Date: 10th August 2026

BSE Limited,	National Stock Exchange of India Ltd.,
Department of Corporate Services Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	Listing Department Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051

Scrip Code: 540879 **Symbol: APOLLO** **ISIN: INE713T01028**

Dear Sirs,

Subject: Transcript of the Earnings Conference Call held on 8th August, 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 4th August, 2026, regarding schedule of the Earnings Conference Call with investors, we wish to inform you that the conference call was held on Saturday 8th August, 2026.

Transcript of the above-mentioned Earnings Conference Call is attached herewith and can also be accessed at: https://apollo-micro.com/transcripts-of-post-earnings-conference-calls.html

Thanking you,

Yours faithfully,
For Apollo Micro Systems Limited

BADDAM KARUNAKAR REDDY
Digitally signed by BADDAM KARUNAKAR REDDY
Date: 2026.08.10 22:24:52 +05'30'

Karunakar Reddy Baddam
Managing Director
DIN: 00790139

“Apollo Micro Systems Limited

Q1 FY27 Earnings Conference Call”

August 08, 2026

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

MODERATOR: MR. VIKASH SINGH – ICICI SECURITIES

Moderator: Ladies and gentlemen, good day and welcome to Apollo Micro Systems Q1 FY27 Earnings Conference Call hosted by ICICI Securities Limited. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Vikash Singh with ICICI Securities Limited. Thank you, and over to you, sir.

Vikash Singh: Thank you. Good evening, everyone. A warm welcome to Q1 FY27 Apollo Micro Systems Results. Thank you for joining on this Saturday. Before we start the call, I just like to give a short disclaimer regarding the forward-looking statements, which are completely based on our belief, opinion, and expectation of the management.

These statements should not guarantee as a future performance because it involves many unforeseen risks and uncertainties. From the ICICI Securities, we like to also thank management for giving us the opportunity to host them. From the management side, we have with us Karunakar Reddy, Managing Director; Mr. Krishna Sai Kumar Addepalli, Whole-Time Director - Operations; and Mr. Sudarshan Chiluveru, CFO.

Without taking any more time, I'll hand over to the management for their opening remarks. Over to you, sir.

A. Krishna Sai Kumar: Thank you so much, ICICI Securities, and also to all our shareholders. Good evening, everyone. Thank you 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'm pleased to share that we have closed the best June quarter in our history, delivering highest standalone revenue of INR156 crores, EBITDA other income of around INR48 crores, PAT of INR28 crores, along with highest ever EBITDA and PAT margins of 31% and 18% respectively.

These results reflect the strength of our execution, the discipline of our operations, and our continued focus on indigenization and building an Atmanirbhar Bharat. We are encouraged by this momentum and remain firmly focused on delivering sustainable growth and long-term value.

I trust you have had the opportunity to review our financial results, shareholder letter, press release, tear sheet, and investor presentation. This marks our first interaction of fiscal year 2027. We begin the year with a milestone that reinforces our commitment to innovation, technology leadership, and shared growth.

We have entered into a definitive agreement to acquire 41.33% promoter stake in Premier Explosives Limited for approximately INR1,550 crores through an all-cash transaction, marking a significant step in strengthening our presence across the defence manufacturing ecosystem.

With this acquisition, we have a presence across the entire missile and guided weapon value chain. Another significant milestone was the successful handover of our indigenously designed and developed Safety and Detonation Device to the Indian Navy, marking an important step in translating our in-house technology into operational defence capability.

With 100% indigenous content, the SDD strengthens our potential across MRO and future weapon and missile programs while offering significant cost savings and reducing import dependence. We are also making meaningful progress in autonomous underwater capabilities. We have received a Make-II prototype sanction order from Indian Navy for the development of SAVIOR Anti-Submarine Warfare system, our semi-submersible autonomous vessel designed for intelligence operations and reconnaissance.

The program strengthens our position in autonomous maritime system and opens the door to next-generation capabilities in underwater surveillance, intelligence, and anti-submarine warfare.

Finally, we are also encouraged by the Indian Air Force as a prime development agency for IPREC program under the Make-II category of DPP 2020. We see this as a strong recognition of our indigenous design and development capability and an important opportunity to contribute to the advanced precision capabilities for the Indian Air Force.

This system is primarily a conversion system of a dumb bomb into a precision range extension as well as a precision, guided bomb. Taken together, these developments demonstrate the growing breadth of our capabilities across the Indian Air Force, Navy, with a strong entry into autonomous technology under Make-II category.

As we expand into indigenous product development, autonomous systems, and precision defence technologies, we are building a broader technological portfolio that enables us to serve a larger role in India's journey towards a stronger and more self-reliant defence ecosystem. Before moving to our Q1 FY27 performance, I would like to highlight that in the defence industry, year-on-year performance is a more meaningful measure than quarter-on-quarter performance.

Given the long procurement cycles and milestone-based execution of defence contracts, revenue recognition can be uneven across quarters. Therefore, quarterly fluctuations should be viewed in context and may not necessarily reflect the underlying business momentum. At a consolidated level, our topline for Q1 FY27 stood at INR251 crores, registering a strong year-on-year growth of 88% compared to INR134 crores in Q1 FY26.

EBITDA, excluding other income, grew significantly by 31% to INR54 crores in Q1 FY27, as against INR41 crores in FY26 first quarter. A similar growth trajectory was reflected in PAT, which increased by 43% to INR25 crores in Q1 FY27 compared to INR18 crores in Q1 FY26. At the standalone level, we delivered 17% Y-o-Y growth in revenue, reaching INR156 crores in Q1 FY27, compared to INR134 crores in Q1 FY26.

