



June 08, 2026

The Manager Corporate Relationship Department BSE Limited Floor 25, Phiroze Jeejeebhoy Tower Dalal Street, Mumbai-400001	The Manager – Listing Department National Stock Exchange of India Limited Exchange Plaza, 5 th Floor Plot No. C/1, G Block, Bandra Kurla Complex, Bandra(E), Mumbai-400051
BSE Scrip Code: 532341	NSE Symbol: IZMO

Dear Sir/Madam,

Subject: Post Earnings Call - Submission of Transcript

This is further to our letters dated May 28, 2026 and June 02, 2026 on the captioned subject. Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the transcript of the Post Earnings (Conference) Call held on Tuesday, June 2, 2026.

The above information is also available on the website of the Company www.izmoltd.com

Kindly take this information on record.

Yours faithfully,

for **IZMO Limited**

Varun Kumar A S
Company Secretary and Compliance Officer

Encl: As above

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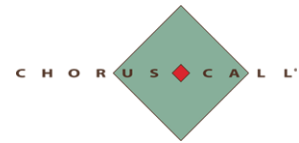
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“IZMO Limited

Q4 FY26 Earnings Conference Call”

June 02, 2026

izmoltd.



MANAGEMENT: MR. SANJAY SONI – MANAGING DIRECTOR – IZMO LIMITED
ADFACTORS PR – INVESTOR RELATIONS – IZMO LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to the Q4 FY26 Earnings Conference Call of IZMO 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 and then zero on your touchtone phone. Please note that this conference is being recorded.

This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

I now hand the conference over to Mr. Sanjay Soni, Managing Director. Thank you, and over to you, sir.

Sanjay Soni: Thank you. Good afternoon, everyone. On behalf of the entire IZMO team, I extend a warm welcome to our earnings conference call for the fourth quarter and full financial year ending 31st March 2026. We are delighted to have you with us today. I would also like to acknowledge our Investor Relations partners, Adfactors. I trust you have had the opportunity to review the financial results and the investor presentation made available on the stock exchanges and our website.

FY26 has been a year of landmark achievements for IZMO, a year in which we meaningfully expanded our global footprint in automotive technology, deepened our AI capabilities and made India proud in the global semiconductor arena. I'm pleased to report that we have closed FY26 on an exceptionally strong note, with Q4 marking the highest quarterly revenue in the company's history.

Today, I will walk you through our business performance, key strategic milestones and the path we have charted for FY27 and beyond. Business and development. IZMO operates across 4 core business verticals, izmostock, izmocars, FrogData and izmomicro. Together, these divisions serve automotive OEMs, global dealer networks and high technology sectors, including AI infrastructure, defense and space electronics across 22 countries.

Our studio division continues to be our most established business delivering steady resilient revenue streams globally, izmostock, the world's largest automotive imagery platform, saw it's completely redesigned portal gained strong traction following its launch last year, enhancing user experience for rental fleets, insurance networks, leasing companies and dealer groups worldwide. The revamped platform has opened new customer segments and reinforced our market leadership in studio quality automotive imaging.

Izmocars deepened its OEM relationships in Europe, most notably with the completion of the Stellantis rollout across their entire European aftersales network. A significant long-term engagement that underscores the trust OEM partners place in our multilingual digital marketing platform.

In the U.S., we sustained strong organic client additions throughout the year. Geronimo, our acquisition in the U.K., continued to contribute new OEM and dealer clients, particularly in

Germany and across Central Europe, further diversifying our geographic revenue base. FrogData had an outstanding year. Our suite of decision intelligence tools, including FDAP, Warranty Boost+, FixedOps Mojo, and FixedOps Velocity continue to grow rapidly as dealerships invest more in improving the fixed operations and service business.

We maintained a class leading gross revenue retention rate of over 93%. A clear testament to the real operational value are to deliver. We launched our AI factory last year and have completed full AI-based software development within the company, leading to cost efficiencies and faster development times.

The company now operates its own LLM infrastructure, designed exclusively for its own products, giving us the ability to build AI into the core of all our software products. With our AI first strategy, we will ensure that the company is in the forefront of the AI software revolution.

Business forecast for our Solutions division is robust, and we are getting more OEM endorsements. The addition of a partnership with Ford, FrogData is now able to offer solutions through FordDirect's The Shop, the official e-commerce marketplace connecting Ford Motor Company with its U.S dealer and Lincoln retailer network.

This is in addition to Ford partnerships in over 20 countries worldwide, where we are the preferred vendor for more than 2,200 dealers. Izmomicro has been the standout story of FY26. And I want to spend a few moments on the remarkable progress this division has made in a very short time.

When we launched izmomicro, we set out to build a world-class semiconductor packaging facility from India for India and for the world. What we have achieved this year exceeds our initial expectations. In August 2025, izmomicro achieved the breakthrough in silicon photonics packaging, developing a 32-channel high-density platform with industry-leading insertion loss below 2 decibel and performance up to 70 gigahertz.

This placed India firmly on the global silicon photonics map and established izmomicro as one of a few select companies globally with this capability. What this means for the company is that we have achieved the capability to design and manufacture the core components of optical transceivers, which are critical for AI data centers.

There are several hyperscaler data centers announced for India with an investment of over INR3 lakh crores. This creates a huge demand for optical interconnects as the amount of data required for AI is too huge to contemplate.

