Result Update

Q1 FY27

Godrej Agrovet Ltd.

Institutional Research

Godrej Agrovet Ltd.

BP WEALTH

Chemical | Q1FY27 Result Update **07th August 2026**

Margin pressures weigh on earnings, while recovery supports growth

Result Highlights

Godrej Agrovet reported revenue growth of 9.2% YoY/ 22.4% QoQ to Rs. 2,8552 mn in Q1FY27, supported by robust volume-led growth across Animal Nutrition, Oil Palm, Dairy and Bangladesh operations. Revenue growth remained broad-based across key segments, led by strong momentum in Vegetable Oil (+24.1%) and Animal Feed (+12.6%), while Dairy (+11.5%) and Poultry & Processed Food (+0.7%) remained relatively resilient. This was partly offset by a decline in Crop Protection (-13.3%) and Other Businesses (-28.0%). EBITDA declined 10.9% YoY / up 72.9% QoQ to Rs. 2,402 mn, while EBITDA margin contracting 190bps YoY / 246bps QoQ to 8.4%, impacted by elevated milk procurement costs, input-cost inflation and weak Crop Care operating leverage. Net profit stood at Rs. 1,283 mn, decline 13.8% YoY / up 25.4% QoQ, above market expectations of Rs. 1180 mn, while PAT margin improved to 4.5% versus 4.4% in the previous quarter. Astec LifeSciences remains a key turnaround driver, with the business achieving EBITDA breakeven in Q1FY27 and management expecting >20% revenue growth in FY27, while CDMO contribution is expected to increase to ~50-52%. Management remains confident of delivering at least double-digit EBITDA growth in FY27, with greater clarity on the full-year outlook expected after Q2FY27.

Valuation and Outlook

Godrej Agrovet delivered resilient topline growth despite a challenging operating environment, with strong momentum in Animal Nutrition and Oil Palm, continued recovery at Astec and improving value-added mix across Dairy and Foods. However, near-term profitability remains under pressure from elevated milk procurement costs, geopolitical-led input inflation and delayed monsoon impact on Crop Care. Management remains confident of delivering at least double-digit consolidated EBITDA growth in FY27, with a more precise range expected by the end of Q2 after assessing the Crop Care recovery. The company's long-term growth outlook remains constructive, supported by Animal Nutrition premiumization and volume growth, Oil Palm area expansion and downstream integration, Astec's recovery and CDMO ramp-up, and the increasing contribution from branded B2C Foods and value-added Dairy products. Management expects annual CapEx of around Rs. 250-350 crore, including investments in Oil Palm integrated facilities and specialty fats, with a disciplined investment filter targeting ~16-18% IRR. The downstream Oil Palm value-added business, once fully scaled, is expected to add ~200bps to the overall EBITDA profile. Overall, near-term margins are likely to remain subdued, but improving operating performance in Animal Nutrition and Oil Palm, Astec's turnaround, Crop Care recovery prospects and increasing exposure to value-added and branded businesses provide strong medium-to-long-term earnings visibility.

Key Highlights

Particulars (Rs. Mn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)
Net Sales	28,552	26,143	9.2%	23,327	22.4%
Gross Profit	7,097	7,203	-1.5%	5,469	29.8%
Gross Margin (%)	24.9%	27.6%	-270bps	23.4%	141bps
EBITDA	2,402	2,697	-10.9%	1,389	72.9%
OPM (%)	8.4%	10.3%	-190bps	6.0%	246bps
Net Profit	1,283	1,488	-13.8%	1,023	25.4%
PAT Margin	4.5%	5.7%	-120bps	4.4%	11bps

Source: Company, BP Equities Research

Sector Outlook	Neutral

Stock

CMP (Rs.)	545
BSE code	540743
NSE Symbol	GOAGRO
Bloomberg	GOAGRO:IN
Reuters	GODE:BO

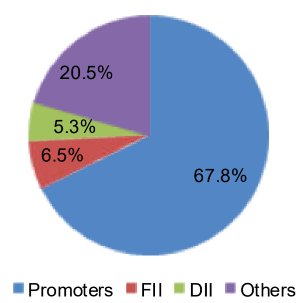
Key Data

Nifty	24,585
52 Week H/L (Rs,)	851/506
O/s Shares (Mn)	192
Market Cap (Rs. bn)	104
Face Value (Rs.)	10

