



SJS Enterprises Limited

Q2 & H1FY26 Earnings Conference Call

Nov 04, 2025

Management: **Mr. K.A. Joseph – Managing Director & Promoter**
 Mr. Sanjay Thapar – Group CEO & Executive Director
 Mr. Mahendra Naredi – Group Chief Financial Officer
 Ms. Devanshi Dhruva – Head – Investor Relations

Analyst: **Mr. Ronak Mehta – ICICI Securities Limited**



Moderator: Ladies and gentlemen, good day, and welcome to SJS Enterprises Limited Q2 and H1 FY26 Results Conference Call hosted by ICICI Securities Limited. As a reminder, all participant clients will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star, then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ronak Mehta from ICICI Securities Limited. Thank you, and over to you, sir.

Ronak Mehta: Thank you, Swapnali. Good morning, everyone. On behalf of ICICI Securities, I would like to welcome you all to Q2 FY26 Earnings Conference Call of SJS Enterprises Limited. Today, we have with us from the management team, Mr. Joseph, Promoter and Managing Director; Mr. Sanjay Thapar, Group CEO and Executive Director; Mr. Mahendra Naredi, Group CFO; and Ms. Devanshi, Head of Investor Relations. Before I hand over the call to the management, I would like to congratulate the team for the strong quarterly performance.

I'll now hand over the call to Devanshi to take the call forward. Over to you, Devanshi.

Devanshi Dhruva: Thank you, Ronak, and good morning, ladies and gentlemen. Wish you all a very happy Diwali. We appreciate you joining us today's conference call. We will begin the call with opening remarks from Mr. K.A. Joseph, our Managing Director; followed by a business and industry overview from Mr. Sanjay Thapar, our Group CEO and Executive Director. After that, Mr. Mahendra Naredi, our Group CFO, will walk us through the financial performance for the quarter. We will then open the floor for questions.

Please note that the duration of this call is expected to be around 60 minutes with the first 20 minutes reserved for our management comments. Should there not be enough time for all questions, please feel free to reach out to us via e-mail, and we will respond to your queries at the earliest.

Thank you once again for your time today. And with that, I will hand it over to Mr. Joseph for his opening remarks. Over to you, Joseph.

K.A. Joseph: Yes. Thank you, Devanshi, and good morning, everyone. I hope you all had a wonderful Diwali with your families and loved ones. I trust you had an opportunity to review our investor presentation and the results published yesterday.

As we move into the details of the quarter, I'm pleased to share that SJS has gained strong momentum, consistently delivering robust growth and outperforming the underlying industry across all business segments. The company has delivered its highest ever quarterly performance across all key financial parameters, reflecting in both top line growth and margin expansion.

The revenue for Q2 FY26 grew at 25.4% Y-o-Y to INR 2,417.6 million, significantly outperforming the combined 2-wheeler and passenger vehicle industry growth of 9.5% Y-o-Y.



During the quarter, SJS continued to advance its long-term strategy of becoming a one-stop decorative aesthetic solution provider.

I'm delighted to share that SJS has signed an MOU with BOE Varitronix, a Hong Kong-based company to collaborate in the manufacturing of automotive display solutions for 4-wheeler industry. This marks SJS's entry into advanced display technologies. Such strategic alliances and investments strengthen our manufacturing capabilities and readiness to meet evolving aesthetic and functional needs of global OEMs.

In addition of premium high-value products will further enhance our portfolio and increase the kit value we deliver to our customers. SJS is well positioned to capture emerging opportunities arising from premiumization, technology convergence across automotive and consumer industries, ensuring sustainable growth and reinforcing our leadership in decorative aesthetics.

Lastly, I'm pleased to share that for the sixth year in a row, SJS has been certified as a Great Place to Work in the mid-sized organization category by Great Place to Work Institute. This recognition underscores our commitment to building a positive workplace culture and creating an empowering environment for our employees through various people-centric initiatives.

With that, now I hand over the call to Mr. Sanjay Thapar, who will take you all through the business and the industry highlights for the quarter. Over to you, Sanjay.

Sanjay Thapar:

Thank you, Jo, and hoping all of you had a wonderful Diwali. I'm happy to report that Q2 FY26 was a record-breaking quarter for the company. SJS continued to maintain its strong growth trajectory. The company achieved its highest ever quarterly revenue of INR 2,417.6 million, up 25.4% Y-o-Y, outperforming the industry growth by almost 3x. This strong performance was primarily driven by our continued momentum, both in the 2-wheeler and the passenger vehicle segments.

Some key business highlights. Q2 FY26 marked the 24th consecutive quarter, where we have outperformed the industry. Our consolidated revenues were up 25.4% Y-o-Y compared to 9.5% Y-o-Y growth in the 2-wheeler and passenger vehicle industry production volumes.

Automotive segment, 2-wheeler plus passenger vehicle revenue grew 29.5% Y-o-Y, driven by strong growth in the 2-wheeler segment by 44.3% and passenger vehicle segment by 16.5% Y-o-Y. H1 FY26 automotive revenue grew 26.3% Y-o-Y, outperforming the industry growth rate of 5.5% Y-o-Y by over 4x. Consolidated revenue for H1 FY26 rose 18.4% Y-o-Y.

In Q2, the company recorded its highest ever consolidated profitability margins with EBITDA at 29.6% and PAT at 17.9%. We also achieved record exports revenue of INR 231.9 million, up 40.9% Y-o-Y, driven by new product launches and growing business from existing clients. Our focus on North America continues to strengthen, supported by investments in new product technologies and capacity expansion.



Free cash flow to the firm, FCFE stood at INR 677.7 million with net cash position improving further, reflecting a very robust balance sheet. As mentioned earlier, SJS signed the MOU with BOE Varitronix to collaborate on manufacturing of 4-wheeler automotive displays in India. BOE is one of the world's leading display solution providers for the automotive industry.

