August 20, 2026

The National Stock Exchange of India Ltd
Exchange Plaza, C-1, Block G
Bandra – Kurla Complex
Mumbai 400051

Scrip Symbol: SANSERA

The Department of Corporate Services
BSE Limited,
P.J. Towers, Dalal Street
Mumbai 400001

Scrip Code: 543358

Dear Sir/ Madam

Subject: Transcript of Earning group conference call

Please find attached transcript of Earning group conference call which was held on August 13, 2026 on the Unaudited Financial Results of the Company for the quarter ended June 30, 2026.

The above transcript will also be made available on the website of our Company at www.sansera.in.

We request you to take the same on your records.

Thanking you,

for Sansera Engineering Limited

Rajesh Kumar Modi

Digitally signed by Rajesh Kumar Modi
Date: 2026.08.20 11:51:34 +05'30'

Rajesh Kumar Modi
Company Secretary and Compliance Officer

Encls: a/a

"Sansera Engineering Limited
Q1 FY27 Earnings Conference Call"
August 13, 2026

"E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on August 13, 2026, will prevail.

MANAGEMENT: **MR. B.R. PREETHAM – EXECUTIVE DIRECTOR AND GROUP CHIEF EXECUTIVE OFFICER – SANSERA ENGINEERING LIMITED**
MR. HARI KRISHNAN – EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER – ADS DIVISION -- SANSERA ENGINEERING LIMITED
MR. VIKAS GOEL – CHIEF FINANCIAL OFFICER – SANSERA ENGINEERING LIMITED
MR. RAHUL KALE – CHIEF EXECUTIVE OFFICER -- AUTOMOTIVE DIVISION – SANSERA ENGINEERING LIMITED

Moderator: Ladies and gentlemen, good day and welcome to the Sansera Engineering Limited Q1 FY27 Earnings Conference Call. Before we begin, a brief disclaimer. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions, and expectations of the company as on the date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. B. R. Preetham, Executive Director and Group CEO. Thank you, and over to you, sir.

B. R. Preetham: Thank you. Good morning and welcome, everyone. On this call, I am joined by our CFO, Mr. Vikas Goel, our CEO of ADS Division, and our newly appointed Executive Director, Mr. Hari Krishnan, CEO of our Automotive Division, Mr. Rahul Kale, and our Investor Relation Advisors, SGA. The results and the presentations have been uploaded on the stock exchange and the company websites. I hope everyone has had a chance to review them.

We started FY27 on a very strong note, delivering our highest-ever quarterly revenue while maintaining healthy profitability. Our quarterly revenues crossed INR10,000 million milestone, reaching INR10,213 million, representing a year-on-year growth of 33%. EBITDA and PAT margins remained resilient at 19.2% and 8.6% respectively. That said, amidst a challenging geopolitical environment with significant cost inflation, Sansera was able to maintain its profitability and deliver double-digit sales growth across segments.

Let me take a minute to talk about the broader industry trends that impacted us. On the domestic auto side, our OEM customers across the board are talking about hyper-growth, high vehicle volumes, and continued consolidation of supply chain, better capitalized, more capable suppliers. Our passenger vehicle exposure has historically been roughly balanced between domestic and export markets.

While exports saw some moderation in the last year, in this year, we are seeing some traction in our international business getting back to a normal growth trajectory. A positive trend in the industry, alongside the rising tide of outsourcing, creates a strong foundation for sustained growth in our auto business on both domestic and export sides.

Now looking into our segmental performance. The performance was broad-based across all the key segments. The non-auto segment delivered its highest-ever quarterly sales of INR1,998 million, registering an impressive 129.9% year-on-year growth. As a result, its contribution increased to 20.8% of our overall sales.

Within the non-auto segment, our ADS business remained the primary growth driver. The revenue increasing by more than three times year-on-year and standing at INR1,454 million.

Moving to our Auto Tech-Agnostic and xEV business, the segment achieved its highest-ever quarterly sales of INR1,316 million, growing at 22.2% year-on-year, reflecting accelerated EV adoption, especially in two-wheelers.

Our Auto ICE segment also delivered a healthy 20.8% year-on-year growth on a high base and stood at INR6,275 million. During the quarter, we recorded our highest-ever quarterly performance across passenger vehicles, commercial vehicles, and scooters. With this, we expect to end FY27 with high-teens top-line growth with continuous focus on improving margin profile.

Now, I would like to give you some updates on our order book. Our customers for ADS segment, especially aerospace and SEM, which is semicon equipment manufacturers, have very tall outsourcing targets from India's perspective, which is reflective in our growing order book position.

Our cumulative unexecuted lifetime order book for five years, especially for ADS business, stood at INR44.4 billion as of quarter end. Further, we have received few more orders in this segment in the current quarter, Q2, which have pushed our ADS order backlog to around INR57.5 billion currently. These orders are executable in next five years.

As explained to you previously, these orders are structurally different from our overall order book, which we give as peak annual revenues for the new business instead of total cumulative backlog. To avoid duplication, we have removed the value of ADS business from the standard order book numbers for the rest of the businesses.

Therefore, as of June 2026, our peak annual revenue of our new business ex of ADS stood at INR18.5 billion. We are gearing up to capture this immense opportunity ahead with our capex plans across different plants on both Auto and ADS sides.

