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Creating Possibilities

November 10, 2026

To,

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

ISIN: INE284S01014

Dear Sir/Madam,

Subject: Transcripts of Analysts/Investor Meet/ Earnings Call of the Company pertaining to Q2 of FY 2026-27

Please find enclosed the transcripts of the Analysts/Investor Meet/ Earnings Call of Q2 FY 2026-27 held on November 05, 2026 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: 2026.11.10 13:11:50 +05'30'

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

Encl: As above

SJS Enterprises Limited

Q2 & H1FY27 Earnings Conference Call

Nov 05, 2026

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. Jay Kale – Elara Capital

Moderator: Ladies and gentlemen, good day and welcome to SJS Enterprises Limited Q2 FY 2027 Earnings Conference Call.

As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this 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. Jay Kale from Elara Capital. Thank you, and over to you, Sir.

Jay Kale: Thank you, and good morning, everyone, and Season's Greetings to all.

On behalf of Elara Capital, I welcome you to the Q2 FY 2027 Earnings Conference Call of SJS Enterprises Limited. From the Management Team, we have with us today Mr. K. A. Joseph – Promoter and Managing Director; Mr. Sanjay Thapar – Group CEO and Executive Director; Mr. Mahendra Naredi – Group CFO; and Ms. Devanshi Dhruva – Head Investor Relations.

I would now hand over the call to Ms. Devanshi Dhruva for her opening remarks. Over to you**.**

Devanshi Dhruva: Thank you, Jay, and good morning, ladies and gentlemen. We appreciate you joining us on today's Conference Call.

We will begin the call with opening remarks from Mr. K. A. Joseph – our Managing Director, followed by a business and industry overview from Mr. Sanjay Thapar – our Group CEO and Executive Director. After that, Mr. Mahendra Naredi – our Group CFO, will walk us through the financial performance for the quarter.

We will then open the floor for questions. Please note that the duration of this call is expected to be around 60 minutes, with the first 20 minutes reserved for our prepared comments. Should there be enough time for all questions, please feel free to reach out to us via email, and we will respond to your inquiries at the earliest.

Thank you once again for your time today and with that, I will now hand it over to Mr. Joseph for his opening remarks. Over to you, Joseph sir.

K. A. Joseph: Yes. Thank you, Devanshi, and good morning, everyone. I trust you all had an opportunity to review our Investor Presentation and the Financial Results for the 2nd quarter and the first half of FY 2027.

India's automotive industry grew production volumes by 17.8% in Q2FY2027, led by passenger vehicles at 24.9% and two-wheelers at 16.5%. Premiumization and the growing adoption of advanced features continue to expand our content per vehicle opportunity. In Q2 FY 2027, SJS

witnessed a steady growth of 21.7% YoY in automotive driven by premium products, higher content per vehicle, and deeper OEM relationships. Consolidated revenue rose by 16.9% YoY to Rs. 2,827.3 million, led by robust growth in passenger vehicle and exports. H1FY2027 revenue grew by 20.4% to Rs. 5,437.3 million. PAT for the quarter stood at Rs. 583.3 million, with a margin of 20.6%, highest since our IPO. H1FY2027 reported PAT of Rs. 1,327.5 million. Higher exports, favorable product mix, and operational efficiency remain central to sustaining profitability as we scale.

On the capacity expansion front, our new SJS Decoplast chrome plating facility in Pune commenced operations in August of 2026, and the Bangalore plant expansion is also complete, with commercial production starting in Q3 of FY2027. Further, the consolidation of Walter Pack's three Ranjangaon facilities into a single integrated larger plant will drive operational efficiency and support future growth. With a net cash of Rs. 3,318.7 million at the end of September 2026, we have the flexibility to fund capex, strategic initiatives, and potential acquisitions.

Going forward, we remain focused on innovation, premium products, and international expansion. Our design and R&D strengths, customer relationships with new program pipeline positions SJS well for profitable growth.

Now, I hand over to Sanjay for the business and industry highlights. Over to you, Sanjay.

Sanjay Thapar: Thank you, Joe, and good morning, everyone. We concluded the first half of FY2027 with steady progress on both financial performance and strategic priorities. Our focus on premiumization, deeper customer relationships, and investments in technology and capacity continue to create new business opportunities, increasing our content per vehicle and widening our presence across automotive and consumer applications.

Let me take you through the key updates for the quarter and half year:

In Q2FY2027, consolidated revenue grew 16.9% year-on-year to Rs. 282.73 crore, driven by passenger vehicles and a rising contribution from exports. Our automotive business grew 21.7% against industry production growth of 17.8%. Our ability to supply multiple aesthetic products across customer platforms continues to drive growth ahead of industry volumes. Uncertain macros, prolonged geopolitical conflicts, and a planned rationalization of low-margin SKUs with Walter Pack India Consumer OEM softened the consumer segment performance, partly offsetting strong growth in the automotive and export segments.

Further, two-wheeler growth was led by scooters, 30.1% year-on-year growth for Q2 over motorcycles, which was 9.8% year-on-year growth, which is the core SJS segment that we focus on, a gap that has widened significantly this year. SJS Automotive business grew 21.7% against a 13.2% industry growth for passenger vehicles and motorcycles combined, indicating an

outperformance by SJS and continued share gains even as scooters, where SJS has limited presence, outpaced motorcycles. EBITDA rose 23.1% year-on-year to Rs. 896.4 million, with a margin of 31%, supported by better product mix, higher exports, and operating efficiency.

