

MINING



STEEL



FERRO-ALLOYS



HYDRO



Result Presentation | Q3 FY20

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Agenda

- 1 **Q3 & 9M FY20 : Result Highlights**
- 2 **SEML – Consistent & Disciplined Growth**
- 3 **Strategic Priorities**
- 4 **Annual Financial Highlights**





Q3 & 9M FY20 : Result Highlights

Profitability Highlights - Consolidated

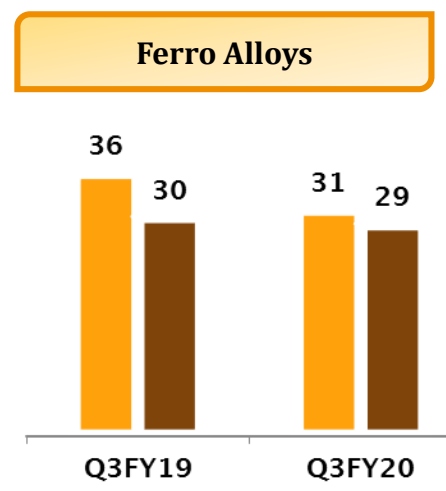
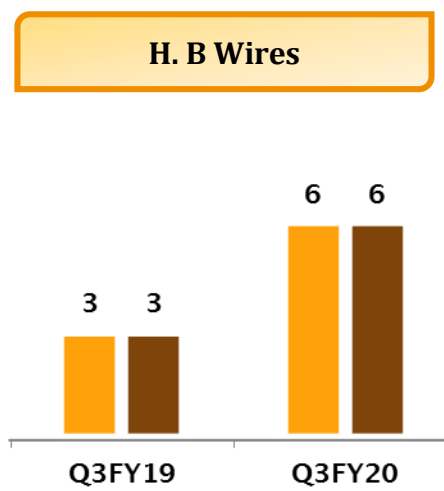
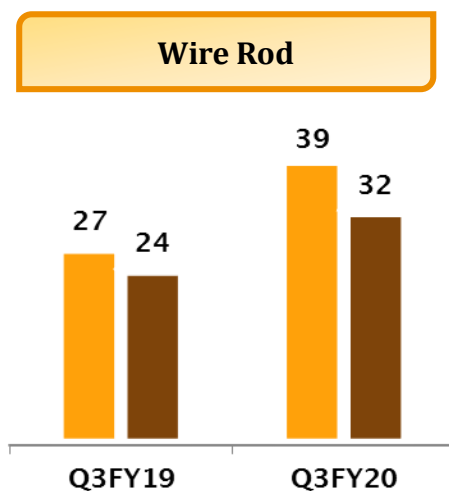
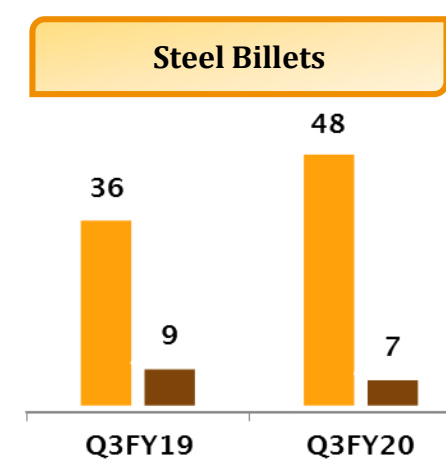
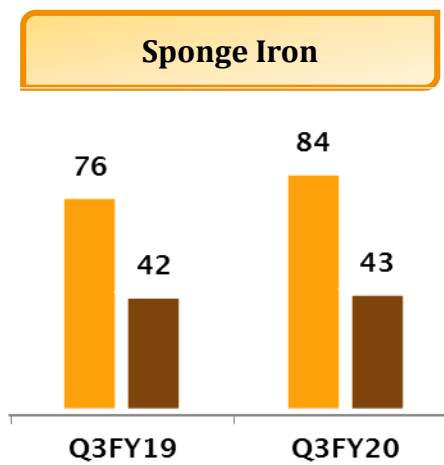
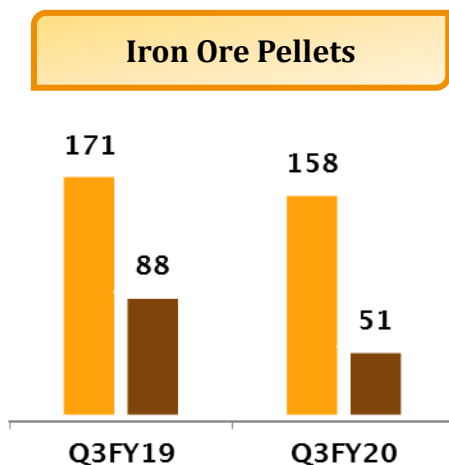
INR in Cr	Q3FY20	Q3FY19	YoY	Q2FY20	QoQ	9MFY20	9MFY19	YoY
Revenues	456	614		550		1,562	1,828	
Other Income	15	8		11		37	-8	
Total Income	472	622	-24%	561	-16%	1,599	1,820	-12%
Raw Material	297	396		372		1020	1167	
Employee Expenses	23	21		22		69	61	
Other Operating Expenses	55	51		68		193	198	
EBITDA	97	155	-37%	99	-2%	316	393	-20%
<i>EBITDA Margin (%)</i>	21%	25%		18%		20%	22%	
Depreciation	20	19		20		58	57	
Interest	21	24		18		62	74	
Profit Before Tax	56	112	-49%	62	-9%	196	262	-25%
Exceptional Item	0	0		0		0	0	
Tax	13	34		-10		31	100	
PAT	43	77	-44%	71	-40%	165	162	2%
<i>PAT Margin (%)</i>	9%	12%		13%		10%	9%	
EPS	11.72	21.44	-45%	19.12	-39%	43.99	43.40	1%

Planned shutdown of Vizag plant during Q3FY20 impacted the Revenue and EBITDA, same has resumed normal operation since end Nov 2019

Profitability Highlights - Standalone

INR in Cr	Q3FY20	Q3FY19	YoY	Q2FY20	QoQ	9MFY20	9MFY19	YoY
Revenues	342	442		381		1143	1303	
Other Income	36	15		26		69	15	
Total Income	377	457	-17%	407	-7%	1213	1318	-8%
Raw Material	229	282		267		750	801	
Employee Expenses	18	16		17		55	47	
Other Operating Expenses	39	41		47		139	137	
EBITDA	91	118	-23%	76	20%	269	332	-19%
<i>EBITDA Margin (%)</i>	24%	26%		19%		22%	25%	
Depreciation	13	12		13		39	38	
Interest	9	9		9		26	27	
Profit Before Tax	69	96	-28%	55	26%	204	268	-24%
Exceptional Item	0	0		0		0	0	
Tax	13	31		-14		27	91	
PAT	56	65	-14%	68	-18%	177	177	0%
<i>PAT Margin (%)</i>	15%	14%		17%		15%	13%	
EPS	15.61	18.16	-14%	18.94	-18%	49.12	49.09	0%

Operating Performance (Volumes)

