SECRETARIAL DEPARTMENT
Jekegram, Pokhran Road No.1, Thane (W)-400 606
Maharashtra, India
CIN No.: L17117MH1925PLC001208
Tel: (91-22) 4036 7000 / 6152 7000
Fax: (91-22) 2541 2805
www.raymond.in

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February 2, 2026

To

The Department of Corporate Services - CRD
BSE Limited
P.J. Towers, Dalal Street
Mumbai - 400 001
Scrip Code: 500330

The National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Bandra-Kurla Complex
Bandra (East), Mumbai - 400051
Symbol: RAYMOND

Dear Sir/Madam,

Sub.: Intimation pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 –Conference Call Transcript

Please find enclosed transcript of the conference call held on January 27, 2026, with respect to the financial results of Raymond Limited for the quarter and nine months ended December 31, 2025.

The transcript has also been uploaded on the Company's website (www.raymond.in)

This is for your information and records.

Thanking you.

Yours faithfully,
For Raymond Limited

Rakesh Muljibhai Darji
Digitally signed by Rakesh Muljibhai Darji
Date: 2026.02.02 18:40:45 +05'30'

Rakesh Darji
Company Secretary

Encl.: as above

REGISTERED OFFICE
Plot No. 156/H No. 2, Village Zadgaon,
Ratnagiri - 415 612, Maharashtra
Tel: (02352) 232514
Fax: (02352) 232513

"Raymond Limited
Q3 FY26 & 9M FY26 Earnings Conference Call"
January 27, 2026

MANAGEMENT:	**MR. S. L. POKHARNA – PRESIDENT, CORPORATE COMMERCIAL (SPECIAL INVITEE)** **MR. RAKESH TIWARY – GROUP CHIEF FINANCIAL OFFICER** **MR. GAUTAM MAINI – MD, ENGINEERING BUSINESS** **MR. NAVIN SHARMA – CFO, ENGINEERING BUSINESS** **MR. SUNNY DESA – HEAD, INVESTOR RELATIONS**
MODERATOR:	**MR. MANISH VALECHA – ANAND RATHI SHARE AND STOCK BROKERS LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the Raymond Limited Q3 FY26 & 9M FY26 Earnings Conference Call hosted by Anand Rathi Share and Stock Brokers Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchstone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Manish Valecha from Anand Rathi Share and Stock Brokers Limited. Thank you, and over to you.

Manish Valecha: Thank you. I would like to welcome all the participants in Q3 FY26 and 9M FY26 Conference Call of Raymond Limited. Today, we have with us from the senior management of Raymond Limited, Mr. S. L. Pokharna, who is the President, Corporate Commercial. He's a Special Invitee; Mr. Rakesh Tiwari, Group Chief Financial Officer; Mr. Gautam Maini, MD, Engineering Business; Mr. Navin Sharma, CFO, Engineering Business; and Mr. Sunny Desa, Head, Investor Relations.

Without taking further time, I would like to hand over the call to Mr. Gautam Maini. Over to you, Gautam.

Gautam Maini: Thank you, Manish. Good evening, everyone. Thank you for joining us today for our Q3 FY '26 results conference call. On behalf of the entire management team, I would like to take a moment to wish you all a very Happy Republic Day. We hope you had a meaningful and inspiring celebration. May the spirit of unity and patriotism continue to guide us as we work towards a brighter and more prosperous future.

I hope everyone can hear us. I can hear a sort of a buzz at the background. So, I hope I'm audible. Can you just confirm that?

Moderator: Yes, sir, you are audible.

Gautam Maini: Yes, there's a lot of buzz in the background, so I just hope I'm audible. That's all. Wishing you and your families continued peace, progress and pride in our great nation. Jai Hind. I hope everyone has had an opportunity to go through our financial results and Investor Presentation, which have been uploaded on the Stock Exchanges as well as on the company's website.

Moving ahead, let me start by talking about the broader macroeconomic landscape that has influenced our performance and strategic decisions. India's economy continued to demonstrate resilience in Q3 of FY '26, with GDP growth now estimated at 7.3% for the full fiscal year, up from earlier projections of 6.8%. This upward revision reflects a better-than-expected outturn in the third quarter, driven by robust domestic consumption, structural policy reforms and strong industrial activity.

The manufacturing PMI remained elevated, averaging around 56.9 indicating sustained expansion in factory output and healthy demand conditions. The automotive sector posted a record-setting quarter with festive season tailwinds, GST 2.0 benefits and the rural economy refueling double-digit growth in 2-wheelers, commercial vehicles and a sharp rebound in passenger vehicles. Export momentum remains strong, particularly in 3-wheelers and passenger vehicles despite ongoing challenges from U.S. tariffs.

