apollo microsystems

Date: 8th August 2026

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

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

**Sub: Investor Presentation for the Quarter ended 30th June 2026.**

**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 30th June 2026. The copy of the disclosure is available on the website of the Company i.e. https://apollo-micro.com/financial-reporting.html?tab=financial-presentations#tabs-section.

Thanking you,

**Yours faithfully,**
**For Apollo Micro Systems Limited**

BADDAM KARUNAKAR REDDY

Digitally signed by BADDAM KARUNAKAR REDDY
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**Karunakar Reddy Baddam**
**Managing Director**
**DIN: 00790139**

# APOLLO MICRO SYSTEMS LTD

We Commit, We Deliver

**Wars are fought with the weapons you have not the ones you hope to acquire tomorrow. The Future of Warfare is Autonomous. Apollo brings together traditional and modern weaponry for the battlefield of today.**

## EARNINGS PRESENTATION- JQ’2026

BSE: 540879

NSE: APOLLO

# PURE PLAY DEFENCE

- The only company with Highest Participation in Indigenous Missile Programs of DRDO.
- The only company in India with a proven track record of supplying from an individual systems to complete platforms, including explosives.

- The only private public listed company in Indian defense sector having largest infrastructure including R&D capabilities.

700+

Onboard Technolo s

- The only company in India working for weapon system platforms of DRDO for a period spanning over 41 years enriched with rich legacy of technical know how of development and manufacturing curve of Weapon System Platform.

## Fully Integrated Defence Company

Explosives | Weapons

Critical Sub-systems/ Systems

Platforms | Weapon Integration

Missiles | Drones | Rockets | UAV

VMCDS | Underwater Weapons | Aerial Bombs

Direct Energy Weapon | Explosives | Ammo

## Participation in Multiple Programs

KUSHA | Barhmos NG | Akash NG | Pralay

QRSAM | AGNI | Pinaka | TAL | Rustom

Vshorad | Mareech | Takshak | NASM

Participation in 150+ Indigenous programs

## Standalone Performance over the years

Participation in 60+ programmes of DcPP as sub-system partner

| | |
| --- | --- |
| Revenue CAGR 2021-2026 | 30% |
| EBITDA (ex Other Income) CAGR 2021-2026 | 41% |
| PAT CAGR 2021-2026 | 64% |
| EBITDA Margin (ex Other Income) Average 5 Years 2022-2026 | 23% |
| D/E Average 5 years 2022-2026 | 0.4 |

- Expansion in margins **Operating Margin- from 19% (FY20) to 28% (FY26) PAT Margin- from 6% (FY20) to 16% (FY26).**
- Working Capital Cycle days reduced **from 626 days in FY21 to 359 days in FY26.**
- demonstrated growth in both topline and bottom line, **with bottom line growth (64%) outpacing that of the topline (30%).**
- ROCE substantially Increased **to 18.23% in FY26 from 10% in FY21.**
- Awarded License by GOI to manufacture, assemble, integrate, proof-test high strategic value weapons systems and ammunitions namely **Missiles, ATGMs, Torpedoes, Underwater Mines, SAM, Chaffs, Flares, Decoys, Aerial Bombs, Rockets, Loitering Munitions.**

# OUR UNIQUENESS

WARHEADS

MISSILE ELECTRONICS

PROPULSION

EXPLOSIVES

We have a presence across the entire missile value chain.

With entire span of value chain we have every block of Guided Weapon.

We began our journey with design Engineering Services, progressed to Build-to-Specification (BTS) capabilities, expanded into weapon manufacturing, and are now advancing into weapon system integration as we evolve toward becoming a globally recognized Original Equipment Manufacturer (OEM).

A rare combination of proprietary weapon development capabilities and active participation in national weapon development programmes led by DRDO.

Unlike many industry peers that began by serving the Indian Air Force, we started our journey in partnership with DRDO and the Indian Navy. Over the years, we have expanded our presence across multiple defence platforms and diversified into a broad portfolio of weapon systems, creating a depth of capabilities that is difficult to replicate.

# VISION 2036

> To grow as a Global Original Equipment Manufacturer over the next ten years with recognizable revenue streams across the Land, Air and Sea domains; increasing our presence in Indian markets and continuing to grow in global markets; delivering valued products built with conviction; and strengthening our Research & Development with the latest and most futuristic technologies

## A GLOBAL OEM, MADE IN INDIA

Move from being a Tier-1 supplier of critical electronics to a recognized Global Original Equipment Manufacturer of defence platforms. Apollo's brand will be visible on the platform itself, not just within its systems.

## REVENUE ACROSS LAND, AIR & SEA

Recognizable, diversified revenue streams across all three operational domains so that no single platform, no single programme, and no single customer defines the Apollo story

## INDIAN DEEPENING AND GLOBAL PIE

Continue to deepen our presence in Indian defence procurement while growing meaningfully in global markets converting this year's first export order into a sustained international revenue stream.

## CONVICTION AND FUTURISTIC R&D

Valued products built with conviction backed by a research base continually strengthened with the latest and most futuristic technologies in RF, AI, Autonomy and Inertial Navigation.

# BACKWARD AND FORWARD INTEGRATION

## ACQUISITION

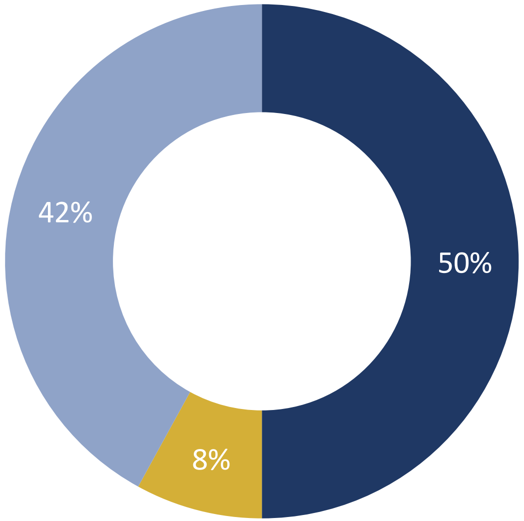
# We welcome Premier Explosives to the family of Apollo Micro Systems Ltd

On 9th July 2026 we signed Share Price Agreement with Premier Explosives Ltd to buy 41.33% stake in all Cash Deal.

# HIGHLIGHTS
# Q1FY27

## June Quarter

# SHAREHOLDING STRUCTURE AND INSTITUTIONAL INVESTORS




**50%**
Promoter

**8%**
Institutions

**42%**
Public

**Shareholding Pattern**

**Half promoter-held.** Strong promoter skin in the game, with growing institutional participation alongside a broad public float.

## Institutional Investors

- First Commercial Bank
- Quadrature Capital Vector
- Red Bay
- Motilal Oswal Nifty India Defence Index Fund
- Morgan Stanley Asia
- Axis Mutual Fund
- SPDR Portfolio Emerging Market ETF
- Aditya Birla Sun Life Trustee Pvt Ltd
- Motilal Oswal NIFTY MICROCAP 250 Index Fund
- SAMCO Active Momentum Fund
- Capital India and Brazil Equity Fund
- and many more

** As on 30th June 2026*

# EXTENDING OUR STREAK OF STRONG PERFORMANCE- QUARTERLY RESULT

## CONSOLIDATED

(All Figures in Millions)

YoY

* Excluding Other Income

| Revenue from Operations | EBITDA* | EBITDA Margin |
|---|---|---|
| INR 2512.9 | INR 537.3 | 21.4% |
| + 88.1 % | + 31.3 % | |

| PAT | Order Book | PAT Margin |
|---|---|---|
| INR 252.2 | INR 17040 | 10% |
| + 42.6 % | as on 8th August 2026 | |

NOTE- Performance in the defence industry is best assessed on a year-on-year basis rather than quarter-on-quarter, as extended procurement cycles and milestone-linked execution result in revenue recognition that is inherently uneven across quarters. Quarterly variations, therefore, are not necessarily indicative of the underlying business momentum.

# EXTENDING OUR STREAK OF STRONG PERFORMANCE- QUARTERLY RESULT

## STANDALONE

(All Figures in Millions)

YoY

* Excluding Other Income

| Revenue from Operations | EBITDA* | EBITDA Margin |
|---|---|---|
| INR 1558.9 | INR 483.7 | 31% |
| + 16.7 % | + 18.0 % | + 110 bps |

| PAT | PAT Margin |
|---|---|
| INR 278.3 | 17.9% |
| + 43.3 % | + 331 bps |

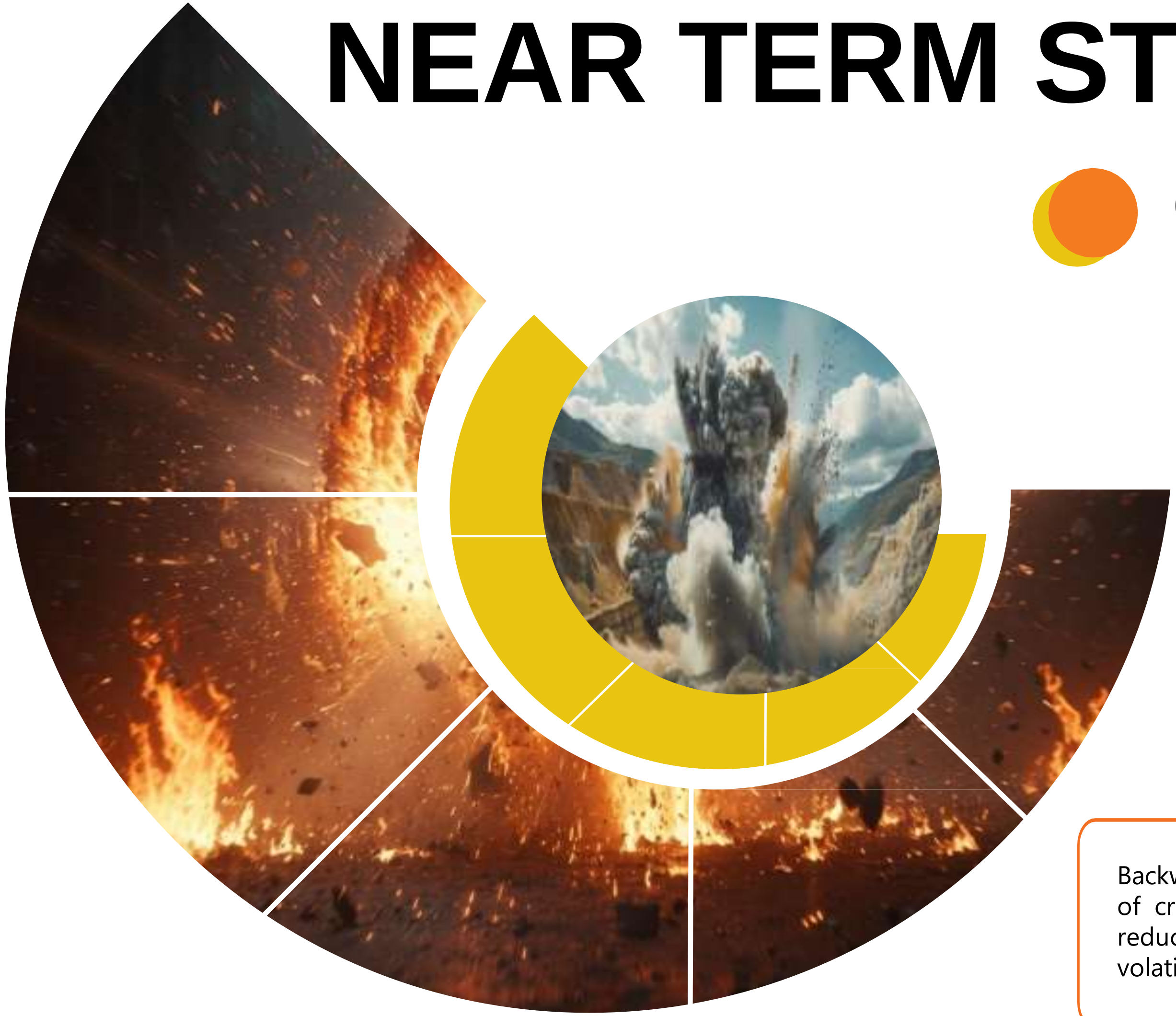
### HIGHLIGHTS

Highest Ever Quarter 1 Revenue Registered
Highest Ever Quarter 1 EBITDA* Achieved
Highest Ever Quarter 1 PAT Registered
Highest Ever Quarter 1 EBITDA and PAT Margins clocked

NOTE- Performance in the defence industry is best assessed on a year-on-year basis rather than quarter-on-quarter, as extended procurement cycles and milestone-linked execution result in revenue recognition that is inherently uneven across quarters. Quarterly variations, therefore, are not necessarily indicative of the underlying business momentum.

# IDL EXPLOSIVES LTD

# NEAR TERM STRATEGY



## Operational Strategy

- Unlocking incremental growth through renewed CIL eligibility
- Adding Defence explosives as another revenue stream
- Backward integration into key chemicals and energetics for Defence explosives

Expanding the commercial explosives business while building a defence explosive portfolio to create a sustainable revenue stream

Changing the Product Mix will improve the margins

Backward integration of critical chemicals reduces input cost volatility

In the Under Water Mines we are the only company in India with complete offerings of Shallow Water, Deep Water and Limpet Mine offerings.

# OEM SUPPLIER OF WEAPONS

# MULTI INFLUENCE GROUND MINES

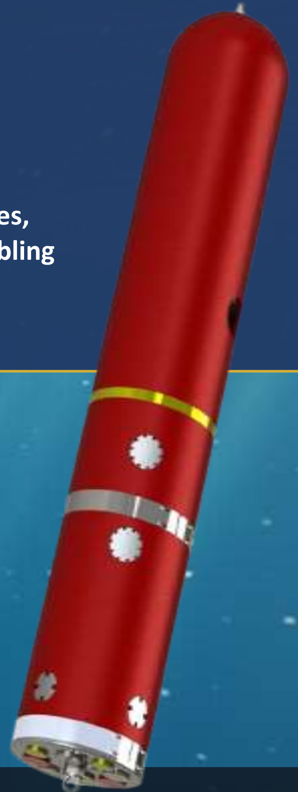
**FIRST INDIGENIZED MINE**

## ABOUT MIGM

- We are the approved production agency for Multi-Influence Ground Mine (MIGM) – Vighana, under DcPP by DRDO.
- Earlier only United States, Russia, China, and Italy were present — now with this achievement, India joins the league of technologically advanced nations in undersea warfare capabilities.
- Naval mines are an invisible enemy which allows any maritime nation to defend itself, regardless of its naval capability. They deter and push underwater and surface navies to move away from the shoreline towards the open sea.
- MIGM is designed to enhance the Indian Navy's capabilities against modern stealth ships and submarines.

## DAC APPROVAL HAS BEEN ACCORDED FOR MIGM ON 3rd JULY 2026

- ✓ We are the DcPP Partner of MIGM.
- ✓ Program is entering production phase.
- ✓ From fibers to electronics and explosives, every aspect is executed in-house, enabling complete supply chain independence.



## FIRST INDIGENIZED MINE

*"A mine is a terrible thing that waits. It waits and waits till it destroys/damages a naval vessel or is destroyed by the naval mine hunters."*

# MOORED MINES

**FIRST INDIGENIZED MINE**

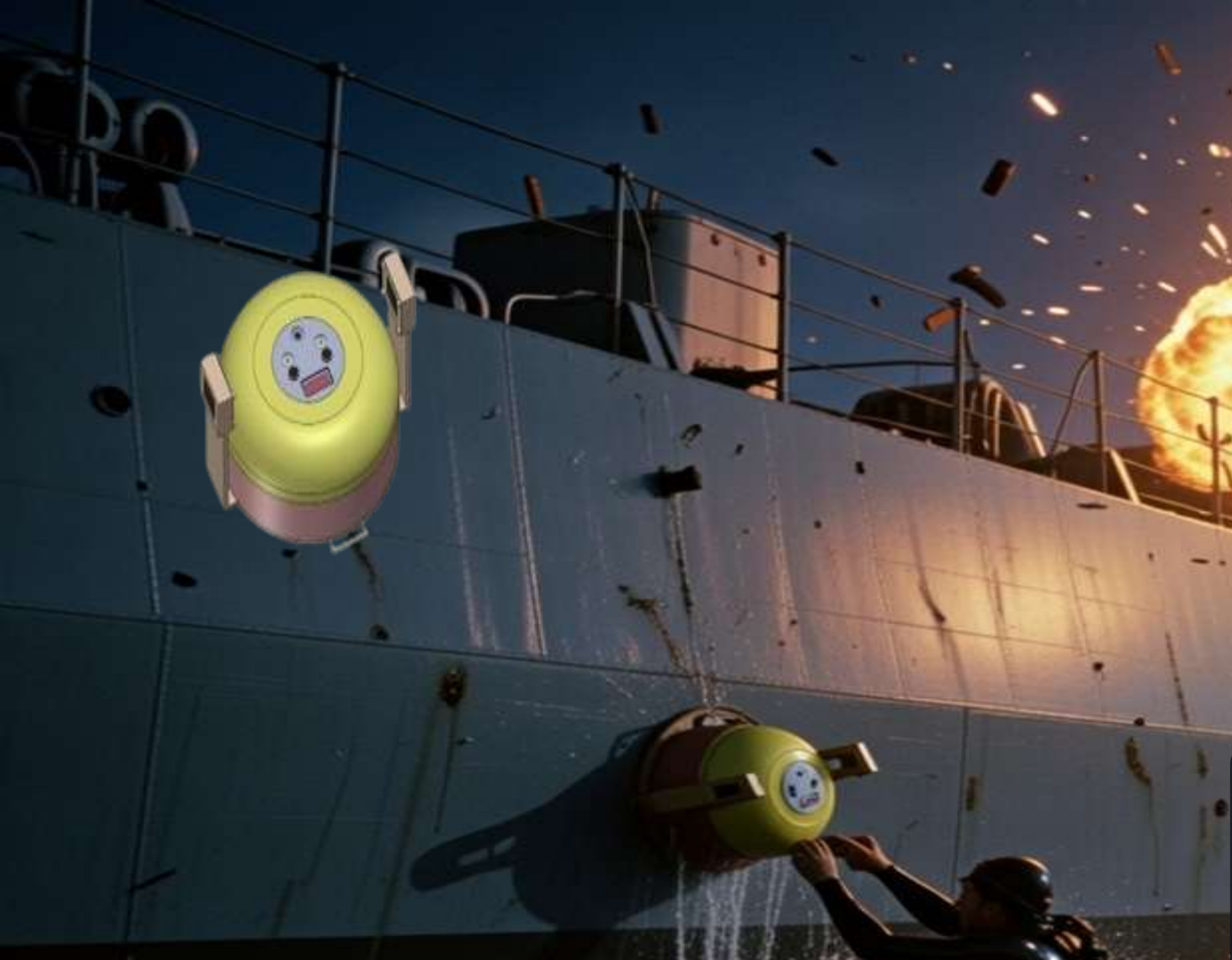
*"A mine is a terrible thing that waits. It waits and waits till it destroys/damages a naval vessel or is destroyed by the naval mine hunters."*

## WHAT IS A MOORED MINE

- The Moored Mine is deployed where water is too deep for bottom mines and normally uses a combination of acoustic, magnetic and pressure sensors or even more sophisticated optical shadows or electro potential sensors.
- The Moored Mines have a weight attached to them which keep them anchored to a certain point. Moored mines remain at a particular depth and thus can target different types of vessels such as submarines and surface ships.

