

Date: 28<sup>th</sup> July, 2025

<b>BSE Limited,</b> Department of Corporate Services Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	<b>National Stock Exchange of India Ltd.,</b> Listing Department Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051
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**Scrip Code: 540879**

**Symbol: APOLLO**

**ISIN: INE713T01028**

**Sub: Investor Presentation for the Quarter ended 30<sup>th</sup> June, 2025**

**Ref:** Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are herewith enclosing a copy of investor presentation for the quarter ended 30<sup>th</sup> June, 2025.

The copy of the disclosure is available on the website of the Company i.e. <https://apollo-micro.com/>

This is for your information and records.

Thanking You

Yours Faithfully

**FOR APOLLO MICRO SYSTEMS LIMITED**

**KARUNAKAR REDDY BADDAM**  
**MANAGING DIRECTOR**  
**DIN: 00790139**

**APOLLO MICRO SYSTEMS LIMITED**

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CIN No: L72200TG1997PLC026556



# APOLLO MICRO SYSTEMS LTD

*We Commit, We Deliver*

Delivering Our Strongest First Quarter Performance

**FROM CONCEPT TO MASS PRODUCTION**

**INVESTOR PRESENTATION: Q1FY26**

# SAFE HARBOR

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These risks and uncertainties include, but are not limited to Company's ability to successfully implement its strategy, the Company's growth and expansion plans, the performance of the Indian economy and of the economies of various international markets, obtain regulatory approvals, provisioning policies, technological changes, investment and business income, income or cash flow projections, the performance of the industry in India and world-wide, exposure to market risks as well as other risks.

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Note: Figures in previous periods might have been regrouped or restated, wherever necessary to make them comparable to current period. For the ease of presentation, certain financial information herein has been rounded off to one decimal place or two decimal places or whole numbers, as the case may be.



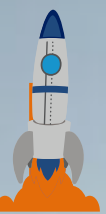


# INSIDE THE PRESENTATION

- Our Journey
- Our Vision and Mission
- Organizational Structure
- Legacy of Trust & Vision for Atmanirbhar Bharat
- Q1FY26 Highlights
- The Big Picture
- Who we are?
- Business Model Canvas
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- Management Commentary
- Grateful for the Opportunity
- Successful Response of the Aeroshow
- Setting the Record Straight
- Skin in the Game/ Leadership-Led with Long Term Commitment

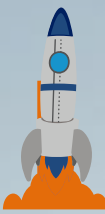


# THE ROAD WE HAVE WALKED



**1985**

Incorporated AMS Proprietary Company offering Electronic CAD Design Services.



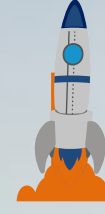
**2000**

First Indigenous Pay-Load Checkout System is supplied to ISRO replacing Legacy Imported Systems.



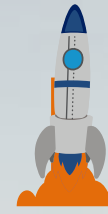
**2010**

Successfully configured Indigenous Automatic Launcher Controller for AGNI Range of Missiles.



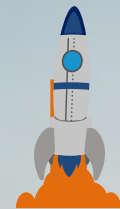
**2021**

Entered RF & Microwave designs through acquisition of an established RF company



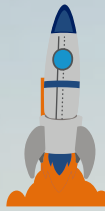
**2025**

Acquired IDL Explosives Ltd



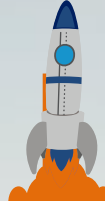
**1990**

Started Offering Indigenous Processor Boards for Defence Applications.



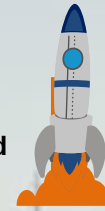
**2004**

First Pvt Company in Defence Electronics to be ISO Certified.



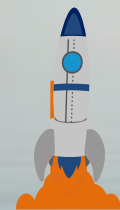
**2015**

Reached Milestone of over INR 1 bn Turnover & Installed State of the art facility for Defence Systems Manufacturing Facility.



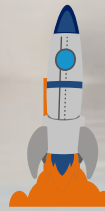
**2022**

Facilitated by URSC (formerly known as ISRO Satellite Centre)



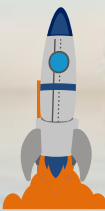
**1992**

Started Offering On-Board Systems for Defence.



**2005**

Launched Telemetry Products for ISRO Applications.



**2017**

Reached a Milestone of over INR 2 bn turnover



**2023**

Acquired 2.5 acres of land from Telangana State Industrial Corp Ltd



**1997**

Converted to Pvt Ltd Company.



**2007**

First Developmental Model of Expendable Decoy supplied for Indian Navy & Delivered Fully indigenous Integrated Mine Management System for Coal & Iron Ore Mines.



**2018**

Listed on NSE and BSE



**2024**

Inaugurated unit II and acquired 2.5 acres of land for unit III



# OUR VISION AND MISSION

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## VISION

To emerge as a world-class company and a unique solution provider with **total solution under one roof**

## MISSION

Convert your  
Concepts into Reality



# ORGANISATIONAL STRUCTURE AS A GROUP

**Ananya SIP RF Technologies Private Limited** is a subsidiary of Apollo Micro Systems Limited that specializes in the design, development, & manufacturing of RF & microwave components, modules, & sub-systems.

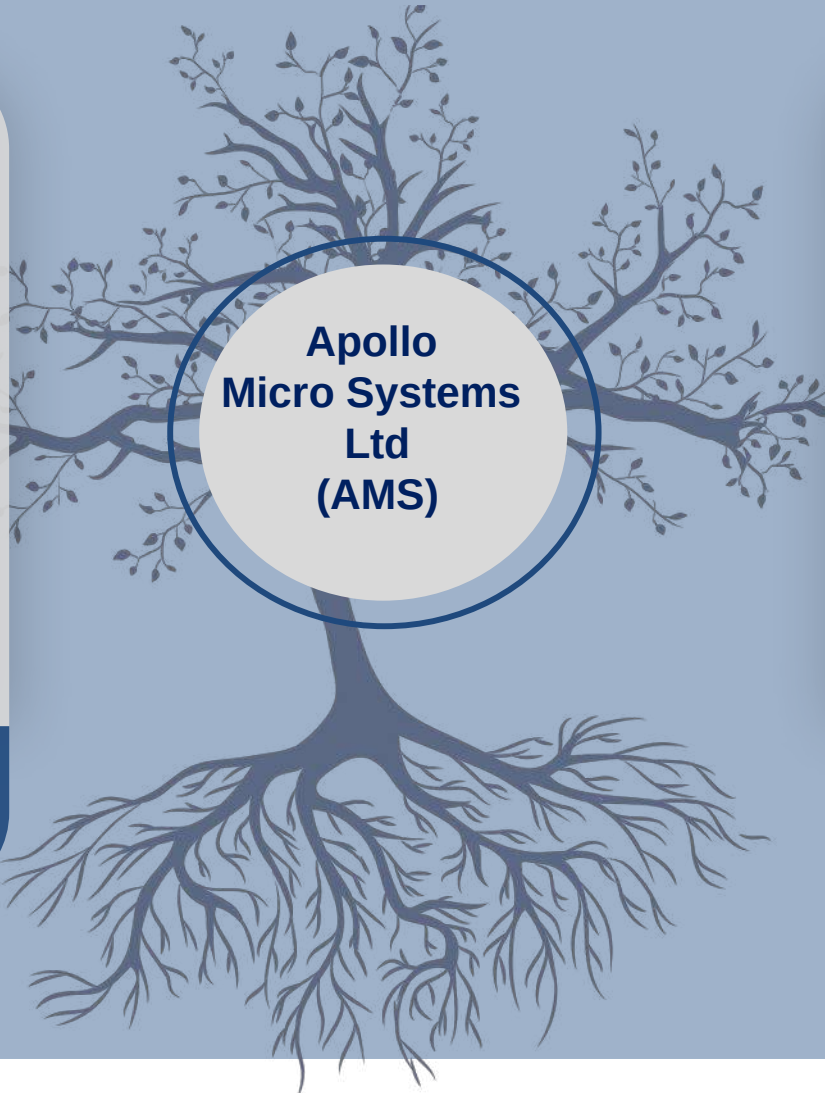
**Ananya SIP RF Technologies Private Limited**

**Apollo  
Micro Systems  
Ltd  
(AMS)**

**Apollo Defence Industries Private Limited**, incorporated on September 21st 2023, is a subsidiary of Apollo Micro Systems Limited.

This subsidiary was formed with the strategic goal of 'expanding Apollo Micro Systems' presence in the manufacturing of defence products.

**Apollo Defence Industries Private Limited  
(ADIPL)**





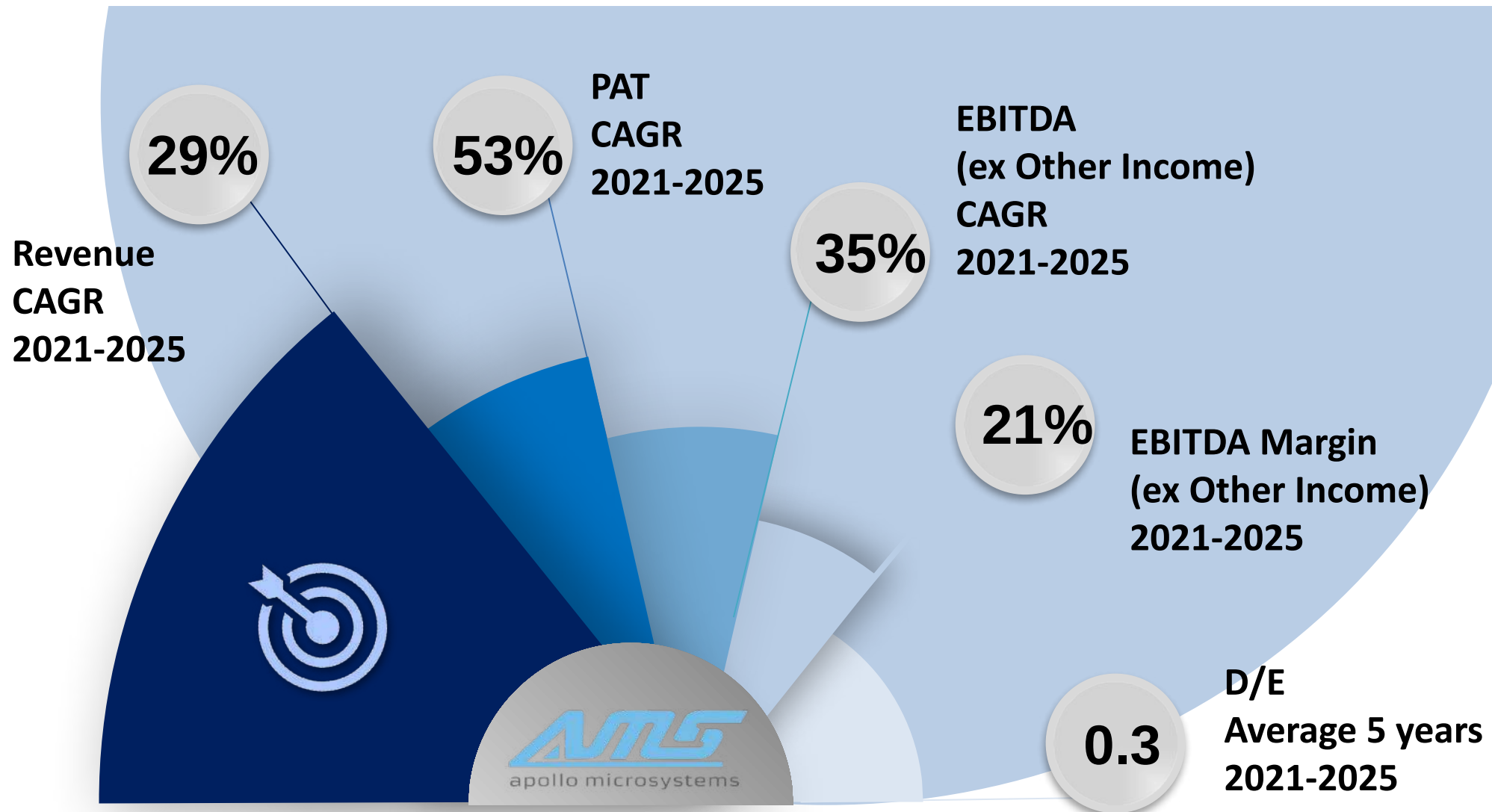
A large, detailed image of an F-16 fighter jet in flight, viewed from a low angle. The jet is dark grey with a bright orange glow emanating from its engine area. It is flying against a blue sky with scattered white clouds. The word "HIGHLIGHTS" is overlaid in large white letters at the bottom of the image.

# HIGHLIGHTS





# LEGACY OF TRUST, VISION FOR ATMANIRBHAR BHARAT



# Q1FY26 HIGHLIGHTS- READY FOR ANOTHER LEAP



01

## First Export Order Secured – USD 13.37 Million (approx ₹113.81 crores)

This first milestone order is for the **development of an advanced Avionic System**, designed to serve both **civil and military aircraft platforms**.

02

## Successful Capital Raise via Preference Round

Successful fundraising via preference round marking a strong vote of confidence from our investors.

**Warrants: 100% subscribed**

**Equity Shares: Approximately 86.94% subscribed**

03

## Acuité Upgraded Credit Ratings by 2 Notches

Long-Term Rating: Upgraded from 'ACUITE BBB' to '**ACUITE A-**'

Short-Term Rating: Upgraded from 'ACUITE A3+' to '**ACUITE A2+**'

Outlook: **Stable**



# THE BIG PICTURE- INDIGINIZATION

**We Indigenize- Systems/ Subsystems/ Weapons. India Builds Its Own Future.**

**700+**  
On board  
Technologies

**Approved  
Vendor for  
DRDO and  
DPSU**

**RFP Type** to name some  
Make 1 Program  
Make 2 Program  
IDMM  
Buy Indian  
Buy and Make (Indian)  
Emergency  
Procurement

**150+**  
Indigenous  
Program  
Participation

**40+**  
years of  
experience

Presence in **all  
Missiles Programs**  
  
Presence in **all  
NAVAL Warfare  
Programs**







# BUSINES OVERVIEW



# WE MAKE WEAPONS SMART

- Apollo Micro Systems Limited (AMS), established in 1985 and headquartered in Hyderabad, is a **leading technology provider of high-performance, mission-critical solutions for the defence sector**. The company specializes in **electronic, electromechanical, and engineering design**, along with the **manufacturing and supply of advanced systems**. We serve a wide range of **strategic domains, including Missile Systems, Satellite and Space Systems, Naval Systems, Avionics, and Homeland Security**.
- With over **40 years of established presence** in the Aerospace and Defence sector, we bring **over 700+ on-board technologies** to the table. Our **expertise** encompasses **weapon electronic systems for Ground Defence, Missile Defence and Naval Defence**. We build its **'brain' that makes decisions mid-flight, its 'nerves' that sense and respond, and its 'eyes' that track targets**. Without this internal intelligence, it's just a flying shell. We build the missile's brain, eyes, and nerves. We make it smart.
- With a strong focus on providing comprehensive **end-to-end integrated services under one roof**, we offer **R&D, design, development, assembly, testing facilities and mass manufacturing** tailored to meet the diverse needs of our clients. Given the demanding nature of defence & space applications, our offerings are designed to endure **harsh environmental conditions, requiring expertise in advanced technology development and engineering excellence** that **eliminates the chances of failure** at the time of **critical defence operations**.
- In addition to our robust hardware and engineering portfolio, we deliver integrated, **technology-driven solutions** across secure **communications, underwater electronic warfare, and air defence**. These advanced systems are engineered to equip our defence clients with reliable, mission-ready capabilities tailored to their operational needs. Furthermore, we offer custom-designed Commercial Off-the-Shelf (COTS) solutions, precisely configured to meet the specialized requirements of both defence and space sectors.



# BUSINESS MODEL CANVAS

## Key Activities

We focus on the design and development of defense products, followed by scaled manufacturing upon successful completion of the development phase.

## Value Proposition

Delivering advanced indigenous technologies for missile and naval defence system at lower cost of ownership and in less time.

## Customer Relationship

Long-term customer relationship of over 40 years, with a track record of zero customer attrition.

## Key Resource

A standardized definition is not applicable, as each product is customized to meet the specific requirements of individual Clients.

## Customer Segments

Public Sector Undertakings (PSUs) Defence Research and Development Organization (DRDO) Private Defence Companies

## Key Partners

Strategic Suppliers  
PSUs/ Private Cos  
Finance Institution  
DRDO

## Cost Structure

R&D and Testing costs vary based on product mix & is substantial Semiconductors are imported, including from Texas Instruments, ST, DDC etc.

## Revenue Stream

Product Sales: Proprietary defense and aerospace solutions tailored to client needs  
Services: Maintenance, support, and lifecycle management offerings  
System Integration: End-to-end integration of complex systems across platforms and technologies.

## Channels

Marketing Participation in Industry Exhibitions and Trade Shows  
Engagement Through Published Tenders and Procurement Portals.



## OUR MARQUEE CLIENTELE (1/2)

We largely caters to/collaborates with the Ministry of Defence, Government controlled Public Sector Undertakings and Private Sector clients.



BHARAT FORGE



# OUR MARQUEE CLIENTELE (2/2)

We largely caters to/collaborates with the Ministry of Defence, Government controlled Public Sector Undertakings and Private Sector clients.



AMS is ISO 9001:2015 & CEMILAC (Centre for Military Airworthiness & Certification) certified Organization.

