

August 18, 2025

The Manager
Dppt. Of Corporate Services
BSE Limited
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Mumbai 400 001
BSE Scrip Code: 532395

Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5 Floor, Plot C/1, G Block
Bandra – Kurla Complex, Bandra(E),
Mumbai 400 051
NSE Symbol: AXISCADES

Dear Sir/Madam,

Sub: Transcript of the Earnings Conference Call with the Investor(s)/Analyst(s)

Further to our intimation dated August 08, 2025, please find enclosed the transcript of the Earnings Conference Call with the Investor(s)/Analyst(s) which is hosted on the website of the Company at www.axiscades.com

We request you to kindly take the above on record as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Yours truly,

For **AXISCADES Technologies Limited**

Sonal Dudani
Company Secretary & Compliance Officer

AXISCADES Technologies Limited

(formerly AXISCADES Engineering Technologies Limited)

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**“AXISCADES Technologies Limited Q1 FY'26
Earnings Conference Call”**

August 08, 2025



MANAGEMENT: **DR. SAMPATH RAVINARAYANAN – CHAIRMAN**
 MR. ALFONSO MARTINEZ – MANAGING DIRECTOR AND
 CHIEF EXECUTIVE OFFICER
 MR. KP MOHANAKRISHNAN – DEPUTY CHIEF EXECUTIVE
 OFFICER & PRESIDENT (AEROSPACE)
 MR. D. MURALI KRISHNAN – CHIEF OPERATING OFFICER
 MR. SHASHIDHAR S. K. – CHIEF FINANCIAL OFFICER
 MR. ANURAG SHARMA – PRESIDENT (ESAI) & CHIEF
 EXECUTIVE OFFICER (ADD-SOLUTION)
 MR. SHARADHI BABU – PRESIDENT (DEFENSE)
 MS. SANGEETA TRIPATHI – HEAD (INVESTOR RELATIONS)

Moderator: Ladies and gentlemen, good day and welcome to the AXISCADES Technologies Limited Q1 FY26 Earnings Conference Call.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” then “0” on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Sangeeta Tripathi. Thank you and over to you ma'am.

Sangeeta Tripathi: Thank you moderator. Good evening, everyone and welcome to the Q1 FY26 Results Conference Call of AXISCADES Technologies Limited.

I am joined today by our “Leadership Team to Provide a Brief Overview of the Business Performance and the Financial Results.”

We have with us today Dr. Sampath Ravinarayanan -- our Chairman, Mr. Alfonso Martinez -- our Managing Director and CEO, Mr. KP Mohanakrishnan -- our Deputy CEO & President (Aerospace), Mr. D Murali Krishnan -- our Chief Operating Officer, Mr. Shashidhar SK -- our Chief Financial Officer, Mr. Anurag Sharma -- our President (ESAI) & CEO (Add-Solutions), Mr. Sharadhi Babu -- our President (Defense).

Before we begin, please note that this call may contain forward-looking statements based on company's current expectations, beliefs and opinions. These statements involve risks and uncertainties and the actual results may differ materially.

Now, I hand over the call to our Chairman, sir, Dr. SRN. Over to you, sir.

Dr. S Ravinarayanan: Thank you, Sangeeta. Thank you, everyone. It has now been nearly six months since I resumed the role of chairman of your esteemed company, and during this period, we have embarked on a series of strategic initiatives.

I will “Highlight Three Major Initiatives” we have taken up. One, we have set up a target of over 40% year-on-year growth and we are all set for that. We have an order book of Rs.1,260 crores for this financial year FY26 and Rs.1,827 crores for the next financial year, that is FY27, the forecast visibility plus order book totaling to Rs.3,087 crores. So, we are in a comfortable position to achieve a 40%-plus growth. Of course, everything has to be converted in delivery, but we are confident of that. There are not major dependencies at this stage for FY26 and '27, so we are confident of that growth. Please note that this is on the core areas only, that is defense, aerospace and ESAI. So, we will definitely register a growth of more than 40% in these areas, especially in EBITDA, PAT as well as in the revenue. The next major initiative we have taken is “Power 930,” which is reaching Rs.9,000 crores, that is \$1 billion in the year 2030. So, for that, we are building a robust pipeline, also matching

infrastructure. So, this all should be ready. Pipeline looks very, very good at this point of time. We have time to convert and a lot of things are infrastructure-dependent, so we are building up the world-class infrastructure to be ready in time for us to grow. If this happens in 2028, '29 and '30, we will have a much greater growth for these three years. So, we are kind of at this point of time, the visibility is very, very good, and we hope to be on track on this.

The third thing is, as you would have noticed, that we have signed some good global partnerships, two of them, which is MBDA for missile activities and then Indra for radar-related activities. This not only gives us annuity revenue and visibility, but also gives us a technological edge to become a front runner in missile and radar systems.

And we are also in the process of forging more such partnerships, so to stabilize our revenue and growth.

So, these partnerships are across all the three domains, not only confined to defense, but also to ESAI and aerospace.

So, with this, I will hand over to our “CFO, Mr. Shashidhar, to Summarize our Investor Presentation and to the Next Steps.” Thank you very much.

