

# GODREJ AGROVET LIMITED

PERFORMANCE UPDATE – Q4FY21 & FY21

May 07, 2021



## GAVL PERFORMANCE HIGHLIGHTS

## CONSOLIDATED Q4FY21 FINANCIALS – Key Highlights



Particulars	As Reported			Excluding - real estate income and other non-recurring & exceptional items		
	Q4FY21	Q4FY20	% Growth	Q4FY21	Q4FY20	% Growth
(Rs crore, unless stated)						
Total Income	1,472.4	1,643.6	(10.4%)	1,472.4	1,508.9	(2.4%)
EBITDA	122.2	142.2	(14.1%)	122.2	64.1	90.4%
<i>EBITDA Margin (%)</i>	8.3%	8.7%		8.3%	4.3%	
Profit before tax (PBT)	78.6	86.1	(8.7%)	78.6	17.9	338.4%
<i>PBT Margin (%)</i>	5.3%	5.2%		5.3%	1.2%	
Profit after tax (PAT)	63.4	69.2	(8.4%)	63.4	14.0	351.7%
<i>PAT Margin (%)</i>	4.3%	4.2%		4.3%	0.9%	

Notes: (1) Q4FY20 reported total income includes Rs.134.7crore, EBITDA & PBT include Rs.78.1crore & PAT includes Rs.61.7crore of real estate income. (2) Q4FY20 reported PBT includes Rs.9.9crore & PAT includes Rs.6.5crore of exceptional loss incurred in GTFL

## CONSOLIDATED FY21 FINANCIALS – Key Highlights



Particulars	As Reported			Excluding - real estate income and other non-recurring & exceptional items		
	FY21	FY20	% Growth	FY21	FY20	% Growth
(Rs crore, unless stated)						
Total Income	6,306.3	7,010.9	(10.0%)	6,293.9	6,876.2	(8.5%)
EBITDA	603.3	535.3	12.7%	598.0	457.2	30.8%
<i>EBITDA Margin (%)</i>	9.6%	7.6%		9.5%	6.6%	
Profit before tax (PBT)	453.1	348.6	30.0%	447.8	280.5	59.7%
<i>PBT Margin (%)</i>	7.2%	5.0%		7.1%	4.1%	
Profit after tax (PAT)	347.6	300.6	15.6%	344.7	212.0	62.5%
<i>PAT Margin (%)</i>	5.5%	4.3%		5.5%	3.1%	

Notes: (1) FY20 reported income includes Rs.134.7crore, EBITDA & PBT include Rs.78.1crore & PAT includes Rs.61.7crore of real estate income.(2) FY20 reported PBT includes Rs.9.9Crore & PAT includes Rs.6.5crore of exceptional loss in GTFL, PAT also includes deferred tax benefit of Rs.33.4crore. (3) FY21 reported total income includes Rs.9.6crore, EBITDA & PBT include Rs.5.3crore & PAT includes Rs.4.3crore of real estate income, PAT includes Rs.1.4crore of prior year taxes for Astec.

## STANDALONE Q4FY21 FINANCIALS – Key Highlights



Particulars	As Reported			Excluding - real estate income and non-recurring items		
	Q4FY21	Q4FY20	% Growth	Q4FY21	Q4FY20	% Growth
(Rs crore, unless stated)						
Total Income	974.0	1,165.5	(16.4%)	<b>974.0</b>	<b>1,030.9</b>	<b>(5.5%)</b>
EBITDA	80.6	127.6	(36.8%)	<b>80.6</b>	<b>49.5</b>	<b>62.9%</b>
<i>EBITDA Margin (%)</i>	<i>8.3%</i>	<i>10.9%</i>		<b>8.3%</b>	<b>4.8%</b>	
Profit before tax (PBT)	43.2	101.8	(57.5%)	<b>43.2</b>	<b>23.7</b>	<b>82.2%</b>
<i>PBT Margin (%)</i>	<i>4.4%</i>	<i>8.7%</i>		<b>4.4%</b>	<b>2.3%</b>	
Profit after tax (PAT)	33.5	79.1	(57.6%)	<b>33.5</b>	<b>17.4</b>	<b>93.1%</b>
<i>PAT Margin (%)</i>	<i>3.4%</i>	<i>6.8%</i>		<b>3.4%</b>	<b>1.7%</b>	

Note: Q4FY20 reported total income includes Rs.134.7crore, EBITDA & PBT include Rs.78.1crore & PAT includes Rs.61.7crore of real estate income.

