



JK Paper Today

Corporate Update

An Industry benchmark with Power Packed Brands

November, 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

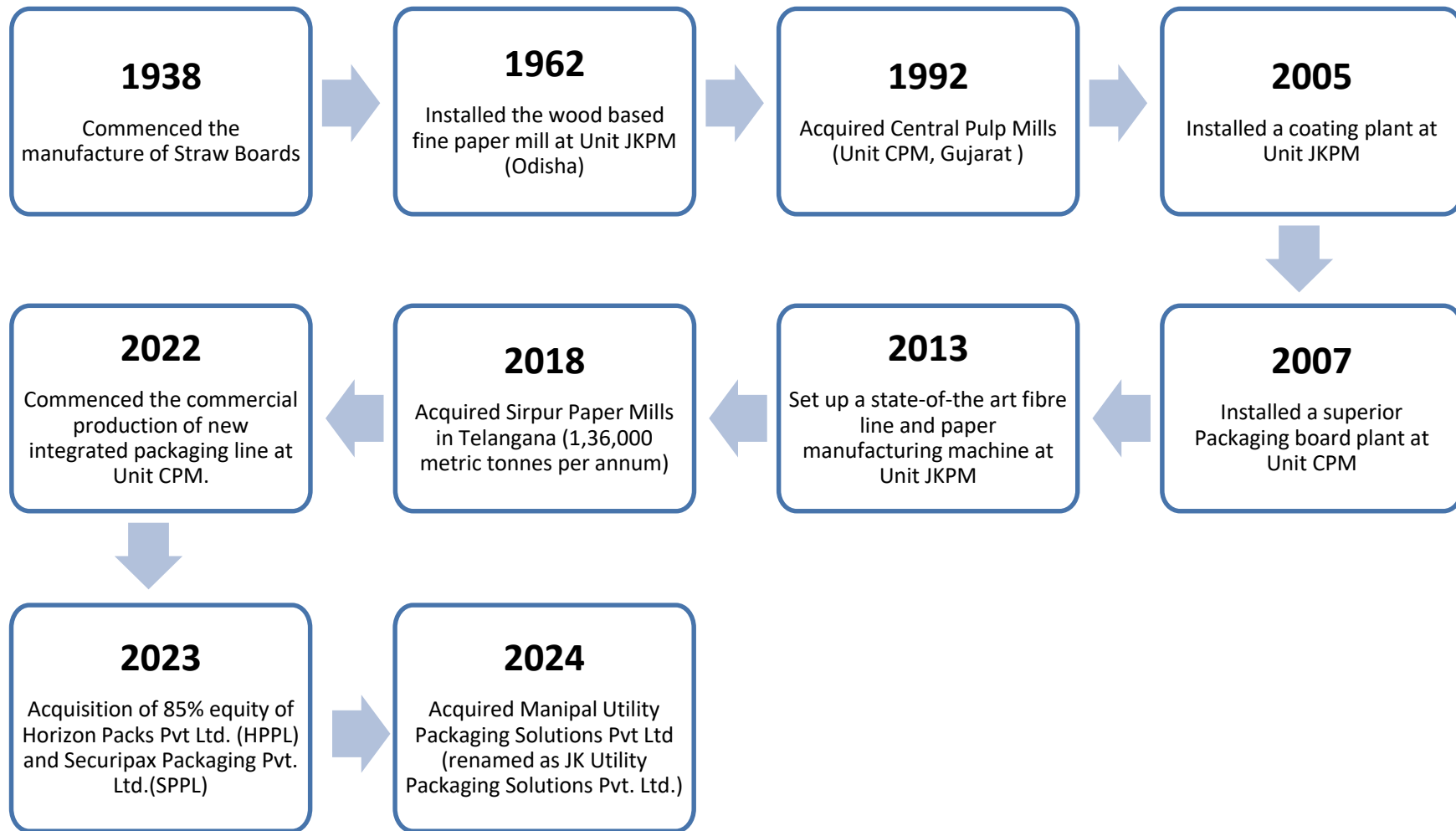
J K PAPER *Creating Lasting Impressions*

Slide No.2



JK Paper - History

More than 85 YEARS JOURNEY OF JK PAPER



JK Paper - Milestones

01

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

02

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

03

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

04

First to Brand Copier Paper in Indian Market

05

First to introduce Surface-size wood free paper in India

06

Awarded FSC-COC certification in 2011

07

Golden Peacock Environment Management Award in 2013

08

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



Vision, Mission & Core Values

Vision

To be a trusted industry leader enriching lives and creating a better future



Mission

Deliver sustainable solutions & profitable growth through:

- Digitalization and Innovation
- Cost Competitiveness
- Customer Centricity
- People and Community care
- Outstanding & Agile Talent



Core Values

- Caring for People
- Integrity including intellectual honesty, openness, fairness and trust
- Commitment to excellence



