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Scrip Code: 540879

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Dear Sir,

Subject: Transcript of the Earnings Conference Call held on May 19, 2026 under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

Pursuant to Regulation 30, read with Part A of Schedule III, and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and further to our intimation dated May 14, 2026, regarding schedule of the Earnings Conference Call with investors, we wish to inform you that the conference call was held on Tuesday 19th May, 2026.

Transcript of the above-mentioned Earnings Conference Call is attached herewith and can also be accessed at: <https://apollo-micro.com>.

We request you to take the above on record.

For Apollo Micro Systems Limited

Karunakar Reddy Baddam
Managing Director
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“Apollo Micro Systems Limited
Q4 FY26 Earnings Conference Call”
May 19, 2026

MANAGEMENT: **MR. KARUNAKAR REDDY – MANAGING DIRECTOR –
APOLLO MICRO SYSTEMS LIMITED**
**MR. A. KRISHNA SAI KUMAR – WHOLE TIME
DIRECTOR - OPERATIONS – APOLLO MICRO SYSTEMS
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**MR. SUDARSHAN CHILUVERU – CHIEF FINANCIAL
OFFICER – APOLLO MICRO SYSTEMS LIMITED**

MODERATOR: **MR. PRITISH URUMKAR – ICICI SECURITIES**

Moderator: Ladies and gentlemen, good day, and welcome to Apollo Micro Systems Limited Q4 FY26 Earnings Conference Call, hosted by ICICI Securities Limited. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions, and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

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 this 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. Prithish Urumkar from ICICI Securities. Thank you and over to you, sir.

Prithish Urumkar: Thank you, operator. Good morning, everyone. I welcome you all to Apollo Micro Systems Q4 FY26 conference call. I would like to thank the management for giving us the opportunity to host the conference call. From the management team, we have Mr. Karunakar Reddy, Managing Director, Mr. Sai Kumar, Whole-Time Director, and Mr. Sudarshan Chiluveru, CFO.

Now, I hand over the call to the management for opening remarks. Thank you.

A. Krishna Sai Kumar: Good morning, everyone. Myself A. Krishna Sai Kumar, I'm the Director Operations, Apollo Micro Systems. Thank you all for being with us today. It's always a privilege to engage with our valued investors and provide updates on our performance, strategy, and future outlook.

I am pleased to share that we have delivered our highest ever quarterly and 12 months revenue marked by consistent execution, operational discipline, and a strong commitment to indigenization and the Atmanirbhar Bharat initiative. I trust, you have had the opportunity to review our financial results, shareholder letter, press release, tear sheet, and investor presentation.

The shareholder letter reflects the true thoughts from Apollo Micro Systems, which will help you understand where we are headed and our long-term direction. The press release provides a concise overview of our annual and quarterly financial performance.

The tear sheet offers a snapshot of who we are, what we do, our financial highlights, and a glimpse into Vision 2036. The investor presentation provides a comprehensive overview of our weapons, systems, and subsystems, explosive portfolio, financial performance, and strategic priorities. This marks our fourth interaction to conclude fiscal year 2026.

We are pleased to begin with a significant milestone that marks our continued growth and global progress. We are pleased to announce that an additional acquisition by our subsidiary Apollo Defence Industries Private Limited is expected to be completed before end of this financial year, which will significantly complement our organic growth and overall strengthen our business.

We are currently charting our Vision 2036 document, which will be unveiled soon and will outline our detailed strategy, key growth areas, and strategic direction for Apollo's growth over

the coming decade. A glimpse of Vision 2036 has already been shared with you through the shareholder letter and the tear sheet.

Our vision is to grow as a global OEM over the next 10 years with recognizable revenue streams across land, air, and sea domains, expanding our presence in Indian markets, while continuing to scale in global markets. Delivering valued products built with conviction and strengthening our R&D capabilities with the most advanced and futuristic technologies.

The four pillars of our vision are; first, becoming a global OEM made in India, transitioning from a tier 1 supplier of critical electronics to a recognizable global OEM in defense platforms where Apollo's name is on the platform itself, not only inside the electronic system, which forms part of a platform.

Second, building recognizable and diversified revenue streams across land, air, and sea so that no single platform, program, or customer defines the Apollo story. Third, deepening our presence in Indian defense procurement, while meaningfully expanding in global markets, converting our first export order into a sustained international revenue stream.

And fourth, driving conviction-led innovation, which has always been the backbone of Apollo Micro System, backed by futuristic R&D in radio frequency technologies, artificial intelligence, autonomous systems, and inertial navigation technologies.

We do make mistakes. Some bets will succeed, while others may require a course correction. What I commit to you on behalf of the entire team Apollo and the management and the Managing Director of Apollo is that, we will communicate with complete transparency through both success and setbacks without glossing over challenges or overstating achievements.

Let me now take you through our consolidated performance in last five years, full year that is 2026 and fourth quarter ended 31 March, 2026. Over the last five years, we have delivered strong compounded growth and operational performance. Between FY21 and FY26, our revenue grew from operations at CAGR of 30%, while EBITDA grew at a CAGR of 41% over the same period. Our bottom line significantly outpaced top-line growth registering a CAGR of 64%.

