



Securing tomorrow
with today's strength

Investor Presentation
July 2023



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Company Overview

Shyam Metals at a Glance



- **13 MTPA**
Combined Production Capacity
- **~74% of power**
sourced from Captive
- **14,586**
Employee Strength
- **AA**
CRISIL Credit Rating



	<ul style="list-style-type: none"> • 6th Largest Integrated Steel Producer & amongst the largest 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"> • 21%: Revenue Growth in FY23 YoY • PAT Positive since commencement of operations in 2005 		<ul style="list-style-type: none"> • 0.18 X Gross Debt / Equity as of March 2023 • One of Lowest Gearing amongst competitors
	<ul style="list-style-type: none"> • ~74% of power sourced from Captive Power Plants at 2.74 Rs./Kwh in Q1 FY24, while Grid Power costs 6-8 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

Highest credit rating
in the industry

CRISIL A1+
(Stable)
Short Term Bank Facilities

Eminent Promoters & Management



Mahabir Prasad Agarwal, *Chairman*

- An accomplished business leader and a first-generation entrepreneur having more than 50 Years of experience in steel & ferro alloys industries.
- He has the foresight to lead the Company in particular on a transformational journey and contributing significantly in growth path of the company.
- His keenness to give back to the society and a desire to improve the lives of individuals, led to the formation of Shyam Metallic Foundation which is committed to provide the means to empower individuals to bridge the socio-economic divide and contribute to the creation of equitable and sustainable communities.

Brij Bhushan Agarwal, *VC & MD*



- A visionary business leader with more than 20 years of experience
- A guiding force for the company and having over three decades of experience in the steel & ferro alloys industries.
- His array of exposures percolates to areas like strategic planning, business development, future expansion, execution of projects, Marketing, Human Resource and corporate affairs of the company.



Sanjay Kumar Agarwal, *Joint Managing Director*

- Holds a bachelor's degree in commerce, with honours, from University of Kolkata.
- Over 18 years of vast experience in the steel & ferro alloys industry.
- Primarily responsible for the Operations / manufacturing of the plants with focus on cost control, production efficiency, competitive procurement of raw materials etc.



Deepak Agarwal, *Director Finance & CFO*

- He is an Associate member of the Institute of Company Secretary of India.
- He is a techno commercial professional and possessing more than 20 years of experience of steel and ferro alloys industries.
- His array of exposure percolates to areas like finance, accounting, taxation, banking and treasury, corporate governance, merger and acquisition, project planning and execution, legal, secretarial, costing and cost control, risk management, Accounting & Audit etc.

The Management Team is ably assisted by a very strong team of Professionals who have contributed immensely to the growth of the Company

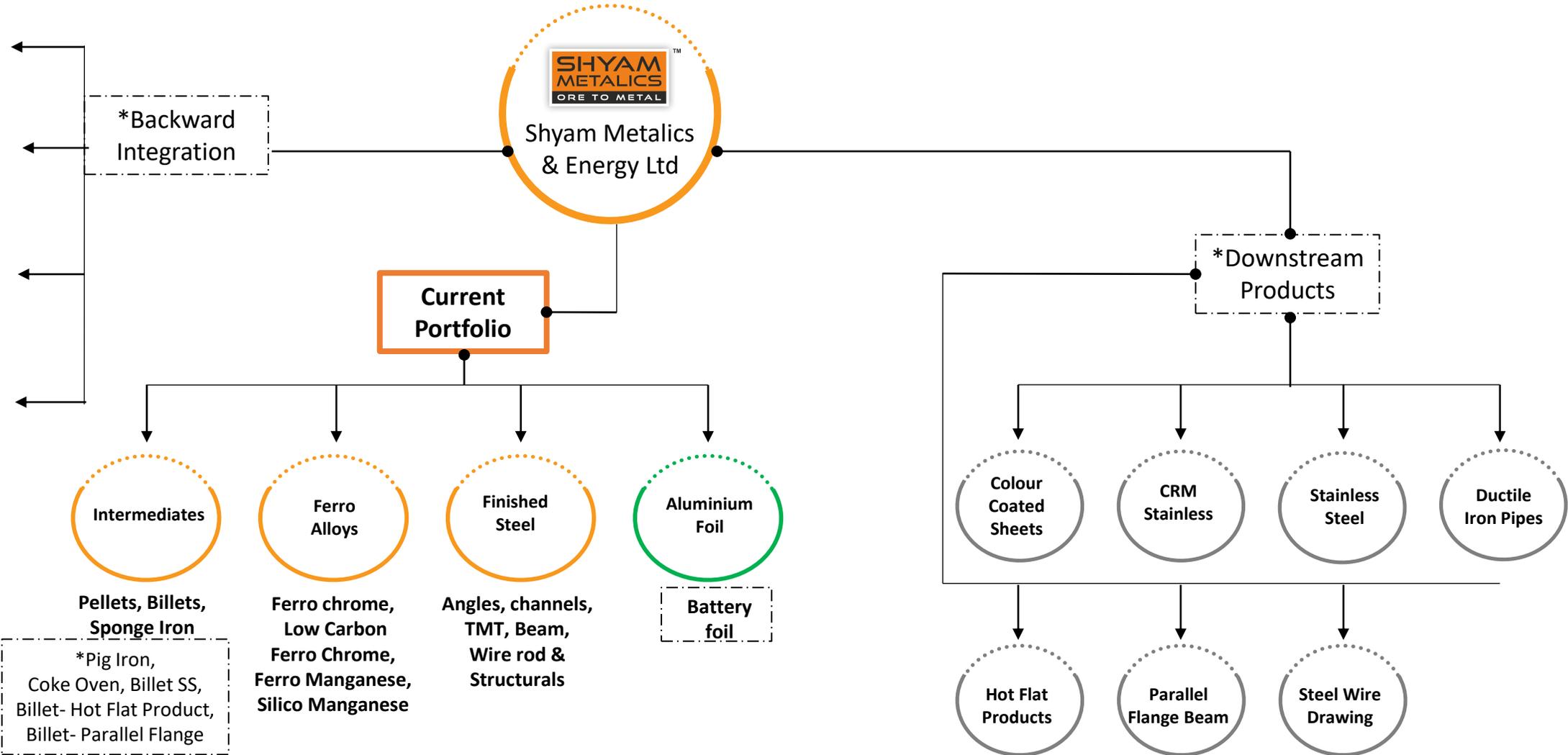
Driving Integration of Multi-Product Metals Portfolio

Prospective License for Iron Ore Mine: Maharashtra

Railway siding

Renewables – Captive Solar Energy Plant

Aluminium Mill with Caster



*Pig Iron, Coke Oven, Billet SS, Billet- Hot Flat Product, Billet- Parallel Flange

Value Propositions

1

Backward Integration & Forward Integration with presence across the Value Chain

2

Diversified Product Mix: Scaling up stainless steel & aluminum

3

Strong Brand & Distribution Network

4

Private Railway Sidings Advantage for Seamless Logistics

5

Captive Power for ~74% power requirement

6

Capacity Addition to increase share of High Margin B2C Products

7

De-Leveraged Balance Sheet giving flexibility in growth

8

Sustainable solution - Waste used as 'Productive Inputs'

9

Consistent Performance over the last decade

Key Updates for Q1 FY24

Update on Capex



- **Additional capex plan** : Rs 3,915 cr resulting in capacity expansion, enhanced product portfolio and cost efficiencies
- Increasing upstream capacities by 5.1 MTPA at a capex cost of Rs 1,215 cr ; additional downstream capacities of 1.61 MTPA at a capex cost of Rs 1,470 cr
- Capex of Rs 1,230 cr on enhancing captive power generation :-
 - Addition of 220 MW of power generation in captive power plant, capacity growth from 377 MW to 597 MW
 - Sustainability being our top priority, renewable energy portfolio be enhanced more than ten-fold, growing from existing 9.1 MW to 109.1 MW

Governance Updates



- **Appointed Independent Directors:** Mr Shashi Kumar, Ex-Chairman – Coal India Limited & Mr Malay Kumar De, Ex- IAS officer
- **Statutory Auditor:** Appointment of M/s. MSKA & Associates, a member firm of BDO International which is 5th Largest network of accounting, tax and advisory firms and is the largest mid-tier network in the world.