This partnership will leverage BOE's technological expertise and SJS's strong customer connect and manufacturing strength to create localized display solutions for OEMs. The collaboration will be formalized through a technical assistance agreement or a joint venture in the coming months.

We also added several new customers, including Orafol USA, which is a supplier to Nissan, River, an EV 2-wheeler company, Azad, which is an EV bus manufacturer and Same Deutz Fahr tractors, reflecting our continued focus on winning new businesses and expanding our customer base.

It is immensely gratifying to witness how SJS has evolved over the years. What was once our annual performance in FY21 is now almost a quarterly run rate. To illustrate, FY21 revenue was INR 2,516.2 million, whereas our Q2 revenues alone was INR 2,417.6 million

Similarly, in FY21, our EBITDA was INR 797 million for the whole year compared to INR 728.4 million Q2 that we delivered this quarter or last quarter. And FY21 PAT was at INR 477 million compared to that, we achieved INR 432.7 million in the Q2 of FY26.

Our capacity expansion projects at Bangalore and Pune are progressing well. These initiatives will enhance our production scale and readiness to serve next-generation product demand across the automotive and consumer segments.

This quarter, SJS achieved several industry recognitions, including the ACMA Kaizen Awards for cost saving and productivity, the CII Emerging Sustainable Practices Award, Great Place to Work Certification renewal, QCFI awards for Kaizen and Quality Circles and CII CFO of the Year Award for FY24-25.

We also take great pride in having received from Hero MotoCorp, the Hero Value Leader Award at the Global Supplier Summit, a recognition of excellence and strong partnership at an early stage of our engagement with one of the largest 2-wheeler OEMs globally.

On the ESG front, we continue to make steady progress. We are pleased to announce that our solar power usage has commenced at both our plants at Pune. This underscores our commitment to clean and sustainable energy. While at Bangalore, almost 83% of our energy comes from renewable sources. Our target by the end of FY26 is to ensure that approximately 60% of our consolidated energy requirements should be from non-fossil fuel sources.

To conclude, Q2 FY26 has been a milestone quarter, not only for the record financial performance and industry-leading profitability margins, but also for strategic initiatives that strengthen our foundation for future growth.



As we move ahead, our focus remains on scaling up our presence in the premium aesthetic solutions, driving innovation for next-generation products, deepening relationships with global marquee OEMs and maintaining a commitment to sustainability and long-term value creation for our shareholders.

I now would like to invite Mahendra, our CFO, to take you through the financial performance. Over to you, Mahendra.

Mahendra Naredi:

Thank you, Mr. Thapar, and good morning to everyone on the call. It gives me great pleasure to share that Q2 FY26 has been the best performing quarter in the SJS history, both in terms of scale and the profitability.

Our Q2 financial highlights, we have achieved revenue at INR 2,417.6 million, up by 25.4% Y-o-Y basis and 15.3% sequentially, driven by robust performance across 2-wheeler, passenger vehicle and the consumer segment.

EBITDA at INR 728.4 million, up by 40.9% Y-o-Y basis and 24% sequentially, with margin expansions of 300 bps to 29.6%, supported by a richer product mix, improved operating leverage and the cost optimization initiatives. PAT of INR 432.7 million, up by 48.4% Y-o-Y and 25% sequentially with PAT margin improving by 278 bps to 17.9%.

For H1 FY26, our consolidated revenue stood at INR 4,514.1 million, up by 18.4% Y-o-Y, while EBITDA rose to 28.7% to INR 1,315.7 million. This translating to an EBITDA margin of 28.7%, up by 210 bps on a Y-o-Y basis. PAT for H1 FY26 stood at INR 778.9 million, up by 35.7% on a Y-o-Y basis with margin improving to 17.3%.

Now from a balance sheet perspective, SJS remains debt-free company with a strong net cash position of INR 1,588.8 million as of 30th September 2025. Our cash from operations, CFO for half year H1 FY26 stood at INR 1,077 million, matching the full year FY24 levels of INR 1,087 million, reflecting the strong cash-generating nature of our business. Returns ratio remained healthy with ROCE at 33.6% and ROE at 20.4%. I'm happy to inform that we are returning to pre Walter Pack acquisitions level.

New generation products contributes around 23% of our consolidated revenue in H1 FY26, demonstrating growing adoption of advanced and premium solutions among OEM customers. Exports achieved their highest ever quarterly revenue of INR 231.9 million, up by 40.9% Y-o-Y, contributing 9.6% to our total revenue.

This includes deemed export, which is supplies to Indian purchasing office of the global OEMs for use in their overseas plant that aligns with our strategic intent to strengthen SJS global footprint. Overall, these results reaffirm SJS's ability to deliver sustainable growth with strong margins, robust cash flows and a solid balance sheet.

With that, I hand it back to Mr. Thapar to share his outlook for the future.



SJS Enterprises Limited
November 04, 2025

Sanjay Thapar:

Thank you, Mahendra. SJS is very well positioned for sustained growth backed by our strong financial performance, operational excellence and a very clear strategic road map. Our net cash position at INR 1,588.8 million provides ample flexibility to fund our ongoing capacity expansions, including the greenfield chrome plating and painting facility at SJS Decoplast Pune and the capacity expansion at our Bangalore facility.

These investments will strengthen our manufacturing capabilities and enhance our readiness to serve growing customer demand. A key pillar of our long-term growth strategy is to expand our global footprint and deepen customer relationships. We aim to increase export revenue share to 14% to 15% by FY28, driven by geographic diversification, new customer acquisitions and increased traction from global OEMs. Our exports momentum in Q2 highlights our progress towards this goal.

