



“Shaily Engineering Plastics Limited
Q2 FY26 Earnings Conference Call”

November 10, 2025

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Moderator: Ladies and gentlemen, good day, and welcome to the Shaily Engineering Plastics Limited Q2 FY '26 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 the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I would now like to hand the conference over to Mr. Amit Sanghvi. Thank you, and over to you, sir.

Amit Sanghvi: Thank you very much. Good evening and a very warm welcome to all the participants to the Q2 and H1 FY26 Investor Call. I have with me Sanjay Shah, Chief Strategy Officer and SGA, our Investor Relations Advisers. I hope you've had a look at our investor presentation that is uploaded on our website as well as the stock exchange.

Let me start by giving some highlights on the operational performance and the business performance in the quarter gone by. In Q2 FY '26, we have delivered strong revenue growth of 34% to INR257 crores on a year-on-year basis, with EBITDA margins expanding by over 1,000 basis points to 31.8%. The growth is attributable to improved traction in our Healthcare segment, which showed a growth of 163% on a year-on-year basis to INR98.6 crores.

The Healthcare segment's contribution to the overall revenue mix has doubled to 38% now. Let me give you a short brief on the overall business updates for Q2 FY '26. Starting with the Healthcare segment, the company actively engaged in global industry platforms exhibiting at CPHI Worldwide in Frankfurt, PDA Europe in Vienna and PODD in Boston, where it conducted over 130 meetings with multiple customers.

The quarter also marked the launch of our next-generation GLP-1 device known as the Shaily Axiom Max. It's a fixed-dose pen with no priming required, low dose force as well as a dose counter, further strengthening the company's device portfolio. In addition, the company also signed four new projects with customers across GLP-1 and other therapies.

As part of its ongoing capacity expansion, 19 new machines have been installed at manufacturing facility during quarter 2 FY '26. We're in the process of increasing capacities from 40 million pens to 80 million pens by the end of FY '26 to cater to increasing demand and are investing approximately INR125 crores for the same in FY '26. Looking forward, we expect Healthcare segment to grow at over 30% to 40% annually for the next few years.

Coming to the Consumer segment, we've been awarded 5 new projects from 3 different marquee home furnishings customers, further strengthening our presence in the consumer segment and reinforcing long-standing customer relationships. In the Industrial segment, we've been awarded 1 new project from an automotive major during the last quarter.

Lastly, on the Consumer Electronics front, as mentioned earlier on previous earnings calls, we are working on a few products, and we expect revenues to begin for this segment in H2 of this

year itself. So, that is all from my side. I shall now hand over the call to Sanjay to give you the operating and financial highlights. Thank you very much. Over to you, Sanjay.

Sanjay Shah:

Thank you, Amit. Good evening, everyone. I shall share with you the highlights of our operational and financial performance of Q2 and H1 FY '26, following which we'll be happy to respond to your queries. During the quarter, we processed 6,652 tons of polymers as against 6,186 tons in Q2 FY '25, a growth of 7.5%.

For the half year period, we processed 13,668 tons of polymers as against 12,088 tons in H1 FY '25, growth of 13.1%. Machine utilization rate stands at about 48% in both Q2 FY '26 and H1 FY '26. We expect this to increase going forward. Exports during Q2 FY '26 and H1 FY '26 stood at 68% and 72%, respectively, of total revenue.

I shall now brief you on the consolidated result highlights for Q2 FY '26. Revenue stood at INR257 crores as compared to INR192 crores during Q2 FY '25, a growth of 34% year-on-year. EBITDA has doubled to INR82 crores as compared to INR41 crores during Q2 FY '25. EBITDA margin stood at 31.8%, an increase of 1,030 basis points over Q2 FY '25.

PAT stood at INR51 crores as compared to INR22 crores during Q2 FY '25, a growth of 134% year-on-year. PAT margin stood at 20%, an increase of 860 bps over Q2 FY25. Coming to segmental revenue breakup for Q2 FY26. In the Consumer segment, revenue stood at INR135 crores as compared to INR139 crores during Q2 FY25 a dip of around 3%.

In the Pharma segment, revenue stood at INR99 crores as compared to INR37 crores during Q2 FY '25, a growth of 163%. In the Industrial segment, revenue stood at INR23 crores as compared to INR16 crores during Q2 FY '25, a growth of 45%. Now coming to H1 FY '26 consolidated highlights. Revenue stood at INR503 crores as compared to INR371 crores during H1 FY '25 a growth of 36%.

EBITDA stood at INR152 crores as compared to INR77 crores during H1 FY '25, a growth of 96% on a year-on basis. EBITDA margin stood at 30.2%, an increase of 930 bps over H1 FY '25. PAT stood at INR92 crores as compared to INR39 crores during H1 FY '25, a growth of 135% on a year-year basis.

PAT margins stood at 18.4%, an increase of 780bps over H1 FY '25. Cash PAT for H1 FY '26 was reported at INR116 crores as compared to INR60 crores during H1 FY '25, a growth of 94%. Our ROCE and ROE stood at 42.3% and 32.7%, respectively, as on 30th September 2025. The growth in business has been achieved with disciplined use of capital. Our debt to equity stands at 0.3x and our fixed asset turnover ratio stands at 2x as on 30th September 2025.

