



S.J.S ENTERPRISES LIMITED

Q1FY23 EARNINGS PRESENTATION

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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. Earlier worked 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

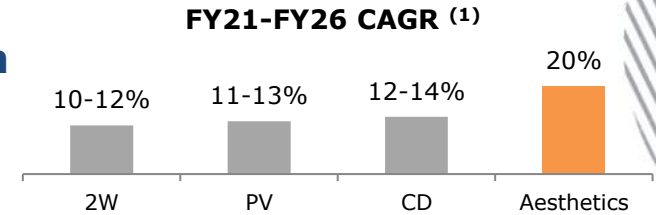
About SJS Enterprises

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 1,031.7 Mn
Q1FY23 Revenue ⁽²⁾



11

product categories ⁽³⁾ including chrome plated parts

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

2

3

“Design” to delivery” aesthetics solution provider



~123 Mn

Total parts Supplied (FY22)

~6,000

SKUs (FY22)

21

Countries exported to

Strong manufacturing footprint and global distribution capabilities

4

5

Long-standing customer relationships

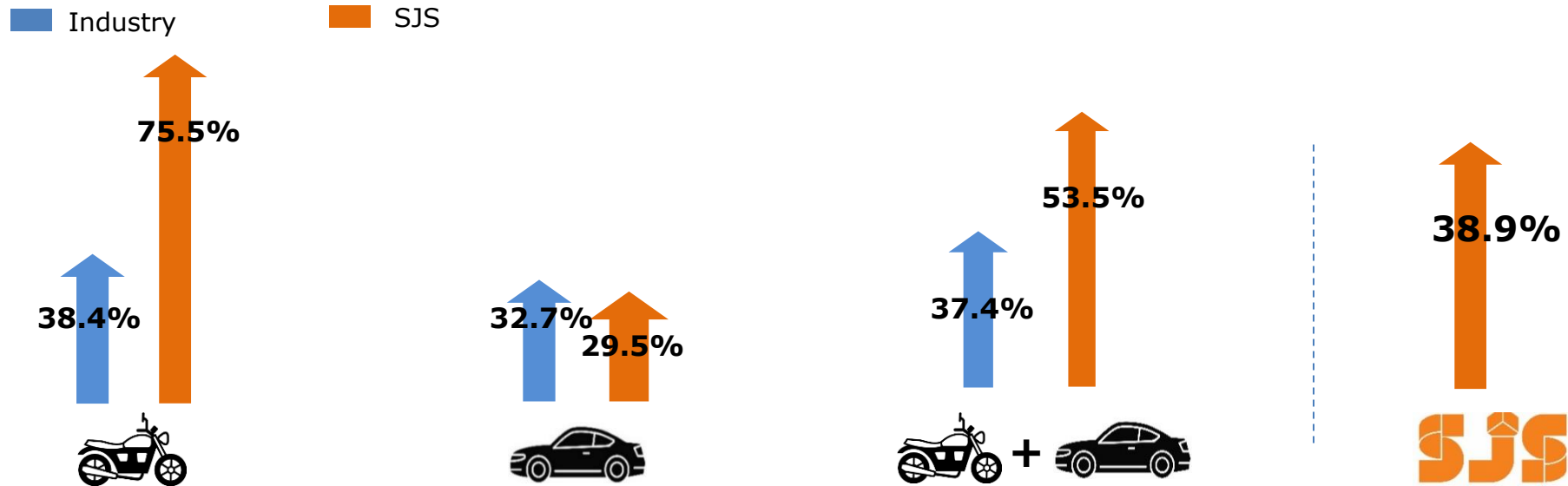
~175+
Customer Locations
(as on 31st Mar 2022)

~15 yrs
Average length of relationship with 10 largest customers

Note: (1) as per CRISIL Research ; (2) Consolidated revenue from operations; (3) Decals, 2D/ 3D appliques and dials, 3D lux badges, domes, overlays, aluminium badges, IML/IMDs, lens mask assembly, optical plastics and chrome-plated plastic parts; (4) 2W- Two Wheeler; PV – Passenger Vehicle; CD – Consumer Durables; CV: Commercial Vehicles; (5) As on Mar 31, 2021 as per CRISIL Research

SJS Outperformed Auto Industry on Y-o-Y basis

Q1FY23 - Industry Production Volume¹ v/s SJS YoY Sales



Industry Scenario

- Sequentially, SJS domestic sales were largely in line with 2W and PV industry production
 - Going ahead domestic 2W & PV industry outlook is positive with improving chip availability and expectations of pickup during festive season
- Exports were impacted on account of: (a) Russia Ukraine war leading to lower demand as well as supply chain constraints of raw materials in EMEA region; and (b) rising fuel prices globally and inflationary environment
 - Export volume outlook remains strong over the medium-term

