



# Wayamba Salterns PLC.

Head Office : No. 23, Walukarama Road, Colombo 03, Sri Lanka  
Factory & Saltern : Kalpitiya Road, Palavi, Sri Lanka.

## Press Release

### Raigam Wayamba Salterns PLC

### 2022/2023 Group - After Tax Profit (un-audited) up by 101%

The management of the Raigam Wayamba Salterns PLC (RWS), the one and only salt manufacturing company listed in the Colombo Stock Exchange (CSE) is delighted to declare that the group has recorded its ever highest performance with a remarkable growth compared to the preceding year during the financial year 2022/2023. These impressive results were revealed in the recently published 2022/2023 Provisional Financial Statements (un audited) of the group.

#### Financial Highlights (In Rupees Million)

|                    | Company         |                    |        | Group           |                    |        |
|--------------------|-----------------|--------------------|--------|-----------------|--------------------|--------|
|                    | 2022<br>Audited | 2023<br>Un-audited | Change | 2022<br>Audited | 2023<br>Un-audited | Change |
| Revenue            | 1,063           | 1,799              | 69%    | 1,147           | 2,126              | 85%    |
| Profit before Tax  | 222             | 417                | 88%    | 277             | 555                | 100%   |
| Income Tax Expense | 50              | 86                 | 72%    | 62              | 121                | 96%    |
| Profit After Tax   | 172             | 331                | 93%    | 216             | 433                | 101%   |
| Total Asset Base   | 1,174           | 1,824              | 55%    | 1,298           | 2,194              | 69%    |

#### Earnings & Net Assets per Share (In Rupees)

|                      | Company         |                    |        | Group           |                    |        |
|----------------------|-----------------|--------------------|--------|-----------------|--------------------|--------|
|                      | 2022<br>Audited | 2023<br>Un-audited | Change | 2022<br>Audited | 2023<br>Un-audited | Change |
| Earnings per Share   | 0.61            | 1.17               | 93%    | 0.76            | 1.54               | 101%   |
| Net Assets per Share | 5.07            | 6.64               | 31%    | 5.74            | 7.88               | 37%    |

Raigam Wayamba Salterns (RWS) was established in the year 2005 as a subsidiary of the Raigam Group of Companies to grab the benefits of the opportunities available in the salt market in Sri Lanka, mainly the value added salt including table salt (powder) which was dominated by a few Indian Salt suppliers, despite the fact that Sri Lanka is surrounded by sea and plenty of favorable conditions required for the salt industry were existing. RWS had very accurately judged the future trends in the market, especially conversion of consumer choice from traditional crystal salt to powder salt and also many potential value additions.

The company's long term and short term strategies were set with a futuristic vision based on above and could achieve targets as planned making all dreams a reality, but with lot of hard work and commitment.

In 2010 the company was converted to a listed company as Raigam Wayamba Salterns PLC opening opportunities to the general public to become owners of this venture, making an IPO of 80,000,000 shares at the rate of Rs. 2.50 per share, an affordable price for anyone to become a shareholder of the company by just investing Rs. 2,500 the minimum subscription. This share issue was very successful and oversubscribed by 20 times. Despite heavy fluctuations experienced in the capital market during the past the market price of RWS share stood steady and has recorded a natural growth backed by performance, net assets and the integrity of the management.

At the close of financial year 2022/2023, the real value of a share (net assets per share) remained at Rs. 7.88 as compared to the market value of Rs.6.90

### **Operations of RWS Group**

The group consists the parent company, Raigam Wayamba Salters PLC and 02 fully owned subsidiary companies, namely, Southern Salt Company (Pvt) Limited (SSC) & Raigam Wayamba Cereals (Pvt) Ltd (RWC).

The main production facilities of RWS which includes a saltern, Salt Refinery and the Pure Vacuum Dried (PVD) Salt plant are located in Palavi, Puttalam. The company uses raw salt harvested from own saltern in Puttalam District, supplies from Puttalam Salt Limited (an associate company of the Raigam group) and also raw salt purchase from the out-growers in the area. Different varieties of salt products manufactured at this facility are directly distributed from Western Region to Northern Region enjoying the comparative advantage of low distribution cost.

The production and distribution facility of the subsidiary company, SSC is located at Bata-atha in the Hambantota district, the other potential region for the salt industry in Sri Lanka. In addition to the state of the art salt refinery located in the Bata-atha Industrial Zone, the company operates a saltern in the vicinity. The raw salt harvested from this saltern is entirely used for own production purposes and depending on the demand and seasonal variations of harvest, balance raw material requirement is fulfilled with outsourcing strategy. This facility services mainly the Southern and Uva Regions with a low operational cost and also services the corporate customers with super quality table salt for industrial purposes.