## CEMILAC CERTIFIED





# GREENFIELD AND BROWNFIELD EXPANSION- SCALING OPERATIONS TO 3X CAPACITY

- Our manufacturing units are located in **Hyderabad** with its **lab area confirming electrostatic discharge requirements with ESD-safe furniture & a controlled environment**. It has a **full-fledged ESS testing facility**, & the inspection is in line with DGQA standards.
- As part of our **backward integration focus**, we **commenced construction of our Integrated Plant for Ingenious Defence Systems (IPiDS)**. It will not only help us grow our presence in the defence space but also enabled us to strengthen our in-house capabilities. Once operational, this facility will significantly boost our production capacity and solidify our position as a **leading Tier- I OEM manufacturer**, enabling us to scale up production and better meet the rising demand.
- **We've invested in a new weapon integration facility at Unit-III. Unit I will be dedicated to R&D activities**, while all **production operations will be carried out in Unit II and Unit III**. Moreover, **Unit 3** will serve as the **consolidated manufacturing hub**, streamlining and integrating operations. For Unit- III, the civil work for Phase 1 has been completed, and Phase 2 has commenced.



55,000 sq ft, Hyderabad  
IDA Mallapur, Unit-I



3,50,000 sq ft, Hyderabad,  
Hardware Park-II, Unit- III

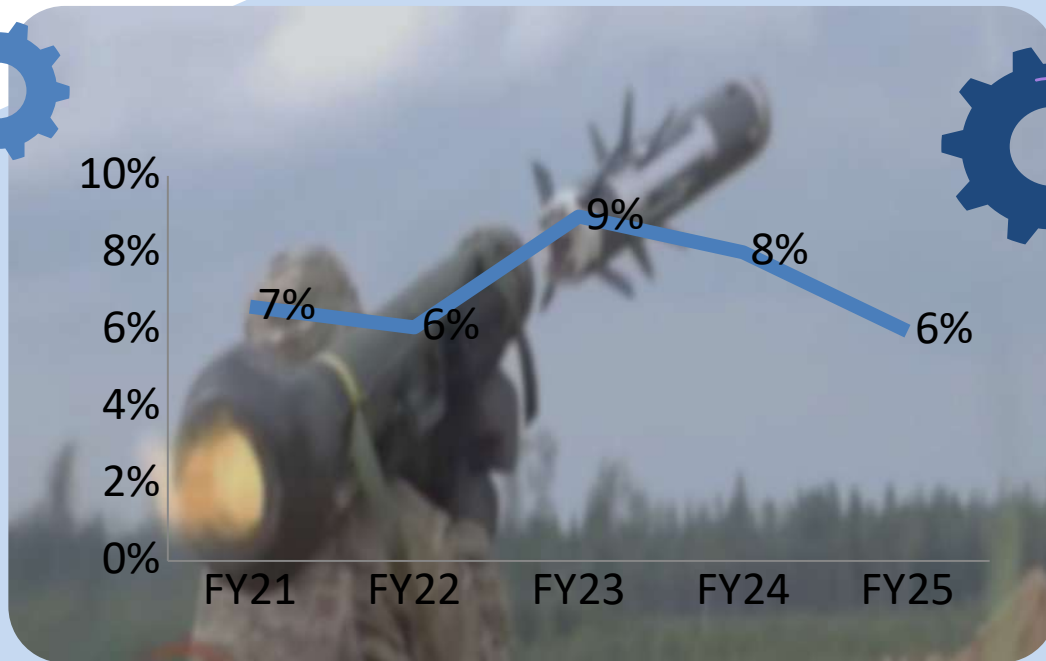


40,000 sq ft, Hyderabad,  
Adibatla, Unit- II



# OUR DEDICATED R&D- DRIVEN BY INNOVATION AND INDIGENISATION DNA

In FY25, our rigorous efforts in Research and Development culminated in the successful development of **Aerial Bombs, Underwater Acoustic Sensors, Critical Actuation Systems, Secured Data links and many other products.**



























— R&D as a % of Revenue











- Our dedicated R&D team, comprising experienced engineers with core expertise in **embedded hardware and software development**, plays a pivotal role in our strategy. Their extensive knowledge spans **Aerospace, Avionics, Space, Naval, On-Board Systems, and Ground Support Equipment**, enabling advance engineering solutions and effective problem-solving.
- We are honored to be recognized as a **Collaborative R&D Partner** by **Bharat Electronics Limited**.
- There has been **no attrition in the R&D** team during FY25.
- An allocation of **INR 100 Crores** has been earmarked for FY26.



# INDIGENIZATION AND MODERNISATION OF DEFENCE ECOSYSTEM

MODE	MISSILES	INDIGINISED
 Air to Surface Missile (ASM)	 RUDRAM	
 Surface to Air Missile (SAM)	VLSRAM (ASTRA VARIANT), AKASH/ NGRAM,QRSAM,SANT	
 Anti Radiation Missile	RUDRAM, STAR, NGRAM	
 Anti Tank Missile	NAG, AMOGHA 2, HELINA, IMPATGM	
 Anti Ship Missile	 LRAHSM, NASM	
 Cruise Missiles	 NIRBHAY, SLCM	
 Ballistic Missile	 K4, PRALAY	
 Anti Submarine Missile	 SMART	
 Nuclear Missile	 AGNI	

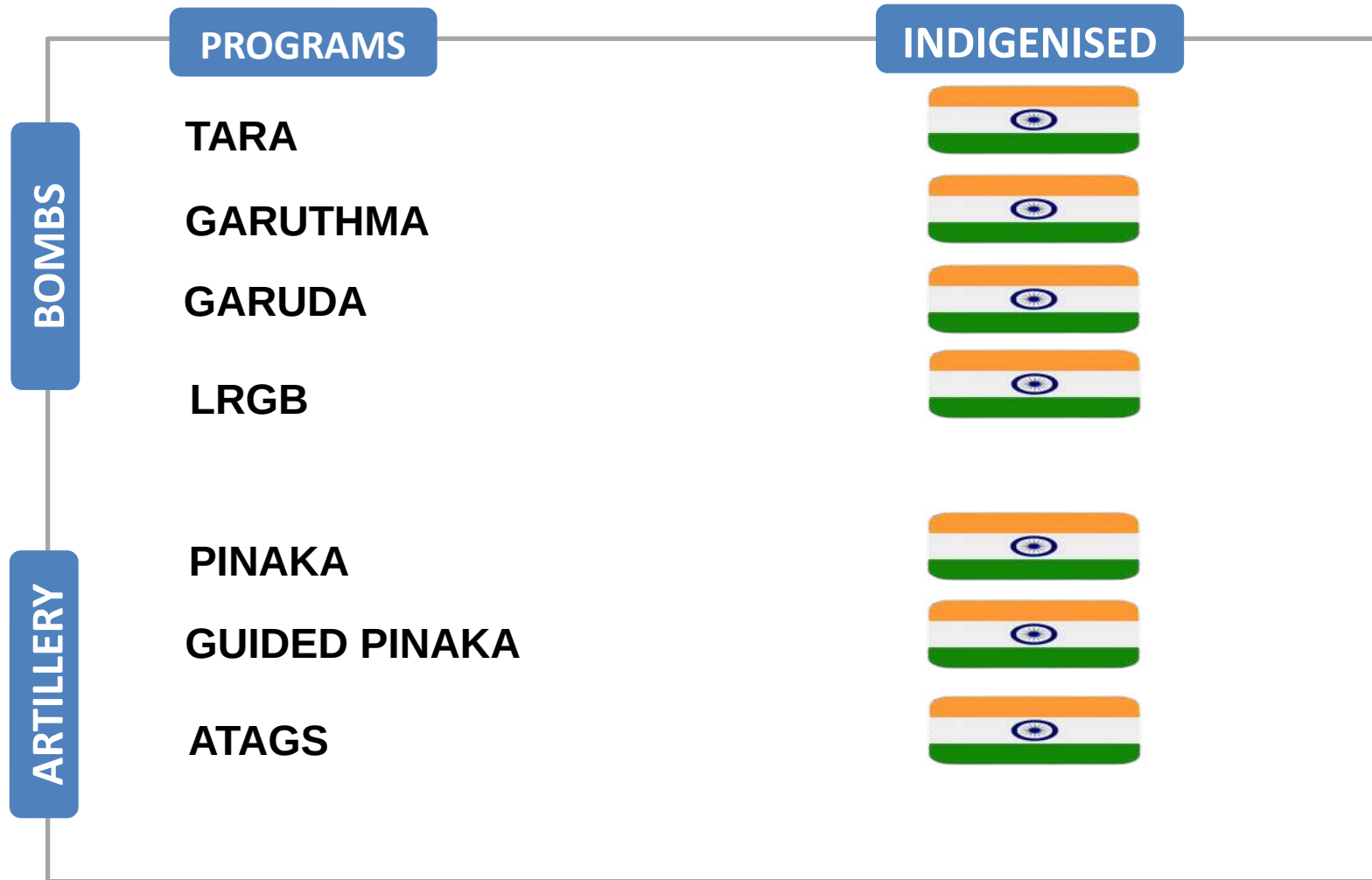
# INDIGENIZATION AND MODERNISATION OF DEFENCE ECOSYSTEM

NAVAL PROGRAMS	TYPE	PROGRAMS	INDIGENISED
	NULEAR SUBMARINE	Arihant	
		Aridhaman	
	TORPEDO	TAL	
		Varunastra	
		ALWT	
	SUBMARINE LAUNCHED TORPEDO	EHWT	
	UNDERWATER MINE	MIGM	
		Moored Mines	
	EXPANDABLE DECOYS	MAREECH	
		MOHINI	

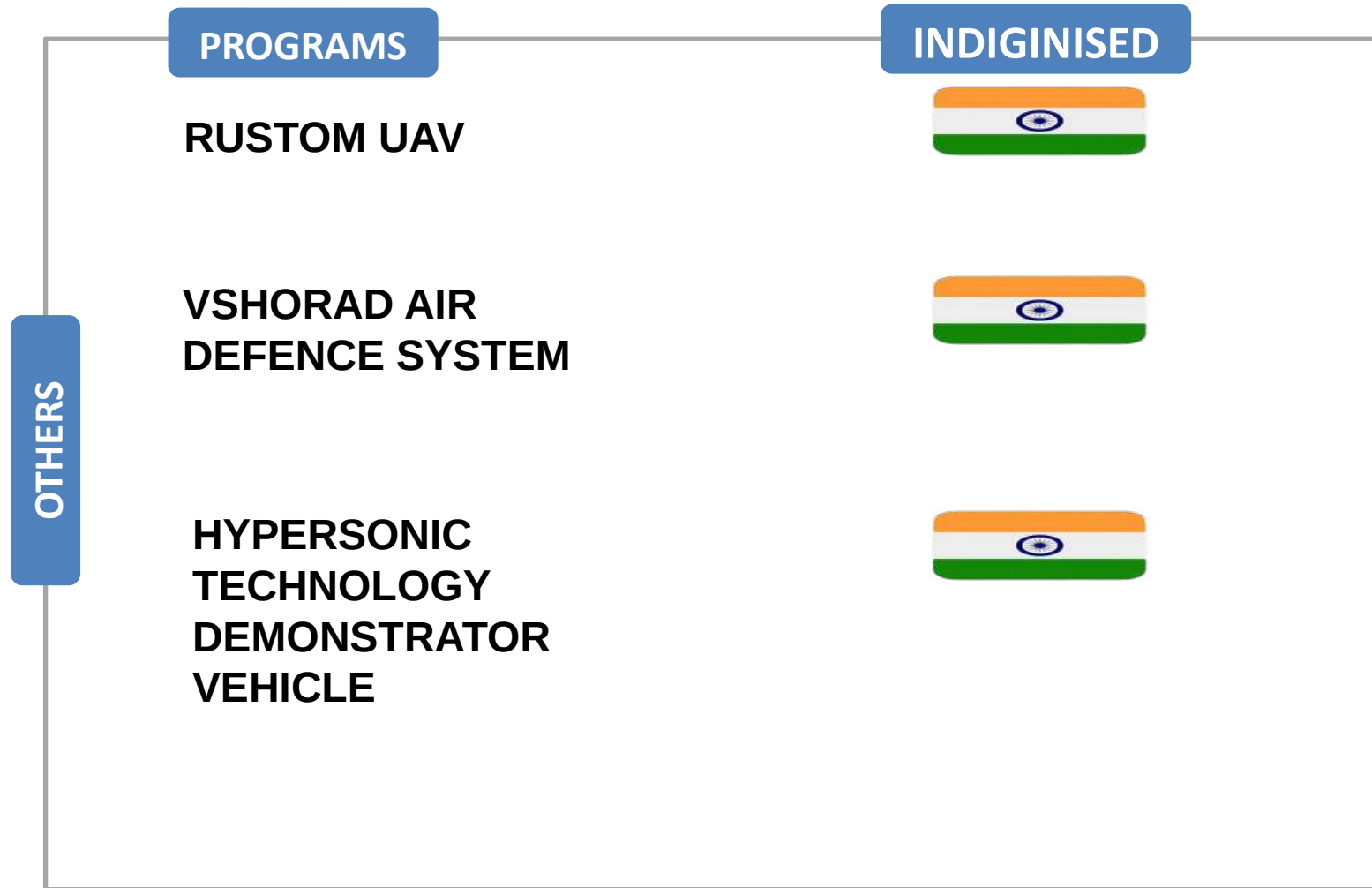




# INDIGENIZATION AND MODERNISATION OF DEFENCE ECOSYSTEM



# INDIGISATION AND MODERNISATION OF DEFENCE ECOSYSTEM



# MISSILE PROGRAMS



## AIR TO SURFACE



## NUCLEAR MISSILE



## ANTI SUBMARINE MISSILE



## BALLISTIC MISSILE





# CRUISE MISSILE



NIRBHAY



SLCM

# ANTI SHIP MISSILE



NASM



LRAHSM





AKASH

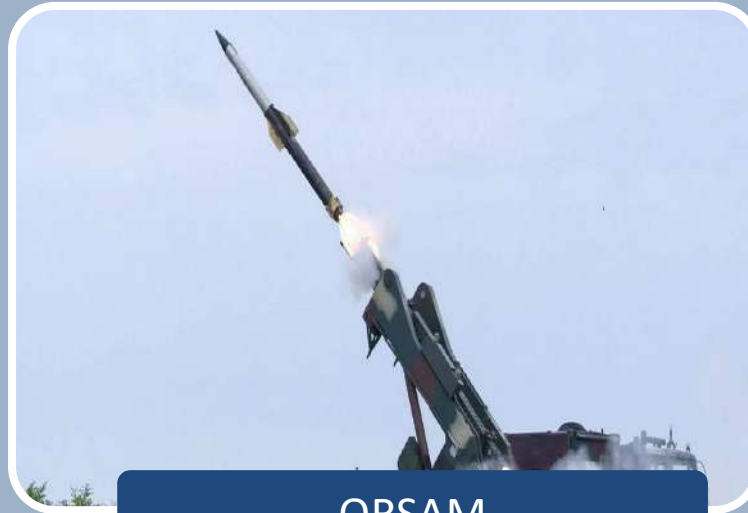
## SURFACE TO AIR MISSILE



VLSRAM



NGRAM



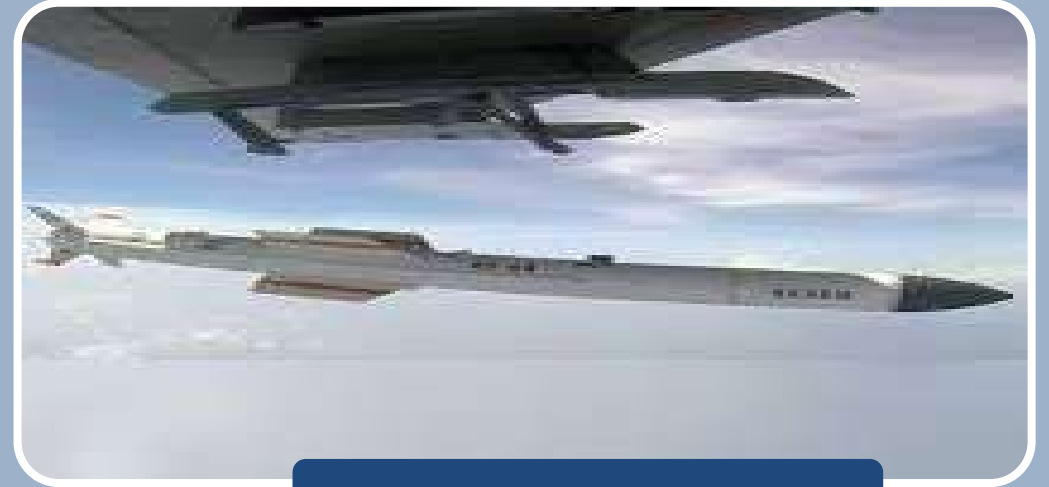
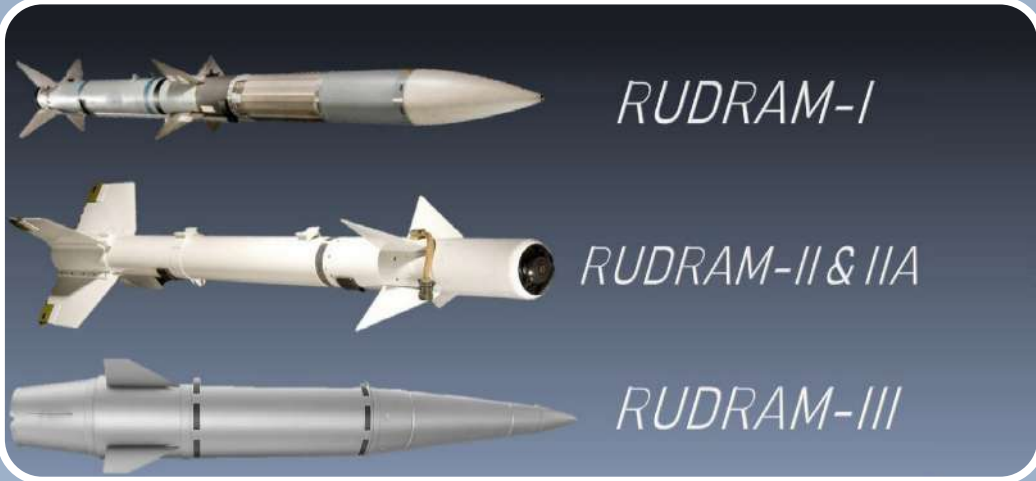
QRSAM



