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Creating Possibilities

August 4, 2025

To,

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

ISIN: INE284S01014

Dear Sir/Madam,

Subject: Transcripts of Analysts/Investor Meet/ Earnings Call of the Company pertaining to Q1 of FY 2025-26

Please find enclosed the transcripts of the Analysts/Investor Meet/ Earnings Call of Q1 FY 2025-26 held on July 30, 2025 at 11.00 am (IST).

You are requested to kindly take the same on record.

Thanking you.
Yours faithfully,
For S.J.S. Enterprises Limited

THABRAZ HUSHAIN W
Digitally signed by THABRAZ HUSHAIN W
Date: 2025.08.04 16:13:44 +05'30'

Thabraz Hushain W.
Company Secretary and Compliance Officer
Membership No.: A51119

Encl: As above

SJS Enterprises Limited

Q1 FY26 Earnings Conference Call

July 30, 2025

Management:	**Mr. K.A. Joseph – Managing Director & Promoter**
	Mr. Sanjay Thapar – Group CEO & Executive Director
	Mr. Mahendra Naredi – Group Chief Financial Officer
	Ms. Devanshi Dhruva – Head – Investor Relations
Analyst:	**Mr. Ronak Mehta – ICICI Securities Limited**

Moderator: Ladies and gentlemen, good day, and welcome to SJS Enterprises Limited Q1 FY26 Earnings Conference Call, hosted by ICICI Securities Limited. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing * then 0 on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ronak Mehta from ICICI Securities Limited. Thank you, and over to you, Mr. Mehta.

Ronak Mehta: Thank you, Bhavya. Good morning, everyone. On behalf of ICICI Securities, I would like to welcome you all to Q1 FY26 Earnings Conference Call of SJS Enterprises Limited. Today, we have with us from the management team, Mr. Joseph, Promoter and Managing Director; Mr. Sanjay Thapar, Group CEO and Executive Director; Mr. Mahendra Naredi, Group CFO; and Ms. Devanshi Dhruva, Head of Investor Relations.

Before I hand over the call to the management, I would like to congratulate the team for continuing growth momentum with healthy margin performance. I would now hand over the call to Devanshi to take the call forward. Over to you, Devanshi.

Devanshi Dhruva: Thank you, Ronak. Good morning, ladies and gentlemen, and thank you for being with us over the call today. We appreciate it. Moving on, this is how we intend to take today's conference call forward. I will pass on the dais to Mr. K.A. Joseph, our MD and Promoter, who will make his opening remarks and then hand it over to Mr. Sanjay Thapar, our Group CEO and Executive Director, who will take you all through some of the slides of our presentation that has been uploaded on the stock exchanges as well as on our website.

Mr. Thapar will also take you all through the industry view, our business performance and then give a strategic outlook for the future growth of the company at the end. And Mr. Mahendra Naredi, our Group CFO, who will update you on our financial highlights, post which we will open it up for Q&A.

The duration of this call will be around 60 minutes, and we will try to wrap up our comments in about 20 minutes so that we leave enough time for you guys to ask questions. If the time is not enough, please feel free to reach out to us through email or write to us, and I will try to answer all your questions to the best of my ability. Thank you once again.

And I will now hand over the call to Mr. Joseph to make his opening comments. Over to you, Joseph.

K. A. Joseph: Yes. Thank you, Devanshi, and hello, and good morning, everyone. I hope you've all had a chance to look at our investor presentation and the results published yesterday. The first quarter of FY26 commenced on a positive note. SJS has continued its strong momentum in Q1 of FY26 and delivered its 23rd consecutive quarter of outperformance with a strong Y-o-Y growth of 22.8% in the automotive business. It significantly surpassed the industry's growth of 1.2% in the automotive 2-wheeler and passenger vehicle production volume. Building on this leadership position, the company achieved a consolidated revenue of INR 2,096.6 million in the Q1 of FY26.

SJS continued to deliver steady performance despite the muted industry growth, recording 11.2% Y-o-Y growth in consolidated revenue compared to 1.2% Y-o-Y growth in overall automotive production volumes. This performance was driven by a strong growth in 2-wheeler and passenger vehicle segments, highlighting our effective business strategy of focusing on premiumization and new customer additions.

Positive cash flow generation and a strong net cash position further supported financial stability, while careful cost control helped us maintain profitability despite broader market challenges. We delivered a robust profitability with EBITDA margins of 27.6% and PAT margin of 16.5%.

Aligned with our growth strategy, the infrastructure development for capacity expansion at Pune and Bangalore is currently underway. These projects are expected to strengthen our manufacturing capabilities and enhance our ability to meet increasing demand from key customers and markets.

During the quarter, we received the Green Manufacturing Excellence Award by Futurescaper for our leadership in sustainable manufacturing and also the Good Manufacturing Practice certification from TUV, recognizing our commitment to quality, safety and operational excellence.

Moving forward, we are focused on accelerating organic growth through continuous innovation, capacity expansion and deepening global engagement. As a one-stop solution provider for aesthetic products, we continue to focus on gaining momentum in launching new and advanced products, maximizing operational efficiencies through application of next-generation technologies. These focused initiatives will help us remain committed to delivering sustainable long-term value while reinforcing our leadership in the decorative aesthetic space.

With that said, I would now like to hand over the call to Sanjay to take you all through some of the business and industry highlights for the quarter. Thank you, and over to you, Sanjay.

Sanjay Thapar: Thank you, Joe. Hello, and good morning, everyone. Starting with some key updates. Talking of the quarter gone by in terms of production volumes, as you know, the auto industry, 2-wheeler and passenger vehicles grew by 1.2% year-on-year in Q1 FY26, whereas SJS Automotive business, 2-wheeler and 4-wheeler delivered a phenomenal growth, Y-o-Y growth of 22.8%, which is over 19x the industry growth. This superior performance was account of 32.7% Y-o-Y growth in the 2-wheeler business and 13.8% growth in the passenger vehicle business.

Q1 FY26 was marked by yet another quarter of better-than-industry performance by SJS with a consolidated revenue growth at 11.2% Y-o-Y to INR 2,096.6 million. As mentioned earlier, this growth is primarily attributable to a strong performance in the 2-wheeler and the passenger vehicle segments. On back of strong margin performance delivery by our company, I'm delighted to share that the consolidated EBITDA grew 16.3% Y-o-Y to INR 587.2 million with margins now at 27.6%.

