Media Release

Salzer Electronics Ltd. Financial results for Q1 FY2015-16

Revenues at Rs. 91.7 crore – Growth of 33%

EBIDTA margin at 13.6% - improvement of 94 bps

PAT at Rs 5.1 crore – Growth of 58%

Coimbatore, August 8, 2015 : Salzer Electronics Limited today announced un-audited financial results for the quarter ended June 30, 2015.

Key Financials at a glance:

(Rs.in Crore)

Particulars	Q1 FY16	Q1 FY15	YoY
Total Revenue	91.7	68.7	33%
EBITDA	12.4	8.7	43%
PAT	5.1	3.2	58%

Performance highlights for the quarter ended June 30, 2015

- **Revenues** were at **Rs. 91.7 crore** in Q1FY16, as against Rs. 68.7 crore in the corresponding previous period, **YoY growth of 33%.** The **Exports** were **24% of revenues.**
    - The **Industrial Switchgear Business** contributed **to 44% of the total revenues, grew by 18% to Rs 40 crore**
    - **The Building Products business** achieved **revenues of Rs. 3.4 crore, a decline of 14%.** This segment contributed to **4% of the total revenues**
    - **The Copper business**, contributed to **35% of the total revenues, grew by 12% to Rs 32.3 crore**
    - **The Energy Management business** achieved **revenues of Rs. 15.9 crore, an increase of over 650%.** This business contributed to **17% of the total revenues**

- The **EBITDA** was at **Rs. 12.4 crore** as against Rs. 8.7 crore in the corresponding previous period, **YoY growth of 43%.** The **EBITDA Margins improved** from 12.7% in Q1FY15 to **13.6%** in Q1FY16**, YoY increase of 94 basis points.**
- The **PAT** was at **Rs. 5.1 crore** as against Rs. 3.2 crore in the corresponding previous period, **YoY growth of 58%.** The **PAT Margins improved** from 4.7% in Q1FY15 to **5.5%** in Q1FY16**, YoY increase of 85 basis points.**
- The Earnings Per Share (**EPS**) was at **Rs 4.48** as against Rs 3.03 in the corresponding previous period, **YoY increase of 48%**

Management Comments:

Commenting on the results, Mr. D. Rajesh Kumar, Joint Managing Director and CFO, Salzer Electronics said, "We have posted a strong set of numbers this quarter. With new developments and expansions, the profit of the Company has increased by 58%.

He further added, "Our technical alliance with Trafomodern will help us expand our product portfolio. We will start to manufacture dry type transformers in India for our customers here and abroad. The Company has aggressive plans to expand its presence both within India and overseas into new regions. Last month we raised capital of Rs. 62 crore through a QIP and will be using this capital to invest in on-going and new projects."

Recent Developments:

- Salzer entered into a **technical alliance with Trafomodern, Austria**
    - Trafomodern, an Austrian company, is one of the leading manufacturers of transformers in Europe
    - Salzer will use Trafomodern's Technology and design to manufacture Dry Type, Air Cooled Transformers, Chokes and Inductors in India
    - The Company will set up manufacturing facilities for transformers in Coimbatore

- Salzer **raised Rs. 62.06 crore of capital successfully** through Qualified Institutional Placement (**QIP**)
    - The Company issued **26.41 lac shares at Rs 235 per share, resulting in dilution of** 24% of the capital base
    - The QIP was very well received resulting in well diversified representation and demand. Allocation – **55% FII and 45% domestic mutual funds**
    - Post issue, book value stood at ~ Rs. 132.73 per share
    - The QIP proceeds will be used for **new product development and growth plans of Company**

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- Emkay Global Financial Services was the Lead Book Runner and Crawford Bayley were the Legal Advisors to the Issue

- L&T, an equity investor since 2007 has exited their stake in Company, in line with their strategic decision to exit all non-core investments made over the past several years. However, this has no effect on the business and marketing relationship that Salzer and L&T has over the last 25 years

About Salzer Electronics

- Salzer is a Leading player offering Total and Customized Electrical Solutions in Switchgears, Wires & Cables and Energy Management business. It is the largest manufacturer of CAM Operated Rotary switches & Wire Ducts in India, with a market share of 25% & 20% respectively. The Company caters to a wide range of products with five In-house manufacturing facilities, located in Coimbatore and Himachal Pradesh.
- The Company has a wide distribution network locally and globally, exporting to more than 40 countries. In India, Salzer markets its products through its own distributors and more than 350 local distributors of L&T. The Company has a strong R&D team that focuses on developing and commercializing the technologies of the products, and as a result, can offer total customized electrical solutions to its customers.

Caution Concerning Forward- Looking Statements:

This document includes certain forward-looking statements. These statements are based on management's current expectations or beliefs, and are subject to uncertainty and changes in circumstances. Actual results may vary materially from those expressed or implied by the statements herein due to changes in economic, business, competitive, technological and/or regulatory factors. Salzer Electronics is under no obligation to, and expressly disclaims any such obligation to, update or alter its forward-looking statements, whether as a result of new information, future events, or otherwise.

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