PAT outpaced topline, increased by 43% to INR28 crores compared with INR19 crores in the same quarter last year. This is our highest ever PAT for a June quarter with a recorded PAT margin of 18%. I would now like to briefly update you on our order book position. As of August 8, our standalone order book stood at INR1,224 crores, while our consolidated order book stood at INR1,704 crores, which includes an order book of INR480 crores at Ideal Explosives Limited, reflecting a healthy and robust orders across the group.

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. Your first question comes from the line of Amit Dixit with Goldman Sachs. Please go ahead.

Amit Dixit: Yes, hi. Good evening, everyone, and thanks for the opportunity. First of all, congratulations for a good set of numbers and some of the great achievements in the quarter. Sir, two questions from my side. The first one is essentially the Premier Explosives. So, the acquisition, of course, I understand that it adds new dimensions in our journey and capabilities.

So just wanted your thoughts on how we are going to take it forward, what kind of synergies we see, of course, you mentioned the complete missile system is now, we can do it, but how we are looking to further, I would say, increase the capabilities and the shared capabilities basically of Premier and Apollo? That is my first question.

A. Krishna Sai Kumar: Okay, you'll ask the next question as well, Amit?

Amit Dixit: Yes, sure, sure. The next question is, sir, there have been some orders from HAL in the recent times, for instance, they have given orders for Uttam AESA components of Uttam radar to Astra Microwave, there have been orders to BDL. So whether we also expect some orders from HAL for or the related agencies for Tejas Mark 1A? And the B part is that what is your, expectations about the our part of QRSAM order?

A. Krishna Sai Kumar: Okay. Thanks, Amit. Thanks for joining the call…

Karunakar Reddy: Sai, you explain about the acquisition of Premier, this thing, and I will explain about QRSAM and the other things, okay?

A. Krishna Sai Kumar: Yes, yes, sir. So, thank you, Amit. So, primarily, see, as you rightly understood and also pointed out a point that, you know, the acquisition of the Premier is primarily for as a part of our, you know, backward integration as well as forward integration for us.

As we have been quite vocal all the time, and you know, that, you know, we have a very strong presence in the weapon system electronics. And we are part of every indigenous weapon of the country and we are also parallelly developing our own independent rockets, both guided as well as unguided rockets, for which the weapon system electronics right from the, you know, fuze part to seeker part to up to actuations of the fin, the entire range of, you know, technological which form part of a weapon, we are already having a very strong presence, actually.

So, as far as the propulsion systems are concerned, you know, Premier is very strong and they are both in the in for the space application as well as for the weapon applications as well. And, you know, this partnership would enable us to, you know, towards our journey of making a complete weapon by ourselves without having any interdependency with any other, you know, company.

At the same time, you know, it will also it is also going to bring us a lot of synergy in terms of, you know, becoming a prime OEM for the weapons that we are in-house developing. So, that was the core this thing. Not only specifically in terms of the missile programs, but various other ammunition programs, you know, where we are very strong in fuses, and we are very strong in the engineering and other aspects.

This is something, you know, this, you know, partnership by virtue of, you know, acquiring the holding in the Premier would make us an integrated defense platform company as far as the weapon, arms, and ammunition point of view is concerned. With regards to the QRSAM, you know, Mr. Karunakar Reddy, our MD will, you know, throw a light on that. Sir, over to you.

Karunakar Reddy: Yes, Yes. Good evening. QRSAM is in the process of Bharat Electronics is going to take the order anytime. In fact, the bidding and negotiation part has completed. Once BEL is going to take order, then missile portion order comes to BDL. BDL order value is something around I'm expecting INR11,000 to INR12,000 crores kind of thing. And the first phase actually, they are releasing for only 1,000 numbers QRSAM, this thing.

So, each missile INR1 crores plus component will be there. We are doing one is complete guidance system, onboard computer and all we are doing, and also front-end, rear actuation system also we are doing. Almost 5 sub-systems for QRSAM we are doing. More than INR1 crores component will be there in QRSAM.

In case of HAL, HAL we are doing not big orders, I think some INR100 crores, INR150 crores order only we are doing right now. We are expecting another INR150 crores order we are expecting from HAL. And LCA Mark 1, Mark 2, we are doing number of systems. Mark 1 our this thing is only couple of systems, 2 two systems only in fact our participation is there. Yes, that's all.

Amit Dixit: No, sir, great. Thank you so much for the elaborate answer. Maybe I'll understand offline with Sai sir on the on the Premier and Ideal. Thank you and all the best.

Karunakar Reddy: Yes, thank you.

Moderator: Thank you. The next question comes from the line of Shreyans Gathani with SG Securities. Please go ahead.

Shreyans Gathani: Hey, good afternoon, sir. Good evening. I had a couple of questions. So, the first one was on the Ideal transformation. So, we still see losses there. So, if you give some if you can give some plan on, you know, what we plan to do and any developments that have happened during the quarter on that besides the Coal India, which is already announced?

So, that was the first question. The second one was on the MIGM order. So, now that we've got the DAC approval, so just if you give some if you could give some timelines and, you know, order value that we are expecting and how that order is going to progress over time, since we are pretty much going to get set like with BDL.

A. Krishna Sai Kumar: Yes, sure. Thank you. So, regarding Ideal, you know, the Q4 last financial year, it was an EBITDA positive. And this financial year, you know, Q1, it is PAT positive, but, you know, the profitability is was very less. This time, you know, after the Coal India ban is lifted, we have only participated in a select, you know, circles of the Coal India where we felt that, you know, we could do justice as far as this shrinking margin business is concerned in the bulk explosives.

Is there are some volumetric, you know, this is primarily a volumetric game. And this time, volumes are little less, and the various other accessories which the erstwhile, you know, parent of Ideal used to manufacture, which was GOCL, that manufacturing process in Ideal will start eventually in next, you know, couple of quarters, which will give a, you know, added benefit to the bulk explosives supply, which will improve the margins going forward on the balance sheet point of view.