We also witnessed meaningful margin expansion during this period. EBITDA margin improved from 19% in FY21 to 24% in FY26, reflecting an expansion of 500 basis points. PAT margin expanded by 700 basis points increasing from 5% in FY21 to 12% in FY26.

The ROCE improved substantially from 10% in FY21 to 18% in FY26, demonstrating enhanced operational efficiency and capital productivity. Our working capital cycle has also seen a significant improvement reducing from 626 days in FY21 to 359 days in FY26.

Moving to our FY26 performance, during the last call, we had indicated an internal target of achieving a 15% PAT margin at the standalone level. We commit; we deliver. We close the year with the full year PAT margin of 16%. At consolidated level, our top-line of FY26 stood at INR904 crores, registering a strong year-on-year growth of 61%, compared to INR562 crores in FY25.

EBITDA excluding other income grew significantly by 69% to INR218 crores in FY26 as against INR129 crores in FY25. A similar growth trajectory was witnessed in PAT, which outpaced revenue growth and increased by 91% to INR107 crores in FY26, compared to INR56 crores in FY25.

FY26 has been a breakthrough year in Apollo's history marked by strong financial discipline and operational execution. During the year, ROCE and ROE stood at 18.23% and 11.21%, respectively. EBITDA margin expanded by 114 basis points to 24% in FY26, while PAT margin expanded by 185 basis points to 12% in FY26. We made the highest investment in R&D within the industry during FY26 with R&D expenditure amounting to 8% of revenue, which is around INR72 crores in absolute terms.

Notably, we recorded zero attrition within our R&D team during this year, reflecting the strength and stability of our talent base. In FY26, our focused and rigorous R&D efforts culminated in successful development of products such as Mini Torpedo, sensor suits for underwater autonomous vehicles, fiber optic gyro-based INS systems, and several other advanced solutions. We are also actively working on multiple critical and next-generation technologies and solutions that will strengthen our future capabilities and growth trajectory.

I would now like to draw your attention to some of the key highlights of FY26 that have laid a strong foundation for the years ahead, including a successful fundraise, greenfield expansion in Telangana, 100% acquisition of IDL Explosives, receipt of our first export order, a tripartite alliance with Indian Navy, IIT Chennai, and AMS, an MoU with GRSE. We also received an industrial license for TNT and RDX through our subsidiary company IDL Explosives.

We have received a DPIIT license covering UAVs, INS systems, radars, torpedoes, underwater mines, ATGM, decoys, chaffs and flares, aerial bombs, rockets, missiles, and loitering munition. This is a remarkable achievement, which are a lifetime license for the company, and which paves a way and a road for penetrating into a full-fledged platforms for the company, for the Indian markets as well as for the global markets.

And also we have received transfer of technology for directed energy weapons, including laser-based DEW and electro-optical tracking systems. I would like to now touch upon a quarterly performance. On a consolidated basis, Q4 FY26 marked our highest ever quarterly revenue, EBITDA and PAT performance.

Revenue surged by 81% year-on-year basis to INR293 crores, compared to INR162 crores in Q4 FY25, driven by robust execution of our order book and the successful transition of multiple products in production phase.

EBITDA also witnessed strong growth increasing by 88% to INR68 crores in FY26 Q4 and the PAT recorded an exceptional growth of 164% year-on-year, rising to INR37 crores as against INR14 crores in the corresponding quarter of the previous year. Our order book as of 31st March stood at INR1,432 crores on a consolidated basis providing strong visibility for future growth.

Our strength, Apollo heritage strength has been in the air and underwater domains including missiles, electronic warfare, avionics, torpedoes, sonars, and underwater mines. Our presence in

land systems has historically been limited, however, this is now changing in a deliberate and well-resourced manner.

FY26-'27 will mark our serious entry into key defense domains including armament electronics, fire control systems, and battle tanks, infantry combat vehicles, and artillery platforms, vehicle-mounted counter-drone systems with trials scheduled in the upcoming quarters.

We have done remarkable progress in development of our futuristic rocket programs, like, the BM-21 Grad rocket. As you all are aware that we have been a trusted partner and supplier for various programs in guidance and navigation systems, one such program is the Pinaka program and for many other programs.

We will also continue our role as the approved production partner for DRDO and you all are aware that we are already approved production partner for multi-influence ground mine and we are expecting to become a DCPD partner for other variants of mine of DRDO. India's MIGM, which is India's first indigenous naval mine of its class designated as Vighna developed under the DcPP with DRDO.

Each of these initiatives represents a strategic foothold together forming the foundation for long-term compounding growth over the coming decade. In the Air domain, our focus areas include unmanned systems, loitering munition, rail platforms, and counter-drones. Our commitment to emerging technologies spans three core areas; RF systems, artificial intelligence, and inertial navigation systems.

In RF, we are developing various RF sensors, like, RF tracking and direction-finding system, and various other electronic warfare sensors, advanced communication suits, the neutral backbone of modern combat platforms.

