



May 7, 2021

Dept. of Corporate Services,
BSE Ltd.,
P J Towers,
Dalal Street,
Mumbai – 400 001.

Listing Department,
National Stock Exchange of India Ltd.,
Exchange Plaza, Bandra Kurla Complex,
Bandra (East),
Mumbai 400051.

BSE Scrip Code : 524735

NSE Symbol : HIKAL

Dear Sir/ Madam,

Subject: Results Presentation of the Company for the quarter and financial year ended March 31, 2021

With reference to the subject, we are enclosing a copy of the Results presentation on the Audited Standalone and Consolidated Financial Results of the Company for the quarter and financial year ended March 31, 2021.

This is for your information and records.

Thank you,

Yours sincerely,
for **HIKAL LTD.,**

Rajasekhar Reddy
Company Secretary

Encl: As above.

Hikal Ltd.

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www.hikal.com info@hikal.com CIN : L24200MH1988PTC048028



Results Presentation - Q4 & FY 2020-21

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Jai Hiremath

"I am happy to report that we have achieved a record performance for Q4 as well as for the full financial year. Despite the disruption in H1 on account of the Covid-19 pandemic, we have substantially recovered during H2. On an annual basis, we registered a revenue growth of 14% whereas our EBITDA grew by 18% as compared to the previous year. Based on our performance for the year and strong growth outlook for next year, the Board of Directors have recommended a final dividend of Rs. 1/- per share (50% of FV). Along with the interim dividend of Rs. 1/- declared in February 2021, the total dividend for FY21 will be Rs.2/- per share (100% of FV).

The Crop Protection business registered a positive YoY growth of 54% in Q4 on the back of strong volume growth of our existing products and commercialization of a new product from our newly built facility in Panoli. On a full year basis, the Crop Protection business delivered a growth of 7%, which was enabled by a strong recovery in H2 after a challenging H1. We expect this positive momentum to accelerate in FY 2021-22 based on a healthy pipeline of projects at various stages.

Our Pharmaceutical business has performed well, registering a YoY growth of 32% for the quarter. For FY 2020-21, the business delivered a strong growth of 19% based on increased volumes of existing API Generics and CDMO products. We have a healthy pipeline of new products which will be supported by our new capacities which have come on stream as the result of the capex incurred over last 12-24 months. We continue our fight against the pandemic with the filing of a US DMF for Favipiravir API. We are supporting both the domestic and global markets.

In the Pharmaceuticals business, we have achieved a significant milestone in our Animal Health business by signing a 10-year supply contract for a portfolio of niche APIs with a leading global multinational customer. We have jointly partnered with our customer to set up a new facility at our Panoli site. This will lead to additional opportunities in growing the Animal Health business into a full-fledged vertical.

Our profitability has been on an uptrend during the year which is a result of our focused business excellence initiatives, and we are confident of further improvement in the bottom line in the coming years. We have been able to generate strong cash flows from our operations and focused efforts have brought down our borrowing costs. On the capex front, we have recently completed the construction of an additional plant to our new development and launch facility at Bangalore. Capacity addition under our capex program has been completed and the commissioning of these units will be done in phases over the next 2 quarters.

We are seeing significant opportunities to grow our business profitably. We have selected a leading global consultant to work with us on a business transformation exercise which will enable us to pivot our growth in a sustainable manner. This strategic exercise will work on bringing in efficiency in operations, identifying and executing new opportunities to meet our strategic goal in the next 4-5 years.

We see significant tailwinds in both our businesses and with completion of the past capex program we are confident of maintaining our growth trajectory over the next 2-3 years."



