



JK Paper Today

Corporate Update

An Industry benchmark with Power Packed Brands

November, 2023

*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	6,452

Paper



JK PAPER LTD.

Creating lasting impressions

	Rs. Cr.
Revenue	6,772

Tyre



	Rs. Cr.
Revenue	14,645

Agri Genetics



	Rs. Cr.
Revenue	201

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	1,220

(Unlisted Co.)

Dairy Products



	Rs. Cr.
Revenue	293

Education



Defence Electronics



Hospital & Health services



Clinical Research



Revenue based on last published Annual Results



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 9% *

Current Mkt. Share is 18% *



Panoramic view of the Unit JKPM (in Odisha)



Panoramic view of the Unit CPM (in Gujarat)



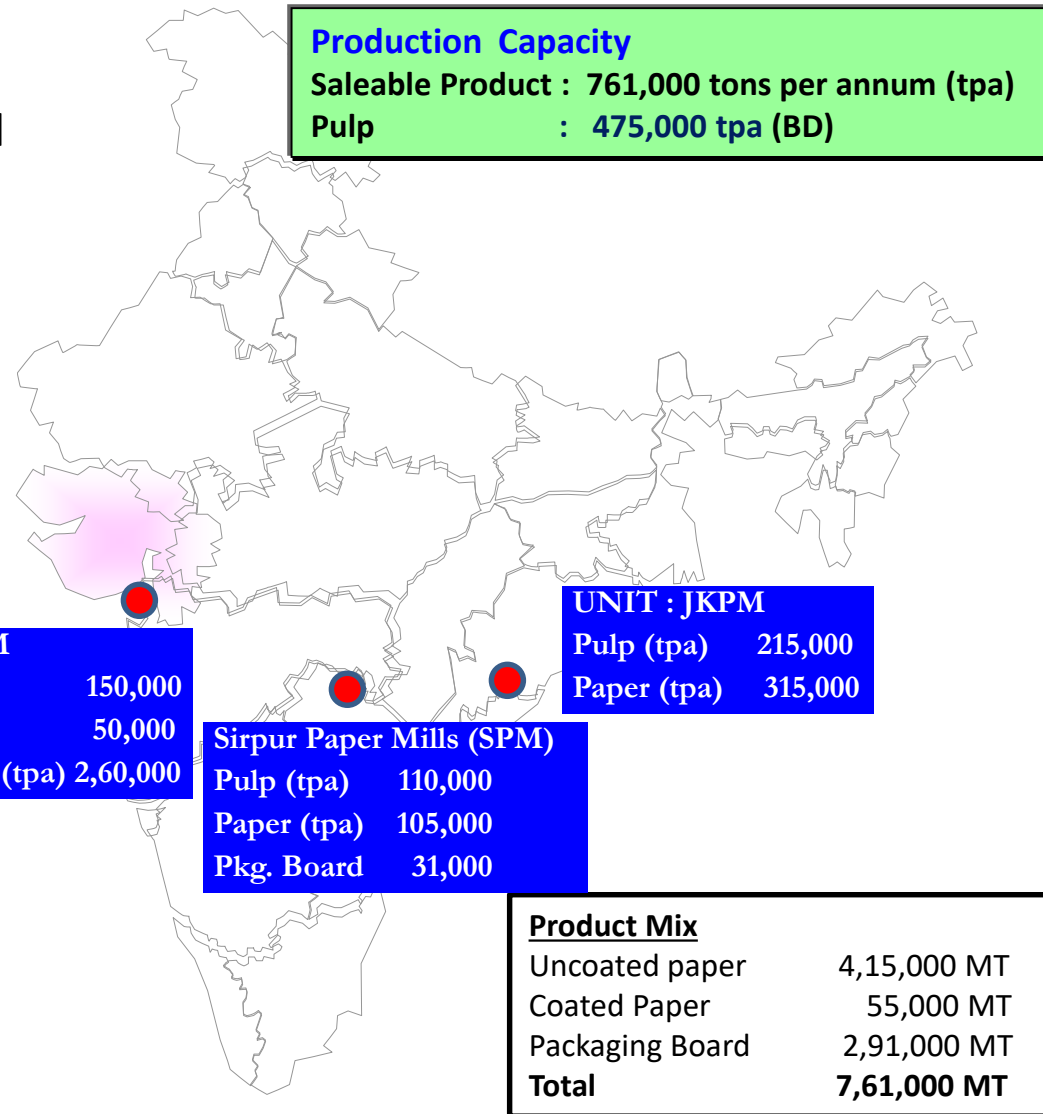
* Company Estimates (Q1 FY24)

Panoramic view of the Unit Sirpur (in Telangana)



Strategic Geographical Presence

- **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
 - 450 Trade partners
 - over 4,000 dealers



JK Paper - Performance Highlights for H1 FY2023-24

1. Capacity utilisation of **104.0%** in Half year ended September 2023 and **103.0%** in corresponding Half year ended September 2022.
2. Company achieved highest ever Consolidated **Turnover of Rs. 3,414 Cr. for first six months**
3. Highest ever total sales volume of 2.02 Lac MT during the Q2 of FY2024
4. **Continuous thrust on plantation activities:** Total Saplings planted in the first six months of this year is 8.44 Crore covering 23,139 Hectares, against 8.32 Crores covering 22,534 Hectares in the last full financial year.