## STANDALONE FY21 FINANCIALS – Key Highlights

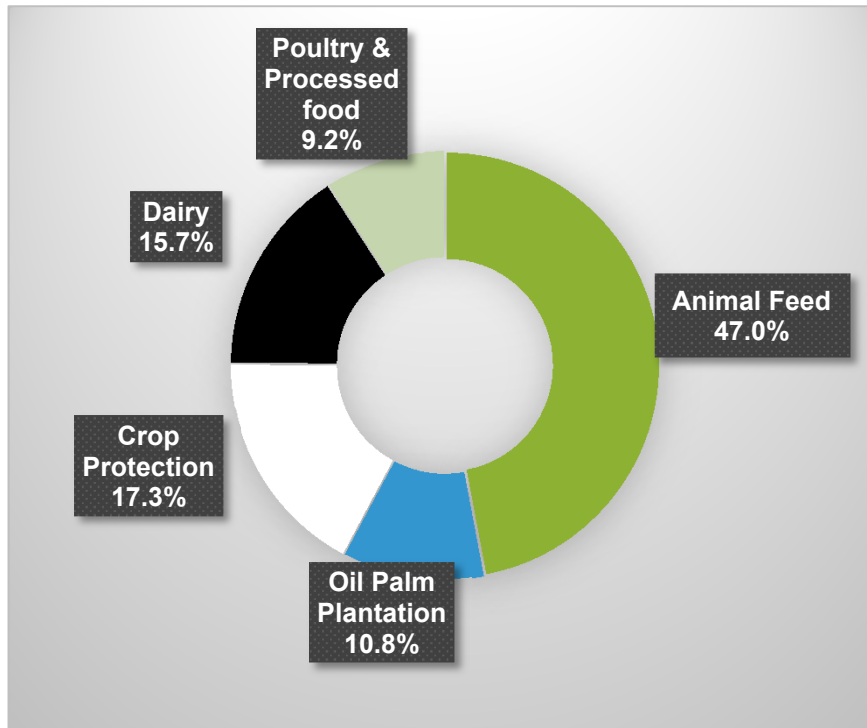


Particulars	As Reported			Excluding - real estate income and non-recurring items		
	FY21	FY20	% Growth	FY21	FY20	% Growth
(Rs crore, unless stated)						
Total Income	4,513.8	5,159.7	(12.5%)	<b>4,504.2</b>	<b>5,025.0</b>	<b>(10.4%)</b>
EBITDA	473.9	462.6	2.5%	<b>471.4</b>	<b>384.5</b>	<b>22.6%</b>
<i>EBITDA Margin (%)</i>	<i>10.5%</i>	<i>9.0%</i>		<b>10.5%</b>	<b>7.7%</b>	
Profit before tax (PBT)	352.6	359.2	(1.9%)	<b>350.1</b>	<b>281.1</b>	<b>24.5%</b>
<i>PBT Margin (%)</i>	<i>7.8%</i>	<i>7.0%</i>		<b>7.8%</b>	<b>5.6%</b>	
Profit after tax (PAT)	279.0	293.3	(4.9%)	<b>276.9</b>	<b>208.5</b>	<b>32.8%</b>
<i>PAT Margin (%)</i>	<i>6.2%</i>	<i>5.7%</i>		<b>6.1%</b>	<b>4.1%</b>	

