



HIGHNESS MICROELECTRONICS LIMITED

Date: 10th June, 2026

To,
BSE Limited Listing & Compliance Department
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai, 400001,
Maharashtra, India

Company Symbol: HIGHNESS
Company Scrip Code: 544741
Company ISIN: INE1KI801019

Subject: Transcripts of Earnings Call

Dear Sir / Madam,

Please find enclosed transcripts of earnings conference call, in connection with financial results of the Company for the half year and year ended 31 March 2026 held on Thursday, 04th June 2026.

The same is also be available on the Company's website

Request you to kindly take this on record

For Highness Microelectronics Limited

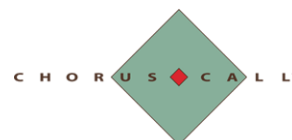
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Gaurav Kejriwal
Managing Director
DIN: 01506981



“Highness Microelectronics Limited
H2 and FY26 Results Conference Call”

June 04, 2026



MANAGEMENT: **MR. GAURAV KEJRIWAL – MANAGING DIRECTOR –
HIGHNESS MICROELECTRONICS LIMITED**
**MR. MAYURKUMAR GORI – CHIEF FINANCIAL
OFFICER – HIGHNESS MICROELECTRONICS LIMITED**

MODERATOR: **MS. JANHAVI PATIL – ORIM CONNECT**



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Moderator: Ladies and gentlemen, good day, and welcome to H2 and FY26 Results Conference Call for Highness Microelectronics Limited, hosted by Orim Connect. 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 touch-tone phone. Please note that this conference is being recorded.

I now hand the conference call over to Ms. Janhavi Patil from Orim. Thank you, and over to you.

Janhavi Patil: Thank you. Good afternoon, everyone, and a warm welcome to all of you. I am Janhavi Patil from Orim Connect, representing the Investor Relations team of Highness Microelectronics Limited. On behalf of the company, I would like to thank you all for joining us for the H2 and FY26 earnings con-call.

Before we begin, I would like to state a brief cautionary statement. Some of the statements made during today's call may be forward-looking in nature. These forward-looking statements are subject to certain risks and uncertainties that will cause actual results to differ materially from those expressed or implied.

These statements are based on management's current expectations, assumptions, and information available as of now. Investors are therefore advised not to place undue reliance on these forward-looking statements when making any investment decisions. The purpose of this call is to share insights into the company's business performance and financial results under review.

Now I am pleased to introduce the members of the management team present with us today: Mr. Gaurav Kejriwal, Managing Director; Mr. Mayurkumar Gori, Chief Financial Officer. With that, I now hand over to Mr. Gaurav for his opening remarks. Thank you and over to you, sir.

Gaurav Kejriwal: Good afternoon, everyone. My name is Gaurav Kejriwal. I am the Managing Director and Promoter of Highness Microelectronics Limited. Thank you for joining us today and for your continued interest in Highness Microelectronics Limited. I would like to extend a warm welcome to all our shareholders, investors, analysts, customers, and partners.

FY25-'26 marks a defining chapter in our journey of Highness Microelectronics. The successful listing of our company on the BSE SME platform was not merely a financial milestone; it was a validation of the vision, commitment, and hard work that the entire team has put in over the years.

When we started this journey, our objective was clear: to build an Indian technology company capable of delivering world-class electronics and display solutions while creating long-term value for all the stakeholders. Today, I am proud to say that we have taken significant steps towards realizing that dream.



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During FY25-'26, we delivered strong growth across revenue, profitability, and cash flow. More importantly, we strengthened the foundation for sustainable future growth. Our performance reflects the increasing acceptance of our products and solutions across defense and aerospace, railways, industrial electronics, medical electronics, and smart infrastructure segments.

India is currently witnessing an unprecedented push towards electronic manufacturing, defense indigenization, and technology self-reliance. Government initiatives such as Make in India and Atmanirbhar Bharat are creating tremendous opportunities for companies with strong engineering capabilities and execution strength. We believe Highness Microelectronics is well-positioned to capitalize on these opportunities.

One of our key strategic priorities has been to move up the value chain. Instead of being only a product supplier, we are increasingly positioning ourselves as a technology and solution provider. This approach not only strengthens customer relationships but also improves margins and creates entry barriers for competitors.

