Date: November 18, 2025

To,
National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex
Bandra East, Mumbai – 400051
Symbol: "SCODATUBES"

To,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001
BSE SCRIP Code – "544411"

Dear Sir / Madam,

Subject: Transcript of Q2 FY '26 Earnings Conference Call" on Friday, November 14, 2025

Pursuant to Regulations 30 and 46(2)(oa) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the **Transcript of Q2 FY '26 Earnings Conference Call** held between the Company and Investors on Friday, November 14, 2025 on the Unaudited Financial Results of the Company for the quarter and Half Year ended on September 30, 2025 and future outlook of the Company's Business.

The aforesaid transcript is also being hosted on the website of the Company, https://scodatubes.com/investor-zone in accordance with the Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

You are requested to kindly note the same.

For, SCODA TUBES LIMITED

JAGRUTKUMAR RAMESHBHAI PATEL

SCODA TUBES LTD. RAJPUR

Jagrutkumar Rameshbhai Patel
Managing Director
DIN: 06785595

"Scoda Tubes Limited

Q2 FY '26 Earnings Conference Call"

November 14, 2025

MANAGEMENT:	**MR. SAMARTH PATEL – CHAIRMAN AND WHOLE TIME DIRECTOR – SCODA TUBES LIMITED** **MR. RAVI PATEL – CHIEF FINANCIAL OFFICER – SCODA TUBES LIMITED** **MR. JAGRUT PATEL – MANAGING DIRECTOR – SCODA TUBES LIMITED** **MR. SAURABH PATEL – EXECUTIVE DIRECTOR – SCODA TUBES LIMITED** **MR. VIPUL PATEL – PRESIDENT – SCODA TUBES LIMITED** **MR. RAJ SHAH – CAPITAL BRIDGE ADVISORS, INVESTOR RELATIONS CONSULTANT**
MODERATOR:	**MR. SAHIL SANGHVI – MONARCH NETWORTH CAPITAL LIMITED**

Moderator: Ladies and gentlemen, good afternoon and welcome to the Scoda Tubes Limited Q2 FY '26 Earnings Conference Call, hosted by Monarch Networth Capital Limited. 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. Sahil Sanghvi from Monarch Networth Capital Limited. Thank you, and over to you, sir.

Sahil Sanghvi Thank you, Sabnalli. Good afternoon to everyone. On behalf of Monarch Networth Capital, we welcome you all to the 2Q FY '26 Earnings Conference Call of Scoda Tubes Limited. We are delighted to host the management of Scoda Tubes and from their side, we have their Chairman and Executive Director, Mr. Samarth Patel, and we have the Chief Financial Officer, Mr. Ravi Patel.

So, without taking much time, I'll hand over the call to the management for opening remarks. Thank you, and over to you, Samarth.

Samarth Patel: Thank you, Sahil Bhai. Good morning, everyone and thank you for joining us for the 2Q FY '26 Earnings Call of Scoda Tubes Limited. I hope all of you have had a chance to go through our financial results and investor presentation, which are available on our website and the stock exchanges.

Joining me today on this call are Mr. Jagrut Patel, Managing Director; Mr. Saurabh Patel, Non-Executive Director; Mr. Ravi Patel, Chief Financial Officer; and Mr. Vipul Patel, President; Mr. Raj Shah from Capital Bridge Advisors; our Investor Relations Consultant.

I would like to begin by sharing the rationale behind the acquisition of Arvind sp. z o.o., a trading firm based out of Poland, Eastern Europe, into dealing of coated and uncoated tubes, pipes, casings, hollows and related products.

This marks a strategic step in expanding Scoda Tubes Limited international footprint, strengthening our presence in Europe and opening opportunities in high growth sectors such as oil and gas, wheat exchanges and refineries, especially for the Eastern European market.

Let me now walk you through the key highlights of H1 FY '26. We are happy to share that we have delivered a steady performance in H1 FY '26 and Q2 FY '26 with consolidated revenue and net earnings growing by 5% and 49% in H1 FY '26 and 4% and 34% in Q2 FY '26 respectively. Our performance in H1 FY '26 was steady as we were already operating at optimal utilization levels and witnessed high stabilization.

