



S.J.S ENTERPRISES LIMITED

Q3FY22 EARNINGS PRESENTATION

Disclaimer

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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



AMIT KUMAR GARG
Chief Financial Officer

- Previously was at Markets and Markets Research Private Limited , NIIT Technologies Limited, American Express (India) Private Limited, and Fidelity Business Services India Private Limited
- MBA from the Massachusetts Institute of Technology, Associate of the Institute of Chartered Accountants of India; B.Com from the University of Delhi



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

Timeline of Key Events



1987

Started as a
partnership
firm – SJS
Enterprises



2006

**Joint Venture
with
Serigraph**, a
US based
commercial
printing player

2010

**Entry into new
product lines**
in segments
such as 3D lux
badges

2015

**Acquisition of
majority stake**
by Evergraph

2016

**Entry into new
product lines –**
aluminium
badges

2018

**New
manufacturing
facility**
commissioned
with 235,000
sq.ft. area
Entry into
IMD/IML parts

2020

**Entry into new
product line –**
formed applique
segment

2021

**Acquisition of
Exotech Plastics**
Entry into chrome
plating



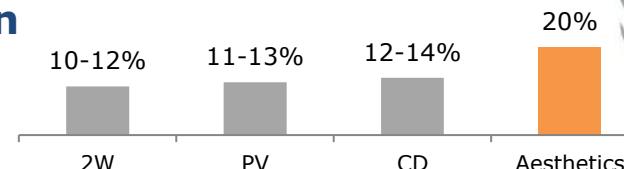
S.J.S Enterprises Limited : A Snapshot



One of the leading ⁽³⁾ players in Indian decorative aesthetics industry which has faster than underlying industry growth ⁽¹⁾

Rs 2,657.51 Mn
9MFY22 Revenue ⁽²⁾

FY21-FY26 CAGR ⁽¹⁾



11
product categories; Added chrome plated parts to portfolio*

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

Widest range of products^[4] with presence across traditional and premium products



““Design” to delivery” aesthetics solution provider



~115 Mn
Total parts supplied

~6,000
SKUs

20
Countries exported to

Strong manufacturing footprint and global distribution capabilities



Long-standing customer relationships

~160+
*Customers
(as on 31st Dec 2021)*

~15 yrs
Average length of relationship with 10 largest customers

1 Leading player in a growing industry....

Aesthetic industry expected to see growth

Very large global market*

PV market of US & EU (incl. UK) - 2019

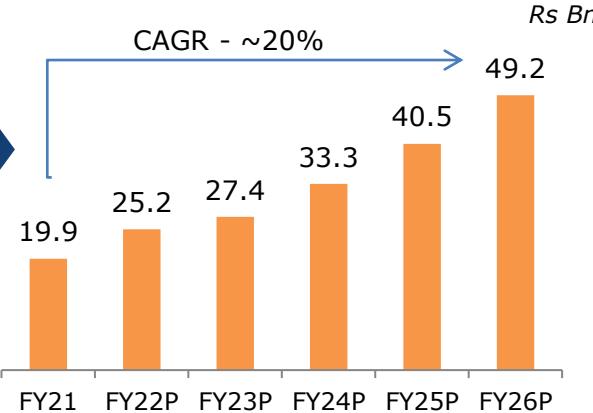


Indian Market (FY21)

INR 19.9 Bn

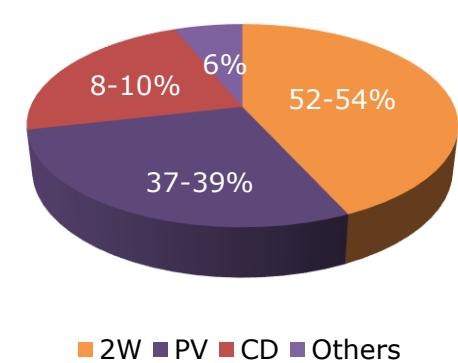
Indian Aesthetic Market ⁽¹⁾

CAGR - ~20%



Split across key end segments ⁽¹⁾

9MFY22



■ 2W ■ PV ■ CD ■ Others

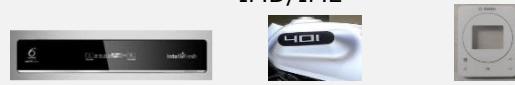
S.J.S well placed to serve demand across products