Shashidhar SK:

Good evening, everyone and thank you, Dr. SRN. A warm welcome to all of you for joining us today for the Q1 FY26 Earnings Call.

I trust you had the opportunity to review our earnings press release and the investor presentation, both of which are available on our website, as well as on the BSE and NSE platforms.

Despite Q1 being a traditionally lean quarter, we are pleased to report a healthy performance for Q1 FY26, marked by double-digit growth in our core businesses, steady progress in our transformation roadmap, and clear visibility of growth and profitability in the coming quarters.

So, now I will walk you through some “Key Financial Metrics for Q1 FY26.” Our consolidated revenue for the quarter is at Rs.244 crores, up by about 9% year-on-year. The reported EBITDA for the quarter is Rs.34 crores, up 9% year-on-year, compared to Rs.31 crores in Q1 FY25, with an EBITDA margin at 14% in both these quarters. The EBITDA growth year-on-year is at 86% when we normalized previous year EBITDA to Rs.18 crores by adjusting the one-time write-back of ESOP provision of INR12.9 crores. As such, the normalized EBITDA margins have also witnessed healthy momentum year-on-year, expanding from 8.2% in Q1 FY25 to 14% in Q1 FY26.

Our consolidated profit after tax for the quarter is up 25% year-on-year, from Rs.17 crores in Q1 FY25 to Rs.21 crores in Q1 FY26.

With significant order book in defense back-ended for execution in H2, the revenue and profitability metrics will accelerate in H2 '26, with ramp-up in defense revenues and margin expansion.

Our core domains in Q1 grew by 17% year-on-year from Rs.156 crores to Rs.182 crores, driven by ESAI, which is Electronics, Semiconductors and Artificial Intelligence, which grew by 34%, defense, which grew by 23%, and aerospace, which grew by 8% year-on-year.

The core segment normalized EBITDA grew by 61% year-on-year, from INR21 crores to INR34 crores. Consequently, the margins of the core business have also witnessed improvement from 13.5% to 18.6%. Our core vertical saw significant order intake during the quarter, as has been announced from time-to-time, and we expect that this momentum will build further in H2 FY26, supported by enhanced procurement from Indian Defense and global OEMs.

Our non-core verticals, which is Heavy Engineering, Automotive and Energy, declined 9% year-on-year, largely due to continued macro pressures in the automotive sector and timing-related order shift in energy. We are currently recalibrating this business and improving the mix and cost optimization efforts in non-core, which has resulted in marginal turnaround and profitability in Q1. We are engaged with a strategic advisor in these optimizations and restructuring efforts, which is currently underway.

In summary, all the core verticals in the aggregate continue to record healthy EBITDA margins at 18.6%, which is being diluted to 14% at an enterprise level on account of lower margins from the non-core business.

Additionally, we are progressing well on infrastructure and facility development that supports our product-led non-linear growth strategy over the next five years.

As has been guided by our CEO in the investor presentation, our objective is to grow by 40% CAGR in revenue, as Dr. SRN said, in core verticals only, leading up to an EBITDA margin of around 19.5% in the three fiscal years up to FY28. This is fully backed by confirmed order book forecast and visibility. The current year FY26 guidance is around 25% growth in revenue, including core and non-core and 300 bps improvement in EBITDA over the previous year, driven by our core verticals.

To conclude, a robust and growing order book in all the three core verticals, our strategic collaborations and global partnerships are steadily laying the groundwork for our stated aspiration of reaching a billion-dollar revenue by 2030.

Thank you for your continued trust and support. We now open the floor for questions.

Moderator:

Thank you very much. We will now begin the question-and-answer session. We take the first question from the line of Balasubramanian from Arihant Capital Markets Limited. Please proceed.

Balasubramanian:

Thank you so much for the opportunity. So, I just want to understand defense and aerospace side. I think mostly we are targeting 75% kind of revenue and how we are exposed to budget cuts or delays in Indian defense procurement and SU 30 upgrades or LRDE projects? Could you please break down

the Rs.1,800 crores order book by program size like SU 30 upgrades, counter drone and you can share also delivery timelines? And thirdly, I mean it is more interesting. AI-empowered engineering side and like what kind of efficiency gains like we can expect in terms of reduced design cycles, whether it is justified for premium pricing or market share gains?

Dr. S Ravinarayanan: Thank you. I want to tell you about the order book. It is combined of all the three activities. Currently, we have order book and forecast visibility of about Rs.540 crores in defense and about Rs.210 crores in ESAI and Rs.450 crores in aerospace approximately, which should add up and defense alone is about Rs.540 crores. This also comprises of OEM activities as well as three groups actually DRDO, PSU which is some of the programs we are talking about MOD, which is including all the anti-drone and those kind of systems and then the OEM engagements like MBDA, Indra, etc. Combination of all the three. So, there is no dependency, there is no delay in the programs we are participating, and we have a long-term visibility on all these things. We work across the platform. For example, we are across the platforms because for example, our products like the Direction Finder is there almost in every major platform. So, we have no dependencies on this for this year as well as next year. So, next is using of AI. Probably we are working on various activities in this for the defense AI combination. We are also working with some foreign collaboration for establishing that especially in our anti-drone and related activities and so on. Please note that overall it is not only defense, we are talking about all the three segments at this point of time. Is there anything I missed out Mr. Balasubramanian?

