



Salasar Techno Engineering Limited

Dated: 12.02.2020

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, 2019, for your record and further dissemination.

Kindly take the same on record.

Thanking You

Yours faithfully

Pramod Kumar Kala
Chief Financial Officer

CIN No. - L23201DL2001PLC174076



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Salasar Techno Engineering Limited

Investor Presentation
Q3 & 9M FY20





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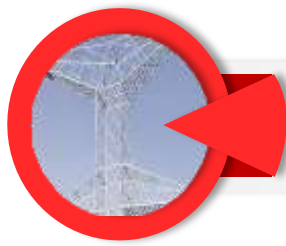
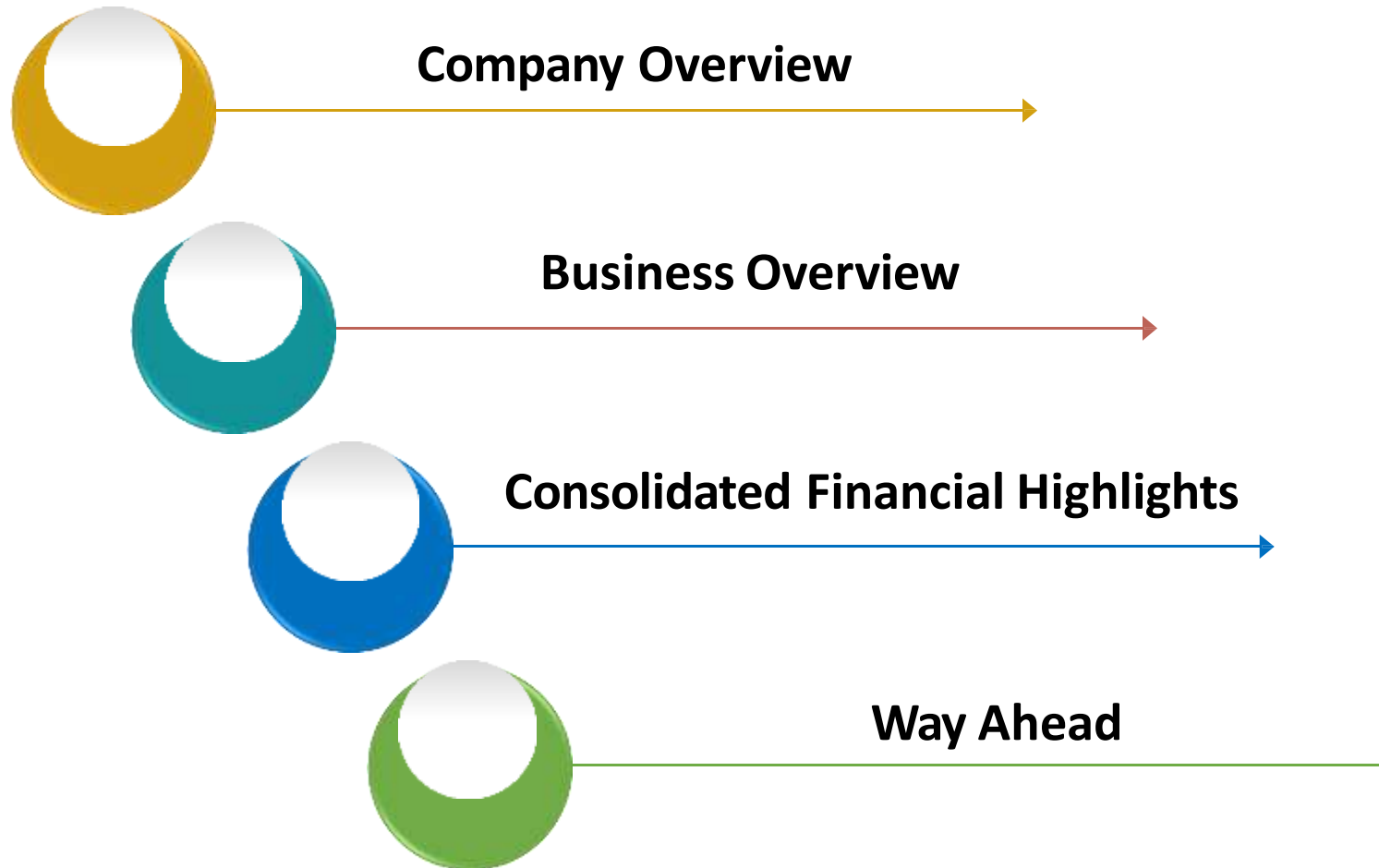


