August 27, 2026

To
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051

Trading Symbol: LCL

To
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai - 400 001

Scrip Code: 544839

Dear Sir/Madam,

Sub: Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015- Transcript

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the transcript of the Earnings Call held on August 20, 2026 in connection with the Unaudited Consolidated and Standalone Financial Results of the Company for the quarter ended June 30, 2026.

The transcript of the call is also uploaded on the Company's website i.e. https://www.lohiagroup.com/investor-relations

This is for information and records.

Sincerely,

***for* Lohia Corp Limited**

SHIKHA SRIVASTAVA Digitally signed by SHIKHA SRIVASTAVA Date: 2026.08.27 12:19:33 +05'30'

Lohia Corp Limited

Shikha Srivastava
Company Secretary and Compliance Officer

"Lohia Corp Limited
Q1 FY '27 Earnings Conference Call"
August 20, 2026

MANAGEMENT:	**MR. RAJ KUMAR LOHIA – CHAIRMAN AND MANAGING DIRECTOR – LOHIA CORP LIMITED** **MR. GAURAV LOHIA – WHOLE-TIME DIRECTOR AND CHIEF OPERATING OFFICER – LOHIA CORP LIMITED** **MR. ANUPAM AGARWAL – CHIEF FINANCIAL OFFICER – LOHIA CORP LIMITED** **MR. K. G. GUPTA – ADVISOR TO CMD – LOHIA CORP LIMITED**
MODERATOR:	**MR. ASHISH PODDAR – MOTILAL OSWAL**

Moderator: Ladies and gentlemen, good day, and welcome to Lohia Corp Limited Q1 FY '27 Earnings Conference Call hosted by Motilal Oswal Financial Services. 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.

This conference call may contain forward-looking statements about the company, which are based on beliefs, opinions, and expectation of the company as on date of this call. These statements are not the guarantee of future performance and involve risks and uncertainties that are difficult to predict.

I now hand the conference over to Mr. Ashish Poddar from Motilal Oswal. Thank you, and over to you, sir.

Ashish Poddar: Yes. Thank you, Danish. Thank you, everyone, for joining us today for Lohia Corp Limited Q1 FY '27 earnings conference call. We are pleased to host the senior management of the company, represented by Mr. Raj Kumar Lohia-ji, Chairman and Managing Director; Mr. Gaurav Lohia-ji, Whole-time Director and Chief Operating Officer; Mr. Anupam Agarwal-ji, Chief Financial Officer; and Mr. K G Gupta-ji, Advisor to CMD.

Without further ado, I request Gaurav Lohia-ji to start with your opening remarks, and then we can open the floor for Q&A. Over to you, Gaurav.

Gaurav Lohia: Good afternoon, everyone. It gives me immense pleasure to welcome you to the first earnings call of Lohia Corp Limited as a listed company. This is a special occasion for us. While becoming a listed company is an important milestone, our fundamental approach to business has not changed. We have always believed in building for the long term, investing in technology, strengthening our manufacturing capabilities, developing our people, and most importantly, remaining close to our customers.

As most of you would know that we are the leading global manufacturer of machinery and equipment for technical textiles with emphasis on woven fabric and sack production. We offer end-to-end solutions for the woven plastic fabric. Woven plastic finds use in packaging as well as non-packaging applications.

Packaging applications are packaging of cement, chemical, food grain, fertilizer, shopping bags, and jumbo bags, which are also called FIBCs for bulk quantities. Non-packaging applications include geotextiles, ground cover, tarpaulins, roof underlayment, and others.

We have manufacturing facilities at Kanpur and Bangalore in India and in US and Italy. We have a global customer base, which is served through an extensive sales and distribution network. We have an advanced manufacturing infrastructure and in-house training centers to cater to the needs of our customers for skilled manpower as well as for company's internal manufacturing requirements. We have a strong focus on innovation-led R&D for mechanical design, polymer processing, textile engineering, and automation.

Over the years, we have built capabilities across the woven plastics machinery value chain and developed relationships with customers across India and international markets. But manufacturing is ultimately not about machines alone. It is about reliability, productivity, quality, and the value that our equipment creates for the customer over its entire operating life.

Our teams continuously work on improving machine speeds, energy efficiency, automation, reliability, and ease of operation. Equally important is our ability to support customers after installation and respond to their evolving requirements. We believe this combination of engineering capability, manufacturing experience, and customer understanding is one of Lohia Corp's important strengths.

From an operating perspective, our focus remains on doing more with the resources we already have. This means improving productivity, reducing waste, shortening lead times, improving supply chain responsiveness, and making better use of our manufacturing assets. For us, operational excellence is not a one-time performance; it is a continuous process. Increasingly, we are using digital tools to help our teams identify problems earlier, make better decisions, and improve execution.

At the same time, we continue to look ahead. Our customers are increasingly looking for machines that provide higher productivity with lower energy consumption, reduced manpower, and greater automation. Sustainability and recycling are also becoming increasingly important considerations for the plastic industry globally.

