

The Sandur Manganese & Iron Ores Limited

(An ISO 9001:2015; ISO 14001:2015 and 45001:2018 certified company)

CIN:L85110KA1954PLC000759; Website: www.sandurgroup.com

REGISTERED OFFICE

'SATYALAYA', No.266
Ward No.1, Palace Road
Sandur - 583 119, Ballari District
Karnataka, India
Tel: +91 8395 260301/ 283173-199
Fax: +91 8395 260473



CORPORATE OFFICE

'SANDUR HOUSE', No.9
Bellary Road, Sadashivanagar
Bengaluru - 560 080
Karnataka, India
Tel: +91 80 4152 0176 - 79 / 4547 3000
Fax: +91 80 4152 0182

SMIORE / SEC / 2024-25 / 43

5 August 2024

BSE Limited

Phiroze Jeejeebhoy Towers

Dalal Street

Mumbai - 400 001

Scrip Code: 504918 / Symbol: SANDUMA

National Stock Exchange of India Limited

Exchange Plaza, C-1, Block G

Bandra-Kurla Complex

Mumbai - 400 051

Symbol: SANDUMA

Dear Sir/Madam,

Sub: Investor Presentation for the quarter ended 30 June 2024

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the copy of Investor Presentation for the quarter ended 30 June 2024.

Stock Exchanges are requested to take the same on record.

Thank you

for The Sandur Manganese & Iron Ores Limited

Bahirji Ajai Ghorpade

Managing Director

DIN: 08452844

Encl: A/a

MINES OFFICE: Deogiri - 583112, Sandur Taluk, Ballari District

Tel: +91 8395 271025 / 28 / 29 / 40; Fax: +91 8395 271066

PLANT OFFICE: Metal & Ferroalloy Plant, Vyasankere, Mariyammanahalli - 583 222, Hosapete Taluk, Vijayanagara District

Tel: +91 8394 244450 / 244335



THE SANDUR MANGANESE &
IRON ORES LIMITED

Q1FY25
**TOWARDS AN
INTEGRATED AND
SUSTAINABLE
FUTURE**

Earnings Presentation

AUGUST 2024

NSE: SANDUMA | BSE: 504918
BLOOMBERG: SANDUMA:IN

SMIORE at a Glance

7 decades

As one of the most respected private sector merchant miners of manganese and iron ores

3rd Largest

Manganese ore miner in India

A+ (Stable)

ICRA RATING & CRISIL A/POSITIVE RATED
Robust credit rating

2,558*

SMIORE family members

VAST MINING RESERVES WITH LEASES UP TO 2033

17 MT

Manganese Ore

117 MT

Iron Ore

CURRENT CAPACITIES



0.46 MTPA

Manganese Ore



3.81 MTPA

Iron Ore



0.50 MTPA

Coke



32 MW

WHRB-based Power



42.9 MW

Solar-Wind Renewable Energy



95,000/1,25,000 TPA

Ferroalloys (SiMn/ FeMn)

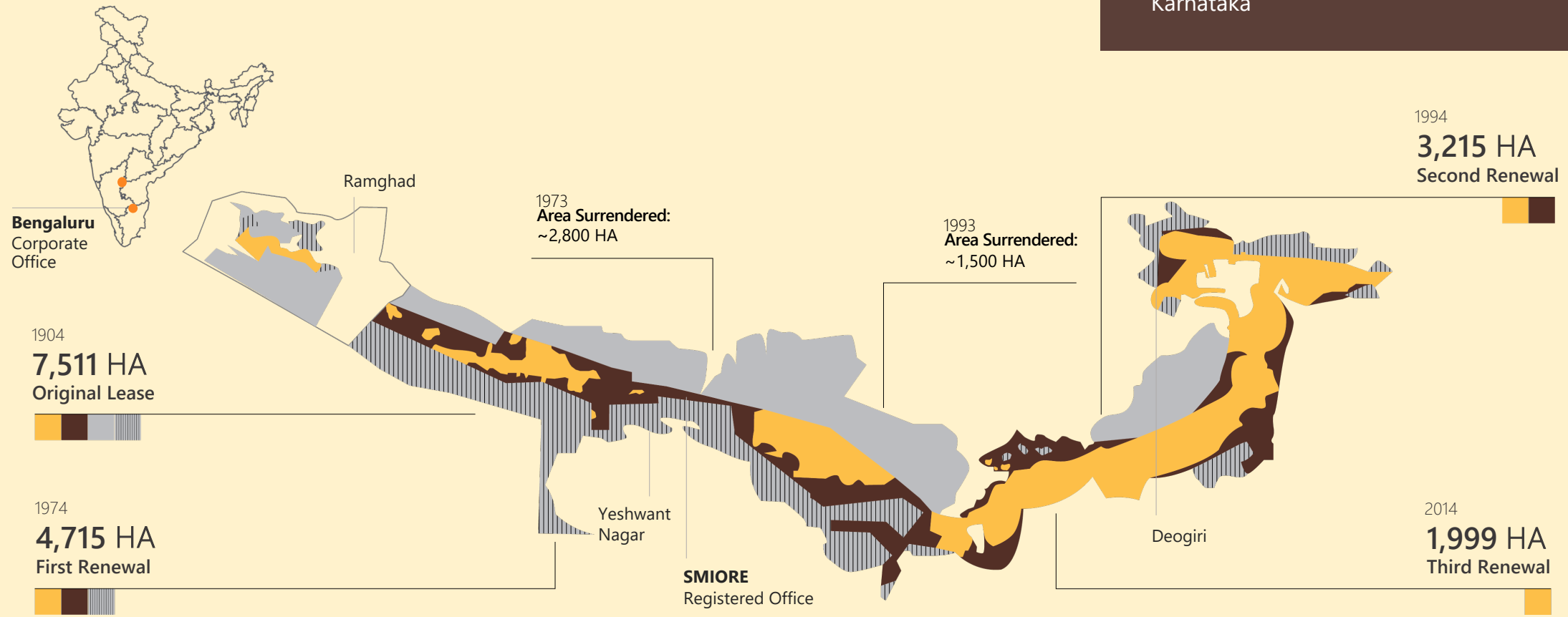
Operational Units

Mining Leases
(Deogiri, Kammathuru,
Subbarayanahalli and Ramghad)

