Shaily Engg. Plastic

Operator: {? [unclear] ?} H1 FY27 earnings conference call of Shaily Engineering Plastics 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 star and then zero on your touch-tone phone. Before we begin, a brief disclaimer. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions, and expectations of the company as of the date of this call. These statements are not guarantees of future performance and may involve risks and uncertainties that are difficult to predict. I now hand the conference over to Mr. Amit Sanghvi, Managing Director of Shaily Engineering Plastics Limited. Thank you, and over to you, sir.

Amit Sanghvi – Managing Director: Thank you very much. My apologies to everyone on the call for running a few minutes late. Good afternoon, and thank you for joining the Shaily Engineering Plastics Limited earnings call for the second quarter and first half of FY27. With me today are Sanjay Shah, our Chief Strategy Officer, and SGA, our investor relations advisers. Our results and investor presentation for the quarter ended September 30, 2026, have been filed with the stock exchanges and are available on our website as well. I trust you have had a chance to review them.

Let me start with the headline numbers. Consolidated revenue for Q2 FY27 was 320 crores, up 24% year-on-year and 14% sequentially. This is our highest-ever quarterly revenue. EBITDA rose 25% year-over-year and 22% sequentially to 102 crores at a margin of 31.9%. Importantly, this is the first time we have crossed the 100-crore EBITDA milestone in a single quarter.

Three points define this quarter. First, healthcare is now the primary engine of our business, contributing 55% of revenue and growing 78% year-on-year. Second, gross margins recovered to 60%, about 70 basis points higher than a year ago, following the cost pressures we highlighted in quarter one. Third, the consumer business has finally stabilized over two sequential quarters, although it continues to operate below last year's levels.

The quarter was shaped by certain geopolitical uncertainties, input cost volatility, and divergent demand trends across markets. Developments in West Asia continued to impact freight costs and polymer prices, while demand for home furnishings in Europe and the US remained subdued. We navigated these pressures through pricing discipline, procurement efficiencies, and a favorable product mix, prioritizing margin resilience and quality of returns over volume-led growth in consumer.

The global GLP-1 market is also entering a significant phase of transition. With semaglutide patent protection expiring in the first wave of markets, generic competition is gaining momentum. Launches commenced in India in March, followed by Canada's approval of a generic in April and Brazil's approval of its first generic in August. The resulting price reductions are widening patient access to these therapies and increasing volume. For Shaily, this represents a significant opportunity. As affordability improves and patient access expands, demand for drug delivery devices is expected to grow. With established partnerships across multiple customers and geographies, we are strengthening our platforms and scaling capacity, including through our Abu Dhabi facility, to capture this next phase of market growth.

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Let me turn to the segments, starting with healthcare. Revenue stood at 175 crores in Q2, up 78% year-on-year. Healthcare contributed 55% of revenue compared with 38% a year ago. For the first half, healthcare revenue was 318 crores, up 81%. Growth was led by our pen injector platforms, particularly the GLP-1 programs, alongside steady volumes in insulin and other therapies. We delivered 10.4 million devices in the quarter and remain on track to exceed our full-year guidance of 36 million devices. These results reflect the strength of our customer partnerships, our engineering capabilities, and our ability to scale complex device programs with consistent quality and precision.

On the innovation side, innovation has been central to the development of Shaily's healthcare business. From the outset, we have focused on building our own IP-led platforms, creating differentiated solutions for our customers and patients. We continue to build on this foundation. During the quarter, we signed two new contracts for these platforms and launched our latest innovation, the TOBI reusable auto-injector, our two-step reusable auto-injector for next-generation GLP-1 therapies.

TOBI reusable retains the same simple two-step interaction of our TOBI disposable auto-injector, while introducing a multi-use format. The pre-filled syringe is housed in a single-use syringe pod, which attaches to the main mechanism that the patient retains and reuses for over 200 injections. The device delivers medication subcutaneously and incorporates a needle lockout mechanism for added safety. The pod is made entirely from a single material and can also be made from recycled materials, making it very easy to recycle as well as sustainable.

Compared with the fully disposable auto-injector, TOBI reusable is designed to reduce material consumption, energy use, shipping, as well as cold-chain requirements. Our initial assessments indicate that, conservatively, it is 70% more sustainable than a disposable two-step auto-injector. It combines the convenience of a disposable device with the material-efficiency advantages of a reusable system. For a weekly therapy that patients may use over several years, this is very meaningful. It demonstrates how thoughtful engineering can address not just the delivery of a medicine, but also the patient experience, cost of treatment, and environmental footprint. These are increasingly important considerations for patients, payors, and our pharmaceutical partners across the world.