The innovation remains central to our strategy. We are actively expanding capabilities in optical cover glass and display solutions in India and will soon formalize a partnership with BOE Varitronix, through a TAA or a joint venture.

Additionally, we are developing in-mould electronics, IME, illuminated logos and several new generation aesthetic products that combine functionality with design excellence. These initiatives will drive realization improvements and strengthen SJS position as a one-stop decorative aesthetic partner for our OEM customers.

As we strengthen our relationship with major customers and expand both automotive and consumer segments, premiumization continues to be at the core of our strategy. By moving up the value chain through differentiated technology-enabled offerings, we expect to enhance our kit value and sustain our track record of industry outperformance.

Given our strong performance in H1 FY26, we have revised our guidance upwards, now expecting to outperform the industry growth rate by over 2.5% in FY26, translating into enhanced value creation for all stakeholders.

With a diversified customer base and expanding order book covering over 90% of FY26 forecast revenue and a continued focus on innovation and execution. SJS is well placed to sustain its growth momentum and strengthen its market leadership.

With that, I conclude my remarks. Over to you, Devanshi, and we are happy to take any questions.

Devanshi Dhruva:

Yes. Moderator Swapnali, you can take questions.

Moderator:

Thank you very much. The first question comes from the line of Nilabja Dey from Ashmore Research. Please go ahead.

Nilabja Dey:

Sir, congratulations on a very good set of numbers. Sir, I would actually like to know that in 2023 and early 2024, you were pursuing a lot of deals related to the consumer electronics, which



is one of the high-growth sector in India. So currently, can you just throw some light what is your plan? In fact, you had some tie-up with Dixon also. But currently, if you can throw some light on this sector going forward, how you are planning?

Sanjay Thapar:

Consumer businesses are center of our focus. We continue to do what we did with Dixon. We are exploring opportunities to grow this further. So, this is an ongoing process. I, at that moment, do not have any further update to share with you on specifically the consumer electronics segment. But overall electronics as a focus has increased. As we said, even the illuminated logos that we do are a part of the electronics foray, but that is automotive.

For the consumer businesses per se, business are growing well. So whatever we forecast revenues we have, we are achieving those. And we are forever discussing new projects that we could engage with consumer appliance customers and third-party manufacturers.

Nilabja Dey:

Okay. And in terms of the overall diversification, see, because many times this industry, specifically the 2-wheeler sector is pretty much cyclical in nature. And first of all, one of the great things I have seen that you have moved earlier used to give 1.5x. Now it is moving to 2.5x?

That is a major change. So, you mentioned that you want to increase your exports. But obviously, it will take some time, definitely. So overall, in the next 3 to 5 years, what is your plan to move away from the domestic cyclical of the 2-wheeler sector, over 3 to 5 years, not now? Just now, yes, please go ahead, sir.

Sanjay Thapar:

Yes. So what I have maintained earlier, our focus very clearly is there's a very, very large market outside India. We are focused on building capabilities and relationships to tap that market. We have announced in the past, we won very large businesses with major automotive and appliance OEMs globally.

We started supplying products to them from the last quarter. As you can see, our growth in the export segments have been quite significant. We've grown more than 40%. So those orders ramp-up is across multiple plants in these regions in exports. and we have started supplies to some of the plants. So the numbers that you see for our exports last quarter are a reflection of that. So overall, I think we are progressing very well. We've entered some new customers as well in the export market. So apart from Stellantis, we will be supplying to Nissan. We won a major business with a Tier 1 supplying to Nissan in the overseas markets. So that business is on the cusp of starting off now.

So the overall balancing of our pie in terms of sales across segments, we are very, very conscious that on an overall level, we should not be over dependent on one sector, whether it is 2-wheelers or 4-wheelers or consumer. And happily for us, we see growth potential in all these areas. I hope I answered your question.

Moderator:

The next question comes from the line of Ganeshram from Unifi Capital.



- Ganeshram:** Congratulations on the strong performance Sanjay, Mahendra and team. I have 2 questions. The first one is, in the past, you've told us about how the Stellantis contract or the Whirlpool contract the size and the period of execution. When we look at the new order wins that you received, could you give us a sense of quantitatively, what sort of opportunity size are we looking at? When do we sort of think of ramp up? And how we displace competition? How are we securing this?
- Sanjay Thapar:** Sorry, which specific market are you talking of? Or you're talking of a global phenomenon overall for the company? I didn't get your question quite right.
- Ganeshram:** No, I'm just asking for the new order wins that you reported, for example, Nissan, if you could just give us a sense of what the opportunity size is for what component and what kind of ramp-up you're expecting? And if you could nuance it with how you're displacing your competitors in the overseas market, right? How are the negotiations going and what's giving us that edge?
- Sanjay Thapar:** Okay. So as I've said, India, we benchmark ourselves across the world with the major competitors that we have. And we find that all the printed decorated business, we are quite well placed in terms of the margins that we can generate.
- So there is a competitive edge that India has because these products, as I've mentioned earlier are a batch mode operation. They require printing, they require a very large number of SKUs to be managed and delivered very efficiently to customers. So our track record of supplying to multiple countries across the world, more than 22 countries we supply to, more than 200 customer locations we serve without a hiccup. So, all that builds confidence.
- And as I said in my last earnings call, the business wins that we had or fantastic business wins that we had with Stellantis, so we are just a step away to showcase those business wins that if we can and where we have the wherewithal to supply parts, aesthetic parts, which have a very high threshold of quality. So customers are very, very conscious. So we are one of the very few companies, which have the capability to deliver this across the world in very large volumes at very competitive prices.
- So Nissan was one customer, which we were tapping and like we are tapping other customers as well. And we've been successful in winning the business there. And this is going to again open the door to a very large global customer. And we are very proud of the fact that we won this and all marquee OEMs now find SJS presence very attractive, and we hope to grow this business.
- So I mean, as I said earlier, India, we are a leader. Globally, the opportunity set is so large that we are just tapping to this market. And this is just another example of what overseas businesses that we won with this major customer.
- Ganeshram:** Yes. And just as a follow-up to it, if you could give us a sense of the opportunity size that you have with Nissan and how the execution period will look for this?



