



# SATIA INDUSTRIES LIMITED

EARNINGS PRESENTATION  
Q1-FY20



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

# Executive Summary

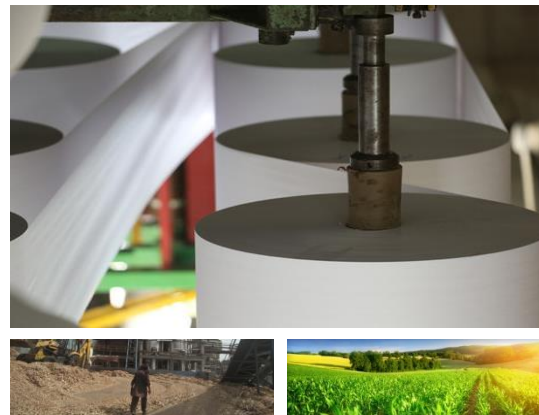


## Company Overview



- 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%

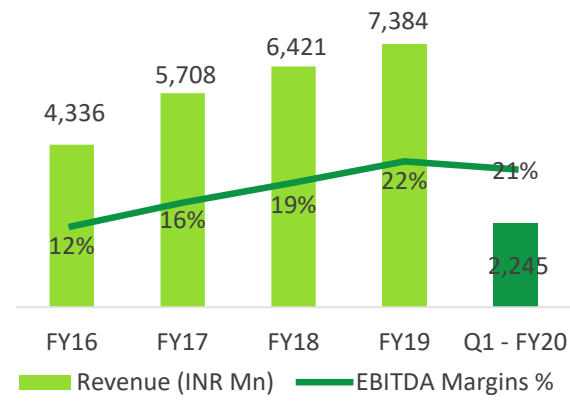
# About The Company



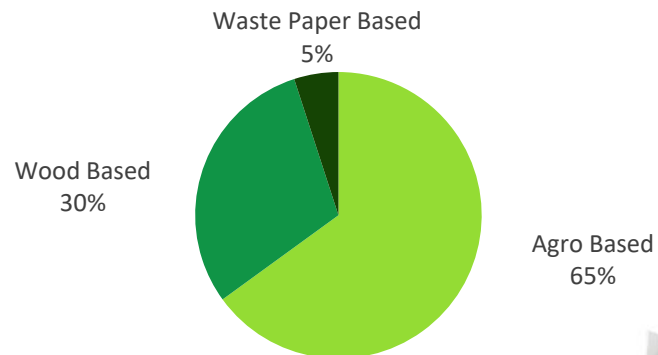
- Incorporated in 1980 by Dr. Ajay Satia, Satia Industries Limited (SIL) started its commercial production of printing and writing paper at Muktsar, Punjab in 1984.
- SIL is one of the biggest Wood and Agro based paper plants in India manufacturing paper using wood chips, veneer waste, wheat straw, sarkanda,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





# Q1-FY20 Financial Overview



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# Q1-FY20 Financial & Operational Highlights



## Q1-FY20 Financial Highlights

Operational Revenue	INR 2,245 Mn
EBITDA	INR 478 Mn
EBITDA Margin	21.29%
Net Profit	INR 264 Mn
PAT Margin	11.76%
Diluted EPS	INR 26.45 per share

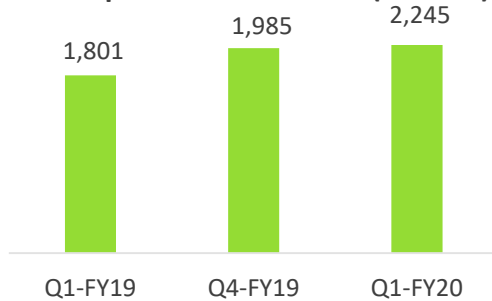
## Operational Highlights

- SIL has clocked the highest quarterly sales in its history, of 34,827 MT in Q1-FY20 as compared to 31,307 MT in Q4-FY19 representing a volume increase of 11%.
- SIL secured two major orders in Q1-FY20 from:
  1. Maharashtra State Board of Technical Education for 12,000 MT
  2. Assam State Textbook Corporation for 12,500 MT
- Since the company generates REC certificates, it encashed around INR 3.48 Cr of REC certificate in the current quarter as compared to generating INR 6.06 Cr in FY19.

