

SJS Enterprises Limited
Q1FY24 EARNINGS PRESENTATION



Creating
Possibilities

Certain statements made in this presentation relating to the Company's objectives, projections, outlook, expectations, estimates, among others may constitute 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections etc., whether express or implied. These forward-looking statements are based on various assumptions, expectations and other factors which are not limited to, risk and uncertainties regarding fluctuations in earnings, competitive intensity, pricing environment in the market, economic conditions affecting demand and supply, change in input costs, ability to maintain and manage key customer relationships and supply chain sources, new or changed priorities of trade, significant changes in political stability in India and globally, government regulations and taxation, climatic conditions, natural calamity, commodity price fluctuations, currency rate fluctuations, litigation among others over which the Company does not have any direct control. These factors may affect our ability to successfully implement our business strategy. The company cannot, therefore, guarantee that the 'forward-looking' statements made herein shall be realized. The Company, may alter, amend, modify or make necessary corrective changes in any manner to any such forward looking statement contained herein or make written or oral forward-looking statements as may be required from time to time on the basis of subsequent developments and events



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
CEO & Executive Director

- 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



MAHENDRA NAREDI
Chief Financial Officer

- 20+ years of experience in financial management, key accounting & financial analysis, FP&A, fundraising, M&As, legal & compliances, and strategy.
- Previously worked in Minda Corporation, Wipro & GE
- Bachelor's degree in Law & Commerce from Rajasthan University, Chartered Accountant and Company Secretary from ICAI and ICSI




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

Overview


Key Facts




Rs 1,172.5 Mn
Revenue Q1FY24



26.1%
EBITDA margin Q1FY24



4
Production facilities
(Bangalore, Pune, Manesar)



~2,400
Workforce

22
Countries served

175+
Customer locations
(Mar'22)

6,700+
SKUs
(FY23)

136 Mn
Parts supplied
(FY23)

Established market leader in an attractive business segment

Operates in the high value-add aesthetics market across multiple consumer-oriented end industries; increased focus on aesthetics and premium content creating opportunity throughout the component supply chain: SJS well-positioned to capitalize on the trends

Differentiated, comprehensive product portfolio

Leading edge technologies and a wide product suite including decals, appliques/dials, overlays, logos/3D lux, aluminium badges, in-mold decoratives (IMD), optical plastics and lens mask covers for diverse applications

Legacy of technology and innovation: in-house design / development

Strong in-house design and engineering capabilities and innovation track record across products, technologies and materials; history of new product development and successful commercialization supported by a dedicated R&D team

Long-standing core customer base consisting of leading OEMs

Partner, co-creator and supplier of choice to several leading OEMs in the automotive and consumer durables industry; dominant share of business in India and focused strategy to increase global presence

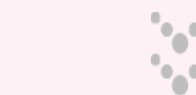
Well-invested, lean operations designed to support multi-fold revenue

New state-of-the-art manufacturing facility at SJS commissioned in 2018 to support future growth

Market leadership in India for Aesthetic Products



Demonstrated product portfolio expansion



Design-backed new product development



Entrenched customer relationships



Q1FY24 Business & Financial Highlights



- **SJS automotive segment (2W+PV) grew at 18.6% YoY**, compared to 2.3% YoY growth in auto industry production volumes during the quarter



- **Total Revenue at Rs 1,172.5 mn**, 13.6% YoY growth



- Continue to generate strong cash flows & have a **robust cash & cash equivalents¹ at Rs 2,849.7 Mn**



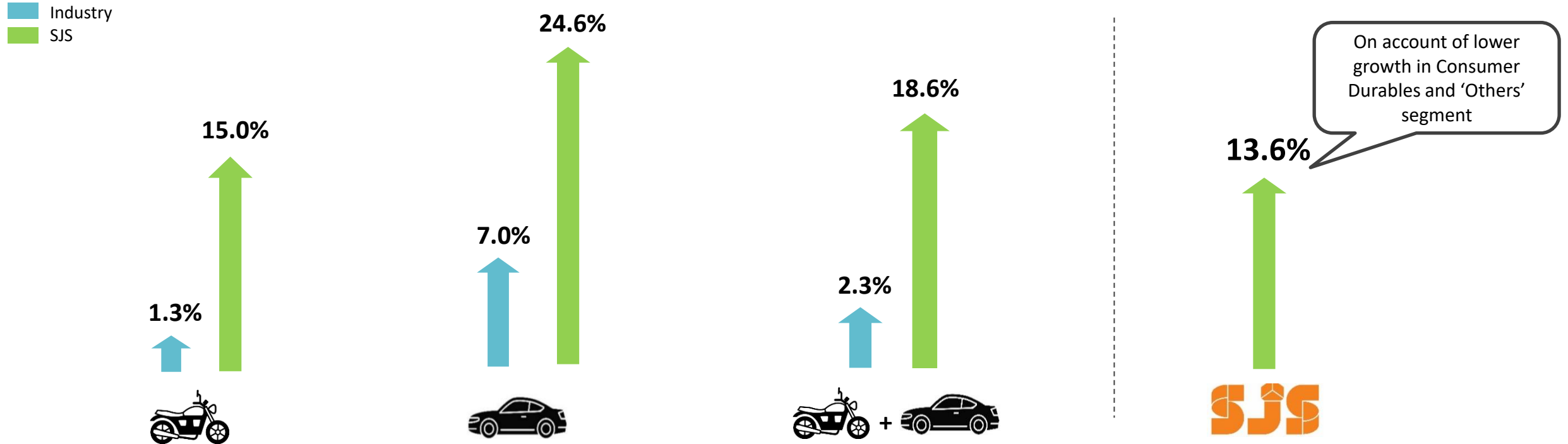
- Added **Toyota Tsusho & Autoliv** as new customers in automobile segment