## AoN HAS ALREADY BEEN ACCORDED FOR MOORED MINES

- ✓ **Program is entering Production Phase.**
- ✓ **We are the only company in this category of Mine.**
- ✓ **From fibers to electronics and explosives, every aspect is executed in-house, enabling complete supply chain independence.**



## FIRST INDIGENIZED

# LIMPET MINES

### GOI HAS IMPOSED AN EMBARGO ON LIMPET MINES

- ✓ Only we have demonstrated successful Trials in the industry.
- ✓ Mines of different weights have successfully completed all the trials.
- ✓ Entire Mine will be produced in-house, making us independent of the supply chain.
- ✓ Limpet Mines are entering the Production Phase.

### WHAT IS A LIMPET MINE

- A Limpet Mine is a type of naval mine that is usually manually placed by a diver on the underside of a ship's hull.
- These mines are manually attached to the target by magnets.
- These man-portable mines and multiple variations are developed for different missions by us.
- We have successfully completed the Combat Trials for the Indian Navy.

# REAL WORLD CASE- STRAIT OF HORMUZ

LIMPET MINES

MOORED MINES



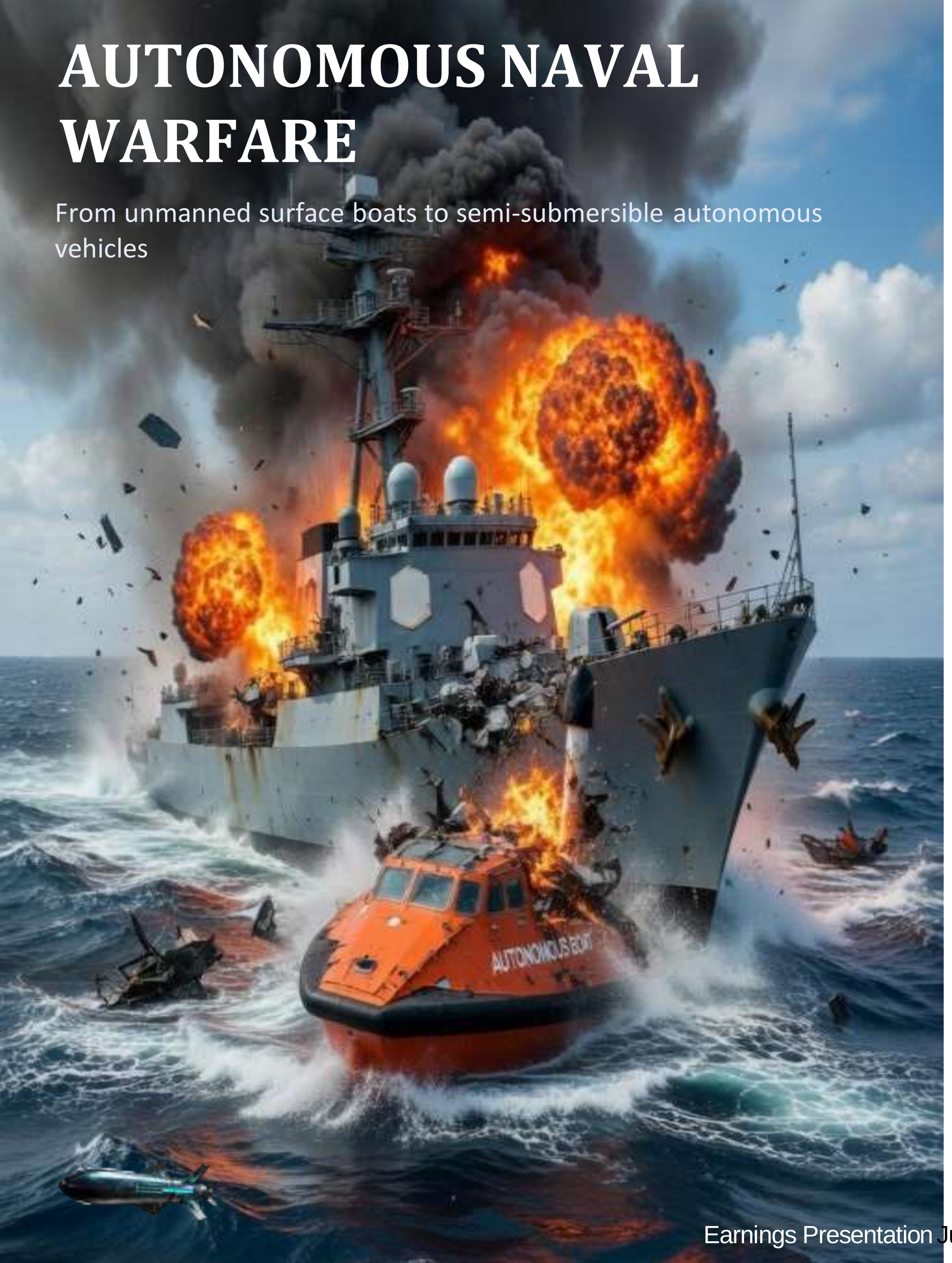
Iran is believed to have had a pre-war stockpile of 5,000-6,000 mines.

MIGM

Disclaimer: AMS weapons have not been supplied in Iran- USA war. The picture is intended solely to demonstrate the capabilities and applications of the weapons for investor understanding.

# AUTONOMOUS NAVAL WARFARE

From unmanned surface boats to semi-submersible autonomous vehicles



## OUR EXPANDING AUTONOMOUS NAVAL PORTFOLIO

### AUTONOMOUS BOAT

Unmanned surface vessels high-speed autonomous boats developed as part of our unmanned systems roadmap.

### SEMI-SUBMERSIBLE AUTONOMOUS UNDERWATER VEHICLE

SAVIOR-ASW the Semi-Submersible Autonomous Vessel for Intelligence, Operations and Reconnaissance.

### HOW AUTONOMOUS VESSELS CHANGE THE FIGHT

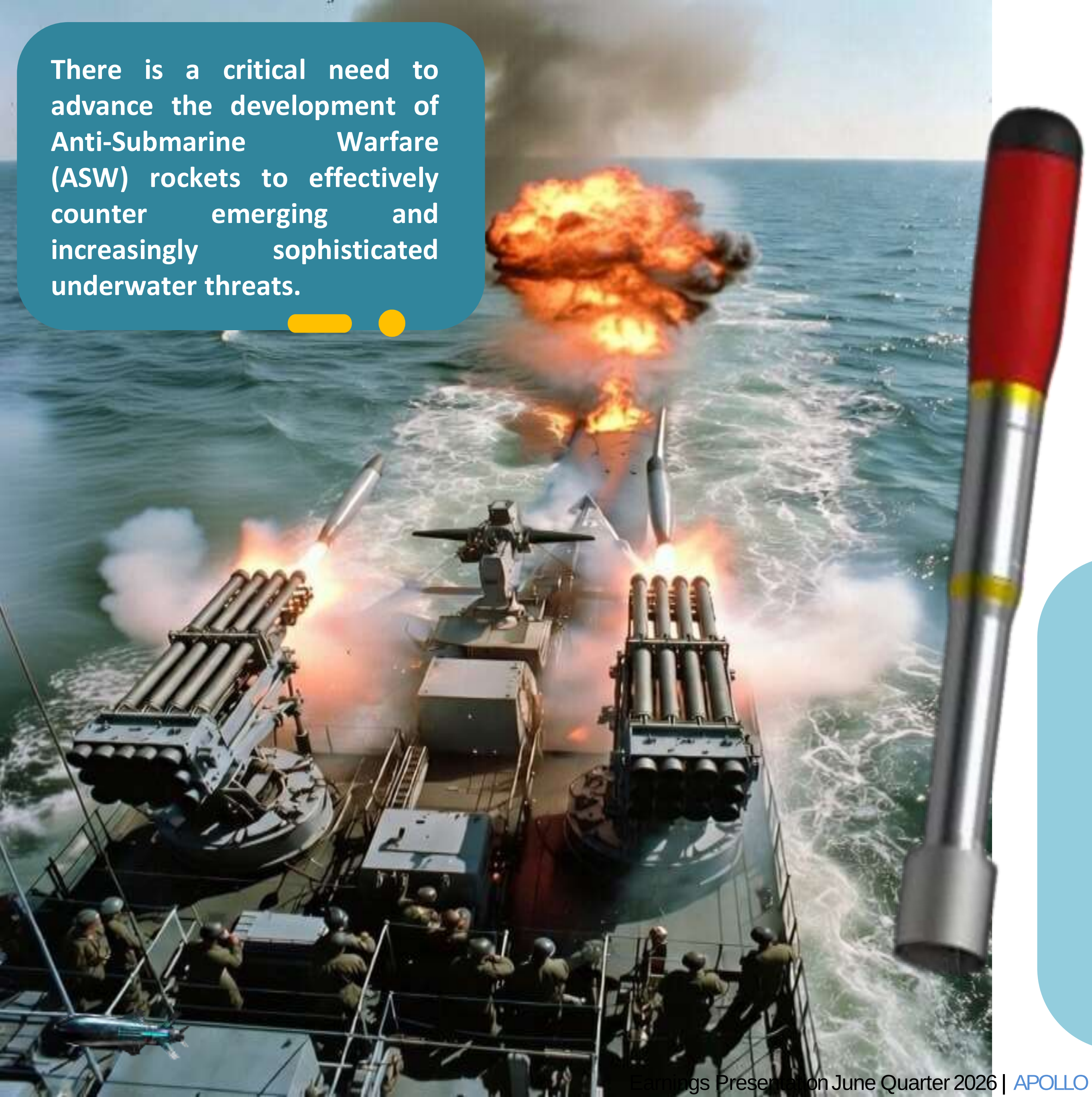
- Autonomous boats pop up from the surface to ram into targets.
- These small vessels are launched from multiple directions at high speed, saturating surveillance and defensive systems.
- The purpose of the submersible is area denial and deterrence.

### MAKE-II PROTOTYPE SANCTION ORDER (PSO) AWARDED

By the Indian Navy, for the development of SAVIOR-ASW — the Semi-Submersible Autonomous Vessel for Intelligence, Operations and Reconnaissance.

**Entered future warfare-** With both surface and underwater autonomous platforms in development, our unmanned systems roadmap now spans the full spectrum of naval autonomous warfare.

There is a critical need to advance the development of Anti-Submarine Warfare (ASW) rockets to effectively counter emerging and increasingly sophisticated underwater threats.



# ANTI SUBMARINE WARFARE ROCKETS

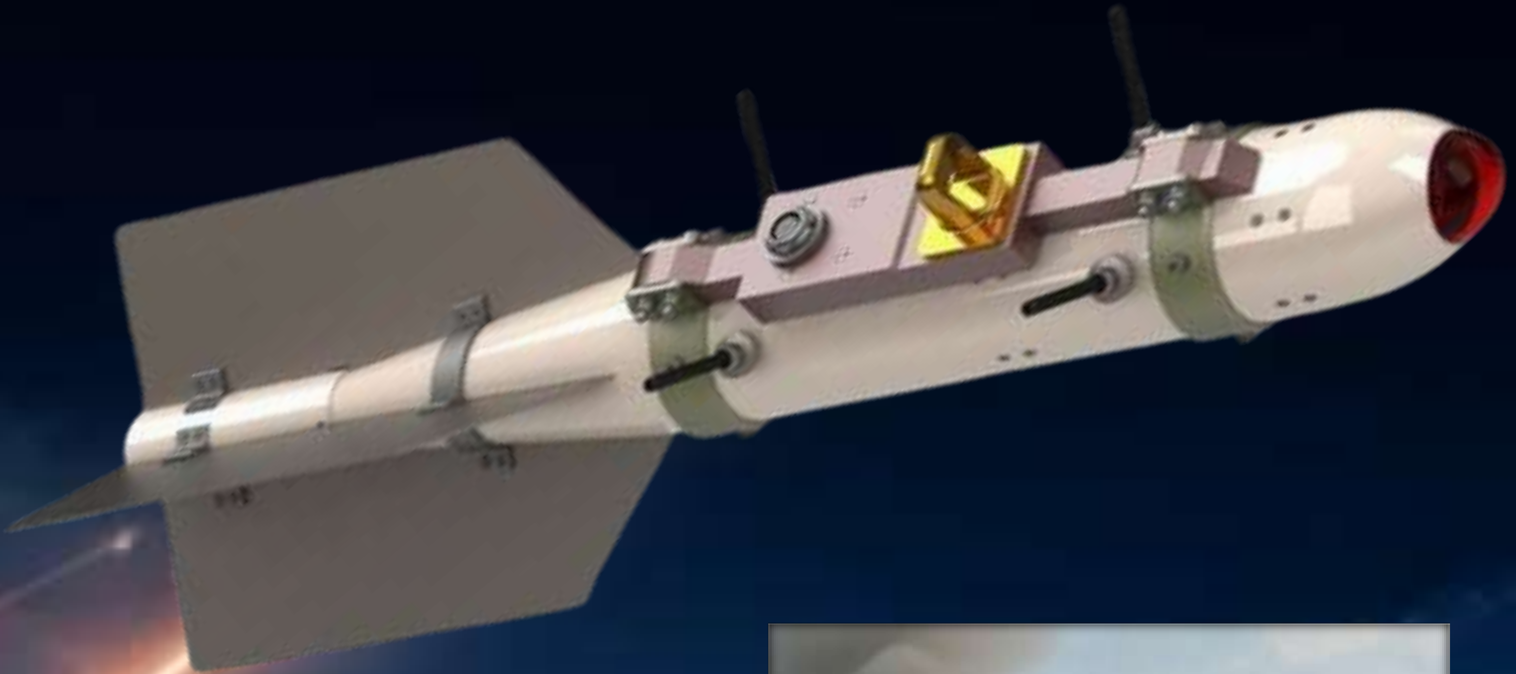
- Because of the specialized nature of submarines, a distinct military strategy called anti-submarine warfare, or ASW, was created to counter them. Its primary objective is to defend ships and allied assets by identifying, locating, and eliminating enemy submarines, using sonar, aircraft, dedicated submarines, and formidable weaponry.

- One of the most effective armaments used are anti-submarine rockets, which is known as a "Standoff" weapon. A Stand Off weapon is built to hit targets from a distance, allowing the launch platform the ability to evade the targets' defenses.

- Because of the threat submarines pose, several of the most powerful navy destroyers in the world are armed with anti-submarine rockets.

# AERIAL BOMBS

- These Aerial Bombs are fitted onto Unmanned Areal Vehicles (Loitering Munitions) that are designed to provide unprecedented levels of flexibility and precision in modern warfare and will be delivered to inflict damage to the targets.
- The Aerial Bombs can be used as Anti-personal / Anti – tank / Anti- Bunker.
- Nine Variants of Aerial Drop Bombs developed for dropping from aerial platforms like drones.



## Entering into SMART BOMBS

Entering the Future

The Indian Air Force has sanctioned AMS a Make-II prototype sanction order for a 500 Kg Smart Bomb (July 2026), establishing us as a Prime OEM candidate in the Precision Guided Munition segment with an assured procurement pathway on successful trials.

# MEDIUM RANGE ROCKETS

- Its compact form factor ensures compatibility with vehicle-mounted launch systems while maintaining the required aerodynamic stability, structural integrity, and operational effectiveness for counter-drone missions.
- Ground to Air Launch developed for attacking Drones/ Swarm of Drones.

# GRAD ROCKET

## SHOOT & MOVE

The BM-21 Grad Rockets (122 mm Global Standard) remain among the most widely demanded unguided rockets in the global defence market.

- Successfully developed the 122mm rocket warhead inhouse.
- Integrate warheads and rocket motors that are indigenously develop by us.
- Remains in Service across dozens of countries, valued for its simplicity, reliability and overwhelming firepower.
- The rocket motor is the primary propulsion system of a rocket and comprises the propellant, casing, nozzle, and ignition system. It is the most critical subsystem in determining the range, stability, thrust, and accuracy of artillery rockets.