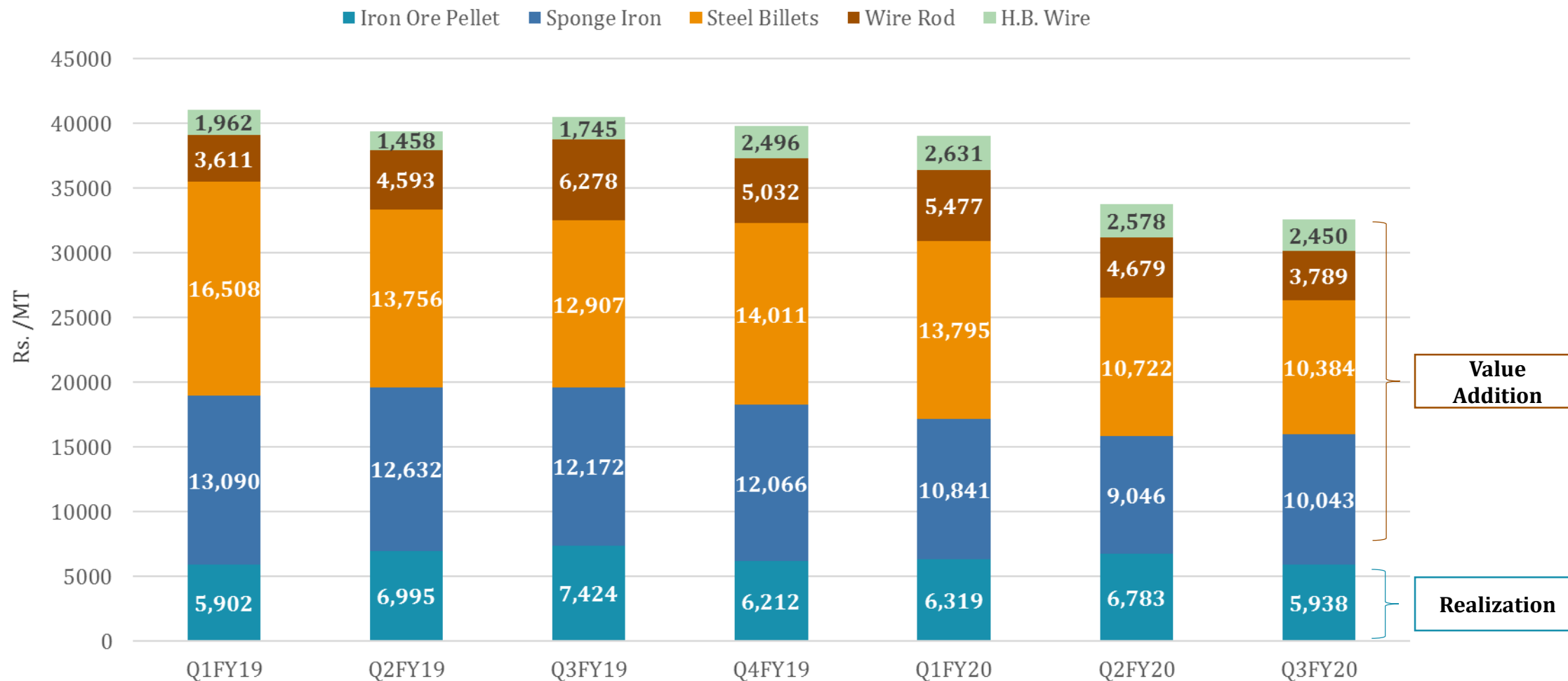


Note: A part of all production is captively consumed for production of downstream products

Production Sales

All Fig. in '000 MT unless specified

Steel Business: Product wise Incremental Realization



Sikkim Hydro Project nearing completion



**COMPLETE VIEW OF BARRAGE SERVICE,
UNDER-SLUCICE GATE**



**COMPLETE VIEW OF DESILTING BASIN INLET
SERVICE, STOPLOG AND TRASH RACK**



HEAD RACE TUNNEL COMPLETED



**60/ 75 MVA GENERATOR TRANSFORMERS
ERECTION COMPLETED**



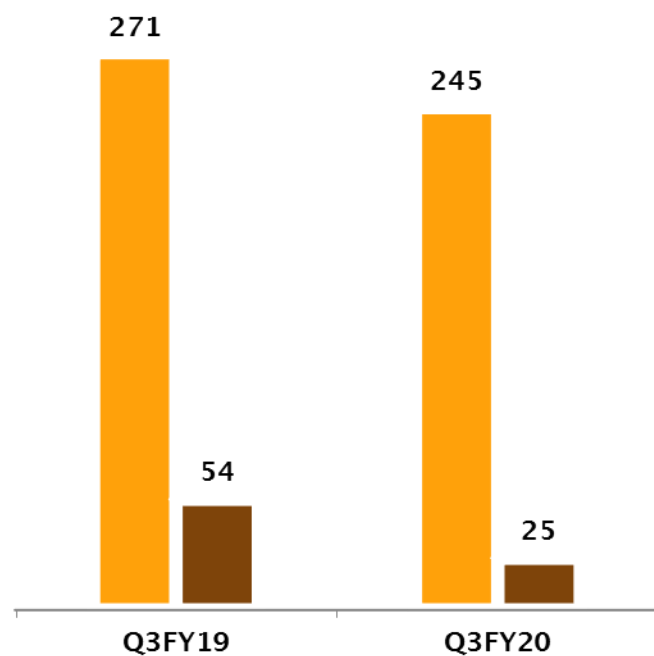
**STRINGING WORK IN 220KV TRANSMISSION LINE
5.7KM COMPLETED**



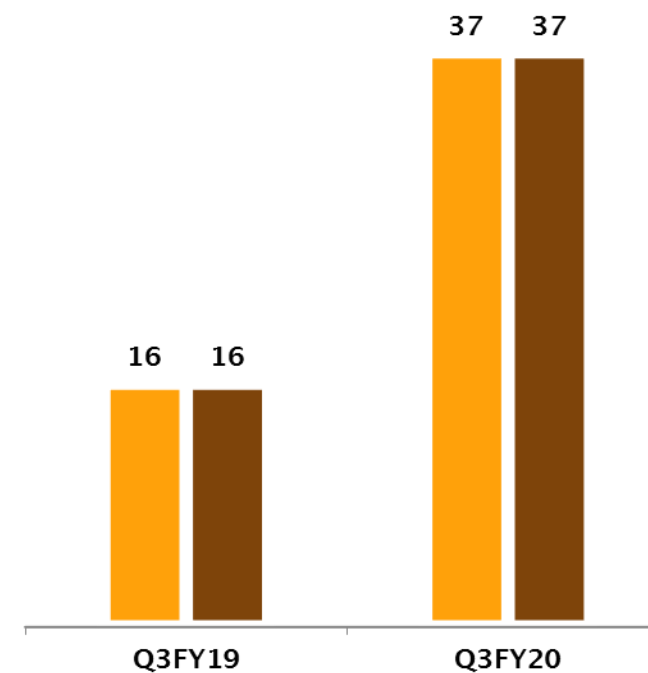
**220KV GIS INDOOR ERECTION AT PGCIL
COMPLETED**

Quarterly Generation & Sales - Power Business

Power (Thermal)



Power (Hydro)



Thermal Power (Captive) Capacity : 162 MW

All Fig. in Mn kWh unless specified

One Power unit under shutdown at Raipur in Q3FY20, affected Thermal Power generation, normal operations resumed from end Nov 2019

Generation Sales



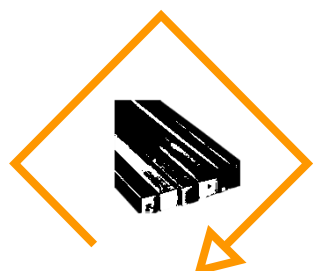
SEML – Consistent & Disciplined Growth

SEML at a Glance (FY19)

