

# Shyam Metals And Energy Limited

A wide-angle photograph of an industrial facility, likely a steel mill, silhouetted against a bright, hazy sunset sky. The sun is a large, glowing orb in the center-left, casting a warm orange glow over the scene. Several tall, dark smokestacks and complex structures are visible against the light sky. In the foreground, there are dark, silhouetted structures, possibly part of a water treatment or storage system, with a body of water reflecting the light at the bottom left.

Investor Presentation

Centrum Conference - 6<sup>th</sup> September 2021

# Shyam Metals at a Glance



## 1 Manufacturing Plant

located in Sambalpur, Odisha

## 1 Manufacturing Plant

in Jamuria, West Bengal

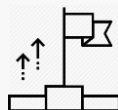
## 1 Small Plant

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**



- Leading Integrated Steel and Ferro Alloys Producer in India
- 4th Largest Sponge Iron Player, Leading player in terms of Pellet Capacity



- Integrated Metal Producing Company
- Operates “Ore to Metal” integrated steel plants with Captive Railway Siding



- Strategically located plants with Proximity to Mineral Belts, National Highways and Ports



- 44%: Total Income Growth in FY21 YoY
- EBITDA Positive since commencement of operations in 2005



- 0.22X Gross Debt / Equity as of Mar-21
- One of Lowest Gearing amongst competitors



- ~79% of power sourced from Captive Power Plants at 2.06 Rs./Kwh<sup>3</sup> in Q1 FY22, while Grid Power costs 5-7 Rs./Kwh<sup>4</sup>



- Promoters with decades of experience in the Metal Industry along with experienced Management Team

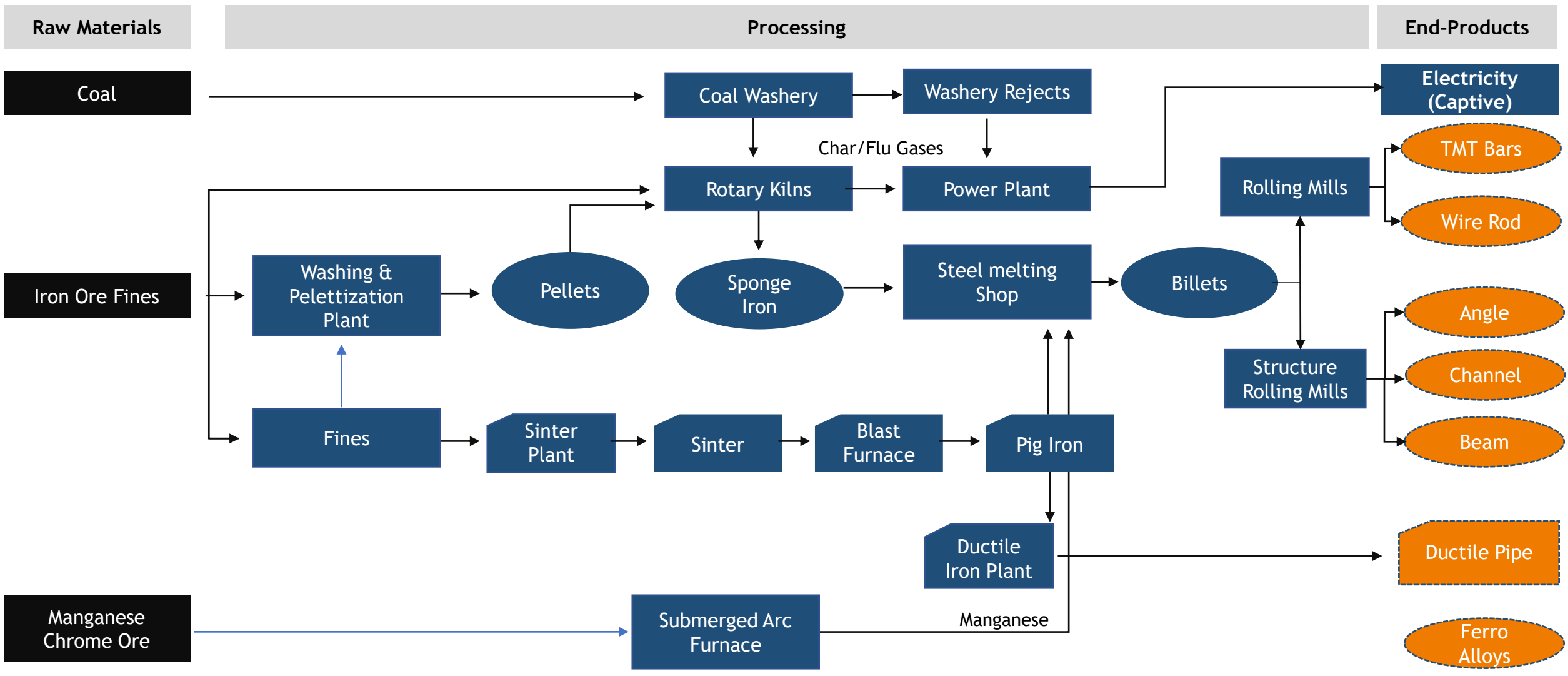
## Optimising the Balance Sheet for Resilience & Flexibility



