

Dated: 31.10.2021

To,

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

Sub: - Investor Presentation

Dear Sir/Madam

Please find attached herewith Investor Presentation of the Company w.r.t. Financial Results of the Company for Q2-FY22, for your record and further dissemination.

Kindly take the same on record.

Thanking You,

For Salasar Techno Engineering limited


(Rahul Rastogi)


Company Secretary & Compliance Officer

CIN No. - L23201DL2001PLC174076



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SALASAR
Building a stronger future

Investor Presentation

Q2 FY22

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Q2 FY22 Highlights

Management Comment

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

“I am pleased to inform you that the company has delivered a strong performance during the quarter with a revenue of Rs 200.2 Crores and EBITDA of Rs 21.5 Crores which is 10.7% of the revenue. The operations of the company are back to normal post the Covid disruptions, which is reflected in the results. The stellar performance was driven by contribution from each of our business segments along with our approach to diversify and enter newer segments. All our business verticals offer significant headroom for growth and operating leverage as they scale up. Railways’ electrification continues to remain a key growth segment and focus area for us. Further our new vertical of Heavy Steel Structure Division has gained impetus with a steady flow of orders along with increasing our customer base with reputed brands.

“The entire team of Salasar Techno Engineering deserves special acknowledgement for their untiring efforts in contributing towards the Company’s performance as we continue to strive for growth opportunities in the future.”

Q2 FY22 consolidated P&L statement

| Particulars (INR Cr) | Q2 FY22 | Q2 FY21 | YoY | Q1 FY22 | QoQ | H1 FY22 | H1 FY21 | YoY |
|-------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Net Sales | 200.2 | 147.6 | 35.7% | 132.8 | 50.8% | 333.0 | 210.7 | 58.0% |
| Cost of Goods Sold | 160.7 | 119.2 | 34.8% | 102.2 | 57.2% | 262.9 | 169.0 | 55.6% |
| Employee Cost | 9.4 | 7.5 | 25.1% | 8.3 | 12.9% | 17.8 | 12.9 | 37.6% |
| Other Indirect Expenses | 8.6 | 5.8 | 47.4% | 7.5 | 14.3% | 16.1 | 9.0 | 79.1% |
| Total Expenditure | 178.7 | 132.5 | 34.8% | 118.0 | 51.4% | 296.7 | 190.9 | 55.4% |
| EBITDA | 21.5 | 15.0 | 43.3% | 14.7 | 45.8% | 36.3 | 19.8 | 82.8% |
| EBITDA Margin% | 10.7% | 10.2% | 57 bps | 11.1% | -36 bps | 10.9% | 9.4% | 147 bps |
| Other Income | -0.6 | 1.2 | NA | 2.1 | NA | 1.4 | 1.8 | -18.4% |
| Interest | 5.4 | 4.2 | 29.9% | 4.7 | 14.0% | 10.2 | 7.8 | 31.0% |
| Depreciation | 1.8 | 1.4 | 28.3% | 1.8 | 0.7% | 3.5 | 2.7 | 28.7% |
| Profit Before Tax | 13.7 | 10.6 | 29.1% | 10.3 | 33.0% | 24.0 | 11.1 | 116.2% |
| Provision for Tax | 3.7 | 2.4 | 50.7% | 3.0 | 24.4% | 6.6 | 2.7 | 143.3% |
| Profit After Tax | 10.0 | 8.2 | 22.6% | 7.3 | 36.4% | 17.4 | 8.4 | 107.4% |
| PAT Margin% | 5.0% | 5.5% | -53 bps | 5.5% | -52 bps | 5.2% | 4.0% | 124 bps |

- On account of nation-wide lockdown due to COVID 19 pandemic, Q1 FY21 performance was severely impacted
- Operations of the Company were impacted on account of Covid related restrictions during the quarter ended 30th June 2021

