

**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

P: +91 80 6194 0777 F: +91 80 28425110

Email Id: info@sjsindia.com, compliance@sjsindia.com

ISO 14001 ISO 45001  
ISO 9001 IATF 16949  
Certified

CIN: L51909KA2005PLC036601

www.sjsindia.com



Creating Possibilities

August 04, 2022

To,

<b>National Stock Exchange of India Limited</b> Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C/1, G Block, Bandra – Kurla Complex, Bandra (E), Mumbai -400 051  <b>Symbol: SJS</b>	<b>BSE Limited</b> Corporate Relationship Department, 2 <sup>nd</sup> Floor, New Trading Wing, Rotunda Building, P.J. Towers, Dalal Street, Mumbai – 400 001  <b>Scrip Code: 543387</b>
---	---

**ISIN: INE284S01014**

Dear Sir/Madam,

**Subject: Earnings Call Presentation of the Company pertaining to Q1 of FY 2022-23**

In continuation with the Company's letter dated August 01, 2022, pertaining to Intimation of schedule of Earnings call to be held on Friday, 5<sup>th</sup> August 2022 at 10:00 a.m. (IST) and pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the earnings presentation on the unaudited Financial Results of the Company for the quarter ended June 30, 2022.

Also, this presentation will be uploaded on the website of the Company at <https://www.sjsindia.com/>

Request you to kindly take the above on record.

Thank you,

Yours faithfully,

For **S.J.S. Enterprises Limited**



**Thabraz Hushain W.**

**Company Secretary and Compliance Officer**

**Membership No.: A51119**

**Encl: As mentioned above**



# S.J.S ENTERPRISES LIMITED

Q1FY23 EARNINGS PRESENTATION

# Disclaimer

---

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

# Today's Presenters



**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**  
Executive Director & CEO

- 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



**SAUMYA MOGANTY**  
VP - Finance

- Over 21 years of work experience in finance function
- Previously worked in audit and IT industry; currently heading finance function at SJS since 2011.
- Associate of the Institute of Chartered Accountants of India; B.Com (Honours) from Utkal University, Odisha



**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

---

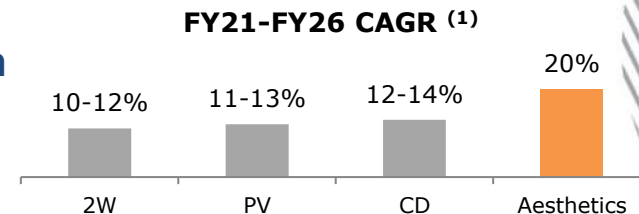
# About SJS Enterprises

---

# S.J.S Enterprises Limited : A Snapshot

**1** One of the leading players in Indian decorative aesthetics industry which has faster than underlying industry growth <sup>(1)</sup>

**Rs 1,031.7 Mn**  
Q1FY23 Revenue <sup>(2)</sup>



**11**  
product categories <sup>(3)</sup> including chrome plated parts

**7**  
End markets served <sup>(4)</sup> – 2W, PV, CD, CV, Medical devices, Farm equipment & Sanitary ware

Widest range of products <sup>(5)</sup> with presence across traditional and premium products

**3** “Design” to delivery” aesthetics solution provider



**~123 Mn**  
Total parts Supplied (FY22)

**~6,000**  
SKUs (FY22)

**21**  
Countries exported to

Strong manufacturing footprint and global distribution capabilities

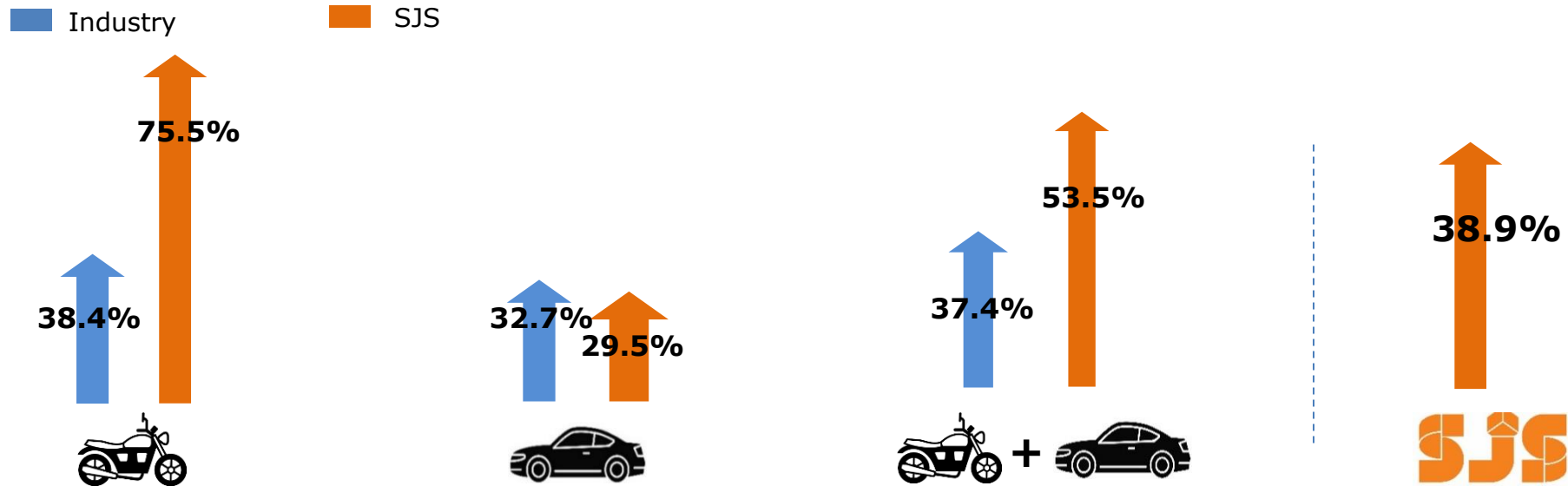
**5** Long-standing customer relationships

