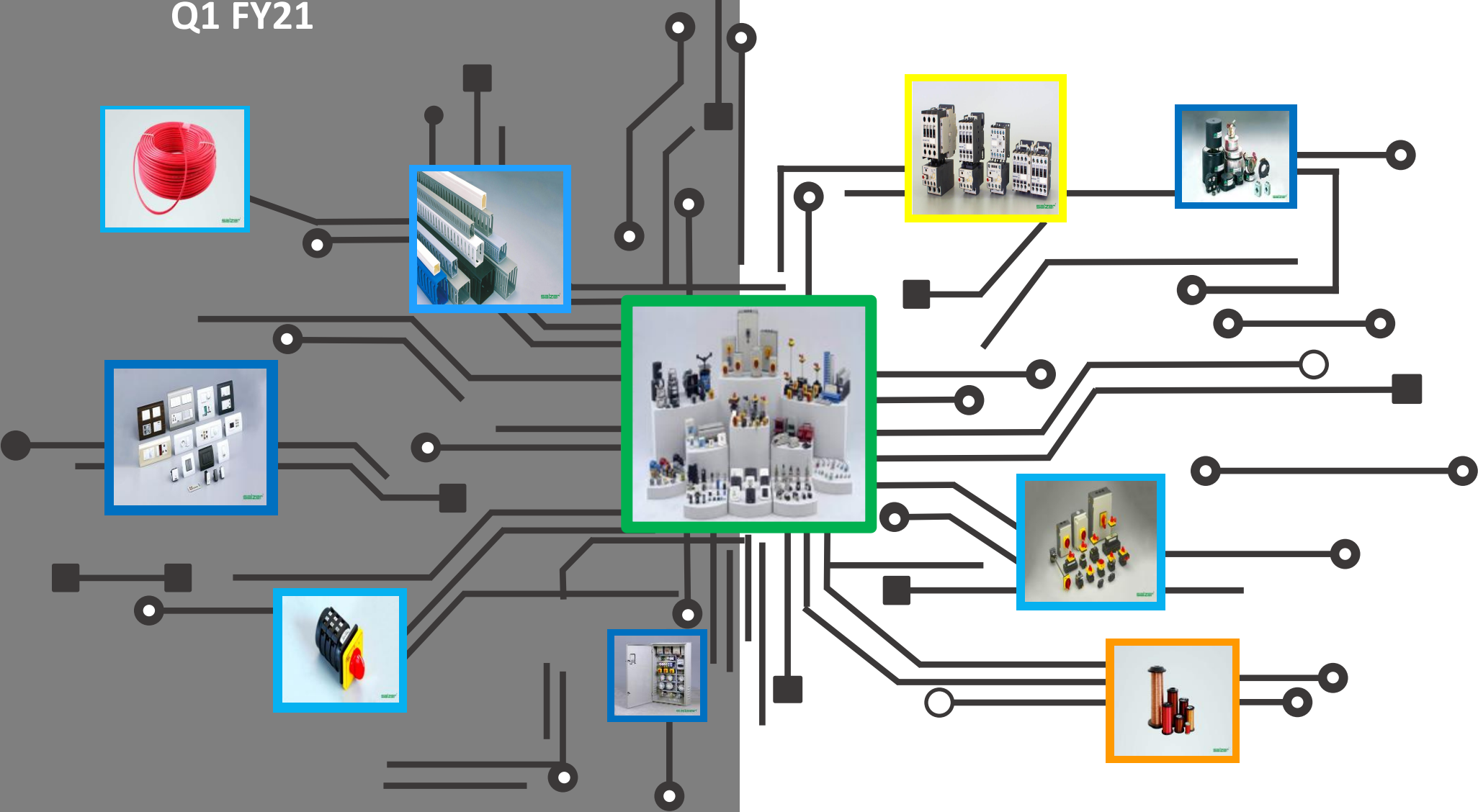
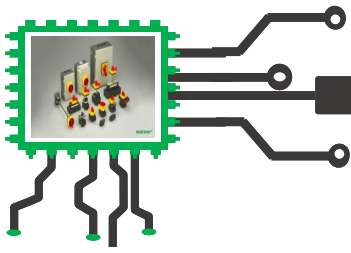


Salzer Electronics Limited



Result Update Presentation Q1 FY21





Disclaimer

salzer

This presentation has been prepared by Salzer Electronics Limited (the “Company”) solely for information purposes and does not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment what so ever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

Certain matters discussed in this Presentation may contain statements regarding the Company’s market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the company’s ability to successfully implement its strategy, the Company’s future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company’s market preferences and its exposure to market risks, as well as other risks. The Company’s actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections.

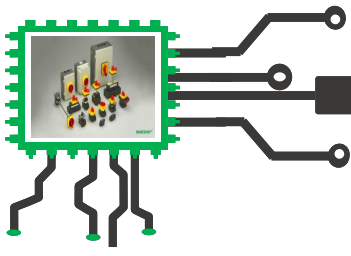
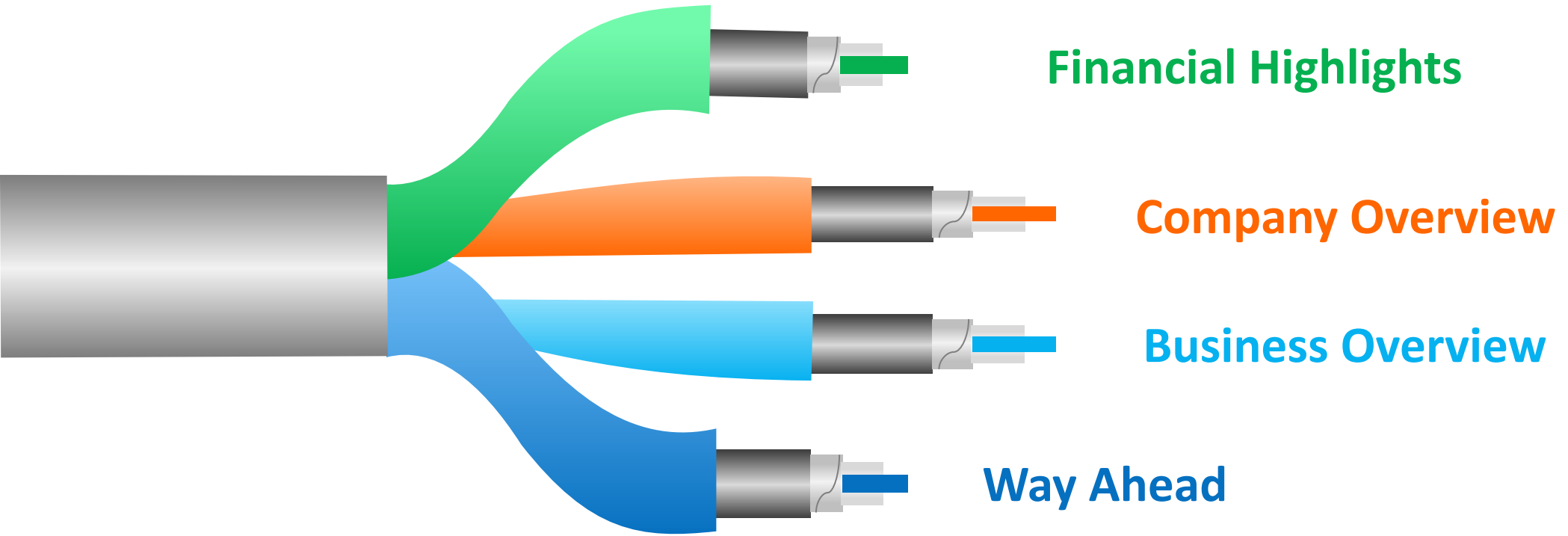
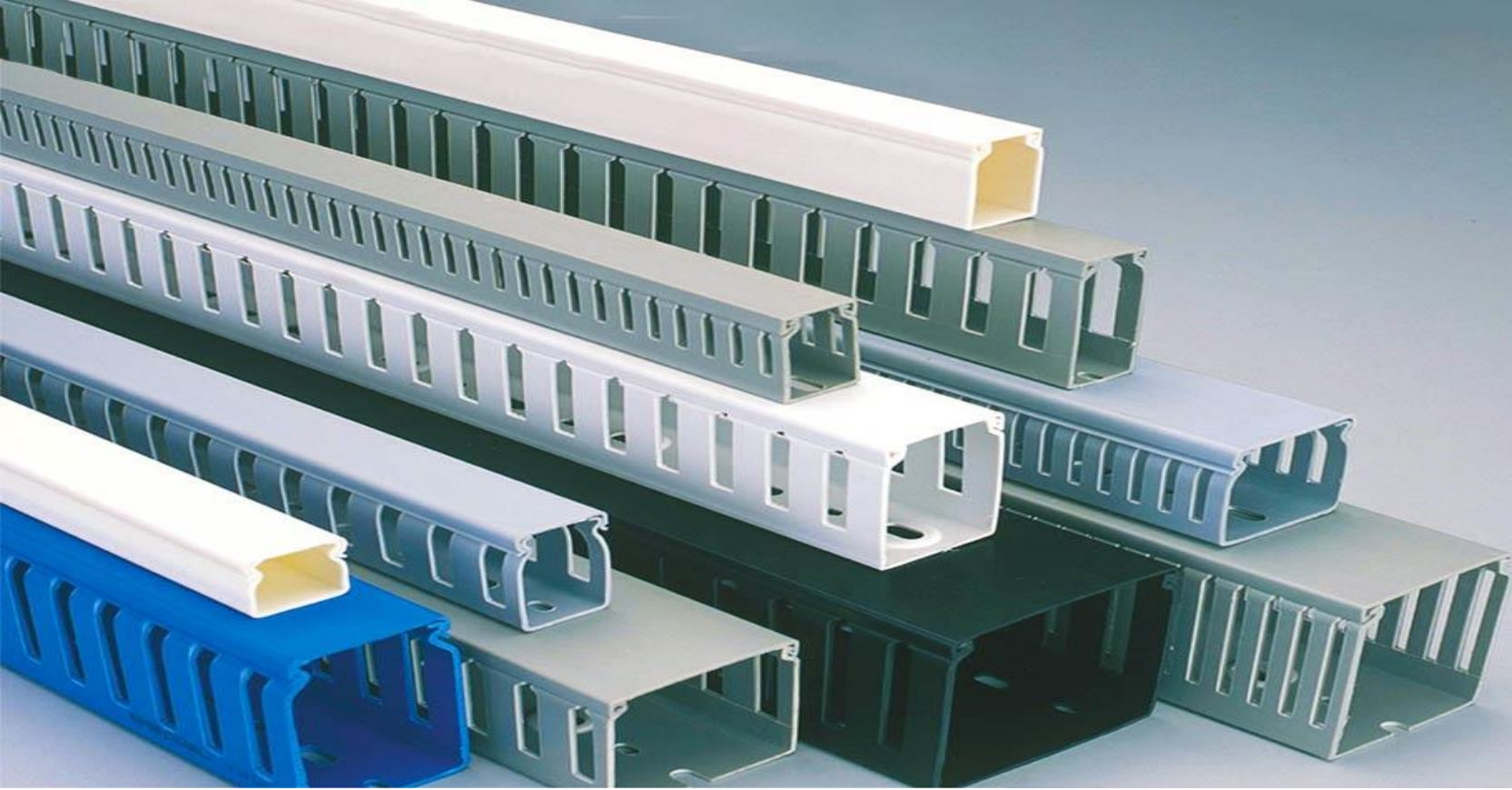
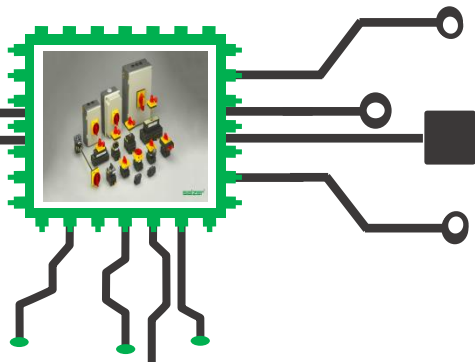


