

Godrej Agrovet Ltd.
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CIN : L15410MH1991PLC135359

Date: May 11, 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 Monday, May 11, 2020, has approved the Audited Financial Results (both Standalone & Consolidated) as per Indian Accounting Standards (IND AS) for the Quarter and Financial Year ended March 31, 2020. We enclose copy of Media Release in this regard.

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, May 11, 2020

Godrej Agrovat Limited has today reported its financial performance for the fourth quarter and full year ended March 31, 2020

- For the fourth quarter ended March 31, 2020, company reported consolidated total income^{#*} of Rs. 1,508.9 crore which reflects year-on-year growth of 7.5%. Profit before tax^{**} (excluding non-recurring and exceptional items) was Rs. 17.9 crore compared to Rs. 53.8 crore reported during the same period in the previous year.
- For the full year ended March 31, 2020, company reported consolidated total income^{#*} of Rs. 6,876.2 crore which reflects year-on-year growth of 15.7%. Profit before tax^{**} (excluding non-recurring and exceptional items) was Rs. 280.5 crore, compared to Rs. 361.4 crore reported during the same period in the previous year.
- The Board of Directors have recommended a final dividend of Rs. 5.5 per share on the face value of Rs 10 each.

HIGHLIGHTS OF CONSOLIDATED FINANCIAL PERFORMANCE (4QFY20 & FY20)

(Rs. in crore)

Particulars	4QFY20	4QFY19	%increase/ (decrease)	FY20	FY19	%increase/ (decrease)
Total Income ^{#*}	1,508.9	1,403.9	7.5%	6,876.2	5,942.7	15.7%
Earnings before Depreciation, interest and taxes (EBITDA) ^{**}	64.1	87.8	(27.0%)	457.2	481.4	(5.0%)
Profit Before Tax (PBT) ^{**}	17.9	53.8	(66.7%)	280.5	361.4	(22.4%)
Net Profit After Tax (PAT) ^{**}	14.0	34.7	(59.5%)	245.4	240.3	(2.1%)

(1) For the fourth quarter and full year ended March 2020 total income excludes Rs.134.7crore, EBITDA and PBT excludes Rs.78.1crore and PAT excludes Rs.61.7crore of non-recurring income pertaining to sale of real estate project; (2) Consolidated results of the fourth quarter and full year ended March 2020 include financials of Godrej Tyson Foods Limited and Godrej Maxximilk Private Limited which became subsidiaries on 27th March 2019. Consequently, the consolidated results for current quarter and full year are not comparable with the corresponding previous periods.

* (1) Total income, EBITDA and PBT for full year FY19 excludes Rs.29.9 crore and PAT excludes Rs.23.0 crore of non-recurring income pertaining to profit earned on sale of land (net of expenses). (2) Total income, EBITDA and PBT for 4QFY19 and full year FY19 also excludes Rs. 2.3 crore and PAT excludes Rs. 1.5 crore of non-recurring loss incurred on sale of land in CDPL; (3) Financials exclude exceptional items.

Managing Directors Comments

**Commenting on the performance of the 4QFY20 and FY20, Mr. B. S. Yadav,
Managing Director, Godrej Agrovet Limited, said:**

Godrej Agrovet Limited's reported consolidated total income of Rs.6876 crore for the financial year 2019-20 registered year-on-year growth of 15.7%. Consolidated profit before tax (excluding non-recurring and exceptional items) was Rs.281 crore compared to Rs.361 crore reported in previous year.

Our performance had started showing good recovery in the beginning of the fourth quarter, especially in the businesses which were impacted in the first nine months of the year. This was because output prices were improving and input prices started trending downward. However, in beginning of February 2020, false rumour of coronavirus infection through poultry and its products significantly impacted volume, prices and thereby the profitability in our two businesses - animal feed and Godrej Tyson. Further, outbreak of COVID-19 in mid-March 2020 in India affected sales in other segments also. This adversely impacted the performance of the fourth quarter. However, on the positive side, performance in Astec, oil palm plantation and aqua feed was strong which supported the quarterly performance. For the full year, while animal feed and Astec posted strong growth compared to previous year, food businesses and oil palm plantation were impacted by low output prices and high costs. Performance of the crop protection in the standalone business was also modest during the year.

