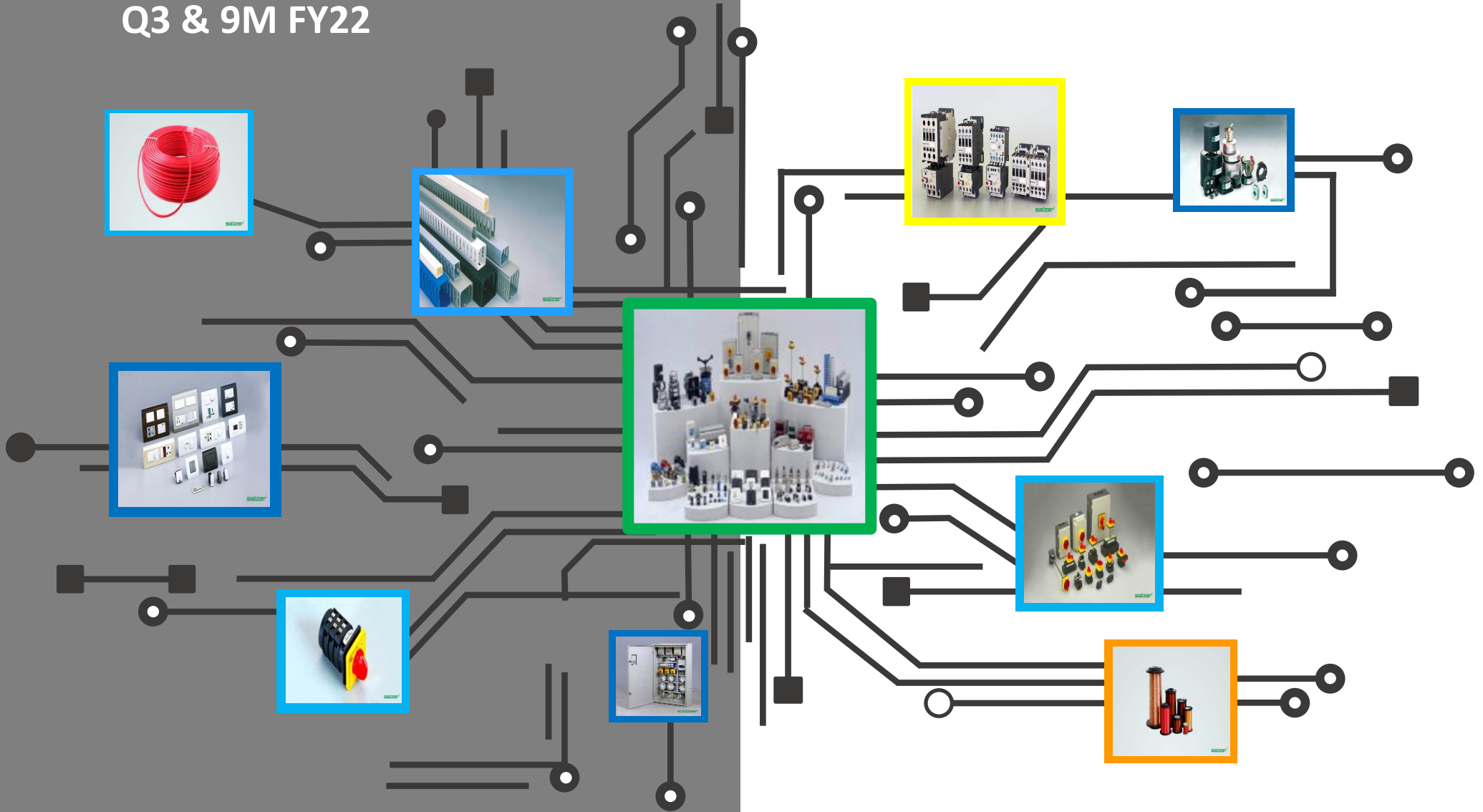
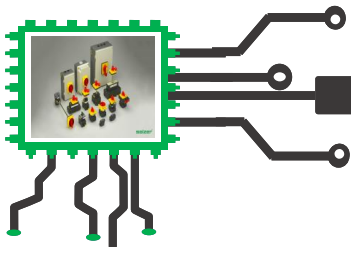


Salzer Electronics Limited

Result Update Presentation
Q3 & 9M FY22





Disclaimer

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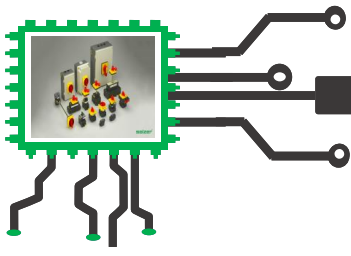
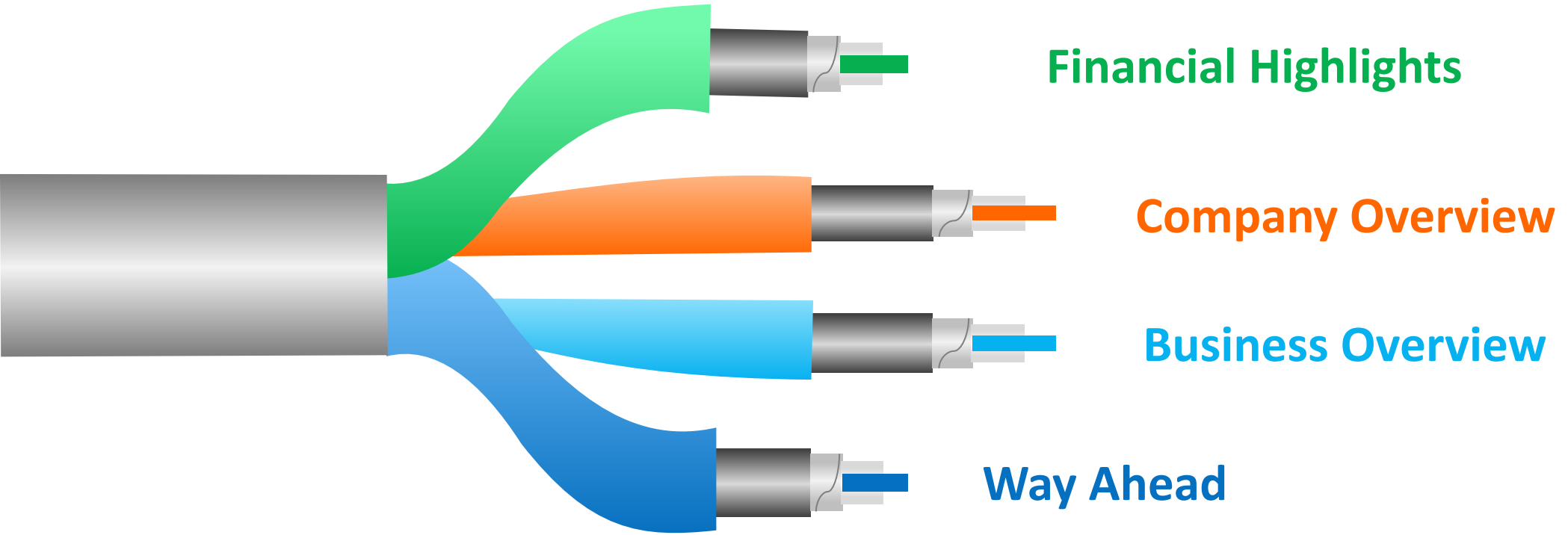
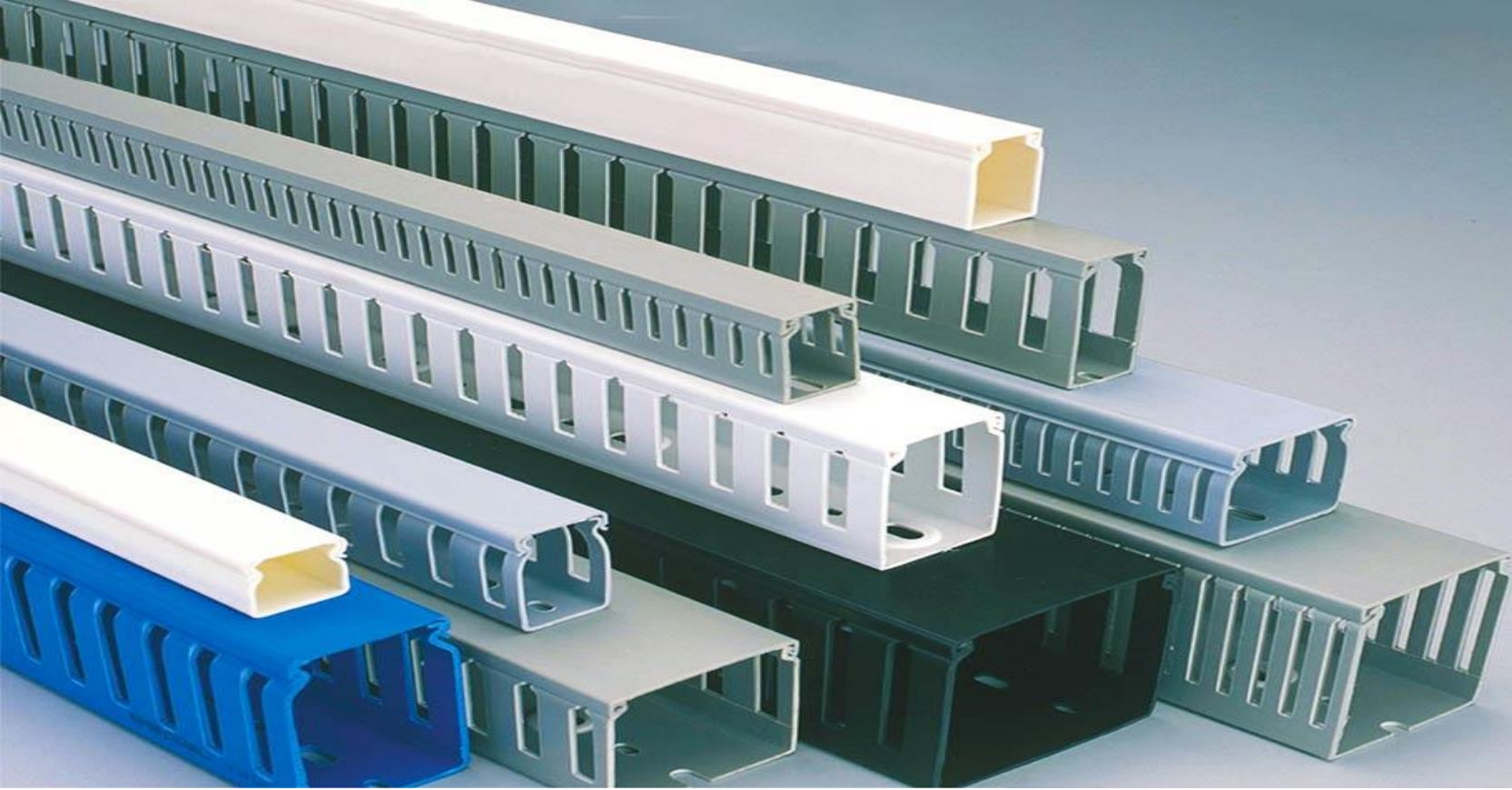
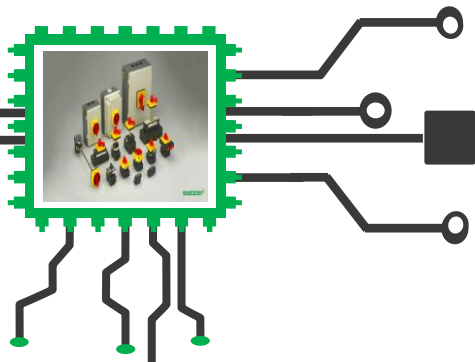


