

MINING



STEEL



FERRO-ALLOYS



HYDRO



Result Presentation | Q3FY21

Safe Harbour Statement

This presentation and the accompanying slides (the “Presentation”), which have been prepared by Sarda Energy & Minerals Ltd (the “Company”) solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded. All product names, logos, and brands are property of their respective owners. All company, product and service names used in this presentation are for identification purposes only. Use of these names, logos, and brands does not imply endorsement.

Certain matters discussed in this Presentation 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 guaranteeing 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 Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third-party statements and projections.

Agenda

- 1 **Q3/9MFY21 : Result Highlights**
- 2 **SEML – Consistent & Disciplined Growth**
- 3 **Strategic Priorities**
- 4 **Annual Financial Highlights**

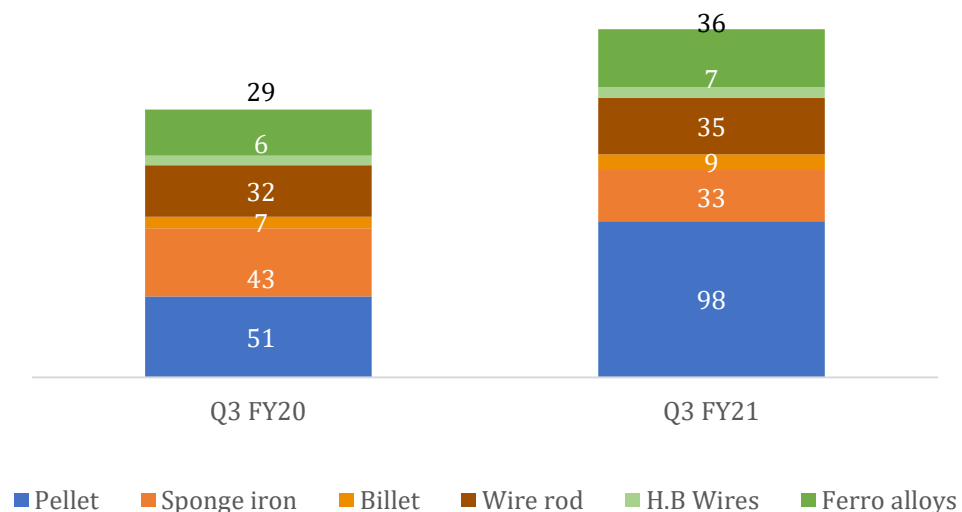




Q3/9M FY21 : Result Highlights

Key Business Highlights – Q3/9M FY21

Robust Growth Across Products in Q3FY21 – Sales ('000 MT)



Declared Successful Bidder in the Recent Coal Mine Auction

	Shahpur West Coal Mine	Gare Palma IV/ 7 Coal Mine
Location	Madhya Pradesh	Chhattisgarh
Revenue Share	26.0%	66.8%
Extractable Reserves	13.4 MMT	142 MMT
Production Capacity	0.6 MMT p.a.	1.2 MMT p.a.



Highest Ever Quarterly production of Billets at 53,355 MT

Highest Ever Quarterly production of Wire Rods at 43,043 MT



Sikkim Hydro Power Project which was in its final stages of completion, has been delayed due to Covid-19 led disruption and is likely to be ready by March 2021

Profitability Highlights - Consolidated

INR in Cr	Q3FY21	Q3FY20	YoY	Q2FY21	QoQ	9MFY21	9MFY20	YoY
Revenues	604	456		548		1,500	1,562	
Other Income	38	15		26		102	37	
Total Income	642	472	36%	574	12%	1602	1599	0%
Raw Material	367	297		342		925	1,020	
Employee Expenses	22	23		21		64	69	
Other Operating Expenses	67	55		53		175	193	
EBITDA	187	97	93%	158	18%	438	316	38%
EBITDA Margin (%)	29.1%	20.5%		27.5%		27.3%	19.8%	
Depreciation	19	20		19		56	58	
Interest	17	21		20		58	62	
Exceptional Items	0	0		-3		-9	0	
Profit Before Tax	151	57	167%	116	30%	315	196	60%
Tax	34	13		30		73	31	
Share of P/L of Associates and JV	-1	0		-1		-5	-5	
PAT	116	43	171%	85	35%	237	160	48%
PAT Margin (%)	18.0%	9.0%		14.9%		14.8%	10.0%	
EPS	32.06	11.72		23.41		65.32	43.40	
Adjusted EBITDA *	155			141		353		
Adjusted EBITDA margin %	25.2%			24.9%		23.0%		

Note: 1) *Adjusted for Mark-to-Market gain of INR 26.0 Cr in Q3FY21 & INR 70.7 Cr in 9MFY21; and Forex gain of INR 5.8 Cr in Q3FY21 & INR 14.2 Cr in 9MFY21

2) Exceptional Item of INR 8.67 Cr in 9MFY21 is on account of impairment loss on discarding of fixed assets

Profitability Highlights - Standalone

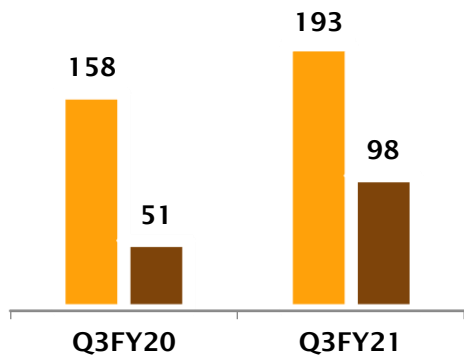
INR in Cr	Q3FY21	Q3FY20	YoY	Q2FY21	QoQ	9MFY21	9MFY20	YoY
Revenues	440	342		373		1044	1143	
Other Income	28	36		33		80	69	
Total Income	467	377	24%	406	15%	1124	1213	-7%
Raw Material	261	229		226		635	750	
Employee Expenses	17	18		16		50	55	
Other Operating Expenses	47	39		53		130	139	
EBITDA	143	91	57%	110	30%	308	269	15%
EBITDA Margin (%)	30.5%	24.1%		27.1%		27.4%	22.1%	
Depreciation	12	13		12		36	39	
Interest	8	9		9		27	26	
Exceptional Items	0	0		-3		-9	0	
Profit Before Tax	122	69	77%	85	43%	237	204	16%
Tax	28	13		17		52	27	
Share of P/L of Associates and JV	0	0		0		0	0	
PAT	94	56	68%	68	39%	185	177	5%
PAT Margin (%)	20.2%	14.9%		16.8%		16.5%	14.6%	
EPS	26.16	15.61		18.85		51.35	49.12	
Adjusted EBITDA *	127			96		270		
Adjusted EBITDA margin %	28.0%			24.3%		24.8%		

Note: 1) *Adjusted for Mark-to-Market gain of INR 12.6 Cr in Q3FY21 & INR 33.2 Cr in 9MFY21; and Forex gain of INR 2.6 Cr in Q3FY21 & INR 5.1 Cr in 9MFY21

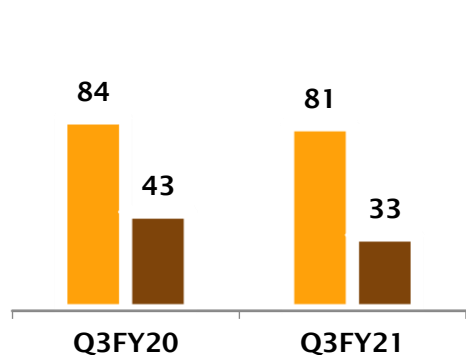
2) Exceptional Item of INR 8.67 Cr in 9MFY21 is on account of impairment loss on discarding of fixed assets