Quarterly Financials Highlights

Positive momentum from Q3 continued in Q4 to continue a strong growth trajectory



Revenue – Q4FY21
Rs. 532 Crore



QoQ
15%



YoY
40%



EBITDA – Q4FY21
Rs. 109 Crore



QoQ
20%



YoY
55%



EBITDA Margin – Q4FY21
20.5%



QoQ
81 Bps



YoY
188 Bps



PAT – Q4FY21
Rs. 51 Crore



QoQ
26%



YoY
108%



EPS – Q4FY21
Rs 4.13



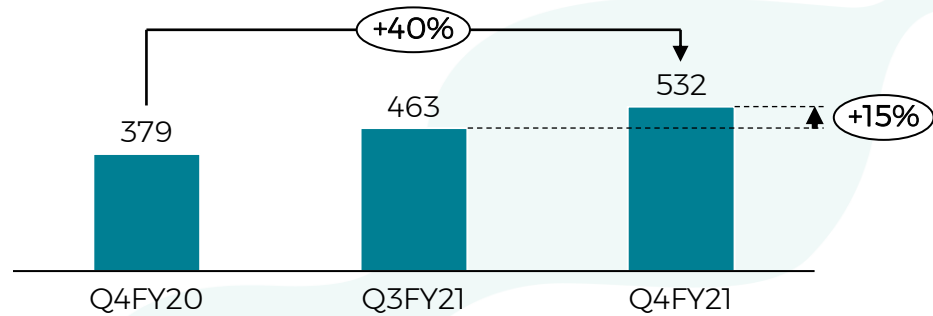
QoQ
26%



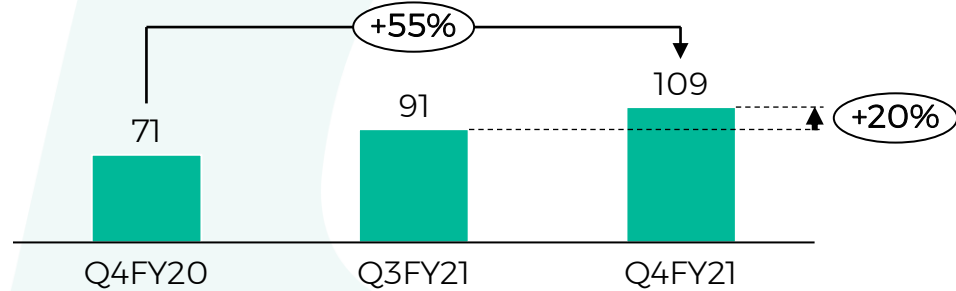
YoY
108%

Quarterly Performance Highlights

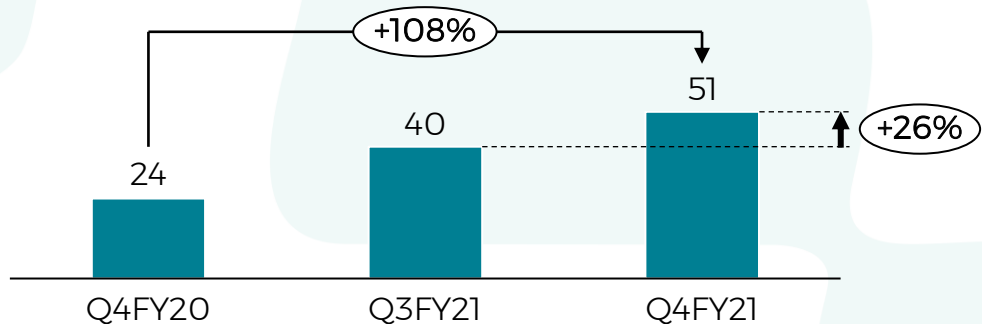
Revenue



EBITDA



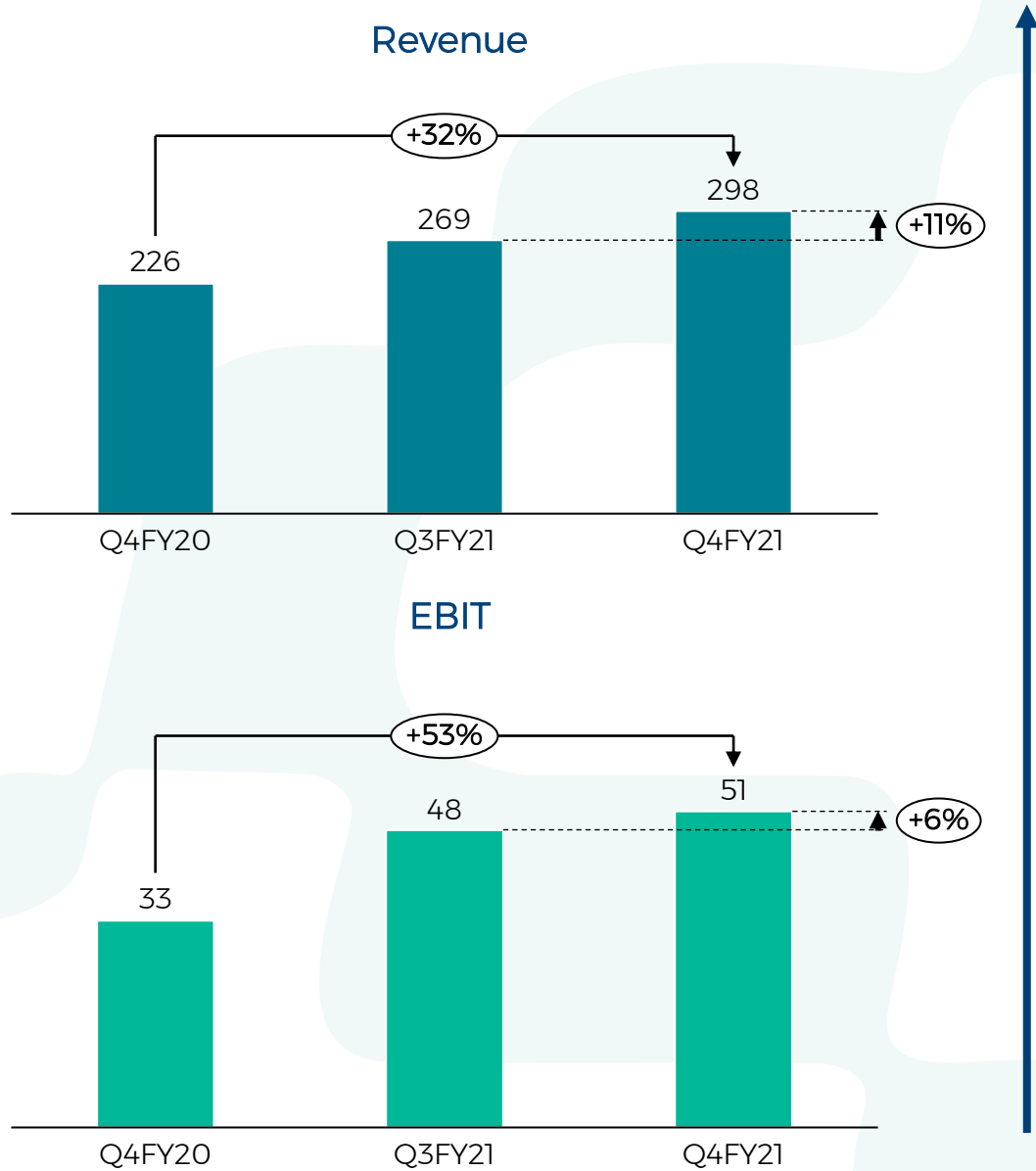
PAT



Rs. Crore

Operational Performance Highlights

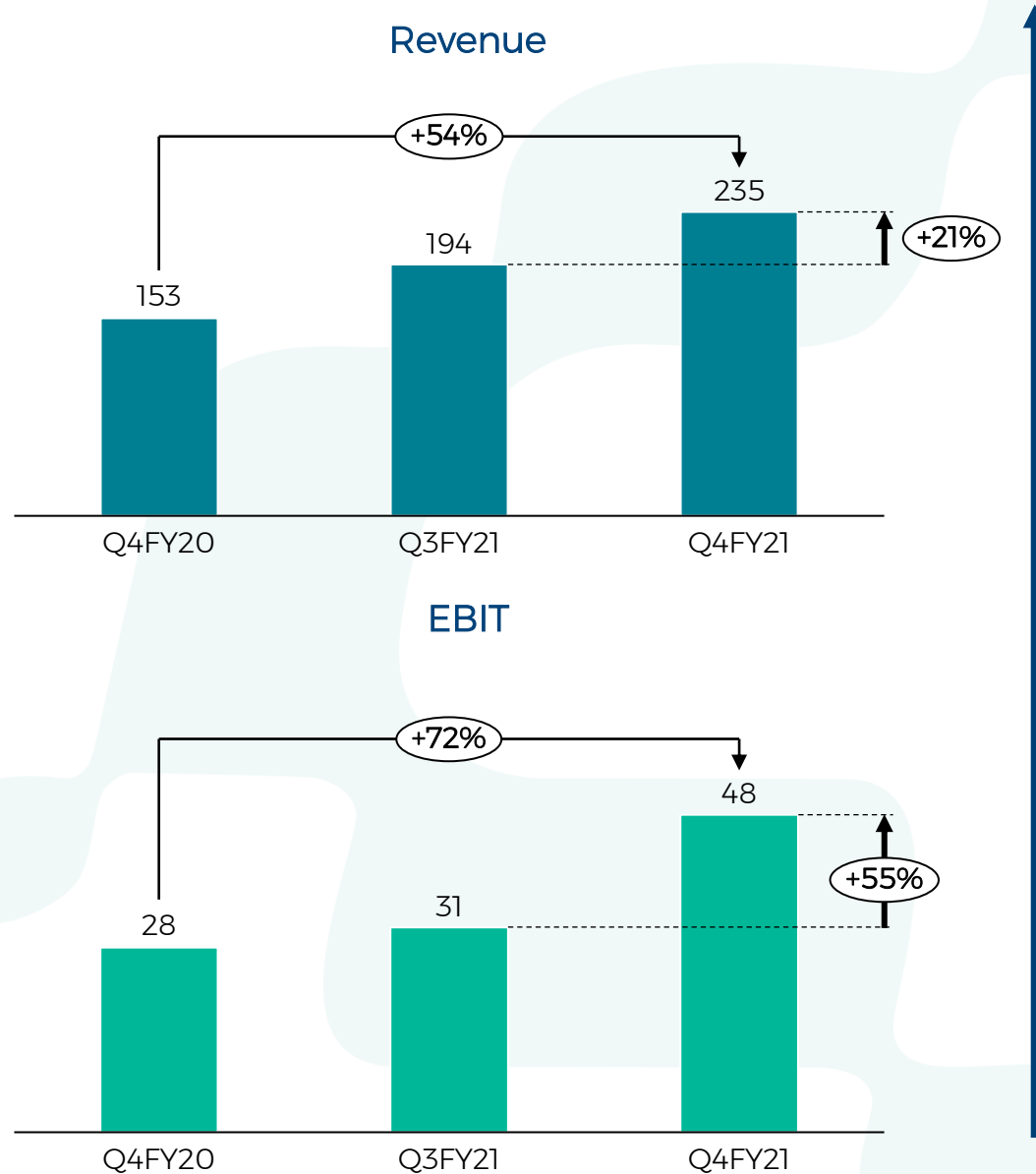
- Revenue recorded an increase of 40% YoY and 15% QoQ
 - First ever quarter with revenue in excess of Rs. 500 Crore
 - Better sales volumes of key existing products
 - Strong performance in newly commercialized CDMO as well as own generic products
- EBITDA increase to Rs. 109 Crore, growth of 55% YoY and 20% QoQ
- Robust EBITDA Margins of 20.5% due to:
 - Favorable product mix
 - Better sales realization
 - Better absorption of fixed costs due to business excellence
- PAT was Rs. 51 Crore, YoY growth of 108% and QoQ growth of 26%
- During the quarter, we commercialized a new fungicide in our Crop Protection CDMO business
- Filed two DMFs: Favipiravir and Sitagliptin Phosphate Anhydrous



Pharmaceutical - Performance Highlights

- Revenue recorded an increase of 32% YoY and 11% QoQ
 - Strong growth in volumes of own and CDMO products
- EBIT increased to Rs. 51 Crore, growth of 53% YoY and 6% QoQ
- Business excellence initiatives have resulted in cost and capacity improvement enabling us to meet increased market demand and maintain margins
- Enzymatic process DMF filed for Sitagliptin Phosphate Anhydrous which has generated strong interest in various regulated markets

Quarterly Performance Highlights - Crop Protection



Crop Protection - Performance Highlights

- Revenue recorded an increase of 54% YoY and 21% QoQ
 - Orders deferred in H1 due to pandemic were executed in H2
 - New capacities have come on stream through the capex incurred over last 12 months
- EBIT increased to Rs. 48 Crore, growth of 72% YoY and 55% QoQ
- Commercialized a new fungicide for a Japanese customer in our CDMO business
 - Significant scale-up of this product is expected in FY 2021-22
- In late-stage discussions with a leading US-based Crop Protection company

