

**Date:** May 18, 2026

To,

**Listing Department**

**National Stock Exchange of India Limited**

Exchange Plaza, C-1, G Block, Bandra Kurla Complex,  
Bandra (East), Mumbai - 400 051.

**Symbol: SYRMA**

**Department of Corporate Service  
BSE Limited**

Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400 001.

**Scrip Code: 543573**

**Subject: Earnings Call transcript of the Investors Conference Call held for the audited Financial Results (Consolidated and Standalone) of the Company for the quarter and financial year ended March 31, 2026.**

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Dear Sir/ Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached the Transcript in respect to the Earning Conference Call on the audited Financial Results (Consolidated and Standalone) of the Company for the quarter and financial year ended March 31, 2026, held on Tuesday, May 12, 2026, at 10:30 AM (IST).

The transcript of the conference call will also be accessed at the website of the Company at <https://www.syrmasgs.com/investor-relations>.

We request you to take the same on your record.

**For Syrma SGS Technology Limited**

**Bhabagrahi Pradhan**

**Company Secretary & Compliance Officer**

**M. No.: F4921**

**Place: Gurgaon**



“Syrma SGS Technology Limited  
Q4 FY '26 Earnings Conference Call”

May 12, 2026



**MANAGEMENT:** **MR. J. S. GUJRAL – MANAGING DIRECTOR – SYRMA  
SGS TECHNOLOGY LIMITED**  
**MR. JAYESH DOSHI – DIRECTOR – SYRMA SGS  
TECHNOLOGY LIMITED**  
**MR. SATENDRA SINGH – CHIEF EXECUTIVE OFFICER –  
SYRMA SGS TECHNOLOGY LIMITED**  
**MR. BIJAY AGRAWAL – CHIEF FINANCIAL OFFICER –  
SYRMA SGS TECHNOLOGY LIMITED**  
**MR. NIKHIL GUPTA – HEAD, INVESTOR RELATIONS –  
SYRMA SGS TECHNOLOGY LIMITED**

**MODERATOR:** **MR. ANIRUDDHA JOSHI – ICICI SECURITIES**

**Moderator:** Ladies and gentlemen, good day, and welcome to Syрма SGS Technology Limited's Q4 FY '26 Earnings Conference Call hosted by ICICI Securities. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Aniruddha Joshi from ICICI Securities. Thank you, and over to you, Mr. Joshi.

**Aniruddha Joshi:** Yes. Thanks, Michelle. ICICI Securities is pleased to invite you all to Q4 FY '26 and FY '26 Results Conference Call of Syрма SGS Technology. We have with us, today, senior management team to attend the call. I congratulate the management for posting strong set of numbers.

And now I hand over the call to Mr. Nikhil Gupta, Head of Investor Relations, to introduce the management and take the call forward. Thanks, and over to you, Nikhil.

**Nikhil Gupta:** Thank you, Aniruddha. A very good morning to all. On behalf of Syрма SGS family, we welcome you all to Syрма SGS Quarter 4 and Fiscal Year 2026 Earnings Call. We have with us today, Mr. J.S. Gujral, Managing Director; Mr. Jayesh Doshi, Director; Mr. Satendra Singh, Chief Executive Officer; and Mr. Bijay Agrawal, Chief Financial Officer, Syрма SGS, to discuss the performance of the company during the fourth quarter and fiscal year 2026 followed by detailed question-answer sessions.

Kindly note, during this call, certain statements that will be made are forward-looking, which involve several risks, uncertainties, assumptions and other factors that can cause results to differ materially from those in such forward-looking statements.

All forward-looking statements made herein are based on the information presently available to the management and to the company, and the company does not undertake to update any forward-looking statements that may be made during this call. In this regard, kindly review the disclaimer statements in the earnings release and all the other factors that can cause a difference.

With this, I will now hand over the call to Mr. J.S. Gujral, Managing Director, Syрма SGS. Thank you. Over to you, sir.

**J.S. Gujral:** A very warm welcome, ladies and gentlemen, to the FY '26 earnings call of Syрма SGS Technology Limited. When we sit back and reflect on what has happened in the year gone by, it gives us a great sense of satisfaction that we have achieved almost all the parameters or exceeded what we had set for ourselves at the start of the year.

Just to recollect, we had started the year with a guidance of about INR400-plus crores of EBITDA figures, a revenue growth of about 30% to 35% and a positive cash flow with exports targeted to cross the INR1,100 crores mark. So these are the 4, 5 set of parameters which we had set for ourselves.

And when we look at the figures for the year gone by, it gives us a great sense of satisfaction that we have achieved EBITDA of INR545 crores. Even if we exclude the Elcome EBITDA, it still stands at INR490-plus crores, so with the original start guidance of INR400 crores to INR490 crores of operating EBITDA.

Exports, we had targeted INR1,100 crores. We are at INR1,200-plus crores. Working capital cycle, we had said that we will endeavour to bring it down, and we have brought it down from 69 days to 63 days. At Elcome this figure is at 58 days. All this has enabled us to generate a positive cash flow -- operating cash flow of INR290-plus crores, which is almost at 53% of the operating EBITDA.

So all these 4 parameters, we have sort of exceeded what we had guided the market. If I was to exclude consumer business from our portfolio because consumer is a low-margin business and there's a conscious effort of the management to sustain it at a certain level, my export -- my revenues have grown by a healthy 38%. Ex Elcome, they have grown by 31%.

All the key drivers of superior margin, automotive, industrial, health care, exports and ODM, they're all fired in the right direction. Automotive has grown 39%, industrial 30%, health care 36%, export 41% and ODM has also gone up significantly to approximately 17%, which is almost like 80% jump from INR453 crores to INR825 crores.

