



emami* Paper Mills Ltd.

Corporate Presentation

August 2017

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FMCG & Ayurvedic Products

Revenues of more than
INR 25,300 mn



Agro-Tech

Revenues of nearly
INR 69,000 mn



Paper-Mills

Revenues of nearly
INR 11,600 mn



Frank Ross Pharmacy

Revenues of more than
INR 4,300mn



AMRI Hospitals

Revenues of nearly
INR 3,600mn



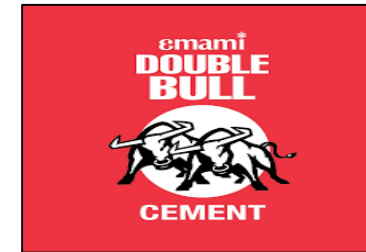
CRI (Ball pen tips)

Revenues of nearly
INR 1,300mn



Emami Realty

Revenues of nearly
INR 3,000mn



Cement

Operations
Commenced

- ❖ *Established in 1974*
- ❖ *Leadership positions in major businesses*
- ❖ *Pan-India presence*
- ❖ *Footprint across 60 countries*
- ❖ *Workforce of over 20,000 employees*
- ❖ *Market valuation of over USD 7 bn*
- ❖ *Young & Dynamic Management*

A conglomerate with group revenues in excess of INR 122bn

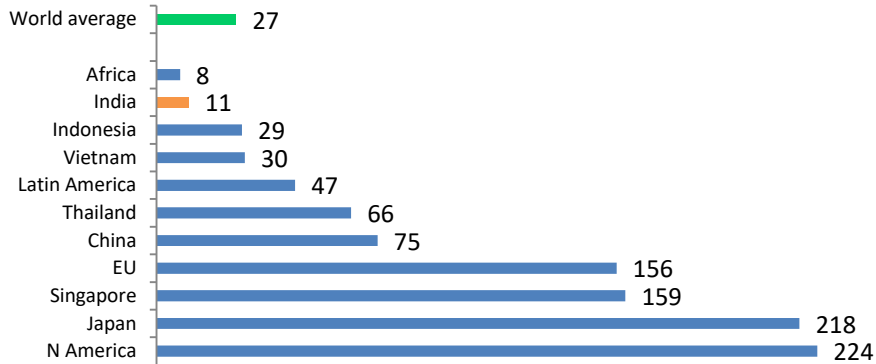


Industry Overview

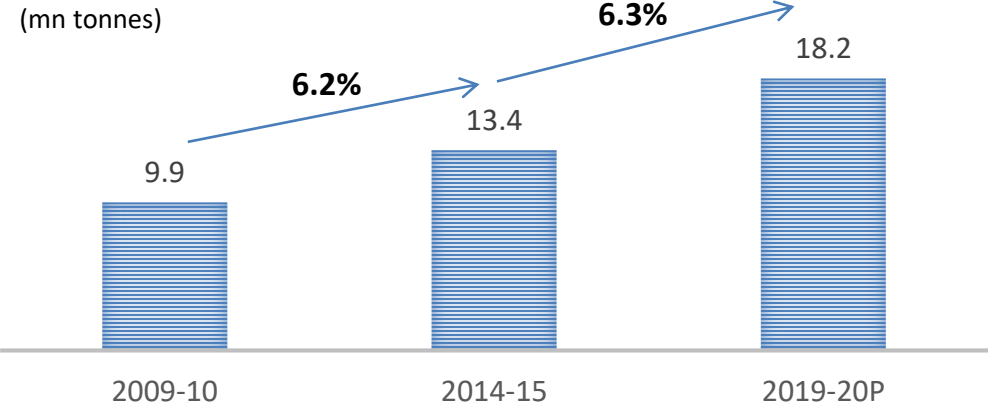
Domestic Paper Industry

India's paper consumption lower than world average

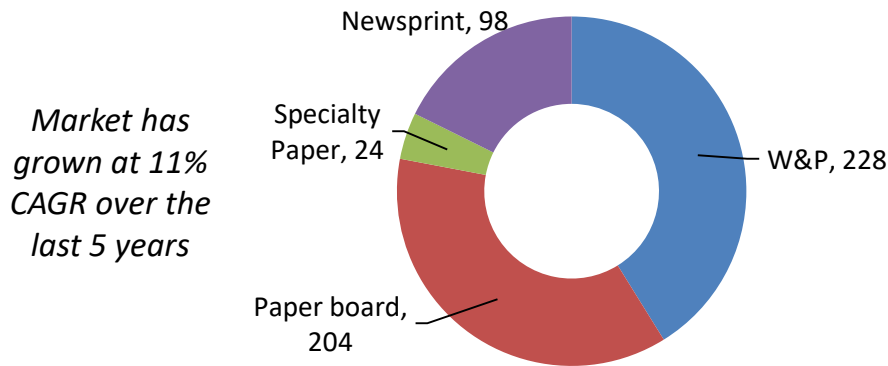
World per capita consumption (Paper + Board) in kgs - 2014



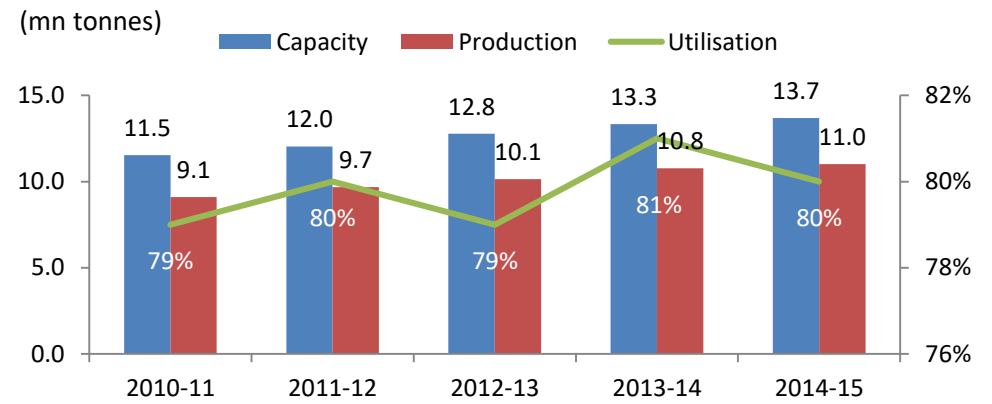
India's paper demand continues to grow at a steady pace



India Paper : INR 554bn market in 2014-15



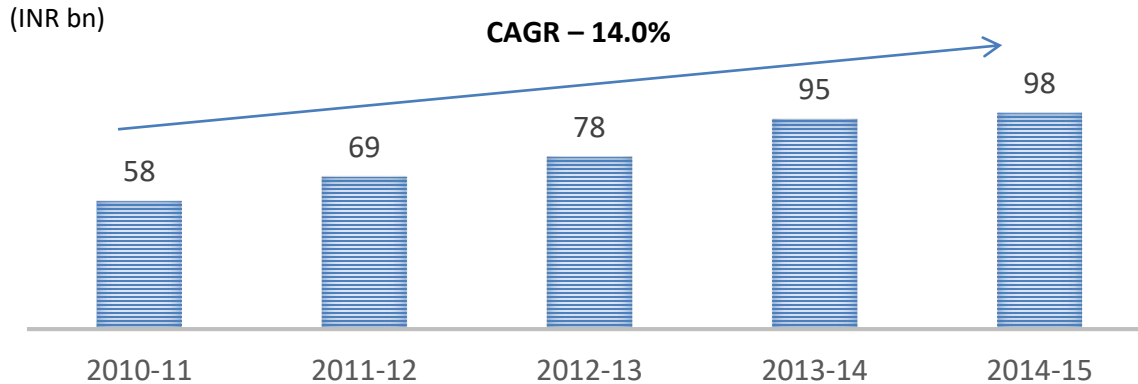
Stable demand ensuring high capacity utilisation levels*



