

Dated: 13.02.2023

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 quarter and nine months ended 31st December, 2022, for your record and further dissemination.

Kindly take the same on record.

Thanking You,

Yours Sincerely

For **Salasar Techno Engineering Limited**

Alok Kumar
(Managing Director)
DIN:01474484

CIN No. - L23201DL2001PLC174076



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SALASAR TECHNO ENGINEERING LIMITED

INVESTOR PRESENTATION – Q3 FY23

FEBRUARY 2023



A Seasoned, Expert,
Dependable and Agile
Infrastructure Enabler



DISCLAIMER

This presentation and the following discussion may contain “forward looking statements” by Salasar Techno Engineering Limited (“Salasar” or the company) that are not historical in nature. These forward looking statements, which may include statements relating to future results of operations, financial condition, business prospects, plans and objectives, are based on the current beliefs, assumptions, expectations, estimates, and projections of the management of Salasar about the business, industry and markets in which Salasar operates.

These statements are not guarantees of future performance, and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond Salasar’s control and difficult to predict, that could cause actual results, performance or achievements to differ materially from those in the forward looking statements. Such statements are not, and should not be construed, as a representation as to future performance or achievements of Salasar.

In particular, such statements should not be regarded as a projection of future performance of Salasar. It should be noted that the actual performance or achievements of Salasar may vary significantly from such statements.

DISCUSSION SUMMARY

01 Business Overview

02 Q3 FY23 Highlights

03 Competitive Advantage

04 Financial Summary

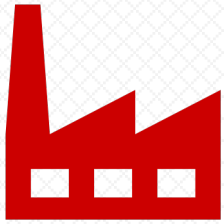


BUSINESS OVERVIEW

Broadening Horizons For
Sustainable Growth



Salasar is one of the leading companies in India, providing customized steel structures and EPC solutions to diverse range of industries including telecom, power, railways and others



1,15,000 MT
Annual Production
Capacity



50,000+
Telecom Tower
Supplies



702 KM
Power Transmission
Lines



600+
Clients and
customers served



423 TKM
Railway Track
Kilometre



25+
Countries Exported

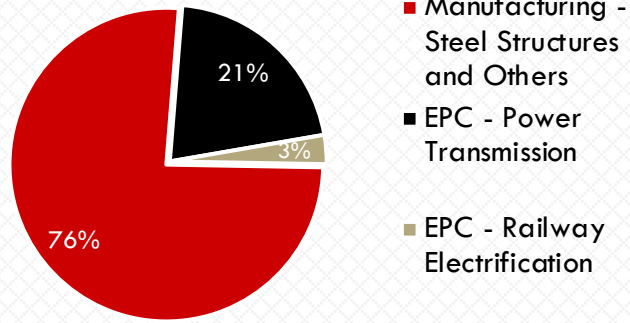
Started as tower manufacturing company; currently provides whole range of steel infrastructure solutions to its clients

Incorporated In the year 2006, Salasar started out as a tower manufacturer company with the vision of transforming the industry by providing multiple solutions under one roof.

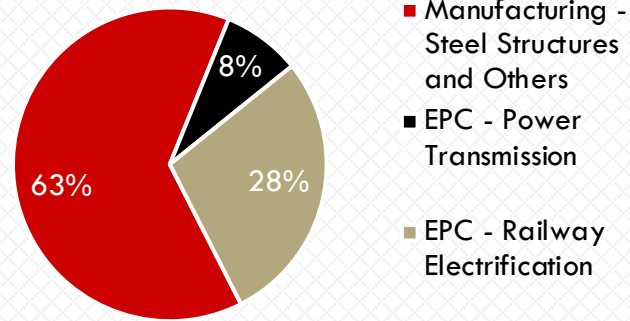
Salasar sought to fill this gap by aspiring to become a one-stop shop for India's telecom giants by carrying out engineering, designing, procurement, fabrication, galvanization and EPC under one roof.

Owing to its persistence, expertise, and capability to work wonders with steel, today Salasar is no longer confined to towers and have expanded its range of products and services to encompass all the infrastructural needs of a rapidly developing nation.