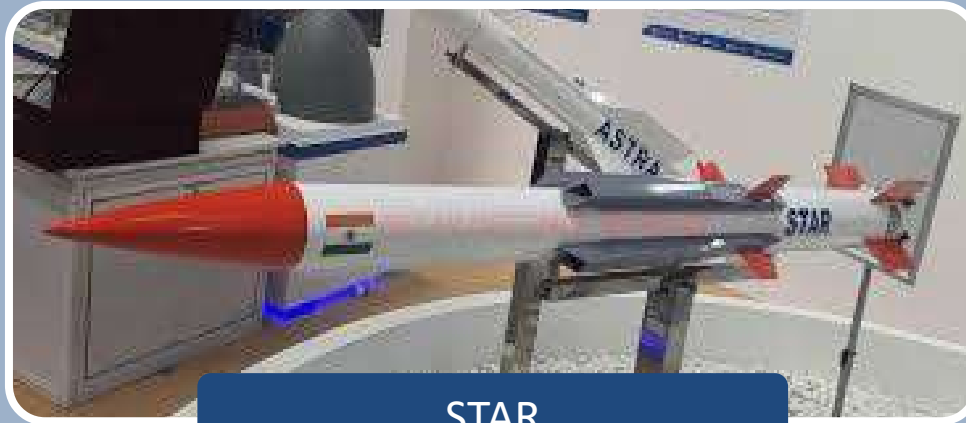
SANT



# ANTI RADIATION MISSILE



NGRAM



STAR



# ANTI TANK MISSILE



AMOGHA 2



HELINA



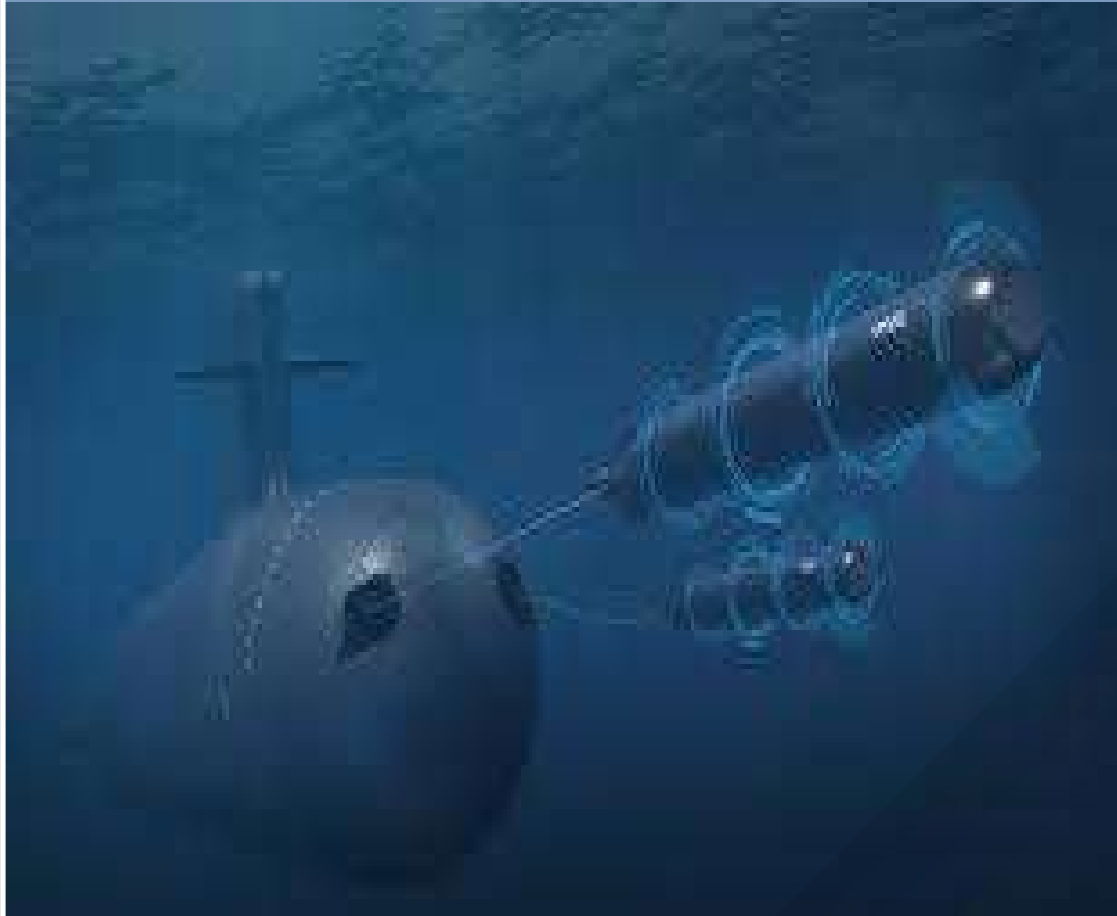
NAG



MPATGM

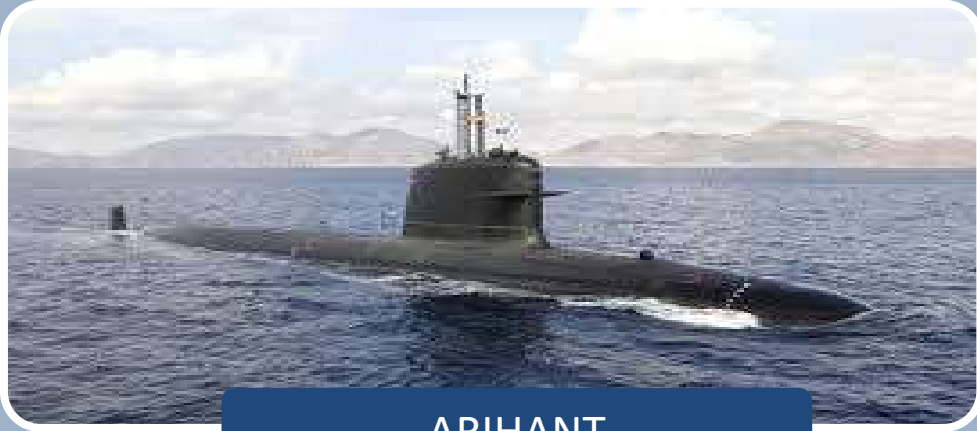




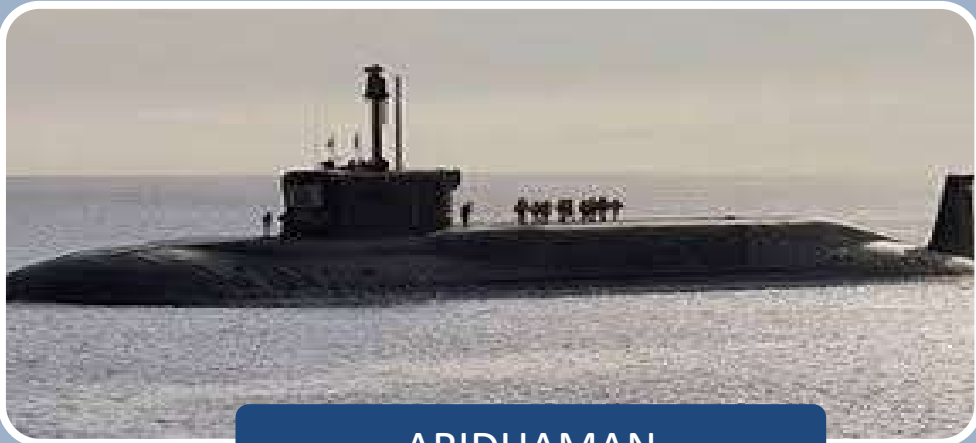


# NAVAL PROGRAMS

# NUCLEAR SUBMARINE



ARIHANT

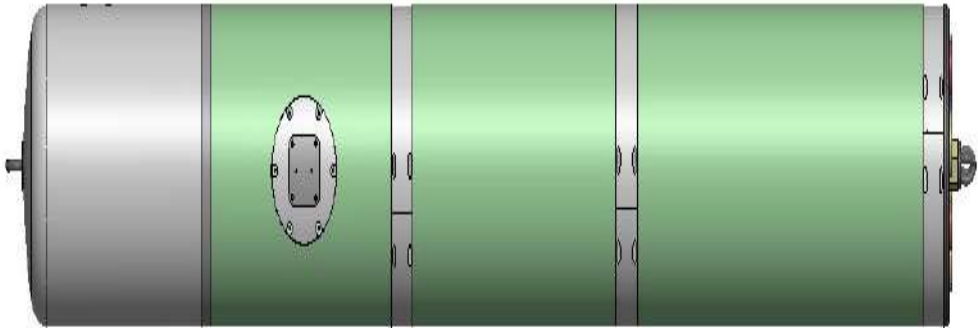


ARIDHAMAN

# UNDER WATER MINES



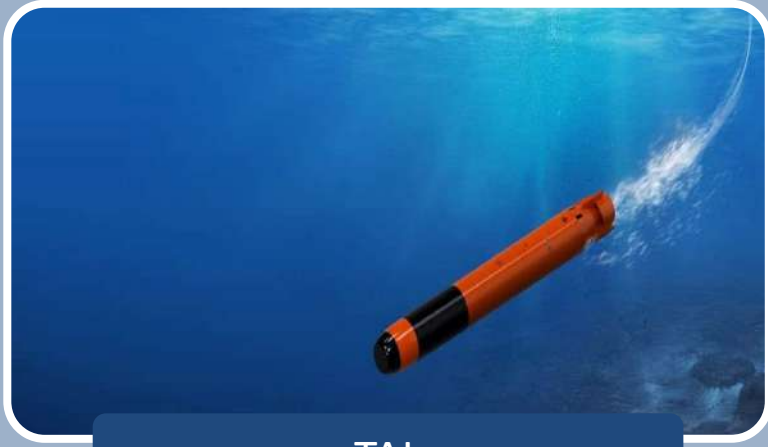
MIGM



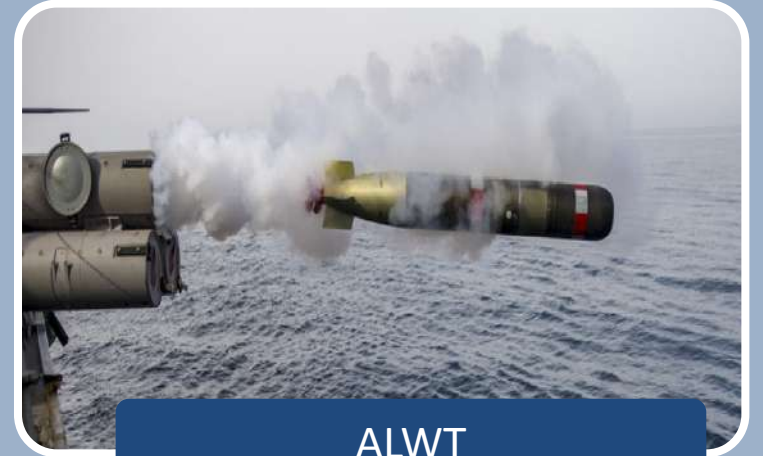
MOORED MINE



# TORPEDOES



TAL



ALWT



VARUNASTRA





**MAREECH**

## EXPENDABLE DECOYS

**MOHINI**

**C303**

## SUBAMRINE LAUNCHED TORPEDOES

**EHWT**







# OTHERS



# OTHERS



RUSTOM UAV



VSHORAD AIR DEFENCE SYSTEM

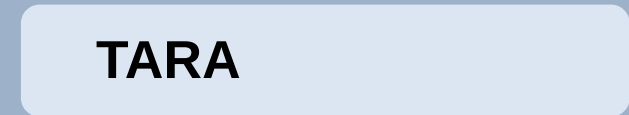
**HYPERSONIC TECHNOLOGY DEMONSTRATOR VEHICLE**



# ARMS AND AMMO



# BOMBS





# ARTILLERY



PINAKA



GUIDED PINAKA

**ATAGS**



# FORTIFYING OUR PRODUCT PROFILE IN **INHOUSE DEVELOPED WEAPON SYSTEMS** (1/2)

The existing portfolio includes complete weapon systems that have either achieved qualification or are in advanced stages of the qualification process

**Underwater Mines**



**Underwater Moored Mines**



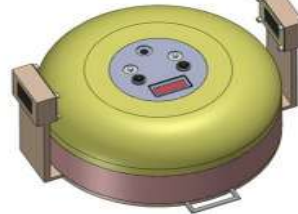
**Anti Submarine warfare Rockets**



**Medium Range Aerial Rockets**



**Limpet Mines**



**Aerial Bombs**



**These weapons systems have been indigenously developed and produced entirely in-house.**



# FORTIFYING OUR PRODUCT PROFILE IN MUNITIONS SYSTEMS (2/2)

Awarded Transfer of Technology (TOT) by the Defence Research and Development Organisation (DRDO) in Explosive

