

HESTER

Hester Biosciences Limited

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CIN L99999GJ1987PLC022333

31 January 2022

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

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

Scrip Code: 524669

Symbol: HESTERBIO

Dear Sir / Madam:

Subject: Outcome of Board Meeting

This is with reference to our letter dated 20 January 2022 intimating the date of the Board Meeting for consideration of the Standalone and Consolidated Unaudited Financial Results for the quarter and nine months ended 31 December 2021.

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 Standalone and Consolidated Unaudited Financial Results for the quarter and nine months ended 31 December 2021, as recommended by Audit Committee.

We attach herewith:

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

We would be publishing the extract of 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 11:00 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

Press Release**31 January 2022****Hester Biosciences Limited Q3 and 9M FY22 Results****Sales up by 9% and 23% for Q3 and 9M FY22, respectively**

Hester Biosciences Limited announced the financial results of Q3 and 9M of FY 2021-22. The company achieved an improved operational and financial performance in the period as compared to the corresponding period last year.

The company is constantly investing in geographical market expansion and manpower to achieve the budgeted top-line along with expanding the existing production capacity, a part of which, will be ready from the next quarter.

Financial Highlights (Standalone)**(INR Million)**

Particulars	Q3			9M		
	FY22	FY21	Growth	FY22	FY21	Growth
Revenue from operations	540.01	528.18	2%	1,691.00	1,453.19	16%
Net Profit	105.58	132.91	(21%)	345.69	310.43	11%
EPS (In INR) (not annualised)	12.41	15.62	(21%)	40.64	36.49	11%

- Domestic sales have registered a growth of 3% in Q3 FY22, and 24% in 9M FY22.
- Exports have increased by 88% in Q3 FY22 and 14% in 9M FY22.
- Overall, the sales grew by 2% in Q3 FY22, and 16% in 9M FY22, as compared to the corresponding period(s).

Division-wise Revenue Contribution**(INR Million)**

Particulars	Q3			9M		
	FY22	FY21	Growth	FY22	FY21	Growth
Poultry Healthcare	416.50	396.09	5%	1,274.88	1,037.77	23%
Animal Healthcare	123.51	98.97	25%	379.63	308.27	23%
Product Sales	540.01	495.06	9%	1,654.51	1,346.04	23%
License fees & services	-	33.12	-	36.49	107.15	(66%)
TOTAL	540.01	528.18	2%	1,691.00	1,453.19	16%

- The revenue during the corresponding previous quarter (Q3 FY21) included a one-time license fee and services of INR 33.12 million against which there is no income in the current year. This has an impact of 6% on margins during that period.

Product-wise Revenue Contribution

(INR Million)

Particulars	Q3			9M		
	FY22	FY21	Growth	FY22	FY21	Growth
Vaccines	386.29	386.82	0%	1,274.88	1,037.77	16%
Health Products	153.72	108.24	42%	379.63	308.27	49%
Total Sales	540.01	495.06	9%	1,654.51	1,346.04	23%

- Overall, the sales of vaccines have remained the same in Q3 FY22, but have registered a growth of 16% in 9M FY22. Last year around Q2, Q3 and Q4, there were major disease outbreaks in the poultry industry which led to a spurt in the demand for poultry vaccines. While our vaccines kept the poultry industry immunised from the disease in the last financial year, the over-all poultry health situation has been better this year, thereby registering a normal growth.
- The sales of health products have registered a growth of 42% in Q3 FY22 and 49% in 9M FY22.

Profitability Analysis

Particular	Q3FY22	Q3FY21	Up/(Down)	9MFY22	9MFY21	Up/(Down)
Gross Profit Margin	57.62%	68.22%	(10.60%)	59.37%	64.04%	(4.67%)
EBITDA Margin	28.21%	38.97%	(10.77%)	29.87%	35.35%	(5.48%)
Net Profit Margin	19.55%	25.16%	(5.61%)	20.44%	21.36%	(0.92%)

- On the account of COVID restrictions during Q3, there was a reduction in the expenses for traveling and conveyance, which has contributed for better margins in that period.
- There has been an increase in the bottom-line for the period of nine months. This has mainly been the result of focusing on the manufacturing expenses and effective fund management.

Balance Sheet Analysis

Particular	Q3FY22	Q3FY21	Up/(Down)	9MFY22	9MFY21	Up/(Down)
Return on Equity	16.03%	20.18%	(4.15%)	17.50%	18.05%	(0.55%)
Return on Assets	11.99%	15.10%	(3.10%)	13.09%	14.41%	(1.32%)

Subsidiaries Results Analysis

- The manufacturing plant at Hester Africa has started the production of vaccines against PPR and CBPP. This project will enable Hester to become a leading player in Africa and contribute significantly towards the social as well as economic growth of Tanzania and of the African continent, besides adding to the top-line and bottom-line of Hester.
- With the increase in the healthcare business, Texas Lifesciences is showing a constant growth in top-line as well as bottom-line, and we are expecting the same to continue for the rest of the year.
- Hester Nepal has seen a turnaround with the execution of export orders. Further, we are expecting to achieve a higher turnover once the FAO tender for the PPR vaccine worldwide comes through. This is expected to come by the end of Q4FY22.

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Other developments

1. The development of vaccines against Classical Swine Fever (CSF), Lumpy Skin Disease (LSD) and Sheep Pox is going as per the timeline and the commercial production is expected to start by Q1FY23.
2. The company is all set to launch the modified Inactivated Coryza Vaccine (an advanced version of the conventional Coryza Vaccine from the existing poultry vaccine portfolio) by the end of Q4 FY22.
3. The PPR national tender has been awarded to the company by the Department of Animal Husbandry and Dairying (DAHD) for the eradication of the PPR disease nationally. Under this program, the company will supply the PPR vaccine throughout the country for two years. This will come into implementation by Q4 FY22, giving a significant growth in FY23. The tendered supplies would be for 200 million doses in two years.
4. In order to grow and expand the Animal Healthcare division further, the company is in the process of expanding the existing product portfolio, wherein a range of therapeutic products will be introduced by the end of Q4.
5. The company is in the final stage of launching the pet division, in terms of identifying the geographies and products. The aim is to commercialise the division by the end of Q4 FY22. The company has started the process of recruitment for the pet division.
6. The capacity enhancement projects mentioned earlier are well executed within the declared the timeline:
 1. The increase of the bulk antigen production capacity for animal vaccines, will be completed before the end of Q4FY23.
 2. Creation of the fill-finish line for animal vaccines, will be completed by Q3 FY23.

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

- The company, along with Gujarat Biotechnology Research Centre (GBRC), Government of Gujarat (GoG), has entered into a licensing agreement with Bharat Biotech to manufacture the Drug Substance for *Covaxin*.
- The company is currently building the BSL-3 facility suitable for manufacturing the Drug Substance for *Covaxin*. The construction is going to be completed by Q4FY22.
- The project is progressing well as per the timeline to manufacture up to 7 million doses per month, equivalent Drug Substance for Bharat Biotech.
- The impact on the top-line could be up to over a 100% growth, with this project going on-stream.

About Hester Biosciences Limited:

Hester Biosciences Limited is a leading animal healthcare company engaged in manufacturing and marketing of animal vaccines and healthcare products. The company operates with a singular focus of improving the health of animals, monitoring and preventing diseases in them, thereby enabling better health for human beings.

The company is progressing through innovation and building capacities to unlock untapped potential and also aims to play a bigger role in strengthening the livestock industry in India and contributing to the nation's development.

For more information, please visit www.hester.in