

**Godrej Agrovet Ltd.**  
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CIN : L15410MH1991PLC135359

**Date:** November 4, 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**

Dear Sir/Madam,

The Board of Directors of Godrej Agrovet Limited ("The Company") at its Meeting held today, i.e. on Friday, November 4, 2022, has approved the Standalone and Consolidated Unaudited Financial Results as per Indian Accounting Standards (IND AS) for the Quarter and Half Year ended September 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](http://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, November 4, 2022:** Godrej Agrovet Limited (“GAVL”) has today announced its financial results for the second quarter and half-year ended September 30, 2022

### HIGHLIGHTS OF FINANCIAL PERFORMANCE (Q2 and H1 FY23)

#### Q2 FY23 Financial Summary

- Q2 FY23 consolidated total income increased to Rs. 2,454.2 crore from Rs. 2,159.7 crore in Q2 FY23, a growth of 13.6% year-on-year
- Company reported consolidated EBITDA of Rs. 159.1 crore in Q2 FY23 as compared to Rs. 196.1 crore in Q2 FY22
- Company reported Profit before tax\* of Rs. 87.3 crore in Q2 FY23 as compared to Rs. 138.1 crore in Q2 FY22

#### H1 FY23 Financial Summary

- H1 FY23 consolidated total income increased to Rs. 4,972.8 crore from Rs. 4,162.9 crore in H1 FY22, a growth of 19.4% year-on-year
- Company reported consolidated EBITDA of Rs. 328.4 crore in H1 FY23 as compared to Rs. 376.0 crore in H1 FY22
- Company reported Profit before tax\* of Rs. 190.1 crore in H1 FY23 as compared to Rs. 264.2 crore in H1 FY22

*\* Profit before tax excluding share of profit from associates and exceptional items*



## MANAGING DIRECTOR'S COMMENTS

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

Q2 FY23 was a mixed bag for Godrej Agrovat as we achieved solid topline growth of 13.6% in Q2 FY23 and 19.4% in H1 FY23 over the corresponding previous periods. However, profitability was impacted due to commodity price volatilities, sustained cost inflation, limited transmission and unfavorable macro environment.

Uneven monthly as well as geographic spread of south-west monsoon led to lower sowing of Kharif crops, mainly paddy and foodgrains. Prices of rice bran jumped sharply in Q2 due to strong demand while Maize prices continued to trend higher. Crude palm oil prices, after reaching record levels in May'22, corrected sharply owing to high inventories in two key exporting countries – Indonesia and Malaysia coupled with resumption of supplies post lifting of exports ban. In Dairy sector, milk procurement prices continued to increase further with limited transmission. For Poultry sector, Q2 is a seasonally weak quarter due to festive season resulting in sharp decline in live bird prices.

Our Animal Feed business successfully maintained volume growth momentum and achieved sequential improvement in margin profile. Oil Palm business recorded double-digit volume growth which was offset by drop in oil prices. Standalone Crop Protection business was impacted by reduced application of PGR and Insecticides coupled with input cost pressure. However, the business registered marked improvement in working capital profile as a result of continued focus on credit hygiene practices. Astec LifeSciences continued to report strong year-on-year topline growth backed by higher volumes as well as realisations. EBITDA margin also recovered by ~300 bps sequentially, although year-on-year performance was impacted by increase in raw material prices coupled with higher fixed overheads. Both of our Food businesses continued to report strong volume growth year-on-year. Our Dairy subsidiary, Creamline Dairy recorded 27.0% year-on-year topline growth driven by robust volumes under Value-added products (VAP) portfolio. Profitability was impacted by limited transmission of higher procurement costs. Poultry and Processed Food business continued with strong volume growth led by RGC and Yummiez categories while bottomline was impacted by seasonally weak live bird prices.

