

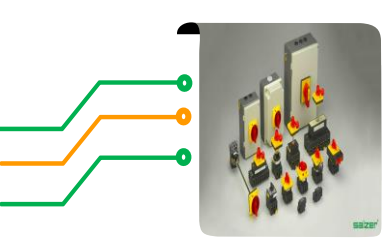


Salzer Electronics Limited

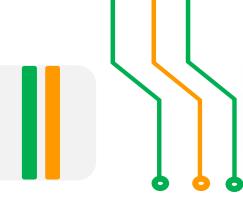
Result Update Presentation

Q2 & H1 FY23

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



Disclaimer



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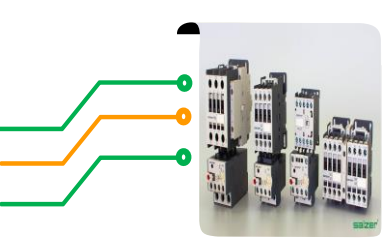
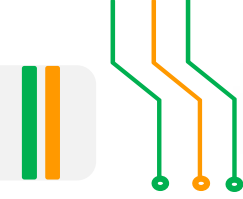


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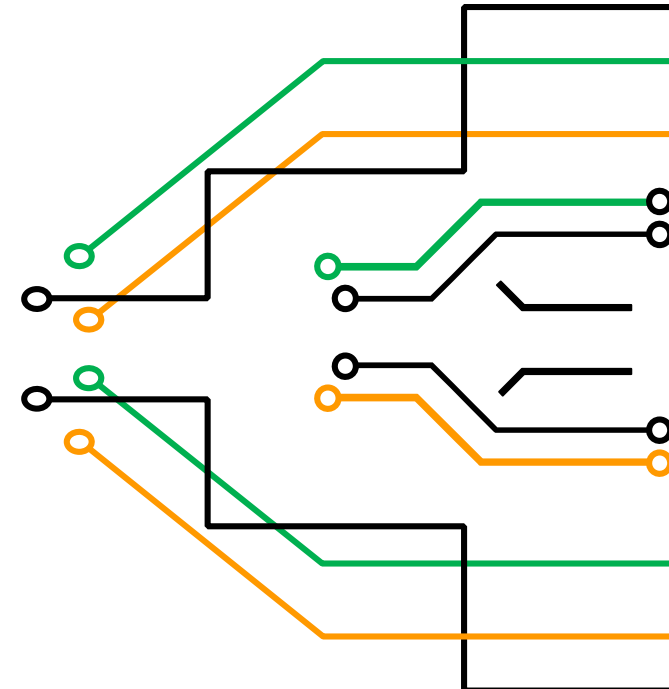
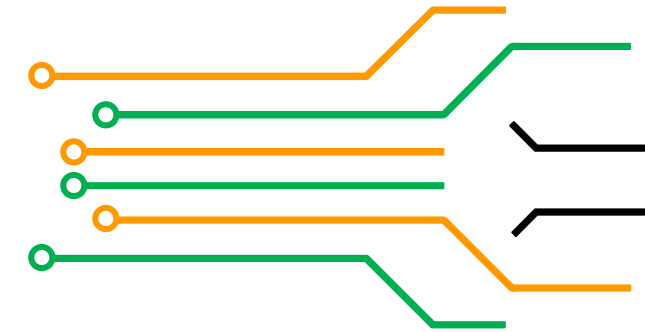
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01 Financial Highlights

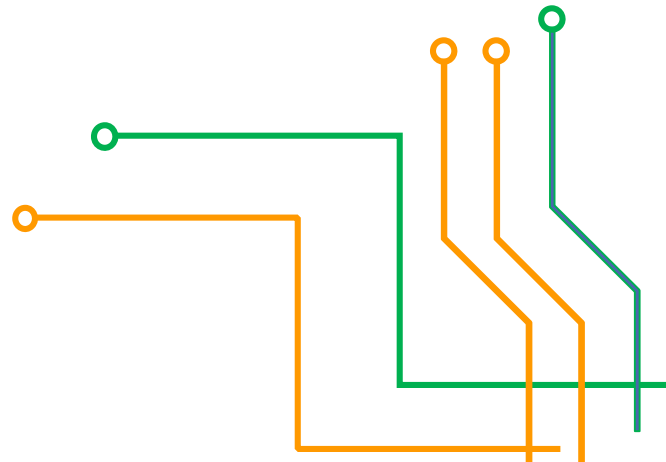
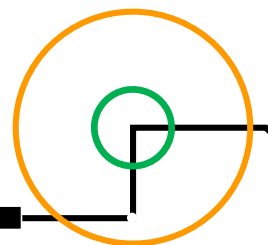
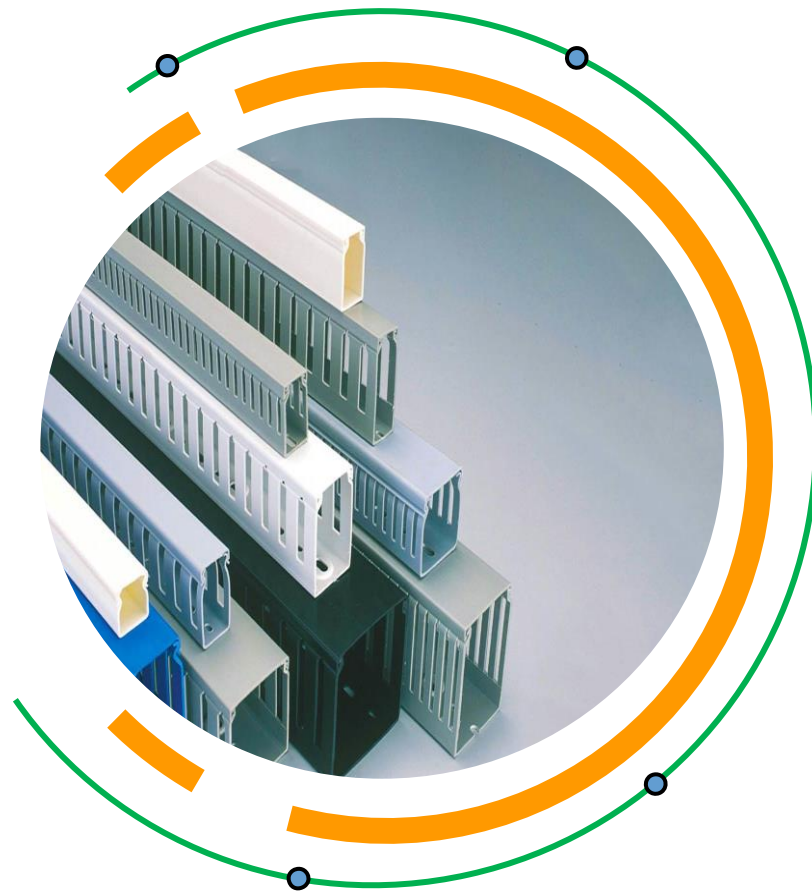
02 Company Overview

03 Business Overview

04 Way Ahead

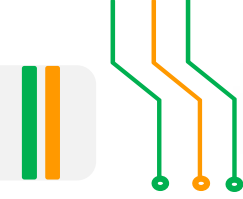


Financial Highlights





Joint Managing Director's Message



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

"Our second quarter performance has been in line with our expectations. We have been seeing a good growth coming in from Industrial switchgear and Building products businesses. We are witnessing substantially higher demand in many key products from these two businesses.

During the Second quarter and half year ended of the financial year, we registered a revenue of Rs. 244.96 crores with EBITDA (excluding other income) and PAT of Rs. 24.48 crore and Rs. 8.95 crore, respectively. This growth came in primarily from industrial switchgear products as well as Building Products businesses especially in high demand products like Toroidal Transformers, Three phase Transformers, LAN Cables, Sensors, & MCB's.

I am happy to share that there is a strong demand especially for our 3-phase dry type transformers, particularly from the sectors of renewables and machine tools, as this product is getting very well accepted in the market and orders have started flow in. Our 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. We also expect to reduce raw material consumption in coming quarters.

We recently received two patents for duration of 20 years – 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 combined with strong product offerings and brand position in the market. Based on the domestic and export outlook, we are optimistic on our overall business performance.

