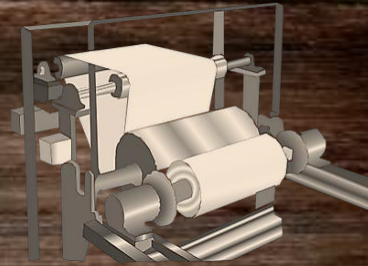


# Genus Paper & Boards Ltd

Investor Presentation  
August 2018



This presentation and the accompanying slides (the “Presentation”), by **Genus Paper & Boards Limited** (the “Company”), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment what so ever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

Certain matters discussed in this Presentation may contain statements regarding the Company’s market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the company’s ability to successfully implement its strategy, the Company’s future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company’s market preferences and its exposure to market risks, as well as other risks. The Company’s actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections.

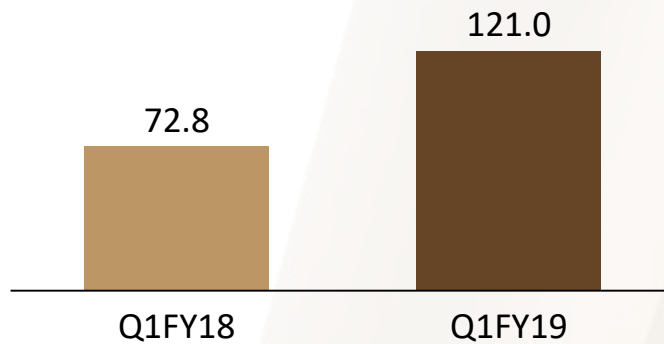


# Performance Highlights Q1FY19 (YoY)

Rs. Crore

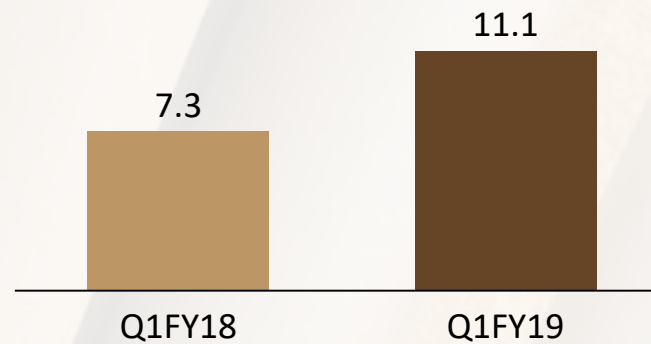
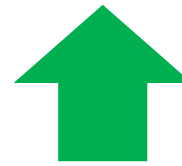
## Revenue