Steel Business



Pellet Production
6 Lac MT



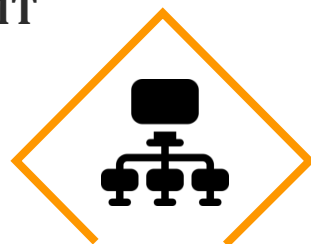
Billet Production
1.56 Lac MT



Wire Rod Production
1.18 Lac MT

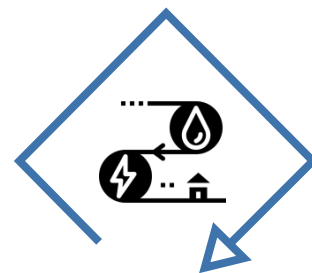


Ferro Alloys Production
1.49 Lac MT

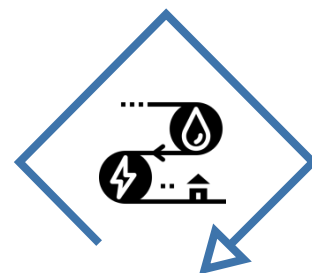


Iron Ore Reserves
20 Mn T

Hydro Power



Operational Capacity
28.8 MW

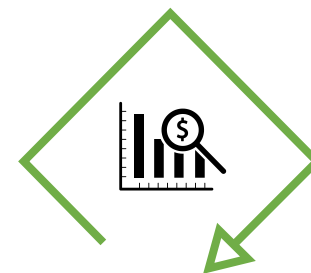


Capacity Under Execution
120 MW

Financials



Revenue
INR 2,217 Cr



PAT
INR 207 Cr

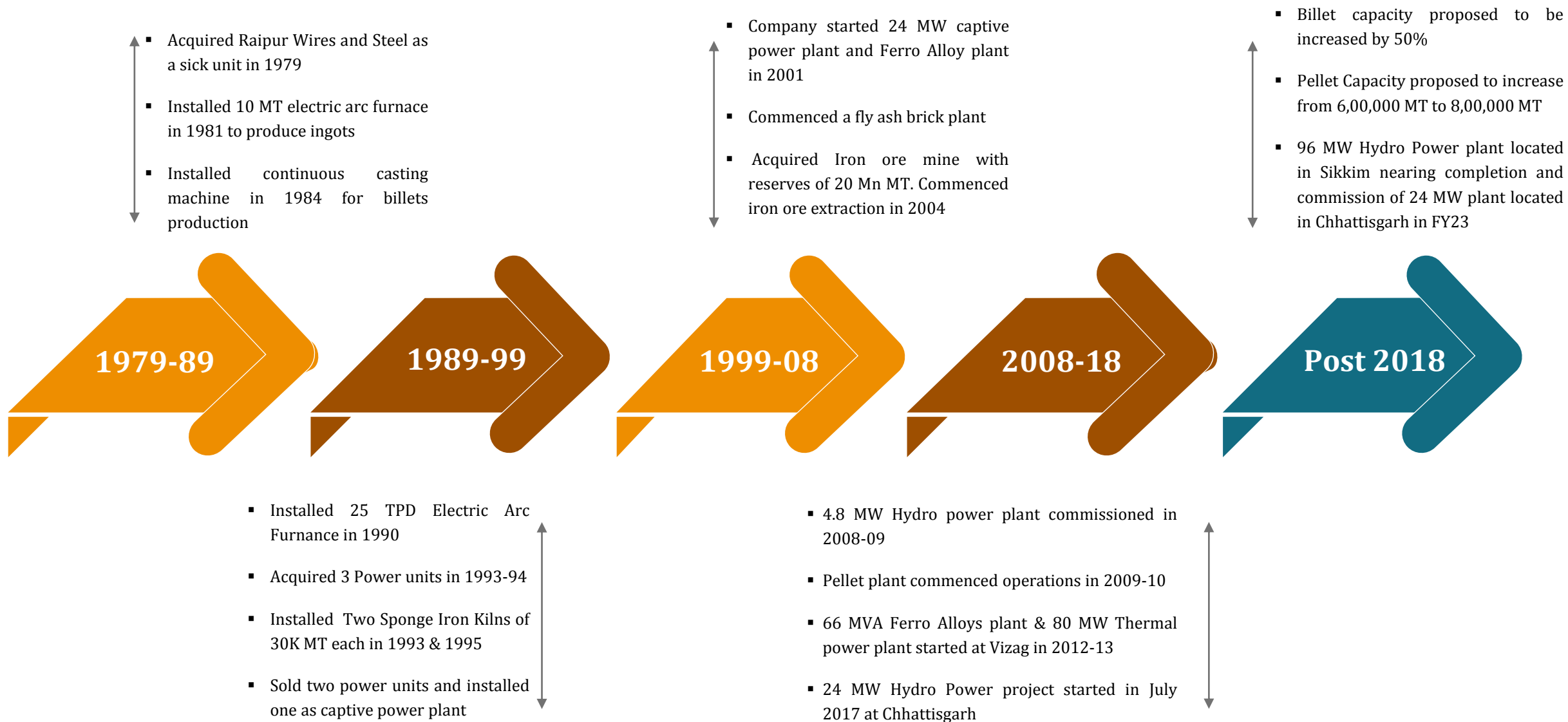


EBITDA
INR 499 Cr



Dividend Per Share
INR 5/Share

Sarda's Transformation Journey...



...Under Strong Leadership



Kamal Kishore Sarma

CMD

- Mechanical Engineer with 44 years experience in Iron and Steel Industry
- Responsible for steering SEML towards the path of growth



Pankaj Sarma

Joint MD

- MS in Industrial Administration from Purdue University, USA
- Industry experience of more than 12 years



Padam Kumar Jain

Director & CFO

- CA, CS with a rich experience of 33 years
- Looks after accounting, finance, taxation, costing and corporate laws



Manish Sarma

Director

- MBA in International Business with 25 years of experience in Iron and Steel Industry
- Presently focused on overall development of the Ferro alloys segment
- Chairman of Indian Ferro Alloy Producers' Association

