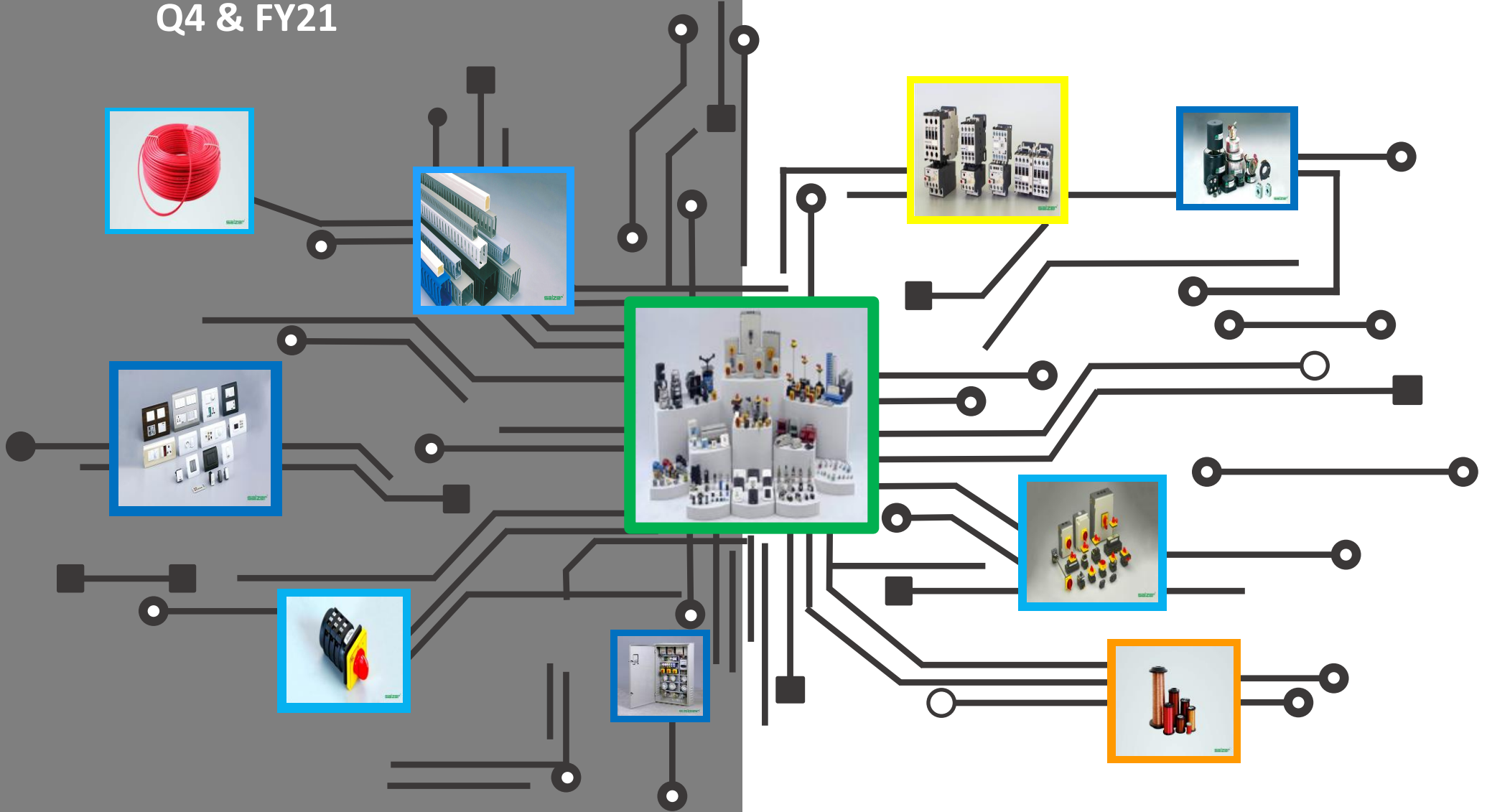
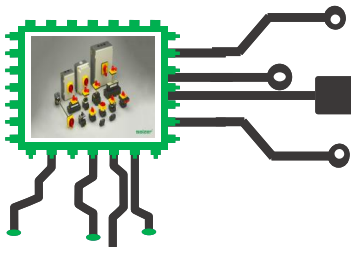


# Salzer Electronics Limited



## Result Update Presentation Q4 & FY21





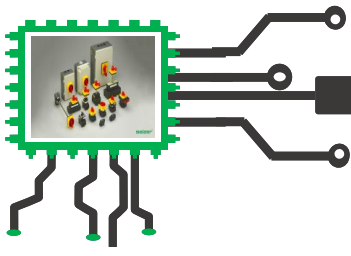
## Disclaimer

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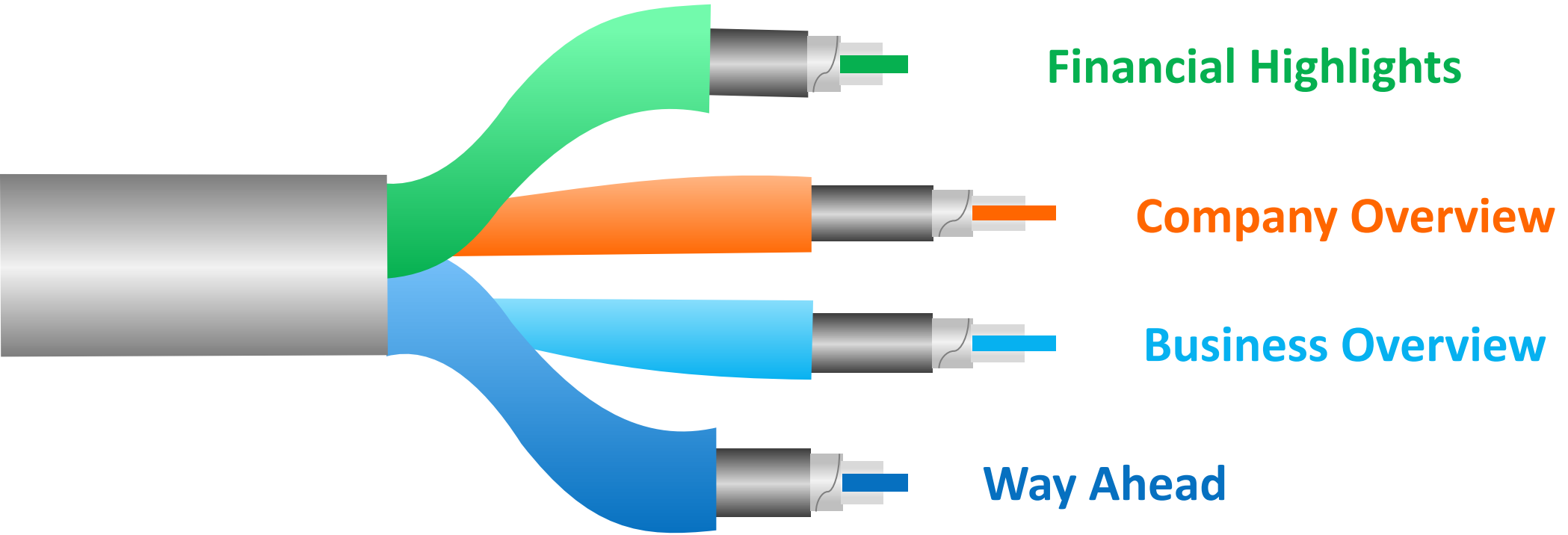
*This presentation has been prepared by Salzer Electronics Limited (the “Company”) solely for information purposes and does not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment what so ever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.*

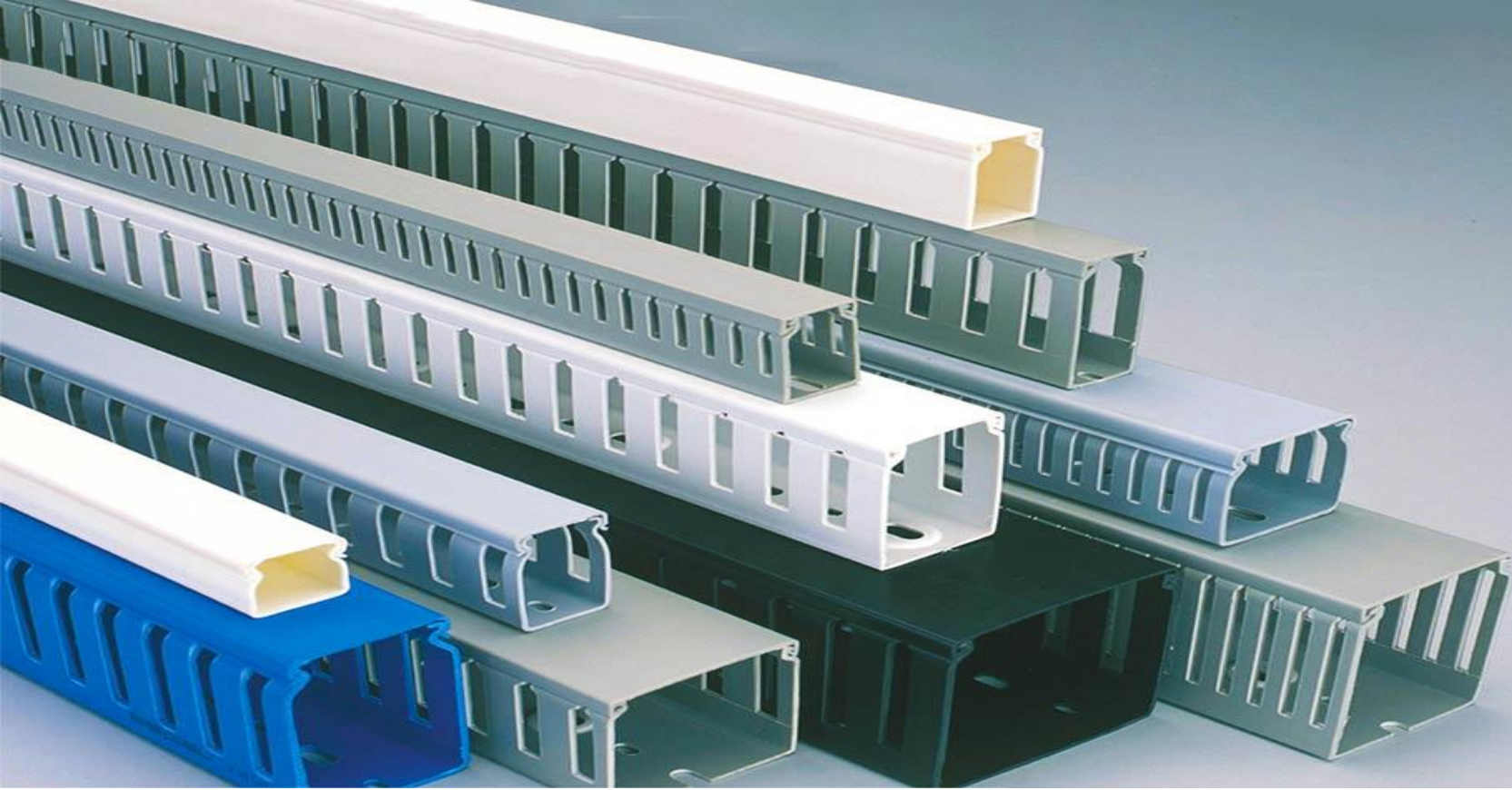
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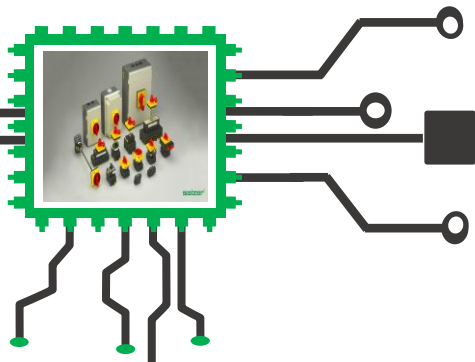