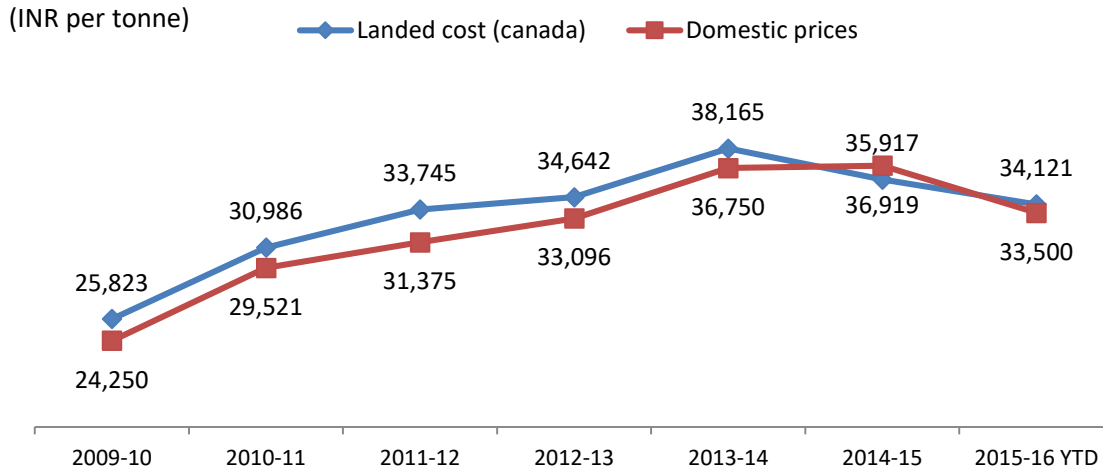
*excluding newsprint

Industry Overview : Newsprint

Newsprint market size growing at fairly good pace



However, declining global prices affected domestic market pricing



- Global newsprint demand is on a decline as increasing penetration of digital media has led to a shift in reading habits from traditional physical newspaper to digital newspapers.
- India market continues to grow on back of rise in literacy rate which has led to increase in newspaper dailies and readership

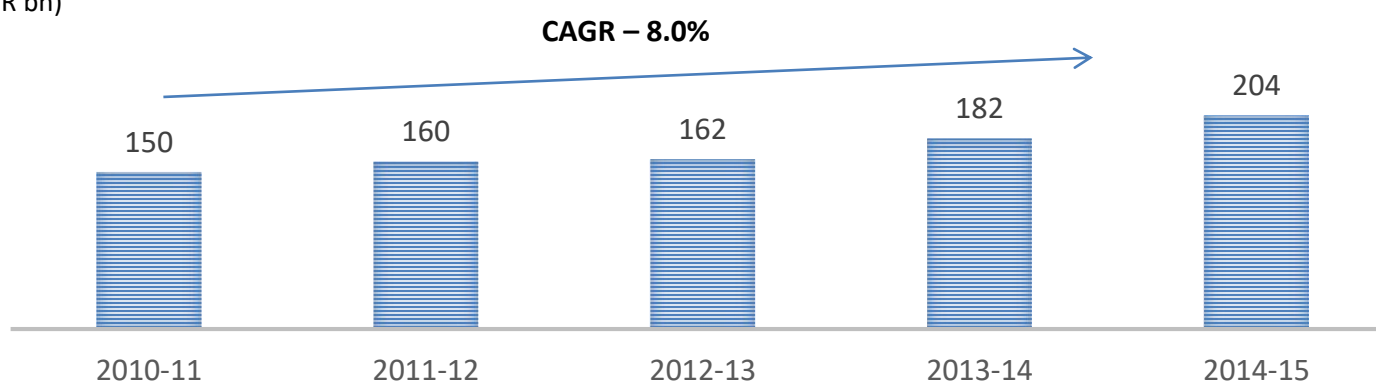
Industry Overview : Paper board



Paper board market has grown at a steady pace

(INR bn)

CAGR – 8.0%



Expected to grow at a healthy pace in the long run

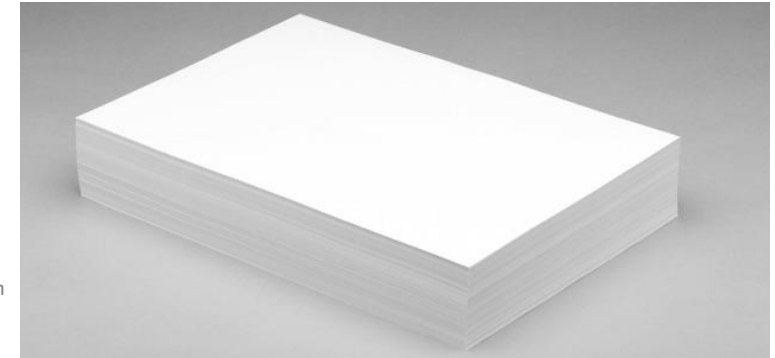
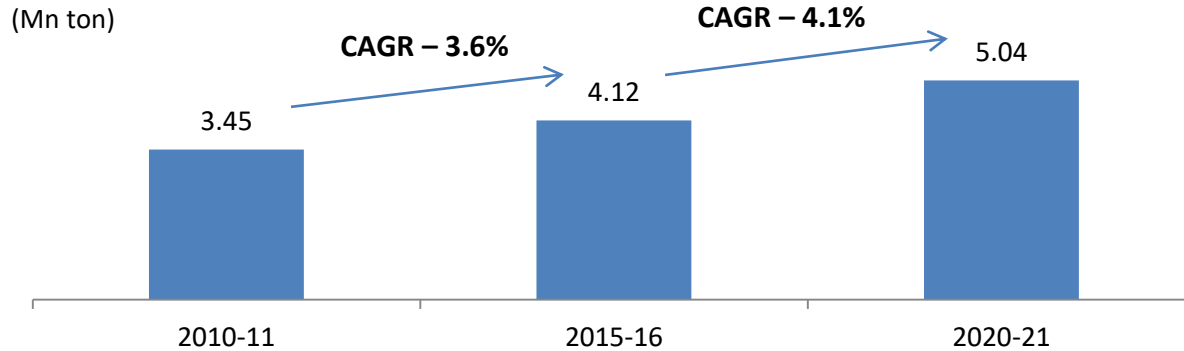
Variety-wise Demand	2014-15 (mn ton)	Past 5 year CAGR*	2019-20P (mn ton)	Next 5 year CAGR#
Paperboard	6.14	5.4%	8.39	6.4%
Tertiary packaging				
Kraft paper	3.54	4.7%	4.69	5.8%
Consumer packaging				
Greyback / Whiteback	1.95	5.6%	2.65	6.3%
FBB/SBB/ Others	0.66	9.9%	1.06	10.1%

