

SJS Enterprises Limited
Q2 & H1FY24 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 2,804 Mn
Revenue H1FY24



25.0%
Adj.EBITDA margin H1FY24



4
Production facilities
(Bangalore, Pune, Manesar)



~2,400
Workforce

22
Countries served

175+
Customer locations
(Mar'23)

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



Q2 & H1FY24 Business & Financial Highlights



- **SJS automotive business (2W+PV) grew at 25.2% YoY**, compared to (0.3%) YoY degrowth in auto industry production volumes during the quarter



- **Total Revenue at Rs 1,631.8 mn, 39.5% YoY growth**, primarily on back of WPI addition



- **Cash & Cash equivalent stands at Rs 238.5 Mn** as on 30th Sep'23
- **Net Debt at Rs 599.4 Mn** on account of WPI acquisition



- Added **Lear Corporation** and other ODMs like Neolync, GDN Enterprises and Foxconn Technologies as new customers to supply to **telecom segment**



- **Mr. K. A Joseph won the SPAI FESPA¹ - Lifetime Achievement Award**, sponsored by Fujifilm Sericol India 2023

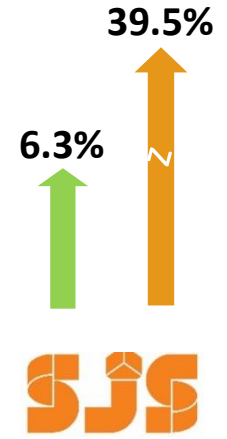
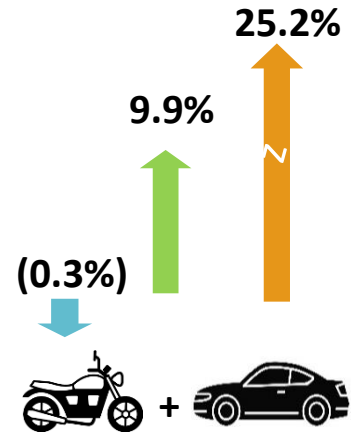
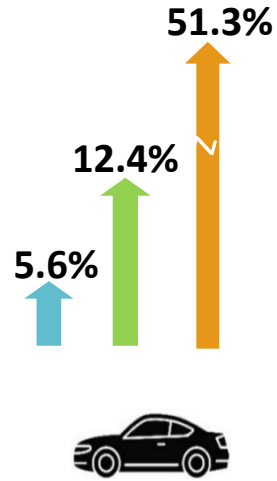
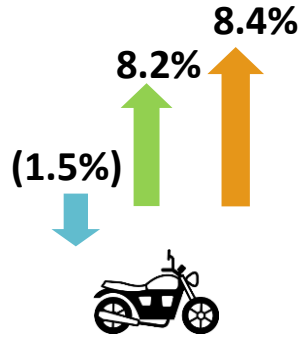
July'23 - SJS completed acquisition of 90.1% stake in Walter Pack India (WPI) for a consideration of Rs 2,393 Mn

SJS | Outperforming the Industry Growth for 16th consecutive quarter

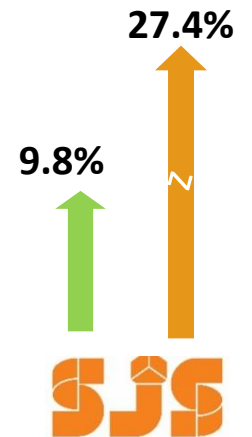
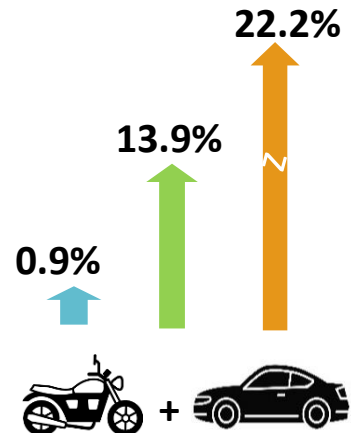
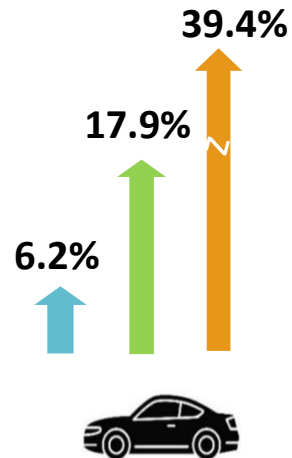
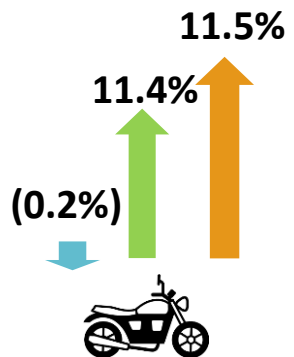


Q2FY24 - Industry Production Volume¹ v/s SJS YoY Sales²

- Industry
- SJS + Exotech
- SJS Consol (incl WPI)