Revenue by Segments – Q3 FY22 *



Revenue by Segments – Q3FY23 *



* Based on standalone numbers

Strong base of operations with technology-driven facilities for efficient steel structure manufacturing and galvanizing

Plant	Unit – I	Unit – II	Unit – III
Location	Jindal Nagar, Distt. Hapur, Uttar Pradesh	Khera, Distt. Hapur, Uttar Pradesh	
Tower/structure manufacturing and Galvanization (GI)	Overall - 1,00,000 MT		
Heavy Steel Structure Division (HSD) (MT)	-	-	15,000 MT*
Total Area (Sq. yards)	41,442	18,811	81,526
Covered Area (Sq.m.)	19,455	5,833	34,327
Uncovered Area (Sq.m)	21,987	12,978	47,199

Machinery

- CNC Machines
- Industrial Machinery
- Hydra & Cranes

HSD plant at Unit- III: Having robust order book; plant is fully booked for next one year for manufacturing rail/road bridge structures, Plant structures, pre-fabricated building structures, etc.

Raw Materials

- Steel Shape and Section
- Zinc (for Galvanizing)
- Nuts and Bolts

* Expected 4-5x Revenue at Full Capacity

STRONG & EXPERIENCED LEADERSHIP TEAM



**Chairman &
Managing Director**

Mr. Alok Kumar

B.Sc from Punjab University, Chandigarh

- Wide experience spanning over 4 decades in trading, manufacturing and fabrication of iron & steel
- Driving force behind groups commitment of timely delivery with superior quality



**Joint Managing
Director**

Mr. Shashank Agarwal

B.E. (Mech.) from MIT, Manipal

- First generation entrepreneur with 25+ years of experience
- Involved in every aspects of business and has been the driving force in creating the brand and image of Salasar

Board of Directors



Mr. Shalabh Agarwal
Director



Ms. Tripti Gupta
Director



Ms. Garima Dhamija
Non-Executive Independent Director



Mr. Mukesh Kumar Garg
Non-Executive Independent Director



Mr. Sanjay Chandak
Non-Executive Independent Director



Mr. Vijay Kr jain
Non-Executive Independent Director

Key Management



Mr. Pramod Kumar Kala
Chief Financial Officer

Q3 FY23 HIGHLIGHTS

Delivering Consistent
Performance



CONSOLIDATED P&L STATEMENT – Q3 FY23

Particulars (Rs. Mn.)	Q3 FY23	Q3 FY22	Y-o-Y (%)	Q2 FY23
Income from Operation	2,407.98	1,736.05		2,587.33
Revenue from Operations	2,407.98	1,736.05	38.70%	2,587.33
Cost of Material Consumed	2,113.03	1,337.23		1,922.16
Changes in Inventories	(194.55)	(10.56)		196.61
Raw Material Expenses				
Employee Expenses	112.16	122.31		123.25
Other Expenses	136.76	120.82		135.26
Total Expenditure	2,167.41	1,569.80	38.07%	2,377.28
EBITDA	240.57	166.25	44.70%	210.05
EBITDA Margin	10.00%	9.58%	42 bps	8.12%
Other Income	1.36	3.50		0.50
Depreciation	19.85	18.51		19.21
Finance Cost	78.15	55.60		85.27
PBT	143.93	95.64		106.07
Tax	37.00	26.06		30.95
PAT	106.93	69.58	53.68%	75.12
EPS	0.36	0.24		0.26

ORDER BOOK POSITION

Particulars	Value
Orders EPC (Domestic) outstanding as on 31 st Dec 2022	Rs. 1,288 crore
+ Orders EPC (Exports) outstanding as on 31 st Dec 2022	Rs. 143 crore
+ Manufacturing orders outstanding under new heavy steel structure plant as on 31 st Dec 2022	Rs. 129 crore
+ Monopoles orders in hand as on 31 st Dec 2022	Rs. 95 crore
+ Export order in hand	Rs. 60 crore
Total	Rs. 1,715 crore

- In addition, the company normally has regular monthly orders of telecom towers of approx. Rs 30 to 35 Crores

GROWTH STRATEGY

Unlocking Value,
Delivering Results





Offering 360-degree solution to diverse industries; Adding innovative products regularly like camouflaged towers, monopoles, etc. to provide for the evolving infrastructural needs of the society

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

Diverse client mix having strong reputation in their respective industries

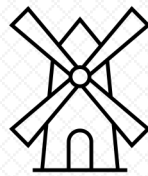
Business backed up by the strong triggers in major industries including Telecommunication, Power and Railways and in Export division

