

## Plant Visit Notes – Centum Electronics Ltd.

### **Key Observations from Visit**

- The Company is in the midst of a strategic transformation, shifting from being primarily an EMS provider to becoming a design-led strategic electronics partner with strong system-level integration capabilities.
- Defence, space, and aerospace together accounts for 56% of the total revenue, making them the largest and most critical segments for the business.
- It plays a vital role in missile electronics programs such as Akash, Agni, and the K-series, while also supplying key subsystems for T72 and T90 tank modernization programs.
- The firm has pioneered several technological “firsts” in India, including RF systems up to 40 GHz, TR radar modules, indigenous FPGA integration, and miniaturized hybrid electronics.
- Diversification initiatives are evident in emerging areas such as EV battery management systems, clean energy grid modules, semiconductor equipment, and medical devices, including FDA-approved imaging detectors.
- Recent business wins include semiconductor equipment electronics, biometric security systems, and clean energy products, enabled by global supply chain realignments away from China.
- The company’s strengths are anchored in microelectronics and RF design capabilities, along with radiation-hardened systems that are critical for high-reliability defence and space applications.
- Its facilities are equipped with advanced testing and qualification infrastructure such as ICT, JTAG, AOI, and environmental stress screening, and it holds aerospace-grade certifications including AS9100 and Part 21 approvals.

### **Financial and Operational Insights**

- The order book currently stands at approximately INR 17,691 million, providing strong visibility for 2–3 years in defence and space programs.
- Margins in defence and space typically range between 18–20%, while EMS operations generate margins of around 10%.
- The Canadian subsidiary has remained loss-making and is undergoing active restructuring, while the European operations have been impacted by lower utilization due to macroeconomic softness.
- Top 5 customers account for 50% of the total revenue with the top customer contributing 12-13%.
- Key customers include Rafale, ISRO, DRDO, Bharat Electronics, Hindustan Aeronautics, Bharat Dynamics, Alstom, Siemens, ABB, and Hitachi.

## Future Outlook

- The business is well-positioned for medium- to long-term growth, supported by rising defence budgets, expanding space programs, and increasing demand in industrial and medical electronics.
- Key areas of focus going forward include multifunction radars, electronic warfare payloads, satellite constellations, counter-UAV systems, EV and clean energy electronics, medical devices, and semiconductor equipment.
- Its long-term strategy is to strengthen capabilities in high-technology, high-mix, medium-volume products, expand box-build and subsystem integration, and increase participation in India's defence ecosystem.

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