We are also extending our platforms beyond GLP-1 into new therapeutic areas, with a particular focus on emergency use and oncology. While GLP-1 remains our largest growth driver, broadening our presence across therapeutic areas will make our healthcare business more diversified and resilient over time.

In emergency use, a device has one critical responsibility: to deliver the full dose the first time, often in stressful circumstances and in the hands of someone without medical training. There is very little margin for error. This is fundamentally a precision engineering challenge and one that plays directly to Shaily's strengths.

In oncology, an increasing number of biologic therapies are moving from intravenous infusion to subcutaneous injection. This transition calls for devices engineered to handle larger volumes and higher viscosities. We are developing our platforms to address these more demanding drug delivery requirements.

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Getting to consumer and industrial, consumer revenue was 116 crores, down 14% year-on-year and flat sequentially. During the quarter, we received business confirmation for a new product from an existing customer, and for higher volumes of an existing product from another customer. A few product lines, which still represent a relatively small part of the segment, continue to grow rapidly. Industrial revenue grew 23% year-on-year to 29 crores, driven by customers in automotive, appliances, and consumer electronics. During the quarter, we received business confirmation for seven new power tool products and new knobs from an appliance customer. Semiconductor tray revenue remains on track to commence in Q4 '27 from our existing facility.

Consumer electronics and semiconductor packaging represent another important engine for Shaily. Commercial supplies have commenced for consumer electronics, and we are progressively scaling production of the five components awarded by our new customer. We will start trial production of semiconductor packaging in Q3 FY27 and expect to start commercial shipments in Q4. In parallel, we are pursuing a significant scale-up opportunity in both these segments, which we expect to unfold over the next 36 months.

This business calls for many of the same capabilities that underpin our medical device business: tight tolerances, high cosmetic standards, rigorous process control, and consistent quality across millions of components. These capabilities are a result of sustained engineering investment, process discipline, and a strong focus on customer requirements. We see considerable potential to leverage these strengths in a new market. Our approach will remain measured and disciplined, with capacity expansion aligned to customer commitments and the pace of business development. I will update you as we achieve key milestones.

As we enter the second half of FY27, our priorities are clear. We will focus on five areas: ramping up our newly commissioned capacity, exceeding our full-year device guidance, advancing our platforms in emergency use and oncology, progressing the consumer electronics and semiconductor packaging scale-up opportunity, and, importantly, maintaining margin discipline as we grow.

We remain confident in the underlying strength of our business: our engineering capabilities, our growing portfolio of proprietary platforms, our customer partnerships, and our ability to execute with precision and consistency at scale. Our ambition is to build Shaily into a global, innovation-led engineering and manufacturing partner, creating lasting value for our customers, patients, and shareholders. With that, I will now hand over to Sanjay, who will take you through the operating and financial highlights in more detail. Thank you very much. Over to you, Sanjay.

Sanjay Shah - Chief Strategy Officer: Thank you, Amit. Good afternoon, everyone. Let me take you through the operating and financial highlights for the quarter. The changing mix of our business is now reflected in our improving capacity utilization and operational productivity. Machine utilization across our plants rose to 52.5% in quarter two compared to 47.8% a year ago. This reflects the growing contribution of our high-value healthcare business and our ability to drive greater productivity from our existing manufacturing base.

Exports accounted for 62.9% of revenue in H1 FY27 compared to 71.7% in H1 FY26. The shift is primarily attributable to growth in the healthcare business, where we supply Indian pharma customers who, in turn, serve global markets. While the reported export mix has changed, our

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participation in global markets continues to expand through these customer relationships.

Our financial position continues to strengthen, with returns improving further in the first half. In October, CARE Ratings reaffirmed our long-term bank facilities at CARE A+ with a stable outlook and upgraded our short-term facilities to CARE A1+ from CARE A1. The upgrade reflects our healthy operating margins, improving leverage and debt coverage, and new business secured from both existing and marquee customers. It is a strong endorsement of our financial discipline, execution capabilities, and growing customer confidence.

Consolidated financial highlights for Q2 FY27: Revenue was Rs. 320 crores compared with Rs. 257 crores in Q2 FY26, up 24% year-on-year. EBITDA rose to 102 crores from 82 crores in FY26, up 25%. EBITDA margins were at 31.9% compared with 31.8% in Q2 FY26. Profit after tax was 61 crores compared with 51 crores in Q2 FY26, up 20%. PAT margin was 19.2% compared with 20% in Q2 FY26.

Segment revenue for Q2 FY27: Healthcare revenue rose to 175 crores from 99 crores, up 78% year-on-year. Consumer revenue was 116 crores, down 14% year-on-year. Industrial revenue rose to 29 crores from 23 crores, up 23%.

