Investorstack Research Report

Kaynes Technology India Limited

What Kaynes Technology India Limited does

Kaynes Technology India Limited is an integrated Electronics System Design and Manufacturing (ESDM) partner. It has over 37 years of operational experience, 16 manufacturing facilities in India, and a presence across 30+ countries. Headquartered in Mysuru, Karnataka, the company designs, builds, and supports high-performance, high-reliability electronic solutions for global OEMs and Tier 1 players.

The company holds a rare combination of global certifications: AS9100D (Aerospace), IATF 16949 (Automotive), ISO 13485 (Medical Devices), and Nadcap. These certifications are not decorations—they are mandatory tickets to play in high-reliability sectors like aerospace, defence, and medical electronics. Few Indian EMS companies hold this breadth of accreditations.

Kaynes is in the middle of a deliberate transformation. It is shifting from a service-led EMS model (build-to-print for customers) to a product-driven ESDM enterprise. This means building its own intellectual property in areas like smart meters, BLDC motor controllers, and railway safety systems. It is also adding upstream capabilities: an OSAT facility for semiconductor packaging and an HDI PCB plant for advanced circuit boards. These moves are designed to capture more value per product and reduce dependence on import supply chains.

As of FY2025, the company had 6,199 total employees (4,852 permanent). Its order book stood at ₹65,969 Mn at the end of FY2025, though the company shifted away from providing specific revenue guidance in FY2026 after a guidance miss.

> *"We are positioning Kaynes as a next-generation technology manufacturer with a deep focus on IP, vertical integration, and strategic partnerships."*
>
> MD, Q2 FY26 CONCALL (NOV 2025)

Business segments

Kaynes reports revenue across six established segments, with two emerging verticals (OSAT, HDI PCB) that are pre-commercial as of FY2026. The revenue-mix percentages below are from the annual report for FY2025.

Industrial (Including EV) – 56%

This is the largest segment by far. It covers electric vehicles (2W, 3W, 4W), EV charging infrastructure (DC fast chargers, power modules), Industry 4.0 applications (automation, robotics, clean energy), and smart metering solutions including AMI infrastructure. The smart metering sub-segment has become a significant growth driver, though it also brought working capital strain due to its different business model (installation and maintenance, not just device supply). In FY2026, smart metering contributed approximately 24-25% of total consolidated revenue through the Iskraemeco subsidiary.

Automotive – 26%

This segment supplies design, engineering, and manufacturing for automotive electronics: cluster PCBAs, LED lighting PCBAs, various switch PCBAs, BCU Master/Slave PCBAs, and EV assemblies. Customers are global Tier 1 automotive suppliers and OEMs covering passenger vehicles, electric two/three/four-wheelers, and commercial

vehicles. The segment has been a reliable anchor, with the top three global Tier 1 companies as customers. However, one large EV OEM (2-wheeler) dropped 90% of its business in FY2026, which the management cited as a key reason for missing its revenue guidance.

IoT/IT/Consumer and Others – 8%

A diversified bucket spanning product engineering, embedded electronics, IoT capabilities (smart controllers, sensors, connected devices), IT hardware, and consumer electronics. This segment has a government IT project component and is export-oriented for high-end consumer devices.

Railways – 7%

This segment manufactures signaling systems, control cubicles, SDTC cubicles, receiver systems, and onboard electronic units for Kavach (the Indian Train Collision Avoidance System). Through its Sensonic subsidiary (acquired), Kaynes adds AI-powered rail safety capabilities. The segment is poised for growth as Kavach deployment scales, but order execution has been delayed by government approval cycles. The management expects Kavach to be a significant contributor from H2 FY27 onwards.

Medical – 2%

A small but margin-accretive segment producing mission-critical electronics for diagnostic and monitoring equipment: endoscopy carts, X-ray units, dental imaging systems, ICP sensor modules, and diagnostic analysers. A large European medical device OEM was added as a client in FY2025-FY2026. This segment aligns with Kaynes' high-complexity, low-volume strength.

Aerospace, Outer-space, and Strategic Electronics – 1%

Supplies mission-critical assemblies for defence, avionics, space vehicles, satellite communications, and strategic electronics. Kaynes has been a supplier to ISRO programmes including Chandrayaan-3 and Aditya-L1. A dedicated manufacturing facility was set up for a US-based aerospace OEM. This segment is early-stage but has long-cycle, high-visibility contracts.

