

The Sandur Manganese & Iron Ores Limited

(An ISO 9001:2015; ISO 14001:2015 and 45001:2018 certified company)

CIN: L85110KA1954PLC000759; Website: www.sandurgroup.com

REGISTERED OFFICE

'SATYALAYA', No.266
Ward No.1, Palace Road
Sandur - 583 119, Ballari District
Karnataka, India
Tel: +91 8395 260301/ 283173-199
Fax: +91 8395 260473



CORPORATE OFFICE

'SANDUR HOUSE', No.9
Bellary Road, Sadashivanagar
Bengaluru - 560 080
Karnataka, India
Tel: +91 80 4152 0176 - 79 / 4547 3000
Fax: +91 80 4152 0182

11 November 2022

The Secretary
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001

Dear Sir/Madam,

Sub: Investor Presentation in connection with Un-audited Standalone and Consolidated Financial Results for quarter and half year ended 30 September 2022

Ref: Company Code: 504918

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the copy of Investor Presentation in connection with Un-audited Standalone and Consolidated Financial Results for quarter and half year ended 30 September 2022.

The Exchange is requested to take the same on record.

Thanking you.

Yours faithfully,
for **The Sandur Manganese & Iron Ores Limited**

Bijan Kumar Dash
Company Secretary & Chief Compliance Officer

MINES OFFICE: Deogiri - 583112, Sandur Taluk, Ballari District

Tel: +91 8395 271025 / 28 / 29 / 40; Fax: +91 8395 271066

PLANT OFFICE: Metal & Ferroalloy Plant, Vyasankere, Mariyammanahalli - 583 222, Hosapete Taluk, Ballari District

Tel: +91 8394 244450 / 244335



THE SANDUR MANGANESE &
IRON ORES LIMITED

Q2FY23

Towards an integrated future

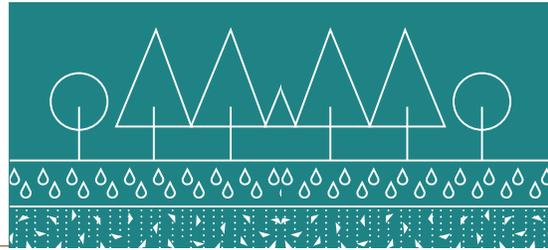
Earnings Presentation

NOVEMBER 2022

SMIORE at a Glance

6+ decades

As one of the most respected private sector merchant miners of manganese and iron ore



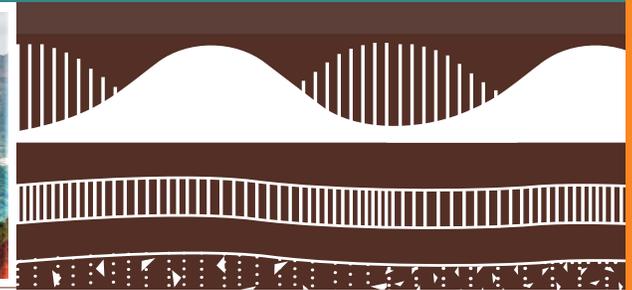
VAST MINING RESERVES WITH LEASES UP TO 2033

17 MT
Manganese Ore

105 MT
Iron Ore

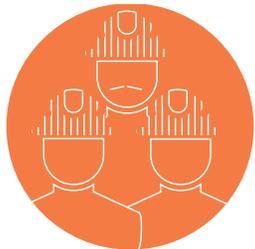
3rd Largest

Manganese ore miner in India



A/Stable

CRISIL RATED
Robust credit rating



2,278
SMIORE family members

CAPACITIES



0.28 MTPA
Manganese Ore



1.60 MTPA
Iron Ore



0.50 MTPA
Coke



32 MW
WHRB-based Power



95,000/
1,25,000 TPA
Ferroalloys (SiMn/ FeMn)

Operational Units

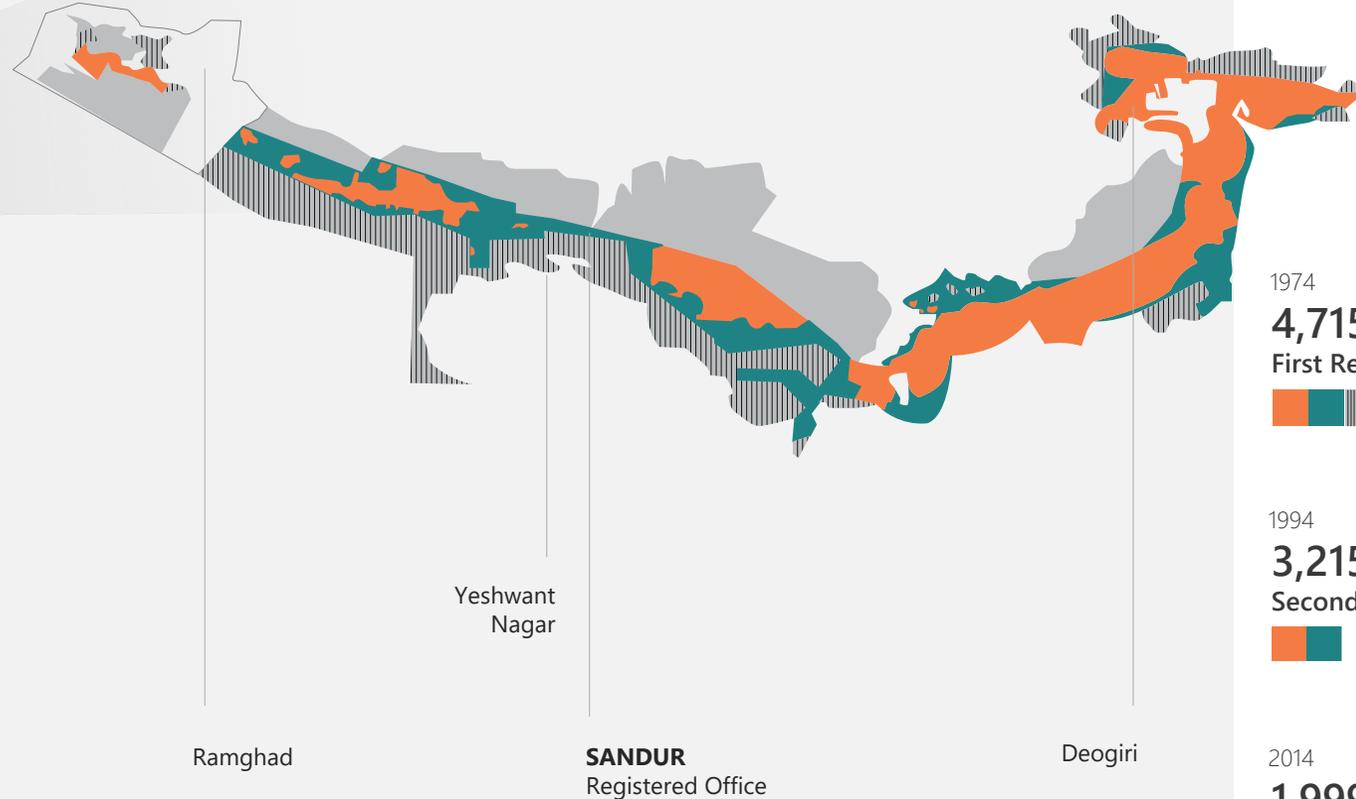


Mining Leases
(Deogiri, Kammathuru, Subbarayanahalli and Ramghad)