Aesthetic market across products
9MFY22

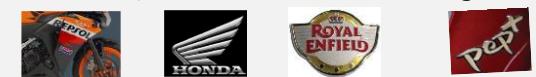
Appliques



IMD/IML



Decals, stickers & aluminium badges



23-25%

34-36%

12-14%

9-11%

4%

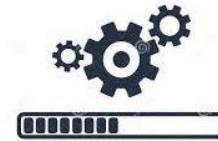
Chrome plated parts



Note:

S.J.S Products across categories

1with key tailwinds in place



GROWTH IN END SEGMENTS

(FY 21 – 26P CAGR : 10-14%)⁽²⁾

FASTER GROWTH THAN UNDERLYING SEGMENTS

(FY 21 – 26P CAGR : ~20%)⁽³⁾

SHIFTING PREFERENCE TO PREMIUM PRODUCTS

Well placed to serve transition from traditional to premium products

Leading player with both traditional & Premium products

Traditional Products

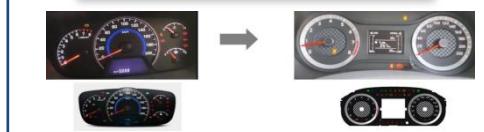
- Logos
- Decals
- Stickers/ aluminum badges
- Chrome plated parts
- 2D Dials
- Traditional Overlays

Premium Products

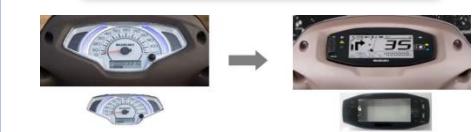
- 3D Dials
- Capacitive Overlays
- IML/IMDs
- Optical Plastics



2D to 3D Dials



Analog to Digital appliques



Traditional to capacitive touch overlays



Analog to touch based systems



⁽¹⁾ As per CRISIL Research

⁽²⁾ Growth of 2W, PV and Consumer Durable respectively

⁽³⁾ Growth of Domestic Aesthetics Market

2 Widest product portfolio.....



Decals & Body Graphics



Overlays



Logos (3D Lux & Domes)



2D & 3D Appliques & Dials



Lens Mask Assembly



Chrome Parts / Painting



In - Mould Labeling



Optical Plastics



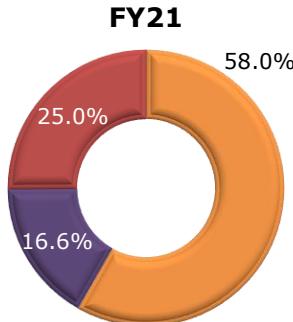
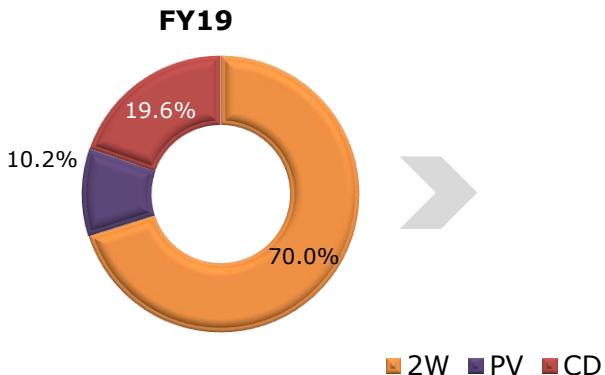
Aluminium Badges & Electroform Badges



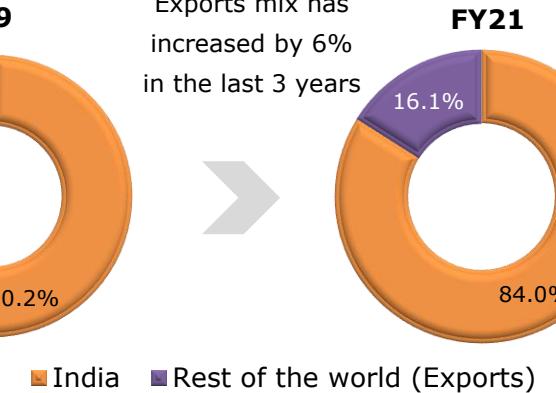
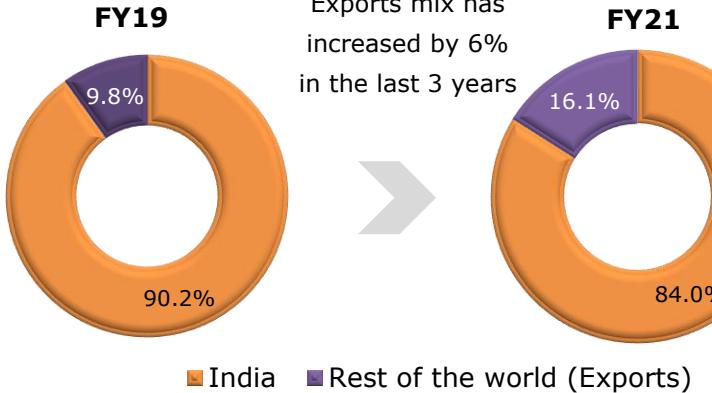
Aftermarket –
"Transform"