PAT grew 22.6% Y-o-Y to INR 346.2 million with margins at 16.5%. As announced during our last earnings call, we are happy to share that we've added Hero MotoCorp as a marquee customer this quarter and have started supplies to them. We are confident that in the long run, we will be one of the preferred suppliers with a significant share of business.

Expanding our global footprint remains a key pillar for SJS's long-term growth strategy. During this quarter, we had some impressive export business wins, from Autoliv and Fiat Chrysler Automobiles in the U.S. market. We also added Yazaki as a customer for our domestic automotive business. Capacity expansion projects are underway, as you are aware, at Pune and Bangalore locations.

During the quarter, exports contributed 6.7% to our consolidated revenue, amounting to INR 140.9 million. Going forward, we expect export performance to bounce back once we start deliveries for Whirlpool and Stellantis orders from Q2 FY26 onwards.

As a part of our continued commitment to sustainability, all efforts are now focused towards the process of setting up the SJS foundation. We will share further details on it once there is significant progress made in this direction. I would now like to hand over the call to Mahendra, our CFO, to update to you all on the SJS financial performance before I come back to talk about our future growth outlook. Over to you, Mahendra.

Mahendra Kumar Naredi: Thank you, Mr. Thapar. Good morning, everyone. Moving on to the financial performance of the company. Slide 11 to 14 highlights the consolidated performance of SJS. SJS delivered 11.2% Y-o-Y growth in revenue and consolidated revenue stood at INR 2,096.6 million. This growth was primarily on account of a strong Y-o-Y growth of 32.7% in 2-wheeler segment and 13.8% in passenger vehicle segment.

EBITDA at INR 587.2 million grew by 16.3% Y-o-Y. EBITDA margin expanded by 106 bps on a Y-o-Y basis, posting a healthy 7.6%. Margin expansion was on account of economies of scales and cost control. Our consolidated PAT for the quarter grew 22.6% Y-o-Y to INR 346.2 million. SJS achieved PAT margin of 16.5%, witnessing an expansion of 154 bps Y-o-Y. Robust PAT growth was primarily due to higher EBITDA margins and lower finance costs.

Company generated strong free cash flows of INR 325.6 million during the quarter, which resulted in a net cash position of INR 1,311.4 million. SJS remain a high cash-generating company with operating cash flows amounting to 101% of EBITDA. This is due to our focus on operational efficiencies, working capital management and disciplined capital allocation. Our strong net cash position further strengthens our ability to pursue growth opportunities without compromising financial stability.

Strong cash flows have had a positive impact on our consolidated ROCE, which stands at annualized 29.5% and ROE at annualized 19.1%. With the addition of Walter Pack India product in our portfolio, we have added advanced technology premium products that helped us to improve our new technology product. Now overall 25% of our revenue was from the new technology product during Q1 FY26.

Walter Pack India acquisition has effectively helped SJS to balance the portfolio across 2-wheeler, passenger vehicle and the consumer segment. In Q1 FY26, 2-wheeler share of revenue was 39.1%, passenger vehicle at 37.2% and consumer and others at 23.6%. Driven by strong financial performance, SJS continued to advance its growth initiatives by strategically deploying internal accruals to fund key expansion projects.

Among the major initiatives underway are the greenfield project at SJS Bangalore, Optical Display facility at Hosur and new plants for chrome plating and painting at SJS Decoplast, Pune. This capacity addition reflects the company's focus on further scaling high-value technologies and strengthening its position in premium aesthetics. By aligning investment with long-term opportunities, SJS remain committed to delivering sustainable growth and enhancing stakeholders' value.

I would now like to hand back the call to Mr. Thapar to discuss about our future plans and growth outlook.

Sanjay Thapar: Thank you, Mahendra. Moving to our outlook for future growth. As mentioned in our last quarter's earnings call, at SJS, we are confident of outperforming the underlying industry growth by over 2x. This will primarily be on account of our diversified presence across industry segments, global reach, comprehensive product portfolio and our strong customer relationships.

Innovation and technological advancement continues to define our competitive edge. We are consistently investing in development of new technology solutions designed to serve the evolving needs of customers across multiple industries. This product-led approach focuses on enhancing aesthetics with added features, allowing us to deliver differentiated value and stay ahead of industry trends.

Our expanding portfolio supported by advanced in-house design and R&D capabilities strengthens our ability to offer high-quality future-ready solutions. This, in turn, also enables us to increase our kit value in each business segment and achieve our guided kit value targets.

A key focus of our forward-looking strategy is to expand our global presence with a clear goal of increasing exports to 14% - 15% of our consolidated revenue by the year FY-28. To achieve this, we are actively entering new international markets while penetrating deeper in the existing markets. At the same time, we are introducing differentiated products tailored to global customer needs. The recent export wins from Stellantis, Whirlpool, Autoliv and FCA, among others, are a testimony to our efforts toward expanding our global footprint. This integrated approach is aimed at unlocking new growth opportunities, broadening our revenue base and accelerating cross-selling across regions and product categories.

With a robust liquidity position, cutting-edge design and engineering capabilities, strong customer relationships, diversified portfolio, product innovation and strategic acquisitions, SJS is poised for the next phase of growth. 101% of our EBITDA is cash flows from operations.

Our strong balance sheet enables us to pursue organic and inorganic opportunities largely through internal accruals and minimizing any debt burden. Focused on premiumization, global expansion, leveraging cross-selling opportunities and operational excellence, we continue to gain momentum in decorative aesthetic space while driving sustainable long-term value creation for all our stakeholders.

With that said, I come to an end of my quarterly updates. Thank you. We are now open to answer questions, if any.

Moderator: Thank you very much. The first question is from the line of Pradyumna Choudhary from JM Financial Family Office.

Pradyumna Choudhary: Congratulations on a good set of numbers. One part which I just wanted to get more clarity on is outside the 2-wheeler and PV, ex of these, which is basically consumer durables plus exports, there we seem to have seen a sharp decline in numbers. So what really is happening over there?

