Azad Engineering Limited

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Introduction

- **Azad Engineering Limited (AEL),** headquartered in Hyderabad (Telangana), is a leading Indian manufacturer of highly engineered, complex, mission-critical and high-precision components.

- The company caters to Global Original Equipment Manufacturers (OEMs) in the aerospace & defence, power generation and oil & gas sectors.

- AEL's product portfolio includes **3D rotating airfoil portions of turbine engines** and key products for combustion, hydraulics, flight-controls, propulsion and actuation systems. Their products are essential for OEMs and maintenance, repair, and overhaul (MRO)-providers, cementing AEL's reputation as a dependable tier-1 supplier.

- These components are integral to the functioning of defence and civil aircraft, spaceships, defence missiles and power generation equipment. AEL has successfully collaborated with stringent OEMs, qualifying over 1,700 products and 47+ manufacturing processes. Its products are used in Sukhoi Jets, Brahmos missiles and other critical applications.

- AEL enjoys high entry barriers due to the critical nature of its products and the stringent regulations in the sectors it serves. It faces a **lead time of three to five years** for customer on-boarding and product qualifications. It competes with global players from US, Europe, China, Japan, Korea and other prominent geographies.

- **Sources of Presentations** : Transcripts, Multiple Interviews, First Research, Moneylife Magazine

Product # Aerofoil

CASE #1 – CAPABILITY

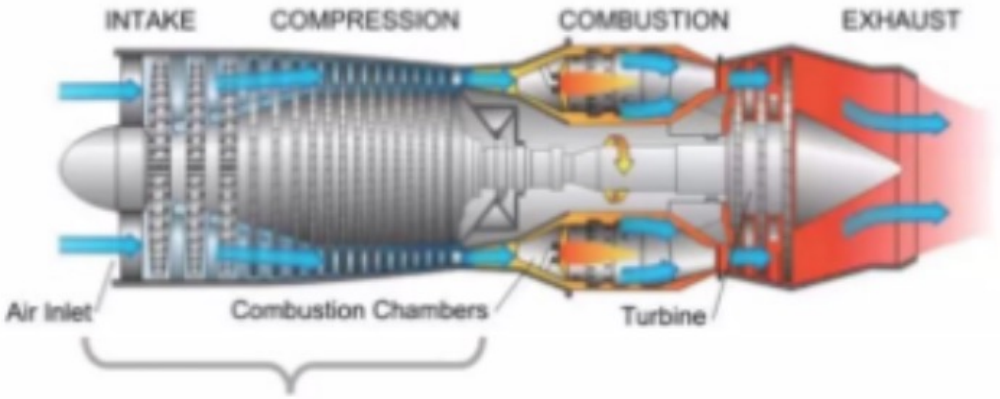
The most critical parts are the:

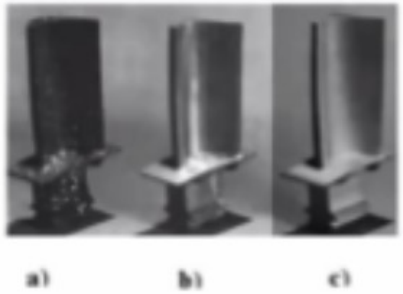
- Turbine Blades (Rotating)
- Nozzles / Vanes (Stationary Airfoils)
- Especially in the HOT section

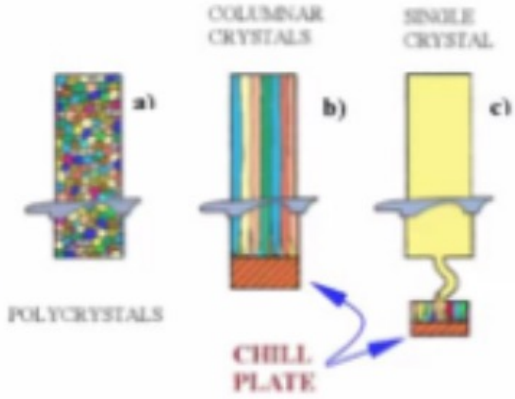
Why They Are So Hard to Make

It's a combination of three extreme challenges:

- Extreme Temperatures: The gas hitting these blades can be over 1,500°C (2,700°F).
- Extreme Stress: The rotating blades spin so fast that the centrifugal force on a single blade can be equivalent to hanging a bus from it.
- Extreme Precision: The curved, "airfoil" shape (like a wing) must be perfect to the micron to efficiently extract energy.







