

Securing tomorrow with today's strength

Investor PresentationAugust 2022



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Key Updates for Q1 FY23



Strengthening Brand





Launched Salman Khan as Brand Ambassador, new products gaining traction



Update on Capex



• On track to increase the existing integrated installed facility of 8.04 million tons to 14.45 million tons by 2025

Business Updates



• Pursuant to the direction of Hon'ble NCLT, Monitoring Agency has handed over the custody and control of Ramsarup Industries Limited to the Resolution Applicant S S Natural Resources Pvt Ltd. The Company holds 60% stake through its Material Subsidiary Company.

Dividend



• The board has recommended an Interim Dividend: Rs 1.8 per share

Financial Performance



• Quarterly Y-o-Y Growth: Revenue: 31%, EBITDA: -12% and PAT: -10%

Diversification



Commenced production at newly commissioned Aluminium Plants at Pakuria ,West Bengal & Giridih, Jharkhand, delivered 1500 MT







Product Launch: SEL Tiger Grills n Steels



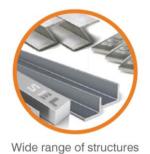
Light structural steel products integrate with strength to create a grill steel range of superior quality. The intricate manufacturing procedure used makes this range perfect for shaping into any design





Smooth surface







Strengthening Brand 'SEL'



TMT

TMT are used for the construction of buildings, transmission towers, industrial sheds, structures, road, dam and in other various infrastructures

SMEL sells the best quality TMT primarily in the states of West Bengal, Odisha, Bihar, Jharkhand, Tripura, Sikkim, Assam, Arunachal Pradesh, Manipur, Meghalaya, Uttarakhand, Uttar Pradesh, Punjab and Haryana. Our TMT and structural products are sold under the brand "SEL"

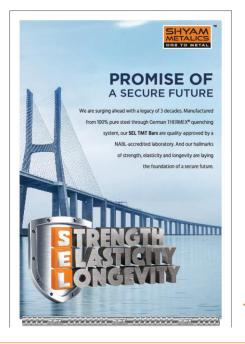
STRUCTURE

Structural steel describes hot rolled steel products such as angles, channels and beams. With an array of high-quality Structural products under the brand 'SEL', backed by world-class service and its other products, SMEL holds its pride of place among the leading steel manufacturers of the country and material directly from the DRHP

WIRE RODS

Towards forward integration, SMEL has set up high quality Wire Rod manufacturing & Wire Drawing facilities with best available technology and plant & machinery support

Since the raw materials are manufactured in-house at our plant, the company is able to produce high quality Wire Rod & H.B. Wires in an efficient & cost-effective manner









Particulars	Unit	Aggregate capacity at the launch of IPO	Capacity proposed in the IPO	Further expansion as approved on 15 th march 2022	Post implementati on capacity	Already implemented after proposed in IPO	Aggregate implemented capacities as on 30 th June	Further to be implemented as per existing expansion	SHYAM METALICS ORE TO METAL
Cartina Daniar Diant	N ANA /	227	120		257	40	267	00	
Captive Power Plant	MW	227	130	-	357	40	267	90	
Iron Pellet Plant	MTPA	2.4	1.2	2.4	6	1.2	3.6	2.4	
Ferro Alloy Plant	MTPA	0.21	0.01	-	0.22	<u>-</u>	0.21	0.01	
Coke Oven Plant	MTPA	-	-	0.45	0.45	-	-	0.45	
Sponge Iron plant	MTPA	1.39	1.51	-	2.9	0.72	2.11	0.79	
Blast Furnace	MTPA	-	0.6	-	0.6	-	-	0.6	Iron Making
Sub-Total		1.39	2.12	-	3.5	0.72	2.11	1.39	
Billet Plant	MTPA	0.89	1.11	-	2.01	0.29	1.18	0.82	Liquid Steel
TMT, Structural Products, Wire Rods & Pipes	МТРА	0.82	1.25	-	2.07	0.08	0.9	1.17	
Ductile Pipe Plant	МТРА	<u>-</u>	0.2	-	0.2	-	-	0.2	Finished Steel
Sub-Total	МТРА	0.82	1.45	-	2.27	0.08	0.9	1.37	
Alumunium	МТРА		0.04		0.04	0.04	0.04	-	Aluminium
Total	MTPA	5.71	5.93	2.85	14.49	2.33	8.04	6.45	

We have incurred a capex cost of Rs. 1878 crores till 30th June '22 which accounts to 48% of the total Capex envisaged i.e. Rs. 3950 Crs. and Rs 962 Crs have been capitalised out of Rs. 1878 Crs.