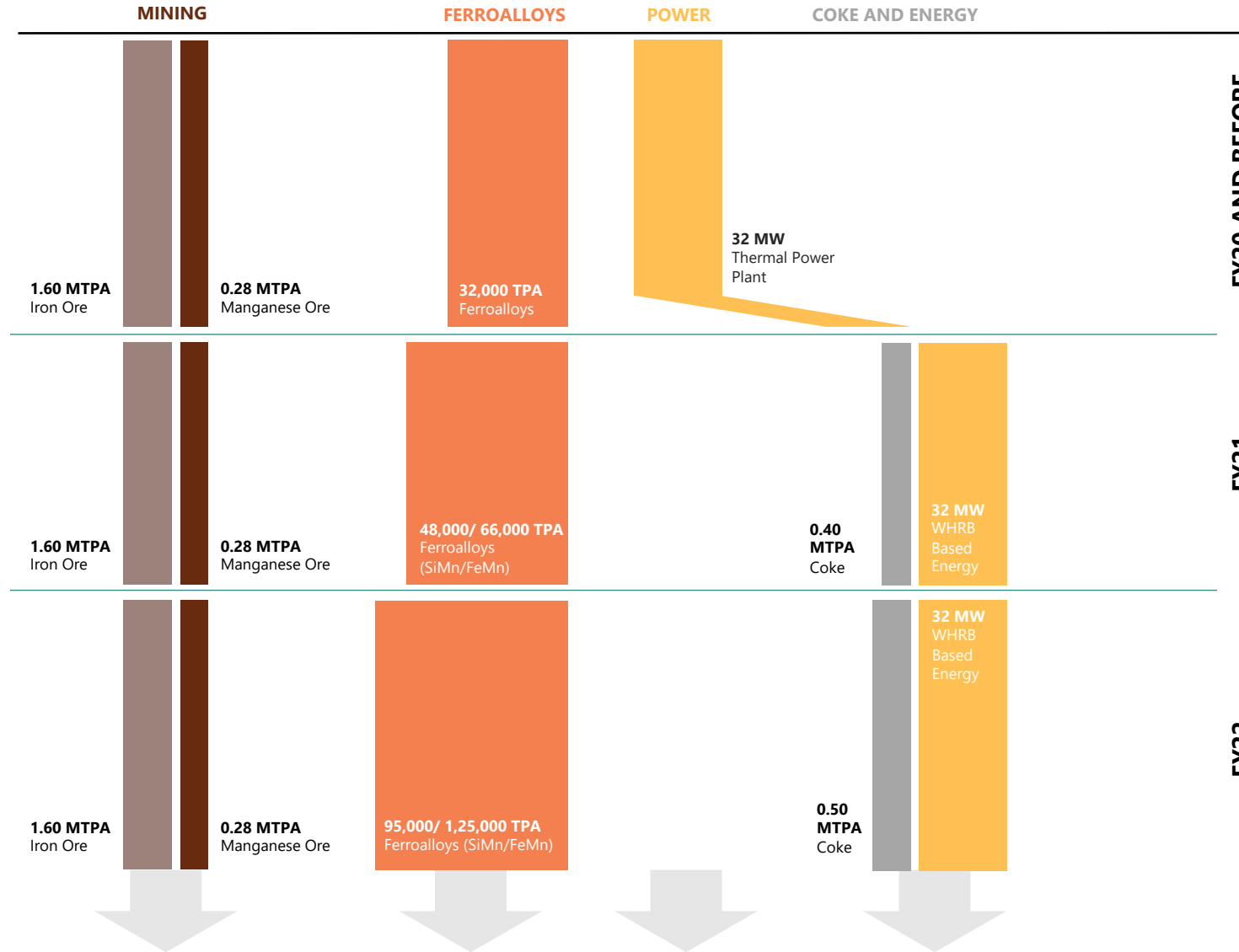
**Ferroalloy Plant, Power Plant,
Coke Oven Plant (Vyasankere)**

Ballari and Vijayanagara Districts,
Karnataka

EVOLUTION OF THE LEASE AREA OVER TIME



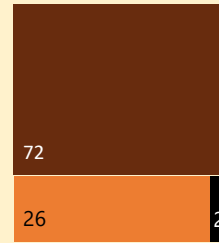
Transforming Business Canvas



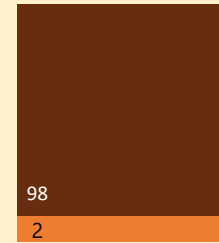
■ Mining ■ Ferroalloys ■ Coke and Energy ■ Others

TRAITS

REVENUE CONTRIBUTION FY18-20 (%)

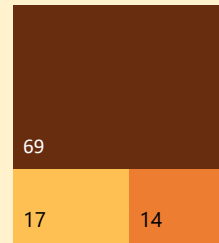


PBT CONTRIBUTION FY18-20 (%)

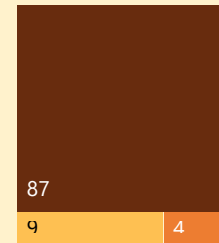


Asset light, cash generating mining operations coupled with marginally-profitable power-intensive ferroalloys operations

REVENUE CONTRIBUTION (%)

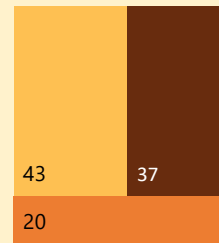


PBT CONTRIBUTION (%)

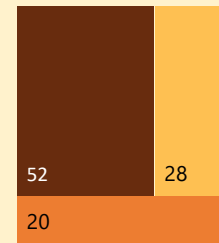


Asset light, cash generating mining operations coupled with self sustainable and profitable ferroalloys operations supported by Coke + WHRB based power generation

REVENUE CONTRIBUTION (%)

