



SATIA
INDUSTRIES
LIMITED

CIN L21012PB1980PLC004329

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



SIL/CS

Date: 30.05.2022

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
Scrip Code: 539201	Symbol: SATIA

Sub: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Q4 & FY22 - Earning Updates

Dear Sir/ Madam

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, We are enclosing herewith Q4 & FY22 - Earning Updates.

You are requested to take the same on record.

Thanking You,

Yours faithfully,
For Satia Industries Ltd

(Rakesh Kumar Dhuria)
Company Secretary



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

CIN: L21012PB1980PLC004329

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

Q4 & FY22 – Earning Update

Revenue from operations reported at ₹2,969.53 MN in Q4FY22 and ₹8,909.30 MN for FY22

EBITDA stands at ₹563.02 MN in Q4 FY22 and ₹1,812.45 MN for FY22

PAT at ₹295.62 MN in Q4 FY22 and ₹1006.74 MN for FY22

Punjab, 28th May 2022: Satia Industries Limited (SIL) had announced that the Company in its board meeting held on 27th May 2022 has inter-alia considered and approved the audited Financial Results of the Company for the Fourth Quarter and Year Ended on 31st March 2022 as one of its agenda.

Financial Statement Highlights for Q4 FY22 v/s Q4 FY21

Particulars (INR MN)	Q4 FY22	Q4 FY21	YoY % Change	Q3 FY22
Revenue from Operations	2,969.53	1,727.97	71.85	2,162.99
Other Income	66.72	35.83	86.22	116.84
Total Revenue	3,036.25	1,763.80	72.14	2,279.83
Total Expenses (including Depreciation and Finance cost)	2,682.80	1,468.24		1,942.50
EBITDA	563.02	464.56	21.19	390.96
EBITDA Margin (%)	18.96%	26.88%		18.07%
Depreciation & Amortization Expenses	195.13	155.48		135.16
Finance Cost	81.16	49.35		35.30
PBT before Exceptional Item	353.45	295.56	19.58	337.33
Exceptional Items	0	0		0.00
PBT	353.45	295.56	19.58	337.33
Current Tax	-5.13	90.88		69.78
Deferred Tax	62.96	-4.16		-21.77
Tax	57.83	86.72		48.00
PAT	295.62	208.85	41.55	289.33
Other comprehensive profit / loss	-4.95	5.51		3.16
Net PAT	290.67	214.36	35.60	292.48
PAT Margin %	9.96%	12.09%		13.38%
Diluted EPS	2.96	2.09	41.63	2.89

Financial Performance Comparison – Q4FY22 v/s Q4 FY21

- Revenue from operations **increased by 71.85% from ₹1,727.97 MN in Q4 FY21 to ₹2,969.53 MN in Q4 FY22** mainly driven by better product mix and higher sales realization.
- Other Income includes Income from REC & carbon credits of **Rs. 109.97 MN** and **Rs. 88.78 MN** from Fair Value Gain, recognized through Profit and Loss Account in the biological assets.
- The EBITDA **increased by 21.19% from ₹464.56 MN in Q4 FY21 to ₹563.02 MN in Q4 FY22** led by higher sales volume and higher realizations in our products.
- There was a rise in Cost of Materials Consumed by ~129.31% mainly due to rise in raw material & chemical prices and higher production volume.
- Net profit stood at **295.62 MN in Q4 FY22, compared to Rs. 208.85 MN in Q4 FY21**
- **PAT margins decreased to 9.96 % in Q4 FY22 from 12.09% in Q4 FY21** due to the depreciation & finance cost impact of the new paper machine.
- **Volume** grew exponentially from **33,654 tonnes in Q4 FY21 to 42,349 MT in Q4 FY22** due to rise in demand of our premium products and operationalization of PM4.
- **EPS** grew by **41.63 % from Rs.2.09 in Q4 FY21 to Rs. 2.96 in Q4 FY22.**

