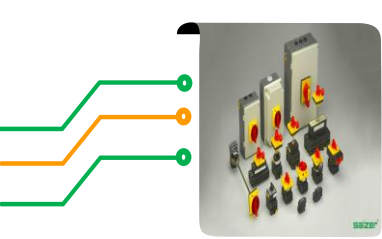


Salzer Electronics Limited

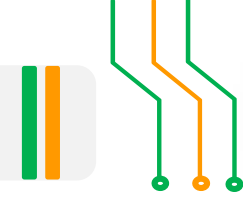
Result Update Presentation

Q1 FY23

A full-fledged in-house research and development facilities Recognized by Government of India



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.

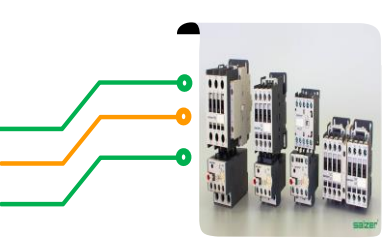
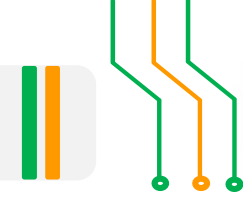


Table of Contents



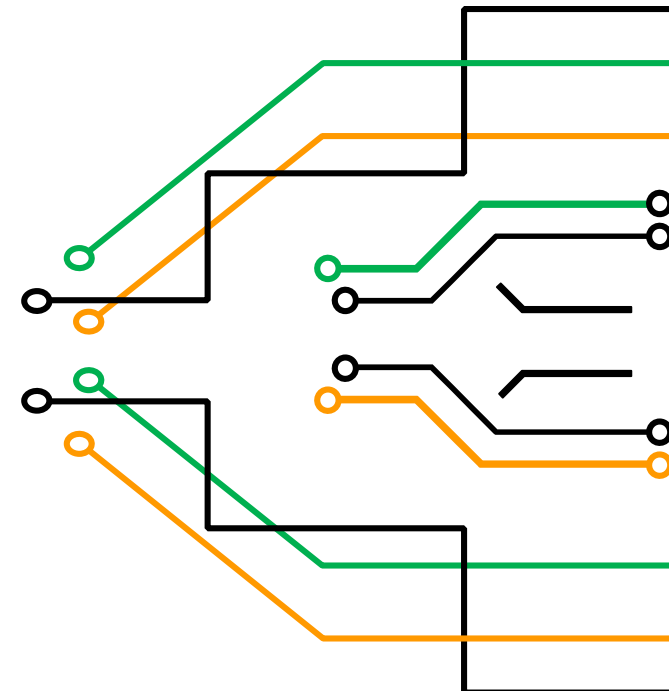
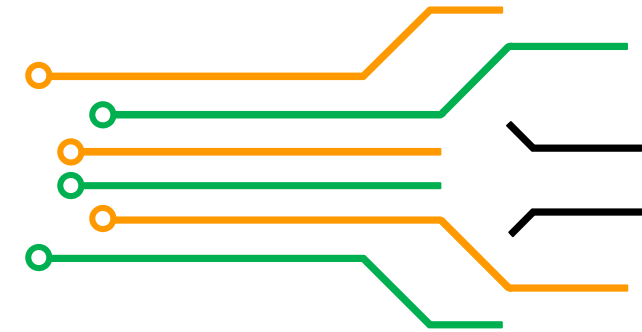
salzer

01 Financial Highlights

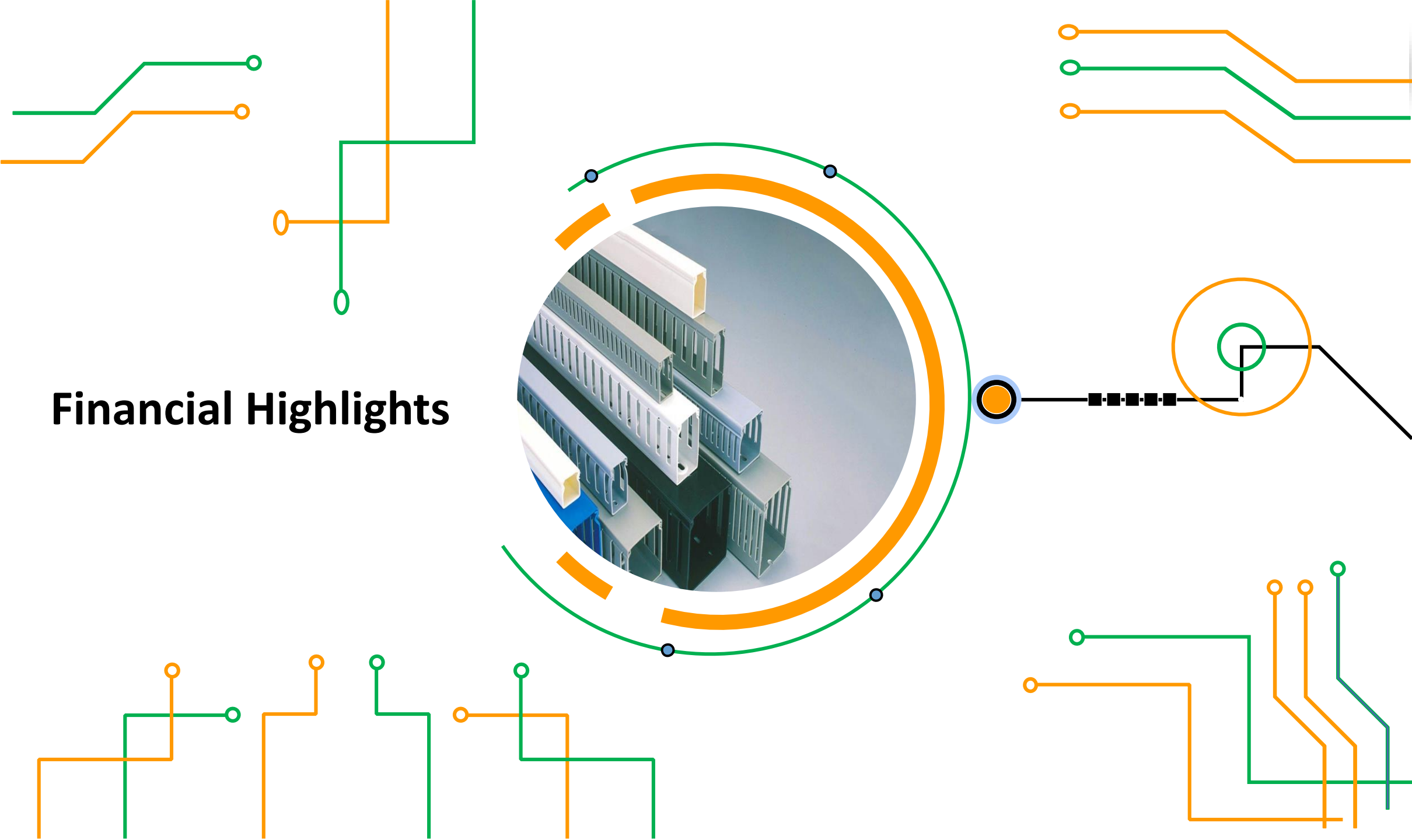
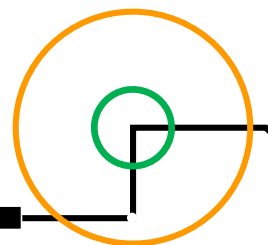
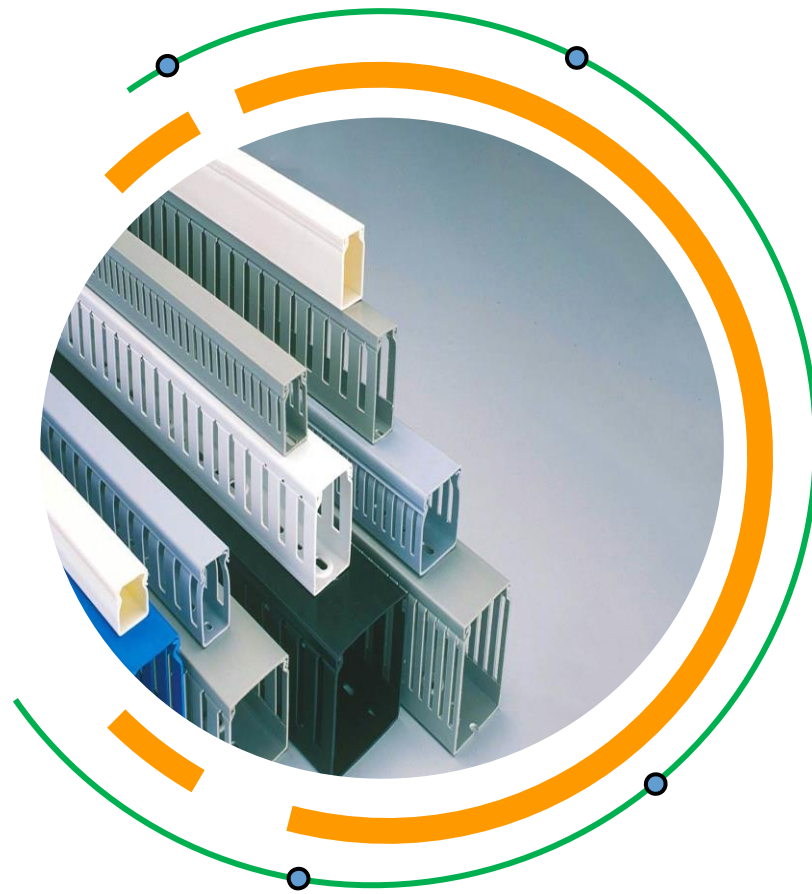
02 Company Overview

03 Business Overview

04 Way Ahead



Financial Highlights





Joint Managing Director's Message



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

"I am happy to say that the new fiscal year has begun on a strong note, with Q1 FY23 performance being in line with our expectations. As the domestic and export markets continue to open up and resume momentum, we are witnessing substantially higher demand, across all our businesses of industrial switchgears, wire & cable and building electrical divisions.

