



The brand behind brands

Dixon Technologies (India) Limited

03rd February, 2026

To Secretary Listing Department BSE Limited Department of Corporate Services Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	To Secretary Listing Department National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex Mumbai – 400 051
Scrip Code – 540699 ISIN: INE935N01020	Scrip Code - DIXON ISIN: INE935N01020

Dear Sir/Madam,

Sub: Transcript of the Q3 FY 26 Earnings Conference Call held on 29th January, 2026

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Para A of Part A of Schedule III thereto, please find enclosed herewith the transcript of the Q3 FY 26 Earnings Conference Call of the Company held on **Thursday, 29th January, 2026.**

The said transcript has also been uploaded by the Company on its website and the same is available at <https://dixoninfo.com/financial-performance> under the head- Earning Call Transcript- 2025-26 Quarter Q3. The said Transcript may be accessed through following link: [Transcript Q3 Earning Call](#).

We request you to kindly take this on your record and oblige.

Thanking You,

For DIXON TECHNOLOGIES (INDIA) LIMITED

Ashish Kumar
President- Chief Legal Counsel & Group Company Secretary

Encl: As above



“Dixon Technologies (India) Limited
Q3 FY '26 Earnings Conference Call”

January 29, 2026



MANAGEMENT: **MR. ATUL LALL – MANAGING DIRECTOR AND VICE CHAIRMAN – DIXON TECHNOLOGIES (INDIA) LIMITED**
MR. SAURABH GUPTA – DIRECTOR - FINANCE AND GROUP CHIEF FINANCIAL OFFICER– DIXON TECHNOLOGIES (INDIA) LIMITED

MODERATOR: **MR. TANAY SHAH – DAM CAPITAL ADVISORS LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the Dixon Technologies' Q3 FY '26 Earnings Conference Call hosted by DAM Capital Advisors. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference call over to Mr. Tanay Shah from DAM Capital. Thank you, and over to you, sir.

Tanay Shah: Thank you. Very good evening to everyone. Welcome to the Dixon Technologies' Q3 FY '26 Earnings Call. Today, we have the management being represented by Mr. Atul Lall, Vice Chairman and Managing Director; and Mr. Saurabh Gupta, Director - Finance and Group CFO. At this point, I will hand the floor to Mr. Lall for his initial remarks, post which we'll open up the floor for Q&A. Thank you, and over to you, sir.

Atul Lall: Thank you, Tanay. Good evening, everyone. This is Atul Lall, and joining me today is our Director and Group CFO, Saurabh Gupta.

Saurabh Gupta: Good evening, everybody.

Atul Lall: We thank you all for taking the time to join us to discuss our performance and progress for third quarter financial year '25-'26. Key highlights for the quarter are as below: Consolidated operating revenues for the quarter ended December 31, 2025, was INR10,678 crores against INR10,461 crores in the same period last year; consolidated operating EBITDA for the quarter was INR421 crores against INR398 crores in the same period last year.

Consolidated operating PAT for the quarter was INR214 crores against INR217 crores in the same period last year. While the electronic market faces near-term headwinds from commodity inflation and memory price increase, we continue to focus on building scale, bringing operational efficiency, strengthening relationship with customer, focusing on backward integration and diversification around the core electronics business to navigate the environment.

One important external headwind is a sharp increase in memory prices globally driven by AI and data center demand, reallocating the memory capacity away from traditional consumer devices. Industry reports indicate that conventional DRAM contract prices have already risen sharply over the last 2 quarters with further increases expected in mid-2026.

For smartphones and PCs, memory has moved from being a relatively small line item to one of the most sensitive parts of the bill of material, especially for the lower priced devices. Our returns remain robust with industry-leading ROE and ROCE, low leverage and a negative working capital cycle, which gives us sufficient headroom to invest in capacity, components and new categories.

Our working capital cycle remains at negative 7 days, complemented by a strong balance sheet, reflecting a net debt position of INR246 crores. We maintain our return ratios with ROCE at 45.1% and ROE at 32% as on December 31, 2025, demonstrating the fundamental strength and stability.

Dixon has been selected as an ECMS beneficiary for camera modules and optical transceivers, marking an important milestone in our expansion into components manufacturing and reinforcing our strategy to move up the electronics manufacturing value chain. We expect to receive ECMS approvals for display modules and enclosures shortly.

We have built a strong foundation as India's leading homegrown EMS company. And now we are steadily transforming into a more integrated design-oriented component manufacturing partner across consumer, industrial and strategic electronics.

Now I'll share with you the business performance and insights in each of the segments.

Mobile and EMS: Revenue for the quarter for Mobile and EMS business was INR9,750 crores and operating profit of INR1,050 crores. As per industry reports, Indian smartphone market in Q3 fell by 7% year-on-year.

And the decline reflected the usual post festive slowdown and was also stressed majorly by elevated channel inventories for brands, depreciating rupee, softening mass market affordability and moderation in demand due to persistent supply constraints and rising cost of memory chips.

The potential cutback in the smartphone shipments comes amid the smartphone brands struggle with an unfolding super cycle in the global memory sector. The world's top suppliers are shifting their capacity for artificial intelligence applications, resulting in a supply squeeze for the smartphone segment.

Our new 4,000 square feet facility for 74:26 launch at JV for manufacturing of smartphones and other electronic devices is expected to start operations by Q2 of '26-'27. Construction of a 1 million square feet facility in Noida with higher capacities for our anchor customers is expected to be completed by Q1 of financial year '26-'27 and mass production to start by Q2 of '26-'27.

