

November 20, 2025

The Manager
Dppt. Of Corporate Services
BSE Limited
Phirozee Jeejeebhoy Tower, Dalal Street
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 November 13, 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

Encl: A/a

AXISCADES Technologies Limited

(formerly AXISCADES Engineering Technologies Limited)

CIN No.: L72200KA1990PLC084435

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**“ AXISCADES Technologies Limited
Q2 & H1 FY26 Earnings Conference Call”**

November 13, 2025



MANAGEMENT: **DR. SAMPATH RAVINARAYANAN – FOUNDER, CHAIRMAN &
MANAGING DIRECTOR, AXISCADES TECHNOLOGIES LIMITED
MR. SHASHIDHAR SK – CHIEF FINANCIAL OFFICER,
AXISCADES TECHNOLOGIES LIMITED
MR. SHARADHI BABU – PRESIDENT, DEFENSE, AXISCADES
TECHNOLOGIES LIMITED
MR. SUNIL – AXISCADES TECHNOLOGIES LIMITED**

MODERATOR: **MR. SUMEET KHAITAN – MUFG INTIME**

Moderator: Ladies and gentlemen, good day and welcome to the Q2 & H1 FY26 Earnings Conference Call of AXISCADES Technologies Limited hosted by MUFG Intime.

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.

I now hand the conference over to Mr. Sumeet Khaitan from MUFG Intime. Thank you and over to you.

Sumeet Khaitan: Good afternoon, everyone. I welcome you all to the earnings conference call to discuss Q2 & H1 FY26 Results of AXISCADES Technologies Limited.

To discuss the results, we have from the Management, Dr. Sampath Ravinarayanan, Founder, Chairman and Managing Director; Mr. Shashidhar SK, Chief Financial Officer, along with the senior management team of AXISCADES Technologies.

They will take you through the results and the business performance after which we will proceed for Q&A session.

Before we proceed with the call, I would like to mention that some of the statements made in today's call may be forward-looking in nature and may involve risks and uncertainties. For more details, kindly refer to the investor presentation and other filings that can be found on the company's website.

With this, I now hand over the call to our Chairman – Dr. SRN Sir. Thank you and over to you, Sir.

Dr. S. Ravinarayanan: Thank you. Dear shareholders, welcome to the earnings call of Q2 H1FY26.

It has been three quarters since I had the privilege of resuming my role as Chairman of your esteemed company. As you are all aware of, during this period, I have launched our Power930 initiative, setting an ambitious revenue target of Rs.9,000 crores by 2030. To achieve this vision, we have taken up the following initiatives: We are aiming for a robust year-on-year growth of 40% in our core business areas for FY26 and FY27, with further acceleration of over 70% growth projected for FY28, FY29, and FY30 once our infrastructure is fully in place.

I am glad to inform you that we are on track to achieve about 45% growth in our core domains this financial year, FY26, and same 45% growth in our overall EBITDA. We have forecast visibility to achieve similar numbers for FY2027.

Also, we are building a pipeline and silo to replenish the pipeline that can help us to achieve 70% growth for FY28, FY29, and FY30.

We are focusing on non-linear growth, moving from services to solutions. For this year, FY26, we have set a goal of improving per capita EBITDA by 30%, and we are glad to inform that we are on track in H1 to achieve this.

As informed to you in every earnings call in the last few occasions, we are investing in various world-class infrastructure and facilities. First, our Devanahalli Aeroland facility of about 165,000 square feet for electronic semiconductors, artificial intelligence, and test systems is now ready, and a portion of this is already operational. Work has started in ambitious 3 million square feet Devanahalli Atmanirbhar Complex, which once completed, will be among India's best private sector for radar, unmanned warfare, and offset fulfillment facility.

To grow at this pace, we set ourselves and tap into the growing demand for proven cutting-edge solutions. We need to forge strategic alliances with global majors and technology leaders.

We have signed with various foreign OEMs and technology leaders over the last two quarters, which you are well informed about this.

We are proactively reviewing our business portfolio and strategizing on areas that show stagnation, negative growth, or limited intrinsic value. To ensure that we remain focused and agile, we have engaged a strategic advisor and are making consistent progress in sharpening our business priorities, the result of which will be known by the end of this quarter or Q4.

We assure you that we are firmly on track to deliver long-term, sustainable, accelerated growth that gives all of you the best value on your investment.

I wish to express my sincere gratitude for your ongoing trust and support as we undertake this transformative journey together. I am confident that together, we will build a future defined by enduring growth, operational excellence, and lasting success. Thank you.

Shashidhar SK:

Thank you, Dr. SRN. This is Shashidhar here, and the Group CFO of AXISCADES Technologies Limited, and I thank you for joining us today for the Q2 & H1 FY26 earnings call, and I appreciate your continued trust and engagement as we share our progress and outlook.

We are pleased to report that AXISCADES has delivered another quarter of robust growth and operational excellence. For Q2 FY26, our consolidated revenue is at Rs.299 crores, marking a 13% year-on-year increase and a strong 22.7% sequential growth.

EBITDA for the quarter is at an all-time high of Rs.47 crores, up 41.5% year-on-year, with EBITDA margins expanding to 15.7%.

Profit after tax stood at Rs.23 crores, reflecting an 89% year-on-year increase.