But broadly, you know, the various cost, you know, measures, you know, and the overhead measures related to post-acquisition of Ideal into Apollo's this thing, you know, has, you know, has already been taken up well. And we could significantly reduce, you know, the multiple overheads associated with it. And going forward also, we are going to take up few more measures.

This is a acquisition of loss-making company, you're all aware of. And the, you know, the process of, you know, restructuring is going on. We have already told that, you know, it will take at least 3 to 4 quarters for us to, you know, bring up to a, you know, this thing. That's what we have been we are doing, and it's something which is going to be positive, fully positive from the next financial year.

That is, you know, what I would like to talk about Ideal. And lot of new…

Karunakar Reddy: I, shall I shall I answer MIGM, Yes?

A. Krishna Sai Kumar: No, sir, Ideal I'm completing, sir. MIGM you take up, sir. So, regarding the, you know, there are new components that will further be manufactured, for which licenses are already obtained in it. And we are in the process of augmenting the infrastructure, you know, after this, you know, I mean to say, after Apollo has taken over it, actually.

And that process is going on, and as and when the new plants get started, the revenue mix also is going to change, and that is going to change the overall numbers up, is what we can assure to the market. Regarding MIGM, Mr. Reddy sir, you know, will take it up. Sir, over to you.

Karunakar Reddy: Yes, MIGM, as you know, like DAC approval has come. We are expecting next month, we are expecting a call from Indian Navy. In fact, we are already discussing. Pre-this thing, before floating inquiry, you know, they'll be discussing with Apollo and BDL. After that, they are going to float the inquiry. Maybe anytime next month end, they are going to float the inquiry.

Like order, we are expecting by December or January, we are expecting the purchase order. And the I think as you know, the this total budget is INR3,500 crores kind of thing. And it is good that, you know, they are also accepting, you know, 20% advance payment also is there in this. This is very good encouragement to our company, definitely. We are expecting MIGM 70% order we are, in fact, we are expecting from this INR3,500 crores deal.

Shreyans Gathani: Got it, sir. That's very helpful. So, this INR3,500 crores will be spread across a period of time, right? I would assume like 3 to 5 years?

Karunakar Reddy: Yes, they are expecting they are expecting 3 years' time the 1,000 number they are expecting.

Shreyans Gathani: Okay, okay. So just one follow-up on the Ideal. So our when we acquired, our initial like our goal was to have integration into the defense space, so, you know, we've not able to like we've not done that yet. Just wanted to get some color on when we'll be able to, you know, get sort of integration into our defense business.

Karunakar Reddy: No, we are doing, no, consolidation this Ideal and Premier, all these things, no, like, we will be coming out with See, we are planning for number of production plants we are, in fact, planning in Ideal. And in fact, Premier also. Premier side, we are We want to go for more and more integration facilities we want to set up.

So, I think next 2-3 months' time, we'll be coming out with our plan, actually. So, the now the plan is changed, you know. Before, our plan was different. Now, the after the completion of this Premier acquisition, we are going to come out with the -- our future plans.

Shreyans Gathani: Okay, okay. So, that'll be very helpful to know if you could, you know, share offline or whenever. Be very interested to know that. Thank you.

Karunakar Reddy: Definitely, definitely. Yes, yes.

Shreyans Gathani: Thank you so much. That's all from my end. All the best.

Karunakar Reddy: Thank you, thank you.

Moderator: Thank you. The next question comes from Deepak Sharma, an individual investor. Please go ahead.

Deepak Sharma: Hi, good evening, Apollo team. I have two questions. The first, any forward-looking guidance in terms of revenue and EBITDA margin on consolidated and standalone basis for the next 2 or 3 years? And secondly, can you please quantify the order book size expecting from the QRSAM and MIGM and in how much time frame that order book will be converted into the revenues? Thank you.

A. Krishna Sai Kumar: MIGM production will start from next financial year, because we are expecting this order in this financial year. Sir, I am right, right?

Karunakar Reddy: Yes, you're correct. MIGM, even QRSAM also, the execution starts from next financial year only, in fact, yes.

A. Krishna Sai Kumar: Yes. So, regarding the guidance, we have all, we have been giving guidance earlier, we continue to stand by the same guidance as far as the growth is concerned. Somewhere in between 40% to 45% is the continued growth that we will continue to demonstrate, in this financial year onwards. We will, for the next financial year, we'll give you a separate guidance at the end of this financial year.

Karunakar Baddam: So, here I want to mention one point that the, we are coming out with Unit III, it's a huge facility what we are building now. First phase, in fact, we have already started the production. Maybe the final production as a complete production activity, I think before March '27, we are going to start.

Once that total capacity under we are going to utilize, then our plan, future plans will be different. I think we'll come out only once that total facility is operational. We are also looking for some export opportunities. So, then I think anything December, after December only, we are able to come out with a new this thing, actually.

Deepak Sharma: Sir, actually I'm asking about the EBITDA margin guidance. Can you please...

Karunakar Baddam: Sai, Sai can you say EBITDA margin, yes?

A. Krishna Sai Kumar: Sir, we are not giving EBITDA guidance anytime, sir. But the momentum will continue to be same. But the top, as far as EBITDA levels are concerned but the topline guidance is something that we have given, actually.

Deepak Sharma: Okay, okay. For the full quarter you are saying?

Karunakar Baddam: Yes, definitely better than the, I can say better than the present this thing.

Deepak Sharma: Okay, this 40%-45% revenue CAGR in console basis or the standalone basis?

A. Krishna Sai Kumar: The console basis as well as standalone, both, sir, actually. The revenues in the, in my subsidiary also are growing, actually, and as well as the revenue in the Apollo is also growing. So, it's a console, would also be similar, actually.

Deepak Sharma: Okay, okay. Thank you. Good luck.

A. Krishna Sai Kumar: Thank you.

Moderator: Thank you. The next question comes from Hiral Nandu from Kalpvruksh Capital. Please go ahead.

