

## **Rakon opens state of the art research and manufacturing facility in India**

19 June 2023

On Wednesday 14 June 2023, global high-tech manufacturer Rakon (RAK) inaugurated its state of the art research and manufacturing Centre of Excellence, located in the SEZ Aerospace Park, Bengaluru (Bangalore).

Rakon is a world leader in the design and manufacture of advanced frequency control and timing products, which enable connectivity for thousands of electronic systems worldwide – from 5G networks and satellites, to autonomous vehicles and emergency beacons.

Rakon has been operating in India for over 15 years, and the new facility represents an important milestone for the company. It is one of the world's largest and most sophisticated research and manufacturing sites for advanced frequency control and timing solutions, with a total built-up area of 100,000 square feet across three levels (the building design also allows for two additional levels to be added in future).

Shri M Sankaran, Director, URSC (U R Rao Satellite Centre, India's lead Centre for ISRO's satellite design and development) and Graham Rouse (NZ Trade Commissioner & Consul General - India & South Asia) were present to inaugurate the new facility, which replaces Rakon's former leased sites in Bengaluru, and both futureproofs its India operations and signals Rakon's long-term commitment to growing its India operations.

Rakon's long-term growth strategy includes increasing production in India to service global customers and meet product demand arising from its position as a strategic supplier, under the Indian Government's 'Make in India' initiative, to key agencies and leading companies across India's telecom, aerospace and defence industries. The long-term strategy also includes transferring some of Rakon's product lines that are currently manufactured at sites in New Zealand and France to the new facility. As this transfer occurs the company expects to see a positive effect on margins due to lower manufacturing overheads. In line with this, Rakon has enabled future expansion for its proprietary XMEMS® resonators and nanotechnology manufacturing process within the new facility. The added capacity of the facility and production diversification will lower Rakon's global production risk and provide additional supply chain certainty for customers.

In future, Rakon anticipates that the annual revenue from its India operations may rise from 25-35% of all revenues currently, to around 50%.

To date, Rakon has invested NZ\$15m in the land, building and equipment for the Centre of Excellence and the company intends to invest a further NZ\$55 million over the next 5 years. Rakon currently employs around 500 people in India and expects to employ a further 300 people over the next 5 years.

The new facility was designed in accordance with sustainable building practices regarding the use of water and energy and is expected to attain a Leadership in Energy and Environmental Design (LEED) certification.

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