



KPL/SEs/EP  
27.07.2023

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai 400 001 Scrip Code: 532937 Scrip ID: KUANTUM	National Stock Exchange of India Limited Exchange Plaza Plot No. C/1, G Block, Bandra-Kurla Complex Bandra (East) Mumbai 400 051 Trading Symbol: KUANTUM
-----------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Reg: Earnings Presentation – Disclosure under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby attach a copy of earnings presentation for the quarter ended 30 June 2023 for your information and record purposes.

The said presentation will be uploaded on the Company's website at [www.kuantumpapers.com](http://www.kuantumpapers.com), thereafter.

Kindly take the same on record.

For Kuantum Papers Ltd

(Vivek Trehan)  
Company Secretary  
Encl: a/a

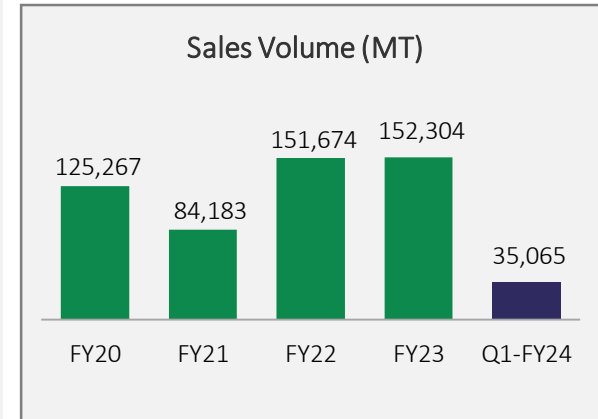
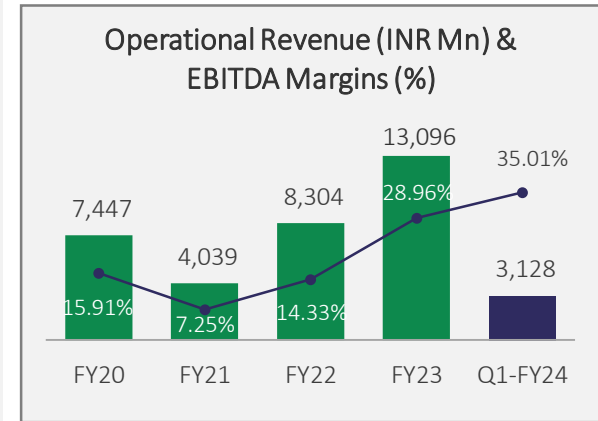


# EARNINGS PRESENTATION

Q1-FY24

# About Kuantum Papers

- Kuantum Papers Ltd, a leading wood and agro based paper manufacturers started its commercial operations in 1980 in an economically backward village of Hoshiarpur, Punjab.
- They started their production with 30 TPD and are currently operating at 450 TPD. After completion of their backward integration project in March'21, the total production capacity stands at 450 TPD.
- Due to its location in the foothills of the Shivalik range, Kuantum Papers has been strategically utilizing agro residues like wheat straw, sarkanda and bagasse along with wood chips, veneer waste & bamboo to make high quality paper.
- The company's fully integrated manufacturing facility spread across 259 acres helps it gain advantage in terms of better operational efficiency and higher product offering.
- Kuantum's product offerings include maplitho, creamwove and value added specialty products like Thermal paper, bond paper, parchment paper, Azurelaid paper, catridge paper, coloured paper, ledger paper, stiffner paper, cupstock paper, carrybag paper and straw paper with a GSM range of 42 – 200.
- Its products are extensively used in the printing of books, notebooks, annual reports, directories, account books, envelopes, diaries, calendars, computer & office stationery, soap wrapping, cups and straws.
- The company manufactures its products on an order-based system from its 100+ dealer network spread across India, many of whom have been associated with it since 3 generations.
- The company has increased its export footprint in the last few years and is now exporting to 30+ countries.
- Its Marquee clients includes Wal-Mart, McGraw Hill, Kokuyo(Mumbai), Thomson, Lotus, Global, Navneet Publications, Oxford University Press, Macmillan amongst others.
- The company's social farm forestry program includes wood plantations of around 5,540 acres and it envisions to reach 1 crore saplings in 5 years.