Hiral Nandu: Hello. Congratulations for the good Q1 result. Couple of questions have been already asked by other participants. I just wanted to understand one or two points. One is on one we have a Premier Explosives also on board on our group. So, what could be the change in the current product revenue?

Say, for example, if we are selling a product at say INR100 or INR1,000, so with Premier synergy, what could be the difference in the revenue size and the margin? Or it will be an independent, and I'm understanding it's a backward and forward integration, so what the profile changes?

A. Krishna Sai Kumar: You mean to say as far as numbers in the console basis or as well as the numbers in the standalone, what is that question about?

Hiral Nandu: As a product, I am saying more of a product size or a revenue for the per product. When we say individual product we were selling without Premier, and what we will be selling post with Premier?

A. Krishna Sai Kumar: Understood, sir.

Karunakar Baddam: One point is, so far we were depending on for explosive requirement, depending on MIL and other explosive companies. Once after acquisition of Premier, now we'll be having our own explosive this thing. Like MIGM is there, without Premier, I have to depend on a third party, this thing.

Once after acquisition, I can I will be having my own facility. So the production activity will be moving very fast compared to previous plants. That is one this thing I want to clarify to you. Sai, other things you can kindly clarify.

A. Krishna Sai Kumar: Yes, yes. So, so that's on a broader aspect, and to a very specific point of view I wanted to tell that the current consumption of explosive and propellants in our current business is very minuscule. But going forward from the next financial year the orders related to MIGM and other class of rockets are going to increase.

As the consumption starts we will be able to give a more clarity in terms of the margin point of view, but definitely in terms compared to the outsourcing as how MD sir has already told there will be improvement because it is an in-house, production for us, actually.

Although on an, arm's length basis, so overall on a margin levels point of view, on an outsourced basis compared to what is in-house there will be an improvement. But as a comparative levels, I'll not be able to tell because in the current financial year and the previous financial year, the consumption of explosive and propellant is very minuscule compared to what is going to be for the next financial year.

Hiral Nandu: Exactly, exactly. And that's what the question came for, that the product profile will also change. So current product profile would be say...

A. Krishna Sai Kumar: No, no, no. By acquisition, the product profile is not changing, actually. The, I mean to say the scope of the product is actually changing, actually. That's how you have to look at it. Okay?

Hiral Nandu: Exactly, exactly. Yes, yes, got it. Secondly, just one more question on the Premier side. This open offer and all is expected to complete by what? 15th of September or more?

A. Krishna Sai Kumar: No, it's in the regulator's hand it's very tough to comment. As and when it comes, we'll have to tell, actually. I cannot give you a guidance on that particular thing.

Hiral Nandu: And if I consider the total amount of fund raise for the open offer and for the acquisition of 41%, so it may sum up around INR2,500 crores, INR2,600 crores. And fund what we raised is around INR3,300 crores.

A. Krishna Sai Kumar: Yes, yes.

Hiral Nandu: So, so any other plan of acquisition or it will be more for a working capital or other purpose? The balance fund.

A. Krishna Sai Kumar: Already we have given a breakup of it, actually. Then out of which, the proceeds INR2,500 crores is going for the acquisition, around INR500 crores, is actually going for the, working capital debt, and some for the general corporate purposes.

Hiral Nandu: Got it. Got it. Sure. Thank you and all the best. Look forward for the quarter growth.

A. Krishna Sai Kumar: Thank you so much. Thank you so much.

Hiral Nandu: I'll go for now.

Moderator: Thank you. The next question comes from the line of Ronak Singhvi with NAFA Asset Managers. Please go ahead.

Ronak Singhvi: Hello?

A. Krishna Sai Kumar: Yes.

Karunakar Baddam: Yes.

Ronak Singhvi: Yes. So, congratulations for the good set of numbers. Last quarter, you have mentioned that there's a huge demand of artillery shells in the Europe for which you are going to start something. So, I think it is for fuses or something else if it is, then what stage we are in?

Karunakar Baddam: By a year, artillery this thing, Premier already doing testing. Particularly 155 mm this thing, no? In fact, Premier provided some samples to Indian Army, they are testing. And I think some continuous orders expecting by Premier. And when we take the order, like other things like fuze and other things, know, like Apollo will be doing and ammunition portion will be handled by Premier, like that.

Ronak Singhvi: Okay. So now the Premier, is Premier has given samples for the shells or the complete complete...

Karunakar Baddam: Complete, filled shells provided to Indian Army.

Ronak Singhvi: Okay. Okay. Thank you, sir. That's it from my side.

Karunakar Baddam: Thank you.

Moderator: Thank you. The next question comes from Amit Kumar with HDFC Securities. Please go ahead.

Amit Kumar: Good evening, sir. Congratulations on the great quarter as well as acquisition of Premier. My question is, I want to kindly if you can highlight the order book trajectory for next 3 years, including Premier. So right now, we are at INR1,700 crores at console level. Where do we go in 3 years including the QRSAM orders which will be coming to Apollo as well as Premier, if you could please provide some backup?

A. Krishna Sai Kumar: So, Premier is, Premier is at in the CCI mode, actually. We are not expected to comment anything about their futuristic order book and all, like. As far as we are concerned, the current order book stood at around INR1,700 crores. And, by end of this financial year, we are expecting a single order more than INR2,500 crores, INR3,000 crores, which will cumulatively bring, could bring our order book to INR3,500 crores to INR4,000-odd crores is on a consolidated basis. Okay?

So, this is the guidance, that we can give based on the new AON that has already been accorded. It is already there in the news, actually. So, beyond that in for the Premier, we are not in a position to give any update as of now.

