

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 Kengen Hobli Bangalore 560082

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

ISO 14001 ISO 45001
ISO 9001 IATF 16949
Certified

CIN: U51909KA2005PLC036601

www.sjsindia.com



Creating Possibilities

February 08, 2022

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: Earnings Call Presentation of the Company pertaining to Q3 of FY 2021-22

In continuation with the Company's letter dated January 31, 2022 pertaining to Intimation of schedule of Earnings call to be held on Wednesday, 9th February 2022 at 10:00 a.m. (IST) and pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the earnings presentation on the unaudited Financial Results of the Company for the quarter and nine-months ended December 31, 2021.

Also, this presentation will be uploaded on the website of the Company at <https://www.sjsindia.com/>

Request you to kindly take the above on record.

Thank you,

Yours faithfully,

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

A handwritten signature in blue ink, appearing to read 'Thabraz Hushain W.'.



Thabraz Hushain W.

Company Secretary and Compliance Officer

Membership No.: A51119

Encl: As mentioned above



S.J.S ENTERPRISES LIMITED

Q3FY22 EARNINGS PRESENTATION

Disclaimer

Certain statements made in this presentation relating to the Company's objectives, projections, outlook, expectations, estimates, among others may constitute 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections etc., whether express or implied. These forward-looking statements are based on various assumptions, expectations and other factors which are not limited to, risk and uncertainties regarding fluctuations in earnings, competitive intensity, pricing environment in the market, economic conditions affecting demand and supply, change in input costs, ability to maintain and manage key customer relationships and supply chain sources, new or changed priorities of trade, significant changes in political stability in India and globally, government regulations and taxation, climatic conditions, natural calamity, commodity price fluctuations, currency rate fluctuations, litigation among others over which the Company does not have any direct control. These factors may affect our ability to successfully implement our business strategy. The company cannot, therefore, guarantee that the 'forward-looking' statements made herein shall be realized. The Company, may alter, amend, modify or make necessary corrective changes in any manner to any such forward looking statement contained herein or make written or oral forward-looking statements as may be required from time to time on the basis of subsequent developments and events

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

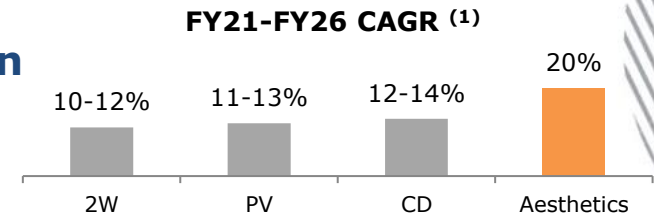
2021

Acquisition of Exotech Plastics
Entry into chrome plating

S.J.S Enterprises Limited : A Snapshot

1 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⁾



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 **2**

3 “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 **4**

5 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*

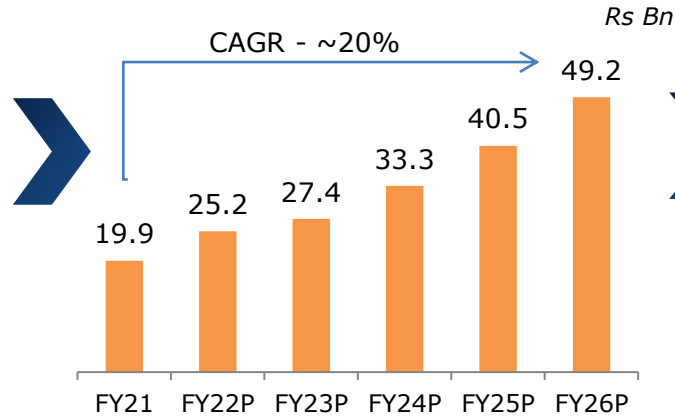
PV market of US & EU (incl. UK) - 2019



Indian Market (FY21)

