



SATIA
INDUSTRIES
LIMITED

CIN: - L21012PB1980PLC004329

Manufacturer of Quality IS 1848

Writing, Printing & Speciality
Paper with ECO MARK



SIL/CS

Date: 14.08.2021

The Manager Listing Department BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai-400001 Scrip Code: 539201	The Manager, Listing Department, National Stock Exchange of India Ltd, Exchange Plaza, Plot No. C/1, G- Block, Bandra Kurla Complex, Bandra (East), Mumbai-400051 Symbol: SATIA
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Sub: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

Q1FY22-Earing Updates

Dear Sir/Madam,

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, We are enclosing herewith Q1FY22-Earing Updates.

You are requested to take the same on record.

Thanking you

Yours faithfully,

For Satia Industries Limited

(Rakesh Kumar Dhuria)
Company Secretary





SATIA INDUSTRIES LIMITED
AN ISO 9001, 1400 & OHSAS 18001 COMPANY

CIN: L21012PB1980PLC004329

Registered Office & Mill: Village Rupana, Sri Muktsar Sahib – 152032, Punjab, India

Q1 FY22 – Earning Updates

Revenue from Operations reported at ₹ 1909.06 mn in Q1FY22  by 53%

EBITDA stands at ₹ 509.97 mn in Q1FY22  by 68%

PAT at ₹219.14 mn in Q1FY22  by 90%

Muktsar, Punjab 14th Aug, 2021: Satia Industries Limited (SIL), one of the largest Wood and Agro-based paper manufacturers in India with a fully integrated manufacturing facility comprising of upgraded paper machines, agro and wood pulping plant, chemical recovery and power generation plant, announced its results for the 1st Quarter ended on 30th June, 2021.

A. Financial Statement Highlights for Q1 FY22 v/s Q1 FY21

Particulars (INR MN)	Q1 FY22	Q1 FY21	YoY %	Q4 FY21
Revenue from Operations	1909.06	1251.14	53%	1727.97
Other Income	6.99	24.92		35.83
Total Revenue	1916.05	1276.06	50%	1763.8
Total Expenses	1406.08	972.94		1468.24
EBITDA	509.97	303.12	68%	464.56
EBITDA Margin (%)	26.71	24.23	248bps	26.88%
Depreciation & Amortization Expenses	177.12	123.36		155.48
Finance Cost	42.29	44.71		49.35
PBT with Exceptional Item	290.56	135.05	115%	295.56
Exceptional Items	0	0		-
PBT	290.56	135.05	115%	295.56
Current Tax	78.2	30.56		90.88
Deferred Tax	-6.78	-11.99		-4.16
Tax	71.42	18.57		86.72
PAT	219.14	116.48	88%	208.85
Other comprehensive profit / loss	0.79	-0.79		5.51
Net PAT	219.93	115.69	90%	214.36
TOTAL Comprehensive PAT Margin %	11.52	9.25	227 bps	12.15%
Diluted EPS	2.19	1.16	89%	2.09

Financial Performance Comparison – Q1 FY22 v/s Q1 FY21

- The total Revenue from operations increased by 53% from ₹ 1251.14 mn in Q1 FY21 to ₹ 1909.06 mn in Q1 FY22 owing to higher capacity utilization of 124% against 87% in Q1FY21.
- EBITDA increased by 68.24% from ₹ 509.97 mn in Q1 FY21 to ₹ 303.12 mn in Q1 FY22, mainly due to higher total revenue and lower fixed cost per ton of paper.
- EBITDA margins have increased and reported at 26.71% in Q1 FY22, compared to 24.23% in Q1 FY21.
- Finance Cost declined by 5.41% from ₹ 44.71 mn in Q1 FY21 to ₹ 42.29 mn in Q1 FY22.
- Net profit stood at ₹ 219.93 mn in Q1 FY22, compared to ₹ 115.69 mn in Q1 FY21.