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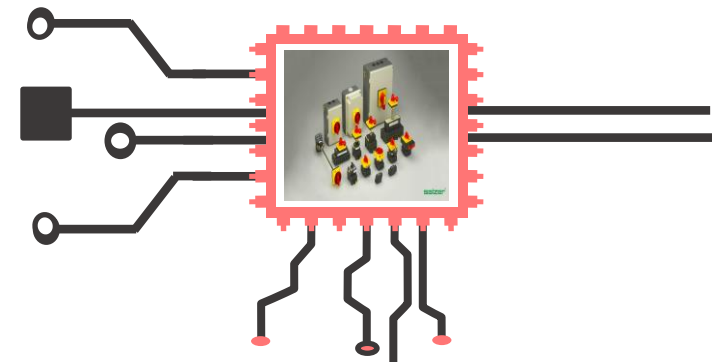


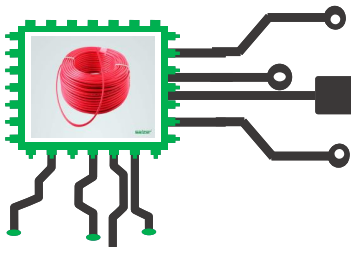


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Financial Highlights





**Commenting on the results, Mr. Rajesh Doraiswamy, Joint Managing Director, said :**

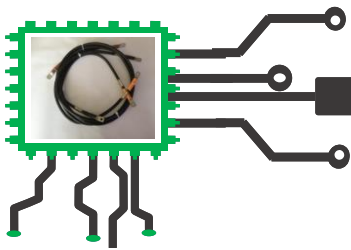
*“This financial year started on a tough note, with the COVID-19 pandemic hampering business operations across the country and world. However, in spite of the challenging conditions, I am glad to share that our fourth quarter performance has been in line with our expectations and reflects our continued & sustained recovery from the pandemic-induced slowdown.*

*In the fourth quarter of this financial year, we registered a 43.38% Y-o-Y growth in revenue at Rs. 189.69 crores, while EBITDA and PAT were Rs. 16.16 crore and Rs. 6.99 crore, respectively. Strong demand for wire harness product and three phase transformers helped offset the impact of COVID in the initial months of the fiscal year. Despite slow recovery in demand, our revenue grew 6.82% YoY in FY21. Moreover, the fourth quarter performance was good with growth coming in from wire harness product and export markets such as the US. One of the challenges which remains is the input material price increase. The lag between the passing off of input costs to customers has had bearing on the margins.*

*As the Indian dealer and retail market picks up pace, and domestic as well as international markets gradually recover and business regains momentum, we expect to maintain our growth trajectory with our strong product offerings and brand position in the market.*

*Overall, we remain committed to our agenda of delivering sustainable growth and are cautiously optimistic about the business performance in the coming quarters. I thank all our stakeholders for their continued support and faith in our Company and wish everyone good health.”*

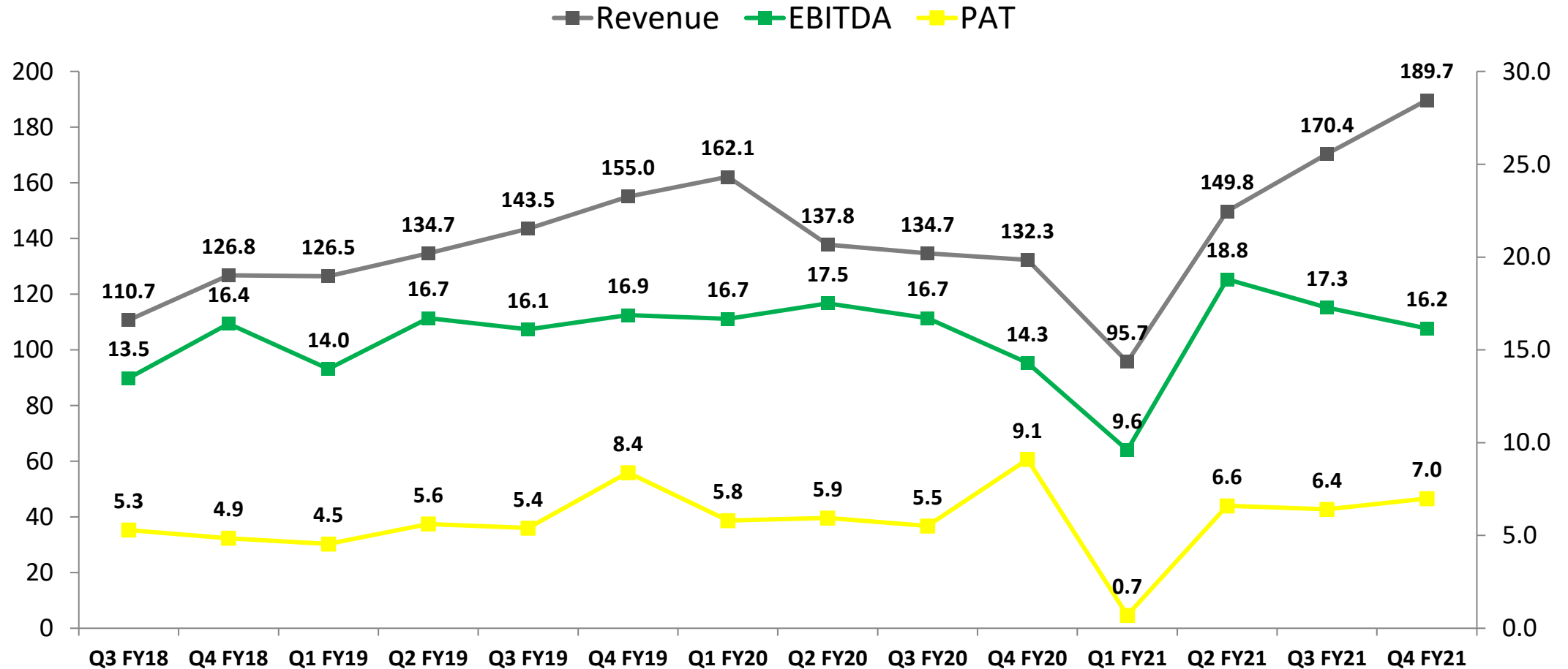


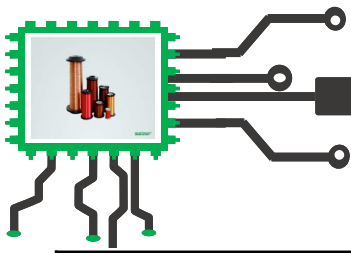


# Key Financial Highlights – Quarterly



Revenue, EBITDA, PAT (Rs. Crore)



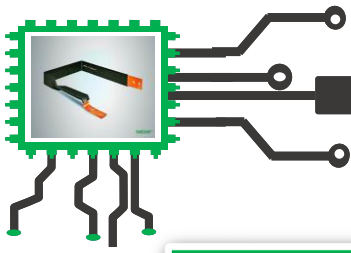


## Q4 FY21 Financial Highlights

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Rs. in Crore	Standalone				Consolidated
	Q4 FY21	Q4 FY20	Y-o-Y %	Q3 FY21	Q4 FY21
<b>Net Revenue</b>	<b>189.69</b>	<b>132.30</b>	<b>43.38%</b>	<b>170.44</b>	<b>195.69</b>
Raw Materials	150.83	95.21		133.97	153.76
Employee Cost	7.50	6.66		6.47	8.55
Other Expenses	15.20	16.14		12.72	16.68
<b>Total Expenditure</b>	<b>173.53</b>	<b>118.00</b>		<b>153.16</b>	<b>178.99</b>
<b>EBITDA</b>	<b>16.16</b>	<b>14.30</b>	<b>13.05%</b>	<b>17.28</b>	<b>16.70</b>
<b>EBIDTA Margin (%)</b>	<b>8.52%</b>	<b>10.81%</b>	<b>(229 bps)</b>	<b>10.14%</b>	<b>8.53%</b>
Other Income	1.44	(0.14)		0.24	1.42
Depreciation	4.09	3.68		3.75	4.20
Interest / Finance Cost	5.26	5.44		5.42	5.29
Exceptional Item (Gain) / Loss	0.00	0.00		0.00	0.19
<b>Profit Before Tax</b>	<b>8.25</b>	<b>5.04</b>		<b>8.35</b>	<b>8.82</b>
Tax	(1.26)	(4.10)		1.94	(1.47)
<b>Profit After Tax</b>	<b>6.99</b>	<b>9.14</b>	<b>(23.53%)</b>	<b>6.40</b>	<b>7.35</b>
<b>Profit After Tax Margin (%)</b>	<b>3.68%</b>	<b>6.91%</b>	<b>(323 bps)</b>	<b>3.76%</b>	<b>3.76%</b>
<b>Basic EPS (Rs.)</b>	<b>4.37</b>	<b>5.72</b>	<b>(23.60%)</b>	<b>4.01</b>	<b>4.11</b>