Sanjay Thapar: Okay. So coming specifically for the consumer businesses. So all our businesses have performed well. SJS has performed very strongly. Exotech has performed or SJS Decoplast has performed very well. The challenge really has been Walter Pack, where we have a legacy set of customers, and there's a large dependence on a few customers and a few models. So those models have not performed well in this quarter, and that has accounted for some decline in revenues in that part of the business.

Exports has not declined. They are largely flat. And as you are aware, the new model wins that we've acquired are now going to pick up with supplies to Stellantis and Whirlpool, which will start from this quarter, Q2. So gradually, they will scale up. So we are very confident of exports.

The decline here that you see primarily is on account of this concentration of a few customers and products at Walter Pack, for one of their large automotive customers and there has also been a model change at the consumer business at Walter Pack. So one of those models are undergoing change for the consumer electrical business supplied by Walter Pack. So these are the 2 factors that have accounted for a little bit of softness in sales at Walter Pack this quarter.

Pradyumna Choudhary: Sorry, these customers are consumer durable companies, right? That's the understanding.

Sanjay Thapar: And one is automotive OEM. So we have some very high-value products that go into that model. And this quarter, sales offtake for those have been low. So those are the specific reasons that sales at Walter Pack has been impacted in Q1.

Pradyumna Choudhary: Sure. My second question was on Hero, the ramp-up, it seems like it's it's happening already. But what sort of a ramp-up do you see happening over here? Like last quarter, you had spoken about INR 250 crores sort of a bill of material, but could you give further details on how are we expecting this ramp-up to happen in case of Hero? And would we be targeting this entire INR 250 crores? Is that the idea? And lastly, on the cover glass side, could you give what's the latest update on that side? That's all.

Sanjay Thapar: Okay. So splitting this into 2. So first, your question was on Hero. So the process is similar for any customer. So when we start business, there are a few models that come to us. We develop those products, those products go through a testing phase and then supplies start. So we started with Hero with a few models. And moving forward, we will gain momentum.

And as I've said earlier in the last earnings call, the total revenue spend by Hero on such category of products is close to about INR 250 crores, and we hope to have a significant share of that business. So that is a work in process. So we are moving in that direction, and we've started supplies this quarter, which have been well accepted. So we are very positive about the outlook at Hero.

The second part of your question was on cover glass. So as I said earlier, we started our cover glass journey as a transition from the dials that we do, then the transitioning of a fully digital cluster on 4-wheelers, so that story is very much intact. In fact, what has increased is our ambition in this business. So we see this as a huge, huge potential. And we are now looking not only at cover glass, but to do some more value addition in this overall display screen.

So as of now the requirements of the infrastructure needed to do both these elements together is a little different from cover glass. So we are firming up plans of our entry strategy into this amongst the capital equipment that we'll require or the infrastructure we need to create. We are also looking at a technology partnership, which we are at various stages of discussion. So as and when we have something meaningful to share, we will come back to you with the plan of what more than cover glass are we targeting for this segment of business.

Pradyumna Choudhary: Just a follow up, one was on the Hero parts usually for 2-wheeler customers, what's the kind of like usually model refresher launches can we expect, like is it fair to assume that every 1.5 to 2 years, there will be a model refresher, which gives us a fair chance to enter into that model? And second, on the cover glass. So when can we really start expecting the revenues and deliveries to be starting and have you won orders commercial orders with any customer?

Sanjay Thapar: So 2 parts. One part was on model refresher. So model refreshes from 2-wheelers are a little faster. So about 1.5 years at an average, you see a model refresh that happens. It depends on the competition intensity.

Regarding cover glass revenues, we've said that next year is when we see revenues coming into that facility. So at the moment, we are still in a stage where we are creating the right product mix and the capex spend that we need to do. The plant is ready. We are now fine-tuning the capex requirements based on this larger ambition that I told you. And supplies would start in FY27. So that's next year.

Moderator: The next question is from the line of Pritesh from Lucky Investments.

Pritesh: Sir, I quite didn't catch the 32% growth in 2-wheeler versus whatever is the industry growth. So any comment there? And in your Walter Pack and Exotech piece of the business, I don't see any growth. So your comment there and what is the capacity utilization in those assets?

Sanjay Thapar: Okay. Specifically on the question on the 2-wheeler growth that you said. So as I mentioned earlier, we started supplies to Hero MotoCorp and that has led to increase, and we also saw increase in some other customer shares. So that is what has led to the 2-wheeler growth.

The large delta in terms of outperformance of the market primarily is due to adding Hero MotoCorp sales to the base we had, and we also increased sales to Bajaj, HMSI, Yamaha. So all those, we saw greater traction and the volume growth was larger or the revenue growth for us was larger than the overall industry per se. So that's question 1 of yours.

Pritesh: Can I ask you a question on 2-wheeler itself? So if Hero supply reflects in quarter 1, then for the full year, obviously, 2-wheeler for you will grow much faster than the industry, right, because of one customer adding?

Sanjay Thapar: That's right.

Pritesh: It cannot be a 1 quarter phenomenon, just to clarify.

Sanjay Thapar: It can't be a...?

Pritesh: It can't be a 1 quarter phenomenon, right? It has to continue for the full year.

Sanjay Thapar: No, absolutely not. For business with the large marquee customers who happens to be the largest 2-wheeler company in the world. So obviously, this will continue. And as I said, progressively as more models get developed, we'll see traction happening.

Pritesh: On the Exotech and Walter Pack, why didn't we grow? And what is the capacity there?

Sanjay Thapar: So I answered that question to the earlier caller. Exotech, we have grown. What was impacted was sales at Walter Pack because of their product concentration risk because this is a legacy business that we acquired. While we are diversifying, I would encourage everybody to look at us as a holistic company.

The reason of diversification across product categories, across customers, across different product segments is primarily to take care of these contingencies that happen. Once in a while, you will have some part of the business underperforming because of factors outside our control.

So that is what actually shows you how resilient a company that we have built at SJS. So no matter whether one model with the large exposure of Walter Pack did not take those volumes as forecast, we have still managed to overall as a company grow. And we've also increased our performance financially, both in terms of EBITDA and PAT.