Balasubramanian: Sir, this AI and Powered Engineering strategy side, is there any measure of efficiency?

Dr. S Ravinarayanan: We are working on that. I will be able to highlight more next quarter. We may find something very interesting in the next one or two months and we will be in a position to explain further by next quarter. Give us some time and even Government of India is focused on certain activities related to that and so we are working on that at this stage.

Balasubramanian: Okay, sir. So, on that the tier 1 provides a stability business. I just want to understand what are the tangible progress we have taken diversifying it into other OEMs and tier 1s and is there any tariff impacts on that global levels because US have imposed various tariff rates to various countries and how we are having advantage compared to other countries?

Dr. S Ravinarayanan: First question, Mohan will answer. Before that, I will answer the last question and then hand it over to Mohan. One is the tariff impact. We do not have much because 27% of the revenues comes from US and out of which mainly major from ESAI and currently other revenues are booked in US itself, US Inc. We are also safeguarding other revenues. We are trying to book everything in US so that there is no India dependency or US dependency. So, that will be taken care of. And over to you, Mohan. Please explain to him what are the steps you are taking to kind of backup Airbus and the other OEMs and so on, what are the initiatives you have taken?

KP Mohanakrishnan: Thanks, SRN. Good evening, Mr. Balasubramanian. On your question on additional customers, I have joined this AXISCADES in the month of April and immediately we started looking at expanding

into new customers. We got few wins, companies like tier 1s like Mubia, we have started engagement with Boeing. All these things we would see the results coming in the Q3 and Q4 and we have also done some small wins with Indian tier ones as well. So, the idea is to see that we bring in more and more customers so that we have the revenues get distributed and we have a risk mitigation as well on this.

Balasubramanian: Okay, sir. So, my last question regarding is attrition side, it rose to 19% in this quarter and as we are moving to defense and aerospace going forward, what are the steps we have taken for talent retention and what are the training and upskilling programs we have taken, especially for critical defense and aerospace roles?

Dr. S Ravinarayanan: Murali, can you answer this?

D Muralikrishnan: Yes. So, yes, attrition control is an important factor for us and we are working on various employee experience and employee engagement initiatives to ensure that our employees are retained. On top of that, we are also taking significant upskilling programs for our core domains. This includes aerospace design activities, concession, repair and manufacturing engineering. We are also collaborating with various external parties and agencies to reskill and retrain our employees so that our core domains can be strengthened.

Balasubramanian: Thank you, sir.

Dr. S Ravinarayanan: Okay.

Moderator: The next question is from the line of Varun Kulkarni from InCred Asset Management. Please proceed.

Varun Kulkarni: Hi, good evening, sir. Thank you for the opportunity. Just a couple of questions. So, the first one would be, I see that we are going to commission new facilities which would contribute 30% and 50% of the total revenues in FY27 and FY28. So, how are we planning to fund this CAPEX? Would it be in the form of a joint venture or are we going to dilute any equity or raise debt? And if it is in the form of a joint venture, have we found any partner as of now? That would be question #1. Second question would be, why is the first quarter generally lower? And what is the timeline of the contracts? How is that decided? And what would the revenue flow look like once the order is awarded? And what will be the payment cycle in defense? Yes, thank you.

Dr. S Ravinarayanan: First question is, the facilities are developed by a downstream company called (AAIPL), AXISCADES Aerospace Infrastructure Private Limited, which in turn is owned by ACAT. So, we are trying to raise money, or we are trying to get strategic partnership at AAIPL level. In fact, we have some oral commitment in two tranches, probably the first small portion we will receive in the month of probably in Q2 itself, or beginning of Q3, and by Q4, we will probably receive a major portion. These are all from strategic partners who would also participate in this. And this is secured

and currently there is no plan of either borrowing money or diluting anything at the listed company level. That is #1. #2, in the defense side, the payment cycle is always hovering around 180-days, somewhere around starting from 90 days to goes up to bigger portion of liquidity damages, everything is there, performance guarantees. So, approximately you can safely assume it will be a 120-day payment cycle. And there is a visibility on all these programs what we talked about in the next two, this thing, we have a program where it is confirmed everything. So, there is no risk in those things. And, of course, 2027 FY, we need some additional working capital requirement to meet this, that we will have to organize at that point of time. So, otherwise, we do not see any major issue in this growth, and we are covered in almost all the things. 30%? Yes, you are right in 2027. Our facility will be ready. One portion will be ready by Diwali itself. Around October '28, we plan to move. And phase 1A of our DAC also will be ready by March. So, hopefully, this should take care of 2027 requirements. '28, of course, the rest of the facility has to be ready and we have 18 months' time, I hope everything will be ready by then.

Shashidhar SK: To answer your question as to why the Q1 is always traditionally a lean quarter, that is majorly because of the fact that the defense revenues, which constitute a significant portion of 30%-plus... in fact, more so in this year, is kind of, I would say, aggregated towards Q3 and Q4. It starts from Q2 and onwards, and it extends up to Q3 and Q4. And what you see predominantly in Q1 are the engineering services revenue, which is of aerospace, ESAI and other verticals.