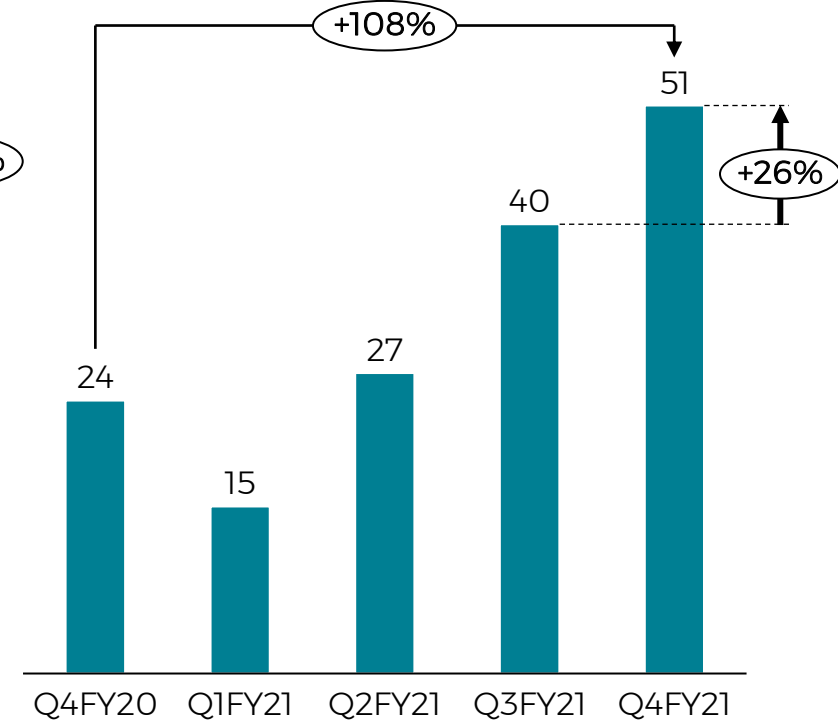
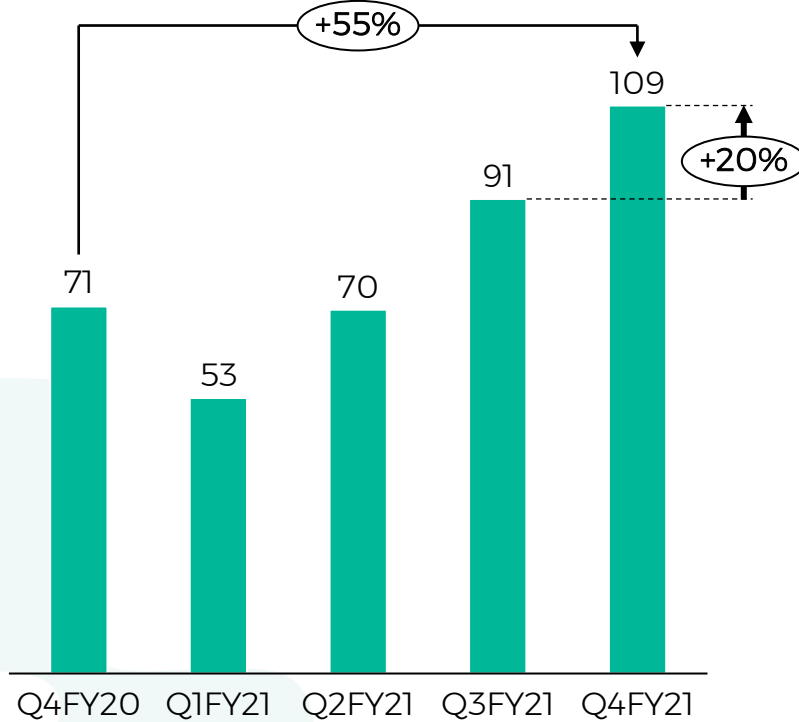
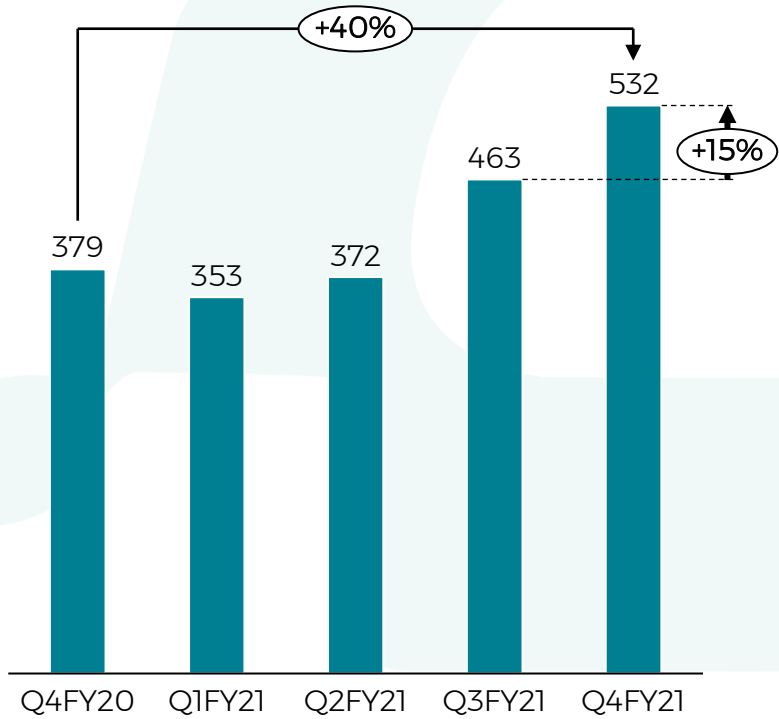
Quarterly Operational Highlights



