



**S.J.S ENTERPRISES
LIMITED**

Q4FY22 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



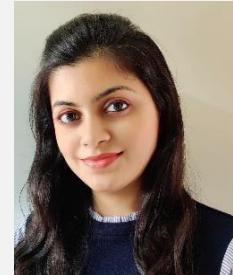
SANJAY THAPAR
Executive Director & CEO

-
- 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 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

About SJS Enterprises

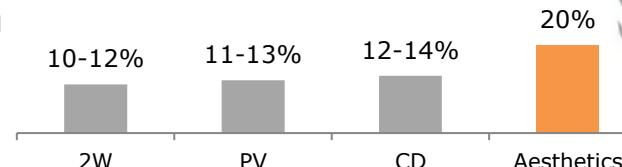
S.J.S Enterprises Limited : A Snapshot



One of the leading players in Indian decorative aesthetics industry which has faster than underlying industry growth ⁽¹⁾

Rs 3,698.6 Mn
FY22 Revenue ⁽²⁾

FY21-FY26 CAGR ⁽¹⁾



11
product categories ⁽³⁾; Added chrome plated parts to portfolio

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

Widest range of products⁽⁵⁾ with presence across traditional and premium products



““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



Long-standing customer relationships

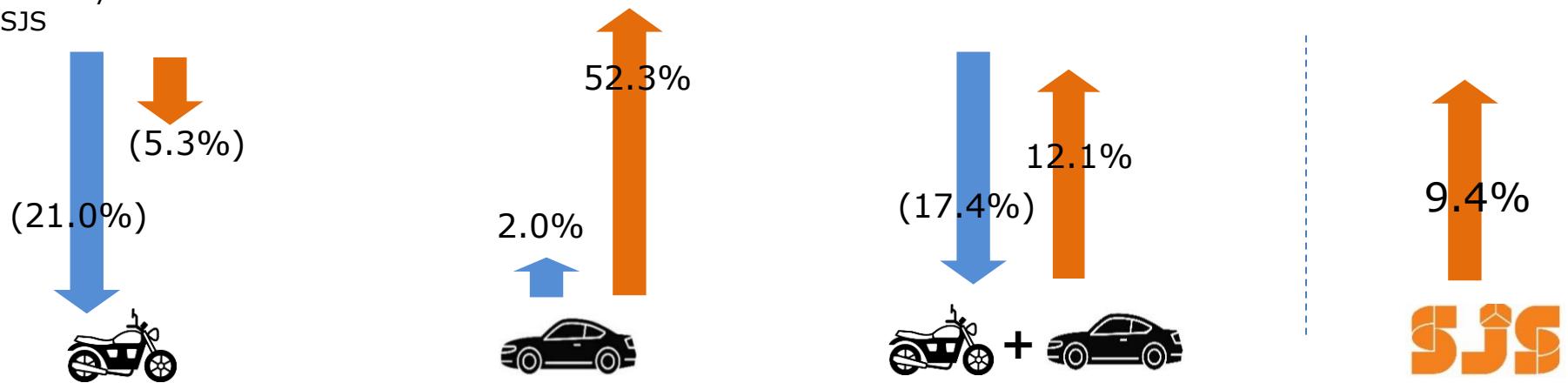
~175+
Customer Locations
(as on 31st Mar 2022)