Now this gives us a good platform to grow in the coming year. We achieved INR1,477 crores revenue in the last quarter, which is a run rate of approximately INR500 crores a month, which translates into INR6,000 crores revenue at the same pace without the growth coming in, in the second half of the year.

My exports at INR372 crores give a good run rate of INR125 crores, which is again equivalent to the next year's target of about INR1,500 crores. So we are well set to capitalize on this consolidation, which we have done in the current year.

And going forward, we are very confident that on the 3 critical parameters which we measure ourselves against, primarily the EBITDA, operating cash flow and the revenue growth, on all these 3, we would be able to exceed the performance of this year or sustain the performance of this year. Thank you very much.

**Nikhil Gupta:**

Yes. So now I hand over the call to Mr. Bijay Agrawal, Chief Financial Officer.

**Bijay Agrawal:**

Good morning, everyone, and welcome to Syrma SGS earnings call for quarter 4 and full financial year 2026. I'm pleased to report that this has been a landmark year for us, defined by strong execution, meaningful margin expansion and significantly strengthened balance sheet.

Let me begin with quarterly numbers first and then I'll take you through the annual performance. Quarter 4, 2026 was our strongest quarter yet. Consolidated total revenue for the quarter was INR1,477 crores, up by 56% on a year-on-year basis and 16% sequentially, an outstanding outcome, in a way.

On business mix side, industrial vertical contributed maximum as 31% of our revenue,

followed by consumer vertical 26%, auto vertical 24%. While all verticals showed a solid double-digit growth on a year-on-year basis, IT and railways was a standout segment this quarter, growing 182% year-on-year basis.

Our operating EBITDA for the quarter came in INR174 crores, up by 51% year-on-year at 11.9% EBITDA margin. PBT grew 61% Y-o-Y to INR150 crores, and PAT rose 67% to INR119 crores with PAT margin of 8.1%, up by 60 basis points over last year. On a sequential basis, margins moderated slightly. Operating EBITDA margin was 11.9% versus 12.6% in quarter 3, primarily due to higher mix of IT business during this quarter.

Moving to our annual performance. Our total revenue for FY '26 came in at INR4,857 crores, reflecting 27% year-on-year growth. When we see, as we have previously guided that we will keep consumer business vertical below 35%, which is actually 31% for FY '26, and when we calculate our growth, ex of consumer business, my revenue growth is actually 38% on a year-on-year basis.

More importantly, this revenue was only because growth was highly profitable. Operating EBITDA expanded 68% year-on-year basis to INR545 crores, with operating EBITDA margin improving 270 basis points to 11.3%. Reported EBITDA stood at INR582 crores at a 12% EBITDA margin.

The profitability story is even stronger at the bottom line. PBT grew at 88% year-on-year basis to INR445 crores with the PBT margin expanding 300 basis points to 9.2%. PAT is about INR346 crores for the year, up by 87% on a year-on-year basis, with PAT margin of 7.1%.

We can see this kind of a leverage where bottom line growth is nearly double the top line growth, reflecting a structural improvement on our business model, reflecting our operating leverage benefit, reflecting it into the business model. On revenue mix side, exports business constitutes 24% to 25% of my operating revenue, and grew 41% year-on-year basis, highlighting our increasing global relevance.

Across verticals, IT and railways are our fastest growth segment, 74% year-on-year, followed by auto at 39% and health care at 36% growth on a year-on-year basis. Our ODM revenue for the year is about 17%, substantially increased from 12% last year. Coming to customer concentration. Our top 5 customers contribute around 34% of revenue, top 10 around 47%, top 20 around 63% of my revenue on a full year basis, FY '26.

On the order book visibility, as on March end, we have about INR600 crores of total order book visibility together, of which auto is about 29%, consumer is about 30%, industrial vertical is about 24%, health care is about 5%, and IT and railways together is about 11% of Order book.

Coming to balance sheet and capital allocation. We moved from a net debt position of INR264 crores as on FY '25 end to now a net cash position of INR467 crores this year-end. Total debt reduced sharply from INR611 crores to INR353 crores and while cash and equivalents increased to INR820 crores at the year-end.

Debt to equity is 0.1x and ROCE improved from 12.4% to 16.9% this year. When we calculate ROCE on a goodwill-adjusted basis, my actual ROCE is 20.1%, the threshold number which we have been tracking always.

Coming to working capital performance, our working capital days improved from 69 days to 63 days on a year-on-year basis, reflecting better operational efficiency. Net working capital days, when we calculate, excluding Elcome, which we have recently acquired, it is actually 58 days. So on a like-to-like basis, versus last year, the overall improvement into the net working capital days is about 11 days.

For the year, we generated a healthy operating cash flow of INR290 crores, which is around 53% of my operating EBITDA, and this outcome is based on disciplined working capital management and strong profitability delivery here. The capex investment for the year is about INR140 crores, and we expect another INR100 crores to INR150 crores of capex investment into the current year, which is FY '27.

We want to update regarding one of our previously announced JV with Premier Energies, wherein we were planning to acquire a company called Ksolare through that JV. We want to update that there were certain conditions precedent, which we agreed with the sellers for the acquisition and which the seller was not able to fulfil as per the time line.

Hence, we decided to drop the same acquisition or JV transaction. To summarize, FY '26 has been a strong execution across revenue, profitability, cash flows. We enter FY '27 with a net cash position, improving ROCE, a diversified and growth revenue base and capacity investments that position us well on the next phase of the growth.

We also want to update the market on our rating upgrade -- long-term rating upgrade from AA- to AA now, showing a strong confidence of the -- all the stakeholders in the market in our credibility.

