

Shyam Metals And Energy Limited



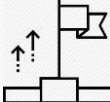






Investor Presentation

Centrum Conference - 6th September 2021

Shyam Metalics at a Glance



- 1 Manufacturing Plant** located in Sambalpur, Odisha
 - 1 Manufacturing Plant** in Jamuria, West Bengal
 - 1 Small Plant** in Mangalpur, West Bengal
- Aggregate installed capacity of 5.61 MTPA comprising of intermediate and final products
- Aggregate installed capacity of 0.1 MTPA
- These plants also include **captive power plants** with an aggregate installed capacity of **227 MW**

	<ul style="list-style-type: none">• Leading Integrated Steel and Ferro Alloys Producer in India• 4th Largest Sponge Iron Player, Leading player in terms of Pellet Capacity		
	<ul style="list-style-type: none">• Integrated Metal Producing Company• Operates “Ore to Metal” integrated steel plants with Captive Railway Siding		<ul style="list-style-type: none">• Strategically located plants with Proximity to Mineral Belts, National Highways and Ports
	<ul style="list-style-type: none">• 44%: Total Income Growth in FY21 YoY• EBITDA Positive since commencement of operations in 2005		<ul style="list-style-type: none">• 0.22X Gross Debt / Equity as of Mar-21• One of Lowest Gearing amongst competitors
	<ul style="list-style-type: none">• ~79% of power sourced from Captive Power Plants at 2.06 Rs./Kwh³ in Q1 FY22, while Grid Power costs 5-7 Rs./Kwh⁴		<ul style="list-style-type: none">• Promoters with decades of experience in the Metal Industry along with experienced Management Team

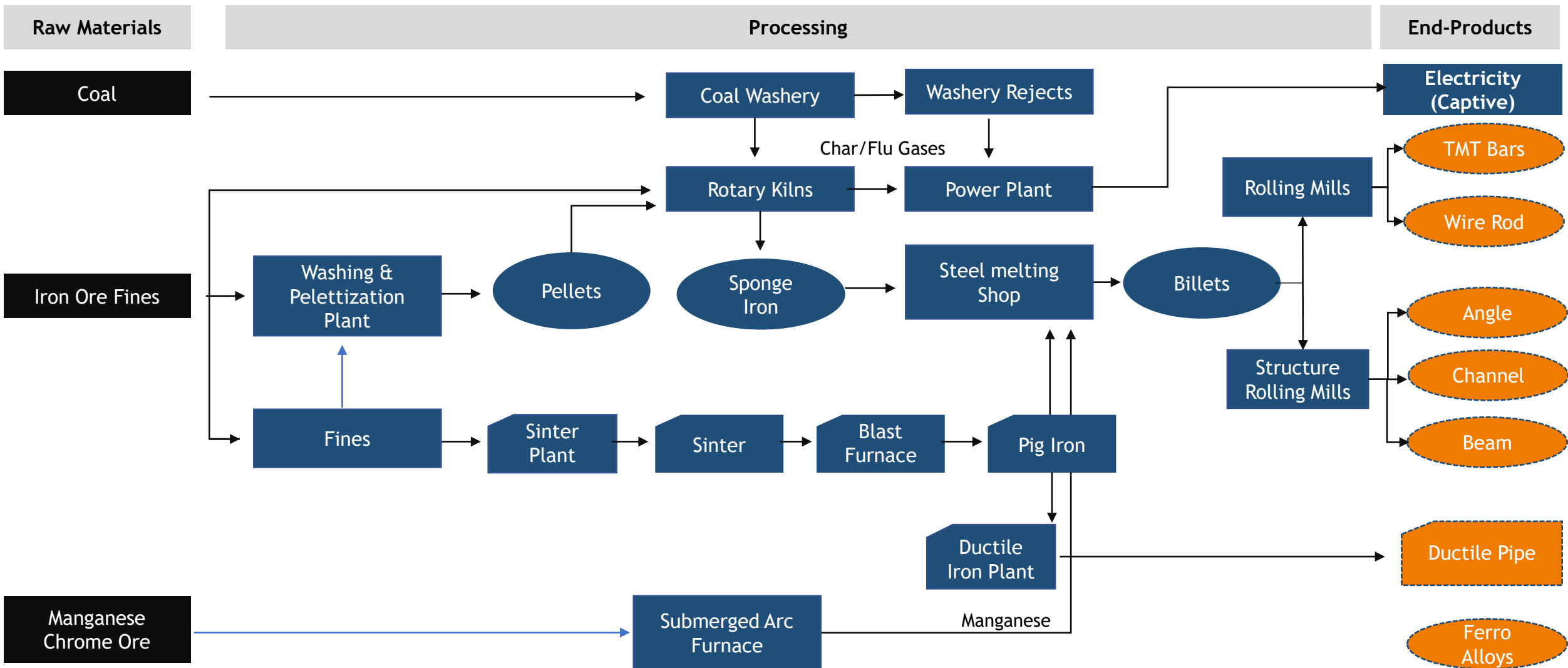
Optimising the Balance Sheet for Resilience & Flexibility