On the consolidated financial highlights for H1 FY27: Revenue was 600 crores as compared to 503 crores in H1 FY26, up 19% year-on-year. EBITDA rose to 185 crores from Rs. 152 crores, up 22%. EBITDA margin improved by 60 bps to 30.8%. Profit after tax was 109 crores compared with 92 crores in H1 FY26, up 18%. PAT margin was 18.2% compared with 18.4% in H1 FY27. Cash PAT was 138 crores, up 19% from 116 crores. ROCE and ROE were at 41.1% and 29.7%, respectively, as of September 30, 2026. Debt to equity was 0.2x and fixed asset turnover was 2x as of September 30, 2026.

Segment revenue for H1 FY27: Healthcare revenue rose to 318 crores from 176 crores, up 81% year-on-year. Consumer revenue was 231 crores compared with 286 crores in H1 FY26, down 19%. Industrial revenue rose to 51 crores from 41 crores, up 24%. That concludes my update. We will now open the floor for questions.

Operator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touch-tone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

Operator: The first question is from the line of Ritesh Shah from Investec. Please go ahead.

Ritesh Shah – Investec: Hi, sir. Thank you for the opportunity, and congratulations on a good set of numbers. I have multiple questions. First, you indicated on TOBI. I wanted to understand how it will widen our TAM. What gives us comfort that it will not decimate our existing product basket? If you could add some comments with respect to pricing and profitability here, that would be great. Lastly, what are the indications besides GLP-1 that it can actually treat? That is the first question.

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Second, you did touch upon emergency auto-injectors, but is it possible to give some timelines with respect to monetization or launch for the on-body auto-injector, which is Mira, and the emergency auto-injector? I think on the last call you had indicated something about the eye applicator as well. That is the second question, with three parts.

The third question is more of a clarification. I think there is news flow with respect to one of the Ministries of Health advising a recall with respect to product impurities, incorrect dose display, and packing errors. I think these are the three variables that have been indicated. However, if one goes into further detail, it does indicate incorrect dose display as well as incorrect dose delivery. I just wanted to have clarification that this does not impact Shaily, and if it does, what impact would it have? Thank you. These are the three questions.

Amit: Thank you. All right. I have to remember all the questions, Ritesh.

On the pipeline, I think we are close to finalizing a customer for the on-body Mira, after which we will have a 14-month timeline to deliver clinical batches. This means the product will be fully design-verified and we will deliver clinical batches. However, we have not finalized the customer yet.

Moving on to TOBI emergency use, we have two active customers for whom we are developing this product. From a timeline perspective, the clinical batches are due by the end of '27, which means that the earliest commercialization, or the start of production, will probably be by the end of calendar 2028.

Now on to TOBI reusable and whether it cannibalizes our existing market: to be honest, I do not think so. There is a place for pens, and there is a place for auto-injectors. The reason auto-injectors are widely used is because they are easy to use, especially when you have fixed-dose therapies. You do not want to go through the process of dialing, putting on a needle, and so on.

The idea behind TOBI reusable is to find a way to give the same user experience with a very significant sustainability angle. At the moment, if you think about it, just between two large players, Mounjaro or Zepbound, and Wegovy, you would be looking at global auto-injector consumption of over 1 billion injectors that end up in landfills every year. To us, increasingly, TOBI reusable is targeted very much at innovator pharma. It is not because there is an innovator that has a reusable auto-injector; it is unlikely that a generic will take it forward.

So, first, it does not cannibalize any of our existing product portfolio.

Second, increasingly, most companies have commitments to cut waste and become more sustainable, along with various EU regulations and global regulations that account for this. We have a very good solution where I think you maintain either the same or possibly higher profitability while providing a very unique solution to the customer. This also gives the customer a differentiated product in the market, because everybody has a two-step auto-injector now.

Does that answer your question on the first part?

Ritesh Shah – Investec: Yes. Is there any timeline with respect to the tie-up for TOBI, or where are we in the process? I think that was one question. I was also hoping for something on the eye

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applicator.

Amit: The eye applicator has now completed qualifications. We should be in supply by the end of this quarter or early next quarter.

Ritesh Shah – Investec: Sure.

Amit: TOBI reusable was launched at CPHI.

TOBI reusable, which was just launched at CPHI, is a product for which we have potentially completed 80% of development. There are still some elements yet to be completed, which we are working on at the moment. However, the early launch was intended to determine whether there was interest in the product. Through the three exhibitions that took place in October, we know there is a lot of interest in the product.

We can find a partner who can then put their stamp on the product in terms of features, functionality, size, shape, and so on. We are looking for a partner. As and when we acquire one, we will provide you with that update.

