

Media Release

**Revenues from operations at Rs 91.1 Crore, YoY growth of 12.5%**

**EBITDA at Rs. 11.4 Crore, YoY growth of 4.7%**

**PAT at Rs. 5.0 Crore, YoY growth of 7.2%**

**Coimbatore, November 5<sup>th</sup>, 2016:** Salzer Electronics Limited (BSE: 517059, NSE: SALZERELEC), a leading player offering total and customised electrical solutions, announced its unaudited results for the quarter ended 30<sup>th</sup> September 2016.

**Key Financials (Rs. In Crore) :**

Particulars	Q2FY17	Q2FY16	YoY	Q1FY17	QoQ	H1 FY17	H1 FY16	YoY
Revenue from Operations	91.1	81.0	12.5%	90.1	1.0%	181.2	172.1	5.3%
EBIDTA	11.4	10.8	4.7%	10.8	4.6%	22.2	23.2	(4.5)%
PAT	5.0	4.6	7.2%	4.6	7.9%	9.6	9.7	(1.1)%

**Performance Highlights****For the quarter ended September 30, 2016:**

- **Revenue from operations was at Rs. 91.1 crore** in Q2FY17, as against Rs. 81.0 crore in the previous quarter, a **YoY growth of 12.5%**
  - **Exports** contributed to **17.6% of total revenues**
- Breakup of revenue as per business segments:
  - **Industrial Switchgear business – 50.3%** of total revenues, **YoY growth of 4.7%**
  - **Buildings Products business – 7.5%** of total revenues, **YoY growth of 117.5%**
  - **Copper business – 35.9%** of total revenues, **YoY growth of 24.5%**
  - **Energy Management business – 6.2%** of total revenues, **YoY decline of 11.4%**. This is a order book driven business. The Company won an order of Rs 106 crore, and as per the terms of the order, a major part of the revenue was booked in FY16 and the balance is spread equally in four years. Only the last portion of the order is being invoiced now and in line with this the Company booked Rs. 5.8 cr of revenue in Q2FY17 as against Rs. 6.5 crore revenue in corresponding period last year.
- **EBITDA stood at Rs. 11.4 crore** in Q2FY17 as against Rs. 10.8 crore in the previous quarter, **YoY growth of 4.7%**
- **Profit After Tax was at Rs. 5.0 crore** in Q2FY17 as against Rs. 4.6 crore in the previous

quarter, **YoY growth of 7.2%**

**For Half year ended September 30, 2016:**

- **Revenue from operations was at Rs. 181.2 crore** in H1FY17, as against Rs. 172 crore in the previous quarter, a **YoY growth of 5.3%**
- Breakup of revenue as per business segments:
  - **Industrial Switchgear business –YoY growth of 4%; accounts for 48% of total revenue**
  - **Building Products business – YoY growth of 51%; accounts for 6% of total revenues**
  - **Copper business – YoY growth of 31%; accounts for 42% of total revenues**
  - **Energy Management business –YoY decline of 65%; accounts for 4% of total revenues**  
This is a order book driven business. The Company won an order of Rs 106 crore, and as per the terms of the order, a major part of the revenue was booked in FY16 and the balance is spread equally in four years. Only the last portion of the order is being invoiced now and in line with this the Company booked Rs. 7.7 cr of revenue in H1FY17 as against Rs. 22 crore revenue in corresponding period last year.
- **EBITDA stood at Rs. 22.2 crore** in H1FY17 as against Rs. 23.3 crore in the previous quarter , **YoY decline of 4.5%**, mainly on account of only O&M revenues from Energy Management Business
- **Profit After Tax was at Rs. 9.6 crore** in H1FY17 as against Rs. 9.7 crore in the previous quarter, **YoY decline of 1.1%**

**Management Comments:**

**Commenting on the results, Mr. R. Doraiswamy, Managing Director, Salzer Electronics Ltd said:**

*“We have witnessed robust growth across all the key business of Industrial Switchgears, Copper Business and Building Segment. In our Energy Management Business revenues have come in purely from Operations & Maintenance. This business has a higher margin as compared to other business segments and will continue to give us Operations & Maintenance revenues in the coming quarters. Currently there are no new orders in this segment but we are very optimistic about the growth prospects of this business.*

*I am happy to inform that this quarter we have been able to increase revenue share from our high margin Industrial Switchgears business. Contribution from higher margin products in this business has increased leading to better margins overall. We have also seen a good growth in the margins sequentially and expect this trend to continue.*

*Going forward, we will continue to focus on adding new, niche and high margin products, enter new geography and offer total and customised electrical solutions to our existing and new customers.”*

**Developments during Q2FY17**

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- Amalgamation of Salzer Magnet Wires Limited with Salzer Electronics Limited
  - Board has approved the Merger of Salzer Magnet wires with Salzer Electronic Limited
  - Approved Draft Scheme of Amalgamation
  - Waiting Approval from Honourable High Court of Judicature at Madras and Stock Exchanges
- Three Phase Dry Type Transformers – Trial Production to start in November 2016 and First Invoicing to start from December 2016

**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 five In-house manufacturing facilities, located in Coimbatore and Himachal Pradesh

- The Company has a wide distribution network locally and globally, exporting to more than 40 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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*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. Salzer Electronics 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.*