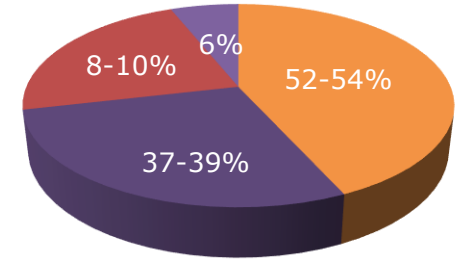
INR 19.9 Bn

Indian Aesthetic Market (1)



Split across key end segments (1)

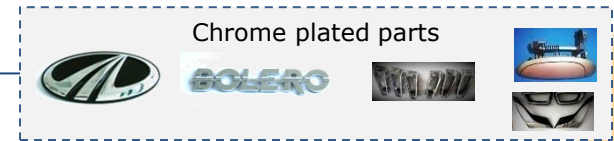
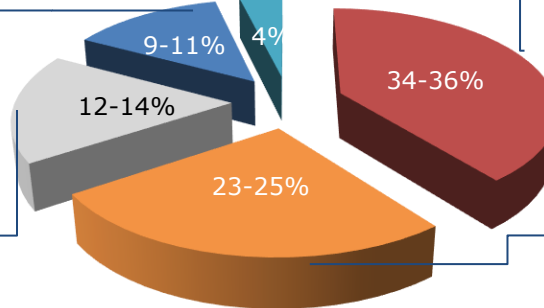
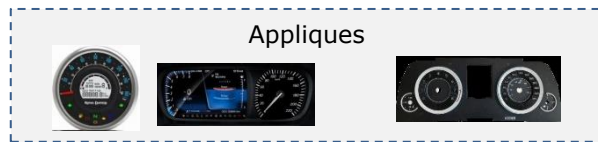
9MFY22



2W PV CD Others

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

Aesthetic market across products 9MFY22



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

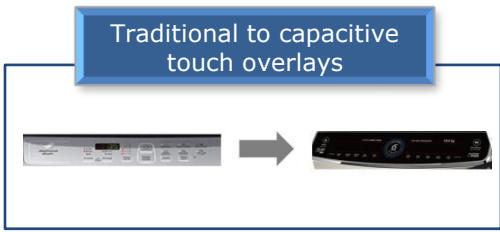
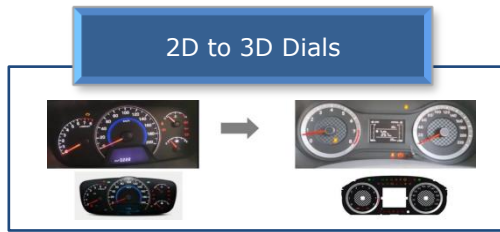
Well placed to serve transition from traditional to premium products

