

Dated: 28.05.2019

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 year ended 31<sup>st</sup> March, 2019, for your record and further dissemination.

Kindly take the same on record.

**Thanking You****Yours faithfully****Pramod Kumar Kala**  
**Chief Financial Officer****SALASAR TECHNO ENGINEERING LTD.**

Works : Unit-I : Khasra No. 265, 281-283, Vill.- Parsaun- Dasna, P.O.- Jindal Nagar, Distt. Hapur- 201313 (U.P.)

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

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

Unit-III : Khasra No. 686/6 Vill.- Khera, P.O. Pilkhuwa, Tehsil- Dhaulana, Distt- Hapur-245304 (U.P.)

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

CIN No. L23201DL2001PLC174076 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 Techno Engineering Limited

## Investor Presentation Q4 & FY19



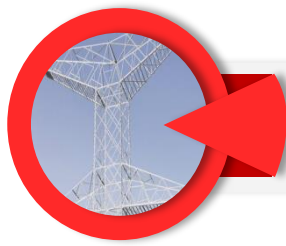


## Disclaimer

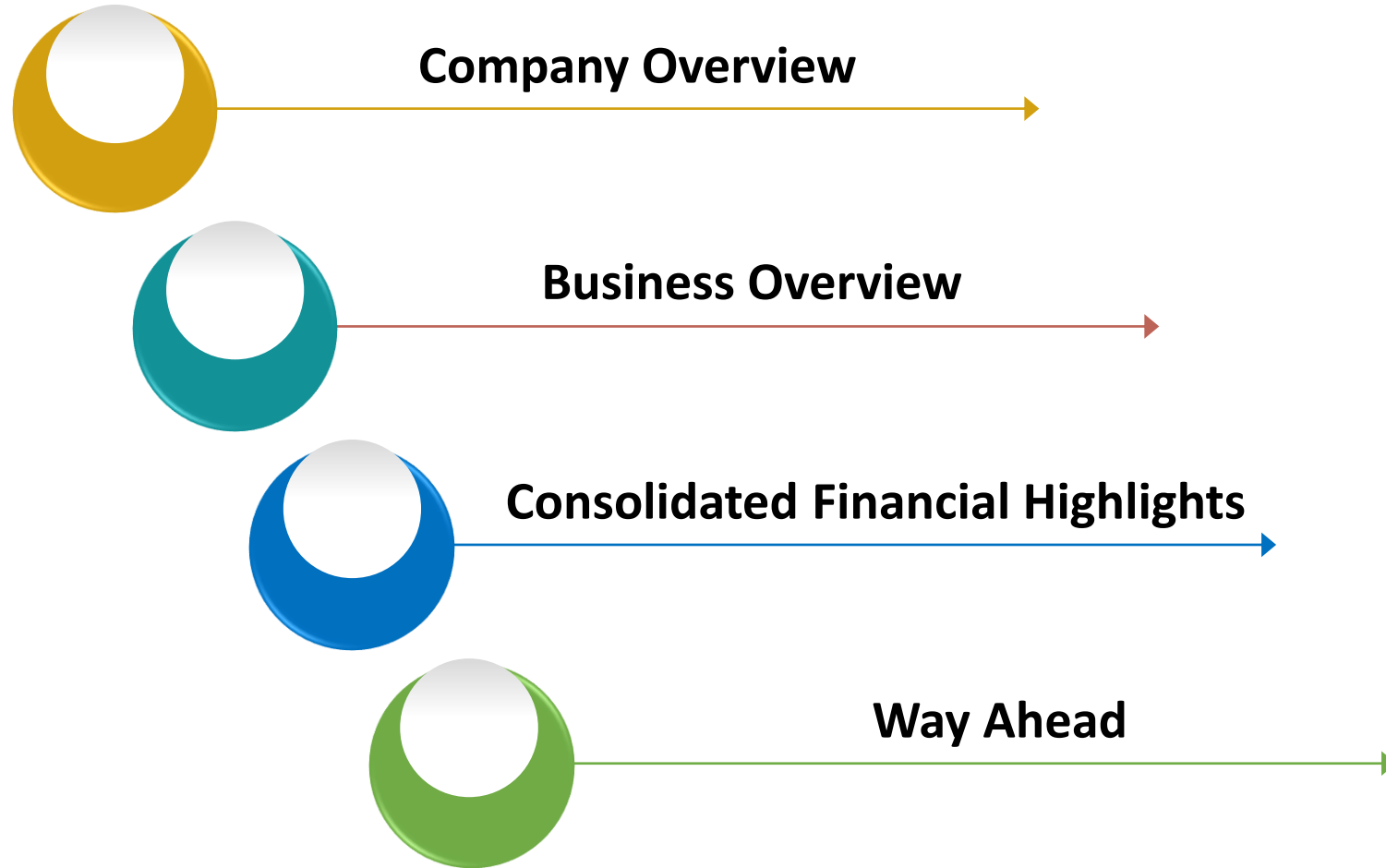
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# Table of Contents





