

Dated: 13.11.2019

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
---	---

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, 2019, for your record and further dissemination.

Kindly take the same on record.

Thanking You,

Yours Sincerely

For **Salasar Techno Engineering Limited**
Pramod Kumar Kala
(Chief Financial Officer)

CIN No. - L23201DL2001PLC174076



Unit 1- Khasra 265, 281-283, Parsaun-Dasna, Jindal Nagar, Distt. Hapur-201313
Unit 2- Khasra 1184,1185, Khera, Pilkhuwa, Tehsil Dhaulana, Distt. Hapur-245304
Unit 3- Khasra 686/6, Khera, Pilkhuwa, Tehsil Dhaulana, Distt. Hapur-245304
Office- KL-46, Kavi Nagar, Ghaziabad-201002
Regd Office- E-20, South Extension 1, New Delhi-110049

www.salasartechno.com

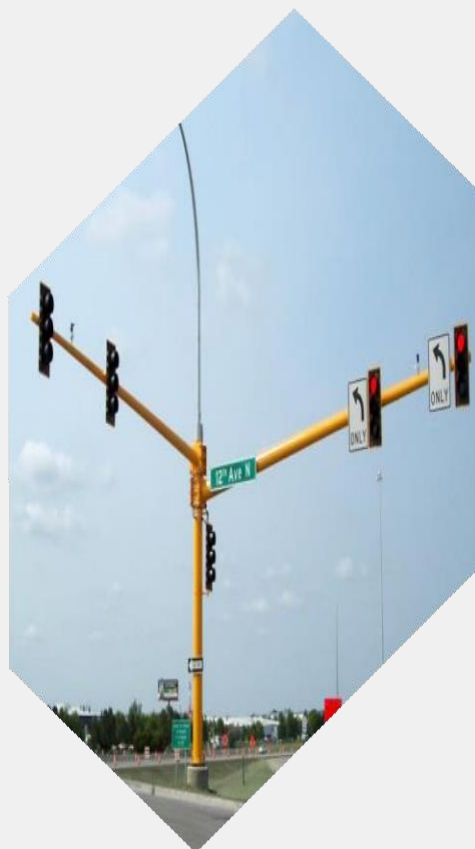
+91 8938802180, 7351991000
+91 120 6546670
Fax: +91 11 45823834



towers@salasartechno.com
marketing@salasartechno.com

Salasar Techno Engineering Limited

Investor Presentation H1 & FY20





Disclaimer

This presentation has been prepared by Salasar Techno Engineering Limited (the “Company”) solely for information purposes and does not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment what so ever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

Certain matters discussed in this Presentation may contain statements regarding the Company’s market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the company’s ability to successfully implement its strategy, the Company’s future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company’s market preferences and its exposure to market risks, as well as other risks. The Company’s actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections.