- **Extended coverage of Swachh Bharat initiative for garbage cleaning from 7 to 12 surrounding villages**

July'23 - SJS completes acquisition of 90.1% stake in Walter Pack India (WPI) for a consideration of Rs 2,393 Mn

Q1FY24 - Industry Production Volume¹ v/s SJS YoY Sales²



Q1FY24 SJS exports revenue almost doubled YoY on account of new business wins and recovery in European market

Note: 1) Industry Production Volumes are production in India; 2) For SJS YoY Sales it is Consolidated numbers

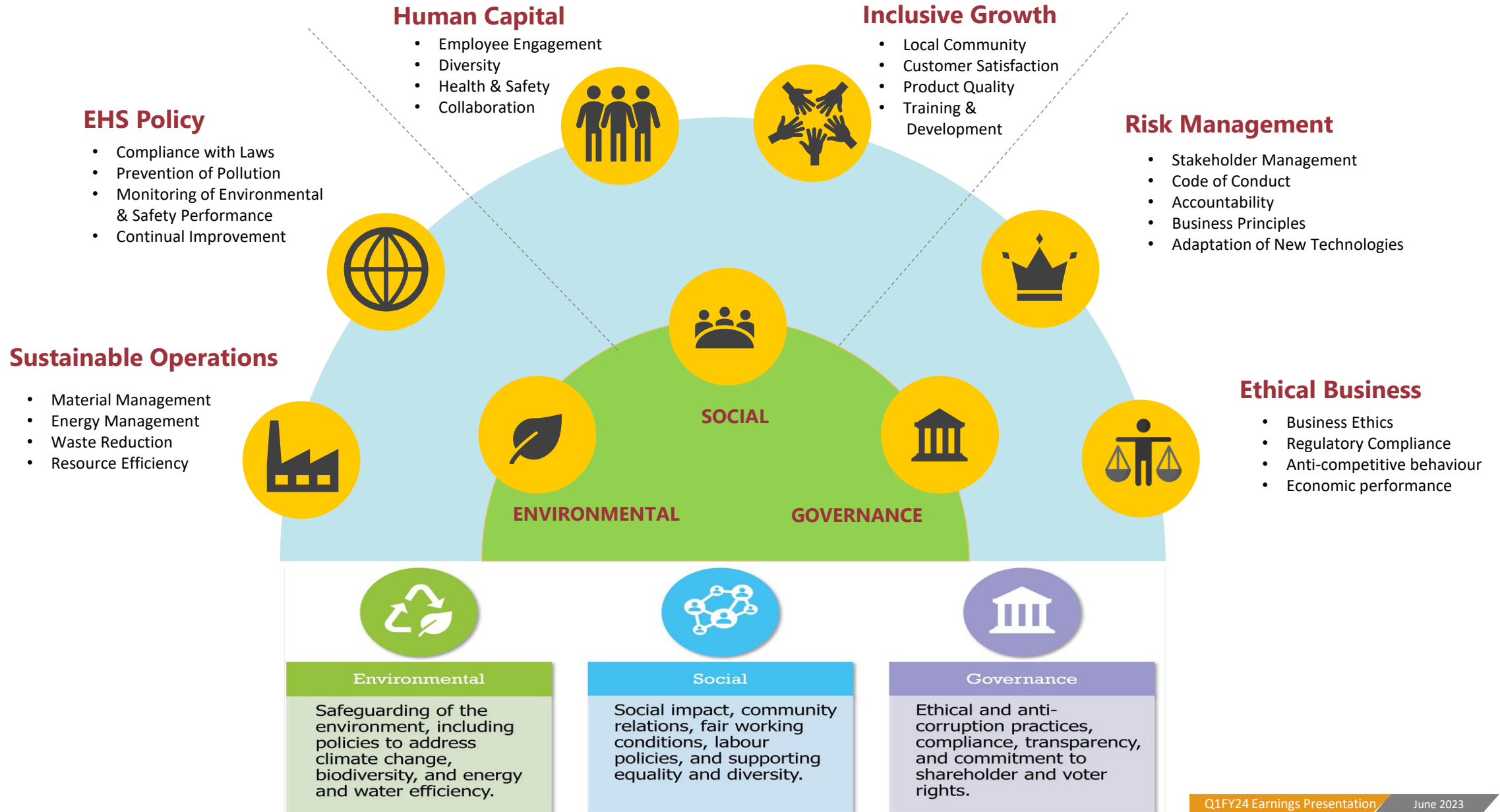
Strong growth story continues...

Growing Mega Accounts
- Key Business Projects Won



Adding New Customers






Extended coverage of Swachh Bharat initiative for garbage cleaning from 7 to 12 surrounding villages




SJS sponsored, para climber – Manikandan won Bronze medal at IFSC Para climbing World Cup in Switzerland




Picking up pace...


13.6%
YoY growth

- **Revenue*** at Rs 1,172.5 Mn on account of **24.6% and 15.0% YoY growth** in PV and 2W segment respectively - **outperforming the underlying industry**


12.8%
YoY growth

- **EBITDA*** at Rs 313.8 Mn, EBITDA margins of **26.1%**,


11.1%
YoY growth

- **Net Profit*** at Rs 180.0 Mn, with a **margin of 15.4%**

- **Overall Domestic sales** clocked **8.4% YoY growth**; on back of **13.6% & 14.5% YoY growth** in **PV & 2W** segment respectively - **outperforming the underlying industry**