# VEHICLE MOUNTED COUNTER DRONE SYSTEMS (VMCDS)

- Under Make II Category.
- Can be deployed and used while moving rather than fixed at one location
- Detects, tracks and or defeats hostile or unauthorized drones.
- The trials will be initiated in this Financial Year.

The image shown is for illustrative purposes only, as the project is currently under development

# DIRECTED ENERGY WEAPONS (DEW)

## DEW SYSTEMS

As the name suggests, they use high-powered lasers to inflict damage on targets. Compared to traditional weapons, which mainly rely on physical impact and kinetic energy, DEW uses directed energy to heat up and destroy or damage the target. It has diverse military applications, offering rapid and precision strikes against threats such as UAVs, missiles, and small vehicles. The most important aspect of DEW is that it can be used in all warfighting environments. These technologies will enable Apollo Micro Systems to design, manufacture, and support critical DEW subsystems for defence applications, enhancing indigenous capability in advanced weapon systems.

01 Transfer of Technology for Multi-Channel 10 kW Laser Directed Energy Weapon System from DRDO-CHESS, Hyderabad, subject to execution of a Licensed Agreement for Transfer of Technology (LAToT) and fulfillment of regulatory requirements.

02 Transfer of Technology for EO Tracking System with EO Sensors for DEW from DRDO-IRDE, Dehradun.

# SUSTAINABLE REVENUE

## June Quarter

# WE ARE IN AN INDUSTRY WITH SIGNIFICANT ENTRY BARRIER:

**01**

High switching costs, reinforced by long-term partners early in a program by OEM. Since Switching supplier later is costly OEM rarely change them making it hard for new suppliers to enter, scale up or reduce unit cost. Moreover long development cycle increases switching cost making it more cost effective to continue with existing contractors for modifications than scouting for new vendor.

**02**

Extensive approvals, security clearances, and compliance obligations significantly extend the time required to establish operations and obtain licences. The resulting delays in commercialization and higher compliance costs create a high entry barrier for new players.

**03**

New companies may lack the technical expertise and resources to independently develop advanced defence technologies. Without access to established technologies through ToT, they face longer development cycles, higher R&D costs, and greater uncertainty in competing with established defence players.

**04**

The industry's demanding learning curve functions as a structural entry barrier, requiring significant time and expertise in complex sub-systems/ systems/ platforms/ weapons before achieving operational competence.

**05**

Hyderabad's established defence ecosystem, proximity to key defence research institutions, skilled talent pool, and presence of major defence organizations create a strong operational advantage. New entrants may face challenges in replicating these established networks, supply chains, and institutional linkages.

**06**

Defence manufacturing requires significant investment in facilities, specialized equipment, testing infrastructure, and continuous product development. The resulting high initial cash burn deter new entrants.

# WE ARE MAKING SUSTAINABLE BUSINESS

Strong presence in niche defense segments with high technological barriers and limited competitive intensity. Participation across all indigenized missile programs provides a protected and resilient revenue stream, supported by long term procurement orders.

A well-diversified business mix across domains (Water, Air and Land), clients (DPSUs and Private Players), geographies (Domestic and Overseas), and solution offerings (Weapons, Systems/ subsystems and explosives) underpins sustainable revenue growth.

Exclusively developed proprietary systems create a competitive moat, eliminating direct competition through unmatched integration and control.

Driving inorganic growth through targeted acquisitions for backward and forward integration, enhancing value chain capabilities, expanding market reach, and supporting long-term revenue sustainability.

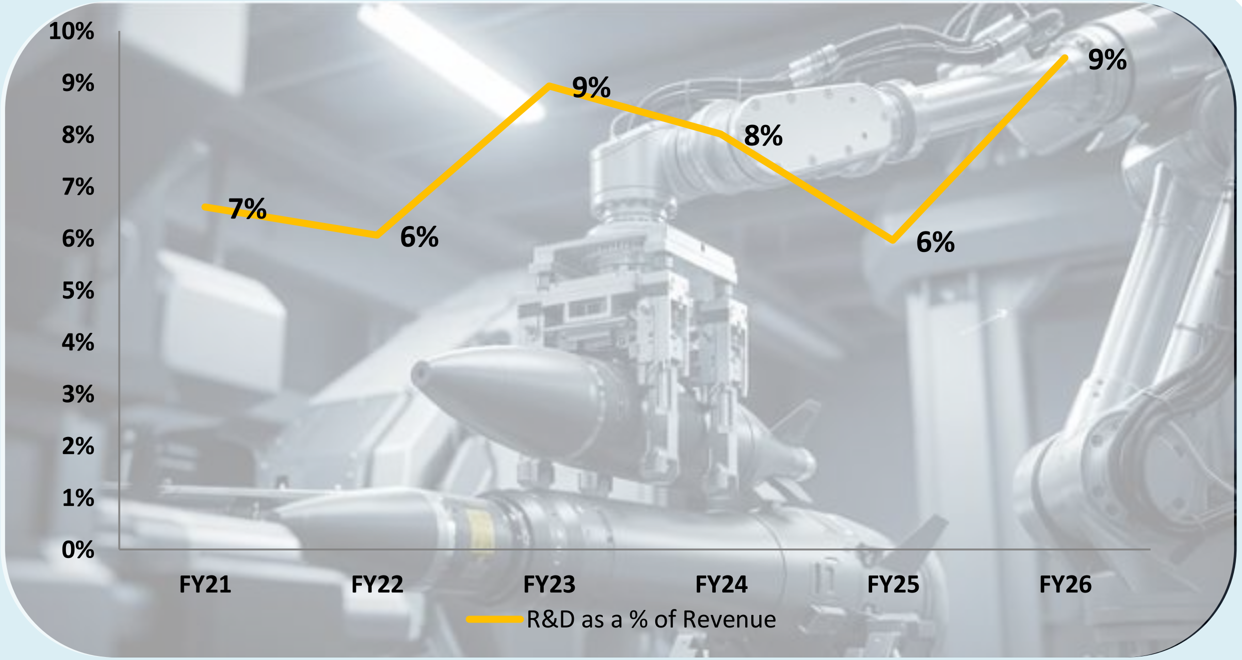
Tier-1 suppliers often become strategic partners to OEMs, increasing the likelihood of repeat business and follow-on orders. Once qualified for a platform or program, suppliers typically continue supplying components throughout the product's lifecycle, which can span several years or even decades in defence and aerospace.

Our strategic entry into autonomous weapons and platforms, enabled by sustained investment in R&D, positions us to capitalize on long-term industry tailwinds.

By balancing high-value solutions with high-volume products, we are building a more resilient business with stronger growth potential and improved cost efficiency.

# PROTECTED AND DRIVEN BY INNOVATION AND INDIGENIZATION

- 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.
- There has been zero **attrition in the R&D** team during FY26.
- In addition to company-funded R&D, customer/DRDO-funded development under DcPP programmes expands the qualified product portfolio without being reflected in the company's R&D spend.
- **In FY26, our rigorous efforts in Research and Development culminated in the successful development of Mini Torpedo, sensor suite for underwater autonomous vehicles, FOG based INS systems and many other products. We are currently working on critical and advanced solutions.**




# GROWING WITH OTHERS

As a trusted partner of DRDO, we play key role in various active defence programs.

Signed MoU with TCL for defense products.

MoU partner to GRSE for joint development and supply of advanced Weapons and Electronic Systems.

Approved Collaborative R&D Partner for Bharat Electronics Limited.

Signed MoU with Munitions India Ltd for identified select opportunities.

Signed MoU at Swavalamban 2025 with IIT Chennai and Indian Navy.

MoU Partner to BDL for Joint Development of Naval Platforms.

# READY TO SERVE THE COUNTRY

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

**Underwater Mines**

**Short and Medium Range Rockets**

**Other Critical Munition and Armament Systems**

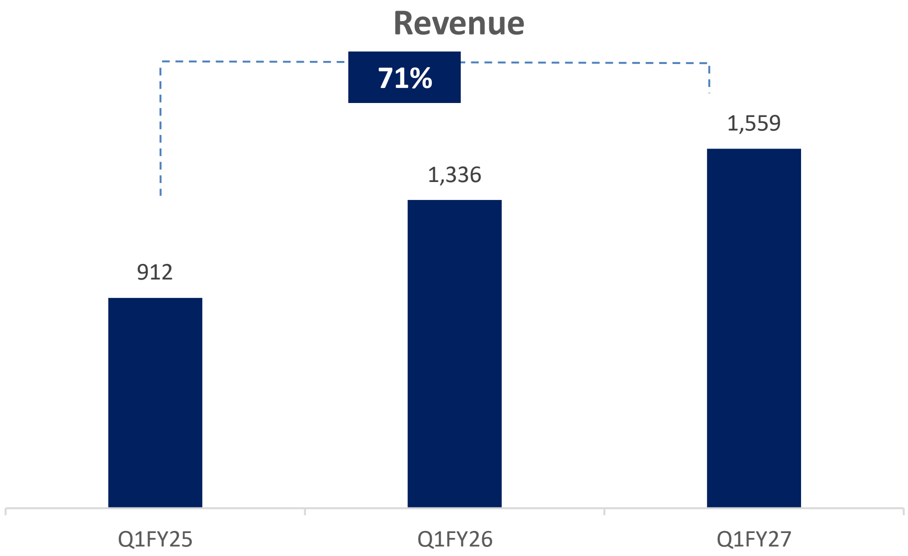
**Anti Submarine Warfare Rockets**

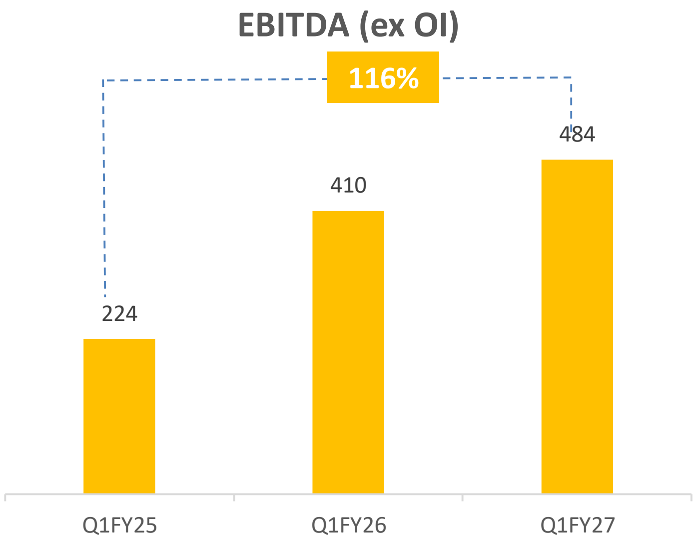
# FINANCIAL PERFORMANCE

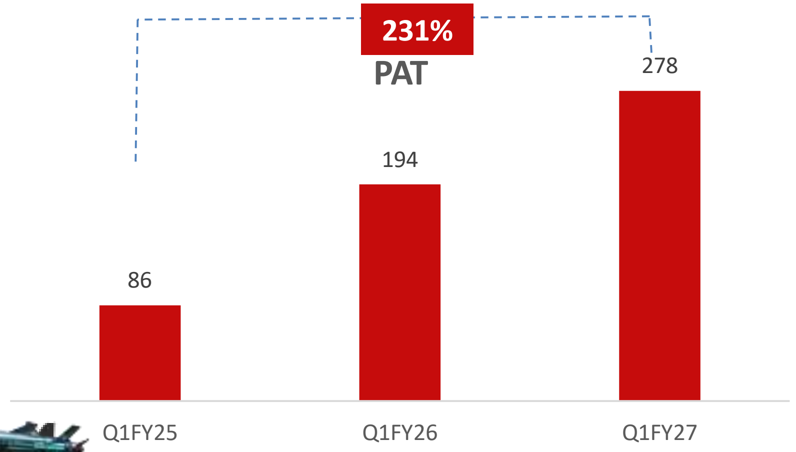
## June Quarter

# BEST QUARTER 1 PERFORMANCE EVER- Q1FY27 STANDALONE FIGURES

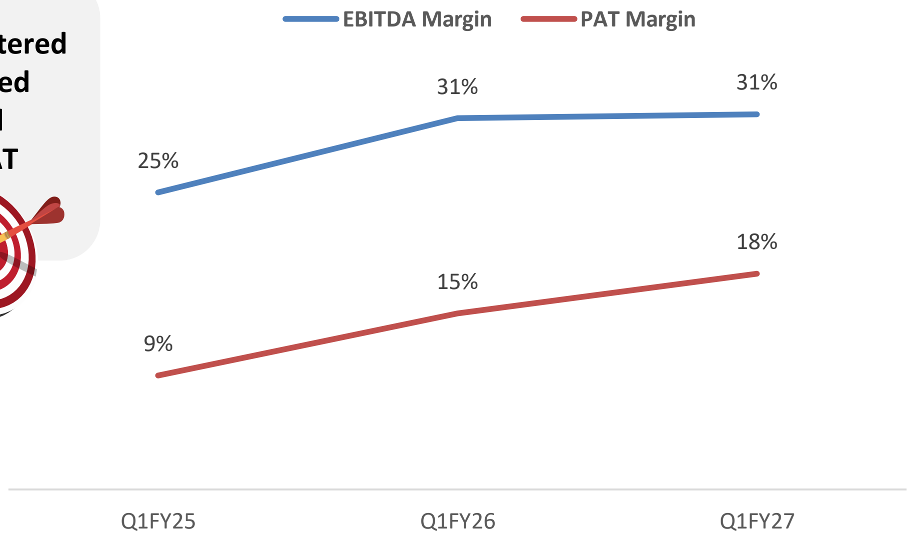
**(All Figures in Millions)**



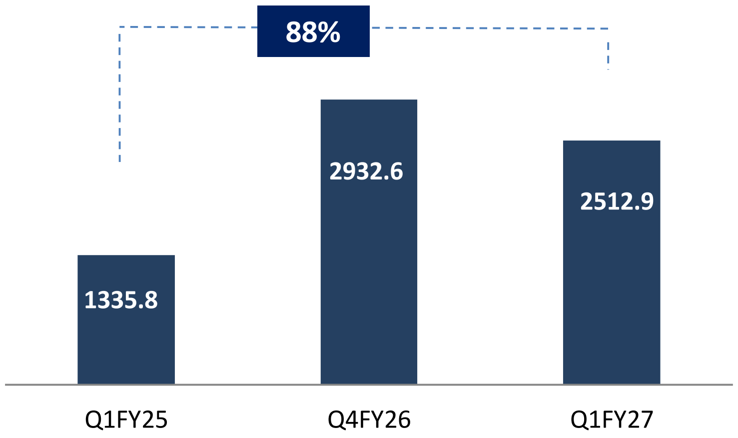

**Highest Ever Quarter 1 Revenue Registered**
**Highest Ever Quarter 1 EBITDA Achieved**
**Highest Ever Quarter 1 PAT Registered**
**Highest Ever Quarter 1 EBITDA and PAT Margin Clocked**



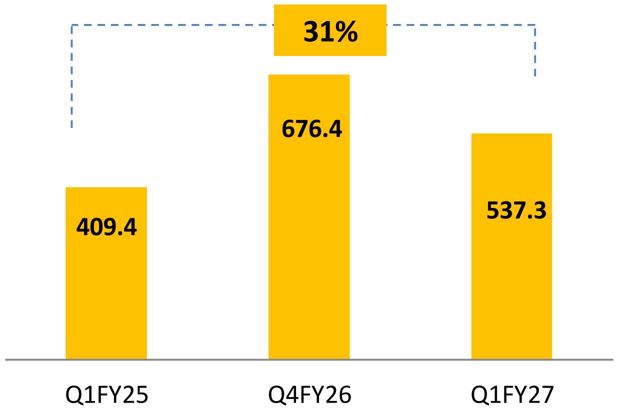

# FINANCIAL HIGHLIGHTS- Q1FY27 CONSOLIDATED FIGURES

(All Figures in Millions)

