



# JK Paper Today

Corporate Update

**An Industry benchmark with Power Packed Brands**

**July, 2024**

*some of life's  
best moments  
come on paper...*

# JK Paper Ltd is one of the leading companies of JK Organisation – a prominent business house of India founded over 100 years ago

## Cement



	Rs. Cr.
Revenue	6,788

## Paper



**JK PAPER LTD.**  
*Creating lasting impressions*

	Rs. Cr.
Revenue	7,000

## Tyre



	Rs. Cr.
Revenue	15,002

## Agri Genetics



	Rs. Cr.
Revenue	148

**J.K. ORGANISATION**

**USD 6.0 Billion**

**30 manufacturing plants**

**Present in over 100 countries**

**More than 55,000 employment**

## V-Belts- Oil Seals & Power Transmission Systems



	Rs. Cr.
Revenue	1,301

(Unlisted Co.)

## Dairy Products



	Rs. Cr.
Revenue	286

## Education



## Defence Electronics



## Hospital & Health services



## Clinical Research



Revenue based on last published Annual Results

**J K PAPER** ..... *Creating Lasting Impressions*

**Slide No.2**



# JK Paper - History & Milestones

## More than 80 YEARS JOURNEY OF JK PAPER

1938

Started Manufacturing Straw Board at Bhopal with a capacity of 3,600 TPA

First Integrated Pulp & Paper company in India & 3rd Paper Company in the World to get Award for TPM Excellence – First Category from JIPM

1962

Installed 1st Fine Paper Machine at Unit - JKPM (Odisha)

First Paper Mill to get ISO 9001 & ISO 14001. Also obtained OHSAS 18001

1992

Acquired Unit - CPM in Gujarat

First to Invest in World class Pulp Mill (Fiber line from Metso) in India

2005

Installed Coating Plant at Unit - JKPM

First to Brand Copier Paper in Indian Market

2007

Installed Premium Packaging Board Plant at Unit - CPM

First to introduce Surface-size wood free paper in India

2013

Installed State of the art New Fiber Line & High Speed Paper Machine at Unit – JKPM (165,000 MT)

Awarded FSC-COC certification in 2011

2018

Acquired The Sirpur Paper Mills Ltd in Telangana (Capacity 136,000 MT)

Golden Peacock Environment Management Award in 2013

2022

1. New Packaging Board machine commissioned in Gujarat (170,000 MT)  
2. Entry into Corrugation Business, also acquired HPPL + SPPL (No. 1 Player)

Industry 4.0 award from FICCI- under the Overall Digital Transformation category in 2022



# JK'S Brands are Industry Benchmarks In Respective Product Categories Plants with state of the art technology and minimal environmental impact

**Copier Paper (Market Leader) Current Mkt. Share is 28% \***



**Amongst Leading Players in Coated Paper and Packaging Board**

**Current Mkt. Share is 8% \***

**Current Mkt. Share is 17% \***



**Panoramic view of the Unit Sirpur (in Telangana)**



**Panoramic view of the Unit JKPM (in Odisha)**



**Panoramic view of the Unit CPM (in Gujarat)**



**\* Company Estimates (FY24)**



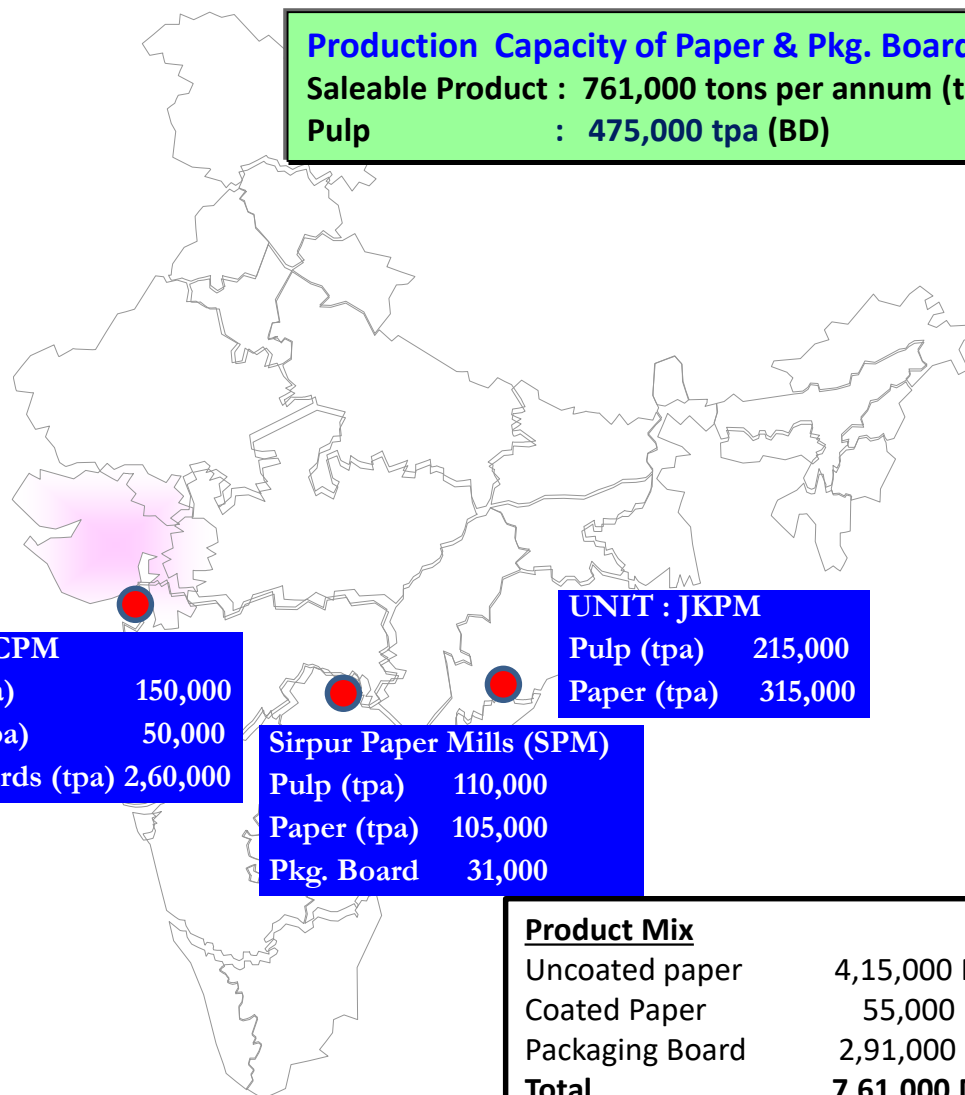
**J K PAPER .....Creating Lasting Impressions**