Financial Statement Highlights for FY22 v/s FY21

Particulars (INR MN)	FY22	FY21
Revenue from Operations	8,909.30	5,884.40
Other Income	258.22	67.16
Total Revenue	9,167.52	5,951.56
Total Expenses (including Depreciation and Finance cost)	7,940.83	5,283.20
EBITDA	1,812.45	1,361.18
EBITDA Margin (%)	20.34%	23.13%
Depreciation & Amortization Expenses	635.76	584.26
Finance Cost	208.22	175.72
PBT	1,226.69	668.36
Current Tax	195.02	154.95
Deferred Tax	24.93	17.92
Tax	219.95	172.87
PAT	1,006.74	495.49
Other comprehensive profit / loss	(0.22)	3.16
Net PAT	1,006.53	498.64
PAT Margin %	11.30%	8.42%
Diluted EPS	10.07	4.95

Financial Comparison Summary of FY22 v/s FY21

- Revenue from operations recorded a growth of **51.41%** from **Rs. 5,884.40 MN in FY21 to 8909.30 MN in FY22** mainly driven by higher volumes with better price realizations.
- The EBITDA increased by **33.15% from ₹1,361.18 MN in FY21 to ₹1,812.45 MN in FY22** mainly due to the higher sales volumes with higher realizations in our key products.
- EBITDA margins is **20.34% in FY22 and 23.13% in FY21**. There is a marginal decline in EBITDA margins mainly due to increase in the input prices.
- Net profit stood at **Rs. 1,006.74 MN in FY22, compared to Rs. 495.49 FY21 recording an absolute growth of 2.03x.**

- Volume grew exponentially from **1,18,502 MT in FY21 to 1,43,716 MT in FY22** due to rise in demand of our premium products and operationalization of PM4.

Consolidated Balance Sheet

Assets (Rs: MN)	FY 22	FY 21
Fixed Assets		
Tangible Assets	7,995.43	4,315.91
Intangible Assets	24.70	0
Capital Work in Progress	873.62	3,178.05
Total Fixed Assets	8,893.75	7,493.96
Non-Current Investment & Other Financial Assets	77.06	48.59
Loans	0	0
Deferred Tax & Other Tax Assets	0	0
Other Non-Current Assets	123.83	80.69
Total Non-Current Assets	9,094.63	7,623.23
Current Assets		
Inventories	1,466.71	917.75
Biological Assets Other than bearer plants	374.16	299.71
Trade Receivable	1,064.61	908.01
Cash & Cash Equivalent	10.62	6.85
Bank Balances other than cash & cash equivalent	116.47	104.73
Other Financial Assets	49.40	46.88
Current Tax Assets	0	0
Other Current Assets	193.79	107.55
Total Current Assets	3,275.74	2,391.47
Total	12,370.38	1,0014.70
Liabilities (Rs: MN)	FY 22	FY 21
Fixed Assets		
Shareholders Fund		
Share Capital	100.00	100.00
Reserve & Surplus	5,349.98	4,353.45
Total Shareholders Fund	5,449.98	4,453.45
Non-Current Liabilities		
Long term Borrowings	2,715.38	2,279.06
Other Financial Liabilities	1,165.77	1,129.69
Other Non-Current Liabilities	236.12	101.92
Long Term Provision	98.34	102.56
Deferred Tax Liabilities	55.97	31.15
Total Non-Current Liability	4,271.58	3,644.38
Current Liabilities		
Short Term Borrowing	365.45	674.29
Trade Payable	1,106.80	502.55
Other Financial Liabilities	1,046.79	630.66
Other Current Liabilities	104.94	43.22
Short Term Provision	11.10	14.30
Current Tax Liabilities	13.75	51.86
Total Current Liabilities	2,648.82	1,916.87
Total	12,370.38	10,014.70

