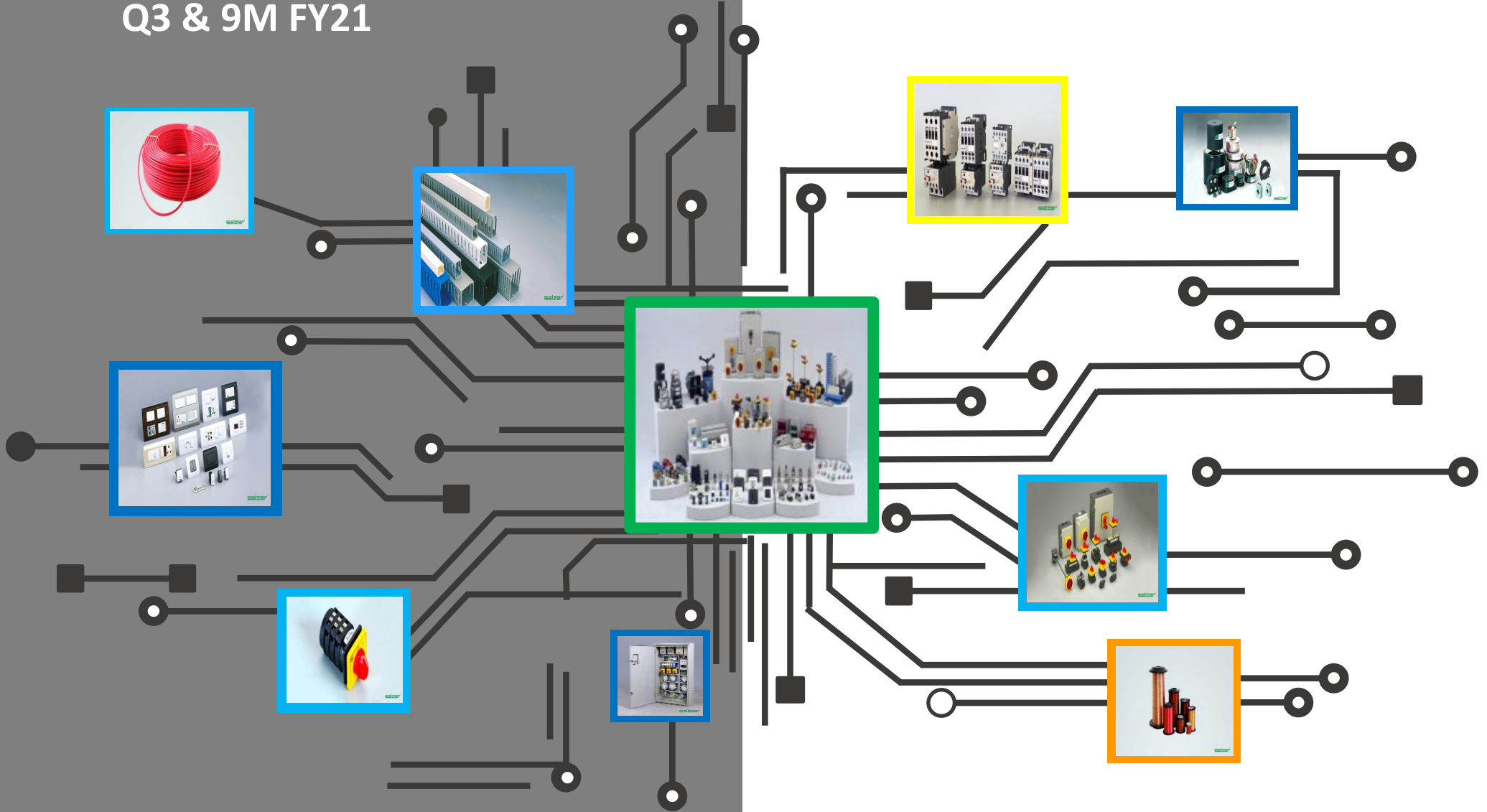
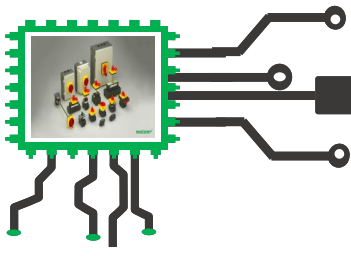


Salzer Electronics Limited



Result Update Presentation
Q3 & 9M 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.

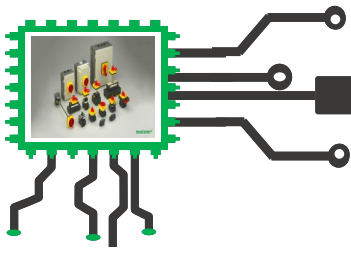
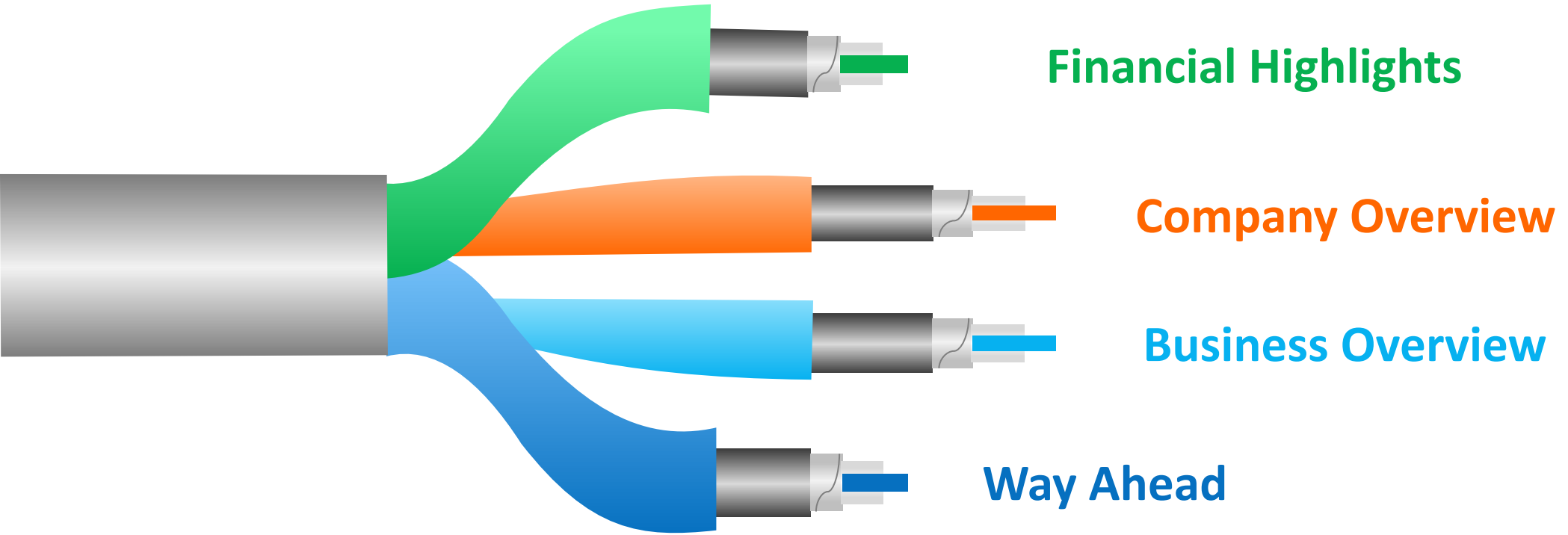
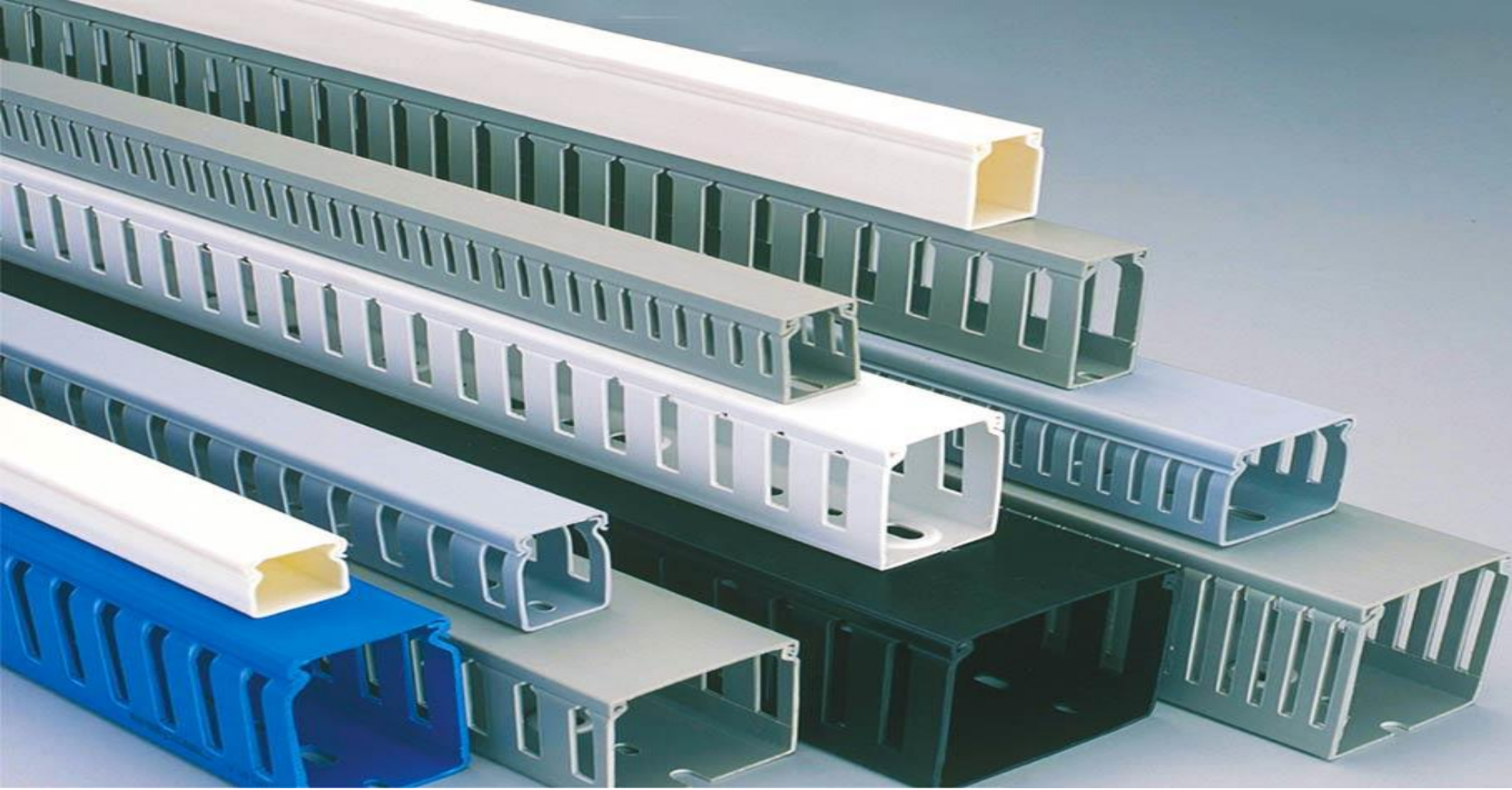
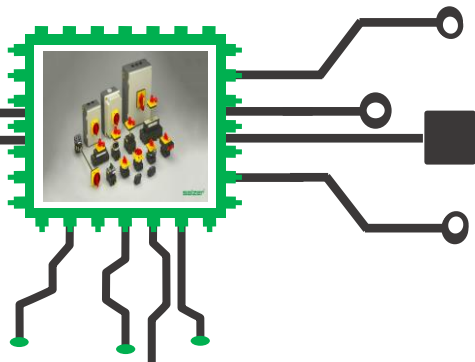