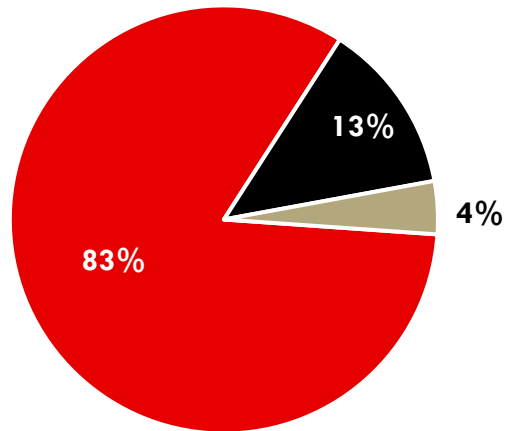
Order book position as on 30th Sep 2021

| Particulars | Value |
|--|------------------------|
| Orders EPC outstanding as on 30 th Sep 2021 | Rs. 560.5 crore |
| + L-1 EPC orders for which LOI awaited | Rs. 110.4 crore |
| + Manufacturing orders outstanding under new manufacturing plant as on 30 th Sep 2021 | Rs. 60.8 crore |
| + EPC orders under execution in Salasar Adorus LLP (51% JV) as on 30 th Sep 2021 | Rs. 235.3 crore |
| Total | Rs. 967.0 crore |

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

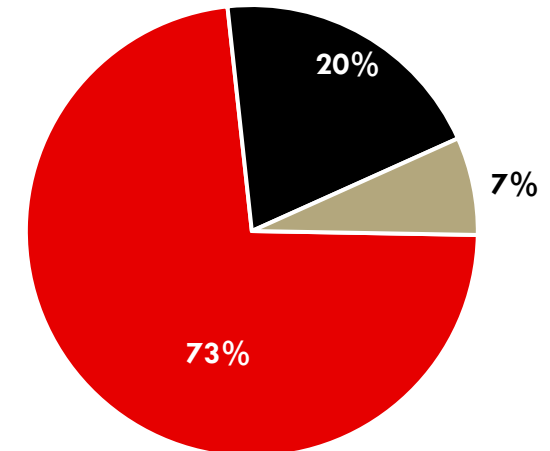
Segmental revenue breakup

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



H1FY21 Revenue by Segments

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



H1FY22 Revenue by Segments

Company Overview

Diversified product portfolio

50K

Telecom Tower



Telecom Towers

- 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

Transmission Line Towers

- Manufacturing and deployment of transmission towers for EPC business, Turnkey Projects, supplying structures to other EPC contractors

475KM

Power Transmission lines



Railway Electrification

- Design, supply, erection, testing & commissioning of railway electrification including normal height OHE, High Rise OHE & TSS Works



Solar Structures

- Manufacturing, fabrication and deployment of solar module mounting structures

217TKM

Railway Track Electrification



Utility Poles

- Production of custom-made poles of the highest quality equipped with technologies like LED lights, CCTV cameras, pollution sensors, Wi-Fi routers



Heavy Steel Structures

- Railway over ridges (ROB), pre engineered building (PEB). power plants, process plants, high-rise building, warehouses, airport hangers, metro stations, etc

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

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



**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:

- | | | | |
|----------|---|----------|---|
| 1 | Mr. Shalabh Agarwal <i>Director</i> | 4 | Mr. Mukesh Kumar Garg <i>Non-Executive Independent Director</i> |
| 2 | Ms. Tripti Gupta <i>Director</i> | 5 | Mr. Sanjay Chandak <i>Non-Executive Independent Director</i> |
| 3 | Mr. Anil Kumar Jain <i>Non-Executive Independent Director</i> | 6 | Mr. Vijay Kr jain <i>Non-Executive Independent Director</i> |

Key Management

- | | |
|----------|--|
| 1 | Mr. Pramod Kumar Kala <i>Chief Financial Officer</i> |
|----------|--|

Advisor

- | | |
|----------|---|
| 1 | Mr. Uttam Prakash Agarwal <i>Advisor to Board</i> |
|----------|---|

Strong client base



Approved vendor for Power Grid Corporation Ltd.