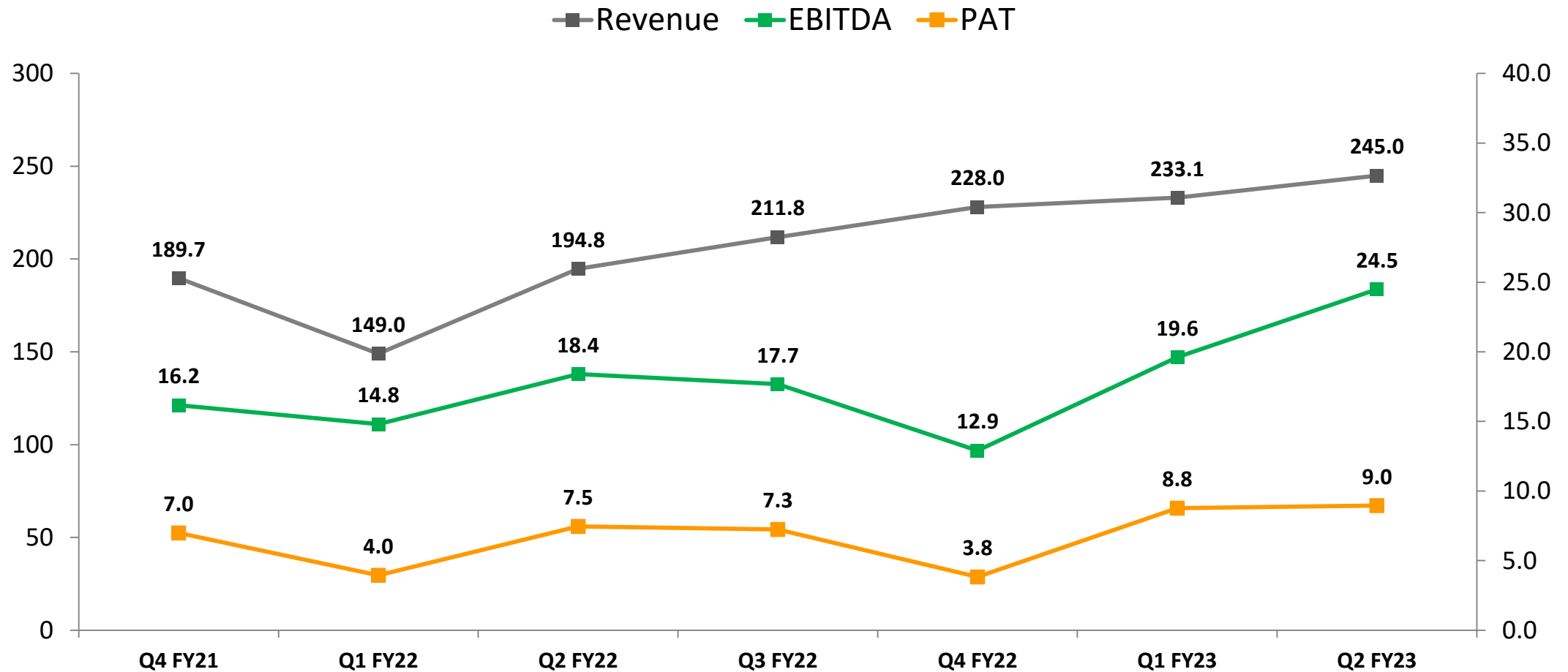
I thank all our stakeholders for their continued support and faith in our Company and wish everyone good health."



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

Key Standalone Financial Highlights – Quarterly

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



Q2 FY23 Standalone Financial Highlights

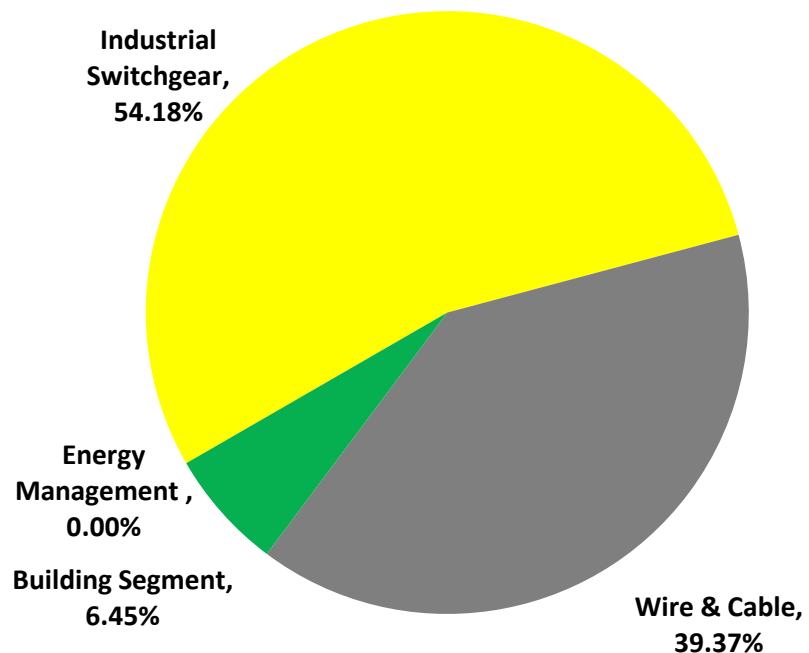


Rs. in Crore	Standalone				Consolidated
	Q2 FY23	Q2 FY22	Y-o-Y %	Q1 FY23	Q2 FY23
Net Revenue	244.96	194.81	25.75%	233.06	245.62
Raw Materials	189.93	154.05		187.95	186.81
Employee Cost	8.69	6.91		7.98	9.80
Other Expenses	21.86	15.43		17.51	23.38
Total Expenditure	220.48	176.39		213.44	219.99
EBITDA (Excluding other Income)	24.48	18.41	32.97%	19.62	25.63
EBITDA Margin (%)	9.99%	9.45%	54 bps	8.42%	10.44%
Other Income	(0.37)	0.81		1.07	(0.48)
Depreciation	4.01	4.08		3.95	4.09
Interest / Finance Cost	6.13	4.69		5.61	6.14
Exceptional Item (Gain) / Loss	0.00	0.00		0.00	0.00
Profit Before Tax	13.97	10.45		11.13	14.93
Tax	5.02	2.98		2.35	5.32
Profit After Tax	8.95	7.46	19.97%	8.78	9.61
Profit After Tax Margin (%)	3.66%	3.83%	(17 bps)	3.77%	3.91%
Basic EPS (Rs.)	5.60	4.67	19.91%	5.49	5.87

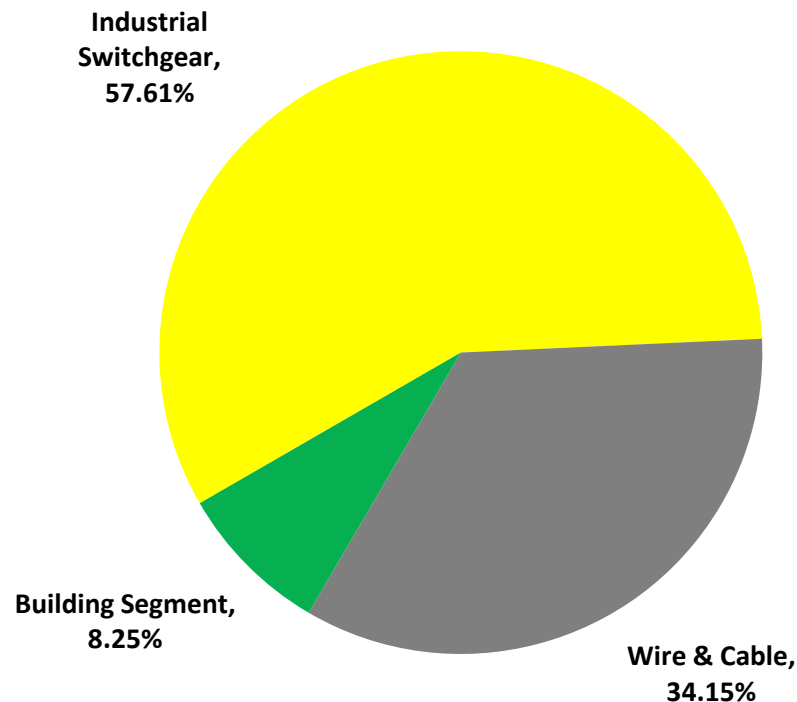
- **Increase in Revenue** – on account of higher demand for Switchgear as well as Building products businesses.
- **Strong order inflow for high margin switchgear product** - Three Phase Dry Type transformer particularly in sectors of renewables and machine tools