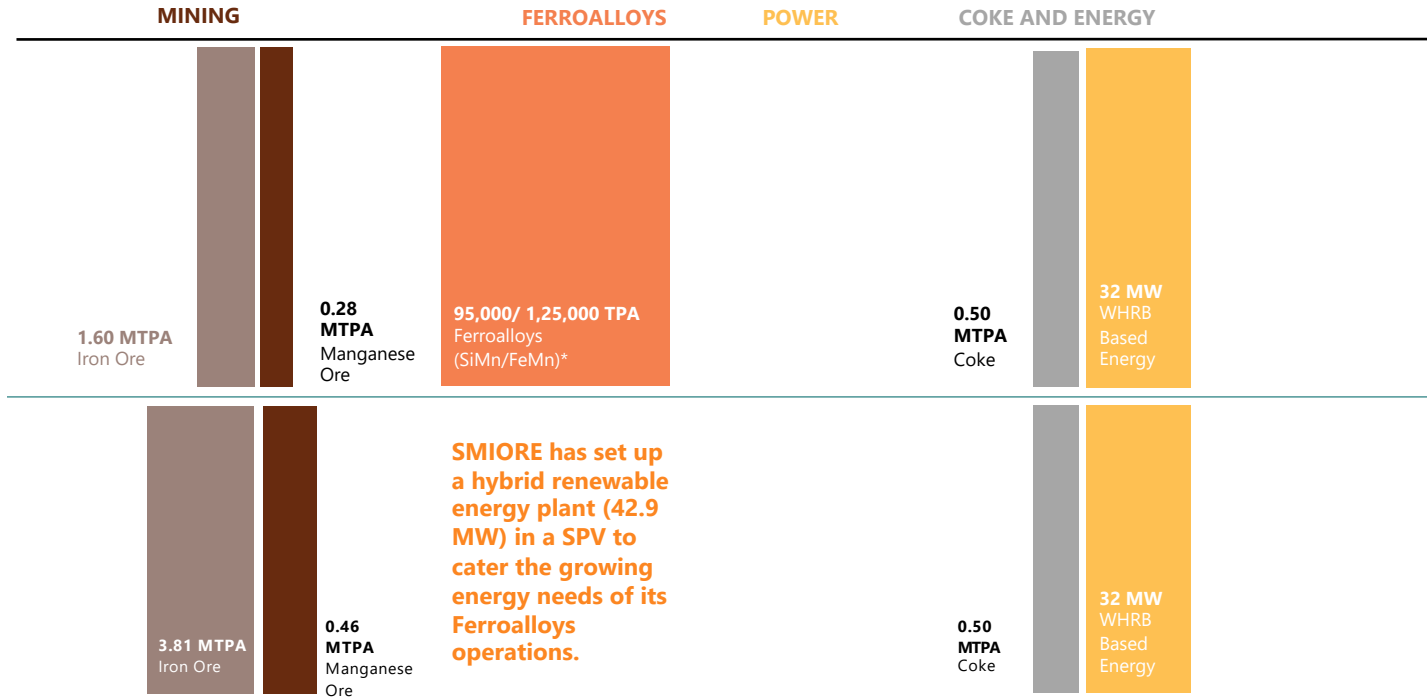


PBT CONTRIBUTION (%)



ABOUT SMIORE

Transforming Business Canvas



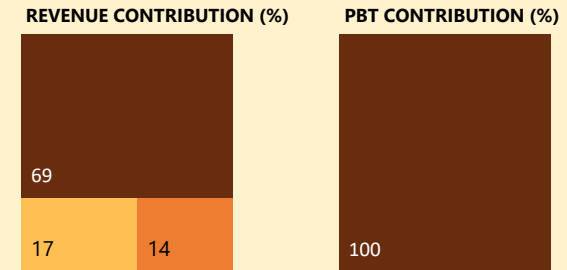
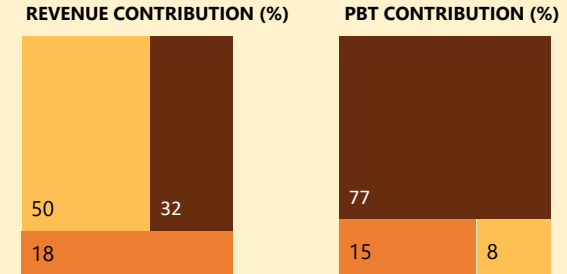
- Asset-light and high Return on Capital Employed (ROCE)
- Cost-efficient operations resulting in high Operating Profit Margins (OPM) and significant operating-leverage
- Generating consistent Cash Flows

- Long-term vision of growth
- Mitigates sustainability concerns as a pure-play merchant miner
- Forward integration into value-added end-products

*Note: Existing capacities are used primarily to produce SiMn/FeMn, hence capacity calculations are as per SiMn/FeMn. However, the Company plans to add new products, hence actual capacities may differ as per the product-mix.

■ Mining ■ Ferrous ■ Coke and Energy

TRAITS



Further expansion of mining operations underway



FY23

FY24

TRAITS

ABOUT SMIORE

Values that Drive Us

SMIORE is run by the ethos

“All that we get (earn) from the soil of Sandur in one form or the other should be primarily used to benefit Sandur”

M.Y.
GHORPADE

Values

Scientific Mining & Sustainable Operations

Environment Preservation & Community Development

Employee Welfare & Development

Adherence to Highest Corporate Governance Standards

Awards and Recognitions

Awarded 5-STAR rating by the Government of India every year since the introduction of Sustainable Development Framework (SDF)

Other prestigious awards include **National Safety Award (Mines)** from the Government of India, prizes secured during competitions held by **Mines Safety Association Karnataka**, prizes secured during competitions held by **Mines Environment & Mineral Conservation Association**, among others.



Sandur Kushala Kala Kendra supported by the Company has created a Guinness World Record for the 'Largest Display of Lambani Items' on 10 July 2023 at Hampi during the G20 Summit

Some of SMIORE's successful Employee Welfare Programs

Food Security

A food package for a family of 5 costs ₹ 145 against actual cost of ~₹4,300, balance being absorbed by the Company.

Subsidized LPG Cylinder

SMIORE provides subsidised LPG cylinders to a large subset of its employees with a 90% subsidy to prevent them from cutting trees for fuel.

Housing Loan Subsidy

Interest subsidy on housing loans availed by employees.

Pension

Lifetime pension to certain long-standing employees.

Other

Includes cloth subsidy, marriage & festival gifts, medical care, sickness benefits, education & training facilities, housing & electricity, and many more.