For the first half of FY26, revenue grew to Rs.543 crores, up 11.2% year-on-year.

EBITDA for H1 was at Rs.81 crores, a 25.7% increase, with margins improving to 14.9%.

PAT for H1 is at Rs.44 crores, up 51.6% over last year.

These results underscore the strength of our core domains, which is aerospace, defense, and ESAI, which contributed to 75% of H1 revenues and delivered EBITDA margins of 19%.

The company continues to recalibrate its other verticals to make the margin-accretive.

The non-annualized diluted EPS for H1 FY26 stood at Rs.10.21, a 53% increase over the previous year.

Our transformation journey continues in right earnest. The Power930 initiative led by our chairman is guiding our ambition to reach a billion-dollar revenue by 2030. We are targeting, as Dr. SRN explained, over 40% annual growth in our core businesses for FY26 and FY27, with further acceleration as new facilities become operational.

Our shift from a service-centric to solutions- and products-driven model is already visible in our improved revenue mix and margin expansion.

The significant investments which Dr. SRN explained will be funded through internal accruals, strategic investments by our partners, and some amount of bridge funding by the bank. With a consolidated net worth of Rs.700 crores and a net debt of around Rs.50 crores, the company is in a comfortable position to sustain debt for its expansion.

Our operational discipline and portfolio optimization are driving sustainable profitability.

Defense revenues grew by 37% year-on-year in Q2 and 31% in H1.

Aerospace revenues grew by 16% in Q2 and 12% in H1. And ESAI continues to scale with new engagements in the semiconductor and AI-driven solutions.

We have secured major wins in DRDO, DPSU, and global OEM projects, and our order book provides strong visibility for the second half of the year.

Looking ahead, we remain confident in achieving our FY26 guidance, both in terms of revenue and profitability, supported by a robust order book, strategic alliances, and continued focus on operational excellence.

Our leadership team is committed to delivering long-term value for all stakeholders as we advance towards our Power930 vision.

Thank you, and we now open the floor for questions.

- Moderator:** Thank you very much. We will now begin the question-and-answer session. First question is from the line of Balasubramanian from Arihant Capital. Please go ahead.
- Balasubramanian:** Good afternoon, sir. Thank you so much for the opportunity. Congratulations for a good set of numbers. Sir, my first question is, we have been signing a lot of MoUs, and what kind of opportunities and when we can expect materialistic order inflows from those MoUs, and what kind of order visibility is linked to global partnerships like MBDA, INDRA, and EEA? This is my first question, sir.
- Sharadhi Babu:** I am Sharadhi Babu, Head of Defense here. We have signed up with the OEMs. With MBDA, we already have a decade-old relationship. We are expanding our relationship in missiles. We are on both ground systems, and also we are proposing to manufacture some missiles in India. We also have a relationship with INDRA, which is already materialized. We are a center of excellence for production of certain systems, including antennas and also, in future, we will be taking up radars and active production systems, and we also expanded our counter-drone product portfolio with a relationship with a French company for hard-kill options. All this, including also the drone, we are introducing specialized drones in the Indian market. All these relationships are going to really have a very strong revenue growth in the coming year.
- Balasubramanian:** Okay, sir. Sir, my second question for our new facilities in Aeroland and DAC. How much funding is coming from the strategic partners for these new facilities?
- Shashidhar SK:** So, essentially, we are still in discussion with our strategic partners...by strategic partners, we mean the major OEM customers we are talking to, and that is still in the works, at this juncture, we are unable to commit a particular number on this particular initiative.
- Balasubramanian:** Okay, sir. Sir, I think we are qualifying into critical subsystems for BrahMos and Kusha. What is the estimated total addressable market over the next five to seven years for the components you are supplying, example, TPF, exciter, receiver, on-board computer, seekers, and what kind of anticipated peak annual revenue contributions expected from these projects from FY27 onwards?
- Dr. S. Ravinarayanan:** Let me answer. Basically, you know the numbers. For example, BrahMos will be 150 systems a year, Kusha is going to be nearly 1,996 or 476x4. So, we are looking at capturing at least 10% to 15% in a missile by providing various subsystems for the next five years. We cannot get into details at this stage, but that is our target and goal. We are pretty much on track for now.
- Balasubramanian:** Okay, sir. My next question, the defense payment cycle is nearly 120-days. Given the expected ramp-up in that revenue, additional working capital may be needed from FY27 onwards. What is the maximum required incremental working capital for FY26 and FY27, and what is the strategy to fund this requirement without increasing interest cost? I think our finance cost is nearly 8% to 9.5% kind of range. To get some clarity on that?

Shashidhar SK: Yes, I would say with our defense revenues increase, there will be a requirement for incremental working capital. But the fact of the matter is that we should be able to fund it. Our working capital utilization is not to the extent of, I would say, what has been sanctioned. So, we should be able to fund the additional working capital from our internal accruals and cash generation.

Balasubramanian: Okay, sir. My last question is on the non-core segment side. I think it is not doing good. What is the time-bound plan, maybe next two or three quarters for either divestments or restructuring of these assets? What is the expected one-time financial impact versus the ongoing margin accretions from this exclusion?

Shashidhar SK: So, essentially, as Dr. SRN explained, we are trying to recalibrate these verticals, and it is already showing good progress in terms of the positive margins which are accruing in these three verticals. What is the second question?