Looking specifically on a few of the capex projects on the ADS side first. Recently, we have inaugurated a surface treatment facility next to our ADS plant. We are in the process of obtaining NADCAP validation for this.

Surface treatment is a defining capability that allows us to complete the production within the single facility. This is in line with Sansera's history of backward integration. So as we enter larger and more complex structural paths in this segment, having this process in-house will give us better speed, quality control, and reduced external dependency.

We are in the process of relocating our defense business to a dedicated facility separate from the rest of ADS to provide it with focused infrastructure and enhanced operational execution. This, we believe, is going to be helpful in tapping very huge opportunities in the defense sector, both domestic as well as exports.

Lastly, we are building a new 80,000 square foot hangar for the aero and SEM business. Lines will get installed and validated by our customers in this hangar in the coming quarters.

Turning to our growth roadmap in the auto segment, at Pantnagar, which is our Plant 6 and our Manesar facility Plant 4, we are setting up additional forging and machining capabilities, mainly for crankshafts for both two-wheeler and passenger vehicle OEMs, connecting rods for the passenger vehicle OEMs.

At Bangalore Plant 2, we are augmenting machining capacity with a clear focus on Auto Tech-Agnostic and xEV components. This will be complemented by our Sansera-Nichidai joint venture, which deepens our presence in the cold and warm forged precision components. The project that I mentioned on both ADS and auto sites will come on stream beginning of Q3 FY27 onwards, and we will get it completed within a year from now.

The shift towards non-ICE is gaining strong momentum and is progressing well ahead as planned. With our capex investments coming on stream, we expect the contribution from these businesses to scale up meaningfully and become an increasingly important driver of our growth and mix. We believe this is the only beginning of a significant new growth leg for our business with the benefit of this transition becoming increasingly visible over the coming years.

With this, I would like to hand over the call to our CFO, Mr. Vikas Goel.

Mr Vikas Goel: Thank you, Preetham. Good morning, everyone. Let me now take you through our consolidated financial performance for the first quarter of FY27. For Q1 FY27, our consolidated performance reflected strong operating execution with revenue momentum translating into improved profitability and a stronger margin profile.

Within ADS, reported revenue of INR1,454 million includes product sales, scrap sales and tooling income. Prior period figures have been restated for a like-to-like comparison with details provided on Slide number 7 of the investor presentation.

Margin expansion was supported by operating leverage, disciplined cost absorption and a more favorable product mix, which together helped offset inflationary pressures during the quarter. Operating expenses increased in absolute terms as the revenue scaled and included a provision of INR126 million for U.S. import duty tariff incurred in the previous year. These amounts remain recoverable as we speak and efforts are on to continue on the process of recovering them. However, a provision was made based on the recovery risk assessment, while we continue to pursue the recovery.

EBITDA for the quarter stood at INR1,961 million, reflecting strong year-on-year growth of 48%. Profitability also improved with EBITDA margin expanding by around 200 basis points to 19.2% compared with 17.2% in the same quarter previous year. The quarter included an exceptional charge of INR169 million towards settlement of a litigation matter in the U.S. District Court. The matter was disclosed in our 2021 prospectus and the settlement was completed without any admission of liability. The EBITDA numbers that I spoke earlier is excluding these exceptional items.

Other income stood at INR134 million for the quarter, up around 15% year-on-year, primarily driven by higher forex gains during this period. Profit after-tax at INR874 million, up 39% year-on-year with PAT margins improving to 8.6%. Excluding the exceptional item mentioned before and adjusting for this post-tax impact of INR127 million, PAT for the quarter was at INR1,000 million.

Our capex program will continue to be phased in line with customer validations, order visibility and expected utilization. We remain focused on ensuring that new investments meet our internal return threshold and support profitable and sustainable growth.

From a balance sheet perspective, our focus remains on maintaining financial discipline with funding growth led capex. We continue to monitor working capital closely, particularly receivables and inventory to ensure that growth is supported by healthy cash conversion.

Overall, we remain confident about the medium-term growth outlook, supported by a diversified order pipeline, new capacity coming on stream and continuing to focus on margin, working capital and capital efficiency.

With this, we conclude our opening remarks and open the floor for Q&A.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Siddhartha Bera from Nomura Group. Please go ahead.

Siddhartha Bera: Yes. Hi, sir. Thanks for the opportunity. And congrats on a great set of numbers. Sir, first question is on the ADS side. I think in the presentation, it is mentioned that the order book is close to INR45 billion, but you mentioned that it has gone up to INR57 billion in the current quarter. So am I sort of reading it correctly?

And if you can just talk about the incremental orders, is it from the existing customers or from any new customer if you have added? And now with this order book, where do you see this segment revenues in the next three, four years? So that will be the first question.

Mr. B. R. Preetham: Thank you, Siddhartha. I'll start answering and probably Hari will take it forward. Yes, see, the normal course of business, we would not have mentioned this. But since this is one big order, and this is from semicon equipment manufacturer, and this is pertaining to a very significant -- this is also quite a significant milestone for us because this would propel us to almost close to $75 million worth of annual business from this customer. So we thought that it is appropriate to mention this order.

So on a five-year basis, this would approximately translate to about INR1,250 crores. That is what we have said that from INR44 billion, it is going up to INR56 billion or INR57 billion. So otherwise, on a normal course of business, we keep getting very strong momentum from both aerospace and Sem. So Hari can add. Hari?

