

Godrej Agrovet Ltd.
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CIN : L15410MH1991PLC135359

Date: November 9, 2021

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, November 9, 2021**, has approved the Unaudited Financial Results (both Standalone and Consolidated) as per Indian Accounting Standards (IND AS) for the Quarter and Half Year ended September 30, 2021.

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



Mumbai, November 9, 2021

Godrej Agrovet Limited has today reported its financial performance for the second quarter and half year ended September 30, 2021 of the financial year 2021-22

- For the second quarter ended September 30, 2021, company reported consolidated total income and consolidated profit before tax of Rs.2,159.7 crore and Rs.149.8 crore, respectively.
- For the half year ended September 30, 2021, company reported consolidated total income and consolidated profit before tax of Rs.4,162.9 crore and Rs.287.2 crore, respectively.

HIGHLIGHTS OF CONSOLIDATED FINANCIAL PERFORMANCE (Q2FY22 & H1FY22)

(Rs. in crore)

Particulars	Q2FY22	Q2FY21*	%increase/ (Decrease)	H1FY22	H1FY21*	%increase/ (Decrease)
Total Income*	2,159.7	1,722.6	25.4%	4,162.9	3,285.1	26.7%
Earnings before Depreciation, interest and taxes (EBITDA)*	196.1	176.7	11.0%	376.0	350.9	7.2%
Profit Before Tax (PBT)*	149.8	145.3	3.1%	287.2	279.6	2.7%
Net Profit after tax (PAT)*	112.2	111.7	0.5%	217.0	212.3	2.2%

*** Note: For the second quarter and half year ended September 2020, total income excludes income of Rs.9.6 crore earned from sale of real estate project. EBITDA and PBT excludes profit of Rs.4.8 crore and PAT excludes profit of Rs.3.8 crore (net of taxes) being profit in respect of real estate project.**

Managing Director's Comments

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

I am pleased to share with you the financials of Godrej Agrovet Limited for the quarter and half-year ended September 30, 2021. Consolidated total income was Rs.4,163 crore, registering a growth of 26.7% year-on-year. Consolidated profit before tax was Rs.287 crore, registering a modest growth of 2.7% year-on-year.

For Animal Feed business, it was one of the best quarterly performances with segment results growing by 21%, supported by volume growth, introduction of new products and R&D benefits realization. Vegetable oil benefitted from higher oil prices and increased efficiencies and posted excellent segment results of Rs.78 crore for the second quarter which was a 1.9x increase year-on-year. Profitability of Standalone crop protection business declined by 24% due to erratic and inconsistent rainfall which reduced application opportunities of agrochemicals. Segment results were also impacted by inflation in raw material prices which could not be absorbed resulting in lower margins. Astec LifeSciences EBITDA declined by 29.9% primarily due to closure of plant on account of floods for about 15 days. Global container shortage limited the ability to ship goods timely resulting in deferment of sales. In the food businesses, higher input & procurement costs impacted the performance in the current quarter. Our dairy subsidiary, Creamline Dairy registered a lower EBITDA profit of Rs.4.1 crore due to increase in the milk procurement costs. The performance of our poultry and poultry products business improved in the second quarter after a challenging first quarter as end-product prices improved. As a result, Godrej Tyson Foods Limited, registered an EBITDA of Rs.10.1 crore in Q2 FY22.

The second wave of COVID-19 in Q1 FY22 had significantly impacted economic recovery seen in the preceding quarters, especially in rural India which had much stricter lockdowns. Covid-19 cases are declining steadily in Q2 FY22. With the key economic indicators signaling recovery in Q2FY22, we expect the second half of the year to be better for our businesses.

At Godrej Agrovet we are ensuring business continuity along with employee safety. We are conducting a nation-wide vaccination drive for company employees & families, contractual workforce & trade partners. 100% of our eligible employees have received the first dose and 85% of the eligible employees have received both doses of the vaccine. We will cover the entire employee base with the second dose shortly. During these tough times we are also committed to serve the Society. Our CSR strategy has been pivoted to strengthen the public healthcare system in order to address the challenges faced by rural communities. We provided medical material and health equipment at various locations and helped the Government effort towards combating the pandemic.

Segment-wise business highlights

Animal Feed

- Growth momentum in volumes continued in Q2FY22 which led to a strong Y-o-Y volume and revenue growth of 20.6% and 48.8% respectively.
- Segment results registered a healthy growth of 21.0% Y-o-Y in Q2FY22 supported by realisation of R&D benefits, introduction of new products and strategic raw material stocking.

Vegetable Oil

- Robust quarterly performance with segment revenues and segment results growing by 36.9% and 88.5% Y-o-Y respectively in Q2FY22.
- Strong performance was driven by higher yields achieved through focus on increasing efficiencies and higher end-product prices. Prices of crude palm oil and palm kernel oil increased by 55% and 76%, respectively, during the second quarter of current year compared to the same period previous year.

Crop Protection (Standalone)

- Erratic and inconsistent rainfall throughout the quarter reduced application opportunities for agrochemical products and reduced consumption. This resulted in de-growth in segment revenues by 12.6%.
- Margins were further impacted adversely as steep inflation in raw material prices could not be fully absorbed resulting in lower margins in Pesticides. Consequently, segment results decreased by 24% in Q2FY22.

Astec

- Performance for the quarter was marred by closure of plant for \approx 15 days due to unprecedented floods.
- This coupled with global shortage of containers limited the ability to ship goods timely and adversely impacted revenue and EBITDA margins.

Dairy

- Increase in volumes of milk and value-added products aided increase in segment revenue by 9.7% in Q2FY22. Revenue from value added products grew by 38.2% YoY in Q2FY22 over the corresponding previous period. EBITDA margins improved in Q2FY22 after a challenging first quarter but were lower than EBITDA margins for Q2FY21 on account of higher milk procurement prices.
- Launched 'Fruit Yogurt' in Q2FY22 which has received encouraging initial response.

Godrej Tyson Foods Limited

- Segment revenue registered a healthy growth of 40.4% in Q2FY22 supported by higher volumes and improved realizations in Live Bird category.
- This led to an improvement in EBITDA margins in Q2FY22 by 12.2% over the corresponding previous period.

ACI Godrej Agrovet Private Limited, Bangladesh

- ACI Godrej maintains its good performance and posted revenue growth of 17.5% Y-o-Y in Q2FY22. The growth is driven by a volume growth of 9.4% during the quarter.

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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.

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."

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