Particulars (INR in Mn)	Q1FY24	Q1FY23	YoY%	Q4FY23	QoQ%	Q1FY24 Proforma ¹	YoY%
Operating Revenue	1172.5	1031.7	13.6%	1065.7	10.0%	1528.7	48.2%
EBITDA	313.8	278.2	12.8%	271.8	15.5%	426.5	53.3%
EBITDA Margin %	26.1%	26.4%		24.8%		27.3%	
Reported PAT	180.0	162.1	11.1%	153.8	17.0%	246.5	52.1%
PAT Margin %	15.4%	15.7%		14.4%		16.1%	
EPS	5.90	5.33	10.8%	5.05	16.7%	8.08²	51.8%

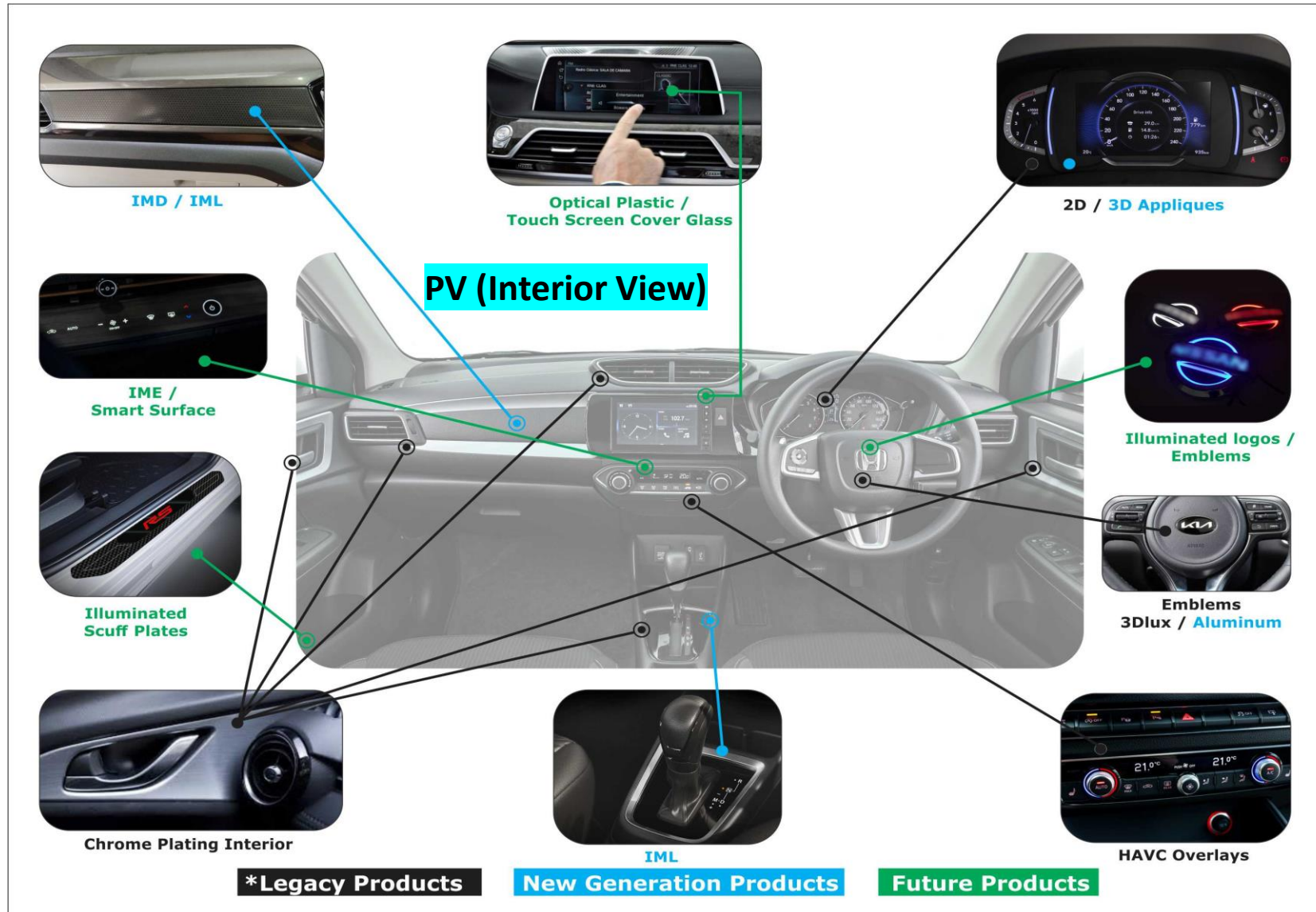
- Q1FY24 financials indicate 13.6% YoY revenue growth and PAT growth of 11.1% YoY, leading to 10.8% YoY growth in EPS
- However, Q1FY24 Proforma (incl WPI) financials indicate 48.2% YoY revenue growth and PAT growth² of 52.1% YoY, leading to 51.8% YoY growth in EPS²
- Q1FY24 Proforma EPS² is 37.0% higher than Q1FY24 Reported EPS, highlighting that addition of WPI is EPS accretive

Note: 1) Q1FY24 Proforma includes 90.1% consolidation for WPI (as per Indian GAAP); 2) PAT & EPS for Q1FY24 Proforma does not include interest cost of acquisition which will be effective from Q2FY24 onwards. Had the effect of lower Other Income and higher interest cost on loan for WPI acquisition been effective in Q1FY24, it would have led to a Q1 Proforma EPS growth of ~21% over Q1FY24 Reported EPS