Table of Contents

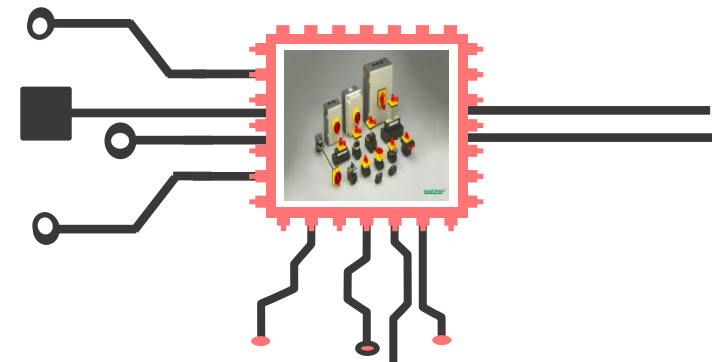


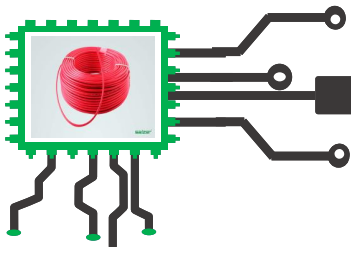


salzer®



Financial Highlights





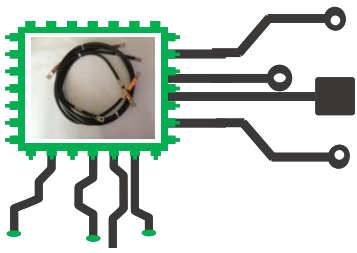
Commenting on the results, Mr. Rajesh Doraiswamy, Joint Managing Director, said :

"I am happy to share that our third quarter performance has been in line with expectations and marks our continued & sustained recovery from the Pandemic-induced slowdown. In the third quarter of this financial year, we registered a 26.5% Y-o-Y growth in revenue at Rs. 170.4 crores, while EBITDA and PAT were Rs. 17.3 crore and Rs. 6.4 crore respectively, having grown 3.4% and 16.4% year-on-year, respectively.

The performance in the nine-month period has been impacted due to lockdown on account of Covid-19 in the first quarter and low demand across the domestic market. However, the third quarter performance was good with growth coming in from wire harness product and export markets of US and Europe. The only Challenge remains is the input material price increase. The lag between the passing off of input costs to customers will have bearing on the margins.

With the markets gradually opening up and business regaining momentum, we expect to maintain our growth trajectory with our robust product offerings and strong brand position in the market. Overall, we remain committed to our set agenda of delivering sustainable growth and expect to match our last year's business performance, though our internal target is to demonstrate growth this year and hope to achieve the same. I thank all our stakeholders for their continued support and faith in our Company."

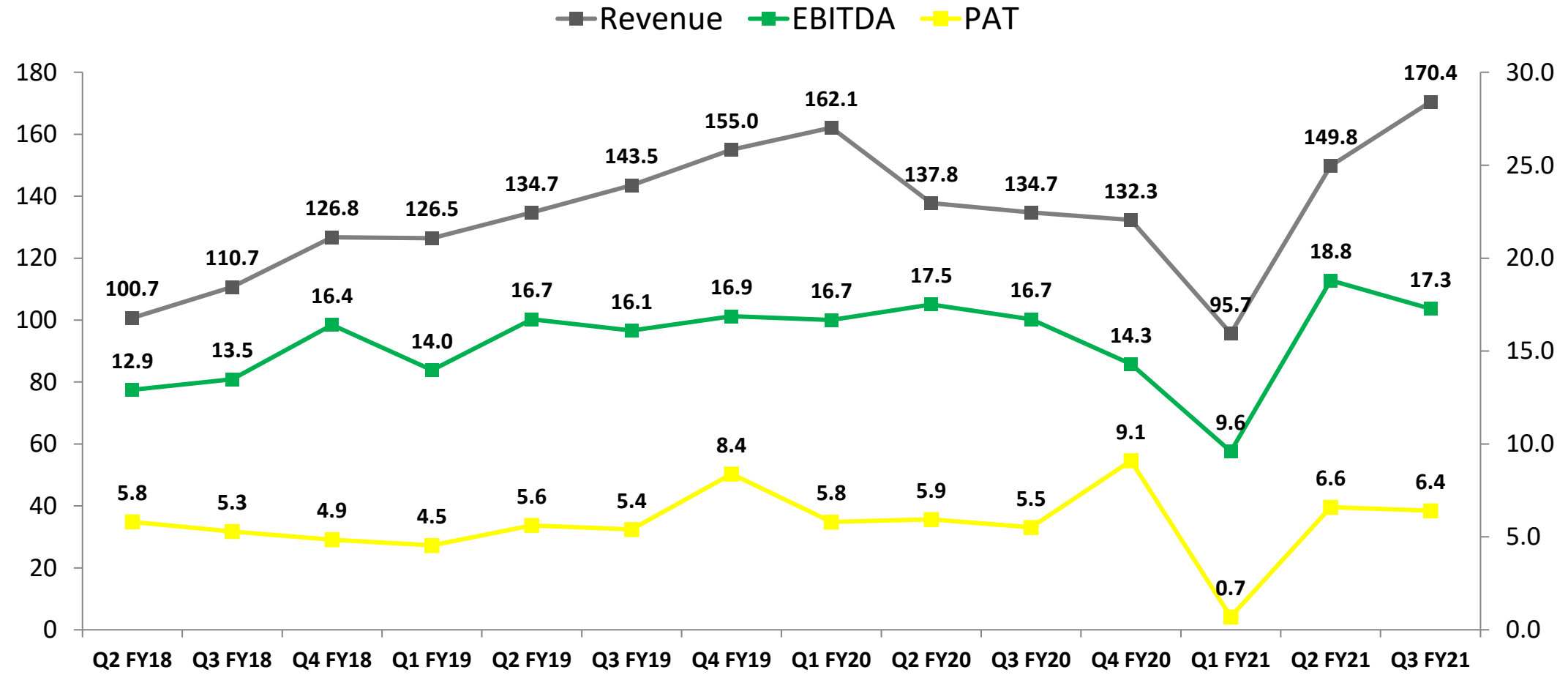


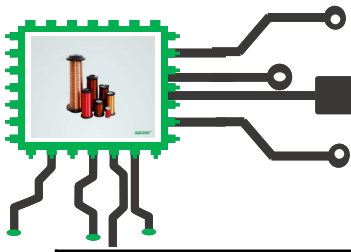


Key Financial Highlights – Quarterly



Revenue, EBITDA, PAT (Rs. Crore)



