August 08, 2026

To,

National Stock Exchange of India Ltd.	**BSE Limited**
Symbol: UNIMECH	**Scrip Code: 544322**

Subject: Transcript of Earnings Conference call

Dear Sir/Ma'am,

Pursuant to Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the Earnings Conference call conducted on August 04, 2026, at 11:00 A.M. (IST), post announcement of Financial Results for the quarter ended June 30, 2026.

The transcript of the Earnings Conference call is also available on the Company's website at https://www.unimechaerospace.com/earnings-call.

Thanking You,
Yours Faithfully,

For Unimech Aerospace and Manufacturing Limited

RASHMI GUPTA
Digitally signed by RASHMI GUPTA
Date: 2026.08.08 10:22:52 +05'30'

Rashmi Gupta
Company Secretary & Compliance Officer
M. No: A25382

Encl: As above

"Unimech Aerospace and Manufacturing Limited
Q1 and FY '27 Earnings Conference Call"
August 04, 2026

MANAGEMENT:	**MR. ANIL KUMAR PUTTAN – CHAIRMAN AND MANAGING DIRECTOR** **MR. RAMAKRISHNA KAMOJHALA – WHOLE-TIME DIRECTOR AND CHIEF FINANCIAL OFFICER** **MR. RAJANIKANTH BALARAMAN – WHOLE-TIME DIRECTOR** **MR. MANI PUTTAN – WHOLE-TIME DIRECTOR** **MR. PREETHAM S. V. – WHOLE-TIME DIRECTOR** **MR. AAKASH JAISWAL – AGM, INVESTOR RELATIONS**
MODERATOR:	**MR. MANISH VALECHA – ANAND RATHI SHARES & STOCK BROKERS LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to Q1 and FY '27 Earnings Conference Call of Unimech Aerospace and Manufacturing Limited, hosted by Anand Rathi Share and Stock Brokers Limited. This conference call may contain forward-looking statement about the company which are based on the beliefs, opinions, and expectation of the company as on date of this call. These statement are not the guarantee of future performance and involve risk and uncertainties that are difficult to predict.

As a reminder, all participant line will be in the listen-only mode and there will be an opportunity for you to ask question after the presentation concludes. Should you need assistant during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Manish Valecha from Anand Rathi. Thank you and over to you, Manish.

Manish Valecha: Thank you. Good morning, everyone. We welcome you all to the Q1 FY '27 earnings conference call for Unimech Aerospace and Manufacturing Limited. From the management team today, we have with us Mr. Anil Kumar Puttan, Chairman and Managing Director, Mr. Rajnikant Balaraman, Whole-Time Director, Mr. Ramkrishna Kamojhala, Whole-time Director and CFO, Mr. Mani Puthan, Whole-Time Director, Mr. Preetham S. V., Whole-Time Director, and Mr. Aakash Jaiswal, AGM Investor Relations.

I would now like to hand over the call to Anil for his opening comments. Over to you, Anil.

Anil Kumar Puttan: Thank you, Manish. Good morning, everyone, and a warm welcome to Unimech Aerospace and Manufacturing Limited's Q1 FY '27 earnings call. I am pleased to share that Q1 FY '27 marks an encouraging start to the new financial year and represents an important milestone for Unimech as we report our first quarter of consolidated performance following the acquisition of Hobel Bellows.

Revenue for Q1 FY '27 stood at approximately INR108 crores, representing a growth of 71% year-on-year. During the previous earnings call, we indicated that improvement witnessed in Q4 FY '26 should support a stronger Q1. The quarter has progressed in line with that direction. This momentum is being driven by strong customer procurement behaviour, sustained demand across our core business, and the early benefits of the strategic investments we have made in the past quarters, which are now beginning to translate into tangible business opportunities and customer engagements.

On tariffs, as we have indicated, free trade warehousing zone has strengthened our ability to mitigate tariff-related disruptions and provide customers with greater flexibility in managing delivery schedules. However, we remain watchful on any further developments. More importantly, we continue to see encouraging developments across the aerospace and precision engineering industries, positioning Unimech as a direct beneficiary of these long-term trends.

The recent announcement of the additional leap engine demand by an Indian airline further reinforces our confidence in the long-term growth prospects of the aerospace tooling and MRO markets. Additionally, global OEMs are increasingly shifting and expanding their manufacturing outsourcing to the Indian manufacturing ecosystem, resulting in robust pipeline of business opportunities. We believe Unimech is well-positioned to benefit from these structural industry trends.

I would now like to touch upon some significant developments during this quarter. The tooling business delivered healthy performance during the quarter based on customer schedules currently available to us. Demand visibility remains constructive for the next quarter. Our precision business is also seeing encouraging traction.

A key milestone during the quarter was the signing of long-term supply agreement with FACC Austria, a leading aerospace Tier-1 supplier. The agreement carries an initial value of USD7.5 million over a five-year period with opportunities for scope expansion over time. More importantly, beyond the contract value, this agreement is strategically significant as it marks our entry to the recurring aerospace component supplies under a long-term program.