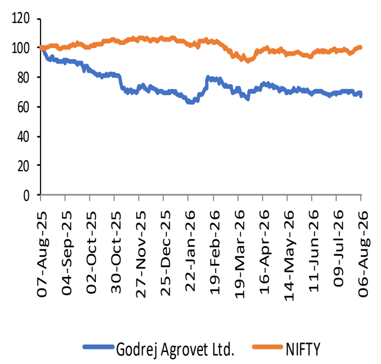
Average Volume

3 months	161,580
6 months	246,540
1 year	231,780

Share Holding Pattern (%)



Relative Price Chart



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Key Concall Highlights

Animal Feed Business Outlook:

Management remains confident of sustaining EBIT/tonne at around Rs. 2,050 - 2,150. Strategic sourcing, premiumization, geographic expansion and NPD remain key structural growth drivers. The company passed on ~60 - 70% of maize price increases while maintaining healthy volume growth, with cattle feed volumes up 15% YoY.

Oil Palm Business Outlook:

Management expects high single-digit to early double-digit FFB volume growth over the next 4-5 years, supported by plantation expansion from ~80,000 hectares to ~150,000 hectares, new geographies and plantation maturity. The downstream specialty fats business is expected to add ~200bps to the overall EBITDA profile once fully scaled.

Domestic Crop Protection:

Q1 performance was impacted by delayed monsoon and slower kharif sowing, but management expects a better H2 supported by a favorable base, improving weather, firm chilli prices and new products. Ashitaka has performed ahead of expectations, while Takai and Ghasnash are scaling up. Ashitaka and Takai together are expected to contribute ~18 - 20% of Q1 sales in their first season.

Astec LifeSciences:

Management raised its full-year revenue growth expectation to above 20% from the earlier ~20% guidance. CDMO salience is expected at ~50 - 52%, with some order execution shifting from H1 to H2. EBITDA margins in CDMO remain healthy, while enterprise margins are normalizing following temporary benefits from lower-cost raw materials and higher finished-product prices.

"Management remains confident of delivering at least double-digit EBITDA growth in FY27, with greater clarity on the full-year outlook expected after Q2FY27."

Dairy Business Outlook:

Dairy volumes grew 8%, translating into ~11.5% value growth, while value-added products increased to 49% of sales. Elevated milk procurement costs are expected to remain a pressure for another 2-3 quarters, while packaging inflation should normalize by August. Management remains focused on calibrated pricing, cost optimization, route-to-market transformation and premiumization to improve profitability over the next 18-24 months.

ACI Godrej:

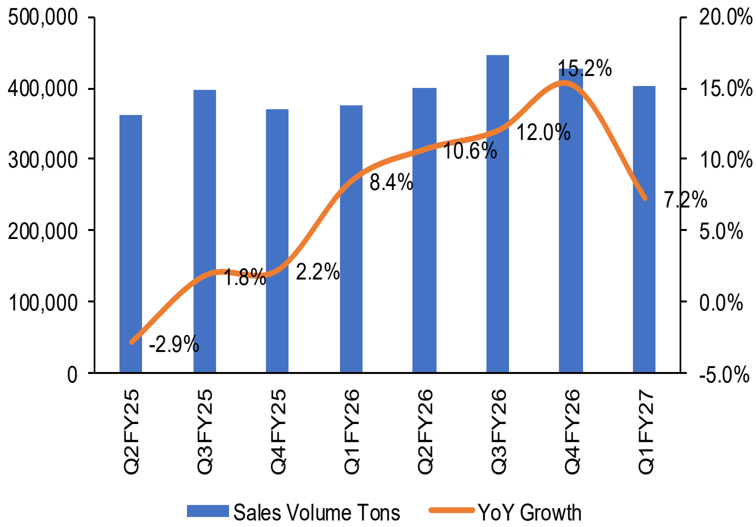
The Bangladesh JV returned to strong growth, reporting double-digit growth across volumes, revenue and PBT, supported by broad-based volume growth and operating leverage. Management sees the business as a key turnaround and growth opportunity over the coming years.

