

Result Update

Q3 FY26

Manorama Industries Ltd.

Institutional
Research

Manorama Industries Ltd.

FMCG | Q3FY26 Result Update

29th January 2026

Sustained Growth Momentum; Guidance Raised

Manorama Industries reported a strong performance in Q3FY26, with revenue rising to Rs. 363 crores, registering a 73.3% YoY growth and 12.1% QoQ growth, driven by a richer value-added product mix, improved utilization of the upgraded fractionation facility and steady global demand from chocolate, confectionery and cosmetics customers. EBITDA for the quarter stood at Rs. 98 crores (up 78.0% YoY / up 12.0% QoQ), translating into a healthy 27.1% margin (up 72 bps YoY / down 3 bps QoQ), while PAT came in at Rs. 68 crores (up 131.1% YoY / up 24.3% QoQ) with a margin of 18.8% (up 471 bps YoY / up 185 bps QoQ), reflecting operating leverage and disciplined cost control. During the quarter, the company continued to benefit from its backward-integrated model and technology-led product portfolio, which helped insulate margins from raw material volatility. Encouraged by the strong execution and demand visibility, management revised its FY26 revenue guidance upward to Rs. 1,300 crores, underscoring confidence in sustained growth momentum supported by ongoing capacity debottlenecking and a robust order pipeline. During the quarter, Manorama continued to strengthen its balance sheet and growth platform, with capacity utilization remaining healthy at ~85% and ongoing debottlenecking initiatives expected to raise effective capacity by ~30% by the end of FY26.

Valuation and Outlook

Manorama Industries is entering its next phase of growth from a position of strength, with Q3FY26 reaffirming the scalability and resilience of its business model. Strong demand momentum in specialty fats and cocoa butter alternatives, coupled with high capacity utilization and a rising share of value-added products, provides clear near-term earnings visibility, as reflected in the upward revision of FY26 revenue guidance to Rs.1,300 crores. As the company moves ahead, the ongoing debottlenecking initiatives are expected to seamlessly support growth in the immediate term, while the planned Rs. 460 crores capital investment over the next 2–3 years lays the foundation for a structurally larger and more integrated platform. Forward integration into higher-value cocoa butter alternatives and specialty formulations, alongside backward integration in West Africa to secure raw material sourcing, is likely to enhance supply security, pricing power and margin stability. With a technology-led, application-driven product portfolio that remains largely insulated from commodity cycles, improving working capital efficiency and strong capital returns, Manorama appears well positioned to compound growth sustainably and deliver superior shareholder value over the next 3–5 years.

Sector Outlook Positive

Stock

CMP (Rs.)	1,278
BSE code	541974
NSE Symbol	MANORAMA
Bloomberg	MANORAMA IN
Reuters	MNOR.BO

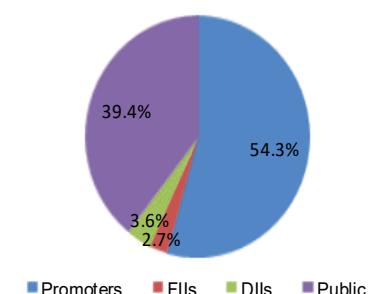
Key Data

Nifty	25,343
52 Week H/L (Rs.)	1,760/741
O/s Shares (Crs.)	6
Market Cap (Rs. Crs.)	7,632
Face Value (Rs.)	2

Average Volume

3 months	93,829
6 months	1,42,360
1 year	1,45,144

Share Holding Pattern (%)

