



SATIA
INDUSTRIES
LIMITED

An ISO 9001, 14001 &
OHSAS 18001 company

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

IS 1848



CIN: - L21012PB1980PLC004329

SIL/CS

Date: 31.10.2022

The Manager Listing Department BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai-400001	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
Scrp Code: 539201	Symbol: SATIA

Dear Sir/Madam,

Pursuant to Regulation 30 read with Para A of Schedule. III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015, Please find enclosed Investor Presentation.

This is for your record and dissemination.

Thanking you,

Yours faithfully,
For Satia Industries Limited

(Rakesh Kumar Dhuria)
Company Secretary



**INVESTOR
PRESENTATION**
SEPTEMBER, 2022



Governance



Society



Environment

SAFE HARBOUR

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 Ltd. 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 circumstances.

COMPANY OVERVIEW

Overview

- Satia Industries Limited (SIL), located in the District of Muktsar, Punjab was incorporated by Dr. Ajay Satia and commenced its operations in 1984.
- SIL is one of the leading Wood and Agro-based paper manufacturers in India, with a completely integrated manufacturing setup with 4 paper machines, 100% in-house power generation, soda recovery plant and one of the best effluent treatment facilities in the nation.
- SIL has 540 acres of eucalyptus plantations, developed as per Karnal Technology which consumes total treated water discharge.
- SIL has recently added a 4th state of the art paper machinery to its production facilities with a capacity of 100,000 MTPA. With a diverse Capex program to modernize and scale up its capacities, SIL now has total installed capacity of 2,05,000 MT in FY22.
- SIL supplies 50% of its production to State textbook boards with the balance sold in the open market through pan-India network of 70+ dealers and 3 branch offices located in Delhi, Chandigarh & Jaipur with total Employee strength of 2200+ head counts
- SIL is Carbon Credit Surplus and has a regular income accruing from renewable energy credits (REC)



Vision

'To become a leader in its own segment with excellence in all-round performance creating value for all stakeholders of the company, society and the economy'



Mission

'To sustain growth with technological upgradation and innovation on a continuous basis for achieving cost competitiveness with sustained profitability, excellence in quality and win customer satisfaction and loyalty'



LEADERSHIP TEAM

Dr. Ajay Satia Chairman & M.D

Dr. Satia is an MBBS, he has been the pioneer for setting up this integrated paper mill. Dr. Satia has a passion for work, a flair for technology and possesses unparalleled enterprising spirit for expansion and modernization. His greatest strength lies in building and retaining a strong and trusted team which has turned his dreams into reality.



Mr. Chirag Satia Executive Director

He has been driving force behind new initiatives since he joined in 2015 and looks after Finance, Accounts and Commercial Operations. His enterprising spirit and visionary outlook have added new energy to the workforce. Mr. Chirag has huge expansion aspirations for the company and is currently spearheading the cutlery segment set-up and expansion.



Mr. R.K. Bhandari Joint Managing Director

Mr. Bhandari is an MBA, he has been instrumental in marketing and other administrative responsibilities since the last 33 years. He has been instrumental in formulation & execution of SIL's core business strategies He has also been instrumental in providing new direction to the marketing department and placing the company on domestic map.



FROM THE DESK OF THE MANAGEMENT



We are pleased to state that we have reported a strong quarter despite the challenges faced by the industry. Our revenues jumped by 146% and EBITDA by 160% yoy. Similarly, our performance for H1FY23 was also encouraging. Revenue from operations in during six months grew by 132% and PAT by 92%.

We are now back on the pathway to achieve our goals and make SIL one of the biggest paper producers in the nation. Our long-standing association with State Textbook Corporations and our strong dealer network ensures, we deliver quality paper at economical prices across the nation.

I am delighted to state that we continue to gain the benefits from our recently commenced PM4 which started commercial production in the month of February, 2022. The installed capacity of PM4 is 100,000 MTPA and we expect to achieve a 100% capacity utilization by FY23. PM4 is helping us widening our product range, strengthening our position further in the industry besides elevating our total production to over 700 tons per day.

