

Dated: 05.11.2018

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

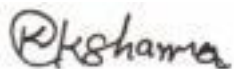
Dear Sir/Madam

Please find attached herewith Investor Presentation of the Company w.r.t. Financial Results of the Company for quarter and half year ended 30th September, 2018, for your record and further dissemination.

Kindly take the same on record.

Thanking You,

Yours Sincerely

For **Salasar Techno Engineering Limited**

Kalesh Kumar Sharma
(Chief Financial Officer)

SALASAR TECHNO ENGINEERING LTD.

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Ph. : +91 8938802180 / 7351991000 Fax : +91-11-45823834

Unit-II : Khasra No. 1184, 1185, Vill.- Khera, P.O. Pilkuwa, Teshil Hapur, Distt. Hapur- 245304 (U.P.) Ph. : +91 8938802184

Office : KL - 46, Kavi Nagar, Ghaziabad-201002 (U.P.) Ph. : +91 120 - 6546670, Fax : 91 - 11 - 45823834

CIN No. U23201DL2001PLC174076 E-mail : towers@salasartechno.com Website : www.salasartechno.com

An ISO 9001:2015, 14001:2015 & 18001:2007 CERTIFIED COMPANY

Regd office : E - 20, South Extension - 1, New Delhi - 110049

SALASAR

Salasar Techno Engineering Limited

**Q2 & H1 FY19
Result Update Presentation**





Disclaimer



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Disclaimer

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01 Consolidated Financial Highlights

A blue, stylized number '02' icon with a white outline, partially overlapping a light gray rectangular box containing the text "Company Overview".

02 Company Overview

A purple, stylized number '03' icon with a white outline, partially overlapping a light gray rectangular box containing the text "Business Overview".

03 Business Overview

A red, stylized number '04' icon with a white outline, partially overlapping a light gray rectangular box containing the text "Industry Overview".

04 Industry Overview

An orange, stylized number '05' icon with a white outline, partially overlapping a light gray rectangular box containing the text "Way Ahead".

05 Way Ahead



Consolidated Financial Highlights

Commenting on this development, **Mr Shashank Agarwal**, Joint Managing Director, **Salasar Techno Engineering Ltd.** said,

"I am happy to share that we have delivered yet another strong performance this quarter. We have registered a revenue growth of over 50% and recorded significant increase in our overall profit of over 46% in Q2 FY19. Each of our business segment has contributed to this robust growth. Our strategy to diversify our business and enter in newer segments has helped us to gain momentum. All our business segments offer significant headroom for growth and operating leverage as they scale up.

We continue to outperform in our industry by investing in product enhancements, increasing our customer focus and maintaining strong controls over operational cost.

I would like to thank entire team of Salasar Techno Engineering for their untiring efforts. We are confident of maintaining the current growth momentum and continuously improve with better performance as we see lot of opportunities opening up going ahead"



Consolidated Financial Highlights – Q2 FY19 (YoY)

SALASAR

+ 54%

Rs. 153.64 Cr**

Revenue

+ 51%

Rs. 16.67 Cr

EBITDA

+ 42%

Rs. 7.93 Cr

PAT

+ 31%

Rs. 5.97 vs Rs. 4.57

Q2 FY18

EPS*

Growth driven by Telecom towers and Railway electrification structure segments

*Company raised Rs 35.87 cr via IPO of 33,21,000 equity shares of Face value of Rs 10/- in July 2017

**In accordance with the requirements of IND AS18, Revenue from operations for the quarter ended 30th June 2018 is shown net of GST

Consolidated Financial Highlights – Q2 FY19



Rs. Cr	Q2 FY19	Q2 FY18	Y-o-Y(%)	Q1 FY19
Revenue from Operation	153.64	99.58		162.99
Excise Duty	0.00	0.00		0.00
Net Income from Operations	153.64	99.58	54.28%	162.99
Cost of Material Consumed	123.67	70.35		138.50
Changes in Inventories, WIP	0.15	5.97		(5.33)
Raw Material Expenses	123.82	76.32		133.17
Employee Expenses	6.55	5.16		6.34
Other Expenses	6.61	7.08		5.89
Total Expenditure	136.97	88.56		145.40
EBITDA	16.67	11.02	51.20%	17.59
EBITDA Margin	10.85%	11.07%		10.79%
Other Income	0.18	0.07		0.22
Depreciation	1.15	0.93		1.08
Interest / Finance Cost	3.39	1.92		3.03
Exceptional Item (Gain) / Loss	0.00	0.12		0.00
PBT	12.31	8.36		13.70
Tax	4.38	2.77		4.78
PAT	7.93	5.59	41.94%	8.92
PAT Margin	5.16%	5.61%		5.47%
EPS	5.97	4.57	30.63%	6.71

