



SATIA
INDUSTRIES
LIMITED

CIN: - L21012PB1980PLC004329

Manufacturer of Quality IS : 1848
Writing, Printing & Speciality
Paper with ECO MARK

SIL/CS

Date: 15.11.2019

The Manager Listing Department BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai-400001 Scrip Code: 539201	The Manager, Listing Department, National Stock Exchange of India Ltd, Exchange Plaza, Plot No. C/1, G- Block, Bandra Kurla Complex, Bandra (East), Mumbai-400051 Symbol: SATIA
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Dear Sir/Madam,

Sub: Submission of Analyst/ Investor Presentation

Pursuant to Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 please find enclosed Earnings Presentation H1 /Q2-FY20

Thanking you

Yours faithfully,
For Satia Industries Limited

(Rakesh Kumar Dhuria)
Company Secretary



SATIA INDUSTRIES LIMITED

EARNINGS PRESENTATION
H1 / Q2-FY20



SATIA INDUSTRIES LIMITED
AN ISO 9001, 1400 & OHSAS 18001 COMPANY

Executive Summary



Company Overview



- Incorporated in 1980, Satia Industries Limited (SIL), is one of the biggest and completely integrated Wood and Agro based paper manufacturers.
- SIL's products are extensively used in the printing of books, directories, envelopes, diaries, calendars, computer stationery, copy manufacture annual reports, etc.

Key Clientele



- SIL has long standing relationship with State Text book Corporations and around 40% of revenue comes from these organisations.
- The remaining revenue attributes to the Public and Private Sector Companies.

Manufacturing and Distribution Network



- Manufacturing plant based out of Muktsar with capacity to manufacture over 1,05,000 MT per annum.
- Completely integrated manufacturing operations with 3 paper machines, 100% in-house power generation and effluent treatment.
- Strong Distribution Network: 70 dealers and 3 branch offices.

FY19 Financial Snapshot

Operational Revenue INR 7,384 Mn	EBITDA INR 1,641 Mn	EBITDA Margin 22.22%	
PAT INR 878 Mn	PAT Margin 11.89%	ROE 29%	ROCE 26%

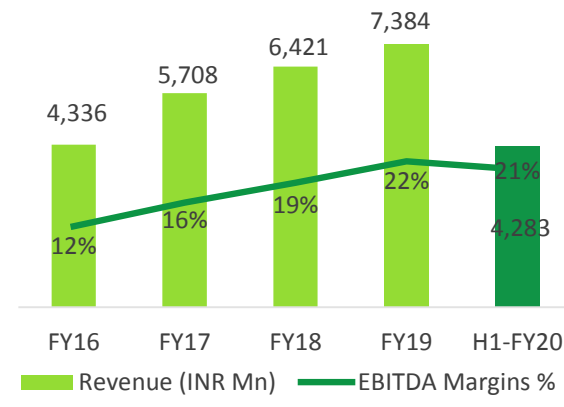
About The Company



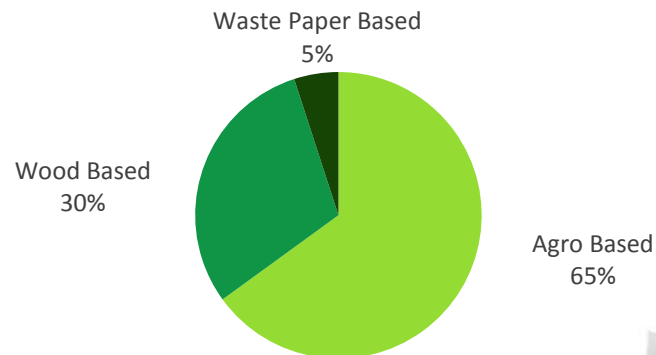
- Incorporated in 1980 by Dr. Ajay Satia, Satia Industries Limited (SIL) started its commercial production of printing and writing paper at Muktsar, Punjab in 1984.
- SIL is one of the biggest Wood and Agro based paper plants in India manufacturing paper using wood chips, veneer waste, wheat straw, sarkanda, etc.
- The Company has a fully integrated manufacturing facility, which includes paper machines, pulping machinery, chemical recovery plant and power generation plant.
- Fully integrated production facility gives superior advantage in terms of cost efficiency and environmental compliance, ultimately leading to superior margin profile compared to peers.
- With a view to improve the quality of pulp and also to save on cooking chemicals, a Continuous Digester has been installed by the Company.
- The product profile includes Super Snow White, Snow White, Photocopier paper, Map litho, Colored paper, Ledger paper, Cartridge paper, Duplicating, bond paper - with and without watermarks and Chromo (Art) paper from GSM range 42 to 200 GSM.
- Satia Industries Limited market its product through dealer network located all over India and through Branches at Jaipur, Delhi & Chandigarh.



