



SALZER ELECTRONICS LTD

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February 10, 2023

To

THE CORPORATE RELATIONSHIP DEPT
BSE Limited
I Floor, New Trading Ring,
Rotunda Building,
P.J.Towers, Dalal Street,
Fort, Mumbai - 400 001.

M/s. National Stock Exchange of India Ltd.,
Exchange Plaza, C-1, Block G,
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Bandra (E), Mumbai – 400 051
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SCRIP CODE: 517059

Symbol: **SALZERELEC**

Dear Sir,

Sub: Intimation under Regulation 30 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”)

Pursuant to Regulation 30 of the SEBI Listing Regulations, please find attached a press release on the Unaudited Financial Results of the Company for the quarter and nine months ended 31 December 2022.

The above is for your information, records and dissemination please.

Thanking you
Yours Faithfully
For SALZER ELECTRONICS LTD

S.BASKARASUBRAMANIAN
DIRECTOR (CORPORATE AFFAIRS)
& COMPANY SECRETARY
(DIN :00003152 & FCS:4605)

Encl : As above

Salzer Electronics reports strong results for the quarter ended 31st December, 2022

- **Robust 13.3% YoY growth in Standalone quarterly revenue - driven by in 32.6% YoY growth in Industrial Switchgear and 25.4% YoY growth in Building Electrical businesses**
- **Growth driven by high demand products -Toroidal Transformers, Three phase Transformers, LAN Cables, and Sensors & MCBs**
- **Standalone Q3 FY23 EBITDA (excluding other income) at Rs. 23.74 crore – YoY growth of 34.30%**
- **Q3 FY23 EBITDA Margin at 9.90% - YoY growth of 155 bps**
- **Standalone Q3 FY23 PAT at Rs. 9.67 crore - YoY growth of 33.49%**

Particulars	Standalone						Consolidated
	Q3 FY23	Q3 FY22	YoY	9M FY23	9M FY22	YoY	Q3 FY23*
Net Revenue	239.95	211.83	13.27%	717.96	555.61	29.22%	245.60
EBITDA (excluding other income)	23.74	17.68	34.30%	67.84	50.89	33.30%	24.90
EBITDA Margin	9.90%	8.35%	155 bps	9.45%	9.16%	29 bps	10.14%
PAT	9.67	7.25	33.49%	27.41	18.66	46.90%	10.52
PAT Margin	4.03%	3.42%	61 bps	3.82%	3.36%	46 bps	4.28%
Basic EPS (Rs.)	6.05	4.53	33.55%	17.15	11.67	46.96%	6.45

Coimbatore, February 10th, 2023: 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 2022.

Standalone Financial Performance Highlights

For the Third quarter ended December 31st, 2022:

- **Net Revenue** in Q3 FY23 was **Rs. 239.95 crore** as against Rs. 211.83 crore in Q3 FY22, **YoY growth of 13.27%**. This growth was driven by higher demand for Industrial switchgear as well as Building products.
- ✓ Contribution from **Exports at 28.34%**, export revenue grew 45.6% YoY in Q3 FY23, driven by higher exports to Middle East Africa, North and South America including Brazil, Argentina and Chile
- **EBITDA (excluding other income) was Rs. 23.74 crore** in Q3 FY23 as against Rs. 17.68 crore in Q3 FY22, **YoY growth of 34.30%** on account of increased sales in the Switchgear business despite slowdown in industry
- **EBITDA Margin for the quarter stood at 9.90%, rise of 155 bps**, mainly on account of increase in sales from higher margin industrial switchgear products
- **Profit After Tax at Rs. 9.67 crore** in Q3 FY23 as against Rs. 7.25 crore in Q3 FY22, **YoY growth of 33.49%**

For the Nine months ended December 31st, 2022:

- **Net Revenue** in 9M FY23, **Rs. 717.96** crore as against Rs. 555.61 crore in 9M FY22, **YoY growth of 29.22%**, driven by businesses of Industrial switchgear and Building products
- ✓ Contribution from **exports was 24.88% in 9M FY23**
- **EBITDA (excluding other income) stood at Rs. 67.84 crore** in 9M FY23 as against Rs. 50.89 crore in 9M FY22, **YoY growth of 33.30%**, mainly on account of higher sales during the Nine Months
- **EBITDA Margin at 9.45%**, YoY increase of 29 bps
- **Profit After Tax was at Rs. 27.41 crore** in 9M FY23 as against Rs. 18.66 crore in 9M FY22, **YoY growth of 46.90%**
- **PAT Margin at 3.82%** in 9M FY23 as against 3.36% in 9M FY22, **YoY increase of 46 bps**

