November 20, 2025

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 call held on November 13, 2025 on Unaudited Financial Results of the Company for the quarter and half-year ended September 30, 2025.

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: 2025.11.20 09:30:35 +05'30'

Rajesh Kumar Modi
Company Secretary and Compliance Officer

Encls: a/a

"Sansera Engineering Limited Q2 & H1 FY26 Earnings Conference Call"

November 13, 2025

MANAGEMENT: **MR. B.R. PREETHAM – EXECUTIVE DIRECTOR & GROUP CHIEF EXECUTIVE OFFICER, SANSERA ENGINEERING LIMITED**
MR. VIKAS GOEL – CHIEF FINANCIAL OFFICER, SANSERA ENGINEERING LIMITED
MR. HARI KRISHNAN – CHIEF EXECUTIVE OFFICER - ADS DIVISION, SANSERA ENGINEERING LIMITED
MR. PRAVEEN CHAUHAN – HEAD (CORPORATE STRATEGY), SANSERA ENGINEERING LIMITED
MR. RAHUL KALE – CHIEF OPERATING OFFICER, SANSERA ENGINEERING LIMITED
MR. AMIT GAUTAM – CHIEF TECHNOLOGY OFFICER, SANSERA ENGINEERING LIMITED

Moderator: Ladies and Gentlemen, Good Day and welcome to Sansera Engineering Limited Q2 & H1 FY26 Earnings Conference Call.

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 date of this call. These statements are not 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 the conference call, please signal an operator by pressing "*" then "0" 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 & Group CEO of Sansera Engineering Limited." Thank you and over to you, sir.

B.R. Preetham: Thank you. Good morning, and welcome, everyone. Thanks for joining this call.

On this call, I am joined by our CFO – Vikas Goel, our ADS Head, Mr. Hari Krishnan – Praveen Chauhan, our Head of Corporate Strategy, Rahul – our COO, Amit Gautam – our new CTO, and our Investor Relations Advisors from SGA.

The Results and the Presentation are uploaded on the Stock Exchange and the company websites. I hope everybody has had a chance to look at them.

With a healthy recovery in domestic markets, Sansera reported its strongest-ever quarterly performance and for the third-time in a row with a revenues of INR 8,252 million with an EBITDA of 17.3% and a PAT of 8.7%. This growth came despite multiple challenges, such as slowdown in exports, cost pressures, and supply chain risks.

Gathering consumption waves following changes in the GST rate, the domestic auto industry is expected to grow at a healthy pace.

The entry-level motorcycle segment and PV segment is poised for a strong volume expansion, and the overall PV segment is also expected to perform well.

On the global side, stricter regional value content, RVC requirements, are accelerating the shift towards localized manufacturing, especially in the U.S., and sourcing within the U.S., Mexico, Canada, and Florida.

In line with these trends, we have set new benchmarks in our domestic sales during the quarter, which grew by 8.5% year-on-year.

At the company level, this was our best-ever quarter for both auto and non-auto segments.

This performance has come despite the introduction of tariffs, which are causing some pressure on the sales offtake, especially in the U.S. and European markets, also impacting our margins in certain cases.

In Q2 FY26, the automotive segment saw strong demand in motorcycles and CVs, while PVs sales declined on a year-on-year basis.

We have developed over 100 components for various customers in the premium two-wheeler segment, which is helping us to drive strong growth in the ICE motorcycles, especially in the premium segment.

We are also engaging with the new customers and our existing customers, who are exploring a transition from in-house production to outsource solutions.

On the CV side, we are seeing a strong attraction in our Swedish subsidiary, with the addition of new emerging high-volume businesses.

The Non- auto segment grew by a healthy 56.4% year-on-year in Q2 FY26, driven by strong offtake in the ADS segment, which delivered a top line of INR 496 million. With this, our top line in ADS for H1 FY26 would be close to INR 864 million, and we are very confident that our sales guidance should be very close to INR 3000 million. This business is expected to grow quarter-on-quarter over the next few quarters with a very strong momentum.

Additionally, we witnessed healthy growth in our off-road segment as well.

Sales in the xEV and tech-agnostic segment remained in line with our Q1 FY26. This segment was impacted by the tariff-related uncertainty and a lower offtake from one of our largest North American xEV consumers.

Our international business delivered 7.3% growth on a year-on-year basis, led by a solid recovery in our Swedish operations and also a strong performance from our ADS division.

The European business, excluding sales from our Swedish subsidiary, declined by 28.5%; however, revenues from the other countries showed a healthy growth of 28%, again led by the ADS exports.