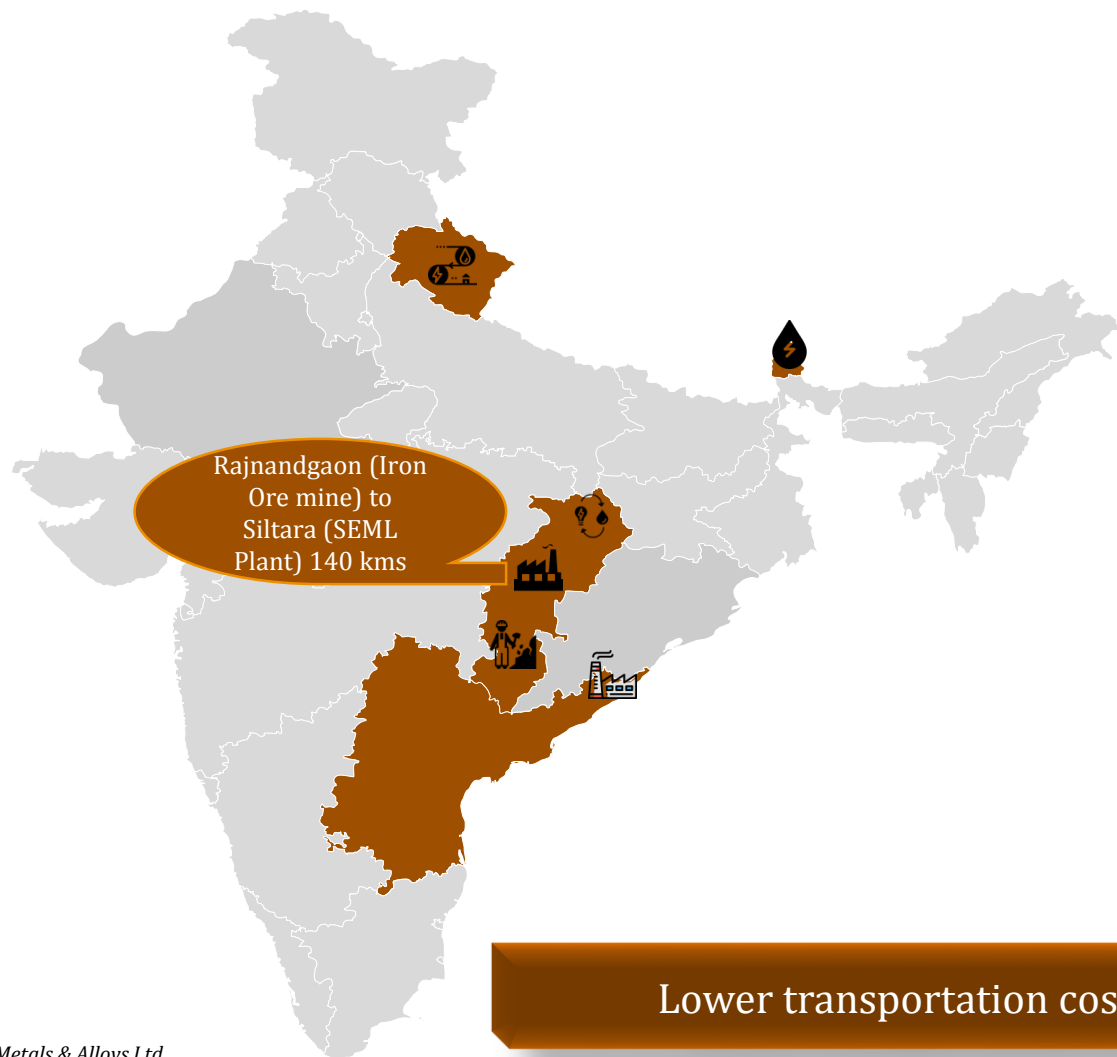


Neeraj Sarma


Director


- MBA in Finance & Marketing with more than 15 years of experience in Iron & Steel Industry
- Second generation entrepreneur, presently Deputy Managing Director of Sarma Metals & Alloys Ltd


Company's Asset Footprint





Plants / Facilities


- 
Hydro Plant at Uttarakhand

- 
Hydro Plant at Sikkim

- 
Hydro Plant at Gullu

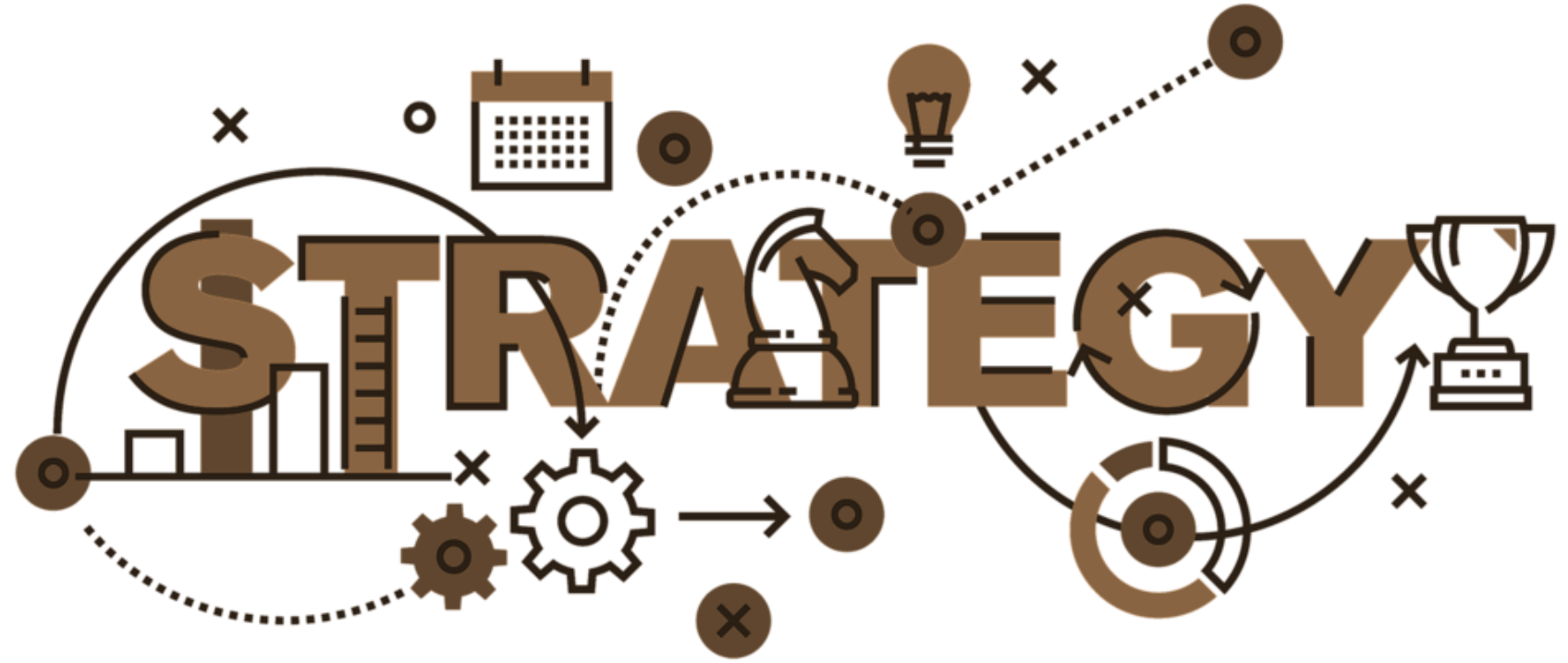
- 
Steel Plant (SEML** Plant) at Siltara

- 
Ferro Alloy Plant at Vizag under SMAL*

- 
Iron Ore Mine at Rajnandgaon

Lower transportation costs due to close proximity to raw materials and end users

*SMAL – Sarda Metals & Alloys Ltd
 **SEML – Sarda Energy & Minerals Ltd



Strategic Priorities

Strategic Priorities



1

Vertically Integrated Steel Player

Better Control / Lower Cost of Production

2

Hydro Business Expansion

Visibility of incremental Stable Cashflow

3

Disciplined Growth

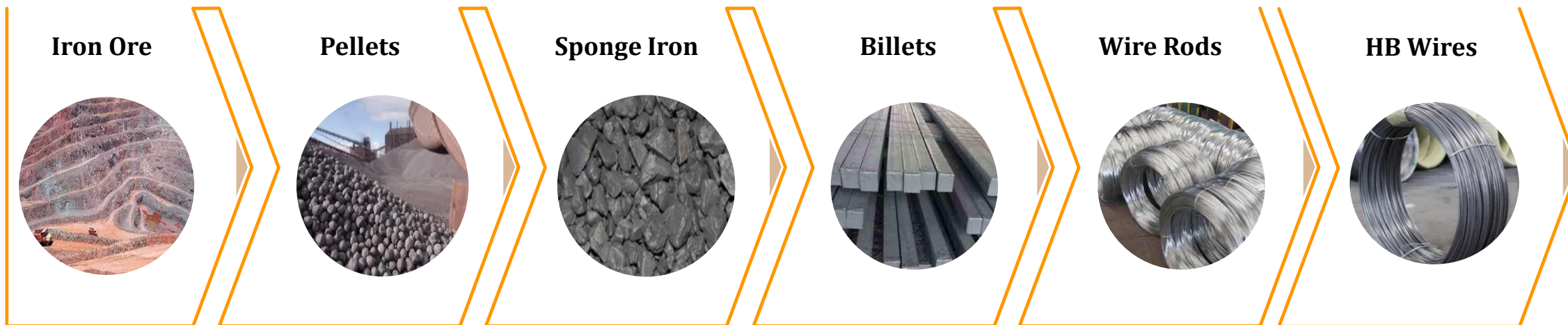
Consistently improving Balance Sheet Strength

