



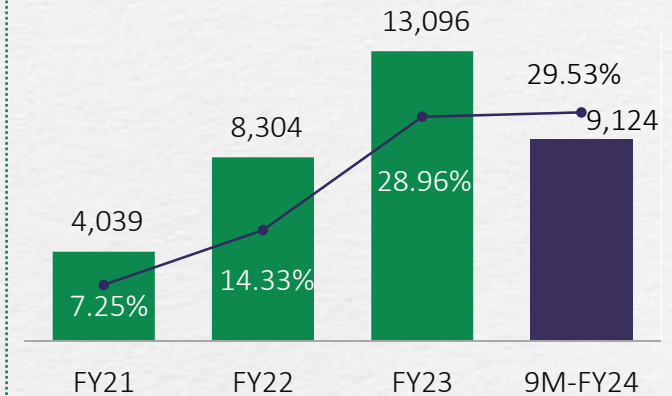
EARNINGS PRESENTATION

Q3/9M-FY24

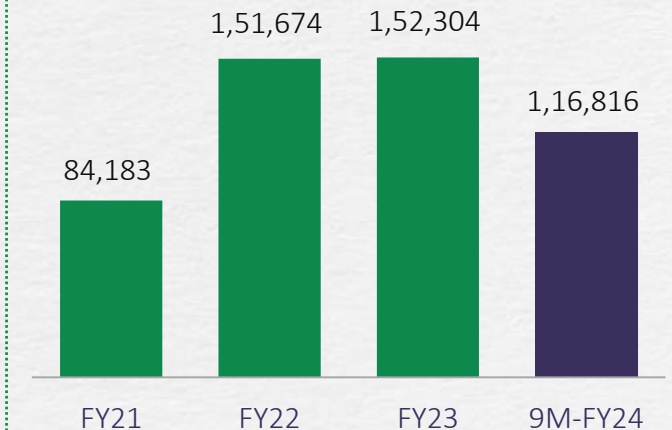


- Kuantum Papers Ltd, a leading agro and wood-based paper manufacturer started its commercial operations in 1980 in an economically backward village of Hoshiarpur, Punjab.
- They started their production with 30 TPD and are currently operating at 450 TPD. After the completion of their backward integration 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 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.
- 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 base paper for straws and carry bag 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 for three generations.
- The company has increased its export footprint in the last few years and is now exporting to 30+ countries.
- Its Marquee clients include 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 reaching 1 crore saplings per annum in the next 2-3 years.

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



Sales Volume (Mt)



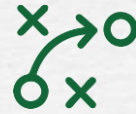
KEY STRENGTHS



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 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 a vision to reach 1 crore clonal saplings per annum in the next 2 – 3 years



Prioritizing market-driven sales over government orders, and 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>Kquantum combines its own agro and wood along with imported pulp in order to produce better quality fiber for paper production.</p>	<p>The different configurations of the four paper machines allow Kquantum 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. 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. 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



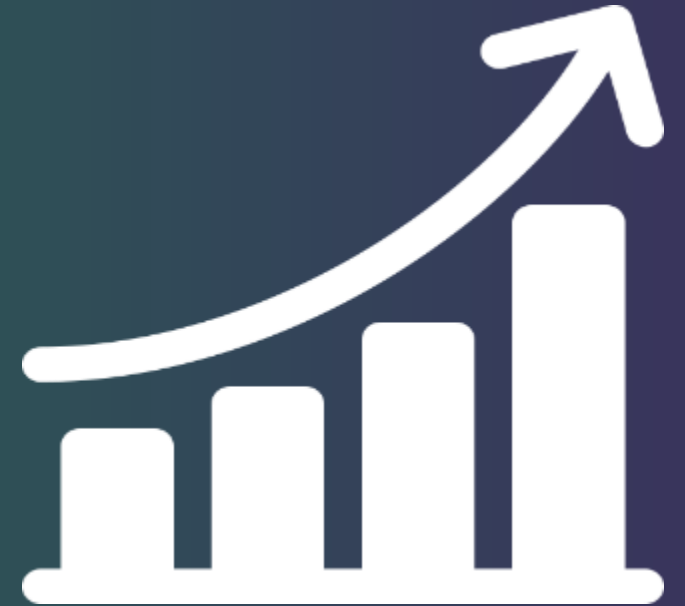
Leveraging single use plastic ban by developing a portfolio of specialty products for a sustainable future