As of September 2025, our peak annual revenue for the new business stood at INR 21.5 billion. For auto, which is a predominant part of our business, the orders are open-ended in most cases. Hence, it is not possible to ascertain the unexecuted cumulative order backlog. However, our ADS business is growing fast. We would like to update you on the unexecuted order backlog for this segment. As of quarter-end, it was more than INR 39,500 million. This order book gives us a significant advantage and puts us in a position of strength as a precision engineering company, catering to global OEMs while meeting our diversification goals.

We are also exploring new geographies, such as Japan and Korea, to engage with a set of new and existing clients, especially in auto space.

We aim to leverage our existing relationship with our OEMs to penetrate these markets.

The USA continues to be an important market for us and we have recently appointed a very senior professional to represent us there and target new growth avenues in the stationary engines, HCVs, etc.,

I would also like to welcome Mr. Amit Gautam, who joined us as Chief Technology Officer earlier this month. He is a seasoned automotive technologist with over 26-years of experience in R&D, specializing in powertrain design, advanced engine development, calibration, transmission systems, and simulation.

With this, our previous CTO, Mr. Satish Kumar, has been designated as Chief Customer Relationship Officer and Mentor to increase our focus on customer relationship.

Lastly, I am proud to share that Sansera Engineering Aerospace Division has achieved the honor of IGBC Platinum Certification, a remarkable milestone that reinforces our unwavering commitment to green initiatives, sustainability, and eco-friendly innovation. Now, we have the certification for two of our plants, including our Bidadi plant.

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

Vikas Goel: Thank you, Preetham. Good morning, everyone.

Let me take you through our consolidated financial performance during the 2nd Quarter of FY26:

Our revenue from operations increased by 8.1% on a year-on-year basis, reaching Rs.8,252 million. The gross margins remain stable at 41.2%, and I would like to draw your attention, despite the growth and other headwinds, we were able to maintain this gross margin ratio. And just to underline, we had a solid growth of revenue in our ADS division, about 80% on a year-on-year basis, similar growth in our Swedish business, but these were able to absorb the decline that we faced in our exports from India on a non-ADS basis, which was about 18% during the quarter. So, despite all this, because of the healthy business mix, we were able to maintain our gross margin ratios.

Our EBITDA for the quarter stood at Rs.1,431 million with an EBITDA margin of 17.3%.

Depreciation and amortization are on uptrend due to the addition of new asset blocks to support the growth initiatives.

Finance costs for the quarter stood at Rs.81 million, which is significantly lower on a year-on-year basis, owing to the reduction of debt that we have had. This resulted in a healthy profit after tax of INR 714 million with a margin of 8.7%.

When we look at our half-yearly performance for the H1 of FY26, we did a top line of INR 15,915 million with an EBITDA of 17.3% and a profit after tax of 8.4%. This represents impressive growth across parameters in this uncertain environment.

Our operating cash flow, net of taxes for the period continues to be healthy and strong, and stood at INR 2,050 million, which is 13% of the operating revenue and 70% of the EBITDA for this period.

During H1, we incurred CAPEX of approximately INR 2 billion. Slide #11 on our presentation shows the breakup of the same.

Non-auto is our top priority on the CAPEX front as of now, because of the opportunities that we are getting there.

On the balance sheet front, we continue to remain net debt free.

With this, we would like to conclude our opening remarks and open the floor for Q&A. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first 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. Firstly, congratulations on good numbers in a tough environment. I just want to start off with the ADS division. You have mentioned about the cumulative order backlog, but you also have an order book number that we mentioned; I think it is about 24% of your overall order book, so that comes to around, say, Rs.500-odd crores. So, how do we look at this Rs.500 crores number and that Rs.3,950 crores number, could you kind of explain a bit more on this and help us understand if this is just a kind of a back-ended growth that we are going to see?

B.R. Preetham: Yes. Morning, Mukesh. Yes, I would start this and then I will let Hari to take over. See, basically, when we were representing our order book, generally, we would not give any cumulative order book on the overall, we only represent the peak annual revenue potential that is there on the unexecuted order. So, this is primarily because most of our automotive order books are open-ended, they do not generally have a closure date that has been put. generally, it is open-ended. So, that is the reason, generally, we were avoiding that. But then specifically in ADS, we do get a contract for a specific period, which at the end of the contract period would get either extended or get terminated. But in most of the cases, generally, if your QCDM parameters are good, you get extended. So, currently, the visibility that we have up to FY30 amounts to this. So, I will just let Hari take over and just explain you how we are looking at this. Hari?

