



HESTER

Hester Biosciences Limited

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CIN L99999GJ1987PLC022333

2 August 2024

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001

Scrip Code: 524669

To,
National Stock Exchange of India Limited
Exchange Plaza,
Bandra - Kurla Complex,
Bandra (E), Mumbai 400 051

Symbol: HESTERBIO

Dear Sir/ Madam:

Subject: Outcome of Board Meeting and submission of unaudited Standalone and Consolidated Financial Results for the quarter ended 30 June 2024

This is with reference to our letter dated 25 July 2024 intimating the date of the Board Meeting for consideration of the unaudited standalone and consolidated financial results for the quarter ended 30 June 2024.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to inform you that Board of Directors, in their Meeting held today, have approved the unaudited Standalone and Consolidated Financial Results for the quarter ended 30 June 2024, as recommended by Audit Committee.

We attach herewith:

- 1) The approved unaudited standalone and consolidated financial results and limited review reports
- 2) A Press Release issued in this regard

We will be publishing an extract of the results in the newspaper as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board Meeting commenced at 10:30 a.m. (IST) and concluded at 11:05 a.m. (IST).

You are requested to take the above information on your record.

Sincerely
For Hester Biosciences Limited

Vinod Mali
Company Secretary & Compliance Officer

Enclosure: As above

Press Release

2 August 2024

Hester Biosciences Q1 FY25 Results

Q1 FY25 Standalone Divisional Product sales up by 37% & Profit up by 30%

Q1 FY25 Consolidated Divisional Product sales up by 35% & Profit up by 9%

Hester today announced the unaudited financial results for Q1 FY25.

Standalone Financial Highlights

Revenues

Divisions	Q1			(₹ Million)
	FY25	FY24	Change %	FY24
Animal Healthcare	316.60	224.66	41%	1,108.94
Poultry Healthcare	407.70	302.88	35%	1,437.69
Petcare	10.36	8.02	29%	26.41
Total Divisional Product Sales	734.66	535.56	37%	2,573.03
Others* (one time)	-	267.89	-	267.89
Total Sales	734.66	803.45	-9%	2,840.92
License & services fees	-	-	-	10.63
Revenue from Operations	734.66	803.45	-9%	2,851.55

* includes exports of other pharmaceutical products

The divisional performance has demonstrated growth in the current quarter compared to Q1 FY24, with sales increasing by 37%.

The overall sales show a decrease of 9% quarter-on-quarter, primarily attributed to the one-time sales of other pharmaceutical products in Q1 FY24.

Animal Healthcare Division

In Q1 FY25, the Animal Healthcare Division experienced a growth of 41% driven by:

Strong Domestic Trend in the Dairy Sector:

1. The overall good domestic trend in the dairy sector, characterised by higher consumption of milk and milk products, has positively impacted sales.
2. Sales of mineral supplements and intramammary products witnessed substantial growth.

Focus on Key Brands:

1. In an effort to enhance brand equity and profitability, Hester concentrated on five key product brands within the trade market.
2. This strategic focus resulted in an 8% growth in key product brand sales during the quarter.

Increased Focus on Disease Prevention:

Vaccine sales experienced a two-fold increase during the quarter due to:

1. Our increased vaccine sales in the domestic trade market.
2. The government's heightened emphasis on disease prevention, combined with our active participation in these programs, positively impacted our sales of vaccines for PPR and GPV (used to immunise cattle against Lumpy Skin Disease).

Poultry Healthcare Division

In Q1 FY25, the Poultry Healthcare Division achieved a growth of 35% driven by:

Capitalising on Core Strengths:

Hester effectively capitalised on its core strength in vaccines through targeted marketing efforts. This strategic focus was supported by favourable sentiments in the poultry industry, including increased demand for eggs and poultry meat coupled with lower feed costs. Sales of vaccines grew by 41%.

A newly launched variant of the Newcastle Disease Vaccine also played a role in driving this growth trajectory.