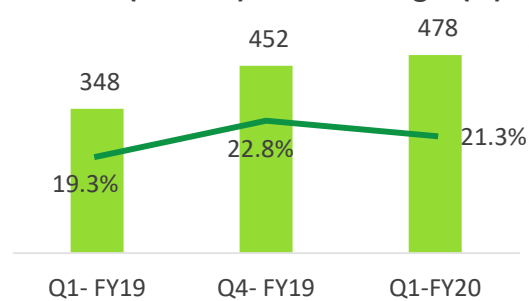
# Quarterly Financial Trends



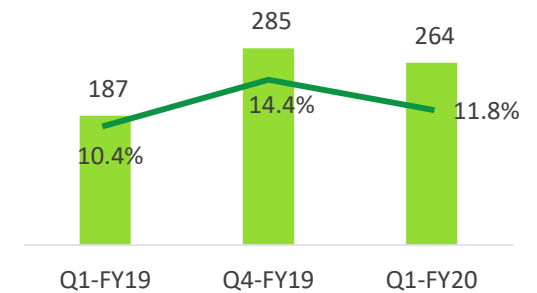
### Operational Revenue (INR Mn)



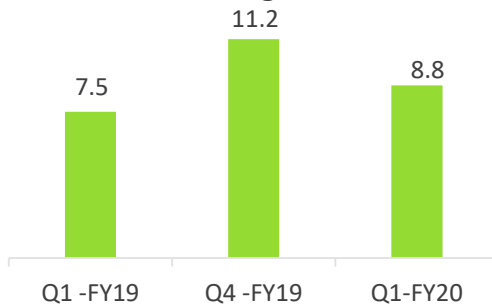
### EBITDA (INR Mn) EBITDA Margin (%)



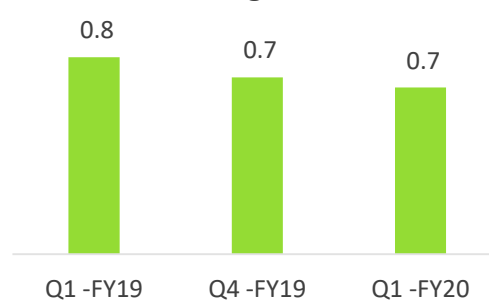
### PAT (INR Mn) PAT Margin (%)



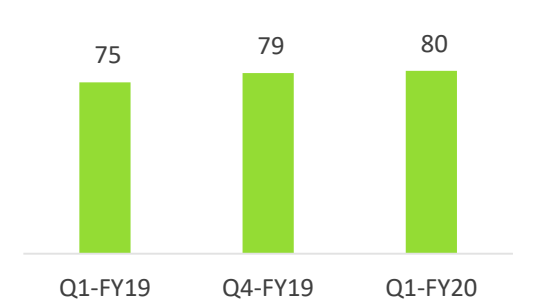
### Interest Coverage Ratio



### Gearing Ratio



### Gross Current Assets Days



# Q1-FY20 Income Statement



PARTICULARS (INR Mn)	Q1-FY20	Q1-FY19	Y-O-Y	Q4-FY19	Q-o-Q
Operational Income	2,245	1,801	24.7%	1,985	13.1%
Total Expenses	1,767	1,453	21.6%	1,533	15.3%
<b>EBITDA</b>	<b>478</b>	<b>348</b>	<b>37.4%</b>	<b>452</b>	<b>5.8%</b>
<i>EBITDA Margin</i>	<i>21.29%</i>	<i>19.32%</i>	<i>197 bps</i>	<i>22.77%</i>	<i>(148) bps</i>
Other Income	50	57	(12.3)%	27	85.2%
Depreciation	131	111	18.0%	128	2.3%
Finance Cost	60	54	11.1%	43	39.5%
<b>PBT</b>	<b>337</b>	<b>240</b>	<b>40.4%</b>	<b>308</b>	<b>9.4%</b>
Tax	73	53	37.7%	23	217.4%
<b>Profit After Tax</b>	<b>264</b>	<b>187</b>	<b>41.2%</b>	<b>285</b>	<b>(7.4)%</b>
<i>PAT Margin</i>	<i>11.76%</i>	<i>10.38%</i>	<i>138 bps</i>	<i>14.36%</i>	<i>(260) bps</i>
Other Comprehensive Income	1	(2)	NA	8	(87.5)%
<b>Total Comprehensive Income</b>	<b>265</b>	<b>185</b>	<b>43.2%</b>	<b>293</b>	<b>(9.6)%</b>
<b>Diluted EPS (INR ) (Not Annualised)</b>	<b>26.45</b>	<b>18.74</b>	<b>41.1%</b>	<b>28.50</b>	<b>(7.2)%</b>



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# Historical Financial Overview