Growth of  
**66%**



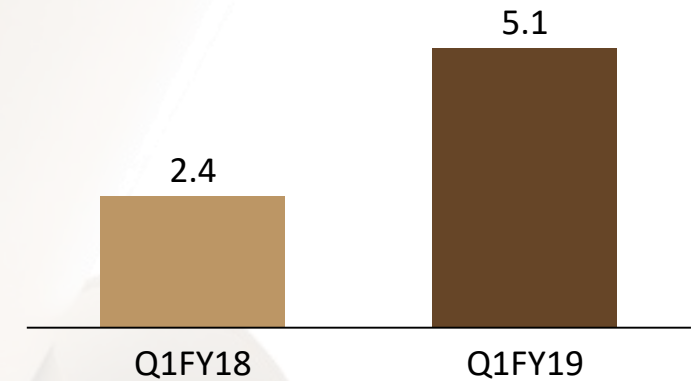
## EBITDA

Growth of  
**51%**



## PAT

Growth of  
**113%**



# Performance Highlights Q1FY19 (QoQ)

Rs. Crore

## Revenue

Growth of  
**21%**



100.1

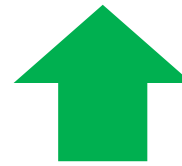
121.0

Q4FY18

Q1FY19

## EBITDA

Growth of  
**30%**



8.5

11.1

Q4FY18

Q1FY19

## PAT

Growth of  
**40%**



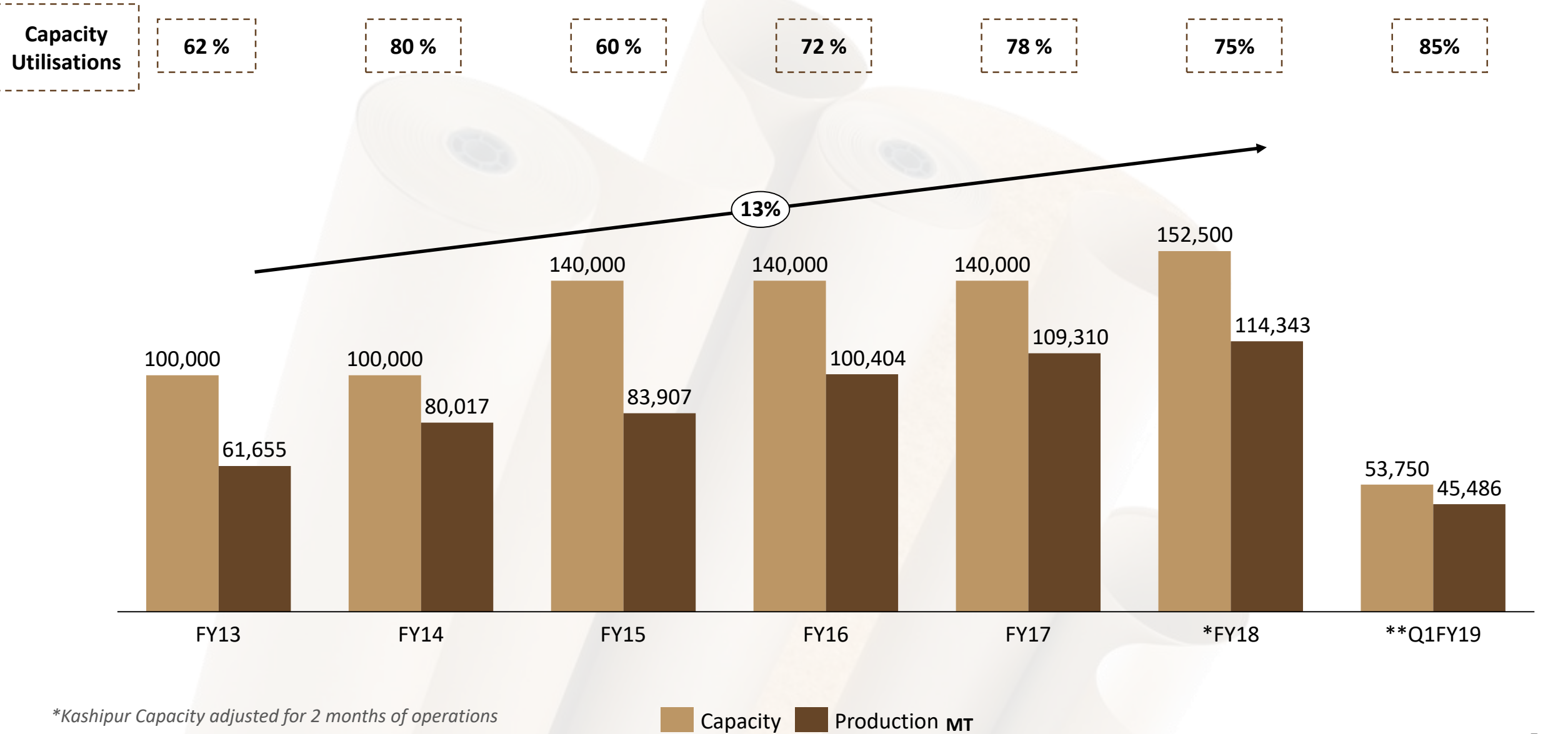
3.6

5.1

Q4FY18

Q1FY19

# Improving Utilisation



\*Kashipur Capacity adjusted for 2 months of operations

\*\*Annualised basis

# Profit & Loss Statement- Standalone

Particulars (Rs. Crs)	Q1 FY19	Q1 FY18	YoY	Q4 FY18	QoQ	FY18
<b>Revenue from Operations (Net of Excise)</b>	<b>121.0</b>	<b>72.8</b>	<b>66.3%</b>	<b>100.1</b>	<b>20.9%</b>	<b>345.6</b>
Raw Material	78.6	54.3		55.2		234.3
Employee Cost	5.1	3.0		3.7		12.7
Other Expenses	26.2	8.2		32.7		62.6
<b>EBITDA</b>	<b>11.1</b>	<b>7.3</b>	<b>51.0%</b>	<b>8.5</b>	<b>30.0%</b>	<b>36.1</b>
<b>EBITDA Margin</b>	<b>9.1%</b>	<b>10.1%</b>		<b>8.5%</b>		<b>10.4%</b>
Other Income	2.5	1.0		1.7		5.5
Depreciation	3.2	3.2		3.2		12.9
<b>EBIT</b>	<b>10.3</b>	<b>5.1</b>	<b>100.9%</b>	<b>7.0</b>	<b>46.9%</b>	<b>28.6</b>
<b>EBIT Margin</b>	<b>8.5%</b>	<b>7.1%</b>		<b>7.0%</b>		<b>8.3%</b>
Finance Cost	3.1	1.5		1.6		6.1
Exceptional Item (Gain) / Loss	0.0	0.0		0.0		0.0
<b>Profit before Tax</b>	<b>7.3</b>	<b>3.6</b>	<b>99.3%</b>	<b>5.4</b>	<b>34.7%</b>	<b>22.5</b>
<b>PBT Margin</b>	<b>6.0%</b>	<b>5.0%</b>		<b>5.4%</b>		<b>6.5%</b>
Tax	2.2	1.3		1.8		7.6
<b>PAT</b>	<b>5.1</b>	<b>2.4</b>	<b>112.7%</b>	<b>3.6</b>	<b>39.9%</b>	<b>14.9</b>
<b>PAT Margin %</b>	<b>4.2%</b>	<b>3.3%</b>		<b>3.6%</b>		<b>4.3%</b>
EPS	0.20	0.09		0.14		0.58

**One of the Leading  
Manufacturers of Kraft  
Paper in India**

**Dominant Player in  
North India**

**Preferred Vendor  
for Large FMCG Clients**

**Preferred Supplier for  
Corrugated Box  
Manufacturers**

**Reusing & Redefining  
Waste Paper**



**1996**

**Incorporated as  
'DSM Papers  
Limited'**

**2002**

**Name changed  
to Kailash Paper  
Products Limited**

**2006**

**Name changed to  
Genus Paper  
Products Limited**

**2011**

**Approval for the  
Demerger of Non  
Power Infrastructure  
Business**

**2013**

**Post the scheme of  
Arrangement, Genus  
Paper & Boards Limited  
was formed as a public  
limited company and  
listed on the NSE & BSE**

**2015**

**Enhance Production  
capacity from  
100,000 to 140,000  
MTPA**

**2018**

**Leased  
Manufacturing  
plant in Kashipur  
with a capacity of  
75,000 MTPA**



**Mr. Ishwar Chand Agarwal,**  
Non Executive Director

Ventured into business at early age and now has more than four decades of rich experience in diverse businesses of Power, Electronics, Coke, Coal, Sugar, Finance, Leasing, Cement, Paper, Agro processing etc

He is the founder of progressive and reputed Kailash Group. He is the driving force behind the success achieved by the Group. He is an active philanthropist and is involved in various social welfare activities

**Mr. Bhairon Singh Solanki,**  
Non Executive Director

B.E. (Hons.) from BITS, Pilani and M.Sc. (Engg.) from Cranfield Institute of Technology, Cranfield, Bedfordshire, England

He looks after the formulation and implementation of company's policies of technology up-gradation and development, corporate governance, social responsibility, and auditing etc.

**Mr. Kailash Chandra Agarwal,**  
MD

He has rich experience of around two decades in the business of power infrastructure, electronics, paper products, iron ingots, coal, coke, sugar, cement and apparels

He has vast experience and proficiency in strategic and organizational planning, global tax structure, risk management, creating long-term sustainable shareholder value through proactive investor relation, budgeting, corporate finance and accounting

**Mr. Rameshwar Pareek,**  
Non Executive Director

He has extensive experience of more than 36 years in implementation of Government policies and their governance. He has worked as Senior Executive of Rajasthan Financial Corporation, Jaipur and also served on deputation to Bureau of Industrial Promotion (BIP), Jaipur

He has vast industrial exposure and in-depth knowledge of trade policies and their implications. He has also considerable experience and immense knowledge in varied fields like finance, accounting, auditing, corporate affairs and allied legal and taxation matters

# Experienced Board of Directors

## **Mr. Surya Prakash Sinha,** Executive Wholetime Director

He has been in the employment of the Company since its inception

He has a vast experience of 40 years in the field of human resources and administration and currently serving as Director in Human Resources

## **Mr. Udit Agarwal,** Non Executive Director

He belongs to a reputed business house 'Saran Group' and has over one and a half decade experience in the development and exports of handicraft items

He is a young and energetic businessman with strong ability to provide insightful analysis and recommendations

## **Mrs. Anu Sharma,** Non Executive Director

She has a rich experience of insurance business management and worked as an insurance consultant in the reputed insurance company Max Bupa Life Insurance

## **Mr. Himanshu Agarwal,** Executive Wholetime Director

He has started his carrier by joining Genus Paper in the year 2004 and has been involved in family business for over 12 years

He has gained extensive experience in the Paper Industry Sector and has developed understanding of risk management, efficient processes and operational excellence

## **Mr. Rajendra Aggarwal,** Non Executive Director

He is having a vast experience in the field of business management

He is a non executive Independent director on the Board of Company

## **Mr. Yash Todi,** Additional Non Executive Director

Before Genus, he was working as an Operations Analyst at Goldman Sachs & Co. and has played a pivotal role in driving the operational functions of the organization

He looks after the formulation and implementation of Co's operational policies

**Mr Kailash Agarwal**  
MD

**Mr Sanjay Agarwal**  
Chief Financial Officer

**Mr Jitender Singh**  
Head- Technical

**Mr O D Sharma**  
Head- Projects

**Mr G C Kothari**  
Head - Commercial

**Mr Ajeet Singh**  
Head- Marketing

**Mr. Anuj Ahluwalia**  
CS & Compliance Officer



## Awards

[illegible]

## 12





## Business Overview

## Kraft Paper

Kraft paper is a type of industrial paper and used by packaging industry for manufacturing corrugated boxes and liners, corrugated sacks and composite containers

### Specification:

Range from 100 GSM to 400 GSM

Burst Factor (BF) range from 18 to 40

**~90% Used by  
corrugated box  
manufacturer**

## Growing Industry Demand

### Industry Served

FMCG  
Consumer Durables  
Pharmaceuticals  
Garments, Textiles & Footwear  
E-Commerce



**Catering to Diversified Industry Needs from FMCG to Industrials to E-Commerce**

## Mild Steel Ingot

Contribute less than 5% of the total business

Steel ingot is manufactured by using the **excess power** generated in our cogeneration plant after meeting our requirement for Kraft paper

Steel ingots are used for manufacturing various types of steel bars by rolling mills





# Manufacturing Capabilities

Owned 140,000 MTPA at Moradabad (UP)



Leased 75,000 MTPA at Kashipur  
(Uttarakhand)



Total : 215,000 MTPA



**Two** Waste paper based manufacturing plant of Kraft Paper within the factory premises of Moradabad (UP)

**Multi Layered** Kraft paper with High Tear Factor (TF), High Burst Factor (BF) i.e. 25, 28, 30, 32, 35 & 40 BF with GSM ranging from 100-400

100 KG of Waste Paper



92 KG of Kraft Paper

**“ZERO Liquid Discharge Plant”**



# To address the Growing Demand

## Leased Plant

- ✓ We have leased an operational manufacturing plant for a period of 5 year
- ✓ The facility is located at Kashipur, Uttarakhand and has manufacturing capacity of 75,000 metric tonnes per annum (MTPA)
- ✓ This plant will cater to demand of existing clients of Genus Paper & Boards Limited and would help to add few more clients in that region