We remain committed to our aspirations of sustained revenue growth of 35% with a sustainable operating EBITDA margin of at least 10% to 10.5%, targeting INR700 crores of total EBITDA for the next year, FY '27. The demand environment across all key verticals: auto, industrial, health care and the emerging IT and railways and the defense and maritime business remains encouraging.

With that, I'll hand it over to Mr. Satendra Singh, our CEO.

**Satendra Singh:**

Thank you, Bijay, and thank you, Gujral ji and everyone on the call. Thank you for joining today. As always, I'll start my comments with thanking all my 10,000-plus colleagues in our factories, in our offices who workday in and day out to ensure that our customers stay delighted and they help us in the growth story, which Gujral ji and Bijay shared with you.

Financial year '26 has been a defining year for Syrma. It's the one where we didn't just grow the top line, but we strengthened every pillar of our business: our people, customers, operations and supply chain.

On profitability, margin expanded meaningfully across the year. Our gross margin improved from 22.6% to 25.6% year-on-year. EBITDA margins improved significantly, as Bijay shared, and profit after tax doubled almost year-on-year and margins have been 7.1%. This clearly reflects operating leverage at scale.

We continue to make improvements in our customer acquisition. We acquired several customers, and we -- those customers will help us fuel the growth in financial year '27 and onwards. Most importantly, we continue to deepen our engagement with the customers, which is reflecting in larger wallet share with many of our customers and maturity of the programs which we execute with them.

This year, operationally, we have made several improvements. The utilization of our people resources, utilization of our machines have gone up significantly over FY '25. This -- all the improvements and all the efforts across the operations and across our businesses clearly has been noticed by our customers and by industry alike. We got 9 customer awards and 19 industry recognition during the year.

As we know, the supply chains are going through certain anxieties and our supply chain team and procurement teams across the plant have worked hand in hand with our customers to ensure continuity of supply chain and ensuring that we stay competitive forever.

On people, our engagement continues to improve and our last Great Place to Work score rose from 83 to 86 this year. We continue to upgrade our processes across all the areas of our business.

Looking ahead, FY '27 reflects strong conviction in our pipeline, our customer additions and our operational readiness. And our strong balance sheet gives us the flexibility to invest in this growth while delivering consistent returns.

We remain committed to our long-term vision of being India's leading integrated electronics manufacturing partner. And this year, the FY '26, has brought us meaningfully closer to that goal. Thank you, everyone, on this call, and once again to our customers, to our colleagues across the factories for great support, and we look forward to similar support in the years ahead.

Thank you once again, and I'll hand it over to Nikhil.

**Nikhil Gupta:** Yes. Thank you, Satendra. Over to you, Michelle, we can go ahead on the Q&A session. Thank you.

**Moderator:** Thank you very much, sir. Ladies and gentlemen, we will now begin with the question-and-answer session. The first question is from the line of Indrajit Agarwal from CLSA.

**Indrajit Agarwal:** Congratulations on a good set of numbers. Two questions from my side. If you can highlight the capex -- pending capex on key projects, not just for FY '27, but also over the medium term, PCB and any other projects that you're undertaking right now?

**Bijay Agrawal:** Sure. I'll take this one. So overall, the large project which we are taking over right now is the

PCB-related business. So PCB-related, we said that we are planning to spend approximately \$90 million, which is INR800 crores of capex over the year for this multilayer line kind of a PCB setup.

And this capex we are spreading across 2 phases. Initial phase is INR400 crores, which is going on, and of which, about INR50 crores is already spent till last year. This year, we are expecting we'll be spending around INR250-odd crores against the same project and balance INR100 crores can go in the next year.

And the second phase can be spent over the next year and in the mid of FY '29 also. That's what we are spreading that multiyear business-related INR800 crores of capex. Apart from that, organic capex within the system, normally in the business, we are expecting INR100 crores to INR150 crores of capex this year.

**Indrajit Agarwal:** Okay. So INR100 crores to INR150 crores is only the organic and then add to that the INR250 crores. So broadly, overall capex comes around INR350 crores to INR400 crores. And when do you expect the incentives or the benefits to come from the government, post FY '28, right?

**Bijay Agrawal:** We are expecting the commissioning of the projects towards the end of this year, maybe start of next financial year FY '28. Then we will be eligible to claim for the incentives in part basis. And generally, I expect at least a year will take to get that incentives.

**Indrajit Agarwal:** Sure. This is helpful. And second, while you touched upon it in the opening remarks, if we can get more granular details on the impact of the current geopolitical tensions. Is there an issue in availability of raw materials? What kind of inflation are you seeing? And are we passing that on, with what lead lag?

**J.S. Gujral:** See, the supply chain issues are, again, global in nature and not specific to one company or one industry. So it is a phenomenon where the basic metal prices have gone up. The Middle Eastern crisis has sort of disrupted the supply chain routes. The logistic costs have gone up.

Now these things are a part and parcel of the business. And when all the companies are impacted, it's not unique to us. Having said that, we are in constant touch, and we have contract arrangements with the customers where there is a pass-through mechanism of variation in prices. Now does it happen on day 0? The answer is no. It is negotiated and then taken into account.

We believe that in the current year, these things would continue to play out until the situation comes back to normal. We believe that this partial increase in these costs could be offset by better buying. The volumes go up, you get a better negotiation path, operational efficiencies and then sharing these costs among the 4 -- there are essentially 4 stakeholders in the entire supply chain.

In our case, it is our vendor, Syrma SGS, the customers of Syrma and the ultimate consumer. Now once the situation sort of stabilizes, then the cost impact will be borne by all the 4 stakeholders.

What is the impact of that? We are not very clear right now. But having delivered an EBITDA margin of 12%-odd this year, next year, we are guiding 10.5% to 11%, keeping this turmoil into account. But if the situation stabilizes and we come back to normal situation, if it warrants upward revision beyond that, we will guide the market accordingly.

