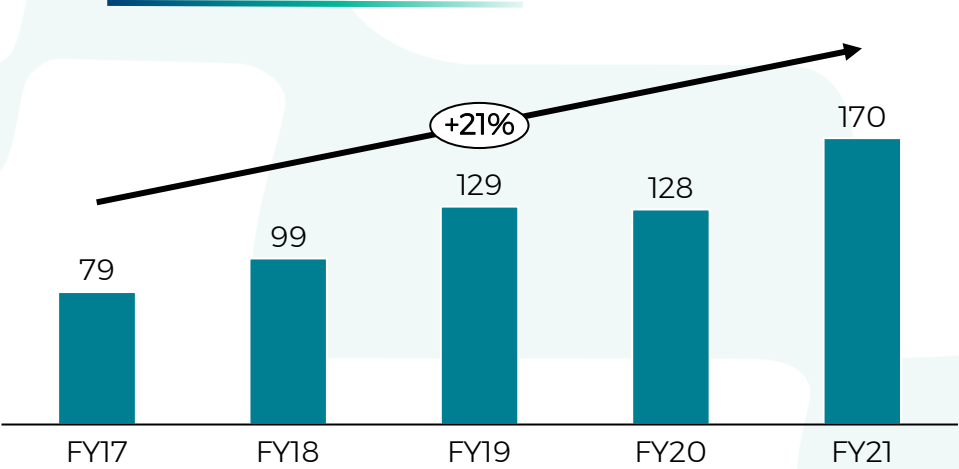
Pharmaceuticals Revenue



Crop Protection Revenue



Pharmaceuticals EBIT

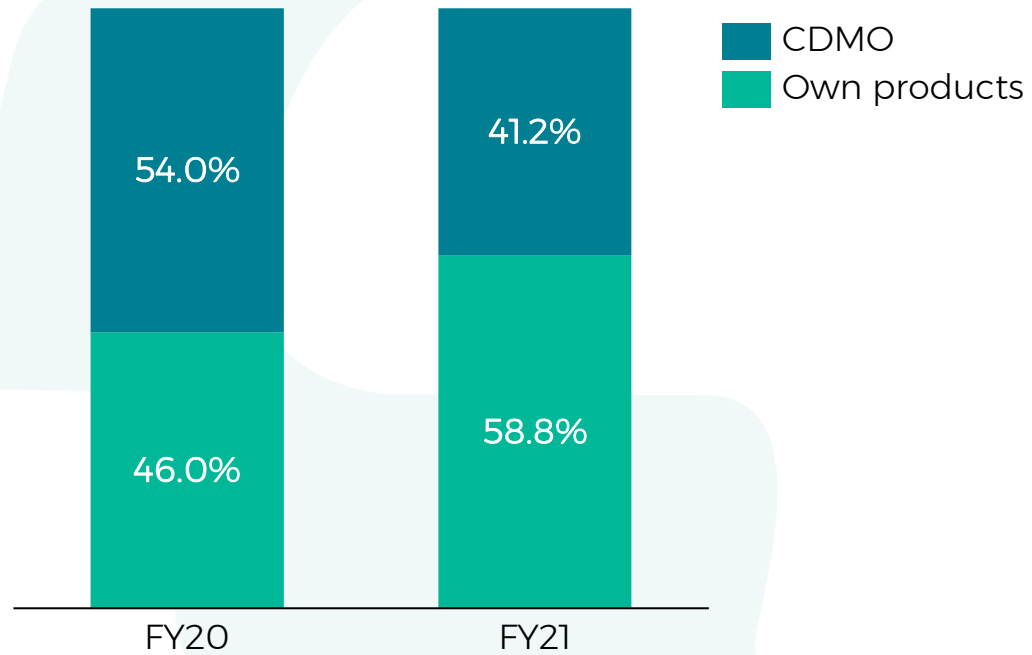


Crop Protection EBIT

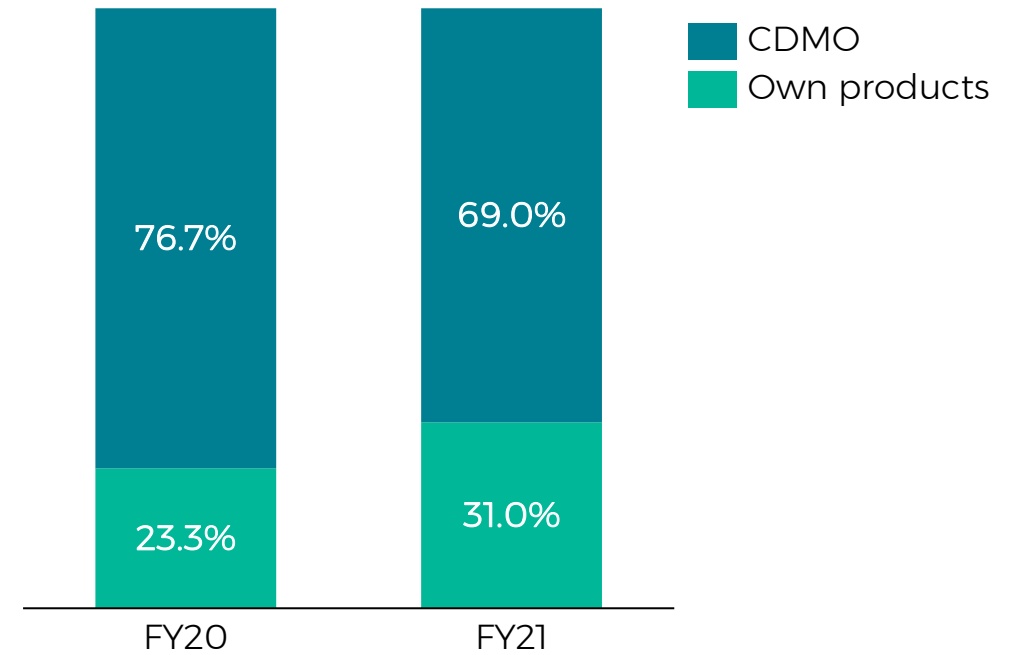


Sales Break-Up

Pharmaceuticals Revenue Break-Up



Crop Protection Revenue Break-Up



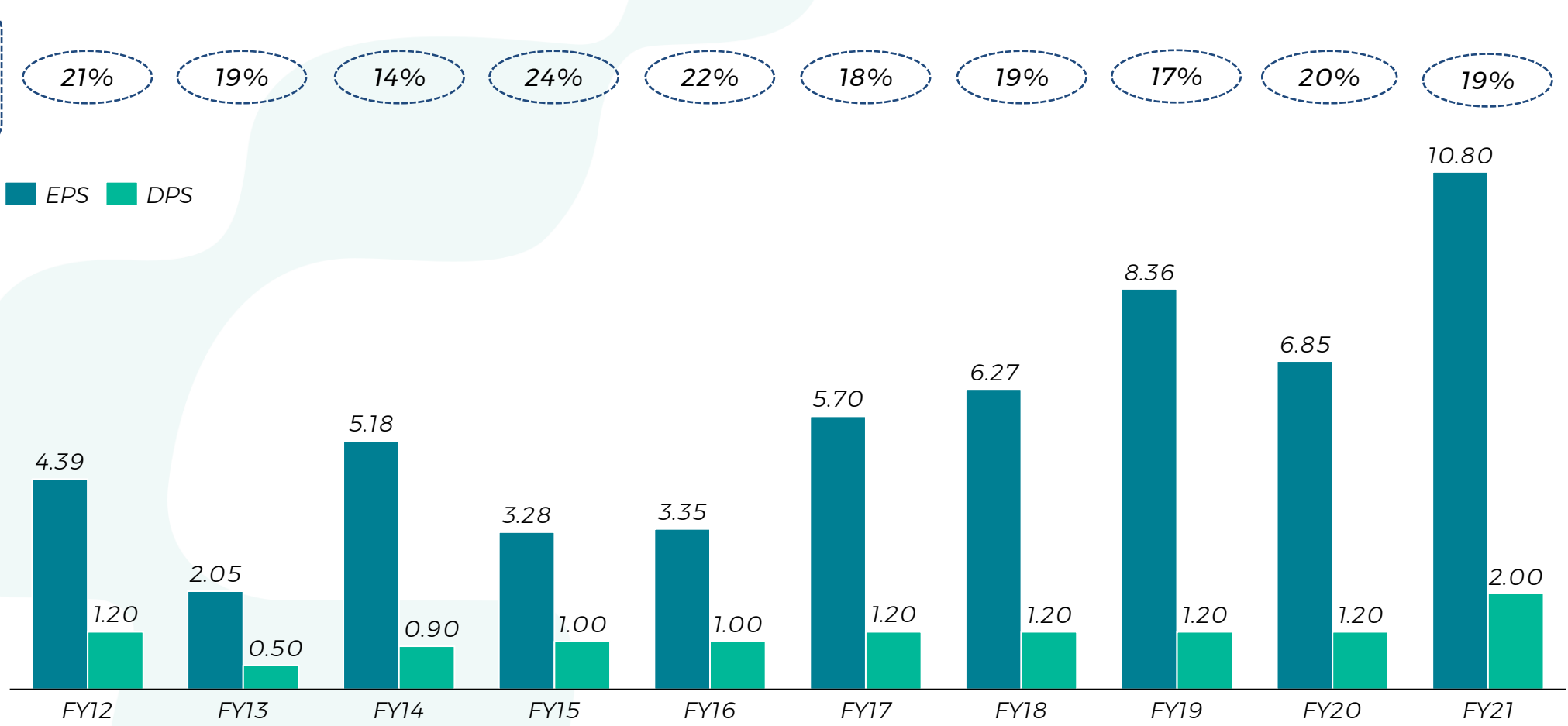
Consolidated Profit & Loss - Full Year



Particulars (Rs. Crore)	FY21	FY20	Y-o-Y
Net Sales	1,720	1,507	14%
Expenditure	1,397	1,234	
EBITDA	323	273	18%
Margin	18.8%	18.1%	
Other Income	5	4	
Depreciation	85	82	
Finance Costs	36	52	
Exceptional Item	-	15	
PBT	206	127	63%
Tax	73	42	
Net Profit	133	84	58%
Margin	7.7%	5.6%	

Annual Dividend Payout

Dividend Payout including DDT



- The above dividend is based on Face Value of Rs. 2 per share



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HIKAL