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

Company has covered over 6.5 Lac acres of plantation and planted over 118 Crore saplings till date.

5. **During the quarter, pursuant to approval of the Board of Directors at its meeting held on 16th October 2023, Company has entered into Share Purchase Agreement (SPA) for the acquisition of 100% Shares of Manipal Utility Packaging Solutions Private Limited (MUPSPL). The acquisition is expected to be completed within the next four weeks subject to fulfilment of conditions mentioned in SPA.**



JK Paper - Key Financials for Q2 vs H1 (FY 2023-24 vs FY 2022-23)

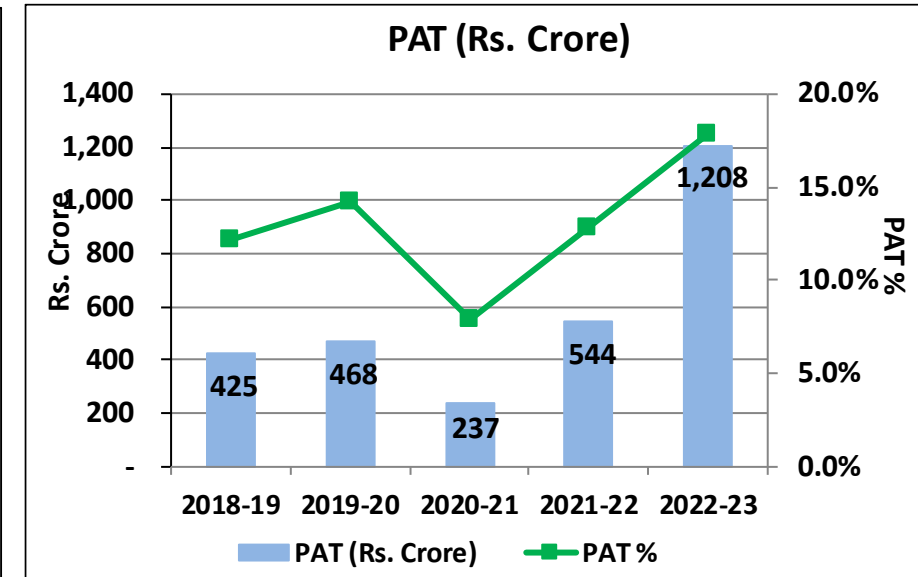
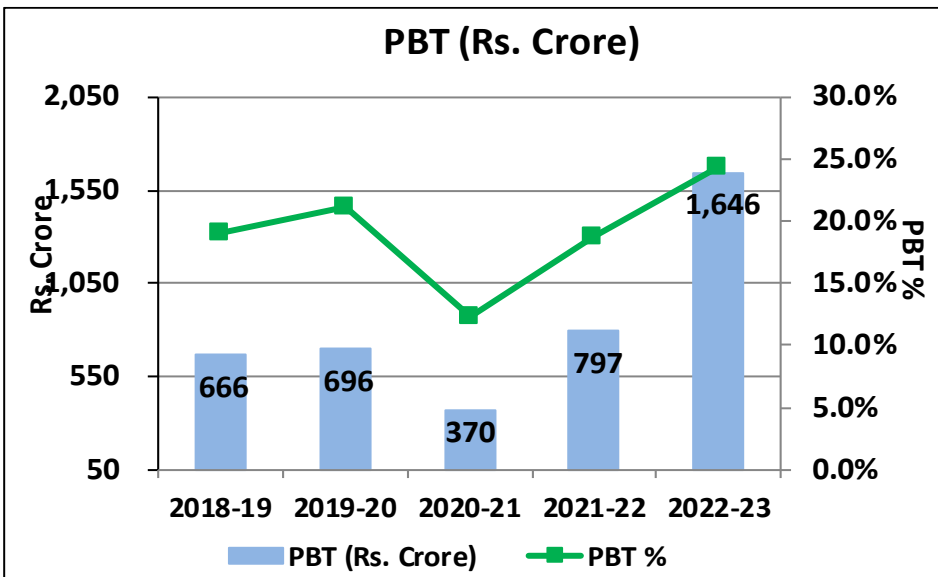
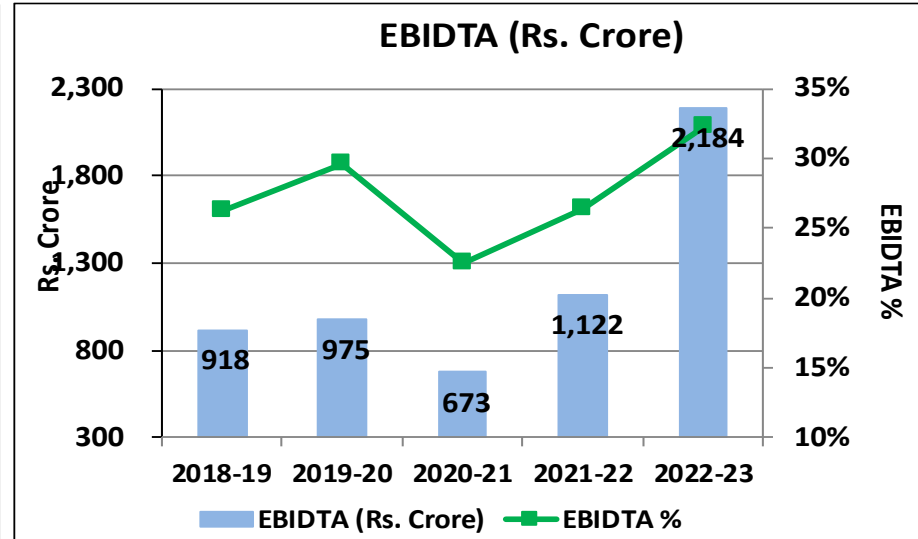
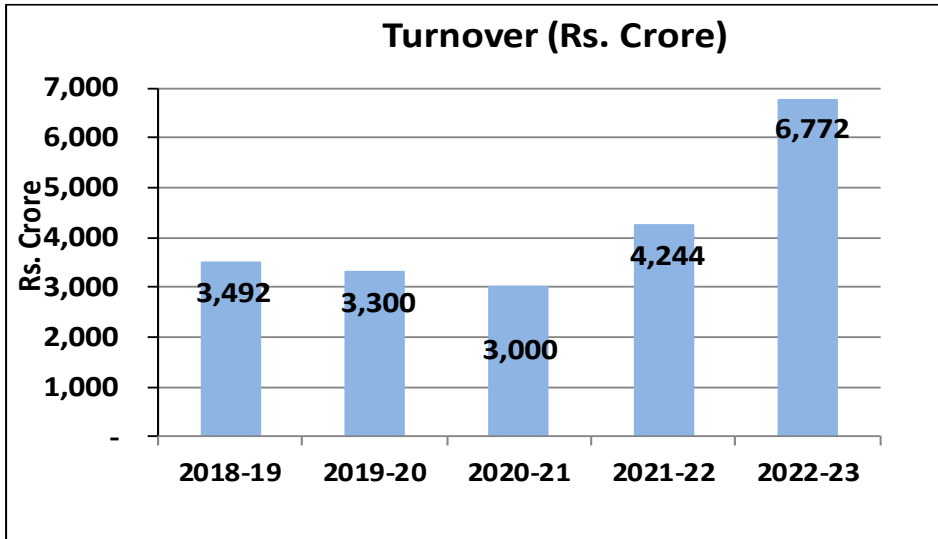
Consolidated Financials