The aerospace sector also maintained its growth trajectory, supported by defense-led demand, localization efforts and increased sourcing from Indian suppliers by global OEMs such as Airbus and Boeing. These OEMs ramped up aircraft deliveries amid easing of supply chain constraints.

While inflationary pressures in key materials like Inconel persisted, geopolitical tensions added uncertainty, India's aerospace and manufacturing base remains stable and increasingly strategic. Overall, Q3 FY '26 underscored India's growing role in global supply chains and its emergence as a hub for precision manufacturing and export-led growth.

We'll come to the performance. Raymond Limited continued its growth momentum, delivering -- and delivered a robust quarterly performance, reporting a total income of INR 580 crores, reflecting an 18% increase compared to the same quarter of the previous year, while EBITDA stood at INR 83 crores and an EBITDA margin of 14.3% in Q3 FY '26 versus a total income of INR 493 crores in Q3 FY '25, delivering an EBITDA of INR 65 crores, with an EBITDA margin of 13.3% in Q3 of FY '25.

Building on previous momentum, our performance this quarter continues to be anchored by Aerospace & Defense and Precision Technology & Auto Components divisions. This reflects the deepening integration of Indian suppliers into the global high-tech value supply chain. We are seeing a sustained trend of domestic vendors transitioning into production of sophisticated subsystems and complex precision components, which has maintained a robust order pipeline for OEM, Tier 1 and Tier 2 export partners.

During the 9-month period, total income stood at INR 1,699 crores in 9 months FY '26, which is a 13% year-on-year growth from INR 1,504 crores in the 9 months of FY '25. EBITDA stood at INR 250 crores in 9 months of FY '26 compared to INR 237 crores in 9 months of FY '25. The EBITDA margin stood at 14.7% in the 9 months of FY '26 versus 15.8% in 9 months of FY '25.

While operational performance remains strong, EBITDA margins faced temporary pressure due to a reduction in non-operating income. Going forward, we continue to remain optimistic about the future growth trajectory given our expansion strategy in new product categories and new geographies.

Let's come to the segmental performance, and we'll take the Aerospace business first, which is short formed as JKMGAL, which is JK Maini Global Aerospace Limited. At the segment level, the Aerospace & Defense business reported robust performance with a revenue of INR 105 crores, indicating a 49% year-on-year growth and an EBITDA of INR 19 crores, indicating a 39% year-on-year growth and an EBITDA margin of 18.6% in Q3 of FY '26 versus revenue of INR 70 crores and an EBITDA of INR 14 crores with an EBITDA margin of 19.8% in Q3 FY '25.

In the 9 months of FY '26, this segment generated INR 273 crores in revenue, up 34% year-on-year growth from INR 204 crores in the 9 months of FY '25. EBITDA also grew by 34% year-on-year, reaching INR 57 crores compared to INR 43 crores in 9 months of FY '25. The EBITDA margin stood at 20.9% in 9 months FY '26 versus 20.8% in 9 months FY '25.

This performance was anchored by two strategic factors, which increased production requirements from a leading OEM and Tier 1 and the product portfolio expansion. The current demand environment remains favorable, providing a stable foundation for future expansion. This is evidenced by a steady increase in the request for quotations and active exploration of new collaborative ventures with global partners.

While internal growth indicators remain strong, the near-term outlook is currently influenced by external macroeconomic factors, specifically global trade pressures spreading from U.S. tariffs. These have introduced some logistical complexities and results in some temporary scheduling delays across the industry.

Let's go on to the Precision Technology & Auto Components business, which is short form JKMPTL and stands for JK Maini Precision Technology Limited. At the segment level here, the Precision Technology & Automotive Components reported a revenue of INR 417 crores, which is up 15% year-on-year growth, with an EBITDA of INR 57 crores with a growth of 51% year-on-year growth and an EBITDA margin of 13.7% in Q3 FY '26 versus revenue of INR 363 crores with an EBITDA of INR 38 crores and an EBITDA margin of 10.4% in Q3 FY '25.

In the 9 months FY '26, this segment generated INR 1,225 crores in revenue, up 12% year-on-year growth from INR 1,091 crores in 9 months of FY '25. EBITDA also grew by 38% year-on-year, reaching INR 156 crores compared to INR 113 crores in 9 months of FY '25.