**CRISIL AA-**  
(Stable)  
Long Term Bank Facilities

**CRISIL A1+**  
(Stable)  
Short Term Bank Facilities

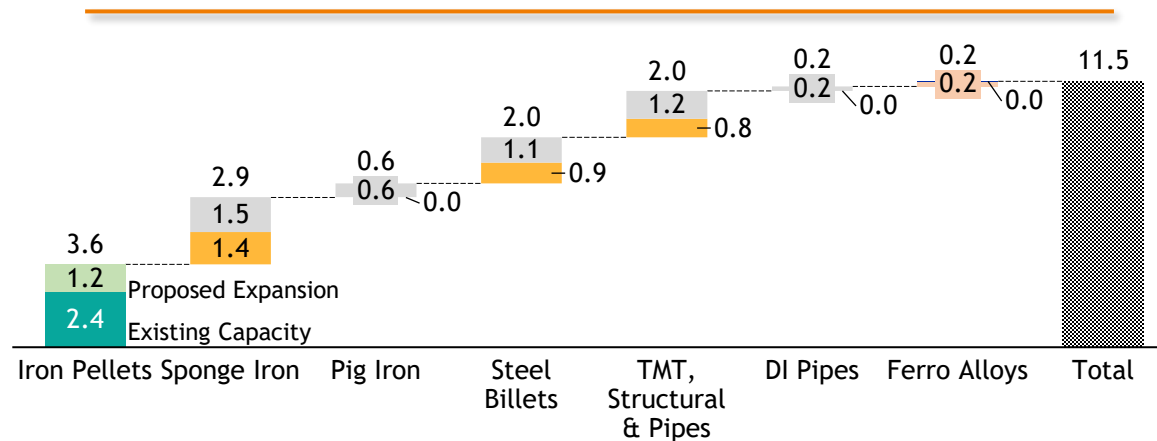
# Integrated operations across the steel value chain



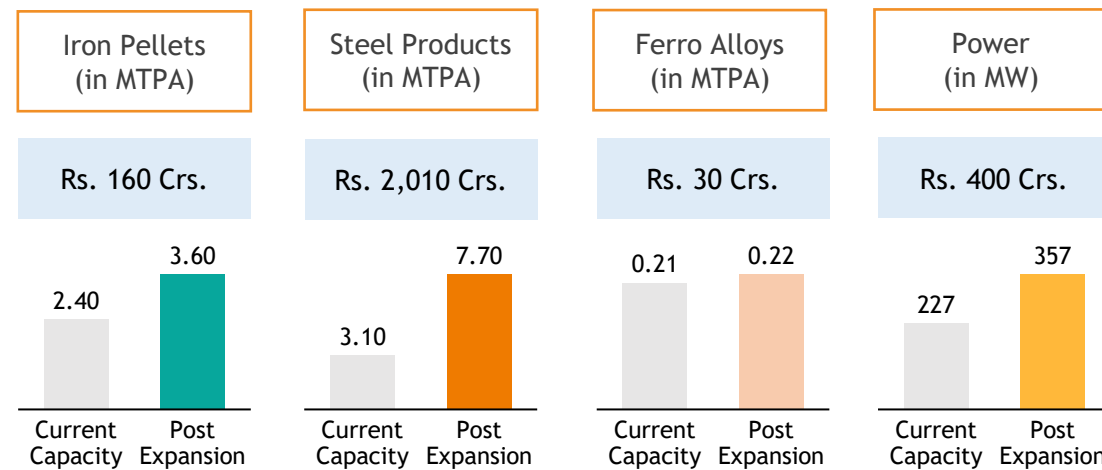
# Diversified & Interchangeable Product Mix & Capacity Expansion