Operational Revenue (INR Mn) & EBITDA Margin (%)



Raw Materials Used of Total Volumes



Capex Plan



Agro – Residue



Wood chips



Waste Paper



CRP



In-house power generation



Current Capacity
1,05,000 MT of
Paper

Capex of
INR 500 Cr



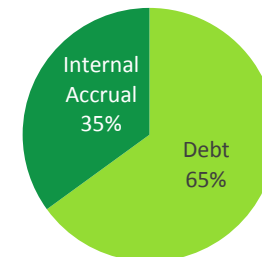
Capacity
Expansion of
1,00,000 MT of
Paper

Updates

- Additional land has already been purchased
- Set of Equipments & Machinery has already been ordered
- Final Hearing for environmental compliance is expected to take place with the Ministry of Environment & Forests, Delhi
- Finances have been tied up for the project

Plant to be commissioned by
the end of Q4-FY21

Funding



A similar greenfield capacity expansion of 300 TPD would cost around INR 1,000 Cr and would take a timeline of around 40 months to be operational.

Paper Cutlery Segment



- Prime Minister Sh. Narendra Modi gave an ambitious call to eliminate all single-use plastic products in the country by 2022 and SIL plans to make most of this opportunity in the national movement to replace plastic and styro foam from food delivery packaging with sustainable packaged products
- The company has already entered into Virgin fibre based Cup stock segment and plans to venture into the paper cutlery segment with an initial capital outlay of INR 15-18 Cr
- To establish this segment SIL has plans to enter into a partnership with an MNC which is one of the world's largest leading food brands
- SIL will be producing the finishing products of sustainable packaging and the marketing operations will be handled by the proposed Associate in India and abroad
- Target for commencement of production is Q1-FY21



**Initial
Production
Capacity of
8 TPD**



**To be
enhanced to
32 TPD**



Online food delivery is fuelling substantial acceleration in food packaging demand. We expect this segment to gain traction by FY21.

The background of the slide is a grayscale photograph of a paper mill. Large rolls of paper are being processed by machinery. In the upper right, there is a smaller inset image showing workers in a factory setting. The entire image is overlaid with large, semi-transparent green shapes, including a large leaf-like shape on the left and a pointed shape at the top right.

H1 / Q2-FY20 Financial Overview



SATIA INDUSTRIES LIMITED
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H1 / Q2-FY20 Financial & Operational Highlights



Q2-FY20 Financial Highlights

Operational Revenue	INR 2,039 Mn
EBITDA	INR 435 Mn
EBITDA Margin	21.33%
Net Profit	INR 250 Mn
PAT Margin	12.26%
Diluted EPS	INR 25.04

H1-FY20 Financial Highlights

Operational Revenue	INR 4,283 Mn
EBITDA	INR 914 Mn
EBITDA Margin	21.34%
Net Profit	INR 515 Mn
PAT Margin	12.02%
Diluted EPS	INR 51.50

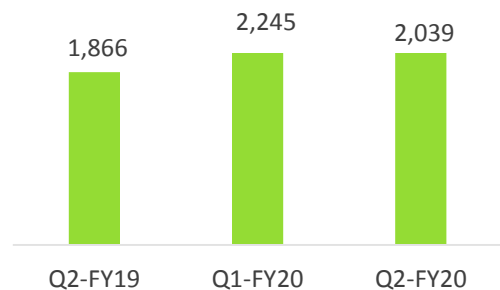
Operational Highlights:

- Since the company generates Renewable Energy Certificates, the company encashed around INR 6.9 Cr of REC certificate in H1-FY20.
- The current order book stands executable for the next 2 months through our strong dealer network.
- SIL in an effort to stay ahead of the curve had already started the production of Virgin fibre based cup stock and to continue in this endeavor SIL plans to introduce a Paper Cutlery segment with an effort to contribute to the national movement of Single Use Plastic ban. The company plans to initiate this segment with a 8 TPD production capacity and plan to enhance it to 32 TPD.