Construction of our facility for display modules in 74:26 JV with HKC is nearing completion. In the first phase, we are creating a capacity of 24 million per annum for smartphones and 2 million units per annum for notebooks, largely captive consumption and automotive combined and trial should commence by Q2 of next fiscal.

In the second phase, we'll enhance the capacity to 55 million units per annum, largely captive for smartphones and foray into displays for LED TVs also. We have received a very encouraging response from all the major automotive players. We're expanding the capacities and deepening the level of manufacturing of camera and fingerprint modules for smartphone

and target to expand volumes of smartphone camera modules from 40 million units in this fiscal to 190 million to 200 million units per annum.

We remain confident of getting the PN3 approval for our Vivo JV soon.

Consumer electronics: LED TVs and refrigerators revenue for the quarter was INR567 crores with an operating profit of INR24 crores. This quarter witnessed a temporary moderation in industry demand, primarily driven by post-Diwali seasonality, withdrawal of consumer offers and elevated channel inventories.

Despite these short-term headwinds, our market position has strengthened meaningfully and remain optimistic for recovery in volume for Q1 of next fiscal as channel inventories normalize. Our strategy is to increase market share in large screen TVs, smart and connected models and platform where we can differentiate on cost, quality and speed.

We have launched production of high-end and mini-LED TVs, enabling our customers to tap into fast-growing premium segments and to continue to expand our technology leadership by offering a comprehensive operating system portfolio and are the first ones to introduce features such as in-build karaoke functionality and remote finder, enhancing end consumer engagement and product distinctiveness.

Refrigerators: Q3 is seasonally the weakest quarter for the refrigerator industry with demand typically ramping up from January ahead of the summer season. The softness was further stressed by the transition to the new energy efficiency norms effective January 2026, resulting in brands consciously limiting inventory of current norm models due to impending 1-star downgrade. Despite these industry-wide constraints, we continue to strengthen our product portfolio and customer base.

Alongside our strong presence in direct cool refrigerators, we successfully introduced many bars in 50 liters and 100 liters categories, which have received an extremely encouraging market response with the entire available capacity already booked. We are also onboarding leading brands, including Haier in this segment.

We'll introduce a new 170-liter low-cost refrigerator model targeted at export markets, which has seen healthy traction across both export and domestic channels. To support future growth, we have commenced construction of phase expansion facility that is another 375,000 square feet facility, which will enable manufacturing of 2-door refrigerators, deep freezers, busy coolers and side-by-side refrigerators.

Home appliances: Revenue for the quarter was INR355 crores. Operating profit was INR41 crores with an operating margin of 11.5%.

Washing machine portfolio demonstrates full ODM capabilities right from design, support to testing and manufacturing. We continue to add capacities, introduce new product categories with more features and value-added offerings and increasingly focusing on localization of critical components.

Our expansion into new category of semi-automatic washing machines in 16 kg and 18 kg capacity is completed and mass production to start in March '26, which will be in the first across the industry. Our new Tirupati facility for front-loading washing machine is ready and mass production to start by Q2 financial year '26-'27 with annual capacity of 300,000 units.

Production started for robotic vacuum cleaners for Eureka Forbes with healthy order book, and we are actively exploring other appliances like microwaves and kitchen chimneys. We're driving several initiatives to expand automation across operations while strengthening the industrial engineering function to improve efficiency, productivity and cost optimization.

Lighting: The JV with Signify, Philips continues to deliver exceptional results and partnership is driving robust higher double-digit revenue growth, enabling better asset utilization and deepening localization levels. We have significantly enhanced our market share in LED bulbs, battens, downlighters through this partnership and positioning us firmly at the center of ongoing consolidation within the Indian lighting industry.

We are seeing several small and subscale players in the lighting ecosystem struggle to keep pace with the required investment in technology, quality and compliance, which is creating a favorable competitive backdrop for a well-capitalized integrated platform like ours. We are moving up the value curve with an increasing focus on the premium and technology-led lighting solutions, which supports higher realizations and an improving margin profile over the medium-term.

Leveraging our manufacturing expertise, we see strong potential to export high-quality LED lighting products to markets such as Europe, U.K., UAE and U.S. We continue to focus and invest in automation to further boost operational excellence and keep investing in backward integration to improve our cost efficiencies.

Telecom and networking products: Home broadband penetration in India continues to grow at a very fast pace, and we have been continuously building up more capacities.

And we also have a stable order book for our anchor customers on CPE devices, which will continue to be a major contributor to revenue. We have started manufacturing of highly complex telecom backhaul microwave radios for a U.S. telecom brand. We have localized components such as mechanicals, adapters, plastic moldings and sheet metal. We have been selected as an ECMS beneficiary for optical transceivers in line with focus on diversifying into technologically advanced product categories and will start manufacturing next fiscal.

With continued momentum and developments in the segment, we target to further strengthen our market position with market share gains in the domestic market.

Laptops, tablets and IT hardware products: The segment saw a healthy uptick in revenues in the quarter, and we have a very strong order book for the next financial year and capacity enhancements going on.

Our dedicated IT hardware product manufacturing unit in Chennai has successfully stabilized MICE production of laptops and AIOs for HPs and Asus. We have bagged order for desktops from one of our customers and we will start manufacturing in Q4 of this fiscal in Chennai, and also, in active discussion with an existing customer for manufacturing of tablets.

The new facility being developed ascend to our existing facility under our 60:40 JV with Inventec is near completion and mass production of SSD and memory modules is planned to begin in Q2 of '26-'27, which will deepen the level of manufacturing and contribute towards improved margins in the segment.

We are also in deep discussions with the JV partner for manufacturing of servers to capitalize on the fast-growing market.