Karunakar Baddam: We are expecting QRSAM is one case, and Akash-NG also some 1,000 number already MoD has cleared. And other one is 2,000 number Pinaka also MoD is going to place the order on 2-3 vendors. And Pinaka also is there. Bulk I'm talking about only bulk production, not small things I'm not quoting here. So, all these things like we are expecting this financial year, QRSAM and MIGM we are expecting this financial year before this financial year. And partly, we are also expecting Pinaka orders also we are expecting.

Amit Kumar: Okay, sir, helpful. So, this QRSAM and Pinaka, if you can quantify a little bit, even an approximate figure would be helpful.

Karunakar Baddam: Pinaka 2,000 number, Army is negotiating, already negotiation has completed. I think anytime these three companies are going to take the orders. And our component size is something like INR85 lakhs for each Pinaka we are supplying. So, QRSAM already I clarified, more than INR1 crores component goes into QRSAM. Even Akash-NG also same value, like QRSAM. More than INR1 crores component goes into Akash-NG also. Akash-NG and QRSAM, each 1,000 number MoD is now looking for.

Amit Kumar: Okay, sir. Thanks.

Karunakar Baddam: Thank you.

Moderator: Thank you. Your next question comes from the line of Sameer, an Individual Investor. Please go ahead. Sameer, your line is unmuted. Please proceed with your question. Since there's no response from the line of current participant, we'll move on to our next question.

Our next question comes from the line of Ashit Kothi with Almondz Global Securities Limited. Please go ahead.

Ashit Kothi: Yes, good evening, sir. Thanks for the opportunity. I just wanted to ask was -- hello, can you hear me?

Karunakar Baddam: Yes, very much clear.

Ashit Kothi: Yes. Sir, wanted to understand, are we planning to kind of merge our explosives business with Premier or is it going to be that whatever is there in Apollo will remain with Apollo and Premier will remain as a separate entity?

Karunakar Baddam: At present, we are going to operate separately only.

A. Krishna Sai Kumar: So, Apollo's -- Apollo, what it has acquired through of Ideal, it will not get merged with, I mean to say, for synergy and ease of operation.

Karunakar Baddam: That is future, sir. You know, it is not appropriate to comment at this point of time. We'll definitely keep you posted once Premier acquisition is complete over a few quarters. We will definitely be vocal on it.

Ashit Kothi: Okay. Thank you. I'll come again in line.

Karunakar Baddam: Definitely, sir.

Moderator: Thank you. Your next question comes from the line of Balaji, an Individual Investor. Please go ahead.

Balaji: Yes, very good evening, sir.

Karunakar Baddam: Good evening.

Balaji: Thank you for this opportunity. Congratulations on your Premier Explosives acquisition. And there is no question, because you are doing very fantastic job, Karunakar Reddy sir and Sai sir. Hope in Hyderabad, recent last 1 week, Laurus and Divi's, in terms of market cap, they achieved INR2 lakh crores market cap and INR1 lakh crores market cap. In future, I'm hoping Apollo Micro also do the best of numbers very soon. Thank you, sir.

Karunakar Baddam: Thank you. Thank you for your wishes, sir. Thank you.

A. Krishna Sai Kumar: Thank you so much, Balaji.

Moderator: Thank you. Your next question comes from the line of Meet Gada with Shanghvi Family Office. Please go ahead.

Meet Gada: Yes, hi team. Hope I'm audible.

Moderator: Yes, sir.

Meet Gada: So, congratulations on the successful fundraise and best Q1 performance. Sir, actually I wanted to understand that what is the strategy on this autonomous weapons and platforms, as we are doing smart bombs, kamikaze drones, ASW surveillance, etcetera? And what kind of order visibility or engagements are happening for the same with the forces?

Karunakar Baddam: Sai, I will answer regarding the smart bomb. In fact, we are already working with Pinaka. It is a surface to surface. We are also same time working with one program called TARA. It is an air-to-surface, air-to-air kind of thing. This smart bomb also what they are looking for is want to make it smart with guidance and all, with range extension. So, we are familiar with this technology, I'm sure very soon we are going to establish this technology.

And once Air Force is satisfied with performance, and I'm sure good numbers requirement is there, Air Force is having thousands of inventory they are holding. Under modernization scheme and all like they want to make -- they want to convert it as smart bombs, actually. That is -- a big requirement is there. Other things kindly answer, Sai.

A. Krishna Sai Kumar: Yes, Yes. So, primarily, as you all are aware that future is the autonomy, both land, air and sea. And there are certain elements related to the autonomy, you know, which we have already developed as part of the DRDO programs. So, the current autonomy-related semi-submersible surveillance vehicle, PSO which we have received from the Indian Navy, is a next generation ISR requirement from Indian Navy for which multiple build blocks, we have already developed and proven for some of the programs, existing programs.

And going forward, we'll also be building a swarm of autonomous USVs, actually. A new program is coming up for which the activity has already started in the company. So, going forward in the autonomy area, this financial year and the next financial year, company will be heavily investing on the autonomy segment in land, air as well as in the sea. Out of which, you know, now that there is a PSO sanction orders and firm definite commitments coming out from the armed forces, we will accelerate our internal development activity as well.

In terms of the size of the orders, it is actually very humongous. I'm not really, really commenting it anything now, but I would like to say that, you know, even if players, 2 or 3 players get into the fray and prove their metal out of it also, you know, still everyone would continue to enjoy few thousands of crores worth orders, actually.

Meet Gada: So, this program will be integrated with your Premier, Ideal, and Apollo all together, or it is pure Apollo and part of...?

A. Krishna Sai Kumar: It's pure Apollo. It's pure Apollo right now, yes.

Meet Gada: Understood. And sir, just wanted to understand like from the company who leads the integration part, you know, when we'll have Premier and Ideal per se, and what kind of -- are we hiring any consultants or what kind of activities you are thinking to go about in the future?

