

Sarthak Metals Limited announced its Q4 & FY23 Results

**FY23 Revenue from Operations stood at ₹408 Crores,
EBITDA at ₹40 Crores and PAT at ₹30 Crores.**

Bhilai, May 28, 2023: 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 and year ended March 31st, 2023.

Financial Highlights for year ended March 31st, 2023:

- **Revenue from Operations** stood at **₹ 408.4 Crore** in FY23, a decrease of 11% YoY.
- **EBITDA** (excluding Other Income) stood at **₹ 40.1 Crores** in FY23, an increase of 6% YoY.
- **EBITDA Margins** stood at **9.8%** in FY23, compared to 8.3% in FY22.
- **Net Profit** stood at **₹ 29.8 Crores** in FY23, an increase of 8% YoY.

Financial Highlights for quarter ended March 31st, 2023:

- **Revenue from Operations** stood at **₹ 80.8 Crore** in Q4FY23, a decrease of 45% YoY and 13% QoQ.
- **EBITDA** (excluding Other Income) stood at **₹ 9.1 Crores** in Q4FY23, a decrease of 28% YoY and 22% QoQ.
- **EBITDA Margins** stood at **11.2%** in Q4FY23, compared to 12.5% in Q3FY23 and 8.6% in Q4FY22.
- **Net Profit** stood at **₹ 5.8 Crores** in Q4FY23, a decrease of 28% YoY and 23% QoQ.

Commenting on the Q4 & FY23 performance, Sanjay Shah, Executive Director, said:

"We are pleased to announce that the Company has closed FY23 on a positive note, despite facing significant challenges in the external environment throughout the year. The announcement of Export Duty on the steel industry in May 2023 had a noticeable impact, as the industry took time to adapt to the new environment, drop in price realisations, etc. This, in turn, affected the ancillary suppliers as well. In response to these challenges, our focus during the year was to maximize the value-added products wherever possible, aiming to mitigate the impact of lower volumes and lower average realization. We are pleased to report that this strategy worked well for us, particularly in Q2 and Q3 of the year, thus we have been able to clock higher margins and absolute profitability despite lower sales in FY23.

However, Q4 witnessed slower off-take due to some clients undergoing maintenance shutdowns at their plants, resulting in lower volumes for us. Despite these temporary setbacks, we remain optimistic about the future and are confident of getting back on our growth path. Looking ahead, we anticipate the realization levels to stabilize and expect a gradual pick-up in demand for our products. To offset the current situation, we are actively exploring export markets for product categories such as Aluminium Flipping Coils.

Our clients, who are among the largest steel players in India, continue to expand their capacities thus promising a good outlook for metallurgical solution providers & industry.

Furthermore, in order to accelerate our growth trajectory, we have decided to enter an adjacent product category - Flux Cored Wires, which find applications in welding for commercial fabrication units. This category aligns perfectly with our technical expertise, and we are confident in our technological capabilities and product prowess to establish a footing in this industry.

To initiate this venture, we will set up a pilot manufacturing line within our existing facility. We will scale up the facility based on the customer response and offtake. We believe that this import-dependent product category, which currently has limited to no capacities in India, has the potential to become a significant revenue stream for the Company.

In conclusion, despite the challenges faced in FY23, we remain optimistic about the prospects of the Company. Our strategic focus on value-added products, exploration of export markets, and expansion into adjacent product categories will position us well for growth and enable us to capitalize on emerging opportunities. We are committed to enhancing shareholder value and delivering sustainable long-term success."

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 Gerdaul among others.

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Safe Harbour

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