Rexxam Dixon Electronics, Rexxam JV for AC PCBs continues to perform well and remains a strategic asset in our component portfolio. We expect a robust demand for AC this season and will scale up our capacity by operationalizing a new upcoming Chennai facility by end of Q4 of the current fiscal.

With that, I'll conclude with my remarks. Saurabh and I are happy to take any questions. Looking forward to the same. Thank you.

Moderator:

The first question comes from the line of Ankur Sharma with HDFC Life.

Ankur Sharma:

A couple of questions on the cell phone side. One, if you could just help us with volumes for Q3? And more importantly, how do you see volumes for both '26 and into '27 versus the earlier guidance that you have given?

Saurabh Gupta:

Yes. So, Ankur, the smartphone volumes for Q3 was around 6.9 million. And overall, in 9 months, we have done a volume of closer to 27 million.

Ankur Sharma:

Okay.

Atul Lall:

Q4 volumes are expected to be somewhere between 7 million to 7.5 million. For '26-'27, the numbers are still being worked out. It is -- the situation is slightly fluid because of the memory prices. And also, we are confident and close to a government approval for Vivo. So it's slightly premature to comment on a number for '26-'27.

Ankur Sharma:

Okay. Fair. And sir, if you could just help us, what's leading to this delay in the Vivo JV? Is it just procedural? Is there anything else you can talk about? Because it has been a while since we've been expecting this to come through.

Atul Lall:

Yes, I appreciate it, Ankur. But we feel that we are fairly close to it. Yes. And it should happen shortly. That's where we are.

Ankur Sharma:

Okay. Fair. Just on the margins, one was, how do you really see margins more so with the PLI -- at least the original PLI benefits kind of going away as we head into '27. So how do you see

cell phone margins? And obviously, I expect some delays in the ramp-up of our component JVs.

So there, how do you see margins kind of shaping up -- maybe some dip in the first half and then catch up in the second half? And a follow-up would be, we're hearing about a second PLI also coming through for cell phone. If you could please talk about that?

Saurabh Gupta: Yes. So Ankur, as we have been mentioning in our previous earnings calls also, the mobile business margins are closer to 3.5%, which has got PLI as well, broadly 0.5%, 0.6% of our share of PLI income, which is getting consolidated in these margins. So one, to say that PLI will get renewed or not? Sure, it is very difficult to say right now.

Atul Lall: So coming in there, Ankur and other stakeholders here, there are deep discussions happening between the industry and the government. We are optimistic about it. But to say anything with certainty is not a fair statement on my part. Are the discussions on? Yes, the discussion is on. If there are positive response? Yes, there is a positive response. But is it an absolute certain thing to come in? No, it's very difficult to say.

Saurabh Gupta: Yes. The government is engaged with the industry. A lot of data has been shared. Government is evaluating it. One view is, of course, they want to give more support to the sector till the time the component ecosystem gets created, but it's very difficult to surely. So assuming a case where it goes away, assuming the case -- worst case, it doesn't get extended, then 0.5% of margins will get impacted in our mobile business, which we have communicated earlier as well.

But we feel confident that with our backward integration play, we will be able to, not only overcome that margins, there will be additional margins which will come on account of backward integration play, but that will largely play out in '27-'28 because in Q Tech, we are doing a large capacity expansion, we are deepening the level of manufacturing, which will take us 6, 7, 8 months.

And also the display, the machineries have been ordered and some of them will get ordered in the next few months. But -- and the trials, as communicated in the remarks, will happen somewhere in Q1.

Mass production should start towards end of Q2. So there can be some quarters where the margin impact can reflect lower, assuming a case if the PLI doesn't get extended. But '27-'28, we are absolutely confident that there should be a decent margin expansion largely on account of component play.

Atul Lall: So on the display side, Q Tech, the capacity expansion is already on. Finally, we're going to expand the capacity from current 40 million to almost 190 million. In the display thing, the building is ready. The first set of equipment for 2 million per annum -- 2 million per month mobile phone capacity and 2 million per annum for display for notebooks and automotive is

already arrived at ports. It's going to take 2 to 3 months for installation. And we feel that sometime by June, July, the trials and the commercial production should start.

Moderator: Yes, sir, the current participant has disconnected. Yes. The next question is from the line of Sameet Sinha with Macquarie Capital. As there is no response, we'll go to the next...

Sameet Sinha: Can you hear me?

Moderator: Yes.

Sameet Sinha: Okay. I'm sorry about that. Yes. So a couple of questions. One is, Mr. Lall, I mean, obviously, memory prices have been going up for the last 2 quarters. There were some news stories about display prices also kind of going up. So it seems like other components will also be impacted. How do you -- in your opinion, how are the OEMs reacting to this?

What's their -- they are obviously -- we'll probably see some de-specking, instead of 16 GB of memory, they'll probably go down to 12, keep the pricing the same, higher-end phones probably more price insensitive. So can you talk about that? Because I wanted to understand in that context, what is -- how about your economics?

Would that stay stable? And my second question is, reading about some media reports about Motorola saying that they'll be using you for the camera module in their phones. So congratulations on that. Have other OEMs also signed up? And if yes, can you name them? And then I have a follow-up question.

Atul Lall: Yes. So on the first part of your question, as far as the unit economics is concerned, for us, it's a pass-through. For us, there is no impact as far as the value chain and impact on the margins is concerned on an absolute basis. So what happens is that, when the price increases and it increases so significantly, everybody is expecting an impact on the demand side. That's the concern area.

