Premier Explosives Limited

August 20, 2026

To
The General Manager
Department of Corporate Relations
BSE Limited
Sir Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai -400 001

Scrip code: 526247

To
The Vice President,
Listing Department
The National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai 400 051

Scrip code: PREMEXPLN

Dear Sir/Madam,

Sub: Transcript of Conference call pertaining to the first quarter ended 30th June, 2026, results.

Please find attached the Transcript of the Conference Call hosted by, Stellar IR Advisors Private Limited, on August 14, 2026 pertaining to, 'Premier Explosives Limited Q1 FY '27 Earnings'.

This is for your kind information and record.

Thanking you,

Yours faithfully,
For Premier Explosives Limited

JHANSI LAXMI KALAKOTA
Digitally signed by JHANSI LAXMI KALAKOTA
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Company Secretary
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“Premier Explosives Limited

Q1 FY27 Earnings Conference Call”

August 14, 2026

MANAGEMENT: **MR. T. V. CHOWDARY – MANAGING DIRECTOR– PREMIER EXPLOSIVES LIMITED**
MR. VIJAY KUMAR – CHIEF FINANCIAL OFFICER– PREMIER EXPLOSIVES LIMITED

MODERATOR: **MR. AKHILESH GANDHI – STELLAR INVESTOR RELATIONS**

Moderator: Ladies and gentlemen, good day and welcome to the Q1 FY27 Conference Call hosted by Premier Explosives Limited. 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 touchtone phone.

I now hand the conference over to Mr. Akhilesh Gandhi from Stellar IR. Thank you, and over to you, sir.

Akhilesh Gandhi: Thank you, Steve. Good afternoon, everyone. I Akhilesh Gandhi, on behalf of Stellar Investor Relations, welcome you all to the Premier Explosives Q1 FY27 Earnings Conference Call. We shall be sharing the key operating and financial highlights for the first quarter ended on June 30, 2026. Today, we have with us the senior management team of Premier Explosives.

Mainly we have Mr. T. V. Chowdary sir. He is our Managing Director; along with we have Mr. Vijay Kumar. He is our Chief Financial Officer. Before we begin, I would like to state that this call may contain some of the forward-looking statements, which are completely based upon the company's beliefs, opinions and expectations as of today.

The statements made in today's call are not a guarantee of future performance and also involve unforeseen risks and uncertainties. The company also undertakes no obligation to update any forward-looking statements to reflect developments that occur after the statement is made. Document relating to the company's financial performance, including the investor presentation has already been uploaded on the stock exchange.

With that, I now invite Mr. T.V. Chowdary sir to share his opening remarks on the company's performance for the first quarter. Thank you, and over to you, sir.

T. V. Chowdary: Thank you, Mr. Akhilesh and good afternoon, everyone. I welcome you all to the earnings conference call of Premier Explosives for the first quarter ended June 30, 2026. Thank you for joining us. I trust you have reviewed our Q1 financial year '27 results along with the investor presentation available on the stock exchanges and on our website.

During Q1 FY '27, we reported revenue of INR102.6 crores, reflecting a decline of 28% year-on-year. The quarter was impacted by delays in dispatches and project execution, primarily due to ongoing global headwinds and supply chain disruptions across certain programs. While these factors affected near-term revenue recognition, the underlying demand environment for our products and solutions remains robust.

On the profitability front, operating performance was impacted by elevated raw material costs amid prevailing global market conditions. The increase in input prices created temporary pressure on margins during the quarter. However, we continue to focus on operational efficiency, cost optimization and disciplined execution of -- execution to mitigate these challenges.

Encouragingly, we believe that many of these external headwinds are gradually easing as supply chain stabilize and execution improves, we expect a stronger operational performance and better revenue conversion in the coming quarters. Most importantly, our business fundamentals remain strong.

