

Dated: 01.06.2021

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 Q4&FY21, 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 Q4 & FY21

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Q4 & FY21 Highlights

Q4 & FY21 consolidated P&L statement

Particulars (INR Cr)	Q4FY21	Q4FY20	YoY	FY21	FY20	YoY
Net Sales	211.5	108.6	95%	596.6	526.3	13%
Cost of Goods Sold	168.8	80.7		473.0	415.1	
Employee Cost	9.8	9.8		30.9	31.0	
Other Indirect Expenses	13.6	8.4		35.7	28.3	
Total Expenditure	192.3	99.0		539.6	474.5	
EBITDA	19.2	9.6	100%	57.0	51.8	10%
EBITDA Margin%	9.1%	8.9%	26 bps	9.6%	9.8%	(29 bps)
Other Income	5.0	0.9		10.2	1.7	
Interest	5.4	4.6		17.6	20.6	
Depreciation	1.5	1.3		5.6	5.0	
Profit Before Tax	17.4	4.7	274%	43.9	27.9	57%
Provision for Tax	7.5	0.9		14.0	5.6	
Profit After Tax	9.9	3.7	163%	29.9	22.4	34%
PAT Margin%	4.7%	3.4%	121 bps	5.0%	4.3%	76 bps

**The board has approved issuance of bonus shares in the ratio 1:1.
 Declared dividend at Rs. 1.00/- per equity share of face value Rs. 10/- for the financial year**

Consolidated balance sheet as on 31st Mar'21

Particulars (INR Cr)	Mar-21	Mar-20
EQUITY & LIABILITY		
Share Capital	14.3	13.3
Other Equity	238.4	193.9
Non- Controlling Interest	0.3	-
Shareholder's Funds	253.0	207.1
Non-Current Liabilities:		
Secured Loans	33.9	5.2
Deferred Tax Assets / Liabilities	5.0	3.1
Other Long Term Liabilities	0.1	0.1
Long Term Provisions	3.1	2.3
Total Non-Current Liabilities	42.1	10.7
Current Liabilities:		
Trade Payables	31.3	21.4
Other Current Liabilities	60.7	54.2
Short Term Borrowings	162.6	159.1
Short Term Provisions	0.4	0.3
Other Financial Liabilities	1.8	0.6
Current Tax Liabilities (Net)	1.5	-
Total Current Liabilities	258.3	235.7
Total Liabilities	553.4	453.5

Particulars (INR Cr)	Mar-21	Mar-20
ASSETS		
Non-Current Assets:		
Net Block	112.4	91.1
Capital Work in Progress	0.1	0.3
Intangible Assets	0.3	-
Other Non Current Assets	15.4	14.2
Total Non-Current Assets	128.1	105.6
Current Assets:		
Inventories	120.0	93.5
Current Investments	10.2	1.4
Sundry Debtors	240.1	214.1
Cash and Bank	5.2	10.6
Other Financial Assets	14.7	11.8
Other Current Assets	35.1	16.3
Current Tax assets (Net)	-	1.6
Total Current Assets	425.3	349.3
Total Assets	553.4	453.5

Commissioning of new manufacturing unit

- **Successfully completed planned capex to setup new manufacturing unit for large and heavy steel structures**
 - **Applications:** railway over ridges (ROB), pre engineered building (PEB). power plants, process plants, high-rise building, warehouses, airport hangers, metro stations, etc.
 - **Capacity:** Installed capacity of 15,000 metric tons per annum, one of the largest in northern India
 - **Capex:** Incurred ~Rs 20 Cr funded through issue of convertible warrants and internal accruals
 - **Timeline:** The new unit has been commissioned in the last week of March 2021 and is expected to generate ~ Rs. 100 crore revenue to the topline annually from next year onwards
 - **Orders Received:** As on date company has already secured orders under this vertical to supply 8,400 metric tons of fabricated structures worth Rs. 70 Crore

Key developments during the year

- **Export foray - Entered into 2-year supply agreement with American Tower Corporation (ATC)**
 - For supply of towers in African countries like South Africa, Kenya, Uganda, Nigeria and Ghana
 - During FY20-21 executed orders worth Rs 27 Crores under this agreement to supply telecom towers to different African countries
 - Benefits in increasing international presence and increase in export contribution

- **New opportunities - Incorporated Salasar Adrous LLP, a joint venture with Adrous Advisors Pvt. Ltd.**
 - To undertake infra related works such as track laying for railways and tramways etc.
 - Secured first order from Texmaco Rail and Engineering Ltd. worth Rs 252 cr for Bangalore Metro Corporation Ltd for design, supply, installation, testing & commissioning of ballastless track of standard gauge

