

16 QUARTERS OF OUTPERFORMANCE OVER AUTOMOTIVE INDUSTRY CONTINUES IN Q2FY24

Q2FY24 (Consolidated)

- SJS completed acquisition of 90.1% stake in Walter Pack India (WPI) for a consideration of Rs 2,393 Mn**
- Revenue at ₹ 1,631.8 Mn, 39.5% YoY growth**, despite automotive market (2W+PV) growth being flattish, primarily on back of WPI acquisition
- Outperformed with a growth of 25.2% YoY in automotive business** compared to degrowth of 0.3% YoY in automotive industry (2W+PV) production volumes
- Adj. EBITDA grew 19.4% YoY to ₹ 398.7 Mn; robust EBITDA margins at 24.2%
- Adj PAT at ₹ 208.1 Mn, with margins at 12.8%
- Overall Domestic sales clocked 40.6% YoY growth; on back of 55.4% YoY growth in PV business & 136.5% YoY growth in consumer business
- Added marquee customers like **Lear Corporation** and also Neolync, GDN Enterprises and Foxconn Technologies who supply to **telecom segment**
- Continued winning new business with mega customer accounts like M&M, Tata Motors, Stellantis, Foxconn, Maruti Suzuki, Bajaj Auto, John Deere, Geberit, Skoda among others

H1FY24

- Outpacing the industry with **revenue at ₹ 2,804.3 Mn, robust growth of 27.4% YoY**
- Adj. EBITDA at ₹ 712.5 Mn, growth of 16.4% YoY, margins at 25.0%,
- Adj. PAT at ₹ 388.2 Mn, 7.3% YoY growth, with a margin of 13.8%

Bengaluru, November 07, 2023: The Board of Directors at **SJS Enterprises Limited (BSE: 543387; NSE: SJS)**, one of India's leading players in the decorative aesthetics industry, today approved the audited financial results for the quarter and half year ended September 30, 2023. The Company delivered a robust performance, outpacing the industry production volumes.

Financial Highlights (Consolidated)

Particulars (INR in Mn)	Q2FY24 Reported	Q2FY24 ¹	Q2FY23	YoY%	Q1FY24	QoQ%	H1FY24 ¹	H1FY23	YoY%
Operating Revenue	1631.8	1631.8	1169.4	39.5%	1172.5	39.2%	2804.3	2201.1	27.4%
Adj. EBITDA²	377.2	398.7	333.8	19.4%	313.8	26.9%	712.5	612.0	16.4%
Adj. EBITDA Margin %	22.9%	24.2%	28.0%		26.1%		25.0%	27.2%	
Adj. PAT²	193.1	208.1	199.5	4.3%	180.0	15.6%	388.2	361.6	7.3%
Adj. PAT Margin %	11.8%	12.8%	17.1%		15.4%		13.8%	16.4%	

Note: 1) Q2FY24 & H1FY24 includes 90.1% consolidation for WPI; 2) Adj. EBITDA & PAT excludes one-time expense of Rs 21.5 Mn for acquisition cost of WPI

For the quarter under review, the Company has posted Consolidated Revenue of ₹ 1,631.8 Mn, a growth of 39.5% YoY. Despite subdued industry performance with a degrowth of 0.3% YoY in automotive production volumes, strong 25.2% YoY growth automotive (2W+PV) and an even stronger 103.1% YoY growth in consumer business helped SJS navigate the quarter and outperform underlying industry.

Adj. EBITDA stood at ₹ 398.7 Mn on a margin of 24.2%, impacted on account of WPI's performance, as WPI EBITDA margins stood at 12.5-13% during the quarter. Q2 WPI margins impacted on account of models changeover at key customer leading to lower component sales and a temporary skew in sales mix. Tooling sales (lower margins) was significant part of WPI's Q2 revenue. Order intake for WPI is extremely robust and we are very positive on growth outlook for the next year.

Excluding WPI, organic Adj. EBITDA, for SJS and Exotech was Rs 349.2 Mn on a healthy margin of 27.7%, witnessing a growth of 4.6% YoY.

Adj. consolidated PAT at Rs 208.1 mn, grew 4.3% YoY and PAT margins stood at 12.8%. PAT margins have largely been impacted on account of higher amortization to the tune of Rs 28.9 mn every quarter for intangible assets, lower other income, higher interest cost due to debt taken for WPI acquisition and temporary product mix shift at WPI resulting in lower margin in Q2.

