

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/2023-24/62

8 November 2023

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001
Scrip Code: 504918

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 quarter and half year ended 30 September 2023

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 quarter and half year ended 30 September 2023.

The Exchanges are requested to take the same on record.

Thanking you.

For The Sandur Manganese & Iron Ores Limited

Bijan Kumar Dash
Company Secretary & Chief Compliance Officer
Membership No. A17222

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

Q2FY24

Towards an Integrated and Sustainable Future

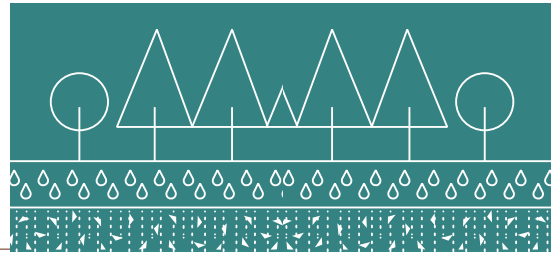
Earnings Presentation

NOVEMBER 2023

SANDUR at a Glance

6+ decades

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



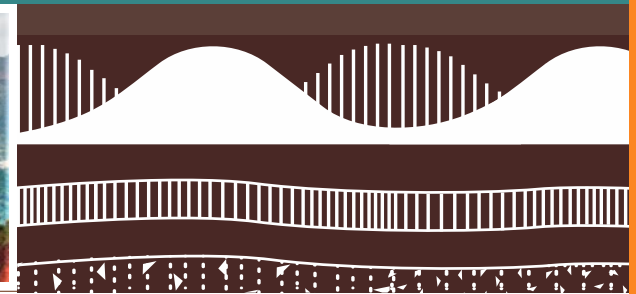
VAST MINING RESERVES WITH LEASES UP TO 2033

17 MT
Manganese Ore

110 MT
Iron Ore

3rd Largest

Manganese ore miner in India



A/Stable

CRISIL & ICRA RATED
Robust credit rating



2,463*

SANDUR family members

CAPACITIES



0.28 MTPA

Manganese Ore



1.60 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)

*As on 30 September 2023

Operational Units



Bengaluru
Corporate
Office

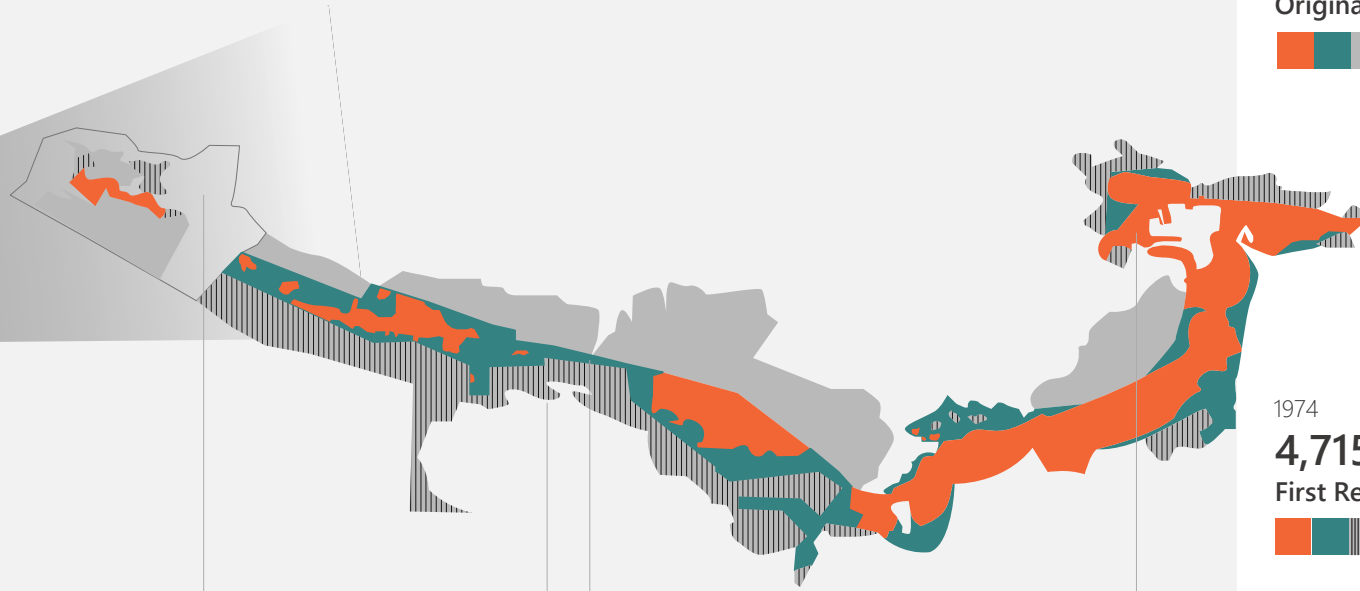
Mining Leases

(Deogiri, Kammathuru,
Subbarayanahalli and Ramghad)