Source # First Principles Research

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TAM

Preferred name in the manufacturing of highly-engineered, complex and mission & life-critical components
Supplying to highly regulated industries having large Direct TAM and significant entry barriers

15 years in operations

Substantial experience as Tier 1 supplier

Sales in 12 countries

~92% export revenue (FY25)

~1,700 qualified parts and Components

45+ qualified manufacturing processes

~20,000 sqm (operational)
~94,899 sqm (under construction, including 2 facilities which have been already inaugurated)
Manufacturing area

3.09mn units[1]
parts delivered, some with Zero parts per million defects requirement

Stringent vendor qualifications taking up to 30-48 months

96%+
Revenue from private players

Rs. 4,529.3 Mn	Rs. 1,645.7 Mn	Rs. 885.3 Mn	20.7%
(32.9% YoY growth)	(36.3% margin)	(19.5% margin)	
Revenue	Adjusted EBITDA	PAT	Adj ROC

FY25 (Standalone)

Strong financial performance

End-markets with massive TAM

Aerospace & Defence

CY29 TAM: *INR 2,190 bn*

- ✓ Components supplier to **six of the key manufacturers** in aerospace & defence industries
- ✓ Supplier to **major commercial aircraft manufacturers**

Customers: Honeywell, General Electric, Eaton Aerospace

Energy

CY29 TAM: *INR 310 bn*

- ✓ Components supplier to **five of key manufactures in turbine manufacturing industry**
- ✓ Supplier to customers which **control c. 75%** of the gas turbine market globally[2]

Customers: Siemens Energy, General Electric, Mitsubishi Heavy Industries, MAN Man Energy Solutions, Honeywell

Oil & Gas

CY29 TAM: *INR 930 bn*

- ✓ Components supplier to **one of the global manufacturers** in the drilling equipment manufacturing industry

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Product Categories # Energy

Energy and Oil & Gas Industry

Product Category	Products	End-Use Industry/Application
Nuclear Power Turbine – Turbine Airfoil Assembly	Fixed Airfoil; Last Stage Airfoil – Rotary & Welding Chamfers; Last Stage Airfoil - Stationary	Electric Power Generation; Combined Heat & Power Plants; Renewable Energy Integration; Industrial Applications; Marine Propulsion; District Heating & Cooling; Waste-to-Energy; Desalination Plants
Hydrogen / Natural Gas Turbine – Turbine Airfoil Assembly	Stator & Rotor Airfoils; Compressor Airfoils; Hot Gas Parts	
Thermal Power Turbine – Turbine Airfoil Assembly	Fixed, Moving and Last Stage Airfoil/Blade	
Oil & Gas – Up & Mid Stream Subsystems	Slips; Drill Bits; Hatch Cover; Bonnet; Frame	Discovery & Extraction of Fossil Fuels

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Product Categories # A&D

Aerospace and Defence Industry

Product Category	Products	End-Use Industry/Application
Aero Engine Assembly	Airfoils, Unison Rings, Arm, Levers; Body, Assembly; Housing, Compressor & Mount	Business Jet Aircrafts
Auxiliary Power Unit ("APU")	Body, Valve; Plate Butterfly; Seal, Shaft & Bearing Rod; Piston Plate, Sealing Ring	Commercial Aircrafts
Air Generation & Valve Assembly	Cover & Housing, Actuator; Guide, Poppet; Tees & Elbows; Nipples & Adaptors	Defence Aircrafts
Actuator & Hydraulic Systems	Aft & Fore End Skirt; BB2KP Base; B1 Ignitor Body – 1 & 2	Training Jet Aircrafts
Airframes & Booster		Helicopters
		Defence and Missile Manufacturing

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Catalyst # 1 ; Relationships with OEMs

Long-standing and Deep Customer Relationships With OEMs

As a strategic and growth partner to customers across highly regulated industries, Azad enjoys long-term relationships with high customer stickiness and a high percentage of repeat business, which allows us to have long-term contracts, a stable customer base and strong visibility on long term revenue.

