

Dated: 11.02.2019

To,

| | |
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| 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

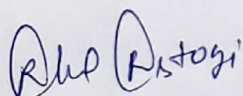
Dear Sir/Madam

Please find attached herewith Investor Presentation of the Company w.r.t. Financial Results of the Company for quarter and nine months ended 31st December, 2018, 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)

SALASAR TECHNO ENGINEERING LTD.

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Ph.: +91 8938802180 / 7351991000 Fax : +91-11- 15823834

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

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

Salasar Techno Engineering Limited

**Q3 & 9M FY19
Result Update Presentation**





Disclaimer



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Disclaimer

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Consolidated Financial Highlights

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Company Overview

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Business Overview

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Industry Overview

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Way Ahead



Consolidated Financial Highlights

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

“This nine months FY19 we have been able to deliver a growth of 34% in our revenues. Our telecom business has contributed more than 61% backed by strong demand from telecom operators to develop new sites and increase their coverage area. Also, our transmission business has contributed 29% towards the revenue.

We believe we are well positioned to capitalize on opportunities in the industry and will be able to increase our market share progressively. At the same time, investments in electrification of railways will help companies like ours to continuously improve and perform better with lot of opportunities opening up going ahead. We are confident of maintaining this current growth momentum in our revenues and have a strong visibility of order over the next few quarters.

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”



Consolidated Financial Highlights – 9M FY19 (YoY)

SALASAR

+ 34%

Rs. 467.29 Cr

Revenue from Operations

+ 32%

Rs. 50.08 Cr

EBITDA

+ 16%

Rs. 23.10 Cr

PAT

+ 5%

Rs. 17.39 vs Rs. 16.48

9M FY18

Basic EPS*

Strong Performance driven by Telecom, Railway Overhead Electrification structure and EPC segments

***In accordance with the requirements of IND AS18, Revenue from operations for the period end is shown net of GST*

Consolidated Financial Highlights – Q3 FY19



| Rs. Cr | Q3 FY19 | Q3 FY18 | Y-o-Y(%) | 9M FY19 | 9M FY18 | Y-o-Y(%) |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Income from Operation | 150.65 | 131.01 | | 467.29 | 355.66 | |
| Excise Duty | 0.00 | 0.00 | | 0.00 | 7.95 | |
| Revenue from Operations | 150.65 | 131.01 | 14.99% | 467.29 | 347.71 | 34.39% |
| Cost of Material Consumed | 128.94 | 104.59 | | 391.11 | 272.10 | |
| Changes in Inventories, WIP | -7.20 | -2.13 | | -12.37 | -1.60 | |
| Raw Material Expenses | 121.75 | 102.46 | | 378.74 | 270.50 | |
| Employee Expenses | 6.87 | 4.89 | | 19.75 | 15.01 | |
| Other Expenses | 6.22 | 8.91 | | 18.72 | 24.22 | |
| Total Expenditure | 134.84 | 116.26 | | 417.21 | 309.73 | |
| EBITDA | 15.81 | 14.75 | 7.23% | 50.08 | 37.98 | 31.85% |
| EBITDA Margin | 10.50% | 11.26% | | 10.72% | 10.92% | |
| Other Income | 0.34 | 0.30 | | 0.73 | 0.43 | |
| Depreciation | 1.18 | 1.09 | | 3.41 | 2.94 | |
| Interest / Finance Cost | 4.78 | 2.43 | | 11.20 | 6.65 | |
| Exceptional Item (Gain) / Loss | 0.00 | 0.04 | | 0.00 | 0.01 | |
| PBT | 10.19 | 11.57 | | 36.20 | 28.82 | |
| Tax | 3.94 | 3.10 | | 13.10 | 8.66 | |
| PAT | 6.25 | 8.46 | | 23.10 | 20.16 | 14.58% |
| PAT Margin | 4.15% | 6.46% | | 4.94% | 5.80% | |
| Basic EPS | 4.70 | 6.92 | | 17.39 | 16.48 | 5.52% |