During the first quarter of the financial year, we registered a revenue of Rs. 233.06 crores with EBITDA (Excluding other income) and PAT of Rs. 19.62 crore and Rs. 8.78 crore, respectively. This growth came in primarily from industrial switchgear products as well as wire & cables especially in LAN cables. We are also witnessing a strong demand for our 3-phase dry type transformers, particularly from the renewable energy sector. Raw material prices, higher freight and sales promotion costs has offset our price hikes and impacted margins. However, raw material prices have begun to stabilize and we are seeing the benefits of our price hikes in the form of better margins quarter on quarter.

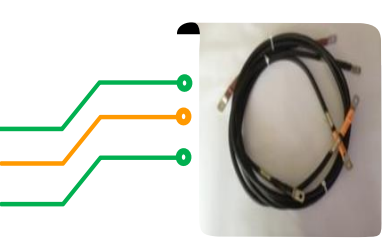
In the previous quarter we recently received two patents – one for integrated cam operated rotary switches, which is a legacy product contributing substantially to our top line, and another for MPCB. Such developments help protect our intellectual property and boost our efforts in R&D and product development.

Going ahead, we expect to maintain our growth trajectory with our strong product offerings and brand position in the market. Based on domestic and export outlook, we are optimistic about the overall business performance.

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

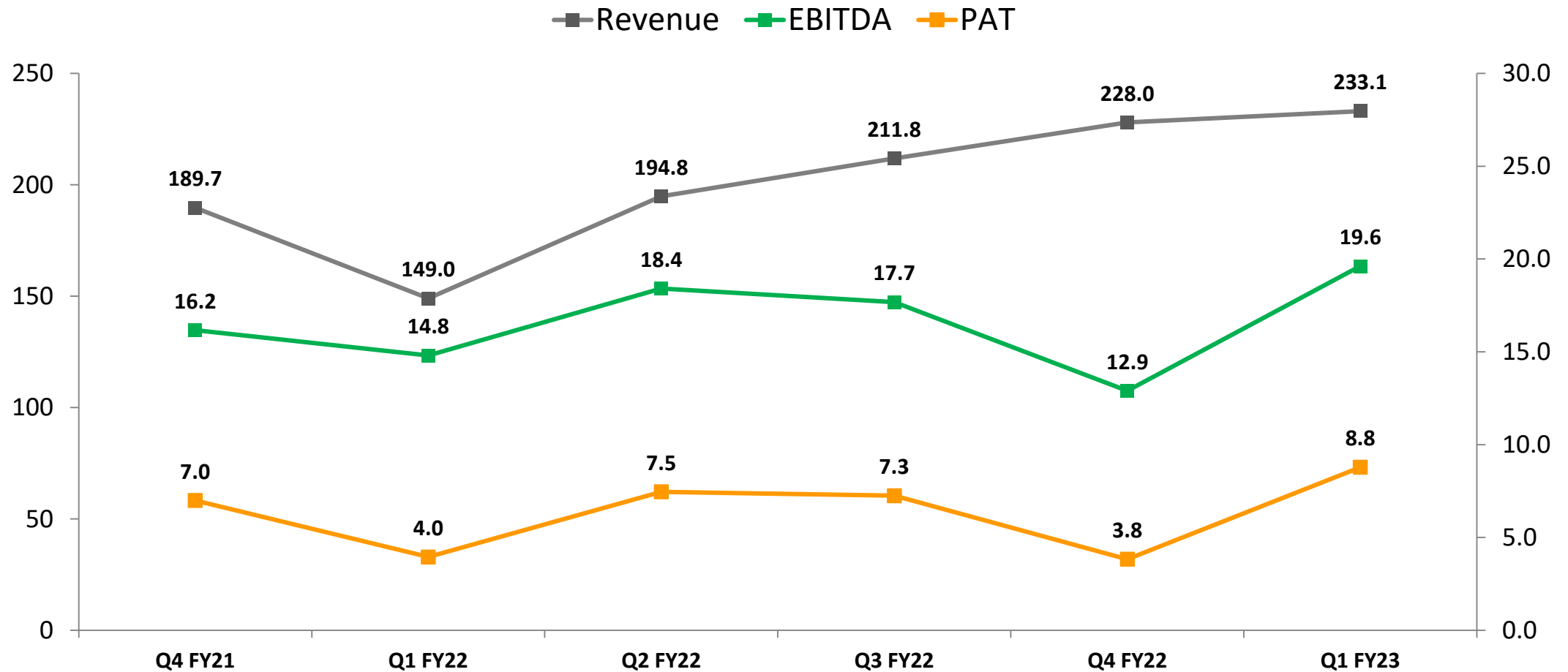


Commenting on the results, Mr. Rajesh Doraiswamy, Joint Managing Director, said :



Key Standalone Financial Highlights – Quarterly

Revenue, EBITDA (excluding other income), PAT (Rs. Crore)



Q1 FY23 Standalone Financial Highlights

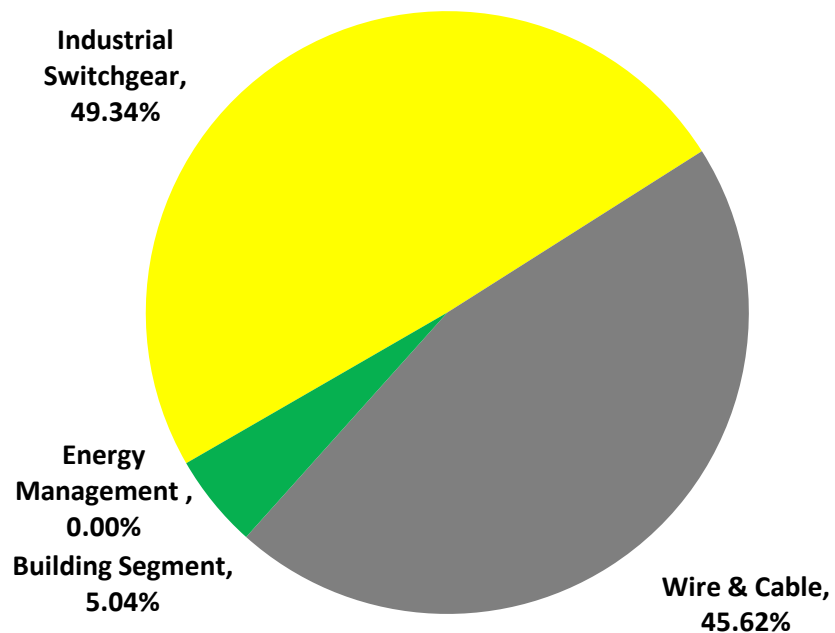


Rs. in Crore	Standalone				Consolidated
	Q1 FY23	Q1 FY22	Y-o-Y %	Q4 FY22	Q1 FY23
Net Revenue	233.06	148.98	56.44%	228.02	237.90
Raw Materials	187.95	114.57		185.55	189.07
Employee Cost	7.98	6.53		8.60	9.09
Other Expenses	17.51	13.08		20.97	19.05
Total Expenditure	213.44	134.18		215.13	217.21
EBITDA	19.62	14.80	32.53%	12.89	20.69
EBITDA Margin (%)	8.42%	9.94%	(152 bps)	5.65%	8.70%
Other Income	1.07	0.00		0.35	1.23
Depreciation	3.95	3.94		4.05	4.03
Interest / Finance Cost	5.61	5.12		5.02	5.62
Exceptional Item (Gain) / Loss	0.00	0.00		0.00	0.00
Profit Before Tax	11.13	5.74	93.99%	4.16	12.27
Tax	2.35	1.93		0.34	2.63
Profit After Tax	8.78	3.81	130.71%	3.83	9.64
Profit After Tax Margin (%)	3.77%	2.55%	122 bps	1.68%	4.05%
Basic EPS (Rs.)	5.49	2.47	122.27%	2.39	6.03