	Unit	2nd Quarter			6 Months		
		FY24	FY23	% Growth	FY24	FY23	% Growth
Sales Volume	MT	2,01,837	2,00,576	0.6	3,77,789	3,91,300	(3.5)
Uncoated Paper	MT	1,05,704	1,12,299	(5.9)	2,06,483	2,17,617	(5.1)
Coated Paper	MT	16,522	16,433	0.5	28,575	31,530	(9.4)
Virgin Fibre Board	MT	79,611	71,844	10.8	1,42,731	1,42,153	0.4
Gross Revenue	Rs. Cr.	1,750	1,723	1.6	3,414	3,231	5.7
Total Income (Net)	Rs. Cr.	1,709	1,692	1.0	3,348	3,157	6.1
EBITDA	Rs. Cr.	466	587	(20.6)	998	1,045	(4.5)
EBIT	Rs. Cr.	383	521	(26.5)	835	913	(8.6)
PBT	Rs. Cr.	341	451	(24.4)	741	815	(9.0)
PAT	Rs. Cr.	306	327	(6.5)	618	591	4.6
EBITDA Margin	%	27.3%	34.7%	(7.4)	29.8%	33.1%	(3.3)
PBT Margin	%	19.9%	26.6%	(6.7)	22.1%	25.8%	(3.7)

