



Indigenise • Integrate • Manufacture



DCX Systems Limited

**Investor Presentation
Q2FY26**



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Table of Contents

01

FINANCIAL HIGHLIGHTS

02

COMPANY OVERVIEW

03

BUSINESS OVERVIEW

04

INDUSTRY OVERVIEW

05

WAY AHEAD

06

GLOSSARY



Q2FY26
Financial Highlights



Q2 FY26 Income Statement

	Standalone					Consolidated
Particulars (Rs. Crs.)	Q2 FY26	Q2 FY25	Y-o-Y (%)	Q1 FY26	Q-o-Q (%)	Q2 FY26
Revenue from Operations	192.35	195.47	(1.60%)	220.02	(12.58%)	192.85
Raw Material Expenses	181.38	190.00		210.54		179.80
Employee Cost	4.58	3.53		4.13		16.62
Other Operating expenses (Incl. FX Gain/Loss)	3.22	3.16		4.26		9.25
Total Expenditure (Incl. FX Gain/Loss)	189.18	196.69	(3.82%)	218.93	(13.59%)	205.67
Other Income	9.96	20.36		18.02		12.05
Depreciation	1.60	1.35		1.50		3.79
EBIT	11.53	17.79	(35.19%)	17.61	(34.53%)	(4.56)
EBIT Margin	5.99%	9.10%	(311bps)	8.00%	(201ps)	(2.36%)
Interest	0.66	2.14		0.78		0.75
Profit Before Tax	10.87	15.65	(30.54%)	16.83	(35.41%)	(5.31)
Tax	3.70	5.44		5.70		3.73
Profit After Tax	7.17	10.21	(29.77%)	11.13	(35.58%)	(9.04)
PAT Margin	3.73%	5.22%	(149bps)	5.06%	(133bps)	(4.69%)
Basic EPS*	0.64	0.92		1.00		(0.81)

* Weighted average number of Shares after allotment to QIB



H1 FY26 Financial Highlights

Particulars (Rs. Crs.)	Standalone			Consolidated
	H1 FY26	H1 FY25	Y-o-Y (%)	H1 FY26
Revenue from Operations	412.37	333.55	23.63%	415.02
Raw Material Expenses	391.92	324.77		385.10
Employee Cost	8.70	6.89		23.39
Other Operating expenses (Incl. FX Gain/Loss)	7.47	6.23		18.21
Total Expenditure (Incl. FX Gain/Loss)	408.09	337.89	20.78%	426.70
Other Income	27.97	36.56		25.99
Depreciation	3.10	2.66		7.33
EBIT	29.15	29.56	(1.39%)	6.98
EBIT Margin	7.07%	8.86%	(179 bps)	1.68%
Interest	1.45	7.05		1.66
Profit Before Tax	27.70	22.51	23.06%	5.32
Tax	9.41	7.79		10.30
Profit After Tax	18.29	14.72	24.25%	(4.98)
PAT Margin	4.44%	4.41%	3bps	(1.20%)
Basic EPS*	1.64	1.32		(0.45)

* Weighted average number of Shares after allotment to QIB

Yearly Income Statement

Particulars (Rs. Crs.)	Standalone			Consolidated
	FY25	FY24	Y-o-Y (%)	FY25
Revenue from Operations	1112.06	1423.40	(21.87%)	1083.67
Raw Material Expenses	1080.33	1185.08		1035.97
Changes in Inventory	-	143.85		-
Employee Cost	14.70	12.06		23.36
Other Operating expenses (Incl. FX Gain/Loss)	14.14	12.34		19.73
Total Expenditure (Incl. FX Gain/Loss)	1109.17	1353.33	(18.04%)	1079.06
Other Income	67.57	46.21		80.03
Depreciation	5.72	2.48		13.37
EBIT	64.73	113.79	(43.11%)	71.27
EBIT Margin	5.82%	7.99%	(217bps)	6.58%
Interest	9.96	28.39		10.89
Profit Before Tax	54.77	85.40	(35.87%)	60.37
Tax	19.10	17.30		21.50
Profit After Tax	35.67	68.10	(47.62%)	38.88
PAT Margin	3.21%	4.78%	(157bps)	3.59%
Basic EPS*	3.20	6.83		3.49

* Weighted average number of Shares after allotment to QIB

Yearly Standalone Balance Sheet

Rs. in Crores	31 st Mar-25	31 st Mar-24
Total Equity & Liabilities		
Shareholders Funds	1154.18	1118.91
Share Capital	22.28	22.28
Other Equity	1131.90	1096.63
Non Controlling Interest	-	0.00
Non Current Liabilities	2.72	1.84
Long-Term Borrowings	-	0.00
Lease Liabilities	-	0.00
Other Financial Liabilities	-	0.00
Provisions	2.72	1.84
Current Liabilities	484.18	681.32
Short term Borrowings	-	265.31
Lease Liabilities	-	0.00
Trade Payables – Total	85.23	380.14
Other Financial Liabilities	2.64	1.67
Other Current Liabilities	385.53	32.28
Provisions	0.11	0.07
Current Tax Liabilities (Net)	10.67	1.85
Total Equity & Liabilities	1641.08	1802.07