~15 yrs
Average length of relationship with 10 largest customers

SJS Outperformed Auto Industry

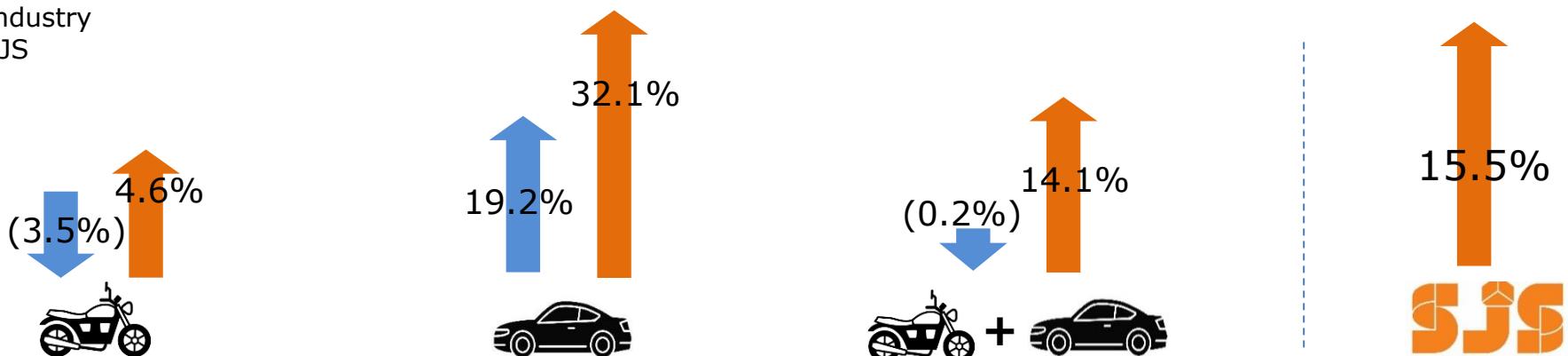
Q4FY22 - Industry Production Volume¹ v/s SJS YoY Sales²

Industry
SJS



FY22 - Industry Production Volume¹ v/s SJS YoY Sales²

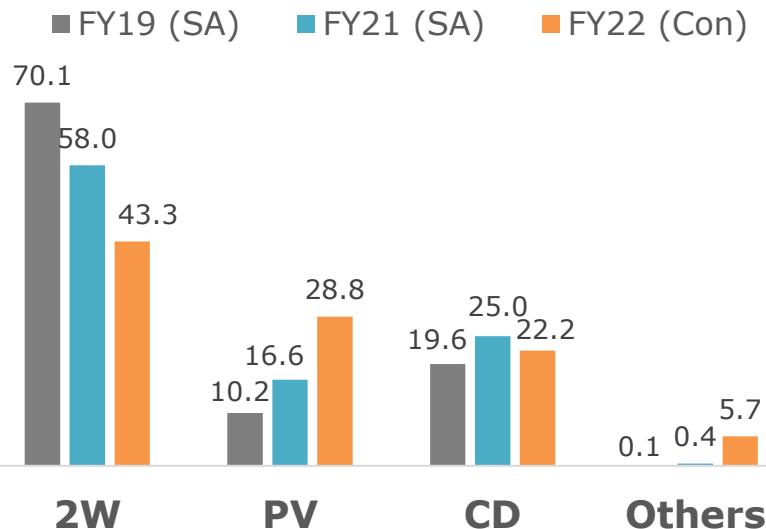
Industry
SJS



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

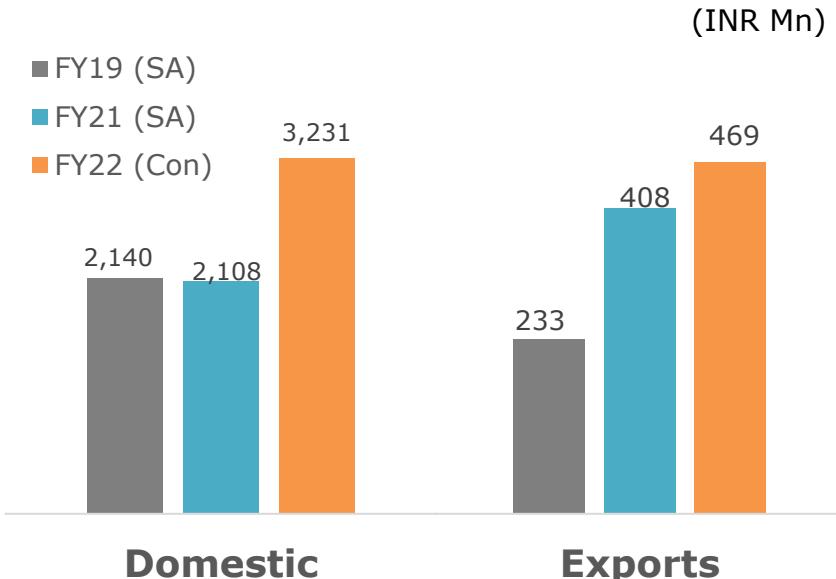
Diversification strategy playing out well