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)**



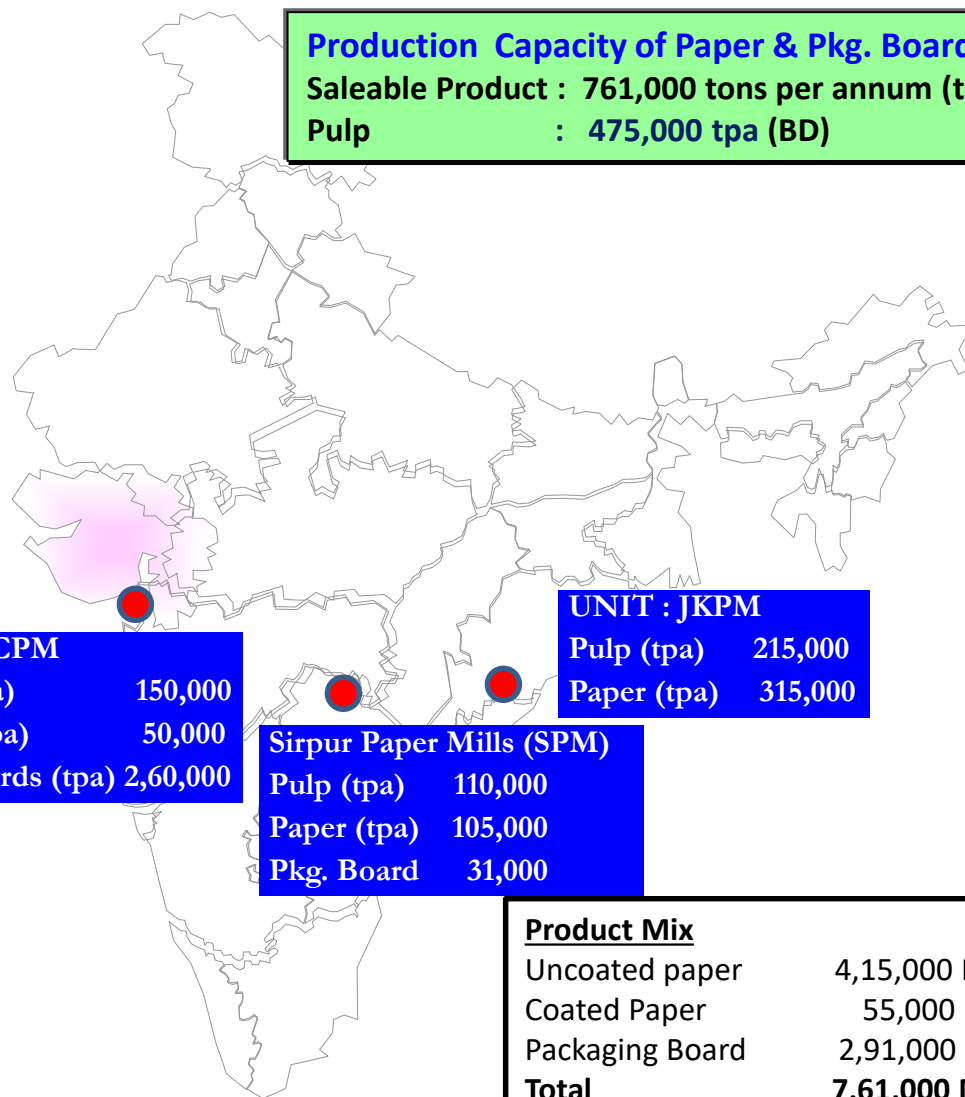
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Strategic Geographical Presence

- **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 Q2 FY2024-25

1. Capacity utilisation of **112%** in Q2 ended Sep 2024 Vs **108.2%** in corresponding Quarter.
2. Overall Sales Volume down by 2% over the corresponding Quarter and Consolidated Turnover grew by 1.6% to **Rs. 1777 Cr**
3. Wood availability remained a challenge in Q2 resulting in abnormally higher input costs.
4. **Continuous thrust on plantation activities:** Total Saplings planted in H1 FY2024-25 is 8.81 Crore covering 61,134 acres (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 7.5 Lac acres of plantation and planted over 134 Crore saplings till date.

5. CRISIL Ratings Limited has reaffirmed JK Paper Long Term ratings – **AA/Stable** and Short Term rating – **A1+**



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

Consolidated Financials

	Unit	2nd Quarter			6 Months		
		FY25	FY24	% Growth	FY25	FY24	% Growth
Sales Volume	MT	1,97,758	2,01,837	(2.0)	4,02,415	3,77,789	6.5
Uncoated Paper	MT	1,04,084	1,05,704	(1.5)	2,12,183	2,06,483	2.8
Coated Paper	MT	12,904	16,522	(21.9)	25,370	28,575	(11.2)
Virgin Fibre Board	MT	80,770	79,611	1.5	1,64,862	1,42,731	15.5
Gross Revenue	Rs. Cr.	1,777	1,750	1.6	3,582	3,414	4.9
Total Income (Net)	Rs. Cr.	1,715	1,709	0.4	3,458	3,348	3.3
EBITDA	Rs. Cr.	296	466	(36.6)	605	998	(39.4)
EBIT	Rs. Cr.	213	383	(44.2)	442	835	(47.0)
PBT	Rs. Cr.	145	341	(57.4)	339	741	(54.3)
PAT	Rs. Cr.	129	306	(57.8)	270	618	(56.4)
EBITDA Margin	%	17.2%	27.3%	(10.0)	17.5%	29.8%	(12.3)
PBT Margin	%	8.5%	19.9%	(11.5)	9.8%	22.1%	(12.3)

