



ASTRON PAPER & BOARD MILL LIMITED
Ahmedabad, Gujarat

Q2 & 1st Half : FY2019-20 Result Update
Press Release- 12th November, 2019

Astron Paper & Board Mill Ltd is one of the largest manufacturers of Kraft paper, used in the packaging industry. Since inception waste paper has been used as raw material instead of traditional usage of wood thus promoting the eco-friendly world. The plant is situated near Mundra port giving it locational advantage.

Astron's Kraft paper being pre-approved by clients for paper quality and specifications, is used by its customers to convert into cartons for varied large corporates in sectors like FMCG, Pharmaceuticals, Auto, E-Commerce etc. Current product portfolio High RCT paper and GSM range mainly from 80 GSM to 350 GSM with 16 to 40 BF. Astron Paper & Board has invested a lot of effort on developing new in the Kraft paper segment including import substitute products.

Please find below the highlights of the Q2FY2019-20 financial performance and results:

Q2 FY2019-20 VOLUMES DRIVE GROWTH

Revenue: For the 3 months ending Sept.2019 Consolidated Revenues at Rs.85.09 crore, were 2.8% higher QoQ, driven by higher volumes. Demand is robust, volumes on sequential basis were up 20.54% compared to previous quarter June 2019 quarter. But during the quarter, overall growth was impacted with Average Realizations for Kraft paper declining in line with the fall in Raw Material (waste paper) in global market.

Capacity Utilisation: The Company operated at 75% capacity utilisation in the 1HFY20 of its installed capacity of kraft paper of 174600 MT per annum.

Exports: Demand from overseas is strong, especially for the new paper products being developed to cater to the export market. In the six months, exports (including merchant export) accounted for 10.65% of total volume and for only in 2nd Quarter export is 13.03%. Demand from the export market remains strong and should see an increase in contribution to total revenues going forward.

EBIDTA & PAT: The EBIDTA for the 1st Half FY20 at Rs.19.67 crores was down by 24% YoY. And EBITDA margin is down by 2.50%. The reduction in average realisations in Kraft paper led to an impact on margins, given the long inventory cycle of imported raw material which has been booked at high prices. Higher Tax Burden also led to the PAT margin being lower.

Key Financial Ratios for 1HFY20 & FY19

Particulars	6M FY 2019-20	FY 2018-19
EBITDA Margin	11.71%	14.69%
Net Profit Margin	5.07%	7.57%
Interest Coverage Ratio	3.47	4.56
Current Ratio	1.20	1.16
Debt Equity	0.64	0.64

EBITDA Margin used to analyse earnings before depreciation and interest on turnover calculated by dividing PBITD by Total revenue.

Net Profit Margin used to analyse percentage earning on turnover calculated by dividing total net income by turnover.

Both EBITDA and Net profit margin reduced due to impact of reduction in selling price in global market and there is also reduction in waste paper price but entire impact of reduction in raw material not reflected in same quarter due to long inventory cycle and lead period in import of waste paper.

Management Comments

Commenting on the results Mr.Kirit Patel, Chairman and Managing Director said “The last two years have been remarkable for us, we have been able to increase the manufacturing capacity to 174,600 mtpa through expansion and also acquisitions. The

demand for Kraft paper both in India and export market is strong, with global move to reduce the use of plastics. In India the move towards banning single use plastics will further see an increase in demand for paper and paper packaging materials..

The demand for Kraft paper from China is also increasing. Our exports now contribute almost 13% of revenue, with growth remaining strong we are targeting 20% of our revenues from the export market by FY21.

The Company in its Board Meeting today accepted the resignation due to personal reasons of Independent Director Dr. Shyam Agrawal. We would like to place on record our sincere appreciation of his contribution to our Board and wish him well.

We remain confident of the prospects for strong growth and improved profitability in the period ahead. I thank the entire team of for their constant efforts, sincerity and enthusiasm. Also, I would like to thank our valued Shareholders, who have reposed faith in our Company and supported us along with their critical inputs.”

FINANCIAL PROFIT STATEMENT (Consolidated Numbers)						(Rs. Crores)		
Particulars	2Q (3mths) FY20	2Q (3 mths) FY19	Y-O-Y %	1Q (3mths) FY20	Q-O-Q %	12mths FY19	12mths FY18	Y-O-Y %
Revenue from operations	85.05	101.64	(16.3%)	82.7	2.8%	374	252.9	47.8%
Cost of materials consumed	49.82	60.52		50.88		208.1	158.1	
Purchase of stock in trade	0.01	0.00		0.06		15.81	4.46	
Change in inv. Finished Goods	-1.71	-0.45		-1.04		0.31	-3.6	
Net Raw Material cost	48.12	60.07	(19.9%)	49.9	(3.6%)	224.2	158.9	41.0%
Employee benefit expenses	4.89	3.16	57.4%	3.58	36.6	14.72	9.36	57.3%
Other Expenses	23.12	23.54	-1.8%	18.65	24.0%	81.44	52.97	53.7%
Total Expense	76.13	86.77	(12.3)	72.13	5.5%	320.33	221.32	44.7%
EBIDTA	8.90	14.87	(40.1)	10.57	(15.8)	53.62	31.61	69.6%
EBIDTA Margin %	10.47%	14.63%		12.78%		14.34%	12.5%	
Depreciation	1.56	1.09		1.44		5.44	3.52	
Other Income	0.05	0.11		0.15		1.47	0.77	
EBIT	7.40	13.89		9.28		49.65	28.86	
Interest	2.59	2.69		2.21		10.89	9.89	
PBT	4.81	11.20	(57.1)	7.07	(32.0%)	38.76	18.97	104.3%
Tax	1.28	2.1		2.07		10.36	-1.92	

PAT	3.53	9.14	(61.4)	5.00	(29.5%)	28.40	20.89	36.0%
PAT Margin %	4.15%	8.99%		6.05%		7.59%	8.26%	
Other Non-recurring Income	0.00	0.00		0.00		0.01	0	
Net Profit	3.53	9.14		5.00		28.41	20.89	
EPS (Rs.) Fully Diluted	0.76	1.97		1.08		6.11	4.49	
No of Shares	4.65	4.65		4.65		4.65	4.65	

For more details please visit: www.astronpaper.com

For any Investor Relations query please contact:

Uttam Patel, Company Secretary, Email Contact: cs@astronpaper.com

Shahina Mukadam, Investor Relations, Email Contact: shahina@valuewiseir.com

Note: Certain statements in this document may be forward-looking statements. Such forward looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Further, past performance is not necessarily indicative of future results. Given these risks, uncertainties and other risk factors, viewers are cautioned not to place undue reliance on these forward-looking statements. Astron Paper & Board Mill Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

REGISTERED OFFICE

Astron Paper & Board Mill Limited

D-702, Ganesh Meridian,

Opp High Court, S G Highway,

Ahmedabad-380060

Phone No: +91 079 40081221

Email: info@astronpaper.com