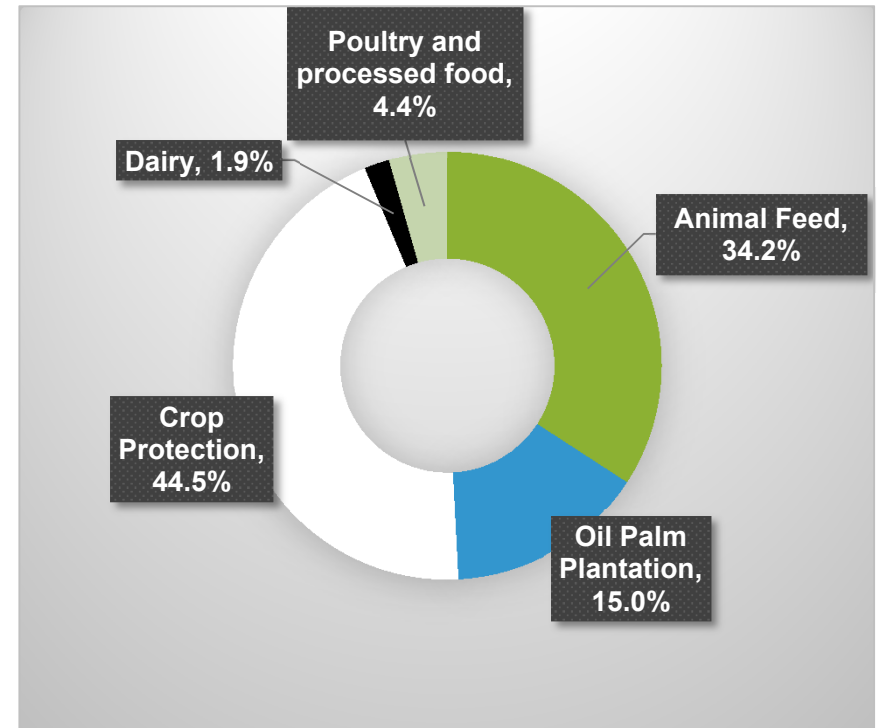
Notes: (1) FY20 reported total income includes Rs.134.7crore, EBITDA and PBT include Rs.78.1crore and PAT includes Rs.61.7crore of real estate income. (2) PAT also includes one-time deferred tax credit of Rs.23.1crore. (3) FY21 reported total income includes Rs.9.6crore, EBITDA & PBT include Rs.2.5crore and PAT includes Rs.2.1crore of real estate income.

## FY21 SEGMENT-WISE REVENUE AND PBIT

Segment Revenue Mix <sup>(1)</sup>



Profit before interest and taxes <sup>(2)</sup>



Notes:

- (1) As % of total consolidated segment revenues
- (2) As % of total consolidated segment profit before interest and taxes excluding non-recurring income
- (3) Revenue and PBIT from real estate project and other segments have been excluded to show core businesses

## KEY BALANCE SHEET DATA – Consolidated Financials



Particulars		March 31, 2021	March 31, 2020
Total Debt	Rs. Crore	987.9	630.3
Net Debt	Rs. Crore	939.3	581.6
Total Equity	Rs. Crore	2,461.4	2,220.6
Capital Employed	Rs. Crore	3,449.3	2,850.9
<b>Net Debt to Total Equity</b>	<b>Times (X)</b>	<b>0.38</b>	<b>0.26</b>
<b>Return on average capital employed</b>	<b>%</b>	<b>14.1%</b>	<b>11.7%</b>
<b>Return on equity</b>	<b>%</b>	<b>16.0%</b>	<b>12.0%</b>

*Notes: Return on capital employed is calculated as : EBIT/Average capital employed*

*Return on Equity is calculated as PAT/Average equity*

*EBIT and PAT excludes real estate income and other non-recurring and exceptional items*

*Return on equity is calculated excluding non-controlling interests*



## KEY FINANCIALS METRICS RESTATED FOR ACCEPTANCES

**In FY21, GAVL shifted from supplier financing to short-term borrowings which was more attractive as cost of borrowing was significantly lower than cost of supplier financing**

Impact on  
key metrics

### Capital employed

Particulars (Rs Cr.)	Mar-21	Mar-20
Reported Capital Employed	3,449.3	2,850.9
Add: Acceptances	267.5	880.9
<b>Capital employed with acceptances</b>	<b>3,716.8</b>	<b>3,731.8</b>

### Indebtedness

Particulars (Rs Cr.)	Mar-21	Mar-20
Reported Net Debt	939.3	581.6
Add: Acceptances	267.5	880.9
<b>Net debt with acceptances</b>	<b>1,206.8</b>	<b>1,462.5</b>

