



SALASAR

Building a stronger future

Investor Presentation Q2 and H1FY21

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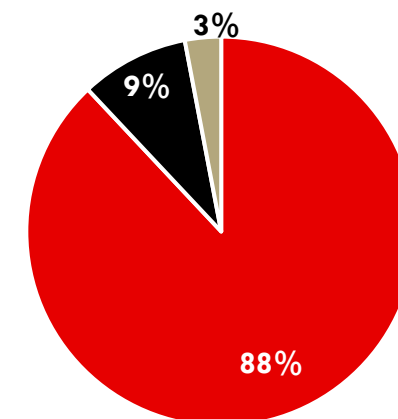
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Q2/H1FY21 Highlights

Q2/H1FY21 consolidated P&L statement

Particulars (INR Cr)	Q2FY21	Q2FY20	H2FY21	H2FY20
Net Sales	147.6	153.1	210.7	316.7
Cost of Goods Sold	119.2	122.0	169.0	253.7
Employee Cost	7.5	7.7	12.9	14.9
Other Indirect Expenses	5.8	7.5	9.0	15.4
Total Expenditure	132.5	137.2	190.9	284.0
EBITDA	15.0	15.9	19.8	32.6
EBITDA Margin%	10.2%	10.4%	9.4%	10.3%
Other Income	1.2	0.2	1.8	0.4
Interest	4.2	5.7	7.8	10.3
Depreciation	1.4	1.2	2.7	2.4
Profit Before Tax	10.6	9.2	11.1	20.3
Provision for Tax	2.4	-0.2	2.7	3.9
Profit After Tax	8.2	9.3	8.4	16.5
PAT Margin%	5.5%	6.1%	4.0%	5.2%

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



H1FY21 Revenue by Segments

Consolidated Balance Sheet as on 30th Sept'20

(Rs Cr)	Sep-20	Mar-20
EQUITY & LIABILITY		
Share Capital	13.3	13.3
Other Equity	205.2	193.8
Shareholder's Funds	218.5	207.1
Non-Current Liabilities:		
Secured Loans	4.1	5.3
Deferred Tax Assets / Liabilities	3.6	3.1
Other Long Term Liabilities	-	-
Long Term Provisions	2.5	2.3
Total Non-Current Liabilities	10.2	10.7
Current Liabilities:		
Trade Payables	19.9	21.4
Other Current Liabilities	60.1	54.2
Short Term Borrowings	158.2	159.6
Short Term Provisions	0.4	0.3
Total Current Liabilities	238.6	235.6
Total Liabilities	467.3	453.5

(Rs Cr)	Sep-20	Mar-20
ASSETS		
Non-Current Assets:		
Net Block	92.7	91.1
Capital Work in Progress	1.3	0.3
Other Non Current Assets	12.3	14.2
Total Non-Current Assets	106.3	105.6
Current Assets:		
Inventories	92.8	93.5
Sundry Debtors	221.8	214.1
Cash and Bank	11.1	10.6
Other Financial Assets	16.2	11.8
Other Current Assets	18.3	16.3
Current Tax assets (Net)	0.8	1.6
Total Current Assets	361.0	347.9
Net Current Assets (Including Current Investments)	122.4	112.3
Net Current Assets (Excluding Current Investments)	119.7	110.8
Total Assets	467.3	453.5

Recent Developments

1 Secured 6 tenders from Prasar Bharti

- **Scope:** Design, Supply, Erection, Testing and commissioning of 100M self-supporting lattice steel tower
- **Value:** Rs 13.45 cr

2 Received 2nd order under 2-year supply agreement with American Tower Corporation (ATC) for supply of towers in 5 African countries - South Africa, Kenya, Uganda, Nigeria and Ghana in Q1

- **Scope:** Supply telecom towers to Burkina Faso and Nigeria
- **Value:** USD 1 Mn

3 Secured order from AVAADA Clean Project Private Limited

- **Scope:** Supply of Solar Module Mounting Structure for their 300MW Plant at Bikaner Rajasthan
- **Value:** Rs 7.40 cr

4 Won EPC order for Railway Electrification at Pratapgarh & Janghai Stations of Lucknow Division

- **Scope:** Design, Supply, Erection, Testing and Commissioning of 25 KV AC Single phase OHE in connection with yard remodeling
- **Value:** Rs 10.56 cr

5 Secured order from Western Railway, Vadodara






- **Scope:** Design, supply, erection, testing and commissioning of 25 KV AC OHE between Dabhoi Badoli Section
- **Value:** Rs 16.7 cr