For example, the basic optical transceiver of 800G capacity is able to transmit about 200 Hindi movies in 1 second. This unprecedented demand from AI data infrastructure spend is creating demand for silicon photonics worldwide, and we are ramping up capacity to meet this. We have an order book position of INR60 crores with an opportunity visibility of over INR100 crores in the next 12 to 18 months.

In addition, semiconductor industry has seen an overall boost by the Make in India initiative of the government. Who has allocated INR1 lakh crores to support the industry under ISM 1 and 2

scheme. The continued support will create a vibrant manufacturing ecosystem that will rival any other in the world.

India is poised to take its place on the world stage of semiconductor especially for silicon photonics. izmomicro has also made a strategic entry into India's defense electronics sector, targeting high complexity patient critical packaging applications where domestic capability has historically been limited.

India's defense budget had a record INR7.85 lakh crores, and the government's indigenization mandate gaining momentum. This is a large and steadily growing market. By April 2026, this had evolved into ongoing defense supply contracts, demonstrating our transition from design capability to repeat revenue streams.

In April 2026 izmo Microsystems was named the photonic IC packaging partner. So the MeitY supported silicon photonics initiative at IIT Madras, a national-level program advancing India's silicon photonics and semiconductor capabilities. This places IZMO in a strategically important role within India's emerging semiconductor ecosystem.

This recognition, coupled with our existing DSIR approved R&D status, unlocks access to significant government support grants and manufacturing incentives. We have also established new subsidiary in Germany, which is the base for izmomicro's expansion into the European market. izmomicro is now a member of silicon Saxony, Germany's leading semiconductor and microelectronics cluster.

The association connects major chip companies technology suppliers, research institutions and ecosystem partners across Europe. This gives izmomicro stronger credibility and access to the European semiconductor value chain. And we're already seeing results with partnership with leading companies there.

Putting it in perspective, izmomicro has gone from being in an investment phase to growth sustainable revenues and reliable projected growth. More importantly, the company has mature processes in advanced silicon photonics packaging and has made major inroads into defense. We remain measured in our expectations, while being genuinely excited about the medium and long-term opportunity.

Summarizing. Over the course of FY26, the company achieved several pivotal milestones across technology development, strategic expansion and capital planning. The year began with significant technical breakthroughs translating into a healthy order book position. The company has been recognized for its advanced silicon photonics technology, which will transfer into new products in the coming year.

Innovation and market expansion continues into the new year and we are confident of meeting our growth objectives. Financial performance, now coming to our financial performance. Q4 FY26 marked a milestone for the company. We reported a consolidated revenue of INR109.16 crores, an 82.5% year-on-year increase and 84.7% quarter-on-quarter increase.

The highest quarterly revenue in Izmo's history. Net profit for the quarter came in at INR17.3 crores representing a substantial year-on-year improvement. Strong Q4 performance was driven by a combination of significant contributions from Izmomicro's growing order book, continued expansion of our automotive software client base and FrogData's deepening penetration in the U.S. market.

For the full year FY26, we reported consolidated revenues of INR284.88 crores reflecting a 26.8% growth year-on-year from INR224.61 crores in FY25. This was a meaningful acceleration from the prior year, driven by client additions across all three divisions; Geronimo's synergies and the increasing contribution of izmomicro.

Consolidated net profit for FY26 was INR47.56 crores, broadly in line with the prior year's. We are increasingly automating several software development processes using AI tools, which has helped improve cost efficiencies. While the full year profit reflects the investment phase nature of izmomicro and some operating cost step-ups as we scale globally, we are satisfied with the quality of our earnings growth given the scale of the strategic bets we have made.

Outlook. We enter FY27 with strong momentum and a clearly differentiated multi-vertical strategy. Automotive Solutions business is stable and growing steadily with OEM partnerships in all our major markets. The company is heavily focused on its semiconductor business and is making rapid strides in technology and market growth.

Izmomicro's order pipeline from defense, space, telecom and AI hyperscaler customers is healthy and we foresee no slowdown in demand. The continued support from the government for the semiconductor industry means the future is bright for companies with the right technology, as they can scale. Across the company, our AI-driven cost optimization programs continue to benefit margins, ensuring we remain focused on delivering both growth and profitability improvement in FY27. That concludes our remarks. We can now open the floor for questions.

Moderator: Thank you very much. We will now begin with the question and answer session. Our first question comes from the line of Raman Kerti with Sequent Investments. Please go ahead.

Raman Kerti: Hello, sir. Can you hear me?

Moderator: No, sir, your voice is not clearly audible.

Raman Kerti: Can you hear me now?

Moderator: Sir, it is still not better.

Raman Kerti: Hello?

Moderator: This is much better. Yes sir please go ahead.

Raman Kerti: Sir, my first question is on the margins front quarter on -- year-on-year, our margins have declined significantly due to excess of other expense. Can you just help us understand going

forward, this is the normalized margin or can we expect it to go back to the -- go back to our older margins and what led to the margin decline during this quarter?

Sanjay Soni:

I think the margins will increase because we are expensing a lot of cost today Izmomicro during the growth phase. So we will increase our margins going forward, because as the revenue keeps going up, our cost structure will remain constant. It's not a linear function. And in this quarter, basically, I think we focused a lot on the revenue side and brought in the business, we didn't really care about the margin because the overall thing was to build up the business and to do the campaign for the clients and build up the top line.

