

Press Release

10 August 2018

Q1FY19 Results: Sales up by 32%, Profitability up by 57%

Financial Highlights

	Q1FY19	Q1FY18	Growth	FY18
Net Sales (INR Million)	382.60	290.41	32%	1352.53
Net Profit (INR Million)	96.84	61.52	57%	305.58
EPS (INR)	11.38	7.23	57%	35.92

Q1 Highlights

- Hester has reported a Net Sales of INR 382.60 Million in Q1FY19 as compared to INR 290.41 Million for the previous corresponding period, thereby registering a growth of 32%.
- Net Profit for Q1FY19 is recorded at INR 96.84 Million as against INR 61.52 Million for the previous corresponding period, thereby registering a growth of 57%.
- Earnings per Share for the Q1FY19 are at INR 11.38 as against INR 7.23 for Q1FY18.
- Net Profit margin for Q1FY19 is at 25.31% of sales as against 21.18% in Q1FY18.

Business Overview

Hester India operations

- The top-line growth can be attributed to the commissioning of the expanded capacity and shifting the focus on high value products.
- The company improved its EBIDTA and the Net Profit in Q1FY19. The main drivers for the improvement were reduction in the costs of goods sold, better inventory management, rationalising the product mix and better credit control.
- Considering the high profitability in Q1 and being reasonably confident of maintaining this level, the board declared an interim dividend of 20 percent (INR 2 per share) for the current financial year.
- Various inorganic growth opportunities in the sphere of animal health manufacturing and distribution are currently being explored. The company hopes to grow its business either towards increasing its market penetration with additional products or towards increasing the geographical market reach.

Hester Nepal operations

- Nepal plant has started generating revenues leading to a positive EBIDTA level. We hope to see a growing trend from here on.
- Hester Nepal received manufacturing and marketing authorisations for 4 additional animal vaccines

Hester Africa operations

The animal vaccine manufacturing project in Tanzania has been finalised. The first commercial batch is slated to be released in 2020 end. This plant would be the first of its kind in Africa to address many prevailing diseases in the continent. The plant is designed to generate a top-line of USD 30 million at full capacity.



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