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



(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



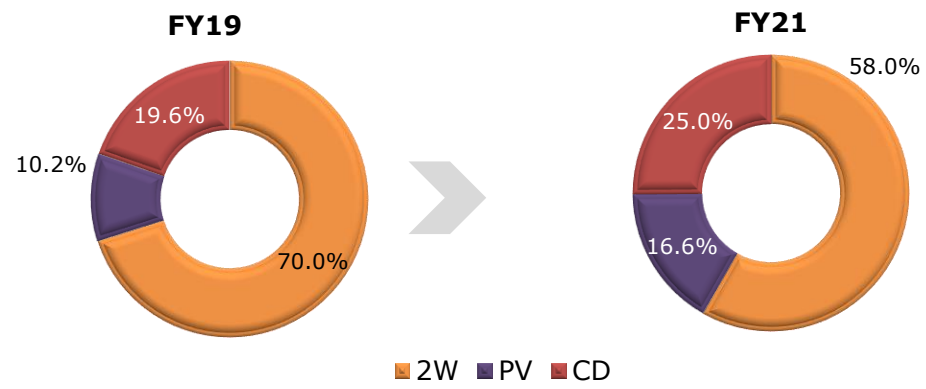
Aluminium Badges & Electroform Badges



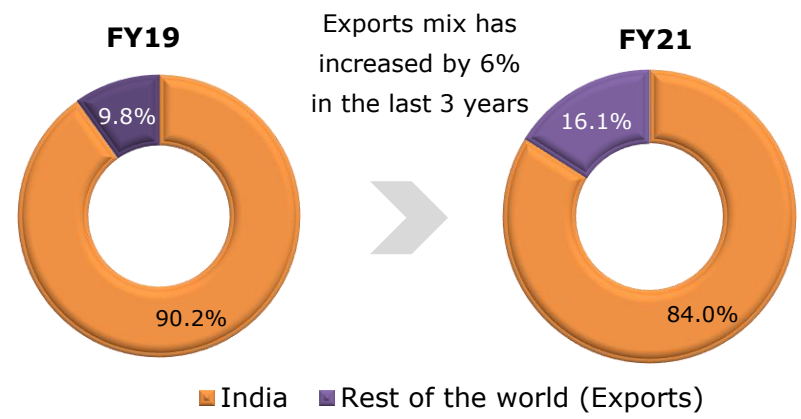
Aftermarket - "Transform"

2with a well diversified revenue mix

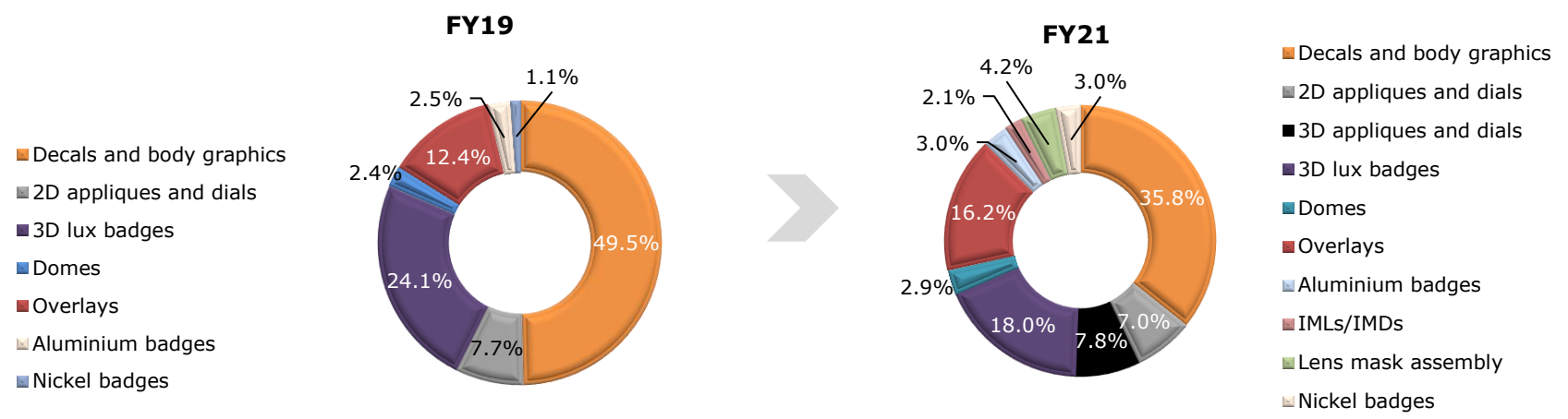
Revenue (By End Segment)



Revenue (By Geography)



Revenue (By Products)