Coming to segmental revenue breakup for H1 FY '26. In the Consumer segment, revenue stood at INR286 crores as compared to INR271 crores during H1 FY '25, a growth of 6%. In Pharma segment, revenue stood at INR176 crores as compared to INR65 crores during H1 FY '25, a growth of 171%. In Industrial segment, revenue stood at INR41 crores as compared to INR35 crores during H1 FY '25, a growth of 17%.

Board of Directors of the company have approved grant of 94,500 stock options to eligible employees of the company under the Shaily employee stock option plan. This reflects the company's continued commitment to recognizing and rewarding employee contribution while also aligning the interest of employees with long-term shareholder value creation. That is all from our side. Now we can open the floor for Q&A.

Moderator: Thank you very much. We will now begin the question and answer session. We take the first questions from the line of Rupesh Tatiya from Long Equity Partners. Please go ahead.

Rupesh Tatiya: Congratulations on fantastic set of results. My question is, sir, recently, Dr. Reddy has got notice of noncompliance for their AND for semaglutide in Canada. I mean, without going into whether they are your customer or not, I mean, I'm not sure, do you -- and I think Dr. Reddy was one of the very early filers of semaglutide in Canada. So, without going into whether they are our customer or not, do you feel that the Canadian launch now is pushed forward from, let's say, January '26 to maybe April '26 or even later? Is that how -- any comment on that?

Amit Sanghvi: Look, I think our customers are the closest to the authorities in terms of understanding what's really happening at the moment. But having said that, I have 2 comments. One is that Shaily as a company and a strategy has onboarded a majority of the generics for their GLP-1, especially semaglutide, which means if a particular customer does launches on time or not, someone is going to launch and hoping that we are with them when they launch.

So, I think our risk is fairly covered from that perspective. Now again, we're not saying Reddy's are our customers on their program or not. What we're saying is that we've done this program with several generics, generic majors who have -- also several of them have filed in Canada. So, we are hoping that we will still be the beneficiary of that launch.

Whether the launch gets pushed out, I think January launch was always very difficult given that patent expiry in India itself is March. So, we had always planned our launch program based on a March launch in Canada. Now, if a customer launches in January, great. We're very, very happy for them and for our partnership. But I think we had always anticipated a March launch.

Rupesh Tatiya: Okay. So given this -- I mean, I think I was going through Sandoz con call also, and I think they are also very tentative about Canada approval. So, given this industry backdrop, do you feel that whatever budget we had to sell semaglutide pens in all the markets, do you feel -- is there some impact on that or whatever is our budget that number still holds?

Amit Sanghvi: Our budget still holds. So, we have started manufacturing and supply, which means given there's no adverse market condition or health authority conditions, our budget should still hold.

Rupesh Tatiya: Okay. And any -- I mean, I don't remember if you have given a guidance, but what is the guidance for total number of pens and then GLP pens in particular in that for FY '26?

Sanjay Shah: So, Rupesh, we have not been giving any guidance. As Amit mentioned earlier, majority of the people who have filed in Canada have filed with Shaily's device. So that's where we would leave it.

- Rupesh Tatiya:** Okay. But -- okay. And sir, this -- I think one line of 25 million, I think, was going to come online by Q2. So, has that line come online? And how is that line doing in terms of efficiency and other things?
- Amit Sanghvi:** The line has -- sorry, go ahead, Sanjay bhai.
- Sanjay Shah:** Yes. So, Rupesh, on the line also what Amit had mentioned last time on the call is, the line would basically be operational by end of Q3 of FY '26. As part of that, we have installed 19 machines, which is what we have announced post the Q2 earnings. Amit, you want to add something.
- Amit Sanghvi:** No, I was just going to say the line will -- I was going to say the same thing. The line will be operational shortly. So, it's under -- yes, there's a process to do before the line becomes fully operational. It will be shortly from now.
- Rupesh Tatiya:** Okay. And then the final question, sir, is on Consumer Electronics side, where -- I mean, any update, progress in terms of product developments, qualification, all that? And can we see some commercial supply or let me ask this, can we see...
- Amit Sanghvi:** No. I mean I mentioned we'll start commercial supplies in the -- in H2 of this financial year, which means that, of course, we've done development work.
- Rupesh Tatiya:** And would it become significant next year to our revenue?
- Amit Sanghvi:** No.
- Moderator:** We take the next question from the line of Harssh Shah from JM Financial PMS.
- Harssh Shah:** Firstly, congrats on a strong execution. A few questions from my side. So firstly, on the gross margin front, especially on a stand-alone basis, if you could help us understand what has led to such a sharp improvement on a sequential basis? I understand that the healthcare revenue has been doing very well for us.
- But even if I look for the last three quarters on a sequential basis, the healthcare revenue has been growing in excess of or close to about 30%-odd. Some color on gross margin would be very helpful and whether these gross margins are sustainable? Yes, that's my first question?
- Amit Sanghvi:** So, 2 -- So Sanjay bhai, you want to take it? Go ahead.
- Sanjay Shah:** Yes, Amit. So, Harssh, if you look at our gross margin improvement, we have been saying that as our own IP-led pen platforms, the revenue starts increasing, you will see improvement in gross margin. That's one of the reasons why there has been an improvement in gross margins. We have also added some products on the other parts of the business where our gross margins are better.
- So, it's a combination of these 2 factors, which has led to an improvement in gross margin. Our take is that the gross margin improvement, which is happening will continue to happen. You should -- a lot of it will also depend on the product mix which we do during that quarter. But

our take is that as our own IP-led pen platform's revenue increases, you would see improvement in margins.