**Slide No.4**



# Strategic Geographical Presence

- **Manufacturing Facilities**
  - 3 Paper and Pkg. Board Unit
  - 9 Corrugation Box Unit
  - 2 Mono Carton Unit
  - 1 Label Unit
- **Strategic location**
  - JKPM located close to raw material sources
  - CPM located close to large end customers & port
  - SPM located close to raw material and coal sources
- **Strong distribution reach**
  - 4 regional offices
  - 468 Trade partners
  - over 4,000 dealers



# JK Paper - Performance Highlights for Q1 FY2024-25

1. Capacity utilisation of **107.1%** in Q1 ended June 2024 Vs **99.8%** in corresponding Quarter.
2. Overall Sales Volume grew by 16.3% over the corresponding quarter last year (2.05 L MT vs 1.76 L MT)
3. Consolidated Turnover grew by **8 %** to **Rs. 1804.47 Cr**
4. **Continuous thrust on plantation activities:** Total Saplings planted in Q1 FY2024-25 is 2.79 Crore covering 18,49 4acres (11.64 Crore covering 81,173 acres during last financial year).

**Continue to have wood- and carbon-positive status, planting more trees than utilizing.**

**Company has covered over 7 Lac acres of plantation and planted over 127 Crore saplings till date.**

4. The Company acquired balance 15% Equity shares of its Subsidiary Companies, Horizon Packs Pvt. Ltd (HPPL) and Securipax Packaging Pvt. Ltd (SPPL). Post this, HPPL and SPPL have become Wholly Owned Subsidiaries of the Company



# JK Paper - Key Financials for Q1 (FY 2024-25 vs FY 2023-24)

## Consolidated Financials

		1st Quarter		
	Unit	FY25	FY24	% Growth
<b>Sales Volume</b>	MT	<b>2,04,657</b>	<b>1,75,952</b>	<b>16.3</b>
Uncoated Paper	MT	1,08,099	1,00,779	7.3
Coated Paper	MT	12,466	12,053	3.4
Virgin Fibre Board	MT	84,092	63,120	33.2
<b>Gross Revenue</b>	<b>Rs. Cr.</b>	<b>1,804</b>	<b>1,664</b>	<b>8.4</b>
<b>Total Income (Net)</b>	<b>Rs. Cr.</b>	<b>1,743</b>	<b>1,639</b>	<b>6.3</b>
<b>EBITDA</b>	<b>Rs. Cr.</b>	<b>309</b>	<b>532</b>	<b>(41.9)</b>
<b>EBIT</b>	<b>Rs. Cr.</b>	<b>229</b>	<b>452</b>	<b>(49.3)</b>
<b>PBT</b>	<b>Rs. Cr.</b>	<b>193</b>	<b>401</b>	<b>(51.7)</b>
<b>PAT</b>	<b>Rs. Cr.</b>	<b>141</b>	<b>313</b>	<b>(55.0)</b>
<b>EBITDA Margin</b>	<b>%</b>	<b>17.8%</b>	<b>32.5%</b>	<b>(14.7)</b>
<b>PBT Margin</b>	<b>%</b>	<b>11.1%</b>	<b>24.5%</b>	<b>(13.4)</b>

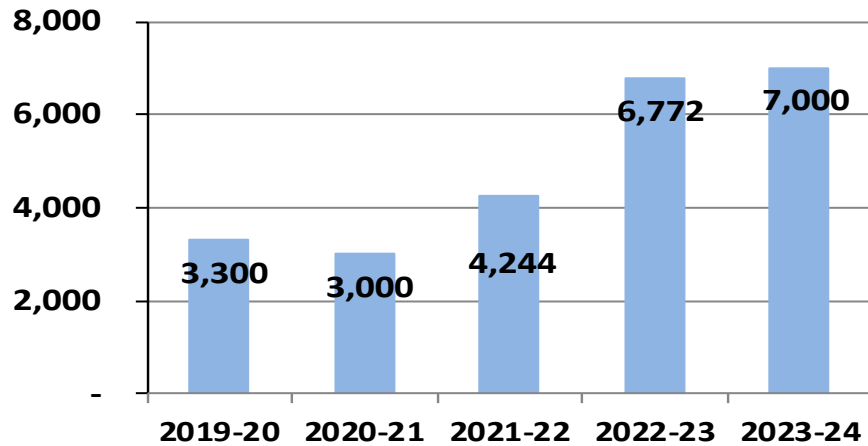
The results have been adversely impacted due to significant drop in market prices coupled with surge in wood cost as compared to the corresponding quarter. The Company however increased sales volume driven by higher utilisation in Packaging Board Business.



