



Manorama Industries Limited reports Q4 & FY22 Results

Raipur, Chhattisgarh, May 11, 2022: Manorama Industries Limited, a global pioneer in the manufacturing of specialty fats, announced its audited financial results for the fourth quarter and full year ended 31st March 2022.

Commenting on the results and performance, Ms. Vinita Saraf, Chairperson, and Managing Director said:

"I am very pleased to report that our company has maintained consistent performance throughout FY22. Despite the pandemic and the resulting supply chain challenges, the Company's operational excellence, constant focus on product innovation, and R&D have contributed to its leadership position in the manufacturing, processing, and supply of exotic butters and specialty fats.

We are happy to state that our perseverance and resilience have helped us not only get through these difficult times, but also achieve a healthy revenue growth of 38% year on year. Our revenue for the financial year ended March 31, 2022 stood at Rs. 2,791 million, up from Rs. 2,026 million in the same time last year. Our EBITDA for the year stood at Rs. 389 million, representing a 12% increase year over year. Due to the current inflationary environment, our EBITDA margins stood at 14%. However, with corrective actions in place to address the near-term supply chain and cost challenges, we expect performance to improve further in FY23 and beyond.

For FY23 the company expects to achieve a revenue of Rs. 3,500 – 3,750 million and an EBITDA margin expansion of 100-200 bps. The Company's ongoing capex is on schedule and is under different stages of implementation. This capex is expected to come on stream by Q3FY23. As on 31st March 2022 the company has spent Rs. 573.52 million on the same.

Going forward, we will continue to serve the requirements and offer innovative solutions to our customers which in turn will drive valuable growth for them as well as our stakeholders."





Key Financial Highlights are as follows:

Particulars (Rs. in Million) *	Q4 FY22	Q4 FY21	Y-o-Y	FY22	FY21	Y-o-Y
Income from operations	776.4	610.5	27%	2,791.2	2,026.3	38%
EBITDA	115.4	74.9	54%	389.4	346.6	12%
EBITDA Margin (%)	14.9%	12.3%		14.0%	17.1%	
Profit After Tax	68.2	32.6	109%	241.5	145.8	66%
PAT Margin (%)	8.8%	5.3%		8.7%	7.2%	

Update on financials

- The Company's Employee costs increased as it has inducted employees at various key managerial positions to drive the business growth in the future.
- Other expenditures, which primarily include Processing/Job Working Charges, Freight and Logistics, and Packaging Expenses, among others, significantly increased due to the ongoing inflationary environment.
- The company attempts to offset the impact of inflation through calibrated price increases and cost-cutting initiatives and has reached an agreement with Transgraph to optimize the costs.
- The company was able to report a PAT of Rs. 241.5 million, an increase of 66% percent year on year. PAT margin for FY22 stood at 8.7% compared to 7.2% in FY21.

Update on Capex

- Until the end of March 2022, the company has spent Rs. 573.52 million.
- The new Capex of 25,000 tonnes is projected to come on stream in Q3FY22 which will enhance the scale of the business.

Vinod Saeed





Guidance

- As things settle down in the short term, we expect good momentum in our profitability and demand for our products.
- Furthermore, forward integration of products such as cattle feed allows us to complete the full value chain, supporting our objective of resource judiciousness and achieving better realizations.
- For FY23, we anticipate revenue of Rs. 3,500 to 3,750 million from both existing and new capacity.
- Additionally, the company anticipates its EBITDA margins to improve by 100-200 basis points in the coming financial year.

Other Updates

- The company is in the process of implementing a new ERP system (S/4HANA) and inked an agreement with SAP ERP, which will assist in implementing effective inventory and supply chain management within the organization thus resulting in better operational efficiency and working capital management.
- The Company has also switched from multiple banking facilities to a consortium banking arrangement with State Bank of India serving as the consortium bank leader for the member banks, which include Bank of Maharashtra, Bank of India, Canara Bank, Axis Bank, Kotak Mahindra Bank, and The Federal Bank.

Awards & Accolades

- Conferred with an award for highest excellence in ESG (Environment, Social & Governance) compliances at the GLOBOIL India 2021 awards ceremony.
- Awarded four 'Highest unique processors and highest unique excellence in exports of vegetable butter from India' continuously for the 16th consecutive year in an event organized by the Solvent extractors' association of India.
- Awarded 'Excellence in Highest Exports of Specialty Butter from India' by IOPEPC (Indian Oilseeds & Produce Export Promotion Council) Ministry of Commerce, Govt of India.

Credit Rating

- In August 2021, India Ratings & Research, the rating agency has upgraded Manorama Industries Limited (MIL) a Long-Term Issuer Rating to 'IND BBB+' from 'IND BBB', Outlook – Stable.

Vinita Saeed





About Manorama Industries Limited

Manorama Industries Limited is a global pioneer in the manufacturing of specialty fats from tree-borne and plant-based seeds. The Group has a history of many decades which started with extracting butter and fats from Sal seed and Mango kernel and gradually forayed into exotic products and specialty fats. Today, the company is one of the top global players in the food and cosmetic industries and maintains a good relationship of many decades with Fortune 500 companies all over the world in the cosmetic, chocolate, and confectionery industries. Over the years; the Company is the recipient of more than 50 International and National awards for its successful and unique business model and for playing a pivotal role in empowering communities and its contribution to nation-building.

Safe Harbor

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.

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