Qualified to bid for rural electrification projects



Qualified by CORE (Central Organization for Railway Electrification)

Telecom Sector






Power Sector







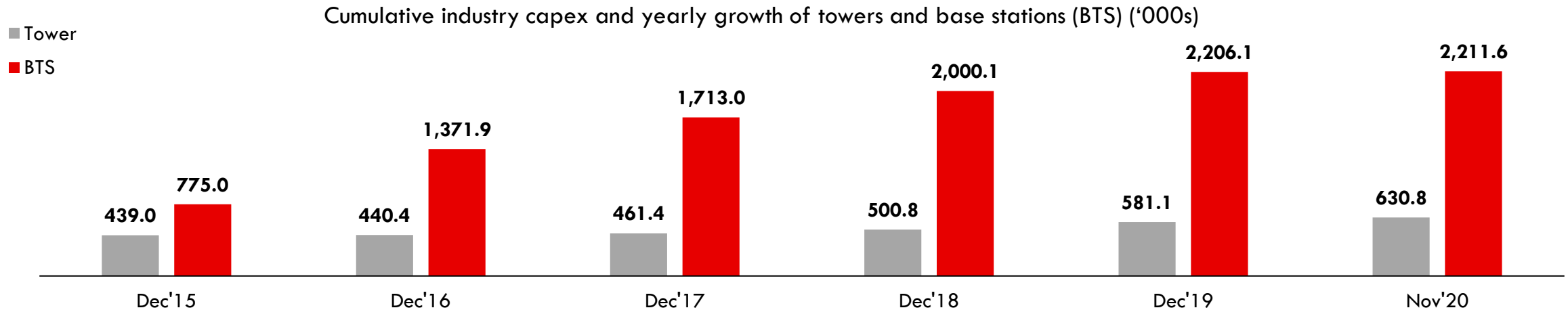
Others/ EPC



Industry Opportunities

Industry opportunity - Telecom

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



Growth drivers for the telecom tower companies

Increase in data consumption led by 4G

Launch of 5G

Tower sharing leading to increase in revenue of telcos

Increasing tele-density in largely untapped rural market

Smart city opportunities

Development of IoT for manufacturing and services sector

Monetization of tower in emerging business streams

Creation of robust digital communication Infrastructure

Industry opportunity - Power Transmission

Robust growth outlook driven by strong policy support

India's electricity consumption can continue to grow at >5% on a low base

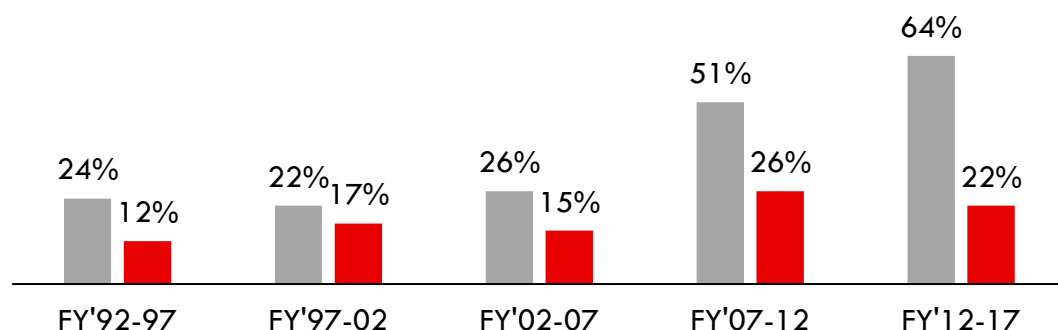
Estimated INR 6 - 8 trillion market opportunity in transmission till FY2029

At a conservative avg. GDP growth rate of 5% over next decade power demand estimated to rise by 1.6x

Schemes like UDAY, 24x7 Power for All, Village Electrification etc. strengthening the value chain