Company Overview

Shyam Metalics at a Glance





8.04 MTPA

Combined Production Capacity

~82% of power

sourced from Captive

12,322

Employee Strength

AA

CRISIL Credit Rating



- Leading Integrated Steel and Ferro Alloys Producer in India
- 4th Largest Sponge Iron Player, Leading player in terms of Pellet Capacity



- Integrated Metal Producing Company
- Operates "Ore to Metal" integrated steel plants with Captive Railway Siding



 Strategically located plants with Proximity to Mineral Belts, National Highways and Ports



- 65%: Total Income Growth in FY 22 YoY
- EBITDA Positive since commencement of operations in 2005



- 0.09X Gross Debt / Equity as of Mar-22
- One of Lowest Gearing amongst competitors



~82% of power sourced from Captive Power Plants at 2.12 Rs./Kwh3 in FY22, while Grid Power costs 5-7 Rs./Kwh4



 Promoters with decades of experience in the Metal Industry along with experienced Management Team

Optimising the Balance Sheet for Resilience & Flexibility



CRISIL AA

(Stable)
Long Term Bank Facilities

CRISIL A1+

(Stable)
Short Term Bank Facilities

Eminent Promoters & Management





Mahabir Prasad Agarwal, Chairman

- An accomplished business leader and a first-generation entrepreneur having more than 50 Years of experience in steel & ferro alloys industries.
- He has the foresight to lead the Company in particular on a transformational journey and contributing significantly in growth path of the company.
- His keenness to give back to the society and a desire to improve the lives of individuals, led to the formation of Shyam Metalic Foundation which is committed to provide the means to empower individuals to bridge the socio-economic divide and contribute to the creation of equitable and sustainable communities.



- A visionary business leader and second-generation entrepreneur.
- A guiding force for the company and having over three decades of experience in the steel & ferro alloys industries.
- His array of exposures percolates to areas like strategic planning, business development, future expansion, execution of projects, Marketing, Human Resource and corporate affairs of the company.



Sanjay Kumar Agarwal, Joint Managing Director

- Holds a bachelor's degree in commerce, with honours, from University of Kolkata.
- Over 18 years of vast experience in the steel & ferro alloys industry.
- Primarily responsible for the Operations / manufacturing of the plants with focus on cost control, production efficiency, competitive procurement of raw materials etc.



Deepak Kumar Agarwal, Director Finance

- He is an Associate member of the Institute of Company Secretary of India.
- He is a techno commercial professional and possessing more than 20 years of experience of steel and ferro alloys industries.
- His array of exposure percolates to areas like finance, accounting, taxation, banking and treasury, corporate governance, merger and acquisition, project planning and execution, legal, secretarial, costing and cost control, risk management, Accounting & Audit etc.

The Management Team is ably assisted by a very strong team of Professionals who have contributed immensely to the growth of the Company