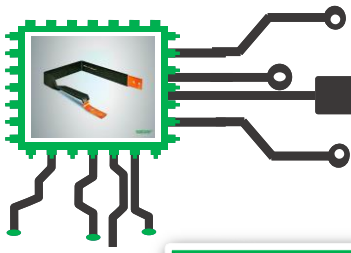


Q3 FY21 Financial Highlights

salzer

| Rs. in Crore | Standalone | | | | Consolidated |
|------------------------------------|---------------|---------------|------------------|---------------|---------------|
| | Q3 FY21 | Q3 FY20 | Y-o-Y % | Q2 FY21 | Q3 FY21 |
| Net Revenue | 170.44 | 134.71 | 26.52% | 149.80 | 176.86 |
| Raw Materials | 133.97 | 96.34 | | 111.28 | 137.86 |
| Employee Cost | 6.47 | 7.21 | | 6.09 | 7.59 |
| Other Expenses | 12.72 | 14.45 | | 13.67 | 13.87 |
| Total Expenditure | 153.16 | 118.01 | | 131.04 | 159.32 |
| EBITDA | 17.28 | 16.71 | 3.43% | 18.76 | 17.54 |
| EBIDTA Margin (%) | 10.14% | 12.40% | (226 bps) | 12.52% | 9.92% |
| Other Income | 0.24 | 0.10 | | 0.04 | 0.32 |
| Depreciation | 3.75 | 3.69 | | 3.82 | 3.85 |
| Interest / Finance Cost | 5.42 | 5.00 | | 5.78 | 5.44 |
| Exceptional Item (Gain) / Loss | 0.00 | 0.00 | | 0.00 | 0.00 |
| Profit Before Tax | 8.35 | 8.12 | 2.88% | 9.20 | 8.57 |
| Tax | 1.94 | 2.61 | | 2.61 | 2.05 |
| Profit After Tax | 6.41 | 5.51 | 16.38% | 6.59 | 6.52 |
| Profit After Tax Margin (%) | 3.76% | 4.09% | (33 bps) | 4.40% | 3.69% |
| Basic EPS (Rs.) | 4.01 | 3.44 | 16.57% | 4.12 | 4.08 |

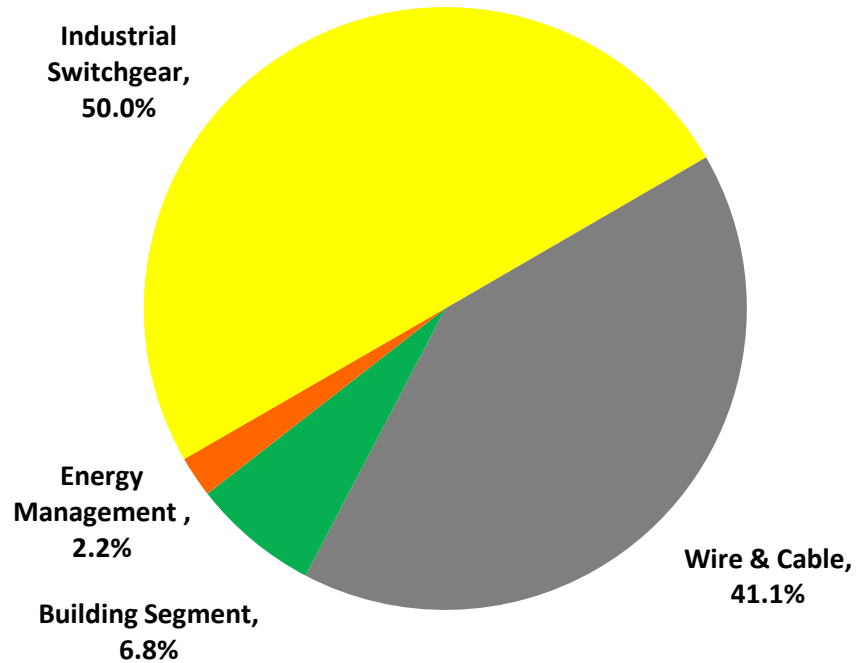
- **Increase in Revenue** mainly driven by higher sales in our wires and cables business, triggered by demand from Agri-segment; as well as rise in sales of our wire harness products under the industrial switch gear business, owing to addition of new customers
- Contribution from **Exports** was over **18%**, on account of increase in sales to the US and Asian markets. Overall export revenue grew 11.5% YoY in Q3



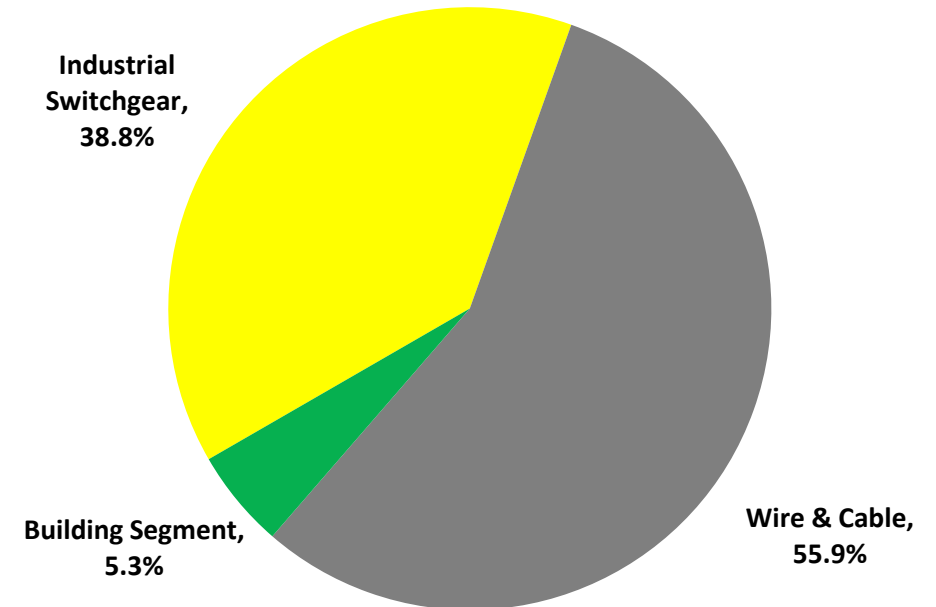
Q3 FY21 Revenue Breakup – Business Verticals

salzer

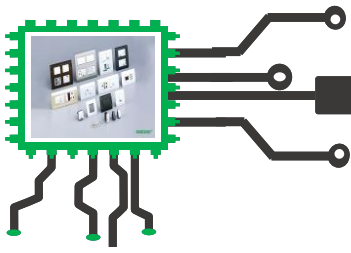
Q3 FY20



Q3 FY21



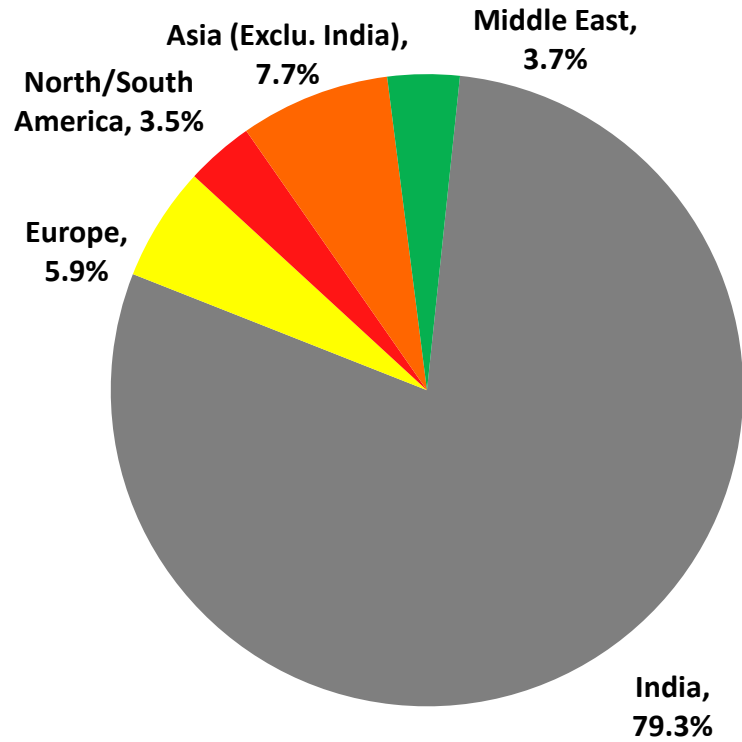
- Industrial Switchgear – 38.8% of net revenues
- Wires & Cables – 55.9% of net revenues
- Buildings Products – 5.3% of net revenues
- Energy Management – Revenue from AMC of previous orders; No tenders were issued by the government during this period