CRISIL AA-
(Stable)
Long Term Bank Facilities

CRISIL A1+
(Stable)
Short Term Bank Facilities

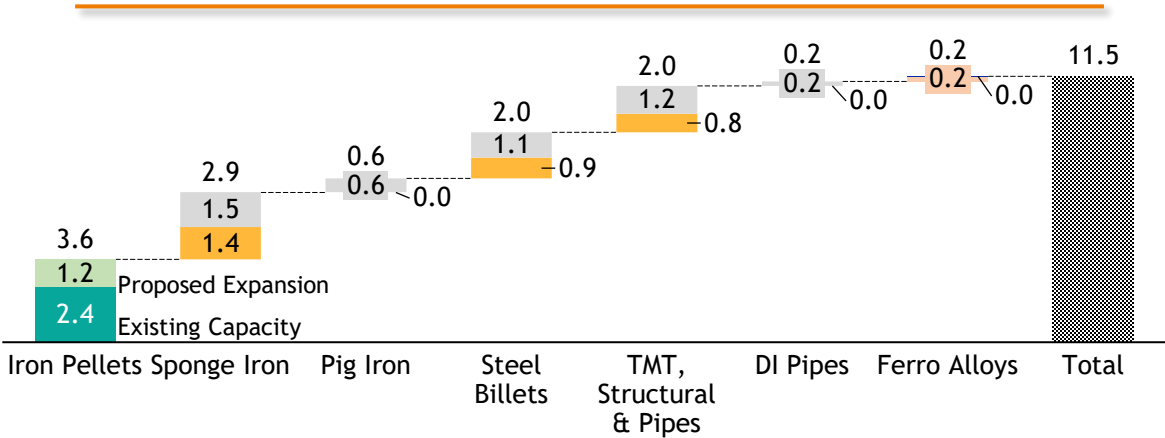
Integrated operations across the steel value chain



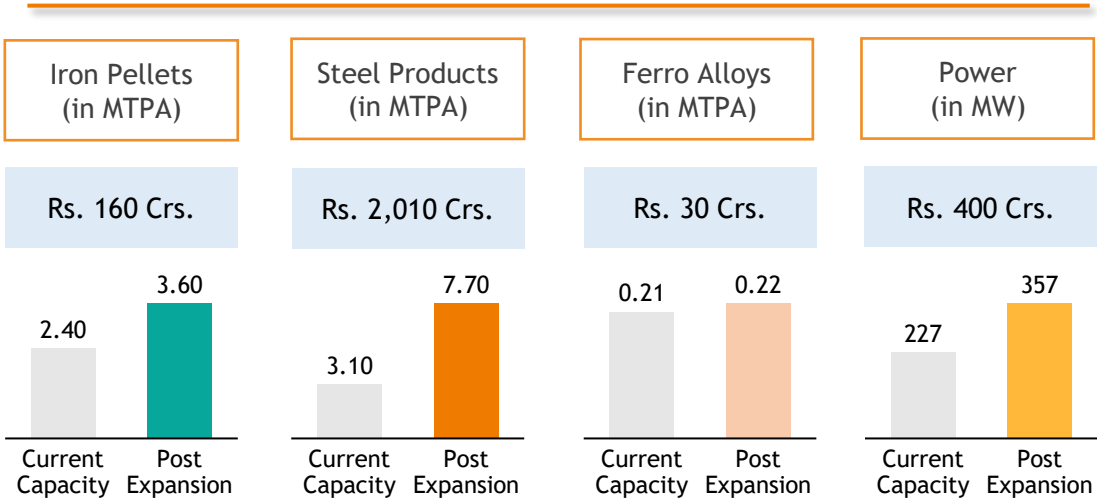
Diversified & Interchangeable Product Mix & Capacity Expansion