So I think that is the way to look at the company rather than one customer or one business segment. I mean these things will happen in life, right? Everything cannot be bullish all the while. So you will have tough times, soft times, good times. And that is the reason why I would like to have you appreciate that diversification can help us.

Pritesh: So this will also continue for the full year because of the model getting impacted?

Sanjay Thapar: No, we feel that market will come back. So understand that the customers that we have are the who's who of the world. So it is not that market will be depressed on one model for long. I think they are great products. It is just a situation that for certain external reasons, they could not lift that much material. I'm sure that will come back.

So it's not something that is permanently dented. We are very, very optimistic about the investment in Walter Pack. I think we have a great product line. We are the only guys in India, which have those advanced technology products. Now these advanced technology products are more expensive.

Now these products, depending on the imperative of the marketplace, the customers choose their product lineup to say what they want to push. So if there is a customer who is wanting to push volumes, maybe they would like to utilize their capacities on some other lines, because these are high-value, low-volume parts.

And therefore, the impact on a company like Walter Pack is disproportionate, even though they have outstanding capability and outstanding products. So I am extremely bullish on the future of Walter Pack. It's just for some external reasons, not in our control really, which saw a decline in volumes for this quarter. Second question was capacity utilization. So Mahendra, he could answer that.

Mahendra Kumar Naredi: Yes. So regarding capacity, Pritesh, in SJS, we are operating around 70% to 75% kind of capacity. And in our last conference call, we have announced that due to addition of Hero as well as some export customer, we are investing further. We have allocated INR 40 crores to INR 45 crores for expansion that's going to happen within the FY26 financial year.

Regarding the SJS Decoplast, which is erstwhile Exotech, we are operating 95% kind of a capacity utilization, and we are working with kind of an outsourcing model as of now. And since there is a good progress, we are investing into a new greenfield project. It is in Pune. So we have allocated INR 100 crores out of INR 100 crores, approximately INR 45 crores is already incurred and balance amount to be incurred in another few quarters.

Regarding Walter Pack, we are operating at 70% to 75% kind of a capacity utilization. So we have enough capacity, and we are generating cash from operation, which is quite significant, 101% this quarter –as a % of the EBITDA. So we are funding with our internal accrual also.

Moderator: The next question is from the line of Ganeshram from Unifi Capital.

Ganeshram: Congratulations on the performance. Are you able to hear me clearly?

Sanjay Thapar: Yes, we can.

Ganeshram: Yes. Perfect. So I just wanted to understand, first, a few clarifications. My understanding is that Exotech, the capacity expansion should be coming online any time now. How is the progress with regards to that? And then as far as Stellantis and Whirlpool are concerned, Q2, you start supplies. So it's been about a month into Q2. Have you started exporting to them already?

Sanjay Thapar: Yes, we have started exporting to Whirlpool already. So it is ramping up. There's a process where you take a pilot and then supplies start and then regular production happens. So yes, we've started supplies. That's the short answer to your question.

The second question was in terms of capacity coming online at SJS Decoplast. So that is progressing well. We expect that this project, there are 2 lines there. One is a painting line and one is a chrome plating line. So the equipment for the chrome plating plant is already with us. The painting line will come. There are some new requirements from customers, especially global customers who asked us to do some additional features to be built into that. So we are, at this moment, doing a rejig of the specs there on that line. So we expect by the end of Q3, we expect that plant to be operational.

Ganeshram: Understood. And I mean, coming to the actual questions, the first one I have is in terms of the new order wins that Yazaki, Autoliv, FCA, could you give us some granularities around what products you'll be supplying, the size of this or the potential of this and the time lines associated with them, please?

Sanjay Thapar: We don't give customer-specific answers in terms of product lines for obvious reasons, as you can understand. But suffice it to say, these are decorative products, which are involved with aesthetics. So this is that broad general category. I'm sorry, we don't give those specific details as to when will this happen because we also have a confidentiality agreement with customers for any underdevelopment products. So before they get launched, we cannot really come out in public explaining the plans.

Ganeshram: Understood. Maybe not on the product size, but if you could give us a sense of the size of the opportunity over here with these clients.

Sanjay Thapar: That's what I said earlier. So Stellantis is a huge business.

Ganeshram: No, no, not Stellantis for the 3 that you declared this quarter, like Yazaki, Autoliv and FCA.

Sanjay Thapar: So I don't know. I'm not so comfortable sharing numbers with you, but approximately in the tune of about INR 5 crores a year sort of revenue.

Ganeshram: Understood. Understood. Okay. And the other question is just with regards to what your plan is on the inorganic side, right? Have there been any developments over the quarter? And has there been any thinking changed over it? Because last time, I think you were waiting to see if the tariff situation quiet down a bit. But what are your thoughts now?

Sanjay Thapar: No. My thoughts remain consistent. So we continuously evaluate as inorganic growth is a key pillar of our growth strategy. We continue looking at options. But as I've said earlier, this year, we will continue to accumulate cash. And it is next year that we are really targeting an acquisition. Are we looking at targets? Most certainly, yes.

We are looking at various opportunities that we can do because it takes a long process, close to about a year to complete an acquisition. So we will certainly start this process in this year, but I don't expect to conclude anything before the next financial year. So it will step into the next financial year. So that's a short answer to your question.

Moderator: The next question is from the line of Hitesh Goel from Aurigin Capital.

Hitesh Goel: Congratulations on a good set of results. Sir, my question is on basically Exotech. So the new facility that is coming in, can you share what could be the proportion of exports in that facility?

Sanjay Thapar: So fundamentally, it is not an export-oriented unit, but exports, we see a very large opportunity set because chrome plating as a technology is much in demand by the end consumer. But investment in this area, especially in the overseas markets are coming down because people find it very challenging. And I think India will stand to gain.

So when we are setting up a plant in 2025, I would imagine that we would be right at the cutting edge of technology in terms of different finishes and colors that they require, which we have very successfully demonstrated here in the Indian market. So my personal expectation is that 50% of that capacity of that plant, ideally, I'd be very happy.

If we can get export orders there to supplement our very strong performance in the domestic market. So our domestic business, as you know, has grown very well, 3x growth in the last 4 years, and we hope to maintain that trajectory in that line of business.