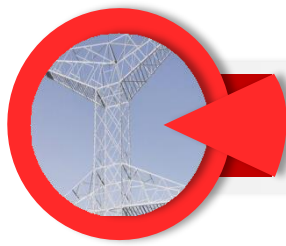
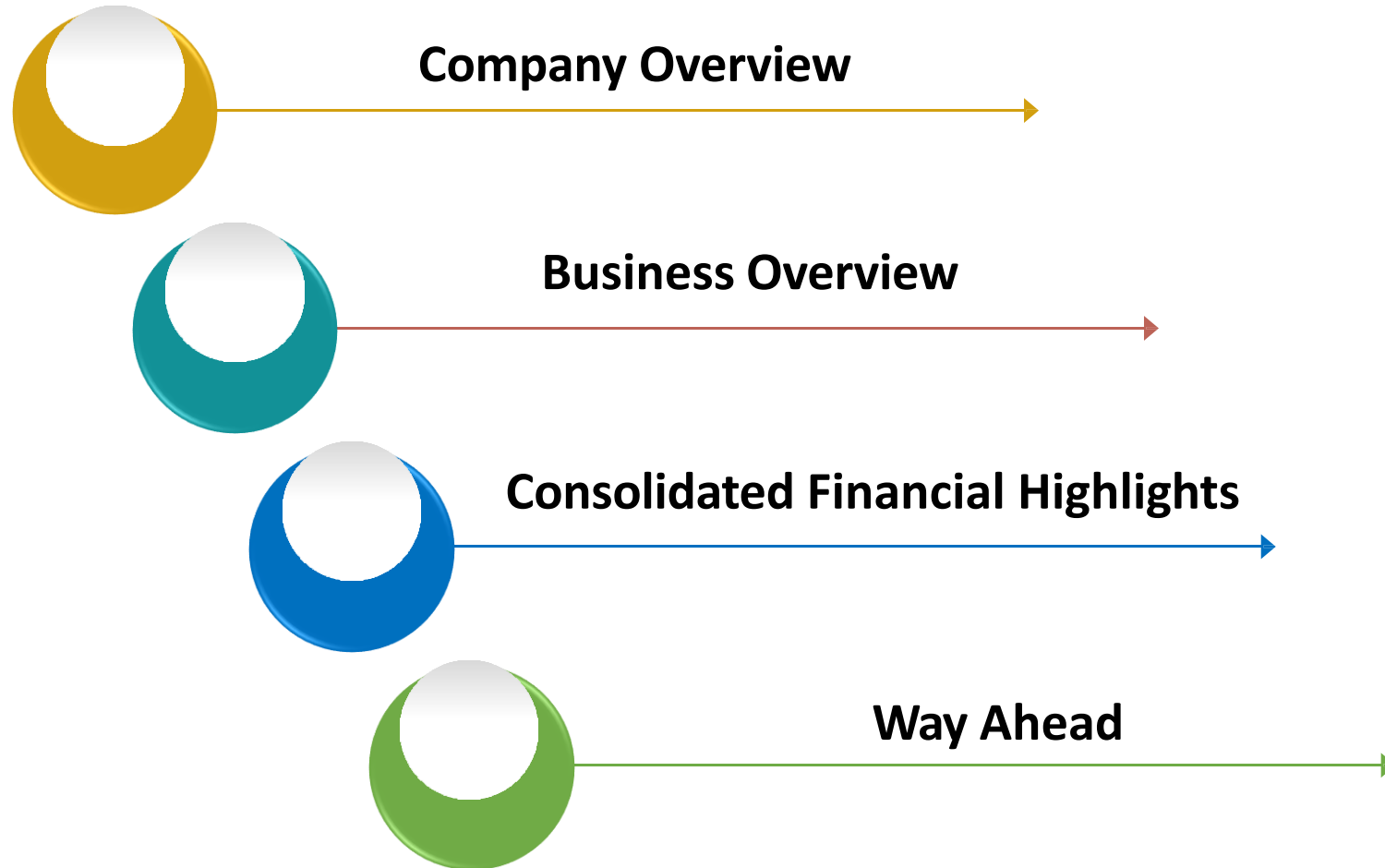


Table of Contents





Company Overview





About Us

Among Leading Manufacturers & Fabricators of Steel Structures in India

