

Result Update

Q1 FY26

Godrej Agrovvet Ltd.

Institutional
Research

Godrej Agrovet Ltd.



BP WEALTH

Chemical | Q1FY26 Result Update

07th August 2025

Strong revenue growth across segments; Improved operating margins

Result Highlights

Godrej Agrovet Ltd. reported a strong revenue growth of 11.1 YoY / up 22.5% QoQ to Rs. 26,143 mn, above market expectations of Rs. 25,400 mn. The company reported annual revenue growth in business segments such as the Vegetable Oil business (+91.7%), Crop Protection (+10.4%), Animal Feed (0.1%), and other businesses (+87.4%). At the same time, Dairy business (-2.7%), and Poultry and Processed Food (-20.2%) saw a decline in revenue. EBITDA increased 19.3% YoY / up 83.9% QoQ to Rs. 2,697 mn, while EBITDA margin stood at 10.3% (up 70bps YoY/ up 344bps QoQ) in Q1FY26, led by expansion in gross margins by 170 bps QoQ to 27.6%. The net profit stood at Rs. 1488 mn (up 13.1% YoY / up 125.2% QoQ) in Q1FY26, above market expectations of Rs. 1,368 mn. The PAT margin was 5.7% versus 3.1% in the previous quarter. The management maintained its guidance of early-teens top-line growth for FY26 and remains confident of sustaining profit growth momentum.

Valuation and Outlook

Godrej Agrovet reported a healthy performance in Q1 FY26, registering annual growth. The growth was primarily driven by strong performance in the vegetable oil business, aided by a 52% rise in Fresh Fruit Bunch (FFB) arrivals, improved oil extraction ratio, and higher realisations of crude palm oil and palm kernel oil. The Astec LifeSciences subsidiary also posted a revenue increase, benefiting from higher volumes in both enterprise and CDMO segments, along with lower input costs. However, segments like dairy and poultry saw muted topline growth due to unseasonal rains, subdued demand in live birds, and increased input costs, although efforts continue to drive branded and value-added product growth. As we advance, management maintains its early-teens revenue growth guidance for FY26, with continued profitability improvements. Astec LifeSciences is targeting Rs. 500 crores in revenue with EBITDA breakeven. At the same time, its CDMO segment is expected to contribute 65% of sales and grow at over 30% annually, supported by a robust new molecule pipeline. In the crop protection segment, the company is optimistic about Rabi season recovery following early-season challenges and has launched Ashitaka, a new herbicide with Rs. 200 crore potential in 3–4 years. The dairy business aims to expand its value-added product share to 50% over two years, while live bird exposure is being scaled down in favour of processed and branded products. Overall, with increased capacity utilisation, operational efficiencies, and a focus on high-margin, value-added products across segments, Godrej Agrovet is well-positioned to deliver steady growth and improve its return profile in the coming quarters.

Key Highlights

Particulars (Rs. Mn)	Q1FY26	Q1FY25	YoY (%)	Q4FY25	QoQ (%)
Net Sales	26,143	23,508	11.2%	21,336	22.5%
Gross Profit	7,203	6,295	14.4%	5,517	30.6%
Gross Margin (%)	27.6%	26.8%	77bps	25.9%	170bps
EBITDA	2,697	2,261	19.3%	1,467	83.9%
OPM (%)	10.3%	9.6%	70bps	6.9%	344bps
Net Profit	1,488	1,316	13.1%	661	125.2%
PAT Margin	5.7%	5.6%	9bps	3.1%	259bps

Source: Company, BP Equities Research

Sector Outlook

Neutral

Stock

CMP (Rs.)	816
BSE code	540743
NSE Symbol	GOAGRO
Bloomberg	GOAGRO:IN
Reuters	GODE:BO

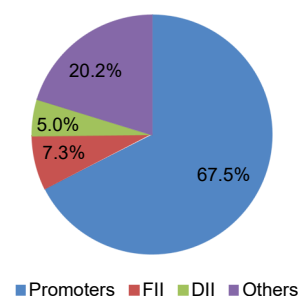
Key Data

Nifty	24,596
52 Week H/L (Rs.)	876/654
O/s Shares (Mn)	192
Market Cap (Rs. bn)	157
Face Value (Rs.)	10