Ferroalloy Plant, Power Plant, Coke Oven Plant (Vyasankere)

Upcoming DI Pipe and Hot Metal Plant (Vyasankere)

Sandur
Ballari and Vijayanagara (Districts), Karnataka



1904
7,511 HA
Original Lease

1974
4,715 HA
First Renewal

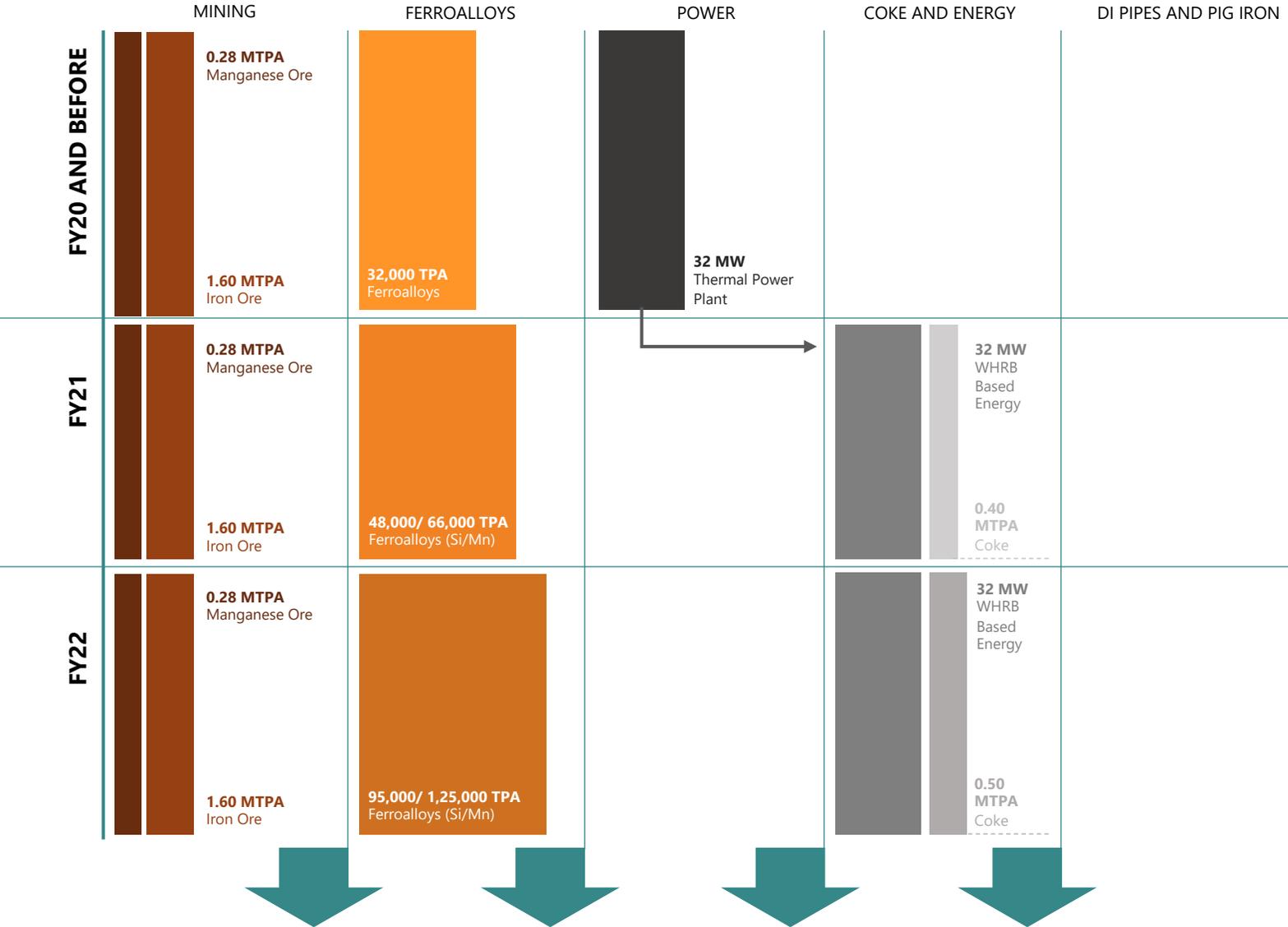
1994
3,215 HA
Second Renewal

2014
1,999 HA
Third Renewal

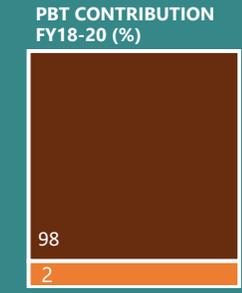
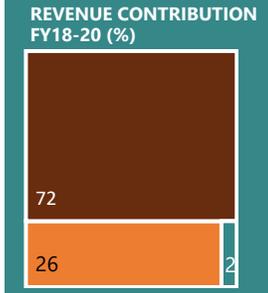
1973
Area Surrendered:
~2,800 HA

1993
Area Surrendered:
1,500 HA

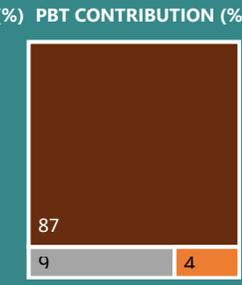
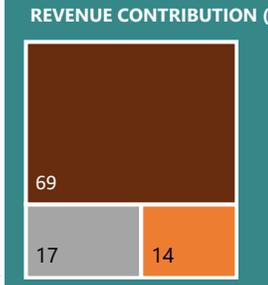
Transforming Business Canvas



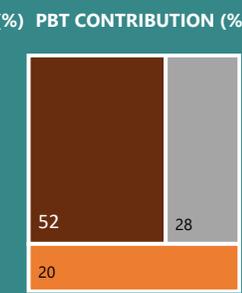
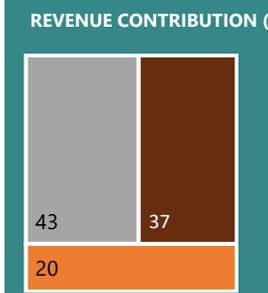
TRAITS



Asset light, free cash-rich generating mining operations coupled with marginally-profitable power-intensive ferroalloys operations



Asset light, free cash-rich generating mining operations coupled with self sustainable and profitable ferroalloys operations supported by Coke + WHRB based power generation