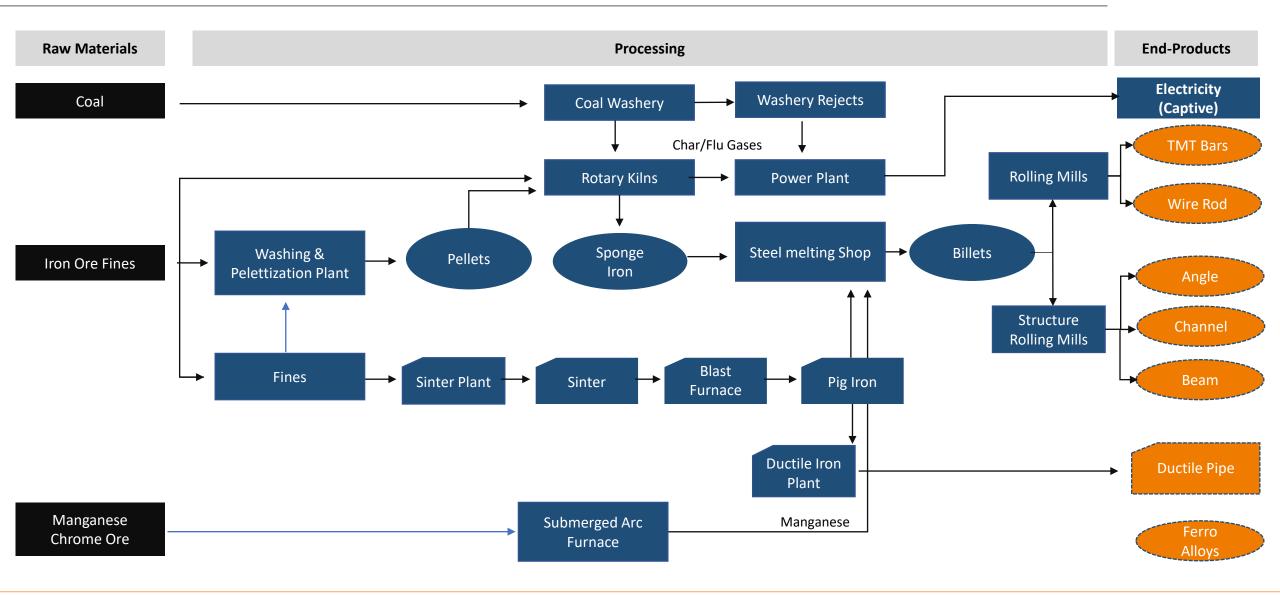
Value Propositions





Integrated operations across the steel value chain





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Brownfield expansion with...





Jamuria Plant



Sambalpur Plant

We have 1 manufacturing plant located in Sambalpur, Odisha and 1 manufacturing in Jamuria, West Bengal with aggregate installed capacity of 8.04 MTPA comprising of intermediate and final products.

We also have a small plant in Mangalpur, West Bengal with aggregate installed capacity of 0.1 MTPA

These plants also include captive power plants with an aggregate installed capacity of 267 MW

Brownfield expansion leading to

Lowest Capex in the Industry

Railway Siding

Captive Power Plants

Captive Water Reservoir

Detailed Plant Wise Capacities - Existing



Product –Wise Capacity (MTPA) Pandoli, Odisha		Jamuria, West Bengal	Mangalpur, Odisha	TOTAL
Iron Pellets	1.8	1.8		3.6
Ferro Alloys	0.10	0.07	0.04	0.21
DRI (Direct Reduced Iron)	0.96	1.09	0.06	2.11
Billets	0.64	0.54		1.18
TMT, WDM, SRM	0.41	0.49		0.90
Captive Power	158 MW	94 MW	15 MW	267 MW

Current Capacities Across Steel Life Cycle









DRI 2.11 MTPA (Direct Reduced Iron)

Iron Making

SMS 1.18 MTPA (Steel Melting Shop)

Finished Steel

0.9 MTPA

WRM 0.4 MTPA (Wire Rod Mill)

TMT 0.27 MTPA

Structurals 0.20 MTPA

Pipe Mill 0.3 MTA





Foray into Aluminium Foil segment





Aluminium Plant - Pakuria , West Bengal & Giridih, Jharkhand

- Capacity: 40, 000 TPA
- Plant installed by Achenback (Germany) a pioneer in the industry
- Spread over 5 acres
- Rolling range: 40 to 5 micron with annhealing capability, customised as per demand







...Lowest Capex compared to the Industry



- Brownfield capacity expansion expected to increase aggregate installed metal capacity (comprising of intermediate and final products) from 8.04 MTPA currently to 14.45 MTPA and captive power plants aggregate installed capacity from 267 MW to 357 MW. These proposed expansions are expected to become operational between Fiscal 2023 and Fiscal 2025
- Railway sliding 2 additional tracks at both Jamuria & Sambalpur plants, at an aggregate cost of Rs 180 crores
- Commissioned an aluminium foil rolling mill at Pakuria in West Bengal with an installed capacity of 0.04 MTPA, the plant is now operational. The Capex envisaged for the project is Rs. 360 crores.
- Company has ample land available for expansion for the next 5 years