## Capitalized on Growth

## Asset Light Strategy

- ✓ This strategy will help us to move faster in the long term and build a sustainable business model

## Synergy

- ✓ Opportunity to become a Dominant player in North India and increase our market share





# On Track to be the Dominant Manufacturer

## Current Capacity

Owned 140,000 MTPA at Moradabad (UP)



Leased 75,000 MTPA at Kashipur (Uttarakhand)



Total : 215,000 MTPA

## Future Prospect:

Kraft Paper Demand to outpace supply



Strong Presence of FMCG & Consumer Durable Companies in North India

## Brownfield Expansion

by 50,000 MTPA at Moradabad (UP)



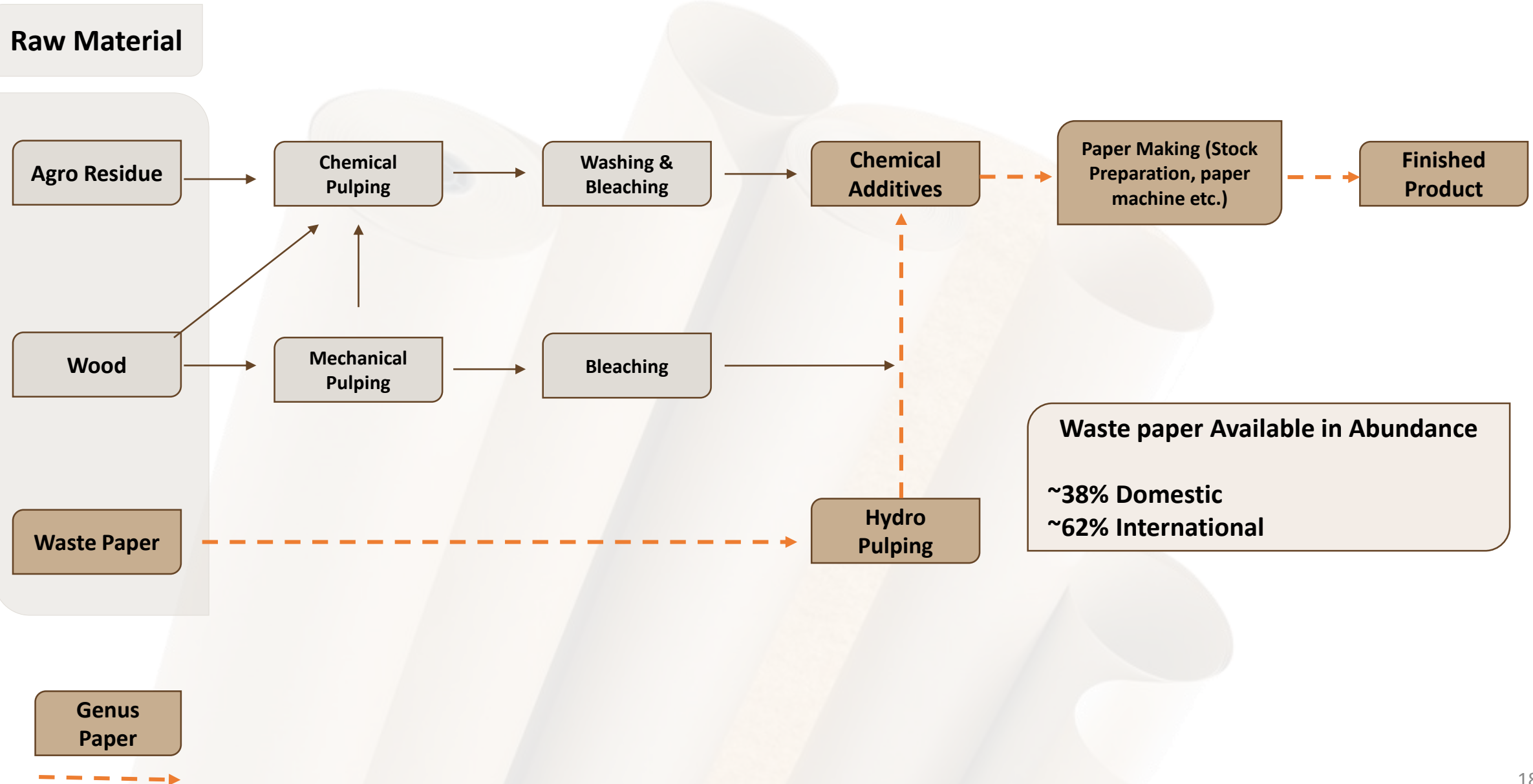
**Leased Plant and Brownfield expansion is in line with Management Vision to further Strengthen their Foothold in Northern India**

## We have entered into Non-Binding MOU's as follows:

- ✓ Government of Maharashtra : Rs 1,050 cr for Setting up Kraft Paper Manufacturing Plant
- ✓ Government of Uttar Pradesh : Rs 600 cr for Expansion of Current Manufacturing Facility



# Paper Manufacturing Process



# Cater to Packaging Needs of Multiple Industries



Proud to be Green





# Technology Advantage

**Among the few Manufacturer to have Triple wire Machine**

**Sweden machine to produce high quality finished paper by using low cost waste paper**

**Pulp Mill is equipped to process imported mixed waste**

**Forbes Marshall Steam & Condensate system for steam (power) saving and to improve efficiency of Drying Cylinder**

**Plant is equipped with state of art Quality Control System**







**One of Largest Capacities in Northern India**

**11 MW Co-generation Captive Power Plant**

**Licensed borewell for sufficient Water Supply for our requirement**

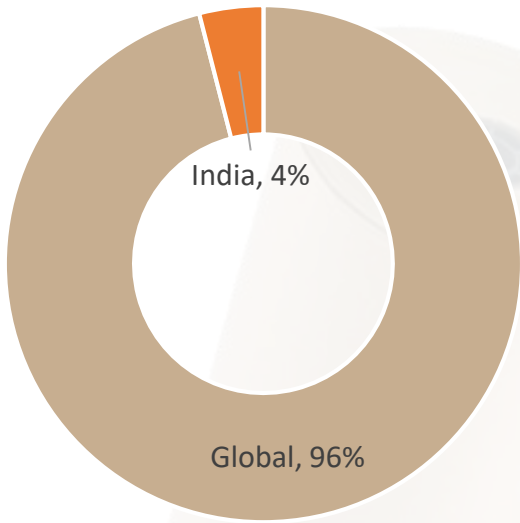
**Zero Liquid Discharge plant with full fledged waste water treatment plant**