BUSINESS VERTICALS REVIEW

Mining – our mainstay

- Mining manganese and iron ores from two mining leases located in Sandur (Karnataka)
- Fully-mechanized iron ore mining contributing to higher margins
- Semi-mechanized, labour-intensive manganese ore mining with relatively lower margins but generating large scale employment opportunities
- Mining operations with one of the **best operating metrics & track record** in the Industry
- Mining operations conducted with utmost respect for environment and adherence to regulatory norms of authorities

Capacity Enhancement

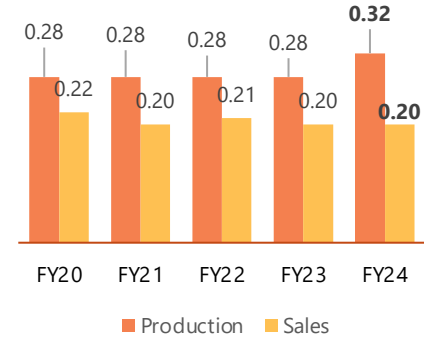
Capacity already enhanced for manganese ore production from 0.28 MTPA to 0.46 MTPA, and further proposed to increase to 0.58 MTPA. Similarly, iron ore production capacity has been enhanced from 1.60 MTPA to 3.81 MTPA, and further proposed to increase to 4.36 MTPA. All the proposed expansions are duly complying with the parameters prescribed by the Hon'ble Supreme Court.



Mn
0.46 MTPA
Capacity

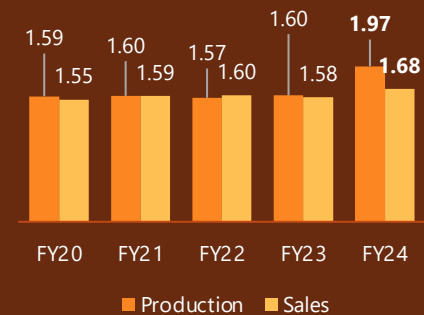
MANGANESE ORE MINING OPERATIONS

(MTPA)

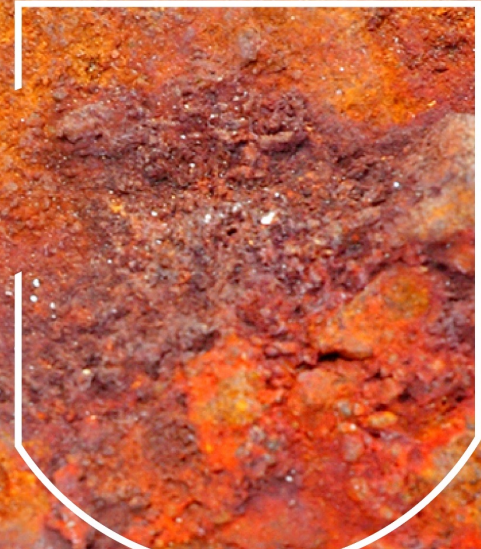


IRON ORE MINING OPERATIONS

(MTPA)



Fe
3.81 MTPA
Capacity



BUSINESS VERTICALS REVIEW

Ferroalloys – new and improved

Turnaround of Ferroalloys operations in FY21 through feasible power generation

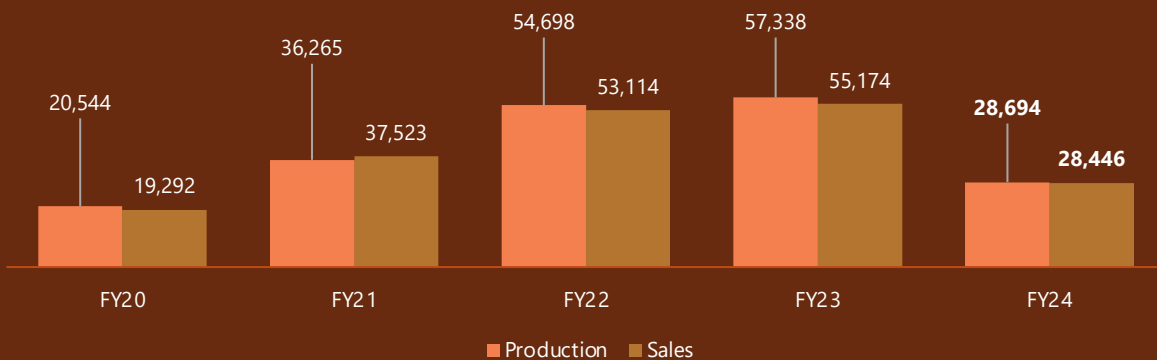
The combination of Coke Oven Plant and WHRB generates power as a by-product, thus leading to substantial savings by eliminating the need for thermal coal

Achieved a shift towards a cleaner source of energy such as Waste Heat & Green Energy against previously used coal-based energy

Effective power generation cost was reduced significantly post commissioning of WHRB & further setup of hybrid renewable energy plant

FERROALLOYS OPERATIONS

(TPA)



Key products

Silicomanganese and Ferromanganese

CAPACITIES

FY22 Onwards
**95,000/
 1,25,000 TPA**
 (SiMn/FeMn)*

FY21
**48,000/
 66,000 TPA**
 (SiMn/FeMn)

FY20
32,000 TPA

SiMn FeMn

95,000/1,25,000 TPA
 (Silicomanganese/
 Ferromanganese) Capacity

**Note – Existing capacities are used primarily to produce SiMn/FeMn, hence capacity calculations are as per SiMn/FeMn. However, the Company plans to add new products, hence actual capacities may differ as per the product-mix.*

Coke and Energy – strengthening operations

0.5 MTPA

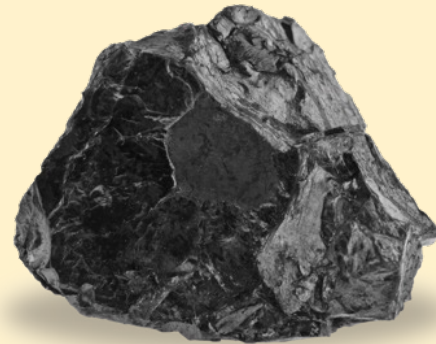
4 Batteries with a cumulative capacity of 0.5 MTPA

