



SATIA INDUSTRIES LIMITED

EARNINGS PRESENTATION
9M / Q3-FY19



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.

Manufacturing and Distribution Network:



- Manufacturing plant based out of Muktsar with capacity to manufacture over 1,00,000 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.

Key Clientele



- SIL has long standing relationship with State Text book Corporations and around 50% of revenue comes from these organisations.
- The remaining revenue attributes to the Public and Private Sector Companies.

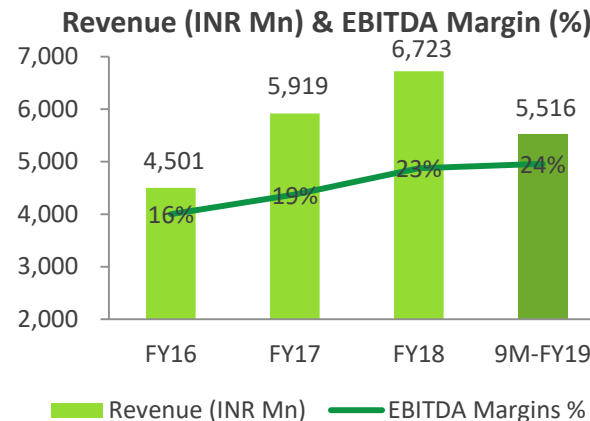
FY18 Financial Snapshot

Revenue INR 6,723 Mn	EBITDA INR 1,521 Mn	EBITDA Margin 22.62%	
PAT INR 687 Mn	PAT Margin 10.22%	ROE 31%	ROCE 26%

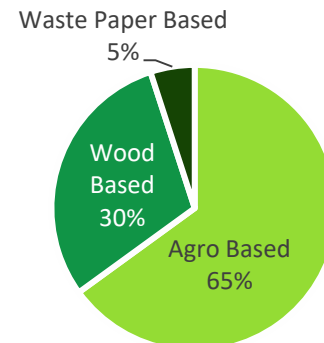
About The Company



- 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.



Raw Materials Used of Total Volumes



The background of the slide is a grayscale photograph of a paper mill. Large rolls of paper are being processed by machinery. In the foreground, a large roll of paper is being wound onto a metal frame. In the background, other rolls and machinery are visible, along with a person working. The image is overlaid with several green shapes: a large green leaf-like shape on the left, a green arrow-like shape pointing right from the top left, and a green arrow-like shape pointing left from the top right.

9M / Q3 – FY19 Financial Overview



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9M / Q3-FY19 Financial Highlights



❑ Q3-FY19 Financial Highlights (Standalone)

- **Total Revenue** : INR 1,758 Mn
- **EBITDA** : INR 432 Mn;
- **EBITDA Margin** : 24.57%
- **Net Profit** : INR 165 Mn;
- **PAT Margin** : 9.39%
- **Diluted EPS** : INR 16.47

❑ 9M-FY19 Financial Highlights (Standalone)

- **Total Revenue** : INR 5,516 Mn;
- **EBITDA** : INR 1,307 Mn
- **EBITDA Margin** : 23.69%
- **Net Profit** : INR 593 Mn;
- **PAT Margin** : 10.75%
- **Diluted EPS** : INR 59.27

Q3-FY19 Operational Highlights



REBUILDING OF PAPER MACHINES:

- Out of our three Paper Machines; PM 1 had a running speed of 550 meters paper per minute (mpm) with a maximum production capacity of 105 TPD. This machine was shut for a major build up for 20 days to increase its speed to 650 mpm and production to 125 tons per day by changing its Head box, adding new dryers, new electrical drive and ventilation hood to increase steam economy.
- PM 3 was also shut for a week and steps were taken to increase its operating speed from 650 mpm to 680 mpm.
- Consequently we look forward to increase in our annual production in the coming financial year.

Finishing House Paper Machine – 1:

- We were having Duplex cutter which was giving size accuracy of +/- 2 to 5 mm.
- We have installed M/S Pasaban make Syncro cutter having speed of 220 MPM which will give sheet size accuracy of +/- 1mm and this will save printer's wastage as they now need not trim the paper before starting the printing. Besides enhancing our sheet cutting capacity; this will add to product image and goodwill of the company.