**Strong Relation with Key FMCG Customers**

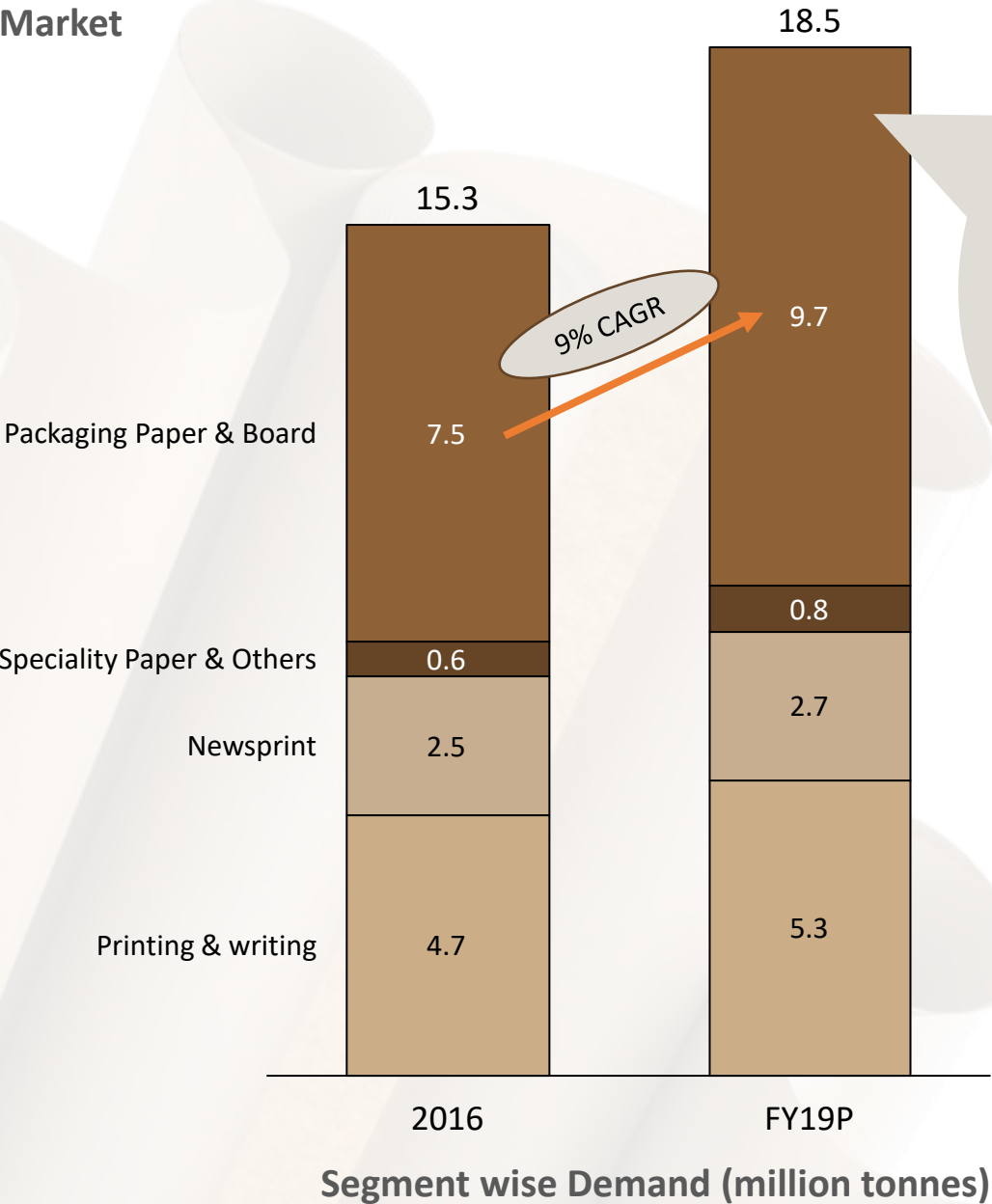
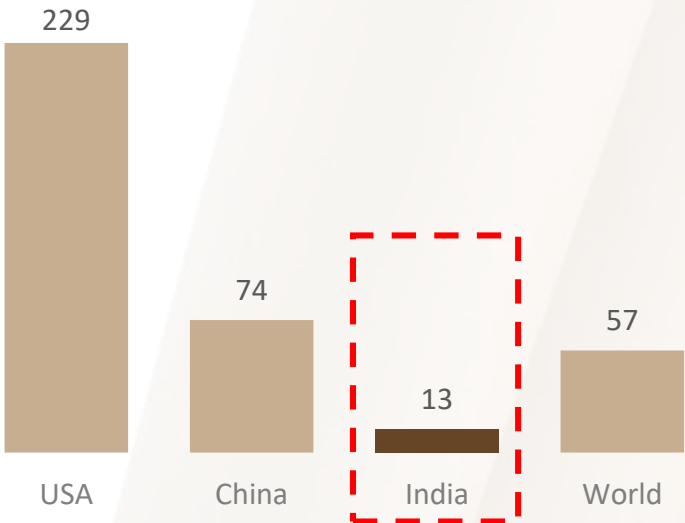


# Opportunity for Paper Industry

India’s Paper Production share in the Global Market



Per Capita Consumption of Paper (kg)



Domestic Demand for Paper is expected to Grow at a Robust Pace

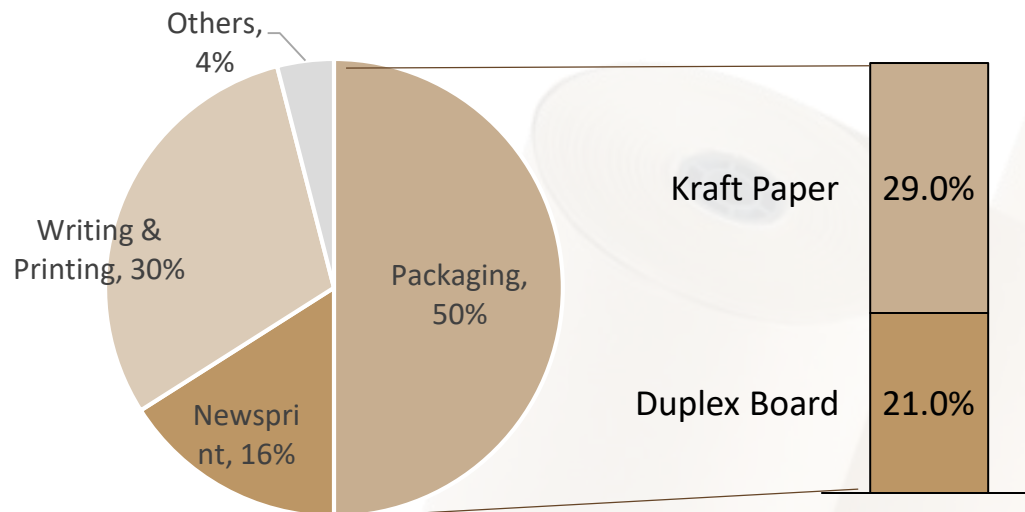
Packaging Paper and Kraft paper to outpace the industry with a CAGR rates of 8.8% and 9% respectively

Segment wise Demand (million tonnes)