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Company Overview





About Us



Among Leading Manufacturers & Fabricators of Steel Structures in India

Provider of Customized Infrastructure Solutions

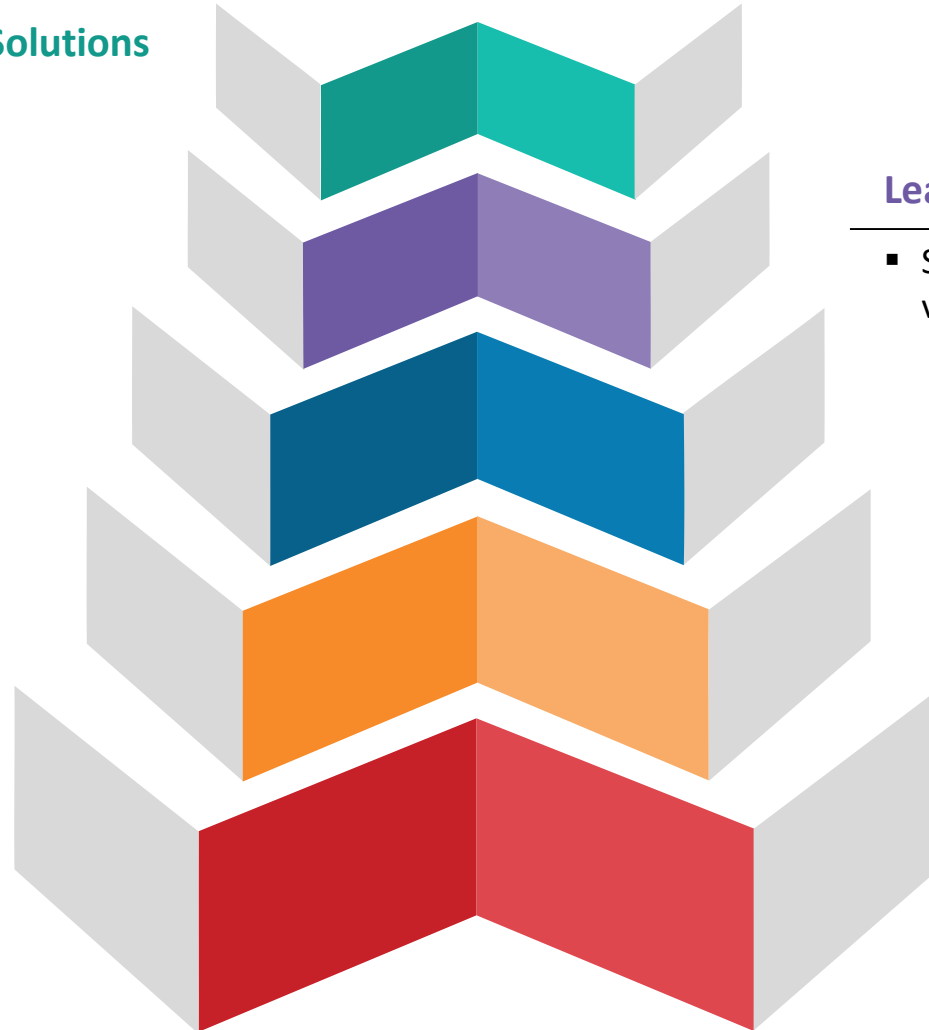
- Manufacturing and fabrication of steel structures for Telecom Towers, Transmission Towers, Substations Structures and Solar Module Mounting Structures

Diversified Product Portfolio

- Camouflaged Towers Solution
- Cold Formed Structures
- Products for Indian Railways
- Cell on Wheels, etc.

State of art Manufacturing Facility

- 1,00,000 MT installed capacity of Steel Galvanizing equipped with latest technology