Sanjay Thapar: We do not or would not like to share the exact numbers because, as you can imagine, it's confidential data. So we have some limitations there. But suffice it to say that the overall guidance that I've given you is 14% to 15% of our consolidated sales should come from exports by FY28. So we are progressing well on that direction.

We are continually bidding new businesses. We pitch for new businesses, and we are successful. So I think directionally, that's where we are going. And that should give you confidence that we are walking the path that we laid for ourselves.

Ganeshram: And just for the second question was on the display technologies. I know we've been considering additional scope of work for a few quarters now. So just to check where we arrived at in terms of progress and how the opportunity size has evolved from what you had initially planned to where you are at right now? What's your thinking on the business there?

Sanjay Thapar: Okay. The reason why we got into display technology was that this was a technology that was disrupting the dials that you have. So new generation vehicles have display solutions.

Now these display screens require printing, on the display screen some special lamination and coatings, which are anti-reflection, anti-glare, etc. So we understand these businesses well. And we said, let's get into making of cover glass.

Now when we started talking to customers about cover glass, they said that we are also looking at suppliers who could maybe assemble the display in India. At that point in time, we said that let's see if we can find a technology partner because we did not have any technical know-how or expertise in this area. So we've been successful in tying up with a very large and one of the leading global players in this business. So BOE is a global leader in this technology. We signed an MOU.

And we've also built a plant. We are now populating it with equipment to service the Indian market. So it's progressing well. So whatever we set for ourselves in terms of finding a technology partner, we are successful. The building is ready. We are now populating it, as we speak in terms of mapping the opportunity set, and we will install equipment to meet the requirements of the customers. So that's the current status.

Ganeshram: Just the last follow-up on that as things stand today, what is your expectation in terms of time lines for when we would be sourcing customers and looking to start supplies?

Sanjay Thapar: So we are already pitching for this business. So there are discussions. So, I would imagine that would take FY 28, we should be able to see volumes coming out of this plant. And then progressively once we have set the ground, then, of course, ramp-up should be fairly quick. It takes about a year to establish the plant and trials and approvals and all that. So that takes time. So FY 28 is what my best outlook is for the moment.

Moderator: The next question comes from the line of Vijay Pandey from Nuvama.



Vijay Pandey: Sir, a couple of questions on the export side. Just wanted to understand when we say 14% to 15% of revenue share from exports, which of the key markets we are targeting, like currently, it's at around 9% or 10%. So how do we expect to go from here to 14%, 15%, especially given the tariff scenario and other things?

Sanjay Thapar: Yes. So the world is beyond U.S. So I don't think that U.S. will be out of the Indian markets purview. So as I've said earlier, the products that we produce are fairly niche, high tech. And when we benchmark competitors, who are today existing in the U.S., we are very, very well placed in terms of pricing power.

We have the economies of scale. So, understand the competition set we have. So, these are fragmented players, who are much smaller, who focus on just one technology and on the other hand, SJS has a whole plethora of technologies. When I talk to export customer, I can enter with one business. So, let's say, a badge with one customer, but then I have 14 different technologies to offer. So our opportunities to win business is quite high. And most of these global customers want to deal with fewer and fewer suppliers. They want to deal with suppliers, who have the capability of delivering products on time of the highest level of quality. So at SJS, we've spent a lot of time over the last 10 years building and showcasing our capability.

So for printing business, the hub is India. And I think because of this batch mode operation that we have, we have a very strong competitive edge. So that continues to play out. Whenever we pitch for new businesses, we are getting very positive feedback from customers.

And to answer your question on what specific target that we have in the world. So as we say, we are just stepping out of the shore of India. So the entire world is our playground. North America is a very large automotive market. That continues to be strong. Europe is very strong. Southeast Asia is a large market. India, of course, is a large growing market.

So we are winning businesses everywhere and even Latin America. So a lot of appliance businesses that we have, we have opened doors to customers in Latin America. Southeast Asia is something that we are working on. So broadly put, it's a \$4.7 billion market out there. And I think we've focused on building our capability to address the requirements of the customer. And that is giving us very good traction. And we are confident that 14% to 15% of our consolidated sales from FY 28 should be from outside India.

Vijay Pandey: Currently, what will be our exposure to U.S. and Europe separately like in terms of percentage?

Sanjay Thapar: You're asking you to forecast the future or what is the current level?

Vijay Pandey: Current.

Sanjay Thapar: So you want the forecast or what is the current exposure?

Vijay Pandey: Current exposure, like Q1



Sanjay Thapar: Current exposure to the U.S. is very small. So, I think maybe about 2% of our sales come out of the U.S. Balance, I mean, Europe is very strong. Southeast Asia is very strong. Latin America is growing also everywhere.

Now the U.S. will increase because we started supplies to Whirlpool, as I've said earlier. So maybe this year will be higher. So I talk of data for last year. This year, of course, U.S. should be bigger, maybe about 4% - 5% of sales.

Vijay Pandey: And the Nissan business is also in U.S. only. So that will particularly increase.

Sanjay Thapar: Yes, it will start in the U.S., but then as Nissan is a global company, so we look at opportunities. So, we will supply to an SUV, and we hope to open more markets within Nissan. So the playbook is very simple. So enter one plant, showcase your capability, deliver good products, excite the customer and then they open up the doors for you. So that, it's a very straightforward strategy that we have for growing business in exports.