As we enter the second half of FY '26, our focus remains on expanding capacity across both seamless and welded product sectors. Seamless tubes, the expansion work is well underway. The civil construction has been completed and the current capacity has increased from 10,000 metric tons per annum to 17,000 metric tons per annum.

We are expecting the delivery of two pilger machines by December, which will take the total instant capacity for seamless pipes and tubes to 20,000 metric tons per annum. The production ramp-up is progressing as per schedule. We aim to achieve blended utilization 60% to 65% by FY '26 and increase it to around 80% by FY '27.

For welded tubes and pipes, the plant construction has started and the key equipment orders have been finalized with commercial production targeted for Q1 FY '27. As communicated earlier, our finished goods capacity is set to increase from 11,088 metric tons per annum to 33,128 metric tons per annum, representing a major scale-up in production capabilities.

Our mother hollow capacity of 20,000 metric tons per annum will continue to support captive consumption and strengthen backward integration, improving operational efficiency. Moving on to IPO proceeds utilization, out of the IPO proceeds, INR27 crores has been deployed towards capex, INR110 crores remains in bank balances and INR50 crores has been utilized for working capital.

We continue to deploy the proceeds in a capital-efficient manner, focused on delivering optimal returns and creating long-term value for all stakeholders.

I will now hand over the call to Ravi Bhai to walk you through the financial metrics.

Ravi Patel: Thank you, Samarth Bhai. Coming to financial metrics, revenue from operations grew by 5% year-on-year to INR242.7 crores in H1-FY '26. In Q2 FY '26, the revenue was broadly flat at INR145.3 crores. Export revenue as percent of total revenues to the 29% and 27% in H1 FY '26 and Q2 FY '26, respectively.

Revenue break-up across geographies for H1 FY '26 is as follows; India 71%, Europe 24%, America 5%. EBITDA in H1 FY '26 stood at INR36.5 crores, EBITDA margins stood at 15.1% versus 16.2% last year. In Q2 FY '26, EBITDA stood at INR22.3 crores, EBITDA margins stood at 15.4% versus 16.4% last year.

PAT grew by 39% year-on-year to INR21.1 crores in H1 FY '26. PAT margins stood at 8.7% versus 6.6% last year, up 211 basis points on a year-on-year basis. In Q2 FY '26, PAT grew by 34% year-on-year to INR14 crores, PAT margins stood at 9.6% versus 7.5% last year, up 212 basis points on a year-on-year basis.

In H1 FY '26, the company had incurred INR45.9 crores in capex. Net block, as on September 30, 2025, stood at INR84.8 crores and capital work in progress, as on September 30, 2025, stood at INR61.1 crores.

In closing, we remain confident about the opportunities ahead as Scoda Tubes enters its next phase of growth. Our continued investments in capacity expansion, coupled with a sharp focus on operational efficiency and execution, position us well to deliver sustainable and profitable growth in the coming years.

With that, we will now open the floor for questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Nayan Bhodia from Xylen PMS. Please go ahead.

Nayan Bhodia: Yes, sir. Hi. So, the first question is about the seamless capacity, the additional 10,001. So, it was bound to start in October, right? So, has it commenced and how well is the utilization looking right now for the additional capacity?

Samarth Patel: So, Yes, it was set to start the production in Q3 of this current financial year. So, we have started the production in November. October was for the trial run, basically. So, currently, what we are seeing for the next coming two quarters is that we will ramp up by, I think, 2,000 tons of the seamless capacity in the additional form which will be derived from the new seamless plant production.

So, currently, our installed capacity for seamless is 17,000. We are still waiting for two more cold pilger mills. I think it should be delivered in December as per the current schedule. So, after installation of those two machines, we will have the installed capacity of 20,000 metric tons per annum by the end of December.

Nayan Bhodia: Okay. And how is the domestic scenario looking right now? Like, is there any major Chinese dumping of seamless cubes in India? And I think one of the peers con call, they said that the global capex scenario on oil and gas is not good. I mean, can you give me a little depth on it? How is it looking?