Moderator: We take the next question from the line of Saurabh Sadhwani from Sahasrar Capital. Please proceed.

Saurabh Sadhwani: Hello! This is my question I think to Anurag. So, what led to the growth in ESAI? One thing. And the second one, The win that we announced, what are we doing with Apple?

Anurag Sharma: Okay. Good evening, everyone. So, yes, it is an excellent question that what has led to this kind of growth. So, we have embarked on a new relationship and engagement with two hyperscalers, which is Amazon and Apple. And as you know that the semiconductor market is moving towards chip manufacturing, which is application-oriented and use-oriented, that is where our opportunity arises, that is where we are looking for design, development, and even with Apple. So, I hope this answers your question. To answer your question as to what led to the growth in ESAI revenues in Q1, essentially, our business with Texas Instruments, as compared to last year, has started growing significantly, which is kind of expressed in the revenue growth in ESAI.

Saurabh Sadhwani: Okay. Okay. Just one follow up on the Apple side. Are you trying to build ASICs for them now... Apple and Amazon both?

Dr. S Ravinarayanan: No, no, basically, I just do not want to dwell too much into this, but in the case of the first customer you are talking about the phone company, we are not working directly on the apps or the chips, we are working on the support activities, we are trying to create certain boards for them to do the test and evaluation of their product. And in case of the second company, which is delivery and that is a marketplace company, we are working mostly their product side, like Kindle and Alexa and those

kinds of things. Again, we are helping them create the product and test the products. We are setting up a world-class acoustic lab for them, the second company, as part of our infrastructure. That also may be ready by this October, November. Once if it is ready, with God's grace, we will be in a position to take care of most of their product requirements in the time to come. In the first company, we are going to work with their local partner in India, who is their manufacturing partner very closely and provide all the support activities and boards for them, the manufacturing partner. This partner is not a traditional couple of guys whom you know, there is a third one, which is coming up. So, this partner, we are going to work along with the phone company. So, this is two boards. And what led to our growth is our dependency on Qualcomm and Texas Instruments, we broke and we are working towards the AI chip manufacturers and we are establishing a very strong relationship with two of them, especially the upcoming AI chip companies and these things are looking up good. Also, we are looking at major applications in ADAS and SDV areas. We had last week some major wins, last couple of weeks have been extremely good and we won especially in the areas of ADAS, SDV and transportation-related activities in the ESAI. So, this looks good at this point of time outlook, not only this year, next year looks good, and we are again working with one more hyperscaler started. So, probably we will be able to highlight it in the next call.

Saurabh Sadhwani: Thank you, sir.

Moderator: The next question is from the line of Deepak Poddar from Sapphire Capital. Please proceed.

Deepak Poddar: Yes, thank you very much for this opportunity. So, just first up, wanted to understand on your core business. I mean, we are looking at 40% CAGR over the next three years. So, what sort of margins aspiration we can have over the next three years? I mean, I think first quarter we were at about 18.6% EBITDA margin. So, how should one look at as your scale picks up?

Dr. S Ravinarayanan: Currently, the ESAI margins are very good and currently the ESAI margins are at 22, 23% and followed by defense margin, which is at 19% plus, followed by aerospace margin, which is at 16%. But aerospace margin this time is quite less. Q2 also may maintain because of a lot of holidays and so on. There is a lot of improvement in these three areas. We may end up anywhere between 19.2% to 19.7% or 19.8% this year. And the years to come, it will be between 20% to 21% in the core sector. Yes, it will be averaging between 20%. This year, it will be around 19%-plus something. Next year onwards, it will be between 20% and 21%.

Deepak Poddar: And in terms of our outlook that we have shared on our Power 930 Plan, so, if this year we grew at about 25%, so we will reach around Rs.1,300 crores kind of a top line at a consol level. I mean, to reach Rs.9,000 crores in the next four years, we will require at least 60% CAGR growth rate. I mean, is that something, I mean, are we too optimistic on that or is it something that is doable for us?

Dr. S Ravinarayanan: No, no, not at all. We are not throwing any numbers or not dreaming or anything, because we are very systematic about it... we are very serious about it. This year and next year, we are working without any infrastructure or without any major change. Please understand that we are almost

investing about \$200 million, about Rs.1,500 crores in infrastructure before the beginning of '27. So, that should lead us to a tremendous jump growth of nearly about, I would say, more than 70%, which will compensate for... let us put it this way, first two years about 40%, 45% growth on core areas and non-core we would have got an answer for non-core definitely by beginning of next year. So, the average growth will be about 45% next year. And then there will be a steeper growth fueled by the infrastructure and the facilities and new customer acquisitions. We are pretty much planned it out and there is no hypothetical issue in this and we are firmly confident about it.

Deepak Poddar: Fair enough. Just one last thing. What was the ESOP cost in this quarter? It was Rs.12.9 crores, right?

Shashidhar SK: No, it was around Rs.3 crores, because at the moment, there is only the chairman who is bestowed with the grant. The rest of the plan is in the works and it will start showing up from Q2 onwards.

Deepak Poddar: And so FY26 entire year, we are targeting what, Rs.50 to 60 crores of ESOP cost?

