

Media Release

Revenues from operations at Rs.361 Crore, YoY growth of 27%

EBITDA at Rs. 43 Crore, YoY growth of 21%

PAT at Rs. 17 Crore, YoY growth of 42%

Networth at Rs Rs 196 crore, YoY growth of 83%

Board recommends dividend of 16 %

Coimbatore, May 26, 2016: Salzer Electronics Limited (BSE: 517059, NSE: SALZERELEC), a leading player offering total and customised electrical solutions, announced its audited results for the quarter and full year ended 31st March 2016.

Key Financials (Rs. In Crore) :

Particulars	Q4FY16	Q4FY15	YoY	FY16	FY15	YoY
Revenue from Operations	98.8	77.5	28%	361.1	284.3	28%
EBIDTA	9.6	9.5	1%	42.9	35.5	21%
PAT	3.9	3.4	17%	17.1	12.0	42%

Performance Highlights

For the quarter ended March 31, 2016:

- **Revenue from operations was at Rs. 98.8 crore** in Q4FY16, as against Rs. 77.5 crore in the corresponding previous period, a **YoY growth of 28%**
 - **Exports** contributed to **25% of total revenues**
- Breakup of revenue as per business segments:
 - **Industrial Switchgear business** - **41%** of total revenues, **YoY decline of 5%**, mainly on account of delay in Project fructification & execution and these orders will be booked in the coming quarters
 - **Buildings Products business** – **4%** of total revenues, **YoY growth of 6%**
 - **Copper business** – **45.%** of total revenues, **YoY growth of 39%**
 - **Energy Management business** – **10%** of total revenues, **YoY growth of over 480%**
- **EBITDA at Rs. 9.6 crore** in Q4FY16 as against Rs. 9.5 crore in the corresponding previous period, **grew by 1% YoY**
- **Profit After Tax was at Rs. 3.9 crore** in Q4FY16 as against Rs. 3.4 crore in Q4FY15, **YoY growth of 17%**

For the year ended March 31, 2016:

- **Revenue from operations was at Rs. 361.1 crore** in FY16, as against Rs.283.3 crore in the corresponding previous period, a **YoY growth of 28%**
 - **Exports contributed to 25% of total revenues**
- Breakup of revenue as per business segments:
 - **Industrial Switchgear business – 47% of the total revenues, YoY growth of 16%**
 - **Buildings Products business – 4% of total revenues, YoY growth of 9%**
 - **Copper business – 37% of total revenues, YoY growth of 15%**
 - **Energy Management business – 12% of total revenues, YoY growth of 638%**
- **EBITDA at Rs. 42.9 crore** in FY16 as against Rs. 35.5 crore in the corresponding previous period, **grew by 21% YoY**
- **Profit After Tax was at Rs. 17.0 crore** in FY16 as against Rs. 12.0 crore in FY15, **YoY growth of 42%**
- The Company reported **Earnings Per Share at Rs. 13.54** in FY16 as compared to Rs.11.65 in FY15, **YoY increase of 16%**

The Board of Directors have recommended a dividend of **16%** for face value of Rs 10 per share, subject to shareholders' approval.

Balance Sheet as on March 31, 2016:

- The **networth** stood at **Rs.196 crore** as against Rs. 107 crore as on March 31, 2015, a **YoY increase of 83%**
- The **total debt** was at **Rs. 99 crore** as against Rs. 93 crore as on March 31, 2015, a **YoY growth of 7%**

Management Comments:

Commenting on the results, Mr. R. Doraiswamy, Joint Managing Director, Salzer Electronics Ltd said: *“We have demonstrated a significant growth in revenues and profit this year. The revenue growth is in line with our expectations. However, we have seen a shift in product mix on account of delay in getting new project businesses that we were working with various OEM’s in Industrial Switchgear Business which has impacted our blended profitability margins. Also, in the Energy Management business we have not recognised some revenue as we are waiting for third party Audits to be completed but have booked expenses we have incurred for the same.*

I am pleased to share that the plant to manufacture 3 phase dry type transformers is well underway and we expect to start manufacturing by the middle of Q2 of this financial year. This year we also signed up with two leading distributors in Australia and Croatia, to market Salzer branded products in the respective geographies.

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 FY16

- Salzer entered into a **technical alliance with Trafomodern, Austria**
 - Trafomodern, an Austrian company, is one of the leading manufacturers of transformers in Europe
 - Salzer will use Trafomodern’s Technology and design to manufacture Dry Type, Air Cooled Transformers, Chokes and Inductors in India
 - The Company will set up manufacturing facilities for transformers in Coimbatore

- Salzer **raised Rs. 62.1 crore of capital successfully** through Qualified Institutional Placement (QIP)
 - The Company issued **26.41 lac shares at Rs 235 per share, resulting in dilution of 24%** of the capital base
 - The QIP was very well received resulting in well diversified representation and demand. Allocation – **55% FII and 45% domestic mutual funds**
 - Post issue, book value stood at ~ Rs. 132.73 per share
 - The QIP proceeds will be used for **new product development and growth plans of Company**

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.

Earnings Conference Call – Q4 FY16

Nirmal Bang Institutional Equities is organising an Earnings Conference Call to discuss the Quarterly Financial performance of the Company. The conference call details are as under:

Date: **27th May 2016**

Time: **4.30 PM**

Dial-in Numbers: **+91 22 6746 5903 / +91 22 3960 0703**

For further information, please contact:

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