### Cash generated from business operations

Particulars (Rs. Cr.)	FY21
Cash generated from business operations (net of dividends)	(357.7)
Add: Change in acceptances	613.4
<b>Cash generated from business operations (without considering reduction in acceptances)</b>	<b>255.7</b>

## GAVL delivered strong performance in tough times



- **Financial year 2020-21 was a difficult and an unprecedented year for the economy**
  - ❑ First half was significantly impacted by lockdown with GDP declining by 15.7% in H1FY21
  - ❑ However, Indian economy recovered in H2FY21 with easing of restrictions
  - ❑ Though demand in most businesses remained firm, volumes in animal feed and dairy were impacted by lower demand from HoReCa segment and lower out-of-home consumption
- **GAVL managed the situation with agility and efficiency**
  - ❑ Manufacturing plants were operational from April 2020 along with ensuring employee safety
  - ❑ High focus on costs optimization by keeping fixed costs under control
  - ❑ Raw material stocking to avoid production disruption
  - ❑ Focus on collections in working capital intensive businesses, like crop protection
  - ❑ Leveraged technology to connect with channel partners (distributors, dealers, farmers, and customers) and employee engagement
- **Strong performance delivered with operating profit (EBITDA) growing by 31% YoY in FY21**

## GAVL is well-prepared to tide through the near-term challenges



- **Second wave of COVID-19 in India is more severe and is leading to uncertainty**
  - ❑ Micro-lockdowns across states can cause near-term demand and supply disruptions
  - ❑ HoReCa demand is lower sequentially, but is higher than the same period last year
  - ❑ We expect a quick recovery as vaccination drive gains traction lowering COVID cases
  
- **GAVL's is well-prepared to manage near-term challenges**
  - ❑ Businesses part of essential goods and services and more resilient than other sectors
  - ❑ IMD has forecasted normal monsoon which augurs well for the agriculture sector
  - ❑ Manufacturing plants in all locations are operational
  - ❑ Most of the eligible employees have taken the vaccination (first dose)
  - ❑ Balance sheet is strong and liquidity position is comfortable

## SEGMENT-WISE PERFORMANCE UPDATE

## ANIMAL FEED



Leading compound feed play across Cattle (Milk), Broiler, Layer, Fish and Shrimp feed in India

Particulars	Q4FY21	Q4FY20	Growth	FY21	FY20	Growth
Sales Volume (tons)	2,96,116	2,94,216	0.6%	11,36,314	13,00,839	(12.6%)
Segment Revenue (Cr)	799.5	881.0	(9.3%)	3,093.2	3,717.7	(16.8%)
Segment Result (Cr)	56.8	33.2	71.0%	190.8	153.7	24.1%
Segment Margin (%)	7.1%	3.8%		6.2%	4.1%	

- Consumption of milk, chicken and egg was subdued due to lower demand from the HoReCa segment and lower out-of-home consumption. This has impacted demand for cattle, broiler and layer feed. As a result, while volumes were flat year-on-year in Q4FY21, volumes de-grew by 12.6% in FY21
- However, segment results posted strong growth of 71.0% and 24.1%, respectively in Q4FY21 and FY21 supported by favourable input price and realisation of R&D benefits
- Successfully launched new cattle feed product 'Samruddhi' in western market. Aim to increase market share through new product launches and increase in penetration across geographies



## OIL PALM BUSINESS



*Largest domestic producer of Crude Palm oil and Palm Kernel Oil*

Particulars	Q4FY21	Q4FY20	Growth	FY21	FY20	Growth
Segment Revenue (Cr)	71.7	66.5	7.9%	710.0	673.5	5.4%
Segment Result (Cr)	5.3	4.3	23.3%	83.7	89.3	(6.3%)
Segment Margin (%)	7.4%	6.5%		11.8%	13.3%	

- Crude palm oil (CPO) and palm kernel oil (PKO) prices were high year-on-year in Q4FY21, which has benefitted segment revenues and segment results. However, fourth quarter is a non-seasonal quarter for the oil palm business
- White-fly attack has impacted the palm oil plantation during the year. Therefore, Fresh fruit bunches arrival and oil content in the fruit were lower in FY21. Hence, despite higher prices CPO and PKO prices, segment results declined year-on-year
- Department of Horticulture, Telangana, has allotted an area in Mahabubabad district to GAVL for oil palm cultivation/expansion. The area has an palm oil development potential of 28,164 hectares