4

Health, Safety & Social Responsibility

Focus on overall well-being of the people

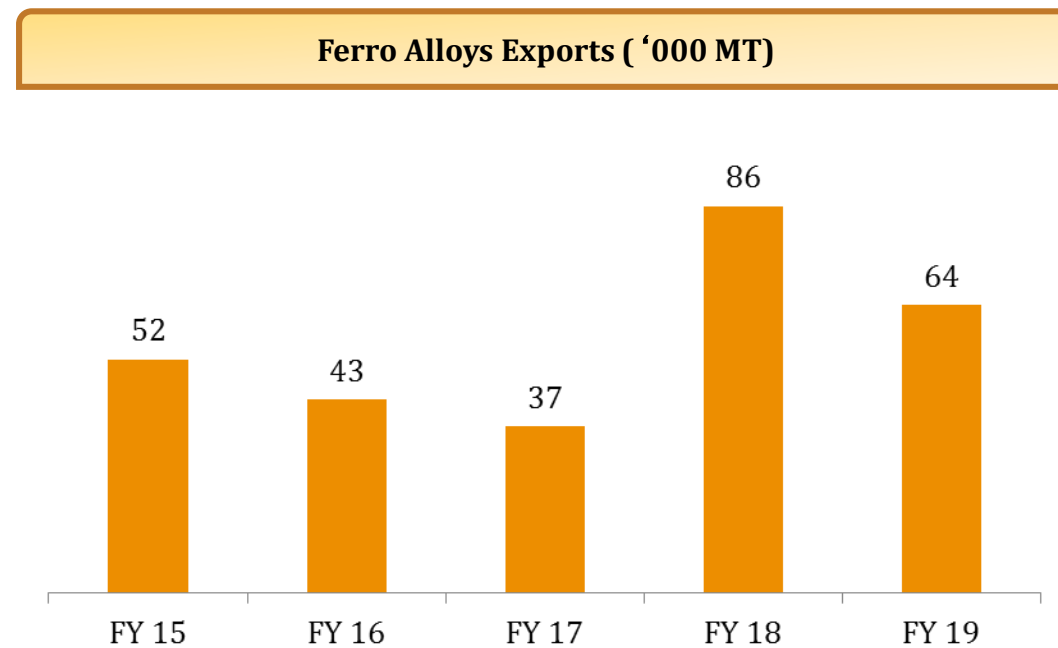
Vertically Integrated Steel Player...



Description	140 km near SEML Plant, Siltara	Produced from Iron Ore fines & sold domestically	Produced from captive Iron Ore Lumps & Pellets	Semi finished steel product produced by continuous casting process	Hot rolled product made from direct hot billet charging	HB Wires- Wire rods are cold drawn to HB wires to sizes
Current Capacity	Production run rate of 500,000 MT with mine life of 30 years	6,00,000 MT	3,60,000 MT	2,00,000 MT	1,80,000 MT	30,000 MT
Captive Consumption (%)	100%	35%	50%	80%	15%	NA
Expansion	<ul style="list-style-type: none"> Mines allotted in Chhattisgarh with 240 Mn Tonnes of reserves 	<ul style="list-style-type: none"> Expansion of capacity to 8,00,000 MT 	<ul style="list-style-type: none"> Preferred Route of Steel making Thermal Coal sourced locally 	<ul style="list-style-type: none"> Expansion of capacity to 3,00,000 MT Well positioned back with complete integration 	<ul style="list-style-type: none"> Increase in Billet production lead to rise in wire rods production 	NA

... presence in Ferro Alloys

- Two operational plants located at Raipur and Vizag with a total installed capacity of 111 MVA
- Manufactures manganese based Ferro Alloys sold domestically as well exported to other countries
- Leading exporter of the Ferro Alloys
- **Exports Awards:**
 - ✓ SMAL received prestigious export promotion council award in 2018
 - ✓ SEML & subsidiary received Two-Star export house status from Government of India



Hydro Power Expansion...

Operational Capacity

Uttarakhand

4.8 MW

Operational since 2008

Debt free operation & operated at 45.42% PLF during FY14-17

PPA signed at **INR 3.85** per unit with the state discoms for 35 years

Average units sold stand at 19.33 mn on a yearly basis

Chhattisgarh

24.9 MW

Operational since 2017

Expected long term PLF to be around 40-45%

PPA signed at **INR 5.22** per unit with state discoms for 35 years

Plant generating free cashflow from first year of operation

Under Execution

Sikkim

96 MW

To be commissioned in 1QFY21

Large hydro projects of over 25 MW capacity classified as renewable power

Major Project works completed with Project nearing completion

Chhattisgarh

24.9 MW

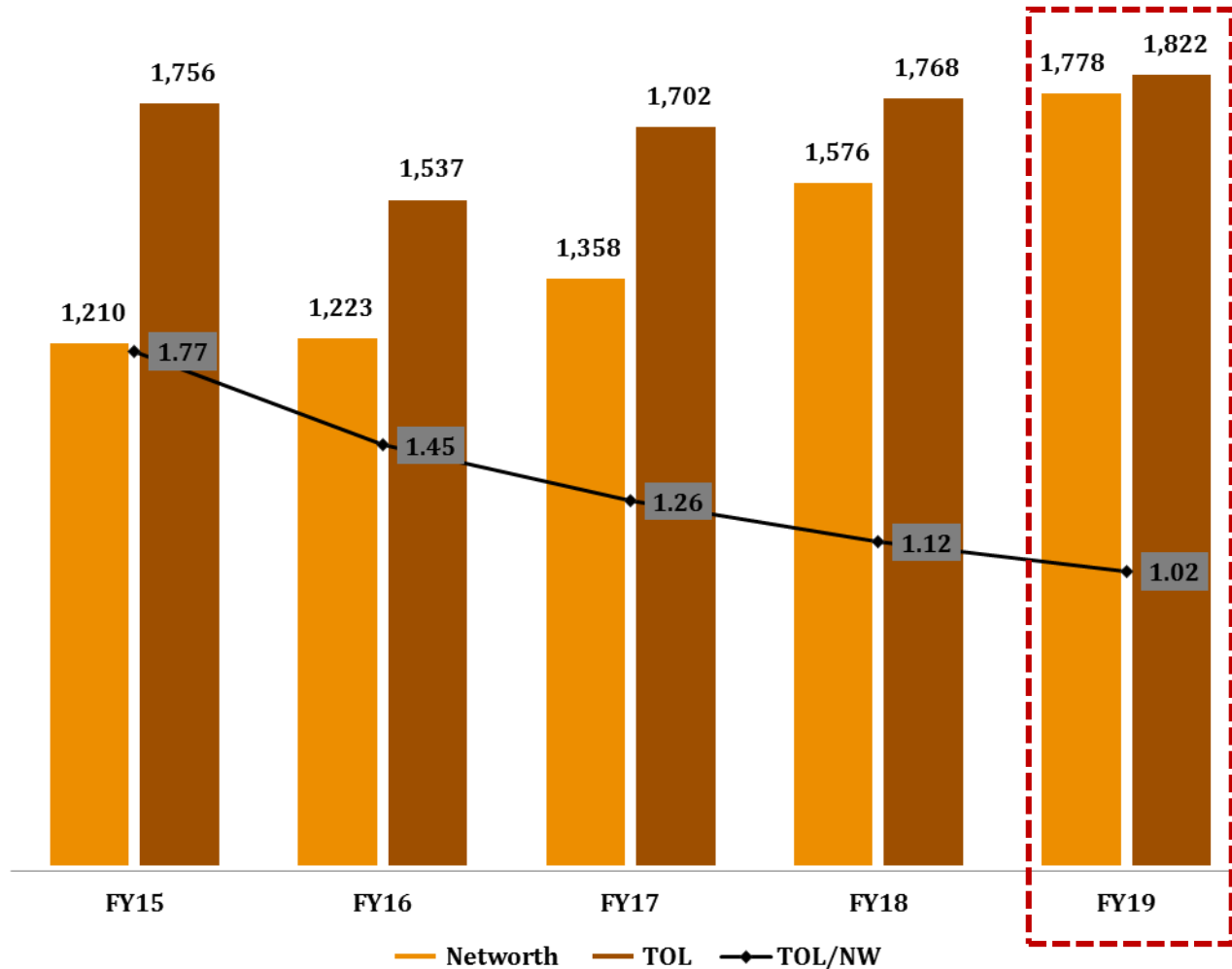
Land acquisition & regulatory approvals in place