2with a well diversified revenue mix

Revenue (By End Segment)

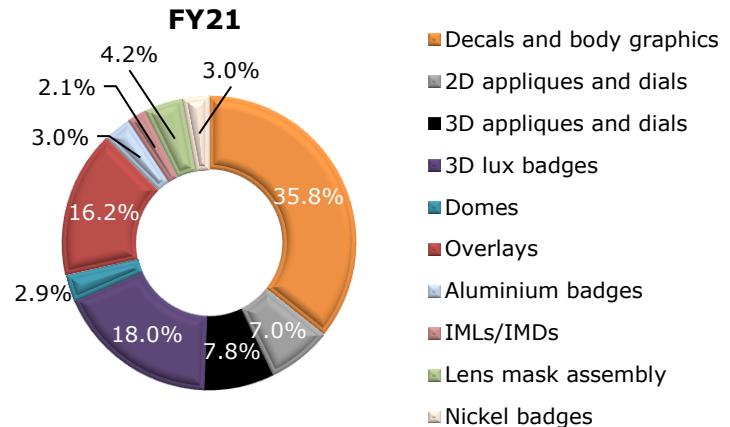
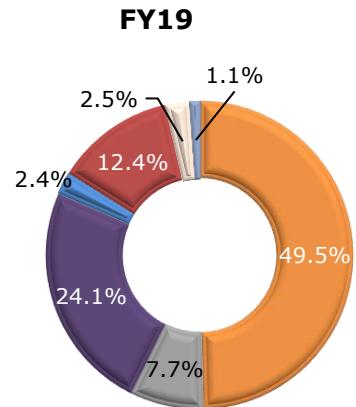


Revenue (By Geography)



Revenue (By Products)

- Decals and body graphics
- 2D appliques and dials
- 3D lux badges
- Domes
- Overlays
- Aluminium badges
- Nickel badges



Note: 1) Percentages rounded up to one decimal place; 2) Revenue split for FY19 and FY21 is for SJS standalone

③ Focused on innovation with strong new product design and development capabilities



40+

personnel for NPD representing 9.43% total on-roll manpower



5

new products introduced in the last few years



Dedicated team working on design, development and prototypes of new products

Design & co-develop with customers

- Designers **conceptualize and co-develop** new designs for customers at the **design studio within Bengaluru facility**
- Possess **in-house design, development and engineering capabilities**
- **Exotech** also has a design department which includes **computer-aided-design ("CAD") engineers, program managers and tooling managers** to manage any new product lifecycle



Standard New Product Development process

5 Phase process for NPD

1. **Planning and Design**
2. **Product Design & Development**
3. **Process Design & Development**
4. **Product & Process Validation**
5. **Feedback Assessment & Corrective actions**

Strong Manufacturing Capabilities*...

Facilities equipped with sophisticated equipment to enable application of new techniques