Mr. Hari Krishnan: Yes, Siddhartha. Good morning. This is from our existing customer. It is from the semicon space. And as Preetham said, this is a win which happened post our normal cutoff date, which is 1st of July. This happened in the last couple of weeks. So we are very, very bullish.

And the business with the customer, as Preetham said, with this will reach about $75 million or roundabouts the engagement with this customer alone. And we are working very actively to address further RFQs on the table in the same space as well as the aerospace division. So right now it is INR5,700 crores executable by FY 2031.

Siddharth Bera: Got it, sir. And second question is on the export side. We also did see a very strong traction. I would assume that even outside the non-auto business, some of the ICE business also seems to be picking up quite sharply. Can you sort of talk about some trends, both globally and domestically, on the ICE side? What is driving this growth, and how sustainable do you see the growth momentum to be in the next few years?

Mr. B. R. Preetham: Yes, we saw a very healthy growth even in the off-road segment. We saw some good growth coming from passenger vehicle segment in exports. Everybody is aware of the fact that the domestic two-wheeler industry and domestic passenger vehicle industry continues to surprise everyone. It is not only in quarter 1, we are seeing much stronger demand extending in quarter 2 as well.

And we expect that since the festive season is distributed between quarter 2 and quarter 3, I think even the quarter 3 momentum, we see there is a strong demand. In fact, the demand is so strong that there is a lot of stress on the supply chain, both on raw material from child part front. We see that there is a lot of capacity constraint and intervention from customers are helping us to get this material in time.

But of course, when there is such huge demand coming from all the segments. There is a stress on supply chain and production. But I see a very strong demand visibility both in two-wheeler and passenger vehicle for at least next one and a half quarters, definitely.

And on exports, there is a good traction, both on passenger vehicle as well as premium two-wheelers, off-road vehicles. So we have also commenced our deliveries into the energy segment to one of the key customers in North America. That should also start giving us sustained revenues from Q3. So overall, I see a very positive outlook going forward.

Mr. Hari Krishnan: Yes. Just to add to what Preetham said, we have been talking last couple of years about a U.S. facility manufacturing connecting rods, which was the requirement of our OEM customers there. And we also have been updating you that we are now waiting for certainty to come back into the system because of all the tariff confusion.

While that status quo remains the same, we are seeing increased momentum from the customers to start sourcing more from Sansera, India, without really waiting for us to start our operations in the U.S. We can see that trend as a stop-gap arrangement, and that is also contributing to increased exports in our prime premium product.

Siddharth Bera: Understood, sir. Sir, last question to Vikas, sir. When you talk about this INR129 million of impact, is it in the current EBITDA margins of 19.2%, or have you already excluded it from the other cost? If you can just clarify that.

Mr Vikas Goel: No, it is included there. It is considered as a cost.

Siddharth Bera: Okay, got it. Okay, sir. Thanks a lot. I will come back in the queue.

Moderator: Thank you. The next question is from the line of Chandramouli Muthiah from Goldman Sachs. Please go ahead.

Chandramouli Muthiah: Hi. Good morning, and thank you for taking my questions. First question is just around the order book again on ADS. You mentioned close to INR57 billion as of quarter date. Just want to understand in terms of your capex planning and capacity expansion, you did mention that you are adding a service treatment capacity nearby.

There is a hangar also coming on stream over the next 12 to 18 months, and then you have in the past mentioned that you might look to do more greenfield there. Just want to understand a sense of what sort of asset turns you typically need to keep in mind before investing for incremental semicon capacity, and how that looks on aerospace as well, and does that have any implications for your annual capex plans over the next couple of years?

Mr. Hari Krishnan Let me just try to answer this is Hari here, Chandramouli, in three buckets. One is capex. In this current situation we are in is a parallel activity, it is a continuous activity based on what you invest today with the lead time of machines being seven, eight, sometimes up to nine months.

So when you really cut off at a particular point and check on peak revenue potential versus assets invested for a particular program, the ADS asset turns are very comfortably between 2 to 2.25 in that margin. And secondly, as far as infrastructure is concerned, what we are speaking right now is a confirmed order book of INR5,700 crores to be executed by FY 2031. Not to say that is a number we target to really reach. Orders are being negotiated. Conversions are at an advanced stage.

We expect a lot of conversions to happen in Q2 and Q3. So keeping in mind the projected business, in addition to the 80,000 square feet hangar which Preetham spoke about, which is going to get commissioned in a month or two at the latest, we will start installing machines and commissioning and validating the lines with the customer's approval. And also the special process coming on stream in maximum a month or two, because the approval process, as we are talking, certification process is underway.

We are also working on a build-to-suit facility not far from our existing place, which we hope to conclude discussions in August and have that facility ready in about 10 months' time, and that would add a further 100,000 square foot to our manufacturing space. And the biggest advantage is, all this will be in a vicinity of 500 meters.

Mr. B. R. Preetham: Just to sum up what Hari was saying, our existing facility with an extended hangar for aerospace and SEM should enable us to generate a revenue of between INR1,400-INR1,500 crores worth of capacity. Then we are also shifting our defense to have more focused approach on defense. So this should enable us to, over the next five years, create a capacity which can generate a revenue of about INR500 crores.