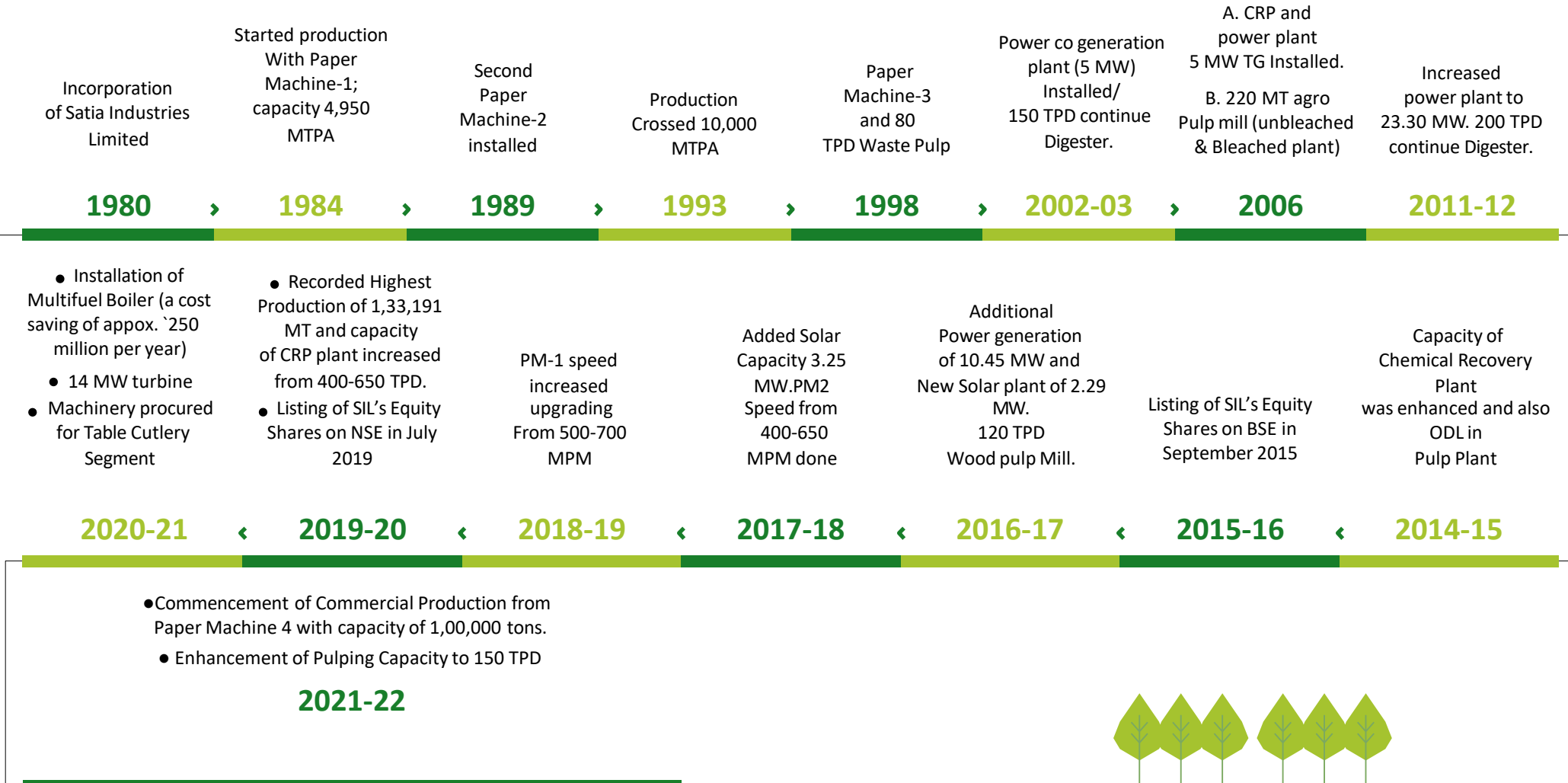
To conclude, I would like to extend my heartfelt gratitude to all our stakeholders, who have been with us in these times and assure you that Satia Industries will continue in its endeavors to emerge as a market leader and deliver value to each stakeholder.

