

Media Release

Demonstrated over 20% year on year growth – driven by all three key businesses of Industrial Switch Gears, Building segment and Wires & Cables

Better product mix leading to increase in EBITDA margin YoY

Q1 FY19 Revenue at Rs. 126.5 Crore - YoY growth of 21%

Q1 FY19 EBIDTA at Rs 14.0 crore – YoY growth of 33%

Q1 FY19 EBITDA Margin at 11.0%, improvement of 102 bps

Q1 FY19 PAT at Rs 4.5 crore – YoY growth of 12%

Coimbatore, August 11th, 2018: Salzer Electronics Limited (BSE: 517059, NSE: SALZERELEC), among leading players offering total and customised electrical solutions, announced its unaudited results for the quarter ended 30th June 2018.

These financials are as per the IND AS accounting guidelines.

Key Financials (Rs. In Crore):

Particulars	Q1 FY19	Q1 FY18	YoY	FY18	FY17	YoY
Revenue (net of excise duty)	126.5	104.6	20.9%	442.8	385.0	15.0%
EBIDTA	14.0	10.5	33.2%	53.3	44.1	20.7%
EBIDTA margin (%)	11.0	10.0	102bps	12.0	11.5	56 bps
PAT	4.5	4.1	11.8%	20.0	17.3	15.4%

Performance Highlights

For the quarter ended June 30th, 2018:

- **Revenue from operations (net off excise duty)** in Q1 FY19, Rs. **126.5 crore** as against Rs. 104.6 crore in Q1 FY18, **YoY growth of 20.9%**
 - ✓ **Exports** contributed to **15% of total revenues**
- Breakup of revenue for the Electrical Installation Products:
 - ✓ **Industrial Switchgear – 37.1% of total revenues, YoY increase of 18%**, on account of demand across sectors like renewable, railways, telecom. 3 phase dry type transformer – the new product launched in FY18 gained traction as per expectations
 - ✓ **Buildings Products – 7.8% of total revenues, increase of 87% YoY** on account of launch of new products like MCB's, Salzer Branded wires

- ✓ **Wires & Cables – 55.1 % of total revenues, YoY increase of 22%**, mainly on account of consolidation of Salzer Magnet Wires

- **EBITDA stood at Rs. 14.0 crore** in Q1 FY19 as against Rs. 10.5 crore in Q1 FY18, **YoY growth of 33.2%**, mainly on accounting of growth in higher margin products

- **EBITDA margin improved by 102 bps to 11.05%** as against 10.03% in the corresponding previous period, mainly on account of better product mix

- **Profit After Tax was at Rs. 4.5 crore** in Q1 FY19 as against Rs. 4.1 crore in Q1 FY18, **YoY growth of 11.8%**

Recent developments during Q1 FY19:

- CRISIL has Assigned a CRISIL - BEE Grade 1 to Salzer Electronics Ltd. The grading indicates “Very High” ability of graded energy service company to carry out energy efficiency audits and undertake energy efficiency audits and undertake energy efficiency Projects. The Company has been maintaining this grading for sixth year In a row.

Management Comment:

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

“I am happy to share that this quarter once again, we have demonstrated good growth in our revenues. This growth has come from all across our three key businesses. We have seen a good growth from our newly launched products of wire harness and three phase dry type transformers. The building segment grew by more than 85% year on year, as we added new products like MCB’s and Salzer Branded wires to the retail segment.

Our product mix and increased contribution from higher margin products led to a growth in EBITDA. I believe this is an indication of our efforts to offer good quality and high margin products and improve our operational efficiencies.

We expect this margin to sustain and our endeavour continues to remain on profitable growth and margin improvement. We are also making inroads into new industry like solar investors for three phased transformers, elevators industry for wire harness and locomotives.

Our focus always remains on adding new high margin products, reach out newer geographies and offer customized solutions to our clients. We are constantly looking for new opportunities for technical associations to strengthen our base of product offering.”

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, with a market share of 25% & 20% respectively. The Company caters to a wide range of products with five In-house manufacturing facilities, located in Coimbatore and Himachal Pradesh
- The Company has a wide distribution network locally and globally, exporting to more than 40 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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