Capacity expansion; Post that Salasar will have the largest GI plant in Asia; and it is also expanding presence in Southern & Eastern India through its new heavy steel structure capacities

OFFERING 360-DEGREE SOLUTIONS TO CLIENTS

Providing whole range of services including Engineering, Strengthening, Designing, Procurement, Fabrication, Galvanization and Repair & Maintenance services along with entire EPC works to its clients

Business Verticals



Telecommunication

Power

Renewables

Poles

Smart City

Product Offering

Telecommunication Towers & monopoles
Cell on wheels & Skid base Towers
Transmission lines towers & Monopoles
Substation Structures
Railways Overhead Electrification Structures
Solar Module Mounting Solution
Solar Trees

Smart City Poles
Poles & High Masts
Camouflaging Solutions
Mounts & Cable Trays
Customized Galvanized & Non – Galvanized Structures
Cold Formed Structures
Wind Mill Towers

FORAY INTO FAST GROWING STEEL STRUCTURE DIVISION

New Heavy Steel Structure Division enables Salasar to cater to growing demand of high-end infrastructure for refineries, steel plants, power plants, rail and roadways



Bridges

Categories:

- Rail or Road Over Bridges
- Open Web Girders
- Bow String Bridge
- Pedestrian Bridge
- Cable Stay Bridge



Buildings

Categories:

- High Rises
- Stadiums
- Warehouses
- Airports & Railway Stations
- Multilevel Car Parks
- Hospitals



Heavy & Complex Structures

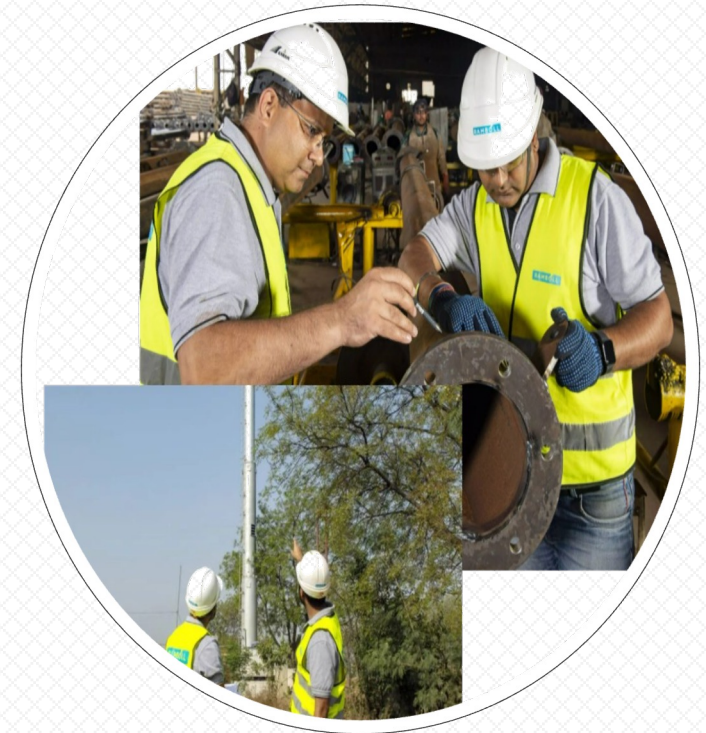
Categories:

- Thermal Power Plants
- Steel Plants
- Petrochemical Plants
- Cement Plants

Strong tie-up with Industry Leader “RAMBOLL” helping Salasar to deliver superior quality products as compared to its peers

Salasar has a long-standing 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 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. With Ramboll’s continuous efforts towards innovation, quality, a multidisciplinary engineering and widely accepted designs, we are definite that we will ceaselessly grow and offer our customers with superior products and services.



SELECT MARQUEE CLIENTS

Salasar has a strong and diverse client base which has helped us establish ourselves in a leading position in the industry

Telecom Sector



Power Sector



Others/ EPC




Approved vendor for Power Grid Corporation Ltd.