Capacity (Million MTPA)		FY18	FY19	FY20	FY21
Existing Products	Iron Pellet	0.90	0.90	2.4	2.4
	Sponge Iron	1.01	1.01	1.27	1.39
	Billets	0.54	0.63	0.80	0.89
	TMT, Structural Steel, Wire Rods & Pipes	0.25	0.25	0.82	0.82
	Ferro Alloys	0.19	0.21	0.21	0.21
	Captive Power (MW)	164	164	227	227
New Products	Ductile Iron Pipes	Proposed capacity of 200,000 TPA			
	Blast Furnace	Proposed Capacity of 600,000 TPA			
	Aluminium Foil	Proposed Capacity of 40,000 TPA			

Break-up of Capacity Expansion (MTPA)



Brownfield expansion leading to Lowest Capex in the Industry



Increasing share of B2C/Value Added Products

S E L



Structural Products are hot rolled products of special forms like rounds, angles, channels & beams



*We not only make structurals of standard dimensions, but also **Customized Products for Specific Applications**, economically and quickly*



***TMT Bars** are high-strength reinforced bars having a tough outer core and soft inner core*

Our products are sold mainly across Eastern, Central, Northern and Western Regions of India with some penetration in Southern India. Our TMT and structural products are sold under the brand “SEL”.

Finished Steel Products

47%

EBITDA Contribution in FY21

Increasing Exports

46%

Steel products both upstream and downstream including Angles, Beams, Billets, Channels, Wire Rods, MS Round Coils and Sponge Iron

20%

Ferro Chrome
Ferro Manganese and
Silico Manganese
Products

34%

Pellets

23
Countries

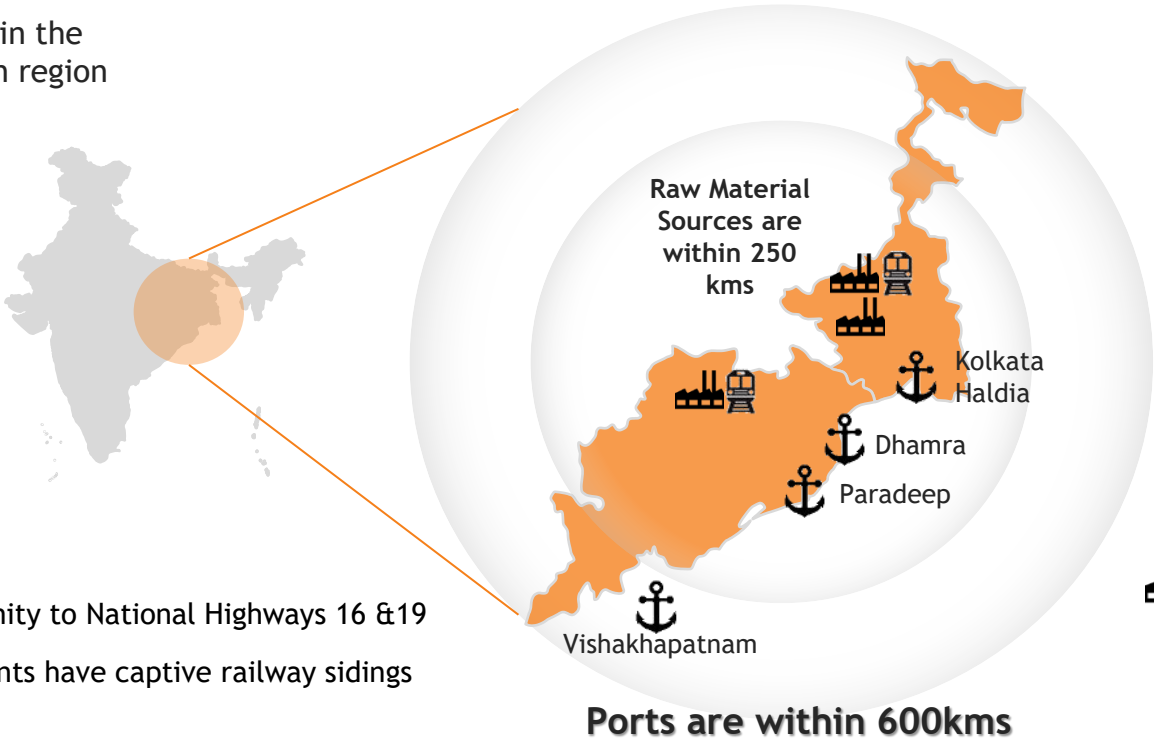
Exports to countries like USA, Japan, Korea, Italy, Nepal, Bangladesh