6 Secured order from Northern Railway, New Delhi

- **Scope:** Design, supply, erection, testing and commissioning of 25KV AC single phase OHE in connection with Raibareli yard remodelling
- **Value:** Rs 6.54 cr

Company Overview

Diversified product portfolio

 <p>01</p>	<p>Transmission Line Towers</p> <p>Manufacturing and deployment of transmission towers for EPC business, Turnkey Projects, supplying structures to other EPC contractors</p>	 <p>03</p>	<p>Solar Structures</p> <p>Manufacturing, fabrication and deployment of solar module mounting structures</p>	 <p>05</p>
<p>Telecom Towers</p> <p>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</p>	 <p>02</p>	<p>Railway Electrification</p> <p>Design, supply, erection, testing & commissioning of railway electrification including normal height OHE, High Rise OHE & TSS Works</p>	 <p>04</p>	<p>Utility Poles</p> <p>Production of custom-made poles of the highest quality equipped with technologies like LED lights, CCTV cameras, pollution sensors, Wi-Fi routers</p>

45K

Telecom Towers

475KM

Power Transmission lines

217TKM*

Railway Track electrification

* Track Kilometres

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:
1,30,000 Square yards
Installed Capacity:
1,00,000 MT of Steel
Galvanizing

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

Mr. Alok Kumar *B.Sc from Punjab University, Chandigarh*

With experience spanning over 4 decades in trading, manufacturing and fabrication of iron & steel, Mr. Kumar is behind the group's spirit and commitment to deliver products and services of uncompromising quality and integrity

Mr. Shashank Agarwal *B.E. (Mech.) from MIT, Manipal*

With 25+ years of experience, Mr. Agarwal is a first generation entrepreneur who has been instrumental in building Salasar into one of the leading players in the sector. He is involved in all aspects of business and has been the driving force in creating the brand and image of Salasar



Board of Directors:

- 1** **Shalabh Agarwal**
Director
- 2** **Tripti Gupta**
Director
- 3** **Anil Kumar Jain**
Non-Executive and Independent Director

- 4** **Amit Jain**
Non-Executive and Independent Director
- 5** **Sanjay Chandak**
Non-Executive and Independent Director
- 6** **Vijay Kr jain**
Non-Executive and Independent Director

Key Management:

- 1** **Pramod Kumar Kala**
Chief Finance Officer

Strong client base



- 1 Approved vendor for Power Grid Corporation Ltd.
- 2 Qualified to bid for Rural Electrification projects
- 3 Qualified by CORE (Central Organization for Railway Track Electrification)

Industry Opportunities

Industry opportunity - Telecom

Mobile and Internet penetration

- The proportion of unique mobile subscribers to the total population is expected to reach around 63% in 2025 from 58% in July 2018
- With the increase in the mobile phone penetration and reducing data costs in India, it is expected that the current internet user base that stands at 687 Mn might get doubled in the next 5 years

5G Rollout Plans & 4G Penetration

- Increase in the 4G penetration to provide 4G access to ~80%* of India's mobile subscriber base by 2024
- 5G rollout likely to attract ~USD 30 Bn[^] in collective capital expenditures over a period of next 5 years by the top three telecom operators in India
- With the positive outlook of the telecom sector it would be lucrative to move beyond traditional telecom business to wider digital consumer space like content and mobile banking solutions



**Increased Demand
for Telecom Tower
Infrastructure pan
India**

Government Initiatives that will provide a boost to the Telecom Infrastructure Segment

- The Government of India planned to roll out a new National Telecom Policy 2018 in lieu of rapid technological advancement in the sector over the past few years. The policy intends to attract investments worth USD 100 Bn in the sector by 2022
- The Department of Information Technology intends to set up over 1 Mn internet-enabled common service centers across India as per the National e-Governance Plan

*Ericsson Mobility Report November 2018

[^]UBS Report

Industry opportunity – Power & Railway

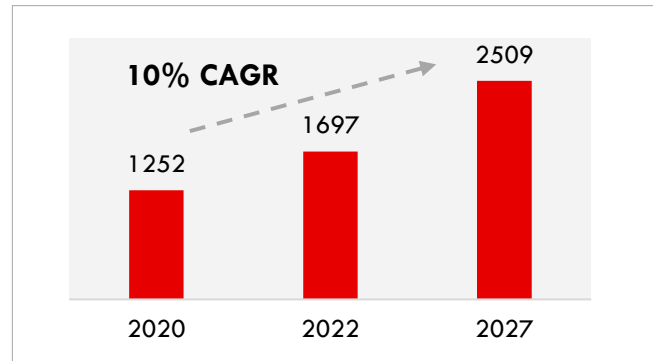
Increased demand for power transmission infrastructure development