**Exploder Mechanism  
for Naval Warheads**

**ESAD based Fuze for Mini  
Depth Charge (MDC)**

**Warheads for Ulpgm- V2  
(UAV Launched Precision  
Guided Missile V2)**

**Prachand Munition  
Hardware**



# APPLICATION OF PRODUCTS AND SERVICES OFFERINGS (1/2)

## WE POWER THE AIRSPACE WITH ADVANCED SAFETY CRITICAL PRODUCTS



TORPEDO  
CONTROL PANEL



PCM ENCODER &  
DECODER



TORPEDO  
INTERFACE UNIT

### AVIONICS

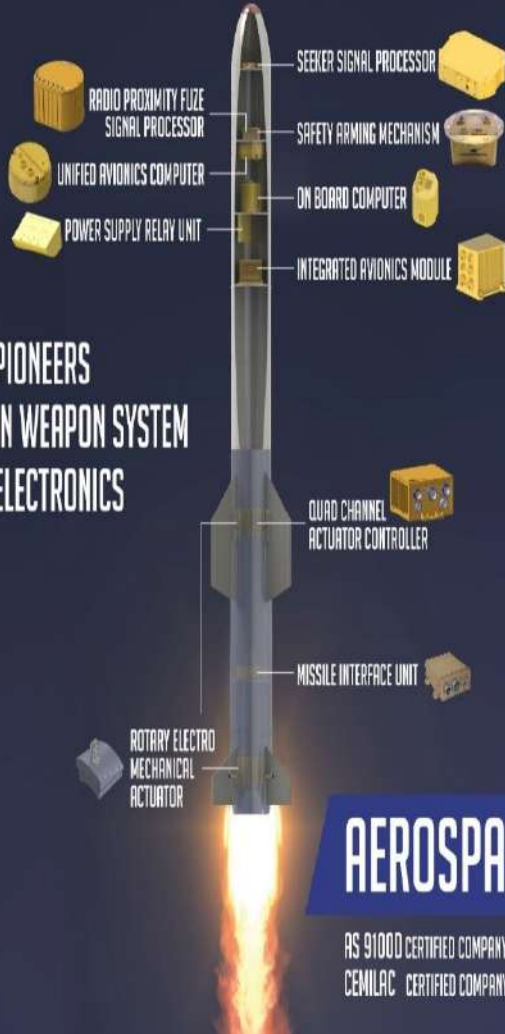


LAUNCHER VEHICLE  
RELAY UNIT



CRUISE VEHICLE  
RELAY UNIT

## PIONEERS IN WEAPON SYSTEM ELECTRONICS



## AEROSPACE

AS 9100D CERTIFIED COMPANY  
CEMILAC CERTIFIED COMPANY

## WE EMPOWER GROUND DEFENCE WITH RUGGEDISED & RELIABLE ELECTRONIC SYSTEMS

### GROUND DEFENCE



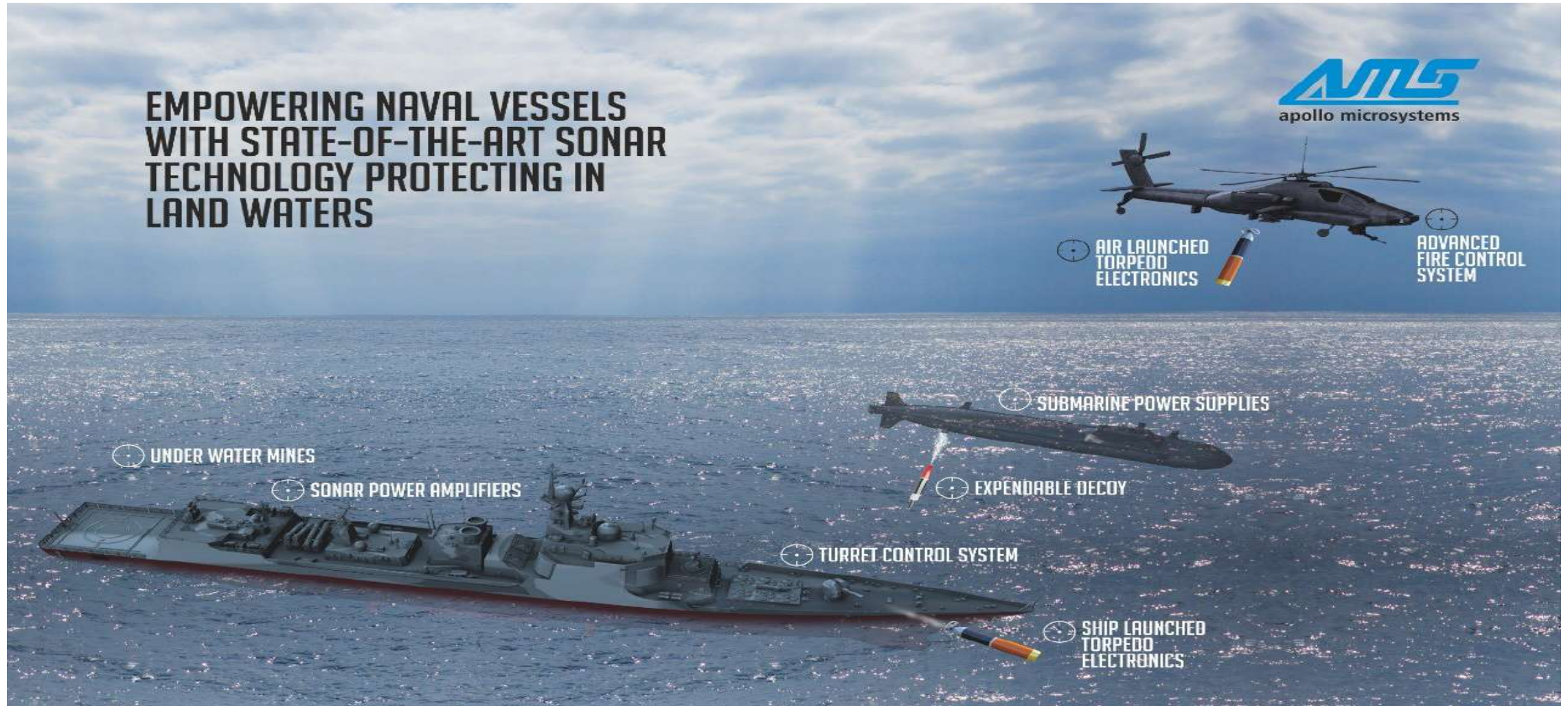
## NAVAL

AS 9100D CERTIFIED COMPANY  
CEMILAC CERTIFIED COMPANY





## APPLICATION OF PRODUCTS AND SERVICES OFFERINGS (2/2)







INDIA- YEAR OF REFORMS

# INDUSTRY OVERVIEW



# NATIONS ARE GEARING UP (1/4)

- Global military expenditure increased to \$2718 billion in 2024, the 10th year of consecutive rises. The world's 15 largest spenders in 2024 all increased their military expenditure. The global military burden—the share of global gross domestic product (GDP) devoted to military expenditure—increased to 2.5% in 2024.
- Revenues from sales of arms and military services by the 100 largest companies in the industry reached \$632 billion in 2023, a real-terms increase of 4.2% compared with 2022.

## DRIVERS- ENTIRE WORLD

- European spending surge drives up global total



**Military spending in Europe (including Russia)** rose by **17% to \$693 billion** and was the main contributor to the global increase in 2024.



With the war in Ukraine in its third year, military expenditure kept rising across the continent, pushing European military spending **beyond the level recorded at the end of the cold war.**



**Germany's** military expenditure increased **by 28% to reach \$88.5 billion**, making it the biggest spender in Central and Western Europe and the fourth biggest in the world.





**Poland's** military spending **grew by 31% to \$38.0 billion** in 2024, representing **4.2% of Poland's GDP.**

Spending in a record number of **NATO members reaches 2% of GDP. European NATO** members spent **\$454 billion in total**, representing **30% of total spending across the alliance.**

- Military spending by the **USA rose by 5.7% to reach \$997 billion**, which was **66% of total NATO spending and 37% of world military spending in 2024.** A significant portion of the US budget for 2024 was dedicated to modernizing military capabilities and the US nuclear arsenal in order to maintain a strategic advantage over Russia and China.



## NATIONS ARE GEARING UP (2/4)

- Military expenditure in the **Middle East** reached an estimated **\$243 billion in 2024**, an increase of **15% from 2023** and **19% more than in 2015**
- China continues military build-ups
  -  **China, the world's second largest military spender**, increased its military expenditure **by 7.0% to an estimated \$314 billion**, marking three decades of consecutive growth. China accounted for **50% of all military spending in Asia and Oceania**, investing in the continued modernization of its military and expansion of its cyber warfare capabilities and nuclear arsenal.
  -  **Japan's** military spending rose **by 21 per cent to \$55.3 billion in 2024**, the largest annual increase since **1952**. Its military burden **reached 1.4% of GDP, the highest since 1958**.  
Spending by **Taiwan** grew **by 1.8% in 2024 to reach \$16.5 billion**.
- Military spending by **Myanmar** surged **by 66% in 2024** to an **estimated \$5.0 billion**—the highest rate of increase in Asia and Oceania—as internal conflicts intensified.

### PROLIFERATION AND USE OF MISSILES

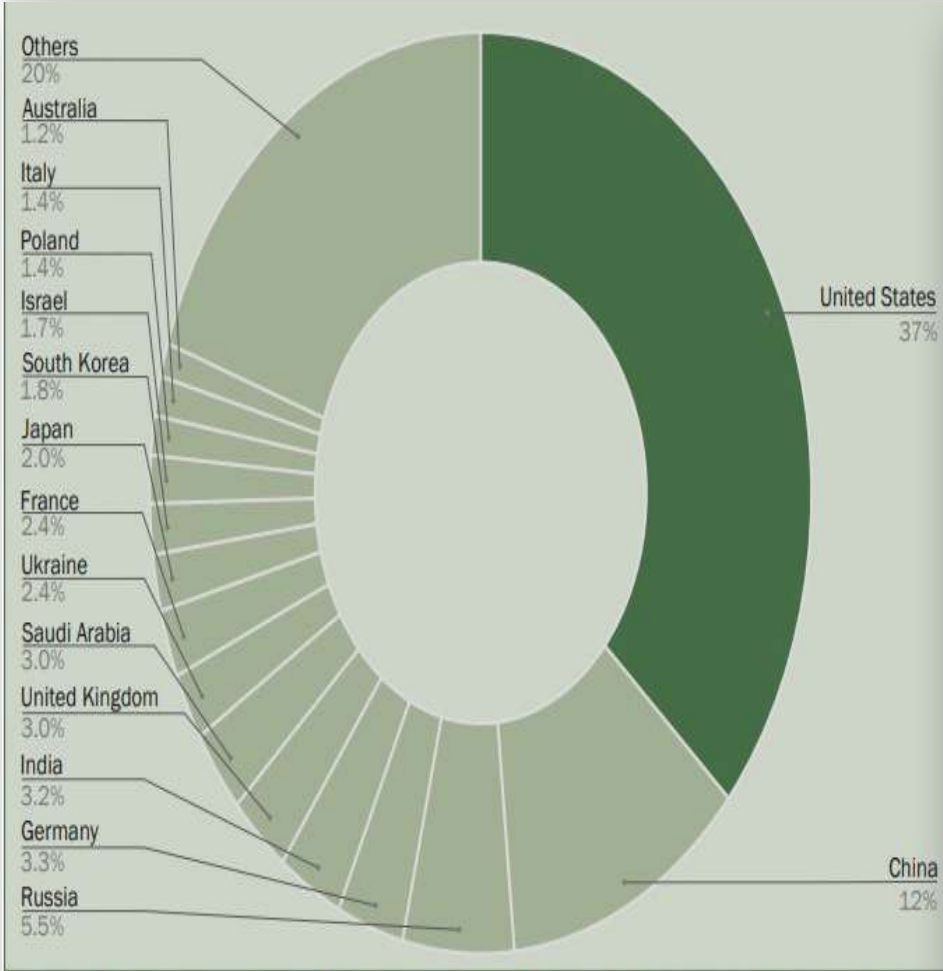
- The developments were shaped both by the continued and extensive use of such weapons in conflict—especially in the **Russia–Ukraine war** and in **Iran's missile attacks on Israel** linked to the **Israel– Hamas war**—and by the underlying and explicit use of missiles for signalling and leverage in these conflicts and elsewhere. **Together with the need to replenish stockpiles, states' perceptions of the military value and utility of missiles, air and missile defence systems contributing to growing demand for current missile.**
- Russia continued to use conventionally armed ballistic missiles, cruise missiles and one-way attack UAVs in large numbers against Ukrainian forces, critical infrastructure and civilians in 2024. Between January and September 2024, **Ukraine reported that almost 5500 such systems were launched at Ukraine, averaging more than 20 launches every day.**



## NATIONS ARE GEARING UP (3/4)

- A build-up of missile arsenals in Europe  
There is a **growing demand for missiles in Europe to replace those supplied to Ukraine as well as to expand stockpiles in line with the prevailing threat environment** and to address perceived gaps in capabilities through the development of new offensive and defensive systems.
- Use of missiles and armed UAVs in the Middle East  
The spillover of the war in Gaza in 2024 to involve Iran and several of its allied militias, including Hezbollah in Lebanon and the Houthis in Yemen, **saw the continued use of rockets, UAVs** and—to a lesser extent—missiles. Such weapons were used in attacks on Israel and on shipping in the Red Sea, while Israel used them in its bombardment of Gaza and attacks against Iran, Hezbollah in Lebanon and other non- state armed groups in Iraq and Syria.





**Figure 2.** The share of world military expenditure of the 15 countries with the highest spending in 2024



**Figure 3.** Military spending as a share of gross domestic product, by country, 2024

Note: The 10 countries with the highest military spending as a share of gross domestic product are labelled. The boundaries used in this map do not imply any endorsement or acceptance by SIPRI.

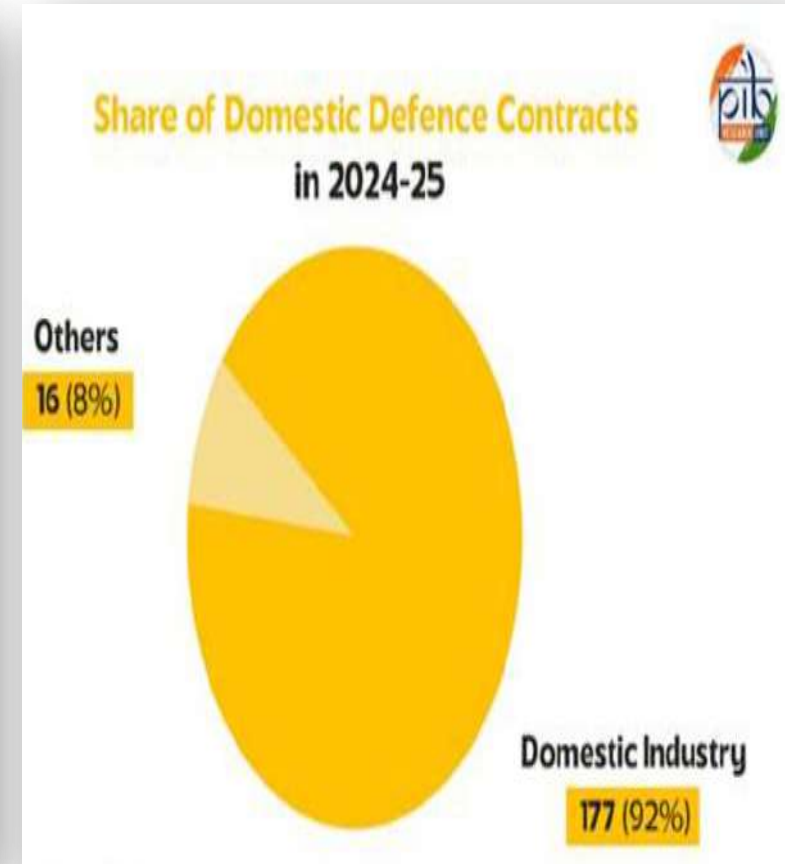
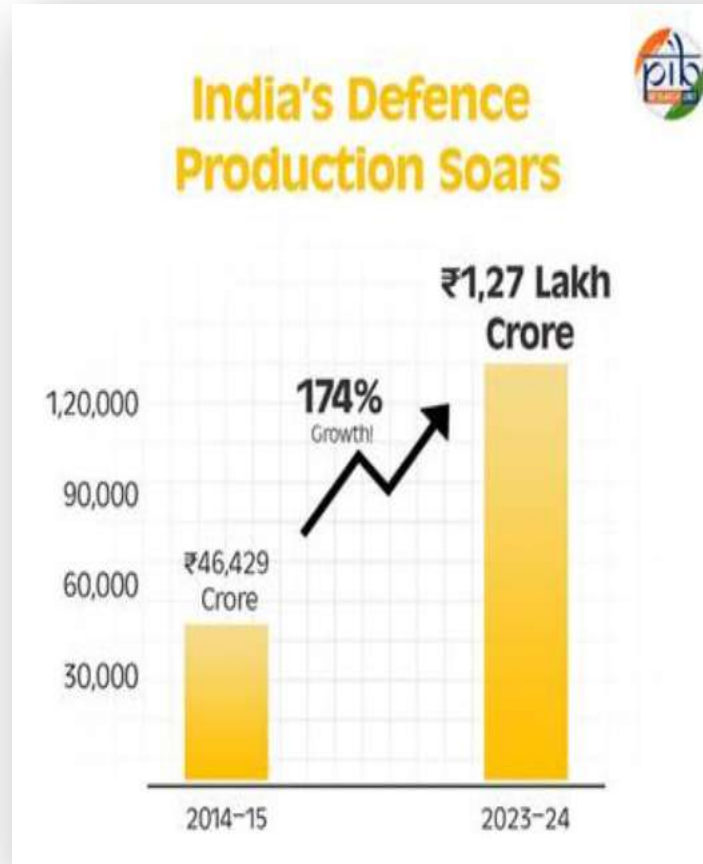
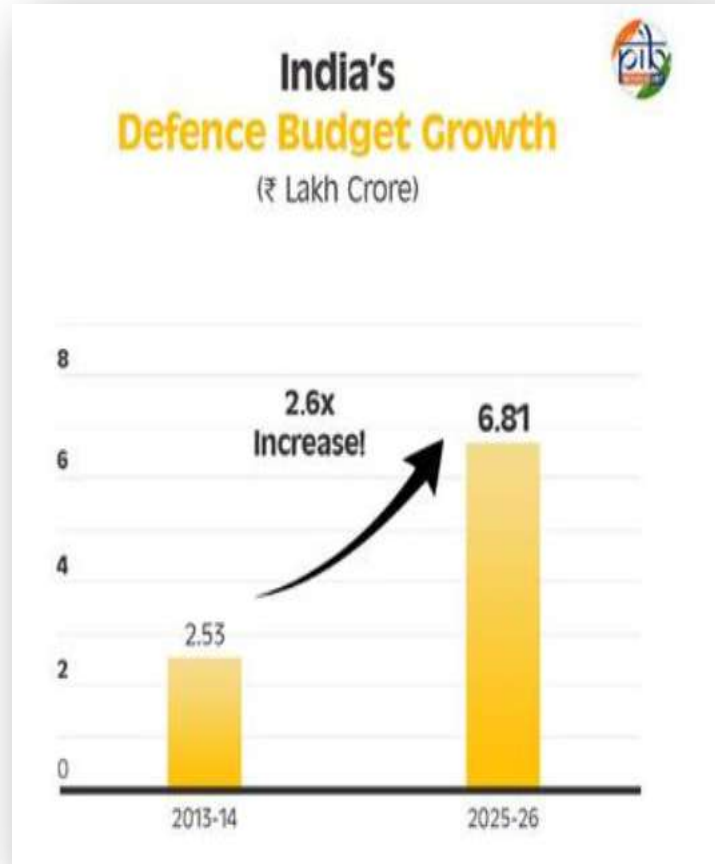
Source: SIPRI Military Expenditure Database, Apr. 2025.