Highlights of key orders secured during the year

1 Secured 6 tenders from Prasar Bharti

- **Scope:** Design, supply, erection, testing and commissioning of 100M self-supporting lattice steel tower
- **Value:** Rs 13.45 cr

2 Won EPC order for Railway Electrification at Pratapgarh & Janghai stations of Lucknow division

- **Scope:** Design, supply, erection, testing and commissioning of 25 KV AC single phase OHE in connection with yard remodeling
- **Value:** Rs. 10.56 cr

3 Secured order from Delhi Metro Rail Corporation

- **Scope:** Design, supply, installation, testing and commissioning of 25 KV flexible overhead equipment and SCADA systems
- **Value:** Rs 23.97 cr

4 Secured orders from Model Economic Township Ltd.

- **Scope:** Construction of 33 kv overhead circuit line on monopoles
- **Value:** Rs 10.25 cr

5 Secured order from Northern Railways Delhi

- **Scope:** Design, supply, erection, testing, commissioning & modification of 132kv DC Tr. line
- **Value:** Rs. 2.85 cr

6 Secured order from Ircon International Ltd., New Delhi

- **Scope:** Design, manufacture & supply of hot dip galvanized OHE steel masts, portals, SPS, etc.
- **Value:** Rs 3.63 cr

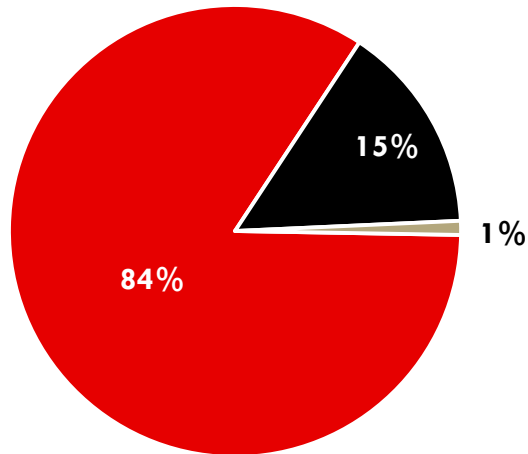
Order book position as on 31st May 2021

Particulars	Value
Orders EPC outstanding as on 31 st March 2021	Rs. 262 crore
+ Orders EPC received after 31 st March till date (LOI received)	Rs. 326 crore
+ L-1 EPC orders for which LOI awaited	Rs. 80 crore
+ Manufacturing orders received under new manufacturing plant	Rs. 70 crore
+ EPC orders under execution in Salasar Adorus LLP (51% JV)	Rs. 250 crore
Total	Rs. 988 crore

In addition, the company normally has regular monthly orders of telecom towers of approx. **Rs 25 to 30 Crores**

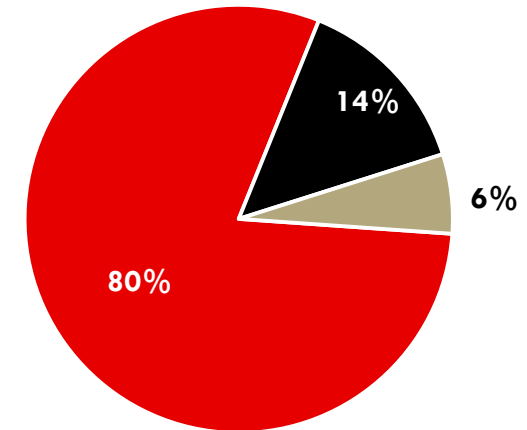
Segmental revenue breakup

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



FY20 Revenue by Segments






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



FY21 Revenue by Segments

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>

50K

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:
1,50,000 Square yards
Installed Capacity:
1,00,000 MT of Steel Galvanizing
15,000 MT of Heavy Structure
Division

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 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

Advisor:

- 1** **Uttam Prakash Agarwal**
Advisor to Board

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

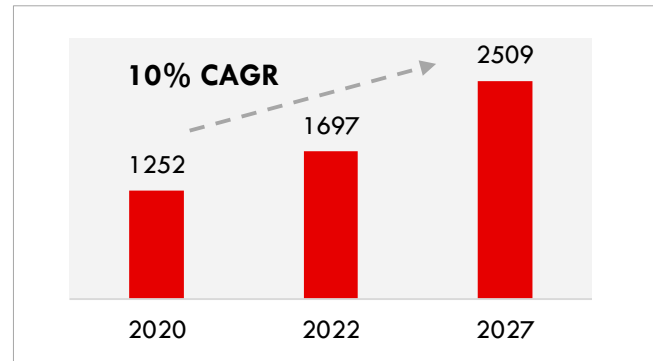
Increased demand for power transmission infrastructure development

