

Dated: 15.02.2021

To,

The Manager – Listing National Stock Exchange of India Ltd. Exchange Plaza, BandraKurla Complex Bandra East Mumbai – 400051 Symbol – SALASAR	The Secretary Corporate Relationship Dept. BSE Limited P.J.Tower, Dalal Street, Mumbai – 400001 Scrip Code: 540642
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Sub: - Investor Presentation

Dear Sir/Madam

Please find attached herewith Investor Presentation of the Company w.r.t. Financial Results of the Company for Q3 and 9MFY21, for your record and further dissemination.

Kindly take the same on record.

Thanking You,

Yours Sincerely


For Salasar Techno Engineering Limited

**Pramod Kumar Kala**
(Chief Financial Officer)

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SALASAR
Building a stronger future

Investor Presentation Q3 and 9MFY21

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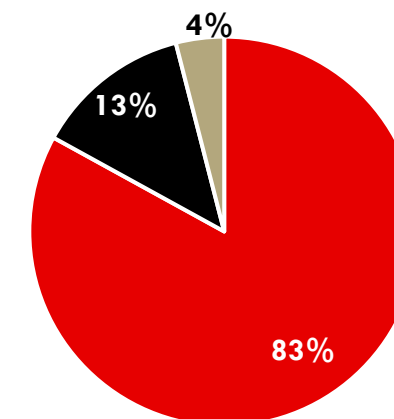
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Q3/9MFY21 Highlights

Q3/9MFY21 consolidated P&L statement

Particulars (INR Cr)	Q3FY21	Q3FY20	YoY	9MFY21	9MFY20	YoY
Net Sales	174.4	101.0	73%	385.1	417.6	-8%
Cost of Goods Sold	135.2	80.7		304.2	334.4	
Employee Cost	8.2	6.3		21.1	21.2	
Other Indirect Expenses	13.2	4.5		22.1	19.9	
Total Expenditure	156.5	91.4		347.3	375.4	
EBITDA	17.9	9.57	87%	37.74	42.19	-11%
EBITDA Margin%	10.3%	9.5%		9.8%	10.1%	
Other Income	3.4	0.3		5.1	0.8	
Interest	4.5	5.7		12.3	15.9	
Depreciation	1.4	1.3		4.1	3.7	
Profit Before Tax	15.4	3.0	415%	26.5	23.3	14%
Provision for Tax	3.7	0.8		6.4	4.7	
Profit After Tax	11.7	2.2	431%	20.1	18.7	8%
PAT Margin%	6.7%	2.2%		5.2%	4.5%	

- Manufacturing - Steel Structures and Others
- EPC - Power Transmission
- EPC - Railway Electrification



9MFY21 Revenue by Segments

Recent Developments

1

Salasar Adorus LLP, (a 51% subsidiary of Salasar Techno Engineering), has entered into a work contract with Texmaco Rail and Engineering Ltd. for Bangalore Metro Corporation Rail Project

- **Scope:** design, supply, installation, testing and commissioning of ballastless track of standard gauge in elevated viaduct section and underground section along with blasted track in depots
- **Value:** Rs 252 cr

2

Emerged L1 bidder in 3 projects:






- Tender from **Delhi Metro Rail Corporation** for art design, supply, installation, testing and commissioning of 25KV flexible overhead and Scada system for remodeling of Ajronda and Sarita Vihar Depots; **Value:** Rs 23.97 cr
- Tender from **Rajasthan Rajya Vidyut Prasaran Nigam Ltd** for construction of 220KV and 132 KV transmission lines for 220/132/33 KV GSS Saipau including survey, supply of all equipment, erection, testing and commissioning of approx. 50 kms; **Value:** Rs 20.25 cr
- Tender from **Rajasthan Rajya Vidyut Prasaran Nigam Ltd** for construction of 220KV and 132 KV transmission lines for 220/132/33 KV GSS Reodar including survey, supply of all equipment, erection, testing and commissioning of approx. 75 kms; **Value:** Rs 27.52 cr

Update on Capex

- **Entered in to business of manufacturing of structures for Road and Railway overbridges in FY21**
 - **Capacity:** 1,000 MT per month
 - **Capex:** ~Rs 20 Cr to be funded from the subscription amount of warrants issued and internal accruals
 - **Timeline:** The manufacturing will start by the end of FY21
 - **Expected Revenue:** Expected to generate revenue of ~Rs 100 Crore yearly from next year
 - **Status:** The company has already ordered all the machines and most of the machines are in the stage of installation. Construction/erection of shed and other covered areas for the new plant is nearing completion and we expect that commercial production will start in the last week of March.