Hitesh Goel: And sir, on WPI, second and last question would be on WPI. So in WPI, you indicated that one large customer mostly, which is a large part of your revenue, mostly consumer durables has got impacted because we have seen in this quarter, consumer durable companies have got impacted because of consumption slowdown.

So one is obviously market coming back, consumer durables coming back. Secondly, you've also got some good orders from automotive clients, right, in this plant. So could you share how much that could get covered up in WPI next few quarters by additional new revenue?

Sanjay Thapar: So, as I said last time, we won businesses from the new Mahindra range of vehicles, which are born electric. So, both our companies, SJS Decoplast and Walter Pack have a role to play there. These are new models ramping up. So sales will ramp up. In addition to that, what I have mentioned in terms of the model change for the consumer electrical, domestic electrical business, sorry, consumer business at Walter Pack. So that and the automotive business there for that specific customer, that we expect will rebound at some point in time, whether it takes a quarter, 2 quarters, I cannot say. But directionally, I think in terms of technology that we offer, it's quite attractive. And we continue to remain bullish on growth at that company.

Moderator: The next question is from the line of Nitin from JM Financial.

Nitin: Congratulations on a great set of numbers. So my question is with regards to Hero MotoCorp. How much of the total revenue was contributed from HMC if you could give...

Sanjay Thapar: Look, I'm a supplier, not the buyer, right? So I can't tell you how much they will buy from me. But what we try to do is position ourselves as a company that is a reliable partner with first-time right quality, very good response and delivery times and supply performance.

We supply not only to multiple Hero MotoCorp plants here. We supply to 170 locations across the world without any hiccup. So I think we have credentials of being a strong supplier. That is the reason why Hero MotoCorp came to us in the first place.

So we expect the sales to grow, as I said, as we progressively develop more and more models. So I've already gone on record to say that they buy about INR250 crores, and we hope to gain a significant market share. Now how significant is significant is, again, depending on the customer. But going by past record, we are very optimistic.

Nitin: Okay. And second question is related to what all components are we going to supply to the new customers that we have added in export markets such as Autoliv, FCA and Yazaki, any color on that?

Sanjay Thapar: So there are some components on the steering wheel. So Autoliv is a large supplier of airbags and we have some illuminated logos that we supply started supplies to them. So that is one business. Then the other businesses are logos and inlays for Whirlpool. So it's a mix of aesthetic products that we supply to these export customers.

Nitin: Okay. And what about the Yazaki, because Yazaki is mainly into wiring harness kind of products. So what are we intending to supply them?

Sanjay Thapar: Yazaki also makes instrument clusters. So there are dials that go to Yazaki. So yes, it is known for wiring harness, you are right. But they also have an instrument cluster business.

Nitin: So that will be for the domestic business that they will be supplying it to.

Sanjay Thapar: Sorry.

Nitin: The products that we are supplying. So you mentioned that it will be for the domestic business for our domestic business, India domestic business that they will be catering to from our products?

Sanjay Thapar: Yes, it is partly domestic, partly exports. So Yazaki is a supplier to Toyota.

Moderator: The next question is from the line of Abhishek Kumar Jain from AlfAccurate.

Abhishek Kumar Jain: Congrats for a strong set of numbers. Sir, in this quarter, stand-alone business growth was very much strong around 28% Y-o-Y.

Sanjay Thapar: Could you talk a little slowly? I couldn't hear your question.

Abhishek Kumar Jain: Sir, in this quarter, stand-alone business growth was 28% Y-o-Y. This is because of the incremental revenue from the Hero and increasing share of the existing customers. So most probably that these benefits will continue in the coming quarters. And plus that you are going to gain some business in the consumer durables from second quarter onwards. So can we expect that stand-alone business will continue to show 20%+ growth in the coming quarter despite muted volume growth in the industry?

Sanjay Thapar: Look, what we have achieved in the first quarter, most certainly, we expect it to continue during the balance part of the year. That having been said, your other question was that what is the growth that we will do in the next quarters. So what we said earlier on a ballpark figure is we will be 2x of the industry growth for the whole year. So, I will still stand by that. There is no specific guidance that I would like to give in terms of percentage of growth, but we'll for sure outperform the market as we've done for the last 23 quarters as we reported.

Abhishek Kumar Jain: My question was on the stand-alone business because despite a muted growth in the industry, our growth was 28%. And these benefits like the increasing share of the existing customers and Hero new business that will continue. So most probably that stand-alone business will get the benefit of these 2 things in the coming quarters. So definitely, we can expect that 20%+ growth in the segment, especially on the standalone side. Just wanted to understand the outlook.

Sanjay Thapar: Look, I don't comment on stand-alone or individual components of our business, as I've said earlier, and I would like the analyst community or the investor community also to understand. Look, it is a very complex business that we run with multiple verticals, multiple product lines across the world. And there are a lot of decisions that we take internally of what to do at what plant because of the competitive advantage that we may have. So that's a strategic decision.

And also how to leverage cross-selling opportunity across these businesses, across geographies. So it's quite a difficult business to understand very quickly. But suffice it to say that think of us as a company which is fast growing, very consistent growth, very consistent performance in terms of financial numbers, both EBITDA and PAT. I think we've delivered that over the years, and we will continue to do that. Now acquiring a big mega customer like Hero MotoCorp, obviously adds momentum to our sales growth. But as I said, again, look at it as a whole business of a company that is steadily building its capability, building, looking at other white spaces and great opportunity of cross-selling.

So India, already, we are a very strong company. As I've said many times earlier, it is now with these new capabilities that we've built over these years to be a very strong player in the export markets. So that directionally is the focus that we have. Growth will come. Profits will be sustained. So that's what we've delivered, and we'll continue to deliver it.

Abhishek Kumar Jain: And next question on the Exotech side new plant to start from the third quarter onwards. So what would be the incremental revenue and the margin expansion post commencement of this plant? And what would be the asset turnover?

Sanjay Thapar: In terms of growth, look, what I said historically, we've done 3x growth in the last 4 years. We hope to continue the same momentum in terms of growth. Mahendra, would you like to comment on the assetturnover ratio of the company?