Financial Closure under progress

... Sikkim project completion to provide incremental stable cashflow

Disciplined Growth

Consistently improving Balance Sheet Strength



Rs. Cr	Term Loan	Working Capital	Total
Steel	424	224	648
Hydro Operational	120	-	120
Total	544	224	768
Hydro Under execution	594	-	594
Total	1,138	224	1,362

Steel Business includes Loans on major subsidiaries SEML & SMAL
Hydro Business includes Loans on major subsidiaries PPL, CHPLLP, & MBPCL

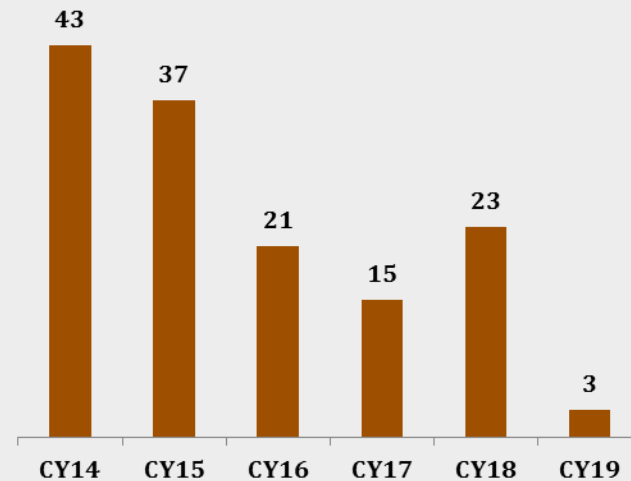
Focus on Safety, Health & Social Responsibility

Health & Safety



- SEML awarded - Appreciation Award for Best Company in the Entire Eastern Region on Safety category
- Safety is taken as top priority
- Regular medical check ups & inhouse medical facilities
- Incident rate (including minor injuries) has seen a declining trend over past few years
- Conducting trainings on safety measures every year

No. of Incidents (including minor)



Social Responsibility



- Adopted 90 single-teacher schools in the tribal areas of Chhattisgarh
- Actively sponsors medical facilities, assisting in primary healthcare
- Runs a well-equipped ambulance with doctors and has set up first-aid facilities in the villages surrounding its mines

Annual Financial Highlights

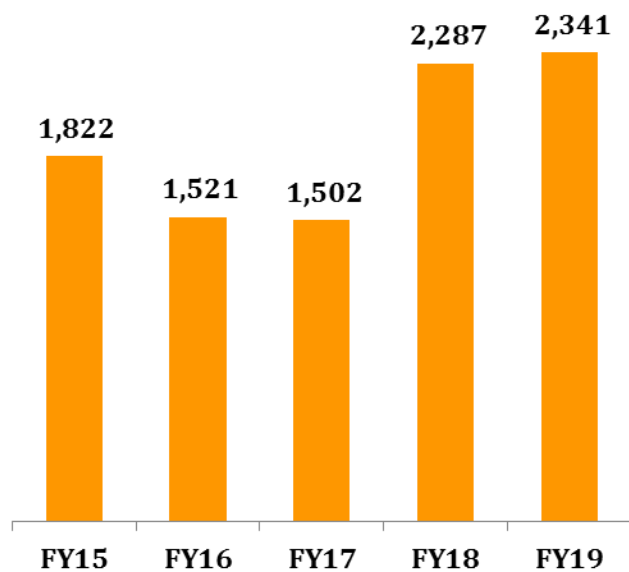


Profitability Highlights - Consolidated

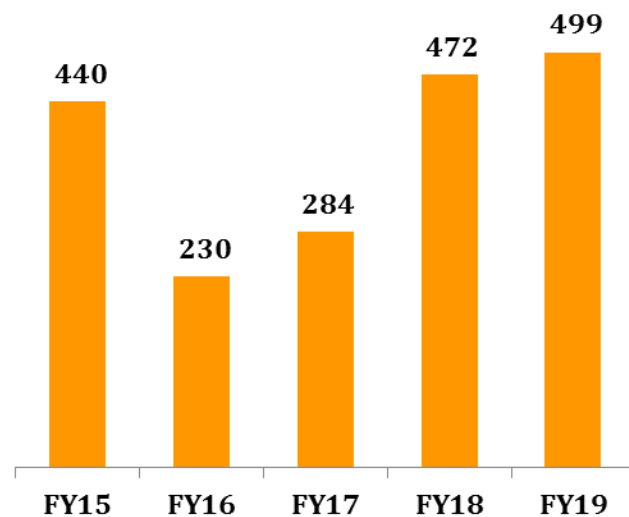
INR in Cr	FY15	FY16	FY17	FY18	FY19
Revenues	1,760	1,486	1,434	2,217	2,324
Other Income	63	35	67	70	17
Total Income	1,822	1,521	1,502	2,287	2,341
Raw Material	883	964	942	1,478	1,493
Employee Expenses	72	68	75	77	87
Other Operating Expenses	428	259	200	260	261
EBITDA	440	230	284	472	499
EBITDA Margin (%)	24%	15%	19%	21%	21%
Depreciation	93	75	69	73	76
Interest	120	109	94	97	99
Profit Before Tax	227	47	122	302	324
Exceptional Item	139	-	(28)	8	-
Tax	31	31	23	90	117
PAT	56	16	127	205	207
PAT Margin (%)	3%	1%	8%	9%	9%
EPS	15.29	4.27	35.58	56.01	56.36