We continue to invest in technology, infrastructure, research capabilities, and talent development. During the year, we also focused on strengthening our manufacturing ecosystem and expanding our strategic partnership to enhance our product offerings and market reach.

Before I speak about our future strategy, I would like to highlight some important developments that have significantly strengthened our long-term growth prospects. Goa manufacturing facility. One of the most important milestones during the year has been the progress of our upcoming manufacturing facility in Goa.

This facility is being developed with the objective of expanding our COG, that is chip-on-glass and FOG, film-on-glass production capacity, enhancing operational efficiencies, and supporting long-term growth plans. The Goa plant will enable us to cater to increased demand across defense, railways, industrial, medical, and display technology sectors while improving supply chain integration and localization capabilities.

Advanced glass cutting technology. During the year, we also strengthened our technological capabilities by introducing advanced glass cutting technology. This capability enhances our ability to provide high-precision display solutions and customized products for specialized applications. The technology improves quality, reduces dependency on external processing, shortens lead times, and also allows us to serve customers requiring complex and high-performance display configurations.

Strategic partnership with Axiom USA. Another significant development has been our strategic collaboration with Axiom in United States. This partnership is expected to enhance our access to advanced technologies, strengthen our global market reach, and create opportunities for joint business development in high-growth sectors. Through this association, we aim to leverage complementary capabilities, expand our product portfolio, and explore opportunities in international markets while continuing to deliver innovative solutions to our customers.



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Looking ahead, our growth strategy is built around five key pillars. First, expanding our footprint in defense and aerospace sector, which offers significant long-term opportunities driven by increased localization requirements. Second, strengthening our display technology and embedded electronics business by introducing innovative products and customized solutions.

Third, increasing manufacturing capabilities and localization to improve competitiveness and support large order volumes. Fourth, pursuing strategic collaborations and technology partnerships that can accelerate innovation and market expansion. Fifth, maintaining strong corporate governance, financial discipline, and transparency as a listed company.

Our order pipeline remains healthy, customer engagement levels are increasing, and we continue to see strong demand across multiple sectors. While we remain optimistic about future opportunities, we are equally focused on disciplined execution and sustainable growth. As promoters, our commitment remains unchanged. We are focused on building a company that creates long-term value, delivers consistent growth, and becomes a trusted technology partner for customers in India and global markets.

Before I conclude, I would like to express my sincere gratitude to our employees, whose dedication and hard work continue to drive our success. I would also like to thank our customers, suppliers, bankers, advisors, board members, and shareholders for their unwavering support and trust. The future of Highness Microelectronics is exciting, and we are confident that the investments we are making today will create substantial value in years to come. Thank you once again for joining us today.

I now hand over to my colleague Mayur, who is the CFO of the company, to take you through our numbers and financial results.

Mayurkumar Gori:

Good afternoon, everyone, and thank you for joining Highness Microelectronics Limited earnings call for FY2025 and '26. I am Mayurkumar Gouri, CFO of the company. Financial year 2025 has been a landmark year for Highness Microelectronics following our successful listing on BSE SME platform. We have entered a new phase of growth, governance, transparency, and value creation.

Our focus throughout the year remained on strengthening our technology capabilities, expanding our customer base, improving operational efficiency, and building a scalable organization for the long-term growth.

Now look at our financial performance for the FY2025-2026. I am pleased to report that FY2025-26 was our strongest year so far. Revenue from the operation increased to INR16.11 crores compared to INR14.07 crores in FY2024 to 25, representing the growth of 14.5% year-on-year basis. EBITDA also stood at strong INR6.61 crores compared to the INR4.51 crores in the previous year, registering a strong growth of 46% on year-on-year basis.



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Profit after tax increased from INR4.10 crores compared to the last year's INR2.45 crores, delivering a growth of 66.9% year-on-year basis, and our PAT margin improved from 17.5% to 25% during the year. Also, let's substantially strengthen our balance sheet and cash flow also.

Net cash flow from the operating activities stood at INR4.7 crores positive compared to negative INR1.425 crores in FY2024-25. Net cash used in investing activity was around INR2.06 crores, primarily towards the capacity expansion, equipment, and technology investment for the future growth. Net cash generated from the finance activity was INR19.23 crores, largely driven by proceeds from the IPO. We received share premium in our company's account.