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
	Ductile Iron Pipes	Proposed capacity of 200,000 TPA			
New Products	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**

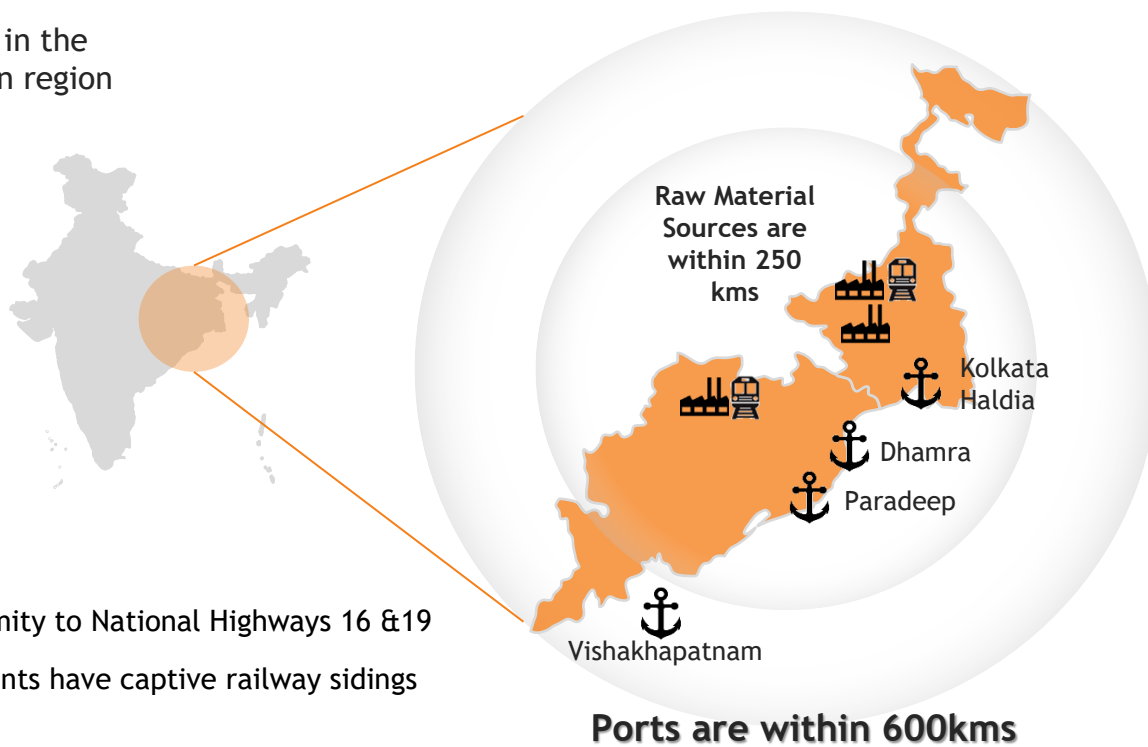
Exports to countries like USA, Japan, Korea, Italy, Nepal, Bangladesh

**18%**

Export Contribution to Revenues in Q1 FY22

# Strategically Located - Supported by Infrastructure

Strategically located in the mineral rich East Indian region



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

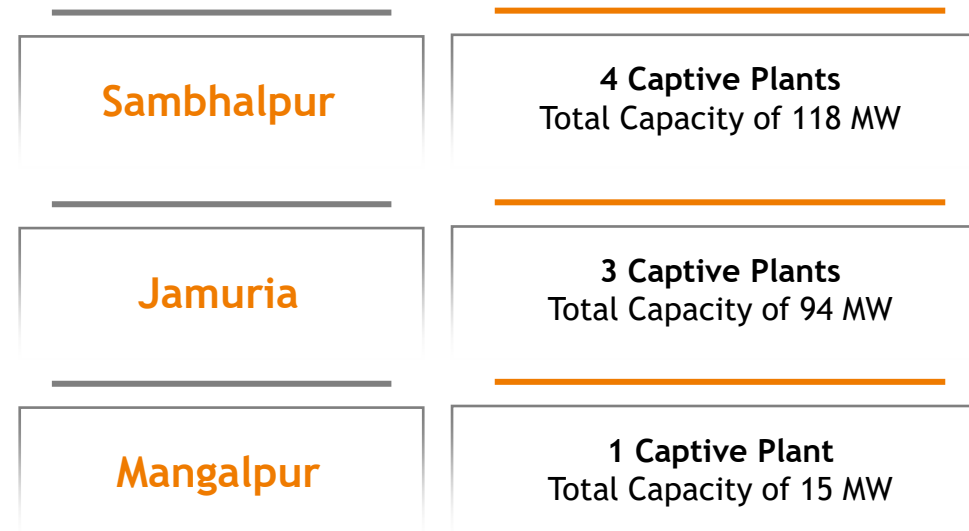
We sell 70% of our products within the vicinity of 500 Km from our plants

