

Sarthak Metals Limited announced its Q4 & FY22 Results

Revenue from Operations for Q4FY22 stood at ₹147 Crores, EBITDA at ₹12 Crores and PAT at ₹8 Crores.

Bhilai, May 11, 2022: Sarthak Metals Limited, one of India's leading manufacturer of cored wires and aluminium flipping coils, that find application in the metallurgical industry, has announced its financial results for the quarter ended March 31st, 2022.

Standalone Financial Highlights for quarter ended March 31st, 2022:

- **Revenue from Operations** stood at an all-time high of **₹ 147.2 Crore** in Q4FY22, an increase of 129% YoY and 38% sequentially.
- **EBITDA** (excluding Other Income) stood at **₹ 11.9 Crores** in Q4FY22, an increase of 127% YoY and 9% sequentially.
- **EBITDA Margins** stood at **8.1%** in Q4FY22, compared to 10.2% in Q3FY22 and 8.1% in Q4FY21.
- **Net Profit** stood at an all-time high of **₹ 8.1 Crores** in Q4FY22, an increase of 175% YoY and 14% sequentially.

Standalone Financial Highlights for year ended March 31st, 2022:

- **Revenue from Operations** stood at an all-time high of **₹ 457.3 Crore** in FY22, an increase of 106% YoY.
- **EBITDA** (excluding Other Income) stood at **₹ 39.8 Crores** in FY22, an increase of 140% YoY.
- **EBITDA Margins** stood at **8.7%** in FY22, compared to 7.5% in FY21.
- **Net Profit** stood at an all-time high of **₹ 27.5 Crores** in FY22, an increase of 244% YoY.

Commenting on the Q4FY22 performance, Sanjay Shah, Executive Director, said:

"We are pleased to report a good set of numbers for Q4FY22, building on our last couple of quarters of sustained good operational and financial performance. The Company has reported its highest ever quarterly topline of INR 147.2 crores, delivering robust growth of 129% on a year-on-year and 38% on a sequential basis. On a full-year basis, the Company has more than doubled its previous year's topline at INR 457.3 crores for FY22. This performance has been supported by a convergence of two factors i.e. good demand from the steel sector and a significant increase in Sarthak Metals market share for the products categories it is present in. On the profitability front, EBITDA margins grew from 7.5% in FY21 to 8.7% in FY22, supported by a healthy increase in realisations and some operating leverage leading to a 244% growth in PAT for FY22 at INR 27.5 crore.

Our outlook for the coming year remains robust, reinforced by the upcoming capacities and investments in the Indian steel industry. Our clients, some of India's most prominent steel players, are constantly looking for expansion opportunities. In line with current market demand and to further consolidate Sarthak's position in its industry, the Company is planning to expand its capacities. The Company is in the process of adding another furnace for aluminium flipping coils that will lead to capacity augmentation of up to 50% of the current capacity, the same is expected to be commissioned in H1FY23. Furthermore, an additional manufacturing line of cored wires is also on the cards for the coming year. To capitalise on opportunities beyond our existing product segments, your Company acquired a 5-acre plot next to our facility, that is reserved for a new strategic business opportunity that the Board of Directors and Senior Management are currently validating.

Given our robust financial performance and strengthened balance sheet position, we have announced a second and final dividend of Re 1 to our shareholders. The total dividend for the year will be Rs 2, subject to shareholder approval in the AGM. Your company looks forward to capitalize on the long-term opportunities offered by the Indian steel industry and the growing Indian economy."

About Sarthak Metals Limited

Sarthak Metals Limited is a part of the Desraj Bansal Group of Companies, which is a leading business group with interests in the Metals and Energy sector. Certified with ISO 9001-2015, Sarthak is India's leading manufacturer and exporter of Cored Wires and Aluminium Flipping Coils, that find application in the metallurgical industry. Sarthak provides products and solutions targeted to attain precise metallurgy of steel. The Company's focus on rigorous testing and inspection processes enables it to manufacture products conforming to the highest standards of accuracy, consistency and quality. Sarthak's 25+ years of experience and expertise, along with its quality consciousness, makes it the preferred supplier to some of India's largest steel units for these products.

The Company is headquartered at Bhilai, Chhattisgarh with state-of-the-art facilities and is also strategically located in close proximity to a critical steel hub in India, supported by a marketing office in Nagpur. Sarthak's success in the domestic market led it to pursue exports, and today it delivers quality products to 30+ clients across the globe. Some of its prominent clients in India are Tata Steel, JSW Steel, SAIL, while it serves global clients such as Isdemir and Gerdau among others.

For more information, contact us:

Anirudh Singhal

Sarthak Metals Limited
cfo@sarthakmetals.com

Pratik Jain

Sarthak Metals Limited
cs@sarthakmetals.com

Sayam Pokharna

TIL Advisors Private Limited
sayam@theinvestmentlab.in
+91 94266 60791

Safe Harbour

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