



EARNINGS PRESENTATION

Q2/H1-FY25

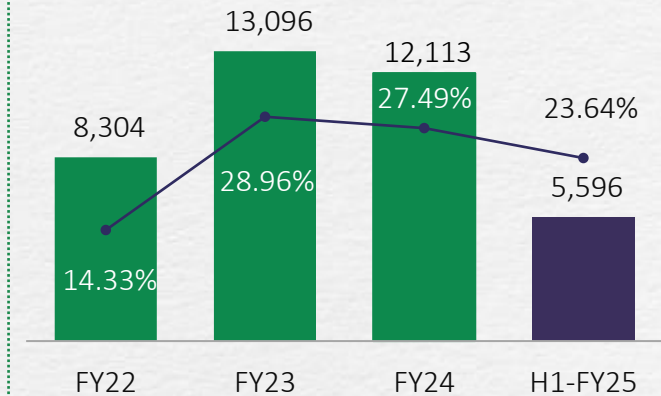


ABOUT KUANTUM PAPERS

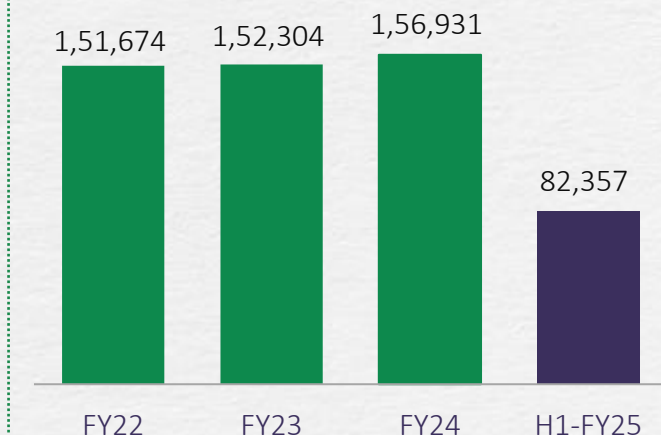


- Kuantum Papers Ltd, a leading agro and wood-based paper manufacturer started its commercial operations in 1980 in an economically backward village of Hoshiarpur, Punjab.
- They started their production with 30 TPD and with continuous process upgrades and backward integration projects are now currently operating at 450 TPD.
- Due to its location in the foothills of the Shivalik range, 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, 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 9,764 acres and it aims to expand it to 50,700 acres by 2028-29.

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



Sales Volume (MT)



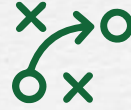
KEY STRENGTHS



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



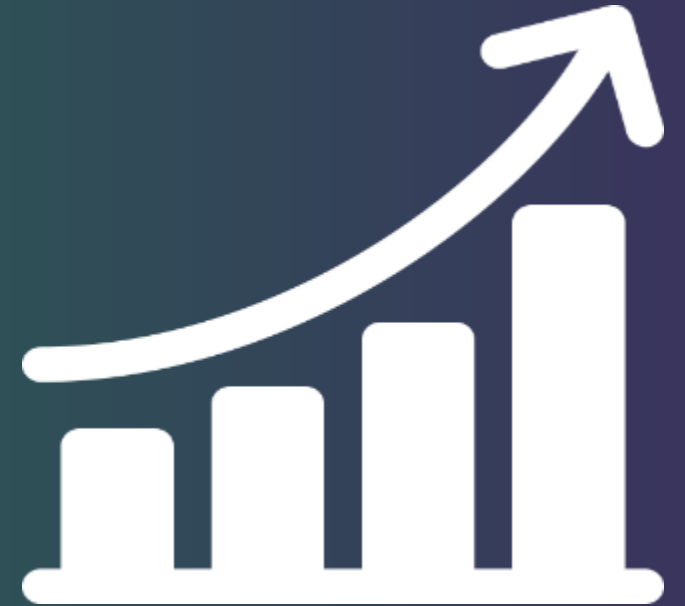
Leveraging single use plastic ban by developing a portfolio of specialty products for a sustainable future