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

Ballari and Vijayanagara Districts,
Karnataka

SANDUR



Ramghad

SANDUR
Registered Office

Yeshwant
Nagar

Deogiri

Map not to scale

1904
7,511 HA
Original Lease

1974
4,715 HA
First Renewal

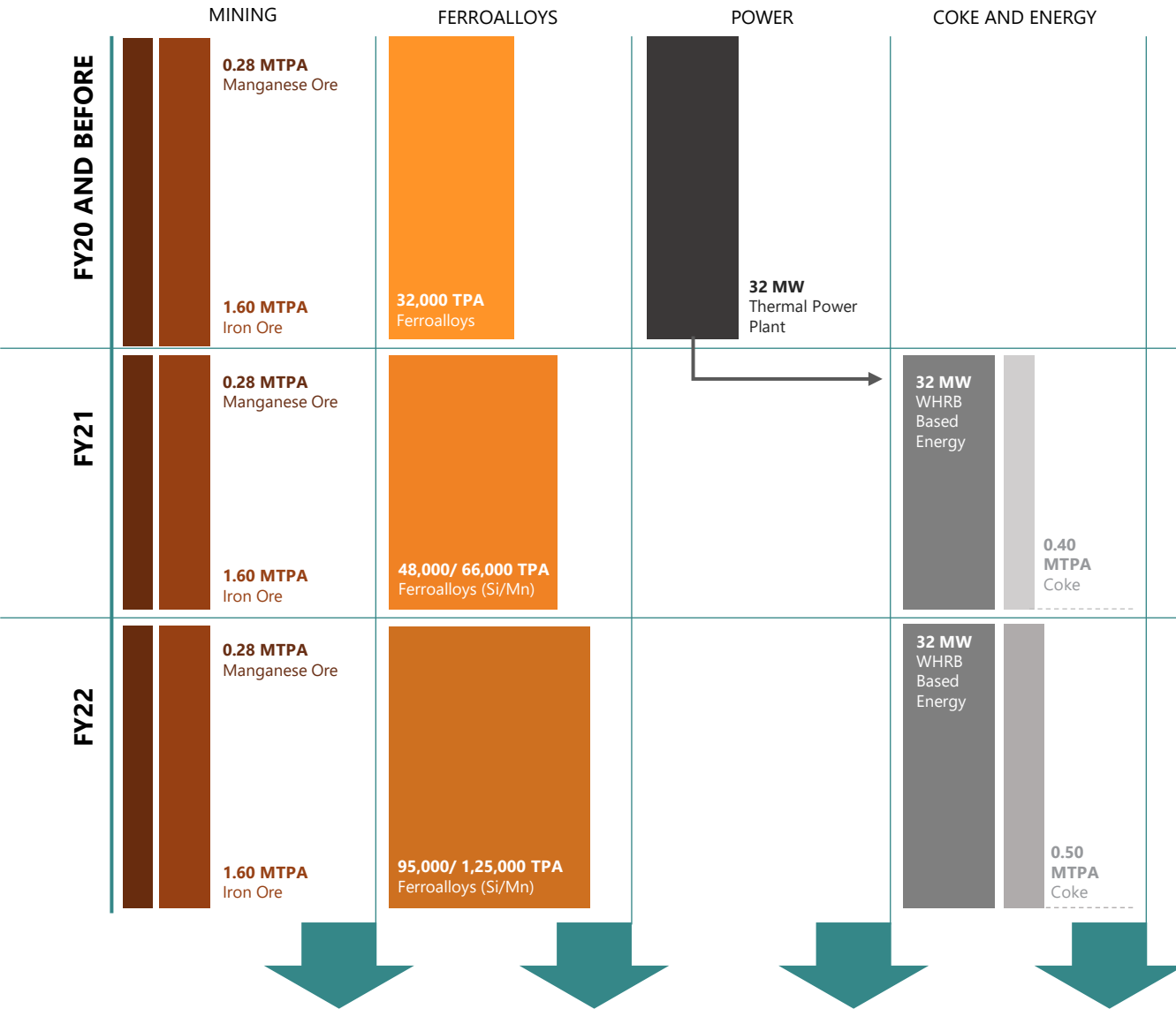
1994
3,215 HA
Second Renewal

2014
1,999 HA
Third Renewal

1973
Area Surrendered:
~2,800 HA

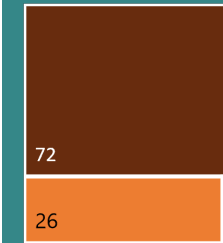
1993
Area Surrendered:
1,500 HA

Transforming Business Canvas

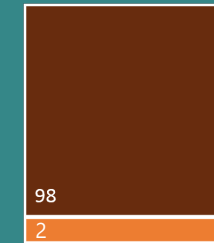


TRAITS

REVENUE CONTRIBUTION FY18-20 (%)

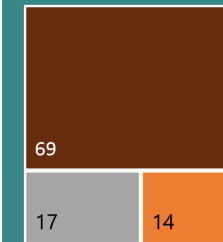


PBT CONTRIBUTION FY18-20 (%)

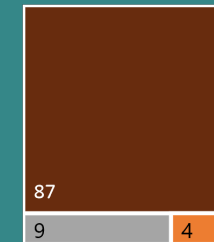


Asset light, cash generating mining operations coupled with marginally-profitable power-intensive ferroalloys operations

REVENUE CONTRIBUTION (%)

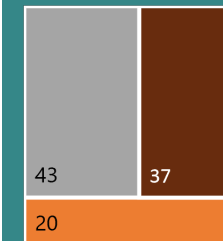


PBT CONTRIBUTION (%)

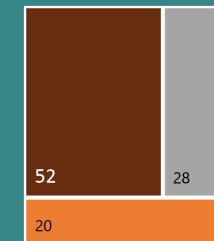


Asset light, cash generating mining operations coupled with self sustainable and profitable ferroalloys operations supported by Coke + WHRB based power generation

REVENUE CONTRIBUTION (%)



PBT CONTRIBUTION (%)



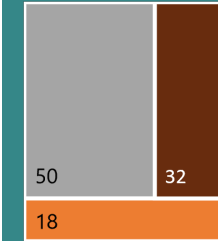
■ Mining
 ■ Ferroalloys
 ■ Coke and Energy
 ■ Others

Transforming Business Canvas (Going Forward)

| | MINING | FERROALLOYS | POWER | COKE AND ENERGY |
|-----------|---|--|-------|--|
| FY23 | <p>0.28 MTPA Manganese Ore</p> <p>1.60 MTPA Iron Ore</p> | <p>95,000/ 1,25,000 TPA Ferroalloys (Si/Mn)*</p> | | <p>0.50 MTPA Coke</p> <p>32 MW WHRB Based Energy</p> |
| EXPANSION | <p>0.58 MTPA Manganese Ore</p> <p>4.50 MTPA Iron Ore</p> <p>7.00 MTPA Beneficiation Unit</p> | <p>SANDUR has set up a hybrid renewable energy plant (42.9 MW) in a SPV to cater the growing energy needs of its Ferroalloys operations.</p> | | <p>32 MW WHRB Based Energy</p> <p>0.50 MTPA Coke</p> |
| TRAITS | <ul style="list-style-type: none"> Asset-light and high ROCE Cost-efficient operations resulting in high OPM and significant operating-leverage Generating consistent Cash Flows | <ul style="list-style-type: none"> Self-sustainable & profitable ferroalloys operations | | <ul style="list-style-type: none"> 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.

