

**Media Release**

**Achieved Highest Exports for a quarter backed by quality product offering and good global customer relations in the European and American Markets**

**Q2 FY21 standalone Net Revenue at Rs. 149.8 crore, growth of 8.7% YoY, mainly on account of increase in sales of wire harness product under Industrial Switchgear division & higher growth in wires & cables**

**Q2 FY21 Standalone EBITDA at Rs. 18.8 crore – YoY growth of 7.2% , highest EBITDA for a quarter achieved by increase in revenue and reduction in expenses**

**Standalone Q2 FY21 EBITDA Margin stood at 12.52%**

**Standalone Q2 FY21 PAT at Rs. 6.6 crore, YoY growth of 10.9%**

**Coimbatore, November 4<sup>th</sup>, 2020:** Salzer Electronics Limited (BSE: 517059, NSE: SALZERELEC), among leading players offering total and customised electrical solutions, announced its unaudited financial results for the second quarter and first half ended 30<sup>th</sup> September 2020.

**Key Financial Highlights Rs. In Crore:**

Particulars	Standalone						Consolidated
	Q2 FY21	Q2 FY20	YoY	H1 FY21	H1 FY20	YoY	H1 FY21*
Net Revenue	149.8	137.8	<b>8.7%</b>	245.5	299.9	<b>(18.2%)</b>	<b>253.5</b>
EBITDA (excluding other income)	18.8	17.5	<b>7.2%</b>	28.3	34.2	<b>(17.1%)</b>	<b>28.8</b>
EBITDA Margin	12.52%	12.70%	<b>(18bps)</b>	11.55%	11.40%	<b>15bps</b>	<b>11.35%</b>
PAT	6.6	5.9	<b>10.9%</b>	7.3	11.7	<b>(38.0%)</b>	<b>7.5</b>
PAT Margin	4.40%	4.31%	<b>9bps</b>	2.97%	3.91%	<b>(94bps)</b>	<b>2.96%</b>
Basic EPS (Rs.)	4.12	3.72	<b>10.8%</b>	4.55	7.35	<b>(38.1%)</b>	<b>4.62</b>

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

During the first 45 days of the financial year, the Central Government of India announced the lockdown in the country on account of COVID-19 pandemic which resulted in shutting down of all activities during that period. Gradually the Government started to lift the lockdown and we had started our manufacturing activities in a phased manner and in line with the regulations given by the government. We have seen a gradual opening of economic activities which has resulted in sales going up slowly combined with easing of demand and supply constraints which has helped us increase our manufacturing activities and achieved business volumes to Pre-Covid levels

## Standalone Financial Performance Highlights

### For the second quarter ended September 30<sup>th</sup>, 2020:

- **Net Revenue** in Q2 FY21, **Rs. 149.8 crore** as against Rs. 137.8 crore in Q2 FY20, **YoY growth of 8.7%**, mainly on account of increase in sales of our wire harnesses products under our industrial switch gear business and also increase in sales of our wires and cable.
  - ✓ Contribution from **Exports at 22.6%**, highest export during this quarter as against nearly 20% in the corresponding previous period, driven by increase in sales to the European market and EOU & SEZ sales
- Breakup of revenue:
  - ✓ **Industrial Switchgear – 46.6% of net revenues**
  - ✓ **Wires & Cables – 47.1% of net revenues**
  - ✓ **Buildings Products – 5.3% of net revenues**
  - ✓ **Energy Management – 1.0% of net revenue** – order book driven business; revenue incurred from AMC charges for the past orders executed
- **EBITDA (excluding other income) stood at Rs. 18.8 crore** in Q2 FY21 as against Rs. 17.5 crore in Q2 FY20, **YoY increase of 7.2%**, recorded highest EBITDA for the quarter and also on account of reduction in expenses
- **Profit After Tax at Rs. 6.6 crore** in Q2 FY21 as against Rs. 5.9 crore in Q2 FY20, **YoY growth of 10.9%**

### For the first half ended September 30<sup>th</sup>, 2020:

- **Net Revenue** in H1 FY21, **Rs. 245.5** as against Rs. 299.9 crore in H1 FY20, **YoY decline of 18.2%** on account of nationwide lockdown during the first quarter of the financial year
  - ✓ Contribution from **exports was 21.3% in H1 FY21**, as against 15.2% in H1 FY20, mainly on account of higher exports to European and American markets
- Breakup of revenue for the Electrical Installation Products:
  - ✓ **Industrial Switchgear – 43.1% of total revenues,**
  - ✓ **Wires & Cables – 51.0% of total revenues**
  - ✓ **Buildings Products – 4.7% of total revenues**
  - ✓ **Energy Management – 1.2% 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. 28.3 crore** in H1 FY21 as against Rs. 34.2 crore in H1 FY20, **YoY decline of 17.1%**, mainly on account of lower sales during the first quarter of the financial year
- **H1 FY21 EBITDA Margin at 11.55%**, YoY increase of 15 bps, on account of reduction of expenses
- **Profit After Tax was at Rs. 7.3 crore** in H1 FY21 as against Rs. 11.7 crore in H1 FY20

**Management Comment:**

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

*“During the first half of the financial year we registered a revenue of Rs. 245.5 crores with EBITDA and PAT of Rs. 28.3 crore and Rs. 7.3 crore respectively. The performance of the first half year has been impacted due to lockdown on account of Covid-19 in the first quarter and low demand across the domestic market. However, our second quarter performance had been good, and we are seeing this continue post Q2, which we expect will positively impact out H2 and full year business and financial performance.*

*I am very happy to share with you that during the second quarter we recorded the highest EBITDA for a particular quarter along with record sales for our newly launched wire harness product. Also, our manufacturing activities are seeing stability and coming back to the pre Covid levels. Though the domestic market still continues to remain subdued and weak we have been focusing on the export market and see a good traction of our products in the European and American markets and have been slowly increasing the share of exports in our overall revenues.*

*With the government lifting the lockdown markets are opening up and business is gaining momentum. We expect to get back to the growth path with the kind of products offerings and strong brand position we offer in the market.*

*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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