



02.02.2024

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| <b>BSE Limited</b><br>Phiroze Jeejeebhoy Towers<br>Dalal Street<br>Mumbai 400 001<br><b>Scrip Code: 532937</b><br><b>Scrip ID: KUANTUM</b> | <b>National Stock Exchange of India Limited</b><br>Exchange Plaza<br>Plot No. C/1, G Block,<br>Bandra-Kurla Complex, Bandra (East)<br>Mumbai 400 051<br><b>Trading Symbol: KUANTUM</b> |
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**Reg: Earnings Presentation – Disclosure under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir/Madam,

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith a copy of Earnings Presentation for Quarter ended 31<sup>st</sup> December, 2023 for your information and record purposes.

The said presentation is also being made available on the Company's website i.e. [www.kuantumpapers.com](http://www.kuantumpapers.com).

Kindly take the same on record.

Thanking You,  
Yours Sincerely  
**For Kuantum Papers Limited**

**(Gurinder Makkar)**  
**Company Secretary & Compliance Officer**  
**M. No.: F5124**



# EARNINGS PRESENTATION

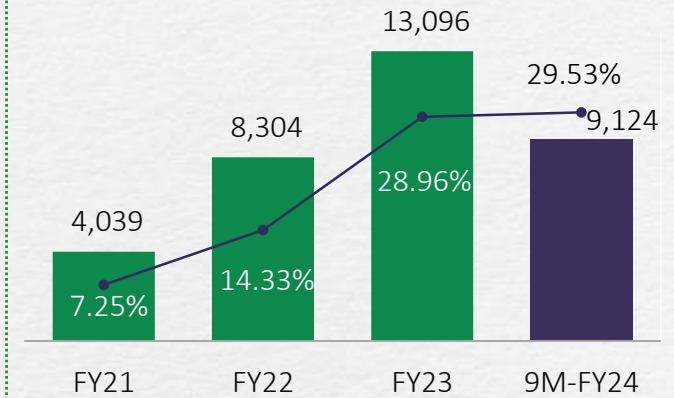
**Q3/9M-FY24**



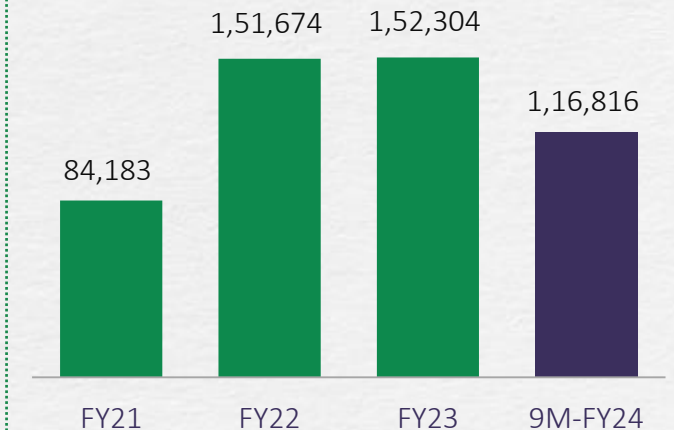


- Kuantum Papers Ltd, a leading agro and wood-based paper manufacturer started its commercial operations in 1980 in an economically backward village of Hoshiarpur, Punjab.
- They started their production with 30 TPD and are currently operating at 450 TPD. After the completion of their backward integration project in March'21, the total production capacity stands 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, cartridge paper, coloured paper, ledger paper, stiffner paper, cupstock base paper for straws and carry bag paper 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 30+ countries.
- Its Marquee clients include Wal-Mart, McGraw Hill, Kokuyo (Mumbai), Thomson, Lotus, Global, Navneet Publications, Oxford University Press, Macmillan amongst others.
- The company's Social Farm Forestry Program includes wood plantations of around 6,470 acres and it envisions reaching 1 crore saplings per annum in the next 2-3 years.