- Power consumption is estimated to reach up to 1,894.7 TW in 2022
- Increased demand for power transmission infrastructure development due to increasing inter regional power demand - supply gap

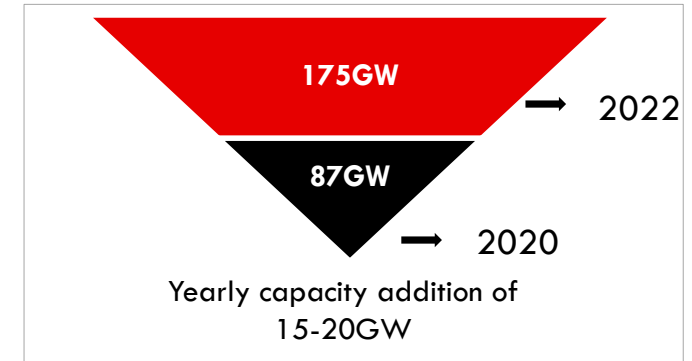
Government Initiatives

- The Union Budget 2020-21 has allocated USD 2.27 Bn to the Ministry of Power
- Additional USD 786.95 Mn to Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY) to provide power transmission infrastructure for rural electrification.

Increasing Demand for Electricity



Growth in Renewable Energy



Railways Electrification orders are on a rapid growth; aiming to double their capacity

- The railways have set a 100% electrification target by the next four years
- The Government is going to come up with a 'National Rail Plan' to enable the country to integrate its rail network and develop a multi-modal transportation network. Current Railway capex for 2020-21 is INR 1.5 Lakh Cr. expected to grow at CAGR of 18% for the next 10 years
- Electrification of 6,000 Km route is targeted, with wiring of the entire broad gauge network now envisaged for completion by 2023-24

Growth Strategy

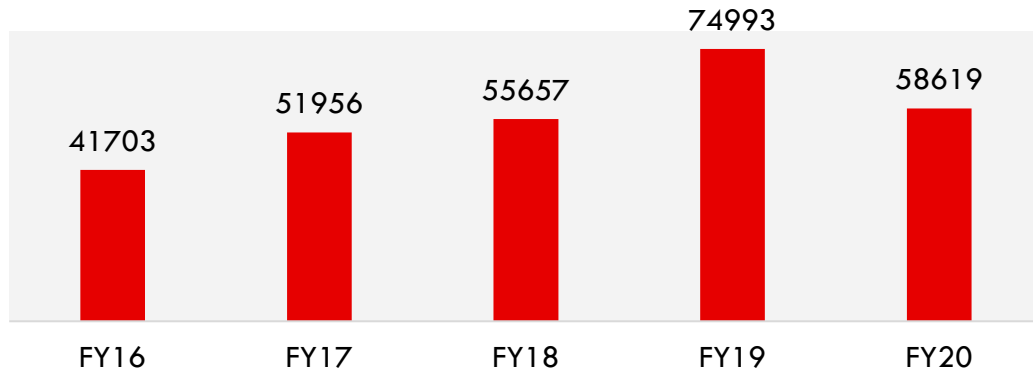
Growth strategy

- 1** **New business manufacturing of structures for Road and Railway overbridges (ROBs)** of 1,000 MT per month at a Capex of ~Rs 20 Cr during FY21. The capex will be funded from the subscription amount of warrants issued and internal accruals. The manufacturing will start by the end of FY21 and is expected to generate revenue of ~Rs 100 Crore yearly from next year. The company is already in the process of ordering the machines and the construction/erection of shed and other covered areas for the new plant has already started
- 2** **Tapping industry opportunities** by expanding product portfolio and optimal utilization of existing capacity
- 3** **Expanding tower designs** and leveraging on their tie-ups with Ramboll to provide value to the clients
- 4** **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.
- 5** **Innovating and manufacturing differentiated products** like camouflaged towers, monopoles, etc. to provide for the evolving infrastructural needs of the society