# CROP PROTECTION BUSINESS



Agrochemical products produced cater to the entire crop lifecycles

Particulars	Q4FY21	Q4FY20	Growth	FY21	FY20	Growth
Segment Revenue (Cr)	93.5	67.0	39.5%	581.5	567.7	2.4%
Segment Result (Cr)	20.7	5.9	252.4%	153.4	153.8	(0.3%)
Segment Margin (%)	22.2%	8.8%		26.5%	27.1%	

- Increase in sales of in-house products during the quarter resulted in strong segment revenue and segment results growth in Q4FY21
- Our focus was on efficient working capital management and cash collections during the year; cash collection increased to Rs.629 crore in FY21 compared to collection of Rs.495 crore in FY20
- However, production disruption of the high margin speciality products in the first half due to lockdown, led to revenue and profitability being similar to that of the previous year in FY21





*Manufactures a wide range of agrochemical active ingredients and pharmaceutical intermediates*

Particulars	Q4FY21	Q4FY20	Growth	FY21	FY20	Growth
Revenue (Cr)	171.9	180.6	(4.8%)	554.9	522.6	6.2%
EBITDA (Cr)	39.7	47.9	(17.1%)	119.5	97.1	23.0%
<i>EBITDA Margin (%)</i>	<i>23.1%</i>	<i>26.5%</i>		<i>21.5%</i>	<i>18.6%</i>	

- Lower export prices and higher base of previous year has impacted revenues in Q4FY21. However, domestic sales have grown during the quarter supported by higher prices
- For the full year, revenues grew at 6.2% supported by better pricing in the domestic markets. While export volumes have grown, lower pricing compared to previous year led to decline in value terms. Segment-wise, growth is supported by enterprise sales
- Herbicide plant will be operationalize in the current quarter and will contribute to revenues in FY22. A new contract manufacturing product was also launched in FY21

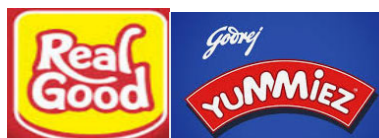


Particulars	Q4FY21	Q4FY20	Growth	FY21	FY20	Growth
Revenue (Cr)	280.1	280.8	(0.3%)	1,032.2	1,193.0	(13.5%)
EBITDA (Cr)	3.5	2.1	69.3%	38.8	32.1	20.3%
EBITDA Margin (%)	1.3%	0.7%		3.8%	2.7%	

- While out-of-home consumption and institutional demand picked up sequentially in the fourth quarter, it was still lower than the pre-covid levels. This has impacted volumes and revenues in the current quarter and the full year
- EBITDA benefits from low procurement prices both for the current quarter and for the full year. However, procurement prices have started increasing from January onwards
- Re-launched the ‘Godrej Jersey Ghee’ during the year and seen excellent market response. In FY21, company also launched dairy sweet ‘Mysore Pak’ and also re-launched the entire product portfolio under the new ‘Godrej Jersey’ logo



## GODREJ TYSON FOODS LIMITED



Particulars	Q4FY21	Q4FY20	Growth	FY21	FY20	Growth
Revenue (Cr)	138.7	113.9	21.8%	602.5	515.4	16.9%
EBITDA (Cr)	0.8	(33.5)	NA	41.9	(47.6)	NA
EBITDA margin %	0.6%	(29.4%)		7.0%	(9.2%)	

- In the current quarter, Yummiez segment continued to witness strong growth in sales and profitability. However, performance in the 'Live Bird' segment was impacted by the bird-flu outbreak in Jan-21
- For the year, company posted strong revenue and profitability growth. Live bird segment and the Yummiez segment were key growth contributors. Higher volumes and prices coupled with favourable raw material prices supported the performance