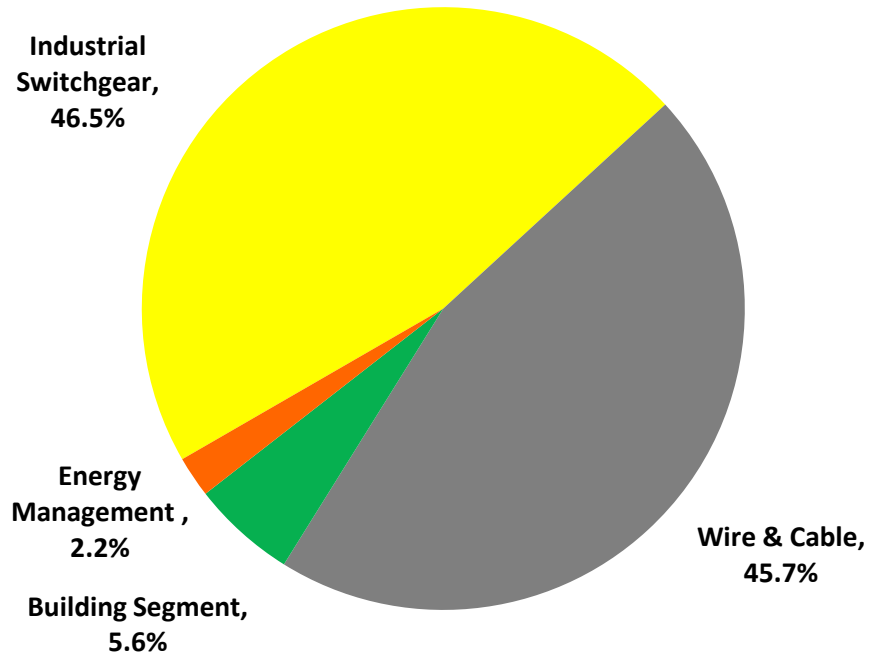
- **Increase in Revenue** mainly driven by higher sales from Wires & Cables business and Wire Harness products
- Increase in exports also complemented growth. Overall, strong demand coming in
- Contribution from **Exports** was over **20%**, on account of increase in sales to the EMEA and other markets. Overall **export revenue grew 57.2% YoY in Q4**



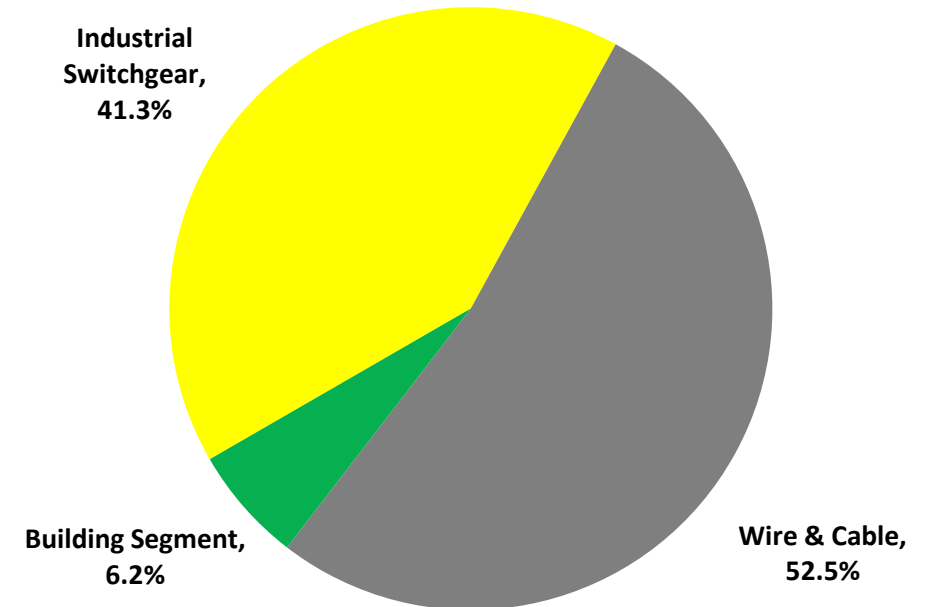
## Q4 FY21 Revenue Breakup – Business Verticals

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Q4 FY20

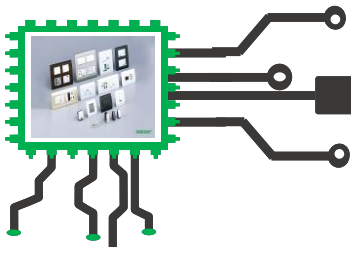


Q4 FY21



- Industrial Switchgear – 41.3% of net revenues
- Wires & Cables – 52.5% of net revenues
- Buildings Products – 6.2% of net revenues
- Energy Management – No tenders issued by the Government during this period

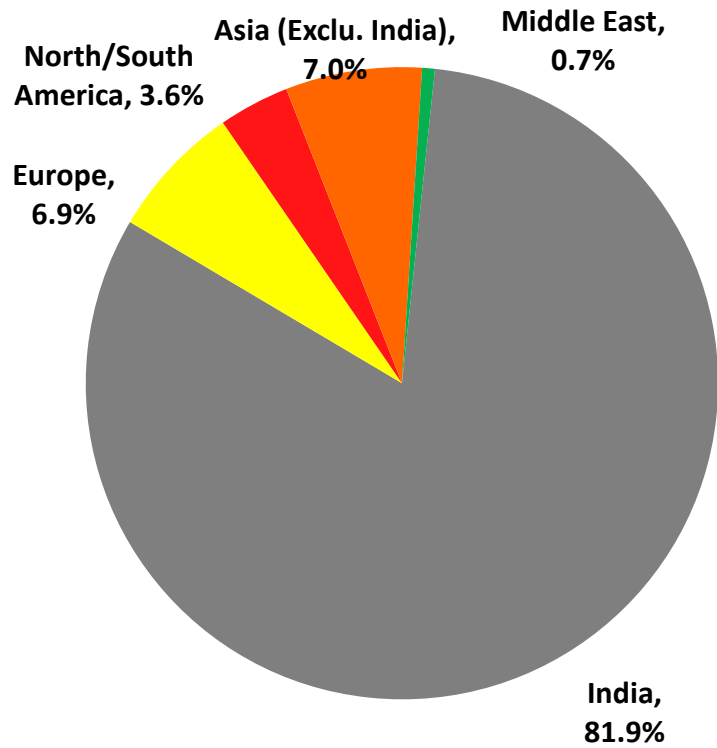




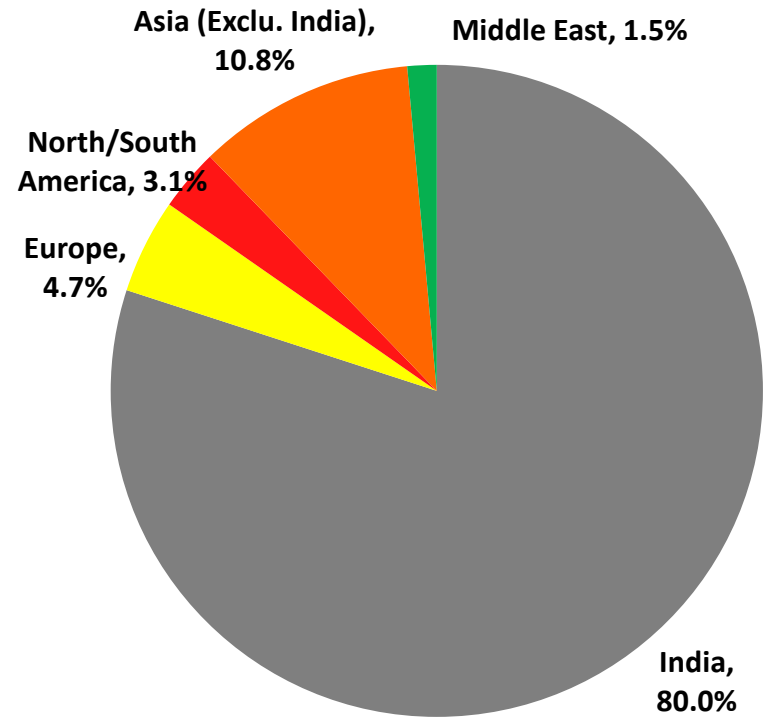
# Q4 FY21 Revenue Breakup – Geographical

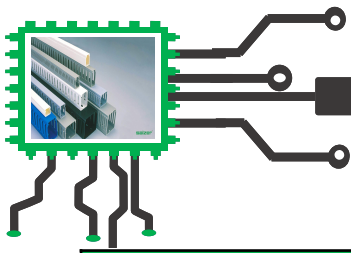


## Q4 FY20



## Q4 FY21





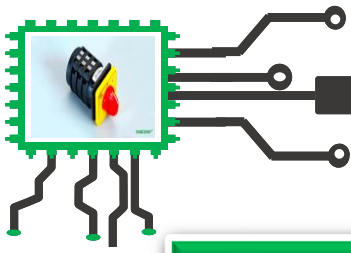
## Annual FY21 Financial Highlights

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Rs. in Crore	FY21	FY20	Y-o-Y %	FY21 (Consl)
<b>Net Revenue</b>	<b>605.62</b>	<b>566.95</b>	<b>6.82%</b>	<b>625.74</b>
Raw Material Expenses	470.39	419.81		481.13
Employee Expenses	24.34	26.40		28.12
Other Expenses	49.10	55.55		53.48
<b>Total Expenditure</b>	<b>543.83</b>	<b>501.76</b>		<b>562.72</b>
<b>EBITDA</b>	<b>61.79</b>	<b>65.19</b>	<b>(5.21%)</b>	<b>63.02</b>
<b>EBITDA Margin (%)</b>	<b>10.20%</b>	<b>11.50%</b>	<b>(130 bps)</b>	<b>10.07%</b>
Other Income	1.99	0.89		2.20
Depreciation	15.61	14.44		16.01
Interest / Finance Cost	21.27	21.17		21.34
Exceptional Item (Gain) / Loss	0.00	0.00		0.15
<b>PBT</b>	<b>26.90</b>	<b>30.47</b>		<b>28.01</b>
Tax	(6.23)	(4.08)		(6.63)
<b>PAT</b>	<b>20.67</b>	<b>26.39</b>	<b>(21.65%)</b>	<b>21.38</b>
<b>PAT Margin (%)</b>	<b>3.41%</b>	<b>4.65%</b>	<b>(124 bps)</b>	<b>3.42%</b>
<b>Basic EPS (Rs.)</b>	<b>12.93</b>	<b>16.51</b>	<b>(21.68%)</b>	<b>12.84</b>