The new facility Hari just spoke about, which will add about 110,000 square foot would also be able to have a capacity which can generate another INR1,500 crores. So overall, by FY '31, our base plan as per the current visibility is to create a facility which will -- through which we can generate a revenue of about INR3,500 crores.

Chandramouli Muthiah: Got it. That's helpful. My second question is just around some of the comments that I think have been highlighted in the presentation that you had uploaded. So 1Q top line growth for the company is north of 30% Y-o-Y. And you have sort of made a comment that you're looking to do high-teens top line growth in FY27.

If I just break it down sort of between ADS and the rest of the business, in FY26, I think ADS was in the ballpark of 10% of total company revenue. And if that's possibly doubling in FY27 based on, I think, the guidance ranges that you've mentioned, that in itself possibly adds 10% to overall company top line.

So does that mean sort of the rest of the business, the non-ADS business, the remaining 90% of the business in FY26 will contribute in the ballpark of 7% or 8% kind of top line? But I think you're doing ahead of that run rate year-to-date. So I just wanted to understand that dynamic a little better, if the high-teens guidance for FY27 on top line is more sort of a baseline or if you expect some sort of moderation in the back half?

Mr. B. R. Preetham: See no. Actually, this was a general -- at the beginning of the year when we did our business plan, this is what something that based on the projection from our customers, we thought that we will end up doing about mid-to-high teens, more towards high-teens overall growth.

But as you are very right, looking at the sustained momentum of the two-wheeler and pass car industry, especially domestic sustaining and also looking quite strong for the coming quarter -- in the current quarter and also towards the festive season, which will be into the third quarter as well.

I think, overall, if you see our non-ADS business, all other businesses put together, non-ADS business itself, we should be able to look at a mid-teen kind of growth easily. So that is something that we are working on. As the business is evolving and situation is looking at month-on-month looks more possible that we will be doing more of mid-teens to high-teens kind of growth in our other businesses as well.

Chandramouli Muthiah: Got it. So just to clarify, so if 90% of the business can do mid-teens that might be sort of a 12%, 13% contributor in F '27 and then the remaining 10% possibly doubles, that again is a 10% contributor. So, it should be possible to do comfortably north of 20% if these trends sustain in '27?

Mr. B. R. Preetham: I think if the business continues to grow the way that it is doing now, I think it is a good possibility that we should be looking at between high-teens to 20% as overall revenue. Yes.

Chandramouli Muthiah: Got it. I have no more questions. I will join back. Thank you very much, and all the best.

Moderator: Thank you. The next question is from the line of Mukesh Saraf from Avendus Spark. Please go ahead.

Mukesh Saraf: Yes, sir. Good morning and thank you for the opportunity. My first question will be on the quarter itself. Can you kind of give some sense on how the material cost has played and how your pricing pass-throughs have happened so far? And what we can expect, say, in the next couple of quarters in terms of pricing, et cetera?

Mr Vikas Goel: Yes. Vikas here. So we have seen a material cost increase, not a very substantial increase. Primarily, it has happened in aluminum, a small portion of our total material consumption and also on some of the consumables where we've seen exceptionally high inflation, which has actually impacted us in the quarter.

As far as steel inflation is concerned, we see limited inflation, and we are engaging with our customers for the pass-through, which is currently in process, not yet translated. And that's where we stand right now.

We got some cushion with all of with all of the higher realization of our to do the forex movement. Some cushion or maybe short-term respite has come from that while we continue to engage with our customers for passing on material inflation, yet to materialize.

Mr. B. R. Preetham: We have -- Yes, as Vikas said that we continue to engage with our customers for getting compensation out of tool and higher labor costs, which has impacted especially our Northern plants. So I think this is work under progress, but nothing of that has come into the balance sheet or P&L yet in the first quarter.

Mukesh Saraf: Got it. Got it. So just in continuation with that, we've seen our gross margins expand in this 1Q vis-à-vis 4Q. So that's entirely a mix impact that means because we haven't got any pass-throughs anyways.

Mr Vikas Goel: No, no. It's a mix plus the forex, both, because of the...

Mukesh Saraf: forex as well. Okay. Got it. And second question, again, on your ICE expansion itself. We had spoken about Pantnagar Plant 16 and then you're expanding Plant 6 there and now Manesar Plant 4.

I mean, could you give some sense, is this because of OEMs expanding their capacity and you're getting commensurate kind of a wallet share there? Or are you kind of seeing an increase in market share and hence you're expanding these crankshaft machining facilities, et cetera? It would be interesting to see how ICE business itself could do for you in the next couple of years with the way you're expanding capacities.

Mr. B. R. Preetham: Yes, I'll just answer then Rahul will take it forward. Basically, this is definitely a result of higher outsourcing opportunity in two-wheeler OEMs who are looking at outsourcing crankshaft facilities. So that is something that we are focused on.

And second thing is that because that is one of our -- we have been doing crankshaft assembly, both crankshafts, connecting rods right from forging. So it is some expertise that we have developed. But on passenger vehicle as well, we have got some very strong indications of capacity expansion. I'll just hand it over to Rahul, who will explain probably in a little more in detail on Pantnagar and Manesar.

Rahul Kale: On Pantnagar facility, as we informed earlier, we are expanding a special plant.