- **Q3 FY19 Revenue growth of 14.99%** on account of growth across telecom tower and transmission segment
- **Q3 FY19 EBITDA growth of 7.23%**, despite challenging scenario in raw material costs. Expenses of Rs 1.7 crore incurred in Q3FY19 mainly on account of technical and consultancy fees pertaining to pending orders to be executed in subsequent period
- **9M FY19 Revenue growth of 34%** on account of timely execution of orders across segments and also from supply of railway electrification structure – started from this year
- **9M FY19 EBITDA growth of 32%**, despite challenging raw material scenario and higher capacity utilization

**In accordance with the requirements of IND AS18, Revenue from operations for the period end is shown net of GST

Consolidated Balance Sheet as on 30th Sept'18



| Rs. Crs | Sept'18 | Mar'18 |
|---|---------------|---------------|
| Equity | 175.85 | 158.99 |
| Equity Share Capital | 13.29 | 13.29 |
| Other Equity | 162.56 | 145.71 |
| Non-current liabilities | 18.28 | 17.74 |
| Financial Liabilities | | |
| (a) Borrowing | 4.52 | 4.77 |
| (b) Other Financial liabilities | 8.71 | 8.29 |
| Provisions | 1.28 | 1.23 |
| Deferred Tax Liabilities (Net) | 2.73 | 1.97 |
| Other Current Liabilities | 1.05 | 1.47 |
| Current liabilities | 239.74 | 191.60 |
| Financial Liabilities | | |
| (a) Borrowings | 121.67 | 104.25 |
| (b) Trade Payables | 53.02 | 32.01 |
| (c) Other Financial Liabilities | 0.18 | 0.20 |
| Provisions | 0.28 | 0.29 |
| Other Current Liabilities | 63.05 | 52.21 |
| Current Tax Liabilities (Net) | 1.55 | 2.63 |
| Total Equities & Liabilities | 433.86 | 368.33 |

| Rs. Crs | Sept'18 | Mar'18 |
|-------------------------------|---------------|---------------|
| Non-current assets | 78.58 | 79.10 |
| Property, Plant and Equipment | 75.86 | 71.71 |
| Intangible Assets | 0.00 | 0.00 |
| Capital Work in Progress | 0.00 | 1.08 |
| Financial Assets | | |
| Investments in JV | 0.00 | 0.00 |
| Other Financial Assets | 2.72 | 6.31 |
| Current assets | 355.28 | 289.23 |
| Inventories | 106.83 | 89.01 |
| Financial Assets | | |
| Investments | 2.21 | 0.41 |
| Trade Receivables | 201.27 | 151.62 |
| Cash & Cash Equivalent | 1.80 | 6.15 |
| Bank Balance other than above | 13.71 | 8.94 |
| Other Financial Assets | 9.28 | 9.48 |
| Current Tax Assets | 0.00 | 0.00 |
| Other Current Assets | 20.18 | 23.63 |
| Total Assets | 433.86 | 368.33 |



Company Overview

Amongst Leading Manufacturers & Fabricators of Steel Structure in India

Focus on Innovative Products

Increased capacity from 50,000 MT to 1,00,000 MT

Installation of new Galvanizing Plant at its Unit III

**ISO 9001: 2015, 14001: 2015
OHSAS 18001: 2007 certified**

Provider of customised steel fabrication and infrastructure solutions in India

For Telecommunication Towers, Transmission Towers & Substation Structures and Solar Module Mounting Structures