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

Q2/H1-FY25

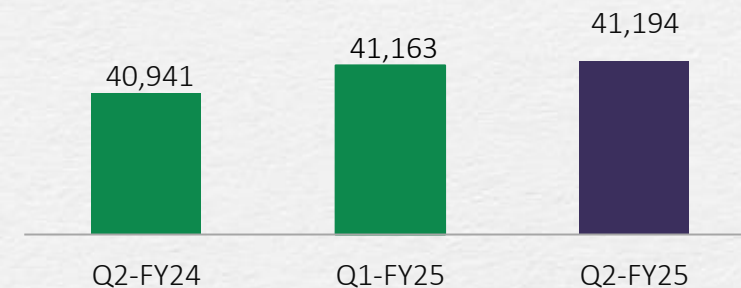
Q2-FY25 Financial Highlights

INR 2,789 Mn Income from Operations	INR 608 Mn EBITDA	21.80% EBIDTA Margins
INR 299 Mn Net Profit	10.72% PAT Margins	INR 3.43/Share Diluted EPS

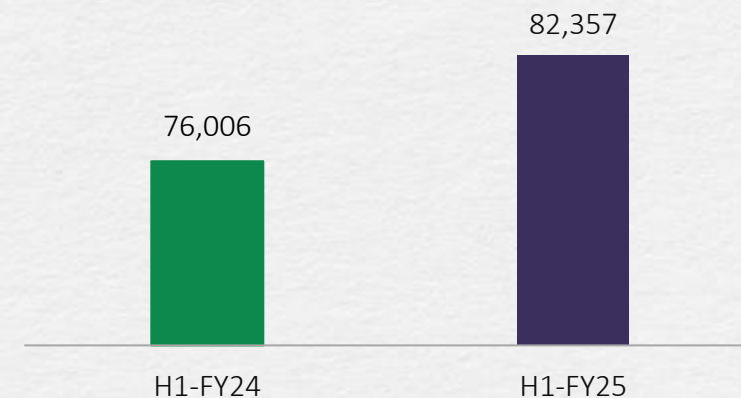
H1-FY25 Financial Highlights

INR 5,596 Mn Income from Operations	INR 1,323 Mn EBITDA	23.64% EBIDTA Margins
INR 681 Mn Net Profit	12.17% PAT Margins	INR 7.80/Share Diluted EPS

Quarterly Sales Volume (MT)



Half-Yearly Sales Volume (MT)



- Q2 FY25 was a challenging quarter for the paper industry due to high levels of imports, which led to a dip in demand in the domestic market. Despite these challenges, the company maintained a healthy EBITDA of 21.8% in Q2 and 23.5% for H1.
- The YoY decline of 6.5% in operational income for Q2 was mainly due to a reduction in net sales realization (NSR) by INR 6,000 per ton.
- Chip Washing System was installed at pulp mill, for removal of dust and sand from veneer waste chips leading to better pulp quality and yield.
- Commissioned dedicated Clarifiers for Canal Water Treatment in August 2024, enabling superior treatment of water for usage in operations.
- Relaunched Konquer Copier Paper with vibrant new packaging which is a premium-quality copier paper designed for high performance and superior print clarity.
- As part of Project Nirmaan's Industry 4.0 integration, the installation of online sensors and control logic for the Wood Bleach Section has been successfully completed.
- The financing for the Mill Upgradation Project has been completed, and orders for all major equipment have been placed. The project remains on track for completion by March 2026.

PARTICULARS (INR MN)	Q2-FY25	Q2-FY24	Y-o-Y	Q1-FY25	Q-o-Q
Operational Income	2,789	2,982	(6.5)%	2,807	(0.6)%
Total Expenses	2,181	2,176	0.2%	2,091	4.3%
EBITDA	608	806	(24.6)%	716	(15.1)%
<i>EBITDA Margins (%)</i>	<i>21.80%</i>	<i>27.03%</i>	<i>(523) Bps</i>	<i>25.51%</i>	<i>(371) Bps</i>
Other Income	17	10	70.0%	9	88.9%
Depreciation	130	119	9.2%	125	4.0%
Finance Cost	94	123	(23.6)%	90	4.4%
PBT	401	574	(30.1)%	510	(21.4)%
Tax	102	147	(30.6)%	128	(20.3)%
Profit After Tax	299	427	(30.0)%	382	(21.7)%
<i>PAT Margins (%)</i>	<i>10.72%</i>	<i>14.32%</i>	<i>(360) Bps</i>	<i>13.61%</i>	<i>(289) Bps</i>
Diluted EPS (INR)	3.43	4.89	(29.9)%	4.38	(21.7)%

