

**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



May 26, 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>
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**ISIN: INE284S01014**

Dear Sir/Madam,

**Subject: Earnings Call Presentation of the Company pertaining to quarter and year ended 31<sup>st</sup> March 2022**

In continuation with the Company's letter dated May 19, 2022 pertaining to Intimation of schedule of Earnings call to be held on Friday, 27<sup>th</sup> May 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 Audited Financial Results of the Company for the quarter and year ended 31<sup>st</sup> March 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 & Compliance Officer**

**Membership No.: A51119**

**Encl: As mentioned above**



# S.J.S ENTERPRISES LIMITED

Q4FY22 EARNINGS PRESENTATION

# Disclaimer

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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 and earlier 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

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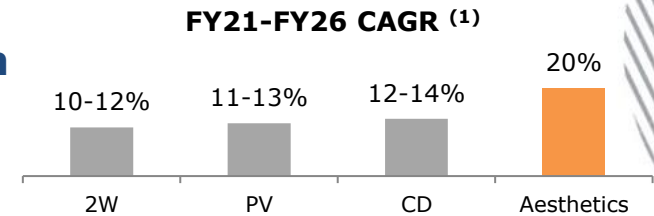
# About SJS Enterprises

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# 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 3,698.6 Mn**  
FY22 Revenue <sup>(2)</sup>



**11**  
product categories <sup>(3)</sup>; Added chrome plated parts to portfolio

**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 **2**

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



**~123 Mn**  
Total parts supplied

**~6,000**  
SKUs

**20**  
Countries exported to

Strong manufacturing footprint and global distribution capabilities **4**

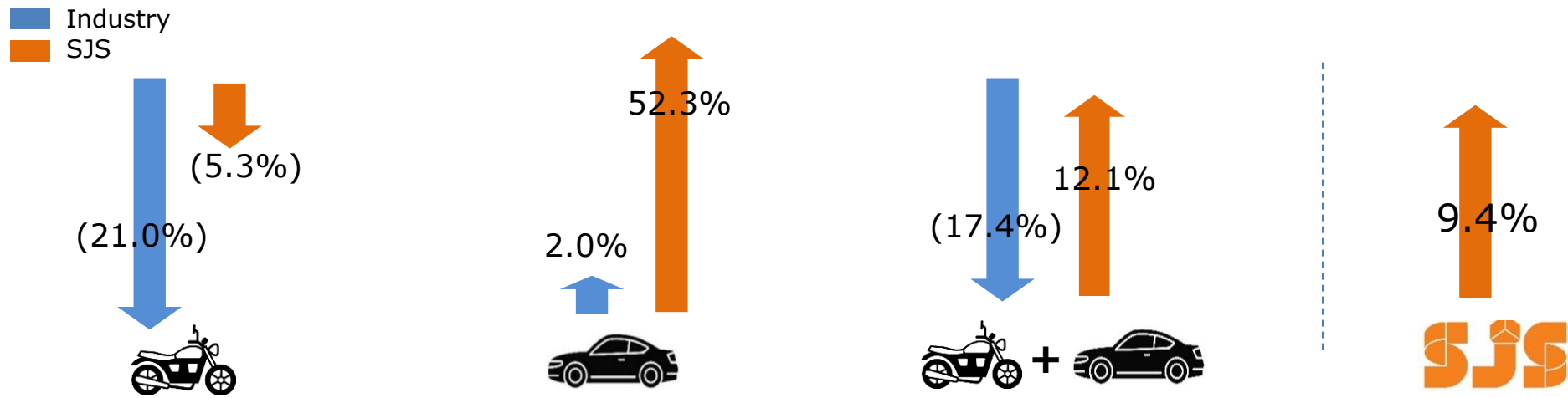
**5** Long-standing customer relationships