Despite moderate revenue growth, EBITDA has continued its steady upward trajectory, reflecting the strength of our margin profile and disciplined execution. PAT grew 34.8% to Rs. 583.3 million, with a margin of 20.6%. On the capacity front, new chrome plating facility at SJS Decoplast in Pune commenced operations in August 2026, adding 2x capacity and flexibility for new customer programs and emerging opportunities. Our Bengaluru facility expansion is complete with a 20% capacity addition and commercial production likely to start in Q3.

SJS Display Electronics Private Limited is setting up an automotive display facility in Pune, which will become operational in Q2 of FY 2028. We have also acquired the balance 9.9% equity stake in Walter Pack India, making it a wholly owned subsidiary of SJS Enterprises. With full ownership, Walter Pack is consolidating three Ranjangaon plants into one large facility for efficiency and growth, and it is expected to commence operations by May 2027.

We will continue to align these additions and customer programs and maintain discipline through commissioning and ramp-up. Innovation remains at the heart of our product development, as aesthetic products increasingly combine visual appeal with technology. Our collaboration with BOE Varitronix is building our capabilities in optical cover glass, glass coatings and automotive electronic display systems, addressing the growing demand for digital displays in passenger vehicles. Combined with illuminated logos and a growing suite of advanced aesthetic products, these offerings significantly increase our content per vehicle and strengthen our standing with the OEMs as a capable, innovation-led partner for their new vehicle launches.

During the quarter, we won several new businesses from TVS, Mahindra & Mahindra, Hero MotoCorp, Stellantis, Maruti Suzuki, Bajaj Auto, Royal Enfield, Whirlpool, Godrej, amongst others. SJS Decoplast added Tata Motors as a chrome plating customer, further increasing our cross-selling opportunities across the SJS portfolio. We also added HARMAN and TADME, which is Toyota Middle East, as our new customers and secured export orders from global OEMs like Stellantis, Whirlpool in North America, and TADME, Toyota Middle East. Exports grew 23.1% year-on-year to Rs. 282.5 million. We are strengthening our presence in ASEAN, Europe, North America, and expanding into Turkey, Brazil, Argentina, Colombia, South Korea, and Germany. Our engagements with several large global OEMs are progressing well, and we see promising opportunities ahead. We remain confident of achieving our 14%-15% export revenue share by FY 2028.

During the period, we received several awards for financial management, customer engagement, and sustainability, and we continue to invest in employee development and manufacturing excellence. On sustainability, we began sourcing 2 MW of wind power from DB Renews Private

Limited. We also joined the UN Global Compact, reinforcing our commitment to its 10 principles and the UN Sustainable Development Goals.

Through our CSR initiatives in sports, healthcare, education, and women's empowerment, we supported 25 individuals with artificial knee replacements through Karnataka Marwari Youth Foundation and partnered with Sikshana Foundation on foundational literacy and numeracy programs across 50 government schools in Kanakapura, benefiting about 3,800 students.

SJS believes in women empowerment, be it within the company or outside. Women now represent 17% of SJS workforce, up from 12% in FY 2022, reflecting our continued commitment in building a more diverse and inclusive organization. Extending this commitment to community, we partnered with Varchass Seva Trust to launch a Women Empowerment Project at Agara Panchayat, Bangalore, training 200 women in tailoring and beautician skills to help them build sustainable livelihoods.

Looking ahead on the business front, we remain focused on premiumization, exports, and deeper customer relationships with disciplined execution, financial flexibility, and visibility from new programs. We are confident of delivering profitable growth and long-term value for all shareholders.

With that, I hand over to Mahendra Naredi, our Group CFO, to take you through the financial performance. Over to you, Mahendra.

Mahendra Naredi: Thank you, Sanjay sir, and good morning, everyone. Q2FY2027 has been another milestone quarter for SJS, with record quarterly revenue and profitability.

Let me take you through our financial performance and key operating metrics:

Starting with revenue, our revenue grew by 16.9% year-on-year to Rs. 2,827.3 million, our highest-ever quarterly revenue. An important milestone was achieved in September when our monthly revenue crossed Rs. 1,000 million for the first time in our history. Growth was primarily driven by passenger vehicle and exports.

Moving to profitability, Gross profit grew by 17.9% to Rs. 1,597.3 million, with gross margin improving to 56.5% despite higher raw material, crude price, and startup costs. EBITDA grew by 23.1% to Rs. 896.4 million, with margins improving by 144 basis points to 31%, both record quarterly performance. The improvement was driven by higher exports, a favorable product mix, operational efficiencies, and our conscious decision to exit low-margin products at WPI. PAT grew by 34.8% to Rs. 583.3 million, with a margin of 20.6%, the highest normalized quarterly PAT margin since listing. Overall, profitability is growing significantly faster than revenue, reflecting healthy operating leverages.

Coming to H1FY2027 performance, revenue grew by 20.4% to Rs. 5,437.3 million, while EBITDA grew by 28.9% to Rs. 1,696.0 million, with a margin of 30.5%. Reported PAT stood at Rs. 1,327.5 million, including a one-time gain of Rs. 241.7 million from the sale of our old Bangalore facility. Excluding this gain, underlying PAT grew by 39.4% to Rs. 1,085.8 million.

Moving to cash flows and capital expenditure, cash generation continues to be strong, with H1 cash flow from operations at Rs. 1,070.5 million and free cash flow at Rs. 1,077.3 million. Our total capex plan for FY 2026 to FY 2028 is Rs. 2,700 million to Rs. 2,850 million, covering our chrome plating and painting plant, SJS Bangalore capacity expansion, our display and cover glass plant, maintenance capex, and WPI plant consolidation. We have incurred Rs. 1,310.6 million so far, including Rs. 822 million in FY 2026 and Rs. 488.6 million in H1 FY 2027. Our chrome plating and Bangalore projects are now largely complete, and the remaining capex will be funded entirely through internal accruals.

