



“Shaily Engineering Plastics Limited
Q1 FY27 Earnings Conference Call”

August 10, 2026

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MANAGEMENT:

Mr. Amit Sanghvi – Managing Director – Shaily Engineering Plastics Limited
Mr. Sanjay Shah – Chief Strategy Officer – Shaily Engineering Plastics Limited

Moderator:

Ladies and gentlemen, good day, and welcome to the Q1 FY27 Earnings Conference Call of Shaily Engineering Plastics Limited. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions at the end of today's presentation. 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.

Before we begin, a brief disclaimer. This conference call may contain forward-looking statements about the company, which are based on beliefs, opinions and expectations of the company as of the date of this call. These statements are not the guarantees of future performance and may involve risks and uncertainties that are difficult to predict.

I would now like to hand the conference over to Mr. Amit Sanghvi, Managing Director of Shaily Engineering Plastics Limited. Thank you, and over to you, sir.

Amit Sanghvi:

Thank you very much. Good afternoon, everyone, and thank you for joining Shaily Engineering Plastics earnings call for Q1 FY27. I'm joined today by Sanjay Shah, our Chief Strategy Officer, and SGA, our Investor Relations Adviser. I hope everyone has had the opportunity to review our financial results and investor presentation, which have been uploaded on the stock exchange as well as the company's website.

The global operating environment remained challenging in the quarter with continued uncertainty arising from the geopolitical situation in West Asia and its wider impact on supply chain as well as commodity markets. This led to volatility in key raw material prices, particularly polymers alongside logistic disruptions, container availability constraints and elevated freight costs.

Despite these external headwinds, we remain focused on execution. Through disciplined operational planning, supply chain management and calibrated pricing actions, including pass-through mechanisms wherever applicable, we were able to effectively mitigate much of the impact and ensure business continuity.

Before I get into the highlights of the quarter, I'd like to take a minute to reflect on our healthcare journey and what we have achieved so far. Q1 has been exceptionally exciting with launches. So I thought I'd take a moment and reflect on it.

When I look at where Shaily stands today, our position rests on 2 principles that we have not compromised on - quality and innovation. Our focus is consistently on delivering the best possible outcome for our customers and for the patients who depend on our devices. That standard has shaped every decision along a very difficult path, one we traveled for years with much of the market unconvinced that we could deliver. We took on risks that few in our industry would accept, stayed focused on the objective and treated our early failures as critical information, one that we learned from, corrected quickly and moved on.

Combined with the deliberate effort to hire the best talent in the industry globally, this approach has produced measurable results for Shaily. 6 of our 8 device platforms are now fully commercial and sold across global markets, developed within 7 to 8 years. Over the same period,

Shaily has delivered the world's first generic Semaglutide launches in multiple markets and also secured the first tentative U.S. FDA approval for generic Semaglutide.

Building on this, I'm pleased to announce that we have appointed dedicated heads of business development for both Europe as well as North America, our 2 priority growth markets. Both are senior industry leaders and with them in place, we are in discussions and confident of securing a partnership with a major global pharmaceutical over the near term.

The healthcare strategy is clear: continue to scale GLP-1 and insulin and simultaneously get into niche areas like emergency use devices, on-body injectors and more sustainable reusable devices as well as forge partnerships with global pharma to take the next leap in Shaily's healthcare growth story.

Now coming to the quarter. As committed earlier, our additional 25 million pen capacity is expected to become operational by end of September, taking our total installed pen injector capacity to approximately 75 million pens per annum.

Moving to our segment-wise performance and key business developments.

Healthcare continued to deliver robust performance during Q1 FY27. Segment revenue grew 85% year-on-year to INR142 crores, contributing approximately 51% of consolidated revenue and becoming our largest business segment for the quarter. Growth continued to be led by our pen injector platform, including devices used for GLP-1 and other chronic therapies. During the quarter, we received orders for injector pen supplies following regulatory approvals secured for the sale of Semaglutide in Canada, Brazil by our pharmaceutical partners. In addition, we have also signed 2 new platform projects, further strengthening our long-term product pipeline.

The Consumer segment reported revenue of INR116 crores during the quarter, accounting for around 41% of consolidated revenue. Performance reflected softer demand in home furnishings across Europe and United States, our largest export markets for the business. During this period, however, we continued to expand customer relationships and add new programs that strengthen our future revenue pipeline.