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

Q3/9M-FY24

Q3-FY24 Financial Highlights

INR 3,015 Mn Income from Operations	INR 794 Mn EBITDA	26.33% EBIDTA Margins
INR 422 Mn Net Profit	14.00% PAT Margins	INR 4.83/Share Diluted EPS

9M-FY24 Financial Highlights

INR 9,124 Mn Income from Operations	INR 2,694 Mn EBITDA	29.53% EBIDTA Margins
INR 1,499 Mn Net Profit	16.43% PAT Margin	INR 17.18/Share Diluted EPS

Q3-FY24 Operational Highlights

- Q3 Revenue was in line with Q2 even though there were market challenges on price and demand pressure from increased imports.
- EBITDA margin for Q3 stood strong at 26.33%, despite shuts taken on PM 1 & Turbine for modification and upgradation and increase in raw material prices.
- Power Plant Operations further optimised with the effective usage of rice husk waste (Khuddi) as a fuel in Boiler operations, which is 50% lower in cost compared to coal.
- Successful Commissioning of projects undertaken in Q3
 - PM 1 rebuild initiated in Dec'23 with new headbox, wire part, press part, pope reel and addition of dryers. Resulted in increase of paper production from 25 TPD to 46 TPD.
 - TG 4 successfully upgraded to 13.5 MW, to get higher efficiency in steam production with lower cost.
- Orders for New Projects initiated in Q3
 - Shoe Press for PM 4 – State-of-the-art Shoe Press ordered from Bellmer Gapcon, Germany.
 - DDS ordered for Pulp Mill which will result in higher production and pulp yield with lower steam consumption.
- Work initiated on the development of CPC for additional production of 20 Lakh saplings in FY25.
- The Board has revised the capex cost of projects for upgradation, environment & sustainability initiatives, modernization and capacity enhancement to Rs. 735 crores, which will enhance the production capacity by 50%. The cost is proposed to be funded through a mix of debt and internal accruals.

PARTICULARS (INR MN)	Q3-FY24	Q3-FY23	Y-o-Y	Q2-FY24	Q-o-Q
Operational Income	3,015	3,506	(14.0)%	2,982	1.1%
Total Expenses	2,221	2,456	(9.6)%	2,176	2.1%
EBITDA	794	1,050	(24.4)%	806	(1.5)%
EBITDA Margins (%)	26.33%	29.95%	(362) Bps	27.03%	(70) Bps
Other Income	7	12	(41.7)%	10	(30.0)%
Depreciation	123	114	7.9%	119	3.4%
Finance Cost	113	175	(35.4)%	123	(8.1)%
PBT	565	773	(26.9)%	574	(1.6)%
Tax	143	200	(28.5)%	147	(2.7)%
Profit After Tax	422	573	(26.4)%	427	(1.2)%
PAT Margins (%)	14.00%	16.34%	(234) Bps	14.32%	(32) Bps
Diluted EPS (INR)	4.83	6.56	(26.4)%	4.89	(1.2)%

PARTICULARS (INR MN)	9M-FY24	9M-FY23	Y-o-Y
Operational Income	9,124	9,658	(5.5)%
Total Expenses	6,430	7,007	(8.2)%
EBITDA	2,694	2,651	1.6%
<i>EBITDA Margins (%)</i>	29.53%	27.45%	207 Bps
Other Income	26	35	(25.7)%
Depreciation	360	339	6.2%
Finance Cost	348	551	(36.8)%
Exceptional Items	-	634	NA
PBT	2,012	1,162	73.1%
Tax	513	451	13.7%
Profit After Tax	1,499	711	NA
<i>PAT Margins (%)</i>	16.43%	7.36%	907 Bps
Diluted EPS (INR)	17.18	8.15	NA