Provider of Customized Infrastructure Solutions

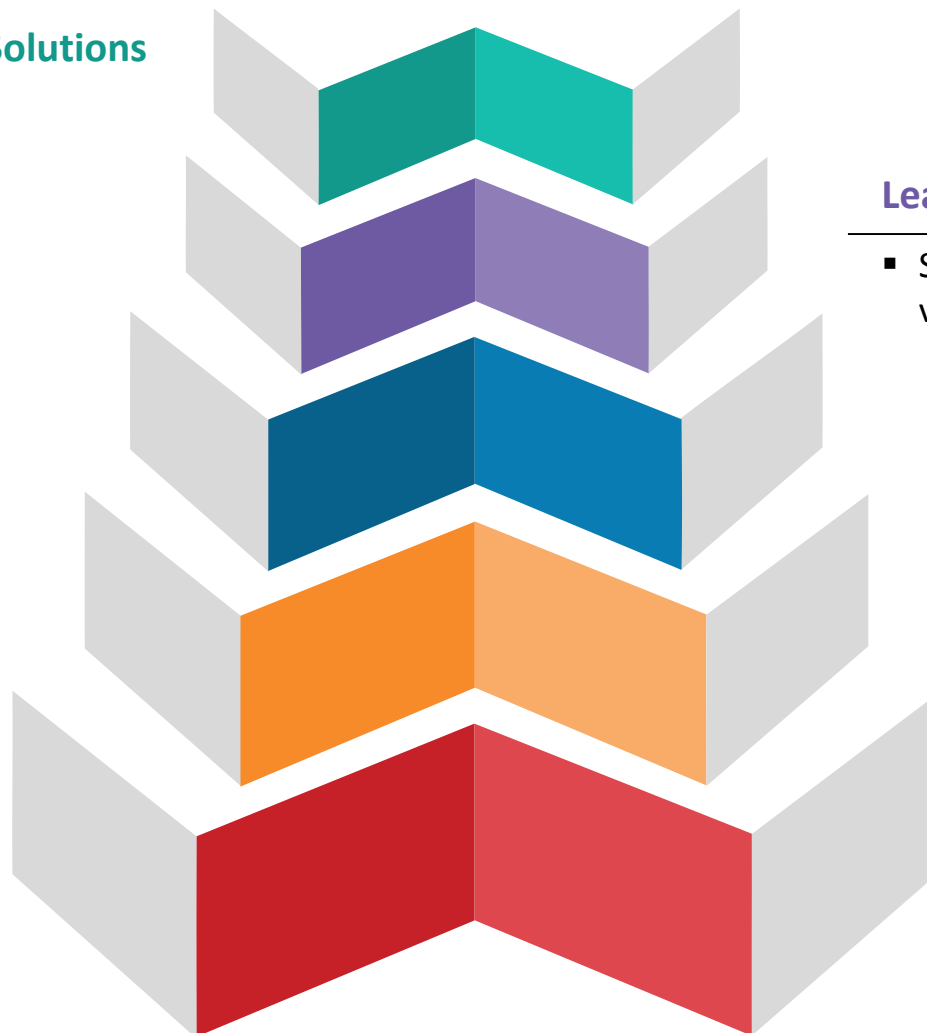
- Manufacturing and fabrication of steel structures for Telecom Towers, Transmission Towers, Substations Structures and Solar Module Mounting Structures