Rahul Kale: A crankshaft facility, which is a fully automated facility, especially for two-wheelers. This is mainly because of substantial increase in demand from a couple of customers, which are south-based two-wheeler manufacturers. We also, like Preetham said, we have opportunities of OEM outsourcing, which is coming to us. This is mainly dominated by crankshafts in north facilities, but crankshafts are demanding for conrods also, which are being manufactured in Bangalore facilities.

Of course, four-wheeler Maruti volumes and all OEMs are pushing us for increasing demanding for these. I mean, it is not only machining, we are expanding forging facility also in Pantnagar and all secondary operations, heat treatment. So, all along in Auto ICE also, we are expanding both, predominantly today in Northern plants, but as a consequence of crankshaft going up, connecting rods in Bangalore facilities. So, Preetham mentioned in initial talk that we are building new multi-story kind of building in Plant 2 also. That is also a part of this expansion.

Mukesh Saraf: Got it. Just lastly, did you give an updated capex number for the company this year? With this expansion, maybe new order book, et cetera?

Mr Vikas Goel: We have not. As I said, we gave an overall plan during last quarter for this year, but then we have not updated that number as of now. As we said, the new

Mukesh Saraf: Sure.

Mr Vikas Goel: That we see, we continue to evaluate our capex plans.

Mukesh Saraf: Got it. Thanks a lot. I will get back in the queue.

Moderator: Thank you. The next question is from the line of Mahesh Bendre from LIC Mutual Fund. Please go ahead.

Mahesh Bendre: Sir, my questions have been answered. Thank you so much.

Moderator: Thank you. The next question is from the line of Shashank Kanodia from ICICI Securities. Please go ahead.

Shashank Kanodia: Yes. Thank you, team, and congratulations for a superlative performance. On the top-line front, given the fact we have an executable order book in previous time frame in non-ADS business, and our ADS business doubling this year will be doubling over the next two years. Will it be prudent to assume that we could be growing in excess of 20% of top line over FY26 to '29?

Mr. B. R. Preetham: I can only answer to the current years, which I said that we will be very close to high-teens to 20%, considering our growth, which will be about 75%-80% in ADS. There is a momentum on this. We expect that the customer engagement, what we have and their indications for capacity, because we have been engaged with most of the large OEMs to talk about, because since Sansera is a fully integrated facility and any expansion, especially in Auto, any expansion on our forging and heat treatment and all such facilities will take anywhere between 18 to 24 months.

So we need to have a kind of two-year view from the customers if we have to expand meaningfully. So we are engaged, and we are putting our plans in place. Really it's too early for me to say whether for the next two, three years, we will do 20% plus, but then we expect that there is this strong momentum to continue.

Shashank Kanodia: But sir, on the base order book, our execution timeline remains that it will achieve this order book in next three years as a peak revenue, right? So that understanding remains unchanged?

Mr. B. R. Preetham: Yes, that understanding remains unchanged.

Shashank Kanodia: Okay. Secondly, sir, on the margins front, adjusting for the provision that we have done for this quarter, as adjusted margins is 20.4%, and our endeavor has been to attain a 20% mark. So now how do we see the margin trajectory given the increasing share of ADS as a segment? Is 20% to 25% a new benchmark that we will be targeting internally, or is it a 20% range is something that we are comfortable with?

Mr. B. R. Preetham: No, I think this quarter could be slightly more elevated, because we have had almost 40% revenue coming from international revenue, and we have had very strong mix advantage, currency advantage and all that. But otherwise, we have maintained in the beginning of our year that last year, our overall margin was 18.1%, and we would be more happier that if we are able to inch towards 19%.

While the first quarter has been very strong, I don't want to give some number. While we are very aspirational, we are working towards achieving our 20-20-20 targets. I would still maintain that whatever I have given guidance in the beginning of the year, we would like to achieve it, slightly maybe overachieve it.

Mr Vikas Goel: I would just like to add this. Our endeavor is to sustain this margin level and focus on growth while we sustain the margin. That's the philosophy that we are working with.

Shashank Kanodia: Yes. Sir, will it be possible for you to share what is the differential margins that you earn for ADS? As in, base business is earning 17%, 18% margin. What could ADS as a segment be earning?

Mr. B. R. Preetham: No. See, our exports business and ADS business definitely comes with a higher margin profile compared to our domestic business. Last time also, during our commentary, we said that we are targeting or we are operating between 25% to 30% EBITDA margins in both these sectors. I would say that as we improve our capacity utilization, the numbers would be more towards higher north of high-20s. I don't want to put a figure into it, but then definitely this would be between 25% and 30% margins.

Shashank Kanodia: Thank you, sir, and wish you all the best.

Mr. B. R. Preetham: Thank you.

Moderator: Thank you. The next question is from the line of Suraj Malu from Catamaran. Please go ahead.

Suraj Malu: Thank you very much, sir, for this opportunity. Sir, I have two questions. Firstly, in the motorcycle segment, if we see the revenue growth is in the range of 7% to 10% year-on-year for the last three quarters, whereas the industry volume for motorcycles has been 17%, 18%. So can you help reconcile these numbers? Like have you lost wallet share with any of the customers, or how has it been?

The second question is, on the passenger vehicle segment, are we still maintaining our same wallet share with Maruti or that has reduced?