So it was a conscious decision we took and even though the margin was slightly less, it didn't matter. But in the long run, definitely, our focus is on the margin, which we see going forward, going back to its original scale as Izmomicro scales up.

Raman Kerti:

Understood, sir. And sir, secondly, on the silicon photonics, I just want to understand the product which we created for the silicon photonics packaging. And what is the addressable size of this particular segment, like in India versus globally? And if possible can you just give us some sense of unit metrics like what will be the demand coming from a 1 gigawatt data center or something like that?

Sanjay Soni:

So if you look at the total TAM, that's around \$30 billion, that's globally to start with and it's expected to go up to 80 billion in the next couple of years. We are now addressing Indian customers, we are addressing American customers, we are addressing European customers. The time is pretty significant.

We have just started out on this path. And given the breakthrough that we have achieved, the companies which we are talking to are like billion dollar companies, they have shown a lot of interest in our capabilities and in tying up together for not only package design, but also packaging of silicon photonics.

So I think given the market size and given the TAM, there's a lot of room for us to grow, comfortably over the next 5 to 7 years without any -- it's more to do with our limitation of size and limitation of scale rather than the market. It's for us to go and grab as much as we can. But being very highly complex, it's not so easy to scale up either.

So it's a balance. But looking at the market size, market is very, very large and growing. Because if you look -- if you read the paper every day, you find NVIDIA coming out with new chips, which are faster and faster. The data throughput is not happening at the same pace. So the chips are actually idle 80% of the time.

Now the focus is moving towards how to get -- now the copper is the limitation. You can't put more data on copper. Everything is moving to photonics. So that's where the whole growth story is that to match the computing speed, you will need to move the data faster. And Photonics is the only way to achieve that. So that's why we have entered very early there. We are very lucky to have the tie-up with IIT Madras and that give us a launch pad to get into this and then build up our capability.

Raman Kerti: I just want to understand.

Moderator: Sorry, Raman sir, your audio is getting very bad right now again.

Raman Kerti: Am I clear to you?

Moderator: No, sir, it's still bad.

Raman Kerti: I'll just join back.

Sanjay Soni: No, it's okay. Now it's okay.

Raman Kerti: Okay. Can you hear me now?

Sanjay Soni: Yes.

Raman Kerti: Yes. Just a follow-up on the earlier question. I just wanted to understand what is in silicon packaging, photonic packaging that we are doing. Can you just explain in simple layman terms?

Sanjay Soni: I think it's better -- It's not easy to say on this kind of a call, frankly, because it's a very complex listing. So you'll have to read up about it online or we can send you some data if you want and what it really entails.

Raman Kerti: Okay. Thank you. I will just join back the queue. Thank you.

Moderator: Thank you. Your next question comes from the line of Gaurav Shukla with Finvestor. Please go ahead.

Gaurav Shukla: Am I audible sir?

Moderator: Yes, sir. Please go ahead.

Gaurav Shukla: Sir, my question regarding Izmomicro. Sir, how much revenue we are expecting from Izmomicro in FY27?

Sanjay Soni: We are expecting around INR50 crores this year in FY27 from Izmomicro, specifically. I would say between INR45 crores to INR50 crores. That's -- we did around, I think, INR18 crores to INR19 crores last year. We should grow significantly this year. The order book is very healthy. Pipeline is also building up. So we don't foresee any issue in reaching that number.

Gaurav Shukla: Sir, can you quantify the order book of izmoMicro?

Sanjay Soni: I said it in the call in the initial remarks. We have around INR40 crores for izmoMicro and the pipeline is around INR100 crores. That means not yet closed, but at various stages of discussion with the customers. So there's a very strong pipeline, especially with a few key clients who are -- we started with one project then second and third. And now they are like, can you do this? Can you do this -- so please take up more and more work.

So as they get more and more confidence, they are moving work back from where they were getting it done abroad and moving it back to India. So it's a very good I would say, validation of our capabilities. And these are complex projects, defense and RF with very, very high precision and high complexity.

Gaurav Shukla: Yes, sir. Blended EBITDA margin in FY27 -- as you have maintained 19.6%, including EBITDA other income, what will be in FY27? Can you quantify?

Sanjay Soni: I think we should achieve between 20% to 25% going forward. Like I said, once the izmoMicro revenue kicks in and the costs are flattish, you'll start seeing the margin accretion happening at the EBITDA as well as net profit level.

Gaurav Shukla: Yes, sir. And, sir, one question other than this, and what is -- this is unique business, I understand, but what is the competition level in the market? Is any peer of you that are there in market? I want to...

Sanjay Soni: In India, we don't have competition, as of now.

Gaurav Shukla: Yes Sir...

Sanjay Soni: Globally, yes, the Korean companies are there, American companies are there, Taiwanese are there. But in the photonic space, it's basically U.S., Spain and India, which is going ahead. In advanced packaging, of course, there are many companies internationally. But in India, what we do, like stack die, flip-chip nobody does.

Moderator: Your next question comes from the line of Prasenjit Paul with Paul Asset.

Prasenjit Paul I hope I am audible. First of all, congratulations for the good set of number. My first question is, we can see the jump in other expense to around INR69 crores. So can we expect the INR69 crores to continue over the next upcoming quarter? Or it will come down or even move up?