32 MW

2 Waste Heat Recovery Boilers with a cumulative capacity of 32 MW setup for generating cleaner energy

March 2018

Started expansion work



18 January 2021

Fully commissioned Coke Oven

C E

0.5 MTPA
Coke Oven Plant

32 MW
Waste Heat Recovery Boilers (WHRB)

Strategic Business Acquisition

Strategic business acquisition of Arjas Steel Private Limited (Arjas) by SMIORE

Announced on 25 April 2024

~₹ 3,000 Crore EV

Arjas has been valued at an Enterprise Value (EV) of ~₹ 3,000 Crore, equity value to be decided basis customary and agreed adjustments to the EV at the closing date

Share Purchase Agreement (SPA)

SPA with an entity affiliated with ADV Partners, an Asia-focused private equity firm

Bought controlling stake

80% equity capital to be acquired by SMIORE

Consideration

Pure cash consideration to be paid by SMIORE

Regulatory approvals

Received approval from Competition Commission of India (CCI) on 18 July 2024

Timelines

Expect to complete the transaction within 7 months, subject to customary closing conditions as per the SPA

Indirect acquisition of AMSPL

Will also result in acquisition of Arjas' Wholly-Owned Subsidiary i.e. Arjas Modern Steel Private Limited located in Punjab

Leading Independent Player in a Specialised Industry

A **speciality steel company** focused on high quality auto grade Special Bar Quality (SBQ) steel

Integrated manufacturer from coke, sinter, hot metal & billets, to value-add bars & bright bars

Amongst the **top 5 players** in this very specialised industry

Manufacturing over **100+ grades** with varied applications

Marquee OEM clientele (direct & via supply-chain partners)

PV



CV & Off-road



2W



Snapshot

~5 LTPA

Manufacturing capacity, being expanded further

2

Production facilities, one each in Andhra Pradesh & Punjab

Robust financial profile

Revenue & EBITDA growth and a robust balance sheet

CRISIL A

Rated CRISIL A (Positive outlook)

20 MW

Captive power capacity (Solar + Waste-Heat)

~950 acres

Enough land bank & infrastructure to expand up to 1 MTPA in future

Successful acquisition

Acquired & stabilized Modern Steel (Punjab) into Arjas Modern Steel

~2,500

Team strength

Strengthening an Already Robust Business

A quality business

High-quality convertor:

SBQ steel has better realisations and margins vis-à-vis commodity steel products

Strong entry barriers:

Empaneled vendor, after a stringent process, with numerous auto-Original Equipment Manufacturers (OEM) over many years of operations

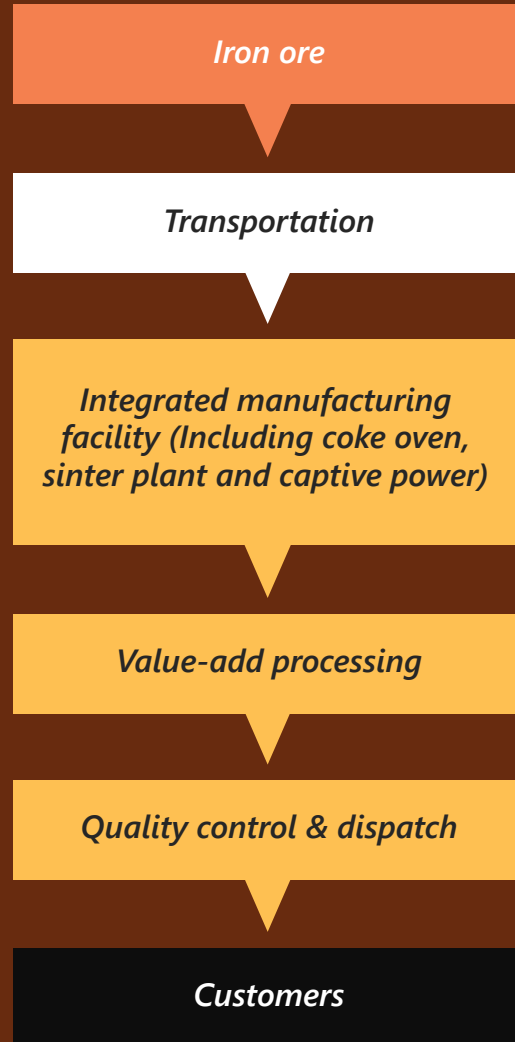
Strategic locations:

To cater to auto OEM clusters in both South & North India

Focusing on growing non-auto opportunities:

Working on product development for non-auto sectors like Railways (already RDSO approved), Energy, EVs & exports

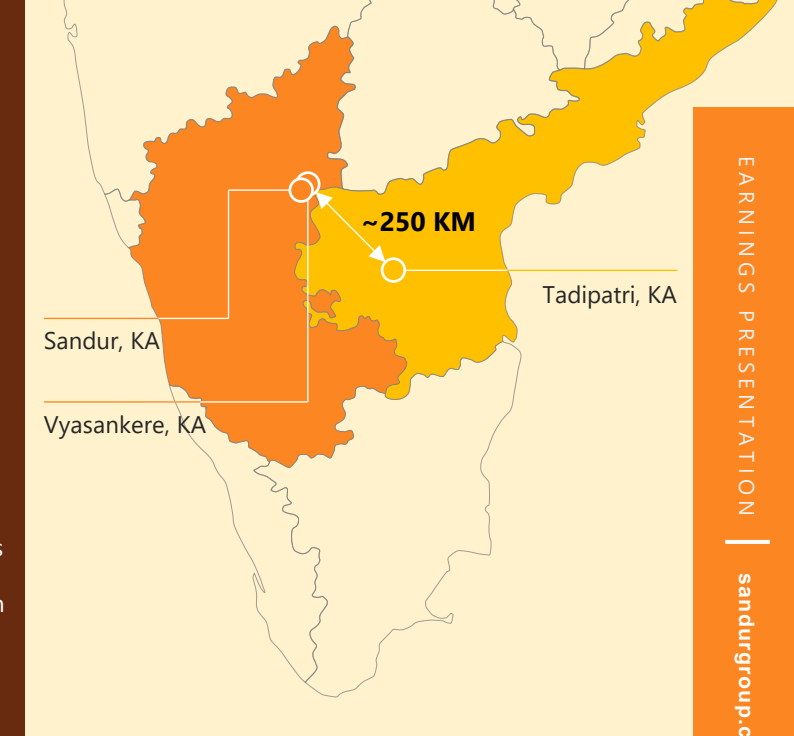
To be strengthened further Highest-possible integration in the industry