## Company Overview





# About Us



Among Leading Manufacturers & Fabricators of Steel Structures in India

## Provider of Customized Infrastructure Solutions

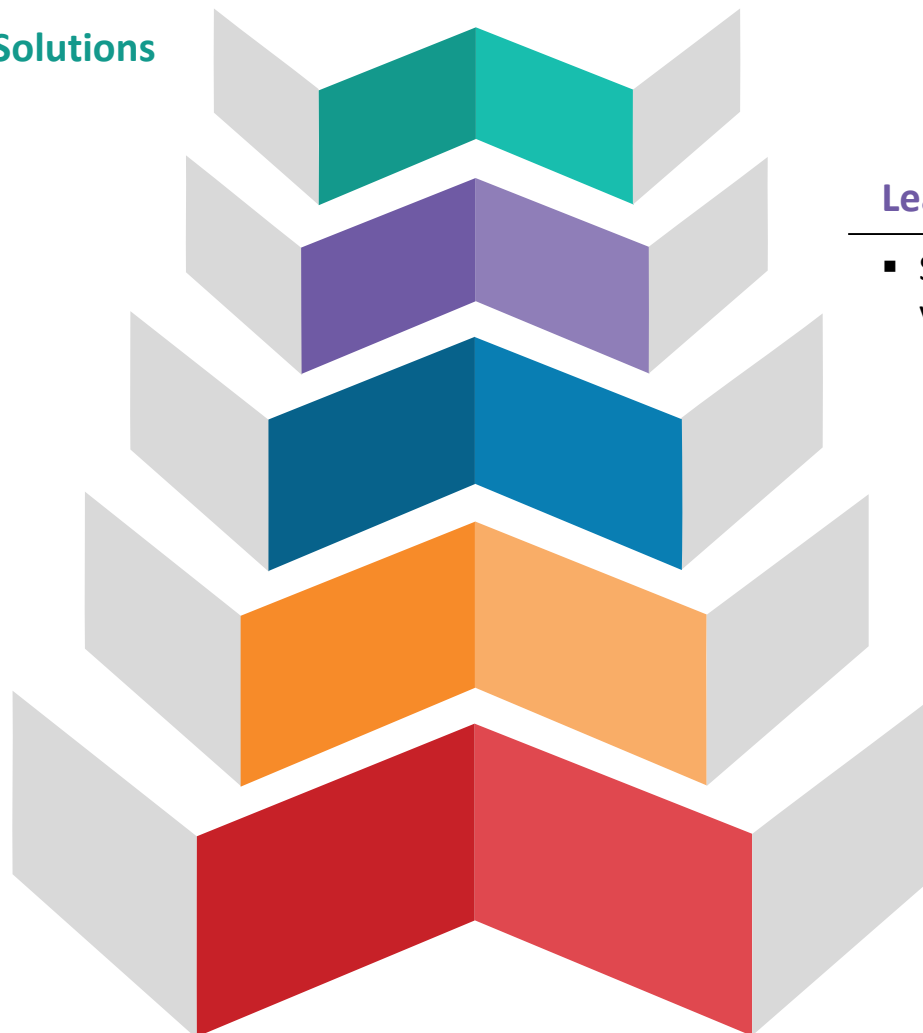
- Manufacturing and fabrication of steel structures for Telecom Towers, Transmission Towers, Substations Structures and Solar Module Mounting Structures

## 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

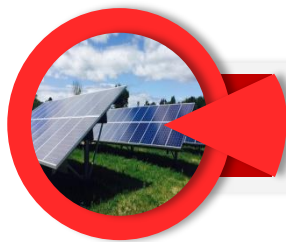


## Leading Manufacturer of Telecom Towers

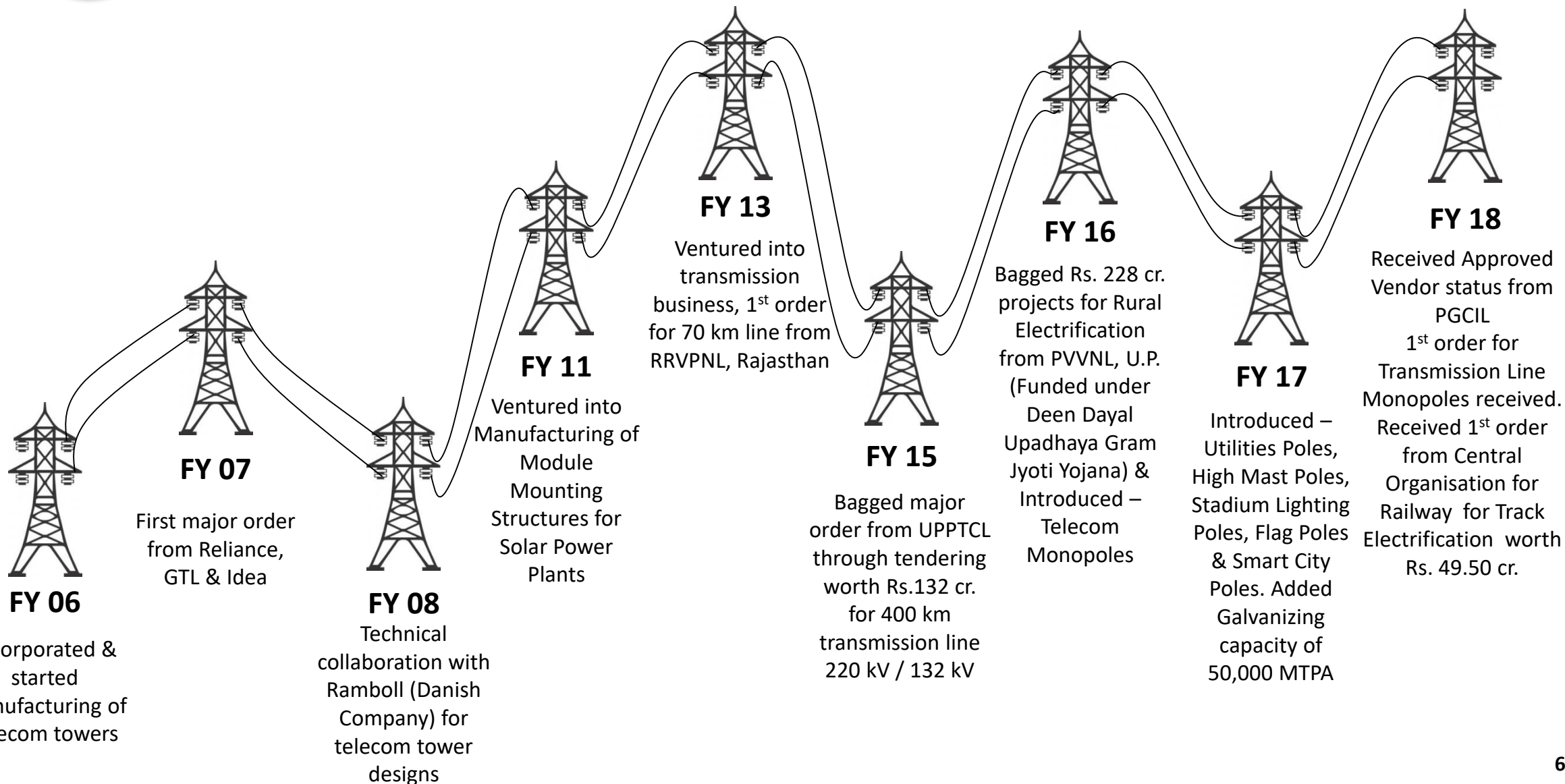
- Supplied more than 25,000 towers of various designs since inception