And as you very aptly captured, one feels that the demand of the mid-segment and the lower segment is going to be impacted more. So that leads to an uncertainty element in the whole business. And that's where we are. However, you know that as far as the economics is concerned, for us, it's a pass-through. The second part of the question on the camera modules, yes.

So in Q Tech, we're already supplying to Motorola, and we have got an extremely positive response from them for expanding the relationship with Q Tech. In Q Tech, we're already supplying to various other brands. So we are supplying to Vivo. We are supplying to Samsung. We are supplying to Oppo. We're supplying to all the other brands.

Saurabh Gupta: So they are a big supplier, Sameet. They are part of the supply chain for almost -- for most of the brands in the Android ecosystem.

Atul Lall: So in Android ecosystem, almost all the brands are our customers. The camera modules till now, which are being imported, please appreciate the market of camera modules is approximately around \$350 million to \$400 million, which is largely being serviced through imports today. We want to capture and service that market through our Q Tech partnership.

Sameet Sinha: Yes. I mean, we'll probably hear more about it on February 1 when the government puts out the budget. Hopefully, there's going to be more incentives for localization. My final question is -- and this is...

Atul Lall: In Q Tech, we have also got the ECMS approval.

Sameet Sinha: Right. So my final question is, I think, Mr. Lall and Saurabh, I mean, there has been multiple dynamics in the business, right? And I think all of us are trying to figure out what the -- what goes up, what goes down. For example, just in the fact that phone prices are going up, artificially or mathematically, it will look like your margins are coming down?

Can you kind of lay out for us a couple of things? You obviously spoke about PLI headwind in case PLI 2.0 doesn't happen. And can you give us the timing of the Vivo JV, so we can kind of model out the different margin scenarios and be able to get comfortable with what things will look like in '27-'28?

Atul Lall: So we feel that we are close to the Vivo JV, yes, because we are pursuing very deeply with the authorities. But to give a specific time line is not that easy.

Sameet Sinha: No, I understand that. I was trying to get at more from an overall perspective, multiple drivers right now, smartphone input costs going up, PLI getting pushed out. What is -- how could margins be going up and down in the next year, next 12 months?

Atul Lall: We still feel that we should be able to have a margin of somewhere between 2.8% to 3.1%, 3.2% in our mobile phone business. That's how it's going to look like. By the time we start integrating a backward integration play and then margins would keep on going incrementally up month-on-month.

The time line for this, I feel, to start this operation of integration of components that we are doing is going to be 6 to 8 months. And finally, we feel that almost 70%, 80% of our business would be integrated into the component landscape by '27-'28, which will lead to an overall expansion of margins. And here, I'm talking about the scenario without PLI.

Moderator: The next question comes from the line of Vipraw Srivastava with PhillipCapital.

Vipraw Srivastava: Sir, quickly on the disclosure side, I mean, in previous quarters, you used to get revenues from Ismartu routers and other segments, which we are not getting from this quarter. So any reason for that, why disclosure hasn't been given for this quarter?

Atul Lall: No specific reason. This is a combined entity we look at and Ismartu is also nothing but mobile phone business only. So we decided to consolidate and show as part of the mobile business. In

case you're looking for separate numbers, you can have a separate discussion. I'll give it to you.

Vipraw Srivastava: Fair, sir. And sir, secondly, on the mobile phone volume side, given that your component story, which obviously is a very good value addition, but it's a function of mobile phone volumes, right? If the industry doesn't pick up, let's say, next 2 years, if memory prices continue to remain high and mobile phone volumes remain weak, how confident are you of the component story playing out the way you want it to?

Atul Lall: Please appreciate on a conservative basis, the steps that we are taking for growth and consolidation in the mobile business for us, we should be even a conservative basis, somewhere around 60 million, 65 million units. And that's a large play even for '27-'28 for our component business. We're talking at 60 million, 65 million, I'm looking at 160 million, 170 million of camera modules.

I'm looking at that number of displays, almost 40 million to 50 million. I'm looking at almost 1.5 million to 2 million of notebook displays. I'm looking at almost 2 million of automotive displays, both 4-wheeler and 2-wheeler. So for us, it's a large play.

Saurabh Gupta: And for some of the brands, Vipraw, we are also working on some increased order book on export side. So those are deep discussions which are happening. We are not in a position to share right now. And so is our backward integration strategy. Yes, there can be some quarters. And we clearly mentioned to you that it can be 5, 6 months for us to ramp up this both the component play, but we feel absolutely confident about '27-'28.

Atul Lall: So we feel confident about the numbers playing out. The only thing can be a couple of months or a quarter delay in execution, in integration. That's all.

Vipraw Srivastava: Okay, sir. And sir, last question from my end. Given that we were taking in 20 million volumes coming from Vivo for FY '27, we still don't have approval. I mean, are you sure -- do you maintain this 20 million number for Vivo for FY '27 or there can be a downside risk to this?

Atul Lall: See, we feel confident, but everything is subject to how soon we are able to get this approval because after that, it's going to take a month or a couple of months for integration.

Saurabh Gupta: Yes. So, basically, Vipraw, the way you should look at it the day we get the approval, then it will take us at least 45, 60 days to consummate the transaction. There are a lot of CPs or conditions which need to be closed, which generally would take that kind of time. Yes. So there can be some -- depending on what time we get the approval, so that's how the number will play out.

Vipraw Srivastava: So there is a risk, right, on Q1 numbers for Vivo then because we are already in Feb. So it would take 60 days, at least.

Saurabh Gupta: We feel confident that the Vivo approval should come in soon. We already told that it will take 45, 60 days to close the transaction. Now, of course, one can -- beyond that, it's very difficult to give us any more flavor on this.