Q2 FY23 Revenue Breakup – Business Verticals

Q2 FY22



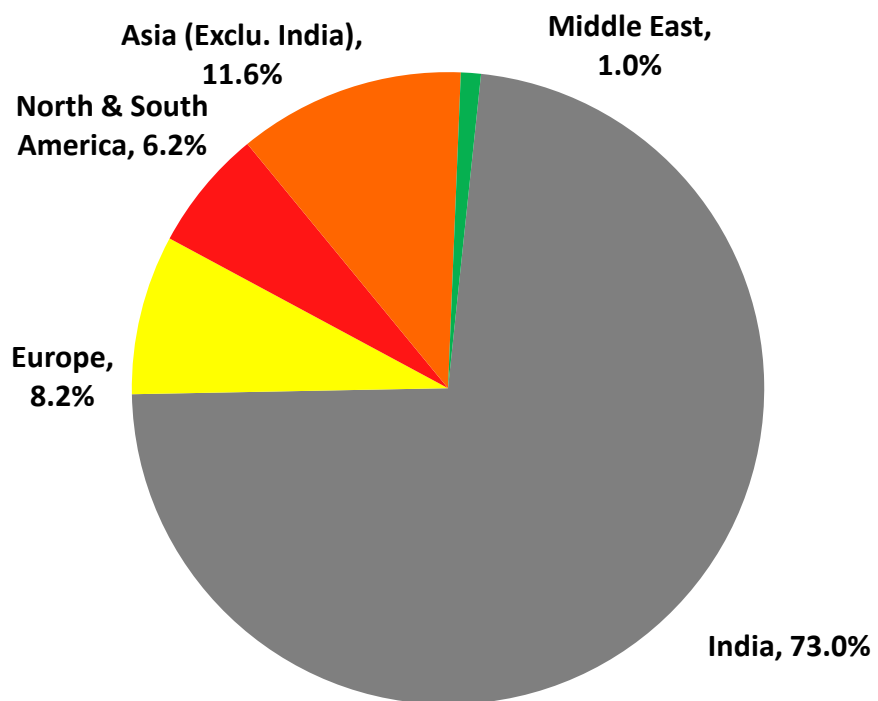
Q2 FY23



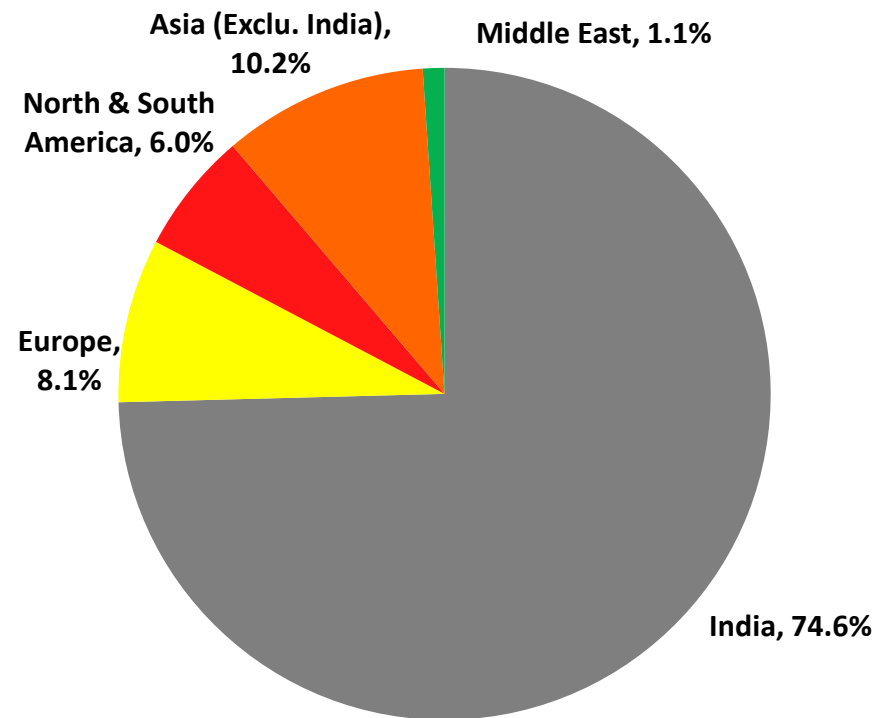
- **Industrial Switchgear – 57.61% of net revenues**
- **Wires & Cables – 34.15% of net revenues**
- **Building Electrical Products – 8.25% of net revenues**
- **Energy Management – No tenders issued by Government during this period**

Q2 FY23 Revenue Breakup – Geographical

Q2 FY22



Q2 FY23



- Contribution from Exports at 25.41%
- Export revenue grew by 18.3% YoY in Q2 FY23 - driven by higher exports to Middle East Africa, North & South America and Europe

H1 FY23 Financial Highlights



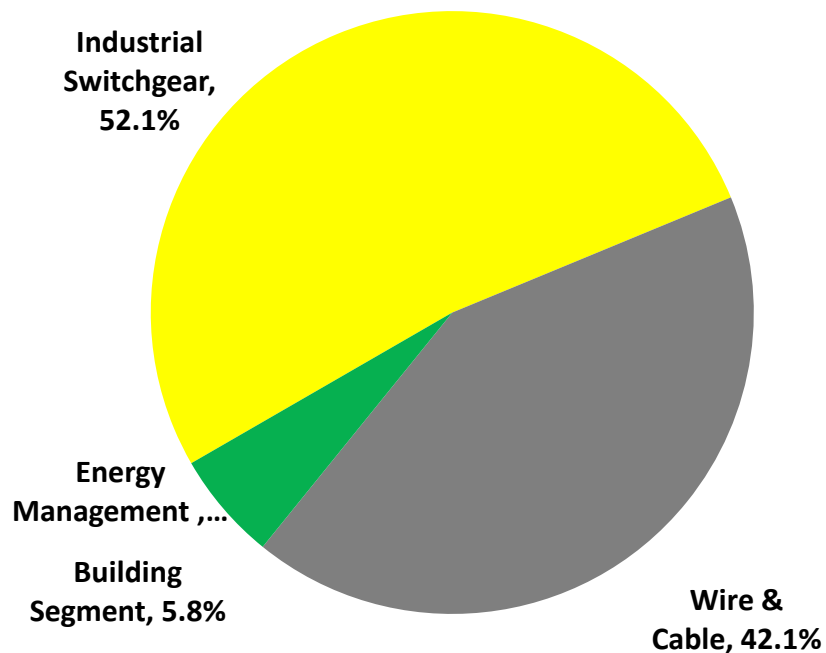
Rs. in Crore	H1 FY23	H1 FY22	Y-o-Y %	H1 FY23 (Consl)
Net Revenue	478.02	343.78	39.05%	488.76
Raw Material Expenses	377.88	268.62		381.11
Employee Expenses	16.66	13.44		18.89
Other Expenses	39.37	28.51		42.43
Total Expenditure	433.92	310.57		442.43
EBITDA (Excluding other Income)	44.10	33.21	32.78%	46.33
EBITDA Margin (%)	9.23%	9.66%	(43 bps)	9.48%
Other Income	0.71	0.95		0.75
Depreciation	7.96	8.02		8.11
Interest / Finance Cost	11.74	9.81		11.77
Exceptional Item (Gain) / Loss	0.00	0.00		0.00
PBT	25.10	16.33		27.20
Tax	7.37	4.92		7.95
PAT	17.73	11.41	55.49%	19.25
PAT Margin (%)	3.71%	3.32%	39 bps	3.94%
Basic EPS (Rs.)	11.10	7.14	55.49%	11.77

- Strong demand for industrial switchgear products, particularly in -Toroidal Transformers, Three phase Transformers, LAN Cables, Sensors, & MCB's
- Contribution from exports was 23.15% in H1 FY23, export revenue grew 24.2% YoY in H1 FY23, driven by higher exports to Middle East, Africa, North and South America and Europe

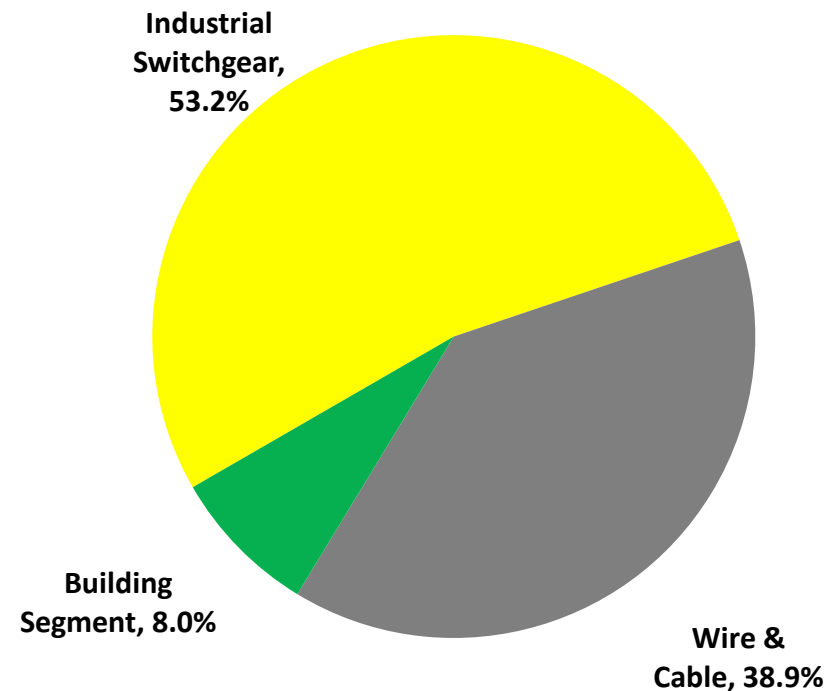
H1 FY23 Revenue Breakup – Business Verticals

