

June 03, 2026

To,

National Stock Exchange of India Ltd.

Symbol: UNIMECH

BSE Limited

Scrip Code: 544322

Sub: Transcript of earnings conference call

Dear Sir/Ma'am,

In accordance with 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 May 29, 2026, at 11:00 AM (IST).

Thanking You,

Yours Faithfully,

For Unimech Aerospace and Manufacturing Limited

(Formerly known as Unimech Aerospace and Manufacturing Private Limited)

Rashmi Gupta

Company Secretary & Compliance Officer

M. No.: A25382

Encl: Annexure-A





“Unimech Aerospace and Manufacturing Ltd.
Q4 FY26 Earnings Call”

May 29, 2026



MANAGEMENT: **MR. ANIL KUMAR PUTTAN - CHAIRMAN AND
MANAGING DIRECTOR**
**MR. RAJANIKANTH BALARAMAN - WHOLE-TIME
DIRECTOR**
**MR. RAMAKRISHNA KAMOJHALA - WHOLE-TIME
DIRECTOR AND CHIEF FINANCIAL OFFICER**
MR. MANI PUTTAN - WHOLE-TIME DIRECTOR
MR. PREETHAM S. V. - WHOLE-TIME DIRECTOR
**MR. AAKASH JAISWAL – ASSISTANT GENERAL
MANAGER (INVESTOR RELATIONS)**

MODERATOR: **MR. PRASHEEL GANDHI - ANAND RATHI SHARES AND
STOCK BROKERS LTD.**

Moderator: Ladies and gentlemen, good day and welcome to the Q4 FY26 Earnings Call for Unimech Aerospace and Manufacturing Ltd. hosted by Anand Rathi Share and Stock Brokers Ltd.

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 ‘*’ then ‘0’ on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Prasheel Gandhi from Anand Rathi. Thank you and over to you, sir.

Prasheel Gandhi: Thanks, Iqra. Good morning, everyone. We welcome you all to Q4 FY26 earnings conference call for Unimech Aerospace and Manufacturing Ltd.

From the management team today, we have with us Mr. Anil Kumar Puttan, Chairman and Managing Director; Mr. Rajanikanth Balaraman, Whole-time Director; Mr. Ramakrishna Kamojhala, Whole-time Director and CFO; Mr. Mani Puttan, 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 sir, for his opening comments. Over to you, sir. Thank you.

Anil Kumar Puttan: Good morning, everyone, and a warm welcome to Unimech Aerospace and Manufacturing Ltd. Q4 & FY26 Earnings Call.

I am pleased to share that Q4 FY26 has been one of the strongest quarters for the company this financial year, both from a revenue as well as the EBITDA performance standpoint. More importantly, the quarter marks a meaningful inflection point for the business momentum and provides greater confidence as we move into FY27. Over the course of FY26, the industry witnessed elevated tariff-related disruptions in the U.S., customer inventory rationalization, and softer shipment schedules across aerospace supply chains. Despite these external pressures, our business remained fundamentally resilient.

We remained committed to strengthening the long-term foundation of the business. We continue to invest in customer relationships, qualification capabilities, manufacturing readiness, and strategic initiatives that we believe will position Unimech for sustainable long-term growth.

Q4 has shown clear sequential recovery reflecting the early normalization of demand conditions. With tariffs moderating to more workable levels compared to the elevated levels seen earlier in the year, customer ordering behavior improved materially. Discussions with key customers indicate that inventory rebuilding has resumed and order patterns are steadily normalizing. This

improvement is clearly visible in our Q4 performance and provides stronger confidence as we enter FY27.

While FY26 may not have been the high growth year we initially envisaged, it was undoubtedly a defining year in strengthening the long-term foundations of the business. Importantly, our order book as of May '26 stands at approximately Rs. 314 crores on a consolidated basis, including Hobel, more than double our historical levels. We believe this reflects not only improving demand conditions but also the cumulative impact of our investments in people, infrastructure, qualifications, and strategic partnerships over the last several quarters.

From an industry standpoint, the long-term outlook for aerospace and precision manufacturing remains highly favorable. India continues to strengthen its position as a preferred global manufacturing destination, supported by strong aviation growth, increasing aircraft delivery, expanding MRO opportunities, and globally competitive tariff environment. These structural trends continue to reinforce our confidence in the sectors we operate in. Operationally, we continue to make significant progress during this year. We onboarded a new aerospace customer and have some in pipeline, executed over 200 FAIs across aerospace, semiconductor, and defense applications, and continued expanding our qualified SKU base, which now approaches 6,000 mark. This growing qualification ecosystem meaningfully strengthens our future production opportunity pipeline.