H1FY24 - Industry Production Volume¹ v/s SJS YoY Sales²



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



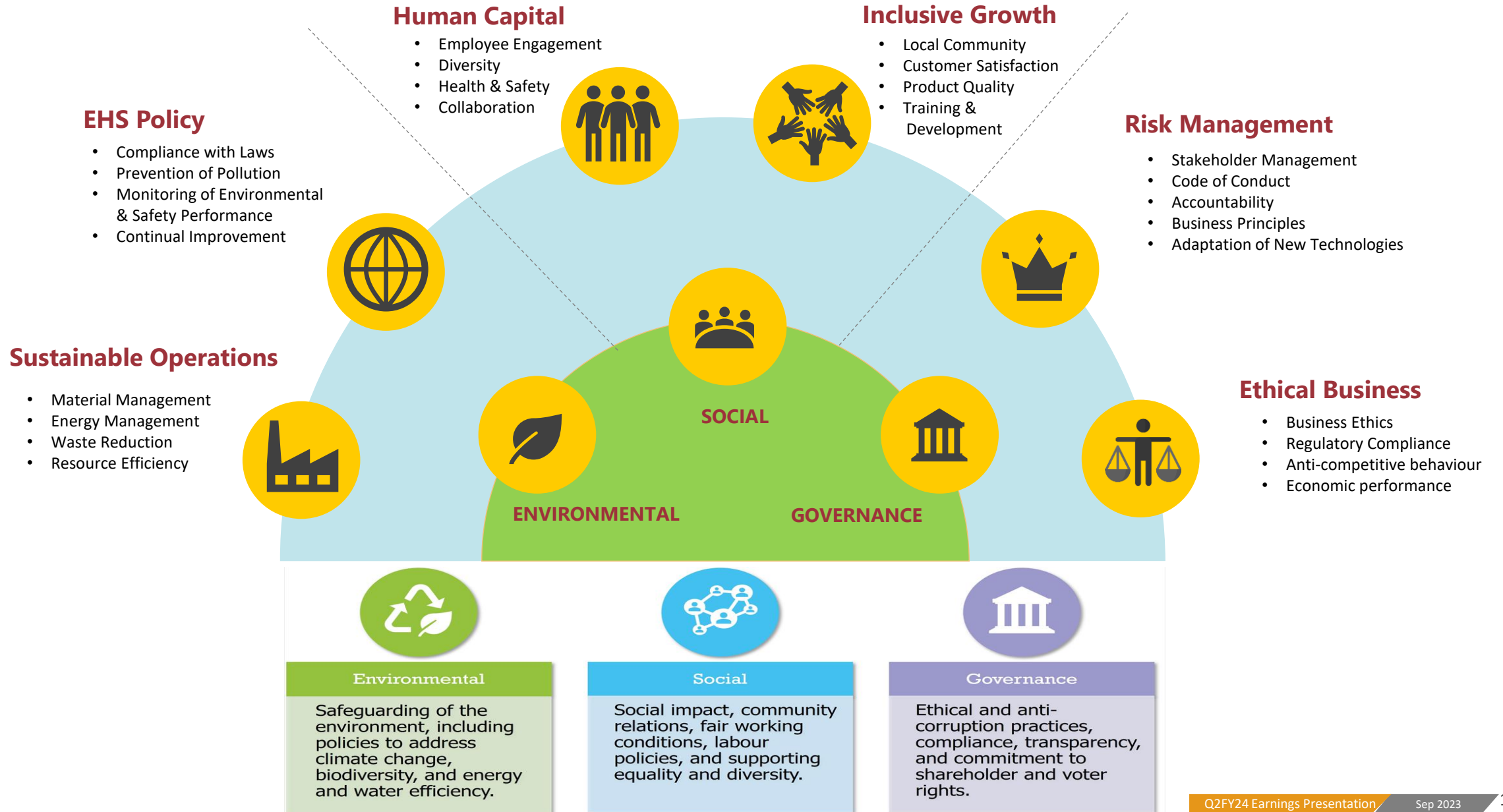
Adding New Customers



Mr. K. A Joseph won the SPAI FESPA¹ - Lifetime Achievement Award sponsored by Fujifilm Sericol India 2023 in appreciation of the yeoman service rendered in the industry with a visionary leadership and extraordinary achievements



Note: 1) SPAI FESPA : Screen Printing Association of India – Federation of European Screen Printers Association





Improved lives of thousands of people **across 20 villages** by providing them hygienic environment to live in through our **garbage cleaning initiative (of the 20 villages, added 8 villages during Q2)**



Let's Feed the Needy organization provides daily meals to people in need at various places like railway station, bus stand, roads, orphan centers etc and SJS supports this initiative in every manner



- **SJS sponsors Mr. Kumar Manikandan**, a paralympic athlete to compete on global platforms since past 6 years
- He won a **bronze medal at the IFSC Para climbing world championship** in Switzerland, August 2023



Children of migrant labour were provided education, books, reading & writing materials free of cost by Kumarappa Institute of Gram Swaraj whom SJS has been supporting since 7 years



Organic business performance

Particulars (INR in Mn)	Q2FY24 Reported	Q2FY24 ¹	Q2FY23	YoY%	Q1FY24	QoQ%	H1FY24 ¹	H1FY23	YoY%
Operating Revenue	1,243.3	1,243.3	1,169.4	6.3%	1,172.5	6.0%	2,415.7	2,201.1	9.8%
Adj. EBITDA ²	327.7	349.2	333.8	4.6%	313.8	11.3%	663.0	612.0	8.3%
Adj. EBITDA Margin %	26.0%	27.7%	28.0%		26.1%		26.9%	27.2%	
Adj. PAT ²	194.6	209.7	199.5	5.1%	180.0	16.5%	389.7	361.6	7.8%
Adj. PAT Margin %	15.7%	16.9%	17.1%		15.4%		16.1%	16.4%	