- Kraft paper demand expected to increase as industrial output improves
- Consumer packaging demand to be led by off-take in consumer durable, FMCG, pharmaceuticals and food product industries

* 2009-10 to 2014-15 ; # 2014-15 to 2019-20

Industry Overview : Writing & Printing

W&P volume growth expected to increase in next five years



W&P Variety-wise Demand

Variety-wise Demand	2015-16 (mn ton)	Last 5 year CAGR*	2020-21P (mn ton)	Next 5 year CAGR#
Uncoated Paper	3.45	3.6%	4.12	3.6%
Creamwove	1.75	3.3%	1.81	0.6%
Maplitho [§]	0.9	1.5%	1.02	2.8%
Branded Copier	0.8	2.4%	1.30	9.7%
Coated Paper/Art Board	0.67	9.1%	0.92	6.6%

* 2009-10 to 2014-15 § - including unbranded copier ; # 2014-15 to 2019-20

- Demand in W&P segment grew on account of increased government and corporate spending
- Future growth is primarily attributed to an increase in the literacy rate and the government's support
- Branded Copier is the fastest-growing sub-segment in the uncoated category



Company Overview

Emami Paper Mills Limited

Overview – Emami Paper Mills Ltd



One of the largest paper manufacturers in India;
2 manufacturing facilities
Balasore (Odisha)
Kolkata (West Bengal)

Operates through 3 divisions
Newsprint - 127,000 TPA
PaperBoard - 180,000 TPA
Writing & Printing (W&P)
- 18,000 TPA

Newsprint customers include leading dailies –
The Economic Times
The Times of India
Hindustan Times
Anandabazar Patrika
The Telegraph,
The Hindu
Dainik Bhaskar

Paper board end users include HUL, Colgate, Emami, Lux, Dollar, Rupa, Monginis, Kellogs, etc.

Leading printers like TCPL, Parksons, Kumar, York and Borkar use Emami Paper's Board

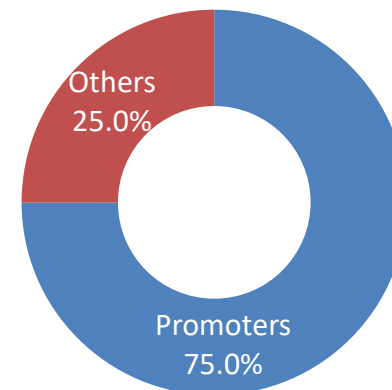
Invested in a state of the art multi-layered packaging board unit in Balasore, Odisha; commenced operations in Apr 2015

US FDA certification for Maxofold (Folding Box Board), Glamkot (Coated Bleached Board) and Eco Strong Virgin Top Coated Grey Back Board

An ISO 9001, ISO 14001 and OHSAS 18001 certified company

Credit rating of A1+ for short term & A for long term from CARE

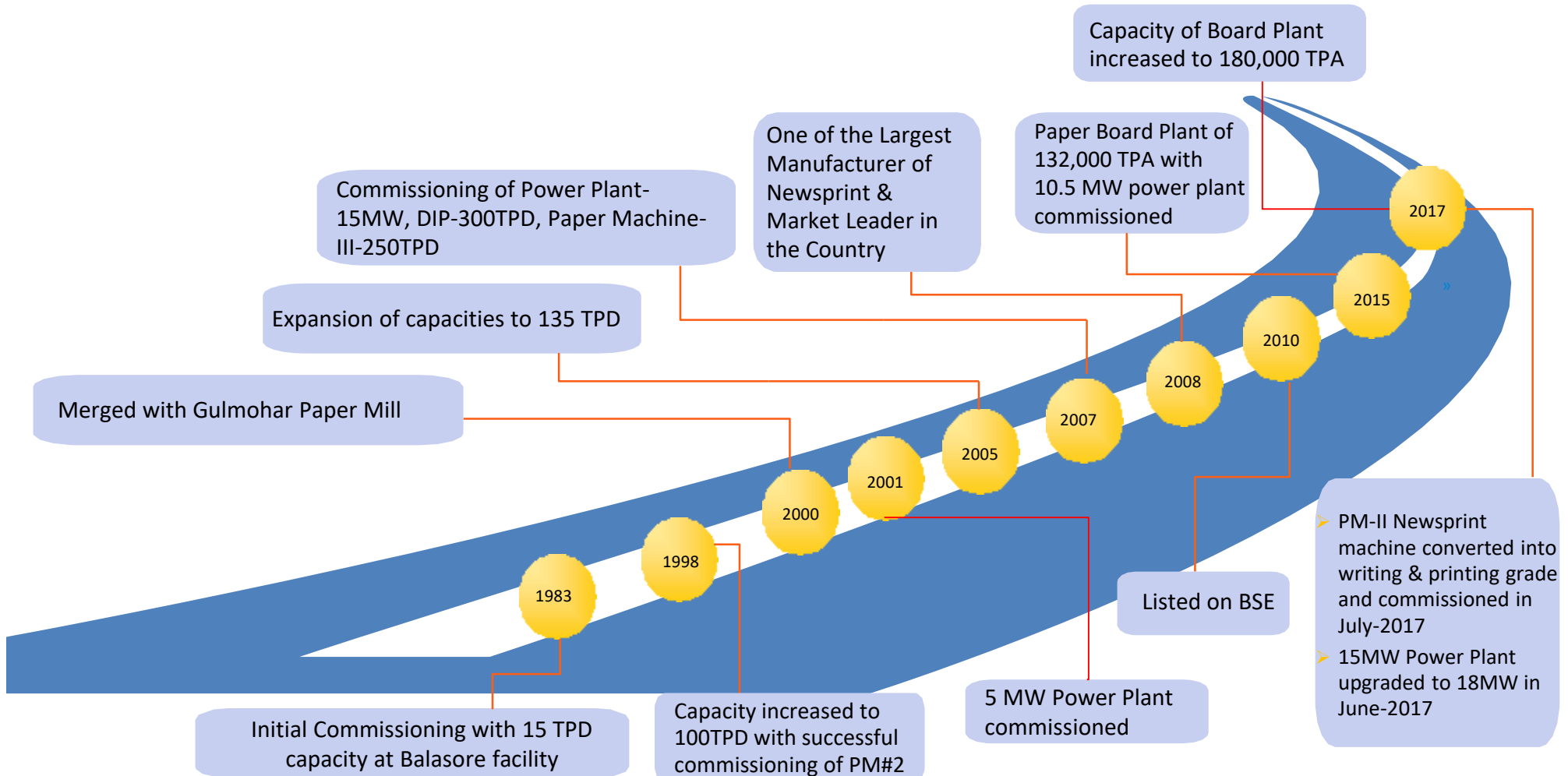
Shareholding Pattern (Jun 2017)