**Moderator:** The next question is from the line of Sumant Kumar from Motilal Oswal.

**Sumant Kumar:** So can you talk on the IT and railway? We have seen a 182% growth. So can you talk on more sub-segment, how other sub-segment and what are the key drivers for the segment?

**J.S. Gujral:** The IT and the railways are a small portion of our revenue. And again, we don't look at the revenues on a quarterly basis. If I look at it on an overall basis, my IT and railways have gone up from about INR240 crores to about INR476 crores on an annualized basis. This is as we said that the railways, we were in touch with the customers.

And IT is essentially the laptop-related and the motherboard-related business and the memory-related business which we do. So going forward, we expect this momentum of 80-odd, 90% not to continue, but it will continue to deliver healthy 30%, 40% growth rates over the coming years.

**Moderator:** We'll take the next question from the line of Achal Lohade from Nuvama Institutional Equities.

**Achal Lohade:** Congratulations for excellent performance. I was just curious, sir, while you have indicated on the margin front, I'm just trying dig a little deeper on this aspect. We have touched 12% margin the last two quarters -- 12.5% and 12%.

And if we are talking about similar growth across verticals, why the margin guidance, that 10.5% to 11% despite having an improvement on account of the exports, ODM mix going up and third, the operating leverage. Just curious, given kind of a pass-through arrangement for the cost, any particular reason, apart from the generic reason, what you have given, for the margin guidance?

**J.S. Gujral:** See, as I just said in the preceding question, we would like to err on the side of caution. The current volatility in the global trade, in the shipping routes, in the geopolitical, the basic metal prices going up would cause a stress on the economy on a macro level, which is beyond our control. Hence, we would like to err on the side of caution and we have guided 10.5% to 11% margin despite having delivered 12% margin. We're very honest.

Now if 3 months down the line when we talk -- when we meet you again for the Q1 earnings call of FY '27, if the situation has stabilized and we have a better picture, we'd revise our guidance. But we'd like, again, at the expense of repetition, err on the side of caution. And the pass-throughs are there, but it doesn't happen on day 0. It takes time.

So keeping all the things into account, we have guided that thing. But the more critical thing which we have guided is that we'll deliver a 30% absolute increase in EBITDA.

**Achal Lohade:** Understood. And if you could comment on each of the segments, what is the outlook on the

growth path? While you have given a broad guidance, if you could give on each of the segments?

**Achal Lohade:** Sorry for that. If you could talk a little bit on each of the segments like auto, consumer, health care, if the underlying industry growth is as much if this growth is driven by domestic or export and stuff like that, give a little bit more detail on each of these 4, 5 key segments, sir?

**J.S. Gujral:** If we go back to '25-'26, what do we see? We see a 39%-odd growth in automotive, 30% in industrial, 36% in health care, 38% in consumer and 41% growth in exports. My current order mix, which we have order book, has the same level of component of each with the automotive accounting for about 30%, industrial about 25%, health care about 5%.

So based on this, I think we are in a position to deliver a blended growth of about 30%, 35% for the current year. Individual verticals, overall annualized basis, some would be at 35%, some would be at 28%. The industrial growth would primarily be driven by exports and new sort of products which we'll be manufacturing for the power management units and other things.

Automotive would primarily be driven by domestic, though for the first time last year, we have crossed INR125 crores in automotive exports, then would register some increase over there also.

MedTech has grown significantly. The health care business has grown significantly from INR291 crores to INR395 crores this year. And we expect this continuous growth to happen, which means that next year, my MedTech business should cross the INR500 crores mark.

Consumer, we are cautiously pegging it down at about 30% of our revenue. This year it's about INR1,452 crores and 8%, 10% growth, it should be about INR1,600 crores, INR1,500 crores, INR1,600 crores. So the blended growth would come in from the dominant sectors of automotive, industrial, health care, which is MedTech. IT and railways are a small portion of our revenue. But they would grow.

**Moderator:** The next question is from the line of Bhavya Gandhi from Bajaj Alternate Investment Management Limited.

**Bhavya Gandhi:** My first question is regarding the total order book. Between December and March, our order book has grown by almost 3% versus our historical run rate of 7% to 10%. If you can explain, is there any slowdown in terms of order intake or what is the reason for this? Better execution or any other factors, if you can provide?

**J.S. Gujral:** I'll request Bijay to take this on.

**Bijay Agrawal:** So when we see, with the higher delivery in this quarter, we have done almost INR1,500 crores of revenue for the quarter. So this is after executing that quarter 4 also. In the previous quarter in INR6,400 crores, you should actually see the -- out of INR6,400 crores, INR1,470 crores is already delivered during the quarter.

And then, additionally, we were able to add about INR1,670 crores or INR1,700 crores to reach

to INR6,600 crores level. The growth is even higher than the previous quarter's net addition. This INR200 crores is net addition after the delivery of the quarter 4.

**Bhavya Gandhi:** Right. Basis the current order book and run rate, the overall revenue growth for the next year comes to 24%, whereas you are guiding for 35%. So are we seeing any order pipeline that we are expecting order intake in coming quarters?

**Bijay Agrawal:** So we are guiding actually about 35% of our growth for FY '27. And this order book is indicating whatever is there in hand today. But this order book has to be, over the period, over the next few quarters, has to be completely -- continuously upgraded based on the -- as new order additions.

And all these orders are not for 1 year. In this order book, there will be many customers who will be giving the orders for a very shorter period, maybe 3 months, 6 months, 5 months, 4 months, that way. So that's how this operates, in a way.

**J.S. Gujral:** See, just to add on, we have achieved a run rate of about INR1,465 crores in the current quarter, which is tagged less than INR500 crores a month. And that's the starting point. Now if the starting point is INR500 crores or INR495 crores a month, the run rate, and going forward, historically, the second half is much better than the first half, we are very confident of delivering the figures which Bijay just pointed out.