18%

Export Contribution to Revenues in Q1 FY22

Strategically Located - Supported by Infrastructure

Strategically located in the mineral rich East Indian region



- Plants are in close proximity to National Highways 16 & 19
- Sambalpur & Jamuria Plants have captive railway sidings

42 distributors stock and sell the finished products across 13 states and 1 Union Territory

We sell 70% of our products within the vicinity of 500 Km from our plants

- Plant Location
- Captive Railway Sidings
- Ports

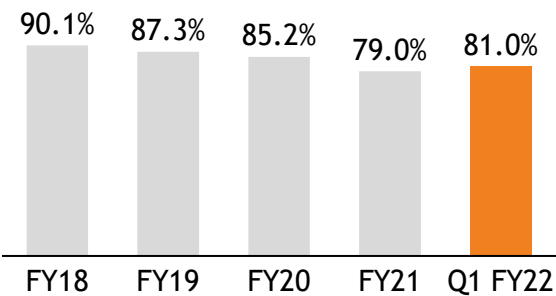
Key Raw Material	Source
Iron ore / Iron ore fines	Mine owners located in Odisha
Chrome ore	Long term linkages with Odisha Mining Corporation Limited, other mine owners and imports
Manganese ore	MOIL Limited, other mine owners and imports
Coal	Fuel supply agreements entered into with Mahanadi Coalfields Limited, Central Coalfields Limited and South Eastern Coalfields Limited

Lowest Cost Captive Power

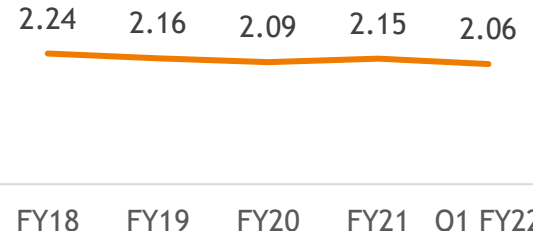
- Power consumed by the plants are primarily produced in-house by the captive power plants
- Captive power plants utilise non fossil fuels such as waste, rejects, heat and gas generated from the operations to produce electricity
- Cost of in-house power is significantly less than grid power which costs INR 5-7 Per Unit *

Sambhalpur	4 Captive Plants Total Capacity of 118 MW
Jamuria	3 Captive Plants Total Capacity of 94 MW
Mangalpur	1 Captive Plant Total Capacity of 15 MW

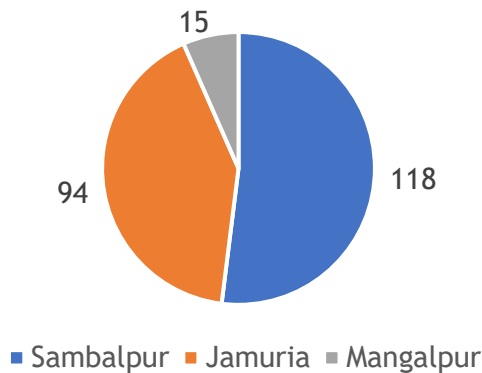
Captive Power to Total Power Consumed



Cost of Per Unit of Captive Power** (Rs./KWH)



