29th May 2026

Shaily Engineering Plastics Ltd

BSE: 501423 | NSE: SHAILY

Recommendation	Time Period	Current Price	Target Price	Potential Upside
BUY	**12 months**	**2,798/-**	**3,220/-**	**15.1%**

Established in 1987, **Shaily Engineering Plastics Ltd. (Shaily)** is India's largest exporter of plastics components and provides end-to-end solutions in plastic products and services, operating 7 manufacturing facilities in Gujarat (6 facilities for Plastic and 1 facility for Steel Furniture) with over 200+ injection molding machines. The company's clientele comprises prestigious brands across Consumer, Industrial and Healthcare sectors such as Gillette, P&G, Unilever, GE Appliances, Wockhardt and Dr. Reddy's among others.

Key Investment Rationale:

- **Presence across Consumer, Healthcare and Industrials segments:** Shaily manufactures and supplies goods to some of the biggest names across various industries for the industrial, healthcare and consumer sectors, as well as critical components for the automotive industry. It provides leading global firms like IKEA, Gillette, P&G, GE Appliances and Schaeffler various plastic and metal products for both domestic use and exports. Alongside commodity polymers, the company specializes in high and ultra-high-performance polymers and is the only licensed processor of Torlon in India, and also operates a Steel Furniture factory to manufacture cabinets, drawer units, tables and storage units.

- **The GLP-1 Proxy:** Shaily is one of the few companies with patented technology for fixed dose and auto-injector pens used for GLP-1 agonists (like Semaglutide) and insulin, which provides a large opportunity size for the company given the launch of generic GLP-1 lined up in key markets like Canada, Brazil, India, Middle East, etc as it goes off patent in 2026. GLP-1 drugs have been gaining momentum as the preferred choice of medication for diabetes and weight-loss patients owing to its efficacy. During 4QFY26, Shaily's Harmony and Neo pen injectors for Semaglutide were successfully launched commercially in India and global markets by multiple customers. Additionally, Semaglutide pens supplied by the company were launched by a customer in Canada. One of the company's customers received tentative approval in the US market for Semaglutide, and one customer received European Market Authorization (EMA) for Teriparatide. Additionally, the company received an order worth Rs 423 cr by a large domestic pharma company for supply of pen injectors over a period of four years.

- **Capacity expansion in progress to capture the GLP-1 opportunity:** On the development front, the company is creating a strong pipeline of next-generation drug delivery devices. Next-generation GLP-1 devices are being designed to enhance patient experience, reduce dosage errors and improve therapy adherence. The company has announced a major strategic expansion into Abu Dhabi, establishing a scalable facility for manufacturing pen and auto-injectors with capacity of producing ~75 million pen injectors annually (taking the global capacity to ~150 million units annually) and shall be operational by 4QFY28. The 25 million capacity installed in Mar'26 for Semaglutide is currently operating at roughly 45% operational efficiency, with rejection rates reduced to 8%. An additional 25 million capacity, purely for Semaglutide and global markets, is expected to come online by Aug'26. Overall, the long-term opportunity in GLP-1 remains compelling. While oral formulations may capture ~20% of the market, over 75% of the 55–60 GLP-1 molecules under development remain injectable.

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- **Presence Foray into Semiconductor supplies:** The company signed an agreement with a Korean company for manufacture & supply of semiconductor trays. The company announced that these supplies for semiconductor trays will initially go to OSAT players, with future potential for fab players once they are established in India. Commercial supplies are expected to begin in 4QFY27.

- **Attractive valuation:** At CMP of Rs. 2,798, the stock trades at FY27E/FY28E Bloomberg consensus P/E multiple of 51.9x/36.7x respectively.

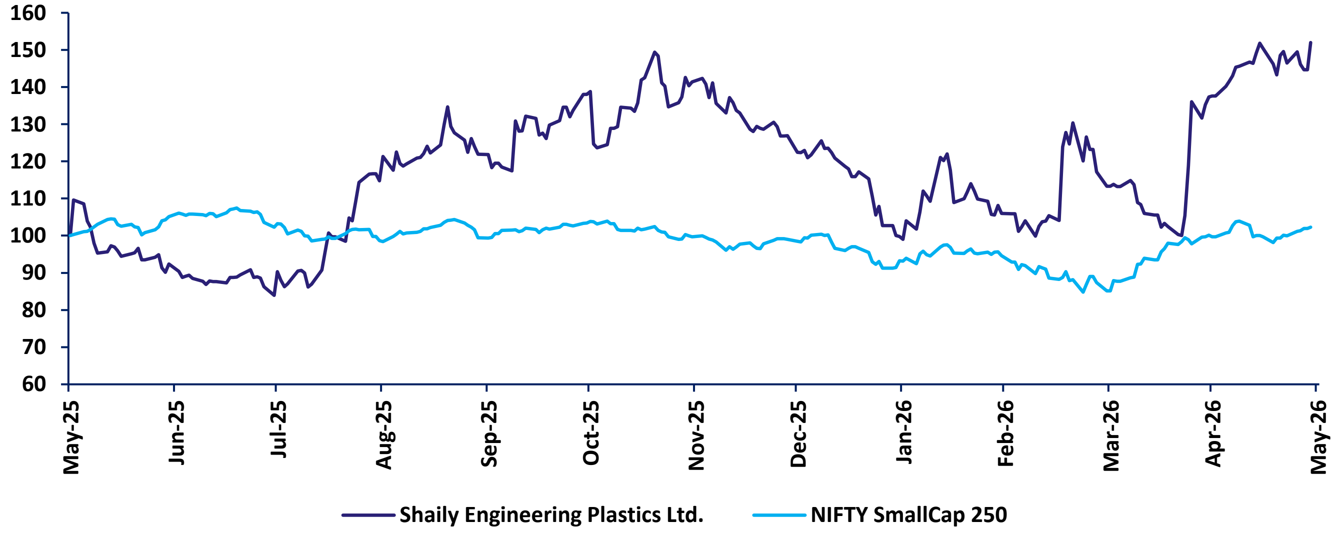
Key risks: Delay in launch and Slower adoption of generic semaglutide; Regulatory risk

Financial Summary

Particulars (Rs cr)	FY25A	FY26A	FY27E	FY28E
Net Sales	787	991	1,286	1,632
EBITDA	177	280	384	538
Net Profit	93	170	248	351
EBITDA Margin (%)	22.5	28.3	29.9	33.0
EPS (Rs)	20.3	37.0	53.9	76.2
RoE (%)	17.0	23.7	30.1	30.8
P/E (x)	138.3	75.7	51.9	36.7
EV/EBITDA (x)	73.5	46.5	33.9	24.2

Source: Bloomberg Estimates

Stock Performance (since listing) – Indexed to 100



Source: Bloomberg, SSL Research

Recommendation History

Date	Stock Price (Rs)	Target Price (Rs)	Recommendation	Status
-	-	-	-	-

SBICAP Securities Limited

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