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

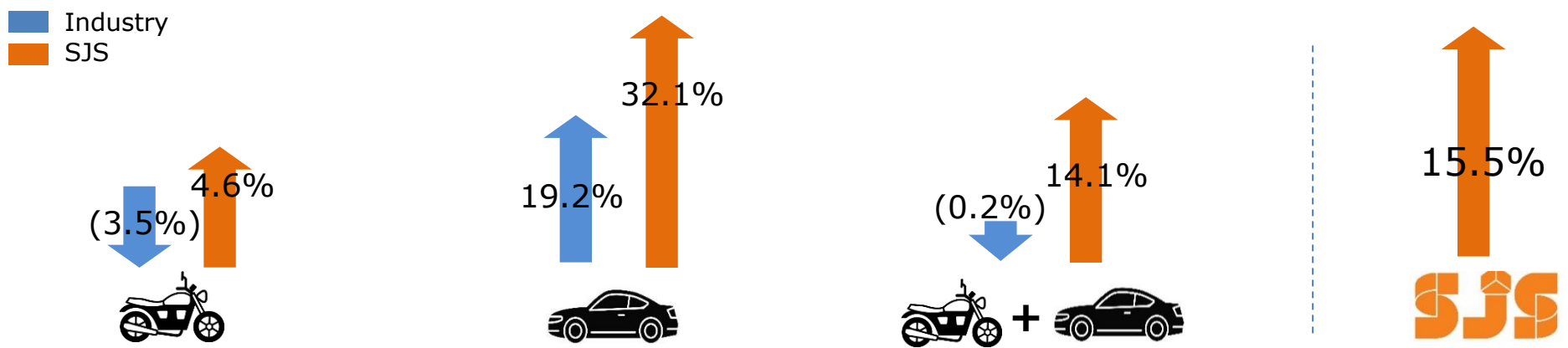
**~15 yrs**  
Average length of relationship with 10 largest customers

# SJS Outperformed Auto Industry

## Q4FY22 - Industry Production Volume<sup>1</sup> v/s SJS YoY Sales<sup>2</sup>



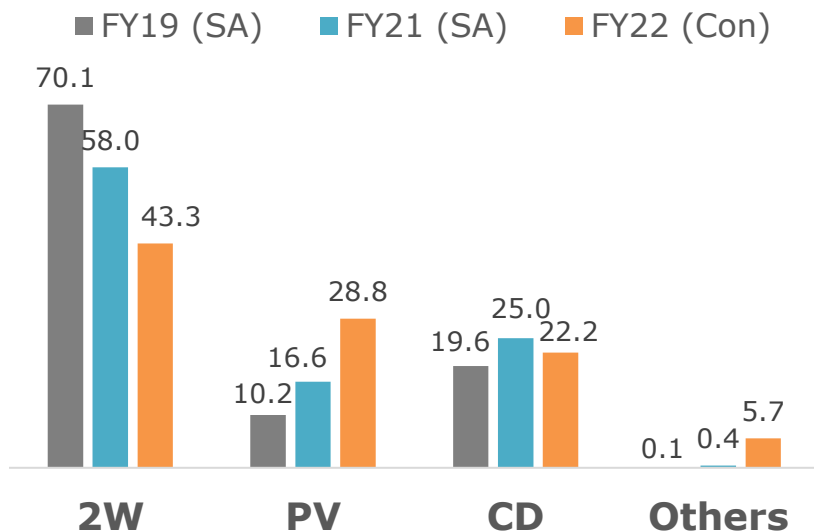
## FY22 - Industry Production Volume<sup>1</sup> v/s SJS YoY Sales<sup>2</sup>



Note: 1) Industry Production Volumes are production in India; 2) For SJS YoY Sales, Q4FY21 are Proforma numbers and Q4FY22 are Consolidated numbers

