



S.J.S ENTERPRISES LIMITED

Q4FY22 EARNINGS PRESENTATION

Disclaimer

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Today's Presenters



K A JOSEPH
Managing Director

- Founded the company in 1987
- More than 34 years of experience in aesthetics printing business
- Post graduate diploma in business administration from the St. Joseph's College of Business Administration, Bangalore; B.Sc from Bangalore University



SANJAY THAPAR
Executive Director & CEO

- Over 30 years of experience in the automotive industry
- Previously worked with Ashok Minda Group, Minda Valeo Security Systems, Minda HUF Limited, Tata Engineering and Locomotive Company Limited (now known as Tata Motors Limited)
- Bachelor's degree in science (mechanical engineering) from the Delhi College of Engineering



SAUMYA MOGANTY
VP - Finance

- Over 21 years of work experience in finance function
- Previously worked in audit and IT industry; currently heading finance function at SJS since 2011.
- Associate of the Institute of Chartered Accountants of India; B.Com (Honours) from Utkal University, Odisha



DEVANSHI DHRUVA
Head-Investor Relations

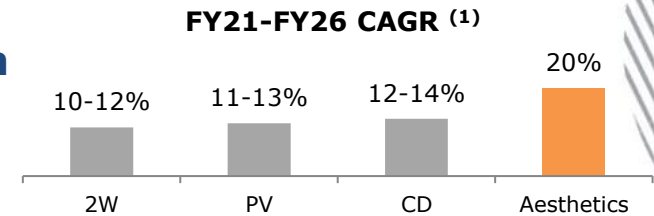
- Previously worked with Westlife Development Limited (McDonald's India) and Piramal Enterprises Limited managing Investor Relations and earlier as Equity Research Analyst with Dolat Capital Markets Pvt. Ltd.
- PGDM – Finance from K J Somaiya Institute; M.Com & B.Com (Accounting & Finance) from University of Mumbai

About SJS Enterprises

S.J.S Enterprises Limited : A Snapshot

1 One of the leading players in Indian decorative aesthetics industry which has faster than underlying industry growth ⁽¹⁾

Rs 3,698.6 Mn
FY22 Revenue ⁽²⁾



11
product categories ⁽³⁾; Added chrome plated parts to portfolio

7
End markets served ⁽⁴⁾ – 2W, PV, CD, CV, Medical devices, Farm equipment & Sanitary ware

Widest range of products ⁽⁵⁾ with presence across traditional and premium products

