

SJS OUTPERFORMS AUTOMOTIVE (2W+PV) INDUSTRY FOR 15th CONSECUTIVE QUARTER IN Q1FY24

Q1FY24 (Consolidated)

- Revenue at ₹ 1,172.5 Mn, 13.6% YoY growth, despite subdued market growth
- Witnessed 18.6% YoY growth in automotive segment (2W+PV) compared to 2.3% YoY growth in industry production volumes
- EBITDA grew 12.8% YoY to ₹ 313.8 Mn; robust EBITDA margins at 26.1%
- Net Profit at ₹ 180.0 Mn, with margins at 15.4%
- New business wins and exports market recovery led to strong 90.8% YoY growth in export revenue
- Strong Cash & cash equivalents position of Rs 2,849.7 Mn as on 30th June'23
- Added new customers – Autoliv and Toyota Tsusho
- Continued winning new business with mega customer accounts like M&M, TVS, Honda, Hyundai, Visteon, Continental, Bajaj Auto among others

July 2023

- SJS completed transformative acquisition of 90.1% stake in Walter Pack India (WPI), leading player in IMD/ IML and IMF technology, for a consideration of Rs 2,393 Mn

Bengaluru, July 26, 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 ended June 30, 2023. The Company delivered a robust performance, outpacing the industry production volumes.

Financial Highlights (Consolidated)

Particulars (INR in Mn)	Q1FY24	Q1FY23	YoY%	Q4FY23	QoQ%	Q1FY24 Proforma ¹	YoY%
Operating Revenue	1172.5	1031.7	13.6%	1065.7	10.0%	1528.7	48.2%
EBITDA	313.8	278.2	12.8%	271.8	15.5%	426.5	53.3%
EBITDA Margin %	26.1%	26.4%		24.8%		27.3%	
Reported PAT	180.0	162.1	11.1%	153.8	17.0%	246.5	52.1%
PAT Margin %	15.4%	15.7%		14.4%		16.1%	
EPS	5.90	5.33	10.8%	5.05	16.7%	8.08²	51.8%

Note: 1) Q1FY24 Proforma includes 90.1% consolidation for WPI (as per Indian GAAP); 2) PAT & EPS for Q1FY24 Proforma does not include interest cost of acquisition which will be effective from Q2FY24 onwards. Had the effect of lower Other Income and higher interest cost on loan for WPI acquisition been effective in Q1FY24, it would have led to a Q1 Proforma EPS growth of ~21% over Q1FY24 Reported EPS

For the quarter under review, the Company has posted Consolidated Revenue of ₹ 1,172.5 Mn, a growth of 13.6% YoY. Despite subdued industry volume growth, strong 15.0% YoY growth in 2W and an even stronger 24.6% YoY growth in PVs helped SJS outperform industry production volume growth of 1.3% (2W) and 7.0% (PV). Strong growth of 18.6% YoY in automotive segment was partially offset by low growth/ degrowth in consumer durables / farm equipment. Hence, overall sales growth stood at 13.6%.

EBITDA stood at ₹ 313.8 Mn on a margin of 26.1%, impacted by ~30 bps on account of one off expense under other expenses to the tune of ₹ 8 Mn. Net Profit (PAT) for Q1FY24 was at ₹ 180.0 Mn on a Margin of 15.4%.

SJS domestic sales clocked 8.4% YoY growth, on back of 14.2% YoY growth in automotive segment. Additionally, exports recovered and delivered a YoY growth of 90.8% on account of 120.7% YoY growth in automotive segment and 72.2% YoY growth in Consumer Appliances segment. Exports initiatives are playing out steadily due to new business wins and improving exports market outlook. Appointing sales agents in South America is helping SJS to strengthen its presence in that region as it grows at a faster pace there. The Company is seeing gradual pick-up in demand in Europe as well.

The company added new customers like Autoliv and Toyota Tsusho in automotive segment. SJS also won new orders from mega accounts like *M&M, TVS, Honda Motor cycle and Scooters India, Hyundai, Visteon, Continental, Bajaj Auto* among others.

Q1FY24 Proforma financials (includes WPI) highlights that had WPI been included in Q1FY24, then revenue would have grown by 48.2% YoY to Rs 1,528.7 Mn. PAT would have improved by 52.1% YoY to Rs 246.5 Mn. Q1FY24 Proforma EPS is 37.0% higher than current Q1FY24 EPS highlighting the fact that addition of WPI is EPS accretive for the Company.

The Company generated cash flows of Rs 77.1 mn during Q1FY24, taking the total cash & cash equivalents balance to Rs 2,849.7 Mn. Strong cash generating capability and internal accruals position enabled SJS to fund WPI acquisition. Debt levels stood at Rs 1,001.5 Mn for the quarter ended 30th June'23. Company achieved robust ROCE of 38.6% and ROE of 14.5% for Q1FY24.

Commenting on Company's performance and acquisition, Mr. K. A. Joseph, Managing Director & Co-Founder, SJS Enterprises Limited, said, "We are happy to announce our Q1FY24 performance. It is the 15th consecutive quarter of SJS outperforming industry production volume growth. New business wins and gradual exports recovery has led to 90.8% YoY growth in our exports revenue. We also completed our 2nd and much larger acquisition of WPI, which we believe will give us huge technological advantage. Looking at the improving export market outlook and WPI business performance, I am confident that both exports and inorganic strategy will be the driving force of our future growth in the medium term. As for FY24, we maintain our stance of ~50% YoY growth in revenue and ~40% YoY growth in PAT driven by robust margins of the business and WPI acquisition."

Commenting on Company's performance, Mr. Sanjay Thapar, Executive Director & CEO, SJS Enterprises Limited, said, "Strong performance delivered by SJS on the automotive and exports front. We added 2 more customers, Toyota Tsusho and Autoliv for IML parts. These new technology product categories are picking up lot of traction and will see a strong growth in the medium term of next 3-5 years. One of the primary reasons for WPI acquisition was due to its presence in emerging technologies and increasing demand for the same in the future. We believe that going ahead premiumisation and futuristic technologies will propel our growth in the right direction. Our intent is to increase kit value per vehicle with the addition of these new premium products. We are already seeing this play out with the addition of chrome plated parts (Exotech), IMD, IML and IMF products (WPI) as well as at SJS where we are working on introduction of new products like optical plastics and cover glass."

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 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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