Financial Performance



- Q1 FY24 : Revenue : Rs. 3,307 cr , EBITDA : Rs. 405 cr , PAT : Rs.235 cr

Objective

Mega Capacity Expansion*

**Increase Backward Integration
Integration**

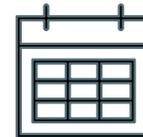
Foray Into Newer Segments

**Utilise cash generated from
operations for growth**

Outcome



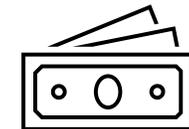
- Downstream capacity to increase from 2.7 MTPA to 4.4 MTPA
- Upstream capacities to grow by 5.1 MTPA



Projects are scheduled to be commissioned in phases, and will be functional in FY24, FY25 & FY26



The total capex for the projects will be ₹ 3,915 Cr



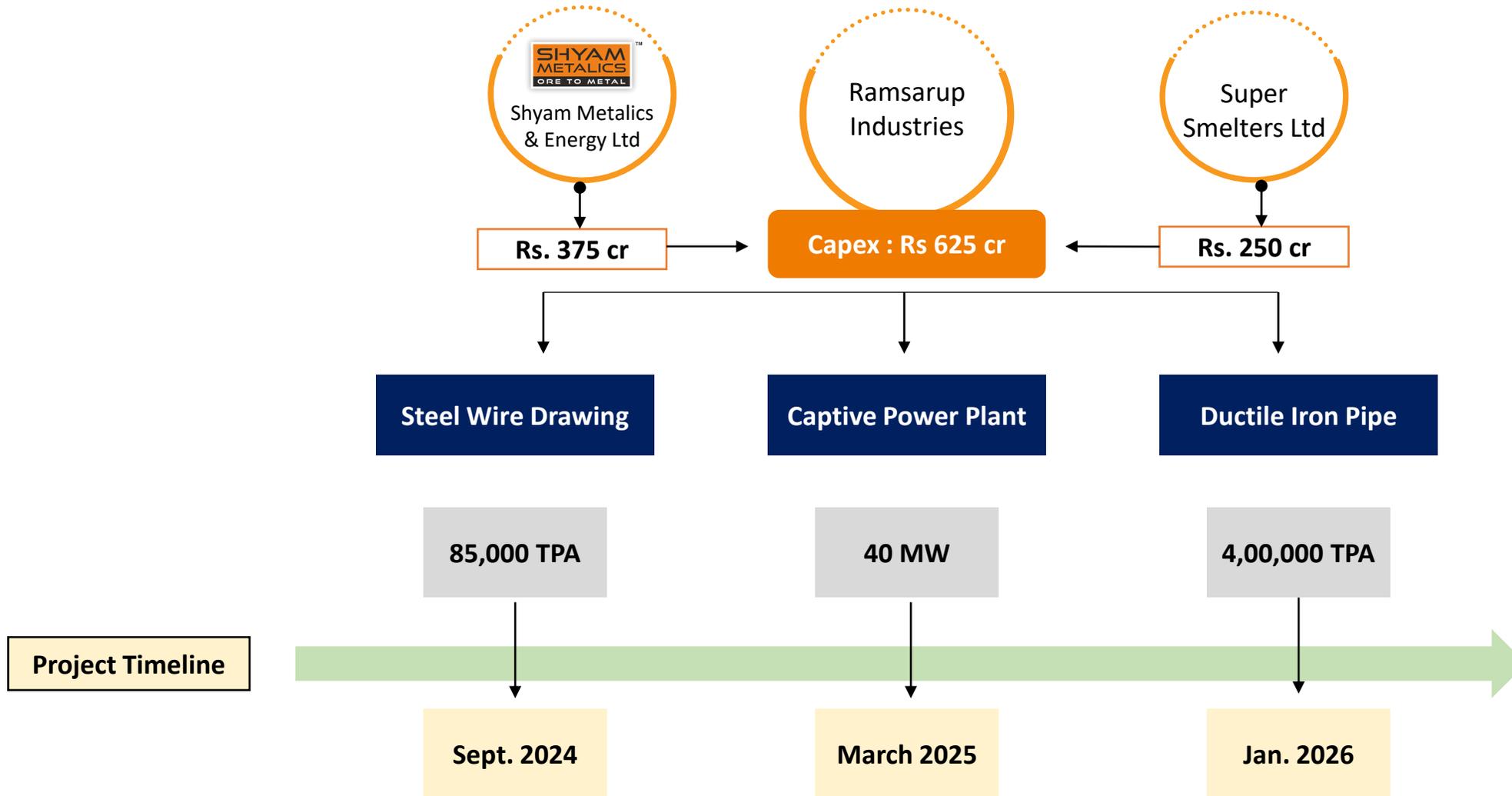
Funding for the projects will be derived majorly via internal accruals and lead to substantially improved cash flows in future

Category-Wise Capex Allocation

Category	Capacity Increase (MTPA)	Cost (Rs in Cr)
Ancillary	320.00	1,230
Backward Integration	5.10	1,215
Downstream Products	1.61	1,470
Total	6.71	3,915

Projects	Category	Process	Units	Capacity Increase	Capex Cost (Rs in Cr)
Captive Power Plant	Captive Power Plant	Ancillary	MW	220	780
Solar Plant				100	450
CPP Total				320	1230
Aluminium Mill with Caster	Aluminium	Backward Integration	MTPA	0.01	75
Battery Foil Plant		Downstream Products		0.005	25
Aluminium Total				0.015	100
Beneficiation Plant	Pellet	Backward Integration	MTPA	3	300
Pellet Total				3	300
Ferro Alloys	Ferro	Downstream Products	MTPA	0.02	60
Ferro Total				0.02	60
Billet (for Hot Flat products)	Intermediary	Backward Integration	MTPA	0.5	200
Billet (for Parallel Flange Beam)				0.4	110
Billet SS				0.13	130
DRI				1.06	400
Intermediary Total				2.09	840
CRM (Stainless)	Finished Product	Downstream Products	MTPA	0.2	150
Ductile Iron Pipe				0.4	400
Hot Flat Products				0.5	550
Parallel Flange Beam				0.4	240
Steel Wire Drawing				0.09	45
Finished Products Total				1.59	1,385
Grand Total				6.71	3,915

Incremental Capex in Ramsarup Industries





Current Projects Overview

Capacity Expansion

Particulars	Unit	Aggregate capacity at the launch of IPO	Capacity proposed in the IPO	Further expansion as approved on 15 th march 2022	Post implementation on capacity	Already implemented after proposed in IPO	Aggregate implemented capacities as on 27 th July	Further to be implemented as per existing expansion
Captive Power Plant	MW	227	130	-	357	130	357	-
Iron Pellet Plant	MTPA	2.4	1.2	2.4	6	3.6	6.0	-
Ferro Alloy Plant	MTPA	0.21	0.01	-	0.22	0.01	0.22	-
Coke Oven Plant	MTPA	-	-	0.45	0.45	-	-	0.45
Sponge Iron plant	MTPA	1.39	1.51	-	2.9	1.31	2.70	0.20
Blast Furnace	MTPA	-	0.60	-	0.60	-	-	0.60
Sub-Total		1.39	2.12	-	3.5	1.31	2.70	0.80
Billet Plant	MTPA	0.89	1.11	-	2.01	1.11	2.01	-
TMT, Structural Products, Wire Rods & Pipes	MTPA	0.82	1.25	-	2.07	1.25	2.07	-
Ductile Pipe Plant	MTPA	-	0.2	-	0.2	-	-	0.20
Sub-Total	MTPA	0.82	1.45	-	2.27	1.25	2.07	0.20
Total	MTPA	5.71	5.89	2.85	14.45	7.28	13.00	1.45