Now, coming to the product recalls announced by some of our potential customers in various markets:

I cannot comment on the API impurity because I have no expertise in that domain. As far as the label and dose marking are concerned, it is the same problem. Essentially, there is a variant of the pen that had an incorrect label on it. Therefore, the label indicates one dose, whereas the pen is actually for another dose.

This has no bearing on Shaily, and there is nothing attributed to Shaily for this particular recall. It concerns the end parties, essentially whoever is responsible for final assembly, packaging, or distribution, who are being attributed with this particular issue.

Ritesh Shah – Investec: Just to clarify, when the document says incorrect dose delivery, basically there is nothing to do with the device; it is more related to the labeling. Would that be a fair understanding?

Amit: Yes, because the label will state the dose the pen is supposed to deliver, but the pen is actually a different SKU. It is not that SKU. So, there is incorrect labeling on the pen.

Does that clarify?

Ritesh Shah – Investec: Sure. Just a follow-up. That clarifies it. This will not have any impact on our volumes in Q3, Q4, or going forward, if at all?

Amit: No, our demand is strong, and even stronger, to be honest. That is where we are focused right now. We have just installed the {? Neol ?} line, which we are now taking into qualifications next week.

Ritesh Shah – Investec: Sure. I will join the queue again. Thank you so much for the answers.

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Amit: Thank you.

Operator: Thank you. The next question is from the line of Harsh Shah from JM Financial PMS. Please go ahead.

Harsh Shah – JM Financial PMS: Hi. Thank you for the opportunity. I have a couple of questions. Amit, could you give us some color on the kind of feedback we may have received from the trade fairs in which we participated recently? What I am trying to understand is whether there is something that potential customers are asking from us that we do not currently have, perhaps related to a specific therapy or anything else.

Amit: I think I have mentioned in one of my previous calls that there are about 60-odd GLP-1s under development for various indications. Eventually, all of them, or 80% of them, are injectables, which means they will end up in either a pen or an auto-injector.

A two-step auto-injector is a two-step auto-injector whether you buy it from us, one of our competitors, or anyone else. There is no differentiation, and after single use, they end up in landfills. [laughs]

The reason people like it is because it is very easy to use. You only have two steps: basically, pull the cap off and inject, and you are done. We wanted to maintain the same usability but offer a differentiated solution, along with something that addresses the very significant cost associated with cold chain and with the amount of material being disposed of.

If you look at the size of one pack of auto-injectors, we could put four pods in the same size. Essentially, if it is a once-a-week therapy, then your cold-chain costs are reduced to 20-25%.

Harsh Shah – JM Financial PMS: I see. How was the overall feedback at the trade fairs?

Amit: Very high. The feedback has been very good. In fact, we had subsequent meetings with potential customers to showcase the product on a one-to-one basis.

Harsh Shah – JM Financial PMS: Okay, understood. Secondly, if I circle back to your previous conference calls, the latest annual report, and the AGM, there seems to be a lot of confidence regarding an innovator that you would probably secure. What I am trying to understand is, at what stage of discussion are we with the innovator? Is it safe to assume that by the end of calendar 2027, we could have one or two innovators onboarded?

Amit: That is where all the efforts are focused. The conversations are also good. We are participating in RFQs and doing as much outreach as we can. I am fairly confident that, yes, by the end of calendar 2027, we should be able to secure one or two innovators. Having said that, when you secure an innovator, the revenue is not going to start flowing from 2028. It is going to be a 3- to 4-year journey before you see revenue flowing.

Harsh Shah – JM Financial PMS: Thirdly, I was going through your last three annual reports. There is a clear mention of aerospace and defense as a tangible opportunity for us. I am aware that your hands are full and that you have a lot to do, but as a clarification, are we looking into these segments, or are we indirectly supplying some high-precision components?

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Amit: I think we have been indirectly supplying some high-precision components for quite a long time. However, have we made any headway in aerospace and defense? The answer is no, we have not.

Harsh Shah – JM Financial PMS: Understood. Just one last question before I return to the queue. On the consumer electronics segment, are we engaging in discussions with other potential customers as well, or is the current focus on ramping up with the customer who gave us five components?

Management: Harsh, if you look at the last two conference calls, what we said was that we were working with one customer, we were adding five components with another customer, and we would look at other customers as we ramp up that business.

Amit: We already have two customers, and we are in the process. We cannot make any disclosures in terms of customer names and so on, but we are working with multiple potential customers to scale up the business.

Harsh Shah – JM Financial PMS: Just a follow-up on this: is there a possibility that our capex for consumer electronics at the start could be in excess of 100 crores? You did mention that the minimum would be 100 crores, but is there a possibility of doing even more at the start?

Management: Harsh, it is a little too early to talk about it.

