

Head Office

Pushpak, 1st Floor
Panchvati Circle
Motilal Hirabhai Road
Ahmedabad 380006
Gujarat, India
Phone +91 79 26445106

Factory

Village Merda-Ardraj
Taluka Kadi
District Mehsana
Gujarat 382721, India
Phone +91 2764 285 502
+91 2764 285 453

Email mail@hester.in
Toll Free 1800 233 7937
www.hester.in

CIN L99999GJ1987PLC022333

20 May 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 12 May 2022 intimating the date of the Board Meeting for consideration of the Standalone and Consolidated Audited Financial Results for the quarter and year ended 31 March 2022 and to consider declaration of dividend, if any, on the equity shares of the Company, for the financial year 2021-22.

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 followings:

- 1) Audited Standalone and Consolidated Financial Results for the quarter and year ended 31 March 2022, as recommended by Audit Committee and the Audited Standalone and Consolidated Financial Statements for the year ended 31 March 2022.

Pursuant to Regulation 33 (3) (d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended time to time), we hereby state that the Statutory Auditors of the Company, Chadulal M. Shah & Co., Chartered Accountants (FRN: 101698W) have issued an Audit Report with unmodified opinion on the Audited Standalone and Consolidated Financial Results of the Company for the financial year ended on 31 March 2022.

- 2) Recommended dividend of 100% that is INR 10 per equity share of INR 10 each for the financial year 2021-22, subject to approval of members in the ensuing Annual General Meeting.

We attach herewith:

- 1) The approved standalone and consolidated audited financial results and auditors 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 11:30 a.m. (IST) and concluded at 12:30 a.m. (IST)

HESTER

Hester Biosciences Limited

Head Office

Pushpak, 1st Floor
Panchvati Circle
Motilal Hirabhai Road
Ahmedabad 380006
Gujarat, India

Phone +91 79 26445106

Factory

Village Merda-Ardraj
Taluka Kadi
District Mehsana
Gujarat 382721, India

Phone +91 2764 285 502
+91 2764 285 453

Email mail@hester.in

Toll Free 1800 233 7937

www.hester.in

CIN L99999GJ1987PLC022333

We shall inform you in due course the date on which the Company will hold its Annual General Meeting for the year ended 31 March 2022 and the date from which dividend, if approved by the shareholders, will be paid or warrants thereof dispatched to the shareholders.

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

20 May 2022

Hester Biosciences Limited Q4 and FY22 Results

FY22 Standalone revenues up 5%, Consolidated revenues up 10%

FY22 Standalone PAT down 1%, Consolidated PAT up 14%

Hester Biosciences Limited today announced the audited financial results of Q4 and FY22.

Standalone Financial Highlights**Division-wise Revenues**

(INR Million)

Divisions	Q4			FY		
	FY22	FY21	Change	FY22	FY21	Change
Poultry Healthcare	398.94	476.21	(16%)	1,673.82	1,513.98	11%
Animal Healthcare	101.57	86.79	17%	481.20	395.06	22%
Product Sales	500.51	563.00	(11%)	2,155.02	1,909.04	13%
License & services fees	2.00	68.58	(97%)	38.49	175.73	(78%)
Revenue from Operations	502.51	631.58	(20%)	2,193.51	2,084.77	5%

Product-wise Revenues

(INR Million)

Particulars	Q4			FY		
	FY22	FY21	Change	FY22	FY21	Change
Vaccines	374.64	465.57	(20%)	1,622.20	1,538.16	5%
Health Products	125.87	97.43	29%	532.83	370.88	44%
Total Product Sales	500.51	563.00	(11%)	2,155.02	1,909.04	13%

- The sales of vaccines declined by 20% in Q4FY22, but grew by 5% in the year FY22. Sales in the corresponding Q4 of FY21 was benefitted by a major disease outbreak in the poultry industry which led to a one-time spurt in demand for poultry vaccines. The current year did not experience any such disease outbreak. Further, during the current year, the poultry farm economics also turned adverse due to rise in feed costs and decline in end-product prices. In spite of a large base effect and adverse demand environment, Hester posted 5% growth in vaccine sales for FY22.
- The sales of health products registered growth of 29% in Q4FY22 and 44% in the year FY22, largely driven by new product introductions and geographical expansion.
- Revenue from operations for Q4FY22 included one-time license and services fees of INR 2 million and for whole year FY22 it included a total of one-time license and service fees of INR 38.49 million as against the one-time license and service fees of INR 68.58 million and INR 175.73 million respectively for the corresponding earlier periods.

