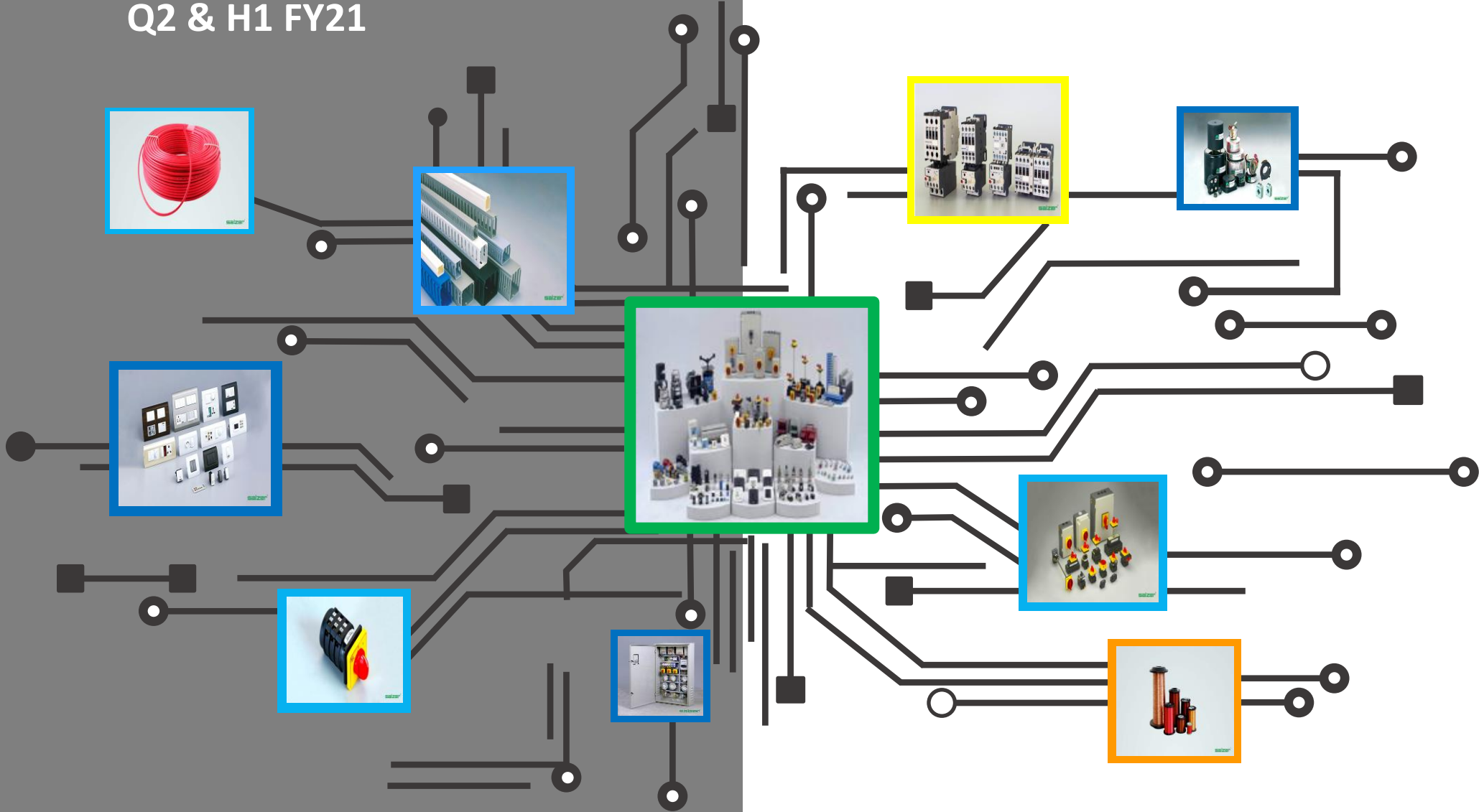
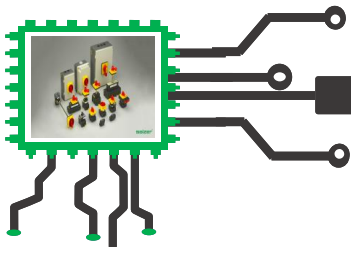


Salzer Electronics Limited



Result Update Presentation
Q2 & H1 FY21





Disclaimer

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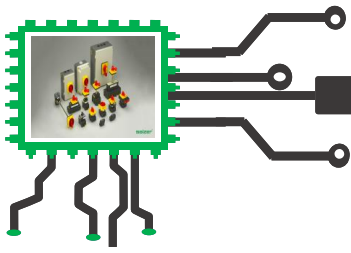
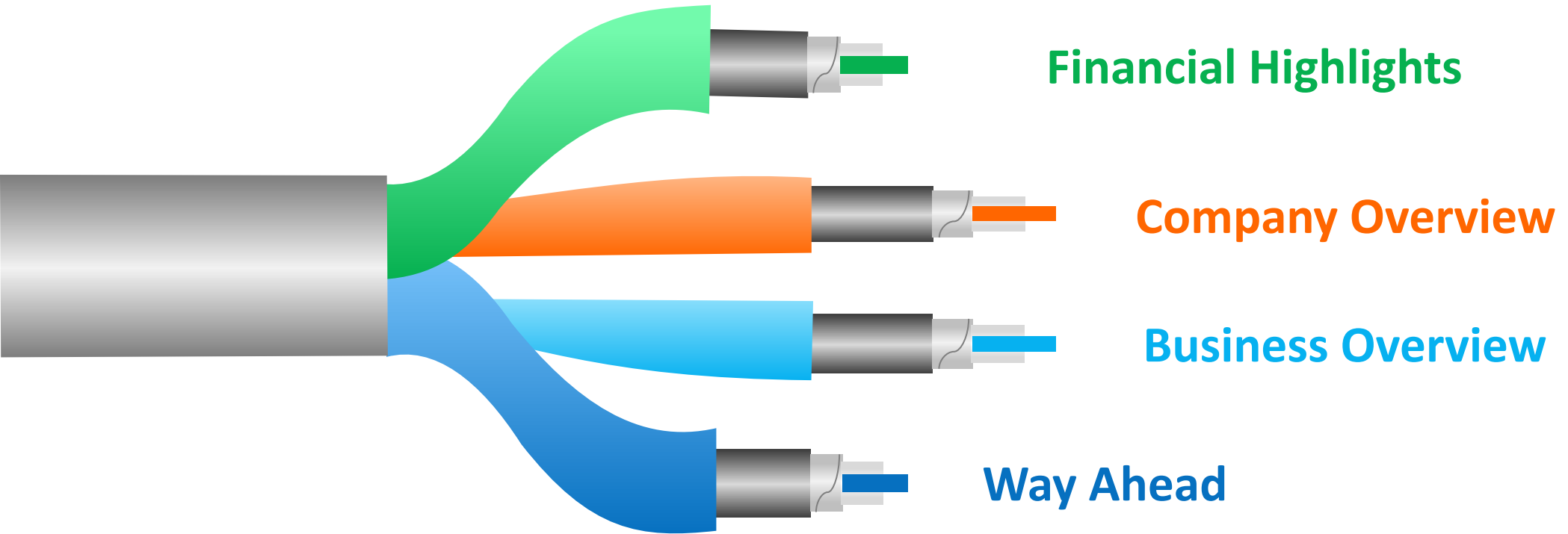
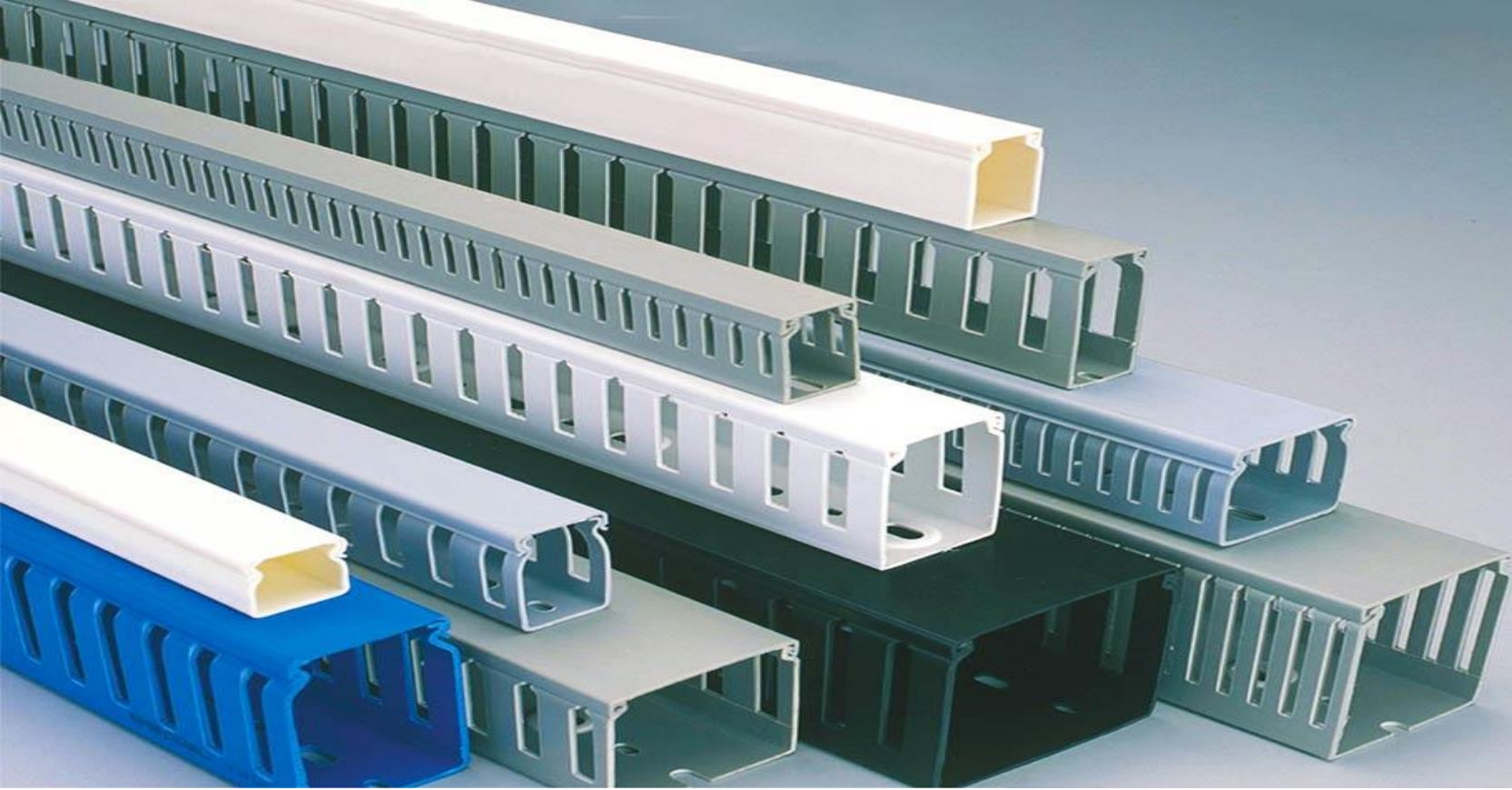
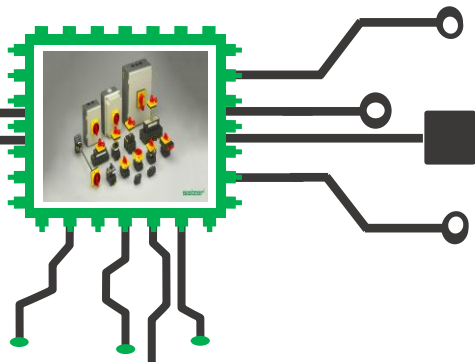