Hari Krishnan: Good morning. As Preetham explained, this is just a methodology on what we did so far. But it was very important for us to capture the ADS business differently, since we have clear visibility of the life of the program. So, what it really means is, rather than telling you what is the value of the business which we have booked and not started production as yet versus now telling you that as on date if I were to take all the available orders in hand and estimate the lifetime value of all the programs confirmed with a clear cutoff period of four years, it is almost Rs.4,000 crores.

Mukesh Saraf: Right, right. So, sorry to harp on this a bit more. In the order book, the peak annual revenue potential we have is around Rs.500 crores, but say in the next four or five years, if we are going to have a cumulative revenue of Rs.4,000 crores, then obviously, we are going to cross that Rs.500 crores peak number.

Hari Krishnan: Absolutely. Your understanding is perfectly right.

B.R. Preetham: Now, Mukesh, just to add to what, so the Rs.500 crores program does not include the programs which we have already started production, which we are already executing and which is on various stages of maturity. So, if I have to cumulate all these existing programs, which are going to run up to FY30, and then add the peak annual, so this is how it actually gets cumulated.

Hari Krishnan: You are right, Mukesh, in probably coming to a conclusion that the peak value of the ADS business in the next four years will be something close to 500 to 600 plus what we are probably doing currently.

Mukesh Saraf: Yes, yes, got it. Understood. And a little more color on this, I mean, are you able to give us some breakup of ADS here of this Rs.4,000 crores, I mean, just a broad color, sit largely aerospace?

Hari Krishnan: I would not want to dig into that, please understand that there is a sensitivity around semicon because currently we are working with one major customer, so which would mean that we would divulge a lot of their information. So, we would like to avoid that. But just to add to this that, see, our current facility, as we have also previously mentioned in our various calls, that can cater up to about Rs.600 to 650 crores of existing mix of the components. So, we are looking at that kind of revenue for the next year and that is the reason why yesterday the board has given us an approval for starting the new hangar, which we would be starting and our basic idea is to finish this by middle of next year, say around June to July, so that we are ready to take on further business. So, this would be about close to about 70,000 square foot of addition, which means that almost two-third of the existing facility that would get added further.

B.R. Preetham: We believe that with the new facility, which will be ready by June, July, Mukesh, we should be good to meet our projections for the next four years.

Mukesh Saraf: Got it. Understood. And secondly, on the US, I mean, I think last time you said that you are very close to doing due diligence on a land, but then you kind of put on hold with the tariffs. Any update there on, any clarity you have on, what the customers are telling you to require you to do an investment right away there?

Hari Krishnan: Well, I think the situation remains the same as on today, except that there has been continuous discussions on the subject almost on a weekly basis. And with the most recent promising inputs, what we are getting that the tariffs are going to be significantly lowered any time now, as what we read in the papers, I think we believe that will be a very big trigger point to see for the momentum on that front.

B.R. Preetham: But Mukesh, adding to what Hari said, that while all the decision-making has been kept on hold, there is a lot of analytics that are being carried out as to various tariff scenarios. But what is more important, because people have now understood that the base tariff of between say 10% to 20%, we could say that it would be anywhere between 10% and 20%. That is taken as a base case for calculating. But more importantly, the focus is on regional content. So, the value addition that is going to be done. So, that is the primary importance, and they expect that this to further go up to close to 75%, 80% in the years to come. So, that is why for all the future programs, so the content value addition is what is being discussed. So, I think that is the primary focus of all the OEMs now.

Mukesh Saraf: Got it, got it. Thanks a lot for this. I will get back in the queue. Okay, thank you.

Moderator: The next question is from the line of Siddharth Bera from Nomura. Please go ahead.

Siddharth Bera: Hi, sir. Thanks for the opportunity and congrats on a good set of numbers. Sir, first question is on the export PV segment where I see that it is still under a bit of stress compared to other segments. So, can you throw some outlook here on the Europe side, what is happening, is there any scope to gain more business, given that we are hearing a lot of stress in the local players there? And when should we expect some of these things to sort of normalize and pick up for us going ahead?

B.R. Preetham: Yes, actually, this has been both on ICE as well as on EV, passenger vehicle has been the most stressed segment for us. In fact, what I want to tell you is on a year-on-year basis, on a passenger car, we have de-grown by 22%, but in H1 it is 25.8%. This is both in terms of XEV customers as well as the ICE OEM. But, predominantly this was in the ICE customers. There were a couple of large programs which got delayed in terms of introduction of the models. But that we see that is primarily now started, we are seeing the increased off-take projections for the remaining portion of the current financial year. So, that should definitely help. The second portion of your question was, how do we see Europe? Europe also was weaker. We do not see too much of a change in European numbers for the coming financial year. Of course, this was also coupled with holiday in Europe. So, H2 should be better than H1 definitely. But then what we see is a lot of OEMs have now started talking about outsourcing of these, we have some large enquiries that we are discussing even in Europe for our existing range of components. So, I guess that with all the tariff and the content issues, and then primarily the resource constraints on the manufacturing front, especially on the human manpower availability, there is a lot of potential outsourcing plans that are being made. And we are definitely in discussion with a few of our large customers for some very good RFQs.

