

Media Release

9M FY19 Net Revenue at Rs. 404.7 crore increase of 28% YoY – mainly driven by wires & cables and building segments

9M FY19 EBITDA at Rs 46.8 crore – YoY growth of 27% - growth across all business segments

9M FY19 Profit After Tax at Rs. 15.6 crore – YoY growth of 3%

Received prestigious ISO TS 16949 certification for magnetics and wires & cables business divisions

Coimbatore, February 8th, 2019: Salzer Electronics Limited (BSE: 517059, NSE: SALZERELEC), among leading players offering total and customised electrical solutions, announced its unaudited financial results for the third quarter and nine months ended 31st December 2018. These financials are as per the IND AS accounting guidelines.

Key Financials (Rs. In Crore):

| Particulars | Q3 FY19 | Q3 FY18 | YoY | 9M FY19 | 9M FY18 | YoY |
|-------------------------------|---------|---------|-------|---------|---------|-------|
| Revenue (net off excise duty) | 143.5 | 110.7 | 29.7% | 404.7 | 316.0 | 28.1% |
| EBITDA | 16.1 | 13.5 | 19.4% | 46.8 | 36.9 | 26.8% |
| PAT | 5.4 | 5.3 | 2.0% | 15.6 | 15.2 | 2.6% |

Performance Highlights

For the third quarter ended December 31st, 2018:

- **Net Revenue (net off excise duty)** in Q3 FY19, Rs. **143.5 crore** as against Rs. 110.7 crore in Q3 FY18, **YoY growth of 30%**
 - ✓ Contribution from **domestic sales at 84.4%** mainly driven by wires & cables and building segments
- Breakup of revenue for the Electrical Installation Products:
 - ✓ **Industrial Switchgear – 44.0% of net revenues, YoY increase of 16.0%**, mainly on driven by two products - 3 phase dry type phase transformers and wire harness and despite continued sluggishness in Indian industrial switchgear industry
 - ✓ **Buildings Products – 6.6% of net revenues, increase of 65.8% YoY** on account of increase in focus on the retail segment in India for our products
 - ✓ **Wires & Cables – 48.1% of net revenues, YoY increase of 37.2%**, mainly on account of consolidation of Salzer Magnet Wires (acquired in Q4 FY18) and increase in demand
 - ✓ **Energy Management – 1.3% of net revenue**

- **EBITDA stood at Rs. 16.1 crore** in Q3 FY19 as against Rs. 13.5 crore in Q3 FY18, **YoY growth of 19%**, mainly on account of growth driven across wires & cables and building segment
- **Q3 FY19 EBITDA Margin at 11.2%**, YoY decline, on account of change in product mix and increase in raw material prices
- **Profit After Tax stood at Rs. 5.4 crore**

For the Nine Months ended December 31st, 2018:

- **Net Revenue (net off excise duty)** in 9M FY19, **Rs. 404.7 crore** as against Rs. 316.0 crore in 9M FY18, **YoY 28%** mainly driven by wires & cables and building segments
 - ✓ Contribution from **domestic sales at 84.4%** mainly driven by increase in demand and good traction for products in Building and Industrial Switchgear Segments
- Breakup of revenue for the Electrical Installation Products:
 - ✓ **Industrial Switchgear – 41.8% of net revenues, YoY increase of 17.4%**, mainly driven by two products - 3 phase dry type phase transformers and wire harness and despite continued sluggishness in Indian industrial switchgear industry
 - ✓ **Buildings Products – 7.8% of net revenues, increase of 108.6% YoY** on account of increase in product offerings and focus on the retail segment in India
 - ✓ **Wires & Cables – 48.4% of net revenues, YoY increase of 27.7%**, mainly on account of consolidation of Salzer Magnet Wires
 - ✓ **Energy Management – 2.0% of net revenue, YoY increase of 104.4%**. This is an order book driven business and increase in revenues has been from increase in AMC
- **EBITDA stood at Rs. 46.8 crore** in 9M FY19 as against Rs. 36.9 crore in 9M FY18, **YoY growth of 27%**, mainly on account of growth of all business segments
- **Profit After Tax was at Rs. 15.6 crore** in 9 M FY19 as against Rs. 15.2 crore in 9M FY18, **YoY growth of 3%**

Management Comment:

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

“This nine months FY19, we have demonstrated revenue growth of 28% YoY, on account of higher contributions from Wires & cables and building product segments, despite a challenging industry scenario and rising cost of raw materials.

Throughout the nine months FY19 our products namely three phase dry type transformers, wire

harness along with our legacy product of cam operated rotary switches has shown good traction in the industrial switch gears segment and we have been able to increase our sales of Modular Switches, MCB's Distribution Boards, Changeovers, Wires & Cables which has help us grow in India.

We continually focus on adding new high margin products under our product portfolio, reach out newer geographies and offer total customized solutions to our customers. Our focus also remains on new opportunities for technical associations/acquisition to further 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, with a market share of 25% & 20% respectively. 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 more than 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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