Profitability Analysis

(INR Million)

Particular	Q4 FY22	Q4 FY21	Up/ (Down)	FY22	FY21	Up/ (Down)
Gross Profit margin on product sales	68%	65%	3%	71%	72%	(1%)
Operating EBITDA	100.54	206.16	(51%)	605.69	719.93	(16%)
Operating EBITDA Margin	20%	33%	(13%)	28%	35%	(7%)
PAT (excl. OCI)	49.48	88.59	(44%)	395.17	399.01	(1%)
PAT Margin	10%	14%	(4%)	18%	19%	(1%)
EPS (in INR, not annualized)	5.82	10.41	(44%)	46.45	46.90	(1%)

- On an annual basis, gross profit margins on product sales have been marginally impacted due to increase in proportion of sales of Health Products which have lower gross margin, coupled with an increase in raw material prices. This in-turn was not fully passed on to customers due to prevailing poor farm economics in the poultry industry.
- The collection cycle was disrupted and the payments were delayed due to industry conditions.
- Operating EBITDA and EBITDA margins declined due to:
 - One-time license and service fees as explained above, and
 - Higher spends on market expansion in the animal health division.
- PAT margin was also impacted due to the above reasons.
- Return on capital employed declined from 17% in FY21 to 13% in FY22 partially on account of reduction in PAT margin and partially due to increase in capital work in-progress for future expansion.

Consolidated Financial Highlights

(INR Million)

Particulars	Q4			FY		
	FY22	FY21	Change	FY22	FY21	Change
Revenue from operations	564.69	641.75	(12%)	2,350.06	2,143.32	10%
Net Profit (excl. OCI)	90.07	100.98	(11%)	394.84	346.98	14%
EPS (In INR, not annualized)	10.59	11.87	(11%)	46.41	40.79	14%

The consolidated performance mainly includes the impact of the turnaround at Hester Nepal. Hester Nepal has seen a growth of 193% in FY22 sales and a net profit of INR 22.86 million in FY22 as against a loss of INR 9.73 million in FY21. We expect to achieve further increase in sales during the coming year upon the commencement of supplies under the FAO tenders for the PPR vaccine. Nepal's domestic market is also building up for our live and inactivated vaccines.

Hester Africa has received the regulatory approvals for the manufacturing of PPR and CBPP vaccines. The production of these vaccines has commenced and are meeting the quality parameters. The impact of its sales will be seen in FY23. This project will enable Hester to become a leading player in Africa and contribute significantly towards the social as well as economic growth of the African continent, besides adding to the top-line and bottom-line of Hester.

Head Office

Pushpak, 1st Floor
Panchvati Circle
Motilal Hirabhai Road
Ahmedabad 380006
Gujarat, India
Phone +91 79 26445106

Factory

Village Merda-Ardraj
Taluka Kadi
District Mehsana
Gujarat 382721, India
Phone +91 2764 285 502
+91 2764 285 453

Email mail@hester.in
Toll Free 1 800 233 7937
www.hester.in

CIN L99999GJ1987PLC022333

During Q4FY22, Hester India acquired 50% equity stake in Threshold Exim Limited, Tanzania, a distribution company of vaccines and animal health products in Tanzania. This acquisition will help strengthen the distribution network of Hester in the African continent.

Status on Hester's initiatives in Covid-19 vaccine

- The company, in consortium with Gujarat Biotechnology Research Centre (GBRC), Government of Gujarat (GoG), has entered into a term sheet agreement with Bharat Biotech India Limited to manufacture the Drug Substance for *Covaxin*.
- The project is to manufacture Drug Substance equivalent of up to 7 million doses per month, for supply to Bharat Biotech.
- The construction of BSL-3 facility is nearing completion; planning & preparation for commissioning has commenced.
- The company has received approval from Biotechnology Industry Research Assistance Council (BIRAC) under Mission Covid Suraksha for a grant of INR 600 million to be received in phased manner upon completion of specified milestones.
- This facility is designed to be a multi-purpose facility to handle other micro-organisms beyond Covid-19.

Other developments

1. The company was awarded national tender for supply of 200 million doses for PPR by the Department of Animal Husbandry and Dairying (DAHD) for the eradication of the PPR disease nationally in a span of two years. There is a delay in receiving the supply orders, and is expected to commence in Q1 FY23.
2. The development of new vaccines for Classical Swine Fever (CSF), Lumpy Skin Disease (LSD) and Sheep Pox is going on.
3. The company is expected to launch the modified Inactivated Coryza Vaccine (an advanced version of the conventional Coryza Vaccine from the existing poultry vaccine portfolio) in this year.
4. The company will launch 3 products in the pet care division in this month. These three products are mainly for joint disorders, gut health and preventing pets from bacterial infections. 6 more products are in the pipeline will be launched during FY23.
5. Bulk antigen production capacity expansion project is going as per timeline and expected to be completed in Q1FY23. Expansion project for Fill-Finish line capacity is expected to be completed by Q3FY23. These 2 expansions will increase the production capacity by 2 times.

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