

Kuantum

The Paper Makers

EARNINGS PRESENTATION

Q1-FY25

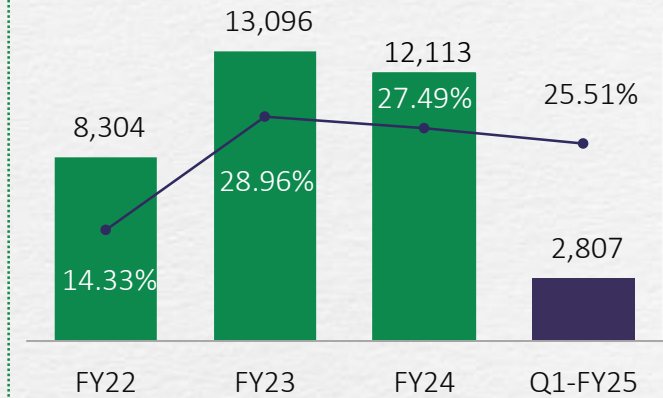


ABOUT KQUANTUM PAPERS

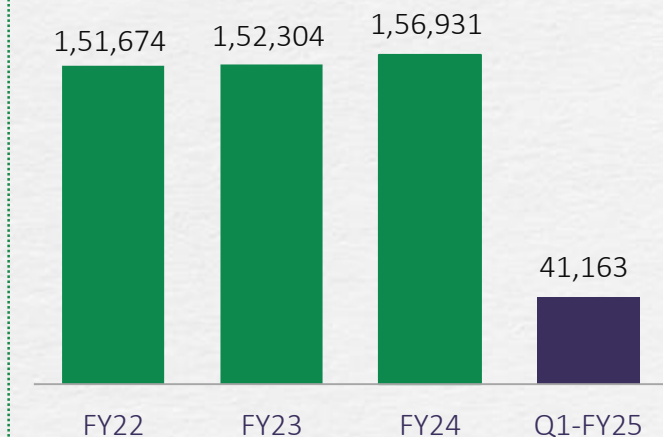


- Kquantum Papers Ltd, a leading agro and wood-based paper manufacturer started its commercial operations in 1980 in an economically backward village of Hoshiarpur, Punjab.
- They started their production with 30 TPD and with continuous process upgrades and backward integration projects are now currently operating at 450 TPD.
- Due to its location in the foothills of the Shivalik range, Kquantum 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 an advantage in terms of better operational efficiency and higher product offering.
- Its extensive portfolio of writing and printing paper finds application in books, notebooks, annual reports, directories, account books, envelopes, diaries, calendars, computer & office stationery.
- Kquantum'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, base paper for cups and straws 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 for three generations.
- The company has increased its export footprint in the last few years and is now exporting to 22 countries.
- Its Marquee clients include University of Cambridge, McGraw Hill, Calmin Kokuyo (Mumbai), Thomson, Sultan Chand, Taxmann, Lotus Global, Oxford University Press, Macmillan Education amongst others.
- The company's Social Farm Forestry Program includes wood plantations of around 8,020 acres and it aims to expand it to 50,700 acres by 2028-29.

Operational Revenue (INR Mn) & EBITDA Margins (%)



Sales Volume (MT)



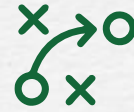
KEY STRENGTHS



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



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



Fully integrated plant infrastructure with technologically upgraded 4 Paper Machines, Agro & Wood Pulp Mill, Chemical Recovery Plant, Co - Gen Power Plant & Effluent Treatment Plant



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



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 a vision to reach 1 crore clonal saplings per annum



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



Established distinguished range of branded products



Market-driven sales strategy ensuring timely supplies with minimum inventory backlog catering to diverse needs of our customers

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 - 25 TPD
- Machine 2 - 50 TPD
- Machine 3 - 115 TPD
- Machine 4 - 260 TPD

Total Capacity - 700 Solids TPD

- Recovery Boiler 1 - 200 Solids TPD
- Recovery Boiler 2 - 500 Solids TPD

Turbines: Total Capacity – 38 MW**Boilers : Total Operational Capacity - 190 TPH**

- Boiler 1 - 60 TPH
- Boiler 2 - 130 TPH

Description

Kuantum combines its own agro and wood along with imported pulp in order to produce better quality fiber 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 Chemical Recovery Plant operates at a high efficiency allowing recovery of over 95% of Caustic, enabling cost reductions, margin improvements and reusing for subsequent pulp production runs.