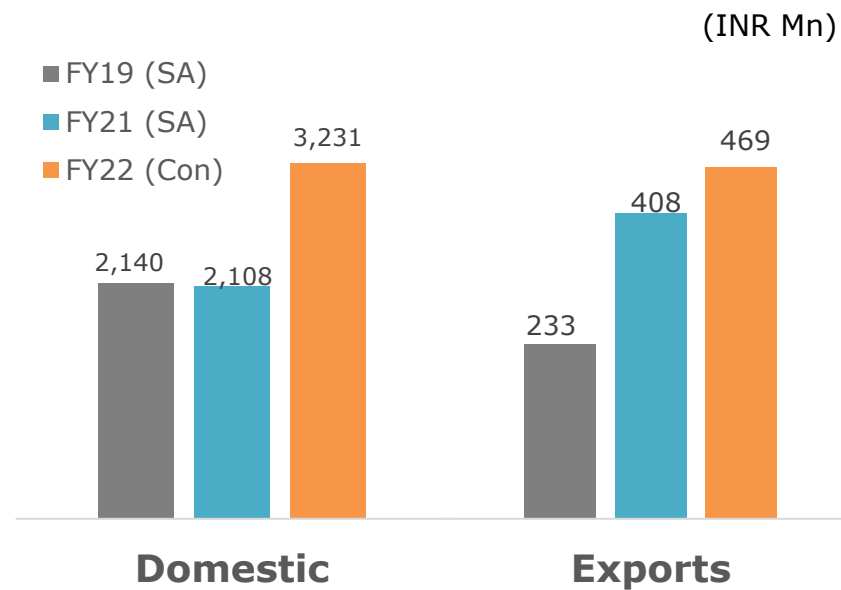
# Diversification strategy playing out well

Revenue (By End Segment %) <sup>1,2</sup>



**PV revenue grew over 4x & CD grew 1.8x of FY19 on back of organic and inorganic growth**

Revenue (By Geography) <sup>1,2</sup>



**Exports Revenue doubled in 3 years**  
*(FY22 Exports was only from SJS as Exotech was only domestic business)*

**New Age Products contribution to revenue has increased from <3% in FY19 to 16%+ in FY22**

Note: 1) Percentages rounded up to one decimal place; 2) Revenue split for FY19 and FY21 is for SJS standalone and FY22 is on Consolidated numbers



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# **Q4FY22 Business & Financial Highlights**

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# Q4FY22 Financial Performance (Consolidated)



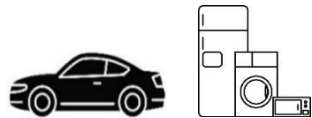
**Revenue at Rs 1,041 mn,** growth of ~13.4% QoQ, v/s overall 2W & PV industry productions combined was flattish QoQ to 2% growth



**EBITDA at Rs 267 mn,** impacted by RM inflation, but downside was limited on back of operational efficiencies; **Strong margins of 25.3%**



**Net Profit at Rs 154 Mn,** on a margin of 14.6%



**Strong 20%+ QoQ Revenue growth in Passenger Vehicle as well as Consumer Durables segments**



**Domestic business clocked 16%+ QoQ Revenue growth on account of new business wins**



**Strong Cash & Bank Balance position with over Rs 100 crs on Balance sheet**

# Q4FY22 Business Highlights

## Key Customer Addition



## Key Business Projects Won



## Honda Award for New Product Development at their Annual Supplier Conference



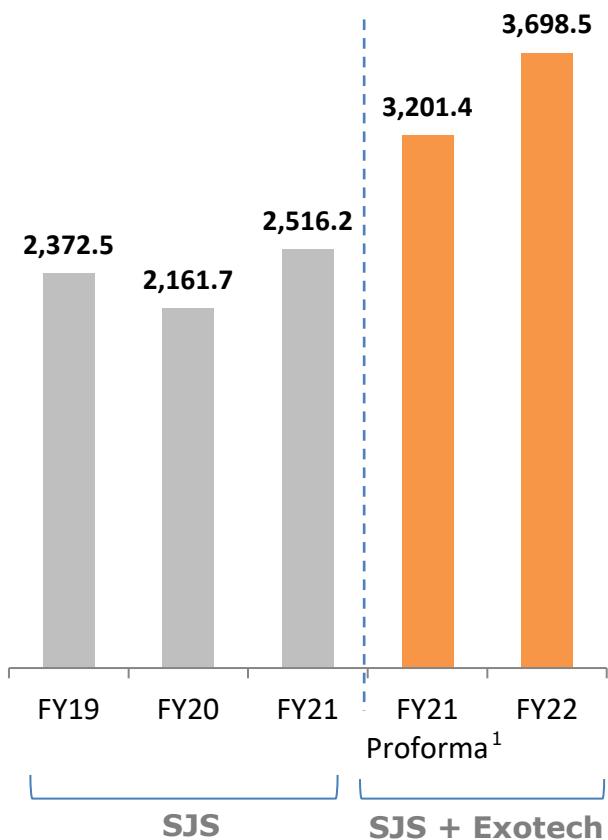
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# FY22 Financial Highlights

