



Zhengye Biotechnology Holding Limited Announces Fiscal Year 2024 Financial Results

07-03-2025

JILIN, China, July 3, 2025 /PRNewswire/ -- Zhengye Biotechnology Holding Limited (Nasdaq: ZYBT) (the "Company" or "Zhengye"), a veterinary vaccine manufacturer that encompasses research, development, manufacturing, and sales of veterinary vaccines, with a focus on livestock vaccines in China, today announced its financial results for the fiscal year ended December 31, 2024.

Mr. Songlin Song, co-chief executive officer of Zhengye, remarked, "Fiscal year 2024 was a transformational year for us, marked by strategic decisions and tough yet necessary shifts, as we navigated significant market adjustments and proactively diversified our customer base in pursuit of long-term growth. Amid global uncertainties and challenging domestic market conditions, we made the deliberate decision to reduce sales of swine vaccines, primarily to mitigate concentration risk from our largest customers. We believe this will lead to a healthier and more balanced customer portfolio to better support our strategic diversification.

Meanwhile, we have maintained our research and development ("R&D") investments, recognizing that innovation is key to sustainable and long-term growth, even amid current headwinds. Over the past year, we made progress in expanding into China's fast-growing pet vaccine market, having completed clinical trials for two vaccines targeting cats and dogs. We see this as a high-potential segment and expect it to become a key focus moving forward. Additionally, we were honored to receive two Category I New Veterinary Drug Certificates from the Ministry of Agriculture and Rural Affairs for two vaccines jointly developed by us and other institutions, which is a strong testament to our R&D capabilities.

Mr. Aiden Han, co-chief executive officer of Zhengye, added, "With our successful Nasdaq listing, global market expansion has become a central component of our long-term vision to become a world-leading, trusted manufacturer of veterinary vaccines. Exploring international sales opportunities and expanding our global distribution network will be a strategic priority in the years ahead.

Though these transitional measures may bring noticeable short-term effects, we believe the long-term benefits will be enduring and substantial. We are building a more resilient and adaptable foundation to support our growth ambitions. Our unwavering commitment to developing safe and innovative products and consistently delivering high quality will continue to be the cornerstone of long-term value creation for our stakeholders."

Fiscal Year 2024 Financial Summary

- Net revenues were RMB186.4 million (US\$25.5 million) in fiscal year 2024, compared to RMB211.7 million in fiscal year 2023.
- Gross profit was RMB91.3 million (US\$12.5 million) in fiscal year 2024, compared to RMB117.5 million in fiscal year 2023.
- Gross profit margin was 49.0% in fiscal year 2024, compared to 55.5% in fiscal year 2023.
- Total operating expenses were RMB74.9 million (US\$10.3 million) in fiscal year 2024, increased from RMB72.5 million in fiscal year 2023.
- Net income was RMB13.5 million (US\$1.8 million) in fiscal year 2024, compared to RMB37.5 million in fiscal year 2023.
- Basic and diluted earnings per share were RMB0.25 (US\$0.03) in fiscal year 2024, compared to RMB0.69 in fiscal year 2023.

Fiscal Year 2024 Financial Results

Net Revenues

Net revenues were RMB186.4 million (US\$25.5 million) in fiscal year 2024, representing a decrease of 12.0% from RMB211.7 million in fiscal year 2023. The decrease was primarily due to the veterinary vaccine market adjustments and the reduced sales of swine vaccines following the Company's strategic realignment of sales practices aimed at diversifying the customer base and reducing concentration risk.

	For the years ended December 31,				
	2023		2024		
	RMB	%	RMB	US\$	%
(in thousands, except for percentages)					
Revenues					
Swine vaccines	188,919	89.3	157,789	21,617	84.7
Poultry vaccines	15,430	7.3	15,506	2,124	8.3
Other vaccines	7,302	3.4	13,061	1,790	7.0
Total revenues	211,651	100	186,356	25,531	100

- Revenue from sales of swine vaccines was RMB157.8 million (US\$21.6 million) in fiscal year 2024, decreased from RMB188.9 million in fiscal year 2023. The decrease was a result of the control of sales to Zhengye's operating entity's largest customer.
- Revenue from sales of poultry vaccines was RMB15.5 million (US\$2.1 million) in fiscal year 2024, increased from RMB15.4 million in fiscal year 2023. There was no significant change in revenue from sales of poultry vaccines and the difference

was caused by normal demand fluctuation.