Siddharth Bera: Good to hear that, sir. Second question is on this profitability side. Now, I understand ADS profitability should be a lot better compared to the company average margin. So, where do you see the overall margin settling at now with the very strong growth in the ADS segment like you have guided? So, in the next few years, maybe, if not immediately in the near-term, if you can throw some color about where should we sort of see this settling at?

B.R. Preetham: Yes, I mean, basically, see, unfortunately for us, while we have done well on ADS segment, as I said that on exports front on ICE has come down, which is also a very high margin potential business for us. So, the gain in one has largely got off-stetted by the loss in the other segment. But just to give you some color that while our run rate in ADS has been almost now for the next five months should be close to about Rs.38 to 40 crores per month. So, this would mean that there would be an improved utilization of our resources, and this would also result in margin which has been actually very close to between I would say… I would not like to put up a number, but then it would be anywhere between 25% and 30% for the ADS business. So, we are closer to the higher end of that band. This is what I think we should take.

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

Moderator: The next question is from the line of Bharat Sheth from Quest Investment Advisors Private Limited. Please go ahead.

Bharat Sheth: Hi, good morning, sir, and thanks for the opportunity. My question is related to ADS division. When we are talking of this kind of Rs.4,000 crores of cumulative lifestyle order, so does that include MMRFIC order also or is again separate? And when we are now investing and increasing our stake in MMRFIC, so can you give some more color on our roadmap for next three years?

B.R. Preetham: No, the ADS business of Sansera does not include anything on MMRFIC. We do not give any guidance on MMRFIC as of now, because we do not hold majority in MMRFIC as of now. Currently, I think our holding is about 31%. And as we had communicated in the earlier communications also that Sansera seems to have a right to go up to 51%, and in yesterday's board meeting has approved a further investment of Rs.30 crores, which would be deployed before the end of this financial year. This as per our thing should be able to take us beyond 50%. Now, I do not have any specific projections to give in terms of MMRFIC currently. So, there are a lot of positive programs, which are quite sensitive in nature in terms of the disclosures that I can give, which the company is working, both in defense and in space programs, and these are very exciting. That is the reason that the board is also very upbeat and have approved the investment.

Bharat Sheth: Okay, great, sir. And second thing on this PV side on the export business, what you are talking, is it largely for a connecting road or also a component that we want to do? And secondly, what I understand is since lot of people have exited from the connecting road business globally, so how do we see our stake in, I mean, contribution increasing and what kind of a business that are we looking for from this connecting road?

B.R. Preetham: I mean, if you are asking us what is our interest in manufacturing facility in US, it would be only to begin with for connecting roads, especially machining, we are not looking at any forging facility as of now. So, we will be doing some forging and green machining in India and looking at finished machining assembly and inspection in the US. But to just to get you that, see a lot of the current existing programs, majority of them have still been catered by the OEMs themselves, and they are all looking at all the newer programs, now with renewed interest in ICE/hybrid, because even in hybrid, our components are common, renewed interest and focus from all the OEMs, there are a lot of upgrades for the existing programs and also the newer platforms that are being designed, we are already part of such programs. So, for those, we have a good chance for being active source, whether a majority source or a significant source that depends on our presence, which is going to be critical for them. So, that is the reason that we are looking at a facility in US. We already have a facility in Sweden. So, any such initiative by the European Union, we can cover it from our Swedish facility.

Bharat Sheth: Okay. Thank you and all the best, sir.

Moderator: The next question is from the line of Nikhil Rao from Ithought PMS. Please go ahead.

Nikhil Rao: Hi, good morning to the management. Congrats on a great set of numbers. So, my question is on the EV passenger vehicles for the domestic market. So, what exactly is your current wallet share with all the major OEMs in that space like do you have like Mahindra, MG, Hyundai, and Kia as your customers? And if not, what exactly is the strategy to win these accounts?

B.R. Preetham: No, if you are talking about the passenger vehicle EV segment, we are only with Toyota and Maruti. We are not yet on the newer platforms of either Mahindra or Hyundai or Kia. While there has been a lot of interest from both the sides, we are actually trying to get into a very focused product line, which you will hear from us in a few months to come, because we are working on some of the very interesting products which currently we are not into. So, just to give you a straight answer, our presence in the passenger vehicle EV segment domestically has been very limited and limited to Toyota and Maruti.