Key Financials

Rs. Mn	FY14	FY15	FY16	FY17
Sales	5,466	5,210	5,388	11,384
EBITDA (excl. other income)	705	513	472	1,264
EBITDA (%)	12.9%	9.8%	8.8%	11.1%
PAT	186	121	279	259

Emami Paper Mills – Journey so far



India's largest manufacturer of Newsprint and one of the largest paper and Paper Board manufacturers

Note: TPD – Tonnes Per Day

Board of Directors



Mr. A. V. Agarwal,
Executive Chairman



Rich experience across business functions; spearheading Emami Paper Mills Ltd. since past 18 years

Mr. Manish Goenka
Whole Time Director



Extensive Business experience of more than 18 years across various business functions;

Mr. P.S. Patwari
Executive Director & CEO



CA with 36 years of experience; associated with Emami Paper Mills for more than 33 years

Mr. MBS Nair,
Director (Operations)



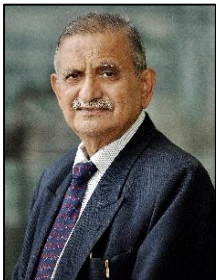
Renowned paper technologist with 43 years experience in Paper Industry. Working with EPML for last 18 years

Mrs. Richa Agarwal
Director



Extensive experience in Corp. Planning, Business Devp., Marketing and Overall Business Management

Mr. J. N. Godbole
Independent Director



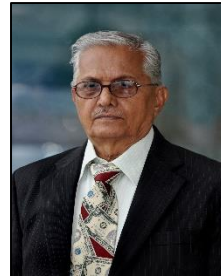
Former Chairman of IDBI. Extensive experience in Finance, Corporate Planning and Strategy formulation

Mr. S. Balasubramanian
Independent Director



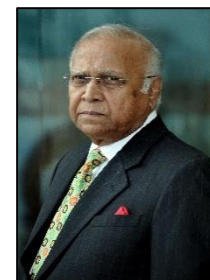
Former Chairman of Company Law Board and former member of Indian Postal Service

Mr. U.G. Bhat
Independent Director



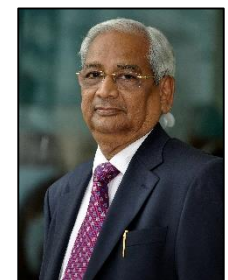
Well known technocrat and reputed project consultant in paper industry

Mr. J. K. Khetawat
Independent Director



Industrialist with extensive business experience in the area of Corporate Planning &, Strategy Formulation






Mr. H.M. Marda
Independent Director



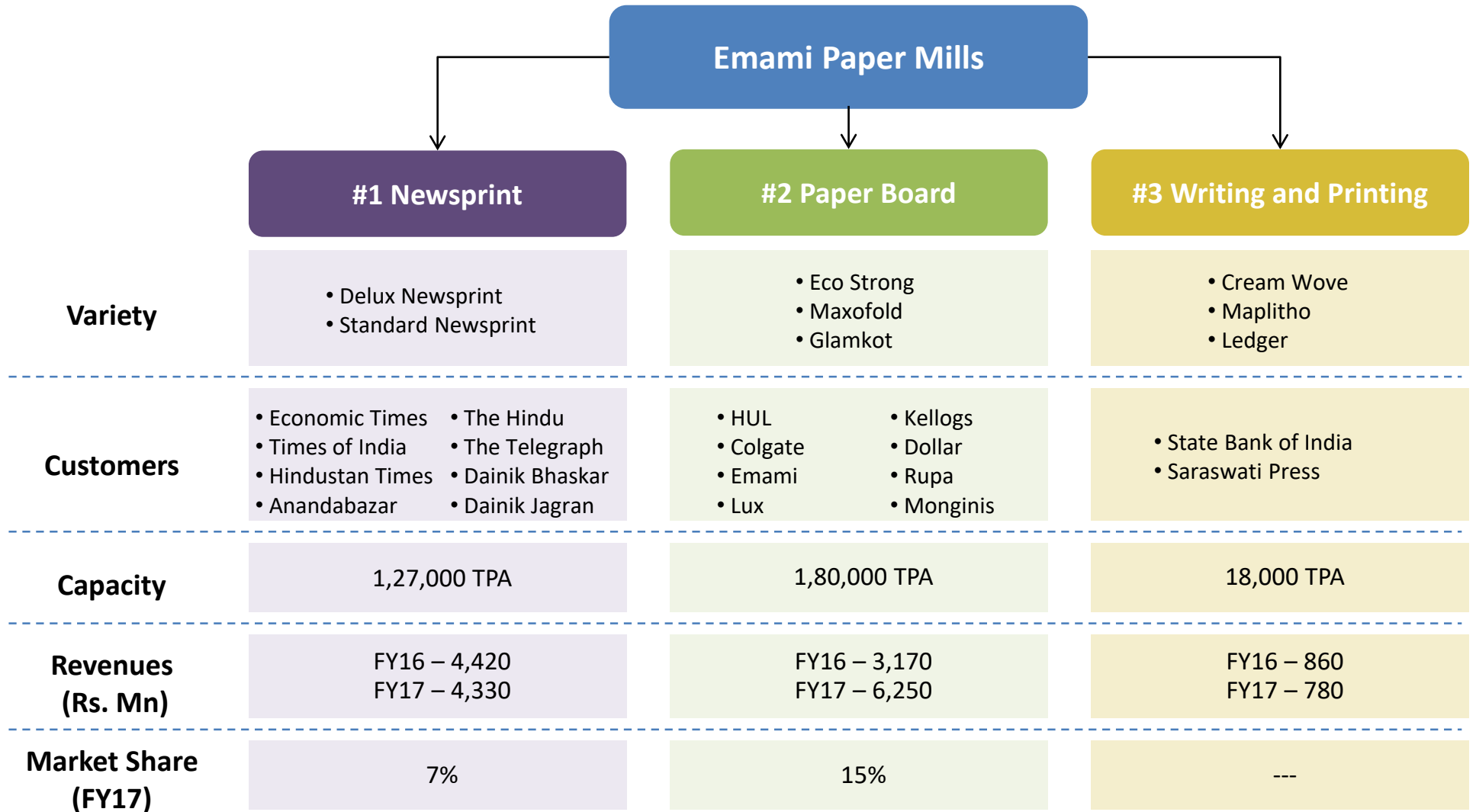
Industrialist with extensive management experience over 3 decades