Sanjay Soni: No, it will come down because we have done a special project for a group of clients. That's why the revenue also shot up and a lot of it was passed through revenue. So we made a margin on that, but a lot of it was expenses given to -- for marketing and all that. So you'll see it coming down next quarter.

Prasenjit Paul Okay. And sir, in izmocar division and also in izmo Studio division, we can see a big jump in the revenue in Q4 FY26. So are those like subscription revenue that will continue? Or are those like onetime revenue, just a bump up in this.

Sanjay Soni: Most of it is subscription, but there is always a listing of one time, we did some projects, but most of it is subscription, which will continue...

Prasenjit Paul If you can tell about the izmocar section and izmo Studio, which one is mostly subscription revenue and which one is the one-off contributing this jump for this quarter.

Sanjay Soni: Izmo Studio is mainly subscription. There is izmocars we do some projects sometimes for the big OEMs, which can be onetime -- so -- and that's normally done in the Q1 of the financial year -- their financial year, which is Q4 of our financial year.

Prasnjit Paul Okay. Okay. And sir, finally, regarding this silicon photonics, yes obviously, that's a big market. But what I understood is globally, whatever the players they are doing. So all are highly funded. I mean this segment requires huge investment. I have never seen in the world any small company like IZMO is a small company, no small company succeed in this segment.

So considering the same and considering that even we don't have huge I mean strong, I mean balance sheet cash or something. So how are we confident that you can scale up this segment without huge cash or without huge funding.

Sanjay Soni: See, the huge cash goes into a different segment. We are not in the segment. We are in the packaging segment of silicon photonics. We are not designing something new from the ground up. We are helping companies move from copper to light using our photonics packaging capabilities.

So we're not going to compete with Marvel or compete with some of the big guys, we're going to complement their strength which is why I don't need \$1 billion to invest. I need to invest INR100 crores, INR150 crores to expand my packaging capability and also the scale, which is what they are asking for the international customers that right now your scale is small, we've built it to a scale where we can give you a lot more work.

So there's a difference in what we do and what the big guys do. So that's where we are. We are in a very niche area. And there is enough opportunity there to grow and be a partner to the big companies to meet those skill sets.

Prasnjit Paul Okay. Got it. So, you still need like INR100 crores or INR150 crores or INR200 crores of investment...

Sanjay Soni: Yes, we are in the process of raising that

Prasnjit Paul Yes, yes. So if I'm not wrong, sir, earlier, you disclosed the exchange that you are seeking for INR300 crores of external funding. So like what is the progress and whether you will dilute equity or raise the debt or I mean how you are...

Sanjay Soni: It's in process. We are looking at equity-cum-debt. It's still not frozen. We are talking to a lot of potential investors. I think in the next 30 to 45 days, we'll have a clear picture on which is the route we'll take and how much of equity, how much of debt. We'll be clear, we'll announce it to the shareholders once we are clear about it.

Prasnjit Paul Okay. Okay. And apart from the silicon photonics, earlier last year, so you are also planning some separate listing or maybe some fund raise on the FrogData AI part. So is it still on or like that you are not pursuing anymore?

- Sanjay Soni:** This is on, but we'll do it at the right time once we achieve certain milestones there. So we will look at that at a somewhat later point in time.
- Moderator:** The next question comes from the line of Krishna from Radha Krishna Investments. As there is no response from the line of current participant, we'll move on to next question. Our next question comes from Santosh Karunakaran with Financial Finesse
- Santosh Karunakaran:** Excellent set of numbers, congratulations for that. You could see that the top line for Q4 increased significantly. So is this going to sustain?
- Sanjay Soni:** We hope so. But there was, like I said, one of the projects we have done where we got substantial revenue. So it won't -- maybe it will not be at this level, but definitely close to this level going forward. Because the revenues from izmoMicro kicking in, we do expect to see achieving this kind of numbers. Maybe not this quarter, maybe the next quarter.
- Santosh Karunakaran:** So what could be a revenue and a margin guidance for FY27?
- Sanjay Soni:** Still looking at the growth -- overall growth in this year compared to last year, despite the jump in the last quarter. So overall, we still expect the growth. And like I said, margin accretion, you should see margins going up compared to last year. I don't want to give a number there. I have already given the EBITDA range.
- Santosh Karunakaran:** And so you said that possibly the expansion will be coming soon. So which means really what's the time period when we are expecting the new facility -- and we have quite some...
- Sanjay Soni:** We will expect to implement the project by next -- middle of next year. So from of Q2 of FY27, '28, you start seeing -- Q3, you'll start seeing the revenue flowing in. It will take us a year to implement the project.
- Santosh Karunakaran:** And this packaging will be...
- Sanjay Soni:** As revenues will kick in.
- Santosh Karunakaran:** Okay. And if you look at the inquiry pipeline, which is coming to izmoMicro systems, are we seeing more concentration from India? Or is it coming equally from abroad as well?
- Sanjay Soni:** Both. Both. U.S., Europe and India, all are, I mean, very, very strong inquiry level.
- Santosh Karunakaran:** All right. Thank you, sir. I think that's all my questions from my end. Thank you.
- Moderator:** Thank you. The next question comes from Ansh Gupta with Pura Ventures 0:32:10. Please go ahead.
- Ansh Gupta:** Hi, Sanjay. Thanks for allowing the question. Congratulations on a stellar set of numbers. So my question was regarding the silicon photonic chips. So we have INR45 crores of order book right now. How much time are we planning to -- how much time would it take for these order book to get executed? And what is our current capacity?