# Key Strengths

Pan India presence with an extensive network of 100+ dealers



Cost savings through executed backward integration project has led to improved EBITDA margins

Long standing relationship with dealers, many associated with the company for over 3 decades



Improved infrastructure of paper machines in order to be more cost effective

Largest product Portfolio in the Paper Industry covering Maplitho, Creamwove, Copier and Specialty Paper



Located near densely populated Northern Region including NCR, a higher paper consumption market

Successful in creating a branded portfolio of products



Strategic location in Punjab with abundant availability of raw materials such as Wheat Straw, Sarkanda & Bagasse, allows us to get steady supplies at stable prices

Ability to command a price premium in the range of 5-7% over our competitors due to better quality of products and superior market orientation



Raw Materials are perfect substitutes of each other, so we are not dependent on any single one throughout the year

Market based sales rather than government orders. Customers are delighted to deal with us rather than our competitors due to regular and timely supplies



Future source of wood raw material: Social farm forestry programme with a vision to reach 1 crore clonal saplings in 5 years

## Pulping Facilities

## Paper Machines

## Chemical Recovery Plant

## Co-Gen Power Plant

### Segment



### Capacity

- Total Capacity: 380 TPD
- Agro based pulp: 200 TPD
- Wood pulp: 180 TPD

- Total capacity: 450 TPD
- Machine 1 - 30 TPD
- Machine 2 - 35 TPD
- Machine 3 - 115 TPD
- Machine 4 - 270 TPD

- Total Capacity: 700 Solids TPD
- New CRP : 500 Solids TPD
- Existing CRP : 200 Solids TPD

- **Turbines** : Total 38 MW
  - New : 20 MW & 8 MW
  - Existing Turbines : 10 MW
- **Boilers** : Total 190 TPH
  - New : 130 TPH
  - Existing : 60 TPH

### Description

Kuantum combines agro pulp along with wood pulp and imported pulp in order to produce better quality fibre for paper production

The different configurations of the four paper machines allow Kuantum to manufacture a wide variety of surface-sized, non surface-sized and value-added specialty products

The new Chemical Recovery Plant of 500 TPD from Andritz for the treatment of Black Liquor process has boosted the overall capacity to 700 solids TPD

Operating at high efficiency, the plant recovers over 95% of Caustic, enabling cost reduction, margin improvements, and reusing for subsequent production runs

The two new turbines of 20 MW and 8 MW from Siemens, have taken the total Co - Gen power capacity to 38 MW

A new Boiler of 130 TPH from ISGEC has been installed making the total capacity 190 TPH

Efficiency in power operations has helped in cost optimization

1

Debottlenecking and upgrading plant operations to increase production capacity by ~ 25% and further optimize cost

2

Leveraging single use plastic ban by developing a portfolio of specialty products for a sustainable future

3

Setting up a Specialty paper machine to diversify product portfolio





## FINANCIAL & OPERATIONAL HIGHLIGHTS

## Q1-FY24 Financial Highlights

<b>INR 3,128 Mn</b> Income from Operations <b>14.1% YoY</b>	<b>INR 1,095 Mn</b> EBITDA <b>80.1% YoY</b>	<b>35.01%</b> EBITDA Margins
<b>INR 651 Mn</b> Net Profit	<b>20.81%</b> PAT Margin	<b>INR 7.46/Share</b> Diluted EPS

## Q1-FY24 Operational Highlights

- Highest ever EBITDA margin of 35% achieved in Q1-FY24, despite a decrease in Net Sales Realization on the back of better product mix & cost efficiencies
- Agro Pulp & Wood Pulp cost reduced by 16% and 7% QoQ respectively, mainly on account of reduction in wheat straw, wood chips & veneer waste prices
- Cost of chemicals such as Caustic, Quick Lime, Sulphur & Sulphur Dioxide reduced in Q1-FY24
- Reduction in fuel consumption per ton of paper by 16% QoQ due to efficiency projects undertaken at power plant
- Machine speeds of PM 3 & PM 4 optimized, leading to higher paper production
- Dust suppression system installed for agro raw material handling section to minimize fugitive dust emission
- Sedicell installed at Effluent Treatment Plant for further improvement in the quality of effluent and thus reduction of overall water consumption
- Increase in the production of clonal saplings capacity by 8 Lakhs at the in-house Clonal Propagation Centre (CPC) as part of the Social Farm Forestry program