These changes create opportunities for us to apply the engineering capabilities and customer knowledge that we have developed over many years to new products and solutions. We will pursue these opportunities with the same philosophy with which we have built our existing businesses; patiently, responsibly, and with a clear focus on creating value.

Let me briefly touch upon our performance during the quarter before sharing some perspectives on the business. For the quarter, we reported revenue from operations of INR503 crores compared with INR315 crores in the corresponding quarter last year, representing a growth of around 60%. Our EBITDA stood at INR100 crores with an EBITDA margin of 19.9% compared with 11.5% in the corresponding period last year. Profit after tax was INR66 crores compared with INR17 crores in the same quarter last year.

Our order book at the end of the quarter stood at approximately INR1,778 crores, providing healthy visibility for the coming quarters. International markets continue to be an important part of our business, contributing approximately 41% of our revenue during the quarter. From an operations perspective, our focus remains firmly on productivity, quality, delivery performance, capacity utilization, and operating efficiency. Innovation continues to be the key driver of our growth strategy. During the quarter, we successfully rolled out new products and developed through in-house R&D capabilities.

These included the multi-layer coating line, CoEx 1600, developed for demanding high-barrier applications in the flexible packaging industry, and our nova 6 plus, a high-speed six-shuttle circular loom with maximum weft insertion speed of up to 1,150 picks per minute. We also introduced 1 loop, 2 loop FIBC cutting bag machine, back cutting machine, a specialized solution for processing tubular and flat woven polypropylene fabric, further strengthening offering for the FIBC segment.

These launches demonstrate our continued focus on innovation, higher productivity, and expanding our addressable markets through new products and applications. We also took important steps during the quarter to further strengthen our customer support capabilities. We established a virtual remote assistance center at Kanpur, enabling our technical teams to connect with customers remotely and provide real-time audio and video guidance.

This will help us to respond faster to customer requirements, reduce machine downtime, and enhance the overall customer experience. We believe that our responsibility towards the customer extends beyond supplying equipment. The availability of skilled operators is increasingly important for customers to achieve optimum performance from their machines.

To address this need, our training institute, TTRC, Technical Training and Research Centre, the academy for technical textiles, introduced a 3-month residential training and certification program for block bottom bag machines during the quarter, aimed at developing skilled operators for the industry.

For us, customer engagement does not end with the sale of machine. Technology, service, remote assistance, rebuilding, and operator training together allows us to create value for our customers throughout the lifecycle of our equipment. What is particularly encouraging from an operations perspective is that the progress during the quarter has not come from any single initiative.

It reflects continued efforts across manufacturing, productivity, R&D, and new product development, supply chain management, customer engagement, after-sales support, and cost discipline. Our objective is to continue strengthening each of these areas so that we grow, we also enhance the quality, resilience, and sustainability of our growth.

Listing has brought a new set of stakeholders into the Lohia Corp family. We welcome that responsibility. We are committed to communicating with you transparently, sharing our progress as well as the challenges we encounter along the way. I would like to thank our customers, suppliers, employees, and business partners for their continued confidence in us. To our new shareholders, thank you for your trust.

With that, I hand over the phone to the CFO to take you through the financial performance for the quarter.

Anupam Agarwal: Good afternoon, investors, and thank you for joining us on Lohia Corp Limited's first earning call following our listing. I will take you through the key financial highlights for this quarter. During the quarter, our revenue from operations stood at INR503 crores compared with INR315 crores in the corresponding quarter last year, representing a growth of 60% Y-o-Y.

The performance during the quarter was driven by both domestic as well as international markets and the execution of our order book across key product categories. Our domestic business contributed approximately 59% of the revenue, while exports contributed approximately 41%.

Our EBITDA for the quarter was INR100 crores compared with INR36 crores in the corresponding quarter last year, registering a Y-o-Y growth of 276%. EBITDA margins stood at 19.9% compared with 11.5% in the same period last year. The movement in margins were primarily attributable to higher volumes, operating leverage, and better efficiencies.

Our profit after tax stood at INR66 crores, representing a PAT margin of 13%. Our order book for machines, as of the end of the quarter, stood at approximately INR1,780 crores, up 30% since March '26 and up 195% since June '25. These are backed by advances from customers to the tune of approximately 20%.

The order book continues to provide reasonable visibility for execution over the coming quarters. Let me come now address the area that remains particularly important to us: the working capital and cash generation.

Our net working capital cycle at the end of the quarter stood at approximately 81 days compared with 84 days at the end of the previous financial year, without adjusting for advances from customers. Our focus remains on managing inventory, receivables, and customer advances in a manner that supports growth.

We will continue to invest selectively in areas that strengthen the long-term competitiveness of Lohia Corp. These include product development, automation, digitalization, manufacturing productivity, and our emerging recycling and monofilament solutions.

Our approach towards these investments will remain measured. We intend to fund growth while maintaining the financial discipline and balance sheet strength that have characterized the company over the years. The company continues to be a net debt-negative company.