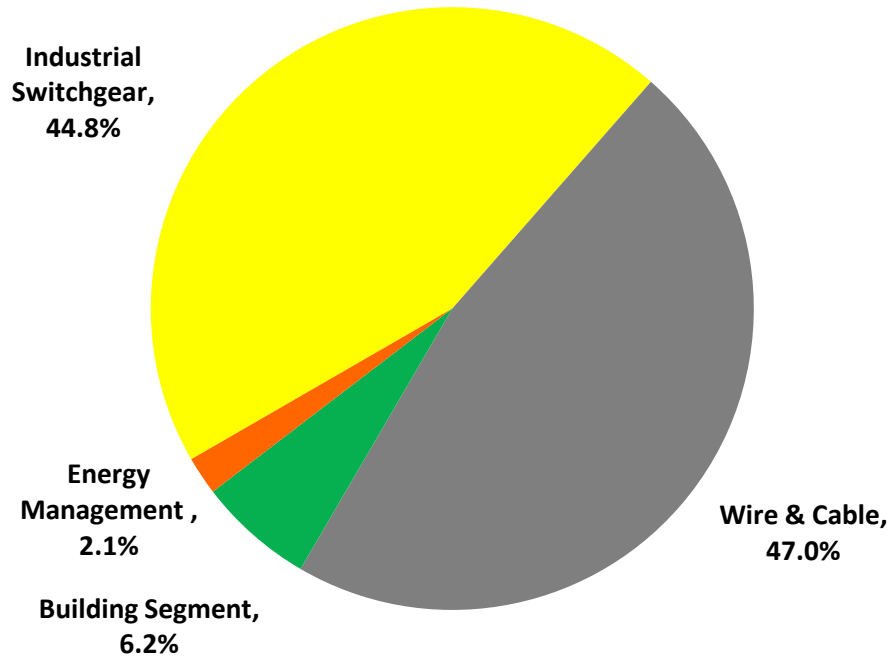
- Revenue growth from revival in demand for wire harness and three-phase transformers, offsetting the COVID-19 impact in first quarter
- Contribution to revenue from exports was **20% in FY21**, with **24.6% YoY growth in export revenue**, mainly on account of higher exports to American markets
- Margins impacted by rise in raw material prices, which are gradually being passed on to customers

Consolidated – on account of acquisition of 74.9% shares of Kaycee Industries

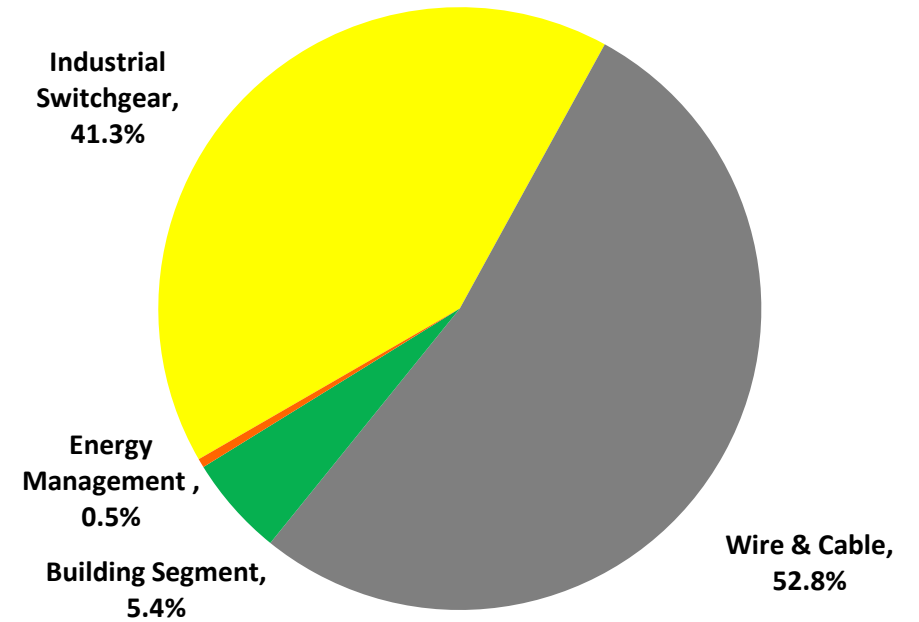


## FY21 Revenue Breakup – Business Division

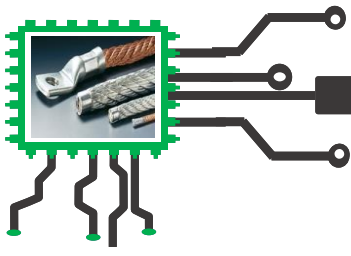
FY20



FY21

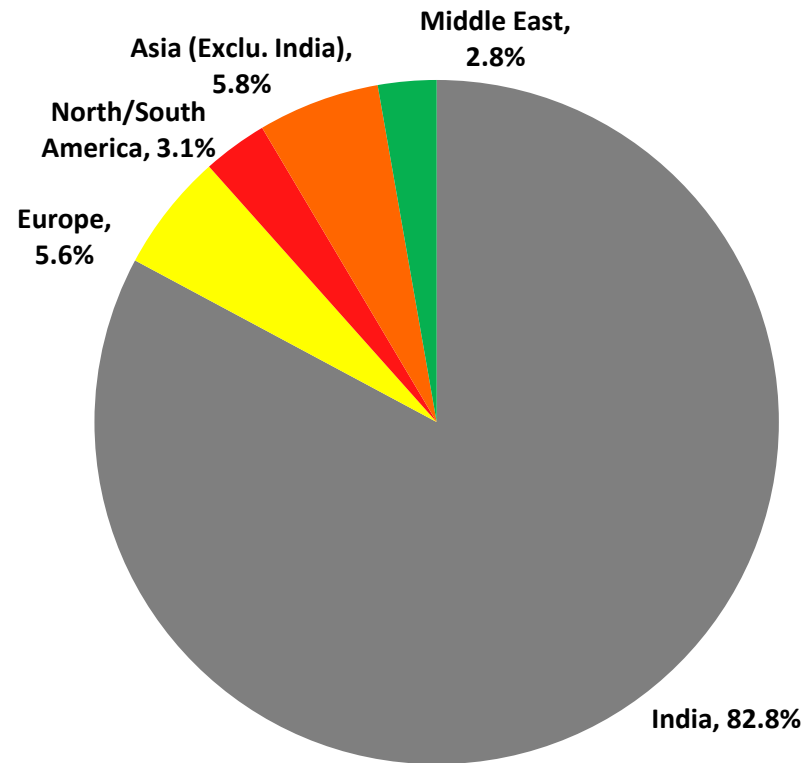


- Industrial Switchgear – 41.3% of total revenues
- Wires & Cables – 52.8% of total revenues
- Buildings Products – 5.4% of total revenues
- Energy Management – 0.5% of total revenue

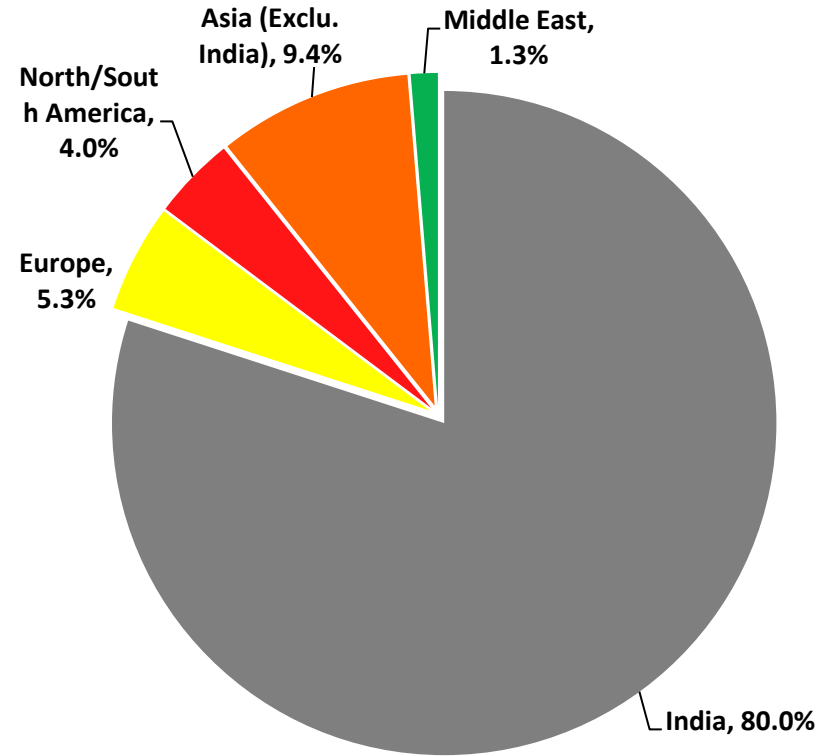


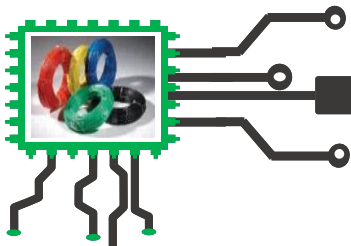
# FY21 Revenue Breakup – Geographical

**FY20**



**FY21**





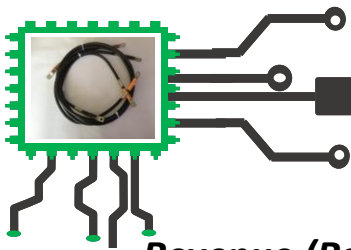
## Balance Sheet as on 31<sup>st</sup> Mar' 21 – Standalone & Consol.