Harssh Shah: Got it. Secondly, any update on the Dubai subsidiary in terms of what our plan is considering that we have sanctioned a loan of INR8 crores for capex and some other requirements, something on that front?

Amit Sanghvi: So, we are increasing the breadth of our innovation services. So, apart from just doing the engineering work that we do in the U.K., we're increasing it from a service perspective, servicing customers for assisting with filing, with assembly setup, with testing setups. So, it's going to be for some time a service-led -- innovation service-led kind of business, primarily targeting the Middle Eastern market, Middle Eastern and Asia Pac market from here.

Harssh Shah: So any plans of setting up a capacity there maybe?

Amit Sanghvi: Not sure at the moment.

Sanjay Shah: So, Harssh, we would advise that at the right time.

Harssh Shah: Sure. Got it. And lastly, on the Consumer Electronics segment, right? So last time, if I remember it correctly, Amit sir did mention that we would like to apply for the turnover-based incentive scheme in the component manufacturing. And I believe the deadline was somewhere around 30th of September for target segment A, B, C and E. So, have you applied for that? Or how is it?

: Sanjay Shah So Harssh, from the components which we are doing, you would not have qualified for A,B,C. We will basically be looking at it separately and making an application once we have clarity on that.

Harssh Shah: Got it. Okay. And just last one question from my side. So, in the consumer segment, wherein you have won recently the new -- three new marquee customers, right? So, the scale up or probably the revenue, when should one expect to start flowing in the P&L?

Sanjay Shah So, first, there are not three new customers. These are existing customers. One is a long-term customer with whom we have been doing business; two are customers with whom we have started doing business in the current year. We have just added new projects with them. Most of these projects would have a project execution time of about 6 months to 8 months before we start supplies.

Moderator: We take the next question from the line of Ritesh Shah from Investec.

Ritesh Shah: Congrats on a good set of numbers. A few questions. Amit, the first question was on concentration risk. I think you partly addressed to it. But hypothetically, say, if I'm a customer and if I face several delays; one is, does the customer, which is me, still continue to procure the pens or the devices from you given I would presume this is not just-in-time inventory. So that's the first question.

A second related one is, if I'm your customer, do I have that flexibility to use the same device in other EMs? So, is the concentration of device something similar, which makes it fungible? That's the second thing. And the third thing is if the second option is fungible...

Amit Sanghvi: Hello? Am I audible?

Ritesh Shah: Yes, you're audible, Amit.

Amit Sanghvi: Okay. Yes, Ritesh, so customer concentration risk, really, we sell a product or maybe two products for semaglutide. We don't just have 1 customer on a particular platform. And there is -- and therefore, we have also built the capacity needed so that we can maximize market opportunity. Even if one capacity is less utilized versus the other, we can maximize in terms of achieving our full potential for the projections we have.

I really don't see a very significant risk. And plus, our contracts would also be covered with committed volumes. If not committed volumes, there would be a sort of a pay process, right? So, a take-or-pay. Now not that we don't want to support our customers. We're -- in their time of need, we are very happy to extend support, but it has to be reasonable support.

So, capacities are limited when it comes to GLP-1, especially in the launch period, which means that those who want to get ahead of the market and secure their supplies, not miss out on the opportunity, will need to commit to capacities and have committed to capacities. And as far as supply chain is concerned, we have common materials across all our platforms. So, diverting one material to another platform is very easy to do.

Ritesh Shah: Yes. So, I just wanted to understand, so, hypothetically, if there are any regulatory risk -- delays which are there, does Shaily's dispatches get impacted? Or is it the customer is okay to stock it given eventually the demand will be there?

Amit Sanghvi: It's too detailed question. I mean it depends on the scenario. If a customer is going to get delayed by 12 months or 14 months, then they have the issue of...

Moderator: It seems like the line for the management has got disconnected. Please stay connected till I rejoin him. Thank you for waiting patiently, the management's line has been connected. You can proceed with your answers sir.

Amit Sanghvi: What did you hear last, Ritesh?

Ritesh Shah: Yes. I think you said this is too complicated a question or too detailed a question, something of that sort.

Amit Sanghvi: No, no. So, what I said after that was...

Ritesh Shah: I think we lost you over there, sir. Hello?

Amit Sanghvi: Sorry. I don't know. There is something wrong with my network today. What I was saying is that if a customer is going to get delayed by over 12 months, for example, then what would happen is that supplies will need to be delayed because they will not have enough shelf life

when they put the product on the market. But if it's -- if we're talking about a few months, a quarter here and there, it doesn't really impact supplies because everybody needs to do the volume built up for the launch.

Ritesh Shah: Right. Sir, the question over here is if say, hypothetically, the delay is 12 months, will we use the flexibility to supply the same device given we have de-risked ourselves given we supply to multiple companies?