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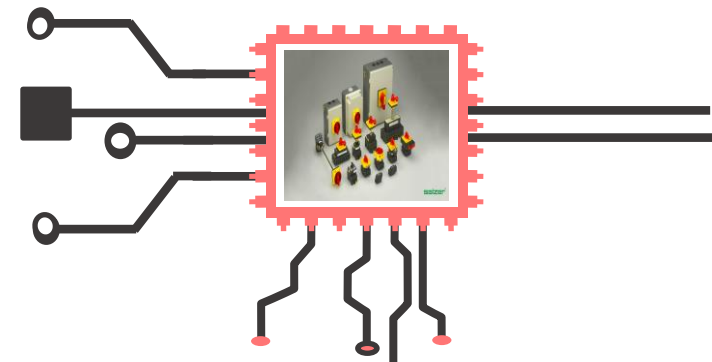


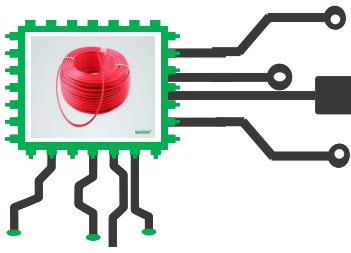


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Financial Highlights





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

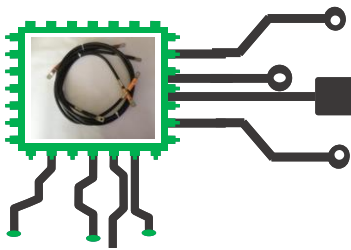
“During the first half of the financial year we registered a revenue of Rs. 245.5 crores with EBITDA and PAT of Rs. 28.3 crore and Rs. 7.3 crore respectively. The performance of the first half has been impacted due to lockdown on account of Covid-19 in the first quarter and low demand across the domestic market. However, our second quarter performance had been good, and we are seeing this continue post Q2, which we expect will positively impact out H2 and full year business and financial performance.

I am very happy to share with you that during the second quarter we recorded the highest EBITDA for a particular quarter along with record sales for our newly launched wire harness product. Also, our manufacturing activities are seeing stability and coming back to the pre Covid levels. Though the domestic market still continues to remain subdued and weak we have been focusing on the export market and see a good traction of our products in the European and American markets and have been slowly increasing the share of exports in our overall revenues.

With the government lifting the lockdown markets are opening up and business is gaining momentum. We expect to get back to the growth path with the kind of products offerings and strong brand position we offer in the market.

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”

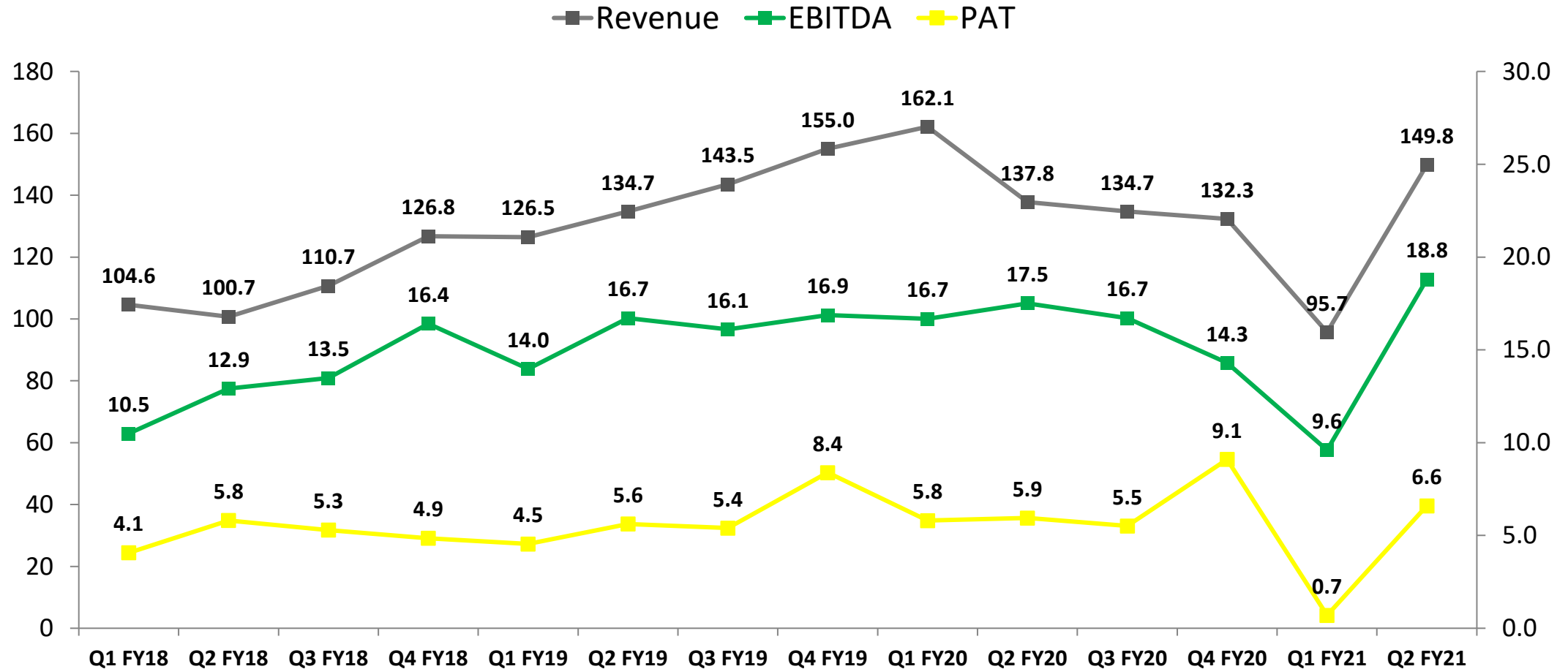


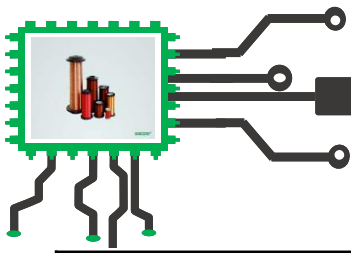


Key Financial Highlights – Quarterly



Revenue, EBITDA, PAT (Rs. Crore)