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**

4 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

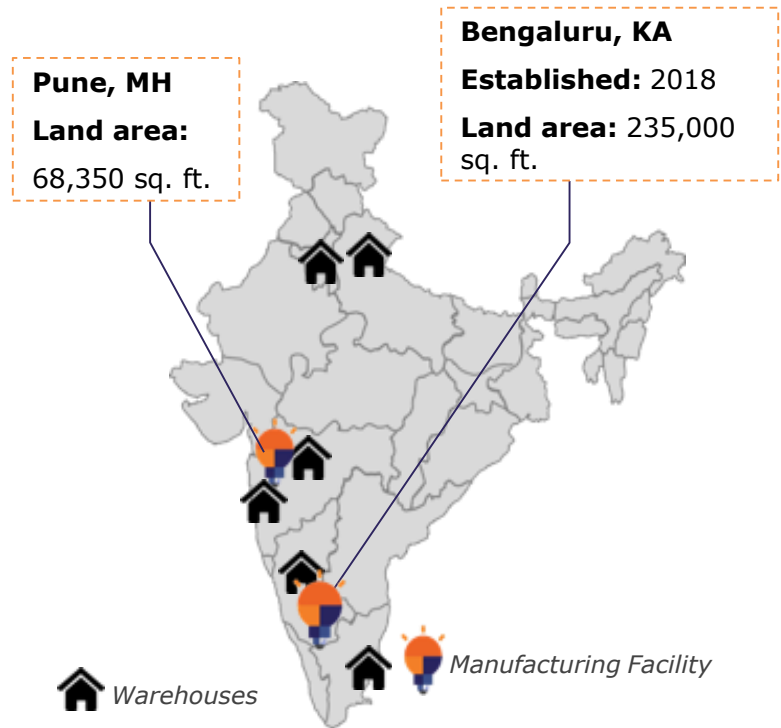


Moulding Shop



*Plant located in Bangalore and Pune

4 ... 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

Both Plants are IATF & ISO Certified

BLR Plant is LEED Gold certified by US Green Building Council

BLR facility meets ISO class 7 dust free clean room specifications

* Calculated as installed Capacity minus Actual Production

4

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



30+ personnel
in Sales &
marketing



Products weigh
less and are easier
to transport

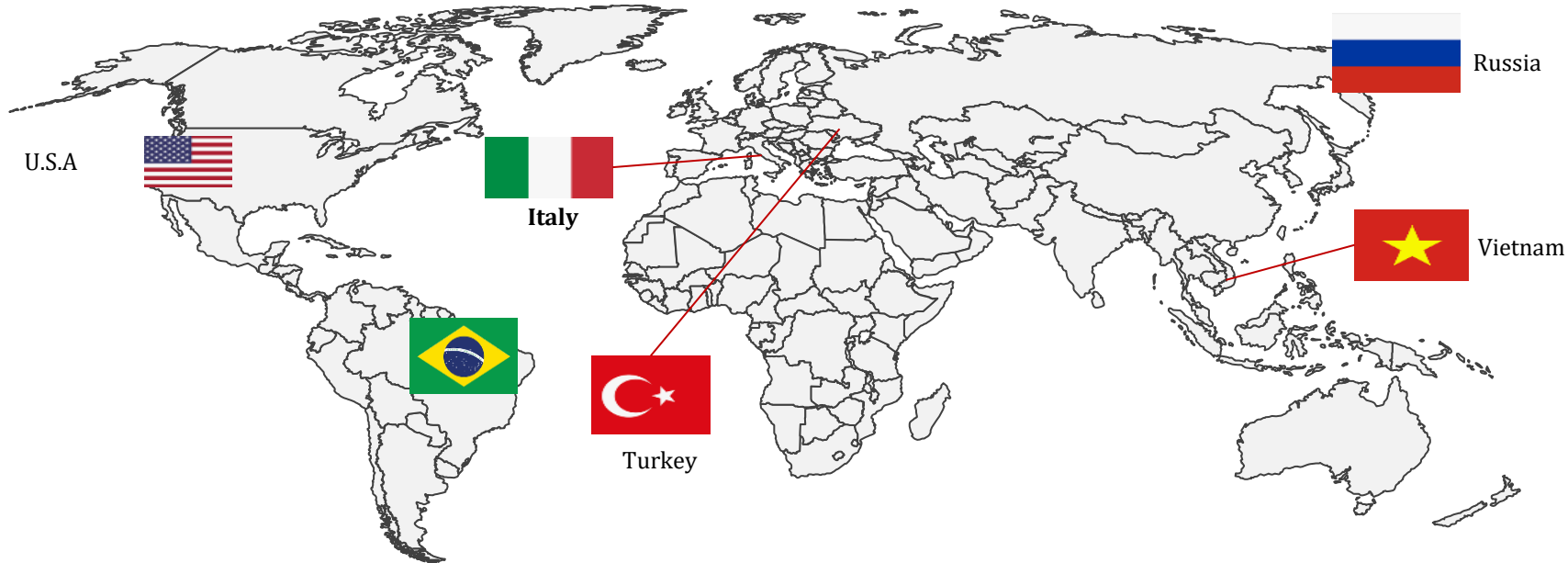


2 manufacturing
plants & 7
warehouses