*Company raised Rs 35.87 cr via IPO of 33,21,000 equity shares of Face value of Rs 10/- in July 2017

**In accordance with the requirements of IND AS18, Revenue from operations for the quarter ended 30th June 2018 is shown net of GST

Consolidated Financial Highlights – H1 FY19

SALASAR

+ 46%

Rs 316.64 Cr**

Revenue

+ 48%

Rs. 34.26 Cr

EBITDA

+ 10 bps

10.82 %

EBITDA Margin

+ 44%

Rs. 16.85 Cr

PAT

+ 33%

Rs. 12.68 vs Rs. 9.56

H1 FY18

EPS*

*Company raised Rs 35.87 cr via IPO of 33,21,000 equity shares of Face value of Rs 10/- in July 2017

** Numbers have been Restated as per Indian Accounting Standards (Ind AS18)

Consolidated Financial Highlights – H1 FY19



Rs. Cr	H1 FY19	H1 FY18	Y-o-Y(%)
Revenue from Operation	316.64	224.65	
Excise Duty	0.00	7.95	
Net Income from Operations	316.64	216.70	46.12%
Cost of Material Consumed	262.17	167.51	
Changes in Inventories	(5.17)	0.53	
Raw Material Expenses	256.99	168.04	52.94%
Employee Expenses	12.88	10.12	
Other Expenses	12.50	15.32	
Total Expenditure	282.37	193.47	
EBITDA	34.26	23.23	47.49%
EBITDA Margin	10.82%	10.72%	
Other Income	0.40	0.13	
Depreciation	2.23	1.85	
Interest / Finance Cost	6.41	4.22	
Exceptional Item (Gain) / Loss	0.00	-0.03	
PBT	26.02	17.25	
Tax	9.16	5.55	
PAT	16.85	11.70	44.06%
PAT Margin	5.32%	5.40%	
EPS	12.68	9.56	32.64%

*Company raised Rs 35.87 cr via IPO of 33,21,000 equity shares of Face value of Rs 10/- in July 2017

** Numbers have been Restated as per Indian Accounting Standards (Ind AS18)

Consolidated Balance Sheet as on 30th Sept'18



Rs. Crs	Sept'18	Mar'18
Equity	175.85	158.99
Equity Share Capital	13.29	13.29
Other Equity	162.56	145.71
Non-current liabilities	18.28	17.74
Financial Liabilities		
(a) Borrowing	4.52	4.77
(b) Other Financial liabilities	8.71	8.29
Provisions	1.28	1.23
Deferred Tax Liabilities (Net)	2.73	1.97
Other Current Liabilities	1.05	1.47
Current liabilities	239.74	191.60
Financial Liabilities		
(a) Borrowings	121.67	104.25
(b) Trade Payables	53.02	32.01
(c) Other Financial Liabilities	0.18	0.20
Provisions	0.28	0.29
Other Current Liabilities	63.05	52.21
Current Tax Liabilities (Net)	1.55	2.63
Total Equities & Liabilities	433.86	368.33

Rs. Crs	Sept'18	Mar'18
Non-current assets	78.58	79.10
Property, Plant and Equipment	75.86	71.71
Intangible Assets	0.00	0.00
Capital Work in Progress	0.00	1.08
Financial Assets		
Investments in JV	0.00	0.00
Other Financial Assets	2.72	6.31
Current assets	355.28	289.23
Inventories	106.83	89.01
Financial Assets		
Investments	2.21	0.41
Trade Receivables	201.27	151.62
Cash & Cash Equivalent	1.80	6.15
Bank Balance other than above	13.71	8.94
Other Financial Assets	9.28	9.48
Current Tax Assets	0.00	0.00
Other Current Assets	20.18	23.63
Total Assets	433.86	368.33