# MARKETS WITH MACRO TAILWINDS PROVIDE CONSIDERABLE GROWTH OPPORTUNITIES (1/5)

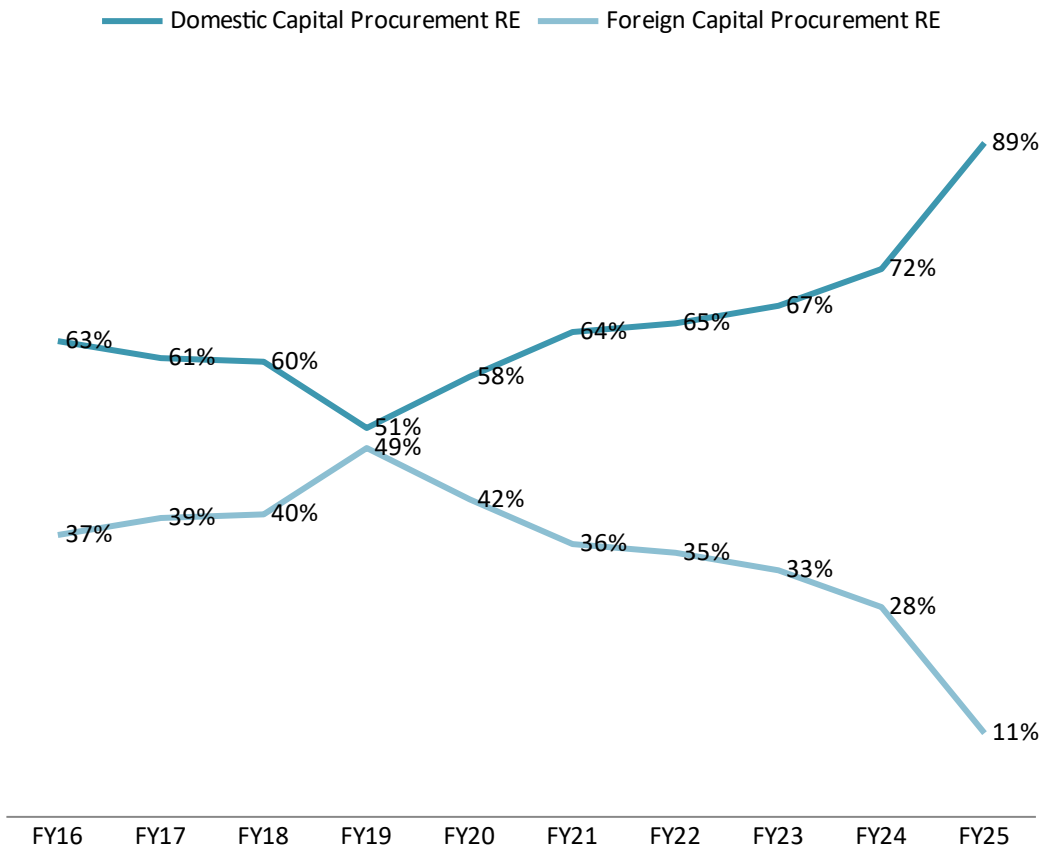
## Stories in Chart



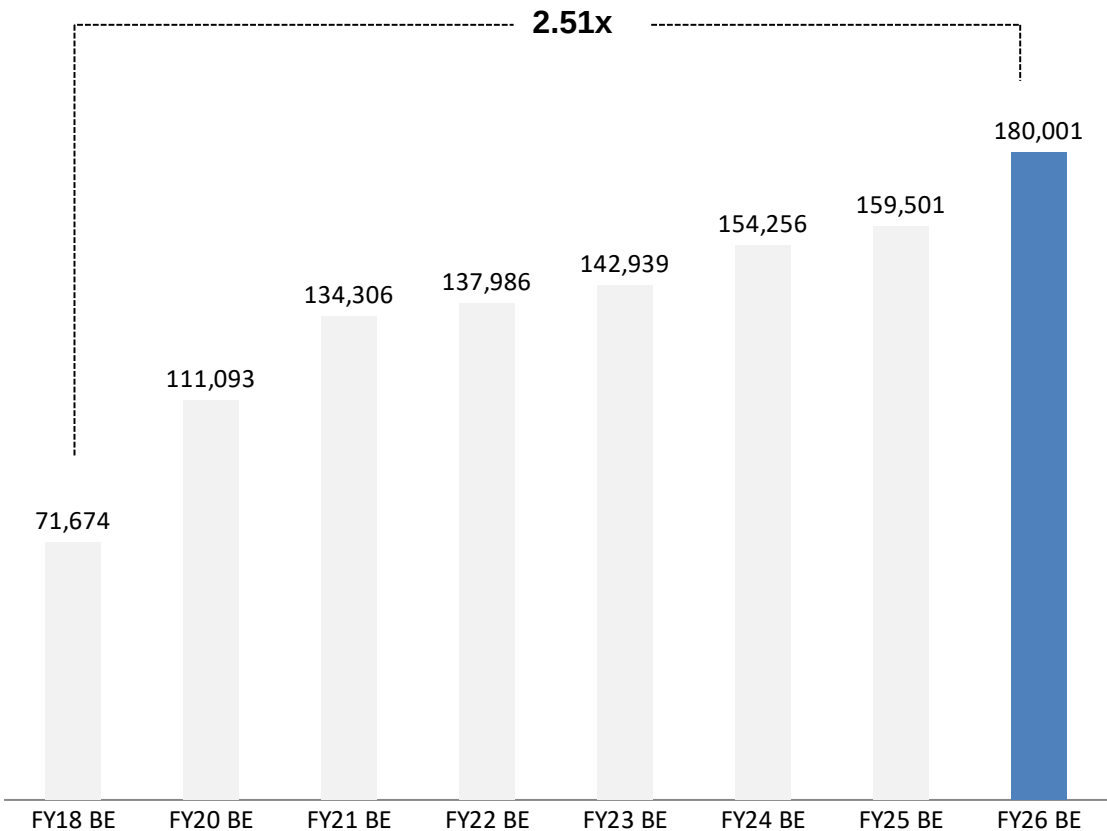
# MARKETS WITH MACRO TAILWINDS PROVIDE CONSIDERABLE GROWTH OPPORTUNITIES (2/5)

All Figures in INR Crores

## Stories in Chart

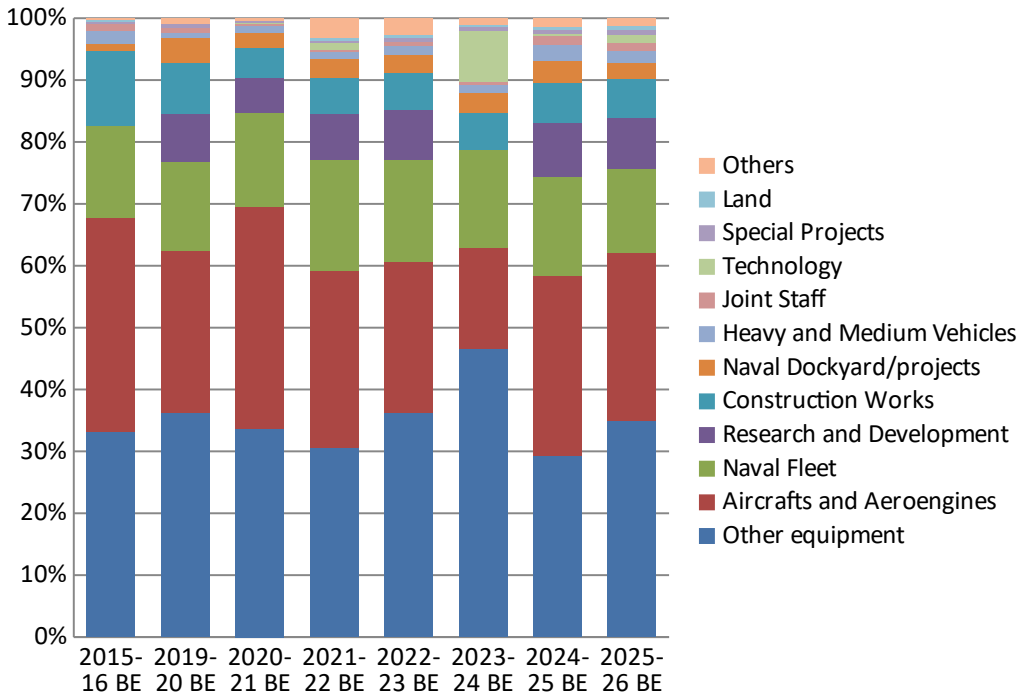


## Capital Acquisition Outlay

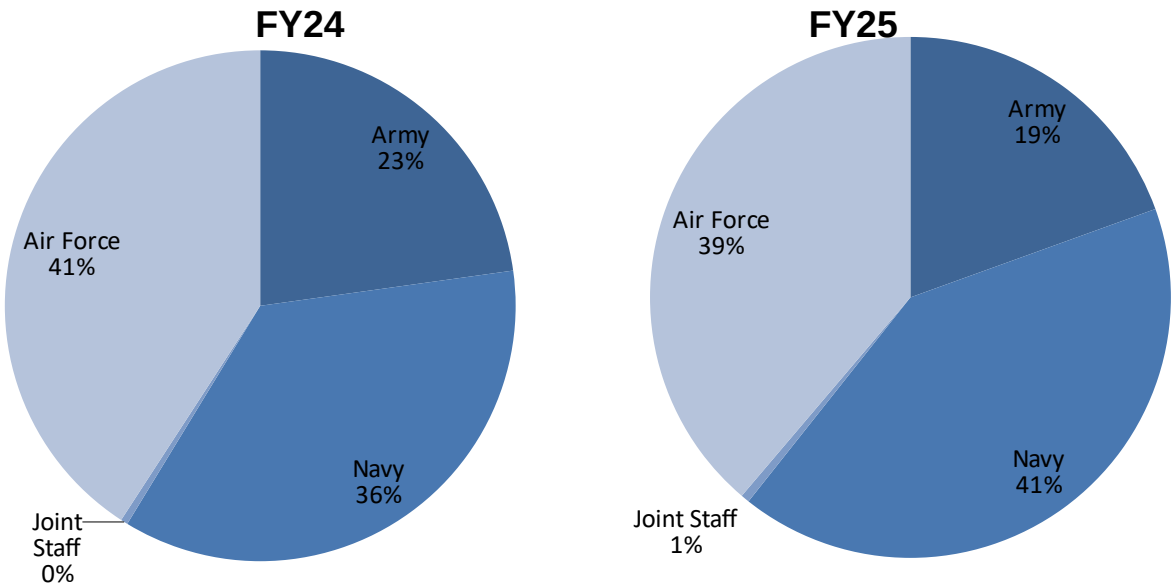


# MARKETS WITH MACRO TAILWINDS PROVIDE CONSIDERABLE GROWTH OPPORTUNITIES (3/5)

## Stories in Chart



Composition of Capital Acquisition Outlay



Composition of Capital Acquisition Outlay among Services\*

\*excludes other than Capital Acquisition and DRDO, DGQA etc



# MARKETS WITH MACRO TAILWINDS PROVIDE CONSIDERABLE GROWTH OPPORTUNITIES (4/5)

## India

In pursuance of Prime Minister **Shri Narendra Modi**-led Government's vision of '**Viksit Bharat @ 2047**' with technologically-advanced and '**Aatmanirbhar**' Armed Forces, **Union Budget of India** has made a provision of **Rs 6,81,210.27 crore for Financial Year (FY) 2025-26** for the Ministry of Defence (MoD). This allocation is **9.53% more than** the Budgetary Estimate of FY 2024-25 and stands at **13.45% of Union Budget**, which is **highest among the Ministries**.

- Out of this, **Rs 1,80,000 crore i.e. 26.43%** of total allocation will be spent on **Capital Outlay** on Defence Services.
- The Ministry has taken a decision to **observe 2025-26 as 'Year of Reforms'** which will further strengthen the resolve of the Government for modernisation of Armed Forces and is aimed for simplification in the Defence Procurement Procedure to ensure optimum utilisation of the allocation.
- In order to encourage the private sector for manufacturing and technological development in the defence sector, a notable percentage of domestic share is further earmarked for acquisition from domestic private industries. Accordingly, for **FY 2025-26, Rs 1,11,544.83 crore i.e. 75% of modernisation budget has been earmarked for procurement through domestic sources and 25% of domestic share i.e. Rs 27,886.21 crore** has been provisioned for procurement through domestic private industries.

### A Timely boost from the Government of India

- Amid the ongoing Operation Sindoor against Pakistan, the defense forces set to get big boost of around **INR 40,000 crores to buy arms and ammunition. The approval for the acquisitions under emergency powers was granted recently by the Defence Acquisition Council** in its meeting attended by top defence ministry and military brass, defence officials told ANI
- **DAC clears 10 capital acquisition proposals worth approx. Rs 1.05 lakh crore under Buy (Indian-IDDM) category.**



# MARKETS WITH MACRO TAILWINDS PROVIDE CONSIDERABLE GROWTH OPPORTUNITIES (5/5)

## Triggers

- In recent years, the **global geopolitical landscape has witnessed multiple instances of armed conflict** and rising tensions, including but not limited to **the Russia–Ukraine war, Armenia–Azerbaijan conflict, China–Taiwan tensions, Israel–Iran issues, and India–Pakistan skirmishes.**
- India, in particular, is in the **process of modernizing its defence capabilities, as approximately two-thirds of its military equipment is currently classified as vintage.**
- **Strategic Response: Structural Reforms Driving 'Atmanirbhar Bharat'**- The Government of India has initiated several strategic reforms aimed at enhancing self-reliance in defence production and reducing dependency on imports.

Key initiatives include:



**Positive Indigenisation Lists:** The Ministry of Defence has released its fifth Positive Indigenisation List (PIL), comprising 98 high-complexity systems, sensors, weapons, and ammunition. These items will be procured exclusively from domestic sources under the Defence Acquisition Procedure (DAP) 2020 within a defined timeline.



**Dedicated Budget Allocation for Domestic Industry:** In FY 2023–24, a record 75% (approximately ₹1 lakh crore) of the defence capital procurement budget has been allocated for domestic industry, up from 68% in the previous fiscal year.



**Enhanced Foreign Direct Investment (FDI) Limits:** FDI in the defence sector has been liberalized—up to 74% is permitted under the automatic route, and up to 100% under the government route.



**Establishment of Defence Corridors:** Two dedicated Defence Industrial Corridors have been established in Uttar Pradesh and Tamil Nadu, with the objective of minimizing imports and boosting defence exports.





# MARKETS WITH MACRO TAILWINDS PROVIDE CONSIDERABLE GROWTH OPPORTUNITIES (1/2)

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The **explosive market size** is expected to see strong growth in the next few years. **It will grow to \$9.37 billion in 2029 at a compound annual growth rate (CAGR) of 8.8%.** The surge in government spending on the defense sectors in various countries including The USA, China, India, Russia, The UK and France is projected to be a major driver for the growth of the explosive market during the period. The growth in the forecast period can be attributed to an increase in territorial and political conflict, global population growth and urbanization, increasing infrastructure development expenditure by governments and increasing construction activities.

## Trigger

- Blessing in Disguise: Geopolitical tensions and global trade restrictions have intensified supply chain disruptions, resulting in delayed production timelines and critical shortages of explosives.

## Results

- Ministry of Defence has inked contracts with Economic Explosive Limited (EEL) and Munitions India Limited (MIL) for the procurement of Area Denial Munition (ADM) Type-1 (DPICM) and High Explosive Pre Fragmented (HEPF) Mk-1 (Enhanced) rockets respectively for PINAKA Multiple Launch Rocket System (MLRS) at a total cost of Rs 10,147 crore.
- The New Anchor Mega Project entails an investment of INR 12780 crores and falls under the “Thrust Sector Incentive Scheme” of the Government of Maharashtra in the Defence and Aerospace category.



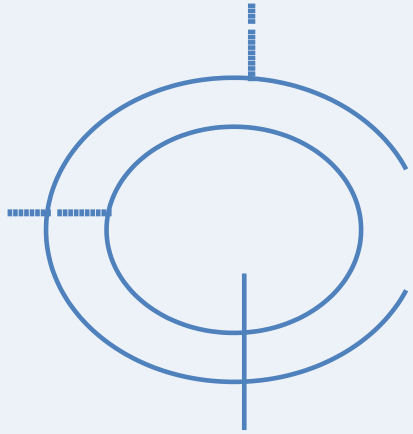
# MARKETS WITH MACRO TAILWINDS PROVIDE CONSIDERABLE GROWTH OPPORTUNITIES (2/2)

- A surge in global demand for explosives and ammunition, fed by ongoing conflicts in Europe and West Asia, has resulted in record Indian defence exports, with the figure crossing ₹23,622 crore in 2024-25.
- State-owned defence public sector units have recorded a 42.8% surge in exports, reaching a high of ₹8,389 crore in the financial year. A large part of these too are for explosives and parts for ammunition, particularly for artillery which is in big demand in Europe.

## Sources

[https://www.thebusinessresearchcompany.com/report/explosives-global-market-report#:~:text=What%20is%20The%20Explosives%20Market,\(CAGR\)%20of%208.7%25.](https://www.thebusinessresearchcompany.com/report/explosives-global-market-report#:~:text=What%20is%20The%20Explosives%20Market,(CAGR)%20of%208.7%25.)  
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# INORGANIC GROWTH



# RECENT STRATEGIC ACQUISITION- UNLOCKING VALUE

Apollo Defence Industries Pvt Ltd (ADIPL), a subsidiary of Apollo Micro Systems Ltd, has entered into a Share Purchase Agreement to **acquire** 100% equity stake in IDL Explosives Ltd for a total consideration of **INR 107 crore**, in an **all-cash transaction**.

The company is engaged in the manufacture full range of packaged and bulk explosive specifically engineered for mining and infrastructure projects. Moreover, it also offers an extensive range of cartridge explosives

GOCL Corporation Limited (GOCL), formerly Gulf Oil Corporation Limited, was incorporated in 1961 as Indian Detonators Ltd. (IDL), in Hyderabad. The company is the **First Indian owned explosive company and is a part of the "Hinduja Group"** which is one of the largest diversified transnational conglomerates with investments across **several sectors and a presence in over a 100 countries**.

GOCL is a **Star House exporter of energetic and commercial explosive products to over 20 countries**.

The acquired entity possesses a substantial land bank comprising of which **only around 40% has been utilized**. This provides significant potential for brownfield expansion, enabling **future capacity enhancement with minimal incremental capital expenditure and considerable scope for our defence requirement**.

The company is engaged in the manufacture full range of packaged and bulk explosive specifically engineered for mining and infrastructure projects.

