

Dated: 15.08.2021

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 Q1-FY22, for your record and further dissemination.

Kindly take the same on record.

Thanking You,

Yours Sincerely

For **Salasar Techno Engineering Limited****Rahul Rastogi**

Company Secretary

CIN No.- L23201DL2001PLC174076



SALASAR
Building a stronger future

Investor Presentation

Q1 FY22

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Q1 FY22 Highlights

Q1 FY22 consolidated P&L statement

Particulars (INR Cr)	Q1 FY22	Q1 FY21	YoY
Net Sales	132.8	63.2	110%
Cost of Goods Sold	102.2	49.8	
Employee Cost	8.3	5.4	
Other Indirect Expenses	7.5	3.2	
Total Expenditure	118.0	58.3	102%
EBITDA	14.7	4.8	206%
EBITDA Margin%	11.1%	7.6%	347 bps
Other Income	2.1	0.6	
Interest	4.7	3.6	
Depreciation	1.8	1.4	
Profit Before Tax	10.3	0.5	N.A
Provision for Tax	3.0	0.3	
Profit After Tax	7.3	0.2	N.A
PAT Margin%	5.53%	0.32%	521 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

Key orders secured during the quarter



Secured order from
DMRC, New Delhi

- **Scope:** Modification and raising height of existing 132KV transmission lines including supply of all equipment/materials, erection
- **Value:** Rs. 15.22 cr

Secured orders from
Rajasthan Rajya Vidyut
Prasaran Nigam Limited

- **Scope:** Construction of 220KV & 132KV transmission lines including supply of all equipment/materials, erection
- **Value:** Rs. 27.45 cr & Rs. 20.25 cr

Received project from
PowerGrid Corporation of
India

- **Scope:** Construction of 201km Power Transmission Line network & 4 sub station in Arunachal Pradesh
- **Value:** Rs. 238.65 cr

Secured a project from ITI
Bangalore

- **Scope:** Construction of self-supporting towers. Tower height in range of 30M to 120M
- **Value:** Rs. 54.90 cr

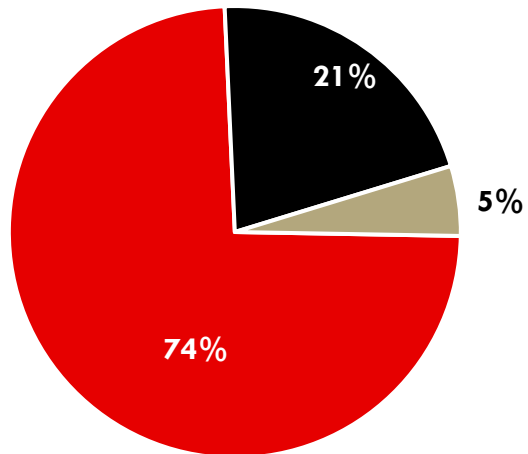
Order book position as on 31st July 2021

Particulars	Value
Orders EPC outstanding as on 30 th June 2021	Rs. 561 crore
+ L-1 EPC orders for which LOI awaited	Rs. 87 crore
+ Manufacturing orders outstanding under new manufacturing plant as on 30 th June 2021	Rs. 69 crore
+ EPC orders under execution in Salasar Adorus LLP (51% JV) as on 30 th June 2021	Rs. 243 crore
Total	Rs. 960 crore