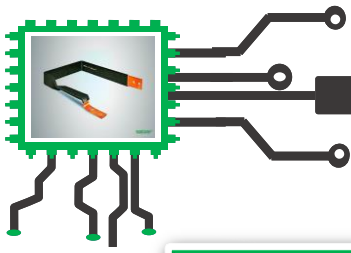


Q2 FY21 Financial Highlights

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Rs. in Crore	Standalone				Consolidated
	Q2 FY21	Q2 FY20	Y-o-Y %	Q1 FY21	Q2 FY21
Net Revenue	149.8	137.8	8.7%	95.7	155.2
Raw Materials	111.3	101.8		74.3	114.0
Employee Cost	6.1	6.2		4.3	7.1
Other Expenses	13.7	12.3		7.5	14.8
Total Expenditure	131.0	120.3		86.1	136.0
EBITDA	18.8	17.5	7.2%	9.6	19.3
EBIDTA Margin (%)	12.52%	12.70%	(18 bps)	10.02%	12.43%
Other Income	0.0	0.3		0.3	0.1
Depreciation	3.8	3.6		3.9	3.9
Interest / Finance Cost	5.8	5.4		4.8	5.8
Exceptional Item (Gain) / Loss	0.0	0.0		0.0	0.0
Profit Before Tax	9.2	8.8		1.1	9.7
Tax	2.6	2.8		0.4	2.7
Profit After Tax	6.6	5.9	10.9%	0.7	7.0
Profit After Tax Margin (%)	4.40%	4.31%	9 bps	0.72%	4.53%
Basic EPS (Rs.)	4.12	3.72	10.8%	0.43	4.40

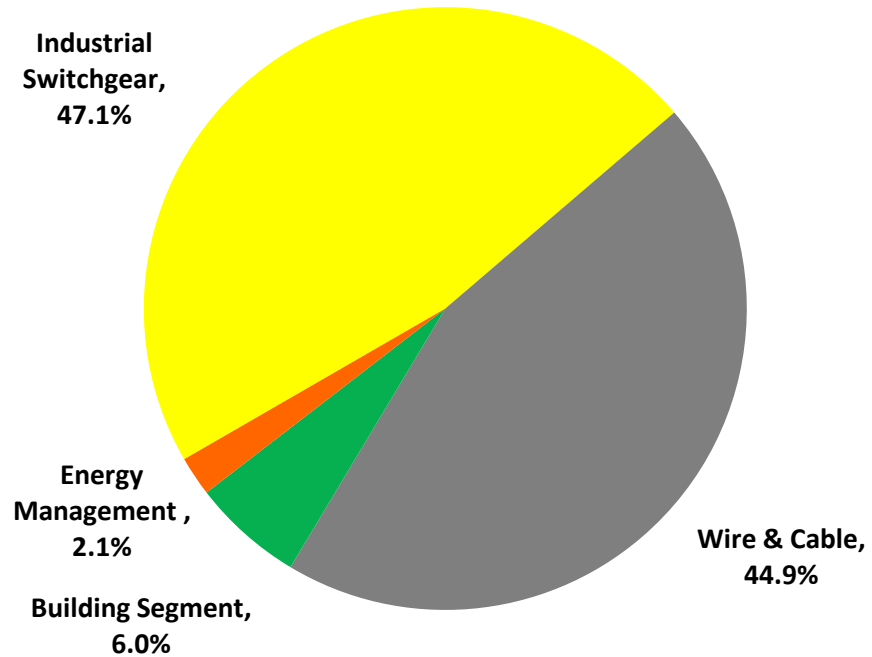
- **Increase in Revenue** mainly on account of increase in sales of our wire harnesses products under our industrial switch gear business and also increase in sales of our wires and cable
- **Contribution from Exports at 22.6%**, highest export during this quarter as against nearly 20% in the corresponding previous period, driven by increase in sales to the European market and EOU & SEZ sales



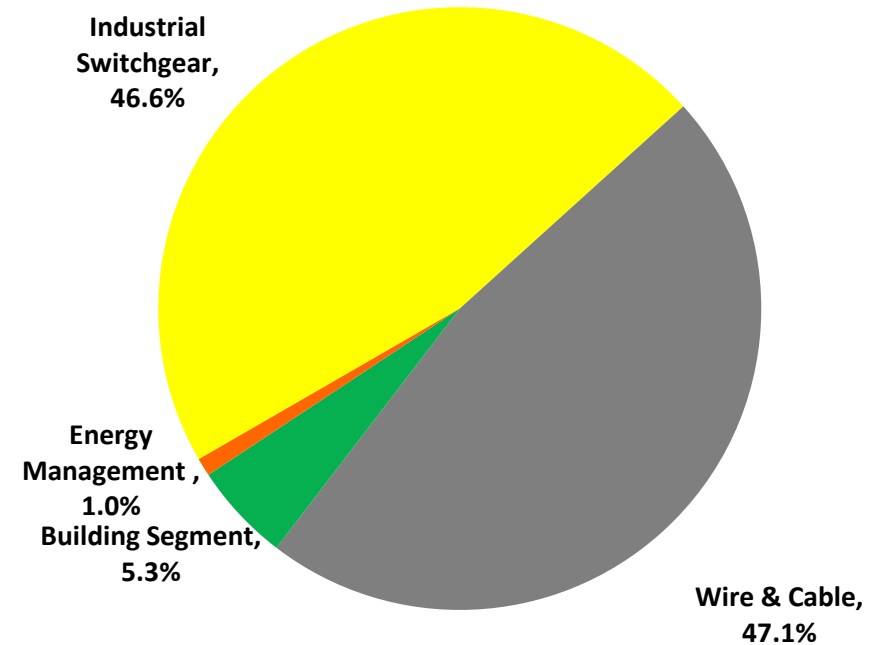
Q2 FY21 Revenue Breakup – Business Verticals

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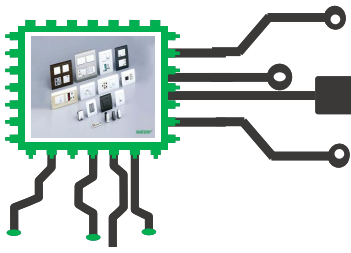
Q2 FY20



Q2 FY21



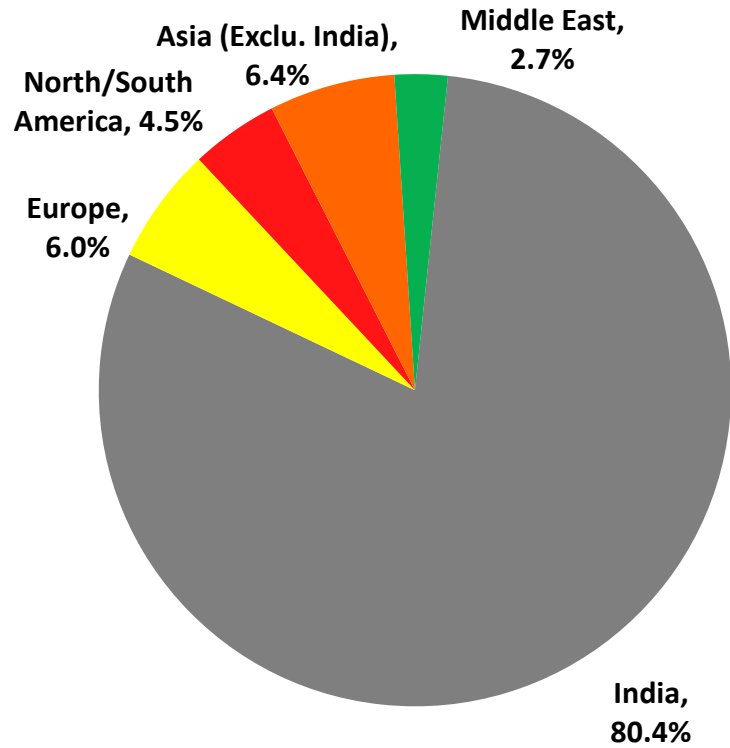
- Industrial Switchgear – 46.6% of net revenues
- Wires & Cables – 47.1% of net revenues
- Buildings Products – 5.3% of net revenues
- Energy Management – 1.0% of net revenue – order book driven business; revenue incurred from AMC charges for the past orders executed



