



The company posted a strong set of results with Revenue/EBITDA/PAT beating our estimates by 9%/23%/37%. The beat was primarily due to higher than estimated growth within the healthcare vertical and the related operating leverage taking up the consolidated operating margins at 27.7%.

The outlook for FY26 remains very strong.

Key business highlights for Q1FY26

- 19 injection moulding machines are under installation in response to customer demand, with completion expected by Q2FY26
- Installation of Plant & Machinery supplied by customer for the manufacture of Eye Applicators under way. Expecting revenue to start flowing from Q3FY26.
- Contract signed for the Supply of Pens for GLP-1
- Order received for mixed material product
- Awarded Business for Male Accessories from marquee FMCG customer

Outlook

- H2FY26 to see even further ramp up of healthcare division driven by IP led pens as commercial supplies for GLP-1 commence. Likely more than 50% market share in countries where generic semaglutide to be launched.
- Healthcare capacity to increase by 50Mn pens in next 12months (25Mn by end of Q2FY26 and 25Mn by Q1FY27), incremental capex of 125crs
- To launch next gen GLP-1 devices in October targeting large innovator pharma companies
- Consumer vertical has good visibility, currently no impact from USA tariffs, not seen any order delay or cancellation
- Revenue from consumer electronics to start reflecting by end of FY26 or beginning of FY27

Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E	FY28E
Net sales	6,071	6,439	7,868	10,188	12,820	15,521
Growth	6.9%	6.1%	22.2%	29.5%	25.8%	21.1%
EBIDTA	919	1,169	1,761	2,850	3,690	4,501
Growth	13.2%	27.3%	50.6%	61.9%	29.5%	22.0%
Margins (%)	15.1%	18.2%	22.4%	28.0%	28.8%	29.0%
Adjusted net profit	352	573	931	1,718	2,324	2,909
Growth	-0.3%	63.0%	62.6%	84.4%	35.3%	25.2%
EPS (Rs)	7.7	12.5	20.3	37.9	51.2	64.1
P/E (x)	222	134	82	44	33	26
EV/EBITDA (x)	87	67	44	27	20	16
RoCE (%)	9.96%	12.17%	18.21%	27.66%	29.43%	28.93%
RoE (%)	8.76%	12.48%	17.01%	23.96%	24.53%	23.53%

Source: Dalal & Broacha Research Source

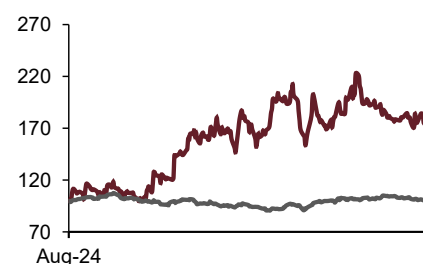
Rating	TP (Rs)	Up/Dn (%)
BUY	2,562	53

Market Data

Current price	Rs	1,670
Market Cap (Rs.Bn)	(Rs Bn)	77
Market Cap (US\$ Mn)	(US\$ Mn)	875
Face Value	Rs	2
52 Weeks High/Low	Rs	2073.8 / 871.1
Average Daily Volume	('000)	128
BSE Code		501423
Bloomberg		SHEP.IN

Source: Bloomberg

One Year Performance



— Shaily Engineering Plastics Ltd — Nifty Index

Source: Bloomberg

% Shareholding	Jun-25	Mar-25
Promoters	43.72	43.81
Public	56.28	56.19
Total	100.00	100.00

Source: Bloomberg

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Key Highlights

- Over next 3-5years, significant growth to come in from IP led pens, discussions ongoing with customers for volume commitments.
- Effective manufacturing capacity in healthcare is 70-75Mn pens, 50-60% backed by customer commitments, likely to be utilized latest by FY28
- Within consumer vertical, new customers should be scalable over the next 3years
- Carbon steel business to contribute positively to net profit in FY26 (-ve in FY25)
- Consumer electronics: Will be applying for turnover based incentive scheme within PLI for components

Valuation and Outlook:

At CMP of Rs 1670, the company is trading at 44x/33x/26x FY26E/FY27E/FY28E. We have not baked in any revenue from consumer electronics in our estimates as there is lack of clarity.

We have upgraded our EPS estimates by 29%/32%/23% in FY26/FY27/FY28 based on how Q1 has panned out and management commentary. We value the company at 40x FY28E and arrive at a target price of Rs 2,562.