3 “Design” to delivery” aesthetics solution provider



~123 Mn
Total parts supplied

~6,000
SKUs

20
Countries exported to

Strong manufacturing footprint and global distribution capabilities

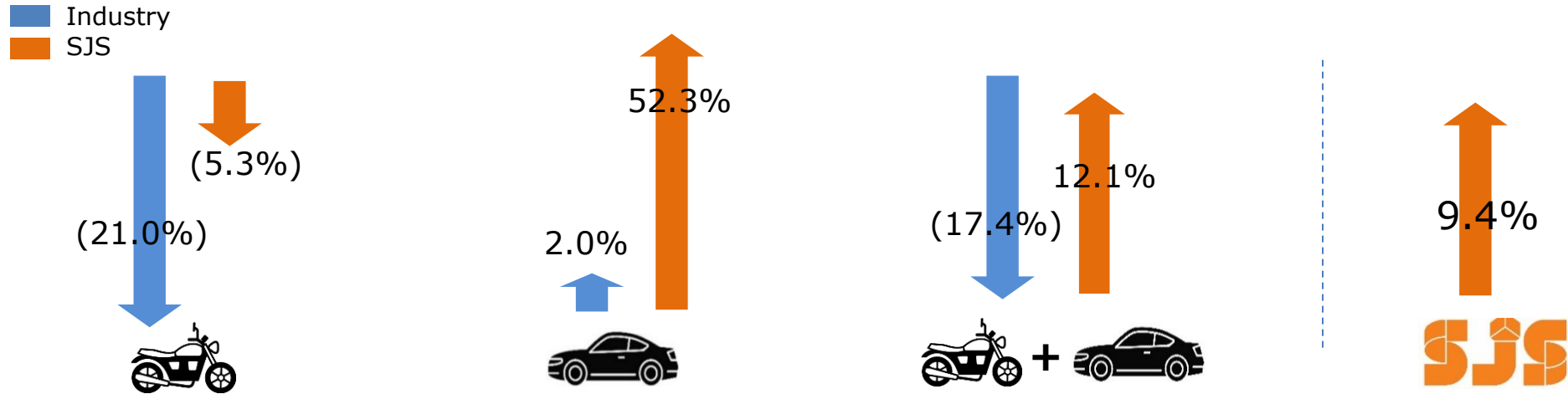
5 Long-standing customer relationships

~175+
Customer Locations
(as on 31st Mar 2022)

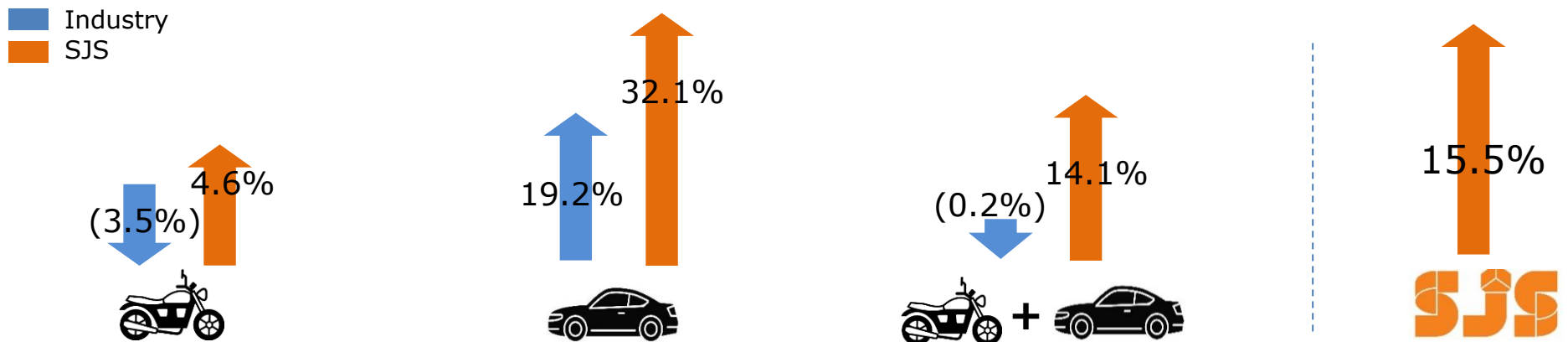
~15 yrs
Average length of relationship with 10 largest customers

SJS Outperformed Auto Industry

Q4FY22 - Industry Production Volume¹ v/s SJS YoY Sales²



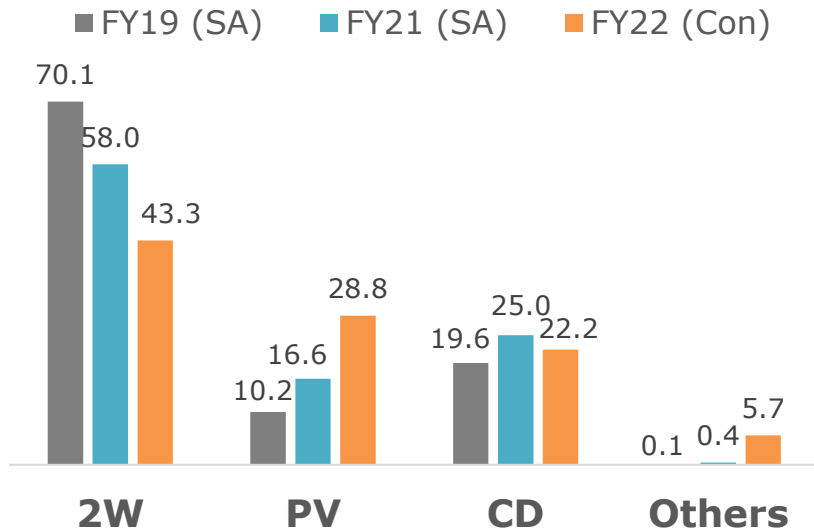
FY22 - Industry Production Volume¹ v/s SJS YoY Sales²