Company Overview

Diversified product portfolio

 <p>01</p>	<p>Transmission Line Towers</p> <p>Manufacturing and deployment of transmission towers for EPC business, Turnkey Projects, supplying structures to other EPC contractors</p>	 <p>03</p>	<p>Solar Structures</p> <p>Manufacturing, fabrication and deployment of solar module mounting structures</p>	 <p>05</p>
<p>Telecom Towers</p> <p>Production of towers and monopoles that are designed as per time-tested Ramboll designs, in-house IIT certified designs, or tailored as per customer design</p>	 <p>02</p>	<p>Railway Electrification</p> <p>Design, supply, erection, testing & commissioning of railway electrification including normal height OHE, High Rise OHE & TSS Works</p>	 <p>04</p>	<p>Utility Poles</p> <p>Production of custom-made poles of the highest quality equipped with technologies like LED lights, CCTV cameras, pollution sensors, Wi-Fi routers</p>

45K

Telecom Towers

475KM

Power Transmission lines

217TKM*

Railway Track electrification

* Track Kilometres

Technology driven facilities

3 State-of-art Steel Structure Manufacturing and Galvanising Facilities

1

Location: District Hapur (UP)
Unit-I, Jindal Nagar
Unit-II, Khera, Pilkhuwa
Unit-III, Khera, Pilkhuwa

2

Raw Materials:
Steel Shape and Section
Zinc (for Galvanising)
Nuts and Bolts

3

Total Area:
1,30,000 Square yards
Installed Capacity:
1,00,000 MT of Steel
Galvanizing

4

Machinery:
CNC Machines
Industrial Machinery
Hydra & Cranes



Technical Tie-up with Ramboll, Denmark

To manufacture lighter and lower costing tower structures and high mast poles. Their designs reduce the cost by 20% compared to conventional angular towers.



RAMBOLL

Ramboll Telecom is a world leader in designing telecom and high mast Poles. With the experience of designing towers for last sixty years, their designs are time-tested and proven for performance



Experienced management team

Mr. Alok Kumar *B.Sc from Punjab University, Chandigarh*

With experience spanning over 4 decades in trading, manufacturing and fabrication of iron & steel, Mr. Kumar is behind the group's spirit and commitment to deliver products and services of uncompromising quality and integrity

Mr. Shashank Agarwal *B.E. (Mech.) from MIT, Manipal*

With 25+ years of experience, Mr. Agarwal is a first generation entrepreneur who has been instrumental in building Salasar into one of the leading players in the sector. He is involved in all aspects of business and has been the driving force in creating the brand and image of Salasar



Board of Directors:

- 1** **Shalabh Agarwal**
Director
- 2** **Tripti Gupta**
Director
- 3** **Anil Kumar Jain**
Non-Executive and Independent Director

- 4** **Mukesh Kumar Garg**
Non-Executive and Independent Director
- 5** **Sanjay Chandak**
Non-Executive and Independent Director
- 6** **Vijay Kr jain**
Non-Executive and Independent Director

Key Management:

- 1** **Pramod Kumar Kala**
Chief Finance Officer

Strong client base



- 1 Approved vendor for Power Grid Corporation Ltd.
- 2 Qualified to bid for Rural Electrification projects
- 3 Qualified by CORE (Central Organization for Railway Track Electrification)