Senior Management Team

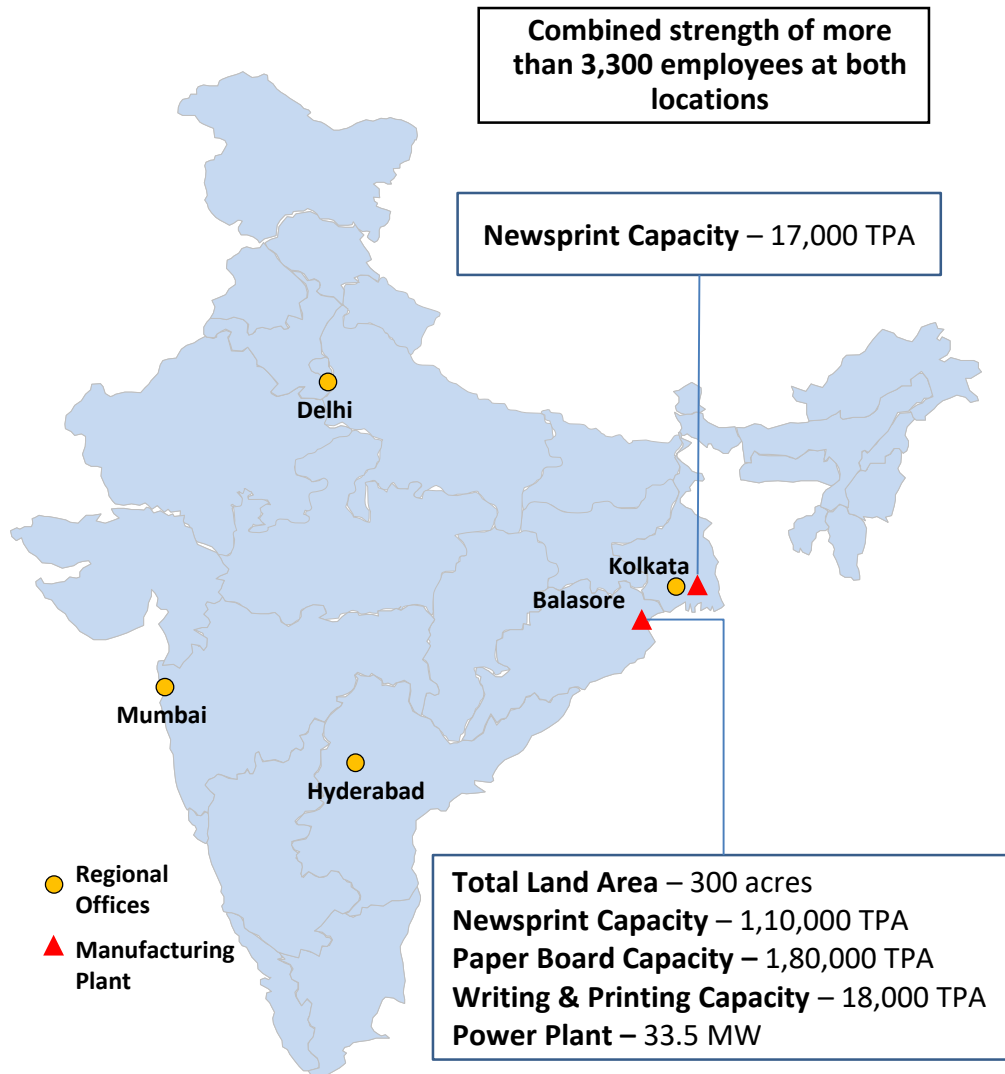


Senior Management	Role	Total Experience	Association with Emami	Profile
	Mr. S. K. Jain Sr. President	37 yrs	13 yrs	Renowned Paper technologist and Project Head
	Mr. S. K. Khetan President (Finance) & CFO	29 yrs	17 yrs	FCA and ACS, Experienced & Qualified commercial head
	Mr. G. Saraf Vice President (Finance) & Secretary	40 yrs	23 yrs	Qualified Company Secretary and commercial head of Gulmohar Unit
	Mr. B. Choudhury Vice President (Engineering)	37 yrs	10 yrs	Worked with paper companies like Hindustan Paper Corporation, Rama Newsprint and Papers prior to joining Emami.
	Mr. Anil Singh Asst. Vice President (Board Plant)	25 yrs	5 yrs	Board Plant head, previously worked for JK Papers, Khanna paper mills

Business Overview



Geographical Reach



Total capacity (950 tpd in Balasore and 50 tpd in Kolkata)	1,000 tpd
Newsprint capacity	127,000 TPA
Board paper capacity	180,000 TPA
Writing & printing capacity	18,000 TPA
Captive power generation unit sufficing 100% requirements	33.5 MW

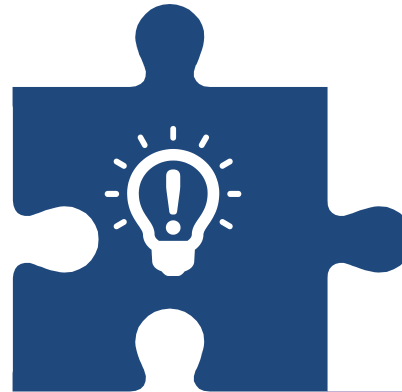
Newsprint	
Sourcing Capabilities	Strong waste paper sourcing capabilities with large supplier network and use of rail linked facilities of container rail operators

Paper Board	
Printers	Association with 90 printers across East, West, South and North Zone
Warehouses	Delhi Zone Only Elsewhere directly shipped from Balasore
Dealers & Distributors	Distribution network across India based on tie-up with 45 dealers

Paper Board Business



One of the fastest break-even in the sector. More than 100% capacity utilization with high end products in the very first year of operation.



New Generation technology for manufacturing high quality packaging board required by the fastest growing packaging market of FMCG products



USP



High level of Automation for consistent quality of the product

Excellent Operating team and Dynamic Sales & Marketing group offering consistent customer centric goods and services



New Paper Board Plant at Balasore



Raw Materials Warehouse



Head Box



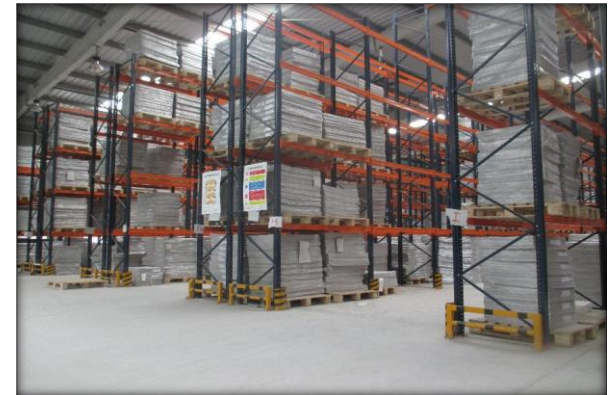
Packing Line



Sheet Cutters



Ream & Bundling System



Rack Storage System



New Board Paper Facility

- 4 Forming Layers
- Shoe Press
- 4 Combi Blade coaters with Infra-Red dryer to produce lowest cost paperboard
- 4 Hydraulic Head boxes with top Former and Dilution Control System
- Captive Power Generation
- New generation effluent treatment plant
- Best-in-class environment-friendly technology to provide optimum output
- High quality coated board from waste paper and virgin pulp