And my exports segment -- as I said in my opening statement, my exports are currently at INR125 crores run rate, and we are targeting INR1,500 crores plus. So we are already at a INR6,000-plus crores revenue level at the current run rate. And the second half typically is a superior half in terms of top line and the resultant figures on the bottom line.

**Bhavya Gandhi:** Got it, sir. Got it. Wonderful. Sir, just in terms of cash, we are around INR470 crores of net cash at this point in time and basis your capex that you announced for the PCB, if I'm not wrong, we have to spend around INR1,400 crores.

So after a year, we will be short of cash in terms of -- if we assume another INR200 crores, INR300 crores of operating cash flows also next year, still will be short of cash. So how do we plan to fund this because we only spent INR50 crores for the PCB thing.

**Bijay Agrawal:** So this year for the PCB business, we will spending around INR250 crores and for the same it will partly funded through debt and partly through internal accruals and there is a JV partner also, 25% of this capex has to be funded by the JV partner also together, so that's how this has to be funded.

Against the current cash, net cash position is INR470 crores but actual cash on the balance sheet is about INR829 crores. We are confident of using this cash on the balance sheet for the growth purpose going forward. And cash flow side, we don't see any challenges over here.

**Bhavya Gandhi:** No. Just wanted to understand, on the PCB capex, we will not fall short of cash, right? That is what I wanted to understand.

**J.S. Gujral:** We'll not fall short of cash. You see, what we spent, we have projected about \$40 million, which is about INR400 crores or whatever, INR360 crores, INR400 crores for the current year. And next year, we'll get a 50%, 60% subsidy of that. So this will be a sort of circular thing that you spend in 1 year, you get back a subsidy in the next year.

Then you again invest partly from the subsidy, partly from your cash flow, then the borrowing, and you get back. So we don't do -- we have a plan for our cash flow that we will not fall short of cash for this project over its execution life cycle.

**Moderator:** We'll take the next question from the line of Bhavik Mehta from JPMorgan.

**Bhavik Mehta:** Sir, my first question is you recently received ECMS approval for flexible PCB and copper clad laminates. So any color you can provide in terms of the capex, which will go into this and over what time frame we could expect?

**Bijay Agrawal:** So we got approvals for CCL, copper clad laminate, plus HDI and Flex PCB. That's another one. So both put together, we will be spending another INR800 crores for those projects. But that project capex may get executed somewhere between FY '28 to FY '30.

**Bhavik Mehta:** Okay. Got it. The second question is on working capital and cash flows. How should we think about working capital for next year? Will it keep on coming down and hence, the OCF will keep on going up in FY '27?

**J.S. Gujral:** See, with the defense business coming in our portfolio and we have reached a 63 days working capital cycle, the endeavour would be to say if we can bring it down further. How much, by 3 days, 5 days? I really can't say. But I think we should be all rest assured that working capital management and capital allocation is one of the prime focus of the management.

We are willing to sacrifice top line growth if the working capital cycle is elongated. We are not chasing growth at the expense of working capital cycle. We'll be selective in our customers. We'll be selective in the verticals, reflecting that we'll do our due diligence to ensure that each vertical has its own typical working capital cycle.

We would like to have the best working capital cycle in that vertical. And that is reflected in the way we have brought down the working capital cycle over the last 4 years. I think when we started off, it was 90-odd days.

And from 90 days last year, we came down to 69 days. This year, if 69 was to compare apple-to-apple, if I have to exclude Elcome, both from the revenue and the working capital, my days have come down from 69 to 58, which is 11 days reduction. 11 days on 69 is almost like a 16% reduction, efficiency improvement in my working capital cycle.

So that would remain the focus of the management. And I think everyone should be rest assured that we'll not let this slip out on an annualized basis. Quarter-on-quarter, there could be some variations.

**Moderator:** The next question is from the line of Renu Baid Pugalia from IIFL Capital.

- Renu Baid Pugalia:** Sir, if you can throw some more insights in terms of the value-add products and inputs that we're targeting within the industrial segment? And how do we see these applications scaling up in our portfolio over the next 2 years? Some more insights would be helpful. That's my first question?
- J.S. Gujral:** See, the value addition, the superior value addition, as I was saying in my opening remarks, comes in from ODM business, from exports within each vertical. Each vertical has its own margin profile, and MedTech. Now what do we see? We have seen our ODM business growing up from INR453 crores to INR825 crores.
- Now this is almost a growth of 70% growth. My exports have gone up by 41%. Our effort in the current year is to try and sustain the ODM growth to around 16%, 17%. I don't see it going up beyond 17% because we are planning -- targeting to grow by 35% to 30%, 35%. I personally don't see that in the current year, my export -- the ODM growth would grow. If we are able to sustain it at 17%, it means we have grown the ODM business by another 30%.
- Renu Baid Pugalia:** 17% of the revenue mix?
- J.S. Gujral:** Yes, yes, yes -- no, no, no. See, if my overall revenue goes up by 35% and if the ODM business has to sustain at 17%, this also has to grow by that rate. A 30% growth on INR825 crores is we have to grow the ODM business by another INR250 crores next year in '26-'27. We'll endeavour to sustain this in the coming year. But the profitability would come in from working capital management, exports, MedTech and ODM.
- And all these verticals, we are showing a very healthy growth over the last year, and we expect this growth to continue. My exports grew by 41% last year. I expect them to cross the INR1,500 crores mark from the INR1,200 crores against the target of INR1,100 crores, which we had said. So INR300 crores in exports, absolute increase in exports, adds to the margin profile.
- Renu Baid Pugalia:** I was just wanting to ask what percentage of the ODM business would be housed in the industrial segment? Or how would be the ODM split across key end segments in which you operate?
- J.S. Gujral:** See, MedTech is typically all ODM. So if I were to take my health care business, which is INR395 crores, it's all broadly back of the hand calculation, we have to split it into the thing. But back of the hand calculation, out of the INR825 crores, INR395 crores is MedTech. So remaining comes in from consumer and industrial. Automotive has very little MedTech -- ODM business. INR430 crores is both industrial and consumer. But I don't have the figures of how much of this is among each.
- Renu Baid Pugalia:** Sure. And sir, secondly, just a follow-up and harping a bit again on the margin side. While I understand you would err to be slightly more conservative here, but given that the ODM portfolio, exports, both are expected to further improve in terms of mix, rupee has been in our Favor, which will probably help offset some of the cost headwinds that we're sitting on, this operating leverage, still, do you think that the quarterly run rate which you were doing in the second half or mid of the year of 12%, will see headwinds of about 200 basis points or do you think the cushion are very thin here and we may not have beyond 100 bps margin cushion?