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

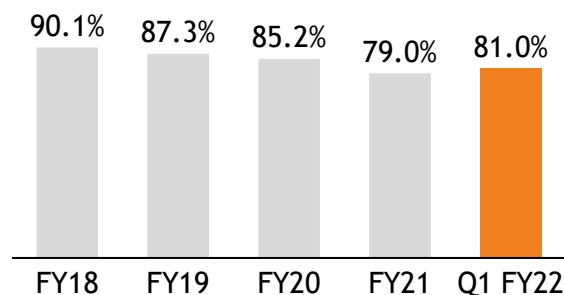
Key Raw Material	Source
Iron ore / Iron ore fines	Mine owners located in Odisha
Chrome ore	Long term linkages with Odisha Mining Corporation Limited, other mine owners and imports
Manganese ore	MOIL Limited, other mine owners and imports
Coal	Fuel supply agreements entered into with Mahanadi Coalfields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

# Lowest Cost Captive Power

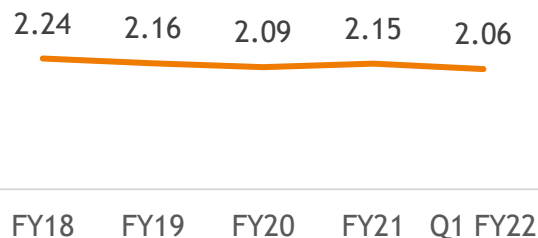
- Power consumed by the plants are primarily produced in-house by the captive power plants
- Captive power plants utilise non fossil fuels such as waste, rejects, heat and gas generated from the operations to produce electricity
- Cost of in-house power is significantly less than grid power which costs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



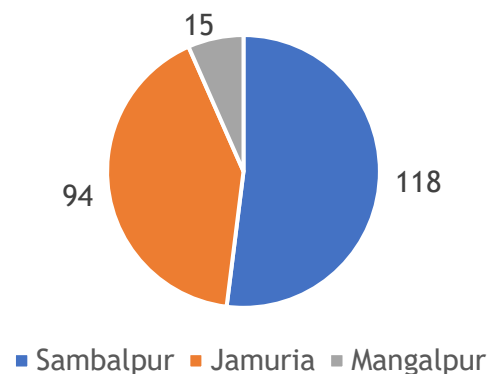
**Captive Power to Total Power Consumed**



**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%**

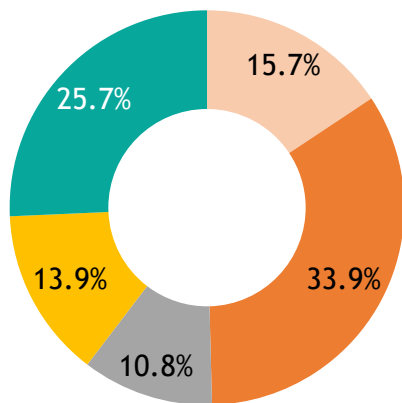
Profit After Tax

**Rs. 458 crores**



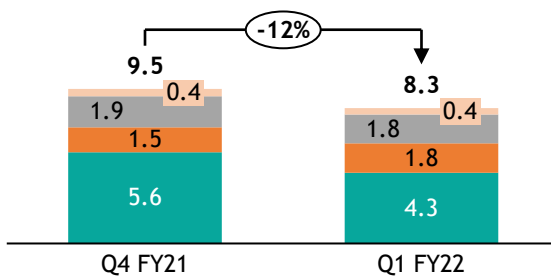
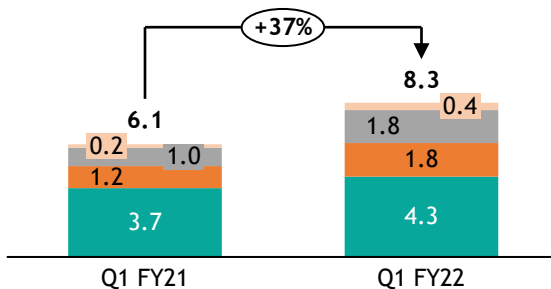
**+470%**