As of today, our order book stands at INR1,393 crores with approximately 94% of the order book coming from Defense segment. The healthy order backlog provides strong revenue visibility and reinforces our confidence in the company's growth trajectory. Also regarding the recent acquisition by Apollo Micro Systems.

We believe this marks a significant milestone in Premier Explosive's growth journey and opens up exciting opportunities for the company. The partnership brings together Apollo's strengths in defense electronics and mission-critical systems with Premier's capability in energetic materials, rocket motors, ammunition and propulsion systems, creating a broader and more integrated defense platform.

For Premier, the strategic benefits are clear, enhanced access to larger and more complex defense programs, stronger technology and R&D capabilities, a wider customer reach and improved operational efficiencies through scale and collaboration. The combined strengths will also strengthen our position in India's growth defense -- growing defense indigenization and export opportunities.

We believe this partnership will accelerate Premier's next phase of growth, strengthen our competitive positioning and create long-term value for all stakeholders. We remain excited about the opportunities ahead and look forward to unlocking the full potential of this partnership.

Now I request Mr. Vijay Kumar, our CFO, to share the financial performance.

Vijay Kumar: Thank you, sir. Good afternoon, everyone. The result presentation for the quarter ended June 30, 2026, has been uploaded on the stock exchanges and on the company's website. I believe you may have gone through the same. The revenue from operations for Q1 FY '27 de-grew by 28% year-on-year to INR102.6 crores.

Our EBIT for Q1 FY '27 de-grew by 80% year-on-year to INR4.8 crores. The EBIT margin for the quarter stands at 4.7%. Our net profit decreased by 80% year-on-year to INR3 crores. The PAT margin for the quarter stands at 3%. Now coming to the order book. The company's current order book stands at INR1,393 crores, out of which Defense segment order is majority of INR1,309 crores, which is equal to 94% of the total order book.

Explosives segment stands at INR42 crores, which is equal to 3% of the total order book and Service segment, which is Operational and Maintenance Services segment stands at INR42 crores, which is equal to 3% of the total order book. This order book reflects the strong growth visibility we see over the coming years.

We remain confident that supported by sustained execution momentum, continued development of new products and our ongoing expansion initiatives, the company will continue to maintain a strong growth trajectory in the forthcoming quarters. With this, we'll now open the floor for questions and answers. Thank you.

Moderator: First question comes from the line of Paras Kulkarni with Ignite Capital.

Paras Kulkarni: Firstly, on the cost side, we have seen a sharp decline in other expenses from INR20 crores to INR11 crores in 1Q. So if I were to build it for the entire year, what is the run rate cost do we expect for the full year? And also what attributed to this decrease?

T. V. Chowdary: In earlier quarters, there were provisions expected credit loss provision and there was a decline in forex -- decrease in forex losses. So those are -- it is not comparable for exact apple-to-apple. There is a reduction in cost as far as other expenses are concerned. Yes.

Paras Kulkarni: So is this INR11 crores sort of sustainable run rate?

T. V. Chowdary: Yes, it is -- you can say around INR9 crores kind of thing. You can see in 30th June '25 also, it is around INR9 crores. So INR9 crores to INR10 crores kind of thing.

Paras Kulkarni: Okay. Understood. And now coming to the gross margin. You did explain in your opening remarks that the geopolitical situation affected the margin. So looking at FY '27, where do we see the gross margin? Do we see that improving sequentially? Or should we maintain this 35% as a decent assumption?

Vijay Kumar: Yes. Margins will definitely improve because we have different products, there's bouquet of products. So depending on the dispatches of the product, it keeps on increasing.

T. V. Chowdary: The healthy order book and execution pattern, we have already this quarter's movement of materials and all those goods gives us the confidence that it will improve in the coming quarters.

Paras Kulkarni: Okay. So could you please quantify as to whether this is the baseline and we should assume 40% kind of gross margins going ahead looking at Q4, which way?

Vijay Kumar: Even in earlier conference calls also, we said that we are targeting an EBITDA of 15% to 20%. So I think same line we are trying to achieve.