Amit: Yes, I think it is a little early. Second, looking at all the discussions we have had, I think 100 crores still makes good sense. Whether 100 goes to 120 or 80, I do not know, but it is going to be around that level.

Harsh Shah – JM Financial PMS: Sure. That is it from my side. Thank you.

Amit: Thank you.

Operator: Thank you. The next question is from the line of Vineel Shah from Dalal & Broacha. Please go ahead.

Vineel Shah – Dalal & Broacha: Thank you for taking my question, and congratulations on a good set of numbers. My first question is regarding the healthcare group. Last quarter, you indicated that FY27 volumes could exceed 36 million pens, and now that we are seeing good growth and our internal bottlenecks are also easing, do we wish to revise our

Vineel Shah – Dalal & Broacha: guidance? Is there a further higher speed or higher rate of growth that we are expecting there, especially?

Amit: I think we will exceed the guidance. How much we exceed it by, I have no clue. The short answer is that we are not in a position where the pressure on ramp-up has eased off. It is easing off, but it has not eased off, so it is still a work in progress. Perhaps by the end of this quarter, when we have our next call, we will be in a better position to answer that question.

Vineel Shah – Dalal & Broacha: Okay, sir. Just one clarification. The capacity expansion that we are carrying out for pens shall be ready by the end of FY28. Is my understanding correct?

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Amit: Correct.

Management: Yes, you are right.

Vineel Shah – Dalal & Broacha: My other question was related to our other expenses for this quarter. They have risen 45% QoQ. Is this because of a change in revenue mix, or is there some one-off expense or operating expense that we are incurring ahead of the new capacity expansion? Can you give us some color on this?

Management: Could you repeat your question? We lost your voice in between.

Vineel Shah – Dalal & Broacha: I was saying that our other expenses for the quarter have risen 45% QoQ. I wanted to understand whether this is because of a change in the revenue mix, or whether there is some one-off cost or a specific operating expense that we are incurring ahead of the new capacity. I wanted to understand what the recurring cost base will be going forward.

Management: Other expenses basically include a host of expenses. There would have been some one-off cost incurred, but if you want to compare it against the last quarter, there is a change in the business mix, for which higher expenses would have been incurred during this period. So, it is a combination of one-off expenses and some increase in expenses.

Vineel Shah – Dalal & Broacha: Would you like to quantify the one-off expense, sir?

Management: I do not think I will be able to quantify that currently.

Vineel Shah – Dalal & Broacha: Okay, sir. Fine. Thank you. I will join the queue again.

Management: Thank you.

Operator: Thank you. The next question is from the line of Akhil Parekh from 360 ONE Capital. Please go ahead.

Management: [off-mic discussion] I remember that that quarter was quarter one, quarter two.

Akhil Parekh – 360 ONE Capital: Thank you for the opportunity. My first question is on capacity. By the end of FY28, with this 25 million pens capacity, when should we start expecting commercial sales from it?

Management: Commercial sales for which capacity?

Akhil Parekh – 360 ONE Capital: The 25 million pens capacity that we are adding.

Amit: It starts qualification next week. If all goes well, we should be in a position to start selling from that capacity in December.

Akhil Parekh – 360 ONE Capital: Okay, sir. Second, in the consumer segment, is it fair to assume that we have bottomed out in terms of quarterly revenue and that, from here, at a bare minimum, we should see what we delivered over the last two quarters and perhaps grow over that number in subsequent quarters? Is that a fair assumption?

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Management: I think Amit already mentioned that we see that business steadying at a level. We think it will probably remain steady at this level this year, and then, depending on how geopolitics and the global situation play out, we should look at growth next year. We had also indicated, I think, in the Q4 call as well as the Q1 call, that on a net level, the consumer business will remain flat for the current year.

Akhil Parekh – 360 ONE Capital: Understood. I have two more questions. One is on the subsidiaries. If I look at consolidated minus standalone, the subsidiary has reported recurring losses for the last three quarters. How should one read that particular number?

Management: It has been making a loss for the last two quarters. There has been some revenue that we have not recognized in quarter two because, as we had said last time also, some customer confirmations were pending and have not come in. However, on an overall basis for the whole year, we would not have a loss.

Akhil Parekh – 360 ONE Capital: Okay, that is good to hear. My last question is on semiconductor trays and consumer electronics.

Management: Akhil, there is too much background noise.

Akhil Parekh – 360 ONE Capital: One second. Is this better now?

Management: Yes.

Akhil Parekh – 360 ONE Capital: My last question is on the semiconductor trays and consumer electronics segment. Could you give us any ballpark or directional sense of how this business will look a year down the line, in FY28? What numbers can we build in from these two segments?

