

SJS Enterprises Limited
Q3 & 9MFY24 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 4,410.1 Mn
Revenue 9MFY24



24.7%
EBITDA margin 9MFY24



4
Production facilities
(Bangalore, Pune, Manesar)



~2,347
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





Q3 & 9MFY24 Business & Financial Highlights



- **SJS automotive business outperformed 2W+PV industry growth by >2x, delivering YoY growth of 36.9% YoY, compared to 16.3% YoY growth in auto industry production volumes**



- **Total Revenue at Rs 1,605.9 mn, strong 51.0% YoY growth, primarily on back of WPI addition and strong YoY growth in consumer segment and exports**



- **EBITDA margins improved 266 bps QoQ to 25.5% on back of significant improvement in WPI EBITDA margins to 20.3% and Exotech EBITDA margins to 18.4%**



- **Cash & Cash equivalent growing to Rs 338.2 Mn as on 31st Dec'23; FCFF for Q3FY24 was Rs 512.7 mn**
- **Net Debt reduced by more than half to Rs 220.1 Mn on account of strong cash flow generation**



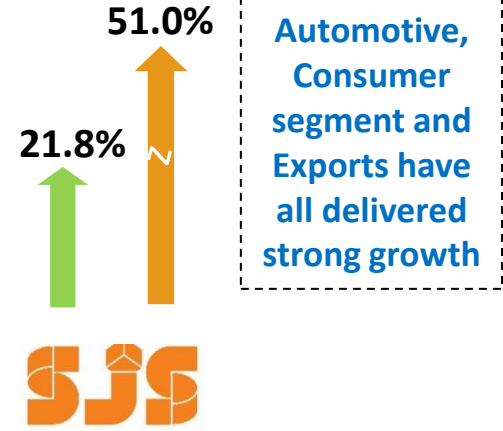
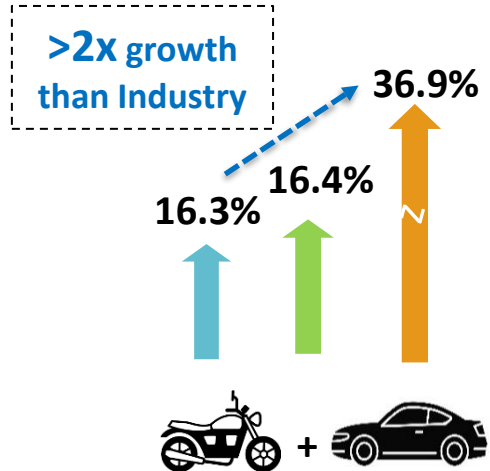
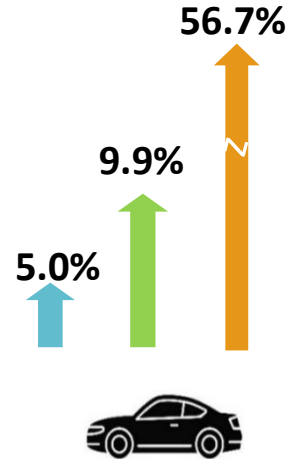
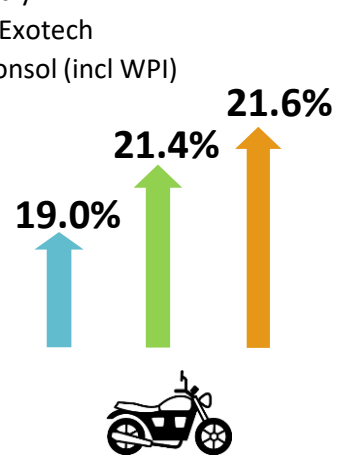
- **SJS became the first printing company in India to be awarded quality system certification for new technology of 'Optical cover Glass' – taking a step closer towards achieving our strategic goals**

SJS | Outperforming the Industry Growth for 17th consecutive quarter

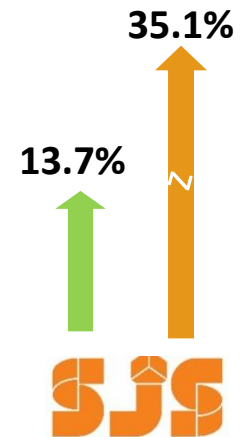
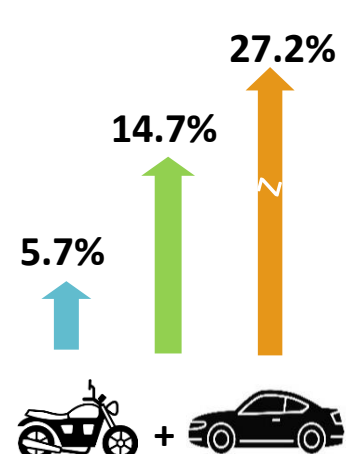
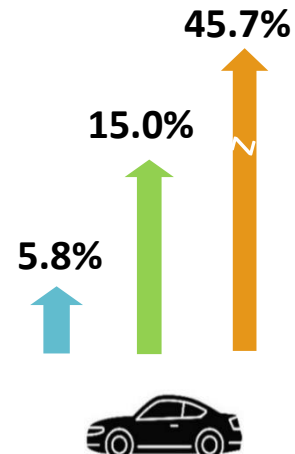
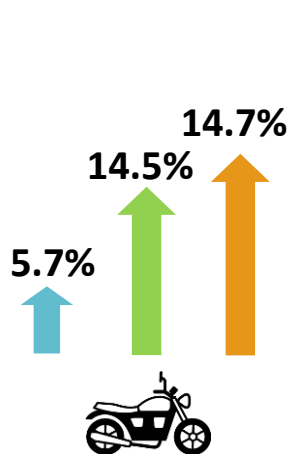


