



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

CIN: L21012PB1980PLC004329

Registered Office: Village Rupana, Sri Muktsar Sahib – 152032, Punjab, India

Q3 & 9M FY22 – Earning Release

Revenue from operations reported at ₹2162.99 MN in Q3FY22 and ₹5939.77 MN for 9MFY22

EBITDA stands at ₹390.96 MN in Q3 FY22 and ₹1249.43 MN for 9M FY22

PAT at ₹292.48 MN in Q3 FY22 and ₹715.86 MN for 9M FY22

Punjab, 11th February 2022: Satia Industries Limited (SIL) had announced that the Company in its Board meeting held on 11th February 2022 has inter-alia considered and approved the Unaudited Financial Results of the Company for the Third Quarter and 9M Ended on 31st December 2021 as one of its agenda.

Financial Statement Highlights for Q3 FY22 v/s Q3 FY21

Particulars (INR MN)	Q3 FY22	Q3 FY21	YoY % Change
Revenue from Operations	2,162.99	1,426.02	51.68%
Other Income	116.84	2.01	
Total Revenue	2,279.83	1,428.03	59.65%
Total Expenses	1,942.50	1,382.48	
EBITDA	390.96	240.34	62.67%
EBITDA Margin (%)	18.07%	16.85%	122 bps
Depreciation	135.16	153.35	
Finance Cost	35.30	43.45	
PBT with Exceptional Item	337.33	45.55	
Exceptional Items	0.00	0.00	
PBT	337.33	45.55	
Current Tax	69.78	-15.25	
Deferred Tax	-21.77	24.02	
Tax	48.00	8.77	
PAT	289.33	36.78	
Other comprehensive profit / loss	3.16	-0.79	
Net PAT	292.48	35.99	
PAT Margin %	13.38%	2.58%	1080 bps
Diluted EPS	2.89	0.37	

Financial Performance Comparison – Q3 FY22 v/s Q3 FY21

- Revenue from operations **increased by 51.68% from ₹1426.02 MN in Q3 FY21 to ₹2162.99 MN in Q3 FY22** mainly driven by higher realizations in our products across the board.
- Other Income includes Income from REC of **Rs.81.00 MN** and **Rs.30.90 MN** from Fair Value Gain, recognized through Profit and Loss Account in the biological assets.
- The EBITDA **increased by 62.67% from ₹240.34 MN in Q3 FY21 to ₹390.96 MN in Q3 FY22** led by surge in sales of value added and high margin products.
- Cost of Materials Consumed increased by 12% mainly due to rise in prices of chemicals and raw material which was largely off-set by the tremendous increase in sales volume and price realizations.
- EBITDA margins were **18.07% in Q3 FY22 as compared to 16.85% in Q3 FY21.**
- Net profit stood at **₹292.48 MN in Q3 FY22, compared to ₹35.99 MN in Q3 FY21**
- **PAT margins increased to 13.38% in Q3 FY22 from 2.58% in Q3 FY21**
- **Volume** grew from **32,125 tonnes in Q3 FY21 to 33,418.04 MT in Q3 FY22** due to rise in increased demand with economic activity sustaining normalcy.
- **EPS for Q3 FY22 is Rs.2.89 versus Rs.0.37 in Q3 FY21.**

Financial Statement Highlights for 9M FY22 v/s 9M FY21

Particulars (INR MN)	9M FY22	9M FY21
Revenue from Operations	5,939.77	4,156.42
Other Income	191.50	31.34
Total Revenue	6,131.27	4,187.76
Total Expenses	5,258.03	3,814.96
EBITDA	1,249.43	896.61
EBITDA Margin (%)	21.03%	21.57%
Depreciation	440.63	428.78
Finance Cost	127.06	126.37
PBT	873.24	372.80
Current Tax	200.14	64.08
Deferred Tax	-38.03	22.08
Tax	162.11	86.16
PAT	711.13	286.64
Other comprehensive profit / loss	4.73	-2.36
Net PAT	715.86	284.28
PAT Margin %	11.97%	6.90%
Diluted EPS	7.11	1.53

Financial Comparison Summary of 9M FY22 v/s 9M FY21

- Revenue from operations recorded a **growth of 42.90%** from **Rs.4,156.42 MN in 9M FY21 to ₹5,939.77 MN in 9M FY22** mainly driven by strong performances of the key product lines.
- The EBITDA **increased by 39.35%** from **₹896.61 MN in 9M FY21 to ₹1,249.43 MN in 9M FY22** mainly due to efficient inventory management and reducing costs.
- **EBITDA margins is 21.03% in 9M FY22 and 21.57% in 9M FY21.** There is a marginal decline in EBITDA margins mainly due to increase in the Cost of Raw Materials Consumed which was largely off-set by relatively better price realizations.
- Net profit stood at **₹715.86 MN in 9M FY22, compared to ₹284.28 MN in 9M FY21.**
- **Volume** grew from **84,849 MT in 9M FY21 to 101,367 MT in 9M FY22** due to rise in demand of our premium products.