- Revenue growth was higher than the underlying industry growth
- Consistently maintaining **strong EBITDA & PAT margins** in organic business
- Adj. PAT impacted on account of lower Other Income which was Rs 23.5 Mn in Q2FY23 and Rs 16.8 Mn in Q2FY24, higher interest cost to the tune of Rs 11.1 Mn for WPI acquisition, as well as higher amortization costs for intangible assets post acquisition to the tune of ~Rs 28.9 Mn

SJS | Consolidated P&L Performance (with WPI)



Particulars (INR in Mn)	Q2FY24 Reported	Q2FY24 ¹	Q2FY23	YoY%	Q1FY24	QoQ%	H1FY24 ¹	H1FY23	YoY%
Operating Revenue	1631.8	1631.8	1169.4	39.5%	1172.5	39.2%	2804.3	2201.1	27.4%
Adj. EBITDA²	377.2	398.7	333.8	19.4%	313.8	26.9%	712.5	612.0	16.4%
Adj. EBITDA Margin %	22.9%	24.2%	28.0%		26.1%		25.0%	27.2%	
Adj. PAT²	193.1	208.1	199.5	4.3%	180.0	15.6%	388.2	361.6	7.3%
Adj. PAT Margin %	11.8%	12.8%	17.1%		15.4%		13.8%	16.4%	

Note: 1) Q2FY24 & H1FY24 includes 90.1% consolidation for WPI; 2) Adj. EBITDA & PAT excludes one-time expense of Rs 21.5 Mn for acquisition cost of WPI

Revenue growth better than industry...



39.5%
YoY growth

- Revenue at Rs 1,631.8 Mn on account of **51.3% YoY** growth in PV and **103.1% YoY** growth in consumer business - **outperforming the underlying industry**



19.4%
YoY growth

- Adj. EBITDA² at Rs 398.7 Mn, Adj EBITDA margins of **24.2%**; excluding one-time acquisition cost for WPI acquisition




4.3%
YoY growth

- Adj. Net Profit² at Rs 208.1 Mn, on a **margin of 12.8%** impacted on account of higher amortization on intangible assets post WPI acquisition, lower other income, higher interest cost due to debt taken for WPI acquisition and temporary shift in sales mix at WPI during the quarter


- **Overall domestic sales** clocked **40.6%** YoY growth; on back of **55.4%YoY** growth in **PV** business & **136.5% YoY** growth in **consumer** business - **outperforming the underlying industry**

Q2 WPI margins impacted on account of model changeover at key customer leading to lower component sales and a temporary skew in sales mix. Tooling sales (lower margins) was significant part of WPI's Q2 revenue


Picking up pace...

 **27.4%**
YoY growth

- Revenue at Rs 2,804.3 Mn, primarily grew on account of **WPI acquisition**

 **16.4%**
YoY growth

- **Adj. EBITDA² at Rs 712.5 Mn, Adj. EBITDA margins of 25.0%**, excluding one-time acquisition cost for WPI acquisition

 **7.3%**
YoY growth

- **Adj. PAT² at Rs 388.2 Mn, with a margin of 13.8%**, impacted on account of higher amortization on intangible assets of WPI, lower other income, higher interest cost due to debt taken for WPI acquisition and temporary shift in sales mix at WPI during the quarter

- **Overall domestic sales** clocked **25.4%** YoY growth; on back of **51.1% YoY** growth in **PV** & **50.2% YoY** growth in **consumer business** - **outperforming the underlying industry**



- Cash & Bank balance of ~Rs 238.5 Mn as on 30th Sep 2023

- Net debt as on 30th Sep'23 is Rs 599.4 Mn.



- Return ratios : ROE at 13.7% and ROCE at 17.9% ,impacted on account of investments for WPI acquisition