Samarth Patel: Yes, sure. So, coming to your first point about the dumping of Chinese tubes in India, so, basically, there is an anti-dumping duty on Chinese goods. So, I think in India, there is very less import happening. If it is happening, it's not from China, it's from some other country.

Yes, but regarding the domestic market, I think the capex for oil and gas is a little bit slow. Yes, I agree to that. But the capex for the power sector, especially, if you know about the BHEL and the NTPC contracts

Nayan Bhodia: Yes.

Samarth Patel: Adani ramping up for the renewable energy. So, I think in the coming next five years, we are seeing a lot of capex and a lot of great opportunities in the power sector and renewable sector as well.

And regarding the global approach for oil and gas and other sectors, I think we don't see any kind of lag in the new demand. As I would like to mention that our current order book stands at 194 crores, comprising 90 crores in domestic and 104 crores in exports.

And recently, we secured $1 million of orders from a US client, which reaffirms that prevailing US tariffs are not impacting our business. And we are also maintaining a strong presence across European markets. So I don't see any kind of, you know, a poor trajectory in the demand for coming futures in the global market.

Nayan Bhodia: Okay, that's great to hear. Okay, thank you. That's it from my side.

Samarth Patel: Thank you.

Moderator: Thank you. The next question is from the line of Lakshminarayanan from Tunga Investments. Please go ahead.

Lakshminarayanan: Thank you. Hope I'm audible. Just want to understand what are the end sectors that are actually driving the overall demand for SS pipe? And, what is the expectation on SS pipe industry in terms of volume growth for the next one to two years? Is there any new use cases and demand for SS pipe are actually taking place? That's my first question.

The second question is that, you know, we understand that there is a supply of SS pipe from multiple players. Do you see that the capacity exceeding the demand? What are your thoughts? So, these are my two questions? Thank you.

Samarth Patel: Yes. So, answer to your first question, what we are seeing is, I think, 7% to 8% industry growth every year, I think, for stainless steel pipes and tubes, which includes obviously both seamless as well as welded. So, that is the amount of growth that we are seeing within India as well as on the global basis we are seeing around 3% to 4% of industry growth in terms of demand for stainless steel pipes and tubes.

And coming to your second question, I think there is no such situation where we can say that the in-scale capacity in India is more than the demand. I think there is still a shortfall where we feel. As communicated and discussed earlier, we have also given the industry reports in the presentation earlier during the time of IPO as well as for the last financial presentation, I mean for the last quarter presentation, that approximately the demand is around 3,80,000 metric tons.

I am talking only about the Indian market. Where I don't see that, including all of the small scattered players and the big players, we were able to fulfill the 3,80,000 metric tons of demand. We are still seeing, I think, around 20,000 to 25,000 metric tons of production shortage in terms of demand. So, I don't think that is a challenge for us to be in the market and fulfill the demand.

And any specific sector you are thinking will drive the demand? Of course, we heard about oil and gas. Anything that is actually driving demand for you right now? So, basically, oil and gas is the backbone of the stainless steel industry. But obviously, it is not like that every company is dependent only on oil and gas sector. Usually, oil and gas plays the role of around 30% to 40% of the split of the revenue generation.

But currently, as I mentioned earlier, that we are seeing a great boom in the power sector and the renewable energy sector for coming next four to five years within India. And we are also seeing and exploring some other sectors. As I mentioned, we recently booked an order of $1 million from a US customer, which is basically used for the water purification industry.

So, yes, we are also exploring new sectors, new bonds. But as I mentioned, in India, the power sector and renewable energy sector is the future.

Lakshminarayanan: How much percentage of your demand is driven by tender? And how much is, for the last six months or maybe for the year, driven by tender? And how much is actually outside tender?

Samarth Patel: Can you repeat again? I was not – you were not…

Lakshminarayanan: No, my question is, how much percentage of your demand is driven by tender? And how much is outside the tender business for us?

Samarth Patel: Almost all the demands are like more of the RFQs instead of tenders. Only for the PSU sectors like BHEL and all, they are putting the tenders.