A. Krishna Sai Kumar: Yes. See, actually, you know, nowadays, the technology is getting disruptive. And if you see, the thought process with which we are going wherever we have a capability, we are building further, catapulting on the capability by investing further on the R&D on it. Wherever we do not have a capability, we are partnering and making an alliance with appropriate industries or an academy in terms of getting into -- strategically getting into that particular technology with the existing build blocks that the company already has.

So, Yes, we do have significant advisors who are scientists retired from the DRDO. At the same time, we have also partnered with some of the academy, you know, for some of the deep research requirements and other things; product building, production manufacturing, and existing build blocks of IP, both in terms of hardware and software, something which we already have, which are already proven. So, that's the strategy with which we are going ahead.

Meet Gada: Got it. Sir, lastly, in terms of this capabilities which you are trying to build, what are the missing links in the overall chain? Like, can we expect any further acquisitions considering the funds we have right now? Any thoughts on that front?

A. Krishna Sai Kumar: There are a lot. You will start getting to hear from us, you know, from time to time. Please keep a watch on the stock.

Karunakar Baddam: Yes, next couple of months, I think we are going to hear...

Meet Gada: Sorry, sir, you were saying something?

Karunakar Reddy: Yes, the 2-3 companies we are planning to acquire. I think maybe this is not right time to tell you -- like once we sign MOU with these companies, then we are going to announce in the this thing.

Meet Gadhiya: Okay, sir. Thank you so much. That's it from my side.

Karunakar Reddy: Thank you.

Moderator: Thank you. The next question comes from Samir, an individual investor. Please go ahead.

Samir: Hello? Can you hear me all right?

Karunakar Reddy: Yes, Yes. Please go ahead, please.

Samir: Yes, I wanted to understand what is the percentage of R&D as percentage of the revenue? That is my first question. And second question is how much export we are doing and how is the margin on export as compared to the domestic orders?

A. Krishna Sai Kumar: These are the questions, Samir?

Samir: Yes. Yes, sir.

A. Krishna Sai Kumar: So, currently, the export revenue is nil. So, there's no question of again a margin point of view is concerned. And in terms of the R&D, the average spend on R&D is around 6% to 8% traditionally for last 3-4 years. As far as the last financial year is concerned, let me just look at the number. Last financial year, we have spent close to around INR27.63 crores on R&D over a revenue of around INR760 odd crores, which is translating to something like around 4%.

Raunak Singhvi: 4%.

A. Krishna Sai Kumar: Yes, around 4%.

Samir: Sure. And in terms of the exports, are we expecting some export orders?

Karunakar Reddy: Yes, once our Unit 3 is ready, operationally ready, then we are going to accept the export orders also.

Samir: Sure. Thank you very much.

Karunakar Reddy: Thank you.

Moderator: Thank you. The next question comes from Vinay Kumar Daggolu, an individual investor. Please go ahead.

A. Krishna Sai Kumar: No, it is 18% actually, it's not 4%.

Karunakar Reddy: Yes, that is what I'm wondering, yes, correct. It's more actually, compared to previous years.

Moderator: But we have our next question coming from the line of Deepanshu Bhatia with Finwizz. Please go ahead.

Deepanshu Bhatia: Hello. Am I audible, sir?

A. Krishna Sai Kumar: Yes, Yes, please.

Deepanshu Bhatia: Yes. So, we had some Make-II for anti-drone in July '24, right? Hello?

A. Krishna Sai Kumar: No, no, actually the figure for the R&D for the entire financial year we told wrongly, actually. I'll tell you the right figure before end of this call, okay? Yes, please continue with the question.

Deepanshu Bhatia: Ah, so, sir, we have a Make-II orders for anti-drone in July '24. So, it had I think 75 weeks for trial or something, so are we going into production and where is it now?

A. Krishna Sai Kumar: No, it is yet to go for trials, actually. We are getting ready for the trials.

Deepanshu Bhatia: Okay, trials. So, is there once if the trials are successful, is there a pre-commitment for the orders or once after the trial, we have to figure out the orders or something?

A. Krishna Sai Kumar: No, generally, there is no pre-commitments, actually. After that, there is a lot of opportunity and requirement is there. Once the trials are complete then, the orders will flow in.

Deepanshu Bhatia: And I think 2 years back, you also mentioned the TAM of this opportunity. Once the trial is completed, what's the TAM for domestic and exports? Any idea of the size of opportunity?

A. Krishna Sai Kumar: Size is size is very high. TAM is continuously dynamically changing, actually. So, we will I will be able to give you a guidance around December ending quarter on the opportunity size that it could culminate into. But currently, it is scheduled for trials in next few months down the line. Once the trials are complete I'll get some more clarity in the visibility, then definitely I will share it with you.

Deepanshu Bhatia: Okay. Thank you. Thank you.

A. Krishna Sai Kumar: Thank you.

Moderator: Thank you. The next question comes from the line of Jayakanth Kasthuri with Bandhan AMC Alternates. Please go ahead.

Jayakanth Kasthuri: Hello, Yes. So, am I audible?

A. Krishna Sai Kumar: Yes, Yes, please.

Jayakanth Kasthuri: Yes. Sir, congratulations on good set of numbers. Sir, in terms of order execution for the rest of the financial year, how do you what are the major orders do you see, and if you can put in terms of numbers, how do you see it going forward? You have already mentioned in terms of where do you see in terms of the order book.

And for probably for the next year, how do you see in major orders you are expecting? And if you can talk something with regards to -- I know understand with regards to Project Kusha, it's a long term. So, where do you see in terms of your capabilities and in terms of the addressable size possibility?

A. Krishna Sai Kumar: So, Kusha, MD sir will answer, but I will tell you the current order book is spread across this financial year and partly to will also spill over to the next financial year. In terms of what orders, we are not making any disclosures of that what orders are getting executed. But as in terms of the order book is already answered to you that we are expecting a very large orders coming out of QRSAM as well as in the MIGM and other things in this financial year, which will culminate into a sizable orders by end of this financial year. So, regarding Kusha, MD sir will take the call.