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Company Overview

Focus on Innovative Products

Increased capacity from 50,000 MT to 1,00,000 MT

Installation of new Galvanizing Plant at its wholly owned subsidiary – Salasar Stainless Limited

**ISO 9001: 2015, 14001: 2015
OHSAS 18001: 2007 certified**

Provider of customised steel fabrication and infrastructure solutions in India

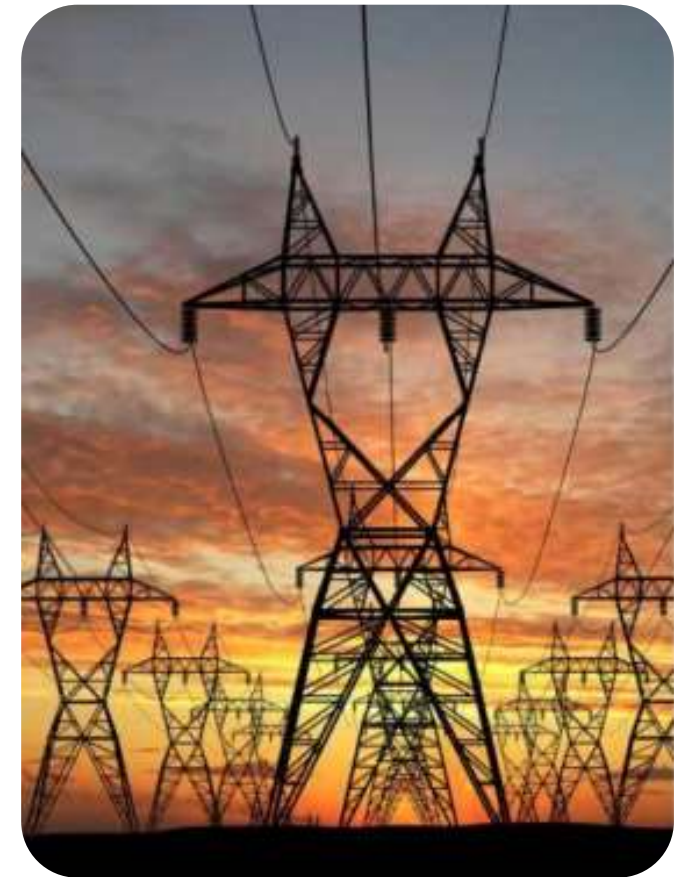
For Telecommunication Towers, Transmission Towers & Substation Structures and Solar Module Mounting Structures