OSAT (Outsourced Semiconductor Assembly and Testing) – Emerging

The OSAT facility at Sanand, Gujarat, was inaugurated by the Prime Minister and is now operational. Unit 1 is fully operational; Unit 2 is expected to commercialise by Q2 FY27. The facility handles advanced packaging, chip-scale packaging, and multichip modules (e.g., IPM5 in collaboration with Alpha & Omega Semiconductor). It has six divisions: OSAT, ATE, Reliability & Failure Analysis, R&D, System Solutions, and ODM. Revenue visibility stands at over ₹25,000 Mn over the next 5 years. Currently pre-revenue from a group reporting perspective, though sample shipments have begun.

HDI PCB (High-Density Interconnect Printed Circuit Boards) – Emerging

A greenfield plant in Chennai (Oragadam) producing high-layer count boards (up to 76 layers) and high-density interconnect boards. India sources nearly 90% of HDI PCBs through imports. This facility is intended to reduce that dependence and capture domestic value. The plant is ready, with customer approvals and shipments expected from April 2026 onwards. Business potential for the group from this investment is estimated at ~₹15,000 crores (PCB plus associated EMS revenue).

Products and business detail

Kaynes' product suite spans the full electronics lifecycle, from concept design to volume manufacturing to end-of-life services. The core capability that took years to build is the ability to handle complexity across multiple high-reliability sectors under one roof.

Embedded Design and Development: This is the entry point for customer engagement. Kaynes offers concept-to-prototype engineering, embedded software development (OS porting, BSP design, firmware development), and FOTA/patch management. This capability allows Kaynes to move from a contract manufacturer to a co-development partner. The MD stated a goal of reaching ~30% of total revenue from NPD-led and value-added solutions in coming years.

Box Build and Systems Integration: The company does end-to-end electro-mechanical integration and testing, turning sub-assemblies into final products with functional test and packaging. This is where Kaynes differentiates from pure PCBA assemblers—it can deliver a finished, tested product ready for customer use. Box build now contributes around 42% of OEM segment revenue.

ODM (Original Design Manufacturing) Products: Kaynes has developed its own designs for smart meters, BLDC motor controllers, GaN-based charging systems, streetlight controllers, wireless gateways, Bluetooth modules, and ECUs for steering control. These products carry higher margins than pure EMS because Kaynes owns the IP. The smart meter ODM is particularly significant: the Hyderabad facility can produce one meter every nine seconds, with a planned capacity of 4 Mn units per annum.

IoT Solutions (Kemsys Platform): Kaynes offers full-stack industrial IoT, from sensors and microcontrollers to cloud-managed services and analytics platforms. Key deployments include transformer health monitoring, compressor diagnostics, and predictive maintenance for energy and industrial assets. This platform is a differentiator because it bundles hardware, firmware, and cloud software in one solution.

Kavach (Train Collision Avoidance System): An indigenously developed onboard electronic unit for railway safety, approved by Indian Railways. It uses German technology for the core system and AI-based vibration sensing via the Sensonic subsidiary. This product is not just a component—it is a system-level solution that Kaynes designed and owns.

Automotive LED Lighting and Control PCBA: A high-volume, high-reliability product line including cluster PCBAs, LED headlamp/tail lamp assemblies, engine control modules, BLE modules, and various switch PCBAs. These are supplied to major global Tier 1s.

High-Density Interconnect (HDI) PCBs: Once commercial, these will be advanced multilayer PCBs (up to 76 layers) including flex and rigid-flex boards for defence, aerospace, telecom, medical, and EV applications. This is a critical backward integration move as Kaynes currently buys HDI PCBs from third parties for its own EMS work.

Multichip Modules (IPM5) and Semiconductor Packaging: India's first commercially manufactured multichip module, produced at the Sanand OSAT facility in collaboration with Alpha & Omega Semiconductor and Mitsui & Company. This product targets power electronics, industrial motor drives, consumer electronics, and automotive chip markets.

Customers

Concentration is low. The top customer is not more than 6% of overall turnover (per Feb 2026 concall). This is structurally important because it reduces the impact of a single customer's project delays or demand drops.

However, the company learned this lesson the hard way in FY2026 when one large EV OEM (2-wheeler) dropped 90% of its revenue.

