

Media Release

Strong quarterly growth in top line, reflecting Company's resilience despite a sluggish domestic market

Revenue mainly driven by exports & New business

FY21 standalone Net Revenue at Rs. 605.62 crore, growth of 6.82% YoY, growth mainly on account of higher sales of wire harness product & increased sales in wires & cables business

FY21 Standalone EBITDA at Rs. 61.79 crore

Standalone FY21 PAT at Rs. 20.67 crore

Board recommends dividend at 16%

Coimbatore, June 15th, 2021: Salzer Electronics Limited (BSE: 517059, NSE: SALZERELEC), among leading players offering total and customised electrical solutions, announced its audited financial results for the fourth quarter and year ended 31st March 2021.

Key Financial Highlights Rs. In Crore:

Particulars	Standalone						Consolidated
	Q4 FY21	Q4 FY20	YoY	FY21	FY20	YoY	FY21*
Net Revenue	189.69	132.30	43.38%	605.62	566.95	6.82%	625.74
EBITDA (excluding other income)	16.16	14.30	13.05%	61.79	65.19	(5.21%)	63.02
EBITDA Margin	8.52%	10.81%	(229 bps)	10.20%	11.50%	(130 bps)	10.07%
PAT	6.99	9.14	(23.53%)	20.67	26.39	(21.65%)	21.38
PAT Margin	3.68%	6.91%	(323 bps)	3.41%	4.65%	(124 bps)	3.42%
Basic EPS (Rs.)	4.37	5.72	(23.60%)	12.93	16.51	(21.68%)	12.84

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

Standalone Financial Performance Highlights**For the fourth quarter ended March 31st, 2021:**

- **Net Revenue** in Q4 FY21 was **Rs. 189.69 crore** as against Rs. 132.30 crore in Q4 FY20, **YoY growth of 43.38%**, mainly on account of higher sales from our wires and cables business division as well as increase in sales of our wire harnesses products in our industrial switch gear division.
 - ✓ Contribution from **Exports at 20.01%**, driven by higher exports to the middle east, Africa and other regions. Exports **grew at 57.22%** Y-o-Y in Q4 FY21.
- Breakup of revenue:
 - ✓ **Industrial Switchgear – 41.31% of net revenues**

- ✓ **Wires & Cables – 52.46% of net revenues**
- ✓ **Buildings Products – 6.23% of net revenues**

- **EBITDA (excluding other income) stood at Rs. 16.16 crore** in Q4 FY21 as against Rs. 14.30 crore in Q4 FY20, **YoY increase of 13.05%**, on account of cost control measures undertaken by Company
- **EBITDA Margin for the quarter stood at 8.52%, declining by 229 bps**, mainly due to two reasons:
 - on account of increase in raw material costs and
 - higher contribution from the Wires & Cables division
- **Profit After Tax at Rs. 6.99 crore** in Q4 FY21 as against Rs. 9.14 crore in Q4 FY20

For the year ended March 31st, 2021:

- **Net Revenue** in FY21, **Rs. 605.62** as against Rs. 566.95 crore in FY20, **YoY increase of 6.82%** on account of revival in demand for wire harness product and three phase transformers, which offset the impact of COVID-19 in the first quarter. Increase in exports also boosted top line
 - ✓ Contribution from **exports was 20.00% in FY21**, as against 17.17% in FY20, mainly driven by higher exports to the US and other regions. **Exports grew at 24.56%** Y-o-Y for FY21.
- Breakup of revenue for the Electrical Installation Products:
 - ✓ **Industrial Switchgear – 41.32% of total revenues**
 - ✓ **Wires & Cables – 52.83% of total revenues**
 - ✓ **Buildings Products – 5.37% of total revenues**
 - ✓ **Energy Management – 0.48% of total revenue**

- **EBITDA (excluding other income) stood at Rs. 61.79 crore** in FY21 as against Rs. 65.19 crore in FY20, **YoY decline of 5.21%**, mainly on account of increase in raw material prices which are gradually being passed on.
- **FY21 EBITDA Margin at 10.20%**, YoY decline of 130 bps, mainly due to the raw material price increase and change in mix of sales, where Wire & Cable contribution is at 52.8% as against 46.9% last year, which has led to lower EBITDA Margins
- **Profit After Tax was at Rs. 20.67 crore** in FY21 as against Rs. 26.39 crore in FY20
- Board of Directors has recommended **dividend at 16%**, i.e. Rs. 1.6 per equity share of face value Rs. 10/- each

Management Comment:

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

“This financial year started on a tough note, with the COVID-19 pandemic hampering business operations across the country and world. However, in lieu 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.”

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.

For further information, please contact:

Mr. Baskarasubramaniam

Salzer Electronics Ltd.

Email: baskarasubramanian@salzergroup.com

www.salzergroup.net

Ms. Savli Mangle / Mr. Rahul Trivedi

Bridge Investor Relations Pvt. Ltd.

Email: savli@bridge-ir.com / rahul@bridge-ir.com

www.bridge-ir.com

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