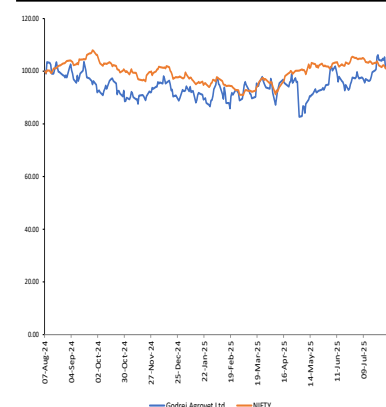
Average Volume

3 months	139,020
6 months	275,770
1 year	324,840

Share Holding Pattern (%)



Relative Price Chart



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

The Animal Feed business posted a healthy 8% volume growth in Q1 FY26, driven by strong performance across key categories—broiler feed grew 13%, cattle feed 11%, and layer feed 4%. However, despite the volume uptick, segment revenue and margins remained flat, primarily due to lower realisations and increased input costs, including those linked to higher vendor invoice discounting. As we advance, the company expects volume growth momentum to sustain across all feed categories, supported by rising livestock and poultry demand. However, realisation-led growth may remain limited in the near term due to intense competitive pricing and commodity volatility.

Oil Palm Business Outlook:

The segment is expected to maintain strong momentum in FY26, following an exceptional Q1 where Fresh Fruit Bunch (FFB) arrivals increased by 52% YoY and the Oil Extraction Ratio (OER) improved. This strong start was aided mainly by early and widespread rainfall, which not only accelerated harvesting but also enhanced oil yields. Management expects full-year FFB arrivals to grow by 15%–18%, with OER likely to remain higher than the previous year, supporting profitability. The Oil palm segment is expected to remain a key earnings driver, supported by strong FFB inflow, improved extraction efficiency, favourable pricing, and deeper downstream integration into high-value product categories.

“ACI Godrej continues to face ongoing challenges, including currency devaluation, import restrictions, and inflationary pressures, which have negatively impacted demand across categories, particularly in animal feed and agri-inputs.”

Domestic Crop Protection:

The domestic crop protection business faced a challenging start to FY26 due to delayed monsoons and early dry spells, which significantly impacted herbicide demand, particularly the flagship product Hitweed Maxx. As a result, the company reported a decline in domestic revenue in Q1 FY26, with herbicide sales under pressure and recovery likely to be limited in the immediate term. Godrej Agrovet is also focusing on expanding the reach of recently launched products like Gracia and Muktakeshi, which are gaining traction in specific crop segments. Despite near-term headwinds, the domestic crop protection business is expected to recover in H2FY26, supported by new product launches, improved distribution, and better weather conditions.

Astec LifeSciences:

Astec Lifesciences showed signs of a turnaround in Q1FY26, with revenues rising annually, driven by volume growth in both enterprise and CDMO segments, as well as favourable input costs. Management remains confident of delivering a full-year EBITDA breakeven and aims to achieve Rs. 500 crores in revenue in FY26, signalling a strong recovery path. A key growth driver is the rapidly expanding CDMO business, which is expected to contribute over 65% of Astec's revenue in FY26, growing at 30%+ annually. The CDMO pipeline includes 10 new molecules targeted for commercialisation in FY27 and beyond, with solid demand visibility from innovator clients in Japan and South Korea. Additionally, the second block of the new CDMO facility was commissioned in Q1 and is expected to be fully utilised by the end of FY26, improving operational leverage.

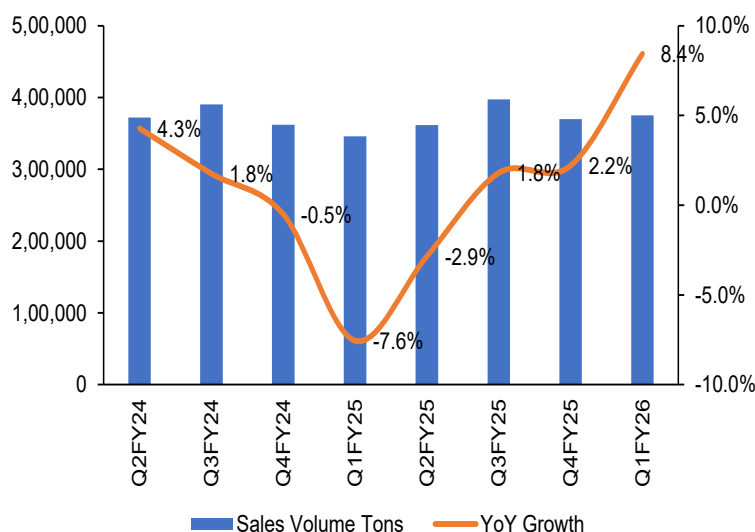
“Godrej Agrovet is undertaking a focused capital expenditure program in FY26 to support growth across key strategic segments.”