# Income Statement



PARTICULARS (INR Mn)	FY16	FY17*	FY18*	FY19*	Q1 – FY20
<b>Operational Revenue</b>	<b>4,336</b>	<b>5,708</b>	<b>6,421</b>	<b>7,384</b>	<b>2,245</b>
Total Expenses	3,801	4,799	5,203	5,743	1,767
<b>EBITDA</b>	<b>535</b>	<b>909</b>	<b>1,218</b>	<b>1,641</b>	<b>478</b>
<b>EBITDA Margin</b>	<b>12.34%</b>	<b>15.93%</b>	<b>18.97%</b>	<b>22.22%</b>	<b>21.29%</b>
Other Income	165	211	303	145	50
Depreciation	332	400	451	477	131
Finance Cost	251	245	237	208	60
Extraordinary Items	(16)	-	-	-	-
<b>PBT</b>	<b>101</b>	<b>475</b>	<b>833</b>	<b>1,101</b>	<b>337</b>
Tax	(30)	20	146	223	73
<b>Profit After Tax</b>	<b>131</b>	<b>455</b>	<b>687</b>	<b>878</b>	<b>264</b>
<b>PAT Margin</b>	<b>3.02%</b>	<b>7.98%</b>	<b>10.70%</b>	<b>11.89%</b>	<b>11.76%</b>
Other Comprehensive Income	-	(2)	(8)	2	1
<b>Total Comprehensive Income</b>	<b>131</b>	<b>453</b>	<b>679</b>	<b>880</b>	<b>265</b>
<b>EPS (INR per share)</b>	<b>13.12</b>	<b>45.55</b>	<b>68.67</b>	<b>87.77</b>	<b>26.45</b>

\*As per IND-AS

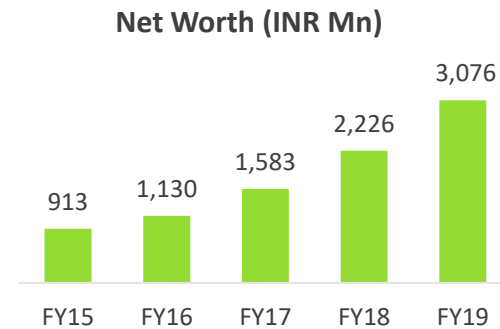
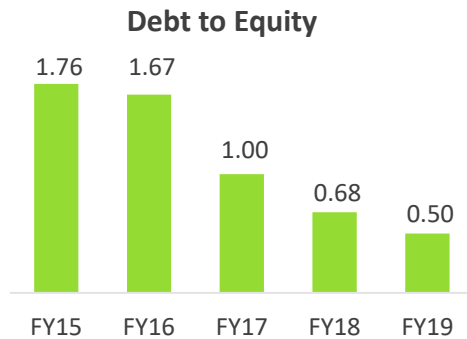
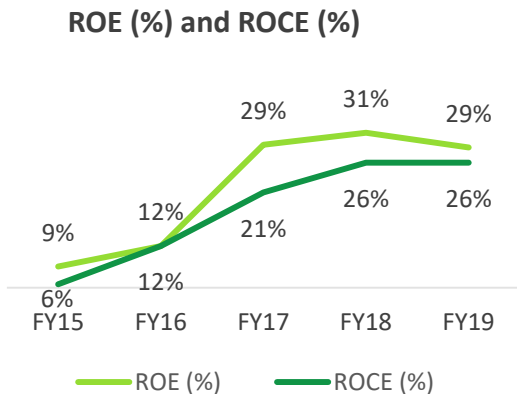
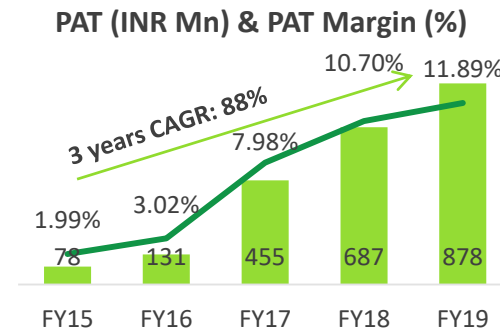
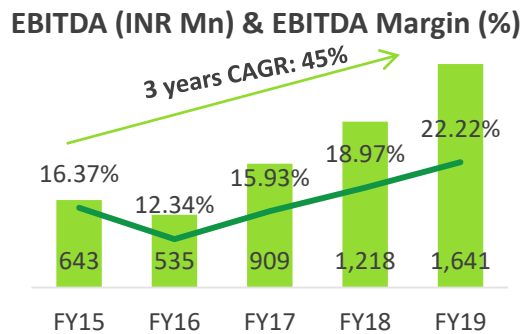
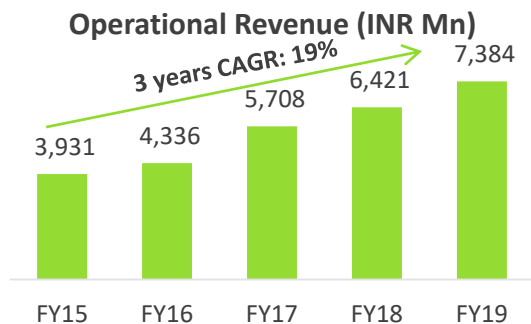
# Balance Sheet\*