Revenue (By End Segment %)^{1,2}



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

Revenue (By Geography)^{1,2}



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

Q4FY22 Business & Financial Highlights

Q4FY22 Financial Performance (Consolidated)



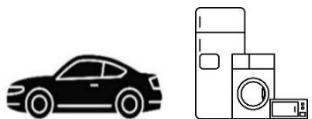
Revenue at Rs 1,041 mn,
growth of ~13.4% QoQ, v/s
overall 2W & PV industry
productions combined was
flattish QoQ to 2% growth



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



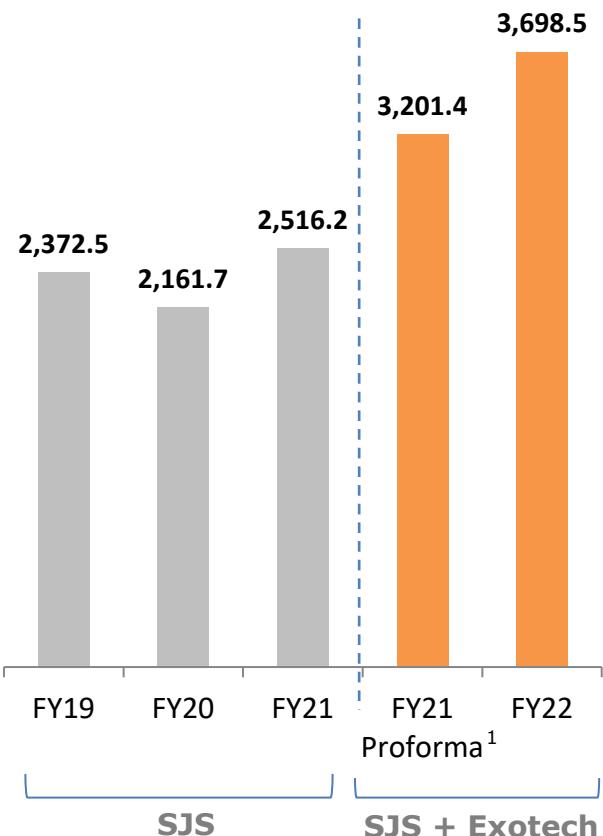
Honda Award for New Product Development at their Annual Supplier Conference