It reflects that our investments in capability, qualifications, and customer engagements are now translating into multi-year commercial opportunities. We are also progressing qualification programs and commercial discussions with several other airframe Tier-1 manufacturers and engine Tier-1 for supply for similar long-term supply agreements.

Discussions with one leading engine Tier-1 are at an advanced stage and we look forward to making further announcements as these engagements are finalized. Our consolidated order book, including Hobel Bellows, stood at approximately INR280 crores as of 30th June, marginally lower than the level indicated with the previously consolidated order book, including Hobel. This reduction primarily reflects the strength of execution during the quarter and customer pull-ins driven by a robust demand in their end markets.

Order inflows remain constructive and we expect the order book to continue building as our tooling and precision component opportunities convert into commercial orders. We completed 165 FAIs during the quarter and initiated engagement with the 6 additional prospective customers. These programs remain at different stages of technical evaluation, qualification, and commercial discussion. While not all qualifications will necessarily convert into production orders, the level of activity meaningfully expands our potential customer and program pipeline.

During the year, we are targeting to meaningfully increase our qualification rates over the previous year. These initiatives continue to strengthen our strategy of transforming Unimech into integrated precision manufacturing platform, expanding our capabilities beyond aerospace tooling while steadily increasing the share of recurring precision components and flying parts in our business.

In the energy sector, our cumulative nuclear order wins now stand at approximately INR87 crores with execution planned during the second half of the financial year. More opportunities are visible in the segment as energy manufacturing infrastructure happens to be more invested. We will continue to update you as on this front.

The integration of Hobel Bellows has progressed very well. Customer interactions have been encouraging and we are actively exploring opportunities to expand the range of products we supply to the existing customers.

In addition, discussions with two new customers in the locomotive and power generation industry respectively are progressing very well with technical evaluations and commercial submissions are currently underway. Subject to successful qualification, we expect both customers to be onboarded by the end of this financial year.

Our joint venture with the Yusuf Bin Ahmed Kanoo Group in Saudi Arabia also continues to progress toward operationalization in line with planned timelines, further strengthening our geographic diversification and expanding our presence within the Middle East energy ecosystem.

As FY27 progresses, we remain confident in our order book. Our free trade warehousing zone is now fully operational. Capacity utilization continues to improve and our order book pipeline remains healthy with an increasing share of opportunities coming from business beyond aerospace tooling.

Our long-term vision remains unchanged to build Unimech Aerospace and Manufacturing Limited into global competitive capability-led integration, integrated precision engineering platform serving the aerospace, defense, energy, semiconductor, and advanced industrial sectors.

The FACC agreement, the Hobel acquisition with Saudi joint venture, and our expanding qualification ecosystem are all important building blocks in that journey. And with each passing quarter, we are seeing these strategic initiatives steadily come together.

With that, I will now hand over the call to Ram to take you through the financial performance for this quarter.

Ramakrishna Kamojhala: Thank you, Anil, and good morning, everyone. As Anil mentioned, the quarter reflected continued improvement in demand. Order procurement and customer engagements remained constructive and the normalization aerospace tooling demand that we highlighted during our previous quarter earnings call is evident.

From a strategic perspective, our focus extends beyond quarterly growth. We remain committed to enhancing the quality and visibility of revenue streams by building multiple growth engines across our businesses.

The Hobel acquisition is already contributing meaningfully to this objective, while the long-term supply agreements that we have signed, together with those currently under discussion, are providing us with greater visibility of future revenues.

Let me now take you through our financial performance for Q1 FY27. Let's talk about revenue. Revenue for quarters to date approximately INR108 crores, representing 32% sequential growth over Q4 FY26 and 71% year-on-year growth. Its performance was driven by steady execution and strong procurement activity along with the incremental contribution from Hobel Bellows.

I would also like to highlight that the quarter includes only 2 months of revenue from Hobel Bellows following its acquisition being completed in 27th April 2026. Accordingly, we expect a higher revenue contribution in the coming quarters.

From a revenue mix perspective, aero tooling contributed approximately 76% of total revenue. The balance came from our precision component and assembly businesses, which includes nuclear, semiconductor, aerospace segments, and Hobel Bellows. Within this, Hobel contributed 21% of total revenue.

Other incomes for the quarter stood at INR7 crores, approximately half the level reported in the previous quarter, primarily because a significant portion of our treasury surplus was deployed towards the acquisition of Hobel Bellows.

Let's talk about the margins and cost structure. Consolidated gross margins for the quarter remained healthy at 65%, supported by a favorable mix of tooling-related orders. At the same time, our precision manufacturing business continued to invest in customer qualification, ongoing first articles, and new products introduction. These qualification programs naturally carry higher initial cost before transitioning into serial production.