The EBITDA margin stood at 12.7% in the 9 months of FY '26 compared with 10.4% in the 9 months of FY '25. The EBITDA margin improvement was on account of higher sales volumes, favorable product mix and includes a onetime gain of INR 13 crores from the land sale in Q2 of FY '26.

We continue with our strategy to expand into new international geographies and industrial sectors. We are observing business momentum across domestic and international markets supported by China Plus One strategy, integration synergies and focused operational efficiencies across all segments.

Let's talk about the debt and cash position at Raymond Limited. We continue to remain a debt-free business with a net cash surplus of INR 214 crores in December 2025. Looking ahead, Raymond is well positioned to sustain its growth trajectory in Q4 of FY '26, building on the strong foundation laid in previous quarters.

We anticipate continued momentum in global customer onboarding with several strategic programs progressing from RFQ to contract finalization. Successful audit outcomes, consistent FAIR, which is the new product development approvals, have reinforced Raymond's reputation as a reliable and quality-driven partner in the aerospace and precision engineering sectors.

To meet rising international demand, Raymond is actively expanding its manufacturing footprint. The commissioning of advanced machinery, including high-precision multi-access machines, like the GROB machines, is enhancing production capability and enabling the company to take on more complex high-value projects. These investments are also supporting faster turnaround times and improved quality assurance, critical for Aerospace & Defense customers.

The business is witnessing a surge in RFQ activity, particularly in aero engines, landing gears and structural component segments. This is complemented by growing interest from global OEMs and Tier 1 suppliers who are increasingly looking to India for supply chain diversification. Raymond is capitalizing on this trend by entering multiyear strategic supplier agreements that go beyond build-to-print, encompassing co-design and value engineering collaborations.

With a strong order pipeline, robust operational readiness and a clear focus on innovation and customer engagement, Raymond is poised for a strong finish to FY '26. The company remains committed to scaling exports, deepening global partnerships and reinforcing its position as a trusted position manufacturing hub.

Thank you again for joining our call, and we'll be happy to take your questions. We may now open the line for questions.

Moderator: The first question is from the line of Balasubramanian from Arihant Capital.

Balasubramanian: Sir, my first question, our 60 percentage of Aerospace business comes from Europe and 30 percentage of Auto & Precision Technologies business comes from Europe. I think currently, Europe and India, some of the deals are in advanced stages. They are talking about mother of all trade deals. So, like, I just want to understand how we are benefiting for upcoming deals.

Gautam Maini: Yes, sure. So, we are in strategic -- obviously, we can't take names, but we are in strategic discussions with several of our customers in different spheres. We are leading on the engine segment area. So, we have several customers there we are discussing with. We're looking at large strategic play with them.

But obviously, Aerospace is a very long-term business, with agreements ranging from 5 years to 10-year contracts. These also take a long time to fructify. So, there's a lot in the pipeline, but we can see that the pipeline has increased. The number of discussions has increased. And therefore, we see a good strategy ahead of us to conclude long-term deals.

Balasubramanian: Okay, sir. Sir, I need to understand about our expansion as well as working capital side. I think we are talking about INR 100 crore annual capex for Aerospace as well as INR100 crore annual capex for Auto & Precision Technologies.

How the funds will be deployed, like especially capacity expansion or replacement or capability enhancements? How do you understand the expansion side? And if you could elaborate more on working capital side for Aerospace and Auto & Precision Technologies in detail?

Gautam Maini: Yes. I mean, in the end, you have a lot of opportunity, and the investments obviously depend on the opportunities that you see. So, it is always going to be a combination of investments. It's never going to be one. One will be to enhance our future ability to get more complex parts.

There are expansion plans for which you need investments. There is maintenance capex because you already have a lot of machines that are there. You have to upgrade your IT software, etcetera. We're also looking for an expansion process where we need to create more facilities.

So I would say it's a combination of everything. It's not any one thing. Obviously, where we spend and how much we spend will ultimately again depend on which contracts we finally get. But yes, there -- we are hopeful that there is a pipeline, and therefore, we will be able to grow the business with those investments. So we are generating enough cash. Debt and other options are also there. So therefore, we will be able to fund ourselves.

Balasubramanian: Sir, on the working capital side, sir?

Gautam Maini: Yes. I'll ask Navin to address the working capital, our CFO.

Navin Sharma: In terms of working capital also, well, we are making a decent amount of free cash flow, which shall be able to fund our working capital. And then, of course, because we are export-oriented business, so there are packaging credit lines which are available, which shall be able to help us. And as the operating leverage increases, we are also seeing impact of working capital cycle getting reduced.