Consolidated Revenues

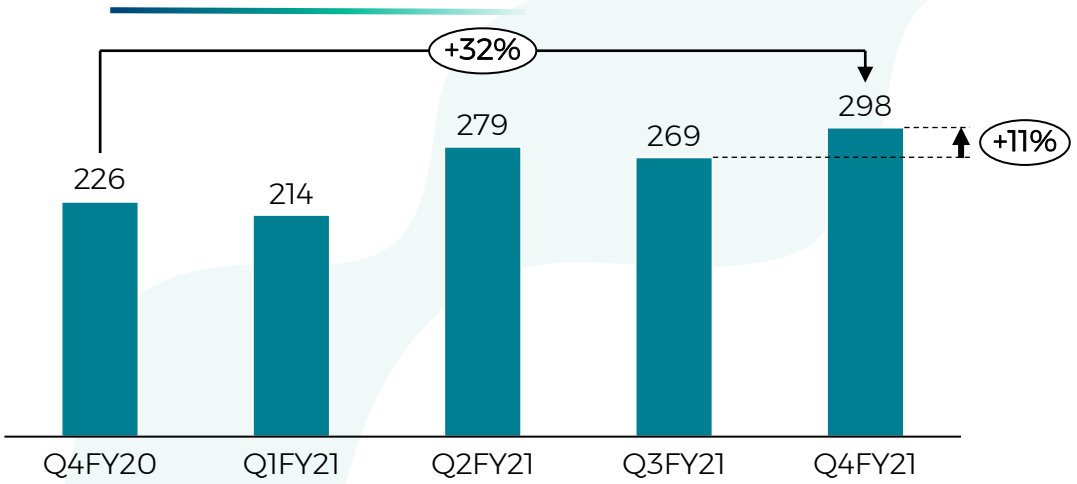
Consolidated EBITDA

Consolidated PAT

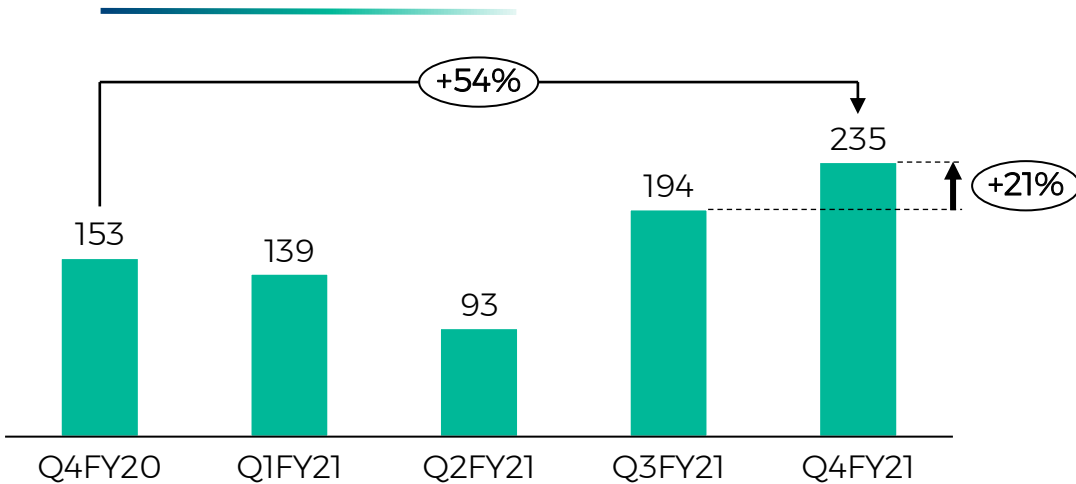


Quarterly Operational Highlights

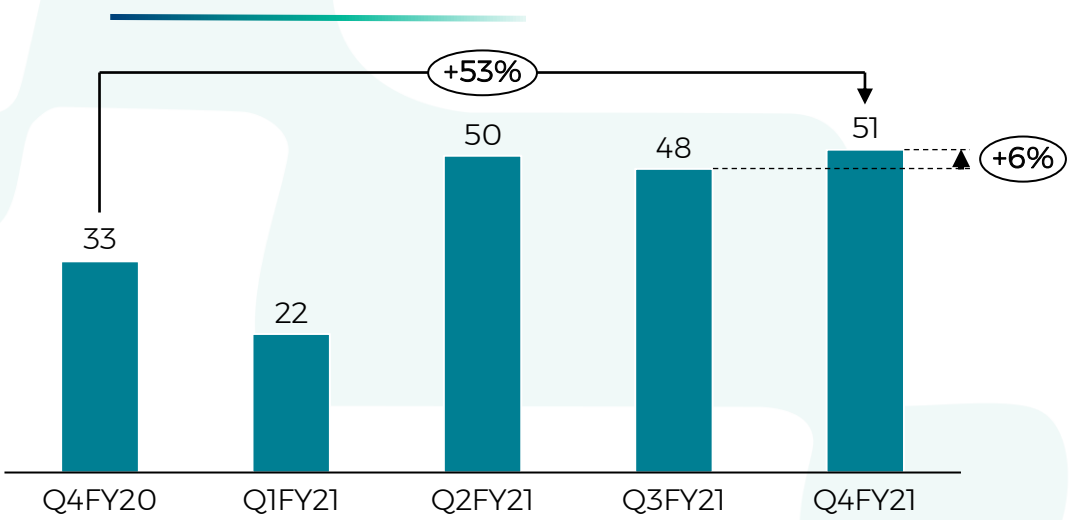
Pharmaceuticals Revenue



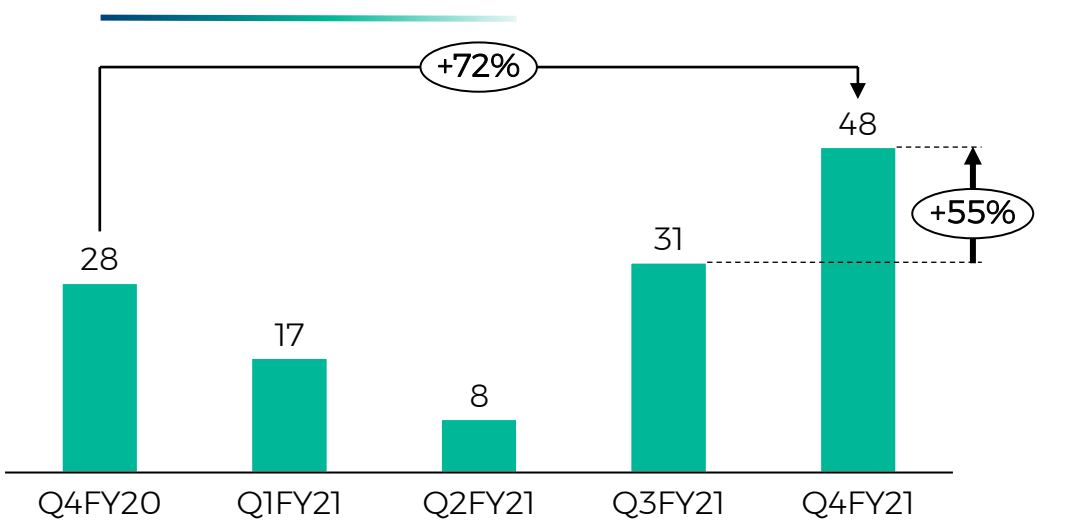
Crop Protection Revenue



Pharmaceuticals EBIT



Crop Protection EBIT





Annual Financials Highlights

Operational 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



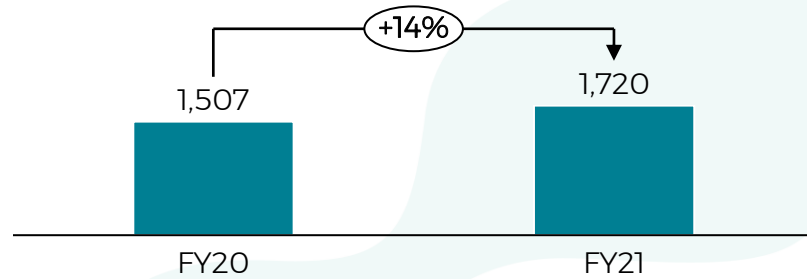
FY17-21
CAGR
19%



YoY
58%

Annual Performance Highlights

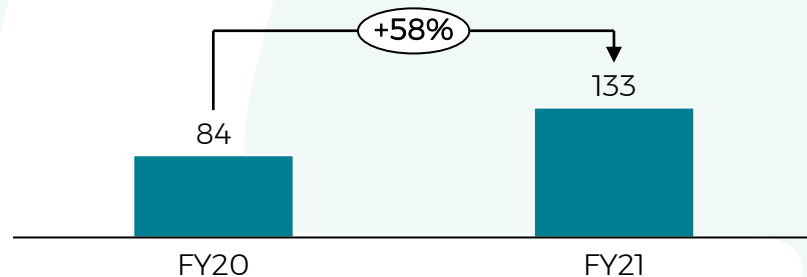
Revenue



EBITDA



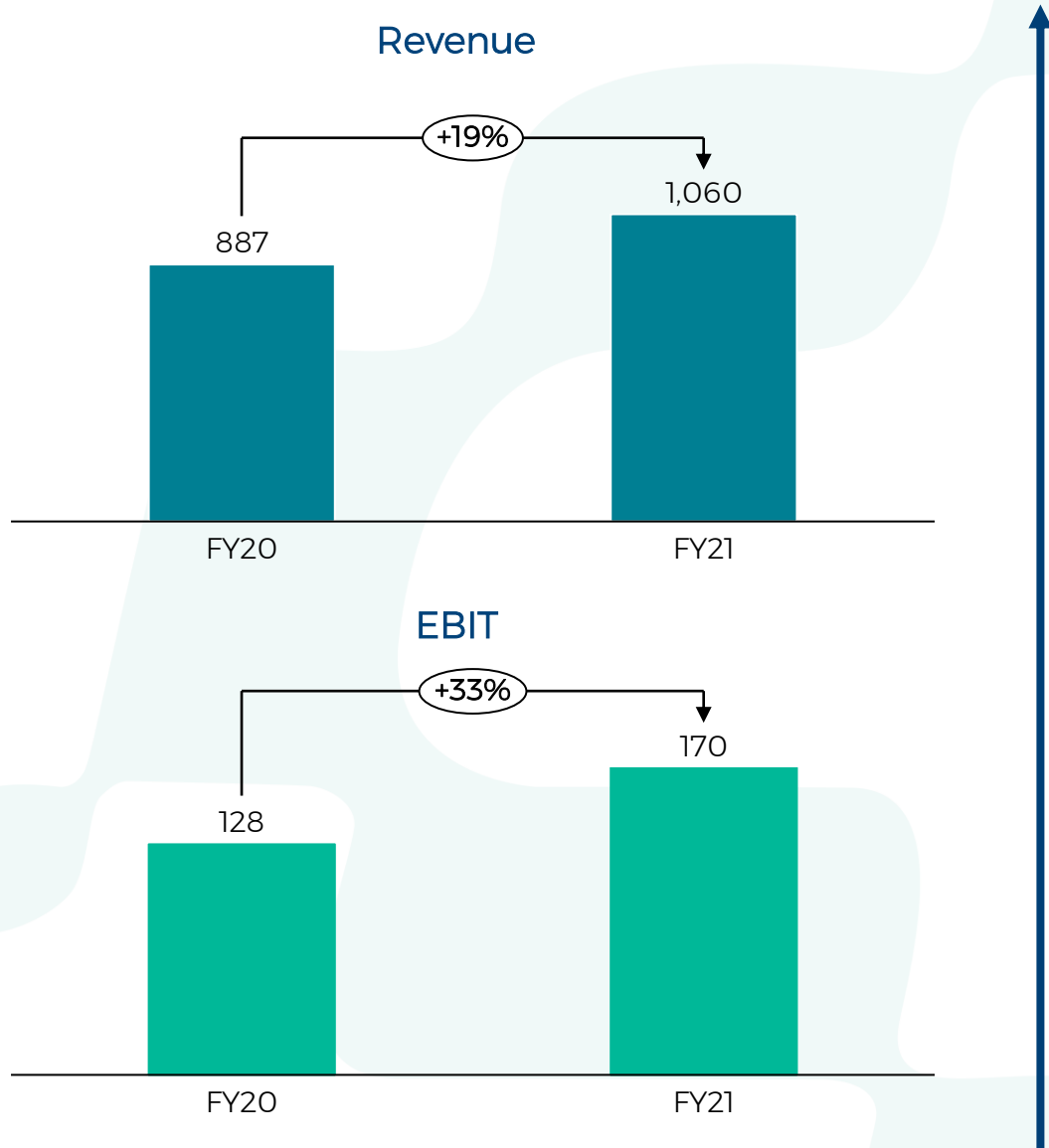
PAT



Rs. Crore

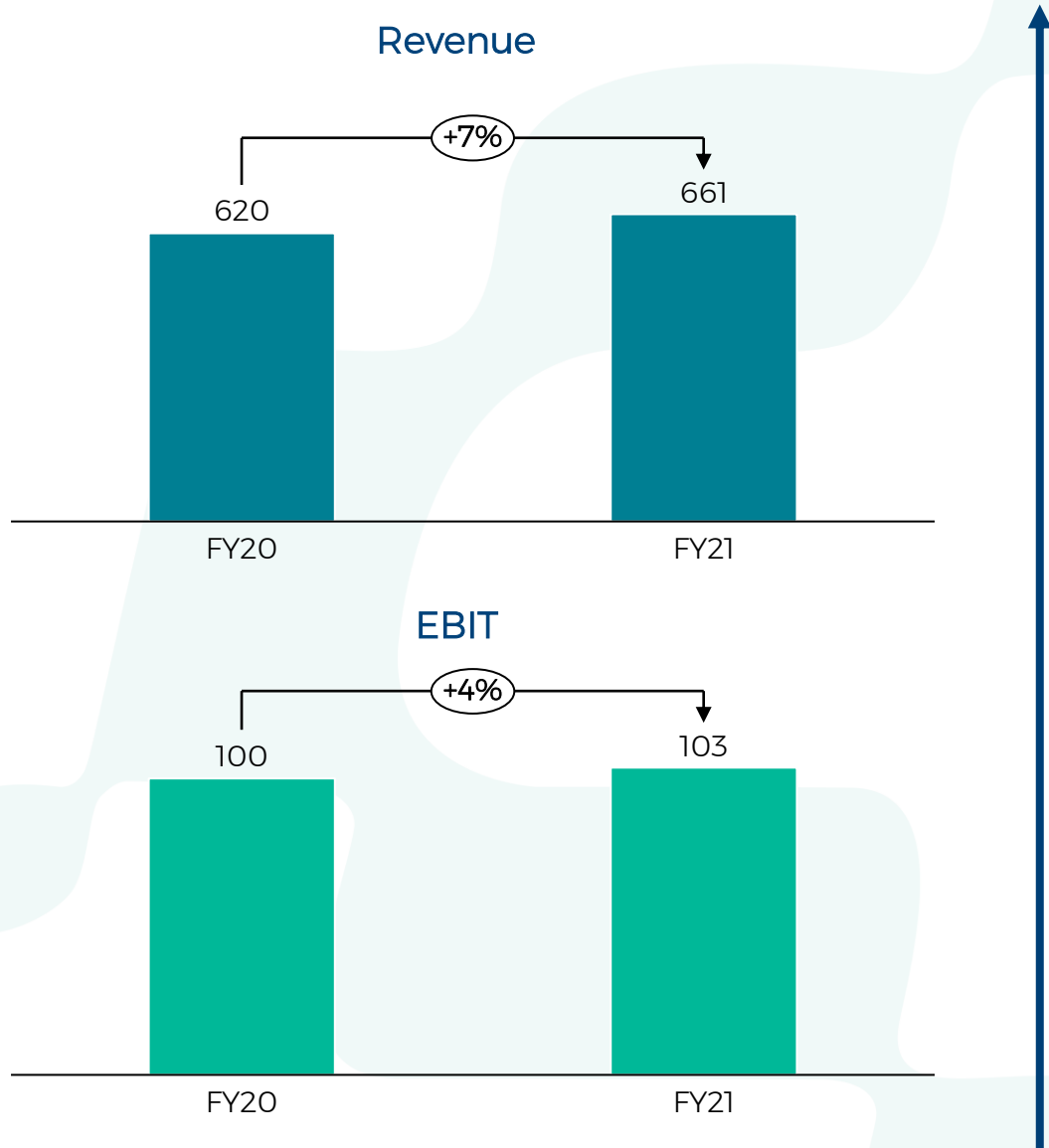
Operational Performance Highlights

- Revenue increased by 14% YoY to reach Rs. 1,720 Crore
 - Higher volumes of key products
 - Strong performance in newly commercialized CDMO as well as own products
 - Penetration in new markets
 - EBITDA increased to Rs. 323 Crore, growth of 18% YoY
 - Steady improvement in EBITDA Margins to 18.8%
 - Improved product mix and business excellence efforts to streamline costs and improve throughput
