



SATIA
INDUSTRIES
LIMITED

An ISO 9001, 14001 & 45001 company
CIN : L21012PB1980PLC004329

Manufacturer of Quality
Writing, Printing & Speciality
Paper with ECO MARK
GST IN : 03AACCS7233A1ZZ
www.satiagroup.com

IS 1848



SIL/CS

Date: 04.11.2023

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

Dear Sir/Madam,

Sub: Submission of Analyst/ Investor Presentation

Pursuant to Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015. Please find enclosed Investor Presentation.

Thanking you

Yours faithfully,
For Satia Industries Limited

(Rakesh Kumar Dhuria)
Company Secretary



SATIA INDUSTRIES LIMITED
AN ISO 9001, 14001 & 45001 COMPANY

Satia Industries Limited

Investor Presentation
November 2023





Safe Harbor



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 responsible for any action based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

Company 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 supplies 40%-50% of its production to State textbook boards, with the balance sold in the open market through a pan-India network of **100+ dealers and three branch offices** located in Delhi, Chandigarh & Jaipur with total Employee strength of 2,200+ head counts

SIL has **540 acres of eucalyptus plantations**. Besides, under Project Green, we distributed 1 lac Eucalyptus saplings to farmers for plantation over 1,000 acres under our Social Forestry Initiative.

Vision

‘To become a leader in its 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 continuously for achieving cost competitiveness with sustained profitability, excellence in quality and win customer satisfaction and loyalty.’

SIL is one of India’s **leading Wood and Agro-based paper manufacturers**, 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.

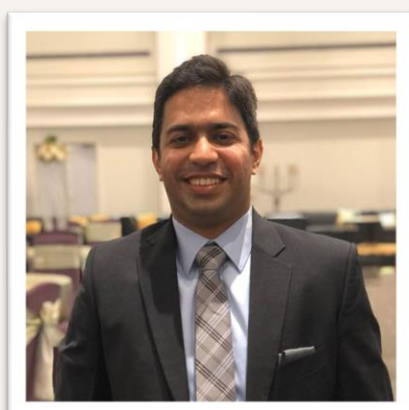
Last year the company added a **4th state of the art paper machinery** to its production facilities with a capacity of 100,000 MTPA. With a **diverse Capex program** to modernize and scale up its capacities, SIL now has a total installed capacity of 2,19,000 MT in FY23.

Core Leadership Team



Dr. Ajay Satia
Chairman & MD

Dr. Satia is an MBBS. He was the pioneer in setting up this integrated paper mill. Dr. Satia has a passion for work, flair for technology and possesses unparalleled enterprising spirit for expansion and modernization.



Mr. Chirag Satia
Executive Director

He has been the 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.



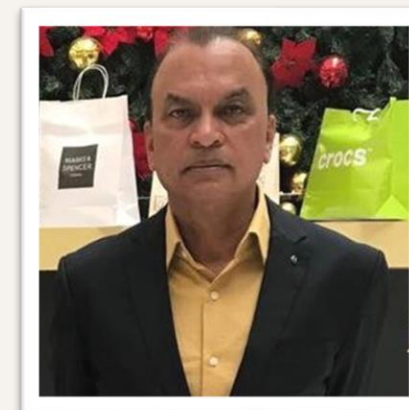
Mr. RK Bhandari
Joint MD

Mr. Bhandari is an MBA. He has been instrumental in marketing, in the formulation & execution of SIL's core business strategies for the last 37 years. He has been instrumental



Mr. Rachit Nagpal
CFO

Mr. Nagpal is a Chartered Accountant by profession and has more than 10 years of experience. He handles treasury management, financial reporting, tax compliances, project financing and budgeting in the Company



Mr. Hardev Singh
Director (Technical)

Mr. Hardev Singh has a rich experience of 35 years. He is key pillar in the company for technical aspects. He has been instrumental in installation of all projects in the company.

Leadership Reflections



Mr. Chirag Satia
Executive Director

During the quarter, the industry faced substantial pricing headwinds. This created pressure on our top line. We recorded a revenue of INR 3,734 Mn for Q2FY24, marking a 19% YoY decline. Our continuous orders with State Text boards provided vital support in mitigating the effects of price declines, ensuring the stability of our gross margins throughout the quarter.

It's worth noting that raw material prices have started to rise in the recent past, and this upward trend could potentially affect industry margins in Q4FY24. However, due to our integrated approach, Satia Industries is well-positioned to efficiently manage cost escalations. Moreover, our reliance on 50% of revenues from State Text Boards provides a valuable safeguard, allowing us to secure revenues at fixed prices and ultimately delivering good returns to our shareholders.