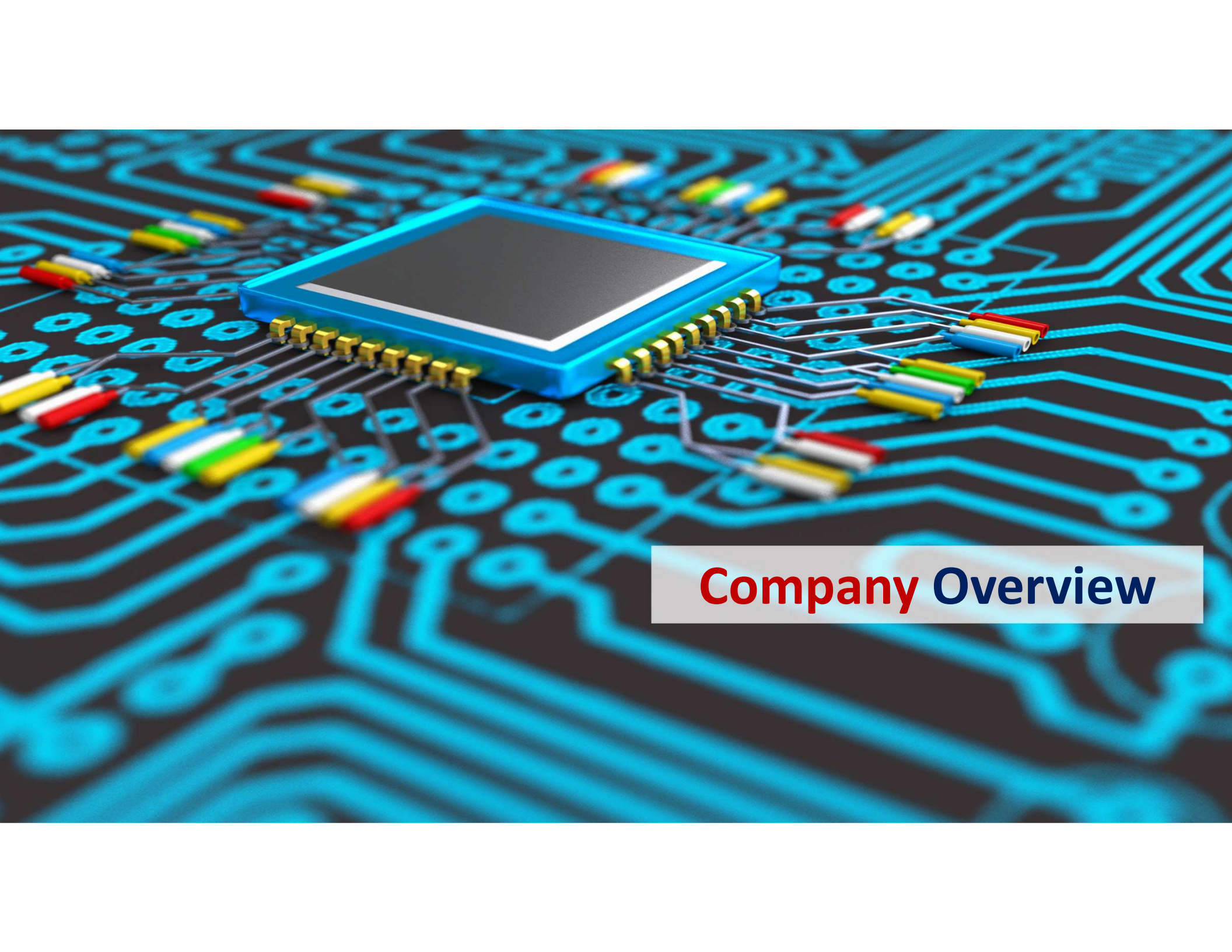
Rs. in Crores	31 st Mar-25	31 st Mar-24
Total Assets		
Non Current Assets	196.78	51.34
Property, plant & Equipment	28.19	28.00
Right of use Assets	4.30	4.30
Other Intangible Assets	0.30	0.03
Capital WIP	-	0.00
Other Financial Assets	4.16	3.73
Deferred Tax Assets	1.15	2.38
Other Non-Current Assets	0.05	0.05
Investments	158.63	12.85
Current Assets	1444.30	1750.73
Inventories	173.10	125.42
FA - Trade Recievables	160.36	667.07
FA - Cash & cash equivalents	131.61	15.43
FA - Bank balances	781.07	819.33
FA - Other Financial Assets	0.20	0.00
Other Current Assets	197.96	123.48
Current Tax Asset	-	0.00
Total Assets	1641.08	1802.07