- Integrated manufacturing & supply chain solutions
- \+
- Technical know-how & scale of operations
- \+
- Value added design & engineering expertise

Sticky Customer Relations - Average Relationship for over 10 years

Select customers

- Honeywell International
- Baker Hughes
- Eaton Aerospace
- Rolls Royce
- Siemens Energy
- MAN Energy Solutions
- GE Vernova
- Mitsubishi Heavy Industries

Awards And Accolades From Select Customers

- Global award of "2024 Partner of the Year "an exclusive recognition among MHI's global network of over 1,000 suppliers in FY24 — **Mitsubishi Heavy Industries**
- "Certificate of Appreciation" for producing more than USD10 mn of gas turbine compressor blades and steam engine turbine blades in FY22 — **Mitsubishi Heavy Industries**
- Award for "Outstanding Commitment in Driving Commercial Competitiveness" presented at the MENASA partnership summit in 2020 — **General Electric Gas Power**
- "Making India Atmanirbhar" award for being one of the most reliable partners in the year 2022 — **Godrej Aerospace**
- "Certificate of Appreciation" for manufacturing critical components with consistent quality performance in 2021-2022 — **Godrej and Boyce Aerospace**
- "Certificate of Appreciation" for "Industrializing the Fighter Wing" in 2021 — **Tata Lockheed Martin Aerostructures Ltd**
- Received "Star Performer – Large Enterprise (Engines and Turbines & Parts)" award for export excellence - **Engineering Exports Promotion Council India, southern region in 2020**
- "Operational Excellence" award in 2019 — **General Electric**
- "Best Partner of the Year" in the year 2018 — **Mitsubishi Hitachi Power Systems**

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Catalyst # 2 ; Strong Order Book, 20%+ from MHI

"We are encouraged by the strong momentum in our business during Q1FY26, as we delivered our highest-ever quarterly performance in both revenue and profitability terms. This achievement was primarily driven by a robust 41.7 % YoY growth in the Energy and Oil & Gas segment and a 26.3 % YoY increase in the Aerospace & Defence segment. The strong sales performance reflects the continued trust our customers place in our execution capabilities across key verticals. Our evolving sales mix, combined with operating leverage, contributed to a healthier margin profile during the quarter.

FY26 will be a year of consolidation and stabilization, as we focus on systematically ramping up our new facilities to effectively serve our expansive orderbook exceeding ₹60 billion. With strong execution, growing demand across sectors, and a healthy pipeline, the company is well-positioned to sustain its high-growth trajectory and reinforce its leadership position in the manufacturing sector."

Order-book Provides Long-term Revenue Visibility

Azad has secured a total order-book exceeding Rs6,000 crore, providing substantial revenue visibility across its business segments over the next four to five years. The energy sector represents the largest portion at approximately Rs3,400 crore (US$400mn—million), leveraging the company's established presence in this market. Aerospace and defence segment holds orders worth Rs1,700 crore (US$200mn), while oil & gas contributes Rs850 crore (US$100mn). The management expects investments currently being deployed will enable realisation of this order-book over the next five to six years, with long-term contracts already converted into purchase orders with signed commitments.