Leading Manufacturer of Telecom Towers

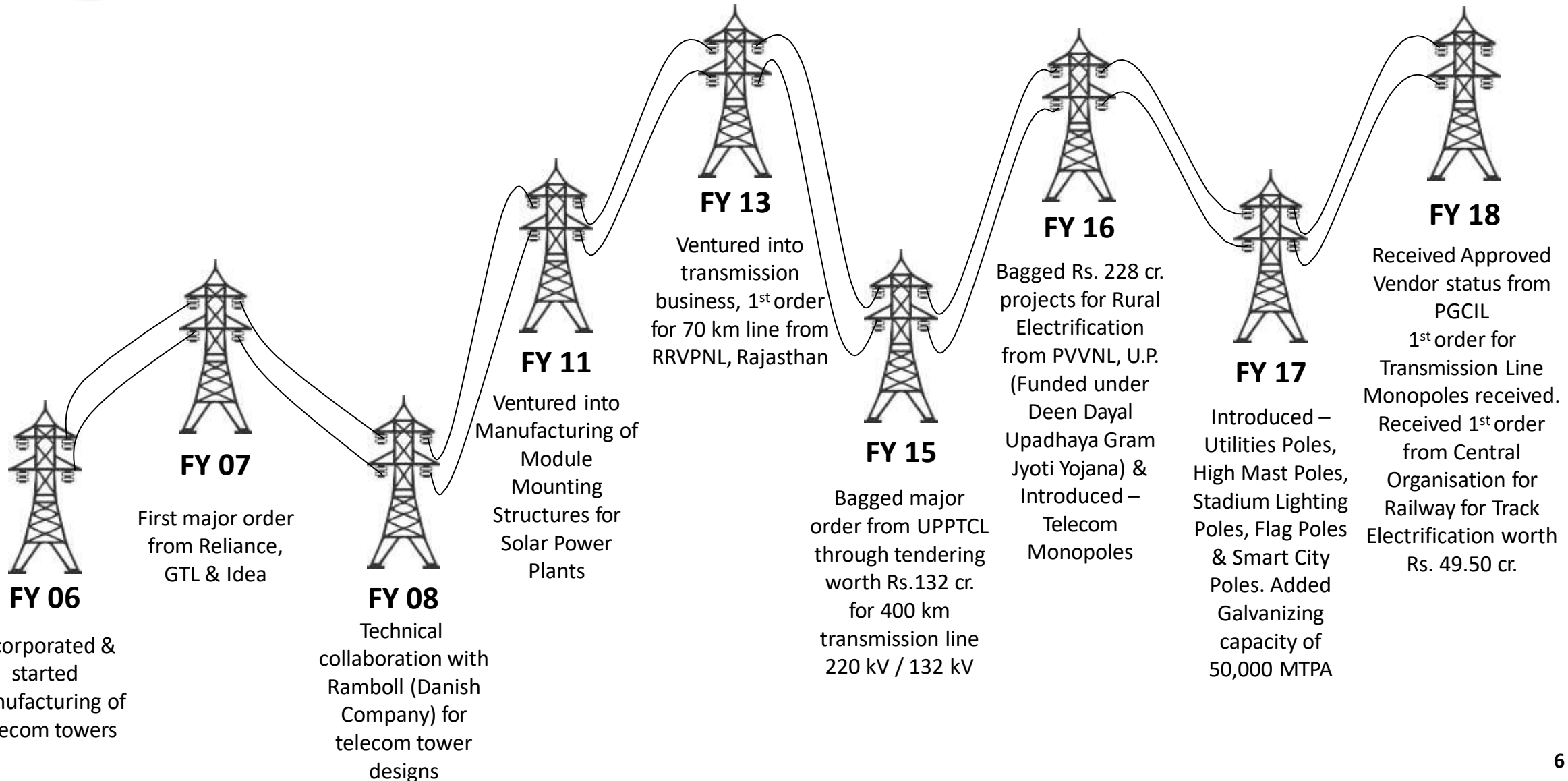
- Supplied more than 25,000 towers of various designs since inception

Technical Tie-Up

- Technical tie-up with Ramboll - leading Danish Company for structural designs



Timeline





Management Team



Mr. Alok Kumar
Chairman & Managing Director

- B.Sc. from Punjab University
- Over 40 years of experience in trading, manufacturing and fabrication of iron & steel products
- Responsible for purchases & finance



Mr. Shashank Agarwal
Joint Managing Director

- B.E. (Mech.) from MIT, Manipal
- Responsible for operations, sales & marketing of telecom towers & solar mounting structures



Mr. Shalabh Agarwal
Director

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



Ms. Tripti Gupta
Director

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



Mr. Pramod Kumar Kala
Chief Finance Officer

- Member of Institute of Chartered Accountants of India
- More than 23 years of experience in Finance, Banking, Accounts & Taxation and Commercial operations