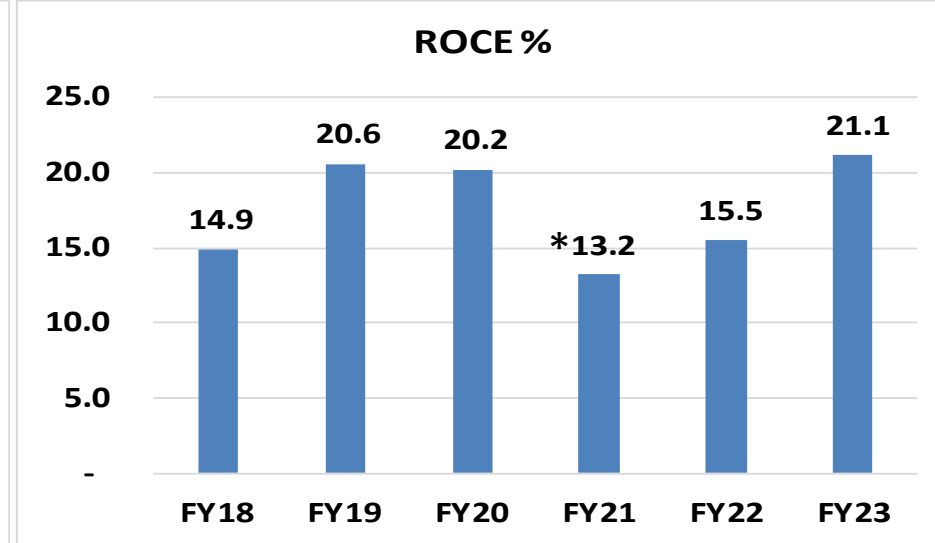
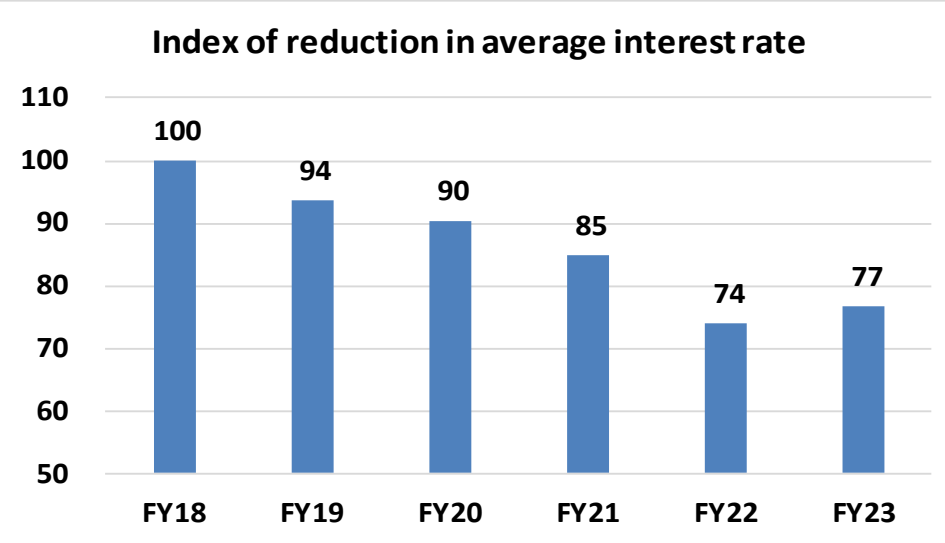
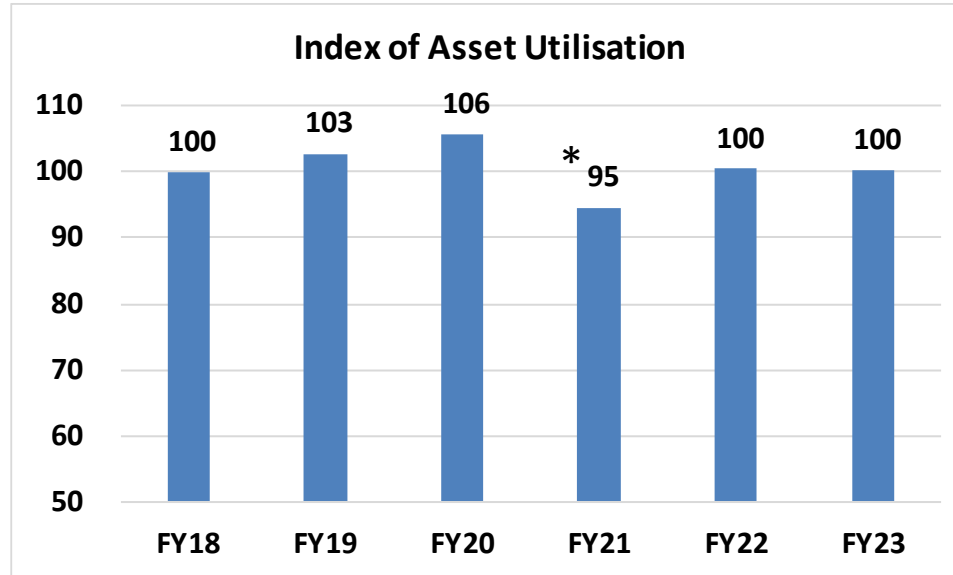
The results have been impacted due to lower sales realisation and higher input cost coupled with lower demand during the current quarter. Despite adverse market conditions, the company maintains its strong leadership across product categories. Of late the demand of Packaging Board has started recovering and there has been some increase in selling price across all product segments.