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

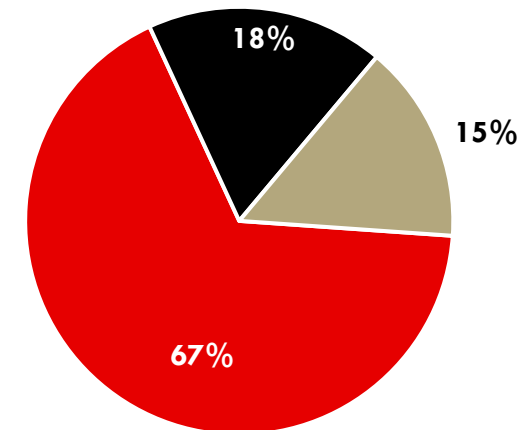
Segmental revenue breakup

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



Q1FY21 Revenue by Segments

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



Q1FY22 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







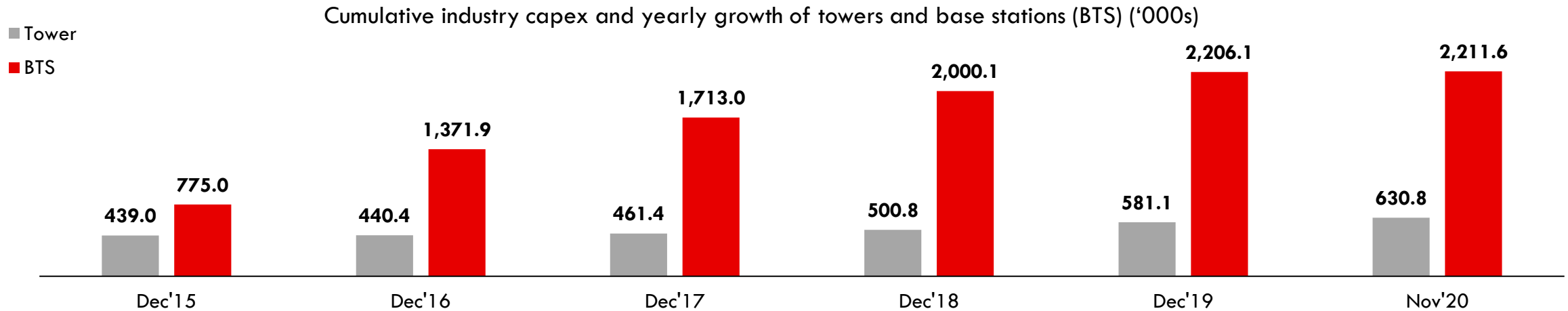

Others/ EPC



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

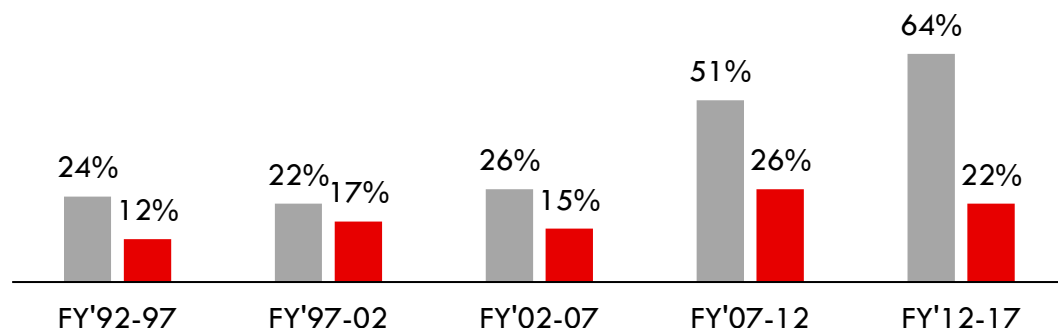
Estimated INR 6 - 8 trillion market opportunity in transmission till FY2029

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

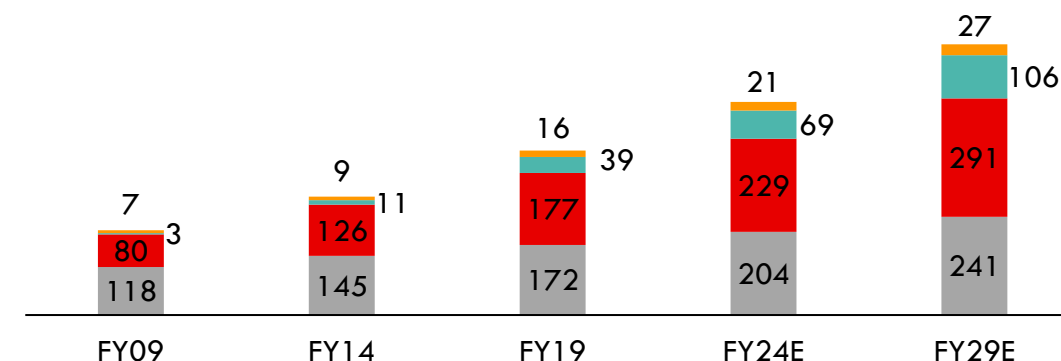
Historically generation and transmission investment