Qualified to bid for rural electrification projects

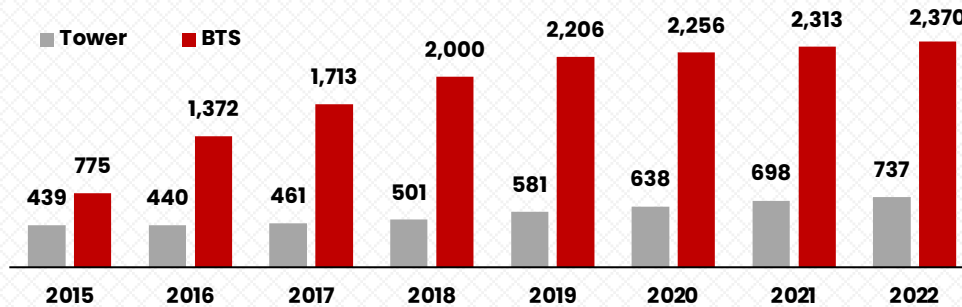


Qualified by CORE (Central Organization for Railway Electrification)

BACKED BY STRONG TRIGGERS IN MAJOR INDUSTRIES (1)

India is the second largest telecom market in the world with a subscriber base of 1.17 billion

Yearly growth of towers and base stations (BTS) ('000s)



Key Drivers

- Increase in data consumption led by 4G, and the launch of 5G
- Tower sharing (leading to increase in revenue of telecoms)
- Increasing tele-density in largely untapped rural market
- Smart city opportunities
- Development of IoT for manufacturing and services sectors

Source - Ministry of Communications, TAIPA, EY analysis

Key Facts and Developments

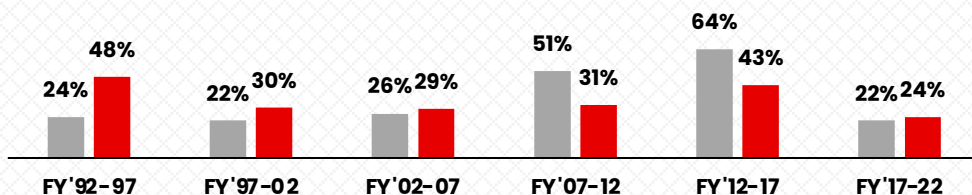
- Leading player in the Telecom Tower manufacturing segment with market share around 50%
- The Company sees a lot of opportunities as telecom operators are working their way towards improving their connectivity. Demand for telecom towers in the next 10 years is going to be greater than that in the last 25 years. All the operators are expected to do capex.
- As the rollout of 5G begins, the Company expects an exponential growth in demand for telecom towers
- There are about ~6,00,000 towers in India at the moment, with about 8,00,000 points of connectivity. To have a seamless 5G experience across India, at least 10,00,000 more towers are needed and at least 15,00,000 points of connectivity are needed in the next 10 years
- Long standing relationships with Telecom giants such as Airtel, Jio, Indus, American Tower, Bharti Infratel
- Host of product offerings in the segment which includes Towers, Monopoles, Smart City Solutions and Portable Towers

BACKED BY STRONG TRIGGERS IN MAJOR INDUSTRIES (2)

Increased Demand For Power Transmission Infrastructure Development Supported By Strong Policy Support

Historical Generation and Transmission Investment

■ % Growth in Generation Capacity (MW) ■ % Growth in Transmission Capacity (ckt km)



Key Drivers

- Expansion in industrial activity, growing urban & rural population
- Increasing per-capita power usage & ambitious projects across the value chain
- Highest ever coal production, increase of 74 mn tonnes in 2 years
- 14,895 ckm of Transmission lines (220 kV and above) and 37,200MVA Transformation capacity has been added as on March 2022

Source – CEA report and other industry sources

Key Facts and Developments

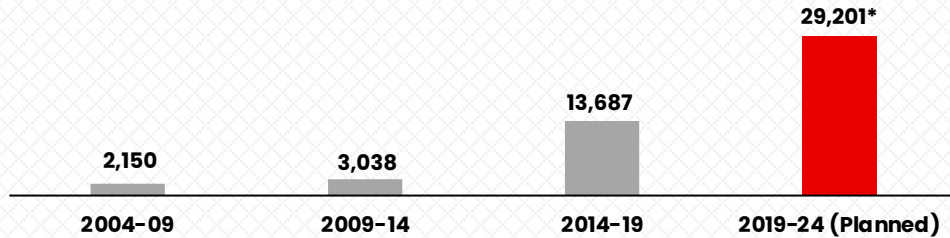
- Design and Construction of Power Transmission lines of 66kV, 132kV, 220kV & 400 kV
- Design and Construction of Grid Sub Stations ranging 66kV, 132kV, 220kV & 400 kV
- India's electricity consumption can continue to grow at >5% on a low base
- At a conservative avg. GDP growth rate of 5% over next decade power demand estimated to rise by 1.6x
- As per the National Infrastructure Pipeline 2019-25, energy sector projects accounted for the highest share (24%) out of the total expected capital expenditure of INR 111 lakh crore
- Estimated INR 6-8 trillion market opportunity in transmission till FY2029
- ICRA expects an investment of INR 1.8 trillion (INR 1.8 lakh crore) over the five-year period from FY21 (financial year 2020-21) to FY25 in the power transmission segment at an all-India level, driven by evacuation infrastructure for RE projects

