

8 August 2023

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

Scrp Code: 524669**Symbol: HESTERBIO****Dear Sir/ Madam:****Subject: Outcome of Board Meeting**

This is with reference to our letter dated 31 July 2023 intimating the date of the Board Meeting for consideration of the unaudited standalone and consolidated financial results for the quarter ended 30 June 2023.

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 2023, 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 11:03 a.m. (IST) and concluded at 12:01 p.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

8 August 2023

Hester Biosciences Q1 FY24 Results

Standalone Revenue growth of 59%, PAT up by 29%

Consolidated Revenue growth of 73%, PAT up by 88%

Hester today announced the unaudited financial results for Q1 FY24.

Standalone Financial Highlights

Revenues

(₹ Million)

Divisions	Q1			FY23
	FY24	FY23	Change %	
Animal Healthcare	224.66	116.62	93%	992.81
Poultry Healthcare	302.88	348.35	-13%	1,391.70
Petcare	8.02	0.82	878%	17.67
Others*	267.89	-	-	88.69
Product Sales	803.45	465.79	72%	2,490.87
License & services fees	-	39.49	-100%	49.13
Revenue from Operations	803.45	505.28	59%	2,540.00

* includes exports of other pharmaceutical products

Animal Healthcare Division

The Animal Healthcare division grew by 93%. The increase in domestic sales of this division is attributed to:

1. A boost in demand for Goat Pox Vaccine (GPV) consequent to the Government advisory to carry out the annual preventive vaccination program for Lumpy Skin Disease (LSD) in cattle as well as towards the sale of PPR vaccine towards the National PPR Immunization program of GoI.
2. The continued growth in sales of health products resulting from the earlier investments in expansion of sales force, territorial expansion and new product introductions.

Poultry Healthcare Division

The Poultry Healthcare division experienced de-growth of 13% in sales of Q1. Domestic sales continued to be hit due to by the recession in the poultry industry, though it is now showing an upward trend.

Petcare Division

Petcare division which was launched last year, has registered promising sales of ₹ 8.02 Million in Q1 FY24. Petcare products have been well received in the market as reflected by a steady upward trend in month-on-month sales.

Other Pharmaceuticals Products

During the period, the Company has exported other pharmaceutical products aggregating to ₹ 267.89 Million.

Profitability Analysis

(₹ Million)

Divisions	Q1			FY23
	FY24	FY23	Change %	
Gross Profit margin	57%	64%	-7%	68%
EBITDA	113.65	91.98	24%	548.86
PAT (excl. OCI)	64.71	50.05	29%	323.42
EPS (In ₹, not annualised)	7.61	5.88	29%	38.02

- Overall gross profit margin of Q1FY24 reduced by 7% due to the change in product mix. Health products and other pharmaceutical products contributed 56% of total sales in Q1 FY24, as compared to 34% in Q1 FY23. Health products have a lower margin.
- EBITDA for Q1FY24 has improved by 24% over Q1FY23 due to healthy growth in overall sales.

Other Updates:Vaccines sales:

- Immunization program against Lumpy Skin disease has been embarked on by all states. Supplies have started, we hope to sell 50 to 60 million doses in this immunisation program in the next three quarters.
- Hester has commenced the supply of PPR vaccines under the National Immunization program. The contract is for supply of 300 million doses of PPR vaccine, to be completed by October 2024.

Health products sales

- With the current change in the drug regulations banning Ketoprofen for animal use, two of our health products; Curx injection & Isomuvet have been impacted. The total sales of these two products were ₹ 50 million in FY23. While we shall continue with our brands, we are redefining the formulations for both these products.
- We have introduced three new health products in the Poultry Healthcare Division. The sales are going as per forecast.

Production and capacity expansion initiatives

The Fill-finish facility (Drug Product) has been completed and is currently under regulatory approval process. This expansion, along with the already completed expansion of Bulk Antigen (Drug Substance) production capacity, will double the production capacity in vaccines.

Status of Hester's initiative for manufacturing the Drug Substance for Covid-19 vaccine

Having received the regulatory approval for the BSL-3 facility we are in the process of re-purposing the facility to some other human or veterinary vaccine. The facility is suitable for manufacturing the bulk antigen (Drug Substance) for many vaccines. We are currently evaluating the market. We also await the approval from BIRAC for re-purposing the facility.

Consolidated Financial Highlights

(₹ Million)

Divisions	Q1			FY23
	FY24	FY23	Change %	
Revenue from operations	878.53	506.95	73%	2,660.91
EBITDA	143.63	74.30	93%	506.09
PAT (excl. OCI)	67.10	35.60	88%	280.35
EPS (In ₹, not annualized)	7.89	4.19	88%	32.96

Consolidated results include operations of subsidiaries from Nepal and Tanzania

- Hester Nepal had a turnover of ₹ 65.38 million primarily from exports of vaccines with overall Net Profit of ₹ 36.68 million during Q1 FY24.
- Hester Africa has registered export sales of ₹ 17.55 Million.

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 90% 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