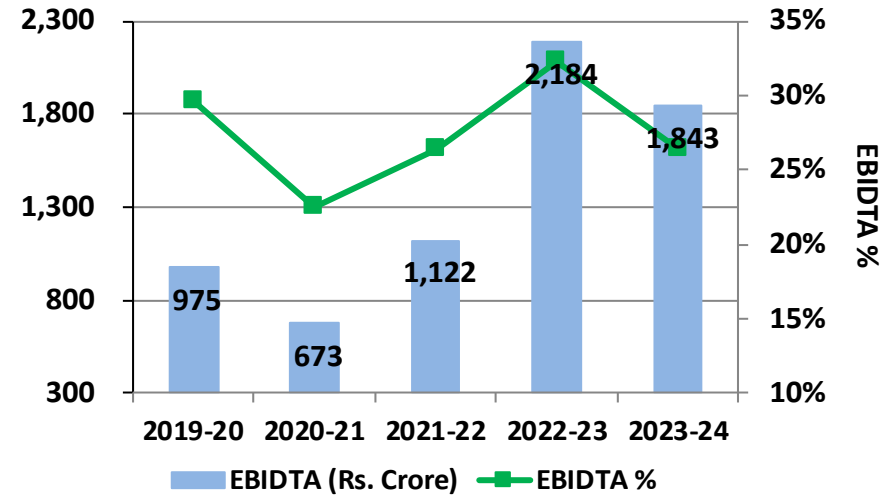
# JKPL - Profitability

Consolidated Financials  
Rs. Cr.

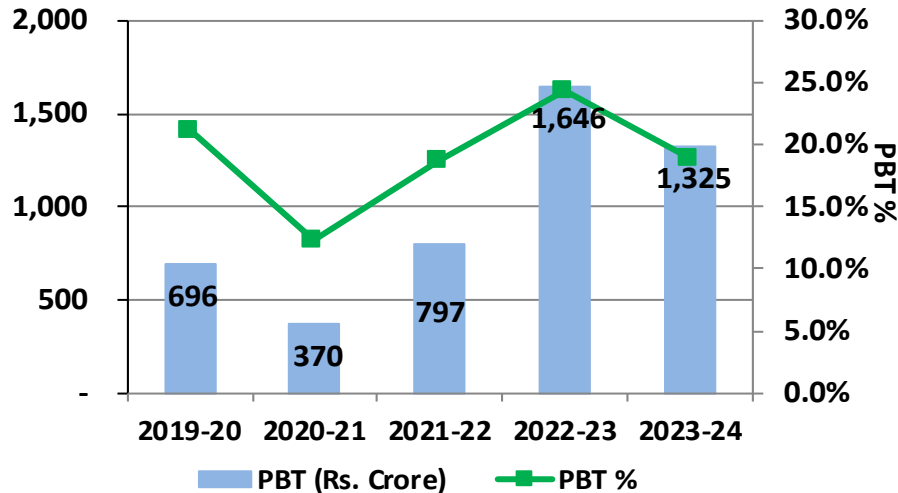
## Turnover (Rs. Crore)



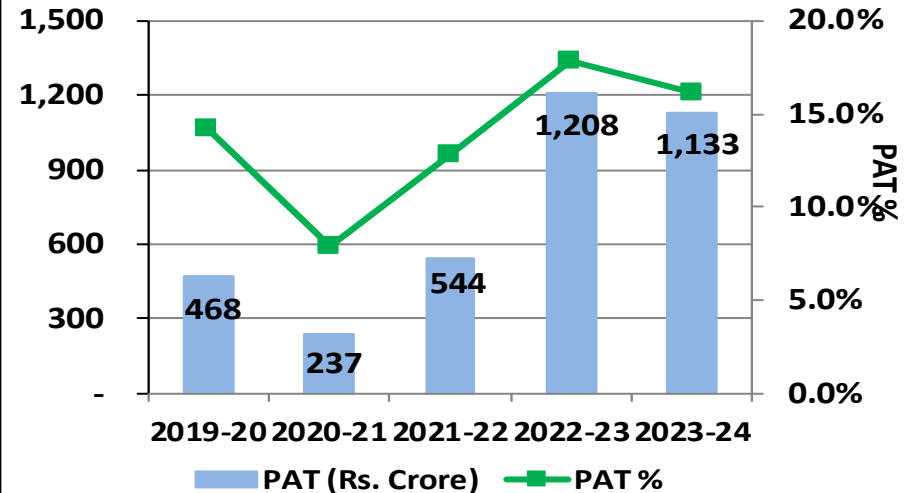
## EBIDTA (Rs. Crore)