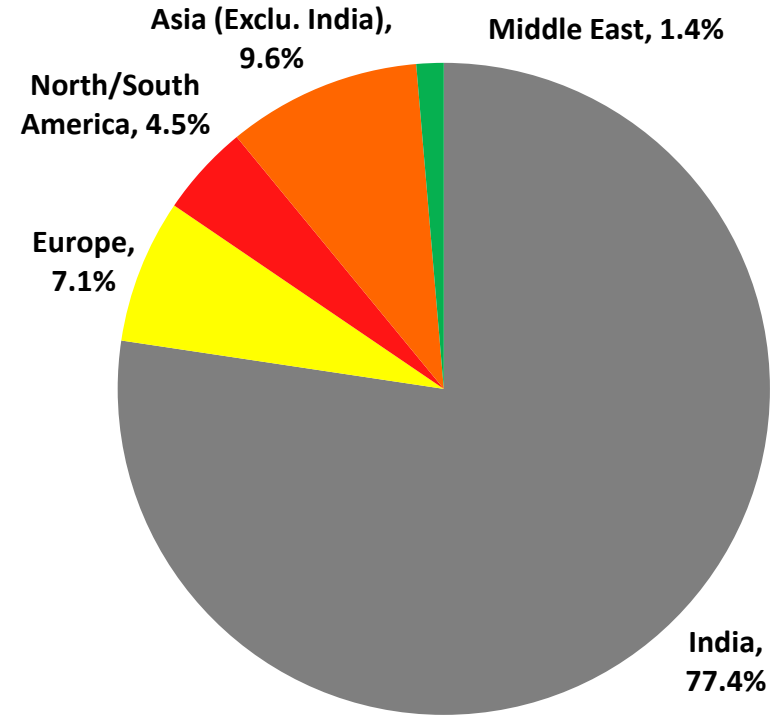
Q2 FY21 Revenue Breakup – Geographical

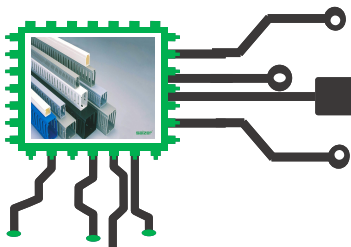


Q2 FY20



Q2 FY21



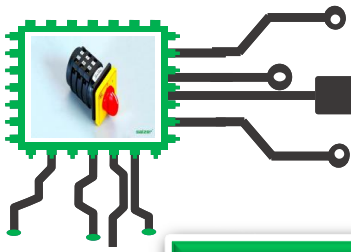


H1 FY21 Financial Highlights

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Rs. in Crore	H1 FY21	H1 FY20	Y-o-Y %	H1 FY21 (Consl)
Net Revenue	245.5	299.9	(18.2%)	253.5
Raw Material Expenses	185.6	228.3		189.8
Employee Expenses	10.4	12.5		12.0
Other Expenses	21.2	25.0		22.9
Total Expenditure	217.1	265.7		224.7
EBITDA	28.3	34.2	(17.1%)	28.8
EBITDA Margin (%)	11.55%	11.40%	15 bps	11.35%
Other Income	0.3	0.9		0.5
Depreciation	7.8	7.1		8.0
Interest / Finance Cost	10.6	10.7		10.6
Exceptional Item (Gain) / Loss	0.0	0.0		0.0
PBT	10.3	17.3		10.6
Tax	3.0	5.6		3.1
PAT	7.3	11.7	(38.0%)	7.5
PAT Margin (%)	2.97%	3.91%	(94 bps)	2.96%
Basic EPS (Rs.)	4.55	7.35	(38.1%)	4.62

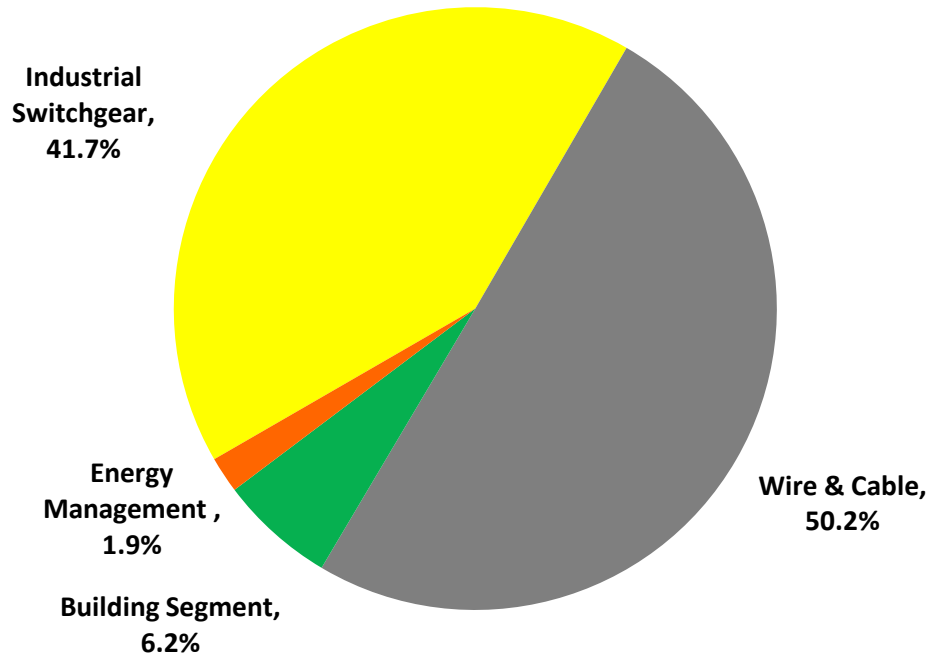
- Decline in Revenue mainly on account of nationwide lockdown during the first quarter of the financial year
- Contribution from exports was **21.3% in H1 FY21**, as against 15.2% in H1 FY20, mainly on account of higher exports to European and American markets



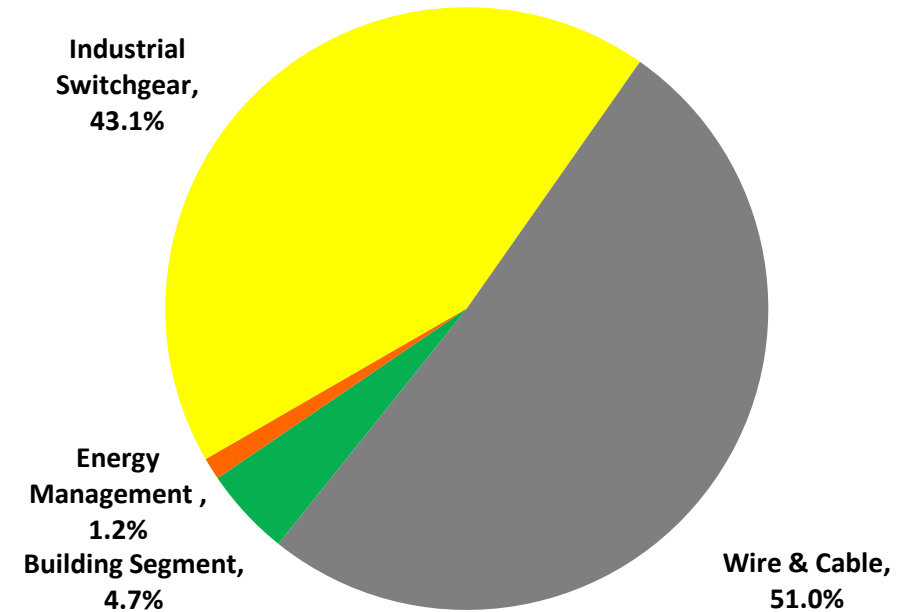
H1 FY21 Revenue Breakup – Business Division



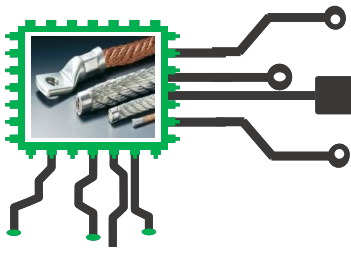
H1 FY20



H1 FY21

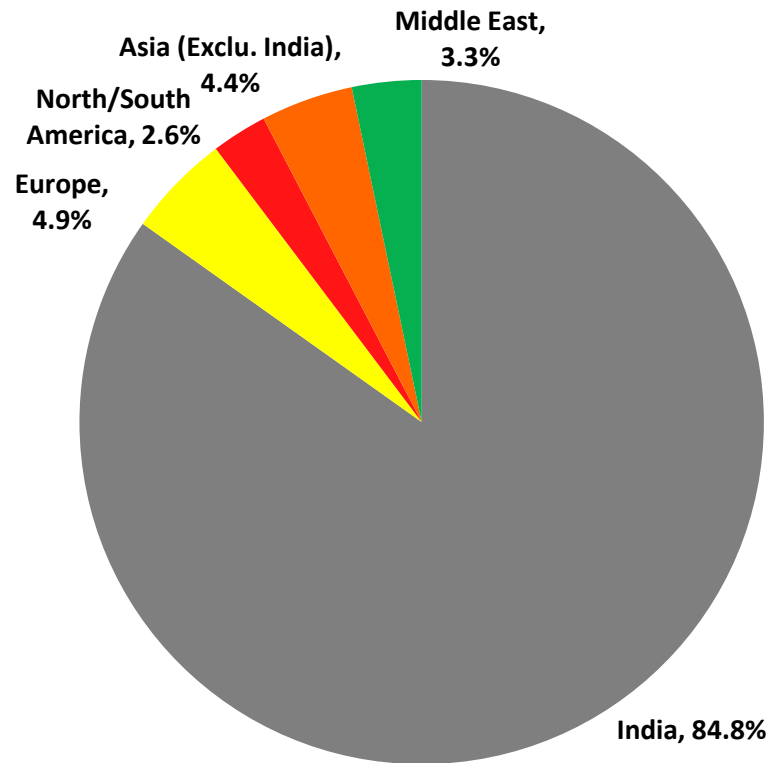


- Industrial Switchgear – 43.1% of total revenues,
- Wires & Cables – 51.0% of total revenues
- Buildings Products – 4.7% of total revenues
- Energy Management – 1.2% of total revenue. This is an order book driven business and increase in revenues have been due to in AMC