Balasubramanian: Okay, sir. Sir, my last question, I think our Aerospace U.S. share is 21% and the Precision Technology & Auto Component side, 10% of U.S. share. How this, like, U.S. part is hurting us in terms of margins? And how do you look at the business next -- over the medium-term time frame? And secondly, sir, exceptional item of INR 14 crores, it's related to labor code implementations?

Gautam Maini: So, let me get you the first thing on margin. So clearly, you saw the margins significantly improve on the Automotive and Precision Technology. Clearly, we are improving those margins. There's a lot of activity going on efficiencies. There's a lot of activity going on synergies between the companies, which we put together. And therefore, you will continuously see that trend that you've seen. So that is one side of the story which you asked.

In terms of Aerospace, we are growing at a very fast pace, and we're doing a lot of new product development. So there's not -- there's no percentage margin expansion, but the EBITDAs are increasing significantly simply because we are growing the top line very high, and we write off all development work done on these new products.

So in terms of efficiency and margin expansion, I would say both Automotive and Aerospace are on a very good track, and there is momentum building up after the companies have now come together.

The teams have been formed and therefore -- and we've adopted like SAP HANA is coming into play. So all the systems and the hard work that we did over the last 1, 1.5 years are slowly playing out and helping us to increase these margins. On the second aspect, I'll have Navin answer that.

Navin Sharma: Yes. That INR14 crores, yes, that's on account of labor code-related onetime impact that we had.

Moderator: The next question is from the line of Vishal Prasad from VP Capital.

Vishal Prasad: Gautam, I have a few questions. I still remember when I first saw Reva, I thought it was a very small car and it may not be comfortable at all. What I didn't realize was that Reva was always ahead of its time. Now this time around, our Aerospace business is at the right place at the right time. What baffles me is that there was a very roaring bull market going on, and companies without much capability were listing at exorbitant valuations.

If it was the fund you needed for self or business, listing the company would have provided whatever cash was required for you or the company, yet you decided to sell it, majority stake at a 10x valuation. So, could you share your thought process behind not going the IPO way and rather choosing to sell your crown jewel to another company?

Gautam Maini: Yes. Okay. So yes, you're right. We've always been ahead of time, whether it was Reva or Aerospace, we have been first movers. Maybe in Reva, we were too early. But in Aerospace, also, it's working to our advantage now. We were very early. We are 22 years in the business now. Of course, we built it step by step.

Coming to the question you had is that we had a time line to exit some of our existing shareholders. And at that time, the market wasn't really at the perfect time. And I felt that now a partnership with a larger company could give us that same growth before we find the right time to list.

So as far as I'm concerned, the goal is to build a very strong company with very strong credentials and growth and a strong partnership, which we can take it to the next level. And then whenever the time is right, we would come to the market.

So, I don't see an issue with that. And I think that we'll probably come up even stronger because of our -- the way we are growing and the way the markets are, I'm hoping that we'll come out even stronger.

Vishal Prasad: Right. So I'm sure you -- I'm sure many would have come forward to partner with you, but still you choose Raymond to partner with. So, what was the thought behind partnering with Raymond?

Gautam Maini: Well, I mean, there were a lot of options on the table, and we felt that there was a complementing partnership with Raymond. And in any partnership, the 2 partners should complement each other. We, at Maini, have brought a complete frugal approach of how to build businesses from scratch. We built Aerospace from zero.

So we have an experience of frugal engineering, how to build the companies, how to grow in the global scale. We have relationships with 25 different OEMs all across the world. So we've built a very strong base, which we are very good at doing.

Raymond brought us the bandwidth that we didn't have of understanding listed markets, understanding mergers and acquisitions and seeing how we can actually scale the business. So in that sense, it was a good partnership approach where I continue to be the Managing Director to run the business, with all the strengths of a smaller company, but with a vision of a large company. So I'm sure something big can come out of that.

Jatin Khanna: This is Jatin Khanna from Raymond. So there are lots of considerations which go behind the transaction. I don't think so this is the right forum to get into why we did what we did. There are lots of reasons why -- what Gautam Maini did, lots of reasons why what Raymond did. Obviously, what we bring to the table clearly is a much larger scale possible for this business. And those are the kind of conversations we are having at this stage.

There are lots of doors that have opened for the Aerospace business ever since Raymond stepped into it. You will see the fruits of those doors that have been opened over a period of time because fortunately or unfortunately, in engineering business, nothing happens from today to tomorrow. As we see 3- to 5-year journey, we feel very confident about this business prospects.