Table of Contents

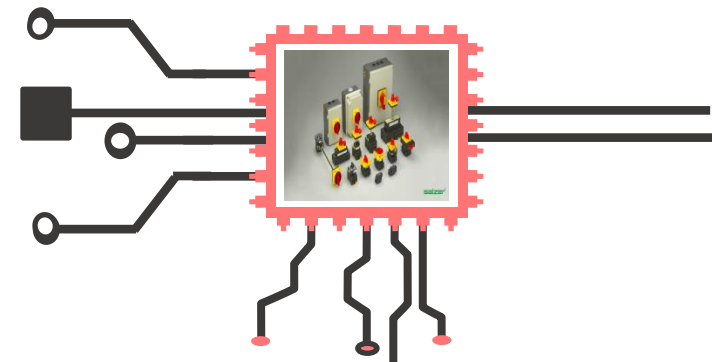


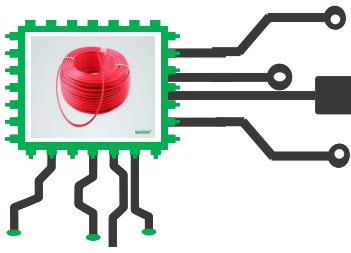


salzer®



Financial Highlights





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

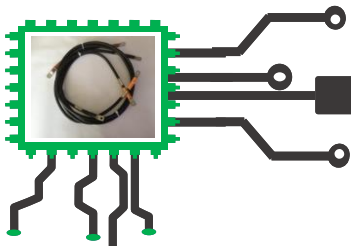
“During the first quarter of the financial year, we registered a revenue of Rs. 95.7 crores with EBITDA and PAT of Rs. 9.6 crore and Rs. 0.7 crore respectively. The performance of the quarter has been impacted on account of nation-wide lockdown to reduce the spread of COVID-19. Our manufacturing facility had been temporarily shut down and we had restarted the facility from mid may.

However, since the start of the unlocking phase the demand for the product were significant lower and no major capex plans by the industry that affected our revenues. Despite this, we have seen good demand for our industrial switchgear products in the export markets and have registered 19% of our revenues from the export. Also, this has helped us in maintaining our EBITDA margins at the same levels without much disruption.

The current COVID 19 situations are tough and is causing disruption in the market. However, the time which we had during the lockdown has been utilized to reformulate the strategies in term of reduction of cost, utilizing available resources optimally, recognising and identifying new clients in the domestic as well as export markets, etc. which will help us in the future. Though the near-term future is fluid, we are optimistic on the medium term based on the indication from various experts in the markets.

Overall, we remain committed to our set agenda of delivering sustainable growth. I thank all our stakeholders for their continued support and faith in our Company”

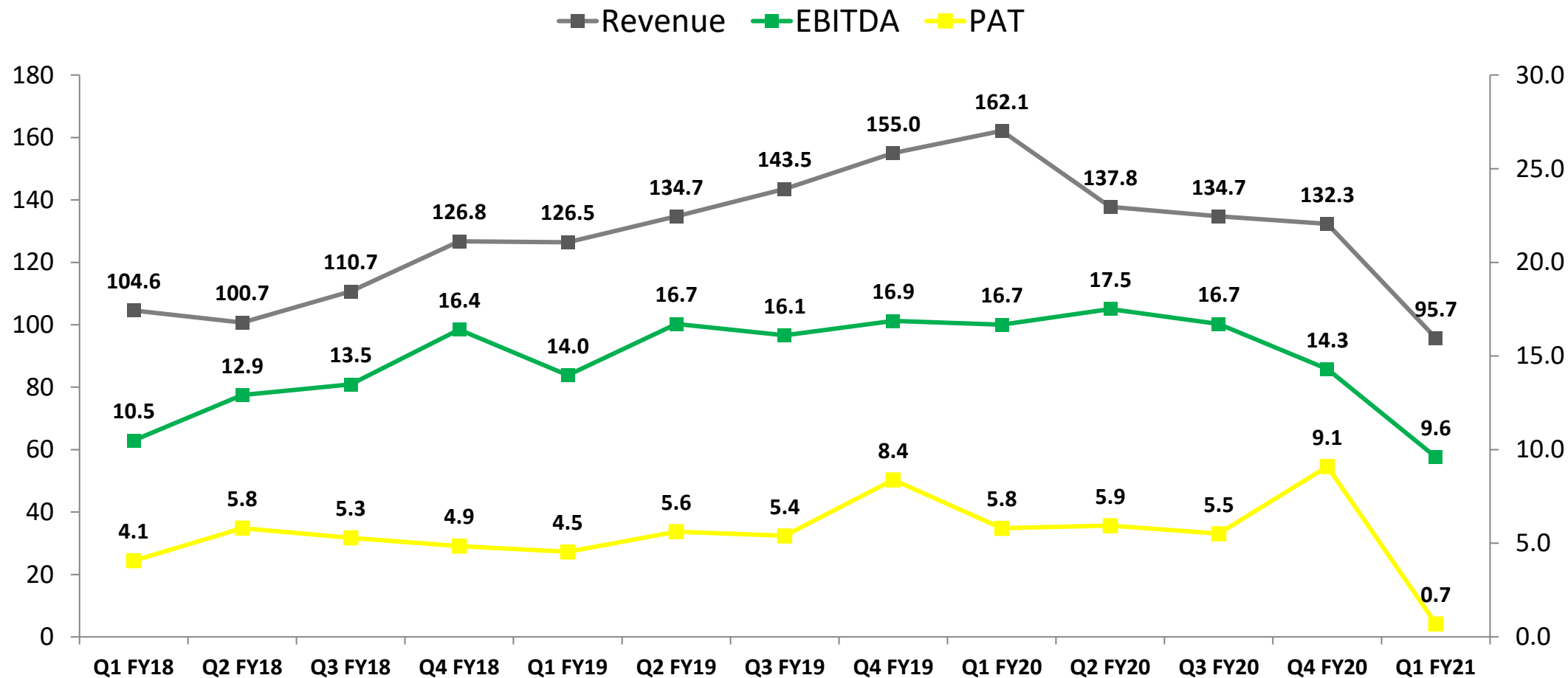


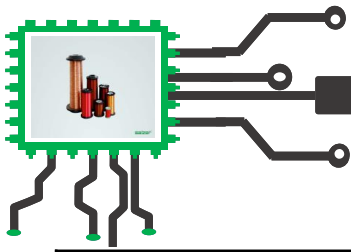


Key Financial Highlights – Quarterly



Revenue, EBITDA, PAT (Rs. Crore)



