

## Media Release

**Robust growth in volumes from higher demand for switchgear products**

**New products in Industrial switchgear – 3-phase dry type transformers & wire harnesses have grown 41% & 92% respectively, Y-o-Y**

**Standalone Q3 FY22 Net Revenue at Rs. 211.82 crore – YoY growth of 24.28%**

**Standalone Q3 FY22 PAT at Rs. 7.25 crore – YoY growth of 13.21%**

**Coimbatore, February 7<sup>th</sup> 2022:** Salzer Electronics Limited (BSE: 517059, NSE: SALZERELEC), a capital goods engineering Company offering total and customised electrical solutions, announced its unaudited financial results for the Third quarter and Nine Months ended 31st December 2021.

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

Particulars	Standalone						Consolidated
	Q3 FY22	Q3 FY21	YoY	9M FY22	9M FY21	YoY	Q3 FY22*
Net Revenue	211.82	170.44	<b>24.28%</b>	555.61	415.93	<b>33.58%</b>	218.82
EBITDA (excluding other income)	17.68	17.28	<b>2.34%</b>	50.90	45.62	<b>11.57%</b>	18.40
EBITDA Margin	8.35%	10.14%	<b>(179 bps)</b>	9.16%	10.97%	<b>(181 bps)</b>	8.41%
PAT	7.25	6.40	<b>13.21%</b>	18.67	13.68	<b>36.49%</b>	7.65
PAT Margin	3.42%	3.76%	<b>(34 bps)</b>	3.36%	3.29%	<b>7 bps)</b>	3.49%
Basic EPS (Rs.)	4.53	4.01	<b>12.97%</b>	11.67	8.56	<b>36.33%</b>	4.78

**\*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>, 2021:**

- **Net Revenue** in Q3 FY22 was **Rs. 211.82 crore** as against Rs. 170.44 crore in Q3 FY21, **YoY growth of 24.28%, (20% Volume Growth and 5% Price growth)**. Growth was on account of rise in key businesses mainly due to very good order inflow across sectors for all switchgear products, especially wire harness and 3- phase dry type transformers
  - ✓ Contribution from **Exports at 22.10%**, export revenue grew 51.56% YoY in Q3 FY22, driven by higher exports to the Americas, Middle East, Africa and Europe.
- Breakup of revenue:
  - ✓ **Industrial Switchgear – 49.55% of net revenue**
  - ✓ **Wires & Cables – 43.62% of net revenues**
  - ✓ **Buildings Products – 6.83% of net revenues**
- **EBITDA (excluding other income)** was maintained at **Rs. 17.68 crore** in Q3 FY22 as against Rs.

17.28 crore in Q3 FY21

- **EBITDA Margin for the quarter stood at 8.35%, a decline of 179 bps**, mainly due to Raw material prices continuing to increase, coupled with power and freight costs. However, Company is slowly passing on price increase to end customers.
- **Profit After Tax at Rs. 7.25 crore** in Q3 FY22 as against Rs. 6.40 crore in Q3 FY21, YoY growth of 13.21%

#### For the nine months ended December 31st, 2021:

- ✓ **Net Revenue** in 9M FY22, **Rs. 555.61** crore as against Rs. 415.93 crore in 9M FY21, **YoY growth of 33.58%** due to strong demand for industrial switchgear products, particularly wire harness
- ✓ Contribution from **exports was 24.46% in 9M FY22**, as against 20.00% in 9M FY21, mainly on account of higher exports to European, American and Asia markets
- Breakup of revenue for the Electrical Installation Products:
  - ✓ **Industrial Switchgear – 51.12% of total revenues**,
  - ✓ **Wires & Cables – 42.66% of total revenues**
  - ✓ **Buildings Products – 6.22% of total revenues**
  - ✓ **Energy Management – 0% of total revenue**. This is an order book driven business and increase in revenues have been due to in AMC
- **EBITDA (excluding other income) stood at Rs. 50.90 crore** in 9M FY22 as against Rs. 45.62 crore in 9M FY21, **YoY growth of 11.57%**, mainly driven by higher sales during this period
- **9M FY22 EBITDA Margin at 9.16%**, YoY decrease of 181 bps, on account of continuous rise in raw material prices, faster than price hike of finished goods
- **Profit After Tax was at Rs. 18.67 crore** in 9M FY22 as against Rs. 13.68 crore in 9M FY21, **YoY growth of 36.49%**

#### Management Comment:

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

*“The impacts of the third wave of the pandemic are subsiding now, as markets in India and abroad are recovering from the slowdown. We are witnessing a steady growth in demand and an increasing good orderbook, from both domestic as well as export markets.*

*During the third quarter of the financial year, we registered a revenue of Rs. 211.82 crores with EBITDA and PAT of Rs. 17.68 crore and Rs. 7.25 crore, respectively. This growth coming in was primarily from industrial switchgear products, especially wire harness products. Continued volatility in raw material prices, substantial Freight cost Increase has offset our price hikes and impacted margins. We are slowly passing on these hikes to our customers in time. However, going forward, we expect raw material prices to stabilize now and margins to improve slightly.*

*On another note, our recent joint ventures to enter the electric vehicles space are both on track. We are excited about this line of business as it is a high growth potential vertical, and we have strong technical alliances in the form of these JVs to get an early start in the market.*

*Moreover, as the dealer and retail markets continue to gain momentum, and domestic as well as international markets are showing recovery, we expect to maintain our growth trajectory with our strong product offerings and brand position in the market. For the full year, we are cautiously optimistic about the overall business performance based on visibility from customers.*

*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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