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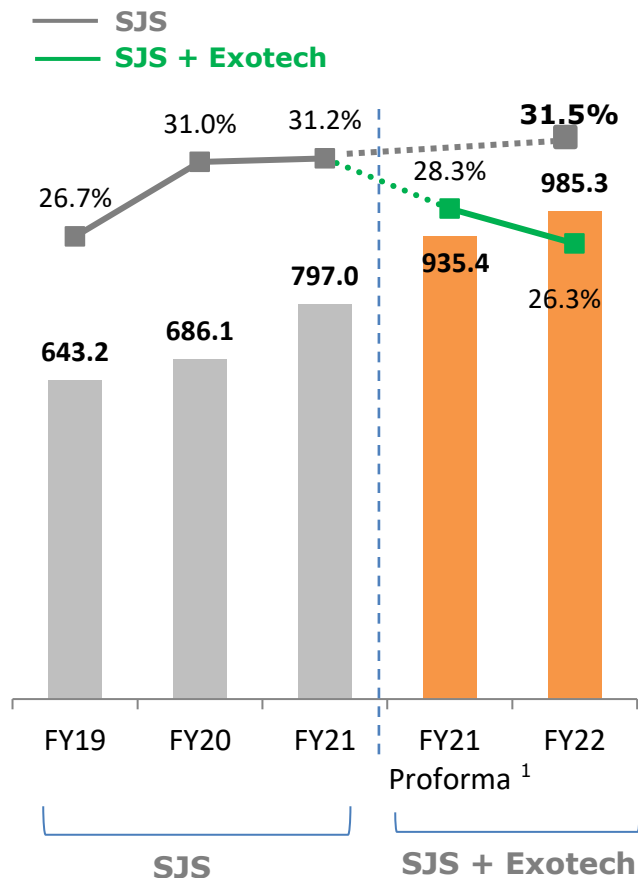
# Financial performance.....(1/2)

## Revenue from operations (INR Mn)



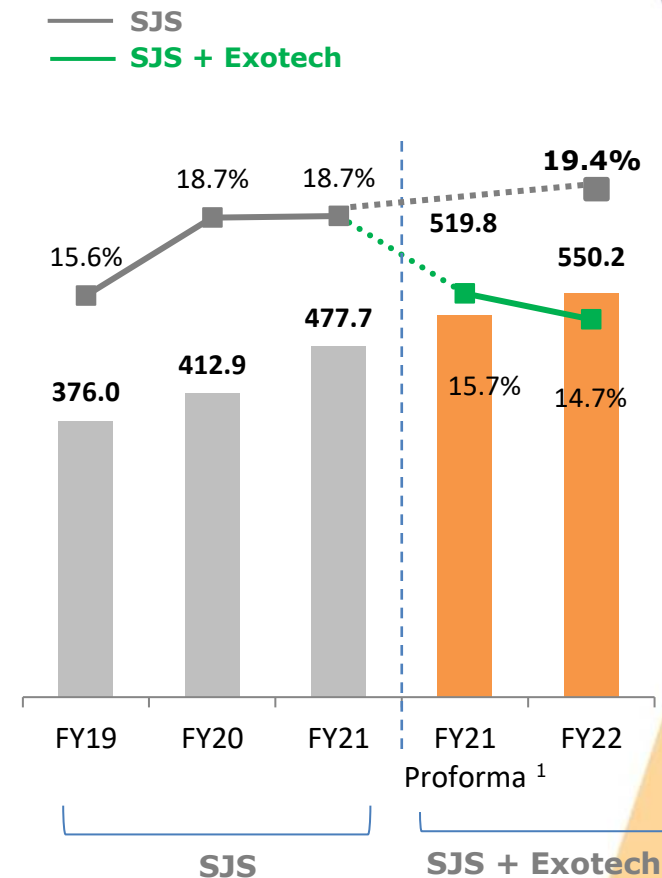
## EBITDA (INR Mn) & EBITDA Margin %

FY21 Adj EBITDA<sup>2</sup> – Rs 879.6 Mn  
Adj EBITDA Margin<sup>2</sup> % - 27.1%