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

Just-in-time delivery schedules for customers across geographies



5 Long Standing Customer Relationships

Key customers

Type	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

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,

Board of Directors

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

KMPs

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

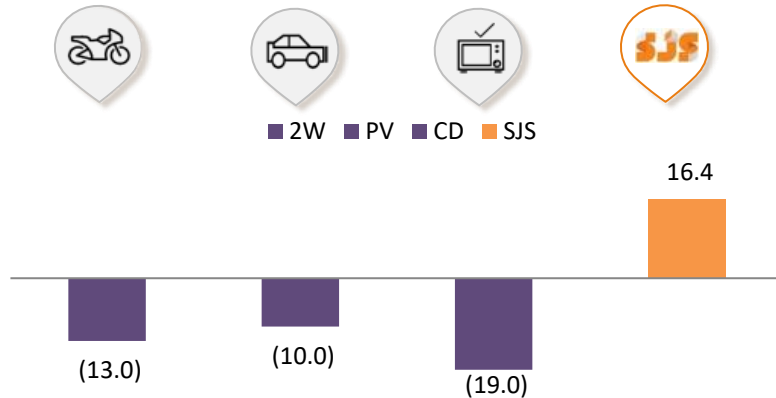


**Top 50 | Mid-size
India's Best
Workplaces™
for Women
2021**

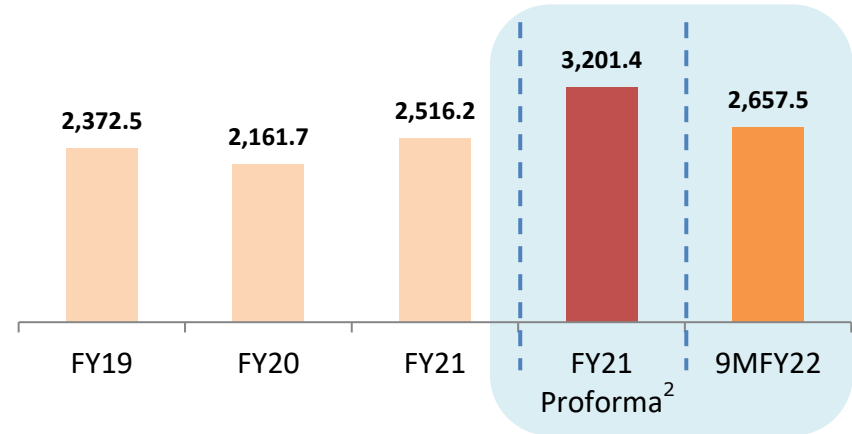
Financial Performance

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

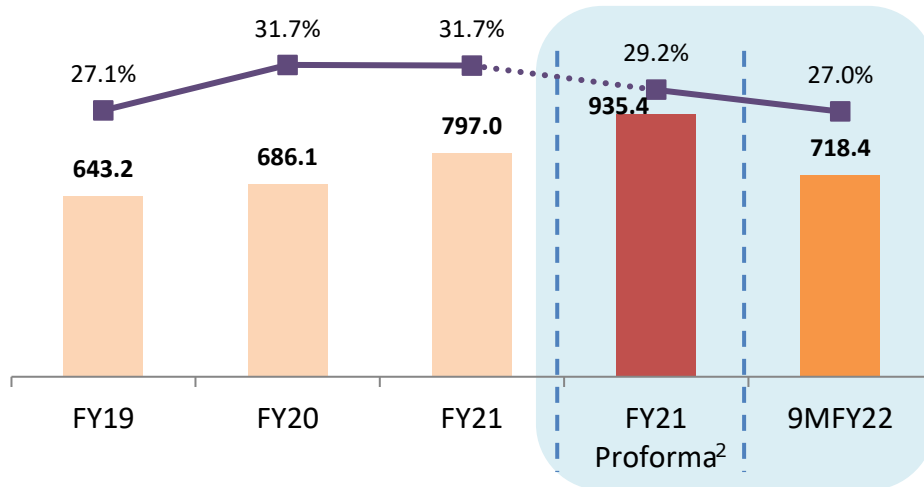
SJS continues to grow ahead of industry growth in India (FY20-FY21)¹