As a newly listed company, we also recognize the importance of providing investors with consistent and transparent communication. We look forward to building that engagement with this investor community over the coming quarters. Thank you. We can now open the floor for questions.

Moderator: Thank you so much, sir. Ladies and gentlemen, we will now begin with the question-and-answer session. The first question comes from the line of Kiran with Table Tree. Please go ahead.

Kiran: Yes, thank you so much for the opportunity, sir, and many congratulations on the listing and a very good start to the call. Thank you for that, and wish you all the best. Sir, a couple of questions from my side. Given this is the first call and this is my first interaction with the company, if you could just help us understand how the business works.

In terms of, to detail it, FY24, our order book was about INR769 crores, then we grew 10% of our order book to INR830 crores, then in FY26, we were at INR1,358 crores, and now we are probably at around INR1,800 crores, right, as of end of quarter. So I mean, there has been a very, very steep jump in the order book. Why did this happen? Is it a peak of an upcycle or is it very planned in terms of customer segments or products?

Just trying to understand and figure out where we are, sir, in terms of steep order book jump and obviously the resultant revenue jump. It will be very helpful for us to understand the industry structure and your company strategy for growing this order book.

Anupam Agarwal: So gentleman, after the COVID cycle, there was a slump in investment, which is now seeing an uptick for the last 2, 3 years. From '24, as you rightly pointed out, from '24, it has grown steeply. But as we understand from our customer fraternity that there is substantial usage of the end products that our machines produce, which is growing applications all around.

For example, the machines does not cater to the packaging needs of the industry, it also caters, it has started steeply catering to the non-packaging industry, and where we are seeing a growth in the applications that our machines serve. This is one big reason.

Apart from that, the since our products, the end products of our machines, do not fall under single-use plastics category, and with the government's impetus on coming heavily on single-use plastic or banning of single-use plastics, more and more applications are emerging which our machines can cater.

So what we understand from our loyal customer base over the years is that they are expanding meaningfully, and which is why you can see the growth in the order book build-up. And we do not see a peaking of this order in the near future. There'll be a while before, you know, it kinds of because capex always happens in cycles. So, but we believe that this is not the, you know, peak. Peak is still to go achieve -- to be achieved yet.

Kiran: Got it, sir. Got it. Very helpful, sir. Thank you so much for that. Second question, sir, is in the latest order book that we have, around INR1,800 crores as of end of June, only 30% is exports, remaining is domestic.

Over the -- in the past 2, 3 years, I mean, given the revenue fall as we see, which is 40%, 50%, 40%, 45% of exports, are you seeing a much stronger growth in the domestic sector and therefore domestic capex, and therefore this order book jump? Or do you see that exports is going to make a comeback and we'll again have a 40%, 50% export order book, given we are market leaders?

Anupam Agarwal: So you are right. Currently, the order book is driven by more investments that is coming in the domestic market. But we definitely believe that the exports will make a comeback, and if you look at our past numbers, you would see that our exports have ranged from 45% to 55% of our revenue. So we believe that exports would stabilize at around 50% of our revenue and order book going forward.

Kiran: Got it, sir. Last question, if I can squeeze in. Sir, again, this is probably more financial question, we've reached about 20% EBITDA margin from 8.4% in FY24. Just wanted to check if there is any one-time within the EBITDA margins, or is this EBITDA margin will sustain and continue to improve? How do you look through this year and generally going forward for us to model things?

Anupam Agarwal: So to answer your question, pre-COVID, we have always had this between 15% to 20% kind of an EBITDA margins. In COVID years, it was lesser, but we are seeing regaining that EBITDA margin going forward. And we have actually achieved it in quarter 1 and also quarter 4 of last year. So we believe that this is going to be the new normal for us.

Kiran: So we can at least continue to assess it will be 20% at least, and from there if it improves, it improves because of operating leverage?. So we can at least continue to assess, it will be 20% at least and some there it improves, it improves because of operating leverage.

Anupam Agarwal: Yes.

Kiran: Got it, sir. Thank you. Thank you so much, I'll join back in the queue.

Moderator: Thank you. Our next question comes from the line of Viraj with Enigma Small Opportunities Fund. Please go ahead.

Viraj: Yes, hello, sir. Congratulations for the listing and great set of results. Sir, given that our currency has depreciated significantly against all other currencies, and considering that Starlinger is our main competitor in export market, how do you see the pricing helping us, gain market share in specially in the export market, given that our export revenue share has considerably come down in last couple of years?

Raj Kumar Lohia: You see, this is Raj Kumar Lohia. Your question was that why our export revenue share has gone down. You can see the share has gone down, but I am not handy with the figures right now in my hand, but absolute values have not gone down. They're like that.

Viraj: Right, sir.

Raj Kumar Lohia: So what has, you know, the India is a very large market. So if there is a push in Indian market, it is also a big push. And export is a steady market which goes -- which increases in a regular manner. So that creates also such situation.