In Artificial Intelligence, we are building embedded AI for sensor fusion for autonomous vehicles and underwater autonomous systems, and also for various battlefield applications and also for the various direction-finding applications.

We have done a good progress in this concluded financial year in developing inertial navigation system based on fiber optic gyros, and we would be unveiling the products soon and we will update our investors from time to time. These commitments underscore our continued operational excellence and reaffirm the strength of our growth trajectory into FY36.

We have evolved from being a subsystem and systems manufacturer to establishing ourselves as a full-fledged weapon system manufacturer, a significant milestone in our journey of growth and technological excellence.

Building on 41 years of technological excellence, we are poised to evolve into a multi-disciplinary defense system powerhouse to drive next-generation innovation. Our vision is bold, built on strong fundamentals and an unwavering commitment in creating value for our stakeholders.

Thank you for your continued trust and support. We now look forward to addressing your questions.

Moderator: Thank you very much. We will now begin with the question-and-answer session. The first question is from the line of Amit Dixit from Goldman Sachs. Please go ahead.

Amit Dixit: Yes, hi, good morning, everyone, and thanks for the opportunity. Congratulations for a very good set of numbers and a very informative presentation uploaded on the exchanges. A couple of questions from my end.

The first one is essentially, if I look at the revenue growth, very impressive. Order book is around INR1,430-odd crores. Now my question is more on near-term scenario. What, kind of, order inflows we expect in FY27 and '28 let us say, because if we don't get substantial order inflows then this superlative revenue growth might not be sustained. So, just want to get your thoughts on that, the order inflows that you expect for FY27-'28? That is the first question.

A. Krishna Sai Kumar: Can, you continue with all your questions? I will answer it at once.

Amit Dixit: Okay. The second one is essentially on FY36 Vision. I mean, thanks for articulating it in the letter to shareholders. Just want to understand the key tenets of that FY36 Vision. I mean, while you have explained in terms of products where you want to be, the multi-disciplinary company, but if you have any financial parameters handy, if you can articulate them that would be wonderful?

A. Krishna Sai Kumar: Yes. So, I will go ahead with the first question. So primarily, we are expecting a large ticket projects, which we have been quite vocal about for last one year. And the time has come, and the clocking of these large ticket orders are due to come, and anytime in this financial year we would be getting and our order book size also will cumulatively increase both on standalone, as well as on a consolidated basis. So that is something that I would like to understand.

We will continue to grow at a similar rate, in this particular financial year and the subsequent financial year backed by the size of the order book that we are going to have. The order book size will increase significantly as we have been telling, and that something, which is going to happen in this financial year. That's something, which I want to tell.

Regarding the FY36, we just wanted to give a glimpse of what we are trying to do. The more nitty-gritties of that, we will come back to all our investors and we will be start being more vocal about it and how the numbers will culminate and all from time to time. But at this point of time where we are heading, we just want to give a course for you to understand, what's the vision that we have down the line.

Amit Dixit: Okay, sir, great. That's helpful. Thank you.

Moderator: Thank you. Next question is from the line of Abhijeet Singh from Systematix Group. Please go ahead.

Abhijeet Singh: Sir, thank you for the opportunity and good to see such great results. Sir, I want to understand what is our product and offering in the air defense systems that are going to come up, like, QRSAMs and Kusha. So, what is our capability and products and offerings going into these air defense systems? That is my first question.

Second question sir, where are we on the development of the RF seeker in the BrahMos, and do we also supply some other subsystems, modules for BrahMos other than our development initiative on seekers?

A. Krishna Sai Kumar: Okay. So, if you remember, in the previous con-call our Managing Director, he has already informed to investors that we have started the RF seeker development for a couple of programs. And the programs are -- these are our internal R&D programs and we are investing heavily on that, and we are setting up a specialized RF seeker testing facility in our upcoming unit in Hardware Park. So, this is about the RF seeker.

And regarding our presence in QRSAMs, Kusha, and other things, these are too nitty-gritty questions, and I would not like to take on a con-call, but I would like to tell that we have a good and decent presence in both Kusha program as well as in the QRSAM program. Various systems like the SAMs, the actuators and other systems are part of these programs actually. So, as of now I just would like to make it up to this.

Abhijeet Singh: Okay, sir. Thank you. Thank you so much.

Moderator: Thank you. Next question is from the line of Gaurav Shah from Nitya Capital. Please go ahead.

Gaurav Shah: Good morning, sir. Congratulations for a very good set of numbers. I have two set of questions. One, is wanted to check on what is status of the Unit 3, which was under construction?

Second one is on, wanted to know your thoughts on the large inventory and trade receivables that we have on our books, and how do we see it coming down vis-à-vis the total revenue going forward?

A. Krishna Sai Kumar: So, Unit 3 civil work is already complete for phase one. So, phase two civil work is still taking place. Some of the machinery, which we have ordered, we have already received those machinery and installation process going on. MEP, electrical and other facade works are going on in phase one. So we will be taking the position of the premises phase-wise, and subsequently we will be shifting the machinery, which is presently in the Unit 1 to Unit 3 on stage-by-stage basis, okay.