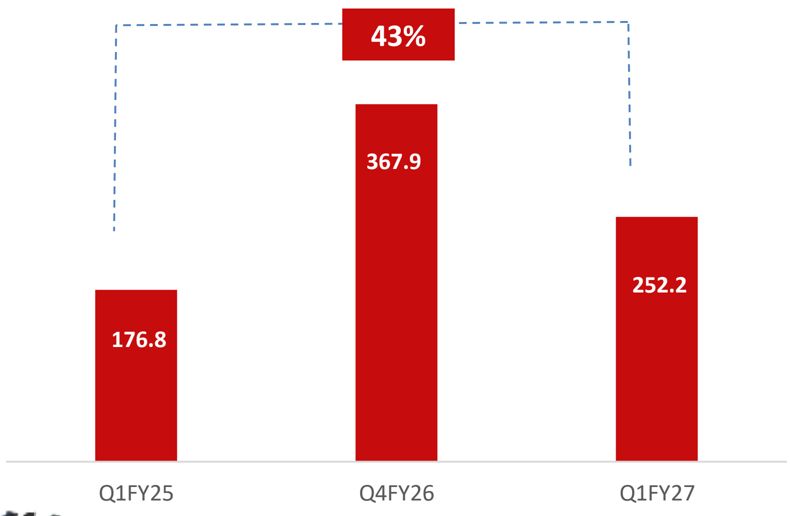
## Revenue from Operations



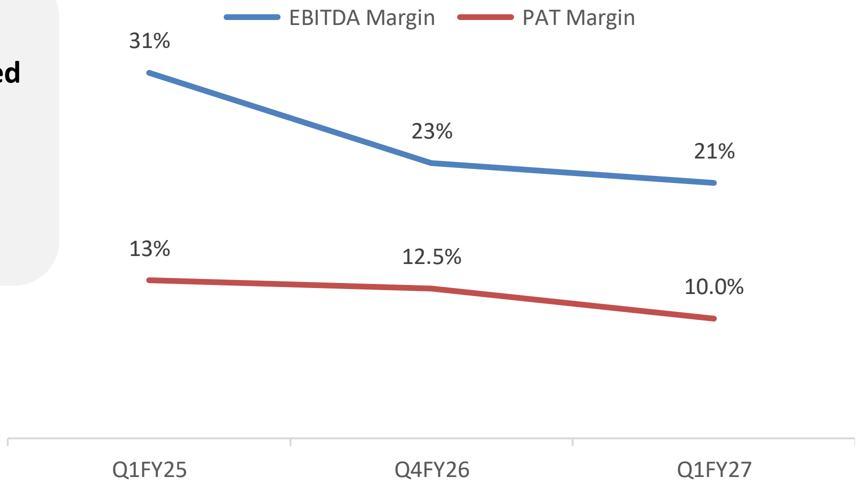

## EBITDA (ex Other Income)




## PAT

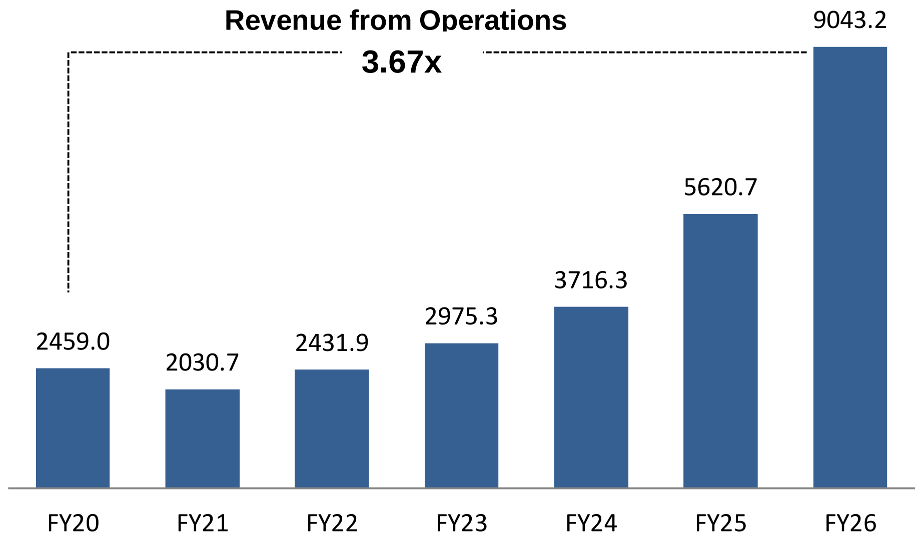


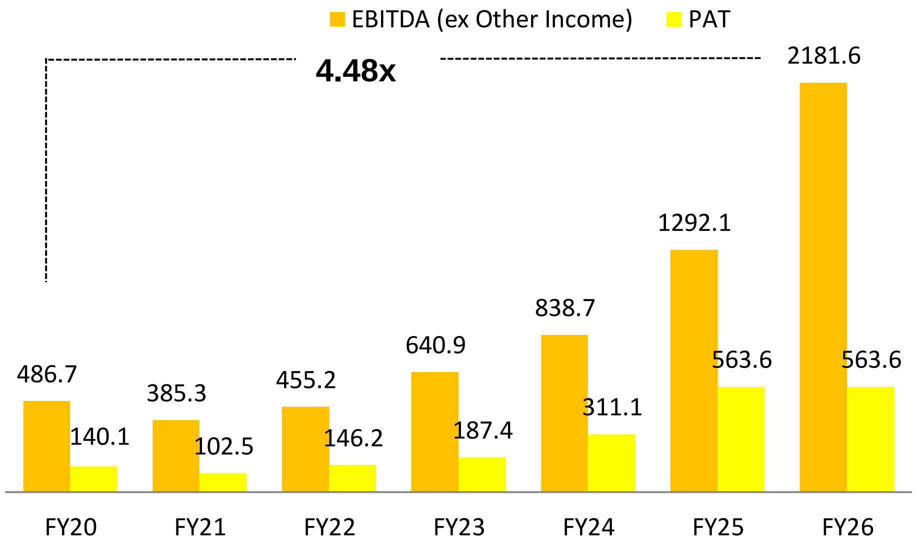

**Highest Ever Quarter 1 Revenue Registered**
**Highest Ever Quarter 1 EBITDA Achieved**
**Highest Ever Quarter 1 PAT Registered**

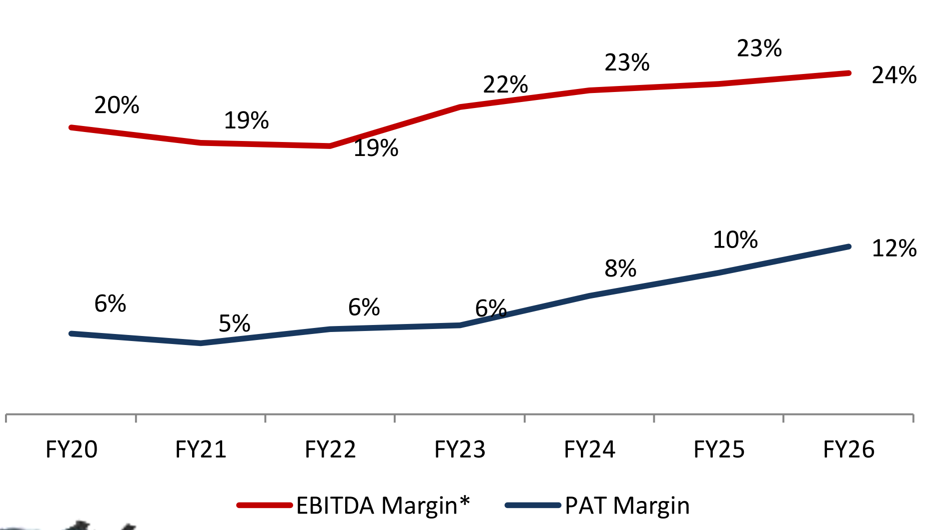


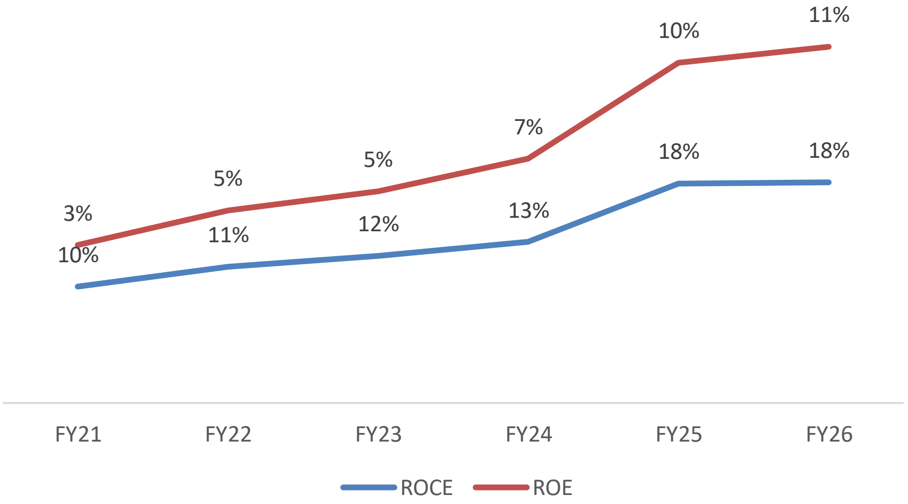

# FINANCIAL HIGHLIGHTS- HISTORICAL (CONSOLIDATED FIGURES)

**(All Figures in Millions)**

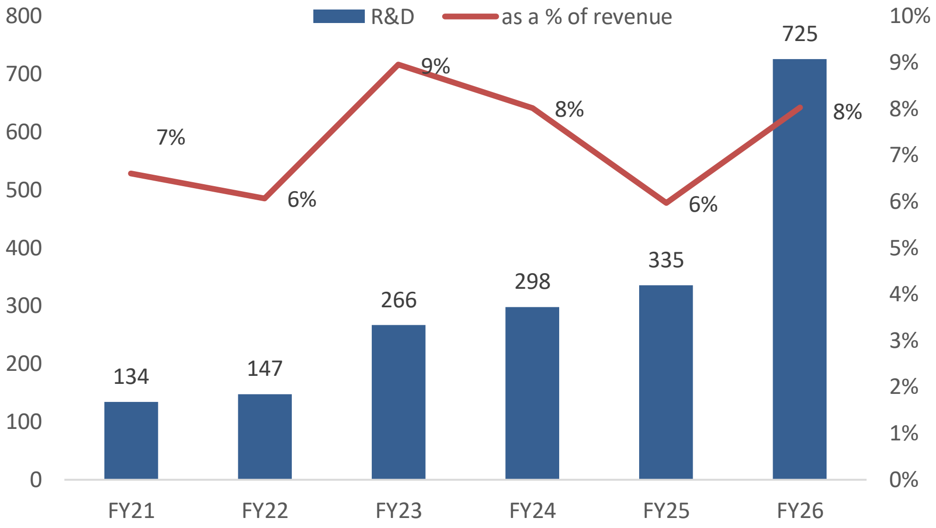


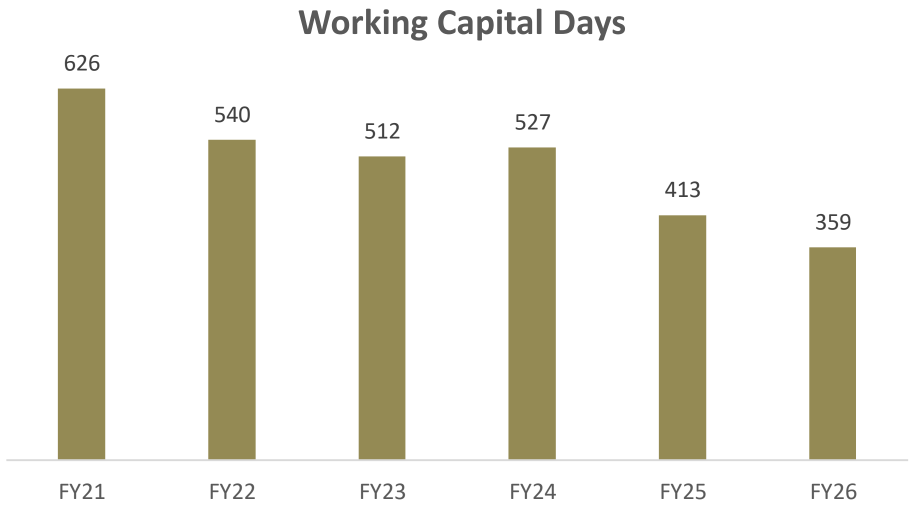



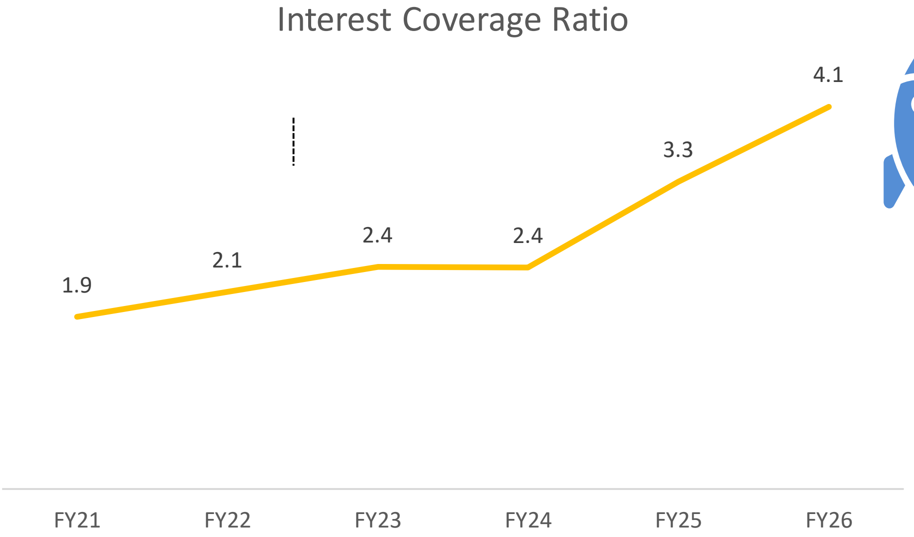



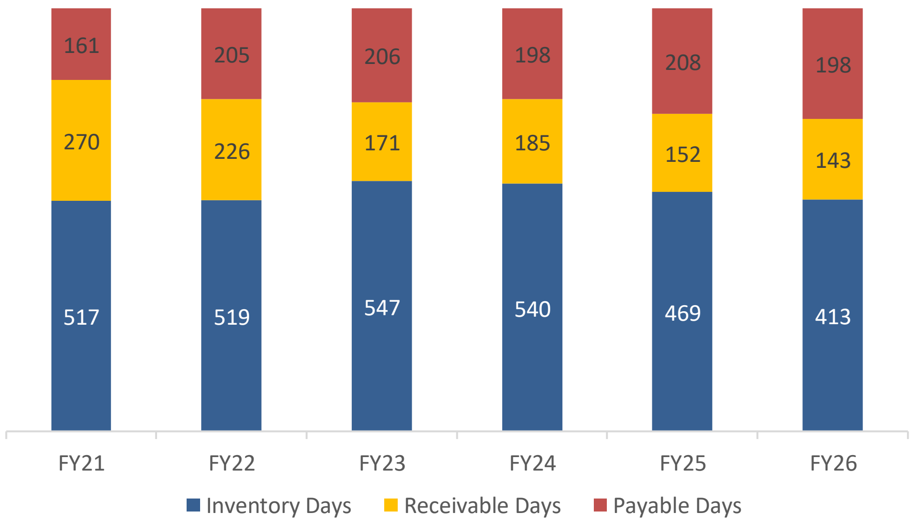




(All Figures in Millions, otherwise stated)




# CONSOLIDATED INCOME STATEMENT- Q1FY27

| Particulars (Rs in Mn) | Q1FY27 | Q4FY26 | Q1FY26 | YoY |
|---|---|---|---|---|
| Revenue from Operations | 2512.9 | 2932.6 | 1335.8 | **88.1%** |
| Other Income | 22.5 | 31.9 | 8.7 | |
| **Total Revenue** | **2535.4** | **2964.5** | **1344.6** | **88.6%** |
| Total Expenses except Depreciation, Amortization and Finance Cost | 1975.6 | 2256.1 | 926.5 | |
| **EBITDA (ex Other Income)** | **537.3** | **676.4** | **409.4** | **31.3%** |
| EBITDA Margin | 21.4% | 23.1% | 30.6% | |
| Finance Cost | 107.2 | 90.8 | 120.3 | |
| Depreciation | 75.9 | 69.7 | 44.9 | |
| **PBT** | **376.7** | **547.9** | **252.9** | **49.0%** |
| Tax | 124.5 | 180.1 | 76.0 | |
| **PAT** | **252.2** | **367.9** | **176.8** | **42.6%** |
| PAT Margin | 10.0% | 12.5% | 13.2% | |
| Diluted EPS | 0.8 | 1.1 | 0.6 | |

NOTE- ** Quarterly EPS is not annualized. Performance in the defence industry is best assessed on a year-on-year basis rather than quarter-on-quarter, as extended procurement cycles and milestone-linked execution result in revenue recognition that is inherently uneven across quarters. Quarterly variations, therefore, are not necessarily indicative of the underlying business momentum of Apollo Micro Systems Limited..*

# STANDALONE INCOME STATEMENT- Q1FY27

| Particulars (Rs in Mn) | Q1FY27 | Q4FY26 | Q1FY26 | YoY |
|---|---|---|---|---|
| Revenue from Operations | 1558.9 | 2052.2 | 1335.8 | 16.7% |
| Other Income | 73.6 | 84.1 | 13.5 | |
| **Total Revenue** | **1632.5** | **2136.3** | **1349.3** | **21%** |
| Total Expenses except Depreciation, Amortization and Finance Cost | 1075.3 | 1448.3 | 926.0 | |
| **EBITDA (ex Other Income)** | **483.7** | **604.0** | **409.9** | **18.0%** |
| EBITDA Margin | 31.0% | 29.4% | 30.7% | |
| Finance Cost | 93.2 | 82.5 | 100.2 | |
| Depreciation | 57.0 | 51.3 | 44.9 | |
| **PBT** | **407.0** | **554.3** | **278.2** | **46.3%** |
| Tax | 128.7 | 179.8 | 84.0 | |
| **PAT** | **278.3** | **374.5** | **194.3** | **43.3%** |
| PAT Margin | 17.9% | 18.2% | 14.5% | |
| Diluted EPS | 0.8 | 1.1 | 0.6 | |

NOTE- ** Quarterly EPS is not annualized. Performance in the defence industry is best assessed on a year-on-year basis rather than quarter-on-quarter, as extended procurement cycles and milestone-linked execution result in revenue recognition that is inherently uneven across quarters. Quarterly variations, therefore, are not necessarily indicative of the underlying business momentum of Apollo Micro Systems Limited.*