Balasubramanian: Sir, whether we are planning for divestments or restructuring of these assets?

Shashidhar SK: That plan is on the table, but I would say, we are still some way away in terms of, I would say, divulging the details.

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

Deepak Poddar: So, just first up on ESOP cost, so, any ESOP cost that we have incurred this quarter?

Shashidhar SK: Yes, we have incurred an ESOP cost in this quarter. It is not a very significant amount; it is a small amount of around Rs.2.5 crores or so.

Deepak Poddar: And entire year, what sort of ESOP cost we are looking at for this year and next year?

Shashidhar SK: You see, we are planning for some additional grants during the course of the financial year And we expect that it would not be more than Rs.15 to 20 crores for the year.

Deepak Poddar: Okay, understood. And on the big expansion that we are planning, so what is the total CAPEX that we are incurring in there?

Shashidhar SK: The expansion is in various phases, and what is planned for the current financial year is the phase-I would be about Rs.150 to Rs. 180 crores, and over the next three years for the DAC land, the aerospace and defense cluster, the plan is to invest close to about Rs.1,100 to Rs.1,200 crores.

Deepak Poddar: And this phase-I, this Rs.150 to Rs.180 crores will be incurred in FY26 itself?

Shashidhar SK: There will be a spillover to FY27 also, but the total planned CAPEX for the current financial year is around Rs.150-odd crores.

- Deepak Poddar:** Okay, understood. And so how should one look at your debt profile?
- Shashidhar SK:** Our gross debt currently is around Rs.163-odd crores and of course, the net debt is just around Rs.50-odd crores. So, we are looking at some kind of a bridge finance pending the strategic investments which I talked about. In this financial year would not be more than Rs.50-odd crores.
- Deepak Poddar:** No, so by FY26 end, you would have additional Rs.50 crores, that is it?
- Shashidhar SK:** That is right.
- Deepak Poddar:** What about the next year, by FY27, where you see your debt level?
- Shashidhar SK:** That is where we are looking at, as I said, the one plan is to divest some of our non-yielding, non-profitable assets, which will generate sufficient cash, plus, of course, the internal accruals and the cash generation from the operation, and of course, the strategic investments we are talking about. That would kind of get clarity I would say by the end of the current financial year.
- Deepak Poddar:** Okay, okay, okay, okay. But is there any, I mean, bifurcation, I mean, whatever, let us say, working capital plus your this CAPEX, so Rs.1,100 crores plus your working capital, so maximum, how much debt beyond which you will not go? So, some sense on that would be very helpful.
- Dr. S. Ravinarayanan:** We do not want to go for debt. If at all we go with the bridge basis. We have means to fund this. At this stage, I am not able to share. Definitely, one is what Shashi, our CFO mentioned, that certain non-strategic, non-assets with no intrinsic value by divesting them. That is one definite possibility and it is a near option, and the other one is bringing funds from the strategic investors. We have a good interest in that from various foreign OEMs and other people who have an interest in similar things we have. But what we want to do is currently create that, because it is a very brand new concept in India and in the defense aerospace world. So, we are trying to create a scalable model, with this Rs.150 crores the phase-I will create a scalable model so that people can see and believe. Then we want to take that investment. So, probably, we will do it in the Q1 of next year. Until then, we will spend. We want to minimize any debts or keep it as low as possible. Even if you do, it will be a bridge fund, not more than that.
- Moderator:** Thank you. The next question is from the line of Koushik Mohan from Ashika Group. Please go ahead.
- Koushik Mohan:** Congrats for the good set of numbers. So, I just wanted to understand on the taxes part on the bookkeeping side and also on the funding side. So, if we are going for the disinvestment of the non-performing core assets, so what kind of value that will be unlocked over there and how the investments look into the current businesses that we have?

- Shashidhar SK:** You see, this is still on the drawing table. At this juncture, we do not want to talk about specific numbers in terms of how much cash we are going to generate out of this. And so we want to park it for the time being.
- Koushik Mohan:** Okay. And on the taxation part?
- Shashidhar SK:** You see, your question is why the tax rate is higher is what you are trying to -
- Koushik Mohan:** Yes, yes. Why is the tax rate higher?
- Shashidhar SK:** Essentially because of the fact that one of our entities, which as you know, ADD Solutions is recording a loss, as a result of which the PAT kind of gets drawn down and it gives a feeling that the tax rate is higher. But the average tax rate which we can expect over the entire year should be not more than 25%-26%.
- Koushik Mohan:** Got it, got it. Currently, we have a revenue in the H1 is Rs.543 crores and in the run rate, it looks like Rs.1,100 crores. So, can we expect these numbers to be on the clear path, like Rs.1,100 crores to Rs.1,200 crores on the top line?
- Shashidhar SK:** So, as Dr. SRN explained in his introductory remarks, we are looking at a 40%-plus kind of a growth in our core vertical, which will take you to the number as what we just now mentioned.
- Koushik Mohan:** Perfect. Perfect. I will get back in the queue. Thanks for that.
- Moderator:** The next question is from the line of Pankaj Parab from Molecule Ventures. Please go ahead.
- Pankaj Parab:** Hi, sir. Congratulations on a great set of numbers. So, my first question is on our ESAI segment. So, for this quarter, the numbers look pretty slowed down in ESAI segment. So, just would like to know how good is the trajectory for the next two quarters and how would we align to our 40% growth kind of target? And my second question is on our hyperscalers that we have two partners, hyperscalers, and how was the business going with them and what is the revenue potential for the H2 and next financial year from hyperscalers?
- Dr. S. Ravinarayanan:** Yes, there is a slowdown on ESAI because now we are firmly moving into manufacturing-based. So, we are setting up the EMS facility. The way we have to grow is only because until now we are doing only the design and giving to third-parties to manufacture, we are not involved in manufacturing. Now, we are in the process of taking the whole box build. So, our Aeroland facility will cater to that. So, it will take a little more time. The facility is almost ready. The equipment will come in a month's time. After that, these two hyperscalers will come. We are setting one world-class acoustic lab for one hyperscaler and a world-class flex board facility for another one. So, both will be ready by almost like it will take up to March, not only to get ready, to get certified. They have introduced their existing partners for that and we have to buy them. The process is going on. So, there is a little bit of slow. I do not expect any improvement in the Q3 and Q4 on ESAI. There will be the similar growth, but it

