



EARNINGS PRESENTATION

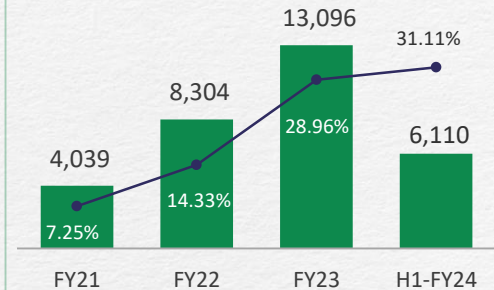
Q2/H1-FY24

ABOUT KUANTUM PAPERS

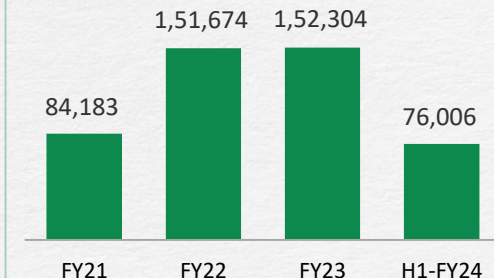


- Kuantum Papers Ltd, a leading agro and wood based paper manufacturers started its commercial operations in 1980 in an economically backward village of Hoshiarpur, Punjab.
- They started their production with 30 TPD and are currently operating at 450 TPD. After completion of their backward integration 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.
- It's extensive portfolio of writing and printing paper finds application in books, notebooks, annual reports, directories, account books, envelopes, diaries, calendars, computer & office stationery.
- Kuantum's product offerings include maplitho, creamwove and value added specialty products like thermal paper, bond paper, parchment paper, azurelaid paper, cartridge paper, coloured paper, ledger paper, stiffner paper, cupstock paper, carry bag paper and base straw paper with a GSM range of 40 – 200.
- 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 three 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 6,470 acres and it envisions to reach 1 crore saplings per annum in the next 2-3 years.

**OPERATIONAL REVENUE (INR MN)
& EBITDA MARGINS (%)**



SALES VOLUME (MT)



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



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



Superior product quality and market focus allow us to charge premium price of 5-7% higher than competitors



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



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



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



Established distinguished range of branded products



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







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



Future source of wood raw material: Social farm forestry programme with vision to reach 1 crore clonal saplings per annum in the next 2 – 3 years



Prioritizing market-driven sales over government orders, and we are a preferred choice due to consistent and timely product deliveries

	Pulping Facilities	Paper Machines	Chemical Recovery Plant	Co-Gen Power Plant
Segment				
Capacity	<p>Total Capacity: 380 TPD</p> <ul style="list-style-type: none"> • Agro based pulp: 200 TPD • Wood pulp: 180 TPD 	<p>Total Capacity: 450 TPD</p> <ul style="list-style-type: none"> • Machine 1 - 25 TPD • Machine 2 - 50 TPD • Machine 3 - 115 TPD • Machine 4 - 260 TPD 	<p>Total Capacity: 700 Solids TPD</p> <ul style="list-style-type: none"> • New CRP : 500 Solids TPD • Existing CRP : 200 Solids TPD 	<p>Turbines : Total 38 MW</p> <ul style="list-style-type: none"> • New : 20 MW & 8 MW • Existing Turbines : 10 MW <p>Boilers : Total 190 TPH</p> <ul style="list-style-type: none"> • New : 130 TPH • Existing : 60 TPH
Description	<p>Kuantum combines its own agro and wood along with imported pulp in order to produce better quality fibre for paper production.</p>	<p>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.</p>	<p>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.</p> <p>Operating at high efficiency, the plant recovers over 95% of Caustic, enabling cost reduction, margin improvements, and reusing for subsequent production runs.</p>	<p>The two new turbines of 20 MW and 8 MW from Siemens, have taken the total Co - Gen power capacity to 38 MW.</p> <p>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.</p>



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



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



Setting up Specialty paper machine to diversify product portfolio



Harnessing the power of Industry 4.0 including IoT, AI and cloud computing for operational efficiency and optimal resource utilization





FINANCIAL & OPERATIONAL HIGHLIGHTS

Q2/H1 – FY24

Q2-FY24 Financial Highlights

INR 2,982 Mn Income from Operations	INR 806 Mn EBITDA	27.03% EBIDTA Margins
INR 427 Mn Net Profit	14.32% PAT Margin	INR 4.89/Share Diluted EPS

H1-FY24 Financial Highlights

INR 6,110 Mn Income from Operations	INR 1,901 Mn EBITDA	31.11% EBIDTA Margins
INR 1,078 Mn Net Profit	17.64% PAT Margin	INR 12.35/Share Diluted EPS

Q2-FY24 Operational Highlights

- PM 2 has been successfully upgraded from 30 to 50 TPD capacity to meet the increasing demand for specialty paper products.
- New products developed on PM 2:
 - Kosmo Litho K2 – made with 100% wood pulp for high end diaries & books publishing.
 - Kosmo Ivory – successfully launched in 40 – 67 GSM range for use as base paper for thermal coating.
- Highest ever quarterly finished production of 40,649 MT due to upgradation of PM 2 and increased speed of PM 3 & PM 4.
- In line with our vision 'Kuantum for Earth,' we planted clonal saplings on an additional 820 acres of farmers' land uptil September, 2023.