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H1 FY22



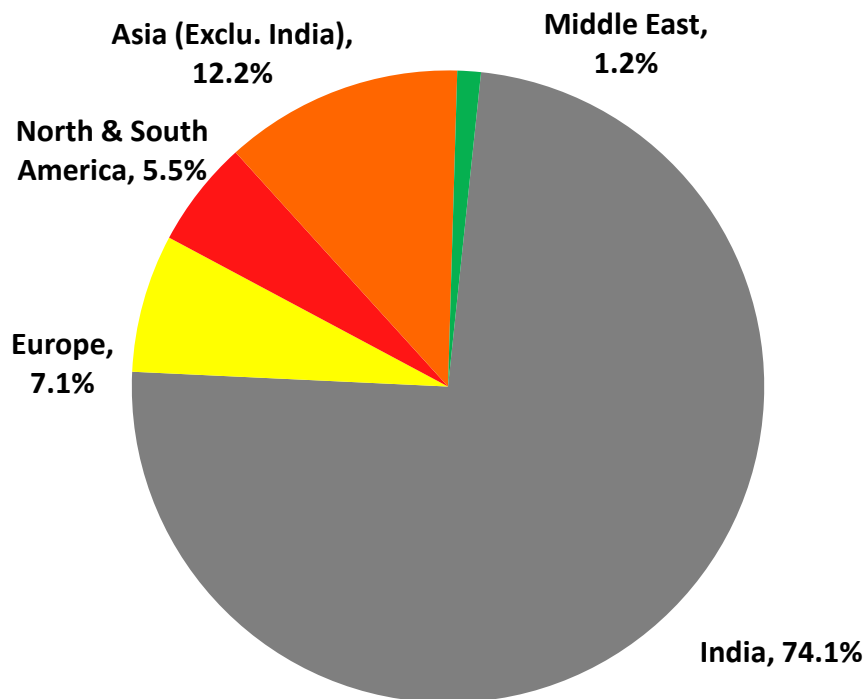
H1 FY23



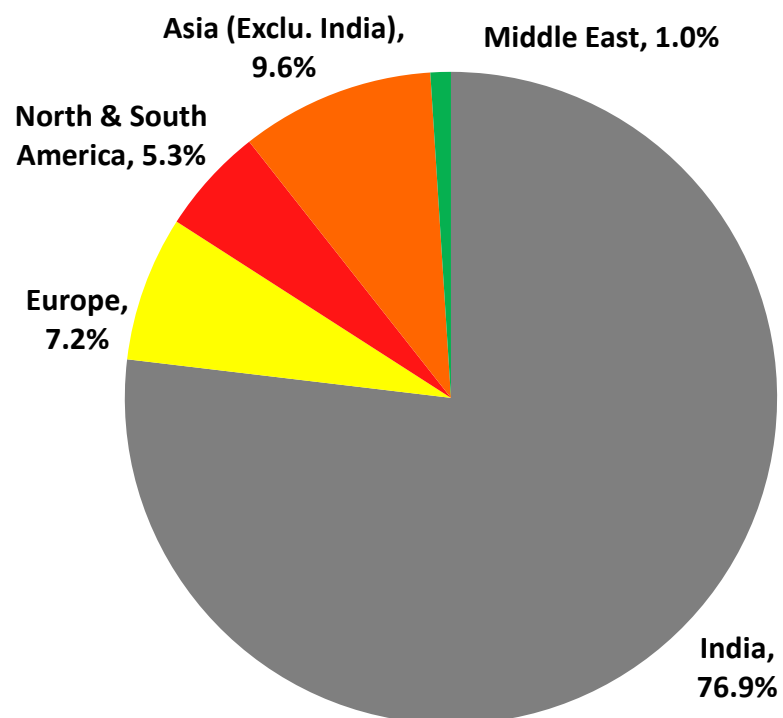
- **Industrial Switchgear – 53.15% of net revenues**
- **Wires & Cables – 38.87% of net revenues**
- **Building Electrical Products – 7.98% of net revenues**
- **Energy Management – No tenders issued by the Government during this period**

H1 FY23 Revenue Breakup – Geographical

H1 FY22



H1 FY23



- Contribution from exports was 23.15% in H1 FY23
- Export revenue grew by 24.2% YoY in H1 FY23 - driven by higher exports to Middle East, Africa, North & South America and Europe

Balance Sheet as on 30th Sept' 22



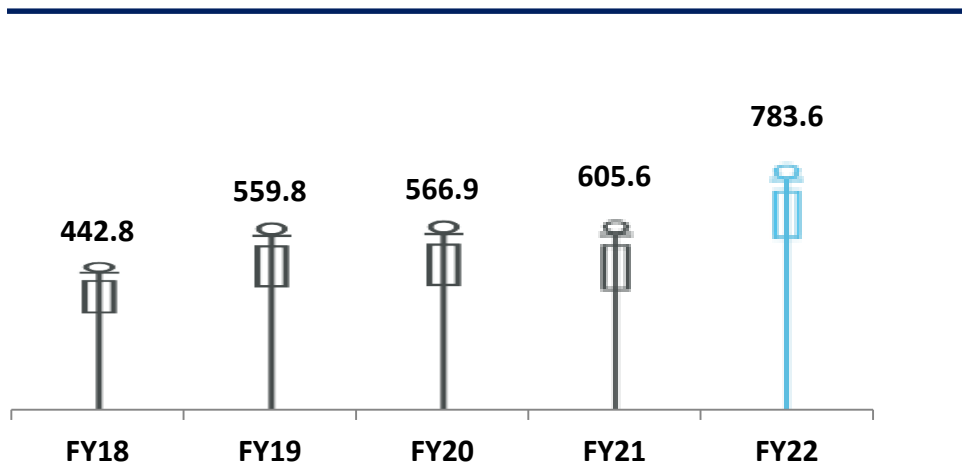
Rs. Crore	As on 30 th Sept' 22	As on 31 st Mar' 22	As on 30 th Sept' 22*
Shareholder's Funds	366.78	351.47	358.38
Share capital	15.98	15.98	15.98
Other Equity	350.80	335.48	337.91
Non Controlling Interest	0.00	0.00	4.49
Non-current liabilities	30.85	32.01	32.42
Financial Liabilities			
Borrowing	10.09	12.41	12.41
Provisions	0.00	0.00	0.15
Deferred Tax Liabilities (Net)	20.76	19.61	19.62
Other Non-Current Liabilities	0.00	0.00	0.25
Current liabilities	377.48	358.31	361.54
Financial Liabilities			
Borrowing	233.74	235.40	235.40
Trade Payable	92.38	73.77	76.22
Others	4.91	4.86	4.90
Other Current Liabilities	42.59	42.59	43.17
Provisions	1.93	1.70	1.83
Current tax liability (Net)	1.93	0.00	0.00
Total Equities & Liabilities	775.11	741.79	752.33

Rs. Crore	As on 30 th Sept' 22	As on 31 st Mar' 22	As on 30 th Sept' 22*
Non-current assets	264.20	261.15	254.50
Property, Plant & Equipment	214.14	210.57	213.37
Capital WIP	1.68	0.78	0.78
Investments Property	0.01	0.01	0.01
Intangible Assets	3.92	3.86	10.80
FA - Investments	17.55	17.45	0.85
FA - Trade Receivables	12.35	11.63	11.63
FA - Others	10.88	11.83	11.86
Other Non Current Assets	3.68	5.02	5.20
Current assets	510.91	480.64	497.83
Inventories	241.87	223.70	226.98
Financial Assets			
Investments	3.67	3.10	3.10
Trade receivables	214.07	208.52	218.39
Cash & Cash equivalent	4.17	1.28	1.90
Bank Balance other than above	7.10	6.76	9.84
Loans	10.63	10.58	10.58
Other	0.39	0.35	0.38
Other Current Assets	29.01	26.35	26.66
Total Assets	775.11	741.79	752.33

