

Godrej Agrovet Ltd.
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CIN : L15410MH1991PLC135359

Date: November 3, 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: Press / 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 3, 2023**, has approved the Standalone and Consolidated Unaudited Financial Results for the Quarter and Half Year ended September 30, 2023.

Please find enclosed a copy of the Media / Press Release. The same is also available on the website of the Company viz., 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, November 3, 2023: Godrej Agrovet Limited (“GAVL”) has today announced its financial results for the second quarter and half-year ended September 30, 2023

HIGHLIGHTS OF FINANCIAL PERFORMANCE (Q2 and H1 FY24)

Q2 FY24 Financial Summary

- The Company reported consolidated revenues from operations of Rs. 2,570.9 crore in Q2 FY24 as compared to Rs. 2,445.3 crore in Q2 FY23, a growth of 5% year-on-year
- Q2 FY24 consolidated EBITDA* increased to Rs. 214.6 crore from Rs. 159.1 crore in Q2 FY23, a growth of 35% year-on-year
- Q2 FY24 Profit before tax* increased to Rs. 133.8 crore from Rs. 87.3 crore in Q2 FY23, a growth of 53% year-on-year

H1 FY24 Financial Summary

- The Company reported consolidated revenues from operations of Rs. 5,081.1 crore in H1 FY24 as compared to Rs. 4,955.2 crore in H1 FY23, a growth of 3% year-on-year
- H1 FY24 consolidated EBITDA** increased to Rs. 421.4 crore from Rs. 328.4 crore in H1 FY23, a growth of 28% year-on-year
- H1 FY24 Profit before tax** increased to Rs. 258.3 crore from Rs. 190.1 crore in H1 FY23, a growth of 36% year-on-year

** EBITDA and Profit before Tax in Q2 FY24 excludes non-recurring item of Rs. 2.0 Crore towards provision of differential VAT,*

*** EBITDA and Profit before Tax in H1 FY24 excludes non-recurring item of Rs. 4.3 Crore towards provision of differential VAT dues and dues in respect of industrial plots,*

Profit before tax excludes share of profit from associates



MANAGING DIRECTOR'S COMMENTS

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

Godrej Agrovet continued to deliver robust improvement in profitability with a solid 53% year-on-year growth in profit before tax in Q2 FY24. While revenues grew by 5% year-on-year, EBITDA margin improved by ~180 bps in Q2 FY24 as compared to the same period last year. All the segments, with the exception of Astec LifeSciences, achieved growth in profitability.

Buoyed by upbeat volume growth as well as realizations in the in-licensed portfolio, domestic Crop Protection business successfully maintained consistent performance in the second quarter. Despite erratic rainfall in India, domestic Crop Protection business achieved an excellent growth of 53% in topline and 149% in segment results. Our food businesses continued to deliver healthy volume growth in branded products along with sustainable margin expansion. Poultry business recorded exceptional profitability in Q2 FY24 in an otherwise seasonally weak quarter. Better operational efficiencies in live bird operations coupled with 14% year-on-year volume growth in branded business boosted profitability. Dairy business performance continued to improve sequentially and achieved EBIT breakeven in Q2 FY24. This was primarily driven by lower procurement costs, operational efficiencies and a rising share of value-added products.

In Feed business, cattle-feed and aqua feed categories maintained strong volume growth while achieving further improvement in margin profile. Vegetable oil business recorded substantial growth in FFB (Fresh fruit bunches) volumes, more than offsetting decline in end-product prices.

Astec LifeSciences continued to witness an extremely challenging external market environment which weighed heavily on Astec's revenues and margin performance in Q2 FY24. Contract manufacturing segment, however, performed in line with our expectations with higher volume and margin growth.

In October'23, GAVL's Crop Protection business launched an advanced insecticide, Rashinban, to protect the Chilli crops during the flowering stage. With the patent chemistry discovered and developed by Japan's Nissan Chemical Corporation, Rashinban is being launched for the first time globally in India.

SEGMENT-WISE BUSINESS HIGHLIGHTS

Animal Feed

- Volume growth in Q2 FY24 was primarily driven by Cattle feed and Aqua Feed categories. Led by continued market share gains, Cattle-feed maintained growth momentum with +16% y-o-y jump in volumes.
- Aqua Feed volume growth of +15% y-o-y was driven by higher fish feed sales from newer regions and gains in existing markets.
- Softened commodity prices and higher realizations in Cattle & Fish feed categories resulted in significant improvement in segment margin in Q2 as compared to the previous year and on a sequential basis.

Vegetable Oil

- Significant growth in FFB arrival volumes which surged by 17% year-on-year in Q2 FY24
- Volume growth was more than adequate to offset lower crude palm oil prices and marginal decline in oil extraction ratio.

Crop Protection (Standalone)

- Standalone Crop Protection segment continued to deliver outstanding and consistent performance in the second quarter as well; Q2 FY24 topline and margin growth was primarily led by in-licensed portfolio and product mix rationalization.
- Excellent profitability was accompanied by substantial improvement in the working capital cycle and collections.
- A novel product Rashinban was launched, through collaboration with Nissan, which provides effective protection against wide range of pests in Chilli. Along with the existing products, Hanabi and Gracia, the addition of Rashinban in the portfolio will enable GAVL to serve the entire value chain of Chilli crop.

Astec LifeSciences

- Astec's revenues and margins were impacted due to continued price erosion and subdued demand for key enterprise products as compared to the same period last year. High-cost inventories also remained a drag on profitability in Q2 FY24
- Contract manufacturing segment, however, maintained robust performance led by a new product as revenues were 3.5x as compared to Q2 FY23



Dairy

- Dairy business maintained positive momentum in Q2 FY24 as well and turned EBIT positive.
- Value-Added Products (VAP) revenues grew by 19% year-on-year in Q2 with growth being split equally between higher volumes and realizations. Saliency of VAP has improved to 37% of total sales in H1 FY24 from 34%, a year ago.
- EBITDA margin improved considerably by ~410 bps in Q2 FY24 on account of lower raw material costs along with operational efficiencies.

Godrej Tyson Foods Limited

- GTFL recorded another quarter of remarkable operational as well as financial performance in Q2 FY24 vis-à-vis Q2 FY23
- Live bird category performed significantly better than expected on the back of improved cost efficiency and better realizations vis-à-vis Q2 FY23. This is despite Q2 being a seasonally weak quarter.
- Branded business reported healthy volume growth of 14% year-on-year. Real Good chicken category was also benefitted by lower raw material costs in addition to higher volumes resulting in strong profitability in Q2 FY24

ACI Godrej Agrovet Private Limited, Bangladesh

- ACI Godrej posted revenue growth of 13% year-on-year (in local currency terms) in Q2, driven largely by higher volumes. Margin profile improved significantly across categories primarily due to favorable commodity positions.

- ENDS -



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. 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 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

For further information, please contact:

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