Future Growth Outlook

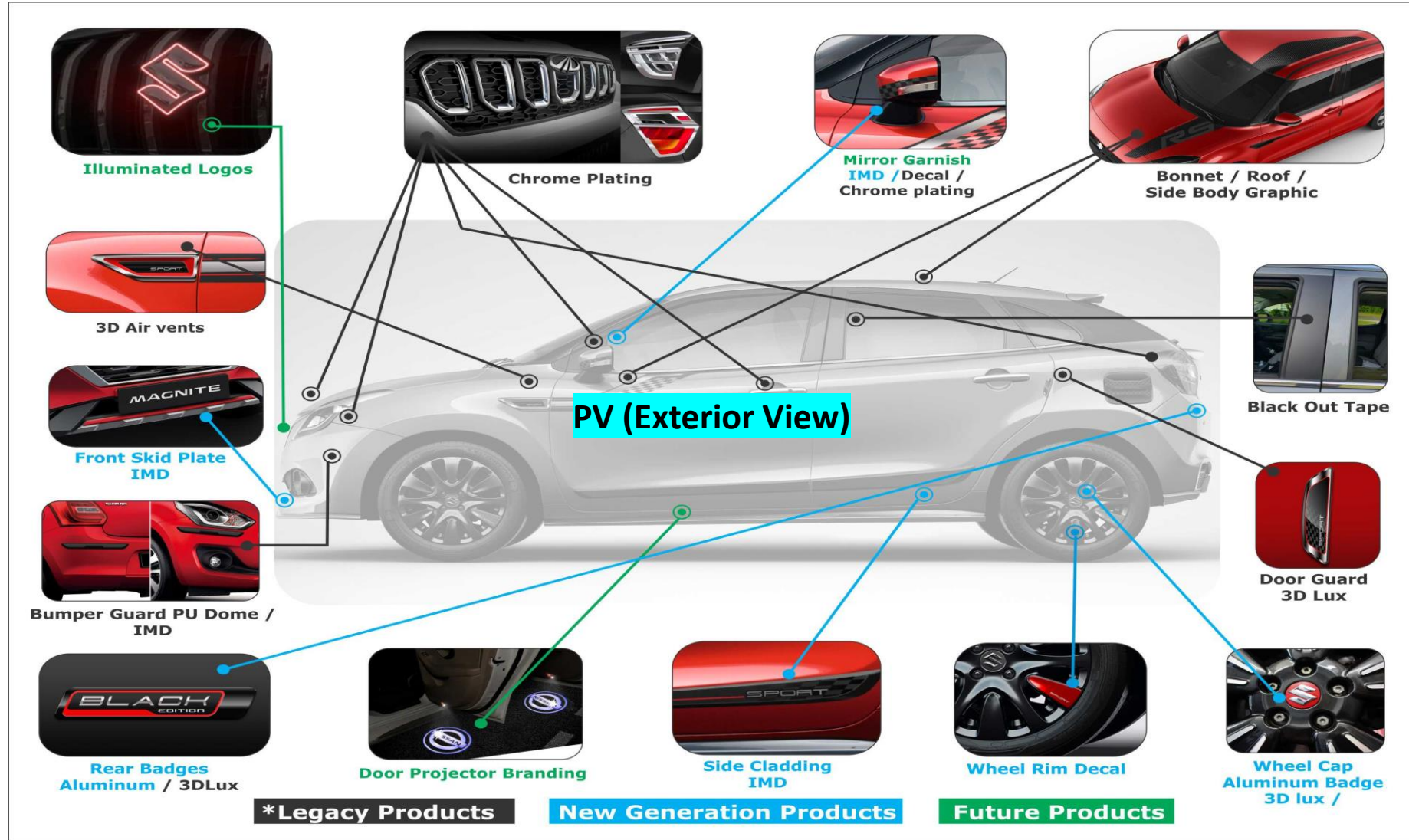
Transforming SJS with a well diversified product suite addressing every requirement of varied customer base



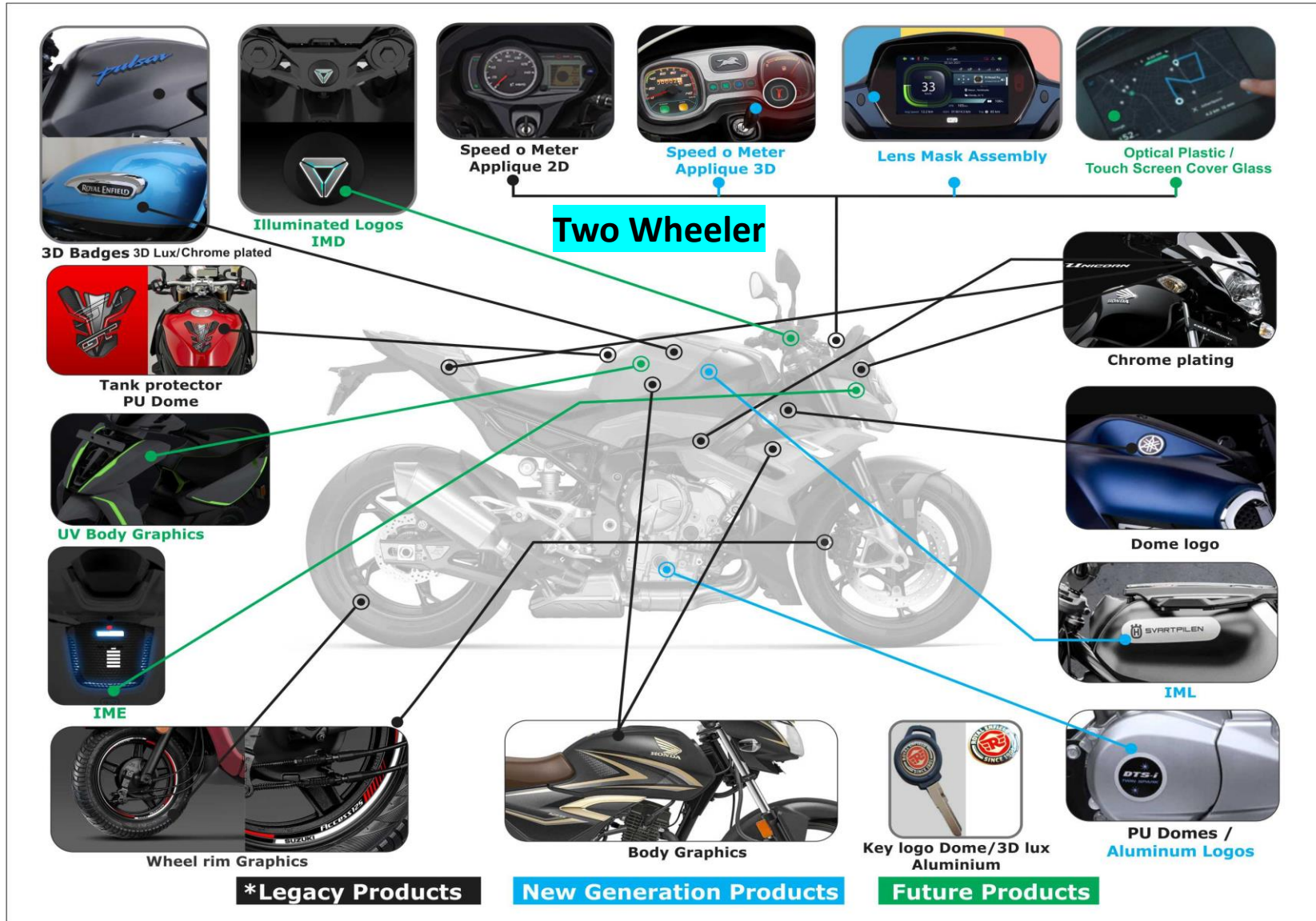
Rs 1200 – 1500
Per vehicle
Legacy Kit Value