Management: I think Amit already mentioned in his speech what we are looking at. Giving numbers right now would be a little difficult. However, on consumer electronics, what we are looking at is starting supplies of the five components that we have taken in quarter four, between quarter three and quarter four. On semiconductors, we will start qualification with customers and then start commercial shipments from quarter four FY27.

Akhil Parekh – 360 ONE Capital: If I can squeeze in one last question, with regard to innovators, Amit mentioned that it is a process of 3 to 4 years after approval before we can {? get addition ?}. Is it because innovators want more suppliers as a backup? Is that the reason it might take 3 to 4 years for them to meaningfully contribute to revenue? Or is there capacity build-up happening at the innovator's end, and hence we might see a healthy order over a period of 3 years?

Amit: When you get a chance to participate, it is very unusual that you get a chance to participate in an existing molecule. What you do is participate in a new molecule. When you participate in a new molecule, you are entering at about Phase 2 or Phase 3 of the customer's program. From there, the journey to their own approval is 3 years.

Akhil Parekh – 360 ONE Capital: Sure. Okay. This is very clear. Thank you so much.

Amit: Thank you.

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Operator: Thank you. The next question is from the line of Aman Vij from Astute Investment Management. Please go ahead.

Aman Vij – Astute Investment Management: Good evening, Amit. My question is on the Brazil, Turkey, and Mexico markets. Could you give a rough timeline for the launch of our products in these markets, and what kind of market share we can get there? I believe that in Canada we may have more than 50%, but what about these markets?

Amit: No, in Canada, I think we currently have 100%. I am not aware of any generic player in Canada that is not using our product. We have approval in Brazil. We have it in Canada. We are supplying to multiple other smaller geographies. As far as Turkey and Mexico are particularly concerned, I do not have a timeline, but I would assume that first-mover advantage will follow in those markets as well.

Aman Vij – Astute Investment Management: My second question is that you are increasing your guidance to 36 million pens for this year. What is a reasonable estimate as of now for next year, FY28? Should we assume a figure of 50 million, or should we assume higher or lower?

Amit: It is difficult to answer, Aman. For this year particularly, our second line is starting qualification, and, fingers crossed, everything goes well. However, in terms of what we could potentially do in the current financial year, I do not think we are in a position to answer that in the next call. I hope we can answer it then, but at the moment, we are not in a position to do so.

We will exceed 36 million. I think there is a fair amount of confidence on that. As far as next year is concerned, the number you stated, give or take 15%, is what we are targeting. It could be higher or lower. We do not know again. It is not guidance. Markets are still launching, so at the moment, we only have three markets where the product is launched. We still do not have enough data to comment on what next year is going to look like.

Aman Vij – Astute Investment Management: Thank you for answering the questions.

Amit: Thank you.

Operator: Ladies and gentlemen, in order to ensure that management is able to address questions from all participants in the conference, please limit your questions to two per participant. Should you have follow-up questions, please rejoin the queue. The next question is from the line of Vishal Manchanda from Systematix. Please go ahead.

Vishal Manchanda – Systematix: Hi, good evening, and thank you for the opportunity. Regarding your pen guidance for the year, what percentage of that would be GLP-1 pens, or is it entirely GLP-1 pens?

Amit: No, it is not entirely GLP-1. I think the split at the end of the year is likely to be potentially 70-30.

Vishal Manchanda – Systematix: Is there growth in insulin pens as well, or will the growth largely come from GLP-1?

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Amit: Next year, we should be back on track with insulin. It is a priority issue right now. We have prioritized GLP-1 over insulin, but with the added capacity, we should be in a position to take additional quantities for insulin next year.

Vishal Manchanda – Systematix: Would you have a sense of what percentage of your GLP-1 supplies is meeting domestic demand and what percentage is being exported? How would that be split?

Management: Vishal, when we supply a pen to a customer, it is the same pen for all the different markets. Therefore, we probably would not have a split in terms of what the customer is selling in India and what the customer is exporting.

Vishal Manchanda – Systematix: Okay. Just one final question on semi-

Operator: I am sorry to interrupt you, sir. If you have follow-up questions, please rejoin the queue. The next question is from the line of Bhavika from Niveshaay. Please go ahead.

Bhavika – Niveshaay: Thank you for the opportunity. My first question is on pricing. If I take healthcare revenue per device, it has gone up this quarter to around 168 from the last quarter, which was around 158. I wanted to understand whether this was led by GLP-1 pen prices, because I think in the previous call you mentioned that we were already facing 10% to 15% pricing pressure in the pen. I wanted to understand how we see the price decline happening over the next 2 years, and how much we can absorb while holding the margins that we are currently maintaining.