Shashidhar SK: Maybe slightly lower than that is what at the moment we are looking at, yes.

Deepak Poddar: So, Rs.40-50 crores in that range?

Shashidhar SK: Yes, that is right.

Deepak Poddar: Okay. And when we say 300 basis points improvement in margins, so we exclude this ESOP cost, right?

Shashidhar SK: We actually have factored this ESOP cost in this. It is the net improvement in terms of EBITDA margins.

Deepak Poddar: I mean, after factoring in ESOP cost, we are expecting 300 basis points improvement in margins?

Shashidhar SK: Correct.

Deepak Poddar: Okay. Because I think last year, we were at 14%. First quarter also, we were at similar 14% rate EBITDA margin.

Shashidhar SK: In fact, the real impact, I would say, the turboing of the revenue and margins will start happening from end of Q2 and Q3 onwards.

Deepak Poddar: That is pretty clear. Okay. That would be it from my side. All the best to you. Thank you so much.

Moderator: The next question is from the line of Harshit, from Elara Securities

Harshit Kapadia: Yes. Hello. Hi. This is Harshit Kapadia. I am calling from Elara Securities. Thanks for giving me an opportunity. I just have two questions. One thing. There is a recent defense acquisition approval,

which came for Rs.67,000 crores. Would you be able to share which of the areas Axicades is involved in those particular eight to nine platforms which have been disclosed? And secondly, I have a question related to BrahMos. I will just first get the first question answered.

Dr. S Ravinarayanan: Sunil, can you answer this question? Yesterday, the DAC approval, is there any activities in which we are involved in?

Sunil: Yes. So, we are involved in the mountain radar. In that, the distal beam forming and the signal blocking systems will be from us.

Harshit Kapadia: Okay. Okay. What about BrahMos missile? I think there was also a big order for BrahMos missiles of close to Rs.11,000 crores and we are supplying wiring harness. So, are we part of that or we are not part of it?

Sunil: Can you just repeat the question, please?

Harshit Kapadia: Yes. In the Rs.67,000 crores order, they also mentioned BrahMos missile was also part of that procurement deal. So, are we not supplying wiring harness for the BrahMos missile or for that particular project, we are not participating?

Dr. S Ravinarayanan: Murali, can you answer this?

D Muralikrishnan: Yes. BrahMos wiring harness is an ongoing order for us and we will be qualifying into production soon, and the later part of deliveries, we will definitely be a part of it. Apart from wiring harness, we are also working on critical electronic systems for BrahMos.

Harshit Kapadia: Okay. But still we are not right now part of it, but we will be part of it probably in FY27 and '28, is that what -

Dr. S Ravinarayanan: No, no. Let me just give a clarity. BrahMos has got 71 wire harnesses. We are already selected in the major one. So, within six months when we complete this, we should be part of it and going forward... even in the beginning of FY27 onwards. So, by the time this project matures or starts, we will be ready for that. And remaining also, I think we have a shot at that, which is not yet finalized. And so, we will have a major this thing in that and also onboard computers and strategic electronic units. And also, we are in the process of major development with reference to that. And which I cannot disclose at this stage probably, but we will inform you in Q2. So, we have a sizable share in these things.

Harshit Kapadia: Okay. Fair enough, sir. Wishing you all the best, sir. Thanks a lot.

Dr. S Ravinarayanan: Thank you.

Moderator: We take the next question from the line of Vijay Sarathy from Subhkam Ventures. Please proceed.

- Vijay Sarathy:** Thanks for this opportunity, sir. So, you laid out your plan for the next five years. I just want to understand that most of these growth comes with a lot of being a core system supplier integrator and not just being a component player. Understand that you also do some subsystem activity. How do you think we will progress from the next three years to the next five years? For instance, Project Kusha, we are doing digital beaming format unit. But when it comes to further moving up the scale in terms of revenue, do we really see ourselves moving up the platform level or how is it likely to be? Some insights on that will help.
- Dr. S Ravinarayanan:** We do not want to single out a particular project. But basically, one hand, we have our own modules, which is going into subsystems, which goes into every major product, like direction finder, direct RF, as you said, the exciter receiver, digital beam forming unit. These are all our standard products offering goes irrespective of who wins. Secondly, if you look at BrahMos and Kusha, for example, we are already setting up competencies in major platforms such as rocket motors, seekers, and then the onboard computers and electronics, these three, except warhead, we are concentrating on everything. So, this is on the missile side. And similarly, on the radar side, we are attempting for full radar in many cases. And also, we are looking at foreign OEMs for radar maintenance, radar support, integration, etc., And our facility, once it happens, will be among the largest for the radar. And with Indra, with collaboration, we are also making products to start with. We are trying to do the TACAN antenna probably at some point of time, this is going to be for exports and for total system also. We are not merely the system integrator, we make our own subsystems, we integrate, and we develop it from the ground. So, we have a plan for all these things at this point of time.
- Vijay Sarathy:** So, would you qualify yourself to be a tier one player in the next three to four years, is that understanding right?
- Dr. S Ravinarayanan:** Yes, of course. When we say we are looking at, for example, I am hypothetically saying Kusha, it will have about four tier ones, one who takes care of the electronics and radar, one who takes care of the complete missile integration, one who takes care of the ground systems, and one for the other propulsion and other things. Basically, we should be in a position to attempt all these things, any one of this or something like that, maybe once the facility is ready. And yes, we should be ready by that time in every case. That is what is our focus.
- Moderator:** The next question is from the line of Ruchita from iWealth. Please proceed.
- Ruchita:** Hello, sir. A very good evening. So, my question was mainly on the order book side. So, sorry if I am repeating it again. So, if you could just give me the bifurcation of how much is the defense order book and the other components of the order book?
- Dr. S Ravinarayanan:** So, basically, the defense we have already mentioned, it is Rs.540 crores approximately, comprises of DRDO, PSU orders and OEM orders, and a small portion in the counter drone systems and of course, the tank trailer order which we received. So, put together, tank trailer order itself is Rs.200 crores depending upon how much we can deliver. We are hoping to deliver about 20 systems a month