B. Business Updates:

Operational Highlights of Q1 FY22 performance:

- Despite Covid restrictions, SIL's business continues to see persistent traction from state textbook boards and open market. We have been able to record a further growth in SIL's production level of **32627 MT in the Q1 FY22 as compared to the production of 22809 MT in Q1 FY21.**
- SIL's sustained and healthy relationships with the State Textbook Board Corporations pan India has helped them secure **orders at gross higher realization per ton.**
- The higher production was in line with the healthy growth in **sales volume from 33,654 ton in Q4 FY21 to 34654 ton in Q1 FY22** with increased demand and traction in the writing and printing sector.
- In continuation of SIL's robust order book status, as shared in SIL's earlier quarterly updates, SIL has orders in hand for over 30 days.
- SIL's key product sold during the quarter **was Maplitho Paper** for State Text Book Board besides **Snow White Paper, Super Snow-White Paper and more than doubled the share of Copier and Cup stock paper over the Q1FY21.**

Updates on SIL's ₹ 5,000 mn expansion plan:

- Our **Multifuel, 75 ton steam per hour capacity,** boiler has been commissioned and presently we are burning rice straw as fuel in this boiler which is **cheaper by over 50% as compared to rice husk.** This initiative of the company has gone a long way in curbing air pollution which would have been caused by burning of over 125,000 ton rice straw by farmers in their farms without any protection of Electrostatic precipitator.
- The erection work of **4th paper machine** is almost 85% complete.
- **Deinking plant mechanical erection is almost complete** and is expected to commence operations by end of October,2021.
- Civil work of **wood pulping plant is almost 80% complete,** and it is expected to partly commence operations by end of September 2021.
- Soda recovery plant, ETP upgradation and new 14 MW turbine are all complete and are operational.

Updates on new product line – Table Cutlery

- SIL has installed two Table cutlery machines with an **annual capacity of 2000 tonnes**. The erection and installation work is completed and **commercial production will commence from Sept., 2021**.
- Zume, a US-based global brand, engaged in producing and outsourcing of moulded table cutlery products has agreed to share its patented customized designs with SIL for manufacturing and marketing packaging product as desired and demanded by the global market. The expected average realization will be **higher by 40-50%** as compared to local manufacturers' market realization.

C. Management Comments

Commenting on the performance of Q1 FY22, Mr. R. K. Bhandari, Joint Managing Director said, *“At the end of last quarter, the paper industry was expecting huge surge in demand from the expectation of reopening of educational institutions. But this expectation was impaired by the outbreak of 2nd wave of COVID-19 which brought along with it extended lockdowns and deceleration of economic activity. Whilst W&P paper industry was under stress and even the most established players were operating at lower capacity utilization, SIL emerged as a true leader with average capacity utilization of 124% % and higher price realization for Q1 FY22 thanks to its marketing strategy.*

Our ambitious INR 5000 mn expansion plan is progressing as expected. We expect the additional capacity of 100,000 MT to come into production by the end of Q3 FY22. A total of over 4000 mn has been spent on the development of the new project, out of which ₹ 2500 mn is disbursed by the Banks and rest is financed from Internal Accruals.

Further, Table cutlery machines erection is complete and mechanical trials are going on and we expect to commercially start operations before end of current quarter.

We are very confident that our capex plans, strategy of venturing into new high growth potential green products and investing in latest modern technologies promises to unlock great benefits for all our stakeholders in future.

Our govt's reassertion on 13th August,2021 to ban Single Use Plastic items from July 1, 2022 will open new opportunities for the Paper industry as a whole and endorses our futuristic decision to enter into Cutlery segment well in time.”

D. Management Guidance for FY22:

SIL's 4th machine is expected to be commissioned within this calendar year and we look forward to achieve over 1,50,000 tons of production this year with significant 50 – 60% increase in top line over the last year and at least 150 to 200 bps EBIDTA margin accretion in FY22 compared to FY21 driven by change in product mix in favour of copier paper, Cup stock and surface sized maplitho paper with higher realization and demand with additional numbers being added to both top and bottom line by SIL's 4th machine and cutlery segment whilst assuring that peak long term debt level to be around ₹3,750 mn to ₹ 4,000 mn.

About Satia Industries Limited;

Satia Industries Limited (SIL), is one of the largest Wood and Agro-based paper manufacturers in India. SIL was incorporated by Dr. Ajay Satia in 1980 and commenced its operations in 1984 with a small capacity of 4850 tonne per year. It surprisingly overtook many of its peers in production, to achieve 115,000 MT in FY21 implying a capacity utilisation of ~117%. SIL has entered in a formal association with Zume, a US-based global brand in sourcing of packaging products used for meal boxes, beverages and Face Masks, etc. In last three decades, SIL has witnessed a complete transformation in its operations and it has become fully backward integrated having integrated pulping, chemical recovery, and power self-sufficiency. SIL has 540 acres of eucalyptus plantations, developed as per Karnal Technology, consumes total treated water discharge, and also compliments the future wood raw material requirements. SIL has a strong Pan-India distribution network with 70+ dealers and 3 branch offices located in Delhi, Chandigarh & Jaipur with total Employee strength of 1,264+

For further information on the Company, please visit www.satiagroup.com

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