

Registered Office

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CIN L99999GJ1987PLC022333

10 May 2024

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 and submission of Audited Standalone and Consolidated Financial Results for the quarter and year ended 31 March 2024

This is with reference to our letter dated 2 May 2024 intimating the date of the Board Meeting for consideration of the audited standalone and consolidated financial results for the quarter and year ended 31 March 2024 and to consider the declaration of dividend, if any, on the equity shares of the Company for the financial year 2023-24.

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 2024, as recommended by Audit Committee and the Audited Standalone and Consolidated Financial Statements for the year ended 31 March 2024.

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, Chandulal 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 2024.

- 2) Recommended dividend of ₹ 6 (Six) per equity share of ₹ 10 each (60%) for the financial year 2023-24, subject to approval of members at the ensuing Annual General Meeting.
- 3) The Board, on recommendation of Nomination and Remuneration Committee, subject to the approval of Shareholder and such other approvals as may be required, approved the revision in remuneration of Ms. Priya Gandhi, Executive Director (Whole-time) of the Company with effect from September 2024, for the remaining period of current tenure.

We attach herewith:

- 1) The approved audited standalone and consolidated financial results and auditors' 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 10:32 a.m. (IST) and concluded at 12:09 p.m. (IST).



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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 2024 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**10 May 2024****Hester Biosciences Q4 & FY24 Results****Q4 FY24 Standalone Revenue up by 20% & Consolidated Revenue up by 18%****FY24 Standalone Revenue up by 12% & Consolidated Revenue up by 14%**

Hester today announced the audited financial results for Q4 & FY24.

Standalone Financial Highlights**Revenues****(₹ Million)**

Division	Q4			FY		
	FY24	FY23	Change %	FY24	FY23	Change %
Animal Healthcare	278.07	146.76	89%	1,108.94	992.81	12%
Poultry Healthcare	446.40	365.45	22%	1,437.68	1,391.70	3%
Petcare	4.25	6.06	-30%	26.41	17.67	49%
Others*	-	88.69	-	267.89	88.69	202%
Product Sales	728.72	606.96	20%	2,840.92	2,490.87	14%
License & services fees	-	-	-	10.63	49.13	-78%
Revenue from Operations	728.72	606.96	20%	2,851.55	2,540.00	12%

* includes exports of other pharmaceutical products

Animal Healthcare Division

In Q4 FY24, the Animal Healthcare division experienced a growth which is attributed to:

1. Consistent sales of the Goat Pox vaccine, supporting the preventive vaccination program against the Lumpy Skin Disease in Cattle, and continued supplies of the PPR vaccine for Sheep and Goat for the Government of India's National Immunisation Programs.
2. Along with vaccines, health product sales experienced a growth as well. It is worth noting, this growth is achieved even after the discontinuation of two products, CurX Injection and iSumovet, totalling to a loss of sales in response to new drug regulations prohibiting the use of Ketoprofen for animal treatment. This growth reflects the division's resilience and ability to adapt and pick the momentum back, despite of challenges which are not under our control.

Poultry Healthcare Division

In Q4 FY24, the Poultry Healthcare division achieved a commendable growth of 22%.

1. This growth trajectory has been consistent throughout the year, with each quarter surpassing the previous in terms of sales performance. Hence, from an annual perspective, the division has demonstrated improved sales compared to the previous years.
2. This turnaround can be attributed to - recouping of the Poultry Industry, the introduction of diverse products to meet the evolving needs of poultry farmers and further capitalising that existing market opportunities.

Petcare Division

In Q4 FY24, the Petcare division experienced a marginal sales dip of ₹1.81 million compared to the previous quarter. However, considering the cumulative performance for FY24, the division achieved a growth of 49%, reaching sales of ₹26.41 million. This growth reflects the culmination of substantial efforts in building a robust foundation, implementing best practices, and delivering high-quality products.