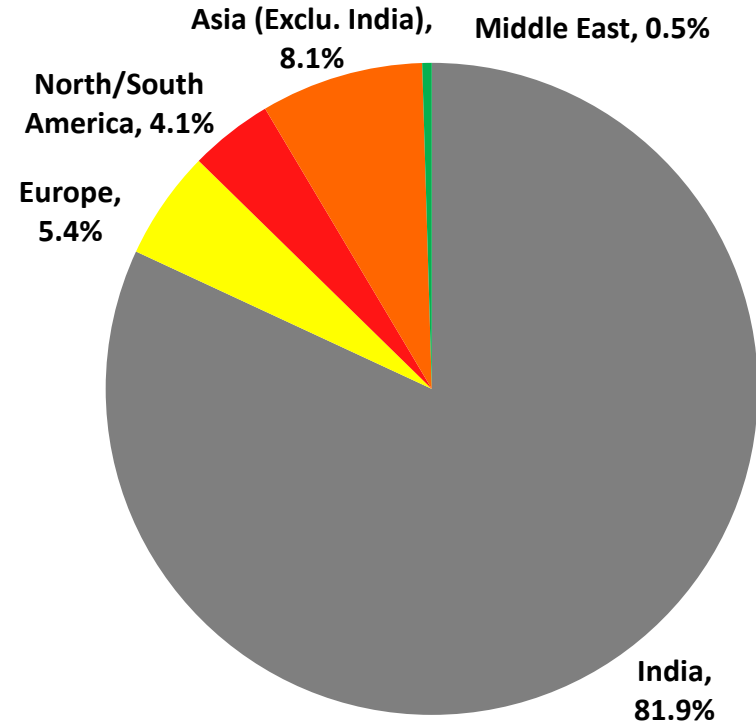
Q3 FY21 Revenue Breakup – Geographical

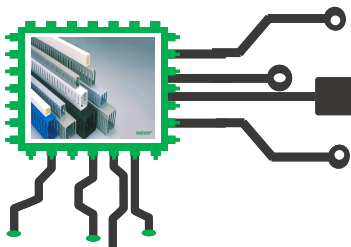


Q3 FY20



Q3 FY21



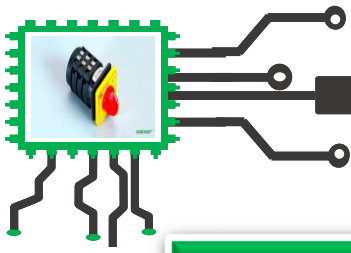


9M FY21 Financial Highlights

salzer

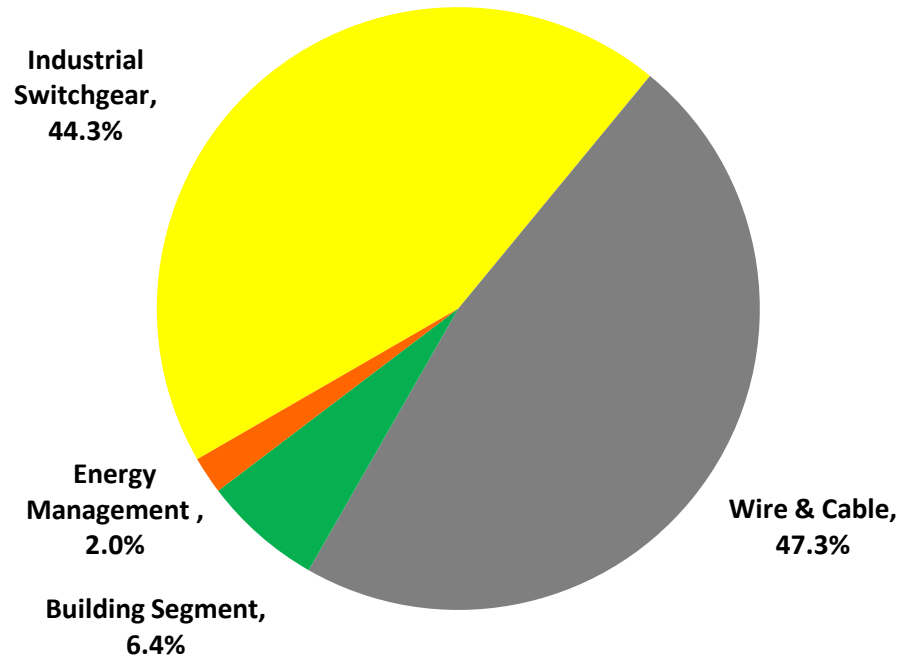
| Rs. in Crore | 9M FY21 | 9M FY20 | Y-o-Y % | 9M FY21 (Consl) |
|--------------------------------|---------------|---------------|-----------------|-----------------|
| Net Revenue | 415.93 | 434.65 | (4.31%) | 430.34 |
| Raw Material Expenses | 319.56 | 324.61 | | 327.66 |
| Employee Expenses | 16.84 | 19.74 | | 19.57 |
| Other Expenses | 33.90 | 39.41 | | 36.80 |
| Total Expenditure | 370.30 | 383.75 | | 384.02 |
| EBITDA | 45.63 | 50.89 | (10.34%) | 46.32 |
| EBITDA Margin (%) | 10.97% | 11.71% | (74 bps) | 10.76% |
| Other Income | 0.55 | 1.03 | | 0.78 |
| Depreciation | 11.51 | 10.76 | | 11.81 |
| Interest / Finance Cost | 16.02 | 15.73 | | 16.05 |
| Exceptional Item (Gain) / Loss | 0.00 | 0.00 | | 0.04 |
| PBT | 18.65 | 25.43 | (26.66%) | 19.19 |
| Tax | 4.97 | 8.18 | | 5.16 |
| PAT | 13.69 | 17.25 | (20.65%) | 14.03 |
| PAT Margin (%) | 3.29% | 3.97% | (68 bps) | 3.26% |
| Basic EPS (Rs.) | 8.56 | 10.79 | (20.67%) | 8.78 |

- Decline in Revenue mainly on account of nationwide lockdown during first quarter of the financial year
- Contribution to revenue from exports was **20% in 9M FY21**, with a **13.8% YoY growth in export revenue**, mainly on account of higher exports to American markets

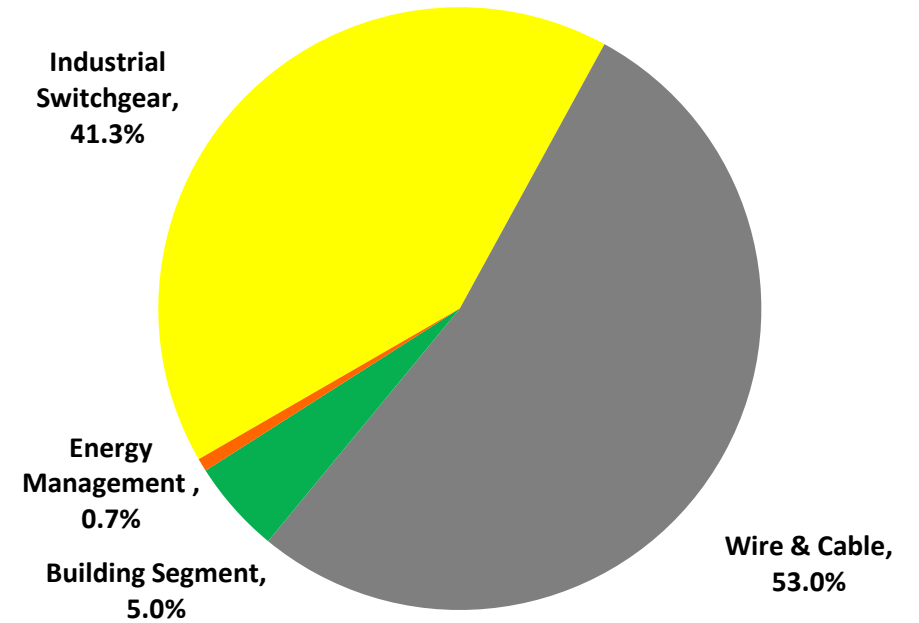


9M FY21 Revenue Breakup – Business Division

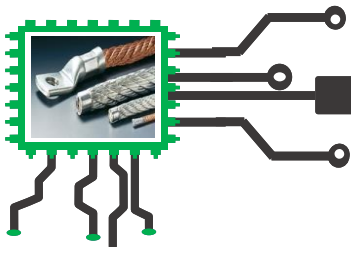
9M FY20



9M FY21

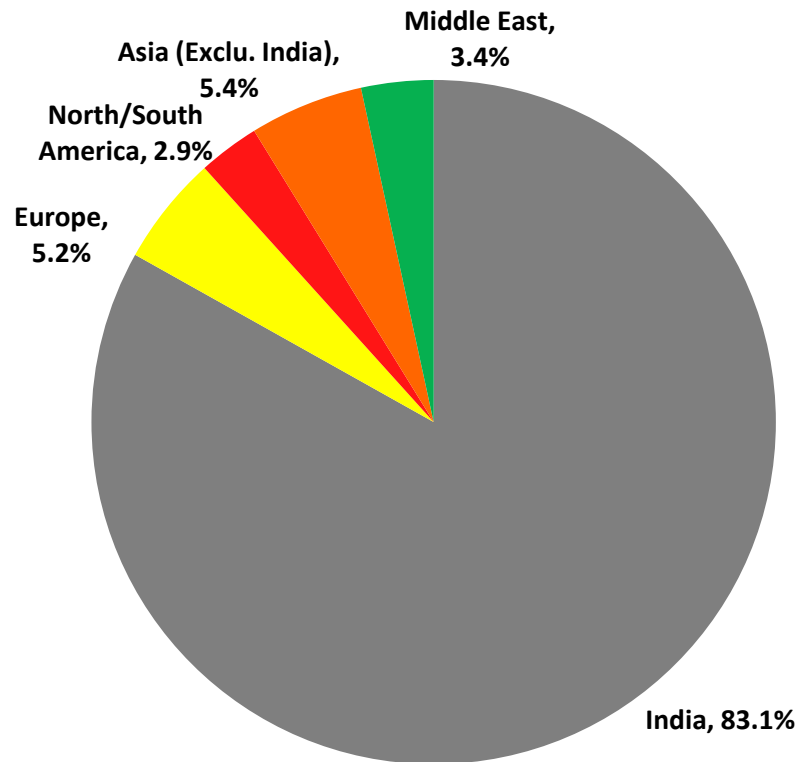


- Industrial Switchgear – 41.3% of total revenues
- Wires & Cables – 53.0% of total revenues
- Buildings Products – 5.0% of total revenues
- Energy Management – 0.7% of total revenue