PARTICULARS (INR MN)	Q2-FY24	Q2-FY23	Y-o-Y	Q1-FY24	Q-o-Q
Operational Income	2,982	3,410	(12.6)%	3,128	(4.7)%
Total Expenses	2,176	2,416	(9.9)%	2,033	7.0%
EBITDA	806	994	(18.9)%	1,095	(26.4)%
EBITDA Margins (%)	27.03%	29.15%	(212) Bps	35.01%	(798) Bps
Other Income	10	10	0.0%	8	25.0%
Depreciation	119	113	5.3%	117	1.7%
Finance Cost	123	196	(37.2)%	113	8.8%
PBT	574	695	(17.4)%	873	(34.2)%
Tax	147	168	(12.5)%	222	(33.8)%
Profit After Tax	427	527	(19.0)%	651	(34.4)%
PAT Margins (%)	14.32%	15.45%	(113) Bps	20.81%	(649) Bps
Diluted EPS (INR)	4.89	6.04	(19.0)%	7.46	(34.5)%

PARTICULARS (INR MN)	H1-FY24	H1-FY23	Y-o-Y
Operational Income	6,110	6,152	(0.7)%
Total Expenses	4,209	4,551	(7.5)%
EBITDA	1,901	1,601	18.7%
EBITDA Margins (%)	31.11%	26.03%	508 Bps
Other Income	18	23	(21.7)%
Depreciation	236	225	4.9%
Finance Cost	236	376	(37.2)%
Exceptional Items	-	634	NA
PBT	1,447	389	NA
Tax	369	251	47.0%
Profit After Tax	1,078	138	NA
PAT Margins (%)	17.64%	2.24%	NA
Diluted EPS (INR)	12.35	1.58	NA

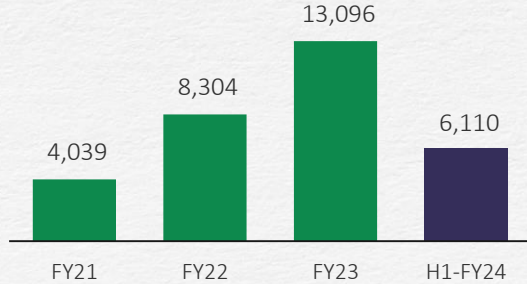
HISTORICAL INCOME STATEMENT

PARTICULARS (INR MN)	FY21	FY22	FY23	H1-FY24
Operational Income	4,039	8,304	13,096	6,110
Total Expenses	3,746	7,114	9,304	4,209
EBITDA	293	1,190	3,792	1,901
EBITDA Margins (%)	7.25%	14.33%	28.96%	31.11%
Other Income	100	38	36	18
Depreciation	348	462	454	236
Finance Cost	277	689	710	236
Exceptional Items	86	-	(634)	-
PBT	(318)	77	2,030	1,447
Tax	(191)	(57)	668	369
Profit After Tax	(127)	134	1,362	1,078
PAT Margins (%)	NA	1.61%	10.40%	17.64%
Other Comprehensive Income	4	(2)	(5)	-
Total Comprehensive Income	(123)	132	1,357	1,078
Diluted EPS (INR)	(1.46)	1.54	15.60	12.35

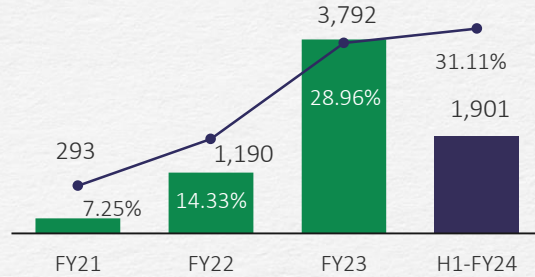
ASSETS (INR MN)	FY22	FY23	H1-FY24
Non-Current Assets			
Property, plant and equipment	14,006	14,068	14,350
Capital work-in-progress	289	306	374
Investment property	76	75	74
Other intangible assets	-	-	4
Financial assets			
• Other financial assets	86	39	41
Income tax assets (net)	3	16	18
Other Non-current assets	148	259	332
Total Non-Current Assets	14,608	14,763	15,193
Current Assets			
Inventories	869	901	1,074
Financial assets			
• Trade receivable	606	287	276
• Cash and Cash equivalents	36	15	5
• Other bank balances	130	157	169
• Others financial assets	27	16	20
Other current assets	485	756	696
Total Current Assets	2,153	2,132	2,240
Total Assets	16,761	16,895	17,433