Capex Update:

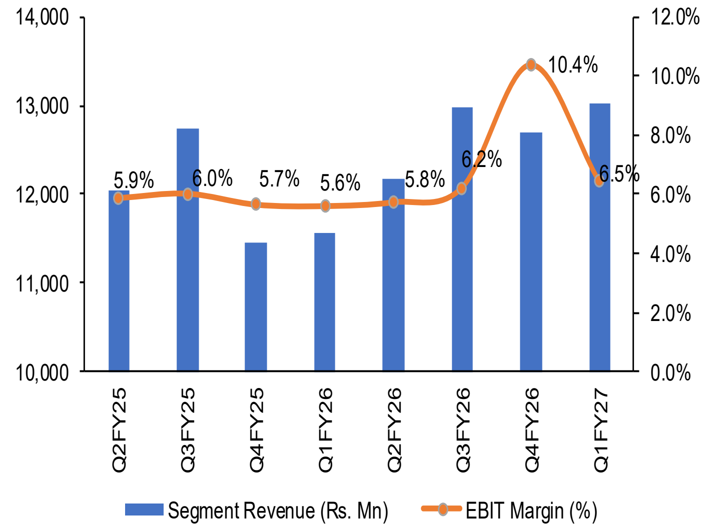
FY27 CapEx is guided at ~Rs. 250-350 crore, including investments in the Oil Palm integrated complex and specialty fats facilities. Management maintains a disciplined capital allocation approach, with investments generally required to deliver ~16-18% IRR.

Quarterly Snapshots

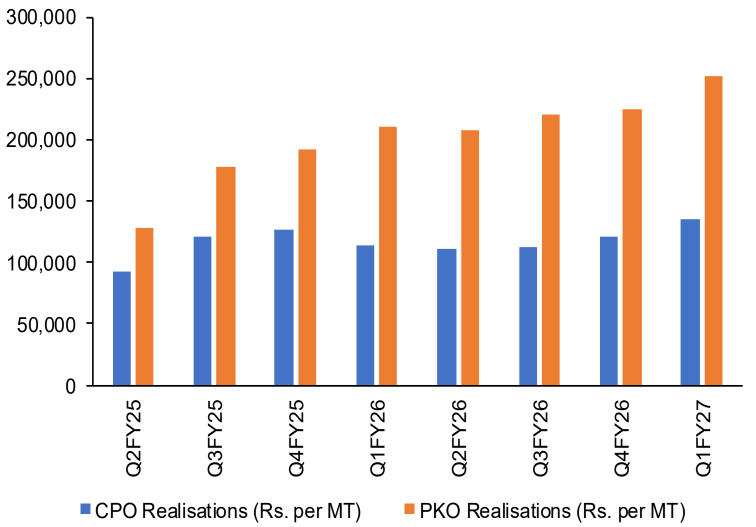
Animal Feed Business Sales Volume Tons (MT)



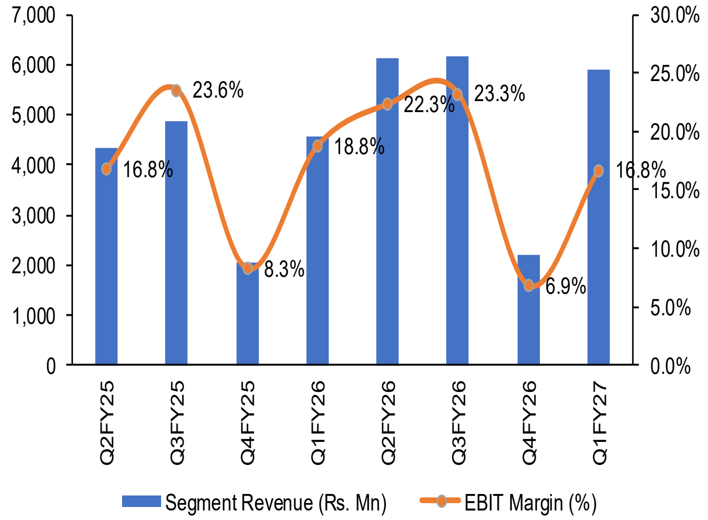
Animal Feed Business segmental performance