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Rs. Crore	As on 31 <sup>st</sup> Mar' 21	As on 31 <sup>st</sup> Mar' 20	As on 31 <sup>st</sup> Mar' 21*
<b>Shareholder's Funds</b>	<b>331.29</b>	<b>309.38</b>	<b>336.48</b>
Share capital	15.98	15.98	15.98
Other Equity	315.30	293.40	316.44
Non Controlling Interest	0.00	0.00	4.05
<b>Non-current liabilities</b>	<b>35.03</b>	<b>36.85</b>	<b>35.35</b>
<b>Financial Liabilities</b>			
Borrowing	16.27	17.78	16.27
Provisions	0.03	0.59	0.19
Deferred Tax Liabilities (Net)	18.74	18.49	18.64
Other Non-Current Liabilities	0.00	0.00	0.24
<b>Current liabilities</b>	<b>307.91</b>	<b>260.52</b>	<b>313.09</b>
<b>Financial Liabilities</b>			
Borrowing	183.28	155.91	183.28
Trade Payable	58.81	50.40	63.16
Others	4.89	5.01	4.93
Other Current Liabilities	58.27	48.20	58.75
Provisions	1.30	1.01	1.52
Current tax liability (Net)	1.36	0.00	1.45
<b>Total Equities &amp; Liabilities</b>	<b>674.23</b>	<b>606.76</b>	<b>684.91</b>

Rs. Crore	As on 31 <sup>st</sup> Mar' 21	As on 31 <sup>st</sup> Mar' 20	As on 31 <sup>st</sup> Mar' 21*
<b>Non-current assets</b>	<b>260.13</b>	<b>254.53</b>	<b>253.66</b>
Property, Plant & Equipment	206.66	202.37	209.39
Capital WIP	1.35	2.72	1.35
Investments Property	0.01	0.01	0.01
Intangible Assets	4.10	4.28	11.07
FA - Investments	17.26	17.47	0.67
FA - Trade Receivables	11.60	7.33	11.60
FA - Others	17.27	17.78	17.28
Other Non Current Assets	1.89	2.57	2.30
<b>Current assets</b>	<b>414.09</b>	<b>352.23</b>	<b>431.25</b>
Inventories	177.38	157.15	180.99
<b>Financial Assets</b>			
Investments	3.90	2.25	3.90
Trade receivables	178.46	142.57	188.44
Cash & Cash equivalent	4.93	2.22	5.30
Bank Balance other than above	5.57	6.65	8.63
Loans	18.41	24.08	18.41
Other	0.34	0.50	0.34
Other Current Assets	25.10	16.79	25.23
<b>Total Assets</b>	<b>674.23</b>	<b>606.76</b>	<b>684.91</b>

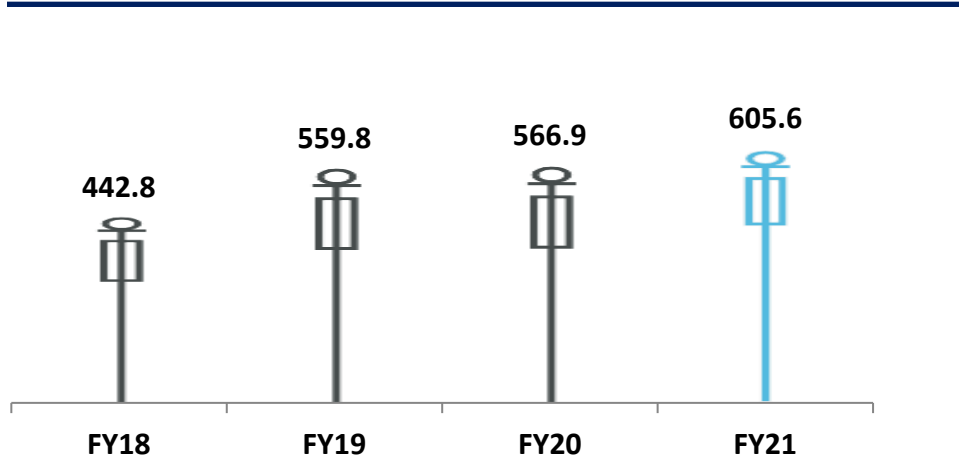
\*Consolidated – on account of acquisition of 74.9% shares of Kaycee Industries



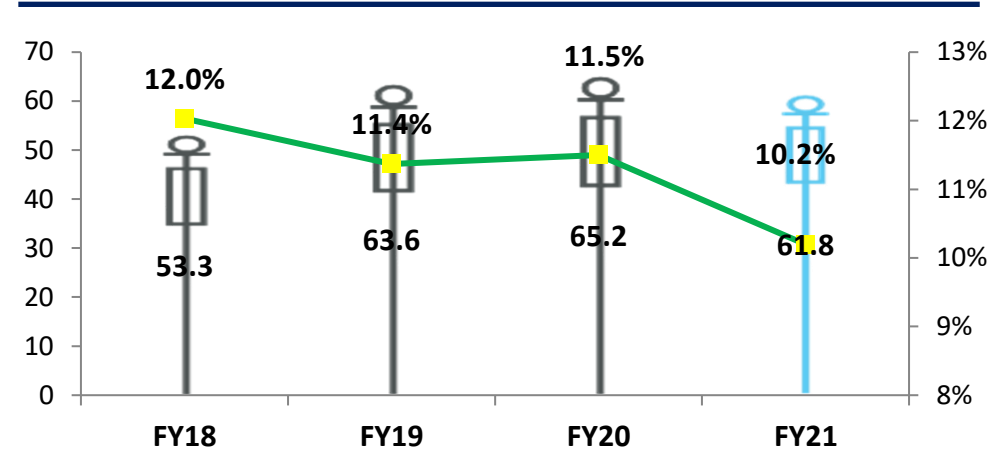
# Key Financial Highlights – Annual



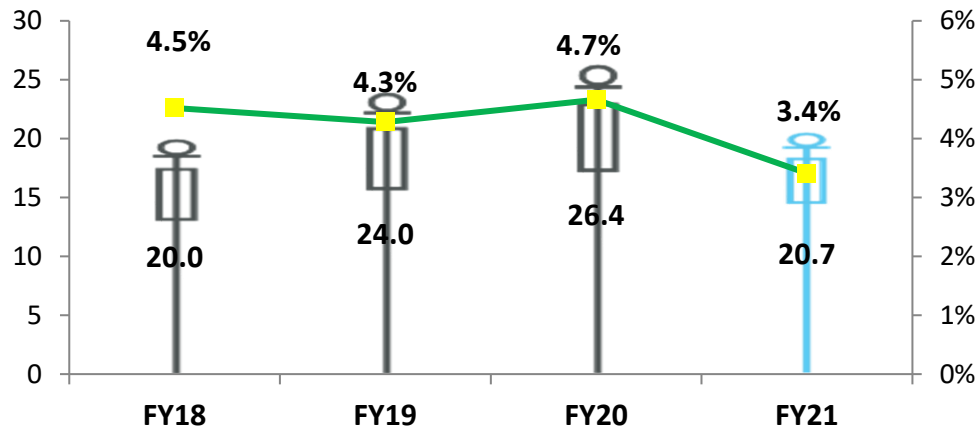
**Revenue (Rs. Crore)**



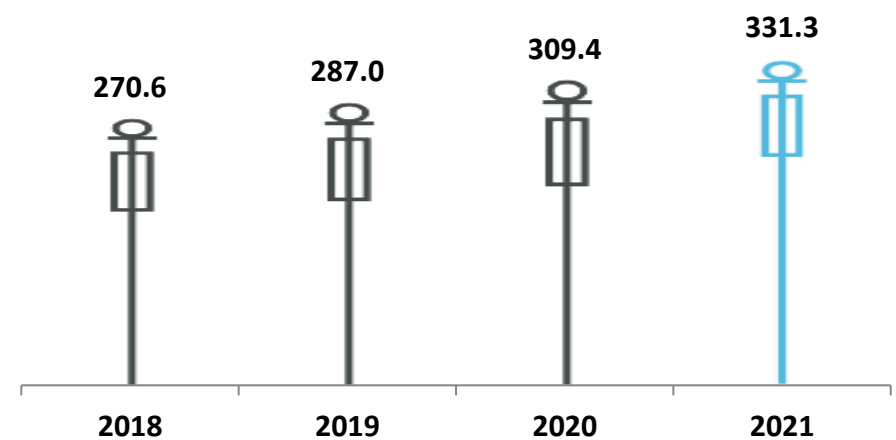
**EBITDA (Rs. Crore) / Margins (%)**



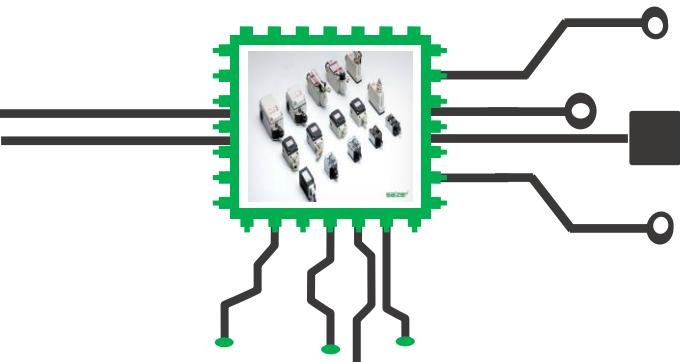
**Net Profit (Rs. Crore)**



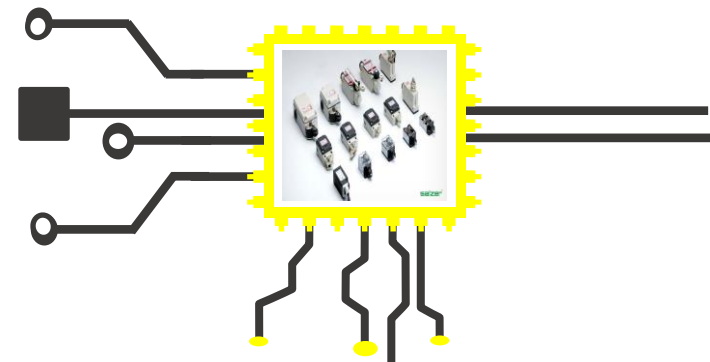
**Networth as on 31<sup>st</sup> March (Rs. Crore)**

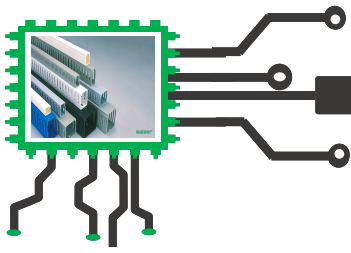


**Board recommends dividend at 16%, subject to shareholders approval**



## Company Overview





## Leading player offering total and customized electrical solutions

- Presence in Industrial Switchgears, Wires & Cables and Energy management business
- Largest manufacturer of Cam Operated Rotary Switches – Market leader with 25% share