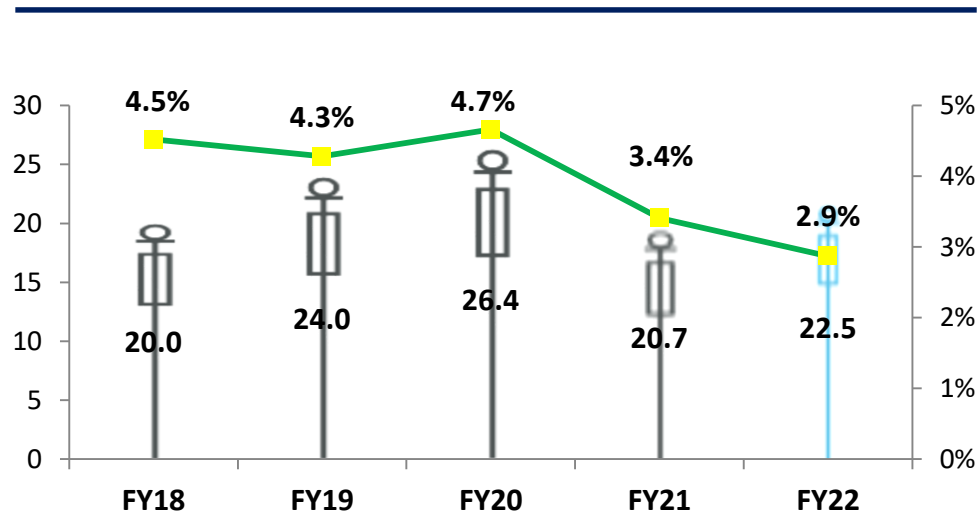
*Consolidated – on account of acquisition of 74.9% shares of Kaycee Industries

Key Financial Highlights – Annual

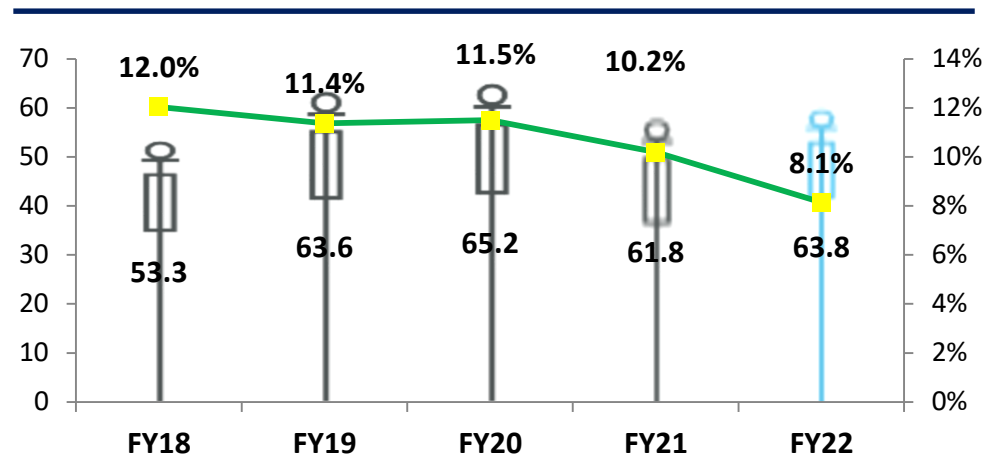
Revenue (Rs. Crore)



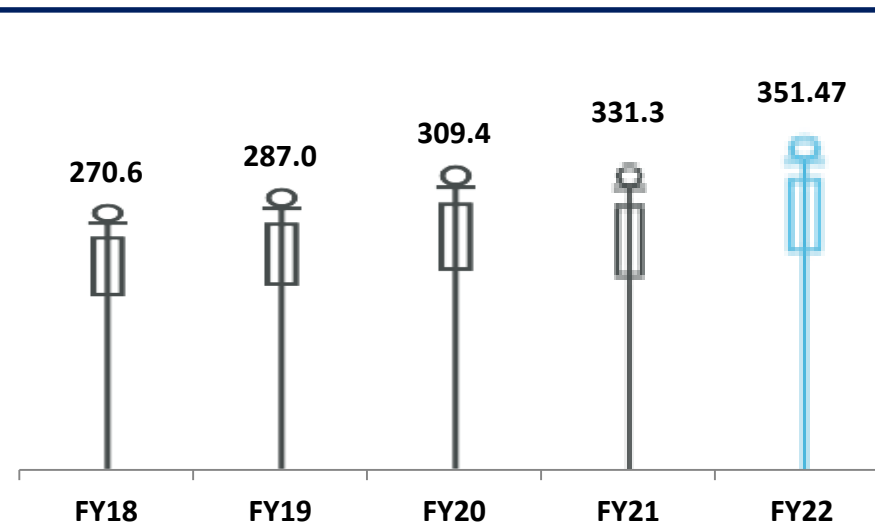
Net Profit (Rs. Crore)



EBITDA (Rs. Crore) / Margins (%)

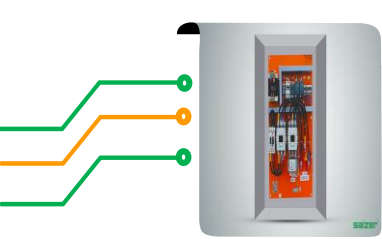


Networth as on 31st March (Rs. Crore)

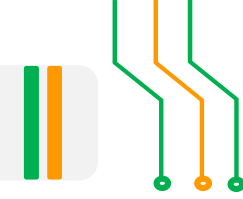


Company Overview





About Us



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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

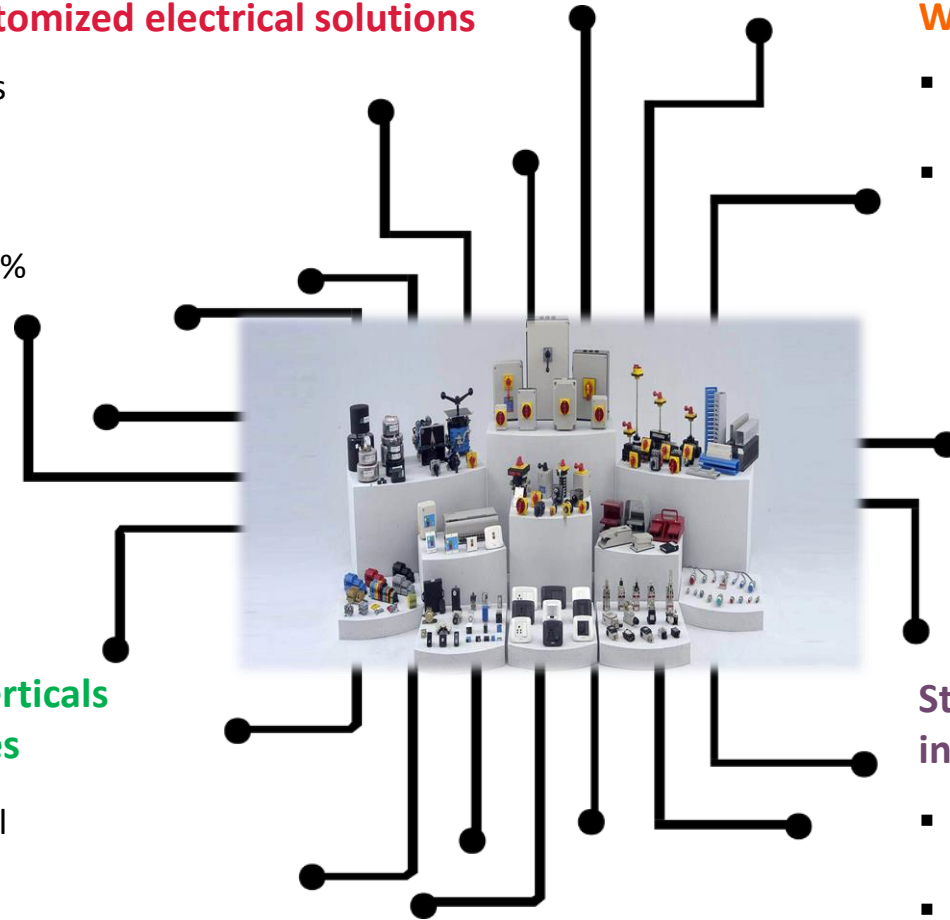
- Five manufacturing units located in Tamil Nadu
- More than 15 products catering to Industrial / Building Electrical / Automobile verticals

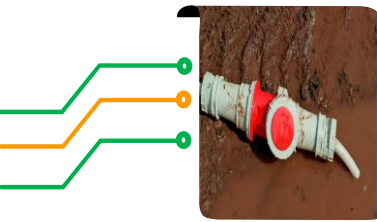
Wide Distribution network – local and global

