

Godrej Agrovet Ltd.
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CIN : L15410MH1991PLC135359

Date: July 31, 2020

To,
BSE Limited
P. J. Towers, Dalal Street, Fort,
Mumbai – 400 001.

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

Ref.: BSE Scrip Code No. “540743”

Ref.: “GODREJAGRO”

Subject: Media Release

Dear Sir(s),

The Board of Directors of Godrej Agrovet Limited (“the Company”) at its Meeting held today i.e., on Friday, July 31, 2020, has approved the Un-audited Financial Results (both Standalone & Consolidated) as per Indian Accounting Standards (IND AS) for the Quarter ended June 30, 2020.

We enclose copy of Media Release in this regard and the same is being placed on the website of the Company i.e., www.godrejagrovet.com.

Kindly take the above on your record.

Thanking you,

Yours faithfully,

For Godrej Agrovet Limited

Vivek Raizada
Head – Legal & Company Secretary
& Compliance Officer

Encl: A/a



Mumbai, July 31, 2020

Godrej Agrovat Limited has today reported its financial performance for the quarter ended June 30, 2020

- For the first quarter ended June 30, 2020, company reported consolidated total income of Rs.1,562 crore which is lower than previous year by 8.8%. However, consolidated profit before tax was Rs.134 crore, representing a healthy year-on-year growth of 18.7%.
- For the first quarter ended June 30, 2020, company reported standalone total income of Rs.1,164 crore which is lower than previous year by 7.8%. However, standalone profit before tax was Rs.113 crore, representing a healthy year-on-year growth of 10.6%.

**HIGHLIGHTS OF STANDALONE AND CONSOLIDATED FINANCIAL PERFORMANCE
(Q1FY21)
(Rs. in crore)**

| Particulars | Standalone | | | Consolidated | | |
|---|------------|---------|--------------------------|--------------|---------|--------------------------|
| | Q1FY21 | Q1FY20 | %increase/ (decrease) | Q1FY21 | Q1FY20 | %increase/ (decrease) |
| Total Income | 1,163.6 | 1,261.6 | (7.8%) | 1,562.4 | 1,712.8 | (8.8%) |
| Earnings before depreciation, interest and taxes (EBITDA) | 142.3 | 125.9 | 13.0% | 174.2 | 152.1 | 14.5% |
| Profit Before Tax (PBT) | 113.0 | 102.2 | 10.6% | 134.4 | 113.2 | 18.7% |
| Net Profit after tax (PAT) | 86.5 | 68.3 | 26.6% | 100.6 | 77.6 | 29.7% |

Notes: (1) Other income in the standalone financial results for the quarter ended June 30, 2020 includes income of Rs.26.53 crore being dividend received from the joint venture. This does not have any impact on the consolidated financial results for the quarter ended June 30, 2020. (2) Consolidated PBT includes profit from share of associate/JVs

Managing Directors Comments

Commenting on the performance of Q1FY21, Mr. B. S. Yadav, Managing Director, Godrej Agrovet Limited, said:

I am pleased to share with you the financials of Godrej Agrovet Limited for the quarter ended June 30, 2020. Consolidated total income was Rs.1,562 crore which was lower than previous year by 8.8%. However, consolidated profit before tax was Rs.134 crore, representing a healthy year-on-year growth of 18.7%.

The animal feed segment profitability improved year-on-year, with segment result growing by 13.5%, despite 17.4% decline in volumes and 15.5% decline in segment revenues. In crop protection, consolidated revenue and segment results, grew by 11.9% and 10.0%, respectively, thanks to the robust performance of our subsidiary-Astec LifeSciences. Sequential recovery in prices and demand of our poultry products, coupled with favourable raw material prices led to sharp recovery in the subsidiary Godrej Tyson Foods Ltd. Also, our frozen food products under the Yummiez brand received excellent customer response in the quarter. As a result, the subsidiary reported revenue and EBITDA growth of 21.8% and 237.4%, respectively. However, in the vegetable oil segment lower volumes and lower yields resulted in segment loss of Rs.2.6 crore. Our dairy business was impacted by lower demand for milk and milk products. As a result, revenue and EBITDA declined in dairy by 26.2% and 25.5%, respectively.

