



SATIA INDUSTRIES LIMITED

EARNINGS PRESENTATION
9M / Q3-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 1,25,000 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%

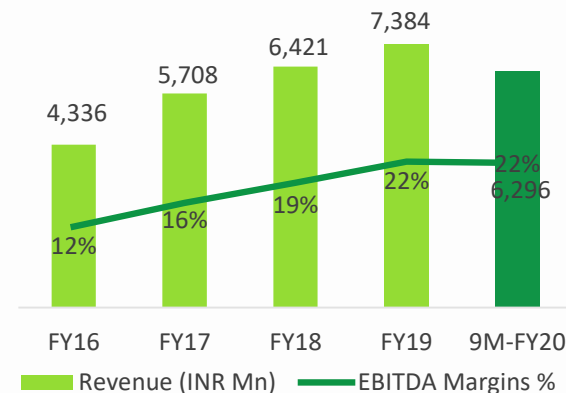
About The Company



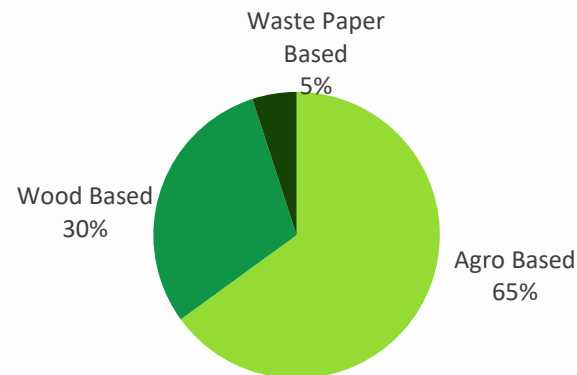
- Incorporated in 1980 by Dr. Ajay Satia, Satia Industries Limited (SIL) started its commercial production of printing and writing paper at Muktsar, Punjab in 1984.
- SIL is one of the biggest Wood and Agro based paper plants in India manufacturing paper using wood chips, veneer waste, wheat straw, sarkanda, 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





9M / Q3-FY20 Financial Overview



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Q3-FY20 Financial Highlights



Q3-FY20 Financial Highlights

Operational Revenue	2,012
EBITDA	463
EBITDA Margin	23.02%
Net Profit	243
PAT Margin	12.08%
Diluted EPS	2.43

9M-FY20 Financial Highlights

Operational Revenue	6,296
EBITDA	1,377
EBITDA Margin	21.87%
Net Profit	758
PAT Margin	12.04%
Diluted EPS	7.58

Q3-FY20 Operational Highlights

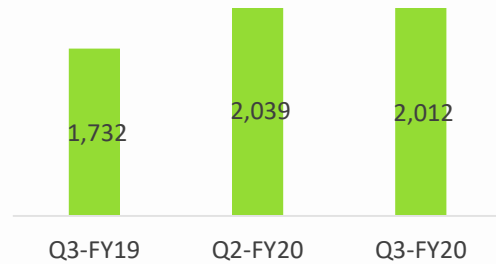


- During the quarter, Company has got the recommendations for environment clearance from EAC, MOEF (Govt of India) for its proposed expansion of paper production from 300 TPD to 600 TPD along with CPP of 14 MW located at Village Rupana, District Muktsar, Punjab.
- Satia has successfully done the financial closure of the proposed expansion plan. With this, the company is now fully confident of moving ahead at full pace and have plans to complete the civil work, plant erection and commissioning and trial run before the end of the financial year 2021.
- Achieved over 11% increase in both production and sales of paper on YoY basis
- Company has a strong order book of over 20,000 MT paper – almost two months order book
- New orders from Telgu Academy, Hyderabad; Jharkand and UP basic education paper for books expected in this quarter
- Company has shortlisted supplier for table cutlery segment and shall finalise machinery order once corona virus problem ends