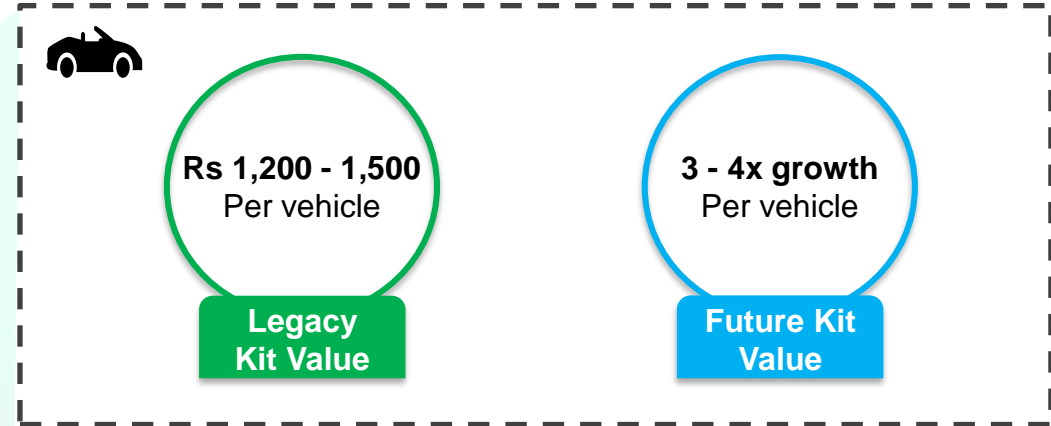
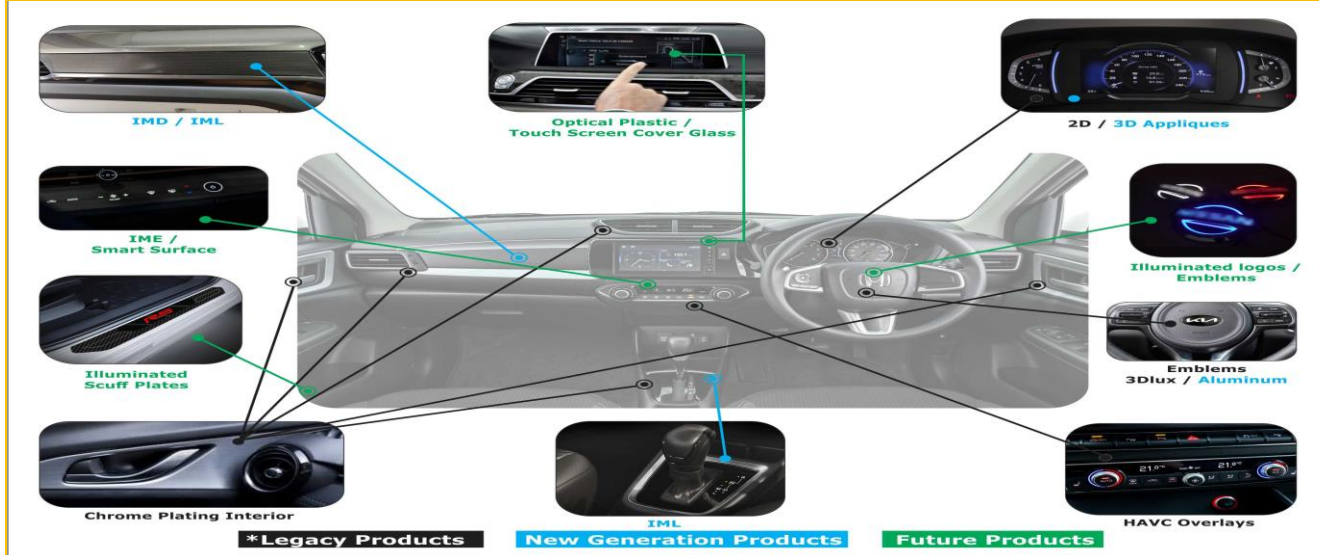
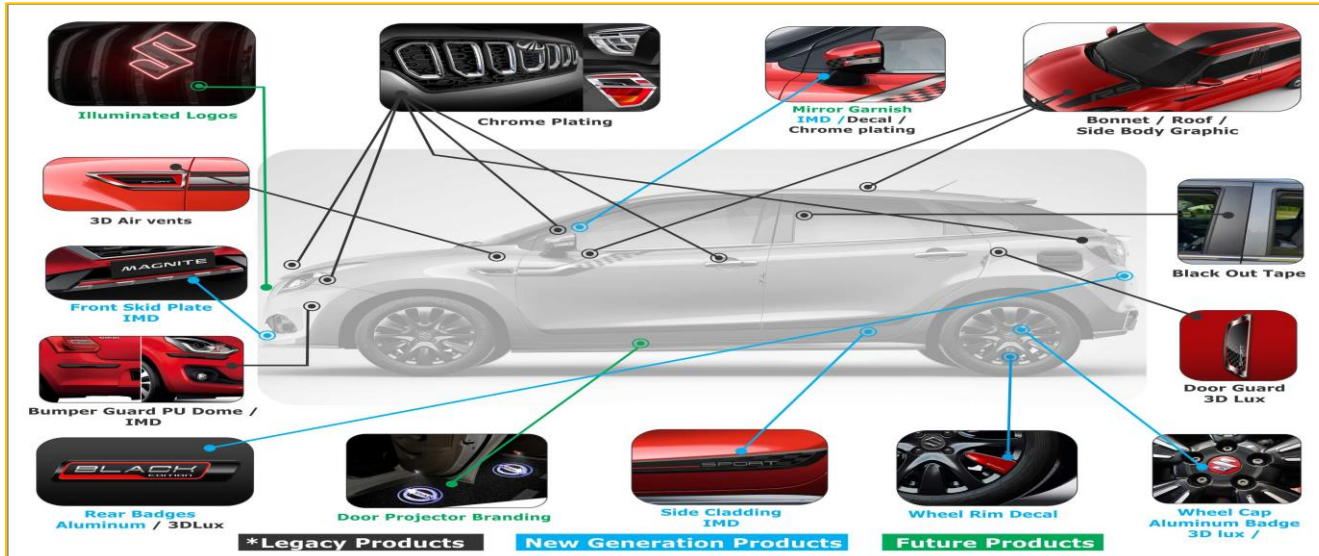


Future Growth Outlook

SJS | Development & Delivery of New Product Pipeline Remains at the Core of SJS (1/2)



Driven by premiumization, new age aesthetic products to drive realization increase across categories



SJS' New Age Products (PV: Select Examples)