# CONSOLIDATED INCOME STATEMENT – HISTORICAL

| Particulars (Rs in Mn) | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 |
|---|---|---|---|---|---|---|---|
| Revenue from Operations | 2459.0 | 2030.7 | 2431.9 | 2975.3 | 3716.3 | 5620.7 | 9043.2 |
| Other Income | 16.0 | 6.4 | 7.6 | 8.2 | 18.3 | 28.9 | 62.7 |
| **Total Revenue** | **2475.0** | **2037.1** | **2439.5** | **2983.5** | **3734.6** | **5649.5** | **9106.0** |
| Total Expenses except Depreciation, Amortization and Finance Cost | 1972.4 | 1645.5 | 1976.7 | 2334.3 | 2877.7 | 4328.6 | 6861.6 |
| **EBITDA (ex Other Income)** | **486.7** | **385.3** | **455.2** | **640.9** | **838.7** | **1292.1** | **2181.6** |
| EBITDA Margin | 19.8% | 19.0% | 18.7% | 21.5% | 22.6% | 23.0% | 24.1% |
| Finance Cost | 151.0 | 160.2 | 170.5 | 223.7 | 303.0 | 342.2 | 473.2 |
| Depreciation | 99.0 | 86.9 | 89.8 | 103.7 | 113.0 | 153.3 | 223.2 |
| **PBT** | **252.6** | **144.6** | **202.5** | **289.6** | **440.9** | **825.5** | **1548.0** |
| Tax | 112.5 | 42.1 | 56.4 | 102.2 | 129.9 | 261.9 | 474.2 |
| **PAT** | **140.1** | **102.5** | **146.2** | **187.4** | **311.1** | **563.6** | **1073.8** |
| PAT Margin | 5.7% | 5.0% | 6.0% | 6.3% | 8.4% | 10.0% | 11.9% |
| Diluted EPS | 0.7 | 0.5 | 0.7 | 0.6 | 1.2 | 1.9 | 3.2 |

# CONSOLIDATED BALANCE STATEMENT – HISTORICAL

| Key Balance Sheet Items(Rs in Mn) | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 |
|---|---|---|---|---|---|---|---|
| Equity Share Capital | 207.6 | 207.6 | 207.6 | 207.6 | 282.4 | 306.5 | 357.3 |
| Reserves | 2751.6 | 2851.7 | 2992.7 | 3634.4 | 4909.8 | 5769.2 | 12724.9 |
| Borrowings | 132.0 | 162.2 | 1157.8 | 1436.5 | 2080.4 | 3353.5 | 5432.6 |
| Other Liabilities | 990.7 | 1313.2 | 353.4 | 524.9 | 632.4 | 793.9 | 1350.1 |
| Trade Payables | 569.4 | 783.0 | 1280.6 | 1122.9 | 1657.4 | 2771.9 | 3820.1 |
| **Total Liabilities** | **4651.2** | **5317.7** | **5992.1** | **6926.3** | **9562.4** | **12994.9** | **23685.1** |
| | | | | | | | |
| Net Block | 502.6 | 490.8 | 858.8 | 1048.1 | 1407.0 | 1722.7 | 3152.6 |
| Capital Work In Progress | 365.2 | 522.1 | 296.2 | 316.4 | 348.4 | 722.8 | 1962.9 |
| Other Assets | 224.3 | 218.9 | 349.0 | 539.8 | 911.3 | 1534.9 | 4242.3 |
| Trade Receivables | 1354.8 | 1695.0 | 1364.1 | 1466.0 | 2352.7 | 2383.3 | 4813.2 |
| Inventory | 2079.5 | 2256.9 | 2961.6 | 3415.3 | 4335.6 | 6006.4 | 7952.9 |
| Cash and Cash Equivalents | 124.8 | 134.0 | 162.3 | 140.8 | 207.4 | 624.8 | 1561.1 |
| **Total Assets** | **4651.2** | **5317.7** | **5992.1** | **6926.3** | **9562.4** | **12994.9** | **23685.1** |

# CONSOLIDATED CASHFLOW STATEMENT – HISTORICAL

| Particulars (Rs in Mn) | FY20 | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 |
|---|---|---|---|---|---|---|---|
| Cash Flow From Operating Activities | 469.1 | 73.8 | 431.8 | -162.9 | -784.9 | 102.4 | -1297.6 |
| Cash Flow From Investing Activities | -186.9 | -238.6 | -243.0 | -347.6 | -587.9 | -912.9 | -3569.0 |
| Cash Flow From Financing Activities | -360.3 | 165.1 | -186.7 | 509.5 | 1372.3 | 1211.3 | 5358.9 |
| **Net Change in Cash and Cash Equivalents** | **-78.1** | **0.4** | **2.2** | **-0.9** | **-0.5** | **400.7** | **492.3** |

# BUSINESS OVERVIEW

## June Quarter

# THE ROAD WE HAVE WALKED

**1985**
Incorporated AMS Proprietary Company offering Electronic CAD Design Services.

**1990**
Started Offering On-Board Systems for Defence.

**1992**
Started Offering Indigenous Processor Boards for Defence Applications.

**1997**
Converted to Pvt Ltd Company.

**2000**
First Indigenous Pay-Load Checkout System is supplied to ISRO replacing Legacy Imported Systems.

**2004**
First Pvt Company in Defence Electronics to be ISO Certified.

**2005**
Launched Telemetry Products for ISRO Applications.

**2007**
First Developmental Model of Expendable Decoy supplied for Indian Navy & Delivered Fully indigenous Integrated Mine Management System for Coal & Iron Ore Mines.

**2010**
Successfully configured Indigenous Automatic Launcher Controller for AGNI Range of Missiles.

**2015**
Reached Milestone of over INR 1 bn Turnover & Installed State of the art facility for Defence Systems Manufacturing Facility.

**2017**
Reached a Milestone of over INR 2 bn turnover.

**2018**
Listed on NSE and BSE.

**2021**
Entered RF & Microwave designs through acquisition of an established RF company.

**2022**
Facilitated by URSC (formerly known as ISRO Satellite Centre).

**2023**
Acquired 2.5 acres of land from Telangana State Industrial Corp ltd.

**2024**
Inaugurated unit II.

**2025**
Acquired IDL Explosives Ltd.

**2026**
Signed SPA with Premier Explosives Ltd

# OUR VISION AND MISSION

## VISION

To emerge as a world-class company and a unique solution provider with **Total Solutions Under One Roof.**

## MISSION

Convert your
**Concepts into Reality.**

# DEFENCE WEAPONS MUNUFACTURER AND WEAPON INTEGRATOR

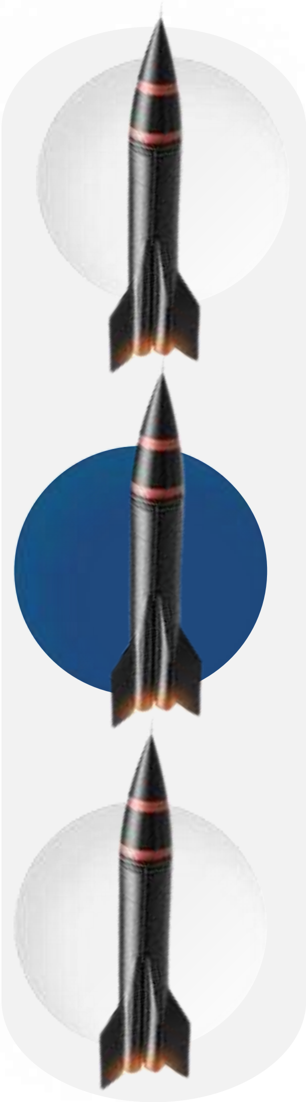
Established in 1985 and headquartered in Hyderabad, we are a leading multi disciplinary defence technology company and Tier-I Original Equipment Manufacturer (OEM). Building on 41 years of technological excellence, we are a fully integrated company spanning from explosives, design, development, manufacture, integration and life cycle support of advanced weapon systems and defence platforms

With over 700+ on-board technologies to the table, we bring 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 expertise, 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

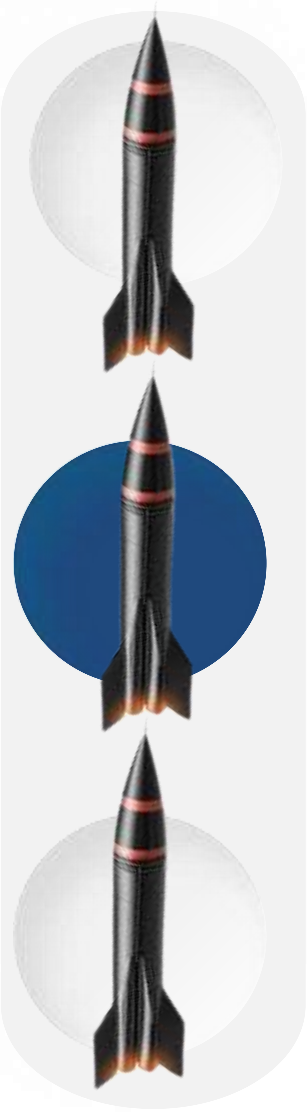
We are a fully integrated company which focuses from design, development, mass production of complex defence systems/sub-systems/weapons/ Platforms and Weapon integration.

## Value Proposition

Delivering advanced indigenous technologies for missile, naval defence system and explosive at lower cost of ownership and in less time leading to end to end weapon/ platform development in house.

## Customer Relationship

Long-term customer relationship of over 41 years, with a track record of zero customer attrition.



## Key Resource

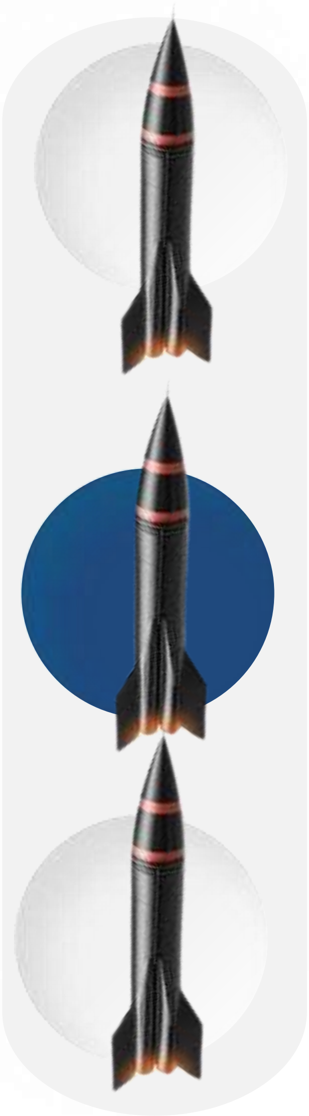
A standardized definition is not applicable, as each product is customized to meet the specific requirements of individual Clients.

## 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.

# CERTIFICATIONS AND LICENSES

An AS 9100D & CEMILAC (Centre for Military Airworthiness & Certification) certified Organization

## CEMILAC CERTIFIED

Centre for Military Airworthiness & Certification

### ISO 9001:2015

Quality Management System

### ISO 45001

Occupational Health & Safety

### ISO 27001

Information Security Management

### AS 9100D

Aerospace Quality (incl. ISO 9001)

**DPIIT LICENSE**

UAVs, INS Systems, Radar, Torpedoes, Underwater Mines, ATGMs, Decoys, Chaffs & Flares, Aerial Bombs, Rockets, Missiles, Loitering Munitions.

**INDUSTRIAL LICENSE**

For TNT & RDX (Sister Subsidiary).

# OUR MARQUEE CLIENTELE (1/2)

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


# OUR MARQUEE CLIENTELE (2/2)

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

and many more

# GREENFIELD EXPANSION

01 Scaling Operations to 12x capacity.

02 Total investment of INR 300 crores which also includes a land bank of approx. 2,47,441 sq ft strategically located adjacent to Unit 3 at the Industrial Park, TSIIC Hardware Park, Phase 2, Hyderabad.

03 The facility is planned to support the manufacturing, assembly, integration, and testing of a range of weapon systems, including Grad rockets, anti-submarine warfare rockets, anti-tank mines, artillery munitions, and other similar weapon systems.

The requirement of missile systems is envisaged to grow significantly in the upcoming years with the induction of a large number of ships, submarines and aircrafts.

# PRESENCE IN ALL THE INDIGENIZED MISSILE PROGRAMMES

June Quarter

# BUILT INTO EVERY INDIGENIZED MISSILE

Apollo electronics and subsystems across nine missile categories

| Air to Surface Missile (ASM) | Surface to Air Missile (SAM) | Anti Radiation Missile |
|---|---|---|
| RUDRAM | VLSRAM (ASTRA Variant), AKASH / NGRAM, QRSAM, SANT, KUSHA | RUDRAM, STAR, NGRAM |
| **Anti Tank Missile** | **Anti Ship Missile** | **Cruise Missiles** |
| NAG, AMOGHA 2, HELINA, MPATGM | LRAHSM, NASM | NIRBHAY, SLCM, BRAHMOS NG |
| **Ballistic Missile** | **Anti Submarine Missile** | **Nuclear Missile** |
| K4, PRALAY | SMART | AGNI |

# BUILT INTO EVERY INDIGENIZED MISSILE

Naval programmes — from nuclear submarines to expendable decoys

| | | |
|---|---|---|
| Nuclear Submarine | Arihant | Aridhaman |
| Torpedo | TAL | Varunastra |
| Submarine Launched Torpedo | ALWT | EHWT |
| Underwater Mine | MIGM | Moored Mines |
| Expendable Decoys | MAREECH | MOHINI |

# BUILT INTO EVERY INDIGENIZED MISSILE

Bombs, artillery and advanced programmes

## Bombs

- TARA
- GARUTHMA
- GARUDA
- LRGB

## Artillery

- PINAKA
- GUIDED PINAKA
- ATAGS

## Others

- RUSTOM UAV
- VSHORAD AIR DEFENCE SYSTEM
- HYPERSONIC TECHNOLOGY DEMONSTRATOR VEHICLE

# INDIGENIZED MISSILES

Ballistic, nuclear, anti-submarine and air-to-surface programmes

**PRALAY**
BALLISTIC MISSILE

**K4**
BALLISTIC MISSILE

**SMART**
ANTI SUBMARINE MISSILE

**AGNI**
NUCLEAR MISSILE


**RUDRAM**
AIR TO SURFACE MISSILE

# INDIGENIZED MISSILES

Cruise and anti-ship programmes


**NIRBHAY**
CRUISE MISSILE

**SLCM**
CRUISE MISSILE

**NASM**
ANTI SHIP MISSILE

**LRAHSM**
ANTI SHIP MISSILE

# INDIGENIZED MISSILES

Surface-to-air programmes


**AKASH**
SURFACE TO AIR MISSILE

**VLSRAM**
SURFACE TO AIR MISSILE

**NGRAM**
SURFACE TO AIR MISSILE

**QRSAM**
SURFACE TO AIR MISSILE

**SANT**
SURFACE TO AIR MISSILE

# INDIGENIZED MISSILES

Anti-tank and anti-radiation programmes

**HELINA**
ANTI TANK MISSILE

**AMOGHA 2**
ANTI TANK MISSILE


**NAG**
ANTI TANK MISSILE


**MPATGM**
ANTI TANK MISSILE


**STAR**
ANTI RADIATION MISSILE

**NGRAM**
ANTI RADIATION MISSILE


**RUDRAM**
ANTI RADIATION MISSILE

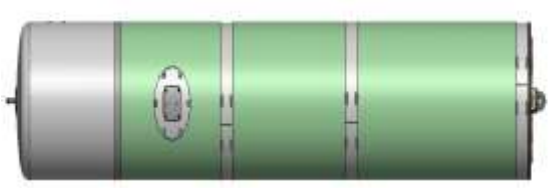
# NAVAL PROGRAMS

## June Quarter

# NAVAL PROGRAMS

| UNDERWATER MINES | | NUCLEAR SUBMARINE | |
|---|---|---|---|

**MIGM**
UNDERWATER MINE



**MOORED MINES**
UNDERWATER MINE

**ARIHANT**
NUCLEAR SUBMARINE

**ARIDHAMAN**
NUCLEAR SUBMARINE

# NAVAL PROGRAMS

**TORPEDOES**

**TAL**
TORPEDO

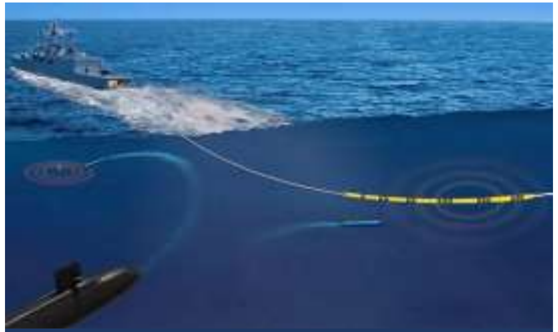
**ALWT**
TORPEDO

**VARUNASTRA**
TORPEDO

**Torpedo electronics heritage.** Sensor, homing and onboard electronics for India's indigenous torpedo family, built on decades of DRDO underwater programme partnership.