Paras Kulkarni: Now you mentioned about enhancing your product offering and you said that you would be also looking at drones and UAV. So what is the current stage of development here? I mean, are we trying to develop our own UAV technologies or we would be partnering with other companies? So could you throw some light on that?

T. V. Chowdary: We are not developing our own drone technologies that is for the birds and all those. We are partnering with several drone manufacturing industries for the payloads. We are making the payloads and then participating along with them in as a partner, not an independent stand-alone supplier.

Paras Kulkarni: Okay. Understood. And now with Apollo taking up -- I mean, taking over, so do you expect any orders from the naval side of the business because they have got good relations with the Navy and they have got orders with respect to the sea mines and submarine. So do you see any traction going ahead in the order book from naval side?

T. V. Chowdary: Yes. We are hoping that this association will help us to strategically strengthen ourselves. And -- but the total potential of this will come to know by December only.

Paras Kulkarni: And last question around export licenses. In fourth quarter, we have talked about around INR400 crores of export license we have not received. So when do we sort of -- have we received them currently? Because last time we had said that we would be expecting to get those licenses within 3 to 4 months. So what is the status there? And what is the export portion which we would be expecting in FY '27 from the current order book, the execution?

T. V. Chowdary: Yes. Past 1 week, we have received several export licenses, and we have also moved out the material from the factories. And some of them are in pipeline. We are expecting them to arrive in 1 or 2 days. So it's quite satisfactory, receipt of export licenses and what material is moving out. On the backlogs of previous quarters, I think we'll be completing in this quarter.

Paras Kulkarni: Okay. So is it fair enough to expect around INR200 crores, INR300 crores of export in '27 as stated earlier?

T. V. Chowdary: Yes, we are targeting some INR200 crores in this quarter based on -- INR150 crores to INR200 crores.

Moderator: The next question comes from the line of Varun Jain with Dolat Capital.

Varun Jain: So I have a couple of questions. Starting with this July 2023 flares order, this was guided for completion in Q1 FY '27 and the INR30 crores of LD reversal was expected. So any update on that?

Vijay Kumar: Yes. LD still is in process. Maybe by this quarter end or by October, November, I think we'll come to know because a lot of processes are there. It's going on. And as far as flares are concerned?

T. V. Chowdary: Yes. Further orders in pipeline, and we are -- we have started production in our own plant and all those. So we are hoping that this will contribute well in the coming quarters.

Vijay Kumar: Earlier order also, we are going to complete it in another 3 to 4 months. There is a backlog of about INR75 crores. So that will be completed in the next 4, 5 months.

Varun Jain: So just for clarity, sir, this July 2023 order will get completed in the next 4, 5 months. Is that right?

T. V. Chowdary: Yes.

Varun Jain: Okay. And sir, earlier, management had guided for this INR430 crores order of October 2025 that approximately 2/3 will be done in FY '27. So that would be close to INR285 crores. So is that guidance on track? And how much did we do in Q1?

Vijay Kumar: Q1, it was only INR21 crores kind of thing. And in the second quarter, we are expecting a better number.

Varun Jain: And for the entire year, will we do close to INR285 crores or something?

Vijay Kumar: No, we have to complete the order before this financial year.

Varun Jain: So the entire INR430 crores will be done in FY '27?

Vijay Kumar: Yes.

Varun Jain: So we have the capability, like the capacity to do the entire order?

Vijay Kumar: Yes, yes.

T. V. Chowdary: Yes, we have. The chaff material payload, we are dependent on imports, which we have completed, we have executed. The flares we do in our own plant. So we have the capability to complete.

Varun Jain: Got it, sir. And sir, on the guidance front, I think in FY '27, management had guided for INR600 crores, INR700 crores. So we have done close to INR103 crores in FY -- in this Q1. So in the balance 9 months, can we do INR500 crores, INR600 crores more? I mean, is that -- do we have that kind of capacity?