The state of the art Co-Gen Power Plant ensures uninterrupted steam and power supply to process units. The 130 TPH high pressure CFBC boiler combined with a set of highly efficient extraction cum condensing turbine and an extraction cum back pressure turbine, lead to power generation at very cost effective rates which are much lower than the grid rate.



Debottlenecking and upgrading plant operations to increase production capacity by ~ 50% and further optimize cost



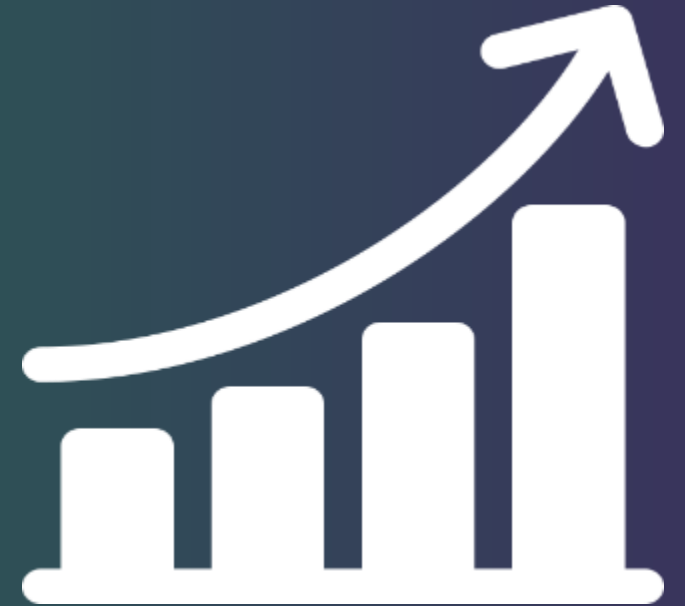
Leveraging single use plastic ban by developing a portfolio of specialty products for a sustainable future



Setting up Specialty/ Tissue 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

Q1-FY25

Q1-FY25 Financial Highlights

INR 2,807 Mn
Income from Operations

INR 716 Mn
EBITDA

25.51%
EBIDTA Margins

INR 382 Mn
Net Profit

13.61%
PAT Margins

INR 4.38/Share
Diluted EPS

Q1-FY25 Operational Highlights

- Despite market challenges on pricing, the company was able to maintain a healthy EBIDTA Margin of 25.51%.
- Recorded highest ever average finished paper production of 434 TPD and highest ever average pulp production of 359 TPD for the quarter Q1 FY25.
- New Product Development - Kosmo Litho SPX developed and manufactured on PM-2 catering to multi- color printing usage.
- Made notable progress in our ambitious “Project Nirmaan” with installation of MACSuite on Power Boilers aimed at attaining AI based operations in the Co – Gen Power Plant.
- Commenced the utilisation of surface water from nearby canal via pipeline with the approval of Department of Water Resources, Punjab which will lead to conservation of ground water and cost savings.
- Expanded our social farm forestry further by 570 acres with an addition of 333 beneficiaries in FY25 Q1.