Current Capacity* (MW)



Captive Power Plant Expansion Plans (MW)



* Source: CRISIL Report; **Average cost of Power from Captive Power Plant = Total cost of power from all Captive Power Plants / Total production units

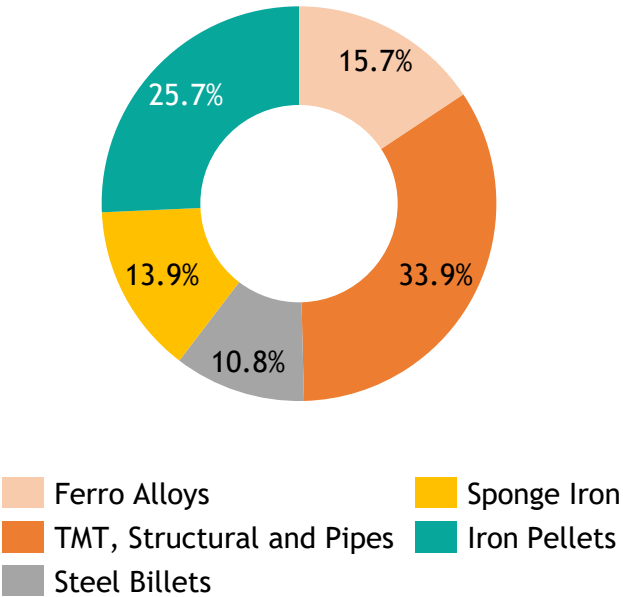
Strong Q1 FY22 Performance

Revenue from Operations
Rs. 2,465 crores  **+170%**

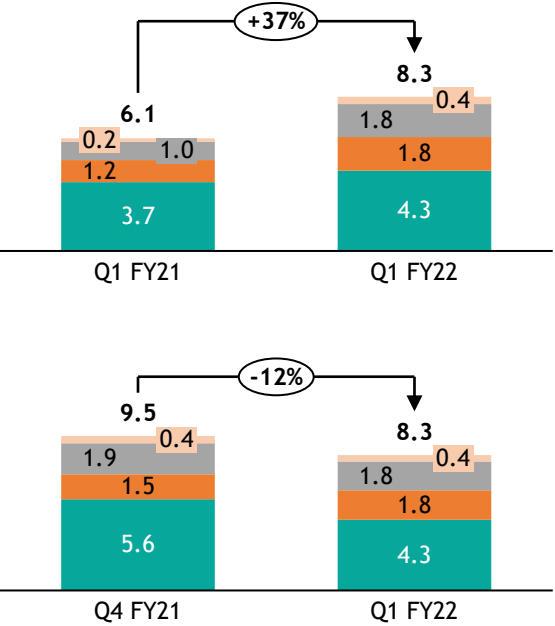
EBITDA
Rs. 688 crores  **+353%**

Profit After Tax
Rs. 458 crores  **+470%**

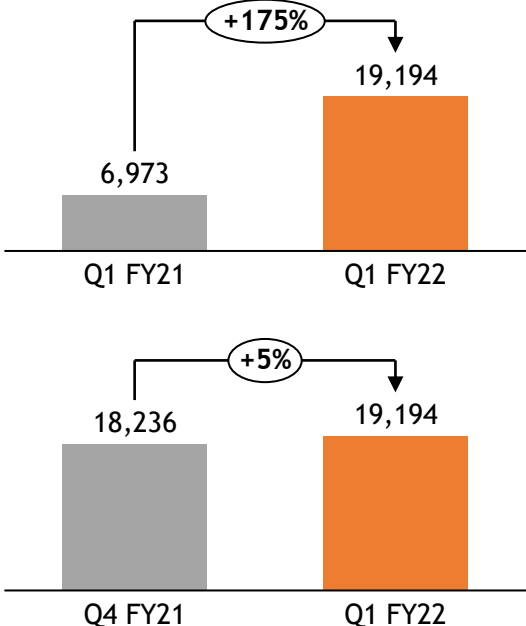
Revenue Breakup



Volumes (in lakh tonnes)



Blended EBITDA per tonne (Rs.)



