

Press Release

23 January 2018

Q3FY18 Results: Sales up by 10%, Profitability up by 12%

Nine Months FY18 Results: Sales up by 9%, Profitability up by 21%

	FY18 - FY17 Q3 Comparison			FY18 - FY17 Nine Month Comparison		
	FY18	FY17	Growth	FY18	FY17	Growth
Net Sales (INR Million)	319.25	290.94	10%	977.69	899.83	9%
Net Profit (INR Million)	65.01	58.21	12%	215.44	178.29	21%
EPS (INR)	7.64	6.84	12%	25.33	20.96	21%

Q3 Highlights

1. Hester has reported a Net Sales of INR 319.25 Mn in Q3FY18 as compared to INR 290.94 Mn for the previous corresponding period, thereby registering a growth of 10%.
2. Net Profit for Q3FY18 is recorded at INR 65.01 Mn as against INR 58.21 Mn for the previous corresponding period, thereby registering a growth of 12%.
3. Earnings Per Share for the Q3FY18 is at INR 7.64 as against INR 6.84 for Q3FY17.

Nine Months Highlights

1. Hester has reported a Net Sales of INR 977.69 Mn in Nine months ended FY18 as compared to INR 899.83 Mn for the previous corresponding period, thereby registering a growth of 9%.
2. Net Profit for Nine months ended FY18 is recorded at INR 215.44 Mn against INR 178.29 Mn for the previous corresponding period, thereby registering a growth of 21%.
3. Earnings Per Share for Nine months ended FY18 is at INR 25.33 as against INR 20.96 for the Nine months ended FY17.

Business Overview

- The sales in the Poultry divisions grew at 9.28% while in the Large Animal divisions it grew at 22.05% in Q3FY18.
- Domestic sales grew by 10.49% while exports grew by 17.62% in Q3FY18. Exports have grown marginally, lesser than budgeted. By the end of the year, we hope to see an increase in exports as we have rationalised as well as increased our production capacities to ensure a proper flow of products for exports, besides additional registrations having been received from a few African countries.
- Nepal plant registered a turnover of INR 3.7 million for Q3FY18 and INR 9.90 million for nine months FY18. There is a net loss of INR 50.60 million for nine months FY18. Having received market authorisations just this month for selling in Nepal, the sales are forecasted to grow. Standardisation of most of the products has been completed. International tenders for PPR vaccine procurement are yet to pick up, which is the main cause for the lower sales.
- Hester's wholly owned subsidiary Hester Biosciences Africa Limited has completed the market survey. The prospects to set up an animal vaccine manufacturing unit in Tanzania seems to be emerging.



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Summary:

1. Operation of Hester India having grown by 10%, we have addressed all capacity related issues to ensure a higher growth. Geographical territories within India have been added in the large animal divisions. Domestic tender business in Q4 would also lead the sales in the large animal vaccine division.
2. Operations of Hester Nepal though slow, they would pick up with the flow of international tenders.



Rajiv Gandhi
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CEO & Managing Director