■ Mining
 ■ Ferroalloys
 ■ Coke and Energy
 ■ Others

Transforming Business Canvas (Going Forward)

	MINING	FERROALLOYS	POWER	COKE AND ENERGY	DI PIPES AND PIG IRON
EXISTING CAPACITY	<p>0.28 MTPA Manganese Ore</p> <p>1.60 MTPA Iron Ore</p>	<p>95,000/ 1,25,000 TPA Ferroalloys (Si/Mn)</p>		<p>32 MW WHRB Based Energy</p> <p>0.50 MTPA Coke</p>	
EXPANSION	<p>0.46 MTPA Manganese Ore</p> <p>4.50 MTPA Iron Ore</p> <p>7.00 MTPA Beneficiation Unit</p>	<p>SMIOR has partnered to set up a hybrid renewable power plant (42.9 MW) in an SPV which will cater to the increasing power requirement to expand Ferroalloys operations.</p>		<p>32 MW WHRB Based Energy</p> <p>0.50 MTPA Coke</p>	<p>Integrated Operations with captive Coke & Iron Ore</p> <p>0.30 MTPA DI Pipe Plant</p> <p>0.20 MTPA Pig Iron Plant</p> <p>Combined Max Output 0.4 MTPA</p>
TRAITS	<ul style="list-style-type: none"> Asset-light and high ROCE Cost-efficient operations resulting in high OPM and significant operating-leverage Generating consistent Free Cash Flows 	<ul style="list-style-type: none"> Self-sustainable & profitable ferroalloys operations 		<ul style="list-style-type: none"> Long-term vision of growth Mitigates sustainability concerns as a pure-play merchant miner Forward integration into value-added end-products – to begin with DI Pipes 	

TRAITS

Further expansion of mining operations planned

Fully integrated value-added operations such as DI Pipes and Pig Iron, with each business segment complementing the other

**Note: Existing capacities are used primarily to produce SiMn/FeMn, hence capacity calculations are as per SiMn/FeMn. However, the Company plans to add new products, hence actual capacities may differ as per the product-mix.*

Improving Profit Profile

Multifold
increase

in absolute PBT

Diversi-
fication

in profit profile of
the Company

FY18-20 (Average*)



FY21



FY22



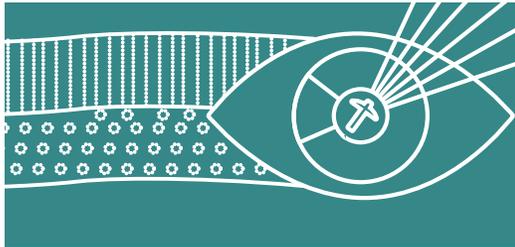
*Arithmetic Average FY18-20 | Note – PBT excludes finance costs and unallocable expenses/income

Values that Drive Us

SANDUR is run by the ethos

“All that we get (earn) from the soil of Sandur in one form or the other should be primarily used to benefit Sandur“

M.Y. GHORPADE



Awards and Recognitions

Awarded 5-STAR rating every year since the introduction of Sustainable Development Framework (SDF)

Other prestigious awards include **National Safety Award (Mines)**, prizes secured during competition held by **Mines Safety Association Karnataka**, prizes secured during competition held by **Mines Environment & Mineral Conservation Association**, among others.



Some of SANDUR's successful Welfare Programs

Food Security Scheme

A food package for a family of 5 costs ₹ 145 against actual cost of ₹3,500, balance being absorbed by the Company.

Subsidized LPG Cylinder

SMIORE provides subsidised LPG cylinders to a large subset of its employees with a 90% subsidy to prevent them from cutting trees for fuel.

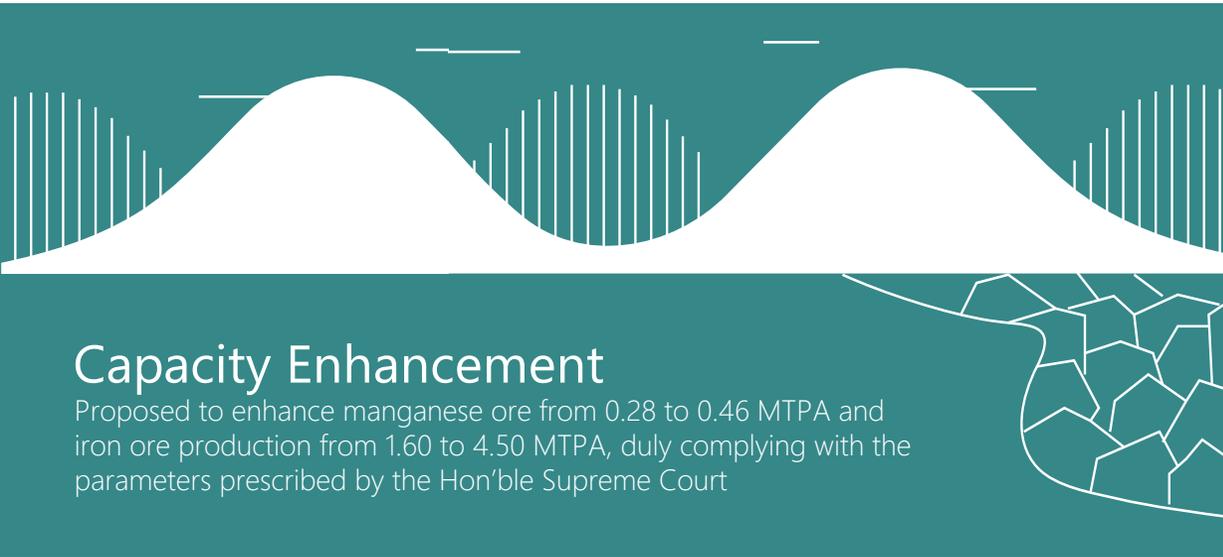
Housing Loan Subsidy

Interest subsidy on housing loans availed by employees. An employee effectively pays 1% interest, and the balance interest is borne by SANDUR.

Other

Including clothes subsidy, marriage & festival gifts, medical care, sickness benefits, education & training facilities, housing & electricity, and many more.