Subcontracting cost remained low at approximately 3% of revenue, reflecting our continued focus on maximizing in-house capability utilization. EBITDA margin for quarter was robust at approximately 36.5%, demonstrating the resilience of our business model and operational excellence.

Employee cost stood at 15% of revenue with a total of 1,232 employees, while operating expenses were 13% of revenue, both reflecting some benefits of operating leverage as revenue continued to scale. Depreciation for the quarter stood at INR8 crores approximately, broadly in line with our FY26 run rate.

As we had indicated earlier, we did not foresee any significant core business capex during FY27. However, we are witnessing increasing traction in customer inquiries from global OEMs or Tier-1s, and a portion of our existing capacity is being committed towards prove-outs and qualification programs.

As these qualification programs convert into serial production, we will need to invest early in expanding capacity to support future demand. Consequently, we see additional capacity investment being advanced earlier than originally planned so that we are ready to capitalize on potential opportunities.

Additionally, as mentioned during our previous earnings call, the planned capital expenditure for our Saudi joint venture with Kanoo Group will proceed as scheduled during the year. Accordingly, our overall gross block by end of FY27 is expected to be approximately double the current value, primarily driven by Saudi JV investment. We are in the process to infuse approximately US$10 million into JV expected to happen during this month.

Finance cost for the quarter stood at INR2 crores approximately, reflecting working capital borrowings. Now let's talk about profitability. Profit after tax for the quarter stood at approximately INR28 crores, translating into a PAT margin of 24%. This represents 46% year-on-year growth and 7% sequential growth over Q4 FY26.

I would like to add some context here. Q4 FY26 benefited from significant higher other incomes of INR15 crores approximately compared with INR7 crores this quarter. Therefore, on an operating basis, the quality of earnings this quarter is meaningfully stronger, with profitability being driven primarily by the underlying business rather than treasury income.

Annualized ROCE and ROE for the quarter stood at approximately 14.3% and 14.6% respectively, compared with FY26 level of 10% and 16%. Coming to working capital and capacity utilization part. Working capital days stood at approximately 130 days, slightly inching up due to new business acquisition. We expect this to trend upward as our business mix evolves.

The new long-cycle aerospace programs that we are entering into and participating towards nuclear tender typically require higher inventory commitments, coupling with longer production and customer acceptance cycle before billing, which can possibly stretch working capital days. As a result, overall working capital days could gradually increase to 160 days plus by end of this year.

For finance, our manufacturing facility are currently operating approximately 58% utilization. At the same time, in addition to the revenue-yielding capacity, nearly 10% of our available capacity is being committed towards new product introduction and qualification programs to support future customer demand. As these programs continue to grow, we will evaluate additional capacity expansion to support future growth.

Coming to FY27 outlook, on a consolidated basis, we remain highly confident of delivering meaningful growth in FY27. We expect the next quarter to be stronger with higher revenue with robust EBITDA margins. This confidence is underpinned by healthy demand visibility from our tooling customers, a full quarter, that is three months contribution from Hobel, and a growing pipeline of opportunities across our precision component business.

We are also witnessing strong engagement from customer in the semiconductor and aerospace sector, providing us with a confidence in our growth trajectory for the quarter. So, with this, I will hand over to Rajanikanth.

Rajanikanth Balaraman: Thank you, Ram. Good morning, everybody. I would like to provide an update on some of the strategic initiatives that we have discussed over the past several quarters. Starting with Dheya Engineering Technologies, our Saudi Arabia joint venture with Yusuf Bin Ahmed Kanoo Group, the integration and growth of Hobel Bellows and our readiness to expand capability and capacity to harness the demand across industries.

While these initiatives are at different stages of development, each is intended to deepen our engineering capabilities, expand our addressable markets, and strengthen Unimech's position as an integrated precision engineering and manufacturing platform. Starting with Dheya Engineering Technologies, the company continues to progress its indigenous micro gas turbine programs.

During the quarter, Dheya was selected among the top 100 deep-tech companies participating in the Bharat Innovates platform in Nice, France. More importantly, the company was part of the Indian Prime Minister's delegation to France, which included engagement with French President Emmanuel Macron and leading deep-tech companies from India and France. Dheya showcased its indigenous micro gas turbine technology during the program.

This reflects the growing visibility of its propulsion platform and the strategic importance of growing indigenous aerospace and defence technologies in India. On the technology front, the combustor development program in collaboration with IISc Bangalore continues to advance. The team is also progressing the next generation of higher power rated engines to address future commercial opportunities.

As part of the development and testing process, Dheya continues to undertake the necessary engineering iterations and manufacturing refinements to improve performance consistency and progress the engine programs towards the validation phase across both DET-500 and DET-200. This is an important part of the journey towards establishing a reliable and production-ready indigenous propulsion platform.

Dheya is also looking to raise approximately USD10 million through a combination of equity and debt, including potential funding support from the Technology Development Board. Unimech intends to participate in the equity rounds. Depending on the final structure of the transaction, our percentage ownership may see a modest dilution, which is generally part of any deep-tech investment.