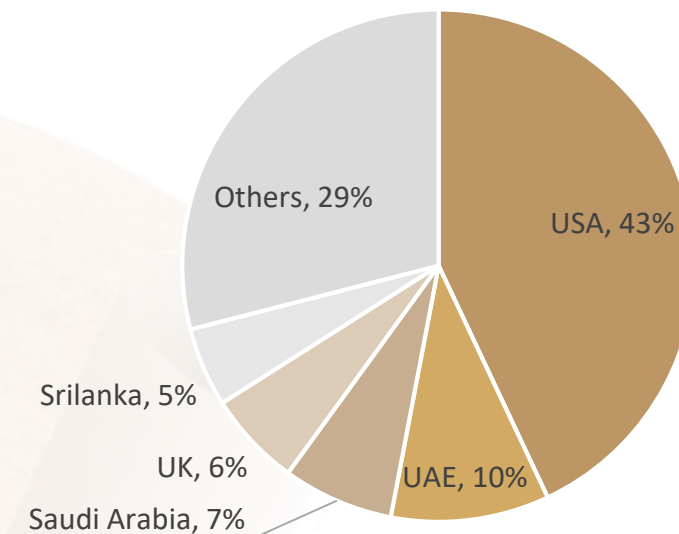


# Kraft Paper: Industry Dynamics

## Market Size of Pulp & Paper Industry: Kraft Paper– 4.71 MTPA



## Major Sourcing Countries for RM

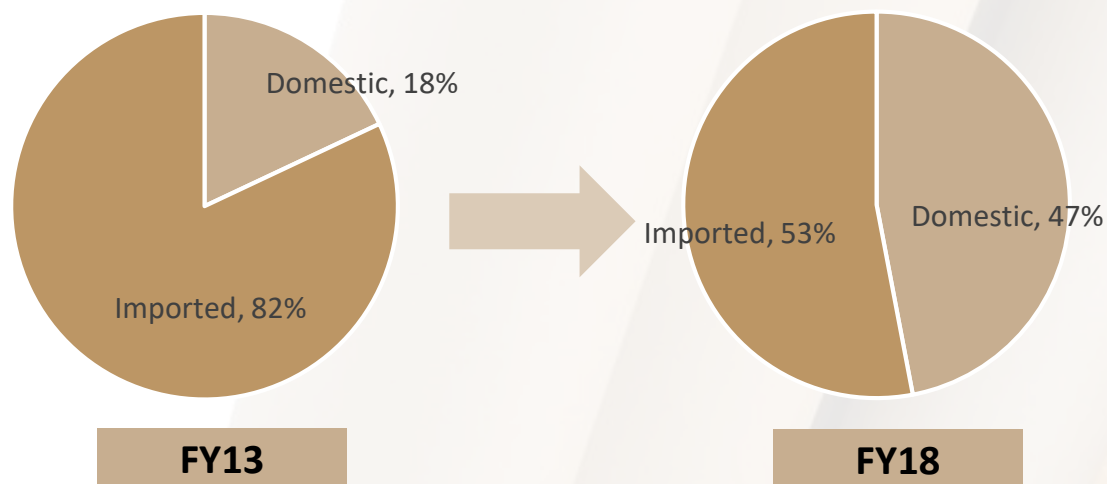


Kraft Paper

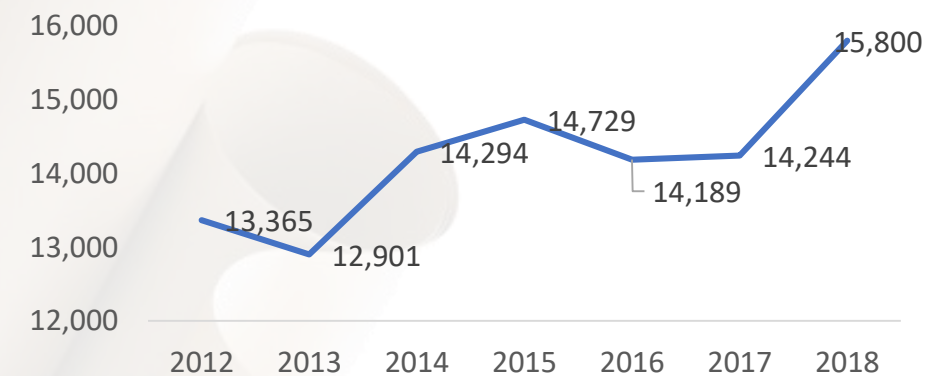
Major RM: Waste Paper

Industry majorly imports the waste paper

## Balanced mix of imported & Domestic Waste Paper



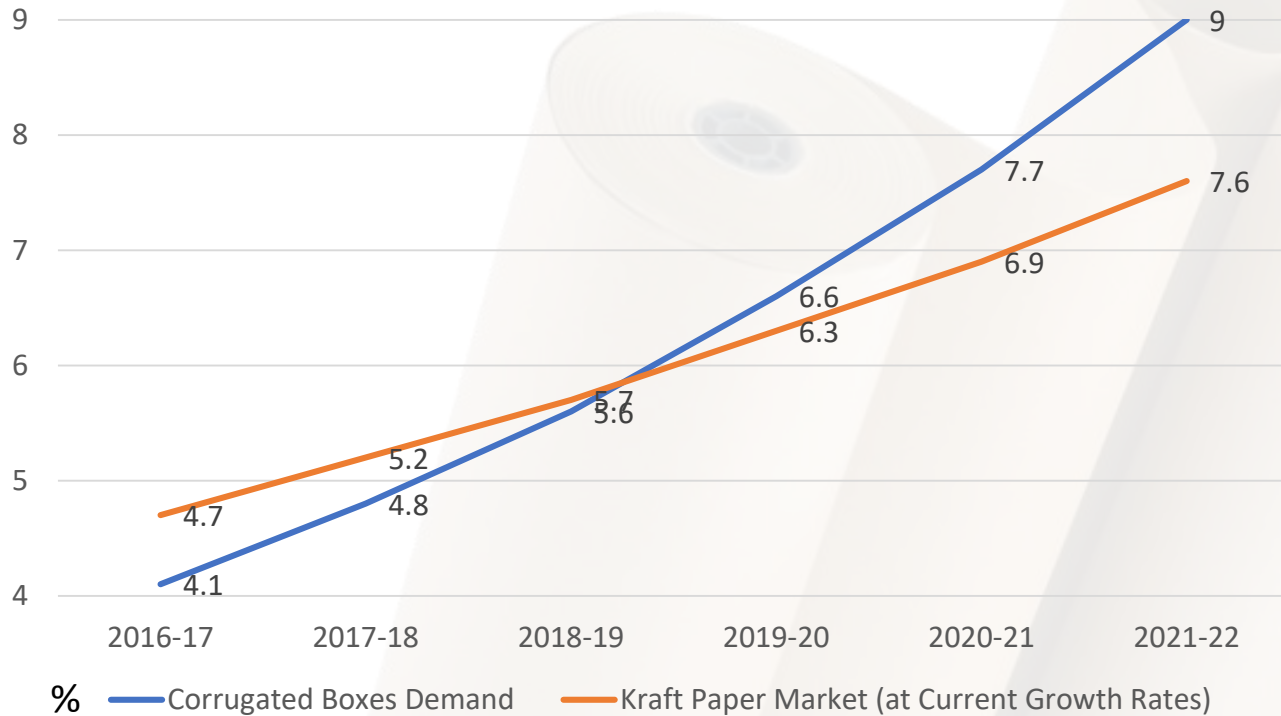
## Average price Trends for Waste Paper Imports





# Exponential Growth in Demand for Kraft Paper

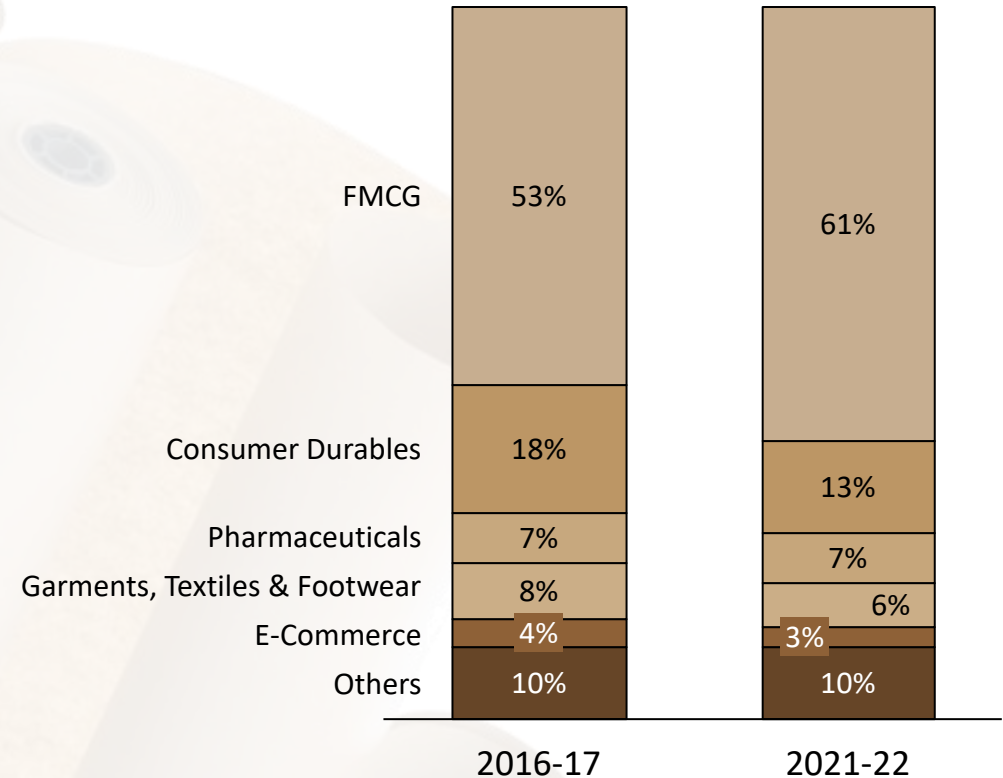
90% of demand for Kraft paper is from Corrugated box manufacturers