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



Sales Volume (Mt)



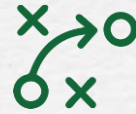
## KEY STRENGTHS



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



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



Improved infrastructure of paper machines in order to be more cost effective



Raw Materials are perfect substitutes of each other, so not dependent on any single one throughout the year



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







Future source of wood raw material: Social farm forestry programme with a vision to reach 1 crore clonal saplings per annum in the next 2 – 3 years



Prioritizing market-driven sales over government orders, and a preferred choice due to consistent and timely product deliveries



|             | Pulping Facilities   | Paper Machines   | Chemical Recovery Plant  | Co-Gen Power Plant  |
|-------------|--|--|--|---|
| Segment     |   |    |   |    |
| Capacity    | <p><b>Total Capacity: 380 TPD</b></p> <ul style="list-style-type: none"> <li>• Agro based pulp: 200 TPD</li> <li>• Wood pulp: 180 TPD</li> </ul> | <p><b>Total Capacity: 450 TPD</b></p> <ul style="list-style-type: none"> <li>• Machine 1 - 25 TPD</li> <li>• Machine 2 - 50 TPD</li> <li>• Machine 3 - 115 TPD</li> <li>• Machine 4 - 260 TPD</li> </ul> | <p><b>Total Capacity: 700 Solids TPD</b></p> <ul style="list-style-type: none"> <li>• New CRP : 500 Solids TPD</li> <li>• Existing CRP : 200 Solids TPD</li> </ul>   | <p><b>Turbines : Total 38 MW</b></p> <ul style="list-style-type: none"> <li>• New : 20 MW &amp; 8 MW</li> <li>• Existing Turbines : 10 MW</li> </ul> <p><b>Boilers : Total 190 TPH</b></p> <ul style="list-style-type: none"> <li>• New : 130 TPH</li> <li>• Existing : 60 TPH</li> </ul> |
| Description | <p>Kquantum combines its own agro and wood along with imported pulp in order to produce better quality fiber for paper production.</p>           | <p>The different configurations of the four paper machines allow Kquantum to manufacture a wide variety of surface-sized, non surface-sized and value-added specialty products.</p>                      | <p>The new Chemical Recovery Plant of 500 TPD from Andritz for the treatment of Black Liquor process has boosted the overall capacity to 700 solids TPD. Operating at high efficiency, the plant recovers over 95% of Caustic, enabling cost reduction, margin improvements, and reusing for subsequent production runs.</p> | <p>The two new turbines of 20 MW and 8 MW from Siemens, have taken the total Co - Gen power capacity to 38 MW. A new Boiler of 130 TPH from ISGEC has been installed making the total capacity 190 TPH. Efficiency in power operations has helped in cost optimization.</p>               |



Debottlenecking and upgrading plant operations to increase production capacity by ~ 25% and further optimize cost



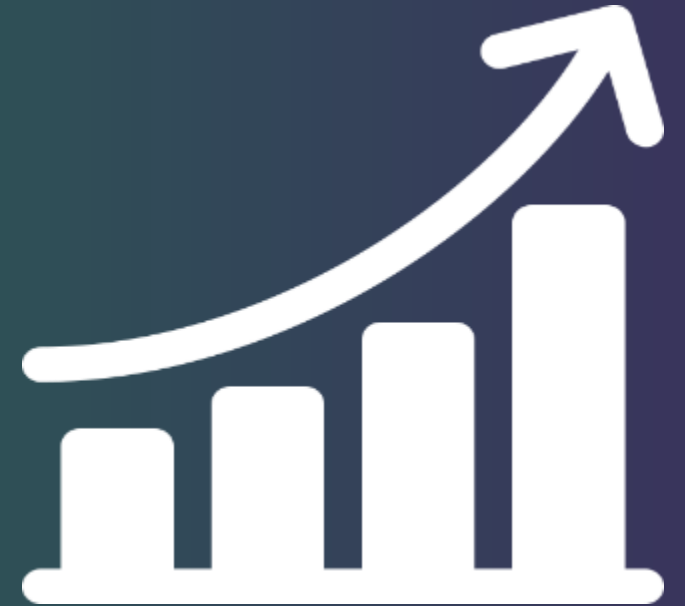
Leveraging single use plastic ban by developing a portfolio of specialty products for a sustainable future



Setting up Specialty 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**

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**Q3/9M-FY24**



### Q3-FY24 Financial Highlights

|  |                       |                               |
|--|-----------------------|-------------------------------|
| INR 3,015 Mn<br>Income from Operations | INR 794 Mn<br>EBITDA  | 26.33%<br>EBIDTA Margins      |
| INR 422 Mn<br>Net Profit               | 14.00%<br>PAT Margins | INR 4.83/Share<br>Diluted EPS |

### 9M-FY24 Financial Highlights

|  |                        |                                |
|--|------------------------|--------------------------------|
| INR 9,124 Mn<br>Income from Operations | INR 2,694 Mn<br>EBITDA | 29.53%<br>EBIDTA Margins       |
| INR 1,499 Mn<br>Net Profit             | 16.43%<br>PAT Margin   | INR 17.18/Share<br>Diluted EPS |