Note: 1) Industry Production Volumes are production in India; 2) For SJS YoY Sales, Q4FY21 are Proforma numbers and Q4FY22 are Consolidated numbers

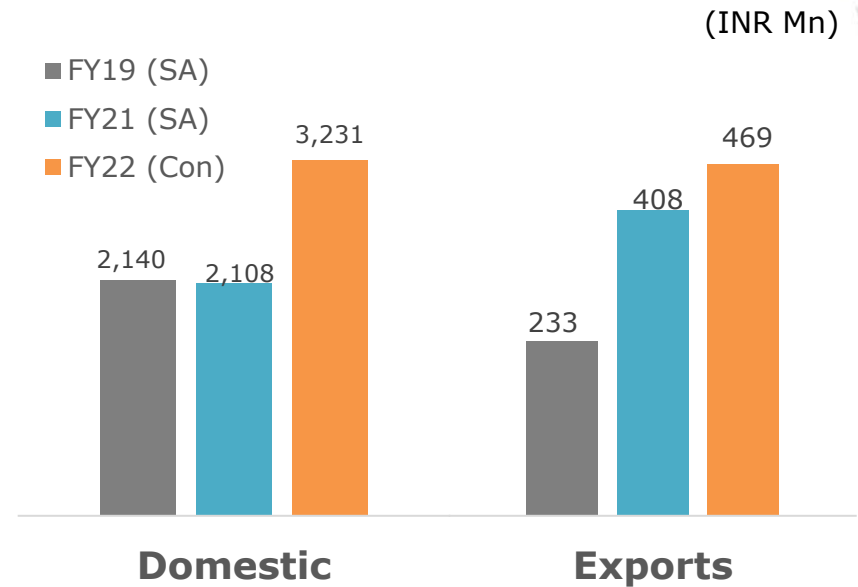
Diversification strategy playing out well

Revenue (By End Segment %) ^{1,2}



PV revenue grew over 4x & CD grew 1.8x of FY19 on back of organic and inorganic growth

Revenue (By Geography) ^{1,2}



Exports Revenue doubled in 3 years
(FY22 Exports was only from SJS as Exotech was only domestic business)

New Age Products contribution to revenue has increased from <3% in FY19 to 16%+ in FY22

Note: 1) Percentages rounded up to one decimal place; 2) Revenue split for FY19 and FY21 is for SJS standalone and FY22 is on Consolidated numbers

Q4FY22 Business & Financial Highlights

Q4FY22 Financial Performance (Consolidated)



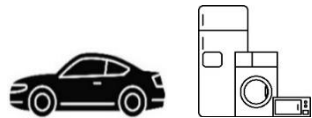
Revenue at Rs 1,041 mn, growth of ~13.4% QoQ, v/s overall 2W & PV industry productions combined was flattish QoQ to 2% growth



EBITDA at Rs 267 mn, impacted by RM inflation, but downside was limited on back of operational efficiencies; **Strong margins of 25.3%**



Net Profit at Rs 154 Mn, on a margin of 14.6%



Strong 20%+ QoQ Revenue growth in Passenger Vehicle as well as Consumer Durables segments



Domestic business clocked 16%+ QoQ Revenue growth on account of new business wins