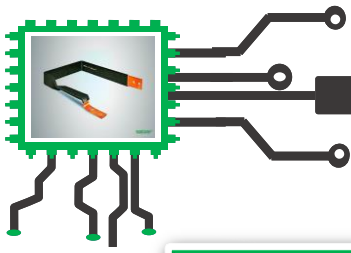


Q1 FY21 Financial Highlights

salzer

Rs. in Crore	Standalone				Consolidated
	Q1 FY21	Q1 FY20	Y-o-Y %	Q4 FY20	Q1 FY21
Net Revenue	95.7	162.1	(41.0%)	132.3	98.2
Raw Materials	74.3	126.5		95.2	75.8
Employee Cost	4.3	6.3		6.7	4.8
Other Expenses	7.5	12.6		16.1	8.1
Total Expenditure	86.1	145.5		118.0	88.8
EBITDA	9.6	16.7	(42.5%)	14.3	9.5
EBITDA Margin (%)	10.02%	10.28%	(26 bps)	10.81%	9.65%
Other Income	0.3	0.7		-0.1	0.3
Depreciation	3.9	3.5		3.7	4.0
Interest / Finance Cost	4.8	5.3		5.4	4.8
Exceptional Item (Gain) / Loss	0.0	0.0		0.0	0.0
Profit Before Tax	1.1	8.5		5.0	0.9
Tax	0.4	2.8		-4.1	0.4
Profit After Tax	0.7	5.8	(88.1%)	9.1	0.5
Profit After Tax Margin (%)	0.72%	3.57%	(285bps)	6.91%	0.49%
Basic EPS (Rs.)	0.43	3.63	(-88.2%)	5.72	0.31

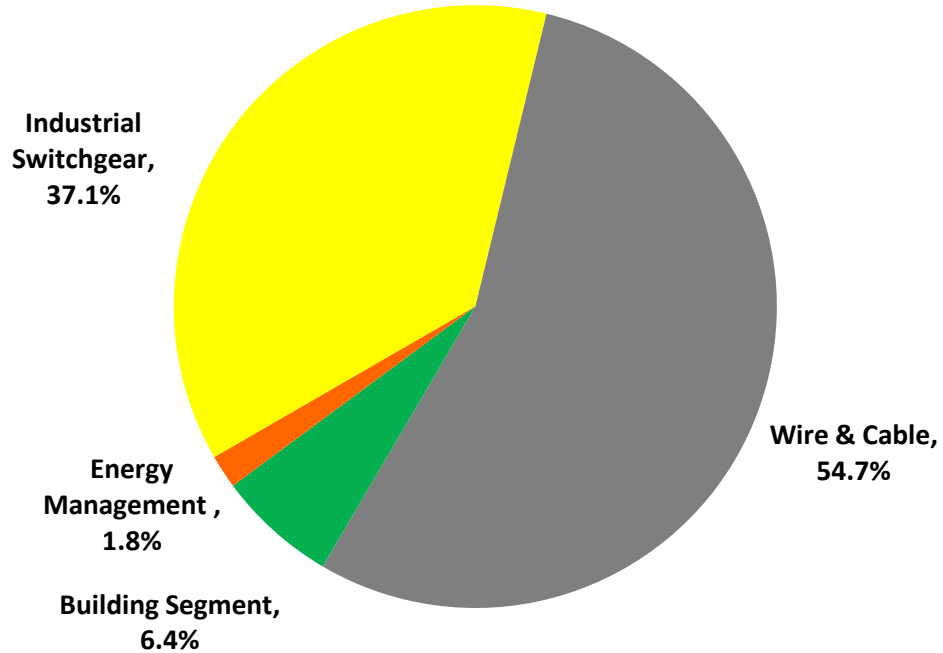
- **Decline in Revenue**, mainly on account of nationwide lockdown announced by govt of India to reduce the spread of COVID-19 pandemic
- Contribution from **exports at 19.3%**, as against 11.4%



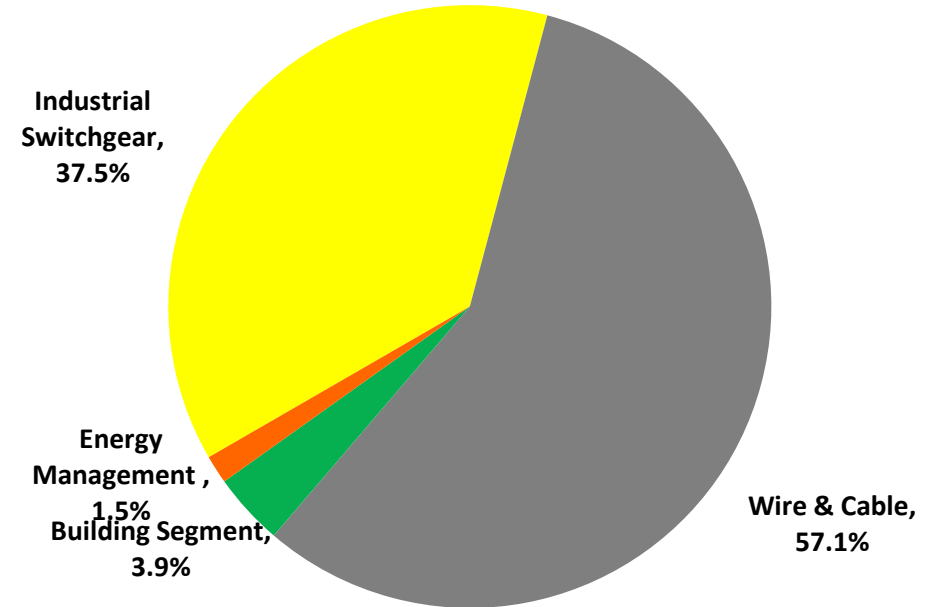
Q1 FY21 Revenue Breakup – Business Verticals

salzer

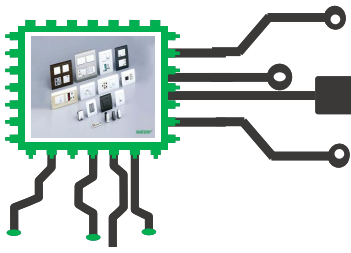
Q1 FY20



Q1 FY21



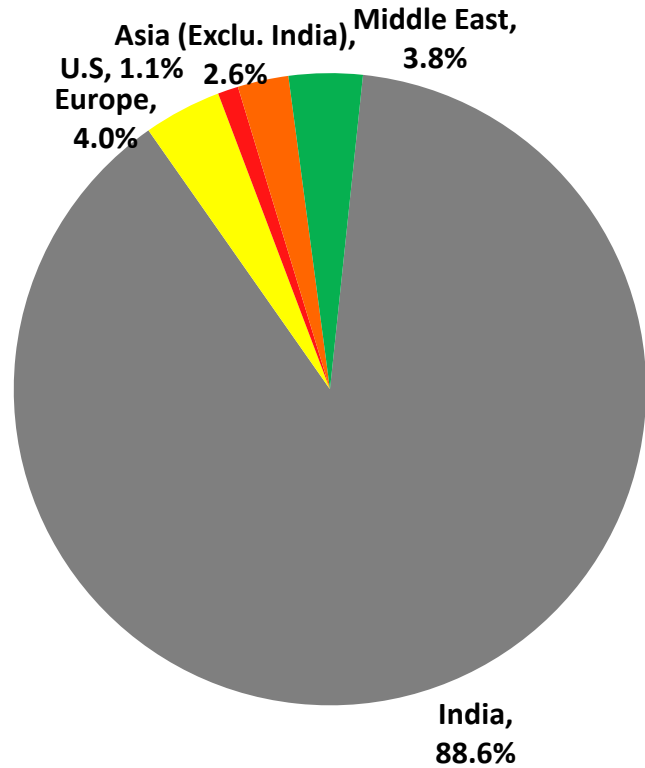
- **Industrial Switchgear – 37.5% of net revenues**
- **Wires & Cables – 57.1% of net revenues**
- **Buildings Products – 3.9% of net revenues**
- **Energy Management – 1.5% of net revenue** – order book driven business; revenue incurred from AMC charges for the past orders executed`