PARTICULARS (INR MN)	Q1-FY25	Q1-FY24	Y-o-Y	Q4-FY24	Q-o-Q
Operational Income	2,807	3,128	(10.3)%	2,988	(6.1)%
Total Expenses	2,091	2,033	2.9%	2,352	(11.1)%
EBITDA	716	1,095	(34.6)%	636	12.6%
<i>EBITDA Margins (%)</i>	25.51%	35.01%	<i>(950) Bps</i>	21.29%	422 Bps
Other Income	9	8	12.5%	31	(71.0)%
Depreciation	125	117	6.8%	123	1.6%
Finance Cost	90	113	(20.4)%	80	12.5%
PBT	510	873	(41.6)%	464	9.9%
Tax	128	222	(42.3)%	125	2.4%
Profit After Tax	382	651	(41.3)%	339	12.7%
<i>PAT Margins (%)</i>	13.61%	20.81%	<i>(720) Bps</i>	11.35%	226 Bps
Diluted EPS (INR)	4.38	7.46	(41.3)%	3.88	12.9%

HISTORICAL INCOME STATEMENT

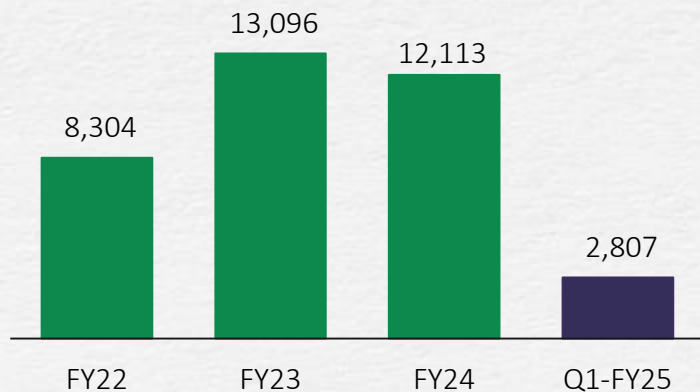
PARTICULARS (INR MN)	FY22	FY23	FY24	Q1-FY25
Operational Income	8,304	13,096	12,113	2,807
Total Expenses	7,114	9,304	8,783	2,091
EBITDA	1,190	3,792	3,330	716
<i>EBITDA Margins (%)</i>	<i>14.33%</i>	<i>28.96%</i>	<i>27.49%</i>	<i>25.51%</i>
Other Income	38	36	56	9
Depreciation	462	454	482	125
Finance Cost	689	710	428	90
Exceptional Items	-	634	-	-
PBT	77	2,030	2,476	510
Tax	(57)	668	638	128
Profit After Tax	134	1,362	1,838	382
<i>PAT Margins (%)</i>	<i>1.61%</i>	<i>10.40%</i>	<i>15.17%</i>	<i>13.61%</i>
Other Comprehensive Income	(2)	(5)	(6)	-
Total Comprehensive Income	132	1,357	1,832	382
Diluted EPS (INR)	1.54	15.60	21.07	4.38

BALANCE SHEET

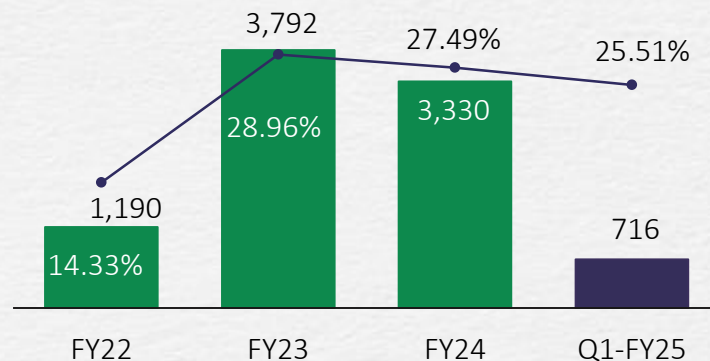
ASSETS (INR MN)	FY22	FY23	FY24
Non-Current Assets			
Property, plant and equipment	14,006	14,068	14,678
Capital work-in-progress	289	306	419
Investment property	76	75	74
Other intangible assets	-	-	-
Financial assets			
• Other financial assets	86	39	39
Income tax assets (net)	3	16	16
Other Non-current assets	148	259	585
Total Non-Current Assets	14,608	14,763	15,811
Current Assets			
Inventories	869	901	1,128
Financial assets			
• Trade receivable	606	287	342
• Cash and Cash equivalents	36	15	706
• Other bank balances	130	157	73
• Others financial assets	27	16	28
Other current assets	485	756	789
Total Current Assets	2,153	2,132	3,066
Total Assets	16,761	16,895	18,877

