

## Press Release

8 June 2021

**Q4FY21 Sales up by 52%, FY21 Sales up by 23%**

**Q4FY21 Net Profit up by 77%, FY21 Net Profit up by 28%**

### Financial Highlights (Standalone)

INR in Million

Particulars	Q4			12 Months		
	FY21	FY20	Growth	FY21	FY20	Growth
Net Sales	631.58	414.32	52%	2084.77	1694.25	23%
Net Profit	88.59	50.03	77%	399.01	312.24	28%
EPS in INR	10.41	5.88	77%	46.90	36.70	28%

### Division-wise sales in INR Million

Particulars	Q4			12 Months		
	FY21	FY20	Growth	FY21	FY20	Growth
Poultry Healthcare	476.21	302.55	57%	1513.97	1207.15	25%
Animal Healthcare	86.79	74.25	17%	395.07	333.08	19%
Other	68.58	37.52	83%	175.73	154.02	14%
<b>TOTAL</b>	<b>631.58</b>	<b>414.32</b>	<b>52%</b>	<b>2084.77</b>	<b>1694.25</b>	<b>23%</b>

### Profitability Analysis

Particular	Q4FY21	Q4FY20	FY21	FY20
Gross Profit Margin	57.14%	65.71%	61.95%	66.97%
EBIDTA Margin	32.62%	24.78%	34.53%	31.12%
Net Profit Margin	14.03%	12.07%	19.14%	18.43%

### Balance Sheet Analysis

Particular	Q4FY21	Q4FY20	Up/(Down)	FY21	FY20	Up/(Down)
ROE	14.92%	9.85%	<b>5.07%</b>	16.79%	15.37%	<b>1.42%</b>
ROCE	28.65%	12.98%	<b>15.67%</b>	25.90%	17.63%	<b>8.27%</b>
ROI	12.57%	7.22%	<b>5.35%</b>	14.15%	11.26%	<b>2.89%</b>

## **Business Overview of Hester India for FY21**

### Quantitative review

1. The year FY21 has been in line with the financial forecasts and the budgets. During FY21, the overall topline grew by 23% compared to the topline of FY20.
  - a. Domestic sales have registered a growth of 55% in Q4FY21 and 29% in FY21. There was a steep rise in local demand, mainly for the poultry vaccines and health products. Bird-flu incidences in the poultry led towards heavy usage of preventive and curative medication which led an increase in the demand.
  - b. Export sales have registered a marginal growth of 3% in Q4FY21 and a marginal degrowth of 4% in FY21. The main reason for the exports remaining flat in the year was a more or less stand-still in airlines cargo movement due to covid
2. While quarter to quarter gross margins have always been oscillating within a band, the overall year's EBITDA margins have improved.

### Qualitative review

1. Rationalising of product mix continued during the year, besides adding newer products.
2. Marketing and administrative expenses continued to show a downward trend, thereby ensuring a healthier bottom line.

### Dividend for the year FY21

The Board of directors has recommended a dividend of INR 10.00 per equity share (100%) for FY21, subject to the approval of the shareholders. This dividend recommendation is in line with the company's dividend policy to distribute a minimum of 18% of the PAT.

### Going Further

1. Registration process continues for the Classical Swine Fever vaccine, Lumpy skin disease vaccine and Sheep Pox vaccine. We hope to commence the commercial production and marketing for all the three vaccines by December 2021.
2. The recently launched Herbal products division is expected to give substantial results in increasing the top-line this financial year.

*The over-all poultry and animal health business of Hester is slated to grow at a faster rate than what it has been growing in the last few years. This growth will be due to increase the product range as well as due to adding geographical territories.*

## **Status on Hester's initiatives in developing Covid-19 vaccine**

### Collaboration with IIT Guwahati

- On 15 April 2020, Hester signed an agreement with IITG to develop a vaccine against Covid-19.
- IITG is working towards developing the recombinant vaccine candidate, based on which, Hester shall take the project further from developing the master seed up to commercially manufacturing the vaccine.

### MOU with Bharat Biotech

- On 27 May 2021, an MOU was signed between Bharat biotech and Gujarat Covid Vaccine Consortium (GCVC) of which Hester is a part.
- The MOU was towards contract manufacturing of the Drug Substance for Covaxin, for Bharat Biotech.
- Hester shall provide the complete infrastructure at its Gujarat plant for the manufacturing of the Drug Substance.
- The project is progressing as per the timeline.

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

FY21 has not been as per the expectations. Due to the pandemic, FAO tendering for PPR has been very low, notwithstanding the restrictions in air shipments for vaccines supplies, internationally.

Financials in INR Million

Particular	Q4FY21	Q4Y20	FY21	FY20
Net Sales	4.19	116.44	47.51	161.80
Net Profit / (Loss)	6.81	57.75	(9.73)	39.39

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

Texas Lifesciences has continued to show growth in the topline and profit. We are in process of expanding the capacity for Texas and making further improvements in the manufacturing process to increase the over-all efficiency.

Financials in INR Million

Particular	Q4FY21	Q4FY20	FY21	FY20
Net Sales	66.95	34.95	180.01	128.03
Net Profit / (Loss)	3.76	0.19	13.46	10.17

### **Business Overview of Hester Tanzania**

Company is in process of establishing additional sales and distribution networks keeping in focus the demands from Tanzanian market as well as of the East African countries.

Financials in INR Million

Particular	Q4FY21	Q4FY20	FY21	FY20
Net Sales	8.70	6.17	40.88	27.03
Net Profit / (Loss)	(1.17)	(16.00)	(3.88)	(2.68)

### **Business Overview of Hester Africa**

The project construction is near completion. The commercial production is expected to start by September 2021.



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**CEO & Managing Director**