One of India's face and manufacturing/fabrication partners

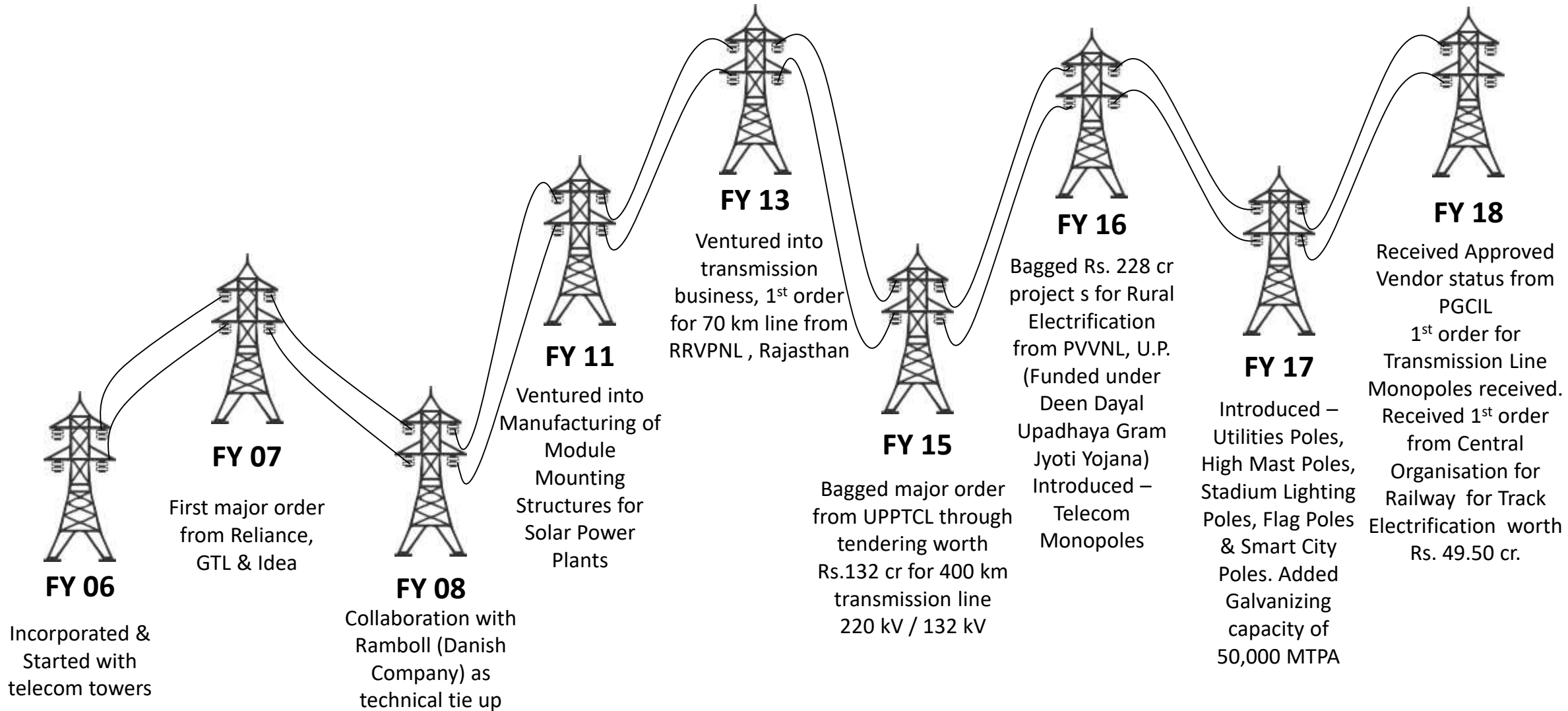
for Ramboll's technical expertise in Telecom towers structural design

Leading player in Telecom Tower Business

Supplied more than 20,000 towers of various designs of Angular, Tubular and Hybrid Ground Based Towers (GBT) and Roof Top Towers (RTT) since inception



Timeline



Management Team

SALASAR



Mr. Alok Kumar

Chairman & Managing Director

- B.Sc. from Punjab University
- 41 years of rich experience in trading, manufacturing and fabrication of iron & steel
- Responsible for purchases & finance



Mr. Shashank Agarwal

Jt. Managing Director

- B.E. (Mech.) from MIT, Manipal
- Has been President since takeover till August 2014
- Responsible for operations, sales & marketing of telecom towers and solar mounting structures



Mr. Shalabh Agarwal

Director

- B.Tech from MIT, Manipal
- More than 18 years experience of in sugar industry and trading, manufacturing and fabrication of iron & steel



Ms. Tripti Gupta

Director

- MBA in Finance & Marketing from Institute of Management Technology, Nagpur
- More than 5 years of experience in strategic management, business development, policy making and other corporate matters
- Responsible for corporate planning & HR



Mr. Kamlesh Kumar Sharma

Chief Finance Officer

- Member of Institute of Chartered Accountants of India
- More than 5 years of experience in finance & internal auditing
- Prior association with M/s Supreme Alloys Limited as an Internal Auditor



Business Verticals

Transmission



Solar Structures



Telecom Tower



Poles



EPC

Installation and Project Execution

- **Customized Galvanized and Non-galvanized steel structures**

- Process of applying a protective zinc coating to steel or iron, to prevent rusting
- Forms a coating of zinc which serves as a sacrificial anode and protects its base metal by corroding before iron

Telecommunication Towers



- **Angular** - Angular sections are preferred for most small towers with relatively light loads, mainly because of wide range of sizes, simple connections and low manufacturing cost



- **Tubular** - Lattice towers are usually made of bolted angles can be economic, especially when stresses are low enough to allow relatively simple connections
- Towers with tubular members may be less than half weight of angle towers because of reduced wind load on circular sections



- **Hybrid** - Hybrid towers are built for large sites that require independence from grid and employ an independent source of energy such as solar or wind power



- **Monopoles** - Designed as a single-pole that can be a tubular section design or a formed, tapered pole, they are least intrusive – making them most popular tower types in wireless communication industry

Product Portfolio contd...