- Revenue from sales of other vaccines was RMB13.1 million (US\$1.8 million) in fiscal year 2024, increased from RMB7.3 million in fiscal year 2023. The increase in sales of other vaccines was caused by the increased sales of the vaccines for sheep.

Cost of Revenues

Cost of revenues was RMB95.1 million (US\$13.0 million) in fiscal year 2024, representing an increase of 1.0% from RMB94.1 million in fiscal year 2023. The increase was mainly due to the increase in the cost of poultry vaccines.

Gross Profit

Gross profit was RMB91.3 million (US\$12.5 million) in fiscal year 2024, decreased from RMB117.5 million in fiscal year 2023.

Gross profit margin was 49.0% in fiscal year 2024, decreased from 55.5% in fiscal year 2023. The decrease was mainly due to the lower sales price and unchanged fixed cost.

Operating Expenses

Total operating expenses were RMB74.9 million (US\$10.3 million) in fiscal year 2024, increased from RMB72.5 million in fiscal year 2023.

- Sales and marketing expenses were RMB41.3 million (US\$5.7 million) in fiscal year 2024, increased from RMB40.7 million in fiscal year 2023. The increase in sales and marketing expenses mainly resulted from an increase in payroll for sales staffs, marketing promotion expenses and entertainment, partially offset by a decrease in travel expenses and advertising expenses.
- General and administrative expenses were RMB22.6 million (US\$3.1 million) in fiscal year 2024, decreased from RMB23.6 million in fiscal year 2023. The decrease in administrative expenses is attributed to the reduction in employee compensation and decrease in depreciation and amortization.
- Research and development expenses were RMB12.8 million (US\$1.8 million) in fiscal year 2024, increased from RMB11.9 million in fiscal year 2023. The increase in research and development expenses mainly resulted from an increase in material expenses.

Net Income

Net income was RMB13.5 million (US\$1.8 million) in fiscal year 2024, compared to RMB37.5 million in fiscal year 2023.

Basic and Diluted Earnings per Share

Basic and diluted earnings per share were RMB0.25 (US\$0.03) in fiscal year 2024, compared to RMB0.69 in fiscal year 2023.

Financial Condition

As of December 31, 2024, the Company had cash of RMB18.6 million (US\$2.5 million), compared to RMB15.1 million as of December 31, 2023.

Net cash provided by operating activities was RMB41.0 million (US\$5.6 million) in fiscal year 2024, compared to RMB48.2 million in fiscal year 2023.

Net cash used in investing activities was RMB27.7 million (US\$3.8 million) in fiscal year 2024, compared to RMB11.8 million in fiscal year 2023.

Net cash used in financing activities was RMB22.1 million (US\$3.0 million) in fiscal year 2024, compared to RMB19.0 million in fiscal year 2023.

Exchange Rate Information

This announcement contains translations of certain foreign currency amounts into U.S. dollars for the convenience of the reader. Unless otherwise stated, all translations of Renminbi ("RMB") into U.S. dollars ("US\$") were made at RMB7.2993 to US\$1.00, the exchange rate set forth in the H.10 statistical release of the Federal Reserve Board on December 31, 2024.

Recent Development

On January 8, 2025, the Company closed its initial public offering (the "Offering"). We issued and sold an aggregate of 1,500,000 ordinary shares at a public offering price of \$4.00 per ordinary share. On January 14, 2025, Kingswood Capital Partners, LLC, as the representative of the underwriters of the Offering, exercised their over-allotment option in full to purchase an additional 225,000 ordinary shares at the public offering price of \$4.00 per share. The total gross proceeds received from the Offering, including proceeds from the exercise of the over-allotment option, were \$6.9 million, before deducting underwriting discounts and other related expenses. The Company's ordinary shares commenced trading on the Nasdaq Capital Market on January 7, 2025, under the ticker symbol "ZYBT."