Advantages of Brownfield Expansion

Lower fixed costs due to using already established facilities, infrastructure, and network

Lower staffing and training costs, due to the presence of already-employed workers at the facility

Low cost advantage for expansion of power capacity. Capex incurred: Rs 110 cr for 40 MW, effectively Rs 2.75 cr vs industry average of 4.5 cr per MW

Diversified & Interchangeable Product Mix



Capacity (Million MTPA)			FY18	FY19	FY20	FY21		FY22		
		Iron Pellet	0.90	0.90	2.4	2.4		3.6		
		Sponge Iron	1.01	1.01	1.27	1.39		2.11		
ts		Billets	0.54	0.63	0.80	0.89		0.94		
Existing Products		TMT, Structural Steel, Wire Rods & Pipes	0.25	0.25	0.82	0.82		0.90		
EX		Ferro Alloys	0.19	0.21	0.21	0.21		0.21		
		Captive Power (MW)	164	164	227	227		267		
		Aluminium Foil						40,000 TPA		
New Products		Coke Oven		Prop	osed Capacity of 450,000	TPA				
		Blast Furnace	Proposed Capacity of 600,000 TPA							
		Ductile Iron Pipes	Proposed capacity of 200,000 TPA							

Increasing share of B2C/Value Added Products





Structural Products are hot rolled products of special forms like rounds, angles, channels & beams



We not only make structurals of standard dimensions, but also **Customized Products for Specific Applications**, economically and quickly



TMT Bars are high-strength reinforced bars having a tough outer core and soft inner core



Our products are sold mainly across Eastern, Central ,Northern and Western Regions of India with some penetration in Southern India. Our TMT and structural products are sold under the brand "SEL".

Finished Steel Products

~67%

Revenue Contribution in Q1 FY23

Huge Export Potential



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Countries

Exports to countries like USA, Japan, Korea, Italy, Nepal, Bangladesh 29%

Steel products both upstream and downstream including Angles, Beams, Billets, Channels, Wire Rods, MS Round Coils and Sponge Iron **71**%

Ferro Chrome Ferro Manganese and Silico Manganese Products

12%

Export Contribution to Revenues in Q1 FY23

Norecom DMCC POSCO Intl Corp World Metals & Alloys (FZC)

We are preferred suppliers to a few of the large corporations like

TRAXYS North
America LLC

J M Global Resources

% of Products Exported is for FY22

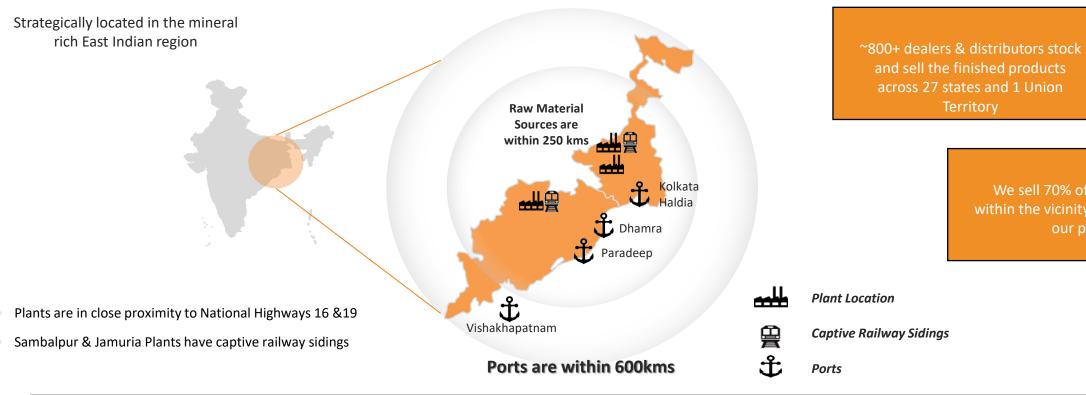
Strategically Located - Supported by Infrastructure