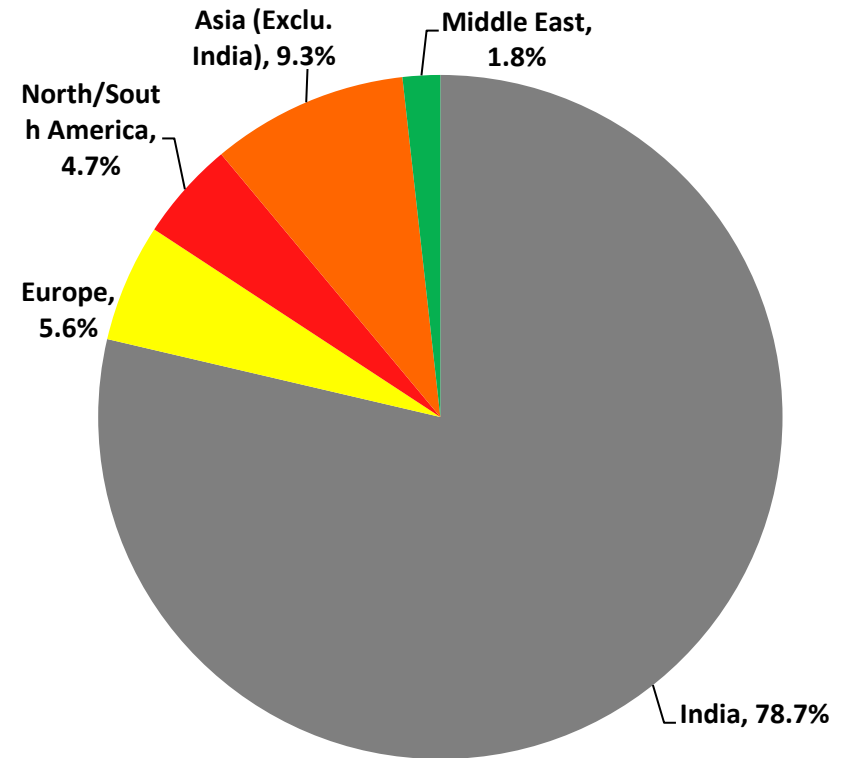


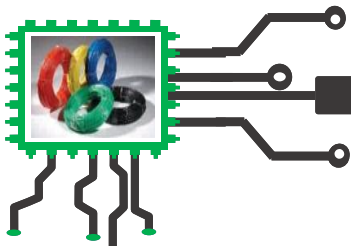
H1 FY21 Revenue Breakup – Geographical

H1 FY20



H1 FY21





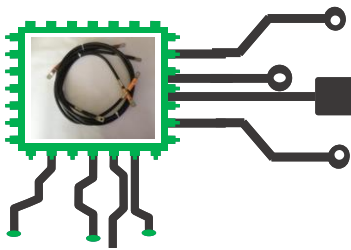
Balance Sheet as on 30th Sept' 20

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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

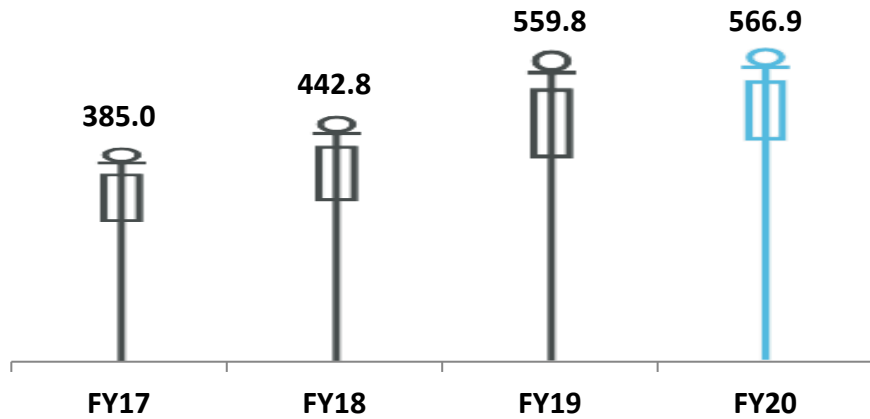
Rs. Crore	As on 30 th Sept' 20	As on 30 th Sept' 19	As on 30 th Sept' 20*
Non-current assets	254.8	239.1	247.4
Property, Plant & Equipment	200.9	179.5	203.6
Capital WIP	4.3	15.7	4.3
Investments Property	0.0	0.0	0.0
Intangible Assets	4.3	4.6	10.4
FA - Investments	17.4	16.0	0.9
FA - Trade Receivables	5.2	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

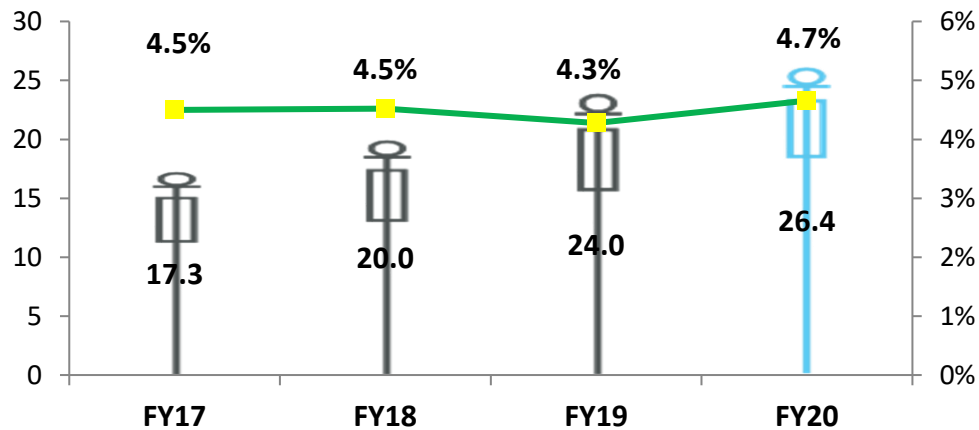


Key Financial Highlights – Annual

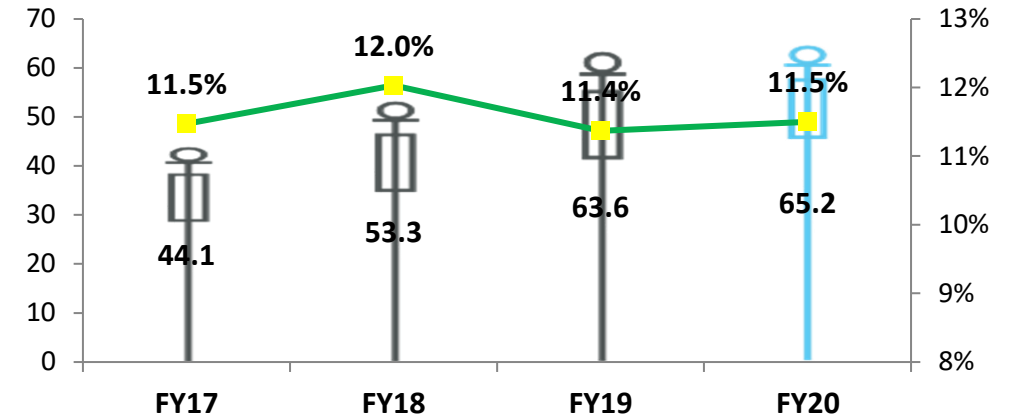
Revenue (Rs. Crore)



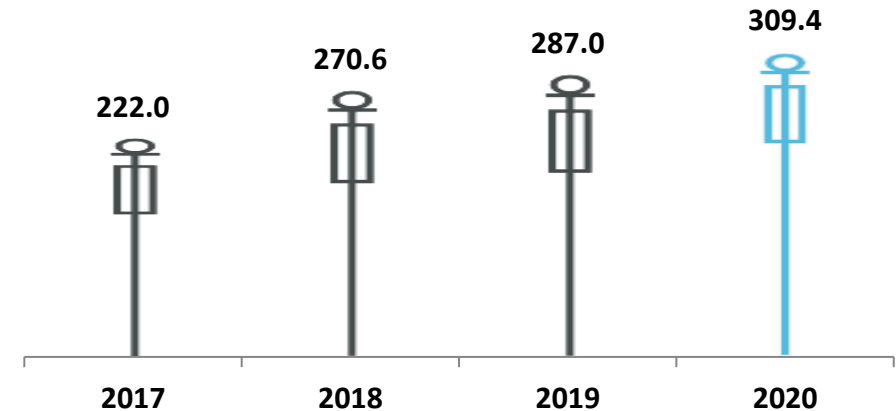
Net Profit (Rs. Crore)