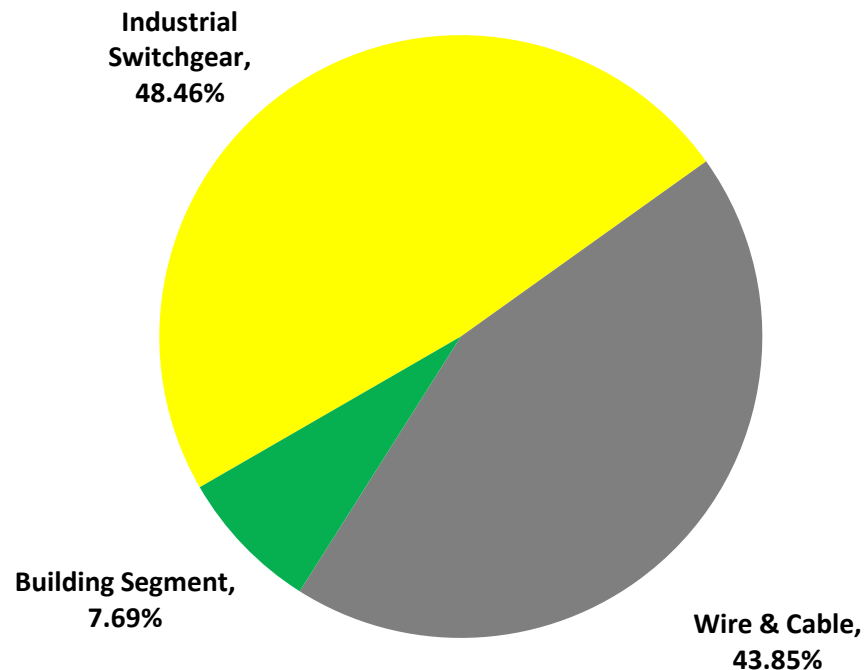
- **Increase in Revenue** was on account of higher demand for switchgear as well as cables divisions - also strong order inflow for Three Phase Dry Type transformers
- Contribution from **Exports** was **20.76%**, on account of increase in sales to the Europe and Asian countries. Overall **export revenue grew 32.6% YoY** in Q1 FY23

Q1 FY23 Revenue Breakup – Business Verticals

Q1 FY22



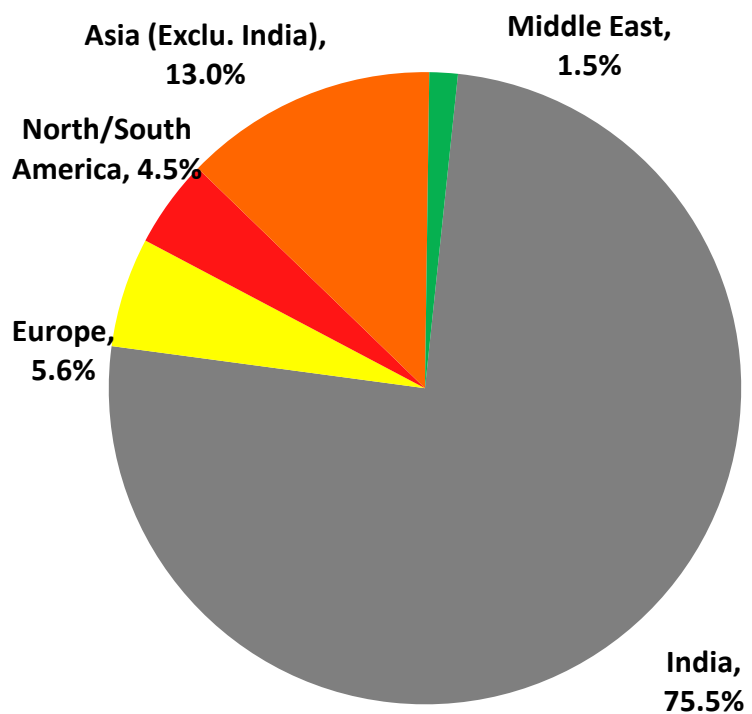
Q1 FY23



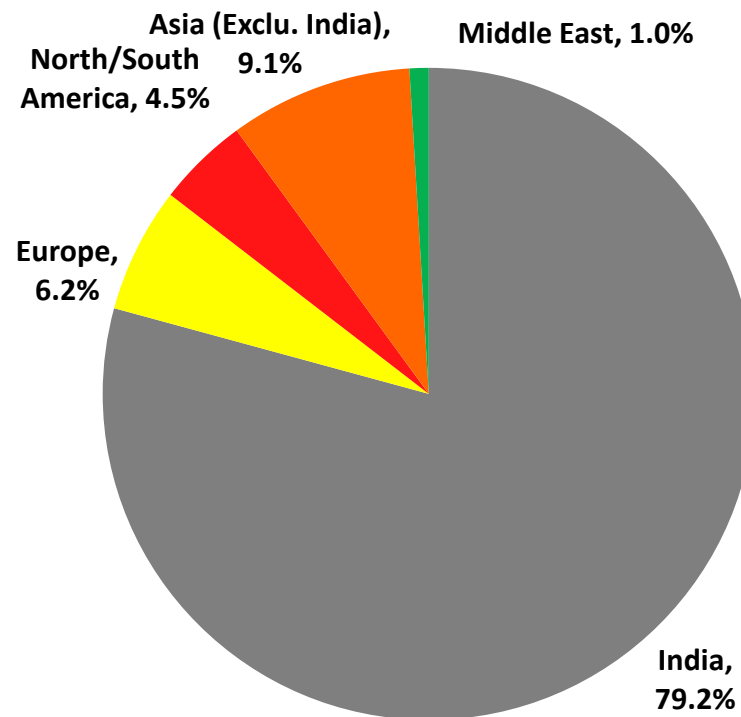
- Industrial Switchgear – 48.46% of net revenues
- Wires & Cables – 43.85% of net revenues
- Building Electrical Products – 7.69% of net revenues
- Energy Management – No tenders issued by the Government during this period

Q1 FY23 Revenue Breakup – Geographical

Q1 FY22



Q1 FY23



FY22 Financial Highlights

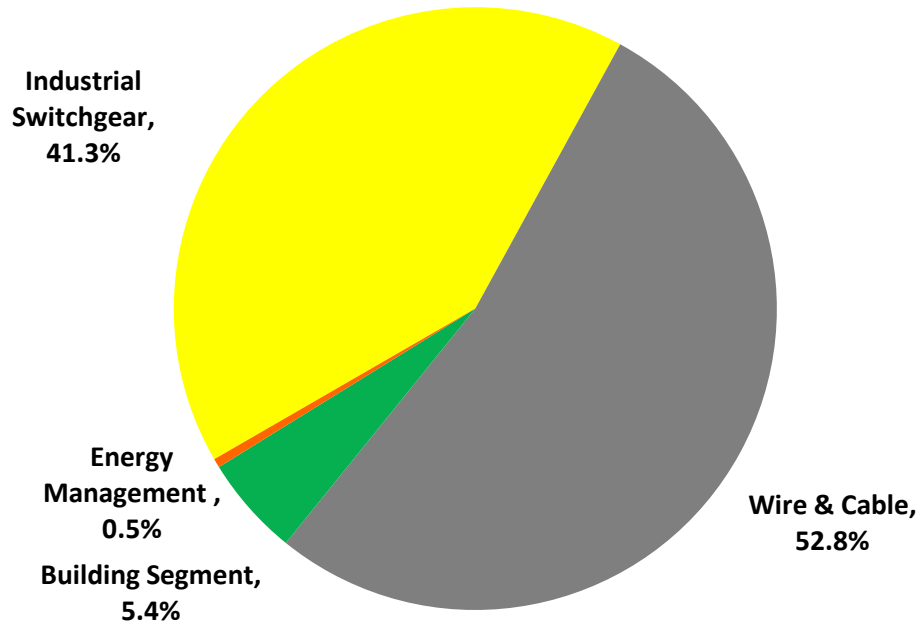


Rs. in Crore	FY22	FY21	Y-o-Y %	FY22 (Consl)
Net Revenue	783.63	605.62	29.39%	803.54
Raw Material Expenses	621.79	470.39		630.17
Employee Expenses	29.40	24.34		33.60
Other Expenses	68.66	49.10		73.54
Total Expenditure	719.85	543.83		737.30
EBITDA	63.78	61.79	3.22%	66.24
EBITDA Margin (%)	8.14%	10.20%	(206 bps)	8.24%
Other Income	2.18	1.99		2.48
Depreciation	16.01	15.61		16.33
Interest / Finance Cost	19.81	21.27		19.88
Exceptional Item (Gain) / Loss	0.00	0.00		0.00
PBT	30.15	26.90	12.07%	32.51
Tax	7.67	6.23		8.30
PAT	22.48	20.67	8.75%	24.20
PAT Margin (%)	2.87%	3.41%	(54 bps)	3.01%
Basic EPS (Rs.)	14.07	12.93	8.82%	14.14