Management: I will let Amit answer the second part of the question. On the first part, regarding average price, when you look at average price, it is a combination of all the supplies that we are undertaking. There is not one standard price across the different devices that we produce.

At the same time, we used to manufacture insulin on a contract basis for a customer last year, which we are not doing in the current year. That capacity has been replaced by GLP-1, where realization would be higher. That is the reason for the change in price when you look at the average price. Amit, would you like to answer the second part of the question?

Amit: There is pricing pressure. For all the long-term contracts that we currently have in place, price erosion has already been built into those contracts. I am very confident that we will be able to maintain our margins. I would say we will maintain our margins primarily because operating leverage has not kicked in yet.

If you look at capacity utilization, it is at 52%, I believe. Therefore, you have fairly significant operating leverage yet to kick in. Regarding material prices, we do have an indexed mechanism in our pen pricing, under which at least the inflationary increases will be passed on. So, even with erosion at the baseline, you will not have a situation where you end up losing out on your margins.

Bhavika – Niveshaay: Understood. My second question is about the on-body injectors that we are also developing. I think you mentioned in the last calls that we would be able to achieve around $15, 15% to 35% in one device compared with the GLP-1s, with higher realization than the pens compared with GLP-1s, but in volume terms it would be lower, at 1 to 2 million. I wanted to understand the market size. Do we see the market size for these on-body injectors expanding? If I

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look at oncology as an industry, it is progressing quite well. Do we see penetration of these pens increasing, and who are our competitors in this particular segment?

Management: Right now, if I am not mistaken, there are about three molecules on on-body injectors, or three or four molecules on on-body injectors. The one that is going to be targeted by generics is Neulasta. There have also been some recent launches for monoclonal antibodies by Sanofi using the enFuse on-body system. We see therapies increasingly moving toward on-body delivery, but we do not have a clear answer in terms of what that will look like in total volume.

Bhavika – Niveshaay: What margins are we expecting for that category of {? one ?}?

Management: The margins are directly correlated to the volume and the complexity. On-body devices obviously tend to be highly complex, which means that they involve high capex and higher development costs. However, once you enter into supply, the margins should be much higher than those of GLP-1s. This is also because there is a high capex cost upfront.

Bhavika – Niveshaay: Understood. Looking at the current

Operator: I am sorry to interrupt you, ma'am. If you have follow-up questions, please rejoin the queue.

Bhavika – Niveshaay: Okay.

Operator: The next question is from the line of Rupesh Tatiya from Long Equity Partners. Please go ahead.

Rupesh Tatiya – Long Equity Partners: Thank you for the opportunity. Congratulations, Amit, on a very good set of numbers. My first question is about auto-injectors. How do they work with biologics or biosimilars? Are there any programs in which we are involved with such a product?

The corollary to that is whether there are any products in the pipeline that can eventually give us 40 to 50 million in volume, or pen volume, in 2 to 3 years. I know the field is very small. There might be a handful of molecules that can reach 40 to 50 million pens, but are we working on any of them? These are the two questions.

Management: I believe every molecule we are working on in pens and auto-injectors has far higher potential than 40 to 50 million. Just look at semaglutide and tirzepatide. You have 1.5 billion devices potentially being made every year. A significant portion of that volume comes from auto-injectors, not pens, because the US is 100% auto-injectors as far as Wegovy, Zepbound, and Mounjaro are concerned. I do not think the US has a pen for these products yet.

Even today, we are supplying auto-injectors in the Middle East at a volume of, I believe, 6 to 7 million a year.

Rupesh Tatiya – Long Equity Partners: That is for one—yes, I am sorry, perhaps my question came out incorrectly. I am not questioning the potential of semaglutide. I am asking whether there is another new molecule that can become as large as semaglutide. That is essentially the question, whether it is a biologic, biosimilar, or any non-GLP therapy.

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Management: Regarding generics, novel molecules—every novel molecule, especially in the GLP-1 category, has the potential to reach 50 to 100 million at a reasonable level. If we look at generics, you must have read recently that quite a few generic players are now targeting KEYTRUDA. That would be another area in which we participate with an auto-injector.

Rupesh Tatiya – Long Equity Partners: That is good to know. My second question is on the UK subsidiary. If I calculate consolidated minus standalone, the EBITDA loss is roughly 7 crores for H1. Are you saying that we will be EBITDA-positive as well as PAT-positive for the full year? Is that a fair understanding?

Management: Yes.

Rupesh Tatiya – Long Equity Partners: Yes? Okay. Thank you. I will come back to the queue.

Operator: Thank you. The next question is from the line of Raghav Mittal from Dhama Capital. Please go ahead.

