

EARNINGS RELEASE

Q3 & 9M FY24 | FEBRUARY 05th, 2024



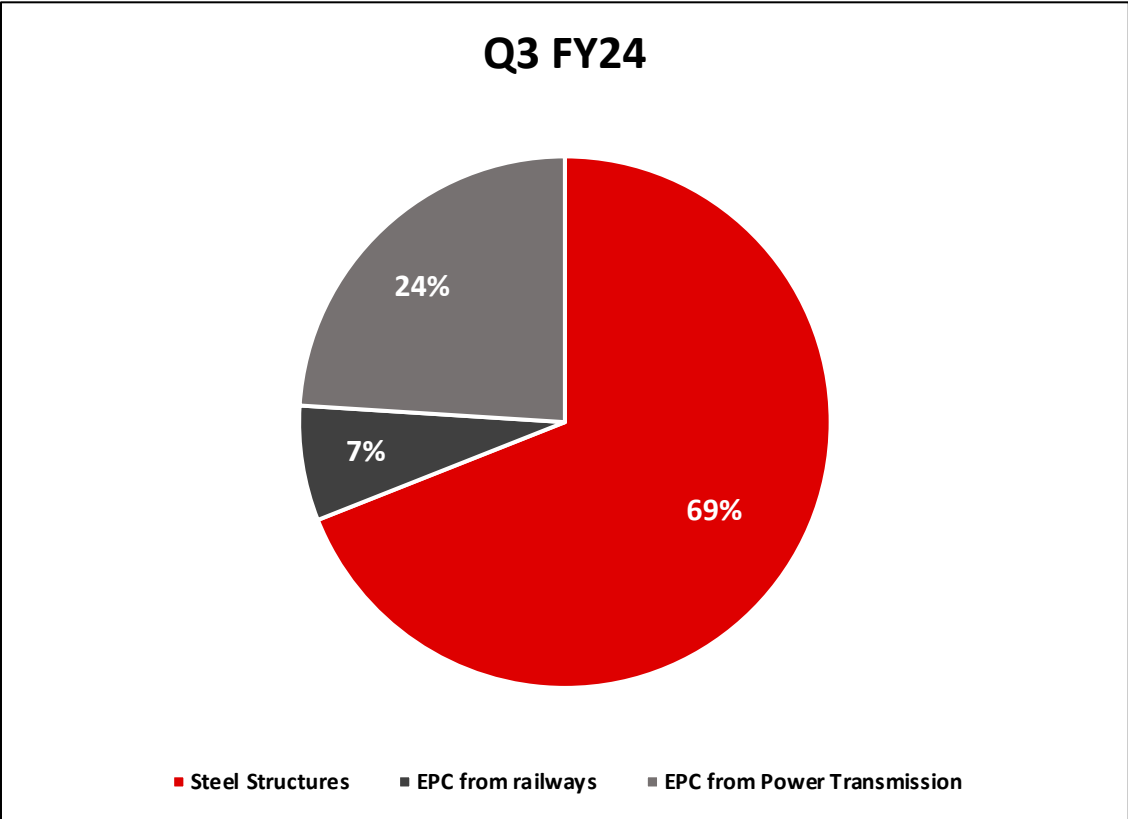
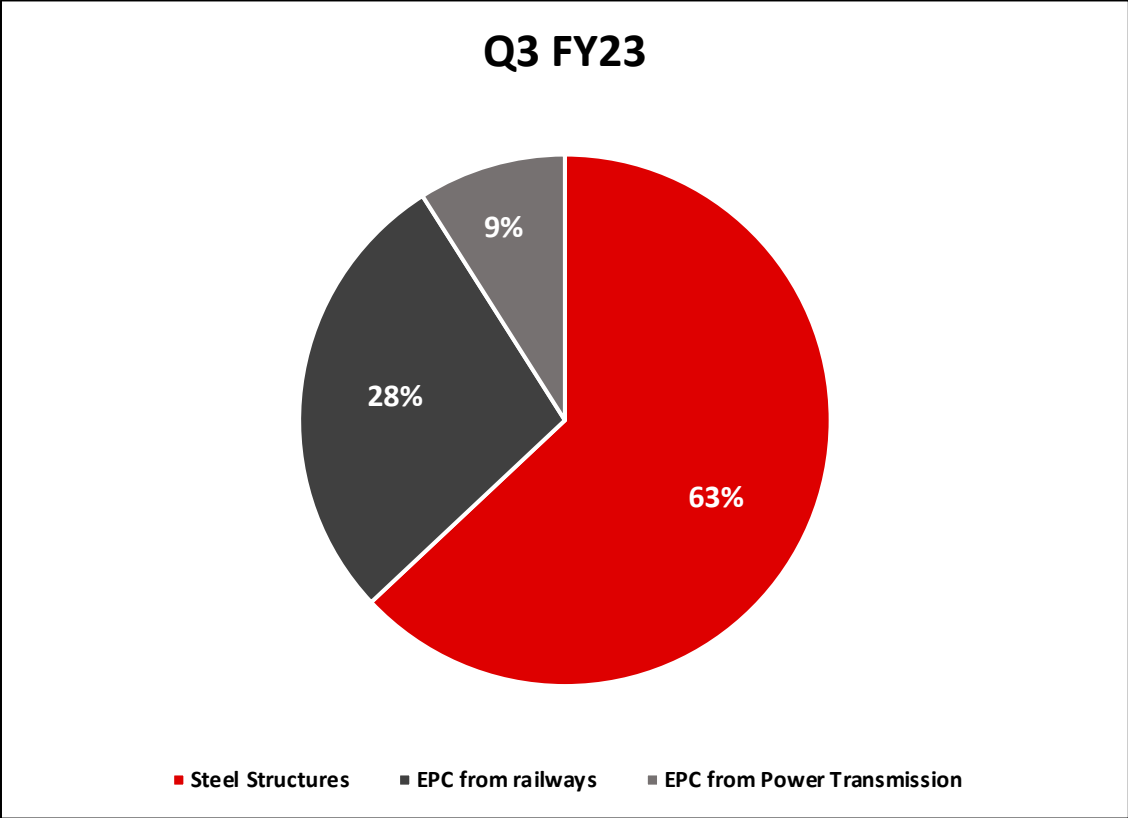
ABOUT SALASAR TECHNO ENGINEERING LIMITED