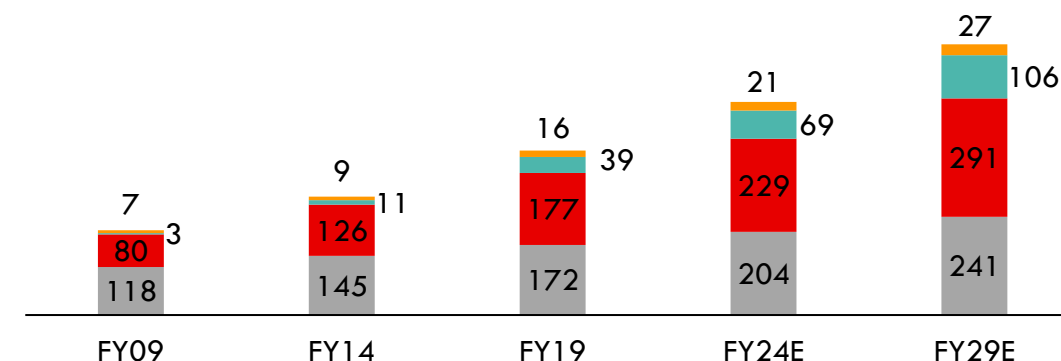
Historically generation and transmission investment

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



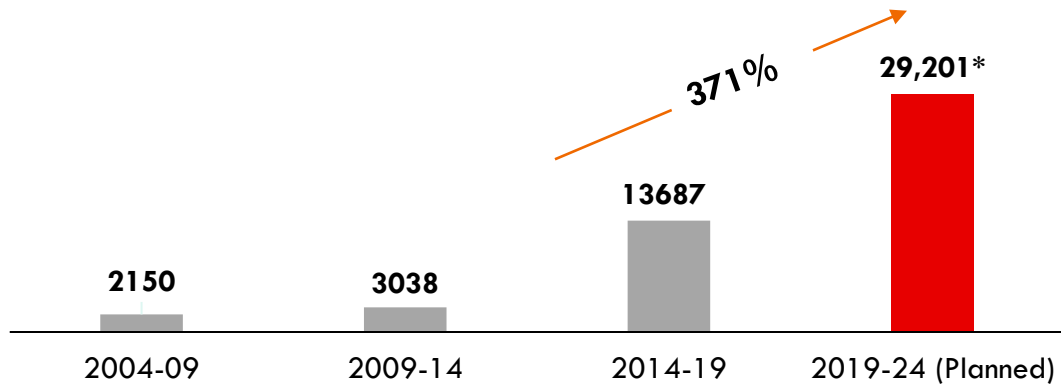
Transmission line capacity (ckt km)

■ 230/220 kV ■ 400 kV ■ 765 kV ■ HVDC 500/800 kV



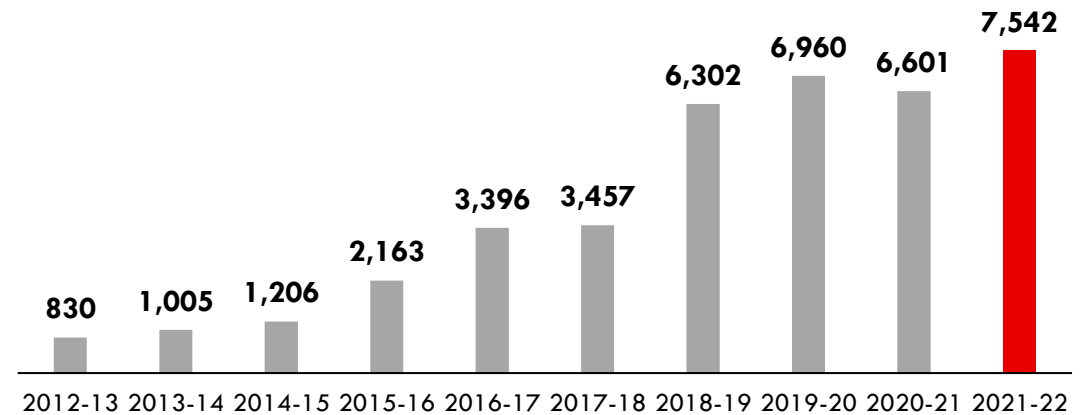
Industry opportunity – Railway

Growth of railway electrification (Route Km, RKM)