So I think at this stage, we should leave it at that. If you have any specific question, we can do it separately.

Vishal Prasad: Sure. So one final question. So I went through all the transcript that you have of the calls as well as the Investor Days that we have done. And there were different figures about how much is the kit value that goes into each of the aircraft. And it ranges between $20,000 to $35,000. So on an average, if I have to look at the kit value, could you please help me with that? Is it $35,000? It is $20,000? Or something else?

Gautam Maini: Well, it changes every day. We are developing more than one new part every day, right? So if you have to have a static information, it's going to be a moving target, right, because every quarter, we would add several products to that game.

So, at the moment, it's -- you can say that on an estimate, it's about 0.2% to 0.3%, right, but closer to maybe $35,000, if you look at. But that's in one case, right? We have so many customers in so many places and so many part numbers.

Aerospace business is not -- it's a low volume, high mix business. So, the ability to transform that business is how many new parts you can make, how you can scale that business. And that's what we are trying to do, is to be the market leaders in the number of parts we make and how to transit that and get more business opportunities for ourselves.

I hope that I could have answered your question. So, since the share is extremely low, the opportunity is obviously large, just to conclude.

Vishal Prasad: Right. So, this is going to increase with time. In 5 years, can we double the size of whatever we are supplying to -- I mean, in each aircraft? Is that the way to look at it?

Gautam Maini: It can be anything because it depends -- in the end, it depends on how you can make parts and how you can develop. But yes, there's a huge opportunity, a huge potential, and it's up to us to make full use of that potential.

Moderator: We have the next question from the line of Sanjeev Zarbade from Antique Stock Broking.

Sanjeev Zarbade: Yes. Sir, am I audible?

Gautam Maini: Yes.

Sanjeev Zarbade: Much improved operating performance this time. Congratulations to the team. Sir, if you could elaborate on the production ramp-ups at key OEMs, Aerospace OEMs and Tier 1 customers that we are actually witnessing and what could be the potential from here? How should we read that?

Gautam Maini: Yes. I mean things have been improving globally. Boeing is back, and they are producing at very high levels. So, I think the trend is very good, although we've still not reached pre-COVID levels, so which means the potential is even higher. Clearly, the supply chains are getting better.

And therefore, the opportunities are improving because as the inventory is being eaten up, the opportunities are opening up. We are seeing also the same effect of schedule changes where we suddenly get increased schedules because the inventories are starting to get depleted.

So, I would generally say that inventories are much lower. Production is much higher at the OEMs. And this gives us huge opportunities to get more market share and to be able to deliver if we are ready. And therefore, if you have all the raw material and you can turn around the production, which is what we are trying to invest for, then you can take advantage of the current situation and grow faster.

Sanjeev Zarbade: Right, sir. And I believe we have taken some additional expenditure this time to ramp up production in the Aerospace division. And would we need to take further expenditure in the coming quarters as the demand ramps up?

Gautam Maini: Yes. I mean we will continue to invest as the demand increases. We have a very good visibility because we have a very strong pipeline, and we have a lot of FAIs, which is the new product development in our pipeline. So depending on the speed at which we are developing these new products, we almost on a monthly basis, see what kind of capacities we need, and we plan for those capacities.

So this is an ever-changing game, and one has to be dynamic about it and make sure that you're continuously ready to invest in the right equipment and machines and people in a very frugal and in a quick manner to take advantage of the changing situation.

Because in the end, if there is an engine to be made, there are thousands of parts that go into the engine. Even if one part doesn't reach, the customer can't assemble the engine. So there's always that opportunity that in an emergency, the customer could come to you saying that the other supplier hasn't supplied, can you supply? So if you're ever ready, your chance of gaining market share temporarily and permanently growing the business is much higher, and that's the position we want to be in.

Sanjeev Zarbade: Right, sir. And just one or two more questions. Are we seeing any increase in prices of materials like Inconel and aluminum because of the rising demand from the Aerospace sector? And how do we plan to manage that?

Gautam Maini: Well, there is first of all, in all of our contracts, the materials are written by the customer contracts, so which means if Inconel goes up, the prices go up, if Inconel goes down, the prices will go down. Having said that, there is a pressure to localize materials, which will then ultimately come to a lower level in the long run.