Recent notable Developments

- Satia Industries Limited has successfully commissioned its Paper Machine 4 (**PM4**) from 7th February, 2022 with an installed capacity of **100,000 TPA**. With commissioning of PM4 the **total capacity of SIL will be ~700 TPD**.
- SIL has a very **strong order book of over 25,000 tons for two months** for its existing capacity and got very encouraging response to the product from PM4 in the commissioning phase itself and production from **PM4 is also booked fully for the month of February, 2022.**
- Management is pleased to inform that **though commercial production has commenced from Cutlery machines; Management is awaiting clearance of Food safety tests to start placing the product in the market.**

Management Comments

Commenting on the performance of Q3 FY22 and 9M FY22, *Mr. Chirag Satia, Executive Director said:*

“We have delivered an excellent quarter in terms of volume as well as increased profits. The Revenue from Operations has increased by 51.68% in Q3 of FY22 mainly due to increase in demand of our products and our ability to deliver right product serving the need of the customers. With the commitment and persistent efforts of the management and better utilisation of resources, we have recorded a tremendous growth in EBITDA margins by 122 bps in the current quarter.

Despite the Omicron wave; the 2nd half of the Financial Year 2022 has witnessed the opening up of the economy which has led to significant rise in demand for paper and we have a strong order book in hand of over two months at attractive price realization. Our new production has already commenced and we expect to get minimum one and a half month additional production from the new Paper machine in this financial year. We look forward to much better performance

in the 4th Quarter and estimate our revenue to grow by more than ~1.6x with substantial increase in profit for FY23.

We are very confident that with fructification of our capex plans for new capacity, venturing into new high growth potential green products and with adoption of latest technologies; we look forward to great benefits for all our stakeholders in the future.”

About Satia Industries Limited:

Satia Industries Limited (SIL), is one of the largest Agro and Wood based paper manufacturers in India. SIL was incorporated by Dr. Ajay Satia in 1980 and commenced its operations in 1984 with a small capacity of 4,850 tonne per year. It surprisingly overtook many of its peers in production, to achieve 115,000 MT in FY21 implying a capacity utilization of ~117%. SIL has successfully commissioned their paper machine 4 and with the augmentation of PM4 the total installed capacity is elevated up to 205,000 MTPA.

SIL has entered in a formal association with Zume, a US-based global brand in sourcing of packaging products used for meal boxes, beverages and Face Masks, etc. In last three decades, SIL has witnessed a complete transformation in its operations and it has become fully backward integrated having integrated pulping, chemical recovery, and power self-sufficiency. SIL has 540 acres of eucalyptus plantations, developed as per Karnal Technology, consumes total treated water discharge, and also compliments the future wood raw material requirements. SIL has a strong Pan-India distribution network with 70+ dealers and 3 branch offices located in Delhi, Chandigarh & Jaipur with total Employee strength of 1,264+.

For further information on the Company, please visit www.satiagroup.com

Rachit Nagpal (CFO)
Satia Industries Limited
Email: rachit@satiagroup.com
Contact: +91 96464 24238

Krunal Shah/ Vinayak Shirodkar
Captive IR Strategic Advisors Pvt. Ltd.
Email: krunal@cap-ir.com/Vinayak@cap-ir.com
Contact: +91 98922 88895

Disclaimer:

CERTAIN STATEMENTS IN THIS DOCUMENT MAY BE FORWARD LOOKING STATEMENTS. SUCH FORWARD-LOOKING STATEMENTS ARE SUBJECT TO CERTAIN RISKS AND UNCERTAINTIES LIKE GOVERNMENT ACTIONS, LOCAL POLITICAL OR ECONOMIC DEVELOPMENTS, TECHNOLOGICAL RISKS, AND MANY OTHER FACTORS THAT COULD CAUSE OUR ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE CONTEMPLATED BY THE RELEVANT FORWARD-LOOKING STATEMENTS. SATIA INDUSTRIES LIMITED WILL NOT BE IN ANY WAY RESPONSIBLE FOR ANY ACTION TAKEN BASED ON SUCH STATEMENTS AND UNDERTAKES NO OBLIGATION TO PUBLICLY UPDATE THESE FORWARD-LOOKING STATEMENTS TO REFLECT SUBSEQUENT EVENTS OR CIRCUMSTANCE.