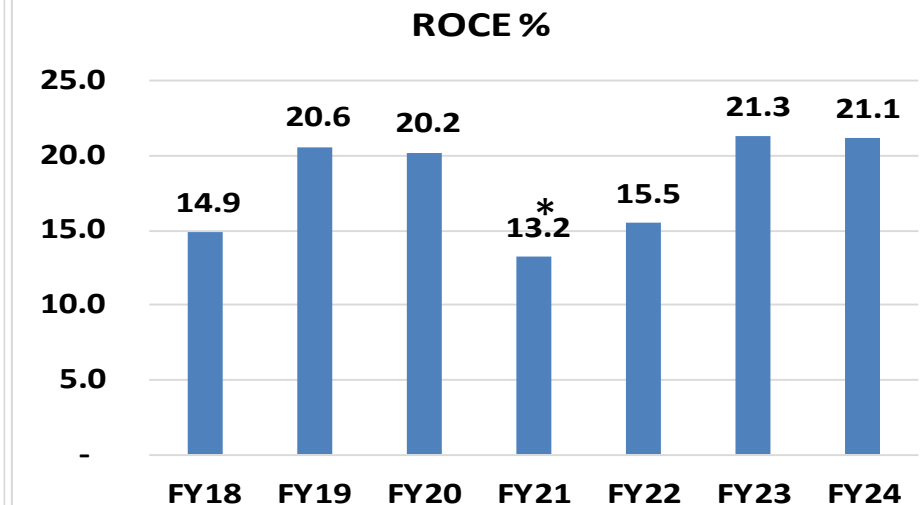
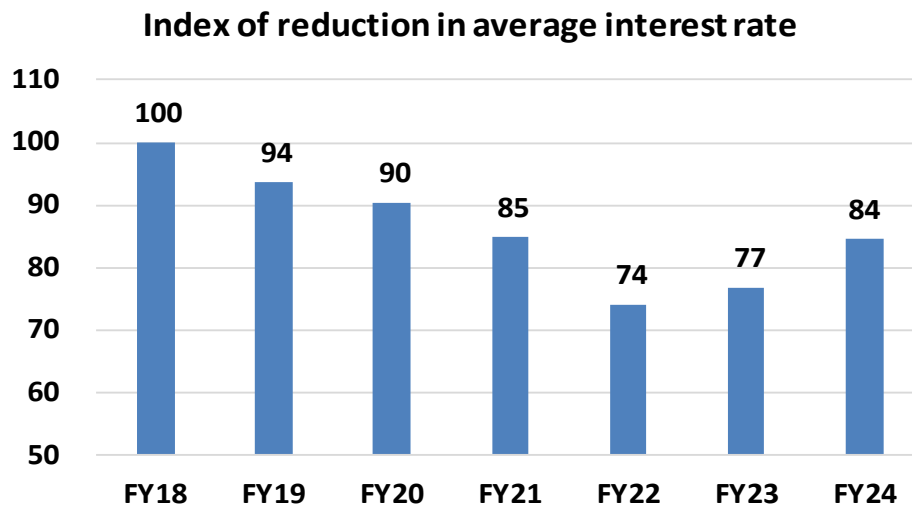
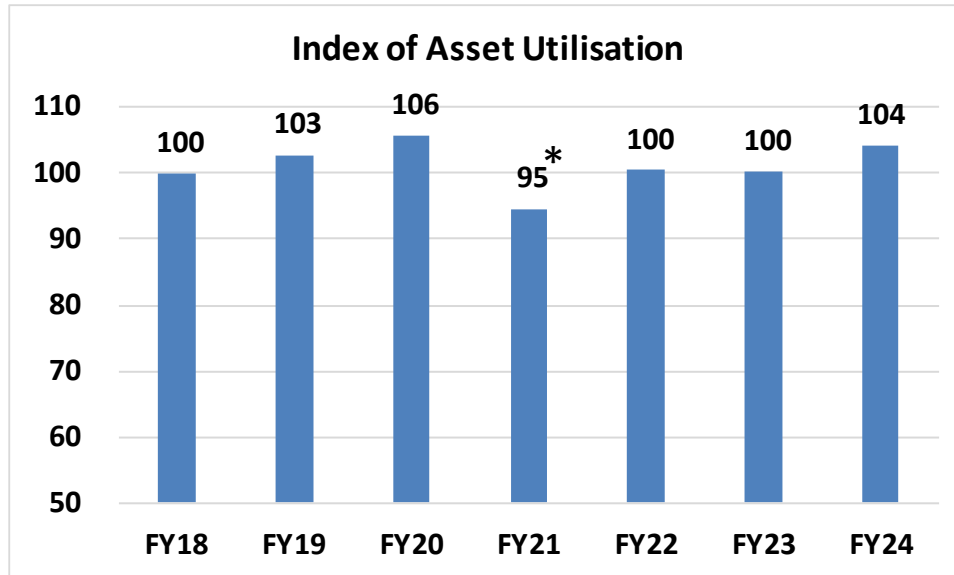
## PBT (Rs. Crore)