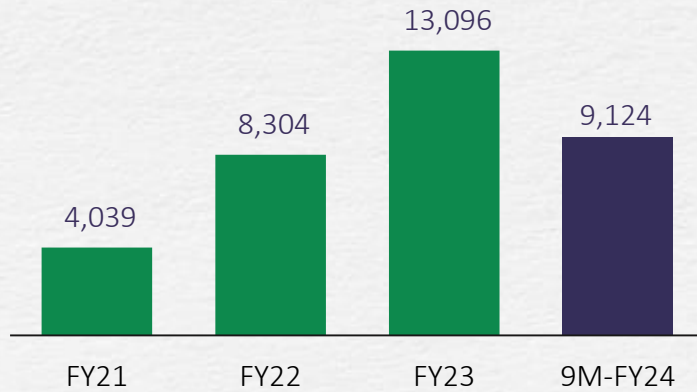
HISTORICAL INCOME STATEMENT

PARTICULARS (INR MN)	FY21	FY22	FY23	9M-FY24
Operational Income	4,039	8,304	13,096	9,124
Total Expenses	3,746	7,114	9,304	6,430
EBITDA	293	1,190	3,792	2,694
EBITDA Margins (%)	7.25%	14.33%	28.96%	29.53%
Other Income	100	38	36	26
Depreciation	348	462	454	360
Finance Cost	277	689	710	348
Exceptional Items	86	-	(634)	-
PBT	(318)	77	2,030	2,012
Tax	(191)	(57)	668	513
Profit After Tax	(127)	134	1,362	1,499
PAT Margins (%)	NA	1.61%	10.40%	16.43%
Other Comprehensive Income	4	(2)	(5)	-
Total Comprehensive Income	(123)	132	1,357	1,499
Diluted EPS (INR)	(1.46)	1.54	15.60	17.18

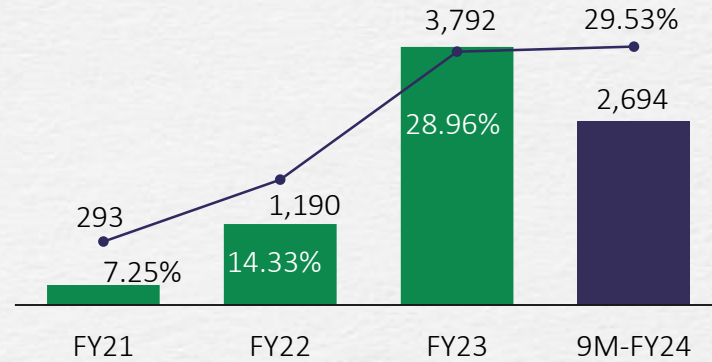
ASSETS (INR MN)	FY22	FY23	H1-FY24
Non-Current Assets			
Property, plant and equipment	14,006	14,068	14,350
Capital work-in-progress	289	306	374
Investment property	76	75	74
Other intangible assets	-	-	4
Financial assets			
• Other financial assets	86	39	41
Income tax assets (net)	3	16	18
Other Non-current 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

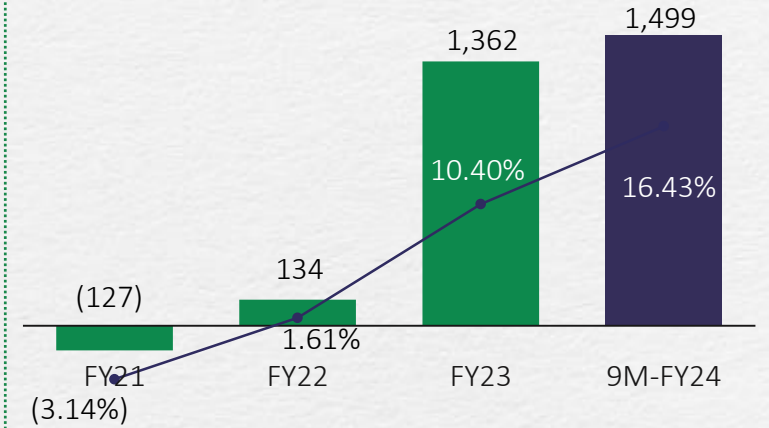
Operational Revenue (INR Mn)