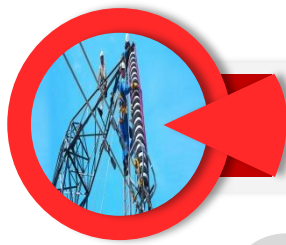
## Technical Tie-Up

- 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



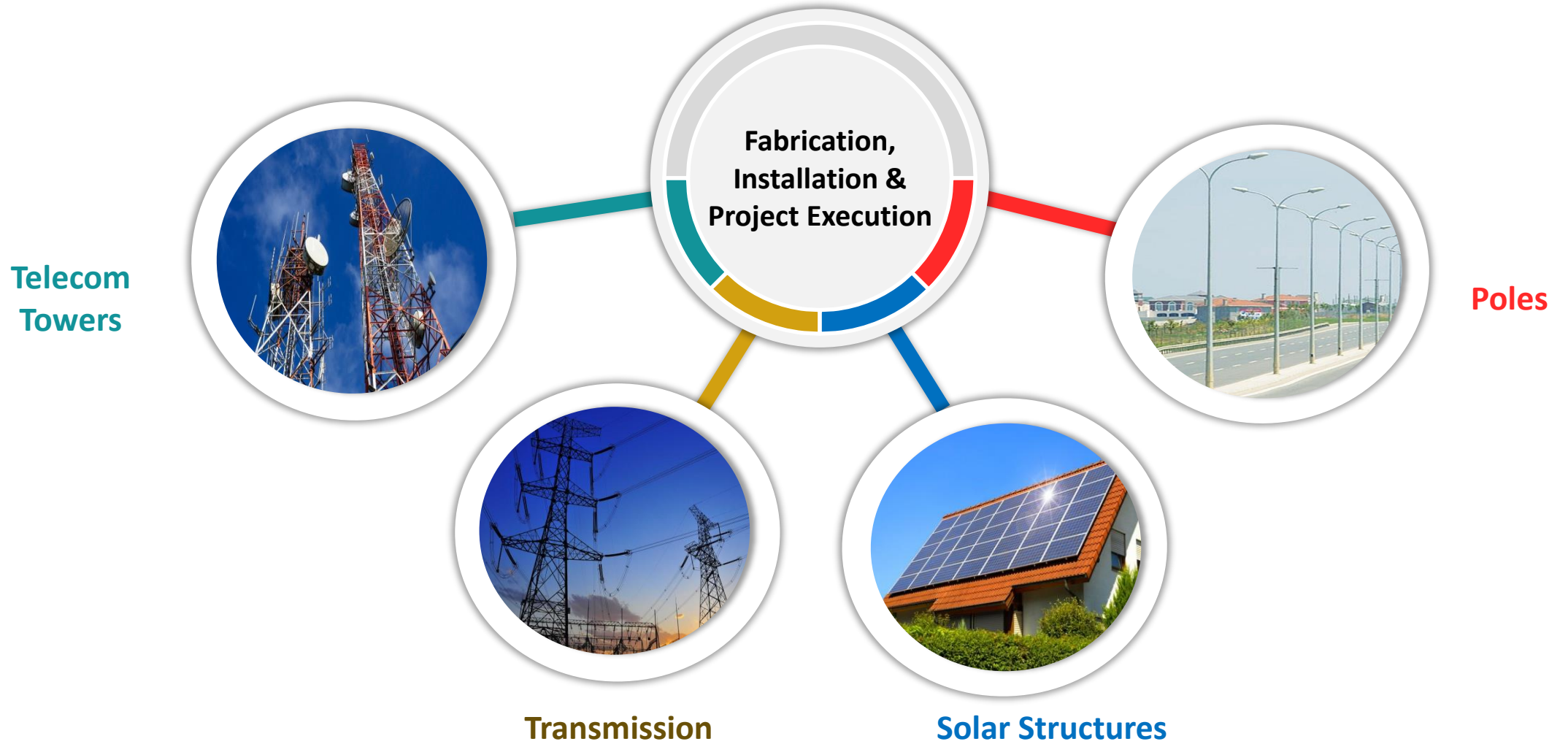


# Business Overview





# 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

**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)

## 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





# 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

**SALASAR**





**Consolidated  
Financial Highlights**





## Joint Managing Director's Message

**SALASAR**



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

*"I am happy to share that we have delivered another strong performance this year and registered a revenue growth of over 30% and EBITDA growth of over 35% in FY19. Each of our business segment has contributed to this robust growth. Our telecom business contributed 61% to the total revenue, backed by strong demand from telecom operators to develop new sites and increase their coverage area, whereas