In Q1 FY27, we secured a global project from an FMCG customer and also won new business in the LED lighting segment.

The Industrial segment maintained its healthy growth trajectory with revenue increasing 25% year-on-year to INR23 crores. Growth was supported by new customer additions and increasing opportunities across engineering applications, including Consumer Electronics. During the quarter, we received business confirmations for new projects from both Appliance as well as Automotive customers. We also onboarded a new customers with orders covering 5 Consumer Electronic components. Going forward, we remain focused on building sustainable revenue streams in this segment, particularly through Consumer Electronics and Semiconductor Trays.

As we look ahead to FY27, we aim to strengthen and ramp up our newly commissioned capacities, deepening strategic customer relationships, accelerating innovation through our IP-

led platforms and maintaining operational excellence while delivering sustainable and profitable growth.

With that, I 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:

Thank you, Amit. Good afternoon, everyone. Let me now take you through the financial and operating highlights for the quarter. Machine utilization improved to 50.2% during Q1 FY27 compared with 48.7% in Q1 FY26, reflecting a gradual improvement in capacity utilization.

Exports accounted for approximately 58% of consolidated revenue during the quarter compared with 76% in the corresponding quarter last year. The change is primarily due to the growing contribution of our Healthcare business where products are supplied to global markets through our Indian pharmaceutical customers.

Coming to the consolidated financial highlights for Q1 FY27. Revenue for Q1 FY27 stood at INR281 crores compared with INR247 crores in Q1 FY26, registering year-on-year growth of 14%. EBITDA stood at INR83 crores from INR70 crores, reflecting a growth of 18%, while EBITDA margin improved by 120 bps to 29.7%. Profit after tax stood at INR48 crores compared with INR41 crores in Q1 FY26, representing a growth of 17%. PAT margin improved to 17.1%, an expansion of 40 basis points year-on-year.

Coming to segmental revenue breakup for Q1 FY27. Consumer revenue stood at INR116 crores compared with INR151 crores in Q1 FY26, reflecting a decline of 24%, largely due to softer demand across Europe and U.S. Healthcare revenue increased to INR142 crores from INR77 crores, representing an 85% year-on-year growth. Industrial revenue grew to INR23 crores from INR18 crores, delivering a healthy growth of 25%.

That concludes the update from my side. We will now open the floor for questions. Thank you.

Moderator:

We have our first question from the line of Shaleen Kumar from UBS India.

Shaleen Kumar:

Congratulations on a good set of numbers. One - first question, can we know how many pens we have done in 1Q?

Amit Sanghvi:

So all devices, delivery devices put together, we've done about close to 9 million in the first quarter.

Shaleen Kumar:

Right. So Amit, and what would be the ballpark proportion of insulin and GLP-1 in that?

Amit Sanghvi:

You've got a bit more than insulin and GLP-1. So there is other therapies in the mix, but rough ballpark would be consider 50% to 60% GLP-1 and the rest would be insulin plus other molecule.

Shaleen Kumar:

Got it. And I would like to know the status of the new line, right, which we have set up beginning of the previous quarter. So we were facing some issues in setting up and reaching the optimal levels. So where we are on that?

Amit Sanghvi: We have increased speed on that line by about 9%. It still needs further improvement. So we have a plan. There's some additional equipment needed on the line, it's not received by Shaily yet. So as soon as that is installed, that line should be able to see another 30% jump.

Shaleen Kumar: That's great. And time line for that?

Amit Sanghvi: It's a constant struggle right now, Shaleen, but we're looking at essentially before the end of this quarter.

Shaleen Kumar: All right. And the next line, which we're getting in this or next month, do you think that you will face similar challenges? Or we have some learnings from the current line and the upcoming line will be much smoother?

Amit Sanghvi: So one thing we've made sure we've delayed getting the line, the second line that is coming in. I mean not beyond what we had anticipated. But just if I look at the overall program, the line was to come in and then go through a ramp-up. Instead, we've kind of switched that strategy. We're going to do the ramp-up and get to an 80% plus efficiency at the supplier before we do the FAT and then ship the line. We're not doing any R&D here.

Shaleen Kumar: So effectively, once the line is here, maybe in a month or 2, we should be able to achieve similar efficiencies like 80% we're talking about?

Amit Sanghvi: Absolutely. Absolutely.