Yearly Standalone Cash Flow Statement

Particulars (Rs. Cr.)	March '25	March '24
Net Profit Before Tax	54.77	85.40
Adjustment:-		
Depreciation	5.72	2.48
Interest Expenses	6.64	23.90
Interest Income	(58.51)	(43.24)
Remeasurement for defined employee benefit plan	(0.18)	-
Profit on Sale of Fixed Asset		0.00
Operating Profit before Working Capital Changes	8.44	68.54
Changes In working Capital	444.52	(54.73)
Cash Generated from Operations	452.96	13.81
Tax Paid	(9.36)	(13.06)
Cash From Operating Activities	443.60	0.75
Cash Flow from Investing Activities	(93.45)	19.22
Cash from Financing Activities	(272.23)	223.37
Net Cash Inflow / Outflow	77.92	243.34
Opening Cash & Cash Equivalents	834.76	591.42
Closing Cash & Cash Equivalent	912.68	834.76

Key Recent Developments

-  Signed a Memorandum of Understanding (MOU) with Government of Tamilnadu through its Nodal Agency “**Guidance**” to set up a state-of-the-art manufacturing facility for our new JV Company with ELTA Systems (M/s. ELTX SYSTEMS PVT LTD) at Hosur, Tamilnadu, one of the Defence Industrial Corridors in India. The JV Company will also benefit with the incentives from the relevant of the Government of Tamil Nadu and the Central Government. The infrastructure development is expected to be completed by end of 2026 and begin commercial operation by 2027.
-  DCX received purchase orders for more than Rs.50 Crores from its foreign and domestic customers.
-  With a steady order inflow, consolidated Order book as of September 30th, 2025 stood at about Rs. 2,600 crores



Company Overview

About Us



- Preferred & largest Indian Partner to Israeli Defence Company, IAI.
- Expanding into other geographies for Indian and Export opportunities
- Collaborating with prominent OEM's for Make-In-India projects



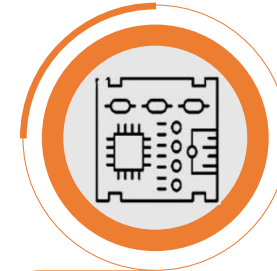
- Diverse mix of domestic & international customers across Israel, US, Korea & India



- 30,000 sq. ft. manufacturing unit, strategically located in SEZ in Bengaluru
- New Raneal EMS 40,000 sq. ft. facility dedicated for EMS



- Unique business model offering end-to-end solutions – cable & wire harness, System Integration & PCB Assembly for Defence & Aerospace sectors



- Expertise in EMS with focus on backward integration in PCBA's through subsidiary, Raneal Advanced Systems – for captive consumption & other markets

Our Journey

2011-12

- Incorporated as private company
- Fulfilled initial deemed export order

2015

- Granted industrial license by Department of Industrial Policy & Promotion, GoI – manufacture items including microwave & electronic components, assembly & testing of microwave modules

2020

- Commissioned new manufacturing facility at Hi-Tech Defence & Aerospace Park SEZ in Bengaluru, Karnataka

2022-23

- Raneal Advanced Systems incorporated as wholly-owned subsidiary, for backward integration into EMS
- Listed on BSE & NSE raising Rs. 400 cr through IPO
- Started Commercial production at Raneal
- Incorporated NIART Systems Ltd – WoS of DCX for Obstacle Detection Solution for railways
- 4 Star Export House – Certificate of recognition

2013

- Completed inaugural deemed export order
- Awarded AS-9100:2016 & ISO 9001:2015 certification by DQS Inc.

2018

- Granted authorization to export Munitions List items to M/s IAI Elta System, Israel, for end use of Indian Air Force & Navy
- Signed lease deed for 6,070 sq. m. of land in Aerospace SEZ Sector, Hitech, Defence & Aerospace Park.

2023-24

- Successfully completed QIP, raised Rs. 500 cr
- Expanded customer base by adding reputed customers like Lockheed Martin Global Inc, USA, Ametek Inc, Beam Trial, Larsen & Toubro Limited-INDIA and Collins Aerospace-INDIA
- Bagged Multi-Million Dollar contracts from these new customers

2024-25

- Signed JV agreement with ELTA Systems w.r.t. products for airborne maritime radar system, fire control radar system and other radar systems for airborne and land applications

Experienced & Dynamic Leadership



Dr. H.S. Raghavendra Rao | Chairman & Managing Director

- Promoter of Company with over 3 decades of experience in electronics manufacturing, defence & aerospace sectors
- Conferred with Business Leader of the Year award by ET Ascent



"Most Admired Company of the Year"

by ET Ascent



"Business Leader of the Year Award"

by ET Ascent



"Excellence in Defence & Aerospace Award"

by Midday Icons



"Young Entrepreneur of the Year Award"

at the 10th International Achievers Summit



"Excellence Award for Industrial Development"

by the Indian Economic Development and Research Association



"Mahatma Gandhi Samman Award"

by NRI Welfare Society of India

Gopinath Vedaprakash | Whole-Time Director

- Holds a bachelor's degree in Electronics Engineering with 37 years of rich experience & expertise in Business Development, Manufacturing Operations & Technical with multicultural & multinational electronics industries catering to Defence, Aerospace, Space, Industrial & Transportation verticals.