3 - 4x growth
Per vehicle
Future Kit Value

Transforming SJS with a well diversified product suite addressing every requirement of varied customer base



Transforming SJS with a well diversified product suite addressing every requirement of varied customer base



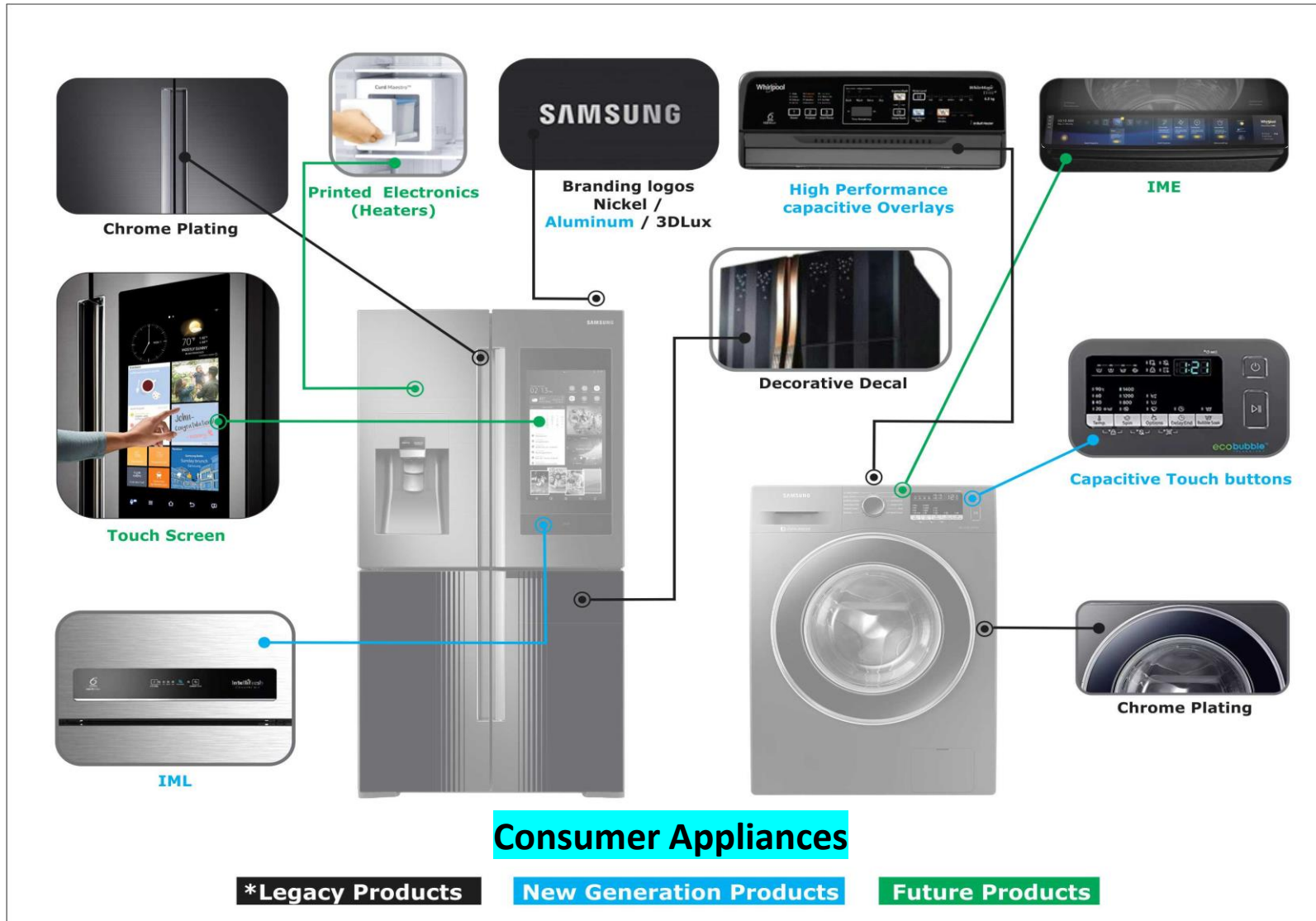
Rs 300 - 500
Per vehicle

Legacy Kit Value

1.5 - 2x
growth
Per vehicle

Future Kit Value

Transforming SJS with a well diversified product suite addressing every requirement of varied customer base