We remain committed on maximizing our operational efficiencies and optimizing resource allocation. As a result, we consistently undertake improvement projects in our facilities, even if they are of smaller scale, strengthening our capability to effectively navigate challenges. We have successfully completed the first phase of our wood pulping capex, and the remaining phase is set to become operational in the second half of FY24. Consequently, we anticipate reaping the full benefits of this capex in the upcoming FY25.

Journey and Milestones

1980-2000



- **1980**
Incorporation of Satia Industries
- **1984**
Started production With Paper Machine-1; capacity 4,950 MTPA
- **1989**
Second Paper Machine-2 installed
- **1993**
Production Crossed 10,000 MTPA
- **1998**
Installed Paper Machine-3 and 80 TPD waste pulp

2000-2015



- **2002-03**
Power co-generation plant (5 MW) installed/150 TPD continue digester
- **2006**
 - CRP and power plant 5 MW TG Installed
 - 220 MT agro Pulp mill (unbleached and bleached plant)
- **2011-12**
 - Increased power plant to 23.30 MW.
- **2014-15**
 - 200 TPD continue digester
 - Capacity of Chemical Recovery Plant was enhanced

2015-2019



- **2015-16**
Listing of SIL's Equity Shares on BSE in September 2015
- **2016-17**
 - Additional Power generation of 10.45 MW and New Solar plant of 2.29 MW.
 - 120 TPD Wood pulp Mill
- **2017-2018**
 - Added Solar Capacity of 3.25 MW.
 - Increased PM2 Speed from 400-650 MPM
- **2018-19**
PM-1 speed increased upgrading from 500 to 700 MPM

2019-2021






- **2019-20**
 - Recorded Highest Production of 1,33,191 MT and the capacity of CRP plant increased from 400-650 TPD.
 - Listing of SIL's Equity Shares on NSE in July 2019
- **2020-21**
 - Installation of Multifuel Boiler (cost saving of approx. INR 250 Mn per year)
 - 14 MW turbine
 - Machinery procured for Table Cutlery Segment

2021-2025





- **2021-22**
 - Commencement of Commercial Production from Paper Machine 4 with capacity of 1,00,000 tons.
 - Enhancement of Pulping Capacity to 150 TPD

Production Capacity: Overview

	Facility type	Description	Competitive Advantage
	<p>Pulping Capacity</p>	<p>Total Capacity-550 TPD - Mix of Agro, Wood Pulp and Waste Paper</p>	<ul style="list-style-type: none"> • Strategic Location in the Wheat belt area of Punjab makes procurement of RM easy and cost-effective with no other paper mill in 100 Km radius. • Wood Pulp Digester automation will led to reduction in steam consumption resulting in savings of ~ INR 220 MN PA.
	<p>Paper Machines</p>	<p>4 machines having capacity of 700 TPD</p>	<ul style="list-style-type: none"> • PM 4 gave SIL an opportunity to manufacture superior quality paper & allows it to add new products to its current product mix.
	<p>Chemical Recovery</p>	<p>Capacity- 650 TPD</p> <p>Recovery & re-use Caustic Soda which is used for cooking of agro and Wood chips from Black Liquor, a polluting effluent generated in the process of pulp making</p>	<ul style="list-style-type: none"> • Re-use of Caustic soda to the extent of 90%-95% • Steam Generated is used to generate power in-house.

Production Capacity: Overview

	Facility type	Description	Competitive Advantage
	<p>Power generation</p>	<p>4 Turbines with total capacity of 41.95 MW</p>	<ul style="list-style-type: none"> • 100% Self-sufficiency of power requirements. • REC/carbon credits for clean power generation • Low cost of power vis-à-vis drawn from grid
	<p>Eucalyptus Plantations</p>	<p>Eucalyptus plantations of 540 acres as per Karnal Technology</p>	<ul style="list-style-type: none"> • The Plantations act as a future source of raw material • Open Market sale generates tax-free Agricultural income

Transitioning the cyclical business to non-cyclical with **consistent financial success**

Focused raw material procurement - Satia is one of the largest wood and Agro-based (based on wheat straw) paper producers. Besides, we have a paper recycling facility of 150 TPD. 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 100 KM vicinity.



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).



