



SALZER

Salzer Electronics Limited

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6th August, 2024

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 ended 30th June 2024.

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
(ACS: 25953)

Salzer Electronics reports strong results for the quarter ended 30th June, 2024

- Over 23.64% YoY growth in consolidated quarterly revenues - driven by in 26.3% YoY growth in Industrial Switchgear and 31.4% YoY growth in Wires & Cables
- Q1 FY25 EBITDA (excluding other income) at Rs. 33.45 crore – YoY growth of 28.26%
- Q1 FY25 EBITDA Margin at 9.37%
- Q1 FY25 PAT at Rs. 14.76 crore - YoY growth of 45.14%
- Smart Meter factory machinery and equipment installation is completed – TEST LAB is certified by NABL & IAS, and Smart Meters are being evaluated by at least 7 AMISPs in India, with advanced discussions underway for securing orders

Particulars (Rs. Cr)	Consolidated					
	Q1 FY25	Q1 FY24	YoY	FY24	FY23	YoY
Net Revenue	356.90	288.67	23.64%	1,166.31	1,037.17	12.45%
EBITDA (excluding other income)	33.45	26.08	28.26%	116.98	95.90	21.98%
EBITDA Margin	9.37%	9.03%	34 bps	10.03%	9.25%	78 bps
PAT	14.76	10.17	45.14%	47.07	39.62	18.80%
PAT Margin	4.13%	3.52%	61 bps	4.04%	3.82%	22 bps
Basic EPS (Rs.)	7.57	6.10	24.10%	27.38	24.21	13.09%

Coimbatore, August 6th, 2024: 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 First quarter ended 30th June 2024.

Consolidated Financial Performance Highlights

For the Quarter ended June 30th, 2024:

- **Net Revenue** in Q1 FY25 was **Rs. 356.90 crore** as against Rs. 288.67 crore in Q1 FY24, **YoY growth of 23.64%**. This growth was mainly driven by higher demand for Industrial switchgear and wires & Cable business due to better market conditions
 - ✓ In Switchgears Legacy product – Rotary switches, Load Break switches grew – 26% y-o-y, Indian Railways business improved and Wire & Cables grew due to better market demand in rural areas
 - ✓ Contribution from **Exports at 26.34%**, export revenue grew 37% YoY in Q1 FY25, driven by higher sales from North and South America, Europe, Middle East and African countries
- **EBITDA (excluding other income)** was **Rs. 33.45 crore** in Q1 FY25 as against Rs.26.08 crore in Q1 FY24, **YoY growth of 28.26%** on account of increased sales in the higher margin Switchgear products and wires & Cables business
- **EBITDA Margin for the quarter stood at 9.37%**

- **Profit After Tax** at **Rs. 14.76 crore** in Q1 FY25 as against Rs. 10.17 crore in Q1 FY24, **YoY growth of 45.14%**

Q1 FY25 performance highlights of the key businesses of Salzer Electronics Limited - Standalone:

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 18.70% YoY and contributed 51.80% to the total revenue in this quarter due to legacy products like Rotary Switches, Toroidal Transformers, Wire Harness and New products to North American Market
- The EBIDTA Margin in this business was 12.92% in Q1FY25

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 43.39% to the total revenue in this quarter and grew 31.35% YoY in Q1 FY25
- This Division's EBIDTA Margin stood at 5.32% in Q1 FY25 and increased volatility in copper prices impacted margins by 113 bps in Q1 FY25

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 4.81% to the total revenue in this quarter. The EBITDA Margin of this business division was 0.06% in Q1 FY25

Management Comment:

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

"During the First quarter of the financial year, we registered a revenue of Rs. 356.90 crores with EBITDA (excluding other income) and PAT of Rs. 33.45 crore and Rs. 14.76 crore, respectively on a consolidated basis. This growth was mainly driven by industrial switchgear and wires & Cables business due to better market conditions. Our revenues from exports were largely from North and South America, and Middle East countries.

We expect to continue with a similar growth trajectory with our strong product offerings and brand position in the market. Based on domestic and export outlook, we are cautiously optimistic about the overall business performance. Our strategic focus is on sustaining a well-balanced business mix between industrial switchgear and wires & cables products to effectively improve the overall gross margin.

We are planning to establish a wholly owned subsidiary in Saudi Arabia. Currently we exporting to major OEMs in Saud Arabia. The Saudi government's local content rule has increased demand for locally made products. The market for key products, including cable ducts, terminal connectors, and rotary cam switches, shows significant growth potential. Setting up a facility in Saudi Arabia will meet local demand and provide duty-free access to other GCC countries. Additionally, the company plans to introduce wires and cables in the second year to further expand its market presence.

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.

For further information, please contact:

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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.