

Result Update

Q3 FY26

Godrej Agrovvet Ltd.

Institutional
Research

Sustained Growth Driving Margin Expansion

Result Highlights

Godrej Agrovet Ltd. reported a strong revenue growth of 11.0 YoY / up 5.9% QoQ to Rs. 27,183 mn, above market expectations of Rs. 26,400 mn. The company reported annual revenue growth in business segments such as the Vegetable Oil business (+28.5%), Crop Protection (+34.4%), Animal Feed (1.9%), Dairy business (2.7%), and other businesses (+41.47). While, Poultry and Processed Food saw a marginal decline in revenue. EBITDA increased 9.8% YoY / up 5.2% QoQ to Rs. 2,477 mn, while EBITDA margin stood at 8.9% (up 57bps QoQ) in Q3FY26, led by mix of operating leverage, better product mix, and turnaround in loss-making segments. The net profit stood at Rs. 1,097 mn (flat YoY / up 30.1% QoQ) in Q3FY26, above market expectations of Rs. 1,038 mn. The PAT margin was 4.0% versus 3.3% in the previous quarter.

Valuation and Outlook

Godrej Agrovet delivered a strong operating performance during the quarter, driven by disciplined margin expansion, operational efficiencies and healthy contributions from the vegetable oil, animal feed, poultry and processed foods segments, alongside a sharp turnaround in Astec LifeSciences. Growth visibility remains healthy across core verticals, the Oil Palm business is expected to deliver steady-state FFB tonnage growth in the low-to-mid teens supported by acreage expansion, improving plantation productivity and demographic yield benefits. Value addition is being strengthened through upstream and downstream integration, with new CPO processing and refinery capacities coming online to enhance margins and product mix. In Foods and Dairy, the focus is shifting toward branded and value-added plays, backed by go-to-market investments, innovation and capability building, which should support gradual margin expansion over the medium term. Astec LifeSciences has turned EBITDA positive, with management guiding for breakeven in FY26 and targeting ~15% revenue growth next year, led by the higher-margin CDMO segment, indicating improving profitability and operating leverage. Overall, the outlook suggests steady topline growth, improving mix toward branded/value-added and CDMO businesses, and better capital discipline, which together could drive margin expansion.

Key Highlights

Particulars (Rs. Mn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)
Net Sales	27,183	24,496	11.0%	25,674	5.9%
Gross Profit	7,063	6,275	12.5%	6,836	3.3%
Gross Margin (%)	26.0%	25.6%	36bps	26.6%	-64bps
EBITDA	2,416	2,200	9.8%	2,134	13.2%
OPM (%)	8.9%	9.0%	-10bps	8.3%	-57bps
Net Profit	1,097	1,098	-0.1%	843	30.1%
PAT Margin	4.0%	4.5%	-45bps	3.3%	75bps

Source: Company, BP Equities Research

Sector Outlook

Neutral

Stock

CMP (Rs.)	554
BSE code	540743
NSE Symbol	GOAGRO
Bloomberg	GOAGRO:IN
Reuters	GODE:BO

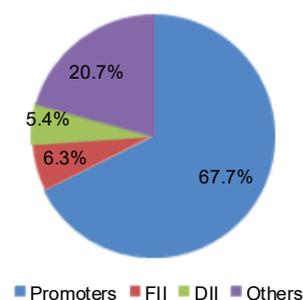
Key Data

Nifty	25,643
52 Week H/L (Rs.)	876/506
O/s Shares (Mn)	192
Market Cap (Rs. bn)	106
Face Value (Rs.)	10

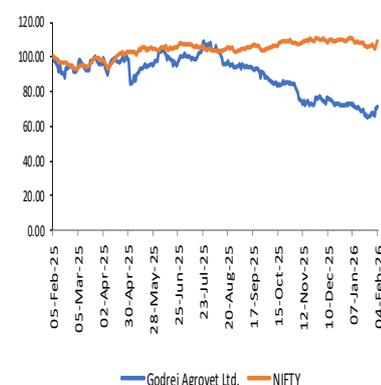
Average Volume

3 months	232,526
6 months	221,481
1 year	314,228

Share Holding Pattern (%)



Relative Price Chart



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Key Concall Highlights**Animal Feed Business Outlook:**

The Animal Feed business continues to demonstrate stable growth momentum, with management highlighting healthy demand trends across livestock and poultry categories that supported the company's overall revenue growth and profitability during the quarter. The segment benefits from a strong distribution network, integrated agri value chain and operational efficiencies, enabling steady volume-led expansion and margin stability despite input cost fluctuations. Animal Feed is viewed as a cash-generative and scalable platform within the portfolio, and is expected to receive focused capital allocation under the company's ongoing portfolio optimization framework that prioritizes businesses with strong market attractiveness and growth visibility.