We sell 70% of our products

within the vicinity of 500 Km from

our plants



Key Raw Material	Source					
Iron ore / Iron ore fines	Mine owners located in Odisha					
Chrome ore	Long term linkages with Odisha Mining Corporation Limited, other mine owners and imports					
Manganese ore	MOIL Limited, other mine owners and imports					
Coal	Fuel supply agreements entered into with Mahanadi Coalfields Limited, Central Coalfields Limited and South Eastern Coalfields Limited					

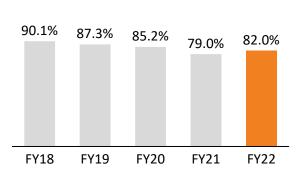
Lowest Cost Captive Power



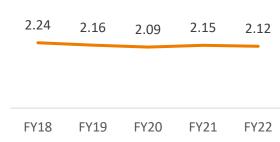
- Power consumed by the plants are primarily produced in-house by the captive power plants
- Captive power plants utilise non fossil fuels such as waste, rejects, heat and gas generated from the operations to produce electricity
- Cost of in-house power is significantly less than grid power which costs INR 5-7 Per Unit *

Sambhalpur Sambha

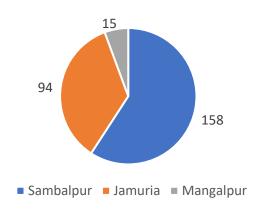








Current Capacity* (MW)



Captive Power Plant Expansion Plans (MW)



^{*} Source: CRISIL Report; **Average cost of Power from Captive Power Plant = Total cost of power from all Captive Power Plants / Total production units

Waste to Value



Efficient use of by products: Effluents/Wastes from all the production activity are utilized in various product verticals to create a set of High Value-added Products

Washery rejects used in Power Plant Steam generated used in production of Power and then in Ferro Alloys

Fly ash bricks are created from industrial wastes



Fly ash bricks which are manufactured from various industrial wastes such as fly ash, sand, stone, dust and cement, are used globally nowadays over clay bricks and traditional red bricks

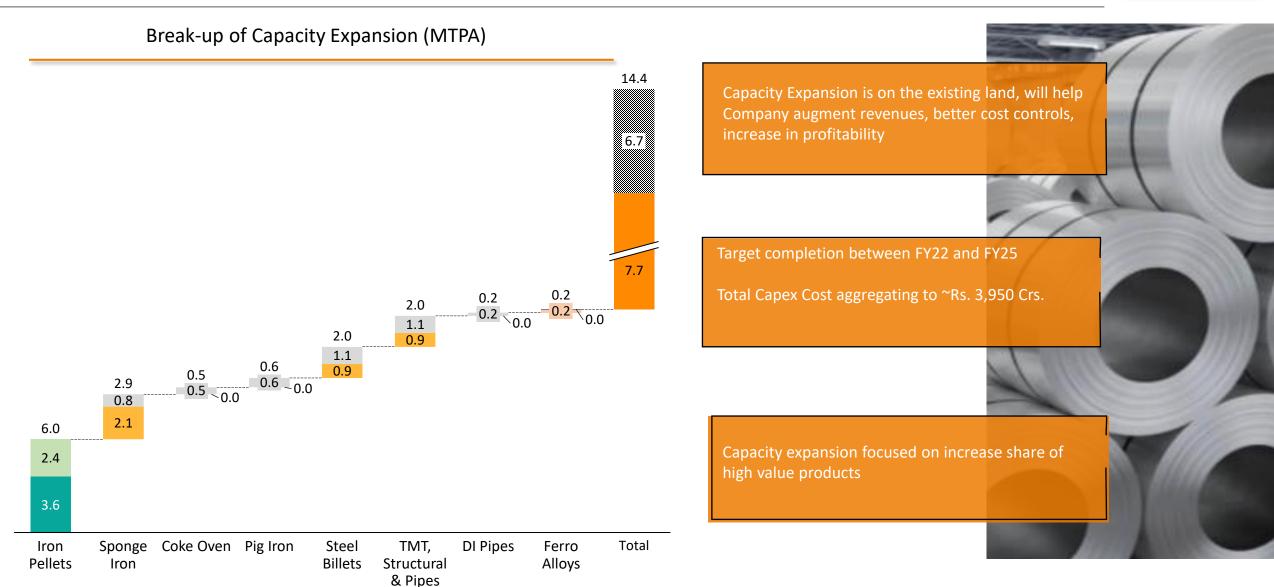
Fly ash bricks are also known for being highly durable, less permeable and environment-friendly as they are manufactured from waste materials that generate from the combustion of coal in thermal power plants.