### Q3-FY24 Operational Highlights

- Q3 Revenue was in line with Q2 even though there were market challenges on price and demand pressure from increased imports.
- EBITDA margin for Q3 stood strong at 26.33%, despite shuts taken on PM 1 & Turbine for modification and upgradation and increase in raw material prices.
- Power Plant Operations further optimised with the effective usage of rice husk waste (Khuddi) as a fuel in Boiler operations, which is 50% lower in cost compared to coal.
- Successful Commissioning of projects undertaken in Q3
  - PM 1 rebuild initiated in Dec'23 with new headbox, wire part, press part, pope reel and addition of dryers. Resulted in increase of paper production from 25 TPD to 46 TPD.
  - TG 4 successfully upgraded to 13.5 MW, to get higher efficiency in steam production with lower cost.
- Orders for New Projects initiated in Q3
  - Shoe Press for PM 4 – State-of-the-art Shoe Press ordered from Bellmer Gapcon, Germany.
  - DDS ordered for Pulp Mill which will result in higher production and pulp yield with lower steam consumption.
- Work initiated on the development of CPC for additional production of 20 Lakh saplings in FY25.
- The Board has revised the capex cost of projects for upgradation, environment & sustainability initiatives, modernization and capacity enhancement to Rs. 735 crores, which will enhance the production capacity by 50%. The cost is proposed to be funded through a mix of debt and internal accruals.



| PARTICULARS (INR MN)      | Q3-FY24       | Q3-FY23       | Y-o-Y            | Q2-FY24       | Q-o-Q           |
|---------------------------|---------------|---------------|------------------|---------------|-----------------|
| <b>Operational Income</b> | <b>3,015</b>  | <b>3,506</b>  | <b>(14.0)%</b>   | <b>2,982</b>  | <b>1.1%</b>     |
| Total Expenses            | 2,221         | 2,456         | (9.6)%           | 2,176         | 2.1%            |
| <b>EBITDA</b>             | <b>794</b>    | <b>1,050</b>  | <b>(24.4)%</b>   | <b>806</b>    | <b>(1.5)%</b>   |
| <b>EBITDA Margins (%)</b> | <b>26.33%</b> | <b>29.95%</b> | <b>(362) Bps</b> | <b>27.03%</b> | <b>(70) Bps</b> |
| Other Income              | 7             | 12            | (41.7)%          | 10            | (30.0)%         |
| Depreciation              | 123           | 114           | 7.9%             | 119           | 3.4%            |
| Finance Cost              | 113           | 175           | (35.4)%          | 123           | (8.1)%          |
| <b>PBT</b>                | <b>565</b>    | <b>773</b>    | <b>(26.9)%</b>   | <b>574</b>    | <b>(1.6)%</b>   |
| Tax                       | 143           | 200           | (28.5)%          | 147           | (2.7)%          |
| <b>Profit After Tax</b>   | <b>422</b>    | <b>573</b>    | <b>(26.4)%</b>   | <b>427</b>    | <b>(1.2)%</b>   |
| <b>PAT Margins (%)</b>    | <b>14.00%</b> | <b>16.34%</b> | <b>(234) Bps</b> | <b>14.32%</b> | <b>(32) Bps</b> |
| <b>Diluted EPS (INR)</b>  | <b>4.83</b>   | <b>6.56</b>   | <b>(26.4)%</b>   | <b>4.89</b>   | <b>(1.2)%</b>   |

| PARTICULARS (INR MN)             | 9M-FY24       | 9M-FY23       | Y-o-Y          |
|----------------------------------|---------------|---------------|----------------|
| <b>Operational Income</b>        | <b>9,124</b>  | <b>9,658</b>  | <b>(5.5)%</b>  |
| Total Expenses                   | 6,430         | 7,007         | (8.2)%         |
| <b>EBITDA</b>                    | <b>2,694</b>  | <b>2,651</b>  | <b>1.6%</b>    |
| <b><i>EBITDA Margins (%)</i></b> | <b>29.53%</b> | <b>27.45%</b> | <b>207 Bps</b> |
| Other Income                     | 26            | 35            | (25.7)%        |
| Depreciation                     | 360           | 339           | 6.2%           |
| Finance Cost                     | 348           | 551           | (36.8)%        |
| Exceptional Items                | -             | 634           | NA             |
| <b>PBT</b>                       | <b>2,012</b>  | <b>1,162</b>  | <b>73.1%</b>   |
| Tax                              | 513           | 451           | 13.7%          |
| <b>Profit After Tax</b>          | <b>1,499</b>  | <b>711</b>    | <b>NA</b>      |
| <b><i>PAT Margins (%)</i></b>    | <b>16.43%</b> | <b>7.36%</b>  | <b>907 Bps</b> |
| <b>Diluted EPS (INR)</b>         | <b>17.18</b>  | <b>8.15</b>   | <b>NA</b>      |