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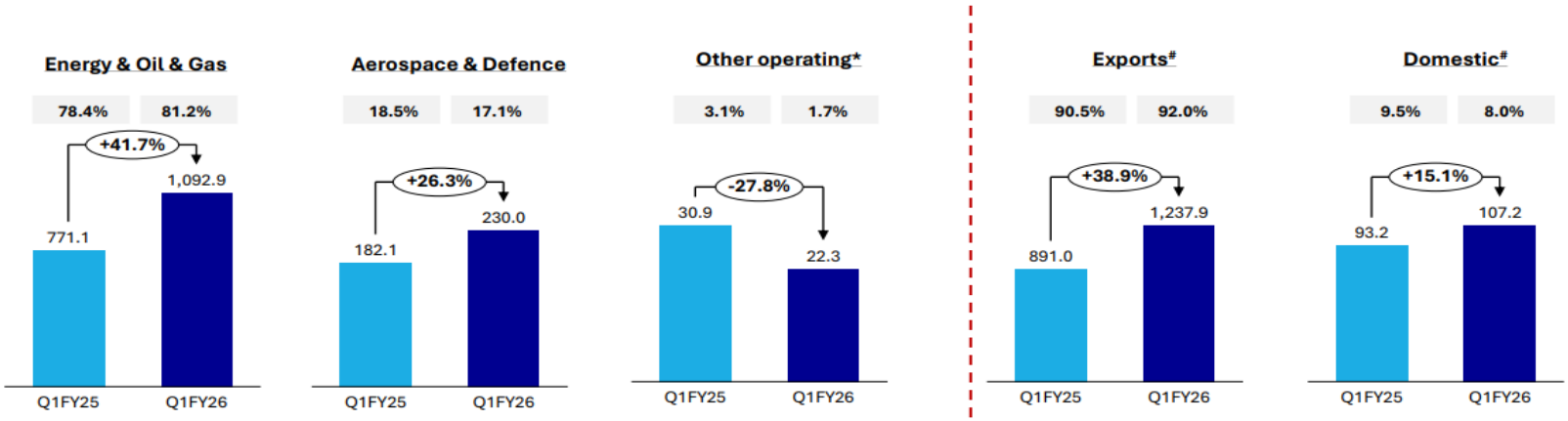
Catalyst # 2 ; Strong Order Book, 20%+ from MHI

Revenue Mix - Growth momentum building across segments (standalone)



Key Highlights

- Energy & Oil & Gas sales have increased primarily on account of additional capacity
- Aerospace & Defence has grown mainly on account of products which were qualified over the period of time with some customers which has gone into production.

Key Points

- In last 8 yrs, Energy moved from 91% to 79%
- A&D moved from 6% to 20%

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Catalyst # 2 ; Strong Order Book, 6000cr +, 20%+ from MHI

Japan's defence companies make up less than 1 per cent of global arms exports and lack commercial experience after the nation's postwar pacifist constitution left them outside military procurement processes for decades.

But they are expected to benefit from increased demand for defence hardware from other nations after Japan overturned a long-standing ban on arms exports in 2014 and further loosened rules at the end of 2023.

Japan's IHI, which makes rockets and jet engines, is up 21 per cent for the year, while Kawasaki Heavy Industries has risen 34 per cent and artillery maker Japan Steel Works has gained 5 per cent.

"The potential German budget increase in defence is large," said Macquarie's Pan. "I don't think Germany's current defence industry has enough capacity to support this development without expanding its production capacity or relying on collaboration with other countries such as Japan."

Japan's MHI is already involved in Europe's next-generation fighter jet programme, working alongside the UK's BAE Systems and Italy's Leonardo.

It is also competing for a contract to build frigates for the Australian navy, while South Korea's Hanwha on Tuesday disclosed it had acquired a substantial stake in Australian shipbuilder Austal.

Asian defence groups are becoming increasingly vocal about the export opportunities. In a briefing last week, Mitsubishi Electric lifted defence order expectations for 2025 to ¥600bn ($4bn) from ¥500bn and flagged radar systems as a key opportunity

"Pursuant to Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we hereby inform you that AZAD Engineering Limited has signed a New Long Term Contract & Price Agreement (LTCPA) with **Mitsubishi Heavy Industries Limited, Japan (MHI)**, valued at **USD ($) 73.47 million (INR ~ 651 Crores)** for supply of highly engineered & complex rotating and stationary Airfoils for Advanced Gas & Thermal power turbine engines to meet their global demand in the power generation industry. This contract is incremental to last signed contract on 3rd November 2024,. This Phase 2 of the contract, is a robust step towards cementing our everlasting strategic relationship with **Mitsubishi Heavy Industries Limited, Japan (MHI)** and with the addition of this agreement, the **combined value of contract now stands at USD 156.36 million (INR ~1,387 crores)".**

The details required pursuant to SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024 are enclosed as **Annexure - A.**

The management expects investments currently being deployed will enable the realization of this order-book **over the next five to six years**, with long-term contracts already converted into purchase orders with signed commitments.

