



**SATIA**  
INDUSTRIES  
LIMITED

An ISO 9001, 14001 & 45001 company  
CIN : L21012PB1980PLC004329

Manufacturer of Quality  
Writing, Printing & Speciality  
Paper with ECO MARK  
GST IN : 03AACCS7233A1ZZ  
www.satiagroup.com

IS 1848



SIL/CS

Date: 04.11.2023

The Manager, Listing Department, BSE Limited, Phiroze Jeejeebhoy Towers Dalal Street Mumbai-400001	The Manager Listing Department National Stock Exchange of India Ltd Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051.
Scrip Code: 539201	Symbol: SATIA

**Subject- Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**Press Release**

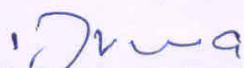
Dear Sir/ Madam,

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, We are enclosing herewith Press Release issued by the Company on its Financial Results for the Second Quarter and Half Year ended September 30, 2023.

This is for your information and records.

Thanking you,

Yours sincerely,  
For Satia Industries Ltd

  
(Rakesh Kumar Dhuria)  
Company Secretary



**SATIA INDUSTRIES LIMITED**  
AN ISO 9001, 14001 & OHSAS 18001 COMPANY

**CIN:** L21012PB1980PLC004329

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

## Satia Industries Records Strong 1HFY24 EBITDA Margins

**Punjab, 04 November 2023:** Satia Industries Limited (SIL) one of the leading wood and agro-based paper manufacturer in India, announced its results for the second quarter and half year ended September 30, 2023.

### Performance Summary

Particulars (INR Mn)	Q2FY24	Q2FY23	YoY	Q1FY24	QoQ	H1FY24	H1FY23	YoY
Revenue from Operations	3,734	4,593	-19%	4,812	-22%	8,545	8,763	-2%
EBITDA	864	930	-7%	1493	-42%	2,357	1,639	44%
EBITDA Margin (%)	23.1%	20.2%	290 bps	31.0%	-788 bps	27.6%	18.7%	889 bps
Net PAT	479	508	-6%	841	-43%	1,321	811	63%
PAT Margin %	12.8%	11.1%	178 bps	17.5%	-465 bps	15.5%	9.2%	621 bps
Diluted EPS	4.79	5.08	-6%	8.41	-43%	13.20	8.11	63%

### Key Highlights

- Revenue from operations came at **INR 3,734 Mn in Q2FY24**, a decline of 19% YoY, due to reduction in paper prices. Additionally, the company had taken maintenance shut down of its machinery, which has also impacted the production.
- Decline in prices was offset by reduction in raw material prices, due to which the gross margins were stable at **58.2% in Q2FY24** as compared to 59.1%/49.1% in Q1FY24/Q2FY23.
- The **EBITDA margins improved by 290 bps** YoY to 23.1% in Q2FY24 as compared to 20.2% in Q2FY23. For H1FY24, EBITDA margins were up by 889 bps and within the range the management has guided in the past.
- Net profit stood at **INR 479 Mn in Q2FY24**, compared to INR 508 Mn in Q2FY23, a decline of 6% YoY.
- **EPS** for the quarter was **INR 4.79** as compared to **INR 5.08** in Q2FY23.
- **Return On Capital Employed** for H1 FY24 is **28.4%**
- **Return On Equity** for H1 FY24 is **31.0%**.

### Key Developments

- Satia Industries has finished the first phase of wood pulping capex with installation of four digesters. Rest two will be installed during Q3
- The company is running two cutlery machines on trial. By end of Q3FY24, the company is expecting 6 more semi-automatic machines to come
- During the quarter, the company has **prepaid term loans of INR 284.2 Mn**

## **Management Comments**

Commenting on the financial results, Executive Director **Mr. Chirag Satia, said:**

*“During the past quarter, the industry encountered significant challenges, primarily in the form of declining prices, which had a notable impact on our revenues. Our revenues decreased by 19% year-over-year, totalling INR 3,734 Mn. Our continuous orders with State Text boards provided vital support in mitigating the effects of price declines, ensuring the stability of our gross margins throughout the quarter.*

*It's worth noting that raw material prices have started to rise in the recent past, and this upward trend could potentially affect industry margins in Q4FY24. However, due to our integrated approach, Satia Industries is well-positioned to efficiently manage cost escalations. Moreover, our reliance on 50% of revenues from State Text Boards provides a valuable safeguard, allowing us to secure revenues at fixed prices and ultimately delivering good returns to our shareholders.*

*We remain committed on maximizing our operational efficiencies and optimizing resource allocation. As a result, we consistently undertake improvement projects in our facilities, even if they are of smaller scale, strengthening our capability to effectively navigate challenges. We have successfully completed the first phase of our wood pulping capex, and the remaining phase is set to become operational in the second half of FY24. Consequently, we anticipate reaping the full benefits of this capex in the upcoming FY25.”*

## **Outlook**

- The management expects to achieve 5 to 7% growth in paper production
- The company is targeting ~200 bps improvement in the EBITDA margins in FY24 over FY23

**About Satia Industries Limited:**

**Satia Industries Limited (SIL)**, is one of the largest Wood and Agro-based paper manufacturer in India. SIL was incorporated by Dr. Ajay Satia in 1980 and commenced its operations in 1984 with a small capacity of 4,950 tonne per year. It surprisingly overtook many of its peer in production achieve, to 2,09,910 MT in FY23 implying a capacity utilization of ~102%. SIL has successfully commissioned their PM 4 and has augmented its total installed capacity to 219,000 MTPA. 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 compliments the future wood raw material requirements. SIL has a strong Pan-India distribution network with 100+ dealers and three branch offices located in Delhi, Chandigarh & Jaipur with total Employee strength of 2,200+.

*For further information on the Company, please visit [www.satiagroup.com](http://www.satiagroup.com)*

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