Industry Opportunities

Industry opportunity - Telecom

Mobile and Internet penetration

- The proportion of unique mobile subscribers to the total population is expected to reach around 63% in 2025 from 58% in July 2018
- With the increase in the mobile phone penetration and reducing data costs in India, it is expected that the current internet user base that stands at 687 Mn might get doubled in the next 5 years

5G Rollout Plans & 4G Penetration

- Increase in the 4G penetration to provide 4G access to ~80%* of India's mobile subscriber base by 2024
- 5G rollout likely to attract ~USD 30 Bn[^] in collective capital expenditures over a period of next 5 years by the top three telecom operators in India
- With the positive outlook of the telecom sector it would be lucrative to move beyond traditional telecom business to wider digital consumer space like content and mobile banking solutions



**Increased Demand
for Telecom Tower
Infrastructure pan
India**

Government Initiatives that will provide a boost to the Telecom Infrastructure Segment

- The Government of India planned to roll out a new National Telecom Policy 2018 in lieu of rapid technological advancement in the sector over the past few years. The policy intends to attract investments worth USD 100 Bn in the sector by 2022
- The Department of Information Technology intends to set up over 1 Mn internet-enabled common service centers across India as per the National e-Governance Plan

*Ericsson Mobility Report November 2018

[^]UBS Report

Industry opportunity – Power & Railway

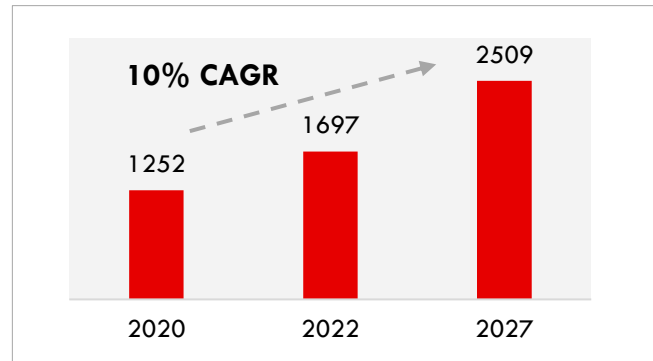
Increased demand for power transmission infrastructure development

- Power consumption is estimated to reach up to 1,894.7 TW in 2022
- Increased demand for power transmission infrastructure development due to increasing inter regional power demand - supply gap

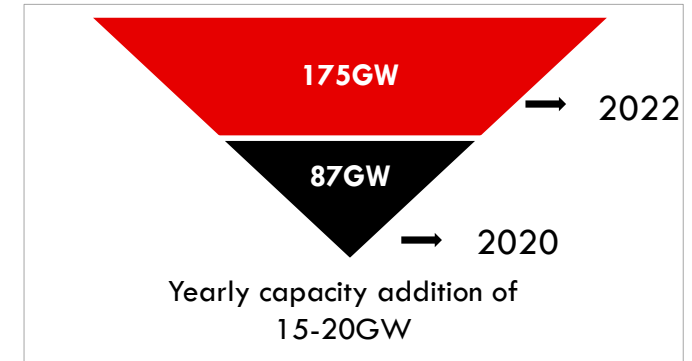
Government Initiatives

- The Union Budget 2020-21 has allocated USD 2.27 Bn to the Ministry of Power
- Additional USD 786.95 Mn to Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY) to provide power transmission infrastructure for rural electrification.

Increasing Demand for Electricity



Growth in Renewable Energy



Railways Electrification orders are on a rapid growth; aiming to double their capacity

- The railways have set a 100% electrification target by the next four years
- The Government is going to come up with a 'National Rail Plan' to enable the country to integrate its rail network and develop a multi-modal transportation network. Current Railway capex for 2020-21 is INR 1.5 Lakh Cr. expected to grow at CAGR of 18% for the next 10 years
- Electrification of 6,000 Km route is targeted, with wiring of the entire broad gauge network now envisaged for completion by 2023-24

Growth Strategy

Growth strategy

1

New business manufacturing of structures for Road and Railway overbridges (ROBs)

2

Tapping industry opportunities by expanding product portfolio and optimal utilization of existing capacity

3

Expanding tower designs and leveraging on their tie-ups with Ramboll to provide value to the clients

4

Strong focus on the export market to increase its share in the foreign market. Increasing market share domestically by targeting new customers and expanding relationships with the existing ones.