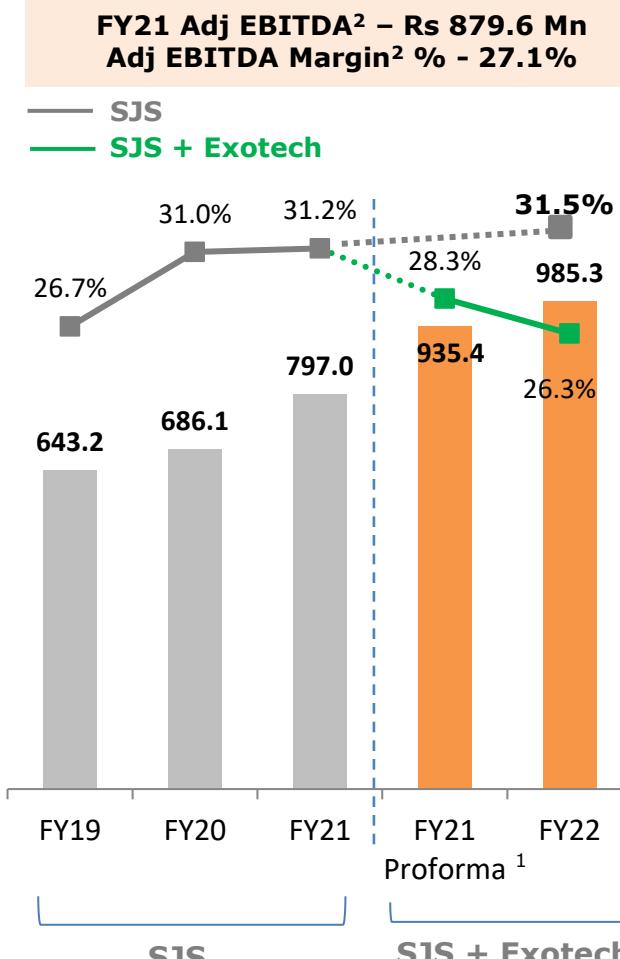
FY22 Financial Highlights

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

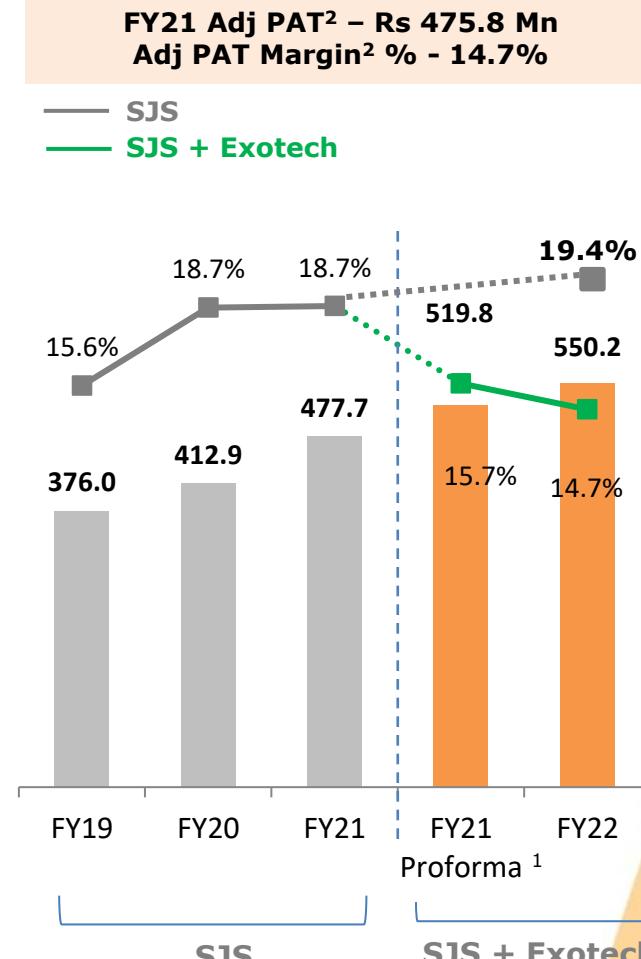
Revenue from operations (INR Mn)