# HISTORICAL INCOME STATEMENT

| PARTICULARS (INR MN)              | FY21          | FY22          | FY23          | 9M-FY24       |
|-----------------------------------|---------------|---------------|---------------|---------------|
| <b>Operational Income</b>         | <b>4,039</b>  | <b>8,304</b>  | <b>13,096</b> | <b>9,124</b>  |
| Total Expenses                    | 3,746         | 7,114         | 9,304         | 6,430         |
| <b>EBITDA</b>                     | <b>293</b>    | <b>1,190</b>  | <b>3,792</b>  | <b>2,694</b>  |
| <b>EBITDA Margins (%)</b>         | <b>7.25%</b>  | <b>14.33%</b> | <b>28.96%</b> | <b>29.53%</b> |
| Other Income                      | 100           | 38            | 36            | 26            |
| Depreciation                      | 348           | 462           | 454           | 360           |
| Finance Cost                      | 277           | 689           | 710           | 348           |
| Exceptional Items                 | 86            | -             | (634)         | -             |
| <b>PBT</b>                        | <b>(318)</b>  | <b>77</b>     | <b>2,030</b>  | <b>2,012</b>  |
| Tax                               | (191)         | (57)          | 668           | 513           |
| <b>Profit After Tax</b>           | <b>(127)</b>  | <b>134</b>    | <b>1,362</b>  | <b>1,499</b>  |
| <b>PAT Margins (%)</b>            | <b>NA</b>     | <b>1.61%</b>  | <b>10.40%</b> | <b>16.43%</b> |
| Other Comprehensive Income        | 4             | (2)           | (5)           | -             |
| <b>Total Comprehensive Income</b> | <b>(123)</b>  | <b>132</b>    | <b>1,357</b>  | <b>1,499</b>  |
| <b>Diluted EPS (INR)</b>          | <b>(1.46)</b> | <b>1.54</b>   | <b>15.60</b>  | <b>17.18</b>  |

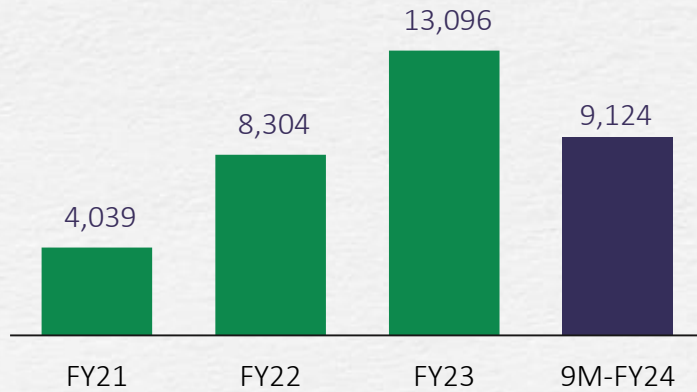
# BALANCE SHEET

| ASSETS (INR MN)                 | FY22          | FY23          | H1-FY24       |
|---------------------------------|---------------|---------------|---------------|
| <b>Non-Current Assets</b>       |               |               |               |
| Property, plant and equipment   | 14,006        | 14,068        | 14,350        |
| Capital work-in-progress        | 289           | 306           | 374           |
| Investment property             | 76            | 75            | 74            |
| Other intangible assets         | -             | -             | 4             |
| Financial assets                |               |               |               |
| • Other financial assets        | 86            | 39            | 41            |
| Income tax assets (net)         | 3             | 16            | 18            |
| Other Non-current assets        | 148           | 259           | 332           |
| <b>Total Non-Current Assets</b> | <b>14,608</b> | <b>14,763</b> | <b>15,193</b> |
| <b>Current Assets</b>           |               |               |               |
| Inventories                     | 869           | 901           | 1,074         |
| Financial assets                |               |               |               |
| • Trade receivable              | 606           | 287           | 276           |
| • Cash and Cash equivalents     | 36            | 15            | 5             |
| • Other bank balances           | 130           | 157           | 169           |
| • Others financial assets       | 27            | 16            | 20            |
| Other current assets            | 485           | 756           | 696           |
| <b>Total Current Assets</b>     | <b>2,153</b>  | <b>2,132</b>  | <b>2,240</b>  |
| <b>Total Assets</b>             | <b>16,761</b> | <b>16,895</b> | <b>17,433</b> |