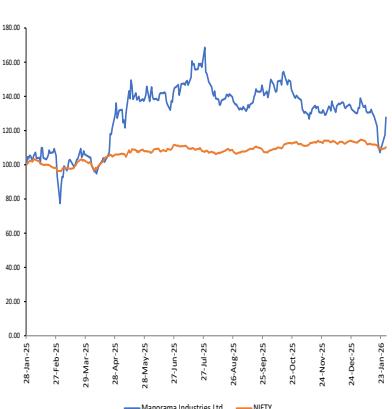


Key Highlights

Particulars (Rs. Crs.)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)
Net Sales	363	209	73.3%	323	12.1%
Gross profit	160	110	45.4%	149	7.4%
Gross margin (%)	44.3%	52.8%	-851 bps	46.2%	-195 bps
EBITDA	98	55	78.0%	88	12.0%
OPM (%)	27.1%	26.4%	72 bps	27.1%	-3 bps
PAT	68	30	131.1%	55	24.3%
PAT Margin	18.8%	14.1%	471 bps	17.0%	185 bps

Source: Company, BP Equities Research

Relative Price Chart



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Key Concail Highlights

Product Mix & Technology Edge

Strong demand from chocolate, confectionery, and cosmetics customers globally.

ESOS (Enzymatic Stearin Oleic Stearin) process will be used to enhance CBE output capacity using soft fractions like stearin, oelin and other raw materials, improving flexibility and margins.

Pricing of ESOS-based products expected to be broadly similar to existing CBE/cocoa butter equivalents, with no margin dilution.

Business positioned as technology- and formulation-driven, not commodity-linked; limited sensitivity to cocoa butter or COCOA price volatility.

"Technology-driven, non-commodity business with limited cocoa price sensitivity; ESOS process enhances CBE capacity without margin dilution, supported by strong global demand."

Volume Growth & Utilization

Around 65% of growth attributed to volume expansion, with balance from pricing and inflation impact

Current capacity utilization at ~85%, supporting near-term growth before major capex comes online.

Working Capital & Funding

Existing business operates on 5–6 months working capital cycle.

New forward integration projects expected to require only 1–2 months of working capital, improving cash efficiency.

Capex largely funded through strong internal accruals, with external funding to be considered only selectively if required.

"Forward integration significantly improves cash efficiency, reducing working capital cycle to 1–2 months, with capex largely funded through internal accruals and minimal reliance on external funding."

Capacity & Capex Plans

Existing fractionation capacity to increase by ~30% to 52,000 MT through de-bottlenecking by end-FY26.

Company announced Rs. 460 crores capex over next 2–3 years, largely funded through internal accruals.

Capex breakup includes:

- ⇒ 75,000 MT ESOS/CBA forward integration facility
- ⇒ 75,000 MT new fractionation facility (exotic & specialty seeds)
- ⇒ 90,000 MT refinery capacity
- ⇒ 90,000 MT backward integration plant in Burkina Faso, West Africa

Management targets asset turnover of >5x on the forward integration projects, implying strong capital efficiency, which may turn out to boost the topline to Rs. 2000+ crores in next 2 to 3 years

Around Rs. 50–52 crores already spent, with Rs. 70–80 crores planned in FY26 and Rs. 100–150 crores will be spent in FY27.

The company acquired 19.40 acres of new land and successfully commissioned a new packing plant and laboratory building, funded entirely through internal accruals, strengthening its operational and quality capabilities.

"Fractionation capacity to rise ~30% to 52,000 MT by end-FY26; Rs. 460 crore capex over 2–3 years (largely internal accruals) across ESOS/CBA, fractionation, refinery and backward integration, with >5x asset turns on forward integration supporting potential Rs. 2,000+ crore topline in 2–3 years."

Guidance & Outlook

Management revised FY26 revenue guidance upward to Rs. 1,300 crores from Rs. 1,150 crores, reflecting strong demand momentum and execution confidence.