Amit Sanghvi: Of course, of course, of course.

Ritesh Shah: Okay. That helps. My second question was, you indicated that we move from 40 million to 80 million devices by end FY '26. Just wanted to have a sense on how does the insulin pens stack up on the overall scheme of things, given incrementally our focus will be on GLP-1?

Amit Sanghvi: So, look, we're looking at potentially somewhere around 12 million to 15 million insulin, not more at this point. It's all a scale-up on GLP-1.

Ritesh Shah: Okay. And would it be possible to bifurcate between pens and auto injectors..

Amit Sanghvi: Not at this point. At some point in the future, yes; but not at this point.

Ritesh Shah: Sure. That helps. And the last one, I think you alluded to the opportunity on Consumer Electronics. Can you highlight what is the scope of opportunity over here? Like, you did indicate that the revenue is not going to be material enough next year. But if you take a 3-year, 5-year view, how should one approach this particular segment?

Amit Sanghvi: Your guess is going to be as good as mine in terms of what we actually do on consumer electronics. But look, there is very significant growth opportunity there. And the scope is also very significant. So, it could be a \$20 million business or could be a \$100 million business, I really don't know, but it can be very substantial.

Ritesh Shah: Sure. And just a follow-up, sir, what is the moat in this particular business that we have? So GLP-1, we understand, but Consumer Electronics, is this something which is very, very niche to what Shaily has offered the vendors wherein we actually stack up right at the top?

Amit Sanghvi: I don't think there is another plastic component manufacturer -- domestic plastic component manufacturer that can achieve the requirements. The precision requirements are exceptionally stringent in this industry. So it would be -- yes.

Moderator: We take the next question from the line of Vivek Gautam from GS Investment.

Vivek Gautam: Congratulations on best yet numbers, sir. I have recently started tracking the company, so don't mind, sir. So, one thing is about the Chinese competition for our pen segment. And second is any threat and oral medicine threat for the GLP-1, sir?

Amit Sanghvi: I think on orals; I answered it during the last couple of earnings calls. So far, there isn't an oral which is as effective. Second, because -- primarily because the requirement of API is

exceptionally high and the availability -- the bioavailability of the molecule is very, very, very low, 1/10th -- less than 1/10th of the injectable.

Is there a market going forward? Yes, there's always going to be a market for orals, but we think it's going to be limited to 25%, probably a max of 30%. Again, even if orals do come in, they're not going to be -- they're primarily going to be marketed by the innovators. So, price point affordability and the ROW market opportunity that we're seeing for semaglutide right now is not something that will go away, right? So that's on the oral.

Chinese competition, I mean, look, there's five knockoffs of the Ypsomed, Uno Pen and the BD Pen in China. They're doing some small volume business in China itself, nothing outside -- not a whole lot outside of China, but you will always find some markets, right, potentially markets like India, Bangladesh or some other APAC markets where the patent regime is not so strong, intellectual property regime is not so strong, where they can sell their products.

There is a market for everything on GLP-1s, right from bottom of the barrel in terms of price and quality to basically selling the Rolls Royce of GLP-1s. So, I think we shouldn't worry too much about Chinese competition. At the same time, we need to scale up, because Chinese are exceptionally good at what they do and they can catch up in a relatively short period of time. So, our strategy to mitigate China is to scale up the business as much as possible, become large enough so that you cannot be uprooted.

Vivek Gautam:

And sir, our product demand for the healthcare is spread out over many, many countries and the patent is expiring in many countries. So, the opportunity size for us remains very, very large. And I would like to, once again, congratulate you for your stupendous progress starting from 2 injection molding machines to this stage, and it's been a great progress sir.

Moderator:

We take the next question from the line of Anant Jain, an Individual Investor.

Anant Jain:

Congratulations on a great set of numbers. Amit, my first question is on, what are our Middle East plans? Because from what I understand is, the regulations there say that if you have to sell in Middle East, you have to set up factories over there. So, can you just answer this, like how - - what are we planning to do in the Middle East?

Amit Sanghvi:

Anant, I just answered that question on an earlier one. It's that at the moment, the Shaily Innovations FZCO has a primary objective of providing services around people's clinical batches, filing strategy, testing setup because there's lot of companies that have never done this before. So, assistance and service around assembly setup, how to do the final assembly.

How to get the cartridge filling right, how to do testing of the pen or the final product for batch release. So, these are the services we are going to provide out of Shaily Innovations FZCO, primarily to start with. We will also do some design work or R&D work in the future. But this is what we're doing to start with, particularly focused on Asia-Pac, South Asia and Middle East market.

Anant Jain:

So, we don't have plans for setting up any factories and doing large capex there in Middle East, Abu Dhabi, Dubai, anywhere?