Strong Cash & Bank Balance position with over Rs 100 crs on Balance sheet

Q4FY22 Business Highlights

Key Customer Addition



Key Business Projects Won



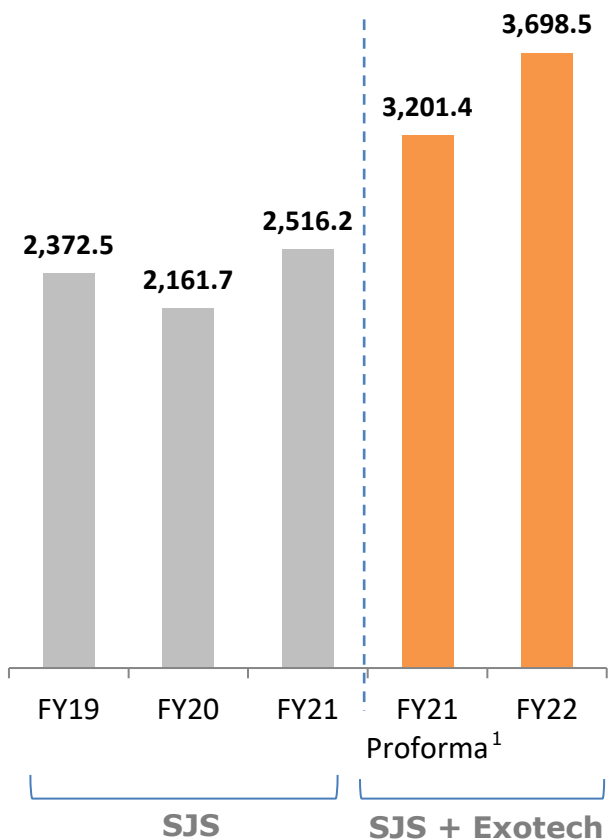
Honda Award for New Product Development at their Annual Supplier Conference



FY22 Financial Highlights

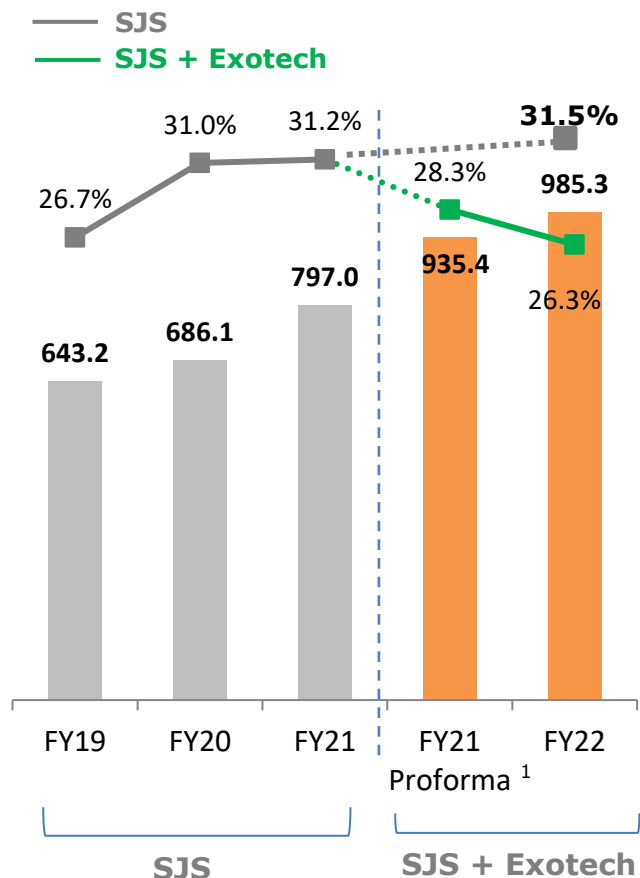
Financial performance.....(1/2)

Revenue from operations (INR Mn)