PARTICULARS (INR MN)	H1-FY25	H1-FY24	Y-o-Y
Operational Income	5,596	6,110	(8.4)%
Total Expenses	4,273	4,209	1.5%
EBITDA	1,323	1,901	(30.4)%
<i>EBITDA Margins (%)</i>	<i>23.64%</i>	<i>31.11%</i>	<i>(747) Bps</i>
Other Income	26	18	44.4%
Depreciation	255	236	8.1%
Finance Cost	184	236	(22.0)%
PBT	910	1,447	(37.1)%
Tax	229	369	(37.9)%
Profit After Tax	681	1,078	(36.8)%
<i>PAT Margins (%)</i>	<i>12.17%</i>	<i>17.64%</i>	<i>(547) Bps</i>
Diluted EPS (INR)	7.80	12.35	(36.8)%

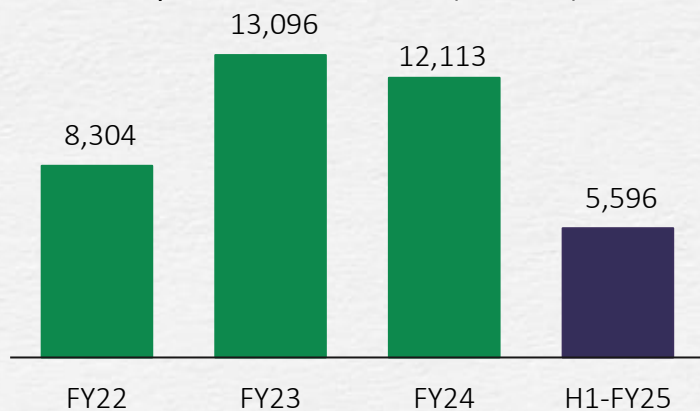
HISTORICAL INCOME STATEMENT

PARTICULARS (INR MN)	FY22	FY23	FY24	H1-FY25
Operational Income	8,304	13,096	12,113	5,596
Total Expenses	7,114	9,304	8,783	4,273
EBITDA	1,190	3,792	3,330	1,323
<i>EBITDA Margins (%)</i>	<i>14.33%</i>	<i>28.96%</i>	<i>27.49%</i>	<i>23.64%</i>
Other Income	38	36	56	26
Depreciation	462	454	482	255
Finance Cost	689	710	428	184
Exceptional Items	-	634	-	-
PBT	77	2,030	2,476	910
Tax	(57)	668	638	229
Profit After Tax	134	1,362	1,838	681
<i>PAT Margins (%)</i>	<i>1.61%</i>	<i>10.40%</i>	<i>15.17%</i>	<i>12.17%</i>
Other Comprehensive Income	(2)	(5)	(6)	-
Total Comprehensive Income	132	1,357	1,832	681
Diluted EPS (INR)	1.54	15.60	21.07	7.80

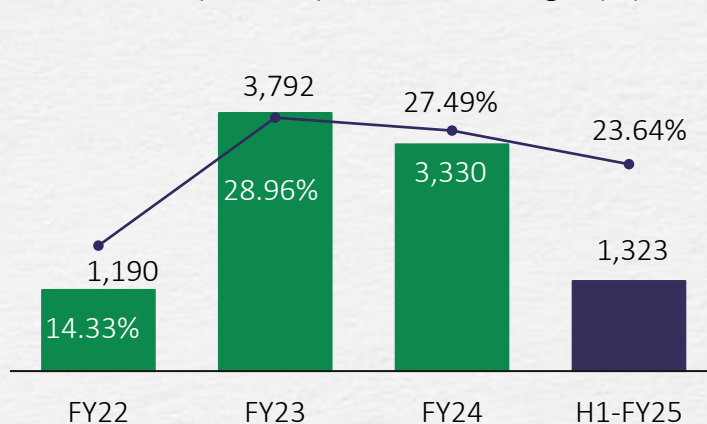
ASSETS (INR MN)	FY23	FY24	H1-FY25
Non-Current Assets			
Property, plant and equipment	14,068	14,678	15,252
Capital work-in-progress	306	419	756
Investment property	75	74	73
Other intangible assets	-	-	48
Financial assets			
• Other financial assets	39	39	49
Income tax assets (net)	16	16	16
Other Non-current assets	259	585	666
Total Non-Current Assets	14,763	15,811	16,860
Current Assets			
Inventories	901	1,128	1,079
Financial assets			
• Trade receivable	287	342	303
• Cash and Cash equivalents	15	706	5
• Other bank balances	157	73	83
• Others financial assets	16	28	22
Other current assets	756	789	838
Total Current Assets	2,132	3,066	2,330
Total Assets	16,895	18,877	19,190