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Catalyst # 2 ; Strong Order Book, 6000cr +, Nuclear Power + EDF

In the Indian defence sector, Azad focuses on niche engine components where it can provide substantial value. The company is manufacturing the first engine for defence research and development organisation (DRDO), with two engines slated for delivery in fiscal 2026. This project represents the first jet engine of its capacity manufactured in India, with Azad as the sole domestic producer, having been awarded 100% of the project.

The company claims to be the only firm in India accredited by Électricité de France (EDF) for nuclear power projects. This qualifies Azad as an approved supplier for nuclear projects globally and positions it as a primary supplier for future nuclear power initiatives in India through EDF's relationship with Nuclear Power Corporation of India Limited. Currently holding approximately 1.5%-2% wallet share for qualified product lines across customers, Azad aims to increase this to 3%-5%, supported by new manufacturing facility establishment.

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Catalyst # 3 ; Tariff is NOT an Issue ? Q2Concall to Wait Further

So if you talk about the Azad's competition, it's in China, Europe, Japan, America and Korea, right? These are our competitions. Now if the business has come, so I can give you an idea from China, we are 20%, 25% competitive. From Europe, and Japan, we are around -- Europe, we are around 30%, 35%. Japan, we are 40%, 45% and similar to the global levels where we compete them.

So today, if we talk about the closest competition, that's China, okay? Now we are 25% already very -- we are competing them. And China has a 30% tariff. India has a 25% tariff. So the situation doesn't change for Azad. It remains the same for the customer. So still, we are the only option, again, no matter if another tariff goes up by 10%, 15%, it will not matter us, right?

So that -- and if China is the closest and then Europe and if you talk about Japan or someone, they are already 40%, 50% higher than us. So definitely, it's not going to affect Azad for its product line where we are competing the global peers, what we have at the moment, right? That's one point. Sorry, Karan, I need to have your second question again. I just lost it.

Vishnu Malpani: Just adding to Mr. Chopdar's point, also, it's important to note that our scope of production or manufacturing is FOB Hyderabad, right? So it works, and so that's why it does not impact us to that extent. And also, see, we need to understand that this is an ever-evolving situation for all parties in this ecosystem, right? So, so far, I think our deliveries are lined up perfectly for the next few months and quarters, and we don't see any impact as of now.

The company's management highlighted that, compared with China, the company is 20%-25% more competitive; with Europe, 30%-35%; and with Japan, 40%-45%, broadly in line with global peers

The company's exposure to the US market has been consistently around 40% for the past two years.

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Catalyst # 4 ; Capex and Expansion Plan

- The company plans to deploy capital expenditure (capex) **of approximately Rs450 crore during FY25-26**, strategically allocated across infrastructure, plant & machinery and specific assets including forging hammers.

- **Of this investment, Rs250 crore-Rs300 crore** is designated for creating new production capacity which the management projects will generate incremental revenue of approximately Rs550 crore, based on an estimated asset turn of 1.8x.

- **Azad is establishing eight dedicated lean manufacturing facilities**, including a forging plant in Tunikibollaram (Hyderabad), over the next 12-18 months. **Two facilities became operational in March and April 2025**, with the first unit at the Tunikibollaram plant now on stream and **three additional units scheduled to commence operations during FY25-26**

- This expansion is projected to contribute to **potential total revenue of around Rs1,000 crore**.

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Catalyst # 4 ; Capex and Expansion Plan

Four manufacturing facilities in Hyderabad

Spread across	20,000 Sq.mts
Annual installed capacity	~6,00,000 hours per annum
Capacity Utilization	88.51% per annum