Now let's look at the segmental revenue performance of the company. Our revenue growth was well-diversified across multiple sectors, reducing concentration risk and strengthening the resilience of our business model. During FY2025-', defense and aerospace remain our largest segment, contributing approximately 39% of the total revenue, that is around INR6.38 crores. Railway contributed around INR4.36 crores, that is a 21.1% of total revenue.

Medical and healthcare contribute approximately 26.7% of total revenue, that is INR4.30 crores. Industrial automation contributed around 6.6% of total revenue, that is INR1.07 crores. The strong contribution towards defense and aerospace reflects increasing opportunity arising from indigenization of manufacturing initiative, growing investment in India's defense ecosystem. At the same time, our railways and medical electronics business continue to provide a stable growth and diversification.

Now let's look at the domestic and export sales. I am pleased to highlight that a balanced growth geographical mix of our business. Domestic revenue contributed approximately 15% of total sales, that is INR9.06 crores, and export revenue contributed 43.8% of total sales, that is INR7.06 crores.

Our business outlook and opportunity remain extremely encouraging. India's focus on electronic manufacturing, defense indigenization, and railway modernization, smart infrastructure, industrial automation, and advanced display technology continues to create a significant opportunity for companies with strong engineering and manufacturing capabilities.

Going forward, our strategic priority will include expanding our presence in defense and aerospace, scaling our display and embedded electronic business, increasing localization and value addition, strengthening our manufacturing capability and operational efficiency, improving working capital cycle and return ratios, building sustainable order pipeline across the government and private sector customers.

We remain confident that investment made during the year in people, infrastructure, technology, and governance will support our growth aspirations in coming years. With that, I conclude my remarks on the financial and we open forum for the questions. Thank you.



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Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Chintan Parikh from Vyom Capital. Please go ahead.

Chintan Parikh: Yes, I hope I am audible.

Gaurav Kejriwal: Yes, you are. Please go ahead.

Chintan Parikh: First of all, sir, congratulations on good set of numbers and thank you for giving me the chance to ask the question. Sir, I wanted to understand your sourcing strategy. How much reliance is on Chinese components in our current manufacturing? Because you said that you wanted to get into defense and aerospace.

So, are we bringing any CKD units or SKD units and trying to assemble them over here, or are we getting some critical components like LCD screens and other such, you know, components, high-value components?

Gaurav Kejriwal: Right. So, we do not build the entire system for defense. We usually supply imaging solutions to system integrators who build the whole system for the defense orders. So in our case, primarily our products that we would supply are imaging solutions, could be TFT LCD displays or electronics supporting the display solutions.

We do source our display glass from Far East Asia from multiple locations, and we do value addition at our existing facility here in Rabale. Having said so, in particular, if we talk about defense, there are requirements which specify some extreme climatic condition displays, some displays that would need to operate in challenging environmental conditions, night vision capability, etcetera.

So we get basic displays, basic glass from Far East Asia and then we ruggedize it, we value add some features to those displays so that it qualifies for the defense requirements and we supply it to the system integrators.

Chintan Parikh: Okay. All right. Sir, how much value addition do we do? Let's say if it is 100% of the price of the or the cost of the product, so how much value addition do we do on that product before we supply it to the customer?

Gaurav Kejriwal: So there is a combination, there is a mix. In some cases, there is a value addition much more, you know, compared to the others. In case of railways, the percentage is different, medical the percentage is much different. But specifically speaking, if you want to know about the surveillance and defense and aerospace segment, it is close to 40, 45 -- it is inching closer to halfway mark. As and when we increase our capex investment, machines coming in, that will easily, you know, go beyond 50% and closer to 60%. But at the moment, it is between 40% and 50%.

Chintan Parekh: Sir, in your RHP you mentioned that, you know, there was the mix of manual as well as semi-automatic processes, and with the proceeds you were moving towards the automated machines,



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Yes, to triple your capacity. So can you tell us when can we see that happening in your new Goa facility?

Gaurav Kejriwal:

So there are two stages to this. One is the glass cutting line which will come up at our existing facility in Rabale, Navi Mumbai. For that, the machines have already been ordered and the plans are already underway. This facility will be up and running by end of July, latest mid-August. So that will help us, you know, with cutting of glasses. Now these cut glass displays primarily are required to be supplied for railways and metro urban mobility segment.