Strategically fit for  
un-penetrated  
Market

End to End One  
Stop Solution  
across Value Chain

Enhances the ability to  
pursue large scale, high  
Value Projects

Increasing  
Addressable Market  
via New Products

Driving Margin Expansion  
through Cost Efficiencies  
Enabled by Vertical  
Integration

Integrated  
and Indigenized:  
APOLLO  
Steps into the Future of  
Defence Solutions

Increasing Addressable  
Market via Entering  
into New  
Geographies

Brand Equity





# OUR CIRCLE OF COMPETENCE



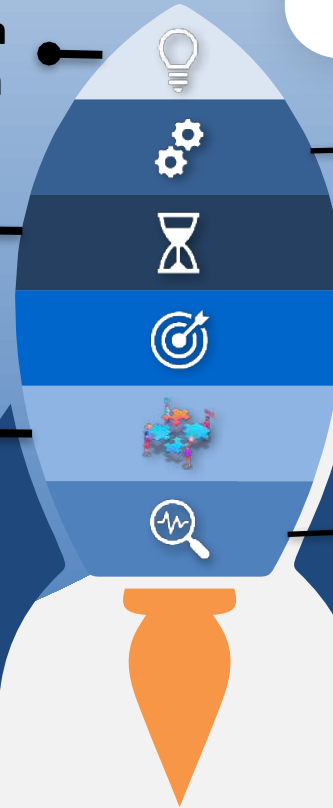


# OUR STRATEGIC ATTRIBUTES (1/3)

**Backward and forward integration enabled through greenfield and brownfield expansions, along with a recent acquisition**

**Strong Order Book Pipeline**

**First Company to contribute to Indian Weapon Systems. Significant market share in development of Weapon System and Electronics.**



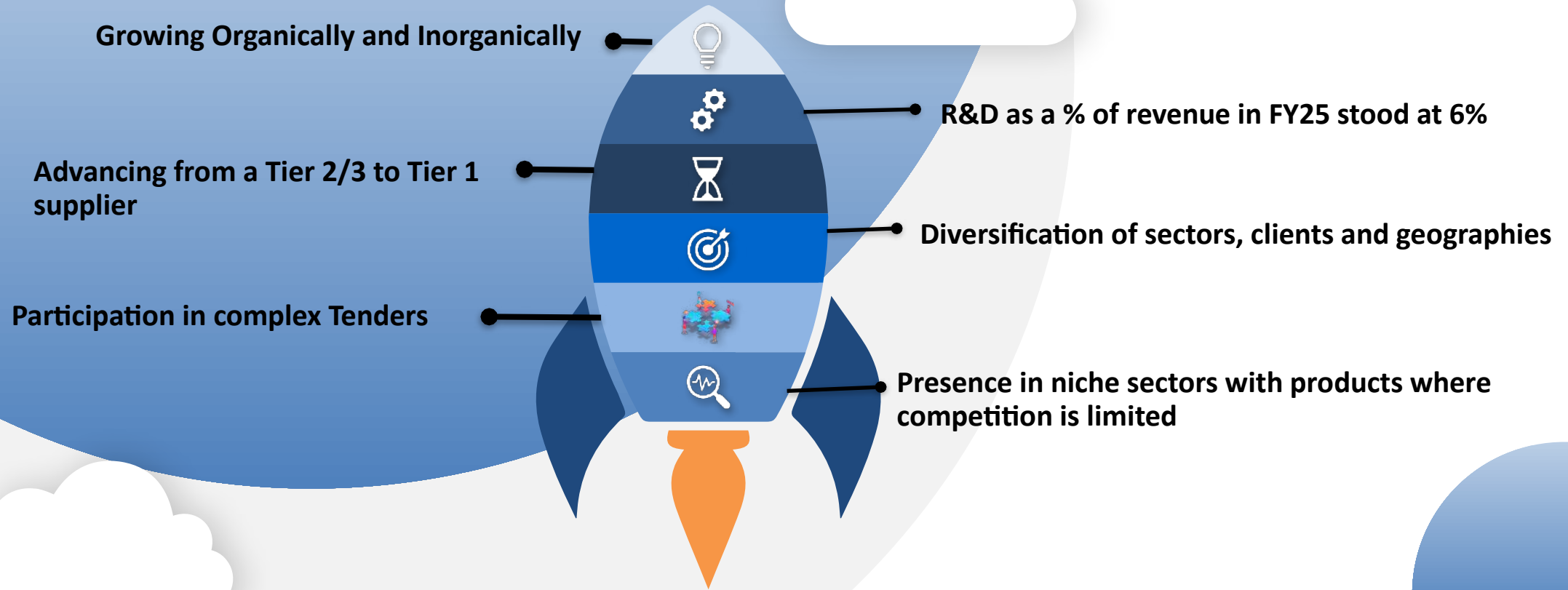
**High Entry Barrier**

**Entering production unlocks economies of scale**

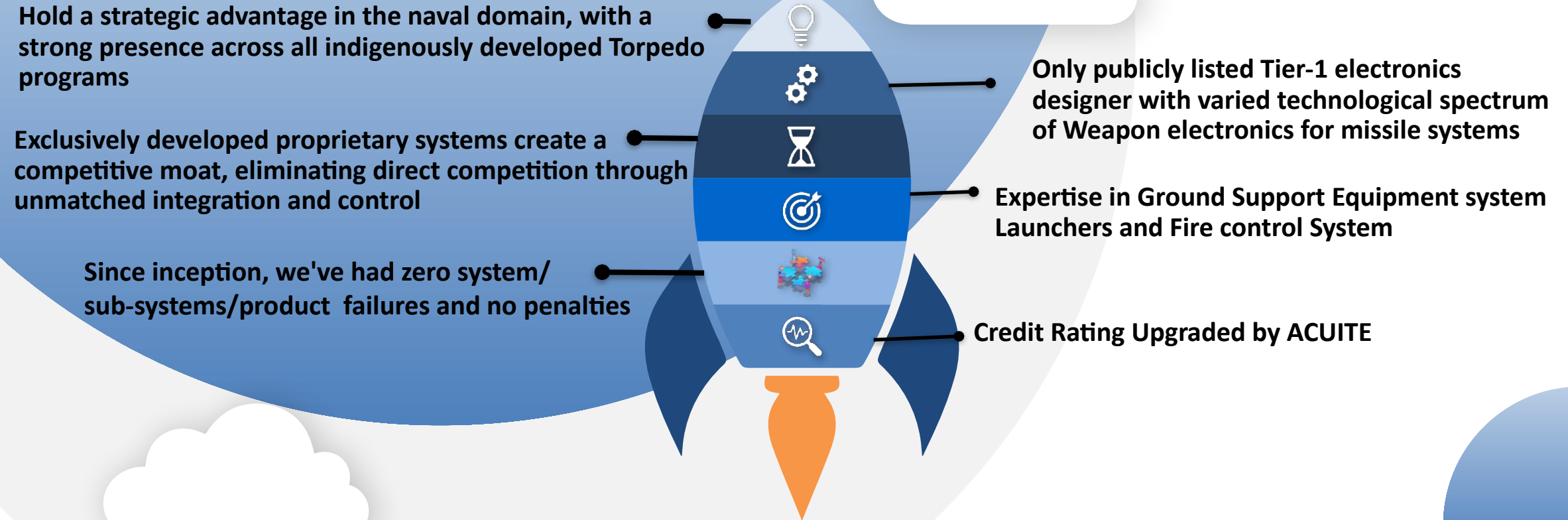
**Research- Retention -Results mantra for 100% customer satisfaction**



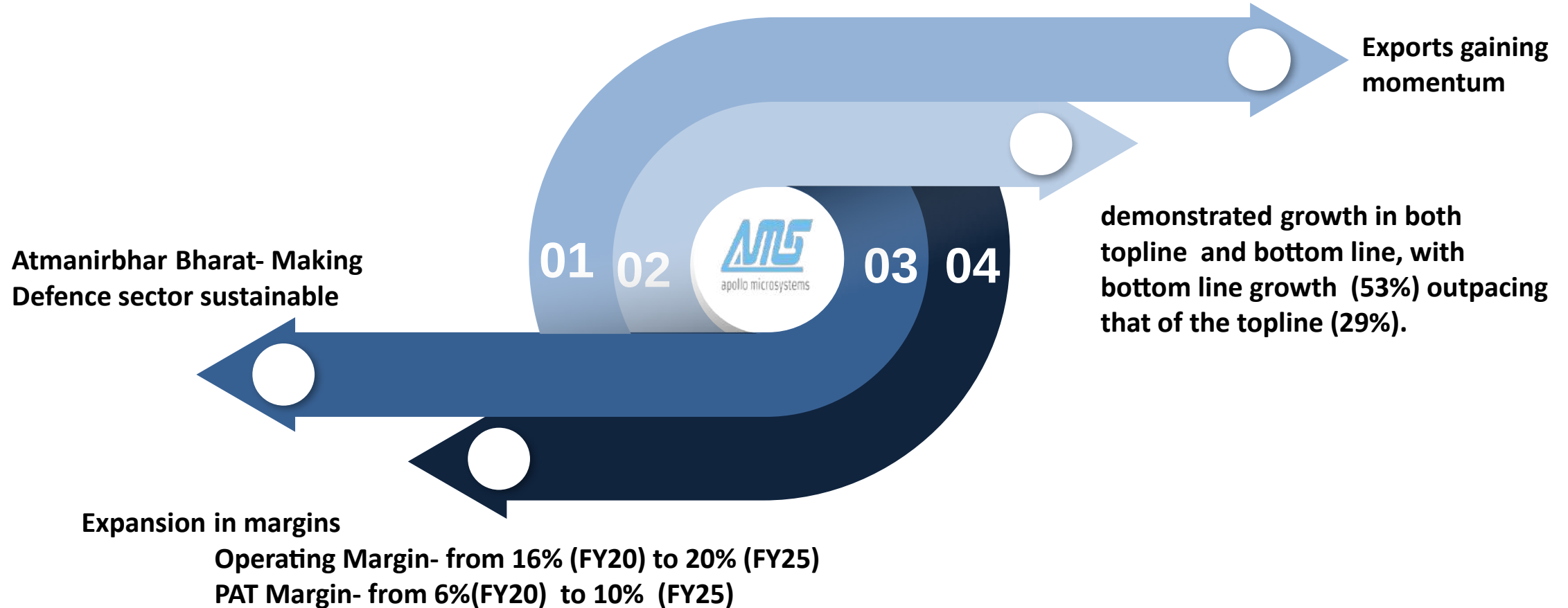
## OUR STRATEGIC ATTRIBUTES (2/3)



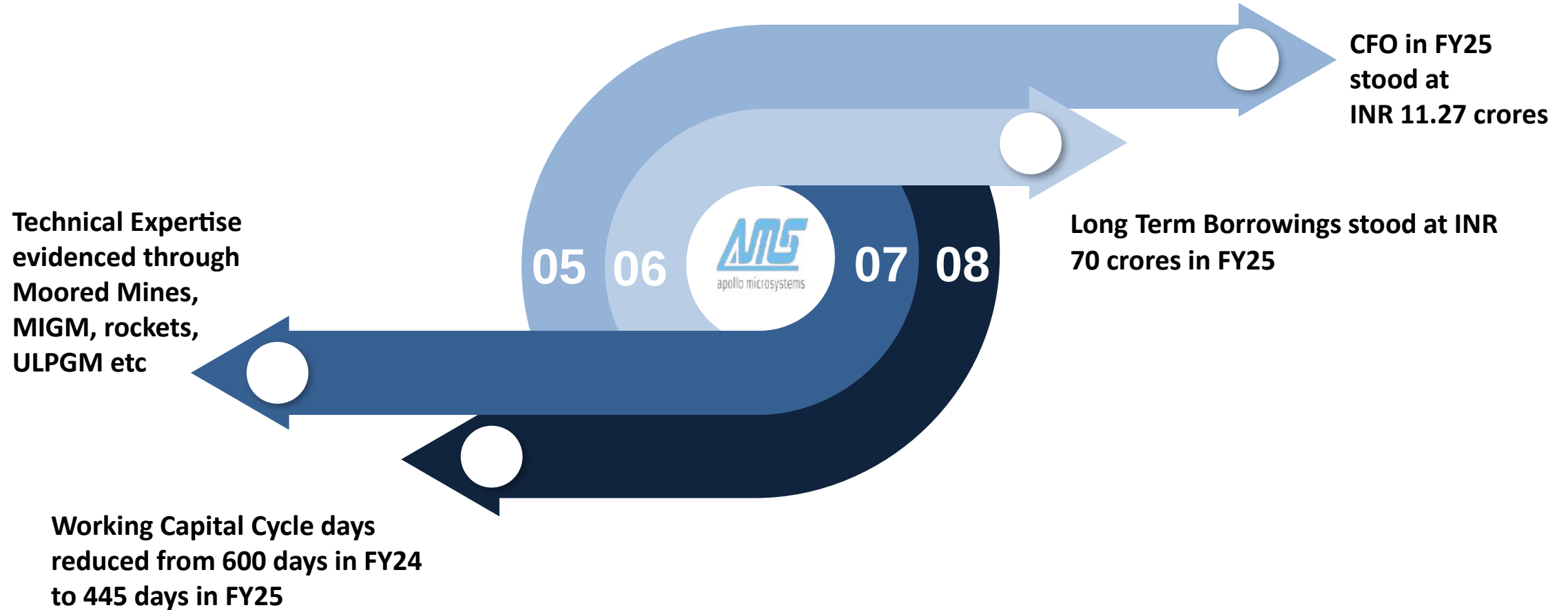
## OUR STRATEGIC ATTRIBUTES (3/3)



# DRIVERS, FINANCIAL RESILIENCE, REINFORCING MOMENTUM (1/2)



## DRIVERS, FINANCIAL RESILIENCE, REINFORCING MOMENTUM (2/2)





# DRIVING MUTUAL GROWTH



# PUBLIC SECTOR PARTNERSHIPS: DRIVING MUTUAL GROWTH

- **Approved Collaborative R&D Partner for Bharat Electronics Limited**
- **Participation in 60+ programmes of DcPP as sub-system partner**
- **As a trusted partner of DRDO, we play key role in various active defence programs**

