

SJS completes acquisition of 90.1% stake in Walter Pack India

Bengaluru, July 04, 2023: S.J.S. Enterprises Limited (BSE: 543387; NSE: SJS) have completed the acquisition of **90.1% stake in Walter Pack Automotive Products India Private Limited (WPI)** within the given timeline, for a total cash consideration of INR 2,393 Mn.

This transformative acquisition of WPI lays the groundwork for a strategic collaboration with Walter Pack Spain and one of the key shareholders, Antolin, a global provider of automotive interior technology solutions.

Transaction details:

SJS successfully acquired 3,15,442 equity shares of WPI, constituting 90.1% of the Equity Share Capital of WPI. Consequently, WPI has become a subsidiary of the Company.

- Acquired the entire 85.0% stake from Walter Pack Spain
- Acquired 5.1% stake from Indian promoter and founder, Mr. Roy Mathew who will continue to own 9.9% stake. He will lead the WPI business and will be reporting to Mr. K. A. Joseph and Mr. Sanjay Thapar

SJS paid a total cash consideration of INR 2,393 Mn for 90.1% stake at an LTM EV / EBITDA of ~7x. Total upfront consideration paid at closing was INR 2,298 Mn and balance would be paid over the next 18 months.

Post the acquisition, the consolidated Debt / EBITDA of SJS stands at around 0.8x.

Strategic Acquisition

SJS, with the acquisition of Exotech Plastics, has demonstrated in the past its ability to successfully acquire and integrate business. Exotech's revenue doubled and witnessed a substantial margin expansion within 2 years of acquisition. Today, with the completion of the acquisition of WPI, SJS has acquired a much larger and a higher margin business with strong future growth potential.

WPI is one of the leading companies in India that has capabilities in advanced IMD, IMF, IML and IME technologies, providing a strong technological advantage. SJS, as part of this transaction has signed a 3-year service & technology support agreement with Walter Pack Spain regarding the ongoing exchange of know-how. WPI's technological capabilities perfectly complement SJS' design to delivery expertise, providing customers with a complete one stop shop solution.

The agreement between the two companies, makes SJS the leading supplier to the automotive and consumer durables segments in Asia, thanks to WPI's state-of-the-art facilities in Pune, Maharashtra and Manesar, Haryana, equipped to cater to future growth.

Commenting on the transaction, Mr. K. A. Joseph, MD – Promoter & Co-Founder, S.J.S. Enterprises said, “We are optimistic that with the addition of WPI, SJS will witness multi-fold growth opportunities with a wider product portfolio base and increase in cross selling opportunities. WPI’s operations in complementary adjacent technologies of IMF, IMD and IME are emerging technologies in India with high growth and high margin potential in the future. WPI caters primarily to the passenger vehicle and consumer durables segments, which will further diversify SJS’ revenues. In FY24, 9 months of WPI’s revenues will be considered in SJS financials. WPI acquisition is expected to be significantly EPS accretive in current year itself. WPI would also add incremental scale to SJS given WPI’s EBITDA is approximately one-third of SJS’ EBITDA.”

About SJS Enterprises

S.J.S. Enterprises Limited (<https://www.sjsinia.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, IMD, 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 and sanitary ware segments. SJS has strong manufacturing footprint with 2 facilities in Bengaluru and Pune, and global distribution capabilities exporting to 20+ countries.

About Walter Pack Automotive Products India

Walter Pack India (WPI) (<https://www.walterpack.com/en/>) is a part of the Walter Pack Group, Spain (founded in 1992). It was incorporated in 2006 and operations started in 2007. WPI manufactures high value-added functional decorative parts for sectors such as automotive and appliances. The company has manufacturing capabilities across injection moulding, screen printing, forming, die cutting, hot stamping, chrome film decoration and assembly technology. It has around 300 employees at manufacturing locations in Pune, Maharashtra and Manesar, Haryana.

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