Steel and Ferro Segment: Production & Sales (volumes)

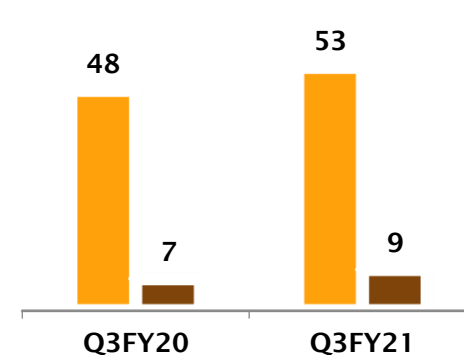
Iron Ore Pellets ('000 MT)



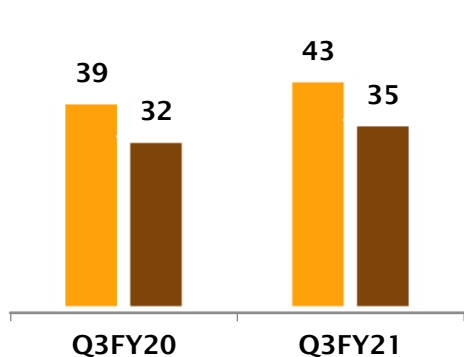
Sponge Iron ('000 MT)



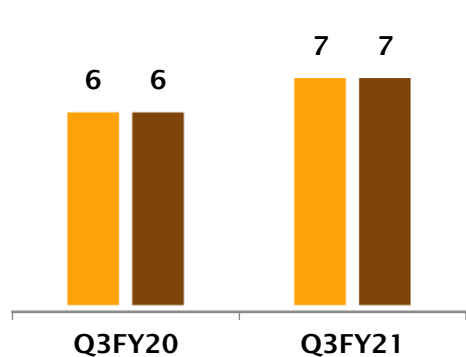
Steel Billets ('000 MT)



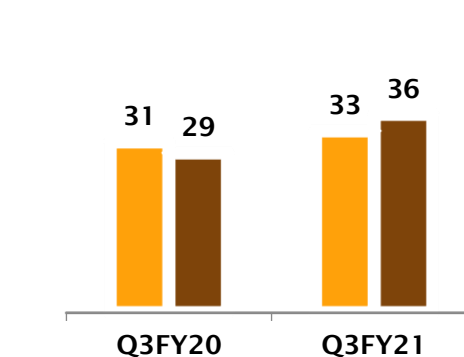
Wire Rod ('000 MT)



H. B Wires ('000 MT)



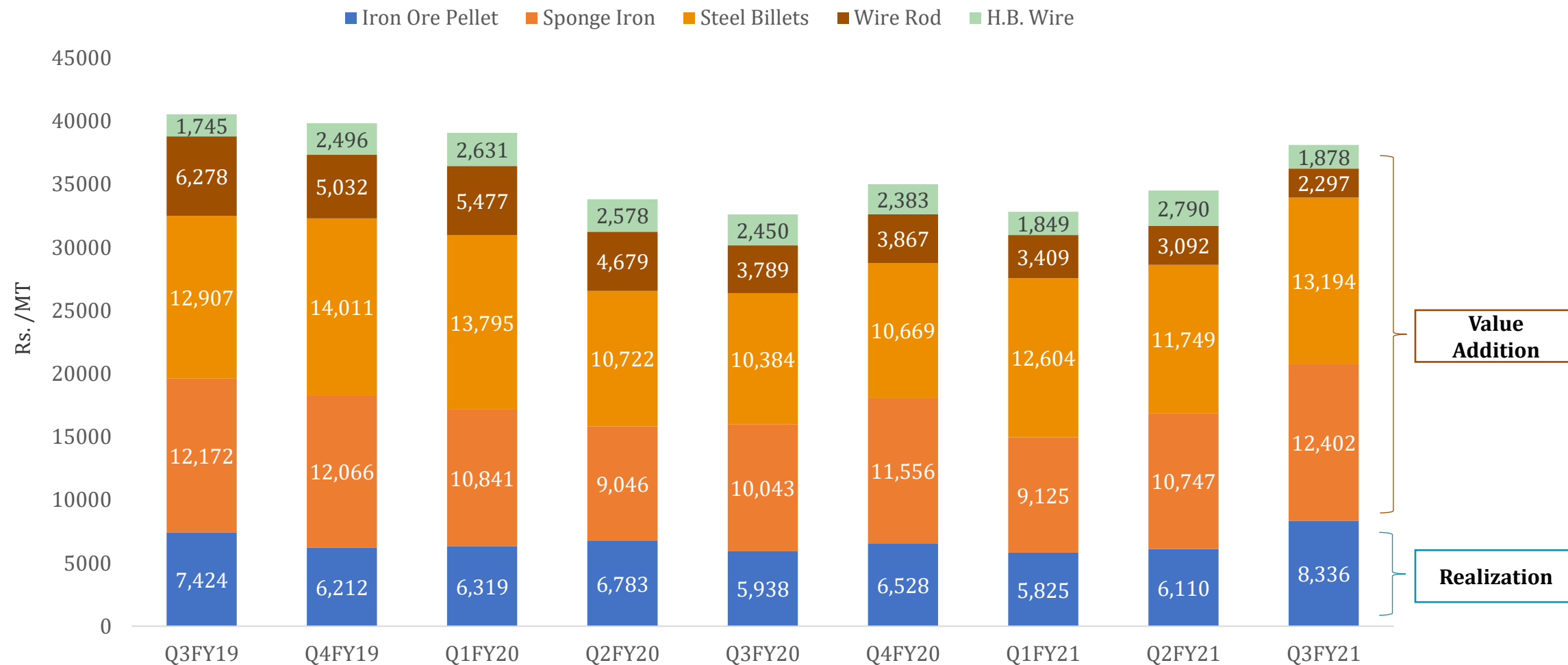
Ferro Alloys ('000 MT)



Production Sales

Note: 1) One Ferro Alloys Furnace is shut down for refurbishment as part of ongoing revamp of Ferro Alloy furnaces; 2) One Power plant was shut down for repairs from 06-July 2020 to 21-October 2020 and has been restarted on 22-October 2020; 3) A part of all production is captively consumed for production of downstream product

Steel Segment: Product wise Incremental Realization

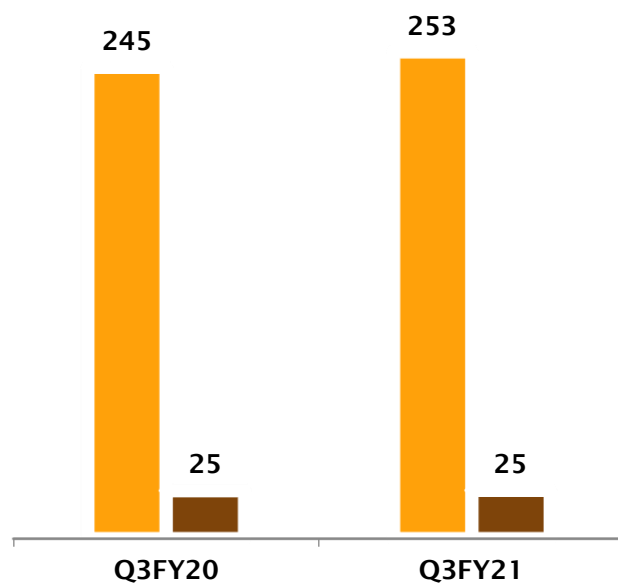


Power Segment: Generation & Sales (volumes)