Nikhil Rao: Okay. And coming to EV scooters now, so are you the first choice supplier for all the biggest OEMs like Bajaj, TVS, Ather? And are there any plans to include Ola as well in your portfolio?

B.R. Preetham: We are currently supplying to all the names that you said, Ather, TVS, Bajaj. We are open to any other OEMs whom they would like to work with us, we are very welcome. I mean, it depends on the product, it also depends on the cost. So, we have a structure with which we work. So, we are focused on technology-agnostic components like aluminum forged and machine components, also on very high precision components like rotor shafts and stator shafts and all those things. But these are definitely high precision components, high performance components. So, our focus has been there and we would definitely want to expand to any other customer who would like us to work with. So, we keep approaching the customers and we keep looking forward for adding further customers.

Nikhil Rao: Okay, okay. And now coming to the ADS segment, so, I just wanted to understand what the competitive landscape looks like in defense and semiconductors and what is your right-to-win in this segment?

B.R. Preetham: We have three segments here - aerospace, defense and semicon. Now, over the last one and a half decades, the aerospace component manufacturing industry has been now, probably I would say that has now matured to absorb all the complex parts that we have. Today, the peer group that we have along with Sansera, we have capability to handle almost every component in the machining segment, whether it is on aluminum, titanium, steel or any other thing. Just to give you an example, Sansera, when we started in 2010, our journey to 2025 has been that we have now matured to handle components up to four meters, five axis, including now we are setting up a very dedicated special process component, which means that the landscape of the components that we can address in an aerospace, including the engine and landing gear components, structural components, everything is more or less complete. So, India used to get a , low value, people who did not wanted to take up these components in the other countries we used to get, but that situation has changed now. We compete globally and win globally against all the global peers on the most complex packages that we have got. In fact, yesterday, we were awarded a 7.7 million annual package from one of our OEMs and these are very complex parts. So, on aerospace business, India stands a very, very good chance with the renewed focus from both the OEM majors onto Indian supply chain. This also needs to be one more factor that you need to also consider is that, there is a huge shortage of skilled manpower, both white and blue collared for the aerospace manufacturing industry, both in US and Europe, and this is actually driving a lot of business towards India. So, I think if Indian companies like ours stay focused on the quality and cost aspect, I think the business would definitely be doubling, at least if not every year, every once in two years. On semicon, this is a new segment that we have got into. I cannot really talk much about the landscape that is currently there. There is very good potential because the kind of components that have been now being manufactured by our company to the segment is definitely on the top of the pyramid. And this is just that I think what we have now seen is only a tip of the iceberg. We have a lot of exploration that to be done. And I think as now the industry also understands that the Indian ecosystem can cater to such kind of components and this thing, so the depth of the industry can definitely be penetrated. So, on defense, we are in a very initial phases, we are working with both the Indian companies, both private and government and also their principals. So, while our focus has been to get into the defense, we are just not taking anything and everything that comes to our way. We are quite selective in what we do and we only want to handle components which actually justifies our investment. So, both on aerospace and semicon, we see a lot of growth coming in, but on defense, we are cautiously optimistic.

Nikhil Rao: Okay, okay. Thanks for such a detailed answer. So, just one clarification. So, in aerospace and defense, you are now as a Tier-2 supplier and in semicon, it is more of a Tier-1 supplier, right?

Hari Krishnan: No, just to clarify, in aerospace, we are Tier-1 and Tier-2 suppliers. We are Tier-1 suppliers to aircraft manufacturers like Boeing and Airbus. We are also parallelly Tier-2 suppliers to people who supply to these two companies what I mentioned. And in the semicon, we are Tier-1 suppliers to people who make the equipment for the semiconductor application. So, I would say in semicon, we are Tier-1, in aerospace, we are Tier-1 and Tier-2.

Nikhil Rao: Okay, okay. Thank you very much. That is all from my side. Wish you all the best.

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

Anirudh Shetty: Hi, thank you very much for this opportunity. Just a couple of questions on the ADS segment. Unlike auto wherein there is a bit of variation in the offtake of the order, just depending on how customers demand. The ADS is more, visibility that we have on growth is just a more higher probability outcome happening. And if you could just take us through under what situations could you actually be surprised in terms of how things play out, what could possibly cause that?