Iron Making

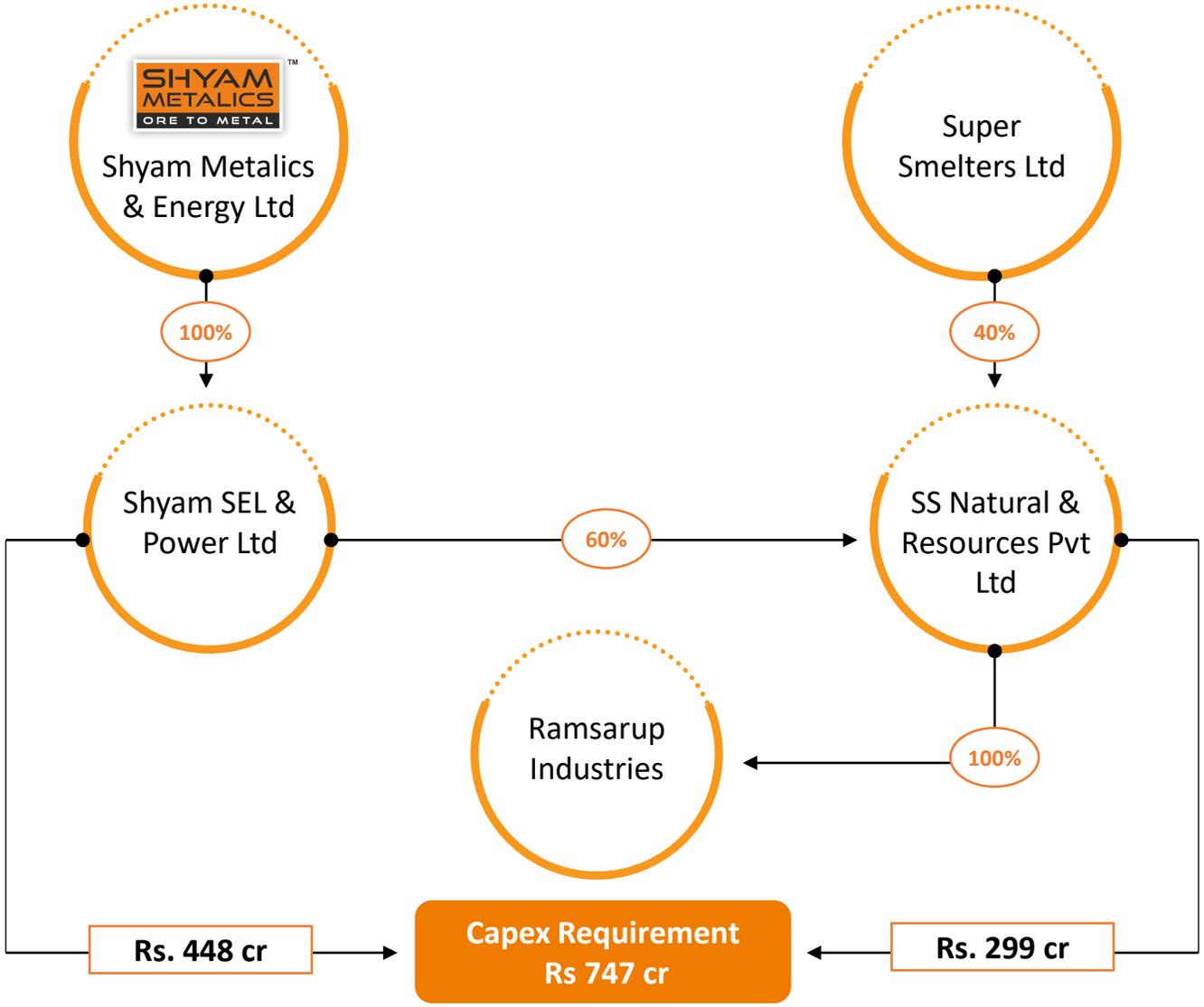
Liquid Steel

Finished Steel

We have incurred a capex cost of Rs 3233 Crores till 30th June 2023 which accounts to 82% of the Total capex envisaged i.e Rs 3,950 crores and Rs 2,379 crores have been capitalized out of Rs 3,233 Crores.

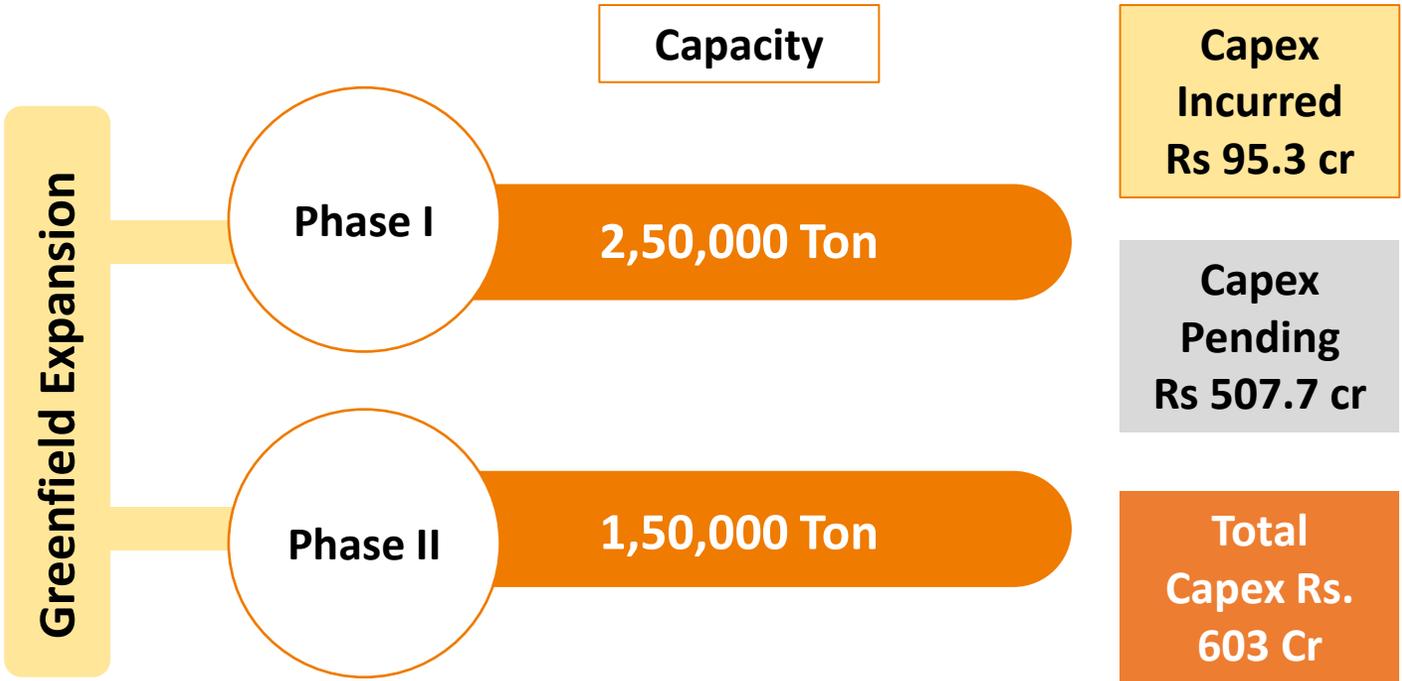
At both of our plants, ie at Jamuria & Samblapur, railway siding are being increased from 2 lines to 4 lines

Capex Incurred in Ramsarup Industries



- Ramsarup Industries is a Kolkata based steel company which acquired by Shyam Metals via NCLT
- The existing facilities at the Kharagpur plant with ~315 acres of land are have not been operational for the last 8 years.
- The new consortium of owners have identified in the first phase, to kickstart few existing facilities with an outlay of ~ Rs 747 crore
- **Incurred a capex cost of Rs 193.53 Crores till 30th June 2023.** This accounts to 26% of the total capex cost envisaged i.e Rs 747 crores.
- Out of the total expense incurred of Rs. 193.53 Crs, 60% of the cost has been incurred by Shyam Metals Group and remaining 40% has been incurred by Super Smelter Group.

Business Update: Greenfield Expansion- Cold Rolling Mill



- To setup a greenfield project for a cold rolling mill spread over 94 acres of land at Jamuria, West Bengal.
- Project approved under the PLI scheme
- Products will include GI/GL coils and PPGL (Pre Painted Galvalume Coils)
- The business will be setup under the wholly owned subsidiary- Shyam Metalics Flat Products Pvt Ltd

Current Capacities Across Steel Life Cycle



Iron Making

DRI 2.70 MTPA
(Direct Reduced Iron)



Liquid Steel

SMS 2.01 MTPA
(Steel Melting Shop)



Finished Steel

2.07 MTPA

WRM 0.92 MTPA
(Wire Rod &
Wire Draw Mill)

TMT 0.92 MTPA

Structurals
0.20 MTPA

Pipe Mill 0.03 MTA



Consistent Track Record on Envisaged Capex

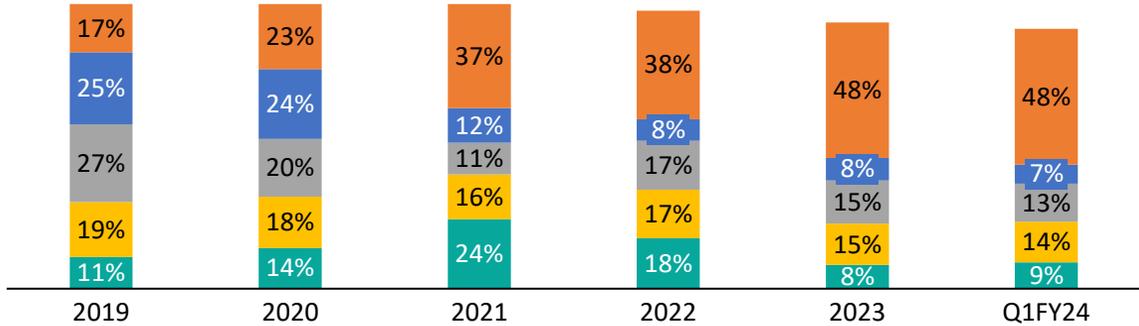
After IPO in FY21, we announced our ambitious capex plans to expand capacity multifold. We have consistently delivered as per the plan and most of the projects have been commissioned well ahead of schedule. In addition, we have also acquired assets which will be margin accretive. We are also expanding our revenue streams with greenfield projects underway to further enhance our product portfolio.