## Extensive Product portfolio across verticals with In-house manufacturing facilities

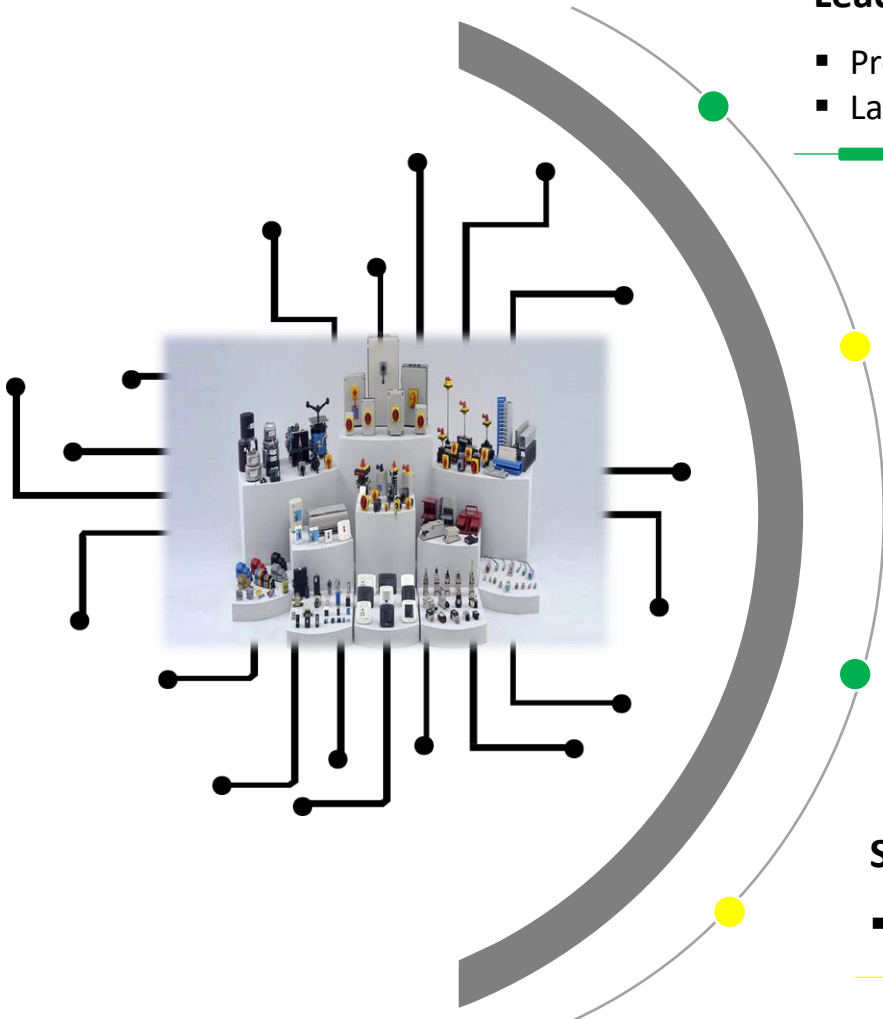
- Five manufacturing units located in Tamil Nadu
- More than 15 products catering to Industrial / Building / Automobile verticals

## Wide Distribution network – local and global

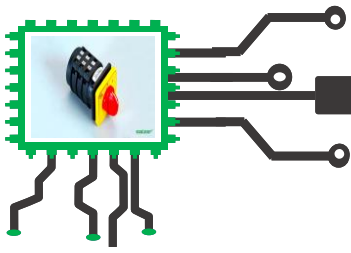
- Own distribution network – local and global – export to 50 countries
- Access to L&T's local network through more than 350 distributors

## Strong focus on product development and innovation

- Registered Patent for Rotary Switches, five product patents in process





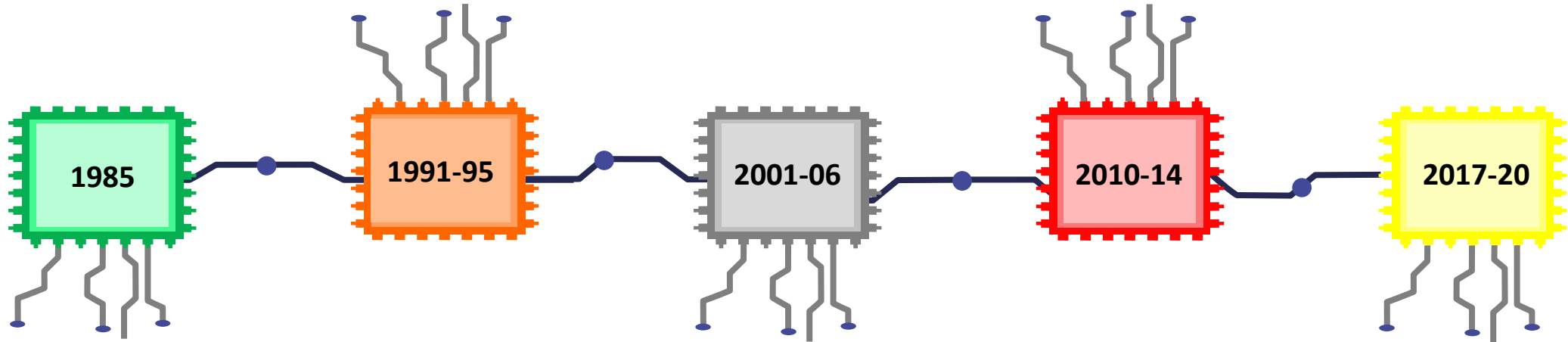


# From a Single Product Company...



- Unit I (Coimbatore) – manufacture contactors, relays, panels, energy savers
- Starting of long term association with L&T
- Technical collaboration with Plitron for manufacture of Toroidal Transformers
- 1st Indian company to bring technology to India

- Leading player offering total and customized electrical solutions
- More than 15 different products
- 2,000 employees
- 5 manufacturing units
- Foray into tailor made products and branding for large customers
- Specialized panels for OEMs

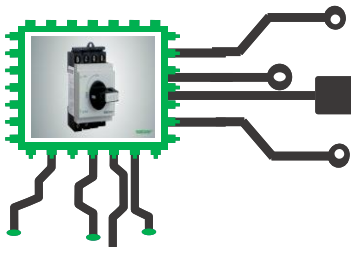


- Established to manufacturer of CAM operated Rotary Switches

- Unit III - manufacture modular switches
- Started manufacturing of Wire & Cable for L&T

- Started commercial production of Three Phase Dry Type Transformers
- Acquired Salzer Magnet Wires
- Upgrade in Credit Rating for long term borrowing to **'CRISIL A/Stable'**
- Acquired Kaycee Industries Ltd.

... to manufacturing multiple products across sectors



## Professional Management

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### **R.Doraiswamy** Managing Director

- Qualified Electrical Engineer and Technocrat Entrepreneur with over 3 decades of experience
- Vast Experience in Foreign Collaboration & wide global contacts

### **D.Rajeshkumar** Joint Managing Director

- Electrical Engineer, India; Post Graduate in Business Management, US
- JMD and CFO of Company - responsible for driving the vision of Company

### **S.Baskarasubramanian** Director-Corporate Affairs & CS

- Qualified Company Secretary & member of FCS India
- Wide experience in company law/ corporate affairs

### **P.Sivakumar** AVP – Marketing Corporate

- Bachelors in Engineering with over 30 years of experience
- Responsible for Sales & Marketing division

### **M Lakshminarayana** VP - Operations

- B.E (Electrical) with 20 years of experience
- Responsible for Production, Planning, Inventory Management, Maintenance & General Administration

### **D.Govindaraj** Sr. Manager-Corp. Accounts & Projects

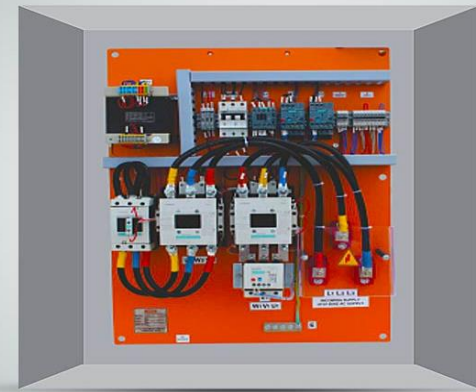
- Masters in Commerce, DLL and DTL with over 30 years of experience
- Responsible for project finance and corporate accounts

### **R Karunakaran** GM - PR & Central Excise

- BSc, Diploma in Marketing Management with over 30 years of experience
- Responsible for GST and Public Relations of Company



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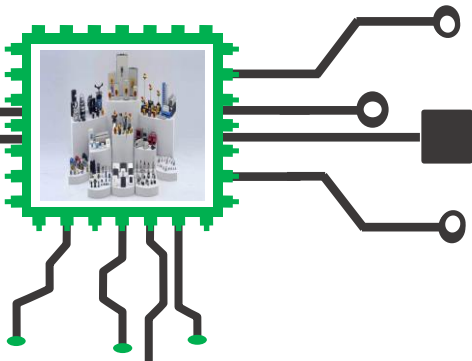
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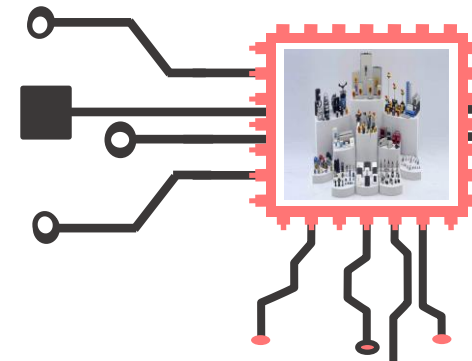
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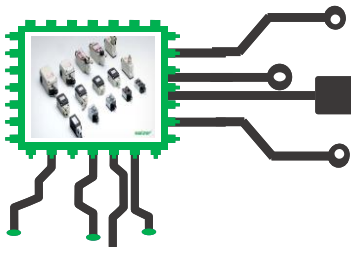


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# Business Overview





## Industrial Switch Gear Products

- Transformers
- Terminal Blocks
- Rotary Switches
- Isolators
- General Purpose relays
- Wiring Ducts
- MPCB's
- Contactors & OLR's
- Control Panels
- Wire Harness



## Building products

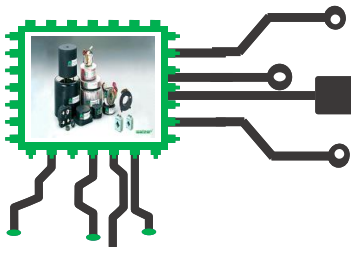
- Modular Switches
- Wires & Cables
- MCB's
- Changeovers