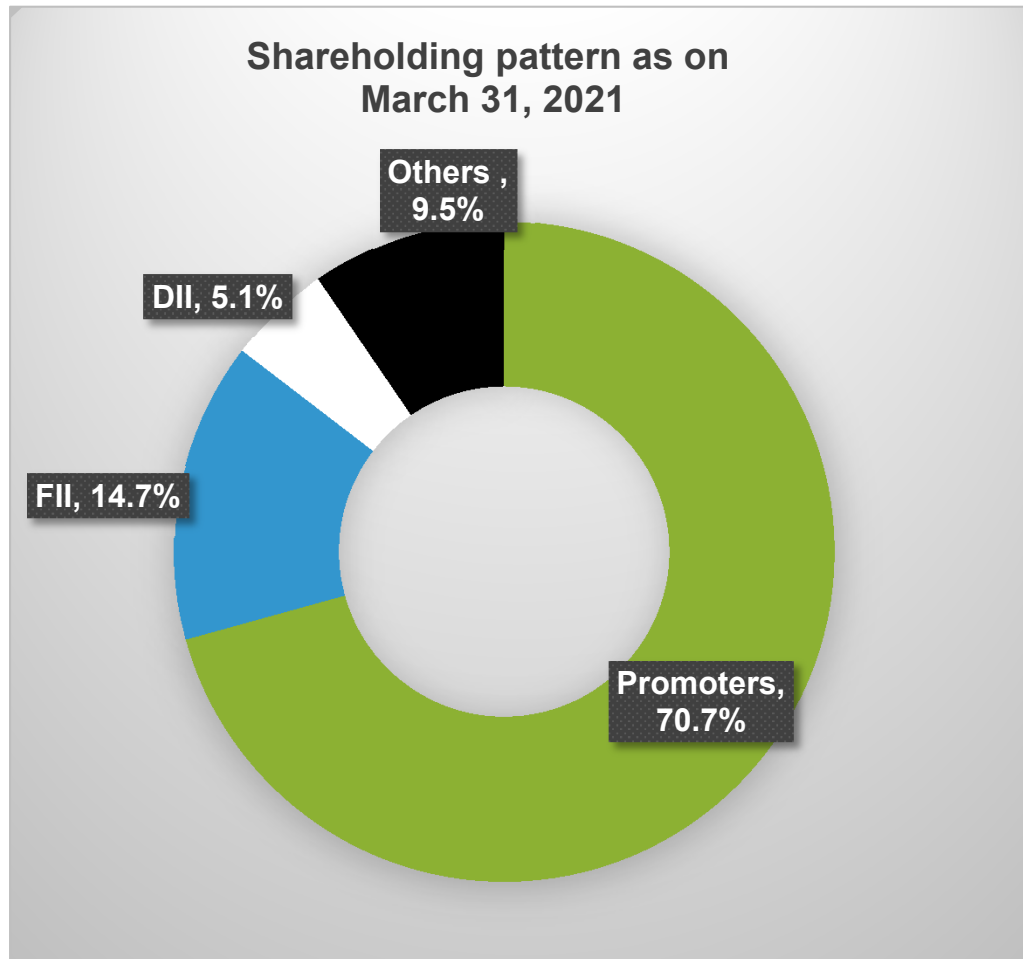
## JOINT VENTURE- ACI GODREJ AGROVET PRIVATE LTD.

Particulars	Q4FY21	Q4FY20	Growth	FY21	FY20	Growth
Revenue (Rs.Cr)	296.7	288.4	2.9%	1,251.4	1,027.2	21.8%

# GAVL SHAREHOLDING PATTERN

## Major Investors

- Temasek
- Aberdeen
- Kotak Mutual Fund
- LIC India
- DSP
- Vanguard
- ICICI Prudential
- Bajaj Holdings
- Tata AIG
- JP Morgan



## CONTACT US



**To know more, visit us at:**  
**[www.godrejagrovat.com](http://www.godrejagrovat.com)**

S Varadaraj  
Email: [s.varadaraj@godrejagrovat.com](mailto:s.varadaraj@godrejagrovat.com)  
[gavlinvestors@godrejagrovat.com](mailto:gavlinvestors@godrejagrovat.com)

Chhavi Agarwal  
Email: [chhavi.agarwal@godrejagrovat.com](mailto:chhavi.agarwal@godrejagrovat.com)  
[gavlinvestors@godrejagrovat.com](mailto:gavlinvestors@godrejagrovat.com)

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