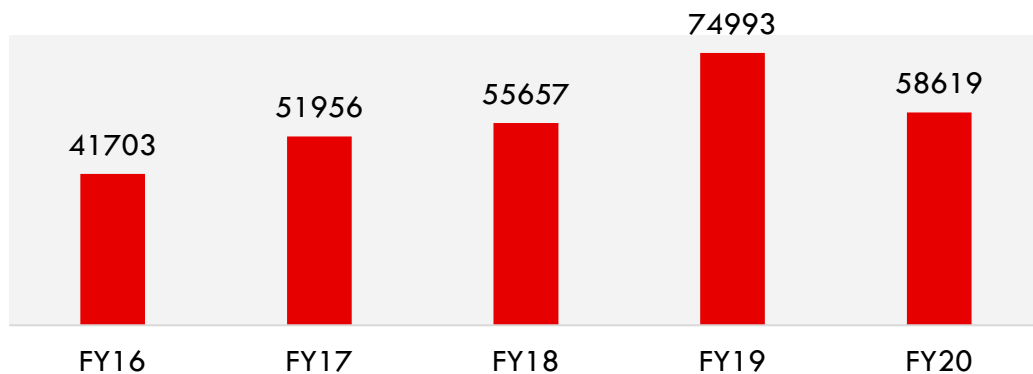
5

Innovating and manufacturing differentiated products like camouflaged towers, monopoles, etc. to provide for the evolving infrastructural needs of the society

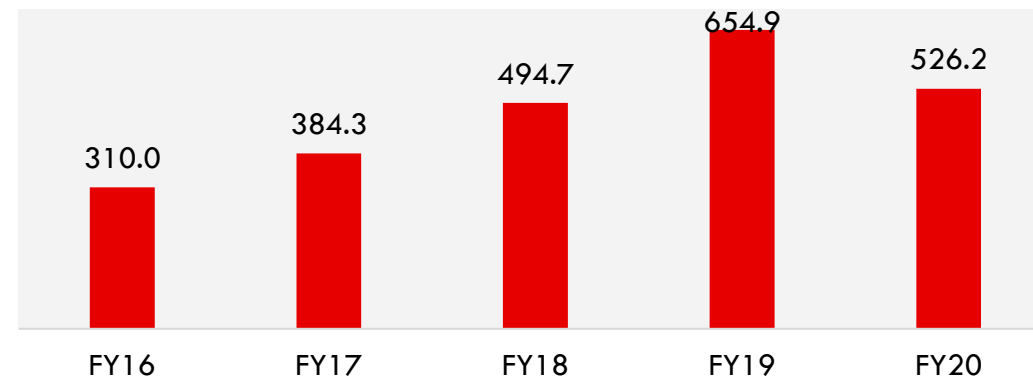
Historical Financial Performance

Key financial highlights

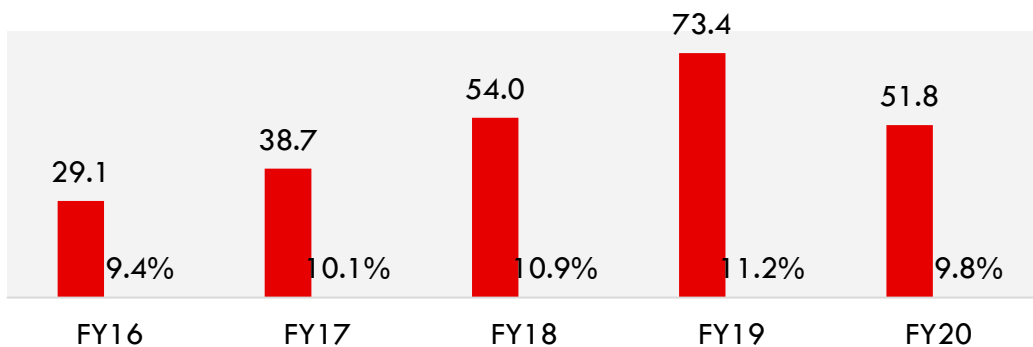
Volumes (MT)