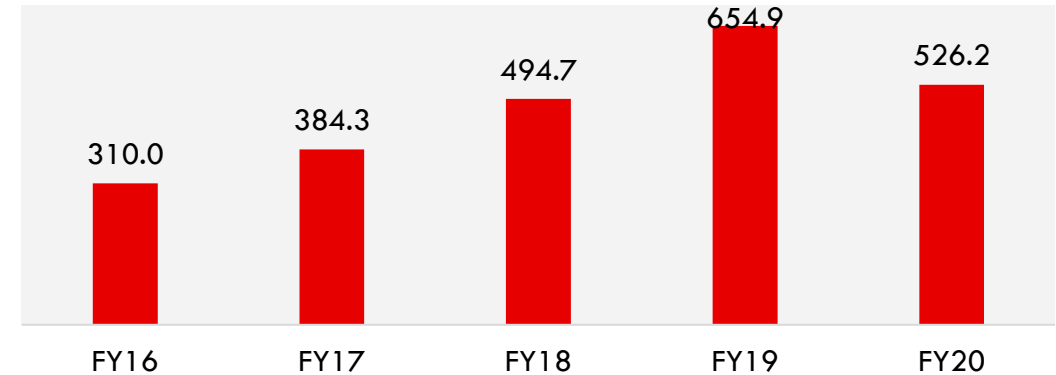
Historical Financial Performance

Key financial highlights

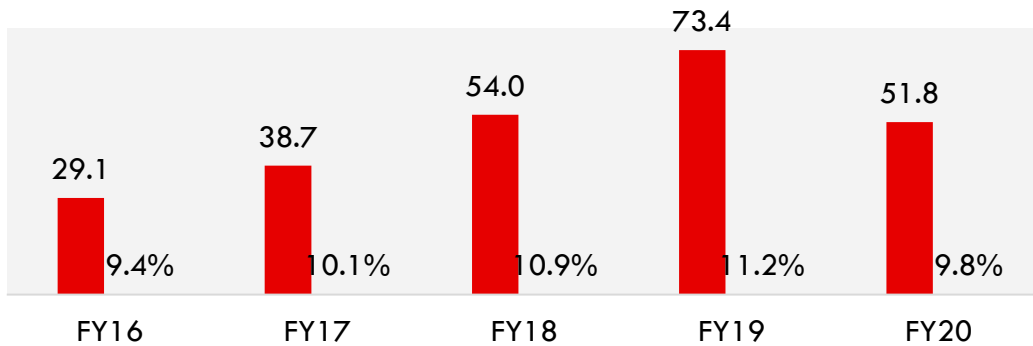
Volumes (MT)



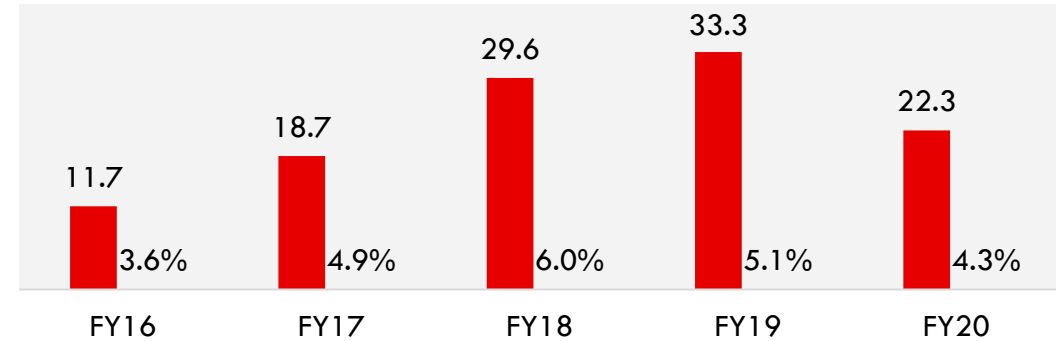
Revenue (INR Cr)



EBITDA (INR Cr) and Margin (%)



PAT (INR Cr) and Margin (%)



Consolidated P&L Statement

Particulars (Rs Cr)	FY20	FY19	FY18
Net Sales	526.2	654.9	494.7*
Cost of Goods Sold	415.1	526.0	386.7
Employee Cost	31.0	28.0	22.9
Other Indirect Expenses	28.3	27.5	31.1
Total Expenditure	474.4	581.5	440.7
EBITDA	51.8	73.4	54.0
EBITDA Margin%	9.8%	11.2%	10.9%
Other Income	1.7	0.8	1.2
Interest	20.6	16.3	8.4
Depreciation	5.0	4.6	3.9
Profit Before Tax	27.9	53.3	43.2
Provision for Tax	5.6	20.0	13.6
Profit After Tax	22.3	33.3	29.6
PAT Margin%	4.3%	5.1%	6.0%

*(excl. Excise duty)

Thank You

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