BACKED BY STRONG TRIGGERS IN MAJOR INDUSTRIES (3)

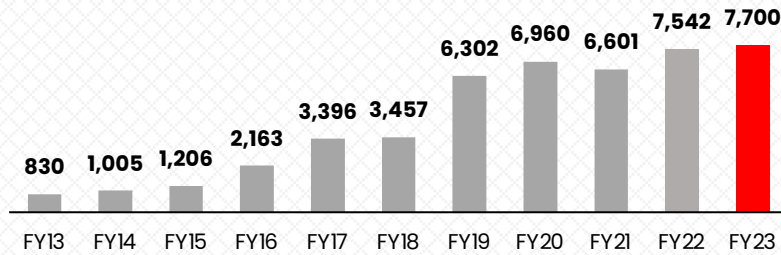
Government has an ambitious plan to secure infrastructure for 100% electrification of the railway network by 2024

Growth of Railway Electrification (Route Km, RKM)

* 6,886 RKM already commissioned till Jan'21



Budget Allocation for Railway Electrification (Rs Crore)



Source – indianrailways.gov.in

Key Facts and Developments

- Government of India plans to fully electrify the balance 42% network till 2024
- Close to 30 billion units of electricity shall be required for railway electrification on annual basis by 2024 leading excellent opportunities for IPPs of conventional power
- Overhead line equipment suppliers to gain massive opportunities to supply for the equipment like conductors, transformers & insulators etc.
- Sub-station capacity to enhance leading for opportunities for transmission & distribution utilities
- EPC contractors shall have multitude of opportunity in terms of infrastructure creation for railway electrification
- Opportunity for rolling stock companies shall be massive, electric locomotives shall gain pace
- OEM's shall have greater opportunity coming their way in terms of equipment supplies & order

STRUCTURED PLANT EXPANSION TO CATER HIGH INDUSTRY DEMAND

Expanding product portfolio with optimal utilization of existing capacity

Location	Unit III, Khera, Distt. Hapur, Uttar Pradesh	Bhilai, Chhattisgarh
Facility	New Galvanization Plant	Heavy Steel Structure Division (HSD)– II
Annual Capacity	96,000 MT	25,000 MT
Project Cost	Rs 50 Crore	Rs 60 Crore
Status	Expected Commissioning – Early Q1FY 24	Expected Commissioning – Q2FY24

- Post commencement of new Galvanizing Facility, it will become the Largest steel galvanizing plant in Asia.
- * Post commissioning of new GI capacity, one of the existing GI plant would serve as a backup in case of an emergency and the new GI Plant will also enable Salasar to manufacture monopoles upto 3 Metre Diameter used in higher KVA transmission lines which fetches better margins
- HSD plant –II (Bhilai Chhattisgarh): Tapping Southern & Eastern India via setting up steel fabrication unit at Bhilai, Chhattisgarh