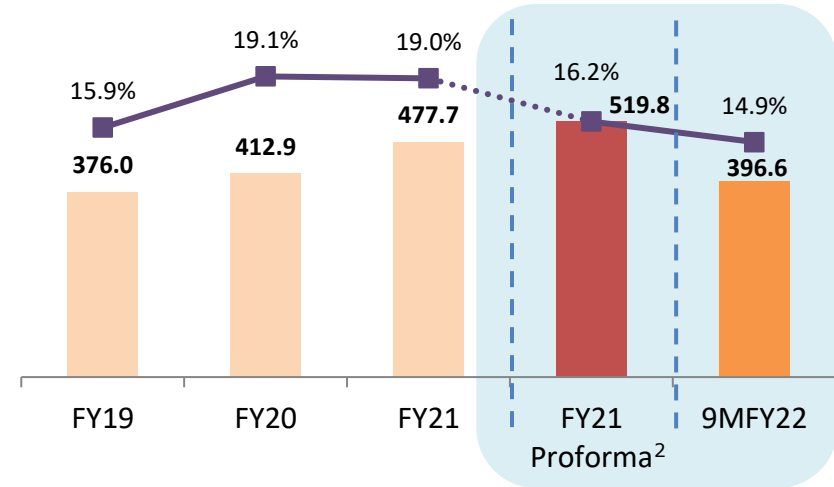
Revenue from operations (INR Mn)