During the quarter, we also acquired the remaining 9.9% stake in Walter Pack India for Rs. 199.22 million, making WPI a wholly-owned subsidiary of SJS. Despite these investments and acquisition, we ended September with net cash of Rs. 3,318.7 million compared with Rs. 2,437 million at the end of March 2026.

Coming to return ratios, ROCE improved to 41.5% compared with 35.5% in FY 2026, while ROE improved to 22.8% compared with 20%. This improvement reflects better profitability, high utilization of existing capacities, tight working capital management, and a debt-free balance sheet. Importantly, we are delivering the ROE while maintaining substantial net cash equivalent to approximately one-third of shareholders' equity. Our financial strength is also reflected in ICRA AA- rating with a positive outlook.

Finally, on our business mix and export, in Q2, passenger vehicle contributed 43.3% of revenue, two-wheeler 38.9%, and consumer and others contributed 17.8%. New generation products contributed 24% of total revenue. Exports grew by 23.1% to Rs. 282.5 million during Q2, contributing 10% of revenue. H1 export growth was even stronger at 45.8%. We remain on track to achieve our target of 14%-15% export contribution.

To sum up, SJS continued to deliver healthy growth, record margins, and improving return ratios. We are generating strong cash flows, maintaining a robust net cash position, and funding our growth investments entirely through internal accruals. With most of our plant capacity investment now in place, we are well-positioned to sustain our growth momentum and create long-term shareholder value.

With that, I hand over to Sanjay sir to take you through the business outlook and opportunity ahead. Over to you, sir. Thank you.

Sanjay Thapar: Thank you, Mahendra.

Moving on to outlook; As we enter H2FY2027, we remain confident of delivering profitable growth ahead of the automotive industry, supported by a differentiated business model, diversified product portfolio, and long-standing OEM relationships. Our priorities remain unchanged: increasing content per vehicle, building mega accounts, and converting new programs into revenue while maintaining operational efficiency and financial discipline.

Innovation remains key to us, central to our strategy. We continue to develop advanced solutions, including optical cover glass, automotive displays, illuminated logos, and in-mold electronics. Exports remains a key priority, and we are targeting 14%-15% of consolidated revenue from exports by FY 2028, driven by deeper engagement with global customers, new program wins, and entry into new markets.

SJS is expanding capacity with new and consolidated facilities at Pune and Bengaluru, mostly coming online in calendar year 2027, positioning the company to meet rising demand and support future growth. Our strong balance sheet, cash generation enable us to fund these investments while evaluating acquisitions that add complementary products, technologies, or customers. In a volatile environment marked by elevated commodity prices, subdued sentiment, pricing pressure across the industry has intensified to some extent and dampened consumer sentiment, resulting in dropping sales for consumer OEMs.

In addition, the growth divergence between scooters and motorcycles within the two-wheeler industry continues to widen, and our portfolio is predominantly weighted towards motorcycles with relatively limited exposure to scooters. In light of the global macroeconomic environment, we have recalibrated our FY 2027 revenue growth outlook to 1.2x-1.5x of the growth of the passenger vehicle and motorcycle industry from 1.5x-2x earlier.

At the same time, we continue focus on driving cost efficiencies and an improving product mix gives us the confidence to raise our EBITDA margin guidance to 29%-30% from 27%-28% earlier. This moderation reflects a deliberate strategic recalibration rather than a retreat. By consciously stepping back from select low-margin opportunities, we are positioning the business for stronger and more profitable growth ahead.

Before concluding, I wish you and your families a very happy and prosperous Diwali. With that said, I come to an end of my quarterly updates. Thank you, and we are now open to answer questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Chandramouli from Goldman Sachs.

Chandramouli Muthiah: Hi, good morning, and thank you for taking my questions. My first question is just for a little bit of additional clarity on the growth outlook. Over the past 48 hours, it looks like a lot of sentiment seems to be changing around what might happen to crude oil prices and what might happen to

metal costs. So, in that context, if there is a wave of correction in some of these input costs and crude oil prices correct, there could be some second derivative benefit on pricing as well as volume growth in the underlying industries that you serve. Just in the context of that, maybe this is premature, maybe it is not, but just wanted to understand what you think could be some of the upside optionality to this recalibrated outlook for the back half?

Sanjay Thapar: Mr. Chandramouli, thank you for that question. Let me put that in proper perspective. So, at SJS, we are committed to allocate manufacturing resources to the most profitable businesses that we see for ourselves. As you are aware, in the last two quarters, we were almost operating at maximum capacity. So, this strategy for us was that what can we use our manufacturing resources to generate the best-in-class revenues and improve our already strong track record in terms of profitability, and we've done that, and that shows in the numbers. So, our EBITDA has grown to a record 31.0%, and essentially what we see with commodity prices easing, hopefully, let's hope that crude comes down and all the other commodities come down, that should improve buying sentiment. So, the segment that we address, the four-wheelers, the two-wheelers, the consumer businesses, the consumer especially is driven largely by sentiment, and this is something that we think will benefit from this macroeconomic future becoming a little more clearer. So, we expect that growth will come back, but essentially within SJS, we now have capacities in place to again restart or turbocharge our exports and our domestic business, and that should lead to higher growth.

So we see that over the next few quarters, revenue should come back on trajectory. So, from what we said was allocation of resources to profitable products to increase our EBITDA, we will now be driving growth along with that, thanks to this tailwind of improved sentiment. I think it'll be positive not only for us, for the overall economy, and that is a very positive for the entire economy per se.