- Amit Sanghvi:** As and when we have plans and something is concrete, we will be informing the market.
- Anant Jain:** Great. Second question is on the Consumer business. What we have seen is it's stagnant. And is it because of the tariffs? Or do we -- and do we expect growth for this year in this business?
- Sanjay Shah:** So, Anant, if you look at H1, the Consumer business has grown. And I think on an overall basis, you will see growth on the Consumer business. We have said this in the past also that there will be varying growth numbers across different segments of the business, with the Pharma business growing at the fastest and then Industrial and the Consumer because the base of the consumer business is pretty large. So that's what we would look at.
- Currently, we have not seen much impact of tariffs because the tariffs came in, I believe, sometime in September -- end of September sort of a thing. So, we are not seeing much impact of tariffs. But how will things pan out is something which can -- we do not know right now in terms of how it will look in the future.
- Anant Jain:** Okay. One question on the Consumer Electronics side is, what we are seeing generally is that most of the companies who plan capex on the consumer electronics side, the large vendors actually expect them to do capex in and around, let's say, Bangalore, Mysore, that belt. So, are we planning a capex in that area? And how significant could be or any -- and also anything on the product approval and capex plans on this?
- Amit Sanghvi:** So, Anant, I think on the Consumer Electronics also, when we have something more definitive to share on our capex plans, we will certainly inform the exchange. But essentially, you're right that for sizable business opportunity, capacity will need to be created somewhere in the region where this business actually exists.
- Anant Jain:** Okay. Great. Last question from my end. One is, you said that we are partners with most of the players in Canada. So, like what I see is there are 6 players who are registered in Canada. So, like are we partners with 4 or 5 of them? Is that like...
- Amit Sanghvi:** I'd say we are partnered with 50% to 60%.
- Anant Jain:** Okay. Last question, just last question. Any new industries that we are targeting in the next 1 or 2 years, is there anything interesting we're doing in any other industries, which is as high tech as what we have been doing in the Consumer Electronics side?
- Amit Sanghvi:** I think we mentioned semiconductors last time on the last call. So, we are building a strategy around the semiconductor business and where Shaily can participate with what specific products. And some discussions are slightly more advanced. Some are slightly more nascent. But again, as and when we have more to report, we will.
- Anant Jain:** So, we have identified the products here in semicon industry, I would assume we have, right?
- Amit Sanghvi:** Some products we have, yes.
- Moderator:** We take the next question from the line of Vishal Manchanda from Systematix.

- Vishal Manchanda:** My question is, with respect to EBITDA margins, can we expect them to sustain at similar levels in FY '27?
- Amit Sanghvi:** I believe so. I believe so. And I would go as much as saying that, look, if our Healthcare business is scaling and becomes a bigger part of the overall revenue, then the potential is to increase, certainly to increase.
- Vishal Manchanda:** Okay. On the Healthcare business, if you could share how many players we would have partnered for pen? Just the numbers, number of players you would have partnered?
- Amit Sanghvi:** Just on GLP-1s, we would have close to 24 -- 23, 24 partners, if I'm not mistaken. And the extended partnership, because our partners also have partners, right, multiple partners. So, the extended partnership would be very, very significant.
- Vishal Manchanda:** Yes, I got it. So, basically, an Indian company having a partner abroad in a different territory.
- Amit Sanghvi:** Yes, Indian company, European company, American company, all have multiple partners.
- Vishal Manchanda:** And with respect to the Consumer Electronics business, if you could share some color on when the commercial revenues can begin? And what would be the initial capex you would look to do here?
- Amit Sanghvi:** Too soon. I mean, we will start supplies in the second half, which is between now and March. Now what's the revenue? We don't know. But it's not going to be a very significant number, I can tell you that.
- Vishal Manchanda:** Okay. And existing -- you don't need to do any incremental capex for this business. It will be done out of existing capacity?
- Amit Sanghvi:** Small marginal capex -- yes, for the revenue, it will be existing capacity, but there's some small marginal capex will always be needed, some automation, some tooling, something or the other, but nothing major.
- Vishal Manchanda:** Okay. And just this pen that you have introduced in the market, the Axiom Max pen, is this meant for GLP-1s or it is meant for other drugs on them?
- Amit Sanghvi:** No, our primary target is next-gen GLP-1s with innovators in mind. I would urge all of our investors to go on to LinkedIn and see the posts of the Axiom Max. It has been very well received at the conferences, and we're hoping that we will be able to onboard a large global pharma for their next-gen GLP-1 program.
- Vishal Manchanda:** So, how would this be like better than the existing pens that are used for GLP-1s?
- Amit Sanghvi:** So, the existing pens are pens kind of improvised for GLP-1s. If you look at most GLP-1s, they're fixed-dose therapies, yet still go into a multi-dose or variable dose pen. So, the Axiom Max has three, four major advantages. First, it's a true fixed dose, which means a user cannot dial anything else, but the dose that is intended so which means there's an under dose prevention, overdose prevention.

We found through research that over 96% of users don't prime the device before first use. And when you -- of course, when you don't prime, you are going to under dose. So we have taken the priming out of the device. Our device is good to go dose accurate from the first dose itself. One does not need to prime.

And lastly, that it has a -- a lot of these are once-a-week therapies and new therapies that are coming out are going to be once a month therapy. So, it's not very easy for the user to track how many doses they have taken, when will the pen -- when will it complete and when will they need to order a new one or get a new one.

So, we put a dose counter in it. And the dose counter really helps with understanding that what is left, when should you reorder, etc. I don't know if there is a way for me to post the -- Chorus people, is there a way to post a link somewhere? No.

Moderator: Hello, sir, yes...

Sanjay Shah: We'll share the link share on our website.