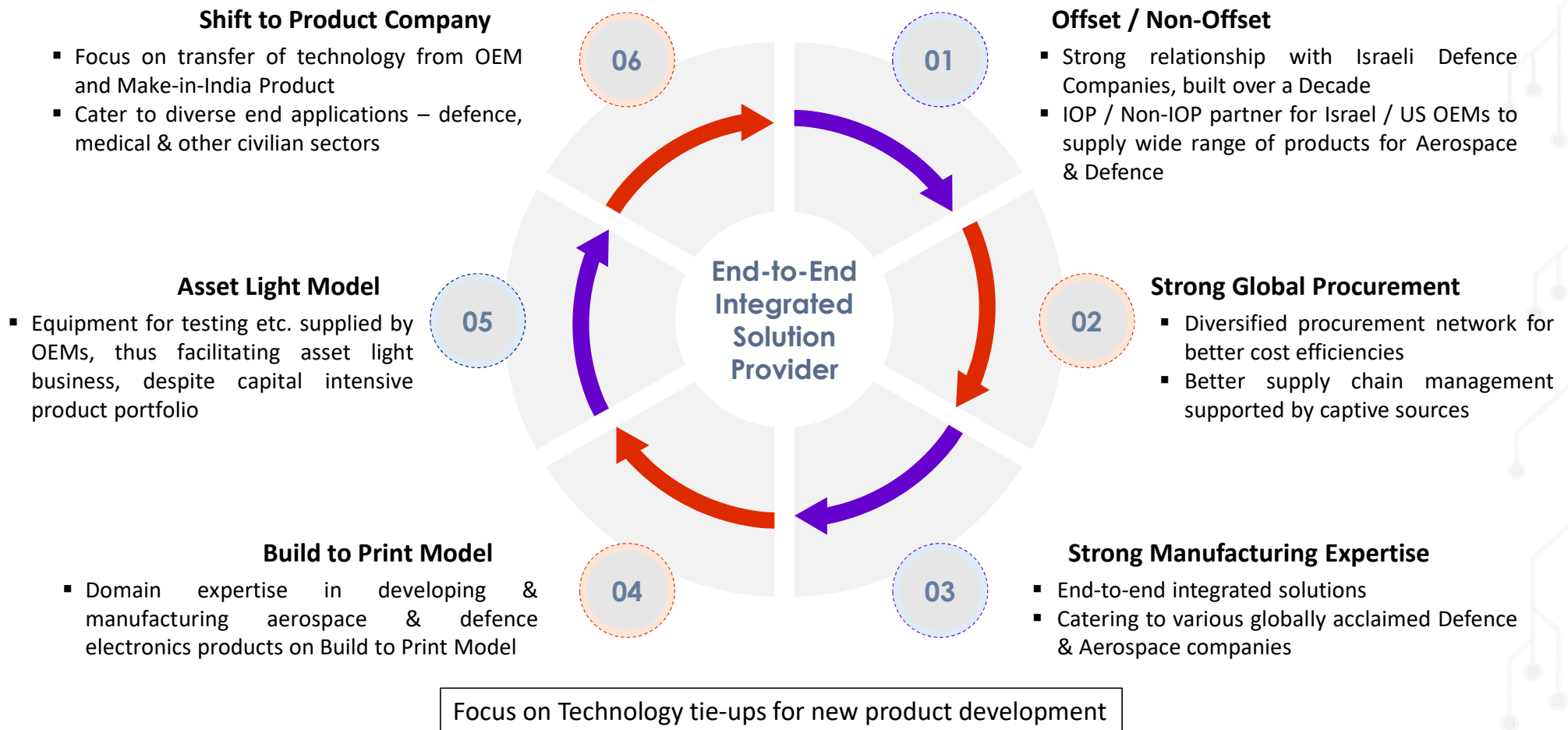
Shiva Kumara R | Executive Director & Vice President-Operations

- Holds Bachelor's degree in engineering (Electronics & Communication) from Visveswaraiah Technological University, Belgaum
- Over 23 years of experience in Electronics Manufacturing Industry

