

## Press Release

28 July 2017

### Q1FY18 Results

	Q1FY18	Q1FY17	Growth	FY17
<b>Net Sales</b> (INR Million)	290.41	307.18	(5.46%)	1,255.79
<b>Net Profit</b> (INR Million)	61.52	59.99	2.55%	248.43
<b>EPS</b> (INR)	7.23	7.05	2.55%	29.20

### Q1 Highlights

- Hester has reported a Net Sales of INR 290.41 Million in Q1FY18 as compared to INR 307.18 for the previous corresponding period.
- Net Profit for Q1FY18 is recorded at INR 61.52 Million as against INR 59.99 Million for the previous corresponding period, thereby registering a growth of 2.55%.
- Earnings per Share for the Q1FY18 are at INR 7.23 as against INR 7.05 for Q1FY17.
- Net Profit margin for Q1FY18 is 21.18% of sales as against 19.53% in Q1FY17.

### Business Overview

- The reasons for sales drop by 5.46% are:
  - Restricted invoicing in June due to GST
  - Low chick replacement in the poultry industry
  - Product shortages
  - Tightened credit control
- Export sales grew by 11.27%, lower than expectation.
- The company improved its bottom line in Q1FY18. The main driver for the improvement, like in the last year, was better credit control.
- The company got 2 product registration certificates in Egypt and 8 product registration certificates in Cambodia in July 2017.
- The company got Loan Licenses for 23 Veterinary Pharmaceutical products in April 2017 in its subsidiary company Texas Lifesciences Private Limited and got the approval for In Vitro Diagnostic Kit of RBPT Antigen in April 2017.
- During the quarter, the Company has incorporated "Hester Biosciences Africa Limited" as a wholly owned subsidiary in Tanzania on 05 June 2017 by way of investing into equity with an objective to manufacture animal vaccines and health products in Tanzania, to cater to the whole African continent.
- Production in Nepal plant for PPR vaccine has stabilised.

The business performance seems low in terms of top line but we are confident of adhering to our forecasts for this financial year. Domestic large animal vaccines sale is forecasted to take a leap. Exports will also see a boost in the coming quarters due to additional product registrations received as well as due to our on-going process of creating a stronger penetration, particularly in Africa. We also expect bigger international tender orders in this financial year.



**Rajiv Gandhi**  
**Hester Biosciences Limited**  
**CEO & Managing director**