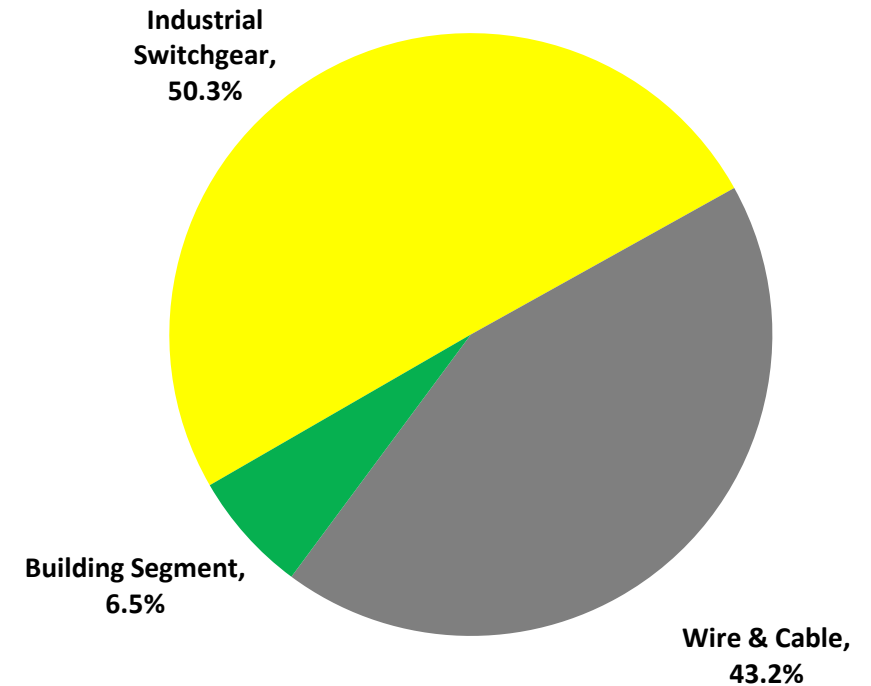
- Strong demand for industrial switchgear products, particularly wire harnesses and 3 phase dry type transformers
- Contribution from exports was 23.29% in FY22, mainly from higher exports to Middle East Africa , European, American and Asia markets
- Volatility in raw material prices and freight charges offset impact of price hike of finished goods

FY22 Revenue Breakup – Business Verticals

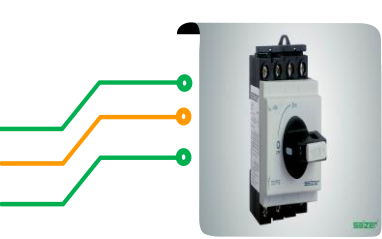
FY21



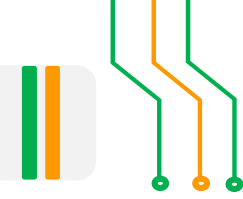
FY22



- Industrial Switchgear – 50.25% of net revenues
- Wires & Cables – 43.23% of net revenues
- Building Electrical Products – 6.52% of net revenues
- Energy Management – No tenders issued by the Government during this period

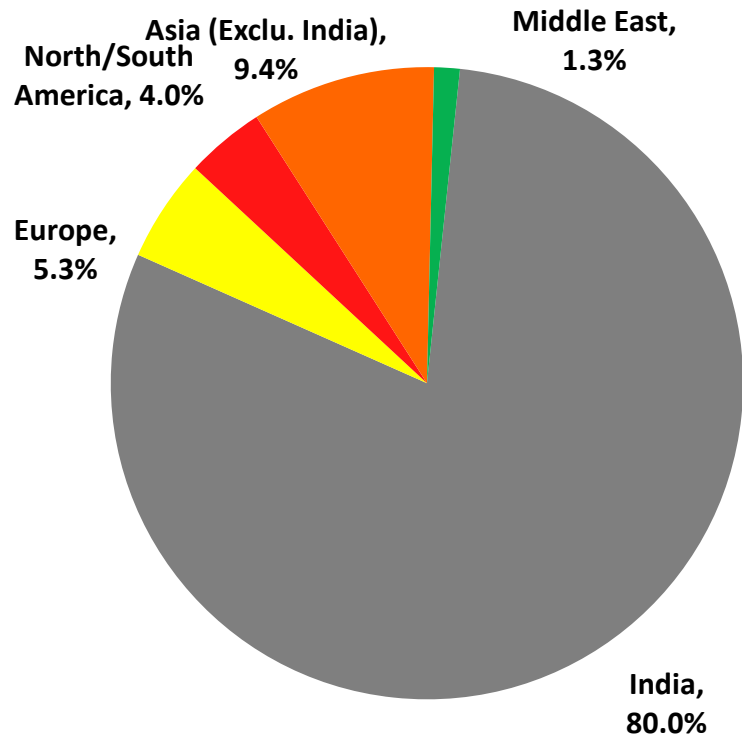


FY22 Revenue Breakup – Geographical

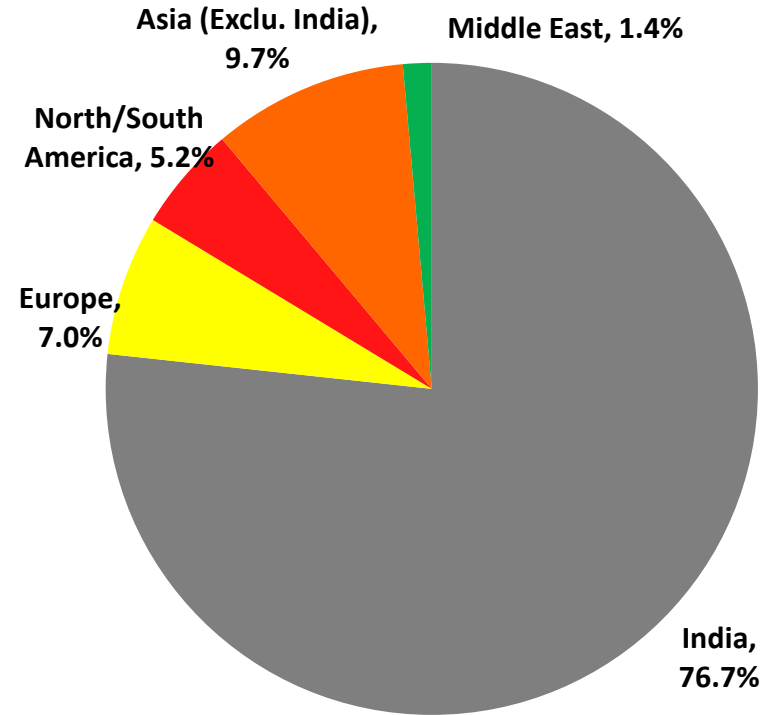


salzer

FY21



FY22



Balance Sheet as on 31st Mar' 22

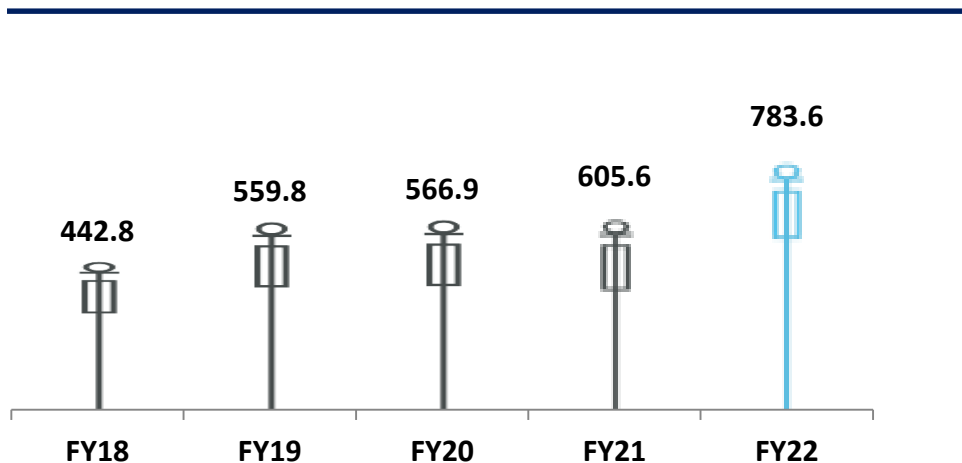
Rs. Crore	As on 31 st Mar' 22	As on 31 st Mar' 21
Shareholder's Funds	351.47	331.29
Share capital	15.98	15.98
Other Equity	335.48	315.30
Non Controlling Interest	0.00	0.00
Non-current liabilities	32.01	35.03
Financial Liabilities		
Borrowing	12.41	16.27
Provisions	0.00	0.03
Deferred Tax Liabilities (Net)	19.61	18.74
Other Non-Current Liabilities	0.00	0.00
Current liabilities	358.31	307.91
Financial Liabilities		
Borrowing	235.40	197.48
Trade Payable	73.77	58.81
Others	4.86	4.89
Other Current Liabilities	42.59	44.07
Provisions	1.70	1.30
Current tax liability (Net)	0.00	1.36
Total Equities & Liabilities	741.79	674.23