Chirag Satia

Executive Director



JOURNEY & KEY MILESTONES



Transforming a perceived cyclical business into a non cyclical business through consistent and sustainable financial performance

1

Focused raw material procurement – Satia is one of the largest wood and agro based (based on wheat straw) paper producer. It doesn't depend solely on waste paper. Satia's facility is located in the wheat belt, which gives easy access to procure desired raw material as there is no other facility in 200 KM vicinity.



2

Thoroughly backward integrated manufacturing facility leading to sustainable margins – Satia has always followed a step ahead approach in terms backward integration at various levels – power, caustic soda, wood plantation which gives prominent cost savings and helps in achieving better profit margins. Further, the captive power plant enables Satia to earn Renewable Energy Certificates (REC).



3

Deeply rooted Customer relationship – Satia has developed substantial and long standing relationship with various state boards and publishers of text books. Some relations extend to beyond 10-15 years. The customers of Satia are spread across India.



4

Due to above factors there is continuous growth in revenues, profitability, cash flows and return ratios.

REVENUE MIX

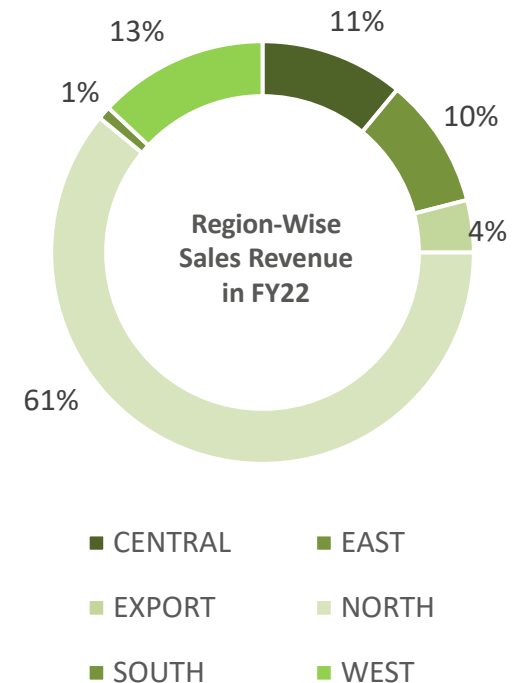
SIL's Strategic and Sustainable Revenue Model

A. Supplies to State boards: ~40-50% of Revenues

- SIL supplies High quality watermark paper to various state boards.
- Consolidated demand from all Text-books board is approximately 5,00,000 TPA of paper
- By supplying ~50-55k TPA to various state boards, SIL boasts of a 10-12% market share in this vertical.
- The State Text-book orders are tender driven business, these projects are State government funded under Sarva Shiksha Abhiyaan and do not rely upon school fees to pay the vendors, the average receivable days happen to be 45-60 days
- Sales to Text book boards command higher operating margins as compared to open market, attributing to higher GSM and less finishing loss due to single size and more filler in the paper.

B. Open market supplies: ~50-60% of Revenues

- SIL supplies to retail traders through its strong Pan- India distribution network with 70+ dealers and 3 branch offices located in Delhi, Chandigarh & Jaipur.
- Out of total sales from Open Market Supplies, ~5-10% of sale comes from Rajasthan and Delhi in a Direct sale, to end users, and facilitated by the SIL's employees.
- A variety of paper grades are manufactured for this vertical i.e. Exercise book paper,
- Snow white paper, SS Maplitho paper, Ledger paper, Copier paper, Colour printing paper etc.



MARQUEE CLIENTS



Bal Bharti



Assam State Text Book Production & Publication Corporation Ltd



Odisha State Bureau of Textbook



Chhattisgarh Pathya Pustak Nigam



Rajasthan Rajya Pathyapustak Mandal



Burda Druck India Private Limited



West Bengal Text Book Corporation Ltd



Himachal Pradesh Board of School Education



Indian Railway



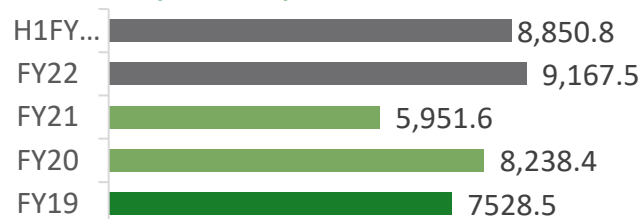
State Election Commission (UP)