Moderator: The next question comes from the line of Nitin from JM Financial.

Nitin: Congratulations on a great set of numbers. I just wanted to know your outlook in terms of margins, the kind of margin we have delivered in this quarter, outpaced our earlier guidance of 25% to 26%. Do we see these kind of margin sustaining going ahead as we have revised the guidance for the growth in terms of rest of the industry growth, we are expecting 2.5x now. So do we see EBITDA margin sustaining at this level? Or do you see normalization to happen going forward?

Sanjay Thapar: I mean, this quarter has been an outstanding quarter, thanks to the impetus given because of GST reduction. So all 2-wheeler sales have increased. Our share of premium products has increased even faster. Exports, which are very profitable for us, have also increased. So, all these have contributed to increase of margins in this quarter.

Moving forward, strategically, as we said, we continue to balance growth with margins. Our internal focus as a company, of course, is to focus very closely on cost reduction initiatives across the plants. And I think that's a fairly well-advanced science today in SJS. So, the DNA of the company is to look at how can we eliminate waste across everything that we do and that has paid dividends. And the idea really is that this methodology and the sharp focus we have internally will continue to help us sustain the margins that we deliver. So historically, 25% - 26% is the margin profile we have. It will improve given our penetration of exports, but then that is a gradual process, which will happen over the next 3 - 4 years.

Intrinsically, I mean, maybe this year from FY25-26, our expectations are higher, so maybe about 27%, maybe 1% higher. But if I'm able to sustain margins at 27% and outgrow the market for the next 4 - 5 years, I think we would be fairly satisfied with the outcome that we have.



Nitin: And the next question is related to again on the margin. So where are we seeing the margin expansion most? Is it the WPI, SJS Decoplast or this kind of business that is leading to this kind of expansion in margin?

Sanjay Thapar: Across the board. As I said, the cost reduction initiatives that we drive are across all plants. So we've seen great improvement in SJS Decoplast, as I mentioned earlier. So we've expanded sales 3x in the last 4 years. We've expanded margins, which you all are aware of.

At SJS we continue to improve margins. At Walter Pack also we continue to improve margins. So I think it's fairly generic. All our products are niche and the higher we climb up on the complexity change, we have a good competitive advantage, and we hope to continue that momentum forward.

Moderator: The next question comes from the line of Amit Hiranandani from PhillipCapital. Due to no response, we will go ahead and take the next participant. The next question is from the line of Deepan Narayanan from Trustline Holdings Private Limited. Please go ahead.

Deepan Narayanan: So firstly, the strong 2-wheeler sales growth of 44%. So could you throw more light on volumes versus value growth and also the split between domestic and export growth? And how do you see the order book for 2-wheelers currently and visibility for future growth in 2-wheeler?

Sanjay Thapar: So fundamentally, our growth has come because of secular growth in volumes across all customers. So all volumes for us have ramped up. We have increased our revenues also because of this new business of Hero that we acquired last quarter. So we continue to grow that business.

Overall, the result I think added, there are some of these products we've added, and new businesses. We've ordered some very exciting electric 2-wheeler businesses also, which are quite value accretive. So 2-wheeler margins or 2-wheeler growth, we have outperformed the industry, and we see that momentum likely to continue.

Any specific or other question you had on 2-wheelers, So overall, this is the position. We outperformed the industry by close to about 44% growth for this quarter and close to about 38% to 38.8% growth for the first half year of this year. So, volumes have been strong and our presence in the premium market and the value-added products that we supply, so our growth has been faster than the industry because of that premiumization scheme playing out.

Deepan Narayanan: And how do you see the order book currently and the visibility for growth in 2-wheelers business sustainability?

Sanjay Thapar: So overall, I would say that we have more than 90% of whatever we forecast for the FY 26 volumes is already in acquired business. So we see a very robust order intake we've seen during the year as per plan. And we continue to build on that momentum. So we are quite confident on an overall basis, not just 2-wheeler, 2-wheeler, 4-four wheeler appliances all put together. We see good growth for the year. And as I said earlier, we expect to grow 2.5x of the industry growth for this FY 26.



- Deepan Narayanan:** So most of the growth has come from the stand-alone. So the subsidiaries have grown only by 11%. So how do we see the growth momentum picking up in Decoplast and Walter Pack divisions of ours?
- Sanjay Thapar:** No, the growth in the subsidiaries also have been good. Mahendra, maybe you could share specific data.
- Mahendra Naredi:** Yes. So, Deepan, please see us from a consol company, we are well diversified for 2-wheeler and 4-wheeler. We are doing the cross-selling in fact. But however, your specific question about our subsidiaries. So the Decoplast, we have grown by 22%, whereas the Walter Pack was a small growth happened this quarter because the customer base is something that they are growing. So that is why you are seeing the lesser into passenger vehicle. But yes, on our subsidiary side, they are growing very well.
- Devanshi Dhruva:** So in fact, in Walter Pack, just to add to what Mahendra said is that Walter Pack, as we all know, one of the large OEMs, PV OEMs had lower volumes and now those volumes are coming back. So we are seeing Walter Pack performance also improving. It's flattish as of now compared to last year, it's almost similar. So we've bounced back out there also. And SJS Decoplast has performed very well with almost 22% growth.
- Sanjay Thapar:** So just to add to what Devanshi said the growth fundamentally is a function of the customers that you have and how the customers perform. Our content, of course, has added value.
- So at SJS Decoplast, we have increased cross-selling to 2-wheelers. We have a good 4-wheeler mix. We supply to the consumer business as well. So all of them have grown. So the growth at SJS Decoplast has been fairly robust.
- Walter Pack has a concentration with a few OEMs. Those volumes, while they have improved, still have a lot of headroom to grow, and that's what we're looking at. So, what Mahendra said is right, don't look at us as an individual company because we strategically decide what products to offer to the customer and which plant to supply out of and what technology to use.
- So that's an advantage that we have over competition, having these 3 companies specializing in different technologies. So look at the consolidated growth number, that's what we've been maintaining for so many years now.
- Deepan Narayanan:** Lastly from my side, like the stand-alone gross margins fall of 200 bps. So that is due to product mix change in the stand-alone products or it is due to raw material price increase we have faced?
- Sanjay Thapar:** All we focus on cost reduction very aggressively. Exports have increased for us, which are high volume. We have operating leverage played out. So margin expansion fundamentally is on these reasons, yes, some other.
- Mahendra Naredi:** So the gross margin dip, you rightly said it's mostly the sales mix impact.