Rs. Crore	As on 31 st Mar' 22	As on 31 st Mar' 21
Non-current assets	261.15	260.14
Property, Plant & Equipment	210.57	206.66
Capital WIP	0.78	1.35
Investments Property	0.01	0.01
Intangible Assets	3.86	4.10
FA - Investments	17.45	17.26
FA - Trade Receivables	11.63	11.60
FA - Others	11.83	17.27
Other Non Current Assets	5.02	1.89
Current assets	480.64	414.09
Inventories	223.70	177.38
Financial Assets		
Investments	3.10	3.90
Trade receivables	208.52	178.46
Cash & Cash equivalent	1.28	4.93
Bank Balance other than above	6.76	5.57
Loans	10.58	18.41
Other	0.35	0.34
Other Current Assets	26.35	25.10
Total Assets	741.79	674.23

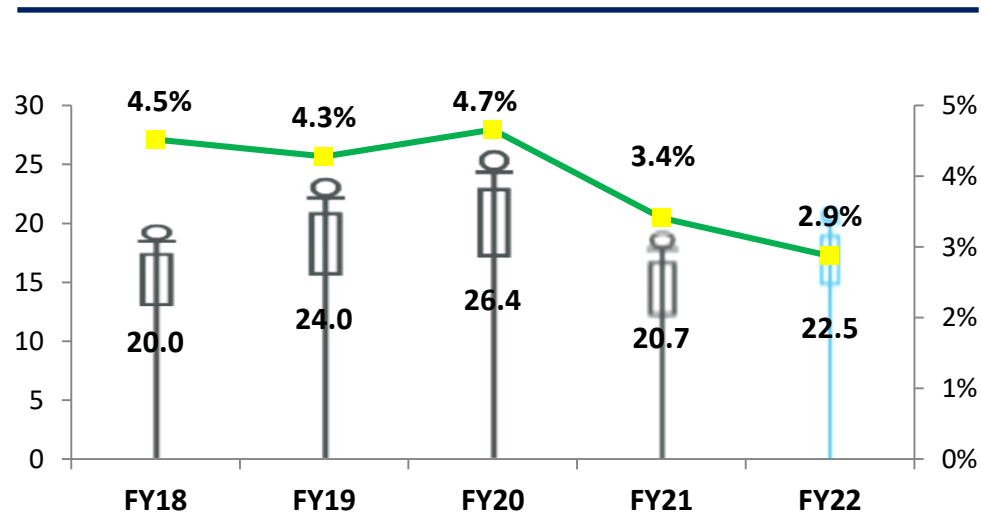
Board has recommended dividend at the rate of 18% i.e. Rs. 1.80 per equity share of Rs. 10 each subject to shareholders approval

Key Financial Highlights – Annual

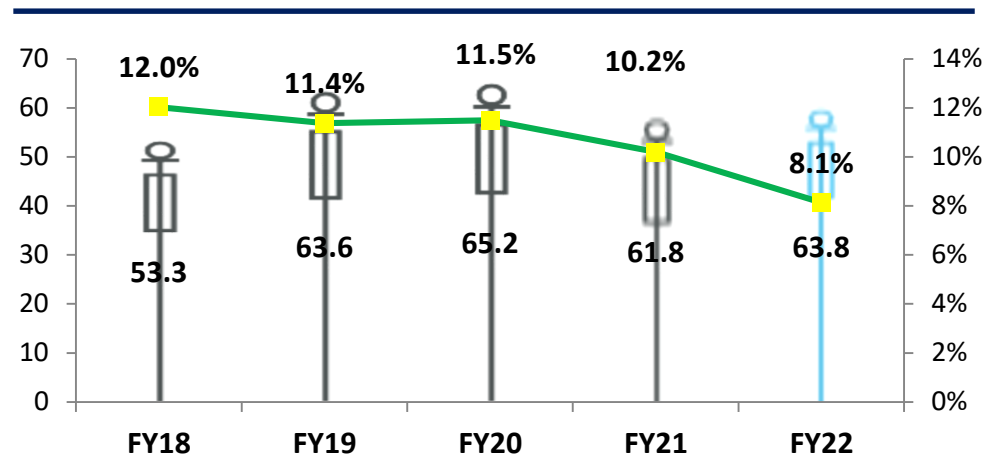
Revenue (Rs. Crore)



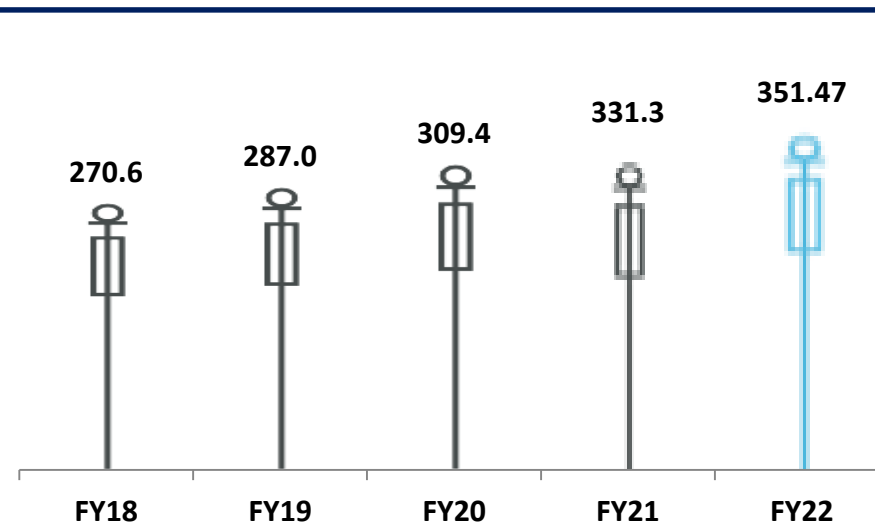
Net Profit (Rs. Crore)



EBITDA (Rs. Crore) / Margins (%)

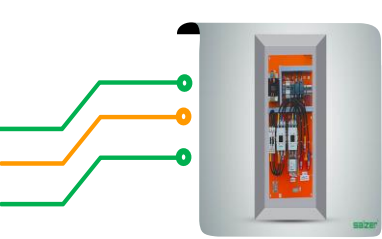


Networth as on 31st March (Rs. Crore)

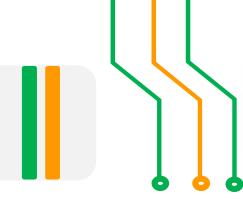


Company Overview





About Us



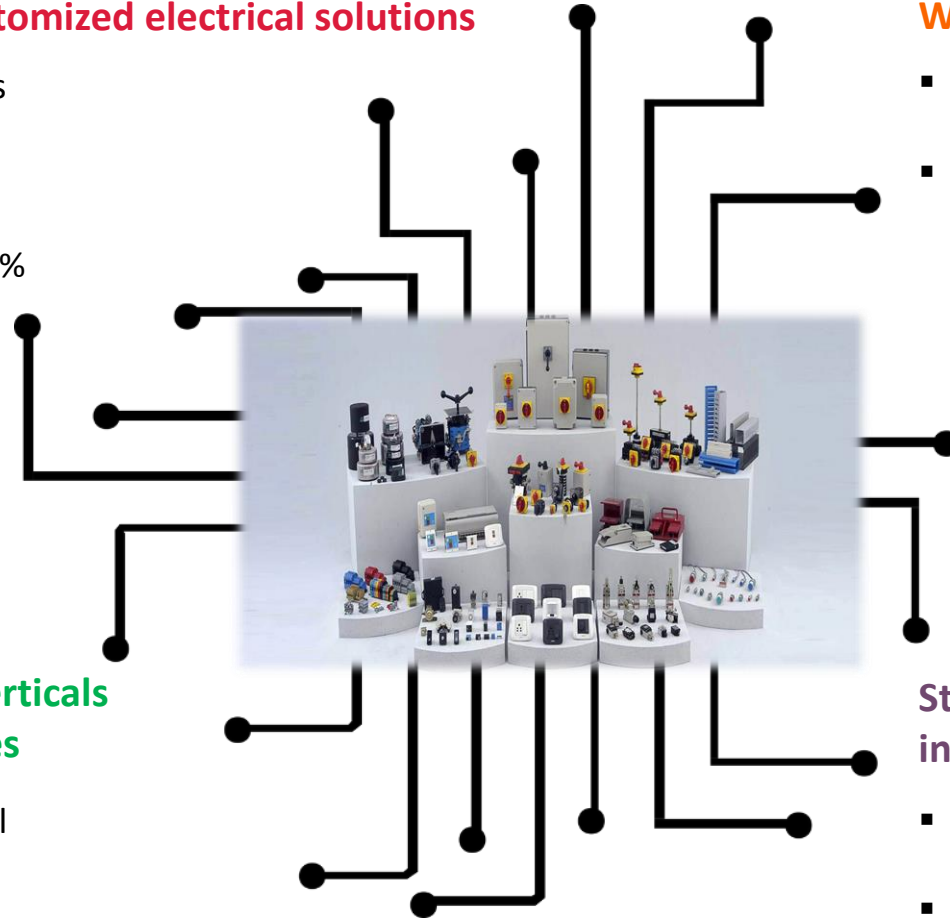
salzer

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 Electrical / Automobile verticals