**J.S. Gujral:** End of the day, the current situation in the market, volatility and everything, I think we expect that we should have the luxury of being conservative. Let's put it that way. There's no point -- tomorrow, I say 12% and I give 11%, you will skin me down why it is 11%. So we would like to have the luxury of being conservative.

**Renu Baid Pugalia:** Absolutely. And sir, lastly, just your thoughts on -- now we are seeing larger players also foray into electronics, EMS, focusing on industrial and other segments. So how do you see, a, the India EMS market growing? And also, do you feel that competitive intensity in the domestic space may increase even for experienced veterans like Syrma SGS here despite newer entrants entering in the space?

So for example, Larsen has recently announced a significant foray in electronics, INR50 billion of capex in the next 2 years. So that's -- I'm just trying to connect the dots and see how are we looking at the market outlook.

**J.S. Gujral:** See, now we have been in the industry for 40 years. We've been exporting since '96 when China was at its prime and our exports have grown. Domestic, there are big players already in the country, whether it was Flex, whether it is Jabil, whether it is Sanmina, they were present not now, they have been present for quite a while.

We are competing with the Tier 2 level global EMS companies. Competition -- competitive intensity would increase. Am I afraid of it? No. Am I mindful of it? Yes. And how do we take care of that? I think we can give a far better cost structure than the big corporates within the country.

We have to be relentless in our focus on cost control, frugality, efficient buying. And as we get integrated to the global supply chains with our global customers, it gives us the confidence that we are doing something right. Otherwise, my exports would not have gone up by 41%.

But there are companies all around the world who are competing for the same business. So we are very mindful of the emerging competition, but we welcome it. We can't stop it, so welcome it.

**Moderator:** The next question is from the line of Keshav Lahoti from HDFC Securities.

**Keshav Lahoti:** Just want to understand when you talk about 30%, 35% addressable growth in your business going forward for multiple years, so this growth is industry growing so fast? Or is it more like you're gaining market share? Or is it like you are getting in new product segment? How should we see this growth?

**J.S. Gujral:** I think we have hit the nail on that. You have provided all the answers in your question. We are gaining market share. We are expanding our portfolio. MedTech was not there in my portfolio a couple of years back. It is now contributing approximately 7%, 8% -- 8% of my revenue. Defense has just been added. So that's an incremental sort of a vertical to a thing.

So we are now migrating to bigger contracts with bigger customers. So it's not one piece which gives me the confidence of a 30%, 35% growth rate. It's the mosaic of all the customers put

together, global, domestic, verticals, my ODM business, which gives me the confidence of delivering what I'm saying.

And this is backed by a very detailed working by our teams, going down to industries, customers, SKU of customers, what are the plans of the customers, how they intend to grow, what is the wallet share which we'll be taking.

And to us, growth is just a figure. To me, what is more satisfying is the quality of growth. And the quality of growth comes in when I gain market share from my competition, when I gain wallet share from my competition. And on both these 2 fronts, I think our teams are doing a phenomenally good job.

**Keshav Lahoti:**

Got it. What would be the addressable market growth as you cater to multiple segments? But blended, what would be the addressable market growth? And lastly, when you talk about this growth in FY '28, you will be entering PCB manufacturing business. So possibly, this growth would be faster because of entry in that segment?

**J.S. Gujral:**

Yes. The PCB business would kick in somewhere in '27-'28. So whatever growth I am projecting today for the next year is for the businesses in my portfolio. '27-'28 would be the first year when my PCB business will kick in. If it gives me a INR400 crores, INR300 crores, INR700 crores, whatever is the figure, that will be incremental to this growth.

So if you are saying we'll grow by, let's take a round figure of 30% or 35%, you'll have to calculate, on INR4,800 crores, it will result into some resultant figure. Add another 30%, 35%, that will be the organic growth in '27-'28, add the PCB to that. So '27-'28, logically, the growth should be superior to 30%, 35% because of the addition of the PCB vertical.

**Keshav Lahoti:**

Got it, sir. One of my question was what would be the addressable market growth that you are catering?

**J.S. Gujral:**

See, the addressable market is so huge, what are we talking of? We are not even a \$1 billion company. If you take the likes of Jabil and all that, they will be multibillion, \$20 billion, \$25 billion company. So I think addressable market is sort of just a feel-good factor that this is the biggest market, what we are addressing. What we are concentrating is the market is there, we should be able to consistently deliver 30%, 35% growth over the next 2 to 5 years, organic, coupled with inorganic when we grow.