SALASAR



- **Transmission Towers and Substation Structures -**

Transmission line tower or power tower is tall structure, usually steel lattice tower, used to support overhead power line. They are used in high-voltage AC and DC systems, and come in wide variety of shapes and sizes



- **Solar Module Mounting Structures -** Solar module racking (also called Photovoltaic mounting systems) are used to fix solar panels on surfaces like roofs, building facades, or ground



- **Feeder Segregation and Rural Electrification –** Carrying out Rural Electrification projects under government through route mapping, feeder segregation and installation of transmission lines and substations



- **Lighting Poles for Smart Cities -** Lighting Pole is raised source of light on the edge of road or walk way to provide visibility in darkness made of steel



Smart Poles

- Used in places where aesthetic requirements are high
- Practical substitute, is combination of Telecom Poles, Wi-Fi, Smart Lighting, Local Area Monitoring and environmental census
- Can be design as per requirement arising of local conditions



Key Strengths

Strong Financial Capabilities

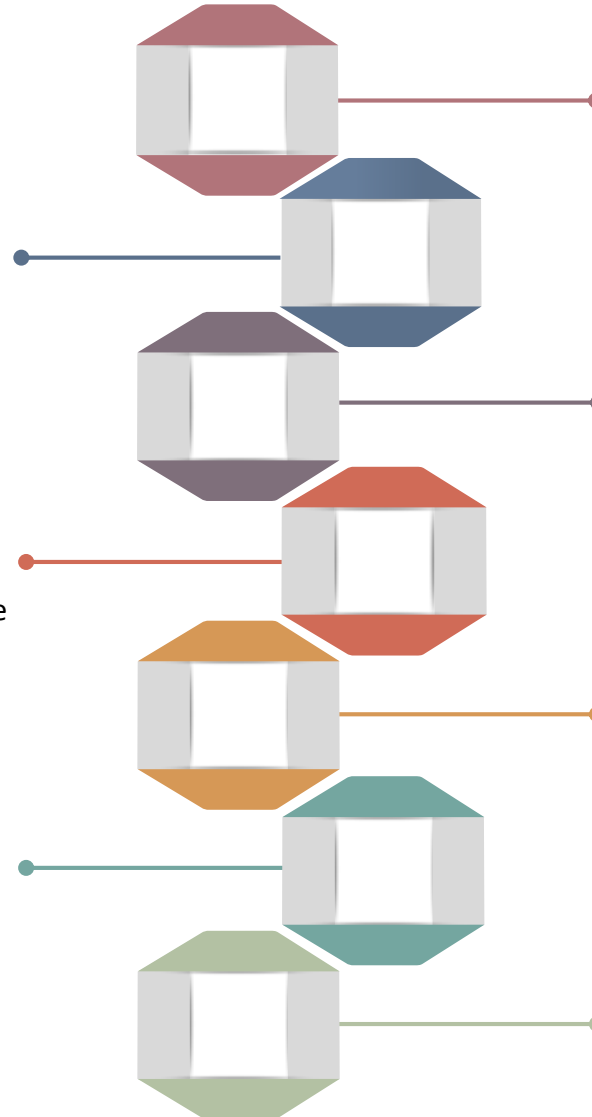
- Upward trend in EBITDA Margins
- Strong return ratios

State of the Art Infrastructure

- State of art infrastructure facility for galvanizing plant
- Capability to ramp up operations in minimum time with existing facilities

Government Initiative

- Pre-qualified to bid for Rural Electrification projects
- Helps to Increase target market size



Partnership with Ramboll

- Manufacturing partner for Ramboll's technical expertise in Structural Design of Tubular Telecom Towers
- Ramboll market leader in innovative design & supply of tower solutions

Operational Excellence

- Best quality raw material procurement in line with stringent industry standards
- Continually updated equipment that serve wide variety of manufacturing needs

Customer Centric

- Focus on attaining highest level of customer satisfaction

Experienced Management

- Significant experience in steel & allied industry and project management

State of the art Manufacturing Facilities

SALASAR



Location

- Unit-I, Khasra No. 265, 281 & 283, Parsaun, Jindal Nagar, Dasna, Hapur-201313, Uttar Pradesh (UP)
- Unit-II, Khasra No. 1184, 1185, Khera, Pilkhuwa, Hapur-245304. Uttar Pradesh (UP)
- Unit-III, Khasra No. 686/6, Khera, Pilkhuwa , Hapur-245304, Uttar Pradesh (UP) – Salasar Stainless Ltd.