Raghav Mittal – Dhama Capital: Thank you for taking the question. I want to ask you, Amit, about your semiconductor trays. From what we understand, there are JEDEC trays, ball grid arrays, tape, and IC tubes. I want to understand the strategy. What kind of products are we going to target? Given the Malaysian and Chinese competitors, how do we position ourselves with customers so that they feel compelled to buy from us rather than from others? Information on the product, pricing, and any volumes that you are targeting would be helpful.

Management: [pause] Raghav, what we are looking at is basically JEDEC trays, tapes, carrier tapes, and wafer boxes. There seems to be some background noise. That is what we would be looking at and targeting.

As we had mentioned in our earlier calls, we have tied up with a Korean partner that is one of the large players in this segment of the market and works with around 150-plus customers globally. Customer acceptance, product acceptance, and everything else should happen much faster because they are replicating in India the manufacturing process they have in their plants in Korea and Taiwan. That is what we would be looking at.

Second, from a pricing perspective, we would be competitive against the other players because these are similar products. Regarding volume, it is currently difficult to provide a figure because it will depend on how the ramp-up in India happens. That will determine the volume.

Raghav Mittal – Dhama Capital: For our products, what do you think is the packaging material that will be preferred by Indian customers? Are we going to supply Indian customers or also export? From what we understand, some customers might be using ball grid arrays and others might be using something else. I want to understand what percentage of their product portfolio we are going to address.

Management: Among the Indian customers, the five players currently coming to India with OSAT and PCAT plants will be using a combination of JEDEC trays, carrier tapes, and other products. When we discuss with them, their product portfolios are also evolving. Therefore, arriving at an exact market size is a little difficult right now.

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The approach is that we are setting up a small capacity to start with. As we start supplying and understand the demand, we will add more capacity.

Raghav Mittal – Dhama Capital: Understood. Regarding the Korean partner, are we going to do contract manufacturing, or is it a royalty arrangement? How does the technology partnership work? Also, just lastly on this segment, do you expect the margins to be similar to your IKEA business, or meaningfully higher or lower? Thank you.

Management: We will currently be doing contract manufacturing and also exporting to them in Korea or Taiwan. From a margin perspective, our view is that it will be better than the average margins in the consumer or industrial business. That is the expectation.

Raghav Mittal – Dhama Capital: Understood. Thank you very much. All the very best.

Management: Thank you, Raghav.

Operator: Thank you. The next question is from the line of Ananya Nichani from Thinkwise Wealth Managers LLP. Please go ahead.

Ananya Nichani – Thinkwise Wealth Managers LLP: Thank you for the opportunity. I have a couple of questions on the consumer business. First, how has the demand weakness been? Has it been market-wide, or has it been limited to the top contributing clients? Second, how are the price pass-throughs being taken? What percentage of price increases and polymer price increases are you able to pass on, and with what lag?

Management: Price inflation is basically passed on with a lag, as we have said earlier on our calls. With different customers, there would be different time lags. With some customers, there would be a lag of 2 months, while with some customers there would be a lag of 3 to 4 months. That is how it works.

Consumer demand in Europe and the US is weak. Amit also mentioned this in his opening remarks. How and when it will improve will depend on how the global situation evolves and how inflation is addressed in these markets. Therefore, it would be very difficult for me to estimate that.

Ananya Nichani – Thinkwise Wealth Managers LLP: Sure.

Management: What I can add is that if you look at the last 4 or 6 quarters, we have been consistently adding newer products in the home furnishings segment. What we are looking at is essentially building up a portfolio and adding more products. As volumes pick up, we can ramp up across different products.

Ananya Nichani – Thinkwise Wealth Managers LLP: Okay, sir. Understood.

Operator: Thank you. As there are no further questions from the participants, I now hand the conference over to management for closing comments.

Management: Thank you very much. In closing, healthcare now contributes 55% of Shaily's revenue and grew 78% year-on-year this quarter, underscoring the strength of this business as our primary growth engine.

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Innovation remains at the core of our strategy. We are extending our proprietary platforms into new therapeutic areas, including emergency use and oncology, while actively pursuing a significant scale-up opportunity in consumer electronics and semiconductors over the next 36 months.

While consumer demand remains subdued in the near term, our strategic priorities remain clear. We will continue to combine engineering ingenuity, precision, and responsible execution to solve complex customer challenges at scale. This is the foundation on which we intend to build Shaily's next phase of growth and create sustainable long-term value for our customers and shareholders.

Thank you for joining today's call and for your continued interest and support. Should you have any further questions, please reach out to SGA, our investor relations advisers. Thank you once again, and have a great evening.

Management: Thank you, everyone. Good day.

Operator: On behalf of Shaily Engineering Plastics Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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