Viraj: Right, sir. No, what I wanted to -- what I meant was that given our currency has depreciated recently in last 4, 5 months, do you see that as an opportunity which makes you more competitive vis-a-vis Starlinger, especially in Southeast markets, Southeast Asian markets?

Raj Kumar Lohia: You see, in Southeast Asian market, our main competition comes from Chinese, mainly. And that currency also appreciated as well as rupee. And in the say, more developed market it is coming more mainly from Starlinger. Of course, depreciation in rupee helps us in negotiations. And helps -- we also give a higher discount to win the order. But then we have to also maintain profitability and the price lines.

Viraj: Sure, sir. And my last question is regarding the order book. Sir, you have told me about the quarter-ending order book as of June, but I'm assuming the strength of order book continues.

And given that most of our execution happens in 6 to 9 months of receiving orders. Is it fair to assume that most of the orders will be executed this year? So if I just add the 2, we are looking at closer to INR2,150 to INR2,200 crores revenue for this year?

Raj Kumar Lohia: Should be like that.

Viraj: And given that first quarter was the lowest, I mean, generally, first quarter for us is the leanest margin. Going forward, if we have that scale, then margins can only improve from first quarter going forward. Is that a fair understanding, sir?

Raj Kumar Lohia: In this world which is so changing fast, wars are happening in everywhere. So, one war ends and another war starts. The long-term impact of the movement of raw material or the parts, and China is also very strong player, what they supply and what they don't supply, all these will play a role in deciding the margins.

One thing is fine that if everything remains same, better revenues, better management will bring higher margins. But who knows that, how the things will move tomorrow. We are committed to our price here, but our purchase is not committed with the price. We are not so strong -- large company that we'll book, let's say, Hindustan Steel and Tata Steel or something for 1 year.

Viraj: Sure. Sure, sir. Thank you. Thank you so much, sir, and best of luck.

Raj Kumar Lohia: Thank you. Thank you very much.

Moderator: Thank you. Our next question comes from the line of Harshit Patel with Equirus Securities Private Limited. Please go ahead.

Harshit Patel: Thank you very much for the opportunity, and congratulations on a great quarter, sir. Sir, my first question is on our order pipeline. If you can throw some light on what kind of inquiry pipeline we are witnessing right now in both domestic as well as export markets? And how much of this pipeline we will be able to convert into confirmed orders in the balance part of the year? That would be my first question to you.

Raj Kumar Lohia: So Harshit ji, currently, the order pipeline thing is not, you know, currently handy with me. But what we have seen in the past

Harshit Patel: Inquiry pipeline.

Raj Kumar Lohia: Yes, inquiry pipeline. So see, how we get orders from the customers are, we are already a market leader in India and a respected name globally. So I mean, people generally know us. The existing customers know us. As far as the customers which are entering this business for the first time, so their approach is generally to meet us at exhibitions where we participate throughout the globe and understand our offerings and then kind of express their interest on the investment.

So those numbers are there, currently not handy with me. But what we have seen is that we have seen a conversion rate of approximately 10% to 15% of the inquiries that we have. It varies from time-to-time, but generally speaking, 10% to 15% of the inquiries that we have, they get converted into executable orders, backed by advance. And within a period of let's say 2, 3 years, because investment decisions take a bit of time.

So exhibition is one way of getting the inquiries. Website inquiries are also another way. And then our sales team approaches the different geographies and reaches out to customers where they get inquiries. So you can consider 10% to 15% as a conversion rate. The number is not handy with me right now. Maybe you can drop me a email on the given the email ID, and we'll respond to that.

Harshit Patel: Sure. Understood, sir. Sir, my second question is on our margins. Our margins have been very resilient in a difficult quarter wherein most capital goods companies have seen some sort of pressure because of the commodity inflation. How have we managed this kind of resilient performance? Is it that we took significant price hike and we were able to pass it on to the end customer or that some sort of backward integration initiatives helping us or maybe the product mix was better than the usual? What factors drove this kind of resilient margin performance for us in this particular quarter?

Anupam Agarwal: So there is a two-pronged approach here. One is that constantly revisiting our sales prices so that whatever new orders we get, they are at the most recent input material prices. We keep on revisiting our prices. So that is the strategy number one that we adopt. Number two is that we enter into short-term and medium-term contracts with suppliers to be able to procure material at prices which are favorable to us.

And the third thing is that we keep on tweaking our discount structure, which helps us kind of maintain our margins. So these three two, three strategies have been helpful in keeping our EBITDA margins at the levels that you see today.

Harshit Patel: Understood, sir. Just a small follow-up on this. Given that the domestic share in our outstanding order book is much higher than the export share right now, I would assume that in the balance part of FY27, the share of domestic revenues will be substantially higher than that of exports. Would this create some sort of pressure on our margins in the balance part of the year, or we are well covered because we already know at what prices we have booked the orders, and therefore, you are guiding at this 20-odd kind of percentage levels? That is my last question.