## PAT (Rs. Crore)



# Continuous improvement in past Years



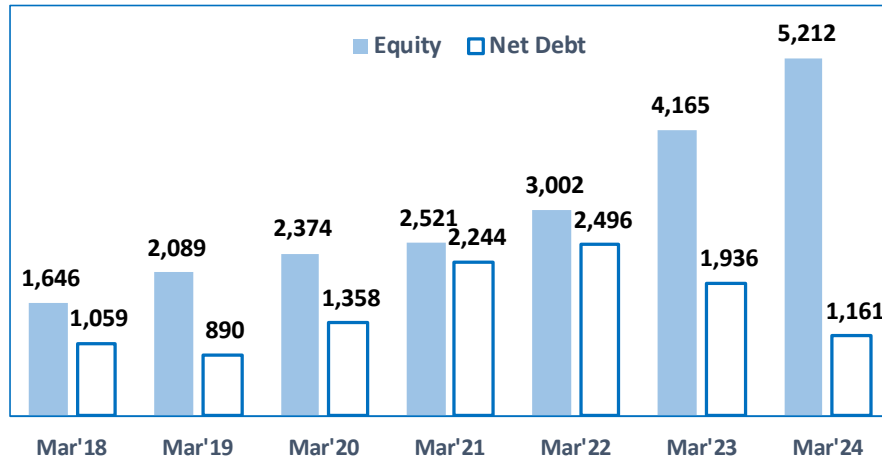
\* Lower due to covid 19 pandemic



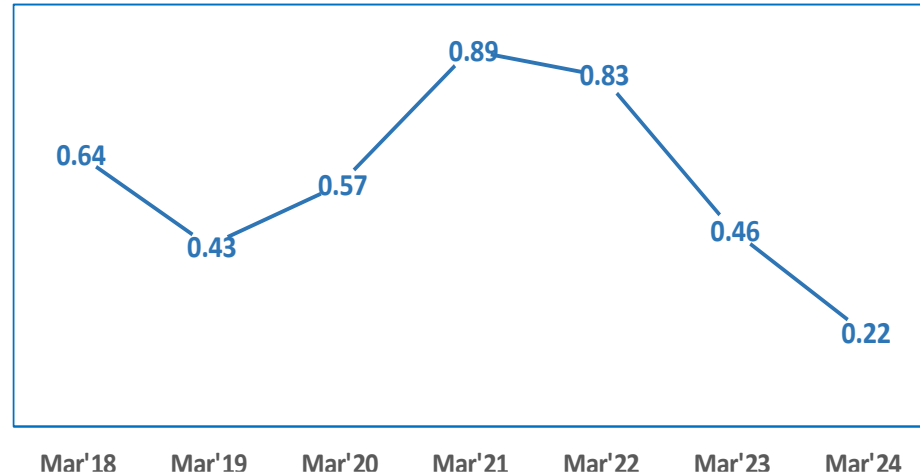
# Focus on Deleveraging

## Consolidated Financials

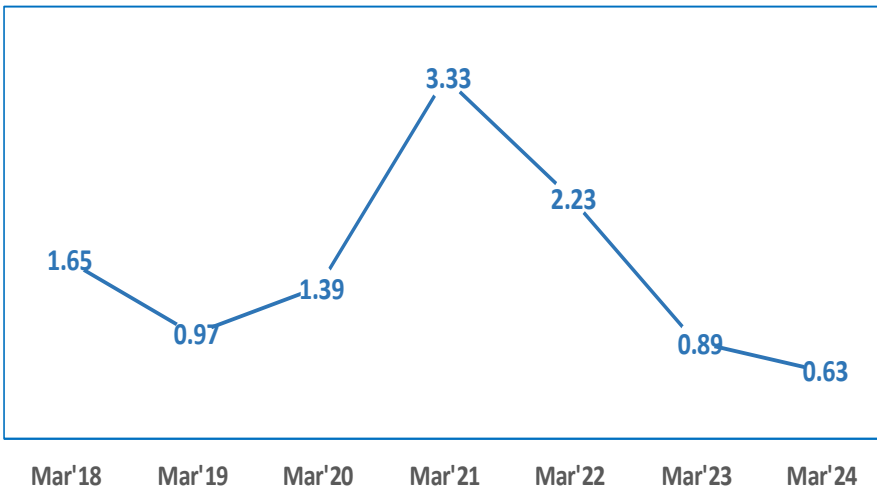
Net Debt and Equity (Rs. Cr.)



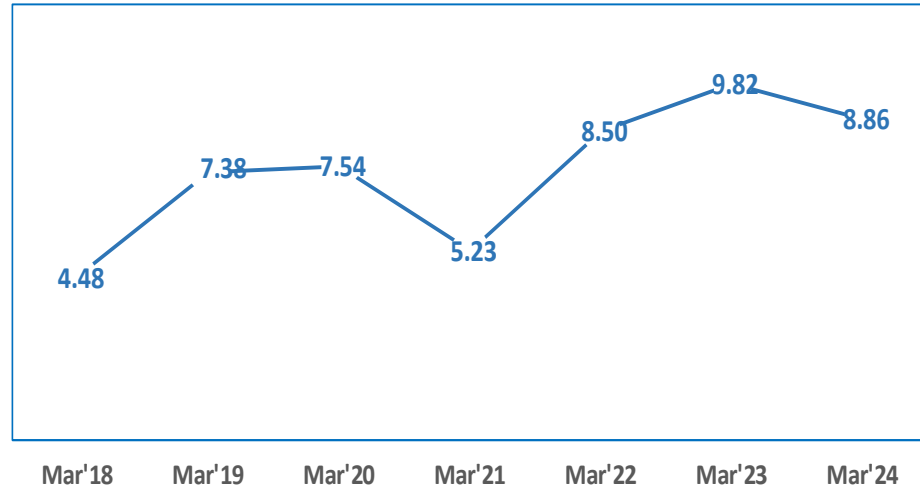
NET DEBT / EQUITY RATIO



NET DEBT / EBITDA RATIO



INTEREST COVERAGE RATIO



Long-term credit rating of JK Paper is **AA/Stable** (by CRISIL and India Ratings/Fitch India)