Shaleen Kumar: So Amit, on that basis, you have done 9 million in 1Q despite all the challenges. 2Q, your efficiency is improving. In 3Q, 4Q, your line will be double and operating at a much higher efficiency. So but your full year guidance is 36 million. I mean, mathematically, you'll be beating your guidance even with adding the single line already at a much lower efficiency. So is it fair to believe that you will do much better than your guidance?

Amit Sanghvi: I mean it's an evolving situation because it's not just our ability to deliver. It's also customer partners having some short-term potential supply chain issues as well. But yes, I think we should be able to go beyond 36 million. Short answer is we should be.

Shaleen Kumar: Yes. So effectively, if no other variable changes, demand is there, demand remains strong. I hope it is strong and you're able to execute the strategy. So we should be in a comfortable position of beating our guidance of 36 million. That's the way to put it

Amit Sanghvi: Yes.

Shaleen Kumar: Great. Great. A bit on Consumer Electronics and then I'll join back the queue. Any status update on the new plant, where we are? Have we started supplying commercially to the customer? How many parts have been qualified? Any update on that?

Amit Sanghvi: We have started commercial supply. We also got awarded 5 new components, as I mentioned that in my earlier speech, from a new customer in Consumer Electronics, which we should be able to put into supply just before the end of the financial year. And in terms of starting up of

the new plant, I think you'll receive an update in the next quarter earnings call, but plans are quite solid and moving forward as projected.

Shaleen Kumar:

Have you secured the location land?

Amit Sanghvi:

Short answer, yes. We haven't announced it, but yes, we have.

Moderator:

Next question is from the line of Ritesh Shah from Investec.

Ritesh Shah:

Congratulations on a good set of numbers. First question is on gross margin decline on a sequential basis. It's a bit perplexing given the Healthcare pie in revenues has actually increased. So just wanted to understand, one is the pricing and second is the cost-plus arrangements that we have on insulin and GLP-1 devices.

And a related one, any color that you can provide on pricing for these devices taking into account the 2 large Chinese companies, which are also likely to hit the supply curve. So how should we look at overall pricing, margins and cost plus? I think that's the first question.

Sanjay Shah:

So Ritesh, on gross margins, what you would have seen is post March because of the war, commodity prices basically increased substantially. In addition to that, freight prices also went up.

Amit Sanghvi:

And we've had some premium freight incidents where we've had to airlift material.

Sanjay Shah:

So while the pass-through with some customers would have been delayed, would basically have happened between May and June. And with some customers, the cycle would have been probably in July. So that was the reason why you see some gross margin decline. We expect that the gross margin would come back to normalized level by quarter 3.

Ritesh Shah:

That's great. On the pricing side?

Amit Sanghvi:

Question was quite vague on pricing.

Ritesh Shah:

Yes. So I kept it vague by design. I just wanted to understand your sense on pricing for the GLP-1 devices, specifically with potentially Chinese competition also hitting the supply curve.

Amit Sanghvi:

Chinese competition, look, as far as my knowledge goes, Chinese are potentially putting their product on the market somewhere around \$1.50 to \$1.70. And again, copycat products, so not really anything novel. That's 20-year-old technology. Some products that the Chinese have put on the market do infringe not only our patents, but also other key suppliers globally.

We're looking at a strategy on how to deal with that, but we're not too concerned about the Chinese pricing, very honestly. It's not that it's half of ours. Ours is I think, somewhere above the \$2 mark. So there's certainly a difference.

Ritesh Shah:

I just wanted to understand what is the frequency of price renewals. So typically, these are long gestation volume contracts you fix up a certain cost plus with a 2-year tenure? Or is it on a certain volumes? How does it work?