- 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





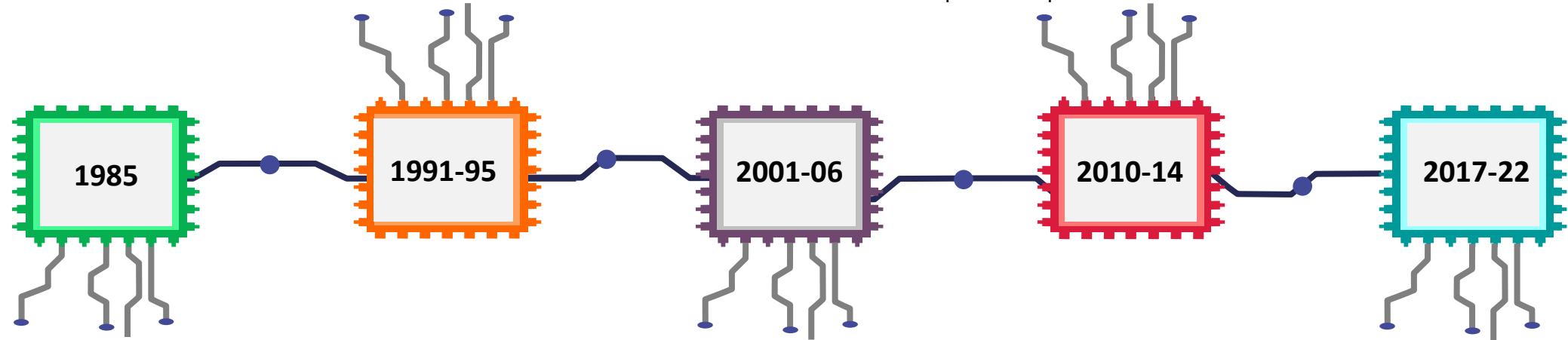
From a Single Product Company...



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- Unit I (Coimbatore) – manufacture contactors, relays, panels, energy savers
- Starting of long term association with L&T
- Technical collaboration with Plitron for manufacture of Toroidal Transformers
- 1st Indian company to bring technology to India

- Leading player offering total and customized electrical solutions
- More than 15 different products
- 2,000 employees
- 5 manufacturing units
- Foray into tailor made products and branding for large customers
- Specialized panels for OEMs



- Established to manufacturer of CAM operated Rotary Switches

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

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

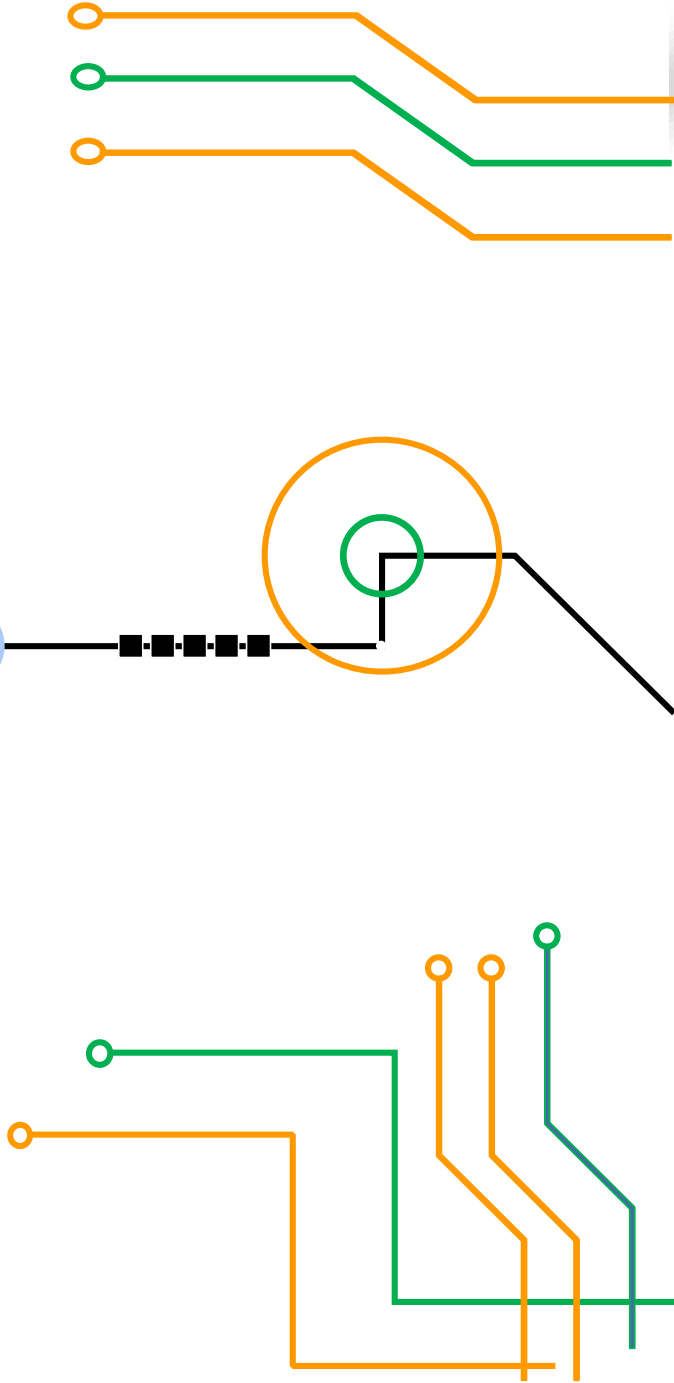


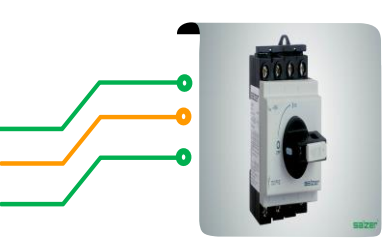
R Karunakaran

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

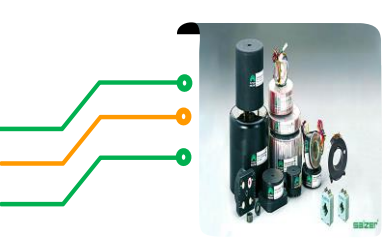
- Modular Switches
- Wires & Cables
- MCB's
- Changeovers

Copper Products

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

Energy Management products

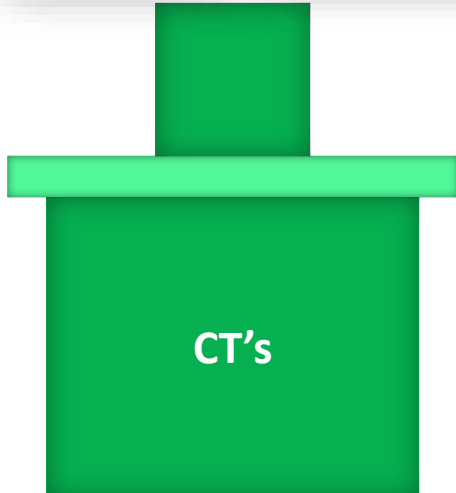
- Energy Savers
- Street Light Controllers



Wide Product Suite- Customized for OEM's



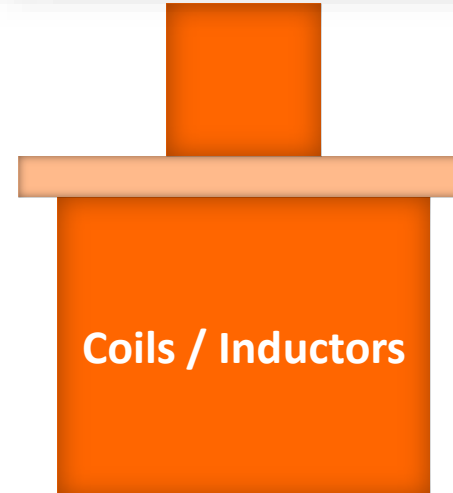
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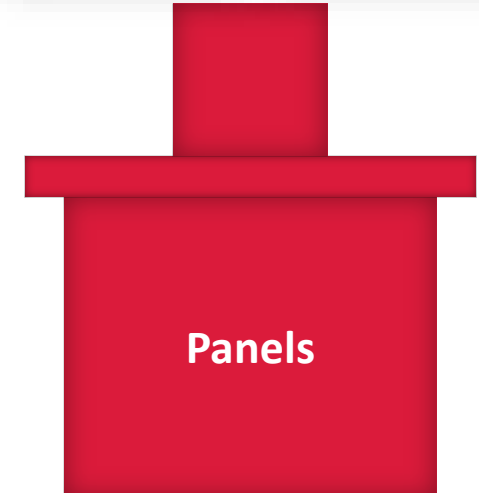
CT's