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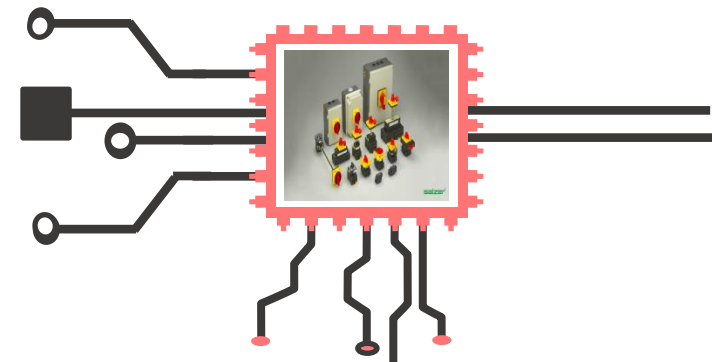


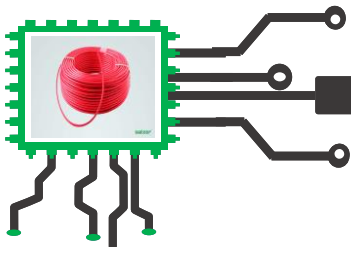


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Financial Highlights





Joint Managing Director's Message

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Commenting on the results, Mr. Rajesh Doraiswamy, Joint Managing Director, said :

“The impacts of third wave of the pandemic seem to be subsiding now though there are new variants coming in, despite that the markets in India and abroad are recovering from the slowdown. We are witnessing a steady growth in demand and an increasing good orderbook, from both domestic as well as export markets.

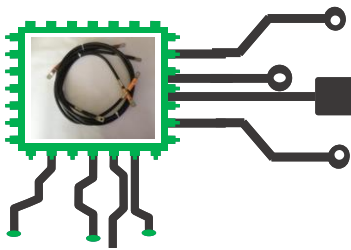
During the third quarter of the financial year, we registered a revenue of Rs. 211.82 crores with EBITDA and PAT of Rs. 17.68 crore and Rs. 7.25 crore, respectively. This growth coming in was primarily from industrial switchgear products, especially wire harness products. Continued volatility & increase in raw material prices substantial Freight cost Increase has offset our price hikes and impacted margins. We are slowly passing on these hikes to our customers over time. However, going forward, we expect raw material prices to stabilize now and margins to improve slightly.

On another note, our recent joint ventures to enter the electric vehicles space are both on track. We are excited about this line of business as it is a high growth potential vertical, and we have strong technical alliances in the form of these JVs to get an early start in the market.

Moreover, as the dealer and retail markets continue to gain momentum, and domestic as well as international markets are showing recovery, we expect to maintain our growth trajectory with our strong product offerings and brand position in the market. For the full year, we are cautiously optimistic about the overall business performance based on visibility from customers.

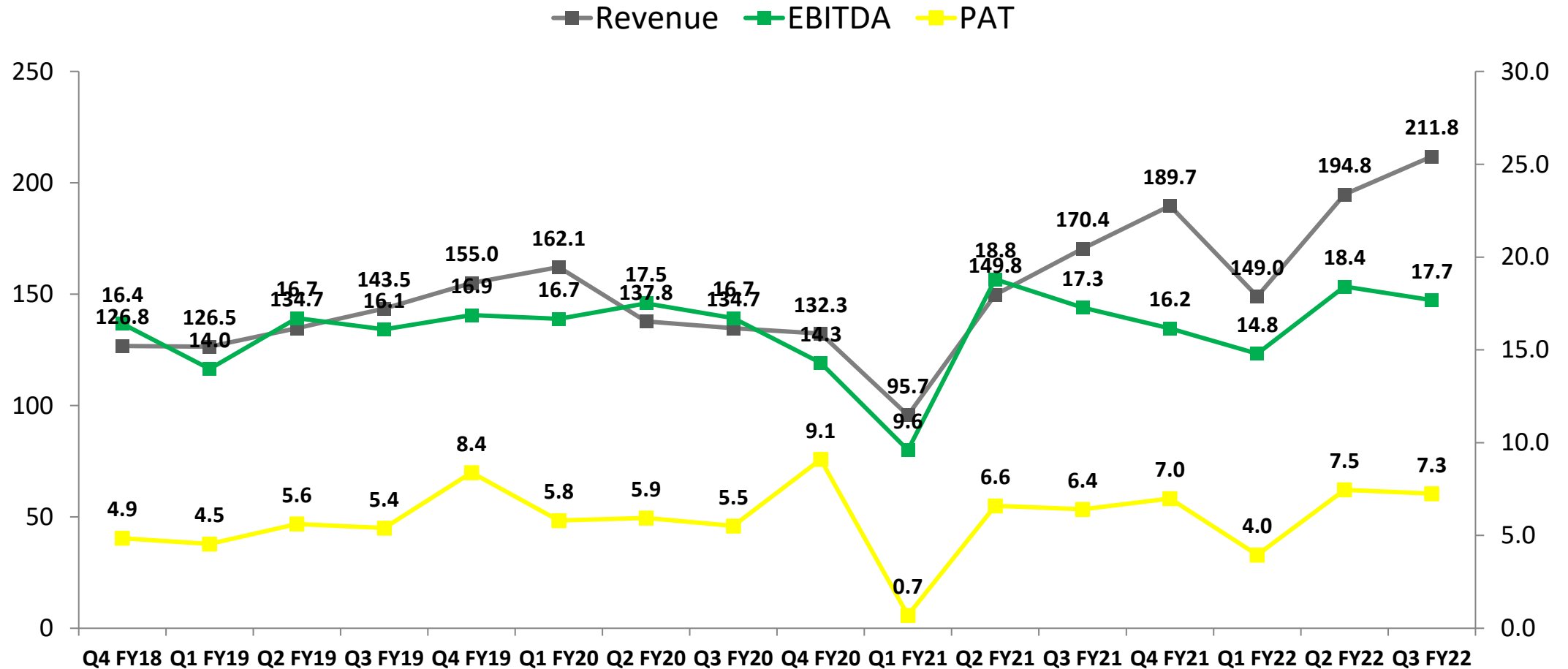
I thank all our stakeholders for their continued support and faith in our Company and wish everyone good health.”

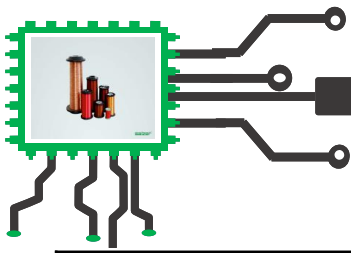




Key Financial Highlights – Quarterly

Revenue, EBITDA, PAT (Rs. Crore)



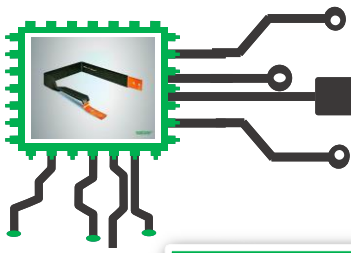


Q3 FY22 Financial Highlights

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Rs. in Crore	Standalone				Consolidated
	Q3 FY22	Q3 FY21	Y-o-Y %	Q2 FY22	Q3 FY22
Net Revenue	211.82	170.44	24.28%	194.81	218.82
Raw Materials	167.62	133.97		154.05	171.42
Employee Cost	7.35	6.47		6.91	8.49
Other Expenses	19.17	12.72		15.43	20.51
Total Expenditure	194.14	153.16		176.39	200.43
EBITDA	17.68	17.28	2.34%	18.41	18.40
EBIDTA Margin (%)	8.35%	10.14%	(179 bps)	9.45%	8.41%
Other Income	0.88	0.24		0.81	0.83
Depreciation	3.93	3.75		4.08	4.00
Interest / Finance Cost	4.97	5.42		4.69	5.01
Exceptional Item (Gain) / Loss	0.00	0.00		0.00	0.00
Profit Before Tax	9.66	8.35		10.45	10.22
Tax	2.41	1.94		2.98	2.57
Profit After Tax	7.25	6.40	13.21%	7.46	7.65
Profit After Tax Margin (%)	3.42%	3.76%	(34 bps)	3.83%	3.49%
Basic EPS (Rs.)	4.53	4.01	12.97%	4.67	4.78