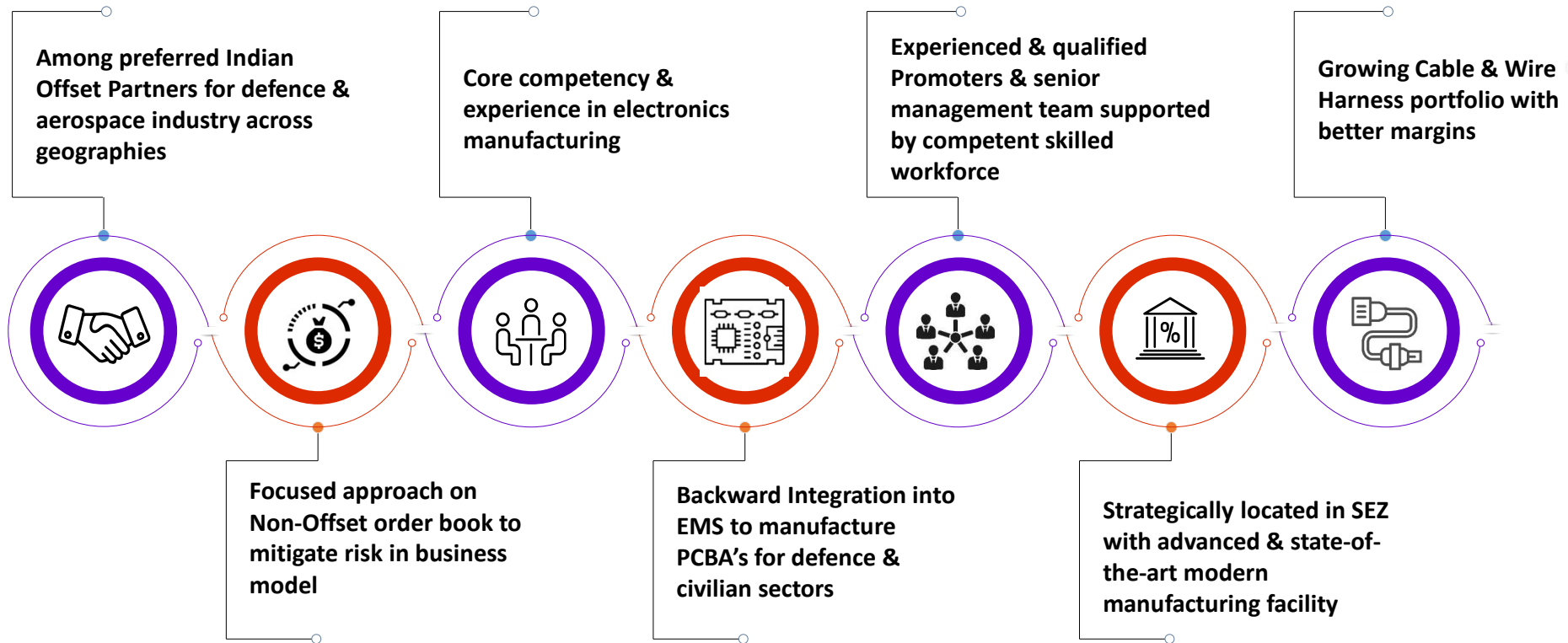
Prasanna Kumar T S | Chief Financial Officer

- CA from Institute of Chartered Accountants of India, having over 15 years of professional experience in financial reporting and statutory compliance, direct and indirect taxation, treasury and working capital and cash flow management.

Integrated Business Model



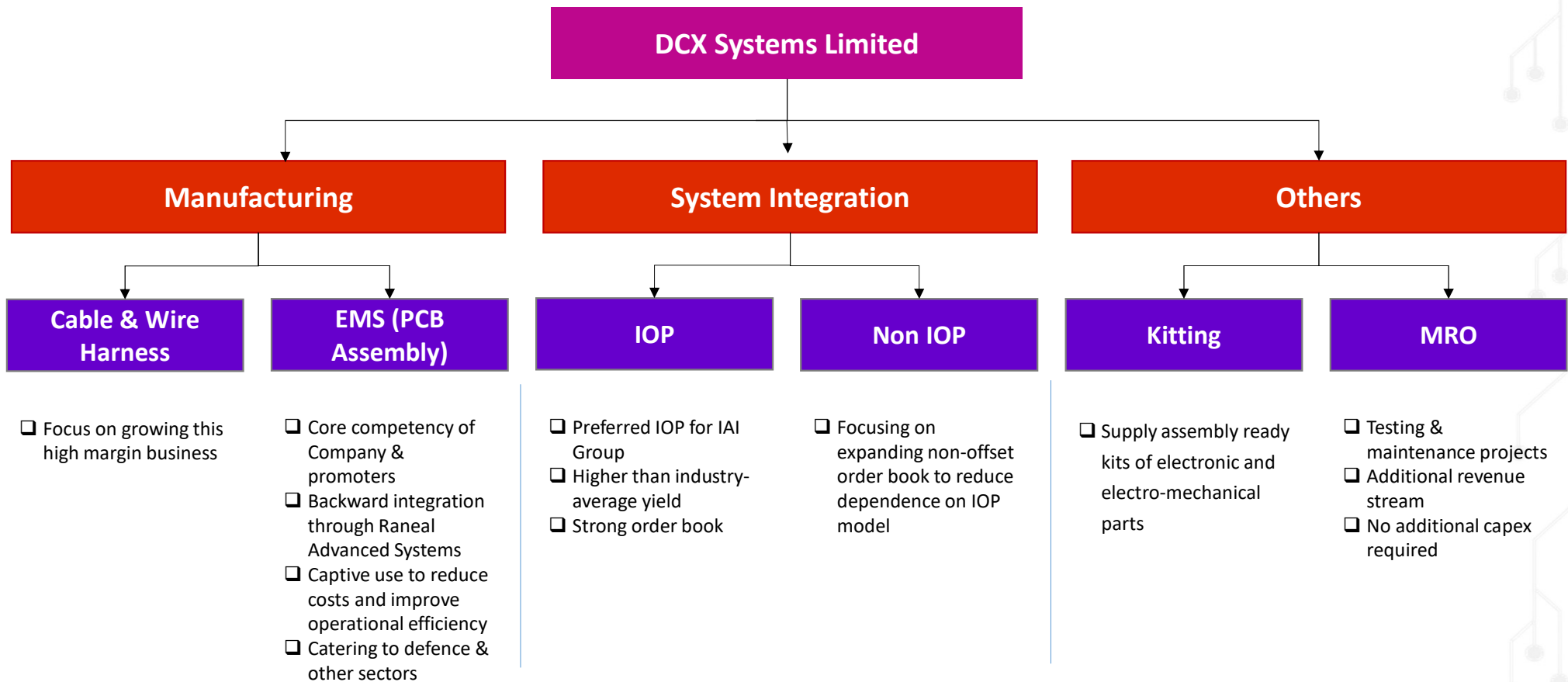
Strong Manufacturing base with Tech-enabled Product Development