T. V. Chowdary: Yes. Capacity-wise, like I explained, we have the capacity for flares and other products to make, whereas items like Chaffs we are dependent on imports where it depends on the conditions prevailing there. But otherwise, flares and other things are made in our own facility, and then we'll be able to execute that.

Varun Jain: You retain the INR600 crores guidance for FY '27. Is that right?

T. V. Chowdary: Yes.

Varun Jain: Okay, sir. Got it. And sir, last quarter, you mentioned that there was a new alternate raw material, which DRDO -- you had sent to DRDO for approval, and this was going to be used for these land mines and loitering munitions for drones. Any update on that?

T. V. Chowdary: Yes, there is a considerable progress on it. They have -- they are conducting the tests of our material, what we have proposed and that is being done by DRDO, ARDE and HEMRL. Once it is complete, I think they will give us a clearance to use that material. That will open a door for completely getting into mines that is Adrushy mines and Ulka mines, which are very much in demand from our Indian Army.

Varun Jain: So by when do we expect like any completion of survey by DRDO?

T. V. Chowdary: Hardware part, we have assembled all together and then other components and then chemicals, it's going on. It may take another 6 months.

Varun Jain: Another 6 months?

T. V. Chowdary: Yes.

Varun Jain: Got it, sir. And sir, on the Katepally, this capex, so we had earlier said that by Q1 and some assets will start commissioning, then by Q2, some will start. So did we see anything commissioned by end of Q1 or even till now because we are halfway through Q2 also?

T. V. Chowdary: Integration of the pipelines and the plant and machinery erection and installation for the RDX and HMX production is almost complete, and then we are expecting to take up the water trials in September month. That water trials will take a month. And after that, it will come into production of the products intended for.

That is about RDX and HMX. And about mixing plant where 2.5 tonnes planetary mixer is installed, some of the components which are imported by the supplier of the mixer, they got delayed because of the movement -- maritime movement of ships and all those. So now we have put pressure on them and then make them ship it by air. So that also, we are hoping that end of September, we'll be ready with the plant and then we'll take up the dummy trials.

Varun Jain: Got it, sir. And sir, on the Andhra Pradesh, this expansion plan, like after the acquisition of promoter stake by Apollo, are we continuing with it? And have we finalized a land parcel for it?

T. V. Chowdary: Land parcel, the pricing was an issue. We were requesting the government for a reasonable price, which we can afford to install because as an explosive industry, we require large landed areas. Such large area, the price makes a big difference. So we are -- we have requested the government for reworking the price and then to give us a better price through which we can get gainfully benefited. So at present, it is at that status.

Varun Jain: And this expansion will be going on even post -- like the Apollo will continue with it, right?

T. V. Chowdary: Yes, the requirements are there, which definitely, I think once they come into the picture and then we'll be taking a call after making the presentation of our...

Varun Jain: Okay, sir. Got it. And just the last one from my side, sir. What changes do you expect like post Apollo, like what -- with the new capabilities they bring in, what more can you do really? Any synergy benefit or any guidance there?

T. V. Chowdary: We are expecting their capabilities are in defense electronics. So where -- in which area where we have no expertise. So we are expecting that we'll be able to get a good gainful benefits from them with their expertise and then the systems which -- where you work integrated with electronics and high energy materials, that's where I think we can definitely -- we are looking forward to do it better strategically to be better on that. These all will come, more details will come probably by the next quarter.

Moderator: The next question comes from the line of Chandresh with Niveshaay.

Chandresh: Sir, 2 questions on the order book side. Can you provide the program-wise breakup of the order book?

T. V. Chowdary: We can only give a breakup of industrial explosives and defense.

Vijay Kumar: We have 94% defense orders and 6% regular explosives, industrial explosives.

Chandresh: Okay. And sir, secondly, with respect to this project, QRSAM, I mean, BEL is also expecting about INR30,000 crores to INR40,000 crores. So on that side, how much is Premier Explosives expecting in the QRSAM capacity?