Rs 50 - 150
Per appliance

Legacy Kit Value

3 - 4x
growth
Per appliance

Future Kit Value

Strategy for organic growth over FY24-26



Exports : Increasing global presence

- Penetrate deeper in existing geographies and enter new geographies
- Strong focus on expanding presence in ASEAN
- Strengthening our sales force in Turkey, Brazil, Argentina and Columbia 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

- Building mega accounts with existing customers by expanding the array of products
- Increase customer base by marketing existing products to new customers and explore cross selling opportunities between SJS and Exotech



Chrome Plating : Increase chrome plating capacity through debottlenecking and partnerships

- Increasing capacity at the existing plant through debottlenecking and partnering with external chrome plating manufacturers
- Greenfield chrome plating expansion plan to be finalized in CY24 after assessing synergies with neighbouring WPI plant

Merger & Acquisitions Strategy

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

- **20.0% YoY growth in Revenue**, increasing from Rs 298.3 Mn to Rs 356.7 Mn in Q1FY24.
- Cost synergies & efficiency resulted in **Exotech EBITDA margin expansion by 145 bps YoY** from 12.0% in Q1FY23 to 13.5% in Q1FY24.
- **Continuous improvement initiatives led to a cumulative expansion in EBITDA margins by ~300 bps from FY21¹ to FY23.**



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
- Consumer electricals



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

WPI to aid in revenue growth acceleration and will be EPS accretive from FY24 itself

Note: 1) FY21 EBITDA Margins is excluding one time gain on sale of land to the extent of Rs 53.83 Mn

- **SJS will continue to outperform the industry** with gradual recovery in exports and domestic 2W markets
- **SJS expects over 50% YoY revenue growth** on account of expected positive outlook for 2W, PV and Consumer Durables
 - Premiumisation + New Customer Wins + Exports + WPI Acquisition = **Higher than industry sales growth for SJS**
- High visibility : Current **order book** to be executed **in FY24 is over 90% of FY24 forecasted revenue**
- SJS expects **WPI acquisition to be significantly EPS accretive** in current year itself. WPI would add incremental scale to SJS given WPI's EBITDA is approximately one-third of SJS' EBITDA
- Robust margin profile of business and WPI acquisition to **drive PAT growth of ~40% YoY for FY24** as we balance higher growth with margins

Q1FY24 Performance (INR Mn)		YoY Growth %
Revenue	1,172.5	13.6%
EBITDA*	313.8	12.8%
EBITDA margin	26.1%	
PAT *	180.0	11.1%
PAT Margin	15.4%	



- Continue to maintain best-in-class margins
- Strong cash flow generation leading to cash and equivalents balance of Rs 2,849.7 Mn in Q1FY24

Q1FY24 Earnings Call Invite

SJS Enterprises Limited (BSE: 543387) announced its results for the quarter ended June 30, 2023, on July 26th, 2023. Following the announcement, the management team will host a conference call for investors and analysts on July 27th, 2023, at 11:00 AM IST. The call will commence with a brief discussion on the previous quarter’s performance followed by an interactive question and answer session. Call details are below:

Date	27th July, 2023
Time	11:00 AM IST 01:30 PM HK/SG 06:30 AM UK (London) 01:30 AM EST USA
Duration	60 minutes
Universal Dial in	+91 22 6280 1366 +91 22 7115 8267
International Toll Free	HK: 800 964 448 SG: 800 101 2045 UK: 0 808 101 1573 USA: 1 866 746 2133
Diamond Pass Link	Diamond Pass Registration (choruscall.in)

Note: Please dial in at least 10 minutes prior to the schedule to ensure that you are connected in time. Audio and transcript will be available within ten working days after the call on Investors page of company website (www.sjsindia.com).

For further information, please contact: Devanshi Dhruva | devanshi@sjsindia.com

THANK YOU

IR Contact

Ms. Devanshi Dhruva | Head - Investor Relations
devanshi@sjsindia.com

Appendix

SJS | Longstanding history of design backed manufacturing excellence



Evolution into a leading design and aesthetics focused business

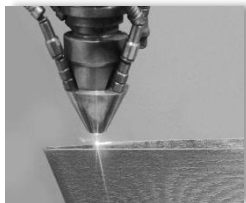


1987

SJS founded by three entrepreneurs

2006

Joint Venture with Serigraph, a US based commercial printing player



2010-14

New product addition in premium segment – 3D Lux etc.



2015

Everstone Capital acquired a majority stake; exit by Serigraph



2015-17

Entry into new product lines - IMD parts, aluminum & electro formed badges



2018

New manufacturing facility commissioned with 225,000 sq.ft. area and significant capacity boost

2019-20

Introduced premium / technologically advanced products (formed dials, Optical plastics, lens mask assemblies) and expanded PV customer base with new product range



2021

Exotech Plastics Acquisition completed to further complement product suite with addition of chrome products

2023

Walter Pack India Acquired 90.1% stake in WPI. Focused on IMF, IML, IMD and IME technologies for automotive and appliance sectors

