November 20, 2026

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 16, 2026, 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
Digitally signed by Sonal Dudani
Date: 2026.11.20 14:55:38 +05'30'

Sonal Dudani
Company Secretary & Compliance Officer

Encl: A/a

AXISCADES Technologies Limited
Q2 & H1 FY27 Earnings Webinar Transcript

November 16th, 2026

MANAGEMENT:

DR. SAMPATH RAVI NARAYANAN – FOUNDER, CHAIRMAN & MANAGING DIRECTOR

MR. SHASHIDHAR S. K. – GROUP CHIEF FINANCIAL OFFICER

MR. UTTAM KUMAR BHAGERIA – CHIEF FINANCIAL OFFICER (DESIGNATE)

MR. KP MOHANAKRISHNAN – DEPUTY CHIEF EXECUTIVE OFFICER & PRESIDENT (AEROSPACE)

MR. D. MURALI KRISHNAN – CHIEF OPERATING OFFICER & CHRO

MR. MANIKANDAN C – PRESIDENT (ESAI)

MODERATOR:

MS. SHANKHINI SAHA – DIRECTOR OF INVESTOR RELATIONS, DICKENSON

Safe Harbour and Forward-Looking Statement

Certain statements made in this call may be forward-looking in nature. These statements are based on management's current expectations, assumptions and understanding of the business environment and are subject to risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied. Investors are requested to refer to the company's filings, investor presentation, press release and disclosures available on the company website and the recognised stock exchange(s).

This transcript has been prepared from the recording of the Earnings Webinar. It has been edited only for readability, grammar, formatting and obvious transcription errors. It should be read together with the official audio/video recording of the call.

Shankhini Saha: Ladies and gentlemen, very good afternoon to you all. Welcome to AXISCADES Technologies Limited's earnings webinar, produced by ElevEase. I'm Shankhini Saha, Director of IR from Dickenson, and I'll be moderating our call today. So, warm welcome to all our participants. We look forward to discussing the Q2 and H1 FY27 earnings results with you all today. Joining from the AXISCADES management team today are Dr. Sampath Ravi Narayanan, Founder, Chairman and Managing Director; Mr. Shashidhar S K, Group Chief Financial Officer; Mr. Uttam Kumar Bhageria, Chief Financial Officer Designate; Mr. K P Mohanakrishnan, Deputy Chief Executive Officer and President, Aerospace; Mr. D. Murali Krishnan, Chief Operating Officer and Chief Human Resources Officer; and Mr. Manikandan C, President, ESAI.

To all our participants, please do note that this conference is being recorded, and that some statements in this call may be forward-looking, based on current expectations and subject to risks that could cause results to differ materially. You can all download the company's investor deck from the links in the community chat, or the company website, or the NSE. We'll get started. I'll now hand the conference over to Dr. SRN to start with opening remarks. Over to you, Dr. SRN.

Dr. Sampath Ravi Narayanan: Thank you, Shankhini. Good evening, ladies and gentlemen. Thank you for joining us, and thank you for your continued trust in AXISCADES.

I want to use my time this evening to tell you where this company is going, why we have made the decisions we have made, why I believe the best of AXISCADES is ahead of us.

Let me start with a simple truth. When I returned 2 years ago, this company was a collection of businesses. Some were relevant, some were subscale, and some were simply not ours to run. Today, AXISCADES is becoming a focused technology-led company built around defence, XiDA, aerospace and space.

Reaching this point meant making difficult choices. In H1, we closed Phase 1 of our strategic divestment. A major transaction, now complete. It gives us the capital to invest where it counts.

We also chose to confront the past, rather than carry it. Two legacy non-core acquisitions- ADD Solutions and Epcogen, made before the current leadership took charge, were weighing on our results and on management attention. We have addressed both, decisively, and in one go. The charges involved are one-time and non-cash. They do not touch our customers, our orders, or our cash, and they will not recur. I would rather show you a clean picture today than a comfortable one.

Now, let me turn to what excites me. Our core is growing and growing fast. Group revenue this quarter was 359 crores, up 20%. The retained business grew 30% this quarter, and 55% in H1. The businesses we are keeping are now the majority of the group's revenue. The domains we are building are already larger than the domains we are leaving behind.
As Chairman, my single priority is scalable, sustainable growth. And every member of this management team is focused on it.

In defence, our assured forecast visibility has improved. Our growth with DRDO and PSU is robust. Moreover, our programs with global OEMs remain intact. We are working on large MoD programs as need to partner. Our aim is to build a balanced, high-value defence business that records high growth year on year, regardless of the pace of any single customer group, be it MoD or OEM or DRDO.

XiDA is mostly under our control, except the supply chain. XiDA is progressing well. We are diligently strengthening its supply chain to meet the growing demand.

Aerospace is firmly on a growth trajectory. In Q2, Cloud Wave has contributed to our earnings from its very first quarter with us. Q3 and Q4 will see full revenue from Cloud Wave.

In space, our partnerships are in place. We expect space to be revenue generating in FY28, and EBITDA positive thereafter. Every one of our businesses is healthy and doing well on its own.

So, if we leave aside the one-time gain from the divestment, why did we incur loss? Let me clarify. The loss stems from one-time charges, the cost of transformation itself, and the corporate structure we continue after the divestment, with the growth in mind. One-time charges and transformation costs will decrease from the third quarter onwards. However, the corporate structure remains in place as it serves as a foundation for our growth.
Additionally, there is an ESOP charge, which is part of our employee cost, and is non-cash charge.

Before the ESOP charge, our EBITDA this quarter was 23 crores. Our DRDO, PSU, defence business, and XiDA together gained 29 crores of EBITDA, a 23% margin. This quarter, the ESOP charge took about half of our EBITDA. That is the highest it will be. ESOPs will continue, because as we grow, we need them to attract and keep talent. But management will ensure that ESOP charge would be reduced to a single-digit percentage of EBITDA by Q4, and it is a non-cash charge.

As revenue grows, the base we build will transform into profit. We anticipate the third quarter to be our first normal and profitable quarter. The fourth quarter will serve as the benchmark quarter for AXISCADES. We said what we would do, and we are doing it.