Q3FY24 - Industry Production Volume¹ v/s SJS YoY Sales²

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



9MFY24 - Industry Production Volume¹ v/s SJS YoY Sales²

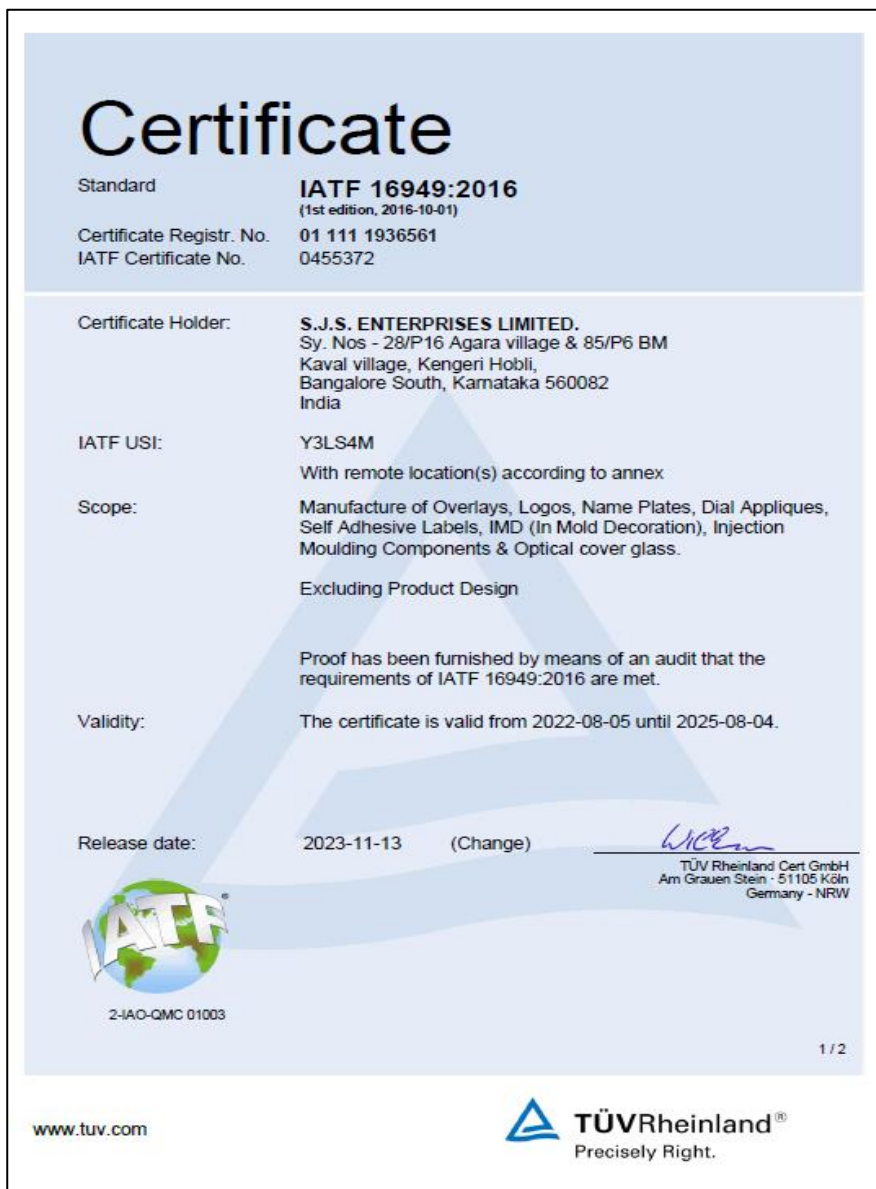


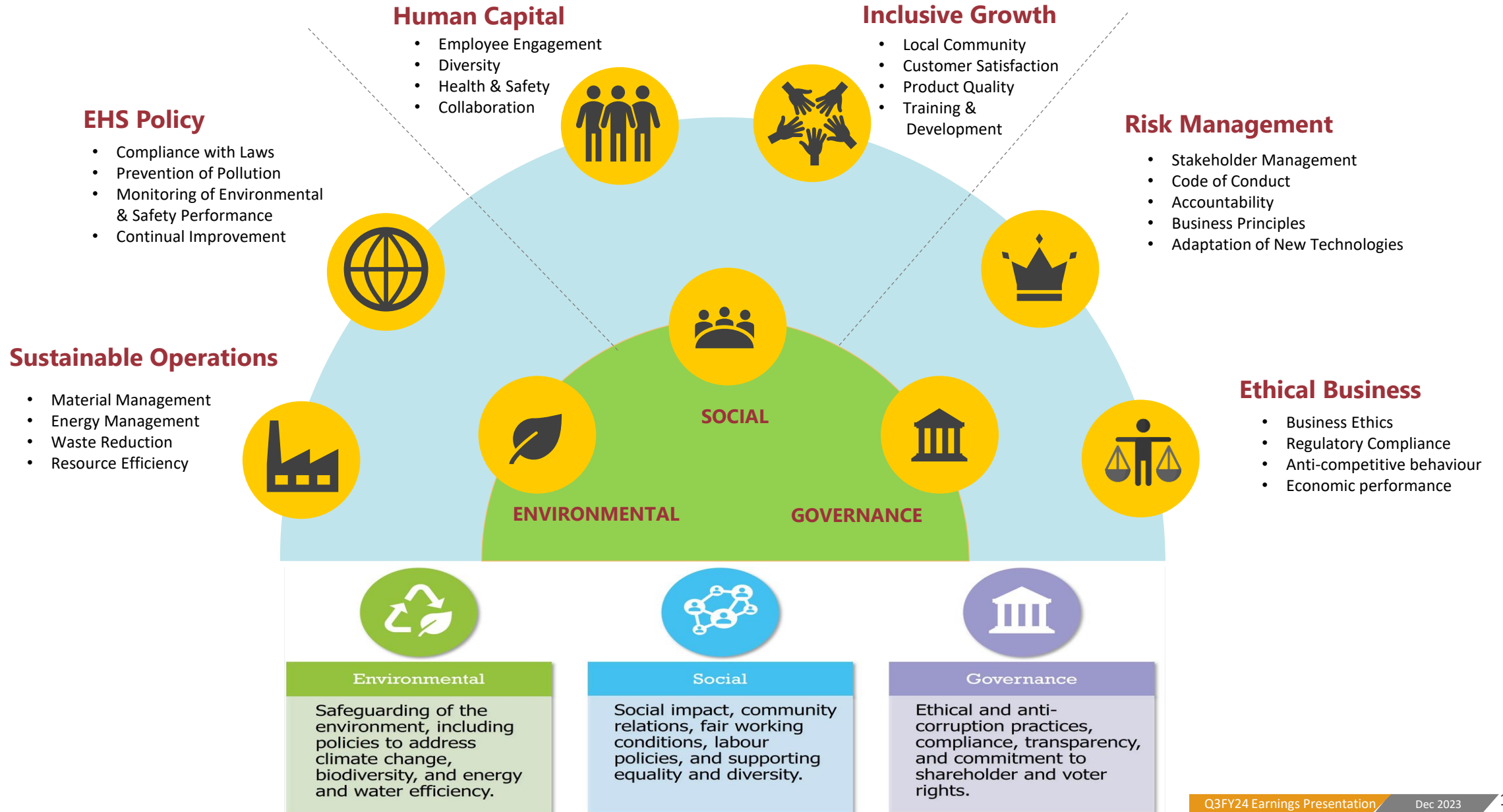
Note: 1) Industry Production Volumes are production in India; 2) For SJS YoY Sales it is Consolidated numbers