As highlighted earlier, our business operates in a high-mix, low-volume environment, particularly within tooling. Accordingly, an increase in SKU qualification does not immediately translate into proportional revenue growth within a single year. However, these qualifications lay the foundation for long-term recurring production orders, deeper customer integration, and stronger customer stickiness. Our strategy remains focused on continuously qualifying additional components and parts, whether in precision parts or complex tooling, the benefits of which are expected to materialize progressively over the coming years. We also made meaningful progress in expanding our presence within the energy sector, particularly nuclear energy, with the Government of India continuing to focus on increasing nuclear power generation capacity. We see significant long-term opportunity emerging in this space. Till date, we have secured order wins amounting to approximately Rs. 87 crore in this space, a portion of which is expected to be executed during the current financial year.

Strategically, FY26 was also a landmark year for Unimech. We formalized our joint venture with Yusuf Bin Ahmed Kanoo Group in Saudi Arabia, establishing a regional precision manufacturing platform that significantly enhances our geographic diversification and positions us closer to customers in the Middle East energy ecosystem. This initiative further strengthens the resilience of our business model amidst the evolving global trade dynamics.

In addition, we completed the acquisition of Hobel Bellows in April '26, a highly strategic capability led and EPS accretive acquisition. We believe this is an excellent deployment of our



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available capital base into business that materially strengthens our engineering depth and broadens our ability to deliver larger, more integrated packages of work to global customers. As we enter FY27, we remain constructively optimistic.

Our FTWZ has received all regulatory approvals, customer engagement remains strong, capacity utilization will improve going forward, and our order pipeline is healthy with contributions coming from other offerings beyond Aero Tooling. We therefore expect FY27 to be a year of stronger growth and improved operating leverage compared to the previous year.

Our long-term vision remains unchanged to build Unimech Aerospace and Manufacturing Limited into a globally competitive, capability-led precision engineering platform serving aerospace, defense, energy, semiconductor, and advanced industrial sectors. The strategic building blocks for the platform are steadily falling into place, and we remain committed to continuously adding advanced capabilities, technological depth, and customer relationships to strengthen this journey further.

With that, I will now hand over to Ram, who will take you through the financial performance for the quarter and full year, along with our outlook for the FY27.

Ramakrishna Kamojhala: Thank you, Anil. Good morning, everyone.

Let me take you through our financial performance for Q4 FY26 and the full year, and thereafter, share my thoughts on the outlook for the FY27.

I would like to begin by reiterating that the demand environment, which remained subdued through a large part of the last year, has improved meaningfully over the last few months. In our previous interaction, we had indicated early green shoots following the reduction in tariff rates, and I am pleased to say that order inflows in recent months and customer engagements have been very constructive. This has further strengthened our confidence. At the same time, we are also conscious of the evolving geopolitical environment and ongoing regional conflicts globally. While we continue to monitor these developments carefully, we believe the underlying demand recovery and our strategic position remain intact.

Let us discuss about the revenue performance:

Starting with Revenue:

As guided during our Q3 Earnings Call, Q4 witnessed a clear recovery in business momentum. Revenue from operations net of tariff concessions for Q4 FY26 stood at approximately Rs. 82 crores, taking full year FY26 revenue crossed Rs. 240 crores. This revenue is net of tariff-related concessions extended to customers. It means at gross level, the revenue was at Rs. 257

crores for the full year, surpassing the last year revenue, which is what we have indicated in the last quarter earnings calls.

I would like to say importantly, Q4 revenue reflects a significant improvement compared to the preceding quarter revenue. This improvement was primarily driven by normalization in aerospace tooling demand and the release of deferred customer orders. Going forward, we expect a relatively stable operating environment, although we may continue to absorb approximately 5% tariff sharing on parts and tooling consumed within the U.S. market. We believe this is manageable within the overall business structure. Aerospace as an industry continues to remain our core. Our aero engine and airframe complex tooling offerings contributed approximately 90% for the quarter and over 90% of revenue for the full year FY26. At the same time, we continue to make progress in adjacent precision manufacturing opportunities, including aerospace, nuclear, semiconductor, and other high-precision component programs. While these currently contribute a smaller portion of revenue, qualification activity across these industries has increased materially, and we expect this to progressively translate into production-linked opportunity over the coming years.

On the other income side, treasury deployment of available funds contributed positively, with other income increasing approximately 90% year-on-year to around Rs. 47 crores. However, the other income will be very moderate in next year FY27 as we have already deployed a large fund towards M&A in the current year.

Coming to margins and cost structure:

From a profitable standpoint, margins remained healthy. Q4 gross margin is at approximately 73% supported by higher contribution from tooling-related orders. For the full year FY26, gross margin stood at approximately 70%. Subcontracting costs remained stable at approximately 6% of revenue for the full year, reflecting our continued focus on in-house capability utilization and operation control. EBITDA margin for Q4 improved significantly to approximately 43%, driven by stronger revenue and normalization of operating leverage after several quarters of lower fixed-cost absorption. However, I would advise all to assess Q3 and Q4 performance together as a substantial portion of cost absorption occurred during Q3, resulting in comparatively stronger margins in Q4. Accordingly, the most appropriate way to evaluate EBITDA performance is on a full-year basis. For FY26, EBITDA margins stood at approximately 31%, broadly in line with guidance we had previously shared.