Mahendra Kumar Naredi: Yes, Abhishek, once we started this facility, the asset turnover would be between 3 to 4x in between…

Abhishek Kumar Jain: So most probably that as we are investing around INR 100 crores and INR300 crores to INR400 crores incremental revenue will come by FY27.

Mahendra Kumar Naredi: Whenever we have the new facility, it takes some time to set up, stabilize and then ramping up. So FY27, I would say more or less, yes, we would be able to achieve.

Abhishek Kumar Jain: And what would be the margin because you have your own plan, margin would be better than the current margin on the Exotech.

Sanjay Thapar: Look, So margins, historically, chrome plating is a low-margin business. So we acquired this business at 12%. We are today at about 18% - 19% and I think that's a fantastic achievement by the team. I am happy if we continue to be at that 18% margin sort of ballpark number. Of course, when we add exports, I expect that margin to increase. So largely, I think I'm quite happy with the 18% margin in that business, though we are a little higher at this moment.

Abhishek Kumar Jain: And my last question on the WPI. How is the client by revenue mix? And when we can expect a revival of this business? What is your plan for that?

Sanjay Thapar: Look, our plan is to diversify, diversify the customer base, look at opportunities to cross-sell those products to customers that we have. Now the way to progress on any of these is to get involved very early with these customers for any new launches that happen. So the customer has to take a decision.

As I said earlier, these are expensive products. They require a lot of engineering groundwork to be done before the product can be implemented. It's not like an add-on badge or a decal that is put. So it is engineered within the product. And the lead time for this development is a little bit larger than the existing product that we have.

At SJS, most of my products are about 3 months to 4 months is the lead time for development. At Exotech, it is 7 to 9 months because a lot of tooling is involved. So it is a little long lead item. I would imagine that in a year or so, you would see that results bearing fruit and Walter Pack announcing some new business acquisitions, new customer acquisition, which will propel the growth trajectory of that company.

Moderator: The next question is from the line of Jatin Chawla from RTL Investments.

Jatin Chawla: So my first question is just a clarification. When you said these new export orders of around INR 5 crores a year, was it for each customer? Or this is both the 2 export opportunities combined?

Sanjay Thapar: No, no, for one customer. So that's what I'm saying. So the size of the businesses are much larger. One of the customers, that was the question that was asked in relation to one customer. So Autoliv.

Jatin Chawla: Okay. And FCA would be part of the larger Stellantis relationship only, right? Or do you see that as a new customer?

Sanjay Thapar: Sorry, could you repeat that?

Jatin Chawla: FCA would be part of the larger Stellantis relationship that you are building on, right?

Sanjay Thapar: That's right.

Jatin Chawla: And sorry, go ahead.

Sanjay Thapar: Go on.

Jatin Chawla: No. So I was moving on to the second question that you mentioned that in Walter Pack on the consumer durable side, there has been a model change. So do you have the business for the new model that is going to come in as well, and hence, we should expect that this will quickly rebound once that new model comes in?

Sanjay Thapar: Yes, those are under development. So in a phased manner, they will come in.

Jatin Chawla: Got it. Got it. And just one quick follow-up on Yazaki. I noticed in the presentation that you have put them straight into your mega account. So should one expect that also to scale up to a sizable business over the next 2, 3 years?

Sanjay Thapar: Look, all global companies for us have the potential because today, we have a very diverse product mix. So it's not just one model that I can supply to. I can play the part in so many other businesses. So I have currently about more than INR 10 crores business with them already. So that qualifies as a mega account and opening more markets to Yazaki with multiple products cross-sold to them, they could certainly emerge as a large customer for us.

Moderator: The next question is from the line of Jyoti Singh from Arihant Capital.

Jyoti Singh: Sir, just wanted to understand a few of the things, as you mentioned on the export side initially. Like currently, revenue mix is 6.7% from export. So like given expansion into Asian and LatAm and South Korea, so what is the medium-term target for export contribution?

Sanjay Thapar: Look, the sales ramp-up happens as products that launch across different geographies, so typically, the OEMs, when they give you business, they give you a business for a platform. And that platform, they give you volumes that what will happen in South America, what will happen in Latin America, what is going to happen in Asia or India or Europe for that matter, right? So it's a phase-wise launch that they have. It's their overall global strategy. So, what is important is to win the business, get your product qualified.

Once you've done that, then it's only a matter of time when that happens. So we don't dissect down as to the next 1 year, what's going to happen, 2 years. So there is for example, Stellantis, I said we won INR 300 crores business over the next 8 years. So that will ramp up step by step. And directionally, what I've said is that 14% to 15% of my top line in FY28 should come from exports, and we still stay true to that. So we are working hard to make sure that we achieve that number.

Jyoti Singh: Okay. Just one more question. So like we discussed a lot on the 2-wheeler side. So with 2-wheeler and PV segment growing faster than the industry, so are you seeing a wallet share gain from existing OEMs or new product wins?

Sanjay Thapar: Absolutely. So that's the reason why we grow, right? So we've added new marquee customers that has led to it. Plus there are new products that we keep launching. So the key theme, as I said earlier many times is premiumization and cross-selling that we do. So when we commit to a customer, we don't just supply one part. I can supply chrome parts. I can supply decals, I can supply IML parts, I can supply lens mask assembly, and I can also tomorrow supply possibly the display that they have. So we look at all those opportunities.

And when we pitch for any business, so we pitch for the entire product portfolio that we have. And that's the reason why we grow faster than the market that no matter what they do, the content increases because I cross-sell a different product. So even though their growth is, let's say, 5%, my revenue growth is much higher, and that is what is leading to this outperformance quarter after quarter.

Jyoti Singh: Sir, just one last question on the...

Moderator: Sorry to interrupt. Can you please rejoin the queue as there are several participants waiting for their questions. The next question is from the line of Khush Nahar from Electrum PMS.

Khush Nahar: I just had a couple of questions. One, sir, have we onboarded any customer in our cover glass segment? We were looking at that since our plant will be operational from Q4? And second, from the side of OEMs, do we expect any delay in production due to the magnet issue that is going on right now.

Sanjay Thapar: Sorry. Khush, I didn't get your first question. Could you repeat that?