Mining - our mainstay



Capacity Enhancement

Proposed to enhance manganese ore from 0.28 to 0.46 MTPA and iron ore production from 1.60 to 4.50 MTPA, duly complying with the parameters prescribed by the Hon'ble Supreme Court

Mining manganese and iron ores from two mining leases located in Sandur (Karnataka)

Mining operations with one of the **best operating metrics & track record** in the Industry

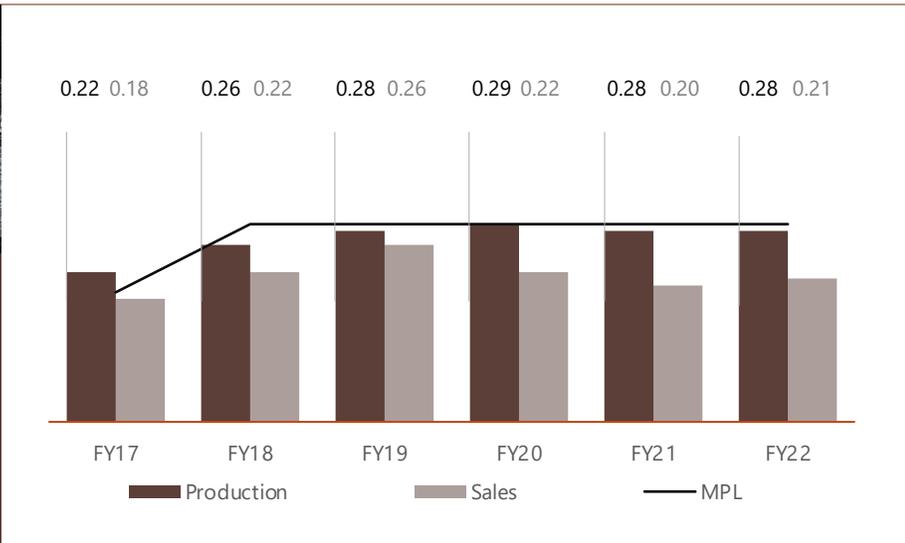
Fully-mechanized iron ore mining contributing to higher margins

Mining operations conducted with utmost respect for environment and adherence to regulatory norms of authorities

Semi-mechanized, labour-intensive manganese ore mining with relatively lower margins but generating large scale employment opportunities

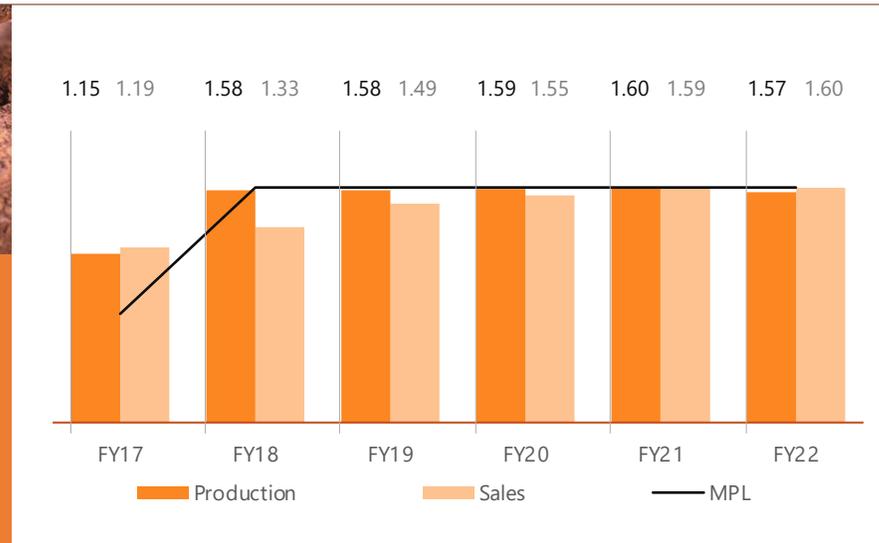
MANGANESE ORE MINING OPERATIONS
(MTPA)

0.28 MTPA



IRON ORE MINING OPERATIONS
(MTPA)

1.60 MTPA



Ferroalloys - new and improved

Turned around ferroalloys operations in FY21 through feasible power generation

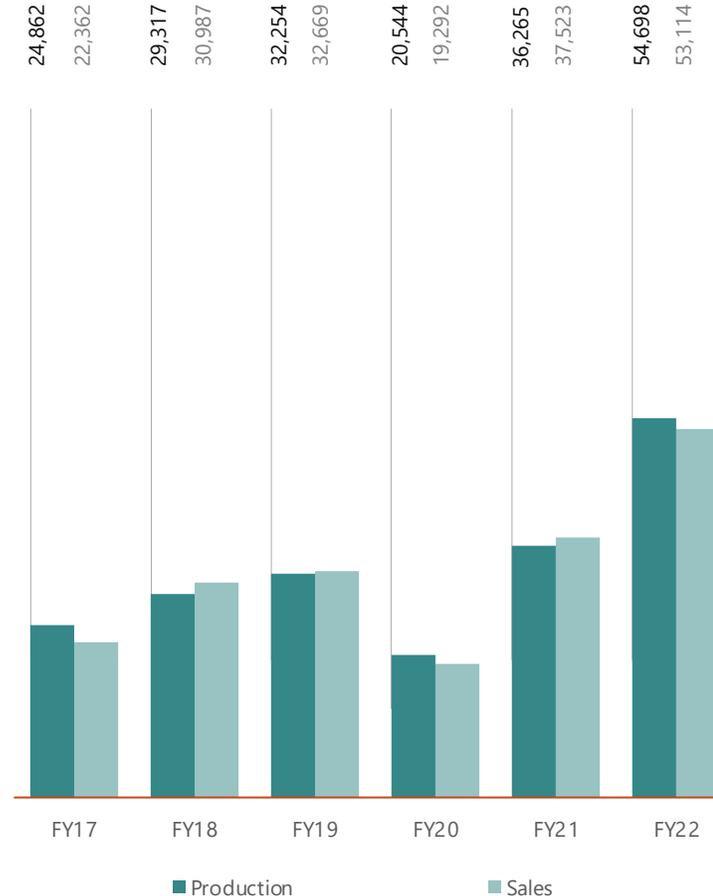
Achieved a shift towards a cleaner source of energy from its previously used coal-based energy

The combination of Coke Oven Plant and WHRB generates power as a by-product, thus leading to substantial savings by eliminating the need for thermal coal

Effective power generation cost was reduced significantly post commissioning of WHRB



FERROALLOYS MINING OPERATIONS (MTPA)



CAPACITIES

FY22
**95,000/
 1,25,000 TPA**
 (SiMn/FeMn)*

FY21
**48,000/
 66,000 TPA**
 (SiMn/FeMn)

FY20
32,000 TPA

*Note – Existing capacities are used primarily to produce SiMn/FeMn, hence capacity calculations are as per SiMn/FeMn. However, the Company plans to add new products, hence actual capacities may differ as per the product-mix.