■ SMIORE aids backward integration & sourcing for key RM of Arjas

■ Limited distance between SMIORE-Arjas (~250 km) and both sites are equipped with railway sidings

■ To enhance Arjas' business positioning & cost-competitiveness further



Rationale for the Acquisition



1 Accelerates SMIORE's forward-integration to become a steel company

As opposed to a minimum 2-3 years of gestation period for a greenfield project, and further time to get numerous OEM empanelments

2 Acquired a business over an asset

Thriving i.e., superior growth & profitability metrics

Well-managed i.e., seasoned management team & CXOs

Quality facility i.e., technically-advanced facility with good SOPs established by a Brazilian steel major



3 Potential for future brownfield investments

Sizable land bank & infrastructure to expand up to 1 MTPA, add more products to the portfolio

Key Milestones of FY24

April 2023

Received Environmental Clearance for mining expansion from 1.6 to 4.5 MTPA of iron ore

June 2023

Commissioned 42.9 MW captive hybrid renewable energy project



September 2023

SMIORE was listed on the National Stock Exchange of India Limited (NSE)



December 2023

Announced Bonus Issue of equity shares in the ratio of 5:1

January 2024

Commenced exports of iron ore after lifting of export restrictions by the Hon'ble Supreme Court in May 2022

January 2024

SMIORE crossed \$ 1 billion in market capitalization

February 2024

Received enhanced MPAP of 3.81 MT of iron ore and 0.462 MT of manganese ore from the Monitoring Committee

February 2024

ICRA upgraded SMIORE's credit rating to A+(Stable)

April 2024

Announced strategic business acquisition of Arjas Steel Private Limited



01 02

03 04

05 06

07

08

CONCLUSION

Investment Rationale

Stable & Growing Cash Flows

Through long-standing mining operations

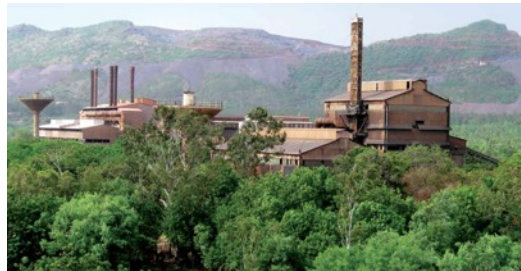


Company With a Heart

Adhering to the highest standards of corporate governance and sustainability

Strong Balance Sheet

With net-debt free status, supported by surplus liquidity



Disciplined Capital Allocation

Guided by strong parentage

Emerging Integrated Player

Merchant miner to hot metal & value-added products manufacturer, to enjoy benefits of higher conversion and margins



New and Improved Ferroalloys

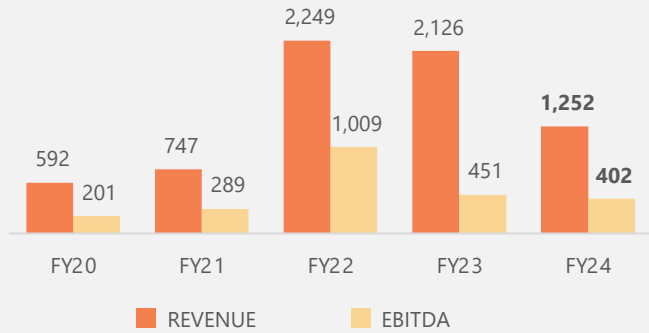
Operations, contributing meaningfully to financial performance

Strategic Inorganic Growth

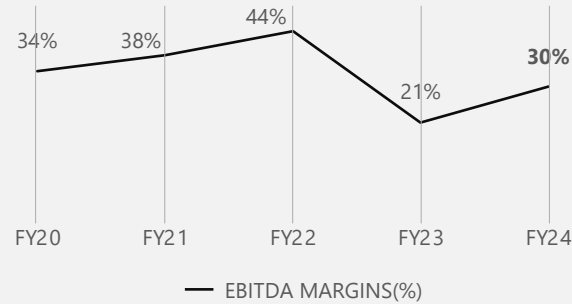
Strategic business acquisition of Arjas Steel to accelerate SMIORE's entry into the steel market, in a niche sub-segment (SBQ steel)

Key Performance Indicators

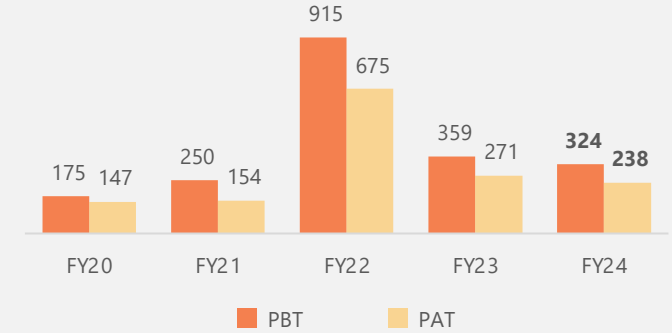
REVENUE, EBITDA
(₹ IN CRORE)



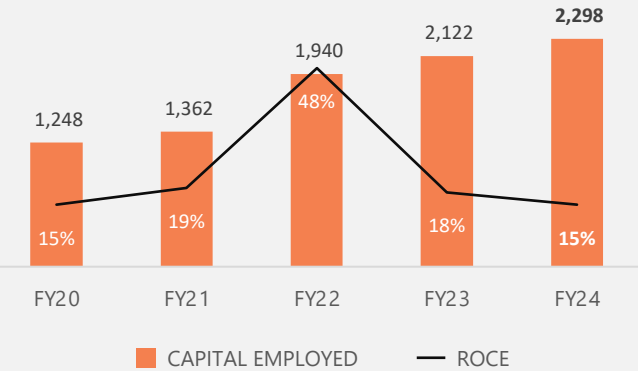
EBITDA MARGINS
(IN %)



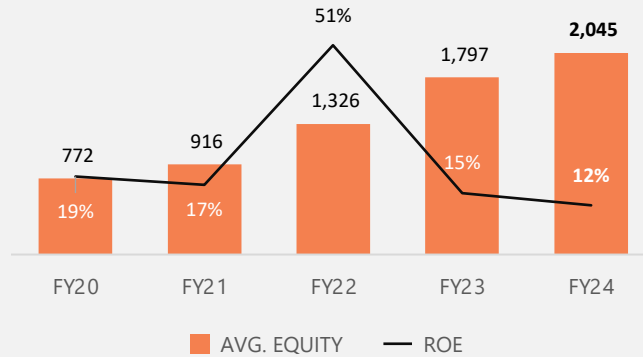
PBT & PAT
(₹ IN CRORE)