Concall KTA's

A. Healthcare Vertical

- Growth: Revenue surged +181% YoY and +38% QoQ, driven by scale-up of IP-led injection pens (~60% GLP-1).
- Capacity Expansion: Adding 50 Mn pens capacity — 25 Mn by Q2FY26 and 25 Mn by Q1FY27; capex of ₹125 Cr; full utilization likely by FY28.
- Capacity Utilization & Mix: Effective manufacturing capacity at 70–75 Mn pens, 50–60% backed by firm commitments (40–45 Mn GLP-1; balance non-GLP-1).
- New Contracts & Products: Signed GLP-1 Neo platform customer in Q1FY26.
- Eye Applicator machinery from client in progress; revenue from Q3FY26 (~₹25 Cr at scale).
- Teriparatide batches supplied; awaiting customer launch. Tirzepatide exhibit batches to be supplied by Oct'25 for 3 customers (aligned with NCE-1 filing).
- Market Outlook: Oral GLP-1 penetration limited to ~20% of market (injectables far more effective).
- Next-gen GLP-1 devices launch in Oct'25 at CPHI to attract large pharma innovators.
- Targeting >50% share in generic semaglutide markets; launching in Canada & Brazil via 2 customers.
- NEO platform expected to be the largest revenue contributor over next 3–5 years.
- H2FY26 to see higher commercial supplies of GLP-1 pens.

B. Consumer Vertical

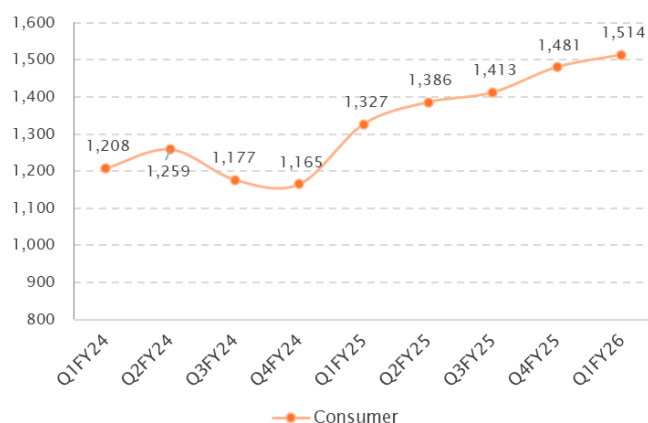
- Revenue up +14% YoY, +2% QoQ; good visibility across product lines.
- Orders in hand: mixed-material product (Q4FY25) and male accessories from marquee FM client.
- Carbon steel segment improving; expected PAT positive in FY26, with new launches in Q4FY26 and growth continuing in FY27.
- No tariff-related disruption at present.

C. Industrial Vertical

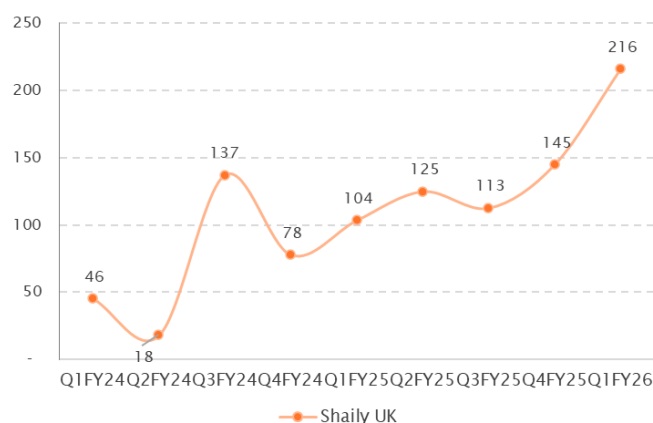
- Revenue –6% YoY but strong recovery +32% QoQ.

Focus Charts

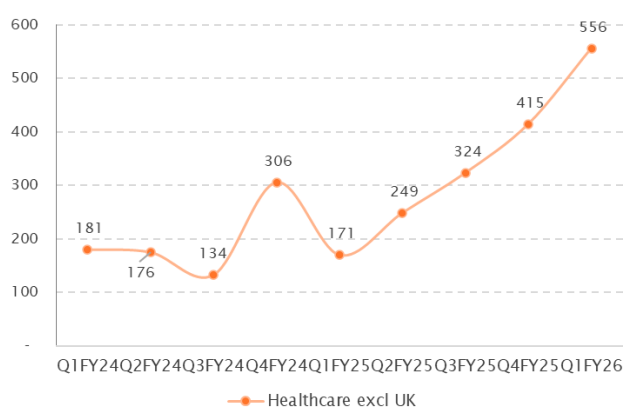
Consumer segment seeing sustained recovery