Dairy Business Outlook:

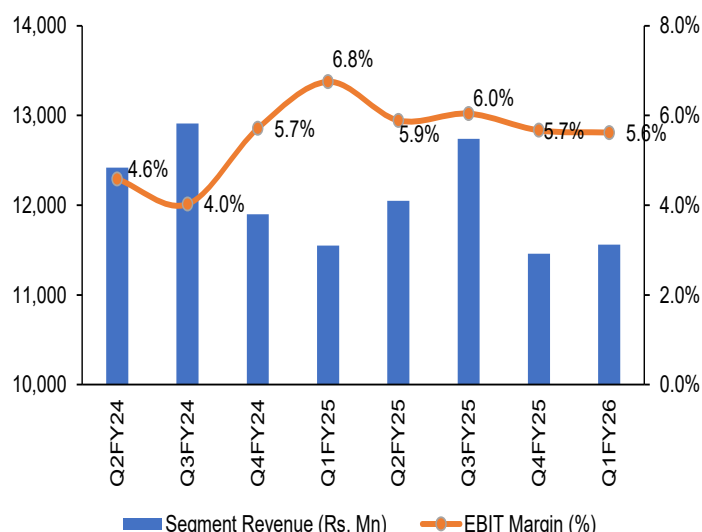
The Dairy segment is expected to maintain stable performance with improved realisations due to premiumisation and product mix enhancement. Strategic initiatives in value-added products and strengthening distribution channels will support topline growth. Milk procurement prices have stabilised, which should help in sustaining margins. The dairy business witnessed muted revenue growth in Q1FY26, impacted mainly by unseasonal rains in key markets, which affected milk procurement and led to lower volumes. The company is strategically shifting its focus from commoditised milk sales to higher-margin branded products such as curd, paneer, flavoured milk, and ghee. Godrej Agrovet remains optimistic about the dairy segment's growth potential, anchored by premium product innovation, expanding distribution, and higher value realisation through branding.