Chandramouli Muthiah: Got it. Thank you. That's helpful. Second question is just around Tata and Stellantis. I think in recent quarters, you've been winning more business from Tata Motors, and Stellantis is one of the key customers which you think you can export more towards. And over the past few weeks, there have been announcements from both those entities around expanding the scope of their partnership and potentially sharing more vehicle platforms. So, as a supplier to Tata locally and Stellantis globally, just want to understand what you're seeing in potential opportunity size from that expanded scope and partnership between these two key customers?

Sanjay Thapar: We have extremely strong relationship with both. Stellantis, the business continues to grow. We've won new export orders from Stellantis for a new category of products, which is decals. They have a lot of vehicles in the U.S., and we are making steady inroads into grabbing more and more share. With Tata, of course, we've been traditionally very, very strong for all the products that we have. We were, as I said, to the point of repeating, a little low on capacity, which has now come on track. So, we have a brand new plant for SJS Decoplast. We have

increased capacity at SJS Bangalore. We are consolidating and increasing capacity at Walter Pack. So, we see these great opportunities to scale up the business very rapidly.

So, essentially, the theme that we have is that customer support is critical. We need to be sure that we are able to deliver to customer expectation if we take an order. We have been circumspect that let us build capacity first before we target new customers. With now the capacity which is being done across all our plants, we are absolutely back in business, and we see a very strong trajectory for revenue growth coming from not only this partnership, but for all other customers as well.

Chandramouli Muthiah: Got it. That's helpful. Last question is just around margin, and just related question on D&A. Could you just clarify in little more detail which are some of the lower-margin products that you look to do less of going forward, and what sort of products you're trying to vacate that capacity for? Also just related to that, we've had, I think, four successive quarters of depreciation reducing. So, just want to understand what's driving that and where that line item should settle out going forward.

Sanjay Thapar: So, I will answer the question on product margins, and I will ask Mahendra to talk to you about depreciation. So, product margins, we have pruned in the last two quarters. We already have pruned the business, and in fact, in one case, we returned a large consumer business because we found that it was not giving us the margin that we wanted to. We won a successor business, which was a very high-margin business. Unfortunately, the war in West Asia dampened that requirement, so that export business was impacted, which I think now should come back with improving sentiment. So, our product portfolio has been sanitized, and we are a high-profit product mix across all the businesses that we do. So, all the pruning that had to happen has already happened, and that is the result where you see our margins to be extremely strong, and they will become stronger when we increase, let's say, benefit from the softening raw material prices.

Mahendra, could you take that question on depreciation, please?

Mahendra Naredi: Yes. Chandramouli, the depreciation for the quarter, we had Rs.108.9 million, which is lower than the last quarter. When we acquired the Walter Pack, some intangible was recorded, and after the period of three years, this impact is now nullifying. This is starting from the Q2FY2027. So, approximately Rs.10 million is impacted there. Because of that, the depreciation amount has come down. And we have capitalized this SJS Decoplast, the Pune facility, and the Bangalore facility in this quarter. The full impact will start from the Q3. So, that will going to start in next quarter, and we will have an increased depreciation starting from Q3.

Chandramouli Muthiah: Got it. That's helpful. Thank you very much.

Moderator: Thank you. The next question is from the line of Ajox Frederick from Sundaram Mutual Fund.

Ajox Frederick: Hi, sir. Thanks for the opportunity. So, first question is on exports. So, what are the low-hanging fruits or the visibility or even the type of businesses we are closer to winning in the next, let's say, one year to 18 months timeframe? That's one. Secondly is, will acquisition be a route for enhancing our exports, let's say, to acquire a particular customer etc.? So, it's an export-related question plus acquisition, anything on works, anything being discussed, more on those lines, sir.

Sanjay Thapar: Okay. The low-hanging fruit and exports really are, we've cross-selling of products to the existing customers. Stellantis was a very major customer we acquired. As I mentioned earlier, we won business for decals with Stellantis. The opportunity set is even larger, but typically what these companies do is test you on a program and then once they see that, yes, development is on time, they open doors to more products. So, cross-selling to export customers more product from our portfolio is one low-hanging fruit. The other one is chrome plating. There was a lot of pent-up demand, and that is the reason why we expanded this, set up this new plant for chrome plating. We see a lot of mega inquiries for chrome plating. At the moment, we are in the negotiation phase. As you can understand, the startup time for such businesses is very, very short. So, in some cases, the customer has shifted tooling for us, to us, from some other suppliers. This is a resourcing business which can start very, very quickly. We are looking at all these opportunities and we are very excited about the Toyota export opportunity in the Middle East because there is a lot of chrome-plated plastic parts that they buy, large value, and that is something that can be done very quickly with this new plant that we have. So, these are these low-hanging fruits that we are already addressing. Overall, in terms of inorganic acquisitions, whether that is going to drive exports, it depends on the company that we acquire. As I said earlier, our rationale or lens to look at an inorganic opportunity really is that can we add value? That means scale that business up very rapidly as we did SJS Decoplast; 4x in five years. That is the sort of growth that we could potentially bring. So, is that potential new target something that we could do on similar lines is one question to ask.

The other is, can we leverage our capability of being a large supplier and using a buying leverage to improve profitability in that company? Exports is not really the lens. What we are looking at is that does it, if there is an opportunity to acquire a company overseas that opens doors to large global OEMs for the rest of our business, that certainly is an opportunity. But specifically, to acquire a company that does large amount of exports, it depends on what target do we zero in. We do not go thinking in terms of what markets. We are looking at the overall business, that if we can scale up the business, add profitability, and get it at the right place, those are these questions that we ask ourselves, or give access to new markets. Those are the key lenses through which we look at an acquisition opportunity, not necessarily exports.