JKPL - Profitability



Continuous improvement in last 5 Years



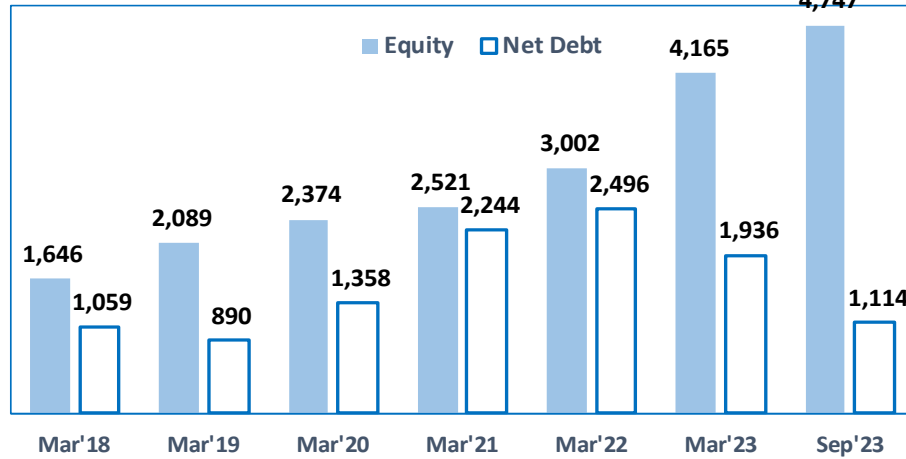
* Lower due to covid 19 pandemic



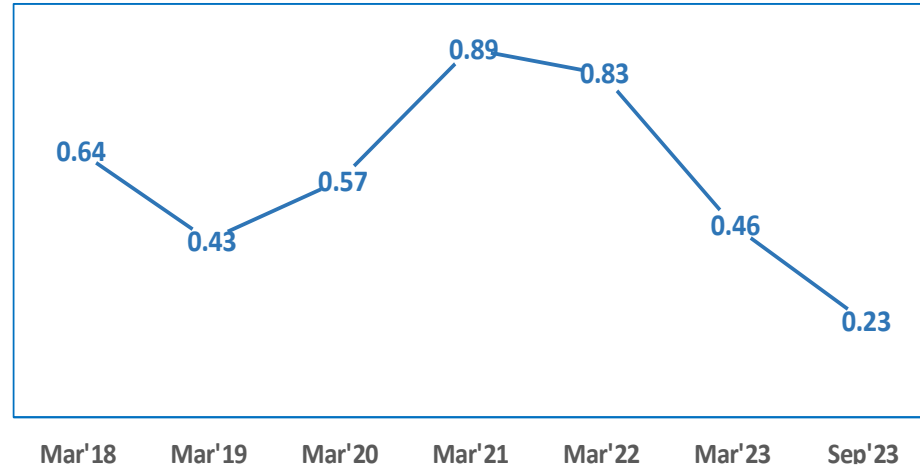
Focus on Deleveraging

Consolidated Financials

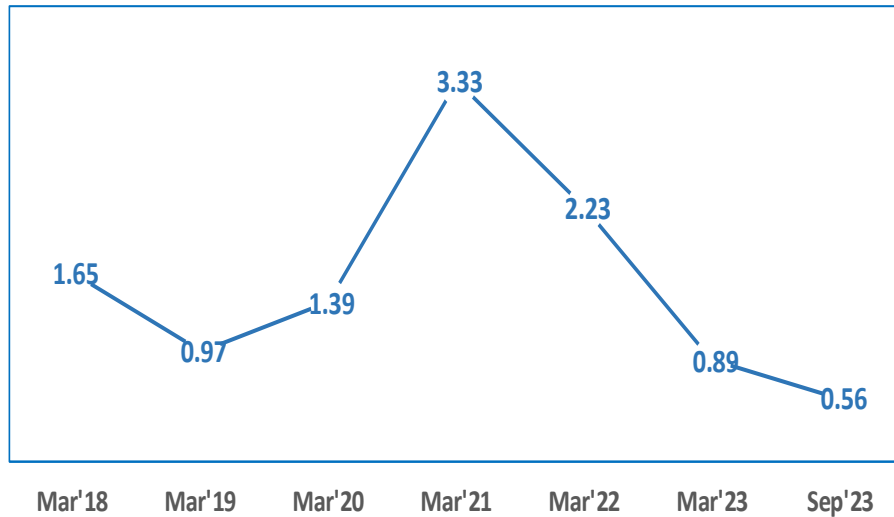
Net Debt and Equity (Rs. Cr.)