transmission business contributed nearly 31%. The 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. Railways electrification continues to remain a key growth segment and will remain a focus area for us.*

*During the year we have seen an increase in our working capital requirement on account of higher revenue growth resulting increase in short term borrowings. We remain focused on better and efficient utilisation of available resources thereby reducing the working capital requirement.*

*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"*



## Key Financial Highlights - Q4 FY19 (YoY)

**+28%**

Rs. 187.59 Cr

Revenue from Operations

**+45%**

Rs. 23.28 Cr

EBITDA

**+150bps**

12.41%

EBITDA Margin

**+7%**

Rs. 10.17 Cr

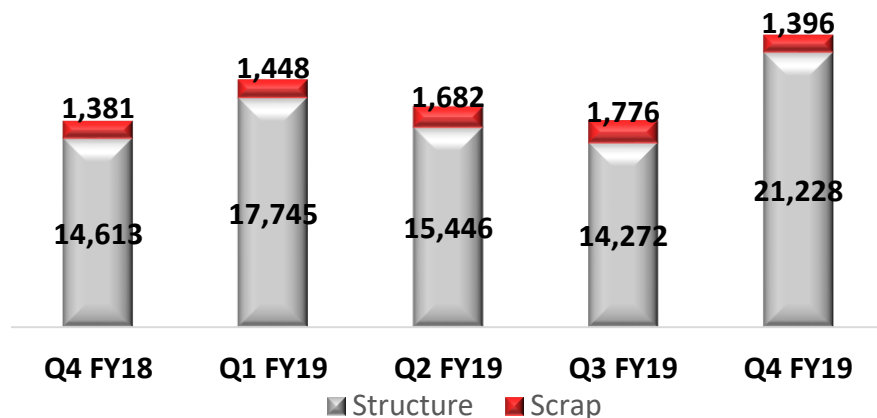
PAT

**Increase in execution of orders and higher volume**

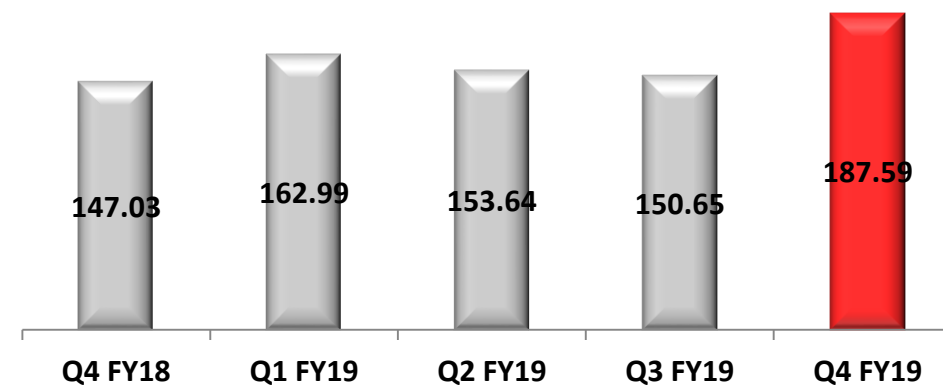


# Key Financial Highlights – Quarterly

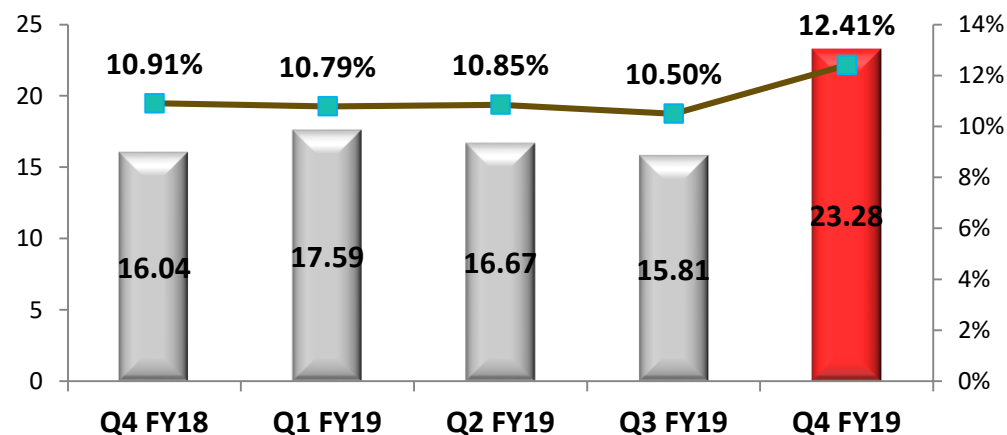
### Dispatch Volumes (tonnes)