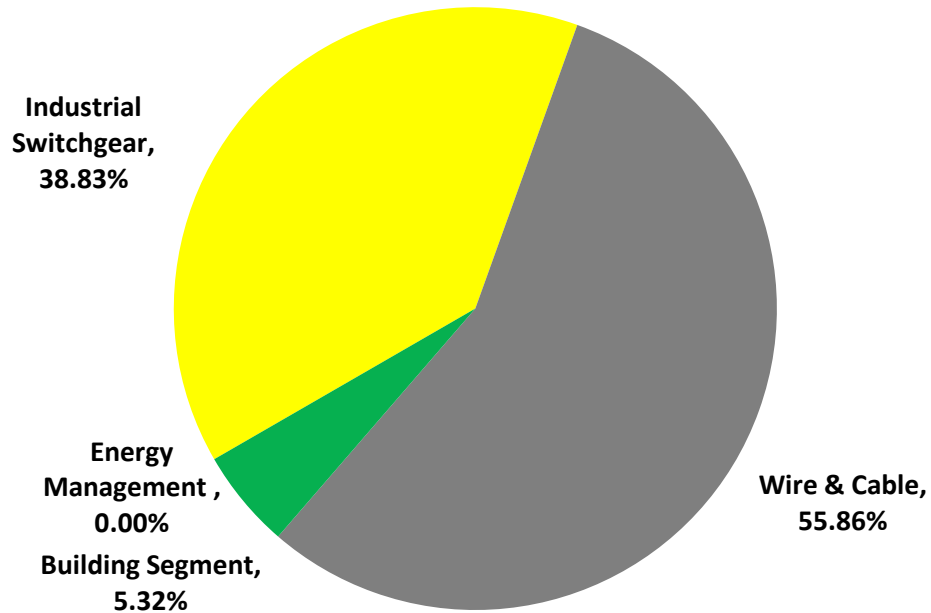
- **Increase in Revenue** driven by good order inflow across sectors for all Switchgear products
- Strong rise in exports also complemented growth. Overall, strong volume growth in Switchgear products
- Contribution from **Exports** was **22.10%**, on account of increase in sales to the Americas, Middle East, Africa and Europe. Overall **export revenue grew 51.56% YoY** in Q3



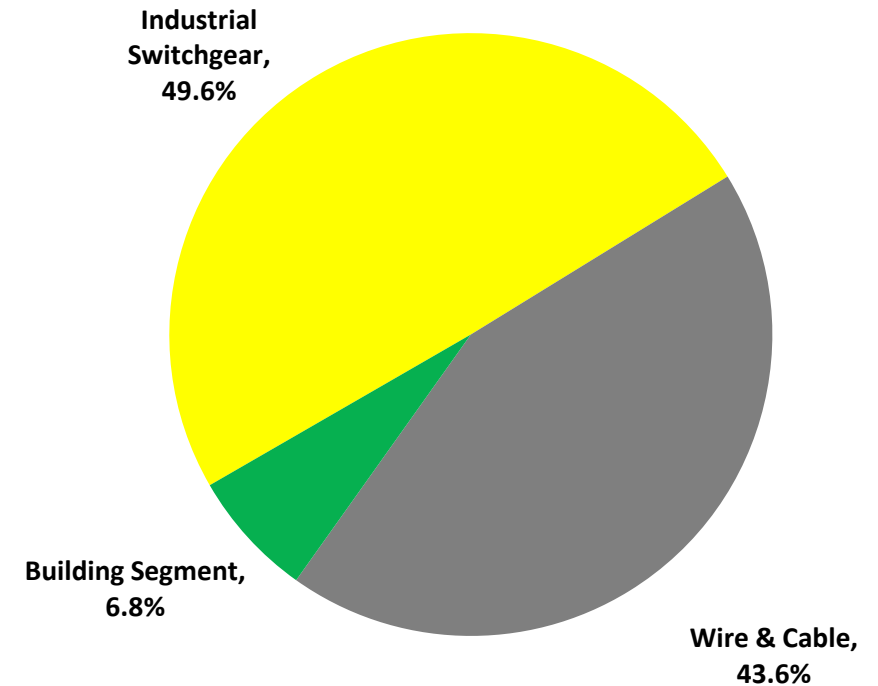
Q3 FY22 Revenue Breakup – Business Verticals

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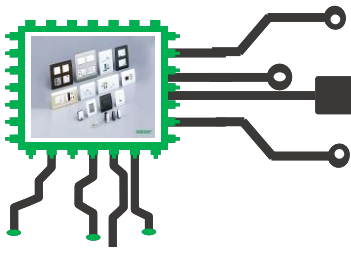
Q3 FY21



Q3 FY22



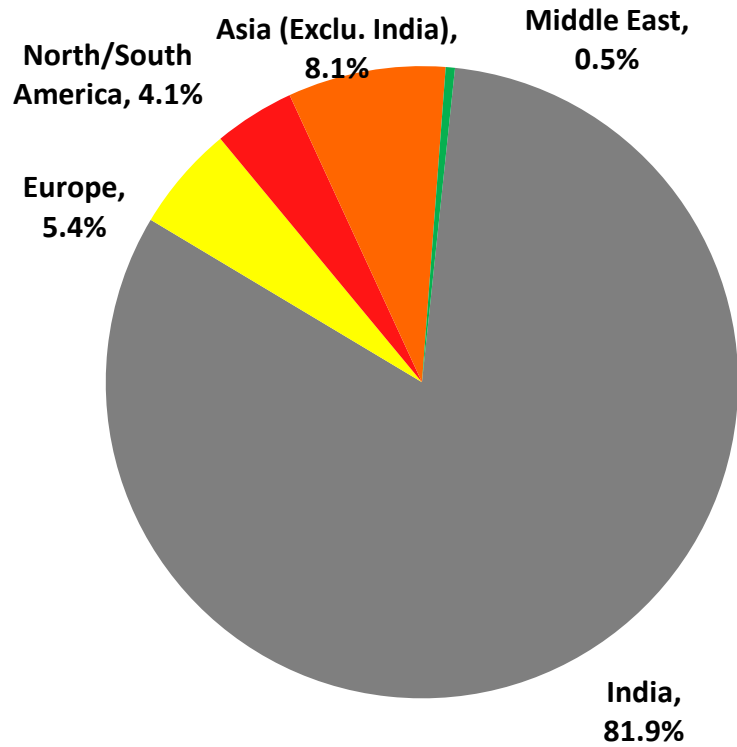
- Industrial Switchgear – 49.55% of net revenues
- Wires & Cables – 43.62% of net revenues
- Buildings Products – 6.83% of net revenues
- Energy Management – No tenders issued by the Government during this period



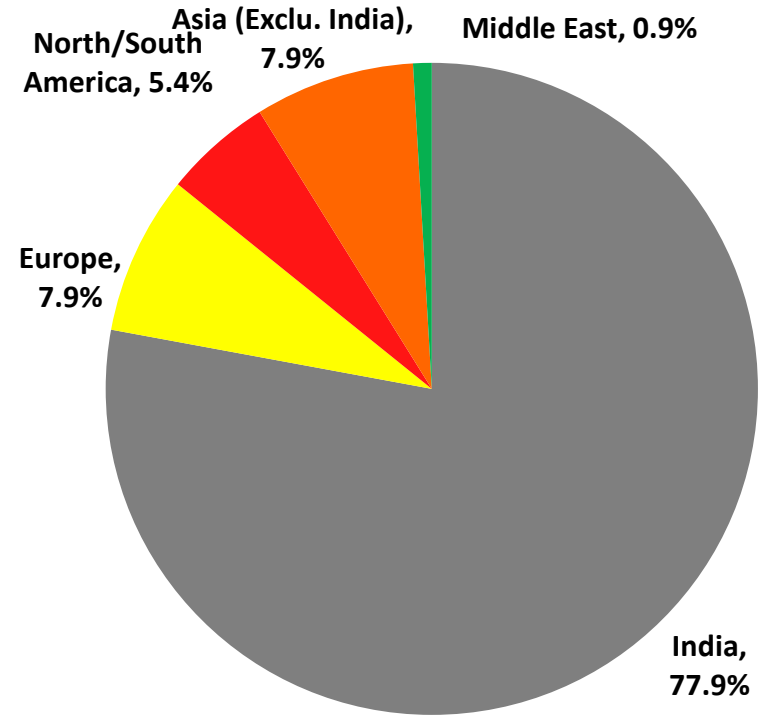
Q3 FY22 Revenue Breakup – Geographical

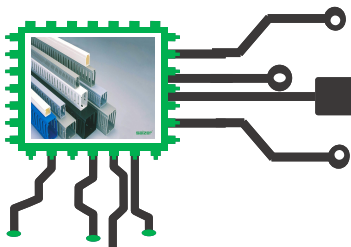


Q3 FY21



Q3 FY22



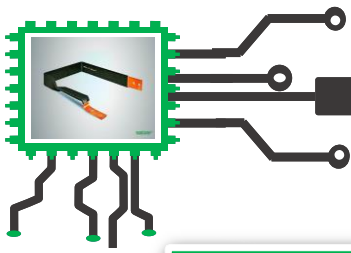


9M FY22 Financial Highlights

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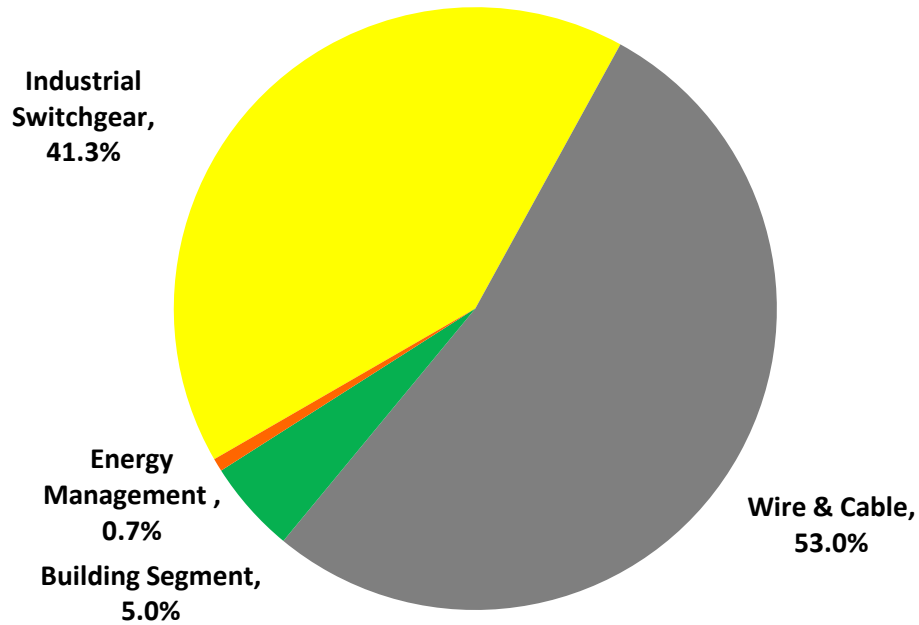
Rs. in Crore	9M FY22	9M FY21	Y-o-Y %	9M FY22 (Consl)
Net Revenue	555.61	415.93	33.58%	569.62
Raw Material Expenses	436.24	319.56		442.29
Employee Expenses	20.79	16.84		23.97
Other Expenses	47.68	33.91		51.02
Total Expenditure	504.71	370.31		517.28
EBITDA	50.90	45.62	11.57%	52.33
EBITDA Margin (%)	9.16%	10.97%	(181 bps)	9.19%
Other Income	1.83	0.55		1.95
Depreciation	11.95	11.51		12.21
Interest / Finance Cost	14.78	16.02		14.84
Exceptional Item (Gain) / Loss	0.00	0.00		0.00
PBT	26.00	18.65		27.23
Tax	7.32	4.97		7.60
PAT	18.67	13.68	36.49%	19.63
PAT Margin (%)	3.36%	3.29%	7 bps	3.45%
Basic EPS (Rs.)	11.67	8.56	36.33%	12.11