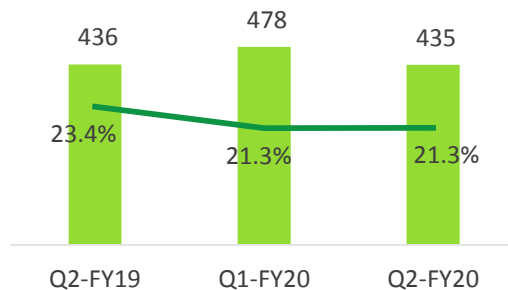
Quarterly Financial Trends



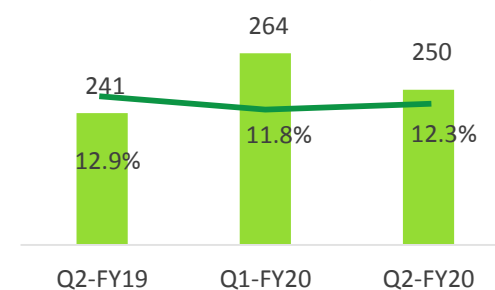
Operational Revenue (INR Mn)



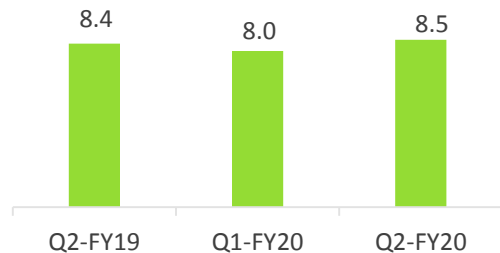
EBITDA (INR Mn) EBITDA Margin (%)



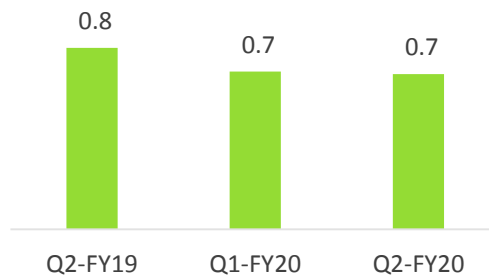
PAT (INR Mn) PAT Margin (%)



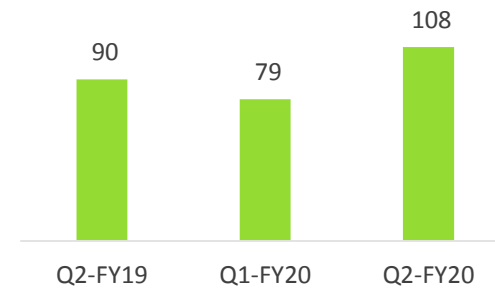
Interest Coverage Ratio



Gearing Ratio



Gross Current Assets Days



Q2-FY20 Income Statement (IND-AS)



PARTICULARS (INR Mn)	Q2-FY20	Q2-FY19	Y-O-Y	Q1-FY20	Q-o-Q
Operational Income	2,039	1,866	9.3%	2,245	(9.2)%
Total Expenses	1,604	1,430	12.2%	1,767	(9.2)%
EBITDA	435	436	(0.2)%	478	(9.0)%
EBITDA Margin	21.33%	23.36%	(203) Bps	21.29%	4 Bps
Other Income	67	33	NA	50	34.0%
Depreciation	132	112	17.9%	131	0.8%
Finance Cost	51	52	(1.9)%	60	(15.0)%
PBT	319	305	4.6%	337	(5.3)%
Tax	69	64	7.8%	73	(5.5)%
Profit After Tax	250	241	3.7%	264	(5.3)%
PAT Margin	12.26%	12.92%	(66) Bps	11.76%	50 Bps
Other Comprehensive Income	1	(2)	NA	1	NA
Total Comprehensive Income	251	239	5.0%	265	(5.3)%
Diluted EPS (INR) (Not Annualised)	25.04	24.06	4.1%	26.45	(5.3)%