

**Date: August 09<sup>th</sup> 2022**

<b>Listing Department, The National Stock Exchange of India, Exchange Plaza, C-1 Bandra Krla Complex, Bandra (E), Mumbai- 400051, NSE Symbol: SALASAR</b>	<b>Department of Corporate Services, The BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001, BSE Scrip Code: 540642</b>
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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 Q1 FY23, for your record and further dissemination.

Kindly take the same on record.Thanking You,

**Thanking you,**

**Yours faithfully  
For Salasar Techno Engineering limited,**

**Rahul Rastogi  
Company Secretary &  
Compliance Officer  
ACS No. 30320**

CIN No. - L23201DL2001PLC174076



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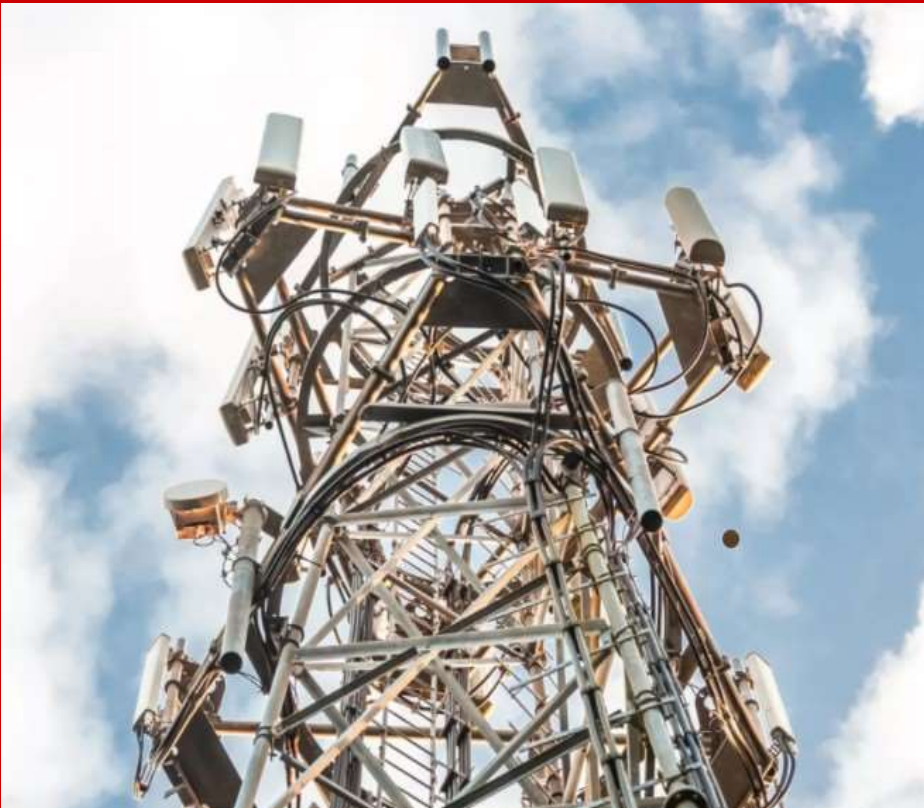
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marketing@salasartechno.com



**SALASAR TECHNO ENGINEERING LIMITED**

**INVESTOR PRESENTATION – Q1 FY23**

**August 2022**



A Seasoned, Expert,  
Dependable and Agile  
Infrastructure Enabler



*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

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02 Q1 FY23 Highlights

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03 Competitive Advantage

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04 Financial Summary



# **BUSINESS** OVERVIEW

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Broadening Horizons  
For Sustainable  
Growth



# Salasar At Glance

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



**568+ KM**  
Power  
Transmission  
Lines



**600+**  
Clients and  
customers served



**400+ TKM**  
Railway Track  
Kilometre



**25+**  
Countries  
Exported

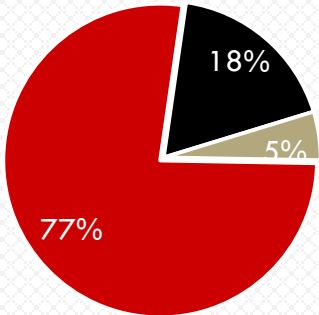
**Started as tower manufacturing company; currently provides whole range of steel infrastructure solutions to its clients**

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.