**Satendra Singh:**

Maybe if I just could add on. So as a business, we are addressing not only India; we are addressing global. Like if you see our numbers, 25% of our revenue comes from exports. And global addressable market, for reference, is about north of \$600 million. So -- and today, what we reported to you is, give or take, about \$500 million plus revenue. There is huge potential for growth. And that's the market we are looking at addressing overall.

**Moderator:**

The next question is from the line of Praveen Sahay from PL Capital.

**Praveen Sahay:**

Many congratulations for a very good set of numbers. The first question is related to the export. So as you had guided for about INR1,500-odd crores for '27. And also in the last call, you had

highlighted the strong EU market exposure is driving your number. So if you can give some color on the -- how the EU market and what -- how much is the contribution and how is the growth going there?

**J.S. Gujral:**

See, my growth in exports last year has been 41%. And what we are targeting this year is less than 30%. If I do INR1,560 crores, it will be about 30%. So I'm guiding INR1,500 crores. And these are based on the customers which we have on board, where we have started supplying.

Some of the new customers which we have onboarded this year, which means till March '26, would go on stream on a pilot basis in '26-'27. That gives me the confidence that '27-'28, the customers which would have INR2 crores, INR5 crores, INR10 crores, INR15 crores, INR20 crores of revenue in FY '26-'27 would have the potential to cross the INR50 crores revenue, INR100 crores revenue, INR40 crores revenue in '27-'28.

So we believe that, with the existing customers already sort of reaching their, what you call, regular offtake levels, the new customers which we have onboarded, which would be doing the prototyping this year, the growth of exports of about 25% minimum over the coming years is a distinct possibility, and we will be able to achieve that.

Some of the major customers which we have onboarded, they have the potential to further accelerate the export growth, but for the time, we have been conservative and putting in a target of 20% to 30%, 25% to 30% export growth for the coming year.

**Praveen Sahay:**

Any contribution from the EU, can you highlight?

**J.S. Gujral:**

Sorry?

**Bijay Agrawal:**

So if you're talking about EU FTA, that has a positive impact in a way that there will be maybe sentimentally, psychologically, there will be larger business opportunities that are available, which we can expand further. In terms of number, yes, in few of the select cases, there was a duty applicable of about 1% to 1.5%. That will be -- that is something as a financial benefit one can look for going forward.

**J.S. Gujral:**

See, these FTA agreements don't typically have an immediate positive or negative impact. It takes time for the negativity to settle, in negativity, it is slightly faster. In case of positivity, it is slightly slower. But long-term impact is very, very positive. And I believe that we are very well positioned to take benefit of the FTA which the Government of India has signed with EU, with America, with New Zealand, with Canada and others.

**Praveen Sahay:**

Next question is related to the Syrma and Premier, which decided to not go with the Ksolare acquisition. So is there any expense related to that we have accounted? And related to that is...

**J.S. Gujral:**

There was very little expense related to the Ksolare acquisition. Whatever has been spent has been charged off to the P&L. There were certain conditions precedent which Ksolare had to comply with. When they expressed their inability to comply with, we both decided that it was best to drop the deal. So we have dropped the plans to acquire Ksolare.

But I would like to reiterate that we have not dropped the plans to be -- not to be in the renewable energy space. We have very solid intent of entering the renewable energy space market in the inverter business and the related products. Instead of an inorganic acquisition, we would now be putting up a greenfield project.

Currently, we are evaluating various proposals which we have got from the technology partners. I would not be able to give color on that because nothing is firmed up. But I think in the coming quarter or something, we should come back to share our plans on that. But renewable energy space is very much in our focus for future growth.

**Praveen Sahay:** And anything on the PLI benefit for a full year? Last quarter, you had given an indication of INR30 crores to INR32 crores for '26. How much we had done -- PLI benefit we received?

**Bijay Agrawal:** Gross PLI for the full year would be approximately INR80 crores. And post-sharing, we are expecting it will be -- net PLI would be approximately INR38 crores related the year FY '26.

**Moderator:** The next question is from the line of Nikhil Kandoi from Axis Capital.

**Nikhil Kandoi:** Congratulations for a good set of results, sir. Sir, just can you help me with the Q4 PLI number also?

**Bijay Agrawal:** Q4 PLI would be approximately -- proportionate number will be approximately INR10-12 crores.

**Nikhil Kandoi:** Okay. Sir, just wanted to understand that the order inflow of INR6,200 crores, majority inflow from consumer and IT business around 44%, and if I include also, that comes out to 70%. So just want to understand that these are relatively lower-margin business where the ODM share from these units are very low. So the guidance of 10%, 10.5% is because of the increasing share of lower-margin business? Is that right understanding, apart from the supply chain issue, which you highlighted?

**Bijay Agrawal:** So order book is just an indication, first of all. Order book is not a clear reflection of the same similar way percentage for the full year of the business. So in order book, you can see current order book for industrial business is 24% only because in industrial segment, customers generally does not give you full maybe more than 12 months kind of an order book initially. So that's how generally it follows.

My business mix, mostly we are expecting it should remain same as it was in FY '26. Consumer should be around 30%, 32%. IT business, yes, it is growing. It can be around -- IT plus railways is around 10%, and about 25% of auto business and 28% to 30% of industrial business. Keeping the same, my margin would be in check.

Yes, as Mr. Gujral has already guided, we are expecting because IT business is also slightly growing and maybe some bit of geopolitical factors, which are also impacting, including raw material prices increase. That's where we are guiding for these margins.

**Nikhil Kandoi:** Okay. Understood. Sir, one last question from my side. Sir, can you throw more light on the

smart metering business? How much is it in the order book? And how much did we do in FY '26? And a related question to that would be that sir, can we consider Elcome business to be similar to smart meter business, which is higher working capital intensive, but also giving us higher margins?

