

Press Release

1 August 2025

Hester Biosciences Q1 FY26 Results

Standalone Performance
Divisional Product Sales down by 14%, Profit down by 7%

Consolidated Performance
Divisional Product Sales up by 2%, Profit up by 131%

Hester today announced the unaudited financial results for Q1 FY26.

Standalone Financial Highlights

Revenues

Divisions	Q1			(INR Million)
	FY26	FY25	Change %	FY25
Animal Healthcare	218.22	326.96	-33%	1,198.83
Poultry Healthcare	416.52	406.96	2%	1,664.39
Total Divisional Product Sales	634.74	733.92	-14%	2,863.22
Other Operating Income	0.16	0.74	-	1.44
Revenue from Operations	634.90	734.66	-14%	2,864.66

Animal Healthcare Division

In Q1 FY26, the division recorded a 33% decline in sales, primarily due to timing delays in key government Immunisation programmes for PPR and Lumpy Skin Disease, in which Hester's PPR and Goat Pox vaccines respectively, are widely used, have got delayed. These programs, although delayed, are expected to roll out in the subsequent quarters.

Despite this temporary dip, the division maintained stable demand for the therapeutic products. Additionally, alternate products were introduced to mitigate earlier regulatory challenges and ensure product continuity in key markets.

Poultry Healthcare Division

The Poultry Healthcare Division recorded a 2% growth in Q1 FY26, led by robust demand for key vaccines, particularly for Newcastle Disease and Marek's Disease.

New feed supplements and disinfectants launched last year are gaining acceptance, with anticipated stronger contribution in the upcoming quarters. The division also expanded its technical support initiatives and customer partnerships, reinforcing its position in a competitive market.

Standalone Profitability Analysis

(INR Million)

Particulars	Q1			FY25
	FY26	FY25	Change %	
Gross Profit Margin	69%	69%	-	67%
EBITDA	133.57	145.54	-8%	557.08
EBITDA%	21%	20%	1%	19%
PAT	78.38	84.32	-7%	318.42
PAT%	12%	11%	1%	11%
EPS (In INR, not annualized)	9.21	9.91	-7%	37.43

Gross margins remained stable due to an optimal product mix. The improvement in EBITDA and PAT margins reflects better absorption of fixed costs and cost optimisation measures across business functions.

Consolidated Financial Highlights

(INR Million)

Particulars	Q1			FY25
	FY26	FY25	Change %	
Divisional Product sales	840.89	821.92	2%	3,098.66
Revenue from operations	841.05	822.67	2%	3,111.02
Includes revenue from				
- Hester Nepal	50.79	63.20	-20%	100.61
- Hester Africa	172.27	27.98	516%	162.01
Gross Profit Margin	616.43	588.28	5%	2,227.79
EBITDA	261.79	197.35	33%	690.76
EBITDA%	31%	24%	7%	22%
PAT	172.96	74.86	131%	288.26
PAT%	21%	9%	12%	9%
EPS (In INR, not annualized)	20.33	8.80	131%	33.89

Consolidated results include operations of subsidiaries from Nepal and Tanzania:

Hester's consolidated divisional product sales reached INR 840.89 million, marking a 2% growth. Net profit surged by 131%, driven by a turnaround in Hester Africa's performance and improved cost control.

Hester Nepal contributed a net profit of INR 19.19 million in Q1 FY26, compared to INR 27.29 million in Q1 FY25, on a topline of INR 50.79 million, versus INR 63.20 million in the same period last year. The subsidiary continued to maintain a healthy presence in its market, executing key institutional orders and sustaining operational momentum.

Hester Africa delivered a net profit of INR 55.02 million, marking a significant turnaround from a loss of INR 50.00 million in Q1 FY25, on a topline of INR 172.27 million, up from INR 27.98 million in the corresponding period last year. This performance was supported by improved commercial execution and wider market penetration. With a stabilised manufacturing base in Tanzania and

increased access to regional demand, Hester Africa is now well-positioned to scale its presence across the continent. The company is also expanding its footprint in high-priority markets to support future growth.

Way Forward

While the lower performance has been mainly due to external reasons which would get rectified in the coming quarters, internally, we have made structural changes in sales, marketing and in R&D divisions, the results of which would also be seen in the coming quarters.

Hester continues to strengthen its presence across key animal segments with a sharp focus on operational efficiency, new product development, and market expansion.

The company remains committed to:

1. Launching its Avian Influenza vaccine and expanding the feed supplement and disinfectant portfolio.
2. Accelerating product diversification in the Animal Healthcare division.
3. Leveraging its international infrastructure, particularly in Africa, to scale revenue and margins sustainably.

About Hester Biosciences Limited:

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

1. Poultry Healthcare division
 2. Animal Healthcare division (which includes Ruminants and pet health segments)
- 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 to improve animal health as a means to enable better health for human beings.

For more information, please visit www.hester.in