And we were also talking about expanding the capacity. So once the capacity is extended through fundraising, much of an order or execution can we expect from it? And what is the maximum utilization right now?

Sanjay Soni: The current order book of around INR40 crores will take us 9 months to execute. Our capacity is around INR150 crores top line, which we can do with the current facility. After the expansion, it will take us to around INR1,200 crores top line, addressable top line. So that will give us a lot more room to actually meet the requirements of the big guys who want huge capacity.

Currently, they find us too small, so they are giving us just pilot orders. But if I want to move into real manufacturing for them, they want -- that's why we are looking at setting up the capacity so that we can then meet their demand. So then I'll have a INR200 crores top line possibility once the expansion is in place.

Ansh Gupta: So just a follow-up question on this. So we're talking about executing the INR45 crores order book in 9 months. So what is the usually tentative time line? So once I place an order with you, what is the tentative time line...

Sanjay Soni: It depends on project to project. You can't say -- each project is different. Each package is different. So is it not easy to give a thumb -- it could even be 3 months, could be even 2 years. Okay, doing something for space, which is like 2 years, for ISRO, the camera payload project. It's very, very complex packaging requirements. That will spread over 2 years. Some we are doing for another client, which will be hardly 3 months. So it depends. That's why I said it's very difficult, because very customized.

Ansh Gupta: All right. Thanks for your answer.

Sanjay Soni: Thank you.

Moderator: Thank you. The next question comes from the line of Rohan Tantia, an Individual Investor. Please go ahead.

Rohan Tantia: Hello, sir.

Sanjay Soni: Good afternoon.

Rohan Tantia: Good afternoon, sir. Excellent numbers. Sir, so my question was on the 2 aspects. Firstly, the cost has jumped nearly 5%, nearly 5x to INR69 crores. And so what was the reason for this -- like for the cost to rise? Secondly, izmoMicro revenue has rose to INR9 crores, which is approximately tripled now. So can we expect the similar growth momentum in the coming quarters or in how many months we can see it or maybe in the year?

Sanjay Soni: You're talking about the other costs, which have shot up?

Rohan Tantia: Yes, correctly.

- Sanjay Soni:** So that one, like I said, we had done a project and most of it is outsourced services, and we got the pass-through margins. So that's why you'll see that number jumping up, will again utilize this quarter. Okay. What is the second part of the question?
- Rohan Tantia:** Second part was, sir, that izmoMicro, the revenue momentum has been tripled like if we check around quarter-on-quarter. So can we expect the similar momentum in the coming quarters or in how many months can we see it formulate?
- Sanjay Soni:** See, for the full year around INR50 crores. Last year was around 18-point-something, right?
- Rohan Tantia:** Correct, correct.
- Sanjay Soni:** So -- it may not happen quarter-on-quarter, but for the year, we will expect to close the number with INR50 crores project billing. It may not bill in this quarter, maybe in the next quarter or so. For the year, definitely, we are still looking at that number.
- Rohan Tantia:** Okay, sir. And sir, one more question I want to ask. Like are we -- is IZMO working into quantum and deep tech technology? Or is it like looking at the opportunity towards it?
- Sanjay Soni:** We are looking -- obviously, we are working with IIT on the quantum packaging. So they are making, we are doing the packaging. And they have three more chips to come in the next 2 years with IIT. So our focus is on the packaging side, not the quantum side itself because we don't have expertise in quantum really except for the packaging side, which is very critical. So we'd like to focus on where we are strong and build upon that.
- Rohan Tantia:** Okay, sir. Okay. Got it, sir. Thank you for picking up my questions.
- Sanjay Soni:** Thank you.
- Moderator:** Thank you. Your next question comes from the line of Jainam Ranka with SIC. Please go ahead.
- Jainam Ranka:** Hello. Am I audible?
- Sanjay Soni:** Yes, yes.
- Moderator:** Yes.
- Jainam Ranka:** As you said, that the silicon photonic industry has been growing around at the rate of 25% to 30% CAGR, by FY30. So -- and you have also mentioned that there is no other company in India right now that is doing the kind of packaging that you are doing. So in the coming years, do you see any huge large cap companies or other tech companies to enter in the same segment as you are in?
- Sanjay Soni:** It's possible. We don't say no. Anything is possible. So by then, we will be far ahead. It's not a question of capex. It's a question of process technology. Question on material sciences, everything goes into doing a silicon photonic package. It's not at all tomorrow, Adani says I'm going to spend INR1,000 crores and put up a packaging plant.

What will become of the others? He'll devour them all. It does not happen like that in technology. It's not a cement plant where size will determine everything. So as we keep building up more and more strength, we build up more and more process knowledge to build up a client base. They will not just jump to somebody else just because it's a big guy who started today. You have to learn -- it's not easy. So we are not worried about -- it is a big market. Huge market.

Jainam Ranka: Yes. And my second question was that what's the cost of packaging that you are doing? For example, unit economics, can you explain like how much packaging?