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



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

Strategic and Sustainable Revenue Model



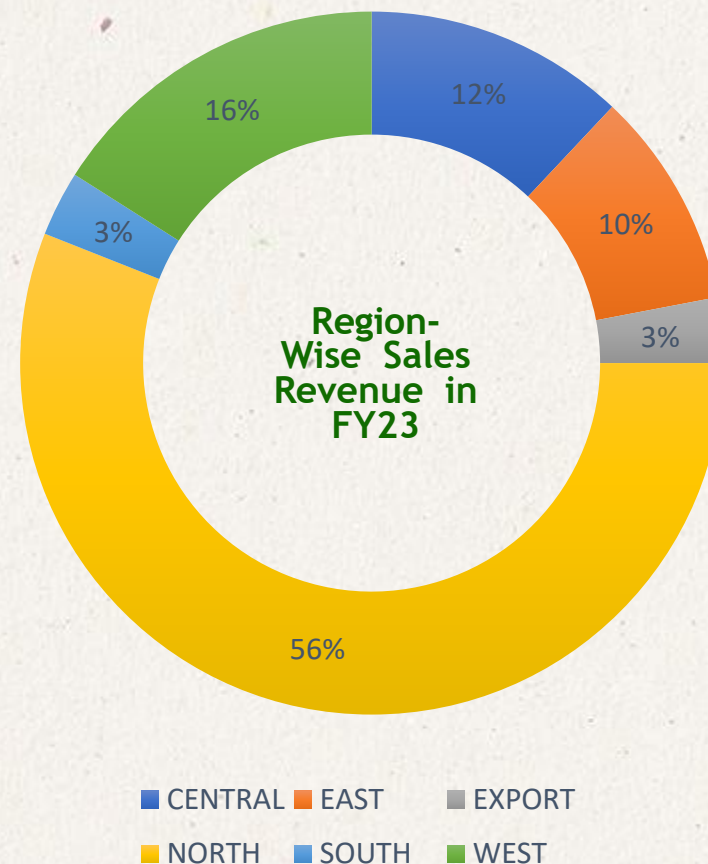
Supplies to State boards: ~40-50% of Revenues

- SIL supplies High-quality watermark paper to various state boards.
- Consolidated demand from all Text-books boards is approximately 5,00,000 TPA of paper
- By supplying ~50-75k TPA to various state boards, SIL boasts of a major market share in this vertical.
- The State Text-book orders are tender driven businesses, these projects are State government funded under Sarva Shiksha Abhiyaan with average receivable days happen to be 25-30 days
- Sales to Textbook boards command higher operating margins compared to open market, attributed to higher GSM and lower finishing loss and higher production.



Open market supplies: ~50-60% of Revenues

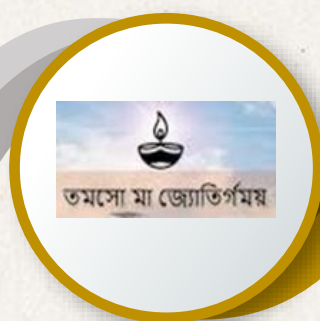
- SIL supplies retail traders through its strong Pan- India distribution network with 100+ dealers and three branch offices in Delhi, Chandigarh & Jaipur.
- Out of total sales from Open Market Supplies, ~5-10% of sale comes from Rajasthan and Delhi in a Direct sale, to end users, and facilitated by the 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



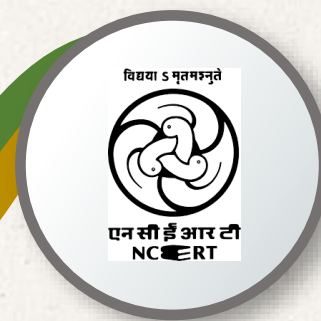
Odisha State Bureau of
Textbook



Chhattisgarh Pathya
Pustak Nigam



Rajasthan Raja
Pathyapustak Mandal



NCERT



Burda Druck India
Private Limited



West Bengal Text
Book Corporation
Ltd



Himachal Pradesh
Board of School
Education



Indian Railways



State Election
Commission (UP)



DAV

Key Highlights Q2FY24



Recent Developments



Satia Industries has finished the first phase of wood pulping capex with installation of four digesters. Rest two will be installed during Q3