Named customers and relationships:

- **Alpha & Omega Semiconductor (AOS):** Anchor customer for the OSAT facility. AOS, along with Mitsui & Company, collaborated on the first multichip module (IPM5). This is a significant validation—a global semiconductor company chose Kaynes for India-first commercial packaging.
- **Infineon:** Collaboration on MEMS-based true wireless stereo packaging via the OSAT facility.
- **Larsen & Toubro Semiconductor:** OSAT customer, part of the initial client set for the Sanand facility.
- **Mitsui & Company:** OSAT collaboration partner.
- **Global automotive Tier 1 suppliers:** Includes top 3 globally. These are long-standing relationships (7-year average tenure with top clients). The business is margin-accretive and export-oriented.
- **US-based aerospace OEM:** Kaynes set up a dedicated manufacturing facility for this customer. Execution pick-up expected from FY27 onward.
- **European medical device OEM:** A large client added relatively recently, contributing multiple RFQs.
- **Indian Railways:** For Kavach and signaling systems. The relationship is government-linked, meaning orders are non-cancellable but subject to approval cycles and timing delays.
- **ISRO:** Supplier of space-grade components for missions including Chandrayaan-3 and Aditya-L1.
- **Government utilities in Gujarat, West Bengal, Kerala:** Smart metering contracts under the RDSS programme.

Buying relationship and switching costs:

Customers do not cancel orders easily. The management stated explicitly: "Our orders are not cancellable." However, customers do not take delivery of products unless their own projects are aligned. This means revenue recognition is tied to customer project readiness, not just manufacturing completion. The company can build inventory against a valid order, but cannot bill until the customer is ready.

Switching costs for customers are high. Kaynes holds certifications (AS9100D, IATF 16949, ISO 13485) that take years to obtain. Its 37-year operating history means it has deep institutional knowledge of its customers' design preferences, quality standards, and supply chain requirements. Moving to a new EMS partner would require a customer requalify the new vendor across these standards, which is a multi-year process.

Contract structure is typically project-linked with lead times of 6 months to 5 years. Orders are often bespoke (custom-built), meaning Kaynes procures specific materials against each order. This creates working capital intensity but also makes the relationship stickier.

Competitive landscape

The Indian ESDM industry is fragmented but growing rapidly. The research brief does not provide named competitors, so this analysis is drawn from industry structure and company disclosures.

Why Kaynes wins:

The core competitive advantage is the breadth of certifications and the ability to serve high-reliability sectors. Most Indian EMS players focus on consumer electronics or high-volume, low-complexity work. Kaynes deliberately positioned itself in aerospace, defence, medical, automotive safety, and railways—sectors where quality certifications are a barrier to entry.

The annual report states Kaynes holds "one of the highest numbers of global quality certifications among EMS companies in India." This is not just a line—it is a structural moat. A new entrant would need 3-5 years and significant capital to obtain even a single one of these certifications.

The backward integration strategy (HDI PCB, OSAT) also strengthens the competitive position. Kaynes will be able to offer a customer an integrated solution: design the product, manufacture the PCB, assemble the electronics, package the semiconductor chips, and test everything. Few Indian companies can offer this combination.

Where Kaynes loses or faces intense competition:

In high-volume, standardised EMS (e.g., mobile phone assembly, consumer appliances), Kaynes does not compete. The company explicitly focuses on "complexity-ready, precision-led" manufacturing, not volume-first. This limits its total addressable market but protects margins.

In automotive electronics, competition is intense. The top 3 global Tier 1 suppliers that Kaynes serves also work with other EMS partners. The company must continually demonstrate quality and delivery reliability to maintain share.

In smart metering, competitors include larger, well-capitalised players like Schneider Electric and other global metering companies that also supply devices to AMISPs. Kaynes' differentiation is its full-stack capability (hardware, firmware, software, installation), but the working capital intensity of the AMISP model is a competitive disadvantage versus device-only suppliers.

In OSAT, Kaynes is a first-mover in India for commercial multichip module packaging. However, it competes against established global OSAT players like ASE, Amkor, and JCET for the same clients. Kaynes wins on the "India-first" narrative, government support (50% central capex subsidy), and the ability to integrate with its own EMS operations. But the technology and scale gap with global leaders is significant.

