

S.J.S. Enterprises Limited

(Formerly known as S.J.S. Enterprises Private Limited)

Sy No 28/P16 of Agra Village and Sy No 85/P6
of B.M Kaval Village Kengeri Hobli Bangalore 560082

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ISO 14001 ISO 45001
ISO 9001 IATF 16949
Certified

CIN: U51909KA2005PLC036601

www.sjsindia.com



Creating Possibilities

**SJS ENTERPRISES DELIVERS STRONG Q3FY22 DESPITE CHALLENGING ENVIRONMENT,
Q3FY22 REVENUE AT ₹ 918 MN, ROBUST EBITDA MARGINS AT 28.8% AND HEALTHY NET PROFIT
MARGIN AT 16.2%**

HIGHLIGHTS OF QUARTER ENDED DECEMBER 31, 2021 (Consolidated)

- **Revenue** for the quarter stood at **₹ 917.9 million**
- **EBITDA** at ₹ 264.3 Mn, maintained QoQ despite lower sales volume, on account of operational efficiencies; **EBITDA margin of 28.8% - ~190 bps QoQ margin expansion**
- **Net Profit** at ₹ 149 Mn, on a **margin of 16.2% - 91 bps QoQ margin expansion**
- **Outperformed the industry growth**
- **Strengthening our sales force** in the international markets of **Turkey, Brazil & Argentina**

Bangalore, 8th February 2022: SJS Enterprises (BSE: 543387) ("SJS"), announced unaudited financial results for the quarter ended December 31, 2021. The results were taken on record by the Board of Directors at a meeting held today.

SJS is one of the leading players in Indian decorative aesthetics industry, which has one of the widest range of products with presence across traditional and premium products. The Company deals in 11 product categories like decals, logos, aluminium badges, 2D & 3D dials, chrome plated parts, overlays, In-moulding Labeling, optical plastics and lens mask assembly. These products primarily serve two-wheelers (2W), passenger vehicles (PV) and large consumer durables (CD) industries along with commercial vehicles, medical devices, farm equipments and sanitary ware segments. SJS has strong manufacturing footprint with 2 facilities in Bangalore and Pune. The Company produced 115m parts annually, 6000 SKUs, deliver to 184 customer locations across 20+ countries and 5 continents creating global distribution capabilities.

In the quarter under review, the Company's consolidated revenues stood at ₹ 918 million, despite the Indian auto industry witnessing their lowest numbers in the last 10 years during this festive season. Our revenue growth was marginally impacted on back of:

1. Lower automotive industry sales pick up in India this festive season
2. Supply chain disruptions for semi conductor chips led to major OEMs reducing productions, which resulted in industry production declining by 12% and ~23% YoY in PV and 2W segment respectively during the quarter

Although there is some improvement in demand sentiment, the current supply chain issues are impacting sales numbers and industry analysts expect demand to revert mid-2022 onwards.

The Company continued to hold strong on its margin performance, despite lower volumes. As a result, Operating EBITDA at ₹ 264 Mn, on a margin of 28.8% maintained a robust performance. EBITDA was impacted marginally due to increased hiring at senior management level and ESOPs related costs. Net Profit for Q3 stood at ₹ 148.9 Mn on a healthy net margin of 16.2%.

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Revenues in Q3 saw ~75% contribution from automotive segment and ~20% from large consumer durables and ~5% from others. Exotech has helped us in further strengthening our presence among passenger vehicles industry, thereby reducing SJSs' concentration in 2W industry. Q3FY22 saw domestic sales at 87% and Exports at ~13% (including Exotech) and at ~18% (excluding Exotech) – 110 bps increase in share of SJS exports. The Company is investing in building a strong export team to grow exports further. With India cost advantages and already decent presence, there is a massive opportunity that SJS would want to capitalize on. The Company is strengthening its sales force in the international markets of Turkey, Brazil & Argentina. All these reinforces the fact that gradually as the auto industry sales pick up mid 2022 onwards, SJS is poised to grow at a much faster pace than the industry, with its large basket of offerings and enhanced capacity.

Commenting on the industry and future outlook, Mr. K A Joseph, Managing Director of SJS Enterprises Limited, said, “The aesthetic industry continues to be attractive. SJS is well positioned to tap these growth opportunities, both in India and globally as witnessed with the new projects won in the current quarter. We remain committed and continue to invest in expanding our capabilities and capacities across our plants in Bangalore and Pune in line with the strong industry growth prospects.”

Commenting on the financial results for the quarter ended December 31, 2021, Mr. Sanjay Thapar, Executive Director & CEO of SJS Enterprises Limited, said, “We are pleased with our performance in the quarter. What is especially noteworthy is that despite challenging market conditions during the quarter, SJS delivered a strong financial performance and superior EBITDA and PAT margins. Seeing the traction picking up from January 2022 onwards, we are confident to achieve our full year growth numbers and will outperform the industry growth”

Consolidate Financials (INR Mn)

Particulars	Quarter Ended	Quarter Ended	Nine Months Ended	Year Ended
	31-Dec-21	30-Sep-21	31-Dec-21	31-Mar-21*
Sales	917.9	996.9	2,657.5	2,516.2
Total Operating Expenses	662.8	738.5	1,968.3	1,754.5
EBITDA	264.3	268.2	718.4	797.0
EBITDA Margin %	28.8%	26.9%	27.0%	31.7%
Depreciation and amortization expense	54.4	56.2	161.7	147.5
Finance costs	7.4	7.9	22.5	7.8
Exceptional Items	-	-	-	-
Profit Before Tax (PBT)	202.5	204.1	534.2	641.8
Profit After Tax (PAT)	148.9	152.7	396.6	477.7
PAT Margin %	16.2%	15.3%	14.9%	19.0%

Note: 31st Mar'21 is Standalone numbers as Exotech Plastic Private Limited was acquired in April 2021

For any further information kindly contact:

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About SJS Enterprises:

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Disclaimer:

This document by SJS Enterprises Ltd ('the Company') contains forward-looking statements that represent our beliefs, projections and predictions about future events or our future performance. Forward looking statements can be identified by terminology such as "may," "will," "would," "could," "should," "expect," "intend," "plan," "anticipate," "believe," "estimate," "predict," "potential," "continue," "expected", "outlook", "future" or the negative of these terms or other similar expressions or phrases or their variations. These forward-looking statements are necessarily subjective and involve known and unknown risks, uncertainties and other important factors that could cause our actual results performance or achievements or industry results to differ materially from any future results, performance or achievement described in or implied by such statements. The forward-looking statements contained herein include statements about the Company's business prospects, its ability to attract customers, its affordable platform, its expectation for revenue generation and its outlook. These statements are subject to the general risks inherent in the Company's business. These expectations may or may not be realized. Some of these expectations may be based upon assumptions or judgments that prove to be incorrect. In addition, the Company's business and operations involve numerous risks and uncertainties, many of which are beyond the control of the Company, which could result in the Company's expectations not being realized or otherwise materially affect the financial condition, results of operations and cash flows of the Company. The forward-looking statements are made only as of the date hereof, and the Company does not undertake any obligation to (and expressly disclaims any obligation to) update any forward-looking statements to reflect events or circumstances after the date such statements were made, or to reflect the occurrence of unanticipated events