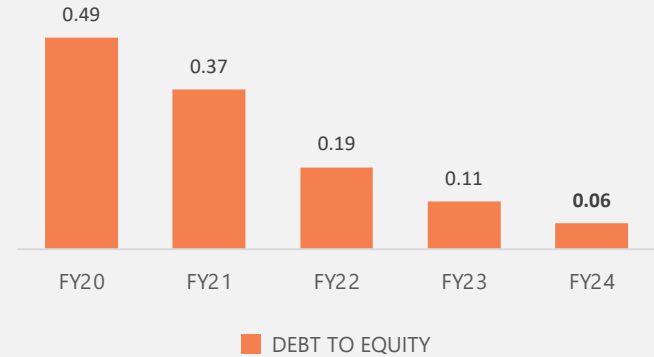
CAPITAL EMPLOYED, ROCE
(₹ IN CRORE & IN %)



EQUITY, ROE
(₹ IN CRORE & IN %)



GROSS DEBT TO EQUITY
(IN TIMES)



Q1FY25 Operational Highlights

MANGANESE ORE



IRON ORE



FERROALLOYS



COKE



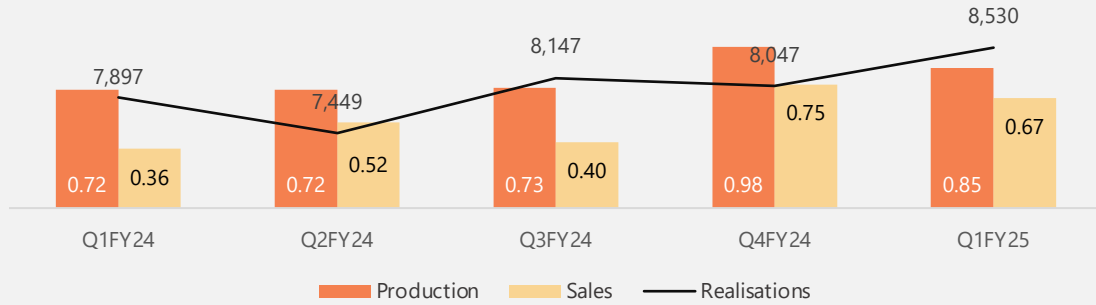
<i>Production</i>	0.85 Lakh Tonne	8.69 Lakh Tonne	6,464 Tonne	30,133 Tonne
<i>Sales</i>	0.67 Lakh Tonne	10.73 Lakh Tonne	9,396 Tonne	26,026 Tonne
<i>YoY Sales Volume</i>	87%	137%	35%	(23%)
<i>QoQ Sales Volume</i>	(10%)	45%	(43%)	155%
<i>Average/Tonne Realization</i>	₹8,530/-	₹3,679/-	₹69,602/-	₹29,872/-
<i>QoQ Change in Realizations</i>	6%	(22%)	16%	0%
<i>Realization Remarks</i>	Increase	Decrease	Increase	Flat
<i>Sales Volumes Remarks</i>	Significant Increase in YoY & Marginal Decrease in QoQ	Significant Increase in YoY & QoQ	Increase in YoY & Decrease in QoQ	Decrease in YoY & Significant Increase in QoQ

Q1FY25 PERFORMANCE HIGHLIGHTS

Q1FY25 Segment Highlights

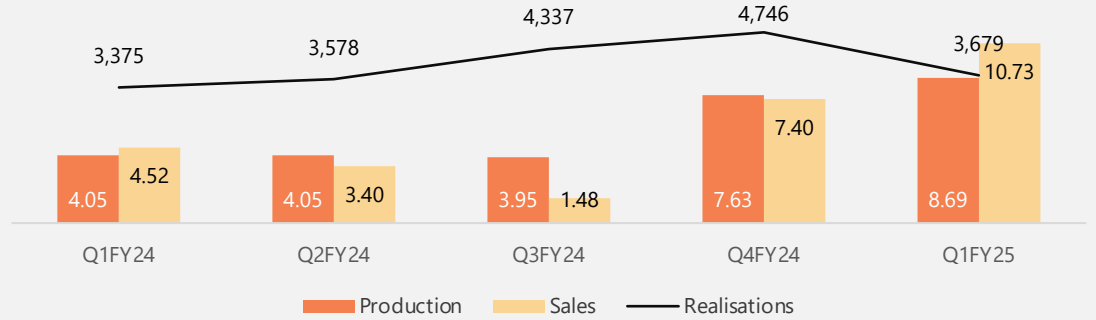
MANGANESE ORE OPERATIONAL PERFORMANCE

(Lakh Tonne & ₹/Tonne)



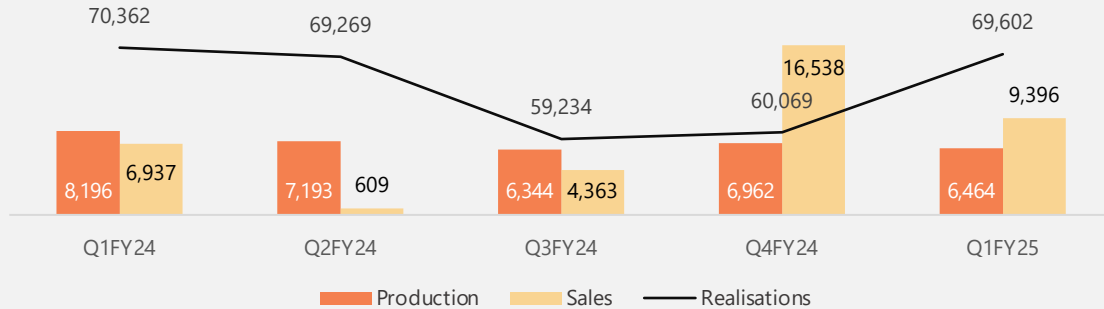
IRON ORE OPERATIONAL PERFORMANCE

(Lakh Tonne & ₹/Tonne)