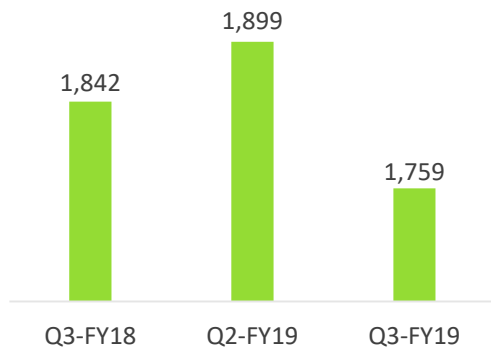
Chemical Recovery Boiler:

- During this Paper machine shutdown period we got the opportunity to overhaul our Recovery boiler which will increase its dependability, availability and also increase its capability to handle black liquor effluent generated additionally with slight jump in pulp and paper production.

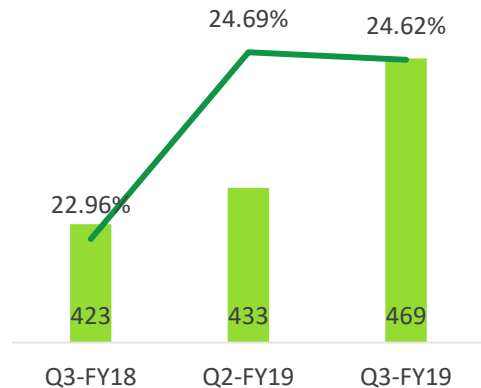
Quarterly Financial Trend



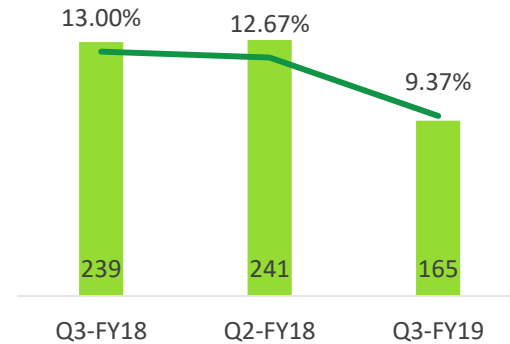
Revenue (INR Mn)



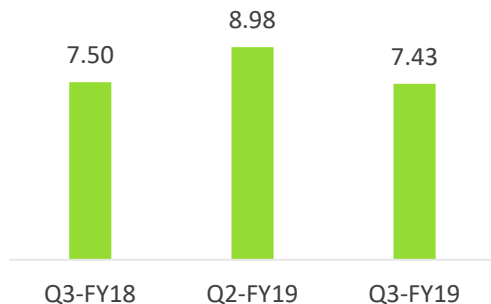
EBITDA (INR Mn) & EBITDA Margin (%)



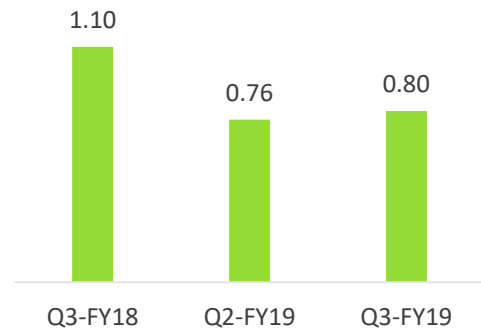
PAT (INR Mn) & PAT Margin (%)