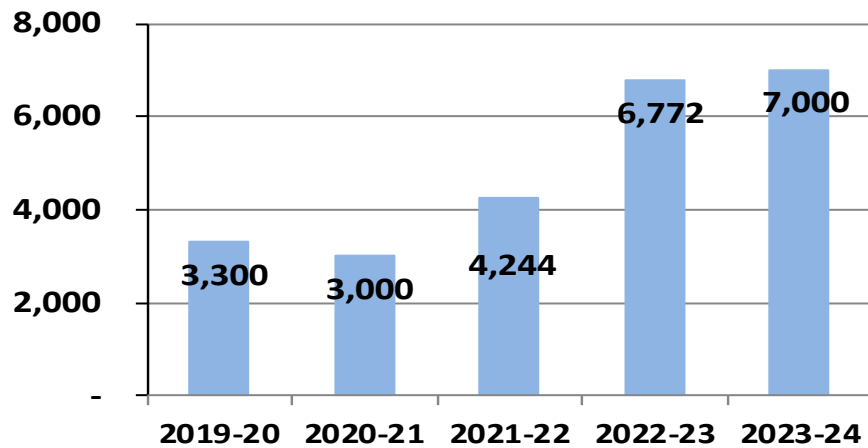
The results have been primarily affected due to continuing high wood cost. Sizeable increase in imports at much lower prices have significantly impacted volume and realisation in the Printing & Writing and Packaging Board Segment.



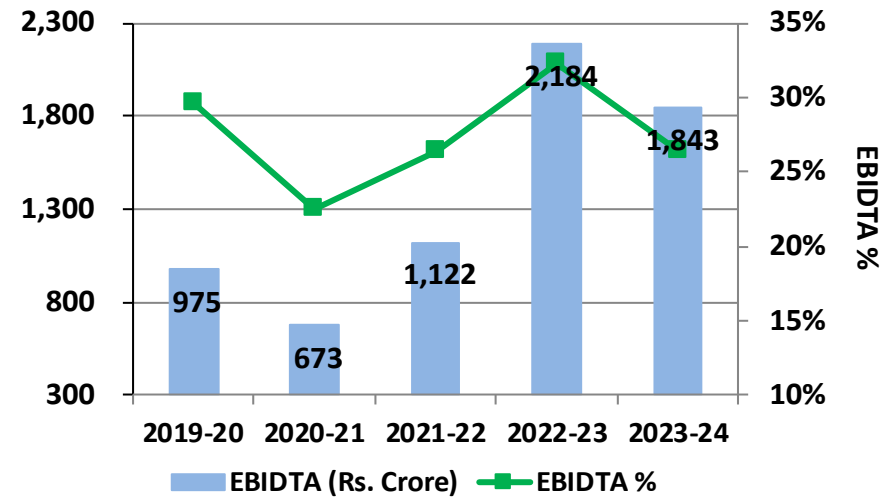
JKPL - Profitability

Consolidated Financials
Rs. Cr.

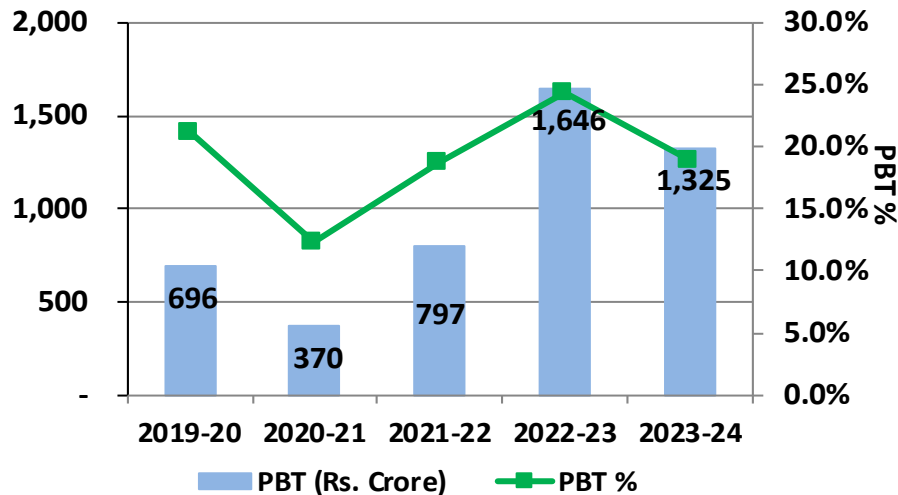
Turnover (Rs. Crore)