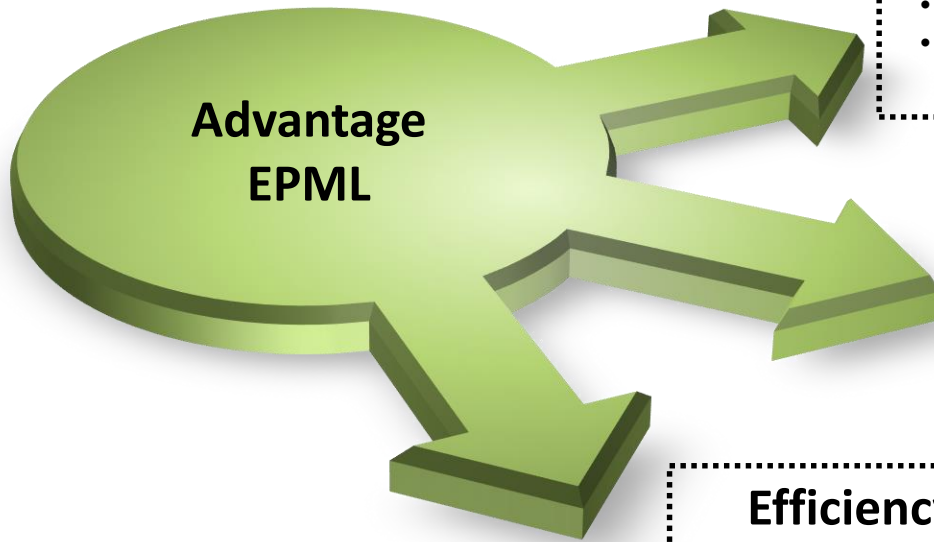
Paper Machine

Capacity:	155,000 TPA
Speed:	350 - 1105 MPM
Deckle Width:	2100 - 3550 mm
Raw Material:	100% Waste Paper
Latest Installation:	2007



Captive Power Units

Capacity:	33.5 MW
Fuel:	'F' Grade Coal & ETP Sludge
Boiler Type:	ABFC
Boiler Capacity:	35-85 TPH
Steam Press:	63 Kg/cm ²



Paper Board

- Deep and long term relationships with customers
- Long term agreements with suppliers for sourcing pulp
- Easy access to key raw material Coal from nearby Talcher Coalfields located 200kms from Balasore facility
- Cost effective import of pulp, waste paper, P&M and chemicals from Haldia Port
- New Board Machine to be configured will produce best quality value added products FBB and CBB to capture the increased demand of virgin grade board

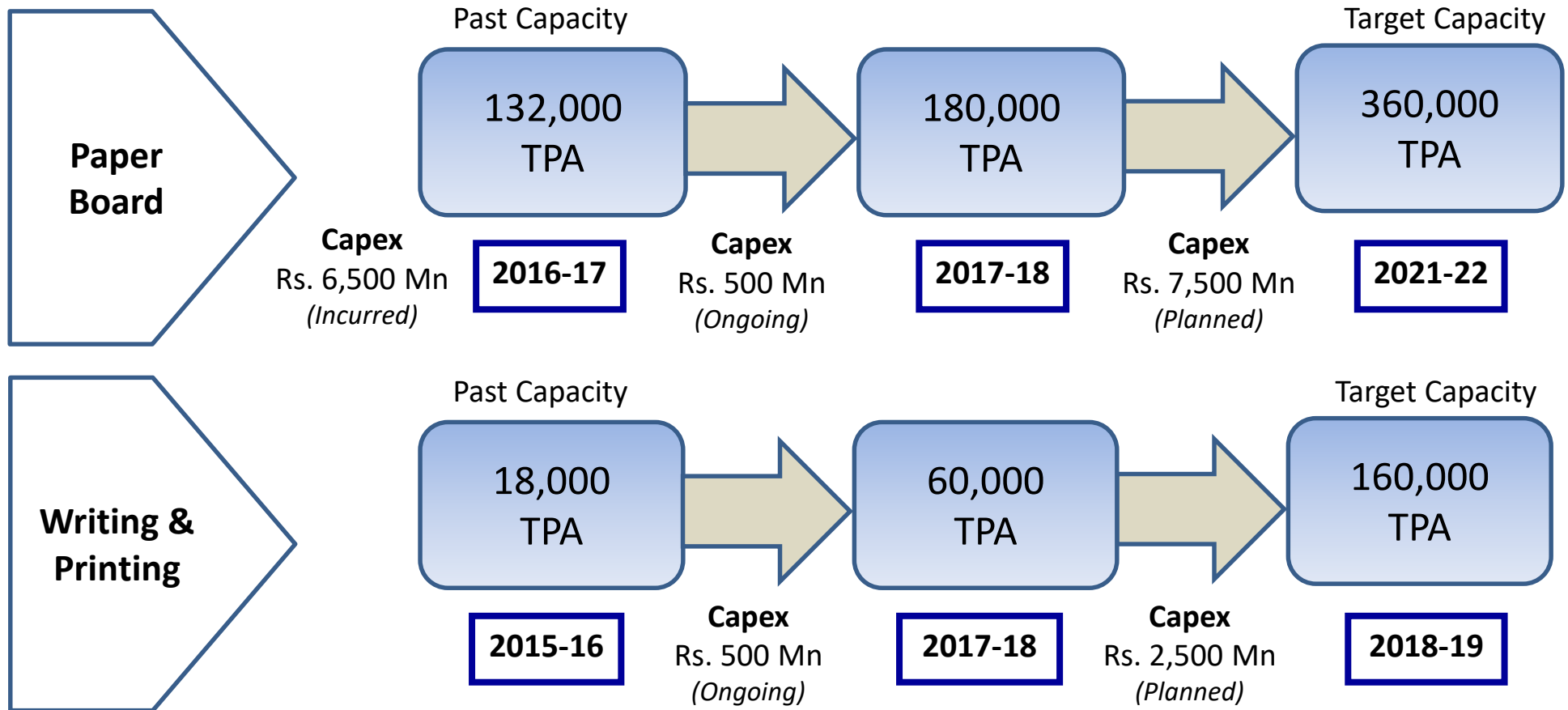
Writing & Printing

- Best quality writing & printing manufacturing machines
- Deep rooted distribution network
- Continuous adaptation to latest technologies for better quality parameters and lowest costs
- One of the deepest networks in the country to source waste paper

Efficiency

- Captive power plant provides self-sufficiency and keeps cost under control as power is a key cost item
- Fastest running paper machine in India with 1105 MPM speed
- Strong employee support and absence of unions have contributed to no strikes ever
- Engaged with best logistics solution providers to deliver finished goods anywhere in India within 3 days
- Input cost parameters and quality parameters are bench-marked with international norms