- Amit Sanghvi:** These are not cost-plus contracts. They're basically just volume and market-driven pricing contracts with the mechanism to do price review annually. So it all depends on the type of agreement. It's not a cost-plus business, first of all, right? It's an intellectual property-led business.
- So it is never going to be a cost-plus business. We look at a base index on various things, inflation and potentially polymers. But more importantly, we look at longevity of the contract and the commitment, and that's how pricing is decided.
- Ritesh Shah:** Perfect. My second question we had put in a press release with respect to Dr. Reddy's INR423 crores order a few quarters back. We understand that they have issues with regard to impurities in Canada. Brazil also is stuck with for technical issues. In these circumstances, how comfortable are we with our guidance of 36 million?
- So if not for DRL, do we have likes of Apotex or somebody else, who will comfortably lift our shipments? And in the current context as well, wherein there are certain issues with DRL, is the offtake ongoing? Or is it some other companies are actually taking out our products?
- Sanjay Shah:** So Ritesh, I don't think we have named the customer. So we have secured business from a pharmaceutical customer, so we don't want to name the customer. On the volumes point of it, I'll let Amit answer the question.
- Amit Sanghvi:** Yes. So whatever is happening on a particular partner, the fact is that we actually need to supply more because there's a gap and the gap needs to be filled. And right now, we still have most of the approvals in various markets across the world. So it's one of our partners selling. We still remain confident of the guidance.
- Moderator:** We have our next question from the line of Harshh Shah from JM Financial.
- Harshh Shah:** A few questions from my side. So firstly, Amit, sir, if you could give some sort of color with respect to the sort of visibility or rather the type of conversations that you're having with your customers with regards to the Abu Dhabi capacity. Obviously, it is some time away from here, but some color on it in terms of the type of conversations that are going on.
- Amit Sanghvi:** I think we've said roughly 50%, 55% is kind of commitments and indication on that kind of that capacity. The rest we are working on. The plant is supposed to start selling by end of FY28. So we should get into commercial sales by the end of FY28, which means the capacity, if you think about it, is really for the markets opening up in Europe in '28, plus insulin as well as the markets that will open up globally in 2030, '31.
- Harshh Shah:** Got it. Okay. Secondly, on the Consumer Electronics vertical, right? So if I have to say join some dots basis the commentary that you all have been giving for the past few quarters. And also this time around, you did mention regarding the new win from a customer. How should one kind of think about the type of scale you can reach in the next 2 to 3 years? Or rather let me put it this way. When do you think Shaily as a company can realistically say, hit \$10 million revenue? I mean, some ballpark, some color on it, I mean, just for the investing community for our financial models.

- Sanjay Shah:** So Harshh, what we are doing is we're building up the portfolio and customers adding products to it. We'll continue to do that.
- Amit Sanghvi:** I think 24 to 30 months is the short answer. Again, this is not a guidance. So this is what our projections look like. We think we can get to that number within 30 months.
- Harshh Shah:** Got it. And just to appreciate this customer win, are you in the position to give some qualitative details in terms of the time taken for you to get qualified for the customer? Anything on that side?
- Sanjay Shah:** Harshh, again, some of these details will be confidential, so it will be difficult for us to comment on that.
- Harshh Shah:** Sure. Just lastly from my side, in the U.K. subsidiary, right? So obviously, if we do console minus stand-alone, that kind of includes both the U.K. and the UAE subsidiary. But if I have to kind of just do a normal calculation, I see a bit of a drop in the U.K. subsidiary kind of revenue. Is that more of a timing kind of issue that has come in for the subsidiary?
- Amit Sanghvi:** Yes, it is a timing issue. Look, there are certain milestones that were achieved at the very, very end of the month. But what we do is we don't raise an invoice until we get confirmation from a customer that the milestone is achieved. So it's a timing issue. It will come back over the next 3 quarters.
- Harshh Shah:** So safe to assume that for the full year, we can do at least 15% kind of growth in the U.K. subsidiary.
- Sanjay Shah:** Harshh, we are not giving guidance here.
- Moderator:** We have our next question from the line of Nirali from Unique PMS.
- Nirali Gopani:** So I have 2 set of questions. One is on the Consumer Electronics. So I understand you don't want to name the customer. But on the product side, can you qualitatively share how critical or complex your products are? And whether it is only one customer and we are in talks with more customers or not, some qualitative direction on the Consumer Electronics part.
- Sanjay Shah:** So Nirali, what we have said is if you look at the presentation and what Amit mentioned in his speech also, one customer where we have added 5 components, it is a new customer. It's pretty complicated and very complex components which we are doing.
- Amit Sanghvi:** I would think of it this way that everything that we do would be internal components. We will look at components of very small devices or small appliances, Consumer Electronic appliances. Very complex, by the way. A lot of these components would be more complex than what we actually manufacture in our pens and auto-injectors.
- Nirali Gopani:** Okay. Interesting. And secondly, on the Healthcare side. So any update on we were in talks with innovators. So directionally, how are we moving on that side? And in your opening comments, you also mentioned that other than GLP-1 and insulin, you are working on a few other Healthcare products. If you can spend some time on that?