Importantly, Unimech's exclusive manufacturing arrangement for Dheya's engine platforms remain unchanged. As these programs progress through validation, certification, and commercialization, we continue to see meaningful long-term manufacturing potential for Unimech.

Moving to our Saudi Arabia joint venture with Yusuf Bin Ahmed Kanoo Group, execution continues to progress steadily. The venture will establish Unimech's first manufacturing footprint outside India and position us closer to customers participating in Saudi Arabia's industrial localization initiatives, particularly across the energy and advanced manufacturing sectors.

Work relating to the facility, equipment deployment, leadership hiring continues in line with our implementation plan. During the quarter, we also met with several prospective customers to update them on the progress of the venture and the manufacturing capabilities being established. The response from these customers has been encouraging. They recognize the relevance of creating advanced precision manufacturing capability within Saudi Arabia and have expressed interest in continuing their engagement as the facility progresses towards operationalization.

While these engagements remain at different stages, they reinforce our assessment of the market opportunity and important customers place on seeing qualified local manufacturing capacity before expanding their sourcing programs. The combination of Unimech's advanced manufacturing capabilities and Kanoo's market access provides the venture with a strong platform to participate in localization-led opportunities across Saudi Arabia and the wider Middle East.

Moving to Hobel Bellows, the integration continues to progress well and remains aligned with the strategic rationale for acquisition. Hobel adds differentiated capabilities in metallic bellows, flexible tubing, and tubular structures while broadening our exposure to power generation, locomotive, and advanced industrial markets. We have also initiated the AS9100 certification program for the Vizag facility and are targeting completion by Q4 FY27, subject to the successful completion of the required audits and certification process.

This will be an important step in qualifying the facility for aerospace programs and expanding the addressable market for Hobel's capabilities. At the same time, we are engaging with existing and prospective customers to expand the range of product supply and diversify the customer base. These discussions remain at different stages of technical evaluation, qualification, and commercial review. We will update the market as they translate into material business opportunities.

Stepping back, we continue to see strong structural demand across the industries in which we operate, particularly aerospace, defence, semiconductor, and energy including nuclear. Across these sectors, global OEMs and Tier-1s, suppliers are increasingly looking for manufacturing partners who can combine complex engineering capabilities and established execution track record and financial capability to invest and scale.

In many cases, customers want to see the facility, equipment, available capacity, and manufacturing capability before committing larger volumes or expanding the scope of the relationship. Our experience over the past decade has consistently demonstrated this pattern. Investments in capacity and capability have enabled us to build customer confidence, complete qualification, and subsequently expand the business relationship.

The combination of advanced manufacturing capabilities, customer credibility, and access to capital is not widely available. We believe this positions Unimech well to become a scaling partner for global OEMs and Tier-1 suppliers as they diversify their supply chains and expand their manufacturing requirements.

Overall, the initiatives discussed today reflect the broader transformation that we have consistently outlined over the past several quarters. Hobel expands our product portfolio, capabilities, and customer access. Saudi joint venture establishes an international manufacturing platform supported by encouraging customer development. Dheya provides strategic exposure to indigenous propulsion technologies and the potential for meaningful future manufacturing opportunities.

Our focus remains on disciplined execution, integrating these capabilities, investing ahead of emerging demand, expanding customer relationships, and building the capacity required to participate in larger and longer-duration programs.

We believe our combination of engineering capability, customer credibility, and access to capital provides Unimech with a differentiated opportunity to become a preferred global integration, precision engineering, and manufacturing partner. With that, we conclude our remarks and would be happy to take your questions. Thank you.

Moderator: Thank you so much, sir. Ladies and gentlemen, we will now begin with the question-and-answer session. Our first question comes from the line of Akshay with AK Investment. Please go ahead.

Akshay: Hello sir. First of all, thanks for giving me the opportunity and congratulations on the great set of numbers. Sir, my first question is what is the approximate order execution timeline for the current move that we are having and also what are the current order pipeline and how many orders can we expect in the FY '27 going ahead? And also let me complete. So nuclear order book is also INR87 crores. So, going ahead, how do we see the demand and traction over there also? Thank you.

Rajanikanth Balaraman: Okay. Akshay, thank you. Can you just lay out the first question and then move to the second question there will be like, I get that many questions there back then.

Akshay: Yes, it's all about the order pipeline and execution timeline and also about the nuclear order book.

Rajanikanth Balaraman: Okay. So, starting with the timeline for execution pipeline. So, firstly, what I want to say is that in the, INR280 plus crores order book that we say, these are confirmed POs. Some of forecast standpoint, like if I have to basically talk about FACC and several other things that we're working on, the order book is even larger, which includes the forecast, right? So, this INR280 crores is the confirmed order book.