As far as the second phase is concerned where we will do the COG, FOG, the chip-on-glass, film-on-glass, which means we will start manufacturing the open cells ourselves which we are importing right now, that requires more space. So obviously, we will bring that up in Goa facility. So at the moment, we already have the land acquisition done at the Goa electronic manufacturing cluster.

Some initial and advanced level paperworks are underway, and immediately after that we will start with the construction. We are looking at a timeline of about a year for the facility to be ready and first commercial manufacturing can happen about a year from now.

Chintan Parekh:

Okay. Sir, in your earlier interviews you mentioned that there is a potential revenue coming in from three of the companies, or sorry, three design wins from APAC region. Can you specify how much revenue have you all already achieved from these three wins?

Gaurav Kejriwal:

Sorry, your question was not that clear. Can you please repeat that for me?

Chintan Parekh:

Yes. So in one of the earlier interviews you mentioned that there is some roughly three wins that you've got from APAC region for avionics and aerospace, and three more are in the pipeline. So if you can help me understand how much revenue that particular win has contributed?

Gaurav Kejriwal:

Yes. So there has been three design wins. It is a combination of railways as well as aerospace. It has come in from Australia for us, and another three railway-related designs are in pipeline which we expect to be closed during this financial year itself. With the three design wins that we've already had, I may not have exact number at the moment, but we've had a revenue of in excess of INR5 or INR6 crores already built, and others are in pipeline. Like I said, other three design wins are also in pipeline. Yes.

Chintan Parekh:

Okay. Sir, in the numbers we earlier had roughly INR2.5 crores of delayed trade receivables. So has that been cleared now?

Gaurav Kejriwal:

Yes. So basically, that is an export-related revenue which is to be realized, and we received one payment the last tranche that came to us was in the month of January. And now we have one tranche which is expected within the month of June, and as the confirmation received from the party, from the vendor overseas, entire receivable will be completed before the end of September.



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- Chintan Parekh:** Understood. Okay. I'll go back in the queue. Yes.
- Moderator:** Thank you. Next question is from the line of Disha from Sapphire Capital. Please go ahead.
- Disha:** Yes. Thank you so much, sir, for this opportunity. So a couple of questions from my side. Firstly, on H2 performance, if I see, we've seen a very sharp improvement in our gross margins and EBITDA margin. So what has led to that and are these margin levels sustainable?
- Gaurav Kejriwal:** Yes, yes. So first I wanted to add one thing. If you see historically over the last few years, our H2 has always been healthier than the H1. That has been the trend with our business. But I will ask Mayur to give the specifics of this.
- Mayurkumar Gori:** Yes. So I'll tell you that our EBITDA margin improved approximately around 46% from around 33% in FY2025, while the FY26 benefited from the favorable project mix and the certain high-margin contracts. We believe the margin should remain healthy going forward. But yes, there will be a some delay in the quarterly fluctuation in the project execution and schedules and a product mix. Wherein talking about the PAT also, PAT is around the 16.2, increased from 17% to 25%, and it's always the H2 is always stronger in electronic industry.
- Disha:** Right. So for FY26, this 40%, 45% of EBITDA, this we mean is sustainable.
- Mayurkumar Gori:** Yes, ma'am. Yes.
- Disha:** Okay. And sir, this facility that's coming up in Goa, any sort of capex number that we are targeting?
- Gaurav Kejriwal:** Ma'am, the machine induction will happen in phases. There are multiple lines planned depending on the market, depending on the change in technology. So we are keeping a close watch on how and what are the lines we will need because as you know, this is a very fast-changing industry? The machines keep getting upgraded. If we are talking of one year down the line, the technology will have moved and changed by then.
- So we want to make sure that when we induct our machines, they are up to date. So having said so, you know, there are multiple lines which is going to come up in phased manner. The first investment will happen in tune of INR10 crores to INR12 crores only on the machine side, not including the civil work, etcetera. And the second phase will also be in tune of about INR8 crores to INR10 crores. So if both of these are put together, it is about INR20 crores in that neighborhood.
- Disha:** And the first commercial supplies we are targeting from Q1, right?
- Gaurav Kejriwal:** The first commercial production is say about a year from now, so we can say next July, next August.