**~175+**  
Customer Locations (as on 31<sup>st</sup> Mar 2022)

**~15 yrs**  
Average length of relationship with 10 largest customers

# SJS Outperformed Auto Industry on Y-o-Y basis

## Q1FY23 - Industry Production Volume<sup>1</sup> v/s SJS YoY Sales



### Industry Scenario

- Sequentially, SJS domestic sales were largely in line with 2W and PV industry production
  - Going ahead domestic 2W & PV industry outlook is positive with improving chip availability and expectations of pickup during festive season
- Exports were impacted on account of: (a) Russia Ukraine war leading to lower demand as well as supply chain constraints of raw materials in EMEA region; and (b) rising fuel prices globally and inflationary environment
  - Export volume outlook remains strong over the medium-term

**Despite QoQ impact on exports, SJS maintained Q4FY22 sales momentum**

---

# **Q1FY23 Business & Financial Highlights**

---



# Q1FY23 Financial Performance (Consolidated)

 **39%**  
YoY growth

**Revenue** at Rs 1,031.7 Mn  
–surpassed 2W and PV  
industry productions  
combined growth of 37.4%  
YoY

 **50%**  
YoY growth

**EBITDA** at Rs 278.2 Mn,  
despite inflationary  
environment, on back of  
strong operational efficiencies;  
**Strong margins of 26.4%**

 **71%**  
YoY growth

**Net Profit** at Rs 162.1  
Mn, with a **margin of  
15.4%**

**2W and PV** witnessed  
strong **YoY growth of 75%  
and 29%** respectively;  
**Overall Domestic sales**  
clocked strong YoY **growth  
of 58%**

**Strong Cash & Bank**  
position with **Rs 1158.9 Mn**  
as on 30<sup>th</sup> June 2022;  
Low leverage with **net debt  
at zero**

Q2FY23 started on a robust note, as we **achieved revenue of around Rs 380 Mn\*** in  
**July'22** on back of improvement in customer demand;  
**We are on track to meet our FY23 YoY growth rate of 25%**

# Q1FY23 Business Highlights (1/2)

**We are just getting Started...**

**Current order book is ~90% of FY23 forecasted revenue**

## **Key Customers: Growing mega accounts & driving exports**

- **Expanded business in USA by winning business from 2 new plants of Whirlpool**
- **Entered a new country – Argentina with new order win from Alladio, a leading manufacturer of domestic appliances in Latin America**
- SJS continued growing business with mega accounts by winning new orders from **Continental, Marelli, Stellantis and Whirlpool etc**
- **Exotech won its first business in exports market** by cross selling chrome plated parts to Whirlpool

## **Products : Focus on new product development and technologies**

- SJS continued to demonstrate strong NPD capabilities, helping it secure additional orders from customers due to its QCDD (Quality, Cost, Design & Delivery) capability
- Our customers recognize our support as partners – **SJS won the award for excellence in New Product Development from Honda Motorcycle & Scooter India** at their Annual Supplier Conference

## **Robust margins**

- Despite input cost increases and supply chain constraints, SJS expanded EBITDA & PAT margins
- **Strong focus on VAVE measures and operational efficiency improvement initiatives**

*We are in the process of acquiring a ~7.5 acres land at Pune to expand our chrome plating capacity*

