Sector: Other Food Products | **RESULT REVIEW Q2FY27** | **Declared On: 12 Nov 2026**

Manorama Industries Limited

RECOMMENDATION SNAPSHOT				
*CMP	Target	Potential Upside	MCap (Rsbn)	Recommendation
Rs1878	Rs2100	12%	118.5	Hold

**as on 17th Nov, 2026*

About the Company:

Established in 2005, Manorama Industries Limited (MIL) is one of the leading fully integrated manufacturer of plant-based specialty fats and butters derived from exotic forest seeds. These ingredients are primarily used by global luxury chocolate, confectionery, bakery, dairy and cosmetics companies as a substitute to cocoa butter and other specialty fats. MIL is the only company in the world which offers all these exotic fats under one basket utilizing various types of exotic forest based raw materials. The company is a customized solution provider which is involved in selling specialty fats modified via processes such as fractionation and inter-esterification. MIL serves ~150+ customers, with ~80 of them being global clients. The company has a reputed and diversified customer base spread across the globe (Fortune 500 companies) serving major international brands like The Body Shop International Ltd, Mondelez International Inc., Mondelez India Foods Pvt. Ltd., AAK Denmark, Ferrero International SA, Mars Inc, Nestle, Hershey's, etc. The company has successfully established a strong presence in diverse markets, including Asia, Africa, EU, North America, South America and Australia. The global network of MIL has a total of 9 subsidiaries with 7 newly established subsidiaries in West Africa. Mr. Deep Saraf is the MD (w.e.f. 12th Nov'26).

Results: Quick Glance:

- The net sales for the quarter reported a growth of 41.9% to Rs4589mn as compared to Rs3233mn in Q2FY27
- The Ebitda margins for the quarter under review stood at 25.8% as compared to 27.2% in the comparative quarter last year
- The company reported profit of Rs808mn as compared to Rs532mn in the same quarter last year
- The EPS for the quarter stood at Rs12.44 as compared to Rs8.91 in the corresponding period of last year
- For H1FY27, the revenues came in at Rs8629mn as compared to Rs6129mn; growth of 40.8% while the PAT stood at Rs1595mn as against Rs1002mn. The EPS came in at Rs25.61 as against Rs16.78 in H1FY26

Conference Call Highlights:

- In Q2FY27 the overall revenue grew by ~41.9% on a y-o-y basis, with ~85% of the increase coming from volume and the rest from price realization, while the PAT rose by ~51.8% on operating leverage and a richer product mix
- This growth is also attributed from a mixture of new customers in new geographies and higher uptake from existing customers
- The quarter growth was supported by a stronger product mix of value-added offerings and increased utilization of the upgraded fractionation capacity. The **value-added** products such as CBE and stearin made up about ~75% of sales value, up from ~65-70% earlier. A per the Management commentary the current range of ~75-80% can be sustained. The **exports** contribution in H1FY27 stood at ~61%
- The Management stated that the CBE and specialty fats are short in supply and that the capacities of MIL are booked for the near term, with no slowdown visible in demand
- The existing capacity (~47,500 tonnes) is functioning at ~85-90% utilisation with further scope for improvement via de-bottlenecking and better utilisation. The commercial production from the **4500MTPA de-bottleneck project** is currently planned for Q3FY27. For **Burkina Faso** project, the company has already made the land acquisition for the backward integration while the regulatory approvals are awaited at present. The anticipated completion timeline is slated at ~Q3/Q4FY28; via this backward integration project the Management foresees a cost advantage of ~2-3% and would benefit the company in terms of overall raw material sourcing in the long-term. As far as **LatAm facility** is concerned, the existing capacities are almost fully booked (as the products are transitioned from the Indian plant to LatAm market). The Management expects a gradual ramp-up over the next couple of quarters for this facility
- The **solvent fractionation plant** is currently under the planning and engineering stage. The Management stated that the new fractionation plant that is expected to commence in Q3FY28 would start with a utilisation rate of ~40-50% and would ideally take 2-3 years to reach an optimum rate of ~85-90%; FY29E to be termed as a more meaningful contribution

Conference Call Highlights (contd.):

- The overall blended margins are expected to improve as new capacities ramp up, driven by product mix changes, operating leverage, and economies of scale. Till date the company has spent ~Rs700-750mn towards **capex** and expects additional investments in H2FY27. The **CFO** for H1FY27 stood at Rs2520mn whereas the **inventories** surged from ~Rs7280mn (Mar'26) to ~Rs10,000mn in H1FY27; this is seasonal driven. The Management indicated that Shea procurement took place slightly earlier along with Sal and Mango Seed; the inventory normalization is expected to happen in H2FY27. The trade receivables too saw an increase for H1FY27 which was due to last 15 days of Sept sales where the company had already received the remittances

Financials:

Performance (Q2FY27)									
Q2FY27 Result (Rs mn)	**Sept-26**	**Sept-25**	**y-o-y**	**Jun-26**	**q-o-q**	**H1FY27**	**H1FY26**	**y-o-y**	**FY27E**
Total Revenue	4589	3233	41.9%	4040	13.6%	8629	6129	40.8%	16804
EBITDA	1182	879	34.4%	1062	11.3%	2244	1626	38.0%	4403
Other Income	97	1	-	162	(40.1%)	259	58	-	407
Interest	114	87	30.5%	99	15.0%	213	180	18.4%	423
Depreciation	63	61	3.9%	62	2.4%	125	118	5.7%	251
Exceptional Items	0	0	-	0	-	0	0	-	0
Tax	294	200	47.1%	277	6.1%	570	385	48.1%	1096
Net Profit	**808**	**532**	**51.8%**	**787**	**2.7%**	**1595**	**1002**	**59.2%**	**3040**

Outlook and Recommendations:

The company continued to deliver a stellar performance both for the quarter as well as H1FY27 marked by ~85% volume led growth in Q2FY27 and the balance from price realization. A healthy demand was seen across specialty fat and butter portfolio whereas the value-added mix improved further. The current quarter crossed the sales mark of ~Rs4000mn which marks a strong execution pattern. Inspite of an escalation in the raw material costs (which is linked to freight costs/fuel price hikes and price inflation of ~5-7%) the overall Ebitda margins have remained stable during the quarter under reference. Going ahead, the Management expects the current range of ~25-27% Ebitda margins to be maintained with modest q-o-q anticipated on account of macroeconomic factors.

The overall blended margins are expected to improve as new capacities ramp up, driven by product mix changes, operating leverage, and economies of scale. The other income appears to be inflated when compared on a y-o-y basis as it includes ~Rs150mn as forex gain reported in H1FY27. The industry tailwinds with growing adoption of CBE, regulatory support and increasing demand for natural & sustainable cosmetic ingredients would further strengthen the overall business of the company. The Management also stated that the products such as CBE and specialty fats are currently in short supply and the company is not witnessing neither any slowdown with respect to demand nor any order deferrals, rather the capacities are sufficiently booked in order to serve the demand requirement in the near term. As the capex plans and capacities that are internally targeted for completion ramp-up, the Management expects that at an optimum utilisation level, the company should generate an asset turn of ~5-7x. Overall, the company has a stronger value-added portfolio, robust balance sheet and is well-positioned to capture the long-term opportunity in CBE and specialty fats. We continue to maintain our target of Rs2100.

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