Design Studio



Decal Shop Floor



Decal Post Print



Plating Shop



Dial Shop Floor



IMD Shop Floor



Quality Inspection

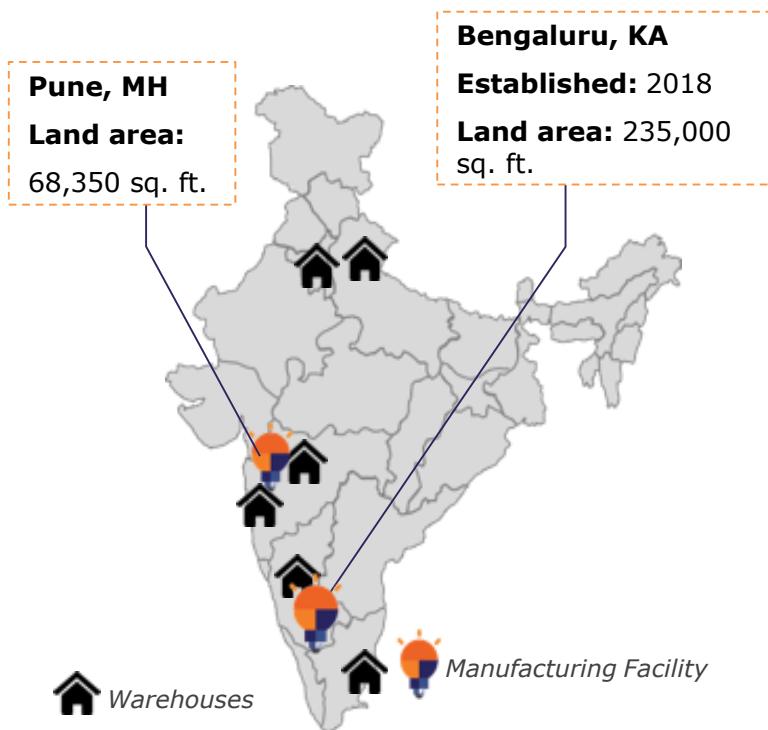


Moulding Shop



*Plant located in Bangalore and Pune

... with high quality standards and recently enhanced capacity...



Flexible facility

- Bengaluru facility is flexible allowing to **interchange capacity and product mix** based on customer and operational requirements
- **Optimize machine productivity and operational efficiency**

Recent Capex and future expansion

- **Recent capex in 2018 and 2019 in Bengaluru facility** to increase its capacity to 208.61mn products
- **Bengaluru facility has additional land** to undertake further expansion, if required



* Calculated as installed Capacity minus Actual Production

...supported by an established global supply chain and delivery mechanism



30+ personnel
in Sales &
marketing



Products weigh
less and are easier
to transport

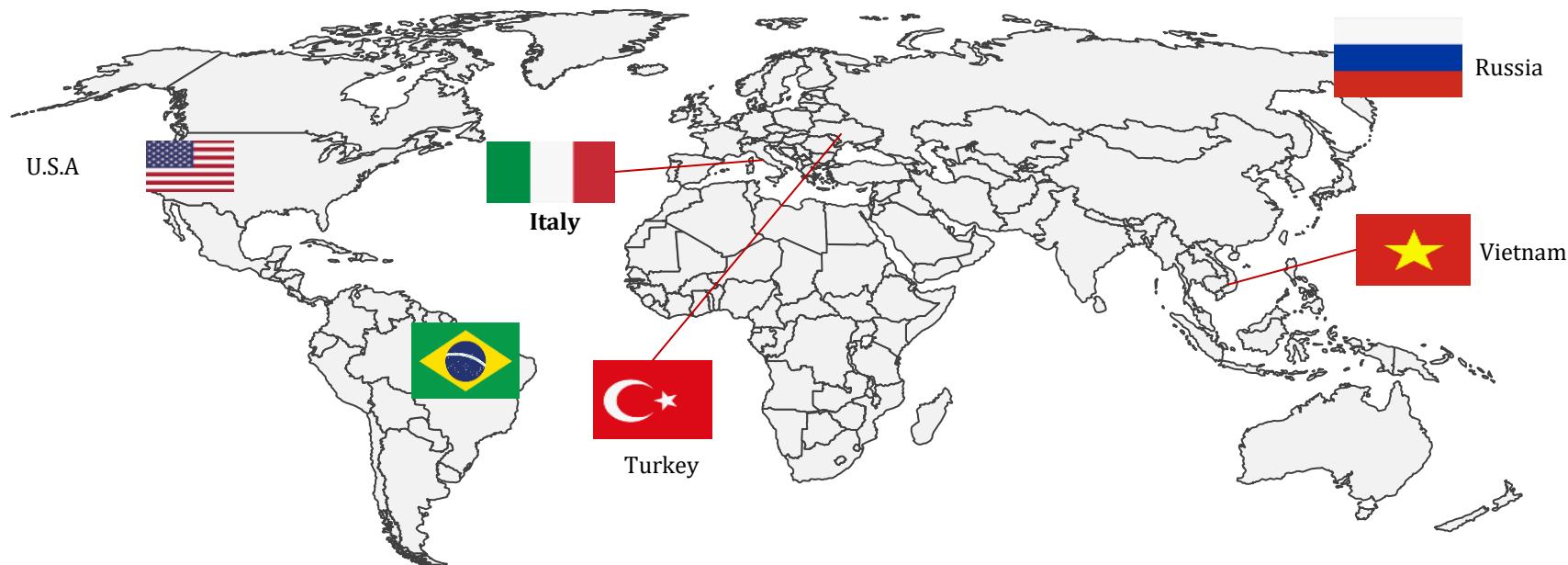


2 manufacturing
plants & 7
warehouses



Serving ~160+
customers in ~90 cities
across 20 countries

Just-in-time delivery schedules for customers across geographies



5 Long Standing Customer Relationships

Type	Key customers						
	Select Customers						
Auto OEMs	       						
Tier 1 Auto Component suppliers	 						
Consumer Durable Players	    						
Others	 						