Among all our commitments, the one that moved, got delayed is the second phase of our divestment. Delayed by 3 months because of regulatory approvals for the formation of the new company. Now it is fast-tracked, and we plan to close it by Q4.

So, my message to you is simple. We have done the difficult part. We have cleaned up the portfolio, and we have sharpened our focus. Now we have the people to deliver, the programs to grow, and the platforms to scale. I ask you to stay invested. Stay with us in this journey. Trust the direction. Hold us to our commitments. Together, we will build an AXISCADES that India and the world will recognize as a leader in defence, aerospace, and deep tech.

Before I hand over, a word of thanks to our employees who have carried this transformation with extraordinary commitment, to our customers for their confidence, to my colleagues on board for their counsel, and to you, my dear shareholders, for your patience and belief. With that, I'll hand over to Shashi, our Chief Financial Officer, to take you through the financials in detail, and thank you very much.

Shashidhar SK: Thank you, Dr. SRN. Good evening and thank you for joining AXISCADES' Q2 and H1 FY27 earnings call. Dr. SRN has set out the strategic direction and the transformation underway in the company. I will take you through the numbers, what we reported, what sits inside it, and what it tells you about the company we're building.

Before I take you through the numbers, I want to set the context in which they should be read. As in Q1 FY27, this quarter's results were recorded in the middle of tectonic transformations being executed in the company, all at once. We are midway through transferring our engineering services

business to Akkodis. We are transforming our portfolio from a services model to a manufacturing-led one. We are restructuring our ESAI business with XiDA in USA as the fulcrum. We are consciously building large-scale manufacturing infrastructure and hiring skilled manpower and leadership to drive our manufacturing pivot. We are acquiring businesses and integrating them. Amidst all of this, we are also cleaning up our portfolio by opting for solvent liquidation of ADD Solutions, which was incurring losses. In the meantime, we also moved and consolidated our semiconductor business and corporate infrastructure in Devanahalli Aeroland.

Our objective is to ensure that this strategic transformation is completed as soon as possible, so that we can focus on scaling the business. All of this involves legal, transaction, and restructuring costs, which are, in a way, good costs to incur, which are laying the foundation for our future growth strategy. Despite the above, we are happy to report that each of our growth businesses of aerospace, defence, and XiDA continue to record significant growth and profitability, while at an enterprise level, the margins are being currently diluted by the corporate costs in the retained business, which will be absorbed as the revenue scales. This is a conscious choice for a strategic pivot, as has been consistently articulated by our Chairman.

Q2 was a quarter of execution on three fronts. We closed the first phase of Akkodis divestment. We acquired and commenced consolidation of Cloud Wave. We announced another acquisition, ITSJ under XiDA, while delivering our second consecutive record quarter of revenue.

Consolidated revenue for Q2 FY27 was 359.1 crores, up 20% on a year-on-year, and 3.6% sequentially, the highest quarterly revenue in the company's history. Under Ind AS 105, 163.5 crores is reported as discontinued operations, and 195.6 crores as the retained business. The retained business, the one you are invested in going forward, grew 30% year-on-year and 7% sequentially, including 16.5 crores from Cloud Wave, consolidated from 10th September.
For the half year, consolidated revenue was 705.7 crores, up 30%, and retained revenue was 378.9 crores, up 55%. Retained revenue is now 54% of the group against 45% a year ago.

Our growth drivers are delivering.
Defence grew H1 revenue 46% to 252.7 crores, with Q2 EBITDA of 52.5 crores at a 17.6% margin. XiDA grew H1 revenue 55% to 97.9 crores at a 27.6% EBITDA margin, with Q2 revenue up 47% on new customer wins. Aerospace delivered 23.1 crores of revenue in the first half, and Cloud Wave, our aerospace acquisition, was earnings accretive from its first quarter.

Now, talking about profitability, reported profit after tax was 47.3 crores against the loss of 14.8 crores in Q1, and a profit of 23.1 crores in Q2 of FY26. Discontinued operations contributed 95.4 crores post-tax, which includes a pre-tax exceptional gain from discontinued operations of 129.3 crores after netting off goodwill pertaining to divested businesses. Continuing operations reported a loss of 48.1 crores after a one-time non-cash impairment of 38.4 crores of goodwill and intangibles, mainly pertinent to ADD Solutions, which has been offered for solvent liquidation. Taking this one-time charge now cleans up the legacy carrying values. With 19.9 crores of Epcogen goodwill written off in discontinued operations, exceptional write-offs total 58.3 crores. They are non-cash, sit below EBITDA, do not touch our customers' orders or cash, and will not recur, as our Chairman articulated.

For the half year, profit before tax rose 10.1% to 70.8 crores, and PAT was at 32.5 crores. Reported EBITDA was 11.4 crores. It carries the full year... full half-year ESOP charge of 12 crores and 3.9

crores of receivable provisions and ECL. Before the ESOP charge, EBITDA was 23.4 crores. The retained business in ACTL, the listed parent company, carries operating costs of around 15 crores, with yet to scale up revenue. In the aggregate, the ESOP charge, the corporate cost, and the EBITDA loss in ADD Solutions for the quarter adds up to 31 crores, all in continuing business, accounting for 16% of, you know, retained revenue. As such, it's important to view the business performance for this quarter half year from the lens of growth and profitability in our core verticals of aerospace, defence, and XiDA, rather than at an enterprise level. Bringing the group's cost base in line with the new portfolio is the management's priority for the coming quarters.

The recovery path starts in Q3 and does not depend on anything new. A cost reset underway ahead of Phase 2 closing takes corporate overhead to around 12 crores a quarter. The ESOP charge runs at around 6 crores a quarter, half the Q2 level, and legal and professional charges, which was at 14.5 crores, largely one time, normalize to about 4 to 5 crores a quarter. XiDA, defence, and aerospace are each planned to run at around 20% EBITDA margin at a vertical level from Q3 of FY27.