That will put India on a more competitive edge. It may be a 2-year landscape, but which means that the competitive landscape will only get better for India as a country. Until then as a customer, we really don't see any issue on the material because it is either paid, and if it goes down, we have to pass it back. So, it's a complete passthrough both ways.

Sanjeev Zarbade: Yes. Sir, just last one question from my side. Where do you see the potential EBITDA margins in these two divisions, Auto and Aerospace? We've done around 14% EBITDA margin in Auto now and around 18% to 20% in Aerospace. Where do you see the margins of these two divisions in the next 2 to 3 years potentially?

Gautam Maini: Well, I think there is definitely a margin expansion happening due to efficiencies, which will show up. So, I think in the Aero, we could look at 23% to 25% in the long run. And in Auto, we would definitely break the 15% barrier and aim towards a higher rate on a yearly basis.

So, I think in both areas, we will see margin expansion due to all the activities that we have done in the last year, 1.5 years, taking advantage of all the synergies, taking advantage of scale, taking advantage of operating benefits and improving efficiency and improving cost.

Moderator: We have the next question from the line of Rupesh Tatiya from Long Equity Partners.

Rupesh Tatiya: Congratulations on a fantastic set of numbers. My first question, sir, on Aerospace is -- I mean, there was a fantastic growth in this quarter. So, what led to this growth? And is it sustainable? Can we assume this is now the run rate going forward because Aerospace business generally doesn't fluctuate much?

Gautam Maini: No, you're absolutely right. These are all 5-year contracts, 10-year contracts, long-term businesses. And the fact that you develop new products on a daily basis, the fact that you increase your market share from 35% to 65% when you do a good job, so all of these are working in our favor. And the overall market is also growing as well as there are issues with the supply chains in Europe and in the U.S.

The China Plus One is playing out. So I would say, overall, the environment is very good for the growth of aerospace business, and it's up to us to make sure that we take full advantage of it. So we will definitely have to keep a robust trend. The opportunity is there, and we believe we will deliver. The results that are being shown will continue to be in a positive direction.

Rupesh Tatiya: Okay. And second question, sir, is this LEAP engine, whatever parts you supply for the LEAP engines, I mean, what kind of market share do we have in the parts that we supply?

Gautam Maini: So just to give you an example, when we start off, you start off with normally a 35% market share because the customer wants to test you. They want to see if your quality is good. They want to see if you're reliable, you have a 100% delivery on-time status. And then they generally move you to a 65% market share.

So over a period of time, more than 50% of our parts have already moved to a 65% market share, which shows that the customer is happy with us. They've increased market share, etcetera. And that comes over a period of time.

And I think the expertise over the last many years shows us that if you do a good job, you simply get higher market shares, you get more business, you get more RFQ pipeline. So this is a business where you have to show performance, and that's what we need to keep doing month after month.

Rupesh Tatiya: Okay. And at what rate LEAP engine production is growing? I read some media articles, number vary between 15% to 20%, but that is a fair, let's say, inference that LEAP engine production, 1A, 1B,1C is growing at 15%, 20%?

Gautam Maini: Yes. I think they're growing at 15% to 20%, what is important is that, you see the LEAP engine, let's talk about 1A. The LEAP-1A is directly linked to the Airbus programs. That's why it's called 1A, right?

So Airbus 320neo and certain other programs are now introducing that. So you can directly link it with the number of those aircraft, that's going up, which you can see with Airbus. The Boeing 737 MAX uses 100% of LEAP-1B. So every plane that Boeing 737 MAX sells, you have 2 engines of LEAP on it. So there's a direct correlation to the growth in the number of engines.

So I would say while LEAP-1A is growing between 10% to 15%, LEAP-1B is growing between 15% to 20% because Boeing has recovered now to almost a run rate of 42 right now. So that is helping the LEAP-1B. While there are many common parts on LEAP-1A and 1B, there are also certain specific parts. So we get the benefit of being on both those engines.

Rupesh Tatiya: Okay. And can you talk about some opportunities outside of LEAP engine program? Anything that can become like INR 100 crores to INR 100 crores kind of revenue source for us in medium term?

Gautam Maini: Well, I can't name them, but clearly, we are discussing those opportunities. Like I said, we have 5 to 6 strategic partners on the engine side, and we have approvals from them. So therefore, those discussions will carry on. Like I said, Aerospace takes time. A lot of things we did 2 years ago are bearing results now. So therefore, a lot of things we did 1 year ago still needs to bear results.

So it's a continuous process, and one must be invested in the process in the long term and in those relationships. And I'm sure you will see that those will pan out over a period of time. So all I can say is that we are very much invested in those relationships. We are invested in those strategic discussions. And things are really going in the right direction for us.