Industry structure summary:

The ESDM market in India is projected to grow from ₹2,091 Bn (FY23) to ₹9,009 Bn (FY28), a CAGR of 34%. Within this, PCBA is the largest sub-segment. The PLI scheme (4-6% incentive), SPECS (25% capex incentive), and the India Semiconductor Mission (₹760 Bn outlay) are direct policy tailwinds.

Kaynes occupies the high-complexity, high-certification end of this market. Its closest competitors would be other diversified Indian EMS players with multiple certifications, but none combine OSAT, HDI PCB, and full-stack EMS under one parent. The company's competitive positioning is therefore differentiated, but it operates in an industry where customer project delays, geopolitical disruptions, and working capital cycles create inherent volatility.

Industry

Market size and growth:

The Indian electronics market was valued at ₹10,860 Bn in FY23 and is projected to reach ₹28,812 Bn by FY28, a CAGR of 21.5% (source: Annual Report FY25). The Indian ESDM market was ₹2,091 Bn in FY23, projected to grow to ₹9,009 Bn by FY28, CAGR 34% (source: Annual Report FY25). The global PCBA industry is projected to reach US$ 740 Bn by CY26, CAGR 4.4%.

India's place in the global supply chain:

India is a beneficiary of the "China+1" supply chain shift. Global OEMs are diversifying manufacturing away from China, and India is positioned as an alternative hub due to its large engineering workforce, improving infrastructure, and government incentives. However, India still imports nearly 90% of its HDI PCBs, which is the gap Kaynes' Chennai plant is designed to fill.

Demand drivers:

- **Government schemes:** PLI for electronics (4-6% incentive on incremental sales), SPECS (25% capex incentive), EMC 2.0 (50% assistance on infrastructure), India Semiconductor Mission (₹760 Bn outlay), and the RDSS programme (target of 250 Mn smart meters).
- **Electric mobility:** FAME II and the National Mission on Transformative Mobility are driving electronics content per vehicle. This creates demand for battery management systems, power modules, EV chargers, and control units.
- **Railway modernisation:** Indian Railways has committed ~US$ 750 Bn in investment by 2030. Kavach deployment across 68,000 km of track is a specific demand driver for signalling and safety electronics. The total addressable market for Kavach is estimated at ~₹34,000 crores over 5-7 years.
- **Defence localisation:** India's push for defence self-reliance is opening opportunities for indigenous electronics suppliers. Kaynes has secured contracts from US-based aerospace OEMs and supplies to ISRO, positioning it well for this trend.
- **Semiconductor ecosystem emergence:** The government's focus on building a domestic semiconductor ecosystem benefits Kaynes' OSAT facility, which is among the first commercial operations in the country.

Regulation:

The ESDM industry is influenced by customs duty structures, the phasing of duty exemptions, and the PLI scheme rules. The removal of certain duty exemptions is intended to encourage domestic manufacturing. The India Semiconductor Mission includes FSA (Financial Support Agreement) approval, which Kaynes obtained for its OSAT facility. This approval is critical for unlocking the 50% central government capex subsidy and 20% state subsidy.

Cyclicality:

The business is subject to customer-project cycles, not seasonal demand cycles. The management described it as: "Our order book represents typically a 12-month rolling forward basis." Automotive segment has underlying cyclicality tied to vehicle production volumes. Government projects (railways, smart metering) are subject to approval cycles and budget allocations. The company's revenue is tied to customer project readiness, which means even valid, non-cancellable orders can be delayed.

The FY2026 guidance miss illustrates this: a combination of geopolitical disruption (West Asia conflict), a large EV OEM cutting 90% of business, and government order delays (Kavach approval cycle) caused the company to fall short of its ₹4,500 crores initial guidance, ending at ₹3,626 crores.

Import substitution:

This is a core theme for Kaynes' new verticals. HDI PCBs (90% imported), semiconductor packaging, and advanced multichip modules are all areas where India currently depends on imports. The company's investments are directly aligned with the government's import substitution strategy, which provides policy support but also creates dependency on government timelines and approvals.