Karunakar Reddy: Yes, Kusha 150 kilometers range one already recently tested, you must have seen that news. In fact, we are expecting appreciation letter from Prime Minister Office very very soon. And our contribution in Kusha is very high, almost 7 very critical sub-systems Apollo supplied, and a very critical actuation system, the front-end, rear-end actuation system and many of other onboard systems also we have supplied.

And converting into the order, now it may take 2-3 years time I think, definitely. It is going in a fast track, in fact. This is one version testing is completed, and two more versions now like 150 kilometers one testing is completed, 250 kilometers and 500 kilometers one I think next few months the DRDO is going to do the trials.

Jayakanth Kasthuri: Sir, if you can talk also talk about in terms of -- now that you have done in the explosives side, so in terms of all the platforms for the drones, any thought process going forward now that you have gone into this autonomous surface vehicles, swarm vehicles that which you are planning, so if there is any, are you talking to any partners or you are planning to go ahead with yourself? How do you see it?

A. Krishna Sai Kumar: Sir, I didn't get your question, sir, actually.

Jayakanth Kasthuri: No, I was talking about in terms of the platforms for your aerial drones that your unmanned aerial vehicles, so how do you see, any plans with that now that you have sub-surface vessels and also getting into swarm vessels, so any plans going be up by yourself or you are planning to partner with someone?

A. Krishna Sai Kumar: Certain things we are doing by ourselves, sir, we have built capability. And -- the some of them the products are almost ready, actually, and some of them they are on the board engineering board levels, and in some cases where we need a capability to be bring up we are also talking to few players who have a mature technology with them, both domestic as well as international.

Karunakar Reddy: And aerial bombs we have already established, 1 kg to 25 kg, some 9 variants already testing we have completed, and we received acceptance also recently. The other things, drones and all, we are going to have tie-up with some of the companies.

Jayakanth Kasthuri: Yes, that's from my side, sir. Thank you. Definitely would love to come down to Hyderabad and definitely see all of the facilities. Thank you.

Karunakar Reddy: Anytime, please come. Thank you.

Moderator: Thank you. The next question comes from the line of Vinay Kumar Daggolu, an individual investor. Please go ahead.

Vinay Kumar Daggolu: Hi, good afternoon, Karunakar ji and Sai ji. In recent, in the last one month, we have seen two or three press releases from yourself, very detailed ones. Thank you for them. On the ASW, IPREK, and SDD. I just would like to understand, I think among the three, SDD, I think the pilot you have mentioned is complete.

What is the situation with the other two, means what were the rough timelines for the pilots, and once the pilots are done, what kind of, I know you have mentioned some large opportunity sizes in your press releases, but what is that we can really expect from these three, like say ASW, IPREK, and SDD, over the like say medium term, 3 years down the line, what kind of things that Apollo can see?

And the second question related to that is how is the Premier's experience or whatever we call as the acquisition, is there any synergy of Premier in any of these three propositions? I would think maybe IPREK, but I would love to hear from you. Thank you.

A. Krishna Sai Kumar: IPREK is the only a conversion system primarily now to start with, and to certain extent, and for the semi-submersible system, there is no explosive or a propulsion requirement is there. SDD, indeed, there will be, but it's a very, very minuscule, it's only a small portion. So as far as the Premier or Ideal point of view, energetics point of view is concerned. In terms of the TAM of these things is already something which we have given very much in detail in the press release.

And in terms of the completion of these 2 PSOs under Make-II, the expectation of the customer is to complete in a span of 18 months, which may be completed within that period or maybe a spillover or maybe a little ahead or something like that, post which, we we we can start expecting an order in an year's time from there, actually. So that's the rough timelines that we can give you about that.

Vinay Kumar Tagolu: So we can expect sometime late 2029, is what you're roughly saying? Late 2029.

Karunakar Baddam: Next financial year we are expecting as per the Indian Navy this thing, next financial year we are expecting.

Vinay Kumar Tagolu: Okay. That's fine. Thank you. That's all from my side.

Karunakar Baddam: Thank you, sir.

Moderator: Thank you. We take our next question coming from the line of Pratik, an Individual Investor. Please go ahead.

Pratik: Yes, hi. Good evening, sir. First of all, I want to ask Sai sir, I hope your left hand is doing okay. I saw in the presentation in one of the images that you have some injury in the left hand.

A. Krishna Sai Kumar: Thanks for the care, it's good, Yes. Small adventure at airport, I've just fallen, actually. So, addiction to mobile, you know, all of you should not watch mobile when you are actually walking. Is a disclaimer and warning for all of us. Thank you so much for asking. It's it's fine now, recovering.

Pratik: Okay, good to know, sir. Sir, firstly I want to ask about on the exports front, can you please help me understand the entire process? As in, do we get direct orders from different countries, or is it through DRDO, HAL, and institutions like these?

Karunakar Baddam: Going to be direct orders only, Yes. You can clarify, Sai, Yes.

A. Krishna Sai Kumar: Yes. So, we are expecting some direct opportunities from various countries. Obviously, we will be supplying to friendly countries subjected to again approval from the ministry for specific export of the specific item. Okay? So every product that we get an opportunity, end of the day ministry has to give a clearance, whether we can export or not.

And it is irrespective of the country for that specific product again, and for that specific country the approvals will be given. That's the process, as far as the process concerned. We have already started submitting our offers for various mature product line for different customers, and as good as any other procurement cycle is concerned, the defense procurement, so is the case with the export opportunities as well.

As MD has already pointed that, certain opportunities related to various systems where we have to produce in mass, we were going a little slow till such time our Unit 3 gets commissioned fully, which we are expecting in next couple of quarters to be fully ready and start occupying them. Then we will get more aggressive. But at the same time, we are going with a steady pace, talking and engaging with the customers on a continual basis, and showcasing the product line.