* Expected 4-5x Revenue at Full Capacity

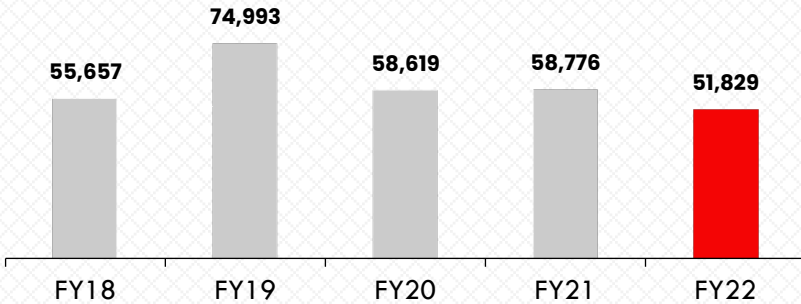
FINANCIAL SUMMARY

Gaining Strengths

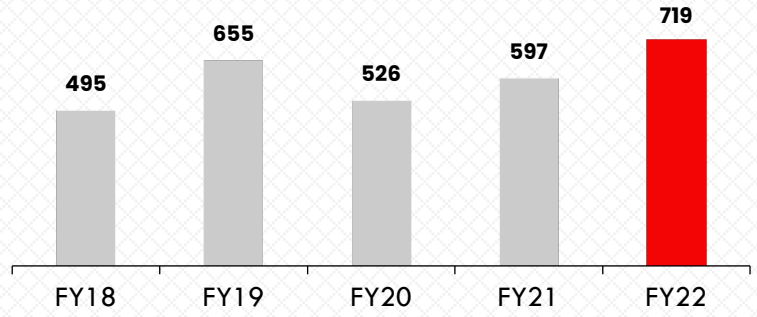


KEY FINANCIAL HIGHLIGHTS

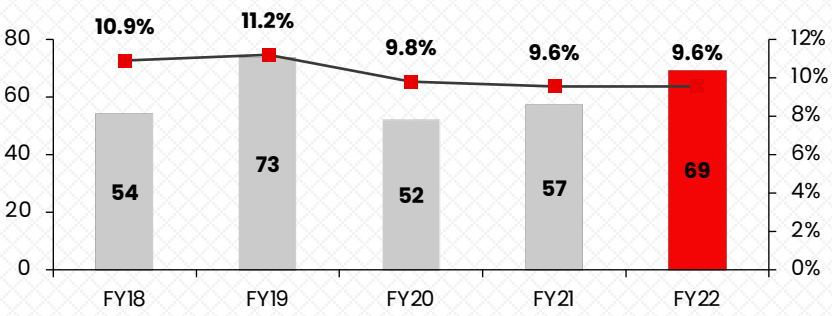
Sales Volume (MT)



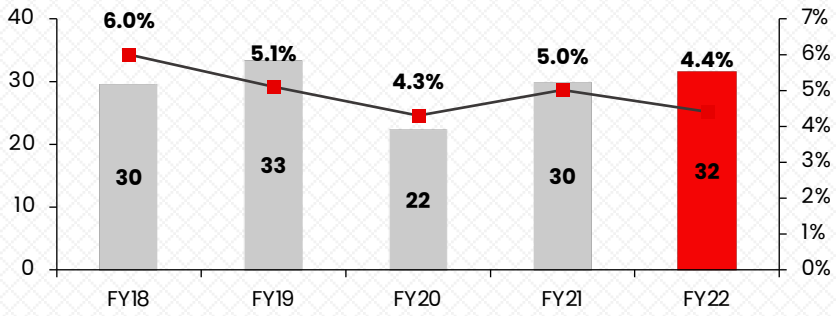
Revenue (Rs Crore)



EBITDA (Rs Crore) / EBITDA Margin (%)

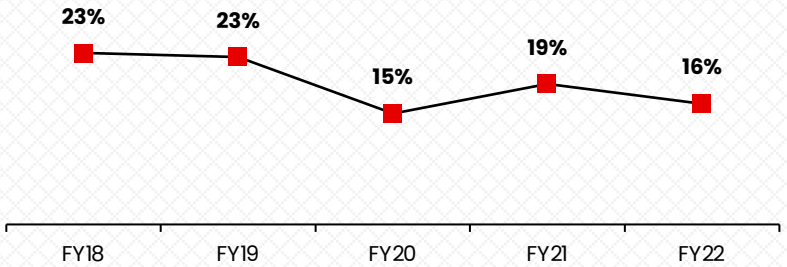


PAT (Rs Crore) / PAT Margin (%)