And as part of that we are looking at some of the tooling which basically will get consumed within the quarter. Most of it will get consumed in the quarter. Nuclear, that is the INR87 crores will be across by H2 next year. So, yes, nuclear would be -- some part would be H2 and the remaining part would be next year.

The on the on the precision parts it's basically for the next six months or so. And on the nuclear -- we continue to be looking at newer bits and we continue to look at that. There is some new bit that is coming in.

Management: It's going to come up. It will update once.

Rajanikanth Balaraman: Yes. Yes. So, these are organic bits that will basically come in and then the pipeline gets built up based on the bit constraints.

Akshay: Okay. And sir, my second question is about the growth expectations. So, how much revenue growth and EBITDA margins we can expect?

Rajanikanth Balaraman: Akshay, we can't give you well, Akshay, can you be loud? We, we, very, very feeble.

Akshay: Yes. Hello, am I audible now, sir?

Rajanikanth Balaraman: Yes, now this is okay.

Akshay: Okay. Sir, my second question is about the revenue growth expectation and the EBITDA margin. So, how much revenue growth are we expecting in the FY '27 as you have already highlighted the quarter two and quarter three will be strong and also the -- our gross margins were 68% this quarter. So, what is the range for the gross and EBITDA margin that we can expect for FY '27 and going ahead? And also, as we have highlighted that we are seeing a very high demand, so are we expecting any capacity addition in the near future capex plan? Thank you.

Aakash Jaiswal: Akshay, so we'll go one quarter at a time. As we maintained last quarter, we were expecting quarter one to be a healthy quarter and hence we maintained saying quarter one would be a good enough addition. Similarly, quarter two also is looking better. Prime indication that I can give right away is, Hobel contribution only came in for two months in this current quarter.

The next quarter we are seeing three months of full consolidation coming. In the tooling business I should say demand momentum continues. We are seeing constructive discussions ongoing with the customers and even with the forecast available with the end consumer segment, we see this business also to be doing well.

PCA business, as we have always maintained, it's a business that we are growing right now. This business will continue to see more qualifications and that will be our approach going forward. Most likely, what you will see H2 will be a much heavier PCA-led revenue contribution coming. On an overall basis, if I should say, all the business engines or the growth drivers that we have enabled in the Unimech business platform, it's continuing to shape up well. You will see a meaningful growth happening in this financial year compared to the last financial year.

Akshay: Okay, sir. And about the EBITDA and gross margin?

Aakash Jaiswal: So, gross margins, yes, so the number that we have always been talking about on a blended basis, we see 65% as a good sustainable number for this year. You should also appreciate that our business involves more qualification orders as well as more prove-outs. Hence, we are also enabling the pipeline of first articles to strengthen the future business revenues. That will continue.

To speak on the capacity right now, though we still have some capacity to be utilized, but we are also seeing enough demand traction coming across. To be ready for the upcoming demand because customers appreciate that we have available capacity or dedicated capacity to serve them, we will have to plan something early to remain in this demand cycle and to take benefit of the future revenues that we want to undertake. So, having said that yes, we will be open to any further investments that will be needed for the business growth.

Akshay: Okay, sir. Okay. Thank you so much and all the best.

Moderator: Thank you. Our next question comes from the line of Kishore Kumar with Unifi Capital. Please go ahead.

Kishore Kumar: Yes, thanks for the opportunity, sir, and good morning. So, my first question is on the tooling business. So, can you, can you actually help me understand how much of the revenue typically we get from the engine tooling versus airframe tooling? And we also have close to 5,000 SKUs.

So, going forward, will the growth be dependent on deepening the project that we already working on, or will it be actually coming from expansion of this SKUs as well as entering more with more customers or wallet share expansion? Just wanted to understand this growth prospects for the aero tooling business.

Aakash Jaiswal: Starting with this what we see is expansion of SKUs is always beneficial for the business growth. Over the journey of last 10 years, if I should say, Unimech has qualified over multiple SKUs starting from low value, low complex products to now what we are delivering is high value, high complex products. So that has always been the nature and journey and this will continue.

Going forward as you understand, there is still enough type of product that we have to capture and then address. So, this will also be one of the growth drivers in terms of SKU expansion. Parallelly, underlying growth in the business or in terms of the end consumer demand will also continue to be a factor of growth.

Having said this, it will always be a combination. One side, Unimech will continue to expand its SKU base. Secondly, it's the underlying demand momentum that we'll continue to take advantage of.

Kishore Kumar: Got it. And, and on the mix of engine tooling versus airframe tooling, how should I look at that way, actually?

Aakash Jaiswal: See we would not want to qualify what would be the mix because it's a very heterogeneous structure to name. There has been enough number of SKUs that we have to prove, but to give you a very I should say an overarching statement, we are dominated with aero engine components or the aero engine tools that we supply right now.

And this is going to be the meaningful chunk, but there is another opportunity on the airframe tooling side that we continue to explore. As we continue to add more products, we'll let you know how the progress has happened.