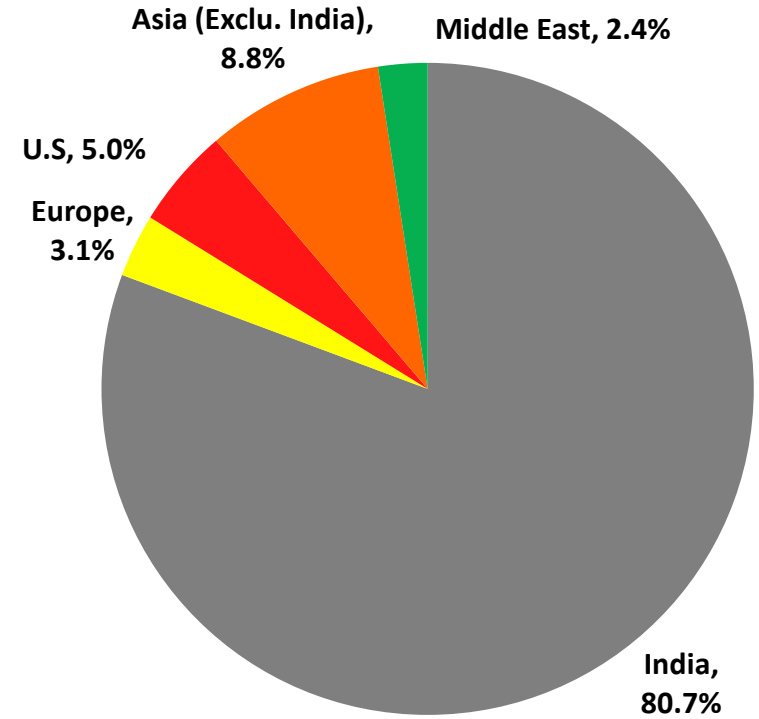
Q1 FY21 Revenue Breakup – Geographical

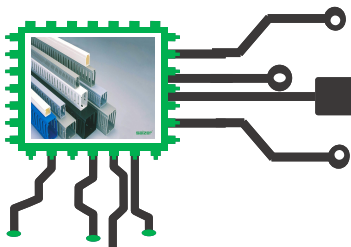


Q1 FY20



Q1 FY21



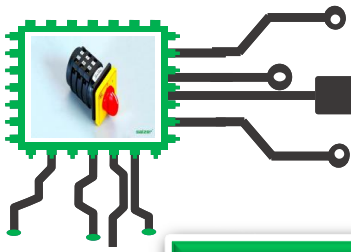


FY20 Financial Highlights

salzer

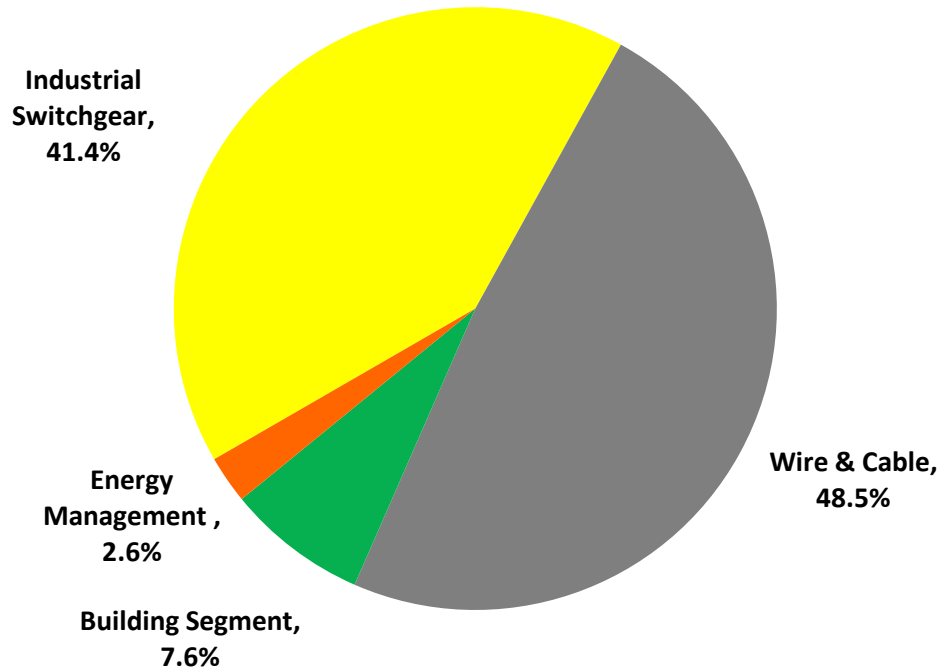
Rs. in Crore	FY20	FY19	Y-o-Y %	FY20 (Consl)
Net Revenue	566.9	559.8	1.3%	584.4
Raw Material Expenses	419.8	418.8		427.7
Employee Expenses	26.4	24.9		29.8
Other Expenses	55.5	52.4		60.0
Total Expenditure	501.8	496.1		517.6
EBITDA	65.2	63.6	2.4%	66.8
EBITDA Margin (%)	11.50%	11.37%	13 bps	11.43%
Other Income	0.9	0.7		1.3
Depreciation	14.4	12.2		14.8
Interest / Finance Cost	21.2	19.9		21.2
Exceptional Item (Gain) / Loss	0.0	0.0		0.2
PBT	30.5	32.3		31.9
Tax	4.1	8.4		4.5
PAT	26.4	24.0	10.2%	27.4
PAT Margin (%)	4.66%	4.28%	38 bps	4.69%
Basic EPS (Rs.)	16.51	15.21	8.5%	16.96

- Increase in Revenue of 1.3% driven by growth in industrial switchgear business
- Contribution from exports was **17.1% in FY20**

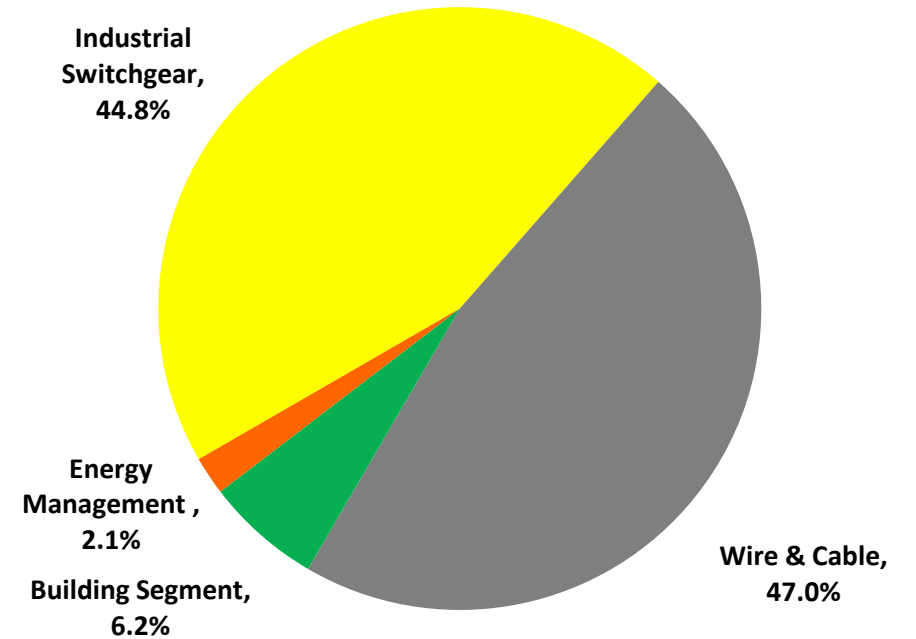


FY20 Revenue Breakup – Business Verticals

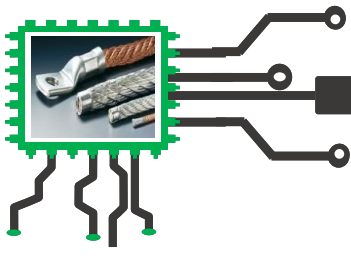
FY19



FY20



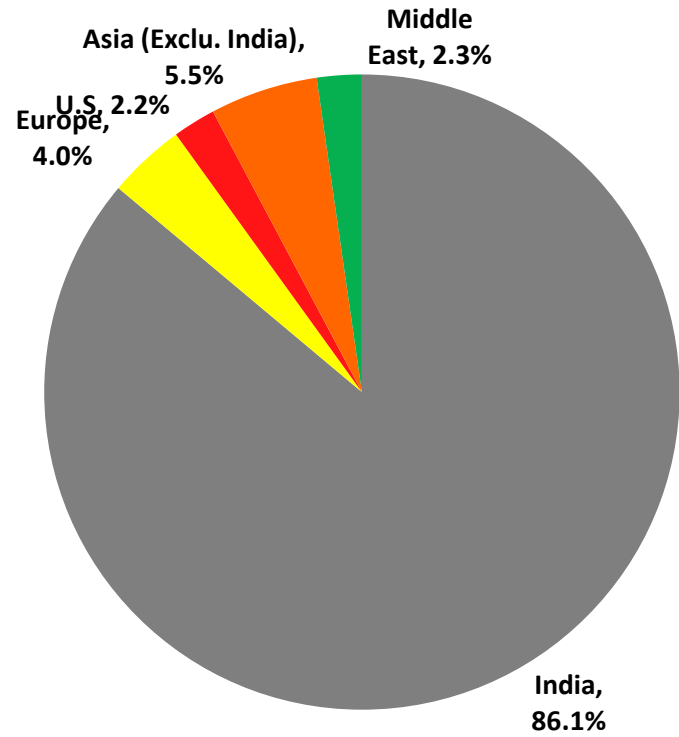
- **Industrial Switchgear – 44.8% of total revenues, YoY increase of 9.9%, driven by exports**
- **Wires & Cables – 47.0% of total revenues**
- **Buildings Products – 6.2% of total revenues, YoY decline of 16.5%**
- **Energy Management – 2.1% of total revenue. This is an order book driven business and increase in revenues have been due to in AMC**