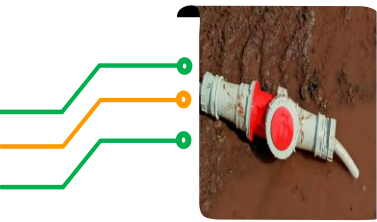


Wide Distribution network – local and global

- 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
- Receives patent for 'Integral Cam Operated Rotary Switches' for a duration of 20 years, ending 2031

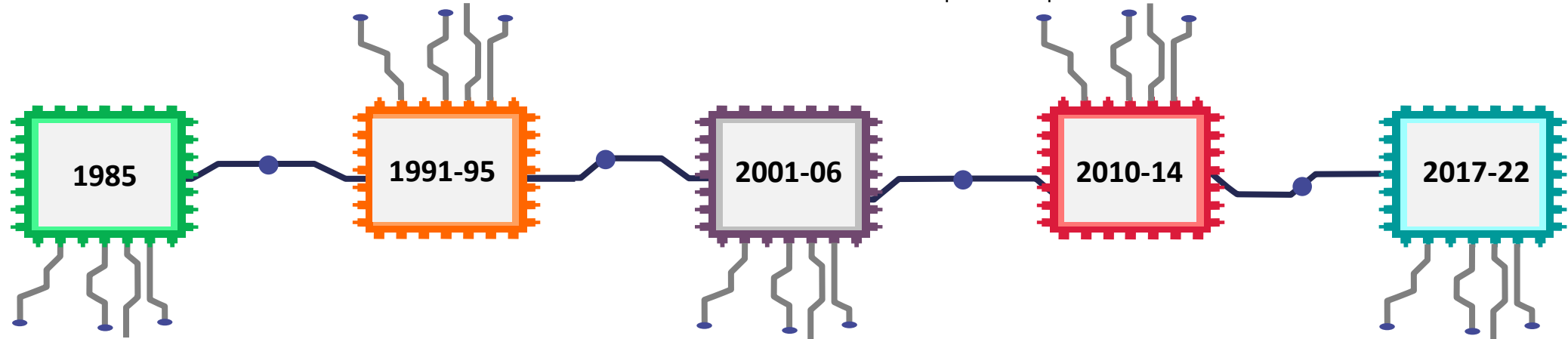


From a Single Product Company...



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.
- Forays into **EV Business** through **JVs** with Kostad Steuerungsbaubau GmbH and EMarch LLP
- Receives patent for 'Integral Cam Operated Rotary Switches' for a duration of 20 years, ending 2031
- Receives patent for 'Motor Protection Circuit Breaker With Increased Air Gap'

... to manufacturing multiple products across sectors



R. Doraiswamy

Managing Director

- Qualified Electrical Engineer and Technocrat Entrepreneur with over 4 decades of experience
- Vast Experience in Foreign Collaboration & wide global contacts



D. Rajeshkumar

Joint Managing Director

- Electrical Engineer, India; Postgraduate 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
- Wide experience in company law/ corporate affairs



P. Sivakumar

AVP – Marketing Corporate

- Bachelors in Engineering with over 3 decades of experience
- Responsible for Sales & Marketing division



M Laksminarayana

VP - Operations

- B.E (Electrical) with over 2 decades 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 over 3 decades of experience
- Responsible for project finance and corporate accounts

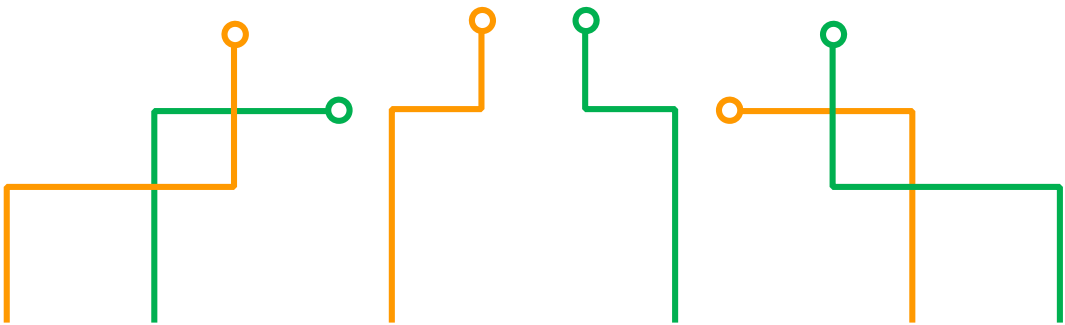
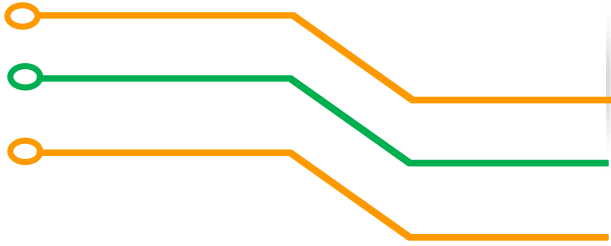
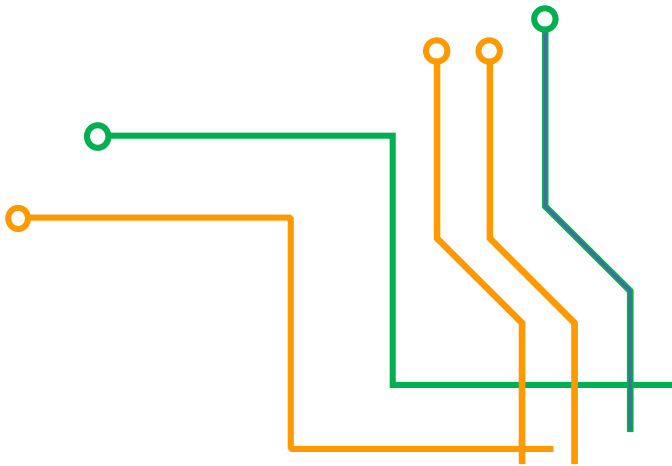
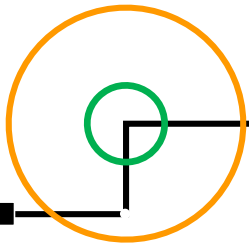


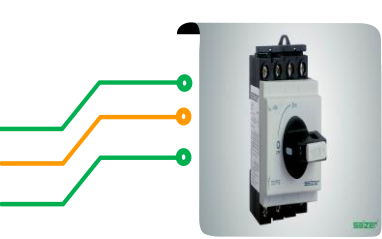
R Karunakaran

GM - PR & GST

- BSc, Diploma in Marketing Management with more than 3 decades of experience
- Responsible for GST and Public Relations of Company