T. V. Chowdary: Couldn't get the question. Could you please repeat?

Chandresh: So basically, I mean the QRSAM, how much is you are expecting.

T. V. Chowdary: QRSAM. No, if you have participated in a tender and something, then we can say that but tenders itself are not called.

Moderator: The next question comes from the line of Paras Kulkarni with Ignite Capital.

Paras Kulkarni: Just one question on the order book side. So what is the order inflow guidance for FY '27?

Vijay Kumar: Already, we have INR1,393 crores. So FY '27, we are expecting another INR200 crores to INR300 crores.

Paras Kulkarni: INR200 crores to INR300 crores and the execution would be in FY '27?

Vijay Kumar: No, all our orders are for next 2 years. So we're expecting a run rate of INR1,000 crores plus whatever we execute. And after that, it will remain.

Moderator: The next question comes from the line of Deepak an Individual Investor.

Deepak: So I have a particular question on -- in Q1 FY '27, revenue declined by 28% year-on-year due to dispatch and execution delays, which specific projects were impacted? And what portion of our deferred revenue is expected to recover during FY '27?

T. V. Chowdary: Particularly the export orders what we have, those deliveries got delayed because of the maritime problems. Similarly, some of the components which we are importing for delivery to the finished product that is countermeasures, which are supposed to components are supposed to come from abroad. There also the delays have caused delays in deliveries. This is the main reason for the things, which we are expecting to overcome or complete those executions in the current quarter, second quarter, that is.

Deepak: Okay. Understood, sir. And in Defense and Space, revenue declined by 35% year-on-year despite a strong defense environment, as you mentioned. Was it purely timing related or there have been delay in a customer procurement and acceptance process?

T. V. Chowdary: Some delays are there, which are because of the delay in getting the export licenses where the export orders are there. But now like I mentioned in the beginning, most of the licenses are received, and we are in the process, and we hope that in second quarter and third quarter, we'll be completing all this.

Deepak: Okay. So there are no delay from a customer procurement and acceptance?

T. V. Chowdary: No.

Deepak: And what will be the revenue guidance for FY '27? And does management still expect to achieve meaningful growth despite a weak start of this year?

T. V. Chowdary: Yes. Like we mentioned, we are expecting a target of around INR600 crores turnover, which is a considerable increase in the previous year, 2 years, if you take it.

Moderator: The next question comes from the line of Varun Jain with Dolat Capital.

Varun Jain: Yes. Sir, just a couple of follow-ups. So on this April 2026, INR350 crores international order for defense products, so have we received the export license for this one?

Vijay Kumar: It's in process actually.

Varun Jain: So like when can we receive export license for this? And when will the...

Vijay Kumar: We are expecting.

T. V. Chowdary: It usually takes 3 to 4 months at least for every processing of the export license. And before we submit for processing, we have to receive the import licenses from the importing country. So this process takes time, at least minimum 3 to 4 months.

Varun Jain: Importing license, I didn't understand. Why do you need the importing license for this?

Vijay Kumar: Other party has to take.

T. V. Chowdary: Country where we are going to export, they have to issue an import license to the importer there.

Varun Jain: Okay. Got it. Got it. So once that comes, then you start production. So like is it safe to assume that in this calendar year, there will be no production for this order?

Vijay Kumar: I think in the last quarter -- in the last quarter, yes, we're expecting some dispatches.

Varun Jain: Last quarter. Got it. And sir, on the bulk explosives business, what is the guidance for FY '27 and '28 also, if you can give?

T. V. Chowdary: Difficult to predict that FY '28 because the prices are very much dependent on the raw material input cost prices. So -- and multiple manufacturing capacities are there that also more than 40 players in this field. So difficult to predict on that for the year.

Varun Jain: For FY '27, if you can give because I think we are already done with 40% of '27. So some guidance of what kind of revenue there will be? And what is the margin profile right now?