EQUITY & LIABILITIES (INR MN)	FY22	FY23	H1-FY24
Equity			
Equity share capital	87	87	87
Other equity	8,218	9,581	10,397
Total Equity	8,305	9,668	10,484
Liabilities			
Non-Current Liabilities			
Financial liabilities			
• Borrowings	6,448	3,678	3,260
• Other financial liabilities	181	228	240
Provisions	12	13	15
Deferred tax liabilities (net)	13	1,172	1,228
Deferred income	55	49	47
Total Non-Current Liabilities	6,709	5,140	4,790
Current Liabilities			
Financial Liabilities			
• Borrowings	1,176	1,450	1,425
• Trade payables	357	258	399
• Other financial liabilities	143	198	214
Other current liabilities	60	84	62
Provisions	2	3	9
Deferred income	5	3	3
Current tax liabilities (net)	5	91	47
Total Current Liabilities	1,748	2,087	2,159
Total Liabilities	8,456	7,227	6,949
Total Equity and Liabilities	16,761	16,895	17,433

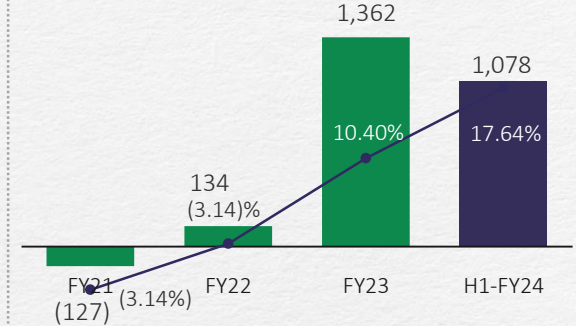
Operational Revenue (INR Mn)



EBITDA (INR Mn) & EBITDA Margin (%)



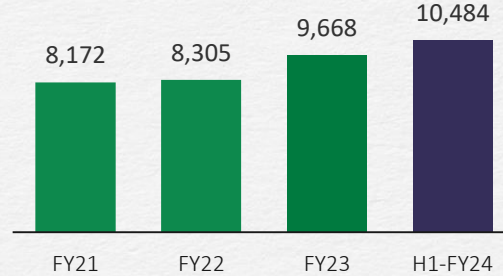
PAT (INR Mn) & PAT Margins (%)



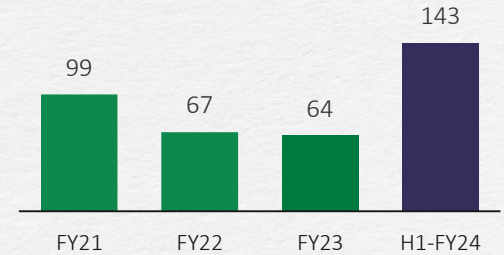
Net Debt to Equity

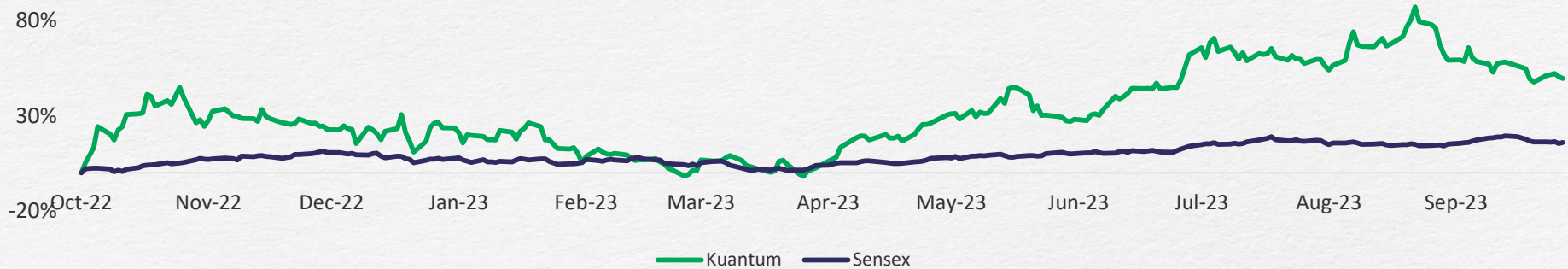


Net Worth (INR Mn)

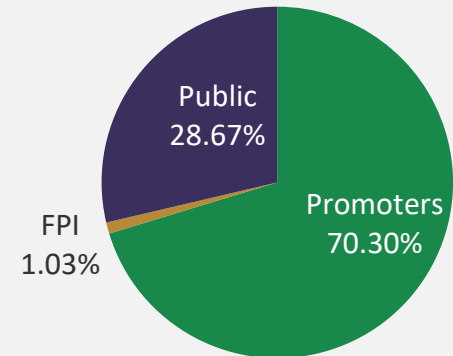


Cash Conversion Cycle



Share Price Movement (Up to 30th September, 2023)

Price Data (30 th September, 2023)	INR
Face Value	1.0
Market Price	176.7
52 Week H/L	225.5 / 112.0
Market Cap (Mn)	15,419.5
Equity Shares Outstanding (Mn)	87.3
1 Year Avg Trading Volume ('000)	286.1

Shareholding Pattern as on 30th September, 2023

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.

For further details, please feel free to contact our Investor Relations Representatives:



VALOREM ADVISORS

Mr. Anuj Sonpal

Valorem Advisors

Tel: +91-22-49039500

Email: anuj@valoremadvisors.com



THANK YOU