Power generated by using flu gases and capturing of heat through waste heat recovery boilers

Capacity Expansion –Share of High Value Products to Increase





Revenue mix skewed towards Finished Steel







Strategic Initiatives

IT Initiatives



Automation

Focus On High Value Activities



Consistent Presentation



Real-time data logging



Benchmarking & Micro Monitoring

Data Integration

Easy Access



Data Integrity



Improve Data Reporting



Continuous Investment



Traffic **Management**

Reduce TAT for vehicles



Gate and Weighbridge Automation



User Enablement



Data **Analytics & Al**

Consistent Availability



Decision Dashboards



Maintain Data And Security Standards



Knowledge **Partners**











Partners





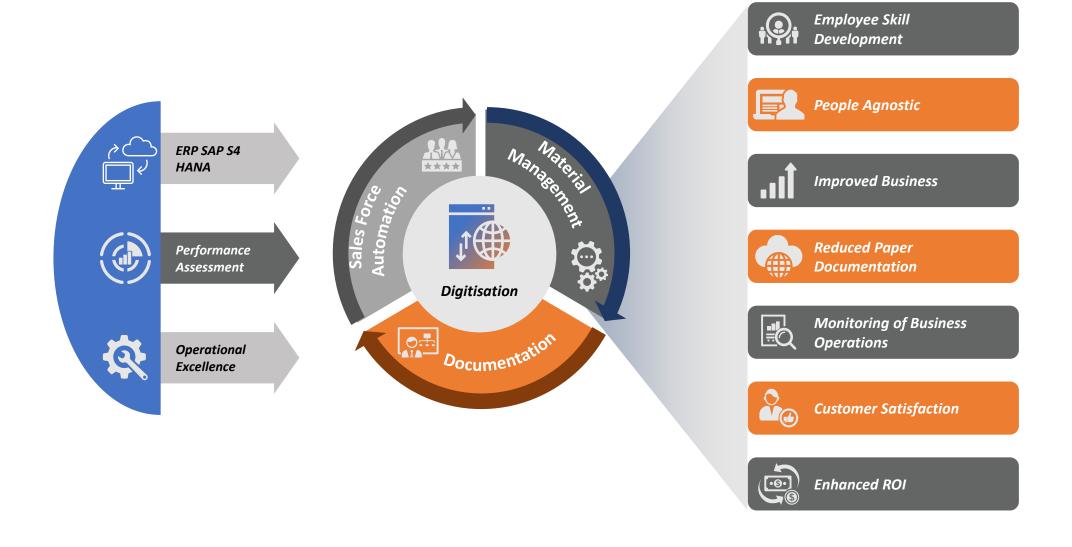


GoSales



Impact of IT Initiatives







SUSTAINABLE GALS DEVELOPMENT GALS



17 GOALS TO TRANSFORM OUR WORLD





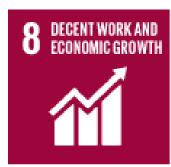
































Commissioned ESG Study



In our move towards sustainable growth, ESG framework provides an opportunity to create a systematic approach for tangible outcomes.



Growlity Inc. management consultants has carried out comprehensive diagnostic study on SMEL's ESG fundamentals & compliance status.