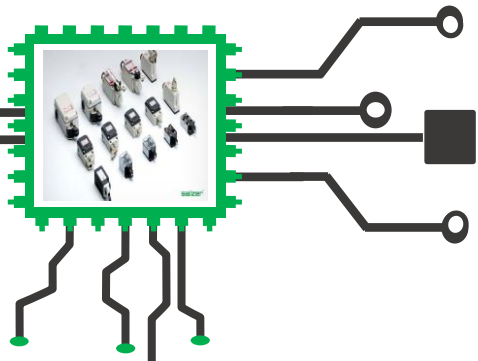


EBITDA (Rs. Crore) / Margins (%)

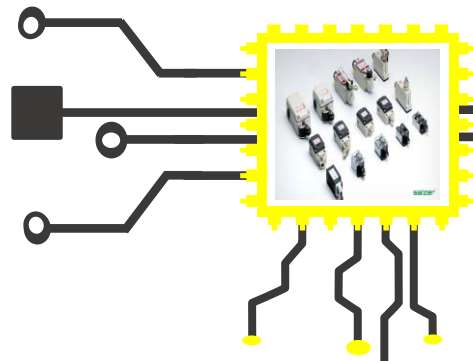


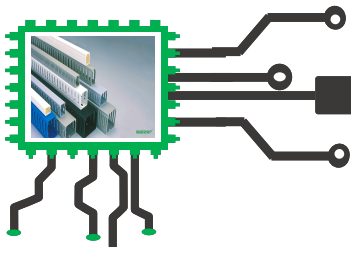
Networth as on 31st March (Rs. Crore)





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

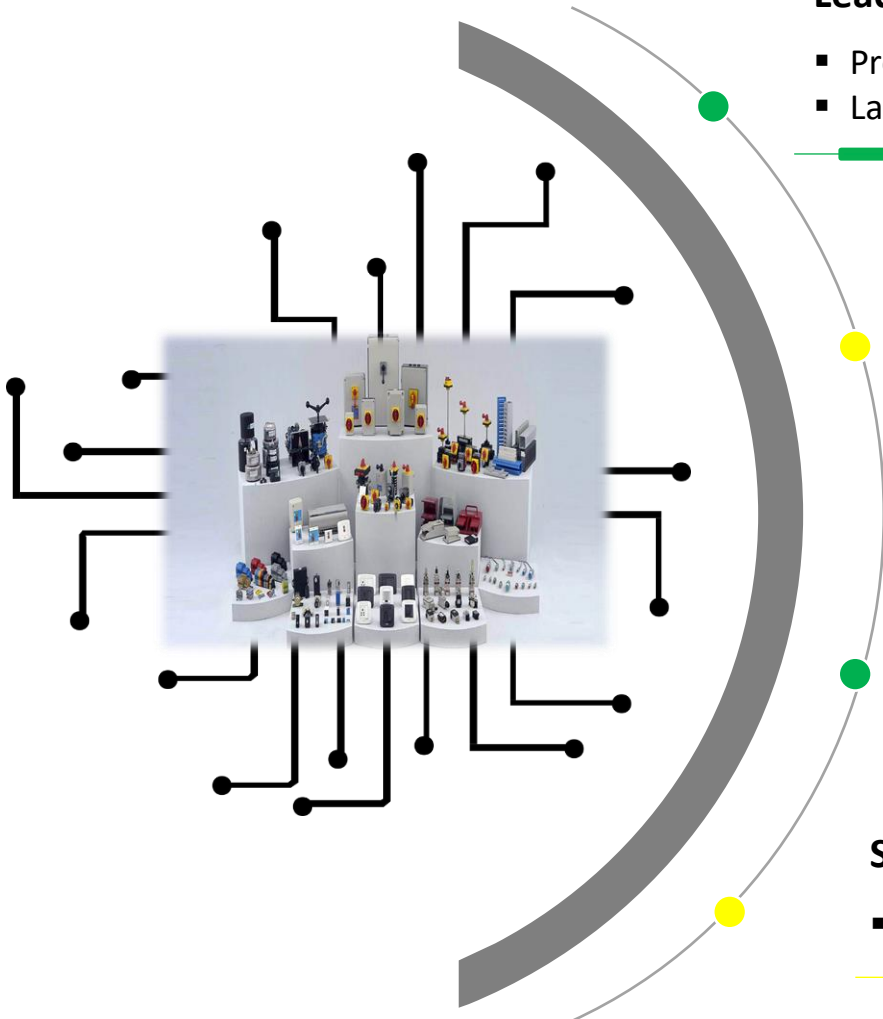
- Five manufacturing units located in Tamil Nadu
- More than 15 products catering to Industrial / Building / Automobile verticals

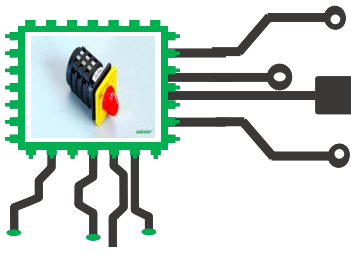
Wide Distribution network – local and global

- 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

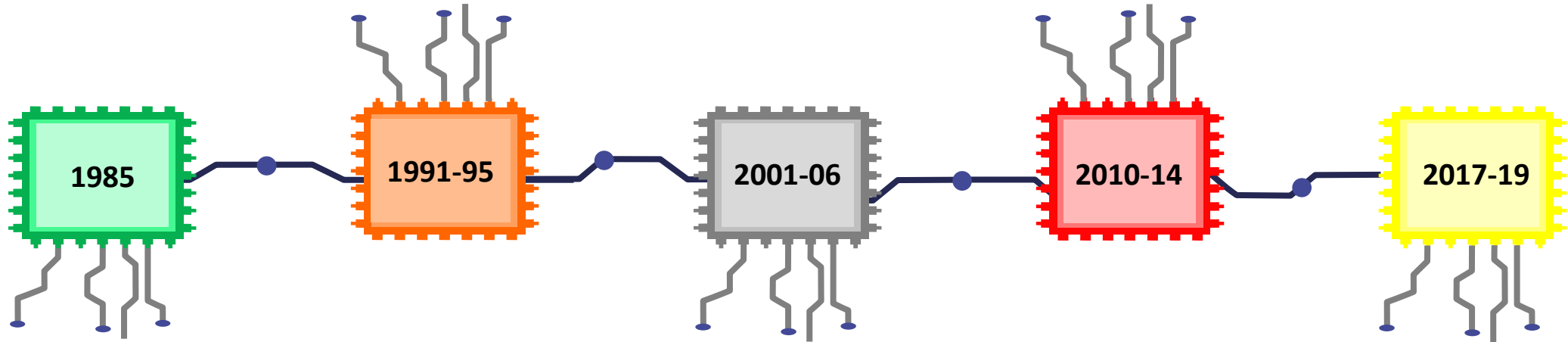




From a Single Product Company...

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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

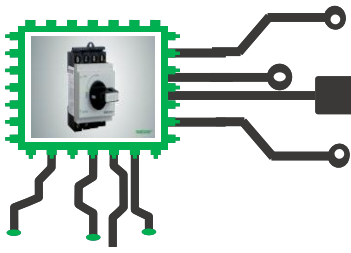


- Established to manufacturer of CAM operated Rotary Switches

- 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.