## Revenue Breakup



- Ferro Alloys
- TMT, Structural and Pipes
- Steel Billets
- Sponge Iron
- Iron Pellets

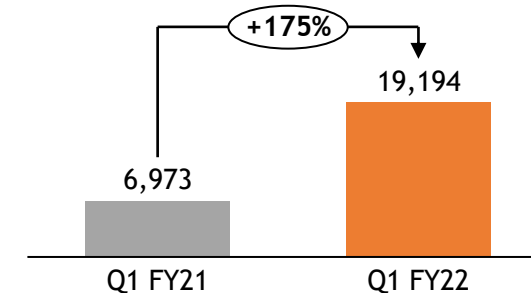
## Volumes (in lakh tonnes)



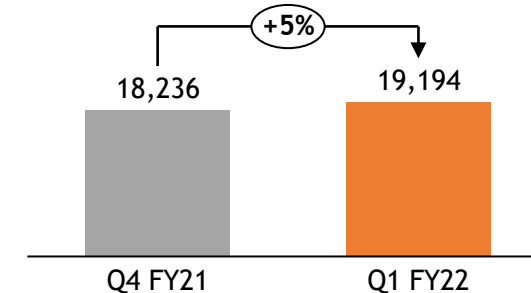
- Ferro Product
- Intermediates
- Finished Steel
- Iron Pellet

## Blended EBITDA per tonne (Rs.)

Y-o-Y



Q-o-Q





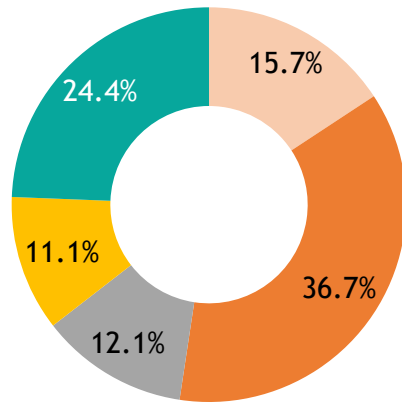
# Strong FY21 Performance

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

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

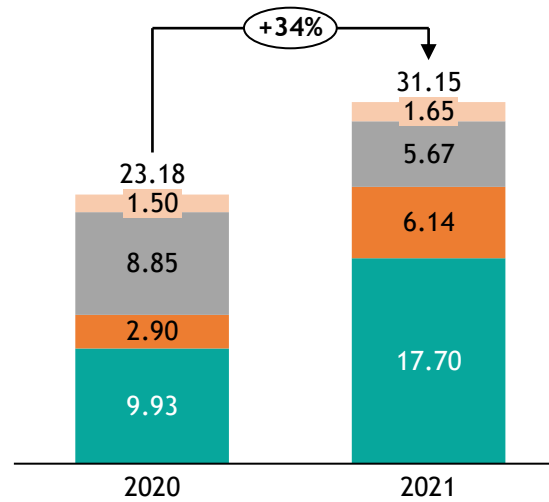
Profit After Tax  
**Rs. 844 crores** ↑ **+148%**

Revenue Breakup



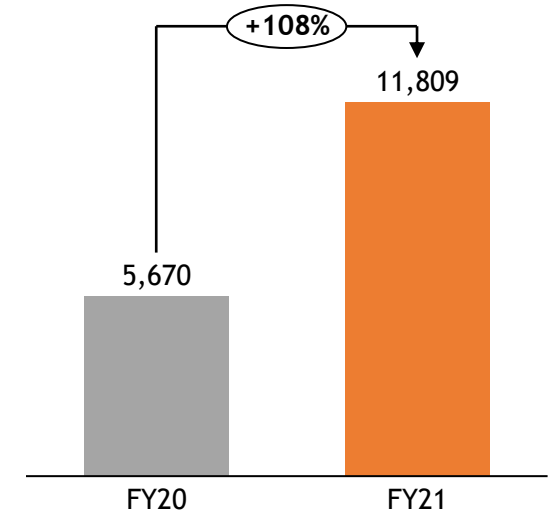
■ Ferro Alloys      ■ Sponge Iron  
■ TMT, Structural and Pipes      ■ Iron Pellets  
■ Steel Billets