- Strong demand for industrial switchgear products, particularly wire harnesses and 3 phase dry type transformers
- Contribution from exports was 24.46% in 9M FY22, as against 20.00% in 9M FY21, mainly on account of higher exports to European, American and Asia markets
- Volatility in raw material prices offset impact of price hike of finished goods

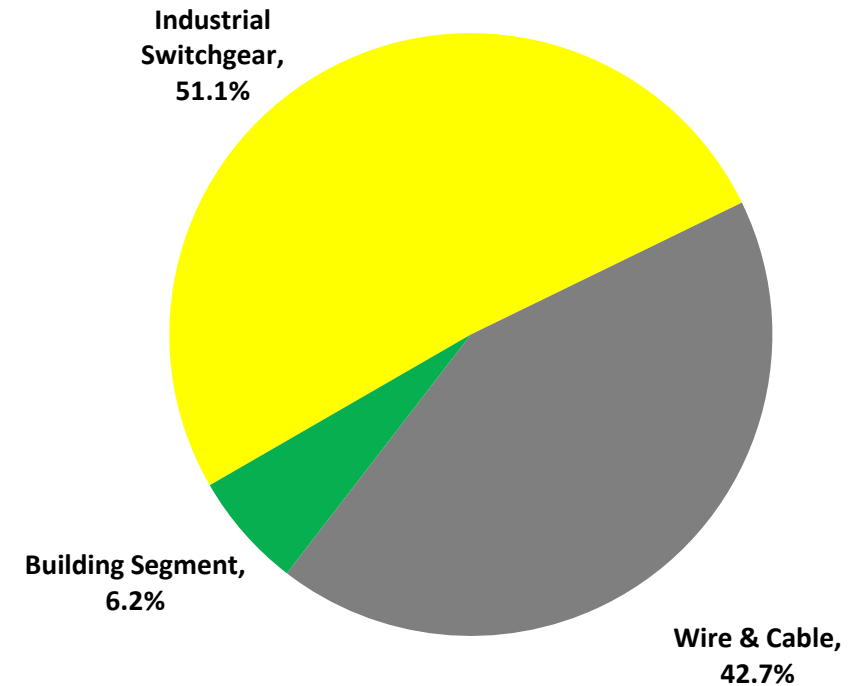


9M FY22 Revenue Breakup – Business Verticals

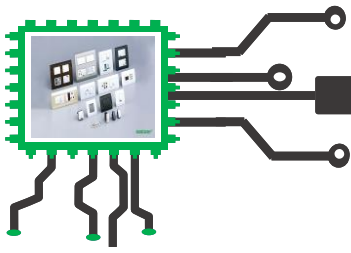
9M FY21



9M FY22

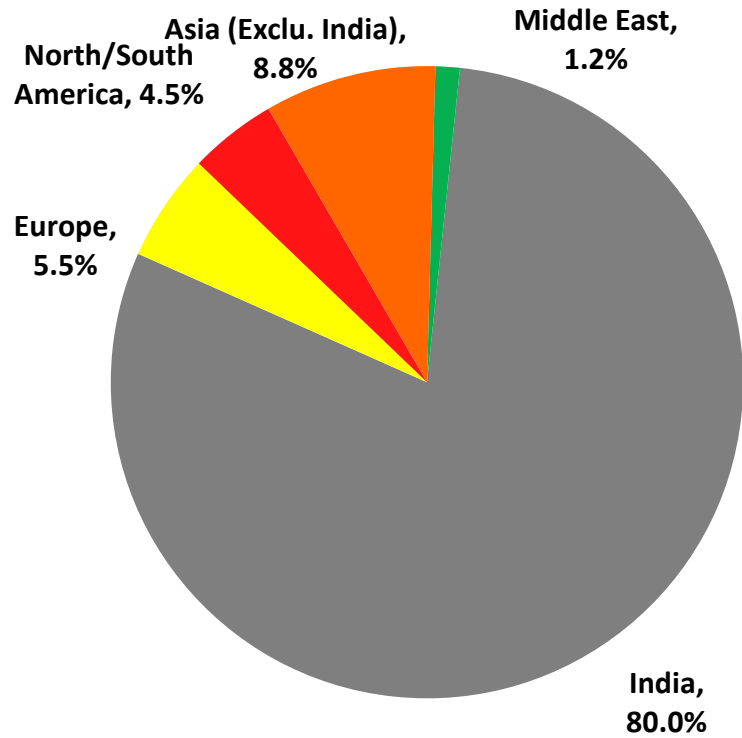


- Industrial Switchgear – 51.12% of net revenues
- Wires & Cables – 42.66% of net revenues
- Buildings Products – 6.22% of net revenues
- Energy Management – No tenders issued by the Government during this period

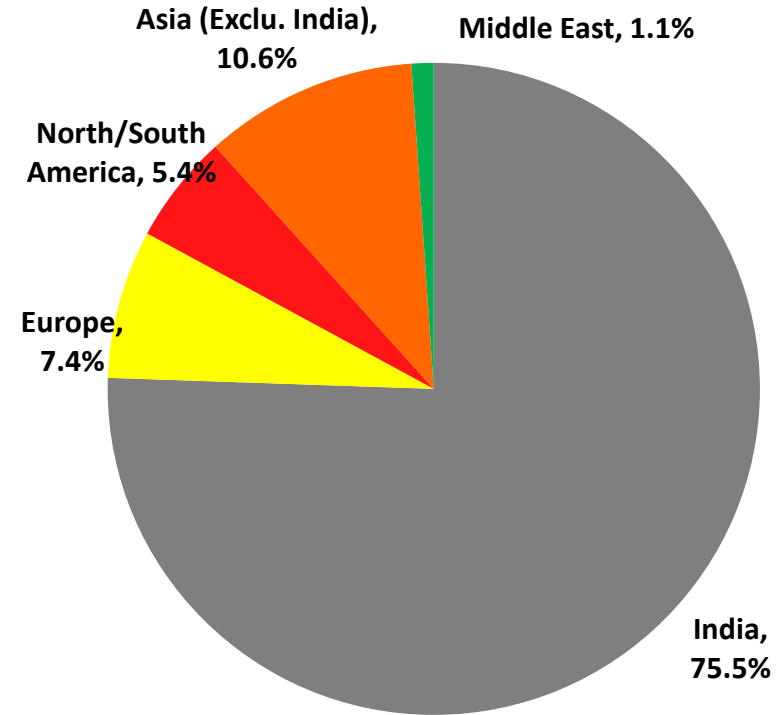


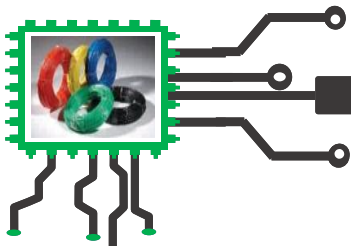
9M FY22 Revenue Breakup – Geographical

9M FY21



9M FY22





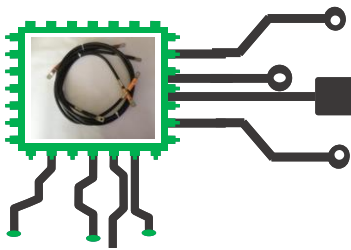
Balance Sheet as on 31st Mar' 21

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Rs. Crore	As on 30 th Sept' 21	As on 31 st Mar' 21	As on 30 th Sept' 21*
Shareholder's Funds	340.37	331.29	345.94
Share capital	15.98	15.98	15.98
Other Equity	324.38	315.30	325.81
Non Controlling Interest	0.00	0.00	4.15
Non-current liabilities	34.63	35.03	34.94
Financial Liabilities			
Borrowing	14.84	16.27	14.84
Provisions	0.00	0.03	0.21
Deferred Tax Liabilities (Net)	19.78	18.74	19.63
Other Non-Current Liabilities	0.00	0.00	0.25
Current liabilities	312.91	307.91	315.97
Financial Liabilities			
Borrowing	213.35	197.48	213.35
Trade Payable	49.92	58.81	52.19
Others	4.85	4.89	4.90
Other Current Liabilities	41.45	44.07	42.02
Provisions	1.47	1.30	1.62
Current tax liability (Net)	1.87	1.36	1.89
Total Equities & Liabilities	687.90	674.23	696.85