EQUITY & LIABILITIES (INR MN)	FY23	FY24	H1-FY25
Equity			
Equity share capital	87	87	87
Other equity	9,581	11,151	11,570
Total Equity	9,668	11,238	11,657
Liabilities			
Non-Current Liabilities			
Financial liabilities			
• Borrowings	3,678	3,070	2,607
• Other financial liabilities	228	247	686
Provisions	13	-	-
Deferred tax liabilities (net)	1172	1,257	1,320
Deferred income	49	46	44
Total Non-Current Liabilities	5,140	4,620	4,657
Current Liabilities			
Financial Liabilities			
• Borrowings	1,450	2,055	2,300
• Trade payables	258	569	365
• Other financial liabilities	198	233	110
Other current liabilities	84	77	36
Provisions	3	1	9
Deferred income	3	3	3
Current tax liabilities (net)	91	81	53
Total Current Liabilities	2,087	3,019	2,876
Total Liabilities	7,227	7,639	7,533
Total Equity and Liabilities	16,895	18,877	19,190

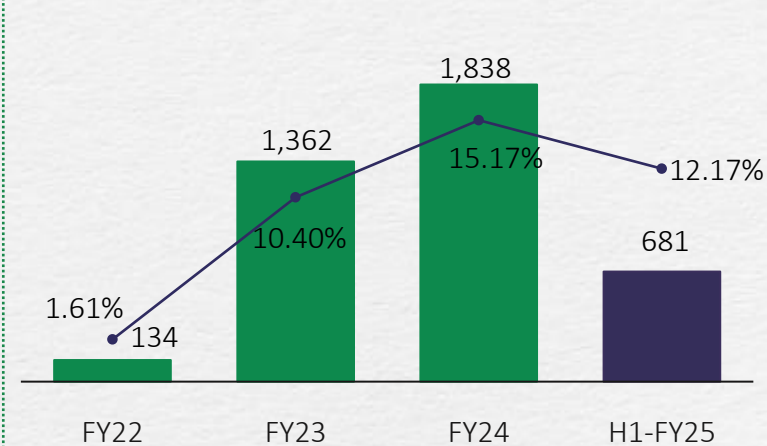
Operational Revenue (INR Mn)



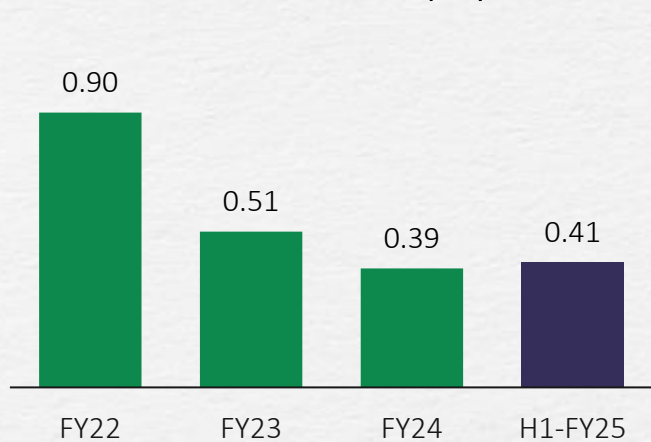
EBITDA (INR Mn) & EBITDA Margin (%)



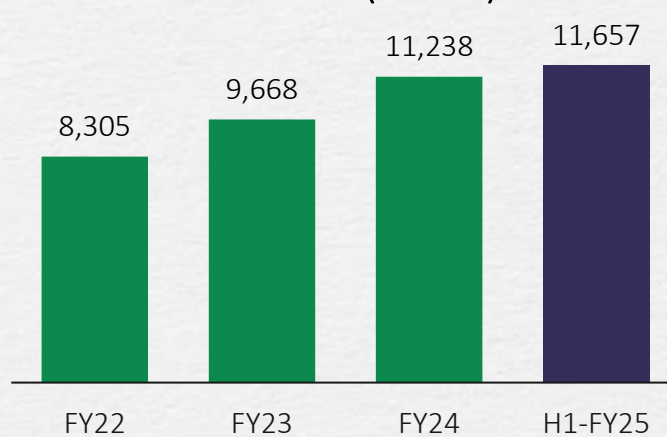
PAT (INR Mn) & PAT Margins (%)