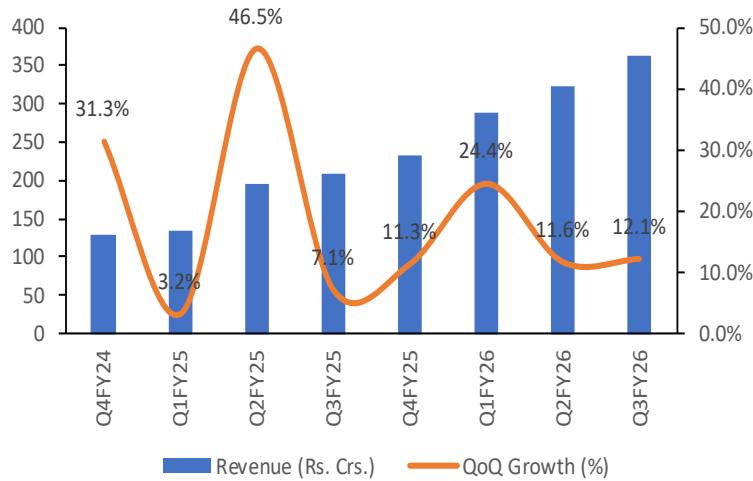
Growth visibility remains strong for the next 4–5 years, supported by phased capacity additions and forward/backward integration projects.

Gross Profit to be maintained at 45% to 50% in the coming quarters.

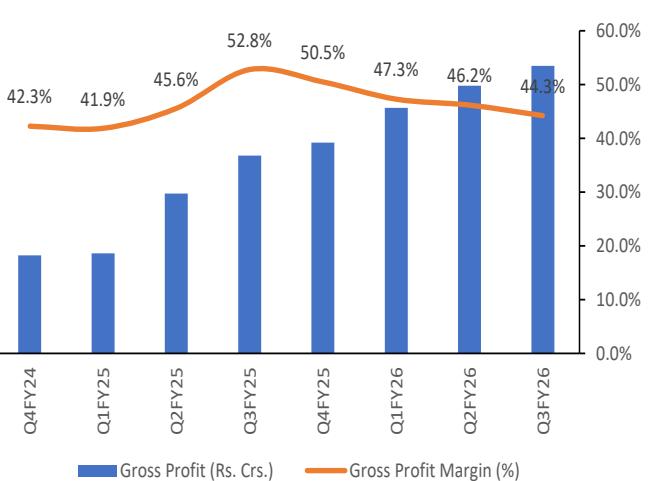
"FY26 revenue guidance raised to Rs. 1,300 crore (from Rs. 1,150 crore) with 45–50% gross margin outlook; strong 4–5 year growth visibility driven by phased capacity expansion and integration initiatives."

Quarterly and Business Snapshots

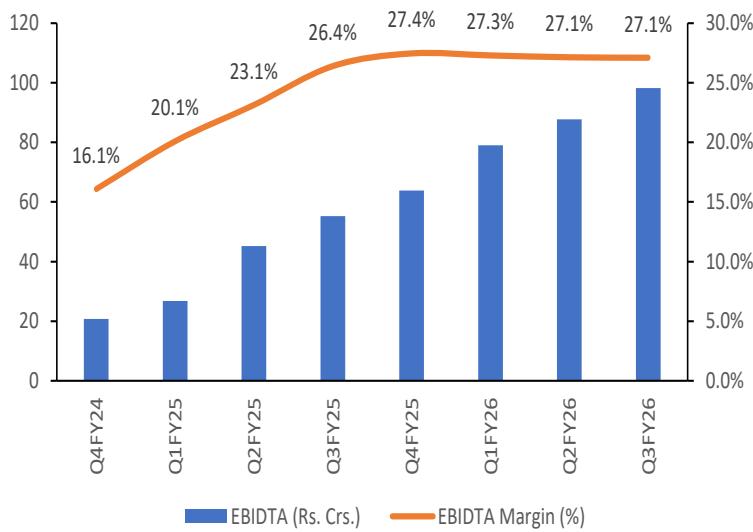
Revenue growth supported by a stronger VAP product mix