Organic Adj. PAT growth has been Rs 209.7 Mn, on a robust margin of 16.9% impacted by higher interest cost, higher amortisation cost on intangible assets and lower other income.

SJS domestic sales clocked 40.6% YoY growth, on back of 25.4% YoY growth in automotive business and 136.5% YoY growth in consumer business. Additionally, exports is recovering in certain pockets of the globe and delivered 25.6% YoY growth on account of 20.2% YoY growth in automotive business and 15.7% YoY growth in consumer business. New business wins were partially offset by slow paced recovery in some pockets of exports market. Q2FY24 exports constituted ~7% of total consolidated sales. Both Exotech and WPI are primarily domestic business and hence exports as a % of consolidated sales is at 7%, while SJS exports is ~12% of SJS standalone sales.

The Company added new customers like Lear Corporation and is a supplier to Neolync, GDN Enterprises and Foxconn Technologies for telecom segment. SJS continues to expand share of wallet by winning new businesses from key customers like M&M, Stellantis, Foxconn, Maruti Suzuki, Bajaj Auto, John Deere, Geberit, Skoda and many others.

Total cash & cash equivalents balance was at Rs 238.5 Mn and net debt levels stood at Rs 599.4 Mn as on 30th September'23 due to WPI acquisition. Company achieved robust ROCE of 17.9%, impacted on account of investments in WPI acquisition and ROE of 13.7% for Q2FY24.

For H1FY24, revenue grew 27.4% to Rs 2,804.3 mn, primarily on back of WPI addition in Q2FY24. Adj. EBITDA at Rs 712.5 mn, on a margin of 25.0%, grew 16.4% YoY. PAT grew 7.3% to Rs 388.2 Mn, on a margin of 13.8%.

Commenting on Company's performance and acquisition, Mr. K. A. Joseph, Managing Director & Co-Founder, SJS Enterprises Limited, said, "We yet again have outperformed the underlying industry growth for 16th consecutive quarter. Consolidated revenue growth was 39.5% YoY, primarily

on account of WPI addition from Q2. WPI acquisition has definitely helped us in our business diversification thereby reducing our 2W concentration significantly. As per SJS Q2FY24 consolidated performance including WPI, 37% revenue contribution is from 2W, 33% from PV and 30% from consumer business and others. Both Exotech and WPI acquisition have helped us to balance our portfolio concentration from a largely 2W to a well balance between automotive (2W+PV) and consumer business. Looking at the current market scenario, we believe for FY24, we would achieve revenue growth of ~45% YoY and ~30% YoY growth in PAT.”

Commenting on Company's performance, Mr. Sanjay Thapar, Executive Director & CEO, SJS Enterprises Limited, said, “As a Company we have always focused on introduction of new premium products & technologies which will enable us to increase our addressable market significantly as we aim to be a one stop solution for aesthetic products. New technology product categories like IML, IMD, digital dials, optical plastics / cover glass are picking up lot of traction and will see a strong growth in the medium term of next 3-5 years.

It gives me great satisfaction to see our strategy of increasing content per vehicle with the addition of new generation products & technologies is playing out well for SJS. With the addition of chrome plated parts and IML, IMD parts we have increased our kit value to one of the PV OEMs to 7-8x through cross-selling opportunities. We look forward to increase kit value for other customers in similar manner. This will help us stay ahead of the curve and outperform the industry growth even in the future.”

About SJS Enterprises

SJS Enterprises Limited (<https://www.sj sindia.com>) is one of the leading players in Indian decorative aesthetics industry, which has one of the widest range of products with presence across traditional and premium products. The Company deals in 12 product categories like decals, logos – domes & 3D lux, aluminium badges, 2D & 3D appliques, chrome plated parts, overlays, In-moulding Decoratives/ Labeling, IMF, optical plastics, and lens mask assembly. These products primarily serve two wheelers (2W), passenger vehicles (PV) and large consumer durables (CD) industries along with commercial vehicles, medical devices, farm equipment's and sanitary ware segments. SJS has strong manufacturing footprint with 4 facilities in Bengaluru, Pune and Manesar, and global distribution capabilities exporting to 20+ countries.

For more information, contact:

SJS Enterprises Limited

Devanshi Dhruva, Head – Investor Relations,
M: +91 98209 62846, E-mail devanshi@sj sindia.com

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