And regarding the inventory holding days, there is an improvement in this financial year and this is something, which is going to be in the subsequent financial years as well. As you all know that the predominant business that gets recorded are development orders actually, and we are expecting the decently good production orders on in this financial year, as well as in the subsequent financial year.

Most of the programs have got matured, and lot of other larger players have already started receiving orders. As we have been predominantly a subsystem and a supplier to various platform

integrators, we are likely to get a large production orders. As and when these production orders keep hitting, and then the revenue starts recognizing, I think the inventory levels will slowly come down.

But vis-à-vis the revenue size will also parallelly grow as the number of programs are increasing, obviously, the inventory will also keep growing, because in the gestation cycles of this raw material and the production and testing cycles of these defense systems are very highly elongated actually, which is common amongst this industry. So, there's nothing, I mean, to say, a factor that has to be looked down about the inventory and the sizes of it.

As the business keeps growing, the levels will also keep growing, but as the scale of operations will increase, you will definitely see a decent improvement in the holding periods, because all the test facilities, which we have been outsourcing for last several years, we are setting up all the test facilities, so that is something that will contribute to the overall holding periods. That's what you will see a visibility in few quarters down the line.

Gaurav Shah: Okay. Thank you, sir.

Moderator: Thank you. Next question is from the line of Darshil Jhaveri from Crown Capital. Please go ahead. Darshil Jhaveri?

Darshil Jhaveri: Hello? Hello?

Moderator: Yes, go ahead.

Darshil Jhaveri: Hello? Can you hear me?

Moderator: Yes, go ahead.

Darshil Jhaveri: Yes, hi sir, hi sir. Firstly sir, congratulations on a great performance, and a great presentation sir. Sir, just wanted to understand, sorry, there was a network issue for me, so I couldn't hear the previous comments. So, in terms of IDL, what is the revenue expectations that we have in this year and going forward, and what utilization and margins is it operating on currently sir?

A. Krishna Sai Kumar: IDL last year performance stood at around INR380 crores, little less than INR380 crores. So, it will continue to maintain a similar level of performance. So, this is primarily a huge shift of management, which have been there for decades. Now, our outlook towards IDL is totally different.

As of now I'm not able to give any guidance on IDL. It's presently undergoing a transformation phase. In next couple of quarters, we are taking a lot of initiatives in last one, one and a half quarter, and in next couple of quarters more initiatives will be taken. I think we will be quite vocal about IDL's revenue guidance and other things from Q3 onwards.

Darshil Jhaveri: Okay, okay. Fair enough sir. So, but currently at INR380 crores, is it profitable or how do you feel sir right now? If you could just give a broad range in terms of the potential margins that can it come to the consolidated margins that we're doing right now, or is it nearby? How are we planning to make it EPS accretive?

A. Krishna Sai Kumar: For last few years, IDL was loss making, but there's the huge transformation as I already told you that we have started by taking up the initiatives, and the operational loss, we have reduced significantly at both EBITDA levels and at different levels of the balance sheet. Going forward, you will see a huge improvement in that. But as of now, it's undergoing transformation, and one after the other we are able to do that.

Moderator: Thank you. Darshil, I'll request to come back for a follow-up question. Next question is from the line of Ronak Singhvi from NAFA Asset Managers. Please go ahead.

Ronak Singhvi: Hello?

Moderator: Go ahead sir.

Ronak Singhvi: Yes. Thank you for taking my question. I would want to know specific things about in the slide number 101, you have mentioned state-owned defense public sector units have recorded 42% surge in exports, reaching out INR8,389 crore. A large part of these two are from explosives as part of ammunition, particularly for artillery. So, which is big demand in Europe. So, are you looking into that venture as well?

A. Krishna Sai Kumar: Yes, yes. We will be going heavily on ammo's and artillery side. We have already started getting orders to that extent. Very shortly we are going to get a [inaudible 0:27:25] ammunition order as well. So, as and when we keep getting, we'll definitely announce you. But this is the one area, which we would expand in continuously.

Explosive portion will be supported by our explosive subsidiary IDL Explosives, and the rest of the hardware, and wherever the intelligence is required, this is all done by the parent company, Apollo.

Ronak Singhvi: So, this will be filled artillery shells, not only the empty shells. Am I right?

A. Krishna Sai Kumar: Yes, yes.

Ronak Singhvi: Thank you.

Moderator: Thank you. Next question is from the line of Prateek Bagadia, Individual Investor. Please go ahead.

Prateek Bagadia: Yes hi sir. First of all, thanks for giving me this opportunity and congrats for a great set of numbers. So, I have two specific questions. First, I wanted to understand that you have mentioned that around management has participated in around 150 plus indigenous programs and around 700 plus onboarded technologies. So, can you throw some light as to currently at what stage are they? Are they in the serial production stage or still in the development or prototype stage?

A. Krishna Sai Kumar: No, that will be a very exhaustive question Bagadia ji. So, -- but I will just give a touch base on it that, you know, some of the programs are in development phase, some of them are in serial production phase, some of them are in, you know, trials phase like that actually, okay.

