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CIN L99999GJ1987PLC022333

12 November 2025

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

Scrip Code: 524669

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

Symbol: HESTERBIO

Dear Sir/ Madam:

Subject: Intimation regarding speech of Executive Director at Q2 & H1 FY2025-26 Earnings Conference Call

Pursuant to Regulation 30 of Listing Regulation, we are hereby submitting the speech of Ms. Priya Gandhi, Executive Director given at Q2 & H1 FY 2025-26 earnings conference call held on Wednesday, 12 November 2025 at 2:00 p.m. via teleconference for all the investors and stakeholders. A copy of speech is enclosed herewith.

You are requested to take the above information on your record.

Sincerely
For Hester Biosciences Limited

Vinod Mali

Digitally signed by Vinod Mali
Date: 2025.11.12 15:33:58 +05'30'

Vinod Mali
Company Secretary & Compliance Officer

Enclosure: As above

Speech of Ms. Priya Gandhi, Executive Director
at Earnings Conference Call for Q2 & H1 FY 2025-26

Date: 12 November 2025

Good afternoon everyone, this is Priya Gandhi. Thank you all for joining us on this investor call for Hester Biosciences' Q2 and H1 FY26 results.

As always, we really appreciate your continued interest and belief in Hester's journey, one that's built on science, purpose, and long-term value creation.

The first half of FY26 has been a mixed period for us - marked by a weaker performance in our India business but stronger profitability at the consolidated level, supported by various internal + external reasons. Internal reasons being - improved cost control and stability in our operations.

Our Standalone Divisional Product Sales for Q2 stood at 64 crore, marking a 12% decline over the same quarter last year. For H1 FY26, sales were 128 crore, down 13%.

Profitability was impacted correspondingly, with EBITDA and PAT declining by 13% and 15% respectively on an H1 basis.

While the overall topline was subdued, we've kept our focus on protecting margins through process standardisation, efficient manpower deployment, and a more balanced product mix. These measures are not short-term fixes but part of our sustained effort to make Hester structurally stronger and less dependent on external variability.

On the capital front, many of you have asked about the 182 crore capital work-in-progress at our India plant. We expect this to be fully capitalised by March, post which the plant will start contributing meaningfully to future growth. Over the next three years, we expect this facility to be a key growth driver, enabling a significant scale-up in vaccine production.

The Poultry Healthcare Division remained to be on a positive trajectory, recording an 18% growth in Q2 and 10% for H1. This growth was largely volume-led, supported by strong demand for core strength - vaccines. We also achieved a significant regulatory milestone this quarter - receiving market authorisation for our H9N2 vaccine.

This vaccine is not only important scientifically but also commercially, as it strengthens our poultry vaccine portfolio and opens export opportunities across regions where Avian Influenza preparedness is a growing priority. Apart from the vaccine itself, we are trying to bring a wholistic solution by addressing bird immunity and farm biosecurity together by launching healthcare solutions to complement our vaccine for better performance. This will be launched in this quarter.

To answer a question we've received in advance: sales of the Avian Influenza vaccine are expected to begin post receipt of our manufacturing license, which we anticipate by December. Export sales will follow soon after, supported by the clear regulatory pathway we've now achieved in India.

In the Animal Healthcare Division, we saw a 50% degrowth in Q2 and a 41% decline for H1, largely due to the delay in government-led immunisation programmes for PPR and Lumpy Skin Disease. These programmes have experienced slower rollouts across several states, but we anticipate a pickup in activity in the later part of the year - particularly in Q4 - as execution timelines normalise.

Importantly, this is a timing-related delay and not a demand issue, and we continue to see strong field-level readiness. Meanwhile, the therapeutic and nutritional segments have remained steady, helping maintain customer engagement and market presence.

We’ve also received questions about the large animal and dairy segment, particularly the opportunities and challenges we’re seeing. The Lumpy Skin Disease outbreak in 2022 did cause temporary disruptions in productivity and overall industry dynamics, but the sector continues to grow at around 5–6% annually. Hester is focused on introducing targeted solutions in both vaccines and health products that help address post-outbreak challenges and productivity gaps in dairy herds.

In petcare, our efforts to build a presence in key urban markets are continuing steadily. We’re seeing better engagement from veterinarians and distributors, and we expect this to translate into measurable growth over the next few quarters.

A question we often get is about vaccine manufacturing for pets - when sales might begin and whether existing facilities can be leveraged. We plan to introduce pet vaccines in India and Africa using our existing facilities without any major additional capex. At this stage, we are also exploring potential licensing opportunities ahead of establishing a dedicated manufacturing setup. While it’s early to share timelines, the groundwork is already in motion.

On the international front, consolidated divisional product sales stood at 155 crore, marking a 7% de-growth over the previous year, with net profit up 99% year-on-year, primarily due to favourable foreign exchange movements.

Hester Africa continued to deliver positive momentum, recording a net profit of ₹4.8 crore in Q2, and 10.32 crore for H1, on a topline of 6 crore and 23 crore respectively. The turnaround that began earlier this year has held, supported by stable operations at our Tanzania plant and stronger execution discipline.

We’ve also embarked on an important collaborative initiative - the GALVmed-led VITAL programme, which stands for Veterinary Innovations Transforming Animal Health and Livelihoods. This programme aims to increase vaccine access and adoption for ruminant diseases across Africa. Hester’s participation covers Tanzania, Kenya, and Nigeria, and it reinforces our role as a regional partner in improving animal health and livelihoods.

We remain on track to achieve break-even in our African operations by FY28, as guided earlier. The overall environment in Africa remains uneven due to political and delays in institutional orders, but our long-term positioning in the continent continues to strengthen.

Hester Nepal reported a net loss of 1.1 crore in Q2, though it maintained a profit of 0.8 crore for H1, on a topline of about 0.5 crore and 5.6 crore respectively. The quarter was impacted by the timing of institutional orders and temporary disturbances in Nepal during August, which affected logistics and field movement. However, we continue to maintain a strong market presence and expect institutional execution to resume in the second half of the year.

At the consolidated level, our margins remained stable, driven by operational discipline and cost control.

On recombinant vaccines, a few have asked about the pace of development and whether there have been delays. I’d like to clarify that there are no delays - recombinant vaccines naturally take longer to develop and validate due to the complexity of the technology. Work is progressing well, and we expect meaningful outcomes over the medium term.

As we move ahead, the current financial year - and particularly this quarter - has been a period of consolidation and strengthening for Hester.

Our strategic focus is clear:

1. To strengthen the business fundamentals and reduce dependency on tender-based revenues, thereby creating a more balanced and resilient portfolio.
2. To deepen our presence across commercial, private, and export markets, supported by operational discipline and process standardisation.
3. With H9N2 now commercialised, to leverage export opportunities that open up across markets where Avian Influenza control is a priority.
4. To continue driving innovation, margin stability, and sustainable growth through product diversification and geographic expansion.

We remain confident that the groundwork laid over the past two quarters will begin to reflect in stronger performance in the second half of FY26.

Hester continues to be driven by science, sustainability, and purpose - strengthening animal health while building lasting value across markets.

Thank you all once again for your time and continued trust. I now look forward to taking your questions.

Priya Gandhi
Executive Director