Capacity (Million MTPA)	FY21 (IPO)	Capex incurred (Rs Cr)	Q1 FY24	Capacity Increase	Future Capex (Rs Cr)
Iron Pellet	2.4	521	6.0	▲ 150%	
Sponge Iron	1.39	605	2.70	▲ 94%	
Billets	0.89	353	2.01	▲ 125%	
TMT, Structural Steel, Wire Rods & Pipes	0.82	272	2.07	▲ 152%	
Ferro Alloys	0.21	45	0.22	▲ 5%	
Captive Power (MW)	227	460	357	▲ 57%	
Blast Furnace		268			332
Coke Oven		211			239
DI Pipe					200
Railway Siding		143			37
Aluminium Foil	New Venture	355	40,000 TPA		
		Total 3,233			Total 717*

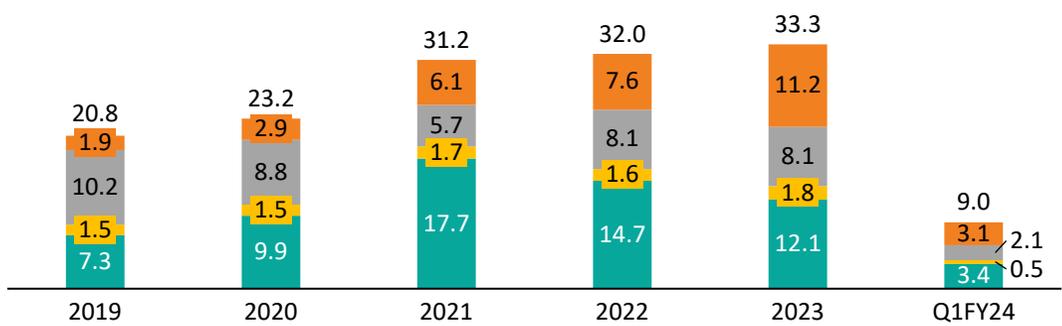
*For some projects the company has incurred excess costs aggregating to Rs 91 cr

Higher Contribution of Finished Steel Products

Revenue Mix



Volumes (in lakh tonnes)



Aluminium Foil - Update



Aluminium Plant – Pakuria , West Bengal & Giridih, Jharkhand

Capacity: 40, 000 TPA –
One of the largest in India,
spread over 5 acres

Plant installed by
Achenback (Germany), an
industry pioneer

Kickstarted and stabilised
plant operations in
record time

More than 60% of the
production utilised for
exports

Rolling range: 40 to 5
micron with annealing
capability, customised as
per demand

Majorly producing 6-10
micron rolled material

- 3,654 Metric Tons of aluminium foil sold in Q1 FY24, against 1,577 Metric Tons in Q1 FY23, registering a growth of 131%
- Contribution to Q1 FY24 Revenue : 3.9%

Export Opportunities

17
Countries
 Exports to countries like USA, Japan, Korea, Italy, Nepal, Bangladesh

44%

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

41%

Ferro Chrome
 Ferro Manganese and Silico Manganese Products

15%

Aluminum Foil Products

We are preferred suppliers to large corporations like

11%
 Export Contribution to Revenues in Q1 FY24

Norecom DMCC

POSCO Intl Corp

World Metals & Alloys (FZC)

TRAXYS North America LLC

J M Global Resources

Web Packaging Solutions

Durable Inc

Manakin Industries

Cartonal Italia



Q1 FY24 Financial Performance

Performance Highlights

Q1 FY24

Revenue

Rs. 3,307
Crores

3%

y-o-y



EBITDA

Rs. 405
Crores

-33%

y-o-y

PAT

Rs. 235
Crores

-43%

y-o-y

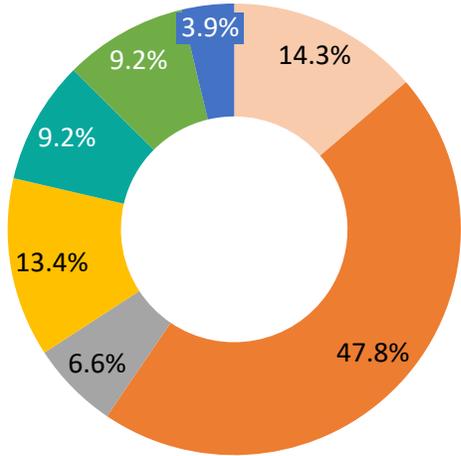
Q1 FY24 Performance Highlights

Revenue from Operations
Rs. 3,307 crores **3%**
 y-o-y

EBITDA
Rs. 405 crores **-33%**
 y-o-y

Profit After Tax
Rs. 235 crores **-43%**
 y-o-y

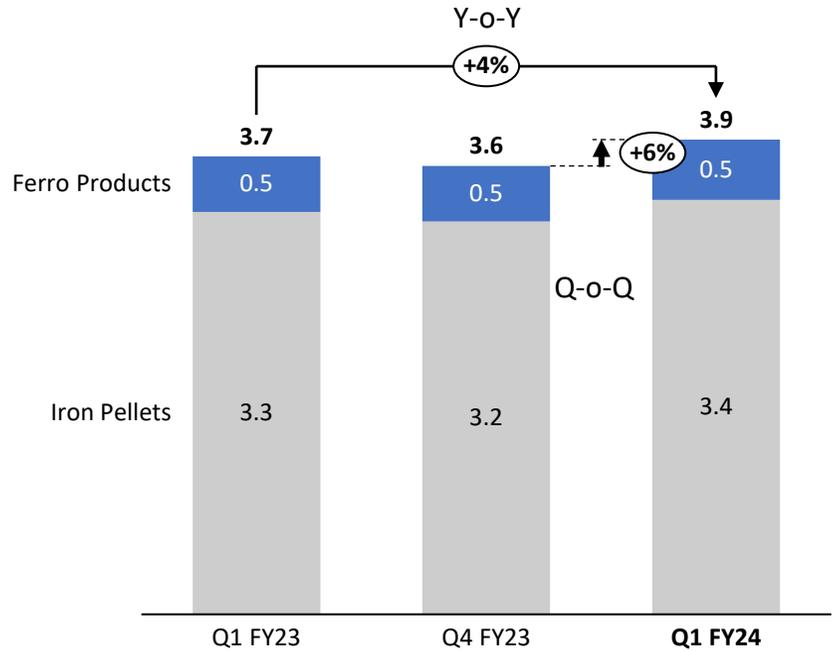
Revenue Breakup



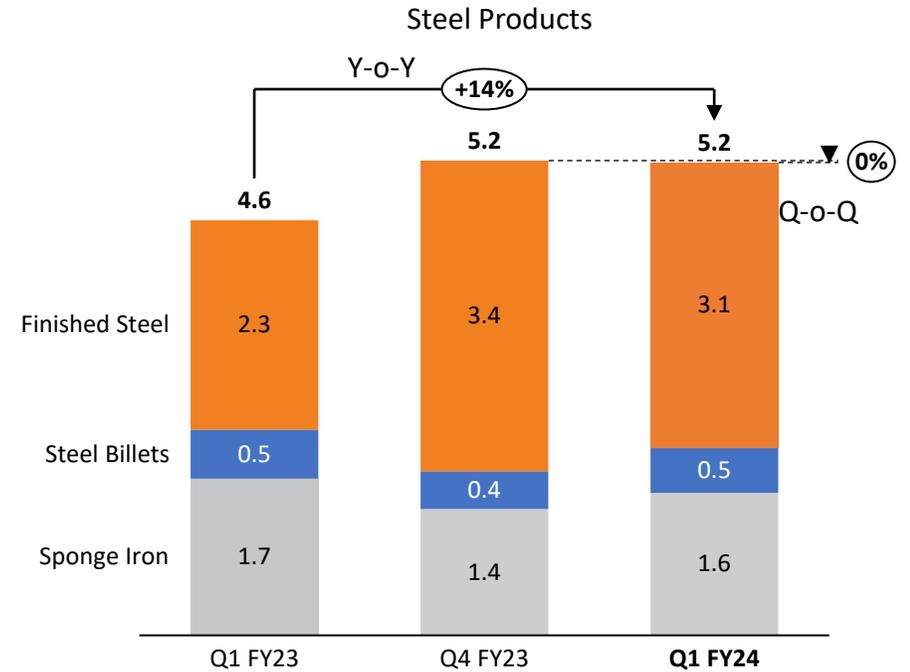
Steel Products
71%

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

Volumes (in lakh tonnes)

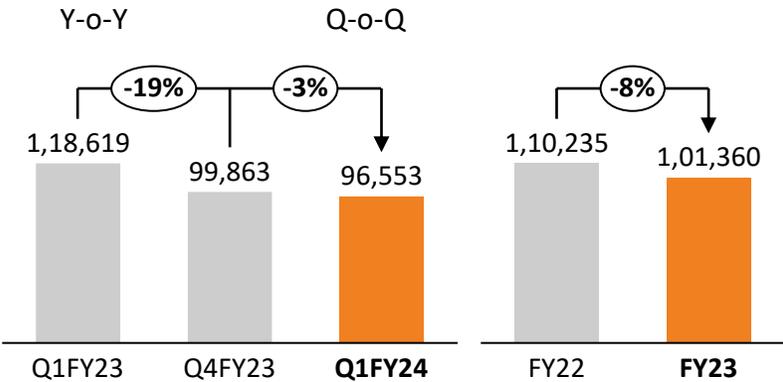


Volumes (in lakh tonnes)