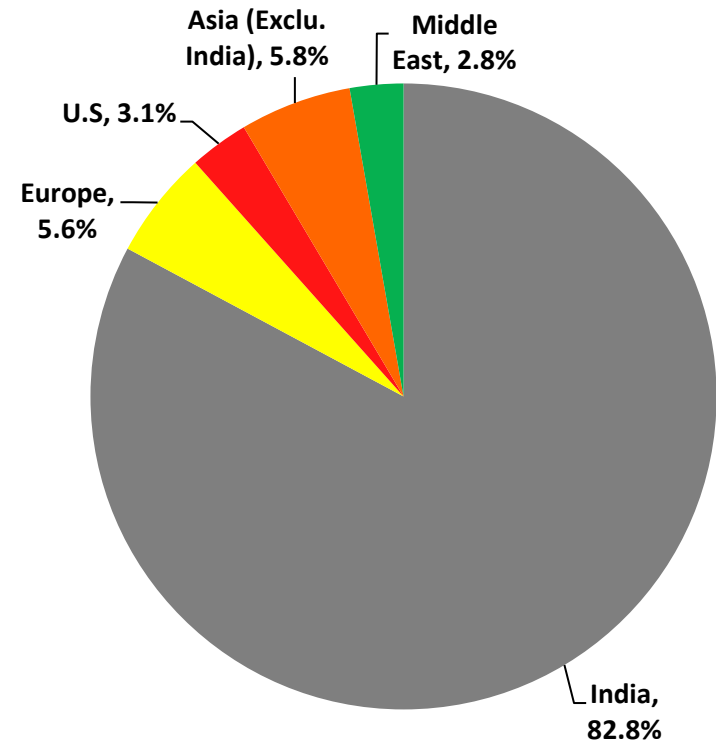
FY20 Revenue Breakup – Geographical

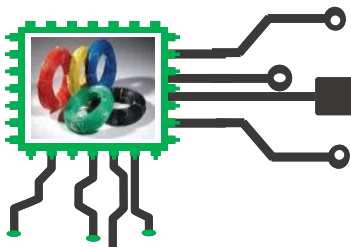


FY19



FY20





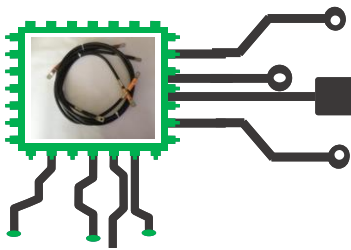
Balance Sheet as on 31st Mar' 20

salzer

Rs. Crore	As on 31 st Mar' 20	As on 31 st Mar' 19	As on 31 st Mar'20*
Shareholder's Funds	309.4	287.2	310.0
Share capital	16.0	16.0	16.0
Other Equity	293.4	271.2	294.1
Non Controlling Interest	0.0	0.0	3.9
Non-current liabilities	36.9	24.6	37.2
Financial Liabilities			
Borrowing	17.8	4.2	17.8
Provisions	0.6	0.6	0.8
Deferred Tax Liabilities (Net)	18.5	19.7	18.3
Other Non-Current Liabilities	0.0	0.0	0.2
Current liabilities	260.5	253.8	265.6
Financial Liabilities			
Borrowing	155.9	135.6	156.3
Trade Payable	50.4	53.8	54.1
Others	5.0	8.2	5.0
Other Current Liabilities	48.2	53.8	48.7
Provisions	1.0	0.7	1.6
Current tax liability (Net)	0.0	1.7	(0.1)
Total Equities & Liabilities	606.8	565.6	616.7

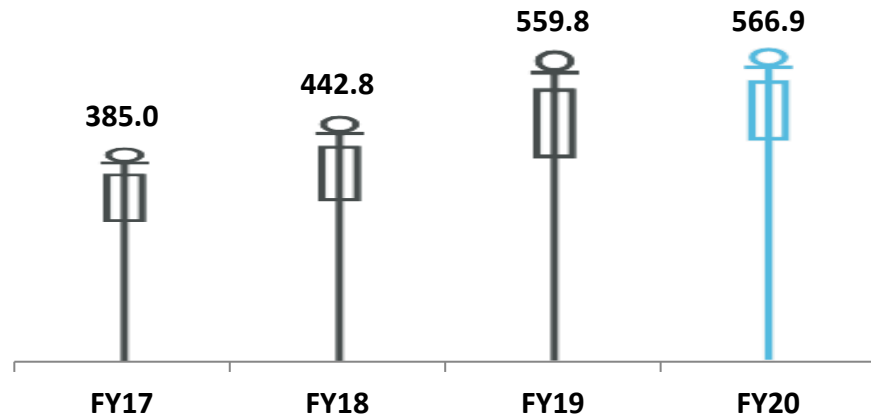
Rs. Crore	As on 31 st Mar' 20	As on 31 st Mar' 19	As on 31 st Mar'20*
Non-current assets	254.3	215.9	248.2
Property, Plant & Equipment	202.4	178.4	205.4
Capital WIP	2.7	6.1	2.7
Investments Property	0.0	0.0	0.0
Intangible Assets	4.3	4.6	11.3
FA - Investments	17.5	0.7	0.9
FA - Trade Receivables	7.1	11.2	7.1
FA - Others	17.8	9.4	17.8
Other Non Current Assets	2.6	5.5	3.0
Current assets	352.4	349.7	368.5
Inventories	157.2	142.7	160.6
Financial Assets			
Investments	2.3	3.0	2.3
Trade receivables	142.8	146.3	152.1
Cash & Cash equivalent	2.2	7.1	2.3
Bank Balance other than above	6.6	7.0	9.4
Loans	24.1	25.4	24.1
Other	0.5	0.5	0.5
Other Current Assets	16.8	17.8	17.2
Total Assets	606.8	565.6	616.7

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

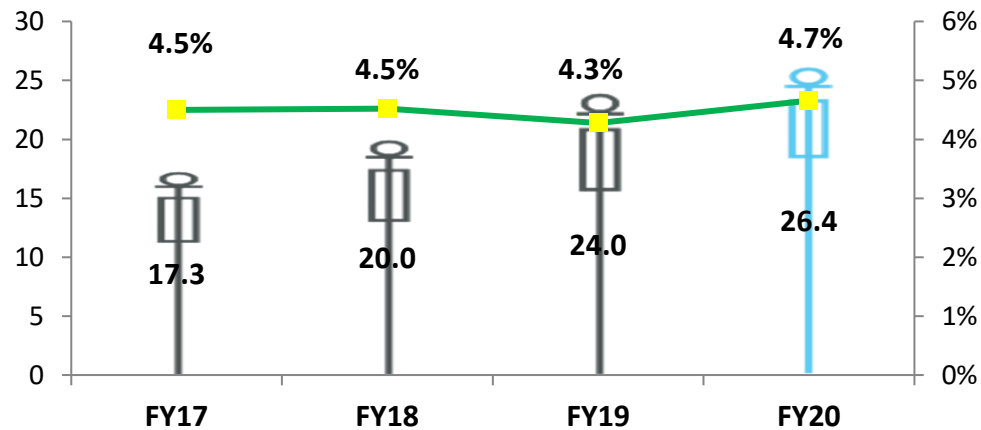


Key Financial Highlights – Annual

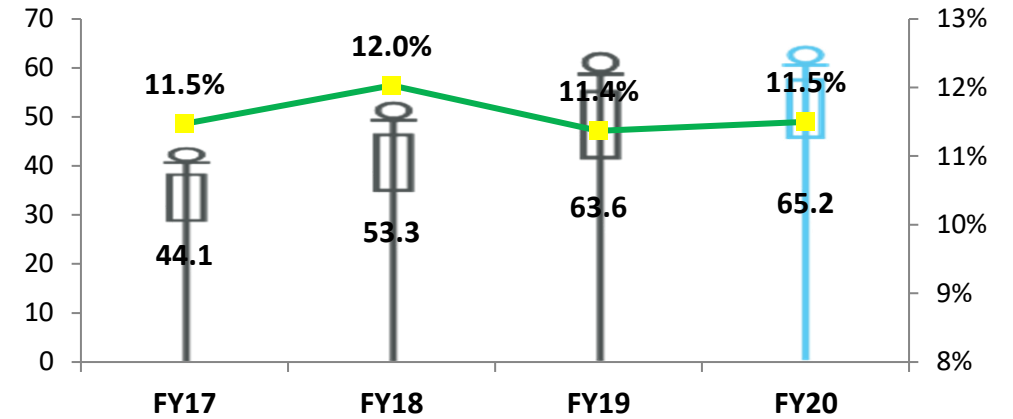
Revenue (Rs. Crore)



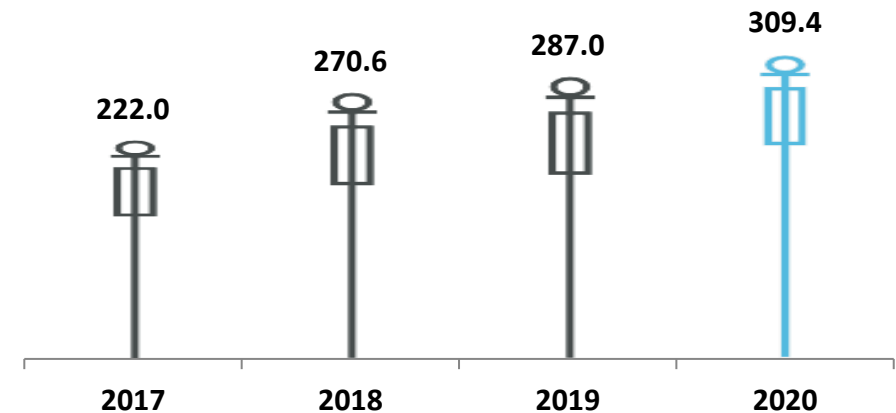
Net Profit (Rs. Crore)