- In Phase 1 of the diagnostic study, **Growlity**
- Carried out a detail study of SMEL's process flow at Jamuria & Sambalpur plants.
- Map out the current carbon, water & waste footprints at both plants and assess the impact of carbon emissions.
- The phase 2 of the exercise implementation is underway



Q1 & FY23 Financial Performance

Performance Highlights



Q1 FY23

Revenue 31%

Rs. 3,223

Crores

EBITDA -12%
Rs. 607
Crores

PAT -10%
Rs. 414
Crores

Strong Q1 FY23 Performance



Revenue from Operations

Rs. 3,223 crores



EBITDA

Rs. 607 crores

-12%

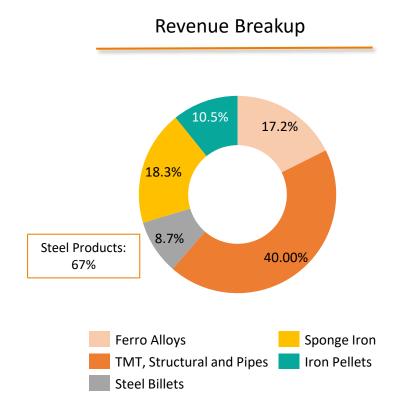
y-o-y

Profit After Tax

Rs. 414 crores

-10%

y-o-y

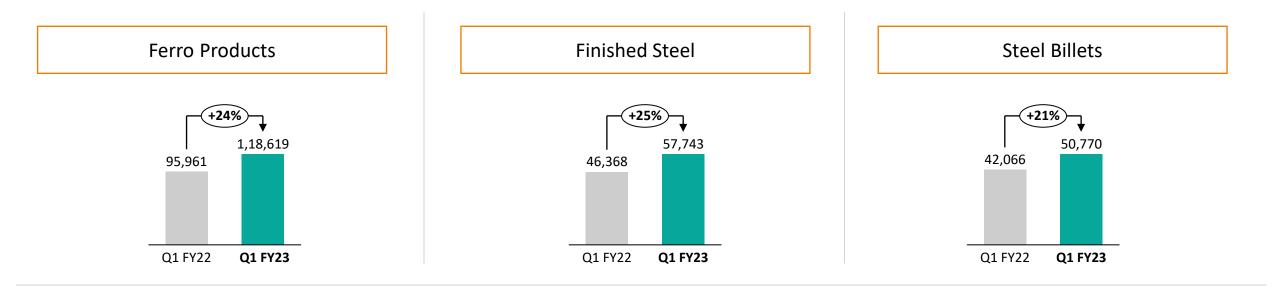


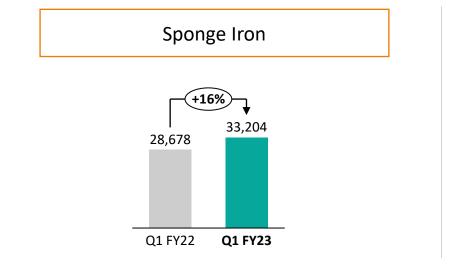
Q-o-Q (+4%) 8.3 8.3 8.0 0.4 Ferro Products 0.5 0.4 3.3 3.4 4.3 Iron Pellets 0.5 0.4 Steel Billets 0.6 1.7 1.6 Sponge Iron 1.2 2.3 Finished Steel 1.8 Q1 FY22 Q1 FY23 Q4 FY22

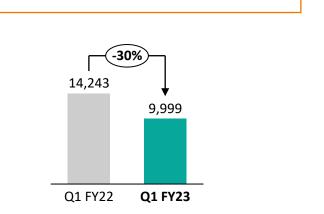
Volumes (in lakh tonnes)

Per Tonne Realizations









Iron Pellets

Consolidated Profit & Loss Statement



Particulars (Rs. Crs.) - Shyam Metalics and Energy Limited	Q1 FY23	Q1 FY22	Y-o-Y	Q4 FY22	Q-o-Q	FY22
Revenue from operations	3,223.2	2,465.0	30.7%	2,856.8	12.8%	10,393.9
Cost of Material Consumed	1,996.5	1,490.4		1,795.3		6,460.9
Purchase of Stock	98.5	7.4		8.1		32.5
Change in Inventories	14.1	-87.9		-25.2		-180.9
Total Raw Material	2,109.1	1,409.8		1,778.1		6,315.3
Gross Margin	1,114.1	1,055.2		1,078.7		4,081.14
Gross Margin (%)	34.6%	42.8%		37.8%		39.3%
Employee Expenses	78.0	63.9		65.4		246.6
Other Expenses	429.5	303.7		350.2		1,235.1
EBITDA	606.6	687.6	-11.8%	663.1	-8.5%	2,599.7
EBITDA Margin (%)	18.8%	27.9%		23.2%		25.0%
Other Income	21.9	7.8		15.0		60.0
Depreciation	94.8	61.4		90.8		272.4
EBIT	533.8	634.0	-15.6%	587.3	-8.8%	2,386.7
Finance Cost	6.8	6.7		6.1		23.2
Share in Profit/(Loss) of Associate and Joint Venture	0.0	0.0		0.0		0.2
Profit before Tax	526.9	627.3	-16.3%	581.2	-9.7%	2,363.7
Tax	113.1	169.3		148.0		640.2
Profit After Tax	413.8	458.0	-10.0%	433.2	-4.8%	1723.5
PAT Margin (%)	12.8%	18.6%		15.2%		16.6%

