

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@godrejagrovvet.com
Website : www.godrejagrovvet.com
CIN : L15410MH1991PLC135359

Date: May 9, 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 Monday, May 9, 2022, has approved the Audited Financial Results (both Standalone and Consolidated) as per Indian Accounting Standards (IND AS) for the Quarter and Financial Year ended March 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.godrejagrovvet.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, 2022: Godrej Agrovet Limited (“GAVL”) has today announced its financial results for the fourth quarter and financial year ended March 31, 2022

HIGHLIGHTS OF FINANCIAL PERFORMANCE (Q4FY22 and FY22)

Q4 FY22 Financial Summary

- Q4 FY22 consolidated total income increased to Rs. 2,133.9 crore from Rs. 1,472.4 crore in Q4 FY21, a growth of 44.9% year-on-year
- Q4 FY22 consolidated EBITDA, excluding non-recurring & exceptional items, increased to Rs. 193.3 crore from Rs. 124.5 crore in Q4 FY21, a growth of 55.3% year-on-year (reported growth of 82.0% year-on-year)
- Q4 FY22 Profit before tax, excluding non-recurring & exceptional items, increased to Rs. 129.6 crore from Rs. 67.4 crore in Q4 FY21, a growth of 92.4% year-on-year (reported growth of 144.0% year-on-year)

FY22 Financial Summary

- FY22 consolidated total income increased to Rs. 8,385.7 crore from Rs. 6,306.3 crore in FY21, a growth of 33.0% year-on-year
- FY22 consolidated EBITDA, excluding non-recurring & exceptional items, increased to Rs. 723.2 crore in Q4 FY22 from Rs. 598.1 crore in FY21, a growth of 20.9% year-on-year (reported growth of 23.5% year-on-year)
- FY22 Profit before tax, excluding non-recurring & exceptional items, increased to Rs. 486.8 crore from Rs. 397.6 crore in FY21, a growth of 22.4% year-on-year (reported growth of 26.3% year-on-year)



MANAGING DIRECTOR'S COMMENTS

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

The financial year 2021-22 augured well for Godrej Agrovet in terms of top line growth with sustained rise in profitability. We achieved a strong performance clocking highest ever total income of INR 8,385.7 Crore in FY 2021-22, growing at 33.0% year-on-year while consolidated profit before tax grew by 22.4% year-on-year. Most of our businesses registered a strong volume growth with the exception of our Standalone Crop Protection segment. Growth in profitability was largely driven by Animal Feeds, Vegetable Oil and Astec LifeSciences, while Crop Protection and Food businesses reported a decline in operating margin.

Animal Feed business recorded double-digit growth in volumes in all the four quarters on the back of new product launches and increasing market penetration. Vegetable Oil business reaped benefits of higher oil prices and improved efficiency levels throughout the year as segment results grew by 2.9x year-on-year. For Standalone Crop Protection business, it was a very challenging year on account of an erratic and uneven monsoon. This restricted product application opportunities in the peak season. This was further impacted by higher sales returns and increased provision for doubtful debts as we focused on channel hygiene. Astec LifeSciences reported another year of outstanding growth, with increase in total revenues by 22.1% and PBT by 36.0%, year-on-year. Higher realizations in exports were supported by favorable product mix and operational efficiencies. In our Food businesses, strong volume growth was offset by margin pressures on account of unprecedented input costs inflation. Our Dairy subsidiary, Creamline Dairy achieved notable market share gains in key value-added products registering 13.8% topline growth. However, margins declined owing to challenges in passing on increase in milk procurement, logistics and packaging costs. Similarly, for Poultry and Processed Food business, favorable demand dynamics in Real Good Chicken (RGC) and Live Bird sub-segments were offset by volatile live bird prices and elevated commodity inflation throughout the year.

During the year, Godrej Agrovet also focused on achieving the long-term sustainability targets guided by Group's Good & Green vision. We participated in Climate Disclosure Project's (CDP) carbon and forests disclosure, becoming one of the first companies in the Indian agriculture sector to do so. GAVL's CDP scores related to climate & palm submission are ahead of the global averages. We also made a good progress in achieving 2025 sustainability targets such as (a) 69% of energy consumption from clean renewable energy sources as against target of 90% (b) being a water positive company already conserving 6 times more water than the consumption (c) 89% of the total CO₂ emissions sequestered as against target of 100% to become a carbon neutral company.

SEGMENT-WISE BUSINESS HIGHLIGHTS

Animal Feed

- In Q4 FY22, strong year-on-year volume and revenue growth of 19.5% and 38.2%, respectively, was driven by market share gains and new product development. Volume growth was recorded across key categories i.e. Cattle (+25% year-on-year), Broiler (+15%) and layer (+28%)
- In Q4 FY22, Segment results grew by 5.9% year-on-year as profitability was impacted on account of sharp increase in prices of key input commodities and limited transmission during the quarter.
- For FY22, animal feeds segment reported robust growth in volumes (+20.3%) and topline (+40.6%) as compared to the previous year. Segment results also grew by 22.2% year-on-year on account of timely price hikes, R&D benefits and strategic stocking initiatives.