Relationship with **10 largest customers** (FY21 Revenue) averaged ~15 years



Collaborative design and product development approach and high product quality



“Design-to-delivery” aesthetics solutions with the use of sophisticated equipment and application of new techniques



Pursue cross-selling opportunities and seek to expand new product lines and geographic areas with the customer

Experienced and Qualified Management Team

Board of Directors

K A Joseph

Managing Director – Promoter & Co-founder



- ❖ More than 34 years of experience in aesthetics printing business
- ❖ Leads the manufacturing operations for the Company and has spearheaded technological and product innovation over the years
- ❖ Also, a director on the board of Exotech

Ramesh Chandra Jain

Non-Exec Chairman & Independent Director



- ❖ Worked for 25 years in Eicher & retired as group vice chairman
- ❖ Received the Society of British Aerospace Companies Prize in Aircraft Production ,1972-73 from the Cranfield University,

Sanjay Thapar

Executive Director and CEO



- ❖ Over 30 years of experience in the auto industry
- ❖ Previously Group Chief Strategy Officer with Ashok Minda Group; MD of Minda Valeo Security Systems

Kevin K. Joseph

Executive Director



- ❖ Holds a bachelor's degree in mechanical engineering
- ❖ Previously worked with Tata Elxsi Limited as a senior design engineer

Matthias Frenzel

Non-Executive & Independent Director



- ❖ Previously worked with Visteon Electronics Germany GmbH, S-Y Systems Technologies Europe GmbH and Johnson Controls GmbH

Vishal Sharma

Nominee Director



- ❖ MD - investments and operations with Everstone Capital Advisors Private Limited
- ❖ Previously worked with BCG India ⁽¹⁾; Sapient Corp (now known as Publicis Sapient)

Kazi Arif Uz Zaman

Nominee Director



- ❖ Ex-MD – private equity with Everstone Capital
- ❖ Presently a partner of GestAlt Network LLP

Veni Thapar

Non-Executive Independent Director



- ❖ Presently a partner of V K Thapar & Company, Chartered Accountants
- ❖ Was on the board of Bank of India as a part-time, non-official director under the CA ⁽²⁾ category

Amit Kumar Garg

Chief Financial Officer



- ❖ Previously was the CFO of Markets and Markets Research Private Limited and NIIT Technologies Limited

R. Raju

Chief Marketing Officer



- ❖ Has over 22 years of experience in the field of marketing; Previously worked with ITW India Limited, ITW Signode India Limited etc.

Sadashiva Baligar

Chief Operation Officer



- ❖ Previously worked with Motherson Automotive Technologies, Automotive Manufacturers (Malaysia) SDN BHD, Toyota Kirloskar etc.

⁽¹⁾BCG India – Boston Consulting Group (India) Private Limited; ⁽²⁾ Chartered Accountant

Awards & Recognition

In Sep 2021 SJS was awarded by Great Place to Work among Top 50-Mid size India's best Workplaces for Women 2021