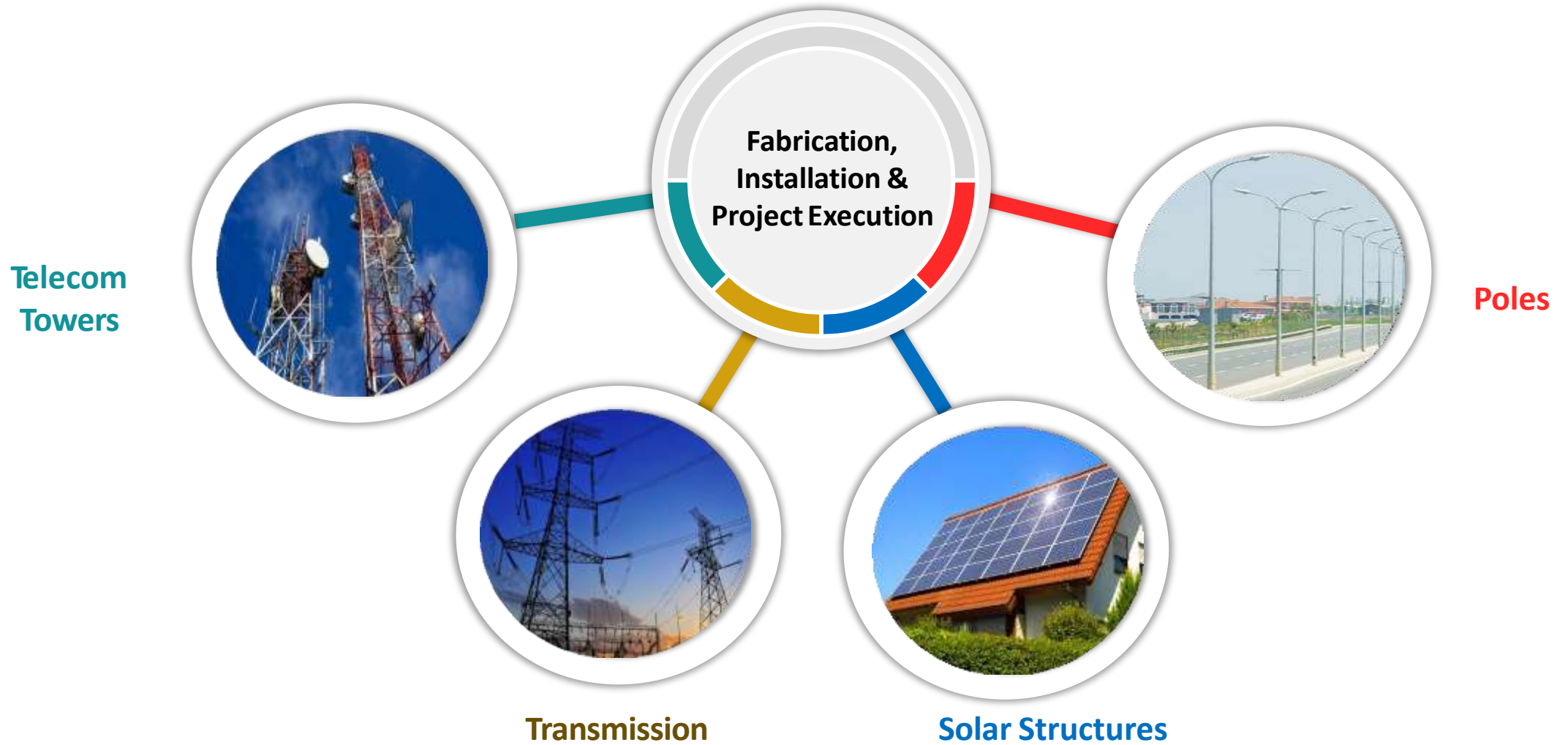


Business Overview





Business Verticals





Product Portfolio

- **Customized Galvanized and Non-galvanized steel structures**
 - ✓ Process of applying protective zinc coating to steel or iron, to prevent rusting
 - ✓ Forms zinc coating - serves as sacrificial anode and protects base metal from corroding

Angular

- Preferred for small towers with relatively light loads, mainly because of wide range of sizes, simple connections and low manufacturing cost

Monopoles

- Designed tapered single-pole tubular section
- Least intrusive – popular tower types in wireless communication



Tubular

- Made of bolted angles, especially used when stresses are low enough to allow relatively simple connections
- Lighter than angular towers because of reduced wind load on circular sections

Hybrid

- Built for large sites - requires independence from grid - employ independent source of energy



Product Portfolio contd...