Leading player in Telecom Tower Business

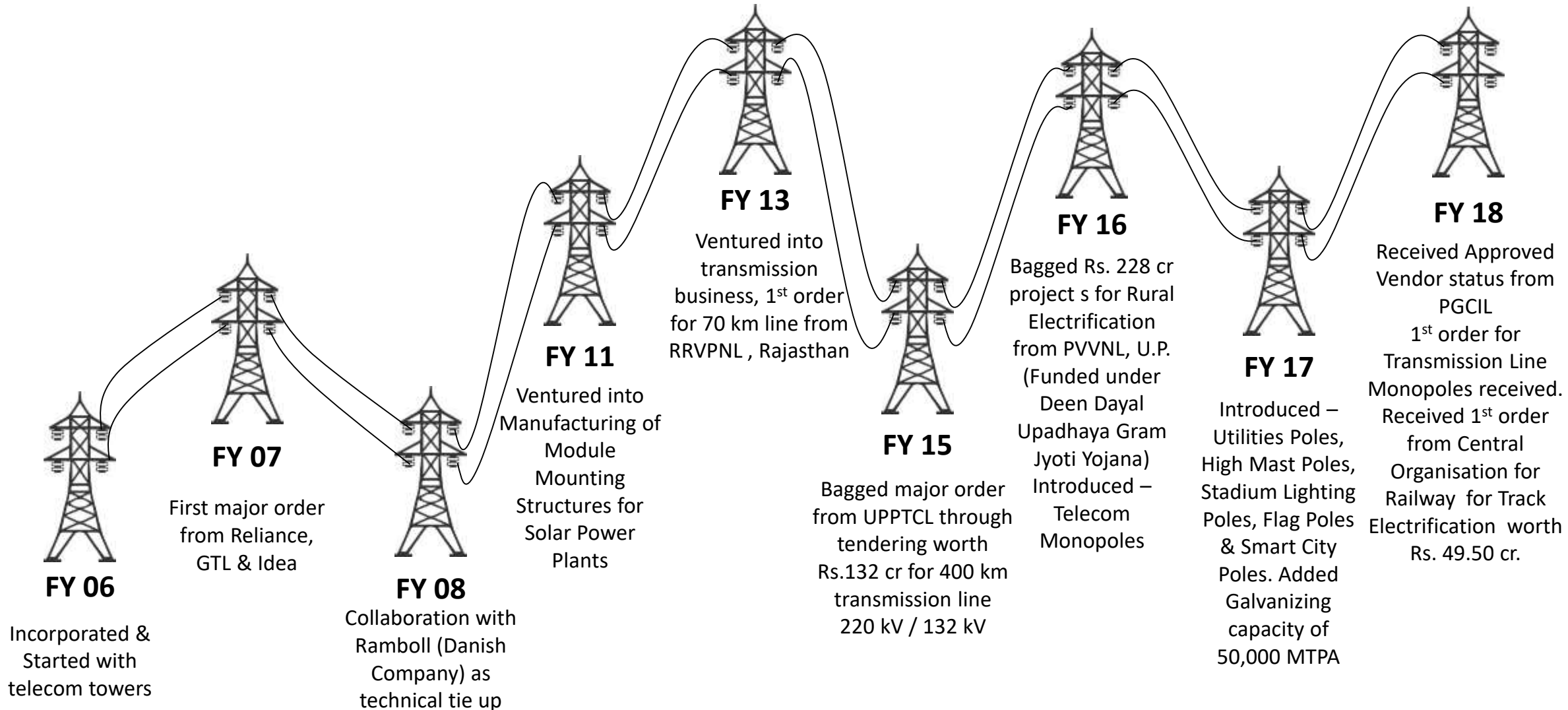
Supplied more than 25,000 towers of various designs of Angular, Tubular and Hybrid Ground Based Towers (GBT) and Roof Top Towers (RTT) since inception

One of India's face and manufacturing/fabrication partners

for Ramboll's technical expertise in Telecom towers structural design



Timeline



Management Team

SALASAR



Mr. Alok Kumar

Chairman & Managing Director

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



Mr. Shashank Agarwal

Jt. Managing Director

- B.E. (Mech.) from MIT, Manipal
- Has been President since takeover till August 2014
- Responsible for operations, sales & marketing of telecom towers and solar mounting structures



Mr. Shalabh Agarwal

Director

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



Ms. Tripti Gupta

Director

- MBA in Finance & Marketing from Institute of Management Technology, Nagpur
- More than 5 years of experience in strategic management, business development, policy making and 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 Verticals