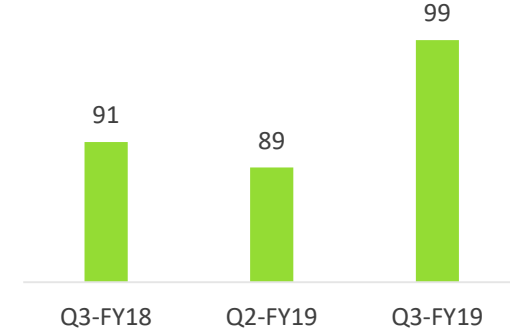
Interest Coverage



Gearing



Gross Current Assets Days



Q3-FY19 Income Statement



PARTICULARS (INR Mn)	Q3-FY19	Q3-FY18	Y-O-Y	Q2-FY19	Q-O-Q
Total Income*	1,758	1,842	(4.6)%	1,899	(7.4)%
Total Expenses	1,326	1,419	(6.6)%	1,430	(7.3)%
EBITDA	432	423	2.1%	469	(7.9)%
EBITDA Margin	24.57%	22.96%	161 Bps	24.70%	(13) Bps
Depreciation	126	116	8.6%	112	12.5%
Finance Cost	58	57	1.8%	52	11.5%
Exceptional Items	-	-	-	-	-
PBT	248	250	(0.8)%	305	(18.7)%
Tax	83	10	NA	64	29.7%
Profit After Tax	165	240	(31.3)%	241	(31.5)%
PAT Margin	9.39%	13.03%	(364) Bps	12.69%	(330) Bps
Other Comprehensive Income	(2)	(1)	NA	(2)	NA
Total Comprehensive Income	163	239	(31.8)%	239	(31.8)%
Diluted EPS (INR) (Not Annualised)	16.47	23.95	(31.2)%	24.06	(31.5)%

* Includes other income

9M-FY19 Income Statement



PARTICULARS (INR Mn)	9M-FY19	9M-FY18	Y-O-Y
Total Income*	5,516	4,870	13.3%
Total Expenses	4,209	3,819	10.2%
EBITDA	1,307	1,051	24.4%
EBITDA Margin	23.69%	21.58%	211 Bps
Depreciation	349	334	4.5%
Finance Cost	165	178	(7.3)%
Exceptional Items	-	-	-
PBT	793	539	47.1%
Tax	200	58	NA
Profit After Tax	593	481	23.3%
PAT Margin	10.75%	9.87%	88 Bps
Other Comprehensive Income	(6)	(2)	NA
Total Comprehensive Income	587	479	22.5%
Diluted EPS (INR per share)	59.27	48.12	23.2%

* Includes other income



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Historical Financial Overview

Standalone Income Statement



PARTICULARS (INR Mn)	FY14	FY15	FY16	FY17*	FY18*	9M-FY19*
Total Income#	3,869	3,982	4,501	5,919	6,723	5,516
Total Expenses	3,337	3,289	3,801	4,799	5,202	4,209
EBITDA	532	693	700	1,120	1,521	1,307
EBITDA Margin	13.75%	17.40%	15.55%	18.92%	22.62%	23.69%
Depreciation	267	530	332	400	450	349
Finance Cost	156	163	251	245	237	165
Extraordinary Items	(4)	(1)	(16)	-	-	-
PBT	105	(1)	101	475	834	793
Tax	(30)	(79)	(30)	20	147	200
Profit After Tax	135	78	131	455	687	593
PAT Margin	3.49%	1.96%	2.91%	7.69%	10.22%	10.75%
Other Comprehensive Income	-	-	-	(2)	(8)	(6)
Total Comprehensive Income	135	78	131	453	679	587
EPS (INR per share)	13.34	7.84	13.12	45.55	68.67	59.27

* As per IND-AS

Includes other income

Standalone Balance Sheet*



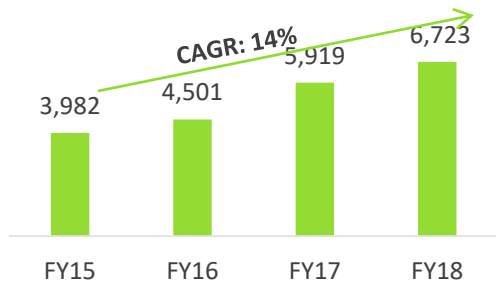
PARTICULARS (INR Mn)	FY17	FY18	H1-FY19	PARTICULARS (INR Mn)	FY17	FY18	H1-FY19
Equity	1,583	2,226	2,632	Non-Current Assets	3,124	3,540	3,766
Equity Share Capital	100	100	100	a) Property, Plant and Equipment	2,914	3,119	3,087
Other Equity	1,483	2,126	2,532	b) Capital Work In Progress	99	295	555
				c) Financial Assets			
				(i) Investments	30	29	29
Non-Current Liabilities	1,802	1,819	1,708	(ii) Loans	31	35	37
a) Financial Liabilities				(iii) Other financial assets	10	10	10
(i) Borrowings	910	910	947	d) Deferred Tax Asset (Net)	32	48	46
(ii) Other Financial liabilities	838	837	676	e) Other Non-Current Assets	8	4	2
b) Other Non-Current Liabilities	4	3	4				
c) Provisions	50	69	81				
d) Deferred Tax Liabilities (Net)	-	-	-	Current Assets	1,835	2,278	2,406
				a) Inventories	278	526	579
Current Liabilities	1,574	1,773	1,832	b) Biological Assets other than bearer plants	179	295	332
a) Financial Liabilities				c) Financial Assets			
(i) Borrowings	744	676	626	(i) Trade Receivables	1,049	1,179	1,169
(ii) Trade Payables	296	447	563	(ii) Cash and Cash Equivalents	3	13	6
(iii) Other Financial Liabilities	465	468	482	(iii) Bank balances other than above	74	64	55
b) Current tax liabilities (net)	-	-	38	(iv) Other financial assets	18	23	26
c) Other Current Liabilities	54	164	105	d) Current Tax Assets (Net)	19	21	-
d) Provisions	15	18	18	e) Other Current Assets	215	157	239
GRAND TOTAL - EQUITIES & LIABILITIES	4,959	5,818	6,172	GRAND TOTAL – ASSETS	4,959	5,818	6,172