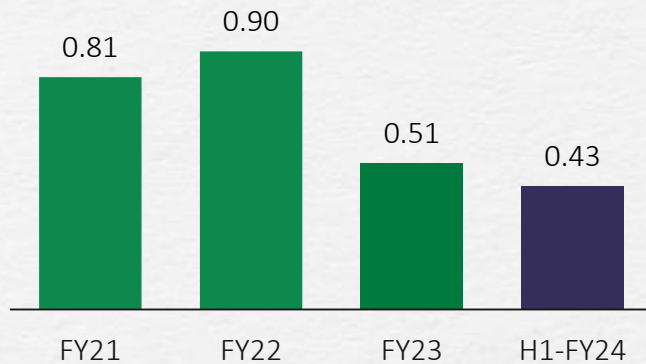
EBITDA (INR Mn) & EBITDA Margin (%)



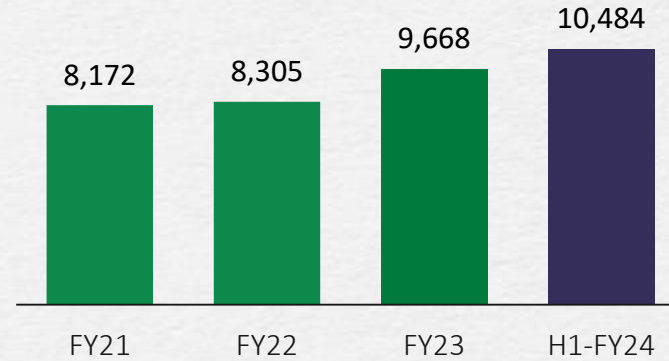
PAT (INR Mn) & PAT Margins (%)



Net Debt to Equity



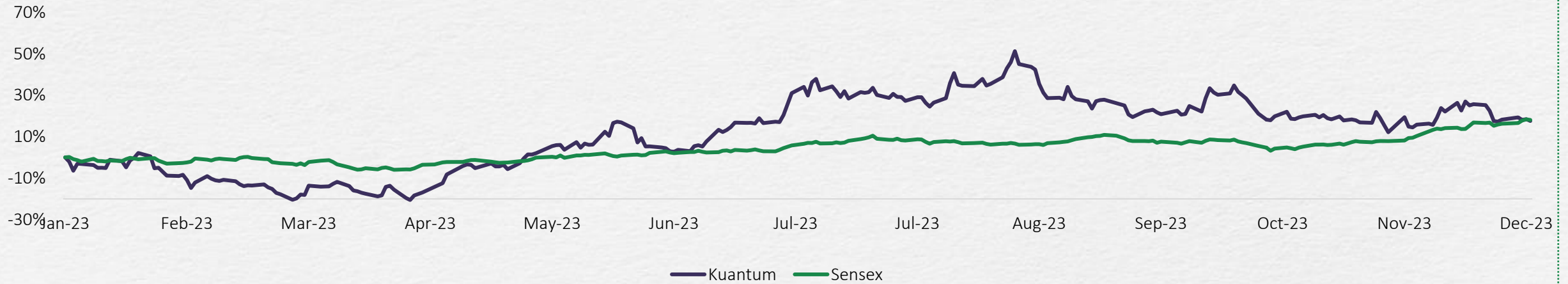
Net Worth (INR Mn)



Cash Conversion Cycle



Share Price Movement (Up to 31st December, 2023)

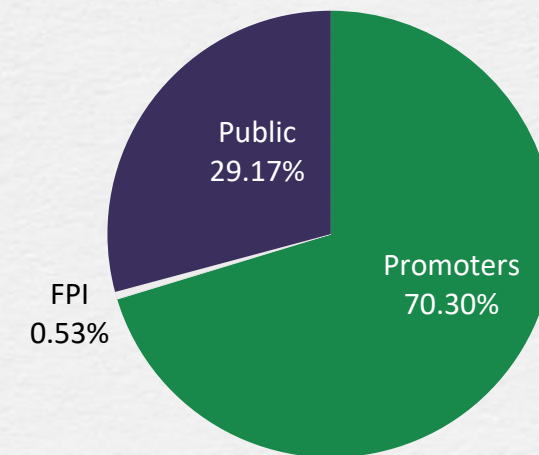


Price Data (31st December, 2023)

INR

Face Value	1.0
Market Price	171.9
52 Week H/L	225.5 / 112.0
Market Cap (Mn)	15,000.6
Equity Shares Outstanding (Mn)	87.3
1 Year Avg Trading Volume ('000)	269.8

Shareholding Pattern as on 31st December, 2023



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Thank You