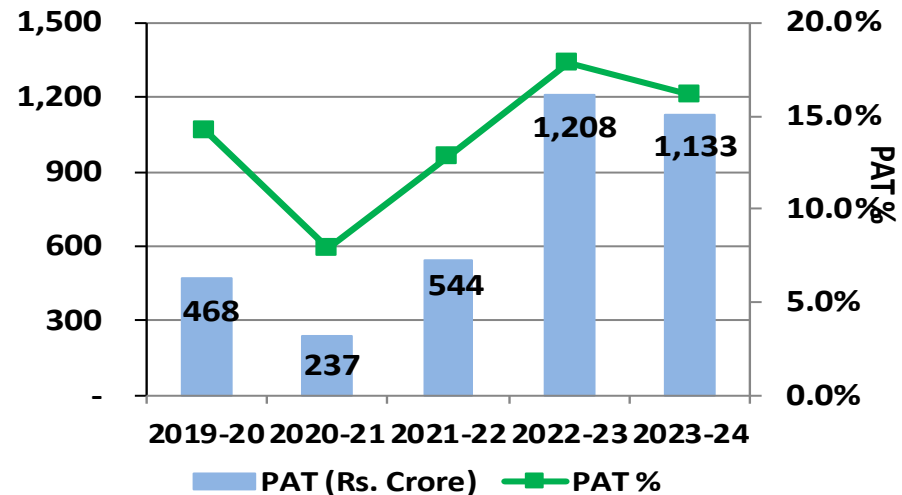
EBIDTA (Rs. Crore)



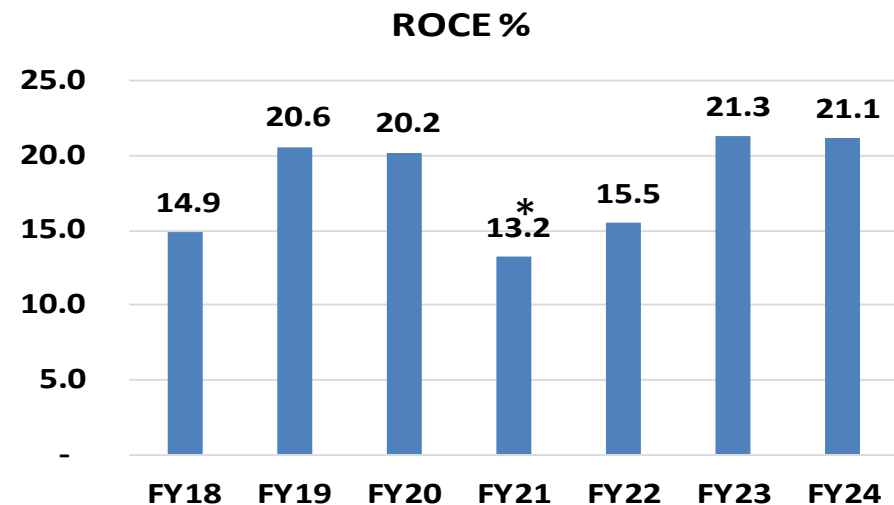
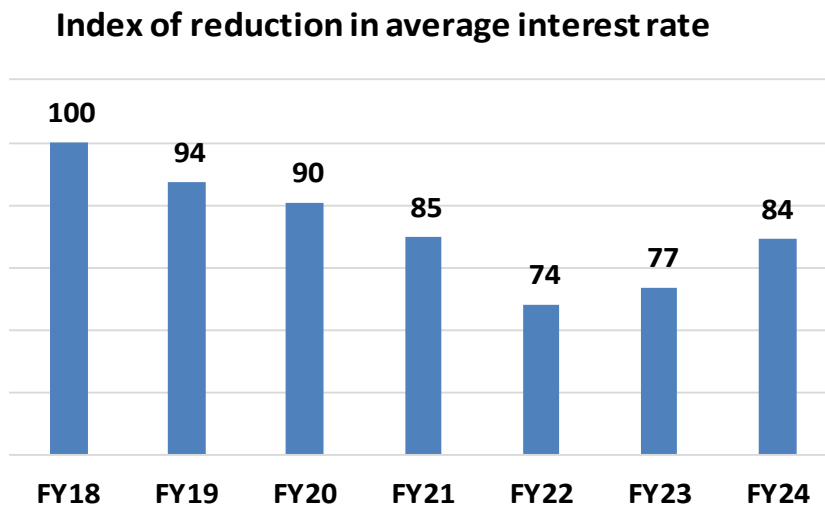
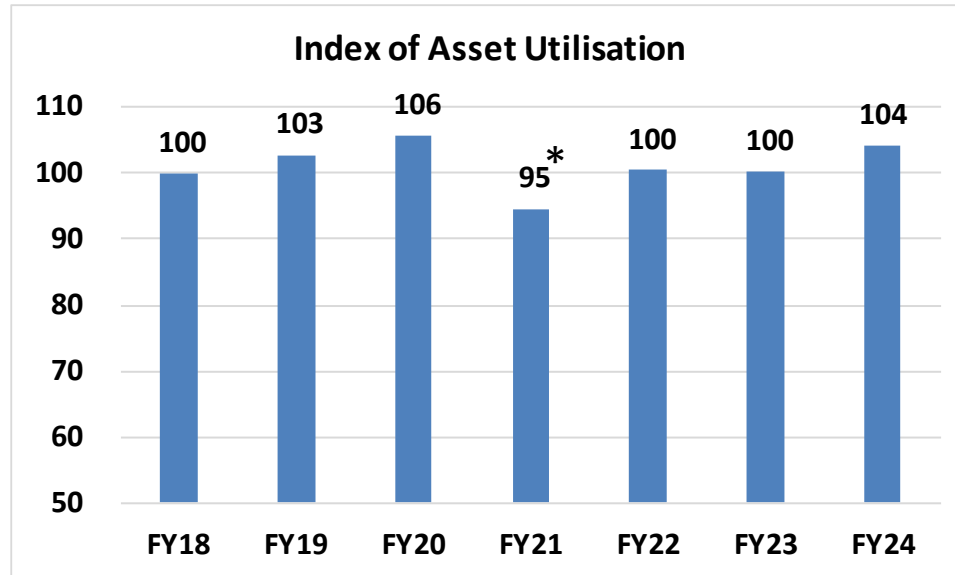
PBT (Rs. Crore)