Volumes (in lakh tonnes)



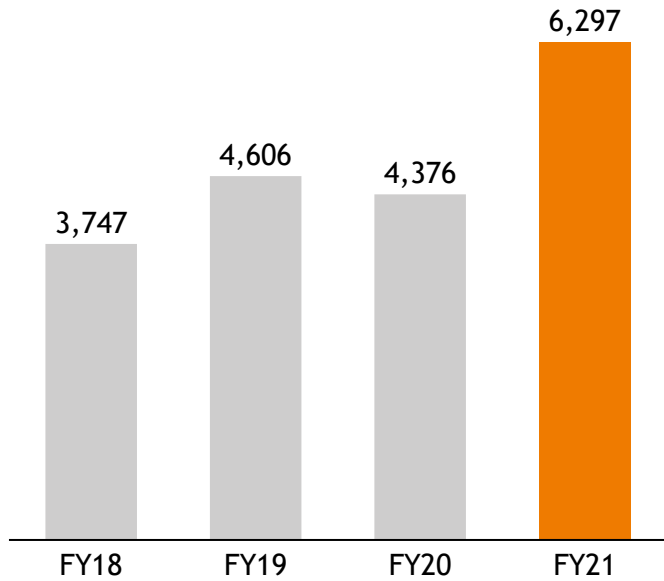
■ Ferro Product      ■ Finished Steel  
■ Intermediates      ■ Iron Pellet

Blended EBITDA per tonne (Rs.)

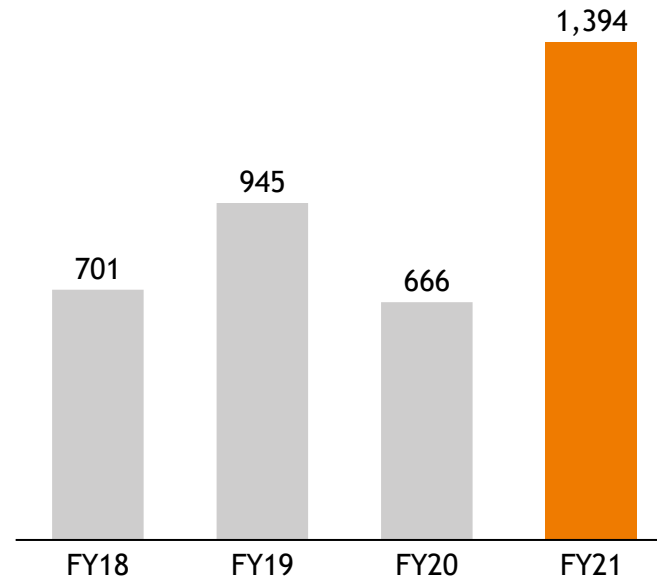


# Strong Operating Performance

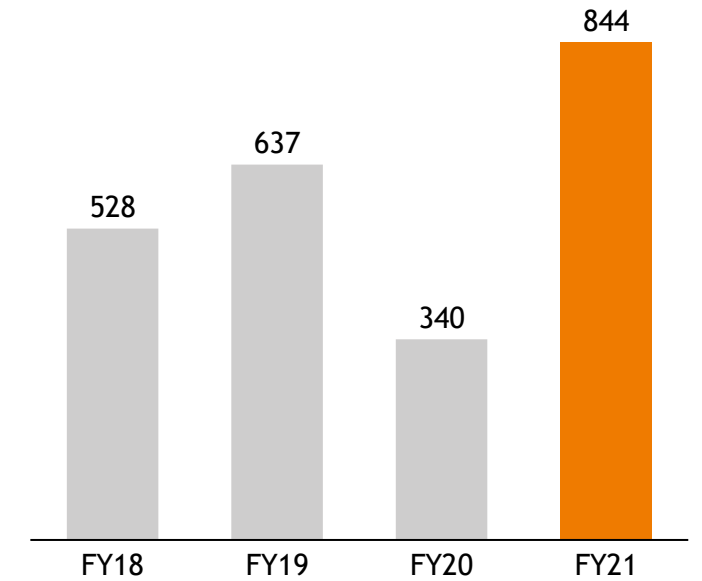
Revenues (Rs. Crs.)