Now, coming to the divestment. The US $237 million Akkodis transaction is now half complete. Phase 1 closed on 30th September 2026. Phase 2 is classified as held for sale, and is scheduled for closure in February or earlier. To recollect, of the total gross divestment consideration of 2,275 crores, 1,686 crores, or 74%, is a fixed guaranteed payout, and the balance of 589 crores, which is 26%, is based proportionally on earnout based on EBITDA targets. Of the post-tax guaranteed consideration of 1,395 crores, the company received 121 crores in October, will receive another 32 crores in November, about 504 crores in February, 56 crores in July, and 682 crores in December 2028, which excludes the earn-outs. This is all guaranteed. The company will record another 1,100 crores in one-time gain on the closure of Phase 2 divestment in Q4 FY27.

The gross borrowing stood at 624 crores as at 30th September, and a net debt of 556 crores. Of this, 200 crores belongs to Cloud Wave acquisition, which happened only in September 2026. Of this..since then, we have repaid 85 crores in October from the divestment proceeds. The balance guaranteed consideration to be received, as I explained earlier, of 1,274 crores, will give us the means to reduce this debt further, and to fund the next phase of growth without diluting shareholders.

The company has now been onboarded on MSCI India Domestic Small Cap Index, effective 30th November, apart from being part of Nifty India Defence Index. When I joined AXISCADES in January of 2022, the market cap was around 390 crores. Today, it's around 7,500 crores, nearly 20 times. That value has been created by our customers, our employees, our board, and you, as our investors and analysts, who are backing this long-term and strategic transformation in AXISCADES.

To conclude, the hardest part is behind us. The next phase is about converting a reshaped portfolio into earnings. The path is clear. Close the divestment, reduce debt, align costs with the new portfolio, and let manufacturing, defence, and XiDA scale up on the capacity we are building.

Before I close, a personal note. This is my last earnings call with AXISCADES, as I will be superannuating and demitting office in December. It has been a privilege to serve as a Group CFO during a period in which the company has scaled up and transformed itself from an engineering services provider into a product, solutions, and manufacturing-led group, and it gives me great

pleasure to have seen that happen. I thank Dr. SRN, our Chairman, the board, my colleagues in finance, our auditors, and bankers, and analysts and investor community for your engagement and your trust. I hand over charge to my very able successor, Uttam Bhageria, with full confidence. We now open the floor for questions.

Shankhini Saha: Thank you Shashi. A reminder to our participants, if you haven't had a chance to go through the investor deck for Q2 and H1, the link is in the community chat. You should be able to click on it and view the investor deck. We'll get started with the Q&A session now.

A reminder to all participants, please do maintain your questions to one main question and one follow-up, taking into account paucity of time. A reminder on how to raise your hand on this platform. If you're on desktop or laptop, look for the reactions button at the bottom of your Zoom window. Click on it, then select Raise Hand from the options. Your name will appear in the queue, and I can call on you. If you're on mobile or tablet, tap on the more dot dot dot button at the bottom right of your screen, then select Raise Hand from the menu. We'll get started with the Q&A session now. Our first question is from the line of Deepak Poddar. Hi Deepak, you can go ahead and unmute your line and ask your questions.

Deepak Poddar: Yeah, am I audible?

Shankhini Saha: Yes, Deepak, go ahead.

Deepak Poddar: Yeah, thank you very much for this opportunity. So, just wanted to understand more on the comment that you made, that third quarter will be a normalized quarter, and fourth quarter, you expect to be a benchmark quarter. So, some sort of, I mean, you expect the third quarter will be a normalized EBITDA margin, and so can you just explain the context in which you mentioned that, and what sort of margins we can expect.

Dr. Sampath Ravi Narayanan: Thanks Deepak. Basically, third quarter, we are looking at good growth in terms of revenue on the core. I'm talking only on the core side, because, again, please, listeners and shareholders, please don't confuse when I mean core, we are only talking about defence, XiDA, aerospace, and space anyway, it's not this year or next year. These three domains only. These three domains, we feel there'll be a very good growth. Compared to Q2, we are targeting at least a minimum of 30% growth to somewhere around, would be 45-50% growth. That is a band we are looking at. With the cost remaining same, and the transaction cost coming down, should result in a EBITDA, good, fairly decent EBITDA, but there is an ESOP charge. It will continue to be there, but ESOP charge will be reduced compared to what it was this quarter. We are trying to sort of slightly reduce it. So that in terms of percentage, the ESOP charge should be roughly around 20%, rather than, it is 50% this quarter.

So, overall, we are looking at a... roughly, I don't know, I don't want to give a guidance number. We're looking about a 15-16% EBITDA margin in the Q3. It is, like, first time we are limping backwards after all these transformations and tectonic shift and all these things, and we would probably getting back to around decent profitability. I'm aiming at around 15% at this stage.

And in Q4, we're looking at about 30% growth on Q3. So we are looking at 30-30 each, somewhere around that, okay? And Q3 base, Q4 will be about 30%. Here, the ESOP charges will be further brought down to a single digit. And in terms of percentage, it should be... less than 7-8% or something like that. And revenue will be 30%. That should give us a good EBITDA. We are looking...

aiming at a 20% plus post ESOP, that's what we are looking at. At least 20%. Plus-minus, you take 1% here, there. That's our aim at this stage. So that will be setting the tone for the FY28. So that is my... our plan, projections, etc. Thanks, Deepak.

Deepak Poddar: Just to have a follow-up on this, just to reiterate, I mean, third quarter, we are expecting around 30% growth in your core business over your second quarter. And fourth quarter, you're expecting 30% growth over your third quarter. That would be right understanding?

Dr. Sampath Ravi Narayanan: Yes, Correct.

Deepak Poddar: And with the 15% EBITDA margin in Q3, and 20% kind of EBITDA margin in the Q4.

Dr. Sampath Ravi Narayanan: Yeah, approximately, give or take 1% here. Okay, 1.5%.

Deepak Poddar: Fair, fair point, yeah. Okay, yeah, that would be very helpful, sir, and I would like to wish you all the best. Thank you so much.

Dr. Sampath Ravi Narayanan: Thank you, thank you, Deepak, thank you.

Shankhini Saha: Thanks Deepak. We'll take the next question from the line of Balasubramanian A. Hi Bala, you can go ahead and unmute your line and ask your questions.

Balasubramanian A: Good evening sir, I'm audible.

Shankhini Saha: Yes Bala, go ahead.