Business Overview





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 Electrical Products

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



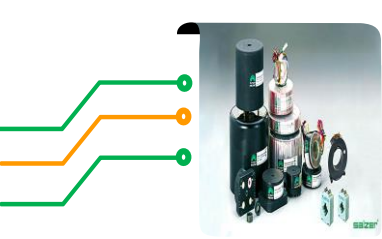
Copper Products

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

Energy Management products

- Energy Savers
- Street Light Controllers

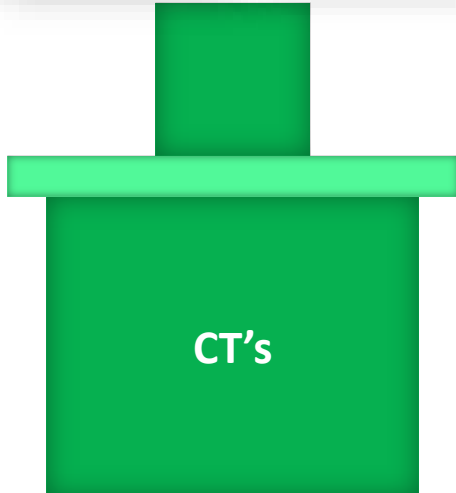




Wide Product Suite- Customized for OEM's



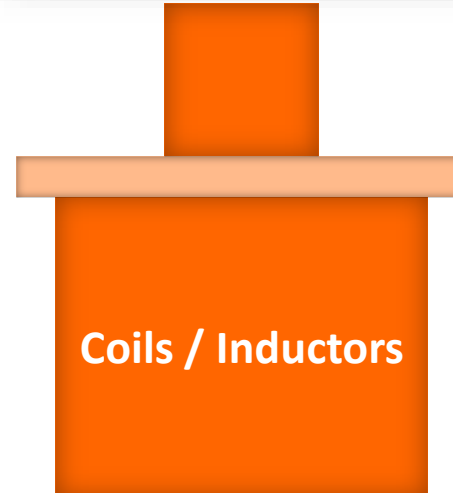
salzer



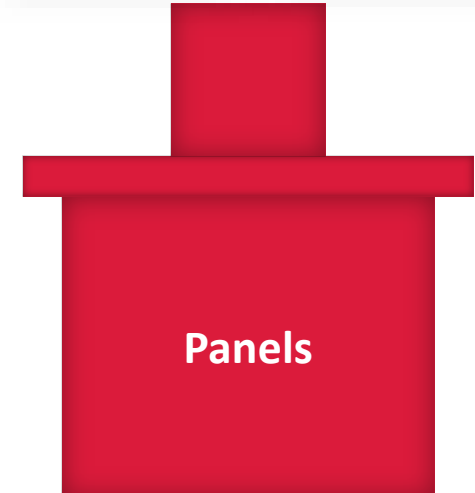
CT's



Terminal Sockets

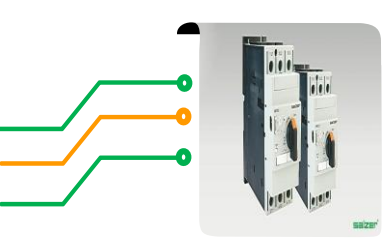


Coils / Inductors



Panels

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



Key Strengths



Complete Backward Integration

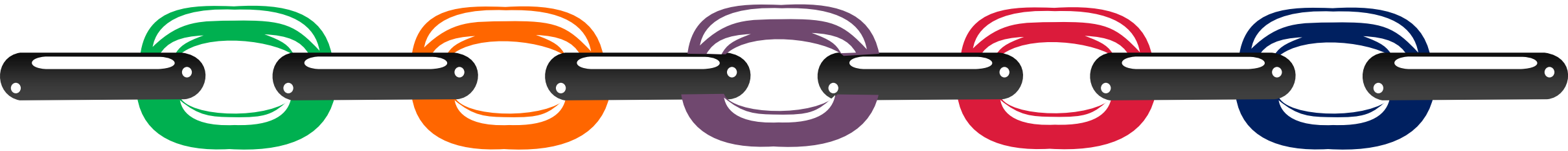
- In-house manufacturing facilities with process capabilities ensures better product development and customization
- Well developed R&D enables continual product innovation

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

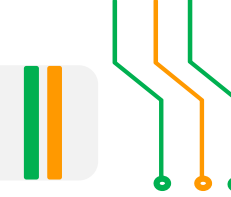
- Amongst few players in India, to offer total & customized electrical solutions
- Wide product basket – 15 products developed in-house
- Largest manufacturer and market leader in CAM operated rotary switches

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...



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...

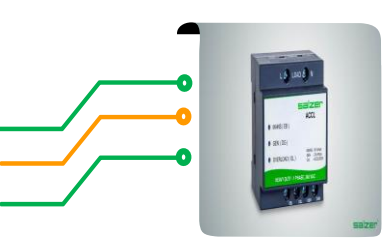


salzer



- 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

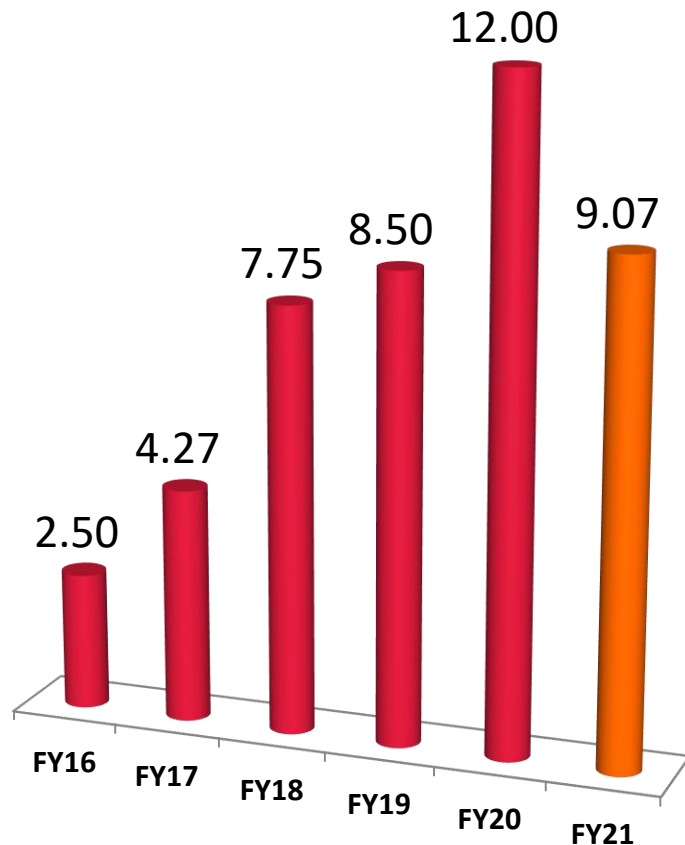
More than 80% components made in-house



...And a strong R&D team

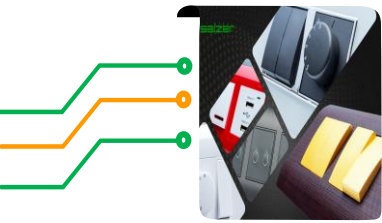


R&D expenses (Rs crore)



- 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



ISO 9001



ISO 14001



ISO 18001



CE Certification



UL Certification

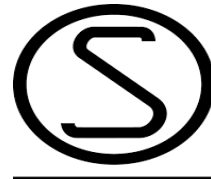


CB certification by IE

CB certification



RoHS



Intertek
Intertek Semko approval



CSA Certification



ISO 16949
CERTIFIED

... Across entire product portfolio

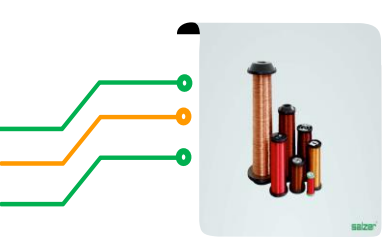
Blue Chip Customers

salzer

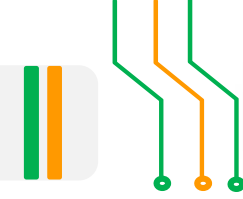


- Marketing Tie-up with L&T for Indian Market
- Largest supplier of rotary switches to Indian Railways
- Branding partner to various large OEM's in India

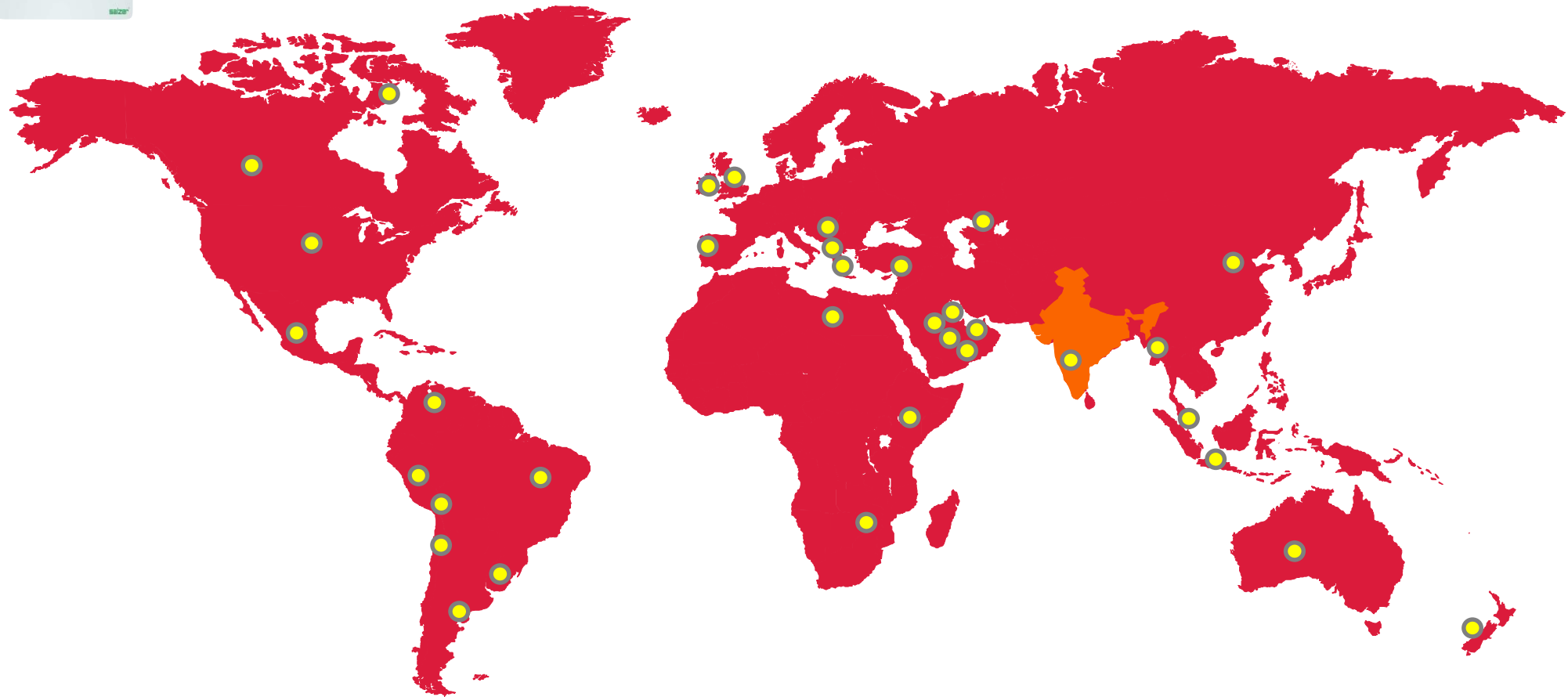
- Technical Tie-up with American Company C3Controls, to manufacture & market contactors & overload relays
- Technical Tie-up with Trafomodern for Three Phase Transformers
- Preferred supplier to:
 - Nuclear Power Corporation
 - Schneider Electric
 - GE Energy