Ajox Frederick: Wonderful, sir. That answers my questions. Thank you and all the best.

Moderator: Thank you. The next question is from the line of Pritesh Chheda from Lucky. Please go ahead.

Pritesh Chheda: Sir, just a couple of questions. One, if you look at the non-auto, it has not grown in H1 as well as in Q2. So, if you could give some comments on the non-auto, what is happening, and what is your outlook there? Because the PPTs aptly gave the outlook on autos and even outlook on export, but it misses 20% of the business. So, if you could tell me what is the outlook there.

Sanjay Thapar: Yes, so the outlook is very strong. The reason that I said of what I talked earlier in my conversation, there were some low-margin products that constituted a very large customer, in fact, a very, very sizable business that we chose to give away two quarters ago. So, that we said in the last earning call also. So, that we replaced with a high-margin consumer business. That consumer business, unfortunately for us, was focused largely on the Middle East, where there is a current turmoil going on in terms of the macroeconomic challenges that you have. So, that will come back. So, non-auto continues to be an important part of our portfolio, and we hope to scale it up very well. But since we let go of a low-margin business, that is the reason why you see that impact that our EBITDA margin for Q2 are 31%. That is largely because of product rationalization done. There is a new business that we acquired, so our strategy was perfectly in place. Unfortunately, that volume did not materialize because of this conflict in West Asia. So, that is a short-term hiccup. We are quite confident that this will pick up in the coming quarters.

Pritesh Chheda: Okay. And sir, on the chrome plating capacity, what is the revenue pool size now that you add via that capacity? Basically, what kind of incremental peak revenue is possible from that capacity, and scale up utilization of that capacity?

Sanjay Thapar: So, chrome plating grows very strongly for us. We have added 2x in terms of capacity, so potentially we could go to about Rs. 500 crore with this new capacity addition. We finished last year about Rs. 240 crore, so we will almost double capacity, and our target really is to get there sooner than later. If you look at the past track record, we have grown it at about 3.5x in the last five years, and we hope to do the next doubling of capacity in the next three to four years. Faster the better. But we see a very strong order pipeline for that business, so we are very optimistic and positive in terms of our outlook for that growth of that business.

Pritesh Chheda: The last question is SJS Display. If you could tell us now the capex which will be committed in phase I and phase II and the asset turn there?

Sanjay Thapar: Mahendra, would you like to respond to that?

Mahendra Naredi: Yes, Mr. Lucky, for SJS Display, we have guided that we will going to incur Rs. 65 crore, out of which Rs. 25 crore for the loca bonding facility, and Rs. 40 crore is going to be for the glass facility. Now, coming on the asset turn, since loca bonding is like assembly, which have generally higher asset turn ratio, we expecting between 4x-5x. And in the glass, we expecting between two to 3x. So, if you say on average, somewhere 3.5x.

Moderator: Thank you. The next question is from the line of Rakesh Jain from Axis AMC.

Rakesh Jain: Yes. Hi, team. Firstly, appreciate the transparency on the consumer business outlook. Thank you for that. Just a follow-up on the display business. Now the capex which we have put in, that is quite a sizable number for us to interpret on what could be the future aspiration would be. Two things. One, if you can help us understand because we incrementally see a lot of global MNCs either repurposing their display business capacity, either through imports or assembly in India now, the vehicle solutions business for them. In light of that, how do you see this ecosystem evolving in that? And within that, what would be our competitive edge when an OEM looks at the considerations that when you have an MNC and a domestic player? Of course, we have BOE Varitronix. In light of that, if you can shed some color on a qualitative basis, how should one think about our customer set?

Sanjay Thapar: Yes. So, two, three things here. Typically, the opportunity is all about conversion of analog or digital clusters to be fully configurable displays. All the two-wheeler and the four-wheeler companies which make instrument clusters are transitioning to this. Now, to make a display, typically what you need is loca bonding of the backlight unit, the TFT screen, and the cover glass. Our TLA scope with the BOE Varitronix is to localize the display, locally bond the display, localize the backlight unit, and also make the cover glass. Our claim to fame for being a winner in this business is our 40 years expertise in printing. So, the cover glass typically is a printed part, which is glass, which is printed on the border. It has some specialty coatings, either through a lamination or through coatings, and which we have a great deal of experience and expertise in. So, we think that for cover glass, we should be potentially the number one player, if not amongst the top two, three companies which will do cover glass in India. And remember, all vehicles in India will have displays in some form or the other, small, big, large, and we are well-positioned to do that. So, that is one part of the answer. The second is that customers like to nearshore. Let us say these are aesthetic parts, and they would like the supply chain to be close, given the experiences in the past on global disruptions of the supply chain. You cannot build a vehicle or you cannot put a display if the vehicle is standing on the yard. You need to be very, very clear that, yes, my supplier is next door. I think nearshoring for OEMs is a critical part. For the government policy, really in terms of increasing the local content and incentivizing the OEMs to invest in localization of these parts is the tailwind that drives the business.

For us, strategically, it was very important to choose the right partner. I think in BOE, we have the right partner, which is a global leader in this business, operating out of China, so read competitive pricing. I think with the combination of our capability in India and our customer connect, our proven track record in terms of innovating and developing new technology products and offering them to the customer, so there is a very strong customer trust that we enjoy, plus a strong partner, all should lead to a very, very successful business, and that is what we are laying the foundations for.