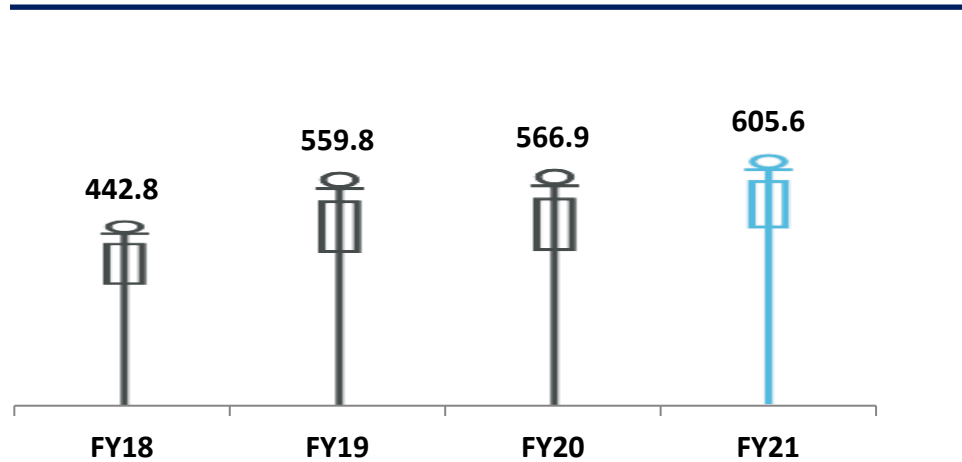
Rs. Crore	As on 30 th Sept' 21	As on 31 st Mar' 21	As on 30 th Sept' 21*
Non-current assets	254.14	260.14	247.43
Property, Plant & Equipment	207.21	206.66	209.84
Capital WIP	1.36	1.35	1.36
Investments Property	0.01	0.01	0.01
Intangible Assets	4.01	4.10	10.95
FA - Investments	17.28	17.26	0.68
FA - Trade Receivables	9.60	11.60	9.60
FA - Others	12.49	17.27	12.51
Other Non Current Assets	2.19	1.89	2.48
Current assets	433.76	414.09	449.42
Inventories	200.12	177.38	203.40
Financial Assets			
Investments	2.81	3.90	2.81
Trade receivables	180.52	178.46	188.97
Cash & Cash equivalent	2.84	4.93	3.25
Bank Balance other than above	5.67	5.57	8.75
Loans	11.89	18.41	11.89
Other	0.40	0.34	0.40
Other Current Assets	29.49	25.10	29.94
Total Assets	687.90	674.23	696.85

*Consolidated – on account of acquisition of 74.9% shares of Kaycee Industries

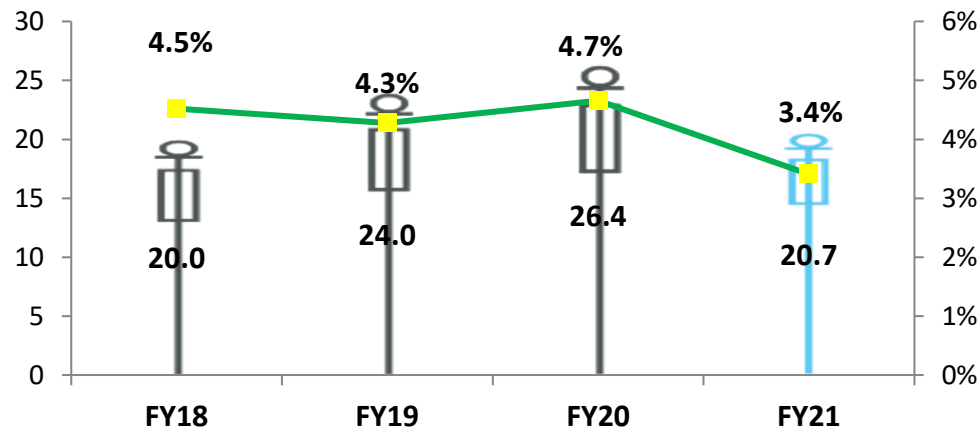


Key Financial Highlights – Annual

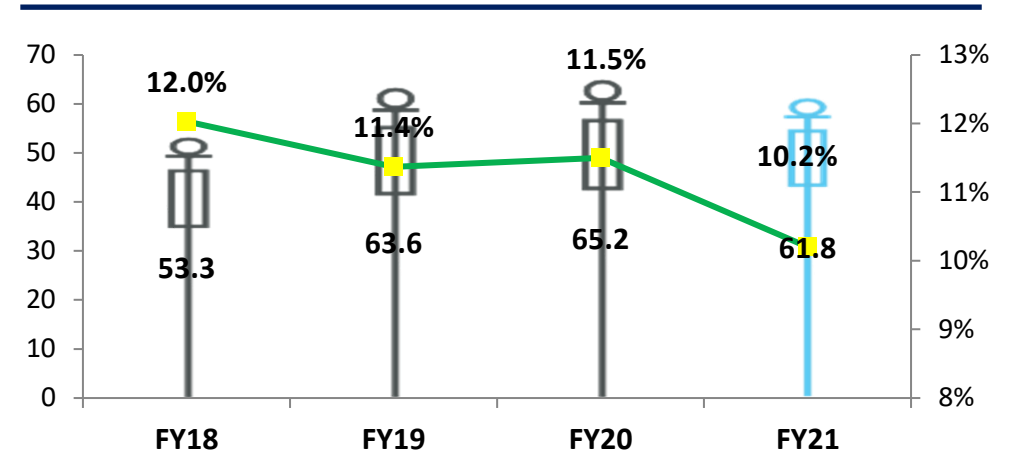
Revenue (Rs. Crore)



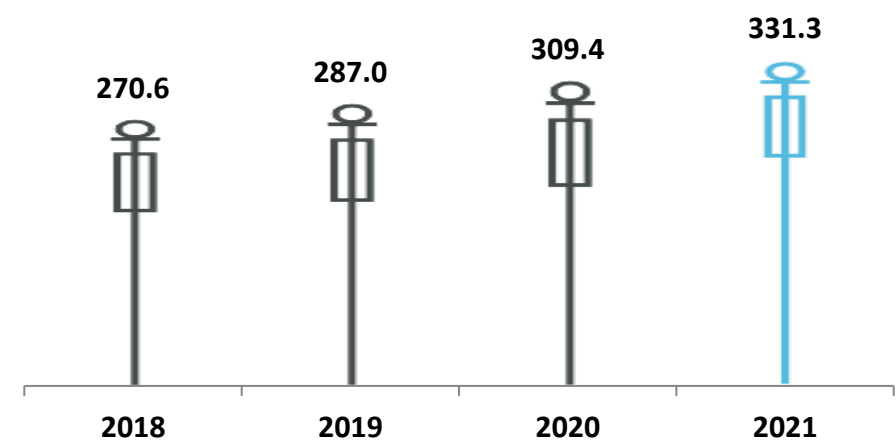
Net Profit (Rs. Crore)

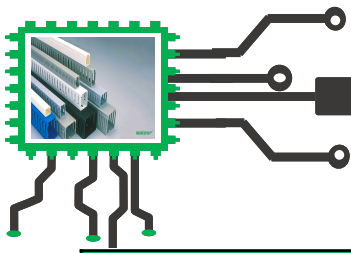


EBITDA (Rs. Crore) / Margins (%)



Networth as on 31st March (Rs. Crore)



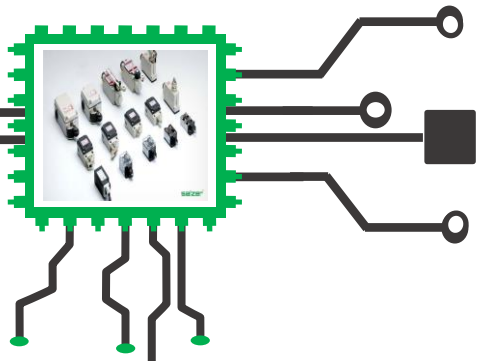


Annual FY21 Financial Highlights

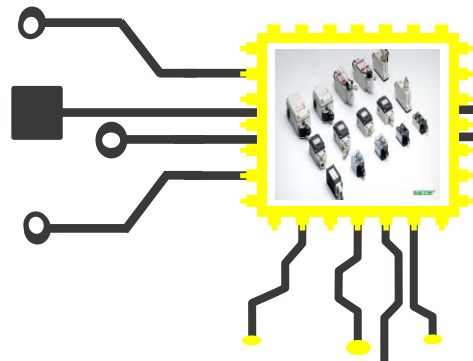
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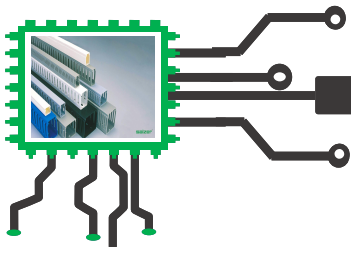
Rs. in Crore	FY21	FY20	Y-o-Y %	FY21 (Consl)
Net Revenue	605.62	566.95	6.82%	625.74
Raw Material Expenses	470.39	419.81		481.13
Employee Expenses	24.34	26.40		28.12
Other Expenses	49.10	55.55		53.48
Total Expenditure	543.83	501.76		562.72
EBITDA	61.79	65.19	(5.21%)	63.02
EBITDA Margin (%)	10.20%	11.50%	(130 bps)	10.07%
Other Income	1.99	0.89		2.20
Depreciation	15.61	14.44		16.01
Interest / Finance Cost	21.27	21.17		21.34
Exceptional Item (Gain) / Loss	0.00	0.00		0.15
PBT	26.90	30.47		28.01
Tax	(6.23)	(4.08)		(6.63)
PAT	20.67	26.39	(21.65%)	21.38
PAT Margin (%)	3.41%	4.65%	(124 bps)	3.42%
Basic EPS (Rs.)	12.93	16.51	(21.68%)	12.84

- Revenue growth from revival in demand for wire harness and three-phase transformers, offsetting the COVID-19 impact in first quarter
- Contribution to revenue from exports was **20% in FY21**, with **24.6% YoY growth in export revenue**, mainly on account of higher exports to American markets
- Margins impacted by rise in raw material prices, which are gradually being passed on to customers



Company Overview





Leading player offering total and customized electrical solutions

- Presence in Industrial Switchgears, Wires & Cables and Energy management business
- Largest manufacturer of Cam Operated Rotary Switches – Market leader with 25% share

Extensive Product portfolio across verticals with In-house manufacturing facilities