Strong growth story continues...

Growing Mega Accounts
- Key Business Projects Won







SJS joined hands with Varchass National Seva Trust, a non-profit, non – government organization, whose primary objective is to support, education, culture, literature and social upliftment of the society

SJS contribution will aid in:

- **Supporting ~150 underprivileged women with vocational trainings like tailoring, driving, hand embroidery, computer training, beautician etc.**
- **Improving a women’s standard of living by skill-based capacity building and entrepreneurship training so that they can become financially independent and empowered**



Organic business performance

Particulars (INR in Mn)	Q3FY24	Q3FY23	YoY%	Q2FY24	QoQ%	9MFY24	9MFY23	YoY%
Operating Revenue	1,295.1	1,063.7	21.8%	1,243.0	4.2%	3,710.5	3,264.8	13.7%
EBITDA	347.1	284.0	22.2%	327.7	5.9%	988.6	896.0	10.3%
EBITDA Margin %	26.7%	26.1%		26.0%		26.3%	26.9%	
PAT	202.4	157.1	28.8%	194.6	4.0%	577.0	518.7	11.2%
PAT Margin %	15.6%	14.8%		15.7%		15.6%	15.9%	
EPS	6.56	5.09		6.31		18.7	16.81	

- Revenue growth is higher than the underlying industry growth
- Consistently maintaining **strong EBITDA & PAT margins** in organic business
- **Strong PAT growth of 28.8% YoY during Q3FY24 was driven by improvement in employee expenses, other expenses and tax benefit** despite lower other income and higher finance cost

Particulars (INR in Mn)	Q3FY24 ¹	Q3FY23	YoY%	Q2FY24 ¹	QoQ%	9MFY24 ¹	9MFY23	YoY%
Operating Revenue	1605.9	1063.7	51.0%	1631.8	-1.6%	4,410.1	3,264.8	35.1%
EBITDA	412.4	284.0	45.2%	377.2	9.3%	1103.5	896.0	23.2%
EBITDA Margin %	25.5%	26.1%		22.9%		24.7%	26.9%	
PAT	208.5	157.1	32.7%	193.2	7.9%	581.8	518.7	12.2%
PAT Margin %	13.0%	14.8%		11.8%		13.2%	15.9%	
EPS	6.72	5.16		6.23		18.85	17.04	

Note: 1) Q3FY24 & 9MFY24 includes 90.1% consolidation for WPI from July'23 onwards; 2) Adj. PAT excluding amortization expenses on account of WPI acquisition for Q3FY24 would have been Rs 230.0 mn with a margin of 14.3% and YoY growth of 46.4% and for 9MFY24 it would have been Rs 624.8 mn, with a 14.2% margin and 20.5% YoY growth

Revenue growth better than industry...



51.0%
YoY growth

- Revenue at Rs 1,605.9 Mn on account of **56.7% YoY** growth in PV and **174.1% YoY** growth in consumer business - **outperforming the underlying industry**



45.2%
YoY growth

- EBITDA at Rs 412.4 Mn, EBITDA margins of **25.5%** on account of **significant improvement in WPI EBITDA margins to 20.4% from Q2FY24**. VA/ VE measures led to 155 bps improvement in employee expenses and 107 bps savings in other expenses.



32.7%
YoY growth

- **Net Profit at Rs 208.5 Mn**, on a **margin of 13.0%**. PAT growth is driven on back of higher EBITDA earnings which was partially offset by lower other income and higher finance cost.
- **PAT excluding amortization grew 46.4% YoY to Rs 230.0 mn and margin of 14.3%**

- **Overall domestic sales** clocked **51.9% YoY** growth; on back of **54.4%YoY** growth in **PV** business & **217.4% YoY** growth in **consumer** business - **outperforming the underlying industry**
- **Exports grew 39.7% YoY** on account of **88.7% YoY** growth in **PV** business and **47.3% YoY** growth in **consumer** business

Picking up pace...