Further details on EBITDA performance are as follows:

On employee cost, FY26 represented a year of capacity and capability built out for us. Employee cost remained elevated at approximately 22% as a percentage of revenue, which is up by 16% in FY26 compared to last year, as we completed a substantial portion of our planned hiring and organizational expansion. We might add a few resources to strengthen the business function but

will target employee cost as a percentage of revenue to moderate gradually as revenues scale up. Similarly, operating expenses are also beginning to normalize and currently stand at approximately 16% on revenue for the full-year revenue. This is increased by 28% on an annual basis as we built capacity and introduced large facility to our planned capacity. Going forward as a percentage of revenue, this will also see a downtrend over the quarters.

Speaking of depreciation, it increased during the year, approximately Rs. 7 crores per quarter as we commissioned a new facility and equipment. We now operate over 150 CNC and various other missions across our Bangalore facility. Importantly, no major missions additions were undertaken in Q4 and we do not foresee very significant core business CAPEX requirement during FY27. However, on the Saudi JV which is Kanoo JV CAPEX will happen during the year as planned.

Coming to finance costs:

Finance cost, which increased to approximately Rs. 15.3 crores during the year. This was primarily due to one-time exchange difference in foreign currency borrowing followed by sharp currency depreciation being losses booked to the tune of Rs. 9.6 crores in the quarter. Barring this annual financial cost for the business would have been Rs. 5.7 crores due to working capital borrowings.

Coming to profitability:

Profitability recovered strongly during Q4 with PAT for the quarter at approximately Rs. 26 crores taking full year FY26 PAT to approximately Rs. 63 crores. Though this number is lower than last year, we believe this performance still reflects the resilience of our operating model going through a tough year. Furthermore, we see this as a validation of our long-standing focus on building high-margin capability-led businesses. ROCE and ROE for the quarter improved meaningfully at 22% and 26% respectively for the quarter. While full year FY26 ROCE and ROE stood at 10% and 16% respectively.

Coming to working capital and utilization:

On the balance sheet side working capital days stood at approximately around 120 to 125 days at the year-end. As we have indicated earlier with the addition of new business and larger project-based opportunities, working capital intensity may gradually increase towards the 150 to 160 days range over time. During the year, we utilize shorter borrowings to support these business requirements. Fixed assets turnover for FY26 stood at approximately 1.4x. While this remains below our long-term target utilization level, we are seeing gradual improvement as business volumes recovered.

Current plant utilization levels are approximately 50% and we remain confident of steadily improving asset productivity over the next 30 to 36 months as order execution ramps up.

Now speaking about some strategic initiatives,

Hobel Bellows acquisition:

As you are aware, we completed the acquisition of Hobel Bellows Vizag in April 2026. We believe this acquisition is strategically significant for the company. It not only strengthened our engineering capability base and enhanced our export profile, but is EPS accretive. More importantly, we believe we have deployed our capital into a fundamentally strong capability-rich business that aligns closely with our long-term platform building strategy.

Another strategic initiative which is JV with Kanoo Group in Saudi. As you are aware, we have signed JV agreement a few months ago with Kanoo Group to set up machine manufacturing facility for energy. This new entity in Saudi is in the process of approval to infuse funds. Meanwhile, other core activities like identification of facility, identification of machineries, negotiation with vendors, etc. have already taken place. We see a large CAPEX addition into this JV during the year.

Let's talk about FY27 outlook:

Looking ahead, we remain constructively optimistic on FY27. On consolidated basis, we believe the business is well positioned to deliver meaningful growth over current level. We will strive for improving our quarterly revenue base and will target Q1 FY27 revenue to surpass the Q4 FY26 revenues. This outlook is supported by continued normalization and recovery in our tooling offerings, ramp up in precision component opportunities across semiconductor and aerospace customers, expected execution of nuclear-related orders, particularly in the second half of the year, and strong contribution from Hobel Bellows Financials. From a profitable standpoint, we expect consolidated EBITDA margins to remain healthy and would be better than FY26.

At the same time, we would like to remain balanced in our commentary, the pace of aerospace order execution, timing of nuclear project milestone and conversion timelines for long-term qualification programs into production revenues will continue to influence quarterly phasing of performance. However, the broader direction of the business remains positive. The foundation has been built, the investments are substantially in place, and we believe the business is now entering the execution and scaling phase of its journey.

With that, I will hand over to Mr. Rajanikanth for update on our strategic growth initiative. Over to you, Rajani.