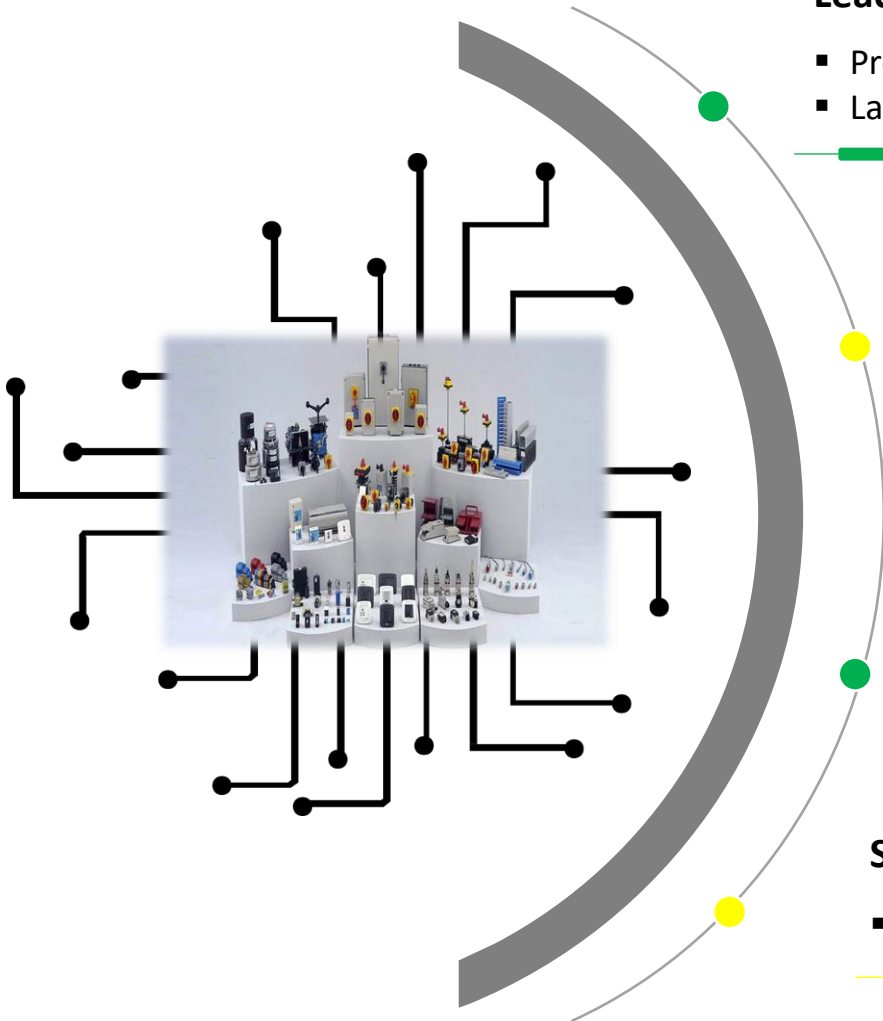
- Five manufacturing units located in Tamil Nadu
- More than 15 products catering to Industrial / Building / Automobile verticals

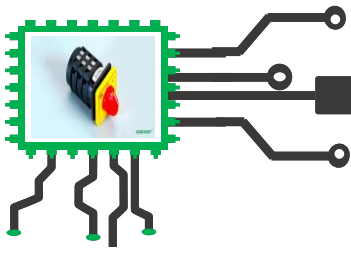
Wide Distribution network – local and global

- Own distribution network – local and global – export to 50 countries
- Access to L&T's local network through more than 350 distributors

Strong focus on product development and innovation

- Registered Patent for Rotary Switches, five product patents in process

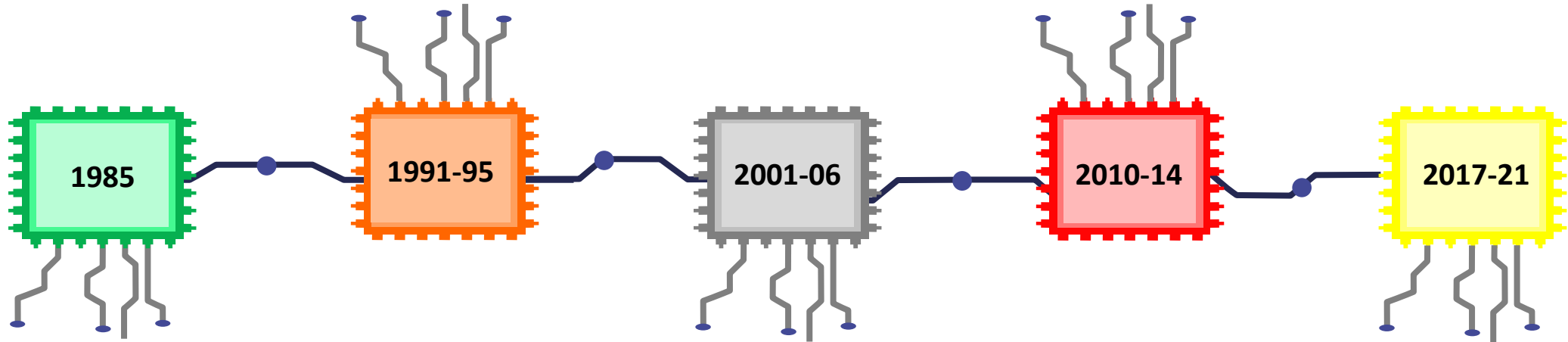




From a Single Product Company...

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- Unit I (Coimbatore) – manufacture contactors, relays, panels, energy savers
- Starting of long term association with L&T
- Technical collaboration with Plitron for manufacture of Toroidal Transformers
- 1st Indian company to bring technology to India
- Leading player offering total and customized electrical solutions
- More than 15 different products
- 2,000 employees
- 5 manufacturing units
- Foray into tailor made products and branding for large customers
- Specialized panels for OEMs

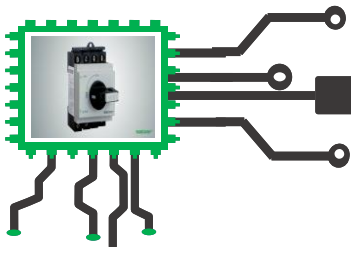


- Established to manufacturer of CAM operated Rotary Switches

- Unit III - manufacture modular switches
- Started manufacturing of Wire & Cable for L&T

- Started commercial production of Three Phase Dry Type Transformers
- Acquired Salzer Magnet Wires
- Upgrade in Credit Rating for long-term borrowing to 'CRISIL A/Stable'
- Acquired Kaycee Industries Ltd.
- Forays into **EV Business** through **JVs** with Kostad Steuerungsbaubau GmbH and EMarch LLP

... to manufacturing multiple products across sectors



Professional Management

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R.Doraiswamy Managing Director

- Qualified Electrical Engineer and Technocrat Entrepreneur with over 2 decades of experience
- Vast Experience in Foreign Collaboration & wide global contacts

D.Rajeshkumar Joint Managing Director

- Electrical Engineer, India; Post Graduate in Business Management, US
- JMD and CEO of Company - responsible for driving the vision of Company

S.Baskarasubramanian Director-Corporate Affairs & CS

- Qualified Company Secretary & member of FCS India
- Wide experience in company law/ corporate affairs

P.Sivakumar AVP – Marketing Corporate

- Bachelors in Engineering with 22 years of experience
- Responsible for Sales & Marketing division

M Lakshminarayana VP - Operations

- B.E (Electrical) with 17 years of experience
- Responsible for Production, Planning, Inventory Management, Maintenance & General Administration

D.Govindaraj Sr. Manager-Corp. Accounts & Projects

- Masters in Commerce, DLL and DTL with 26 years of experience
- Responsible for project finance and corporate accounts

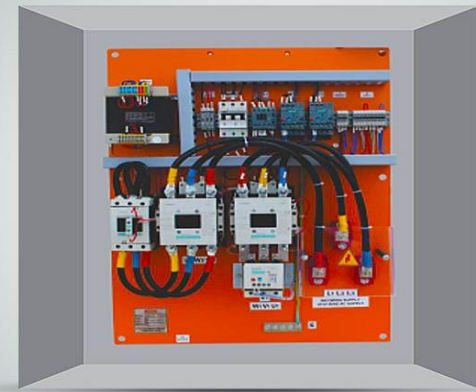
R Karunakaran GM - PR & Central Excise

- BSc, Diploma in Marketing Management with 24 years of experience
- Responsible for Central Excise and Public Relations of Company

Guided by 13 member experienced Board



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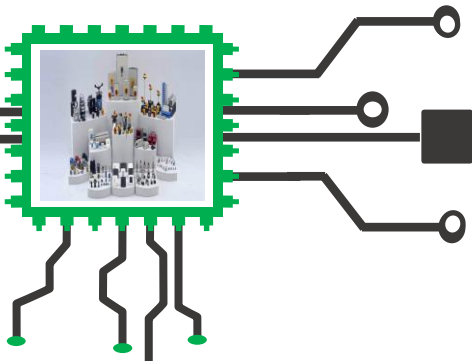
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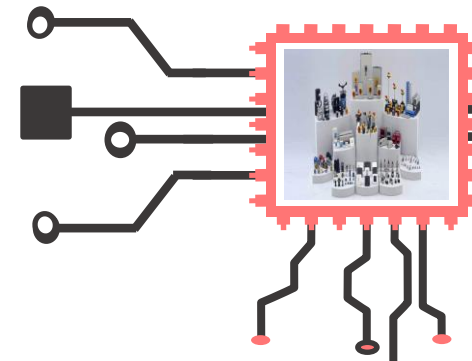
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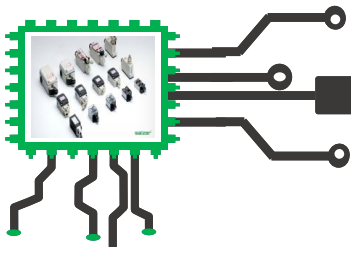


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Business Overview





Industrial Switch Gear Products

- Transformers
- Terminal Blocks
- Rotary Switches
- Isolators
- General Purpose relays
- Wiring Ducts
- MPCB's
- Contactors & OLR's
- Control Panels
- Wire Harness



Building products

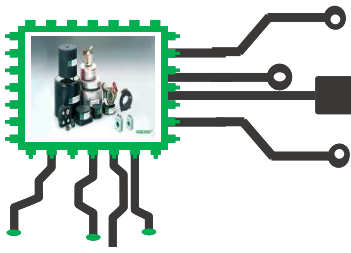
- Modular Switches
- Wires & Cables
- MCB's
- Changeovers

Copper Products

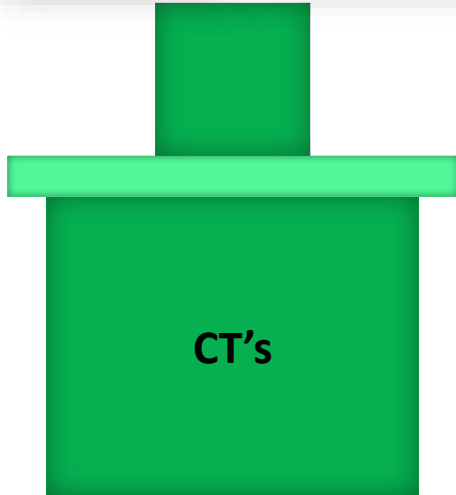
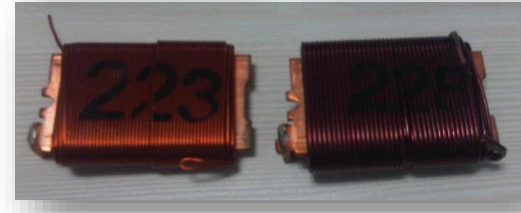
- Wires & Cables
- Flexible Bus Bars
- Enamelled Wires
- Bunched Conductors
- Tinned Copper Wires