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



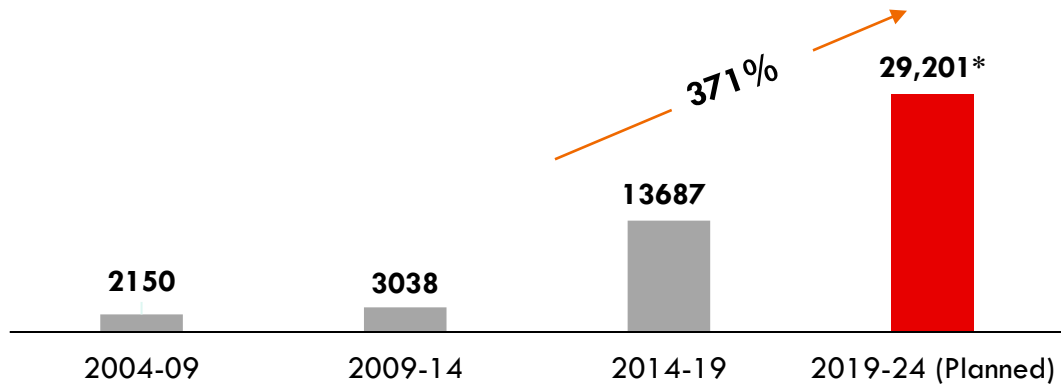
Transmission line capacity (ckt km)

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



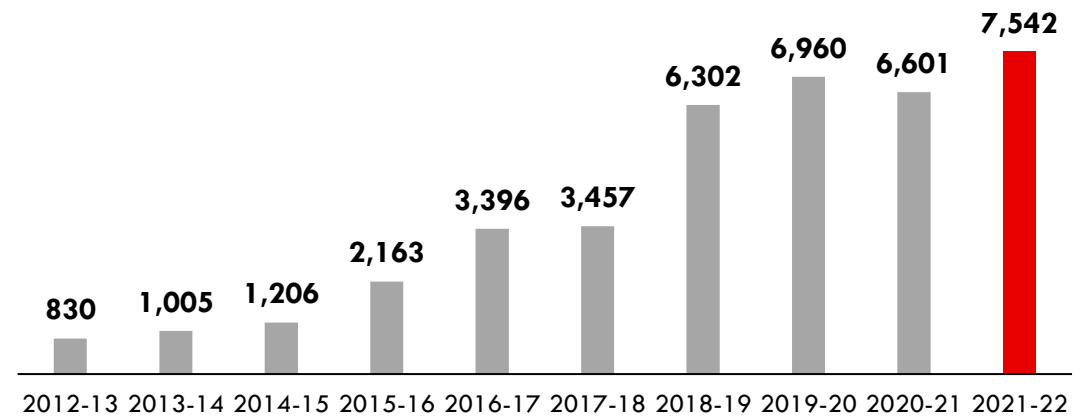
Industry opportunity – Railway

Growth of railway electrification (Route Km, RKM)



* 6,886 RKM already commissioned till Jan'21

Budget allocation for railway electrification (Rs. crore)