Balasubramanian A: Yes. Sir, my first question, in that, Phase 1, we have completed, but, if you look at, extraordinary gain is 149 crore. Earlier, the total transaction, it's valued around 237 million, so almost 2,256 crore. That will generate extraordinary gain of 1,250 crore. But currently, we have realized 149 crore. Is the right way to understand another 1,000 to 1,100 crore extraordinary gain will be in Q4?

Shashidhar SK: That's exactly what I said, Bala, in the sense that what has now completed is the smaller part of the transaction. The bigger part, which is the aerospace engineering services business, is valued at $206 million, which is, you know, going for conclusion very, very aggressively. So we hope to kind of close it on or before February, which will bring in another 1,100 crores of extraordinary gain into the P&L in Q4.

Balasubramanian A: Okay, and how much is ex.. any, like, one-time charges expected for those 1,000-1,100 crores?

Shashidhar SK: So we... no, the one-time charges is essentially what the transaction costs are. Just to give you a picture in terms of what the transaction costs have been incurred, we have already incurred up to about 35-odd crores for the closure, of course, it also includes the bigger part of the transaction, so we expect that, it probably could take another 20 odd crores in terms of transaction costs.

Balasubramanian A: Okay sir. And sir, we have guided, ESOP and legal cost will be half down, maybe in Q3 and Q4. That will be, end will... by Q4, or it will continue by next year also.

Shashidhar SK: See most of...

Dr. Sampath Ravi Narayanan: ESOP will continue. ESOP will continue, but the percentage will be reduced. ESOP will continue. It's a recurring cost from now onwards, because we have to attract talent, we have to retain the talent, but it will be, in terms of percentage, it won't be that much high. It'll be a single-digit percentage.

Regarding the legal costs, see, mostly it is... during the... not only transaction, for example, closure of ADD Solutions, closure of Epcogen, and acquiring new companies, everything adds to the legal cost, okay? So these are all transactional costs, not only for selling, there is also buying, there is a transaction cost. Unfortunately, that is coming above the line, and it hurts the EBITDA. So, transaction costs will be minimized. I won't say it will be totally going. Whatever relating to the sale will go off. And, Q4, there will be... when we realize the big money, it'll show, but it will not be... will be an exceptional item. But it won't hurt the EBITDA. But as we keep buying companies, there will be transaction cost on purchase, and ESOPs will continue. And, we... that will not affect. We have factored it as employee cost already. There should not be... definitely, we are very well conscious about that not to hurt our EBITDA. We are trying to sort of get it well within single-digit percentage, okay, going forward.

Shankhini Saha: Thanks Dr. SRN. And Bala, please raise your hand again for any more follow-ups. We'll surely take your questions if we have time. And we can also have more interactions to make sure you're satisfied and your questions are answered at a later time. We'll take the next question from the line of Shubhi Gupta. Hi Shubhi, you can go ahead and unmute your line and ask your questions.

Shubhi Gupta: Hi, am I audible?

Shankhini Saha: Yes, Shubhi, go ahead.

Shubhi Gupta: Hi sir. Sir, if you could just give a bit more clarity on XiDA business and its future prospects, and what role ITSJ will play in future.

Dr. Sampath Ravi Narayanan: Thanks Shubhi. Currently, XiDA business is of four pillars, basically. Number one is the... our legacy, what we have so far brought more on the embedded, and now we are making it as, like, more like a Gen AI, some kind of physical boards we are making for various customers, embedded boards, we are adding that, layers of LLM, SLM, and so on, making it more AI-ready boards, and that is what we are trying to do. So that is one pillar, and physical AI, like, humanoids and robos cobos. With that, we just received an order in the last month from a US-based company. It's called Humanoid Inc. And, so we're starting with that. And, so, it should..various activities should come. There is also, we are one acquisition we are trying to... acquisitions we're trying to look at.

The third piece is the data center piece. So, the data center piece, we are doing the chillers for data centers. ITSJ comes very handy to this. This is thermal management and the chillers, the special activities. So, this also is very handy, and we have already through ITSJ got Google as our customer, and we are starting off.
And the fourth activity is the semiconductor equipment itself, towards the new AI-related semicon equipment. We have AMAT, through Applied Material, largest semicon manufacturer as our semicon equipment manufacturer as our customer through ITSJ.

So, ITSJ's main contribution is bringing two of the world leaders to us, a hyperscaler and a semicon equipment manufacturer, to fill these two important pillars, and then... or get an entry through the important pillars. And then, we are looking at eyeing a few other acquisitions. As of now, we are feeling... last time we did the ESAI, we did about... 125 crores, if I remember right, in FY26. We would, as of today, with no acquisitions planned, also, we would more than double that. That's for sure. And any acquisitions coming, prorated part, that should add to XiDA. XiDA will do exceedingly well this..this quarter, and definitely register a triple-digit growth. Okay. Thank you.

Shubhi Gupta: Sir, will be needing further fundraise?

Dr. Sampath Ravi Narayanan: Yeah, that... right now, it's very confidential, we're going through that on XiDA separately. XiDA is a standalone entity, so we'll do that. So, that's kind of... we are under NDA for both buying and selling, so we don't want to get into more details at this stage.

Shubhi Gupta: Okay sir, thank you so much. All the best.

Dr. Sampath Ravi Narayanan: Thank you, thank you, thank you.

Shankhini Saha: Thanks Shubhi. Our next question will be from the participant Abhijeet Singh. Hi Abhijeet, you can go ahead and unmute your line and ask your questions.

Abhijeet Singh: Thank you for the opportunity. Am I audible?

Dr. Sampath Ravi Narayanan: Yes please.

Shankhini Saha: Yes, go ahead.

Abhijeet Singh: Yeah, sir, first question is, sir, what is the order inflow that we've received in..in FY27 YTD? In terms of our fixed purchase orders that we've got. And what is the order book?