Amit Sanghvi: Okay, great. Alright.

Vishal Manchanda: And is there also some advantage in terms of lower force? Is that also an advantage here?

Amit Sanghvi: Force is -- I mean, the total extension is very, very low. We're looking at about 26-millimeter total reach. So, if you consider, let's take one of our competitor devices and semaglutide as an example, then most of our competitor devices will be dialed up to something between a 42 and a 50 millimeters in terms of length. So, it's a very tedious process to actually inject it. So, our extension for the thumb is half of that. And the force is low, of course.

Moderator: We take the next question from the line of Het Shah from Dalal and Broacha.

Het Shah: A couple of questions from my side. Firstly, sir, what would be the GLP-1 versus the non-GLP-1 split? And within that, the exhibit and the commercial batch split? Secondly, a bit more clarity on the current capacity of the pens as on H1 FY '26. Fourthly, the U.K. subsidiary, which probably had a run rate of about INR20 crores a quarter for the past two quarters, do we expect similar run rate forward? Yes, these are the questions from my side?

Sanjay Shah: So, Het, I think we don't give the split between GLP-1s, non-GLP-1s or a mix of what we do between exhibit batches and commercial supply. So, it will be difficult for us to give that. The capacity, I think Amit also mentioned in his initial part of the speech when he started the call that our current capacities are around 40 million, and we are expanding it to 80 million.

So, the expanded capacity -- part of the expanded capacity is coming on stream in quarter 3 and part of it by end of first half of quarter 1 FY27. Again, we don't give any guidance, so it will be difficult for me to tell you what we will be looking at for Shaily U.K. or Shaily Innovations U.K.

Het Shah: Okay. I mean -- and sir, just a rough estimate, ballpark number on the run rate, that would be fine?

- Sanjay Shah:** Het, as I explained that we don't give guidance. We don't give that would not be possible for us to do that.
- Het Shah:** And of the 4 projects that have been signed across the GLP-1 and other therapies, if you could give a number on how many are for GLP-1?
- Amit Sanghvi:** So, we've got two different molecules for an emergency use. The rest of them are GLP-1s.
- Het Shah:** And sir, lastly, the Canada commercial batches have started, correct?
- Amit Sanghvi:** Yes.
- Moderator:** We take the next question from the line of Aman from Astute Investment Management.
- Aman:** My first question is on Shaily U.K. part. So, we have added lot of senior people in our team over the last 6 months to 1 year and some big consultants also. So, could you talk about, as of today, how many projects we are doing actively? And what is your vision for this division over the next 2 to 3 years?
- Amit Sanghvi:** All right. So, look, so far, we've been taking on several projects a year, ranging from maybe 4 to 5 to peaking at 12, 13 in a year. And this has primarily been with the generic opportunity for GLP-1 and insulin. Going forward, we are looking at increasing the complexity of our innovation, especially drug delivery.
- So, apart from the next-gen GLP-1 device that we just launched at PDA, we're looking at potentially participating in the insulin delivery using patch pumps. We're looking at some complex drug delivery using our Lira on-body injector. Now these will become multiyear engagements with the customer.
- They will not be -- they will not follow the generic model where we take on multiple customers on the same platform for the same molecule. These will be -- they will tend to be a little bit more exclusive and have a multiyear engagement where our teams are deployed for really penetrating into the global pharma, large global pharma innovator molecules kind of business. So that's sort of where the focus is. Will we continue to generate the same type of revenue that we are doing in U.K.? I am fairly confident that's going to also continue to increase. I don't know if that answers your question.
- Aman:** Sure. That helps. So, on the recent conferences that you have attended, so you mentioned 130 meetings. I don't know if you even remember, but is there a like-to-like remember for the last 1, 2 years? I just wanted to understand, has this scale with we adding a lot more devices or normally this 130 number is there? And also, were these meetings mostly for our new Axiom Max device or most of the meetings were still for say, generic platforms, which we already have?
- Amit Sanghvi:** So, because Axiom Max is such a focus area for us, we had 18 meetings for Axiom Max. The rest of them were for our other platforms. Some of our other platforms like the Neo spring-

driven pen are also devices that are being discussed with innovators. But Axiom Max, of course, had 18 meetings across 3 exhibitions.

Aman: And this 100, 130 overall meeting, is this a common phenomenon for Shaily or has there...

Amit Sanghvi: No, no. No, it's not. It's not. It's not. Last year in Milan and this year in Frankfurt, last year, we probably did 80 to 90 meetings. This year, we did 130. But the number was before that, probably half of that.

Aman: Sure, sir. And my final question is on the generic launches. So, one is obviously Canada, but say, Brazil, India, Turkey, these big markets are also coming up. So, I believe somewhere in quarter 1, the patents are going off patent. So, is there any impact of delay because of delay in Canada and the same authority sharing their files across various geographies? That is number one question. And number two question is, Canada, you talked about 50%, 60% market share, but say, Brazil, Turkey, India, these are other 3 big markets. Roughly, if you have an estimate for market share in these?