PAT (Rs. Crore)



Continuous improvement in past Years



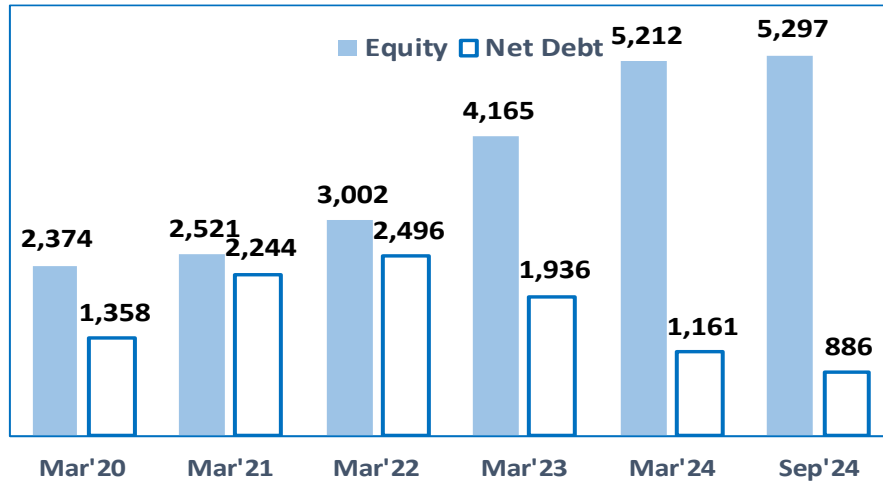
* Lower due to covid 19 pandemic



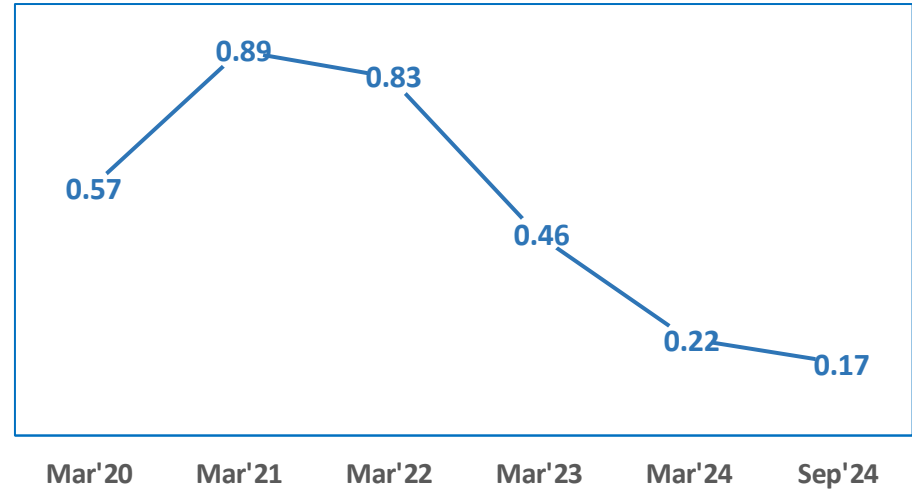
Focus on Deleveraging

Consolidated Financials

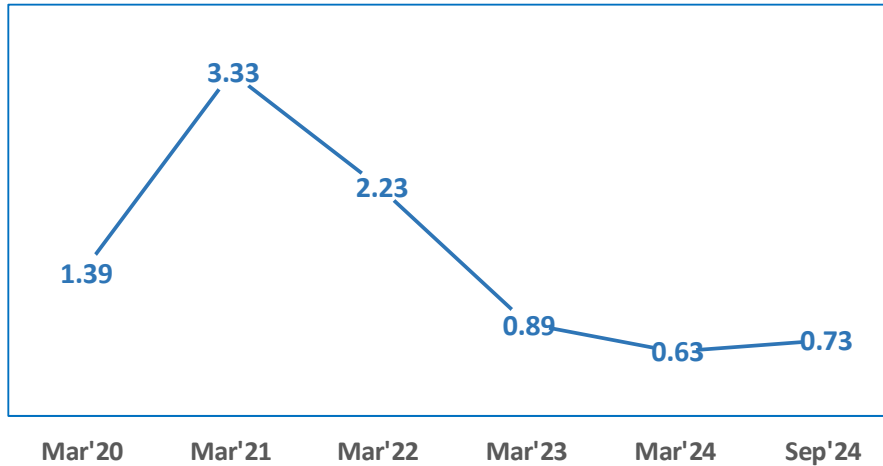
Net Debt and Equity (Rs. Cr.)