Rupesh Tatiya: Okay. Okay. And then my final question is, I mean, Raymond Group has done a great job in value unlocking. I think Jatin also is on the call and you also, Gautam. So any time lines that we can pencil in for value unlocking in the current Raymond Limited? When can we see the Aerospace business listed separately? When can we see the automotive parts business listed separately? Any time lines you have in mind?

Gautam Maini: Jatin, do you want to take this question? Jatin, are you there?

Jatin Khanna: Yes, I'm there. Can I be heard?

Gautam Maini: Yes, you can be heard.

Jatin Khanna: Okay, okay. Yes, I'm saying that -- so it's a bit premature at this stage to talk about unlocking these two businesses because both of them have to get to the right scale before we think of unlocking. But clearly, it's something which is very much we've demonstrated and delivered in the past. So to that extent, even you should be rest assured that at the right time, this will get done. And we are currently in the build-out phase, so have some more patience, is all I can say at this stage.

Rupesh Tatiya: But what are the milestones? Can you give me like top 2 milestones in both the businesses that you are looking to achieve before value unlocking?

Jatin Khanna: No, I'll tell you, there are a bunch of things you have to be very clear on. I mean, I think the first thing to my mind is that this whole tariff thing, uncertainty, etcetera, which has -- all of this has to settle down. Businesses have to stabilize because at this stage, business performance tends to be volatile in this ever-changing environment. I guess that's sort of one, to my mind, which is very critical.

The second milestone to my mind which is critical is that we have to realize the benefits from Andhra because that investment that we are making, that has significant cost advantage that brings to us. Now whether we pocket that cost advantage into margin expansion or we use that to build more business, so that's another big lever of growth that is available for the business for the future. I guess some of that -- so that's there. Then obviously, there has to be a critical scale of EBITDA and some of those things.

So I mean, it will be too premature at this stage if I get into specifics. So bear with us for a while. I mean we know that this is something which -- we've done it before. So needless to say, it will happen at the right time again.

Moderator: We have the next question from the line of Kaushal Sharma from Equinox Capital Venture Private Limited.

Kaushal Sharma: So, my question is on your capex, like we are making a huge investment in Andhra around INR 1,000 crores. So what will be split of this capex across our key segments and our asset and our revenue potential out of it? And how long will it take to operationalize going ahead?

Gautam Maini: Yes. So basically, obviously, we are trying to grow, like Jatin mentioned, the Andhra Pradesh story. Over the next 5 years, basically, we are looking at about INR 500 crores in Aero and about INR 430 crores in Auto. So that's over a 5-year period. Clearly, like Jatin said, we're going to expand.

We are going to grow in these areas. It's a good cost base for us. So we will -- we are looking at more positive business coming into these areas and much more strategic levels of both size and types. So therefore, we are engaged in many conversations, and we hope that we'll be able to make a successful business there.

Kaushal Sharma: And sir, what is the current existing revenue potential from your existing capacity in both the key segments? And what is capacity utilization in both the segments?

Gautam Maini: So basically, capacity utilization varies from plant to plant. We built a new plant in Sinnar in January. We have space there. So that will be filled up. We have some capacity available in different plants. So we are optimizing capacity and building capacity as we speak. The goal is that by the time we use up our capacity, we are able to have Andhra ready. So we work backwards from there to make sure that our growth doesn't slow down nor does it stop, but in fact, can increase. So to that...

Moderator: Sorry to interrupt in between. Your voice is breaking.

Gautam Maini: Okay. So can you hear us now?

Moderator: Yes, sir.

Gautam Maini: Okay. So basically, I guess I would have answered your question.

Kaushal Sharma: Yes, sir. And my last question is on your Aerospace side, like how much -- like we are making a very complex engine parts. So how much -- account does it contribute in overall engine cost? And are we planning to launch further products which contribute higher cost in this area? And what is the overall time?

Gautam Maini: So you have to understand, we make parts for -- although we make a lot of parts for the LEAP engine, but we are probably on at least 15 different engine programs. So the sizes vary, the types vary. They are from large engines to small engines. We are on several platforms. We want to make sure that we are on most platforms.

So, whichever aircraft sells and their engine sells, we need to be on that platform. So we have two, three attempts. One is continuously increase the number of parts that we have per platform. And secondly, increase the percentage of market share from our side.