- Deepan Narayanan:** Sales mix. So now ideally, like we are supplying now more to Hero, so that kind of product change is having some impact initially and then we will slowly move on progress, right? That's right understanding.
- Devanshi Dhruva:** No, it's not just Hero. We have also added a lot of other new projects also this quarter and in Q1 also. So it's not just actually about one customer or anything like that.
- Sanjay Thapar:** Yes. So as I said, exports have increased. There's more usage of the decorative part that we have. So as we said, our product get launched on premium models and then they percolate down to the mid-level. So there's been increased usage, for example, of illuminated logos. So that has also helped us increase margin and increase sales.
- Moderator:** The next question comes from the line of Amit Hiranandani from PhillipCapital.
- Amit Hiranandani:** Congratulations team for one more outstanding results. I really appreciate. Sir, my first question is basically on the update on the China TAA, and we are seeking more details about the product realizations and when the revenue is likely to start, where the production is going to happen. If you can throw more light on this, please?
- Sanjay Thapar:** The China business, as we said, we finalized the MOU. What we said is that we are focusing on what investments would be needed. We are chasing new projects. So we are in that process, and this is under negotiation at the moment. So it is work in progress.
- And as and when we finalize our terms, we are at this moment looking at building or making a list of the plant and equipment that we would need to meet the requirements of the product that we've targeted. So it's work in progress. So that's the best answer I have for you at the moment, both in terms of negotiating the terms of our collaboration.
- But suffice it to say, BOE is a very, very large company. They have a very strong market presence across the world. So I think we have the right partner and negotiating terms takes time. So we are in active discussions, and we hope to conclude this sooner than later.
- Amit Hiranandani:** Sir, we are making this cover glass plus the TFT plus the backlights as well. So any rough estimates, what would be the product realization you expect?
- Sanjay Thapar:** So we said the content increase from what we have at the moment, the cover glass, we said depending on the size of the cover glass and the size of the display that you have, it could depend quite largely on that. But at this moment, this is early time. So I would not like to give a specific number. But every one of us can see the usage of larger and larger screens. So, it's a very big opportunity set.
- We are still trying to do the math around what is the size of the market because we have customer announcements happening that people were going into a 7 inch screen are now going to a 10.25-inch screen are then going to migrating to a 12-inch screen and instead of 1 screen to have 2 screens and 3 screens. So it's a moving piece. So I would not like to hazard a guess today to say



that what is the content that will happen. It will depend on the model category and the OEM strategy as well.

But I would say that the next 6 months or so, we should have a fairly large clarity of what's happening. We, of course, will focus on 1 or 2 products first to build, to set up the line, to prove the products and then expansion will happen. And by that time, I think the market in India also would have matured with the OEMs deciding the configuration of displays that we will have.

And I've always maintained that, look, if you look at cars overseas, so China is a very large market, both not in terms of the driver information screen that you have, you also have rear seat entertainment. So it is like a movie theatre on wheels. So I think that display is a game changer, given the affinity that a customer has to what features and what enhanced experience he has inside the cabin. So, I think this is a very large business slated to grow, but numbers, we will have to wait and see how this market matures in India.

Amit Hiranandani:

Right. This is helpful, sir. Sir, secondly, on the WPI side. So I wanted to just understand, so we expect that H2 would be definitely, the largest customer is showing good numbers now, and this should continue in H2 as well. Just on the margins of WPI, is the margins back to the level when we were acquired this WPI?

Sanjay Thapar:

So margins are a function of, okay, in terms of products, they are very profitable products. But as I said earlier, ultimately, there are fixed costs associated with the plant. So business has to scale up for that to really reflect on the P&L. So, we are getting there. Yes, we have encouraging traction happening. So overall, I think that would improve.

Will we come back to where we were or what we wanted to do. So I think that is still in the works. We are looking at expanding the base at that customer. As I said earlier, these are very complex tooling. They take close to about a year to just to make tooling. So it takes time. But I think we are in the right direction, and we see positive momentum happening at WPI as well.

Amit Hiranandani:

And just lastly, sir, if I can squeeze one more question. Sir, on the capacity utilization, if you can help us understand what the utilization for stand-alone and Exotech and WPI separately? Also, if you can update on the Exotech's new plant and what revenue is doable at the peak utilization level? And any start-up cost visibility is there for this new plant, sir? That's it.

Sanjay Thapar:

Mahendra, maybe you could take this question.

Mahendra Naredi:

Yes, Amit. So regarding the capacity, let's say first from the SJS Decoplast, we already announced that we are utilizing this capacity more than 90% - 95%. And hence, what we are expanding and we are creating a greenfield. So we have allocated INR 100 crores, and it's working well. We also given some photos this time to the investor presentation. It's progressing well, It's progressing on track, which is going to happen by quarter 3. So that is one.