## Demand for Kraft Paper to outpace the production

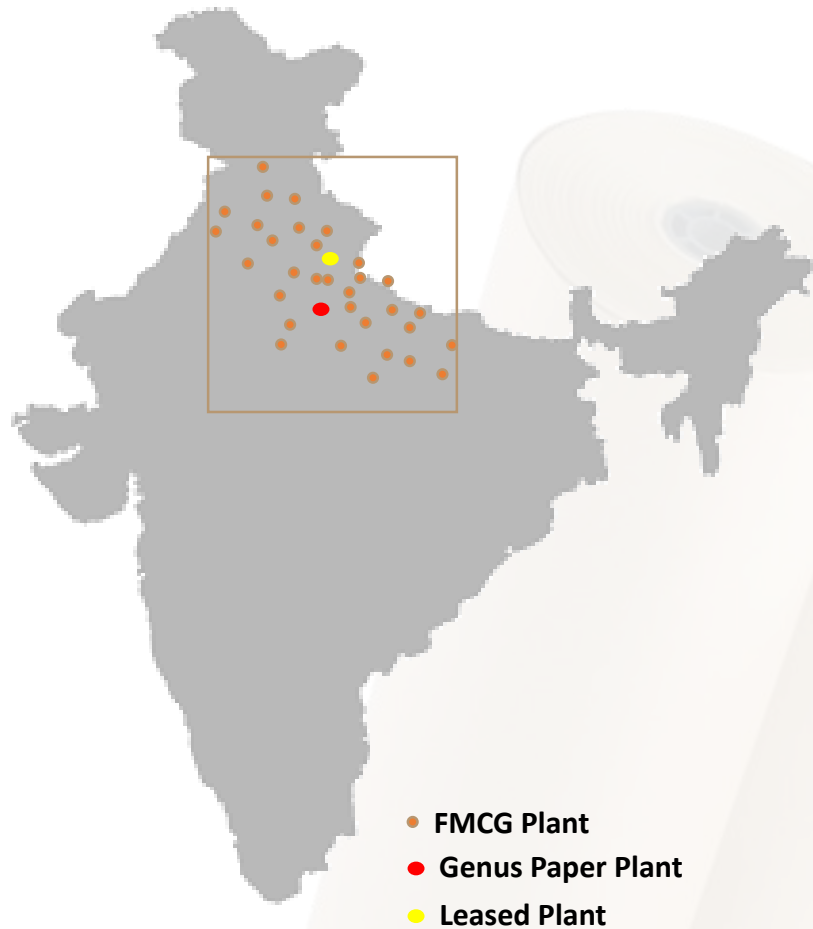
- ✓ Genus Paper has recently expanded its capacity by ~50% by leasing a manufacturing plant
- ✓ Looking for other organic and inorganic means of capacity expansions

## End Users of Corrugated Boxes



**FMCG Clients contribute Large Share of Genus Paper's Revenue**

# Priority to End Customer is Key



**There is a concentrated presence of FMCG companies in the northern belt of India**

**Corrugated Box Manufacturing industry is estimated at ~ Rs 18,000 crore of which ~35% is located at North India**

**Of all Kraft paper Mill in North India, only 5% have capacities more than 100,000 TPA to cater to demand of large FMCG companies**

**Genus Paper & Board Ltd has capacity of 215,000 MTPA**

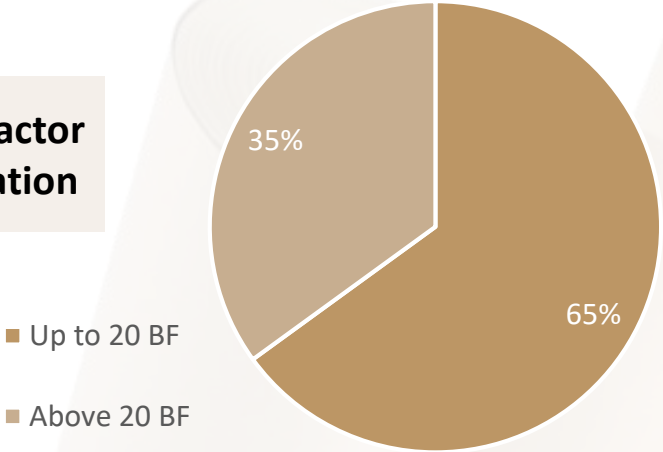
**Our quality products approved by all major FMCG Clients**

**Incremental capacity of leased facility already has demand visibility in Place**

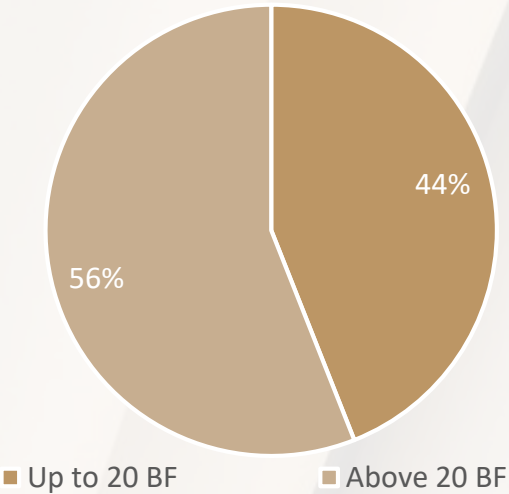
**Genus Paper & Boards Ltd will benefit from Growing FMCG requirement**

## Demand For Kraft Paper in India

Higher the Burst Factor (BF) better the realization



## FY18 – Revenue Break up



## Way Forward

- ✓ Add new capacities via organic and inorganic modes
- ✓ Higher sales of Kraft Paper with Bursting Factor (BF) greater than 22
- ✓ Focused towards increasing asset productivity, operating efficiencies and strengthening the competitive position
- ✓ Increased product offering of better quality to customers
- ✓ Better Realization
- ✓ Improved operating efficiencies



# Recycle & Reuse of Waste Paper



Industry will consolidate,  
only companies with  
Environment friendly  
technology process will  
survive

- ✓ Our's is Zero Discharge
- ✓ Environment friendly  
producer

Maximum output from **Waste Paper**

# Paper Bags : Sustainable Alternative

25 Indian states/UTs have some form of ban on polythene carry bags, but it is not yet implemented

20 Indian states have a complete ban on manufacture, supply and storage of polythene bags and other plastic items such as cups, plates, spoons, glasses while five states have a partial ban

Companies are working to reduce the quantity of plastic packaging on one hand, and also to scale up alternative packaging solutions