Dr. Sampath Ravi Narayanan: Overall, as a company, we are looking at, see, our total executable orders as of today, including what is executed, stands around, roughly around 1,000 crores, and we are expecting some more for execution. It's again..it's approximate, so perhaps... so we are probably trying to close in that range, in terms of delivery and so on. So... we need to get into the details, but I think we are well on track with that. If we are able to execute, but again, as I said, there are issues. In XiDA, there is a huge supply chain issue. Deliveries are, components, PCBs, and rare thing, everything, components especially, are getting delayed beyond, like, 18 months, 12 months lead time. That definitely may withhold some of the delivery issues, the order book is... could be there. Same thing, because of some supply chain issues, even defence deliveries could get delayed.

But overall, we are looking at the order book execution in the range of anywhere between... so, so far, we executed around, I think, 379 crores. And we are looking at comfortably executing anywhere between 600 to 720 crores in the next two quarters. Looking at, again, subject to the supply chain issues not affecting us.

Abhijeet Singh: 600 to 720 in H2?

Dr. Sampath Ravi Narayanan: That's a range, yeah.

Abhijeet Singh: Yeah, because, I mean, for the full year, we have targeted about 1,150 crores revenue.

Dr. Sampath Ravi Narayanan: Yeah. Yeah. That includes, that includes prorating of some acquisitions, etc. So we're looking at about 3 acquisitions to be completed.

Abhijeet Singh: Okay, okay. That includes 3 companies which we will acquire going forward.

Dr. Sampath Ravi Narayanan: Yeah yeah, going forward, we have lined up about 4. We are trying to close at least 2 or 3 in, at least in Q4. Okay, Q3, nothing will be possible. We are... So Q4, we are at least aiming at closing 2, if not 3, if 3 is also... 2 is definitely possible. I think so, because again, I should not use the word definitely, because it depends on the other party also, but we are aiming to close it by Q4.

Shankhini Saha: Thanks Dr. SRN. You can rejoin the question queue for follow-ups by raising your hand. We'll take the next question from participant Aveek Mitra. Hi Aveek, you can go ahead and unmute your line and ask your questions please.
Hi Aveek. You can go ahead and unmute your line and ask your question.

Aveek Mitra: Yeah, can you hear me?

Shankhini Saha: Yes Aveek. Go ahead.

Aveek Mitra: Yeah, sir, thanks for your actually improving the base business. I wanted to know that last... for last few quarters, actually, you have used the term assured forecast visibility. And now it seems from your language that you are actually silently dropping the term, because maybe the business is not as much visible as you have envisaged earlier. Is this assumption correct?

Dr. Sampath Ravi Narayanan: No, no, no, no, no, not at all.

Aveek Mitra: Okay.

Dr. Sampath Ravi Narayanan: We have not dropped anything. No silently dropping. Mani..Mani can explain, because AFV we use only for defence context, okay, mainly. So, Mani is the president of our defence activities, and he will... he will brief you about what is our current, this thing. If at all anything, it is looking very, very good.

Manikandan C: Yes, sir, thank you, sir. Aveek, to explain to you, in the defence, the assured projected values, the forecast values, still we continue to hold it. And, if you have seen our investor presentations, the Q2 also, we have..we have won design wins about 80 crores, more than 80 crores. That also adds into 730 crores of our assured forecast. The last time, we have projected about 4,500 crore or something, but now we are close to 5,000 crore assured forecast visibility we have in defence.

Aveek Mitra: Okay, and can you..can you tell me, actually, what is, you have actually continuously reduced your forecast, now you are actually targeting about 1,000 crore turnover, right? By the year end? There is nothing wrong, it can happen, so I'm just asking.

Dr. Sampath Ravi Narayanan: No, no, Aveek, forecast is spread over 3-4 years, not for this financial year.

Aveek Mitra: No, no, I'm asking about this year's revenue target.

Dr. Sampath Ravi Narayanan: This year's revenue target, yeah, this year's revenue target, we are not changing anything majorly. As I'm saying, we are looking at, see, in the legacy, there are only

two acquisitions we are done. Only one, one and a half, put it across. So, which is Cloud Wave, which is only aerospace. Aerospace is fully inorganic, so that is already being integrated. It came only in the end of Q2. That means that we'll be able to prorate only on the Q3 and Q4. Little bit we have taken in Q2. And ITSJ, it's more of a asset purchase, not a acquisition by itself. So that'll add to certain things. So, probably these two are the acquisitions. So, overall, with our legacy plus this acquisition, we are looking at, as I mentioned, about 600 to 720 crores further execution, over and above what we have done, about 379 at this point of time. So there is no change in that.

If we are able to.. we are also lined up about 4 acquisitions. See, the acquisitions... though we would like to do it as soon as possible, but there is also, like, due diligence and issues, especially for the US-based, we had to go through ITAR and CFIUS, and so many regulations are there. So it is taking a little more time than what we expect, and if..this can slip by one quarter or two quarters. But these acquisitions is.. will contribute, I hope, about at least anywhere between, I don't know, about 600 to 750 crores. At that time, if it is time, that right, January, February, or whatever it is, at it's best. So that will add to the Part A, this is Part B.

Part C, we are looking at a pro forma revenue, basically, what I mentioned, because, see, in, we didn't change anything. See, because of the transformation, the reading and everything may be changed. We are very clear, we don't want to do any misleading. In May 25th, we made one, this thing. We talked about 1,350 as our aspiration, or our goal guidance for FY27. That is before the divestment. So, if today, after the divestment, that doesn't hold good, because at that time we were not very sure the divestment will take place or not. So that is what... so after divestment, we lost about 60% of the revenue. We started with a base of 514 crores, approximately. That is my retained revenue. So, 514 crores, we are rebuilding to something like 1,000-plus crores in the Part A, and Part B about 60 to 150 crores, and Part C is the pro forma revenue. Pro forma revenue is the... total revenue, the revenue at which we are going to face FY28, that means the base revenue, that's the full year revenue of all the acquired companies, and full-year EBITDA of all the acquired companies. If you take that, we will probably... Part C, we still don't know what it is. But it won't be that much different, I guess.

So, I think, we are on track, and we mean what we say, and we are... we are not withdrawing or silently dropping anything and all. We don't do that, okay? So we are... we know what we are doing, we are exactly on our targets, and delays are possible, because we are looking at, see, we are ambitious, but when it is..geopolitical issues are involved, and CFIUS, ITAR, G2G issues are involved, there would be delays, could slippage, could be a Q1 quarter or two quarters, possible, especially when these kind of things. Okay, otherwise, we are on track. We are doing what we can do, and we are doing our best to get the timing done. Okay, thanks.