REVENUE CONTRIBUTION (%)



PBT CONTRIBUTION (%)



Further expansion of mining operations planned

Improving Profit Profile

Multifold increase
in absolute PBT

Diversi-
fication
in profit profile of
the Company

FY18-20 (Average*)



FY21



FY22



FY23



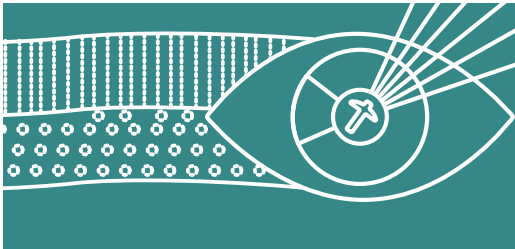
*Arithmetic Average FY18-20 | Note – PBT excludes finance costs and unallocable expenses/income

Values that Drive Us

SANDUR 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



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.



Some of SANDUR's successful 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

SANDUR 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.

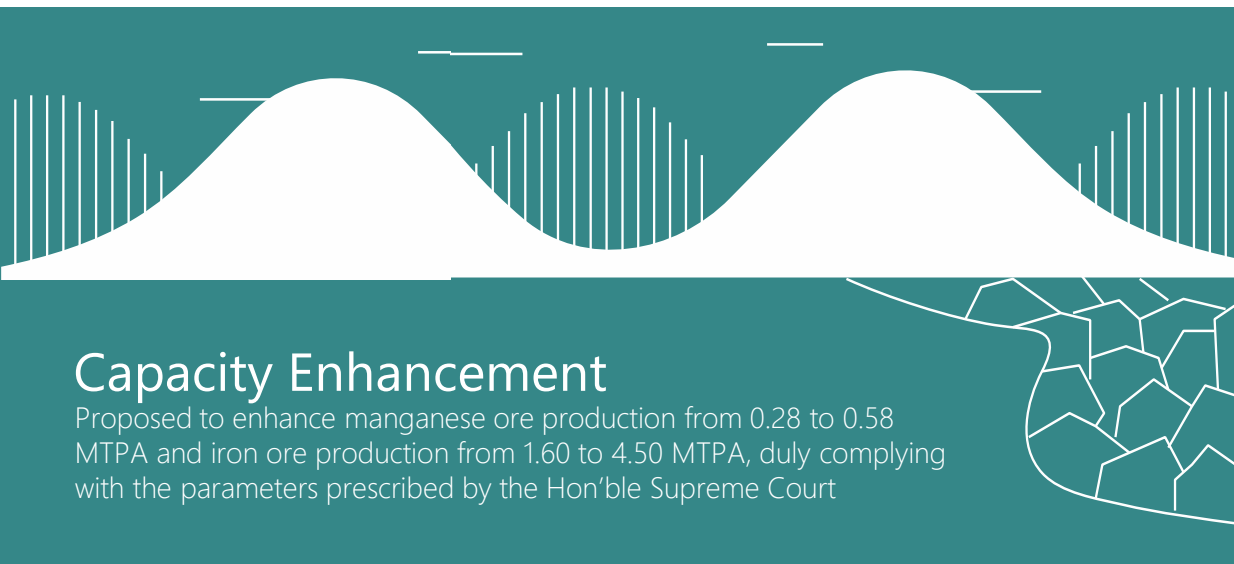
Pension

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.

Mining - our mainstay

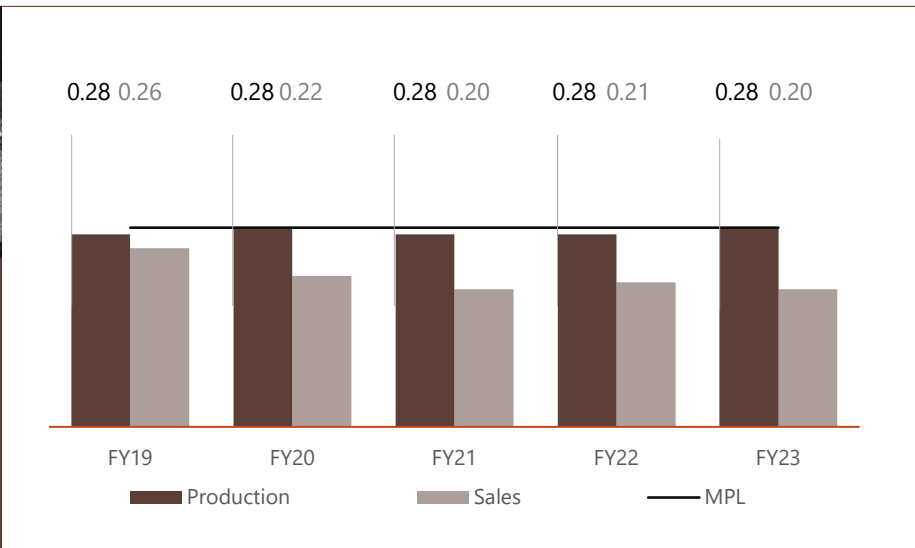


Capacity Enhancement

Proposed to enhance manganese ore production from 0.28 to 0.58 MTPA and iron ore production from 1.60 to 4.50 MTPA, duly complying with the parameters prescribed by the Hon'ble Supreme Court