Second, you are talking about the SJS stand-alone, which is our other plant in Bangalore. So we were operating last year by around 70%, but with the addition of new customers like Hero and



the Stellantis and other customers, we are expanding our capacity. We also had a capex here, which is to the tune of around INR 45 crores. So that expansion is also gearing up very well. By end of this year, this is going to happen.

Regarding Walter Pack, so Walter Pack is operating somewhere 70% to 75%. So that is one. The all capex is happening with the internal cash approval. Regarding the start-up costs, yes, whenever we will, after commissioning, there will be a phase of start-up, which will be, let's say, quarter 4 of the current financial year.

So yes, there would be some cost of the start-up cost. Now how much is going to be happened, that we can't able to give you the number right now. But from a broader point of view, we will maintain our EBITDA margin to the tune of 26%, 27%.

Moderator: The next question comes from the line of Abhishek Jain from Alfaccurate.

Abhishek Jain: Congrats for a very strong set of numbers. Sir, my first question on the stand-alone business. We have seen very impressive growth in stand-alone and that is also attributed to new business from the Hero. So just wanted to understand how much the current SOB with the Hero and what are the probability of increase the SOB from the Hero from where we are?

Sanjay Thapar: So as I said, we've started development of products, different models. So we are nearly where we need to be in terms of product development. Then I said the second leg is really the opportunity to cross-sell because Hero has large volumes. So we are exploring and discussing that. So I think we should continue that momentum. It is stable. And with cross-selling, there could be new opportunities that occur with Hero.

Abhishek Jain: So are we able to cross the 30% share of business within Hero now?

Sanjay Thapar: Sorry, how much?

Abhishek Jain: 30%.

Sanjay Thapar: I mean, I look at my order book so.

Devanshi Dhruva: We won't be able to give customer-wise details, sorry, Abhishek

Sanjay Thapar: Yes. So we track how our sales are growing. We don't worry too much about the SOB.

Abhishek Jain: And sir, how much the current revenue contribution from the Maruti? And what are the plans to increase the business from the Maruti?

Sanjay Thapar: So Maruti, there are new models that we are doing. Walter Pack is a supplier to Maruti and we are looking at opportunities both for our other companies as well. So in terms of decals and logos. So Maruti continues to be an important customer.



Traditionally, Maruti was focused on small cars, but now they are upping their game. So we already supply dials to Maruti, many of these new models, we have the business. And we are a Tier 2 supplier. We supply to Marelli. We supply to Continental. So Maruti continues to be a good business both for stand-alone SJS as well as Walter Pack.

So the new, I mean, maybe individual models I don't want to talk off, but there are some very exciting illuminated IML parts that have been launched in a very new model launched by Maruti Suzuki. It's an SUV, maybe you've seen it. They market it in their advertising collateral as well.

Devanshi Dhruva: I believe Victoris.

Sanjay Thapar: Yes.

Sanjay Thapar: Yes, so Victoris has a very interesting part, which has drawn a lot of traction. Typically, this is what happens. If you launch a new technology, good-looking product at one customer and the other customers want to add something similar. So Maruti continues to be a strong customer for us. And hopefully, with their focus on climbing up the value chain by bigger cars, they will add to their content, and that's what we are focusing on.

Moderator: The next question comes from the line of Ganesh Pai from Kotak Investment Advisors. Please go ahead.

Ganesh Pai: I'm Ganesh Pai. I have 2 questions. One is what is your R&D spend as a percentage of revenue?

Mahendra Naredi: So Ganesh, our R&D spend in the range of 2% of our annual revenue.

Ganesh Pai: And how do you plan to retain the critical talent as an R&D and global business in future.

Sanjay Thapar: So the answer to that is quite complex. So we have to create an environment, where talent sees the future. So, I think employees like to join and stay in a company that grows strongly. So we've grown very, very strongly, as you can see from our results. We have a very large ESOP pool. So, there are employees, even workers passing a certain threshold, get ESOPs.

So, I think there is quite a strong engagement of employees and talent, not just in R&D, in all the departments in our company. And we are certified as a Great Place to Work for 6 years in a row now. So, we will do what we can to make this conducive workplace.

Moderator: The next question comes from the line of Smit Shah from Monarch Network Capital Limited.

Smit Shah: Congratulations on a great set of numbers. While my questions are largely covered, I have 2 pending. One is on SJS Decoplast, the new capacity that we are putting in. So what I understand is right now, we are outsourcing work. But my question is that when the capacity will be on stream, what portion of that capacity, new capacity will already be utilized, whereas the production gets shifted from the outsourced portion to the new plant?



Sanjay Thapar:

So our idea, Smit, is not to reduce outsourcing and bring it in-house that we will do. But the more important is to win new business to load that plant. So strategically, what we have already won is continuing, continuing well. So we don't want to touch that unless there is a very great compulsion. So the idea or the task to my sales and marketing team is to go ahead and conquer. So get more business.

As I said, with the new plant, we are focusing on exports markets in a large way. So the idea would be to fill up that plant with new customers to balance our customer pie and also to get some new finishes so that we can add to the margins that we can earn on that business. So there was a legacy business, which we've grown very well. and we now want to take that to the global market.

So overall, SJS is focused on tapping the large opportunity set, not just in India but overseas. And that will continue to be a focus even for this new SJS Decoplast plant. I mean, there are opportunities in India as well. So we will take whatever comes, not to say that we don't focus on getting business in India.

Smit Shah:

Sir, and capex guidance for the next 2 years?

Mahendra Naredi:

So Smit, this capex guidance, what we had given is intact. There is no change. 3 strategic investment we are doing. One is the SJS Decoplast. We allocated INR 100 crores, INR 30 crores incurred in the last year till H1, we also did another INR 20 crores. So INR 50 crores already happened. So for the current year is INR 70 crores for the SJS Decoplast.