Blended EBITDA in Q1 FY 23 - Rs 13,328 Per Ton vs Q1 FY 22 - Rs 19,180 Per Ton and Q4 FY 22 - Rs 15,719 Per Ton

Strong Debt Profile





Strong Balance Sheet – Flexibility of Growth

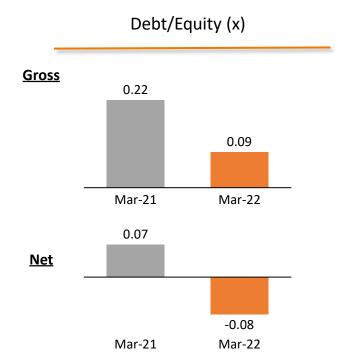


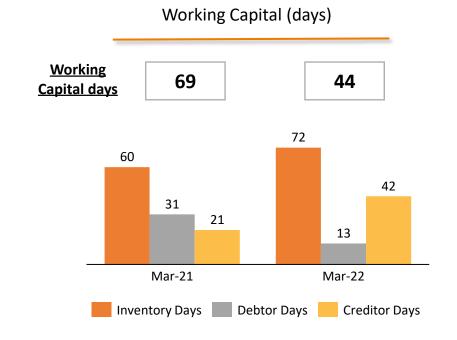


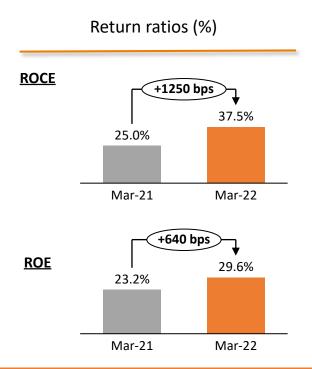
Internal Operating Efficiency led to significant reduction in Working capital requirements

Conservatively Leveraged

+
Disciplined Capital Allocation strategy
=
Better Return Metrics







Strong Balance Sheet to support Capex, Growth and Business Cycles

*Crisil Report

CSR Initiatives



Rural Health







Rural Education





Social Infrastructure Development







Social Awareness







- Yearly Eye & Medical Camp for Villagers
- Free Ambulance & Drinking water Services for villagers
- New Health Center & Homeopathy Clinic
- FREE Medicine & Spectacles and Blood Donation Camp
- FREE Coaching Center for Economic backward Section
- Computer Training Center at Dhasna village
- School Bag And Cycle Distribution
- SHYAM Scholarship for Meritorious students of Economic Backwards
- Temples
- Village Sanitation
- Teachers Training and Remuneration
- Village Handicrafts Skill development
- Sports Football Coaching
- Gau Daan (Care for Animals)
- Women Empowerment
- Road safety Campaign SAFE DRIVE SAFE LIFE
- Socio Environmental Awareness
- Distribution of Helmets for Safe drive & Save life

CSR Initiatives



Sustainability







Water Conservation- Check dam, Pond , landscaping, Plantation,

Promotion of solar Light

Solar irrigation Pumps

• Promotion of Organic Farming

Skill Development







• Running sewing center, computer training center

• Alternate source of income via enterprise development, skill development

• KALP VRIKSHA (Empowerment) programme

Sports Promotion





• Football team of Shyam Sel & Power Limited

• Shoes & Suit distribution

• Play ground development

Thank You



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