 - PAT was Rs. 133 Crore, YoY growth of 58%
 - Filed four DMFs in FY 2020-21
 - Supplier concentration and location de-risking for key raw materials is being done strategically
- Capex**
- Capital expenditure program continues to enable us to capture market opportunities in both our businesses
 - Addition of new capacities and process capabilities along with relevant infrastructure to support it
 - Flexible capacity being created



Pharmaceutical - Performance Highlights

- Revenue recorded an increase of 19% YoY
 - Robust growth in key Generics and CDMO products
 - Successful scale-up and growth of new products in CNS and anti-depressant therapy areas
 - New capacities have come on stream through the capex incurred over last 12-24 months
- EBIT increased to Rs. 170 Crore, growth of 33% YoY
- Demand for key products is steady and order book is shaping up well for FY 2021-22
- Regulated as well as emerging markets are targeted for growth
- Strong pipeline of new products in CDMO



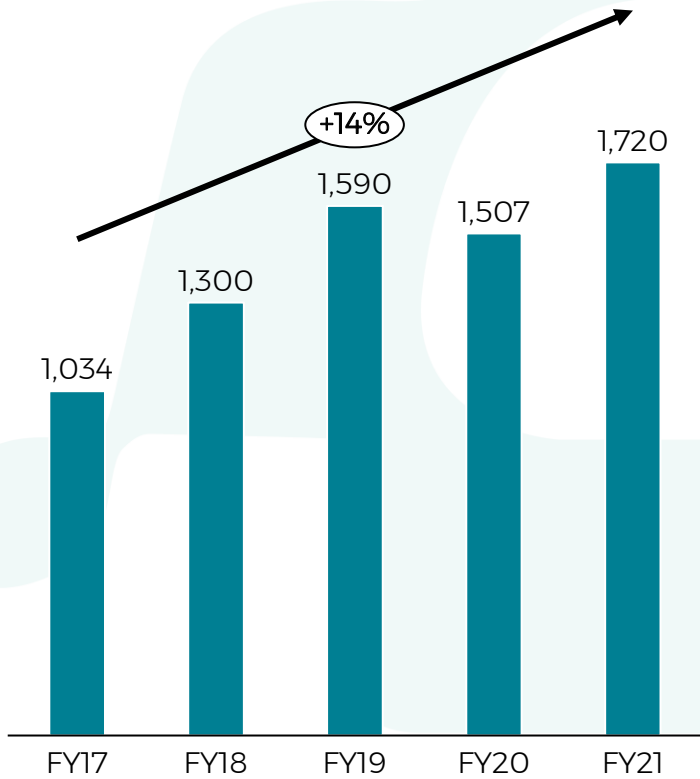
Crop Protection - Performance Highlights