Quarterly Snapshots

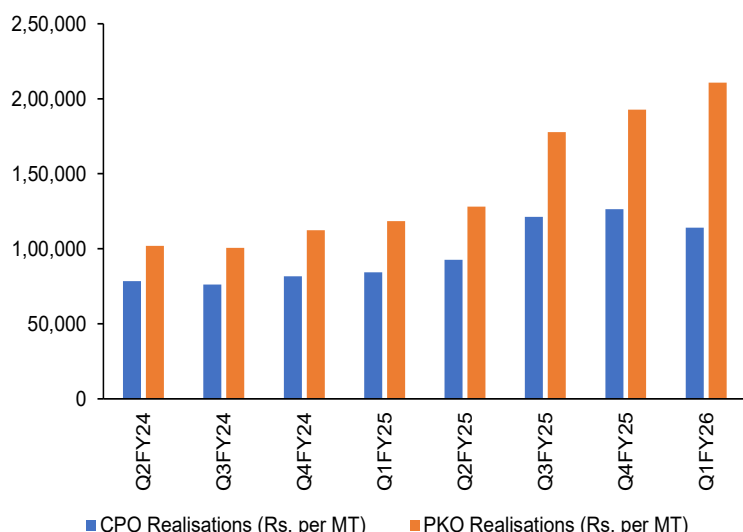
Animal Feed Business Sales Volume Tons



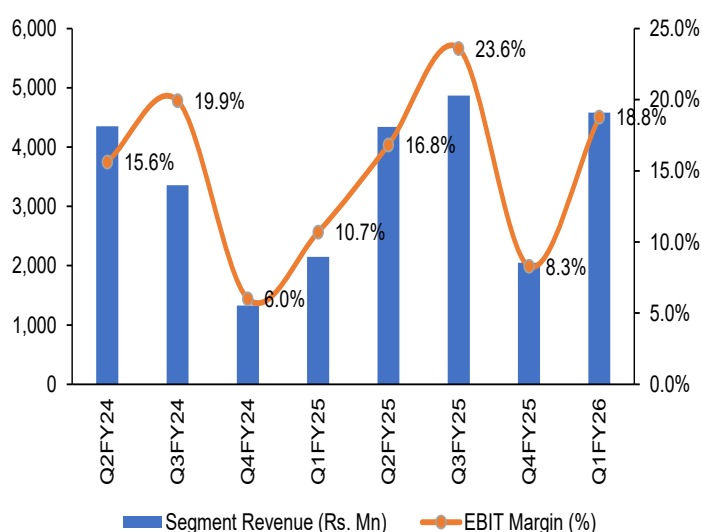
Animal Feed Business segmental performance



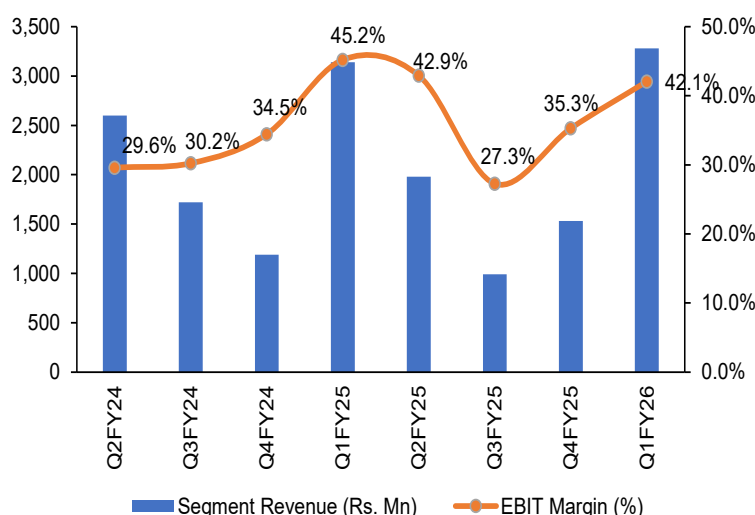
Vegetable Oil Business Realizations



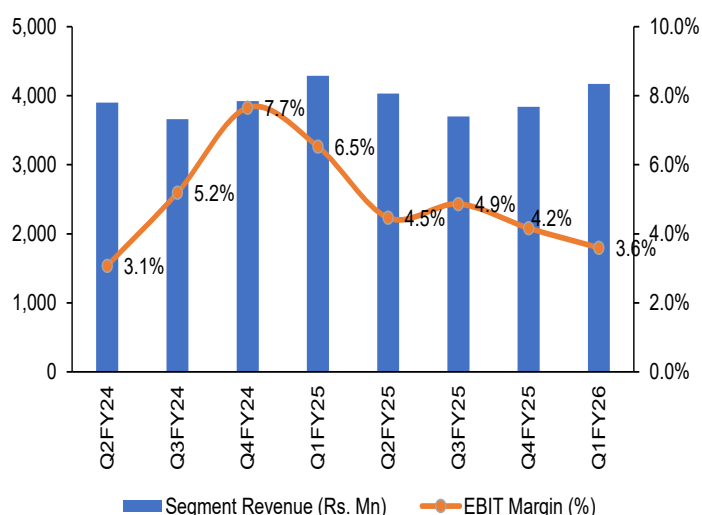
Vegetable Oil Business segmental performance



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	9,645	12,860
Growth%	18.6%	-21.8%	34.0%	16.4%	18.2%	33.3%
Net Profit	4,190	2,950	3,590	4,297	5,360	6,150
Growth %	20.4%	-29.6%	21.7%	19.7%	24.7%	14.7%
Diluted EPS	21.0	15.7	18.7	22.4	27.9	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%	5.1%	5.4%
ROE (%)	18.5%	12.6%	14.3%	18.0%	16.8%	17.5%
ROCE (%)	14.9%	12.1%	14.3%	16.4%	18.6%	20.1%
P/E (x)	38.9x	51.9x	43.6x	36.5x	29.2x	25.5x
EV/EBITDA (x)	19.0x	19.0x	17.7x	17.7x	17.8x	14.8x
Net Debt/EBITDA (x)	2.3x	2.5x	1.7x	1.5x	1.4x	1.0x

Source: Company, Bloomberg Estimates

Disclaimer Appendix

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

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