will be made up for other segments, because we want to be firmly on track. As far as projection is concerned, hyperscaler-I will have an exponential growth next year. So, this year we are doing \$2 million with them. Next year it will be around maybe \$6 or \$7 million next year, hopefully if the facility is ready. The other hyperscaler, we are doing about nearly \$0.5 million to \$1 million, so that will double, perhaps, because that will go slightly slower than that. But overall, it looks pretty good next year. But currently we will have a growth, but not in the same pace as defense and aero.

Pankaj Parab:

Okay. Understood, sir. And my next question is on the CAPEX side. So, as you just mentioned, there is a Rs.150 crores plan for the phase-I. I guess that is for the Bangalore facility, and phase-II will be entirely Rs.1,200 crores for another facility. So, combining what could be the revenue potential looking to the full capacity utilization? And I just want a clarity that we are any trying to equity side fundraising for the CAPEX or not? That is it.

Dr. S. Ravinarayanan:

So, sir, I will just give a breakup. We have three facilities coming up, though one facility I am not talking about Hyderabad, because it is not up to Q2, because it was sanctioned day before yesterday. So, we are also building the Missile Atmanirbhar Complex in Hyderabad, very prestigious missile facility. And that will also be parallelly taken up. That will incur some additional funds. So, overall, it will take about three years. And this phase-I, after that, there is a phase-II and there is a phase-III. So, it will be done in three phases. First phase will be about Rs.150 crores and second phase will be about Rs.450 crores and the remaining will be done in the third phase. And the overall fund, let us assume it is about Rs.1,500 crores spread over three years, including Hyderabad. We have not mentioned it because it has happened in the Q3. And so overall, as to answer, we are planning to grow at 45% this year and next year, which will take us to a revenue of something like somewhere. And from there, all the growth should be supported only by the facilities. So, that means if we have to reach about a billion dollar, Rs.9,000 crores, that delta revenue, whatever the additional revenue should only come from this, which you can do your math. We have to reach current level plus 45%, plus 45%, and then whatever growth 70%, 70%, 70% should come only from that. That is the estimate, and this should pay back in those years.

Pankaj Parab:

Understood. Is there any equity fundraising plan as of now?

Shashidhar SK:

Nothing at the moment. As I said, the strategic investment, which we are talking about, once it gets clear, we need to decide on the entity into which the capital will come, which most probably will be the SPV, which holds the land as far as Bangalore is concerned. So, in the listed entity, there is no plan for any equity dilution.

Moderator:

The next question is from the line of Jeevan Patwa from Sahasrar Capital Private Limited. Please go ahead.

Jeevan Patwa:

Yes, sir. This is Jeevan Patwa from Sahasrar Capital. Congratulations, sir, for a great set of numbers. Only one question. The timeline of this missile complex in Hyderabad and this Devanahalli Atmanirbhar complex, so are we on track for the timelines?

- Dr. S. Ravinarayanan:** So, thank you. Devanahalli Atmanirbhar complex, we did the ground-breaking ceremony. We are supposed to complete the first phase by September of next year. We are on track. That first phase will consist of radar manufacturing, assembly and support system and also antenna manufacturing. This will most likely cater to the Indian defense as well as companies like INDRA. So, that is our focus. And we already have orders for that and as well as facility will be fully ready, we are hoping. The next phase will be complete aerospace field shops and aerospace-related facilities supply chain management. That should be ready by somewhere around next year, December. So, that will also be mostly on track. For missile facility in Hyderabad, it is going to be backed by very good orders, we hope. And we are already discussing and that is the reason we went ahead in Hyderabad. And it will have a strategic partnership, definitely. And we are starting it immediately, probably complete by March. That will be our third priority. It will be get completed by March 2027. That is the plan.
- Jeevan Patwa:** Perfect. Perfect, sir. Thanks a lot.
- Moderator:** The next question is from the line of Vijay Sarathy from Subhkam Ventures. Please go ahead.
- Vijay Sarathy:** Thank you for the opportunity, sir. Congratulations to you and your team for a wonderful quarter. I just had one question. So, there was a recent announcement about the MoU with Cilas to do counter unmanned aerial systems. Typically, that will get mounted to UAS, but has some amount of integration to your existing products. So, qualitatively or quantitatively, could you help us understand what is the opportunity size and how this technology fares well against the existing technology that today we have sir? Thank you.
- Dr. S. Ravinarayanan:** Thank you, Mr. Sarathy. See, Cilas is somewhat a very innovative hard-kill, laser-kill, which is by far the most superior product. It is tested in Ukraine war and NATO and other things. We were privileged to receive the technology and support and part of the whole thing. And we are designing the whole system to be integrated with Indian armed forces for handling the hard-kill. There is no proper hard-kill option available at this stage. We are doing jamming and soft-kill so far. Hard-kill using laser and energy weapons has never been... not in a big way in India. So, this would be very much needed. There is a lot of interest, a lot of requirements, a lot of excitement about this.
- Vijay Sarathy:** Okay. From education purposes, so there are other companies that are also involved in hard-kills today, they have also been showcasing and testing. How different is ours going to be in terms of –
- Dr. S. Ravinarayanan:** So, I think we should separately discuss the technology and that.
- Vijay Sarathy:** Okay. Okay. Sure. And the other question is, on the defense, we had a very good performance also apart from other segments at 22% already. Now, we are yet to get the new capacity coming on board and really have the leverage. So, do we expect defense business margins to say more than 25% in the next...