Anupam Agarwal: Yes, your assumption is right. During the year, domestic revenue would have a larger share in the total revenue. And but we have reasons to believe that our margins will not take a take a hit because of that. We will be sufficiently covered with our plannings, whatever we have planned. Yes.

Harshit Patel: Understood, sir. Thank you very much for answering my question, and all the very best.

Anupam Agarwal: Thank you, Harshit ji.

Moderator: Thank you. Our next question comes from the line of Akshay Satija with Alpha Invesco. Please go ahead.

Akshay Satija: Thank you so much for the opportunity, and congratulations on the listing, sir. Sir, so first question is I actually wanted to understand what could be our peak capacity utilization that we can achieve in each of the for each of the machines like tape extrusions, circular looms, and winders?

Anupam Agarwal: Yes, something like around 80%, 85%.

Akshay Satija: Okay. And what gives you the confidence, and by when are you targeting like we to achieve something some that kind of a number?

Management: So our capacities that we have should take us to about INR2,400, INR2,500 crores turnover with some balancing of machines here and there.

Akshay Satija: Okay. Also, sir, I believe roughly average sales realization for a tape winder would be INR3 crores, and looms would be INR10 lakhs, INR11 lakhs, and then the winders would be somewhere ballpark around INR50,000. So if you could also highlight how are the margins for each of this product? Would it be similar range or

Anupam Agarwal: So, see, you have to appreciate the product. If you were able look at our investor deck that we circulated last night, so you would appreciate that for different applications, different types of machines are required, number one.

Number two, and these machines, based on the application, these machines the configuration of these machines can change from one project to the other project. So even if you were to somebody were to order, let's say, one kind of a machine, our gross margins are more or less similar. It is not different from product to product. But we generally look at the project order in in in a as a whole, rather than as a product level.

So for example, a customer who's putting up a plant for cement bag manufacturing, he would order something like one tape line, 250-odd winders, and around 40-odd looms. And this can happen in phases. He can put in the first phase, let's say, 20 looms, and then in the first next phase, put another 20 looms. And depending upon his capacity, he can put one such configuration or maybe multiple such configurations. So, no, you we have to look at gross margins as a project as a whole rather than as a as a product level.

Akshay Satija: Okay. And on the follow-up of the similar one, so say if we set up a one taper and so basically, if we set up a project, what sort of service revenue can we expect starting next year onwards? Say, on a INR100 setup?

Anupam Agarwal: So assuming if one were to, let's say, make a establish a plant of, let's say, INR100 crores, just to give you an example, we believe that around 2% to 3%, 3% approximately would be our revenue from the parts that he would require after commissioning every year, which are consumable parts.

Akshay Satija: And that would Yes.

Anupam Agarwal: Yes. Go ahead.

Akshay Satija: And that would be required for can we say 5 years, 7 years?

Anupam Agarwal: No, no. The life of the machineries are much more than that. So I would believe that the customer he would require on as a perpetual basis.

Akshay Satija: Okay. And these, I assume these services business might have better margins. So if you could just target. If you could just quantify for products. Yes.

Anupam Agarwal: Sorry, sir. Please go ahead.

Akshay Satija: If you could just quantify the difference between products and service margins?

Anupam Agarwal: So we if you for with service, I assume you are meaning spare parts. Spare parts which are used…

Akshay Satija: Spares.

Anupam Agarwal: Yes, spares. Yes. So the spare parts margins gross margins are 2% to 3% higher than the machinery market, machinery business.

Akshay Satija: Okay. And, sir, how long would it take approximately for us to say today you set up an exhibition, you receive an order for INR100 crores worth of machines, how long does it take us to place the order with for the bill of materials, receive it, all the machining and all that we do, assembling it, and then so how long does it take to finish the project?

Anupam Agarwal: So currently, we are quoting between 6 to 9 months as our execution period for a new order that comes in today, right? And depending upon the machineries, there could be some machineries which are which have been developed, let's say, 20 years back, where our manufacturing setup is attuned to deliver in shorter times. But maybe there are some new products in the overall offering where which have been developed recently, there's a some complexity involved in manufacturing, there the execution cycle would be a bit higher. But on an average, you can assume that 6 to 9 months is a fair execution period for the order today.

Akshay Satija: Okay. And my final question, sir. What percentage of revenues we would be receiving

Anupam Agarwal: So okay. So we have recently taken steps to enter into recycling machinery business, so which is a small segment currently, which constitutes a smaller constituent of the total revenue. So our 80%, 85% revenue would be coming from the machinery of the plastic woven industry that we serve, and around 10% to 12% would be coming from the spare parts, and the balance 5%, 6% would be coming from these new initiatives that we have taken. But we believe that going forward, this will form a substantial, I mean, material part of the revenue offerings.

Akshay Satija: Okay. So the recycling one would be PET recycling or?

Anupam Agarwal: So it's we, we have we are offering only polyolefin recycling currently.

Akshay Satija: Polyolefin. Okay.

Anupam Agarwal: Yes, yes, I'll request Gaurav-ji can more explain about it.

Gaurav Lohia: So we are not in polyester recycling as of now.