Wide Distribution Network



salzer



International

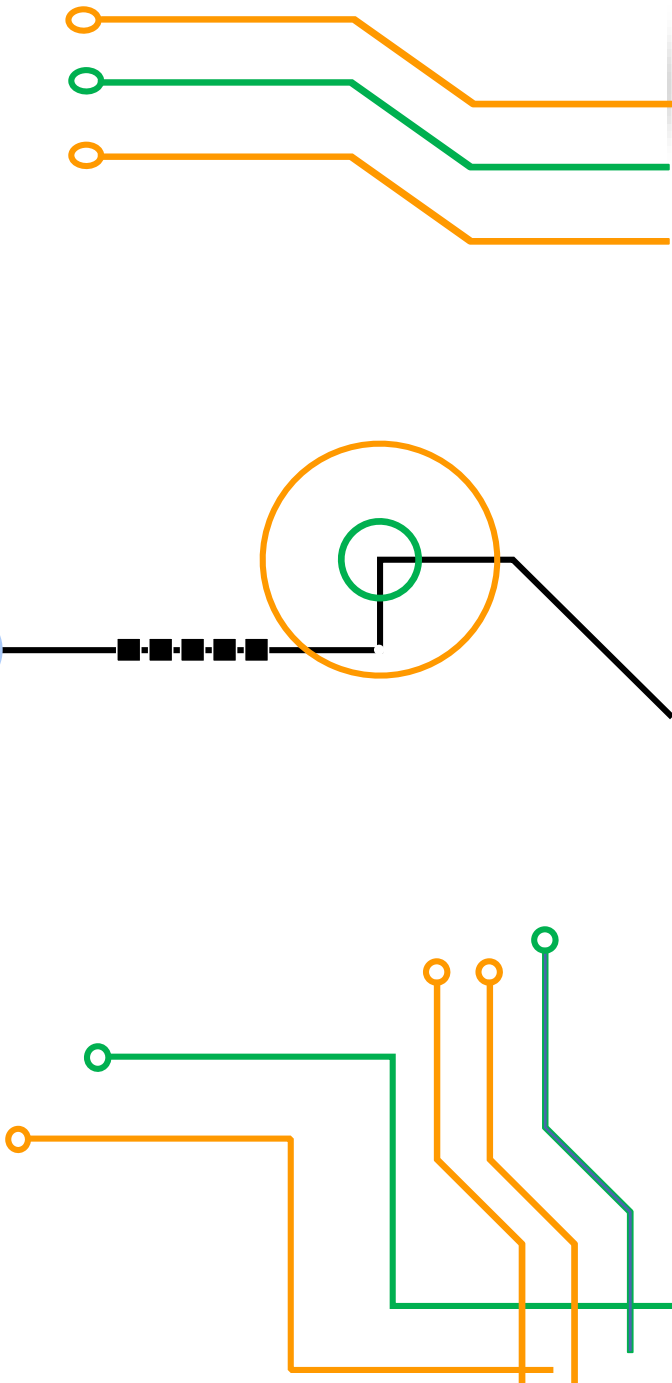
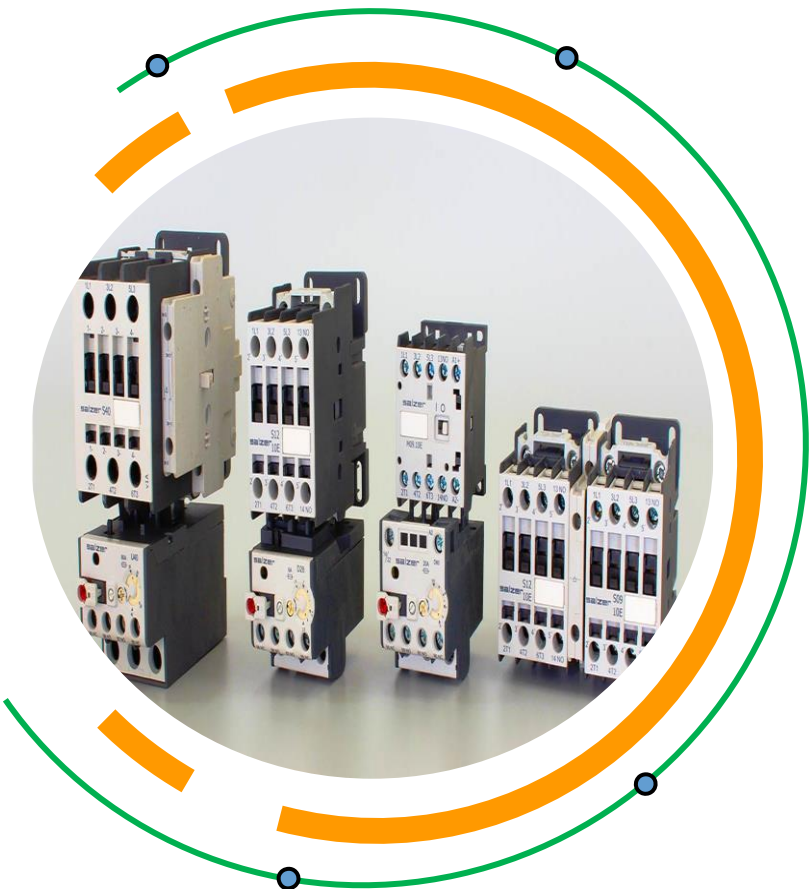
- Direct network across 50 countries
 - 17% of sales from global distribution
 - 40 international distributors
- Plans to expand in US, Africa and Middle east

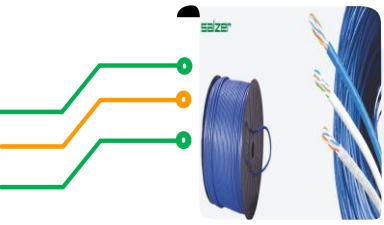
**Direct network
across 50
countries**

Domestic

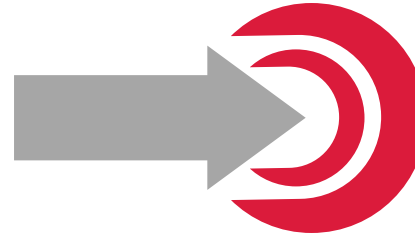
- Tie up with L&T – access to more than 350 dealers in India
- Direct network for Modular Switches – 50 stockists in 4 southern & western states

Way Ahead



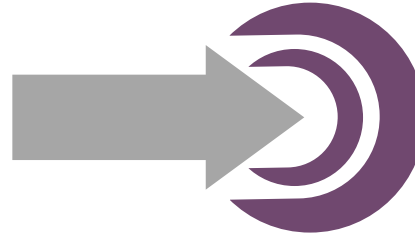


Way Ahead



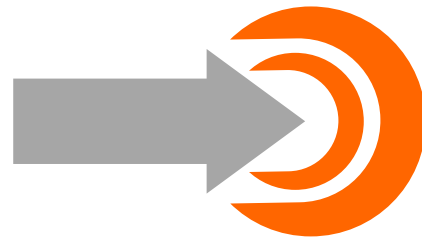
Operational Excellence

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



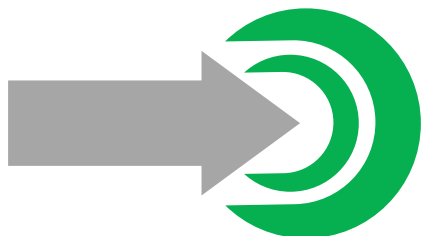
Venture into new project/ product development

- 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



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

For further information, please contact:

Salzer Electronics Ltd.

Mr. Baskarasubramanian

baskarasubramanian@salzergroup.com

www.salzergroup.net



Bridge Investor Relations Pvt. Ltd.

Ms. Savli Mangle

savli@bridge-ir.com

Mr. Rahul Trivedi

rahul@bridge-ir.com

www.bridge-ir.com