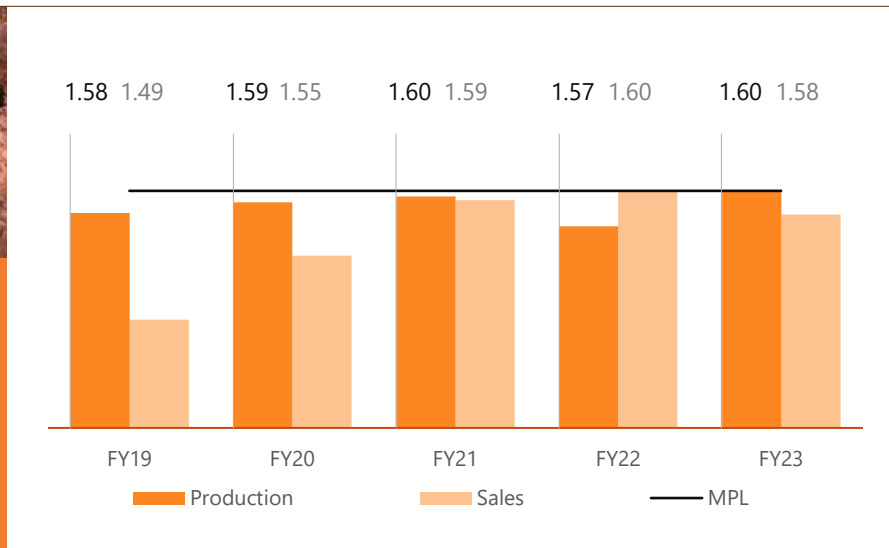
MANGANESE ORE MINING OPERATIONS
(MTPA)

0.28 MTPA



IRON ORE MINING OPERATIONS
(MTPA)

1.60 MTPA



Mining manganese and iron ores from two mining leases located in Sandur (Karnataka)

Mining operations with one of the **best operating metrics & track record** in the Industry

Fully-mechanized iron ore mining contributing to higher margins

Mining operations conducted with utmost respect for environment and adherence to regulatory norms of authorities

Semi-mechanized, labour-intensive manganese ore mining with relatively lower margins but generating large scale employment opportunities

Ferroalloys - new and improved

Turned around 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

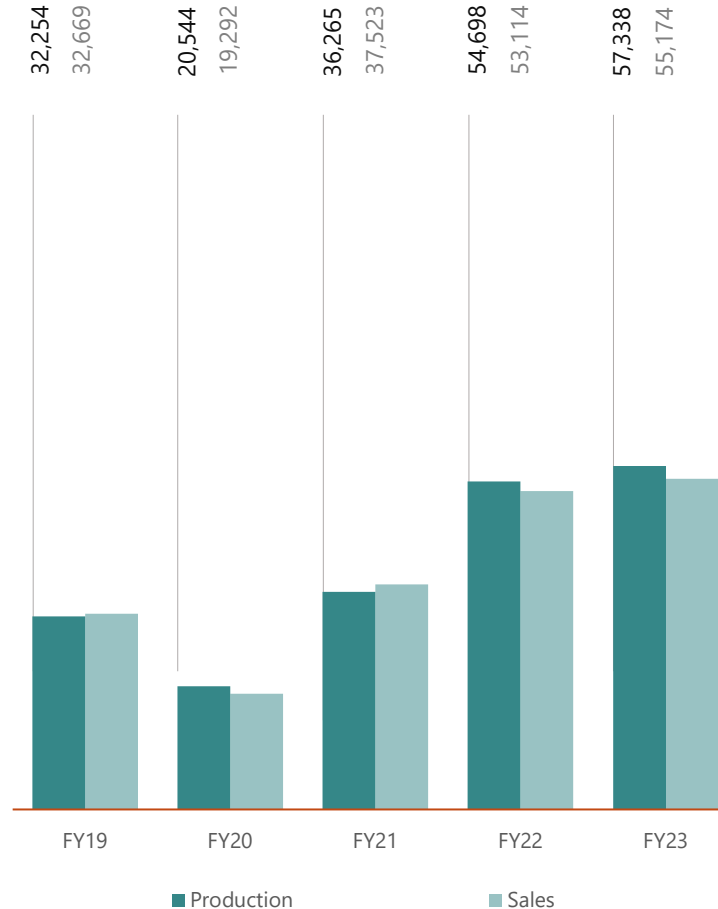
Achieved a shift towards a cleaner source of energy such as Waste Heat & Green Energy against previously used coal-based energy

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



Key products:
Silicomanganese
and Ferromanganese

FERROALLOYS OPERATIONS (MTPA)