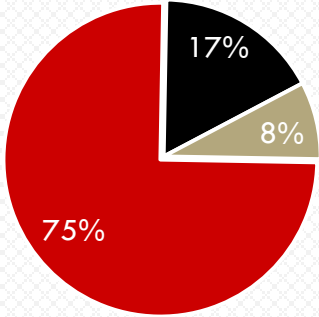
Owing to its persistence, expertise, and capability to work wonders with steel, today Salasar is no longer confined to towers and have expanded its range of products and services to encompass all the infrastructural needs of a rapidly developing nation.

Revenue by Segments - FY22 \*



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

Revenue by Segments - Q1FY23 \*



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

\* Based on standalone numbers

# STATE-OF-THE-ART MANUFACTURING FACILITIES

**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



**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

**Chairman & 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

**Joint Managing Director**

## 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*

# Q1 FY23 HIGHLIGHTS

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Delivering  
Consistent  
Performance



**Mr Shashank Agarwal, Joint Managing Director, Salasar Techno Engineering Ltd:**

“The performance for the quarter was very encouraging as we have reported 59% revenue growth YoY mainly driven by our steel structure business. However, the profitability was kept under check due to the increase in raw material cost. As the government is focusing on building a strong infrastructure, we anticipate the momentum to continue with better margins as the key raw material prices are softening up and higher contribution from export business. In the telecom space, with the bidding process completed under 5G spectrum, we expect to gain some good orders from the leading telecom operators, as we hold a leading share of ~50% under telecom tower solutions.”

# CONSOLIDATED P&L STATEMENT – Q1 FY23

Particulars (INR Cr)	Q1 FY23	Q1 FY22	YoY	Q4 FY22	QoQ
Net Sales	210.7	132.8	58.6%	212.3	(0.8%)
Cost of Goods Sold	176.2	102.2	72.4%	175.3	0.5%
Employee Cost	10.1	8.3	20.5%	10.0	1.0%
Other Indirect Expenses	7.5	7.5	0.8%	11.0	(31.4%)
Total Expenditure	193.8	118.0	64.2%	196.2	(1.3%)
EBITDA	16.9	14.7	14.6%	16.0	5.3%
EBITDA Margin%	8.0%	11.1%	(309 bps)	7.6%	46 bps
Other Income	0.6	2.1	(71.7%)	0.4	33.0%
Interest	5.8	4.7	21.6%	6.1	(5.2%)
Depreciation	1.9	1.8	6.1%	1.7	9.2%
Profit Before Tax	9.8	10.3	(4.5%)	8.7	13.3%
Provision for Tax	2.5	3.0	(14.7%)	1.6	62.8%
Profit After Tax	7.3	7.3	(0.4%)	7.1	2.6%
PAT Margin%	3.5%	5.5%	(206 bps)	3.4%	11 bps

# ORDER BOOK POSITION

Particulars	Value
Orders EPC outstanding as on 30 <sup>th</sup> June 2022	Rs. 809 crore
+ L-1 EPC orders for which LOI awaited	Rs. 89 crore
+ Manufacturing orders outstanding under new heavy steel structure plant as on 30 <sup>th</sup> June 2022	Rs. 233 crore
+ Export order in hand	Rs. 62 crore
<b>Total</b>	<b>Rs. 1,193 crore</b>

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

# GROWTH STRATEGY

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Unlocking Value,  
Delivering Results



# GROWTH STRATEGY



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

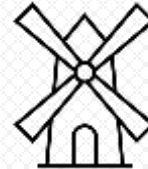
Business backed up by the strong triggers in major industries including Telecommunication, Power and Railways and in Export division

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  
Poles

Power  
Smart City

Renewables

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.