Lakshminarayanan: Okay. Thank you, sir.

Moderator: Thank you. The next follow-up question is from the line of Nayan Bhodia from Xylen PMS. Please go ahead.

Nayan Bhodia: Yes, sir. So, I had a few more questions. So, regarding the BHEL and NTPC tenders, so they are opening again in the second half of the financial year, right?

Samarth Patel: Hello. Sorry, can you repeat?

Nayan Bhodia: Yes, sir. So, the BHEL and NTPC tenders, they are bound to open again in the second half of the financial year, right?

Samarth Patel: Yes, but they are delaying it by, I think, two to three months. Recently, we got an update from BHEL regarding this. I think it was last week that they are delaying the procurement process. Because of the slowdown in the deliveries by BHEL to their end customers, take it Adani or maybe NTPC.

Nayan Bhodia: Okay. And so, once they open the tenders, I think by then we should be tender ready to participate this time, right?

Samarth Patel: Yes. We should be tender ready to participate in the next procurement process, yes.

Nayan Bhodia: Okay. Okay. Thank you.

Moderator: The next question comes from the line of Prateek Shrivastava, an Individual Investor. Please go ahead.

Prateek Shrivastava: Thank you for the opportunity. Sir, my question is, can you please help us understand the product mix between your oil and gas sector and the power, traditional versus renewable?

Samarth Patel: Sure. So, basically, I will explain. There are two kinds of products we supply and we manufacture. One is called seamless pipes and one is called seamless tubes. So, basically, seamless pipes are used for transportation of any kind of metal from one place to another. So, that is largely used in oil and gas sector, especially by EPC contractors while construction of the new refineries or new projects.

Tubes are used in the manufacturing of the equipment, which means manufacturing of boilers, manufacturing of heat exchangers, condensers, coolers, LP/HP heaters, those kind of applications. So, basically, if you talk about the renewable energies and the power sector, which we were talking just before your question, that there is a huge demand from BHEL and NTPC. Basically, NTPC and Adani are the end users and BHEL is a long-term contract from them.

So, those contracts are for producing boilers. And boilers are manufactured by procurement of tubes and making bundles and then installing into the boilers. That is why there is a huge demand of stainless steel seamless tubes for the power sector and renewable applications. So, that is the differentiation between seamless pipes and seamless tubes and the application of both the products.

Prateek Shrivastava: Got it. Thank you, sir. Another one is on the regulatory and industry headwinds or tailwinds. So, can you please share what are your thoughts on that?

Samarth Patel: From what industry, sir?

Prateek Shrivastava: From the regulatory or from the industry tailwinds or headwinds in terms of any -- you mentioned about the China dumping, which is currently, I think, which is blocked by the Indian government. But how do you see this pan out? Any other regulatory favorable winds? Do we have it in the industry or it could be headwinds as well? Could you share your thoughts on that?

Samarth Patel: Yes. So, to your question, currently, the scenario is something like this. Like, India has put anti-dumping on Chinese goods, especially for the raw material and import of finished pipes and tubes for seamless, right? And recently, for welded pipes as well, they have put antidumping for flat HR and CR coils on China. And even today morning, we received the news that India has put antidumping for CR coils on Vietnam as well.

So I think Asian market is totally closed for the import of raw material and finished goods, both in seamless as well as welded. So it is currently beneficial for India and Indian market as the second largest production capacity on a global basis after China is only with India.

So India is, I think, capable enough right now to cater the global geographies. For example, the U.S. market because they also have a lot of tariffs set up on the Chinese goods, the European market. I think the tariffs are for last 10 to 12 to 15 years.

And even the Middle Eastern markets are also slowly, slowly banning or preferring more to the Indian goods, banning the Chinese goods as well. And a lot of end users as well as in India and on the global level, a lot of end users are also refusing to buy Chinese goods.

They are changing their procurement policy by removing the Chinese goods and excelling the policies paying the non-Chinese goods only allowed. So I think on that side, we are seeing quite a lot of opportunity for the Indian manufacturers in the coming centuries.