Mr. B. R. Preetham: No, we have not lost any wallet share with any of the customers. We have been increasing it both with TVS as well as with Yamaha and Suzuki. So I do not see any reason why. While you compare the industry on numbers, our representation is on revenue. There could be some gap between that, but otherwise, we have been doing well, and we have grown well. Exactly, I will have to check what is our motorcycle numbers. But then, we have not lost anything. In fact, we have gained the market share.

Second thing is, in terms of Maruti, we have been gaining market share. In fact, the projections also, they remain one of our top customers in terms of our engagement. Even for the next couple of years, we see a very strong momentum from them. From the components that we are supplying to them, almost 75% of volumes are supplied by us to them.

Yes. In our this thing our motorcycle business probably has grown by about 12.5%. These are our numbers. We can have an offline chat and we can see.

Suraj Malu: Sure, sir. Thank you very much.

Mr. B. R. Preetham: Yes.

Moderator: Thank you. The next question is from the line of Mumuksh Mandlesha from Anand Rathi Institutional Equities. Please go ahead.

Mumuksh Mandlesha: Yes. Thanks, sir, for the opportunity, and congrats on the result and the new order wins in the ADS segment, sir. Just firstly, sir, just on the defense side, what will be your approach towards this opportunity? How much capex we plan to put for this new plant? How will be the timeline for this plant? Generally, sir, what kind of a business opportunity we see, whether it is forging, machining, it will be more like a Tier 1 or Tier 2 player? If you can give some more sense on this opportunity, sir.

Mr. Hari Krishnan Okay. Let me just lay out what we actually do and aspire to do in the defense sector. Our offering today is precision machined components for applications in defense areas. We supply to small batch quantities to ISRO, HAL. We do a bit of exports to companies in Israel. But now we want to up our game to the next level. We are now looking at closing some large order wins in the defense space for customers outside India, mainly in Europe. That is our conversation. And along with that, we are also sure and very clear that we are going to get into sheet metal as an additional offering.

Now that can be for both defense and for aerospace, because we strongly believe that with sheet metal capability, our RFQ packages will tilt hugely in our favor, surely by our ability to address more components, which today we are just letting it go. With the in-house special process facility what we have, I think this will translate into significant advantage as far as how customers will view us.

So, our new defense facility, which we are talking about, is going to increase our offerings in the machining space to more number of customers and also will pave the way for our entry into sheet metal, first through defense, which will be also used for aerospace applications. We expect to make a significant headway in the financial year as far as facility creation and order wins scores. We will keep you updated and posted.

Mumuksh Mandlesha: Got it, sir. Great to hear this, sir. Secondly, in this quarter, I could see new order wins have been added around INR88 crore in PV-CV, and INR75 crore in two-wheeler. Can you share more what are these new order wins in this quarter?

Mr. B. R. Preetham: No, it is a normal course of business. I do not think we have details. This is just that we have so many -- 87 customers, and we are engaged with a lot of them, and these are on a normal course of business order wins. I don't see -- except that we mentioned about ADS, where we got some very big order from SEM. Otherwise, these are normal course of business.

Mumuksh Mandlesha: Got it, sir. And sir, on the SEM order, the new order win, I just want to understand how will be the timeline for the execution of this INR1200 billion (Wrongly said, please read it as INR 1200 Crore), sir?

Mr. Hari Krishnan: It's like this, that in our business of machining, especially ultra-high precision machining, the significant or the defining lead time is the arrival of the mother machine. Taking that into account, we would start seeing revenues in this new order, significant revenues, calendar year 2027, and it will peak calendar year 2029.

Mumuksh Mandlesha: Got it, sir. Thank you. Thank you so much for the answer, sir.

Moderator: Thank you. The next question is from the line of Varinder Bansal from Omkara Capital Private Limited. Please go ahead.

Varinder Bansal: Thank you everyone for giving me the chance. My simple questions are that in the last con call, sir, I think you mentioned that the revenue could go to INR8,000 crore to INR9,000 crore the next two to four years. Do we stand on that, or do we increase that?

Mr. B. R. Preetham: No, two to four years -- two years -- two to four years? No, no. We haven't spoken about two to four years. Probably by end of decade is what we said that we will have an opportunity to look at overall revenue of about INR8,000 crore to INR 9,000 crore. That is what is the plan with which we are working on, to create facilities worth to address that market. We still are very optimistic that the numbers that we are looking at is quite possible to be achieved.

Of course, this would be primarily also driven by our non-auto business, which is ADS. We also have significant outsourcing opportunities, especially in the export market, in the auto segment, both in EV as well as on ICE hybrid platforms. All this put together, there are opportunities where we should be looking at this kind of numbers by end of the decade, say FY 2031.

Varinder Bansal: Okay, got it. My second question, the last question is that we are already achieving some INR600 crore sales as a run rate from the ADS segment, and unexecutable order book, as you mentioned, around INR5,700 crores. We can safely say that this number could go to INR1,500 crores going ahead next year or not? Second question is, with all the capacities what we are putting and intend to put, no capital raising is required?

Mr. Hari Krishnan: First point, it is not going to go to INR1,500 crore revenue next year. There will be a progression and depending on the commissioning -- as I said, at this point of time, INR5,700 crores is mandatorily executable or has to be executed by FY 2031. There will be, without doubt, a significant ramp, but going to INR1,500 crore next year is not as per our plan.