Energy Management products

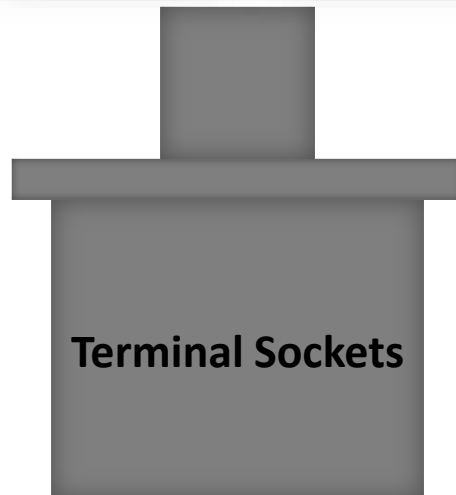
- Energy Savers
- Street Light Controllers



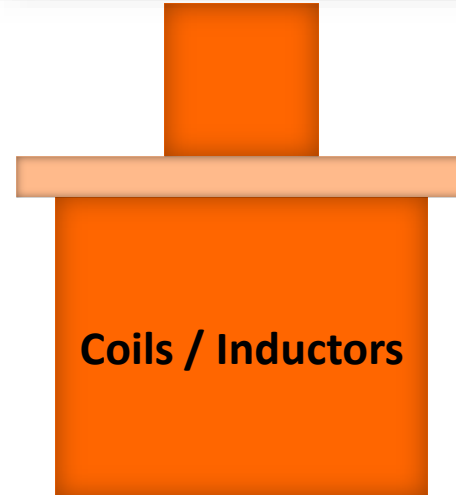
Wide Product Suite- Customized for OEM's



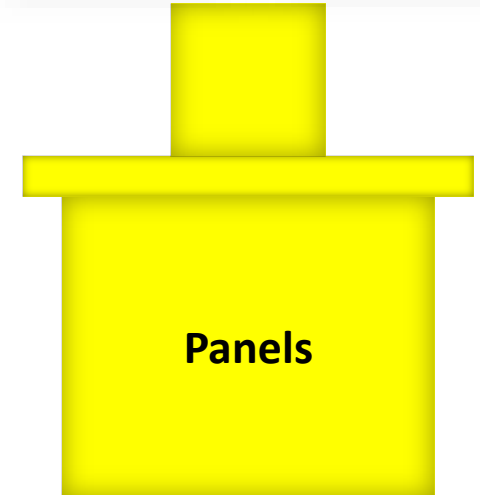
CT's



Terminal Sockets

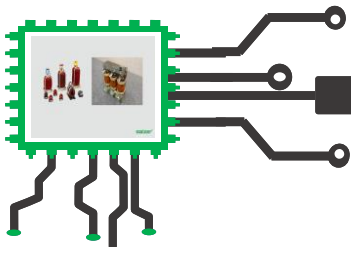


Coils / Inductors



Panels

In-house manufacturing and R&D enables superior customization of products



Key Strengths

Complete Backward Integration

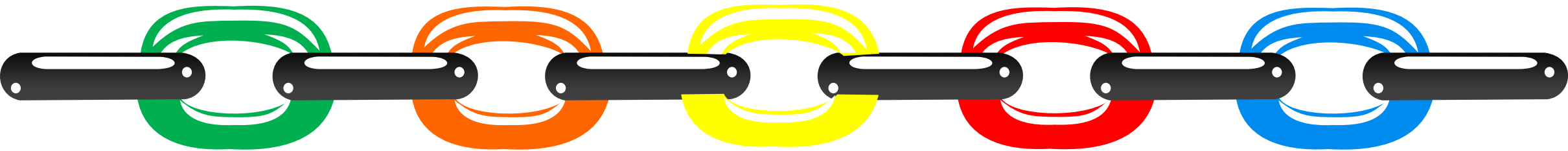
- In-house manufacturing facilities with process capabilities ensures better product development and customization
- Well developed R&D enables continual product innovation

Strong Customer Relationships

- Strong customer relationships across globe
- Preferred supplier to GE, Schneider and only approved supplier of Nuclear Power Corporation
- Largest supplier of rotary and load break switches to Indian Railways

Wide Distribution Network

- Wide distribution network – international and domestic
- Tie up with L&T – access to over 350 dealers in India; own network for modular switches with 50 stockist in 4 southern & western states
- Direct network across 50 countries with 40 international distributors

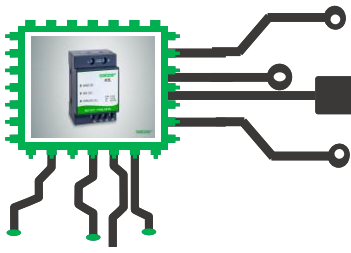


Wide Product Suite

- Amongst few players in India, to offer total & customized electrical solutions
- Wide product basket – 15 products developed in-house
- Largest manufacturer and market leader in CAM operated rotary switches

Advanced Engineering Capabilities

- Strong engineering capabilities backed by in-house manufacturing and R&D team
- Technical collaboration with Plitron for Toroidal transformers – 1st company to bring technology to India, Joint Venture with C3Controls for contactors and relays
- Resulting in all products been international certified and universal acceptance



Five Manufacturing facilities...

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UNIT 1



- Rotary Switch
- Contactors & Relays
- Panel Assembly
- Lighting Energy Savers
- Automatic Meter Reading
- Three Phase Dry Type Transformers

UNIT 2



- Toroidal Transformers
- Isolators (Dis-connectors)
- Terminals
- Wiring Ducts
- MPCB
- Wire Harness
- 3 PH Transformers

UNIT 3



- Wiring Accessories

UNIT 4

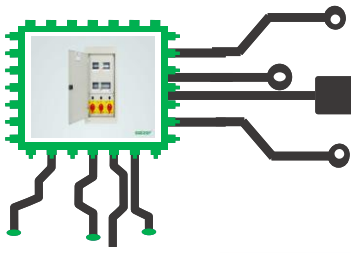


- Wires & Cables
- Flexible Bus Bars
- Bunched Conductors
- Tinned Wires

UNIT 5



- Enamelled Copper Wires
- Fine Enamelled Copper Wires
- Polyester Coated Winding wires



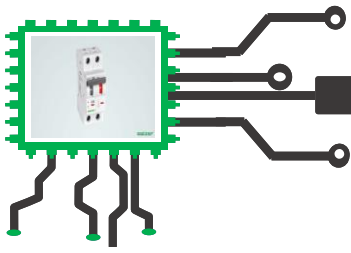
...With In-house process capabilities...

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- **Full fledged Type testing laboratory**
 - Loads up to 500Amps
 - Environmental test chamber for humidity test
 - Salt spray test & all other basic tests as per UL Standards
- **In-house tool room** facility for manufacturing and servicing of Moulds and press tools
 - CNC Wire Cut Machines and Spark erosion machines
 - CNC Machining center, EDM Drilling
 - Conventional machines
 - Latest digital measuring equipment
 - Inspected and certified by GE Tool Division

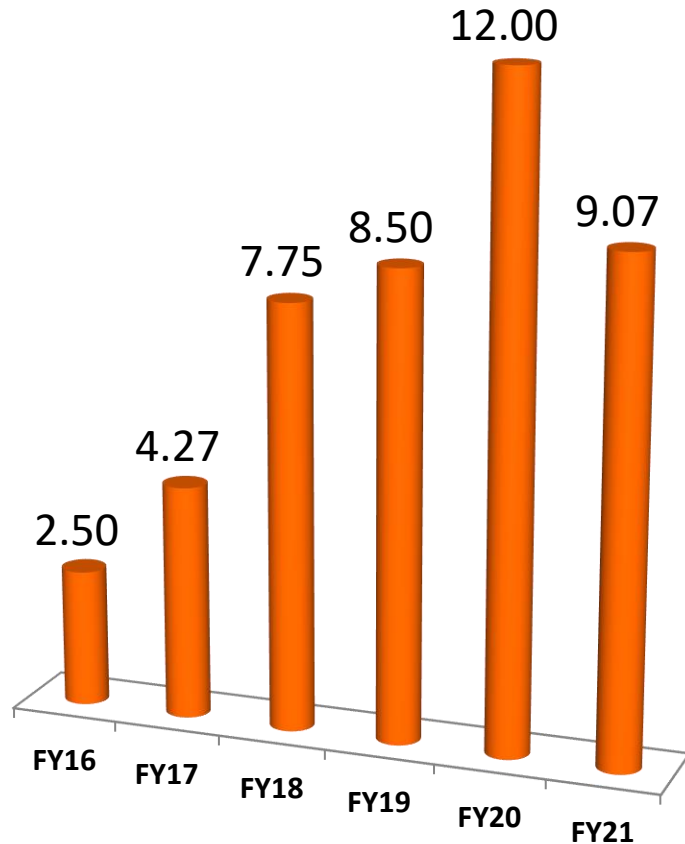
More than 80% components made in-house



...And a strong R&D team

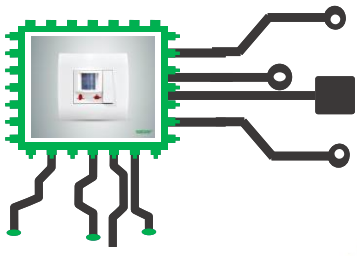
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R&D expenses (Rs crore)



- In-house R&D Center
 - More than 35 engineers
 - Recognized by Department of Science, Govt of India
- Patented Rotary switches
- Five patents in process
 - Manual Single-Phase Starter with no voltage tripping, Energy Saver System for Street Lighting, Integrated ammeter / voltmeter selectro CAM operated rotary switch, Track Feed Battery Change Over System and Fuse Automatic Changeover System
- 1st of its kind product in India
 - Designed and manufactured - Load Break Switches, Single Hole Mounting Switches, Halogen Free Cable Ducts, Flat Wire Ducts, Flexible Bus Bars etc