Moderator: The next question comes from the line of Siddhartha Bera with Nomura.

Siddhartha Bera: Sir, my first question on the mobile side is, we had talked about addition of another global ODM. So if you can give us some sense where it is and when should we expect that to come through? And second, on the export side also, I think we were seeing a good traction, which also has slowed down.

So how do you think exports can be in the next year given these challenges? And do we sort of benefit out of this European FTA deal, which has got signed? And can we sort of look at more opportunities in that region as well?

Atul Lall: So responding to the first part of the question, the discussions with a new customer are on. We feel confident that we should be able to conclude it by Q1 of the forthcoming fiscal. Responding on exports, export, we are pursuing 2 opportunities. Motorola, it's already on. We have done exports of almost INR4,000 crores, INR4,500 crores in the first 9 months.

We feel we should be closing at almost INR5,500 crores, INR6,000 crores in the current fiscal. We feel that this is going to be the run rate in the forthcoming fiscal. With another large partner of ours, the export discussions are on. Some exports for that brand are already happening. We are planning a new capacity for that to start with for 2G phones, and then we're going to graduate up to 5G -- for 4G and 5G phones.

For this, a new facility is being planned down south in Tirupati. So that's where we are. So we are still confident about building our export business in phones. Europe for phones, you see in any case, there is no tariff on phones in any of the countries. So EU FTA is not helping us. On EU FTA, we're still waiting for the fine print. We feel that it is definitely going to help us in our lighting business and also in our television business.

Siddhartha Bera: Got it, sir. Sir, last question is on the Q Tech. If you can highlight what revenues have you booked for quarter 3? And how should we think about the ramp-up? Because will you be continuing to sell to the external customers or eventually gradually, it will only be for captive consumption. So how we should look at the Q Tech numbers this quarter and next year?

Saurabh Gupta: So, Siddharth, Q Tech numbers for quarter 3 was closer to INR400-odd crores. And broadly, we are looking at a similar run rate of INR2,000 crores for Q Tech. As we mentioned, in the next 8 to 9 months, we are significantly expanding the capacities. Last year, the volumes was 40 million. This year also, the volume should be closer to a similar number of few million.

But the idea is to take it up to almost 180 million, 190 million. So that's the reason the capacities are being expanded, more money has been put into the business. And also the manufacturing process has been deepened. So we are deepening the level of manufacturing so that we are able to capture more value, capture more margins in India. So that is being done.

So as of now, yes, they are supplying to some -- they're supplying to some of our customers in the Android ecosystem. Some of the camera modules continue to be imported as well. So the idea is a big opportunity to ensure that once the capacities are there, then the import substitution can be a big opportunity in itself because we already have a large play with all the customers in the Android ecosystem.

So our target is, Siddharth continues to remain the same, which we guided earlier. The idea is to take the numbers up to 180 million, 190 million in the next couple of years, do more manufacturing, increase the margins.

And also, we are also beneficiary of the ECMS scheme. So that's exactly what we are working on.

Moderator:

The next question comes from the line of Aditya Bhartia with Investec.

Aditya Bhartia:

Sir, my first question is on amount that is due for PLI schemes. Could you just quantify roughly what amount may be due from government authorities in respect of PLI? And what would be our portion of it? And in the last few quarters, have we seen this amount increasing or delays happening in terms of payments?

Saurabh Gupta:

So, Aditya, I don't have that number right now with me. I can share with you separately. But broadly, we have been getting our PLIs from the government. So we have largely -- so we have been getting for telecom business, lighting business. Some of them, of course, this year numbers will come in only after the closure of the financial year. But those numbers have been coming down, but I can share those numbers separately with you.

Aditya Bhartia:

Sure, sure. And there has not been any unusual delays. Typically, that 1 year kind of a delay that we used to have, it's a similar kind of a run rate that we are seeing.

Saurabh Gupta:

Yes, it's a similar thing.

Atul Lall:

Yes, yes, it's a similar thing. See, we have already got the PLI up to September '25 in mobile, right?

Aditya Bhartia:

Understood. Sure, sure. My second question is on slightly longer-term growth levers. Once Vivo is completely operational, we have camera modules, display modules completely up and running. What are the other areas that we can kind of think about? And specifically within this, if you could speak a little more on the export side.

You did mention about Motorola and an existing customer, but what can be opportunities beyond these customers on the export side? And within the component ecosystem, are there new component categories that we can also evaluate?

Atul Lall:

Aditya, apart from mobile, so mobile, you deeply understand the next trigger of growth is Vivo partnership, acquisition of new customers, deepening of value addition by upping the game in display and also in camera modules. The new triggers of growth is our IT hardware business,

wherein we are really ramping up the capacity and expanding the product portfolio beyond notebooks to AIOs to desktops, tablets and also printers.

We are going to be executing and is going to operationalize our JV with Inventec, in which we're going to start with SSD and memory modules. We are also going to be executing the project for servers. That's a high-growth area. Our telecom business is doing extremely well. This year, we should have revenues close to INR5,200 crores.

We are already the largest in India in CPE devices, namely routers, fixed wireless devices, IPTV set-top boxes. In that, we have expanded our product portfolio, and we have bagged an extremely important order from U.S. customers for high -- for complex telecom backhaul microwave radios.

This is going to be both for domestic market and exports. In this -- we have got -- in this, again, we are deepening the manufacturing and getting into the component side. We have already got the ECMS approval for SFPs and optical transceivers, in which we're going to get into the production mode in the forthcoming fiscal. Then in our traditional businesses, in lighting, post our JV with Signify, the growth is extremely good. The consolidation is taking place in that industry.

