

Media Release

Standalone FY22 Net Revenue at Rs. 783.63 crore – YoY growth of 29.39%

FY22 EBITDA at Rs. 63.78 cr – YoY growth of 3.22%

FY22 PAT at Rs. 22.48 crore – YoY growth of 8.75%

Coimbatore, May 21st, 2022: Salzer Electronics Limited (BSE: 517059, NSE: SALZERELEC), a capital goods engineering Company offering total and customised electrical solutions, announced its audited financial results for the Fourth quarter and year ended 31st March 2022.

Key Financial Highlights Rs. In Crore:

Particulars	Standalone						Consolidated
	Q4 FY22	Q4 FY21	YoY	FY22	FY21	YoY	Q4 FY22*
Net Revenue	228.02	189.69	20.21%	783.63	605.62	29.39%	238.87
EBITDA (excluding other income)	12.89	16.16	(20.26%)	63.78	61.79	3.22%	13.91
EBITDA Margin	5.65%	8.52%	(287 bps)	8.14%	10.20%	(206 bps)	5.82%
PAT	3.83	6.99	(45.25%)	22.48	20.67	8.75%	4.57
PAT Margin	1.68%	3.68%	(200 bps)	2.87%	3.41%	(54 bps)	1.91%
Basic EPS (Rs.)	2.39	4.37	(45.31%)	14.07	12.93	8.82%	2.03

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

Standalone Financial Performance Highlights

For the Fourth quarter ended March 31st, 2022:

- **Net Revenue** in Q4 FY22 was **Rs. 228.02 crore** as against Rs. 189.69 crore in Q4 FY21, **YoY growth of 20.21%**. Growth was on account of increase in volumes coupled with higher product prices.
 - ✓ Contribution from **Exports at 20.43%**, export revenue grew 22.5% YoY in Q4 FY22, driven by higher exports to the Americas, Middle East, Africa, and Europe.
- Breakup of revenue:
 - ✓ **Industrial Switchgear – 48.12% of net revenue**
 - ✓ **Wires & Cables – 44.63% of net revenues**
 - ✓ **Buildings Products – 7.25% of net revenues**
- **EBITDA (excluding other income)** was **Rs. 12.89 crore** in Q4 FY22 as against Rs. 16.16 crore in Q4 FY21
- **EBITDA Margin for the quarter stood at 5.65%, a decline of 287 bps**, mainly due to continued rise in raw material prices, coupled with freight and other costs. However, Company is slowly passing on price increase to end customers.

- **Profit After Tax at Rs. 3.83 crore** in Q4 FY22 as against Rs. 6.99 crore in Q4 FY21

For the year ended March 31st, 2022:

- ✓ **Net Revenue** in FY22, **Rs. 783.63** crore as against Rs. 605.62 crore in FY21, **YoY growth of 29.39%** primarily due to strong demand for industrial switchgear products
- ✓ Contribution from **exports was 23.29% in FY22**, as against 20.0% in FY21, mainly on account of higher exports to Middle East Africa, European, American and Asia markets
- Breakup of revenue for the Electrical Installation Products:
 - ✓ **Industrial Switchgear – 50.25% of total revenues**,
 - ✓ **Wires & Cables – 43.23% of total revenues**
 - ✓ **Buildings Products – 6.52% 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. 63.78 crore** in FY22 as against Rs. 61.79 crore in FY21, **YoY growth of 3.22%**.
- **FY22 EBITDA Margin at 8.14%**, YoY decrease of 206 bps, on account of freight costs and one-time product development expenses which had bearing on margins
- **Profit After Tax was at Rs. 22.48 crore** in FY22 as against Rs. 20.67 crore in FY21, **YoY growth of 8.75%**

Recent Developments:

- Salzer received patents for 'Integral Cam Operated Rotary Switches' and 'Motor Protection Circuit Breaker' (MPCB) with increased air gap
- Company forayed 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 owns 26% equity in the Euro 2.00 mn (Rs 18cr) JV company
- Salzer increased its penetration & presence in 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:

"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 fourth quarter of the financial year, we registered a revenue of Rs. 228.02 crores with

EBITDA and PAT of Rs. 12.89 crore and Rs. 3.83 crore, respectively. Growth came in primarily from industrial switchgear 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. Moreover, one-time expenses for new product development also dented margins.

I am happy to share that we recently received two patents – one for integrated cam operated rotary switches, which is a legacy product contributing substantially to our top line, and another for MPCB. Such developments help protect our intellectual property and boost our efforts in R&D and product development.

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.

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

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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