Kuantum Papers

EARNINGS PRESENTATION

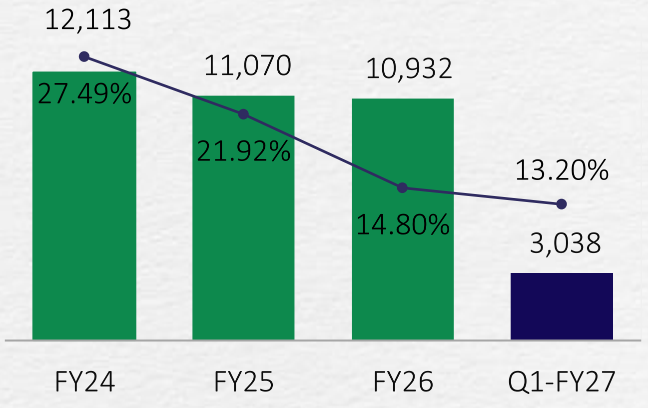
Q1-FY27

ABOUT KUANTUM PAPERS

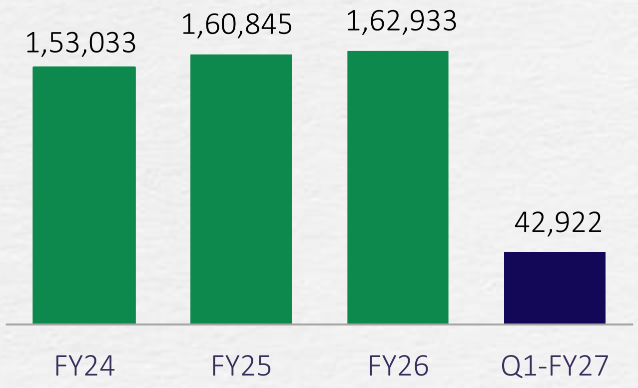
Kuantum Papers

- 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 540 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, cream wove and value added specialty products like thermal paper, bond paper, parchment paper, azure laid paper, cartridge paper, coloured paper, ledger paper, stiffener 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 120+ 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 26 countries.
- Its Marquee clients include Macmillan Education India, McGraw Hill Education India, Oxford University Press, Pearson India Education Services, HT Media, Rachna Sagar, Chitra Prakashan India, Magic International, SBM Industries, Today Diaries amongst others.
- The company's Social Farm Forestry Program covers wood plantations of 19,600+ acres and it aims to expand it to 75,000 acres by 2030.

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



Paper 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

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

BRAND

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

The company aims to augment the Clonal Propagation Center's capacity to produce 1 crore clones annually, covering more than 75,000 acres by 2030 to ensure a sustainable source of wood material

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

CURRENT MANUFACTURING FACILITIES

Kuantum Papers

	Pulping Facilities	Paper Machines	Chemical Recovery Plant	Co-Gen Power Plant
Segment				
Capacity	Total Capacity - 365 TPD • Agro Based Pulp - 165 TPD • Wood Pulp - 200 TPD	Total Approved Capacity - 540 TPD • Machine 1 - 65 TPD • Machine 2 - 75 TPD • Machine 3 - 115 TPD • Machine 4 - 285 TPD	Total Capacity - 700 Solids TPD • Recovery Boiler 1 - 200 Solids TPD • Recovery Boiler 2 - 500 Solids TPD	Turbines: Total Installed 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.