Rajanikanth Balaraman: Thank you, Ram and good morning, everyone. I would like to provide an update on our strategic growth initiatives, both organic and inorganic, which we believe are collectively shaping the next phase of growth for Unimech Aerospace and Manufacturing Limited.

Over the last few years, our focus has not only been on scaling revenues, but on systematically building capability-led precision engineering platform with deeper customer engagement, broader technological capabilities, and increased participation across various high-value industrial ecosystems. Today, I believe we are beginning to see that synergy take meaningful shape. I will cover these key strategic investments and initiatives that strengthen the long-term growth architecture of the business.

I will start with Dheya:

Dheya, where we hold 30% stake, continues to make strong technical and commercialization progress across its propulsion control systems and hydrogen technology programs. The DET-500 micro gas turbine engine achieved multiple validation tests, up to 90% load capacity during the quarter, with performance meeting internal expectations. The engine has now accumulated over 500 minutes of runtime and completed more than 100 test cycles without any major material deformation or operational failures, validating the robustness and reliability of the platform. Certification activities for the DET-200 remain on track, with documentation submitted and qualification testing underway. On the commercialization front, Dheya secured initial orders from Tier-1 defense suppliers for two engines for testing and validation. Subject to successful qualification, this opportunity could scale up to nearly 200 engines over time. The company is also witnessing encouraging traction with multiple platform manufacturers for future deployment opportunities.

The engine control unit or ECU program also achieved a key milestone with Dheya's in-house engine control logic successfully validated on a reference engine. The ECU architecture is being designed as a scalable platform capable of supporting multiple engine configurations with limited incremental development effort. Additionally, Dheya is advancing combustor technology development with IISC Bangalore and IIT Dharwad to support higher altitude application and future higher thrust engine variants. Beyond propulsion systems, Dheya continues progressing its hydrogen blower and compressor programs, including hardware deliveries for ATEX certification and planned customer deliveries aligned with FY26 milestones.

The company is also strengthening its technical leadership and supply chain capabilities to support future scale-up. From Unimech's perspective, these developments remain strategically significant as we continue to be exclusive manufacturing partners for these platforms. As these programs move from validation and certification into commercial deployment and serial production, they have the potential to create a meaningful long-term manufacturing opportunity for us.

I would like to move to the next update on Kanoo Unimech advanced manufacturing entity, a Saudi JV with Kanoo Group, our focused approach towards expanding global manufacturing presence. We are pleased with the progress made so far and remain firmly committed towards operationalizing the venture with the planned timelines. Despite ongoing geopolitical developments in the GCC region, our discussion with the customers and stakeholders continue to remain constructive. In fact, increased focus on energy infrastructure maintenance and industrial localization initiatives within the kingdom are creating encouraging opportunities for precision engineering and repair-oriented manufacturing capabilities.

A few important developments on operational readiness:

We have received approval from the Ministry of Investment in Saudi Arabia for the investment. Facility finalization and machine procurement activities are progressing. The pilot leadership employees are being onboarded. As communicated earlier, we expect this venture to achieve breakeven over a three-year horizon. However, strategically, the significance extends far beyond near-term financials. This JV establishes a regional manufacturing footprint for Unimech in a strategically important market. It diversifies our customer base, strengthens our participation in the Middle East energy ecosystem, and enhances our ability to serve customers closer to the operating geographies, still continuing with the precision component assembly ecosystem. Most importantly, it adds another layer of resilience to our overall business model.

Further, Hobel Bellows, which is our strategic capability addition, we believe represents one of the most significant strategic actions undertaken by the company in recent years. As announced earlier, we completed the acquisition in April 2026. Hobel is a highly specialized technology-driven manufacturer of metallic bellows, flexible tubing, and precision-engineered assemblies catering to machine-critical industrial applications. What attracted us strategically was not really the margin profile of the business, but the depth of engineering capability embedded within the organization, particularly across metal forming, sheet metal fabrication, tube bending, advanced welding technologies, and automated validation systems. These are capabilities that align extremely well with Unimech's long-term objective of moving deeper in the integrated manufacturing value chain.

Importantly, many of these capabilities were areas we had already identified for organic development over the next few years. Building them independently would have required substantial investment, long qualification cycle, and execution time. Through Hobel, we acquired these competencies immediately along with established customers, experienced technical talent, proven manufacturing process, and export-oriented relationships. Therefore, the acquisition is both strategically, capability accretive and financially accretive. From a synergy standpoint, we see multiple opportunities emerging. Hobel provides exposure to locomotive, industrial power generation, and heavy-duty engine ecosystem, all of which benefit from long product life cycles and recurring demand characteristics. In the near term, our focus remains on

retaining and growing the existing customer base while strengthening cross-selling opportunities for Unimech.