Mr. B. R. Preetham: And the second thing is that, look, there is a process of validation, machine commissioning, all these things. While there are orders, there are opportunities, there is facility that is being created. Since the nature of components that we are into requires kind of lead time in development and validation, it will take time.

We expect that we will continue to have a similar momentum in our execution in the next year as well. The exact numbers we will be able to give you a guidance towards the end of this year, depending upon the status of our plan, the status of validation, so many other factors. I think we will be very close towards the end of this year.

As far as our fund requirement are concerned, currently, we keep monitoring our cash flows and we don't think at this moment it is necessary for us to look at any additional fundraise. We are quite happy with our cash flows, and we are able to fund our thing. Having said that, we are also looking at some good opportunities that potentially can come, and we will keep monitoring the situation on a month-on and a quarter-on-quarter basis and take an appropriate decision if at all we need to look at a fundraise at some point of time.

Mr Vikas Goel: Yes. In the meantime, our balance sheet is strong enough to fund any of these investments through leveraging, which is currently at a very low level.

Varinder Bansal: So everything that we do, sir, it will be organic, right? We are not going ahead any point of time.

Mr Vikas Goel: No, inorganic plans are there.

Mr. B. R. Preetham: No, no. See…

Varinder Bansal: No inorganic, right?

Mr. B. R. Preetham: See, the current projections and business updates that we have given, all that is considering only organic growth. But we are quite -- we keep our ears and eyes open for the opportunities that we keep getting across the segments, especially in non-auto. And that interests us. We keep looking at it. And if anything appropriate comes our way, we will definitely have a look at it.

Varinder Bansal: If I may put last question, sir, we have beautifully pivoted our business model from a forging company to ADS. Is there anything else -- I know our plates are already very, very full. But is there any other segment which you foresee could be another area where Sansera could focus in the next 2, 3, 4 years?

Mr. B. R. Preetham: We have already said that non-automotive is one of our prime focus and non-automotive includes -- not limited to [Technical Difficulty]

Moderator: Mr. Varinder, you can go ahead with your last question**,** please**.**

Varinder Bansal: Thank you so much. I was just asking about new opportunities apart from the ADS that we are exploring in the next 2 to 4 or 5 years.

Mr. B. R. Preetham: You didn't hear whatever I said. I kept on talking. Sorry.

Varinder Bansal: I'm sorry.

Mr. B. R. Preetham: So there is a lot of growth prospects that we are looking at non-ADS, could be in aerospace and SEM, but in industrial, in power sector, see, power is something that we are very interested, both in transmission as well as storage. And we also think, going forward, humanoids, like a few of our peers have already said that it's going to be a big opportunity. So we will keep on working on how to get into that segment. So these are some of the segments we are interested and keenly looking at how to expand our presence there.

Varinder Bansal: Thank you, sir. All the best. A very proud shareholder. Thank you.

Mr. B. R. Preetham: Thank you. Thank you very much.

Moderator: The next question is from the line of Sridhar Kalyani from Antique Stock Broking.

Sridhar Kalyani: Thank you for the opportunity. Sir, congratulations on a great set of numbers. Most of my questions have been answered. Just wanted to understand, like you mentioned in your opening remarks about large and more complex precision components that you are looking to enter into. So which system or subsystems are we exactly targeting?

And like in -- as per our earlier conference calls, you did mention about turbine blisks that Sansera has entered into. So any progress on that front? Have we received any order or any confirmation that could be expected in the near term? That's my first question.

Mr. B. R. Preetham: Yes. I'll just leave it to Hari to answer to this.

Mr. Hari Krishnan: Yes. I think in the last earnings call, we announced that we had just about bagged this very prestigious order to work on a blisk opportunity. The update what I have today is that we have made significant progress getting ready to start the machining. There were a lot of other activities involved. So we are now making progress within the allowed stipulated time line, and we should have our -- the first samples ready for the customer in a month's time from now.

Mr. B. R. Preetham: And to add to Hari's, this thing, yes, we -- since -- we have now commissioned a facility of large-size, special process, which can accommodate up to 4-meter components. And we already had the machining facility for that. So we have 5-axis machining capabilities, multi-5-axis, like when I say 5-axis, there are several ways of 5-axis machining that one can do. If people have visited our facilities, you will know that we have 10 or so different types of 5-axis machining.

So for us, now we are looking at more and more semi -- in both SEM and aerospace, more complex parts like parts related to door assemblies, fuselage, a lot of structural parts, seating elements. So there are several of such opportunities that are now there, which we are working on, which also means that we are moving up the value chain in the system. So with the new facility that we will probably hope to get a NADCAP and customer approvals for this special process within this quarter. So that will also not only add capability, but will also cut the lead time for development and supplies, and also will be margin accretive for us.

Sridhar Kalyani: Got it. And second, sir, with respect to the Sweden business...

Moderator: Sorry to interrupt, Mr. Kalyani. May we request you return to the question queue for a follow-up question?

Sridhar Kalyani: Okay. All right. Thank you.

Moderator: Thank you. The next question is from the line of Sajal Kapoor from Antifragile Thinking. Please go ahead.

Sajal Kapoor: Yes. Hi. Thanks. So two questions, please. First is, as you move from one complex program to another, how much of the learning is reusable rather than having to solve each problem or each program largely on its own?