Capacity Expansion Plans



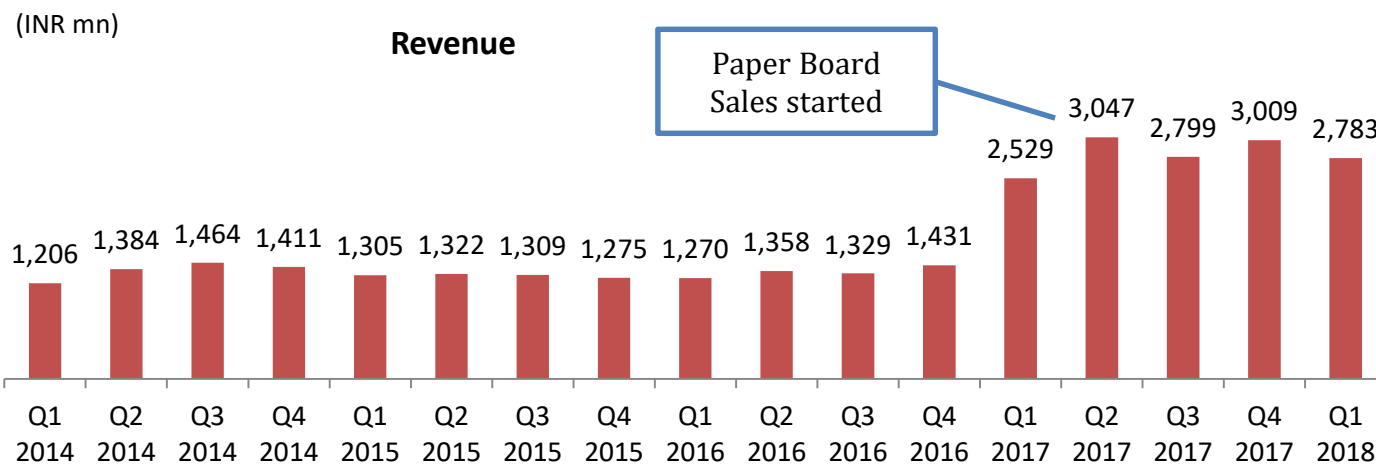
Planned capital expenditure of Rs. 11,000 mn over the next 4 years



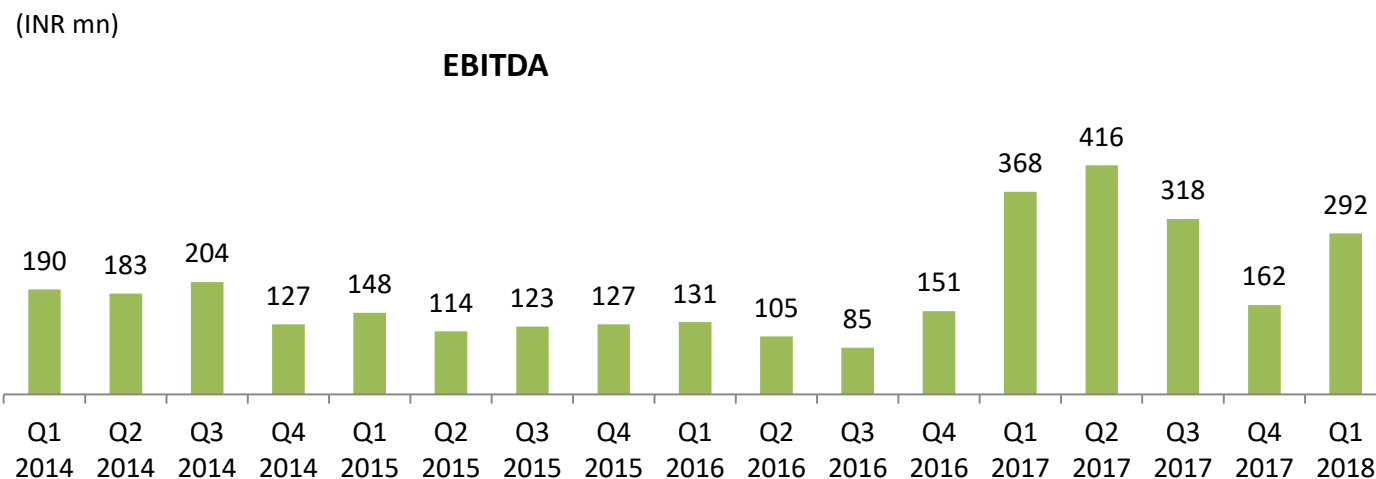
Financial Overview

Emami Paper Mills Limited

Quarterly Financial Performance



- Commissioning of Multi-Layer Coated Board plant at Balasore in March 2016 resulted in substantial pick-up in revenues
- Strong ramp-up of Paper Board segment leading to quarterly revenue run-rate crossing Rs.2,500mn in Q1FY17



- Increasing share of relatively better margin Paper Board segment has increased overall margins
- Cost efficiency measures and all plants operating at 100% capacity utilisation further aids to margin uptick

Summarized Profit & Loss Account



(INR mn)

Particulars	FY14	FY15	FY16	FY17	Q1 FY 17	Q1 FY 18
Revenue	5,466	5,210	5,388	11,384	2,529	2,783
Other Income	34	77	64	185	-13	29
Total Income	5,499	5,287	5,452	11,568	2,516	2,812
Cost of materials consumed	3,094	3,210	3,180	7,847	1,731	1,938
Changes in inventories of finished goods & WIP	-16	-117	103	-221	-82	-39
Employee benefits expense	287	311	340	579	124	137
Finance costs (net)	190	151	161	570	132	145
Depreciation and amortisation expenses	317	266	267	549	133	136
Other expenses	1,396	1,293	1,293	1,914	389	456
Total expenses	5,268	5,114	5,344	11,238	2,426	2,772
Profit before Tax	231	173	108	330	90	40
Tax Expense	45	51	-171	71	28	14
Profit after tax	186	121	279	259	62	26

Reporting profits every year since inception across various industry cycles, showcasing financial robustness with Dividend track record since last 15 years.

Summarized Balance Sheet



(INR mn)

Particulars	FY14	FY15	FY16	FY17
EQUITY AND LIABILITIES				
Shareholders' funds*	3,606	4,319	4,495	4,755
Non-current liabilities				
Long-term borrowings	3,712	6,544	7,071	6,544
Deferred tax liabilities (net)	404	455	284	355
Other long-term liabilities	5	27	46	49
Long-term provisions	14	27	33	44
Current liabilities				
Short-term borrowings	1,162	1,098	2,691	3,577
Trade payables	256	706	752	821
Other current liabilities	742	809	1,106	1,329
Short-term provisions	71	104	108	23
Total	9,971	14,089	16,587	17,496
ASSETS				
Non-current assets				
Fixed assets	6,199	10,675	11,999	11,916
Non-current investments	6	6	6	6
Long-term loans and advances	638	485	492	620
Other non current assets	0	0	0	0
Current assets				
Current investments	0	0	0	0
Inventories	731	1,156	1,728	2,290
Trade receivables	460	439	1,027	1,495
Cash and bank balances	1,648	959	805	339
Short-term loans and advances	288	368	529	831
Total	9,971	14,089	16,587	17,496

*Equity Shares of Face Value Rs.2 each

Summarized Cash Flow Statement



(INR mn)

Particulars	FY14	FY15	FY16	FY17
CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax	232	173	108	330
Depreciation and amortisation expenses	317	266	267	548
Provision for employees benefits	6	12	7	11
Finance Costs	190	151	161	570
Change in Working Capital	273	-123	-1,238	-1,194
Taxes Paid	-51	-26	-26	-46
Others	-18	-69	-76	-149
Net cash generated / (used) from operating activities	949	384	-797	70
CASH FLOW FROM INVESTING ACTIVITIES				
Net fixed assets and capital work in progress	-1,044	-4,641	-1,169	-632
(Increase) / decrease in capital advances	-300	270	31	-88
Dividend received	4	4	1	4
Interest received	163	124	65	45
Profit on sale of current investments	21	55	54	24
Net cash generated / (used) from investing activities	-1,156	-4,187	-1,018	-647
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of preference share capital (Net)	899	749	0	0
Borrowings	571	2,592	1,955	820
Interest and other borrowing cost paid	-324	-203	-185	-595
Dividend & dividend tax paid	-43	-71	-95	-103
Net cash generated / (used) from financing activities	1,103	3,067	1,675	122
Net increase/(Decrease) in cash & cash equivalents	895	-735	-141	-455
Cash & cash equivalents (opening balance)	734	1,630	894	754
Cash & cash equivalents (closing balance)	1,630	894	754	298