## Copper Products

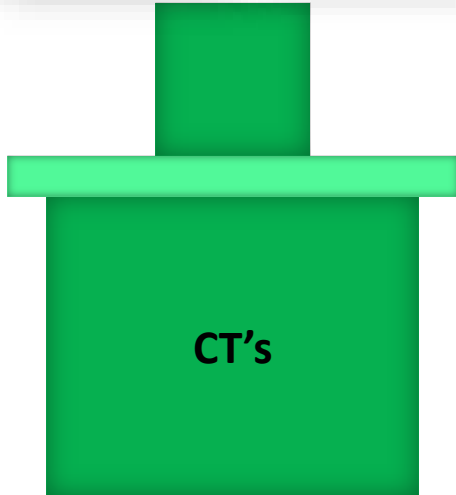
- Wires & Cables
- Flexible Bus Bars
- Enamelled Wires
- Bunched Conductors
- Tinned Copper Wires

## Energy Management products

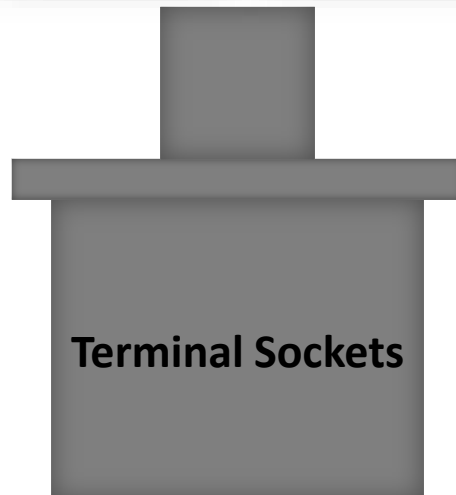
- Energy Savers
- Street Light Controllers



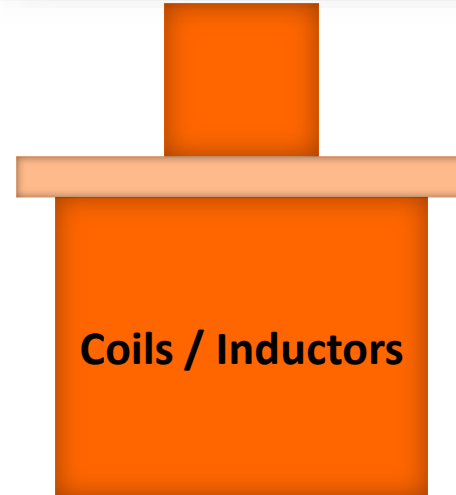
# Wide Product Suite- Customized for OEM's



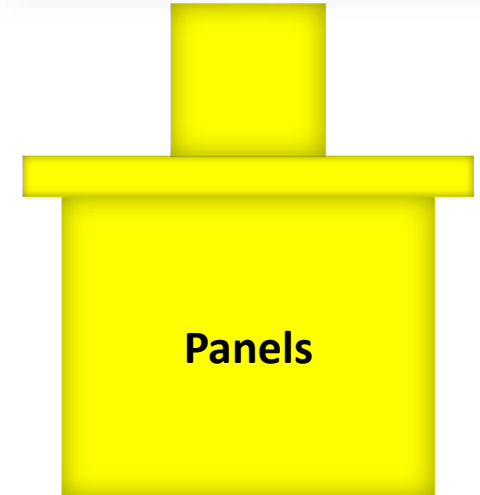
CT's



Terminal Sockets

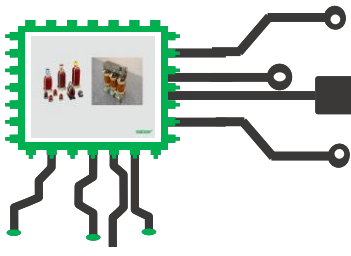


Coils / Inductors



Panels

In-house manufacturing and R&D enables superior customization of products



## Key Strengths

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### Complete Backward Integration

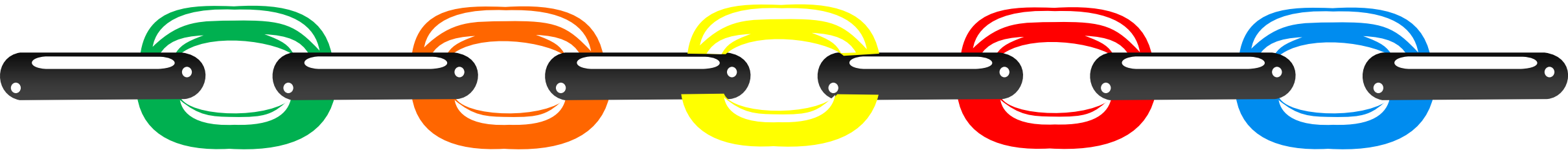
- In-house manufacturing facilities with process capabilities ensures better product development and customization
- Well developed R&D enables continual product innovation

### Strong Customer Relationships

- Strong customer relationships across globe
- Preferred supplier to GE, Schneider and only approved supplier of Nuclear Power Corporation
- Largest supplier of rotary and load break switches to Indian Railways

### Wide Distribution Network

- Wide distribution network – international and domestic
- Tie up with L&T – access to over 350 dealers in India; own network for modular switches with 50 stockist in 4 southern & western states
- Direct network across 50 countries with 40 international distributors

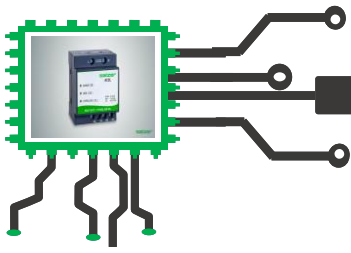


### Wide Product Suite

- Amongst few players in India, to offer total & customized electrical solutions
- Wide product basket – 15 products developed in-house
- Largest manufacturer and market leader in CAM operated rotary switches

### Advanced Engineering Capabilities

- Strong engineering capabilities backed by in-house manufacturing and R&D team
- Technical collaboration with Plitron for Toroidal transformers – 1st company to bring technology to India, Joint Venture with C3Controls for contactors and relays
- Resulting in all products been international certified and universal acceptance



## Five Manufacturing facilities...

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### UNIT 1



- Rotary Switch
- Contactors & Relays
- Panel Assembly
- Lighting Energy Savers
- Automatic Meter Reading
- Three Phase Dry Type Transformers

### UNIT 2



- Toroidal Transformers
- Isolators (Dis-connectors)
- Terminals
- Wiring Ducts
- MPCB
- Wire Harness
- 3 PH Transformers

### UNIT 3



- Wiring Accessories

### UNIT 4

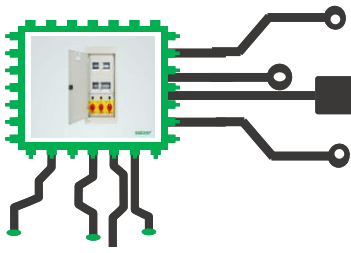


- Wires & Cables
- Flexible Bus Bars
- Bunched Conductors
- Tinned Wires

### UNIT 5



- Enamelled Copper Wires
- Fine Enamelled Copper Wires
- Polyester Coated Winding wires



...With In-house process capabilities...

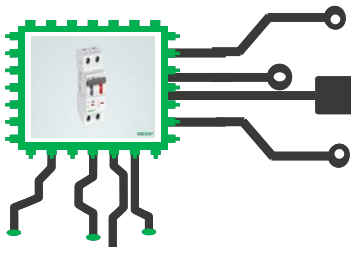
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- Full fledged **Type testing laboratory**
  - Loads up to 500Amps
  - Environmental test chamber for humidity test
  - Salt spray test & all other basic tests as per UL Standards
- **In-house tool room** facility for manufacturing and servicing of Moulds and press tools
  - CNC Wire Cut Machines and Spark erosion machines
  - CNC Machining center, EDM Drilling
  - Conventional machines
  - Latest digital measuring equipment
  - Inspected and certified by GE Tool Division

**More than 80% components made in-house**

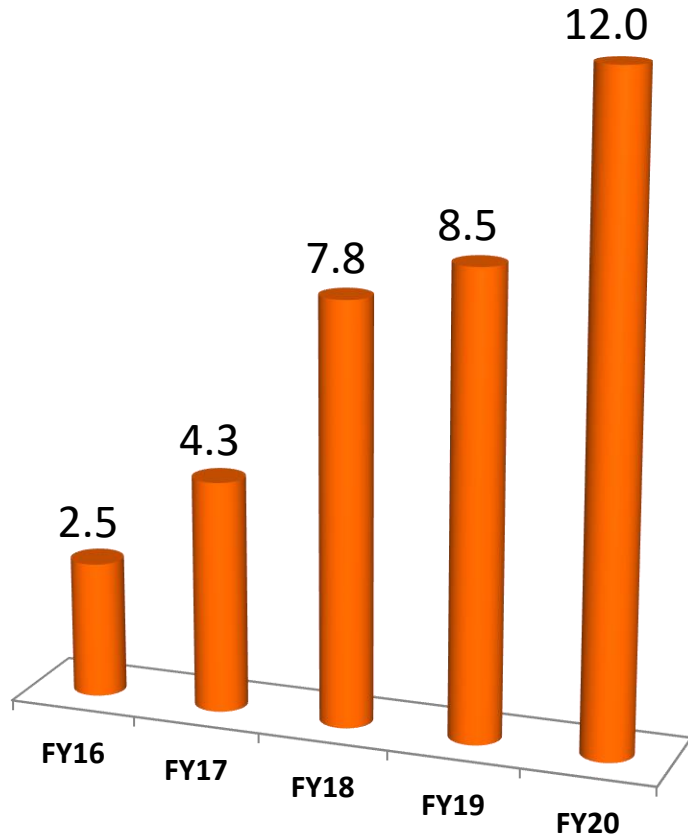




...And a strong R&D team

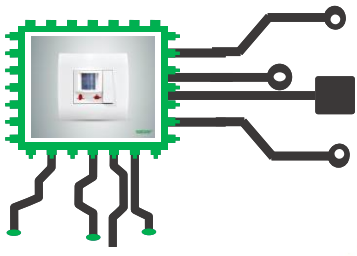
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R&D expenses (Rs crore)



- In-house R&D Center
  - More than 35 engineers
  - Recognized by Department of Science, Govt of India
- Patented Rotary switches
- Five patents in process
  - Manual Single-Phase Starter with no voltage tripping, Energy Saver System for Street Lighting, Integrated ammeter / voltmeter selectro CAM operated rotary switch, Track Feed Battery Change Over System and Fuse Automatic Changeover System
- 1<sup>st</sup> of its kind product in India
  - Designed and manufactured - Load Break Switches, Single Hole Mounting Switches, Halogen Free Cable Ducts, Flat Wire Ducts, Flexible Bus Bars etc