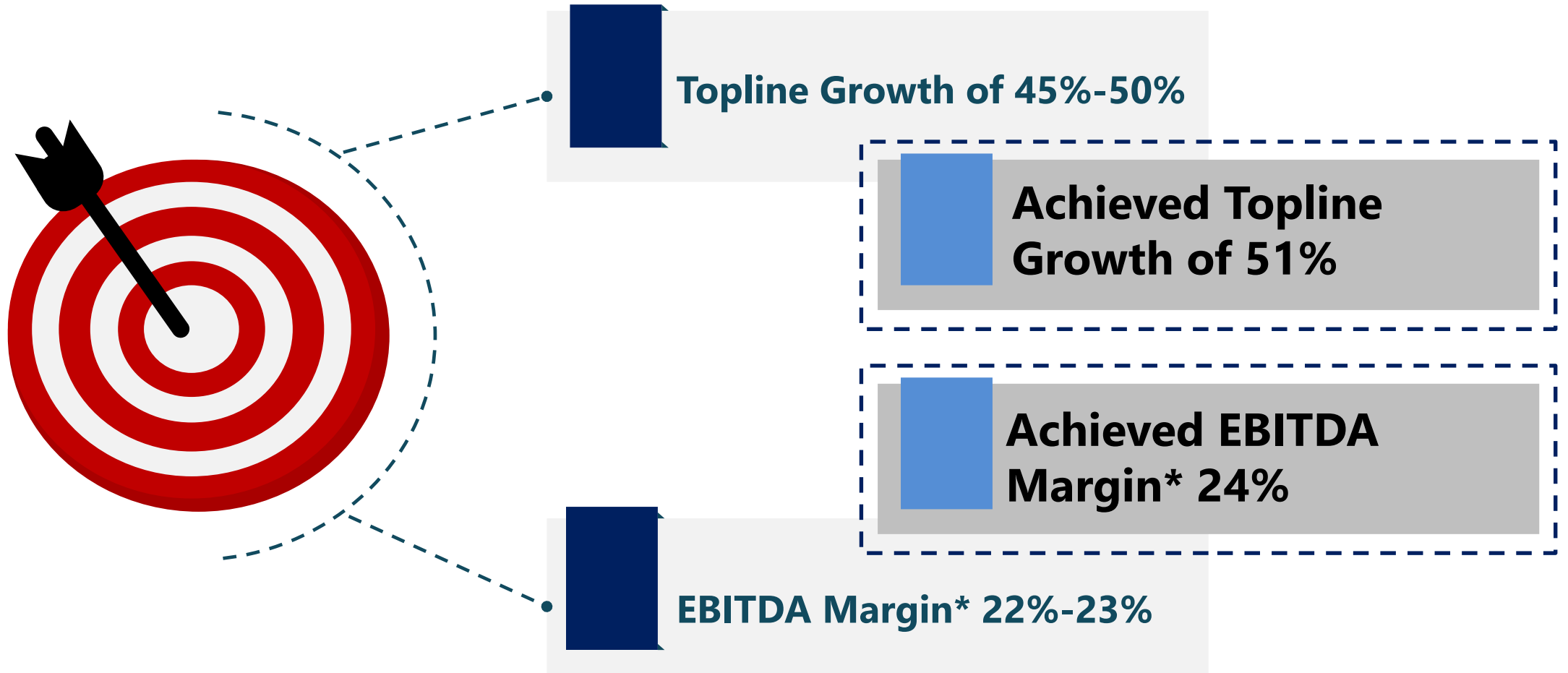




# FINANCIAL PERFORMANCE



# DELIVERING ON EVERY PROMISE- FY25

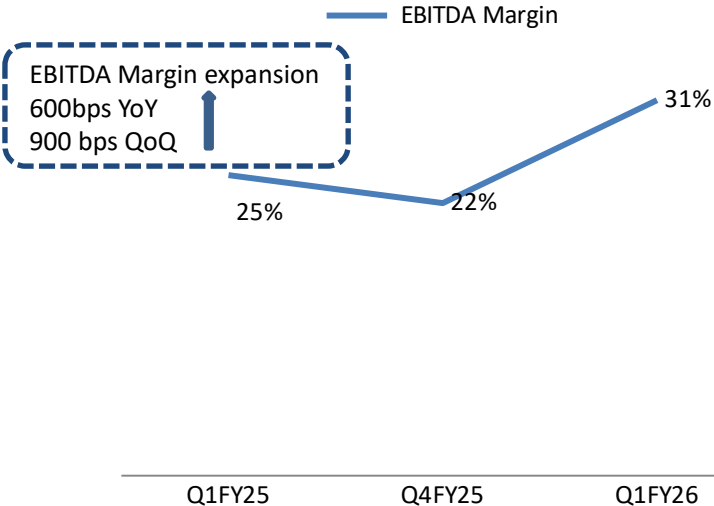
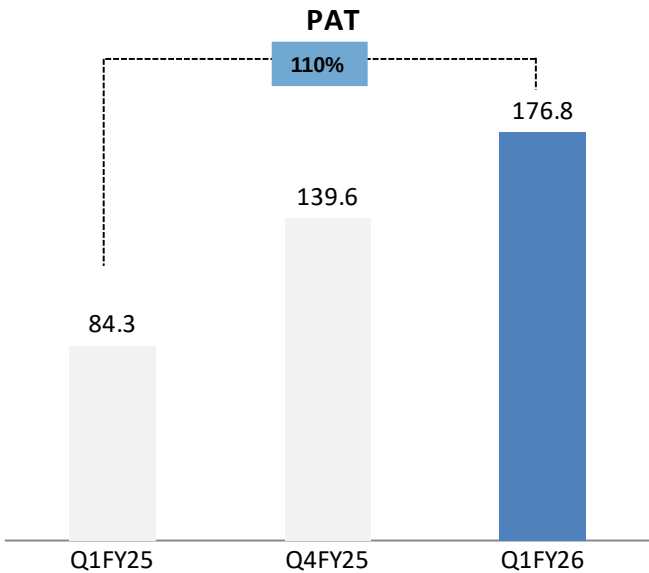
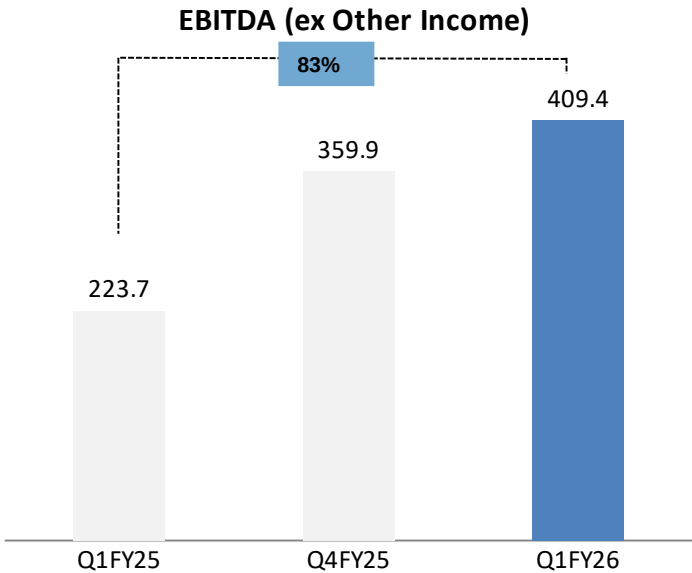
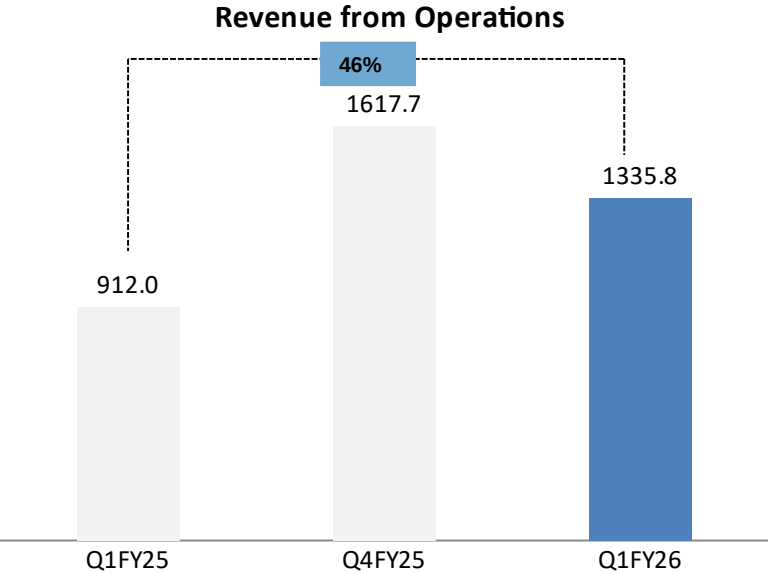


\* Includes Other Income

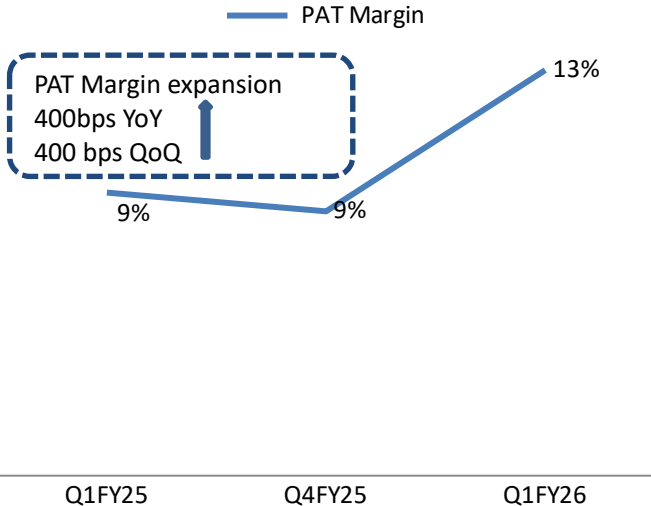


# FINANCIAL HIGHLIGHTS- Q1FY26 (CONSOLIDATED FIGURES)

(All Figures in Millions)



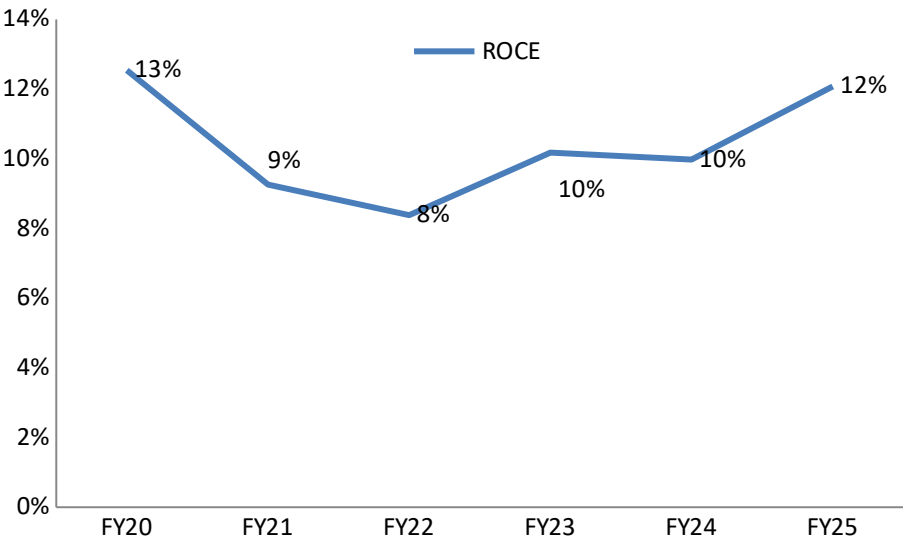
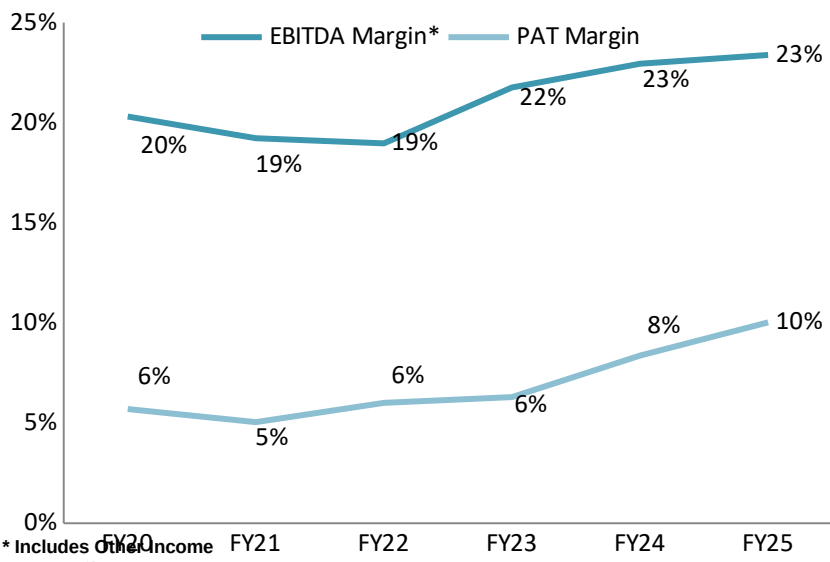
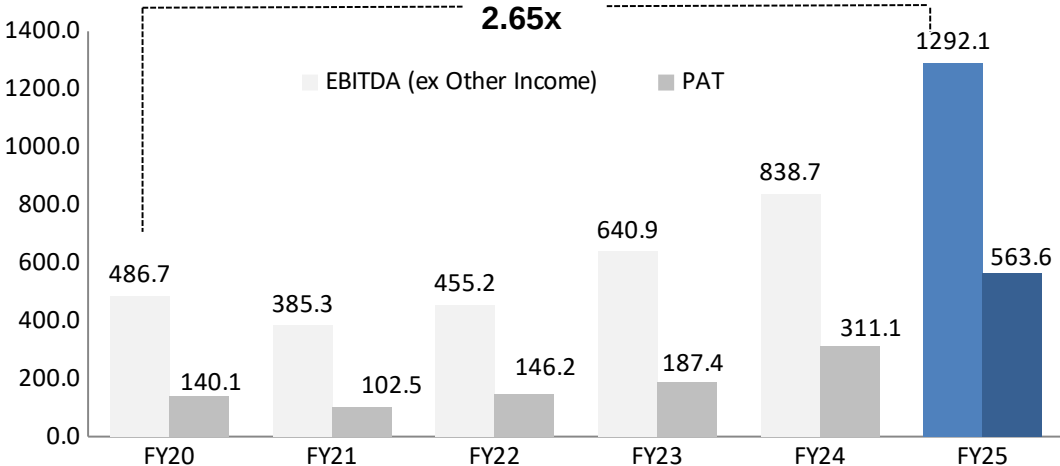
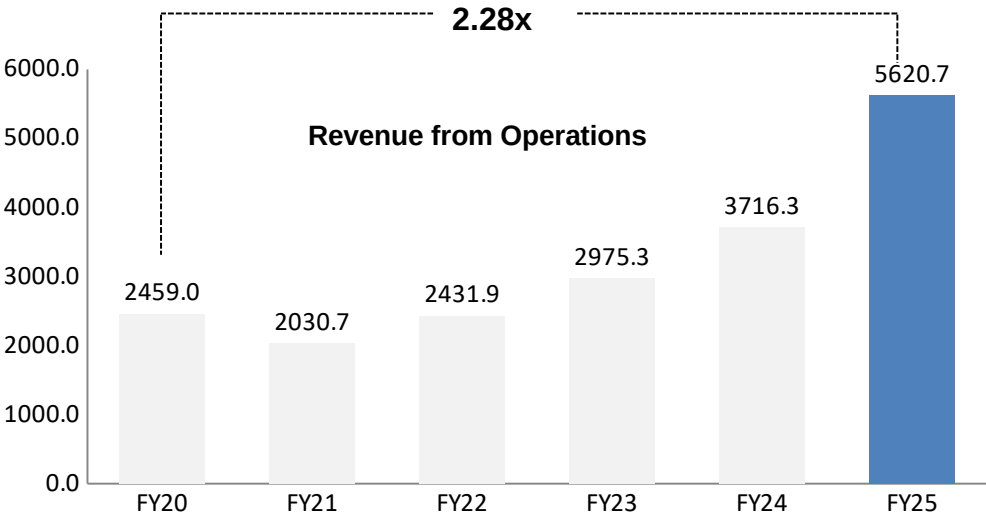
**Delivering Our Strongest  
First Quarter Performance**

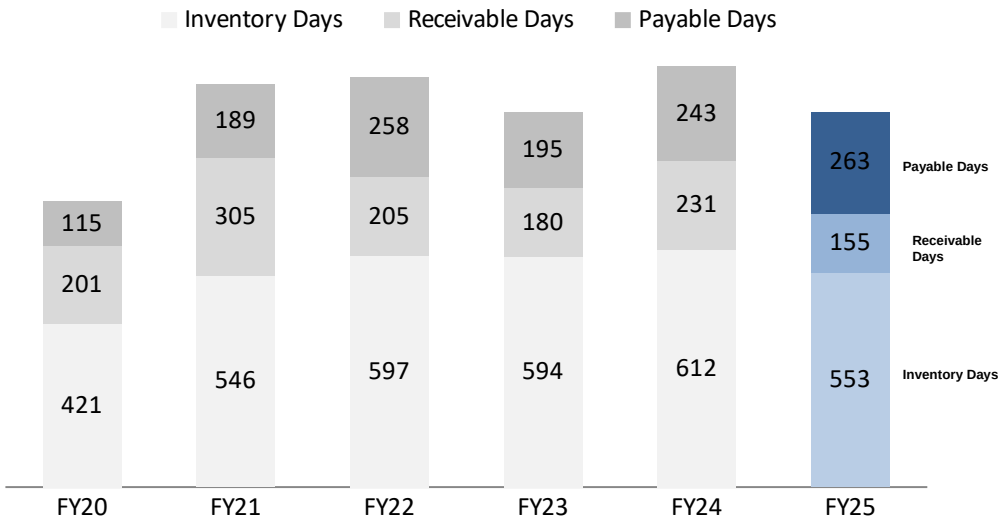
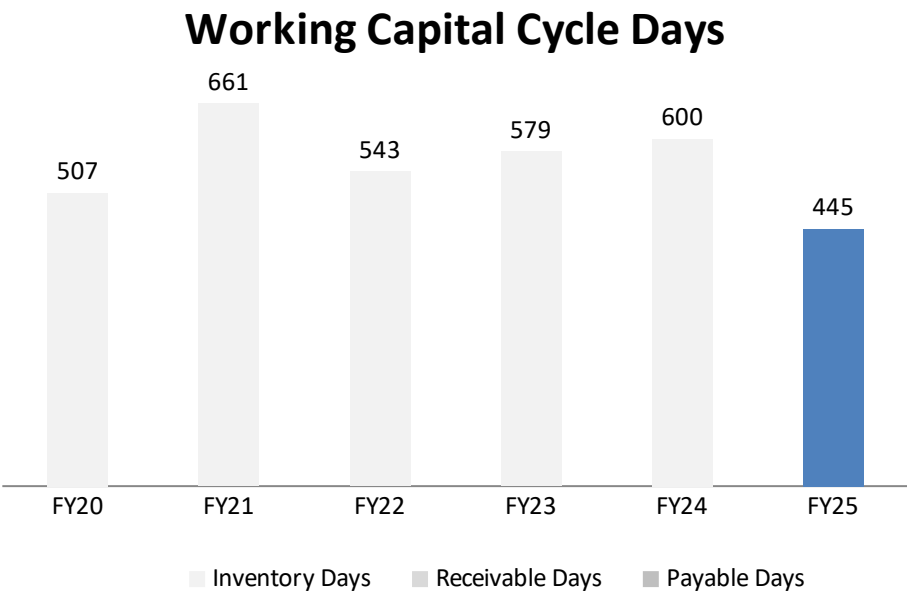
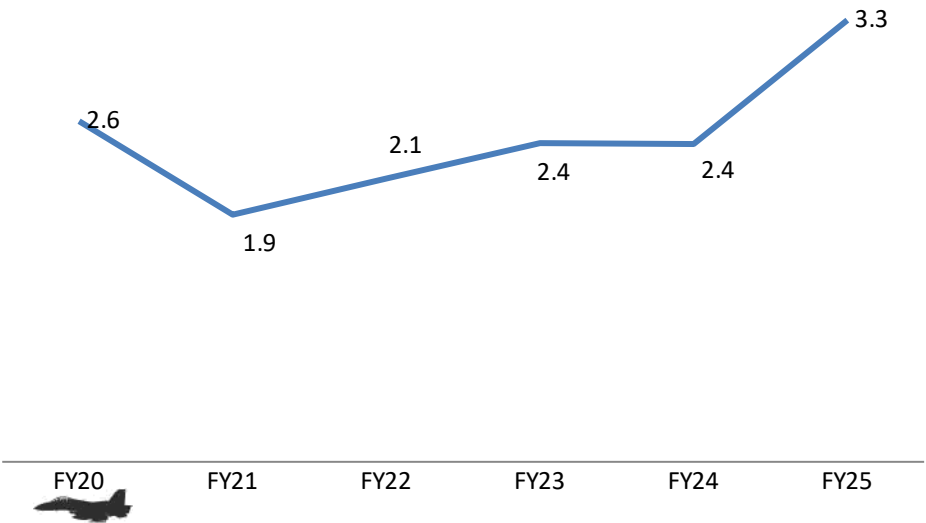
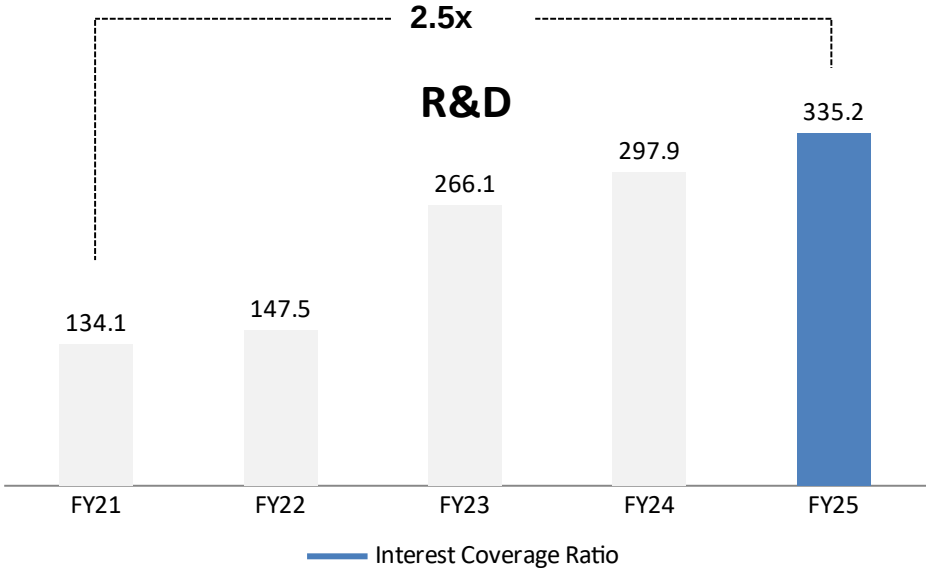