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

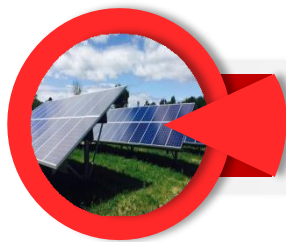


Leading Manufacturer of Telecom Towers

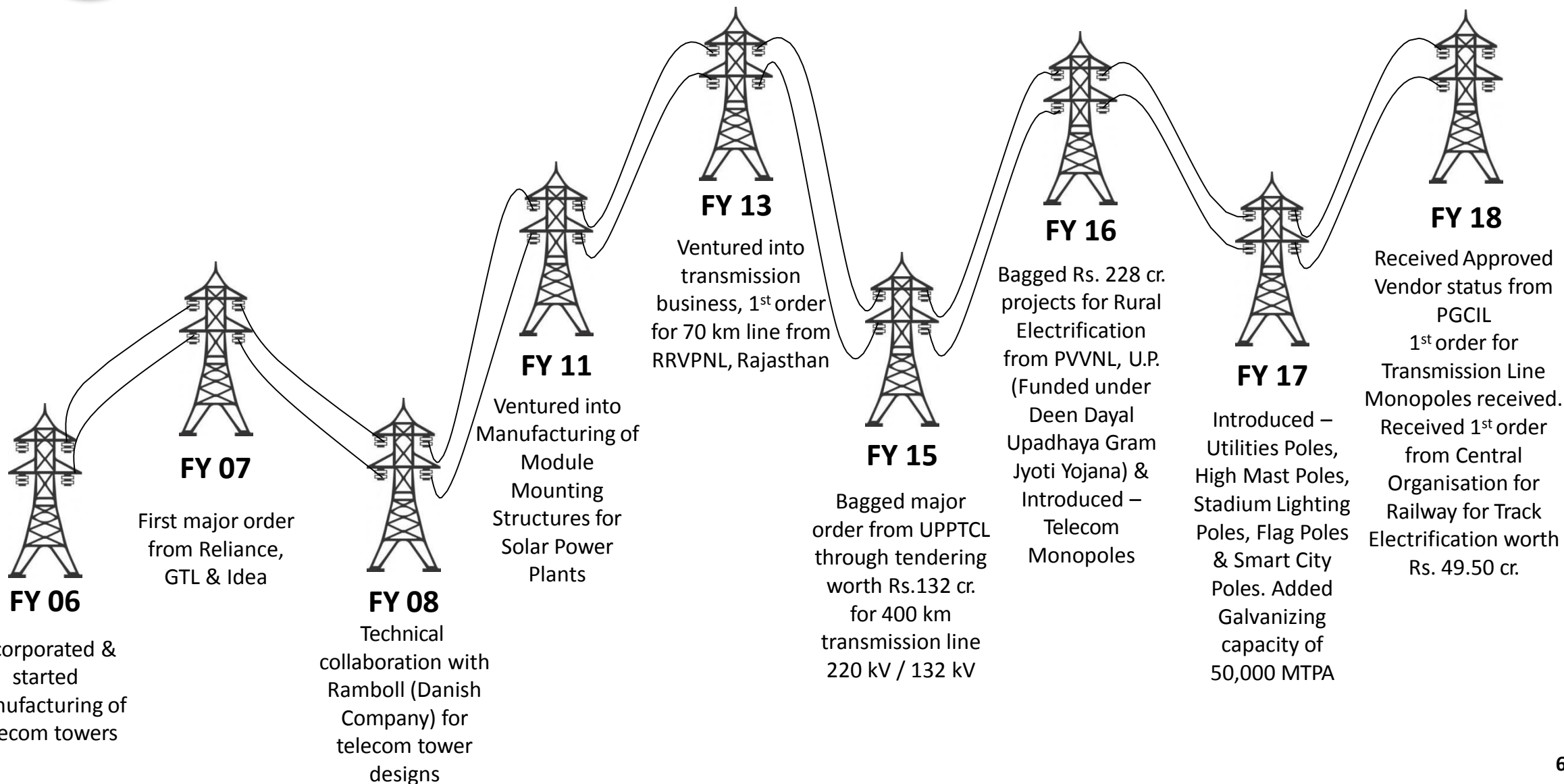
- Supplied more than 25,000 towers of various designs since inception

