

Q2FY18 Media Release

Growth in revenues driven by Industrial switch gear and Wire and Cable segments; despite zero contribution from energy management business

EBIDTA at Rs 13 crore – YoY growth of 8%

EBIDTA margin at 12.8% - best margins in last 4 quarters

PAT at Rs 6 crore – YoY growth of 8%

Coimbatore, November 17th, 2017: Salzer Electronics Limited (BSE: 517059, NSE: SALZERELEC), a leading player offering total and customised electrical solutions, announced its unaudited results for the quarter & half year ended 30th September 2017. These financials are as per the IND AS accounting guidelines.

Key Financials (Rs. In Crore):

Particulars	Q2 FY18	Q2 FY17	YoY	H1FY18	H1 FY17	YoY
Revenue (net of excise duty)	100.7	92.5	9.1%	205.3	182.5	12.5%
EBIDTA	12.9	12.0	7.8%	23.4	23.2	0.7%
PAT	5.8	5.4	8.1%	9.9	9.7	1.8%

Performance Highlights

For the quarter ended September 30th, 2017:

- **Revenue from operations (net off excise duty)** in Q2FY18, Rs. **100.7 crore** as against Rs. 92.5 crore in the corresponding previous quarter, **YoY growth of 9.1%**
 - ✓ **Exports** contributed to **23% of total revenues (y-o-y Growth of 29%)**
- Breakup of revenue for the Electrical Installation Products:
 - ✓ **Industrial Switchgear – 50% of total revenues**
 - ✓ **Buildings Products – 4% of total revenues**
 - ✓ **Wires & Cables – 46% of total revenues, YoY growth of 21% on account of increased demand for agri-cables**
- **EBITDA stood at Rs. 12.9 crore** in Q2 FY18 as against Rs. 12.0 crore in the corresponding previous quarter, **YoY growth of 7.8%**
- **Profit After Tax was at Rs. 5.8 crore** in Q2 FY18 as against Rs. 5.4 crore in the corresponding previous quarter, **YoY growth of 8.1%**

For Half Year ended September 30th, 2017:

- **Revenue from operations (net off excise duty)** at Rs. **205.3 crore** as against Rs. 182.5 crore in H1FY17, **YoY growth of 12.5%**
 - ✓ **Exports** contributed to **18% of total revenues (Y-o-Y Growth of 11%)**
- Breakup of revenue for the Electrical Installation Products:
 - ✓ **Industrial Switchgear – 43% of total revenues**
 - ✓ **Buildings Products – 4% of total revenues**
 - ✓ **Wires & Cables – 51% of total revenues**
 - ✓ **Energy Management – 1% of total revenues**
- **EBITDA stood at Rs. 23.4 crore** in H1 FY18 as against Rs. 23.2 crore in H1FY17, **YoY growth of 0.7 %**
- **Profit After Tax** was at Rs. **9.9 crore** in H1 FY18 as against Rs. **9.7 crore** in H1FY17, **YoY growth of 1.8 %**

Management Comments:

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

“I am happy to share that this quarter we have demonstrated growth in our revenues. This growth was mainly driven by demand in our wire & cables business and a Good pickup in our industrial switch gear business. Another Significant factor was the Growth in Exports in Q2 which was at 29% y-o-y. This was mainly due to increase in exports to UK & USA.

Our EBIDTA has also grown and we have shown improvement in margins sequentially of more than 270 basis points. I believe this is an indication of our efforts over the past three quarters, on improving our margins and increasing our operating efficiencies.

We expect this trend of margin improvement will continue and our endeavour continues to remain on profitable growth and improving our margins.

We continue to focus on adding new, niche and high margin products, enter new geographies and offer total and customised electrical solutions to our existing and new customers. To aid to this we are constantly on the lookout for any new opportunities for technical associations to strengthen the base for our 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 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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