## PAT (INR Mn) & PAT Margin %

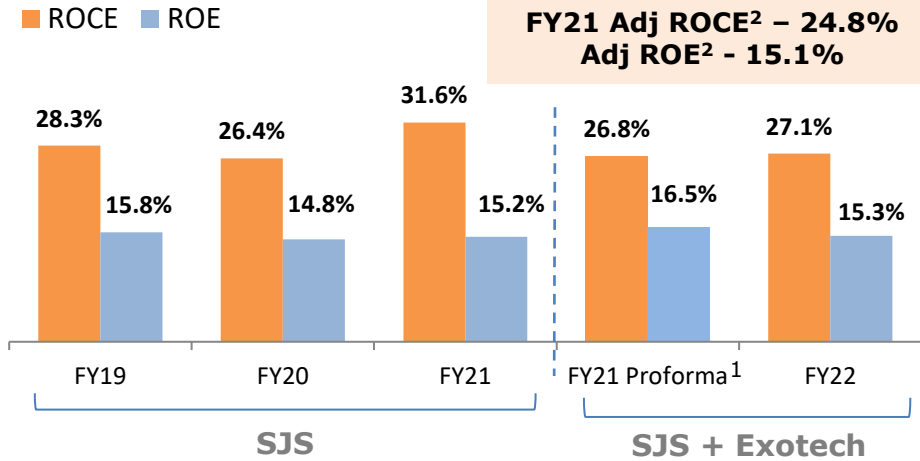
FY21 Adj PAT<sup>2</sup> – Rs 475.8 Mn  
Adj PAT Margin<sup>2</sup> % - 14.7%



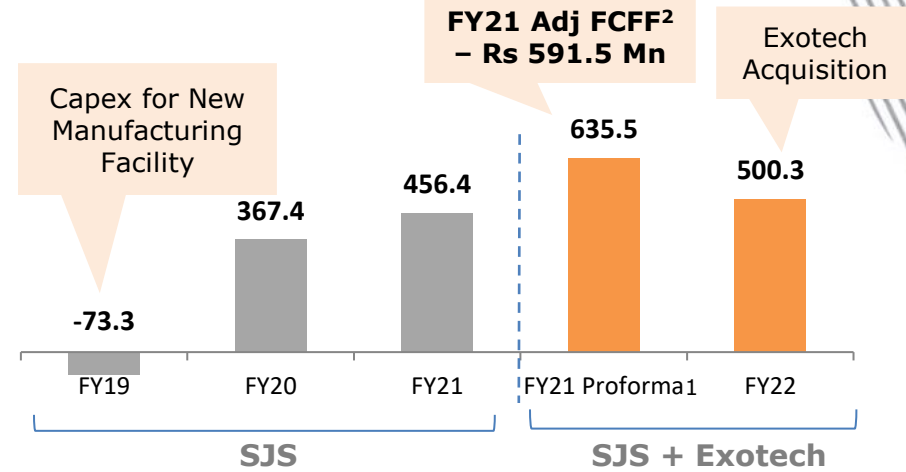
Source: 1) FY21 Proforma numbers onwards it is Consolidated financials (including Exotech financial performance);  
2) FY21 Adjusted numbers are excluding exceptional item of gain on sale of land of Rs 53.83 mn (Pre tax)

# Financial performance.....(2/2)

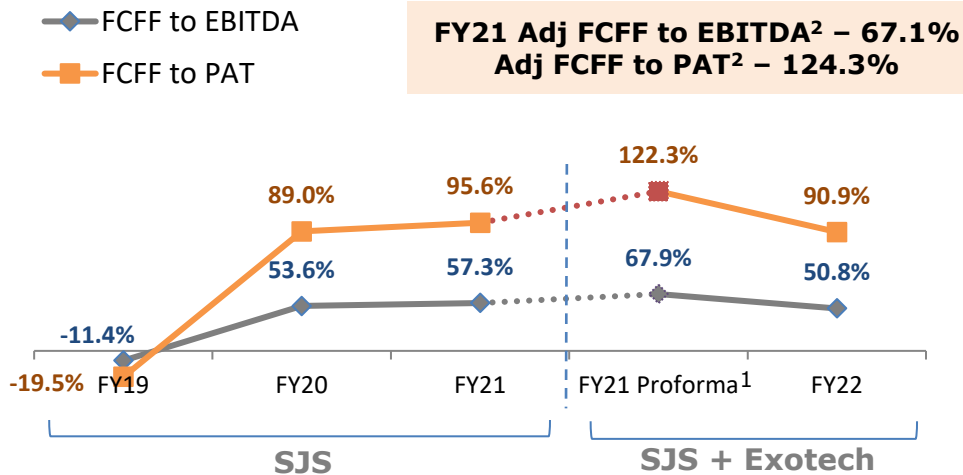
## ROCE & ROE (in %)