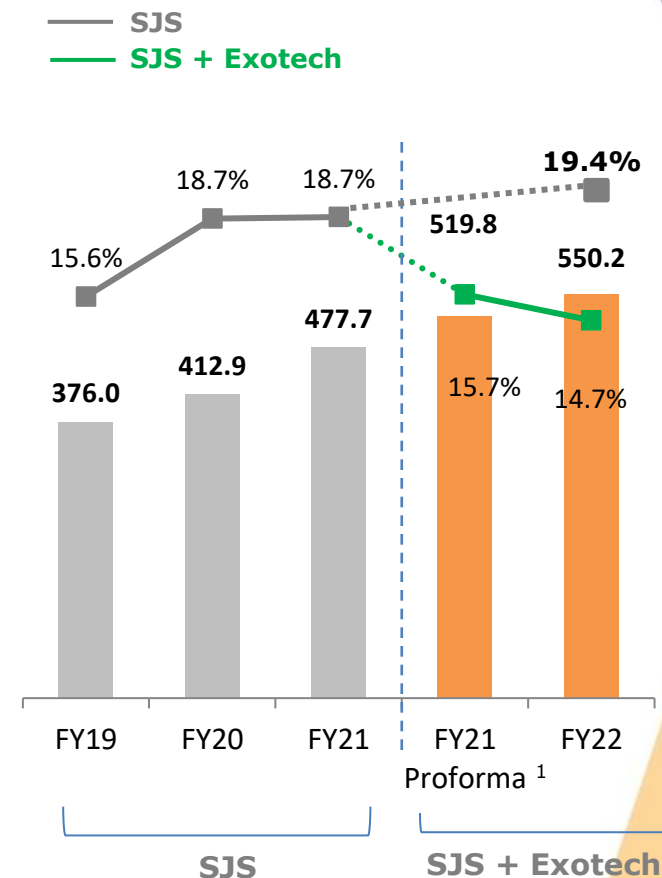
EBITDA (INR Mn) & EBITDA Margin %

FY21 Adj EBITDA² – Rs 879.6 Mn
Adj EBITDA Margin² % - 27.1%



PAT (INR Mn) & PAT Margin %

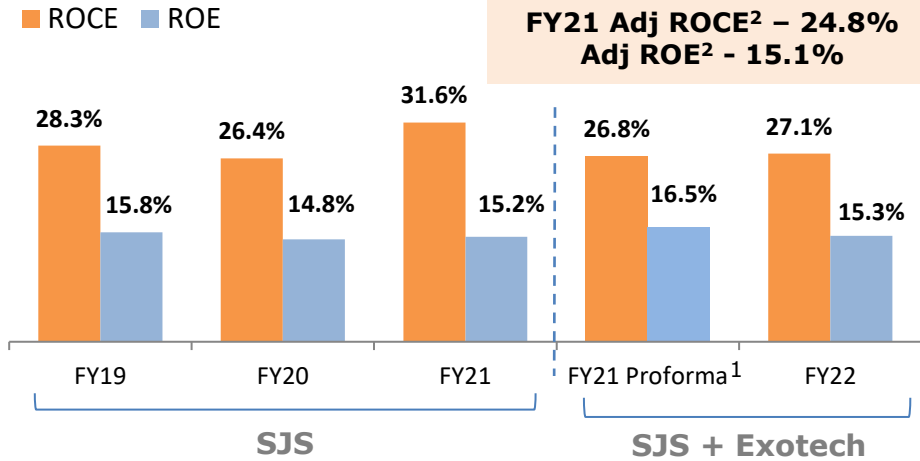
FY21 Adj PAT² – Rs 475.8 Mn
Adj PAT Margin² % - 14.7%