FUTURE GROWTH STRATEGY

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

Exploring technology in the specialty / tissue paper segment to diversify product portfolio

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

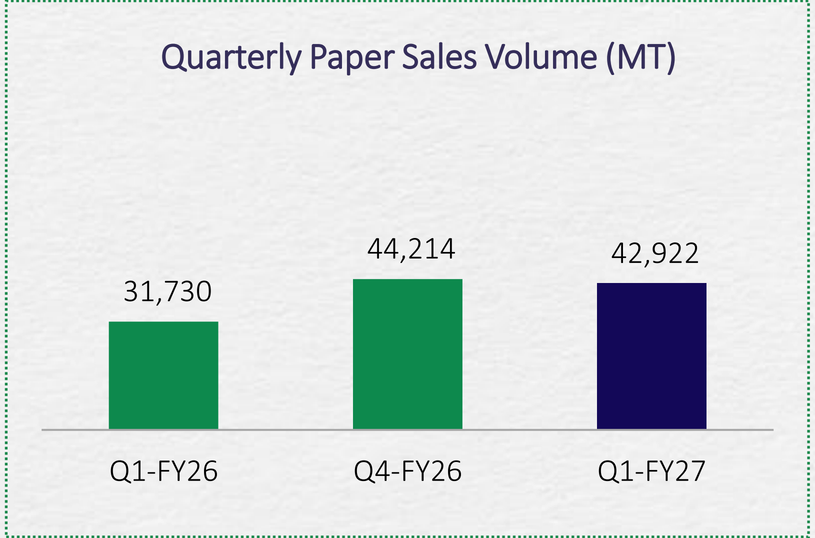
FINANCIAL & OPERATIONAL HIGHLIGHTS

Q1-FY27

Q1-FY27 FINANCIAL HIGHLIGHTS

Kuantum Papers

Q1-FY27 Financial Highlights		
INR 3,038 Mn Income from Operations	INR 401 Mn EBITDA	13.20% EBIDTA Margins
INR 62 Mn Net Profit	2.05% PAT Margins	INR 0.71/Share Diluted EPS



Q1-FY27 OPERATIONAL HIGHLIGHTS

Financial Highlights

- Operational Income grew 36.3% YoY to ₹3,038 Mn, supported by a 35.3% YoY increase in paper sales volume to 42,922 MT, reflecting strong volume-led growth during the quarter.
- In Q1-FY27, the company was able to command a higher NSR both in the domestic and export markets on the back of improved demand. However, this improved blended NSR of ~INR 3,400/ton was offset by the increase in cost by ~INR 4,200/ton driven by higher raw material, chemical and fuel prices amid the ongoing West Asia War leading to a an EBITDA of 13.20%.

Mill Expansion and Upgradation Project Updates:

- Successfully commissioned Displacement Digestor System (DDS) for Wood Pulping. This will result in optimization of pulp quality & yield as well as reduce overall utility and pulp cost.
- Native starch system commissioned on Paper Machine 2 and Paper Machine 3, to improve paper properties and reduce uncooked starch losses.
- Installed a state-of-the-art Folio Ream Wrapping Machine for automated wrapping and packing of high folio sheets, along with an integrated labelling and stacking system.
- Paper Machine 3 has been shut down for a major rebuilt, which will result in enhanced production and improved quality.

New Product Development with Sustainability:

- OGR (Oil & Grease Resistant) Paper for food wrapping was successfully produced on Paper Machine 2, which has added another high value specialty paper to the company’s portfolio.

Environment and Sustainability Focus:

- Achieved the highest ever quarterly production of 17.28 lakh clonal saplings in Q1-FY27.
- Added 1,299 acres of social farm forestry in Q1-FY27, taking the total area under plantation to 19,655 acres.

QUARTERLY FINANCIAL PERFORMANCE

PARTICULARS (INR Mn)	Q1-FY27	Q1-FY26	Y-o-Y	Q4-FY26	Q-o-Q
Operational Income	**3,038**	**2,229**	**36.3%**	**3,009**	**1.0%**
Total Expenses	2,637	1,825	44.5%	2,531	4.2%
EBITDA	**401**	**404**	**(0.7)%**	**478**	**(16.1)%**
EBITDA Margins (%)	*13.20%*	*18.12%*	*(492) Bps*	*15.89%*	*(269) Bps*
Other Income	29	14	107.1%	12	141.7%
Depreciation	177	152	16.4%	172	2.9%
Finance Cost	145	104	39.4%	132	9.8%
PBT	**108**	**162**	**(33.3)%**	**186**	**(41.9)%**
Tax	46	41	12.2%	43	7.0%
Profit After Tax	**62**	**121**	**(48.8)%**	**143**	**(56.6)%**
PAT Margins (%)	*2.05%*	*5.43%*	*(338) Bps*	*4.75%*	*(270) Bps*
Diluted EPS (INR)	**0.71**	**1.38**	**(48.6)%**	**1.64**	**(56.7)%**