And we are migrating more and more to the premium end product, high-end professional lighting products, luminaires and down lighters. In washing machines, we are expanding into the front loaders. That project -- the building is ready. The project is in the execution stage, and we're going to be setting up a capacity of almost 300,000 front loaders. This is going to be operationalized by Q2 end of the forthcoming fiscal.

In refrigerators, we shared with you that we are expanding our capacity. We set up a capacity of 1.2 million, presently at 1.8 million. The new factory is under construction, it will be expanded to 3 million. We have already launched 50 liters and 100 liters. We have already started work on side-by-side, double doors, deep freezers and busy coolers.

So it's going to be a complete complex portfolio. Now we have taken a very senior resource in our South campus, very, very senior resource for building our industrial EMS business. So these are the growth trajectories. As far as exports is concerned, one, of course, is mobiles. We feel we're going to be -- we are in deep discussions at advanced stages with our strategic partners for building a large footprint down South for 2G phones and then 5G phones.

And also, once this issue of Indo-U.S. tariff and now with the Indo-EU tariff being optimized, we feel there's a tremendous scope for lighting exports now. So as of now, these are all growth triggers for us for next 2, 3 years.

Aditya Bhartia: Sure, sir. And in terms of tariffs, there will be nothing from mobile phones perspective because pretty much everywhere mobile phones are exempt from tariffs. Is that understanding correct?

Atul Lall: That's right.

Saurabh Gupta: That's right, Aditya.

Moderator: The next question comes from the line of Bhavik Mehta with JPMorgan.

Bhavik Mehta: Just one question. I just wanted to understand what is the update on the Longcheer JV in terms of the ramp-up since it was formed in September? How have the volumes been panning out this year? And what could be the volumes expected in FY '27?

Atul Lall: So Longcheer JV, we have already got the PN3 approval. We'll be signing the JV agreement by second week of February. The factory construction has already started. Longcheer management team has come and parked themselves in India. A new factory of almost 400,000 square feet is under construction.

It's going to be operationalized by second quarter -- by first quarter end of next fiscal. Initially, the capacity being created there is going to be of 18 million units. We're going to build up that business step by step. We are also in discussions with them for expanding the product portfolio beyond mobile phones to other IoT devices and also smart glasses.

Moderator: The next question comes from the line of Saumil Mehta with Kotak AMC.

Saumil Mehta: Just wanted to check, assuming there are more delays in the PN3 approval, what is the plan B? Do we continue to manufacture Vivo outside of JV as a pure contract manufacturer? And how should we look at that part of the business?

Atul Lall: So we feel very confident. We are deeply involved in this process. And when I'm sharing with you this information, it's with a fairly high level of confidence. So just bear with us and wait for us for some time.

Saurabh Gupta: So for us, we are not on a plan because we feel confident the approval should come in.

Saumil Mehta: Okay. Okay. And in terms of the volumes, can you highlight how the December volumes for the current quarter was? And do you see there is a sequential decline, which are the brands where the decline -- I'm not asking for a specific number, but which are the brands where the decline is a bit sharper compared to the others?

Saurabh Gupta: So as we mentioned, basically, as Mr. Lall mentioned in his opening remarks, the impact of memory prices has been largely intense on the low-end phones and the mid-end phones. So that's where we have seen some kind of demand impact.

Atul Lall: As we shared with you the last quarter numbers, was 6.8 million. But please appreciate for us to share that in which brands there was a decline is not a very fair. It will be difficult for us to share that. The overall number we have shared with you.

Saumil Mehta: Sure. And my last question, in your best estimate, has there been any market share loss for some of the largest customers where we also have export given one more Indian partner have started manufacturing phones of that particular OEM?

Atul Lall: Yes, yes. So one of our anchor customers has started manufacturing with another EMS company. But on an overall volume basis, our numbers have not come down as compared to the last fiscal. But as a part of their internal strategy, volume, certain percentage has been allocated to another EMS.

Saurabh Gupta: Yes. So just to let you know our numbers for that particular anchor customer that we are talking about would show a growth this year on the last year numbers as well. So in the last 2 years, the number has significantly grown for us. Grown from Indian market, and we have a lion's share of their business.

Saumil Mehta: All the best for subsequent quarters.

Atul Lall: Thank you.

Saurabh Gupta: Thank you.

Moderator: The next question comes from the line of Chinmay Parab, an Individual Investor.

Chinmay Parab: Sorry, I lost your opening commentary on the lighting sector. Can you just repeat that?

Atul Lall: So I'll just read out the same. In lighting, our joint venture with Signify, that is Philips continues to deliver exceptional results and partnership is driving robust higher double-digit revenue growth, enabling better asset utilization and deepening localization levels. We have significantly enhanced our market share in LED bulbs, battens, downlighters through this partnership and positioning us firmly at the center of ongoing consolidation within the Indian lighting industry.

We are seeing several smaller and subscale players in the lighting ecosystem struggle to keep pace with the required investments in technology, quality and compliance, which is creating a favorable competitive backdrop for a well-capitalized integrated platform like ours. We are moving up the value curve with an increasing focus on premium and technology-grade lighting solutions, which supports higher realizations and an improving margin profile over the medium-term.

Leveraging our manufacturing expertise, we see strong potential to export high-quality LED lighting products to markets such as Europe, U.K., UAE and U.S. We continue to focus and invest in automation to further boost operational excellence and keep investing in backward integration to improve our cost efficiencies. So this is what I read out.

Chinmay Parab: Just talks about the current market scenario with respect to the EU FTA approval. What kind of opportunities do you see as a company as a whole and also in the lighting sector? Would you like to add some points towards it?