- Management:** The other companies, there are various hard-kill options, but there are very few companies working on the laser-based hard-kill option, and we are in the forefront of leading this technology and also integrating this system. So, ours is already a proven system with RF sensing and RF kill-options. So, adding this along with some more active sensors and also this hard-kill option, it is going to be quite a formidable product, and we are sure compared to the competition, we are well ahead.
- Dr. S. Ravinarayanan:** In terms of range and energy produced, which is much superior range, and the range and the whole energy produced, then the weight. These are the major criteria payload. So, this is far, far superior, probably the best product in the world. No math, that even government knows this very well. So, I do not want to divulge into details. I will be very happy to explain and present to you when you can meet us in person.
- Vijay Sarathy:** Okay. Sure. Okay, sir. And one more question, sir, on the defense segment, we had 22% margins today, and we are yet to really get the new facility and really develop our operations. Given that, do we expect the current 22% to scale up to 25%, 26%-odd in the next three years or probably when we reach the Rs.9,000 crores mark, is it right to look at it that way with respect to defense margin? Thank you.
- Dr. S. Ravinarayanan:** Can you just explain again?
- Vijay Sarathy:** No, our defense margin in this quarter was 22% and it is only a start for us.
- Dr. S. Ravinarayanan:** No, no, it will remain the same. I do not think that margins of defense can improve, I do not believe anywhere because defense is getting very competitive, there is a lot of competition, most of them go on bids. And there is no way I think with Indian defense, we can increase the margin. Only way we can do this is OEM. OEM engagement can increase our margin. As you know, that we are working with three-pronged efforts and OEM, OEM, there is a margin possibility. But I would not commit to anything more than 22%. 22% is pretty high, as far as I am concerned, in my 40 years of my experience, it is pretty high and I would be lucky to maintain that for next four years.
- Vijay Sarathy:** Okay. Sure, sir. Okay. Thanks a lot. All the best, sir.
- Moderator:** The next question is from the line of Nirvana Laha from Badrinath Holdings. Please go ahead.
- Nirvana Laha:** Hi, thanks for the opportunity, sir. There are a few questions about your existing program. So, first, on the emergency procurement, sir, is there any visibility of the quantity and POs of drones, counter drones, or BrahMos missiles, anything you can comment on?
- Management:** Yes, on the emergency procurement, we were the first organization to receive the orders on the man-portable counter-drone systems. So, we already actually received the order and we are actually working on the delivery of that. And there are also more trials going on. So, we expect to receive

further orders. And also, it includes both man-portable and hand-held versions of our counter-drone system, we have got the orders.

Nirvana Laha: Okay. Sir, any comment on possible numbers that you are expecting here?

Management: No numbers, sir, I will not be able to disclose, but there are many trials going on, so we are very confident of having more success.

Dr. S. Ravinarayanan: Our idea is to be one of the top three players in this, because the market seems to be very good, there are also many, many players now come up. So, we want to be among the top three consistently, especially on man-portable, vehicle-mounted, and then hand-held. In this segment, we want to have a leadership. Technically, we are very, very strong. In market segment, our idea is to capture about 20% to 30% of this market and that is what I can say at this stage.

Nirvana Laha: Okay, sir. Great, great to know that. Sir, next question is on BrahMos Seeker. Sir, where are we in the process of winning the orders, and like, when can we expect orders here?

Dr. S. Ravinarayanan: Sir, let us give a little bit of technical output to you. BrahMos had a seeker from Russian ADA. The government is looking for an indigenous seeker, and then the seeker is based on Zimble, slightly old technology, which can be easily identified by any means. Okay. So, already two companies are supplying that. The government is, meanwhile, trying to look at a new type, ESA-based radar. So, they asked another two companies to develop that, which we and one more company are developing it. And we hope that we will have a successful trial before March. If we qualify by March, we will start getting orders from ESA as early as next year. So, that will be very good, and we are confident of qualifying.

Nirvana Laha: Okay. Got it. So, sir, what kind of numbers would seeker be in for BrahMos?