# FINANCIAL HIGHLIGHTS- HISTORICAL (CONSOLIDATED FIGURES)

(All Figures in Millions)





# CONSOLIDATED INCOME STATEMENT- Q1FY26

Particulars (Rs in Mn)	Q1FY26	Q4FY25	QoQ	Q1FY25	YoY
Revenue from Operations	1335.8	1617.7	-17%	912.0	46%
Other Income	8.7	7.3		5.8	
<b>Total Revenue</b>	<b>1344.6</b>	<b>1625.0</b>	<b>-17%</b>	<b>917.8</b>	<b>46%</b>
Total Expenses except Depreciation, Amortization and Finance Cost	926.5	1257.8		688.3	
<b>EBITDA (ex Other Income)</b>	<b>409.4</b>	<b>359.9</b>	<b>14%</b>	<b>223.7</b>	<b>83%</b>
EBITDA Margin	31%	22%	<b>38%</b>	25%	<b>25%</b>
Finance Cost	120.3	105.8		76.0	
Depreciation	44.9	41.4		34.5	
<b>PBT</b>	<b>252.9</b>	<b>220.0</b>	<b>15%</b>	<b>119.0</b>	<b>113%</b>
Tax	76.0	80.4		34.7	
<b>PAT</b>	<b>176.8</b>	<b>139.6</b>	<b>27%</b>	<b>84.3</b>	<b>110%</b>
PAT Margin	13%	9%	<b>53%</b>	9%	<b>43%</b>
Diluted EPS	0.5	0.5		0.3	



**Delivering Our Strongest First Quarter Performance**



# CONSOLIDATED INCOME STATEMENT - HISTORICAL

Particulars (Rs in Mn)	FY20	FY21	FY22	FY23	FY24	FY25
Revenue from Operations	2459.0	2030.7	2431.9	2975.3	3716.3	5620.7
Other Income	16.0	6.4	7.6	8.2	18.3	28.9
<b>Total Revenue</b>	<b>2475.0</b>	<b>2037.1</b>	<b>2439.5</b>	<b>2983.5</b>	<b>3734.6</b>	<b>5649.5</b>
Total Expenses except Depreciation, Amortization and Finance Cost	1972.4	1645.5	1976.7	2334.3	2877.7	4328.6
<b>EBITDA (ex Other Income)</b>	<b>486.7</b>	<b>385.3</b>	<b>455.2</b>	<b>640.9</b>	<b>838.7</b>	<b>1292.1</b>
EBITDA Margin	20%	19%	19%	22%	23%	23%
Finance Cost	151.0	160.2	170.5	223.7	303.0	342.2
Depreciation	99.0	86.9	89.8	103.7	113.0	153.3
<b>PBT</b>	<b>252.6</b>	<b>144.6</b>	<b>202.5</b>	<b>289.6</b>	<b>440.9</b>	<b>825.5</b>
Tax	112.5	42.1	56.4	102.2	129.9	261.9
<b>PAT</b>	<b>140.1</b>	<b>102.5</b>	<b>146.2</b>	<b>187.4</b>	<b>311.1</b>	<b>563.6</b>
PAT Margin	6%	5%	6%	6%	8%	10%
Diluted EPS	0.7	0.5	0.7	0.6	1.2	1.9



# CONSOLIDATED BALANCE STATEMENT - HISTORICAL

Key Balance Sheet Items (Rs in Mn)	FY20	FY21	FY22	FY23	FY24	FY25
Equity Share Capital	207.6	207.6	207.6	207.6	282.4	306.5
Reserves	2751.6	2851.7	2992.7	3634.4	4909.8	5769.2
Borrowings	132.0	162.2	1157.8	1436.5	2080.4	3353.5
Other Liabilities	990.7	1313.2	353.4	524.9	632.4	793.9
Trade Payables	569.4	783.0	1280.6	1122.9	1657.4	2771.9
<b>Total Liabilities</b>	<b>4651.2</b>	<b>5317.7</b>	<b>5992.1</b>	<b>6926.3</b>	<b>9562.4</b>	<b>12994.9</b>
Net Block	502.6	490.8	858.8	1048.1	1407.0	1722.7
Capital Work In Progress	365.2	522.1	296.2	316.4	348.4	722.8
Other Assets	224.3	218.9	349.0	539.8	911.3	1534.9
Trade Receivables	1354.8	1695.0	1364.1	1466.0	2352.7	2383.3
Inventory	2079.5	2256.9	2961.6	3415.3	4335.6	6006.4
Cash and Cash Equivalents	124.8	134.0	162.3	140.8	207.4	624.8
<b>Total Assets</b>	<b>4651.2</b>	<b>5317.7</b>	<b>5992.1</b>	<b>6926.3</b>	<b>9562.4</b>	<b>12994.9</b>





## CONSOLIDATED CASHFLOW STATEMENT - HISTORICAL

Particulars (Rs in Mn)	FY20	FY21	FY22	FY23	FY24	FY25
Cash Flow From Operating Activities	469.1	73.8	431.8	-162.9	-784.9	112.7
Cash Flow From Investing Activities	-186.9	-238.6	-243.0	-347.6	-587.9	-952.4
Cash Flow From Financing Activities	-360.3	165.1	-186.7	509.5	1372.3	1240.4
<b>Net Change in Cash and Cash Equivalents</b>	<b>-78.1</b>	<b>0.4</b>	<b>2.2</b>	<b>-0.9</b>	<b>-0.5</b>	<b>400.7</b>



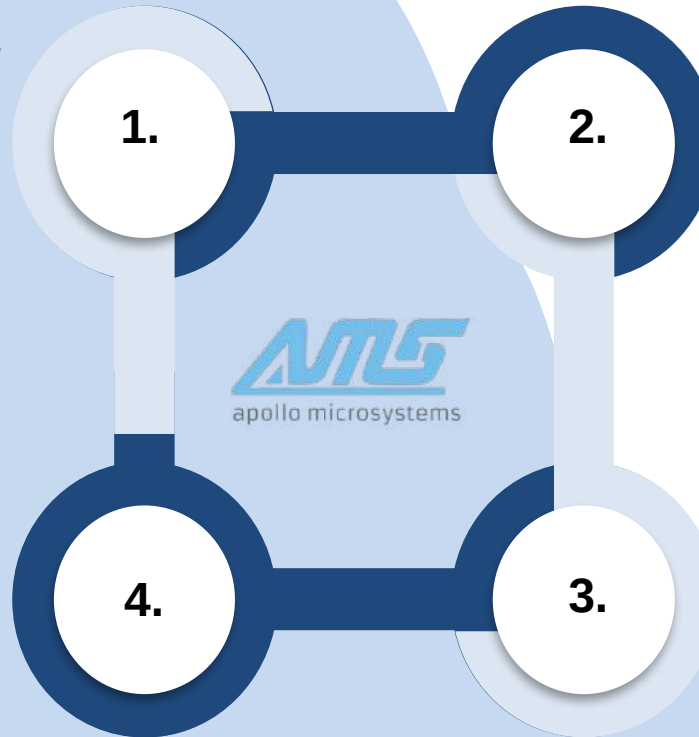
# UPDATE ON CORPORATE ACTIONS

## CAPEX

- **Unit 2** is scheduled to commence manufacturing operations in **Q2 FY26**.
- **Unit 3** will be developed in **phases**, with **Phase 1** expected to begin operations in **September CY2025**.
- The total capital expenditure allocated is **INR 150 crores for Phase 1**, and an additional **INR 100 crores for Phase 2**.
- **Phase 2** of Unit 3 is expected to commence work in **Q4 FY26**.

## WORKING CAPITAL CYCLE

- Working capital cycle days are expected to reduce by approximately **100–120 days from FY27 onwards**, as **several programs transition into the production phase**.



## PREFERENCE

- **Successful** fundraising via preference round marking a strong vote of confidence from our investors.
- Warrants: **100% subscribed**
- Equity Shares: Approximately **86.94%** subscribed

## ACQUISITION

- The financial results of the acquired entity namely **IDL Explosive Ltd** will be **consolidated starting from Q2 FY26**.



# READY TO SERVE THE COUNTRY

We anticipate a sharp increase in AMS's internal demand for explosives and propellants as several of our matured munition platforms will be entering large-scale production, including:

1.

**Underwater Mines**

2.

**Anti-Submarine Warfare Rockets**

3.

**Short- and Medium-Range Rockets**

4.

**Other Critical Munitions Systems**



# STRATEGY FOR YEARS AHEAD



**We are strategically positioned to seize the domestic and global demand and lead the new era of Atmanirbhar Bharat**



# MANAGEMENT COMMENTARY

Mr. Baddam Karunakar Reddy, Managing Director, Apollo Micro Systems Limited, said:

“I’m pleased to share that Apollo Micro Systems has **commenced FY26 with exceptional momentum**, delivering our **strongest-ever Q1 performance** — a clear reflection of our **strategic focus, operational excellence, and the unwavering dedication of our team.**

**In Q1 FY26, we achieved a remarkable 46% year-on-year revenue growth, reaching ₹ 1,335.8 Mn, up from ₹912.0 Mn in the same quarter last year.** This growth has been driven primarily by the robust execution of our order book and the seamless transition of several high-value systems into production.

**Our EBITDA (excluding Other Income) grew by 83% to ₹409.4 Mn, compared to ₹223.7 Mn in Q1 FY25.** More notably, **our EBITDA margin expanded by 600 basis points, standing at 31% in Q1 FY26, compared to 25% in Q1 FY25** — a clear indication of strong operating leverage and improved efficiency. This momentum also translated into the bottom line. **Our Profit After Tax (PAT) more than doubled, growing 110% year-on-year to ₹176.8 Mn, up from ₹84.3 Mn in Q1 FY25. PAT margin expanded by 400 basis points year-on-year and quarter-on-quarter, reaching 13% in Q1 FY26, as against 9% in Q1 FY25.**

Our sustained investments in indigenous technologies, coupled with our alignment to national defence priorities such as *Atmanirbhar Bharat*, continue to strengthen our position as a trusted partner in India’s evolving defence ecosystem.

We are also pleased to announce a significant strategic milestone — the acquisition of IDL Explosives Ltd. This marks a new chapter for Apollo Micro Systems as we move closer to becoming a fully integrated Tier-1 defence OEM. The acquisition not only enhances our manufacturing capabilities but also broadens our solutions portfolio across critical areas of India’s defence supply chain. It is a proud moment and a feather in our cap that positions us for greater impact and scale.

Looking ahead, we expect revenue to grow at a CAGR of 45% to 50% over the next two years — driven solely by the core business, excluding any contribution from the recent acquisition. This growth is underpinned by a healthy order book and multiple products entering the production phase. Operating margins are projected to improve in the first half of FY26 due to favorable operating leverage and product mix. However, ongoing and planned capital investments are expected to moderate margin expansion in the latter half of FY26 and into FY27.

Recent geopolitical developments — particularly the India–Pakistan conflict — have further accelerated demand for indigenous defence solutions. Several of our systems were successfully tested and demonstrated during this period, generating significant interest and engagement across the defence value chain.

As we move forward, our focus remains steadfast: to innovate with purpose, deliver with precision, and deepen our strategic partnerships. At Apollo Micro Systems, we are not only setting new performance benchmarks — we are actively shaping the future of a self-reliant, secure, and technologically advanced defence infrastructure for our nation.

Thank you for your continued trust and support”





# GREATFUL FOR THE OPPORTUNITY AND PROUD TO CONTRIBUTE (1/2)



- DRDO & Indian Navy conduct combat firing (**with reduced explosive**) of **indigenous Multi-Influence Ground Mine**.
- Other nations that have developed seabed mines similar to DRDO's MIGM include the **United States, Russia, China, and Italy**. With this achievement, **India joins the league of technologically advanced nations in undersea warfare capabilities**.

Source- <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2127155>


Ministry of Defence

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Amrit Mahotsav

## DRDO & Indian Navy conduct combat firing (with reduced explosive) of indigenous Multi-Influence Ground Mine

Posted On: 05 MAY 2025 8:19PM by PIB Delhi

Defence Research and Development Organisation (DRDO) and Indian Navy have successfully undertaken combat firing (with reduced explosive) of the indigenously designed and developed Multi-Influence Ground Mine (MIGM). The system is an advanced underwater naval mine developed by the Naval Science & Technological Laboratory, Visakhapatnam in collaboration with other DRDO laboratories - High Energy Materials Research Laboratory, Pune and Terminal Ballistics Research Laboratory, Chandigarh.



MIGM is designed to enhance the Indian Navy's capabilities against modern stealth ships and submarines. Bharat Dynamics Limited, Visakhapatnam and Apollo Microsystems Limited, Hyderabad are the production partners for the system.

Complimenting DRDO, Indian Navy and the Industry, Raksha Mantri Shri Rajnath Singh stated that the system will further enhance undersea warfare capabilities of the Indian Navy.

Secretary, Department of Defence R&D and Chairman DRDO Dr Samir V Kamat said, with this validation trial, the system is now ready for induction into the Indian Navy.

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SR/Savy

(Release ID: 2127155)  
Read this release in: Gujarati, Urdu, Marathi, Hindi, Bengali



# SUCCESSFUL RESPONSE IN THE AEROSHOW



Aero India is a premier event in the aerospace and defense industry, and our participation aligns with our strategic goals. It provides an excellent platform to showcase our products, engage with key stakeholders, and strengthen business partnerships. We have signed **an MOU with TCL** which shows our commitment and confidence in the business by delivering the future need based products.



# SETTING THE RECORD STRAIGHT



## Dilution of Equity-

All equity dilution to date has been strategic and prudent. The current round is intended to reinvest in the business, with a focus on leveraging growth opportunities in the defence sector.

## Quarterly Result Is Not The Correct Yardstick-

In a business defined by tailored, complex, and mission-critical solutions, sequential (Q-o-Q) comparisons often fail to reflect the true picture. Product mix and delivery cycles vary significantly based on client-specific requirements. Accordingly, annual performance remains the most meaningful benchmark for evaluating our financial and operational progress.

## On High Working Capital Days-

Due to the nature of the industry in which we operate, our working capital cycle tends to be high. This is primarily driven by the need to maintain adequate inventory levels for defence-critical and mission-critical systems, ensuring uninterrupted supply in line with the Ministry of Defence requirements and operational readiness standards. In the development phase, inventory is held longer due to prototyping and testing. As we are entering the production phase, inventory turnover improves with faster conversion to finished goods, higher order fulfillment, and quicker revenue realization. Finalized specifications reduce rework and holding time, streamlining the working capital cycle.



# SKIN IN THE GAME/ LEADERSHIP- LED WITH LONG TERM COMMITMENT



**Mr. Baddam Karunakar Reddy  
(Managing Director)**

He founded Apollo Micro Systems in 1985 and has been instrumental in driving innovation in defence electronics. Renowned for his expertise in engineering and miniaturization techniques, he has significantly enhanced the performance of various weapon systems. Under his visionary leadership, the company has emerged as a key supplier of weapon system electronics in India. His long-term vision is to establish Apollo as a world-class defence systems provider.



**Mr. Addepalli Krishna Sai Kumar  
(Whole Time Director- Operations)**

He is an Engineer with 24 years of experience in Sales & Marketing, Administration & Finance, serving Apollo Micro Systems Ltd for past 22 years. He has strong expertise in financial engineering and cash flow optimization, contributing to the company's financial robustness and strategic initiatives. As Director (Operations), he manages day-to-day operations, business acquisition, new vertical development, and investor relations, driving the company's growth and market leadership.



**Mr. Chandrapati Venkata Siva Prasad  
(Whole Time Director- Technical)**

He is a Post Graduate in Electronics. He handles Design & Development with 28 years of experience working on variety of technologies. He is serving AMS for past 24 years. His Design expertise, and product development capabilities are the best available in the industry. He is a core design architect for complex weapon system electronics of major Indigenous Defence programs.







apollo microsystems

**For Further Information On The Company**

Please Visit: [www.apollo-micro.com](http://www.apollo-micro.com)

**THANK YOU**

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<https://www.youtube.com/@apollomicrosystemslimited>