



SALZER

Salzer Electronics Limited

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November 4, 2023

To

THE CORPORATE RELATIONSHIP DEPT
M/s. BSE Limited
I Floor, New Trading Ring,
Rotunda Building,
P. J. Towers, Dalal Street,
Fort, Mumbai - 400 001.

M/s. NATIONAL STOCK EXCHANGE OF INDIA LTD.,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051
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SCRIP CODE: 517059

Symbol: **SALZERELEC**

Dear Sir,

Sub: Intimation under Regulation 30 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”)

Pursuant to Regulation 30 of the SEBI Listing Regulations, please find attached a press release on the unaudited Financial Results of the Company for the quarter and half year ended 30th September 2023.

The above is for your information, records and dissemination please.

Thanking you

Yours Faithfully

For SALZER ELECTRONICS LTD

**K M MURUGESAN
COMPANY SECRETARY
COMPLIANCE OFFICER**

- **Over 14.3% YoY growth in consolidated quarterly revenues - driven by in 9.2% YoY growth in Industrial Switchgear and 22.2% YoY growth in Wires & Cables**
- **Q2 FY24 EBITDA (excluding other income) at Rs. 26.7 crore – YoY growth of 4.5%**
- **Q2 FY24 EBITDA Margin at 9.5%**
- **Q2 FY24 PAT at Rs. 10.1 crore - YoY growth of 5.1%**

Particulars (Rs. Cr)	Consolidated					
	Q2 FY24	Q2 FY23	YoY	H1 FY24	H1 FY23	YoY
Net Revenue	280.72	245.62	14.29%	569.40	488.76	16.50%
EBITDA (excluding other income)	26.79	25.63	4.51%	52.87	46.33	14.12%
EBITDA Margin	9.54%	10.44%	(90 bps)	9.29%	9.48%	(19 bps)
PAT	10.10	9.61	5.10%	20.27	19.25	5.29%
Basic EPS (Rs.)	5.99	5.87	2.04%	12.05	11.77	2.38%

Coimbatore, 4th November, 2023: Salzer Electronics Limited (BSE: 517059, NSE: SALZERELEC), a capital goods engineering Company offering total and customised electrical solutions, announced its unaudited financial results for the Second quarter and half year ended 30th September 2023.

Consolidated Financial Performance Highlights

For the Second quarter ended September 30th, 2023:

- **Net Revenue** in Q2 FY24 was **Rs. 280.72 crore** as against Rs. 245.62 crore in Q2 FY23, **YoY growth of 14.29%**. This growth was driven by higher demand for Industrial switchgear as well as wires and cable businesses mainly due to high demand products like three phase transformers, wire harness, relays and new product like contactors etc.
- ✓ Contribution from **Exports at 34.8%**, export revenue grew 52.7% YoY in Q2 FY24, driven by higher sales in North & South America, Middle East/Africa, Europe and Asian countries
- **EBITDA (excluding other income) was Rs. 26.79 crore** in Q2 FY24 as against Rs. 25.63 crore in Q2 FY23, **YoY growth of 4.51%**
- **EBITDA Margin for the quarter stood at 9.54%**
- **Profit After Tax at Rs. 10.10 crore** in Q2 FY24 as against Rs. 9.61 crore in Q2 FY23, **YoY growth of 5.10%**

For the Half year ended September 30th, 2023:

- **Net Revenue** in H1 FY24, **Rs. 569.40** crore as against Rs. 488.76 crore in H1 FY23, **YoY growth of 16.50%**, driven by business of Industrial switchgear and wire & cable business
- ✓ Contribution from **exports was 29.2% in H1 FY24, mainly on account of** higher sales in North & South America, Middle East/Africa, Europe and Asian countries
- **EBITDA (excluding other income) stood at Rs. 52.87 crore** in H1 FY24 as against Rs. 46.33 crore in H1 FY23, **YoY growth of 14.12%**, mainly on account of higher sales in high demand products like Three phase transformers, wire harness, relays and contactors etc.
- **EBITDA Margin at 9.29%, YoY decrease of 19 bps.** This decline was on account of increase in yearly increment, power cost and outside processing cost
- **Profit After Tax was at Rs. 20.27 crore** in H1 FY24 as against Rs. 19.25 crore in H1 FY23, **YoY growth of 5.29%**
- **PAT Margin stood at 3.56%** in H1 FY24

Q2 & H1 FY24 performance highlights of the key businesses of Salzer Electronics Limited:

Industrial Switch Gear Division:

- Industrial Switchgear business division comprises of LOW voltage products such as Toroidal Transformers, Three phase transformers, Rotary Switches, Isolators, General Purpose relays, Wire Harness, Wiring Ducts, MPCB's, Contactors & OLR's, Control Panels, Terminal Blocks, and Sensors. This division offers around 15 products that are all internationally certified
- This business grew 9.2% YoY and contributed 56.4% to the total revenues in this quarter and 20.3% YoY in H1 FY24, contributed 55.1% to the total revenues in the half year ended.
- The EBIDTA Margin in this business was 11.4% in Q2 FY24 and 11.3% in H1 FY24.

Wire & Cables Division:

- Wires & Cables business division comprises of mid voltage products such as Wires & Cables, Flexible Bus Bars, Enamelled Wires, Bunched Conductors and Tinned Copper Wires
- This business division contributed 37.5% to the total revenues this quarter and 39.1% in H1 FY24. This division grew 22.2% YoY in Q2 FY24 and 16.7% YoY in H1 FY24.
- This Division's EBIDTA Margin stood at 7.0% in Q2 FY24 and 6.7% in H1 FY24.

Building Products Division:

- Building Electrical Products division comprises of products such as Modular Switches, Wires & Cables, MCB's Distribution Boards and Changeovers
- This division contributed 6.1% to the total revenue in this quarter and 5.7% in H1 FY24

Management Comment:

Commenting on this, Mr. Rajesh Doraiswamy, Joint Managing Director, Salzer Electronics Ltd said:

“During the Second quarter of the financial year, we registered a consolidated revenue of Rs. 280.72 crores with EBITDA (excluding other income) and PAT of Rs. 26.79 crore and Rs. 10.10 crore, respectively. Overall market has been bit slow due to international geopolitical uncertainty, high oil prices etc. Despite we have seen growth coming in from Industrial switchgear and wires and cable businesses especially in high demand products like three phase transformers, Wire harness, relays and new products like contactors etc. Our revenues from exports were largely from Asia, North & South America, Middle East / Africa as well as Europe.

We have seen positive trend in decreasing raw material cost, expect this to continue which helped to improve our EBITDA Margins. We are focusing on maintaining a balanced business mix between industrial switchgear and wires & cables products to manage overall gross margin percentage.

On the EV front, we completed the developmental activities for DC Fast charger, and we are taking steps to roll out the product in the current fiscal after securing clearances from the regulatory bodies.

We have recently developed lot of new products for a new segment HVAC (Heating, Ventilation, and Air Conditioning). This segment comprises products like Definite purpose contactor, AC disconnect Switches and Whips and disconnects. These products are being used in both domestic and Industrial AC systems.

We strive to maintain this growth trajectory to set our eyes on new summits of achievement. At Salzer, innovation is in our manifesto, and our strong product offerings and brand position in the market has placed us in a position to achieve new benchmarks for the future. Based on the domestic and export outlook, we are optimistic on our overall business performance.

I thank the entire team at Salzer Electronics for their untiring efforts and all our stakeholders for their continued support and faith in our Company.”

About Salzer Electronics Limited

- 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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Caution Concerning Forward- Looking Statements:

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. The Company 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.