On February 25, 2025, the Ministry of Agriculture and Rural Affairs ("the Ministry") approved the Live Vaccine for Mycoplasma bovis (Strain HB150) (2025 No.11) as a Category I New Veterinary Drug, which was jointly developed by the Company, Huazhong Agricultural University and other institutions. On March 21, 2025, the Ministry announced the approval (2025 No.18) of another Category I New Veterinary Drug — a Pentavalent Inactivated Vaccine for poultry diseases including Newcastle Disease, Infectious Bronchitis, Avian Influenza (H9), Infectious Bursal Disease, and Avian Adenovirus (Group I, Serotype 4), which was jointly developed by the Company, Pulike Biological Engineering, Inc. and other institutions. Both of these veterinary vaccines have obtained the national Category I Veterinary Drug Registration Certificate ("Category I Certificate"), marking a major breakthrough for the Company in the field of animal vaccine R&D. Category I Certificates are granted to biological products that demonstrate significant innovation and are being developed for the first time, either domestically or internationally, without prior market entry. Compared to Category II and III New Veterinary Drugs, Category I New Veterinary Drugs enjoy the longest monitoring period of up to five years. During this period, no other companies, except for the original applicants, are permitted to produce or import the drugs. This exclusivity creates a strong technological entry barrier and is expected to generate substantial economic returns while enhancing the Company's industry influence.

About Zhengye Biotechnology Holding Limited

Through Jilin Zhengye Biological Products Co., Ltd., the Company's operating entity based in Jilin, China, Zhengye Biotechnology Holding Limited

focuses on the research, development, manufacturing and sales of veterinary vaccines, with an emphasis on vaccines for livestock. For over 20 years, the operating entity has been committed to enhancing the health of animals. The operating entity has 46 veterinary vaccines, including vaccines for swine, cattle, goats, sheep, poultry, and dogs. The operating entity's products are available in 28 provincial regions across China and are exported overseas to Vietnam, Pakistan, and Egypt. The operating entity has three GMP veterinary vaccine production floors, including 13 GMP vaccine production lines, one quality examination center, and one animal facility for vaccine development. The operating entity has 49 employees who have over a decade of experience in the veterinary vaccine industry. For more information, please visit the Company's website: <http://ir.jlzybio.com>.

Forward-Looking Statements

Certain statements in this announcement are forward-looking statements. These forward-looking statements involve known and unknown risks and uncertainties and are based on the Company's current expectations and projections about future events that the Company believes may affect its financial condition, results of operations, business strategy and financial needs. Investors can find many (but not all) of these statements by the use of words such as "approximates," "believes," "hopes," "expects," "anticipates," "estimates," "projects," "intends," "plans," "will," "would," "should," "could," "may" or other similar expressions in this announcement. The Company undertakes no obligation to update or revise publicly any forward-looking statements to reflect subsequent occurring events or circumstances, or changes in its expectations, except as may be required by law. Although the Company believes that the expectations expressed in these forward-looking statements are reasonable, it cannot assure you that such expectations will turn out to be correct, and the Company cautions investors that actual results may differ materially from the anticipated results and encourages investors to review other factors that may affect its future results in the Company's registration statement and other filings with the SEC.