Shankhini Saha: Thanks Dr. SRN, and thanks Aveek, for your questions. We'll take the next question from participant Tushar Bhavsar. Hi Tushar, you can go ahead and unmute your line and ask your questions.

Tushar Bhavsar: Yeah, good evening sir. Am I audible?

Shankhini Saha: Yes, yes Tushar.

Tushar Bhavsar: Yep. So... like, you know, one question is, like, you know, with regards to what you had mentioned before, like, you know, that if the management.. the current management

reduces their stake below 50%, there are chances of, like, you know, we selling or bringing in a foreign partner. So, now that we see, like, you know, that the management has reduced their holding below 50%, do we have any potential, like, you know, partners? If you remember, like, you know, you mentioned this, like.

Dr. Sampath Ravi Narayanan: Yeah, yeah, yeah, Tushar. So, we every day remember it, not this thing. See, currently, we are, as I said, some of this we cannot... we are discussing very actively with few OEMs. They won't come at the listed entity. But we are looking at setting up joint ventures with them at this stage. That's what I can say at this point of time. Again, this is subject to a lot of government approvals, etc., because these are all in sensitive spaces. So, as I said that, we'll announce it when appropriately, when it happens, but we are on it, Tushar, so the very purpose for which we are doing all these things is happening, so in some form or the other, okay? So we'll be able to... we are awaiting, we did our part. Now, we are waiting for the governments to do their part, and keeping our fingers crossed.

Tushar Bhavsar: Okay, and is there any news about the MAC? Like, you know, that we purchased? Like, I know, like, you know, in June, we had the announcement, like, you know, that the land has been acquired and things are moving.

Dr. Sampath Ravi Narayanan: Yes, yes, yes. Murali, Murali, you want to go through that, Murali?

Muralikrishnan D: Yes. So, yes, we acquired the land for the MAC from the Telangana government, and there is a project that is ongoing. We are discussing with our potential customers and partners on the manufacturing, exact manufacturing facilities, the space required, the equipment required, those things are progressing steadily, and at appropriate stages, we will commence the construction for the MAC. MAC, as we envisaged, is going to be a specialized complex for missiles and missile subsystems.

Shashidhar SK: Yeah, just to add to what Murali said, no, we have acquired about 8-plus acres of land there, which is registered in our name, and the activities have started post that.

Dr. Sampath Ravi Narayanan: It may take a year's time, Tushar. Basically, this is exactly connected with your first question. If everything goes well in the first question, MAC is eventually the place where this whole thing will land. Okay, and it may take a year or a year and a half for MAC to be totally functional, and maybe even 6 more months for it to get certified. Interim, we'll operate it out of our Bangalore facility. And, so... just wanted to tell you that your question 1 and 2 are kind of interlinked. And, yeah, the two will be based on the one, and one will be based on the government. Okay.

Muralikrishnan D: Yes, and as we speak. So, we entered into missile subsystems and missile-related projects two years ago, and currently we are executing several development orders for missile electronics, missile electrical, as well as missile mechanical and system integration. Those development orders are being progressed at our Bangalore facility, and at appropriate times, we'll get into the production of the same.

Shankhini Saha: Thank you. We'll move on to the next participant asking a question. The next participant asking a question will be from the line of Prateek Shrivastava. Hi Prateek, you can go ahead and unmute your line and ask your questions please.

Prateek Shrivastava: Okay, great. Thanks, Dr. Sampath, for giving an opportunity. First of all, sir, I just want to sort of, again, go back on the EBITDA guidance that you're giving. Sir, Q2, your EBITDA before ESOP was 9.3%. Now, when you say this 15% to 16% mark, are you saying, is this, again, pre-ESOP, or post-ESOP guidance?

Dr. Sampath Ravi Narayanan: Post ESOP. I don't want to use the word guidance, but it's post-ESOP, what I'm giving you.. telling you. Post ESOP is our aim, basically. So, that is after... after deducting the ESOP.

Prateek Shrivastava: Got it, got it. Okay, so that's a good substantial jump from this thing to... even because I think your post-ESOP, this was... this year was much lower. Now, second question again is, sir, and then what was the end of the year guidance in terms of margin you gave?

Dr. Sampath Ravi Narayanan: Again, I don't want to use the word guidance, but we are looking at, again, our aim is for 20%, so it could go here. This is, again, post-ESOP, after deducting the ESOP. Okay.

Prateek Shrivastava: Got it. And, sir, on this Phase 2 divestment, right? Now, earlier, I think we were targeting by around November end, and now it's moved to Feb. So, sir, how confident are you for this Phase 2 divestment that it will be complete by Feb?

Shashidhar SK: Yeah. Yeah, so essentially, you know, the reason as to why it moved from November to February, as what Dr. SRN explained earlier, was mainly because of regulatory issues in terms of new company formation. As perhaps as what, you know, you would know, the way we declared it in the stock exchange, the engineering services business of aerospace is under a new co-structure, where the company will be forming new company, where the businesses, the employees, the contracts, everything will be transferred. And those entities have to be transferred, rather, I would say, have to set up globally, with, you know, and with MoD clearance in certain cases. All of that, you know, was something which, you know, kind of delayed it, and as a result of which, now the target is to achieve this on or before February.

And for your question as to whether we are confident about it, we are 100% confident about it, because the buyer is far, far more eager in terms of making this happen, because, you know, I would say there's a lot of contracts which are at stake in terms of we going together and synergizing it, and it's going to happen on or before February.

Shankhini Saha: Thanks Shashi. You can keep your hand raised to rejoin the question queue, and we'll definitely, you know, give you another chance if we have more time. We'll move on to the next participant asking a question. The next participant asking a question will be from the line of Jatin Jadhav. Hi Jatin, you can go ahead and unmute your line and ask your questions please.

Jatin Jadhav: Good evening to all. Most of my questions have been answered already. I just wanted to understand, when we get a TOT, let's say, from DRDO, sir, how long do we... how much time frame do we have to set up a manufacturing facility and then get into production and acquiring all the licenses? Or we have already done for all the projects we've gotten developmental orders or TOT for? That's my first question, sir.