Kishor Kumar: Got it. Understood. So, the second question is on the precision component space. we are actually engaging with a lot of customers in the emerging space like semiconductors and energy. So, actually, how are we placed in the value chain? Are we in the Tier-4, Tier-3 category, and how important are we in the chain? Is there any possibility of Unimech moving up the chain and directly engaging with the OEMs, if not already?

Aakash Jaiswal: Just to clarify, we are already in the Tier-1, so we are directly dealing with the OEMs in this value chain segment. In terms of when you speak on PCA, when we speak of the semiconductor industry, we are already in the Tier-1. Yes, in terms of aerospace, I should say, we will largely fit into the Tier-2 structure.

Rajanikanth Balaraman: In some places we are also Tier-1 in aerospace as well. There are multiple OEMs that we are working with where we are working directly with them. And some places it's Tier-2, and that's because how aerospace industry is basically structured and based on that, you have several Tier-1s which are multi-billion-dollar Tier-1s and OEMs.

So, we basically operate in that space. Semiconductor largely Tier-1, and nuclear also we work with the OEMs are the government and nuclear power program. Sometimes with their Tier-1s where there is EPC involved, where we ended up working the Tier-2 space on the nuclear side.

Kishor Kumar: Got it. sir, on the Hobel Bellows acquisition in the last call, you mentioned that we already receiving, good conversations from the existing customers on this product being cross-selling to the other industries. And you also said that we need some kind of qualifications for that. So where are we in that, actually? And is there any more engagements happening with other customers or other industries?

Rajanikanth Balaraman: There are very good engagements that are happening, but before I basically go into that, I just want to educate on what the Hobel Bellows plans are. Our foundational plan is to expand in the same industry that we are operating, which is, you know energy, gensets, and locomotives. So that's an area where A) we would want to expand within the customer and increase the wallet share. B) we would want to look at other companies in the same market and try to basically expand market share.

This is the near term. In the medium term, we want to look at for example, nuclear and other partners and get qualified. In the long term, we would want to basically get qualified in programs like aerospace, semiconductor, but we also understand that this is a higher qualification. There is AS9100, there is NADCAP approvals, then you basically get them onboarded. There is a long term for them to basically share RFQs, then you work with the team and for each of the process, there are qualification cycles.

So, that's largely that takes a longer time. Having said that there have been a couple customers that we are working in the same space that we are operating and potentially that that is actually turning into good discussions. We've also started having conversations with you know, nuclear and started the engagement with our aerospace customers, but we are also telling them that the required certifications and all of that will happen and the engagements have started.

Kishor Kumar: Got it, sir. Thank you so much. All the best, sir.

Moderator: Our next question comes from the line of Chirag Kalantri with Nuvama Wealth Management Limited. Please go ahead.

Chirag Kalantri: Thanks a lot management for this call. My question is regarding how is the nuclear order book outlook ahead and what will be the percentage of nuclear orders two years down the line? And also, comparing it with aerospace and semiconductor business, how is the EBITDA margins looking in nuclear business?

Aakash Jaiswal: Okay. So right now, we have nuclear orders worth INR87 crores. I should say close to around 50% of the existing order book to be executed in this financial year, but largely this will happen in the second half of this financial year. For the new opportunities, as we have understood, there is four new nuclear reactors coming up in the space and we are eyeing that opportunity also.

Obviously, there has been enough qualifications which enables us to participate in those programs and also with the previous participation on the tenders, we see that that can be a stronger opportunity. On the overall margin front, we would like to maintain that we don't want to disclose margins on each businesses rather than only on a consolidated basis.

And on a consolidated basis, as we had always indicated we being a margin-focused business, we will continue to see 30%-32% plus margins. However, this financial year, we are seeing a better performance. So, close to around 34%-35% of margins is what we will be able to deliver for this financial year.

Chirag Kalantri: Okay. Thanks, thanks a lot.

Moderator: Thank you. Our next question comes from the line of Charchit Maloo with Genuity Capital. Please go ahead.

Charchit Maloo: Hi, sir. Thanks a lot for the opportunity. My first question is regarding Hobel. So, in Q1, what was the revenue from Hobel and what was the margin from this?

Aakash Jaiswal: Though we can discuss on the revenue, but as we maintained on the margins going forward as a policy, we will not want to disclose a margin separately for each business. On the consolidated business, we have done 36.5% of quarterly EBITDA margins this quarter. In terms of revenue, I should say, for the two months, it has contributed close to around INR22 crores.

Charchit Maloo: And going forward, we are going to maintain the same kind of growth in FY26 and FY28 from this segment?

Aakash Jaiswal: Yes. So, what we see in this business, growth can be closer to 15%-20% that we understand. But we are also at a stage when we are integrating this business and it might be, can be qualified as a premature growth indication. But on an understanding basis, yes.

Rajanikanth Balaraman: I mean, just historically speaking, between last year to now, this year, it's been about 15%-20% growth.