* 6,886 RKM already commissioned till Jan'21

Budget allocation for railway electrification (Rs. crore)

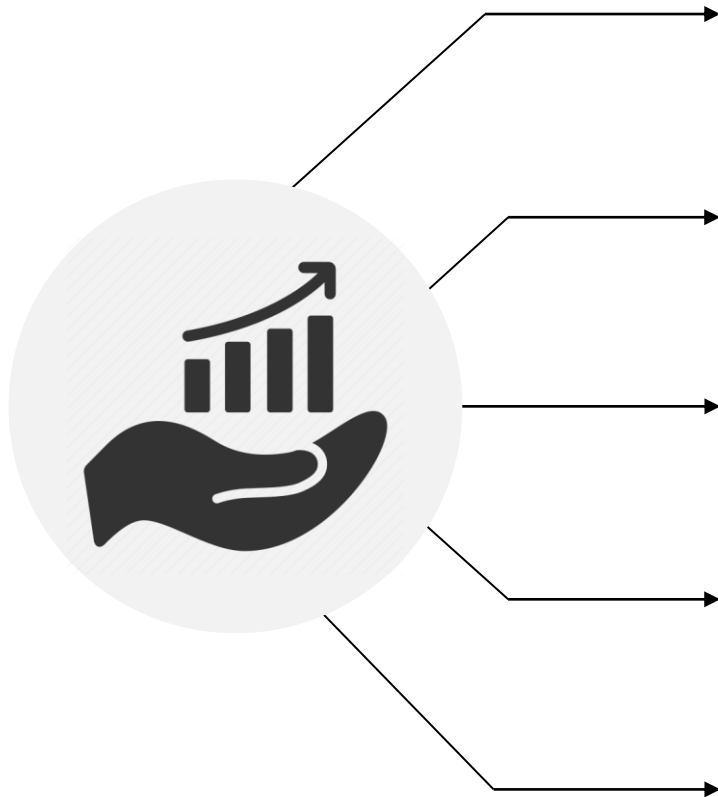


Robust growth opportunities for railway track electrification

- Mission 100% route electrification
- Need for electrification – to eliminate pollution and India’s dependence on imported fuel
- Highest ever budget allocation of Rs. 7,542 crore for electrification projects during 2021-22
- Sub-station capacity to enhance leading for opportunities for transmission & distribution utilities
- Engineering procurement and construction (EPC) contractors shall have multitude of opportunity in terms of infrastructure creation for railway electrification

Growth Strategy

Growth strategy



New business of manufacturing of heavy structures such as ROB, PEB, etc.

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

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

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.

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

Historical Financial Performance

Consolidated P&L statement

| Particulars (INR Cr) | FY21 | FY20 | FY19 |
|--------------------------|--------------|--------------|--------------|
| Net Sales | 596.6 | 526.3 | 654.9 |
| Cost of Goods Sold | 473.0 | 415.1 | 526.0 |
| Employee Cost | 30.9 | 31.0 | 28.0 |
| Other Indirect Expenses | 35.7 | 28.3 | 27.5 |
| Total Expenditure | 539.6 | 474.5 | 581.5 |
| EBITDA | 57.0 | 51.8 | 73.4 |
| EBITDA Margin% | 9.6% | 9.8% | 11.2% |
| Other Income | 10.2 | 1.7 | 0.8 |
| Interest | 17.6 | 20.6 | 16.3 |
| Depreciation | 5.6 | 5.0 | 4.6 |
| Profit Before Tax | 43.9 | 27.9 | 53.3 |
| Provision for Tax | 14.0 | 5.6 | 20.0 |
| Profit After Tax | 29.9 | 22.4 | 33.3 |
| PAT Margin% | 5.0% | 4.3% | 5.1% |