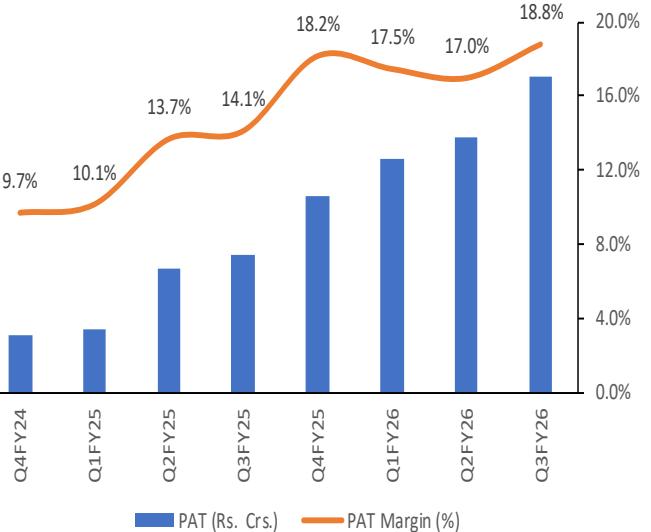
Gross margin likely to improve in coming quarters



Improved cost discipline resulted in higher EBIDTA margins



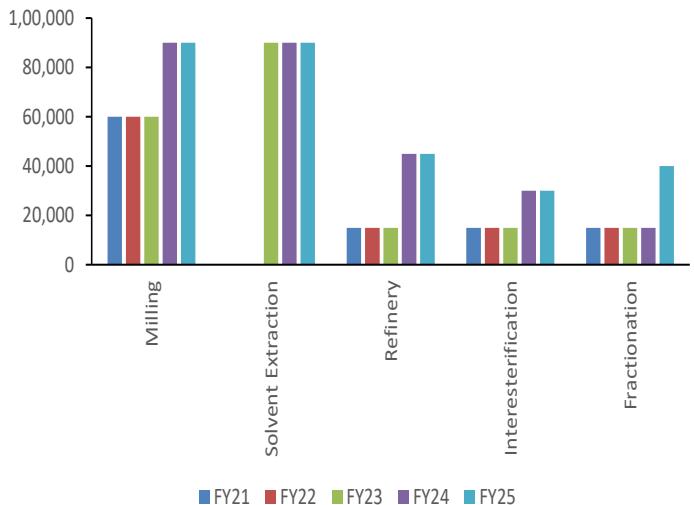
PAT margins witnessed a tremendous improvement



Demand for CBE to grow at a CAGR of 6.1%



Fractionation capacity further expanding by 30% by FY26



Source: Company, BP Equities

Key Financials						
YE March (Rs. Crs.)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Revenue	351	457	771	1,300	2,145	3,325
<i>Revenue Growth (Y-oY)</i>	25.7%	30.3%	68.6%	68.6%	65.0%	55.0%
EBITDA	56	74	191	348	582	901
<i>EBIT Growth (Y-o-Y)</i>	45.0%	30.2%	159.8%	82.1%	67.2%	54.8%
Net Profit	30	40	112	227	382	592
<i>Net Profit Growth (Y-o-Y)</i>	23.3%	34.7%	179.2%	70.0%	70.0%	55.0%
Diluted EPS	5.0	6.7	18.7	38.0	64.0	99.2
<i>Diluted EPS Growth (Y-o-Y)</i>	(76.0%)	34.7%	178.7%	103.0%	68.3%	55.0%
Profitability Ratios						
EBITDA (%)	16.1%	16.1%	24.8%	26.8%	27.1%	27.1%
NPM (%)	8.5%	8.8%	14.5%	17.5%	17.8%	17.8%
ROE (%)	10.0%	11.9%	24.3%	33.5%	36.3%	36.3%
ROCE (%)	11.2%	8.8%	36.5%	44.7%	51.0%	52.4%
Valuation Ratios						
P/E (x)	256.5x	190.5x	68.3x	33.7x	20.0x	12.9x
EV/EBITDA	137.3x	107.3x	40.0x	22.0x	13.1x	8.5x
P/BV (x)	25.6x	22.7x	16.5x	11.3x	7.3x	4.7x
Market Cap. / Sales (x)	21.8x	16.7x	9.9x	5.9x	3.6x	2.3x

Source: Company, BP Equities

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Analyst (s) holding in the Stock : Nil

Analyst (s) Certification:

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