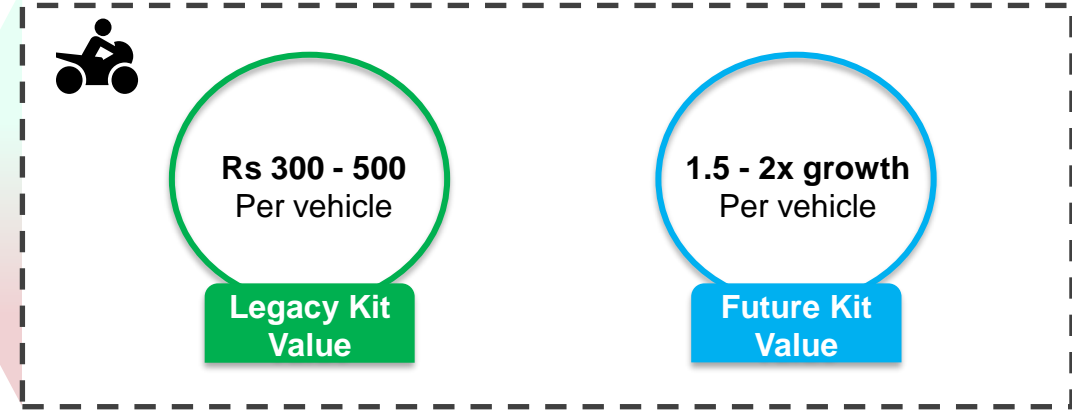
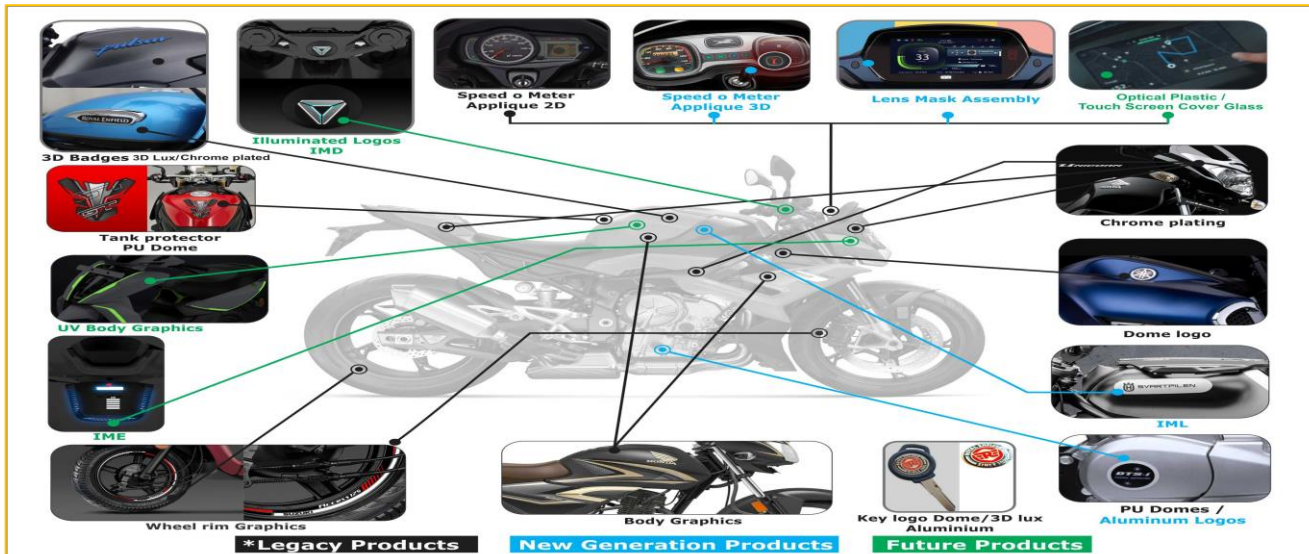


✓ Exotech & WPI acquisitions have added chrome parts & IMD/IML/IMF parts - key ingredients in the design of modern PV's