Transmission



Solar Structures



Telecom Tower



Poles



EPC

Installation and Project Execution

- **Customized Galvanized and Non-galvanized steel structures**

- Process of applying a protective zinc coating to steel or iron, to prevent rusting
- Forms a coating of zinc which serves as a sacrificial anode and protects its base metal by corroding before iron

Telecommunication Towers



- **Angular** - Angular sections are preferred for most small towers with relatively light loads, mainly because of wide range of sizes, simple connections and low manufacturing cost



- **Tubular** - Lattice towers are usually made of bolted angles can be economic, especially when stresses are low enough to allow relatively simple connections
- Towers with tubular members may be less than half weight of angle towers because of reduced wind load on circular sections



- **Hybrid** - Hybrid towers are built for large sites that require independence from grid and employ an independent source of energy such as solar or wind power



- **Monopoles** - Designed as a single-pole that can be a tubular section design or a formed, tapered pole, they are least intrusive – making them most popular tower types in wireless communication industry



- **Transmission Towers and Substation Structures -**

Transmission line tower or power tower is tall structure, usually steel lattice tower, used to support overhead power line. They are used in high-voltage AC and DC systems, and come in wide variety of shapes and sizes



- **Solar Module Mounting Structures -** Solar module racking (also called Photovoltaic mounting systems) are used to fix solar panels on surfaces like roofs, building facades, or ground



- **Feeder Segregation and Rural Electrification –** Carrying out Rural Electrification projects under government through route mapping, feeder segregation and installation of transmission lines and substations



- **Lighting Poles for Smart Cities -** Lighting Pole is raised source of light on the edge of road or walk way to provide visibility in darkness made of steel



Smart Poles

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



Key Strengths

Strong Financial Capabilities

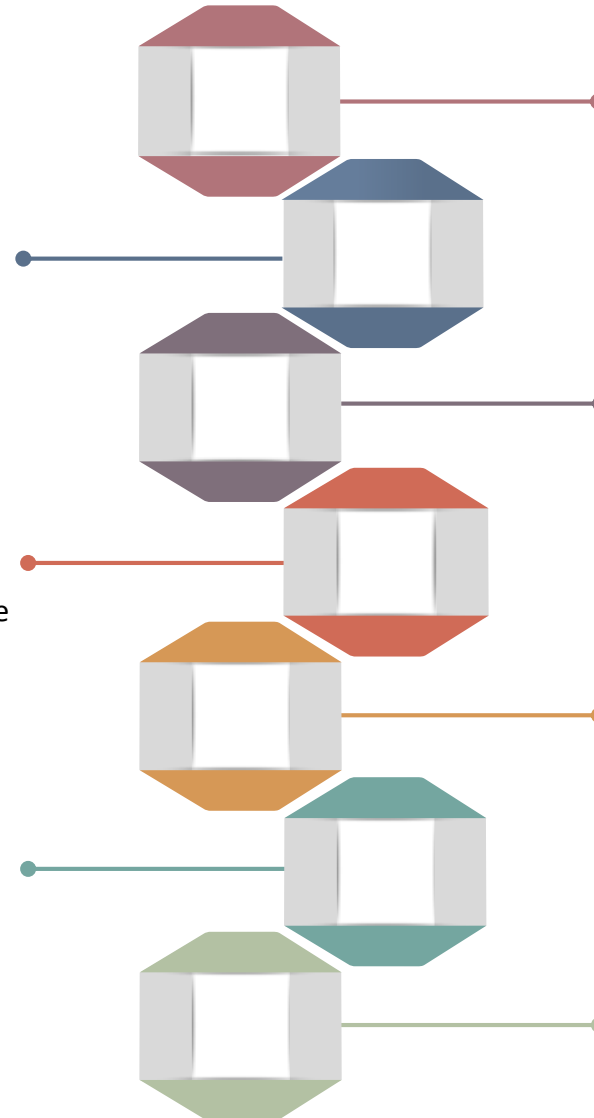
- Upward trend in EBITDA Margins
- Strong return ratios

State of the Art Infrastructure

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

Government Initiative

- Pre-qualified to bid for Rural Electrification projects
- Helps to Increase target market size