Khush Nahar: Did we onboard any clients in the cover glass segment since our plant will be operational from Q4 from year-end?

Sanjay Thapar: As I said earlier, so we have developed prototypes. We have given parts to customers. Now the customers are asking us that can you do a larger part and which is maybe assembling this display, so we are still in that process. There is a lot of interest. So have we won an order at the moment? The answer is no. There is a lot of discussion that is going on.

In fact, the discussion forum has expanded. They say, why are you only doing cover glass? Why can't you add something more? So that is the level where we are. Now for us to give a quotation, so typically, to win an order, you need a quote for a special part, and we would not like to quote unless we have a technology tie-up in place.

So that's what I've said earlier. We are looking at how to address this larger opportunity set. So we are just taking a pause on this business to say that when we do this, we should do it in a manner that really is worthy of our company. Yes. Sorry, that was the first question. What was the second question?

Khush Nahar: Any delay in the production schedule from the OEMs we expect because of the magnet issue that is going on right now?

Sanjay Thapar: At the moment, no. So while there's been a lot of press coverage in terms of rare earth magnets, government has decided to give incentives for them. But at the moment, no. And I believe when our Prime Minister meets the President of China, they've already done a deal with Europe and U.S.

So I'm sure that there could be something in the works for India. So we are optimistic. But no, we have not seen any decline in volumes because of magnet issues, even though they've gone on record to say that the stock is a critical commodity that they would like to get a quick solution to.

Moderator: The next question is from the line of Sahil Rohit Sanghvi from Monarch Networth Capital.

Sahil Rohit Sanghvi: First of all, many congratulations for a good set of numbers despite the muted underlying industry growth. I have 2 questions. First, do you see any kind of pushback or a slowdown in the orders from Stellantis and Whirlpool mainly from the U.S. because of the tariff issue? I understand, I mean, nothing has been finalized on the tariff yet, but then an indirect impact of the production getting hit, is anything on that front visible right now?

Sanjay Thapar: Nothing yet. So as I said, we've started supplies this month. So far, we have not had any issues with them for supply.

Sahil Rohit Sanghvi: Okay. Okay. And second question would be, do you have any kind of split as to, let's say, if we're growing 20%, would the 5% - 6% be attributable to the value growth of the premiumization? Any kind of that understanding you can give any kind of quantitative...

Sanjay Thapar: It is a very complex topic because it is a mix of all, right? So when we add a new product, depending on what product you add, it could change the pie completely. So you know if I add a badge, that may add maybe INR 100 - INR 150. If I were to add a lens mask assembly, it could add about INR 300 difference to what I supply. So those percentages are quite dynamic, depending on business to business and customer to customer.

So a 2-wheeler, there would be a different answer, a 4-wheeler, they would be different answer. For example, if I start supplying Aero caps for an alloy wheel set, I could be adding close to about INR 2,000 per vehicle over and above whatever I do. So it is quite a dynamic situation. But all I can assure you is that the premiumization adds a lot of content, and that is what is the secret sauce to our growth.

Moderator: The next question is from the line of Prateek Giri from Subh Labh Research.

Prateek Giri: Congrats on good Mr. Thapar Most of my questions are answered. I just wanted to understand on the capex deadline shifting probably we were confident of it making by Q2 end.

Sanjay Thapar: Sorry, could you speak a little slowly? There is an echo and I could not hear you very well.

Prateek Giri: Sir, I just wanted to understand about the deadline shifting which we have done for the Exotech capacity expansion. Earlier, we were confident of Q2 end, but probably now we want to take it to Q4 end. Now I understand you have already answered.

Sanjay Thapar: Q3, not Q4.

Prateek Giri: Okay. Okay. Understood. But Mr. Thapar, I just wanted to have some more details. These tweaks which we are making in the capacity, how economically it is going to benefit us? Will it increase our asset turnover for that particular investment? Is it going to give us more customers? And just one follow-up on this. Have we explored global accounts for this chrome plating business? As you said, the opportunity in exports is very huge. That's question number one, Mr. Thapar.

Sanjay Thapar: Yes. So that is the precise reason why we are reworking or improving the specs of the current plant, as I said, there is an opportunity that we have for painting and chrome plating. So chrome plating is by and large, sorted. Painting, there is a large global customer with which we have discussed and we've gone through the specs because we don't wait for the plant to be ready to actually address RFQs with customers because that takes some time. So there is a requirement for some specific process to be added, and it's prudent on our part to take cognizance of that specific requirement to unlock the export potential.

So it comes from a potentially a very large customer. So I'm happy to do it. We are in no hurry. The SJS Decoplast business is growing well and strongly. So we are managing with our manufacturing model to be able to meet the customer demand. But at the same time, when we build a plant, we want it to tick all boxes for all global customers also. And as I said earlier, exports is a major area that I want to focus on once we set up this new painting and chrome plating facility, and that is what we intend to do.

Prateek Giri: Understood, very, very comforting. Just one thing, sir. This global customer, this global account which we are talking about, does it change the returns from that plant dramatically? Or is it going to give us only incremental returns in terms of asset turnover and the ramp-up schedule, which we have baked in our model?

Sanjay Thapar: Look, the lens which I have to look at any investment is that what is the ROCE that I get on that plant. So the golden rule is anything less than 20% is not acceptable. So that is the lens through which we look at the business. And the other part being that, as I said earlier, exports is going to be more value accretive.

So when I talk of margin expansion, we've done a good job coming from 12% to 18% - 19% today. If I want to increase it higher, exports is the way to go. So I have a legacy customer base. And when exports start picking in a significant manner, we hope to improve profitability at that plant. So I hope that answers both the questions.

Prateek Giri: Yes, sir. Just last one. Sir, in WPI business, I'm sure you have already answered this, but I wanted to ask it upfront now because it has been flat for last 5 quarters. When should we expect improvement in revenue from WPI segment? I'm asking this because, sir, I'm sure in the due course of last 4 - 5 quarters, you must have spoken to multiple customers for better utilization of this capacity while the models are not working for us.

Sanjay Thapar: So it's a long lead item, as I said earlier, compared to what we have at SJS or at SJS Decoplast also. The lead time for development of tooling and a product is close to about 7 to 9 months, depending on the complexity of the tooling. One tool cost close to about INR 8 crores or INR 10 crores. So you can imagine the sort of complexity that is involved in the Walter Pack product line.