Amit Sanghvi: It's difficult. I know India, I can comment. I think India, we have a fairly dominant position. But I would assume that those who are doing India, Canada, Saudi will be the same folks, along with some regional players in markets like Turkey and Brazil, right? I believe we would still have a single dominant position. So, single -- still the single largest supplier of devices, but I don't know if it will be 50% plus or it will be 20%, 30% or 40%, to be honest.

Aman: And the first question on timelines for the launch in other markets, does it have any impact if, say, Canada delays for everybody, then -- does it have any...

Amit Sanghvi: No, Canada has no impact on any of the other markets.

Moderator: We take the next question from the line of Ankit Gupta from Bamboo Capital.

Ankit Gupta: Congratulations for a great set of numbers and the response we have received from various conferences, including CPHI. Sir, on the breakthrough on the innovator company side, as you are seeing the kind of response Axiom Max has received. So, let's say, over the next 1, 1.5 years, do you think we can -- given what visibility we have or the discussion that we are having with some of the innovator companies, we can have some breakthrough with this innovator companies and we can start supplying commercial orders to them?

Amit Sanghvi: No, commercial orders, yes. Can we have a breakthrough? Absolutely, we think we can have a breakthrough. We cannot start supplying. When innovators take on a device, their program launches are typically going to be 3 to 4 years hence. So, innovators start very early on in their pipeline with the evaluation and the finalization of a device.

I don't see Axiom Max being on the market for 3 years -- for the next 3 years, but it's not about the 3 years. It's about getting the right partner to work with where your scalability could be in potentially 100 million-plus devices. That's the whole opportunity.

- Ankit Gupta:** But let's say, for the new programs, I understand, but let's say, adding a pen or replacing some of the existing suppliers by our pen, is that possible in already launched, commercially launched products of the innovators?
- Amit Sanghvi:** If the innovator has adequate margin and not on cost pressure because there's a lot of R&D work that have gone behind it. So we don't intend to sell it at a cost plus. So, if an innovator is using it as a strategy to increase their market share, then sure, it can. If not, we would also be careful about where we participate with the Axiom Max. We need to make sure it's going to be a very large scalable molecule.
- Ankit Gupta:** But for other products like Neo or other spring-driven devices of ours?
- Amit Sanghvi:** Neo has already got plenty of opportunity, and it's -- the traction is only increasing. So Neo, we don't see an issue.
- Ankit Gupta:** And on the innovative side as well, like we have some plans -- like we have...
- Amit Sanghvi:** We have traction. I just answered that to the last participant.
- Ankit Gupta:** Sir, on our own insulin device that we do, how do you see scale up happening there? Should we expect our own devices should do well this year or at least going forward in FY '27?
- Amit Sanghvi:** Yes, our own devices will do well, even for insulin.
- Ankit Gupta:** And how do you see volumes ramping up there? Any -- if you can share some expectations on the scale-up happening there in FY '27.
- Amit Sanghvi:** Most companies globally in diabetes are not focused on the insulin bit right now. So you have to allow this launch phase to pass, then people will start looking at the insulin program with some level of focus. So whether it's FY '27 or FY '28, I don't know. But at the moment, every customer we speak with potential or existing is focused on the GLP-1.
- Ankit Gupta:** Sure. And sir, on the new industries, that is primarily Consumer Electronics and the discussion that we are having on the semicon side. So, when do you expect these two segments to become -- scale up significantly, given how things are shaping up on the healthcare and GLP side? Do you think '28, '29, this can start contributing meaningfully, as you have said, '27 looks -- it will scale up, but given how healthcare is scaling up, it will still be a lower proportion. But let's say, '28, '29, how do you see scale up happening there?
- Amit Sanghvi:** So we see some sizable revenue for the segment, especially in '28. And then from there, it can scale fairly quickly. But the first decent size will only come in '28. I'm pretty sure. We will do supplies in '27, but I don't think it's going to be a very significant portion of our overall revenue.
- Ankit Gupta:** Sure. And just last question on -- since we'll see scale-ups happening on the sema side, on the pen -- from next quarter onwards. Do you think in terms of healthcare revenues, INR100 crores or almost touching INR100 crores and INR50 crore PAT for this quarter becomes a base for the growth for coming quarters or there was some impact of exhibited batches or Shaily

Innovations, which we have seen in this quarter, there can be some impact going forward on -- of those in our numbers?

Amit Sanghvi: I mean, look, quarter-on-quarter, the healthcare business is sometimes a little sensitive in the sense that -- but this should become our baseline. So, we should do better every quarter.

Moderator: We take the next question from the line of Sanjay Kumar from iThought PMS.

Sanjay Kumar: First question on Wegovy. If I look at the trial status in India, there are at least 10 companies doing the Ozempic trials, but there are only 4 or 5 companies that are doing the Wegovy trials. So, do you think it doesn't matter if customer is launching only Ozempic or will we miss out if our customers don't launch Wegovy because that's the weight loss version whereas Ozempic is the diabetes version?

Amit Sanghvi: In India, you will see one drug being interchanged for the other very frequently. And it's -- even those that are not doing Wegovy right now will eventually do it. So, I'm not sure if it makes a lot of difference, to be honest. There's already significant off-prescription use of Ozempic and Mounjaro, both in India.

Sanjay Kumar: Okay. What about Canada and Brazil? Or we have specific Wegovy launches?