EBITDA (INR Mn) & EBITDA Margin %

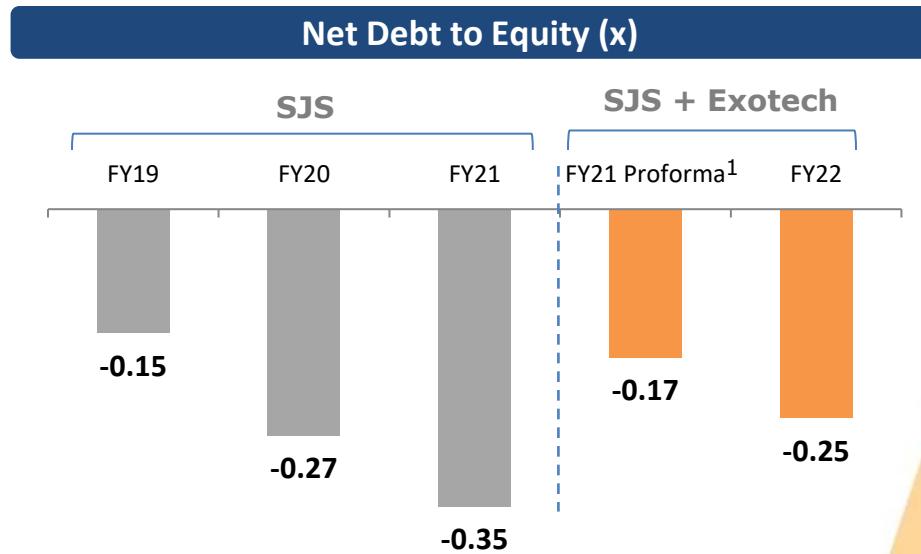
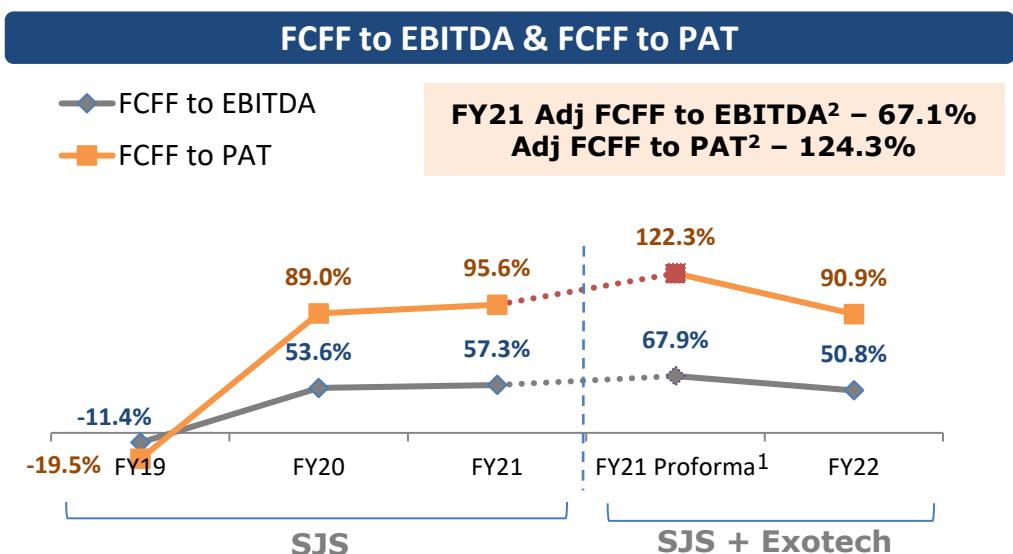
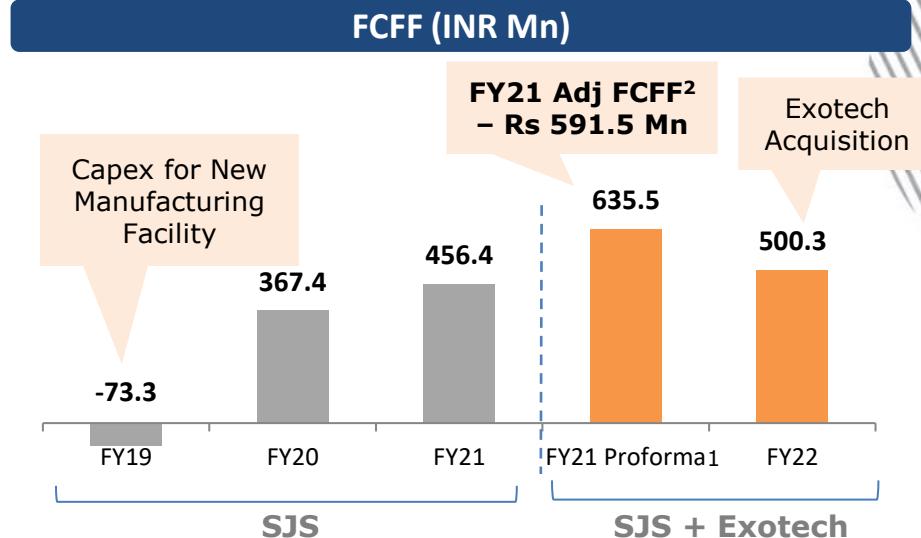
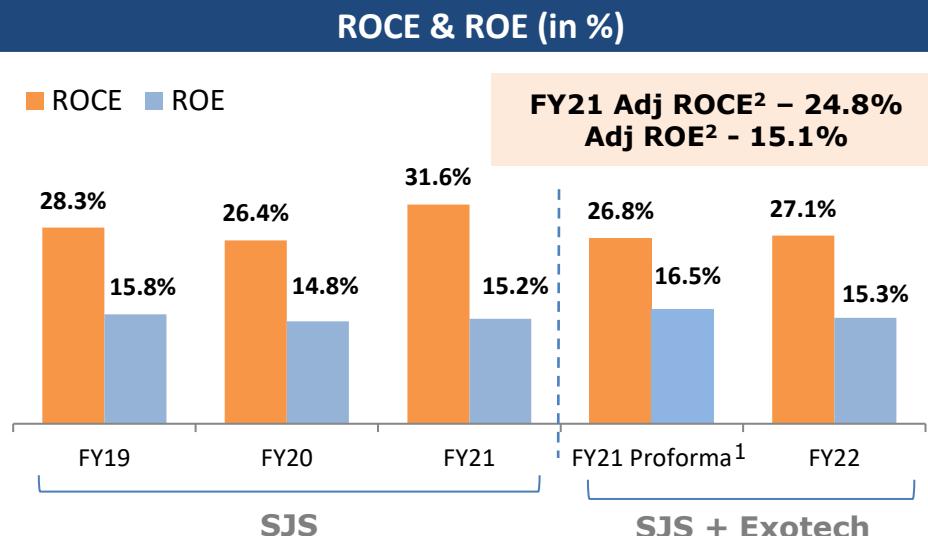