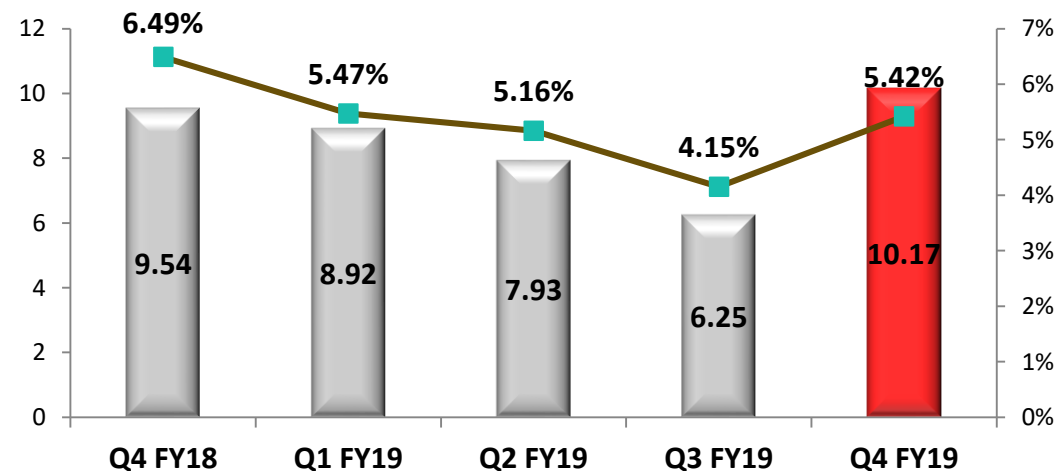
### Revenue from Operations (Rs. Crs)



### EBITDA (Rs. Crs) / Margin (%)



### PAT (Rs. Crs) / Margin (%)





## Q4 FY19 Financial Highlights

Rs. Cr	Q4 FY19	Q4 FY18	Y-o-Y(%)	Q3 FY19	Q-o-Q(%)
<b>Income from Operation</b>	187.59	147.03		150.65	
Excise Duty	0.00	0.00		0.00	
<b>Revenue from Operations</b>	<b>187.59</b>	<b>147.03</b>	<b>27.59%</b>	<b>150.65</b>	<b>24.52%</b>
Cost of Material Consumed	142.95	133.56		128.94	
Changes in Inventories, WIP	4.33	(17.42)		(7.20)	
<b>Raw Material Expenses</b>	<b>147.28</b>	<b>116.14</b>		<b>121.75</b>	
Employee Expenses	8.28	7.95		6.87	
Other Expenses	8.75	6.90		6.22	
<b>Total Expenditure</b>	<b>164.31</b>	<b>130.99</b>		<b>134.84</b>	
<b>EBITDA</b>	<b>23.28</b>	<b>16.04</b>	<b>45.18%</b>	<b>15.81</b>	<b>47.24%</b>
<b>EBITDA Margin</b>	<b>12.41%</b>	<b>10.91%</b>	<b>150 bps</b>	<b>10.50%</b>	<b>191 bps</b>
Other Income	0.13	0.81		0.34	
Depreciation	1.19	0.92		1.18	
Interest / Finance Cost	5.12	1.77		4.78	
Exceptional Item (Gain) / Loss	0.00	0.33		0.00	
<b>PBT</b>	<b>17.10</b>	<b>14.49</b>		<b>10.19</b>	
Tax	6.93	4.95		3.94	
<b>PAT</b>	<b>10.17</b>	<b>9.54</b>	<b>6.61%</b>	<b>6.25</b>	<b>62.81%</b>
<b>PAT Margin</b>	<b>5.42%</b>	<b>6.49%</b>	<b>(107 bps)</b>	<b>4.15%</b>	<b>127 bps</b>
<b>Basic EPS</b>	<b>7.66</b>	<b>7.80</b>		<b>4.70</b>	

- **Q4 FY19 Revenue growth of 27.59%** mainly driven by combination of increase in execution of orders and higher volumes
- **Q4 FY19 EBITDA growth of 45.18%**, mainly driven by increase in revenue and better utilization of resources