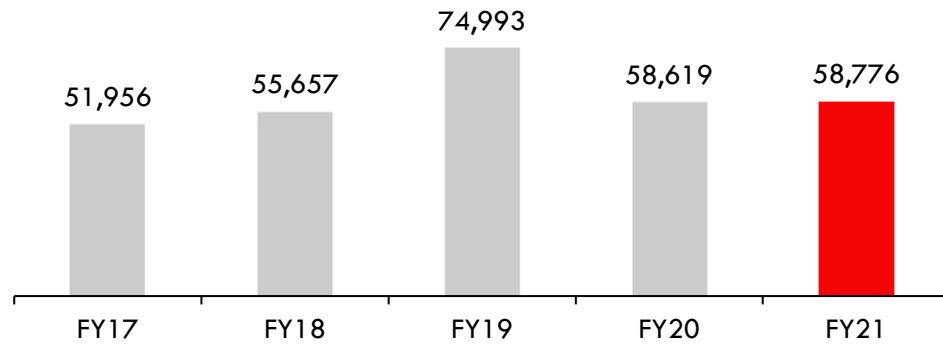
Consolidated balance sheet

| 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 |

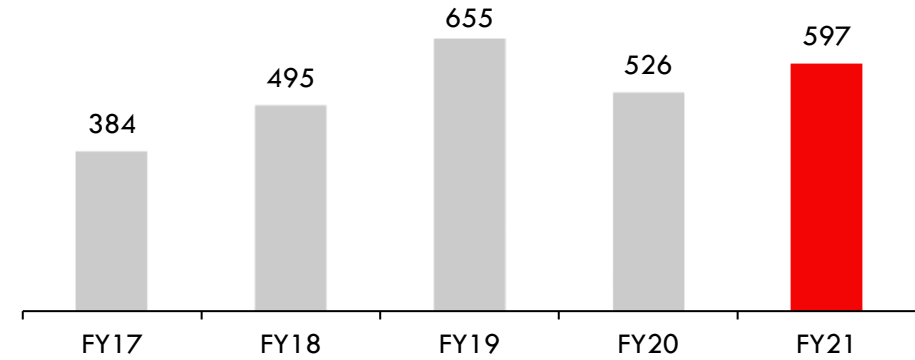
| Particulars (INR Cr) | Mar-21 | Mar-20 |
|---------------------------------|--------------|--------------|
| ASSETS | | |
| Non-Current Assets: | | |
| Net Block | 112.4 | 91.1 |
| Capital Work in Progress | 0.1 | 0.3 |
| Intangible Assets | 0.3 | - |
| Other Non Current Assets | 15.4 | 14.2 |
| Total 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 |

Key financial highlights

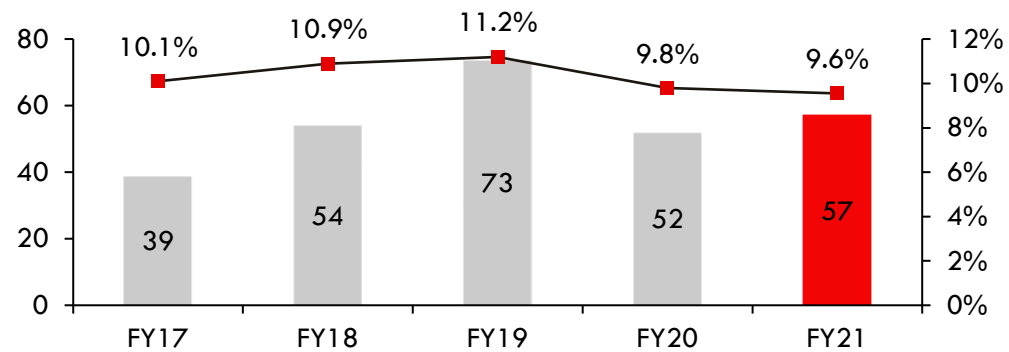
Sales Volumes (MT)



