

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: May 9, 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 **Tuesday, May 9, 2023**, has approved the Standalone and Consolidated Audited Financial Results for the Quarter and Financial Year ended March 31, 2023.

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, May 9, 2023: Godrej Agrovet Limited (“GAVL”) has today announced its financial results for the fourth quarter and full ended March 31, 2023

HIGHLIGHTS OF FINANCIAL PERFORMANCE (Q4 and FY23)

Q4 FY23 Financial Summary

- Company reported consolidated revenues from operations of Rs. 2,095 crore in Q4 FY23 as compared to Rs. 2,081 crore in Q4 FY22
- Company reported consolidated EBITDA, excluding non-recurring & exceptional items, of Rs. 76 crore in Q4 FY23 as compared to Rs. 193 crore in Q4 FY22
- Company reported Profit before tax*, excluding non-recurring & exceptional items, of Rs. 2 crore in Q4 FY23 as compared to Rs. 130 crore in Q4 FY22

FY23 Financial Summary

- FY23 consolidated revenues from operations increased to Rs. 9,374 crore from Rs. 8,306 crore in FY22, a growth of 12.9% year-on-year
- Company reported consolidated EBITDA, excluding non-recurring & exceptional items, of Rs. 564 crore in FY23 as compared to Rs. 723 crore in FY22
- Company reported Profit before tax*, excluding non-recurring & exceptional items, of Rs. 280 crore in FY23 as compared to Rs. 487 crore in 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 Agroviet Limited, said:

Godrej Agroviet delivered a revenue growth of 13% in FY23. The growth was primarily driven by market share gains in Animal Feed and robust volume growth in branded products in our food businesses i.e. Dairy and Poultry. Domestic crop protection business also achieved a healthy growth in some of the key products such as HITWEED (in-house herbicide) and GRACIA (in-licensed insecticide). Creamline Dairy (CDPL) achieved a revenue milestone of Rs. 1,500 Crore while Godrej Tyson crossed Rs. 1,000 Crore in FY23.

Consolidated profitability was adversely impacted mainly due to a drop in operating margins of Crop Protection, Animal Feed and Dairy businesses. High level of channel inventories, adverse climatic conditions and price corrections weighed heavily on the profitability of Crop Protection business, primarily in Astec Lifesciences. In feed businesses, government price controls and volatile commodity prices with limited transmission impacted bottom-line. Creamline Dairy witnessed sustained rise in milk procurement costs which could not be fully passed on.

Higher margins in Vegetable Oil and Poultry businesses as compared to previous year provided support to some extent in an otherwise challenging year. Vegetable oil business maintained healthy volume growth with improved operational efficiencies. Godrej Tyson posted strong improvement in profitability driven by consistent growth in branded businesses namely Real Good Chicken and Yummiez.

Godrej Agroviet continued to focus on investing for long-term sustainable growth. In April'23, our subsidiary, Astec LifeSciences, commissioned a new state-of-the-art Research & Development centre, named "Adi Godrej Centre for Chemical Research and Development" in Maharashtra. During the year, GAVL also commissioned a new Fish feed manufacturing facility in Uttar Pradesh and commenced construction of Crude palm oil Refinery & Solvent Extraction plant to enable margin expansion through forward integration.

In May 2023, Godrej Agroviet won a prestigious India Risk Management award, presented by CNBC-TV18 and ICICI Lombard for its unwavering commitment to excellence in risk management practices.

SEGMENT-WISE BUSINESS HIGHLIGHTS

Animal Feed

- Volume growth in Q4 and full year was led by Cattle-feed category (+11% in Q4 and +13% in FY) on account of market share gains
- Segment margin in Q4 was impacted by volatile commodity price movements and limited transmission due to pricing pressure, mainly in poultry feed
- Knee-jerk Government interventions and resultant decline in raw material prices in Q1 impacted full year profitability as high-cost inventory had to be consumed; margin profile has improved sequentially

Vegetable Oil

- Strong volume growth in Q4 FY23 vs Q4 FY22; however, performance was impacted by lower crude palm oil prices as compared to previous year
- Growth in FY23, despite record high prices in FY22, was driven by consistent volumes and improved operational efficiencies

Crop Protection (Standalone)

- Higher sales of Gracia and in-house herbicides portfolio coupled with lower returns resulted in topline growth
- Segment results declined due to lower sales of Plant Growth Regulators (PGR) category and pricing pressure
- Segment achieved substantial improvement in the working capital cycle and collections in FY23 driven by concerted efforts in maintaining credit hygiene

Astec LifeSciences

- Q4 and full year topline was severely impacted by sluggish demand for key enterprise products and sharp drop in realizations. In addition to this, high cost inventories led to EBITDA margin contraction in FY23 vs. previous year
- CMO revenues grew 1.9x y-o-y with improved profitability in FY23, in line with our expectations
- In April'23, Astec inaugurated a new state-of-the-art Research & Development centre, equipped with synthesis lab, formulation lab as well as sophisticated safety infrastructure



Dairy

- Volume growth remained robust in value-added products (+30% year-on-year in Q4 and +37% year-on-year in FY23)
- Dairy business crossed ₹ 1,500 crore revenue mark in FY23; VAP salience increased to 32% of revenue in FY23 from 29% in FY22
- Partial pass-through of rising milk procurement costs weighed on profitability. Dairy industry continued to suffer from weak flush season due to untimely & heavy rains in South India and outbreak of Lumpy skin disease

Godrej Tyson Foods Limited

- Branded business, mainly Real Good chicken (RGC) with 30% volume growth, continued to drive topline performance in Q4 FY23; however, live bird prices were considerably lower resulting in decline in EBITDA margin
- In FY23, GTFL crossed ₹ 1,000 Crore revenue mark for the first time driven by excellent volume growth in branded categories – RGC at 53% and Yummiez at 34%. With consistent growth in RGC margins, profitability significantly improved in FY23

ACI Godrej Agroviet Private Limited, Bangladesh

- ACI Godrej posted revenue growth of 7% year-on-year in Q4 and 25% year-on-year in FY23, driven by higher realizations as well as volumes

- ENDS -



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."