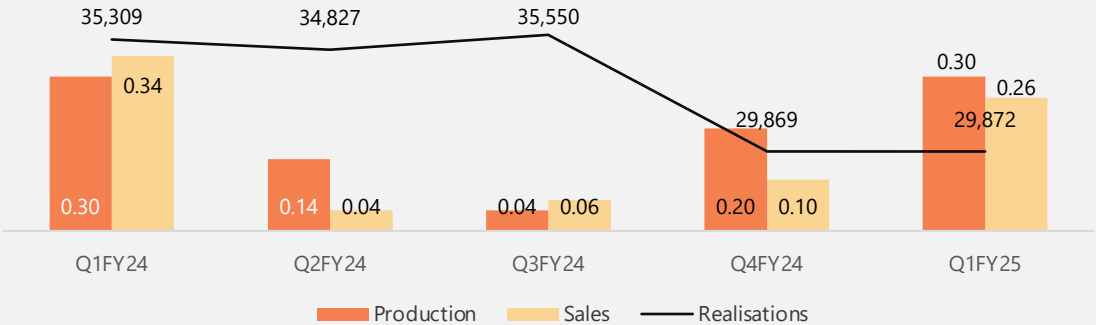
FERROALLOYS OPERATIONAL PERFORMANCE

(Tonne & ₹/Tonne)



COKE OPERATIONAL PERFORMANCE

(Lakh Tonne & ₹/Tonne)



Q1FY25 Financial Highlights



₹ 624 Crore

Total Income

₹ 214 Crore

EBITDA

₹ 146 Crore

PAT

₹ 2,303 Crore

Shareholders' Funds

	Total Income	EBITDA	PAT	Capital Structure
Growth (YoY)	64%	180%	268%	
Growth (QoQ)	7%	(10%)	(10%)	
Margin		34%	23%	
Margins Expansion/ (Contraction) (YoY)		1,422 bps	1,299 bps	
Gross Debt/Equity				0.05

Management Commentary

“

Our first focus was on ramping up iron ore production and offering the mined ore for sale.

BAHIRJI A. GHORPADE
MANAGING DIRECTOR



Mining

The production activity for iron ore has significantly increased in line with the new Maximum Permissible Annual Production (MPAP) limits effective from February 2024. This was the first full quarter of operations with the enhanced MPAP limits, and our initial focus was on ramping up iron ore production and offering the mined ore for sale. This will now be followed by an increase in manganese ore production over the coming quarters. The SMIORE team was fully prepared to deliver on the mining expansion, and it is a testament to their hard work that we have been able to achieve this target in the first quarter itself.

In line with the strategic guidance given earlier, we have started a more balanced quarterly approach with respect to mining volumes, keeping in mind our growing scale of operations in both mining and non-mining business segments. Realisations for manganese ore have seen some improvement, while iron ore realisations have taken a hit in Q1, although this was compensated by higher volumes.

Mining Expansion

Following the expansion of MPAP limits to 3.81 MT of iron ore and 0.462 MT of manganese ore in February 2024, SMIORE is further pursuing the expansion to 4.36 MTPA of iron ore and 0.58 MTPA of manganese ore, duly complying with the parameters prescribed by the Hon'ble Supreme Court.

The mining plan for MPAP enhancement has been approved, and further processes have been initiated. Updates on this expansion endeavour will be shared as developments unfold.

Coke and Energy

Performance in the Coke and Energy segment remains unchanged, with volatility in coking coal prices being the major impediment.

Ferroalloys

Ferroalloys' performance is interdependent on the Coke and Energy segment, with lower volumes in Coke and Energy leading to lower energy generation and thus production in Ferroalloys. Commissioning of renewable energy assets has proved to be a very strategic decision on this front, diversifying energy-mix and allowing at least one furnace to operate irrespective of volatility in coking coal market. While the recent improvements in demand and realisations have been a welcome relief for the segment, the Company still utilises only one furnace on account of waste-heat energy constraints.

Strategic Business Acquisition

Following the recent announcement of the strategic business acquisition of Arjas Steel Private Limited in April 2024, the Company applied for the approval of the Competition Commission of India (CCI). I am pleased to share that we received the necessary approvals from CCI on 18 July 2024.

As communicated earlier, we are on track to close the transaction within 7 months from the announcement, subject to customary closing conditions as per the Share Purchase Agreement (SPA).

Augmenting Management Bandwidth

I am also delighted to announce the appointment of SMIORE's new CEO and COO. Krishnendu Sanyal, a seasoned executive with ~32 years of global experience, has been appointed as the CEO. His previous roles include various leadership positions at Tata Steel in India and Sri Lanka, The Siam Industrial Wire Co. in Thailand, and Sedibeng Iron Ore in South Africa. He has a proven track record in turning around and expanding operations in the steel industry, and creating value through acquisitions, integrations, and divestments initiatives.

Further, Manjunath Prabhu has been appointed as the COO of the Company. Manjunath has ~36 years of work experience in the metals and mining industry, with a long stint at JSW Steel, Vijayanagar since 1996. He possesses extensive work experience in the Ballari region's metals and mining operations.

This is a strategic initiative to augment our management bandwidth and bolster our strategic leadership as we march forward with our strategic priorities and further solidify SMIORE's legacy in the industry.

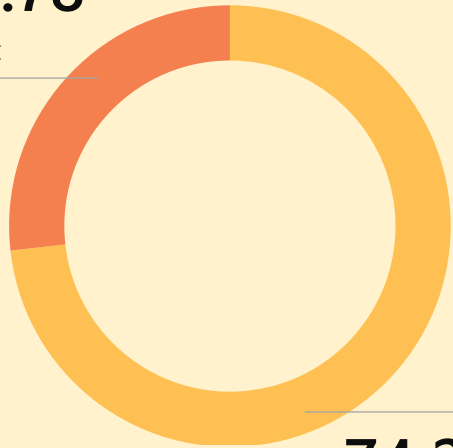
Corporate Information

SHAREHOLDING SUMMARY

(IN %)

25.78

Public



74.22

Promoters

Shareholding Data as on 30 June 2024



Market Price Data (BSE) as on 5 August 2024



THE SANDUR MANGANESE &
IRON ORES LIMITED

Get in touch

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MANAGING DIRECTOR

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diwakar.pingle@in.ey.com

Safe Harbor

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