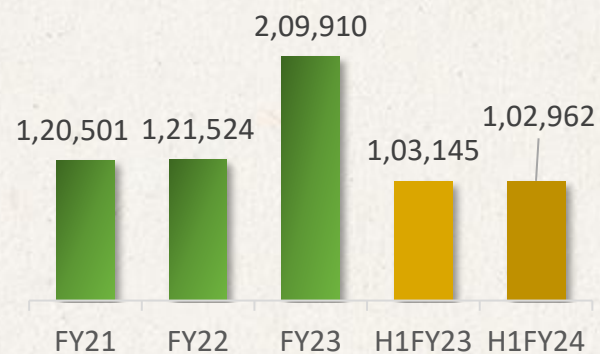
The company is running two cutlery machines on trial. By end of Q3FY24, the company is expecting 6 more semi-automatic machines to come



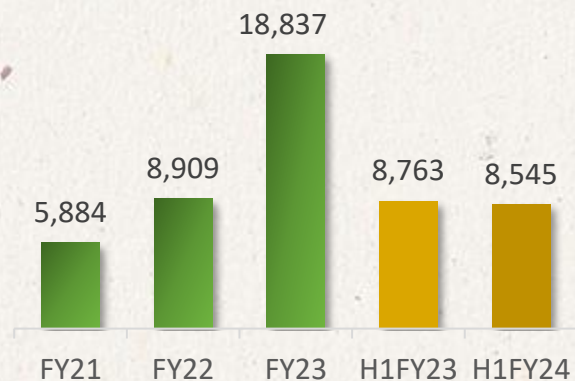
During the quarter, the company **prepaid term loans of INR 284.2 Mn**

Key Performance Indicators

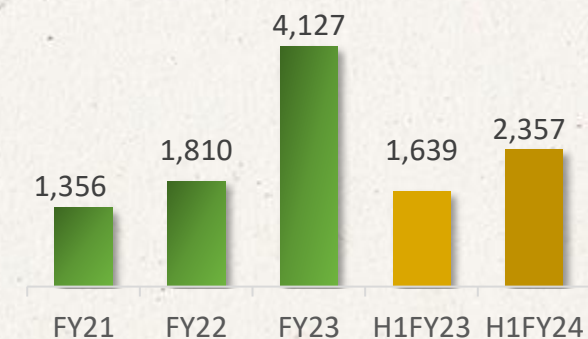
Volume (MT)



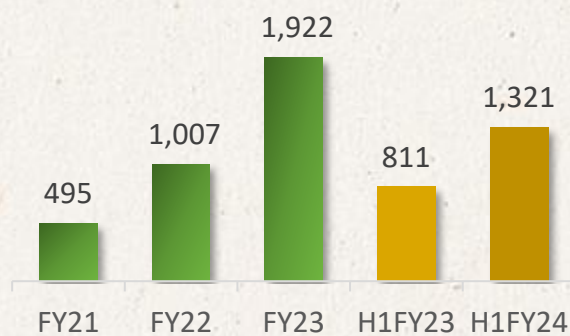
Income (INR Mn)



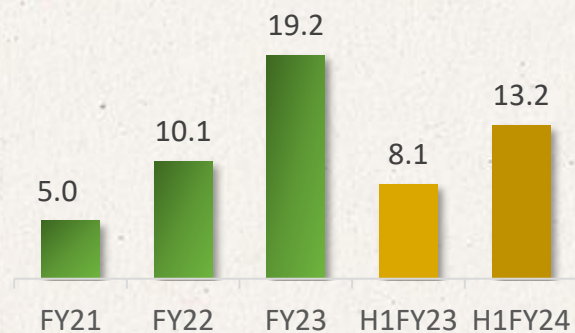
EBITDA (INR Mn)



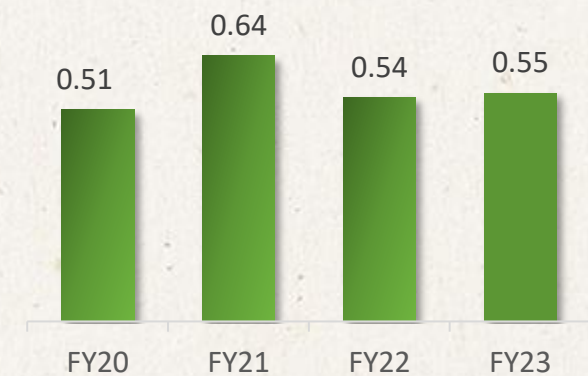
PAT (INR Mn)



EPS (INR)



Net Debt:Equity (x)