Mr. B. R. Preetham: Yes. No. See, when we say that in -- especially in automotive, it is progressive learning. I don't see -- we keep using the knowledge of each of the crankshaft connecting rod that we make and that gets expanded into this thing. But in ADS, it is slightly different because the nature of products that we do -- deal with every package will be different.

But having said that, overall, conceptually, when we say that, like, look, today Hari spoke about a blisk that we are trying to develop, and there is a lot of knowledge gain that happens in that kind of machining.

We are also now machining. We have been given an opportunity to machine a monocrystalline kind of components where there is a huge learning that we are getting from trying to machine this. This is something that we have never done before because this is one single crystal, which is expanded and it does not have -- so this is something that we have learned new. So conceptually, when we do such components, there is a lot of learning which gets expanded. So it's definitely transferable from one package to another package.

Sajal Kapoor: Perfect. Perfect, sir. And second is, you know, when you have a choice between putting the next rupee into the existing business and funding the next ADS or non-ICE opportunity, what makes you kind of say, yes, to one opportunity and no to the other?

Mr. B. R. Preetham: The return ratios and the strategy of long-term strategy. So these two are some of the things that we keep in mind when we decide upon where to put the money into. First of all, it should fall into our -- we have a committee which will recommend and go through each of these quotations when we decide and quote. So the return ratios are very important.

But having said that, the nature of business and the future prospects of the business will take a precedence over the return ratio if there is a challenge in the return ratio. But generally, that is something that we keep it in mind when we decide. And having said that, when aerospace and defense and semicon are posting us a large opportunity, but please understand we are growing on a very large base of automotive.

We are still growing healthy -- in healthy double digits. So -- which means that we are still able to generate a lot of interest and this thing from our customers. So all these things is translating into a strong order book.

Sajal Kapoor: Thank you so much, sir. Thank you. That's all.

Mr. B. R. Preetham: Thank you.

Moderator: Thank you. The next question is from the line of Anirudh Shetty from Solidarity Investment Managers. Please go ahead.

Anirudh Shetty: Hi**.** Thank you for the opportunity and just many congratulations to the team over a very consistently good performance over time. We are very happy shareholders. My question -- I have two questions. So the first question is our aspiration, you know, ADS segment is growing. We're seeing a lot of tailwind. Our aspiration is to get it to INR1,300 crores by 2030.

My question is, what are some of the risks over here and particularly around -- in the past, we have seen one of our customers going through a bit of a hiccup period. So going forward in the ADS segment, what do you think could go wrong, which could, you know, push this growth target more into the future? And are there any significant products that you feel might go end of life in the foreseeable future? So that was the first question.

Mr. Hari Krishnan: If you just bifurcate the ADS into mainly today aerospace and semicon, in the aerospace today, significantly, we see much lesser risk. The ultimate two customers are Boeing and Airbus. We are getting into increasing number of programs. The aircraft order backlogs are increasing as we are talking month-on-month. So risk per se God forbid, something catastrophic like what happened to Boeing about 6 years ago. If nothing of that kind happens, I think we are on a good wicket in aerospace.

In the semicon industry, as everybody is well aware, the current boom is largely significantly driven by the AI demand. AI demand, data centers resulting in a massive surge in demand for chips, which in turn translates into demand for the equipment suppliers, which is our primary market.

So the immediate feedback from the industry, and we are also constantly in touch with our customer, understanding demand pattern forecasting, it looks like they are very, very busy or they see themselves not able to meet demand until FY29, FY '30. So that is the short-term and the immediate forecast for the future. So I think the risks for semicon is what I laid out. Aerospace is much lesser of a risk. And I think that could -- I don't know whether it answers your question.

Anirudh Shetty: Very helpful. And just to be clear, there are no component products that you are supplying today, which are large, which over the next few years, you know, might just hit end of life or anything, which needs to be substituted?

Mr. Hari Krishnan: No, we are not today in production of anything where a significant portion is going to come to end of life in the ADS business.

Anirudh Shetty: Got it. And just one final question is the defense segment wherein now there's a lot of new confidence, you've explained why.

Mr. Hari Krishnan: Yes.

Anirudh Shetty: So this INR500 crores sales, is that part of the vision of what you all want to achieve by 2031? You know, that INR8,000 crores to INR9,000 crores, is this a part of that? Or this could be like an upside to that number?

Mr. Hari Krishnan: No, everything is a part of what we speak. We don't really break it down. So when we say the forecast for revenues today is INR5,700 crores, pending orders, confirmed backlog by FY '31, that includes aerospace, semicon and defense. And going forward, any future wins in this business will add to the INR 5,700 crores bucket, and it's all put together when we talk about that number.

Anirudh Shetty: Perfect. Thank you so much taking my questions.

Management: Thank you. Thank you.

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

Mr. B. R. Preetham: Thank you very much. And we are sorry for the inconvenience that we had to -- I mean, we just got disconnected. But we thank all of you for your patience and confidence in us. And with a very positive outlook, we expect that the coming quarters would be much stronger compared to this quarter.

We would put our best efforts to make sure that we live up to the expectation, both in auto as well as ADS segment. With that, we also invite you whenever we -- probably by towards October when we have our new hangar ready and full operational facility of the special process, please do visit us, and we will be able to demonstrate new we have done. Thank you very much.

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