Oil Palm Business Outlook:

The Oil Palm business outlook remains structurally positive, with management guiding for steady-state FFB tonnage growth in the healthy teens range (~12–15% CAGR), driven by strong acreage expansion and improving plantation productivity. The company has significantly accelerated plantation additions, reporting record expansion of ~15,000 hectares during the nine-month period and targeting ~17,000–18,000 hectares by year-end, nearly double last year's pace.

"The ACI Godrej joint venture (Bangladesh feed business) continues to remain a steady contributor within the Animal Feed portfolio, supported by resilient livestock demand and strong brand positioning in the local market."

Domestic Crop Protection:

The Domestic Crop Protection business is witnessing a gradual recovery, supported by improving demand across both enterprise and branded portfolios, although near-term performance may be influenced by seasonality and certain base effects.

Astec LifeSciences:

Astec LifeSciences has demonstrated a clear turnaround trajectory, with the business reporting strong recovery in Q3FY26 marked by ~33% YoY revenue growth and a return to EBITDA positivity, driven by improved execution across both enterprise and CDMO segments. Management expects this momentum to sustain, noting that Q4FY26 is seasonally stronger and guiding for full-year EBITDA break-even in FY26, signaling stabilization after multiple weak quarters. For the next year, the company is targeting ~15% revenue growth, supported by a robust inquiry pipeline and increasing traction in the CDMO business, which is expected to lead growth.

Dairy Business Outlook:

The Dairy business continues to undergo structural strengthening, with management highlighting that the strategic interventions undertaken over the past 1-2 years particularly around procurement efficiency and margin improvement are beginning to show results despite a challenging milk inflation environment.

Capex Plan:

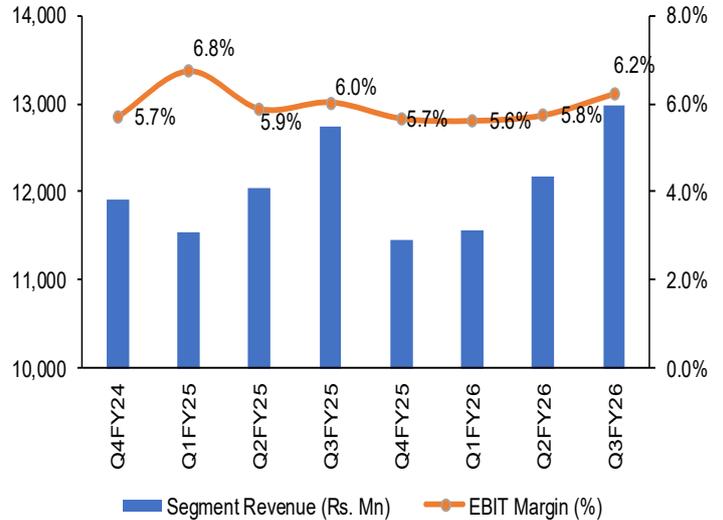
The company is indicated that capital allocation remains focused on strengthening high-growth and value-added segments, with investments largely directed toward Oil Palm downstream integration, Foods and emerging adjacencies.

Quarterly Snapshots

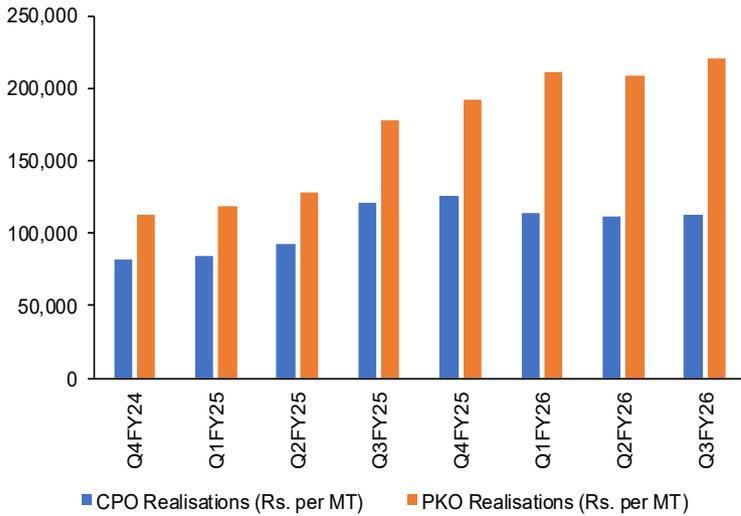
Animal Feed Business Sales Volume Tons (MT)