Akshay Satija: Okay.

Gaurav Lohia: We have aspirations of entering that segment in times to come. But as of today, we are only in polyolefin segment, polyolefin recycling segment.

Akshay Satija: Okay. And sir, if you could also highlight what adjacent categories we can get into, and like say without putting in a lot of capital?

Gaurav Lohia: So let's say...

Akshay Satija: Just by tweaking some part of the equipment. Yes. Sorry, please go ahead.

Gaurav Lohia: Yes. So let's say in recycling machine segment, we're looking at expanding into other adjacencies such as shredding and granulating lines. And from a overall perspective, so plastic machinery segment is something that we can we keep evaluating of looking at opportunities in this space.

Akshay Satija: Okay. Okay, that's it from my side. Thank you so much.

Moderator: Thank you. Our next question comes from the line of Shreyansh Talesara with Equentis Wealth Advisors. Please go ahead.

Shreyansh Talesara: Hello?

Moderator: Yes, you may please go ahead with your question.

Shreyansh Talesara: Yes, most of my questions have been answered. Even though just wanted to understand, was there the last year's exports number were a little muted because of the tariffs impact or the understanding is the understanding is that the export numbers were lower because of the tariff scenario out there? And what would be the margin differential in domestic versus exports in terms of that machinery sales that you guys do?

Anupam Agarwal: Okay. So last year numbers were not muted because of the tariff thing because we do not sell machineries to the USA directly. In fact, our customers produce the fabric and that gets exported to these countries, America and Europe, in particular. But our machinery directly goes to countries which are the developing world. So when we say we export to 100 countries worldwide, they are not the Americas and the Europes, or maybe the Australia and the Japans.

They are mostly, the countries where which are developing, where labour is available, and where I would say the demand for packaging is more. These developed world, they generally import the fabric or the bag from these developing countries. So this is one part of the question. So tariff does not affect us directly in a way. But what was your second question?

Shreyansh Talesara: So margin differential, yes.

Anupam Agarwal: Yes. So we are generally our prices in exports, on an average, it will vary from geography to geography, but on an average, our prices, sales prices, are 12% to 15% higher than domestic market.

Shreyansh Talesara: 12% to 15% higher in terms of pricing?

Anupam Agarwal: In terms of sales price.

Shreyansh Talesara: Got it. Got it.

Anupam Agarwal: Margins would be lesser because of the fact that CIF there are in exports, there are contracts are CIF, where we have to, take care of the export freight as well as the agency commission in case there is a agent involved in the middle. Otherwise, the pricing, as far as the pricing is concerned, it would be between 10% to 15% higher.

Shreyansh Talesara: Okay. So then when you say you'd be maintaining that 20% sort of operating margins with the increased exports that you guys are talking about, how does that play out? You're talking about that operating leverage will play a big factor in this, or how should one understand?

Anupam Agarwal: Yes, so operating leverage will definitely play out a big factor. But, in a year in which exports is healthier than domestic, this EBITDA number would definitely inch up. But we do not give any guidance on the EBITDA number going forward. We currently are maintaining that we internally target 20% as our EBITDA number.

Shreyansh Talesara: Got it. Fair enough. And any outlooks in terms of top-line growth that you guys give out at least for if not for like a broader in maybe for this year and next year, maybe FY27, '28 broader range would be helpful?

Anupam Agarwal: So we expect to grow in the range of 20% to 25%. We believe that the amount of applications that are increasing for our products, that would be a fair estimate today.

Shreyansh Talesara: Fair enough. And just the last one, the current utilization of capacity, you said was around 50%? Did I get it right?

Anupam Agarwal: No, no, it is around currently around 75%. Right?

Shreyansh Talesara: Around 75%, and we have a leeway to go around 85%.

Anupam Agarwal: Yes. Yes.

Shreyansh Talesara: Got it. Got it. Fair enough. Thank you. Thanks a lot. Good luck to you guys.

Moderator: Thank you. Our next question comes from the line of Shivam Gupta with Trinetra Asset Managers. Please go ahead.

Shivam Gupta: Hi, sir. Most of my questions are covered. I just wanted to know, how are you seeing competition from Chinese player at this moment? Are you having to become more aggressive on pricing, or are customers still willing to pay a premium for technology and quality?

Raj Kumar Lohia: Can you, can you repeat your question, please?

Shivam Gupta: I want to know, how are you seeing competition from Chinese player at this moment? Are you having to become more aggressive on pricing, or are customers still willing to pay a premium for technology and quality?

Raj Kumar Lohia: So I will answer your second question first. We get premium over China. And all elements of business is a part of that premium, which includes also service. As far as the competition you are saying, China is a reality of competition. We face them everywhere, not everywhere, but many cases.

And that this world is competitive world, I don't see that a complete monopoly in anything will be possible. China is a reality which we have all the world has to accept. And they have been there for a long time. In India, they have they are struggling to do anything. I'll say the service is their weakness. Service is very weak. And the knowledge of English and. Export is a different ballgame. India is higher in the more difficult for the Chinese companies to break. Hello?