HISTORICAL INCOME STATEMENT

PARTICULARS (INR Mn)	FY24	FY25	FY26	Q1-FY27
Operational Income	**12,113**	**11,070**	**10,932**	**3,038**
Total Expenses	8,783	8,644	9,314	2,637
EBITDA	**3,330**	**2,426**	**1,618**	**401**
EBITDA Margins (%)	*27.49%*	*21.92%*	*14.80%*	*13.20%*
Other Income	56	61	65	29
Depreciation	482	540	653	177
Finance Cost	428	393	464	145
Exceptional Items	-	-	-	-
PBT	**2,476**	**1,554**	**566**	**108**
Tax	638	402	146	46
Profit After Tax	**1,838**	**1,152**	**420**	**62**
PAT Margins (%)	*15.17%*	*10.41%*	*3.84%*	*2.05%*
Other Comprehensive Income	(6)	(2)	(2)	-
Total Comprehensive Income	**1,832**	**1,150**	**418**	**62**
Diluted EPS (INR)	**21.07**	**13.20**	**4.81**	**0.71**

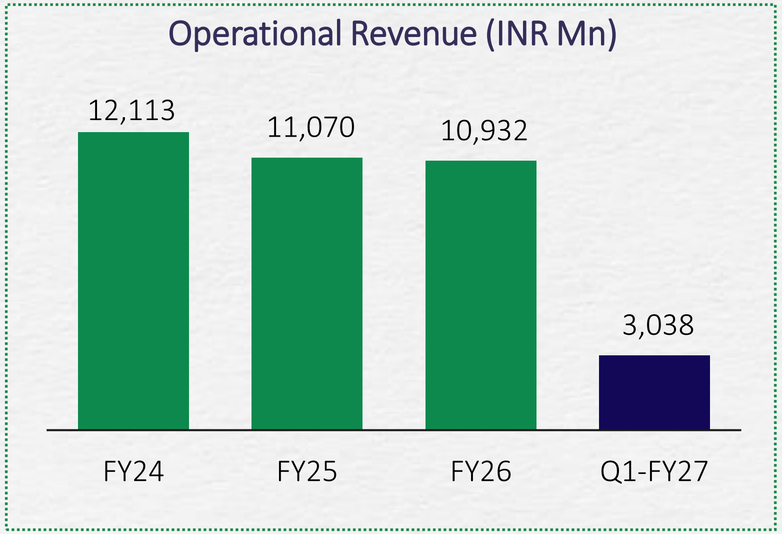
BALANCE SHEET

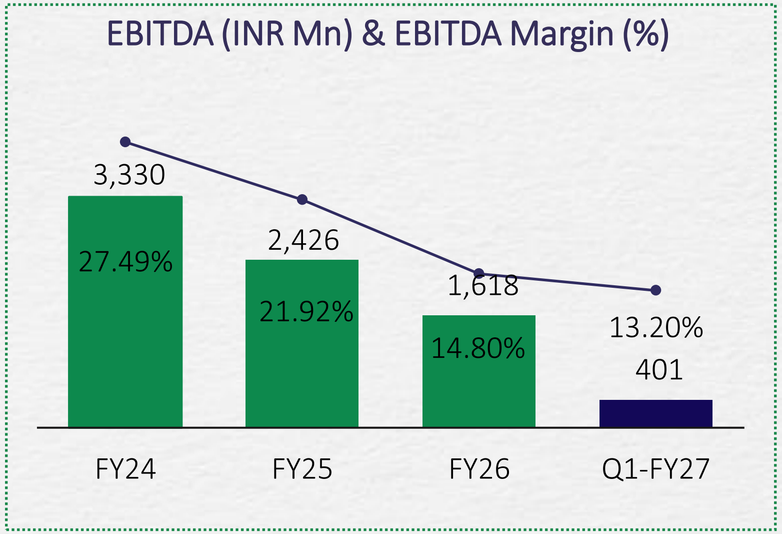
ASSETS (INR Mn)	FY24	FY25	FY26
Non-Current Assets			
Property, plant and equipment	14,678	16,013	18,099
Right of use assets	-	-	99
Capital work-in-progress	415	1,552	2,625
Investment property	74	72	71
Other intangible assets	-	101	107
Intangible assets Under development	4	11	8
Financial assets			
• Investments	-	-	10
• Other financial assets	39	49	108
Income tax assets (net)	16	16	77
Other Non-current assets	585	601	229
Total Non-Current Assets	**15,811**	**18,415**	**21,433**