# Quantum Jumps through continuous expansions since FY2005

## Consolidated Financials

2005: Entry into Coated Paper

2018: Acquisition of Sirpur Paper

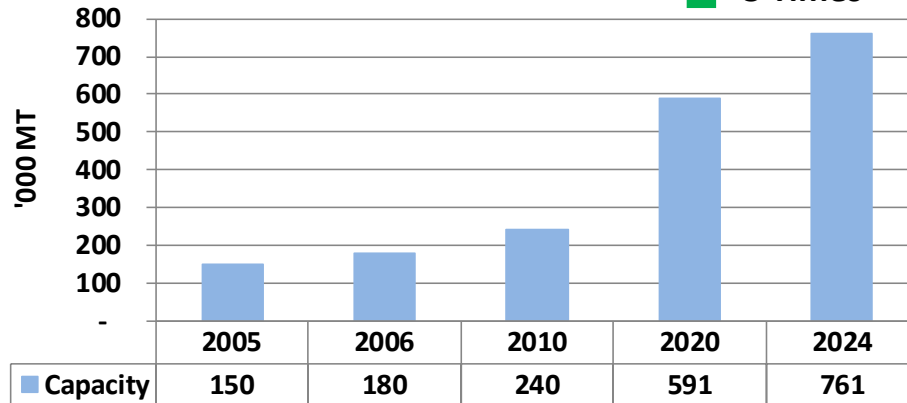
2007: Entry into Packaging Board


2022: Expansion in Packaging Board

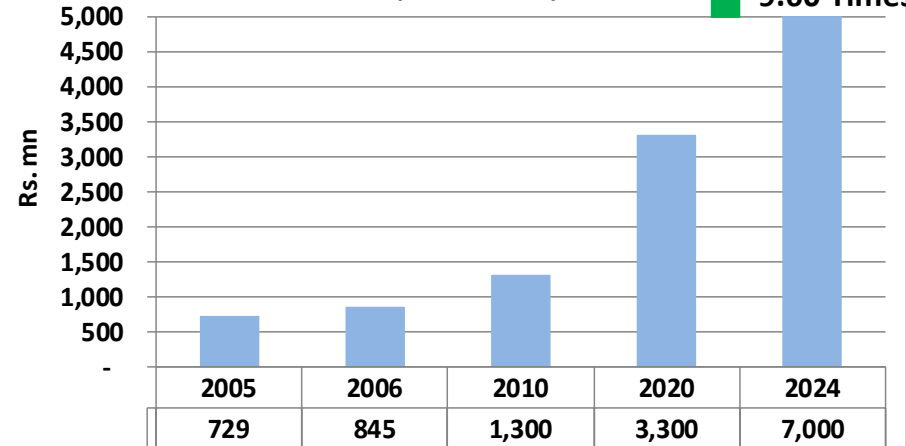
2013: Expansion in Uncoated Paper


2022: Acquisition of HPPL & SPPL (Corrugation Business)

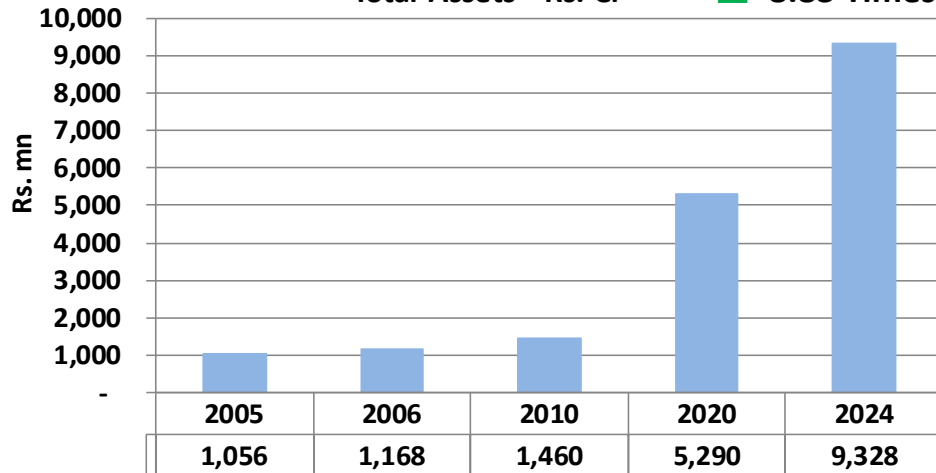
Volume - '000 MT  5 Times



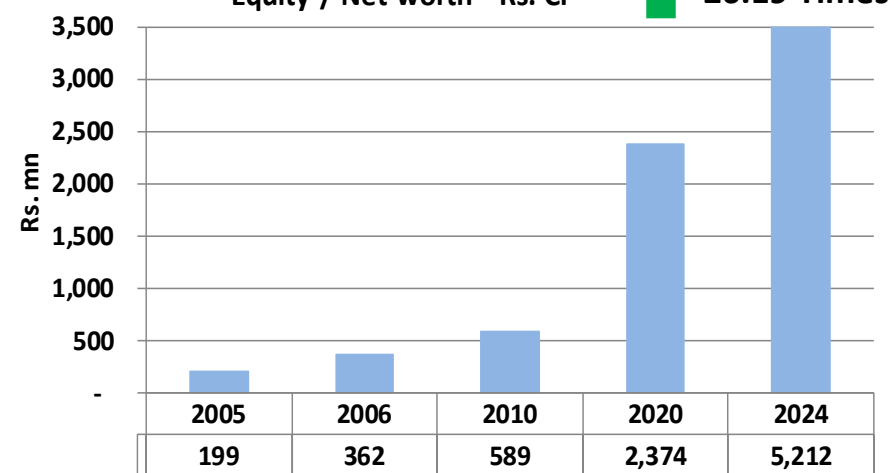
Turnover (Gross Sales) - Rs. Cr  9.60 Times



Total Assets - Rs. Cr  8.83 Times



Equity / Net-worth - Rs. Cr  26.19 Times



# Sustainability is at the Core at JK Paper

*JK Paper is net CARBON POSITIVE – we plant more trees than we harvest  
& sequester more carbon than we emit*