*As per IND-AS

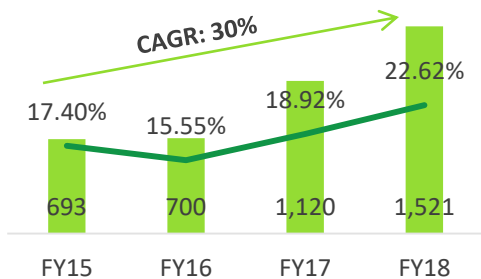
Financial Highlights



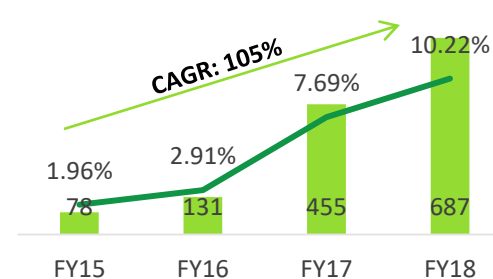
Total Revenue (INR Mn)



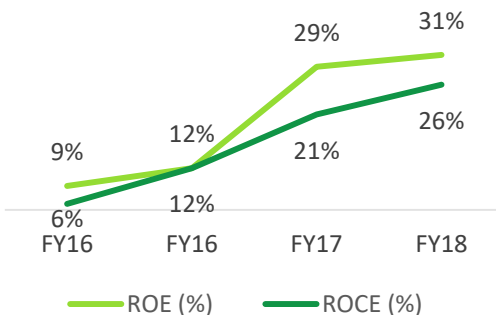
EBITDA (INR Mn) & EBITDA Margin (%)



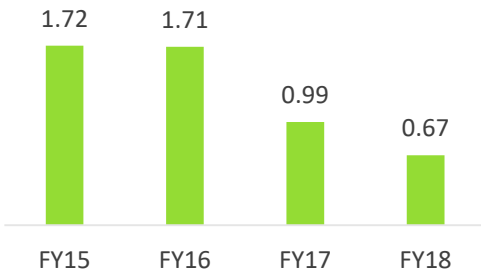
PAT (INR Mn) & PAT Margin (%)



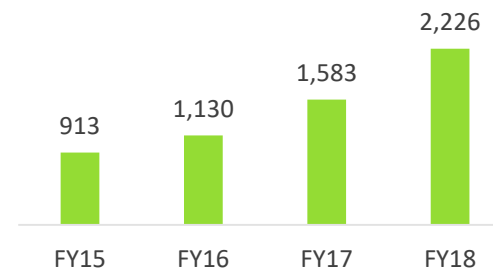
RoE and RoCE



Net D/E



Net Worth (INR Mn)

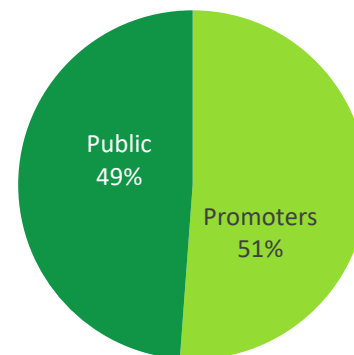


Capital Market Data



Price Data (31 st December, 2018)	INR
Face Value	10.00
Market Price	519.70
52 Week H/L	718.60/ 142.05
Market Cap (Mn)	5,197.00
Equity Shares Outstanding (Mn)	10.00
1 Year Avg Trading Volume ('000)	3.28

Shareholding Pattern as on 31st December, 2018



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Thank You