Dr. S. Ravinarayanan: I do not want to comment on that. See, there are BrahMos currently 100 numbers, and they are ramping up to 150, and for seeker what is the value. So, it is almost like at least 30% of the cost of missile. So, it is a good number. So, we are looking at it. And we do not know, it will be shared in three ways, two ways or whatever.

Nirvana Laha: Okay. Right, sir. Sure. Anything on the MBDA test benches, when can we see the supply, and if we will see any supplies from H2 itself?

Management: MBDA test benches is an ongoing program. So, we have expanded, as I mentioned, so we are delivering more number of test benches, as you know, we want to achieve to about 10 benches per year, which is well on the way right now, we already started off with the program and it is continuously expanding.

Dr. S. Ravinarayanan: And here, it is an ongoing method, we probably will be supplying to the global...

Management: And also we will be part of the global supply chain, so we will be handling all the global requirements from here.

Nirvana Laha: Sure, sir. Right now, how many are we doing? You are saying we scale up to 10. And right now –

Management: By this financial year, we will be completing three benches and every year, anywhere from five to 10 will be delivered.

Nirvana Laha: Okay, okay. All right. Any updates on the development and commercialization of TACAN antenna, anything you can share on that?

Dr. S. Ravinarayanan: We will give a good news in about two weeks time, sir.

Nirvana Laha: Okay, okay.

Dr. S. Ravinarayanan: Development is completed, approved by the customer. We are expecting the production order. So, if things go well, by God's grace, we should be able to tell you by another two to three weeks, maximum one month.

Nirvana Laha: Great. Thank you so much. All the best, sir.

Moderator: The next question is from the line of Mayur Parkeria from Wealth Managers India Private Limited. Please go ahead.

Mayur Parkeria: Good evening, sir, and wish you all the best and the entire team at AXISCADES for a phenomenal execution. Sir, I had a couple of questions. One is, in the initial answers, you mentioned about the divestment of the non-core. We understand that it takes time and it is a segment, it is a business part. But do you think we would be firmly in place by the end of this financial year it should be done and dusted, is that a fair outlook to have as far as the timeline is concerned?

Dr. S. Ravinarayanan: Yes, sir. It is a very fair assessment. It is very much on track. We start to assume that. So, we are also expecting that to conclude by this financial year in March.

Mayur Parkeria: Okay. Sir, secondly, from the revenue perspective, we have a fair allocation to the US. Any kind of opportunity or challenges in terms of what is going on, do we face currently or is expected, how do we see the situation?

Dr. S. Ravinarayanan: One, sir, we are not people-dependent in US. Though we have 120 people or 140 people in US, approximately 120 people are in non-core with Caterpillar and we do not think that is a threat and out of it, only 34 are in H1. So, that is not posing any issue. They are already in existing H1, others are American citizens and this thing, and remaining are with E5. E5, the hyperscalers want every operation to be shifted to India. They are themselves diluting the interest in US and bringing every

work to India. So, we are very safe, sir. With all our anchor customers, Texas Instruments, Qualcomm and the two hyperscalers and others, most of them are India-key now. So, it is fine.

Mayur Parkeria:

Right, right. Sir, finally, pardon me if this question is not very right, it is my lack of understanding, but just to try and understand a little bit more. Sir, globally, every country and even the large developed economies are trying to increase their spending on defense, especially from the European side, and across the globe now, there is an increased requirement for defense. So, from a defense perspective, we are dealing in three strategies. We understand. There is a partnership model, there are DRDOs and the things like that. From a global supply while our partners will be benefited and they will supply from our perspective, are there anything in pipeline or is that understanding right, and is there opportunity very large enough, which we think will come in that 930 plan or that will be outside of it or how are we pursuing or we will remain from a partnership model, if you can add some clarity on that? Sorry, it is my lack of understanding on that side.

Dr. S. Ravinarayanan:

No, sir. For example, take both of the places we are talking is where along with OEM, the first requirement is to meet the Indian needs. Second is to do some kind of export. Okay? So, it is beyond India. Certain crucial technologies come from them, but this unmanned thing is a great leveler, there is a lot of chance for exports. People are asking for exports because we are all new, we are all in the same page as far as unmanned warfare is concerned. There is a lot of chances of exports and we are also looking at very seriously to expand. We are discussing, so it is going to work either way, but primary focus, more than 60% will come from Indian-based programs and catering to the offset and so on. Second level in that OEM engagement is old products, sending it across as a cost arbitration. The third one is our own product-getting exports, especially in the unmanned area. I feel by the last another two, three years from now, we will be a net exporter. That is what I think.

Moderator:

The next question is from the line of Harshit from Elara Securities. Please go ahead.

Harshit:

Yes, hi. Thanks for the opportunity and congratulations for the set of numbers. I just wanted to check on the defense side, what are the key areas that you guys are concentrating on let us say by next three years, which will be your top three revenue categories within the defense segment?