So but you know, detailing of each program and all over the call, you know, it's very sensitive also to, you know, discuss, but you know, these are at a various phase levels which are spanning around the missile programs, the naval programs, the air defense programs, the land systems programs and all, all put together.

Prateek Bagadia: So, are we expecting any revenue contribution from them in the coming few quarters?

A. Krishna Sai Kumar: Yes, yes, obviously. Any indigenous missile program which is going for production which you hearsay, you know, through the news, social media or, you know, the defense news or any other, you know, media, you know, all those programs we will be having our, you know, equipment going in it actually. That's a uniqueness of Apollo that, you know, we have a presence across every indigenous missile program of the country. So that's how I can term ourselves as.

Prateek Bagadia: Okay, thank you. And my second question is with respect to the promoter pledge part, I remember last year when we discussed the idea was to bring it down completely to zero in FY2026, but as I can check it is still around 39%. So, can you give us a roadmap as to what does the management see?

A. Krishna Sai Kumar: Immediately roadmap I cannot tell but in the last, you know, call, you know, we said that, you know, in the upcoming financial year, we are going to come out of this and we stand by that actually, which is this financial year.

Moderator: Thank you. Prateek, I'll request to come back for a follow-up question. Next question is from the line of Ayush Agarwal from MAPL Value Investing Fund. Please go ahead.

Ayush Agarwal: Yes, hi sir. Good morning. Thanks for the opportunity. My questions are pertaining to the subsidiary IDL Explosives. I want to understand more on the TNT and HMX side. First question is, you know, if you can tell us why are we going with a smaller expansion not a larger one? What is the particular expansion like capex size we are doing in TNT and HMX? I understand it's 500 tons for TNT and 50 tons for HMX, but like, you know, what capital will be used for that and why not a larger capex for these two products?

A. Krishna Sai Kumar: So Ayush, primarily the TNT and HMX licenses which we have obtained are the -- our industrial explosive requirements actually, okay. The capacities are not limited to that. For higher capacities for the defense explosive requirements, you know -- and you know, we would be doing a very large expansion.

So, the DPRs are have -- are getting ready and as and when, you know, we feel it to be, you know, necessary that, you know, it has to be opened in the market, you know, we will keep, you know, disclosing, keeping in view of the sensitivity of the area that we are working to the investors from time-to-time.

Ayush Agarwal: Understand. One more question on these products is, you know, what would be the global demand in your opinion for TNT and what is the supply situation against it? Are there a lot of, you know, plants coming up outside of India to cater to this global demand and can we see prices coming down that have gone up in the last two, three years?

A. Krishna Sai Kumar: Globally, the conflicts have been boiling at a highest peak level in last six years. You know, there's a huge depletion of stocks across the world in different various countries. And keeping in view of the ESG and other, you know, issues, you know, the lot of plants which are unoperational for several decades in many countries. So this brings a lot of opportunity for the explosive companies both in India as well as across the world actually.

So, the idea behind we, you know, getting into explosive was one that, you know, we wanted to get into full-fledged platforms now that we have a lot of experience that we have put up and some of which we have already demonstrated and we have been qualified in some of the cases, you know, we have been qualified as a production partner as part of the DRDO program.

Some of the programs we are directly developing ourselves with the indigenous, you know, R&D and captive internal, you know, R&D investments and some of the areas, we have directly taken orders from Army and Navy based on some something which we are developing. So, both as a captive requirement is one such thing we are going to do. Now that, you know, we're going to, you know, build up the facilities for our captive requirement, we'll also be serving for the other markets as well.

Moderator: Thank you. Ayush, I'll request to come back for a follow-up question. Next question is from the line of Amit Kumar from HDFC Securities. Please go ahead.

Amit Kumar: Hello. Good afternoon sir. Congratulations for a great set of numbers. I hope I'm audible.

A. Krishna Sai Kumar: Yes, very much.

Amit Kumar: Yes. So, congrats sir for great set of numbers and lot of licenses from Government of India. So, my only question is we can see lot of potential from these new licenses, missiles, ATGMs, torpedoes, mines, aerial bombs, etc. So can you please take two minutes to explain that how much is the revenue potential from each of these? I mean, I'm not, I mean, holding off for a specific number, but at least the guidelines and what could be the timelines for these materializing would be of great help?

A. Krishna Sai Kumar: All variants of mine we have -- you know, two variants of mine, one shallow, one deep water. And, you know, we have two variants of mine which are limpet mines and diver carried mines. All these -- only these variants of mine alone would be a cumulative, you know, a market, you know, in very immediate market size of something like INR4,000 crores to INR4,500 odd crores, you know, that that we are expecting, which -- out of which some of the, you know, orders, you know, which we will be getting in this financial year, some maybe next-next after financial year on a continual basis.

We also have some opportunities, you know, overseas, you know, we have started submitting our offers. So just to give a glimpse of one area. So aerial bombs or dumb bombs primarily, this also very sizable market. We are trying to, you know, reduce the cost of, you know, the production of it and something the trials have already been successful -- successfully. This is some -- this is something which we are working with DRDO.