Ferro Product Intermediates Finished Steel Iron Pellet

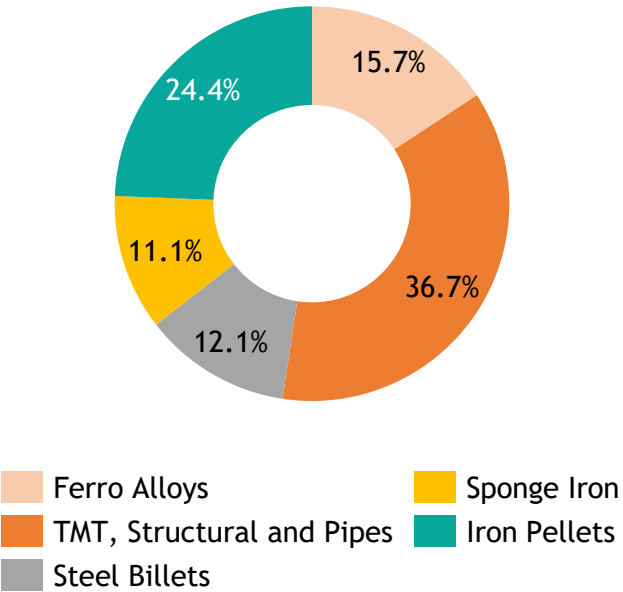
Strong FY21 Performance

Revenue from Operations
Rs. 6,297 crores  **+44%**

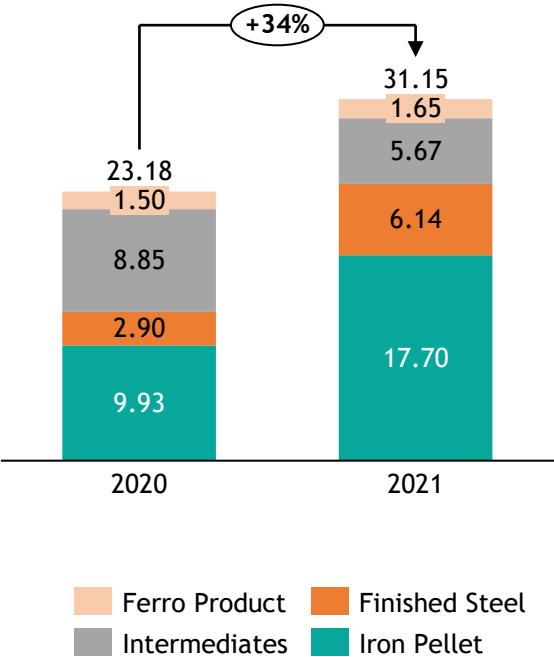
EBITDA
Rs. 1,394 crores  **+109%**

Profit After Tax
Rs. 844 crores  **+148%**

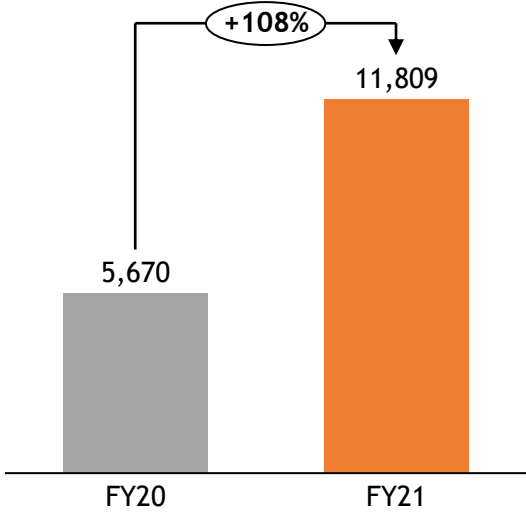
Revenue Breakup



Volumes (in lakh tonnes)

