

**SALZER**

Salzer Electronics Limited

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8th February, 2024

To

THE CORPORATE RELATIONSHIP DEPT
M/s. BSE Limited
I Floor, New Trading Ring,
Rotunda Building,
P. J. Towers, Dalal Street,
Fort, Mumbai - 400 001.

M/s. NATIONAL STOCK EXCHANGE OF INDIA LTD.,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051
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SCRIP CODE: 517059

Symbol: **SALZERELEC**

Dear Sir,

Sub: Intimation under Regulation 30 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”)

Pursuant to Regulation 30 of the SEBI Listing Regulations, please find attached a press release on the unaudited Financial Results of the Company for the quarter and nine months ended 31st December 2023.

The above is for your information, records and dissemination please.

Thanking you

Yours Faithfully

For SALZER ELECTRONICS LTD

**K M MURUGESAN
COMPANY SECRETARY**

- **Over 10.1% YoY growth in consolidated quarterly revenues - mainly driven by 23.2% YoY growth in Wires & Cables**
- **Q3 FY24 EBITDA (excluding other income) at Rs. 31.02 crore – YoY growth of 24.59%**
- **Q3 FY24 EBITDA Margin at 11.48 %**
- **Q3 FY24 PAT at Rs. 13.48 crore - YoY growth of 28.11%**
- **PAT Margins at 4.99%**

| Particulars (Rs. Cr) | Consolidated | | | | | |
|---------------------------------|--------------|---------|---------|---------|---------|--------|
| | Q3 FY24 | Q3 FY23 | YoY | 9M FY24 | 9M FY23 | YoY |
| Net Revenue | 270.35 | 245.60 | 10.08% | 839.74 | 734.36 | 14.35% |
| EBITDA (excluding other income) | 31.02 | 24.90 | 24.59% | 83.90 | 71.23 | 17.78% |
| EBITDA Margin | 11.48% | 10.14% | 134 bps | 9.99% | 9.70% | 29 bps |
| PAT | 13.48 | 10.52 | 28.11% | 33.75 | 29.77 | 13.36% |
| Basic EPS (Rs.) | 7.98 | 6.45 | 23.72% | 19.22 | 18.22 | 5.49% |

Coimbatore, 8th February, 2024: 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 third quarter and nine months ended 31st December 2023.

Consolidated Financial Performance Highlights

For the Third quarter ended December 31st, 2023:

- **Net Revenue** in Q3 FY24 was **Rs. 270.35 crore** as against Rs. 245.60 crore in Q3 FY23, **YoY growth of 10.08%**. This growth was driven by wires and cable and Industrial switchgear businesses. Growth in the sector led to demand for products like Building wires and Agri Cables, which contributed the most to this increase
- ✓ Contribution from **Exports at 24.50%**. Declined from 27% in previous Quarter
- **EBITDA (excluding other income) was Rs. 31.02 crore** in Q3 FY24 as against Rs. 24.90 crore in Q3 FY23, **YoY growth of 24.59%**
- **EBITDA Margin for the quarter stood at 11.48%** on account of reduced material cost in switchgear division.
- **Profit After Tax at Rs. 13.48 crore** in Q3 FY24 as against Rs. 10.52 crore in Q3 FY23, **YoY growth of 28.11%**

For the Nine months ended December 31st, 2023:

- **Net Revenue** in 9M FY24, **Rs. 839.74** crore as against Rs. 734.36 crore in 9M FY23, **YoY growth of 14.35%**, driven by business of Industrial switchgear and wire & cable businesses
- ✓ Contribution from **exports was 27.69% in 9M FY24**
- **EBITDA (excluding other income) stood at Rs. 83.90 crore** in 9M FY24 as against Rs. 71.23 crore in 9M FY23, **YoY growth of 17.78%**, mainly on account of reduced raw material prices as well as increase in the sales price
- **EBITDA Margin at 9.99%, YoY increase of 29 bps**
- **Profit After Tax was at Rs. 33.75 crore** in 9M FY24 as against Rs. 29.77 crore in 9M FY23, **YoY growth of 13.36%**
- **PAT Margin stood at 4.02%** in 9M FY24

Q3 & 9M FY24 performance highlights of the key businesses of Salzer Electronics Limited:

Industrial Switch Gear Division:

- Industrial Switchgear business division comprises of LOW voltage products such as Toroidal Transformers, Three phase transformers, Rotary Switches, Isolators, General Purpose relays, Wire Harness, Wiring Ducts, MPCB's, Contactors & OLR's, Control Panels, Terminal Blocks, and Sensors. This division offers around 15 products that are all internationally certified
- This business grew 3.5% YoY and contributed 54.80% to the total revenues in this quarter and 14.4% YoY in 9M FY24, contributed 55.03% to the total revenues in the nine months ended
- The EBIDTA Margin in this business was **14.60%** in Q3 FY24 and **12.39%** in 9M FY24

Wire & Cables Division:

- Wires & Cables business division comprises of mid voltage products such as Wires & Cables, Flexible Bus Bars, Enamelled Wires, Bunched Conductors and Tinned Copper Wires
- This business division contributed 39.02% to the total revenues this quarter and 39.10% in 9M FY24. This division grew 23.2% YoY in Q3 FY24 and 18.7% YoY in 9M FY24
- This Division's EBIDTA Margin stood at **8.13%** in Q3 FY24 and **7.17%** in 9M FY24

Building Products Division:

- Building Electrical Products division comprises of products such as Modular Switches, Wires & Cables, MCB's Distribution Boards and Changeovers
- This division contributed 6.18% to the total revenue in this quarter and 5.87% in 9M FY24

Management Comment:

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

“During the Third quarter of the fiscal year, we registered a consolidated revenue of Rs. 270.35 crores, accompanied by EBITDA (excluding other income) and PAT of Rs. 31.02 crore and Rs. 13.48 crore, respectively. The broader market experienced a sluggish pace especially in the industrial switchgear business, attributed to global geopolitical uncertainties, a deceleration in the USA and Europe among other factors. Despite we have seen growth coming in from Industrial switchgear and wires and cable business divisions. The surge in demand for wires & cables is particularly noteworthy, primarily driven by the flourishing real estate sector. Both Building wires and Agri market cables experienced a substantial increase in revenue. Our revenues from exports were largely from North & South America as well as Europe.

We have observed a positive trend in the decline of raw material costs and an uptick in sales prices, and we anticipate this momentum to persist, contributing to the improvement of our EBITDA Margins. Our strategic focus is on sustaining a well-balanced business mix between industrial switchgear and wires & cables products to effectively improve the overall gross margin.

We are committed to sustaining this growth trajectory as we aim for new heights of accomplishment. At Salzer, innovation is ingrained in our strategy, and our robust product offerings and strong brand position in the market position us to establish new benchmarks for the future. With a positive outlook on both domestic and export prospects, we maintain optimism regarding our overall business performance.

I thank the entire team at Salzer Electronics for their untiring efforts and all our stakeholders for their continued support and faith in our Company.”

About Salzer Electronics Limited

- 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.

For further information, please contact:

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Caution Concerning Forward- Looking Statements:

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.