

**S.J.S. ENTERPRISES LIMITED**

The Company Hits the Ground Running with Premiumization and Expanding Clientele

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SJS Enterprises Ltd. (SJS) delivered a strong operating performance in Q4FY25, with consolidated revenue at ₹2,005 mn, up 7.3% YoY and 12.3% QoQ, led by robust traction in the PV segment. Domestic revenue grew 7.1% YoY, reflecting healthy demand conditions. EBITDA came in at ₹510 mn, with margins remaining steady at 25.4% YoY/QoQ. PBT rose to ₹406 mn, with margin expansion of 77 bps YoY to 20.2%, supported by lower finance costs. PAT stood at ₹337 mn (vs ₹272 mn in Q4FY24), translating into a modest 10 bps YoY improvement in PAT margin to 14.5%. Within the consolidated structure, SJS, WPI, and SJS Decoplast (formerly Exotech) contributed 50.3%, 22.5%, and 27.2% to revenues, respectively. Segment-wise, revenue was led by PVs (44.2%), followed by 2Ws (32.0%), consumer (17.9%), and others (5.9%). The business remained predominantly domestic, with India contributing 92.7% and exports the balance 7.3%.

On a full-year basis, SJS reported FY25 revenue of ₹7,605 mn on expected lines, up at robust 45% YoY, driven by sustained growth across segments. Domestic revenue stood at ₹7,037 mn, up 21.4% YoY, supported by strong double-digit growth in PVs (+28.4% YoY) and the consumer segment (+18.8% YoY). Export revenue increased 17.6% YoY to ₹567.9 mn, aided by a 37.4% YoY rise in PV exports. EBITDA for FY25 came in at ₹1,945 mn, with margin expanding by ~150 bps YoY to 25.7%, reflecting improved operating leverage. PBT rose to ₹1,529 mn (margin: 20.1%, +220 bps YoY), driven by significantly lower interest expenses. PAT for the year stood at ₹1,188 mn, up 39.2% YoY, with PAT margin improving ~200 bps YoY to 15.6%. For FY25, the revenue contribution from SJS/WPI/SJS Decoplast stood at 51.7%/22.7%/25.6%, respectively, while the product mix was led by PVs (40.5%), 2Ws (34.0%), consumer (19.5%), and others (6.1%).

**Growth Driven by Premiumization and Next-Gen Product Expansion**

SJS Enterprises' long-term growth trajectory is expected to be underpinned by its strategic focus on premiumization, aimed at capturing higher value within its addressable markets. The company is actively expanding its portfolio of next-generation aesthetic products—such as in-mold labeling (IML), in-mold decoration (IMD), optical plastics, touch screen cover glass, and illuminated logos—which are increasingly becoming integral to the evolving design language of modern PVs and premium consumer goods. These high-end offerings command significantly higher realisation per unit, with kit values for PVs estimated to be 4–6x higher post the WPI acquisition, compared to traditional legacy products.

Key Financials	FY 23	FY 24	FY 25	FY 26E	FY 27E
Total sales (₹ mn)	4,330	6,278	7,605	8,961	10,367
EBITDA margins (%)	24.6%	24.2%	25.7%	26.2%	26.7%
PAT margins (%)	15.5%	13.6%	15.6%	16.6%	16.9%
EPS (₹)	22.1	27.5	37.9	47.6	56.0
P/E (x)	44.7	35.9	26.0	20.8	17.6
P/BV (x)	7.0	5.5	4.5	3.7	3.1
EV/EBITDA (x)	28.9	20.5	15.7	13.1	10.8
ROE (%)	16%	16%	18%	18%	18%
ROCE (%)	29%	26%	26%	27%	28%

**BUY**

Current Market Price (₹)	1,030
12M Price Target (₹)	1,406
Potential Return (%)	37

**Stock Data**

Sector	:	Auto Components
Face Value (₹)	:	10
Total MCap (₹ bn)	:	32
Free Float MCap (₹ bn)	:	25
52-Week High / Low (₹)	:	1,347 / 600
BSE Code / NSE Symbol	:	543387 / SJS
Bloomberg	:	SJS IN
Sensex / Nifty	:	79,454 / 24,008

**Shareholding Pattern**

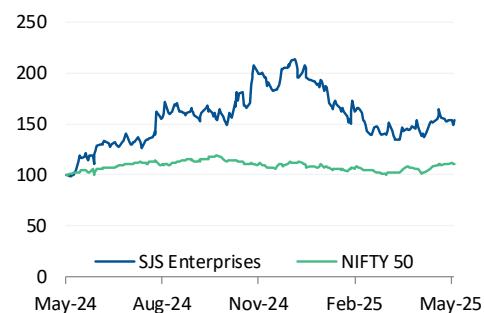
(%)	Mar-25	Dec-24	Sep-24	Jun-24
Promoter	21.60	21.61	21.80	21.80
MF's	22.40	21.97	23.53	24.28
FPIs	16.91	16.55	16.72	15.95
AIF's	3.19	3.25	3.50	4.41
Insurance	3.27	3.31	3.05	3.06
Others	32.63	33.31	31.40	30.50