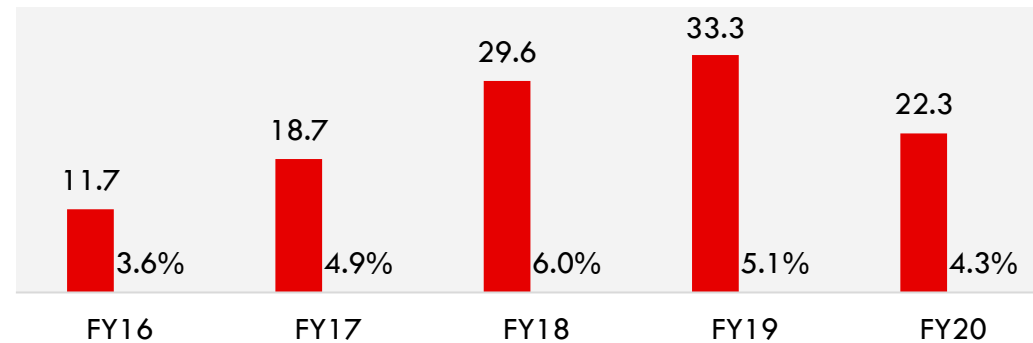
Revenue (INR Cr)



EBITDA (INR Cr) and Margin (%)



PAT (INR Cr) and Margin (%)



Consolidated P&L Statement

Particulars (Rs Cr)	FY20	FY19	FY18
Net Sales	526.2	654.9	494.7*
Cost of Goods Sold	415.1	526.0	386.7
Employee Cost	31.0	28.0	22.9
Other Indirect Expenses	28.3	27.5	31.1
Total Expenditure	474.4	581.5	440.7
EBITDA	51.8	73.4	54.0
EBITDA Margin%	9.8%	11.2%	10.9%
Other Income	1.7	0.8	1.2
Interest	20.6	16.3	8.4
Depreciation	5.0	4.6	3.9
Profit Before Tax	27.9	53.3	43.2
Provision for Tax	5.6	20.0	13.6
Profit After Tax	22.3	33.3	29.6
PAT Margin%	4.3%	5.1%	6.0%

*(excl. Excise duty)

Consolidated Balance Sheet as on 30th Sept'20

(Rs Cr)	Sep-20	Mar-20
EQUITY & LIABILITY		
Share Capital	13.3	13.3
Other Equity	205.2	193.8
Shareholder's Funds	218.5	207.1
Non-Current Liabilities:		
Secured Loans	4.1	5.3
Deferred Tax Assets / Liabilities	3.6	3.1
Other Long Term Liabilities	-	-
Long Term Provisions	2.5	2.3
Total Non-Current Liabilities	10.2	10.7
Current Liabilities:		
Trade Payables	19.9	21.4
Other Current Liabilities	60.1	54.2
Short Term Borrowings	158.2	159.6
Short Term Provisions	0.4	0.3
Total Current Liabilities	238.6	235.6
Total Liabilities	467.3	453.5

(Rs Cr)	Sep-20	Mar-20
ASSETS		
Non-Current Assets:		
Net Block	92.7	91.1
Capital Work in Progress	1.3	0.3
Other Non Current Assets	12.3	14.2
Total Non-Current Assets	106.3	105.6
Current Assets:		
Inventories	92.8	93.5
Sundry Debtors	221.8	214.1
Cash and Bank	11.1	10.6
Other Financial Assets	16.2	11.8
Other Current Assets	18.3	16.3
Current Tax assets (Net)	0.8	1.6
Total Current Assets	361.0	347.9
Net Current Assets (Including Current Investments)	122.4	112.3
Net Current Assets (Excluding Current Investments)	119.7	110.8
Total Assets	467.3	453.5

Thank You

Salasar Techno Eng

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