## Key Financial Highlights – FY19 (YoY)

**+32%**

**Rs. 654.88 Cr**

Revenue from Operations

**+36%**

**Rs. 73.36 Cr**

EBITDA

**+28 bps**

**11.20%**

EBITDA Margin

**+12%**

**Rs. 33.27 Cr**

PAT

**+3%**

**Rs. 25.04 vs Rs.**

**24.21 FY18**

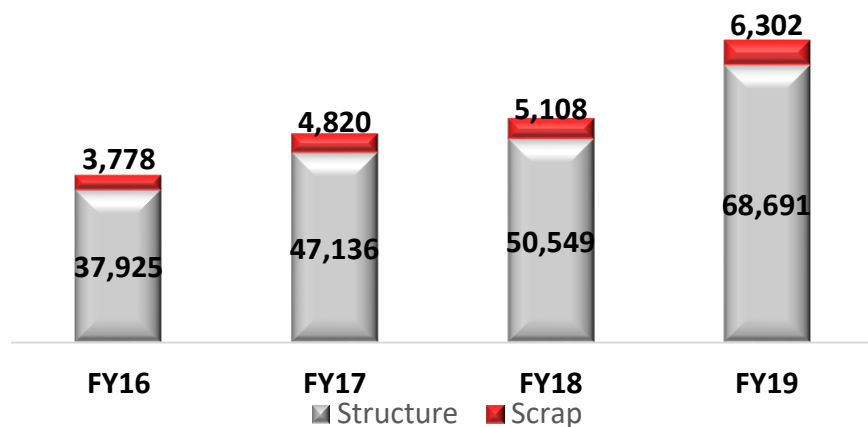
Basic EPS

**Delivered strong & consistent performance in telecom and transmission**

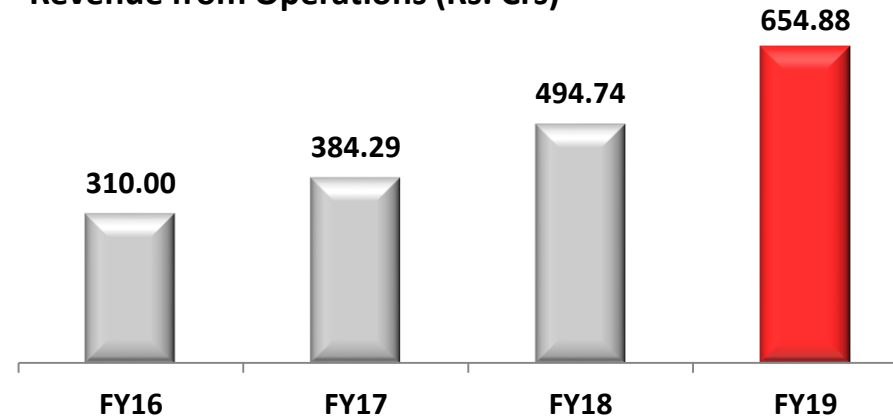


# Key Financial Highlights – Annual

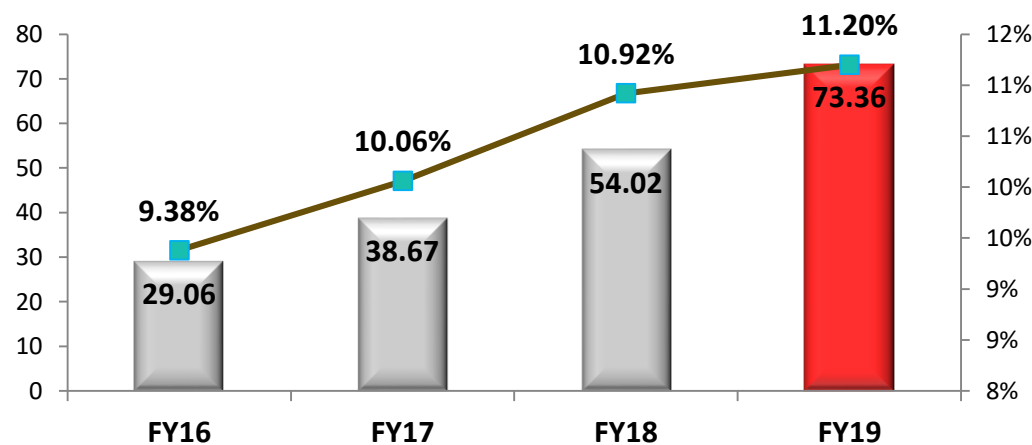
### Dispatch Volumes (tonnes)



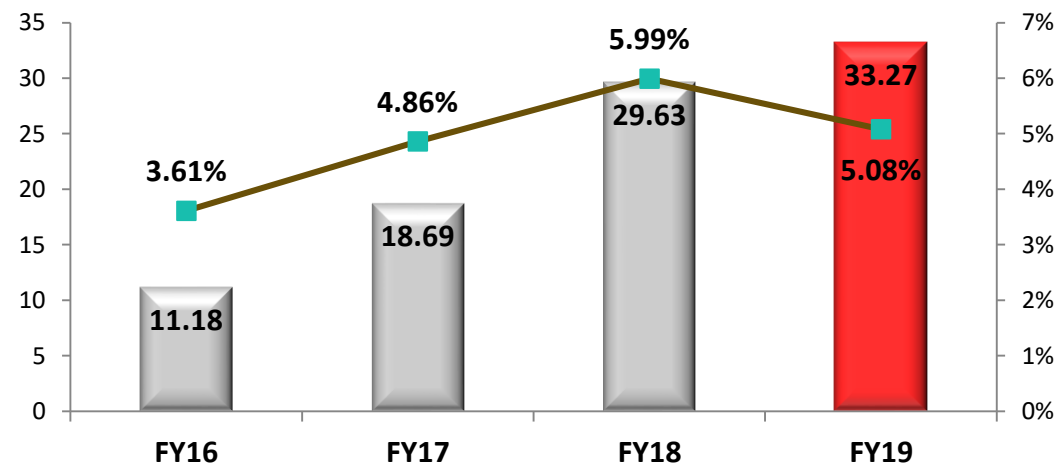
### Revenue from Operations (Rs. Crs)