Despite QoQ impact on exports, SJS maintained Q4FY22 sales momentum

Q1FY23 Business & Financial Highlights

Q1FY23 Financial Performance (Consolidated)

 **39%**
YoY growth

Revenue at Rs 1,031.7 Mn
–surpassed 2W and PV
industry productions
combined growth of 37.4%
YoY

 **50%**
YoY growth

EBITDA at Rs 278.2 Mn,
despite inflationary
environment, on back of
strong operational efficiencies;
Strong margins of 26.4%

 **71%**
YoY growth

Net Profit at Rs 162.1
Mn, with a **margin of
15.4%**

2W and PV witnessed
strong **YoY growth of 75%
and 29%** respectively;
Overall Domestic sales
clocked strong YoY **growth
of 58%**

Strong Cash & Bank
position with **Rs 1158.9 Mn**
as on 30th June 2022;
Low leverage with **net debt
at zero**

Q2FY23 started on a robust note, as we **achieved revenue of around Rs 380 Mn*** in **July'22** on back of improvement in customer demand;
We are on track to meet our FY23 YoY growth rate of 25%

Q1FY23 Business Highlights (1/2)

We are just getting Started...

Current order book is ~90% of FY23 forecasted revenue

Key Customers: Growing mega accounts & driving exports

- **Expanded business in USA by winning business from 2 new plants of Whirlpool**
- **Entered a new country – Argentina with new order win from Alladio, a leading manufacturer of domestic appliances in Latin America**
- SJS continued growing business with mega accounts by winning new orders from **Continental, Marelli, Stellantis and Whirlpool etc**
- **Exotech won its first business in exports market** by cross selling chrome plated parts to Whirlpool

Products : Focus on new product development and technologies

- SJS continued to demonstrate strong NPD capabilities, helping it secure additional orders from customers due to its QCDD (Quality, Cost, Design & Delivery) capability
- Our customers recognize our support as partners – **SJS won the award for excellence in New Product Development from Honda Motorcycle & Scooter India** at their Annual Supplier Conference

Robust margins

- Despite input cost increases and supply chain constraints, SJS expanded EBITDA & PAT margins
- **Strong focus on VAVE measures and operational efficiency improvement initiatives**

We are in the process of acquiring a ~7.5 acres land at Pune to expand our chrome plating capacity

Q1FY23 Business Highlights (2/2)

Key Customer Addition



ARGENTINA



OHIO, USA



ELECTRIC VEHICLES

Entered 2 new locations



ARGENTINA

OHIO, USA



Key Business Projects Won



Q1FY23 Consolidated P&L

Particulars (INR Mn)	Quarter Ended		
	30-Jun-22	31-Mar-22	30-Jun-21
Income			
Revenue from Operations	1031.7	1041.1	742.7
Other Income	23.3	12.4	10.3
Total Income	1055.0	1053.5	752.9
Expenses			
Cost of raw materials consumed	489.6	465.3	320.2
Changes in inventory of finished goods, WIP and stores and spares	-40.0	7.4	-11.1
Employee benefits expenses	136.3	132.1	120.0
Other Expenses	190.9	181.7	138.1
Total Expenses	776.8	786.5	567.1
EBITDA	278.2	267.0	185.9
<i>EBITDA Margin %</i>	<i>26.4%</i>	<i>25.3%</i>	<i>24.7%</i>
Finance Costs	6.9	7.7	7.2
Depreciation & Amortisation Expenses	55.2	54.1	51.1
Profit Before Tax	216.2	205.2	127.6
Tax Expenses			
Current Tax	60.5	55.8	38.8
Deferred Tax (credit)/ charge	-6.4	-4.2	-6.1
Total Tax expense	54.1	51.6	32.7
Profit for the year	162.1	153.6	95.0
<i>Profit Margin %</i>	<i>15.4%</i>	<i>14.6%</i>	<i>12.6%</i>

Despite inflationary trends
EBITDA Margins improved 170
bps YoY and 106 bps QoQ

PAT Margin improved 280 bps
YoY and 82 bps QoQ

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

SJS – Outlook for FY23 - 25...(1/2)

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 capacity**
- **Expect capex of ~Rs 100 Crs (spread over 18-24 months)** to be funded largely 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...(2/2)

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 70 bps YoY from 12.2% 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 / painting



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 (one of the largest segment for aesthetics parts)
- Reduces logistics costs for 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 – FY23 Outlook

End Segments	FY22 Industry Domestic Vol Growth	FY23E Industry Domestic Vol Growth	Contribution to SJS Revenue (FY22)
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 **~90% 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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