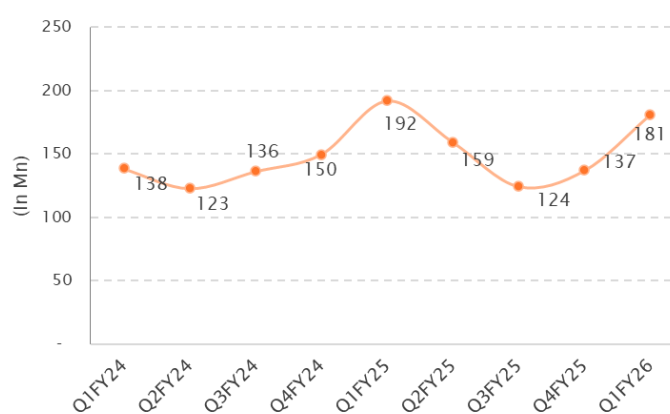
Strong growth in Healthcare (excl UK)



Shaily UK seeing ramp up as projects get executed

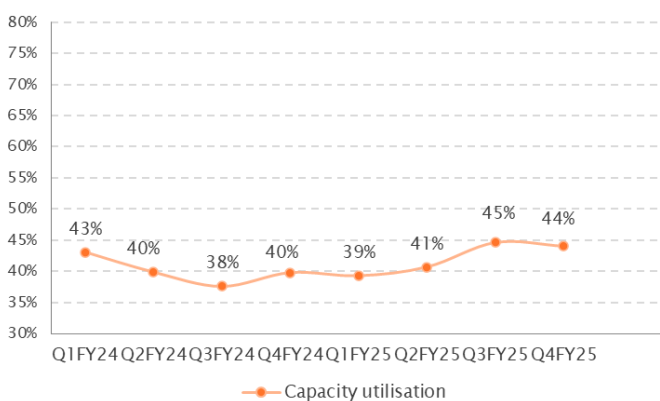


Industrial vertical yet to take off

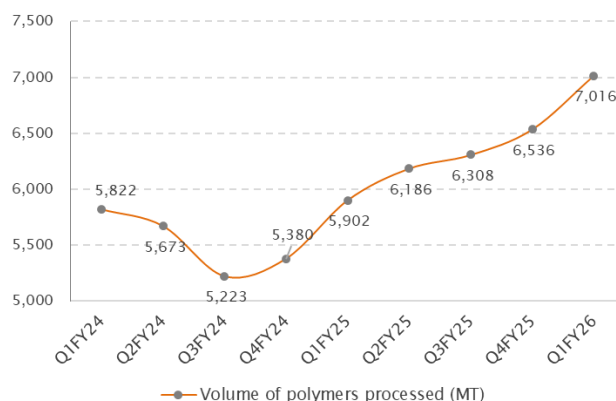


Source: Company, Dalal & Broacha Research

Capacity utilisation on a increasing trajectory (based on man hours)



Polymers processed on a growth trajectory



Quarterly Snapshot

Particulars (Rs Mns)	Q1FY26	Q1FY25	YoY Growth	Q4FY25	QoQ Growth
Revenue from operations	2,467	1,794	37.5%	2,178	13.3%
Other income	21	7	194.6%	1	1546.9%
Total Income	2,488	1,801		2,180	
COGS	1,205	1,039	16.0%	1,052	14.5%
Employee Benefit expenses	249	179	39.2%	232	7.1%
Other Expenses	245	146	68.1%	276	-11.2%
Power and Fuel	85	76	11.2%	73	16.7%
EBITDA (excl other income)	683	354	92.8%	545	25.3%
Less : Depreciation	114	101	13.1%	111	3.0%
PBIT	569	253		434	
Less: Interest cost	39	44	-11.1%	39	-1.2%
PBT (before exceptional)	551	217	154.3%	396	39.1%
Exceptional	-	-		-	
PBT (after exceptional)	551	217	154.3%	396	39.1%
Less : Tax	140	42		110	
PAT	411	174	135.8%	286	43.8%
EPS	8.92	3.80	134.6%	6.20	43.9%
Gross Margins	51.16%	42.11%		51.71%	
EBITDA Margins	27.69%	19.75%		25.02%	
Net profit Margin	16.53%	9.68%		13.12%	