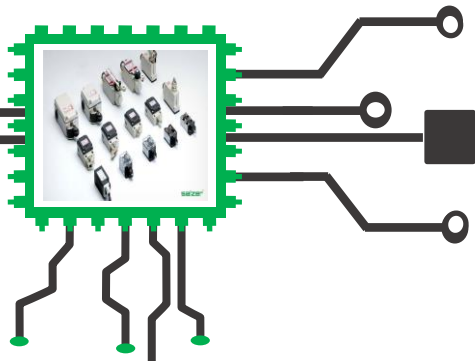


EBITDA (Rs. Crore) / Margins (%)

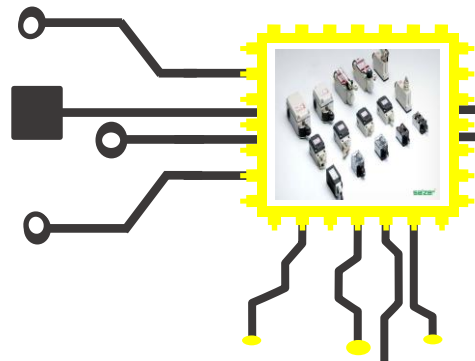


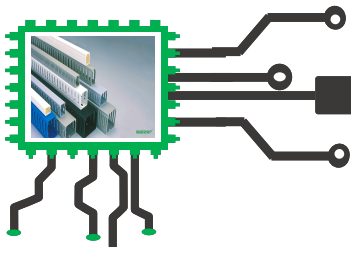
Networth as on 31st March (Rs. Crore)





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

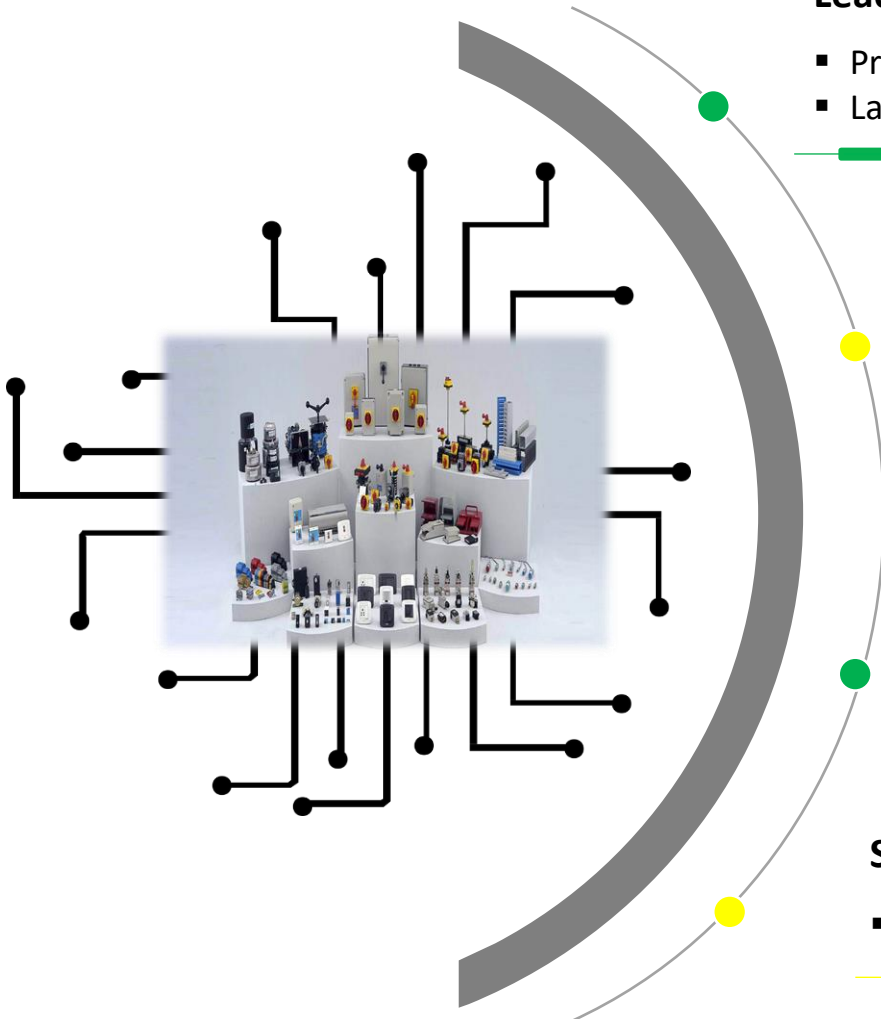
- Five manufacturing units located in Tamil Nadu
- More than 15 products catering to Industrial / Building / Automobile verticals

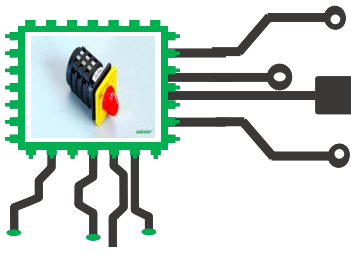
Wide Distribution network – local and global

- 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

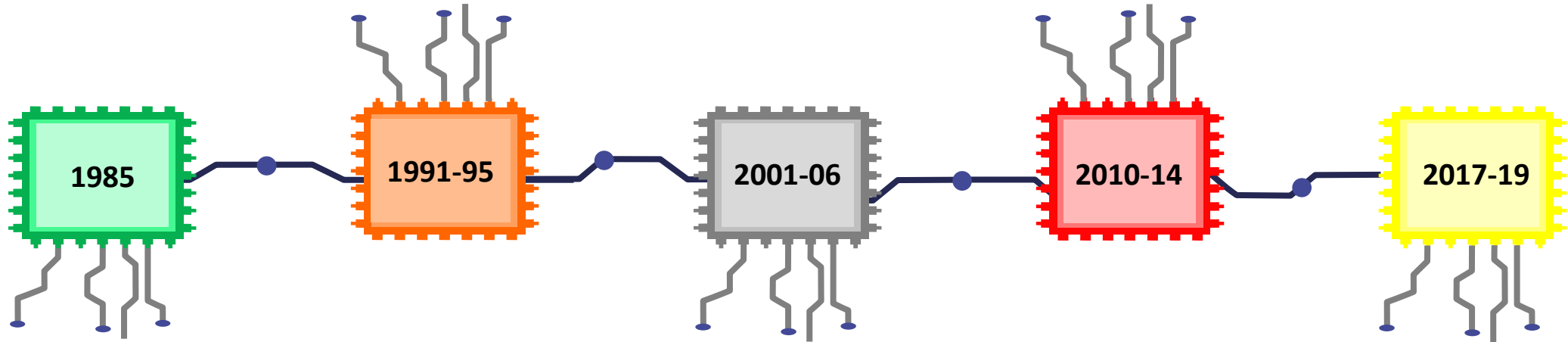




From a Single Product Company...

salzer

- 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

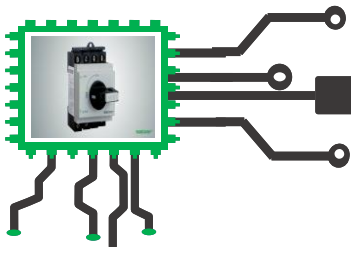


- Established to manufacturer of CAM operated Rotary Switches

- 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.

... to manufacturing multiple products across sectors



Professional Management

salzer

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

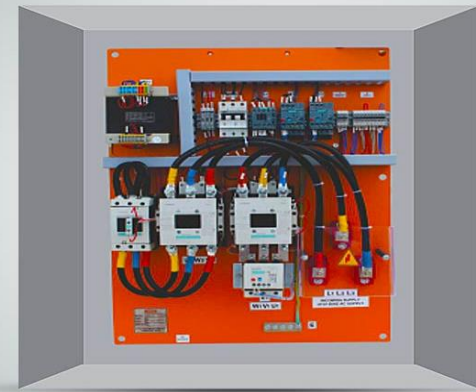
R Karunakaran **GM - PR & Central Excise**

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

Guided by 13 members experienced Board



saizer®



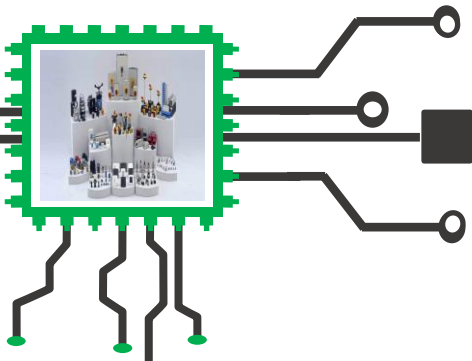
saizer®



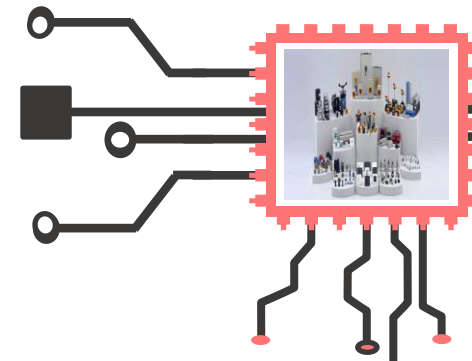
saizer®

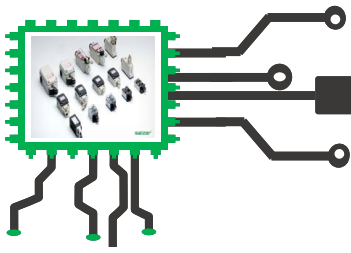


saizer®



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



Copper Products

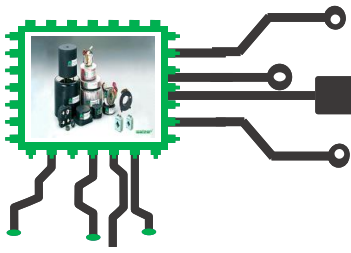
- Wires & Cables
- Flexible Bus Bars
- Enamelled Wires
- Bunched Conductors
- Tinned Copper Wires