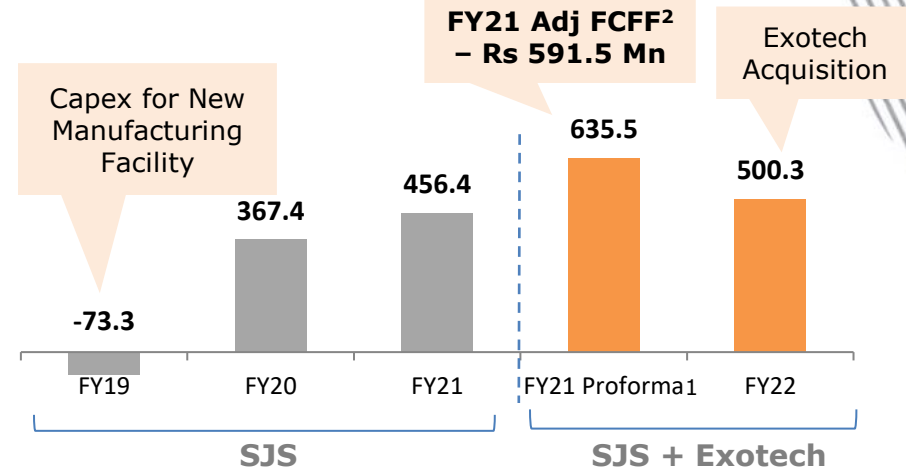
Source: 1) FY21 Proforma numbers onwards it is Consolidated financials (including Exotech financial performance);
 2) FY21 Adjusted numbers are excluding exceptional item of gain on sale of land of Rs 53.83 mn (Pre tax)

Financial performance.....(2/2)

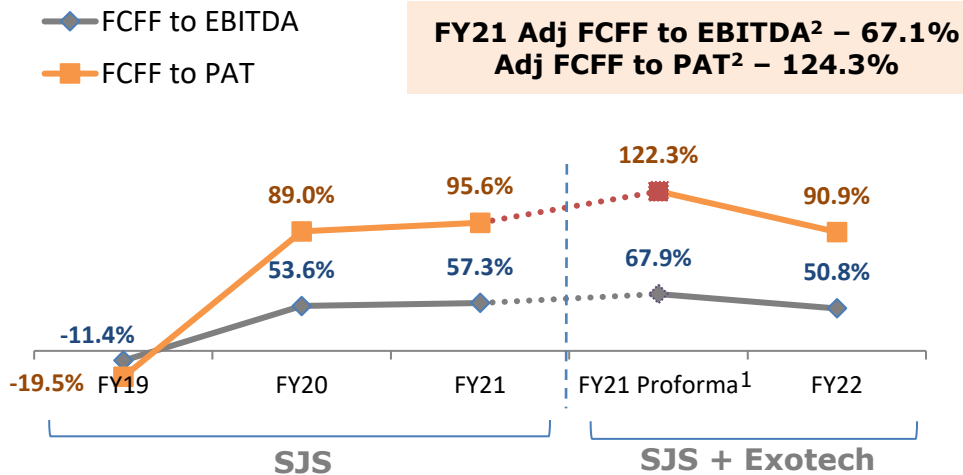
ROCE & ROE (in %)



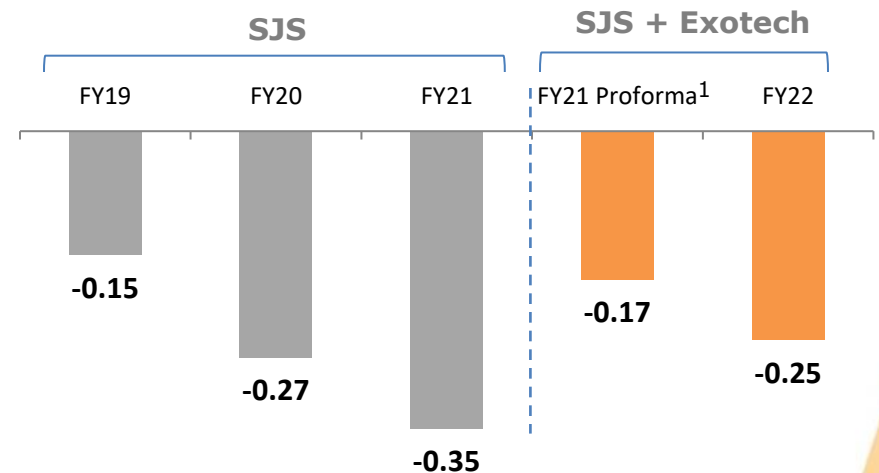
FCFF (INR Mn)