* Consolidated P/L

Source: Company, Dalal & Broacha Research

FINANCIALS

P&L (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	6,439	7,868	10,188	12,820	15,521
Total Operating Expenses	3,701	4,158	4,941	6,218	7,528
Employee Cost	573	804	1,000	1,154	1,397
Power and Fuel	292	315	357	449	543
Other Expenses	703	830	1,040	1,310	1,552
Operating Profit	1,169	1,761	2,850	3,690	4,501
Depreciation	357	421	459	498	526
PBIT	813	1,339	2,391	3,192	3,975
Other income	65	23	30	30	30
Interest	179	169	124	116	116
PBT (Before exceptional)	698	1,193	2,297	3,106	3,889
PBT (post exceptional)	698	1,193	2,297	3,106	3,889
Provision for tax	126	262	580	783	980
Reported PAT	573	931	1,718	2,324	2,909
Balance Sheet (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Equity capital	92	92	92	92	92
Reserves	4,500	5,385	7,078	9,381	12,274
Net worth	4,592	5,477	7,170	9,473	12,366
Non Current Liabilites	941	678	482	389	394
Current Liabilites	2,292	3,171	3,324	3,859	4,247
TOTAL LIABILITIES	7,825	9,326	10,976	13,720	17,007
Non Current Assets	5,153	5,470	5,926	5,965	5,978
Tangible + Intangible Assets	4,938	5,189	5,631	5,644	5,628
Non Current Investments	0	0	-	-	-
Income Tax Asset	27	38	27	27	27
Other Financial Assets	5	5	5	5	5
Other Non Current Assets	183	239	263	289	318
Current Assets	2,672	3,856	5,050	7,755	11,029
Inventories	836	1,378	1,535	1,932	2,339
Trade Receivables	1,174	1,717	2,094	2,634	2,764
Cash and Bank Balances	264	231	813	2,491	5,124
Short Term Loans and Advance	64	3	3	3	3
Other Current Assets	335	526	605	695	799
TOTAL ASSETS	7,825	9,326	10,976	13,720	17,007

FINANCIALS

Cash flow statement (Rs in mn)	FY24	FY25	FY26E	FY27E	FY28E
Cash flow from operating activities					
Profit before tax	698	1,193	2,318	3,131	3,919
Depreciation & Amortization	357	421	459	498	526
Interest expenses	179	169	124	116	116
Operating profit before working capital change	1,234	1,784	2,901	3,745	4,561
Working capital adjustment	(208)	(781)	(268)	(613)	(416)
Gross cash generated from operations	1,026	1,002	2,633	3,132	4,144
Direct taxes paid	(88)	(262)	(580)	(783)	(980)
Others	(16)	254	68	98	141
Cash generated from operations	923	995	2,121	2,447	3,305
Cash flow from investing activities					
Capex	(950)	(672)	(901)	(510)	(510)
Others					
Cash generated from investment activities	(938)	(672)	(901)	(510)	(510)
Cash flow from financing activities					
Proceeds from issue of share	-	-	-	-	-
Share premium received on issue of shares	-	-	-	-	-
Borrowings/ (Repayments)	210	(208)	(400)	(97)	-
Interest paid	(159)	(169)	(124)	(116)	(116)
Dividend paid	-	(46)	(46)	(46)	(46)
Others	(5)	-		-	-
Cash generated from financing activities	46	(424)	(570)	(259)	(162)
Net cash increase/ (decrease)	31	(101)	650	1,678	2,633
Ratios	FY24	FY25	FY26E	FY27E	FY28E
OPM	18.2%	22.4%	28.0%	28.8%	29.0%
NPM	8.8%	11.8%	16.8%	18.1%	18.7%
Tax Rate	18.0%	21.9%	25.2%	25.2%	25.2%
Growth Ratios (%)					
Net Sales	6.1%	22.2%	29.5%	25.8%	21.1%
Operating Profit	27.3%	50.6%	61.9%	29.5%	22.0%
PBIT	38.7%	64.8%	78.6%	33.5%	24.5%
PAT	63.0%	62.6%	84.4%	35.3%	25.2%
Per Share (Rs.)					
Net Earnings (EPS)	12.5	20.3	37.9	51.2	64.1
Dividend	1.0	1.0	1.0	1.0	1.0
Book Value	100.1	119.4	156.3	206.5	269.6
Free Cash Flow	-0.3	3.5	13.3	21.1	30.5
Valuation Ratios					
P/E(x)	133.7	82.2	44.1	32.6	26.1
P/B(x)	16.7	14.0	10.7	8.1	6.2
EV/EBIDTA(x)	67.1	44.4	27.1	20.5	16.2
Div. Yield(%)	0.1	0.1	0.1	0.1	0.1
FCFF Yield(%)	0.0	0.2	0.8	1.3	1.8
Return Ratios (%)					
ROE	12.5%	17.0%	24.0%	24.5%	23.5%
ROCE	12.2%	18.2%	27.7%	29.4%	28.9%
ROIC	10.4%	14.7%	22.8%	28.6%	34.5%

Source: Company, Dalal & Broacha Research

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