hopefully. And if we are able to deliver that 20 systems a month... we have calculated like that, and so, then there is a counter drone order. And for defense comprises of these four, five major activities, everything is confirmed and we need to sort of look at this. So, is it counter drone, that is the only thing, it could be Rs.540 crores, it could be Rs.600 crores, depends on how much we can deliver, the rest will be passed on to the next financial year.

Ruchita: So, this Rs.540 crores is just for this year, right, deliverable?

Dr. S Ravinarayanan: Yes, this year deliverable -

Ruchita: As of today, what is our closing order book total? For like last quarter, we had said that our defense order book is around Rs.1,000 crores, right? Just trying to understand on that.

Dr. S Ravinarayanan: Yes, this year and next year, we are looking at somewhere around close to about Rs.1,500 crores defense order book.

Ruchita: Which you have already booked, like these orders have already come?

Dr. S Ravinarayanan: Already booked and secured. Okay.

Ruchita: Okay, okay. And they are supposed to be delivered in the next two years?

Dr. S Ravinarayanan: One thing I wanted to tell you. This also has offset order in the form of OEM contracts and this is also based on the MoUs and agreements we have signed or partnerships we have signed. And so, this also includes that. Okay. So, because these are all the services, these are all like recurring agreements, they are recurring happenings. So, the quantities and all, I am just giving an average value, basically a pessimistic value on this.

Ruchita: Okay, okay. And sir, this quarter, our aerospace revenue has grown by just 6%, right, and our full year guidance on a steeper side. So, what gives us the confidence that we will be able to deliver this kind of growth for the full year?

Dr. S Ravinarayanan: Mohan, can you answer this?

KP Mohanakrishnan: Yes, sir. See, we have an order book of about Rs.450 crores. And as was stated by our chairman, the first and the second quarter are usually lean, contributing about 35% of our overall sale. The remaining sale happens during the last two quarters. And this has been the tradition as well. Hence, we are confident of meeting our numbers.

Moderator: We take the next question from the line of Mahek Talati from Agility Advisors. Please proceed.

Mahek Talati: So, thank you so much for the opportunity and congratulations on decent set of numbers. So, just wanted to understand, there have been news about HAL providing letter of intent to the Israeli

company for Tejas Mk1 for the 31st airplane as well. So, how do you think will this impact us in the future as this is one of the major opportunities? And apart from the rare components, what is company providing for Tejas, and what is the estimated value that company derives from one aircraft?

Dr. S Ravinarayanan: I will answer the first question, and I will ask my colleague, Sunil, to answer the next one. First question is the Israeli company you mentioned, and ELTA and you mentioned that Tejas this thing. We are aware of that. In next investor call, I will be able to give you a much better and good news regarding that. Okay? I do not want to talk anything about this at this stage. But next quarter, very soon we will give some kind of very positive news on that. With that, I will give you the details of what we add value to Tejas. I will give it to Sunil, who is our delivery head of defense.

Sunil: Yes. Sunil here. So, for each LCA we will be having around Rs.12 crores to 13 crores per aircraft as of now. And we are also looking at a few more systems in the LCA Mch 1A which could add a couple of more crores.

Mahek Talati: So, how many new components are we planning here?

Sunil: Okay. So, we are looking at a couple of things in this. We are already in the EW and the ERP of the radar and the mission computer and the smart multifunction display. These adds up to around Rs.12 crores and then we are looking at a few more components in the LCA.

Mahek Talati: Okay. Understood. And next, so promoter has been consistently selling shares for some time. So, when we have such a great opportunity for growing, what is the reason behind the selling, if you could please highlight that.

Moderator: We take the next question from the line of Rohan Mehta from Ficom family office. Please proceed.

Rohan Mehta: Hello, sir. Thank you so much for the opportunity. So, given the strong growth guidance across defence, aerospace and ESAI, I am interested to know when do you think precisely the execution is going to pick up in the core segment, and do you expect Q2 to be on the similar lines as of Q1 as well, or do you expect certain improvements? And secondly, if orders are already in hand and no new facility needed to meet the FY26 target, why is execution largely being pushed to H2? So, if you could just spend some time explaining that, is it only specific to defense or what is exactly going on?