## Q1-FY24 FINANCIAL OVERVIEW

# Quarterly Financial Performance

Particulars (INR Mn)	Q1-FY24	Q1-FY23	Y-o-Y	Q4-FY23	Q-o-Q
Operational Income	3,128	2,742	14.1%	3,437	(9.0)%
Total Expenses	2,033	2,134	(4.7)%	2,296	(11.5)%
EBITDA	1,095	608	80.1%	1,141	(4.0)%
<i>EBITDA Margins (%)</i>	<i>35.01%</i>	<i>22.17%</i>	<i>1,284 bps</i>	<i>33.20%</i>	<i>181 bps</i>
Other Income	8	13	(38.5)%	1	NA
Depreciation	117	113	3.5%	115	1.7%
Finance Cost	113	180	(37.2)%	159	(28.9)%
Exceptional Items	-	(634)	NA	-	-
PBT	873	(306)	NA	868	0.6%
Tax	222	83	NA	217	2.3%
Profit After Tax	651	(389)	NA	651	0.0%
<i>PAT Margins (%)</i>	<i>20.81%</i>	<i>NA</i>	<i>NA</i>	<i>18.94%</i>	<i>187 bps</i>
Other Comprehensive Income	-	-	-	(5)	-
Total Comprehensive Income	651	(389)	NA	646	0.8%
Diluted EPS (INR)	7.46	(4.45)	NA	7.45	0.1%

# Historical Income Statement

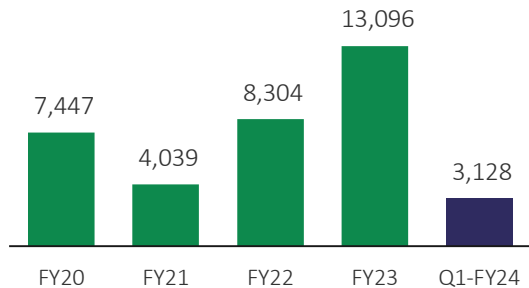
Particulars (INR Mn)	FY21	FY22	FY23	Q1-FY24
Operational Income	4,039	8,304	13,096	3,128
Total Expenses	3,746	7,114	9,304	2,033
EBITDA	293	1,190	3,792	1,095
<i>EBITDA Margins (%)</i>	<i>7.25%</i>	<i>14.33%</i>	<i>28.96%</i>	<i>35.01%</i>
Other Income	100	38	36	8
Depreciation	348	462	454	117
Finance Cost	277	689	710	113
Exceptional Items	86	-	(634)	-
<b>PBT</b>	<b>(318)</b>	<b>77</b>	<b>2,030</b>	<b>873</b>
Tax	(191)	(57)	668	222
<b>Profit After Tax</b>	<b>(127)</b>	<b>134</b>	<b>1,362</b>	<b>651</b>
<i>PAT Margins (%)</i>	<i>NA</i>	<i>1.61%</i>	<i>10.40%</i>	<i>20.81%</i>
Other Comprehensive Income	4	(2)	(5)	-
Total Comprehensive Income	(123)	132	1,357	651
<b>Diluted EPS (INR)</b>	<b>(1.46)</b>	<b>1.54</b>	<b>15.60</b>	<b>7.46</b>

# Balance sheet

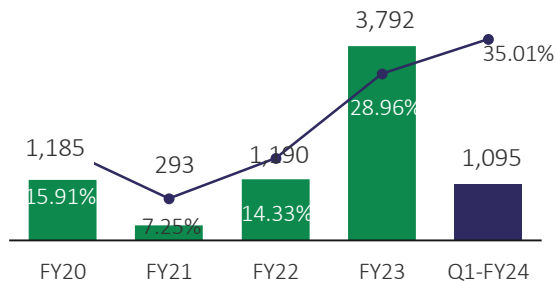
Assets (INR Mn)	FY21	FY22	FY23
<b>Non-Current Assets</b>			
Property, plant and equipment	14,263	14,006	14,068
Capital work-in-progress	205	289	306
Investment property	78	76	75
Other intangible assets	17	-	-
Financial assets			
• Other financial assets	81	86	39
Income tax assets (net)	3	3	16
Other Non-current assets	7	148	259
<b>Total Non-Current Assets</b>	<b>14,654</b>	<b>14,608</b>	<b>14,763</b>
<b>Current Assets</b>			
Inventories	524	869	901
Financial assets			
• Trade receivable	331	606	287
• Cash and Cash equivalents	5	36	15
• Other bank balances	156	130	157
• Others financial assets	49	27	16
Other current assets	424	485	756
<b>Total Current Assets</b>	<b>1,489</b>	<b>2,153</b>	<b>2,132</b>
<b>Total Assets</b>	<b>16,143</b>	<b>16,761</b>	<b>16,895</b>