In the near to medium term, we believe Hobel's metallic bellows and flexible tubing have strong applicability within nuclear reactor and cooler systems application where our existing customer relationships and industry engagements create a natural pathway for future qualification and business expansion. Over the medium and long term, we see significant opportunities to integrate Hobel's capabilities into our aerospace and semiconductor offerings. This aligns with our broader strategic objective of evolving from a precision component supplier into a large engineered assembly and subsystem manufacturing platform. Over the coming years, our focus will be on customer cross-selling, qualification expansion, and deeper integration of capabilities across the broader Unimech platform.

Coming to the strategic outlook:

Stepping back, we believe Unimech today is entering a significantly broader phase of growth compared to where we were at the time of listing. Our growth architecture is now supported by multiple complementary pillars. A structurally strong aerospace tool offering, growing precision component opportunities across aerospace, semiconductor, defense, and industrial application, emerging opportunities within nuclear energy, our Saudi Arabia manufacturing platform, and the expanded capability ecosystem created through Hobel Bellows. Together, these initiatives significantly broaden our industry exposure, product depth, geographic reach, and customer diversification. We believe the foundation being built today positions Unimech for a much broader and more resilient growth trajectory over the coming years.

Thank you. This concludes our opening remarks and we would now be happy to take questions from participants. Operator, please proceed.

Moderator:

Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Balasubramanian from Arihant Capital. Please go ahead.

Balasubramanian:

Good morning, sir. Thank you much for the opportunity. In Hobel, I think it's not AS9100 certified. I think our aerospace customers are already asking for these capabilities. So, I am trying to understand what is the specific timeline for achieving AS9100 and subsequent platform-specific qualifications. And how do we understand in terms of aerospace cross-sell revenue from Hobel in the next two to three years' time frame?

Rajanikanth Balaraman:

Thank you so much. So, like I listed out, we have foundationally what we want to start with is build the existing business and grow that business, retain and grow. The second part would be going for nuclear and allied industries. In the medium to long term, we are looking at aerospace and semiconductor manufacturing considering the long qualification cycle. You are completely right that AS9100 is the first basic step towards that and there's a plan to basically start the

certification on that, which might take anywhere between six to nine months for the certification to complete. Post which, for aerospace that needs a few NATCAP approvals across bending, welding, even detection. So, that is something that we are going to do. Meanwhile, we have been socializing with our customers on aerospace, nuclear, and every other thing. But we think aerospace is an area which takes 2-3 years or more for the qualification cycles to complete. We are very cognizant of that, and we are moving forward knowing this.

Balasubramanian: Yes, sir. So, following on that, there is no amortization of intangibles because it's a subsidiary investment. So, I am trying to understand this Rs. 450 crore cash considerations will fit largely as a goodwill or investment on the balance sheet. So, how this amortization will happen and how the ROCE will move over the time frame?

Ramakrishna Kamojhala: So, your first question on the investment, the Rs. 450 crores, of course, yes, it's invested through a subsidiary company. And Rs. 450 crores at a consolidation level, as a cost of control, a goodwill will appear, intangibles will appear. But it is not something that needs to be amortized or expensed out. Because in terms of the business continuity and the business growth perspective, there is no need to amortize all this stuff. But it is a consolidated level intangible will be generated. It is not a kind of a self-generated goodwill kind of thing. The second thing in terms of ROCE and ROE, yes, while this business as such, before standalone basis, before acquisition, it was more than 50% kind of ROCE kind of category. But post acquisition, yes, considering the cost of these things, though at present, the ROCE and ROE levels are, you know, somewhere 10% to 16% level. But over the year, when business scales up, and this will meaningfully improve that.

Balasubramanian: Got it, sir. My final question. So, we have some significant nuclear related order wins. Could you please share that? What is the portion for domestic NPCIL program versus export nuclear? And what is the execution timeline for these orders? And what are the pipelines in the coming years?

Ramakrishna Kamojhala: Okay. Right now, Unimech, the order base on for the nuclear space, yes, significantly improved during the last quarter and up to date. This is broadly towards the EMCCR project for the Tarapur and Madras, these reactors we have participated in. These are all expected to be completed in 12 to 18 months' time, while other new projects, which is in pipeline, but tenders set to release. So, as you know, more tenders are going to come up on the new projects. We are hoping that we are able to participate as the qualification-related new subsystems in nuclear, we are always improving on that, more than kind of 10 kind of semi-systems, semi-assemblies, sub-assemblies may be already qualified. With that, we are able to, we will definitely participate in a large portion of the tender in the coming years.

Balasubramanian: Thank you, sir. All the best for future endeavors.

Moderator: Thank you. We will take our next question from the line of Ananya Nichani from Thinkwise Wealth. Please go ahead.

Ananya Nichani: Thanks for the opportunity. My first question was on order book. So, if we exclude Hobel Bellows Rs. 107 crore order book this year, it's roughly stayed flat YoY. So, I am assuming most of this is from aero tooling. So, why has it stayed flat?