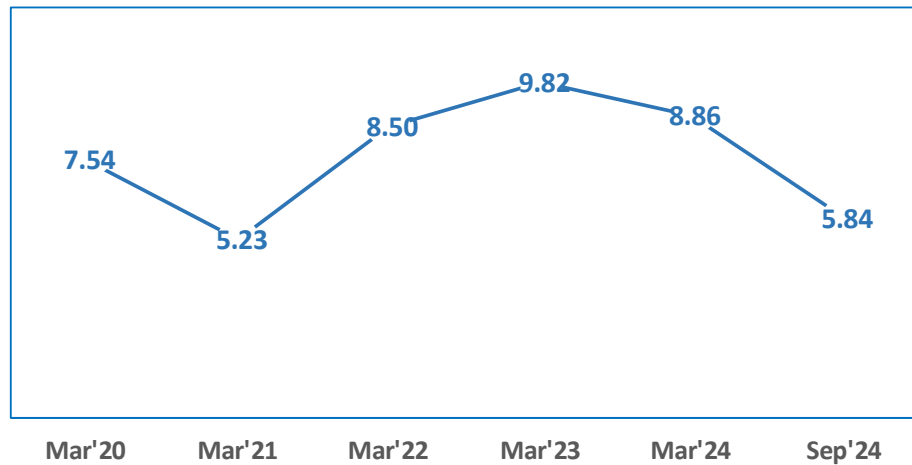
NET DEBT / EQUITY RATIO



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

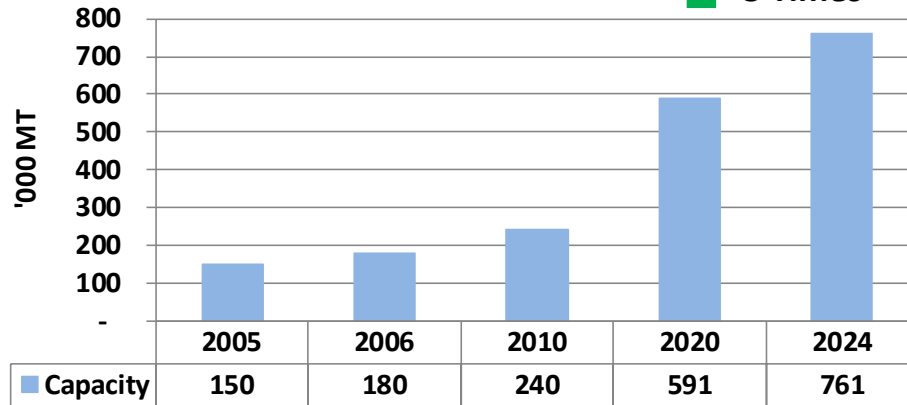
2007: Entry into Packaging Board

2022: Expansion in Packaging Board

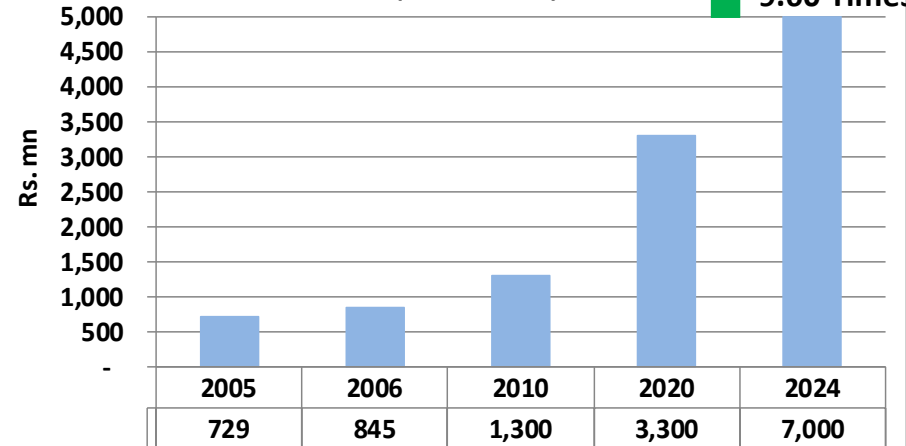
2013: Expansion in Uncoated Paper


2022: Acquisition of HPPL & SPPL (Corrugation Business)