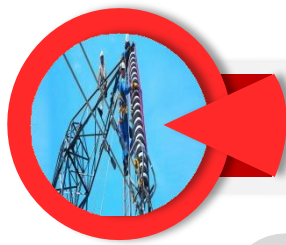
Technical Tie-Up

- 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

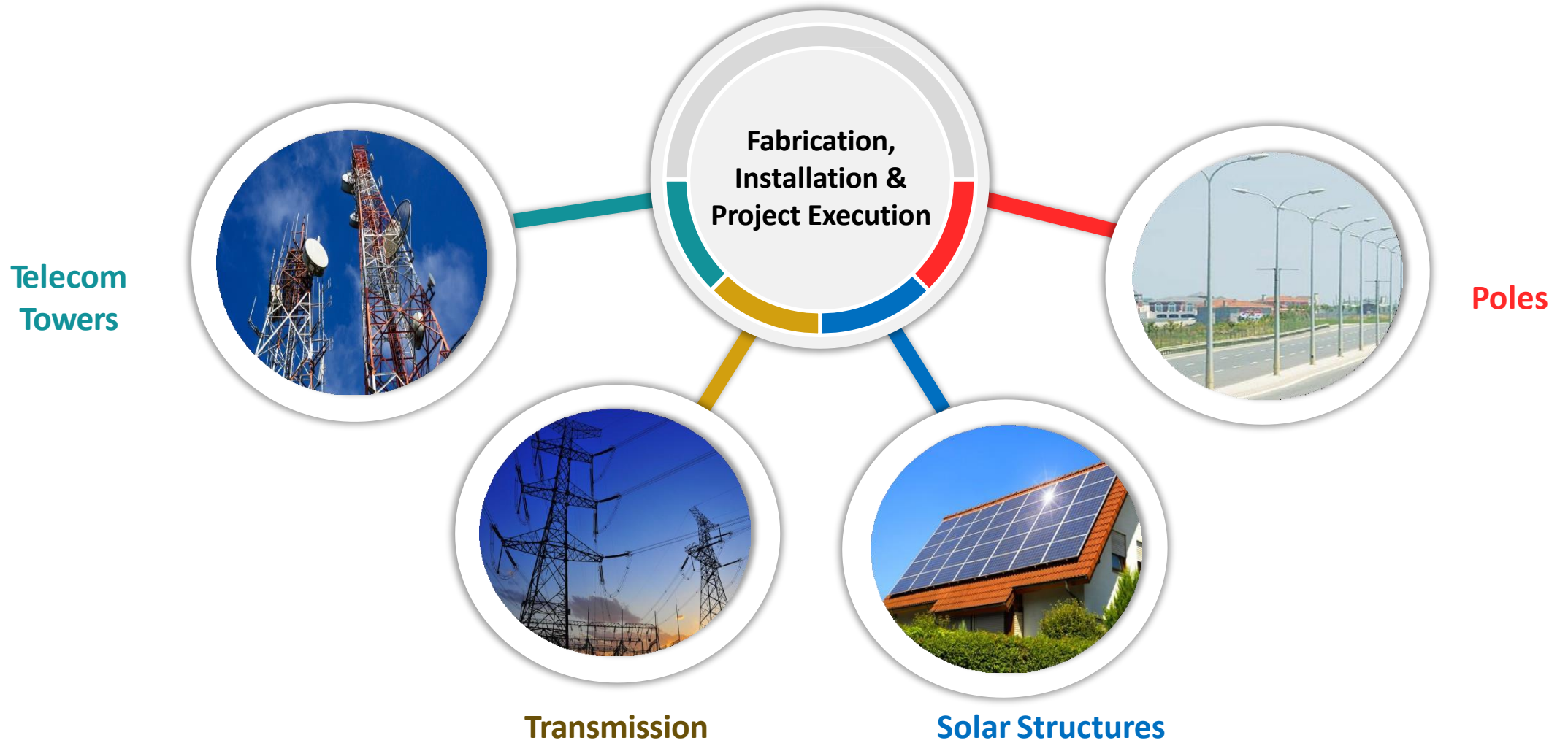


Business Overview





Business Verticals





Product Portfolio

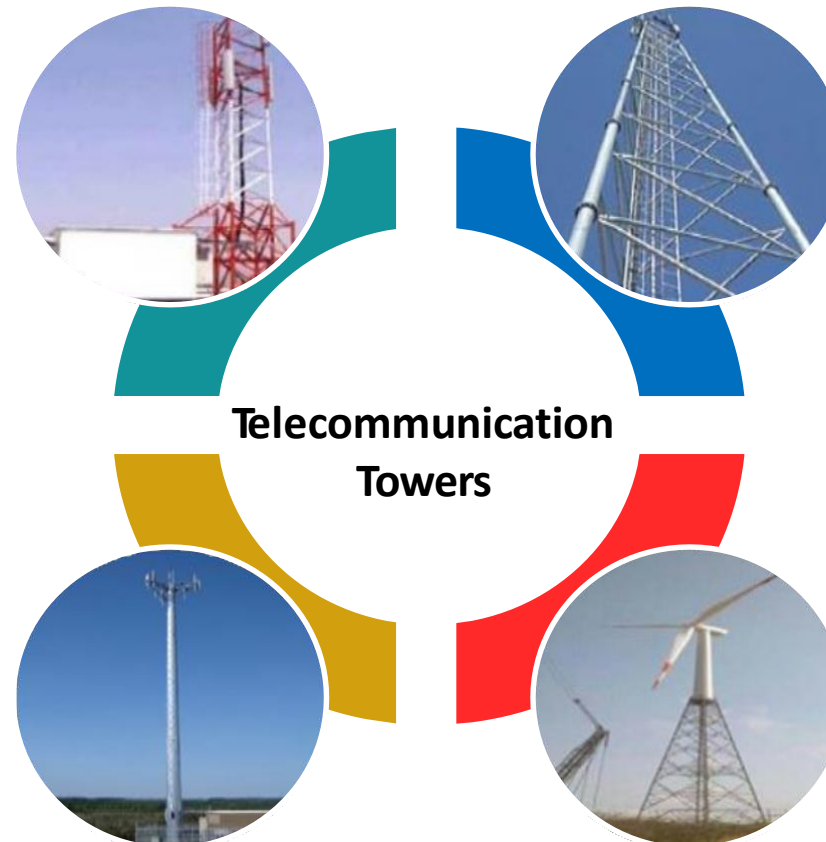
- **Customized Galvanized and Non-galvanized steel structures**
 - ✓ Process of applying protective zinc coating to steel or iron, to prevent rusting
 - ✓ Forms zinc coating - serves as sacrificial anode and protects base metal from corroding

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



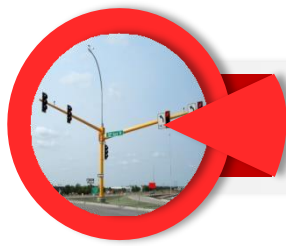
Feeder Segregation and Rural Electrification

- 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



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



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 Sep 2019. Our telecom business contributed 59%, whereas transmission business contributed nearly 34 %. 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.

Even though there was overall slow down in the economy we have been able to maintain the sales which is almost equal to the last year Q2 sales.