Moving with diversification strategy RWS ventured in to manufacture of Breakfast Cereals by establishing the fully owned subsidiary Raigam Wayamba Cereals (Pvt) Ltd in 2021/2022 and launched its product range under the brand name “Nenaposha” which is now successfully capturing the market. Under this project RWC has set up a factory and a warehouse complex in Kurunegala. Nenaposha is a protein rich pre-cooked meal made out of soya bean, corn, green gram and rice, all are sourced locally. In order to secure the uninterrupted supply and quality of grains, RWC has launched an out grower scheme in the North Central Province in Sri Lanka. This scheme supports the farmers with a buy back agreement, a guaranteed minimum price, provision of agricultural inputs on loan basis and advisory support through a network of qualified field officers. At present 1,200 farmer families are benefited under this scheme.

RWS is the one and only manufacturer of Pure Vacuum Dried (PVD) salt in Sri Lanka. PVD technology ensures the maximum purity (zero impurities) of its products. PVD is mainly used as an input for high end products and also a limited quantity is released for household customers.

There are many strengths behind the successful results and the growth of the company

### **Prudent Management Practices**

Salt is a highly volatile industry. It is operated with many uncontrollable factors such as weather and also highly labour intensive. A sudden unexpected situation can result in a sudden shortage of raw material which needs fairly a longer period to restore. Being an essential consumer product and an industrial input regulatory involvement is also significant. Plants are operated in salty environment and therefore need heavy maintenance efforts. Theoretically salt has an inelastic demand, but need to address a variety of customer choices rapidly changing. RWS has adopted its management practices in line with this business environment ensuring quick and past decisions based on changing situations. Strict controls and reporting mechanism has been introduced for brine and raw salt stock management while other controls are introduced to minimize operational costs including plant maintenance. Cost control and maximizing benefits from scarce resources is the number one priority.

### **Marketing and Distribution Strength**

Raigam distribution network which is known to be one of the best distribution networks in Sri Lanka ensures the reach of all most all the retail and wholesale outlets and the modern trade and supermarket chains in the country. Company operates its own wholesale outlet in Pettah, Colombo 11 to directly service the customers from all over the country who reach the central wholesale market. Further the company supplies salt in bulk form for varies industries. RWS is capable of supplying salt under customer specifications where necessary.

RWS table salt products are marketed in popular brands namely **Isi**, **Premium**, **Welcome** and **Ruchi** under the umbrella brand “Raigam” while the Crystal salt is marketed under three brands Raigam – Triple washed, Welcome and Ruchi.

ALL RWS products bear SLS certification for its quality excellence and the production facilities are ISO certified and maintain all statutory and hygienic requirements to ensure the high quality of the product.

### **Quality Policy.**

Raigam Isi is known as the best quality salt product in the market. This is the only salt product in the market that is demanded by consumers in brand name. Raigam salt never compromises its quality for any reason. All Raigam salt products are oven fresh and packed by an automated process. Raigam introduced triple laminated packaging to salt to change the appearance from traditional outlook and also to ensure quality and hygiene of the product. The packaging material used by the company has resistance to moisture, odder and many other external factors affect the quality.

Raigam has won the confidence of consumers through the continued dialog and also the product quality. This has a direct impact on increased sales volume during the year under review.

### **Un-interrupted supply**

Salt is a highly weather sensitive industry and experience heavy fluctuations in salt harvest periodically. During the recent past Sri Lanka experienced a severe shortage of salt due to the bad weather

conditions prevailed. Many salt businesses came to a standstill. However Raigam managed to service the market with a minimum impact due to prudent stock management practices and other strengths of the company.

As a result of the customer confidence the company could shift to a higher level of volume and grab the advantages of scales.

The confidence built by the company in wholesale, retail and modern trade sectors of the country remains for a longer period and has resulted in excellent results this year.

**Energetic and able workforce.**

It must be mentioned that the commitment and the contribution of the work force from managerial level to operational level is one of the pillar of our success. The company continuously invests in welfare and development of human resource of the company.

**Board of Directors**

The Board of Directors consists of a balanced panel of executive (3) and non-executive independent directors (4) and includes following members.

|                                  |                                    |
|----------------------------------|------------------------------------|
| Dr. Ravi Liyanage                | Chairman / Executive Director      |
| Mr. Kishan Theadore              | Managing Director                  |
| Mr. Ganaka Amarasinghe           | Executive Director                 |
| Senior Prof. Sampath Amarathunga | Non-Executive Independent Director |
| Mr. Sarath Keerthirathne         | Non-Executive Independent Director |
| Mr. Sunil Samaraweera            | Non-Executive Independent Director |
| Mr. T. Dharmarajah               | Non-Executive Independent Director |

**Raigam Wayamba Salterns PLC issued this Press Release to provide the information required by the media personnel at the press briefing held on June 06, 2023 at RWS Head Office, 23 Walukarama Road, Colombo 03.**

**For further information – please contact Niwanthi - 0771061575 or [niwanthi@raigam.lk](mailto:niwanthi@raigam.lk)**