

## Media Release

**Good Growth across key segments of Industrial Switchgears, Building**

**Products and Wires & Cables business**

**13% YoY growth in Industrial Switchgear Segment**

**29% YoY growth in Wires & Cables Segment**

**82% YoY growth in Building Products Segment**

**Q4 FY17 Revenues at Rs. 112.0 Crore, YoY growth of 13%**

**Q4 FY17 EBIDTA at Rs. 10.7 Crore, YoY growth of 11%**

**Coimbatore, May 25<sup>th</sup>, 2017:** Salzer Electronics Limited (BSE: 517059, NSE: SALZERELEC), a leading player offering total and customised electrical solutions, announced its audited results for the quarter & year ended 31<sup>st</sup> March 2017.

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

Particulars	Q4FY17	Q4FY16	YoY	FY17	FY16	YoY
Revenue from Operations	112.0	98.8	<b>13.3%</b>	384.1	361.1	<b>6.3%</b>
EBIDTA	10.7	9.7	<b>10.5%</b>	42.5	42.9	<b>(1.0%)</b>
PAT	3.6	3.9	<b>(9.0 %)</b>	17.1	17.0	<b>0.3%</b>

### **Performance Highlights**

**For the quarter ended March 31<sup>st</sup>, 2017:**

- ✓ **Robust growth in Revenue from operations of 13.3%** in Q4FY17, **Rs. 112.0 crore** as against Rs. 98.8 crore in the previous quarter
  - ✓ **Exports** contributed to **16.6 % of total revenues**
- Breakup of revenue as per business segments:
  - ✓ **Industrial Switchgear business – 40.8 % of total revenues, YoY growth of 12.7 %**
  - ✓ **Buildings Products business – 6.9% of total revenues, YoY growth of 82.4 %**
  - ✓ **Wires & cables business – 50.8 % of total revenues, YoY growth of 28.6 %**
  - ✓ **Energy Management business – 1.6 % of total revenues, YoY decline of 80.9 %.** 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.**

- **EBITDA stood at Rs. 10.7 crore** in Q4FY17 as against Rs. 9.7 crore in the corresponding previous quarter , **YoY growth of 10.5 %**
- **Profit After Tax was at Rs. 3.6 crore** in Q4FY17 as against Rs. 3.9 crore in the corresponding previous quarter, **YoY decline of 9.0 %** on account of higher Tax Provisions

**For Year ended March 31<sup>st</sup> , 2017:**

- **Revenue from operations was at Rs.384.1 crore** in FY17, as against Rs.361.1 crore in the previous corresponding period, a **YoY growth of 6.3 %**
- Breakup of revenue as per business segments:
  - ✓ **Industrial Switchgear business –YoY growth of 2.7 %; accounts for 45.8 % of total revenue**
  - ✓ **Building Products business – YoY growth of 50.0 %; accounts for 6.0 % of total revenues**
  - ✓ **Wires & Cables business – YoY growth of 32 %; accounts for 45.6 % of total revenues**
  - ✓ **Energy Management business –YoY decline of 75.8 %; accounts for 2.6 % of total revenues**

This is an 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. 10.2 cr of revenue in FY17 as against Rs. 42.0 crore in corresponding period last year.
- **EBITDA was flat at Rs.42.5 crores** mainly on account of increased contribution from lower margin Wires & Cables business and only O&M revenues from Energy Management Business
- **Profit After Tax was flat at Rs. 17.1 crore** in FY17 on account of Higher Tax provisions

**Management Comments:**

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

*“We have witnessed a healthy growth this quarter across our key segments of Industrial Switchgears, Wires & Cables Business and Building Segment despite the challenging conditions in the industry.*

*In the last year we had a revenue of Rs.42 crores coming in from our Energy Management EPC*

*contract business as against which we have had a revenue of only Rs.10.2 crores in this year. Taking this into account on a standalone basis the Company has grown by 17% year-on-year. Overall this revenue growth has been driven by building and wires & cable segment both of them have grown by more than 30% year-on-year.*

*The Industrial Switch gear side of our business has demonstrated a healthy growth of around 13% this quarter despite tepid growth in the industry. The market conditions in India as well as USA and Europe continue being very challenging, despite this we have been able to sustain and achieve this growth due to our association with large OEM's. Going forward we see a pickup in demand especially because of our association with companies like GE, Schneider, Honeywell, ABB & Siemens. We are confident that with our products of international standards, consistency in quality, timely delivery and some revival in the industry we will be able to achieve much healthier growth.*

*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. We have also received an LOI of Rs. 18.7 crs from EESL for this segment.*

*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."*

### **Significant Developments :**

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#### **Discussions started with Saelzer Electric, Germany- Original Collaborator**

- ✓ Saelzer Electric- Market leader in Rotary Switches in Germany with significant sales in Germany, UK & US
- ✓ NDA signed and initial discussion started
- ✓ To explore possibilities of Joint product development and Joint marketing for Rotary Cam Switches world-wide

#### **Secured a Letter of Intent valuing Rs. 18.70 crs from Energy Efficiency Services Ltd. (EESL)**

- ✓ EESL- Joint Venture Company of PSU's of Ministry of Power, Government of India
- ✓ LOI to Design, Manufacture, Supply, Install, Commission, Test and Maintain Lighting Controls (Centralized Control & Monitoring System- CCMS) for installed LED street lighting systems
- ✓ Implementation started in Urban Local Body- Varanasi (Uttar Pradesh).

- ✓ **Three Phase Dry Type Transformers- Started commercial production and invoicing**
  - ✓ The project implementation completed, trial production also over
  - ✓ Samples submitted to various large OEM's
  - ✓ Huge potential for this product in segments like, Renewable Power Industry, Railways & Defence sector.

#### 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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