Shivam Gupta: Ok sir. I got you. Hello?

Moderator: Sir, your voice is very low. Can you be a little loud, please? Are you done with your question?

Shivam Gupta: Yes, I have one more question like about the...

Moderator: Can you just be a little loud? Your voice is very low.

Shivam Gupta: Till then take other questions. I will join back again.

Moderator: No problem. Thank you. Our next question comes from the line of Rishi Maheshwari with Aksa Capital. Please go ahead.

Rishi Maheshwari: Hi, sir. Thanks so much, and all and great luck for the performance. I wish to ask one question, which is regarding the performance despite the industry growth that you've been that you're catering to. So from what I gather, you're in catering to the cement industry, the textile -- the technical textile industry, the FIBC, and some of the rural areas.

Now I wish to understand when we study about these industries, whether it's FIBC, whether it's technical textiles, some of the listed players have not grown at all within this industry, neither their capex has actually grown within the last 2, 3 years. However, your growth has been consistent and I would say fairly higher versus the -- their versus the industry growth.

On top of that, your order book still continues to grow phenomenally. So help us understand this bridge. I know that you've spoken a little about their product extension that has helped you grow. But if you can delve a little deeper into this so that I'll be able to understand the sustainability of your growth going ahead as well.

Raj Kumar Lohia: So when you say that why are we more consistent in growth or in profitability as compared to our esteemed customers, because we are basic in technology. We are working with technology, and they are the user of technology. So once the technology is available, then then it then it is management and the pocket and the competition becomes big if there is a tech -- there is no technical barrier.

In our case, it is a technical barrier. But in the customer's case, it is not a technical barrier. So the competition is higher. This is end-user industries will always remain higher. And we are not selling to cement. We are selling bags to the customer our customers who supply bags to the cement. And so cement is important sector, but it is not let's say, it does not have the same dominance in the usages which used to be in '90s.

The different applications, as Mr. Gaurav Lohia explained in the initial stage, has have grown dramatically, dramatically means. And we are we are moving strongly on the automation and to stable production of machines, which All this will all these are adding to the market.

Rishi Maheshwari: May I interpret this as, the machines that the existing industry-wide is being used are slightly rudimentary, and they are being replaced by technologically advanced in machines which Lohia is supplying to them? Is that how you would like to place it?

Raj Kumar Lohia: No, I would not say that. I would not say that. There is always the advancement over years. That's -- but it's not that the old machine becomes completely junk in technology. That's not the case. The -- what I said that the making machine is a very technical job, very difficult job, but making a bag is not that difficult.

Rishi Maheshwari: Got it. Okay.

Raj Kumar Lohia: So if you have money, you have manpower, you have you have market, you can make bags or the woven products. But making a machine is -- anything which is relates come to technology is difficult to copy or to replicate or explain for anybody.

Management: But manual operations are getting automated by...

Raj Kumar Lohia: But the question is not that. Question is that, why are we different than the customers? It is because we have 2,000 customers in the world, and we don't have more than two or three known machine suppliers in the world.

Rishi Maheshwari: Okay. Got it, sir. I uh I have some understanding of it. Perhaps I'll get clearer understanding if I get to meet in person. Thank you so much for this. All the best for the future.

Moderator: Thank you. Our next question comes from the line of Arvind Arora with A Square Capital. Please go ahead.

Arvind Arora: Hello. Congratulations, sir, on good set of numbers. My question is more on the R&D spend that we are doing, which is roughly at 3% the last year. So first, what is our plan for the current year, the FY '27 and for next year? And what exactly we are doing, sir? And is there any product that we are expecting to launch which could be our like hero product or something like that, if you can explain?

Gaurav Lohia: So our R&D spend, like you mentioned, is around 3%. That continues to be our average going forward as well. We are working on some technologies that can be hero products in times to come. But that's a confidential R&D development that is happening, which is on automation lines, etcetera.

Arvind Arora: Okay. So this 3% will be consistent for...

Gaurav Lohia: IoT products IoT products also are we are keeping on improving our IoT offerings from our R&D stable as well.

Arvind Arora: Okay. Understood. So the sir, this 3% would be consistently we will maintain this, or we can increase this spend like considering if you are expecting anything, any opportunity in the market right now?

Gaurav Lohia: So we assume that 3% will be our going forward average.

Arvind Arora: Okay. Okay, understood. Fair enough. And sir, the next part is like you mentioned we are at 50%, 55% utilization. Okay. Considering the order book and everything, like we would be, I think, we'll be achieving 80% in the current year itself. So what's our capex plan, sir, for in the current year or the next year? What we are planning, or do we have any like bottleneck that we can do like?