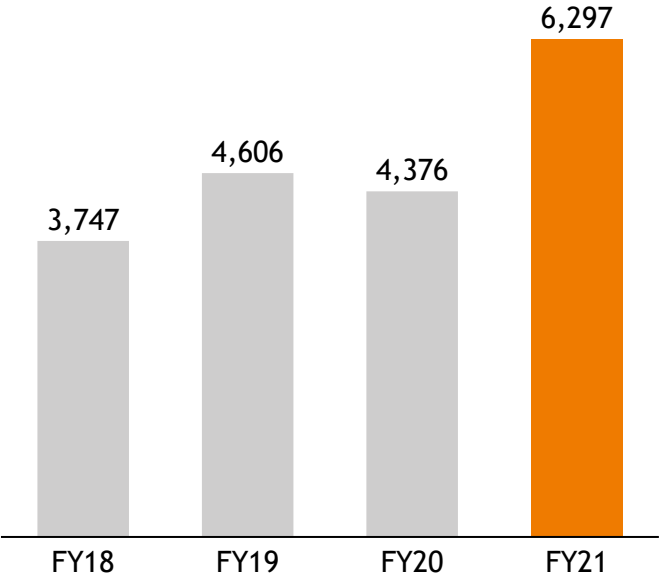


Blended EBITDA per tonne (Rs.)

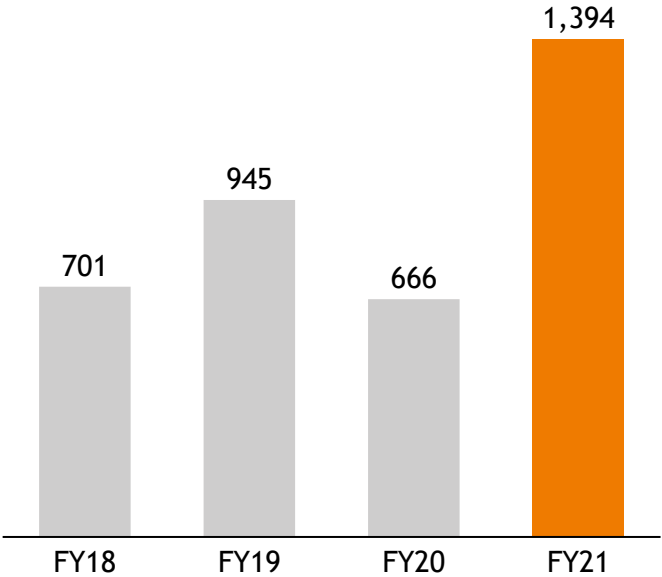


Strong Operating Performance

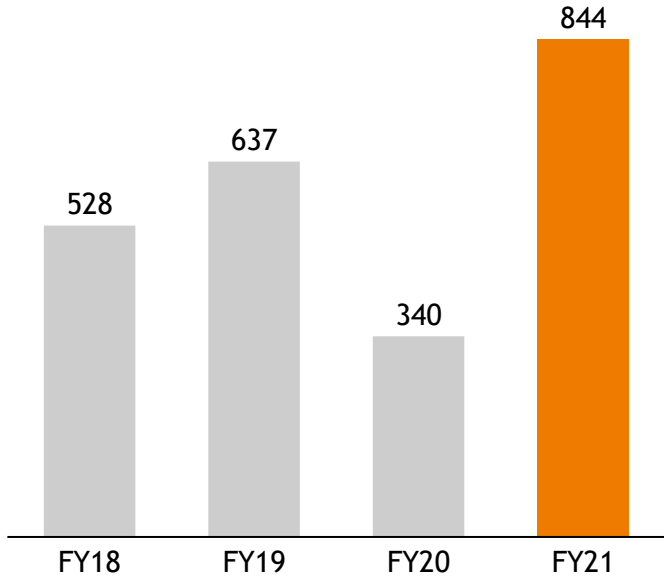
Revenues (Rs. Crs.)



EBITDA (Rs. Crs.)



Profit After Tax (Rs. Crs.)