Power (Thermal)

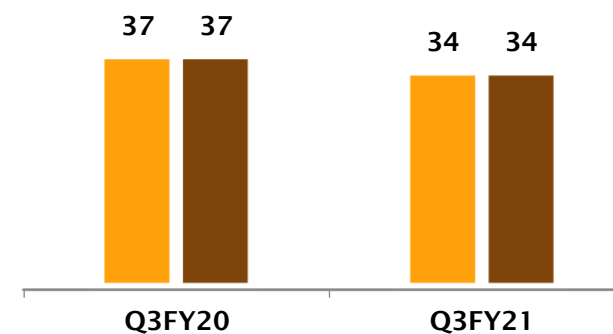
All Fig. in Mn Kwh unless specified

Generation Sales



Thermal Power (Captive) Capacity : 162 MW

Power (Hydro)



Hydro Power Capacity : 29.7 MW

Note: One power plant was shut down for repairs from 06-July 2020 to 21-October 2020, which impacted thermal power generation in initial period of Q3FY21; It has been restarted on 22-October 2020



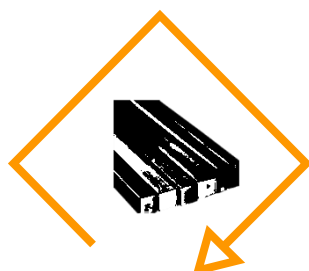
SEML – Consistent & Disciplined Growth

SEML at Glance (FY20)

Steel Business



Pellet Production
6 Lac MT



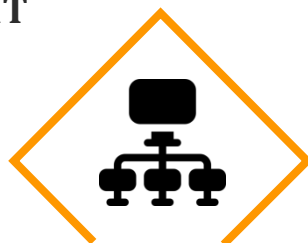
Billet Production
1.76 Lac MT



Wire Rod Production
1.42 Lac MT

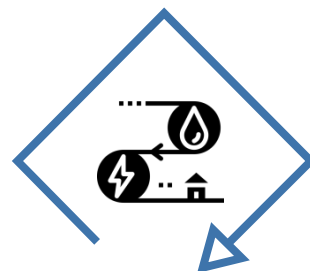


Ferro Alloys Production
1.24 Lac MT

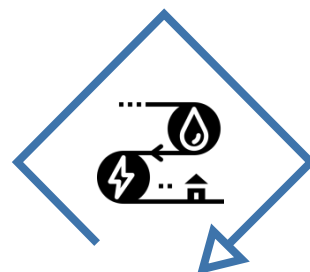


Iron Ore Reserves
20 Mn T

Hydro Power



Operational Capacity
29.7 MW



Capacity Under Execution
120.9 MW

Financials



Revenue from Operations
INR 2,000 Cr



EBITDA*
INR 396 Cr



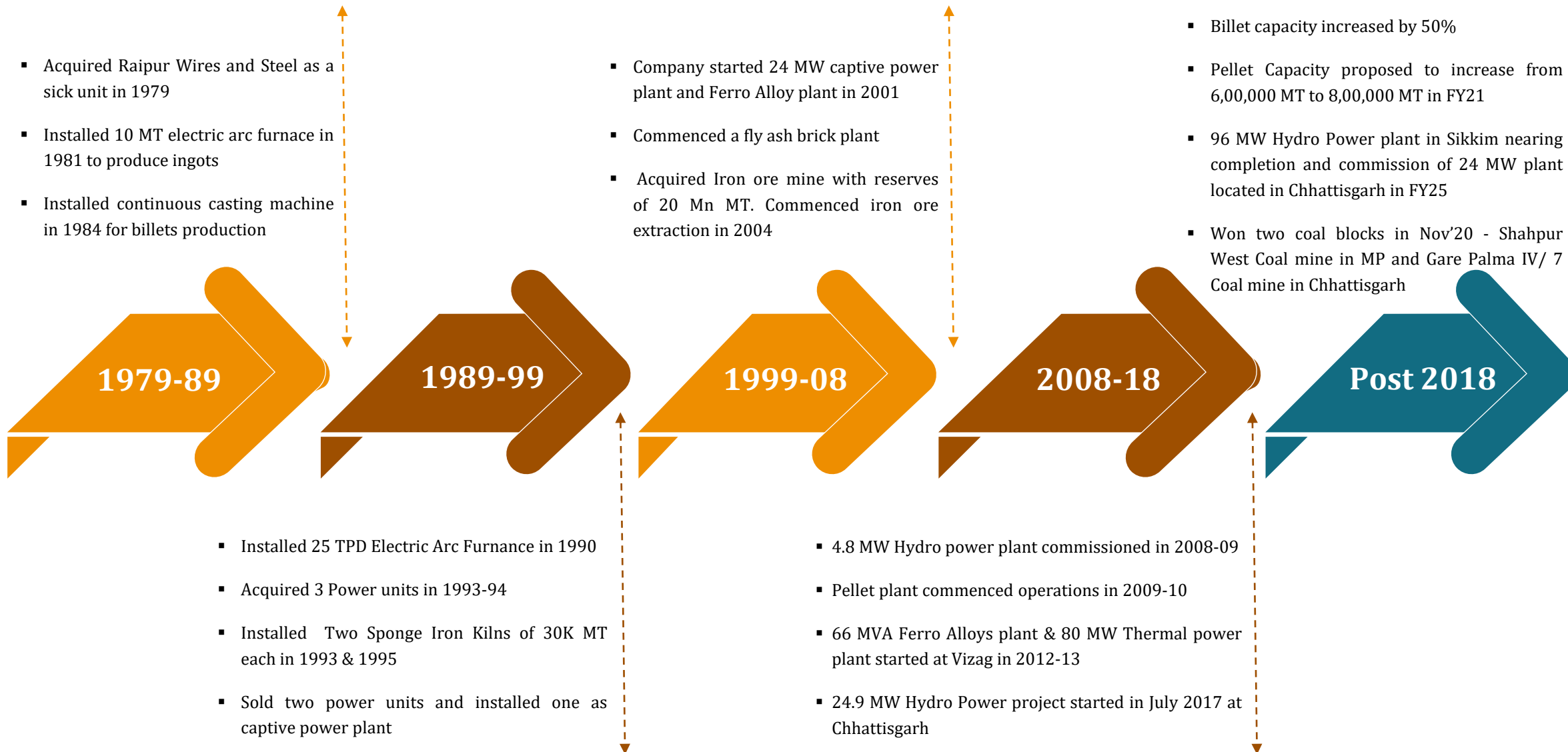
PAT
INR 128 Cr



Dividend Per Share
INR 5/Share

** FY20 EBITDA Adjusted for MTM & Forex Losses*

Sarda's Transformation Journey...