Aakash Jaiswal: If you see excluding the Hobel number, it is roughly around the Rs. 200 crores plus value. Now what we have been doing is aero tooling as an offering, nuclear as an offering has been improving. Specifically on the nuclear side, if you compare with last year, we had very insignificant number which has scaled up to close to around Rs. 87 crores till date. Similarly, tooling as an offering, we have close to around a hundred crore plus of orders available. There is also an additional order flow, though small right now, but with a meaningful scale up to be expected coming from the precision components and parts offerings as well. So, overall, when you look or if we take a step back going 12 months down, our order book was only being filled up mostly from the tooling offering and now it's much more, I should say broadened enough, supported by all these various offerings. And that is what gives us more confidence. This will eventually keep building up as we move ahead. There are opportunities across all the industries. The larger buildup that you will see will be coming from the precision parts business, followed by nuclear also. And then the other two business continues to add.

Ananya Nichani: But sir, are you seeing any structural weakness in aero tooling? I understand one of the clients is actually going more in-house for the MRO tooling requirements. So, are we seeing any loss of revenue from that or is that expected in the future?

Aakash Jaiswal: There has not been any structural loss to say. Last financial year, if you see, there has been a tariff-related disruption. Going forward, the discussion has been strong enough, momentum has picked up. So, in the last earnings call also we indicated in the month of February, when the tariffs came down, our order book started improving from the previous period. That was a clear indication that our structural intensity in this business is still intact and customers are always confident of our offerings that we provide. We do not see any challenges, going forward there will be improvement. Tooling business, as we always indicated, it is always a PO-to-PO business and you will keep seeing PO inflows going forward.

Ananya Nichani: Okay. Sir, are you able to disclose aero tooling and precision components revenue in this quarter?

Aakash Jaiswal: Yes. For the quarter, aero tooling contributed roughly around 90% and the balance was coming from the precision components and assembly offerings and it was similar for the full year also.

Ananya Nichani: Okay. And there was no JV revenue in this year, right?

Aakash Jaiswal: No, not this year. So, as we have mentioned, the Kanoo Unimech JV will take some time to operationalize. It is in a foundational stage currently. You may see some revenue additions coming in the next financial year or if to be very optimistic, something around the end of this financial year.

Ananya Nichani: Okay. That's it, sir. Thank you so much.

Moderator: Thank you. Next question is from the line of Jai Chauhan from Trinetra Asset Managers. Please go ahead.

Jai Chauhan: Good morning, sir. Thank you for the opportunity. Congratulations for great set of numbers. My first question is over the next 5 to 10 years, which direction is Unimech subsidy most focused on? Are you focused on evolving into a Tier-1 system level supplier or building a larger precision part, assemblies and subsystems business? Where do you see the company ultimately positioned in the European valuation and other industries' valuation as well?

Aakash Jaiswal: Our strategic objective is to build a precision engineering platform. We are cherry picking industries which are enabling us to maintain a healthy margins across the business. So, like as you understood, the high growth industries across aerospace, nuclear, semiconductors, energy and industrials is what we are focused towards. This will continue. Going forward, we will continue to deepen our offerings across this space. You will see SKU build up coming and that will help us bring recurrence and repeatability of the orders that we provide.

Rajanikanth Balaraman: In addition to what Akash said, from just the evolution standpoint, obviously the plan is to increase the value chain. On the tooling, we are at the higher value chain in terms of providing turnkey systems. On the precision components, we are starting with components, but on the nuclear side of the PCA business, we are doing turnkey systems. So, ideally, we want to basically get most of our offerings at a turnkey level, which includes assembly and such. From a value offering, we want to be a single-stop integrated manufacturing platform, which offers the entire value chain.

Jai Chauhan: Right. So, from your answer, what I understood is basically you are focused on each and every industry at this moment and focused on getting higher margin orders and to fill up your capacities. Basically, evolving into a Tier-1 supplier, I meant basically moving up the value chain and going towards distribution as well, directly distributing for maybe toolings and stuff like that, which is basically done by your customer at this point. This was my question, basically.

Rajanikanth Balaraman: If your question is whether we will also be a licensee in the future, I am assuming that's your question, right?

Jai Chauhan: Yes.

Rajanikanth Balaraman: So, I mean, it's a call dependent on being a licensee, would we have a revenue which surpasses what we are currently having without obviously jeopardizing the existing customer relationship. And that's a call that we will have to take at the right time.

Jai Chauhan: Got it, sir. Makes sense. Also, sir, with the FWZ near completion, capacity expansion largely in place, customer inventory correction normalizing, multiple product approval progressing, and also now the Hobel Bellows creating cross-selling and subsystem opportunities. So, what level of revenue do you believe is achievable in FY27 and FY28? I just wanted guidance on that.

Aakash Jaiswal: Jay, though we are not giving a guidance, but what Mr. Ram also mentioned in his opening remarks, we are targeting to surpass what we achieved in Q4. You will continue to hear from us in the forthcoming quarters. We will continue to improve on our previous performance. That's an indication. But overall, I should say the platform has strengthened enough. You will see improvement in performance going forward.