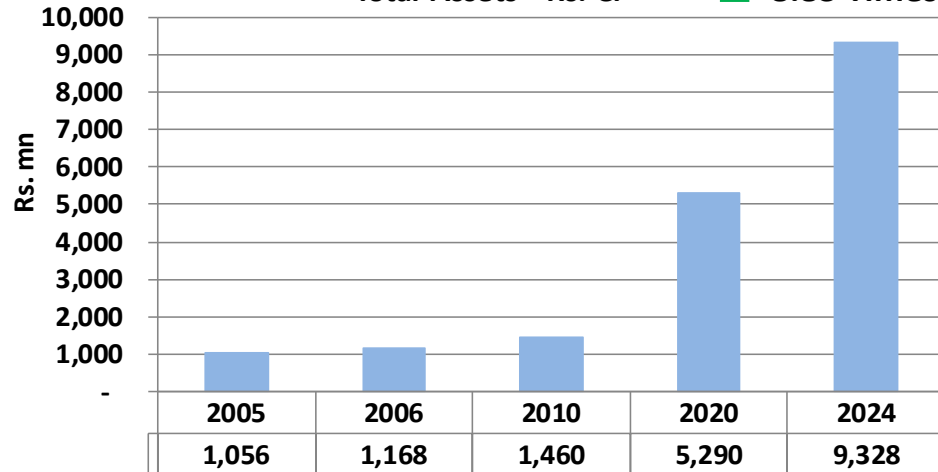
Volume - '000 MT  5 Times



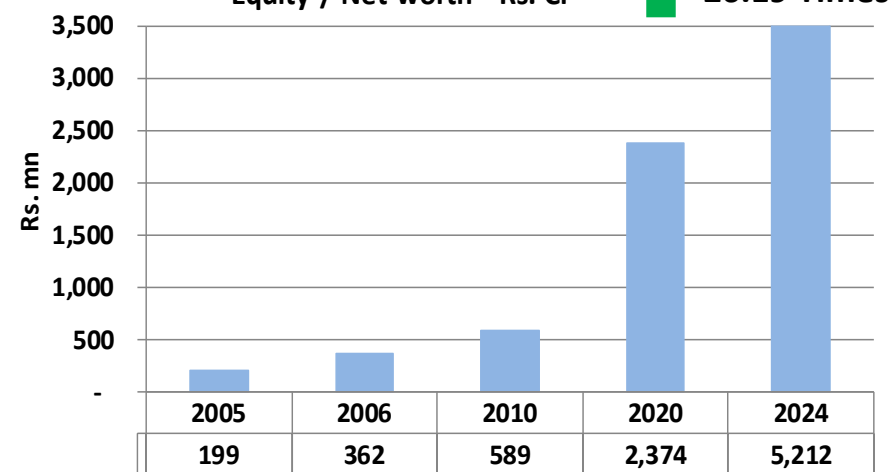
Turnover (Gross Sales) - Rs. Cr  9.60 Times



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 > **7,50,000** acres of plantation and planted >**134 Crore** saplings till date

Financial year FY 23-24	> 11.64 Cr saplings planted with >81,173 acres Plantation
Financial year FY 24-25 (H1)	> 8.81 Cr saplings planted with > 61,134 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. 9.64 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



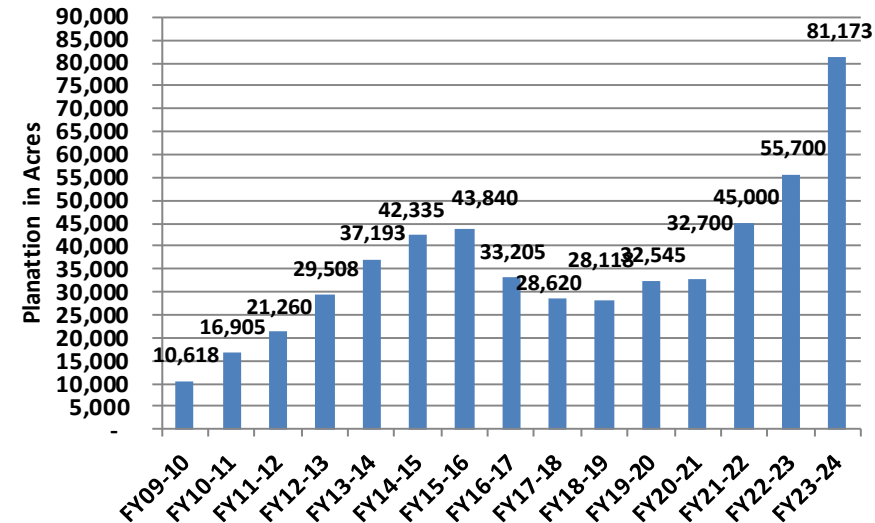
Carbon Positive

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

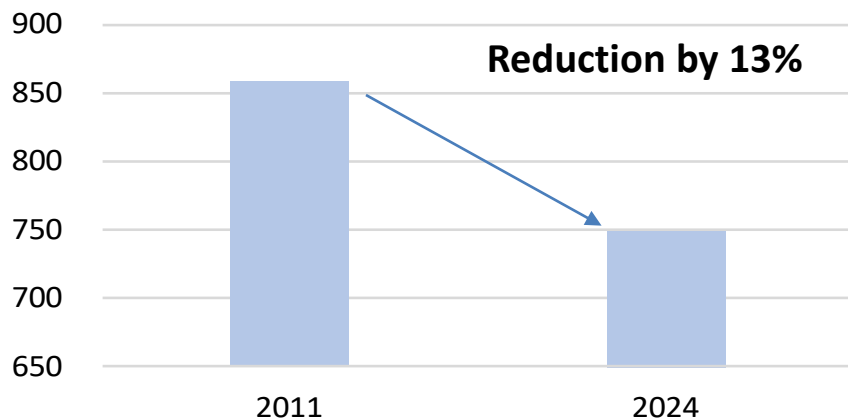


Care for Community (2/2)