CAGR %

19%

26%

17%

FY20 was lower due to impact of CoVID-19 in March 2020

Strong Balance Sheet - Flexibility of Growth

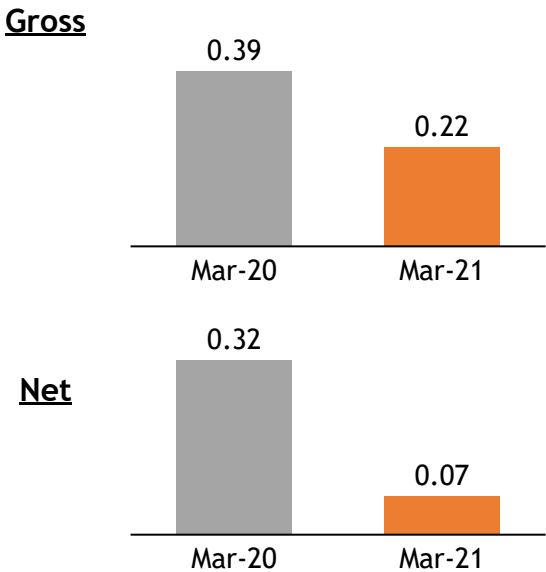
0.22x
Gross Debt / Equity
(as of 31st March 2021)

One of Lowest Gearing amongst competitors*

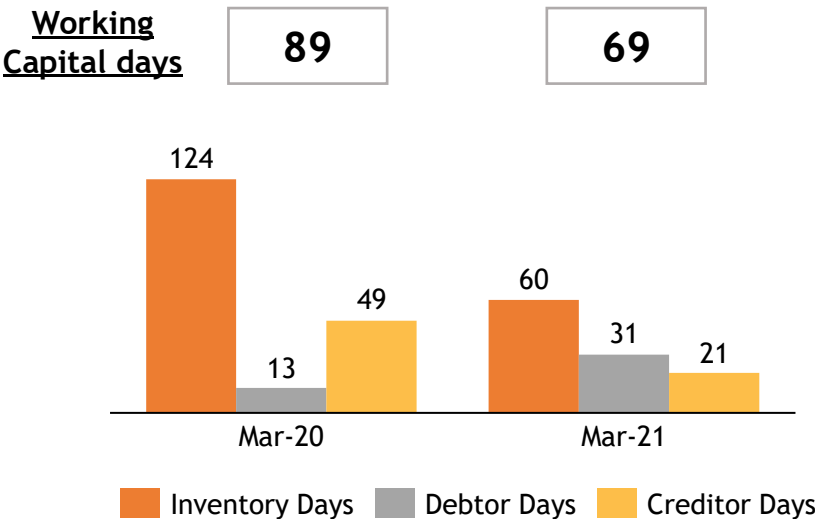
Internal Operating Efficiency led to more than **50% reduction** in **Working capital** requirements

Conservatively Leveraged
+
Disciplined Capital Allocation strategy
=
Better Return Metrics

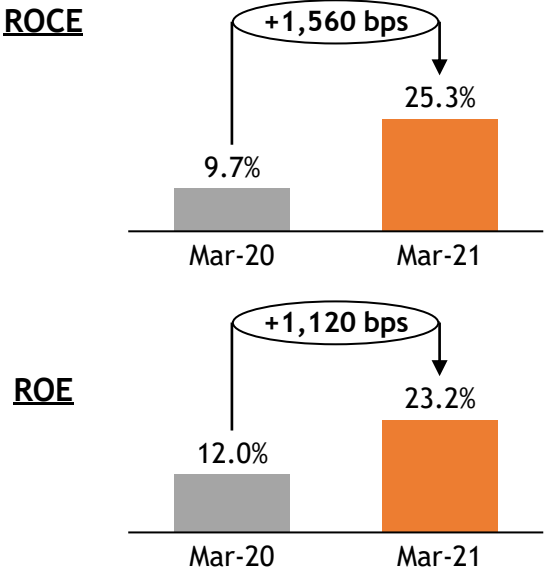
Debt/Equity (x)



Working Capital (days)



Return ratios (%)



Strong Balance Sheet to support Capex, Growth and Business Cycles

Thank You



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