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ZHENGYE BIOTECHNOLOGY HOLDING LIMITED CONSOLIDATED BALANCE SHEETS (Amounts in thousands of RMB and US\$, except for number of shares)

	As of December 31,		
	2023	2024	
	RMB	RMB	US\$
ASSETS			
Current assets:			
Cash	15,073	18,604	2,549
Restricted Cash	12,113	2	—
Short-term investments	1,224	1,433	197
Notes receivable, net	23,215	25,592	3,506
Accounts receivable, net	74,166	59,563	8,160
Advance to suppliers	3,110	10,788	1,478
Inventories, net	58,300	58,220	7,977
Other receivables, net	1,302	2,626	360
Other receivable-a related party	738	738	101
Total current assets	189,241	177,566	24,328
Non-current assets:			
Property, plant and equipment, net	263,248	255,164	34,957
Land use rights, net	8,187	7,930	1,087
Intangible assets, net	16,297	14,850	2,034
Long-term prepayments	6,504	18,698	2,562
Deferred IPO expenses	4,497	8,048	1,103
Net deferred tax assets	11,914	10,991	1,506
Total non-current assets	310,647	315,681	43,249
Total assets	499,888	493,247	67,577
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Short-term loans	79,860	74,443	10,199
Current maturities of long term loans	—	7,190	985
Accounts payable	45,659	42,960	5,885
Contract liabilities	3,885	3,485	477

Taxes payable	2,295	2,066	283
Dividends payable	15,652	—	—
Amount due to related parties	—	146	20
Accrued expenses and other liabilities	2,882	5,617	769
Total current liabilities	150,233	135,907	18,618

Non-current liabilities:

Long-term loans	9,990	4,800	658
Other payables – non-current	393	—	—
Total non-current liabilities	10,383	4,800	658
Total liabilities	160,616	140,707	19,276

Commitments and contingencies

Shareholders' equity:

Ordinary shares (US\$0.000025 par value; 2,000,000,000 shares authorized; 45,666,376 shares issued and outstanding as of December 31, 2023 and 2024)*

	8	8	1
Additional paid-in capital	203,150	203,150	27,832
Statutory reserves	31,311	32,647	4,473
Retained earnings	38,381	48,151	6,597
Accumulated other comprehensive income	—	3	—
Total Zhengye Biotechnology Holding Limited's shareholders' equity	272,850	283,959	38,903
Noncontrolling interests	66,422	68,581	9,398
Total equity	339,272	352,540	48,301
Total liabilities and equity	499,888	493,247	67,577

* Retroactively adjusted for effect of a 4-for-1 forward split on June 6, 2024.

ZHENGYE BIOTECHNOLOGY HOLDING LIMITED
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(Amounts in thousands of RMB and US\$, except for number of shares and per share data)

	For the years ended December 31,			
	2022	2023	2024	
	RMB	RMB	RMB	USD
Net revenues	260,269	211,651	186,356	25,531
Cost of revenues	(112,390)	(94,143)	(95,061)	(13,023)
Gross profit	147,879	117,508	91,295	12,508
Sales and marketing expenses	(34,565)	(40,743)	(41,269)	(5,654)
General and administrative expenses	(24,321)	(23,592)	(22,575)	(3,093)
Research and development expenses	(13,424)	(11,901)	(12,794)	(1,753)
Reversal (allowance) for credit losses	(9,735)	3,714	1,782	244
Total operating expenses	(82,045)	(72,522)	(74,856)	(10,256)
Operating income	65,834	44,986	16,439	2,252
Other income (expenses):				
Other income	650	433	692	95
Other expenses	(100)	(199)	(337)	(45)
Interest income	114	312	231	32
Interest expense	(2,839)	(4,423)	(4,043)	(554)
Unrealized foreign exchange gain	—	—	679	93
Government subsidy	255	2,653	733	100
Total other expenses, net	(1,920)	(1,224)	(2,045)	(279)
Income before income taxes	63,914	43,762	14,394	1,973
Income tax expenses	(8,172)	(6,253)	(924)	(127)
Net income	55,742	37,509	13,470	1,846
Net income attributable to noncontrolling interests	(9,007)	(6,052)	(2,159)	(296)

**Net income attributable to the Zhengye
Biotechnology Holding Limited's
shareholders**

46,735	31,457	11,311	1,550
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Comprehensive income

Net income	55,742	37,509	13,470	1,846
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Other comprehensive income