Sanjay Soni: Yes, if you go right down to OSAT, which is what the big guys are setting up the OSATs. Packaging cost is 8% to 10% of the overall chip cost. When you go to advanced packaging where we are, it goes to 50% of the cost is packaging. When you go to silicon photonics, 80% of the cost is the packaging. So that's how the unit economics work as we go up the value chain. Their packaging becomes much more critical than the wafer itself -- the silicon itself.

Jainam Ranka: So right now, the silicon photonics packaging has been -- no one is doing in India. So the companies which are using this kind of packaging and chips. So they are kind of importing from the other countries?

Sanjay Soni: A lot of them have not been using it. They're now looking at it as, okay, it's possible to do it because it's again -- this come out in the last 2 to 3 years, even internationally. So a lot of things is now moving to photonics because now it's possible. It is possible. So it's being used now in telecom extensively.

Now they're using it in LiDAR. It's being used in sensors. They're using it in defense, space. Photonics is now making inroads everywhere because the technology has matured to a point where companies can actually build applications around it or build products, which use photonics. So that's why we have actually at the right place at the right time.

Jainam Ranka: Okay. And my last question would be, as you said, in the next year, Q2 or max-to-max Q3, will be the time line when the revenue kicks in of the new capex. So during that year, how much revenue are you expecting from the izmoMicro? Means how much capacity utilization are you assuming?

Sanjay Soni: See, we are looking at 20%, going up to 45%, going up to 80% phased -- in a phased manner.

Jainam Ranka: Can you put...

Sanjay Soni: First it will be only half for 6 months working. So we look at 20% for a 6-month period when it jumps to 50% to 60%, then we go to 80% to 90%.

Jainam Ranka: And what will be the EBITDA margins in that?

Sanjay Soni: That should be around 35% plus.

Jainam Ranka: 35% plus?

Sanjay Soni: Yes.

- Jainam Ranka:** So what would be the blended EBITDA margin of the overall business for the FY27 and FY28?
- Sanjay Soni:** Around 30% plus.
- Jainam Ranka:** Okay. Thank you. That's all.
- Moderator:** Thank you. The next question comes from the line of Praveen Naik, an Individual Investor. Please go ahead.
- Praveen Naik:** Yes. Sir, IZMO Microsystem is trying to increase its manufacturing capacity as part of its growth strategy, silicon photonics space. Also, IZMO Microsystem is collaborating with CCRAFT and an Alcyon Photonics for silicon photonics right? Where this collaboration fit in?
- Sanjay Soni:** See, CCRAFT is a foundry. So they make the silicon, Alcyon does the design of the package for its customers. We come out with the actual package. So it's a collaboration between 3 companies who do part of the listing. And then we go as a team to a client and say we give you everything. Package design, the silicon and we do the package.
- That's how we are collaborating because like Alcyon has a lot of design expertise .They been doing it for a while. CCRAFT is a foundry. We don't have -- we are not what will be ever doing a foundry, not in the short term, maybe in the long term. So it's -- each one complements each other, skill set wise. And when you give a package to our customer he is happy that, okay, everything is there between these 3 companies I have got everything. I don't need to run around. That is the whole idea.
- Praveen Naik:** Got it, any update on the collaboration -- latest update from this collaboration?
- Sanjay Soni:** No, we are working together. There's a lot of customer engagement in Europe. We'll start seeing results soon.
- Moderator:** Your next question comes from Krishna with Radha Krishna Investments.
- Sanjay Soni:** I think he already asked a question, earlier, Radha Krishna Investments I remember.
- Moderator:** Yes. At that point of time also, we did not get any audio. So Krishna with Radha Krishna Investment please rejoin the queue if you have further questions, please.
- Your next question comes from Narra Venkata Raman an Individual Investor.
- Narra Venkata Raman:** Really you achieved excellent quarterly growth in profit, which we have been looking for so many quarters, actually this quarter at really commendable growth. We hope to see this similar growth in future profit. And you expect -- one question I was wondering the other expenses you already told it's because of the onetime project delivery expenses. But instead of guessing, I would expect you to put some small note in the annual -- in the note, that one thing...
- Sanjay Soni:** Yes, it's a good idea. It's a good suggestion.

- Narra Venkata Raman:** Second thing I was really -- what is that there are 11 subsidiaries which are totally contributing around INR50 crores profit, and I was -- I think that these are not audited. Any reason why this was not audited?
- Sanjay Soni:** See, the U.K. is audited France is all with KPMG, Belgium is with KPMG. U.S. audit is not done. It's only tax filing because U.S. audit you come only for \$100 million companies plus -- it's very complicated and very expensive. So there, we have a tax auditor who reviews the financials before they file it for tax. And then we have a limited review in India by our stat auditors. Rest all are audited. U.K., everyone is like done properly. So wherever in financially we are doing it.
- Narra Venkata Raman:** Yes, okay that's all these are two things from me thank you very much.
- Moderator:** Thank you. Your next question comes from Disha with Sapphire Capital.
- Disha:** Yes so, you said that we are expecting 20% to 25% EBITDA margins in FY27 and 30% plus in FY28. So what are the drivers for this? Can you please explain?
- Sanjay Soni:** The drivers will be basically the growth of izmomicro business and '27, '28 will be the new plant coming on stream. So that will drive again margin accretion. Because like I said, our gross margins on packaging is 50% to 60% and in -- even in silicon photonics is much higher. So as the contribution from those businesses increase the overall margin will look much better going forward. So these are high technology businesses. So that's the reason.
- Disha:** Okay, sir. And is it safe to assume that you can do like about 30% to 35% growth in FY27?
- Sanjay Soni:** At least if I may not be -- I mean, will be challenging, but we definitely are looking at 20%, 25%. I don't want to promise 30% to 35%, we will definitely try for the highest possible, but can't say at this point.
- Disha:** Okay, sir. And how much capex are we planning for FY27?
- Sanjay Soni:** We are raising around INR150 crores mostly for capex. So I think around INR125 crores will be capex and INR25 crores will be working capital.
- Disha:** Thank you and all the best.
- Moderator:** Your next question comes from Patrik an Individual Investor.
- Patrik:** You have had a repeat orders on izmomicro. So what are these validated customers from which industry are they predominantly from? Can you give some idea?
- Sanjay Soni:** Automotive, defense, space.
- Patrik:** Largely would be from the top 1 would be which sector.
- Sanjay Soni:** Defense.