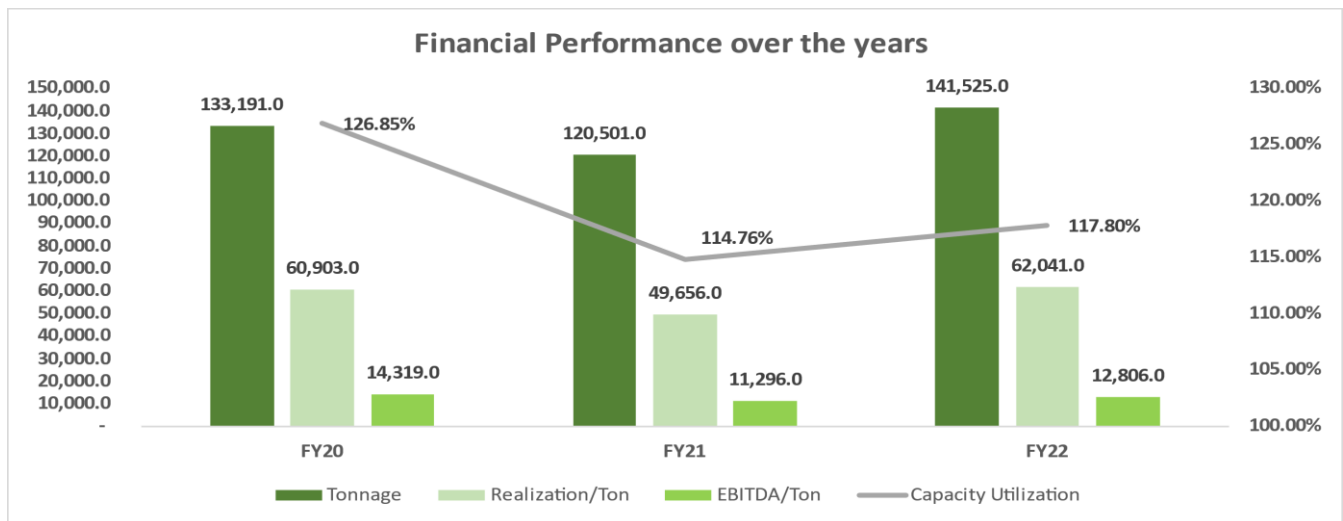
Financial Comparison Summary of FY22 v/s FY21

- Total Fixed Asset grew by 18.68% from Rs. 7,493.95 Mn in FY21 to Rs. 8,893.74 Mn in FY22
- Current Asset stood at Rs. 3,275.74 Mn in FY22, compared to Rs. 2,391.47 Mn in FY21.
- Long term borrowing stood at Rs. 2,715.38 Mn in FY22, compared to Rs. 2,279.06 Mn in FY21 and Short-term borrowing at Rs. 365.45 Mn in FY22, compared to Rs. 674.29 Mn in FY21. The company projects to be debt free by end of Q4 FY 25
- Debt Equity ratio has decreased marginally, to 0.74x in FY 22 compared to 0.77x in FY 21, which is in line with the company’s aspirations of becoming debt free.
- Cash flow from operations stands at 1,834.49 Mn for FY 22 compared to 1,574.28 Mn for FY 21
- Return On Capital Employed improved by 14.52% for FY 22 compared to 10.41% FY 21
- Return On Equity improved to 18.47% for FY 22 compared to 11.13% FY 21

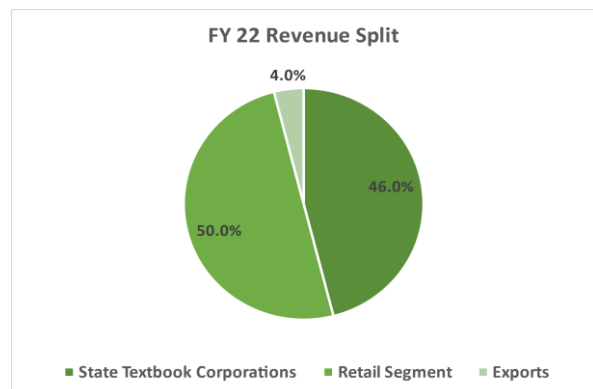
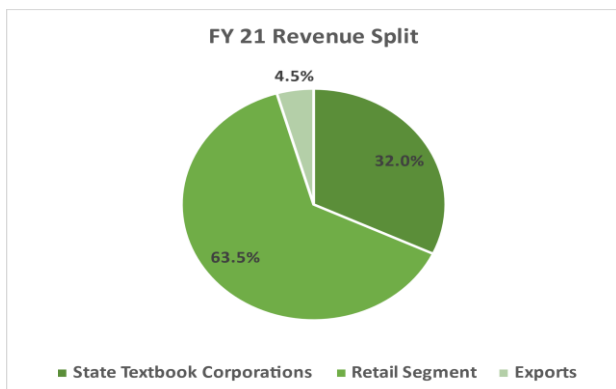
*ROCE= (PBT+ Int on Term loan)/ Net Worth+ Long Term borrowings Including current Maturities of long term debt+DTL)