Foreign currency translation adjustment	—	—	3	—
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Total comprehensive income	55,742	37,509	13,473	1,846
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Less: total comprehensive income attributable to non-controlling interest	(9,007)	(6,052)	(2,159)	(296)
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**Total comprehensive income attributable to the
Zhengye Biotechnology Holding Limited's
shareholders**

46,735	31,457	11,314	1,550
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Earnings per share:

Ordinary shares – basic and diluted	1.02	0.69	0.25	0.03
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**Weighted average shares outstanding used in
calculating basic and diluted earnings per
share:**

Ordinary shares – basic and diluted*	45,666,376	45,666,376	45,666,376	45,666,376
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* Retroactively adjusted for effect of a 4-for-1 forward split on June 6, 2024.

**ZHENGYE BIOTECHNOLOGY HOLDING LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS**
(Amounts in thousands of RMB and US\$, except for number of shares)

	For the years ended December 31,			
	2022	2023	2024	
	RMB	RMB	RMB	US\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	55,742	37,509	13,470	1,846
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	18,800	23,912	24,163	3,310
Allowance (reversal) for credit losses	9,735	(3,714)	(1,782)	(244)
Impairment for inventory and intangible asset	968	10,026	5,962	817
Loss on disposal of property and equipment	—	187	174	24
Deferred tax expenses (benefits)	(1,311)	541	924	127
Unrealized gains on short-term investments	—	—	(209)	(29)
Unrealized foreign exchange gain	—	—	(679)	(93)
Changes in operating assets and liabilities:				
Notes receivable	(22,650)	8,310	(3,752)	(514)
Accounts receivable	(24,957)	31,044	16,345	2,240
Account receivable-a related party	233	—	—	—
Inventories	(12,325)	(12,902)	(5,882)	(806)
Other receivables	(4)	(563)	(1,283)	(176)
Other receivable-a related party	—	(738)	—	—
Advance to suppliers	(713)	(619)	(7,677)	(1,052)
Accounts payable	(9,673)	(35,613)	(404)	(56)
Taxes payable	3,191	(7,702)	(229)	(31)
Accrued expense and other liabilities	207	(582)	2,698	370
Contract liabilities	317	(715)	(400)	(55)
Other payables – non-current	(225)	(197)	(393)	(54)
Net cash provided by operating activities	17,335	48,184	41,046	5,624
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of short-term investments	—	(1,224)	—	—
Purchase of property, plant and equipment	(27,328)	(7,396)	(13,587)	(1,862)

Prepayment for purchase of intangible assets	—	(4,204)	(14,186)	(1,943)
Proceeds from disposal of property, plant and equipment	—	1,059	108	15
Net cash used in investing activities	(27,328)	(11,765)	(27,665)	(3,790)

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from loans	99,852	79,860	90,122	12,347
Repayment of loans	(64,972)	(54,890)	(92,860)	(12,722)
Proceeds from related parties	—	—	146	20
Dividend payment to shareholders	(21,425)	(39,452)	(16,023)	(2,195)
Deferred IPO expenses	—	(4,497)	(3,514)	(481)
Net cash provided by (used in) financing activities	13,455	(18,979)	(22,129)	(3,031)

Net increase (decrease) in cash and restricted cash	3,462	17,440	(8,748)	(1,197)
Effect of exchange rate changes on cash	—	—	168	22
Cash and restricted cash at beginning of year	6,284	9,746	27,186	3,724
Cash and restricted cash at end of year	9,746	27,186	18,606	2,549

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

Cash paid for:

Interest	2,839	4,423	3,985	546
Income taxes	8,481	10,486	116	16

NON-CASH INVESTING AND FINANCING ACTIVITIES:

Liabilities assumed in connection with purchase of property, plant and equipment	11,379	2,345	8,633	1,183
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[†] View original content: <https://www.prnewswire.com/news-releases/zhengye-biotechnology-holding-limited-announces-fiscal-year-2024-financial-results-302497426.html>

SOURCE Zhengye Biotechnology Holding Limited