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- Disha:** Okay. Okay. And sir, this so this COG and FOG lines that we are building, currently we are importing these open cells. So what sort of impact can this have on margins?
- Gaurav Kejriwal:** So there can be there can be multiple impacts to this, but one is as far as the margins are concerned, there is a definite, you know, drop of cost in, you know, input cost by at least 10%. But more importantly, you know, this kind of lines do take a little while to mature. So you know, once the line is put up, there will be probably an impact by 8% to 10% of drop in our input cost. But going forward, this, you know, as soon as this gets matured, we can easily see a, drop of our input cost by another 5%, making it about 15% drop in input cost.
- Mayurkumar Gori:** This COG, FOG facility is basically a backward integration process. So, definitely, going forward, my cost of goods sold cost will be reduced and ultimately it will improve my margins.
- Disha:** Okay. Any sort of number that you can see, like what sort of steady-state margins can we expected in our business? Once this -- as you mentioned these lines will take time to stabilize, but once they stabilize and once they mature, what sort of EBITDA are we targeting internally, sir, on a steady-state basis?
- Mayurkumar Gori:** Once everything settles and business is mature as you are saying, our EBITDA margin should be around 30%, 32% in normal case and 15% to 17% as PAT.
- Disha:** Okay. Hello? Am I audible?
- Mayurkumar Gori:** Yes, yes.
- Disha:** Yes. And what sort of growth, sir, are we looking at for FY27?
- Mayurkumar Gori:** We are very much optimistic about FY27. We are targeting a revenue of around INR30 crores to INR32 crores in revenue at the EBITDA of around 35% and a PAT at a more than 25%.
- Disha:** And any sort of clarity on FY28 also, sir?
- Mayurkumar Gori:** Any?
- Disha:** FY28?
- Mayurkumar Gori:** FY28, we are targeting more than INR50 crores as a revenue.
- Disha:** With the similar margin, EBITDA 35, PAT 25?
- Mayurkumar Gori:** Yes, yes, yes.
- Disha:** And maybe some improvement from the line that comes in.
- Mayurkumar Gori:** Correct, correct.



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Disha: Yes. And sir, just wanted to understand over the overall geopolitical situation, any sort of material impact do we see because of that?

Gaurav Kejriwal: So most of our raw material comes from Far East Asia. So at the moment, whatever geopolitical is happening, the disruptions are happening, it is largely concentrated in Middle East. So that ways we are not, you know, directly impacted. Although yes, there is an increase in fuel surcharge, so there is increase in freight cost. But I would say that largely we are protected because Far East Asia is not impacted so much with this.

Disha: Okay, sir. And also, overall, the segments that we are targeting, industrial, defense, what do you see as the major growth drivers, sir, going ahead?

Gaurav Kejriwal: So as in my address I did mention that there is a push from the government for indigenization and localization in almost all segments. However, we see huge numbers coming in from defense and aerospace because government spending is ever-increasing on those segments. And at the same time, government is spending a lot on the infrastructure in India, so a lot of railway and metro work is being done and we are already in most of the projects. So that will also be a key contributor. And not to forget, the medical and healthcare is also one of the key segments. So I think put all these three together, we can say that we have a steady growth right in front of us.

Disha: Okay. That is it, sir, from my side. Thank you and all the best.

Gaurav Kejriwal: Thank you. Thank you for your questions.

Moderator: Thank you. The next question is from the line of Nishit Lunia from 4G Capital. Please go ahead.

Nishit Lunia: Hello. Am I audible?

Gaurav Kejriwal: Yes, yes.

Nishit Lunia: Yes. Good evening, sir. Congratulations on your listings. And I have a question like what is the nature of your orders? Is it just one-time order or do you have contractual agreement with certain number of years?

Gaurav Kejriwal: Thank you so much. Yes. So just to answer, again, since we are into multiple segments, different segments move differently. As far as the railway and metro segment is concerned, of course these orders are contractual with forecasts and projections, firm forecasts and projections for next 6 months to 12 months to 18 months. That's how this this segment works.

But as far as medical and healthcare is concerned, these are more like a partnership-related business where we have OEM partners, we have dealer network over all over pan-India. So the orders come in, you know, in staggered manner.

As far as defense and aerospace is concerned, yes, we have design wins and alongside we have projections for the number of displays to be consumed over a period of time. And as and when



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the project moves forward, the orders come in. But yes, there are projections in place for defense and aerospace also.

Nishit Lunia: Okay, sir. Thank you for this. So there's a revenue of INR6.3 crores from aerospace. What exactly are we doing for this client?