...Under Strong Leadership



Kamal Kishore Sarma

CMD

- Mechanical Engineer with 45 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 15 years



Padam Kumar Jain

Director & CFO

- CA, CS with a rich experience of more than 34 years
- Looks after accounting, finance, taxation, costing and corporate laws



Manish Sarma

Director

- MBA in International Business with more than 26 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

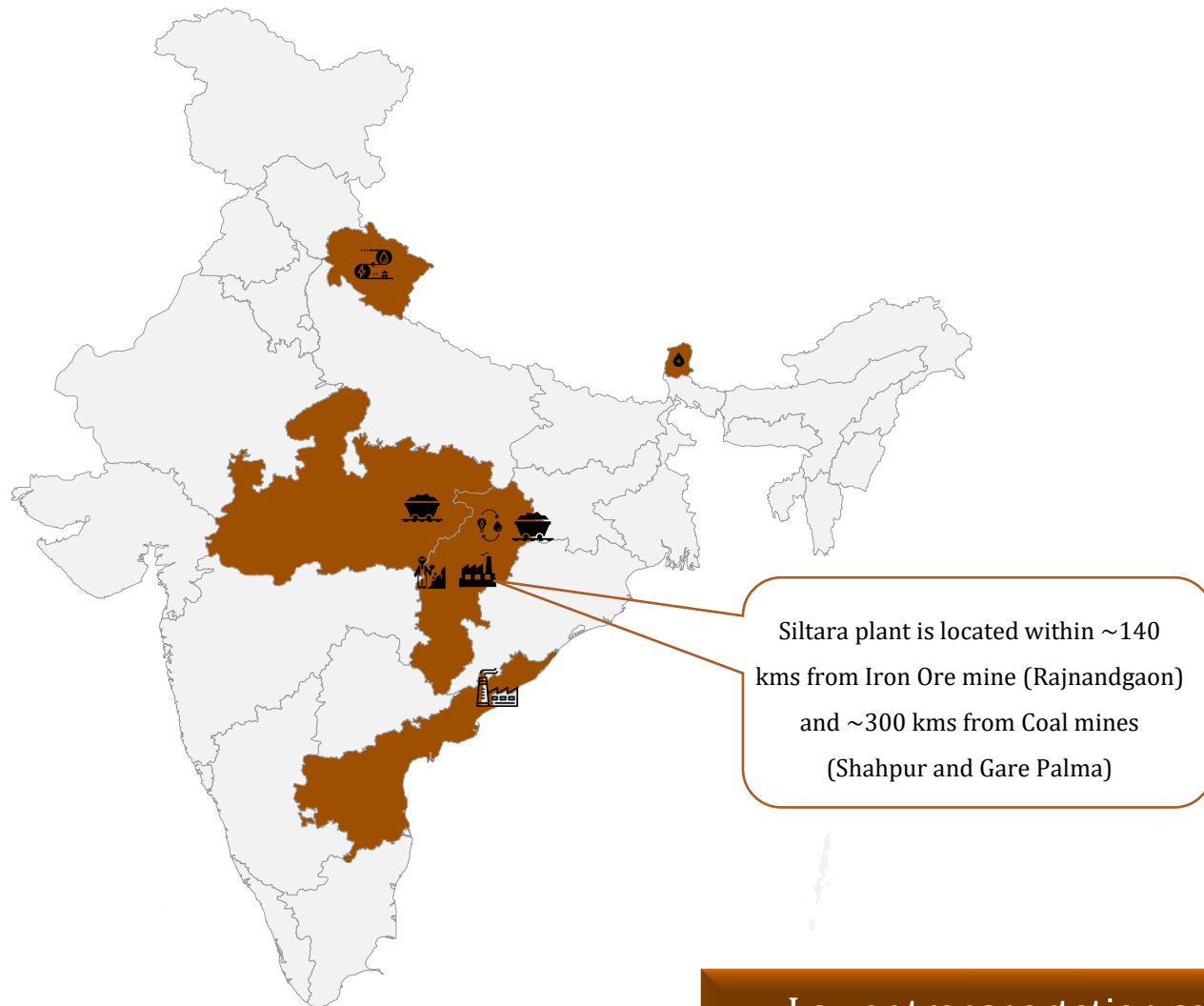


Neeraj Sarma

Director

- MBA in Finance & Marketing with more than 16 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*



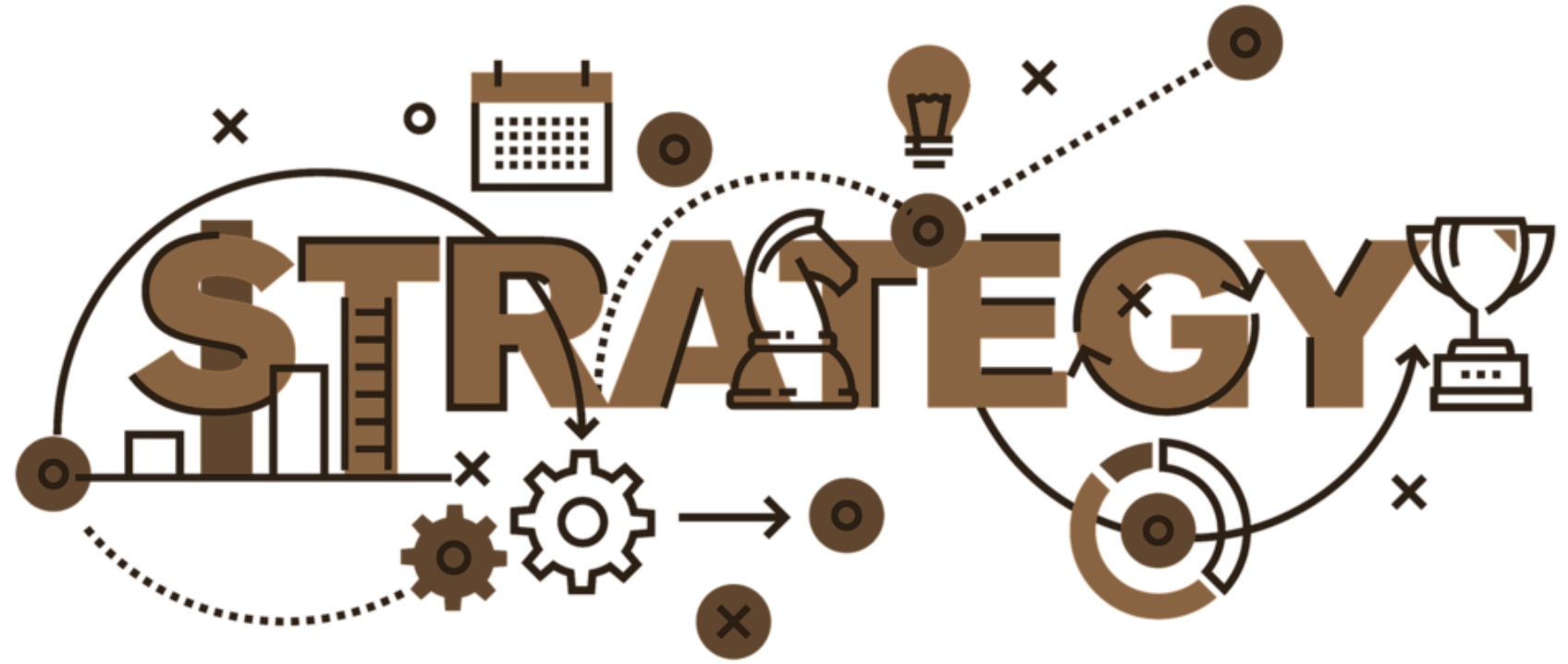
Iron Ore Mine at Rajnandgaon, Chhattisgarh



