

## Media Release

**Robust YoY growth across all three businesses of Industrial switchgears, Wire & cables and Building Electrical divisions**

**High demand coming in for 3-phase dry type transformers from renewable energy sector**

**Standalone Q1 FY23 Net Revenue at Rs. 233.06 crore – YoY growth of 56.44% on account of market recovery across all business divisions and significant order inflow in Switchgears business**

**Standalone Q1 FY23 EBITDA (excluding other income) at Rs. 19.62 crore – YoY growth of 32.53%**

**Q1 FY23 EBITDA Margin at 8.42%**

**Standalone Q1 FY23 PAT at Rs. 8.78 crore - YoY growth of 130.71%**

**Q1 FY23 PAT Margin at 3.77%**

**Coimbatore, August 8<sup>th</sup>, 2022:** Salzer Electronics Limited (BSE: 517059, NSE: SALZERELEC), a capital goods engineering Company offering total and customised electrical solutions, announced its unaudited financial results for the First quarter ended 30<sup>th</sup> June 2022.

### Key Financial Highlights Rs. In Crore:

Particulars	Standalone						Consolidated
	Q1 FY23	Q1 FY22	YoY	FY22	FY21	YoY	Q1 FY23*
Net Revenue	233.06	148.98	<b>56.44%</b>	783.63	605.62	<b>29.39%</b>	237.90
EBITDA (excluding other income)	19.62	14.80	<b>32.53%</b>	63.78	61.79	<b>3.22%</b>	20.69
EBITDA Margin	8.42%	9.94%	<b>(152 bps)</b>	8.14%	10.20%	<b>(206 bps)</b>	8.70%
PAT	8.78	3.81	<b>130.71%</b>	22.48	20.67	<b>8.75%</b>	9.64
PAT Margin	3.77%	2.56%	<b>122 bps</b>	2.87%	3.41%	<b>(54 bps)</b>	4.05%
Basic EPS (Rs.)	5.49	2.47	<b>122.27%</b>	14.07	12.93	<b>8.82%</b>	6.03

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

### Standalone Financial Performance Highlights

#### For the first quarter ended June 30<sup>th</sup>, 2022:

- **Net Revenue** in Q1 FY23 was **Rs. 233.06 crore** as against Rs. 148.98 crore in Q1 FY22, **YoY growth of 56.44%**. Growth was on account of higher demand for switchgear as well as cables divisions. There is also a strong order inflow for Three Phase Dry Type transformers.
  - ✓ Contribution from **Exports at 20.76%**, export revenue grew 32.61% YoY in Q1 FY23, driven by higher exports to Europe and Asian countries.
- Breakup of revenue:

- ✓ Industrial Switchgear – 48.46% of net revenue
  - ✓ Wires & Cables – 43.85% of net revenues
  - ✓ Buildings Electrical Products – 7.69% of net revenues
- **EBITDA (excluding other income) was Rs. 19.62 crore** in Q1 FY23 as against Rs. 14.80 crore in Q1 FY22, **YoY growth of 32.53%** on account of higher sales volumes and increase in product prices
  - **EBITDA Margin for the quarter stood at 8.42%, a decline of 152 bps**, mainly due to the higher raw material prices vis-à-vis Q1 of previous year, coupled with freight, sales promotion, and other costs. However, EBITDA margin has improved sequentially by 277 bps
  - **Profit After Tax at Rs. 8.78 crore** in Q1 FY23 as against Rs. 3.81 crore in Q1 FY22, **YoY growth of 130.71%**
  - **PAT Margin for the quarter stood at 3.77%, as against 2.55% in Q1 FY22 increase of 122 bps**

#### Developments Year till Date:

- 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:**

*"I am happy to say that the new fiscal year has begun on a strong note, with Q1 FY23 performance being in line with our expectations. As the domestic and export markets continue to open up and resume momentum, we are witnessing substantially higher demand, across all our businesses of industrial switchgears, wire & cable and building electrical divisions.*

*During the first quarter of the financial year, we registered a revenue of Rs. 233.06 crores with EBITDA (excluding other income) and PAT of Rs. 19.62 crore and Rs. 8.78 crore, respectively. This growth came in primarily from industrial switchgear products as well as wire & cables especially in LAN cables. We are also witnessing a strong demand for our 3-phase dry type transformers, particularly from the renewable energy sector. Raw material prices, higher freight and sales promotion costs has offset our price hikes and impacted margins. However, raw material prices have begun to stabilize and we are seeing the benefits of our price hikes in the form of better margins quarter on quarter.*

*In the previous quarter 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.*

*Going ahead, 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 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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*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.*