Financial Performance

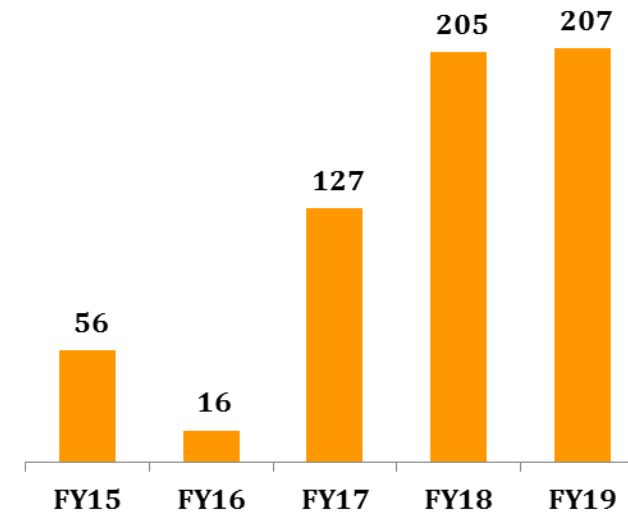
Total Income



EBITDA



PAT

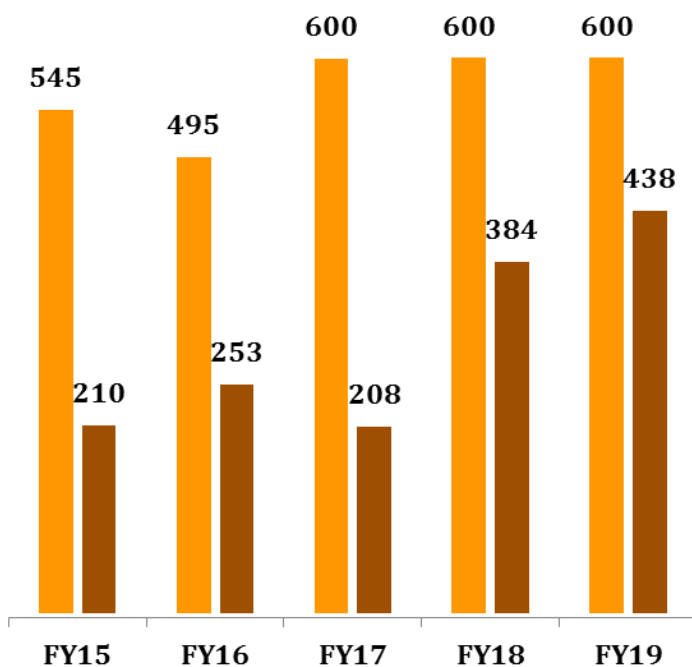


Balance Sheet Highlights – Consolidated

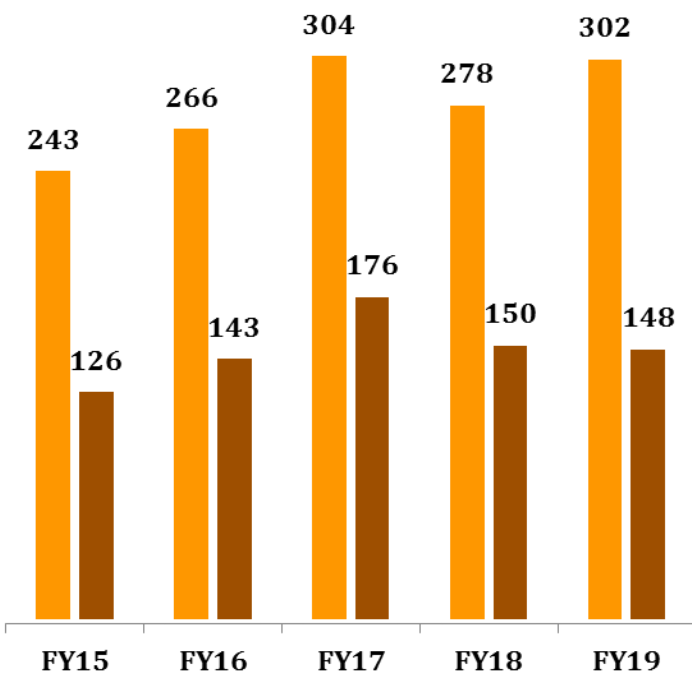
INR in Cr	FY15	FY16	FY17	FY18	FY19
Share Capital	36	36	36	36	36
Tangible Network	1,292	1,230	1,358	1,577	1,778
Long Term Borrowings	999	966	1,015	1,059	1,128
Other Liabilities	726	595	706	741	723
Total Liability	3,053	2,827	3,115	3,413	3,665
Net Fixed Asset Block	1,382	1,351	1,200	1,447	1,397
CWIP	427	579	794	775	1,054
Investment	212	133	203	186	166
Net Current Assets	1,032	764	918	1,005	1,048
Total Assets	3,053	2,827	3,115	3,413	3,665

Yearly Volume Trend

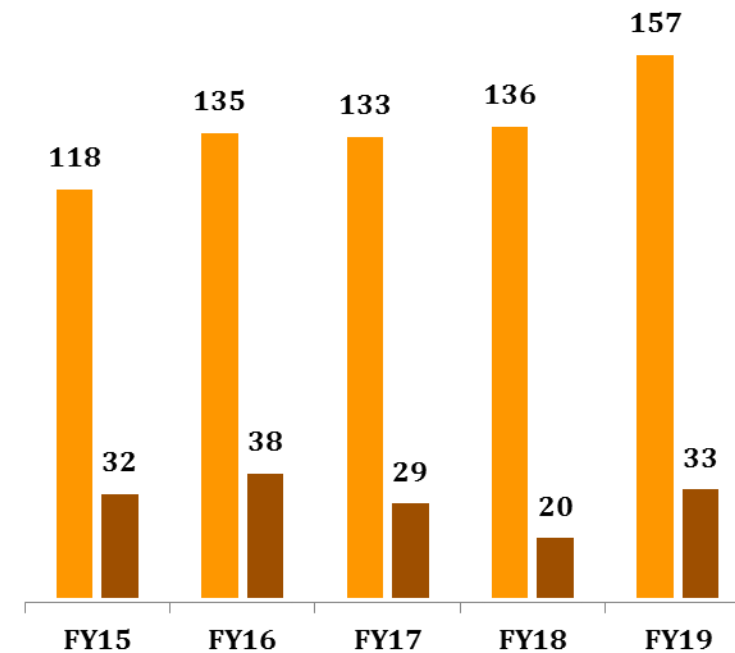
Iron Ore Pellets



Sponge Iron



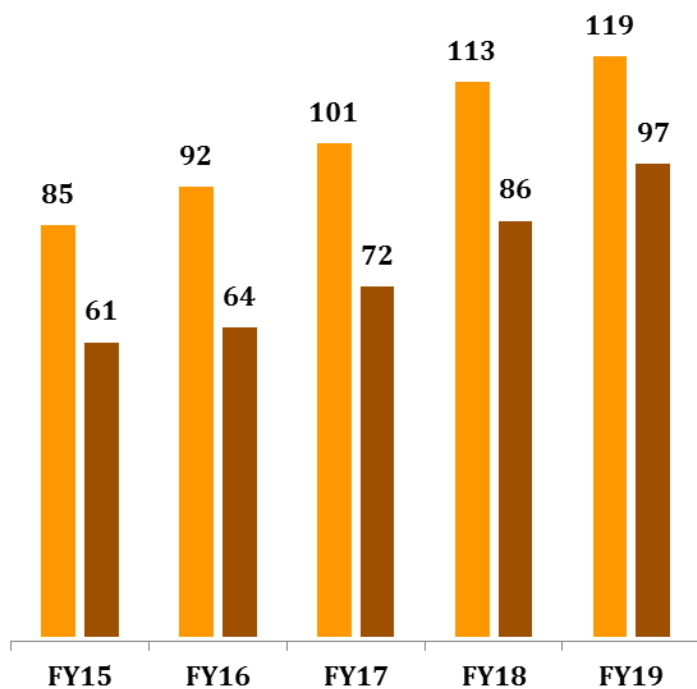
Steel Billet



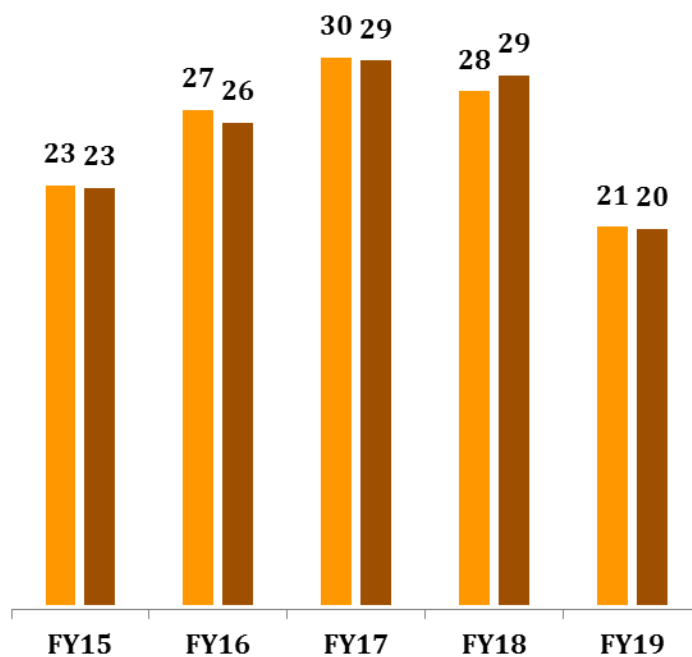
■ Production ■ Sales

Yearly Volume Trend (2)