Charchit Maloo: Understood. And in the earlier few calls, we have mentioned that the other income will be normalized going forward. So, like, are we still intact on that? Or like FY27?

Aakash Jaiswal: Yes, you have already seen quarter one to other incomes to come down. This was largely because our investable funds have also reduced because we have acquired the new business. Going forward in quarter two onwards, you will see a much lesser other income from here on.

Charchit Maloo: So, we will see like, YoY, like decreasing other income, right?

Aakash Jaiswal: So, last year, we did closer on INR46 crores. Obviously, quarter one has still been on a higher side in terms of other income that we delivered. But going forward in quarter two, you can expect actually half the number of what we did in quarter one.

Charchit Maloo: Great. Understood, sir. Just one last question…

Rajanikanth Balaraman: This is actually a good thing considering that, you know, the funds are being deployed in the right place, rather than sitting in treasury.

Charchit Maloo: Understood, sir. So, just one quick question.

Moderator: Thank you. Our next question comes from the line of Sajal Kapoor with Antifragile Thinking. Please go ahead.

Sajal Kapoor: Yes, thank you for taking my questions. I've only got two. First, you now have more than 6,300 qualified SKUs and are targeting a significant increase in FAIs this year. So, of the SKUs qualified over the last two to three years, what proportion have actually converted into recurring serial production orders? And is that conversion rate improving with each qualification cohort? That's my first question.

Rajanikanth Balaraman: Thank you, Sejal. So, on the SKUs, the SKU number that you quoted is a combination of all our businesses together. That is tooling, efficient components, and everything else, right? And then when you ask about serial production, it's largely PCA business, which is serial production. And tooling business is more of, depending upon what is required, that gets ordered, right?

So, a large part of that 5,500 that you spoke about largely belongs to tooling. The PCA business is a very young business, right? It's an 18-month-old business. And what we are seeing there is that most of the qualified things are actually moving into serial production. I would say 80% of the PCA qualified parts are moving into serial production.

Sajal Kapoor: Thank you. Second question I have is related to the asset terms and the ROCE. So, as utilization improves from roughly 50% towards 60% and beyond, working capital days may simultaneously increase from 120, 125 days to maybe 150, 160 days.

So, what should investors expect this combination to do to the incremental ROCE over the next two to three years? And at what utilization level should the investments already being made producing materially higher asset turns and ROCE?

Aakash Jaiswal: Sure. So, just to relate to the asset turn number, we are slightly over two times of asset turn with the current delivery. What we see the current investments or capex is able to deliver anywhere lesser than three times of asset turn. But just let me qualify one more thing.

Historically, aero tooling as a segment has always provided a better asset turns. However, since we are moving aggressively into the precision component side, there we expect a two times of asset turns. So, hence, on a two to three year basis, we can expect asset turns roughly between a 2.5% to 3% or more likely closer to a two and a half times to say so.

Sajal Kapoor: And ROCE, sir?

Aaksh Jaiswal: And ROCE, right now, as we indicated, it was close to around 15%, 16%. And this will remain for this calendar year also. As the utilization improves, this can go up to or beyond 20%, 21%.

Sajal Kapoor: Best wishes. Thank you so much. Yes, that's helpful.

Moderator: Thank you. Our next question comes from the Dev Thacker with ithought PMS. Please go ahead.

Dev Thacker: Thank you for the opportunity, sir. So, I wanted to understand the agreement we signed with FACC. Like you mentioned that as of now, this order is around USD7.5 million. So, what could be the scope of this order maybe going to three years down the line?

Rajanikanth Balaraman: Sorry, the question is what could be the scope of?

Dev Thacker: Scope of the agreement we signed with FACC for the aerostructure components two, three years down the line.

Rajanikanth Balaraman: Okay. You mean in terms of revenue?

Dev Thacker: Yes, in terms of revenue, in terms of longer-term scope?

Rajanikanth Balaraman: Sure. Okay. Firstly, typically, when you sign a particular, agreement, it's for that particular wave of RFQs and the win that you had on that. But as you know, one of the things that's happening in the order book is, can you hear me? Okay. But as you can see in terms of order book, there is newer RFQs that come in and newer programs that come in and typically, the kind of revenue that you are going to basically make keeps increasing.

The second part is that from a qualifications perspective, getting qualified across OEMs enables us to basically get new business. So, from that perspective, this opens doors for us to basically not just with FACC but also work across other tier ones and the OEMs that we are basically getting qualified.

Dev Thacker: Got it. Thank you.

Moderator: Thank you. Our next question comes from the line of Harshit Chheda with Centra Insights LLP. Please go ahead.

Harshit Chheda: Congratulations personally on the amazing results. My first question is, as Unimech already entered into talks with the leap engine OEMs? And if yes, how much are you expecting to benefit from it?

Aakash Jaiswal: Can you repeat the question, please?

Harshit Chheda: All right. As Unimech already entered into talks with leap engine OEMs and how much do you expect to benefit from it?