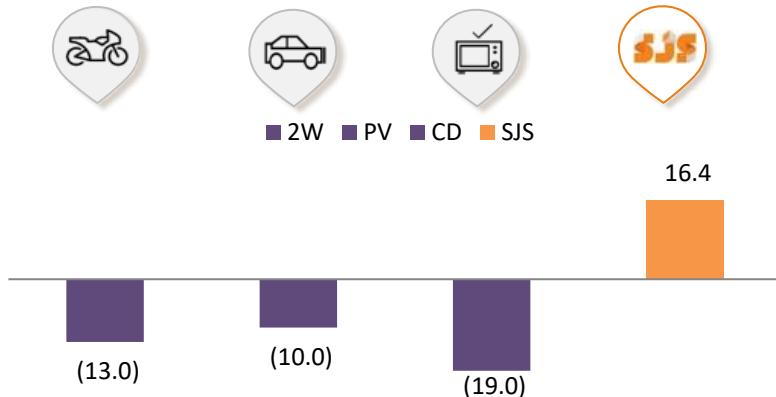
INDIA
2021

Top 50 | Mid-size
India's Best
Workplaces™
for Women
2021

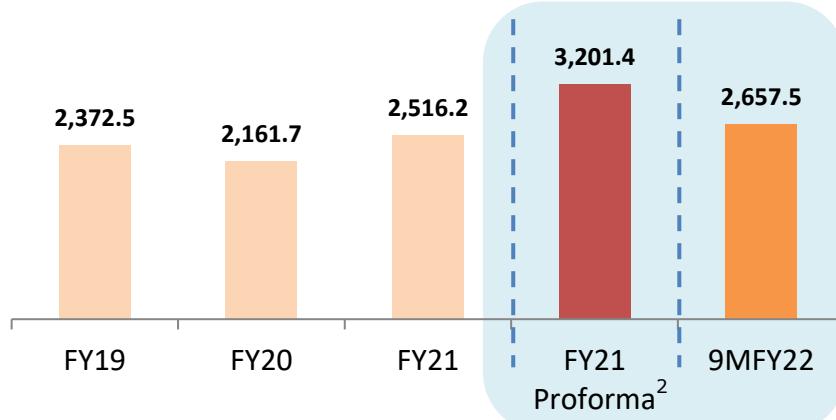
Financial Performance

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

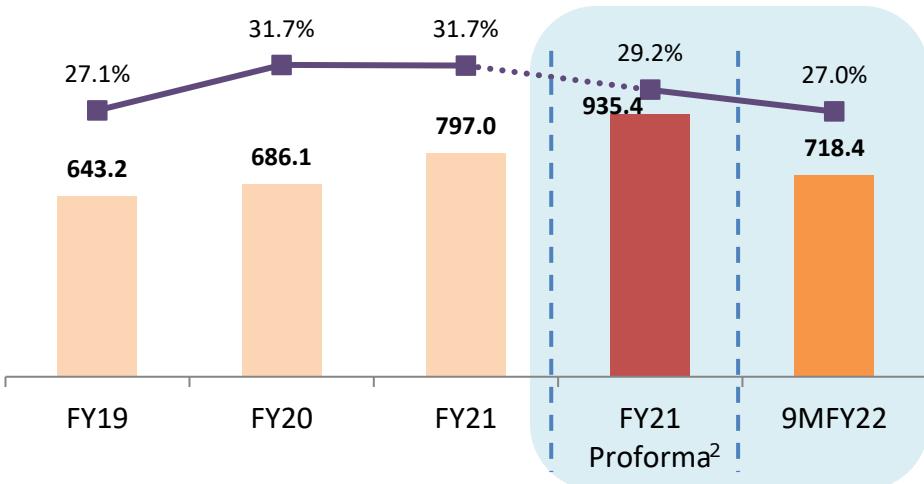
SJS continues to grow ahead of industry growth in India
(FY20-FY21)¹



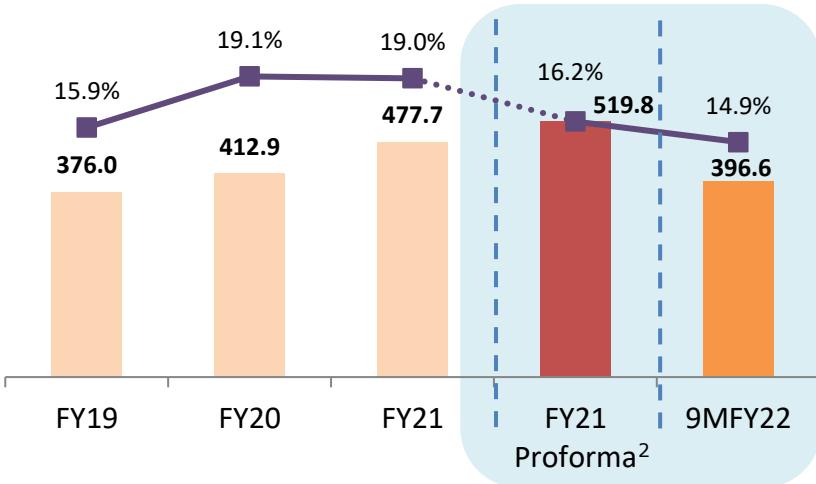
Revenue from operations (INR Mn)