On ESG front, Godrej Agrovat remained on track to achieve 2025 sustainability targets. During the quarter, we completed submission of disclosures on Climate, water and forest to CDP. The share of renewable energy in overall energy consumption mix stood at 72% in H1 FY23 as compared to 67% in H1 FY22 with solar roof top / ground mounted system installations at more than 20 manufacturing plants. Our teams have successfully reduced specific GHG emissions by 10% year-on-year in H1 FY23. Under our integrated watershed management programs, we have achieved water sequestration of 6.5 million cubic meter which amounts to 4x of our entire footprint. 4 lakh trees have been planted till date covering total area of 4,837 hectares.

## SEGMENT-WISE BUSINESS HIGHLIGHTS

### Animal Feed

- Animal Feed segment recorded sustained year-on-year volume growth in Q2 and H1, mainly led by Cattle-feed category (+15% in Q2 and +14% in H1) on account of market share gains
- Segment margin has recovered sharply to ₹ 1,381 / MT in Q2 from ₹ 694 / MT in Q1. Lower results as compared to previous year was on account of soft realisations and limited transmission of input cost inflation

### Vegetable Oil

- Strong y-o-y volume growth was offset by lower crude palm oil prices resulting in flat topline in Q2 FY23. The average realisation of crude palm oil and palm kernel oil declined by 16% and 3% respectively in Q2 FY23 vs Q2 FY22
- However, Q2 witnessed strong recovery in FFB volumes, which grew by 15% y-o-y; more than offsetting lower volumes recorded in the previous quarter
- Oil extraction ratio remained at higher levels in Q2 FY23 while improving marginally as compared to the same period last year

### Crop Protection (Standalone)

- Topline growth in Q2 was led by higher sales of in-house herbicide products. However, sales growth was constrained by reduced application opportunities of Plant Growth Regulator (PGR) and Insecticide products as Kharif sowing was impacted due to erratic monsoon post mid-July
- Margin profile of Crop Protection business was impacted due to higher raw material prices, limited transmission and unfavorable product mix
- Working capital cycle has improved substantially driven by concerted efforts in maintaining credit hygiene

### Astec LifeSciences

- The robust growth in topline was driven mainly by higher sales price realisations in both domestic as well as export markets coupled with strong volume growth in export markets. It should be noted that our performance for Q2 FY22 was impacted by flooding at Mahad facility
- Exports accounted for 69% of the revenues in Q2 FY23 and grew by 136% year-on-year. Domestic sale also grew by 41%
- EBITDA margin was lower at 18.7% in Q2 FY23 vs. 21.4% in Q2 FY22 on account of increase in raw material prices for some of the enterprise products with limited transmission and higher fixed overheads related to herbicides plant. Sequentially, EBITDA margin recovered by ~300 bps in Q2 FY23 as compared to Q1 FY23



## **Dairy**

- Sustained volume growth in both value-added products (+27% year-on-year) and milk (+10% year-on-year) in Q2 FY23 driving overall revenue growth
- Our value-added products (VAP) portfolio has grown by 49% year-on-year with salience of 34% in H1 FY23 driven by Curd, buttermilk and milk-based flavored drinks
- However, performance was adversely impacted on account of continued rise in procurement costs which could not be fully transmitted

## **Godrej Tyson Foods Limited**

- Godrej Tyson achieved 13.7% year-on-year growth in segment revenues in Q2 FY23 driven by RGC and Yummiez categories as volumes grew by 69% and 65% year-on-year, respectively
- However, Q2 is a seasonally weak quarter for Live bird business due to festive season and as a result, live bird prices were considerably lower resulting in sharp decline in EBITDA margin
- In Q2 FY22, Godrej Tyson benefitted from pent up demand post easing of Covid restrictions and hence, not strictly comparable with Q2 FY23

## **ACI Godrej Agrovat Private Limited, Bangladesh**

- ACI Godrej posted revenue growth of 22.5% year-on-year in Q2 FY23, mainly driven by higher realizations.

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## 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](http://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."*