Decals & Body Graphics



2D Appliques & Dials



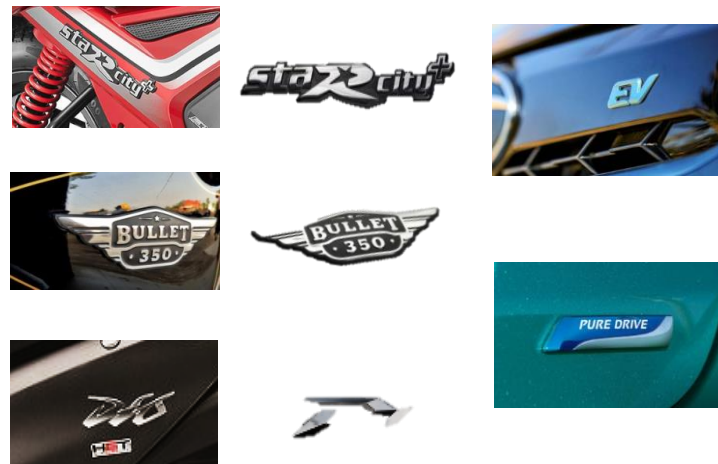
Domes



3D Appliques & Dials



3D Lux Badges



Aluminium Badges



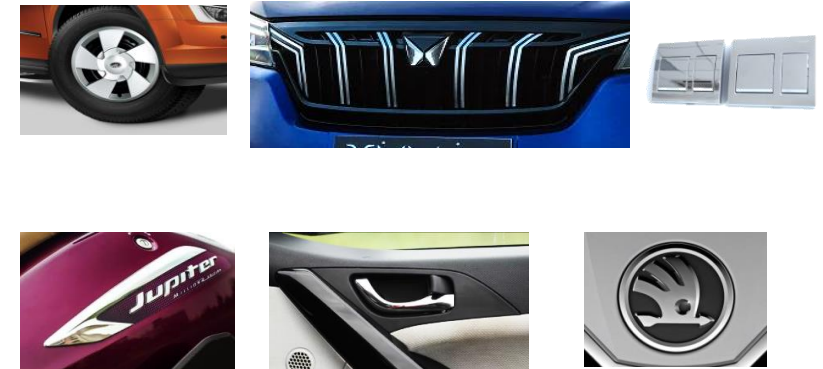
Overlays



Lens Mask Assembly



Chrome plated parts



IMLs / IMDs



Optical Plastics



Without Anti glare/ Anti Reflection

With Anti glare/ Anti Reflection

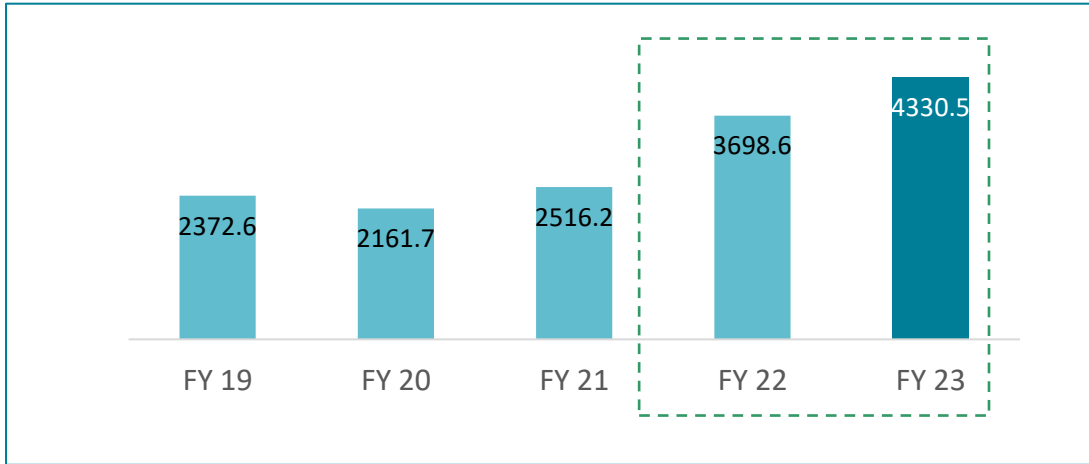
Aftermarket – “Transform”



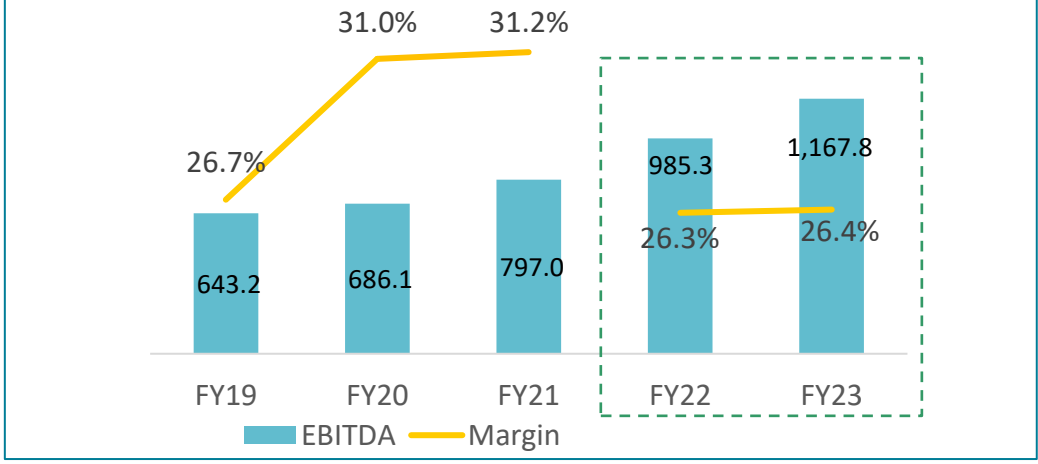
SJS | Superior financial metrics and resilient business model