EBITDA (INR Mn) & EBITDA Margin



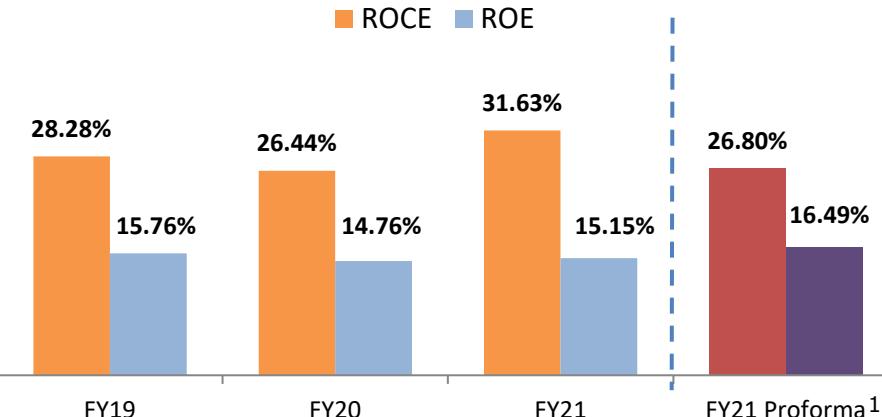
PAT (INR Mn) & PAT Margin



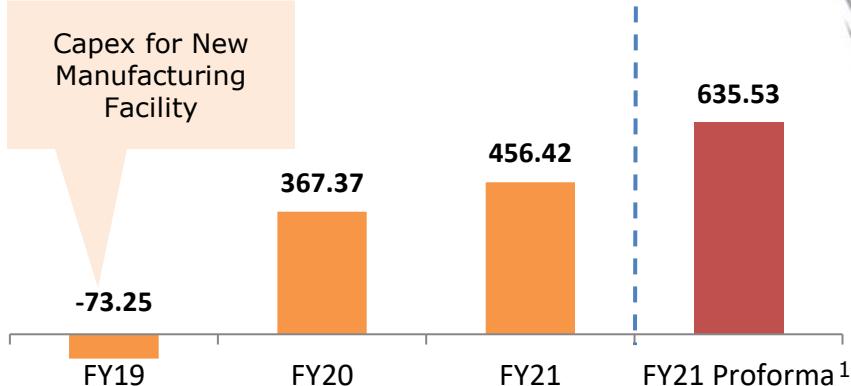
Source: 1) Domestic production for respective industries as per CRISIL Research; 2) FY21 Proforma numbers onwards it is Consolidated financials (including Exotech financial performance)

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

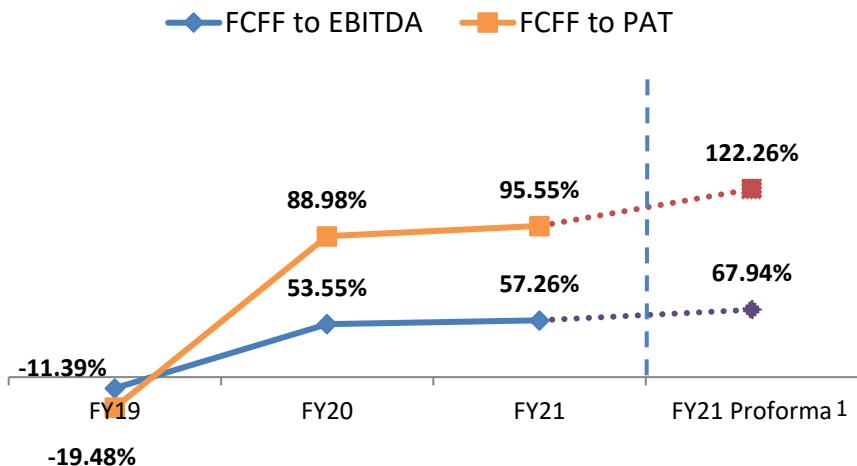
ROCE & ROE (in %)