Continuous product innovation



Internationally certified

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ISO 9001



ISO 14001



ISO 18001



CE Certification



UL Certification



CB certification by IE

CB certification



RoHS



Intertek  
Intertek Semko approval

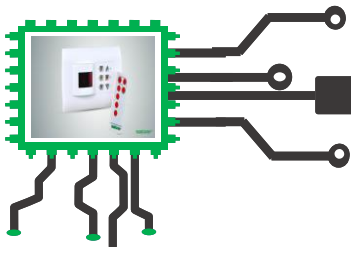


CSA Certification



ISO 16949  
CERTIFIED

... Across entire product portfolio



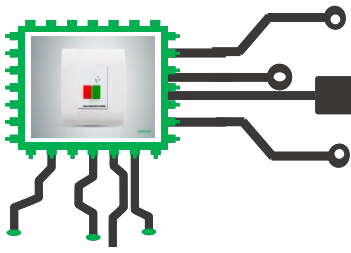
## Blue Chip Customers

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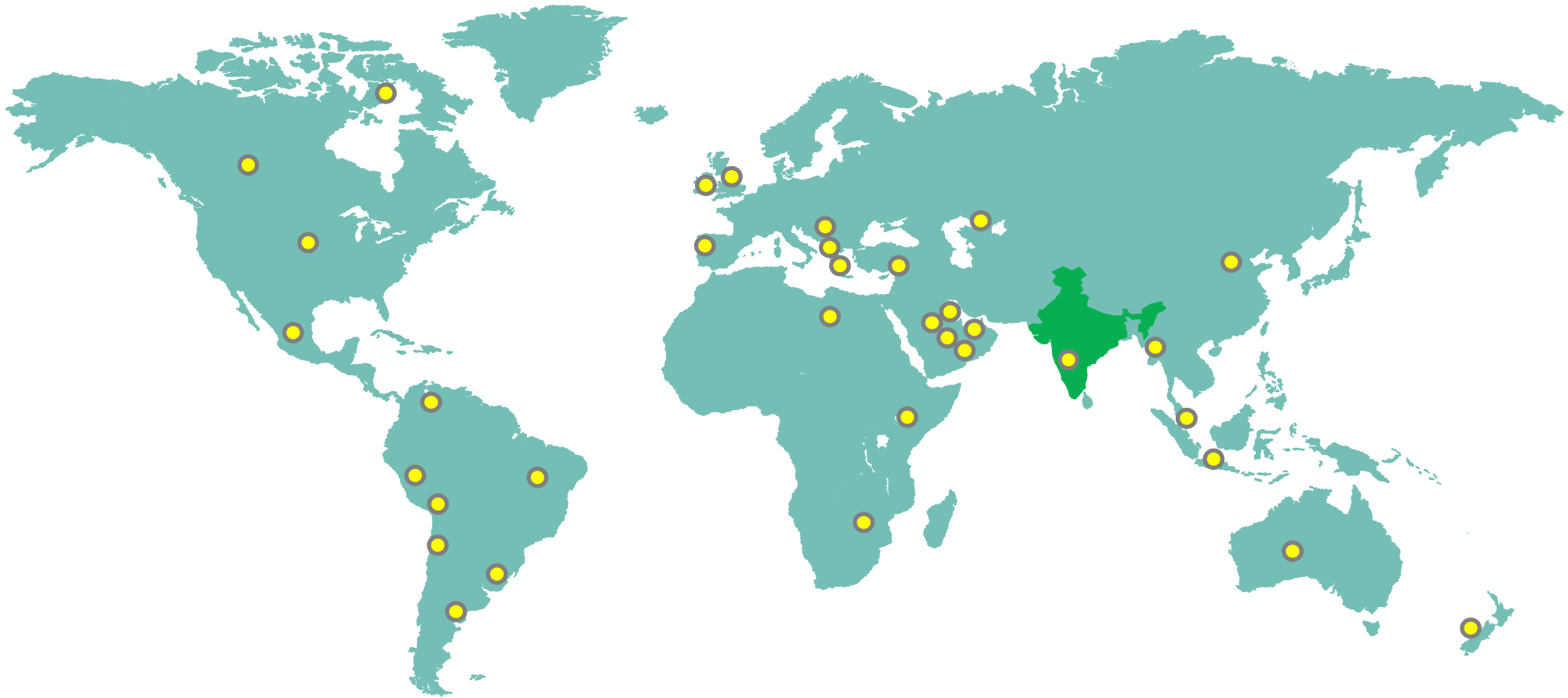
- Marketing Tie-up with L&T for Indian Market
- Largest supplier of rotary switches to Indian Railways
- Branding partner to various large OEM's in India

- Technical Tie-up with American Company C3Controls, to manufacture & market contactors & overload relays
- Technical Tie-up with Trafomodern for Three Phase Transformers
- Preferred supplier to:
  - Nuclear Power Corporation
  - Schneider Electric
  - GE Energy



## Wide Distribution Network

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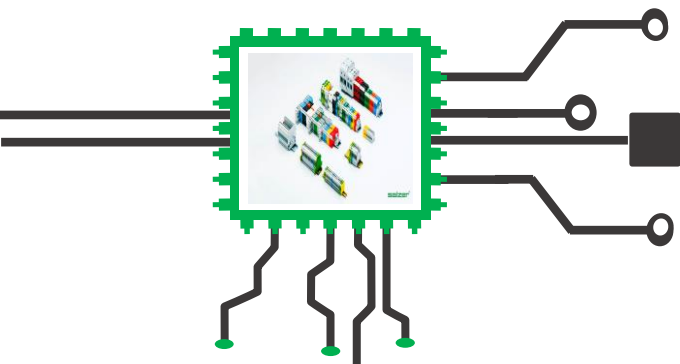
### International

- Direct network across 50 countries
  - 17% of sales from global distribution
  - 40 international distributors
- Plans to expand in US, Africa and Middle east

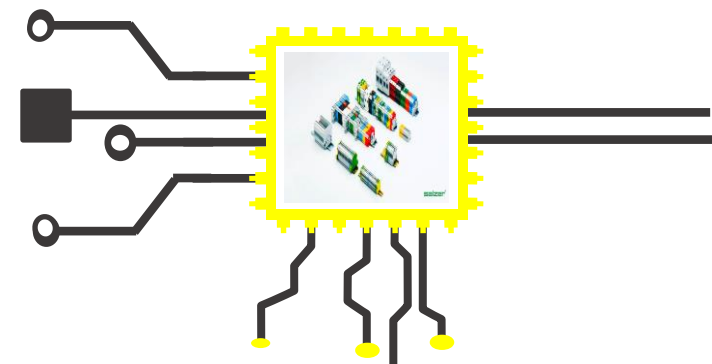
**Direct network  
across 50  
countries**

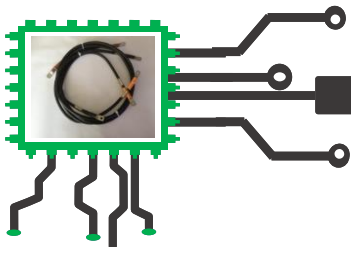
### Domestic

- Tie up with L&T – access to more than 350 dealers in India
- Direct network for Modular Switches – 50 stockists in 4 southern & western states



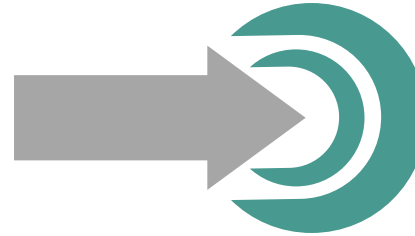
Way Ahead





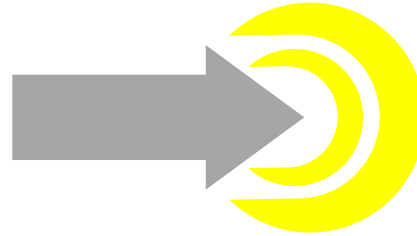
## Way Ahead

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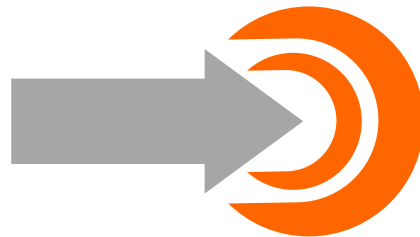
### Operational Excellence

- Consistently executing business strategy and continued focus on improving operating costs by sourcing quality raw materials and efficient manpower



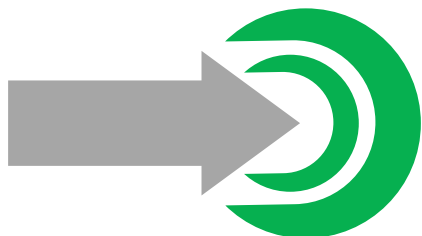
### Venture into new project/ product development

- Look for Technical alliances to develop newer and technically advanced products
- Acquired Kaycee Industries enabling newer product development, entering new ventures and leveraging its brand and distribution network



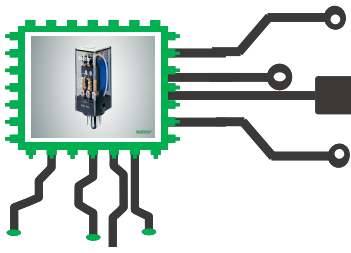
### Focus on margin improvement

- Increase sales of high margin products – existing and new
- Increase exports – fast growing markets of US, Africa and Middle East



### Growth and expansion of existing product verticals

- Constantly develop new products through in-house R&D
- Expand existing product portfolio to newer geographies



Thank You

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For further information, please contact:

Company :

Salzer Electronics Ltd.

Mr. Baskarasubramanian

[baskarasubramanian@salzergroup.com](mailto:baskarasubramanian@salzergroup.com)

[www.salzergroup.net](http://www.salzergroup.net)

Investor Relations Advisors :

Bridge Investor Relations Pvt. Ltd.

Ms. Savli Mangle

[savli@bridge-ir.com](mailto:savli@bridge-ir.com)

Mr. Rahul Trivedi

[rahul@bridge-ir.com](mailto:rahul@bridge-ir.com)

[www.bridge-ir.com](http://www.bridge-ir.com)