*ROE= (PAT)/(Net Worth)

Graphical Insights



In the above chart, Tonnage refers to quantity produced. Realization/Ton and EBITDA/Ton is calculated based on sales quantity



Recent notable Developments

- The PM4 has commenced commercial production from 7th February, 2022 and has an installed capacity of **100,000 TPA**. The new PM4 will enable SIL to have an **additional** capacity of **300 TPD** taking its' total capacity to **~700 TPD**.
- SIL had procured three orders one of **7,500 MT** from Gujrat State Textbook Board and the second from Telengana State for 3,300 MT paper and third from Rajasthan State Textbook board for 9,000 tons, total value aggregating to **₹1,610 MN**.

Management Comments

Commenting on the performance of Q4 and FY22, Mr. Chirag Satia, (Executive Director) said:

*"We are pleased to deliver an excellent quarter and fiscal in terms of volume as well as increased profits. The **Revenue from Operations has increased by 37.29% in Q4 of FY22 vis-à-vis Q3 FY22** mainly on the back of robust demand leading to higher sales volume with better realization. With the commitment and persistent efforts of the management and better utilisation of resources, we have recorded a **growth in EBITDA margins by 89 bps** in the current quarter as compared to the EBITDA margins in Q3 FY22.*

*The 2nd half of the FY22 has witnessed rapid opening up of the economy and education sector, despite the wave of Omicron, which has led to a rise in demand for paper across industries. **The Educational sector along with increased exports lead the demand of paper across the nation** and our strong association with the various State Textbook corporations provides us a competitive edge. The current order book in hand stands at **65 days** with attractive price realization.*

*The demand remained and continues to be robust as mentioned above, however there were macro headwinds faced by the overall industry in the second half of FY22 on account of rising prices of input, chemicals and fuel. **We saw the cost of our key raw materials like Agro, Wood Chips and Waste Paper (Indian) rise by ~65 %, 5 % & 6.5% respectively**, however our locational advantage of being in the wheat belt of India and cheap fuel of rice straw and other biomass and strong backward integration from power to chemical requirements have helped us to limit the impact of these headwinds and retain relatively healthy margins for FY22.*

*We are elated to share that with the successful commissioning of PM4, we have added **100,000 TPA** to our installed capacity, taking our total installed capacity **to 205,000 TPA**. We expect to produce and **add 40,000 MT** additional paper from the new machine in first half of FY23 along with widening our product range, strengthening our position, even further, in the industry. We have imported this machinery from France and is one of the most advanced paper machineries in India. We estimate our revenues to grow by more than 70% with substantial increase in profits for FY23.*

Before we go into "Disposable Cutlery" segment with full zeal, we shall be looking forward to the Govt of India stand with respect to ban on single use plastic from 1st July, 2022

We are very confident that our capex plans, strategy of venturing into new high growth potential green products and investing in the latest technologies holds promise to unlock great benefits for all our stakeholders in the future."

Guidance for FY23

- The management expect further growth in volumes for FY23 as compared to FY22 and expects to produce 100,000 tonnes additional paper from PM4 in FY23 contributing incremental revenue of INR 7500 million in FY23. The management expects that the EBITDA margins to expand by 100 bps in FY23.
- The management forecasts an increase of 100 basis points in PAT margins from current annual margins, driven by rationalization of prices and economies of scale.

About Satia Industries Limited:

Satia Industries Limited (SIL), is one of the largest Wood and Agro-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 1,41,525 MT in FY22 implying a capacity utilization of ~117%. SIL has successfully commissioned their PM 4 and has augmented its total installed capacity to 205,000 MTPA. 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 2,019+.

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

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