



**KNOWLEDGE MARINE & ENGINEERING WORKS LIMITED**  
Ship Builders, Repairers, Charterers and Marine Contractors  
CIN: L74120MH2015PLC269596

**Ref: KMEW/BSE/2022-23/Reg 30/02**

**Date: 07<sup>th</sup> May, 2022**

To  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai- 400001

Dear Sir/Ma'am,

<b>Scrip Code</b>	<b>Symbol</b>	<b>ISIN</b>
<b>543273</b>	<b>KMEW</b>	<b>INE0CJD01011</b>

**Subject: Press Release for declaration of Audited Financial Results for the Half year and year ended 31<sup>st</sup> March, 2022**

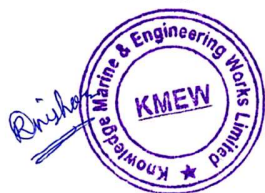
Pursuant to Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, please find enclosed herewith press release for declaration of audited financial results of the Company for the half year and year ended 31<sup>st</sup> March, 2022.

You are requested to kindly take the same on records.

Thanking You,

Yours Faithfully,

For **Knowledge Marine & Engineering Works Limited**



**Ruchi Nishar**  
**Company Secretary & Compliance Officer**  
**M. No. A68260**

## Press Release

### Robust topline growth coupled with tripling of PAT

#### Strong cash flow generation and well capitalized balance sheet to fund growth plans

**Mumbai, India, May 7, 2022:** Knowledge Marine & Engineering Works Ltd. "KMEW" (BSE: 543273), engaged in the business of owning and operating Marine Crafts, dredging, repair and maintenance / refits of Marine Crafts and Marine Infrastructure, announced its financial results for the full year ending 31<sup>st</sup> March 2022.

#### Consolidated Financial Highlights for the Year (FY22 vs. FY21):

- Total Income of Rs. 61.6 crores, a growth of 83.6%
- Gross Profit of Rs. 38.8 crores compared to Rs. 17.4 crores; Gross Margin improved by over 1,000 basis points to 62.9%
- EBITDA of Rs. 32.9 crores compared to Rs. 13.3 crores; EBITDA Margin improved by over 1,300 basis points to 53.4%
- Net Profit of Rs. 20.9 crores compared to Rs. 6.8 crores; Net Profit Margin improved by over 1,700 basis points to 33.9%
- Net Debt of Rs. 3.8 crores compared to Rs. 5.4 crores in March 2021; Net Debt / EBITDA of 0.12x compared to 0.41x
- Total Cash Flow from Operations (CFO) of Rs. 34.6 crores with EBITDA to CFO conversion of 105%

#### Business Highlights:

- **Myanmar Project Update:** The project commenced in January 2022. The project includes capital dredging to be completed by November 2022, followed by maintenance dredging for a period of 2 years starting December 2022. As of March 2022, over 25% of the capital dredging work is completed. The contract is worth Rs. 118 crores, of which around Rs. 18 crores were recognized in FY2022, Rs. 60 crores will be billed in FY2023 and balance in the following 2 years.
- **FY22 Dredging Completed:** 1.5 million cubic meters (River Pearl 2, River Pearl 4 and River Pearl 8).
- **Order Book:** Rs. 182 crores as of 31<sup>st</sup> March 2022
- **Average Tenure:** Contract tenure greater than 3 years
- **Recent Contract Wins:** Secured 3 new contracts valued at Rs. 128 crores, including Myanmar Project. The other two contract are from Port Trust (Vishakhapatnam and Kandla) and will commence from January 2023 for a period of 5 years.
- **Vessels Utilization:** River Pearl 1, 2, 3 and 4 demonstrated 100% uptime in their respective contracts. River Pearl 5, 06 and 7 were successfully constructed and deployed

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at respective sites for commercial operations for a period of 5 years. Also acquired River Pearl 8 (1,700 Cubic Trailing Suction Hopper Dredger) and upgraded it at a cost of Rs. 15 crores, and deployed at Myanmar project. Currently River Pearl 9 & 10 are under construction and will be deployed at Vishakhapatnam and Kandla port.