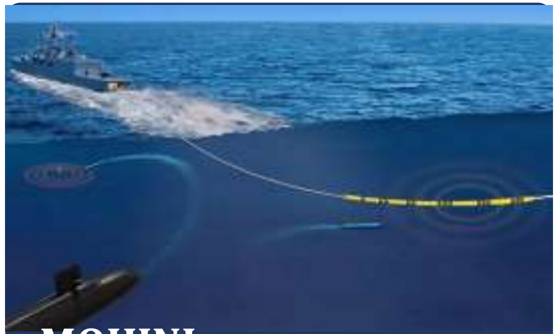
# NAVAL PROGRAMS

**EXPENDABLE DECOYS**



**MAREECH**

EXPENDABLE DECOY



**MOHINI**

EXPENDABLE DECOY

**SUBMARINE LAUNCHED TORPEDO**

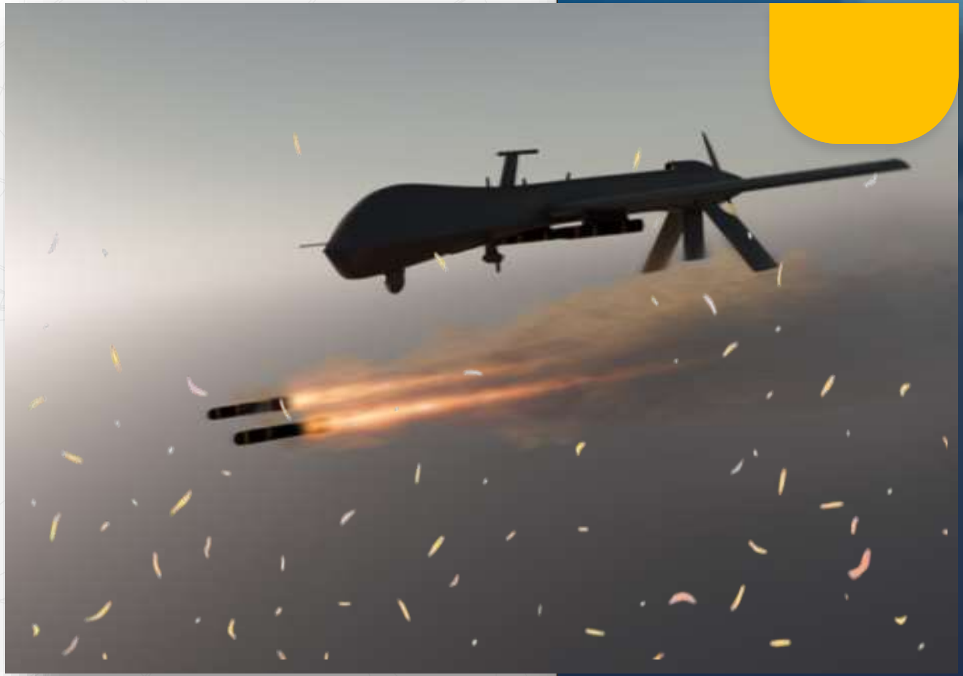
**EHWT**

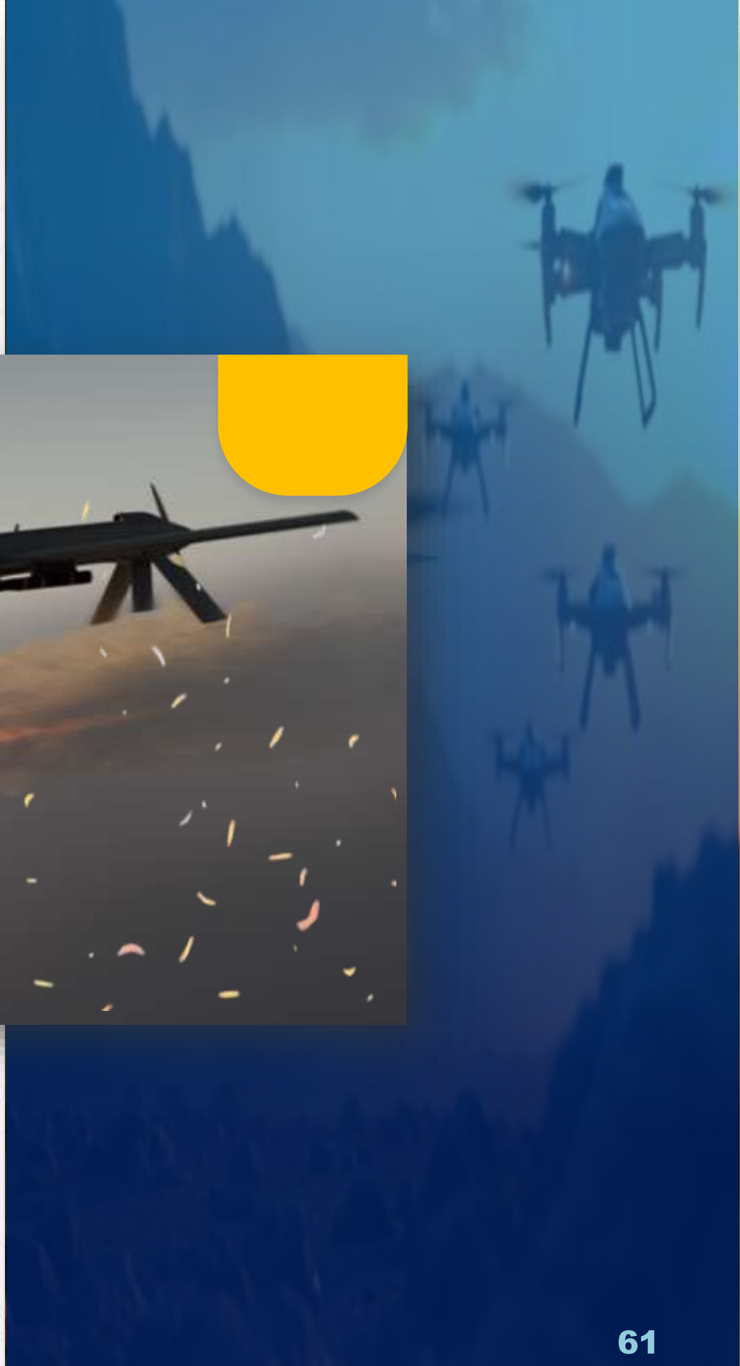
SUBMARINE LAUNCHED TORPEDO

**Denial and deterrence.** Expendable decoys protect fleet assets by seducing incoming torpedoes away from their targets, while the submarine launched heavy weight torpedo extends the strike envelope of India's underwater fleet.

# OTHERS

## June Quarter





# OTHERS

## OTHER PROGRAMMES


**RUSTOM UAV**

UNMANNED AERIAL VEHICLE

**VSHORAD**

AIR DEFENCE SYSTEM

**HYPERSONIC TECHNOLOGY DEMONSTRATOR VEHICLE**

ADVANCED PROGRAMME

**Beyond missiles.** Participation extends across unmanned platforms, very short range air defence and India's hypersonic technology demonstrator programme.

# ARMS AND AMMO

## June Quarter

# ARMS AND AMMUNITIONS

**BOMBS**


**GARUTHMA-1000KG**
BOMB


**LRGB**
BOMB


**GARUDA-500KG**
BOMB

**TARA**
BOMB

**Aerial bomb family.** From the 1000kg Garuthma and 500kg Garuda class to long range glide bombs and TARA, the aerial bomb portfolio spans conventional and precision guided delivery.

# ARMS AND AMMUNITIONS

**ARTILLERY**

**PINAKA**

ARTILLERY

**GUIDED PINAKA**

ARTILLERY

**ATAGS**

ARTILLERY

**Rocket and gun artillery.** Electronics and subsystems for the Pinaka multi-barrel rocket family — including its guided variant — and the Advanced Towed Artillery Gun System.

# CHANGE IN THE WORLD ORDER

## June Quarter

INDIA

- 2027- ERA OF TRANSITION
- 2027-2037- ERA OF CONSOLIDATION
- 2037-2047- ERA OF EXCELLENCE

# NATIONS ARE GEARING UP (1/7)

World military expenditure rose by $2887 billion in 2025.
(2.9 % YoY Spike)
2.5 % of GDP in 2025.

Europe total military spending reached $864 billion (2025)
(14% YoY Increase)

The five biggest spenders in 2025 were the United States, China, Russia, Germany and India, accounted for 58% of world military spending.

The military expenditure of the 32 NATO members amounted $1581 billion (2025),
55 % of spending globally

Total Military Spending by NATO member reached $ 1506 Billion
55% of Global Military Spending

Revenue Driver- INCREASING DEFENCE BUDGET

# NATIONS ARE GEARING UP (2/7)

Revenue Driver- INCREASING DEFENCE BUDGET

**Biggest Spender – The USA**
Accounting 33.33% of all military spending (2025)
The USA spent 2.8 times as much on the military as China (2025)

**World's 2nd Largest Military Spender- China**
China maintained 12% of global spending
Accounted 1.7% of China GDP
Military spent increased each year for 31 consecutive years

Russia's military expenditure reached an estimated $190 billion (2025)
5.9% YoY spurt
7.5% of GDP in 2025.

Germany 4th biggest spender globally
Military expenditure reached $114 billion
(24% YoY)
2.3% of Germany GDP (2025)

Taiwan's military expenditure reached $18.2 billion in 2025
14% YoY
2.1% of GDP

Poland Military spending reached $ 38 Billion (2024)
4.2% of GDP

# INCREASING PROLIFERATION AND USE OF MISSILES (3/7)

Owning to ongoing conflicts, inventory replenishment, operational readiness, changing geopolitical scenarios, as nations seek to safeguard sovereignty through enhanced defence capabilities and self-reliance in critical weapon systems. Also, It has opened new revenue streams via exports.

## Wars

### Russia- Ukraine and Israel- Hamas War

Continued and extensive use of 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 signaling and leverage in these conflicts and elsewhere.

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 day launches every day.

### USA/ Israel- Iran

Prior to the strikes against Iran, the USA has also secured deals with companies with the goal of significantly increasing annual production rates for a range of systems, including Patriot, Tomahawk, SM-3, SM-6, and AIM-120 AMRAAM. As part of this effort, the Pentagon's FY26 request sought multiyear procurement authority for 13 missile types, with lawmakers ultimately signing for eight out of 13 munitions requested.

USA at risk of missile shortage after depleting stockpiles in Iran war.

Change in policy has disrupted supply dynamics and raised concerns across Europe regarding its defense preparedness against potential Russian aggression. The concern stems from the United States' decision to cancel the deployment of long-range missiles to Germany

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.

# CHANGING GEOPOLITICS(4/7)

All the nine nuclear-armed states continued to strengthen their nuclear arsenals in 2025 and some deployed new nuclear armed or nuclear-capable weapon systems during the year.

**An estimated 3912 of those warheads were deployed with missiles and aircraft and the rest were in central storage. Around 2100 of the deployed warheads were kept in a state of high operational alert on ballistic missiles. Nearly all of these warheads belonged to Russia or the USA, but China may now keep some warheads on missiles during peacetime.**

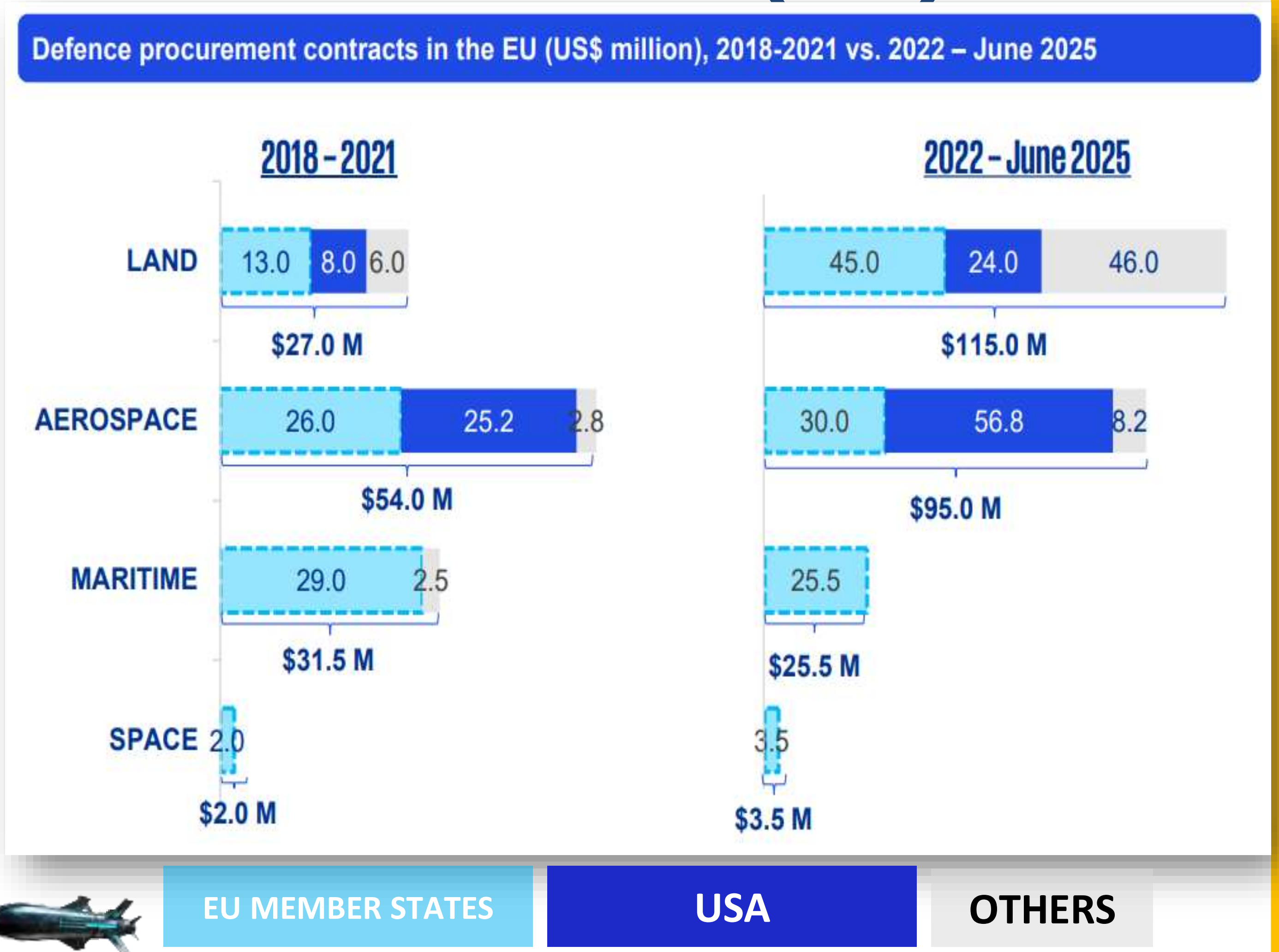
| World Nuclear Forces | Deployed Warheads | Stored Warheads | Military Stockpile | | Retired Warheads | | Total Inventory | |
|---|---|---|---|---|---|---|---|---|
| | 2025 | | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 |
| USA | 1770 | 1930 | 3708 | 3700 | 1620 | 1477 | 5328 | 5177 |
| Russia | 1718 | 2591 | 4380 | 4309 | 1200 | 1150 | 5580 | 5459 |
| United Kingdom | 120 | 105 | 225 | 225 | | | 225 | 225 |
| France | 280 | 10 | 290 | 290 | | | 290 | 290 |
| China | 24 | 576 | 500 | 600 | | | 500 | 600 |
| India | | 180 | 172 | 180 | | | 172 | 180 |
| Pakistan | | 170 | 170 | 170 | | | 170 | 170 |
| North Korea | | 50 | 50 | 50 | | | 50 | 50 |
| Israel | | 90 | 90 | 90 | | | 90 | 90 |
| **Total** | **3912** | **5702** | **9585** | **9614** | **2820** | **2627** | **12405** | **12241** |

# USA APPROACH AND PRIORITIES (5/7)

| | 2014 QDR (Obama II) | 2018 NDS (Trump I) | 2022 NDS (Biden) | 2026 NDS (Trump II) |
|---|---|---|---|---|
| Approach | End wars in the Middle East, rebalance to Pacific | Compete, deter, win | Integrated deterrence | America First |
| Priority | Operating under fiscal constraint | Great power competition | Pacing challenge of China | Homeland and hemispheric security |

| | 2014 QDR (Obama II) | 2018 NDS (Trump I) | 2022 NDS (Biden) | 2026 NDS (Trump II) |
|---|---|---|---|---|
| Industrial base | "National asset that the Department of Defense is committed to supporting." | "Harness and protect the national security innovation base." | "Build enduring advantages across the defense ecosystem." | "Require nothing short of a national mobilization—a call to industrial arms" |
| Nuclear modernization | Baseline, no new nuclear weapons | Baseline, plus options to "counter competitors' coercive strategies" | Baseline, cancel SLCM-N | Baseline |
| National missile defense | Baseline | Baseline | Baseline | Baseline, plus "Golden Dome" |