CAPACITIES

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

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

FY20
32,000 TPA

*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



March 2018
Started expansion work

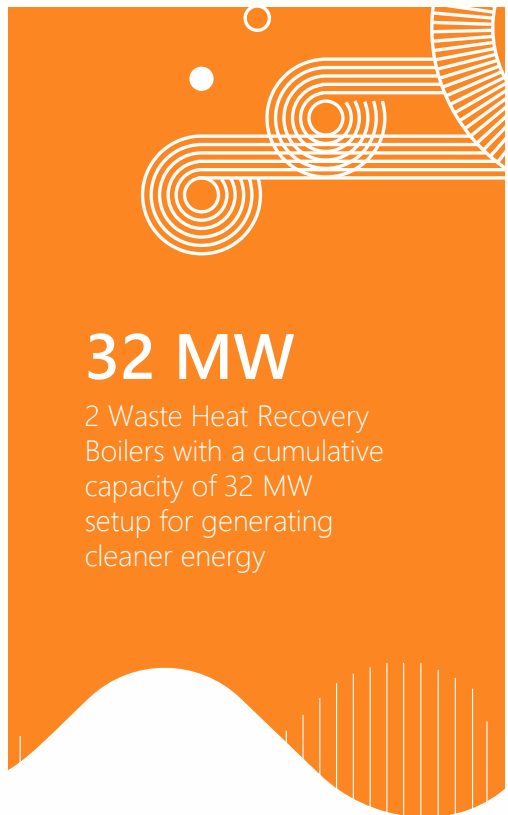
0.5 MTPA

4 Batteries with a cumulative capacity of 0.5 MTPA



18 January 2021

Fully commissioned Coke Oven



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



Investment Rationale

Stable & Growing Cash Flows

Through long-standing mining operations

New and Improved Ferroalloys

Operations, contributing meaningfully to financial performance

Disciplined Capital Allocation

Guided by strong parentage

Strong Balance Sheet

With net-debt free status, supported by surplus liquidity



Company With a Heart,

adhering to the highest standards of corporate governance and sustainability

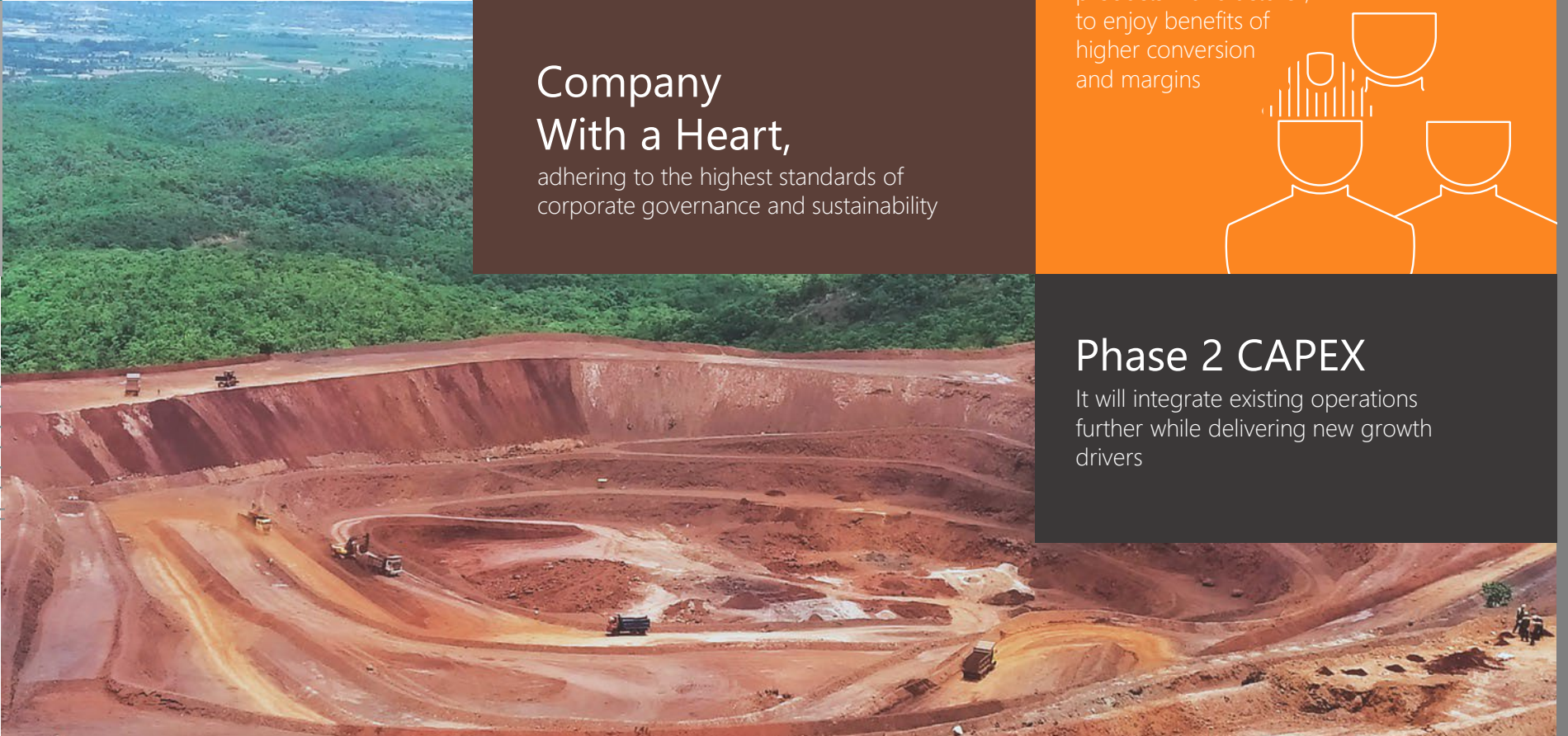
Emerging Integrated Player,

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



Phase 2 CAPEX

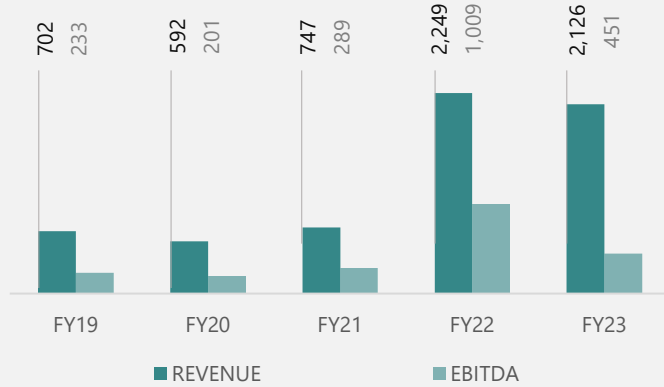
It will integrate existing operations further while delivering new growth drivers



Key Performance Indicators

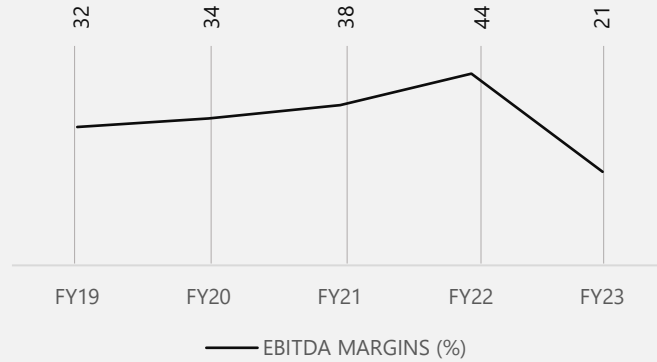
REVENUE, EBITDA

(₹ IN CRORE)