Hari Krishnan: Yes, I think absolutely right when you said that there is a much higher degree of certainty as far as volumes happening in the aerospace industry. Just given the fact that there are very few players and there is a huge global demand. So, if you want to ask what exactly can upset the apple cart or what can go wrong, nobody wishes that anything goes wrong, but an incident like what happened with Boeing four years ago, right, that really set us back quite a bit, and now, at least we are happy to note that we are almost back on track as far as Boeing is concerned, and Boeing themselves, I think, are now nearing peak production of what they were achieving before the entire incident. Barring such very unforeseen things, right, when we maintain a very high degree of outcome as far as probability is concerned in the aerospace business, again which is exactly what you said.

B.R. Preetham: Just to add to what Hari said, see, one more aspect of this thing is, see, when we work on aerospace and semicon, we work with longer lead time on both on raw material procurement as well as on the inventory cycles. Here, while the development cycle also is very, very critical… see, unlike in aerospace, which we developed per order one component or maybe two components, here, when we get an order, it will be multiple of, it could be about 100 to 200 components per batch. And what happens is, if we are able to deliver the FAI samples on time, we generally tend to miss the cycle, because they have to order on the incumbent supplier, and if we are not able to get into that cycle, then we miss a complete either six months or one year, so, which could mean that to that extent for that program, delay of about six months of mass production execution. So, these are some of the potential risks that you should be keeping in mind, because as we grow much faster, there are all chances that we handle multiple components with multiple customers and with a limited number of missions that are there for catering to FAIs, which we are constantly increasing. This is one of the risks that is always there in the business that if we miss a particular program, we would miss about six months to one year depending on their cycle of ordering.

Anirudh Shetty: Got it. Got it. I just want to clarify the order book. I know you guys spoke about it in depth, I am a bit confused that Rs.3,950 crores still have over five years, is that a cumulative number or is that annual? I am a bit confused there.

B.R. Preetham: No, no, it is a cumulative number over the next five years. Currently, whatever visibility that we have, which are on the confirmed programs, which are either get already under manufacturing or under development, if I add the exact visibility, up to FY30, our overall cumulative execution would be as of now stands at close to Rs.4,000 crores.

Anirudh Shetty: Got it. And just one final question. In the semiconductor space, I think we are working with one customer at present, but are you in aerospace receiving a lot of interest, are you also getting early inquiries in terms of other semiconductor customers could eventually work with us, that kind of stuff?

Hari Krishnan: While we are right now currently working with one customer, we are seeing active dialogues and enquiries from other people also.

B.R. Preetham: The second thing is, with this existing customer itself, the potential is quite huge. I think we have just got about 25%-30% of the overall potential that both the parties, them and us, want to execute. So, there is a lot of headroom left with the existing customer and the ecosystem also. As Hari said, there is already interest shown by the other OEMs. We ourselves have been very cautious because this has been a new experience for us. The requirements are quite unique in terms of the machining capabilities, the cleanliness capabilities, we have set up a state-of-the-art class 1,000 clean room for this. So, we have also been cautiously taking further strikes in this segment.

Anirudh Shetty: Noted, sir. Thank you very much for answering the questions.

Moderator: The next question is from the line of Khush Nahar from Electrum PMS. Please go ahead.

Khush Nahar: Congratulation on a good set of numbers, sir. Thank you for the opportunity. My first question was on the overall demand situation, how are we looking at it? So, since there is a possibility that there will be some resolution on the tariff situation, what are our customers saying in terms of the recovery in volume that we expect, because considering today's order book that we disclosed at Rs.21.5 billion, if executed over three years, so are we still intact on that Rs.5,000 crores revenue in FY28 or are we seeing any postponements in that? Secondly, you mentioned about an outsourcing opportunity that is there in Europe. So, could you give us a ballpark number in terms of the OEM was producing say, 50-50 and now that 50% for us can increase to 70%, just to get a sense on the kind of opportunity we are looking at? And lastly, I think in the ADS segment, we mentioned that our peak revenues can be around Rs.600 crores in the current capacity. In the presentation, you have mentioned that FY27, we target to achieve Rs.550 crores. So, what is the CAPEX plan for that segment?