Prateek Shrivastava: Thank you very much, sir, for the very elaborate answer. Thank you very much. I appreciate it, sir.

Moderator: Thank you. The next question is from the line of Sahil Sanghvi from Monarch Network Capital Limited. Please go ahead.

Sahil Sanghvi: Yes. I just wanted to ask a few things. First, can you give us some reasons for the margins going to 15% now versus the 14.5%, 14.6% that we have done in 1Q? Is it largely product mix? Or is there some other reason? And can we sustain these margins for the second half? Or we should be doing somewhat better because of the better product mix?

Ravi Patel: So margins are expected to remain in the 15% to 16% range, driven by higher contribution from welded products and new product launches in this segment. So typically, seamless has a margin between 16% to 18%, whereas welded has between 12% to 13%. So we expect the blended will remain 15% to 16%.

Sahil Sanghvi: Okay. Okay. And we see some buildup in the working capital also, I mean, some capital being locked in working capital. So as of September basis on the balance sheet. So is this expected to iron out by the end of the year? Or is it largely because of the midyear delays in the receivable?

Ravi Patel: So the inventory has seen a sharp rise in H1 FY '26 as we have stocked up seeing the demand in H2 FY '26, so we expect the inventory levels to go down from Q3 FY '26.

Sahil Sanghvi: Okay. Okay. And how do you see the pricing of our end products evolving? I think if you can help us understand 1H versus maybe last year 1H, how much lower the prices were and what trajectory do you expect going ahead?

Ravi Patel: So the raw material prices have declined by about 5% to 10% over the past 24 months, but have remained largely stable in the recent past. So for the next 12 months, we do not significant fluctuations and expect that the raw material prices remain stable at the current levels.

Sahil Sanghvi: Okay. Okay. Understood. That answers my question. Thank you and all the best.

Moderator: Thank you. The next question is from the line of Heta from Monarch AIF. Please go ahead.

Heta: Yes. Hello, Samarth Sir. I had a couple of questions. I will start with have you received any new approvals from any vendor?

Samarth Patel: Yes. So, basically, recently, we have received approvals from Reliance and Imperial Auto and domestic market but no fresh approval in export department. As we mentioned earlier, we are still in the process for some oil and gas and some marine approvals for export markets.

Heta: Okay. Do we have any timeline on by -- in how many quarters will we receive these approvals?

Samarth Patel: So, probably, I think, for the marine approval, we are still expecting two more quarters to finish up the process and get approved.

Heta: Okay. So, moving forward, what is our export target? I mean, what percentage of revenue are we targeting from the export sales?

Samarth Patel: So, for H2, I think, we close at 29% of export revenues. But currently, as I mentioned that currently, our order book stands at INR194 crores. INR104 crores of orders are from export market and INR90 crores from the domestic market.

So, lastly, what we are targeting and expecting as per the global demands, I mean, demand other than Indian market, that I think we would be largely at 40%, between 40 to 45% of the, I mean, for exports of the total revenue, then we will reach at the optimum utilization level of both welded and seamless. So, largely, we will have in FY 2028.

Heta: Okay. Okay. That is very helpful. And so, also on the capex side, we have estimated a capex of around INR100 crores. Does the amount remain the same? Or are we seeing any increase or decrease in that figure?

Samarth Patel: Heta, your voice is a little bit muffled. Can you be more, clear please?

Heta: Am I audible now?

Samarth Patel: Yes. Yes.

Heta: Yes. I just wanted to understand on the capex part. I believe we had estimated at INR100 crores of capex to be incurred for these expansions. Are we seeing any increase or decrease or any changes in this amount?

Samarth Patel: No, I don't think we are seeing any changes. Currently, for capex, we spend around INR27 crores has been spent for capex for now, as per the H2 details. And we have deployed around INR50 crores for the working capital. So, we don't see any increase or decrease. It would largely remain what we have mentioned.

Heta: All right. Understood. Understood. All right. Thank you so much. That's it. That's all I had to ask.

Samarth Patel: Thank you.