COVID-19 pandemic outbreak is one of the toughest situation being faced by human mankind globally, including India. Post the outbreak of COVID-19 in March 2020, we focused on ensuring safety of our employees and business partners first and took all necessary steps as per Government directives on safety and health. GAVL operates in agriculture sector and all our businesses are part of essential commodities. We resumed operations in April 2020 after obtaining necessary approvals from local authorities. Our factories are currently operational and we have deployed health and safety protocols across all locations. The demand for our products remain firm and our teams are relentlessly working towards providing uninterrupted supply of our essential products (feed, agrochemicals, dairy products, and poultry and processed food products) for animal husbandry, crop protection and household consumption.

In these times, we at Godrej Agrovet are fully committed to support our nation, customers, business partners and employees. We are well-equipped to manage the current situation based on the strong business continuity plan put in place. We are also focusing on cost optimization and working capital management. Our balance sheet remains strong with low gearing levels and healthy liquidity position.

Business highlights-

Animal Feed:

- Volume declined by 11.3% during the current quarter due to disruption caused by the outbreak of COVID-19, especially in broiler and layer feed segments
- Despite price hikes taken, volume decline along with high raw material costs impacted segment results in 4QFY20. Hence, while segment revenue remained flat year-on-year, segment result declined by 27.9% in the current quarter
- However, for full year FY2019-20, segment revenue and segment result have posted strong growth of 20.1% and 19.6%, respectively

Vegetable Oil

- Segment revenue grew by 4.9% to Rs.66.5 crore and segment result improved to Rs 4.3 crore in 4QFY20; mainly benefitting from high crude palm oil prices
- However, for financial year 2019-20 performance has been adversely impacted by lower end product prices and lower oil content in the peak season (first half of the year). As a result, segment revenue and segment result declined by 0.9% and 21.2%, respectively in FY2019-20

Crop Protection (standalone)

- In 4QFY20, while the segment revenue grew to Rs.67.0 crore (Rs.45.2 crore in 4QFY19), segment result were lower at Rs.5.9 crore (Rs. 8.9 Crore in 4QFY19)
- For full year-2019-20, performance was muted as Kharif season was delayed and subsequently monsoon was extended which reduced the application opportunities, especially for speciality products
- In 2019-20, company has launched 'Hitweed Maxx' which is an in-house cotton herbicide and 'Hanabi' which is a specialist to control mites on tea plantation

Astec:

- Volume growth along with higher realisation in the key products during 4QFY20 contributed to the revenue and EBITDA growth of 35.0% and 66.2%, respectively
- Segment-wise, revenue and EBITDA growth in 4QFY20 and FY2019-20 was mainly supported by enterprise sales. Contract manufacturing also grew over comparative previous periods

Dairy

- In 4QFY20, revenues grew only at a modest rate of 5% because of lower milk volumes during the quarter and sales disruption post mid-March 2020. EBITDA was also impacted by high procurement prices
- Value added products grew at a faster rate compared to overall revenue growth, both for the quarter and for full year FY2019-20. Value added products form 29% of the revenues in FY2019-20 compared to 27% in FY2018-19

Godrej Tyson Foods Limited

- Performance of the current quarter was significantly impacted by rumours linked to COVID-19 spread through poultry products leading to decline in prices and volumes of live bird from February onwards
- For the full year 2019-20, EBITDA was also impacted by high raw material prices in the live bird segment

ACI Godrej Agrovet Private Limited, Bangladesh

- The joint venture reported revenues of Rs.288.5 crore for the fourth quarter representing a year-on-year growth of 83.3% over the previous year

- ENDS -

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 feed and cutting-edge nutrition products for cattle, poultry, aqua feed and specialty feed. Apart from these businesses, the Company 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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