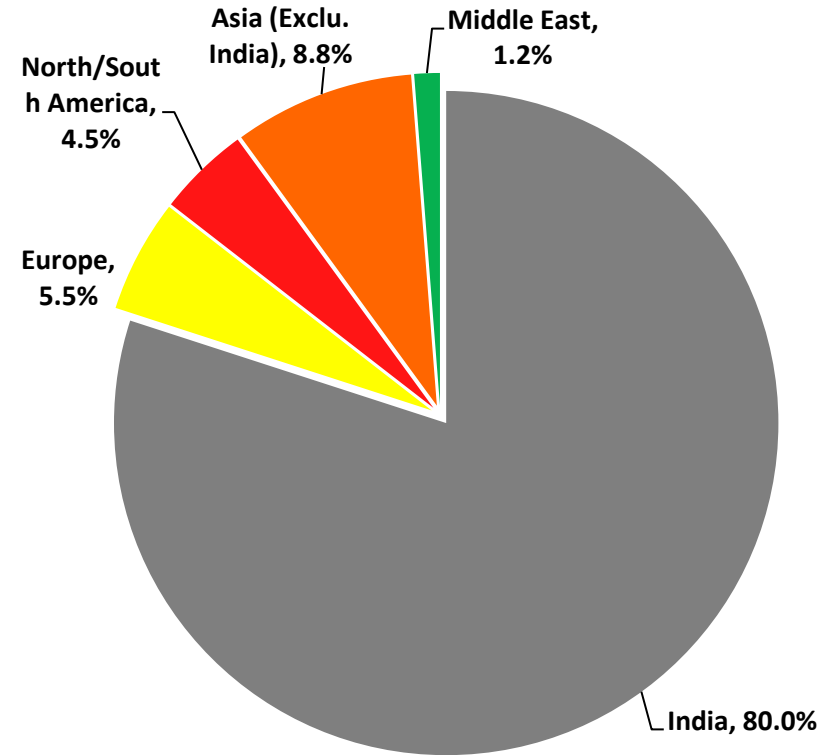


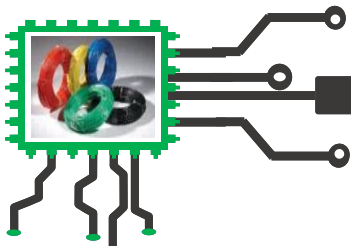
9M FY21 Revenue Breakup – Geographical

9M FY20



9M FY21





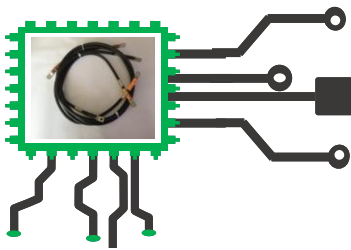
Balance Sheet as on 30th Sept' 20

salzer

| Rs. Crore | As on 30 th Sept' 20 | As on 30 th Sept' 19 | As on 30 th Sept' 20* |
|---|------------------------------------|------------------------------------|-------------------------------------|
| Shareholder's Funds | 316.8 | 295.2 | 320.4 |
| Share capital | 16.0 | 16.0 | 16.0 |
| Other Equity | 300.8 | 279.3 | 300.8 |
| Non Controlling Interest | 0.0 | 0.0 | 3.6 |
| Non-current liabilities | 37.7 | 39.1 | 38.1 |
| Financial Liabilities | | | |
| Borrowing | 18.2 | 17.4 | 18.2 |
| Provisions | 0.7 | 0.3 | 0.9 |
| Deferred Tax Liabilities (Net) | 18.8 | 21.4 | 18.7 |
| Other Non-Current Liabilities | 0.0 | 0.0 | 0.0 |
| Current liabilities | 255.7 | 277.4 | 260.7 |
| Financial Liabilities | | | |
| Borrowing | 160.9 | 163.8 | 161.5 |
| Trade Payable | 43.5 | 52.8 | 46.9 |
| Others | 7.3 | 6.2 | 7.3 |
| Other Current Liabilities | 41.1 | 52.7 | 41.6 |
| Provisions | 1.1 | 0.9 | 1.7 |
| Current tax liability (Net) | 1.8 | 1.0 | 1.7 |
| Total Equities & Liabilities | 610.3 | 611.7 | 619.2 |

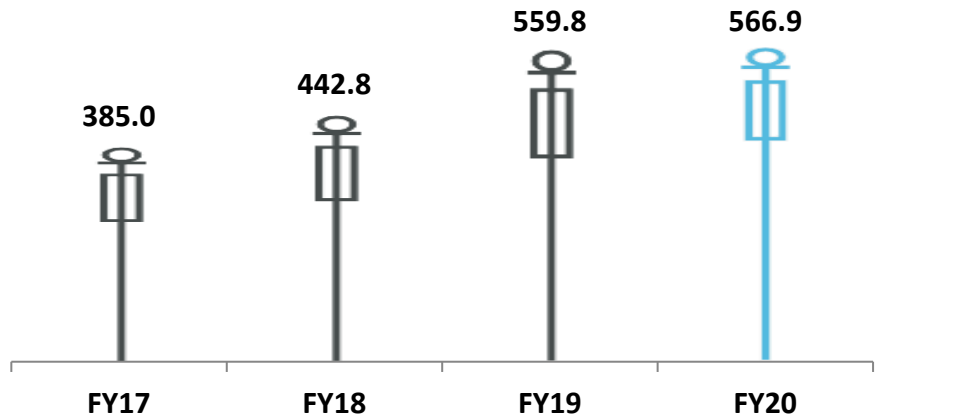
| Rs. Crore | As on 30 th Sept' 20 | As on 30 th Sept' 19 | As on 30 th Sept' 20* |
|-------------------------------|------------------------------------|------------------------------------|-------------------------------------|
| Non-current assets | 254.8 | 239.1 | 247.4 |
| Property, Plant & Equipment | 200.9 | 179.5 | 203.6 |
| Capital WIP | 4.3 | 15.7 | 4.3 |
| Investments Property | 0.0 | 0.0 | 0.0 |
| Intangible Assets | 4.3 | 4.6 | 10.4 |
| FA - Investments | 17.4 | 16.0 | 0.9 |
| FA - Trade Receivables | 5.2 | 8.6 | 5.2 |
| FA - Others | 19.8 | 12.2 | 19.8 |
| Other Non Current Assets | 2.8 | 2.5 | 3.2 |
| Current assets | 355.5 | 372.5 | 371.8 |
| Inventories | 153.6 | 152.9 | 156.8 |
| Financial Assets | | | |
| Investments | 3.0 | 3.5 | 3.0 |
| Trade receivables | 146.0 | 142.2 | 154.7 |
| Cash & Cash equivalent | 6.0 | 5.7 | 6.4 |
| Bank Balance other than above | 6.2 | 6.5 | 9.9 |
| Loans | 26.0 | 40.2 | 26.0 |
| Other | 0.4 | 0.5 | 0.4 |
| Other Current Assets | 14.3 | 20.9 | 14.5 |
| Total Assets | 610.3 | 611.7 | 619.2 |

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

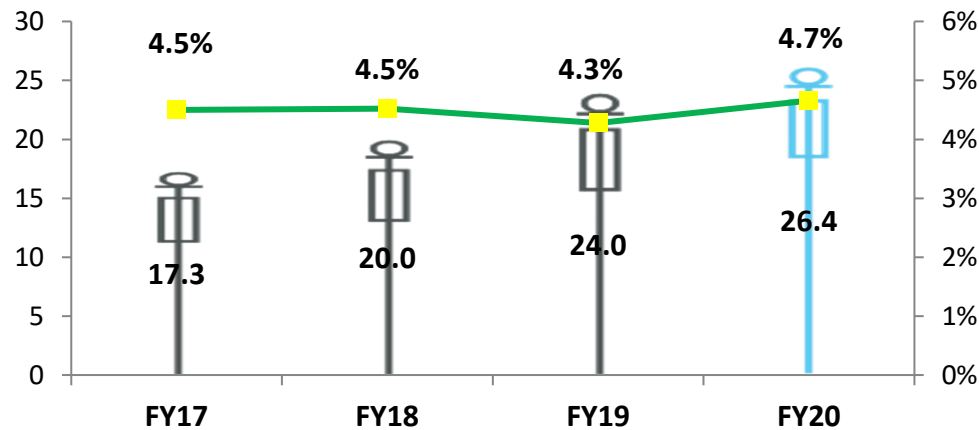


Key Financial Highlights – Annual

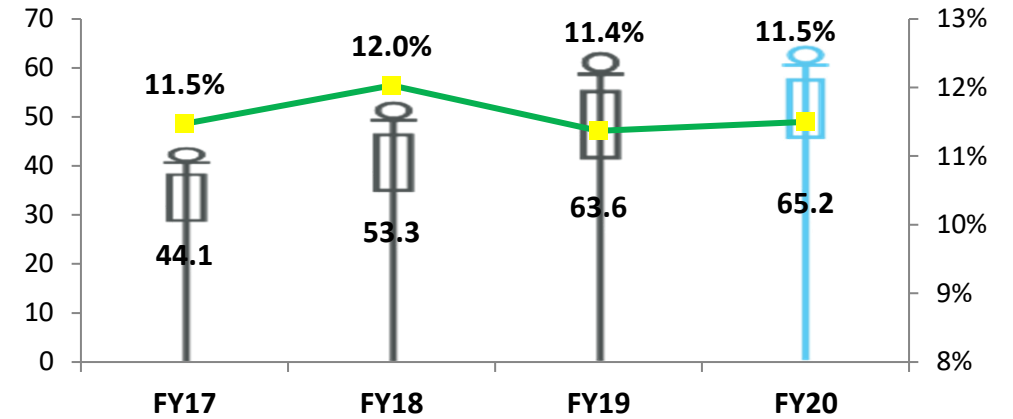
Revenue (Rs. Crore)