- ❑ Commenced in the year 2006, Salasar Techno Engineering Limited (“STEL” or “The Company”) is a one stop engineering and infrastructure solutions provider. The Company is engaged in providing end-to-end turnkey EPC services for the Power & Railway sectors, alongside specializing in the design & manufacture of Telecom towers and Heavy Steel Structures, catering to diverse industry needs.
- ❑ Operates through 3 state-of-the-art manufacturing facilities located at Uttar Pradesh having a cumulative manufacturing capacity of **2,11,000 MTPA**. The strategic location of these plants provides STEL with an advantage of procuring quality raw material at competitive prices.
- ❑ The plants are equipped with cutting edge technologies, In-House IIT certified designs, and time tested Ramboll designs and tools to enhance its capabilities. The Company boasts of having zero defect production, shortest delivery window, and ability to ramp up operations in minimum time anywhere.
- ❑ Pan India presence and exports to over **25** countries including West Africa, East Africa, Central Africa, Saudi Arabia, Nepal, and many more. Over the years The Company has served over **600** customers, supplied **50,000+** Telecom towers, Laid **~813 KMs** of Power Transmission Lines, and **~682** Railway Track KMs.
- ❑ The Company’s past performance and track record has facilitated it to become an approved vendor of PowerGrid Corporation Ltd., CORE (Central Organization for Railway Electrification), and a qualified bidder for Rural Electrification Projects.
- ❑ STEL’s commitment to excellence in its framework and implementation has earned it numerous international laurels and certifications including ISO 45001:2018 for Occupational Health and Safety Management Systems, ISO 14001:2015 for Environmental Management Systems, and ISO 9001:2015 for Quality Management Systems.
- ❑ As of 31st December 2023, STEL has a strong diversified order book worth **Rs. 23,259 Mn** providing strong revenue visibility.