Current Assets			
Inventories	1,128	1,262	1,314
Financial assets			
• Trade receivable	342	391	443
• Cash and Cash equivalents	706	92	409
• Other bank balances	73	122	76
• Others financial assets	28	10	8
Other current assets	789	836	306
Total Current Assets	**3,066**	**2,713**	**2,556**
Total Assets	**18,877**	**21,128**	**23,989**

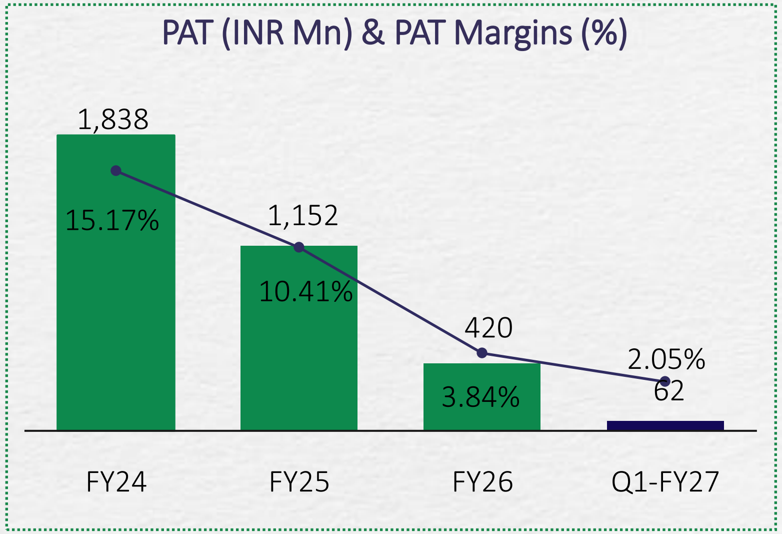
EQUITY & LIABILITIES (INR Mn)	FY24	FY25	FY26
Equity			
Equity share capital	87	87	87
Other equity	11,151	12,040	12,196
Total Equity	**11,238**	**12,127**	**12,283**
Liabilities			
Non-Current Liabilities			
Financial liabilities			
• Borrowings	3,070	4,027	5,897
• Lease liabilities	-	-	89
• Other financial liabilities	247	262	274
Deferred tax liabilities (net)	1,257	1,400	1,545
Deferred income	46	43	41
Total Non-Current Liabilities	**4,620**	**5,732**	**7,846**
Current Liabilities			
Financial Liabilities			
• Borrowings	2,055	2,509	2,701
• Lease liabilities	-	-	10
• Trade payables	569	419	640
• Other financial liabilities	233	266	471
Other current liabilities	77	55	35
Provisions	1	-	-
Deferred income	3	3	3
Current tax liabilities (net)	81	17	-
Total Current Liabilities	**3,019**	**3,269**	**3,860**
Total Liabilities	**7,639**	**9,001**	**11,706**
Total Equity and Liabilities	**18,877**	**21,128**	**23,989**