Rajanikanth Balaraman: So, we are hesitant to basically talk about specific customers because, we are bound by confidentiality agreements that we cannot actually talk about any particular OEM. And like on the tooling side, it's the licensees who basically, for specifically leap engine that you are talking about, licensees are the ones with whom Unimech works in where Unimech works in the Tier-2 side where leap engine OEM is basically, OEM and then there's a Tier-1.

And typically, we work with the Tier-1. And in the tooling business, that's largely PO to PO business. But we have made progress in the sense that we have signed agreements and forecasted orders for engine stands that is ongoing.

Harshit Chheda: All right. And my second question is, is there any plans to expand into the MRO sector in India?

Aakash Jaiswal: I believe this would be early to say, but always on a longer-term vision, that is an intent. Whenever there is a large opportunity under the MRO, we will be one of the first movers considering our 10 years of experience into this MRO tooling manufacturing segment.

Rajanikanth Balaraman: While that's an overarching statement, what I want to basically qualify is that when there is actually MRO activity, new MROs that has been set up, Unimech has been at the forefront of it.

For example, in the past, when we had, the Safran HAL MRO that happened in Goa, we basically supported them with a large set of tooling, over 100 toolings that basically gets deployed for the helicopter MRO.

Similarly, any new MRO activity that happens in India or across the world, we work with our licensees to make sure that we are able to supply some of them, both in India and across the globe.

Harshit Chheda: All right. Thank you so much.

Moderator: Thank you. Our next question comes from the line of Bhavesh Bhatia, an individual investor. Please go ahead.

Bhavesh Bhatia: Good morning, team. Thank you for the opportunity. I have a question regarding the potential imposition of 100% tariffs by the U.S. on India. So, could you please provide an analysis of the impact on our revenues, ordering flows, and EBITDA margins? And additionally, I would like to understand the management strategy to mitigate the risk associated with this potential scenario.

Aakash Jaiswal: Bhavesh, as this being a very grey matter and it continues to undergo change, which each day which we are reading, it will be very difficult to quantify. But however, what we can say, we are enabling enough mitigants around this. There was last year when we were seeing consequences or issues arising because of tariffs, we had initiated a free trade warehouse.

Mitigant that, which will enable us or our customers to continue the delivery schedule as planned. So, all these mitigants are there for us to insulate around the tariffs.

Rajanikanth Balaraman: And then if you see the newer engagements that we are having, including the FCC agreement, has been largely with European customers and we continue to do that. And there's obviously Saudi Arabia, where we are setting up the manufacturing footprint, which hedges these kinds of risks. And we will continue to keep doing that.

This is a very, very fluid situation. It's evolving and we are figuring things out as it basically happens. But from a long-term perspective, we are setting up enough hedges against a similar volatility.

Bhavesh Bhatia: Got it. So, my second question is, the board has approved a fundraising plan for the QIP method. So, I would like to know how the funds will be utilized.

Aakash Jaiswal: Yes, Bhavesh. So, what we have in place is a board resolution which to raise up to INR750 crores. So, the objective for this initiation is, I would like to call it, this is primarily to provide flexibility as we work towards the achieving of our minimum public shareholding, which is due in the next 18 months. That being one of the reasons.

Secondly, as we also see enough demand tailwinds in the business, we don't want to miss this cycle. We want to be early to call for and additionally, with the more capacity and capability development that is required in the business, we will continue to work around.

We let the market and as well as the street to know when this capacity or capability expansion will be required. But to just summarize, this is an enabling resolution that provides a strategic flexibility. It should not be interpreted as an immediate fundraising. However we keep on continuously evaluating our requirements and we will let the street know about our plans.

Bhavesh Bhatia: I understand, sir. But is there any plan to do an M&A or inorganic acquisitions?

Aakash Jaiswal: See, the growth opportunity serves on both the segments, it's organic as well as inorganic. In case of capabilities that you have to build up, inorganic is always the best way to do it. Similarly, as I mentioned, enough demand inquiries have been coming, we will have to commit to new capacity as and when our customers would.

So, on both the fronts, we are open. There would be, and as I indicated, immediate fundraiser is not there on the card, but as and when it will be required, we will let the street know what the plans for the business are.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. I now hand the conference over to Mr. Anil for the closing remarks. Thank you and over to your table.

Anil Kumar Puttan: Thank you everyone for joining us today and for your continued trust and support. As we progress through FY27, our focus remains on disciplined execution, strengthening customer relationships, investing ahead of demand, and creating sustainable long-term value for all our stakeholders.

The momentum we are witnessing across our businesses combined with our growing capabilities and strategic initiatives gives us confidence in the opportunities ahead. We look forward to updating you on our progress in the coming quarters. Thank you and have a great day.

Moderator: Thank you, sir. Ladies and gentlemen, on behalf of Anand Rathi, that concludes today's conference call. Thank you for joining us and you may now disconnect your lines.