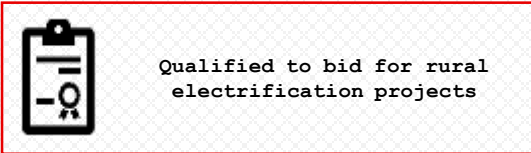
# SELECT MARQUEE CLIENTS

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

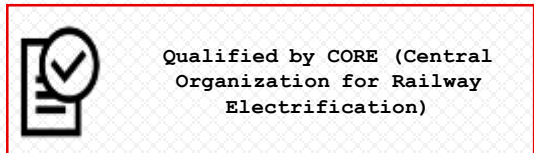
## Telecom Sector



## Power Sector



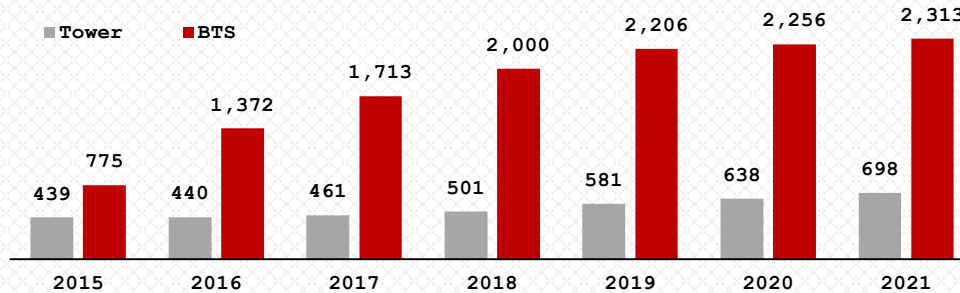
## Others/ EPC



# 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 telcos)
- Increasing tele-density in largely untapped rural market
- Smart city opportunities

## Key Facts and Developments

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

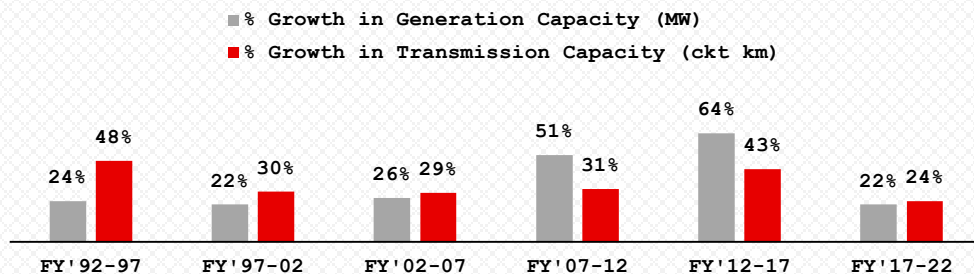
Source - Ministry of Communications, TAIIPA, EY analysis

- Development of IoT for manufacturing and services sectors

# 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



### 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

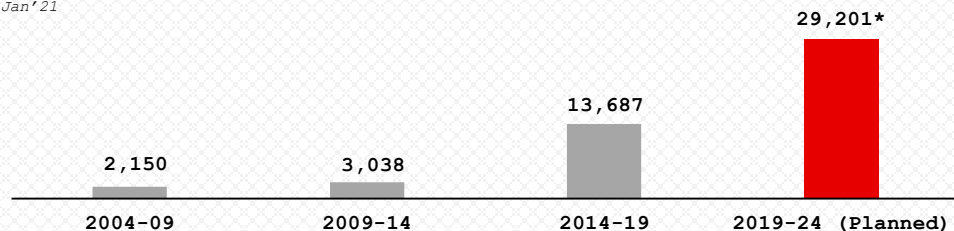
- Design and Construction of Power Transmission lines of 66kV, 132kV, 220kV & 400 kV
- Design and Construction of Grid Sub Stations ranging 66kV, 132kV, 220kV & 400 kV
- India's electricity consumption can continue to grow at >5% on a low base
- At a conservative avg. GDP growth rate of 5% over next 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)

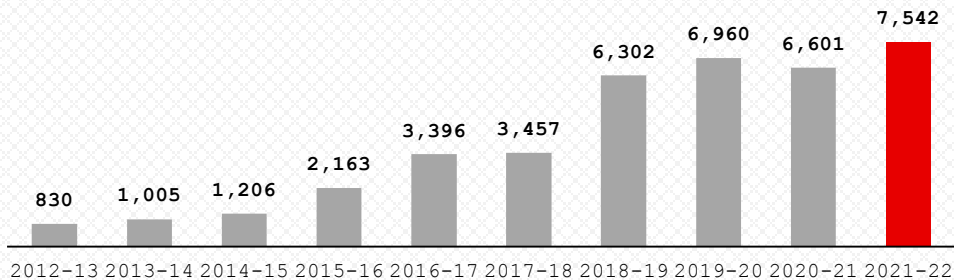
Government has an ambitious plan to secure infrastructure for 100% electrification of the railway network by 2024

## 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 - December 2022	Land Identified and contracted; Expected Commissioning - December 2022

- 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

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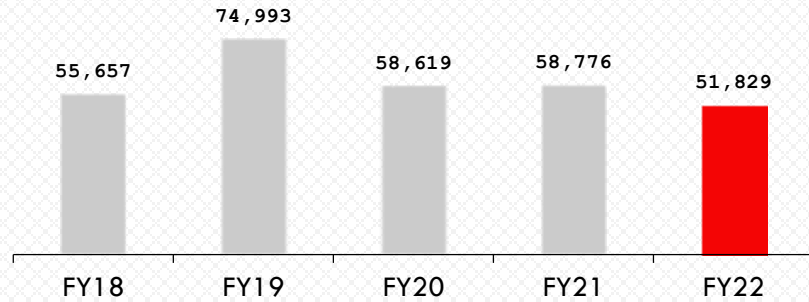
Gaining Strengths