- Patrik:** And all in the Indian defense?
- Sanjay Soni:** Yes.
- Patrik:** Okay. And on the second question, since it's been almost 6 months that we have planned the capex of INR150 crores, why the delay? Because since we are already aware that the order pipeline is not a problem. Execution is a problem. And since the expansion is in place. So why has there been a delay for 6 months to raise this capex? Any particular reason?
- Sanjay Soni:** No, no. We were firming up the whole plan. There were a lot of changes we had made because looking at which technology to go for, which machines to go for. So it took a bit of time. And then the fund raise, we started the process only last month in earnestness after we had frozen the technical part of the capex. So that took us time to really freeze on which machines, what kind of technology, all that. And near the complexity of it at...
- Patrik:** And we will be closing it soon?
- Sanjay Soni:** Yes, we hope to close it, we hope to merchant bankers are pretty upbeat about it. There's a lot of interest for semicon right now. In India and rightly so, it is the upcoming sunrise industry. With the government giving thrust
- Patrik:** So as of now, we haven't made any breakthrough in packaging and silicon photonics in data center? Am I correct?
- Sanjay Soni:** Yes, not yet. We are working on that. We should have our first -- this thing coming out in the next 3 months.
- Patrik:** Again, an Indian customer or someone from outside?
- Sanjay Soni:** Indian customer. Actually, a foreign company is setting it up in India. So you can call it Indian clients or foreign client, I don't know.
- Patrik:** Okay. The data center is in India, irrespective of being a person who's going the company that is.
- Sanjay Soni:** That is right.
- Moderator:** The next question comes from the line of Uddhav Shekru Holkaran Individual Investor.
- Uddhav Holkar:** My question was regarding the motor that you have invented, what is the 100 ampere or 100 volt and you send it to the public sector company for testing. So I want to know about that. And second part is I want to know what will be the revenue of izmomicro after 5 years?
- Sanjay Soni:** Which motor?
- Uddhav Holkar:** you previously, you have media release regarding the 100-ampere or 100-volt motor?

Sanjay Soni: Let me recall exactly which context we had given that release.

Uddhav Holkar: That rotating motor that work at a very high temperature.

Sanjay Soni: Okay. Sorry. So what was your question?

Uddhav Holkar: Is there any commercial production of that motor, any order regarding that?

Sanjay Soni: Orders are already there. We are working on the first batch of this thing. It has been qualified and we are working on the first -- completion of the first order for that customer. We went through a very complex, very detailed qualification cycle. Given the criticality of the application and the complexity of the product itself. Now we are going to do the actual delivery of the product.

Uddhav Holkar: And my second question is that after 5 years, how much revenue we expect from Izmomicro?

Sanjay Soni: After 5 years, I think INR1,200 cores to INR1,500 cores.

Uddhav Holkar: Okay thank you sir.

Sanjay Soni: Thank you.

Moderator: Thank you. Next question comes from Shravan Kumar, an Individual Investor. Please go ahead.

Shravan Kumar: Hello sir, thank you for taking my questions.

Moderator: Sir you are too soft. If you are using any other mode, maybe request to use the handset, please?

Shravan Kumar: I'm using the handset. Is it fine now?

Moderator: This is better.

Sanjay Soni: Much better, correct.

Shravan Kumar: Again, it's about Izmomicro. You have the planned capex coming up in the next year, right? And you told 20% of utilization, which means around INR250 crores, is it safe to assume that?

Sanjay Soni: Difficult to put a number like that, but capacity utilization because we'll have only 6 months of the year. So I just said the number of 20%. But we are looking at a substantial growth. I don't want to give a number right now. It's too premature.

Shravan Kumar: Okay. And the other part is that recently, Tesla also launched their program for the space orbiter data centre. So we have, I think, technology ready for supporting this space orbiter data centre chips, right? Like the 32-channel silicon channel silicon that silicon photonic packaging that we have.

Sanjay Soni: We can do packaging for space. We have expertise in packaging for space. If and when we do the get the opportunity with Tesla, we can work with them.