Business Overview

Diversified Business Structure



Manufacturing



Cables & Wire Harness

- ❑ Design & development of complex cables & wire harness
- ❑ Cater to electronic warfare & communication systems
- ❑ Established product portfolio covering cables & wire harnesses assemblies, like RF cables, co-axial, mixed signal, power, & data cables
- ❑ Focus on expanding this high-margin business
- ❑ Exploring inorganic growth opportunities

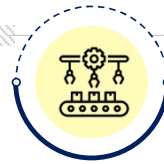
Backward integration into EMS

- ❑ Horizontal integration with PCBA
- ❑ Investing in Raneal Advanced Systems to grow PCBA business
- ❑ For captive use and other markets beyond defence & aerospace
- ❑ **Benefits:**
 - Cost control leading to better margins
 - Optimal utilization of working capital
 - Better control over supply chain management
- ❑ **Potential Opportunities**
 - Defence applications
 - Civilian applications – medical devices, electronics

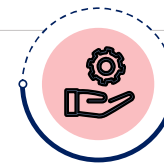


Electronics Manufacturing Services

RANEAL ADVANCED SYSTEMS



- For Manufacturing, Qualification & Life cycle support of high reliability electronic assemblies



- Used in Defence, Aerospace, Industrial Electronics, Medical Electronics etc.
- Captive use as well as exports



- Better cost control
- Supply chain rationalization & resource planning
- Improved top line & profitability

NIART Systems – Railways Opportunity



JV with ELTA Systems

- DCX formed JV with ELTA Systems – named NIART Systems Ltd – to develop obstacle detection solutions
- JV to obtain ToT from ELTA & leverage DCX's manufacturing prowess to offer radar & optics products
- Higher quality products than present industry standard – almost double track visibility upto 1.4 Km
- Target domestic as well as export markets in railway sector

NIART

MOATs / Benefits

- Company benefits from technical know-how from ELTA while leveraging own manufacturing facilities
- NIART will procure SI, Cables & PCBA from DCX
- Overseas tie-up to help facilitate access to global markets

System Integration



- ✖ System integration (SI) services include electronics and electro-mechanical assemblies
- ✖ Covers in-house quality testing, e.g. vibration & environmental stress testing of complex RF products
- ✖ Used in radar, communication, surveillance & missile systems
- ✖ Preferred **IOP partner** for global OEMs for Classified products
- ✖ Focus on penetration into new geographies
- ✖ Better than Industry average Yield
- ✖ International quality standards, execution capability, cost competitiveness, high ethical foundation – leading to increasing **non-IOP projects**
- ✖ Share of non-Offset projects growing from ~15% to ~40% – reducing dependence on offset projects & benefiting margins

Offset Opportunities

- Among largest IOPs for IAI Group, Israel, for Indian defence market
- “Build-to-Print” System Integration and manufacture cable & wire harness assemblies



Electronic Assemblies



Automatic missile detection radars



Unmanned aerial vehicle systems



Barak Systems



Medium range maritime reconnaissance aircraft



Short range surface to air missile

IOP Capability for



- ❖ AS-9100:2016 certification for quality management systems for aviation, space and defense products manufacturing
- ❖ Defence Industrial License from Ministry of Commerce and Industry for manufacture of key products