- 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

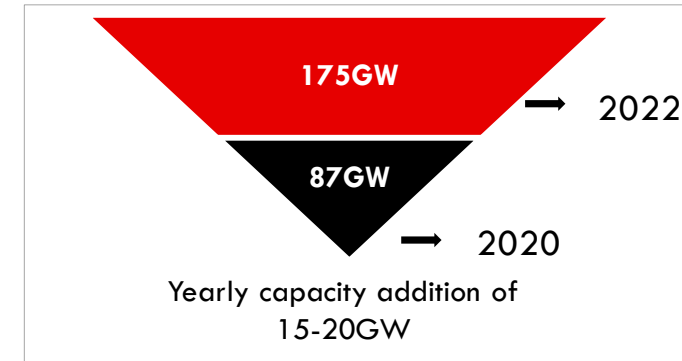
Government Initiatives

- 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 of manufacturing of heavy structures such as ROB, PEB, etc.

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.

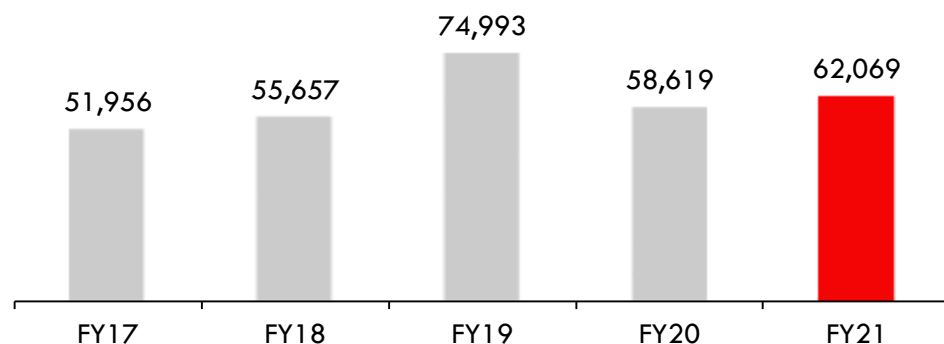
5

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

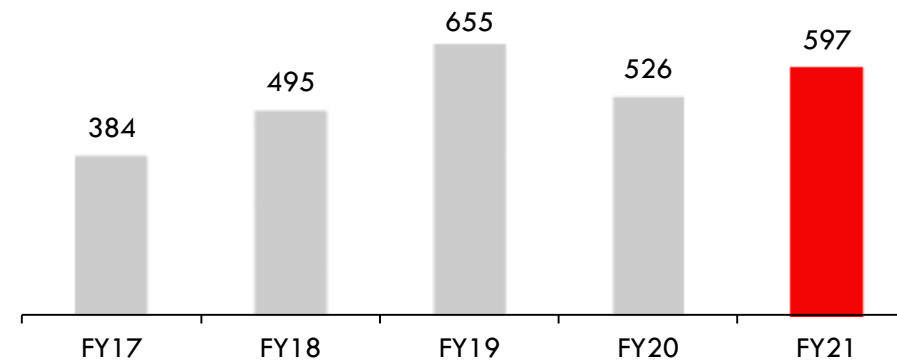
Historical Financial Performance

Key financial highlights

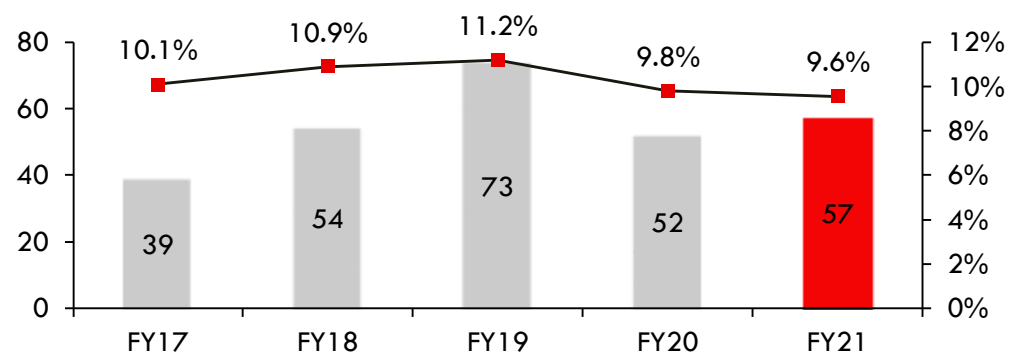
Sales Volumes (MT)