In some of the cases, we have started submitting offers also. We are constantly doing this. This financial year, we are likely to get some meaningfully good breakthrough orders is what I can broadly say, but I'll not be able to give a firm commitment and guidance, but for next financial year for sure, there will be a sizable orders, which will be pulled in terms of the export opportunities, is what the current guidance I can confidently give.

Pratik: Okay. Will these export opportunities add to the overall revenue guidance that you have given, or you are including that?

A. Krishna Sai Kumar: Excluding.

Pratik: It is excluding, okay. Fine. And my second question is with respect to the promoter pledge part. So, as I can see, I think the promoter pledge part has come down in the June quarter. Are we still on track to bringing it down to zero by this financial year?

Karunakar Baddam: I think next 1 year I think we'll reduce. I think, it is going to take another 1 year to close all the pledge part.

Pratik: So I assume by Q1 of FY28?

Karunakar Baddam: Yes, Yes, definitely. That is what I'm planning, yes.

Pratik: Okay. Thanks a lot, sir.

Karunakar Baddam: Thank you.

Moderator: Thank you. Our next question comes from the line of Aarav Gowda, an Individual Investor. Please go ahead.

Aarav Gowda: Hello?

Karunakar Baddam: Yes, please. Go ahead.

Aarav Gowda: Yes. My question is regarding our -- the 500 kg smart bomb Air Force Make-II program. So will that be the first thing we are going to merge with the Premier Explosives?

A. Krishna Sai Kumar: It has nothing to do with the Premier Explosives.

Karunakar Baddam: Here the only guidance portion will be adding. I think for range extension and all, we are going to take Premier this thing -- support.

Aarav Gowda: Okay. Thank you.

Karunakar Baddam: Thank you.

Moderator: Thank you. We take our next question from Karthik, an Individual Investor. Please go ahead.

Karthik: Hi, good evening, sir. Hope I'm audible. I just want to know the status of the moored mines and the limpet mines. I know we have received the AON for the moored mines. Can you please elaborate on it, sir?

Karunakar Baddam: Yes, moored mine, combat trials already we have completed. Anytime this month, we are going to hand over to Indian Navy. In fact, we are expecting anytime call from Indian Navy. We are going to have one celebration. That is one part. Moored mine also, I think, I'm sure next 2 weeks time, we are going to announce. I think we are going to sign DCP. As a DCP we partner this thing, we are going to have the contract.

Karthik: So, can we expect any orders in this financial year, sir?

Karunakar Baddam: Moored mine orders, we are expecting next financial year only, not this year. We are yet to complete the technical trials. Once we complete technical trials, then the orders flow will be there.

Karthik: What is the status of limpet mine?

Karunakar Baddam: Limpet mine, we have already completed, limpet mine we have completed, and limpet mine, we maybe start getting orders, maybe 4th quarter onwards, maybe we are expecting orders. At moored mine next financial year only we are expecting.

Karthik: Okay, sir. Thank you so much.

Karunakar Baddam: Thank you so much.

Moderator: Thank you. Our next question comes from the line of Subramaniun, an Individual Investor. Please go ahead.

Subramaniun: Thank you, sir. I just have one question. Are we expecting any further fundraise during this financial year or the next financial year, sir?

A. Krishna Sai Kumar: We'll reach out to you, sir. Currently, there is nothing that, you know, we're just trying to consolidate the current preferential round once the exchange approval comes and all. I'm not in a position to comment anything on that, it's quite futuristic. But I just want to give a heads-up and make an understanding to investors that, we are getting quite agile and dynamic. Please keep a watch on the stock and lot of disclosures keep coming from time to time.

Subramaniun: Okay. Fair enough, sir. Thank you so much. Good luck.

A. Krishna Sai Kumar: Thank you.

Moderator: Thank you. As there are no further questions, I now hand the conference over to the management for closing comments.

A. Krishna Sai Kumar: Thanks so much, ICICI. Thank you so much, lovely investors. You spent your time on a Saturday, awaken at 6:00 in the evening. And thank you so much once again. Before I make a conclusion, I would like to take a moment to acknowledge the continued support and confidence of the MoD and the Government of India in Indian defense manufacturing ecosystem.

India's defense sector is at an important inflection point. The focus on indigenization, advanced technology, and self-reliance is creating a strong foundation for the country to develop critical defense capabilities within India. We believe this transformation presents a significant opportunity for Indian defense companies to innovate, scale, and contribute meaningfully to the nation's security.

At Apollo Micro Systems, we are proud to be part of this journey. Our focus remains on developing mission-critical technology-driven solutions that enhance the capabilities and operational readiness of our armed forces. We will continue to invest in technology, build indigenous capabilities, and respond to the evolving requirements of modern warfare.

At this point of time, you know, something which I have forgotten, I wanted to also share that the last year revenue stood at INR764 crores and the investment in R&D at INR72.53 crores, which translates to close to 9.5% on R&D, a numbers that we slipped out in telling to a prior question by one of our investor.

I'll continue further. For us, defense is more than a business opportunity. It is a responsibility to the nation. We remain committed to supporting our armed forces with the technology and solutions they need to remain prepared for every challenge. I would also like to thank our investors and analysts for their continued trust, participation, and valuable feedback. Your confidence strengthens our resolve to keep raising the bar and creating sustainable long-term value.

We look forward to welcoming you to our facilities where you can experience our capabilities and initiatives first hand. Should you have any further questions or feedback, our Investor Relations team will be happy to engage with you at investors.relations@apollo-micro.com. Thank you once again for your time, trust, and continued support. We look forward to reconnecting with you during our Q2 update. Having a great weekend ahead. Jai Hind.

Moderator: Thank you. Thank you, all the members of the management. On behalf of ICICI Securities Limited, that concludes this conference. Thank you everyone for joining us, and you may now disconnect your lines.