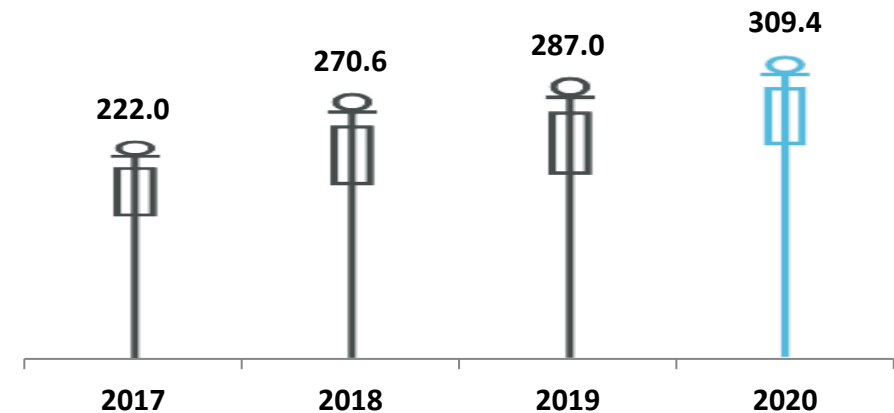
Net Profit (Rs. Crore)

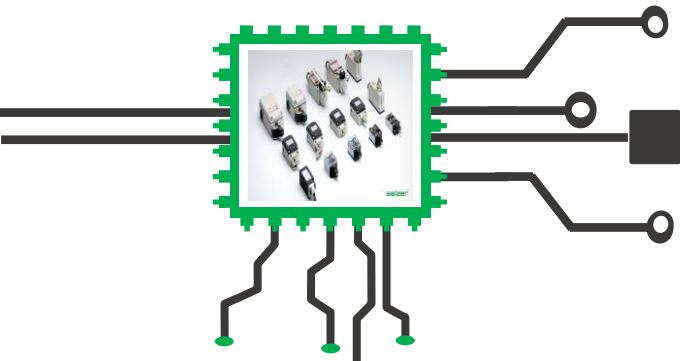


EBITDA (Rs. Crore) / Margins (%)

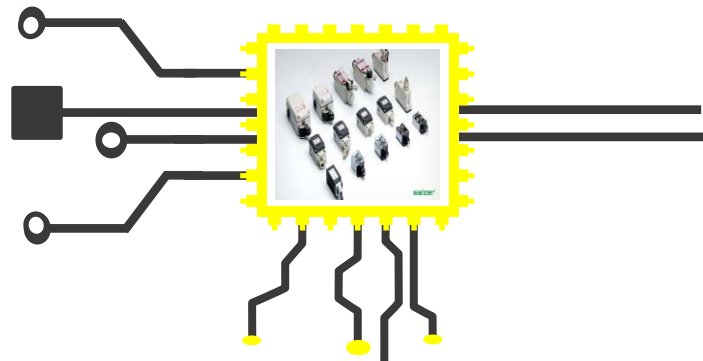


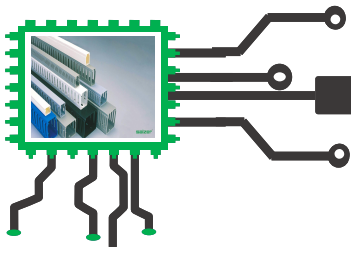
Networth as on 31st March (Rs. Crore)





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

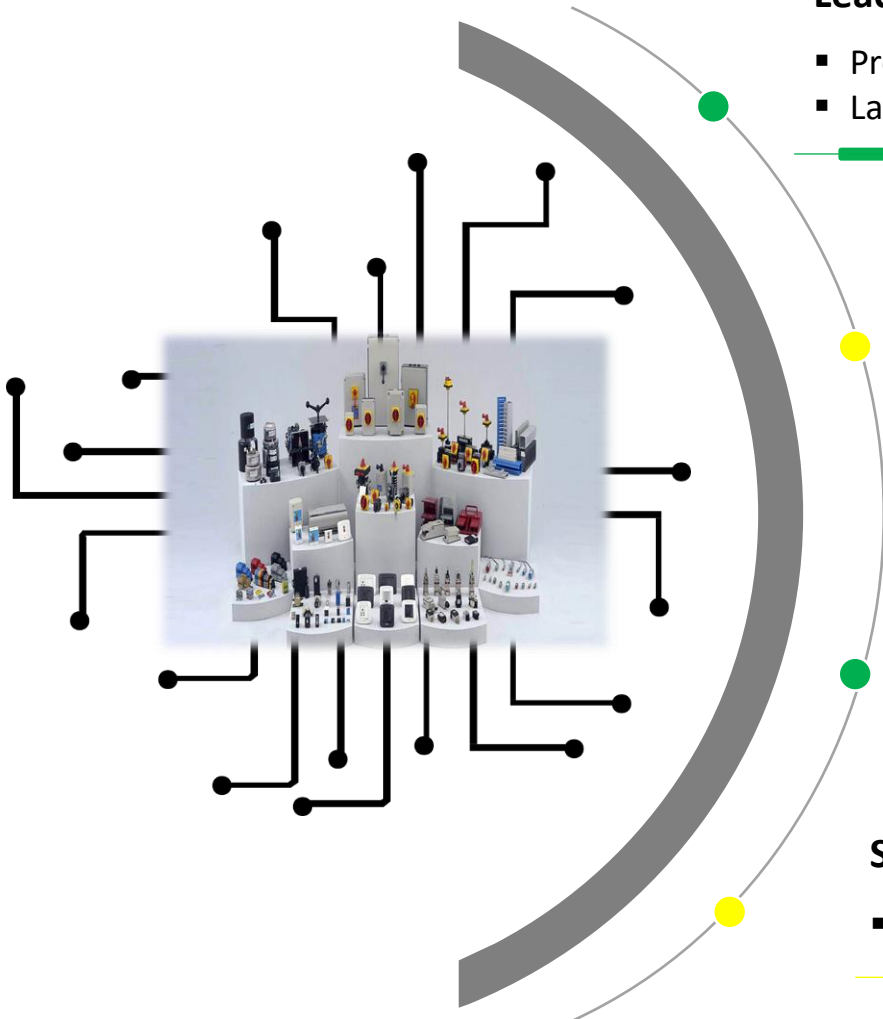
- Five manufacturing units located in Tamil Nadu
- More than 15 products catering to Industrial / Building / Automobile verticals

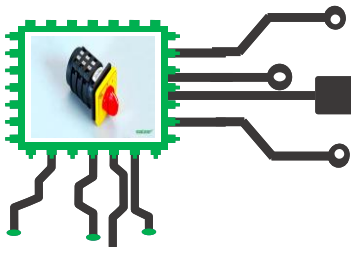
Wide Distribution network – local and global

- 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



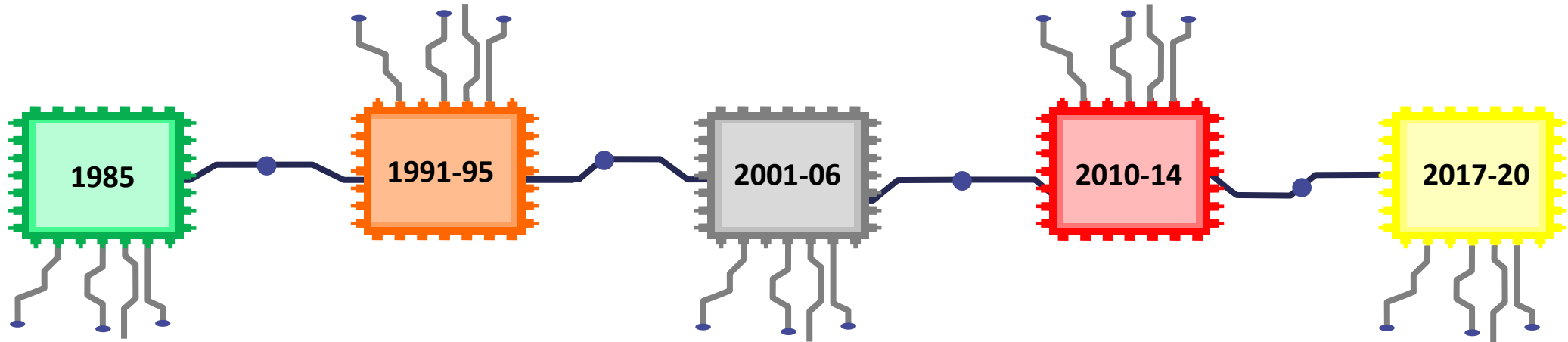


From a Single Product Company...