Dr. Sampath Ravi Narayanan: Mani, Can you go through the TOT you have?

Manikandan C: Yes, sir. This is Mani. For the TOT, there are two types. The prototype, which we have done, for that, we are getting TOT, we have all the infrastructure, all the facilities, the required tools we have, and that immediately we can start the production. That also will help us to get even the export order. And the second part is, where are some new TOT related to, for example, laser. For that, we have set up the facilities, all the equipments are... we are getting in place. For that, it needs certification. That, we'll follow that. Currently, we are doing the POC for that. There are these two types of TOT.

Muralikrishnan D: Yes. So, as you're aware, AXISCADES has been working with the DRDO labs for several years. And we have developed certain technologies out of which we have got the TOTs. So that is where, you know, we have the process, people, capabilities, integration facilities, testing facilities, and all those things. So, projects or products like through-wall radar, ground penetration radar, direction finder, all those products are our products, we have developed, and we are in a very good shape to convert that into production. Whereas, we are aspiring to get into more strategic areas, and we are applying for those TOTs. And what Mani said is, we are establishing the production facilities, testing facilities, integration facilities for those new technologies.

Jatin Jadhav: Got it, sir. Thank you so much, that was reassuring. Just out of curiosity, I just wanted to understand, since we, you know, XiDA will be a big part of our growth, and as Dr. SRN mentioned, there are four pillars, and amongst them, one of them is the chillers for data centers. So, just out of curiosity, sir, as we're getting deeply entrenched into the missile ecosystem, the avionics, electronics, and so on and so forth, probably we can use that expertise of chillers for, let's say, for cryogenic chillers for, let's say, seekers, or something on those lines. Can that also technology be used for our...

Dr. Sampath Ravi Narayanan: Yes, Jatin, yes, Jatin, all the four, all the four, you are right. All the four, it's a quad use. All the four feed into each other, the technology base is common, everything has strategic electronics that stretches the electronics to the limits, everything has advanced software, onboard, real-time software. Everything has materials, and high-quality materials, whether it's space, or aerospace, or defence, or XiDA, which is semiconductor equipment. All the commonalities are mechanically, electrically, electronically, software-wise. They stretch the technology to the limit, and they are really deep tech, and some of the processes, technologies are the same. So, one will feed into another. We do cross-selling, we do cross, kind of pollinate. And, it's very possible, because when people visit us, even defence customers visit us, we show them XiDA and see what we are doing, so they get inspired, so they have some thought process. You are right, and we are doing that, and it helps us. Okay, thanks.

Shankhini Saha: Thanks, Dr. SRN, and thanks, Jatin, for your questions. You can keep your hand raised to join the follow-up queue. I will take the next question from participant Jatin Raghuwanshi. Hi Jatin, you can go ahead and unmute your line and ask your question.

Jatin Raghuwanshi: Hello, am I audible?

Shankhini Saha: Yes Jatin, go ahead.

Jatin Raghuwanshi: So, sir, my question is, like, our Phase 1 has been moved from end November to February, and at the same time, we are seeing, like, the part which we are selling to the Akkodis, EBITDA margin drop from 18% to the lower digit. What exactly went wrong? And because of this,

like, Is Akkodis have any right, like, in contract which allow them to cut price? And, like, for example, if this phase again slipped, so, how we are planning to fund that gap, like, you have told in past, like, there is no plan of equity raise, and our debt has already been gone up from 231 crore to 550 crores, so... That's my question.

Dr. Sampath Ravi Narayanan: Shashi?

Shashidhar SK: Yeah. You see, basically, as I explained earlier, 72% of the entire, you know, consideration is guaranteed. And, you know, irrespective of whatever, the consideration with respect to 1,000 post-tax, as I explained earlier, the total post-tax consideration..guaranteed consideration is 1,395 crores. And that will come... I'll also explain to you the phases at which it comes. We have already received 121 crores in October, we will receive another 32 crores in November, we'll receive 504 crores in February, we will receive 56 crores in July, and we'll receive 682 crores in December. So, and also, we'll record 1,100 crores extraordinary gain. So, with respect to the debt, as I explained earlier, you know, the net debt is around 525 crores. Mostly coming from the, you know, the Cloud Wave acquisition which happened in September, where we borrowed 200 crores, and since then, we have already repaid 85 crores. The rest of the, you know, I would say, debt will also be mostly repaid from the, you know, the divestment consideration as what I'm talking about.

To answer your question, irrespective... the reason as to why the Q2 numbers as to the divested business went down is because it was a combination of, you know, the appraisals and the increments which happened in the month of July, and also the fact that in Q2, there was a large-scale plant shutdown by Airbus, and there were people who, with the, you know, permission of Akkodis, we took on board, who are billable resources. And also, the ECL charge of around 3.7 crores, which we took. So all of this is something which is with the knowledge and consent of Akkodis. It's got absolutely no bearing with respect to the guaranteed earnout..guaranteed sum, as what I just now explained to you.

And at the same time, even with respect to the earn-out, they are based on EBITDA targets. And it is not that it's all or nothing. Every single, you know, I would say, in terms of the EBITDA targets as what we have taken, it is proportional. Around 550-odd crores is going to come from earn-out, essentially, and all of this is based not on FY27 numbers, but on the FY28 numbers. Whatever number we kind of record in FY27 has no bearing on the earn-out. The only thing is when the actual closure of this particular transaction takes place in February, when we become part of the new company with, you know, 51% being held by Akkodis and 49% by us, there is a particular EBITDA target which both of us are gunning in terms of the synergy of, you know, I would say business as what we get, and if at all... and there is a particular EBITDA target which we are targeting for FY28, and if it is proportional, it's about $18 million in terms of EBITDA. If it is only $15 million, we'll get the proportionate amount. It is not all or nothing.

Shankhini Saha: Thanks for your questions Jatin. We'll move on to the next participant asking a question. Our next participant asking a question will be from the line of Naman Saraf. Hi Naman, you can go ahead and unmute your line and ask your question.