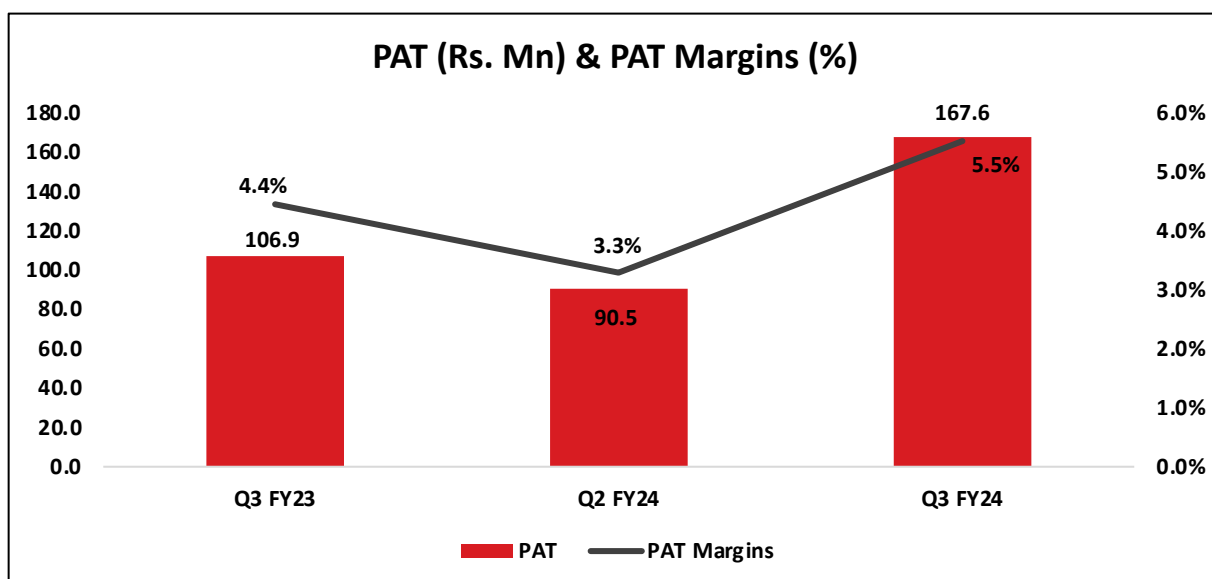
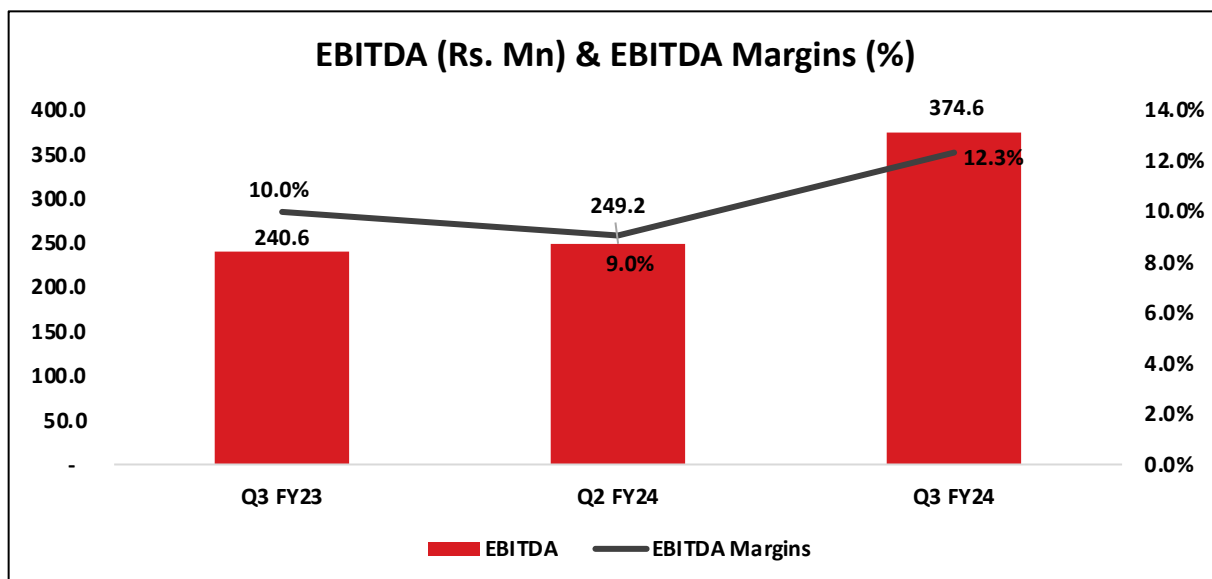
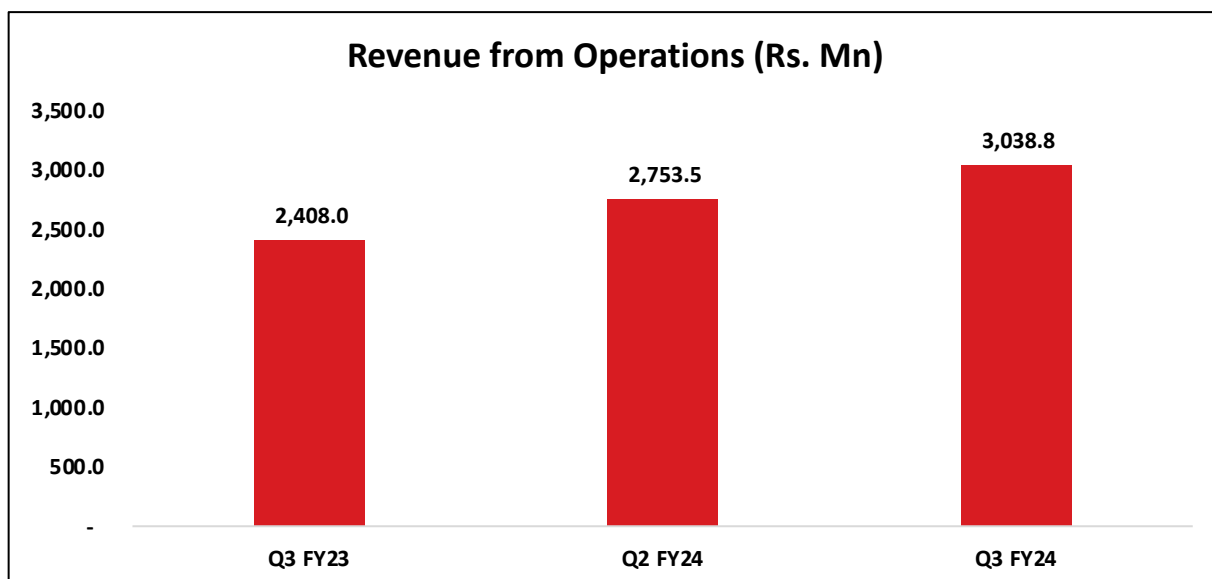
Particulars	Value (Rs. Mn)
Domestic EPC Orders	₹ 18,790
International EPC Orders	₹ 2,210
Orders under Heavy Steel Structure Division	₹ 1,107
Monopoles	₹ 721
Exports orders (Telecom Towers and Poles)	₹ 431
Total orderbook as on 31st December 2023	₹ 23,259