Amit Sanghvi: Yes. Look, what we are working actively on first is emergency use. Emergency use typically has a very high reliability requirement, which is mandated by the U.S. FDA. So we're working on emergency use auto-injectors that can support customers across the world on molecules like epinephrine. It's not just epinephrine, but there are some molecules which are under confidentiality, so I will not name them.

Second is that we're looking at sustainable solutions for auto-injectors. Essentially, auto-injectors, you have close to 1 billion auto-injectors that end up in the landfill every year just based on Semaglutide and Tirzepatide therapy. So we're trying to come up with and we're looking at launching by the end of the year, our reusable auto-injector.

And the third therapy we're working on are on-body injectors. So on-body injectors are typically used in oncology treatments. We're looking at a molecule and developing the program further on, again, biologics or biosimilars, but we've got a delivery range from 3 ml to about 23 ml. We're not sure if we can do 23 ml, but from 3 ml to 15 ml is likely possible to be done on our platform. So those are currently under talks.

Nirali Gopani: And on the innovator side?

Amit Sanghvi: Innovative side, like I said, I actually made it a part of my speech. I'm quite confident that we'll get somewhere over the next 4 to 6 quarters. We have dedicated staff now, senior industry leaders, both in the U.S. as well as in Europe. We're very hopeful that we can make some sort of an announcement in the next 6 quarters.

Nirali Gopani: Perfect. And just one last clarification. So Semiconductor side revenue should start from Q4 of this financial year, right?

Amit Sanghvi: Yes. That's the current Q4 Semicon revenue, yes.

Moderator: We have our next question from the line of Akhil Parekh from 360 ONE Capital.

Akhil Parekh: Many congratulations to the entire team for solid execution. Amit, in your opening remarks, you highlighted that you have appointed 2 heads based out of Europe and U.S. probably for getting contracts from innovator brands. Would you be able to share some color on the background from where they have come from and probably the internal discussion with regards to what their key roles would be? That's my first question.

Amit Sanghvi: Yes. So our European business head he's done a Masters from HEC Paris and business school from Burgundy School of Business and long experience in medical devices, drug delivery, particularly, but he's also worked in other industries. Our U.S. head comes from all of my competitors and some essentially West, Phillips-Medsize, Stevanato, Haselmeier, Shaily.

Akhil Parekh: And the roles probably what they are supposed to do, if you can throw some color.

Amit Sanghvi: Sorry, can you repeat that?

Akhil Parekh: No, I'm saying in terms of the internal discussion with regards to what their roles would be or KRAs would be, if you can throw some color on it?

- Amit Sanghvi:** I mean they're heads of respective regions, heads of business development for the respective regions. And when you work with innovators, there is quite a lot of technical discussion. So while there are commercial roles, they are fully responsible for liaising and getting projects scoped out and spending the time and resources needed with the development teams to meet the customers' objectives. So it will be an end-to-end role.
- Akhil Parekh:** Good to hear. And my second and last question is with regards to our Consumer segment, right? And it has been on a declining trend for some time and its contribution is reducing on a quarter-on-quarter basis. How should one view from next 3 years perspective, right? We are now getting more and more into high-end tech and SaaS-driven precision engineering manufacturing. Will it make sense to have this portion of the business 3 or 5 years down the line? That's all from my side.
- Amit Sanghvi:** I think the way we look at it, the Shaily's overall performance, I don't think it's going to make much of a difference. We don't know what happens in 3 years, what happens over a period of 3 years. Essentially, Europe and North America need to see growth for the Home Furnishings business to do well. While we're adding new customers, we think we're in a fairly decent position.
- Sanjay Shah:** And, Akhil, just for your information, if you look at between quarter 4 and quarter 1, the business has grown. When you look at Q1 to Q1, yes, there has been a degrowth in the business but between Q4 and Q1, the business has grown.
- Akhil Parekh:** So from a full year perspective, how should we look at it?
- Amit Sanghvi:** It's difficult. I don't think we'll be able to give you an answer. But I don't think it will make a difference to overall Shaily's bottom line.
- Sanjay Shah:** And I think what we also had said in the -- when we did the Q4 call, this business would probably not grow in the current year. So we will maintain, at a level which we did in FY26.
- Moderator:** We have a next question from the line of Sanjay Kumar from iThought PMS.
- Sanjay Kumar:** So first question on the Consumer Electronics. Our Industrial business segment has grown 15%. So have we started supplying the 5 parts for this customer? And from current capacity, what revenue can we do in Consumer Electronics from our existing capacities?
- Sanjay Shah:** Sanjay, we have just taken on the business. Amit mentioned earlier that we will start supply by the end of the year of these components. So we actually look at a ramp-up from next year onwards.
- Sanjay Kumar:** And that will be from existing capacity itself, right, because our new ...
- Sanjay Shah:** It will be from existing facility. But yes, there will be some investments which will be required in tooling and automation and everything, which we would be doing.
- Sanjay Kumar:** Okay. And what will be the capex that we'll be doing for Consumer Electronics and Semiconductor Trays and the time lines also for these capex, please?

