

**Press Release**
**30 July 2020**
**Hester India Q1FY21 Sales down by 8%, Profit down by 22%**
**Financial Highlights Hester India**

(INR in Million)

Particulars	Q1FY21	Q1FY20	Growth	FY20
<b>Net Sales</b>	388.77	424.26	-8%	1,694.25
<b>Net Profit</b>	76.25	97.97	-22%	312.23
<b>EPS (In INR)</b>	8.96	11.52	-22%	36.70

**Division-wise Revenue Contribution in Q1FY21 INR Million**

Division	Q1FY21		Q1FY20		Growth
	Sales	Contribution	Sales	Contribution	
Poultry Health Care	298.25	77%	334.82	79%	-11%
Animal Health Care	68.95	18%	65.14	15%	6%
Other	21.57	5%	24.30	6%	-11%
<b>TOTAL</b>	<b>388.77</b>	<b>100%</b>	<b>424.26</b>	<b>100%</b>	<b>-8%</b>

**Profitability Analysis**

Particular	Q1FY21	Q1FY20	FY20
GP Margin	64.79%	68.85%	66.97%
EBIDTA Margin	34.25%	39.84%	31.12%
NP Margin	19.61%	23.09%	18.43%
EPS in INR Non Annualised	8.96	11.52	36.70

**Balance Sheet Analysis**

Particular	Q1FY21	Q1FY20	FY20
ROE	14.48%	20.23%	15.37%
ROCE	12.48%	25.42%	16.96%
ROI	11.19%	15.16%	11.35%

**Business Overview of Hester India**

Q1FY21 was impacted due to the pandemic situation. Most of the period in this quarter had a direct impact due to the lockdown.

- Sales progressed with an upward trend in May and June and the trend seems to be now continuing.
- Gross margins were impacted due to the changed product mix. Low value necessary products and vaccines were sold more rather than high value products.
- Expenses saw a downward trend. With the new philosophy of working, as well as reorganising our sales team during Q1, we have reasons to believe that percentage expenses will continue to reduce.
- Export targets were met with our sales being registered mainly in the month of June.

The trend seems very positive for domestic and international sales with the beginning of Q2.

Various internal steps taken in Q1 would also show impact in the coming quarters:

1. Focus has been put on health products. Health products have a bigger market than vaccines. This will surely improve the top line.
2. Though in Q1 we were compelled to sell low value products, a shift has been made towards rationalising the product mix to optimise growth and improve profitability.

The Government of India's National Animal Disease Control Program for Brucella is expected to be implemented within a few months (which was supposed to have been implemented from Feb 2020). Hester is one of the two suppliers for the Brucella vaccine.

The developmental work is on-going for the Human Covid-19 vaccine. We hope to commence animal trials by the end of this calendar year.

To summarize, the Covid-19 pandemic has been a micro as well as a macro game changer in many ways. Hester has adapted to these changes internally as well as externally to neutralise the Covid-19 impact on the business with an objective to get back on the growth plans.

### **Business Overview of Hester Nepal**

Hester Nepal has been significantly impacted due to the lockdown situation in Nepal. FAO has not tendered for PPR vaccines in Q1. We expect FAO tenders as to be floated soon and hope to get back on track with that. We would be able to make up for the poor sales in Q1 and hope to achieve the yearly targets.

#### **Financials in INR Million**

Particular	Q1FY21	Q1FY20	FY20
Net Sales	1.63	21.52	189.19
Net Profit / (Loss)	(20.83)	(11.21)	39.39

### **Business Overview of Texas Lifesciences**

1. The top line as well as bottom line has shrunk marginally due to a direct impact of lower sales at Hester India.
2. With Hester India focusing on health products, Texas has embarked on an expansion plan. Texas has raised INR 15 million through rights issue to acquire assets for increasing its production capacity.
3. We also hope to register additional products thereby achieving capacity increase as well as an increase in the range of products.
4. Texas shall continue with its objective towards supplying health products to Hester India, thereby supplementing Hester India with its growth plans.

#### **Financials in INR Million**

Particular	Q1FY21	Q1FY20	FY20
Net Sales	23.22	25.91	128.03
Net Profit / (Loss)	1.42	1.96	10.17

**Business Overview of Hester Tanzania**

Q1FY21 sales for Hester Tanzania have been in line with our expectations.

**Financials in INR Million**

Particular	Q1FY21	Q1FY20	FY20
Net Sales	6.93	3.16	27.81
Net Profit / (Loss)	3.78	0.25	(2.68)

**Business Overview of Hester Africa**

The project is on track without any significant delays and we expect to begin commercial production by the end of the third quarter.



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

[Weblink to Hester's video on Brucella Disease and Brucella Disease Vaccine](#)

Hindi version: <https://www.youtube.com/watch?v=oXIPQWjILqk>

English version: <https://www.youtube.com/watch?v=MrDQTsoxyXo>