**Bijay Agrawal:** So smart metering business, we have done in the current year, approximately INR250 crores, INR260 crores of total business. In the order book, I need to check exactly what the number is. But as Mr. Gujral has already explained that we are going slightly selective here, keeping the working capital balance in measure here, and that's how we are following.

**Nikhil Kandoi:** And sir, on the Elcome and smart metering business, are they almost similar because -- not in terms of industry, but in terms of high working capital and high margins, which can impact future working capital days for us?

**J.S. Gujral:** The smart metering business is not a high-margin business. It is a normal industrial -- it would come lower in the industrial category. So in terms of margin profile, the 2 businesses cannot be compared. One is a superior -- very high-margin business. The smart metering business is not a very high-margin business. It's a moderate 15%-odd gross material margin business, 12% to 15% gross margin material business.

But it has the same elongated working capital cycle. Hence, the profitability of a smart metering business, if you are not choosy about your customers, if you change revenues would be suspect. In case of defence, despite it's a longer working capital thing, but since it's a very high-margin business, it's an ODM and you give a solution to the customer, it is offset such that even the higher working capital cycle results in a very superior EBITDA margin business.

And if -- I just shared that if we were to exclude Elcome business from our working capital for a minute and exclude its revenue, my working capital cycle for my business is down from 69 to 58 days. With Elcome, it is down to 63 days.

Elcome, on its own, would be -- defense as the business is notorious for long 3 to 5 months, 6 months working capital cycles. But since it forms a very small portion of our revenue, I don't see it negatively impacting my overall working capital cycle significantly.

**Nikhil Kandoi:** Got it. And sir, just if I can add one more question. Sir, what will be the percentage of order book from Elcome in the total order book?

**Bijay Agrawal:** In the total order book, Elcome's order book would be approximately 5%.

**Moderator:** This will be the last question for today from the line of Tanay Shah from DAM Capital.

**Tanay Shah:** Congratulations on a great set of numbers. I have 2 questions. First one being that while we're on track to grow at around 30%, 35% for FY '27, can you possibly discuss the -- how we're going to get that growth, possibly some client additions which you would have added through FY '26? And for what applications would that be across segments, which will sort of help us get that growth?

And the second question would be -- so I'm assuming that the defense number is coming in the industrial piece right now. And if we exclude that, we have seen some softness out there as indicated by you for smart meters. But going forward, ex of the defense business, some color on the applications in industrial, which will sort of help us continue the growth profile?

**J.S. Gujral:**

Okay. Now going forward, we are projecting a growth of 30%, 35%, and that's backed by the orders which we have in hand and the visibilities which we have received from the customers. We expect the businesses to grow deeply sort of at the same pace. Automotive this year has grown by 39%. Health care has grown by 36%.

Industrial, including Elcome has grown by 30%. Excluding Elcome, it would be slightly lower. But some of the new customers in the power management sector and the UPS sector and those industrial electronics and controls would give us the revenue in the next year. We have added how many customers last year, Bijay?

**Bijay Agrawal:**

32 customers is what we have added, onboarded in the last year and of which, if we talk about industrial, about 7 customers we have onboarded on the industrial segment. In fact, if we talk about applications, it is varying across fuel injection systems, solar trackers, data center applications-related motherboards, liquid processing machines for FMCG applications. So those kind of applications for which we have added these customers here.

And when we talk about these 32 customers, they have a potential to add at least INR1,000 crores plus in my current year revenue, FY '26, and full potential maybe about INR2,500 crores plus in a long-term basis per annum.

**Moderator:**

As that was the last question for today, I would now like to hand the conference over to Mr. Gujral for closing comments. Thank you, and over to you, sir.

**J.S. Gujral:**

Thank you. On an overall basis, a very satisfying year, but that's past. We have to focus on what we are going to do in the future. And as we have all the time been saying that we would like to build a sustainable business, which has superior margin profile, which has a decent component of export and ODM. And on all these fronts, I think we are well poised to achieve that. We are relentlessly focusing on quality and environment.

And a small issue, but I would like to share with you that we are the first company in the country to get a certification for automotive -- electronics information security for automotive industry known as TISAX. I didn't know it about 6, 7 months back. We were informed by one of our overseas customers, which we are starting off the production somewhere towards the end of the year, which will give us a series production in '27-'28 to get the certification.

So TISAX. So we are relentlessly focused on building top-notch factories with solid processes to give us operational efficiencies. We are among the first Indian company to have a real-time monitoring system on our assembly lines. It's being inducted in phases over all the plants. And the initial results have been very, very encouraging. We have seen a 5% to 7% improvement in the operational efficiency.

So I think broad customer base, solid customers, reputed blue-chip companies, leaders in their

verticals, very strong set of operational parameters in place at the plants and hunger for growth and hunger for learning, I think these 2, 3 factors define the DNA of Syrma SGS.

And I think, going forward, in a couple of years when we again talk, I think Syrma would be at a different platform level in terms of revenues and product mix, which it is servicing and the customer profile which it is servicing.

So this is a journey. It's not a 100-meter sprint. It's a marathon, which we are running, but mindful of meeting the street expectations on a quarterly and annual basis. So I think we are well poised to be among the top leading companies globally also. Currently, I was told we are ranked somewhere about 65 globally.

I was reading in some EMS magazine. So the effort is to that, keep graduating that Syrma SGS is the first brand which is recalled in the mind of a potential customer when he's looking for an EMS or ODM business.

With this, I thank everyone for the support, all the stakeholders, the vendors, the employees, the bankers, the investors for the faith reposed in the management of Syrma SGS. And we on our part would ensure that we build an institution which is par excellence in the country. Thank you.

**Moderator:**

Thank you, members of the management. Ladies and gentlemen, on behalf of ICICI Securities, that concludes this conference. We thank you for joining us, and you may now disconnect your lines. Thank you.