Gaurav Kejriwal: So we have actually indigenized an avionics grade backlight system for use in displays. And this was totally done at our facility with our engineering team here in India. And we did some samplings, etcetera, and then finally we have the -- we got the order to supply. So these -- like I said, these are avionics grade rugged backlights meant to be used for displays in aircraft.

Nishit Lunia: Okay. Got it, sir. And my last question. So as current capacity utilization is around, I mean, average is around 20%. So why there's a need for capex in Goa plant?

Gaurav Kejriwal: So the Goa plant primarily focuses on backward integration, which means there is, let's say, an ITO glass or let's say there is an open cell glass which we import from China or Taiwan at the moment. But with Goa facility coming up, we will not be dependent on that import and we'll be able to do it ourselves. So that is the kind of backward integration we are targeting.

And as far as the capacity utilization here, as it is mentioned in the RHP, a lot of processes here at the moment happens by hand. And once a lot of these capex happens, those processes will convert into automation and automatized ones and we will see a sudden increase in the capacity utilization.

Nishit Lunia: Okay. Got it. Thank you.

Gaurav Kejriwal: Thank you.

Moderator: Thank you. Next question is from the line of Abhishek Bansal, an Individual Investor. Please go ahead.

Abhishek Bansal: Hello. Am I audible?

Gaurav Kejriwal: Yes, yes.

Abhishek Bansal: Yes. Hi, Gauravji. First of all, congratulations on the listing and your first con-call after the listing. Wish you the best for the future. Gauravji, my question is more towards the industry landscape. Basis the industry reports that are available online and that you've shared, although the market size is a little smaller, but there's a significant runway to growth considering the revenue that we are doing.

And I was going through other unlisted companies like Santel and Advantech who are at INR100 crores, INR150 crores run rate basis their MCA filing. So there's a significant growth runway that we have. So just wanted to understand more like how many players they are in the industry right now domestically that we are competing with? And basis the IPO proceeds and



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the new facilities and the technology that we have partnered up with the international players, what kind of market share that we can gradually capture over the next 3, 4 years?

Currently we are less than 1%, so just wanted to understand more on that and what exactly is our competitive edge around it that can allow us to capture that significant market share that is ahead of us? So, that's one major question that I have and wanted to take your views on it?

Gaurav Kejriwal:

Sure. So let me take that one by one. So both the names that you mentioned in unlisted space that are operating, actually they both happen to be our customers. But one thing that I really wanted to reiterate here is that, there is definitely no ecosystem or there is no player who's manufacturing displays in India, even in the kind of manufacturing and assembly and integration we are doing, there is no player at the moment.

So having said so, this display industry is a heavily import-reliant industry where most people end up importing and using the displays. So companies like Samtel and other players who are in this space are largely importing and then largely assembling in SKD, CKD format and then, you know, selling to their customers.

Whereas for us as Highness Microelectronics, number one, we do not purely believe on trading, so we don't just import and then sell. Secondly, we offer an extremely customized product, which means that, we are in an extremely niche space. So, we usually will not ask the customer to choose a product from our catalog. We ask them for their requirement, their specifications, and then we tailor-make a product to match their needs.

So this is something that is the kind of approach we have applied, which is why, you may possibly see that, our numbers are not so big at the moment because we have not gone into just simply, trade on displays. However, going forward with the machines coming in, with the expertise we already have in place, our numbers will definitely, you'll see a sudden growth once all this, setup comes up.

And as far as the market share is concerned, there is an unofficial number of several thousand crores of displays being imported for just for the railway and metro segment. Now we target to, once the line comes up here, we will target that also, we should start with at least 10% of market share and then slowly increase it to 20% and then 50%.

That's how we are seeing this particular, growth story unfold for us. There is also huge potential for us to export wherein, we have had orders from Australia, we've had orders from Gulf, and there are other countries, other companies from Western countries who are in touch with us for some more requirements. So not entirely dependent on the domestic market but also looking at exports for our growth story in times to come.

Abhishek Bansal:

Understood, sir. Just to recap, and you said that INR7,000 crores is the unofficial number and we plan to capture a decent share of it over the next 3, 4, 5 years?