Over and above the current order book, STEL has regular monthly orders of Telecom towers worth ~Rs. 300-350 Mn

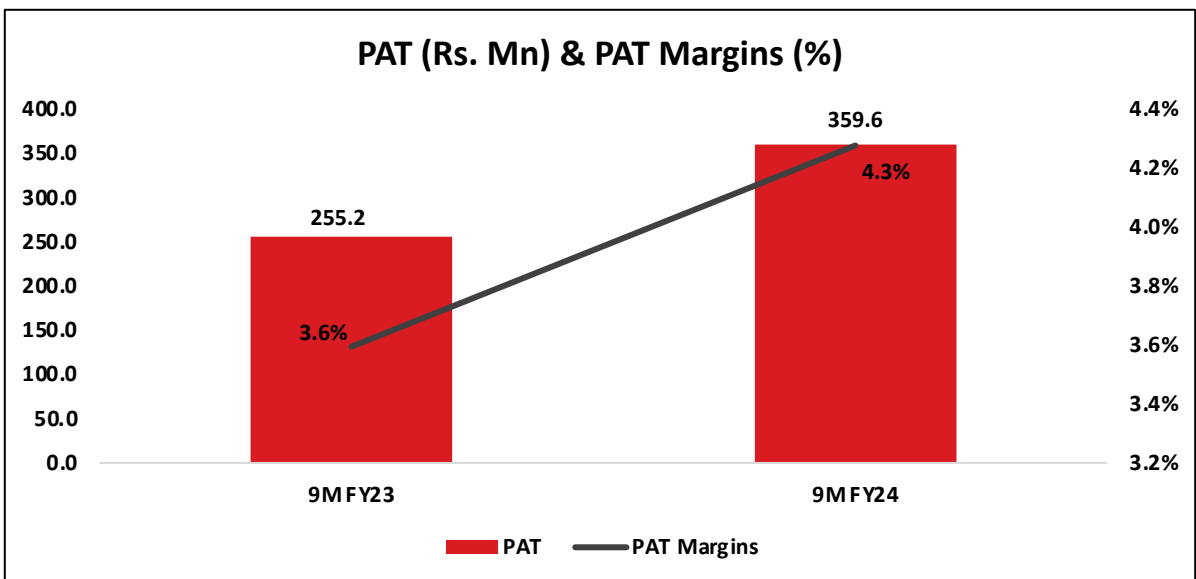
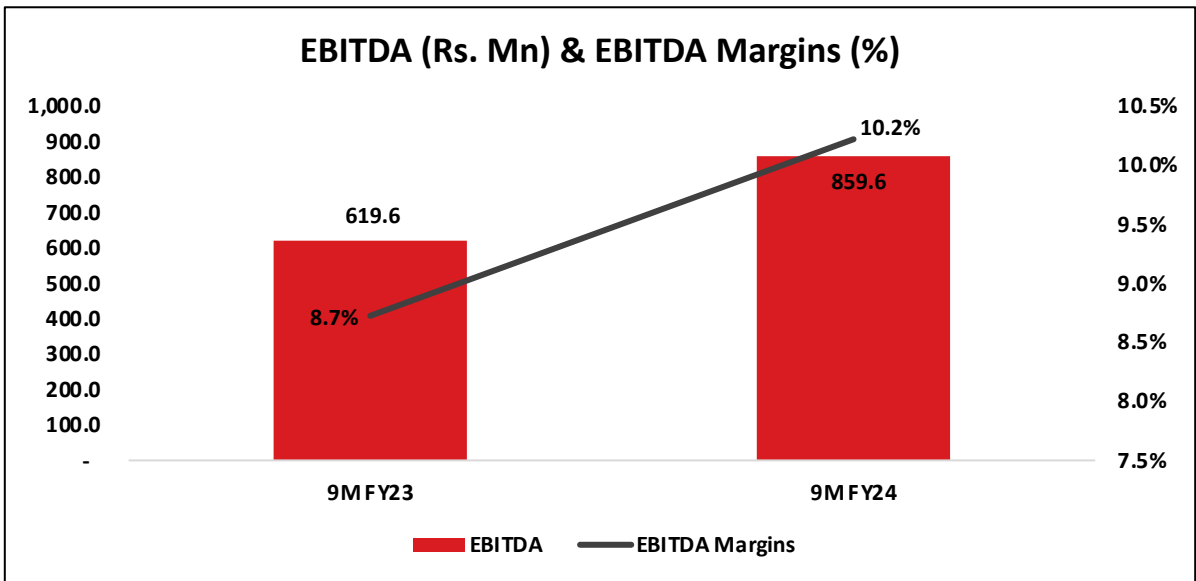
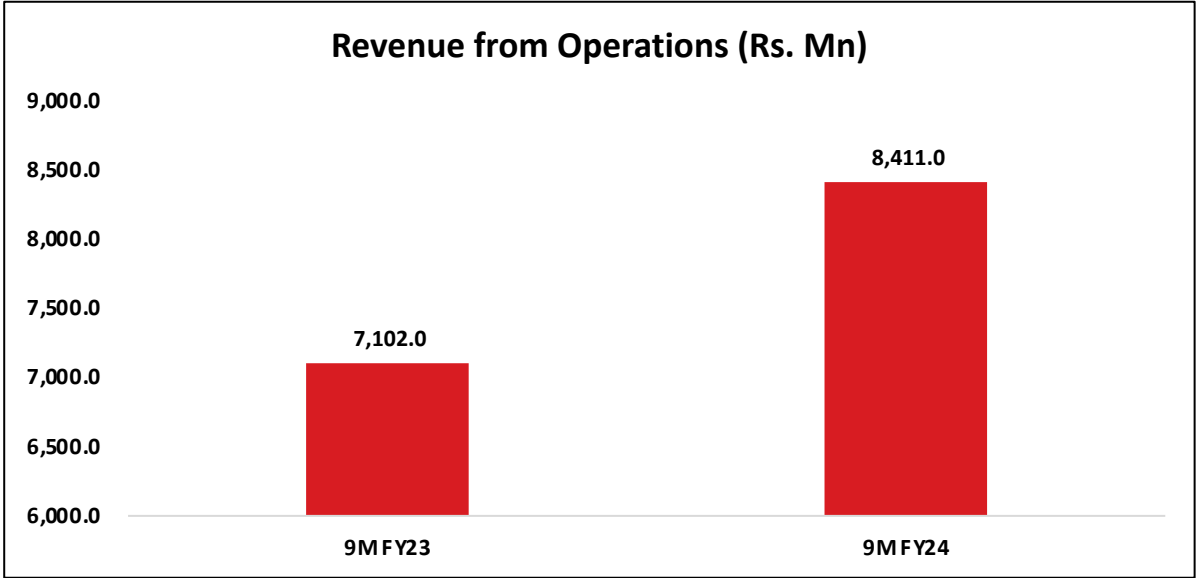
Revenue Mix: Q3 FY23 v/s Q3 FY24