- Sanjay Shah:** Semiconductor Trays, I think we have mentioned that we are looking at investing about INR5 crores in our existing facility, which would meet initial requirements. Once we start supplies and once we know how the market develops in terms of how customers in India start scaling up, that's when we will have a better idea in terms of how we would be required to make further investments.
- On Consumer Electronics, again, we have said that once we set up a plant down south, we would be looking at an investment of somewhere between INR80 crores to INR100 crores in that facility.
- Sanjay Kumar:** Okay. And for this Consumer Electronics, Amit mentioned that it is a small device, but the customer also has other devices. Can we get into these other devices? Or is our scope limited to this particular device?
- Sanjay Shah:** We're looking at getting into the whole ecosystem. It will be a process which we need to go through, work with the customer for that, which is what we are trying to do.
- Moderator:** We have a next question from the line of Rupesh Tatiya from Long Equity Partners.
- Rupesh Tatiya:** Congratulations, Amit, for fantastic results in Healthcare. In Semiconductor Trays and Packaging, right, I mean what is our right to win? What is the complexity of these trays? I assume it is a consumable. So a bit more qualitative color if you can give, that would be very helpful.
- Sanjay Shah:** So Rupesh, this is very special trays. These are not trays which like we call it tray, but it is very, very specialized. The dimensional tolerances are extremely critical. It's very specialized raw material, conductive plastics. So there are a lot of features around it, which is very, very critical. Not too many players will be able to do it.
- Even if you look at from a global perspective, there are less than a dozen companies who do this business globally. As this ecosystem develops in India in terms of semiconductor manufacturing, this requirement would go up and we're trying to be part of it.
- Rupesh Tatiya:** So I mean these are trays like you use it once and then throw them away. Is it like that? And then what would be annual requirement in India? Is it in like a few hundred thousands? Or is it in like millions?
- Sanjay Shah:** It will be in millions. As I said, this is a consumable. So it will depend on the type of capacity which is being set up in India. This would be required in a very large quantity. There is enough of information which is available online, which I think you could research and get a sense in terms of what sort of market this can be.
- Rupesh Tatiya:** Okay. Okay. And the second question, sir, any plans to enter any other pharma consumables? I mean there are quite a few and a lot of them have a lot of barriers to entry. So are we looking at any other pharma consumables?
- Sanjay Shah:** No, no. We're not looking at getting into it.
- Amit Sanghvi:** We will not get into pharmaceuticals.