Coal Mines at Shahpur West, MP and Gare Palma IV 7, Chhattisgarh

*SMAL – Sarda Metals & Alloys Ltd
 **SEML – Sarda Energy & Minerals Ltd
 Map not to scale – representational purposes only

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



Strategic Priorities

Strategic Priorities



1

Vertically Integrated Steel Player

Raw Material Security / Better Control / Lower Cost of Production

2

Hydro Business Expansion

Visibility of incremental Stable Cashflow

3

Disciplined Growth

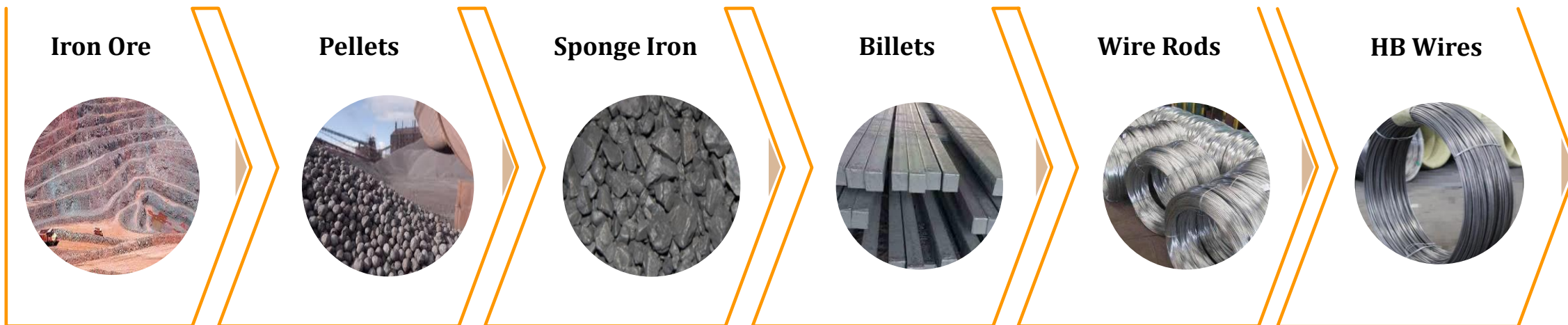
Consistently improving Balance Sheet Strength

4

Health, Safety & Social Responsibility

Focus on overall well-being of the people

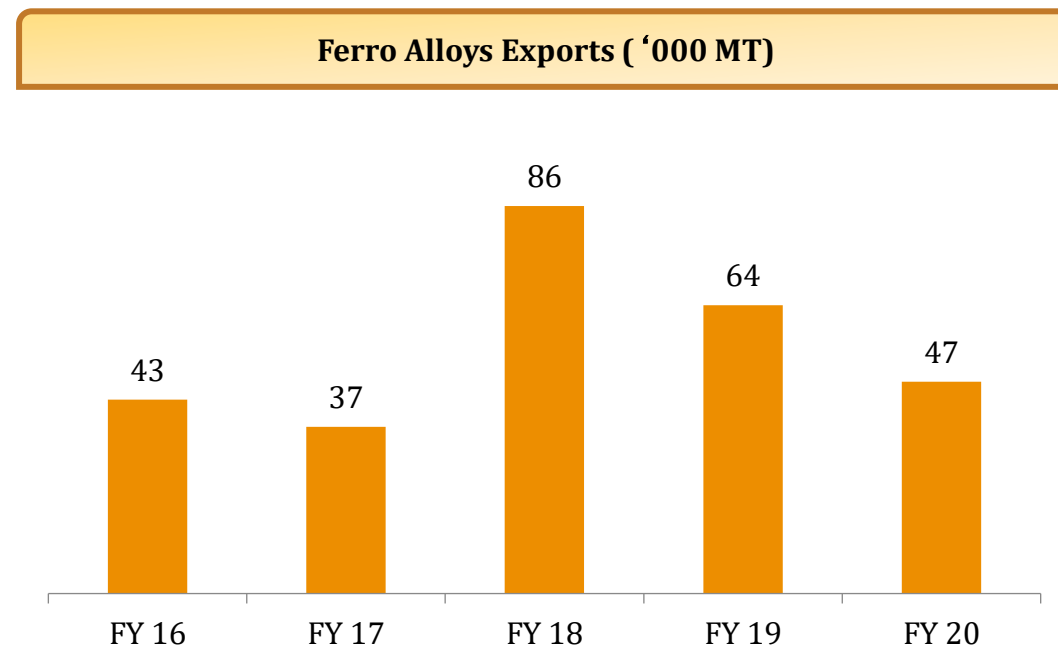
Vertically Integrated Steel Player...



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"> Environmental clearance received for 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 with complete back end 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 manganese-based Ferro Alloys
- **Exports Awards:**
 - ✓ SMAL received prestigious export promotion council award in 2018
 - ✓ SEML & SMAL 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 47% PLF during FY14-20

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

Average units sold is ~20 mn per annum

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 discom for 35 years

Plant generating free cashflow from first year of operation

Under Execution

Sikkim

96 MW

Likely to be commissioned by March 2021*

Central Govt has notified Hydro Power Obligation to be met exclusively from large hydro projects of over 25 MW.