Growth triggers

- OSAT facility ramp-up: Unit 1 is fully operational and Unit 2 commercialization expected by Q2 FY27. Management cited revenue visibility of over INR 25,000 million over the next 5 years from OSAT alone. (Q4 FY26 concall, May 2026)
- HDI PCB plant commissioning: The Chennai Oragadam facility, capable of multilayer boards up to 76 layers, is ready. Customer approvals and shipments started from April 2026 onwards. Management noted a business potential of around INR 15,000 crores for the group from a current PCB investment of INR 1,500 crores, assuming the 10% PCB-to-PCBA revenue thumb rule. (Q4 FY26 concall, May 2026; Q3 FY26 concall, Feb 2026)
- Railway Kavach order execution: Initial approval received, trial orders are in execution. Management expects a large portion of orders in H2 FY27. (Q4 FY26 concall, May 2026)
- Smart metering expansion: Shift from AMISP model to a device-only model is reducing working capital intensity. The market is growing at around 30% annually. The existing 35 lakh meter contract is being completed in 2-3 months. Pipeline includes new products like water meters and gas meters. (Q4 FY26 concall, May 2026; Q3 FY26 concall, Feb 2026)
- Aerospace and defence orders: Important contracts from a US-based OEM with a dedicated facility set up. Defence localisation push by the government is a tailwind. Execution pick-up expected from FY27 onward. (Q3 FY26 concall, Feb 2026; Annual Report FY25)
- New product development (NPD) and transition to a product-driven enterprise: Management targets around 30% of total revenue from new products and value-added solutions in the coming years. (Q4 FY26 concall, May 2026)
- August Electronics integration in North America: Accessing high-margin RF microwave assemblies and expanding customer footprint in North America. Integration ongoing, revenue contribution growing from FY26. (Q3 FY26 concall, Feb 2026)

Key risks

- Working capital intensity in the smart metering AMISP model: The metering subsidiary had high receivables (INR 1,365 crores in FY26) due to long payment cycles from government utilities and installation delays. Management committed to shifting to a device-only model and pursuing securitisation of receivables (only INR 40 crores discounted as of May 2026). However, legacy contracts (35 lakh meters) continue to strain cash flow. The working capital cycle for the metering business is fundamentally different from the core EMS business, where days reduced from 83 to 53.
- Geopolitical and supply chain disruptions: The West Asia conflict led to last-minute customer deferments and product timing shifts. A similar impact was seen earlier from the Russia-Ukraine situation. Revenue recognition is tied to customer project readiness; orders remain valid but timing gets delayed. Management is diversifying across verticals to reduce single-market dependency, but the risk of delayed revenue recognition persists.
- Customer concentration in the electric vehicle segment: One large EV OEM (2-wheeler) dropped 90% of its revenue from Kaynes, impacting top-line guidance. Management is increasing diversification across automotive, industrial, railways, aerospace, and medical segments to mitigate reliance on any single customer or vertical. However, as of May 2026, the impact was already visible.

- Guidance delivery and credibility: FY26 revenue guidance of INR 4,500 crores was toned down to INR 4,000 crores and finally achieved at INR 3,626 crores (33% growth). Multiple guidance misses have tested investor confidence. Management is now moving away from specific numerical guidance, committing instead to "doubling the market growth rate." They acknowledged the need to improve execution predictability.
- Dependence on government projects and regulatory approvals: Railway Kavach order deferred due to approval cycles. Smart metering delays due to state-level installation timelines. FSA approval for OSAT was a key milestone but subject to government process. The company works closely with regulators but has limited control over project timelines. The diversified order book (INR 9,000+ crores) includes a mix of private and government contracts, but large government projects carry execution risk.

Walk the talk

Management's communication over the course of FY26 revealed a pattern of ambitious guidance followed by downward revisions and eventual misses. The most significant gap was on top-line guidance.

At the start of FY26, management guided for INR 4,500 crores in revenue (55% growth). In the Q3 FY26 concall (Feb 2026), this was revised to INR 4,000 crores. The actual FY26 revenue came in at INR 3,626 crores (33% growth). On the Q4 FY26 concall (May 2026), management acknowledged the shortfall:

> *"We did an aggressive top line growth in the year based on the order book... we sincerely understand and appreciate that the guidance what we have given, we could not meet."*
>
> **N. MUTHUKUMAR, MD, Q4 FY26 CONCALL (MAY 2026)**

Management attributed the miss to a combination of geopolitical disruption (West Asia conflict causing customer deferments) and a 90% revenue drop from a large EV OEM where Kaynes was the single supplier.

