

S.J.S. Enterprises Limited

(Formerly known as S.J.S. Enterprises Private Limited)

Sy No 28/P16 of Agra Village and Sy No 85/P6
of B.M Kaval Village Kengeri Hobli Bangalore 560082

P: +91 80 6194 0777 F: +91 80 28425110

Email Id: info@sjsindia.com, compliance@sjsindia.com

ISO 14001 ISO 45001
ISO 9001 IATF 16949
Certified

CIN: L51909KA2005PLC036601

www.sjsindia.com



Creating Possibilities

April 28, 2023

To,

National Stock Exchange of India Limited Exchange Plaza, 5 th Floor, Plot No. C/1, G Block, Bandra – Kurla Complex, Bandra (E), Mumbai -400 051 Symbol: SJS	BSE Limited Corporate Relationship Department, 2 nd Floor, New Trading Wing, Rotunda Building, P.J. Towers, Dalal Street, Mumbai – 400 001 Scrip Code: 543387
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ISIN: INE284S01014

Dear Sir/Madam,

Subject: Press release pertaining to Acquisition

We hereby submit the Press Release providing details of acquisition of 90.1% stake in Walter Pack Automotive Products India Private Limited by the Company

Request you to kindly take the above on record.

Thank you,

Yours faithfully,

For **S.J.S. Enterprises Limited**

Thabraz Hushain W.

Company Secretary & Compliance Officer

Membership No.: A51119

Encl: As mentioned above

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SJS to acquire 90.1% stake in Walter Pack India

Bengaluru, April 28, 2023: The Board of Directors at **SJS Enterprises Limited (BSE: 543387; NSE: SJS)** have today approved the acquisition of **90.1% stake in Walter Pack Automotive Products India Private Limited (WPI)** for a total cash consideration of INR 2,393 Mn.

The signing of the definitive agreements for the transformative acquisition of WPI lays the groundwork for a strategic collaboration with Walter Pack Spain and one of its minority shareholders, Antolin.

WPI, a subsidiary of Walter Pack Spain, is a leader in the design and development of high value-added functional decorative parts in the Indian market. The work of Walter Pack's Color&Trim and R&D departments has made it an international reference in IMD, IML and IME advanced technologies, and especially in IMF, the company's core business. The agreement between the two 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.

WPI had interim revenues of over INR 1,200 Mn and healthy EBITDA margins of around 30% with an attractive RoCE of over 50% for FY23. Over two-thirds of WPI revenues are from the automotive segment (passenger vehicles) and the balance one-third are from consumer durables segment.

Transaction Overview:

Walter Pack Spain currently holds an 85.0% stake in WPI with the remaining 15.0% held by the Indian promoter and founder, Mr. Roy Mathew. Spanish multinational Antolin, which specializes in automotive interior parts, holds a minority stake in Walter Pack Spain. SJS has signed definitive agreements to acquire 90.1% stake in WPI as follows:

- Acquire the entire 85.0% stake from Walter Pack Spain
- Acquire 5.1% stake from Indian promoter and founder, Mr. Roy Mathew who will continue to own 9.9% stake and will continue to lead the business

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

SJS expects to close the acquisition in 5 - 6 weeks.

Financing:

SJS intends to finance the transaction as follows:

- INR 300 Mn via preferential allotment to SJS Promoter & Co-Founder, Mr. K. A. Joseph
- INR 750 Mn to be financed by debt
- INR 1,343 Mn from existing cash balance

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Post the acquisition, the consolidated Debt / EBITDA of SJS would be extremely comfortable, much lower than 1x. SJS has hence no plans to raise equity capital in foreseeable future.

Strategic Rationale:

SJS has demonstrated its ability to successfully acquire and integrate assets, exemplified by its April 2021 acquisition of Exotech, its chrome plating subsidiary. Within 2 years, Exotech's revenue has grown ~2x along with substantial margin expansion. Today, with the signed acquisition of WPI, SJS has decided to acquire a significantly larger, higher margin business with strong future growth potential.

WPI is one of the very few companies in India that is proficient in advanced IMD, IMF, IML and IME technologies, providing a strong technological advantage. SJS has, as part of this transaction, 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.

WPI produces high value-added products and caters primarily to the passenger vehicle and consumer durables segments, which will further diversify SJS' revenues. With this acquisition, SJS foresees a strong potential to acquire new customers and increase share of wallet with existing customers for both SJS and WPI.

Geographically, WPI's plants in Pune are located within 3 Km of Exotech, allowing for a collaborative ecosystem.

SJS expects WPI acquisition 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.

Commenting on the transaction, Mr. K. A. Joseph, MD – Promoter & Co-Founder, SJS Enterprises said,

“We are pleased to announce signing of this acquisition. This is an important strategic step for SJS that will reinforce our IML capabilities and add IMD technology and 2k moulding capability. This will also open new business opportunities, enabling us to offer innovative vehicle interior lighting and IME solutions in the future, for new generation of vehicles. We are also excited at the opportunity of a potential collaboration with Walter Pack Spain with respect to their continued technology support as well as future commercial relationship with Antolin. It will help in sharing of technical know-how, provide us access to new technology upgrades and ensure WPI customers of ongoing product technology and quality support in a seamless manner. WPI acquisition will enable SJS to reach next orbit of growth by further strengthening our position as a one stop aesthetics solutions provider. In line with our recent experience of integration & expansion of our Exotech business, we are confident to grow WPI business and are looking forward to the exciting future growth prospects.”

Commenting on the transaction, Mr. Miguel Bernar Borda, Group CEO, Walter Pack Group, Spain said,

“We are pleased with our potential alliance with SJS as they acquire 90.1% stake in Walter Pack India. SJS is one of the leading players in India and deals with multiple aesthetics products under one roof. We are convinced that SJS is the right partner for WPI and they will be able to grow WPI due to their vast experience in the aesthetics industry, strong customer relationships and global reach. The

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agreement allows Walter Pack to establish a strategic alliance with SJS in India, while maintaining its business space in the European and American markets, thanks to the Spanish company's industrial site in México. We believe this is the beginning of a mutually beneficial relationship, and we look forward to strengthening this in the future with a collaboration that encompasses the latest technologies in the aesthetic space.”

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, 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.

For more information, contact:

SJS Enterprises Limited

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