

Pick of *the week*

Godrej Agrovet (GAVL)

Recommendation: **ADD**

Target Price: **₹850**

Current Price: **₹774**

Time Period: **12 Months**

Date: **30th September 2024**



- Mixed near-term trends, promising longer-term outlook.
- Animal feed segment's margins should continue to benefit from low-cost raw material inventories.
- We believe there is strength in Astec's product pipeline—which we find promising.
- Palm oil duty benefit likely from Q3FY25.
- Godrej's ability to attract talent should help Astec continue to grow rapidly in CDMO.
- In the poultry segment, GAVL has increased its ownership stake to 100% (from 51%) and so the related bump-up in earnings should be visible partially in Q2FY25.

Note: The above is a brief note on the company, based on the inputs of KIE research report dated 26th September, 2024, which is available on our website at: <https://www.kotaksecurities.com/ksweb/ResearchCall/Fundamental>.

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