- **Strengthening of Team:** Appointed Capt. Biswas as Non-Executive Director on the Board. Capt. Sanjeev Dutt and Chief Engineer Jeba Kumar joined the operational and technical team, respectively. Company also started a hydrographic survey division under the leadership of Kolla Suresh Babu Ex-Indian Navy.

### Commenting on the performance, Mr. Sujay Kewalramani, CEO of Knowledge Marine & Engineering Works Limited said:

"I am extremely proud to report that the Company has delivered a record operational and financial performance in FY2022. During the year, we continued to successfully execute 7 dredging contracts and completed 1.5 million cubic meters of dredging. The exceptional performance was backed by the recently awarded Myanmar Project with contract value of Rs. 118 crore and tenure of 3 years.

During the year, the company delivered Revenues of Rs. 61.1 crores, registering a robust growth of 83.6% on y-o-y basis. EBITDA was Rs. 32.9 crores as compared to Rs. 13.3 in FY21 with EBITDA margins improving to 53.4% in FY22, up by over 1,300 bps. The margin improvement was primarily driven by improved realizations, higher operational efficiencies and our fundamental ability to pass through any increase in fuel costs. Net profit almost tripled to Rs. 20.9 crores compared to last year. We continue to generate strong cash flows of Rs. 34.6 crores and EBITDA to CFO was 105%, which reflects strong cash flow conversion.

In addition to Myanmar project, we have also secured two more contracts worth of Rs. 11 crores from Port Trusts (Vishakhapatnam and Kandla) which is expected to commence from January 2023. To service the new contracts, we have started construction of new vessels; River Pearl 9 and River Pearl 10. All our vessels are certified by the statutory bodies and have adequate insurance to cover against any risk.

The Company continues to maintain a strong order book of Rs. 182 crores with average tenure of more than 3 years and we have already participated in 4 new tenders worth of Rs. 200 crores. We have significant visibility into our future free cash flow, which allows us to continue to manage debt levels effectively. The senior management remain fully committed to ensure timely execution of the ongoing projects and capitalize on the growing opportunities arising from the increased government push on improving port infrastructure and connectivity. We are excited going into the next fiscal year and remain confident of delivering accelerated profitable growth and enhance wealth for all stakeholders."

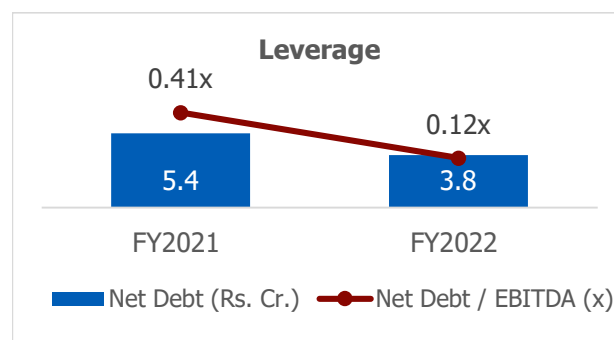
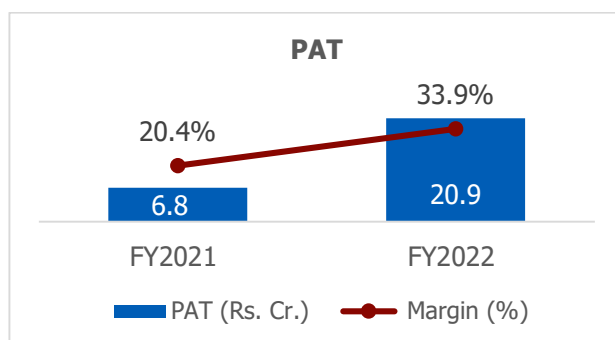
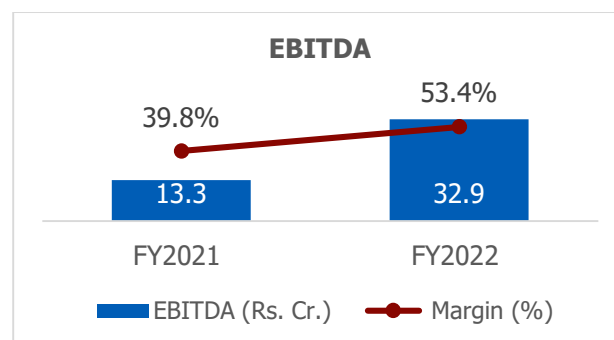
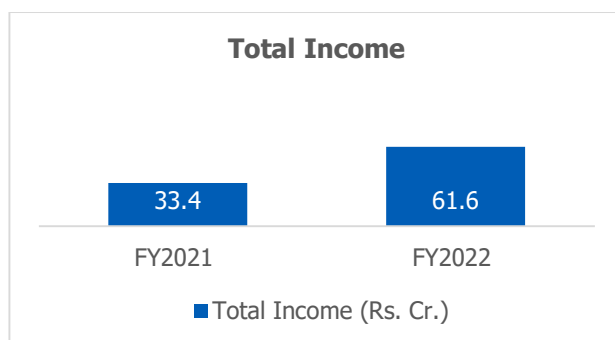
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### Financial Performance:

Particulars (Rs. Crores)	H2 FY22	H2 FY21	Growth (%)	FY22	FY21	Growth (%)
Total Income	42.2	17.1	147%	61.6	33.4	84%
Gross Profit	28.4	8.8	222%	38.8	17.4	122%
<i>Gross Margin (%)</i>	<i>67.2%</i>	<i>51.5%</i>		<i>62.9%</i>	<i>52.2%</i>	
EBITDA	25.0	6.6	278%	32.9	13.3	149%
<i>EBITDA Margin (%)</i>	<i>59.3%</i>	<i>38.9%</i>		<i>53.4%</i>	<i>39.8%</i>	
PAT	16.3	3.0	439%	20.9	6.8	205%
<i>PAT Margin (%)</i>	<i>38.7%</i>	<i>17.8%</i>		<i>33.9%</i>	<i>20.4%</i>	

### Performance Discussion:

- **Total Income:** The robust growth in the total income was primarily driven by contribution from execution of new contracts, particularly Myanmar Project.
- **Profitability:** Improvement in profitability driven by higher realization from Myanmar Project.
- **Leverage Profile:** Total debt increased by Rs. 9.5 crores (compared to March 2021) which was used for procurement of new vessels for servicing recently awarded contracts. Our cash and cash equivalents stood at Rs. 22.6 crores, almost double compared to last year. This resulted in net debt of Rs. 3.8 crores. Prepaid debt of Rs. 5 crores against River Pearl 4 vessel.



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### About Knowledge Marine & Engineering Works Ltd:

Incorporated in 2015, KMEW is in the business of owning and operating Marine Crafts, dredging, repair and maintenance/refits of Marine Crafts and Marine Infrastructure. The Company provides multiple solutions of marine engineering including dredging at various ports, carrying out repair and refit services of naval and merchant ships, conducting hydrographic and magnetometer surveys and technical solutions for maintenance and operations of vessels.

Over the years, it has become an established player in the small marine craft business segment and dredging services in India and have evolved from a small ship-repair unit to a ship-owning Company. The company has a multi-million order book from esteemed clients such as Ministry of External Affairs, Kolkata Port Trust, Visakhapatnam Port Trust, Deendayal Port Trust, Paradip Port Trust and various other ports.

### For further information, please contact:

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### **Safe Harbour**

*This press release may include statements of future expectations and other forward-looking statements based on management's current expectations and beliefs concerning future developments and their potential effects upon Knowledge Marine & Engineering Works Ltd ("KMEW"). These forward-looking statements involve known or unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Important factors that could cause actual results to differ materially from our expectations include, amongst others: general economic and business conditions in India and overseas, our ability to successfully implement our strategy, our research and development efforts, our growth and expansion plans and technological changes, changes in the value of the Rupee and other currency changes, changes in the Indian and international interest rates, change in laws and regulations that apply to the related industries, increasing competition in and the conditions of the related industries, changes in political conditions in India and changes in the foreign exchange control regulations in India. Neither KMEW, nor our Directors, or any of our subsidiaries/associates assume any obligation to update any forward-looking statement contained in this release.*