35.1%
YoY growth

- Revenue at Rs 4,410.1 Mn, primarily grew on account of **WPI acquisition and strong performance of standalone SJS business**



23.2%
YoY growth

- **EBITDA at Rs 1,103.5 Mn, EBITDA margins of 24.7%**, on account of higher WPI EBITDA margins in Q3 and 105 bps improvement in employee expenses



12.2%
YoY growth

- **Net Profit at Rs 581.8 Mn, with a margin of 13.2%**. Higher EBITDA earnings was partially offset due to lower WPI profitability in Q2, lower other income and higher finance cost on account of debt for WPI acquisition
- **PAT excluding amortization expenses grew 20.5% YoY to Rs 624.8 mn, on a margin of 14.2%**

- **Overall domestic sales clocked 34.0% YoY growth; on back of 43.2% YoY growth in PV & 92.7% YoY growth in consumer business - outperforming the underlying industry**

Note: 1) Q3FY24 & 9MFY24 includes 90.1% consolidation for WPI from July'23 onwards; 2) Adj. PAT excluding amortization expenses on account of WPI acquisition for Q3FY24 would have been Rs 230.0 mn with a margin of 14.3% and YoY growth of 46.4% and for 9MFY24 it would have been Rs 624.8 mn, with a 14.2% margin and 20.5% YoY growth

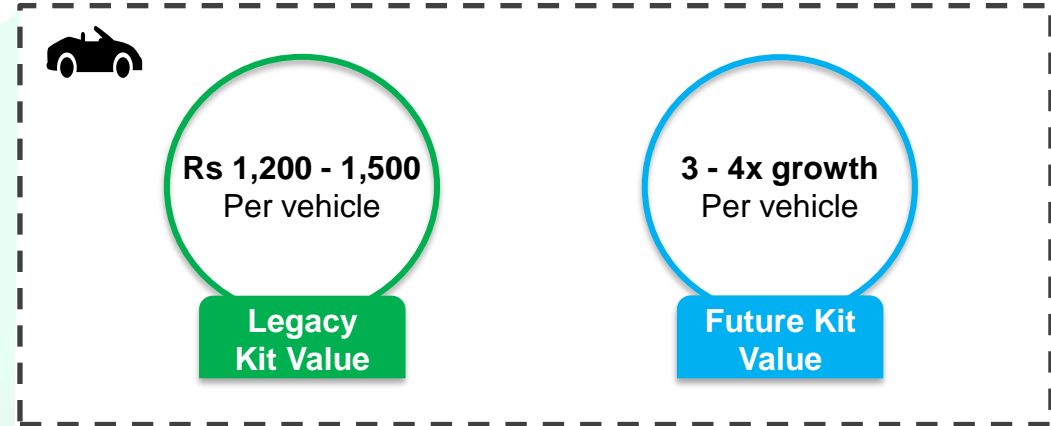
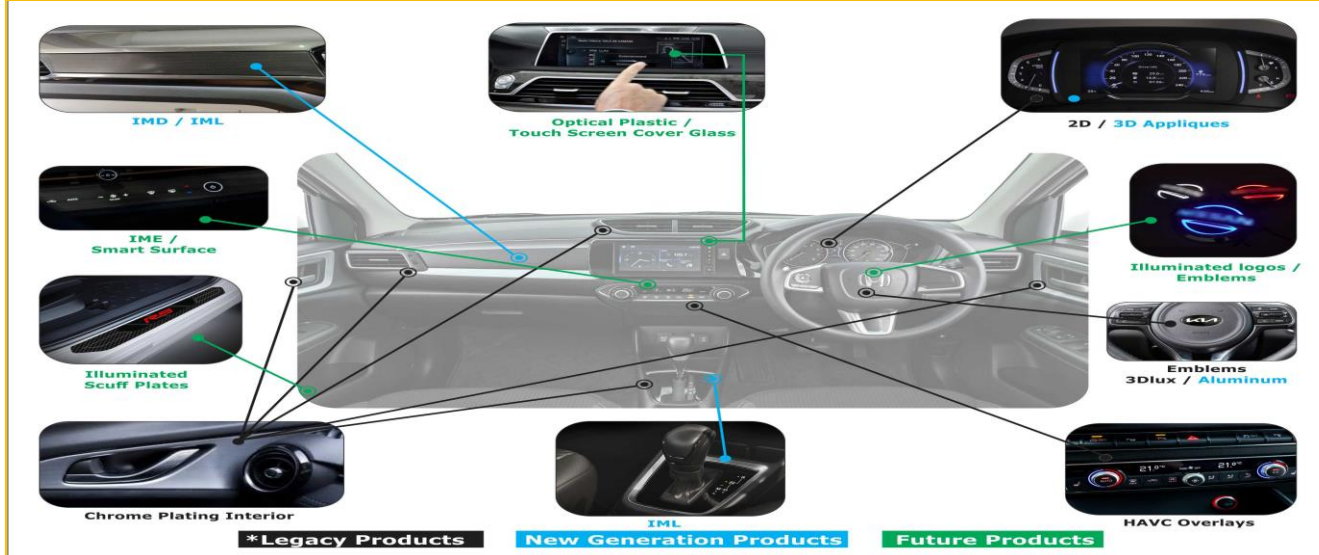
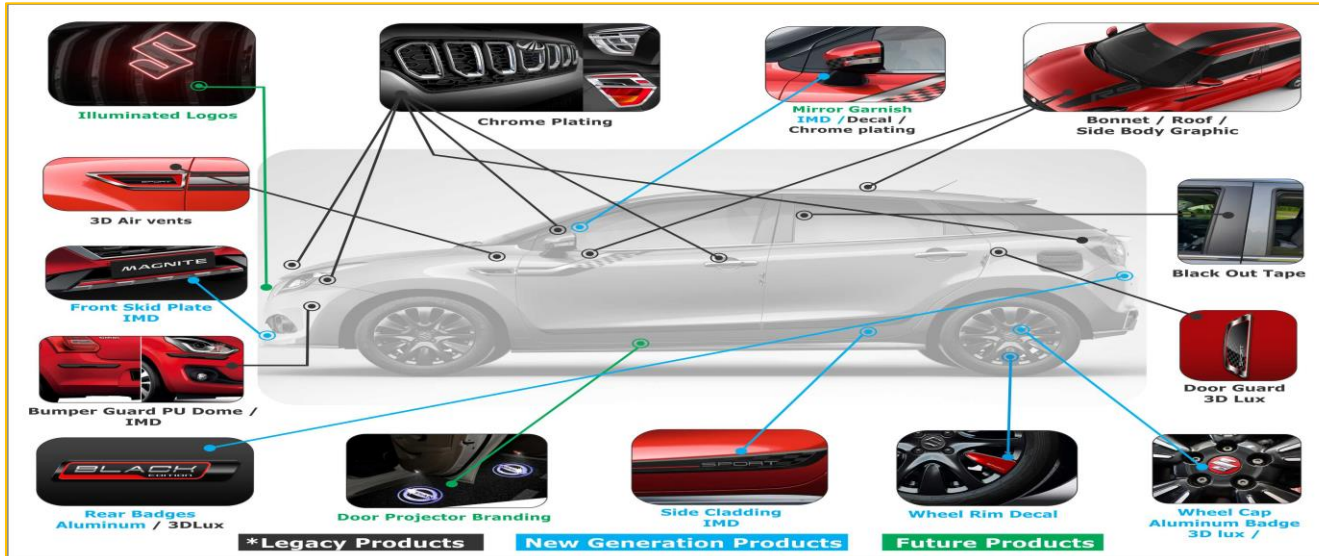