Rakesh Jain: Got it. The scope of opportunity, the initial phase is passenger vehicles. Just reiterating that.

Sanjay Thapar: Yes. The passenger vehicles is the mother of these displays because in terms of technology, in terms of capability, these are the most complex displays. One passenger vehicle could have one display, two displays, three displays. So, that increases that TAM exponentially. As I mentioned earlier, there is rear seat entertainment which is coming. Very soon, I imagine you will see in cars, rear seat entertainment. When one vehicle is launched with that, you would have an explosion of demand. Displays is the way to go, and I think we are absolutely on the track to achieve success in this business.

Rakesh Jain: Okay. Got it, sir. Thank you so much. All the best.

Moderator: Thank you. The next question is from the line of Pradyumna Choudhary from Bowhead Investment.

Pradyumna Choudhary: Yes. Hi, sir. Congrats on a consistent set of results. My first question is, what was the utilization at standalone SJS level? Because in your PPT, you have given the utilization in the other two businesses. So, I just wanted to know what the utilization at SJS standalone was, and why are we only going for a 20% capacity addition, given that we will again stumble upon bottlenecks one year down the line?

Sanjay Thapar: Let me answer the last part of your question first. We already have a very large piece of land at Bengaluru. This was easy. What we did was we just built a roof on top of a roof that we had. It was low-cost investment where we could gain Joe, how much square feet of capacity have we added? Close to about 40,000 sq ft, right?

K.A. Joseph: Yes, 40,000 sq ft.

Sanjay Thapar: Yes. So, almost 40,000 sq ft of land could be built on the top of an existing building. That was the reason why we increased that capacity. If you recall, we had won a very large Hero MotoCorp business. We started with few models, more models are on the way. So, there is a requirement for growth at our existing company, plus a very large export opportunity for our consumer businesses also, in terms of overlays, etc. that we do at the parent SJS plants. So, it was low-hanging fruit where we could very quickly add capacity, which we have done. That is the reason why we invested in 20% capacity expansion. The other part of your question was, how much was the capacity earlier? So, if I am right, it was close to about 85%. Am I right, Mahendra?

Mahendra Naredi: No. We were utilizing 70%-75%, and now we have added 20% more. So, let's say current utilization is somewhere 60% of the plant. In our business, we always keep idle capacity because there is an scaling up on your festival seasons. So, we are operating right now around 60%, and we can go up to, let's say, 80%, 85%.

Sanjay Thapar: The reason is that the printing business is a batch mode operation, so you need to have flexibility because the SKUs are so large that you cannot have a higher capacity utilization. I think if we

do about 80%, it would be exceedingly good. But you need to keep that for batch mode operation. Therefore, there is some capacity additional that's required. That's the reason why we built this capacity.

Pradyumna Choudhary: Are we planning in the coming months to announce even more capacity at SJS standalone level? A new investment?

Sanjay Thapar: No, no. For the moment, we are sorted. I don't think we need more capacity for the next two years. If the need be, we have enough land at SJS Bangalore to start building a new factory and doubling capacity. That is not the point at the moment. We have a lot of expansion that we have done, and there is also fungibility of the equipment that we have. The Walter Pack plant also does partly printing. We are expanding capacity there. I think we are good for the next two or three years in terms of capacity.

Pradyumna Choudhary: Understood. The second question was, as you mentioned time and again, the current slight compared to our levels, this slowdown in terms of our growth compared to industry growth is mainly to do with the capacity constraints that we were facing. Once this is sorted and once new orders start flowing through, we should again probably go back to earlier levels of maybe 1.5x outperformance on the industry. Is that right?

Sanjay Thapar: Let me repeat that again, because I think that is the question that most people have. We like to be transparent, and what we commit, we would like to deliver that and more. That is the reason why we highlighted that because of this, especially the consumer business, the export of some consumer businesses, which we had won some very large businesses, got impacted because of the war in West Asia. This war, we hope, would come to an end and things would normalize and demand would pick up. That could take a couple of quarters. That is the reason why we have guided that, even though the demand may be muted because of external factors, our growth story continues to be extremely strong. Let me put some numbers in place. If you look at the four-wheeler market and the motorcycle market, because that is the dominant market we operate in, in Q2, this market grew by 13.2%. Our sales grew by 21.7%. We are actually at 1.7x of the market growth. We are outperforming the market. Even if I talk of the H1, if I talk of motorcycle and passenger vehicles, the market grew by 15.3% in the six months of this year. We have grown at 26.6%. That is again in that range of 1.7x or 1.6x of growth of the industry. We are continuing to outperform. I would like to stress that fact.

Only since we did not have capacity, what I said was that I rather use capacity for high-margin products, and we did not chase products with lower margins because we wanted to maximize high growth with high profit. That is what we have done very successfully. My PAT margin for this quarter is 31%, which is a record. We have, I think, as management, navigated this challenging environment where commodity prices were going up exceedingly well. This positions us very, very strongly that when these new capacities are in place, our growth will be back on that number that we mentioned earlier. So, high growth. Think of us as a very high-

growth, high-profit company. This detour that we took largely was capacity creation. Now that capacity is in position, you will see SJS growing very, very strongly in terms of revenues as well.

Moderator: Thank you. The next question is from the line of Nandan Pradhan from Emkay Global. Please go ahead.

Nandan Pradhan: Hello, sir. Good afternoon, and congratulations on a great set of results, I think, especially in such a volatile environment. Just one small question from my side. On the standalone front, we had a very sharp growth last year because we obviously won new businesses from Hero. Now, coming into 2Q, I think it is entirely in the base. I mean, that and then, as you mentioned, the divergence between scooters and motorcycles, would these be the key reasons for slower growth in the standalone operations? We were at about 8.7% in 2Q. If you could just shed some color, since we have maintained margins, but revenue has not grown as much, so.