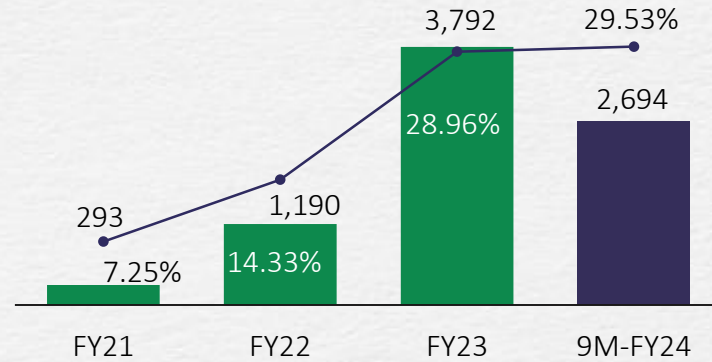
| EQUITY & LIABILITIES (INR MN)        | FY22          | FY23          | H1-FY24       |
|--------------------------------------|---------------|---------------|---------------|
| <b>Equity</b>                        |               |               |               |
| Equity share capital                 | 87            | 87            | 87            |
| Other equity                         | 8,218         | 9,581         | 10,397        |
| <b>Total Equity</b>                  | <b>8,305</b>  | <b>9,668</b>  | <b>10,484</b> |
| <b>Liabilities</b>                   |               |               |               |
| <b>Non-Current Liabilities</b>       |               |               |               |
| Financial liabilities                |               |               |               |
| • Borrowings                         | 6,448         | 3,678         | 3,260         |
| • Other financial liabilities        | 181           | 228           | 240           |
| Provisions                           | 12            | 13            | 15            |
| Deferred tax liabilities (net)       | 13            | 1,172         | 1,228         |
| Deferred income                      | 55            | 49            | 47            |
| <b>Total Non-Current Liabilities</b> | <b>6,709</b>  | <b>5,140</b>  | <b>4,790</b>  |
| <b>Current Liabilities</b>           |               |               |               |
| Financial Liabilities                |               |               |               |
| • Borrowings                         | 1,176         | 1,450         | 1,425         |
| • Trade payables                     | 357           | 258           | 399           |
| • Other financial liabilities        | 143           | 198           | 214           |
| Other current liabilities            | 60            | 84            | 62            |
| Provisions                           | 2             | 3             | 9             |
| Deferred income                      | 5             | 3             | 3             |
| Current tax liabilities (net)        | 5             | 91            | 47            |
| <b>Total Current Liabilities</b>     | <b>1,748</b>  | <b>2,087</b>  | <b>2,159</b>  |
| <b>Total Liabilities</b>             | <b>8,456</b>  | <b>7,227</b>  | <b>6,949</b>  |
| <b>Total Equity and Liabilities</b>  | <b>16,761</b> | <b>16,895</b> | <b>17,433</b> |



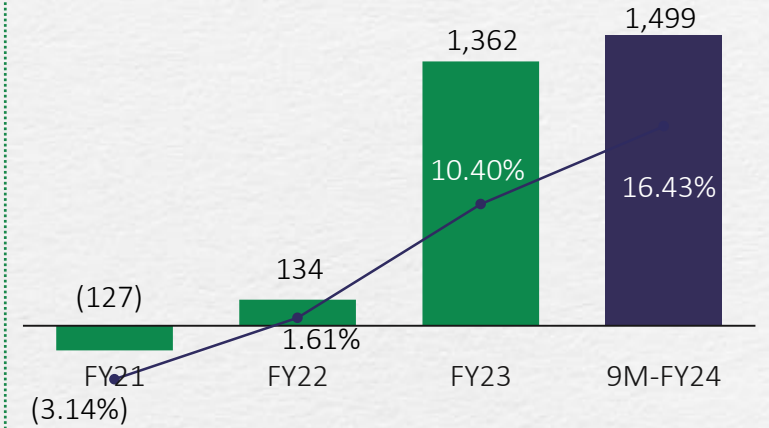
Operational Revenue (INR Mn)