Transmission Towers and Substation Structures

- Tall structure usually steel lattice used to support overhead power line
- Used in high-voltage AC and DC systems, and available in wide variety of shapes and sizes



Solar Module Mounting Structures

- Used to fix solar panels on surfaces like roofs, building facades or ground



Feeder Segregation and Rural Electrification

- Carrying out separation of high feeder for agricultural and non-agricultural consumers



Lighting Poles for Smart Cities

- Steel Structure to provide light on edge of road or walk way to provide visibility in darkness





Product Portfolio



Smart Poles

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





Key Strengths

State of Art Infrastructure

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

Partnership with Ramboll

- Tie up with Ramboll for technical expertise in Structural Design of Tubular Telecom Towers
- Market leader in innovative design & supply of tower solutions

Requisite Qualifications

- Qualified to bid for Rural Electrification projects
- Qualified by CORE (Central Organization for Railway Track Electrification)

Customer Centric

- Experienced team to work in any terrain and weather thereby attaining highest level of customer satisfaction



Strong Financial Capabilities

- Improving EBITDA Margins
- Strong return ratios

Operational Excellence

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

On time Delivery

- Capable to service and provide solutions within stipulated time frame
- Provides on time delivery of products to clients



State of art Manufacturing Facilities



Other Specifications

- Three state of art manufacturing units
- Approximately 1,30,000 square yards area in heart of National Capital Region's industrial hub
- Heavy overhead cranes and multiple Hydra equipment for seamless material loading and unloading
- Three fully equipped in-house Galvanizing plants
- Fabrication equipment and installed machinery is regularly upgraded

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)





Awards & Recognitions



- Best Tower Partner award from Indus Towers for 2014-15
- Excellence thru Collaboration award from Indus in 2014
- Best Partners award from Bharti Infratel for 2014-15

- One of Top PAN India Tower Supplier in VIOM and ATC
- **'Gold Award'** in Infra Structures (category: Tower manufacturing)
- Recognised as Indus **"Platinum Partner of the Year 2018 - 19"**





Bouquet of Satisfied Customers



**Consolidated
Financial Highlights**





Joint Managing Director's Message

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

“ We present the quarterly results of M/s Salasar Techno Engineering Ltd for Dec 2019. Our telecom business contributed 59 %, whereas transmission business contributed nearly 31 %. All our business segments offer significant headroom for growth and operating leverage as they scale up. Railways electrification continues to remain a key growth segment and will remain a focus area for us.

The overall slow down in the economy and restructuring of Telecom Tower business model by one of our major customer Reliance Jio has impacted sales during this quarter. However now Reliance Jio has closed this exercise with its strategic partner and have started rolling out sites for further expansion. The sale to Reliance Jio in this quarter was almost negligible. We envisage a good growth overall from telecom sector , as all our existing customers in this sector have started showing signs of significant improvement as there is thrust to create and strengthen the network for 4G and 5G.

Further, the company has also received new orders of EPC worth Rs 150 Cr from various Govt organisations during this quarter. Apart from this the balance portion of EPC orders which are under execution pending to be billed are of a value of Rs 160 Cr. So an overall Rs.310 Cr would add to the top line during next 3 to 4 quarters.

Apart from above the company has won EPC tenders of a value Rs. 333.68 Cr for which LOI s are awaited. These projects are to be completed over 15 months to 60 months after receipt of formal orders. Part of this would also reflect in the top line in coming quarters.

I would like to thank entire team of Salasar Techno Engineering for their untiring efforts and we assure that we at Salasar tirelessly work to achieve our goals of growth and value addition for all the stake holders.