Key products:
 Silicomanganese
 and Ferromanganese

Coke and Energy - strengthening operations



March 2018
Started expansion work

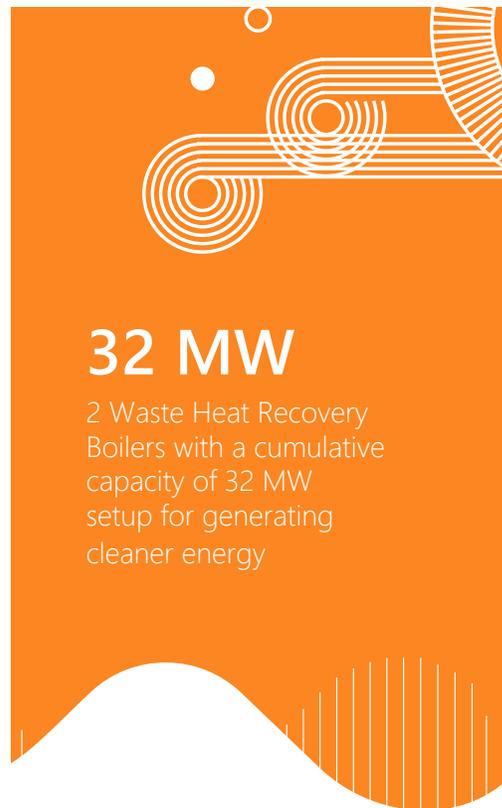
0.5 MTPA

4 Batteries with a cumulative capacity of 0.5 MTPA



18 January 2021

Fully commissioned Coke Oven



32 MW
2 Waste Heat Recovery Boilers with a cumulative capacity of 32 MW setup for generating cleaner energy



Investment Rationale

Stable & Growing Cash Flows

Through long-standing mining operations

New and Improved Ferroalloys

Operations, contributing meaningfully to financial performance

Disciplined Capital Allocation

Guided by strong parentage

Strong Balance Sheet

With net-debt free status, supported by surplus liquidity

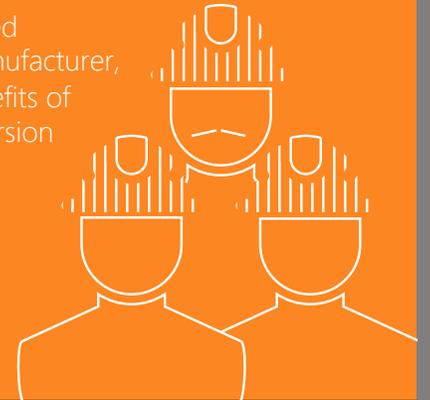


Company With a Heart,

adhering to the highest standards of corporate governance and sustainability

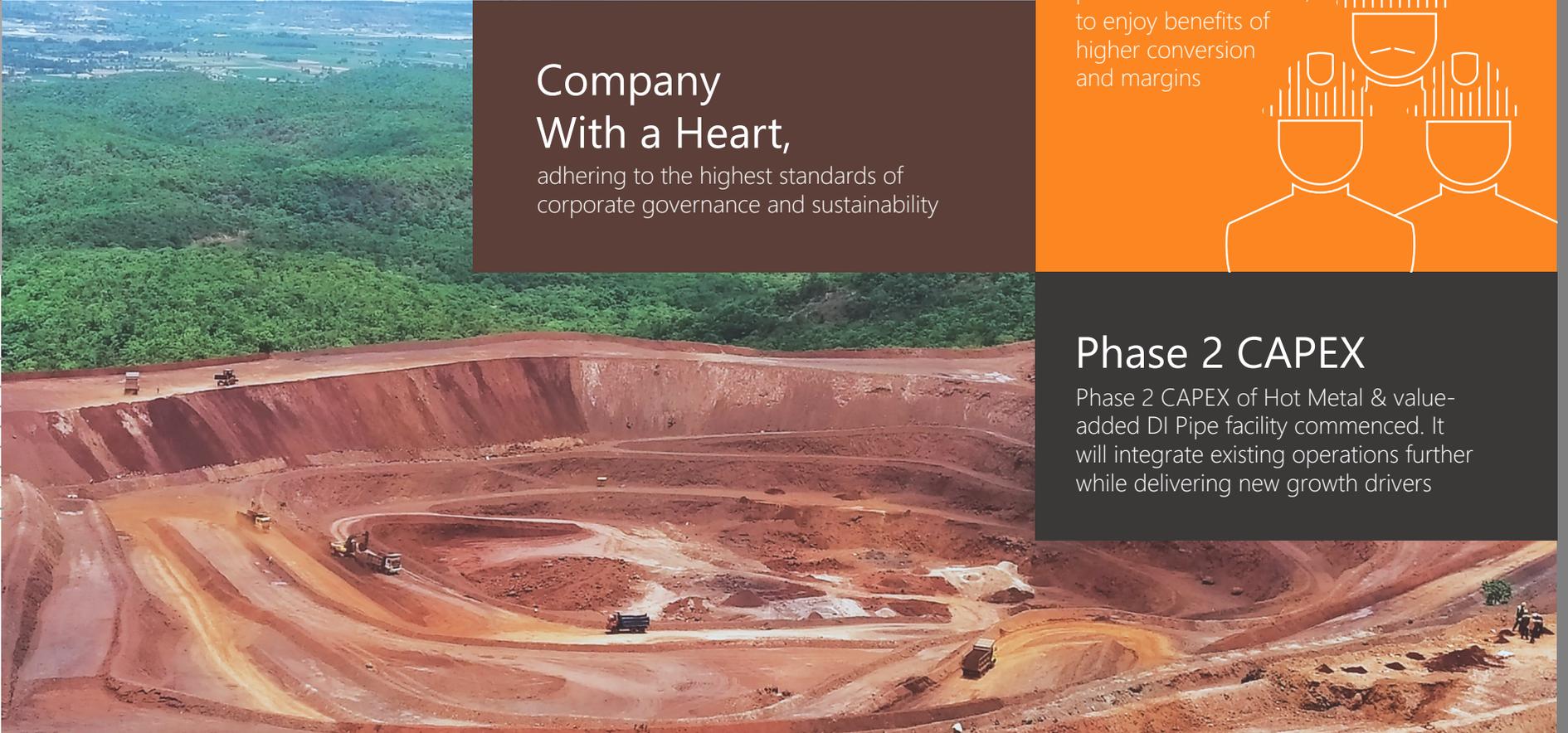
Emerging Integrated Player,

Merchant miner to hot metal & value-added products manufacturer, to enjoy benefits of higher conversion and margins



Phase 2 CAPEX

Phase 2 CAPEX of Hot Metal & value-added DI Pipe facility commenced. It will integrate existing operations further while delivering new growth drivers



Key Performance Indicators

REVENUE, EBITDA

(₹ IN CRORE)



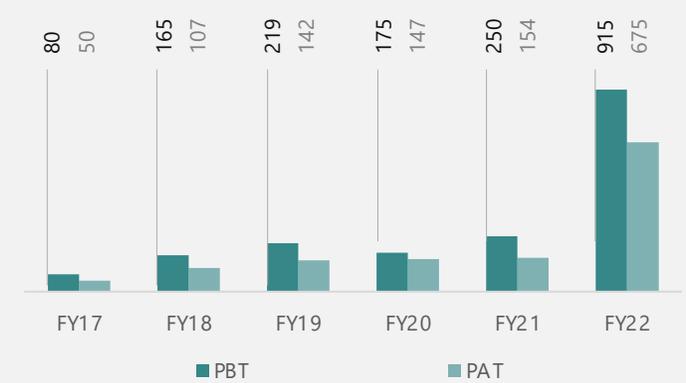
EBITDA MARGINS

(IN %)