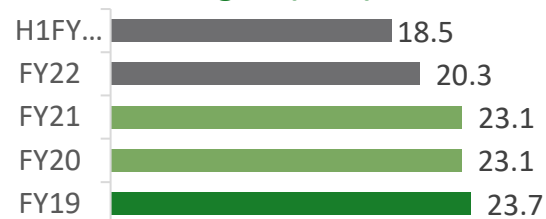
KEY HIGHLIGHTS Q2FY23

KEY PERFORMANCE INDICATORS (RATIO'S)

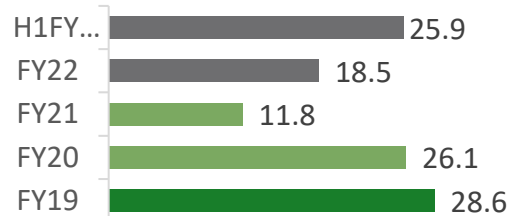
Income (₹ in Mn)



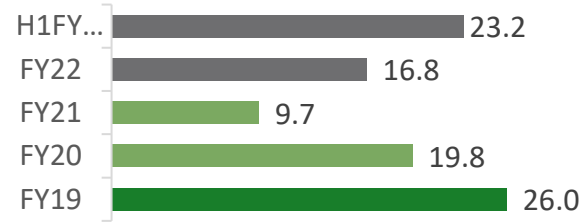
EBITDA Margins (in %)



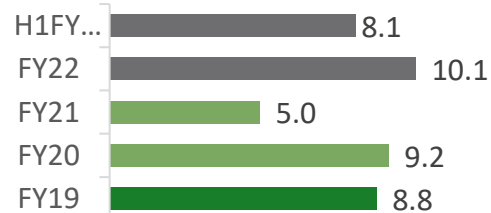
ROE



ROCE



EPS (in ₹)



FINANCIAL STATEMENT HIGHLIGHTS

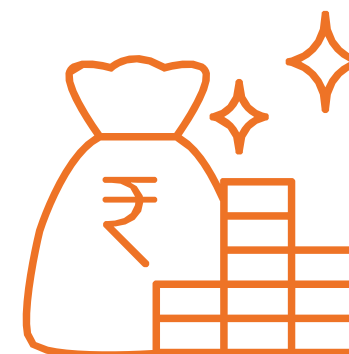
Particulars (₹ Mn)	Q2 FY22	Q2 FY23
Revenue from Operations	1,867.7	4,592.8
Other Income	67.7	47.8
Total Income	1,935.4	4,640.6
Expenses		
Cost of material consumed	772.6	2,290.4
Purchases of traded goods	-	96.3
Changes in inventory of finished goods, stock in trade and work in progress	51.2	(42.4)
Employee benefits expense	153.2	203.0
Finance costs	49.5	88.3
Depreciation	128.3	312.9
Other expenses	535.1	1,120.8
Total expenses	1,690.0	4,069.4
Profit before tax	245.3	571.3
Tax expense:		
Current tax	52.2	107.0
Deferred tax	(9.5)	(43.9)
Profit for the period	202.7	508.2
Paid-up equity share capital (Face value 1 per equity share)	100	100
Earnings per share (of ₹1 each) (for the period - not annualised)		
Basic	2.03	5.08

ABRIDGED FINANCIAL HIGHLIGHTS



BALANCE SHEET: ASSETS

Particulars (₹ Mn)	FY21	FY22	H1 FY23
Fixed Assets			
Tangible Assets	4,316	7,995	7,780
Intangible Assets	-	25	22
Capital Work in Progress	3,178	8,74	1,377
Total Fixed Assets	7,494	8,894	9,179
Non-Current Investment & Other Financial Asset	49	77	77
Other Non-Currents Assets	81	124	149
Total Non-Current Assets	129	201	227
Current Assets			
Inventories	918	1,467	1,669
Biological Assets Other than bearer plants	300	374	398
Trade Receivable	908	1,065	1,316
Cash & Cash Equivalent	7	11	6
Bank Balances other than cash & cash Equivalent	105	116	157
Other Financial Assets	47	49	59
Current Tax Assets	-	-	-
Other Current Assets	108	194	325
Total Current Assets	2,391	3,276	3,930
Total	10,015	12,370	13,336