Naman Saraf: Hello, good afternoon. Now, you've made it clear that the FY27 guidance will be more or less, you know, met at a reasonable level. And I also acknowledge that you're running a marathon, not a sprint. That being said, the margins which you outlined as FY27 guidance, will

those be kept, you know, reasonably, if not exact? And the second part of this is, what will be the major choke points to achieve or not achieve those targets? Thank you.

Dr. Sampath Ravi Narayanan: Can I get the first question right? I was not able to hear it properly, Naman.

Naman Saraf: I said, the guidance of year-ending 27, you mentioned earlier that the revenue will be more or less met. But what about the other, EBITDA and PAT margins which were outlined for the year-end?

Dr. Sampath Ravi Narayanan: Okay, EBITDA, see, the revenue, the EBITDA, we are trying to have the three components under control. COGS will be under our control, which will do cost of goods. More or less, we are trying to improvise, so things should improve from Q1 and Q2. Employee cost is going to be either same or less. We are maintaining about 48 crores the next two quarters for employee cost, around 48, approximately 48 and 54 in that band. It won't be increased, it is either going to be less or equal, as before. So we are not adding to the employee cost.

Other cost is reducing, because we had a hike in the other costs, especially because we moved to the new facility to Devanahalli. Majority of our people moved, about 500 people, so their conveyance, canteen, and other things added to the other cost. That is also stabilized or going to be reduced. Just give an example: transportation per employee, we had 27,000 rupees for Devanahalli in the last quarter. Now it has been brought down to 22,000 rupees, saving about a few crores. So basically, we are trying to work on the other costs. Other costs, employee cost, and COGS will be under control.

What we don't have control is the transactional costs, and legal costs, and acquiring costs, and those kind of things. So we need to factor those things in. And regarding the... so we don't see any major surprises in that, but also the ESOP cost. ESOP cost... So that's a issue which we are trying to see how we can control the ESOP cost, because the number of shares issued, all these things are almost agreed upon with the people, so how do we package it, and when is the vesting conditions, and these kind of things that will determine. So, this is another variable, which is not under our control, we are working hard to keep that. That'll affect the EBITDA.

And, regarding the PAT, it's a below-the-line EBITDA items, treasury cost and transactional cost, treasury costs and financial costs. We are very conscious now, our new CFO, Uttam is entrusted with keeping it under check and control. I think he should be... with his experience, he should be able to lead that. We are fairly confident there is no unforeseen, but with what could go wrong, supply chain delays are happening worldwide, and especially with the components, and it is happening in XiDA, and defence, but we are trying to stock as much as possible, do it in advance. Sometimes we may have to pay a premium. That'll affect the COGS cost and the margin, but not to a great extent, so we have to give plus minus 2% because of that. That is one issue we are facing. And, yeah, so that is the only thing that may affect, as I say. You said any bottleneck, that would be probably the supply chain is a bottleneck in electronics, especially strategic electronics in XiDA we see. So, does it answer my... your question or not?

Naman Saraf: If I may, according to your guidance, the next two quarters need approximately 500 crores of revenue, right? About 12% PAT. At the end of the day, is that achievable?

Dr. Sampath Ravi Narayanan: I have not calculated the PAT. EBITDA, I've told you. So, EBITDA point of view, I'm very confident, okay? PAT, I've not taken, because we don't know the... cost, other costs. We have not, because we moved into the new facility, depreciation, all these things have to be calculated. So, interest cost, so, I honestly have not done any major homework on that. But EBITDA, yes, we are working.

Shankhini Saha: Thanks, Dr. SRN, and thanks for your questions. We'll take the last question from our next participant from the line of Karan Kubadia. Hi Karan, you can go ahead and unmute your line and ask your question.
Hi Karan, would you like to unmute your line and ask your question? We'll move on to the next participant. We'll take the next follow-up question from the line of Abhijeet Singh. Hi Abhijeet, you can go ahead and ask your follow-up question.

Abhijeet Singh: Thank you for the opportunity again. Sir, one question is on your guidance of revenue in H2. Can you..Could you break that up into defence, aerospace, and XiDA? So you said about 6 to 7.2 billion revenue in H2. One, I want to know the breakup sir, and the other thing is that this revenue that you are guiding for H2 is coming from the existing businesses and not from anything that you will acquire in the future. Is that correct assumption?

Dr. Sampath Ravi Narayanan: Yeah, yeah, yeah, yeah, you are correct on this. See, we are, current order book, based on the order book I'm saying, it's not a delivery, it is not even a guidance. Based on the current order book, we are aiming to do about 270 crores in DRDO. 120 in Q3, and 150 in Q4. In MoD direct businesses, we are aiming to do about 45 crores this quarter, and about 60 crores next quarter, based on MoD business. And in the... this quarter is, almost, that's Q3. It's achievable, 45. Next quarter, that is 30 plus 30, depends on the supply chain issues, okay? So, give or take, there could be something.

XiDA, we are aiming to close around 75 to 80 crores this quarter, 81 crores this quarter. Could be anywhere. And probably 90 to 105 in the next quarter. And aerospace, 51 crores this quarter and 75 next quarter. Aerospace will be more or less intact. There won't be a margin of error. Not much. And XiDA, as I said, I give a band. So this is our approximate thinking. So this Q3, if you look at it, our aim is about 300 plus minus 15, plus not plus, minus 15, so 285 to 300 will be my band. And in Q4, it'll be around the... roughly around same. 3... maybe 3... 375 to around 405 or something. It's the band. Does it explain, to you Abhijeet? Okay, thanks.

Shankhini Saha: Dr. SRN, we can do a follow-up with Abhijeet in a later setting, just looking at the time. We'll be wrapping up this earnings call this evening now. A big thank you to all our participants for sharing their time with us and being part of the AXISCADES journey. Thank you to Dr. SRN and the management team. To all our participants, once again, please do share your follow-up questions with us in writing on the email ID on the last page of the investor deck, axiscades@dickensonworld.com. And we'll ensure your questions are answered to your satisfaction. So once again, thank you all for joining us today, and we can now disconnect our lines. Thank you very much.

Dr. Sampath Ravi Narayanan: Thank you..to all... to all the participants, and all the investors, and analysts and friends, thank you very much.

Shankhini Saha: Thank you, cheers, bye-bye.