Atul Lall: So we are still waiting for the fine prints, but we feel that the tariffs on lighting and LED TVs are a potential areas for us, and we feel that they want to come down to practically 0. And that's an opportunity for us to capture the EU market.

Chinmay Parab: All the best for your future.

Atul Lall: Thank you.

Moderator: The next question comes from the line of Girish with Morgan Stanley.

Girish Achhipalia: My question was just on capex. If you can just highlight for FY '26 and FY '27, how much is the budget? And secondly, I wanted to understand when you get the approval for Vivo JV, you would be having some kind of cash consideration being paid to acquire the manufacturing facilities? And what could that ballpark number be from a capex standpoint that you would be investing?

Atul Lall: So first 9 months, the capex outgo is INR720 crores. And we feel that in the overall fiscal, it should be somewhere between INR1,100 crores, INR1,200 crores. It's not prudent for me to share the number for Vivo acquisition. But please be rest assured the balance sheet has adequate strength to work on that acquisition.

Saurabh Gupta: Yes, that number is confidential. We would not like to disclose that number of acquisition right now. The capex is INR700 crores. Last quarter, we did another INR300 crores, INR350 crores, INR400 crores. So we will do a capex of closer to INR1,100 crores, INR1,150-odd crores.

Girish Achhipalia: Sir, my next question was on IT and hardware products. So we saw a 1-year extension being given by the government. I wanted to understand, you have acquired these customers. How should one think about revenues for this year and next year for IT and hardware products?

Atul Lall: So this year, we feel the revenue should be in the range of INR1,500-odd crores. We have a decent order book for next year. The budgets are still being worked out. We feel that for next year, the numbers are going to be somewhere around INR3,500 crores to INR4,000 crores.

Saurabh Gupta: Yes, the order book looks -- Girish looks very healthy. I think so those -- we will also freeze on those numbers in the next couple of months. But clearly, the brands have indicated a very strong order book. So clearly -- so that is also a growing vertical for us with backward integration as well.

Girish Achhipalia: Sure. And if I heard you correctly, sir, you mentioned that you've hired a senior resource for industrial business. So what segments are we talking here? Is it autos? Is it other industrial products like smart meters? If you can just highlight like what is the kind of capability building that is happening there?

Atul Lall: It's going to be for automotive, it's going to be for industrial electronics. We're not looking at energy meters as of now.

Moderator: The next question comes from the line of Nirransh Jain with BNP Paribas.

Nirransh Jain: Sir, my first question is on the HKC JV, just wanted some clarification. So like PN3 approval required for the commencement of the facility in case the PN3 approval doesn't come by the time [Inaudible 00:52:18] to commence the production or will we still await...

Moderator: I'm sorry to interrupt. Nirransh, could you please use your handset?

Nirransh Jain: Hello. Is it better now?

Moderator: Yes, better. Could you please repeat your question?

Nirransh Jain: Yes. Sure. So sir, my first question is on the HKC JV. Just wanted to confirm whether the commencement of the facility that is under construction is contingent on the PN3 approval or we'll still go ahead with the commencement in case we don't receive the PN3 approval by the time?

Atul Lall: No, no, it's not contingent on the PN3 approval. The construction is on. In fact, the building has been handed over to us. The equipment has already landed at the port. So it's not contingent. But for us, it's an important partnership and PN3's approval is important for us. But is the business contingent to PN3? No.

Nirransh Jain: So sir, how will it work in case we don't receive the PN3 approval by then? Can you still commence the production from the same plant?

Atul Lall: Yes, yes, we can. First is that, PN3 for HKC will definitely come through. Second, we are confident that the ECMS approval also for display will come through. Third, that God forbid, if it doesn't come through, it does not have any impact on execution and starting the production of the plant. It will be 100% subsidiary of this.

Saurabh Gupta: So basically, they have not held back on any capex. And as you mentioned, the machineries have already been ordered. Some of them are at port, some of them are getting ordered. So there is absolutely no delay on account of not getting the PN3 approval till now, which we feel absolutely confident we'll get. But otherwise, it's absolutely the project is going on a normal the way it should be moving.

Nirransh Jain: Sure, sir. That's helpful. And secondly, just wanted to check on the export orders for Ismartu. If I remember correctly, last year, we had been saying that we expect like 3 million to 4 million of incremental export orders coming from Ismartu, particularly for the Africa markets. So where do we stand now? Like are we seeing those export orders getting executed this year or next year? Or like is there any delay there?

Atul Lall: So some exports has already started. We would have done almost 1.2 million to 1.5 million exports from Ismartu. The discussions are on, and that's what I was talking about of building a large footprint down South for building that capacity. So that's where we are on Ismartu.

Moderator: The next question comes from the line of Rahul Agarwal with IKIGAI Asset.