Vegetable Oil

- In Q4 FY22, Segment revenues and segment results grew by 2.6x and 6.2x year-on-year respectively on account of improvement in oil extraction ratio (OER) coupled with continued rise in oil prices and healthy volume growth. Prices of crude palm oil and palm kernel oil increased by 20% and 34% year-on-year, respectively, during the fourth quarter.
- Overall, FY22 was a remarkable year for our Vegetable Oil business as we achieved good improvement in oil extraction ratio on the back of R&D initiatives and operational efficiencies. This coupled with record-high oil prices of crude palm oil and palm kernel oil led to strong growth in segment revenues and segment results by 78.1% and 187.6%, respectively.
- For the entire year, average prices of crude palm oil and palm kernel oil increased by 51% and 90%, respectively, as compared to the previous year.

Crop Protection (Standalone)

- In Q4 FY22, Crop Protection segment reported 12.6% year-on-year growth in segment revenues led by higher sale of in-house products. Segment results grew by 2.1% year-on-year.
- We launched 'Gracia' during the year, extending our in-licensing arrangement with Nissan Chemical Corporation, Japan. Gracia is an insecticide for control on chewing and sucking pests.
- For FY22, there was a de-growth in segment revenues by 6.3% year-on-year. Segment results also declined to Rs. 101.4 crore in FY22 from Rs. 153.4 crore in FY21. During the second half of the year, higher emphasis was given on improving channel hygiene which led to higher sales returns and increased provision for doubtful debts.

Astec LifeSciences

- Astec registered its best quarterly performance in Q4 FY22, driven by higher realisations from exports and increase in CMO volumes. Segment revenues grew by 58.2% year-on-year to Rs. 272.0 crore while PAT grew by 79.7% year-on-year to Rs. 43.0 Crore. EBITDA margin improved to 26.6% in Q4FY22 from 23.1% in Q4FY21.



- Growth in Q4 FY22 was driven by exports sales, which accounted for 70.8% of the segment revenues for Q4 and grew by 127.3% year-on-year.
- For the full year, Astec's solid growth was driven by higher exports realization, favorable product mix and operational efficiencies. Geographically, exports were the main driver growing by 44.4% year-on-year. Exports share increased to 57.7% of the segment revenues from 48.7% in FY21.
- Astec delivered 447bps improvement in gross margin to 42.8% in FY22 vs. 38.4% in FY21, on the back of higher realizations and benefits from investment in backward integration. The EBITDA margin stood at 24.3% in FY22 from 21.5% in the previous year.

Dairy

- In Q4 FY22, sustained volume growth in value-added products resulted in 20.2% growth in Segment revenues. Favorable product mix and partial impact from price hike during the quarter translated into 29.7% growth in segment EBITDA, albeit on a low base.
- For the full year ended 2022 also, value-added products continued to drive healthy growth in topline. However, margins were under severe pressure due to covid-led disruption in the first half of the year and elevated input costs throughout the year. This was further exacerbated by lack of transmission in the first nine months by competition.

Godrej Tyson Foods Limited

- GTFL achieved 45.8% growth in segment revenues in Q4 FY22 led by Real Good Chicken (RGC) and Live Bird categories. Sharp jump in live bird prices from mid-February exceeded input costs inflation resulting in EBITDA improvement to Rs. 16.2 crore in Q4 FY22 from the lows of Rs. 0.8 crore in Q4 FY21.
- In FY22, GTFL reported 30.1% increase in revenues, however EBITDA margin declined sharply. Sustained rise in input costs, mainly soymeal, was a severe drag on EBITDA margin.

ACI Godrej Agrovat Private Limited, Bangladesh

- In Q4 FY22, ACI Godrej continued with its upbeat performance and posted revenue growth of 41.0% year-on-year. The growth was driven by higher realizations and a volume growth of 23.3% during the quarter.
- For the full year, ACI Godrej recorded 24.5% rise in segment revenues with all segments witnessing healthy growth in volumes driven by market share gains in Bangladesh.

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About Godrej Agrovet Limited

Godrej Agrovet 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.godrejagrovet.com

For further information, please contact:

S. Varadaraj
Godrej Agrovet Limited
Email: s.varadaraj@godrejagrovet.com
Tel No.: +91 22 2519 4864

Mr. Anoop Poojari / Mr. Devrishi Singh
CDR India
Tel No.: +91 22 6645 1211 / 1218
Email: anoop@cdr-india.com
[/devrishi@cdr-india.com](mailto:devrishi@cdr-india.com)

Aditya Desai
Investor Relations
Email: gavlinvestors@godrejagrovet.com /
aditya.desai@godrejagrovet.com
Tel No.: +91 22 2519 4646

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