- Moderator:** We have our next question from the line of Vinil Shah from Dalal & Broacha.
- Vinil Shah:** Most of my questions have been answered. I just had one query. If the management could speak about the opportunity like quantify the incremental TAM, which has opened up for now with...
- Amit Sanghvi:** Can you speak a little bit louder? We cannot hear you.
- Vinil Shah:** I just wanted to know that if the management can shed some light on the opportunity, the incremental TAM, which has opened up for us with the approvals received for Semaglutide in Canada and Brazil.
- Amit Sanghvi:** It's a very generic -- I mean...
- Vinil Shah:** I just wanted to understand what is the opportunity for us.
- Amit Sanghvi:** Sorry, I'm going to struggle to answer that question. If you can be more specific, please?
- Sanjay Shah:** So, if you're looking at more in terms of understanding how much of the market for Brazil, Canada, I think, again, there are research reports which quantify that market. I think we are not competent to comment or to talk about that market. In terms of what will be the market share for that.
- Moderator:** We have our next question from the line of Aman Vij from Astute Investment Management.
- Aman Vij:** My question is on the pen side. So given now we have already supplied 5 million to 10 million kind of pen, so how is the initial feedback on, say, both the main platforms from Brazil, from Canada mostly because this is the first time we are scaling this to a very big number. So could you talk about the feedback from the customers, from our final end customers also in the last few months? How that has been over the 2 platforms?
- Amit Sanghvi:** So feedback has been, let's say, above average, good, pretty good. Not -- we're not seeing very significant issues. There are issues, not saying there aren't. But let me put it this way, there is a lot more involved beyond Shaily's device manufacturing that goes into the market. So I would say that we've had very less number of issues in terms of the device performance.
- And we have trending data now on all the batch release that we do and batch release goes through a very extensive testing. So we've not seen even a statistical decline in any of our numbers. So statistically, the performance of the device is very strong.
- Aman Vij:** Sure. That is helpful. Second question is on the scaling up of our customers in Brazil and Canada and the other big geographies like Turkey. So is my understanding correct, maybe as of today, only like 5, 7 players apart from India.
- So India, a lot of our customers have launched. But Canada, Brazil, maybe like less than half a dozen customers would have launched, but next 2, 3 quarters, is it expected that maybe at least half a dozen more will launch and we'll see a good scaling maybe Q2 or Q3 onwards?

- Amit Sanghvi:** Look, once the market has shifted already to some generic, then taking that same patient and shifting to another generic is difficult. So I think Canada, we will be quite dominant in Canada. Brazil, we are Number 2, I believe, in terms of launches. So we should still control a very significant share in Brazil as well.
- And if I look at what's coming up both in Canada and Brazil, I think we will still continue with a majority position. India, I don't know to be honest, I really don't know what's going on here. But markets increasing, decreasing once someone is taking up share from someone else and everything is playing out, but that will consolidate. I think it's a good market to be in.
- Aman Vij:** Any light you can throw on the other big geographies which might open up very soon like Turkey and Mexico and other...
- Amit Sanghvi:** Mexico, Turkey and Middle East, so Saudi particularly. Let's see. Aman I don't have more information right now, but Mexico obviously can be a big market.
- Aman Vij:** Do you expect to be, say, top 3 in all these 3 newer opening up markets also?
- Amit Sanghvi:** Why top 3? I think we should be top. We should be the largest player.
- Aman Vij:** Okay. So demand side, at least not only for this year, you've talked about this year, you're confident of 36 million, but even next year, you are quite confident of scaling?
- Amit Sanghvi:** Yes. Short answer is yes.
- Moderator:** We have our next question from the line of Ishika Garg from VJX Research.
- Ishika Garg:** Sir, I kindly have 2 questions. Firstly is our revenue from the Consumer segment has fallen in percentage. So I kindly want to know the primary reason behind this fall, is the fall in market of Furniture in Europe and USA. So what is your take on India? Is it also driven by India or India and Furniture segment is finally doing good?
- Amit Sanghvi:** Look, the share of our products we supply to our customers with respect to India is probably 2%. It is very negligible. So it makes no difference whether India market picks up or doesn't. And the reality is the share in Europe and North America has degrown. So that's where we are.
- Ishika Garg:** And sir, second question is our revenue segment from the export segment has fallen. So I want to know in absolute terms, what's that is like in absolute terms, the export revenue is still greater than the domestic? Or is it that the domestic segment has picked up faster or at a higher rate than the export segment?
- Sanjay Shah:** Ishika what's happened is, as I mentioned in the speech, our sales on Healthcare have gone up quite a lot. While Healthcare sales are for overall global market, a lot of it goes to domestic pharma companies who basically then put in the drug and then export it out. So that's one reason for the mix changing. Second is, yes, we have seen some degrowth on our Consumer business, which is mainly export oriented, where the Consumer business revenue has come down. That's one of the reasons for the lower export percentage.