Extended lockdown had impacted demand and production across segments, especially for out-of-home consumption, however, business activity has started resuming gradually. The macroeconomic indicators for the agriculture sector are positive with timely and above normal south-west monsoon, high water reservoir levels and favourable commodity prices. In addition, multiple measures announced in the Government's stimulus package will encourage private sector participation in the agriculture sector and will help increase income for the farmer. We believe that in the near-to-medium term, agricultural value chain will offer immense business opportunities for growth and expansion. Godrej Agrovet, with its presence across multiple segments in agriculture and strong balance sheet, is well placed to capture these opportunities.

Segment-wise business highlights

Animal Feed

- Extended lockdown impacted volumes across segments, therefore, volumes in the animal feed segment declined by 17.4% year-on-year in Q1FY21
- Further, while segment revenues declined by 15.5% year-on-year during the quarter, segment result increased by 13.5% supported by favourable input prices

Vegetable Oil

- Segment revenue grew by 8.2% year-on-year in Q1FY21 due to increase in prices of crude palm oil and palm kernel oil in the current quarter
- However, lower Fresh Fruit Bunches arrival in the current quarter and lower yields in the fruits compared to corresponding period in the previous year, impacted segment profitability

Crop Protection (standalone)

- In Q1FY21, while the segment revenue was flat at Rs.208.2 crore (Rs.209.3 crore in Q1FY20), segment result were lower at Rs.60.4 crore (Rs.74.4 Crore in Q1FY20)
- Greater emphasis on efficient working capital management and cash collections is yielding results; witnessed cash collection of Rs.224 crore in current quarter compared to collection of Rs.131 crore in the corresponding quarter of the previous year

Astec:

- Q1FY21 performance was strong, as year-on-year revenue and EBITDA grew by 45.4% and 302.4%, respectively
- Growth was driven by strong volumes and higher realisations in the enterprise sales segment. Geographically, exports have grown faster than domestic sales

Dairy

- Extended lockdown has adversely impacted the milk demand from the institutional segment and out-of-home consumption of milk products
- Therefore, lower demand for milk and value added products during Q1FY21 led to decline in volumes, sales and margins

Godrej Tyson Foods Limited

- Yummiez segment witnessed a sharp uptick in volumes and sales, driven by increased consumption of ready-to-cook products by the households. Our products are getting excellent customer response, reflected in our market share gain, both in the vegetarian and the non-vegetarian frozen food product categories
- Favourable input prices in the current quarter over the corresponding period in the previous year also supported profitability

ACI Godrej Agrovvet Private Limited, Bangladesh

- The joint venture reported revenues of Rs.309.4 crore for the current quarter compared to revenues of Rs.222.2 crore for the previous period registering a strong growth of 39.2%.

- ENDS -

About Godrej Agrovvet Limited

Godrej Agrovvet Limited (GAVL) is a diversified, Research & Development focused agri- business Company, dedicated to improving the productivity of Indian farmers by innovating products and services that sustainably increase crop and livestock yields. GAVL holds leading market positions in the different businesses in which it operates - Animal Feed, Crop Protection, Oil Palm, Dairy and Poultry and Processed Foods.

GAVL has a pan India presence with sales of over a million tonnes annually of high quality animal feed and cutting-edge nutrition products for cattle, poultry, aqua feed and specialty feed. Our teams have worked closely with Indian farmers to develop large Oil Palm Plantations which is helping in bridging the demand and supply gap of edible oil in India. In the crop protection segment, the company meets the niche requirement of farmers through innovative agrochemical offerings. GAVL through its subsidiary Astec Life Sciences Limited, is also a business-to-business (B2B) focused bulk manufacturer of fungicides. In Dairy and Poultry and Processed Foods, the company operates through its subsidiaries Creamline Dairy Products Limited and Godrej Tyson Foods Limited. Apart from this, GAVL also has a joint venture with the ACI group of Bangladesh for animal feed business in Bangladesh.

For more information on the Company, please log on to www.godrejagrovvet.com.

Disclaimer: "Some of the statements in this communication may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially from those expressed or implied. Important developments that could affect the Company's operations include changes in industry structure, significant changes in political and economic environment in India and overseas, tax laws, import duties, litigation and labour relations."

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