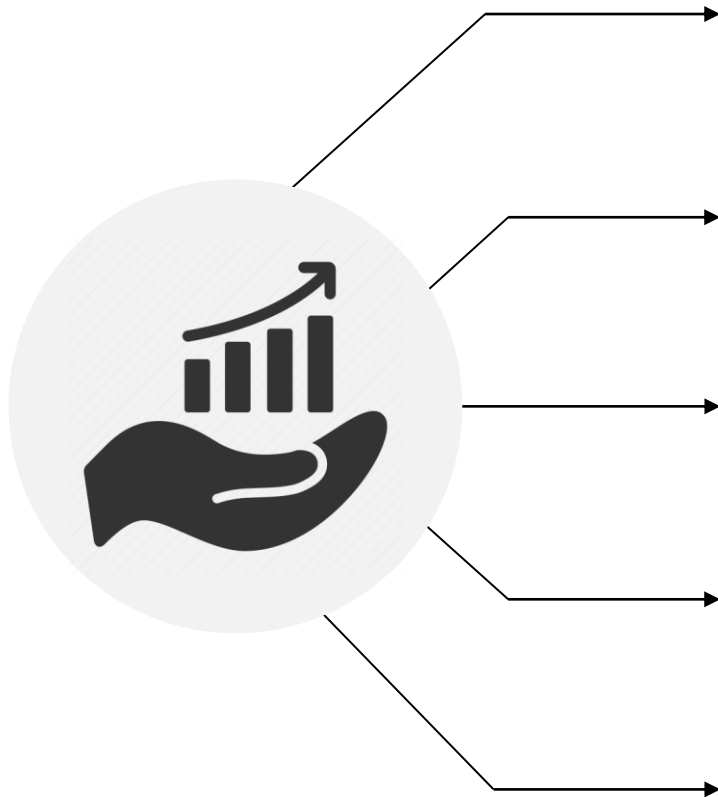


Robust growth opportunities for railway track electrification

- 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%

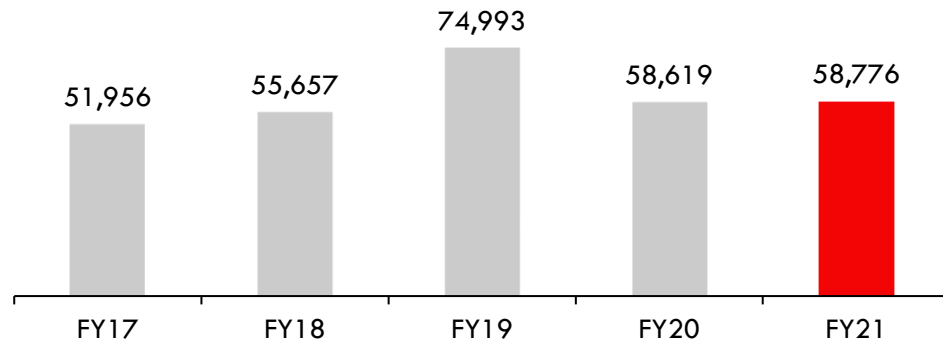
Consolidated balance sheet

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

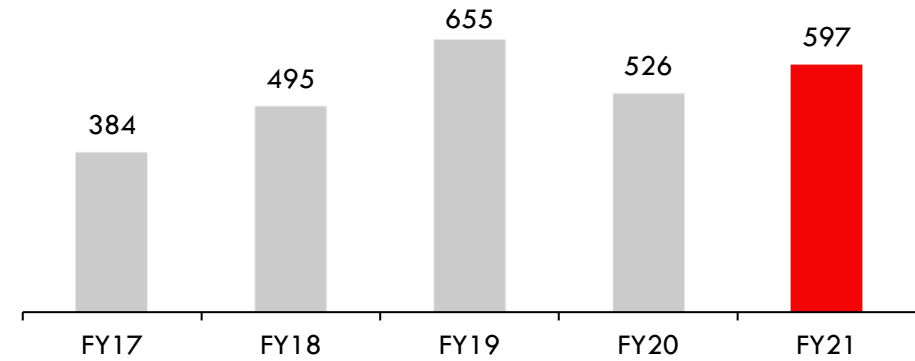
Particulars (INR Cr)	Mar-21	Mar-20
ASSETS		
Non-Current Assets:		
Net Block	112.4	91.1
Capital Work in Progress	0.1	0.3
Intangible Assets	0.3	-
Other Non Current Assets	15.4	14.2
Total Non-Current Assets	128.1	105.6
Current Assets:		
Inventories	120.0	93.5
Current Investments	10.2	1.4
Sundry Debtors	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

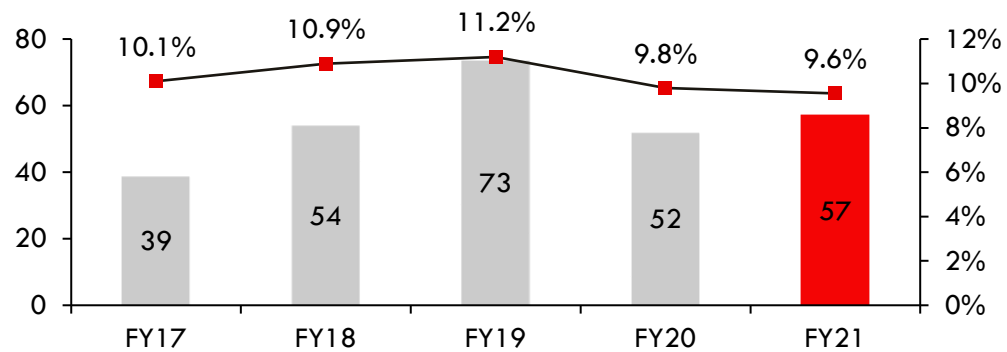
Sales Volumes (MT)