EQUITY & LIABILITIES (INR MN)	FY22	FY23	FY24
Equity			
Equity share capital	87	87	87
Other equity	8,218	9,581	11,151
Total Equity	8,305	9,668	11,238
Liabilities			
Non-Current Liabilities			
Financial liabilities			
• Borrowings	6,448	3,678	3,070
• Other financial liabilities	181	228	247
Provisions	12	13	-
Deferred tax liabilities (net)	13	1,172	1,257
Deferred income	55	49	46
Total Non-Current Liabilities	6,709	5,140	4,620
Current Liabilities			
Financial Liabilities			
• Borrowings	1,176	1,450	2,055
• Trade payables	357	258	569
• Other financial liabilities	143	198	233
Other current liabilities	59	84	77
Provisions	2	3	1
Deferred income	5	3	3
Current tax liabilities (net)	5	91	81
Total Current Liabilities	1,747	2,087	3,019
Total Liabilities	8,456	7,227	7,639
Total Equity and Liabilities	16,761	16,895	18,877

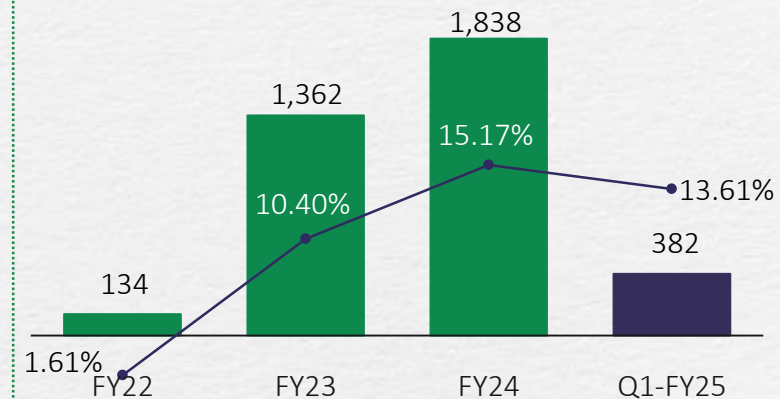
Operational Revenue (INR Mn)



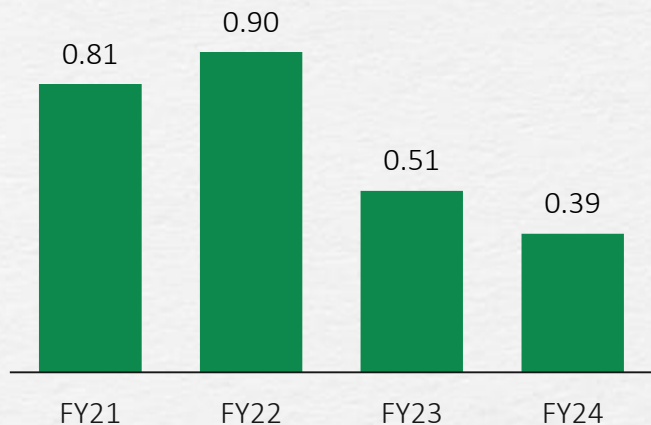
EBITDA (INR Mn) & EBITDA Margin (%)