- 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

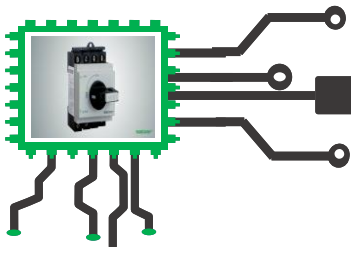


- Established to manufacturer of CAM operated Rotary Switches

- 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

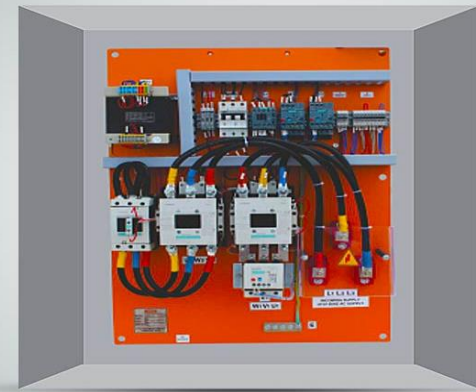
R Karunakaran GM - PR & Central Excise

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

Guided by 13 member experienced Board



saizer®



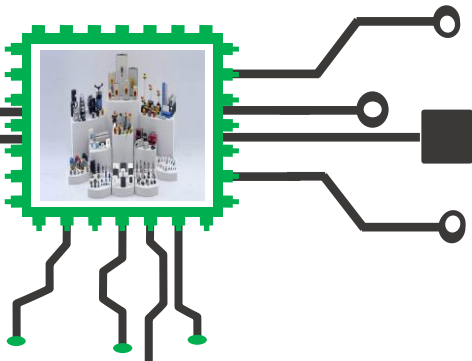
saizer®



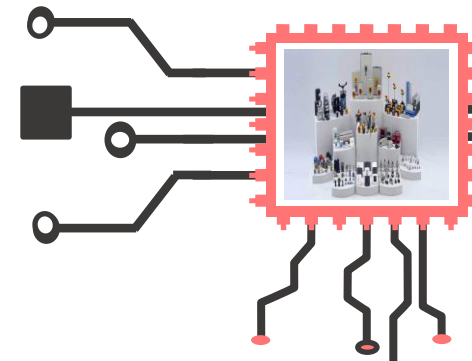
saizer®

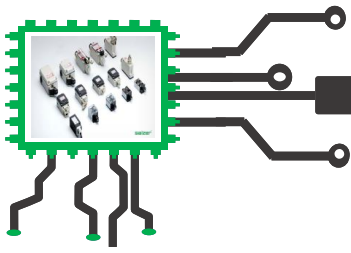


saizer®



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

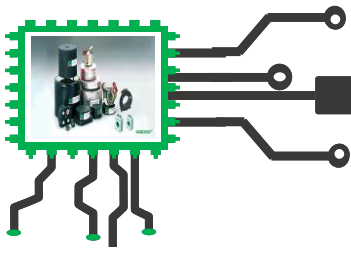
- Wires & Cables
- Flexible Bus Bars
- Enamelled Wires
- Bunched Conductors
- Tinned Copper Wires

Building products

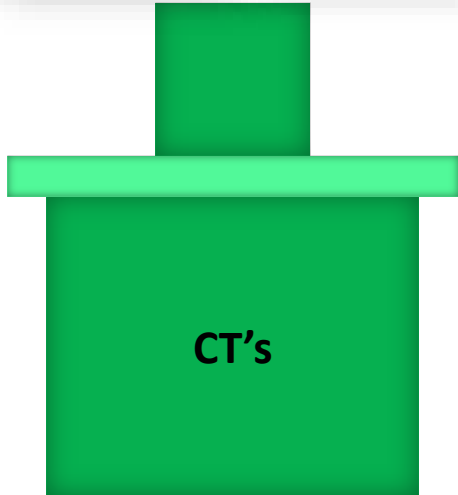
- Modular Switches
- Wires & Cables
- MCB's
- Changeovers

Energy Management products

- Energy Savers
- Street Light Controllers



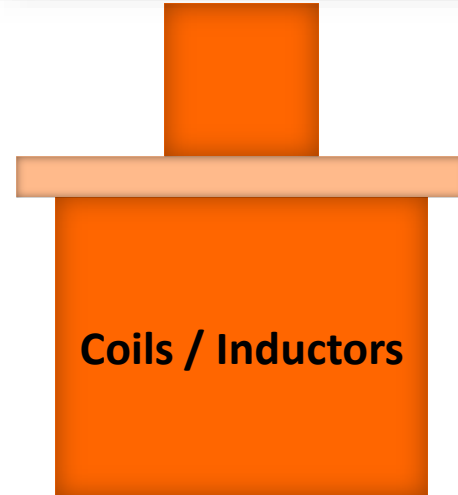
Wide Product Suite- Customized for OEM's



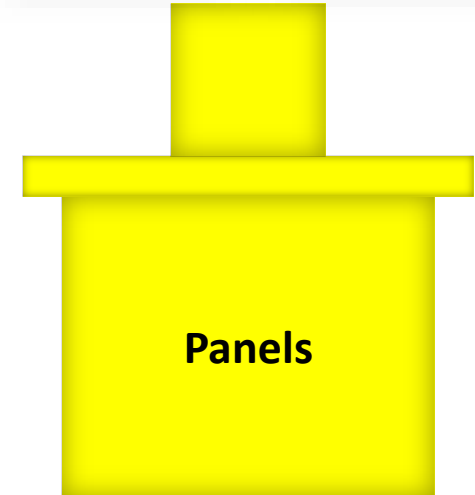
CT's



Terminal Socket

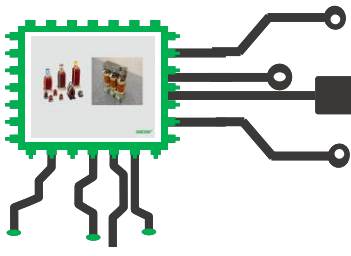


Coils / Inductors



Panels

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



Key Strengths

salzer

Complete Backward Integration

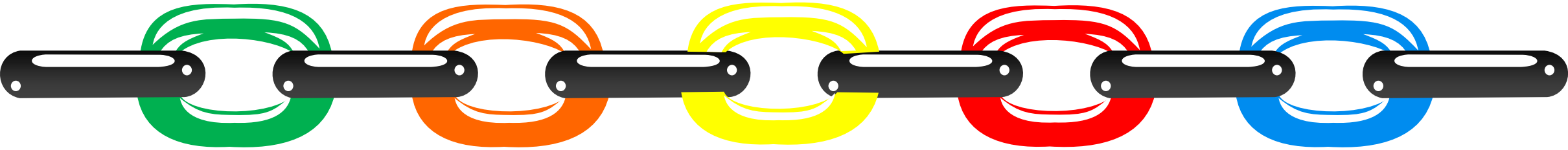
- In-house manufacturing facilities with process capabilities ensures better product development and customization
- Well developed R&D enables continual product innovation

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

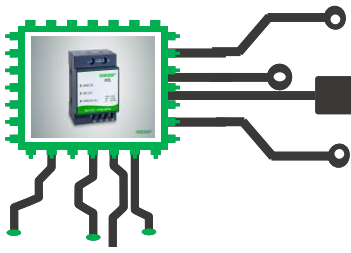


Wide Product Suite

- 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

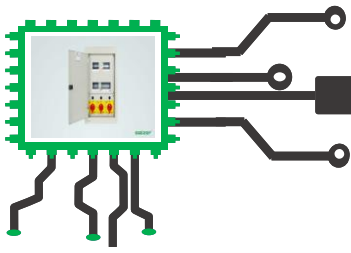


- Wires & Cables
- Flexible Bus Bars
- Bunched Conductors
- Tinned Wires

UNIT 5



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



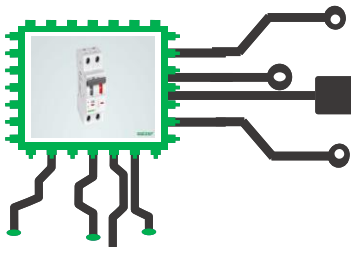
...With In-house process capabilities...