- Rahul Agarwal:** Just few questions. Firstly, a clarification on the pass-through bit. You said most of the memory pricing, I'm assuming that the INR depreciation here because there is some element of imports plus the metal inflation. All of this is a pass-through purely because we are a B2B. But is there a time lag between here, like typically how it works for ODM versus a brand? Will -- is there a possibility of temporary margin downturn and then finally get the price hike? How does that work?
- Saurabh Gupta:** No, no, no, it's immediate pass on. So there is no impact. This is a prescriptive business for us. So in any prescriptive business, the currency or commodity risk are immediately passed on. So there is no impact on our business.
- Rahul Agarwal:** Okay. Perfect. Second is on the Longcheer, you said it will commence sometime end of 1Q '27. And since the approvals are now received and you will be signing final documents. I just wanted to understand till that point, the production for mobile right now happening with them continues till that point and then the existing business shifts to that JV. And then that's where we start growing. Is that understanding correct?
- Saurabh Gupta:** Yes, that's the right understanding, yes. Business continues as is. Only Q2, it will move to the JV and the new plant with the shareholding that we had agreed, 74:26.
- Rahul Agarwal:** So there is no -- when we basically shift to the JV, there is no delay between that production, right?
- Atul Lall:** No, no, no.
- Saurabh Gupta:** No, there is no delay.
- Rahul Agarwal:** Okay. And as of now, Longcheer would be like -- any salience could you share for the mobile business right now? Like how much business shifts from a subsidiary business to the JV?
- Atul Lall:** So those numbers are being worked out, Rahul. We feel that in '27 -- '26-'27, it will be around 8 million to 10 million units.
- Rahul Agarwal:** Okay. Got it, sir. And last question was on capex. You said INR11 billion to INR12 billion of capex. Just wanted to understand, I mean, I know that components have lower -- higher margins and similar ROCs. But if you could just break down between the camera module, display module and then the battery mechanicals, I think what kind of capex are we putting in each of these divisions? That will really help.
- Saurabh Gupta:** Yes. So, Rahul, display business across these 4 categories of smartphones, automotive, IT hardware. And in the second phase also, we're looking at TVs as well. We will be putting capex of closer to INR1,100 crores, INR1,200-odd crores. In Q Tech, the camera modules capex intensity should be closer to INR250 crores, INR300-odd crores.

Battery, we still have not worked out the numbers, and we have not been -- we don't have a technology partner right now as far as batteries is concerned. So we have not worked on that number.

Atul Lall: SFPs and optical transducers is INR50 crores.

Saurabh Gupta: INR50 crores, yes.

Atul Lall: And mechanical enclosures is going to be another INR50 crores to INR60 crores.

Rahul Agarwal: And fiscal '27, is there a budget or any ballpark number, please?

Atul Lall: It's still being worked out.

Moderator: The next question comes from the line of Keyur Pandya with ICICI Prudential.

Keyur Pandya: Sir, first question is on the mobile phones, you mentioned too early to guide for FY '27. Generally, whatever, say, rolling plan we get from our clients, do we have any visibility on at least Q1? I mean, generally, this supply chain takes time. And so we have to -- is it fair to assume that at least in the first half we should see degrowth of volume? This is ex of Vivo JV, I'm just saying.

Atul Lall: I think we'll have to just wait...

Keyur Pandya: Or do we have a pipeline to add clients?

Atul Lall: See, because the memory supply is not only a question of pricing, it's also a huge question of availability. So the brands themselves do not have an absolute clarity that how those numbers are going to pan out. So I think we'll have to wait and watch for another 2, 3, 4 weeks to arrive at those kind of numbers.

Keyur Pandya: Understood. Second question on overall numbers. So, I mean, ballpark at the EBITDA level, pure mobile itself would contribute probably more than 60% of the EBITDA. Now in that backdrop, where all the capex of expansion and new categories would come on stream either in Q2 or Q3 of '27. And is it -- I mean, should we assume that at least in the first half of FY '27, we should be either flattish or degrowth in terms of, say, revenue or EBITDA?

Atul Lall: No, we still have growth. We are still working on the numbers because there is some level of uncertainty, but we feel that there will be growth in spite of these challenges.

Keyur Pandya: In the first half?

Atul Lall: Yes.

Keyur Pandya: Of the year? Sure. All the best.

Moderator: Ladies and gentlemen, we will take this as the last question. It's from the line of Nitin Kaushik with Afin Capital Private Limited.

Nitin Kaushik: Sir, my question was in previous con call, you reiterated that the company is targeting over INR1 lakh crore revenue in the next 3 to 4 years. So given this current increase in the price of memory and would that guidance remain intact?

Atul Lall: See, we are still very optimistic. We are aggressive. We have got our plans in place. We have got our acquisition and JV partnerships in place. We have a new growth category triggers in front of us, which we are committed to. So we are committed to an aggressive growth for Dixon. We feel confident about it. We feel committed to that.

Saurabh Gupta: And also we have seen earlier also in COVID period, the supply disruptions keep coming, but that doesn't change the overall outlook for the company, overall growth plan for the company. Of course, it can have some short-term challenges. But yes, we are continuously working, not only on mobile phones, other verticals, we are just taking through the growth plan in all our IT hardware, telecom business, lighting business.

Mobile is, of course, the largest trigger for growth. But yes, there are small supply chain disruptions, which happened in business. But overall, nothing changes as far as long-term outlook is concerned.

Nitin Kaushik: Also, sir, the growth that you are guiding, so I think majority of that would come from mobile phones and other OMS segment, right?

Saurabh Gupta: Yes.

Atul Lall: So mobile undoubtedly is a large segment. But as we shared with you, we see a huge potential and upside in IT hardware for margin expansion and also adjacency, we see a huge upside in our component business in we have just forayed. We see a huge upside in our telecom equipment business. And we are also expanding our appliances business. We are also expanding our lighting business. So all these are triggers for growth. We are getting into new categories of industrial EMS.

Moderator: Thank you, sir. Ladies and gentlemen, that was the last question. I now hand the conference over to the management for closing comments.

Atul Lall: So thank you very much for participating in the earnings call. We really appreciate it. And thanks for your commitment and conviction for Dixon. Really appreciate it. Thank you so much.

Saurabh Gupta: Thank you. Thank you so much.

Moderator: Thank you. On behalf of DAM Capital, that concludes this conference. Thank you for joining us. And you may now disconnect your lines. Thank you.