Source: BSE

**Price Performance**

(%)	1M	3M	6M	12M
SJS	22.2%	2.4%	-15.5%	68.8%
Nifty 50	8.3%	1.9%	-0.6%	9.3%

\* To date / current date : May 9, 2025

**SJS vs Nifty 50**

Contribution from these next-gen products has already scaled up meaningfully, accounting for nearly 28% of consolidated revenue in FY25, reflecting rising customer adoption. The company's entry into the cover glass segment further opens a new high-growth vertical, reinforcing its positioning in the premium category—where differentiated, value-added products continue to outpace demand for conventional offerings.

#### **Strengthens Market Position with Strategic Wins**

SJS Enterprises achieved a key breakthrough by securing orders from Hero MotoCorp, India's largest two-wheeler OEM, with supplies already underway across multiple models. This development positions SJS as a trusted vendor to all leading 2W OEMs in the country. Hero currently procures decals and logos worth ~₹2.5 bn annually, presenting a significant wallet-share opportunity for SJS, alongside potential for cross-selling its broader product portfolio. On the export front, SJS has secured new business awards from marquee clients such as Stellantis and Whirlpool. Supplies to Stellantis are slated to commence from Q2FY26, with volumes expected to scale gradually over the year. Expanding international revenue remains a strategic focus, with the company targeting exports to account for ~14–15% of consolidated revenue by FY28E (vs 7.3% in FY25). Domestically, SJS has also begun supplying in-mold labeled (IML) parts to Mahindra's Born Electric platform—marking its first entry into Mahindra's EV portfolio with IML technology. These new order wins, particularly from OEMs like Hero and Stellantis, are expected to meaningfully augment revenue visibility and underpin management's guidance of delivering ~2x the industry growth in FY26E. Notably, the company's FY26 execution pipeline is already over 85% covered, lending strong revenue predictability.

SJS Enterprises continues to deliver superior margin performance, with EBITDA surpassing expectations, while revenue growth remains steady. We revise our estimates upwards, projecting a Revenue/EBITDA CAGR of ~17%/19% over FY25–FY27E. Strategic acquisitions like SJS Decoplast and WPI, coupled with sustained innovation, have strengthened its competitive positioning. The company is well-placed to capitalize on premiumization-led demand and sector tailwinds. With industry-leading margins, strong return ratios (ROE in high teens, ROCE >25%), and attractive valuations, we assign a P/E of 24x on FY27E EPS of ₹59 and maintain a **BUY** rating with a TP of ₹1,406.

## Quarterly Financial Snapshot (Consolidated)

YE Mar (₹ mn)	Q4 FY25	Q3 FY25	QoQ growth	Q4 FY24	YoY growth
Revenue	2,005	1,786	12.3%	1,868	7.3%
COGS	937	828	13.1%	850	10.2%
Employee Expenses	240	199	20.5%	191	25.6%
Other Expenses	318	306	4.1%	351	-9.3%
EBITDA	510	453	12.6%	476	7.2%
EBITDA Margins %	25.4%	25.4%	8bps	25.5%	-4bps
Other Income	18	29	-38.6%	19	-7.6%
Depreciation & Amortization	115	114	1.0%	110	5.0%
Finance Cost	7	9	-26.9%	22	-68.6%
PBT	406	359	13.2%	364	11.6%
Tax	69	81	-15.7%	92	-25.4%
Adj PAT	337	277	21.7%	272	24.1%
Adj PAT Margins%	16.8%	15.5%	130bps	14.5%	227bps
Exceptional items	0	0	N/A	0	N/A
Reported PAT	337	277	21.7%	272	24.1%

Source: Company, LKP Research

**Key Takeaways from Conference Call:****Industry Outlook & Company Guidance:**

- SJS expects 2W growth in FY26E to be in high single digits and PVs growth in mid-single digits. SJS targets to outperform the underlying industry growth by about 2x in FY26E.
- Consumer business experienced some soft demand in Q4 FY25, particularly in Europe, but the long-term growth story is positive. Overall, the consumer business grew strongly for the full year FY25.