EBITDA (INR Mn) & EBITDA Margin



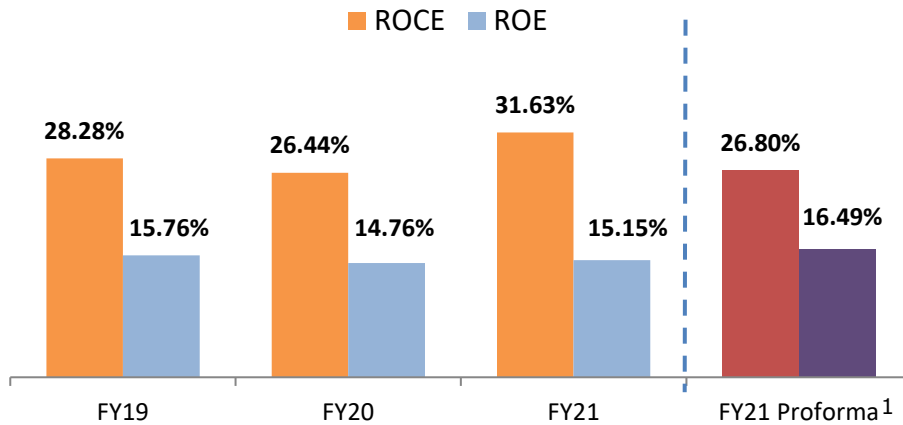
PAT (INR Mn) & PAT Margin



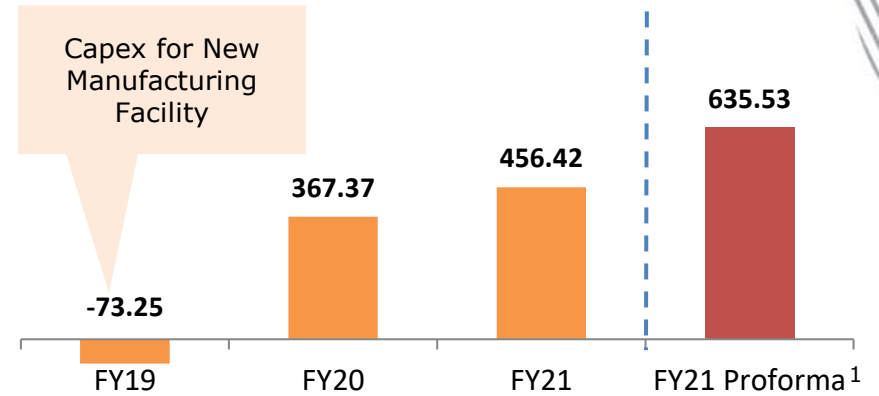
Source: 1) Domestic production for respective industries as per CRISIL Research; 2) FY21 Proforma numbers onwards it is Consolidated financials (including Exotech financial performance)

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

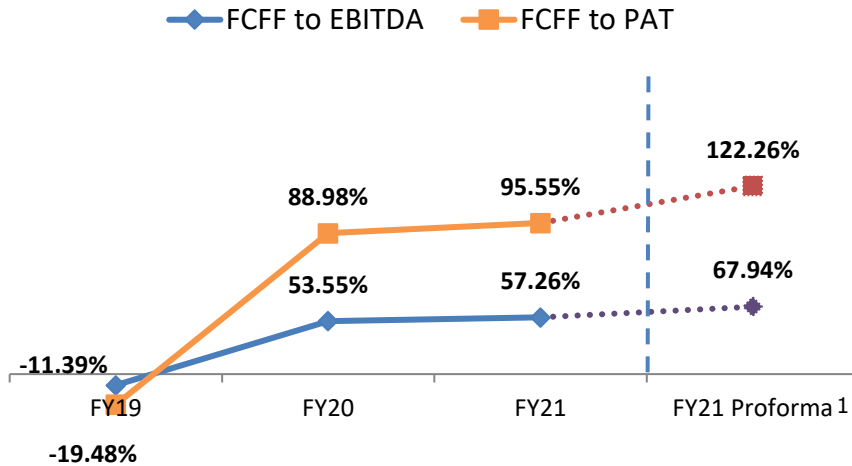
ROCE & ROE (in %)



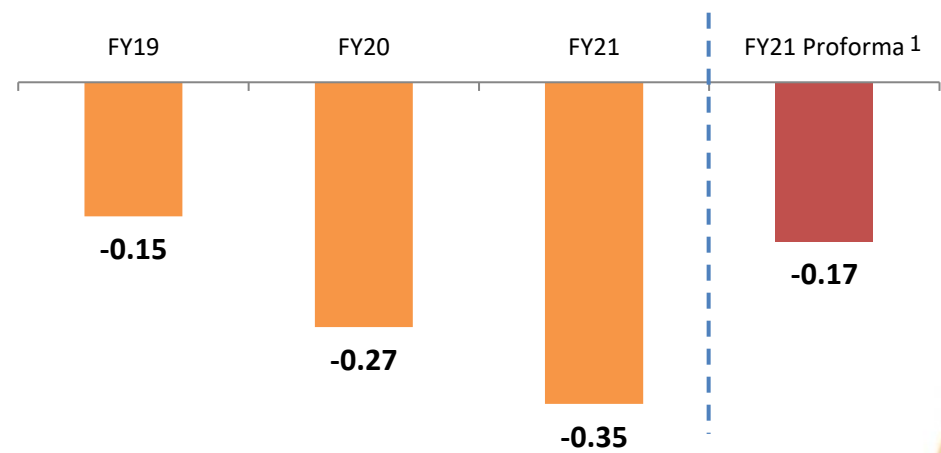
FCFF (INR Mn)



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

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

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

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



THANK YOU

IR Contact

For additional Information:

Ms. Devanshi Dhruva | Head - Investor Relations

Email: devanshi@sjsindia.com