Future Growth Outlook

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)

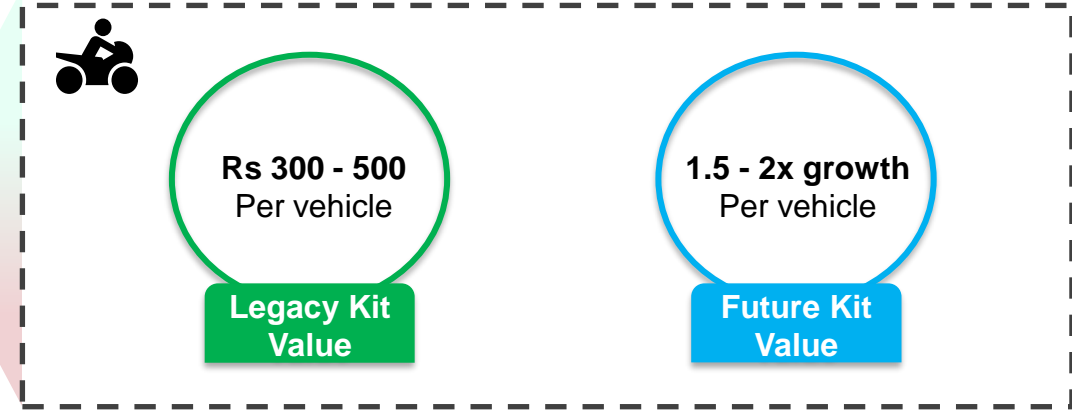
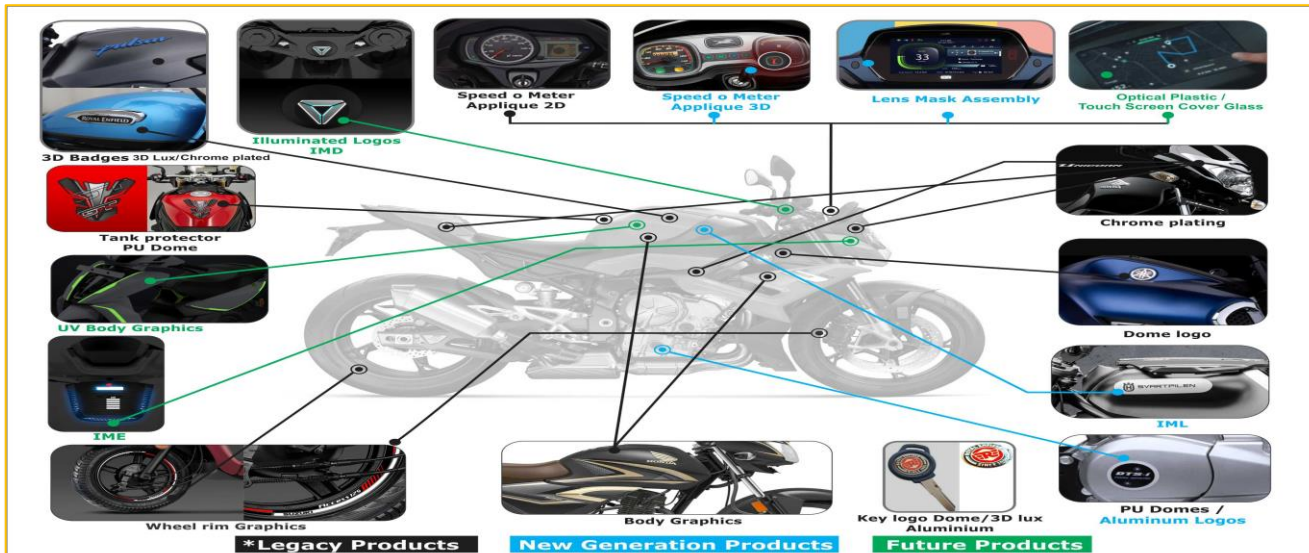


✓ Exotech & WPI acquisitions have added chrome parts & IMD/IML/IMF parts - key ingredients in the design of modern PV's