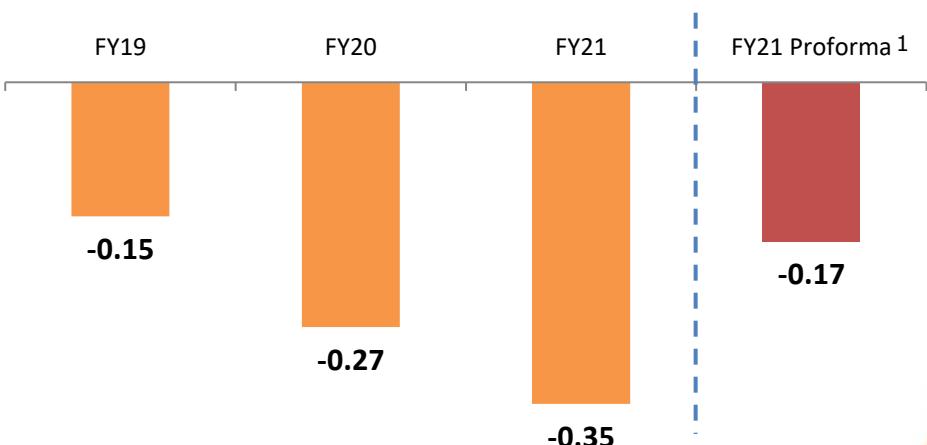
FCFF (INR Mn)



FCFF to EBITDA & FCFF to PAT



Net Debt to Equity (x)



Note: 1) FY21 Proforma numbers is Consolidated financials (including Exotech financial performance)

Q3FY22 Business Highlights

Q3FY22 Industry Trends & Business Highlights

Industry Headwinds

- Domestic PV industry sales volumes declined by 15% yoy led by supply chain disruptions
- Domestic 2W industry sales volumes were down by 25% yoy as retail sales remained weak due to sharp increase in cost of ownership of 2W and supply chain issues
- Automotive sales in India recorded lowest numbers in 10 years this festive season
- Major OEMs reduced productions as their semiconductor chip supplies have dried up

Improvement from mid 2022 onwards

- Pressures of rising demand, but supply remaining as-is, the global chip shortage conundrum may continue this year, with some improvements to be seen from mid-2022 onwards
- Some large chip manufacturers in U.S. and Europe are expanding their manufacturing capacity, which may aid in the recovery of the automotive industry from mid year

Business Highlights for the Quarter

- We are an aesthetics company and a **play on premiumization**. We have **outperformed the industry** and will continue to do so as in past
 - One of the projects is for a major 2W Electric Vehicle (EV)
- **Strengthening our sales force** in the international markets of **Turkey, Brazil & Argentina**

Executive Summary – Consolidated

Q3FY22 Performance

Revenue at Rs 918 mn, witnessed ~9% QoQ decline, while 2W and PV industry productions declined at 23% & 12% YoY & auto industry faced the worse festive season in last 10 years

EBITDA at Rs 264 mn, maintained QoQ, despite lower sales, on back of operational efficiencies.
Strong margin expansion of 190 bps QoQ to 28.8%

Net Profit at Rs 149 Mn, QoQ margin expansion of 91 bps to 16.2%

9MFY22 Performance

Robust revenue performance at Rs 2,658 mn, despite challenges in auto industry & supply chain issues of semiconductor chips

EBITDA at Rs 718 mn on a robust margin of 26.9%; marginally impacted due to hiring at senior management level & ESOPs related cost at SJS

Net profit at Rs 397 mn, with a healthy margin of 14.9%

SJS - Strategic Roadmap for sustained growth (1/2)

1 Exports

Increase geographical footprint and increase exports

- Increase presence in existing geographies and enter new geographies based on current customer relationships
- Benefit from growth opportunities in certain select international markets, particularly in Europe and North America
- Focus on expanding our penetration in the two-wheeler automotive segment in Asia

3 Inorganic Growth

Expand our business through strategic inorganic growth opportunities

- Continue to evaluate, and selectively pursue, inorganic opportunities where products, resources, capabilities, operations and strategies are complementary and
- that will diversify product portfolio, provide access to a wider customer base, help expand into new markets and geographies and consolidate existing capabilities

2 Product

Focus on development, introduction of new technologies & advanced aesthetic products

- Intend to develop and introduce IMEs and internet of things (IOTs) enabled solutions
- Continue to enhance product styling, customization, design and development capabilities
- Continue to build capabilities to innovate and develop new products, increase the application of current products across industries to proactively address evolving customer preferences

4 Customer

Increase our share of business with existing customers and acquire new business

- Strengthen relationships with existing customers & explore opportunities to expand the array of existing products
- Continue to increase customer base by marketing existing products to new customers
- Cross selling opportunities to existing customers of Exotech and vice versa

Increase in premiumisation will lead to rapid growth in aesthetics market

⁽¹⁾as per CRISIL Research

THANK YOU

IR Contact

For additional Information:

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