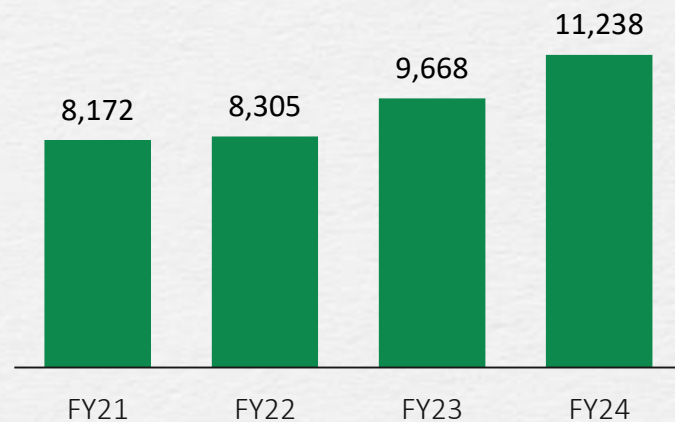
PAT (INR Mn) & PAT Margins (%)



Net Debt to Equity

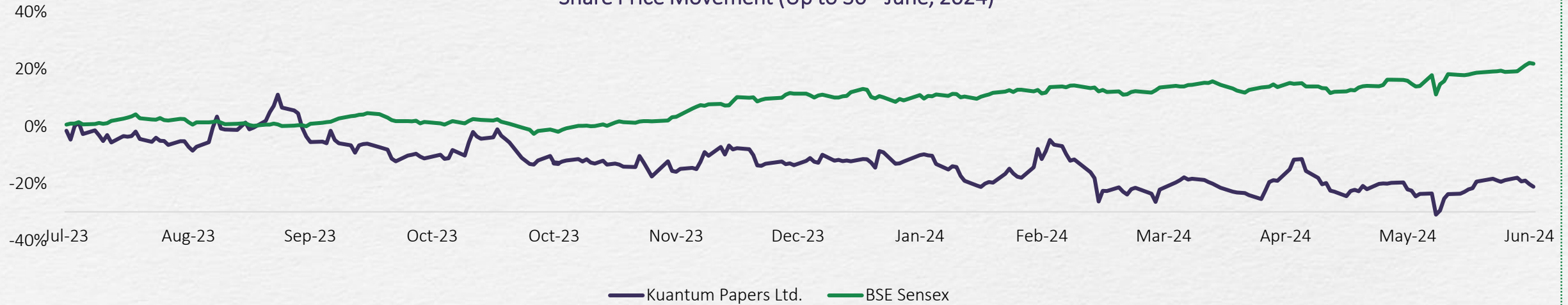


Net Worth (INR Mn)



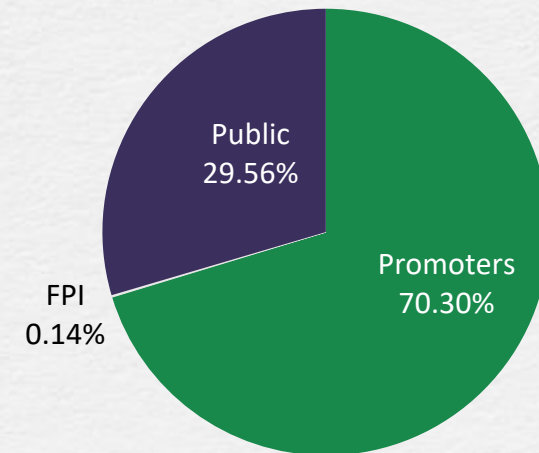
Cash Conversion Cycle



Share Price Movement (Up to 30th June, 2024)Price Data (30th June, 2024)

INR

Face Value	1.0
Market Price	156.9
52 Week H/L	225.5 / 128.2
Market Cap (Mn)	13,687.3
Equity Shares Outstanding (Mn)	87.3
1 Year Avg Trading Volume ('000)	303.5

Shareholding Pattern as on 30th June, 2024

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



Mr. Anuj Sonpal
Valorem Advisors
Tel: +91-22-49039500
Email: kuantum@valoremadvisors.com



Thank You