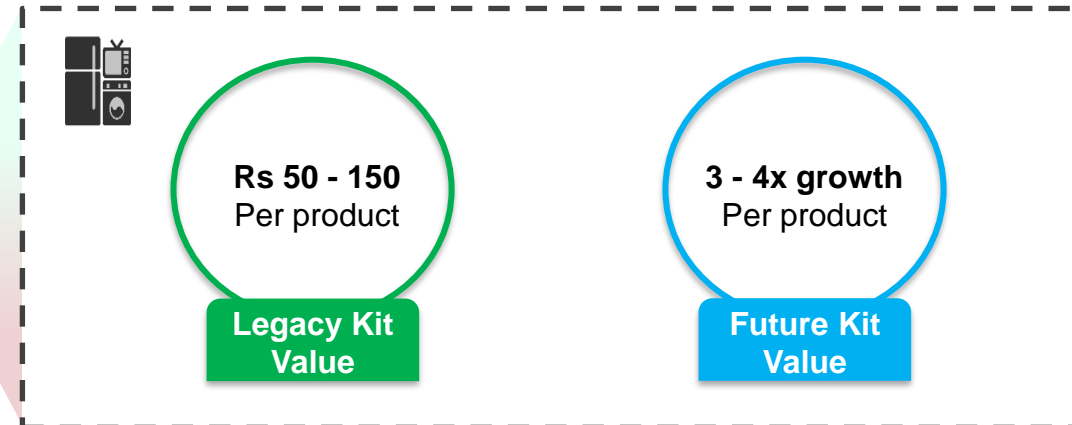
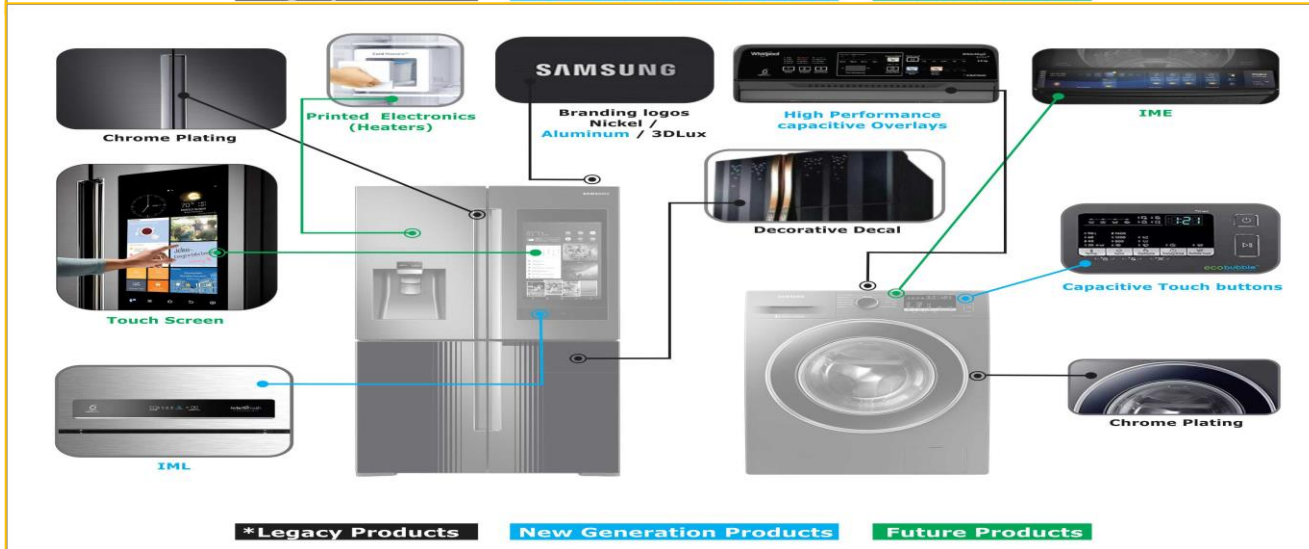
SJS | Development & Delivery of New Product Pipeline Remains at the Core of SJS (2/2)



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

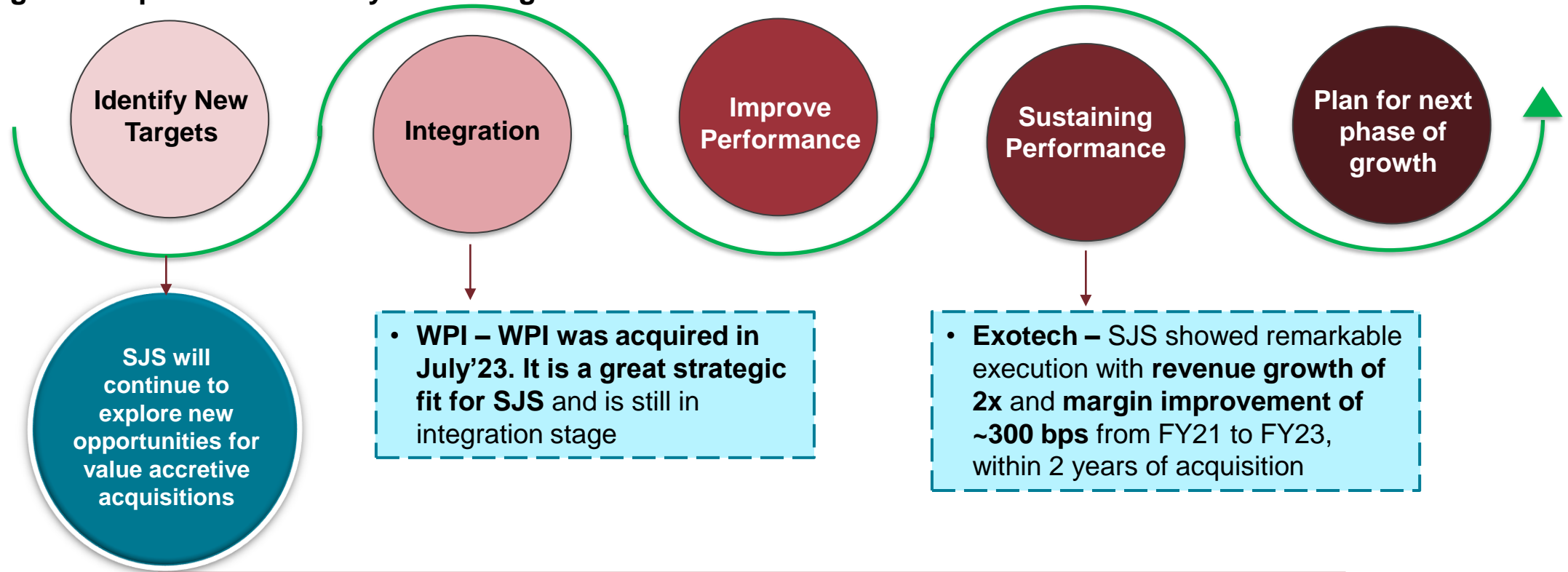
- Building mega accounts with existing customers by expanding the array of products
- Increase customer base by marketing existing products to new customers and explore cross selling opportunities between SJS and Exotech