Building products

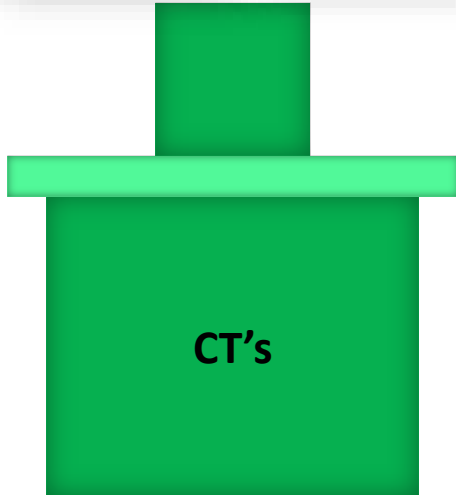
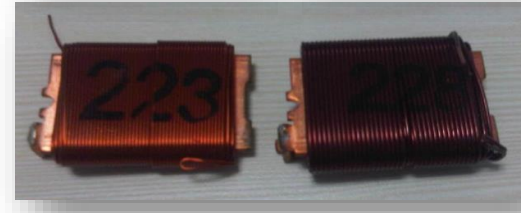
- Modular Switches
- Wires & Cables
- MCB's
- Changeovers

Energy Management products

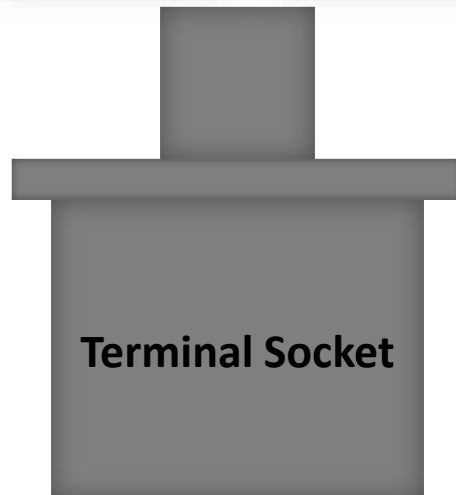
- Energy Savers
- Street Light Controllers



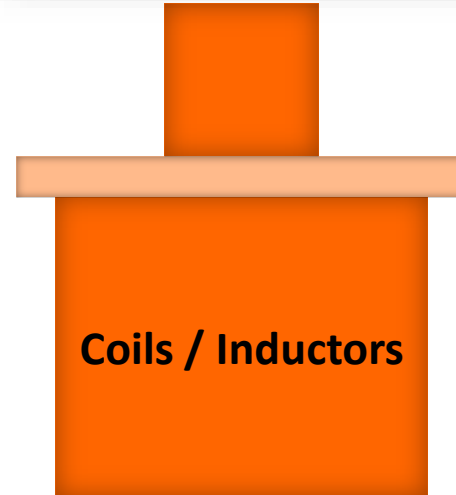
Wide Product Suite- Customized for OEM's



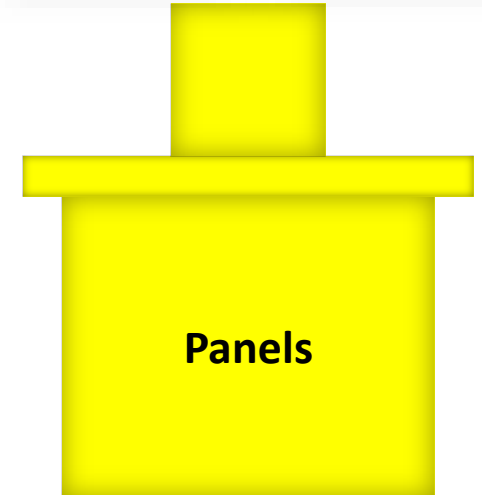
CT's



Terminal Socket

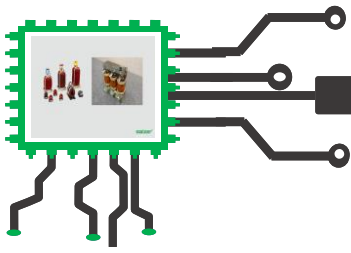


Coils / Inductors



Panels

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



Key Strengths

salzer

Complete Backward Integration

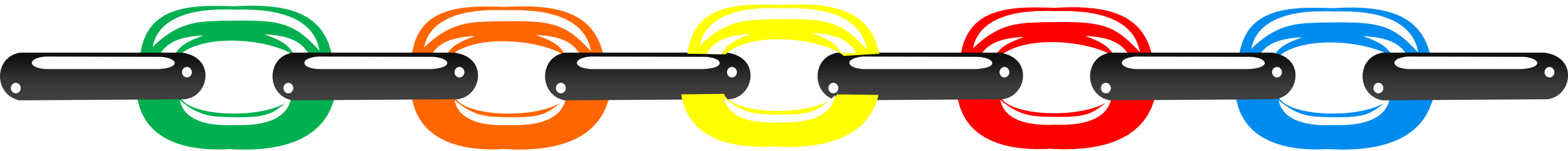
- In-house manufacturing facilities with process capabilities ensures better product development and customization
- Well developed R&D enables continual product innovation

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

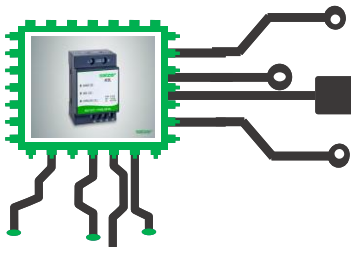


Wide Product Suite

- 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...

salzer

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

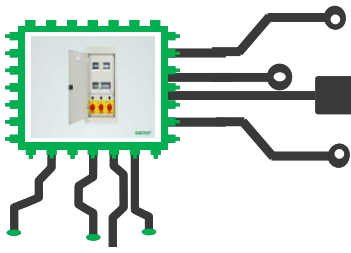


- Wires & Cables
- Flexible Bus Bars
- Bunched Conductors
- Tinned Wires

UNIT 5



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



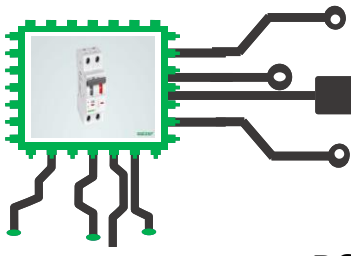
...With In-house process capabilities...