- Revenue recorded an increase of 7% YoY
 - Strong recovery in H2 after a challenging H1
 - We expect this strong momentum to continue in FY 2021-22
- EBIT increased to Rs. 103 Crore, growth of 4% YoY
- Commercialized a new fungicide in our CDMO business
 - Significant scale-up of this product is expected in FY 2021-22
- Order book for FY2021-22 is robust with demand for crucial products remaining strong
- Global registration processes for two new fungicides are in progress
- Capex is planned for FY 2021-22 for future growth

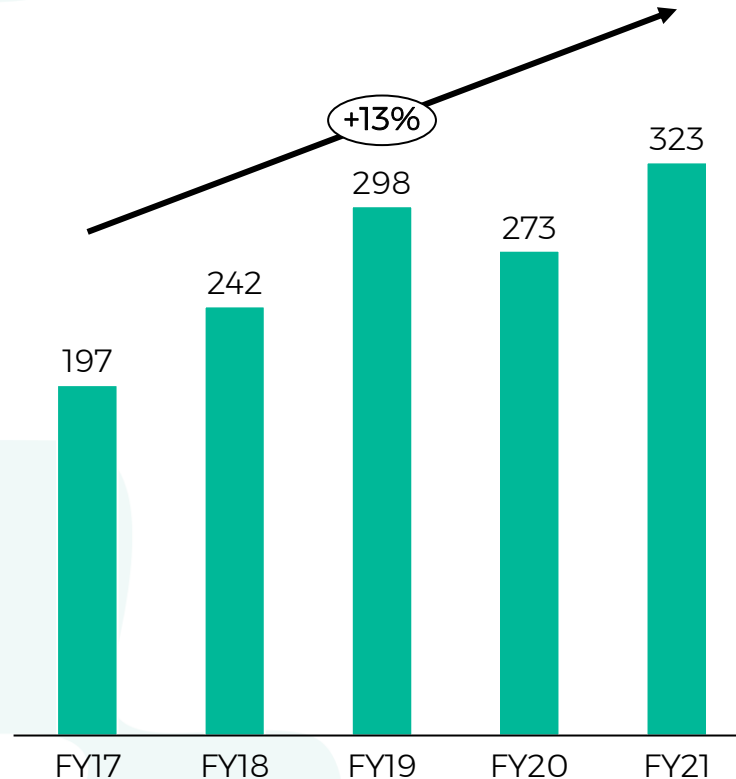
Yearly Operational Highlights



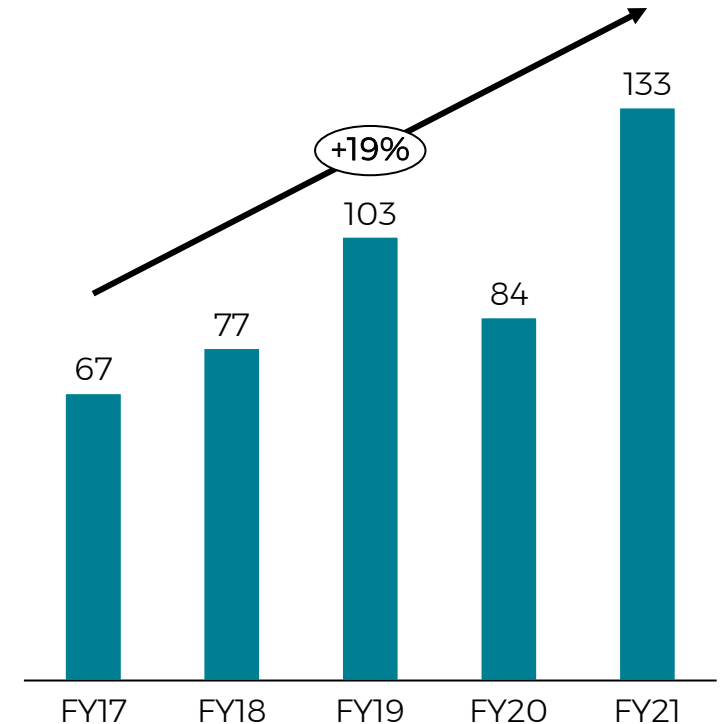
Consolidated Revenues



Consolidated EBITDA

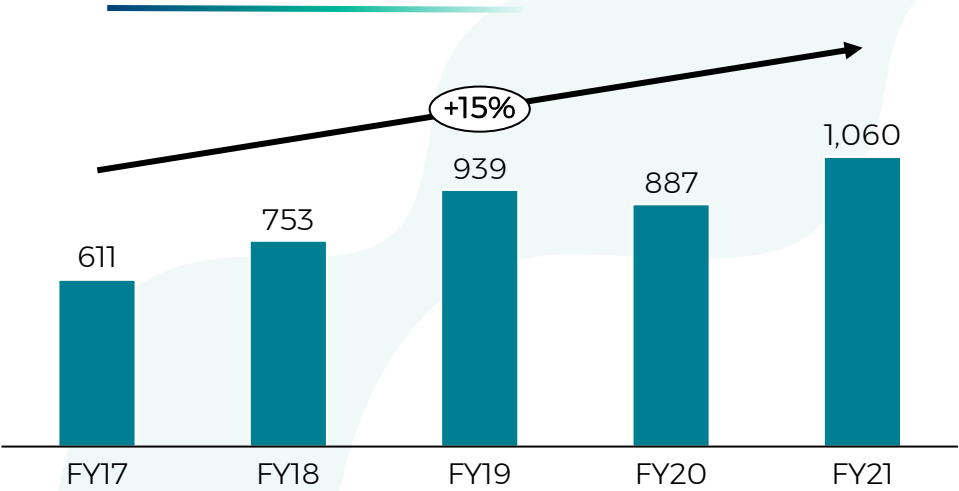


Consolidated PAT

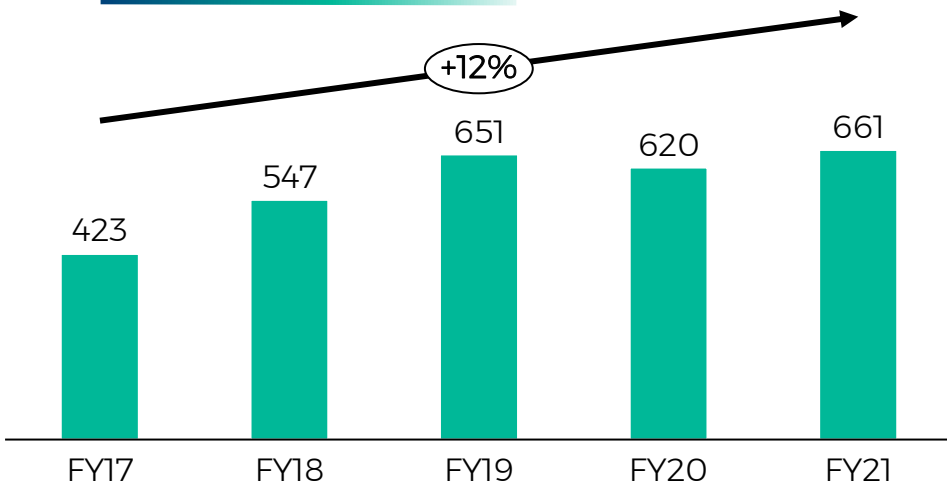


Yearly Operational Highlights

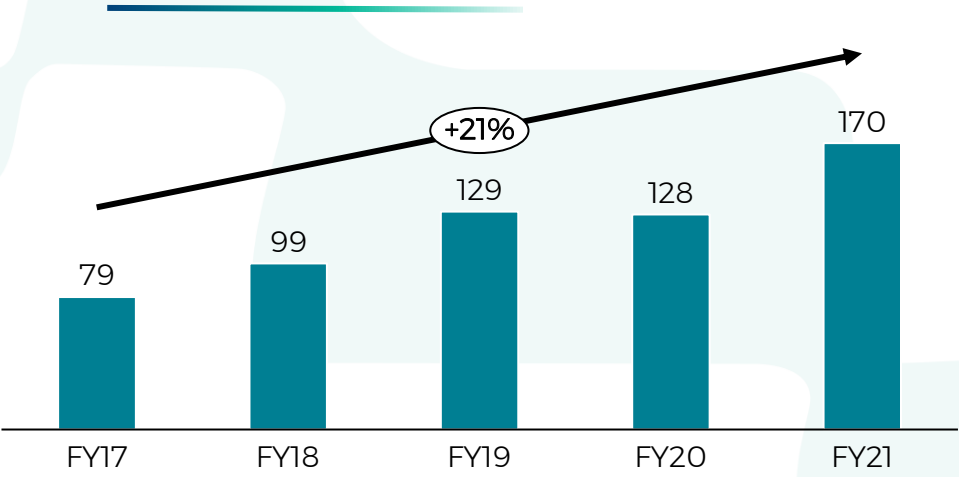
Pharmaceuticals Revenue



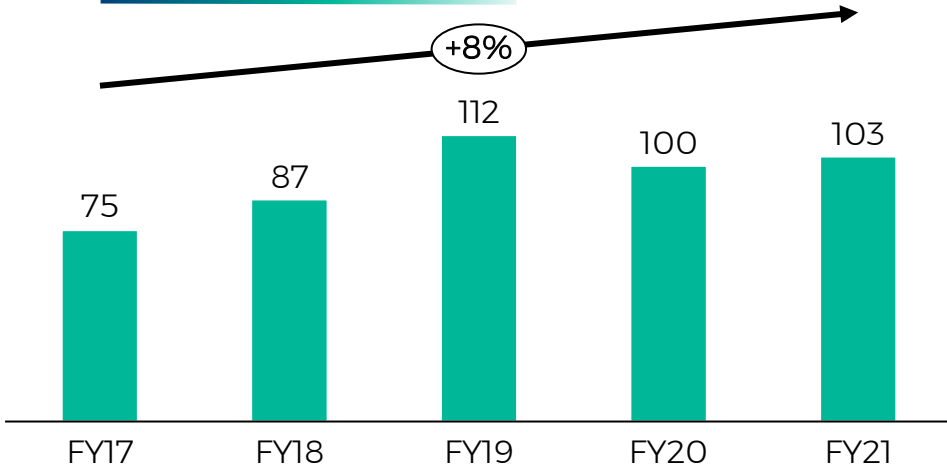
Crop Protection Revenue



Pharmaceuticals EBIT

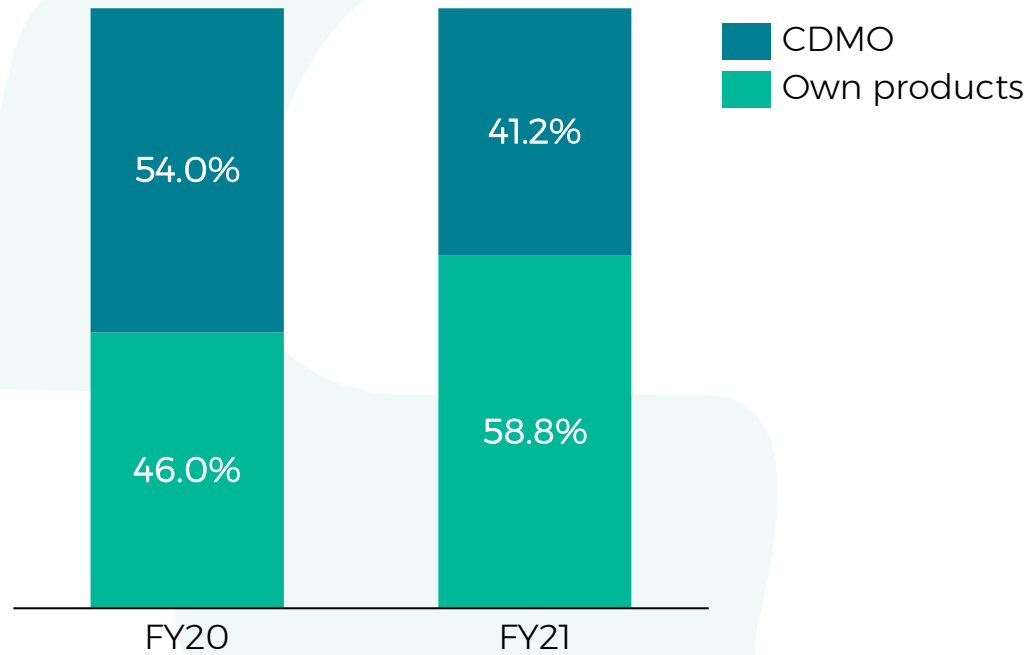


Crop Protection EBIT

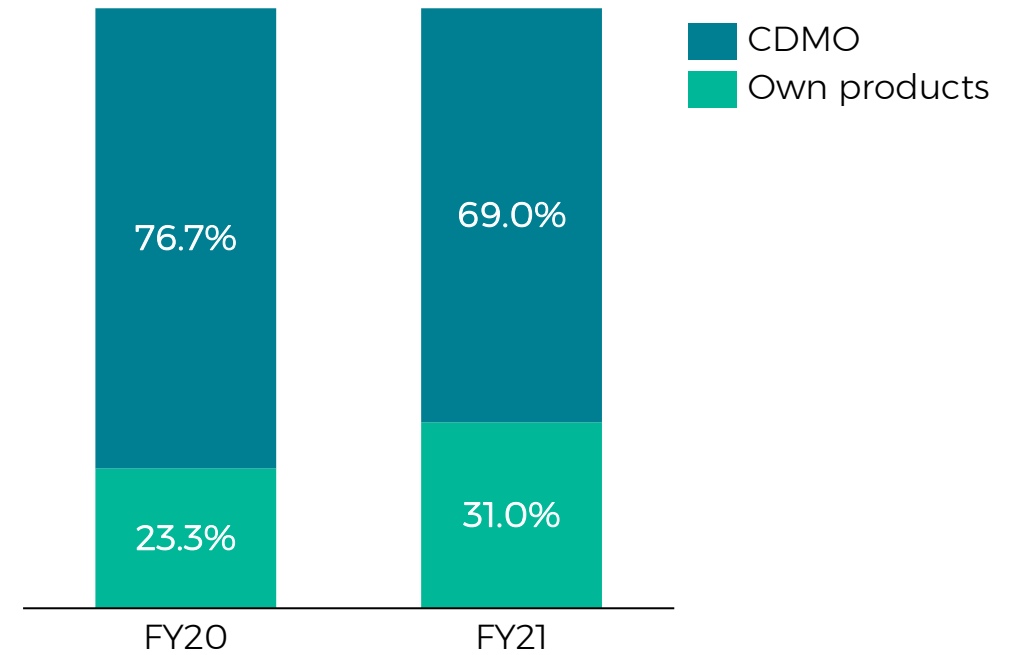


Segmental Break-Up

Pharmaceuticals Revenue Break-Up



Crop Protection Revenue Break-Up



Consolidated Profit & Loss - Quarter & Full Year



Particulars (Rs. Crore)	Q4 FY21	Q4 FY20	Y-o-Y	FY21	FY20	Y-o-Y
Net Sales	532	379	40%	1,720	1,507	14%
Expenditure	423	308		1,397	1,234	
EBITDA	109	71	55%	323	273	18%