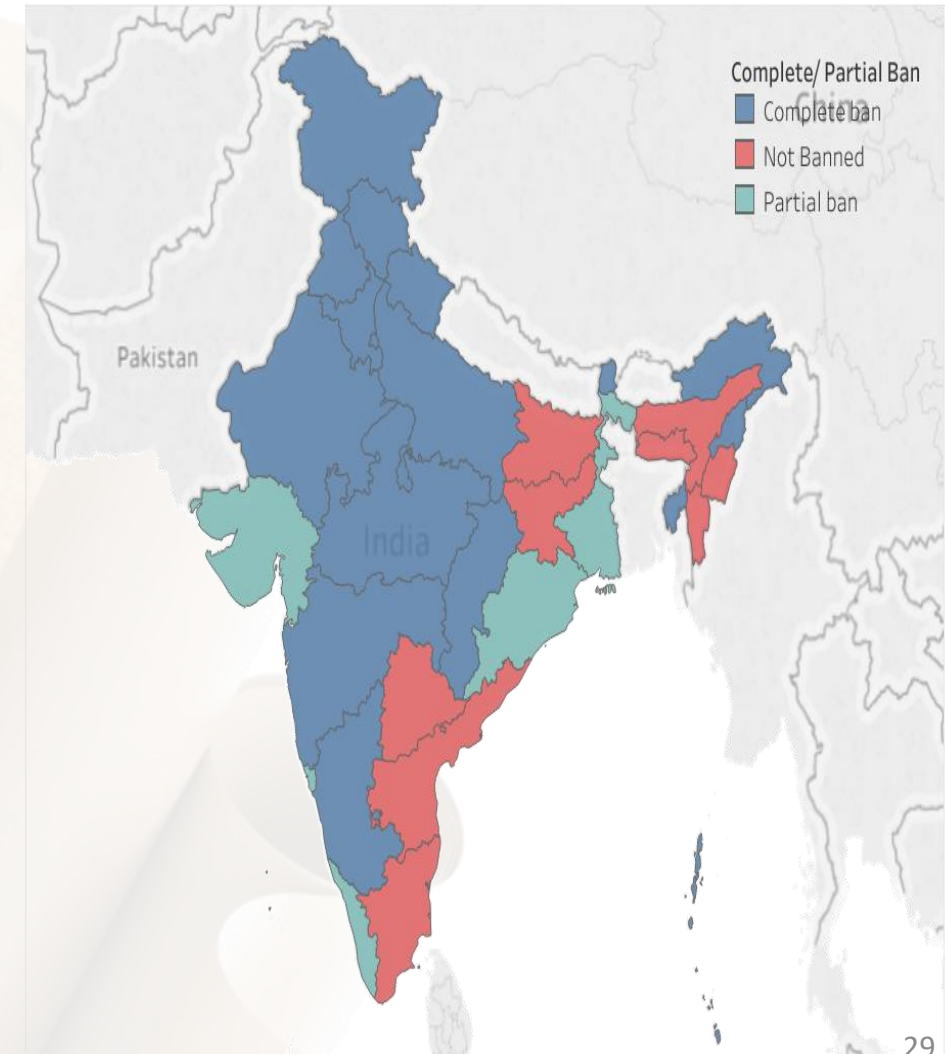
**Consumers are switching to Eco friendly Kraft Paper Bags as a sustainable alternative**



**—SWITCH—  
FROM PLASTIC TO  
RECYCLABLE  
ECO-FRIENDLY  
KRAFT PAPER  
BAGS —**



## Status Of Ban On Polythene Carry Bags, By State



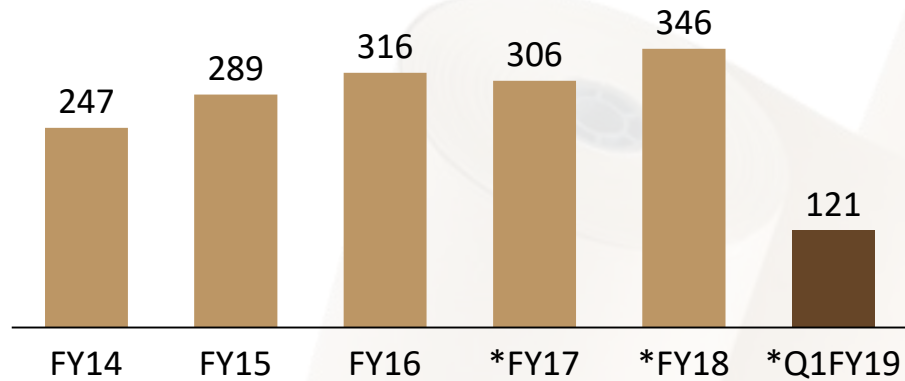
Map not to scale. All data, information and maps are provided "as is" without warranty or any representation of accuracy, timeliness or completeness