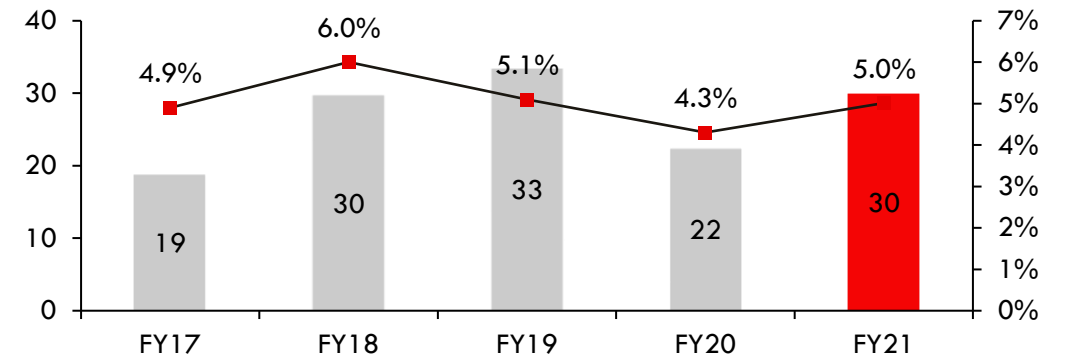
Revenue (Rs. Crore)



EBITDA (Rs. Crs) / Margin (%)

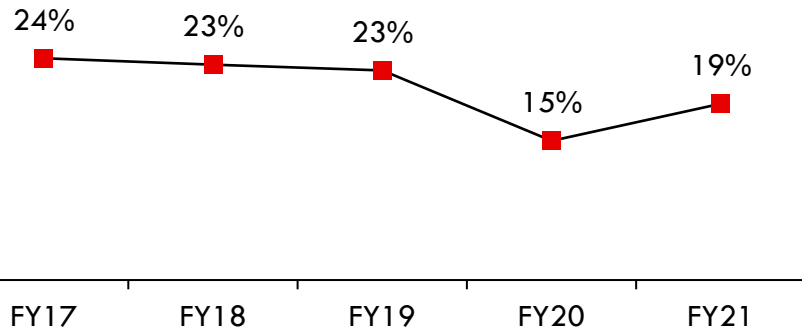


PAT (Rs. Crs) / Margin (%)

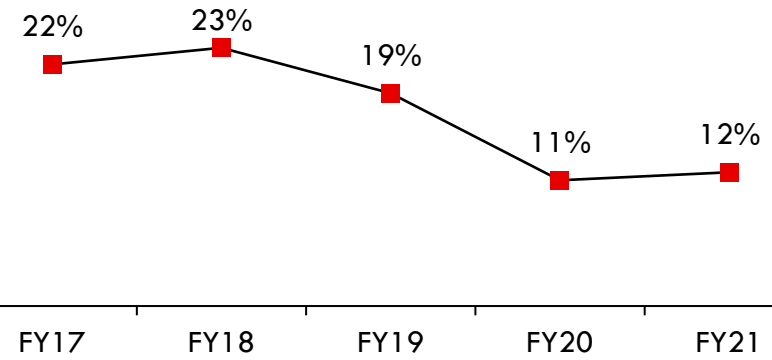


Key financial ratios

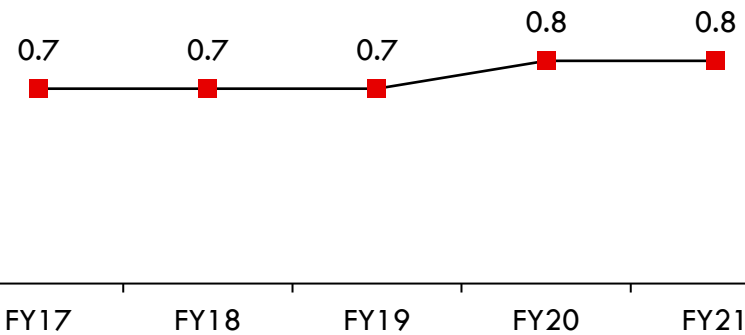
RoCE



ROE



Debt to Equity



Thank You

Salasar Techno Eng

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