... 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

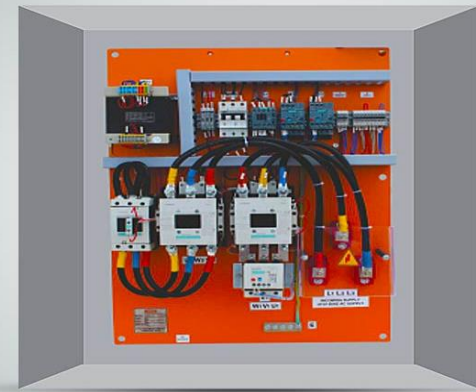
R Karunakaran GM - PR & Central Excise

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

Guided by 13 members experienced Board



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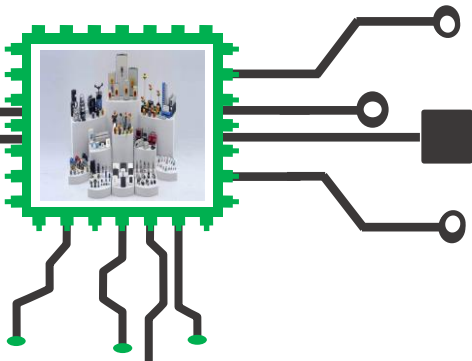
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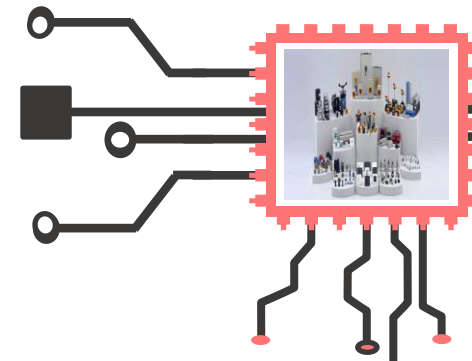
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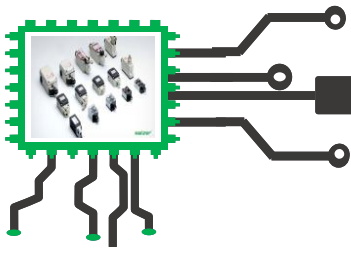


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Business Overview





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

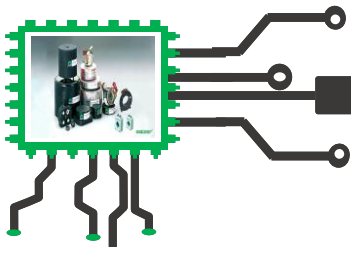
- Modular Switches
- Wires & Cables
- MCB's
- Changeovers

Copper Products

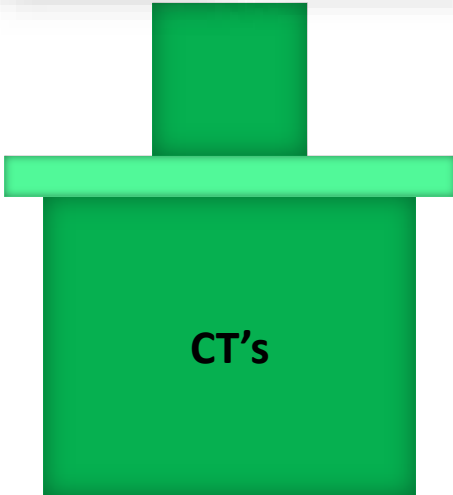
- Wires & Cables
- Flexible Bus Bars
- Enamelled Wires
- Bunched Conductors
- Tinned Copper Wires

Energy Management products

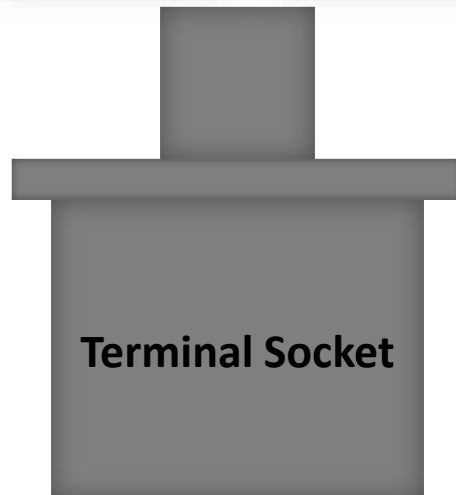
- Energy Savers
- Street Light Controllers



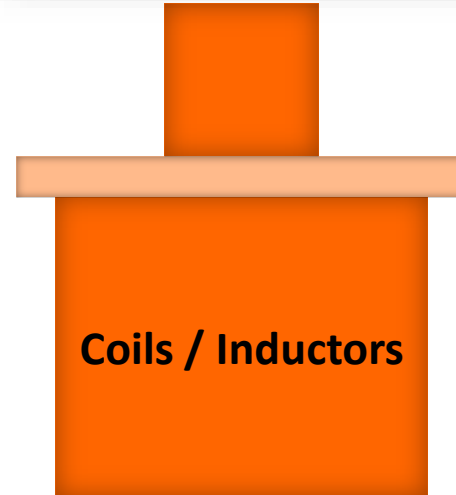
Wide Product Suite- Customized for OEM's



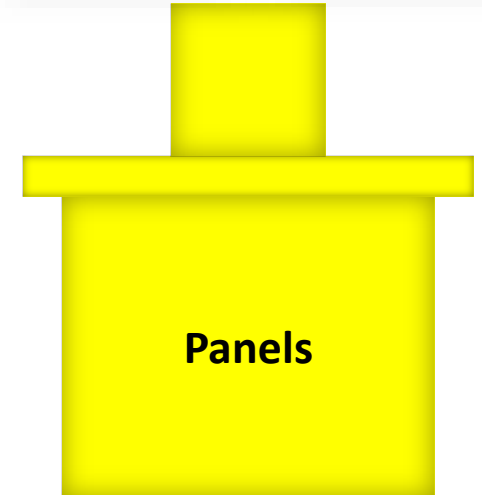
CT's



Terminal Socket

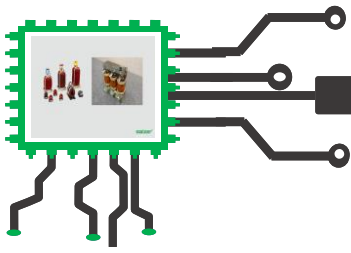


Coils / Inductors



Panels

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



Key Strengths

salzer

Complete Backward Integration

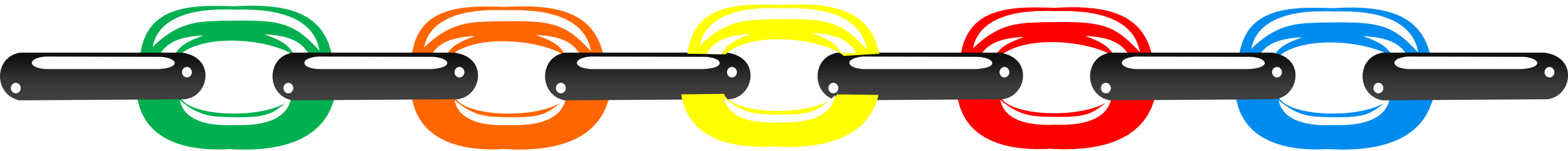
- In-house manufacturing facilities with process capabilities ensures better product development and customization
- Well developed R&D enables continual product innovation

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

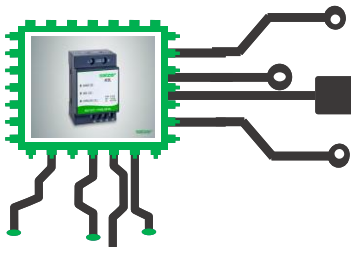


Wide Product Suite

- 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...

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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

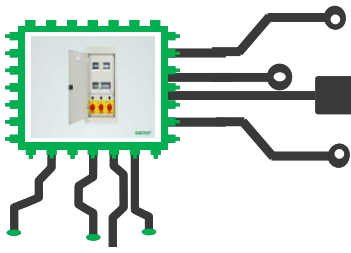


- Wires & Cables
- Flexible Bus Bars
- Bunched Conductors
- Tinned Wires

UNIT 5



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



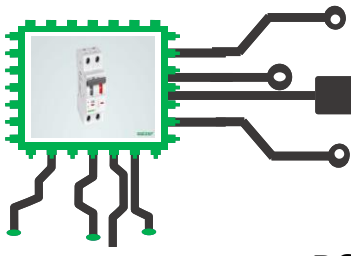
...With In-house process capabilities...

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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

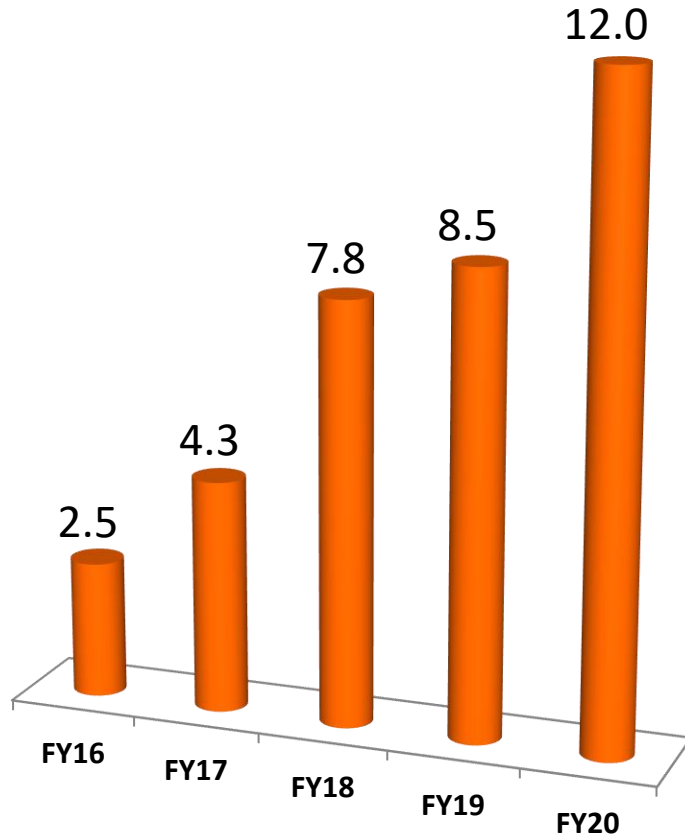
More than 80% components made in-house



...And a strong R&D team

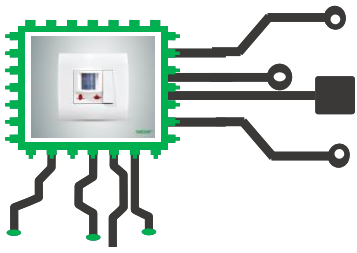
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R&D expenses (Rs crore)