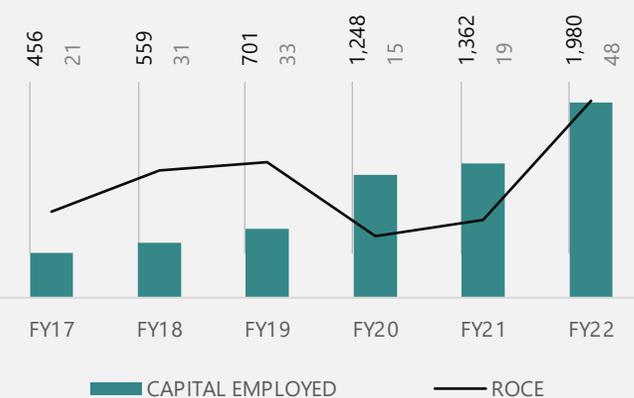
PBT & PAT

(₹ IN CRORE)



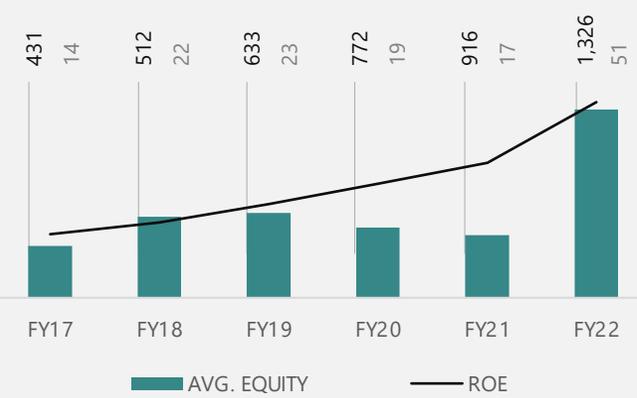
CAPITAL EMPLOYED, ROCE

(IN % & ₹ IN CRORE)



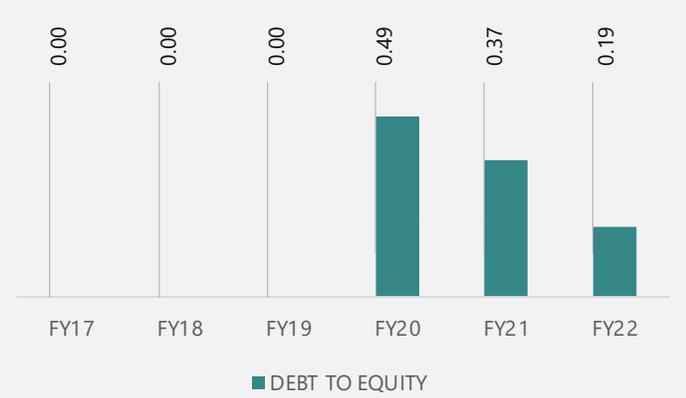
EQUITY, ROE

(IN % & ₹ IN CRORE)



GROSS DEBT TO EQUITY

(IN TIMES)



Q2FY23 Operational Highlights

MANGANESE ORE



IRON ORE



FERROALLOYS



COKE



Production	0.71 Lakh Tonne	4.05 Lakh Tonne	11,768 Tonne	0.66* Lakh Tonne
Sales	0.43 Lakh Tonne	1.57 Lakh Tonne	14,050 Tonne	0.65 Lakh Tonne
YoY Sales Volume	(1%)	(62%)	1%	(14%)
QoQ Sales Volume	617%	57%	34%	(36%)
Average/Tonne Realization	₹8,276/-	₹2,953/-	₹74,845/-	₹43,025/-**
QoQ Change in Realizations	(4%)	(26%)	(16%)	(15%)
Realization Remarks	Stable	Significant ↓	Decline	Decline
Sales Volumes Remarks	Significant ↑	Significant ↑	Significant ↑	Significant ↓

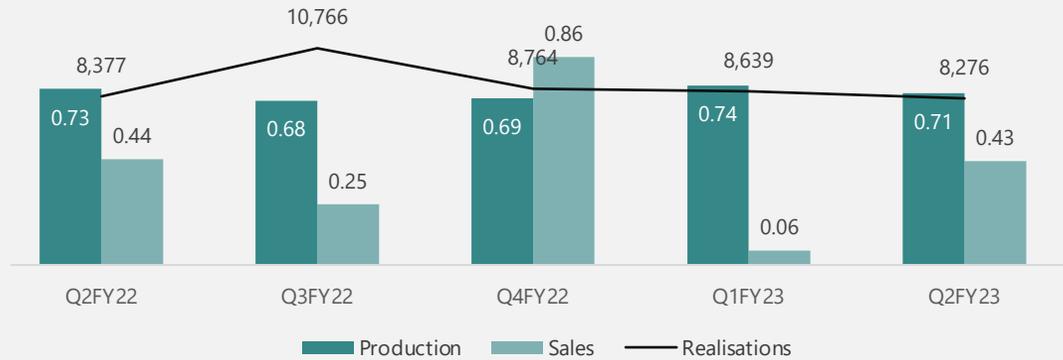
*Excludes production under contract manufacturing of 0.43 Lakh tonnes during the quarter.

**Excludes conversion & screening income under contract manufacturing of 9.23 Crore during the quarter.

Q2FY23 Segment Highlights

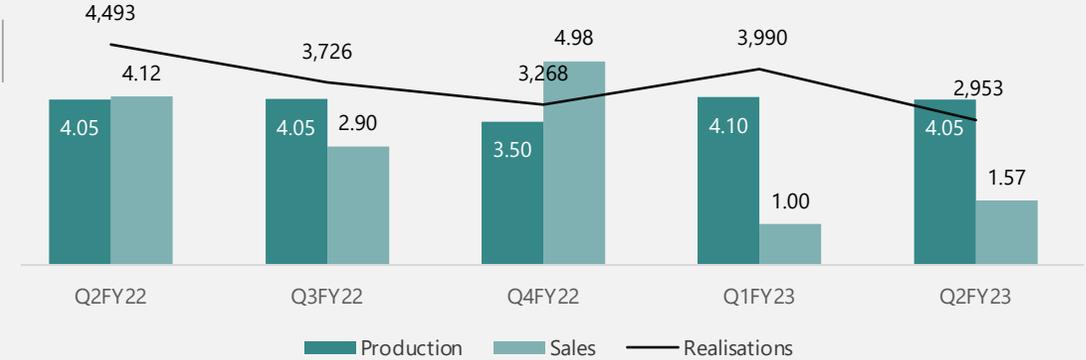
MANGANESE ORE OPERATIONAL PERFORMANCE

(Lakh Tonnes & ₹/Tonne)