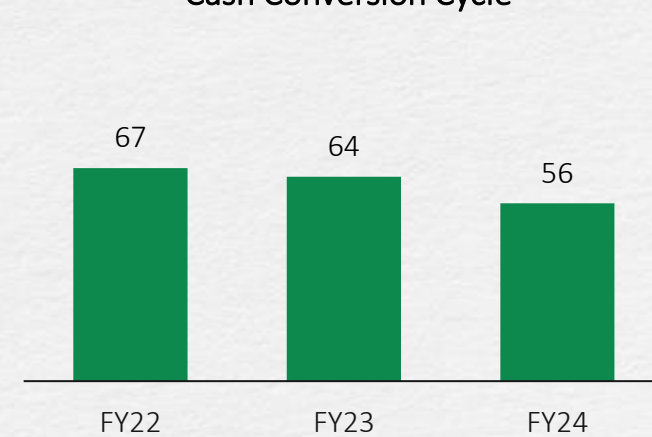
Net Debt to Equity



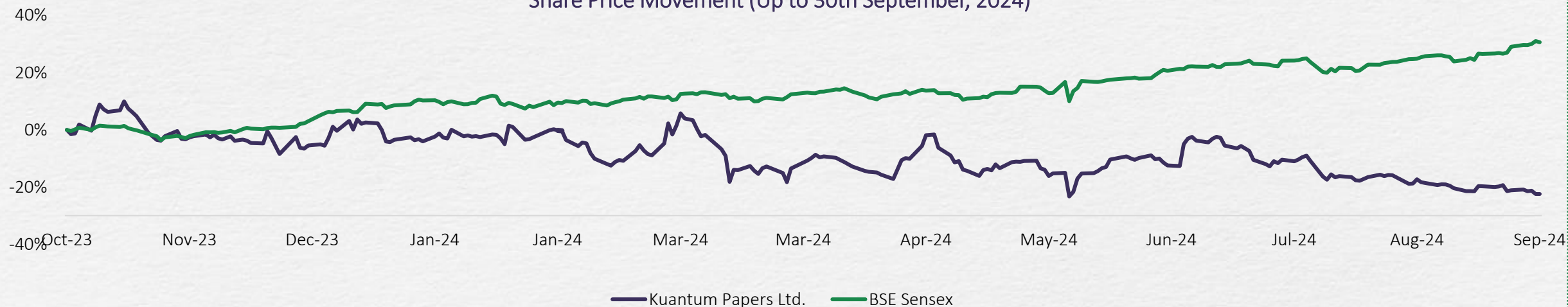
Net Worth (INR Mn)



Cash Conversion Cycle



Share Price Movement (Up to 30th September, 2024)

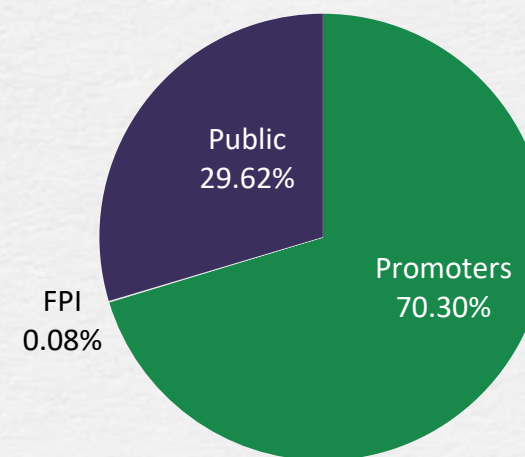


Price Data (30th September, 2024)

INR

Face Value	1.0
Market Price	156.9
52 Week H/L	199.6 / 128.2
Market Cap (Mn)	12,164.6
Equity Shares Outstanding (Mn)	87.3
1 Year Avg Trading Volume ('000)	297.7

Shareholding Pattern as on 30th September, 2024



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Thank You