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- Gaurav Kejriwal:** I mean, I said there is an unofficial number of several thousand crores of displays.
- Abhishek Bansal:** Okay, several thousand. So sorry. And sir, one more question on that. Like when I was listening to your pre-IPO interviews, you spoke about how we want to leverage our current expertise and our foot in the door to enter into a more broader category into the car screens and car automation screens system.
- So just wanted to understand how are we placing us towards going that? I know right now the scale is small, so there could be certain challenges around it, but how do we plan to step-by-step get into that category over the next 3, 4, 5 years? Just a little roadmap on that?
- Gaurav Kejriwal:** Sure. So here we are talking of automotive grade displays, and we definitely want to enter in that space. But there is a long certification and qualification criteria on the factory for you to qualify as an automotive grade display supplier. So once the Goa facility comes up, we will definitely start on that process.
- But again, that itself, the certification process itself takes another year. So we will not be able to enter the automotive space immediately, but 2 years from now is when we should be targeting. And then once we are ready with our facility and certification, etcetera, we possibly may not be able to go and sell our displays to the Tier-one car makers, but we want to start with smaller player, 2-wheeler player, and slowly, climb up the value chain.
- So we've already had little interest from companies like Mahindra who were in who were in discussion with us for their commercial vehicle displays. So that that segment is also within our vision and once the facility comes up, the certification is in place, we will start, targeting that.
- Abhishek Bansal:** Perfect, sir. Thank you so much for answering my questions and wish you all the best for the next year and the years forward.
- Gaurav Kejriwal:** Thank you so much. Thank you.
- Moderator:** Thank you. Next question is from the line of Venkatesh, an Individual Investor. Please go ahead.
- Venkatesh:** Sir, you are done the MoU with Axiom Manufacturing USA, sir?
- Gaurav Kejriwal:** Yes.
- Venkatesh:** Yes. So what is the capex plan, sir, for MoU in MoU?
- Gaurav Kejriwal:** Sorry, what is?
- Venkatesh:** Capex. What is investment plan with Axiom Manufacturing USA...
- Gaurav Kejriwal:** At the moment, there is no there is no investment exchange in this MoU. Of course, going forward, there will probably be such investment-related things. At the moment, there is an MoU



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which helps us both the companies to use each other's expertise and work in a synergy. If I were to elaborate that, with Axiom's help, you know, we are able to explore North America market wherein, for confidentiality clause, I may not be able to take a name, but we are already working with a Canadian company for a railway business in North America.

And as per the recent requirements by the American government, the product has to be made in America. So we intend to design the product here in India and Axiom will help us to manufacture it in US for US market.

Similarly, there are products that Axiom makes which they want to try and sell in India market, but they have some entry barriers and restrictions. With our help, they will be able to sell in India market. So if I was to sum up this MoU, with their help we are able to sell in America and with our help they're able to sell in India. That's the MoU that we've signed at the moment.

Venkatesh: Okay, sir. Okay, sir. Thank you, sir.

Moderator: Thank you. Next question is from the line of Jaideep Ray, an Individual Investor. Please go ahead.

Jaideep Ray: Can you give the unexecuted order value at today's date now?

Mayurkumar Gori: Sir, can you repeat again?

Jaideep Ray: Hello?

Moderator: Jaideep, can you repeat your question, please?

Jaideep Ray: What is the unexecuted order value at present now? Can you give the number?

Mayurkumar Gori: Right now, we have order around INR8 crores to INR10 crores which we have not executed, and we will execute it in this quarter.

Jaideep Ray: Okay. And what is the project pipeline, sir? Can you tell?

Gaurav Kejriwal: So as far as the project pipeline or the forecasts and projections are concerned, we have a INR30 crores of projection, confirmed projection for next 18 months. And obviously, this order book is ever-growing. But if I were to speak confirmed projection, that is INR30 crores for 18 months. And unexecuted orders, which is the POs that we have in hand and being executed the moment, is about INR8.5 crores, INR9 crores for this quarter.

Jaideep Ray: Means once you received the order, how much it take time to deliver them? Means order delivery time take how much time it take?



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Gaurav Kejriwal: So again, it's a mix of various segments. In case of railways, it is about 8 weeks or so. In case of medical, it is 4, 4 to 5 weeks. And for avionics and defence, it is about 12 to 14 weeks. So it varies from segment to segment.

Jaideep Ray: Okay. Means you have INR9 crores to INR10 crores unexecuted order, means you will execute within this June quarter and same amount you can execute in September quarter also there.