So I've answered that to a question a little while earlier that, look, it could take a while. So maybe 2 - 3 quarters, it would take. So roughly a year from now, you could expect that Walter Pack will be back with some large mega businesses. So we are working hard towards it to diversify both the customer base and that specific business and to also onboard new customers for this expensive technology, if I may put the word.

Prateek Giri: This precisely answers my questions. Congratulations once again sir and good luck for entire year.

Moderator: The next question is from the line of Preet from InCred.

Preet: I would like to ask you on the margin front. This quarter, you have the margin for the last full year. And given the export share was only 6.7%. And going forward, you expect your export share to increase to 13% to 14%. And if I'm not wrong, your export margins are higher than the domestic margin. So I just wanted to clear that are you able to see the same margin going forward? Or do you see any improvement in the market?

Sanjay Thapar: Look, the advantage we have, as you would understand, is economies of scale kick in. So there is an operating leverage that works in our favor when we scale up, and that is what you've been saying. So I've said that we expect SJS to grow faster than the industry, expect SJS to deliver margins around 25%. I'm very happy that we are at 27%. But the point really is that, look, the idea behind the business is to have a sustainable business, which will grow. We've demonstrated that we have a large moat. We have long customer relationships, which customers are happy to do business with us, which I think is invaluable.

And the products that we have are very complex. So it's not easy for a competitor to get into all these sort of products that we do. So I think we have a very attractive business. And moving forward, that will add to our profitability and growth. But again, to repeat what I said, 25% growth is what I've been guiding to. We are at 27.6% last quarter, which is a great job done. But moving forward, I'm happy if I continue to grow at a fast pace with a ballpark 25% EBITDA. That is what you should expect. We are a very high cash-generating company, and we intend to keep it that way.

Preet: My other question would be on if you can mention the margins for this quarter for WPI and Exotech and going forward, how you can ramp up in both the segments?

Sanjay Thapar: As I said earlier, think of it as a complete business. We don't share margins by different product lines or different companies. Overall is the margin that we declare because there are many cross-selling opportunities or revenue sharing opportunities within these companies. So don't look at those individual margins. I think I would guide you to look at the consolidated margin that we continue to deliver quarter after quarter.

Preet: Okay. And my last question would be on JV with Cover Glass, which you mentioned. So when are you expecting it to come? Are you looking for it? Or when can we expect it?

Sanjay Thapar: We are in active discussions. So as and when it gets concluded, we will come out with some market announcements.

Moderator: Ladies and gentlemen, due to time constraint, we take the last question from Ganeshram from Unifi Capital.

Ganeshram: I think this point has been quite a bit in the call, but I just wanted to understand one element with this entire cover glass facility that you're putting up later in the year, right? When you say there is some more potential for value addition, could you give us a sense of what it could be and the ability to manufacture this cover glass itself, is it something that we're developing in-house and for the new products, what kind of partnership will you need? Will this be going outside a traditional area of competence? That's what I'm trying to assess and how you're going to do it?

Sanjay Thapar: Yes, let me answer that. So no, it's an adjacent technology to us. Yes, the technology itself is different, but it is similar because the end use is similar. So we've been supplying dials to customers or driver information system for so many years, and we have a very strong relationship with OEMs for visually appealing aesthetic parts.

So the aesthetic part business is critical. So not very many companies in India can boast of that qualification. It is the cover glass or the display, for example, consists of 3 main parts. One is the TFT screen, then you have what is called a cover glass on the top and on the other end, you have what is called a backlight unit.

Now there are opportunities to assemble the complete display also because most of the companies, except for Visteon, no other company at the moment in the automotive space, to the best of my knowledge, has capability to assemble the display. So there are many companies which are looking at suppliers like SJS who could do this in India, and we are at that discussion.

Now you can imagine that making a cover glass and then glass is like a raw material that comes in for all the lens mask assemblies that I do. I take plastic granules, which I mould into a lens and I inject plastic around it to make a lens mask assembly. It of course requires that the lens has to be printed. The same situation is there with a cover glass. So basically, I will get glass sheets.

We will then machine those glass sheets into those specific sizes. There are a lot of processes that involve cleaning, ultrasonic cleaning, chemical strengthening, bending and printing, then coating with different anti-glare, anti-reflection, anti-fingerprint to give all that property. So we understand all this business. Only instead of plastic granule, I will be working with a raw glass sheet, which is a commodity. So that business intrinsically is similar. The end consumer is the same. And that is our claim to fame that we are a company that understands aesthetics and are in the same space dealing with the same set of customers. So I think we have a natural advantage in this sort of business. And we are trying to see how can we do a much larger business in this place than making only the cover glass. So I hope I've answered your question.

Ganeshram: Understood. And just a follow-up, it's not a new question. My earlier understanding was that it will be Tier 2 supply through Visteon, right? But if you are starting to also get into assembly of it, would that be in any way competing with Visteon themselves? Or how do you see that point?

Sanjay Thapar: No. So I mean, this business will explode, right? So it is not that neither Visteon or nor any customer has the capacity to handle this whole business when this transition happens. So at the moment, it is only in a few high-end models or some OEMs follow this. But when it comes into mainstream and the size of these screens start increasing, people want to look at more and more suppliers. So we are here to do business, whether it is only for the cover glass or some companies which want the whole assembly or companies which require only backlight unit.

So we are looking at this holistically to say, how can we leverage our capability and the relationship we built over the years to be a strong player in this market. So that is the reason why we are stepping back a little bit to say that, okay, what we need to reject and what opportunity sets do we see in the future. So it looks like a very high-growth area, and that's why we are taking our time going about it.

Moderator: Thank you. I now hand the conference over to the management for the closing comments. Thank you, and over to you, sir.

Devanshi Dhruva: Hello. Yes. Thank you, everyone. And I would like to thank everyone for joining on this call. I hope we have been able to respond to all your questions adequately. For any further information, we request you to please do get in touch with us and stay safe, stay healthy, and thank you once again for joining us. Thank you.

Moderator: Thank you. On behalf of ICICI Securities Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.