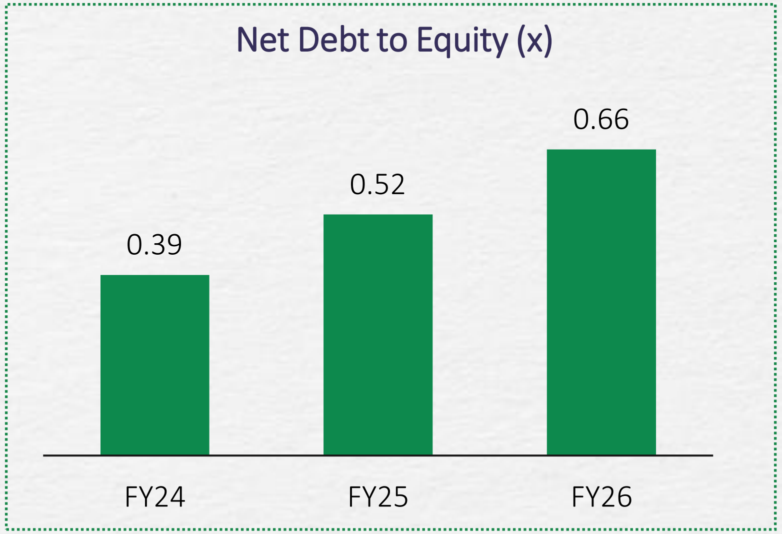
FINANCIAL HIGHLIGHTS

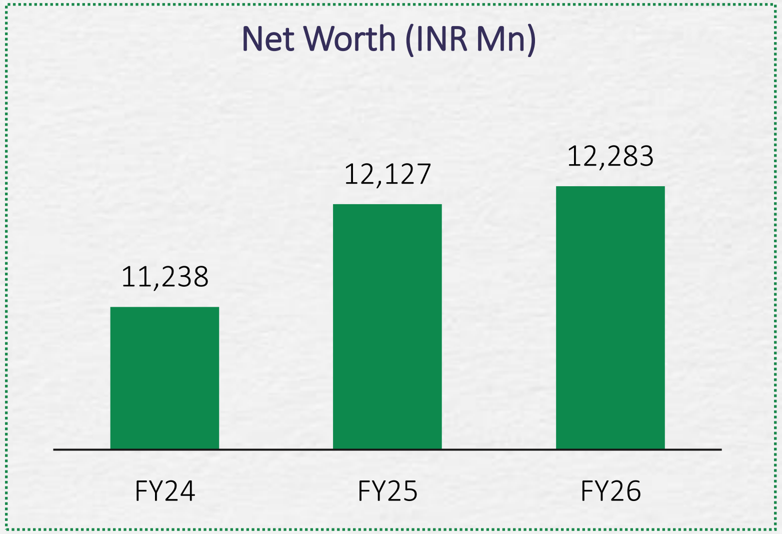
Kuantum Papers

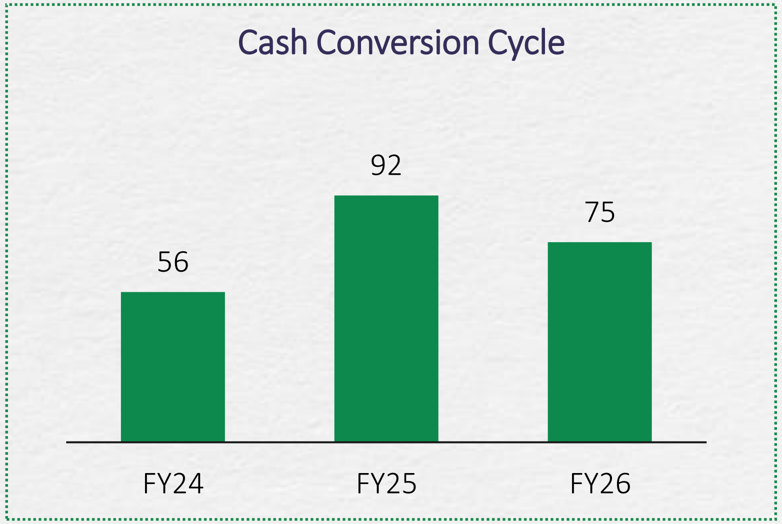




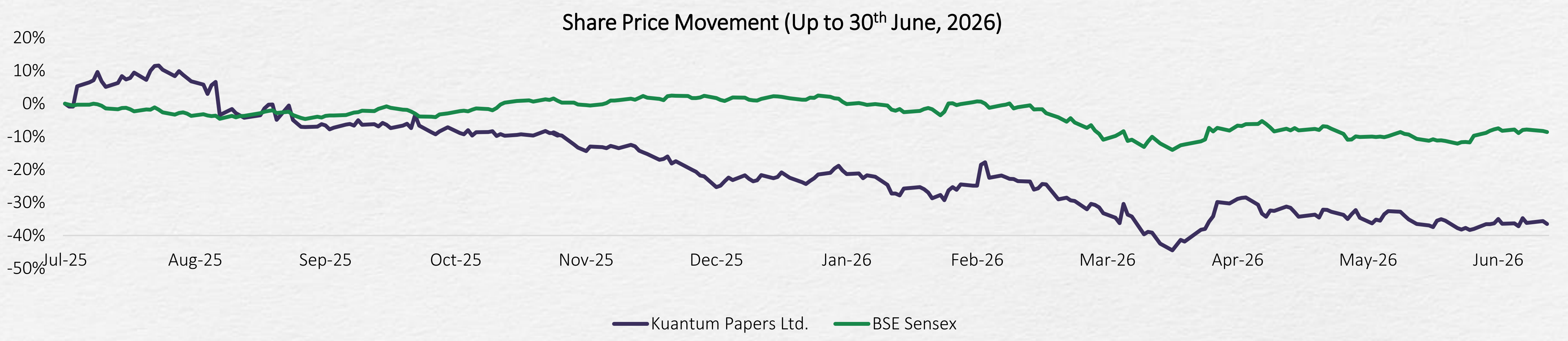




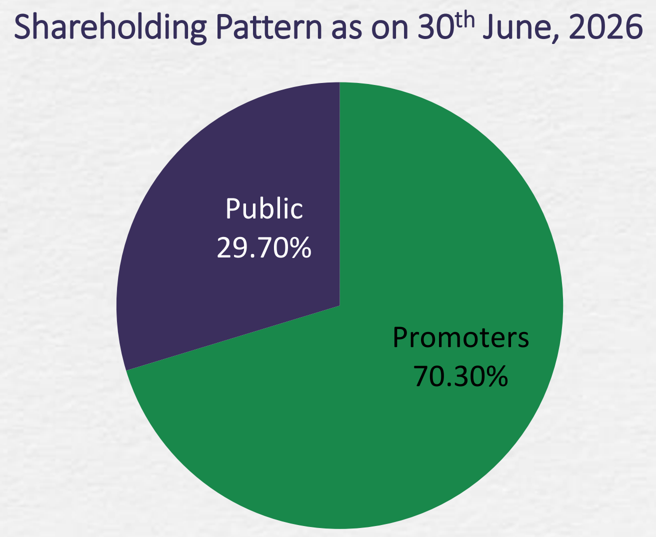




CAPITAL MARKET DATA



Price Data (30th June, 2026)	INR
Face Value	1.0
Market Price	75.7
52 Week H/L	134.3/65.5
Market Cap (INR Mn)	6,601.5
Equity Shares Outstanding (Mn)	87.3
1 Year Avg Trading Volume ('000)	73.4



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VALOREM ADVISORS

Mr. Anuj Sonpal
Valorem Advisors
Tel: +91-22-35075100
Email: anuj@valoremadvisors.com
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