# SPEED FOR SOVEREIGNTY (6/7)




# NATIONS ARE GEARING UP (7/7)

Global military expenditure distribution and share as a % of GDP

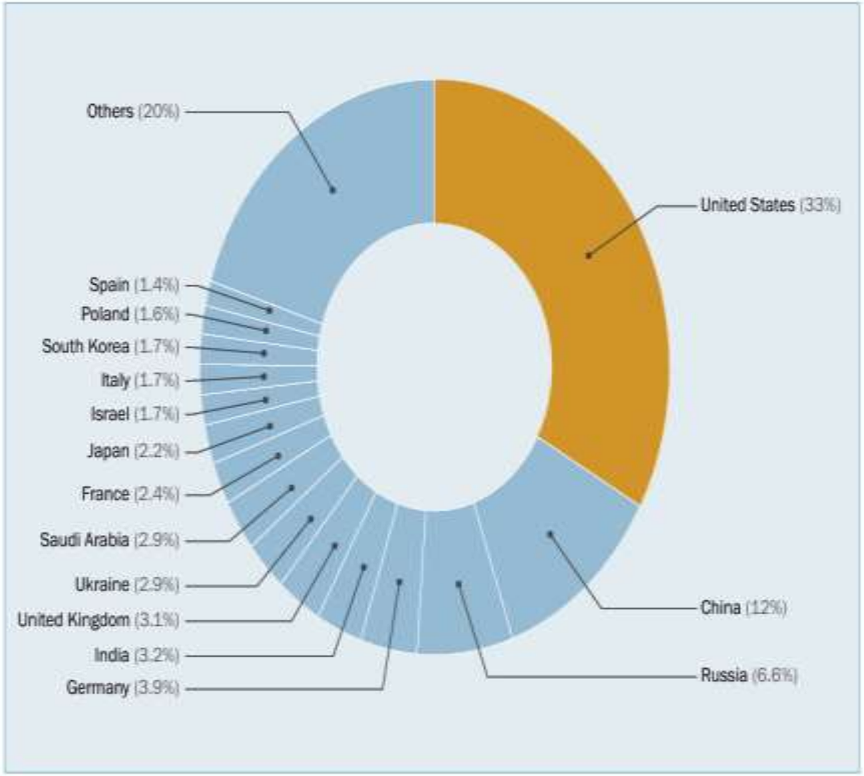



**Figure 2.** The share of world military expenditure of the 15 countries with the highest spending in 2025

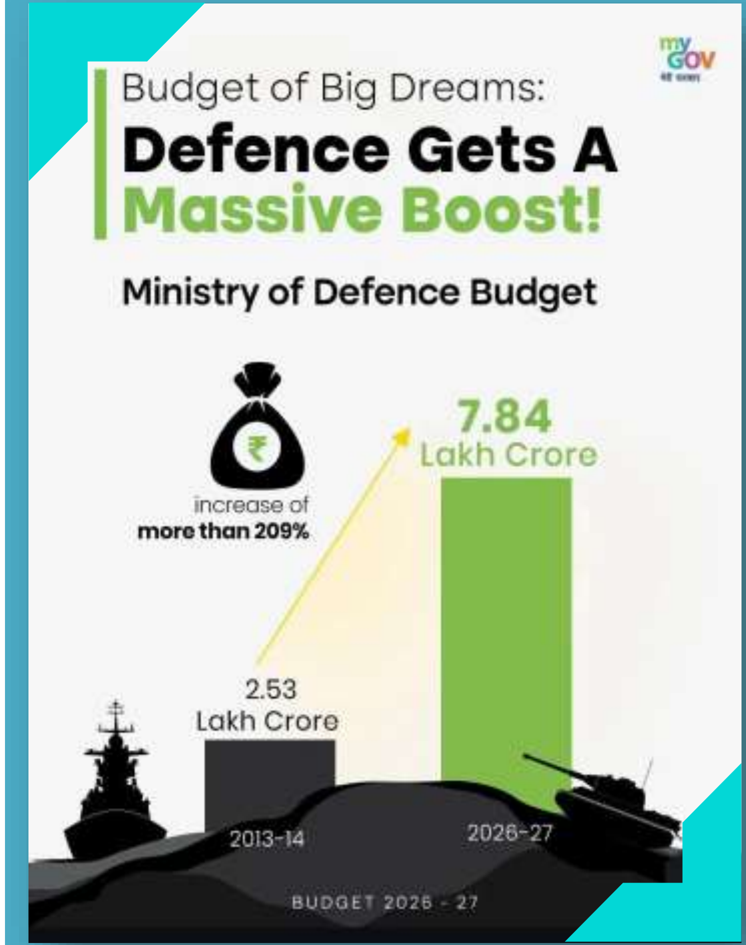

**Figure 3.** Military spending as a share of gross domestic product, by country, 2025

*Note:* The 10 countries with the highest military spending as a share of gross domestic product are labelled.

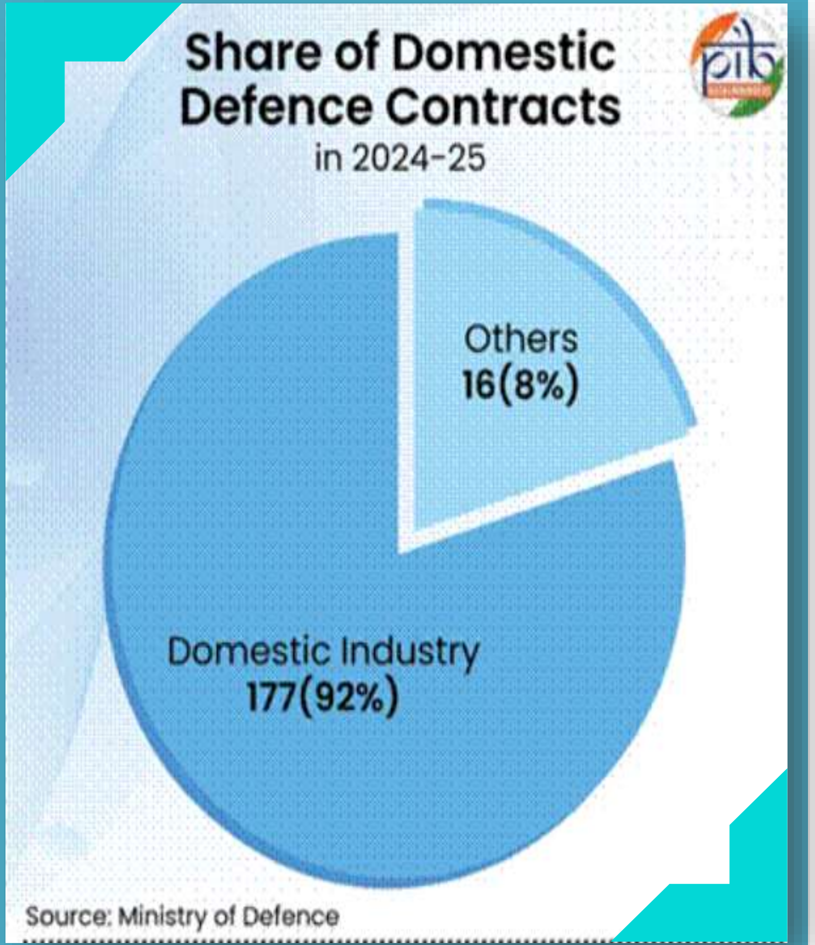
The boundaries used in this map do not imply any endorsement or acceptance by SIPRI.

*Source:* SIPRI Military Expenditure Database, Apr. 2026.