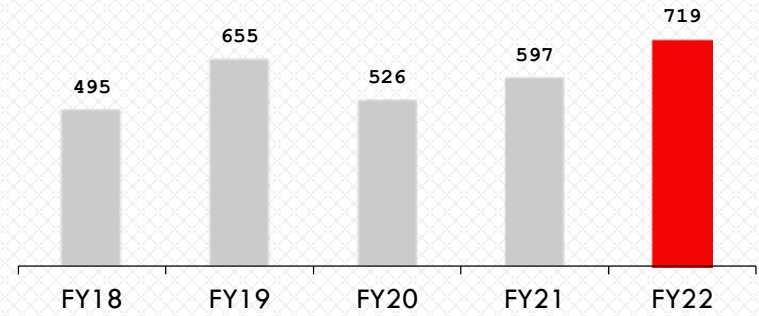


# KEY FINANCIAL HIGHLIGHTS

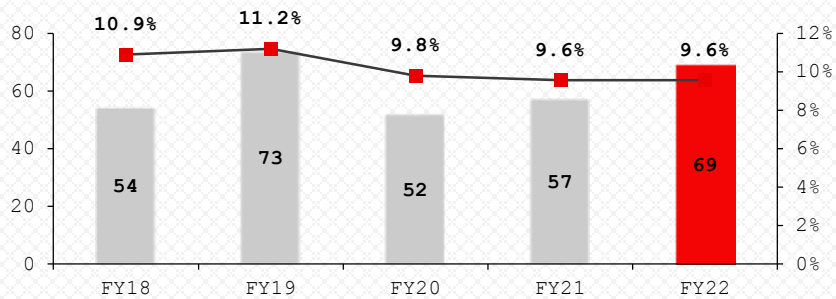
## Sales Volume (MT)



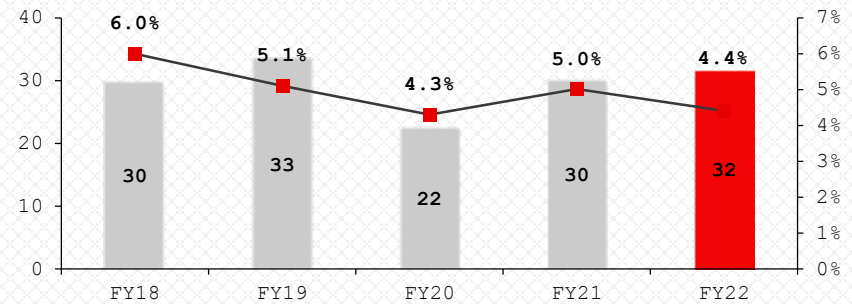
## Revenue (Rs Crore)



