

Press Release

6 November 2019

Q2FY20 Sales down by 3%, H1FY20 Sales up by 4%
Q2FY20 NP down by 12%, H1FY20 NP down by 6%

Financial Highlights

(INR in Million)

	Q2			H1		
	FY20	FY19	Growth	FY20	FY19	Growth
Net Sales	413.69	425.42	(3%)	837.96	808.02	4%
Net Profit	86.94	99.33	(12%)	184.92	196.16	(6%)
EPS (In INR)	10.22	11.68	(12%)	21.74	23.06	(6%)

Division-wise Revenue Contribution in Q2FY20 INR Million

Division	Q2FY20		Q2FY19	
	Sales	Contribution	Sales	Contribution
Poultry Healthcare	268.65	65%	296.18	70%
Animal Healthcare	90.88	22%	111.78	26%
Other	54.16	13%	17.46	4%
TOTAL	413.69	100%	425.42	100%

Division-wise Revenue Contribution in H1FY20 INR Million

Division	H1FY20		H1FY19	
	Sales	Contribution	Sales	Contribution
Poultry Healthcare	602.16	71%	623.19	77%
Animal Healthcare	146.49	18%	147.98	18%
Other	89.31	11%	36.85	5%
TOTAL	837.96	100%	808.02	100%

Business Overview

Hester India

Q2 and H1 results have been below budget due to the following reasons:

- A. Both divisions were impacted. In the Poultry healthcare division, high maize prices continued to impact the poultry industry. In the Animal healthcare division, while the trade business grew by 25% in Q2, purchases by various state governments has got delayed. Going further this year, the poultry industry has already started showing signs of recovery. Government purchases for animal vaccines should go as per forecasts, to be completed before the end of the financial year. Current trends of both the divisions make us believe that we shall reach our Q3 and Q4 targets.

- B. Due to increase in working capital cycle, our finance cost increased. Extra credit days have been given to customers but with great diligence. With the industrial scenario improving and our sales picking up, we hope to get back to the reduced working capital cycles.
- C. In order to go aggressively in the market, recruitments in the marketing division were done, mainly on the technical sales side. Sales results would be visible in the coming quarters, thereby reducing the personnel cost-to-sales ratio.

While the top line for the financial year would be impacted due to lower sales in Q1 and Q2, we are confident of recovering our margins, thereby assuring our profitability ratios.

Hester Nepal

- 1. Revenue for Q2FY20 was recorded at INR 15.15 Mn as against INR 0.48 Mn in Q2FY19.
- 2. Revenue for H1FY20 was recorded at INR 39.09 Mn as against INR 15.06 Mn in H1FY19.
- 3. In H1, exports grew 2 folds (FAO tender business) and domestic sales grew 10 folds.
- 4. During Q2FY20, we received additional manufacturing and marketing authorisations, thereby increasing our product range for domestic sales.
- 5. Our efforts towards creating a strong marketing and a distribution network within Nepal continue to ensure deeper penetration in the domestic market.

Texas Lifesciences

- 1. Texas has registered a sales growth of 66.29% in Q2FY20 and 74.93% in H1FY20.
- 2. During the period, and over the past two years, the performance of Texas has contributed in many ways towards the growth of Hester India.

Hester Africa

The progress of the manufacturing facility is going on as per schedule. We are currently in the construction phase. There are no noticeable delays in the project.

Hester Tanzania

- 1. Revenue for Q2FY20 has been registered at INR 8.80 Mn as against INR 0.01 Mn in Q2FY19, while revenue for H1FY20 was INR 11.99 Mn as against INR 2.84 Mn in H1FY19.
- 2. We are in the process of creating a strong distribution network in Tanzania.

Q2 & H1FY20 Key Financials

Hester INDIA

Profitability Analysis

Particular	Q2FY20	Q2FY19	Up/(Down)	H1FY20	H1FY19	Up/(Down)
GP Margin	65.58%	68.47%	(2.89%)	67.38%	67.81%	(0.43%)
EBIDTA Margin	28.38%	37.04%	(8.66%)	34.18%	37.76%	(3.58%)
NP Margin	21.02%	23.35%	(2.33%)	22.07%	24.28%	(2.21%)
EPS in INR Non-Annualised	10.22	11.68	(1.46)	21.74	23.06	(1.32)

Hester NEPAL

Financials in INR Million

Particular	Q2FY20	Q2FY19	Growth	H1FY20	H1FY19	Growth
Net Sales	15.15	0.48	3042%	39.09	15.06	159.48%
Net Profit / (Loss)	(13.34)	(41.09)		(24.54)	(45.45)	

Texas Lifesciences

Financials in INR Million

Particular	Q2FY20	Q2FY19	Growth	H1FY20	H1FY19	Growth
Net Sales	33.82	20.33	66.29%	59.73	34.14	74.93%
Net Profit / (Loss)	3.24	2.33	38.77%	5.29	3.72	41.92%

Hester TANZANIA

Financials in INR Million

Particular	Q2FY20	Q2FY19	H1FY20	H1FY19
Net Sales	8.80	0.01	11.99	2.84
Net Profit / (Loss)	3.90	(0.29)	4.11	(0.13)



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