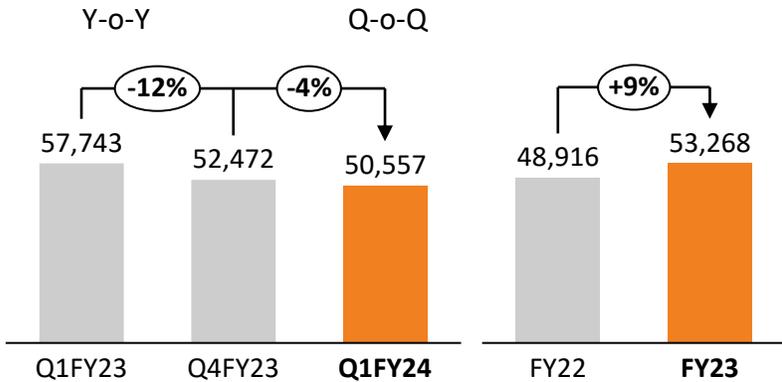


Per Tonne Realizations

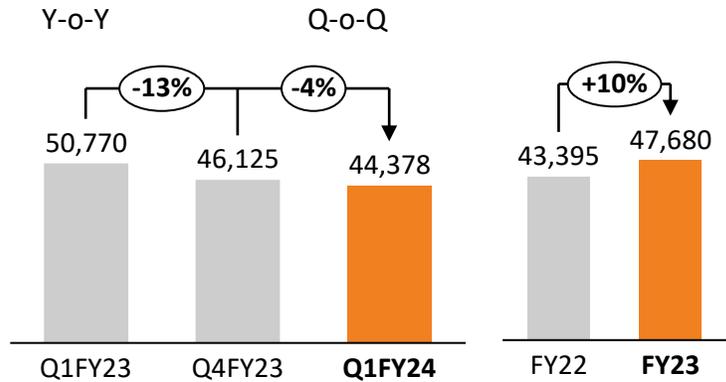
Ferro Products



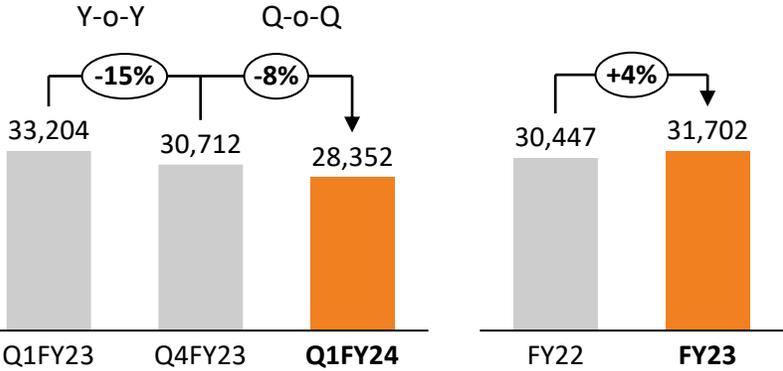
Finished Steel



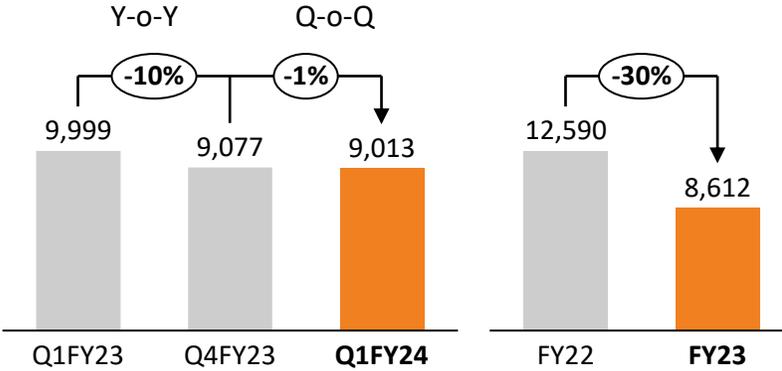
Steel Billets



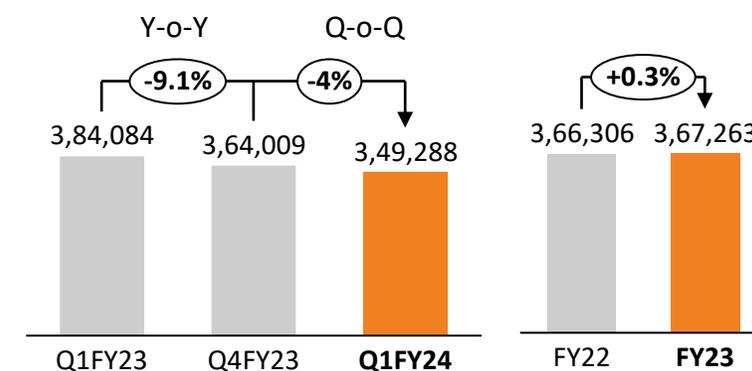
Sponge Iron



Iron Pellets



Aluminium Foil



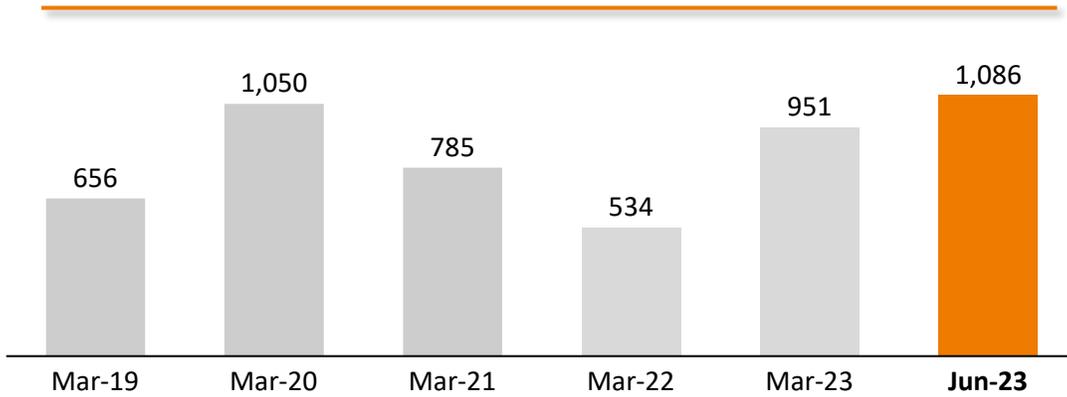
Consolidated Profit & Loss Statement

Particulars (Rs. Crs.)	Q1 FY24	Q1 FY23	Y-o-Y	Q4 FY23	Q-o-Q	FY 23
Revenue from Operations	3,306.8	3,223.2	2.6%	3,380.1	-2.2%	12,610.2
Cost of Material Consumed	2415.7	1996.5		2525.16		8,916.3
Purchase of Stock	15.2	98.5		2.4		292.6
Change in Inventories	-39.4	14.1		-100.41		-242.6
Total Raw Material	2,391.5	2,109.1		2,427.2		8,966.3
Gross Margin	915.3	1,114.1		952.9		3,643.9
Gross Margin (%)	27.7%	34.6%		28.2%		28.9%
Employee Expenses	99.1	78.0		97.6		345.2
Other Expenses	411.4	429.5		441.9		1,812.9
EBITDA	404.9	606.6	-33.3%	413.5	-2.0%	1,485.9
EBITDA Margin (%)	12.2%	18.8%		12.2%		11.8%
Other Income	33.0	21.9		30.9		112.0
Depreciation	119.0	94.8		125.9		463.1
EBIT	318.9	533.8		318		1,134.8
Finance Cost	36.7	6.8		38.6		93.1
Share in Profit/(Loss) of Associate and JV	0.0	0.0		0.0		0.1
Profit before Tax	282.2	526.9		279.9		1,041.8
Tax	47.0	113.1		21.0		193.4
Profit After Tax	235.2	413.8	-43.2%	258.9	-9.2%	848.4
PAT Margin (%)	7.1%	12.8%		7.7%		6.8%
EPS (Rs)	9.2	16.2		10.2		33.2