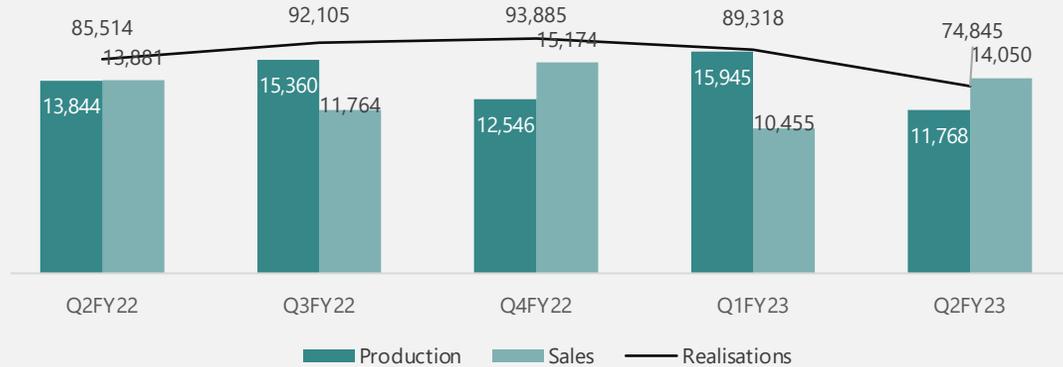
IRON ORE OPERATIONAL PERFORMANCE

(Lakh Tonnes & ₹/Tonne)



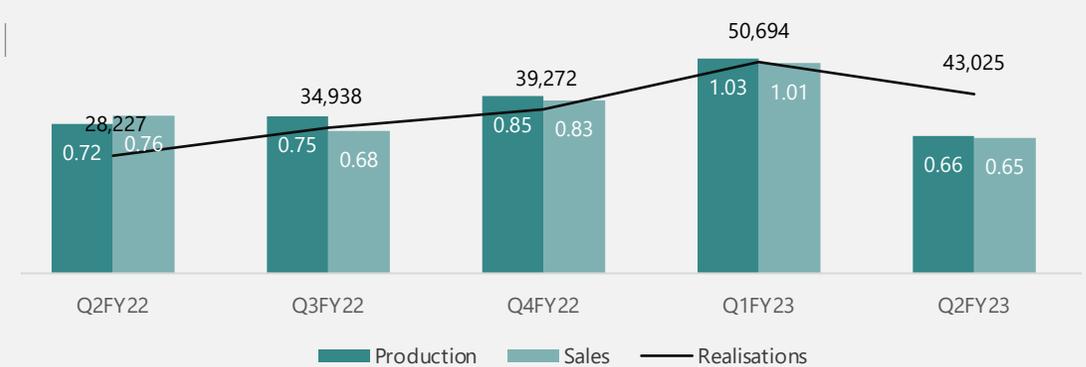
FERROALLOYS OPERATIONAL PERFORMANCE

(Tonnes & ₹/Tonne)



COKE OPERATIONAL PERFORMANCE

(Lakh Tonnes & ₹/Tonne)



Note: Coke Production Data excludes production under contract manufacturing of 0.43 Lakh tonnes during the quarter. Realisations exclude conversion & screening income under contract manufacturing of 9.23 Crore during the quarter.

Q2FY23 Financial Highlights

(₹ in Crore)	Total Income	EBITDA	PAT	Capital Structure
Growth (YoY)	(14%)	(83%)	(88%)	
Growth (QoQ)	(25%)	(23%)	(35%)	
Margin		11%	4%	
Margins Expansion/ (Contraction) (YoY)		(4,434 bps)	(2,729 bps)	
Gross Debt/Equity				0.16

496
Total Income

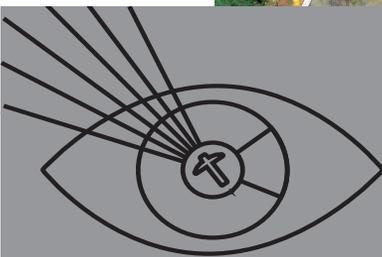


53
EBITDA



22
PAT

1,719
Shareholders Funds



H1FY23 Financial Highlights

(₹ in Crore)	Total Income	EBITDA	PAT	Capital Structure
Growth (YoY)	10%	(79%)	(83%)	
Margin		10%	5%	
Margins Expansion/ (Contraction) (YoY)		(4,423 bps)	(2,370 bps)	
Gross Debt/Equity				0.16

1,160
Total Income

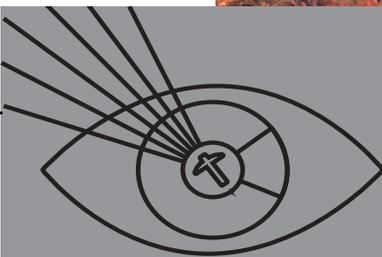


121
EBITDA



56
PAT

1,719
Shareholders Funds



Q2FY23 Management Commentary



We are glad to share updates on our Mining Expansion & Phase 2 CAPEX of the DI Pipe & Pig Iron project.

BAHIRJI A. GHORPADE
MANAGING DIRECTOR

Mining

As is evident from our financial performance, the adverse effects of recent industry developments including regulatory changes & global commodity scenario have spilled over from Q1 to Q2 as well. While there was some clarity post the issuance of interim guidelines from the Government of Karnataka on the sale and despatch of minerals through e-auction or otherwise, buyers took some time to get accustomed to the new regime and in the interim there was a delay in offering mined ore to the markets. Nonetheless, we've ramped up our sales from this month onwards and are confident that a good part of our closing stock from H1FY23 will be sold in Q3, and the balance within Q4.

Ferroalloys

In the Ferroalloys segment, we witnessed further compression in margins due to industry wide decrease in sales realisations during Q2. The effects of export duty & subsequent impact on steel manufacturers have tickled down to the Ferroalloys industry as well. In order to curtail our impact, we attempted to make certain product mix optimisations within our existing products. We remain on track on the expansion front of this segment, with our renewable power project expected to be commissioned by April 2023 and furnace refurbishment even before it. Post commissioning we will be able to make optimum utilisation of our 95,000/1,25,000 TPA (SiMn/ FeMn) capacity.

Coke and Energy

Our Coke and Energy segment results are a direct result of the extremely dynamic and choppy global pricing environment for Coking coal, coupled with some portion of higher cost inventories spilling over from Q1. We have witnessed extreme turbulence on the exchange rate of Coking coal in Q2, which has directly attributed to lower spreads, and a marginal quarterly loss for the very first time since commissioning of this segment 6 quarters ago. We expect things to be more stable in Q3, and with our contract manufacturing arrangements kicking in from Q2 our exposure shall be limited further.

Mining Expansion

We are glad to share some updates on mining expansion front, a public hearing date has been set for 6 December 2022, for the Iron Ore mining expansion & beneficiation plant approvals. We expect a couple of more months of regulatory processes after the public hearing, before all necessary approvals are in place, and we can proceed with the expansion. At the same time, approvals for enhancement in Manganese Ore production area also progressing.