Petcare Division

In Q1 FY25, the Petcare Division achieved a growth of 29% driven by:

- Increased penetration among vet clinics, resulting in more recommendations and prescriptions of Hester product brands to pet owners.
- Key contributor attributions:
 - Parasiticide range: 30% growth
 - Anti-inflammatory range: 55% growth
 - Anti-infective range: 27% growth

These increases were influenced by seasonal demand and focused promotional efforts.

Standalone Profitability Analysis

(₹ Million)

Divisions	Q1			FY24
	FY25	FY24	Change %	
Gross Profit margin	69%	57%	^ 12%	65%
EBITDA	145.54	122.24	^ 19%	516.03
EBITDA%	20%	15%	^ 5%	18%
PAT	84.32	64.71	^ 30%	271.59
PAT%	11%	8%	^ 3%	10%
EPS (In ₹, not annualised)	9.91	7.61	^ 30%	31.93

1. Hester focused on higher-margin products and solutions in Q1 FY25, leading to a significant rise in gross profit margin from 57% to 69%.
2. Increased revenue from divisional product sales allowed for better absorption of fixed costs, resulting in a 5% improvement in EBITDA%.
3. Overall absolute PAT increased by 30% and PAT% ratio increased by 3%, reflecting improved operational efficiency.

Consolidated Financial Highlights

(₹ Million)

Particulars	Q1			FY24
	FY25	FY24	Change %	
Divisional Product sales	822.67	610.64	35%	2,777.57
Revenue from operations	822.67	878.53	-6%	3,045.46
EBITDA	197.35	168.79	17%	689.02
EBITDA%	24%	19%	5%	23%
PAT	74.86	67.10	9%	211.66
EPS (In ₹, not annualised)	8.56	7.89	9%	24.88

Consolidated results include operations of subsidiaries from Nepal and Tanzania

1. Hester Nepal achieved a turnover of ₹63.20 million in Q1 FY25 compared to ₹65.38 million in Q1 FY24, with a net profit of ₹27.29 million in Q1 FY25 versus ₹36.68 million in Q1 FY24. The subsidiary successfully executed export orders against government tenders and met domestic vaccine needs, demonstrating growth potential. It generated positive cash flows, fully repaid all term loans on 30 June 2024, and had a net debt of nil as of that date.
2. Hester Africa registered a turnover of ₹27.98 million in Q1 FY25 compared to ₹17.50 million in Q1 FY24. The EBITDA turned around from negative ₹9.50 million to a positive ₹3.7 million, although the quarter ended with an overall loss of ₹49.77 million, primarily due to depreciation and unrealised foreign exchange fluctuations. Hester Africa is actively participating in international tenders and generating trade demands across various African countries. The awareness and demand for vaccines overall has shown an increasing trend.

Way Forward

We will continue to build on the positive trend of enhancing our bottom line by focusing on high-margin products and improving operational efficiency. Within our divisions, we plan to balance our emphasis across various segments beyond vaccines and introduce new solutions. All three segments—poultry, animal, and pet health-care; all are showing promising growth with increasing demand. We are prepared to be agile and responsive to meet these growing needs effectively.

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About Hester Biosciences Limited:

Hester Biosciences Limited is one of the India's leading animal health company, manufacturing vaccines and health products since 1997. Hester has three divisions:

1. Poultry Healthcare division
2. Animal Healthcare division
3. Petcare division

- It is the world's largest manufacturer and supplier of PPR vaccine, having approximately 75% of the world market.
- It has over 70% market share in Goat Pox vaccine in India which is being used to immunise cattle against Lumpy Skin disease.
- It is the second largest poultry vaccine manufacturer, with approximately 35% market share in India.

Hester's vaccine capabilities include multiple platforms such as Chick Embryo Origin, Continuous Cell line, Tissue Culture and Fermentation based live as well as inactivated vaccines.

Hester recognises the vision of ONE HEALTH, and works on improving the health of animals by enabling better health for human beings.

For more information, please visit www.hester.in