Vijay Kumar: We have an executed contract with Singareni Collieries. So the balance part of about INR25 crores to INR30 crores that will be executed this financial year.

Varun Jain: So -- and other than that, nothing, just that much.

Vijay Kumar: Other than that, we have debt increase orders and all the things there also, we have export orders. So those things will be continuing.

Varun Jain: So close to INR80 crores, I think we can get, right, in '27 in this revenue?

Vijay Kumar: Yes, just like last year, it will take.

Varun Jain: So what is the margin profile we are getting here right now? Because from what I've heard like the Coal India and Singareni margins have been very, very down?

T. V. Chowdary: Margins. In fact, Coal India, we have withdrawn last year also and then before last year also because of the prices, very low prices. Singareni, yes, we are servicing because we are -- it is close by -- so a little better than Coal India prices, our net cost and all those. But otherwise, yes, margins are very, very thin. Many places, it is negative.

Varun Jain: So it is like low single-digit margin then, right?

Vijay Kumar: Yes.

Varun Jain: Got it, sir. And just last one, sir, what is the -- like in the international market, sir, what is the scenario with RDX and HMX supply, demand and pricing? If you can give us some color there?

Vijay Kumar: Demand is good, but getting licenses is difficult.

Varun Jain: And pricing of RDX/HMX?

Vijay Kumar: Exporting to different countries. So depending on country.

T. V. Chowdary: Present because war scenario and all those have pushed the demand up. So for the present, yes, prices are good. May after 2 years or 3 years, what happens, we'll have to see that.

Varun Jain: Can you quantify the prices? Can you give us some band that would be helpful for RDX/HMX, any other major grade of explosives?

T. V. Chowdary: We are competing in this area also. So I don't want to say anything on that.

Varun Jain: No, this is the industry price band, what price band it operates in, not the your selling price?

T. V. Chowdary: You can get easily from the Internet and other places.

Moderator: The next question comes from the line of Deepak an Individual Investor.

Deepak: So my question is related to the EBITDA margin that we have seen a drastically decline in EBITDA margin from 15% to 6% in Q1 FY '27. So like can you share like what's the reason behind?

Vijay Kumar: As our MD sir explained, there is a bouquet of products. So depending on product dispatch, it slightly varies. But overall, our guidance is about 15% to 20% is our yearly target.

Deepak: So in this, how much margin has been erosion due to like raw material cost and under absorption of fixed cost?

Vijay Kumar: The difference, what you are seeing is that. But I think in the coming quarters, we'll be making it up.

Deepak: Okay. So in this -- that the raw material price has been started normalized?

Vijay Kumar: Yes. It is not normalizing, but already we have some contracts are there. So we have to execute them. Once we complete the contracts, we'll be increasing the price also.

Deepak: Okay. So if the raw material prices get normalized, what EBITDA margin range we can expect? Is the same like 15% to 20%?

Vijay Kumar: Right, for this financial year.

Deepak: Okay. And sir, one last question on order book that we have nearly 13 million to 14 million of our order book equivalent to nearly 3.5x, 3.6x of FY26 revenue. So what percentage of this order book is executed in like next 12 to 18 months?

Vijay Kumar: As per our turnover, the run rate we are expecting is about INR500 crores to INR600 crores, rather INR600 crores we are targeting. Yes.

Deepak: INR500 crores to INR600-odd crores you are targeting in next 12 to 18 months.

Vijay Kumar: Yes.

Moderator: As there are no further questions from the participants, I now hand the conference over to Mr. T. V. Chowdary: for closing comments.

T. V. Chowdary: Yes. Thank you, Mr. Akhilesh. And thank you, everybody, all the stakeholders for showing interest in the company and wishing us a good success in the future endeavors. Thank you very much.

Vijay Kumar: Thank you.

Moderator: Thank you. On behalf of Premier Explosives Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.