Anupam Agarwal: So sir, first I will get this statistics right. We are currently operating at around 70%, 72% of capacity. And what we earlier said is that we can reach up to ideal capacity of around 85%, right? So, I mean, having said this, there is always some balancing needs based on the product -- nature of products that we have to manufacture for our customers. And depending on, see, the manufacturing capacity is very fungible in nature across product lines. Every component that is manufactured in-house has to be, let's say, machined, sheet metal shop, electronic shop -- we have all these shops in-house. So the capacity is very fungible across the product lines, number 1.

And number 2, we have a large vendor base. So components can be easily made in-house as well as made by the vendor community that we have we have developed over the years. So having said that, what I believe is that we keep on balancing some equipment, some machinery.

We keep on doing some maintenance capex every year. But as we mentioned earlier, that the current capacities are good to take us to a revenue of around INR2,400, INR2,500. And beyond that, we would require some major capex, which we believe is yet to, you know, we have yet not started any plans around that.

And we are a very light capex -- we are very light on capex. As far as if you look at our asset turnover ratios, you would see that we turn our assets in the range of 3 to 4. So for every INR500 crores turnover going forward after we achieve INR2,500, we would require a capex of around INR80 to INR90 or INR100 crores. So it is there in the horizon, but not immediately.

Arvind Arora: But sir, how much time will it take like, say for example, today if you think like for capex, okay, so how much time will it take to go live like?

Gaurav Lohia: 5 to 6 months.

Arvind Arora: Okay. So maximum 5 to 6 months, we can expand our capacity, correct?

Gaurav Lohia: Yes. So land we have here in Kanpur adjacent to our current operations, it's only the shed and the equipment that is required. So depending upon delivery schedules of the supplier, it can be made available.

Arvind Arora: Understood. And sir, any kind of benefit through regulations in India where to save ourselves from China -- Chinese competition? Any regulation like BIS or anything like, which can benefit us going forward?

Gaurav Lohia: No, not really. I mean other than the fact that Chinese and the European players have to pay custom duty to bring that equipment to India.

Arvind Arora: Okay.

Gaurav Lohia: I mean, their customers have to pay. So their landed cost becomes higher. To that extent, we remain competitive. But other than that, I don't see any other BIS or any other thing which favors us.

Arvind Arora: Okay, understood. But then the custom duty and everything, they can take the benefit like the credit and everything. So apart from this custom duty, there is no other regulatory like restriction which is helping us, correct?

Anupam Agarwal: No, no, not really.

Arvind Arora: Okay, understood. Thank you, sir, and all the best.

Anupam Agarwal: Thank you.

Moderator: Thank you. Next question comes from the line of Prince Choudhary with Pinc Wealth. Please go ahead.

Prince Choudhary: Yes, hi. Thanks for the opportunity. Sir, I want to understand whatever the current order book you have, like INR1,778 crores, or whatever the pipeline which we foresee for upcoming years. So, whether the demand is coming from the capacity expansion of the technical textile players, or whether the demand is coming from the replacement cycle kind of thing? Can you explain that?

Anupam Agarwal: Yes. So the majority of the demand is coming from the existing players. You are right, some amount of replacement keeps on happening every year. Currently, I would believe that the order book would have around between 3% to 5% coming from replacement cycles. But majority is coming from the new expansions that our customers are building.

Prince Choudhary: Okay. And do you see the trend to continue like 3%, 4% from the replacement and majority will come from the new capacity expansion of those players?

Anupam Agarwal: No, so going forward, we believe that this replacement thing would tend to increase from what we are here today.

Prince Choudhary: Okay. And what is the opportunity size that you see for the replacement?

Anupam Agarwal: So see, in India, we have been the -- we have had a large market share, and we have been operating since the last 40 years. So since the machine life is almost like between 20 years and 25 years, depending upon how well it is maintained, so we see that higher replacement cycle is going forward. I would not be able to put a number to that currently. But yes, there is an opportunity there.

And in the international markets also, we have been exporting in the last -- we started exporting sometime around 2021, 2022, so sorry, 2002 and 2003 onwards. So it has been almost like 25 years. So there is a replacement cycle also happening for people who want to replace old Taiwanese and Japanese, Chinese machines which are operating throughout the globe. So we see opportunities there also. But putting a number to it would be difficult right now.

Prince Choudhary: Understood. And in terms of pricing, how competitive we are with other domestic players or Chinese players?

Anupam Agarwal: So I mean, as far as our offerings are concerned, we demand, we command, let's say, 15% to 20% higher prices than Chinese currently.

Prince Choudhary: Sorry, 15% to 20% higher than Chinese?

Anupam Agarwal: Yes.

Prince Choudhary: Okay, sir. Okay, understood. Thank you for answering all the questions.

Moderator: Thank you so much, sir. Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to Mr. Anupam Agarwal, CFO, for closing comments. Thank you, and over to you, sir.

Anupam Agarwal: So thank you, investors, for your time today on the call. We look forward to opportunities to engage with you in future. And thanks once again for joining this call. Thank you so much.

Moderator: Thank you so much sir. Ladies and gentlemen on behalf of Motilal Oswal Financial Services, that concludes today's call. Thank you joining us and you may now disconnect your lines. Thank you.