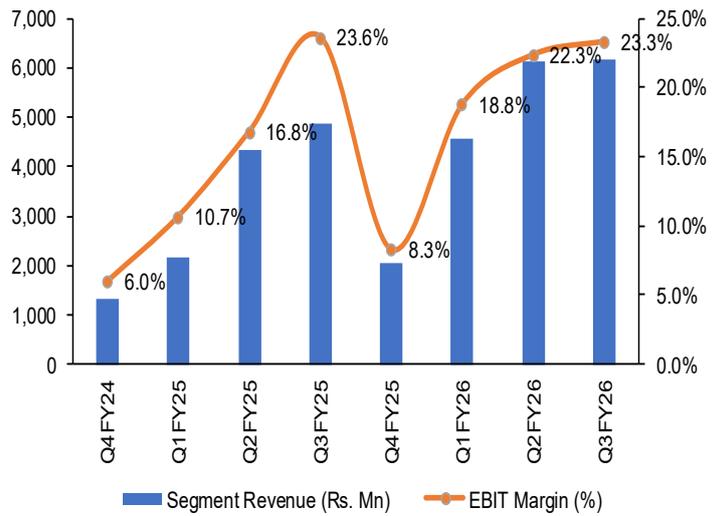
Animal Feed Business segmental performance



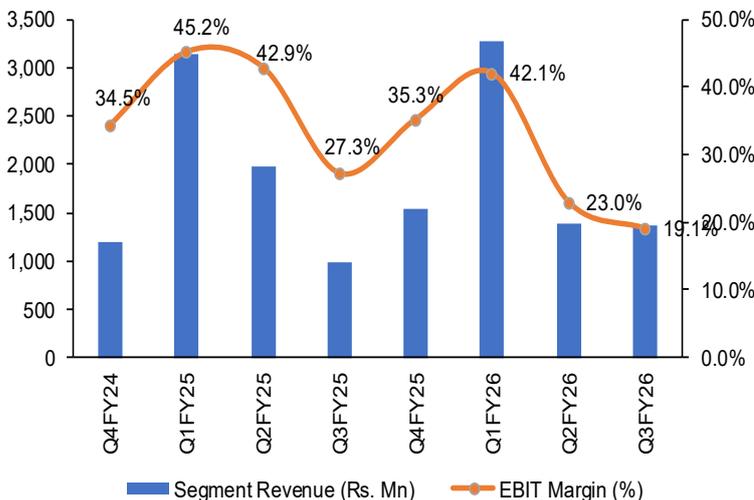
Vegetable Oil Business Realizations



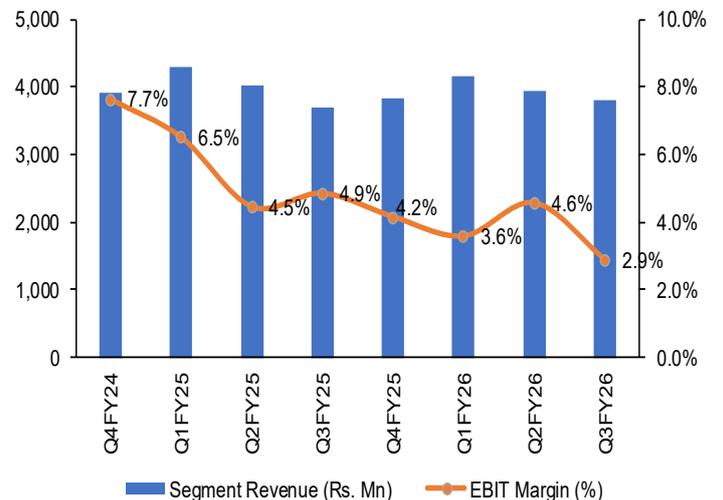
Vegetable Oil Business segmental performance



Crop Protection Business segmental performance



Dairy Business segmental performance



Source: Company, Bpwealth Research

Key Financials

YE March (Rs. mn)	FY22	FY23	FY24	FY25	FY26E	FY27E
Net Sales	83,060	93,740	95,610	93,828	105,450	113,450
Growth %	32.5%	12.9%	2.0%	-1.9%	12.4%	7.6%
EBIDTA	6,690	5,230	7,010	8,162	9645	12860
Growth%	18.6%	-21.8%	34.0%	16.4%	18.2%	33.3%
Net Profit	4,190	2,950	3,590	4,297	4850	6150
Growth %	20.4%	-29.6%	21.7%	19.7%	12.9%	26.8%
Diluted EPS	21.0	15.7	18.7	22.4	25.2	32.0

Profitability & Valuation

EBIDTA (%)	8.1%	5.6%	7.3%	8.7%	9.1%	11.3%
NPM (%)	5.0%	3.1%	3.8%	4.6%	4.6%	5.4%
ROE (%)	18.5%	12.6%	14.3%	18.0%	16.9%	17.7%
ROCE (%)	12.8%	9.0%	12.4%	15.6%	18.6%	20.1%
P/E (x)	26.4	35.2	29.6	24.8	22.0	17.3
EV/EBITDA (x)	18.5	23.3	17.3	14.9	12.5	9.4
Net Debt/EBITDA (x)	2.3	2.5	1.7	1.5	1.4	1.0

Source: Company, Bloomberg Estimates

Disclaimer Appendix**Analyst (s) holding in the Stock : Nil****Analyst (s) Certification:**

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