Other Specifications

- 3 state of the art manufacturing units including 1 Subsidiary unit
- Approximately 1,30,000 square yards in heart of National Capital Region's industrial hub
- Heavy overhead cranes and multiple Hydra equipment for seamless material loading and unloading
- 3 fully equipped in-house Galvanizing plants including 1 at Subsidiary unit
- Average Monthly Production capacity of 8,000 MT
- Fabrication equipment and installed machinery is regularly upgraded

Certifications



**Unit 1 ISO 14001:2015
Environmental Management
System**



**Unit 2 ISO 14001:2015
Environmental Management
System**



**Unit 1 ISO 9001:2015
Quality Management System**



**Unit 2 ISO 9001:2015
Quality Management System**

Awards & Recognitions



- Best Tower Partner award from Indus Towers for the period 2014-15
- Excellence thru Collaboration award from Indus in 2014
- Best Partners award from Bharti Infratel for the period 2014-15
- One of the Top PAN India Tower Supplier in VIOM and ATC

Bouquet of Satisfied Customers





Industry Overview



Industry Overview

Strong economic fundamentals

- Supported by strong government reforms
- RBI's inflation focus supported by benign global commodity prices

Robust Growth Potential

- Forecasted growth of 8 % on an average from fiscal 2016 to 2020
- Powered by greater access to banking, technology adoption, urbanisation and other structural reforms

Government Initiatives

- Create 100 smart cities
- With modern infrastructure and digital connect

Strong Prospects for Telecom Industry

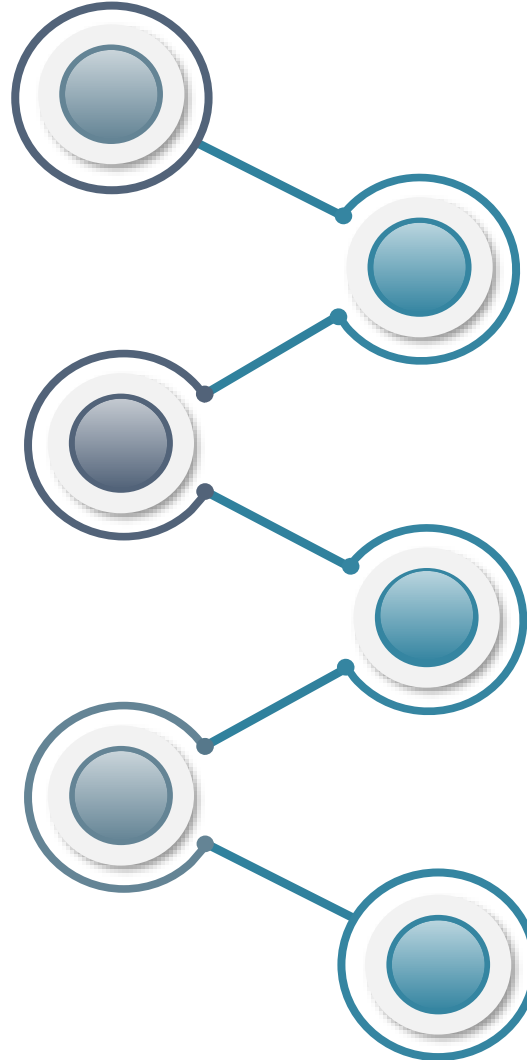
- Expected to create a total economic value of Rs 14 trillion (US\$ 217.37 billion) by the year 2020
- Rise in mobile-phone penetration and decline in data costs will add 500 million new internet users in India over the next five years, creating opportunities for new businesses
- Indian telecommunication services market will grow by 10.3 % Y-o-Y to reach US\$ 103.9 billion by 2020
- Leading player in virtual world by having 700 million internet users of 4.7 billion global users
- The Government of India also plans to auction the 5G spectrum
- It is expected that data consumption per person will increase to 200GB from current 2GB per month by 2020