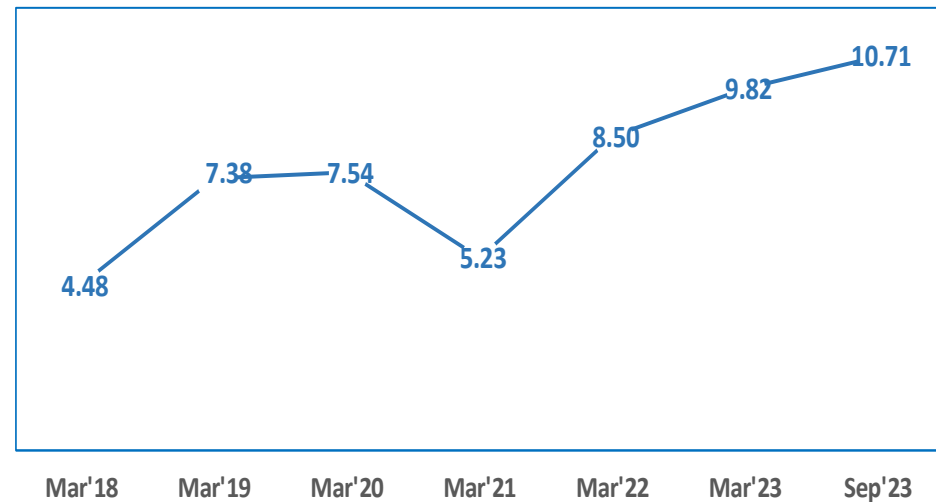
NET DEBT / EQUITY RATIO



NET DEBT / EBITDA RATIO



INTEREST COVERAGE RATIO



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



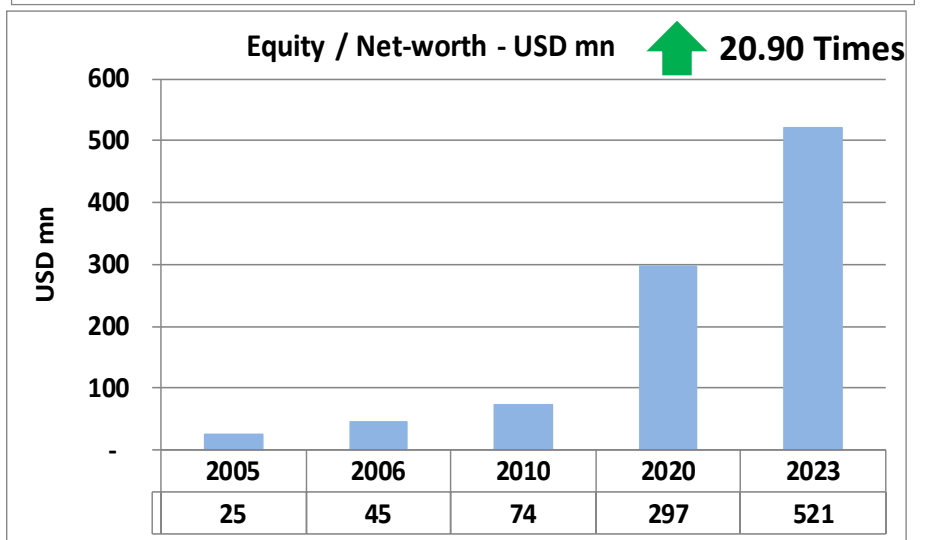
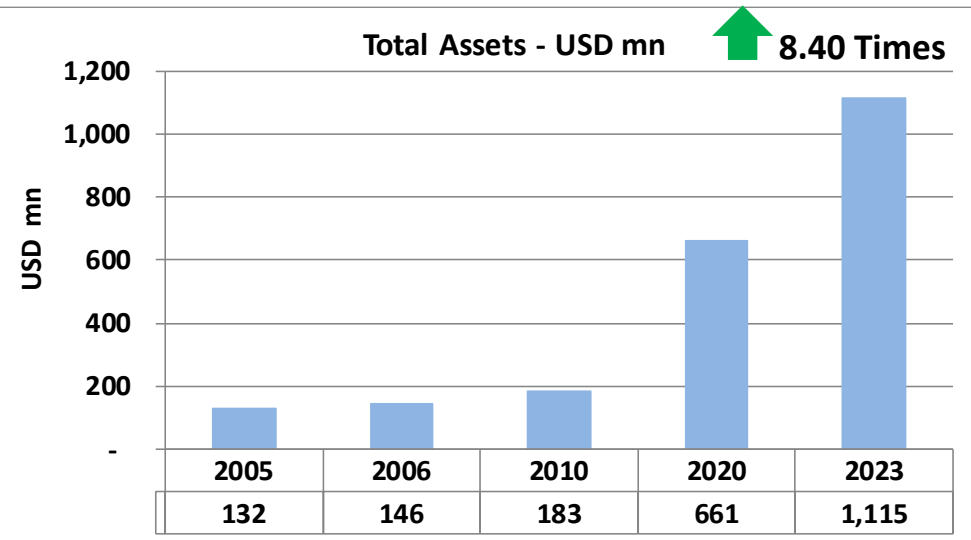
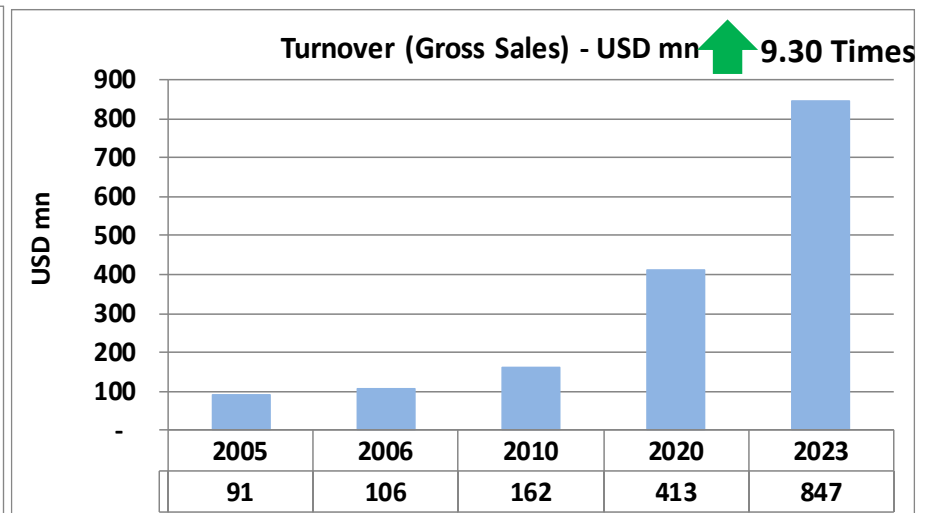
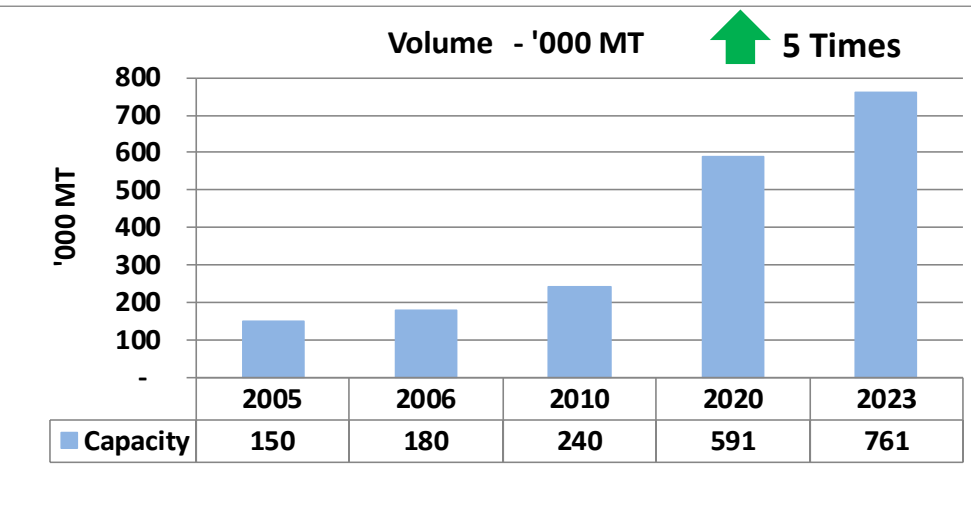
Quantum Jumps through continuous expansions since FY2005