Project work has been completed

Received Environmental Clearance to increase the rated capacity to **115 MW**

Chhattisgarh

24.9 MW

Likely to be commissioned in FY25

Land acquisition & regulatory approvals in place

Financial Closure under progress

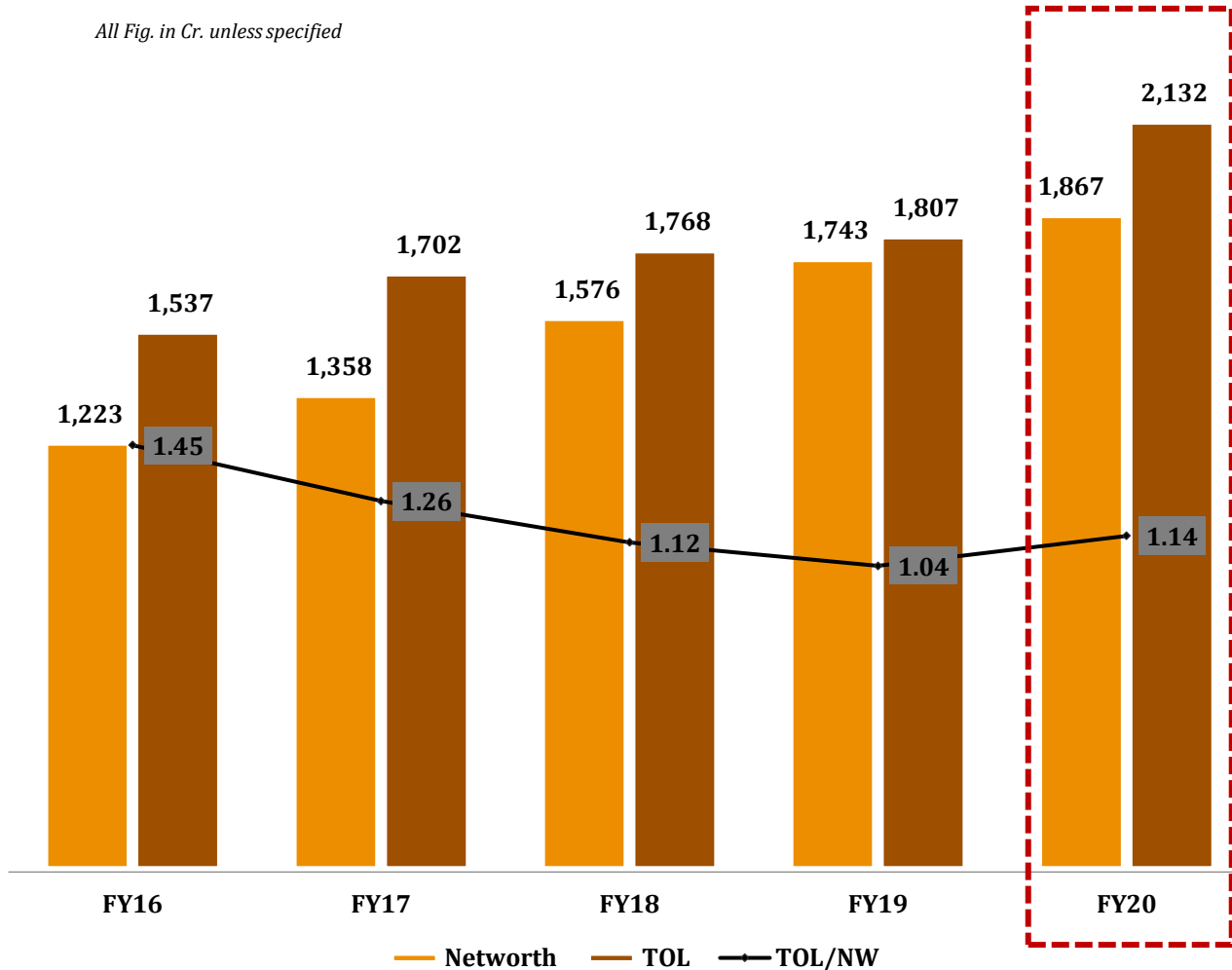
* Delay caused due to Covid-19

... Sikkim project completion to provide incremental stable cashflow

Disciplined Growth

Consistently improving Balance Sheet Strength

All Fig. in Cr. unless specified

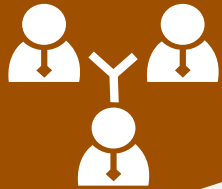


Rs. Cr	Term Loan	Working Capital	Total
Steel	562	164	726
Hydro Operational	110	-	110
Total	672	164	836
Hydro Under execution	829	-	829
Total	1,501	164	1,665

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

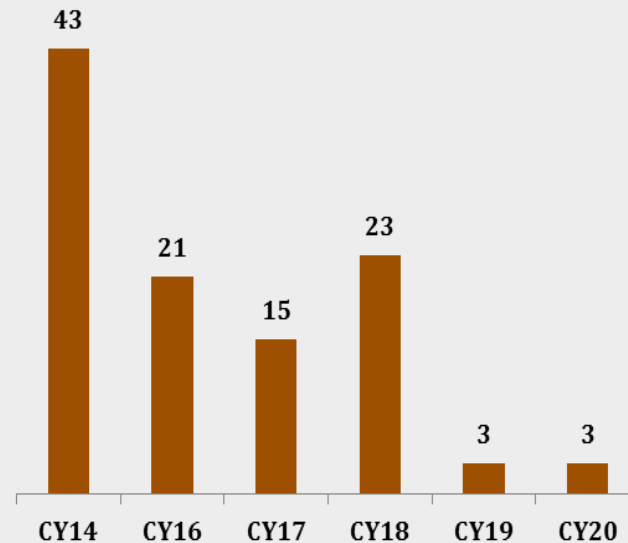
Focus on Safety, Health & Social Responsibility...

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
- Providing training to develop SHGs
- Potable water supply to villages
- Conducted awareness on mother and child health care programs
- SEML's fire tender has been regularly supporting the local administration in COVID-19 related measures

Annual Financial Highlights



Profitability Highlights - Consolidated

INR in Cr	FY16	FY17	FY18	FY19	FY20
Revenues	1,486	1,434	2,217	2,324	2,000
Other Income	35	67	70	17	-17
Total Income	1,521	1,502	2,287	2,341	1,983
Raw Material	964	942	1,478	1,493	1,293
Employee Expenses	68	75	77	87	88
Other Operating Expenses	259	200	260	261	263
EBITDA	230	284	472	499	339
EBITDA Margin (%)	15%	19%	21%	21%	17%
Depreciation	75	69	73	76	78
Interest	109	94	97	99	82
Profit Before Tax	47	122	302	324	179
Exceptional Item + Share of Associates and JV	-	(28)	8	-	-7
Tax	31	23	90	117	43
PAT	16	127	205	207	128
PAT Margin (%)	1%	8%	9%	9%	6%
EPS	4.27	35.58	56.01	56.36	35.05

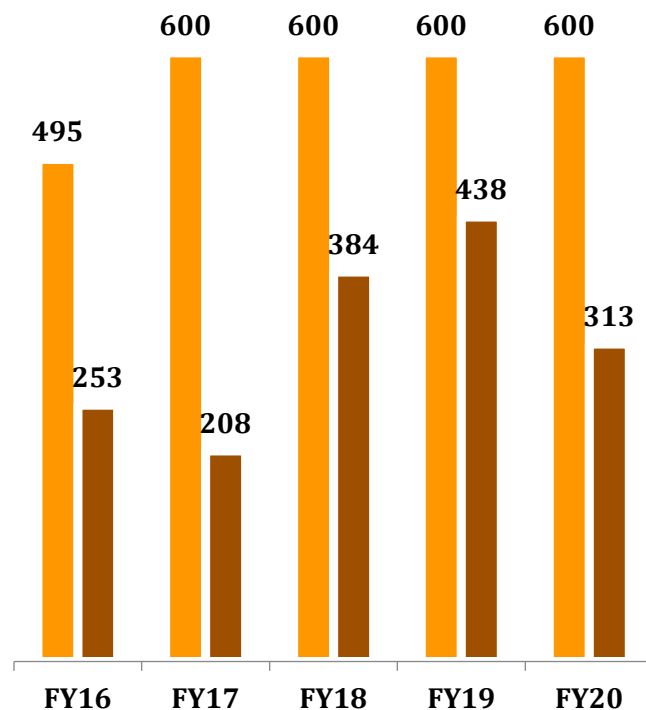
Note: The total income and profitability in FY20 has been impacted on account of Covid-19 related disruption in economic activity and volatility in currency and capital market. Accordingly, there has been a Mark-To-Market loss of Rs 40.08 cr in Other Income and a Forex loss of Rs 16.65 cr in Other Expenses in FY20

