

Godrej Agrovet Ltd.
Registered Office : Godrej One,
3rd Floor, Pirojshanagar,
Eastern Express Highway,
Vikhroli (E), Mumbai 400 079, India.
Tel. : +91-22-2518 8010/8020/8030
Fax : +91-22-2519 5124
Email : gaviho@godrejagrovet.com
Website : www.godrejagrovet.com
CIN : L15410MH1991PLC135359

Date: February 8, 2023

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 **Wednesday, February 8, 2023**, has approved the Standalone and Consolidated Unaudited Financial Results for the Quarter and Nine Months' period ended December 31, 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, February 8, 2023: Godrej Agrovet Limited (“GAVL”) has today announced its financial results for the third quarter and nine months ended December 31, 2022

HIGHLIGHTS OF FINANCIAL PERFORMANCE (Q3 and 9M FY23)

Q3 FY23 Financial Summary

- Consolidated revenues from operations increased to Rs. 2,323.5 crore from Rs. 2,078.5 crore in Q3 FY23, a growth of 12% year-on-year
- Consolidated EBITDA, excluding non-recurring & exceptional items, increased to Rs. 159.6 crore in Q3 FY23 from Rs. 153.9 crore in Q3 FY22, a growth of 4% year-on-year
- Company reported Profit before tax*, excluding non-recurring & exceptional items, of Rs. 87.8 crore in Q3 FY23 as compared to Rs. 92.9 crore in Q3 FY22, a drop of 5% year-on-year

9M FY23 Financial Summary

- 9M FY23 consolidated revenues from operations increased to Rs. 7,278.7 crore from Rs. 6,225.3 crore in 9M FY22, a growth of 17% year-on-year
- Company reported consolidated EBITDA, excluding non-recurring & exceptional items, of Rs. 488.0 crore in 9M FY23 as compared to Rs. 529.9 crore in 9M FY22
- Company reported Profit before tax*, excluding non-recurring & exceptional items, of Rs. 278.0 crore in 9M FY23 as compared to Rs. 357.2 crore in 9M FY22

** Profit before tax excludes share of profit from associates*

MANAGING DIRECTOR'S COMMENTS

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

Godrej Agrovat maintained robust volume growth in Q3 and 9M FY23 with increase in topline of 12% y-o-y in Q3 and 17% y-o-y in 9M FY23 over the corresponding previous periods. However, on the margin front, it was a challenging quarter for some of the businesses on account of adverse sector-specific macro conditions, unfavorable commodity price movements and limited transmission of input cost inflation.

Delayed Rabi sowing due to extended monsoon withdrawal, lower instances of pest infestation and higher channel inventories impacted domestic agrochemicals demand. Crude palm oil prices further corrected in Q3 FY23 with increased supplies from world's largest exporters – Indonesia and Malaysia. Dairy sector witnessed sustained rise in milk procurement prices with limited transmission. Strong recovery in live bird prices in Q3, post seasonally weak second quarter, supported profitability of Poultry sector.

SEGMENT-WISE BUSINESS HIGHLIGHTS

Animal Feed

- Animal Feed segment achieved highest-ever quarterly volume in Q3 FY23, mainly led by Cattle-feed category (+15% in Q3 and +14% in 9M) on account of market share gains
- Segment margin further recovered to ₹ 1,507 / MT in Q3 from ₹ 1,381 / MT in Q2 and was also higher by 5% year-on-year driven by better realisations

Vegetable Oil

- While volume growth remained robust y-o-y, sharp decline in crude palm oil prices impacted topline as well as profitability. The average realisation of crude palm oil and palm kernel oil declined by 24% and 26% respectively in Q3 FY23 vs Q3 FY22
- Oil extraction ratio improved on a sequential basis (vs. Q2 FY23), but was marginally lower as compared to the same period last year
- During the quarter, GAVL signed MoU with State Government of Nagaland for development and promotion of oil palm cultivation

Crop Protection (Standalone)

- Topline growth in Q3 was led by higher sales of in-licensed products, mainly Gracia and lower returns as compared to previous year
- Unfavorable product mix due to reduced application opportunities and product rationalization initiatives impacted profitability
- Working capital cycle has improved substantially driven by concerted efforts in maintaining credit hygiene

Astec LifeSciences

- Q3 topline performance was impacted due to lower demand for key products on account of high inventories and reduced realisations from last year's high base
- Exports, accounting for 76% of the revenues, declined by 19% year-on-year in Q3 FY23. Domestic sales, accounting for 24% of revenues, also declined by 55% year-on-year
- EBITDA margin contracted in Q3 FY23 on account of lower realisations for key enterprise products while input costs were largely unaffected

Dairy

- Sustained volume growth in both value-added products (+19% year-on-year) and milk (+5% year-on-year) in Q3 FY23 driving overall revenue growth
- With year-on-year growth of 44%, salience of our value-added products (VAP) portfolio stood at 32% in 9M FY23 driven by Curd, buttermilk and milk-based flavored drinks
- However, higher increase in milk procurement costs as compared to that of selling prices has impacted margin profile. Flush season was impacted due to heavy rains in South India and outbreak of Lumpy Skin Disease

Godrej Tyson Foods Limited

- Godrej Tyson recorded strong year-on-year growth in segment revenues in Q3 FY23 driven by sustained volume growth in branded as well as traded categories coupled with recovery in live bird prices
- Branded categories, Real Good Chicken (RGC) and Yummiez achieved volume growth of 45% and 46% year-on-year, respectively

ACI Godrej Agrovat Private Limited, Bangladesh

- ACI Godrej posted revenue growth of 31% year-on-year in Q3 FY23, driven by higher realizations as well as increase in volumes by 10% year-on-year during the quarter

On ESG front, Godrej Agrovat remained on track to achieve 2025 sustainability targets. The share of renewable energy in overall energy consumption mix increased to 74% in 9M FY23 as compared to 70% in 9M FY22 with solar roof top / ground mounted system installations at more than 20 manufacturing plants.

During the quarter, we received results for our Climate Disclosure Project (CDP) submission and we are happy to report that our CDP scores related to climate change & forest (palm oil) are ahead of the global averages. Also, our Oil palm plantations business was awarded a verification certification under the Indian Palm Oil Sustainability (IPOS) Framework, issued by an independent international certification body. The certification further reinstates the sustainable practices adopted by company's oil palm business.



About Godrej Agroviet Limited

Godrej Agroviet 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. 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.godrejagroviet.com

For further information, please contact:

S. Varadaraj
Chief Financial Officer,
Godrej Agroviet Limited
Email: s.varadaraj@godrejagroviet.com
Tel No.: +91 22 2519 4864

Aditya Desai
Investor Relations,
Godrej Agroviet Limited
Email: gavlinvestors@godrejagroviet.com /
aditya.desai@godrejagroviet.com
Tel No.: +91 22 2519 4646

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."