QUARTERLY CONSOLIDATED FINANCIAL PERFORMANCE SNAPSHOT:



9M CONSOLIDATED FINANCIAL PERFORMANCE SNAPSHOT:



CONSOLIDATED INCOME STATEMENT:

Particulars (Rs. Mn)	Q3 FY24	Q3 FY23	YoY (%)	Q2 FY24	9M FY24	9M FY23	YoY (%)
Revenue from operations	3,038.8	2,408.0	26.2%	2,753.5	8,411.0	7,102.0	18.4%
Other income	4.6	1.4		3.1	12.7	7.7	
Total revenue	3,043.4	2,409.4		2,756.6	8,423.7	7,109.7	
Total expenses excluding depreciation, amortization, and finance cost	2,664.2	2,167.4	22.9%	2,504.3	7,551.4	6,482.4	16.5%
EBITDA*	374.6	240.6	55.7%	249.2	859.6	619.6	38.7%
EBITDA Margin %	12.3%	10.0%	230 bps	9.0%	10.2%	8.7%	152 bps
Depreciation & Amortization	28.0	19.9		22.9	73.2	57.7	
Finance Cost	120.0	78.2		106.0	307.9	221.2	
PBT	231.2	143.9	60.7%	123.4	491.2	348.4	41.0%
Tax	63.7	37.0		32.8	131.6	93.2	
PAT	167.5	106.9	56.8%	90.6	359.6	255.2	41.0%
PAT Margin %	5.5%	4.4%	112 bps	3.3%	4.3%	3.6%	68 bps
Diluted EPS	0.53	0.36		0.29	1.14	0.86	

*EBITDA is calculated excluding Other Income

BUSINESS UPDATE

- STEL secured a contract worth **Rs. 3,640 Mn** from Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) for delivering end-to-end services encompassing supply, erection, and installation of Feder segregation, High Voltage Distribution System, Separation of Double Distribution Transformer, and Augmentation of 33kv Lines.
- The Company on 3rd February 2024, has approved the allotment of bonus shares in the proportion of 4:1 i.e. four new fully paid up bonus equity shares of Re 1/- each for every one existing fully paid equity share.