## EBITDA (Rs Crore) / EBITDA Margin (%)

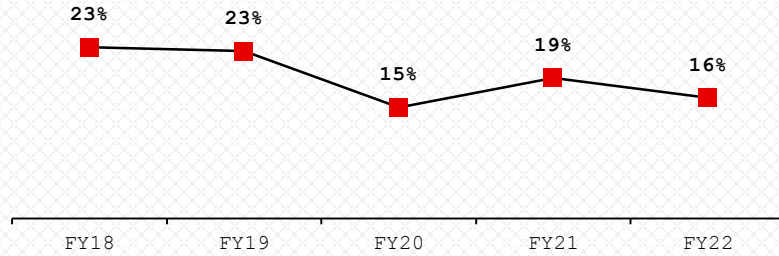


## PAT (Rs Crore) / PAT Margin (%)

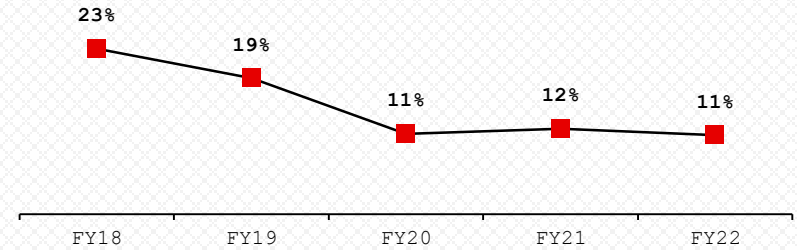


# KEY FINANCIAL RATIOS

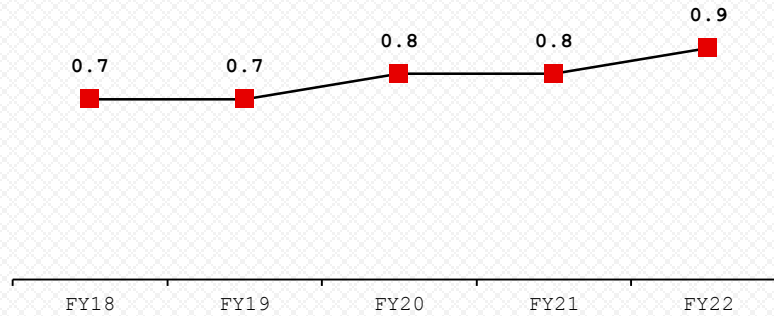
### ROCE (%)



### 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
<b>Net Sales</b>	<b>718.9</b>	<b>596.6</b>	<b>526.3</b>
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
<b>Total Expenditure</b>	<b>649.9</b>	<b>539.6</b>	<b>474.5</b>
<b>EBITDA</b>	<b>68.9</b>	<b>57.0</b>	<b>51.8</b>
<b>EBITDA Margin%</b>	<b>9.6%</b>	<b>9.6%</b>	<b>9.8%</b>
Other Income	2.2	10.2	1.7
Interest	21.8	17.6	20.6
Depreciation	7.1	5.6	5.0
<b>Profit Before Tax</b>	<b>42.3</b>	<b>43.9</b>	<b>27.9</b>
Provision for Tax	10.8	14.0	5.6
<b>Profit After Tax</b>	<b>31.5</b>	<b>29.9</b>	<b>22.4</b>
<b>PAT Margin%</b>	<b>4.4%</b>	<b>5.0%</b>	<b>4.3%</b>

# CONSOLIDATED BALANCE SHEET

Particulars (INR Cr)	Mar-22	Mar-21	Mar-20
<b>EQUITY &amp; LIABILITY</b>			
Share Capital	28.6	14.3	13.3
Other Equity	253.4	238.4	193.9
Non- Controlling Interest	0.3	0.3	-
<b>Shareholder's Funds</b>	<b>282.3</b>	<b>253.0</b>	<b>207.1</b>
<b>Non-Current Liabilities:</b>			
Secured Loans	43.3	33.9	5.2
Deferred Tax Assets / Liabilities	5.0	5.0	3.1
Other Long Term Liabilities	0.1	0.1	0.1
Long Term Provisions	3.3	3.1	2.3
<b>Total Non-Current Liabilities</b>	<b>51.8</b>	<b>42.1</b>	<b>10.7</b>
<b>Current Liabilities:</b>			
Trade Payables	50.8	31.3	21.4
Other Current Liabilities	92.1	60.7	54.2
Short Term Borrowings	205.2	162.6	159.1
Short Term Provisions	0.3	0.4	0.3
Other Financial Liabilities	0.0	1.8	0.6
Current Tax Liabilities (Net)	-	1.5	-
<b>Total Current Liabilities</b>	<b>348.5</b>	<b>258.3</b>	<b>235.7</b>
<b>Total Liabilities</b>	<b>682.6</b>	<b>553.4</b>	<b>453.5</b>

Particulars (INR Cr)	Mar-22	Mar-21	Mar-20
<b>ASSETS</b>			
<b>Non-Current Assets:</b>			
Net Block	124.9	112.4	91.1
Capital Work in Progress	5.5	0.1	0.3
Intangible Assets	1.3	0.3	-
Other Non Current Assets	33.6	15.4	14.2
<b>Total Non-Current Assets</b>	<b>165.3</b>	<b>128.1</b>	<b>105.6</b>
<b>Current Assets:</b>			
Inventories	152.4	120.0	93.5
Current Investments	0.1	10.2	1.4
Sundry Debtors	292.7	240.1	214.1
Cash and Bank	10.5	5.2	10.6
Other Financial Assets	25.3	14.7	11.8
Other Current Assets	35.2	35.1	16.3
Current Tax assets (Net)	1.1	-	1.6
<b>Total Current Assets</b>	<b>517.3</b>	<b>425.3</b>	<b>349.3</b>
<b>Total Assets</b>	<b>682.6</b>	<b>553.4</b>	<b>453.5</b>



Thank You

**Salasar Techno Engineering**

**Pramod Kala, CFO**  
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**Ernst & Young LLP**

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