- Ishika Garg:** And sir, what do you look in the future, still if we look in quarter 1 FY27, still majority of the revenue is coming from export segment. So what's your outlook in the future, like in future, domestic revenue will be overtaking the export revenue?
- Sanjay Shah:** Ishika, as we move forward, I think our Healthcare business is going to grow. We are going to look at more both on our Semiconductor and Consumer Electronics business, which will again be more domestic focused. So I think the domestic business overall will grow as a percentage.
- Moderator:** We have our next question from the line of Ritesh Shah from Investec.
- Ritesh Shah:** Two questions. One is, we are growing at a very fast scale. Amit, the question is specifically for you. How are we looking at retaining employees? Do we have any further plans of ESOP schemes? I think that's one. And second, you did indicate emergency use auto-injectors, reusable auto-injectors and on-body injectors. At what stage of development are we for all these 3? And what will be our moat that we bring on the table with respect to these 3 products?
- Amit Sanghvi:** I'll take your last question first, Ritesh. The reusable auto-injector, we've gotten it to a point where we will be testing performance in the current month or early next month. And we will be showcasing it for the first time at CPHI in Milan. So let's say, it's quite advanced.
- On the emergency use auto-injector, it's a program that we've been working on for roughly 18 months, and we will bring it to a closure by the end of '27. It's based on the Toby auto-injector, but with key changes in design. So it's got an automatic needle insertion into the patient.
- And you have to understand that with these emergency use, a patient must get drug or they will die. Automatic injection, dose delivery and retraction. Very, very high level of reliability. So we have to statistically prove through testing and performance that we need 99.999% reliability on activation of the device.
- So it's going to be a very, very novel device and something that we feel is not many of our competitors are doing. In fact, I'm not seeing any of our competitors do a single emergency use device. And then on-body is more getting a partnership and moving on with the development of the Mira, something that we prototyped about 2, 3 years ago.
- And now to your first question on talent. I think we're quite well respected in the industry. We, in fact, we know people who want to come and work for us and work with us. That's how we recruited our business development guys in both U.S. and Europe, retaining talent, training them.
- We're spending a lot of money on training our talent. Since Joe has come on board and has now become fully active. There is also new ideas or ideas from someone who's got a lot of years of experience in the industry on manufacturing, quality and automation.
- So we're in that journey. We're doing well. I think we can retain the talent. It's not so much ESOPs. We pay well. There are ESOP schemes that other employees will become eligible for in the coming years. But for now, I don't see a challenge retaining or hiring new employees. And our culture, Ritesh, it's a fun environment to work in. You should try it out.

- Ritesh Shah:** Just to go back to the first one, how big can these 3 products be? Like GLP-1 is huge. Now these 3 products what we are looking at, there are products in the marketplace as well. So how are we looking at it from a scale standpoint? Like is it the new GLP-1 kind of cash flow generator? Or what is the thought process over here from a profitability and a scale-up standpoint?
- Amit Sanghvi:** So think of it this way, something like emergency use would be mid-single-digit millions to high single digit, maybe low double-digit millions. But essentially, given the complexity of the therapy, you have a device cost of \$6 to \$10 per device, right? It's an expensive therapy. It's an expensive proposition to design and manufacture.
- But with the risk comes the reward. Something like an on-body injector would be in the range of \$15 to \$25 or \$35, for example. Again, you'd be looking at low millions, very low millions, maybe 1 or 2 that are high-value, high-margin therapy. And on the reusable auto-injector, we don't know. It's our take on what the industry needs. We find out as we showcase the product. We don't know what the market looks like.
- Ritesh Shah:** Perfect. This is useful. Just quick follow-ups. Anything incremental on Cipla, we were working on the inhalers over there. Is there any progress? That's one. And secondly, for the Abu Dhabi facility, what are the time lines we are looking at? Has the orders placed in for the machinery, civil construction started? How should we look at it given it will impact FY29 volumes for sure?
- Amit Sanghvi:** Ritesh, I don't think we have ever said anything about Cipla and inhalers to be very honest. We are not doing any inhalers at the moment. And as far as Abu Dhabi is concerned, the site needs to be in production by end of FY28.
- Moderator:** Ladies and gentlemen, that would be the last question of the day. And I now hand the conference over to the management for closing comments.
- Amit Sanghvi:** Thank you very much. As we move through FY27, we remain encouraged by the momentum in our Healthcare business and the progress we're making across our strategic growth initiatives like Consumer Electronics and Semicon. While certain end markets continue to experience near-term demand softness, our diversified business model, expanding Healthcare platforms and disciplined execution positions us well for the future.
- Thank you, everyone, for joining today's call and for your continued interest and support. Should you have any further questions, feel free to reach out to SGA, our Investor Relations advisers. Thank you very much, and have a great evening.
- Moderator:** Thank you, sir. On behalf of Shaily Engineering Plastics Limited, that concludes the conference. Thank you for joining us, and you may now disconnect your lines.