So these are the two things that we will aim to do. And while we have a very diversified portfolio, it helps us to neutralize the market in many ways because if certain large engines suddenly have a boom or a large order, we are part of that. And as long as every part of the aircraft engines is growing, we grow with them. So goal is to be on several different engines, but focus also on the high-volume engines like the LEAP program and the GTF.

Kaushal Sharma: So sir, you said, is it 15% of overall engine cost, that it contributes?

Gautam Maini: No, no. We are hardly 0.1% to 0.3%. So that gives us massive potential. We are a very small part of that engine.

Kaushal Sharma: Okay. And sir, could you please explain the receivable and inventory cycle in both the segments? What is the sustainable levels like receivable days and inventory days in both the Auto and our Aerospace segment?

Gautam Maini: I'll give you the concept and maybe Navin can give you some exact information, whatever is possible. But at a conceptual level, you have to understand in the Aerospace business, the raw material is the biggest concern because you do not get raw material at short notice, and all the mills have very long lead times.

So if you don't have a very good planning cycle, if you don't have raw material inventory, then it becomes difficult to grow the Aerospace business when an opportunity comes by, and we've seen many of those come by.

So the first thing is the raw material is in Aerospace has to be heavy, whereas the finished goods doesn't have to be a lot, although customers mandate that we must have a safety stock of at least 30 days with us, and we must ship from SOC, but the actual delivery time to the customer is only 7 to 10 days because all of Aerospace is sent by air.

On the flip side, if you look at the Auto Components business, we do a lot of business to third-party warehouses. So it takes between 65 and 90 days to reach the warehouses, then you need to keep a safety stock of maybe 30 days, then you send it to your customers.

So in Automotive, it's the opposite way, where your raw material would be less and work in progress, but your FG would be very high, simply because of the model and the time it takes to reach your customers since 60% of our business is in the export segment. So that's the nature of the beast. And that's why we have low-cost pre-shipment and post-shipment credit to finance that in terms of working capital.

Kaushal Sharma: And what about receivable days, sir?

Navin Sharma: Receivable days are also not very different than the average industry receivable days that you see. And, there is nothing which is actually crossing 100 days or so. In fact, our revenue and profitability growth is expected to outpace any increase in the working capital. That's how we see it

Moderator: We will take the last question from the line of Khushi from Negen Capital.

Khushi: Sir, my question is regarding the order book. What is the forecast regarding the order book for the Aerospace & Defense business?

Gautam Maini: Sorry, I'm not able to hear you. Can you speak a little louder? You're not audible.

Khushi: Can you hear me now?

Gautam Maini: Yes, I can.

Khushi: I wanted to know regarding the order book for the Aerospace. So earlier you have mentioned the Aerospace order book is around 2.5x to 3x of the revenue. Is it the same right now or what is the revenue?

Gautam Maini: Yes. Typically, like I explained last time, you have 5-year contracts and 10-year contracts. And, it depends on which portion of the contract you are. Normally, the contracts are just renewed on expiry because -- or it grows in market share.

But in general, you're averaging a 2.5-year window in most cases, and you can round it off to three sometimes depending on your 10-year contracts, right, because those come up every 10 years. So, I would still say a safe way to look at it is as a 2.5-year future period based on our current sales and order book.

And the order book continuously is growing based on our growth, like I said, because our pipeline of FAIs, which is new products, is continuously increasing, and we are still averaging more than one new part every day. So that will keep growing as well. So yes, the order book keeps improving and keeps increasing as we increase our sales.

Khushi: Okay, sir. Got it. And sir, I missed the part of LEAP engine thing. How many LEAP -- like yearly, how many products could we supply for the LEAP engine?

Gautam Maini: So basically, we supply around between 300-and 350-part numbers depending on which model of 1A, 1B and even 1C is being introduced now. So roughly, that is the mix. There are many common products that go to 1A and 1B, but some products are also specific.

So depending on that, it slightly varies, but that's the number that we have in terms of what goes on to a LEAP. Different types of parts. Obviously, the quantity is depending on the number of engines we supply. These are just different types of parts that go on to the engine.

Moderator: Thank you very much. Ladies and gentlemen, we will take that as a last question, and that concludes the question-and-answer session. I now hand the conference over to Mr. Gautam Maini for the closing comments. Thank you, and over to you, sir.

Gautam Maini: So, thank you, everybody, for coming on this call and look forward to better times together. Thank you so much.

Moderator: Thank you. On behalf of Anand Rathi Shares and Stock Brokers Limited, that concludes this conference. Thank you for joining with us today, and you may now disconnect your lines.