Jai Chauhan: Got it. Thank you. That's it for my side.

Moderator: Thank you. Next question is from the line of Garvit Goyal from Seven Alpha. Please go ahead.

Garvit Goyal: Hi. Good morning. Sir, my question is on the order book. The order book that we have, what is the timeline of execution, sir?

Aakash Jaiswal: See, if we bifurcated aero tooling, the offerings that we keep giving is a recurring order book that keeps getting added. So, anytime that you see from the aero tooling part, it will continue to be executed in a four to six-month period. On the nuclear side, if we should say 12 to 18 months is something that we look on average basis. On the Hobel piece that we have also disclosed, you can say an overall 12-month visibility that we have given across.

Garvit Goyal: Understood. Regarding the pipeline, what kind of order inflows based on whatever the pipeline do you see right now? What kind of order inflows can we expect in FY27, sir?

Aakash Jaiswal: So, the order will keep getting in. What we want to put indicative direction is specifically the qualifications that we are running. In the previous financial year, assume we had done around close to 200 first articles, this year, the target is to double that as well. And if you see with that space, what we have tasted early successes is early during this calendar year, we started receiving some production orders. And this will materially keep developing in this current financial year.

Garvit Goyal: Got it. And lastly, on the newly acquired entity, I hope this quarter we have not consolidated any number from that, right?

Aakash Jaiswal: Quarter 4, we haven't, but it will likely come from Quarter 1 onwards.

Garvit Goyal: How much will we be having, sir, in Q1?

- Aakash Jaiswal:** Let's wait for the numbers to come out. We will be able to tell you in the upcoming quarters.
- Garvit Goyal:** I am asking this because you said Q1 will be better than Q4, right?
- Aakash Jaiswal:** Yes.
- Garvit Goyal:** This quarter we did around Rs. 80 Cr.- Rs. 85 Cr. And even if we are doing Rs. 90 Cr. and this company, I think having the annual revenue of Rs. 120 Cr. So, Rs. 30 Cr. consolidation is from the acquired entity only. So, if I exclude that, then we will be ending up doing Rs. 50 Cr.-Rs. 60 Cr. kind of number in Unimech, which is similar to the number that we did last year in Q1. So, where is the growth? That I am not able to understand.
- Aakash Jaiswal:** So, on a consolidated basis, I should say there will be a growth that will be coming in, but I will leave it to your judgment how do you want to capture the numbers? But for next quarter, you will definitely see an overall better improvement.
- Garvit Goyal:** Okay. Understood. Thank you and all the best for the future.
- Aakash Jaiswal:** One more thing to add on an independent basis also, if you look into the legacy business, it will see a better growth.
- Moderator:** Thank you. Next question is from the line of Nishita Shanklesha from Sapphire Capital. Please go ahead.
- Nishita Shanklesha:** Thank you for taking my questions. So, again, my question was on the revenue growth front. You mentioned that we will surpass Q1 FY27 revenue. So, can we take the Q4 FY26 revenue as a baseline going forward?
- Aakash Jaiswal:** I should say yes. We are expecting a healthy improvement over the Q4 performance in terms of revenue.
- Nishita Shanklesha:** On margins front, you mentioned that we should see H2 together rather than just looking at Q4 margin numbers. So, that gives us a margin, H2 margins are around 31% only. So, do we see better margins in FY27 or should we take that also as a baseline? Can we see the margins at around 35%-37% that we have seen previously?
- Aakash Jaiswal:** So, there will be an improvement in the margins also because the platform has strengthened, I should say. Giving an exact number right away will be a bit optimistic.
- Rajanikanth Balaraman:** So, we will have to also consider that Kanoo, for example, is just getting started on a consolidated basis. And that might actually have a pull down on the margin profile, not for Q1, Q2, but as a year whole. And some of the investments that we basically put in are just kind of materializing. So, I would say a similar margin profile as what you saw.

Nishita Shanklesha: Okay, understood. And just if you could give more color on the CAPEX that you are planning in Kanoo, what will be the total CAPEX amount and some more update on that?

Aakash Jaiswal: So, we are planning an overall \$30 million of joint investment in the Saudi JV, that is the Kanoo JV. Our share will be 51% out of it. Most of the investment will be towards the CAPEX and Infra buildup and that will be largely covered in the first three years, I should say.

Nishita Shanklesha: Okay. Understood. Thank you so much.

Moderator: Thank you. We will take our next question from the line of Sudhir K. from KH Financial. Please go ahead.

Sudhir K.: Hi, sir. Good morning. So, sir, my first question, as you mentioned that you don't provide the guidance, but I just want double confirmation on this. You said that your legacy business will have some growth in 1Q '26, right?