Sanjay Thapar: No, no, largely that is true. As I said, building capacity is critical, especially in the printing business, because of the nature of the business that you have to have multiple operations before you finally can send a product out. It was just that rationalization. Now that everything is in place, we expect this to grow, and the reason why we've added capacity is we see a very robust outlook in terms of order book across all our customers. We continue to grow. Largely, it is that capacity piece. Now that capacity is in place, we can challenge large businesses. In the short term, of course, we focus on profitability. But now, the product mix being rationalized and being optimized, we look forward to accelerated growth. Your inference is correct. You should see very high growth over the next maybe a quarter or two quarters it would take. As I said, some of our export business, which is also done through SJS standalone, also would see a fillip.

Nandan Pradhan: Understood, sir. And sir, just a small clarification, if I may. The pruning of low-margin products was done particularly in the WPI operations, right? Not in the standalone business.

Sanjay Thapar: No, but the overall sentiment for exports for consumers, you're right. I was talking of one large business that we gave away where margins were low, was in Walter Pack, that is right. We won the successor business, which is much better in terms of profitability. That should come back over the next one or two quarters. We hope the market situation should improve. In the standalone, overall consumer segment, the West Asia war didn't only impact West Asia. There were a lot of challenges and issues in North America as well, where demand for consumers was subdued. That was a global phenomenon. SJS standalone does a lot of consumer businesses which got impacted as a result of this. We expect over the next one or two quarters this to normalize. Just for abundant caution, we said that, okay, next one or two quarters, the growth would be lower than what we originally have been traditionally forecasting, 1.5x-2x growth. It was just transparent communication to the investor community. But let me underscore the fact that the net amount of EBITDA impact that the company was to deliver, basis the original forecast, we will still reach that number, despite all that. As an organization, we have navigated

this challenge very well and used this time to rationalize our products, and we will be delivering the numbers that we did forecast at the beginning of the year, very strongly. We see no challenge at all in terms of meeting our commitments, in terms of EBITDA and PAT.

Nandan Pradhan: Understood, sir. Thank you so much for that, and all the very best.

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

Nitin Agrawal: Thank you. Thanks for the opportunity, and congratulations on a great set of numbers. Sir, just wanted to understand your outlook of outperforming the industry. You made two changes initially. You used to mention the underlying industry, now we mention underlying PV plus motorcycle industry, and we have reduced the guidance from 1.5x - 2x to 1.2x - 1.5x. Wanted your sense that, since we have already removed consumer durables from the outlook, why have we reduced the guidance of our performance since we are outdoing the industry by 1.7x, as you have highlighted? Related to that, we are missing out on the scooter segment, which as a category is increasing, so contribution on 41%, now expected to go to 45% as per the OEMs. What are we doing in order to capture the business from that category?

Sanjay Thapar: Yes, good question. It is not that we do not do scooters. The relative weight on scooters is lower because the content in a scooter is lower than in a motorcycle. Obviously, we have traditionally focused on motorcycles. But given the strong growth in the two-wheeler market, especially for scooters, we have a strategy in place. The chrome business and capacity that we have created, we will use that to target. A lot of these scooters use logos, use badges, use garnishes. We already do very large business with one customer. Only our scooter business is not as broad-based. Now that we have capacities in place and we have the relationship already, we are already in discussions to attack the scooter market also in a very meaningful manner, and that is what we intend to do.

I think we are, this last one or two quarters of building capacity, you will see in the coming year, translating that into much higher revenue gains than the market, and we should be back to our normal trajectory that we forecast. But I think what is underappreciated at the moment, or maybe not so clear, which I want to reiterate, in terms of by rationalizing this product mix, we have made your company stronger. We are more profitable. This is a 31% EBITDA performance for this quarter, and for the half year also, we are at 30.5%. This, I think, is industry-leading, and we are a far, far stronger company. Now with the capacity in place, we will drive that advantage even more.

To put that in perspective, I am only repeating what I said earlier, that we are going to deliver the, in absolute terms, the rupee content of EBITDA and PAT will be absolutely where it was when we started the year. We are very conscious of what we commit, and we endeavor to deliver what we have said. That, I think, should play out as committed to the market. I am quite confident of that.

Nitin Agrawal: Just a follow-up on that. The product rationalization that we have done, have we done that in the automotive segment also along with the consumer durable, or is that the consumer durable segment alone?

Sanjay Thapar: No, no. All segments. Plant-wise looked at saying that we have finite resources, we have infinite opportunities, what do we chase? We said, "Let's allocate resources to the most profitable business," and that is the result of that. I would compliment my team on great execution. We've delivered exactly what we wanted to deliver, so I'm extremely proud of my team.

Nitin Agrawal: Okay. Thanks. That makes sense. That's it from my side.

Moderator: Thank you. The next question is from the line of Hitesh Goyal from Aurigin Capital.

Hittesh Goyal: Yes, thanks for taking my question. First, congratulations. Very few companies have actually reported YoY margin expansion, so congrats to your management. My question is actually related to Decoplast. So, if I look at Q-on-Q revenue, there is not much growth because the new facility has come up in August only. So, how should we see this ramp-up in the first year itself for Decoplast? Because you have added Tata Motors as well, you have added Toyota Middle East also. So, do we see a decent revenue ramp-up from third quarter onwards now?