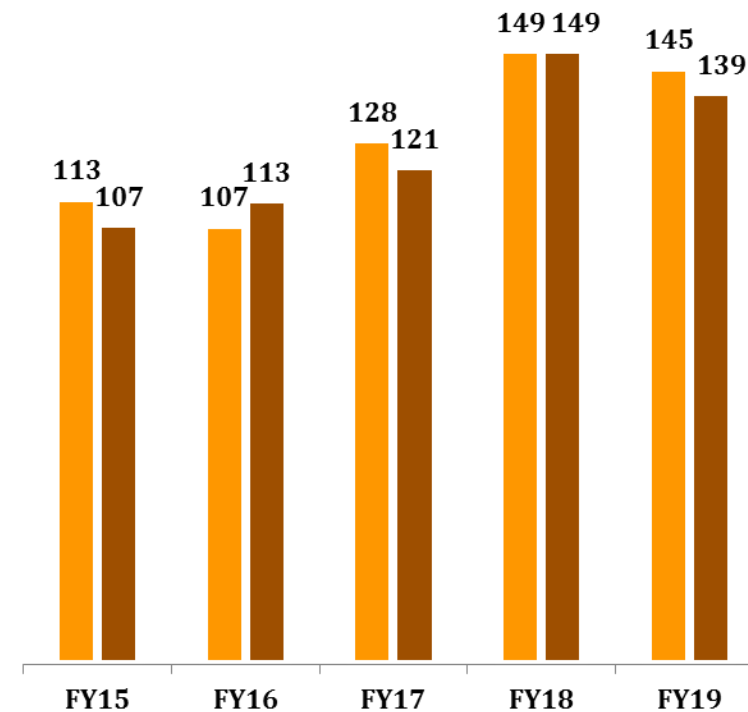
Wire Rod



H. B Wires



Ferro Alloys

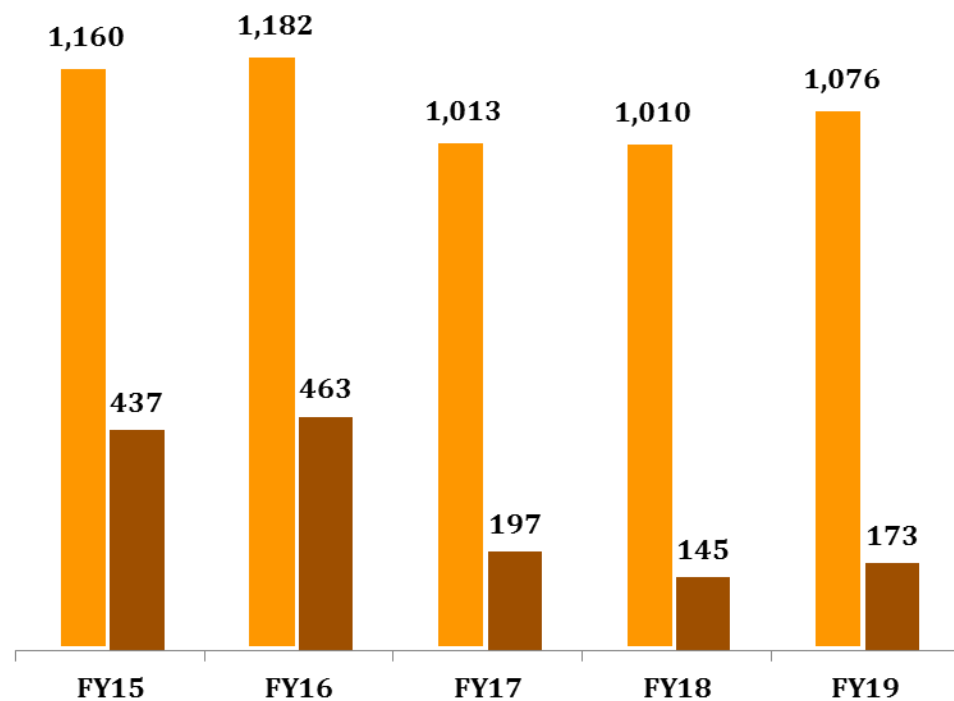


Production Sales

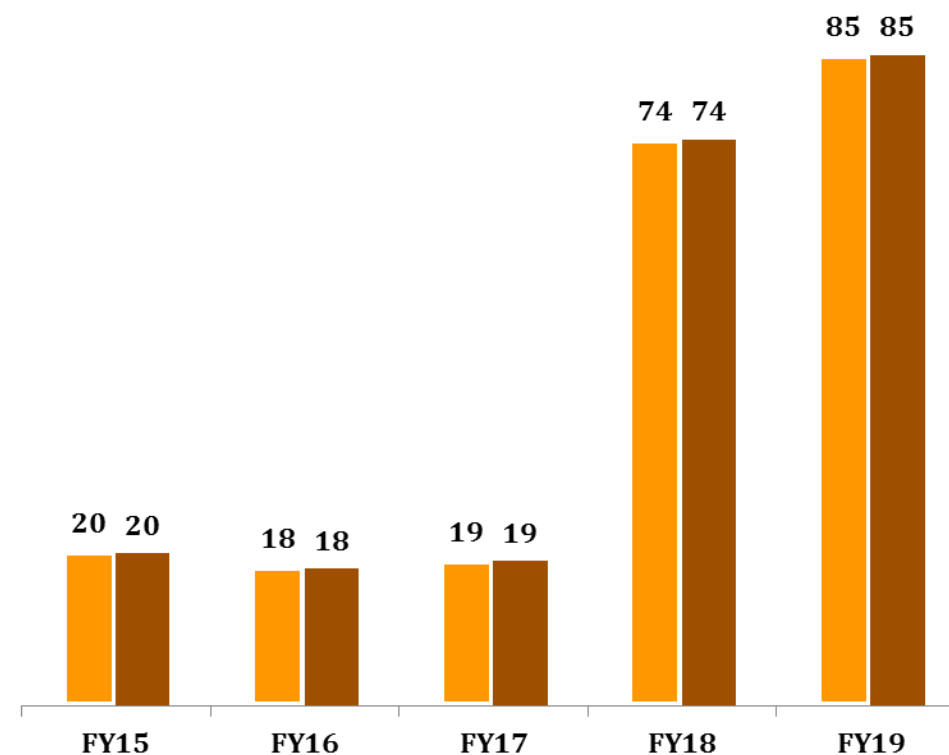
All Fig. in '000 MT unless specified
 Note: A part of all production is captively consumed for production of downstream products

Yearly Power Generation

Power (Thermal)



Power (Hydro)



Generation Sales

Thank You



Mr. Nilay Joshi (Head – Corporate Finance)

njoshi@seml.co.in

125 B-Wing Mittal Court, Nariman Point, Mumbai 400 021



Mr. Gaurang Vasani / Mr. Abhishek Bhatt

vgaurang@stellar-ir.com / abhishek@stellar-ir.com

Kanakia Wall Street, Andheri (East), Mumbai 400 093

www.seml.co.in