Continuous product innovation



Internationally certified

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ISO 9001



ISO 14001



ISO 18001



CE Certification



UL Certification



CB certification by IE

CB certification



RoHS



Intertek

Intertek Semko approval

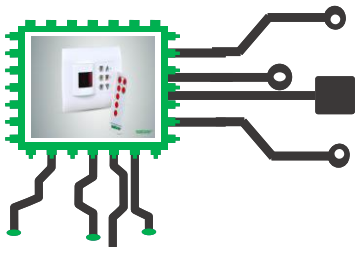


CSA Certification



ISO 16949
CERTIFIED

... Across entire product portfolio



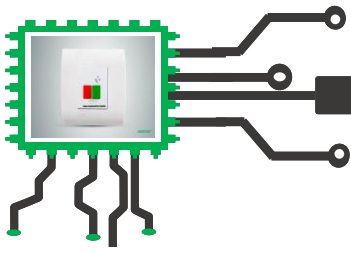
Blue Chip Customers

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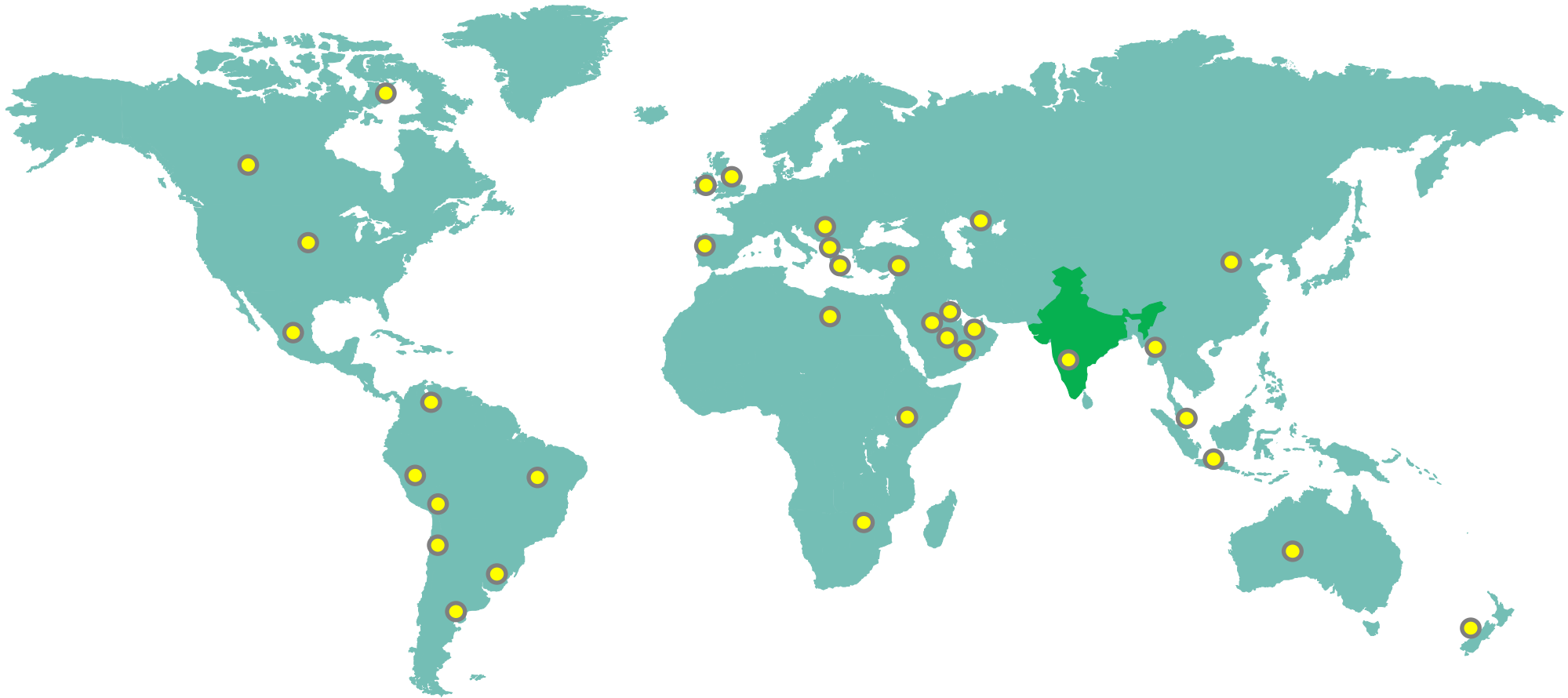
- Marketing Tie-up with L&T for Indian Market
- Largest supplier of rotary switches to Indian Railways
- Branding partner to various large OEM's in India

- Technical Tie-up with American Company C3Controls, to manufacture & market contactors & overload relays
- Technical Tie-up with Trafomodern for Three Phase Transformers
- Preferred supplier to:
 - Nuclear Power Corporation
 - Schneider Electric
 - GE Energy



Wide Distribution Network

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International

- Direct network across 50 countries
 - 17% of sales from global distribution
 - 40 international distributors
- Plans to expand in US, Africa and Middle east

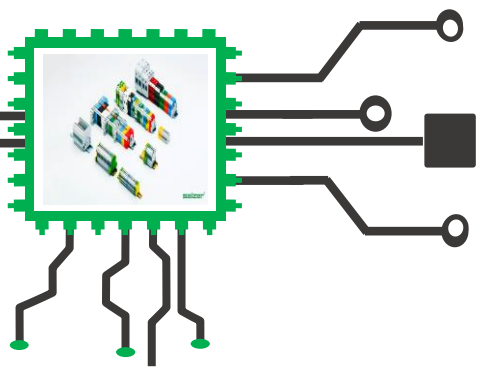
**Direct network
across 50
countries**

Domestic

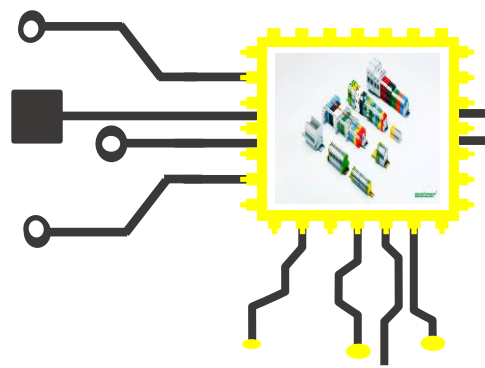
- Tie up with L&T – access to more than 350 dealers in India
- Direct network for Modular Switches – 50 stockists in 4 southern & western states

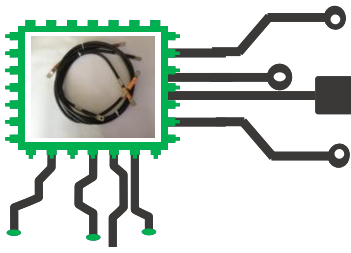


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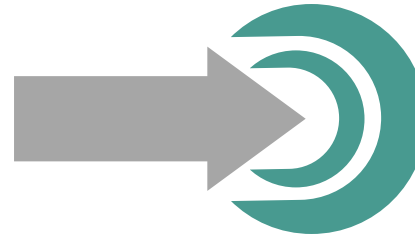


Way Ahead



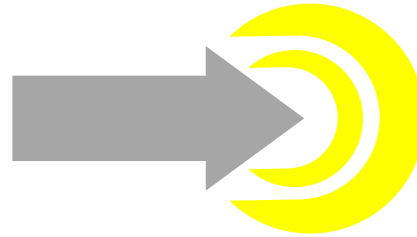


Way Ahead



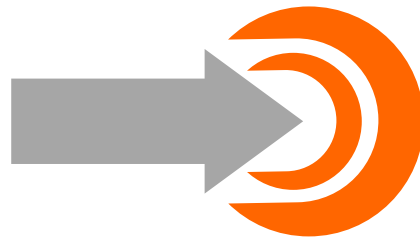
Operational Excellence

- Consistently executing business strategy and continued focus on improving operating costs by sourcing quality raw materials and efficient manpower



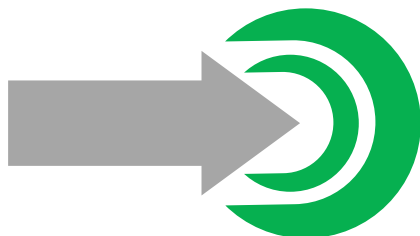
Venture into new project/ product development

- Seek Technical alliances to develop new and technically advanced products
- Formed JV's with Kostad Steuerungsbau GmbH & EMarch LLP to enter EV market
- Acquired Kaycee Industries for new product development, enter new ventures and leverage brand & distribution network



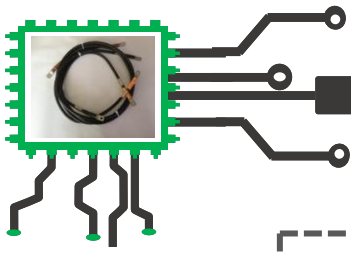
Focus on margin improvement

- Increase sales of high margin products – existing and new
- Increase exports – fast growing markets of US, Africa and Middle East



Growth and expansion of existing product verticals

- Constantly develop new products through in-house R&D
- Expand existing product portfolio to newer geographies



Way Ahead

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Environment

- Committed towards a cleaner, greener and healthier environment
- Optimise energy consumption
- Towards this end Company has identified installation of rooftop solar panels
- Plan to recycle water as per environmentally friendly norms
- Increasing green cover around all plants in and around the manufacturing facilities
- Partner in EV Ecosystem to manufacture parts of environmentally friendly transportation



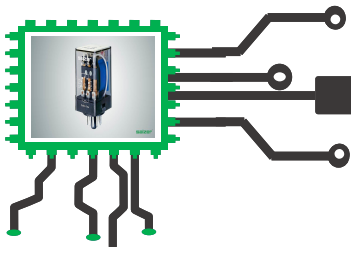
Social

- Continues to contribute towards skill development among the local population
- Recruitment of rural youth for local sales operations
- Contribution for women empowerment. Engaged around 50% women employees hailed from local rural areas who are breadwinners of their families
- Spending under CSR Initiatives for health Care and education of rural populous particularly residing in the local regions



Governance

- M./s JDS Associates for statutory audit, M/s. Covai Management Services for internal audit and M/s. G. Vasudevan for Secretarial Audit
- Five independent Directors out of 11 Members on the Board
- Focus on Better compliances and best governance practices
- Plan for gender diversification on the Board in due course



Thank You

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