

Godrej Agrovet Ltd.
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CIN : L15410MH1991PLC135359

Date: July 29, 2022

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 for the Quarter ended June 30, 2022

Dear Sir/Madam,

The Board of Directors of Godrej Agrovet Limited ("The Company") at its Meeting held today, i.e. on Friday, July 29, 2022, has approved the Unaudited Financial Results (both Standalone and Consolidated) as per Indian Accounting Standards (IND AS) for the Quarter ended June 30, 2022.

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





PRESS RELEASE

Mumbai, July 29, 2022: Godrej Agrovet Limited (“GAVL”) has today announced its financial results for the first quarter ended June 30, 2022

HIGHLIGHTS OF FINANCIAL PERFORMANCE (Q1 FY23)

- Q1 FY23 consolidated total income increased to Rs. 2,517.5 crore from Rs. 2,003.2 crore in Q1 FY22, a growth of 25.7% year-on-year
- Company reported consolidated EBITDA of Rs. 169.3 crore in Q1 FY23 as compared to Rs. 180.0 crore in Q1 FY22
- Company reported Profit before tax of Rs. 102.8 crore in Q1 FY23 as compared to Rs. 126.2 crore in Q1 FY22



MANAGING DIRECTOR'S COMMENTS

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

Godrej Agrovat started financial year 2022-23 with a robust growth in volumes and topline in the first quarter ended June 30, 2022. All of our businesses, with the exception of Crop Protection, registered a strong volume growth. We achieved year-on-year growth of 25.7% to clock total income of Rs. 2,517.5 crore in Q1 FY23. However, it was a challenging quarter in terms of profitability as most of our businesses recorded margin contraction owing to combination of factors such as high cost inventory, input cost inflation, deferment of sales and limited transmission etc. Decline in margin was witnessed in Animal Feeds, Crop Protection and Dairy businesses while Vegetable Oils and Poultry segments reported a growth in operating margin.

On Macro front, the arrival of south-west monsoon was late by few weeks and therefore, led to delay in sowing of Kharif crops, especially Cotton. Soymeal prices declined sharply in May 2022 as Government of India allowed import of GM soymeal to the tune of 0.55 million MT. Crude Palm Oil prices reached record high levels in May 2022 owing to three-week exports ban by Indonesian Government, a largest producer and exporter of palm oil. Prices have been gradually correcting since the lifting of exports ban in the last week of May. In Dairy sector, milk procurement prices continued to increase further along with other input costs as well. In Poultry sector, live bird prices were considerably higher than the previous year and remained well above the feed costs.

Our Animal Feed business recorded double-digit growth in volumes, however suffered from high cost inventories of key raw materials. Vegetable Oil business continued to reap benefits of higher oil prices and improved efficiency levels as segment results grew by 2.6x year-on-year. Standalone Crop Protection business was impacted by deferred liquidation on account of delayed Kharif sowing and lower placements to maintain channel hygiene. Astec LifeSciences reported another quarter of significant increase in topline; however, growth was constrained by deferment of revenues while margin contraction in one of the products impacted bottomline performance. Both of our Food businesses reported strong volume growth year-on-year. For Poultry and Processed Food business, Q1 was a very good quarter led by favorable demand dynamics in Real Good Chicken (RGC) and significant increase in Live Bird prices throughout the quarter. Our Dairy subsidiary, Creamline Dairy achieved further market share gains in key value-added products registering 47.6% topline growth. However, sustained rise in procurement and packaging costs led to subdued profitability.

During the quarter, Godrej Agrovat successfully completed submission of Greenhouse Gas (GHG) emissions reduction roadmap target in line with Science Based Target's (SBTi) "Well Below 2°C" scenario. In doing so, GAVL became first Agri company in India to commit to reduction in Scope 1 & Scope 2 GHG emissions by 37.5% and Scope 3 emissions by 16.0% by FY 2035. We also continued to make good progress in achieving 2025 sustainability targets.

SEGMENT-WISE BUSINESS HIGHLIGHTS

Animal Feed

- In Q1 FY23, robust year-on-year volume and revenue growth of 11.4% and 24.4%, respectively, was driven by market share gains. Volume growth was recorded across key categories i.e. Cattle (+12% year-on-year), Broiler (+20%) and layer (+8%)
- However, Segment results were impacted, albeit temporarily, by high cost inventories of key raw materials. Unforeseen Government interventions led to sudden decline in raw material prices.

Vegetable Oil

- Segment revenues and segment results grew by 33.4% and 163.2% year-on-year respectively in Q1 FY23 on account of improvement in oil extraction ratio (OER) coupled with record high oil prices. Prices of crude palm oil and palm kernel oil increased by 24% and 41% year-on-year, respectively, during the first quarter.
- During the quarter, Company signed Memorandum of Understanding (MOUs) with State Governments of Assam and Manipur for development and promotion of oil palm cultivation under the National Mission on Edible Oils-Oil Palm (NMEO-OP) scheme.

Crop Protection (Standalone)

- Crop Protection segment was impacted by delayed monsoon and deferred application of agrochemicals. Segment reported 17.6% year-on-year decline in revenues. Strict focus on channel credit hygiene also led to lower sales as compared to the last year.
- Segment results stood at Rs. 26.1 crore in Q1 FY23 as compared to Rs. 64.0 crore in the same period last year.

Astec LifeSciences

- Astec registered solid topline growth of 43.3% on the back of higher export realisations and CMO volumes. Although, growth was constrained by deferment of sales to the tune of ~20% of Q1 revenues.
- Geographically, growth in Q1 FY23 was driven by exports sales, which accounted for 49% of the segment revenues and grew by 215% year-on-year.
- Astec witnessed decline in margin profile in Q1 FY23 owing to margin compression in one of the products, deferment of sales and increased cost structure on account of the herbicide plant.



Dairy

- Dairy business recorded strong growth in volumes and topline in Q1 FY23, primarily led by market share gains in value-added products.
- However, sustained rise in procurement and packaging costs led to subdued profitability.

Godrej Tyson Foods Limited

- GTFL achieved 39.8% growth in segment revenues in Q1 FY22 led by Real Good Chicken (RGC) and Live Bird categories.
- RGC volumes increased by 82% while realisations in the live bird business improved by 43% in Q1 FY23 vs Q1 FY22
- Consequently, GTFL reported significant improvement in EBITDA margins as compared to previous year

ACI Godrej Agroviet Private Limited, Bangladesh

- In Q1 FY23, ACI Godrej continued with its upbeat performance and posted revenue growth of 42.0% year-on-year. The growth was driven by combination of higher realizations and increase in volumes by 14.2% during the quarter.

- 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 tons 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 & herbicides. 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

For further information, please contact:

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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."