

## Media Release

**Strong quarterly growth, reflecting Company's resilience despite a sluggish domestic market**

**Q3 FY21 standalone Net Revenue at Rs. 170.44 crore, growth of 26.5% YoY, mainly on account of increase in sales of wire harness product & higher sales in wires & cables business division**

**Q3 FY21 Standalone EBITDA at Rs. 17.28 crore – YoY growth of 3.4%, driven by revenue growth and operational efficiencies**

**Standalone Q3 FY21 EBITDA Margin at 10.14%**

**Standalone Q3 FY21 PAT at Rs. 6.41 crore, YoY growth of 16.38%**

**Coimbatore, February 4<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 third quarter and nine months ended 31<sup>st</sup> December 2020.

### Key Financial Highlights Rs. In Crore:

Particulars	Standalone						Consolidated
	Q3 FY21	Q3 FY20	YoY	9M FY21	9M FY20	YoY	9M FY21*
Net Revenue	170.44	134.71	26.52%	415.93	434.65	(4.31%)	430.34
EBITDA (excluding other income)	17.28	16.71	3.43%	45.63	50.89	(10.34%)	46.32
EBITDA Margin	10.14%	12.40%	(226 bps)	10.97%	11.71%	(74 bps)	10.76%
PAT	6.41	5.51	16.38%	13.69	17.25	(20.65%)	14.03
PAT Margin	3.76%	4.09%	(33 bps)	3.29%	3.97%	(68 bps)	3.26%
Basic EPS (Rs.)	4.01	3.44	16.57%	8.56	10.79	(20.67%)	8.78

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

### Standalone Financial Performance Highlights

For the third quarter ended December 31<sup>st</sup>, 2020:

- **Net Revenue** in Q3 FY21, **Rs. 170.44 crore** as against Rs. 134.71 crore in Q3 FY20, **YoY growth of 26.5%**, mainly on account of increase in sales of our wires and cables business division as well as higher sales of our wire harnesses products in our industrial switch gear division.
  - ✓ Contribution from **Exports at 18.08%**, driven by higher exports to the US and Europe. Exports **grew at 11.5%** Y-o-Y in Q3 FY21.
- Breakup of revenue:
  - ✓ **Industrial Switchgear – 38.83%** of net revenues
  - ✓ **Wires & Cables – 55.86%** of net revenues

- ✓ **Buildings Products – 5.32% of net revenues**
- **EBITDA (excluding other income) stood at Rs. 17.28 crore** in Q3 FY21 as against Rs. 16.71 crore in Q3 FY20, **YoY increase of 3.43%**, on account of reduction in employee cost and other expenses
- **EBITDA Margin for the quarter stood at 10.14%, declined by 226 bps** on account of higher contribution from the wires & cables division.
- **Profit After Tax at Rs. 6.41 crore** in Q3 FY21 as against Rs. 5.51 crore in Q3 FY20, **YoY growth of 16.38%**

#### For the nine months ended December 31<sup>st</sup>, 2020:

- **Net Revenue** in 9M FY21, **Rs. 415.93** as against Rs. 434.65 crore in 9M FY20, **YoY decline of 4.31%** on account of nationwide lockdown during the first quarter of the financial year
  - ✓ Contribution from **exports was 20% in 9M FY21**, as against 16.87% in 9M FY20, mainly on account of higher exports to European and US markets. **Exports grew at 14% Y-o-Y** for 9M FY21.
- Breakup of revenue for the Electrical Installation Products:
  - ✓ **Industrial Switchgear – 41.33% of total revenues**
  - ✓ **Wires & Cables – 53% of total revenues**
  - ✓ **Buildings Products – 4.98% of total revenues**
  - ✓ **Energy Management – 0.70% of total revenue**
- **EBITDA (excluding other income) stood at Rs. 45.63 crore** in 9M FY21 as against Rs. 50.89 crore in 9M FY20, **YoY decline of 10.34%**, mainly on account of lower sales due to lockdown in Q1.
- **9M FY21 EBITDA Margin at 10.97%**, YoY decline of 74 bps, mainly due to the mix of sales, where Wire & Cable contribution is at 53% as against 47% last year, which has led to lower EBITDA Margins
- **Profit After Tax was at Rs. 13.69 crore** in 9M FY21 as against Rs. 17.25 crore in 9M FY20

#### Management Comment:

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

*“I am happy to share that our third quarter performance has been in line with expectations and marks our continued & sustained recovery from the Pandemic-induced slowdown. In the third quarter of this financial year, we registered a 26.5% Y-o-Y growth in revenue at Rs. 170.4 crores, while EBITDA and PAT were Rs. 17.3 crore and Rs. 6.4 crore respectively, having grown 3.4% and 16.4% year-on-year, respectively. The performance in the nine-month period has been impacted due to lockdown on account of Covid-19 in the first quarter and low demand across the domestic market. However, the*

*third quarter performance was good with growth coming in from wire harness product and export markets of US and Europe. The only Challenge remains is the input material price increase. The lag between the passing off of input costs to customers will have bearing on the margins.*

*With the markets gradually opening up and business regaining momentum, we expect to maintain our growth trajectory with our robust product offerings and strong brand position in the market. Overall, we remain committed to our set agenda of delivering sustainable growth and expect to match our last year's business performance, though our internal target is to demonstrate growth this year and hope to achieve the same. I thank all our stakeholders for their continued support and faith in our Company."*

### **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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