salzer



- **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

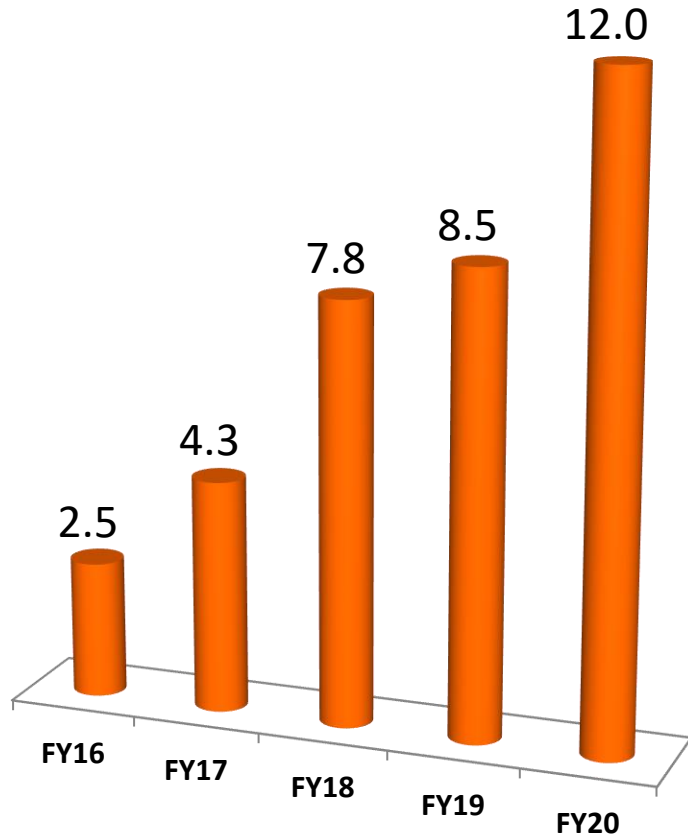
More than 80% components made in-house



...And a strong R&D team

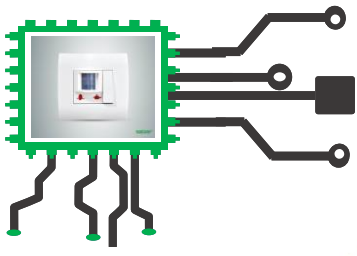
salzer

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

salzer



ISO 9001



ISO 14001



ISO 18001



CE Certification



UL Certification



CB certification by IE

CB certification



RoHS



Intertek

Intertek Semko approval

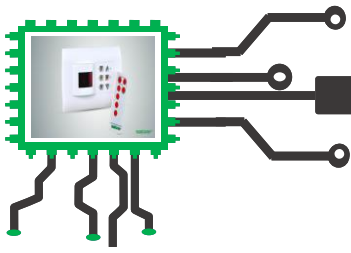


CSA Certification



ISO 16949 CERTIFIED

... Across entire product portfolio



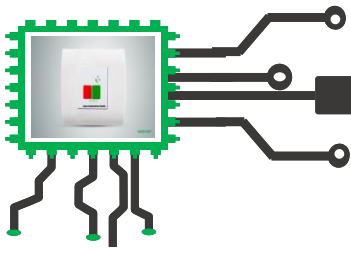
Blue Chip Customers

salzer



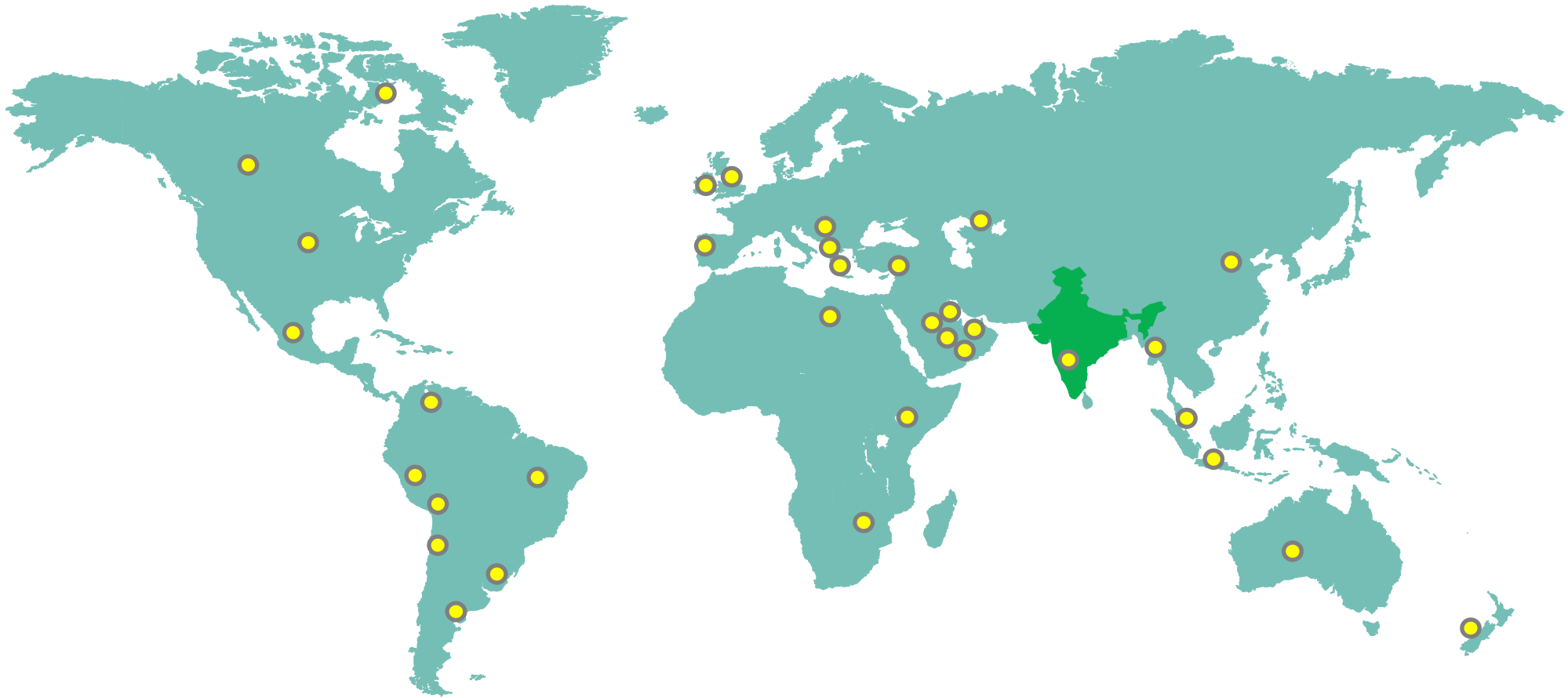
- Marketing Tie-up with L&T for Indian Market
- Largest supplier of rotary switches to Indian Railways
- Branding partner to various large OEM's in India

- 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

salzer



International

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

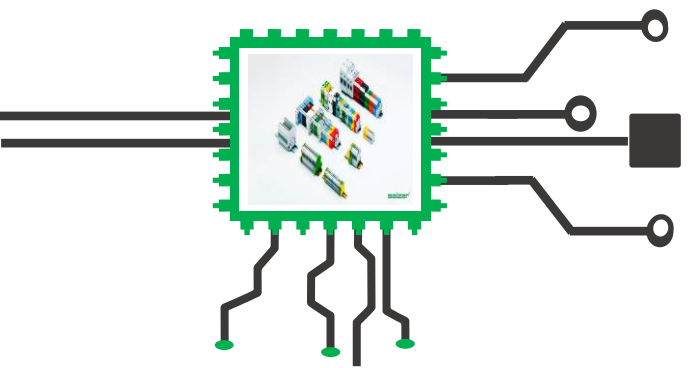
**Direct network
across 50
countries**

Domestic

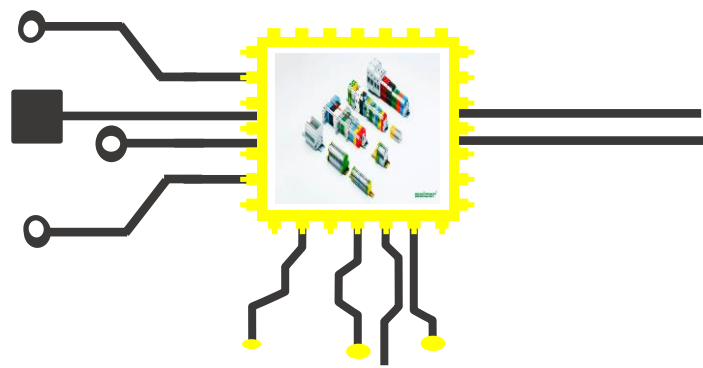
- Tie up with L&T – access to more than 350 dealers in India
- Direct network for Modular Switches – 50 stockists in 4 southern & western states

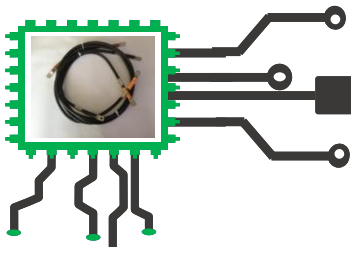


salzer®



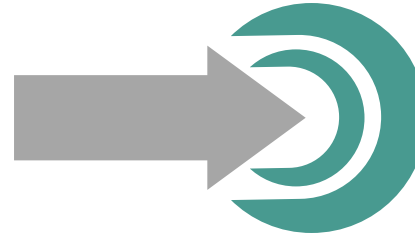
Way Ahead





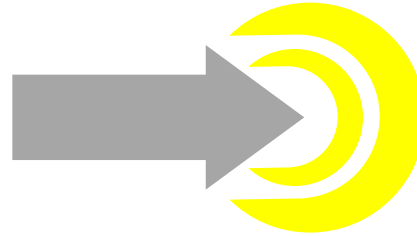
Way Ahead

salzer



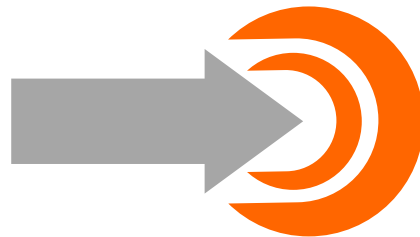
Operational Excellence

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



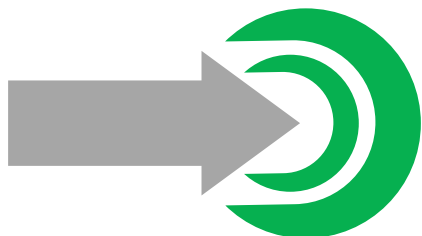
Venture into new project/ product development

- Look for Technical alliances to develop newer and technically advanced products
- Acquired Kaycee Industries enabling newer product development, entering new ventures and leveraging its brand and distribution network



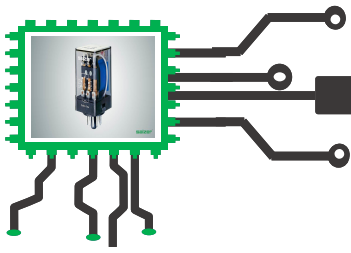
Focus on margin improvement

- 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



Thank You

salzer



SALZERELEC



517059

Bloomberg

SZE IN



SALZ.BO

For further information, please contact:

Company :

Salzer Electronics Ltd.

Mr. Baskarasubramanian

baskarasubramanian@salzergroup.com

www.salzergroup.net

Investor Relations Advisors :

Bridge Investor Relations Pvt. Ltd.

Ms. Savli Mangle

savli@bridge-ir.com

Mr. Smit Shah

smit@bridge-ir.com

www.bridge-ir.com