Like that there are many other opportunities, you know, it will be too exhaustive, you know, to take up in this call, but you know, the addressable market opportunity for the licenses that we have got is pretty large as a TAM. Out of which where we are qualified, that itself runs into a, you know, decently very large numbers.

Amit Kumar: Okay. So, I mean, if you can squeeze in. So, I mean, considering all of these products, can we see a visibility for at least next five years at the current pace of growth?

A. Krishna Sai Kumar: That's something which I have already told in my speech itself that, you know, we will continue to grow at the same pace or an accelerated pace in the years coming ahead and including this financial year.

Amit Kumar: Okay. Thank you sir.

Moderator: Thank you. Next question is from the line of Aryan Singh from Hem Securities. Please go ahead.

Aryan Singh: Congratulations sir on great set of numbers. My first question is regarding composition of the order book.

A. Krishna Sai Kumar: Composition of order book we have never given, you know, I would like to refrain from the questions and I want to take it offline.

Aryan Singh: Okay sir. My second question is like what are going to be the best products which are going to contribute most of our revenue in the coming years?

A. Krishna Sai Kumar: No, it's not like that, you know, what products are going to contribute to revenue. You know, this is -- primarily there are two aspects of it. One, you know, predominantly our business has been coming through the DRDO which are development programs and through the system integrators, you know, where whoever has been, you know, awarded the, you know, integration of a larger platform, okay.

So, you know, it all depends on, you know, which systems or which platforms are getting into production phase in various years. So, it could be a very tricky question to answer, you know, as and when there is an order book, then I will be able to tell that this is happening.

But over next period of, you know, few years, you know, how that will culminate is something -- but please keep a watch on various weapon programs that are getting into production and the announcements that are given by the government or various system integrators including the defense PSUs and the private system integrators who have got orders and, you know, which are getting into production, in all of those programs we will be, you know, having our, you know, presence.

Aryan Singh: Okay. Thank you sir.

Moderator: Thank you. Next question is from the line of Kavish Parekh from 360 ONE Capital. Please go ahead.

Kavish Parekh: Hi team, thanks for the opportunity. My question pertains to the current global supply chain environment. Are you witnessing any disruption in the availability of key supplies of critical components at this point? And could you also highlight the countries or regions from which you source these critical inputs? And if there is any potential impact that you see on your production timelines or costs or overall operations if these situations persist?

A. Krishna Sai Kumar: Nothing -- see, see, this geopolitical issues and -- are something, you know, which are not new or something which are based on the current conflict or something, this has been there since time immemorial, okay.

So, but, you know, as far as the, you know, performance point of view is concerned, you know, whether there will be a significant dent or not, you know, in the years to come, that's something that, you know, is very tough to answer actually.

But there could be always a timing issue because of the various, you know, operational conditions which are running across the globe. As the day stands, you know, the very immediate, what you call, global issue which we have faced with Corona and at that time there was a supply chain disruption.

Then there was a reset of, you know, how to work in this particular type of environment of giving a guidance of, you know, what material at what point of time, you know, has to be, you know, procured. So, that's how we used to give our, you know, guidance to our, you know, OEMs and suppliers of the various semiconductors which are our primary raw material. Accordingly, you know, we were procuring, okay.

The similar reset will keep happening as, you know, as and when any such, you know, global events happen. But I think very immediate effect of, you know, and denting of the, you know, overall performance, you know, is something, you know, I don't contemplate. But the timing of the, you know, revenue recognitions may shift by a quarter or so in -- I mean to say I'm not specifically talking about me as such, you know, as an industry also actually.

But broadly per se if you have to ask me is as of now there's nothing very significant, you know, that I could see. Everything is normal. As I'm speaking to you, now I'm in Middle East, you know, everything is good to go here, you know, everything is normal. So I don't think any issue should be there.

Kavish Parekh: Great sir, great. Good to know that. Thank you so much. That was my question.

Moderator: Thank you. Next question is from the line of Vivek Gautam from GS Investments. Please go ahead.

Vivek Gautam: Yes. Sir, congratulations on good set of number and what I especially liked was the letter written by you, it was a very heartfelt letter and very sincere. And actually we have just started tracking the company, so basically if you would don't mind if you can repeat the -- basically the expected growth rate for our company, opportunity size for us in India under Atmanirbhar as an export? And the differentiator for our company -- and are there any products where we are making sort

of a monopoly sort of competition intensity is quite less sir? So that is -- these are my question sir?

A. Krishna Sai Kumar: Sir, if I say that, you know, I am doing and having a monopoly over certain things, you know, then it becomes quite controversial. So, I would not like to, you know, term anything like that. But definitely we have a uniqueness, you know, in terms of certain products where we are the only company who got qualified in certain areas. And in certain areas where, you know, we are the only, you know, qualified, you know, company who is a full-fledged developer with all-round, you know, IP available with us including the explosive portion of it.