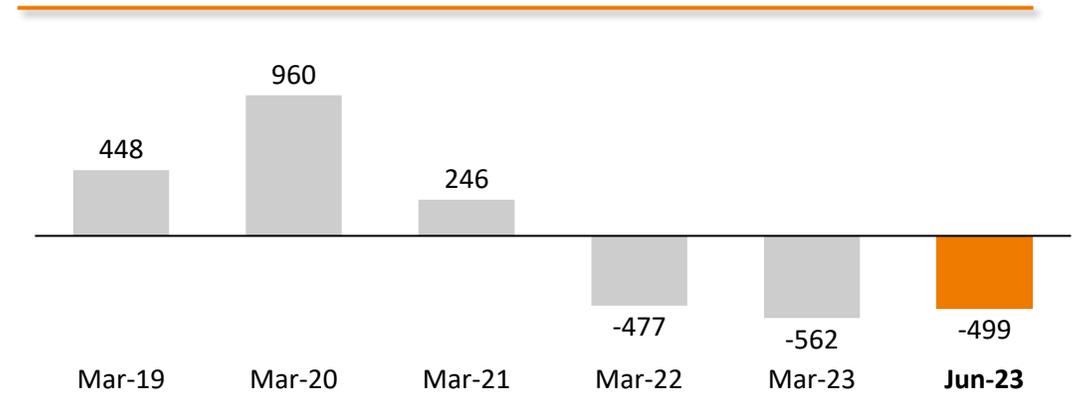
Blended EBITDA Per Ton : Q1 FY24 – Rs 7,812 vs Q1 FY 23 – 13,328 vs Q4 FY23 – 7,944 | FY23 – Rs 7,682 vs FY22 – Rs 16,664

Strong Debt Profile

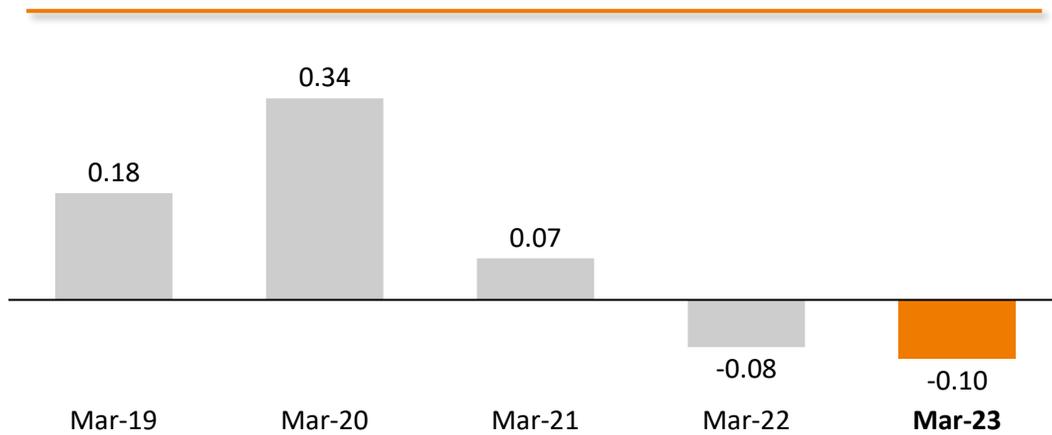
Gross Debt (Rs. Crs.)



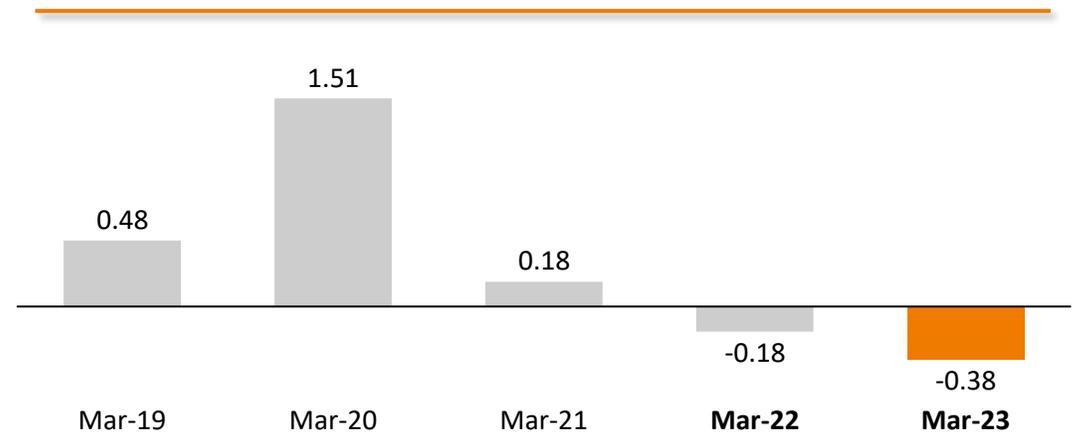
Net Debt (Rs. Crs.)



Net Debt / Equity



Net Debt / EBITDA

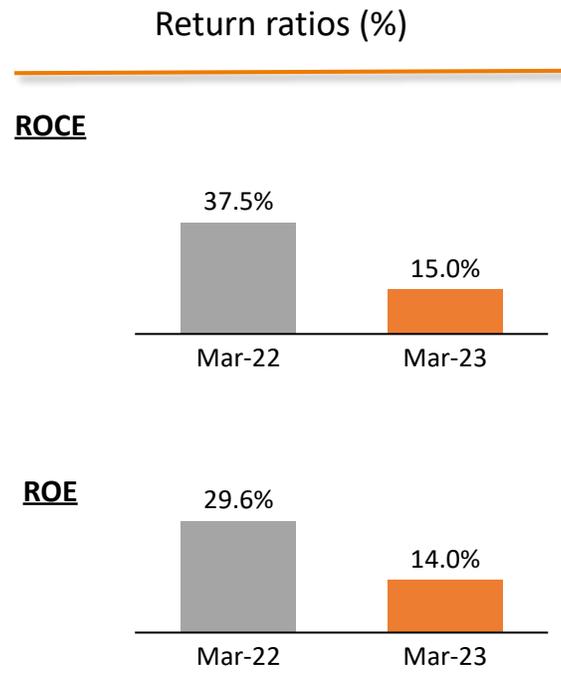
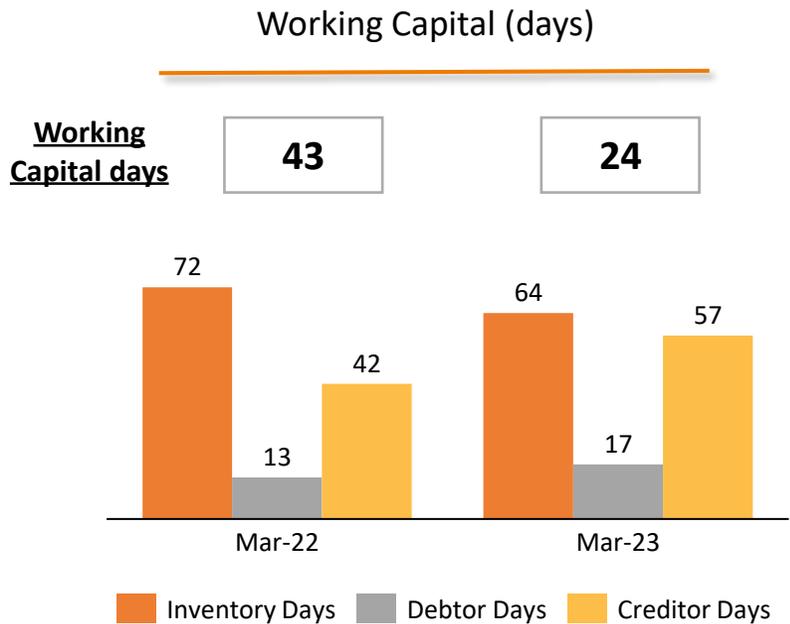
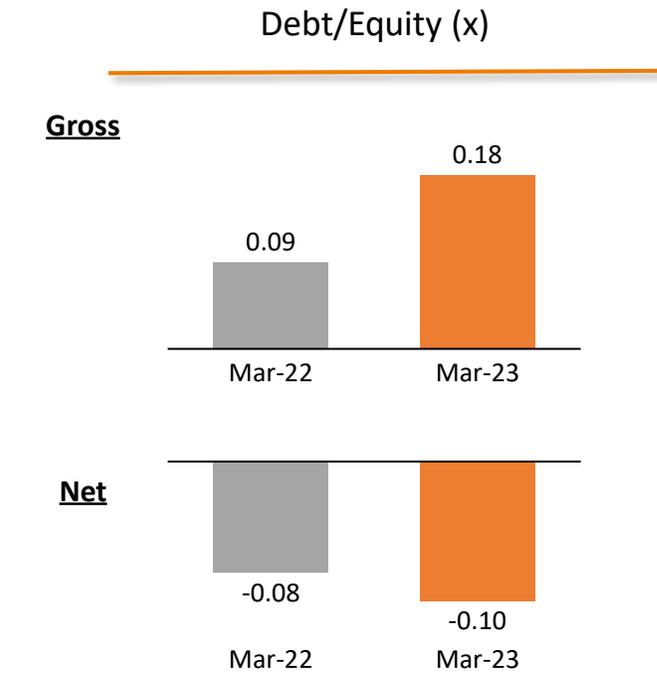