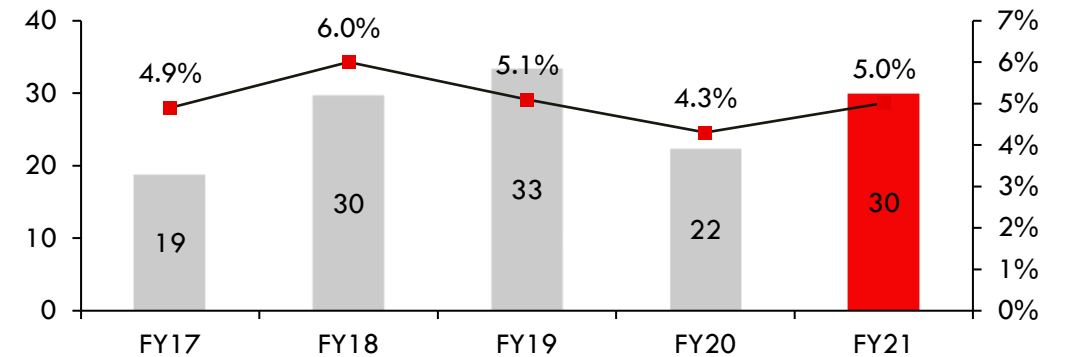
Revenue (Rs. Crore)



EBITDA (Rs. Crs) / Margin (%)

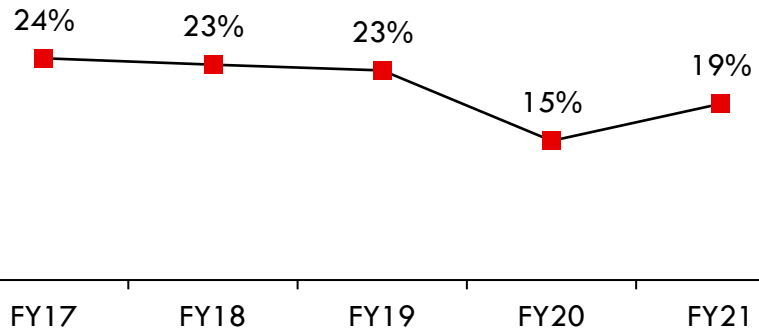


PAT (Rs. Crs) / Margin (%)

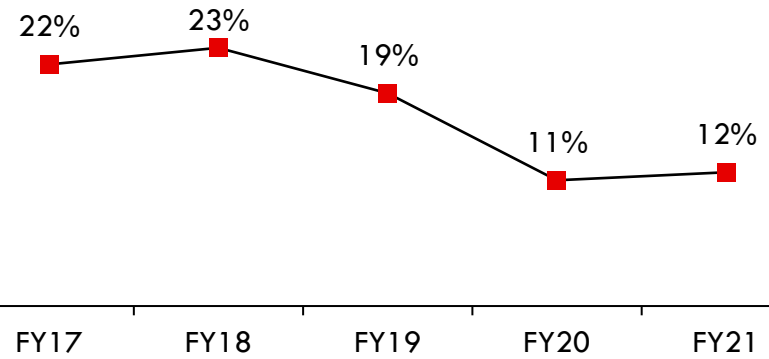


Key financial ratios

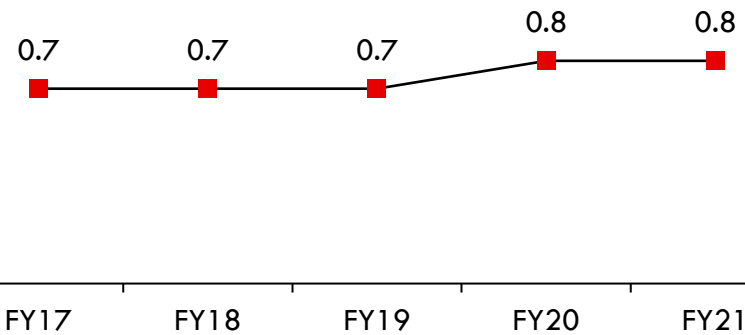
RoCE



ROE



Debt to Equity



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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