

**Media Release**

**Growth in top line reflects Company's steady recovery from COVID-induced slowdown**

**Standalone Q1 FY22 Net Revenue at Rs. 148.98 crore – YoY growth of 55.71% on account of market recovery and good orders in Switchgears business**

**Standalone Q1 FY22 EBITDA at Rs. 14.80 crore – YoY growth of 54.37%**

**Q1 FY22 EBITDA Margin at 9.93%**

**Standalone Q1 FY22 PAT at Rs. 3.95 crore**

**Coimbatore, August 12<sup>th</sup>, 2021:** Salzer Electronics Limited (BSE: 517059, NSE: SALZERELEC), among leading players offering total and customised electrical solutions, announced its unaudited financial results for the first quarter ended 30<sup>th</sup> June 2021.

**Key Financial Highlights Rs. In Crore:**

Particulars	Standalone						Consolidated
	Q1 FY22	Q1 FY21	YoY	FY21	FY20	YoY	Q1 FY22*
Net Revenue	148.98	95.68	55.71%	605.62	566.95	<b>6.82%</b>	152.63
EBITDA (excluding other income)	14.80	9.59	54.37%	61.79	65.19	<b>(5.21%)</b>	14.85
EBITDA Margin	9.93%	10.02%	(9 bps)	10.20%	11.50%	<b>(130 bps)</b>	9.73%
PAT	3.95	0.69	470.64%	20.67	26.39	<b>(21.65%)</b>	3.96
PAT Margin	2.65%	0.72%	195 bps	3.41%	4.65%	<b>(124 bps)</b>	2.59%
Basic EPS (Rs.)	2.47	0.43	474.42%	12.93	16.51	<b>(21.68%)</b>	2.48

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

**Standalone Financial Performance Highlights****For the first quarter ended June 30<sup>th</sup>, 2021:**

- **Net Revenue** in Q1 FY22 was **Rs. 148.98 crore** as against Rs. 95.68 crore in Q1 FY21, **YoY growth of 55.71%**, mainly due to significantly lower sales in last year's first quarter due to the nationwide lockdown. Strong order booking in switchgear segment also complemented growth.
  - ✓ Contribution from **Exports at 24.54%**, highest export during this quarter as against 19.31% in corresponding previous period, driven by higher exports to the Asia, Europe, North and south America, and other regions. Exports **grew at 97.46%** Y-o-Y in Q1 FY22.
- Breakup of revenue:
  - ✓ **Industrial Switchgear – 49.34% of net revenue**
  - ✓ **Wires & Cables – 45.62% of net revenues**
  - ✓ **Buildings Products – 5.04% of net revenues**

- **EBITDA (excluding other income) stood at Rs. 14.80 crore** in Q1 FY22 as against Rs. 9.59 crore in Q1 FY21, **YoY increase of 54.37%**, mainly as a result of higher sales
- **EBITDA Margin for the quarter stood at 9.93%, a decline of 9 bps**, mainly due to two reasons:
  - on account of increase in raw material costs and
  - continued fixed expenses incurred during a staggered lockdown
- **Profit After Tax at Rs. 3.95 crore** in Q1 FY22 as against Rs. 0.69 crore in Q1 FY21

#### Recent Developments:

- **Salzer forays into EV Business through Joint venture named “Salzer Kostad EV Chargers Pvt Ltd” with Austrian Company to manufacture technologically innovative and futuristic products in line with its strategy of product diversification**
  - ✓ Kostad Steuerungsbau GmbH – Specialists in EV chargers & e-charging stations
  - ✓ Salzer to own 26% equity in the Euro 2.00 mn (Rs 18cr) JV company
- **Salzer increases its penetration & presence into EV Business through another JV named “Salzer EMarch E-Mobility Pvt Ltd” to manufacture electric conversion kits for Vehicles**
  - ✓ Specialists in EV Conversion Kits for auto-rickshaws, cars and buses

#### Management Comment:

**Commenting on this, Mr. Rajesh Doraiswamy, Joint Managing Director, Salzer Electronics Ltd said:**

*“As we all are aware, the past year brought headwinds for the economy and overall industry, in the form of the COVID-19 pandemic. The pandemic adversely impacted entire supply chains, logistics and business operations across sectors in India and globally. Several regions in India are still under the impact of the second wave of this pandemic. Initial months were most affected by the lockdown but over the last two quarters, we have seen gradual recovery as markets are slowly opening in India and abroad.*

*I am happy to say that our Company has shown tremendous resilience and sustained through this tough period, even as we reopened gradually with partial capacities. We even conducted a vaccination drive for all our employees in April-May 2021.*

*During the first quarter of the financial year, we registered a revenue of Rs. 148.98 crores with EBITDA and PAT of Rs. 14.80 crore and Rs. 3.95 crore, respectively. First quarter performance was good with growth coming in from industrial switchgear products and export markets mainly the US. One of the challenges which remains is the input material price increase. The lag between the passing off input costs to customers, coupled with fixed expenses during the lockdown period has impacted margins slightly.*

*In line with our strategy to diversify into new innovative product lines, we have recently entered into two Joint Ventures in the electric vehicles (EV) industry. One is a technical alliance with Kostad Steuerungsbau GmbH, an Austria-based specialist in EV FAST chargers and the second one is with EMarch LLP – an India based technology firm which has IP for Electric Conversion Kits for Auto rickshaws, Cars, and buses. We expect these alliances to help us capitalize on the high-growth-potential sector of EVs, as more and more countries encourage the adoption of EVs.*

*Moreover, as the dealer and retail markets pick 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.”*

## About Salzer Electronics

- Salzer is a Leading player offering Total and Customized Electrical Solutions in Switchgears, Wires & Cables and Energy Management business. It is the largest manufacturer of CAM Operated Rotary switches & Wire Ducts in India. The Company caters to a wide range of products with four in-house manufacturing facilities, located in Coimbatore.
- The Company has a wide distribution network locally and globally, exporting to many countries. In India, Salzer markets its products through its own distributors and more than 350 local distributors of L&T. The Company has a strong R&D team that focuses on developing and commercializing the technologies of the products, and as a result, can offer total customized electrical solutions to its customers.

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