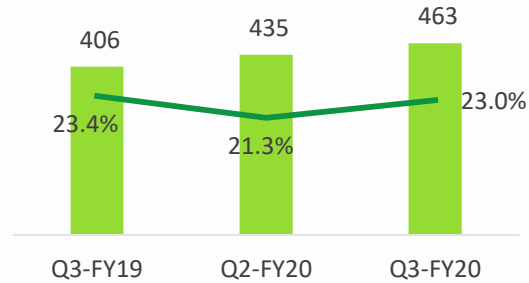
Quarterly Financial Trends



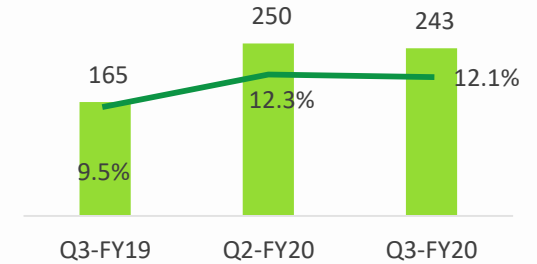
Operational Revenue (INR Mn)



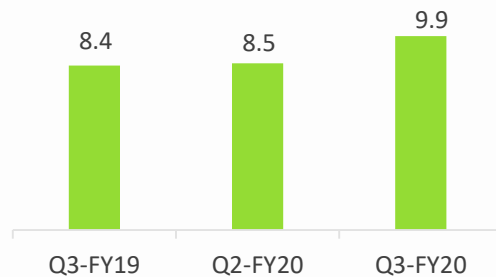
EBITDA (INR Mn) EBITDA Margin (%)



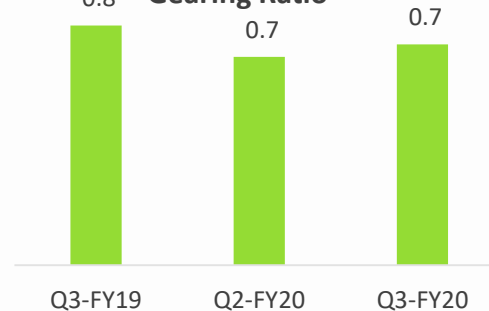
PAT (INR Mn) PAT Margin (%)



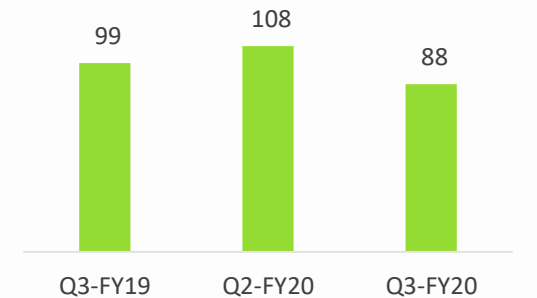
Interest Coverage Ratio



Gearing Ratio



Gross Current Assets Days



Q3-FY20 Income Statement (IND-AS)



PARTICULARS (INR Mn)	Q3-FY20	Q3-FY19	Y-O-Y	Q2-FY20	Q-o-Q
Operational Income	2,012	1,732	16.17%	2,039	(1.32)%
Total Expenses	1,549	1,326	16.82%	1,604	(3.43)%
EBITDA	463	406	14.04%	435	6.44%
<i>EBITDA Margin</i>	23.02%	23.44%	(42) bps	21.33%	169 bps
Other Income	24	26	(7.69)%	67	(64.18)%
Depreciation	131	126	3.97%	132	(0.76)%
Finance Cost	47	58	(18.97)%	51	(7.84)%
PBT	309	248	24.60%	319	(3.13)%
Tax	66	83	(20.48)%	69	(4.35)%
Profit After Tax	243	165	47.27%	250	(2.80)%
<i>PAT Margin</i>	12.08%	9.52%	256 bps	12.26%	(1.47)%
Other Comprehensive Income	1	(2)	NA	1	NA
Total Comprehensive Income	244	163	49.69%	251	(2.79)%
Diluted EPS (INR) (Not Annualised)	2.43	1.65	47.27%	2.50	(2.80)%