Q3 & 9M FY23 performance highlights of the key businesses of Salzer Electronics Limited:

Industrial Switch Gear Division:

- Industrial Switchgear business division comprises of mid voltage products such as Transformers, Terminal Blocks, Rotary Switches, Isolators, General Purpose relays, Wiring Ducts, MPCB's, Contactors & OLR's, Control Panels, Wire Harness. This division offers around 10 products that are all internationally certified
- This business contributed 57.86% to the total revenues in this quarter and 54.72% in the nine months
- The EBIDTA Margin in this business was 12.82% in Q3 FY23 and 12.14% in 9M FY23. Q3FY23 saw an YoY improvement of 277 bps

Wire & Cables Division:

- Wires & Cables business division comprises of mid voltage products such Wires & Cables, Flexible Bus Bars, Enamelled Wires, Bunched Conductors and Tinned Copper Wires
- This business division contributed 34.60% to the total revenues this quarter and 37.45% in the Nine Months. The division revenues declined 9.9% YoY in Q3FY23, mainly on account of a slowdown in the agri segment leading to lower volume sales. High inflation led to lower spending in rural markets leading to de-growth in this segment. However wires & cables grew 13.5% YoY in 9M FY23
- This Division's EBIDTA Margin stood at 6.56% in Q3 FY23, decline of 74 bps YoY due to lower sales and increased volatility in copper prices

Building Products Division:

- Building Products division comprises of mid voltage products such Modular Switches, Wires & Cables, MCB's and Changeovers
- This division contributed 7.54% to the total revenue in this quarter and 7.83% in nine months. The

EBITDA Margin of this business division was 2.65% in Q3 FY23 and 2.69% in 9M FY23

Energy Management Division:

- Energy Management Division is a tender driven business that offers products such as Energy Saves and Street Light Controllers
- During the quarter, the Company did not receive any new order from the Government as there were no tenders issued during this period

Recent Developments:

- **Set up a new manufacturing rented facility with 8 acres of land strategically located in Hosur, Tamil Nadu**
 - ✓ First phase of commercial production expected to commence in March 2023 where the Company will use 15,000 sq. ft of land and balance in the second phase
 - ✓ Plant to manufacture high demand products like Wire Harnesses and Toroidal Transformers in the first phase
 - ✓ Initial investment cost of Rs. 15 Cr – through internal accruals

Management Comment:

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

“Our third quarter performance has been in line with our expectations. Despite, a tepid demand, we witnessed a good traction in our Industrial switchgear and Building products. I am happy to share that we continue to see a substantially higher demand in many key products from these two business divisions. To cater to this strong demand, we recently set up a new manufacturing rented facility strategically located in Hosur, Tamil Nadu to manufacture high demand products like Wire Harnesses and Toroidal Transformers.

During the Third quarter and Nine Months year ended of the financial year, we registered a revenue of Rs. 239.95 crores with EBITDA (excluding other income) and PAT of Rs. 23.74 crore and Rs. 9.67 crore, respectively.

Our raw material prices have begun to stabilize and we are seeing the benefits of our price hikes in the form of better margins year on year as well as quarter on quarter. We also expect to reduce raw material consumption in coming quarters.

Going ahead, we expect to maintain our growth trajectory combined with strong product offerings and brand position in the market. Based on the domestic and export outlook, we are optimistic on our overall business performance.

I thank the entire team at Salzer Electronics for their untiring efforts and all our stakeholders for their continued support and faith in our Company.”

About Salzer Electronics Limited

- 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.

For further information, please contact:

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Caution Concerning Forward- Looking Statements:

This document includes certain forward-looking statements. These statements are based on management's current expectations or beliefs and are subject to uncertainty and changes in circumstances. Actual results may vary materially from those expressed or implied by the statements herein due to changes in economic, business, competitive, technological and/or regulatory factors. The Company is under no obligation to, and expressly disclaims any such obligation to, update or alter its forward-looking statements, whether as a result of new information, future events, or otherwise.