Dr. S Ravinarayanan: Let me answer this question. Number one is Q2, we are expecting a fairly good improvement. Though Q2 is a bad quarter for aerospace, because as you know, Airbus is from Europe, Europe is closed for about a month's time and basically it is totally at the services, this thing. So, we almost lose about one-third in the process, but still we are trying to make up. So, Q2 because with the most of the foreign companies are on holidays and so on, there is always a sluggishness in Q2. And so, that is the reason that overall Q1 and Q2 does not. Q1 is just the starting of the year and there is a sluggishness, Q2 because of the holiday season. But despite that, we are planning to put forth a strong result in the Q2 compared to Q1. Definitely, that will be there. I do not want to give any guidelines,

but there will be a major improvement in Q2 definitely. And next question, yes, there is no dependency on facility per se, but there is a dependency on manpower and there are also customer-readiness. Basically, if you look at it, see, the defense, once the product is ready, customer has to come, accept it, they have to do some trials. The cycle is more better in the Q3 and Q4 defense. It is not in our hands. Even if we get the product ready, the customer should come, inspect, approve, take, then allow us to ship. So, that is what is happening in the products and systems. So, that is causing a little bit of delay. Even I get the product ready today, it will probably take about three months for us to get the final approval. So, this is where everything is getting pushed to a little this thing, and also manpower. So, manpower, because of the aggressive growth we are having, some of the activities we need to have the right people in place, there is a lack of, I would say, one of the things we are seeing is that our efficiency and productivity in certain cases or certain types of orders are lower. So, we are trying to build this up. So, there are execution issues and delivery issues because of these things. But Q3, Q4, because we are in the line for customer approvals and so on. Defense is the main case. In the case of foreign OEMs, this is because of again unavailability during July and August. Thank you.

Rohan Mehta: And my last question is, could you provide me what is your average interest rate on your outstanding debt as of today?

Shashidhar SK: So, the weighted average is about 9.5% in terms of our working capital debt, which is around Rs.48 crores, and then we have a long-term debt of around Rs.101 crores with an alternate investment fund. Of course, we also use PCSP facility and all of that. So, we can say that the average, I would say finance cost is around 8%, 8.5%.

Rohan Mehta: Got it. Thank you.

Moderator: We take the next question from the line of Akshay from XponentTribe. Please proceed.

Akshay: Thank you for the opportunity, sir. I have a few questions, and I will kind of run them through. So, firstly, for the aerospace business, it has been touched upon a couple of times, but just to be sure, what are the specific areas which will ramp up for us to get to Rs.450-odd crores revenue that we have guided for FY26? So, Airbus is a business that is at least in the past a steady growth business, but not a non-linear one. So, can you touch upon which areas will add to that nonlinearity? That is first. Second, you have spoken about tooling in the analyst day and then in the presentation as well on the aerospace side. Can you help us understand what kind of tooling are we going to be doing in the aerospace side -- is it something similar to what Unimech does? And when do we start doing that work? So, that is on aerospace. On defense, on the MBDA side, have we already sent a sample test bench to them, is it approved or qualified, and when do we start seeing commercial supplies? Then on the Indra side, sir, TACAN antenna is what we are going to be making, right? So, again, where are we on the development? When do we start selling would be good to know? So, yes, these are the four questions I have.

- Dr. S Ravinarayanan:** I will give the third and fourth question, Sharadhi Babu will answer and first and second question Mohan will answer. Let me start with Sharadhi Babu.
- Sharadhi Babu:** Regarding the defense growth, we are already a partner to MBDA. We are the center of excellence for test benches. And recently we have enhanced our relationship. So, we have an ongoing test bench program already with MBDA. And right now, this year, we have enhanced the overall volume of test benches from MBDA. That is already in progress and it is going on. And regarding Indra, first is we will have a very short cycle of a prototype. After that, we are going for production. So, you will see the production orders either second half of this year or probably by next year, we will have the production going on.
- Dr. S Ravinarayanan:** Mohan, can you cover the aero answers?
- KP Mohanakrishnan:** Yes, sure. So, on your first question on aerospace business, see, for this year, we are having an order book of Rs.450 crores, which I mentioned some time back. And most of these orders are from our existing customers, predominantly from Airbus, Bombardier and other things. So, this year, we are not talking about non-linear growth. This year is from our existing set of customers which we will execute from the current set of offerings that we are doing. That is #1. #2 is on tooling which you had asked. Our plan for tooling is basically for the flying parts and the non-flying parts. The flying parts in the sense that all components and assemblies, toolings, that is what we are looking at. Non-flying parts is all GSE, GHE is all the kind of tools that we are looking at. So, for toolings, we have started some work as we mentioned sometime back in one of our investor presentation. We are slowly going and the results are likely to come somewhere in the Q3, Q4 and in the next financial year for us. We have one small order from some of the Indian tier ones and which probably would help us win more orders with the international customers as we set up our own facilities. I hope I have answered your question.
- Akshay:** Sure. We have spoken about (EHWT) in our presentation. What is the value of the homing receiver in EHWT and how many EHWTs are going to be procured?
- Dr. S Ravinarayanan:** So, as part of EHWT, we have the homing receiver which will come to around 1.5 crores per Torpedo. So, we are looking at around 20 per year, I mean a total of around 100 numbers in the next five years.
- Akshay:** Hundred numbers in the next five years? Okay. And when will it start?
- Dr. S Ravinarayanan:** So, we have already started the first of production and we will be delivering the first unit probably by November, December of this year.
- Akshay:** Sure. That is very helpful. Thank you so much.
- Moderator:** We take the next question from the line of Rupesh Tatya from Shree Rama Managers PMS. Please proceed.