Moderator: Thank you. The next question is from the line of Ajit Sethi from Eiko Quantum Solutions. Please go ahead.

Ajit Sethi: Thanks for the opportunity. Sir, this welded capacity, new capacity, when it will be coming online?

Samarth Patel: So, the welded capacity is expected to be online in the Q1 of FY '27.

Ajit Sethi: And what kind of utilization we can expect from this welded capacity in FY '27?

Samarth Patel: In FY '27, we are seeing around 30% of the utilization out of our total welded installed capacity.

Ajit Sethi: Sorry, sir. Can you repeat please? I missed the number sorry.

Samarth Patel: For FY '27, we are seeing 30% utilization out of the total installed capacity for welded products.

Ajit Sethi: Okay. And by FY '28, we are expecting full utilization, correct?

Samarth Patel: Yes. By FY '28, we are expecting full utilization of both welded as well as seamless products.

Ajit Sethi: And sir, what is the current revenue mix between seamless and welded?

Samarth Patel: So, due to competitive reasons, we are not declaring volumes as well as the revenue split between two products.

Ajit Sethi: Okay, sir. Thank you, sir.

Samarth Patel: Thank you.

Moderator: Thank you. The next question is from the line of Ranjit Kapoor from Vitta AMC. Please go ahead.

Ranjit Kapoor: Hi. Very good afternoon, I wanted to ask about your inventory. I see a very sharp change in inventory. So, can you justify that ?

Samarth Patel: Sorry to interrupt, sir. Can you be a little bit louder, please?

Ranjit Kapoor: Yes. I see there is a very sharp change in inventory.

Samarth Patel: Yes. So, we have stocked up seeing the demanding H2 FY '26. So we expect that the inventory levels will go down from Q3 FY '26.

Ranjit Kapoor: And would you like to give any guidance on revenue and margin side?

Samarth Patel: Sure. So basically on the revenue outlook, we target to grow by 20% in terms of revenues as the new capacity has come on stream effective November 2025?

Ranjit Kapoor: 20%? I missed that. I missed that. What is 20%?

Samarth Patel: In terms of revenue. Yes.

Ranjit Kapoor: Okay. Okay.

Samarth Patel: And margins are expected to remain in the 15% to16% range as discussed earlier, driven by higher contribution from welded products and new product launches in this segment. Seamless products typically yield 16% to 18% margins, while welded deliver 12% to 13% resulting in a blended margin of 15% to 16%.

Ranjit Kapoor: Fair enough. Would you like to explain about your Arvind sp.z o.o. acquisition? How will it help to expand your international business?

Samarth Patel: Sure. So the acquisition of Arvind sp.z o.o. is a strategic move to strengthen our international footprint through a foreign holding structure, especially for the Eastern European market. So, Arvind used to be, I mean, it specializes in trading of coated and uncoated tubes, pipes, casing, hollows, and other steel or alloy products across Europe.

This acquisition will enable Scoda Tubes to access new customer segments in fast-growing sectors such as oil and gas, heat exchangers, refineries, while leveraging Arvind's distribution network and local expertise for more than 20 years being in Poland. We believe this will unlock significant long-term value by integrating Scoda's manufacturing strength with Arvind's market access in the Eastern Europe and easy logistics for European Union customers.

Ranjit Kapoor: Understood. All right. Thank you. Thank you very much, sir. All the best. And it was a great presentation.

Moderator: Thank you. Ladies and gentlemen, as there are no further questions, I would now like to hand the conference over to Mr. Sahil Sanghvi for closing comments. Thank you and over to you, sir.

Sahil Sanghvi: Just wanted to thank the management for patiently and elaborately answering all the questions. Also wanted to thank all the participants for joining the call. Samarth Bhai, do you have any closing remarks?

Samarth Patel: Yes. Thank you everybody for joining today's call. Please feel free to reach out to Capital Bridge Advisors in case of any queries. And you guys have a great day.

Moderator: Thank you very much, sir. On behalf of Monarch Networth Capital Limited, that concludes this conference. Thank you for joining us today and you may now disconnect your lines.