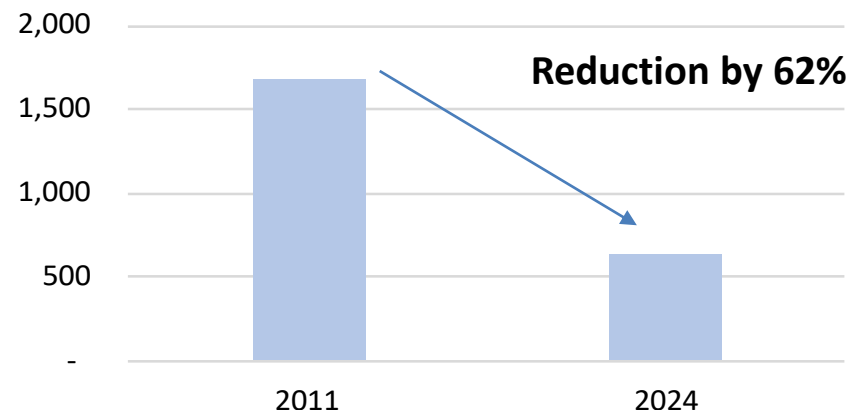
Areas	Key Initiatives
<p>Community/ Social</p> 	<ul style="list-style-type: none">• 14,730 youths have been empowered through various skill development training and 679 youth entrepreneurs have been created through a unique grampreneurs program• The Company helped formation of 1600 Self-Help Group (SHGs)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

Reduction in Consumption of Resources

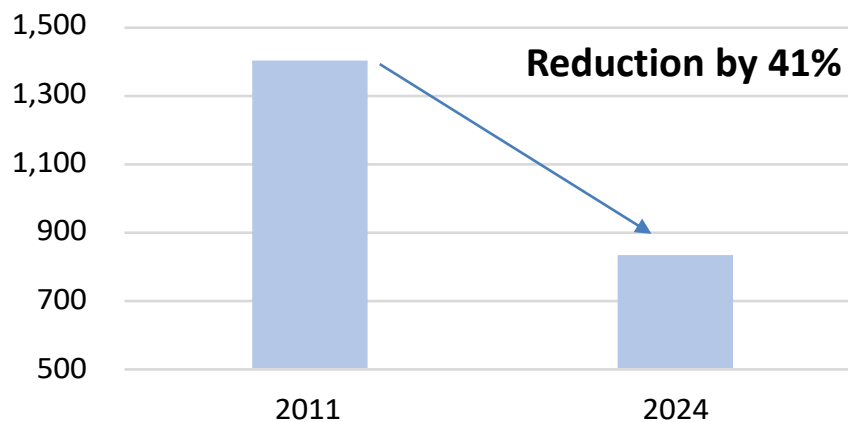
Fibre - Kg/Ton of Paper



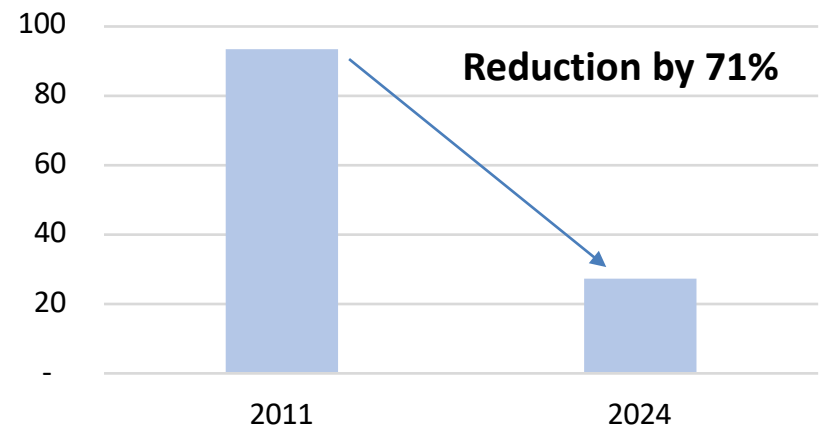
Coal - Kg/Ton of Production



Power - Kwh/Ton of Production



Water - m3/Ton of Production



JK Paper - Awards and Accolades during the Q1 FY25

1. **“Adam Smith Awards ASIA 2024”** – Highly commended winner for best-in-class treasury solution in India for our Automated Receipt and Accounting System

Unit JKPM :

2. **OASME Award 2023-24** for dedicated efforts to promote MSME Sector in Odisha and in recognition of the ability as the “BEST MOTHER PLANT” for the year 2023-24 from Odisha Assembly of Small & Medium Enterprises (OASME).
3. **CSR Times Award 2024** for empowering States Through Sustainable Development in the special category of the CSR Project Nutan Gyan Vardhani: Care of Specially- abled Children from Ministry of Goa.
4. **CII- 25th National Award in Energy Management 2024** for Excellence in Energy Management 2024 as an “Excellent Energy Efficient Unit” and got recognized as a “National Energy Leader” from Confederation of Indian Industries (CII), Hyderabad.

Unit CPM :

5. CPM also received an award of **“Excellent energy Efficient Unit”**.



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THANK YOU

