

Media Release

FY19 Net Revenue at Rs. 559.8 crore - demonstrated over 25% YoY growth – driven by all three key businesses of Industrial Switch Gears, Building segment and Wires & cables

FY19 EBITDA at Rs. 63.6 crore – YoY growth of 19% - growth across all business segments

Profit After Tax at Rs. 24.0 crore – YoY growth of 20%

Received prestigious ISO TS 16949 certification for wires & cables division

Board Recommends Final Dividend at Rs. 1.60 per Equity Share subject to approval of shareholders

Coimbatore, May 24th, 2019: Salzer Electronics Limited (BSE: 517059, NSE: SALZERELEC), among leading players offering total and customised electrical solutions, announced its audited financial results for the fourth quarter and full year ended 31st March 2019. These financials are as per the IND AS accounting guidelines.

Key Financials (Rs. In Crore):

| Particulars | Q4 FY19 | Q4 FY18 | YoY | FY19 | FY18 | YoY |
|-------------------------------|---------|---------|-------|-------|-------|-------|
| Revenue (net off excise duty) | 155.0 | 126.8 | 22.3% | 559.8 | 442.8 | 26.4% |
| EBITDA | 16.9 | 16.4 | 2.8% | 63.6 | 53.3 | 19.5% |
| PAT | 8.4 | 4.9 | 73.0% | 24.0 | 20.0 | 19.7% |
| Basic EPS (Rs.) | 5.28 | 3.18 | 66.0% | 15.21 | 13.82 | 10.1% |

Performance Highlights

For the fourth quarter ended March 31st, 2019:

- **Net Revenue (net off excise duty)** in Q4 FY19, Rs. **155.0 crore** as against Rs. 126.8 crore in Q4 FY18, **YoY growth of 22.3%**, mainly driven by all three key businesses of Industrial Switch Gears, Building segment and Wires & cables
 - ✓ Contribution from **domestic sales was 90.5%**, mainly driven by all business segments
- Breakup of revenue for the Electrical Installation Products:
 - ✓ **Industrial Switchgear – 40.2% of net revenues, YoY increase of 3.9%**
 - ✓ **Wires & Cables – 48.8% of net revenues, YoY increase of 8.7%**, mainly on account increase in demand and new product offerings
 - ✓ **Buildings Products – 6.9% of net revenues, increase of 72.1% YoY** on account of increase in focus on the retail segment in India for our products as well as new products added in this segment

- ✓ **Energy Management – 4.1% of net revenue** – order book driven business; revenue incurred from AMC charges for the past orders executed
- **EBITDA stood at Rs. 16.9 crore** in Q4 FY19 as against Rs. 16.4 crore in Q4 FY18, **YoY growth of 2.8%**
- **Q4 FY19 EBITDA Margin at 10.9%**, YoY decline, on account of change in product mix and increase in raw material prices
- **Profit After Tax stood at Rs. 8.4 crore**

For the full year ended March 31st, 2019:

- **Net Revenue (net off excise duty) in FY19, Rs. 559.8 crore** as against Rs. 442.8 crore in FY18, **YoY 26.4%** mainly driven by all three key businesses of Industrial Switch Gears, Building segment and Wires & cables
 - ✓ **Contribution from domestic sales was 86.1%**, driven by all business segments
- Breakup of revenue for the Electrical Installation Products:
 - ✓ **Industrial Switchgear – 41.4% of net revenues, YoY increase of 13.5%**, mainly driven by products - three phase dry type phase transformers and wire harness
 - ✓ **Wires & Cables – 48.5% of net revenues, YoY increase of 21.8%**, mainly on account of consolidation of Salzer Magnet Wires and increase of new product offerings
 - ✓ **Buildings Products – 7.6% of net revenues, increase of 97.9% YoY** on account of increase in new product offerings and focus on sales promotional activity to create awareness for products in the retail segment in India
 - ✓ **Energy Management – 2.5% of net revenue, YoY increase of 192%**. This is an order book driven business and the increase in revenue was from AMC for past orders executed
- **EBITDA stood at Rs. 63.6 crore** in FY19 as against Rs. 53.3 crore in FY18, **YoY growth of 19.5%**, mainly on account of growth of all business segments
- **Profit After Tax was at Rs. 24.0 crore** in FY19 as against Rs. 20.0 crore in FY18, **YoY growth of 19.7%**

The Board of Directors has recommended, subject to shareholders' approval, a final dividend Rs. 1.60 per equity share of Rs. 10 each for the financial year ended March 31st, 2019.

Key Developments during the year:

- During the year promoters of the Company increased their stake in the Company to 36% from 34% in FY18
- CRISIL upgraded the credit ratings of the Company. The credit ratings have been upgraded to 'CRISIL A/Stable' from 'CRISIL A -/Positive' for long term borrowings and 'CRISIL A1' reaffirmed for short term borrowings reflecting a leading market position in domestic rotary switches market and an adequate financial risk profile

- Received prestigious ISO TS 16949 certification for both Magnetic Wire and the cables division. This certification is prepared by the International Automotive Task Force and the Japan Automobile Manufacturers Association, with support from ISO. This Technical Specification, in conjunction with ISO 9001:2000, defines the quality management system requirements for the design and development, production and, when relevant, installation and service of automotive-related products

Management Comment:

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

"I am happy to share that during the financial year we have once again demonstrated a good growth in our revenues of over 25% YoY, despite the continued sluggish in the electrical industry in India. This growth was mainly driven by all our three key business segments of Industrial Switchgear, Wires & cables and Building segments.

During the year our building segment has almost doubled on the back of increased product offerings combined with our focus on retail segment in the Indian markets. We also received our first pilot order from WITTUR in Austria, a world leader in elevator door manufacturing and we are in process of executing the order.

Our focus will always remain on adding new high margin products, reach out different markets with customized product and solutions in order to add newer clients and grow our business. We are constantly looking for new opportunities for technical associations to 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. 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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