We envisaged good growth from telecom sector due to 5G expansion and strengthening of 4G network but some how it has not actually turned into numbers this quarter as was expected and the third quarter also seems to be almost same mainly because of prevailing economic condition.

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 – Q2 FY20 (YoY)

Rs. 153.14 Cr

Revenue from Operations

Rs. 15.90 Cr

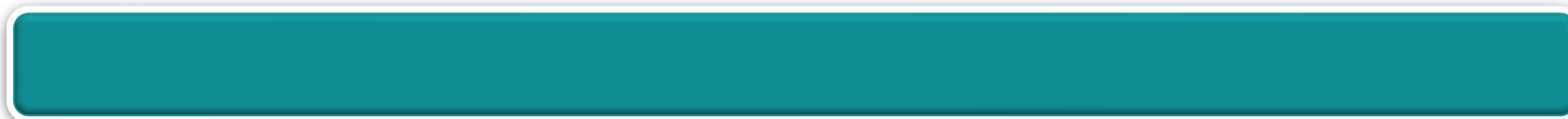
EBITDA

10.38%

EBITDA Margin

Rs. 9.32Cr

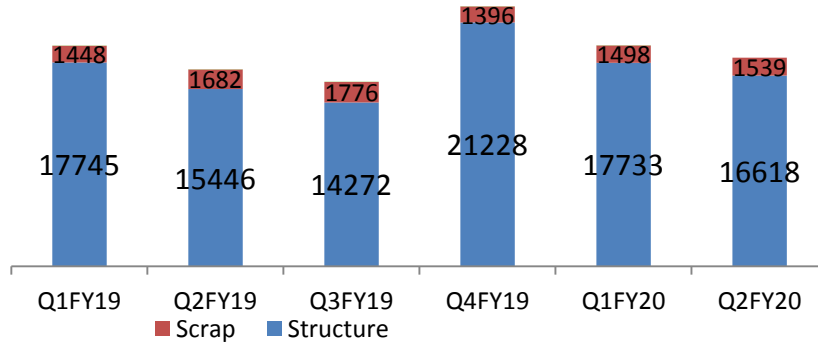
PAT



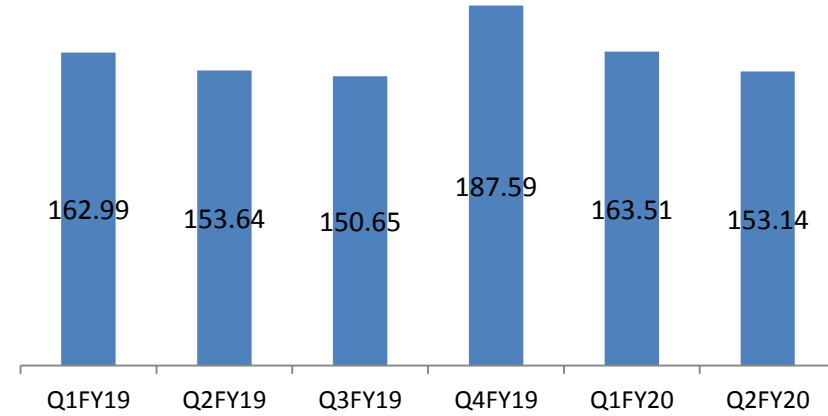


Key Financial Highlights - Quarterly

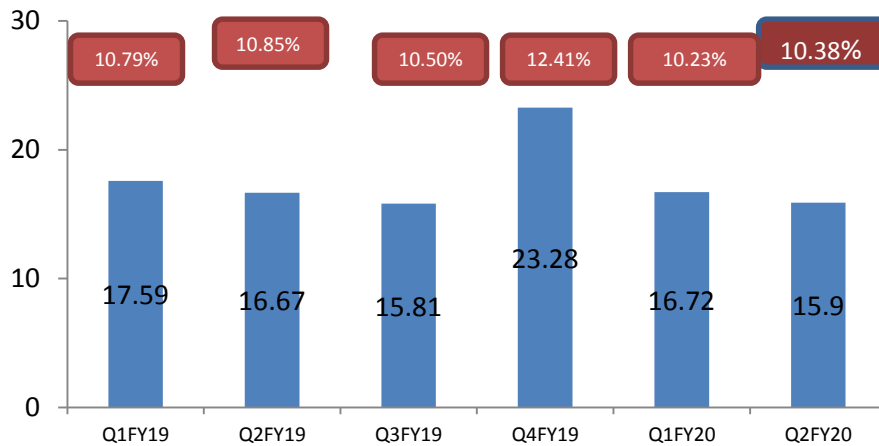
Dispatch Volumes (MT)