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

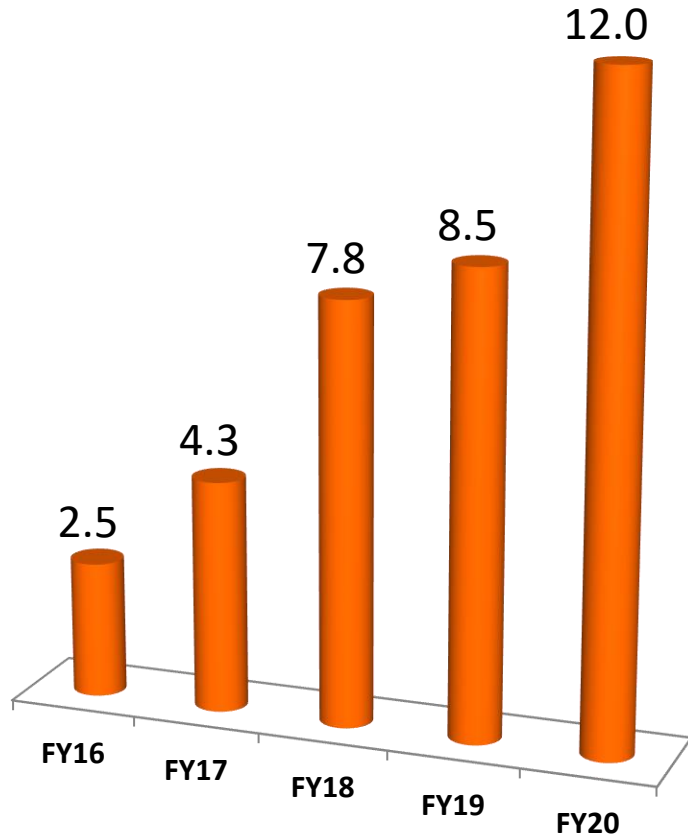
More than 80% components made in-house



...And a strong R&D team

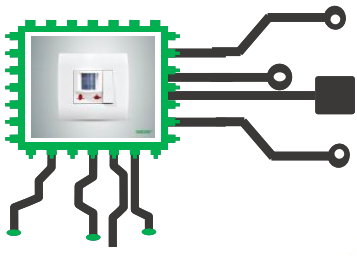
salzer

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

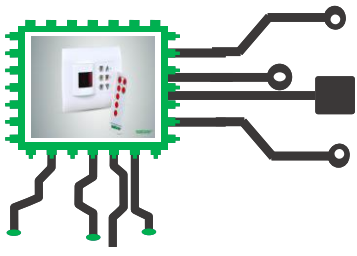


CSA Certification



ISO 16949 CERTIFIED

... Across entire product portfolio



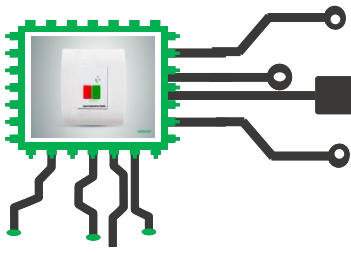
Blue Chip Customers

salzer



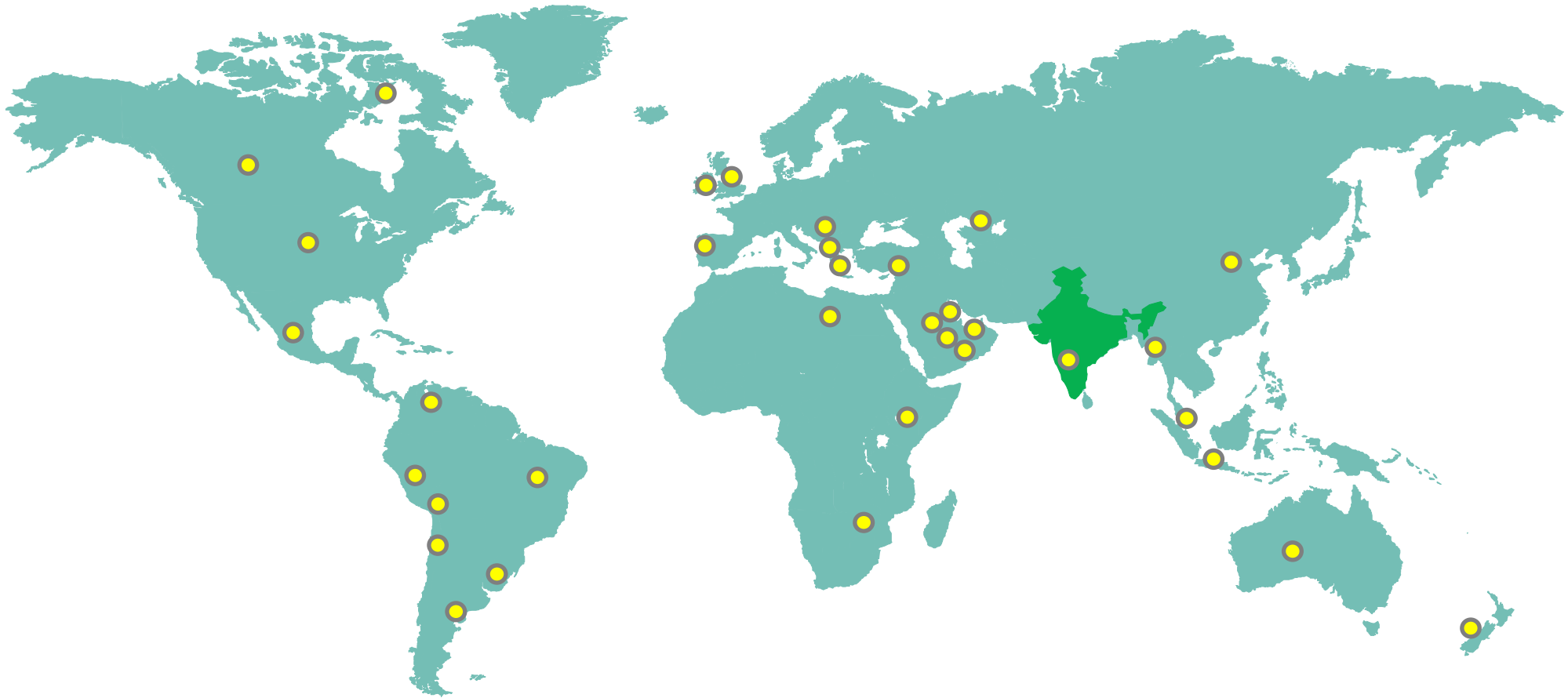
- Marketing Tie-up with L&T for Indian Market
- Largest supplier of rotary switches to Indian Railways
- Branding partner to various large OEM's in India

- 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



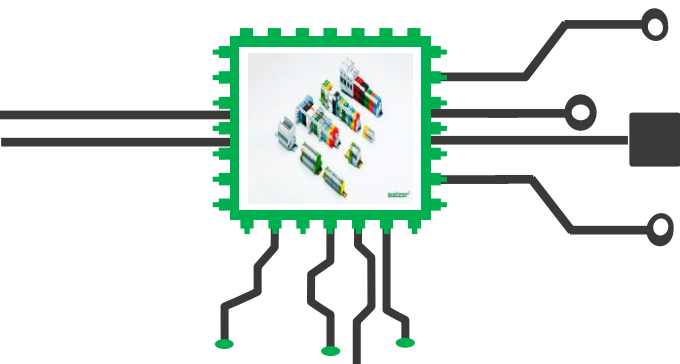
International

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

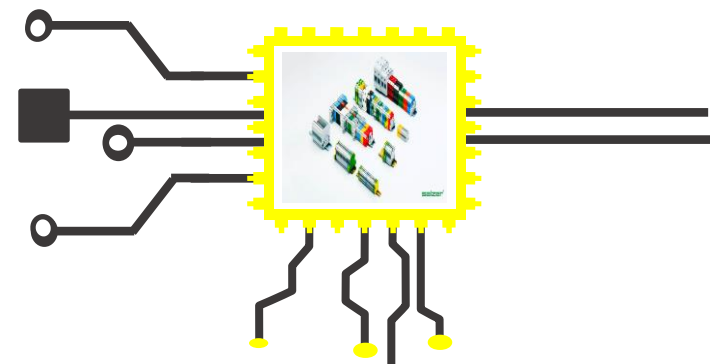
**Direct network
across 50
countries**

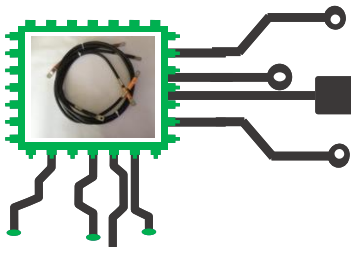
Domestic

- 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



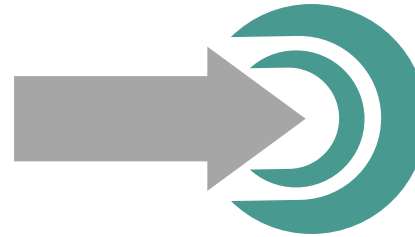
Way Ahead





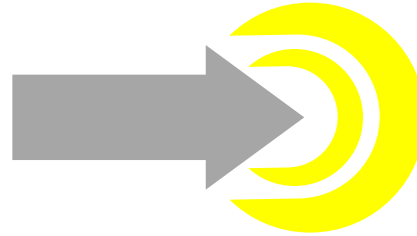
Way Ahead

salzer



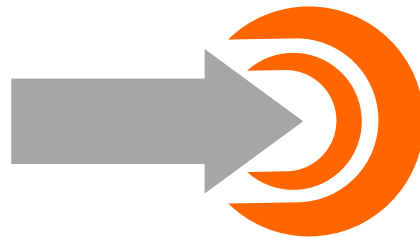
Operational Excellence

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



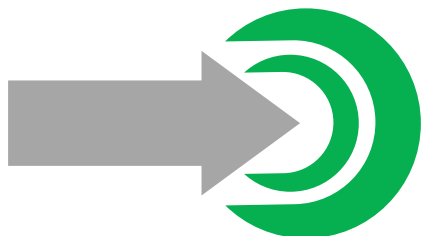
Venture into new project/ product development

- 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



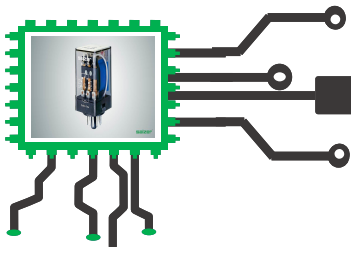
Focus on margin improvement

- 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



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. Rahul Trivedi

rahul@bridge-ir.com

www.bridge-ir.com