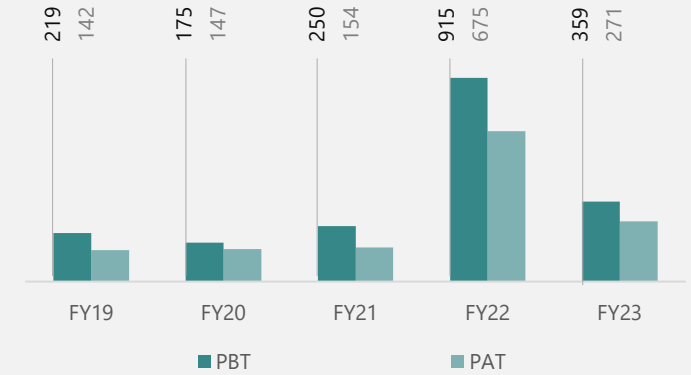
EBITDA MARGINS

(IN %)



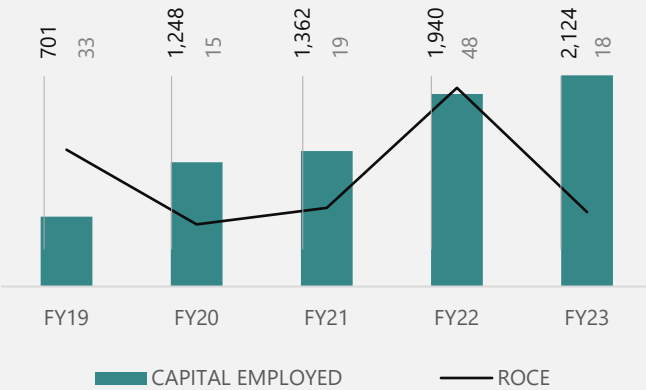
PBT & PAT

(₹ IN CRORE)



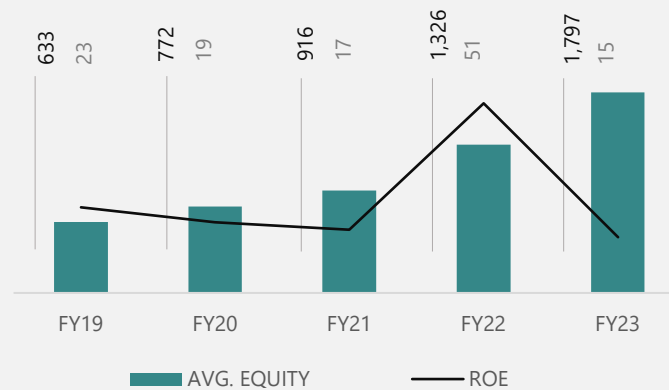
CAPITAL EMPLOYED, ROCE

(₹ IN CRORE & IN %)



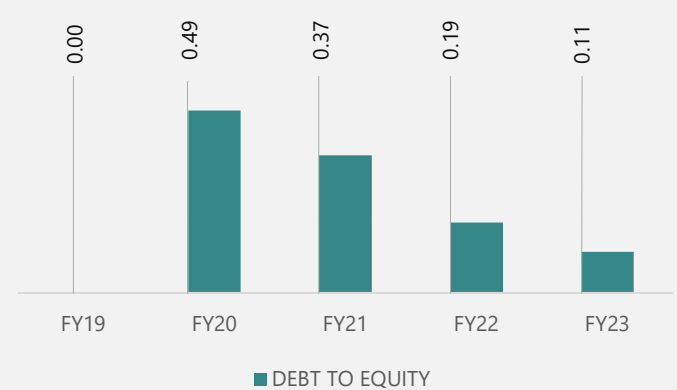
EQUITY, ROE

(₹ IN CRORE & IN %)



GROSS DEBT TO EQUITY

(IN TIMES)



Q2FY24 Operational Highlights

MANGANESE ORE



IRON ORE



FERROALLOYS



COKE



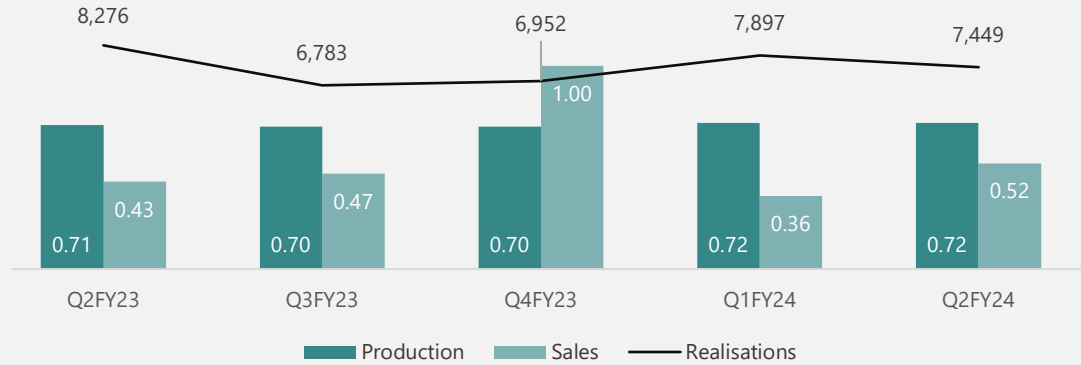
| | | | | |
|----------------------------|---------------------------------------|--|-----------------------------|-----------------------------|
| Production | 0.72 Lakh Tonne | 4.05 Lakh Tonne | 7,193 Tonne | 0.14 Lakh Tonne* |
| Sales | 0.52 Lakh Tonne | 3.40 Lakh Tonne | 609 Tonne | 0.04 Lakh Tonne |
| YoY Sales Volume | 20% | 117% | (96%) | (94%) |
| QoQ Sales Volume | 45% | (25%) | (91%) | (89%) |
| Average/Tonne Realization | ₹7,449/- | ₹3,578/- | ₹69,269/- | ₹34,827/-** |
| QoQ Change in Realizations | (6%) | 6% | (2%) | (1%) |
| Realization Remarks | Marginal Decrease | Marginal Increase | Flattish | Flattish |
| Sales Volumes Remarks | Increase on both YoY & QoQ | Significant Increase on YoY Decrease on QoQ | Significant Decrease | Significant Decrease |

*Excludes production under contract manufacturing of 0.19 Lakh tonnes during the quarter.
**Excludes conversion & screening income under contract manufacturing of ₹3.46 Crore during the quarter.

