



Salzer Electronics Limited

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May 24, 2023

To

THE CORPORATE RELATIONSHIP DEPT
M/s. 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,
Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051
Tel: +91 22 26598235/36, 26598346
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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 audited Financial Results of the Company for the quarter and year ended 31st March 2023.

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)

Salzer Electronics reports strong results for the quarter ended 31st March, 2023

- The Board has recommended a final dividend at the rate of 22% i.e. Rs. 2.20 per equity share of face value Rs. 10/-, subject to approval of shareholders
- Continued good growth at 29.3% YoY in FY23 Standalone Net Revenue at Rs 1,013 cr - driven by 39.9% YoY growth in Industrial Switchgear, 15.0% YoY growth in wires & cables and 43.5% YoY growth in Building products division
- Growth driven by high demand products – Toroidal Transformers, Three phase Transformers, Wire Harness, Rotary Switches and Isolators – which comprised 65% of Switchgear division sales
- Consolidated Revenue stood at 1,039 cr – a growth of 29%
- Standalone FY23 EBITDA (excluding other income) at Rs. 91.1 crore – YoY growth of 42.9%
- Standalone FY23 PAT at Rs. 36.4 crore - YoY growth of 61.7%

Particulars (Rs. Cr)	Standalone						Consolidated	
	Q4 FY23	Q4 FY22	YoY	FY23	FY22	YoY	Q4 FY23*	FY23*
Net Revenue	295.12	228.02	29.43%	1,013.08	783.63	29.28%	302.73	1,037.09
EBITDA (excluding other income)	23.30	12.89	80.77%	91.14	63.78	42.89%	24.67	95.90
EBITDA Margin	7.89%	5.65%	224 bps	9.00%	8.14%	86 bps	8.15%	9.25%
PAT	8.96	3.83	134.09%	36.36	22.48	61.74%	9.85	39.60
PAT Margin	3.03%	1.68%	135 bps	3.59%	2.87%	72	3.25%	3.82%
Basic EPS (Rs.)	5.60	2.39	134.30%	22.74	14.07	61.62%	6.01	24.21

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

Coimbatore, May 24th, 2023: 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 2023.

Standalone Financial Performance Highlights

For the Fourth quarter ended March 31st, 2023:

- **Net Revenue** in Q4 FY23 was **Rs. 295.12 crore** as against Rs. 228.02 crore in Q4 FY22, **YoY growth of 29.43%**. This growth was driven by higher demand for Industrial switchgear as well as wires and cable businesses
- ✓ Contribution from **Exports at 27.25%**, export revenue grew 72.7% YoY in Q4 FY23, driven by higher sales in America's including South American countries like Brazil, Argentina and Chile. Sales to SEZ/EOU also increased over 60%
- **EBITDA (excluding other income) was Rs. 23.30 crore** in Q4 FY23 as against Rs. 12.89 crore in Q4 FY22, **YoY growth of 80.77%** on account of increased sales in the Switchgear business

- **EBITDA Margin for the quarter stood at 7.89%, rise of 224 bps**, mainly on account of increase in sales from higher margin industrial switchgear products
- **Profit After Tax at Rs. 8.96 crore** in Q4 FY23 as against Rs. 3.83 crore in Q4 FY22, **YoY growth of 134.09%**

For the year ended March 31st, 2023:

- **Net Revenue** in FY23, **Rs. 1,013.08** crore as against Rs. 783.63 crore in FY22, **YoY growth of 29.28%**, driven by strong demand for almost all products, on the back of better market conditions both in India and global markets
- ✓ Contribution from **exports was 25.57% in FY23, mainly on account of higher sales in North and South America and increased sales to SEZ/EOU's.**
- **EBITDA (excluding other income) stood at Rs. 91.14 crore** in FY23 as against Rs. 63.78 crore in FY22, **YoY growth of 42.89%**, mainly on account of higher sales in all the product divisions
- **EBITDA Margin at 9.00%**, YoY increase of 86 bps
- **Profit After Tax was at Rs. 36.36 crore** in FY23 as against Rs. 22.48 crore in FY22, **YoY growth of 61.74%**
- **PAT Margin at 3.59%** in FY23 as against 2.87% in FY22, **YoY increase of 72 bps**

Q4 & FY23 performance highlights of the key businesses of Salzer Electronics Limited:

Industrial Switch Gear Division:

- Industrial Switchgear business division comprises of LOW voltage products such as Toroidal Transformers, Three phase transformers, Rotary Switches, Isolators, General Purpose relays, Wire Harness, Wiring Ducts, MPCB's, Contactors & OLR's, Control Panels, Terminal Blocks, and Sensors. This division offers around 15 products that are all internationally certified
- This business contributed 53.4% to the total revenues in this quarter and 54.3% in FY23
- The EBIDTA Margin in this business was 10.5% in Q4FY23 and 11.7% in FY23. Q4FY23 saw an YoY improvement of 525 bps. FY23 EBIDTA margin saw an increase of 200 bps.

Wire & Cables Division:

- Wires & Cables business division comprises of mid voltage products such as Wires & Cables, Flexible Bus Bars, Enamelled Wires, Bunched Conductors and Tinned Copper Wires
- This business division contributed 40.9% to the total revenues this quarter and 38.4% in FY23. This division sequentially grew 45% driven by a pickup in demand in Agri market cables after a prolonged slowdown in agri- market
- This Division's EBIDTA Margin stood at 5.5% in Q4 FY23 and 6.5% in FY23. Lower sales and increased volatility in copper prices impacted margins by 110 bps in Q4 FY23 as well as 79 bps in FY 23.

Building Products Division:

- Building Electrical Products division comprises of products such as Modular Switches, Wires & Cables, MCB's Distribution Boards and Changeovers
- This division contributed 5.8% to the total revenue in this quarter and 7.2% in FY23. The EBITDA Margin of this business division was 2.6% in Q4 FY23 and 2.7% in 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 30000 sq.ft of built up area and 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 built up area and balance in the second phase by Oct 2023.
 - ✓ 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 fourth quarter performance has been in line with our expectations. We continued to see good growth coming in from all business divisions. We are witnessing a substantially higher demand in many key products from various products under Industrial Switchgear division. Our wires and cables division grew 45% sequentially during the quarter, accounting for 41% of our current quarter revenue. In fact, we saw demand picking up in the Agrimarket cable segment after a long slowdown in agri market.

During the Fourth quarter of the financial year, we registered a revenue of Rs. 295.12 crores with EBITDA (excluding other income) and PAT of Rs. 23.30 crore and Rs. 8.96 crore, respectively. Raw material prices have begun to stabilize and we are seeing the benefits of our price hikes in the form of better gross margins year on year.

During the year we have seen good growth in all the divisions mainly due to better market conditions in India and abroad. Exports contributed about 26% to our revenues this year, mainly on account of higher sales in the America's including South American countries like Brazil, Argentina and Chile.

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 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.