

Media Release

Q1 FY21 performance impacted by country wide lockdown on account of COVID 19 Pandemic resulting in shutting down of manufacturing activities for ~45 days combined slowdown across industries we cater to

As across businesses, first quarter performance of the year is the weakest of the year

FY21 standalone Net Revenue at Rs. 95.7 crore, down 41% YoY, mainly on account of lockdown amid COVID-19 pandemic

Standalone Q1 FY21 EBITDA at Rs. 9.6 crore – YoY decline of 42.5% on account decline in revenues

Despite decline in revenues, EBITDA Margin maintain at 10.02%, driven by higher contribution from exports

Standalone Q1 FY21 PAT at Rs. 0.7 crore

Coimbatore, August 12th, 2020: 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 2020.

Key Financial Highlights Rs. In Crore:

Particulars	Standalone						Consolidated
	Q1 FY21	Q1 FY20	YoY	FY20	FY19	YoY	Q1 FY21*
Net Revenue	95.7	162.1	(41.0%)	566.9	559.8	1.3%	98.2
EBITDA (excluding other income)	9.6	16.7	(42.5%)	65.2	63.6	2.4%	9.5
EBITDA Margin	10.02%	10.28%	(26bps)	11.50%	11.37%	13bps	9.65%
PAT	0.7	5.8	(88.1%)	26.4	24.0	10.2%	0.5
PAT Margin	0.72%	3.57%	(285bps)	4.66%	4.28%	38bps	0.49%
Basic EPS (Rs.)	0.43	3.63	(88.2%)	16.51	15.21	8.5%	0.31

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

The operations at all our factories have started in a phased manner from the month of May with all the requisite safety protocols being adhered to in a stringent manner. Most of the employees are working from home and necessary office connectivity is in place.

Standalone Financial Performance Highlights

For the quarter ended June 30th, 2020:

- **Net Revenue** in Q1 FY21, **Rs. 95.7 crore** as against Rs. 162.1 crore in Q1 FY20, **YoY decline of 41.0%**, mainly on account of nationwide lockdown announced by govt of India to reduce the

spread of COVID-19 pandemic

- ✓ Contribution from **Exports at 19.3%**, as against 11.4% in the corresponding previous period driven by high margin Industrial Switchgear products and increase in exports primarily to USA
- Breakup of revenue:
 - ✓ **Industrial Switchgear – 37.5% of net revenues**
 - ✓ **Wires & Cables – 57.1% of net revenues**
 - ✓ **Buildings Products – 3.9% of net revenues**
 - ✓ **Energy Management – 1.5% of net revenue** – order book driven business; revenue incurred from AMC charges for the past orders executed
- **EBITDA (excluding other income) stood at Rs. 9.6 crore** in Q1 FY21 as against Rs. 16.7 crore in Q1 FY20, **YoY decline of 42.5%**
- **Profit After Tax at Rs. 0.7 crore** in Q1 FY21 as against Rs. 5.8 crore in Q1 FY20

For the full year ended March 31st, 2020:

- **Net Revenue** in FY20, **Rs. 566.9 crore** as against Rs. 559.8 crore in FY19, **YoY 1.3% increase driven by growth in industrial switchgear business**
 - ✓ Contribution from **exports was 17.2% in FY20**
- Breakup of revenue for the Electrical Installation Products:
 - ✓ **Industrial Switchgear – 44.8% of total revenues, YoY increase of 9.9%**, driven by exports
 - ✓ **Wires & Cables – 47.0% of total revenues**
 - ✓ **Buildings Products – 6.2% of total revenues, YoY decline of 16.5%**
 - ✓ **Energy Management – 2.1% 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. 65.2 crore** in FY20 as against Rs. 63.6 crore in FY19, **YoY growth of 2.4%**, mainly on account of higher growth in Industrial Switch Gear business
- **FY20 EBITDA Margin at 11.50%**, YoY increase of 13 bps, on account of growth in Industrial Switchgear business
- **Profit After Tax was at Rs. 26.4 crore** in FY20 as against Rs. 24.0 crore in FY19, **YoY growth of 10.2%**

Management Comment:

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

“During the first quarter of the financial year, we registered a revenue of Rs. 95.7 crores with EBITDA and PAT of Rs. 9.6 crore and Rs. 0.7 crore respectively. The performance of the quarter has been impacted on account of nation-wide lockdown to reduce the spread of COVID-19. Our manufacturing facility had been

temporarily shut down and we had restarted the facility from mid may.

However, since the start of the unlocking phase the demand for the product were significant lower and no major capex plans by the industry that affected our revenues. Despite this, we have seen good demand for our industrial switchgear products in the export markets and have registered 19% of our revenues from the export. Also, this has helped us in maintaining our EBITDA margins at the same levels without much disruption.

The current COVID 19 situations are tough and is causing disruption in the market. However, the time which we had during the lockdown has been utilized to reformulate the strategies in term of reduction of cost, utilizing available resources optimally, recognising and identifying new clients in the domestic as well as export markets, etc. which will help us in the future. Though the near-term future is fluid, we are optimistic on the medium term based on the indication from various experts in the markets.

Overall, we remain committed to our set agenda of delivering sustainable growth. I thank all our stakeholders for their continued support and faith in our Company”

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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