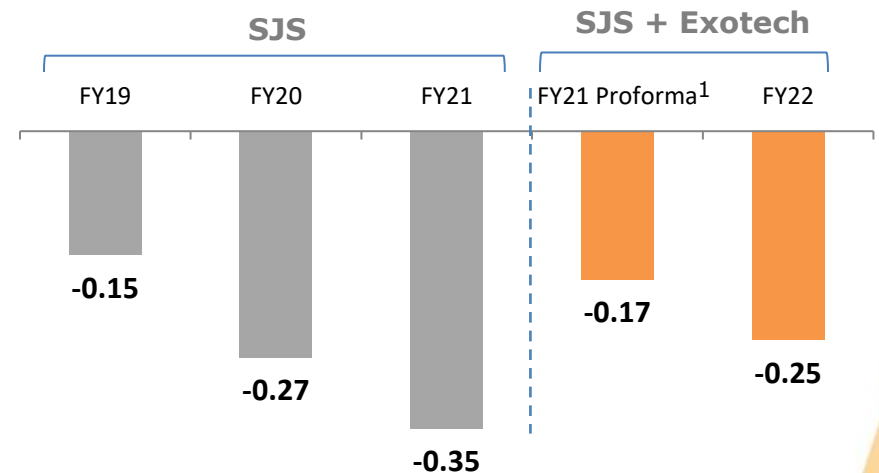
## FCFF (INR Mn)



## FCFF to EBITDA & FCFF to PAT



## Net Debt to Equity (x)



Note: 1) FY21 Proforma & FY22 numbers are Consolidated financials (including Exotech financial performance);  
2) FY21 Adjusted numbers are excluding exceptional item of gain on sale of land of Rs 53.83 mn (Pre tax)

# P&L Statement (Consolidated)

## AUDITED PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH 2022

Particulars (INR Mn)	Quarter Ended		For the year ended
	31.03.2022	31.12.2021	31 March 2022
<b>Income</b>			
Revenue from operations	1,041.1	917.9	3,698.6
Other income	12.4	9.2	41.6
<b>Total income</b>	<b>1,053.5</b>	<b>927.1</b>	<b>3,740.2</b>
<b>Expenses</b>			
Cost of raw materials consumed	465.3	381.1	1,590.9
Changes in inventory of finished goods, work-in-progress and stores and spares	7.4	(6.0)	(0.1)
Employee benefits expense	132.1	119.5	510.4
Other expenses	181.7	168.1	653.7
<b>Total expenses</b>	<b>786.6</b>	<b>662.8</b>	<b>2,754.8</b>
<b>EBITDA</b>	<b>266.9</b>	<b>264.3</b>	<b>985.3</b>
<i>EBITDA Margin %</i>	<i>25.3%</i>	<i>28.5%</i>	<i>26.3%</i>
Finance costs	7.7	7.4	30.2
Depreciation and amortization expense	54.1	54.4	215.7
<b>Profit before tax</b>	<b>205.2</b>	<b>202.5</b>	<b>739.4</b>
Tax expenses			
Current tax	55.8	47.0	204.4
Deferred tax (credit)/charge	(4.2)	6.5	(15.2)
<b>Total tax expense</b>	<b>51.6</b>	<b>53.5</b>	<b>189.2</b>
<b>Profit for the year</b>	<b>153.6</b>	<b>148.9</b>	<b>550.2</b>
<i>PAT Margin %</i>	<i>14.6%</i>	<i>16.1%</i>	<i>14.7%</i>