Facilities in Pipeline

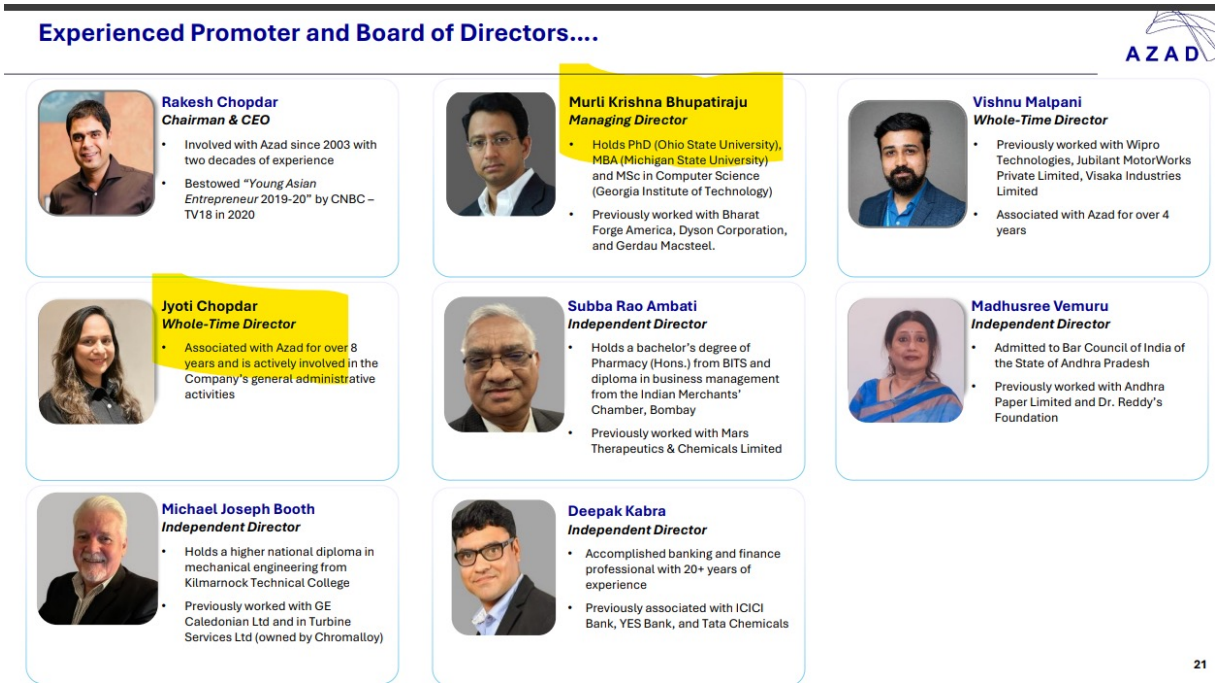
Facility 1	Facility 2
~95,000 Sq.mts	~75,000 Sq.mts

AEL currently operates four advanced manufacturing facilities in Hyderabad (Telangana), with a combined manufacturing area of approximately 20,000sqmtr (square metres). These facilities house precision forging, precision machining, assembly, testing (destructive and non-destructive), specialised fabrication and a quality clinic. In addition to these, AEL is developing two new manufacturing facilities in TunikiBollaram (Telangana) and Mangampet (Telangana) with total manufacturing areas of 94,898.78sqmtr and 74,866.84sqmtr, respectively.

And see, this is a year of stabilization for us. We are trying to build an ecosystem where we are building newer plants, 10x higher capacity and all of that. So we intend the business to grow at upwards of 30% while ensuring that each of these things are properly scaled up. So you will see that 95.000 square meters will be completed over the next 12 to 18 months in terms of construction and we will slowly open it up for capacity.

And then we will move into our Phase-2 of expansion, which is the next leg for us. But right now, our focus is to look at FY '26, deliver on the commitments that we have for customers and to our shareholders. So we are looking at that right now.

Catalyst # 5 ; Board, Mgmt



Murali Krishna Bhupatiraju

Managing Director

Murali Krishna Bhupatiraju is the Managing Director of our Company. He holds a PhD (Doctor of Philosophy degree) from Ohio State University, Master of Business Administration (MBA) from Michigan State University, and a Master of Science in Computer Science degree from Georgia Institute of Technology. He has previously worked at Bharat Forge America as president and chief financial officer, Dyson Corporation as chief financial officer and Gerdau Macsteel as plant general manager

- **Rakesh Chopdar**, the managing director of AEL, is a visionary entrepreneur who founded the company in 2008 with a focus on manufacturing critical turbine and aircraft components. Despite completing formal education only up to the 10th standard

- We need to watch, Middle Mgmt hiring, given the lack of experience in this field, overall in India