Equity & Liabilities (INR Mn)	FY21	FY22	FY23
<b>Equity</b>			
Equity share capital	87	87	87
Other equity	8,085	8,218	9,581
<b>Total Equity</b>	<b>8,172</b>	<b>8,305</b>	<b>9,668</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Financial liabilities			
• Borrowings	6,137	6,448	3,678
• Other financial liabilities	169	181	228
Provisions	12	12	13
Deferred tax liabilities (net)	84	13	1,172
Deferred income	50	55	49
<b>Total Non-Current Liabilities</b>	<b>6,452</b>	<b>6,709</b>	<b>5,140</b>
<b>Current Liabilities</b>			
Financial Liabilities			
• Borrowings	753	1,176	1,450
• Trade payables	448	357	258
• Other financial liabilities	275	143	198
Other current liabilities	35	60	84
Provisions	3	2	3
Deferred income	4	5	3
Current tax liabilities (net)	1	5	91
<b>Total Current Liabilities</b>	<b>1,519</b>	<b>1,748</b>	<b>2,087</b>
<b>Total Liabilities</b>	<b>7,971</b>	<b>8,456</b>	<b>7,227</b>
<b>Total Equity and Liabilities</b>	<b>16,143</b>	<b>16,761</b>	<b>16,895</b>

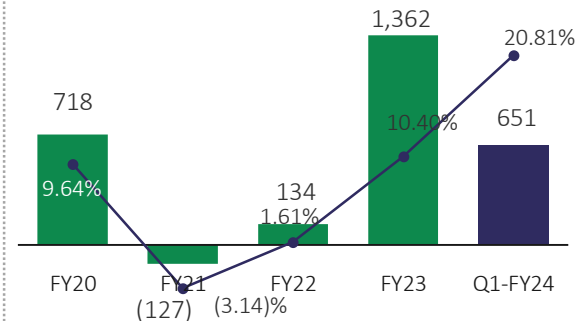
### Operational Revenue (INR Mn)



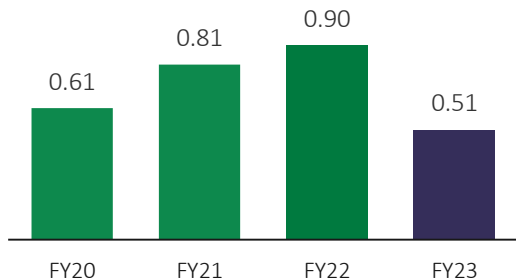
### EBITDA (INR Mn) & EBITDA Margin (%)



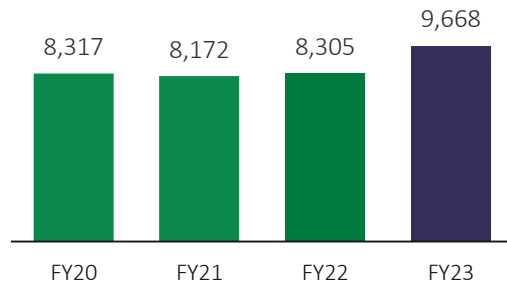
### PAT (INR Mn) & PAT Margins (%)