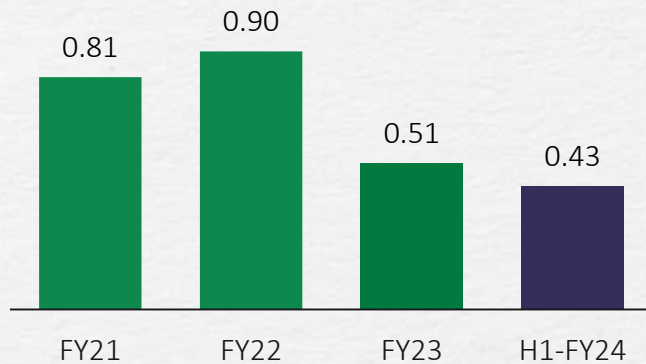
EBITDA (INR Mn) &amp; EBITDA Margin (%)



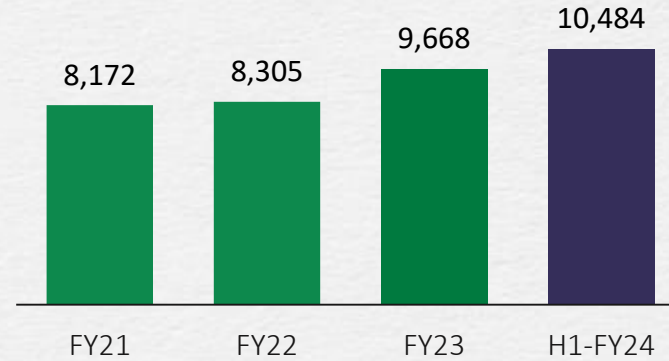
PAT (INR Mn) &amp; PAT Margins (%)



Net Debt to Equity



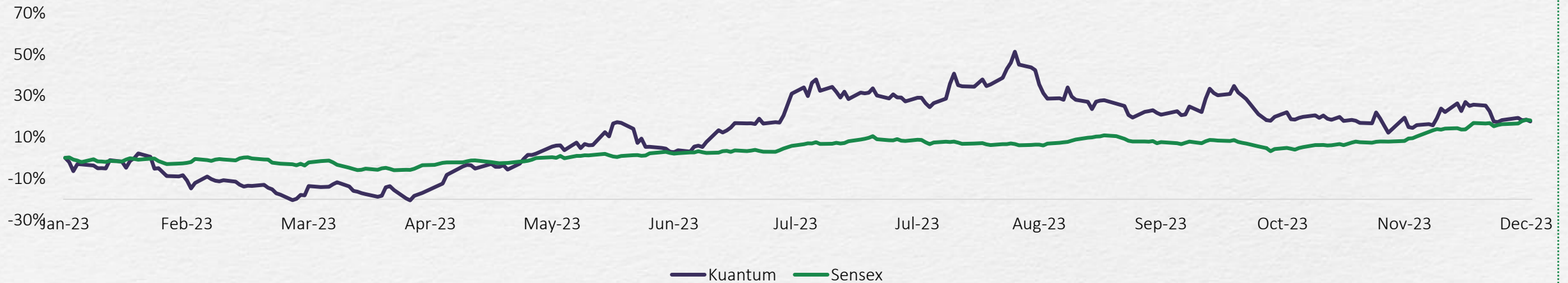
Net Worth (INR Mn)



Cash Conversion Cycle



Share Price Movement (Up to 31st December, 2023)

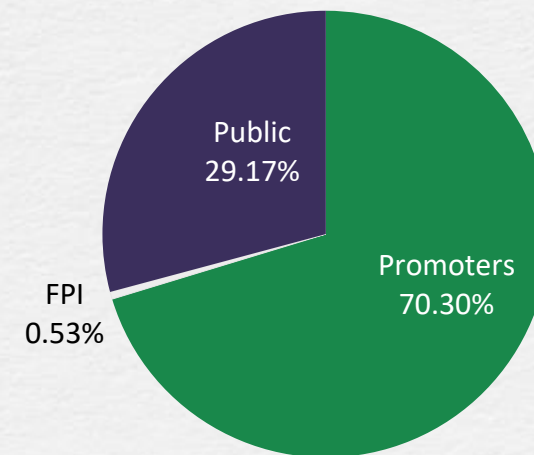


## Price Data (31st December, 2023 )

INR

|                                  |               |
|----------------------------------|---------------|
| Face Value                       | 1.0           |
| Market Price                     | 171.9         |
| 52 Week H/L                      | 225.5 / 112.0 |
| Market Cap (Mn)                  | 15,000.6      |
| Equity Shares Outstanding (Mn)   | 87.3          |
| 1 Year Avg Trading Volume ('000) | 269.8         |

Shareholding Pattern as on 31st December, 2023





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**Thank You**