B.R. Preetham: Okay. First is that your question on the full year revenue how are we looking and what are the things? Our expectation is that the H2 is going to be much, much, much stronger than the H1. While in the beginning of the year, we had spoken about a growth rate of about mid-teens to high teens. This is what was the initial, prior to all the tariff was increased to 50%, this was our initial estimates. But then, , the post tariff, the things changed. And at the end of the half year, we are only at about 6%, 6.5%. But currently, our visibility shows that on a full year basis, we should be able to enter at least the teens. So, in my opinion, that would indicate that the H2 would be quite strong. We had a good October, we are looking at good November, and a decent December, which means that the momentum that we have seen in the Q2 would continue into Q3 and Q4, which would result into at least company achieving, if not the full teens, so very close to the teens that we are targeting. This will definitely be aided by the ADS and the Swedish facility, which are doing well, and I also hope that the auto ICE exports would start performing much better. So, these three. Now, coming to the next question, where you have asked about also the opportunity from the European OEMs. These are very initial engagements that we have been having with the customers. There have been multiple RFQs that have been floated and we are working with. So, I have no comments on the size of the opportunity and the thing. Just to give you an indication that Sansera currently, probably if you really look at the connecting road universe, overall ex-China, we should be close to about 5% to 6% of the worldwide catering market, and almost close to 45% to 50% is catered by the OEMs across the world. So, there is a huge amount of potential that one can actually tap into. So, that is what we are working on. We are quite focused. We are also working on back-end, creating adequate capacities in forging and other-related supporting infrastructure. So, we are quite optimistic on that front. The last question was on the ADS investment plan. So, ADS, as we have said that this current capacity is about Rs.600 crores. And for that, by the end of this year, we would have invested fully to execute that Rs.600 crores capacity. Now, you should also understand that the capacity expansion happens quite front-loaded, which means that today what we are investing is also partially for the next year, but then what we invest next year would be definitely for FY27 onwards. So, for Rs.600 crores, the company has already fully invested or committed the investments. So, we are fine with both the equipment as well as the space for executing this Rs.550 crores order for the next year.

Khush Nahar: Thank you for the answer. Just one last follow-up. Just to clarify, you said 45% to 50% of the connecting rod is still made by the OEMs themselves in-house.

B.R. Preetham: Yes, worldwide. That is the approximate data that we have.

Khush Nahar: Sir, lastly, on the U.S. opportunity, I think I missed the clarification. Any timelines on putting up a machining facility or how are we looking at it for our customer?

B.R. Preetham: We are just waiting for these tariff issues to be cleared because we have identified potential sites. We have had initial discussions with both the local government in terms of all the incentives and the programs that they have. We have also had several discussions with the OEMs. Now, everything is on a standby till the final decision on the tariff happens, because that is what is finally going to determine the competitiveness of the partial production from India and partial production from the U.S. So, everything is kept ready.

Hari Krishnan: As we said, this quarter, we expect as a company to see some momentum on that front, which was pretty quiet last quarter. If something happens, we are very confident that we are ready to move fast and capitalize on the opportunity and there is definitely a huge opportunity by going there and manufacturing.

B.R. Preetham: So, our commitment to the customers has been that the day that we sign up a contract with them, between 12 and 15 months, the first line would be ready for mass production in the U.S.

Khush Nahar: Right, sir. Are there any of the new customers that you are adding on the semicon side or in discussions?

B.R. Preetham: There are several customers with whom we are in discussion. Generally, we do not disclose the customer name as it breaches the confidentiality otherwise. So, there is a lot of discussion, a lot of interest, especially after our current development with one of the customers. So, we look forward to adding a lot more in that segment.

Khush Nahar: Thank you so much and all the best.

B.R. Preetham: Thank you.

Moderator: The next question is from the line of Yash Agrawal from Nirmal Bang. Please go ahead.

Yash Agrawal: Good morning, sir. Thank you for the opportunity and first, congrats for the great set of results. I have one accounting-related question that in this quarter, I see staff expense is a bit elevated as compared to previous quarter as well as last year's quarter. Any specific reason?

Vikas Goel: See, when you look at last year, definitely we give annual increments to the people. So, that is one of the factors. And when you look at against last quarter, of course, we have some committed lines with the customers and then we have seen a recent increase in the volume in certain of the lines including ADS, which is actually resulting in a higher employee cost.

B.R. Preetham: Now, basically, we are building the organization for the higher growth. So, there is an organizational restructuring that is happening. We are adding people both at the top and the middle management to definitely look at our future growth and also be prepared for the succession that has to happen. So, all these things have added up.

Vikas Goel: So, in absolute terms, you may see slightly higher number, but on a percentage basis, we are tracking well.

Yash Agrawal: Okay. And the second question is on two wheeler space. We are seeing that the motorcycle segment is doing good, but scooters is in decline in the last two, three quarters. So, overall, we see scooters are doing good and their penetration has been higher. So, why our segment is showing decline?

B.R. Preetham: Can you repeat the question?

Yash Agrawal: Scooter segment is seeing decline in overall two wheeler segment, while the motorcycles are doing good from the last two, three quarters. But if we will see scooters overall growth in the domestic segment has been better than motorcycles. So, why our segment is seeing a negative growth?