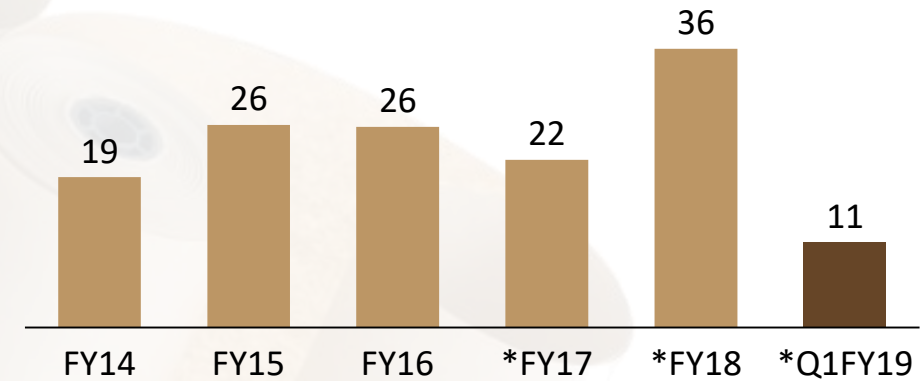
## Financials



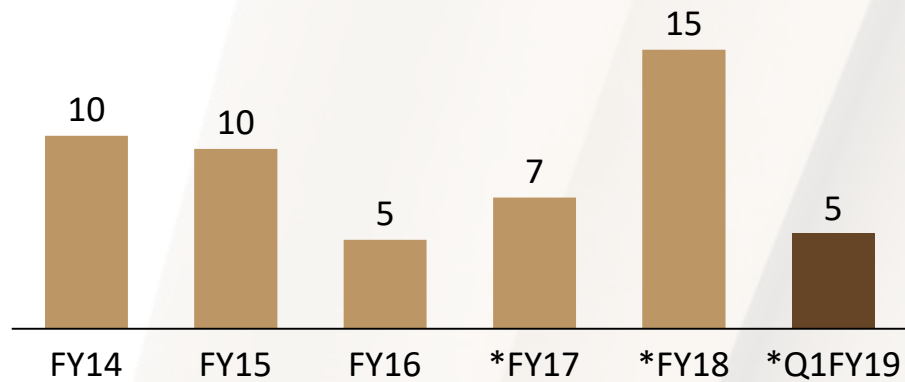
## Revenue



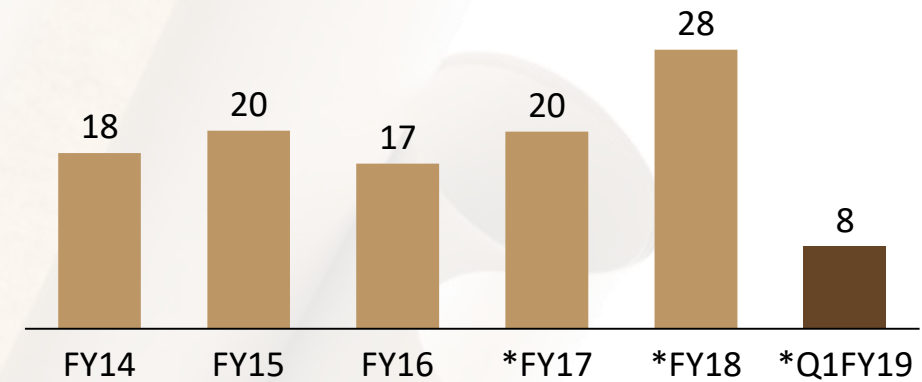
## EBITDA



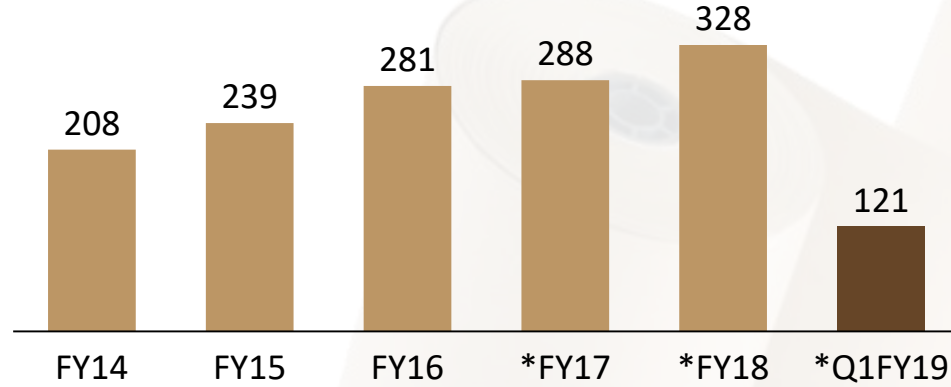
## PAT



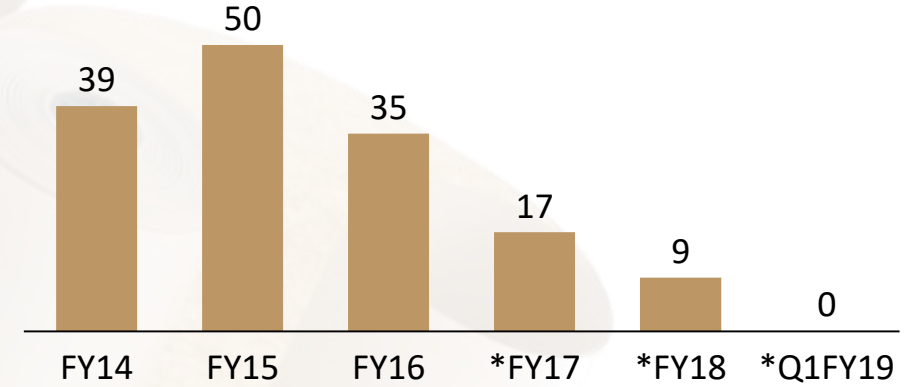
## Cash PAT



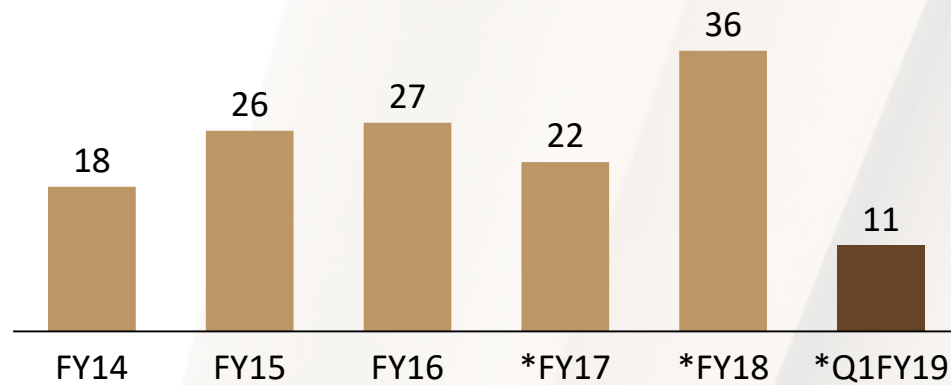
## Kraft Paper Revenue



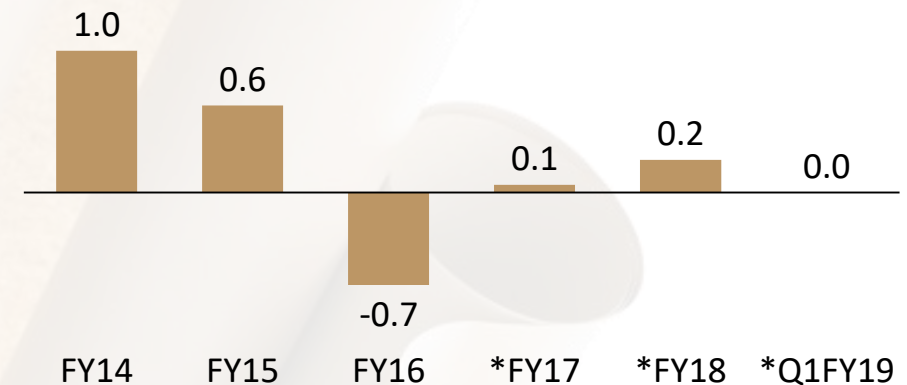
## Steel Ingot Revenue



## Kraft Paper EBITDA



## Steel Ingot EBITDA



# Profit & Loss Statement- Standalone

Particulars (Rs. Crs)	FY18	FY17	YoY
<b>Revenue from Operations (Net of Excise)</b>	<b>345.6</b>	<b>305.7</b>	<b>13.0%</b>
Raw Material	234.3	220.7	
Employee Cost	12.7	10.3	
Other Expenses	62.6	52.9	
<b>EBITDA</b>	<b>36.1</b>	<b>21.7</b>	<b>65.9%</b>
<b>EBITDA Margin</b>	<b>10.4%</b>	<b>7.1%</b>	
Other Income	5.5	6.0	
Depreciation	12.9	12.4	
<b>EBIT</b>	<b>28.6</b>	<b>15.4</b>	<b>86.1%</b>
<b>EBIT Margin</b>	<b>8.3%</b>	<b>5.0%</b>	
Finance Cost	6.1	5.9	
Exceptional Item (Gain) / Loss	0.0	1.7	
<b>Profit before Tax</b>	<b>22.5</b>	<b>9.5</b>	<b>138.3%</b>
<b>PBT Margin</b>	<b>6.5%</b>	<b>3.1%</b>	
Tax	7.6	2.4	
<b>PAT</b>	<b>14.9</b>	<b>7.0</b>	<b>112.2%</b>
<b>PAT Margin %</b>	<b>4.3%</b>	<b>2.3%</b>	
EPS	0.58	0.27	



# Balance Sheet-Standalone

Assets (Rs. Crs)	Mar-18	Mar-17	Liabilities (Rs. Crs)	FY18	FY17
<b>Non-current assets</b>			<b>Equity</b>		
Property, plant and equipment	218.2	229.2	Equity Share capital	25.7	25.7
Capital work-in-progress	2.8		Other equity	329.1	313.8
<b>Financial assets</b>			<b>Sub-total - Shareholders' funds</b>	<b>354.8</b>	<b>339.6</b>
Investments	75.2	42.4	<b>LIABILITIES</b>		
Loans	72.2	69.9	Non-current liabilities		
Deferred tax assets (net)	17.0	17.4	Financial liabilities		
Tax Assets		0.1	Borrowings	21.4	15.0
<b>Sub-total - Non-Current Assets</b>	<b>385.4</b>	<b>359.0</b>	Long Term borrowings		
<b>Current assets</b>			Provisions	0.6	0.6
Inventories	34.4	27.0	Deferred Tax Liability	23.6	21.4
Financial assets			<b>Sub-total - Non-current liabilities</b>	<b>45.5</b>	<b>37.0</b>
Loans	0.0	0.0	Current liabilities		
Trade receivables	76.8	63.9	Financial liabilities		
Cash and cash equivalents	0.5	4.7	Borrowings	35.7	25.5
Bank balances other than Cash & Cash	3.9	4.1	Trade payables	52.6	52.1
Equivalents			Other Liabilities	20.7	11.9
Others	0.4	0.4	Provisions	0.2	0.3
Non Financial Assets	12.4	10.2	Current tax liabilities (net)	3.1	0.0
<b>Sub-total - Current Assets</b>	<b>128.4</b>	<b>110.3</b>	Non Financial liabilities	1.2	2.8
<b>TOTAL – ASSETS</b>	<b>513.7</b>	<b>469.2</b>	<b>Sub-total - Current liabilities</b>	<b>113.4</b>	<b>92.7</b>
			<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>513.7</b>	<b>469.2</b>



**Genus Paper & Boards Limited**  
CIN: L21098UP2012PLC048300

Mr. Lokesh Pareek  
AGM- Corporate Finance & IR  
[lokesh@genuspaper.com](mailto:lokesh@genuspaper.com)

Mr. Anuj Ahluwalia  
Company Secretary & Compliance Officer  
[cs@genuspaper.com](mailto:cs@genuspaper.com)

[www.genuspaper.com](http://www.genuspaper.com)

**SGA** Strategic Growth Advisors

**Strategic Growth Advisors Pvt. Limited**  
CIN: U74140MH2010PTC204285

Mr. Shrikant Sangani  
M: 096195 95686  
[shrikant.sangani@sgapl.net](mailto:shrikant.sangani@sgapl.net)

Mr. Rahul Agarwal  
[Rahul.Agarwal@sgapl.net](mailto:Rahul.Agarwal@sgapl.net)  
M: 079770 90416

[www.sgapl.net](http://www.sgapl.net)