Balance Sheet Highlights - Consolidated

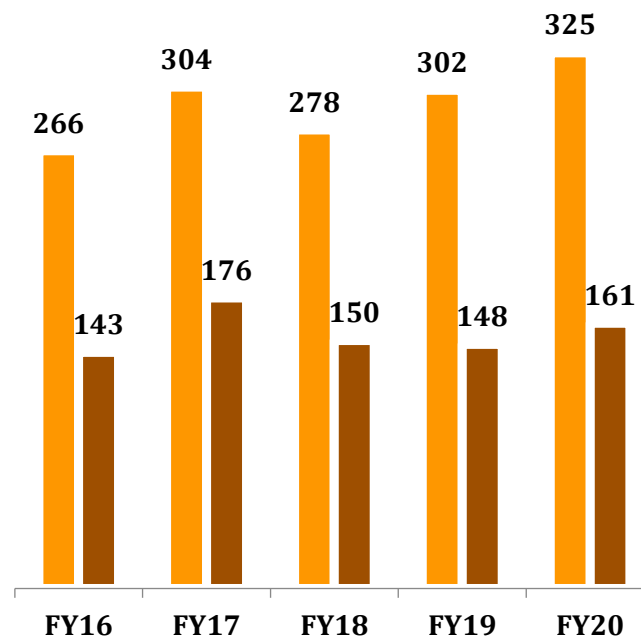
INR in Cr	FY16	FY17	FY18	FY19	FY20
Share Capital	36	36	36	36	36
Tangible Networkth	1,230	1,358	1,577	1,707	1,831
Long Term Borrowings	966	1,015	1,059	1,078	1,436
Other Liabilities	595	706	741	860	796
Total Liability	2,827	3,115	3,413	3,682	4,100
Net Fixed Asset	1,351	1,094	1,367	1,358	1,330
CWIP	579	788	775	1,054	1,365
Investment	133	226	241	213	191
Other Assets	764	1,007	1,030	1,057	1,214
Total Assets	2,827	3,115	3,413	3,682	4,100

Yearly Volume Trend (1)

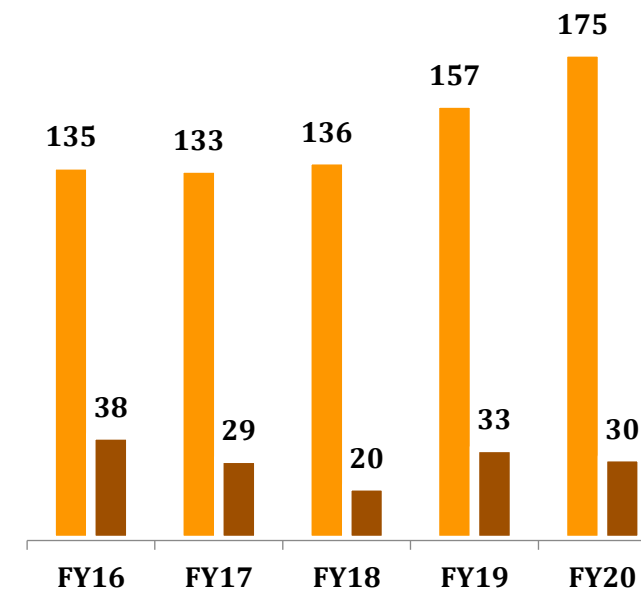
Iron Ore Pellets ('000 MT)



Sponge Iron ('000 MT)



Steel Billet ('000 MT)

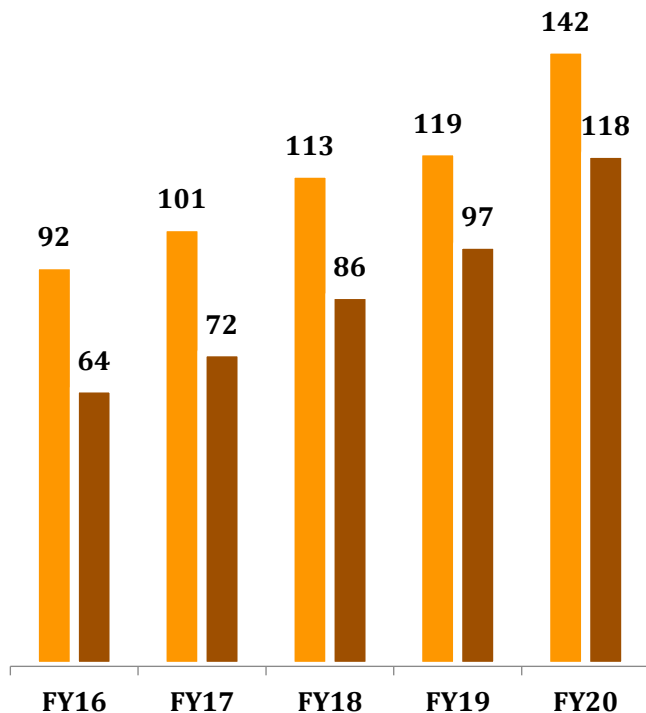


Note: 1) Production for FY20 was affected due to Covid-19 outbreak and shutdown of one power plant for repairing work and shutdown of ferro alloys furnaces of Sarda Metals for overhauling and relining work; 2) A part of all production is captively consumed for production of downstream products

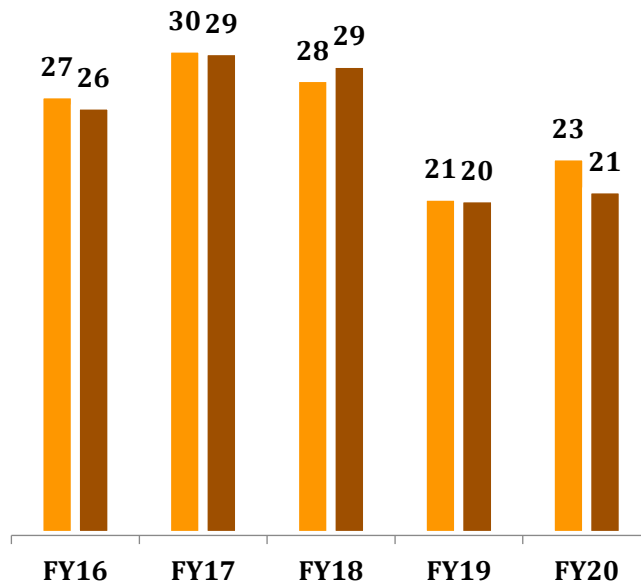
■ Production ■ Sales

Yearly Volume Trend (2)

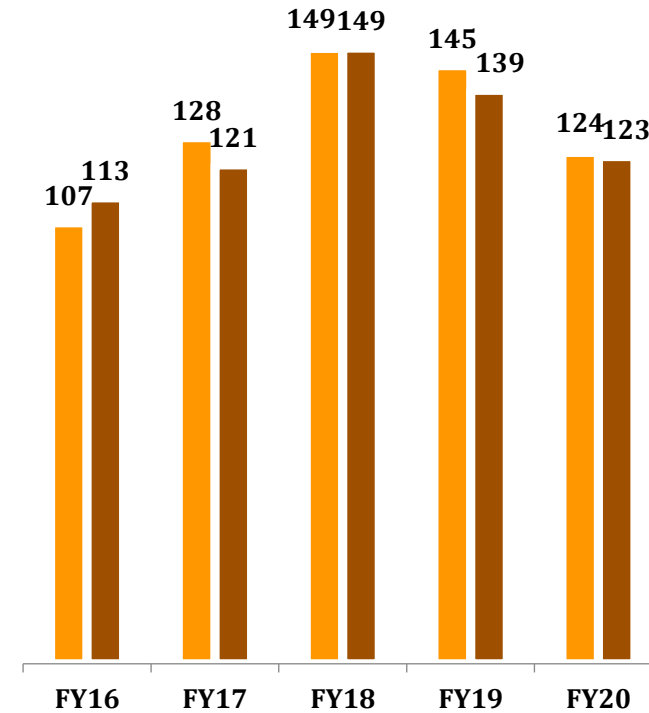
Wire Rod ('000 MT)