Amit Sanghvi: Yes, there will be, but they will be -- because everybody has filed Wegovy much later. So, you will see approvals also come in later. It will be Ozempic to start with. And Canada market predominantly is the Ozempic market at the moment.

Sanjay Kumar: Okay. And you mentioned that we have 23 or 24 GLP-1 projects or partners. Can you give the breakup between Ozempic and Wegovy?

Amit Sanghvi: Sanjay, everybody who's done Ozempic would have done Wegovy as well. Wegovy in every market except the U.S. is in a pen. So, it's essentially the pen, which is the dominant market at the moment. When U.S. launches, it will be both pen and auto-injector.

Sanjay Kumar: Okay. Okay. No, the reason I asked was I heard that in India, you're supposed to file separately for Ozempic and Wegovy. And would it be the same case in Canada and Brazil as well?

Amit Sanghvi: Yes, you would have to file separately. But people's Wegovy programs have just happened later.

Sanjay Kumar: Okay. Got it. All right. So, second question on our capacity. We're going from 40 million to 80 million. A few quarters ago, we had mentioned that we are expanding Toby too. But in Q1 call, you only spoke about Harmony and Neo. So, are we expanding Toby? If yes, what would be the quantity and for which market?

Amit Sanghvi: We are expanding Toby, short answer. Quantity, not fully developed yet as a projection or business plan, but we are going to add somewhere around 10 million Toby capacity additional.

Sanjay Kumar: Okay. And this is part of the current capex or this will come a bit later?

- Amit Sanghvi:** No. Some of it will come now. Some of it will come in '27.
- Sanjay Kumar:** Okay. And which market will this be for, sir?
- Amit Sanghvi:** All our products, customers take it to different markets, but it will be a global product. So, it will go to Europe, it will go to Middle East. It will go -- primarily at the moment, will go to Europe and Middle East, then we'll see.
- Sanjay Kumar:** Okay. Next question. So apart from regulatory approval, what other risk do you see, say, something not in our control, like, say, assembly of our pens. Have we tested the assembly of our pens at the, let's say, at the customer end or the customer CDMO partner end because BD and Ypsomed pens are more established platforms. So, the companies making these assembly lines, have they configured it for our platforms?
- Amit Sanghvi:** I mean, of course, you have launch coming up. So, everybody is doing commercial volumes now.
- Sanjay Kumar:** Okay. So, the only risk that you see is regulatory approvals?
- Amit Sanghvi:** Yes, primarily regulatory approvals. And then essentially, how much market share generics take up from the innovator.
- Sanjay Kumar:** Okay. And Axiom Max, just one question on it. So, does the dose counters have any patent around it? Is it common available mechanism or is it unique to us?
- Amit Sanghvi:** No, it's unique to us. We have filed all the patents before we launch the device.
- Sanjay Kumar:** Okay. Perfect. Okay. All right. And final question, just an extension to the previous participant's one. So, semiconductor or, say, consumer electronics, not near term, but let's say, 5 years from now, I don't think they can match Healthcare segment, but can they be as big as the IKEA business for us?
- Amit Sanghvi:** Again, too soon to tell, right? 5 years, who knows. I mean, obviously, there is potential here, because we see the market size, right? So...
- Sanjay Kumar:** Yes. Can you give an estimate on the market size?
- Amit Sanghvi:** No, no, I cannot. I mean if you look at the combined consumer electronics being sold globally and then what is being manufactured out of India and how that will grow, it's a very large opportunity. But what will happen to Shaily in 5 years, I really don't know.
- Moderator:** We take the next question from the line of Kunal Bhatia from Dalal and Broacha Stock Broking Limited.
- Kunal Bhatia:** Congratulations on a great set of numbers. Sir, yes, I know many people have asked you a lot about Canada. Just one question from my side on the same. Sir, you were expecting the commercial launch to happen, say, in the March period. But now looking at the current

situation, what is your -- A; what's your concern? And what kind of delays do you foresee if they were to happen?

Amit Sanghvi:

I don't foresee, to be honest, a delay. Now whether March becomes April or February, I really don't know, but I don't foresee a delay. If it's not one, it's the other, someone is going to launch, someone is going to get approval. And really, in the grand scheme of things, I don't think it makes much of a difference even if it is out by 2 months. I'm not saying it is, I'm saying even if it is.

My understanding is that Health Canada will give -- given that if you look at the last 2 years, there haven't been any significant queries. This has recently cropped up. But I think file reviews should be coming to an end.

Kunal Bhatia:

Okay. And sir, the commercial batches, are they in line with your expectation at this point in time or they are slower vis-a-vis your expectation in March?

Amit Sanghvi:

We delayed commercial batch manufacturing by 1.5 months. But apart from that, everything else is in line with the expectation.

Kunal Bhatia:

Okay. Thank you, sir.

Moderator:

Thank you. Ladies and gentlemen, due to time constraints, that was the last question for the day. I would now like to hand the conference over to the management for closing comments.

Amit Sanghvi:

Thank you, everyone for joining the call. We hope that we've been able to answer your questions adequately. For any further information, I request you to get in touch with SGA, our Investor Relations Advisors. Thank you very much and have a great evening.

Sanjay Shah:

Thank you.

Moderator:

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