Aakash Jaiswal: We mentioned 1Q '27, it will see some growth. That's this quarter.

Sudhir K.: Okay. And then in 4Q, I think you guided for this Rs. 90 crores to Rs. 100 crores of revenue, but that number seems to have been missed. So, is there any specific reason for that shortfall?

Aakash Jaiswal: So, Sudhir, I just want to reiterate this. While the guidance that we issued last call was 90 to 100, and we actually achieved it. So, on a gross level basis, if you should see, it is a Rs. 257 crores of total revenue that we have achieved. There has to be some tariff-related concessions that we had to build in. Hence, on a net basis, it has come down to a Rs. 240 crores, which is Rs. 82 crores revenue for the quarter. Without the tariff concession, it would have been Rs. 96 crores- Rs. 97 crores of revenue for the quarter.

Sudhir K.: Got it. And secondly, sir, I just want to again understand your strategic rationale behind this Hobel acquisition. You said that our focus is mainly on the aerospace right now. But then this aerospace business is going to get some contribution after 3 to 4 years. So, their metallic bellows and this tubing, this appears to be different from our traditional aerospace tooling. So, what's the reason behind this acquisition, sir?

Rajanikanth Balaraman: Sudhir, good question. Firstly, we have two offerings. One is aero tooling, which is what is a significant part of the revenue and the second one is precision component and assembly and turnkey system. That's the second offering that we have. The Hobel properly aligns with the second part of the business. If you see the last few years, a lot of our investment has gone into the second offering and we see that, I mean, we are doing this, the rationale is because this is a much, much larger market. The precision component assembly and turnkey system is a much larger market and we think that that's a very important piece to add capabilities to.

Sudhir K.: Got it. And one more last thing, you know, with all this talk of India becoming a hub of global aerospace supply chain, where do you see Unimech fitting into that? I mean, do you think the domestic market can become meaningful revenue contributor over the next few years because right now I see almost 90% of our revenue is export? So, how do you see the domestic play?

Rajanikanth Balaraman: Okay. So, I mean, even in the medium, long term, unless there's a Boeing from India, there is going to be for aerospace largely export market because you have Boeing, Airbus, Embraer and the engine market, which is actually one of the biggest source of commercial aerospace revenue. And I don't see that changing unless there is a aero manufacturing coming out of India, airplane manufacturing coming out of India. So, from that perspective, there is going to be export only. However, from a defense perspective, you are right, there's potential for increase in the defense participation.

Sudhir K.: Got it. That's all from my side. Thank you very much, sir.

Moderator: Thank you. Next question is from the line of Namril from ValueQuest. Please go ahead.

Namril: Congratulations on a great set of results. My question is related to setting up of the free trade warehousing zone that we were trying to set up. Can you update us on where it stands today and what are the potential benefits of that?

Ramakrishna Kamojhala: Right. So, free trade warehouse, the setup is completed from all approval point of view. The final authority is the special economic zone authorities give the clearance and the ice gate, which is the shipping related documentation, that portal is in the last stage of enabling. Now, the next stage is like with this, the customers are going to maintain their inventory, which focus on non-US territory, predominantly supply from India to non-US territories. Now, in terms of tooling, yes, my tooling customers are very much interested, but there is also interest from other precision sector customers also. But yes, this strategy, which is basically risk-free and risk mitigation and the stickiness of customer is going to be good going forward once the free trade warehousing performance comes to the control.

Namril: Sure. Thank you. And just one more question from my side, although we have one tender related to EMCCR, are we expecting any traction from the new reactors front? And if there is any progress on that front from any EPC player or any other suppliers who want this equipment?

Ramakrishna Kamojhala: New project, nuclear, I think you are talking about Madhya Pradesh, I guess. So, I think that the tender is yet to be announced and my guess is this tender will go through, maybe that the top players like L&T, Mega, those kind of people will participate. And we always have an opportunity to participate through them.

Namril: Sure. Okay. Thank you.



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Moderator: Thank you. Ladies and gentlemen, we will take that as the last question for today. I now hand the conference back to the management for closing comments.

Anil Kumar Puttan: Thank you. Before we close, I would like to summarize our discussion and give an indication for the period ahead. FY26 tested the resilience of both our business model and strategic approach while external market conditions impacted short-term growth during the year, the period also accelerated several strategic initiatives that we believe will strengthen the business meaningfully for the long term. Today, we believe Unimech exits FY26 with stronger capabilities with wider offerings, deeper customer relationships, larger qualified opportunity pipelines, improved strategic positioning, and greater confidence in the long-term direction of the business. FY27, in our view, will increasingly become a year where these strategic investments begin translating more visibly to the operational and financial outcomes. Thank you.

Moderator: Thank you. On behalf of Anand Rathi Shares and Stock Brokers Limited, that concludes this conference. Thank you all for joining us today, and you may now disconnect your lines.