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**
- **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**
- 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

9MFY24 Performance (INR Mn) ¹		YoY Growth %
Revenue	4,410.1	35.1%
EBITDA	1,103.5	23.2%
EBITDA Margin	24.7%	
PAT	581.8	12.2%
PAT Margin	13.2%	



- Continue to maintain EBITDA margins
- Cash and equivalents stands at Rs 338.2 Mn and net debt at Rs 220.1 Mn as on 31st Dec'23

Note: 1) Q3FY24 & 9MFY24 includes 90.1% consolidation for WPI from July'23 onwards; 2) Adj. PAT excluding amortization expenses on account of WPI acquisition for Q3FY24 would have been Rs 230.0 mn with a margin of 14.3% and YoY growth of 46.4% and for 9MFY24 it would have been Rs 624.8 mn, with a 14.2% margin and 20.5% YoY growth

Q3FY24 Earnings Call Invite

SJS Enterprises Limited (BSE: 543387) announced its results for the quarter ended December 31, 2023, on February 1st, 2024. Following the announcement, the management team will host a conference call for investors and analysts on February 2nd, 2024, 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	2nd February, 2024
Time	11:00 AM IST 01:30 PM HK/SG 05:30 AM UK (London) 12:30 AM EST USA
Duration	60 minutes
Universal Dial in	+91 22 6280 1259 +91 22 7115 8160
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 ; Thabraz Hushain | Thabraz.Hushain@sjsindia.com

THANK YOU

IR Contact

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devanshi@sjsindia.com

Compliance

Mr. Thabraz Hushain | Company Secretarial
Thabraz.Hushain@sjsindia.com

Appendix

SJS | Longstanding history of design backed manufacturing excellence



Evolution into a leading design and aesthetics focused business

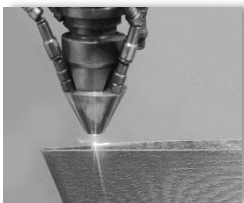


1987

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
Apr'21 - Acquisition completed to further complement product suite with addition of chrome products
In Nov-21, SJS went public & became the only listed company in India in this space

2023

Walter Pack India
July'23 - Acquired 90.1% stake in WPI. Focused on IMF, IML, IMD and IME technologies for automotive and appliance sectors
Aug'23 – Stake sale of ~30% by PE promoter Everstone Capital

Decals & Body Graphics



2D Appliques & Dials



3D Appliques & Dials



Overlays



Aluminium Badges

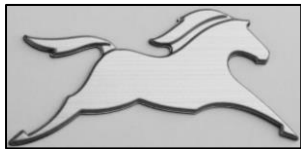
Whirlpool



Domes



3D Lux Badges



Aftermarket – “Transform”



Lens Mask Assembly



Optical Plastics



Chrome plated parts (Exotech)



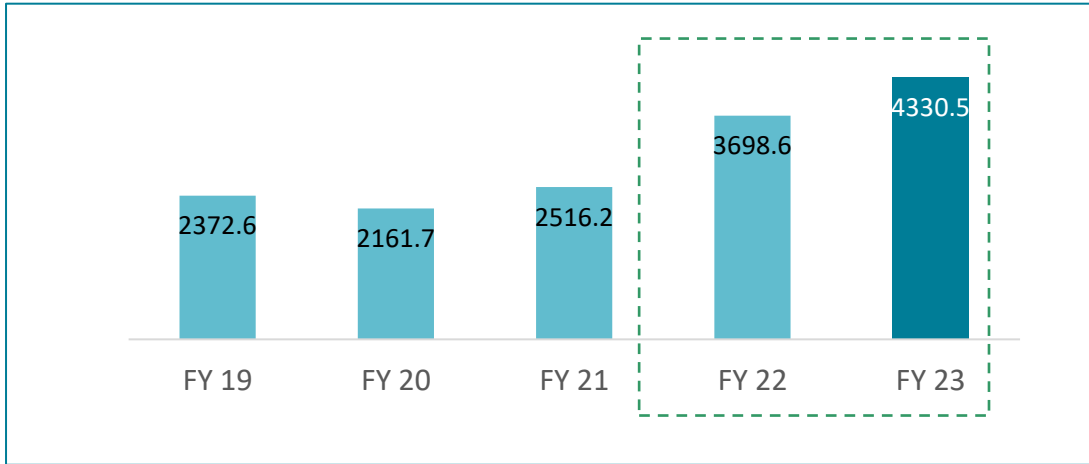
IMLs / IMDs (SJS & Walter Pack India)