Q2FY24 Segment Highlights

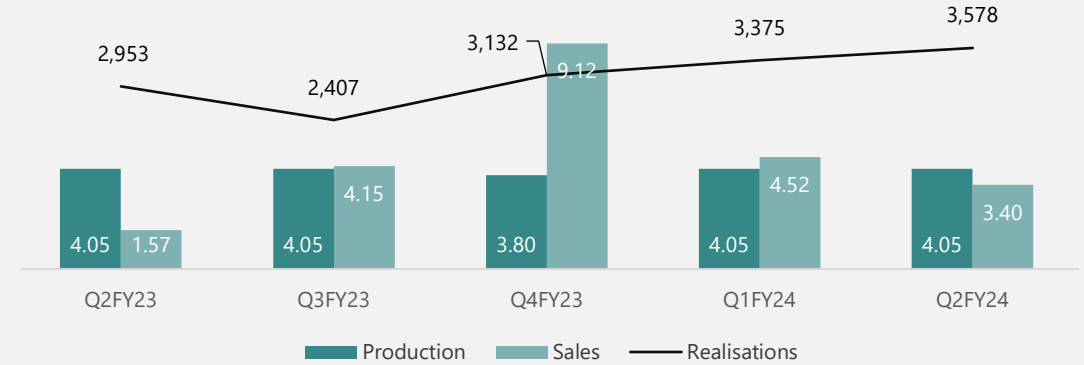
MANGANESE ORE OPERATIONAL PERFORMANCE

(Lakh Tonne & ₹/Tonne)



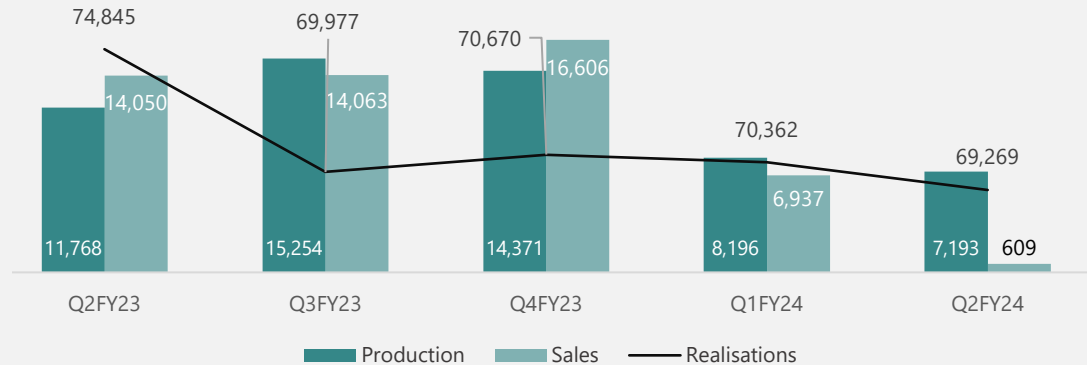
IRON ORE OPERATIONAL PERFORMANCE

(Lakh Tonne & ₹/Tonne)



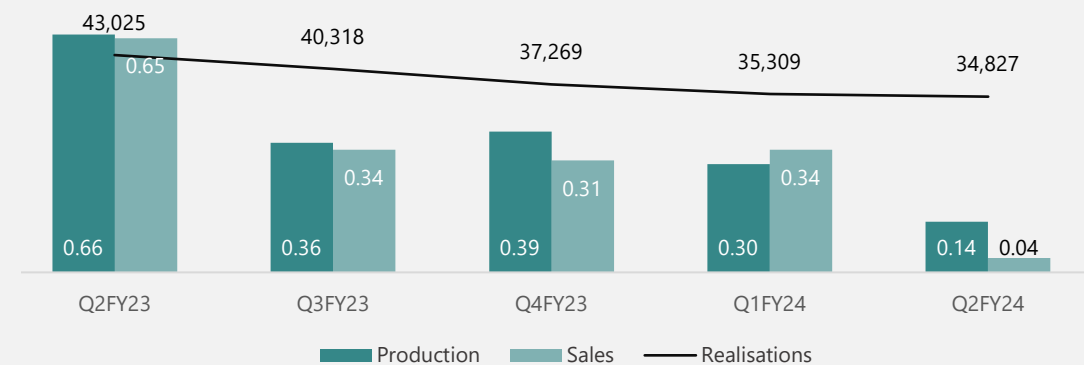
FERROALLOYS OPERATIONAL PERFORMANCE

(Tonne & ₹/Tonne)



COKE OPERATIONAL PERFORMANCE

(Lakh Tonne & ₹/Tonne)



Coke production excludes production under contract manufacturing of 0.19 Lakh tonnes during the quarter.
Coke realizations excludes conversion & screening income under contract manufacturing of ₹ 3.46 Crore during the quarter.