Key Financial Highlights – Q3 FY20

Rs. 100.97 Cr

Revenue from Operations

Rs. 9.55 Cr

EBITDA

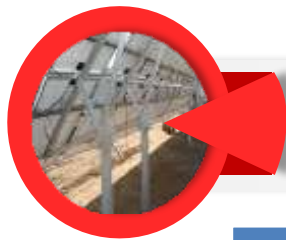
9.46 %

EBITDA Margin

Rs. 2.16

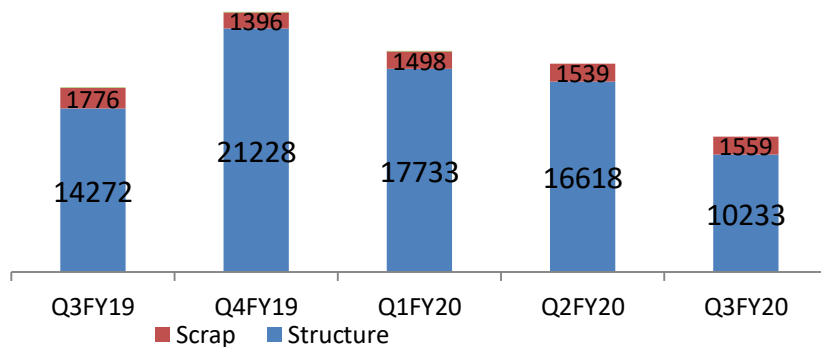
PAT



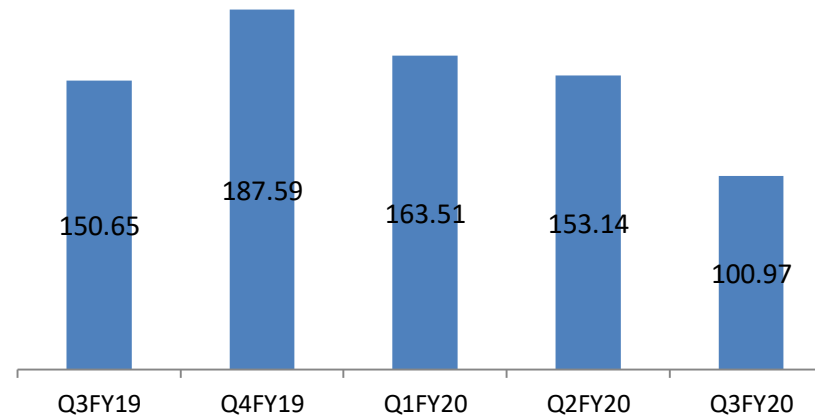


Key Financial Highlights - Quarterly

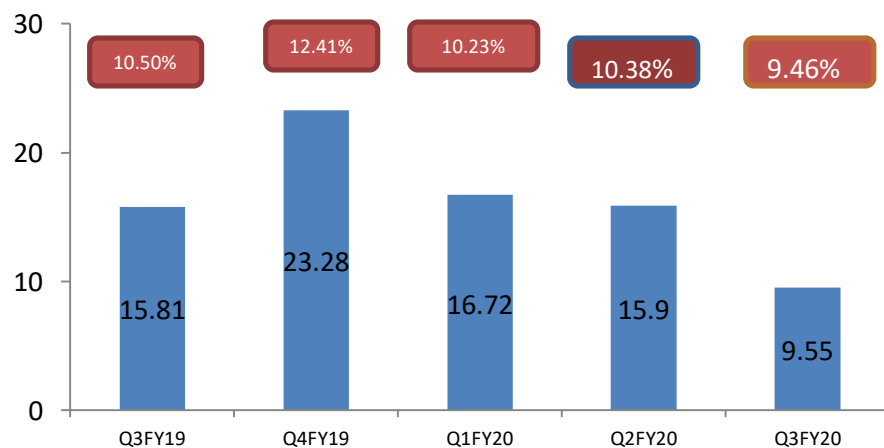
Dispatch Volumes (MT)



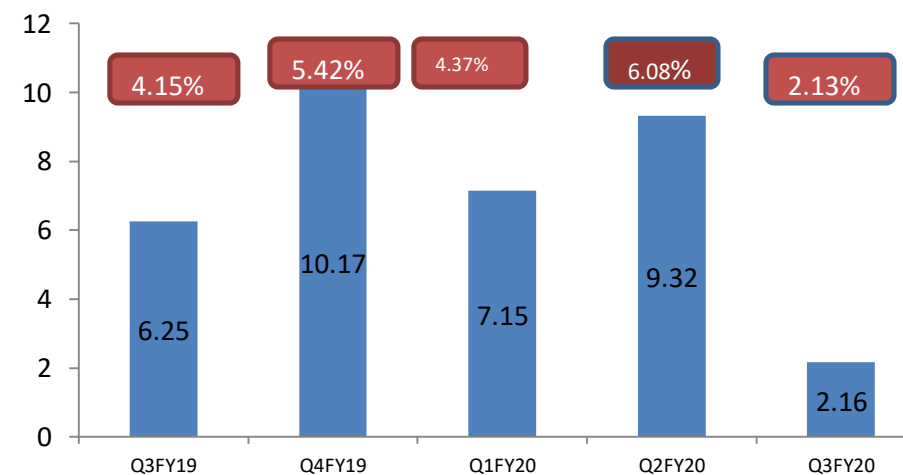
Revenue from Operations (Rs. Crs)



EBITDA (Rs. Crs) / Margin (%)



PAT (Rs. Crs) / Margin (%)