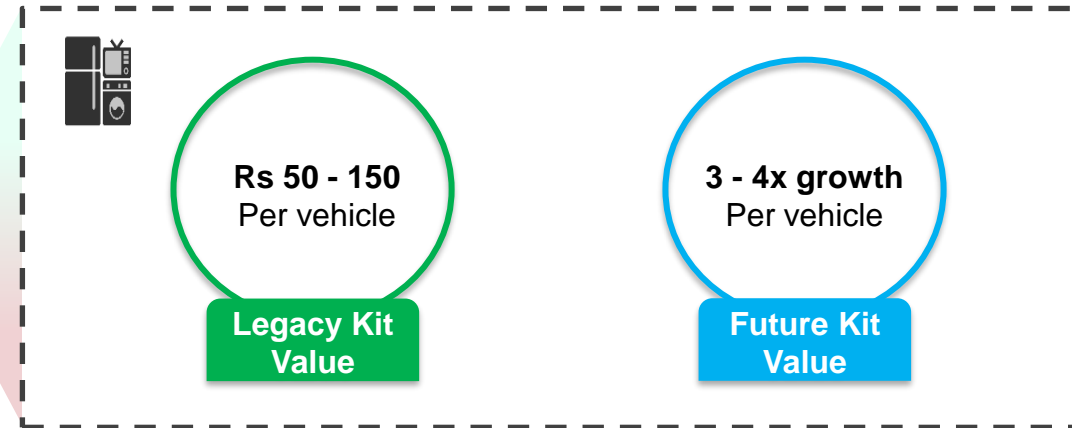
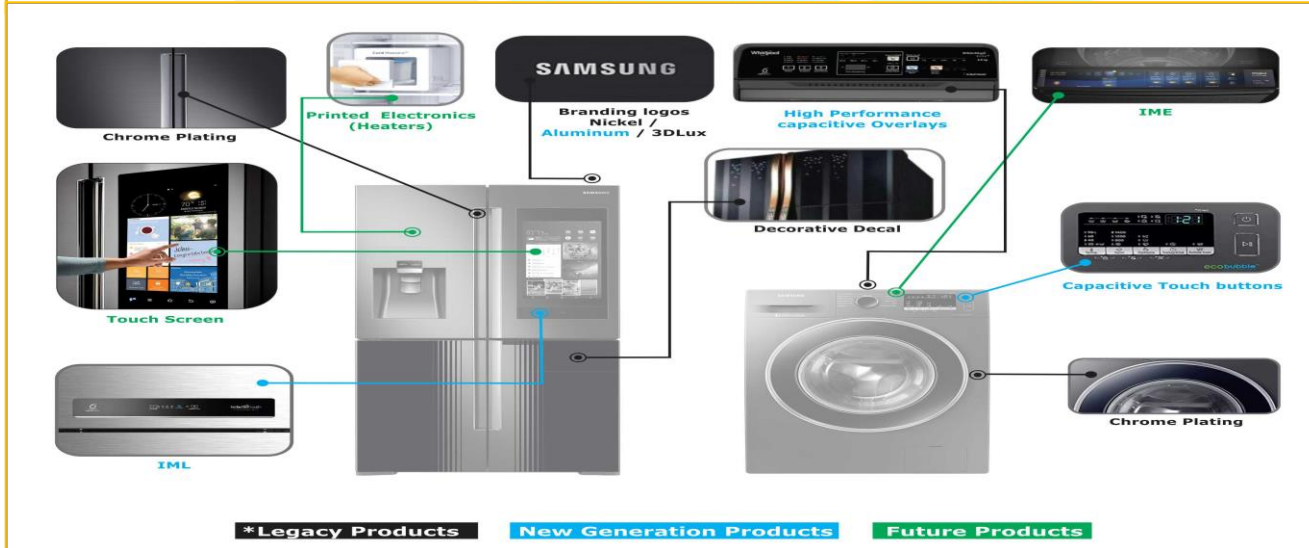
SJS | Development & Delivery of New Product Pipeline Remains at the Core of SJS (2/2)



Driven by premiumization, new age aesthetic products to drive to realization increase across categories



SJS' New Age Products (2W: Select Examples): Optical plastics/touch screens, aluminium logos, illuminated logos (WPI)



SJS' New Age Products (CD: Select Examples): Optical plastics/touch screens, IMD/IML overlays, printed electronics (WPI)

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

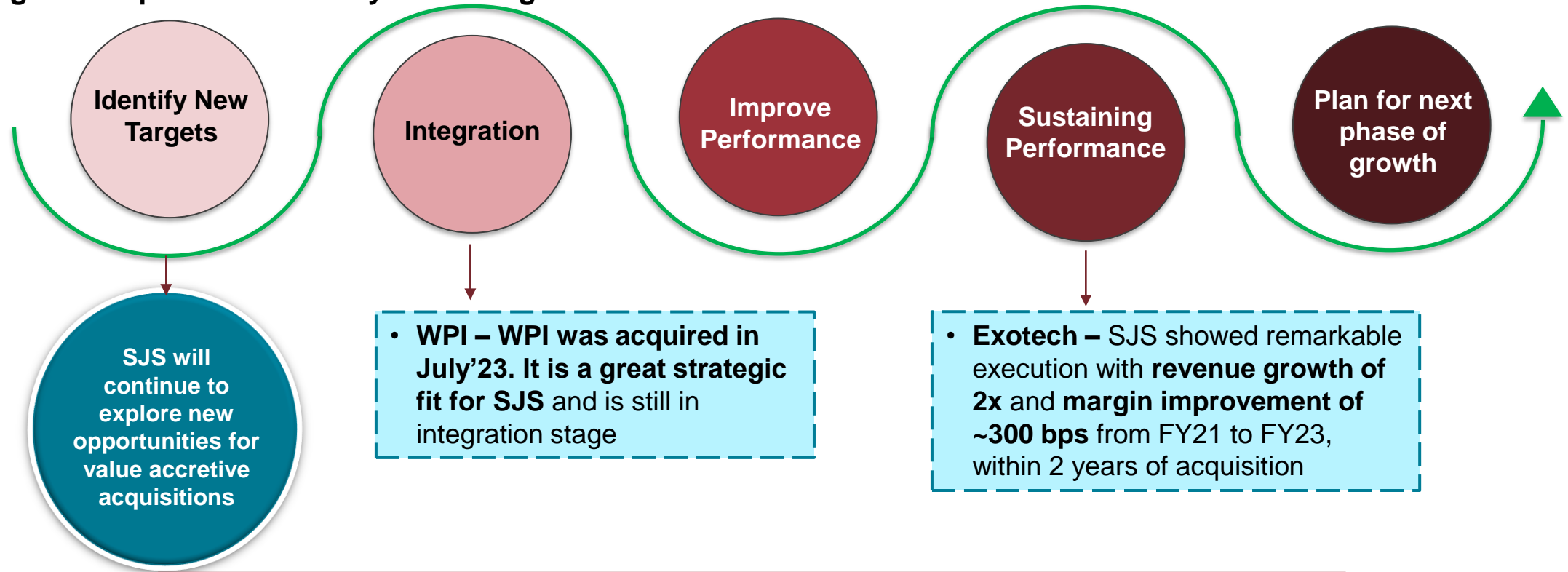
- Building mega accounts with existing customers by expanding the array of products
- Increase customer base by marketing existing products to new customers and explore cross selling opportunities between SJS and Exotech