Others Business Verticals



MRO

- ❑ Sizeable opportunity in Maintenance, Repair & Overhaul
- ❑ DCX would be in better position to offer MRO services as it has in-house testing machinery provided by OEMs
- ❑ Additional stream of revenue with better margins
- ❑ Minimal capex involved

Kitting

- ❑ Supply assembly ready kits of electronic and electro-mechanical parts
- ❑ Kitting also reduces inventory levels, space requirements, indirect cost and overhead efficiencies



Strong & Increasing Customer-base Supporting DCX

Key Customers



Working closely with clients:

- ✓ For timely execution
- ✓ For 'Just-in-Time' Inventory Management
- ✓ To improve quality of raw materials supplied

Operational Efficiencies



DCX & its customers jointly monitor & ensure products' quality



Obsolescence proof – technology & IP rights – both with OEM customers



Customers provide equipment for testing & qualifying customized products



Customers typically reimburse costs incurred to maintain all buyer furnished equipment



Industry Overview

Indigenous Industry Drivers



Atma Nirbhar Bharat

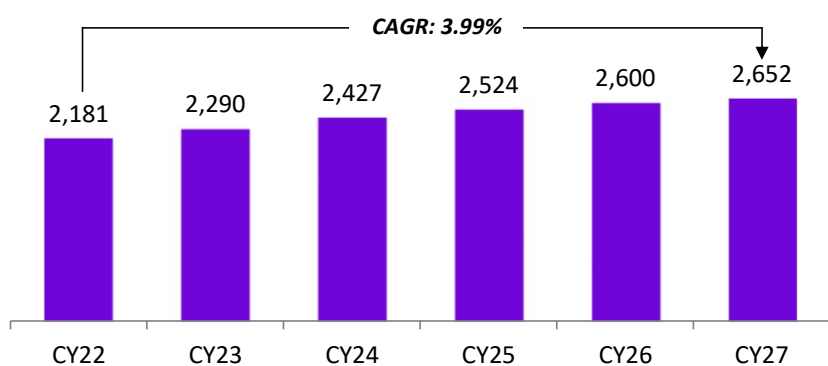
- • Positive Indigenization List / Make in India
- • Budget Allocation
- • Corporation of Ordnance Factory Board (OFBs)
- • FDI Norms
- • Indian Offset – Self Reliant

Industry Tailwinds:

- Application of EMS products in civilian & other sectors like medical devices
- Transfer of Technology to develop products

Growing Defence Landscape presents key Opportunities

Global Defence Spending Forecast (in USD billion)



Growth Drivers

Ongoing political tensions and geopolitical uncertainty



Modernisation of armed forces

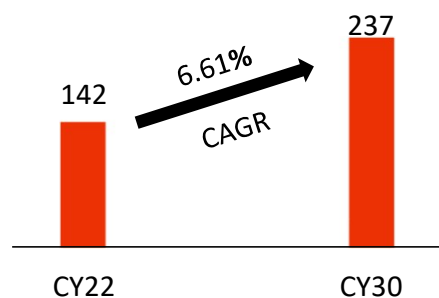


Great power struggle and competition amongst nations

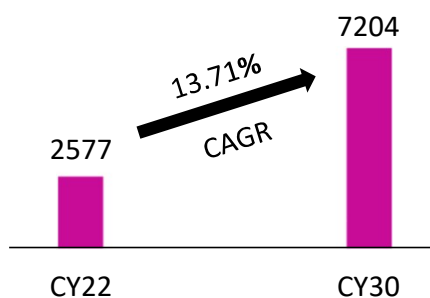


Changing technology trends and New policy changes

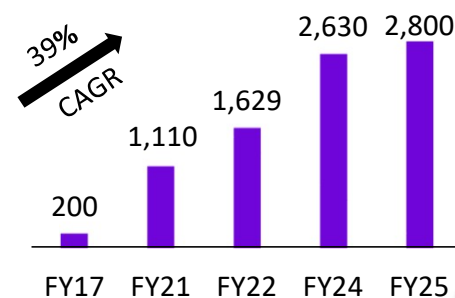
Global Defence Electronics Market (in USD billion)



Indian Defence Electronics Market (in USD million)



Indian Defence Exports (in USD million)



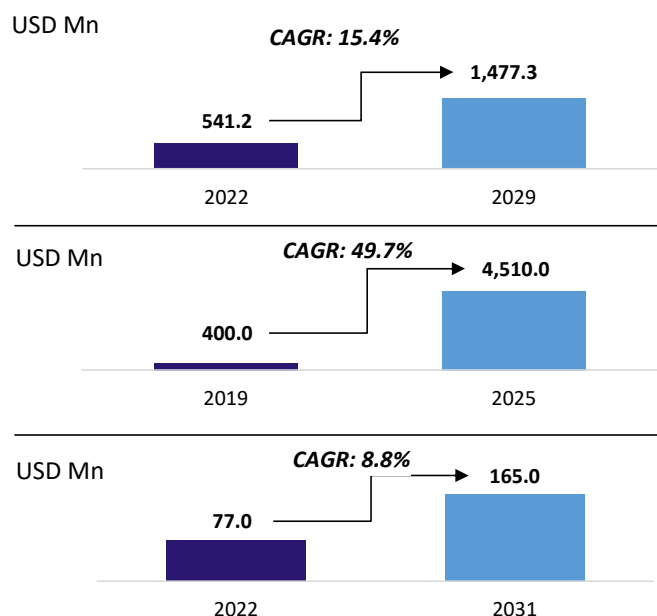
Well-placed to Capitalize on Industry Tailwinds