Sanjay Thapar: Yes, some businesses will start from the third quarter. Of course, the key factor behind success of SJS is that we are very, very focused on the customer. Any new business that I take, I do not take without building capability and capacity in-house. The new businesses, it is not that we won businesses and then we said that, "Okay, now we will start figuring out how to build capacity." That is not how we do things. We first have the capacity. We are very confident that the customer values us as a very capable supplier, trustworthy supplier. Once the capacity is in place, we have started approaching the customers now, and this TADME business that I am telling you is just a result of that. Within a week of our confirming to the customer that, "Okay, our plant is ready," they said, "Here, we will ship some tools to you, start supplying to us." That is the trust that we enjoy with our customers. Building that capacity or filling that capacity is not so challenging. We are very optimistic that we will accelerate revenues from that company now that we have capacities in place.

Hittesh Goyal: The second half, just to clarify, the second half is generally seasonally better for Exotech, right? Because, I mean, the automotive volumes second half is better than first half, right?

Sanjay Thapar: Largely, it is true of the entire industry, not just Decoplast, yes.

Hittesh Goyal: Yes. Okay, great. Thank you very much.

Moderator: Thank you. The next question is from the line of Pooja Sheth from YES Securities.

Pooja Sheth: Sir, my question is around the guidance which you have set for 1.2x-1.5x. Is there anything on the client side we are facing or some slowdown in the ramp-up for their models which we are expecting that should be doing good for us?

Sanjay Thapar: No, as I have explained earlier in the call, this was primarily on account of a large export-driven business for consumers at one of our companies, plus our focus on motorcycles rather than two-wheelers. For abundant caution, we guided the market that what we have mentioned earlier, that our topline will grow 1.5x-2x of the industry growth rate. We thought that it is important to clarify that we are a motorcycle-focused company. Even though we have capability to do two-wheeler business, our focus was on motorcycles. If you look at motorcycles, I will repeat what I said earlier in the call. If I count industry growth as four-wheeler plus motorcycle, for quarter two, this segment, the industry grew at 13.2%, whereas we, SJS, grew sales by 21.7%. This is far higher than the industry growth rate. We outperformed. Similarly, for the half year, the industry four-wheeler plus motorcycle grew at 15.3%. We grew at 26.6%. There is no question. We outperformed the market by a wide margin. In terms of my overall revenue, as I have repeatedly said in this call, it was on account of a single customer for exports where we gave away that business, and the overall revenue for the company, therefore, looks a little lower. But our outperformance for the automotive market is exceedingly strong. It is almost 1.7x, 1.8x the industry growth rate. It continues to be exceedingly strong, and we will continue doing that.

Pooja Sheth: Okay. Thank you, sir.

Moderator: Thank you. The next question is from the line of Nalin Shah from NVS Brokerage.

Nalin Shah: Congratulations on the set of numbers, sir. My first question is, with the chrome plating plant expansion at Pune, which is completed in August 2026, and Bangalore's capacity, which is expected to be completed by Q3 FY 2027, and Walter Pack facility consolidated by May 2027, and the new display electronic plant in Pune by September 2027, the benefits are expected to materialize in 2028 with the full impact in 2029. Given that, what is the topline that the management envisioned for the next two to three years, like in 2029, 2030, 2031, as these capacities scale up? My second question is, given the recent decline in crude oil prices and the easing geopolitical tensions, how does the management expect the company to benefit from these favorable developments in the upcoming quarters? Thank you.

Sanjay Thapar: Let me answer the second question first. Despite crude oil prices and despite the currency challenges, we have delivered very strong margins. As I said earlier, for the first six months of the year, we are at a 30.5% EBITDA margin. Last quarter was 31%. We have improved this from last year. There is a quarter-on-quarter improvement in profitability. That is because of the playbook that we set for ourselves, that we need to allocate resources to high-profit products. That was the focus. We have rationalized that. We built capacity, and we are back to normal. If

the crude prices and other inflationary pressures go down, of course, this will aid what we do, but we are quite happy with the 31% EBITDA performance. We are okay with this. The next lever would be press the accelerator on growth, which you will see thanks to the capacity that we have in place. That is the second part of the question. Could you repeat the first question that you asked?

Nalin Shah: Sir, with all these capacity expansions that we have planned, which are going to

Sanjay Thapar: Yes, what would the top line do we see, right? That was the question.

Nalin Shah: Yes, sir.

Sanjay Thapar: Okay, so the topline could increase quite dramatically because all these three products are at a very different price point. In terms of what I have guided earlier is that we expect the display market to be close to a Rs. 5,000 crore- Rs. 7,000 crore market by 2030, 2031. SJS, we have set ourselves an initial target that we should be at least 10% of this business. So, maybe a Rs. 500 crore or a Rs. 700 crore revenue coming out of displays by 2031 is something that we have set an internal target for ourselves. This is completely new on top of whatever we do currently. Our other businesses are more, we know these businesses exceedingly well, and that business growth rate is what I have guided to, that whatever the industry grows, 1.5x -2x the industry growth is what you should expect by 2031.

Nalin Shah: Okay, sir. Thank you so much.

Moderator: Thank you. Ladies and gentlemen, due to time constraints, that was the last question for today. I now hand the conference over to Ms. Devanshi Dhruva for closing comments. Over to you, ma'am.

Devanshi Dhruva: Thank you, Huda. I would like to thank everyone for joining on the call. I hope we have been able to respond to all your questions adequately. For any further information, we request you to get in touch with us on email. Stay safe, stay healthy. Wish you and your families a very happy and prosperous Diwali. And thank you once again for joining with us. Have a good weekend. Thank you, everyone.

Moderator: Thank you very much. On behalf of Elara Capital, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.