PAT (INR Mn) & PAT Margin %



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)



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 31ST MARCH 2022

Particulars (INR Mn)	Quarter Ended		For the year ended
	31.03.2022	31.12.2021	31 March 2022
Income			
Revenue from operations	1,041.1	917.9	3,698.6
Other income	12.4	9.2	41.6
Total income	1,053.5	927.1	3,740.2
Expenses			
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
Total expenses	786.6	662.8	2,754.8
EBITDA	266.9	264.3	985.3
<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
Profit before tax	205.2	202.5	739.4
Tax expenses			
Current tax	55.8	47.0	204.4
Deferred tax (credit)/charge	(4.2)	6.5	(15.2)
Total tax expense	51.6	53.5	189.2
Profit for the year	153.6	148.9	550.2
<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 31ST MARCH 2022

PARTICULARS (INR Mn)		As at 31.03.2022
A ASSETS		
1. Non-Current Assets		
(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
Total Non Current Assets		2,190.2
2. Current Assets		
(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		-
Total Current Assets		2,386.0
TOTAL ASSETS		4,576.2

PARTICULARS (INR Mn)		As at 31.03.2022
B EQUITY AND LIABILITIES		
1. EQUITY		
(a) Equity Share Capital		304.4
(b) Other Equity		3,300.3
Total Equity		3,604.7
2. LIABILITIES		
Non Current Liabilities		
(a) Financial Liabilities		
(i) Lease liabilities		140.8
(b) Deferred Tax Liabilities (Net)		100.0
Total Non Current Liabilities		240.9
3. Current Liabilities		
(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
Total Current Liabilities		730.6
Total Liabilities		971.5
TOTAL EQUITY AND LIABILITIES		4,576.2

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

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

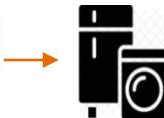
SJS – Outlook for FY23 - 25...(2/3)

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 FY21¹ 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%

Note: 1) FY21 EBITDA Margins is excluding one time gain on sale of land to the extent of Rs 53.83 Mn

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**

Note: Industry growth is domestic sales volumes; FY23E Industry Domestic Vol growth broker reports & market research

THANK YOU

IR Contact

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