

HESTER

The Value of Diversity



Hester Biosciences Limited
32nd Annual Report 2018-19



Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This Report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

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FY 2018-19 highlights

₹1,711.87 ^{↑27%*} **million**

Net Sales

₹438.52 ^{↑44%*} **million**

Profit After Tax (PAT)

₹51.55 ^{↑44%*}

Earnings Per Share (EPS)

* y-o-y growth

500+

Distributors in India

30+

Countries present in

2

Manufacturing facilities



Delivering through differentiation

In today's transformational business environment, diversity is the way forward for a fulfilling customer experience. At Hester Biosciences (Hester), we acknowledge this reality and are strengthening the diversity of our offerings.



Our broad portfolio of products, backed by in-house manufacturing, research and strong service, form the backbone of our continuing success. On the back of our well-connected marketing network domestically and internationally, we aspire to further expand our footprint and grow our product portfolio to cater to all sectors of animal healthcare. Focusing on our customers' evolving needs inspires our most inventive solutions. We are, therefore, committed to creating long-term value for all our stakeholders through decisive steps on strengthening operations, supplementing success and creating growth avenues for our partners. Walking on these steps has led us on a journey to create sustainable, profitable growth through a risk-focused business model.

Marching forward on the journey of growth, we are focused on bolstering capabilities and capacities to capitalise on

the emerging market opportunities. Our R&D expertise, customer-centric approach and commitment to superior quality are the principal business drivers that help us deliver continuously on our mission of providing better health for human beings through healthier animals.

We have invested persistently in our operations, workforce, technology and distribution channels during the year. We are strengthening scale, and enriching our product basket and services to meet the critical requirements of a global client base. Our strategies are translating into positive outcomes across markets – a testimony that our efforts are in the right direction.

We will continue to offer customised, responsible solutions to our customers through our state-of-the-art offerings, thereby incorporating the value of diversity in our business.

Introducing Hester

Staying ahead of competition through diversification

Hester Biosciences is one of India's leading animal healthcare companies and second-largest poultry vaccine manufacturer.

Our products, across the four verticals of Poultry Vaccines, Animal Vaccines, Poultry Health Products and Animal Health Products, aim at improving the health of animal species, and monitoring and preventing animal diseases. We are a WHO GMP, GLP, ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007 certified Company. Our R&D department is recognised and approved by the Department of Scientific & Industrial Research (DSIR).

We have a diverse product portfolio, with over 50 vaccines and 35 health products. Our products are registered with various countries and international agencies, have received wide acceptance and are marketed across India as well as in several other countries internationally. Over the years,

we have regularly launched new products according to the varying needs of our customers, changes in the disease pattern and have expanded our geographical presence in various countries, including Africa. Our joint venture with Golchha Organisation, Hester Biosciences Nepal Private Limited (HBNPL), is engaged in the manufacturing of large animal vaccines, complementing the Indian operations.

Leveraging our key strengths of cutting-edge R&D capabilities, we are well-prepared to unlock the untapped potential of the growing animal vaccine market across the globe.

Mission

**Better health for
human beings through
healthier animals**

Vision

**Building the future
on a foundation
of excellence**

Core Values

 **Integrity**

 **Discipline**

 **Innovation**

 **Trust**

 **Passion**

Our Key Strengths

Diversified product portfolio

Hester offers 46 types of poultry vaccines in single and combination varieties: 3 types of large animal vaccines, and a large range of medicines, feed supplements and disinfectants for poultry as well as large animals. The products are a strategic mix of volume and value proportions.

Modern and regulatory compliant capacities

Hester owns and operates Asia's largest single-location animal biological manufacturing facility in Gujarat, benchmarked with international quality compliance standards. We also have another plant in Kathmandu, Nepal. Through our robust framework, we implement uniform manufacturing standards across all our facilities to achieve standardised product quality for all our markets.

Robust compliance

We have progressively reinforced our compliance in line with the demanding standards in regulated markets. We are strengthening this culture of compliance through consistent investments in people, technologies and processes.

Strong R&D capabilities

Research is a key catalyst that drives our vision of becoming a respected, profitable and integrated global animal healthcare company. Our dedicated R&D team is committed to this vision. They provide a spectrum of services encompassing technical service, applications, development and research. Leveraging global knowledge across markets, our team develops processes and products to create a diverse range of cost-effective vaccines.

Experienced promoters and a dynamic team

Promoters with 36+ years of experience drive our team of over 400 dedicated employees with their vision and strategies for value creation in an evolving regulatory scenario. Our key operational personnel have extensive knowledge and understanding of the global generic pharmaceutical business environment. They are also skilled to innovate and organically scale up the business.

**We are Asia's largest
single-location animal
biological manufacturing
facility**

**We are one of India's
leading animal
healthcare companies**

Services



**seroprofiling for
poultry flocks**



**mastitis control
programmes for cattle**

Introducing Hester *Continued*

Operational highlights

Products

2

New products launched
in the domestic market

5

Products renewed
in 2 countries

64.33 million

Doses of Peste Des Petits
Ruminants (PPR) vaccine supplied
to state governments

4.53 billion

Doses of vaccines
manufactured

Inactivated Vaccine

Production expansion is under commission