**Capacity Expansion:**

- The exchange facility at Pune is on track for commissioning in H1FY26E. This facility will enhance manufacturing capabilities and meet growing demand for premium chrome-plated and painted products.
- An additional capex of ~ ₹400 to 450 mn is planned during FY26 to increase production capacity at the SJS plant in Bangalore due to significant new business opportunities.
- For the SJS Decoplast (formerly Exotech) expansion, ₹1,000 mn were allocated. ~ ₹300 mn has been incurred so far, with the remaining ₹700 mn expected to be incurred during the FY26E.
- For the cover glass business, 400 mn rupees have been allocated for expansion, which will happen during FY26 and FY27.
- Beyond these special capex plans (Exotech/SJS Decoplast, cover glass, SJS Bangalore), the company also plans for maintenance capex, which is expected to be closely ₹150 to ₹200 per annum.
- The total planned capex for FY26E is ~ ₹1,500 mn.
- Looking at a 3-year scenario, the total capex allocation is planned to be close to ₹2,200 mn.

**New Business Wins:**

- Secured a breakthrough with Hero Motocorp in April 2025, being awarded businesses across multiple models, positioning SJS as a trusted supplier to all leading 2W OEMs. Products supplied to Hero initially will be decals and logos. Hero's current buying for decals and logos is approximately ₹2,500 mn, and SJS hopes to win a significant share of this, plus cross-selling opportunities. Supplies have started.
- Successful new business awards in export markets with customers like Stellantis and Whirlpool. The Stellantis business is close to ₹3,000 mn over the next 7-8 years, with supplies starting in Q2FY26E and gradually ramping up. The Whirlpool order (₹500 mn over 5 years) is also expected to start supplies around Q2FY26E.
- Started supplying IML parts to the Mahindra born electric range of vehicles.

**Export Growth and Strategy:**

- Growing the export business is a strategic priority, with a target to increase exports to ~14-15% of consolidated revenue by FY28E.
- Export business is considered more profitable compared to domestic business. The company believes India, especially in the printing industry, has a natural advantage globally, making them competitive even with potential tariffs.

**Focus on Premiumization and New Technologies:**

- Premiumization is a key growth pillar. Contribution from new generation products increased from ~13% of total revenue in FY21 to ~28% in FY25. New technologies include cover glass (for displays) and IML/IMD products. The IML/IMD market in India is still developing but has huge potential, with product values per vehicle ranging from ₹500 to ₹5,000. Investment in Walter Pack was made due to this potential.

**Capacity Utilization:**

- SJS plant: ~70%.
- SJS Decoplast (formerly Exotic Plastics): Running at 95%, necessitating the expansion.
- Walter Pack: ~75%.

**Tariffs:**

- Management is not unduly bothered by potential tariffs (e.g., from the US) as India is at the lower end of the tariff spectrum compared to competitors, and manufacturing in the US is cost-prohibitive for their products. OEMs are also de-risking by sourcing content from countries like India.

**ESOP Charge:**

- The ESOP charge for the FY25 was ₹~80 mn and is expected to remain similar

## Income Statement

(₹ mn)	FY 24	FY 25	FY 26E	FY 27E
<b>Total Revenues</b>	<b>6,278</b>	<b>7,605</b>	<b>8,961</b>	<b>10,367</b>
Raw Material Cost	2,849	3,559	4,178	4,835
Employee Cost	708	856	966	1,098
Other Exp	1,199	1,236	1,469	1,665
<b>EBITDA</b>	<b>1,522</b>	<b>1,954</b>	<b>2,348</b>	<b>2,769</b>
EBITDA Margin(%)	24.2%	25.7%	26.2%	26.7%
Depreciation	387	447	519	596
<b>EBIT</b>	<b>1,135</b>	<b>1,507</b>	<b>1,828</b>	<b>2,173</b>
EBIT Margin(%)	18.1%	19.8%	20.4%	21.0%
Interest	85	56	24	25
Other Income	77	78	170	176
<b>PBT</b>	<b>1,126</b>	<b>1,529</b>	<b>1,975</b>	<b>2,323</b>
PBT Margin(%)	17.9%	20.1%	22.0%	22.4%
Tax	273	340	484	569
<b>PAT</b>	<b>854</b>	<b>1,188</b>	<b>1,491</b>	<b>1,754</b>
PAT Margins (%)	13.6%	15.6%	16.6%	16.9%
Exceptional items	0	0	0	0
<b>Adj PAT</b>	<b>854</b>	<b>1,188</b>	<b>1,491</b>	<b>1,754</b>
Adj PAT Margins (%)	13.6%	15.6%	16.6%	16.9%