Partnership with Ramboll

- Manufacturing partner for Ramboll's technical expertise in Structural Design of Tubular Telecom Towers
- Ramboll market leader in innovative design & supply of tower solutions

Operational Excellence

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

Customer Centric

- Focus on attaining highest level of customer satisfaction

Experienced Management

- Significant experience in steel & allied industry and project management

State of the 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

- 3 state of the art manufacturing units
- Approximately 1,30,000 square yards in heart of National Capital Region's industrial hub
- Heavy overhead cranes and multiple Hydra equipment for seamless material loading and unloading
- 3 fully equipped in-house Galvanizing plants including 1 at Subsidiary unit
- Average Monthly Production capacity of 8,000 MT
- Fabrication equipment and installed machinery is regularly upgraded

Certifications



**Unit 1 ISO 14001:2015
Environmental Management
System**



**Unit 2 ISO 14001:2015
Environmental Management
System**



**Unit 1 ISO 9001:2015
Quality Management System**



**Unit 2 ISO 9001:2015
Quality Management System**

Awards & Recognitions

SALASAR



- Best Tower Partner award from Indus Towers for the period 2014-15
- Excellence thru Collaboration award from Indus in 2014
- Best Partners award from Bharti Infratel for the period 2014-15
- One of the Top PAN India Tower Supplier in VIOM and ATC

Bouquet of Satisfied Customers

SALASAR





Industry Overview



Industry Overview

Strong economic fundamentals

- Supported by strong government reforms
- RBI's inflation focus supported by benign global commodity prices

Robust Growth Potential

- Forecasted growth of 8 % on an average from fiscal 2016 to 2020
- Powered by greater access to banking, technology adoption, urbanisation and other structural reforms

Government Initiatives

- Create 100 smart cities
- With modern infrastructure and digital connect

Strong Prospects for Telecom Industry

- Expected to create a total economic value of Rs 14 trillion (US\$ 217.37 billion) by the year 2020
- Rise in mobile-phone penetration and decline in data costs will add 500 million new internet users in India over the next five years, creating opportunities for new businesses
- Indian telecommunication services market will grow by 10.3 % Y-o-Y to reach US\$ 103.9 billion by 2020
- Leading player in virtual world by having 700 million internet users of 4.7 billion global users
- The Government of India also plans to auction 5G spectrum
- It is expected that data consumption per person will increase to 200GB from current 2GB per month by 2020

Strong Prospects for Power Industry

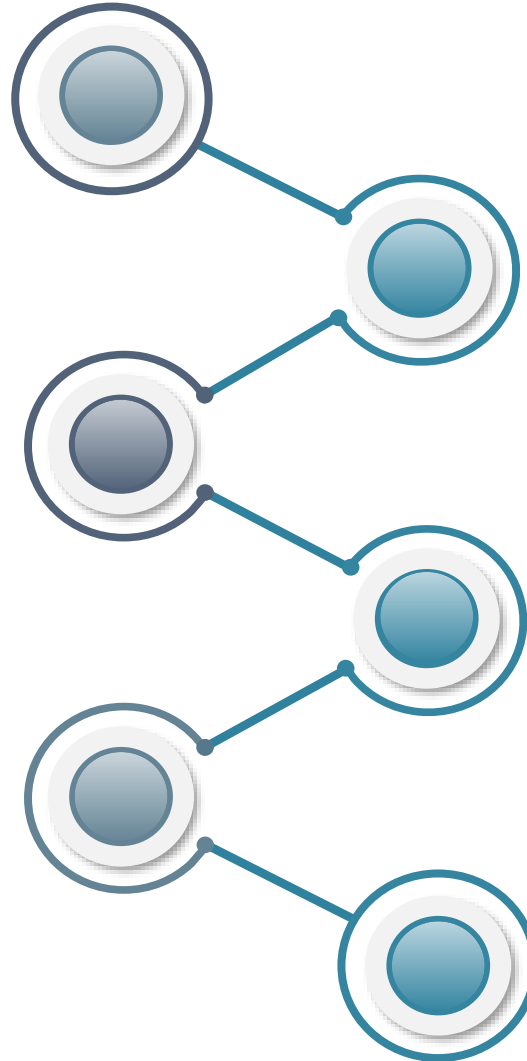
- India has fifth largest power generation capacity in world
- Country ranks third globally in terms of electricity production
- Electricity production in India reached 1,095.756 Billion Units (BU) during April 2017-February 2018
- As per the 13th Five Year Plan, India is targeting a total of 100 GW of power capacity addition by 2022
- Indian power sector has investment potential of Rs 15 trillion (US\$ 225 billion) in next 4–5 years
- All states and union territories of India are on board to fulfil Government of India's vision of ensuring 24x7 affordable and quality power for all