### EBITDA (Rs. Crs) / Margin (%)



### PAT (Rs. Crs) / Margin (%)







# FY19 Financial Highlights

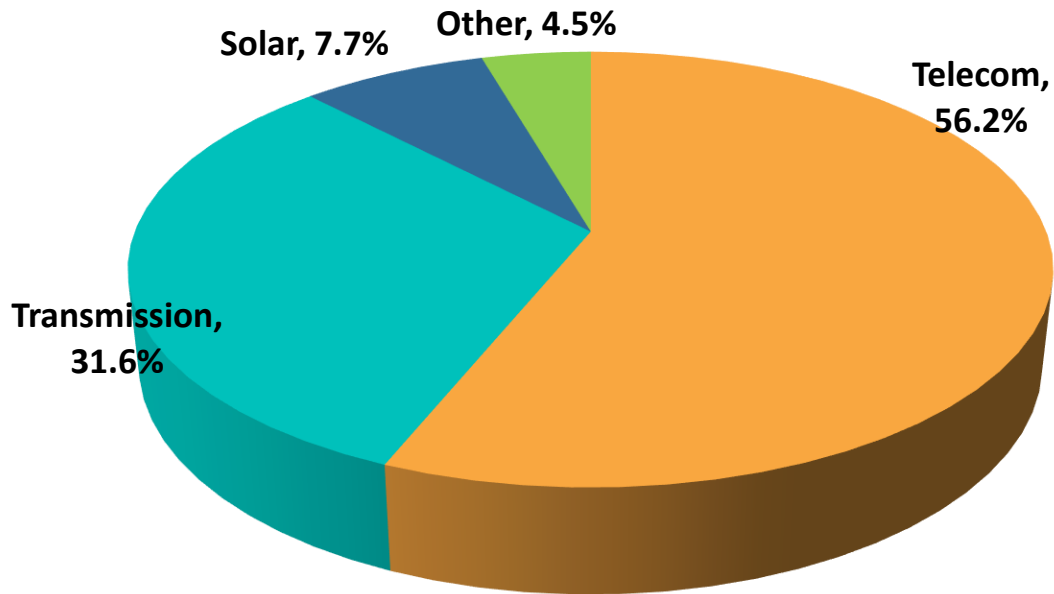
Rs. Cr	FY19	FY18	Y-o-Y(%)
<b>Income from Operation</b>	654.88	502.69	
Excise Duty	0.00	7.95	
<b>Revenue from Operations</b>	<b>654.88</b>	<b>494.74</b>	<b>32.37%</b>
Cost of Material Consumed	534.06	405.66	
Changes in Inventories, WIP	(8.04)	(19.01)	
<b>Raw Material Expenses</b>	<b>526.02</b>	<b>386.64</b>	
Employee Expenses	28.03	22.96	
Other Expenses	27.47	31.12	
<b>Total Expenditure</b>	<b>581.52</b>	<b>440.73</b>	
<b>EBITDA</b>	<b>73.36</b>	<b>54.02</b>	<b>35.81%</b>
<b>EBITDA Margin</b>	<b>11.20%</b>	<b>10.92%</b>	<b>28 bps</b>
Other Income	0.86	1.24	
Depreciation	4.60	3.86	
Interest / Finance Cost	16.32	8.42	
Exceptional Item (Gain) / Loss	0.00	0.26	
<b>PBT</b>	<b>53.30</b>	<b>43.23</b>	
Tax	20.03	13.61	
<b>PAT</b>	<b>33.27</b>	<b>29.63</b>	<b>12.30%</b>
<b>PAT Margin</b>	<b>5.08%</b>	<b>5.99%</b>	<b>(91 bps)</b>
<b>Basic EPS</b>	<b>25.04</b>	<b>24.21</b>	<b>3.43%</b>

- **FY19 Revenue growth of 32.37%** on account of timely execution of orders across segments and also from supply of structures for railway electrification (started from this year)
- **FY19 EBITDA growth of 35.81%**, on account of operational efficiencies and higher capacity utilization