FCFF to EBITDA & FCFF to PAT



Net Debt to Equity (x)



Note: 1) FY21 Proforma & FY22 numbers are Consolidated financials (including Exotech financial performance);
2) FY21 Adjusted numbers are excluding exceptional item of gain on sale of land of Rs 53.83 mn (Pre tax)

P&L Statement (Consolidated)

AUDITED PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2022

Particulars (INR Mn)	Quarter Ended		For the year ended
	31.03.2022	31.12.2021	31 March 2022
Income			
Revenue from operations	1,041.1	917.9	3,698.6
Other income	12.4	9.2	41.6
Total income	1,053.5	927.1	3,740.2
Expenses			
Cost of raw materials consumed	465.3	381.1	1,590.9
Changes in inventory of finished goods, work-in-progress and stores and spares	7.4	(6.0)	(0.1)
Employee benefits expense	132.1	119.5	510.4
Other expenses	181.7	168.1	653.7
Total expenses	786.6	662.8	2,754.8
EBITDA	266.9	264.3	985.3
<i>EBITDA Margin %</i>	<i>25.3%</i>	<i>28.5%</i>	<i>26.3%</i>
Finance costs	7.7	7.4	30.2
Depreciation and amortization expense	54.1	54.4	215.7
Profit before tax	205.2	202.5	739.4
Tax expenses			
Current tax	55.8	47.0	204.4
Deferred tax (credit)/charge	(4.2)	6.5	(15.2)
Total tax expense	51.6	53.5	189.2
Profit for the year	153.6	148.9	550.2
<i>PAT Margin %</i>	<i>14.6%</i>	<i>16.1%</i>	<i>14.7%</i>

Balance Sheet (Consolidated)

STATEMENT OF AUDITED ASSETS AND LIABILITIES AS AT 31ST MARCH 2022

PARTICULARS (INR Mn)		As at 31.03.2022
A	ASSETS	
1.	Non-Current Assets	
	(a) Property, Plant and Equipment	1,525.7
	(b) Capital Work in Progress	1.9
	(c) Intangible Assets	66.6
	(d) Right-of-use assets	191.6
	(e) Goodwill	289.3
	(f) Financial Assets	
	(i) Other Non Current Financial Assets	19.7
	(g) Income Tax Assets (Net)	18.5
	(h) Deferred Tax Assets (Net)	15.6
	(i) Other Non Current Assets	61.3
	Total Non Current Assets	2,190.2
2.	Current Assets	
	(a) Inventories	415.5
	(b) Financial Assets	
	(i) Investments	784.4
	(ii) Trade Receivables	858.0
	(iii) Cash and Cash Equivalents	159.5
	(iv) Bank balances other than Cash and cash equivalents	65.2
	(v) Loans	3.3
	(vi) Other Financial Assets	43.5
	(c) Other Current Assets	56.5
	(e) Assets held for Sale	-
	Total Current Assets	2,386.0
	TOTAL ASSETS	4,576.2

PARTICULARS (INR Mn)		As at 31.03.2022
B	EQUITY AND LIABILITIES	
1.	EQUITY	
	(a) Equity Share Capital	304.4
	(b) Other Equity	3,300.3
	Total Equity	3,604.7
2.	LIABILITIES	
	Non Current Liabilities	
	(a) Financial Liabilities	
	(i) Lease liabilities	140.8
	(b) Deferred Tax Liabilities (Net)	100.0
	Total Non Current Liabilities	240.9
3.	Current Liabilities	
	(a) Financial Liabilities	
	(i) Borrowings	125.9
	(ii) Lease liabilities	27.8
	(iii) Trade Payables	
	Total Outstanding due of Micro Enterprises & Small Enterprises	150.4
	Total outstanding due of Creditors other than Micro Enterprises & Small Enterprises	157.8
	(iv) Other Financial Liabilities	171.1
	(b) Income tax liability (net)	47.9
	(c) Other Current Liabilities	41.6
	(d) Provisions	8.2
	Total Current Liabilities	730.6
	Total Liabilities	971.5
	TOTAL EQUITY AND LIABILITIES	4,576.2