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Key Risks

- **High working capital**, due to the substantial upfront investment required for raw materials procurement and the extended lead times associated with qualifying new products and processes
- Azad's reliance on **imported raw materials further extends the working capital cycle**, due to longer shipping times and potential currency fluctuations. It expects improvements in its working capital cycle from FY25-26, driven by capacity expansion, operational efficiencies, and the indigenization of certain raw materials; however, the inherent nature of Azad's business model exposes it to working capital volatility

Rakesh Chopdar:

Yes. So Amit, there is a small catch in this. Look, there's one way we are looking to reduce all the working capital, as I mentioned in the last call as well, that most of the qualifications are now done and the inventory which is sitting is now getting off. And not long in a few quarters, you will see declining the number of days. And very soon, you will witness that.

On the other hand, we are seeing these contracts which we are signing, where we need to really showcase the customers that we need to hold some kind of inventory for showing the raw material because these contracts are bound on the OTDs what we do, the deliveries is what we really have to demonstrate that, look, we are holding the raw material for you.

So there are 2 aspects going on. One, is the past which we finished middle of the qualifications and now you will see next quarters a declining working capital cycle. And it's not far away, okay? A few quarters only you start seeing the decline thing. And other part is on few of the contracts, which requires mandatory that, okay, we need to have some inventory for some short of time where we have this regularized, as the contract is very new, right? So the cycle starts and even that also can be controlled very well.

Ratios

Standalone Figures in Rs. Crores / View Consolidated

	Mar 2020	Mar 2021	Mar 2022	Mar 2023	Mar 2024	Mar 2025
Debtor Days	122	159	140	172	182	179
Inventory Days	489	910	1,009	1,042	1,055	1,097
Days Payable	851	977	748	599	396	460
Cash Conversion Cycle	**-240**	**92**	**401**	**615**	**841**	**816**
Working Capital Days	12	-7	4	120	283	218
ROCE %		15%	21%	16%	21%	12%

Key Risks

- R&D spend # Zero

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 25 Current Financial year	FY 24 Previous Financial year	Details of improvements in environmental and social impacts
R&D	0	0	The company is in the process of making investments in R&D , in specific technologies to improve the enviromental and social impacts of products and processes
Capex	0	0	The company is in the process of making investments in Capex , in specific technologies to improve the enviromental and social impacts of products and processes

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Key Risks

- The company's **high export dependence exposes it to trade policy changes, tariffs and currency fluctuations**, while its concentration in niche, mission-critical components links performance closely to a limited set of global customers

- **Equity Dilution , Promoter's stake 65% to 55% now**

- Finally , Can they execute all the Orders and get Future Orders with manpower ? Are they adequately skilled to handle so many critical projects ?

Shareholding Pattern

Numbers in percentages

Quarterly | Yearly | TRADES

	Dec 2023	Mar 2024	Jun 2024	Sep 2024	Dec 2024	Mar 2025	Jun 2025
Promoters +	65.90%	65.90%	65.90%	65.90%	65.90%	60.32%	55.42%
FIIs +	4.68%	6.98%	9.69%	9.74%	9.98%	14.23%	16.16%
DIIs +	5.71%	5.00%	3.44%	5.74%	6.57%	8.23%	8.91%
Public +	23.70%	22.13%	20.98%	18.61%	17.56%	17.21%	19.53%
No. of Shareholders	1,35,090	1,06,231	1,02,445	1,28,846	1,17,613	1,24,539	1,27,692

* The classifications might have changed from Sep'2022 onwards.

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Guidance & Valuation

- Guidance, Mgmt is reiterating our top line growth guidance of 25%-30% FY ‘26, with margin of 33-35%
- **My take** is Revenue of 600+ crs , PAT of 130+ crs and **margin** of 36%. Need to see concal on Tariff ..
- We need understand from concall, also how next phase of execution is coming