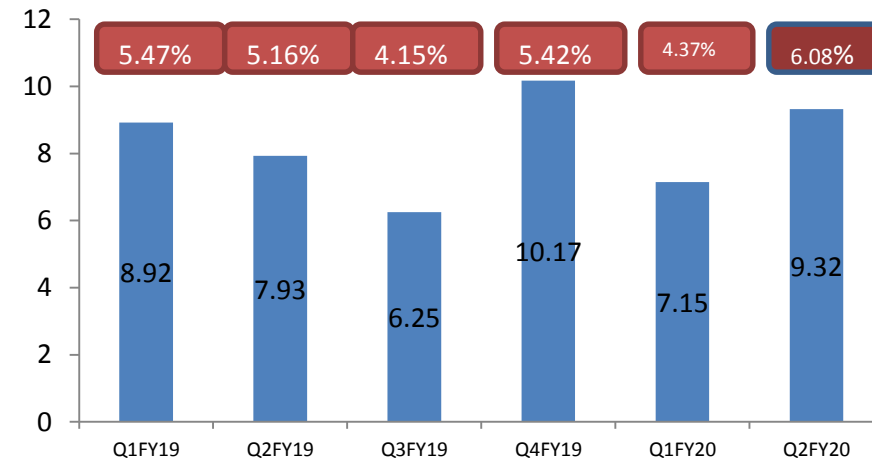
Revenue from Operations (Rs. Crs)



EBITDA (Rs. Crs) / Margin (%)



PAT (Rs. Crs) / Margin (%)





Q2 FY20 Financial Highlights

Particulars (Rs. Cr.)	Q2 FY20	Q2 FY19	Q1 FY20
Income from Operation	153.14	153.64	163.51
Excise Duty	0.00	0.00	0.00
Revenue from Operations	153.14	153.64	163.51
Cost of Material Consumed	101.03	123.67	142.31
Changes in Inventories	20.98	0.15	-10.64
Raw Material Expenses	122.01	123.82	131.67
Employee Expenses	7.71	6.55	7.21
Manufacturing & Operating Cost	0.00	0.00	0.00
Other Expenses	7.52	6.61	7.91
Total Expenditure	137.24	136.97	146.79
EBITDA	15.90	16.67	16.72
EBITDA Margin	10.38%	10.85%	10.23%
Other Income	0.17	0.18	0.25
Depreciation	1.24	1.15	1.20
Interest / Finance Cost	5.68	3.39	4.57
Exceptional Item (Gain) / Loss	0.00	0.00	0.00
PBT	9.15	12.31	11.20
Tax	-0.17	4.38	4.05
PAT	9.32	7.93	7.15
PAT Margin	6.09%	5.16%	4.37%
EPS	7.02	5.97	5.38



Key Financial Highlights – H1FY20

Rs. 316.65 Cr

Revenue from Operations

Rs. 32.62Cr

EBITDA

10.30%

EBIDTA Margin

Rs. 16.47 Cr

PAT

Delivered strong & consistent performance in telecom and transmission



H1 FY20 Financial Highlights

Particulars (Rs. Cr.)	H1FY20	H1FY19
Income from Operation	316.65	316.64
Excise Duty	0.00	0.00
Revenue from Operations	316.65	316.64
Cost of Material Consumed	243.34	262.17
Changes in Inventories	10.34	-5.17
Raw Material Expenses	253.68	256.99
Employee Expenses	14.92	12.88
Manufacturing & Operating Cost	0.00	0.00
Other Expenses	15.43	12.50
Total Expenditure	284.03	282.37
EBITDA	32.62	34.26
EBITDA Margin	10.30%	10.82%
Other Income	0.42	0.40
Depreciation	2.44	2.23
Interest / Finance Cost	10.25	6.41
Exceptional Item (Gain) / Loss	0.00	0.00
PBT	20.35	26.02
Tax	3.88	9.16
PAT	16.47	16.85
PAT Margin	5.20%	5.32%
EPS	12.40	12.68



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 :

Salasar Techno Engineering Limited

Mr. Pramod Kumar Kala - CFO

investor.relations@salasartechno.com

www.salasartechno.com