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 is a Key Pillar for growth



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



- **SJS will continue to outperform the industry** with gradual recovery in exports and domestic 2W markets
- **SJS expects near 45% YoY revenue growth** on account of expected recovery in 2W, PV, Consumer Durables and Exports
 - 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 EPS accretive**. WPI technology significantly increases TAM for SJS
- Robust margin profile of businesses to **drive PAT growth of ~30% YoY for FY24** (excluding higher amortization cost on intangible assets and one time acquisition costs) as we balance higher growth with margins

H1FY24 Performance (INR Mn) ¹		YoY Growth %
Revenue	2,804.3	27.4%
Adj. EBITDA ²	712.5	16.4%
Adj. EBITDA margin	25.0%	
Adj. PAT ²	388.2	7.3%
Adj. PAT Margin	13.8%	



- Continue to maintain EBITDA margins
- Cash and equivalents stands at Rs 238.5 Mn and net debt at Rs 599.4 Mn as on 30th Sep'23

Q2FY24 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 November 8th, 2023, at 10:30 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	8th November, 2023
Time	10:30 AM IST 01:00 PM HK/SG 05:00 AM UK (London) 01:00 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 Link:

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

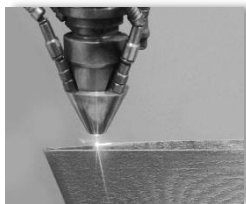


1987

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



3D Appliques & Dials



Overlays



Aluminium Badges

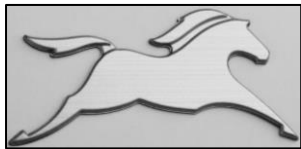
Whirlpool



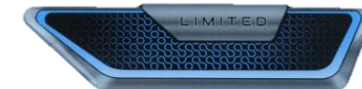
Domes



3D Lux Badges



Aftermarket – “Transform”



Lens Mask Assembly



Optical Plastics



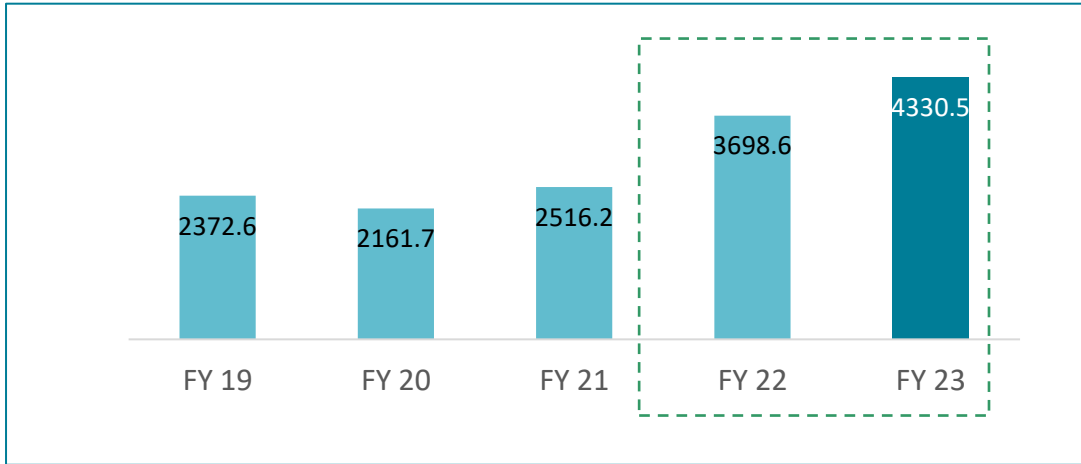
Chrome plated parts (Exotech)



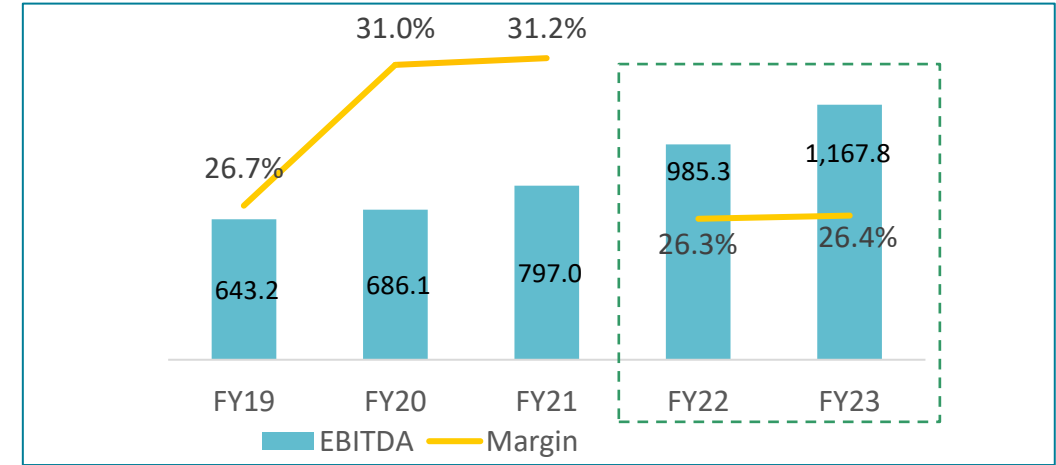
IMLs / IMDs (SJS & Walter Pack India)