MANAGEMENT COMMENTARY

Commenting on the performance of Q3 FY24, the management team of STEL said:

- Our Revenue from Operations grew by **26.2%** from Rs. 2,408.0 Mn in Q3 FY23 to Rs. 3,038.8 Mn in Q3 FY24 and by **18.4%** from Rs. 7,102.0 Mn in 9M FY23 to Rs. 8,411.0 Mn in 9M FY24.
- Our EBITDA increased remarkably by **55.7%** from Rs. 240.6 Mn in Q3 FY23 to Rs. 374.6 Mn in Q3 FY24 and by **38.7%** from Rs. 619.6 in 9M FY23 to Rs. 859.6 Mn in 9M FY24 led by increase in scale of operations. Notably, EBITDA margins exhibited impressive growth of **230 bps** from 10.0% in Q3 FY23 to 12.3% in Q3 FY24 and of **152 bps** from 8.7% in 9M FY23 to 10.2% in 9M FY24.
- PAT increased by **56.8%** to Rs. 167.5 Mn in Q3 FY24 and by **41.0%** to Rs. 359.6 Mn in 9M FY24. PAT margins grew by **112 bps** and **68 bps** to 5.5% in Q3 FY24 and to 4.3% in 9M FY24 respectively.

Coming on to our business performance, in this quarter, we added a significant project in our order book reflecting our growing presence in the infrastructure solutions and engineering sector. We secured a significant EPC contract from Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) valued at **Rs. 3,640 Mn**. Our comprehensive scope of work includes providing end-to-end EPC solution including supply, erection, and installation of Feder Segregation, High Voltage Distribution System, Separation of Double Distribution Transformer and Augmentation of 33kv Lines. Securing this order not only reflects our dedication to win integrated projects but also underscore our ability to provide end-to-end solutions for complex electrical infrastructure initiatives. As a result, our proficiency has reinforced our order book to **Rs. 23,259 Mn** as at 31st December 2023.

As we look into the future, we anticipate that our strong performance will remain resilient, underpinned by robust government spending towards nation building reinforced by private capex. The government's thrust towards electrification of entire rural and urban populace, extension of railway network, and massive expansion towards setting up telecom towers driven by the deployment of 5G technology and the increasing commitment to bolster the nationwide 4G infrastructure will provide an excellent opportunity for our business growth.

India is also the third-largest producer and consumer of electricity globally, and as per the Central Electricity Authority's (CEA) estimates India's power requirement will reach **340 GW** by 2030, driving the need for modernization & upgradation of the existing power transmission and distribution system. Moreover, India's infrastructure sector is poised for significant growth with Governments initiative towards augmenting the renewable energy capacity in solar space by **200 GW** by 2030, is expected to play a pivotal role in boosting the country's economic development. Our presence in these diverse sectors will create a conducive environment for us facilitating business growth.

In order to actively contribute towards the India's growth journey, we are in process of raising **Rs. 8,060.4 Mn** via preferential allotment of equity shares and warrants to promoter and non-promoter, public category. These funds will be mainly utilised towards financing of acquisition, capex, working capital requirements, and general corporate purposes.

Lastly, we remain focused on our core mission of delivering exceptional engineering and infrastructure solutions to our customers while driving sustainable growth for our stakeholders. We will continue to invest in our capacity and capability, to provide key infrastructure elements for supporting India's global competitiveness, be it in power transmission, railways electrification, telecom, smart cities, bridges, heavy structures, and other infrastructure.

For further information on The Company, please visit: <https://salasartechno.com>

DISCLAIMER

Certain statements in this document may be forward looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Salasar Techno Engineering Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstance.

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