

Godrej Agrovet Ltd.
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CIN : L15410MH1991PLC135359

Date: February 4, 2021

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”

Sub: Media Release

Dear Sir/Madam,

The Board of Directors of Godrej Agrovet Limited (“The Company”) at its Meeting held today, i.e. on Thursday, February 4, 2021, has approved the Unaudited Financial Results (both Standalone and Consolidated) as per the (IND AS) for the Quarter and Nine months’ period ended December 31, 2020.

We enclose a copy of the Media Release 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 sincerely,

For Godrej Agrovet Limited

Vivek Raizada
Head- Legal & Company Secretary & Compliance Officer
(ACS 11787)

Encl.: As above



Mumbai, February 04, 2021

Godrej Agrovet Limited has today reported its financial performance for the third quarter and nine month ended December 31, 2020, of the financial year 2020-21

- For the third quarter ended December 31, 2020, company reported consolidated total income* and consolidated profit before tax* of Rs.1,536crore and Rs.87crore, respectively. Profit before tax represents year-on-year growth of 28.4% for the quarter, despite a 14.3% year-on-year decline in total income
- For the nine months ended December 31, 2020, company reported consolidated total income* and consolidated profit before tax* of Rs.4,821crore and Rs.367crore, respectively. Consolidated Profit before tax represents a healthy year-on-year growth of 39.8%, despite a 10.2% year-on-year decline in total income

HIGHLIGHTS OF CONSOLIDATED FINANCIAL PERFORMANCE (Q3FY21 & 9MFY21)

(Rs. in crore)

Particulars	Q3FY21	Q3FY20	%increase/ (Decrease)	9MFY21	9MFY20	%increase/ (Decrease)
Total Income*	1,536.4	1,792.0	(14.3%)	4,821.5	5,367.2	(10.2%)
Earnings before Depreciation, interest and taxes (EBITDA)*	122.7	109.9	11.6%	473.6	393.1	20.5%
Profit Before Tax (PBT)*	87.3	68.0	28.4%	366.9	262.5	39.8%
Net Profit after tax (PAT)**	67.3	51.2	31.5%	279.5	198.0	41.2%

* Notes: (1) For Q3FY21 and 9MFY21 total income, EBITDA and PBT exclude Rs.2.8crore as profit earned on sale of land. PAT excludes Rs.2.1crore (net of taxes), (2)9MFY21 total income excludes income of Rs.9.6crore earned from sale of real estate. EBITDA and PBT excludes profit of Rs.4.8crore and PAT excludes profit of Rs.3.8crore (net of taxes), (3) PBT includes share of profit from associates. #(4) PAT for Q3FY21 and 9MFY21 has been adjusted for Rs.1.4crore of prior year taxes and 9MFY20 PAT has been adjusted for one-time deferred tax credit of Rs.33.4crore.

Managing Directors Comments

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

I am pleased to share that Godrej Agrovet had another quarter of strong performance. Our consolidated profit before tax grew by 28.4% and 39.8%, respectively, in the third quarter and the first-nine months of the financial year 2020-21. This is despite a decrease of 14.3% and 10.2%, respectively, in the total income during the third quarter and first nine months.

Segment-wise, most of the segments have seen an increase in profitability in the first nine months compared to the previous year. Animal feed segment results grew by 11.2% year-on-year, despite 16.5% and 19.1% decline in volumes and sales. Consolidated revenues and segment results in crop protection segment grew by 3.3% and 6.5%, respectively, as Astec LifeSciences posted robust performance in the first half. Our poultry and processed foods focused subsidiary, Godrej Tyson has reported 15.5% revenue growth with EBITDA of Rs.41.1crore compared to a loss in the previous year. Low procurement prices benefit Creamline Dairy and EBITDA has grown by 16.8% in the nine month, despite a 17.5% revenue decline. However, vegetable oil segment was impacted by white-fly attack which lowered FFB arrival and oil content in the fruit. Therefore, segment result declined by 7.8% in the first nine months.

With sharp decline in COVID-19 cases in the last few month in India, economy is recovering at a faster-than-expected pace. Agriculture sector has grown ahead of the economy and the near-term prospects are also promising with higher Kharif production, higher Rabi sowing and favourable commodity prices. While couple of sectors are seeing economic activity back at the pre-covid levels, rate of recovery is slower in few other sectors. Demand from the HoReCa segment is still subdued and out-of-home consumption is much lower, however, we expect demand to improve in the near-term.

In the recent budget, measures announced for the agriculture sector continue to focus on increasing farmer's income and on increasing their access to credit. Government also increased custom duty and cess on import of shrimp feed and crude palm oil which is expected to increase domestic production. We believe that these announcement along with earlier measures implemented by Government to boost agriculture sector will encourage more private sector participation in the sector and will help increase income for the farmer. Agricultural value chain will offer immense business opportunities for growth and expansion in the medium-term. 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

- Demand from the HoReCa segment still remain modest, as a result volume de-grew by 16.5% each in Q3FY21 and 9MFY21. This also led to revenue decline of 22.7% and 19.1%, respectively, in Q3FY21 and 9MFY21
- However, segment results grew by 9.1% and 11.2% Y-o-Y, respectively in Q3FY21 and 9MFY21 supported by favourable input prices

Vegetable Oil

- White-fly attack has impacted the palm oil plantation in the current quarter. Therefore, Fresh fruit bunches arrival and the oil content in the fruit were lower compared to previous year.
- As a result, segment revenues and segment results declined by 16.6% and 30.0%, respectively in Q3FY21
- Department of Horticulture, Telangana, has allotted an area to GAVL for oil palm cultivation/expansion. The area has an palm oil development potential of 28,164 hectares

Crop Protection

- Healthy demand across categories in the standalone business compared to the previous year drove volume, revenue and segment results growth in the current quarter
- Greater emphasis on efficient working capital management and cash collections is yielding results; witnessed cash collection of Rs.572 crore in the nine months of the year compared to collection of Rs.454 crore in the corresponding period of the previous year
- However, in Astec LifeSciences, revenue and EBITDA declined due to deferment of few orders and decline in prices of one of the key products. Though on a nine-month basis, revenue and EBITDA grew at a healthy pace.

Dairy

- While Q3FY21 sales declined by 10.1% due to low institutional demand and low out-of-home consumption, EBITDA benefits from low procurement prices and fixed costs control
- Re-launched the Godrej Jersey Ghee during the quarter and seen excellent market response

Godrej Tyson Foods Limited

- Lower sales in the 'Live Bird' and 'Real Good Chicken' segment led to flat revenues Q3FY21 on a YoY basis. However, 'Yummiez' has posted healthy growth in Q3FY21
- For 9MFY21, revenue and EBITDA is driven both by "Yummiez' and 'Live Bird' segments

ACI Godrej Agrovvet Private Limited, Bangladesh

- The joint venture posted revenues of Rs.317 crore in Q3FY21 registering a growth of 24.9% supported by strong volume growth in the cattle, broiler and aqua feed segments

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About Godrej Agrovet Limited

Godrej Agrovet 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.godrejagrovet.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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