Cable & Wire Harness Industry Size

EMS Industry Size

MRO Industry Size

High India market potential for DCX



Numerous Government Initiatives

Positive Indigenisation List

Defence Acquisition Policy 2020

Corporatization of Ordnance Factory Board ("OFBs")

Indian Offset – Self Reliant

Only Indian Company with capability of entire range of products

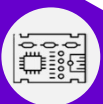
Capability Matrix	EMS (PCBA)	System Integration	Cable & Wire Harness Assembly	Electro-Mechanical Assembly	MRO
DCX Systems Limited	✓	✓	✓	✓	✓



Way Ahead

De-Risking Strategies

Backward Integration into EMS



- PCBAs manufacturing through subsidiary, Raneal Advanced Systems
- Leading to lower costs & bolster supply chain
- Additional revenue stream

New Geographies Penetration



- Expand global presence in aerospace & defence
- Total Offset Obligation pending with foreign OEMs as per DOMW is ~ USD 13.21 bn, of which DCX is targeting opportunity size of ~ USD 1 bn

Grow Share of Non-Offset Projects



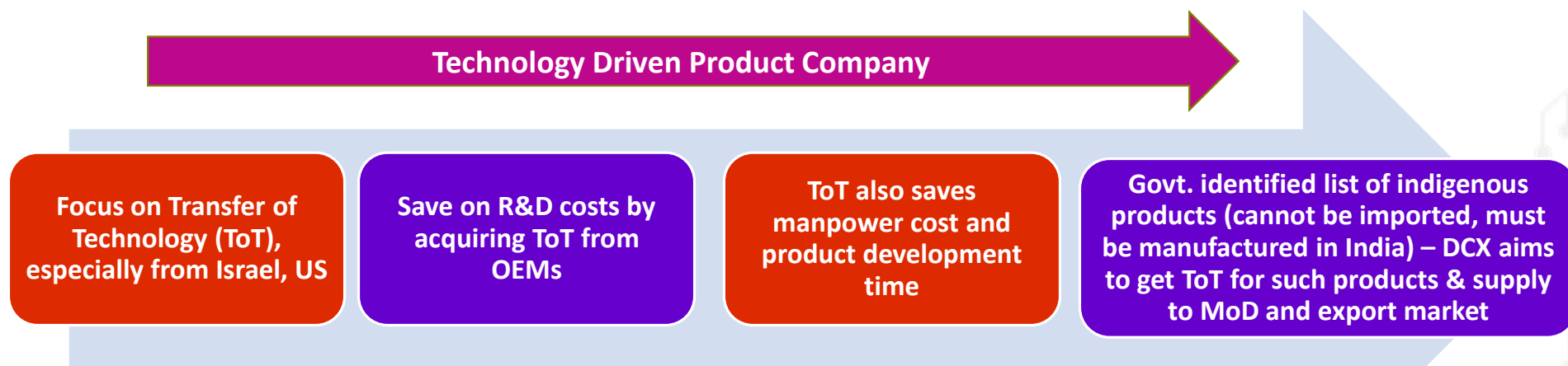
- Tap into new opportunities in Railways through NIART Systems
- High quality deliverables leading to more opportunities with OEMs
- Growing revenue from non-offset projects, full turnkey solutions

Grow Cable & Wire Harness Business



- Focus on growing this product portfolio
- Better margin business

Move Towards Product Company



Faster commercialization of Products & Technology

JV with global OEM's on Civilian technology to cater to Indian and Global Customers, e.g. NIART Systems

Signed JV with ELTA Systems Ltd for developing and manufacturing Radar Systems for Airborne and Land applications.

Glossary

Term	Description
DAP	Defence Acquisition Policy
DOMW	Defence Offset Management Wing
EMS	Electronic Manufacturing Services
PCBA	Printed Circuit Board Assembly
FDI	Foreign Direct Investment
IOP	Indian Offset Partner

Term	Description
IPC	Institute for Printed Circuit
LRSAM	Long Range Surface-to-Air Missiles
MoD	Ministry of Defence
MRO	Maintenance, Repair and Overhaul
MRSAM	Medium Range Surface-to-Air Missiles
OFB	Ordnance Factory Board
T-o-T	Transfer of Technology



Thank You

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