9M-FY20 Income Statement (IND-AS)



PARTICULARS (INR Mn)	9M-FY20	9M-FY19	Y-O-Y
Operational Income	6,296	5,399	16.61%
Total Expenses	4,919	4,209	16.87%
EBITDA	1,377	1,190	15.71%
EBITDA Margin	21.87%	22.04%	(17)Bps
Other Income	140	117	19.66%
Depreciation	394	349	12.89%
Finance Cost	158	165	(4.24)%
PBT	965	793	21.69%
Tax	207	200	3.5%
Profit After Tax	758	593	27.82%
PAT Margin	12.04%	10.98%	106 bps
Other Comprehensive Income	2	(6)	NA
Total Comprehensive Income	760	587	29.47%
Diluted EPS (INR) (Not Annualised)	7.58	5.93	27.82%



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Historical Financial Overview

Income Statement



PARTICULARS (INR Mn)	FY16	FY17*	FY18*	FY19*	9M-FY20*
Operational Revenue	4,336	5,708	6,421	7,384	6,296
Total Expenses	3,801	4,799	5,203	5,743	4,919
EBITDA	535	909	1,218	1,641	1,377
<i>EBITDA Margin</i>	<i>12.34%</i>	<i>15.93%</i>	<i>18.97%</i>	<i>22.22%</i>	<i>21.87%</i>
Other Income	165	211	303	145	140
Depreciation	332	400	451	477	394
Finance Cost	251	245	237	208	158
Extraordinary Items	(16)	-	-	-	-
PBT	101	475	833	1,101	965
Tax	(30)	20	146	223	207
Profit After Tax	131	455	687	878	758
<i>PAT Margin</i>	<i>3.02%</i>	<i>7.98%</i>	<i>10.70%</i>	<i>11.89%</i>	<i>12.04%</i>
Other Comprehensive Income	-	(2)	(8)	2	2
Total Comprehensive Income	131	453	679	880	760
EPS (INR per share)	1.31	4.55	6.86	8.77	7.58