Although there are, you know, competition, you know, in fray in certain areas where they end up to be only a system integrators or a production partners actually. So, it's a variable listing. But there's nothing like a monopolization may not be the right word, but we have a unique standing point where we have the ability to re-engineer and develop and advanced systems and technologies by virtue of holding the IP with us, which is a key differentiator compared to many other peer players of that specific technology or of that particular area of where we are working. That's how, you know, I would like to, you know, professionally term it as.

Vivek Gautam: Yes. And coming to the opportunity size in exports also and also the fact that the last budget -- if I'm not wrong, last financial year was the first year by Government of India where the 100% defense -- allocated defense budget was used. And I believe the dynamic Defence Secretary Mr. Singh is doing a great work over there. So, what is the expected growth rate for us in the company and the sector in India as well as in the export?

A. Krishna Sai Kumar: Definitely a dream come true and definitely a beautiful achievement by, you know, Ministry of Defence, Government of India. I personally congratulate, you know, for all the stakeholders who have contributed in achieving that and unfortunately I could not be a part of, you know, that achievement which I definitely regret on my part.

But we are very strong in our conviction that, you know, our exports in going forward will start inching to grow and subsequently will start escalating on a, you know, higher scales for which, you know, all the requisite initiatives we have started taking up. The audits by some of our -- the customers of interest, you know, who are interested to work with us and place orders which are export opportunities, you know, the audits have already started actually.

And we are just, you know, expecting our new facility to get ready so that, you know, we can firmly and strongly take up the opportunities because once we commit, you know, we have to deliver them on time, that's something which will be very important.

And now that the portfolio of the, you know, explosives also will be growing in the next few quarters for us, this is something a larger opportunity we would be eyeing. We already -- as I already told to other, you know, investor in the con call, we already started, you know, submitting our offers for various export opportunities and in the years ahead, we will be having some meaningfully good decent amount of share in the export, you know, size which the, you know, which is being -- I mean to say -- I mean to say recorded as an export from the country.

- Vivek Gautam:** And there was one large order from Navy for I believe mines or something, torpedo something, they...
- A. Krishna Sai Kumar:** Yes, yes. We are expecting any moment -- we are expecting it any moment, any moment we should be getting this approval from the Ministry of Defence...
- Moderator:** Sir, sorry to interrupt you. Your audio is not clear.
- A. Krishna Sai Kumar:** So, we are expecting the DAC approval any moment. As and when we receive, we'll definitely keep you posted, but this is something which is going to happen very shortly.
- Vivek Gautam:** Yes, wonderful to hear sir and with government also intent on spending the full defence budget allocated, good times are there for us sir. Thank you very much sir.
- Moderator:** Thank you. Next question is from the line of Raj Rishi from DCPL. Please go ahead.
- Raj Rishi:** Yes hi sir. Mr. R.K. Singh, the Defence Secretary recently said in the CII summit that the private sector might be involved in this ballistic missile production. So, how do you see yourself if this happens?
- A. Krishna Sai Kumar:** It's fantastic if someone is taking the opportunity then, you know, I should be a key contributor because I have a lot of build blocks already available with me. But presently that's not something that we are eyeing by ourselves.
- Raj Rishi:** Okay. But it will expand the opportunity size for you, right?
- A. Krishna Sai Kumar:** It will definitely expand the opportunity size. You know, we have some interest coming from few players, you know, who are eyeing as a very large programs. We would be, you know, more than happy to work in a collaborative mode. This is definitely an era of collaboration. You know, we are open for opportunities wherever and whoever company would like to collaborate along with us and utilize the length and breadth of the experience and the IP build blocks that we have built over a past last 40 years and it would be lovely working, you know, together on a consortium basis. That's how I would comment as of now.
- Raj Rishi:** And sir this government proposed R&D fund of INR1 lakh crores, how do you see yourself being affected by that positively or otherwise?
- A. Krishna Sai Kumar:** I'm not seriously put any thought on that, you know, as of now. I have no comments on it.
- Moderator:** Thank you. Raj, I'll request to come back for a follow-up question. Participants, I'll request you to limit yourself to one question per participant. Next question is from the line of Shreyansh from SJ Securities. Please go ahead.
- Shreyansh:** Hi, good morning sir. I had a couple of questions. So, first one was on the acquisition that we have, you know, I think we've been talking of that RF acquisition. So if you could give some more details on where, you know, which line of -- which area we have that acquisition and like quantum and what kind -- like how do we intend to fund that, some more details around that. I know you said it's going to close this year but where are we with that?

A. Krishna Sai Kumar: As of now I'm bound by NDA, I'll not be able to divulge any much detail. In next few I mean to say, you know, before end of this quarter, you'll start getting to hear, you know, more significant news which we have been vocal during the last quarter con call as well. So that had got little delayed, you know, owing to the global conflicts and, you know, the various processes internally that, you know, we were contemplating couldn't happen. But as things get, you know -- progress little more, you know, we will be more vocal and I will keep you posted.

Moderator: Thank you. Next question is from the line of Ankur Kumar from Alpha Capital. Please go ahead.