EBITDA (Rs. Crs.)



Profit After Tax (Rs. Crs.)



CAGR %

**19%**

**26%**

**17%**

# Strong Balance Sheet - Flexibility of Growth

**0.22x**

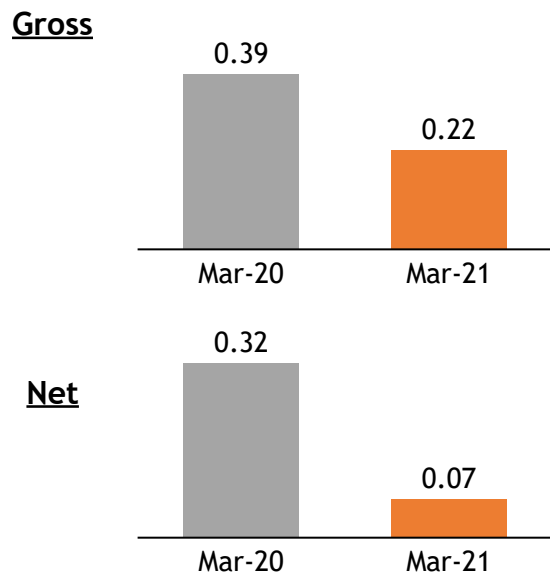
**Gross Debt / Equity**  
(as of 31<sup>st</sup> March 2021)

One of Lowest Gearing amongst competitors\*

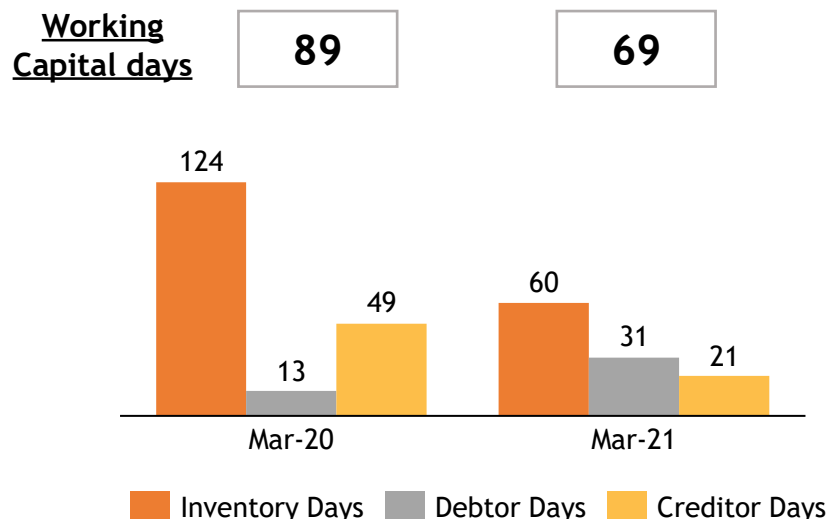
Internal Operating Efficiency led to more than **50% reduction in Working capital requirements**

Conservatively Leveraged  
+  
Disciplined Capital Allocation strategy  
=  
Better Return Metrics

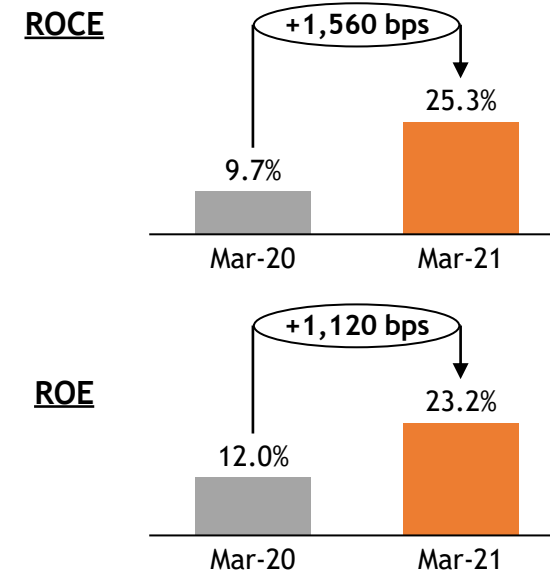
Debt/Equity (x)



Working Capital (days)



Return ratios (%)



**Strong Balance Sheet to support Capex, Growth and Business Cycles**

Thank You



**Shyam Metalics & Energy Ltd.**

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