H. B Wires ('000 MT)



Ferro Alloys ('000 MT)

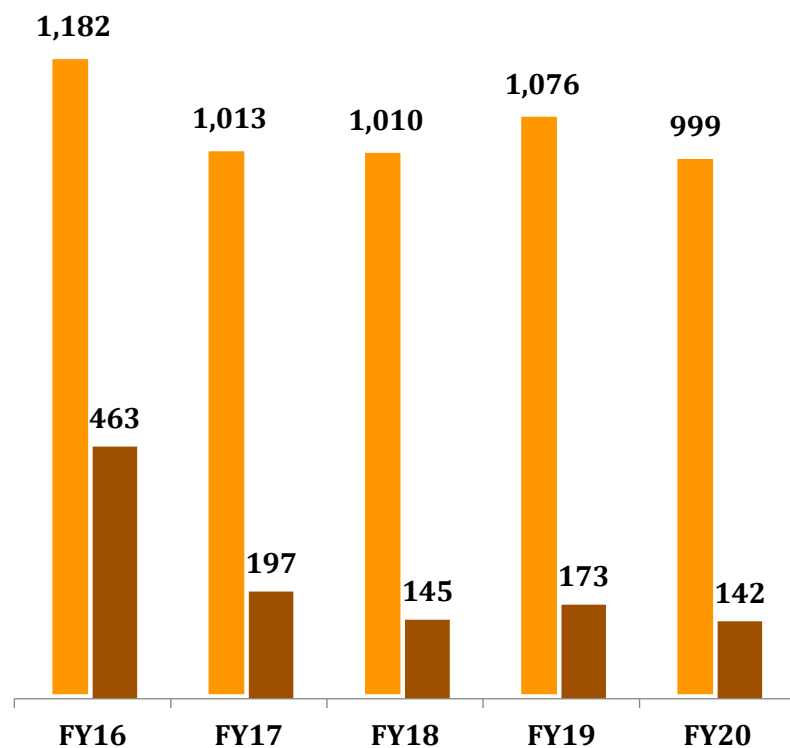


Note: 1) Production for FY20 was affected due to Covid-19 outbreak and shutdown of one power plant for repairing work and shutdown of ferro alloys furnaces of Sarda Metals for overhauling and relining work; 2) A part of all production is captively consumed for production of downstream products

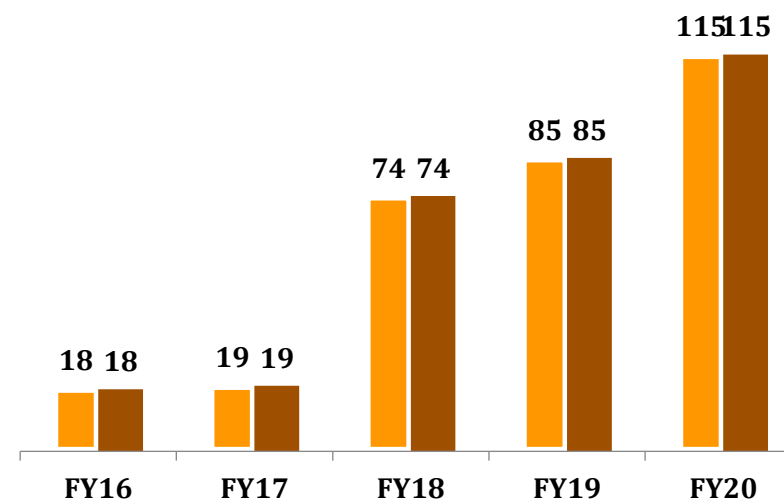
■ Production ■ Sales

Yearly Power Generation

Thermal Power - Mn units



Hydro Power - Mn units

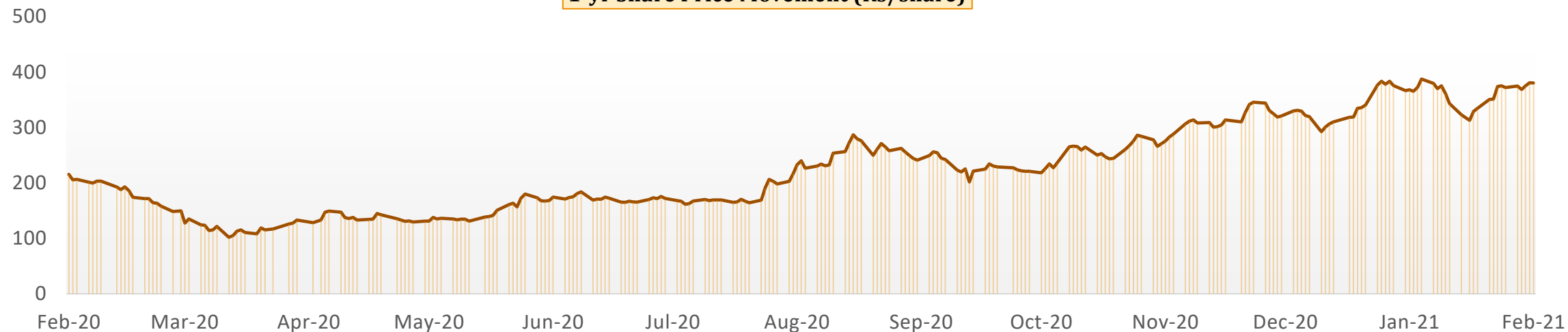


Note: Thermal Power is largely consumed for captive use; Thermal power generation in FY20 impacted due to shutdown of one power plant at Raipur for repairing work

■ Generation ■ Sales

Share Price Information

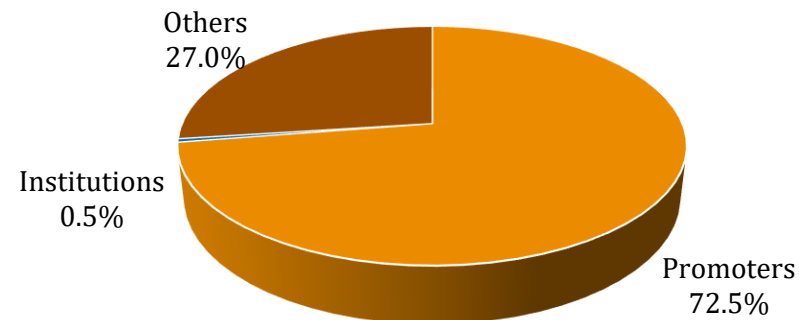
1-yr Share Price Movement (Rs/share)



Capital Market Information (as on 12-Feb-21)

BSE/NSE Code	504614/SARDAEN
CMP (Rs)	380
Market Cap (Rs Cr)	1,371
# Shares (Cr)	3.6
Face Value (Rs)	10

Shareholding Pattern (as on 31-Dec-20)



Thank You



Mr. Nilay Joshi (Head – Corporate Finance)

njoshi@seml.co.in

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



Ms. Pooja Sharma / Ms. Sheetal Keswani

pooja.sharma@stellar-ir.com / sheetal@stellar-ir.com

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

www.seml.co.in