Margin	20.5%	18.6%		18.8%	18.1%	
Other Income	3	2		5	4	
Depreciation	22	21		85	82	
Finance Costs	10	14		36	52	
Exceptional Item	-	-		-	15	
PBT	81	38	114%	206	127	63%
Tax	30	13		73	42	
Net Profit	51	24	108%	133	84	58%
Margin	9.6%	6.5%		7.7%	5.6%	

Consolidated Balance Sheet

Assets (Rs. Crore)	Mar-21	Mar-20	Equities & Liabilities (Rs. Crore)	Mar-21	Mar-20
Total Non Current Assets	1,035	993	Shareholders Fund	933	817
Property, Plant and Equipment	646	667	Share Capital	24	25
Capital work in Progress	245	152	Other Equity	909	792
Right to Use Assets	65	66	Total Non Current Liabilities	324	355
Other Intangible Assets	1	2	Financial Liabilities		
Intangible Assets Under Development	9	9	Borrowings	263	303
Financial Assets			Lease Liability	1	1
Investments	1	1	Provisions	22	18
Loans	16	15	Deferred Tax Liabilities (net)	38	33
Other	5	0	Total Current Liabilities	656	596
Income Tax Assets (Net)	2	2	Financial Liabilities		
Other Non Current Assets	45	79	Borrowings	251	258
Total Current Assets	878	775	Lease Liability	0	0
Inventories	267	313	Trade Payables	230	201
Financial Assets			Other Financial Liabilities	136	127
Trade Receivables	485	340	Other Current Liabilities	12	6
Cash & Cash Equivalentents	8	32	Provisions	4	4
Bank Balances	29	32	Current Tax Liabilities (Net)	23	0
Loans	0	0	TOTAL EQUITY & LIABILITIES	1,913	1,768
Other	0	0			
Other Current Assets	89	58			
TOTAL ASSETS	1,913	1,768			