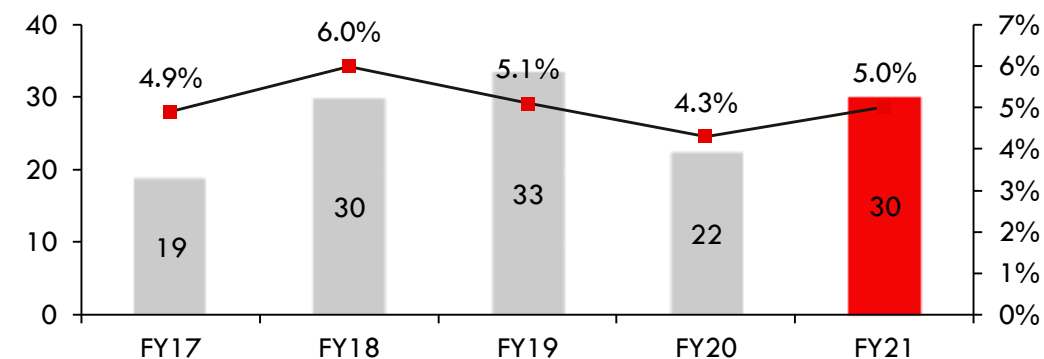
Revenue (Rs. Crore)



EBITDA (Rs. Crs) / Margin (%)

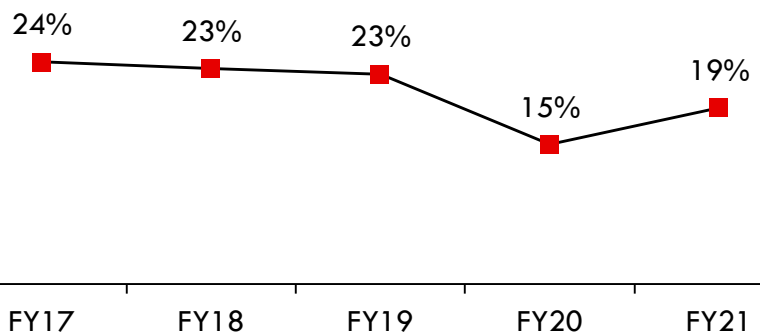


PAT (Rs. Crs) / Margin (%)

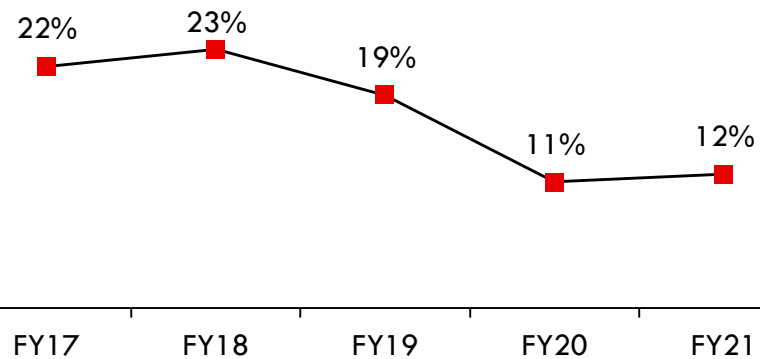


Key financial ratios

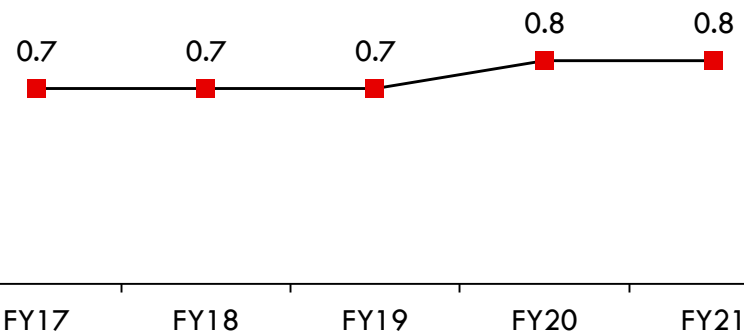
RoCE



ROE



Debt to Equity



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

Thank You

Salasar Techno Eng

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