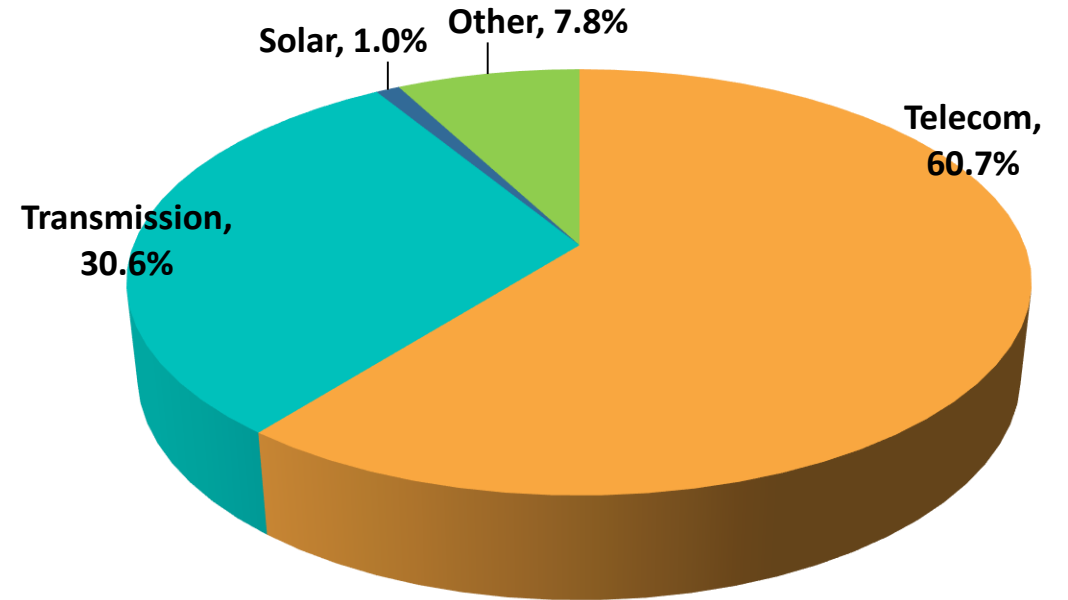


# FY19 Revenue Breakup – Business Verticals

**FY18**



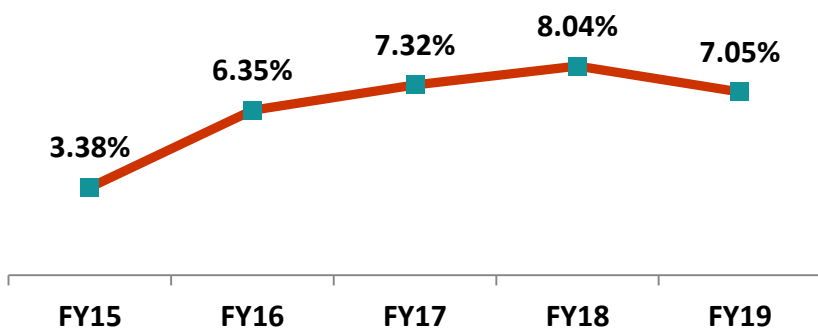
**FY19**



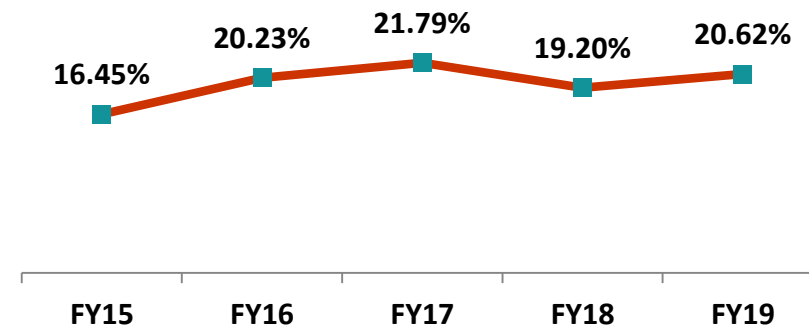


# Key Financial Ratios

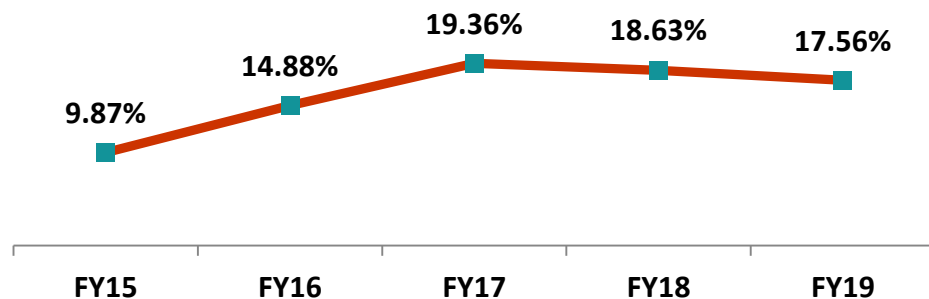
ROA (%)



RoCE (%)



RoE (%)



ROA= Net Profit / Total Assets; RoCE = EBIT/(Shareholders fund + long term borrowing + short term borrowing-Non current investment); RoE= Net Profit/ Net Worth  
Note - Numbers as per Ind AS guidelines



# Balance Sheet as on 31st Mar'19

Rs. Crs	Mar'19	Mar'18
<b>Equity</b>	<b>189.44</b>	<b>158.99</b>
Equity Share Capital	13.29	13.29
Other Equity	176.15	145.71
<b>Non-current liabilities</b>	<b>21.17</b>	<b>17.74</b>
<b>Financial Liabilities</b>		
(a) Borrowing	4.89	4.77
(b) Other Financial liabilities	9.26	8.29
Provisions	1.28	1.23
Deferred Tax Liabilities (Net)	5.10	1.97
Other Current Liabilities	0.63	1.47
<b>Current liabilities</b>	<b>261.53</b>	<b>191.60</b>
<b>Financial Liabilities</b>		
(a) Borrowings	145.39	104.25
(b) Trade Payables	58.27	32.01
(c) Other Financial Liabilities	0.27	0.20
Provisions	0.15	0.29
Other Current Liabilities	56.67	52.21
Current Tax Liabilities (Net)	0.79	2.63
<b>Total Equities &amp; Liabilities</b>	<b>472.13</b>	<b>368.33</b>

Rs. Crs	Mar'19	Mar'18
<b>Non-current assets</b>	<b>86.56</b>	<b>79.10</b>
Property, Plant and Equipment	77.30	71.71
Intangible Assets	0.00	0.00
Capital Work in Progress	0.00	1.08
<b>Financial Assets</b>		
Investments in JV	0.00	0.00
Other Financial Assets	9.27	6.31
<b>Current assets</b>	<b>385.57</b>	<b>289.23</b>
Inventories	117.93	89.01
<b>Financial Assets</b>		
Investments	2.05	0.41
Trade Receivables	217.24	151.62
Cash & Cash Equivalent	1.83	6.15
Bank Balance other than above	9.90	8.94
Other Financial Assets	9.42	9.48
Current Tax Assets	0.00	0.00
Other Current Assets	27.19	23.63
<b>Total Assets</b>	<b>472.13</b>	<b>368.33</b>



**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 :**

**Investor Relations Advisors :**

**Salasar Techno Engineering Limited**

**Bridge Investor Relations Pvt. Ltd.**

Mr. Pramod Kumar Kala - CFO  
[investor.relations@salasartechno.com](mailto:investor.relations@salasartechno.com)

Mr. Amit Sharma  
[amit@bridge-ir.com](mailto:amit@bridge-ir.com)

Mr. Smit Shah  
[smit@bridge-ir.com](mailto:smit@bridge-ir.com)

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