

Media Release**9M FY17 revenues at Rs. 272 Crore, YoY growth of 4%****Growth mainly driven by building products & copper business****9M FY17 PAT at Rs. 14 Crore, YoY growth of 15%**

Coimbatore, February 2nd, 2017: Salzer Electronics Limited (BSE: 517059, NSE: SALZERELEC), a leading player offering total and customised electrical solutions, announced its unaudited results for the quarter ended 31st December 2016.

Key Financials (Rs. In Crore) :

Particulars	Q3FY17	Q3FY16	YoY	Q2FY17	QoQ	9M FY17	9M FY16	YoY
Revenue from Operations	90.9	90.2	0.8%	91.1	(0.2%)	272.1	262.3	3.7%
EBIDTA	9.6	9.9	(3.7%)	11.4	(15.4%)	31.8	33.2	(4.3%)
PAT	3.9	3.4	14.7%	5.0	(19.8%)	13.5	13.1	3.2%

Performance Highlights**For the quarter ended December 31st, 2016:**

- ✓ **Revenue from operations remained flat at Rs. 90.9 crore** in Q3FY17, as against Rs. 91.1 crore in the previous quarter
 - ✓ **Exports contributed to 19.8% of total revenues**
- Breakup of revenue as per business segments:
 - ✓ **Industrial Switchgear business – 48.2% of total revenues, YoY growth of 0.1%**
 - ✓ **Buildings Products business – 5.6% of total revenues, YoY growth of 25.2%**
 - ✓ **Copper business – 45.4% of total revenues, YoY growth of 25.3%**
 - ✓ **Energy Management business – 0.8% of total revenues, YoY decline of 92.5%. 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. 9.6 crore** in Q3FY17 as against Rs. 9.9 crore in the corresponding previous quarter , **YoY decline of 3.7%**
- **Profit After Tax was at Rs.3.9 crore** in Q3FY17 as against Rs. 3.4 crore in the corresponding previous quarter, **YoY growth of 14.7%**

For 9 Months ended December 31st , 2016:

- **Revenue from operations was at Rs. 272.1 crore** in 9MFY17, as against Rs. 262.3 crore in the previous corresponding period, a **YoY growth of 3.7%**
- Breakup of revenue as per business segments:
 - ✓ **Industrial Switchgear business –YoY growth of 7%; accounts for 48% of total revenue**
 - ✓ **Building Products business – YoY growth of 39%; accounts for 6% of total revenues**
 - ✓ **Copper business – YoY growth of 31%; accounts for 43% of total revenues**
 - ✓ **Energy Management business –YoY decline of 74%; accounts for 3% of total revenues**

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. Only the last portion of the order is being invoiced now and in line with this the Company booked Rs. 8.4 cr of revenue in 9M FY17 as against Rs. 32.6 crore revenue in corresponding period last year.
- **EBITDA stood at Rs.31.8 crore** in 9MFY17 as against Rs. 33.2 crore in the corresponding previous period , **YoY decline of 4.3%**, mainly on account of only O&M revenues from Energy Management Business
- **Profit After Tax was at Rs. 13.5 crore** in 9MFY17 as against Rs. 13.1 crore in the corresponding previous period, **YoY growth of 3.2%**

Management Comments:

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

“We have witnessed a flat growth this quarter. Despite the challenging conditions in the industry we have been able to show slight growth. Our Wires and Cables business and Building Segment business have shown robust growth. We are continuing to focus on more value added products in these segments.

The Industrial Switch gear side of our business has been flat primarily because of the tepid demand. Also, the margins were impacted in this quarter because of the unexpected sudden rise in the commodity prices. This however will be offset by the increase in pricing from January onwards. Though the market conditions in India as well as USA/EUROPE was very challenging, we have been able to sustain with minimal 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.

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."

Developments during Q3FY17

- ✓ **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
 - ✓ To be implemented in Urban Local Bodies- Varanasi (Uttar Pradesh), Jalna (Maharashtra) and Jharkhand
- ✓ **Three Phase Dry Type Transformers- Started commercial production and invoicing from January 2017**
 - ✓ 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.

New Product Business –

- ✓ **Received first order from Smith's Detection**
 - ✓ Germany based company manufacturing Airport Security X-ray machines
 - ✓ Order received to supply Wire Harness
- ✓ **Received first order from Alstom**
 - ✓ To supply large CT's in power stations
- ✓ **Started supplies to KONE Elevators of Special Travelling Cables**

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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