- Shravan Kumar:** Okay. Do we have any interest coming up in those areas.
- Moderator:** Sorry to interrupt you, Shravan I will request you to return to the queue for further questions please. We have several participants waiting for their turn.
- Sanjay Soni:** You can always send an email to Adfactors with any questions you have and we'll answer them separately. No issues. Okay?
- Moderator:** Thank you. The next question comes from Paras Chheda with Purpleone Vertex Ventures LLP. Please go ahead.
- Paras Chheda:** Thank you sir. Sir, I just joined the con call a little bit late. I am sorry for the repetition if is there any, just wanted to understand, sir, Q4 Izmomicro is now revenue-wise reached about INR9.2 crores. So that's quite interesting. Now, is this run rate sustainable, and what revenue contribution can we expect from Izmomicro realistically in FY27 and FY28?
- Sanjay Soni:** So FY27, like I mentioned earlier, that we are expecting around INR50 crores.
- Paras Chheda:** Okay. About INR50 crores.
- Sanjay Soni:** Correct. And FY28 substantially more than that.
- Paras Chheda:** Understood. And what proportion could be expected from defence, silicon photonics and other semiconductor packaging?
- Sanjay Soni:** It should be around 80, 20, 80% from advanced packaging and 20% from photonics, which will keep growing. Because photonics, we have just started last year so that it's scaling up, but it takes time. Packaging is moving much faster.
- Paras Chheda:** Right. The other one is we have announced various partnerships with Alcyon, CCRAFT and so on. So when do these collaborations start contributing to meaningful revenue, would it be FY27, FY28?
- Sanjay Soni:** In the current year.
- Paras Chheda:** FY27 itself? Okay. And as last I remember trade receivables have gone up from INR99 crores to INR129 crores sort of where do we expect.
- Sanjay Soni:** In the last quarter, it was INR100 crores. So it's actually 100 days, 110 days of this thing, which is very normal because we are very large clients like Hertz, Stellantis, Avis they paid in 4 months, 5 months. It's very normal for them. But the money comes. So we are not very worried about that.
- Paras Chheda:** So we will continue to stay cash flow positive basically, from operation?
- Sanjay Soni:** Correct.
- Paras Chheda:** Understood. Thank you sir I will come back in the queue.

Moderator: Thank you. The next question comes from Deepak, an Individual Investor. Please go ahead.

Deepak: Hello? Congratulations on the set of numbers. Thank you for giving me the opportunity. I want to know what is the amount of loss of Izmomicro is making in quarter 4 of this?

Sanjay Soni: Sorry?

Moderator: Deepak sir. You were not quite audible.

Deepak: Hello. I want to know what is the amount of loss Izmomicro is making in quarter 4 of this financial year?

Sanjay Soni: I don't remember offhand, and I can't give you the number. Sorry, if you send us a mail, we will reply to it.

Deepak: Okay. And one more question. In the FrogData for the past 1 year, your revenues are almost flat and what is the reason?

Sanjay Soni: We are getting good business from the last quarter onwards. It was flat in between for 2 quarters, and the market was a bit sluggish, but we are seeing again a resurgence in the last quarter and very strong order pipeline going forward.

Deepak: Okay thank you.

Sanjay Soni: Thank you.

Moderator: Your next question comes from Suraj a Retail Investor. Please go ahead.

Suraj: Hello.

Sanjay Soni: Yes, please go ahead.

Suraj: Sir, just wanted to understand. I understand that you cannot explain in detail, but can you give us a basic idea of what exactly is the difference between silicon photonics and advanced packaging?

Sanjay Soni: Advanced packaging, we are using different materials for packaging. Frankly, I can't explain it to you. It's not so easy, even for me to explain. In silicon photonics, we use a lot of fiber, optical fiber, we use optical connects and the tuning of that is very critical. That is difficult to achieve.

So you have a lot of loss, which we have been able to bring down to less than 2 decibels because what happens when you are working with optical interconnects. The tuning takes a lot of time to make sure that the data flow is perfect, and that's where the criticality comes. In advanced packaging, we are handling like flip-chips, stacked die, QFNs and other kind of packages where I would say we are, there are like 400 interconnects in the 3mm by 3mm chip, which we are doing or we are doing a stacked die with 3 chips, 1 on top of the other, different complexity. So, the two are actually not comparable; they're different technologies totally.

- Suraj:** Understood. So sir, when you say that you are the only company in photonics packaging. So that means silicon photonics. You are the only company, right?
- Sanjay Soni:** That's correct.
- Suraj:** Advance packaging you must be.
- Sanjay Soni:** No advanced packaging. When it comes to flip-chip or stacked die, nobody else in India can do it. That's called 3D packaging. Nobody else in India does 3D packaging. Where I can put one die on top of the other within a chip.
- Suraj:** Understood. That is all sir. Thank you.
- Sanjay Soni:** Thank you.
- Moderator:** Thank you. Ladies and gentlemen, Due to paucity of time, this will be the last question. For further questions, please contact the Investor Relations team. For now, I would like to hand the conference over to Mr. Sanjay Soni for closing comments.
- Sanjay Soni:** Thank you. I thank every member of the IZMO team for the dedication and execution. And I thank all our stakeholders and partners for their continued trust in us. We remain committed to building IZMO into a leading diversified technology company, anchored in automotive solutions and growing powerfully in semiconductor packaging and AI analytics.
- Thank you all for your continued support. Please do reach out to our Investor Relations team for any further queries. Thank you very much. Have a good day. Take care.
- Moderator:** Thank you. On behalf of IZMO Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.