Q3 FY20 Financial Highlights

Particulars (Rs. Cr.)	Q3 FY20	Q3 FY19	Q2 FY20
Income from Operation	100.97	150.65	153.14
Other Operating Income	0.00	0.00	0.00
Excise Duty	0.00	0.00	0.00
Revenue from Operations	100.97	150.65	153.14
Cost of Material Consumed	60.87	128.94	101.03
Purchase of Traded goods	0.00	0.00	0.00
Changes in Inventories	19.82	(7.20)	20.98
Raw Material Expenses	80.69	121.75	122.01
Employee Expenses	6.28	6.87	7.71
Manufacturing & Operating Cost	0.00	0.00	0.00
Other Expenses	4.46	6.22	7.52
Total Expenditure	91.42	134.84	137.24
EBITDA	9.55	15.81	15.90
EBITDA Margin	9.45%	10.50%	10.38%
Other Income	0.34	0.34	0.17
Depreciation	1.27	1.18	1.24
Interest / Finance Cost	5.68	4.78	5.68
Exceptional Item (Gain) / Loss	0.00	0.00	0.00
PBT	2.95	10.19	9.15
Tax	0.79	3.94	-0.17
PAT	2.16	6.25	9.32
PAT Margin	2.14%	4.15%	6.09%
EPS	1.62	4.70	7.02



Key Financial Highlights – 9MFY20

Rs. 417.63 Cr

Revenue from Operations

Rs. 42.17 Cr

EBITDA

10.10%

EBIDTA Margin

Rs. 18.63 Cr

PAT

Delivered strong & consistent performance in telecom and transmission



9M FY20 Financial Highlights

Particulars (Rs. Cr.)	9MFY20	9MFY19
Income from Operation	417.63	467.29
Other Operating Income	0.00	0.00
Excise Duty	0.00	0.00
Revenue from Operations	417.63	467.29
Cost of Material Consumed	304.21	391.11
Purchase of Traded goods	0.00	0.00
Changes in Inventories	30.16	-12.37
Raw Material Expenses	334.37	378.74
Employee Expenses	21.20	19.75
Manufacturing & Operating Cost	0.00	0.00
Other Expenses	19.89	18.72
Total Expenditure	375.45	417.21
EBITDA	42.17	50.08
EBITDA Margin	10.10%	10.72%
Other Income	0.76	0.73
Depreciation	3.71	3.41
Interest / Finance Cost	15.93	11.20
Exceptional Item (Gain) / Loss	0.00	0.00
PBT	23.30	36.20
Tax	4.67	13.10
PAT	18.63	23.10
PAT Margin	4.46%	4.94%
EPS	14.03	17.39



Consolidated Balance Sheet as on 30th Sep 2019

Rs. Crs	Sep-19	Mar-19
Equity	203.53	189.44
Equity Share Capital	13.29	13.29
Other Equity	190.24	176.15
Non-current liabilities	19.37	21.17
Financial Liabilities		
(a) Borrowing	4.44	4.89
(b) Other Financial liabilities	9.73	9.26
Provisions	1.30	1.28
Deferred Tax Liabilities (Net)	3.69	5.10
Other Current Liabilities	0.21	0.63
Current liabilities	258.89	261.53
Financial Liabilities		
(a) Borrowing	167.79	145.39
(b) Trade Payables	26.50	58.27
(c) Other Financial Liabilities	2.27	0.27
Provisions	0.53	0.15
Other Current Liabilities	61.80	56.67
Current Tax Liabilities (Net)	0.00	0.79
Total Equities & Liabilities	481.79	472.13

Rs. Crs	Sep-19	Mar-19
Non-current assets	90.48	86.56
Property, Plant and Equipment	82.09	77.30
Intangible Assets	0.00	0.00
Goodwill ON consolidation	0.00	0.00
Capital work in progress	0.00	0.00
Financial Assets		
Investments in JV	0.00	0.00
Other Financial Assets	8.39	9.27
Current assets	391.31	385.57
Inventories	99.03	117.93
Financial Assets		
Investments	1.51	2.05
Trade Receivables	236.93	217.24
Cash & Cash Equivalent	0.71	1.83
Bank Balance other than above	17.96	9.90
Other Financial Assets	9.78	9.42
Current Tax Assets	0.76	0.00
Other Current Assets	24.63	27.19
Total Assets	481.79	472.13