B.R. Preetham: Basically, we are with all the major OEMs, but the issue is the content per vehicle in a scooter is lesser compared to the content per vehicle in our motorcycles. That could be the reason. Otherwise, our growth with the OEMs, we are present in both the segments. Of course, scooters, one of the OEMs, the largest one being Hero, we are not with any of the Hero models in the scooters. So, that could probably mean that there is some offset in the growth rate. Otherwise, I do not see any big reason for that.

Yash Agrawal: Okay, sir. Thank you. That is from my side.

B.R. Preetham: Thank you.

Moderator: The next question is from the line of Prolin Nandu from Edelweiss Public Alternatives. Please go ahead.

Prolin Nandu: Hi, team. My question is on your core or traditional ICE business, right, while in many of the previous answers, we have alluded to this point, but if I think about these products like connecting rods, rocker arm and crankshafts, let us say in the next four to five years, in terms of either revenue growth or growth in order book, should we at least build a healthy single digit to double digit kind of a growth? What I wanted to understand was that while one of the drivers could be the in-house manufacturing, which can move to outsource manufacturers like us, what are the other drivers, right, because, is it like CV is an opportunity, is export also an opportunity? And how is the situation in-house versus outsource manufacturing in the domestic market, right? And what does lead to an OEM thinking about moving from in-house manufacturing to outsource manufacturing? So, the larger point that I wanted to get clarity from that about traditional products, which go into ICE and that to into the engines, right, should we build at least a double-digit kind of a growth in revenue and order book going ahead?

B.R. Preetham: Yes, if you really look at the order book, it still is a very healthy growth that you see from our traditional components. While we are very excited about the non-auto including areas, we are very focused on our core products. In fact, just to give you some more indication that company is exploring to add further into our component list. So, we are looking at adding capabilities of warm and cold forging into Sansera's product line. So, we are working on in those lines, so which would also open up a lot of newer components to us, specifically on steering and driveline series. So, while the traditional, our own stronghold components like connecting rod and crankshaft would continue, as we have seen, that the renewed focus from the OEMs both in multi-fuel capable ICE engines or hybrid engines or pure ICE, so all these are still going to have our components. So, we still look at anything up to at least FY2035 as a visibility that customers have already spoken about, then just to give you another perspective on why the customer would like to look at outsourcing from the current in-house manufacturing facility. As you are aware that the world is moving towards higher standards in terms of emission, in terms of the Euro VI, VII, Euro VIII is already being spoken about and work has started. So, as the technology moves up, the products also get changed and they require higher spec in terms of both weight controls, cleanliness, dimensional controls, everything. This would mean that their existing facilities needs to be changed because the programs would also mean that… and one is the technical requirements that goes into the product. Second thing is generally in the last few decades when OEMs would set up an in-house facility, the consideration was the longevity of the life of the engine, which used to last for 10-12 years and the number of variants also used to be very low. Currently, the trend is that the upgrades of the engine happen much faster, five to seven years is what you should look at, and then also the variants also will be quite more. So, these are the few of the factors which would play in the favor of OEM deciding to outsource rather than to keep it in-house. So, I think these are the factors that one needs to look at.

Prolin Nandu: Thank you so much. That is very clear. And one last question would be on ADS, right? Now, on the margin part, you mentioned that you are already at the higher end of that 25%-30% kind of band, but as we think about your peak revenue run rate of let us say Rs.500-600 crores, is it right to assume that the margins in the ADS segment has still significant upside left beyond the higher end of 30%?

B.R. Preetham: No, no, no.

Hari Krishnan: We will get to the higher end of the band.

B.R. Preetham: Yes, yes. Basically, you should also understand that as the industry matures, there would also be cost pressures and people would also, the thing and our requirement on resources also would go up. So, as a company, we are very happy with the current band of margins that we are working with, which is what I said 25-30%, slightly probably above that, and we would like to have that on the higher end of that band. So, that is what we would like to keep it as of now. Of course, if there is a change in product portfolio and the thing, we will keep updating that on time-to-time basis.

Prolin Nandu: That is it from my side, gentlemen. Thank you so much and all the very best.

B.R. Preetham: Thank you.

Moderator: Ladies and gentlemen, due to time constraints, this was the last question for today. I now hand the conference over to the management for the closing comments.

B.R. Preetham: So, thank you very much to all of you for your attention and interest in Sansera. So, as we communicated, we look forward for a much stronger H2 and look forward for meeting all of you at our fully operational ADS facility. And our investment advisors, SGA, are available for any further clarifications or queries that you may have. Thank you, again for all your attention.

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