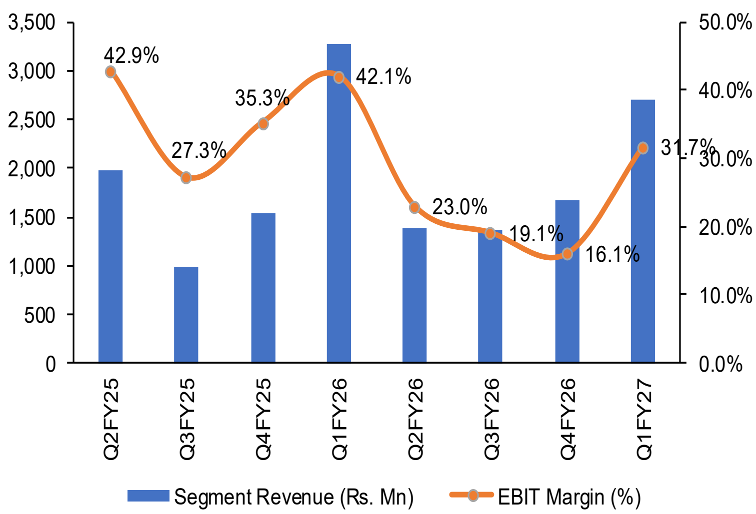
Vegetable Oil Business Realizations



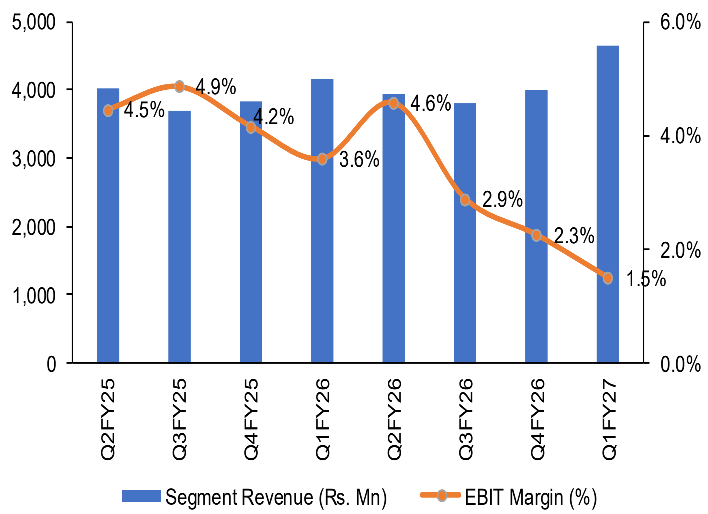
Vegetable Oil Business segmental performance



Crop Protection Business segmental performance



Dairy Business segmental performance



Source: Company, Bpwealth Research

Key Financials

YE March (Rs. mn)	FY23	FY24	FY25	FY25	FY27E	FY28E
Net Sales	93,740	95,610	93,828	102,330	113,080	121,900
Growth %	12.9%	2.0%	-1.9%	9.1%	10.5%	7.8%
EBIDTA	5,230	7,010	8,162	8,640	10150	11370
Growth%	-21.8%	34.0%	16.4%	5.9%	17.5%	12.0%
Net Profit	2,950	3,590	4,297	4,450	5590	6530
Growth %	-29.6%	21.7%	19.7%	3.6%	25.6%	16.8%
Diluted EPS	15.7	18.7	22.4	24.6	29.1	34.0
Profitability & Valuation						
EBIDTA (%)	5.6%	7.3%	8.7%	8.4%	9.0%	9.3%
NPM (%)	3.1%	3.8%	4.6%	4.3%	4.9%	5.4%
ROE (%)	12.6%	14.3%	18.0%	21.9%	21.6%	20.1%
ROCE (%)	9.0%	12.4%	15.6%	17.6%	20.1%	22.1%
P/E (x)	34.7	29.1	24.4	22.2	18.7	16.0
EV/EBITDA (x)	22.7	16.9	14.5	13.6	11.4	10.2
Net Debt/EBITDA (x)	2.5	1.7	1.5	1.4	1.3	1.1

Source: Company, Bloomberg Estimates

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Analyst (s) holding in the Stock : Nil

Analyst (s) Certification:

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