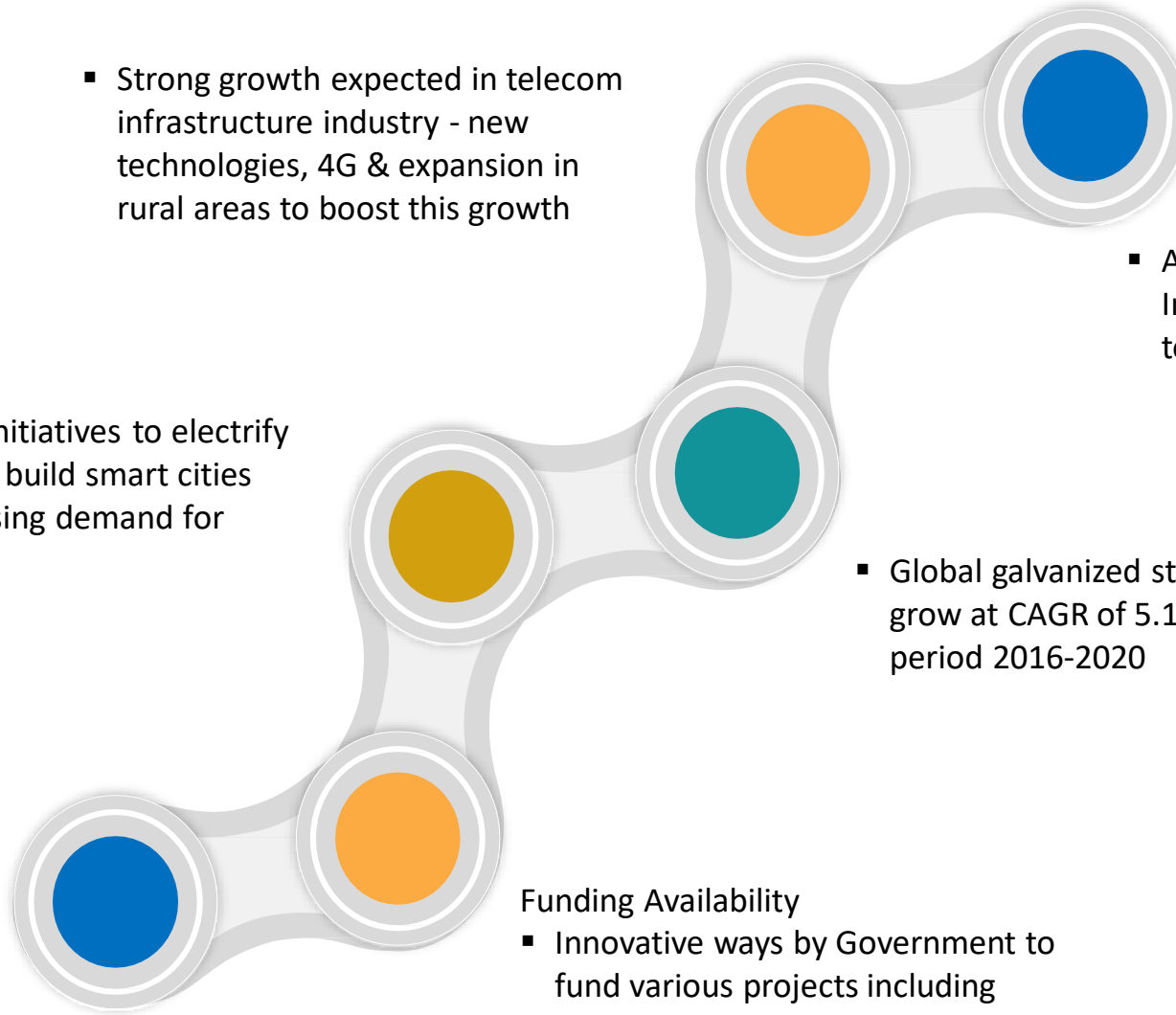
Way Ahead





Industry Opportunities

- Strong growth expected in telecom infrastructure industry - new technologies, 4G & expansion in rural areas to boost this growth
- Governments initiatives to electrify rural areas and build smart cities thereby increasing demand for Smart Poles
- Around 70 per cent of towers in India are owned and operated by tower companies
- 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

Utilization of Incremental Capacity and Expanding Product Portfolio

- Fully utilize additional 50,000 MT Galvanizing unit installed in FY18
- Continue to expand product portfolio by upgrading existing and introducing new products to maintain market share and engage new customers
- Continued focus on EPC esp. Power & Railway

Expanding Design & Engineering Capabilities

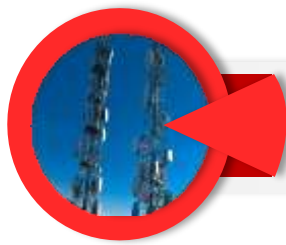
- Invest in design and engineering services to provide additional value to customers
- Emphasis on process, product innovation and value engineering solutions in order to meet requirements of wider range of products

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

Developing Camouflaging Capabilities for Monopoles

- Develop capabilities to provide better camouflage solution for evolving telecom industry
- To meet demands of consumers who prefers small towers



Thank You



For further information, please contact:

Company :

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