Profitability Analysis

(₹ Million)

Particulars	Q4			FY		
	FY24	FY23	Change %	FY24	FY23	Change %
Gross Profit margin	68%	67%	1%	65%	68%	-3%
EBITDA	124.15	109.19	14%	473.41	548.86	-14%
PAT	74.31	62.63	19%	271.59	323.42	-16%
EPS (In ₹, not annualised)	8.74	7.36	19%	31.93	38.02	-16%

- Overall gross profit margin in Q4 FY24 increased by 1% compared to Q4 FY23, primarily due to the increase in the proportion of vaccines from 60% to 75% in Q4 FY24.
- In Q4 FY24, EBITDA increased by 14% in alignment with a growth in sales, resulting in a 19% increase in PAT for the quarter.
- The total borrowings of the Company has reduced by ₹307.58 Million (19%) during the year.
- The cash generated from operations has increased by ₹94.50 Million (28%) during the year

Consolidated Financial Highlights

(₹ Million)

Particulars	Q4			FY		
	FY24	FY23	Change %	FY24	FY23	Change %
Revenue from operations	792.55	672.99	18%	3,045.46	2,660.91	14%
EBITDA	164.03	119.72	37%	582.64	550.18	6%
PAT	63.95	57.14	12%	211.66	280.35	-25%
EPS (In ₹, not annualized)	7.52	6.72	12%	24.88	32.96	-25%

Consolidated results include operations of subsidiaries from Nepal and Tanzania

- Hester Nepal achieved a turnover of ₹55.13 million in Q4 FY24 and ₹135.70 million in FY24, with overall Net Profit of ₹33.86 million in Q4 FY24 and ₹54.07 million in FY24. The entity has executed export orders against government tenders which demonstrates significant potential for growth.
- Hester Africa sustained export sales totaling ₹7.93 million in Q4 FY24 to African countries, predominantly in LSD and CBPP vaccines. Over the course of FY24, sales amounted to ₹52.32 million. However, the company experienced an overall loss of ₹48.08 million in Q4 and ₹182.95 million in FY24. These losses primarily stem from unmet sales targets and costs such as exchange rate fluctuations on borrowings and depreciation.

Way Forward

Animal Healthcare

- Anticipating double digit growth in the dairy sector, we aim to capitalise on this trend by expanding our product offerings.
- The small ruminant marketing will also be seeing a growth and we shall be expanding our presence further in this segment.
- We will be introducing 6 new specialised products to meet the evolving needs of the growing market and address the customer needs as well as expand our product portfolio.

Poultry Healthcare

- With the poultry industry stabilising, we foresee growth opportunities driven by increasing demand for poultry products.
- With our focus on innovation, we have acquired technology to develop a modified version of the Infectious Bursal Disease (IBD) vaccine, enhancing protection and safety for chickens.
- We are expanding our poultry division's product basket by introducing feed supplements, aiming to enrich our offerings and strengthen our market position.

Petcare

- We anticipate reaping the benefits of our critical backend activities in the upcoming year.
- With an expected rise in the pet adoption, we are prepared to capture the market share and meet the evolving needs of pet owners.
- We will introduce new products in therapeutic, supplement and prescription pet food diet segments; distinguishing ourselves and our offerings in the market.

Forward looking remarks – Hester India, Hester Nepal & Hester Africa

Hester India

We are repurposing and transitioning our BSL 3 facility (which was built to manufacture the drug substance of the COVID-19 vaccine), towards commercial production of veterinary vaccines, thereby further enhancing our manufacturing capacity.

Hester Nepal

Hester Nepal aims to increase the poultry vaccine manufacturing, to cater to the domestic, as well as export needs of Middle and Central Asian countries. This will improve our operational efficiency and reduce dependency on the India plant.

Hester Africa

Hester Africa is geared up to meet the anticipated government orders in the coming financial year, primarily serving East and Central African countries. With our focus on strengthening our presence in the African veterinary sphere by manufacturing animal vaccines against African centric animal diseases, we are set to contribute towards the socio-economic needs of the continent.

In conclusion, we remain dedicated to navigating challenges with a keen focus on attention to detail and the implementation of long-term strategies to ensure sustained growth and success.

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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