- Raw material constitute **100% renewable fibres** through farm-forestry model
- **Net wood positive** i.e., trees planted are more than trees harvested in a year. Cumulatively covered > **7,00,000** acres of plantation and planted >**127 Crore** saplings till date

Financial year FY 23-24	> 11.64 Cr saplings planted with >81,173 acres Plantation
Financial year FY 24-25 (Q1)	> 2.79 Cr saplings planted with > 18,494 acres Plantation

- **Net carbon positive** i.e., amount of carbon sequestered (through plantation) is more than the emissions
- Share of **renewable energy** is ~**45%** of total energy usage
- Developed several **biodegradable products** as replacement of plastic products such as Aqueous barrier coated Cup-stock board, Carry bag, Paper straw
- Ensure **100% eco-friendly** waste disposal (zero discharge to landfills)
- Approx. 9.6 Lac lives benefited through various CSR projects in Education, Environment. Women Empowerment, Skill Development etc.
- Approx. **98,000 farmers** are benefitting from our farm-forestry operations
- More than **16,000 women** have been mobilized into Self-Help Groups and producer Groups



# Farm Forestry and Raw Material Security Initiatives

## Clonal Development Centre

- Started in 1991-92
- 81,173 acres area planted in 2023-24
- ~ 7 Lac acres till date



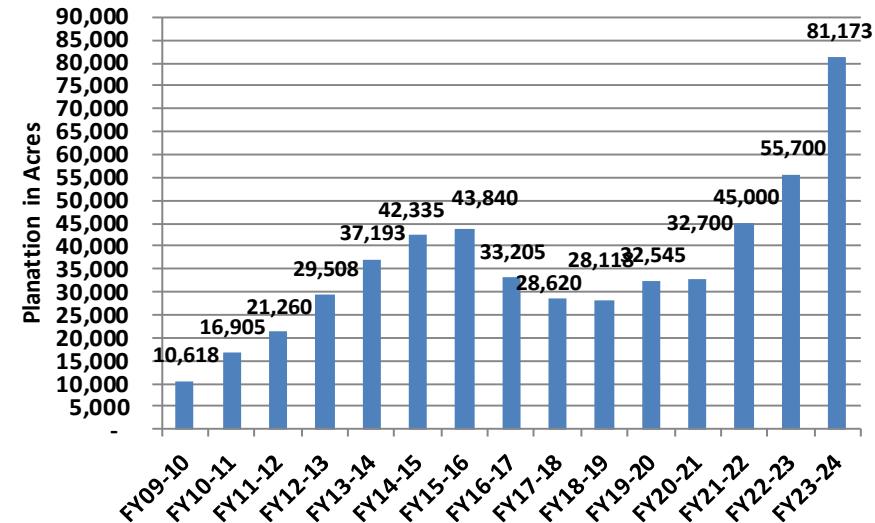
## Carbon Positive

Over the last few years, Company has transformed to wood- and carbon-positive status, planting more trees than utilizing. The Company developed short-rotation clones (two to three years) to enhance yields and income per acre for the farmers.

## Proportion of wood from local catchment of the Company's plants

2017-18	71%
2018-19	96%
2019-20	100%
2020-21	100%
2021-22	94%
2022-23	77%
2023-24	70%

## Plantation under Farm Forestry by JKPL – in Acres



## JKPL's Efforts to Reduce Cost of Raw Material

- Maximizing plantation coverage within 200 Km radius
- R&D: Company has developed and introduced a new eucalyptus clone with highest wood productivity per acre per year (under irrigated conditions)
- Focus on training & development to farmers and staffs
- Arrangement of loans to Farmer's Co-operative



## Care for Community (1/2)

Through various ESG efforts across the value chain and in the community ...

### Plantation and Raw material procurement

- Higher sourcing from certified plantation (FSC-FM Certification)
- Plantation productivity improvement
- Increased raw material sourcing from within 300 Kms
- Transformation into Carbon/Wood Positive status

### Production


- Increase in share of renewable sources in energy mix (JKPM 71%, CPM 47%, SPM 45%)
- Reduction in specific water consumption
- Development of new plastic-replacement products
- Eco-friendly waste disposal

### Community

- Empowerment of women, youth and marginalized sections
- Community development and well-being
- Environmental stewardship through soil conservation and water harvesting efforts