Q2FY24 Financial Highlights

(₹ in Crore)

| | Total Income | EBITDA | PAT | Capital Structure |
|--|--------------|-----------|---------|-------------------|
| Growth (YoY) | (59%) | 4% | 20% | |
| Growth (QoQ) | (47%) | (28%) | (34%) | |
| Margin | | 27% | 13% | |
| Margins Expansion/ (Contraction) (YoY) | | 1,659 bps | 861 bps | |
| Gross Debt/Equity | | | | 0.07 |

202

Total Income



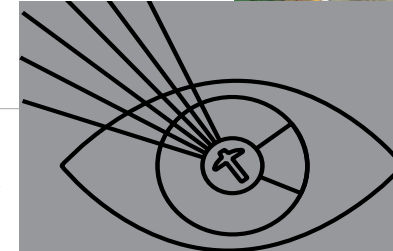
55

EBITDA



26

PAT



1,985

Shareholders Funds


H1FY24 Financial Highlights

(₹ in Crore)

| | Total Income | EBITDA | PAT | Capital Structure |
|--|--------------|-----------|---------|-------------------|
| Growth (YoY) | (50%) | 9% | 19% | |
| Margin | | 23% | 11% | |
| Margins Expansion/ (Contraction) (YoY) | | 1,209 bps | 654 bps | |
| Gross Debt/Equity | | | | 0.07 |


583

Total Income



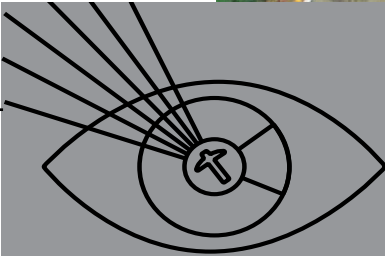
131

EBITDA



66

PAT



1,985

Shareholders Funds

Management Commentary



We are almost at the final stage of completing our mining expansion.

BAHIRJI A. GHORPADE
MANAGING DIRECTOR

Mining

The production of both manganese ore and iron ore has remained in line with our quarterly production trends. Sales on the iron ore front have been slightly lower, adjusting for the slightly higher sales made during the previous quarter. Realisation trend for iron ore has been encouraging and there has been a marginal decrease in manganese ore realisation during Q2.

Overall, the mining segment continues to be the bedrock of our profitability.

Mining Expansion

As communicated recently through the stock exchange notification, the Company has received an approval for increase in MPAP from 1.60 MTPA to 3.81 MTPA of iron ore production. The Company is in the process of obtaining Consent for Operation (CFO) to operate at this enhanced mining level. While there have been some delays in obtaining all the necessary approvals for mining expansion, given the extensive nature of the process, we are almost at the final stage of completing the same.

Since Environmental Clearance has been obtained for enhancing iron ore production from 1.60 MTPA to 4.50 MTPA, efforts are on to obtain enhancement in MPAP to 4.50 MTPA.

The Downhill Conveyor System (DCS) project is also on track and should be operational shortly. After production ramp up, our focus will shift to downstream operations, namely beneficiation and pellets.

Coke and Energy

Coking coal prices continue to remain extremely volatile along with significant fluctuations in the exchange rates. Continuing with our cautious stance in this segment, we have limited our volumes to mitigate any significant inventory losses, however, some impact of inventory losses has been registered in this segment in Q2. Apart from realisation, we have witnessed a significant decrease in volumes of this segment during the quarter because of two reasons: a) we undertook a maintenance shutdown of our turbine during Q2, thus impacting energy generation & its supply to Ferroalloy segment, and b) lesser volumes under contract manufacturing arrangement as well as own production & sales.

Ferroalloys

The ferroalloy industry continues to experience a weak demand environment combined with subdued realisations. Ferroalloy realisations have remained flattish on a QoQ basis, while we have witnessed a significant decrease in sales quantity.

Tepid volumes of Coke have also led to lesser waste-heat energy-generation, and thus the Company has opted for relatively expensive renewable energy from its recently commissioned project. This coupled with a weaker demand scenario from the steel industry continues to act as headwinds for the Ferroalloy segment.

We are hopeful of a better industry scenario towards the end of the current financial year.

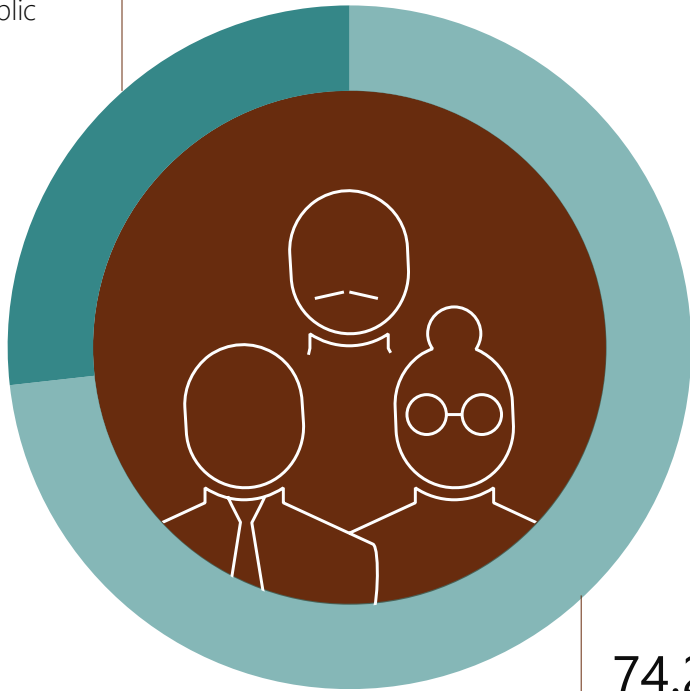
Corporate Information

SHAREHOLDING SUMMARY

(IN %)

25.74

Public



74.26

Promoters

Shareholding Data as on 30 September 2023



| | |
|-----------------------|-------------------|
| Current Market Price | ₹1,475 |
| 52 Week High/Low | ₹1,765/665 |
| Market Capitalization | ₹3,983 Cr |
| Shares Outstanding | 2.70 Cr |
| BSE Scrip Code | 504918 |
| NSE Scrip Code | SANDUMA |

Market Price Data (BSE) as on 8 November 2023

Safe Harbor

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Certain matters discussed in this Document may contain statements regarding the Company's market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the Company's ability to successfully implement its strategy, the Company's future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company's market preferences and its exposure to market risks, as well as other risks. The Company's actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Document. The Company assumes no obligation to update any forward-looking information contained in this Document. Any forward-looking statements and projections made by third parties included in this Document are not adopted by the Company and the Company is not responsible for such third-party statements and projections.



THE SANDUR MANGANESE &
IRON ORES LIMITED

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Diwakar.Pingle@in.ey.com