Key Ratios



Ratios	FY14	FY15	FY16	FY17
Per Share Data (Rs.)				
Pre-exceptional EPS	2.6	1.2	3.6	4.3
DPS	0.6	0.6	0.6	1.2
BVPS	51.5	61.3	64.2	68.5
Growth Ratios (%)				
Revenues	7.2	-4.7	3.4	111.3
EBITDA	-1.7	-27.2	-7.9	167.5
Profit before Tax	79.0	-25.4	-37.4	205.2
Profit after Tax	61.1	-34.8	129.8	-7.1
Profitability Ratios (%)				
EBITDA Margin	12.9	9.8	8.8	11.1
EBIT Margin	7.1	4.7	3.8	6.3
Tax Rate	19.6	29.7	nm	21.4
Net Profit Margin	3.4	2.3	5.2	2.3
Working Capital (days)				
Inventories	49	81	117	73
Receivables	31	31	69	48
Other current assets	62	60	70	47
Current liabilities and provisions	73	117	139	73
Return Ratios (%)				
RoE	5.7%	2.0%	5.8%	6.5%
RoCE	5.1%	3.0%	1.9%	5.8%
Solvency Ratios (x)				
Net Debt - Equity	1.1x	1.7x	2.2x	2.3x
Interest Coverage	2.2x	2.1x	1.7x	1.6x

Note: RoCE = EBIT/Average Capital Employed; Interest Coverage = EBIT / Interest Cost
nm – not meaningful



CSR, Awards & Accolades

Emami Paper Mills Limited

CSR - Improving the quality of life



Touching Lives

Eradication of Hunger, Mal-Nutrition & Promotion of Health and Sanitation

Providing Mobile Health Care services at door steps in 4 locations catering health needs of nearly 8,700 patients. Also identified children with low BMI to combat malnutrition



Ensuring Environmental Sustainability and Animal welfare

Planted ~5,000 saplings, distributed 1,730 horticultural plants and undertook 16 kms of avenue plantation in Nilgiri and Balgopalpur. Also adopted clean technology to consume least possible natural resources

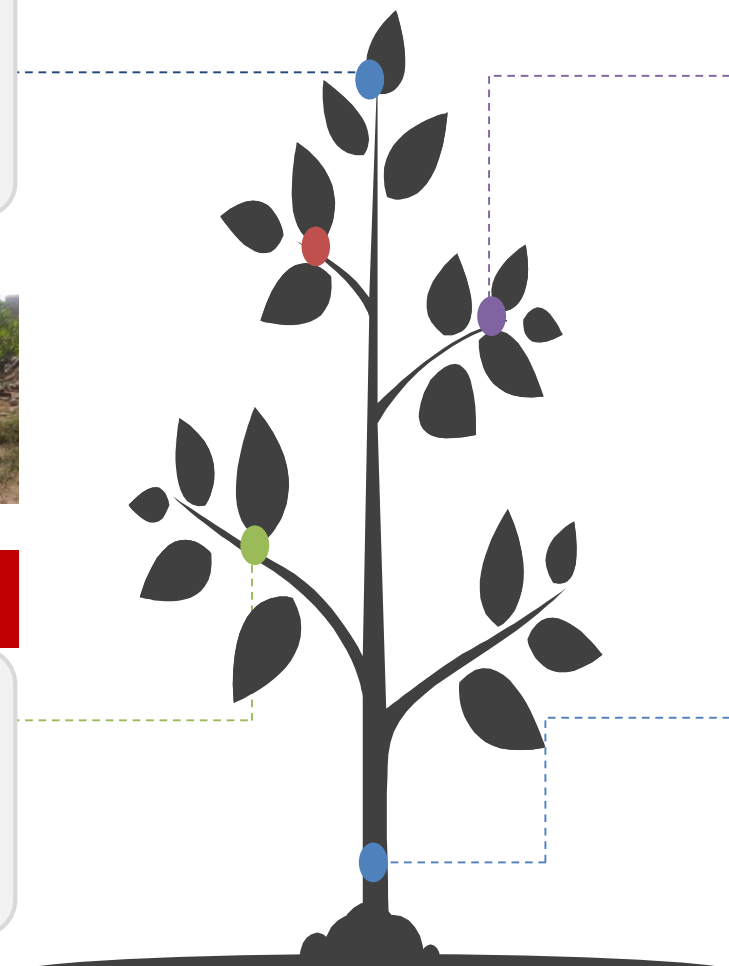
Promoting Education and Vocational Skills

Contribution and continuous support to Remuna College. Free distribution of nearly 70,000 exercise notebooks to students



Rural Infrastructure and Community Development

Community centres erected in three local areas namely Fulkiari, Nuapadhi and Rasalpur. Construction of a bypass road to Balgopalpur together with NOCCI



Awards & Accolades



Greentech CSR Award 2015



Best CSR Activities in Balasore Mahotsav, Pallishree Mela & EXPO Odisha, 2016



Odisha State Energy Conservation Award



Odisha State Safety Conclave 2014



Greentech CSR Award, 2014 (GOLD CATEGORY)



Greentech Environmental Award, 2014 (GOLD CATEGORY)



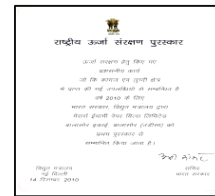
Best Prize" at "Emami 3rd Kaizen Convention" in April 2013



Silver Merit in Economic Times India Manufacturing Excellence Award 2011



National Award for Excellence in Energy Management 2011



1st Prize for "National Energy Conservation - 2010" for Pulp & Paper Category by Ministry of Power



ICAI Award 2010



TPM Excellence 2009



Excellence in Consistent TPM - 2008

Customer Feedback



“Emami paper is a forward looking company with a progressive attitude to grow their presence and market share in the paperboard packaging space.

We are happy to see their commitment to provide top quality board and we appreciate their ability to quickly streamline the right quality of product in a very short period of time

Providing recycled and virgin board under one roof give immense confidence to buyers like us who want to work with players who can service large requirements across an array of products and this particularly appeals to us in the larger scheme of things

We look forward for a deeper engagement with the Emami paper team to build a long term relationship and also expect Emami to be able to be fleet footed and flexible in their servicing approach at a pan India level “.



Mr. Sidharth Kejriwal,
Managing Director
M/s Parksons Packaging Limited

“We are thankful to Emami Paper Mills as they have provided fastest services to our orders.

Further to us your company’s most important achievement is you have achieved the International parameters of quality.

We are also happy with your quick response to our specific requirement of either material or technical.”



Mr. Yogesh Mahadevia
Managing Director
Yamir Packaging Pvt Ltd.

Thank You

Investor Relations : emamipaper@emamipaper.in, gsaraf@emamipaper.in