Terminal Sockets

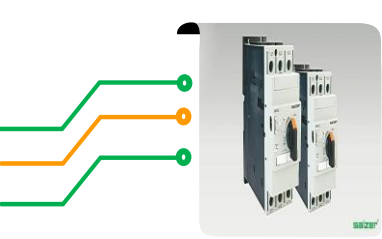


Coils / Inductors



Panels

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



Key Strengths



Complete Backward Integration

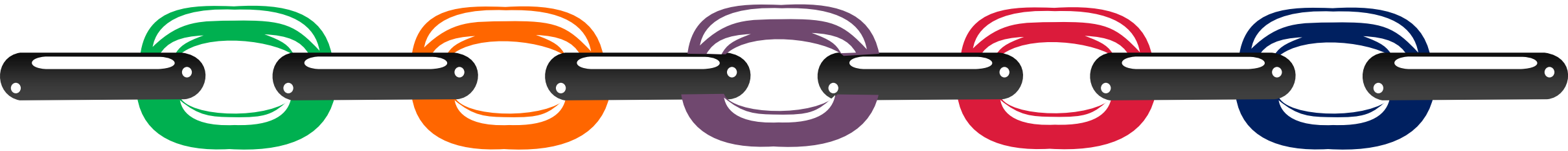
- In-house manufacturing facilities with process capabilities ensures better product development and customization
- Well developed R&D enables continual product innovation

Strong Customer Relationships

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

Wide Distribution Network

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



Wide Product Suite

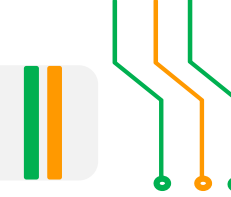
- Amongst few players in India, to offer total & customized electrical solutions
- Wide product basket – 15 products developed in-house
- Largest manufacturer and market leader in CAM operated rotary switches

Advanced Engineering Capabilities

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



Five Manufacturing facilities...



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UNIT 1



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

UNIT 2



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

UNIT 3



- Wiring Accessories

UNIT 4



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

UNIT 5



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

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



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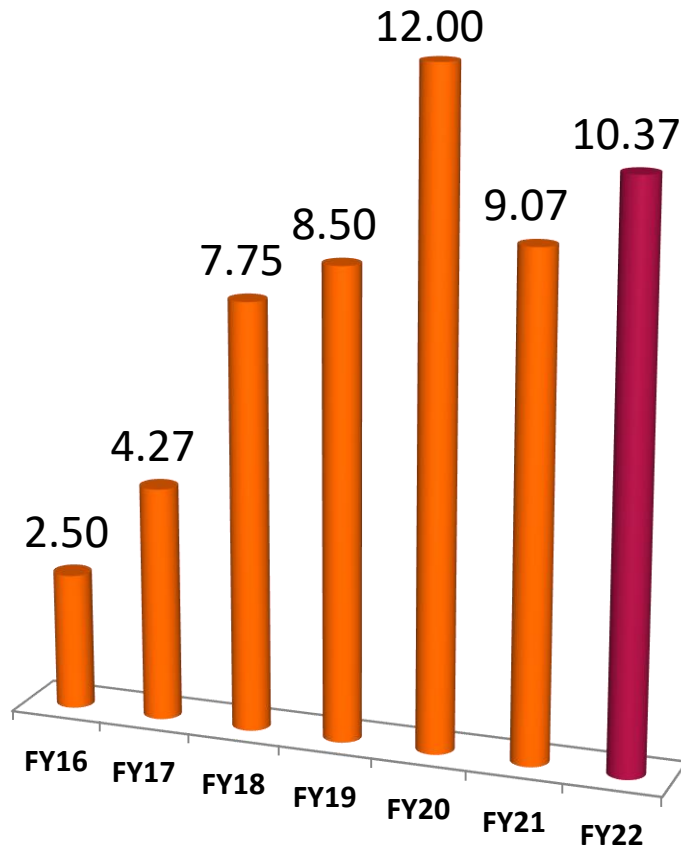
- Full fledged **Type testing laboratory**
 - Loads up to 500Amps
 - Environmental test chamber for humidity test
 - Salt spray test & all other basic tests as per UL Standards
- **In-house tool room** facility for manufacturing and servicing of Moulds and press tools
 - CNC Wire Cut Machines and Spark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

More than 80% components made in-house

...And a strong R&D team

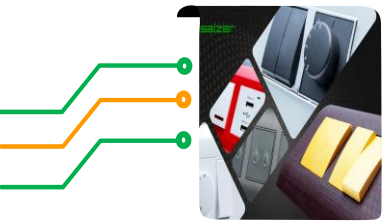
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R&D expenses (Rs crore)



- In-house R&D Center
 - More than 35 engineers
 - Recognized by Department of Science, Govt of India
- Patented Rotary switches
- Six patents in process
 - Manual Single-Phase Starter with no voltage tripping, Energy Saver System for Street Lighting, Track Feed Battery Changer Over System, Heavy duty energy efficient automatic source change over, Training warning system and Modular Housing
 - Received two patents for CAM operated rotary switch & Motor Protection Circuit Breaker' for duration of 20 years, ending 2036
- 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

Continual focus on product innovation



Internationally certified



ISO 9001



ISO 14001



ISO 18001



CE Certification



UL Certification

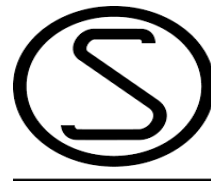


CB certification by IE

CB certification



RoHS



Intertek
Intertek Semko approval



CSA Certification



ISO 16949
CERTIFIED

... Across entire product portfolio

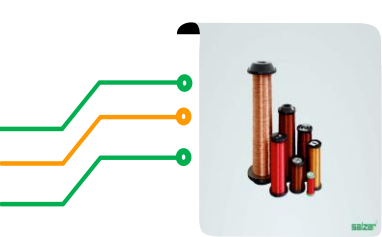
Blue Chip Customers

salzer

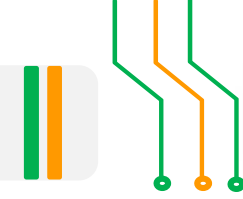


- Marketing Tie-up with L&T for Indian Market
- Largest supplier of rotary switches to Indian Railways
- Branding partner to various large OEM's in India

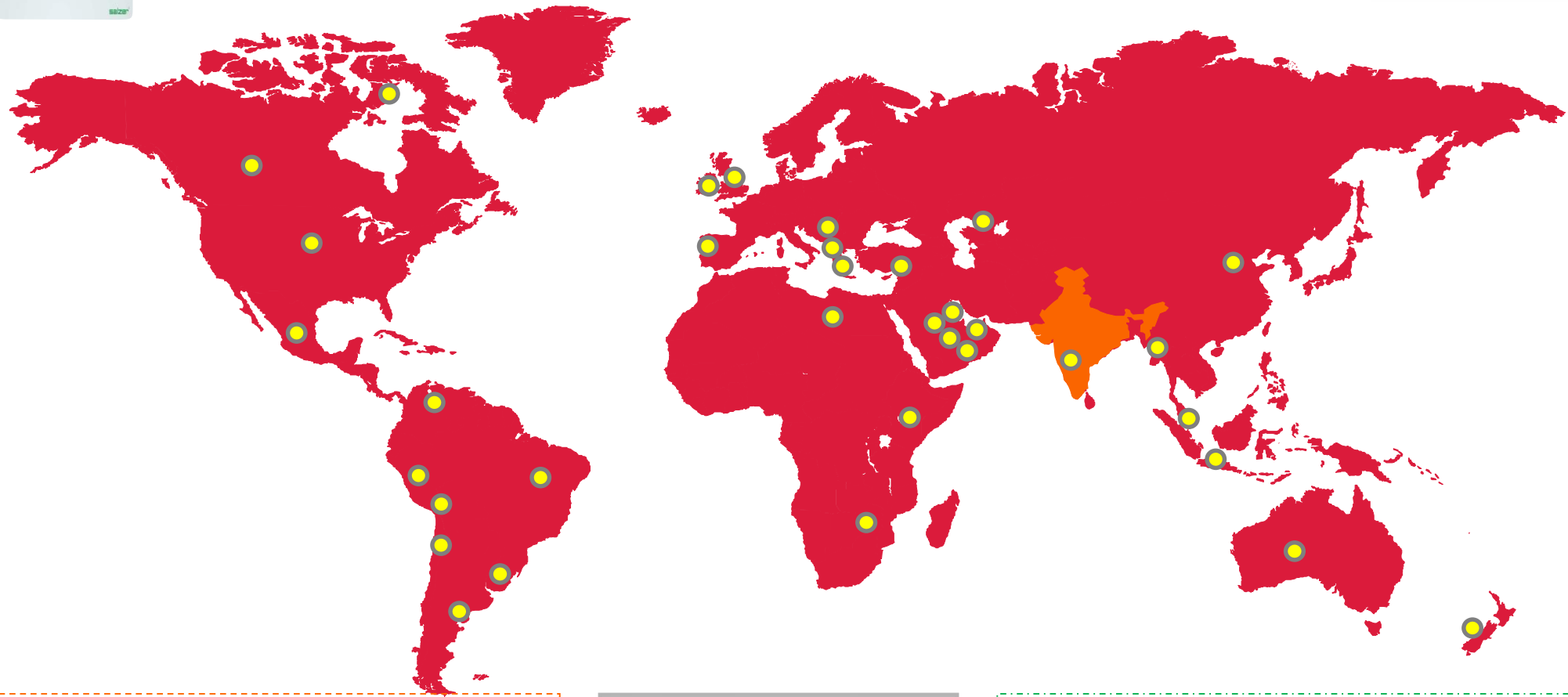
- Technical Tie-up with American Company C3Controls, to manufacture & market contactors & overload relays
- Technical Tie-up with Trafomodern for Three Phase Transformers
- Preferred supplier to:
 - Nuclear Power Corporation
 - Schneider Electric
 - GE Energy