## Key Ratios

YE Mar	FY 24	FY 25	FY 26E	FY 27E
<b>Per Share Data (Rs)</b>				
Adj. EPS	27.5	37.9	47.6	56.0
CEPS	40	52	64	75
BVPS	181	220	268	324
<b>Growth Ratios(%)</b>				
Total revenues	45.0%	21.1%	17.8%	15.7%
EBITDA	42.7%	28.4%	20.2%	17.9%
PAT	26.9%	39.2%	25.5%	17.7%
EPS Growth	24.5%	37.9%	25.5%	17.7%
CEPS growth	34.4%	30.6%	22.9%	16.9%
<b>Valuation Ratios (X)</b>				
PE	36	26	21	18
P/CEPS	25	19	15	13
P/BV	5	4	4	3
EV/Sales	5	4	3	3
EV/EBITDA	21	16	13	11
<b>Operating Ratios (Days)</b>				
Inventory days	77	73	75	80
Receivable Days	74	81	82	81
Payables day	67	67	61	58
Net Debt/Equity (x)	0.02	0.00	0.01	-0.02
<b>Profitability Ratios (%)</b>				
ROCE	26%	26%	27%	28%
ROE	16%	18%	18%	18%

## Balance Sheet

(₹ mn)	FY 24	FY 25	FY 26E	FY 27E
<b>Equity and Liabilities</b>				
Equity Share Capital	310	313	313	313
Reserves & Surplus	5,306	6,579	8,070	9,824
<b>Total Networkth</b>	<b>5,616</b>	<b>6,892</b>	<b>8,383</b>	<b>10,137</b>
<b>Non-current Liabilities</b>				
Long term debt	400	0	150	200
Deferred tax assets/liabilities	258	179	300	300
Other non current liabilities	182	256	340	340
<b>Total non-current liab &amp; provs</b>	<b>840</b>	<b>434</b>	<b>790</b>	<b>840</b>
<b>Current Liabilities</b>				
Trade payables	616	691	710	821
Short term provs+ borrowings	326	204	200	162
Other current liabilities	499	521	760	760
<b>Total current liab and provs</b>	<b>1,440</b>	<b>1,415</b>	<b>1,670</b>	<b>1,743</b>
<b>Total Equity &amp; Liabilities</b>	<b>7,896</b>	<b>8,741</b>	<b>10,843</b>	<b>12,721</b>
<b>Assets</b>				
Net block	1,803	1,469	2,639	2,847
Capital WIP	23	62	45	52
Intangible assets	2,601	2,478	2,351	2,388
Non current investments	60	71	71	71
Long term loans & advances	6	0	0	0
Other non current assets	476	591	591	591
<b>Total non current assets</b>	<b>4,968</b>	<b>4,672</b>	<b>5,698</b>	<b>5,949</b>
Cash and cash equivalents	121	170	48	923
Bank balance other than cash	32	39	39	39
Inventories	720	695	1,133	1,311
Trade receivables	1,624	1,751	2,381	2,755
Other current assets	431	1,416	1,544	1,744
<b>Total current Assets</b>	<b>2,928</b>	<b>4,070</b>	<b>5,145</b>	<b>6,771</b>
<b>Total Assets</b>	<b>7,896</b>	<b>8,741</b>	<b>10,843</b>	<b>12,721</b>

## Cash Flow

(₹ mn)	FY 24	FY 25	FY 26E	FY 27E
PBT	1,126	1,529	1,975	2,323
Depreciation	387	447	519	596
Interest	85	56	24	25
Chng in working capital	-220	61	-656	-440
Tax paid	-332	-492	-484	-569
Other operating activities	40	28	0	0
<b>Cash flow from operations (a)</b>	<b>1,087</b>	<b>1,630</b>	<b>1,378</b>	<b>1,935</b>
Capital expenditure	-301	-387	-1,545	-848
Chng in investments	1,043	-456	-170	-200
Other investing activities	-2,074	-143	0	0
<b>Cash flow from investing (b)</b>	<b>-1,333</b>	<b>-986</b>	<b>-1,715</b>	<b>-1,048</b>
<b>Free cash flow (a+b)</b>	<b>-246</b>	<b>644</b>	<b>-337</b>	<b>887</b>
Inc/dec in borrowings	157	-525	240	12
Interest paid	-77	-34	-24	-25
Other financing activities	207	-37	0	0
<b>Cash flow from financing (c)</b>	<b>287</b>	<b>-596</b>	<b>216</b>	<b>-13</b>
<b>Net chng in cash (a+b+c)</b>	<b>42</b>	<b>48</b>	<b>-122</b>	<b>874</b>
<b>Closing cash &amp; cash equivalents</b>	<b>121</b>	<b>170</b>	<b>48</b>	<b>923</b>

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