Dr. S. Ravinarayanan:

As widely informed again and again, we are working on three major areas. Number one is missiles. We are trying to do end-to-end starting from our focus there on one side, rocket motor and rocket motor filling with all this completely pyro and a various propulsion and so on. That is very important for us. Second thing is the seeker. This forms about 50% of the value of the missile, and also the onboard electronics and those kind of things, that is the launcher and launcher systems, and then final assembly. So, this is going to be our major focus and I believe about 40% of revenues in future our defense will come in that. This is the segment which is much required being missile being consumable, we feel there is a great deal of demand and also there is a great deal of demand for exports. So, this is the area we are working. This requires a strong electronics presence including seekers, IR seekers, RF seekers and onboard computers and so on and then strong mechanical engineering. So, we are working on it and our Hyderabad facility was geared up for that and we are

also forging partnerships in this. This is number one. Number two is radars and antenna which we already have a very strong but we have never done a full-scale large radars and maintenance. So, that is what we are focusing on. There is a huge requirement for radar integration, maintenance, support and so on. And incidentally we are not looking at more at India but we are looking at foreign OEMs where radar is fitted in every major thing like AWACS, fighter aircraft etc., So, we are looking at long-term support for the OEMs and work with them. So, our Devanahalli facility will cater to that. Hyderabad facility will cater to the number one item which is behind. Number two will be catered by our facility. This also I am looking at around 30% to 35% of our revenue comes from this. Then the other third is unmanned. In the unmanned, we have counter-drone system and also we are looking at three areas in unmanned, that is counter-drone system, then laser kill and ammunitions. These are the three things that is coming and so on. We are working on that. There is a lot of synergy between this and the first two, because when we do ammunitions it is similar to making a missile. So, there is a lot of synergy we can learn from the radars and about jamming and everything is interlinked. So, we look at the other things. So, the fourth one is ground system which is very small. It is going to be our test equipments, masks and whatever we are talking about like our tank trailers and we are probably looking at large that kind of systems. So, these are the three end of segments we are going to work with. So, 30%-40% the second one then remaining in the third and fourth 10% in the ground system. Hope it answers you.

Harshit:

Thanks for giving a longish answer and great in details, but within all the three segments most of the relations are through partnership or we are also doing indigenization in all the three categories through our R&D, if you can also share some details on that?

Dr. S. Ravinarayanan:

The missile has both. For India we have to do indigenization. They do not accept the foreign content or foreign this thing. So, we will be doing indigenous development. And so for India who own missile Kusha, BrahMos we have to do it within India whereas foreign businesses like there are many designs available so we have to take technology from abroad and do that. So, it is both. Similarly for radar and then third it is purely indigenous in this thing where we will be indigenous not up to the last this thing because we will be taking best-of-breed solutions around the world and mostly integrate them right software, etc., in the unmanned system and some of them we will be making and the ground systems are purely indigenous. So, if you look at it 50%-60% will be based on R&D and the indigenous development, 40% will be with the foreign technology build-to-print those kind of things.

Harshit:

Understood. So, thanks for the detailed answer again. And just lastly sir you had also shared at your analyst meet, there was a pipeline of close to Rs.12,000 crores of order; one was confirmed order and the other was something that you expect to probably get into more confirmation order. So, there are six months passed since we last met. How much of the Rs.12,000 crores order which you were expected to get into confirmed order has been converted according to you? I hope sir I was able to explain my question.

Dr. S. Ravinarayanan:

Yes, I got it. It is a part of our power 930 program. So, we are always constantly working on three levels -- one is on the confirmed order, one is on the pipeline and another is on a silo. So, our goal is

to convert about 60% of pipeline into confirmed and keep replenishing the pipeline. We are always doing that. Currently, what all I can say is we are very comfortable to achieve the numbers for FY27 and the mentioned growth rate. We are absolutely comfortable and we have strong visibility for '28, '29 and '30, we have strong base. I do not want to commit to any numbers at this stage, but you can be rest assured we are on track with the numbers as far as lot of these things. So, we are working towards that, we are building all these partnerships and all only for that and we are converting, we have a fair amount of success rate in that and we are working on that, so we are on track sir.

Moderator: The next question is from the line of Rohan Mehta from Ficom Family Office. Please go ahead.

Rohan Mehta: Hello, sir. Thank you so much for the opportunity. So, in the last quarter the management had indicated that generally the defense execution that typically picks up from the end of Q2 onwards with the bulk of the execution expected in Q3 and Q4, but we have noted that Q2 itself has seen a good pickup in execution. So, does that mean Q3 and Q4 would be much better as earlier expected and why would that be the case?

Dr. S. Ravinarayanan: Sir, one is we do not want to put ourselves pressure on Q4 and we have excellent productivity this quarter we can say. So, that is one reason also. One of the reasons is we are in the process of shifting to the new facility. So, there will be a lot of disturbance and we feel that Q4 may be affected due to this disturbance. So, because of that we try to force extra time to do work on Q2 and also on Q3. Q3 will also be I believe as good as Q2. Q4 will not be bad at all, but Q4 will be a filler quarter rather than the accelerated quarter. We would like to be more relaxed on Q4 so that we want to fulfill our commitment of 45% growth, delta will be done by Q4. What I would assure you is we will have a 45% growth on the core segment and overall EBITDA will be 45% growth will be there. Both will be achieved, but we think we will want to accelerate more slightly we are pushing ourselves to foresee the disturbances because it may probably two to three weeks will be lost when moving from our facilities in the city to Aeroland and so on. So, that is what is happening now.

Rohan Mehta: Okay. Right sir. Got it. Thank you for the clarification and last question.

Moderator: The next question is from the line of Pujan Shah from Molecule Ventures. Please go ahead.