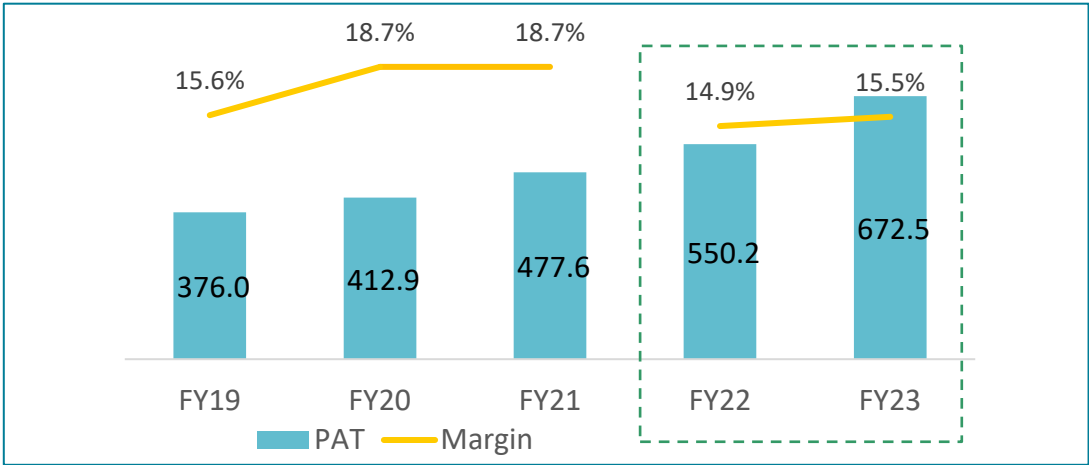
Revenue from Operation (INR Mn)



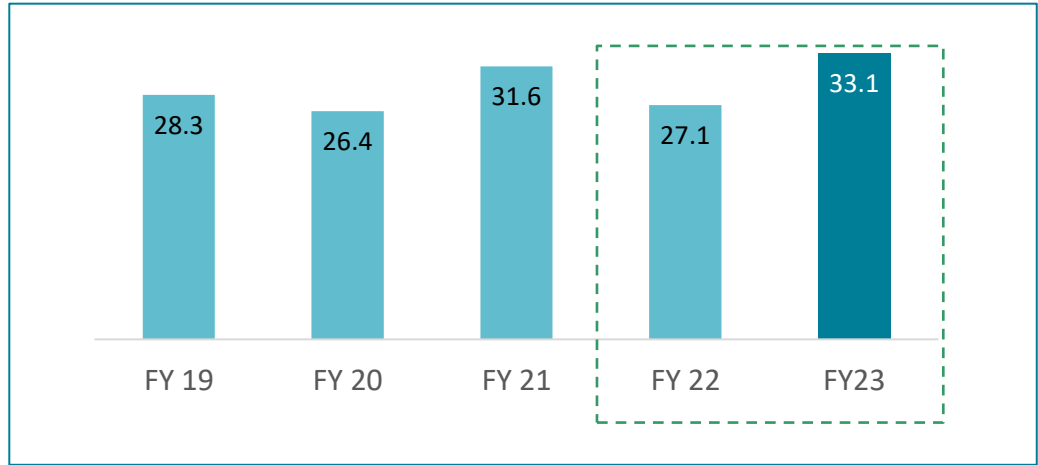
EBITDA (INR Mn) and EBITDA Margin (%)



PAT (INR Mn) and PAT Margin (%)



ROCE (%)



Note: FY22 and FY23 figures consolidated for SJS and Exotech (Reported financials)

SJS | Experienced & Qualified Board & Management Team



K A Joseph

Managing Director – Promoter & Co-founder

- ❖ More than 34 years of experience in aesthetics printing business
- ❖ Leads the manufacturing operations for the Company and has spearheaded technological and product innovation over the years
- ❖ Also a director on the board of Exotech



Ramesh Chandra Jain

Non-Exec Chairman & Independent Director

- ❖ Worked for 25 years in Eicher & retired as group vice chairman
- ❖ Received the Society of British Aerospace Companies Prize in Aircraft Production, 1972-73 from the Cranfield University,

Board of Directors



Sanjay Thapar

Executive Director and CEO

- ❖ Over 30 years of experience in the auto industry
- ❖ Previously Group Chief Strategy Officer with Ashok Minda Group; MD of Minda Valeo Security Systems



Kevin K. Joseph

Executive Director

- ❖ Holds a bachelor's degree in mechanical engineering
- ❖ Previously worked with Tata Elxsi Limited as a senior design engineer



Matthias Frenzel

Non-Executive & Independent Director

- ❖ Previously worked with Visteon Electronics Germany GmbH, S-Y Systems Technologies Europe GmbH and Johnson Controls GmbH



Vishal Sharma

Nominee Director

- ❖ MD - investments and operations with Everstone Capital Advisors Private Limited
- ❖ Previously worked with BCG India ⁽¹⁾; Sapient Corp (now known as Publicis Sapient)



Kazi Arif Uz Zaman

Nominee Director

- ❖ Ex-MD – private equity with Everstone Capital
- ❖ Presently a partner of GestAlt Network LLP



Veni Thapar

Non-Executive Independent Director

- ❖ Presently a partner of V K Thapar & Company, Chartered Accountants
- ❖ Was on the board of Bank of India as a part-time, non-official director under the CA ⁽²⁾ category

KMPs



Mahendra Naredi

Chief Financial Officer

- ❖ 20+ years of experience in financial management and analysis, key accounting and strategy. Previously worked in Minda Corp, Wipro & GE



R. Raju

Chief Marketing Officer

- ❖ Has over 22 years of experience in the field of marketing; Previously worked with ITW India Limited, ITW Signode India Limited etc.



Sadashiva Baligar

Chief Operation Officer

- ❖ Previously worked with Motherson Automotive Technologies, Automotive Manufacturers (Malaysia) SDN BHD, Toyota Kirloskar etc.

Note: ⁽¹⁾ BCG India – Boston Consulting Group (India) Private Limited; ⁽²⁾ Chartered Accountant