- Rupesh Tatya:** Sir, congratulations for the fantastic set of numbers. I have two questions. One on the OEM business and one on the KUSHA business. So, KUSHA business, how many radars, how many digital beam forming units are there in this long-range battle management radar because you have given the total production quantity of 75, and my understanding is five squadrons at least I think are in the works in the beginning, so that 75 number looks a little bit of a steep line, so, if you can just give that number. And then I think in the past we have said that we will do Rs.5 crores per KUSHA missile IFF, on-board computer, rocket metal casing. So, if you can just tell whether the prototypes are approved or prototypes are under testing, have we got the order, are we single source supplier for this Rs.5 crores component supply. So, this is on KUSHA. And then on the OEM business, sir, this generic test benches that we are making for MBDA, has the prototype been made, has the sample been sent to MBDA, when will it be qualified, when can we see first supply? And then the similar question for the TACAN antenna from Indra. So, these are my one question on OEM and one question on KUSHA.
- Dr. S Ravinarayanan:** Rupesh, the second question has already been answered. I think you are not listening. Both are same. The test bench that the previous person has asked. So, Mr. Sharadhi Babu has already answered. Let me give some highlight on KUSHA and Sunil also will answer further. KUSHA, the acceptance of necessity is for 474 batteries. That means 474 systems into four numbers like 1976 or something like that, that is number of missiles. So, radar take that. It is totally about 474 numbers, radar part. So, that is for that numbers wise. So, that is the basis and rest of the things and where we are eyeing is, of course, all the major components. I cannot dwell too much into what we are going, because it really... So, I will ask Sunil to explain about this one particular product. But other than that, we are very confident of having a major value in KUSHA. But currently, because it is going little behind schedule, so, we will discuss that further in the next meeting. But Sunil, can you answer on the other than numbers?
- Sunil:** Hi, Rupesh. The DBF, we have received the order now and we will be delivering it by around March this financial year. And once the trials are completed, and then the production will start for this. So, right now, we have an order book for five numbers initially.
- Rupesh Tatya:** Okay. Okay. But 75 will be done in two, three years?
- Sunil:** It will take four to five years.
- Rupesh Tatya:** So, my question is on this maritime patrol radar. So, I think my understanding is Dornier 228 upgrade, DRDO, I think has missed the bus. Then I think it is not present in any of the other LUH. I think it is present in one ALH Mark 3 in Indian Navy and Coast Guard. So, where are we on this maritime patrol radar? And then, when can we see the order? Which platform will it be? If some clarity you can give on that?
- Dr. S Ravinarayanan:** On maritime patrol radar, I do not think we have given a projection, right?

Rupesh Tatya: We are not involved in that program?

Dr. S Ravinarayanan: No.

Rupesh Tatya: Thank you for answering my question.

Moderator: We take the next question from the line of Varun Kulkarni from InCred AMC. Please proceed.

Varun Kulkarni: Yes, sir. Most of my questions have been answered. Just one small touch up if I may. What will we be exactly manufacturing in the aerospace segment going forward or would we be focused on being a technology provider since we are classified as a tier 2 and tier 3 in the value chain? It is a very basic question, but would like some clarification nonetheless. Thank you.

Dr. S Ravinarayanan: Mohan?

KP Mohanakrishnan: So, for this question, see, what we are trying to do is we are trying to leverage our engineering expertise and then take it up to the next level for manufacturing. So, for example, in tooling, we are already a tool design experts. We have been doing tool design for many years. So, we are graduating into tool manufacturing so that will give us an end-to-end solution to our customer, #1. #2, we are also addressing another specific problem today because of ramp-ups and other things. Many of them are unable to deliver to the final assembly line. And we have an opportunity with the spares, companies where they are not getting products from the same supply chain. So, we want to address that requirement, wherein we will make specific components to those. They can call it as a speed shop, or it can be called as space requirement, addressing the space requirements. And then there are other opportunities that we are working, which are very early stage, like passenger-to-fleet conversion opportunities and various other things, which probably we will address it probably in Q3 or something when the opportunity gets more mature. So, this is what we have planned. And then the last one is on the MRO, component repair and testing. And all these opportunities, when you look at it, the missionaries and the capability that is required are one and the same. So, as a result, we will be able to manage our assets very efficiently and be able to give a very competitive solution to our customers. I hope I have answered your question.

Varun Kulkarni: Yes, for sure. That is it from my side. Thank you.

Moderator: Thank you. Ladies and gentlemen, due to time constraints, we take that as the last question and would now like to hand the closing remarks to the management. Over to you.

Sangeeta Tripathi: Thank you, everyone, and thank you to all our esteemed readers and participants for your time and interest in our company. We appreciate this engaging session and insightful questions. I hope we were able to answer all your questions. Should you have any further questions or need any additional clarification, please feel free to connect with us. Thank you and have a good day.

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