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)



1 USD = INR 80



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 > **6,00,000** acres of plantation and planted >**1.16 billion** saplings till March 2023. In FY23 > **83.2 mn saplings** planted with >55,000 acres of plantation.
- **Net carbon positive** i.e., amount of carbon sequestered (through plantation) is more than the emissions
- Share of **renewable energy** is ~**55%** 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. **75,000 farmers** are benefitting from our farm-forestry operations
- More than **13,000 tribal women** have been mobilized into Self-Help Groups



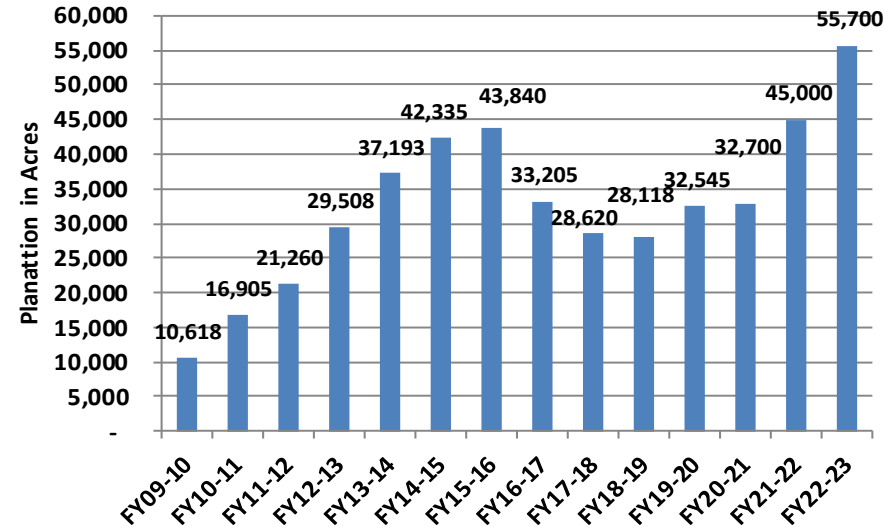
Farm Forestry and Raw Material Security Initiatives

Clonal Development Centre

- Started in 1991-92
- 55,700 acres area planted in 2022-23
- Overall > 6 Lac acres till date



Plantation under Farm Forestry by JKPL – in Acres



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

2016-17	49%
2017-18	71%
2018-19	96%
2019-20	100%
2020-21	100%
2021-22	94%
2022-23	77%

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

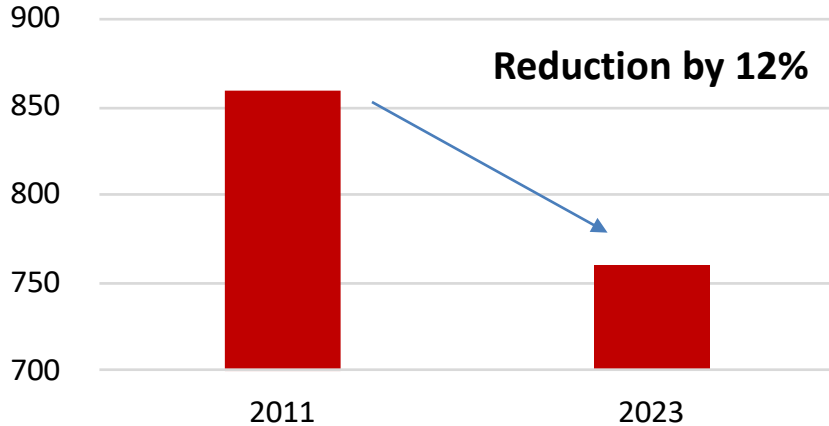


Care for Community (2/2)