Strong Balance Sheet – Flexibility of Growth

0.18x
Gross Debt / Equity
 (as of 31st March 2023)
One of Lowest Gearing amongst competitors*

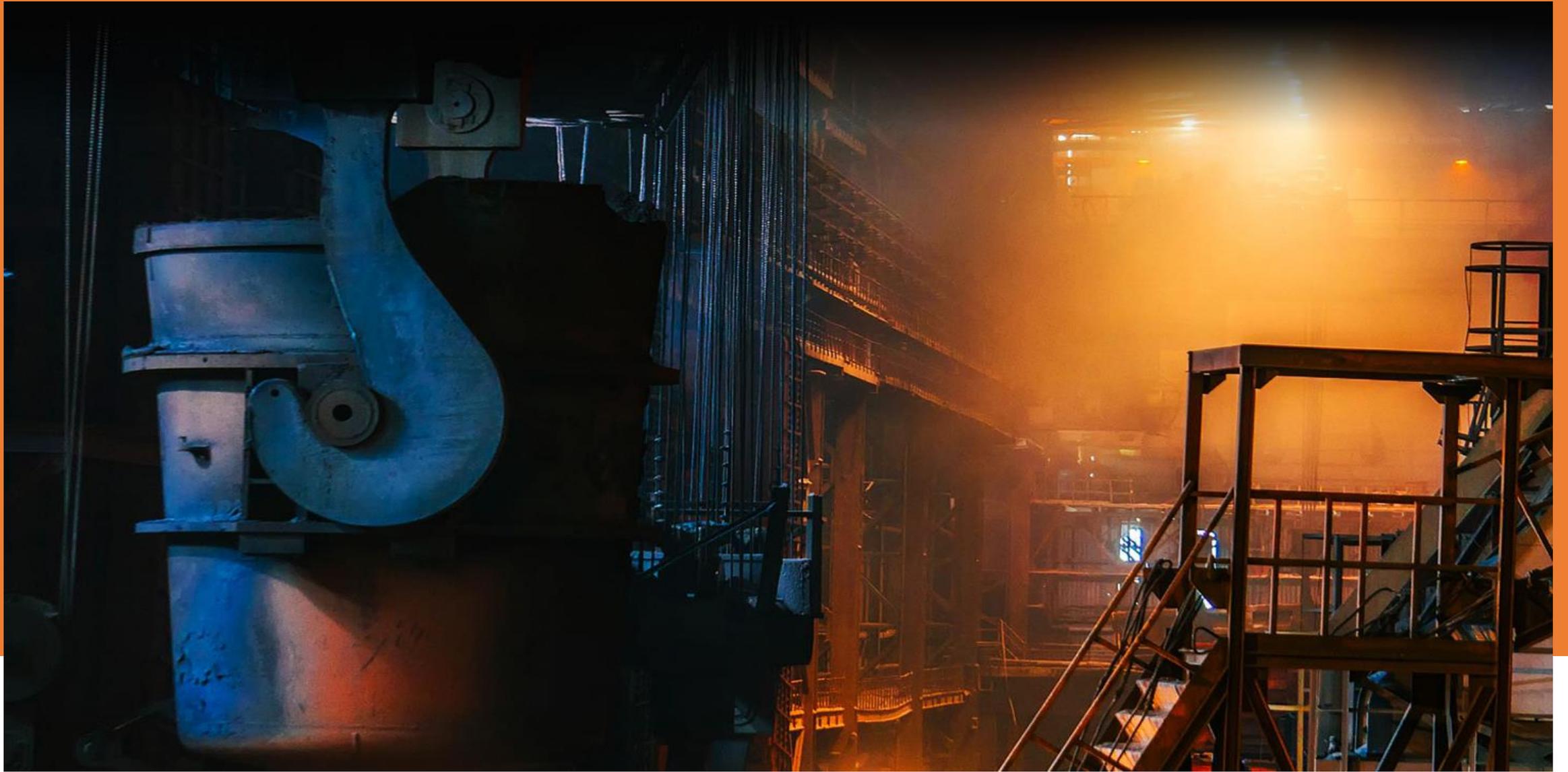
Internal Operating Efficiency led to significant reduction in **Working capital requirements**

Conservatively Leveraged
 +
Disciplined Capital Allocation strategy
 =
Better Return Metrics



Strong Balance Sheet to support Capex, Growth and Business Cycles

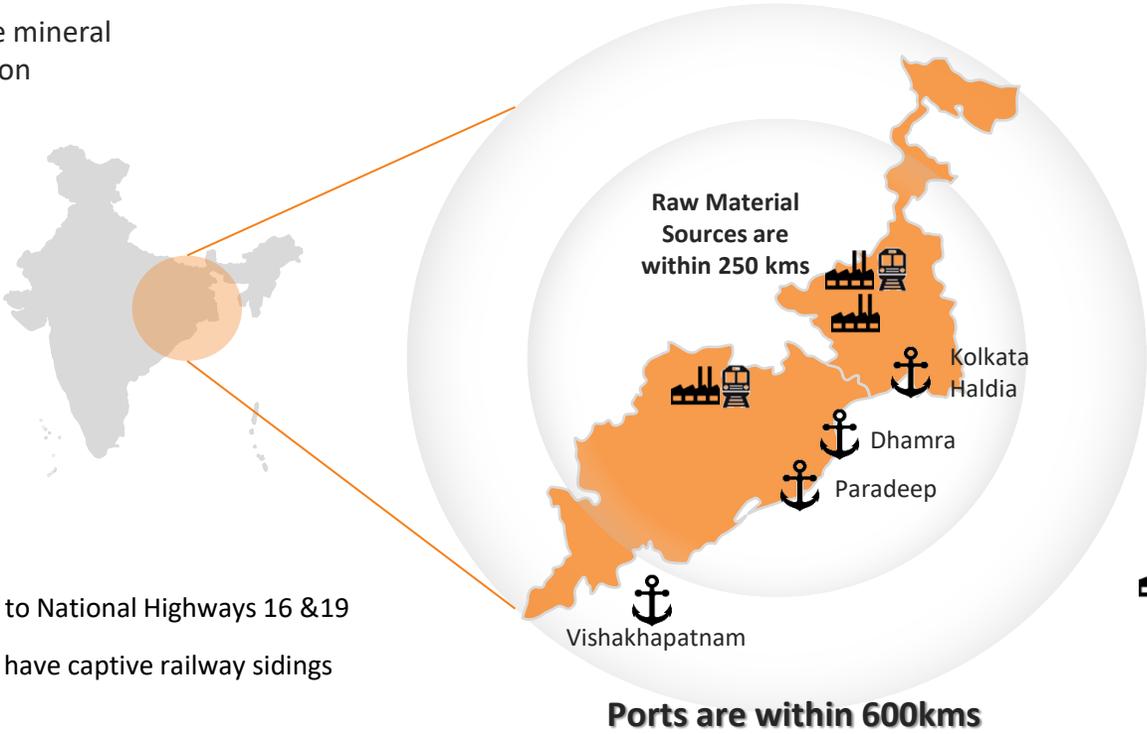
*Crisil Report



Annexure

Strategically Located - Supported by Infrastructure

Strategically located in the mineral rich East Indian region



~800+ dealers & distributors stock and sell the finished products across 27 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

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

Brownfield expansion with...