Pujan Shah: Yes. Thanks for the opportunity sir. The first question pertains to the QRSAM segment. So, right now it is getting a bit delayed and one of our key manufacturers has been saying that they are confident on receiving orders in March '26. So, just wanted to understand your part of view that how much contribution we have been expecting from QRSAM segment in FY27 and have we have counted our revenue from QRSAM in FY26 or we have already been expecting to get all our revenue material contribution from QRSAM in FY27?

Sunil: So, QRSAM we are expecting around seven systems in the next two months, but this will not contribute to FY26, it will be for FY27, and the production orders are expected by March.

- Dr. S. Ravinarayanan:** So, no impact on FY26.
- Sunil:** Yes.
- Pujan Shah:** But any quantum or you can quantify in terms of number what would be contribution from this program in FY27?
- Dr. S. Ravinarayanan:** Sir it is very, very limited sir in our total scheme of things, it will be very small for QRSAM. Even if it is delayed, we have a backup plan, so we have a sufficient buffer in for FY27 to meet our revenue and EBITDA goal sir.
- Moderator:** The next question is from the line of Jatin Jadhav from Sahasrar Capital Limited. Please go ahead.
- Jatin Jadhav:** Hi, this is Jatin Jadhav. Thank you for the opportunity again. Great set of numbers. So, my question was regarding the collaboration we did with the company, the Cilas laser product. So, what kind of output can we expect on the target let us say joules in centimeter cube to its maximum range if you can share for the product we are designing with them for the Indian Army?
- Dr. S. Ravinarayanan:** Sir, we cannot get into that, we do not have the current data clearly, but I would be very, very happy to receive you in our office any moment. Please come. We will give a presentation and I am very happy if there is any in-depth question here but we will go through that and what we are building, etc., we will explain to you and either anyway so I would definitely be happy to receive you and go through a complete.
- Jatin Jadhav:** Thank you so much for the invitation. The second question was essentially a follow up to this one only, because there is a company in US who is basically focused on high power directed energy weapons and they have developed a system Epirus Leonidas is the system's name. My question was why are not we or India focusing on that, is it a technology which is not yet battle tested or as a professional do you not see any merit in that technology because we shifted to a laser-based what do you call the technology a hard-kill option?
- Shardhi Babu-** Now this high energy based the thing still the technology is not fully ready and it is bulky and the range achieved versus the power that they are using, the range is less whereas the power being used is very high. So, these are not matching the end user requirement so that is the reason why laser is very important.
- Dr. S. Ravinarayanan:** And we are typically mounting it and we are mounting it on a small jeep and kind of vehicle 4x4 vehicles. So, we need to be very optimal about the size and real estate available is less, weight carrying capacity is less and terrain is very bad. So, it is optimized for Indian condition. For India I think the most suitable option is laser and that too the Cilas kind of solution is the best.
- Moderator:** The next question is from the line of Rupesh Tatiya from Long Equity Partners. Please go ahead.

- Rupesh Tatiya:** Hello, sir, congratulations on fantastic result. I have so many questions. Let us see how many I can do. First question sir is on Mistral. So, once this EMS facility comes online let us say by March '26 can we expect let us say \$8-10 million of revenue in FY27? And then the second part to the Mistral question is I think how is the drone controller business with the US drone leader is going, can that business also become like a \$5 million in one, two years?
- Dr. S. Ravinarayanan:** The answer is yes, definitely, there is a possibility. Your numbers are fairly is what we are also expecting. And first question, yes, and once the facility is ready we can expect that kind of number. And to the second question there is a little bit of slowness or the way the space is going on the drone controller it is rather slower, so we may not expect that kind of numbers, but one thing we are trying to do is integrating with software, etc., and make the value more. So, we hope that will happen. But otherwise overall prospects are very good. To answer your first question, yes, to your second question is no.
- Rupesh Tatiya:** Second question is Sir, Shashi, aerospace segment margins compressed I think from Q1 to Q2 and also I think these are historically low margin number; I think margin have always been 17%, 18% 20%. So, any particular reason you point out and this is like a one-off and margins will revert to 17%, 18%.
- Shashidhar SK:** Q2 is usually a period where the activity slows down mainly because of the you know summer break in Europe, so that is the reason why it has impacted the EBITDA margins and this will come back in Q3 and onwards.
- Dr. S. Ravinarayanan:** We are looking at an average 18.5% in aerospace, that will continue to be there, my overall year-on-year it will be average about 18.5%-plus, it would not go down but it will remain the same.
- Rupesh Tatiya:** When can we see the order for LLTR, Ashwini? It looks like negotiations with Bharat Electronics it is taking quite a while.
- Dr. S. Ravinarayanan:** Sunil, you want to answer, LLTR?
- Sunil:** So, LLTR, we are awaiting the negotiation with BEL actually.
- Rupesh Tatiya:** Any timeline, Sunil ?
- Sunil:** We are expecting it in a couple of months time, by Jan we should have the order.
- Rupesh Tatiya:** I have a lot more. Maybe I will reach out offline.
- Dr. S. Ravinarayanan:** Sure.
- Moderator:** Ladies and gentlemen, due to time constraint that was the last question for today. I now hand the conference over to the management for closing comments.

Shashidhar SK: Thank you, everyone for this great participation. We look forward to continue to interact with you. Please do reach out for any queries which you may have either by e-mail or connecting with us. Thank you for your continued support.

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