Financial Statement Highlights

Particulars (INR Mn)	Q2FY24	Q1FY24	QoQ	Q2FY23	YoY	H1FY24	H1FY23	YoY
Revenue from Operations	3,734	4,812	-22%	4,593	-19%	8,545	8,763	-2%
Other Income	58	35	68%	48	22%	93	87	7%
Total Income	3,792	4,847	-22%	4,641	-18%	8,638	8,851	-2%
Expenses								
Cost of material consumed	1,537	1,984	-23%	2,285	-33%	3,521	4,361	-19%
Purchases of traded goods	8	15	-48%	96	-92%	23	177	-87%
Change in inventory of finished goods, stock in trade and work in progress	15	-31	-148%	-42	-135%	-16	-27	-41%
Employee Benefit Expenses	259	246	5%	203	28%	505	384	31%
Finance Cost	74	78	-5%	90	-18%	151	167	-9%
Depreciation	335	326	3%	317	6%	661	623	6%
Other Expenses	1,051	1,105	-5%	1,121	-6%	2,156	2,230	-3%
Total Expenses	3,278	3,722	-12%	4,069	-19%	7,000	7,915	-12%
Profit before Tax	514	1,124	-54%	571	-10%	1,638	935	75%
Current tax	37	314	-88%	107	-66%	350	168	108%
Deferred Tax	-2	-31	-93%	-44	-95%	-33	-43	-24%
Profit for the period	479	841	-43%	508	-6%	1,321	811	63%
Earnings per share (not annualised)								
Basic and Diluted	4.8	8.4	-43%	5.1	-6%	13.2	8.1	63%

Financial Statement Highlights

ASSETS

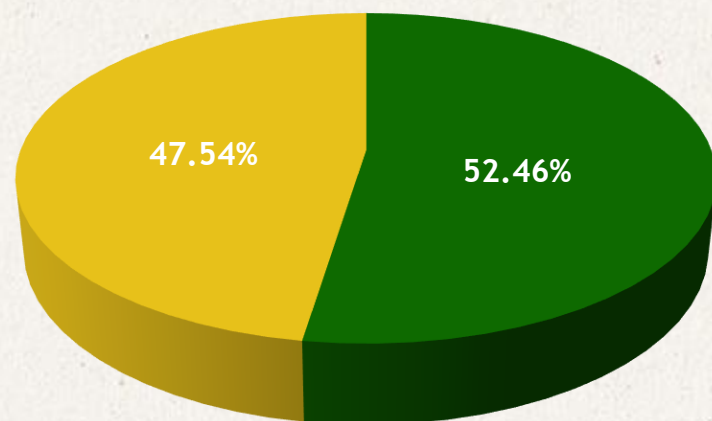
Particulars (INR Mn)	FY23	H1FY24
Fixed Assets		
Tangible Assets	6,893	7,400
Right of Use Assets	127	168
Intangible Assets	20	18
Capital Work in Progress	1,376	1,102
Total Fixed Assets	8,416	8,687
Non-Current Investment & Other Financial Assets	68	69
Loans	-	-
Deferred Tax & Other Tax Assets	345	310
Other Non-Current Assets	519	682
Total Non-Current Assets	932	1,061
Current Assets		
Inventories	1,597	1,765
Biological Assets other than bearer plants	444	471
Trade Receivable	1,904	1,808
Cash & Cash Equivalent	4	5
Bank Balances	180	153
Other Financial Assets	40	55
Current Tax Assets	46	-
Other Current Assets	160	410
Total Current Assets	4,374	4,667
Total Assets	13,722	14,414

LIABILITIES

Particulars (INR Mn)	FY23	H1FY24
Shareholders Fund		
Share Capital	100	100
Reserves and Surplus	7,232	8,431
Total Shareholders Fund	7,332	8,531
Non Current Liabilities		
Long Term Borrowings	2,578	1,805
Other Financial Liabilities	735	550
Other Long Term Liabilities	1	1
Long Term Provision	106	119
Deferred Tax Liabilities	-	-
Total Non Current Liability	3,421	2,475
Current Liabilities		
Short Term Borrowings	1,615	2,255
Trade Payable	1,099	722
Lease Liability	29	29
Other Current Liabilities	107	112
Other Financial Liabilities	106	164
Short Term Provision	12	14
Current Tax Liabilities	-	113
Total Current Liabilities	2,969	3,408
Total Liabilities	13,722	14,414

Capital Market Indicators

Shareholding as of 30th Sep 2023



■ Promoters & Promoters Group
■ Public

Stock Performance





Thank You

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



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