

SJS OUTPERFORMS AUTOMOTIVE INDUSTRY IN Q3FY23

20.8% YoY growth in Revenue and 25.3% YoY growth in EBITDA

Q3FY23 (Consolidated)

- Outperformed Auto industry with 25.3% YoY growth in auto segment compared to 3.9% YoY production volumes in 2W + PV segment
- Revenue at ₹ 1,063.7 Mn, robust growth of 20.8% YoY
- EBITDA grew 25.3% YoY to ₹ 284.0 Mn, Strong margin at 26.1%
- Adjusted Net Profit jumped 29.5% YoY to ₹ 157.1 Mn, with margins at 14.8%
- Strong Cash & cash equivalents position of ~Rs 1,431 Mn; Debt free company
- Added new customers – Foxconn in 2W EV segment and IFB Industries in Consumer Appliances
- Continued growing business with mega accounts by winning new orders from M&M, Tata Motors, Toyota, Whirlpool, Electrolux and Royal Enfield
- Added sales representative in Columbia, thereby covering key markets of Latin America

9MFY23 (Consolidated)

- Consistently maintaining ~25% growth, outpacing the industry
- Revenue at ₹3,264.8 Mn, robust growth of 24.6% YoY
- EBITDA at ₹ 896.0 Mn, a sturdy growth of 31.6% YoY, strong margin at 26.9%,
- Adjusted Net Profit rises to ₹518.7 Mn, strong jump of 40.6% YoY, with a margin of 15.9%

Bengaluru, February 09, 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 nine months ended December 31, 2022, for fiscal year 2022-23. The Company delivered a strong and robust performance, outpacing the industry, despite the geo-political issues and macro-economic challenges that led to slowdown in exports and consumer durables industry.

Financial Highlights (Consolidated)

Particulars (INR in Mn)	Q3FY23	Q3FY22 ¹	YoY%	Q2FY23	QoQ%	9MFY23	9MFY22 ¹	YoY%
Operating Revenue	1063.7	880.3	20.8%	1169.4	-9.0%	3264.8	2619.9	24.6%
EBITDA	284.0	226.7	25.3%	333.8	-14.9%	896.0	680.7	31.6%
EBITDA Margin %	26.1%	25.6%		28.0%		26.9%	25.7%	
Reported PAT	157.1	148.9	5.5%	199.5	-21.3%	518.7	396.6	30.8%
PAT Margin %	14.8%	16.9%		17.1%		15.9%	15.1%	
Adjusted PAT	157.1	121.3	29.5%	199.5	-21.3%	518.7	368.9	40.6%
PAT Margin %	14.8%	13.8%		17.1%		15.9%	14.1%	

Note: 1) Exceptional item – Rs. 37.61 Mn of provision for discount on a customer sale created during FY21 was reversed in December 2021 resulted in increased Sales, EBITDA, PBT & PAT

For the quarter under review, the Company has posted Consolidated Revenue at ₹ 1,063.7 Mn a robust growth of 20.8% YoY, on back of 25.3% YoY growth in its automotive revenue segment, surpassing 2W and PV industry production combined growth of 3.9% YoY. EBITDA grew 25.3% YoY on back of higher sales and operational efficiencies to ₹ 284.0 Mn. EBITDA Margin remained strong at 26.1%. Adjusted Net Profit (PAT) for Q3FY23 jumped 29.5% YoY to ₹ 157.1 Mn on a Margin of 14.8%. SJS domestic sales clocked 22.2% YoY growth, on back of 56.4% and 16.7% YoY growth in PV and 2W, respectively. Despite the impact on exports, SJS maintained its sales momentum in Q3FY23.

The company continued its growth momentum by adding marquee customers like Foxconn in 2W EV segment and IFB Industries in consumer appliances segment. SJS supplies to 12 customers in the EV space. The Company also won new orders from mega accounts like *M&M, Tata Motors, Toyota, Electrolux, Whirlpool, Royal Enfield* among others. The Company hired a sales representative in Columbia, thereby covering key markets of Latin America.

For the nine months ended Dec 31, 2022, SJS Enterprises outpaced the industry growth. The company clocked revenues of ₹ 3,264.8 Mn, growing at 24.6% YoY. SJS surpassed 2W and PV industry productions combined growth of 16.1% YoY with 33.9% YoY growth in automotive segment. Healthy operating EBITDA of ₹ 896.0 Mn, a robust growth of 31.6% YoY and strong margins of 26.9%. Adjusted Net Profit (PAT) for 9MFY23 rose significantly by 40.6% YoY to ₹ 518.7 Mn, with a margin of 15.9%. Exotech achieved FY22 full year revenue in just 9M of FY23 with EBITDA margin improvement to 14.0% from 12.8% in FY22, 115 bps improvement in 9 months on back of raw material prices softening and operational efficiencies.

Commenting on Company's performance, Mr. K. A. Joseph, Managing Director, SJS Enterprises Limited, said, "It has been another good quarter for SJS. We are extremely positive on growth prospects for our business in the medium and long run, given the improved outlook for the automotive industry, especially with the expected recovery in 2W industry, premiumisation trends and positive customer response to futuristic technology development initiatives at SJS. We have a strong NPD team, who is working relentlessly to launch new products quickly, that will keep us ahead of the curve, helping gain higher wallet share from our customers. We are very excited about our future products like Cover glass, optical plastics, printed electronics among many others. With the addition of new products, it will help strengthen SJS' position as a one stop aesthetics solution provider in the automotive and consumer appliances segments. This will not only help widen our base of product offerings, but also increase the total kit value of products that we offer to our customers."

We are delighted with our Q3FY23 performance, despite challenging external environment. We remained prudently positive and have been able to outperform the industry yet again. Though in the near term there are still some external challenges, but we remain confident of achieving ~25% revenue growth CAGR in the medium term, while maintaining best-in-class margins. Going

ahead too, our strategy is to focus on increasing global presence, addition of new customers, increase in wallet share with some of our key customers building them into mega accounts and introduce new generation futuristic products and technologies required by our customers. On the inorganic front, we are in advance discussions for evaluating some acquisition proposals. I believe exciting times are lying ahead for us at SJS and we are looking forward to it with renewed focus and confidence," added **Mr. Sanjay Thapar, Executive Director & CEO, SJS Enterprises Limited.**

About SJS Enterprises

SJS Enterprises Limited (<https://www.sjsindia.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 11 product categories like decals, logos – domes & 3D lux, aluminium badges, 2D & 3D appliques, chrome plated parts, overlays, In-moulding Decoratives/ Labeling, 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 2 facilities in Bengaluru and Pune, and global distribution capabilities exporting to 20+ countries.

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