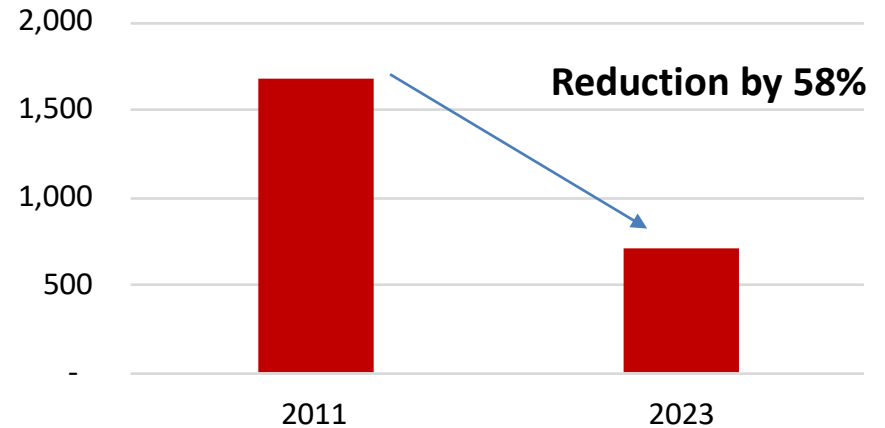
Areas	Key Initiatives
<p data-bbox="141 565 369 651">Community/ Social</p> 	<ul data-bbox="506 301 1831 1150" style="list-style-type: none">• 9,000 youths have been empowered through various skill development training and 519 youth entrepreneurs have been created through a unique grampreneurs program• The Company helped formation of 13 Farmer Producer Organization FPO's, 99 farmer clubs and 186 farmer interest groups, reaching out to more than 12,845 farmers in Odisha, Gujarat and Uttar Pradesh.• Distributed ~ Rs. 26 mn. from carbon credits income to 1,590 farmers• More than 13,000 tribal women mobilized into Self-Help Groups• 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• Water Harvesting, Soil Conservation & Increasing Arable land• Community Health, Eye care & Sickle Cell Anaemia

Reduction in Consumption of Resources

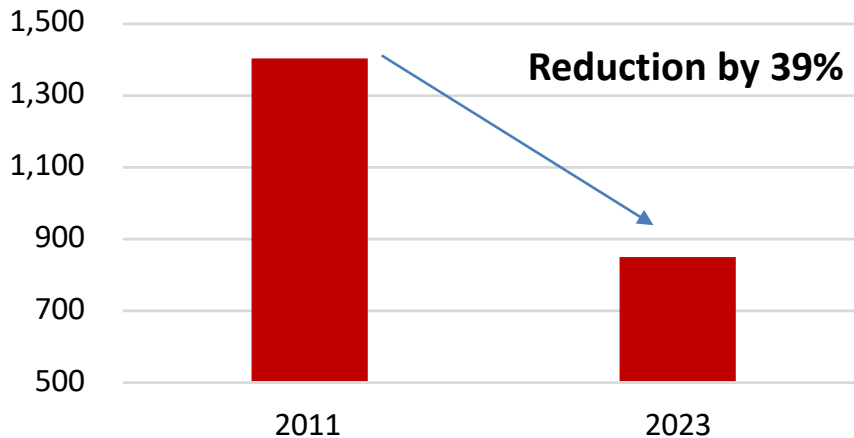
Fibre - Kg/Ton of Paper



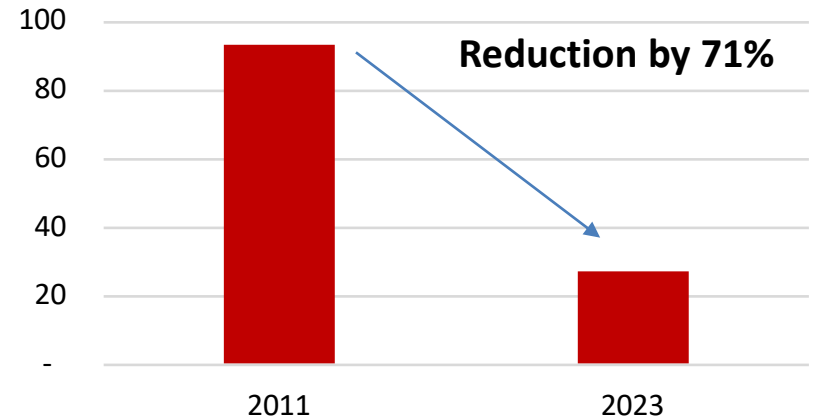
Coal - Kg/Ton of Production



Power - Kwh/Ton of Production



Water - m3/Ton of Production



CSR Awards and Recognition

- JKPM Unit received “Odisha CSR Excellence Award”-2022 from Odisha CSR Forum.
- Received CSR Gold Award from a leading Odisha media group Sambad under Corporate Excellence Award – 2022
- Received an award from Integrated Tribal Development Agency (ITDA), Rayagada for innovation on occasion of first ever Women Business Leaders Mela, Bhubaneswar.



JK Paper - Awards and Accolades

Unit JKPM:

1. **IPMA Paper Mill** of the year award 2021-22.
2. **CII National Award for excellence in Water Management 2022.**
3. State level Awards for **FICCI'S Sustainable Agriculture Award-2022** from FICCI in Dec-22.
4. “State Business Leadership Award” for Promoting Corporate Odisha 2023 at State Business leadership Summit.
5. “4th ICC National Occupational Health & Safety Awards” by Indian Chamber of Commerce, Kolkata for the year 2022-23.

Unit CPM:

1. Energy Efficient Award by CII - 23rd National Award for Excellence in Energy Management.
2. “Excellent position” under Paper Industry category -SCALE (Supply Chain and Logistics Excellence Awards) 2022, organized by CII.



JK Paper - Awards and Accolades during the Q2 FY24

1. **Unit - JKPM** has won 24th National Award for Excellence in Energy Management by CII – Hyderabad in the month of Sep-2023.
2. **Unit - CPM** has won Energy Efficient Award from Confederation of Indian Industry's 24th National Award for Excellence in Energy Management in the month of Sep-2023.
3. **Unit - SPM** has won one gold & one silver award in Quality Circle Forum of India in Hyderabad in the month of Sep-2023.



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THANK YOU