Industry Opportunities

- Strong growth expected telecom infrastructure industry - new technologies, such as 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

- Asia & Pacific fastest-growing region galvanized steel market – expected 68% market share by 2020 across globe



- Around 70 per cent of India's 4,00,000 towers are owned and operated by tower companies

- Global galvanized steel market to grow at CAGR of 5.18% during period 2016-2020

Funding Availability

- Innovative ways by Government to fund various projects including Smart City and others

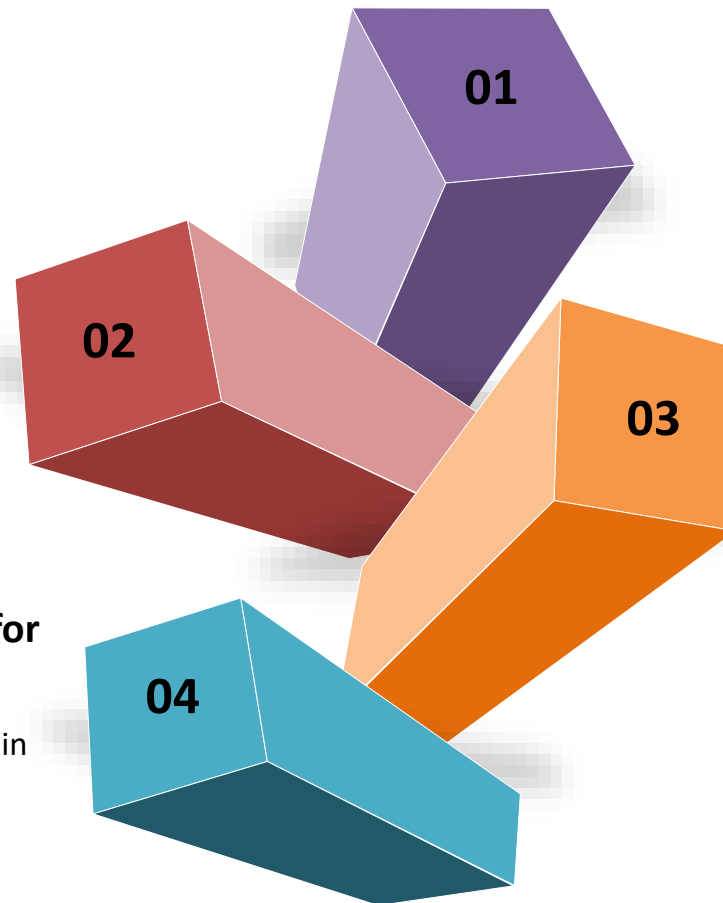


Expanding Design & Engineering Capabilities

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

Developing Camouflaging Capabilities for Monopoles

- Camouflaged monopole towers to be installed in new projects in place of regular ones
- Developing Capabilities to provide solution



Utilisation of Incremental Capacity and Expanding Product Portfolio

- Utilise additional 50,000 MT Galvanizing plant
- Continue to expand product portfolio by upgrading existing products and introducing new ones to maintain market share and engage new customers
- Continued focus on EPC esp. from Power & Railway

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

Thank You

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NSE

SALASAR

Bombay Stock Exchange Limited
BSE
The edge is efficiency

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For further information, please contact:

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