- 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

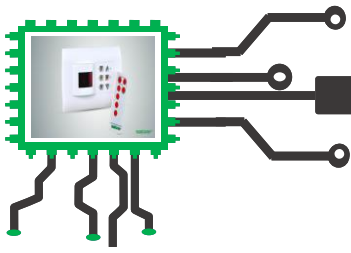


CSA Certification



ISO 16949
CERTIFIED

... Across entire product portfolio



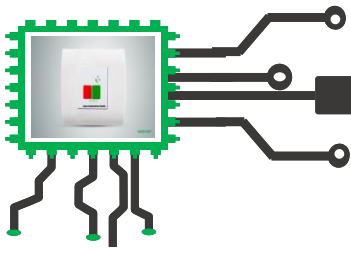
Blue Chip Customers

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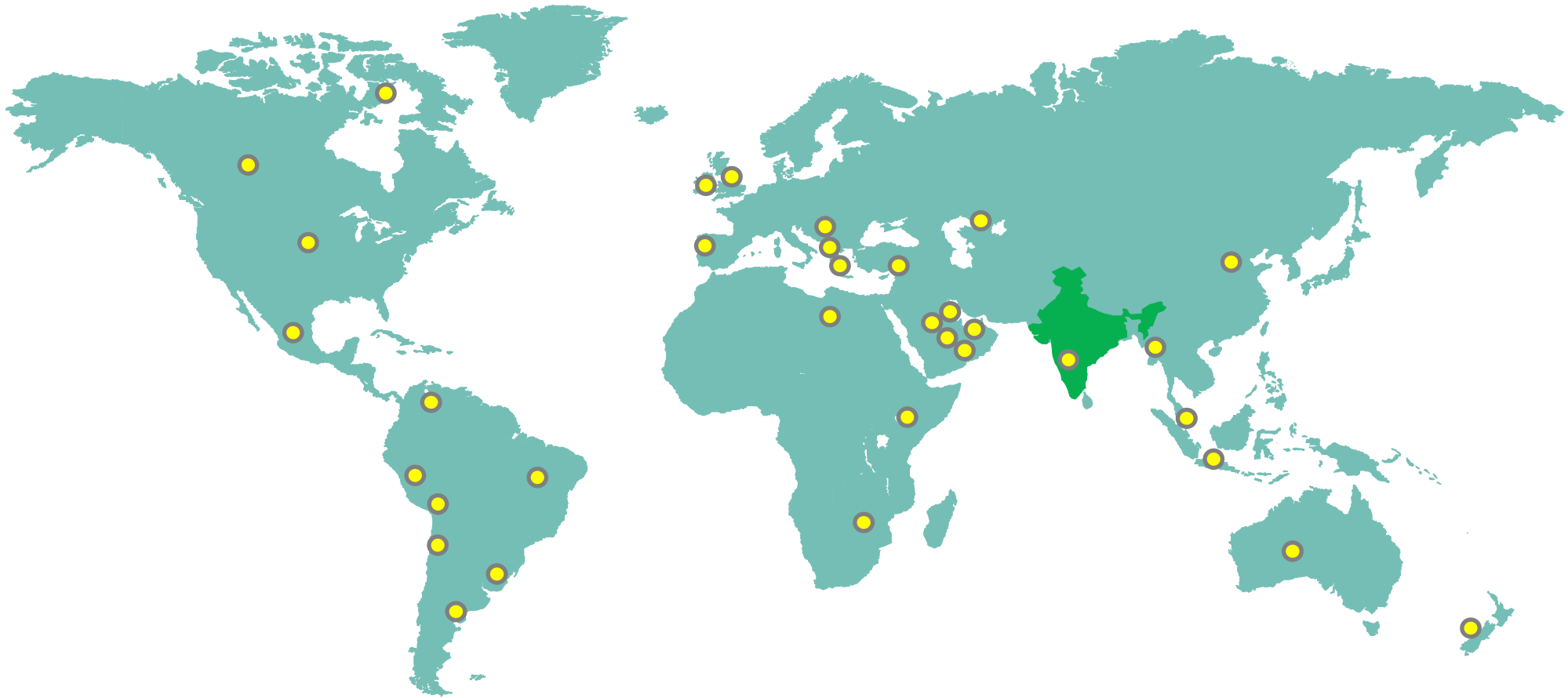
- Marketing Tie-up with L&T for Indian Market
- Largest supplier of rotary switches to Indian Railways
- Branding partner to various large OEM's in India

- 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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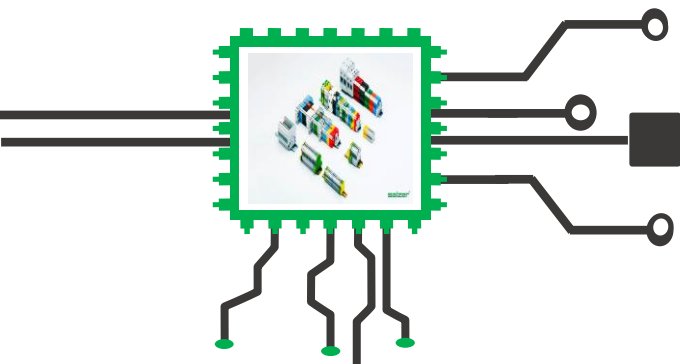
International

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

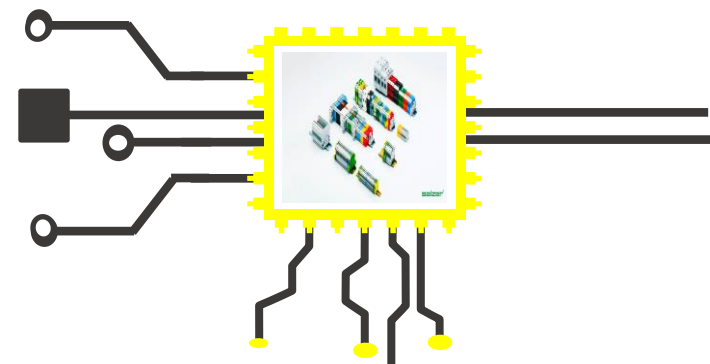
**Direct network
across 50
countries**

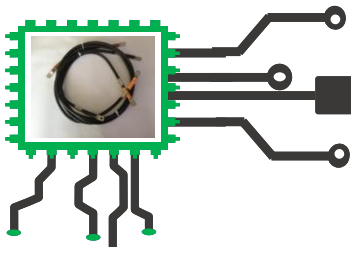
Domestic

- 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



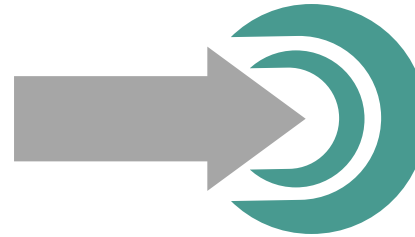
Way Ahead





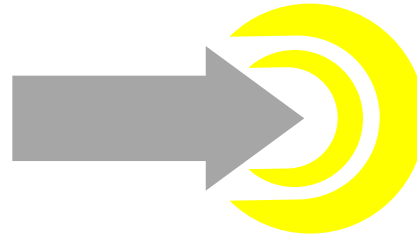
Way Ahead

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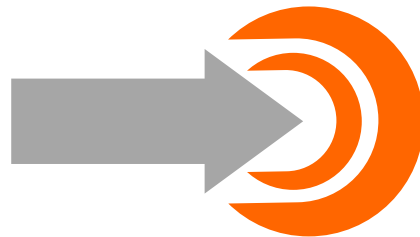
Operational Excellence

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



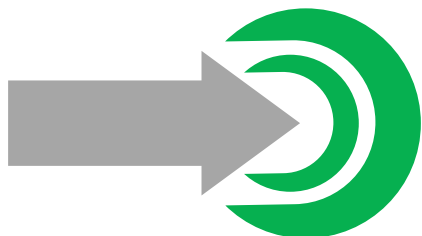
Venture into new project/ product development

- 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



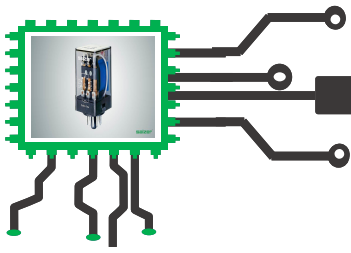
Focus on margin improvement

- 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

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