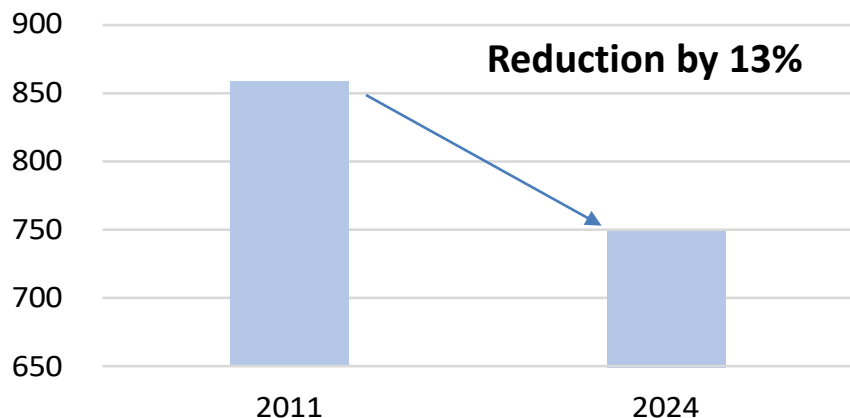


## Care for Community (2/2)

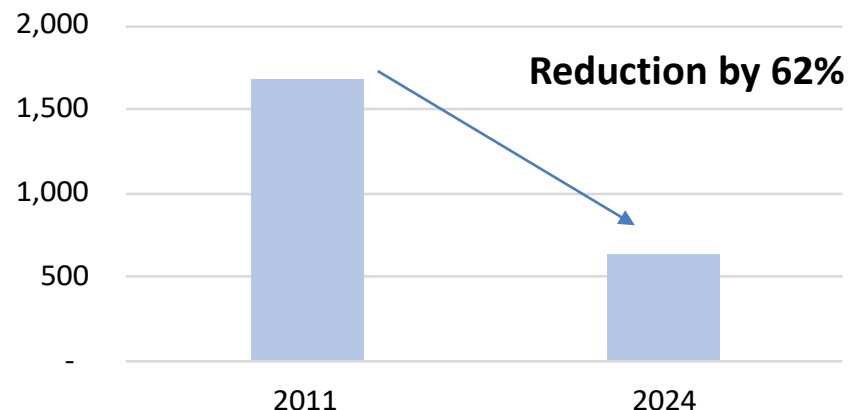
Areas	Key Initiatives
<p>Community/ Social</p> 	<ul style="list-style-type: none"><li>• 14,730 youths have been empowered through various skill development training and 679 youth entrepreneurs have been created through a unique grampreneurs program</li><li>• The Company helped formation of 1600 Self-Help Group (SHGs) and 56 Producer Group reaching out to more than 16,000 women in Odisha, Gujarat and Uttar Pradesh.</li><li>• Distributed ~ Rs. 26 mn. from carbon credits income to 1,590 farmers</li><li>• Harvested 30.27 crore liter of water and provided livelihoods to 2065 farmers.</li><li>• Infrastructure support to peripheral villages</li><li>• School for children with special needs</li><li>• Advocacy for convergence and development support from State Agencies</li><li>• Disaster relief in cash &amp; kind</li><li>• Soil Conservation &amp; Increasing Arable land</li><li>• Community Health, Eye care &amp; Sickle Cell Anaemia</li></ul>

# Reduction in Consumption of Resources

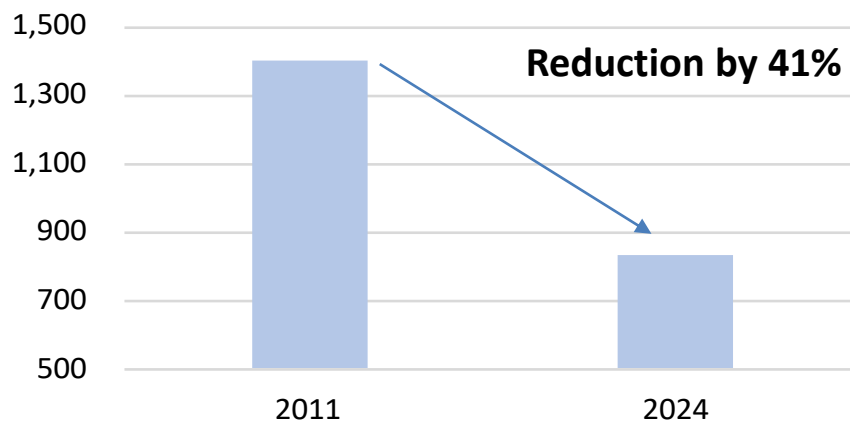
## Fibre - Kg/Ton of Paper



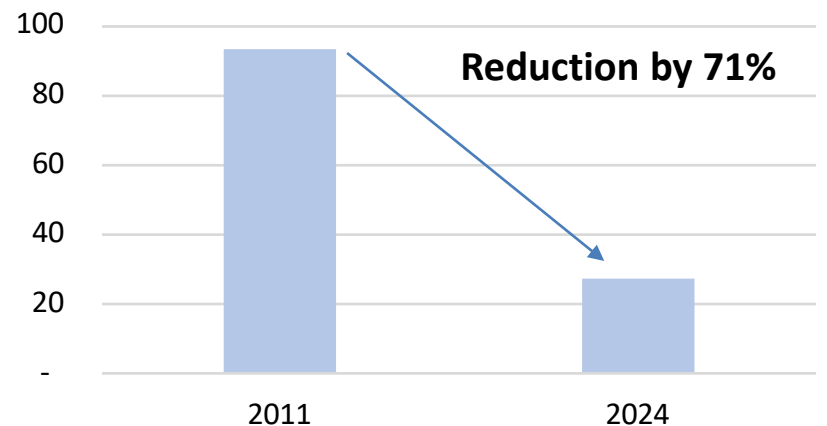
## Coal - Kg/Ton of Production



## Power - Kwh/Ton of Production



## Water - m3/Ton of Production



# JK Paper - Awards and Accolades during the Q1 FY25

## **Unit JKPM :**

1. National Awards for Manufacturing Competitiveness 2023-24 for demonstrating commitment and excellence journey towards improving manufacturing competitiveness from International Research institute for Manufacturing (IRIM), Mumbai.
2. International Safety Awards 2024 in Merit category Organized by British Safety Council.
3. FAME National Award 2023-24 for Efforts to achieve Excellence in Occupational Health & Safety from Foundation for Accelerated Mass Empowerment (FAME), India,
4. 49th CII National Kaizen GOLD Award winner in Renovative & Restorative Category from Confederation of Indian Industry (CII), Bangalore

## **Unit CPM :**

1. Gold Award for Pulp Mill innovative Kaizen at 49th CII.

## **Unit SPM :**

1. International Safety Award 2024 from the British Safety Council for demonstrating a strong commitment to good health and safety management during 2023.



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# THANK YOU