On operating cash flow, management had stated in the Q3 FY26 concall (Feb 2026) that "at consol level, you will see a significant positive operating cash flow." The actual outcome was a negative OCF of around INR 600 crores at the consolidated level. However, management pointed out that the standalone EMS business was OCF positive at INR 250 crores, and the metering subsidiary was the drag. Jairam Sampath had said:

> *"At consol level, definitely a significant positive operating cash flow. And of course, financing activities will continue until the new projects are in place."*
>
> **JAIRAM SAMPATH, CFO, Q3 FY26 CONCALL (FEB 2026)**

On net working capital reduction, management had guided for 85 days by March 2026 (from 139 days in Dec 2025). The actual consolidated working capital days stood at 122 days. Management explained that the core EMS business had improved from 83 days in FY24 to 53 days in FY26, but the metering subsidiary increased the overall number. Jairam Sampath had said:

> *"You can expect about 85 days and better net working capital."*
>
> **JAIRAM SAMPATH, CFO, Q3 FY26 CONCALL (FEB 2026)**

A more positive walk-the-talk example was the OSAT facility FSA approval. In the Q3 FY26 concall (Feb 2026), management confirmed the approval was in place. By Q4 FY26 (May 2026), Unit 1 was operational and Unit 2 was on track for commercialization by Q2 FY27. Ramesh Kunhikannan said:

> *"I am pleased to confirm that this approval is now in place."*
>
> RAMESH KUNHIKANNAN, Q3 FY26 CONCALL (FEB 2026)

On smart metering, management repeatedly stated an intention to shift from the AMISP model to a device-only model to reduce receivables. In the Dec 2025 business update call and Q3 FY26 concall (Feb 2026), Ramesh Kunhikannan said:

> *"We are also planning to exit from day one... we will no longer be an AMISP company. We will be only device company to various AMISPs."*
>
> RAMESH KUNHIKANNAN, DEC 2025 CONCALL

As of Q4 FY26 (May 2026), the metering subsidiary was still executing the legacy 35 lakh meter AMISP contract. New orders were being taken only on a device model. Management acknowledged the working capital pressure would take 2-3 quarters to reverse.

Scenarios

Bull case

Kaynes executes on its three new growth engines simultaneously. OSAT Unit 2 commercializes on schedule in Q2 FY27, and the strong revenue visibility of INR 25,000 million over 5 years materializes as anchor customers (Alpha & Omega Semiconductor, L&T Semiconductor, Infineon) ramp up volumes. The HDI PCB plant wins customer approvals quickly and captures a meaningful share of India's import substitution opportunity in high-layer count boards. The railway Kavach order flow arrives in H2 FY27 as anticipated, and the smart metering business successfully completes its legacy AMISP contracts while transitioning to a device-only model that halves working capital days. The core EMS business continues to grow above market rates (doubling market growth), and the new product development push reaches the 30% revenue target. Operating cash flow turns strongly positive, and the company delivers on its $1 billion revenue vision for FY28 without further dilution.

Base case

Kaynes sees moderate execution across its new verticals. OSAT and HDI PCB ramp up but take longer than expected to reach meaningful scale, contributing around INR 250-300 crores each in FY27 as management indicated. Railway Kavach orders start flowing but in smaller tranches than guided. The smart metering working capital issue persists through H1 FY27 before improving as legacy contracts wind down. Core EMS growth remains healthy at 25-30%, supported by diversification across automotive, industrial, and aerospace. Management avoids providing specific numerical guidance, instead using the "double market growth" framework, which gives them flexibility. Operating cash flow at the consolidated level turns marginally positive by the end of FY27. The company delivers revenue growth in the 25-30% range but continues to face scrutiny on credibility and working capital management.

Bear case

The smart metering working capital problem deepens. Government payment cycles extend further, and the shift to a device-only model takes longer than the 3 quarters management promised. Receivables cross INR 1,500 crores, and discounting/securitization remains slow. OSAT and HDI PCB face customer qualification delays, pushing meaningful revenue contribution to FY28. The railway Kavach order remains stuck in approval cycles. The core EMS business faces headwinds from global uncertainty and customer concentration risk, especially if another large customer

reduces allocation. Management's credibility suffers further from missed operational targets, and investor confidence erodes. The company is forced to raise additional capital or accept slower growth to manage working capital, leading to a period of consolidation rather than acceleration. Revenue growth dips below 20%, and the $1 billion target for FY28 looks increasingly unrealistic.