# Balance Sheet (Consolidated)

## STATEMENT OF AUDITED ASSETS AND LIABILITIES AS AT 31<sup>ST</sup> MARCH 2022

PARTICULARS (INR Mn)		As at 31.03.2022
<b>A</b>	<b>ASSETS</b>	
<b>1.</b>	<b>Non-Current Assets</b>	
	(a) Property, Plant and Equipment	1,525.7
	(b) Capital Work in Progress	1.9
	(c) Intangible Assets	66.6
	(d) Right-of-use assets	191.6
	(e) Goodwill	289.3
	(f) Financial Assets	
	(i) Other Non Current Financial Assets	19.7
	(g) Income Tax Assets (Net)	18.5
	(h) Deferred Tax Assets (Net)	15.6
	(i) Other Non Current Assets	61.3
	<b>Total Non Current Assets</b>	<b>2,190.2</b>
<b>2.</b>	<b>Current Assets</b>	
	(a) Inventories	415.5
	(b) Financial Assets	
	(i) Investments	784.4
	(ii) Trade Receivables	858.0
	(iii) Cash and Cash Equivalents	159.5
	(iv) Bank balances other than Cash and cash equivalents	65.2
	(v) Loans	3.3
	(vi) Other Financial Assets	43.5
	(c) Other Current Assets	56.5
	(e) Assets held for Sale	-
	<b>Total Current Assets</b>	<b>2,386.0</b>
	<b>TOTAL ASSETS</b>	<b>4,576.2</b>

PARTICULARS (INR Mn)		As at 31.03.2022
<b>B</b>	<b>EQUITY AND LIABILITIES</b>	
<b>1.</b>	<b>EQUITY</b>	
	(a) Equity Share Capital	304.4
	(b) Other Equity	3,300.3
	<b>Total Equity</b>	<b>3,604.7</b>
<b>2.</b>	<b>LIABILITIES</b>	
	<b>Non Current Liabilities</b>	
	(a) Financial Liabilities	
	(i) Lease liabilities	140.8
	(b) Deferred Tax Liabilities (Net)	100.0
	<b>Total Non Current Liabilities</b>	<b>240.9</b>
<b>3.</b>	<b>Current Liabilities</b>	
	(a) Financial Liabilities	
	(i) Borrowings	125.9
	(ii) Lease liabilities	27.8
	(iii) Trade Payables	
	Total Outstanding due of Micro Enterprises & Small Enterprises	150.4
	Total outstanding due of Creditors other than Micro Enterprises & Small Enterprises	157.8
	(iv) Other Financial Liabilities	171.1
	(b) Income tax liability (net)	47.9
	(c) Other Current Liabilities	41.6
	(d) Provisions	8.2
	<b>Total Current Liabilities</b>	<b>730.6</b>
	<b>Total Liabilities</b>	<b>971.5</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,576.2</b>



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

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# SJS – Outlook for FY23 - 25...(1/3)

## 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**
- **Expect capex of ~Rs 100 Crs (spread over 18-24 months)** to be funded 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...(2/3)

## 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 150+ bps YoY from 11.3% 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



### **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 (largest segment) and increase cross selling opportunities
- Overcome logistics cost as 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 – Outlook for FY23 - 25...(3/3)

## 3 Future Leadership

Management plans to strengthen SJS' senior leadership team given the business plans for both organic and inorganic growth

### New CEO

- Lead all business activities required to deliver on future guidance
- Joseph and Sanjay to continue to play executive leadership roles focussing on strategy, new product pipeline, merger integration and enhancing future growth potential of the business

### New CFO

- To lead the finance function for the group and deliver on all stipulated financial requirements.
- CFO will also lead financial integration of future targets

**Actively seeking to hire CEO and CFO to implement our strong business growth strategy**

# SJS – FY23 Outlook

End Segments	FY22 Industry Domestic Vol Growth	FY23E Industry Domestic Vol Growth	Contribution to SJS Revenue
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 **~80-85% of FY23** forecasted revenue
- ❖ Strong moat, strong margin profile and expected operating leverage to **drive PAT growth of ~30% YoY and going ahead**

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# THANK YOU

## **IR Contact**

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