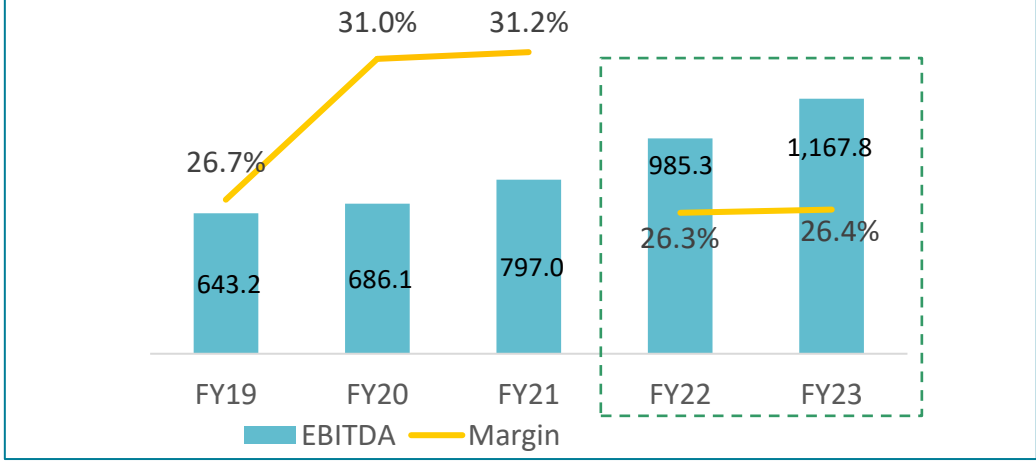
SJS | Superior financial metrics and resilient business model



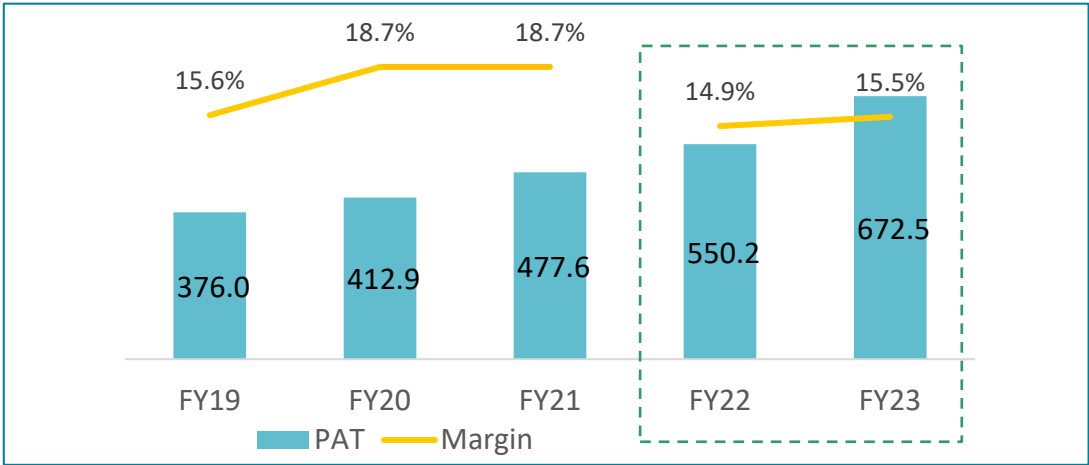
Revenue from Operation (INR Mn)



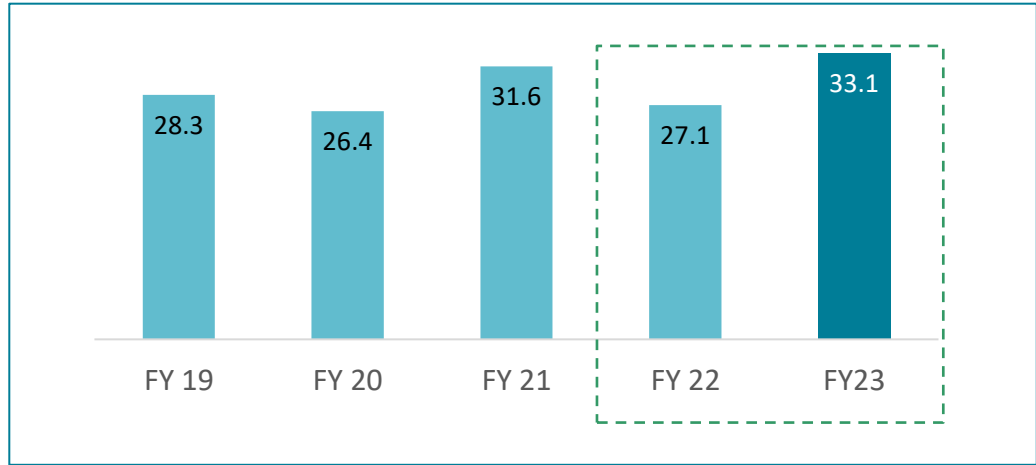
EBITDA (INR Mn) and EBITDA Margin (%)



PAT (INR Mn) and PAT Margin (%)



ROCE (%)



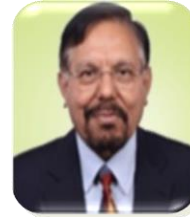
Note: FY22 and FY23 figures consolidated for SJS and Exotech (Reported financials)



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 Chartered Accountant category



Roy Mathew

Executive Director at WPI

- ❖ Founded WPI in 2006 along with Walter Pack Spain; Extensive experience in various plastic technologies like IMF, IMD, Injection moulding, lighting etc.
- ❖ Prior to WPI, Roy worked with firms including Lumax Industries Ltd. & Tek electromechanicals Pvt. Ltd.



Anil Sondur

Non - Executive Independent Director at WPI

- ❖ Previously worked with Tata Elxi India as Executive VP- Automotive Embedded system & Industrial design & Marketing consultant in Poonawalla financials



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

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

SADASHIVA BALIGAR
Chief Operations 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