Consolidated Cash Flow Statement

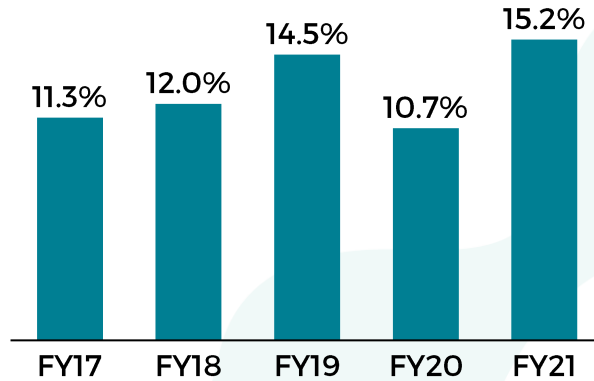


Particulars (Rs. Crore)	Full Year ended 31-Mar-21	Full Year ended 31-Mar-20
Profit before tax	206	142
<i>Adjustments</i>	127	136
Operating Profit Before Working Capital Changes	333	278
<i>Change in operating assets and liabilities</i>	(58)	46
Cash generated from operations	276	325
<i>Income taxes paid</i>	47	24
Net cash inflow from operating activities before Exceptional Item	229	300
<i>Exceptional Item*</i>	-	15
Net cash inflow from operating activities (A)	229	285
Net cash inflow/(outflow) from investing activities (B)	(156)	(164)
Net cash outflow from financing activities (C)	(97)	(101)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(24)	20
Cash and cash equivalents at the beginning of the year	32	11
Cash and cash equivalents at the end of the year	8	32

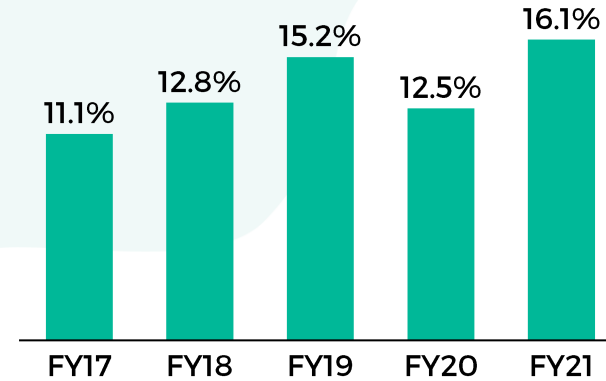
* - Exceptional item comprises customs duty Rs. 13 crores on past imports of raw materials at an Export Oriented Unit of the Company and interest of Rs. 2 crores thereon, paid during the quarter on directions of the Customs authority pursuant to Notification no. 59/2017-Customs dated June 30, 2017 issued by the Department of Revenue

Ratio Analysis

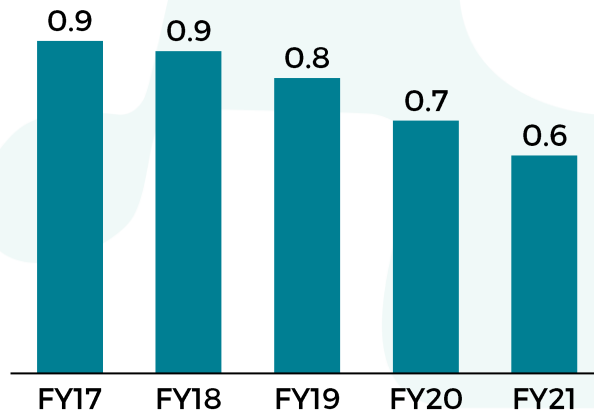
ROE



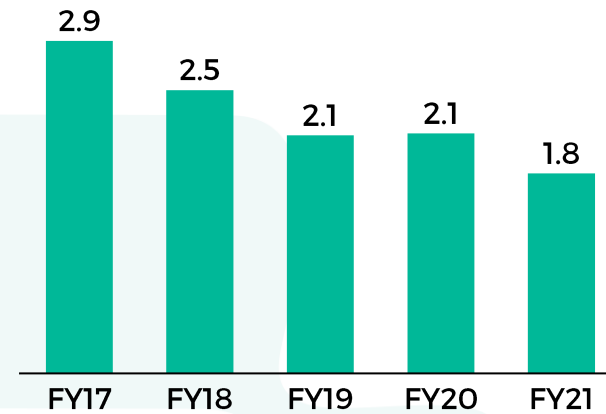
ROCE



Net Debt / Equity



Net Debt / EBITDA



Return Ratio

- We have seen a rise in our return ratios of ROE and ROCE for FY21 after a dip in the last year
- We expect our ratios to consistently show the same progress to reach the best-in-class profile

Net Debt/Equity

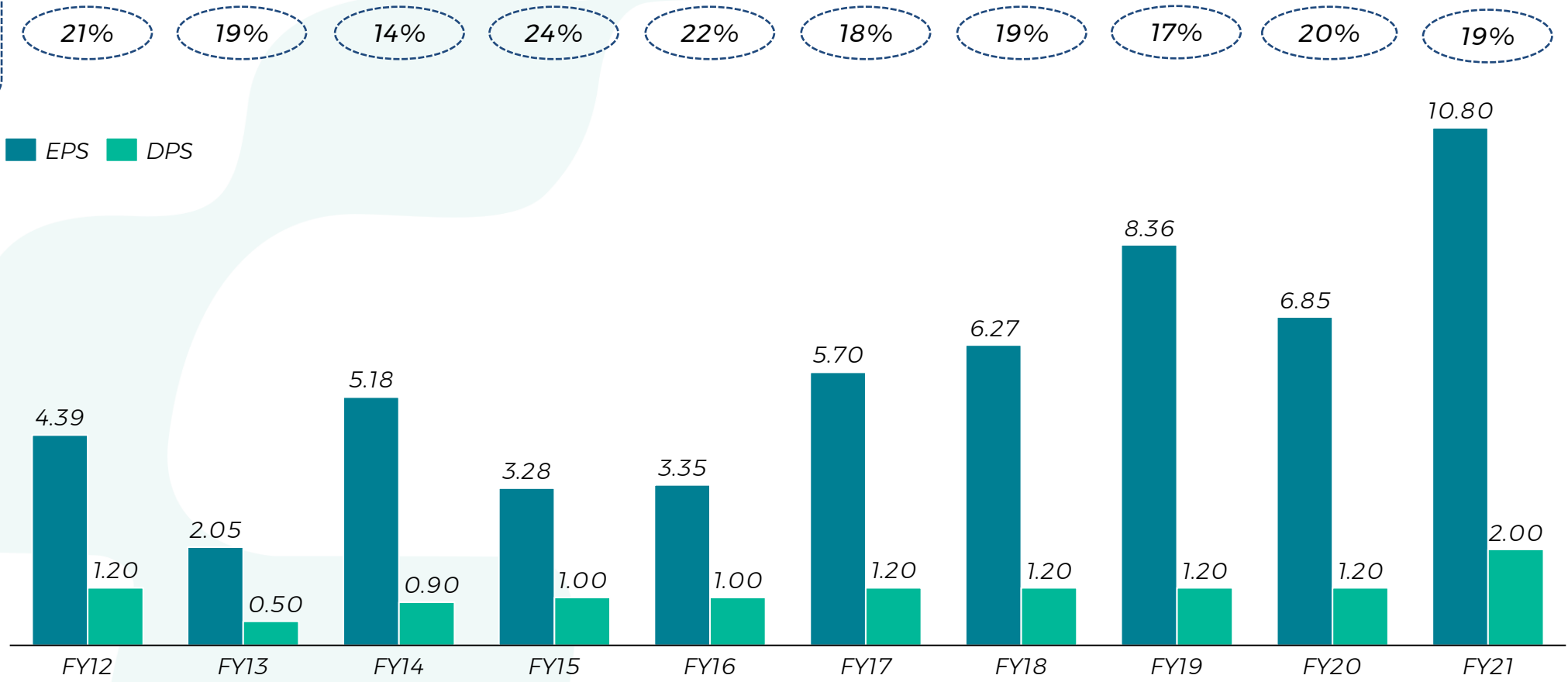
- We have been able to reduce our Net Debt/Equity ratio over the last few years
- We are at a healthy ratio of 0.6x

Net Debt / EBITDA

- Net Debt / EBITDA has reduced from 2.9x in FY17 to 1.8x in FY21

Annual Dividend Payout

Dividend Payout including DDT



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



SGA Strategic Growth Advisors

Company :

Hikal Limited
CIN: L24200MH1988PTC048028

Mr Kuldeep Jain

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HIKAL