Strong Prospects for Power Industry

- India has the fifth largest power generation capacity in the world
- The country ranks third globally in terms of electricity production
- Electricity production in India reached 1,095.756 Billion Units (BU) during April 2017-February 2018
- As per the 13th Five Year Plan, India is targeting a total of 100 GW of power capacity addition by 2022
- Indian power sector has investment potential of Rs 15 trillion (US\$ 225 billion) in next 4–5 years
- All the states and union territories of India are on board to fulfil the Government of India's vision of ensuring 24x7 affordable and quality power for all

Industry Opportunities

- Strong growth expected telecom infrastructure industry - new technologies, such as 4G & expansion in rural areas to boost this growth



- Around 70 per cent of India's 4,00,000 towers are owned and operated by tower companies

- Governments initiatives to electrify rural areas and build smart cities thereby increasing demand for Smart Poles

- Global galvanized steel market to grow at CAGR of 5.18% during period 2016-2020

- Asia & Pacific fastest-growing region galvanized steel market – expected 68% market share by 2020 across globe

Funding Availability

- Innovative ways by Government to fund various projects including Smart City and others



Way Ahead

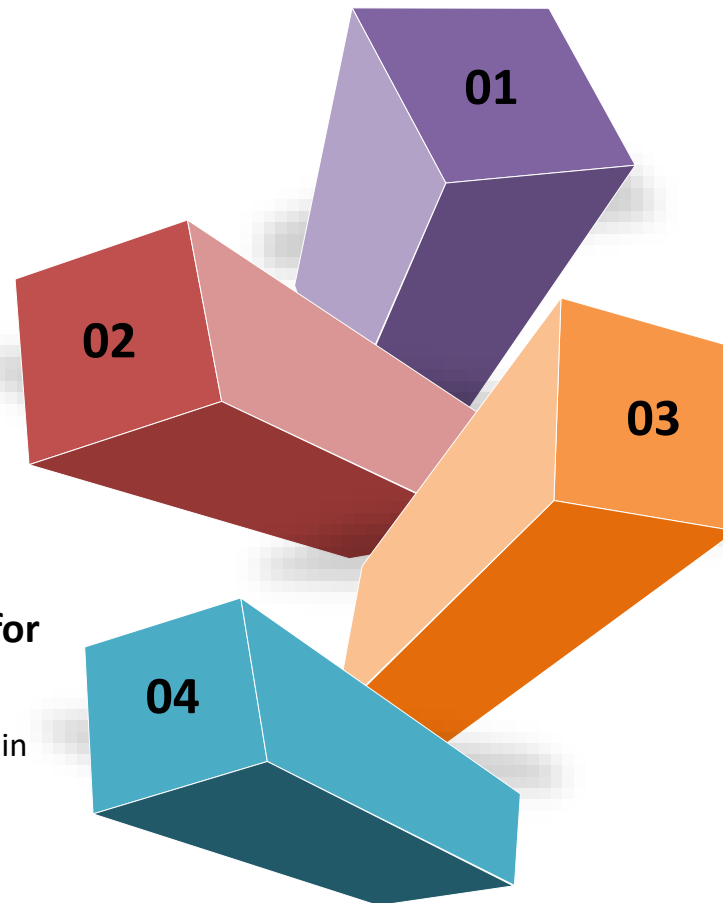


Expanding Design & Engineering Capabilities

- Invest in design and engineering services to provide added value to customers
- Emphasis on process, product innovation and value engineering solutions in order to meet requirements of wider range of products

Developing Camouflaging Capabilities for Monopoles

- Camouflaged monopole towers to be installed in new projects in place of regular ones
- Developing Capabilities to provide solution



Utilisation of Incremental Capacity and Expanding Product Portfolio

- Utilise additional 50,000 MT Galvanizing plant
- Continue to expand product portfolio by upgrading existing products and introducing new ones to maintain market share and engage new customers
- Continued focus on EPC esp. from Power & Railway

Targeting New Customer Accounts and Expanding Existing Ones

- Customer penetration by targeting new customers and securing larger orders from existing ones
- Develop capabilities so as to be able to enter new markets

Thank You

SALASAR

 **NSE**

SALASAR

Bombay Stock Exchange Limited
BSE
The edge is efficiency

540642

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For further information, please contact:

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