Ankur Kumar: Hello sir, thank you for taking my question. Sir, I wanted to understand on this order book of INR1,430-odd crores, how much of this we expect to execute in this year?

A. Krishna Sai Kumar: It's a tricky question, you know, we have, you know, few upcoming orders as well, you know, some of the orders, you know, will be executed in this financial year, some will spill over to the next financial year. But we have some more few orders expected in this financial year, you know, which will up to the momentum growth that we have been demonstrating. That's how I can say.

Ankur Kumar: For this year what is -- what should be our estimate on revenue and margin sir?

A. Krishna Sai Kumar: We'll continue to grow at similar pace.

Moderator: Thank you. Ankur, I'll request to come back. Next question is from the line of Ankush Agarwal from Surge Capital. Please go ahead.

Ankush Agarwal: Hi, thank you for taking my question. So, firstly, if I look at our standalone which is the organic growth for the year has been around 36% in terms of revenues versus I think the earlier guidance sort of was 45% to 50% sort of CAGR. So, just wanted your

A. Krishna Sai Kumar: Ankur, getting disturbed, can you be a little slower?

Ankush Agarwal: Yes. So, the question is that our guidance for the organic growth was about 45% to 50% in terms of revenues. The standalone revenue growth for this year has been around 36%, so slightly lower than that. So just wanted your thoughts on that and like going ahead, do we continue to maintain that 45% to 50% CAGR organic growth guidance or are we sort of changing it given that say some of the bigger orders that we were expecting last year didn't materialize?

A. Krishna Sai Kumar: Certain projects which we expected to be, you know, executed in the last quarter of, you know, previous financial year, that couldn't happen because of the certain approvals, you know, which got pending actually from our customer, okay, which was still lying. That's how the holding, you know, inventory is all about actually. That's something that we would be getting eventually, you know, the generally these are all timing based on the various approvals that we get from time to time.

It's fully restricted actually. So, that's how, you know, we couldn't meet that, you know, 8%, 9% of guidance, you know, we have just got missed. But we will bounce back and, you know, we will continue to maintain similar momentum.

Moderator: Thank you. Next question is from the line of Rahil Dasani from Mittal Analytics. Please go ahead.

Rahil Dasani: Yes, hi, I'm audible?

A. Krishna Sai Kumar: Yes sir.

Rahil Dasani: Yes, I have two quick questions regarding IDL Explosives. First of all, how easy is it to get into this into the defense explosive customers and utilize the new capacity, especially IDL having an industrial explosive supplier tag?

And secondly, what margins are possible in TNT and HMX? Because as we know Ideal is currently loss making and maybe this expansion and new products change that, otherwise Apollo's standalone numbers will dilute. These two questions, yes.

A. Krishna Sai Kumar: Good question, you know, the second part of it. I will tell you see the on an averaging when it goes for a console then definitely there will be a dent owing to the, you know, presently negative EBITDA of IDL. But the as I already told that, you know, it's undergoing a transformation phase which is purely temporary and, you know, this is something which will start getting bounce back in next few quarters down the line. Regarding the, you know, exact margins, you know, kind of a guidance that I will start doing from Q3 onwards which I have already told actually.

Regarding your first question, you know, whether this, you know, the new market, you know, which is, you know, the defense explosive thing, we are already part of a defense explosive market. The various systems that we are supplying already, you know, are filled with it and where we are actually outsourcing it. This is something that we would continue to do with our captive systems actually.

So, we have been part of the defense ecosystem, we have been part of the defense technology ecosystem which is DRDO. So, I don't think there is any challenge with us, you know, for us rather, you know, to penetrate much deeper into the market. The size of the market is pretty large and the size of the industry players, you know, which is presently supplying for it is pretty small. So I think, you know, we definitely have a very large opportunity owing to both captive requirement and also for the requirements of the country.

Moderator: Thank you. Ladies and gentlemen, we'll take that as a last question. I'll now hand the conference over to the management for closing comments.

A. Krishna Sai Kumar: Yes, thanks. So we extend our sincere gratitude to the Ministry of Defence and Government of India for their continued trust in the Indian defense manufacturing ecosystem. Their confidence reflected through substantial investments is a strong endorsement of our nation's industrial capabilities and innovation potential.

We remain steadfast in our commitment to delivering advanced solutions that bolster operational readiness and strengthen national security. It is an honor to serve the nation and we stand fully prepared to support our armed forces under all circumstances.

I, joined by our MD and CFO, extend our heartfelt thanks to all our esteemed investors and analysts for being with us today. Your continued trust and partnership mean the world to us. Your participation and feedback are invaluable to us. We remain committed to enhancing our performance and driving sustained growth. We look forward to welcoming you to our facilities where you will have the opportunity to observe our operations and initiatives at the ground level.

Should you have any further questions or wish to share your thoughts, please reach out to Investor Relations or write to us at investor.relations@apollo-micro.com. Thank you once again for your time and trust. We look forward to reconnecting with you during our Q1 update. Wishing you all a great day ahead. Jai Hind.

Moderator:

Thank you very much. On behalf of ICICI Securities, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.