Jamuria Plant



Sambalpur Plant

Railway Siding
Captive Power Plants
Captive Water Reservoir

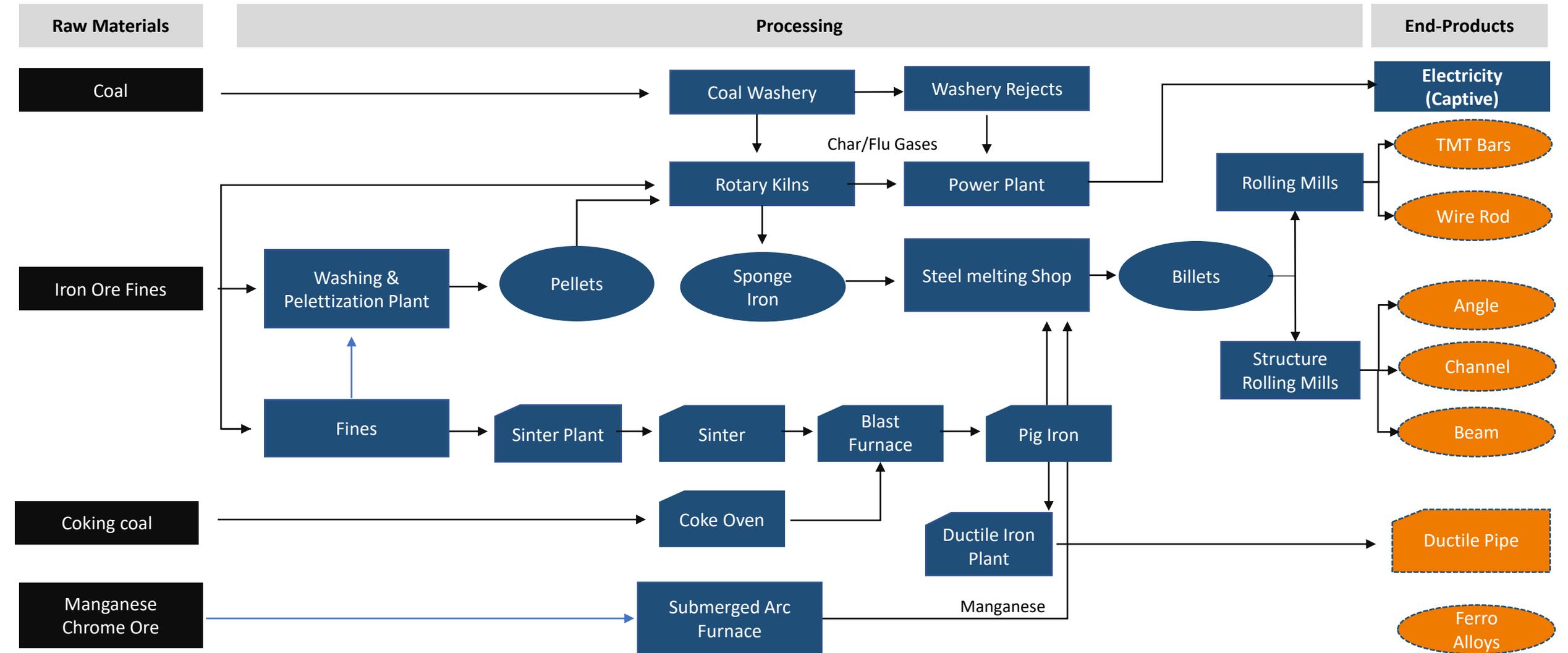
We have 1 manufacturing plant located in Sambalpur, Odisha and 1 manufacturing in Jamuria, West Bengal with aggregate installed capacity of 12.9 MTPA comprising of intermediate and final products.

We also have a small plant in Mangalpur, West Bengal with aggregate installed capacity of 0.1 MTPA

These plants also include captive power plants with an aggregate installed capacity of 357 MW

**Brownfield expansion leading
to
Lowest Capex in the Industry**

Integrated operations across the steel value chain



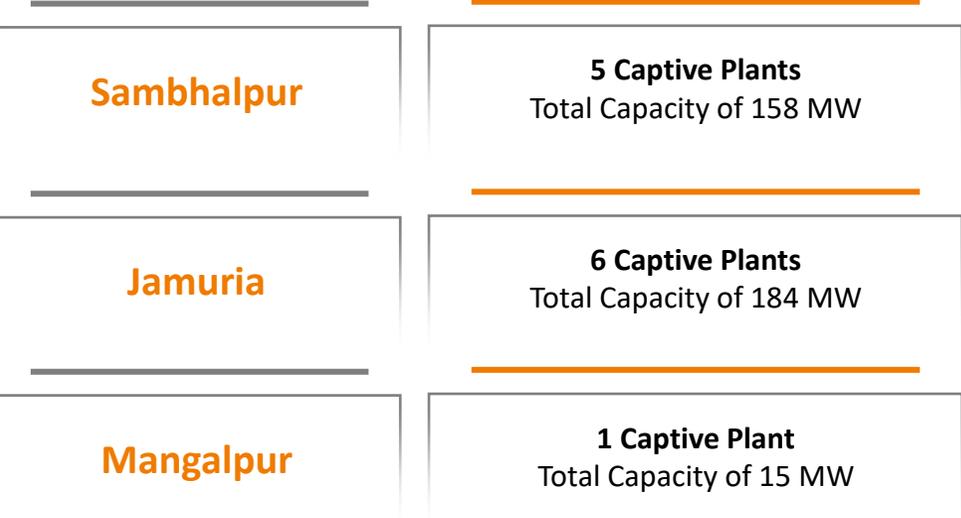
Detailed Plant Wise Capacities* – Existing

Product –Wise Capacity (MTPA)	Pandoli, Odisha	Jamuria, West Bengal	Mangalpur, West Bengal	TOTAL (MTPA)
Iron Pellets	3	3		6
Ferro Alloys	0.11	0.07	0.04	0.22
DRI (Direct Reduced Iron)	1.16	1.48	0.06	2.70
Billets	0.87	1.14		2.01
TMT, WDM, SRM	0.92	1.15		2.07
Captive Power	158 MW	184 MW	15 MW	357 MW

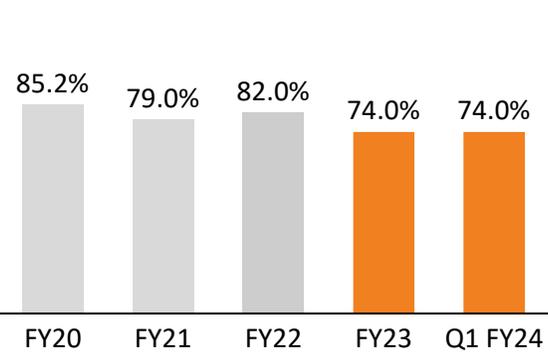
(*Capacities as of July 27th 2023)

Captive Power: ~ 74%

- 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 *



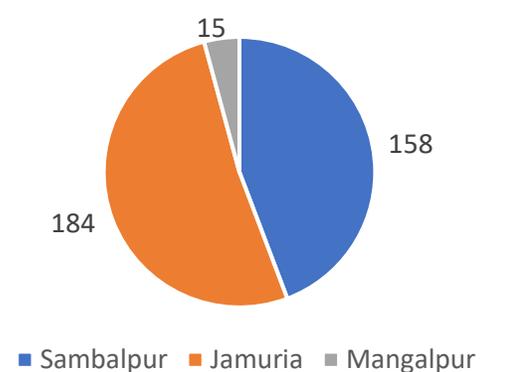
Captive Power to Total Power Consumed



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



Current Capacity* (MW)



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

Strengthening Brand 'SEL'

TMT

TMT are used for the construction of buildings, transmission towers, industrial sheds, structures, road, dam and in other various infrastructures

SMEL sells the best quality TMT primarily in the states of West Bengal, Odisha, Bihar, Jharkhand, Tripura, Sikkim, Assam, Arunachal Pradesh, Manipur, Meghalaya, Uttarakhand, Uttar Pradesh, Punjab and Haryana. Our TMT and structural products are sold under the brand "SEL"

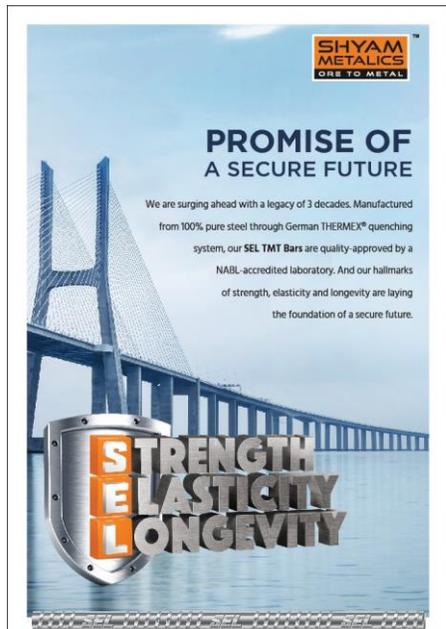
STRUCTURE

Structural steel describes hot rolled steel products such as angles, channels and beams. With an array of high-quality Structural products under the brand 'SEL', backed by world-class service and its other products, SMEL holds its pride of place among the leading steel manufacturers of the country and material directly from the DRHP

WIRE RODS

Towards forward integration, SMEL has set up high quality Wire Rod manufacturing & Wire Drawing facilities with best available technology and plant & machinery support

Since the raw materials are manufactured in-house at our plant, the company is able to produce high quality Wire Rod & H.B. Wires in an efficient & cost-effective manner



CSR Initiatives

Sustainability



- Water Conservation- Check dam, Pond , landscaping, Plantation,
- Promotion of solar Light
- Solar irrigation Pumps
- Promotion of Organic Farming

Rural Health



- Yearly Eye & Medical Camp for Villagers, FREE Medicine & Spectacles
- Free Ambulance & Drinking water Services for villagers
- New Health Center & Homeopathy Clinic

Skill Development



- Running sewing center, computer training center - KALP VRIKSHA programme
- Alternate source of income via enterprise development, skill development

Rural Education



- Free Coaching Center for Economic Backward Integration Section
- Computer Training Center at Dhasna village
- SHYAM Scholarship for Meritorious students of Economic Backward Integrations

Sports Promotion



- Football team of Shyam Sel & Power Limited
- Shoes & Kit distribution
- Play ground development

Social Infrastructure Development



- Temples
- Village Sanitation
- Village Handicrafts – Skill development
- Gau Daan (Care for Animals)

Thank You



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