

Media Release

28% YoY Growth in Q1 FY20 Net Revenue mainly driven by Industrial Switchgear and Wires & Cables business

Q1 FY20 EBITDA at Rs. 16.7 crore – YoY growth of 19%

Q1 FY20 Profit After Tax at Rs. 5.8 crore – YoY growth of 27%

Completed acquisition of shares from Promoters of Kaycee Industries

Coimbatore, August 10th, 2019: Salzer Electronics Limited (BSE: 517059, NSE: SALZERELEC), among leading players offering total and customised electrical solutions, announced its unaudited financial results for the first quarter ended 30th June 2019. These financials are as per the IND AS accounting guidelines.

Key Financials (Rs. In Crore):

Particulars	Q1 FY20	Q1 FY19	YoY	FY19	FY18	YoY
Net Revenue	162.1	126.5	28.2%	559.8	442.8	26.4%
EBITDA	16.7	14.0	19.3%	63.6	53.3	19.5%
PAT	5.8	4.5	27.4%	24.0	20.0	19.7%
Basic EPS (Rs.)	3.63	2.98	21.8%	15.21	13.82	10.1%

Performance Highlights

For the first quarter ended June 30th, 2019:

- **Net Revenue** in Q1 FY20, **Rs. 162.1 crore** as against Rs. 126.5 crore in Q1 FY19, **YoY growth of 28.2%**, mainly driven by increase in business of Industrial Switch Gear and Wires & cables segments
 - ✓ Contribution from **domestic sales was 88.6 %**, mainly driven business of Industrial Switch Gear and Wires & Cables segments
- Breakup of revenue:
 - ✓ **Industrial Switchgear – 37.1% of net revenues, YoY increase of 27.9%**, driven by increase in demand across products especially an uptick in three phase dry type transformers and wire harnesses
 - ✓ **Wires & Cables – 54.7% of net revenues, YoY increase of 27.4%**, mainly on account seasonal increase in demand
 - ✓ **Buildings Products – 6.4% of net revenues, increase of 6.4% YoY**
 - ✓ **Energy Management – 1.8% of net revenue** – order book driven business; revenue incurred from AMC charges for the past orders executed
- **EBITDA stood at Rs. 16.7 crore** in Q1 FY20 as against Rs. 14.0 crore in Q1 FY19, **YoY growth of 19.3%**

- **Q1 FY20 EBITDA Margin at 10.3%**, a marginal YoY decline of 77 bps, on account of change in product mix and increase in raw material prices.
- **Profit After Tax was at Rs. 5.8 crore** in Q1 FY20 as against Rs. 4.5 crore in Q1 FY19, **YoY growth of 27.4%**

Key Developments till date:

- In line with the focus on increasing product offerings and expanding footprint into newer segments along with access to all India dealer network the Company has acquired 72.32% stake in Kaycee Industries Ltd.
 - Kaycee Industries Limited a “**pre-independence**” Company with a legacy of “**three quarter of a century**”, being pioneer in Industrial Switchgear business and among the leading provider of electrical and electric component in India with manufacturing facility located at Ambernath – Thane



Management Comment:

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

“I am happy to share that this quarter once again, we have demonstrated good growth in our revenues inspite of the sluggish industrial market in India. This growth was mainly driven by increase in our switchgear business segment due to aggressive marketing as well as our wires & cables business. The market conditions continue to be challenging, despite this we have been able to sustain and achieve this growth because of our long-term association with our clients. We are confident that, with our products of international standards, consistency in quality and timely delivery we will be able to continue to achieve stable growth.”

Our focus will always remain on adding new high margin products, reach out different markets with customized products and solutions in order to add newer clients and grow our business. We are constantly looking at new opportunities for technical associations to strengthen our base of product offerings.”

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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