Gaurav Kejriwal: So some of the orders are staggered wherein the delivery required is July, wherein the delivery required is August. Some orders have delivery timelines of this month itself. So various purchase orders with various timelines are in different stages of execution. Some are being manufactured right now, while some are in process of, you know, being designed and developed etcetera. There are different stages. So Yes, different timelines of delivery and different, you know, execution stages at the moment.

Jaideep Ray: And what is the main reason of so much high fluctuation in your margins? If you can see your financial, there is high fluctuation in margin from last financial quarter to this, if we go by half-yearly numbers there. I think there is so much fluctuation. What is the main reason there?

Gaurav Kejriwal: So if you look at our numbers and sales in last year and previous year, there has been an increase in export sales. And like I mentioned in my call earlier, we were working on various design in previous years, in year around 2022, '23, and even before that. But actually, from 2024 onwards, we've had continuous export orders backed by those designs that we had made. One key example is which I just mentioned as an answer to the previous question is the ruggedized backlights for avionics, for example. So we were working on those designs, that design for maybe one and a half year or so, but it was only in 2024 is when we received the confirmed order and we exported. So that's where, you know, the margins started coming in.

Jaideep Ray: This is, I am asking this because in this half-yearly result you have shown the gross margin of more than 90%. Is this sustainable or?

Gaurav Kejriwal: So again, like I said that, you know, lot of this particular industry is an extremely import-reliant industry. It is very easy for most companies to import right now, whereas we are we are moving in a completely different way. We are trying to indigenize everything. We are trying to create an entire display ecosystem here. So even for the smallest thing, we are not going for imports, we are trying to develop or trying to source it locally, which is why, you know, with our success in various products, we have been able to achieve this kind of, you know, numbers.

Jaideep Ray: And what are the financial benefit or you can say strategic benefit you will get from this glass cutting technology?

Gaurav Kejriwal: So, this glass cutting technology is basically meant for stretched displays, the displays that you see primarily in metro trains and long-distance railways where displays are placed inside the coach or in the gangway of a coach where it shows you key passenger information systems. So, these displays again are stretched bar displays, they are in a very different form factor.



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And most makers do not have this kind of display because this is considered as a customized display. So, with the glass cutting line, we will be able to bring a bigger display and cut it into small size based on the customer requirement.

Jaideep Ray: Okay. Are we the RDSO approved vendor to railway or?

Gaurav Kejriwal: So yes, so RDSO approval actually happens on a system, doesn't happen on component level. So RDSO will not approve our display, but RDSO will only lay down the specifications, and we have to comply with those. So yes, in that manner, we do comply with RDSO requirement, but RDSO doesn't give component level approvals, so there is no approval as such on us.

Jaideep Ray: Okay. Third thing, you are projecting INR30 crores to INR32 crores of revenue and 25% profit margin. From last, I think, from last three years your revenue is stagnant to INR14 crores to INR16 crores. And you are giving this type of projection. Is this achievable?

Mayurkumar Gori: Definitely it is achievable because after the IPO, we are ramping up our sales team with the various segment, we are recruiting sales team. Also, we are applying for the various Central and State Government subsidies that will improve my margin also. So definitely this margin for PAT and EBITDA is achievable and sustainable.

Jaideep Ray: And what do you see your company after five years? What is your goal? How much you want to achieve and how much you want to take your company bigger?

Gaurav Kejriwal: So, we actually would like to see ourselves in three-digit revenue sooner than five years. But I don't want to get too ahead of myself at the moment. We want to stay focused. That is something which is definitely achievable with the kind of investments we are doing. But at the moment, all that I can say is that we want to get close to three numbers in revenue and that should not possibly take five years. We should try and do it in four years or maybe closer to that timeframe.

Jaideep Ray: Thank you. Thank you, very much and good luck.

Gaurav Kejriwal: Thank you so much.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. I now hand the conference over to Ms. Janhavi Patil for closing comments.

Janhavi Patil: Thank you, everyone, for joining the call today. On behalf of Highness Microelectronics Limited, we appreciate your time and participation. For any further queries, please reach out to us at letsconnect@orim.in. Thank you.

Gaurav Kejriwal: Thank you, everyone.

Mayurkumar Gori: Thank you, everyone.



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Moderator:

Thank you very much. On behalf of Orim Connect, that concludes this conference. Thank you all for joining us today and you may now disconnect your lines.