Outlook:
FY23–25 (Medium Term)
FY23 (Near Term)

SJS – Outlook for FY23 - 25...(1/3)

1 Organic growth expected at ~25% CAGR, maintaining best in class margins

Capacity Expansion: Expand chrome plating capacity to meet higher demand pipeline

- Double the chrome plating capacity to support **revenues of Rs 300 Crs from the current Rs 130 Crs**
- **Expect capex of ~Rs 100 Crs (spread over 18-24 months)** to be funded internally through SJS cash flows and target **ROCE of ~20%**
- Higher capacity will also enable entry into global markets

Exports : Increasing global presence

- Increase presence in existing geographies and enter new geographies by leveraging strong customer relationships
- Strengthening our sales force in the international markets of Turkey, Brazil & Argentina and exploring similar opportunities in other countries

Products : Focus on development of new technologies & advanced products

- Intend to develop and introduce Illuminated logos, In Moulded Electronic (IME) parts and other new gen technologies
- Continue to build capabilities to innovate & develop new products & increase application of products across industries

Key Customers : Growing mega accounts

- Strengthen relationships with existing customers by expanding the array of products & building large mega accounts
- Increase customer base by marketing existing products to new customers
- Cross selling opportunities between SJS and Exotech



SJS – Outlook for FY23 - 25...(2/3)

2 Merger & Acquisitions

SJS successfully integrated Exotech business and demonstrated credible business improvement in Exotech's FY22 performance:

- ~50% YoY growth in Revenue, increasing from Rs 685 Mn to Rs 1,020 Mn
- Cost synergies & efficiency resulted in Exotech EBITDA margin expansion by 150+ bps YoY from 11.3% in FY21¹ to 12.8% in FY22

SJS will continue ahead with more business accretive acquisitions & the rationale for it will be:



Build capability in adjacent / new aesthetic product categories

Identified key product categories to enter / expand presence which include:

- IMD / IML
- IME (In-Mould Electronics)
- Plastic injection moulding



Expand presence in consumer related industries

Enter new segments and expand presence in other consumer related industries targeting

- Appliance manufacturers
- Hand held devices



Enter new geographies / OEMs for chrome plating

- Expand presence in chrome plating (largest segment) and increase cross selling opportunities
- Overcome logistics cost as bulky parts
- Provides direct entry into OEMs to support cross selling opportunities

SJS Management is actively evaluating opportunities and building an M&A pipeline to give an impetus to revenue growth over and above the organic growth of ~25%

SJS – Outlook for FY23 - 25...(3/3)

3 Future Leadership

Management plans to strengthen SJS' senior leadership team given the business plans for both organic and inorganic growth

New CEO

- Lead all business activities required to deliver on future guidance
- Joseph and Sanjay to continue to play executive leadership roles focussing on strategy, new product pipeline, merger integration and enhancing future growth potential of the business

New CFO

- To lead the finance function for the group and deliver on all stipulated financial requirements.
- CFO will also lead financial integration of future targets

Actively seeking to hire CEO and CFO to implement our strong business growth strategy

SJS – FY23 Outlook

End Segments	FY22 Industry Domestic Vol Growth	FY23E Industry Domestic Vol Growth	Contribution to SJS Revenue
Two Wheelers	(10.9%)	15.6%	43.3%
Passenger Vehicle	13.2%	19.0%	28.8%

- ❖ **SJS expects ~25% YoY revenue growth** on account of expected positive outlook for 2W, PV and Consumer Durables
 - Premiumisation + New Customer Wins + Exports = **Higher sales growth for SJS than industry**
 - **High Visibility:** Current order book to be executed in FY23 is **~80-85% of FY23** forecasted revenue
- ❖ Strong moat, strong margin profile and expected operating leverage to **drive PAT growth of ~30% YoY and going ahead**



THANK YOU

IR Contact

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