# Q1FY23 Business Highlights (2/2)

## Key Customer Addition



ARGENTINA



OHIO, USA



ELECTRIC VEHICLES

## Entered 2 new locations



ARGENTINA

OHIO, USA



## Key Business Projects Won



# Q1FY23 Consolidated P&L

Particulars (INR Mn)	Quarter Ended		
	30-Jun-22	31-Mar-22	30-Jun-21
<b>Income</b>			
Revenue from Operations	1031.7	1041.1	742.7
Other Income	23.3	12.4	10.3
<b>Total Income</b>	<b>1055.0</b>	<b>1053.5</b>	<b>752.9</b>
<b>Expenses</b>			
Cost of raw materials consumed	489.6	465.3	320.2
Changes in inventory of finished goods, WIP and stores and spares	-40.0	7.4	-11.1
Employee benefits expenses	136.3	132.1	120.0
Other Expenses	190.9	181.7	138.1
<b>Total Expenses</b>	<b>776.8</b>	<b>786.5</b>	<b>567.1</b>
<b>EBITDA</b>	<b>278.2</b>	<b>267.0</b>	<b>185.9</b>
<i>EBITDA Margin %</i>	<i>26.4%</i>	<i>25.3%</i>	<i>24.7%</i>
Finance Costs	6.9	7.7	7.2
Depreciation & Amortisation Expenses	55.2	54.1	51.1
<b>Profit Before Tax</b>	<b>216.2</b>	<b>205.2</b>	<b>127.6</b>
Tax Expenses			
Current Tax	60.5	55.8	38.8
Deferred Tax (credit)/ charge	-6.4	-4.2	-6.1
<b>Total Tax expense</b>	<b>54.1</b>	<b>51.6</b>	<b>32.7</b>
<b>Profit for the year</b>	<b>162.1</b>	<b>153.6</b>	<b>95.0</b>
<i>Profit Margin %</i>	<i>15.4%</i>	<i>14.6%</i>	<i>12.6%</i>

Despite inflationary trends  
EBITDA Margins improved 170  
bps YoY and 106 bps QoQ

PAT Margin improved 280 bps  
YoY and 82 bps QoQ

---

**Outlook:**  
**FY23–25 (Medium Term)**  
**FY23 (Near Term)**

---

# SJS – Outlook for FY23 - 25...(1/2)

## 1 Organic growth expected at ~25% CAGR, maintaining best in class margins

### Capacity Expansion: Expand chrome plating capacity to meet higher demand pipeline

- Double the chrome plating capacity to support **revenues of Rs 300 Crs from the current Rs 130 Crs capacity**
- **Expect capex of ~Rs 100 Crs (spread over 18-24 months)** to be funded largely internally through SJS cash flows and target **ROCE of ~20%**
- Higher capacity will also enable entry into global markets

### Exports : Increasing global presence

- Increase presence in existing geographies and enter new geographies by leveraging strong customer relationships
- Strengthening our sales force in the international markets of Turkey, Brazil & Argentina 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

- Strengthen relationships with existing customers by expanding the array of products & building large mega accounts
- Increase customer base by marketing existing products to new customers
- Cross selling opportunities between SJS and Exotech



# SJS – Outlook for FY23 - 25...(2/2)

## 2 Merger & Acquisitions

**SJS successfully integrated Exotech business and demonstrated credible business improvement in Exotech's FY22 performance:**

- ~50% YoY growth in Revenue, increasing from Rs 685 Mn to Rs 1,020 Mn
- Cost synergies & efficiency resulted in Exotech EBITDA margin expansion by 70 bps YoY from 12.2% in FY21<sup>1</sup> to 12.8% in FY22

**SJS will continue ahead with more business accretive acquisitions & the rationale for it will be:**



### **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 / painting



### **Expand presence in consumer related industries**

Enter new segments and expand presence in other consumer related industries targeting

- Appliance manufacturers
- Hand held devices



### **Enter new geographies / OEMs for chrome plating**

- Expand presence in chrome plating (one of the largest segment for aesthetics parts)
- Reduces logistics costs for bulky parts
- Provides direct entry into OEMs to support cross selling opportunities

**SJS Management is actively evaluating opportunities and building an M&A pipeline to give an impetus to revenue growth over and above the organic growth of ~25%**

# SJS – FY23 Outlook

End Segments	FY22 Industry Domestic Vol Growth	FY23E Industry Domestic Vol Growth	Contribution to SJS Revenue (FY22)
Two Wheelers	(10.9%)	15.6%	43.3%
Passenger Vehicle	13.2%	19.0%	28.8%

- ❖ **SJS expects ~25% YoY revenue growth** on account of expected positive outlook for 2W, PV and Consumer Durables
  - Premiumisation + New Customer Wins + Exports = **Higher sales growth for SJS than industry**
  - **High Visibility:** Current order book to be executed in FY23 is **~90% of FY23** forecasted revenue
- ❖ Strong moat, strong margin profile and expected operating leverage to **drive PAT growth of ~30% YoY and going ahead**



---



# THANK YOU

## **IR Contact**

Ms. Devanshi Dhruva | Head - Investor Relations  
[devanshi@sjsindia.com](mailto:devanshi@sjsindia.com)