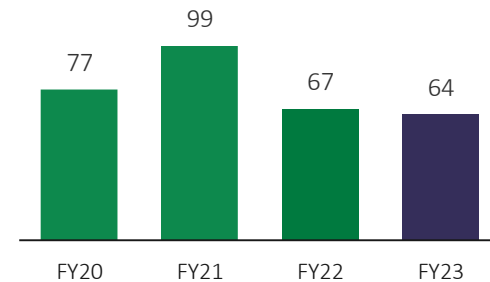
### Net Debt to Equity

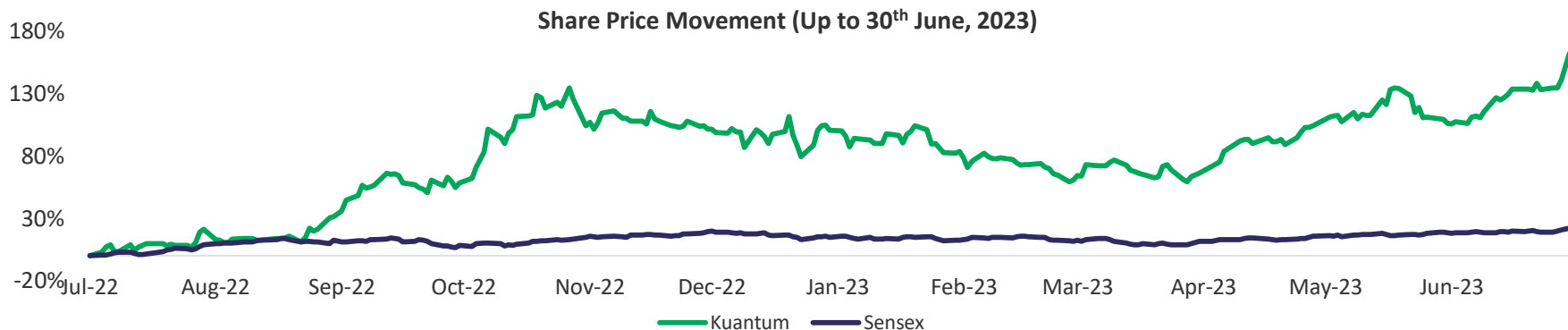


### Net Worth (INR Mn)

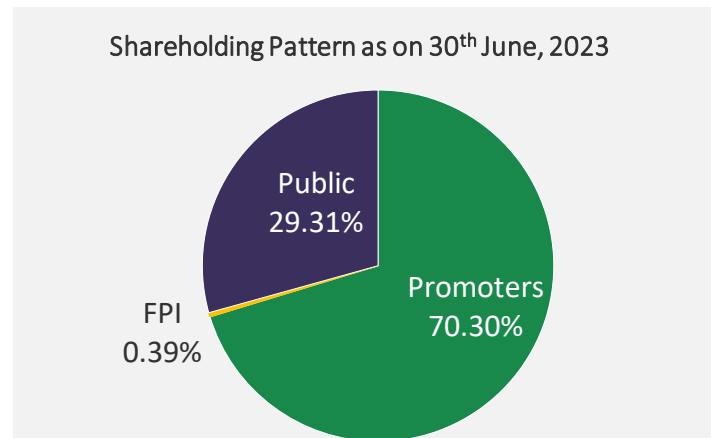


### Cash Conversion Cycle





Price Data (30 <sup>th</sup> June , 2023)	INR
Face Value	1.0
Market Price	191.5
52 Week H/L	193.3/72.0
Market Cap (Mn)	16,710.9
Equity Shares Outstanding (Mn)	87.3
1 Year Avg Trading Volume ('000)	200.2



No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation. Such information and opinions are in all events not current after the date of this presentation. Certain statements made in this presentation may not be based on historical information or facts and may be "forward looking statements" based on the currently held beliefs and assumptions of the management Kuantum Papers Limited ("Company" or "Kuantum Papers Ltd."), which are expressed in good faith and in their opinion reasonable, including those relating to the Company's general business plans and strategy, its future financial condition and growth prospects and future developments in its industry and its competitive and regulatory environment.

Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance or achievements of the Company or industry results to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements, including future changes or developments in the Company's business, its competitive environment and political, economic, legal and social conditions. Further, past performance is not necessarily indicative of future results. Given these risks, uncertainties and other factors, viewers of this presentation are cautioned not to place undue reliance on these forward-looking statements. The Company disclaims any obligation to update these forward-looking statements to reflect future events or developments.

This presentation is for general information purposes only, without regard to any specific objectives, financial situations or informational needs of any particular person. This presentation does not constitute an offer or invitation to purchase or subscribe for any securities in any jurisdiction, including the United States. No part of it should form the basis of or be relied upon in connection with any investment decision or any contract or commitment to purchase or subscribe for any securities. None of our securities may be offered or sold in the United States, without registration under the U.S. Securities Act of 1933, as amended, or pursuant to an exemption from registration there from. This presentation is confidential and may not be copied or disseminated, in whole or in part, and in any manner.

Valorem Advisors Disclaimer:

Valorem Advisors is an Independent Investor Relations Management Service company. This Presentation has been prepared by Valorem Advisors based on information and data which the Company considers reliable, but Valorem Advisors and the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded. Valorem Advisors also hereby certifies that the directors or employees of Valorem Advisors do not own any stock in personal or company capacity of the Company under review.



Mr. Anuj Sonpal  
Valorem Advisors  
Tel: +91-22-4903 9500  
Email: [kuantum@valoremadvisors.com](mailto:kuantum@valoremadvisors.com)



**Thank You**