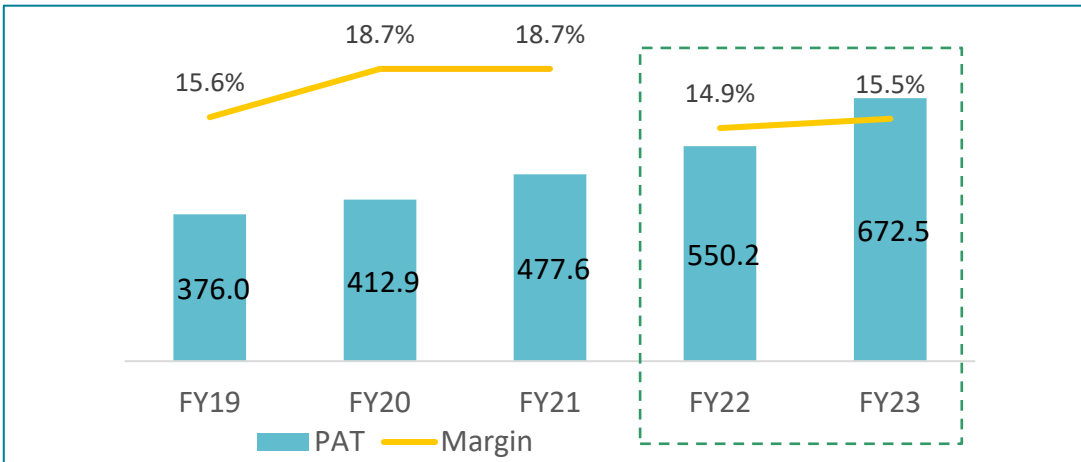
Revenue from Operation (INR Mn)



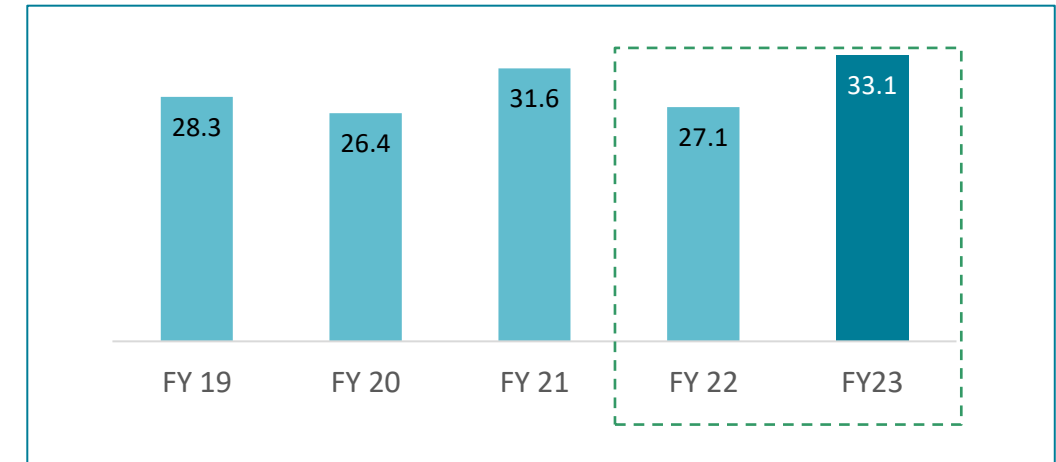
EBITDA (INR Mn) and EBITDA Margin (%)



PAT (INR Mn) and PAT Margin (%)



ROCE (%)



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



K A Joseph

Managing Director – Promoter & Co-founder

- ❖ Over 34 years of experience in aesthetics printing business
- ❖ Leads the manufacturing operations for SJS and has spear-headed 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



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



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 ⁽¹⁾ category



MAHENDRA NAREDI
Chief Finance Officer, SJS

- 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, GE and Wipro
- Bachelor's degree in Law & Commerce from Rajasthan University. Chartered Accountant and Company Secretary from ICAI and ICSI



SADASHIVA BALIGAR
Chief Operation Officer, SJS

- 25+ years of experience in operations roles across the automotive industry
- Previously worked with Motherson Automotive Technologies, Toyota Kirloskar Auto Parts & Automotive manufacturers SDN BHD (Malaysia)
- Holds a bachelor's degree in mechanical engineering from the University of Mysore



R. RAJU
Chief Marketing Officer, SJS

- 23+ years of experience in the field of marketing
- Previously worked with ITW India, ITW Signode India, etc.
- Holds a diploma in mechanical engineering from the Thiagarajar Polytechnic, Salem, and a post graduate diploma in marketing management and a masters degree in business administration



ROY MATHEW
Executive Director, Walter Pack India

- Founder Walter Pack India in 2006 in collaboration with Walter Pack Spain; Extensive experience in various plastic technologies like IMF, IMD, Injection moulding, lighting etc.
- Prior to founding WPI, Roy worked with firms including Lumax Industries Ltd. & Tek electromechanicals Pvt. Ltd.
- Holds an engineering degree in plastic tools engineering