Wide Distribution Network



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International

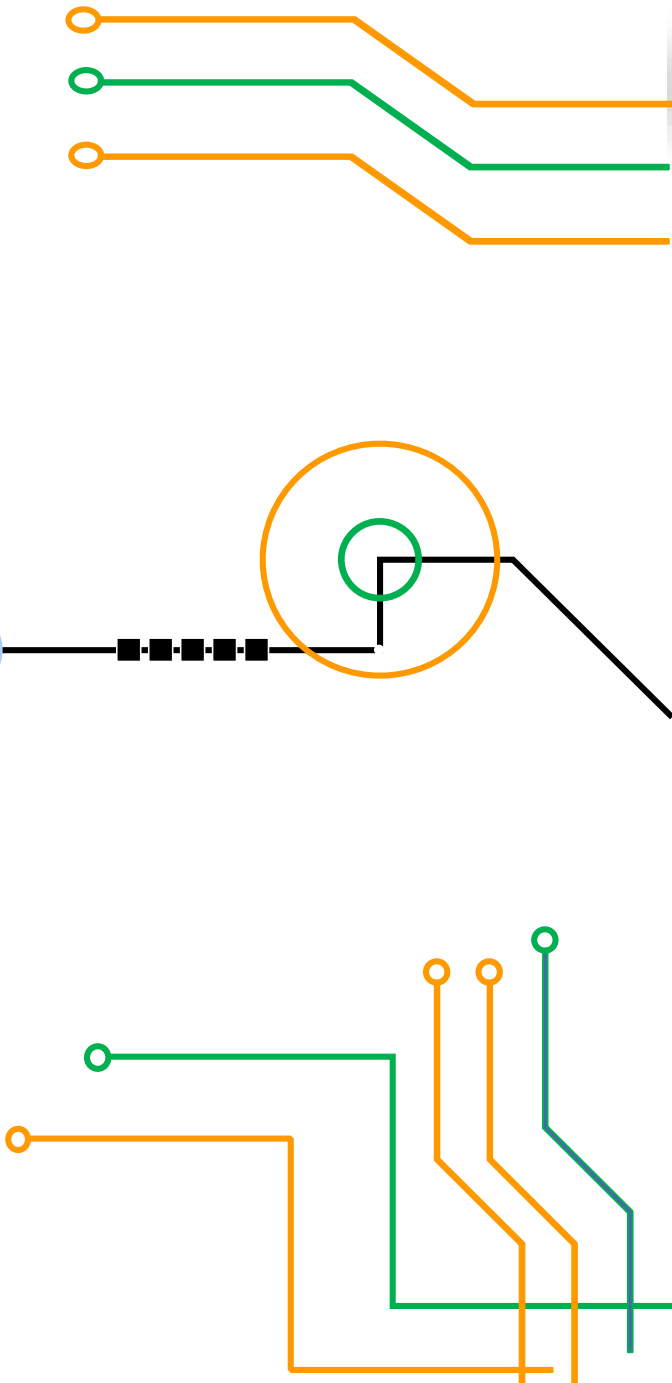
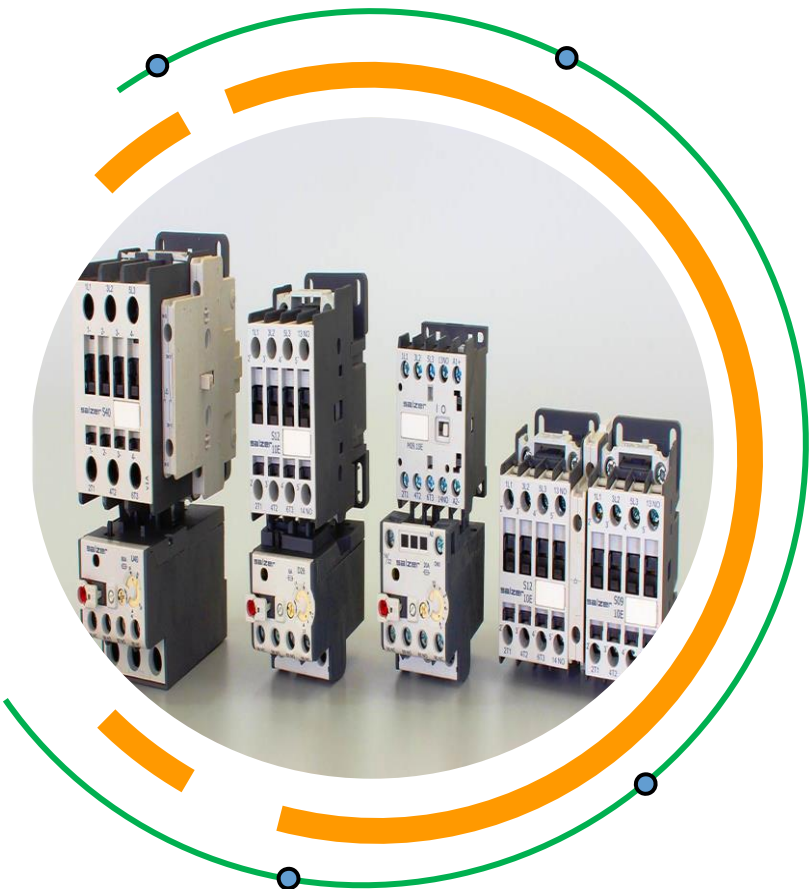
- Direct network across 50 countries
 - 23% of sales from exports (FY22)
 - 40 international distributors
- Plans to expand in US, Africa and Middle east

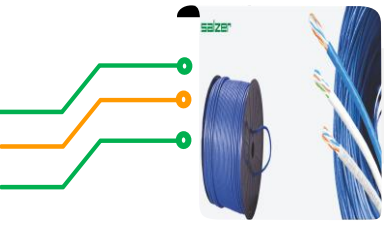
**Direct network
across 50
countries**

Domestic

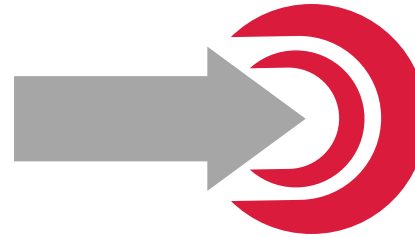
- Tie up with L&T – access to more than 350 dealers in India
- Direct network for Modular Switches – 50 stockists in 4 southern & western states

Way Ahead



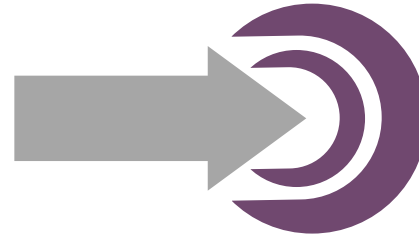


Way Ahead



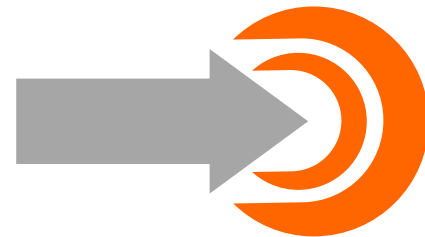
Operational Excellence

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



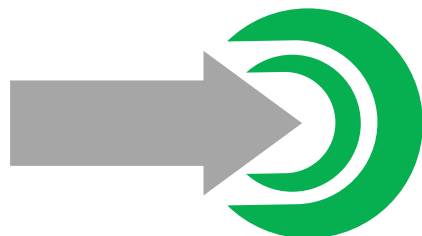
Venture into new project/ product development

- 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

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