Phase 2 CAPEX

DI Pipe & Pig Iron

On the DI Pipe & Pig Iron front, we are in the final stages of concluding ground breaking & site preparation and levelling works. Project reports & roadmap for execution are in place, and commissioning of the project is expected in March 2024.

We have significantly revised the capital outlay towards this project compared to our earlier estimates in April 2022. The revision is on account of a couple of reasons:

- Increase in budgeted capacities from earlier 2 LTPA DI Pipe + 1 LTPA Pig Iron to 3 LTPA DI Pipe + 2 LTPA Pig Iron (Max Combined Output of 4 LTPA)
- Changes in technical configuration of the plant leading to a higher capital outlay, but shorter payback period.
- Cost escalations in line with the ongoing inflationary environment.

Pellet Plant

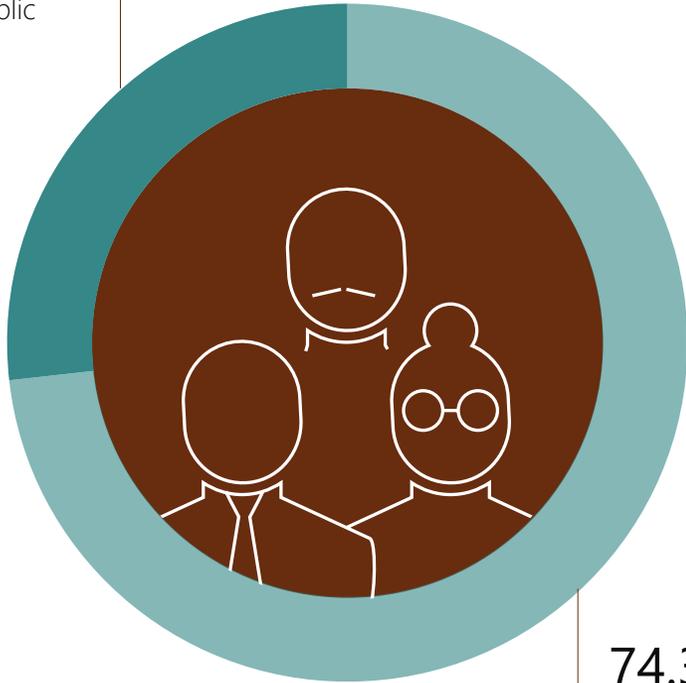
Pellet plant project details are being worked out by our team and are expected to conclude within a quarter from here. We will share more details on this front as and when they are finalised.

Corporate Information

SHAREHOLDING SUMMARY

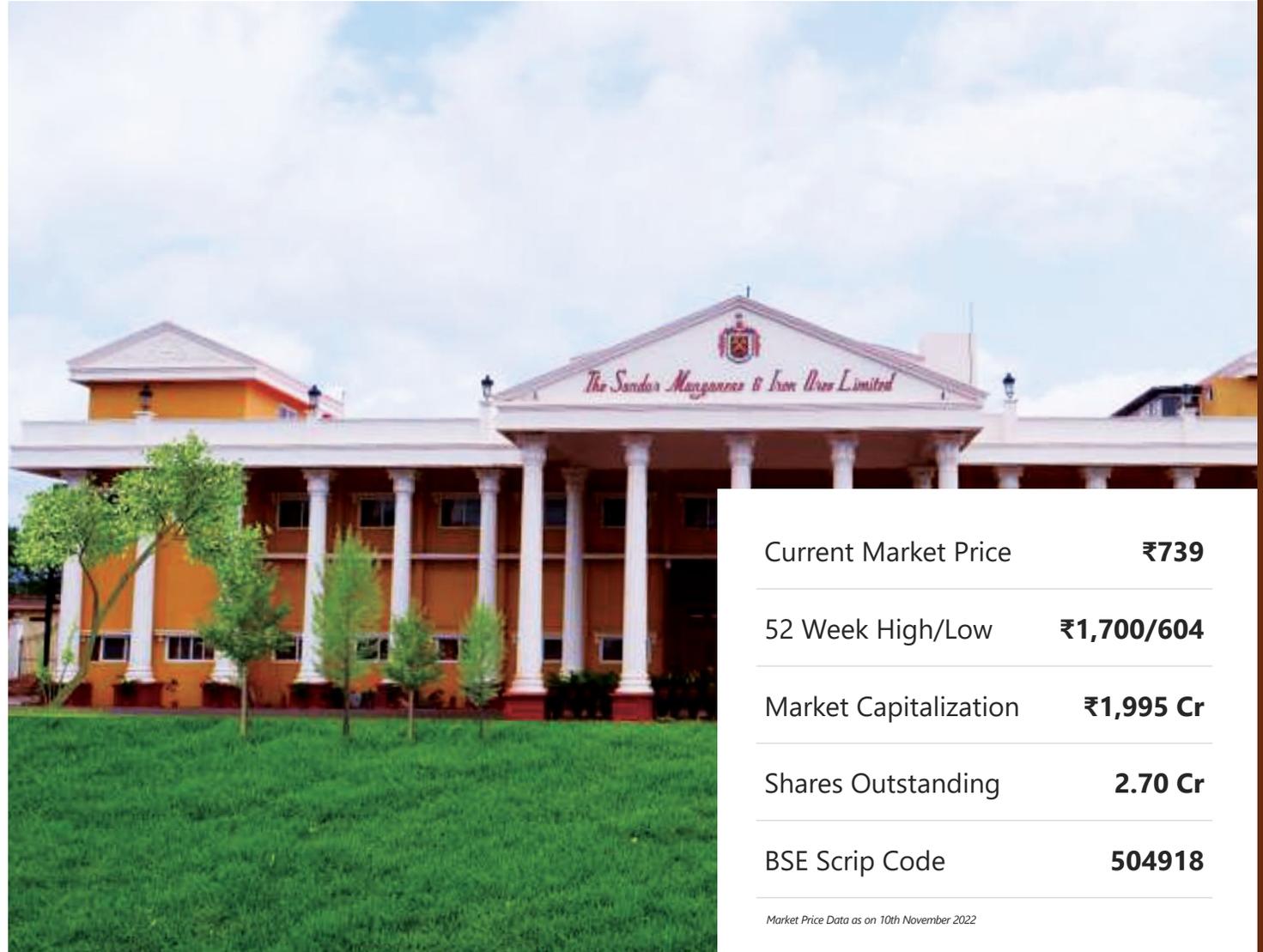
(IN %)

25.63
Public



74.37
Promoters

Shareholding Data as on 30th September 2022



Current Market Price **₹739**

52 Week High/Low **₹1,700/604**

Market Capitalization **₹1,995 Cr**

Shares Outstanding **2.70 Cr**

BSE Scrip Code **504918**

Market Price Data as on 10th November 2022

Safe Harbor

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THE SANDUR MANGANESE &
IRON ORES LIMITED

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