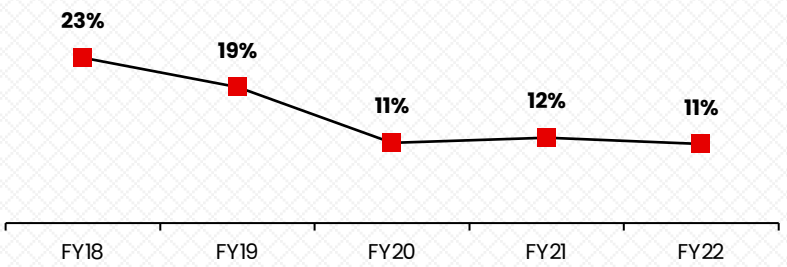


KEY FINANCIAL RATIOS

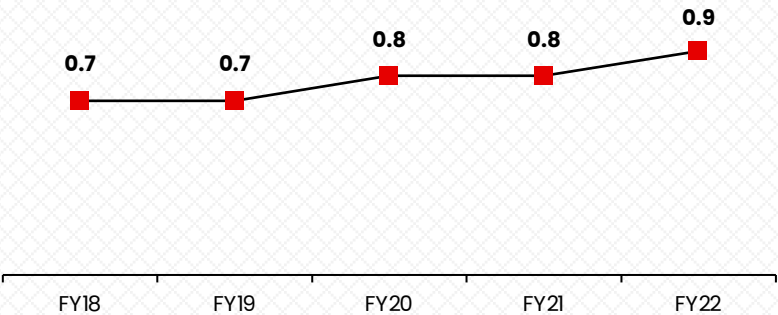
ROCE (%)



ROE (%)



Debt to Equity (x)



RoCE – EBIT/ Average Capital Employed, ROE – Profit/Average Shareholders Funds, D/E – Average Debt/ Average Equity

CONSOLIDATED P&L STATEMENT

Particulars (INR Cr)	FY22	FY21	FY20
Domestic	643.3	561.1	498.5
Exports	75.6	35.5	27.8
Net Sales	718.9	596.6	526.3
Cost of Goods Sold	570.8	473.0	415.1
Employee Cost	40.0	30.9	31.0
Other Indirect Expenses	39.1	35.7	28.3
Total Expenditure	649.9	539.6	474.5
EBITDA	68.9	57.0	51.8
EBITDA Margin%	9.6%	9.6%	9.8%
Other Income	2.2	10.2	1.7
Interest	21.8	17.6	20.6
Depreciation	7.1	5.6	5.0
Profit Before Tax	42.3	43.9	27.9
Provision for Tax	10.8	14.0	5.6
Profit After Tax	31.5	29.9	22.4
PAT Margin%	4.4%	5.0%	4.3%

CONSOLIDATED BALANCE SHEET

Particulars (INR Cr)	Mar-22	Mar-21	Mar-20	Particulars (INR Cr)	Mar-22	Mar-21	Mar-20
EQUITY & LIABILITY				ASSETS			
Share Capital	28.6	14.3	13.3	Non-Current Assets:			
Other Equity	253.4	238.4	193.9	Net Block	124.9	112.4	91.1
Non- Controlling Interest	0.3	0.3	-	Capital Work in Progress	5.5	0.1	0.3
Shareholder's Funds	282.3	253.0	207.1	Intangible Assets	1.3	0.3	-
Non-Current Liabilities:				Other Non Current Assets	33.6	15.4	14.2
Secured Loans	43.3	33.9	5.2	Total Non-Current Assets	165.3	128.1	105.6
Deferred Tax Assets / Liabilities	5.0	5.0	3.1	Current Assets:			
Other Long Term Liabilities	0.1	0.1	0.1	Inventories	152.4	120.0	93.5
Long Term Provisions	3.3	3.1	2.3	Current Investments	0.1	10.2	1.4
Total Non-Current Liabilities	51.8	42.1	10.7	Sundry Debtors	292.7	240.1	214.1
Current Liabilities:				Cash and Bank	10.5	5.2	10.6
Trade Payables	50.8	31.3	21.4	Other Financial Assets	25.3	14.7	11.8
Other Current Liabilities	92.1	60.7	54.2	Other Current Assets	35.2	35.1	16.3
Short Term Borrowings	205.2	162.6	159.1	Current Tax assets (Net)	1.1	-	1.6
Short Term Provisions	0.3	0.4	0.3	Total Current Assets	517.3	425.3	349.3
Other Financial Liabilities	0.0	1.8	0.6	Total Assets	682.6	553.4	453.5
Current Tax Liabilities (Net)	-	1.5	-				
Total Current Liabilities	348.5	258.3	235.7				
Total Liabilities	682.6	553.4	453.5				



Thank You

Salasar Techno Engineering Limited

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