INR 40 crores – INR 45 crores we have marked for the expansion for the SJS Bangalore facility. And INR 40 crores we have taken the cover glass, which we plan to do INR 20 crores in the current financial year and the INR 20 crores in the next financial year.

And apart from these 3 strategic investments, we have our maintenance capex and the VA/VE capex, which is in the line of INR 15 crores to INR 20 crores per annum. So if I talk about for a period of 3 years, between INR 220 - 230 crores kind of a capex is going to happen.

Moderator:

The next question comes from the line of Hitesh Goel from Aurigin Capital.

Hitesh Goel:

I have only one question. For this new capacity in SJS Decoplast for INR 100 crores, what kind of asset turns at peak utilization we are expecting?

Mahendra Naredi:

So Hitesh, generally, whenever we make investment, we consider around 3 times of asset turn. So for INR 100 crores, out of INR 100 crores, the plant and machinery would be around some INR 50 crores. So you can take into that.

Hitesh Goel:

So land is separate. So you're saying INR 50 crores, we should take INR 150 crores is kind of peak?

Mahendra Naredi:

Correct.



- Hitesh Goel:** And sir, when this peak will happen, so how does the peak happen? I mean, because in fourth quarter, we'll start seeing reasonable amount of revenue coming in because I believe most of the customers are already tied in, right? Or how does it happen? How will the peak scale up?
- Sanjay Thapar:** So it's an ongoing process. Typically, we want to deliver what we promise. So we approach the customers. So we are keeping them warm. There is a trial period that we do to validate that plant. But yes, we are constantly looking at new customers. So there are RFQs that we are addressing.
- Now these new projects that start, it depends on the SOP of whatever that product is, whether it's an appliance or an automobile. So those are SOP dates are defined. So I would think progressively, this would get filled. So we will start from end of this year. And hopefully, in another 1 year or so, we should be at a decent capacity utilization at this point of time.
- Hitesh Goel:** And sir, when you had spoken earlier you had spoken about exports being a large part of this capacity. Is that true? I mean, Europe would be a key target?
- Sanjay Thapar:** No. See certainly this capacity is agnostic to the customer or the market. So I'm saying my wish is that we started SJS Decoplast with an acquisition. There was a legacy set of customers. The path I would like to go down is to balance the customer mix at SJS with a large concentration of exports. So exports is a great opportunity set. And with a new plant, that is what I'm targeting. So, it's not that it is mandatory that I should do only exports in that new plant. I will do domestic business as well as exports. So, we are looking at both to fulfil and utilizing capacity created at this new plant.
- Hitesh Goel:** Sir, my final question on stand-alone business. If I look at, say, for example, September was a big month because of GST reduction, right? But July, August was not that big months. So if I look at going to Q3 versus Q2, how do you see business panning out on the stand-alone side?
- Sanjay Thapar:** So 2-wheeler business with GST cuts, that potential should continue. Export markets, typically, there is a lull because for Christmas holidays, some export plants close down. But overall, I would say that we should be somewhere between Q1 and Q2 numbers for Q3. So historically, there is some amount of cyclicity in the market, but we see good traction. But then there are some factors like plant shutdowns, etc, that may impact sales. But so far, the order book is strong.
- Moderator:** The next question comes from the line of Jatin Chawla from RTL Investments.
- Jatin Chawla:** So, on this Nissan order, what is the timeline in terms of when it is starting? And I know you are not sharing the value of the deal, but is it kind of significant like Stellantis?
- Sanjay Thapar:** So, as I said, the ramp-up for all these businesses happens across models, etc, that happen. So I think from the next quarter, we should see some sales happening.
- Jatin Chawla:** And in terms of the significance of the order?



SJS Enterprises Limited
November 04, 2025

- Sanjay Thapar:** All orders are significant. When I add the new customer, Nissan is a huge customer globally. So, the strategy, as I explained earlier, is to enter to create marquee accounts. The strategy really is to enter, show performance, both in quality, cost and delivery. And then it is not such heavy lifting to scale up business.
- So that is what our experience with all global OEMs have been. And Nissan is a very large company with production plants across the world. So, we hope to grow this business very well with them. So it's strategically a good, very important win.
- Jatin Chawla:** Yes, yes, definitely. And I think Hero earlier also this question was asked, but I couldn't quite catch the answer. So, when in terms of ramp-up with Hero on a stable basis without cross-selling, are we largely done? Or you said there is still some product development, which is going on.
- Sanjay Thapar:** Yes, still going on. I mean, it's largely done, but there is still some development happening. So I mean, as a company or as a DNA, we always focus on what more can we do. So, we are always exploring that opportunity. But yes, we have had a good start.
- Jatin Chawla:** And on the Whirlpool and Stellantis ramp-up, I guess that is still in early days, that will ramp up over the next few quarters?
- Sanjay Thapar:** Yes, because there are multiple plants across the world. So the ramp-up or the increase that you see in exports from last quarter to this quarter is primarily driven by starting of supplies to Whirlpool and Stellantis in some of the plants.
- Moderator:** Ladies and gentlemen, in the interest of time, that was the last question for today. I would now like to hand the conference over to Ms. Devanshi Dhruva from SJS Enterprises for closing comments.
- Devanshi Dhruva:** Thank you, everyone, for joining the call. We hope we've addressed your questions satisfactorily. For any further information, please reach out to our Investor Relations team. Stay safe, stay healthy. Thank you once again.
- Moderator:** Thank you. On behalf of ICICI Securities Limited, that concludes this conference. Thank you for joining us today, and you may now disconnect your lines.