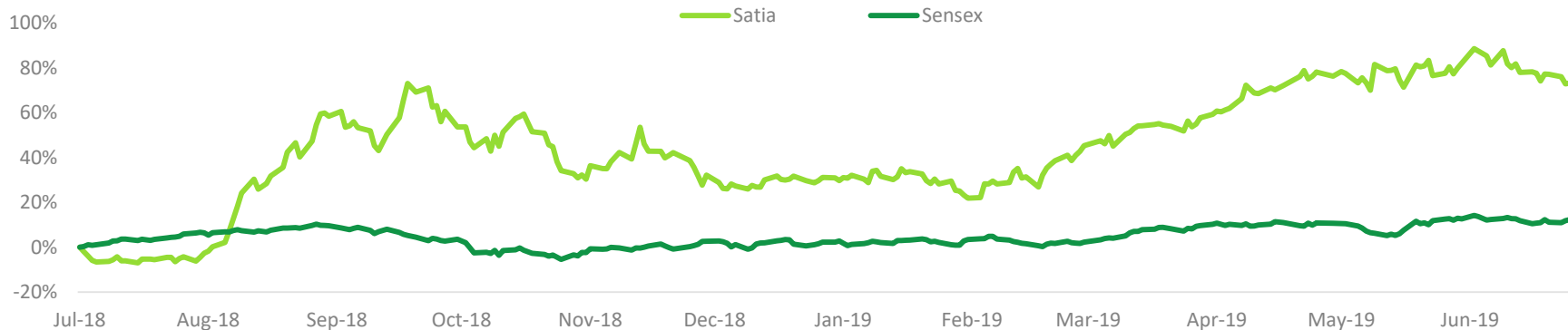
PARTICULARS (INR Mn)	FY17	FY18	FY19	PARTICULARS (INR Mn)	FY17	FY18	FY19
<b>Equity</b>	<b>1,583</b>	<b>2,226</b>	<b>3,076</b>	<b>Non-Current Assets</b>	<b>3,124</b>	<b>3,540</b>	<b>4,505</b>
Equity Share Capital	100	100	100	a) Property, Plant and Equipment	2,914	3,119	3,827
Other Equity	1,483	2,126	2,976	b) Capital Work In Progress	99	295	561
				c) Financial Assets			
				(i) Investments	30	29	31
<b>Non-Current Liabilities</b>	<b>1,802</b>	<b>1,819</b>	<b>1,957</b>	(ii) Loans	31	35	17
a) Financial Liabilities				(iii) Other financial assets	10	10	10
(i) Borrowings	910	910	1,054	d) Deferred Tax Asset (Net)	32	48	59
(ii) Other Financial liabilities	838	837	823	e) Other Non-Current Assets	8	4	-
b) Other Non-Current Liabilities	4	3	3				
c) Provisions	50	69	77				
				<b>Current Assets</b>	<b>1,835</b>	<b>2,278</b>	<b>2,099</b>
				a) Inventories	278	526	599
<b>Current Liabilities</b>	<b>1,574</b>	<b>1,773</b>	<b>1,571</b>	b) Biological Assets other than bearer plants	179	295	303
a) Financial Liabilities				c) Financial Assets			
(i) Borrowings	744	676	537	(i) Trade Receivables	1,049	1,179	1,057
(ii) Trade Payables	296	447	454	(ii) Cash and Cash Equivalents	3	13	5
(iii) Other Financial Liabilities	465	468	516	(iii) Bank balances other than above	74	64	35
b) Current tax liabilities (net)	-	-	13	(iv) Other financial assets	18	23	26
c) Other Current Liabilities	54	164	44	d) Current Tax Assets (Net)	19	21	-
d) Provisions	15	18	7	e) Other Current Assets	215	157	74
<b>GRAND TOTAL - EQUITIES &amp; LIABILITES</b>	<b>4,959</b>	<b>5,818</b>	<b>6,604</b>	<b>GRAND TOTAL – ASSETS</b>	<b>4,959</b>	<b>5,818</b>	<b>6,604</b>

\*As per IND-AS

# Financial Highlights



# Capital Market Data

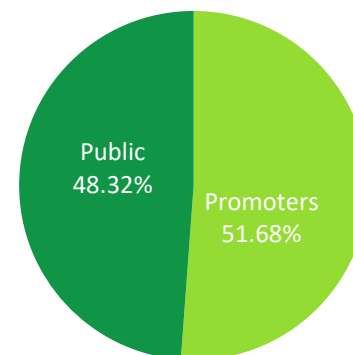


## Price Data (30<sup>th</sup> June, 2019)

INR

Face Value	10.0
Market Price	686.0
52 Week H/L	780.9 / 363.6
Market Cap (Mn)	6860.0
Equity Shares Outstanding (Mn)	10.0
1 Year Avg Trading Volume ('000)	4.7

## Shareholding Pattern as on 30<sup>th</sup> June, 2019



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Thank You