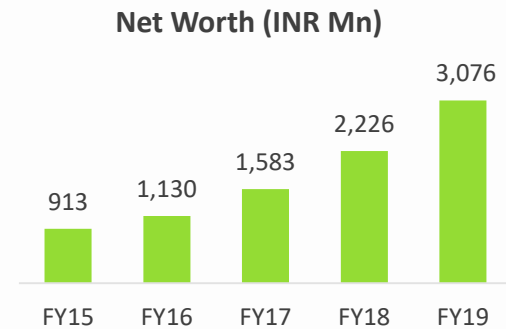
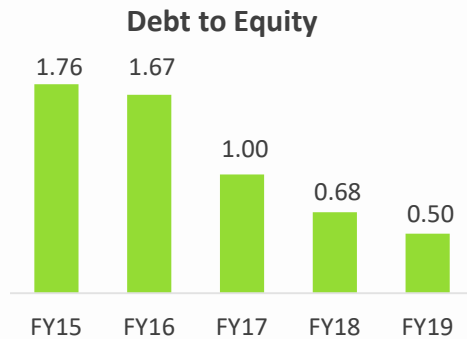
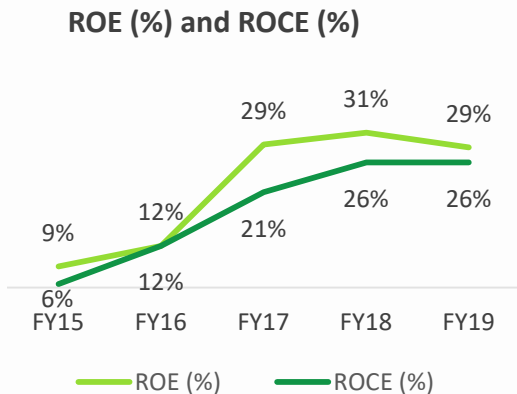
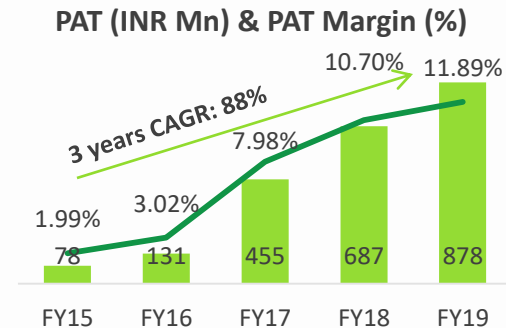
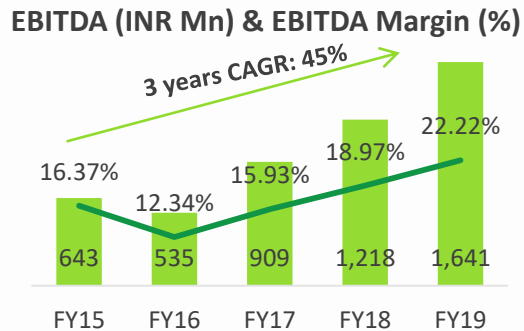
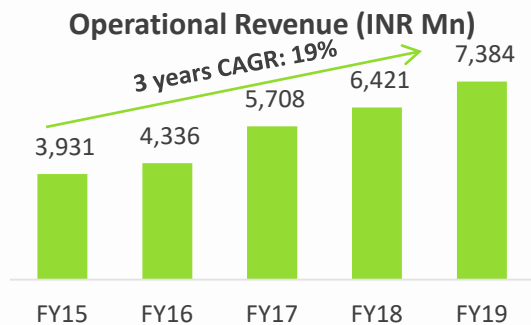
*As per IND-AS

Balance Sheet (IND-AS)



PARTICULARS (INR Mn)	FY18	FY19	H1-FY20	PARTICULARS (INR Mn)	FY18	FY19	H1-FY20
Equity	2,226	3,076	3574	Non-Current Assets	3,540	4,505	5012
Equity Share Capital	100	100	100	a) Property, Plant and Equipment	3,119	3,827	3624
Other Equity	2,126	2,976	3474	b) Capital Work In Progress	295	561	1301
				c) Financial Assets			
				(i) Investments	29	31	31
Non-Current Liabilities	1,819	1,957	2072	(ii) Loans	35	17	18
a) Financial Liabilities				(iii) Other financial assets	10	10	10
(i) Borrowings	910	1,054	1109	d) Deferred Tax Asset (Net)	48	59	29
(ii) Other Financial liabilities	837	823	876	e) Other Non-Current Assets	4	-	-
b) Other Non-Current Liabilities	3	3	3				
c) Provisions	69	77	84	Current Assets	2,278	2,099	2890
				a) Inventories	526	599	586
				b) Biological Assets other than bearer plants	295	303	329
Current Liabilities	1,773	1,571	2256	c) Financial Assets			
a) Financial Liabilities				(i) Trade Receivables	1,179	1,057	1762
(i) Borrowings	676	537	783	(ii) Cash and Cash Equivalents	13	5	10
(ii) Trade Payables	447	454	630	(iii) Bank balances other than above	64	35	35
(iii) Other Financial Liabilities	468	516	662	(iv) Other financial assets	23	26	52
b) Current tax liabilities (net)	-	13	58	d) Current Tax Assets (Net)	21	-	-
c) Other Current Liabilities	164	44	116	e) Other Current Assets	157	74	115
d) Provisions	18	7	7				
GRAND TOTAL - EQUITIES & LIABILITES	5,818	6,604	7902	GRAND TOTAL – ASSETS	5,818	6,604	7902

Financial Highlights



Note: FY17, FY18 and FY19 numbers are as per IND-AS

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Thank You