AZAD ENGINEERING LTD									SCREENER.IN	
Narration	**Mar-15**	**Mar-16**	**Mar-17**	**Mar-21**	**Mar-22**	**Mar-23**	**Mar-24**	**Trailing**	**Best Case**	**Worst Case**
Sales	**-**	**-**	**-**	**122.72**	**194.47**	**251.68**	**340.77**	**349.78**	**453.22**	**611.85**
Expenses	-	-	-	94.57	132.20	179.41	224.17	228.99	290.06	391.59
Operating Profit	**-**	**-**	**-**	**28.15**	**62.27**	**72.27**	**116.60**	**120.79**	**163.16**	**220.27**
Other Income	-	-	-	2.31	4.80	9.85	31.99	36.85	34.00	40.00
Depreciation	-	-	-	8.87	13.31	16.58	20.53	19.91	45.00	50.00
Interest	-	-	-	5.35	13.62	52.38	47.27	48.30	25.00	25.00
Profit before tax	-	-	-	16.24	40.14	13.16	80.79	89.43	127.16	185.27
Tax	-	-	-	4.74	10.68	4.69	22.21	23.44	30%	25%
Net profit	**-**	**-**	**-**	**11.50**	**29.46**	**8.47**	**58.58**	**66.00**	**89.01**	**138.95**
EPS	-	-	-	76.67	196.40	49.82	9.91	10.22	13.78	21.52
			TRENDS:	**10 YEARS**	**7 YEARS**	**5 YEARS**	**3 YEARS**	**RECENT**	**BEST**	**WORST**
			Sales Growth				40.56%	35.40%	**33.00%**	**35.00%**
			OPM	30.70%	30.70%	30.70%	31.91%	34.53%	**36.00%**	**36.00%**

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Q & A

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CASE #1 – GROWTH

What you need for Growth?

1. Capability – Orders
2. Fixed Assets – Plant & Machinery
3. Working Capital

Category	Facility/Phase	Status (as of Oct 2025)	Area (sq.m.)	Key Details
Current (Operational)	Existing Hyderabad Facilities (4 plants)	Fully operational	~20,000	Multi-customer; precision machining, forging, heat treatment; supports diverse parts for global OEMs (e.g., GE, Honeywell, Rolls-Royce).
Current (Operational)	MHI Dedicated Lean Facility	Inaugurated Mar 2025; operational	7,200	Tunikibollaram, Hyderabad; for gas/thermal turbine airfoils; supports USD 83 Mn+ contracts.
Current (Operational)	GE Vernova Dedicated Lean Facility	Inaugurated Apr 2025; operational	7,600	Tunikibollaram, Hyderabad; for nuclear/gas turbine airfoils (58% of FY25 revenue); supports USD 112 Mn + USD 53.5 Mn contracts; employs 180+ staff.
Current (Operational)	Siemens Energy Dedicated Lean Facility	Inaugurated Sep 2025; operational	Not specified (part of Phase 1)	Tunikibollaram, Hyderabad; for rotating/stationary airfoils and turbine components; supports €90.1 Mn contract; global supply for gas/industrial/thermal engines.
Upcoming	*Phase 1 Remaining Expansions*	*Under construction/ramp-up*	*~79,999 (estimated; total Phase 1: 94,899 minus inaugurated facilities)*	*Multiple sub-facilities in Tunikibollaram; dedicated to specific customers (e.g., Baker Hughes, Rolls-Royce); full operations by Q4 FY25/FY26; adds scale for energy sector (79% revenue). CWIP: ₹798 Mn as of Mar 2025.*
Upcoming	*Phase 2 Expansions*	*Planned (construction to start)*	*67,267*	*Broader scaling for new clients/products; focus on adjacencies (e.g., landing gears, advanced turbines); timelines FY26+; aligns with orderbook >₹60 Bn.*

Metric	FY21	FY22	FY23	FY24	FY25
Net Fixed Asset Turnover (x)	NA	1.55	1.45	1.46	1.35

Steady-State Target: Management is guiding for a working capital cycle of **140–150 days** of sales.

As % of Sales: This translates to **~38.4% – 41.1%** of annual revenue.

Current vs. Target: This is a significant optimization from historical levels (~229-250+ days), which were elevated by inventory buildup for the major capacity expansions.
How They Get There: The cycle is expected to normalize as the new dedicated facilities (MHI, GE, Siemens) ramp up in FY26. This will be driven by leaner inventory and better collections (targeting ~120-150 day receivables, which is normal for A&D/Energy OEMs).

First Principles Investing

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