ABRIDGED FINANCIAL HIGHLIGHTS

BALANCE SHEET: LIABILITIES

Particulars (₹ MN)	FY21	FY22	H1 FY23
Shareholders Fund			
Share Capital	100.00	100.00	100.00
Reserve and Surplus	4,353	5,350	6,160
Total Shareholders Fund	4,453	5,450	6,260
Non-Current Liabilities			
Long term Borrowing	2,279	2,715	2,883
Other Financial Liabilities	1,029	1,153	996
Other Long term Liabilities	202	236	209
Long Term Provision	103	98	99
Deferred Tax Liabilities	31	56	13
Total Non-Current Liability	3,644	4,259	4,200
Current Liabilities			
Short Term Borrowing	674	365	338
Trade Payable	503	1,107	1,156
Other Current Liabilities	43	105	170
Other Financial Liabilities	631	1,059	1,164
Short Term Provision	14	11	11
Current Tax Liabilities	52	14	36
Total Current Liabilities	1,917	2,661	2,876
Total	10,015	12,370	13,339



CAPITAL MARKET INDICATORS

Market Indicators

Issued Shares
100,000,000

Share Price as on (28-10-22)
₹153

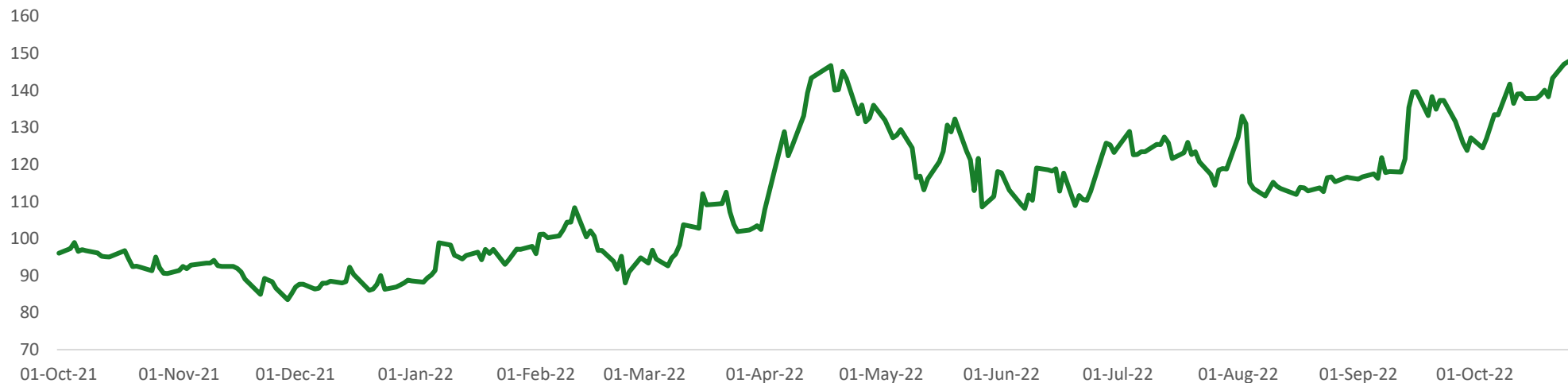
Market Capitalization (in MN)
₹15,300

52 Weeks High/Low
₹158/83

Shareholding as on 31st October 2022

Particulars	Holding %
Promoters & Promoters group	51.79
Public	48.21

Stock Performance (From Oct'21 to Oct'22)



Future Outlook

The management expect further growth in volumes for H2 FY23 as compared to H1 FY23 and **expects to produce 80,000 tonnes additional paper** from PM4 in FY23 contributing incremental revenue of INR 7000 million in FY23. The management expects that the **EBITDA margins to expand by 100 bps in FY23.**



**Thank
you**

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

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