# INDIA DEFENCE SECTOR KEY TRENDS (1/10)

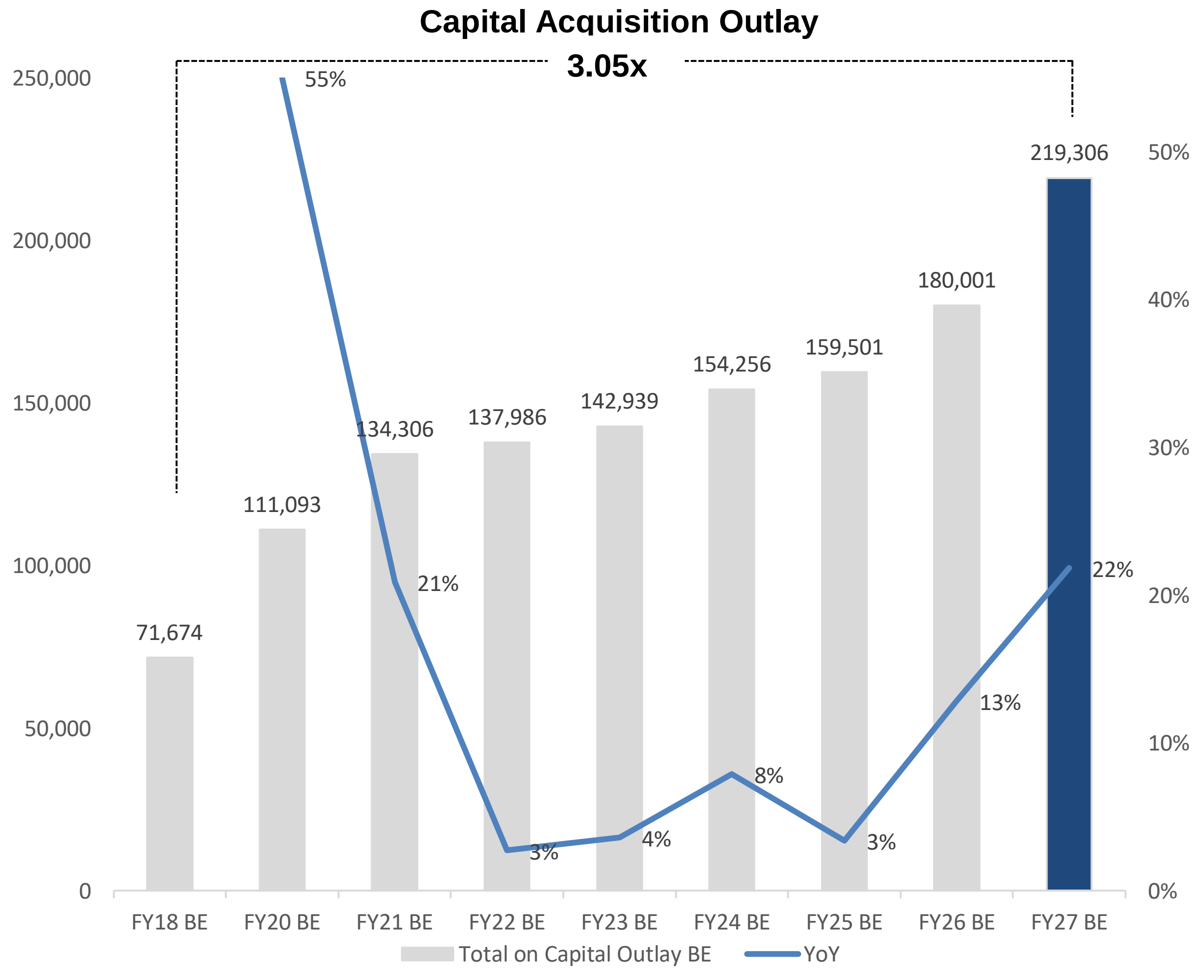


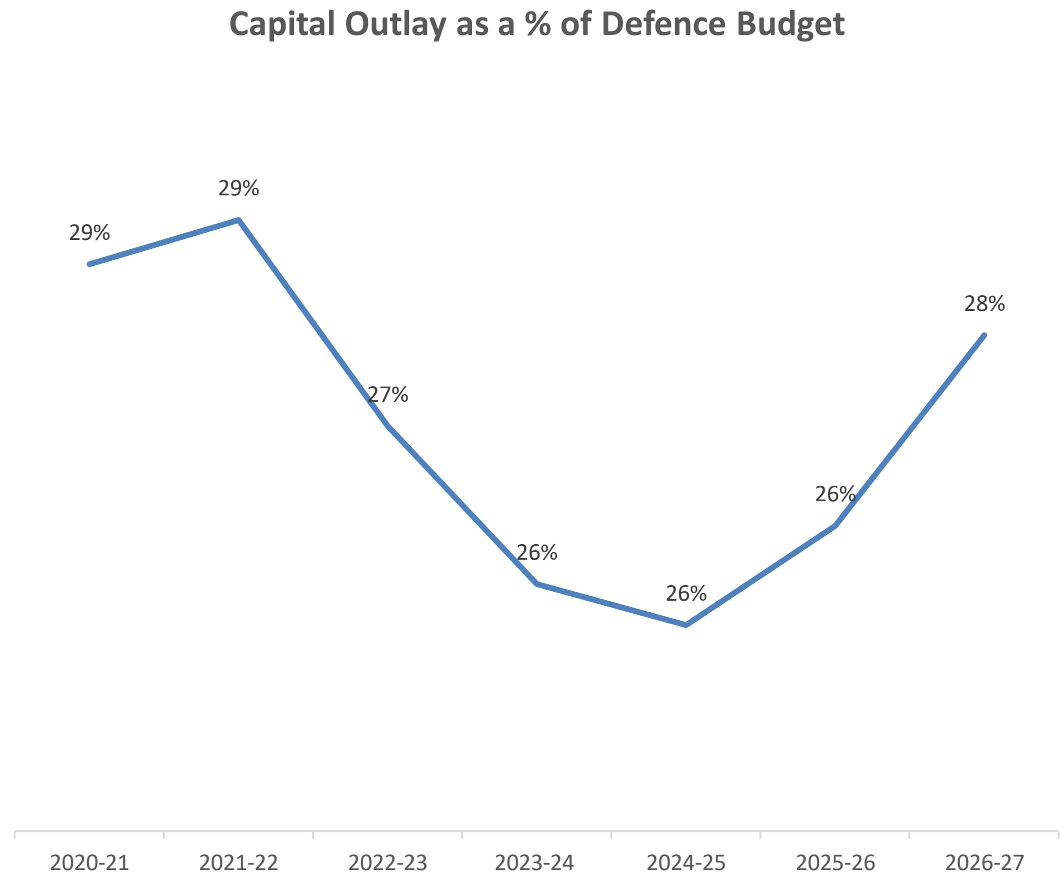





# INDIA DEFENCE SECTOR KEY TRENDS (2/10)

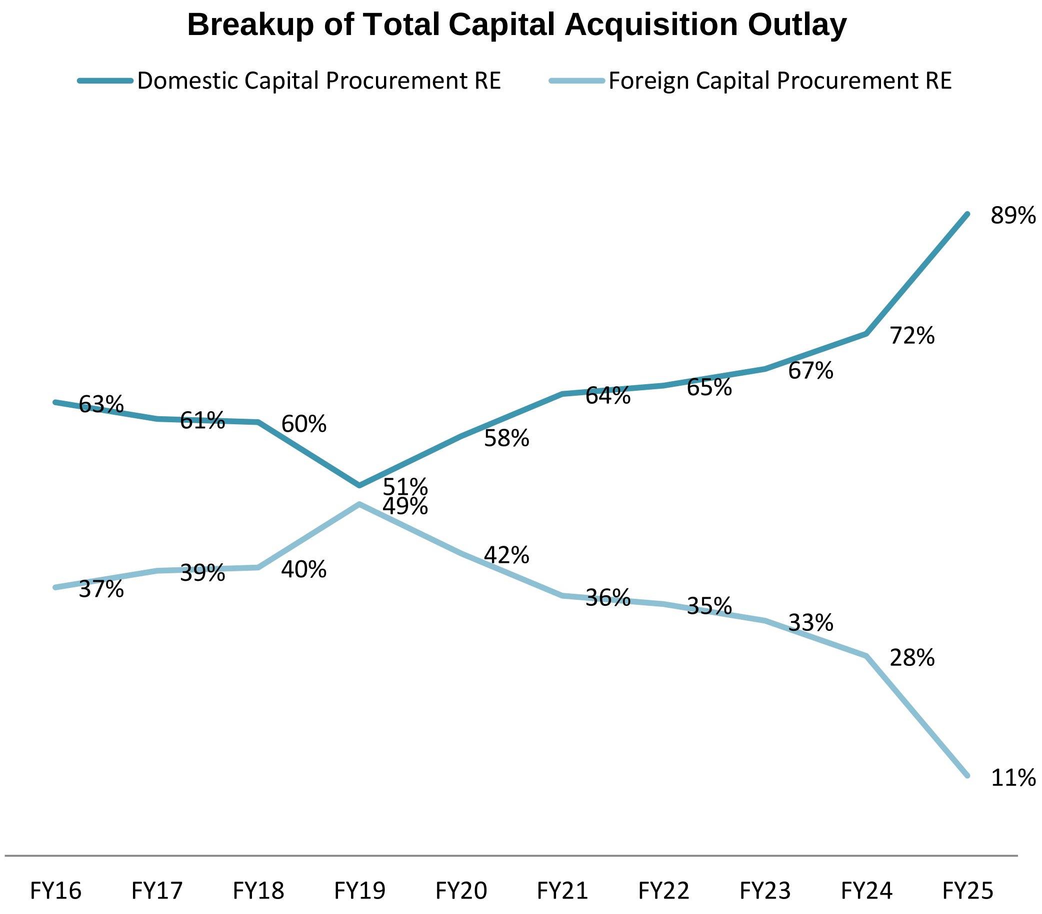
Figures in INR Crores

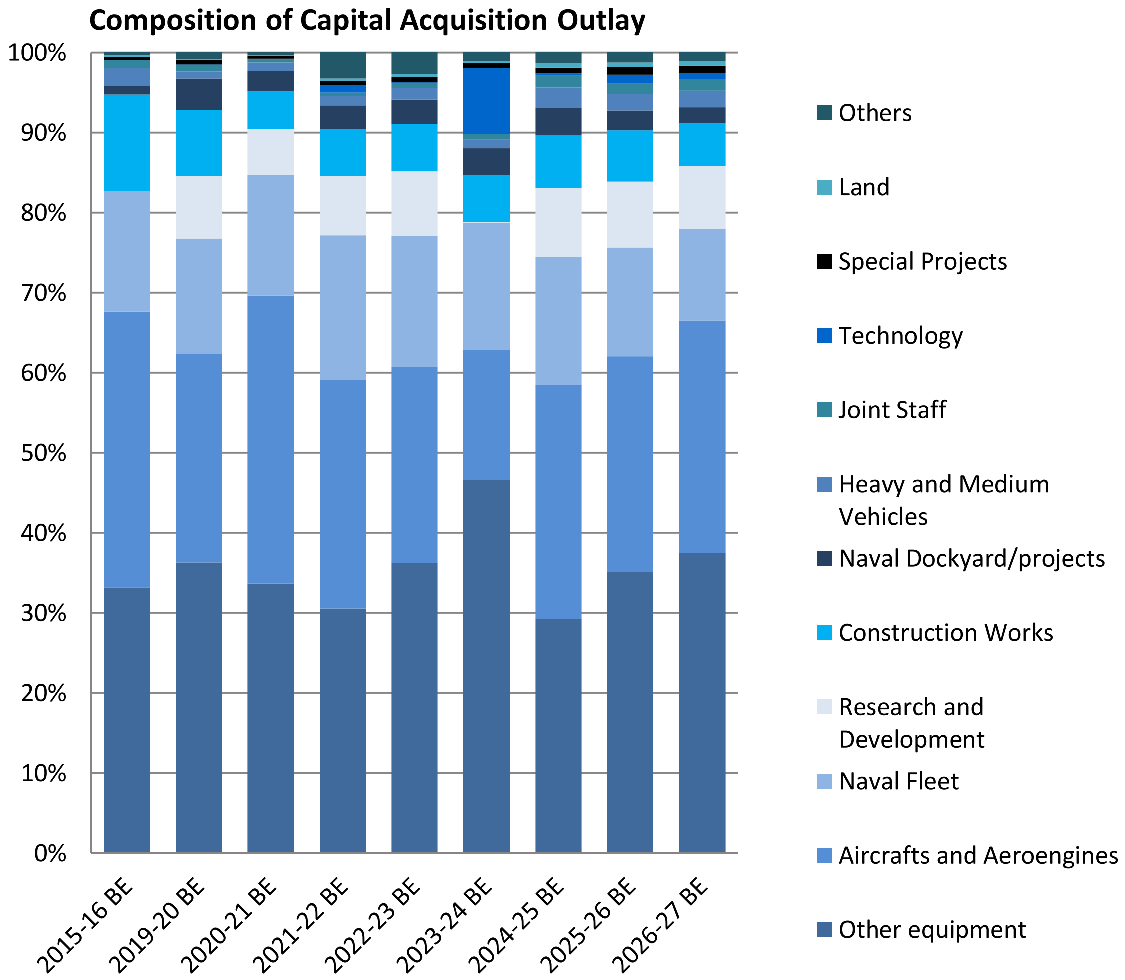


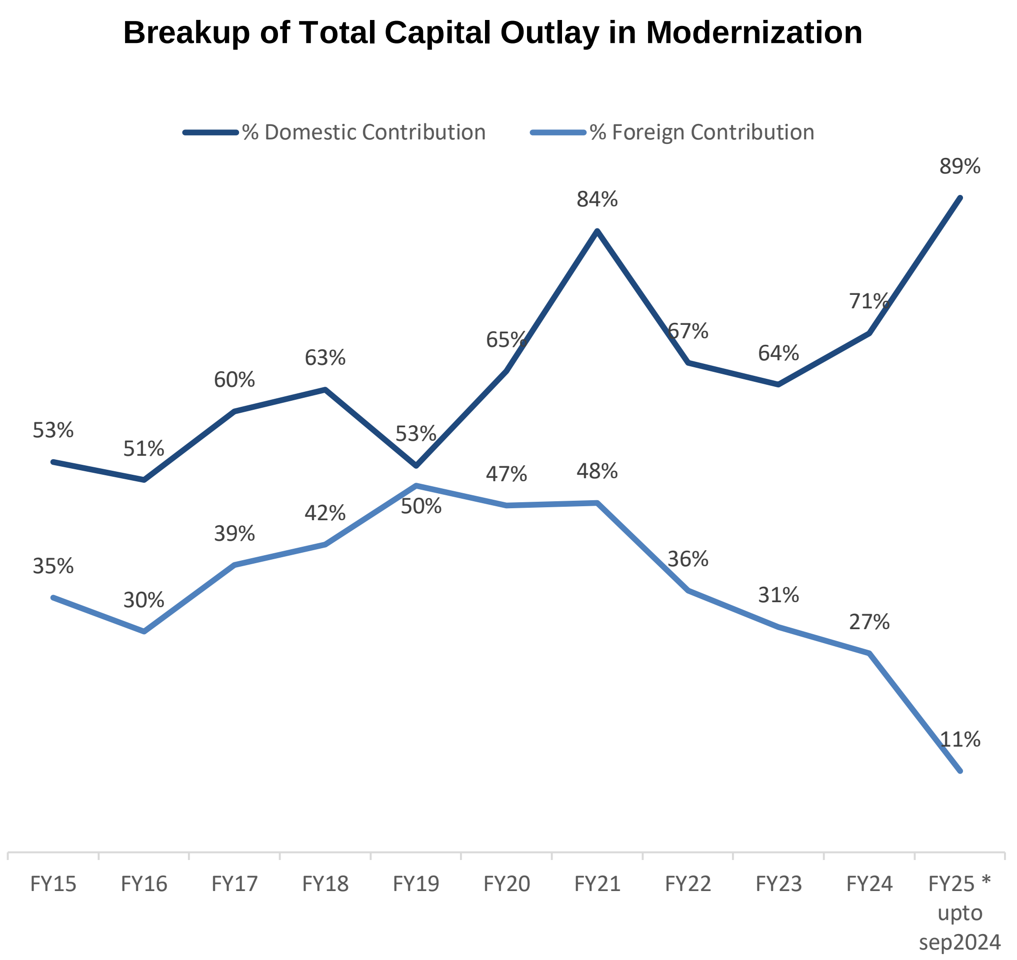

# INDIA DEFENCE SECTOR
# KEY TRENDS (3/10)

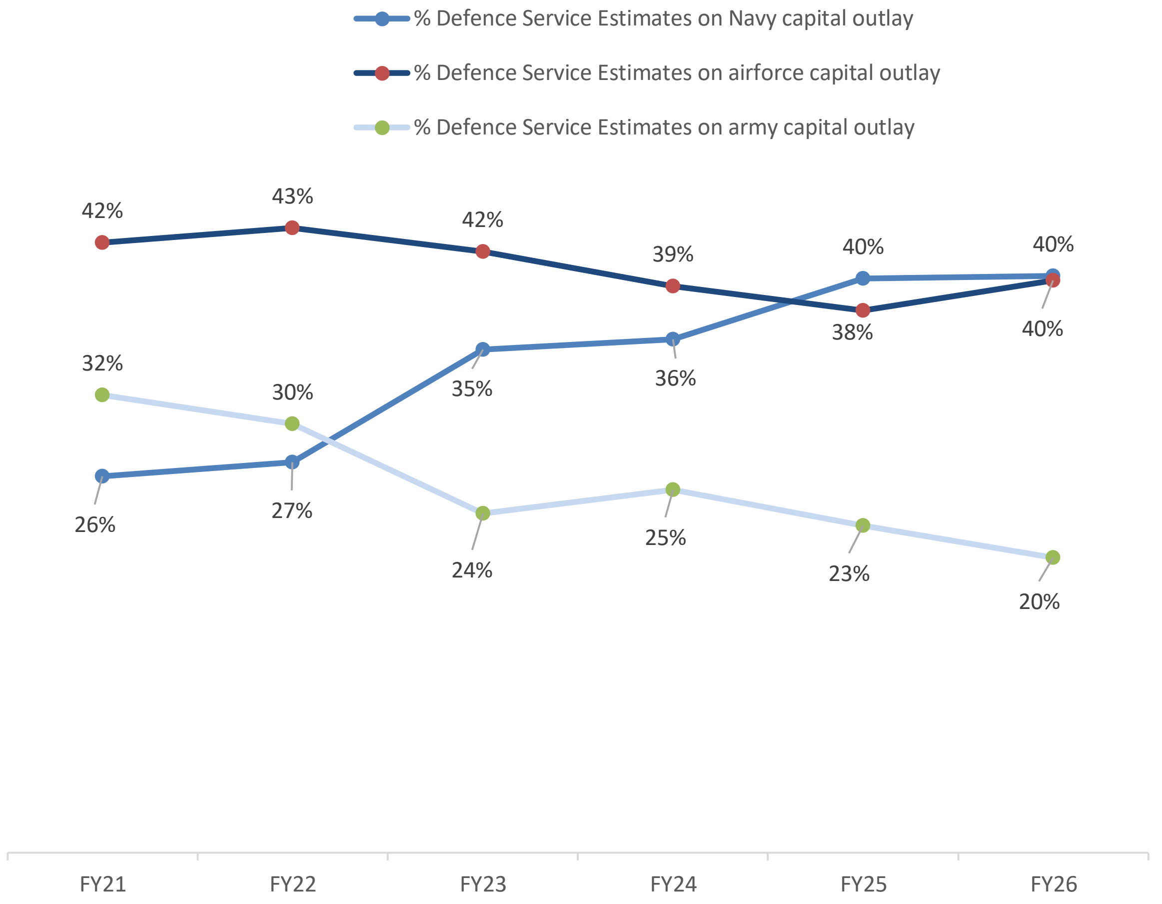
All Figures in INR Crores



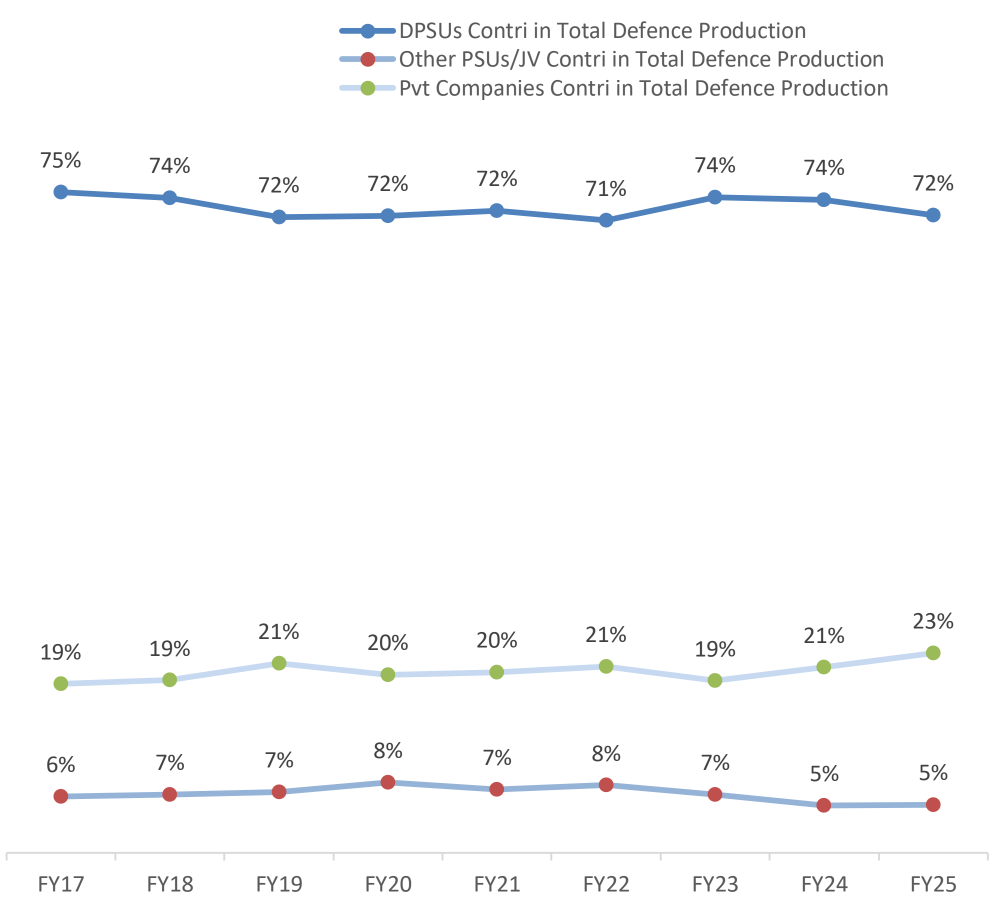
# INDIA DEFENCE SECTOR KEY TRENDS (4/10)



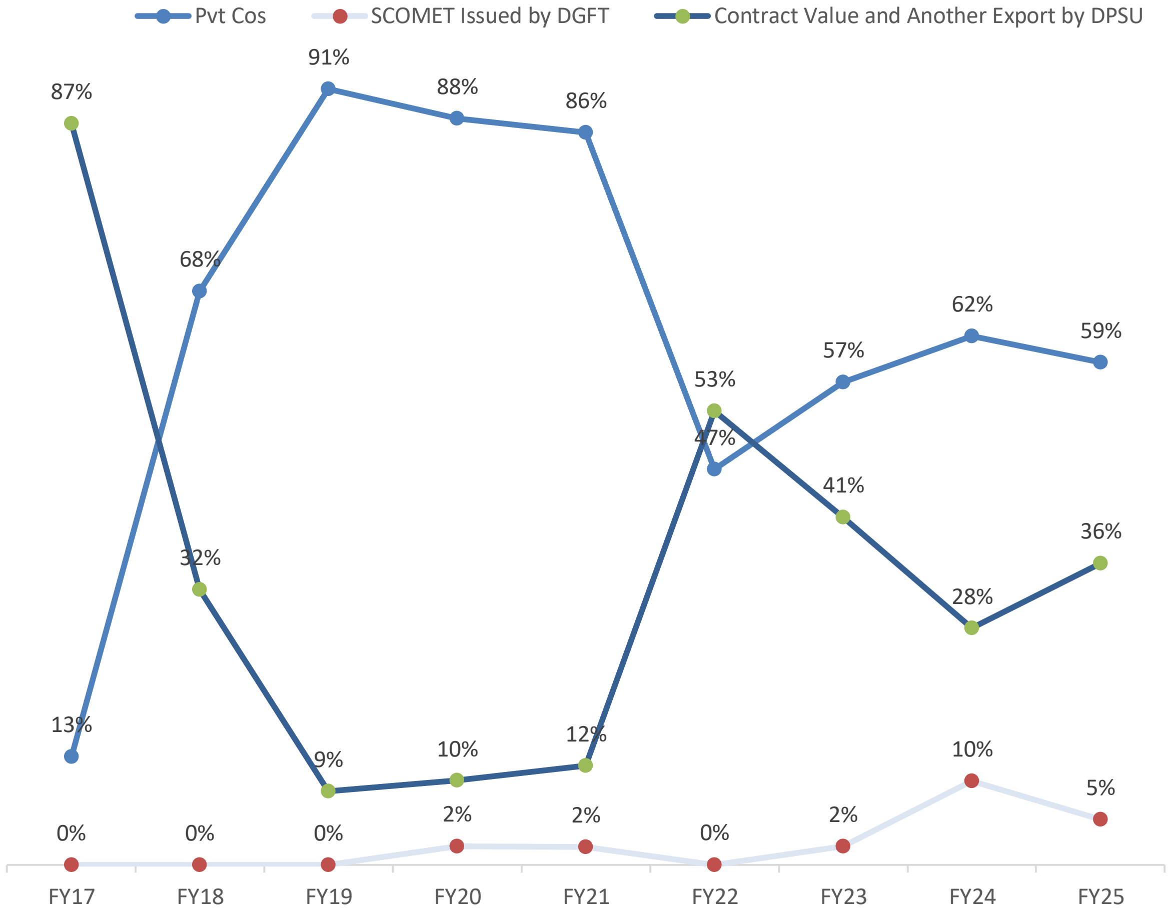



# INDIA DEFENCE SECTOR KEY TRENDS (5/10)

## Composition of Defence Production

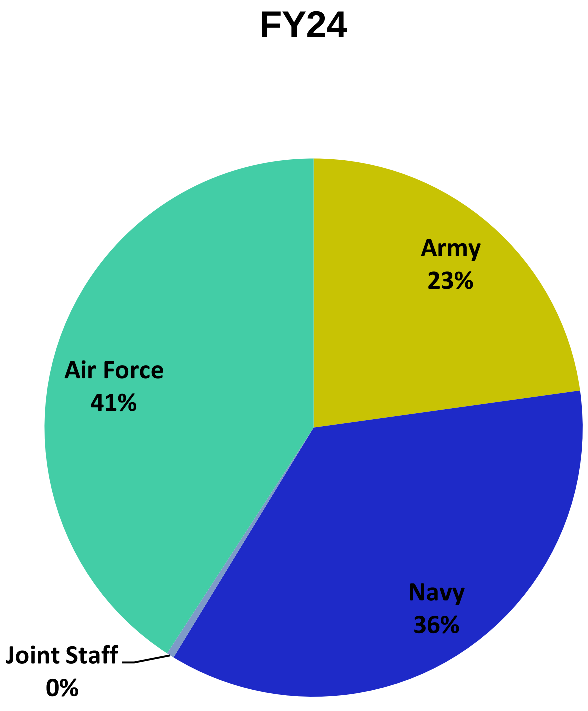


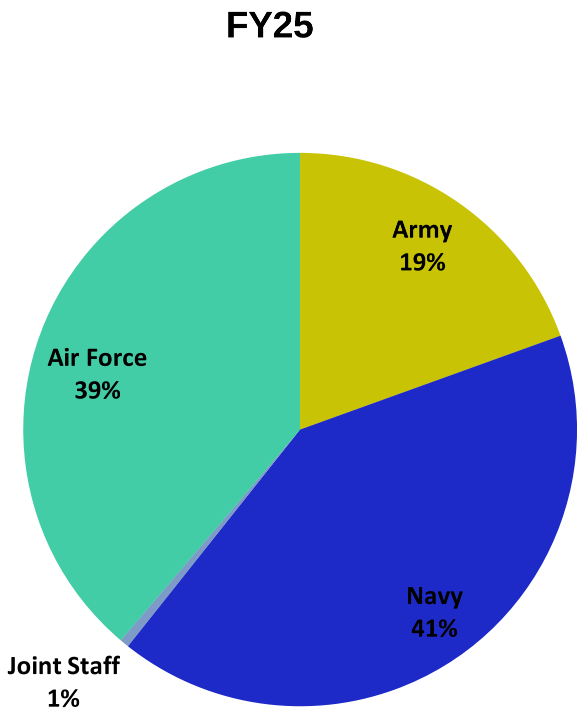

## Composition of Export Production

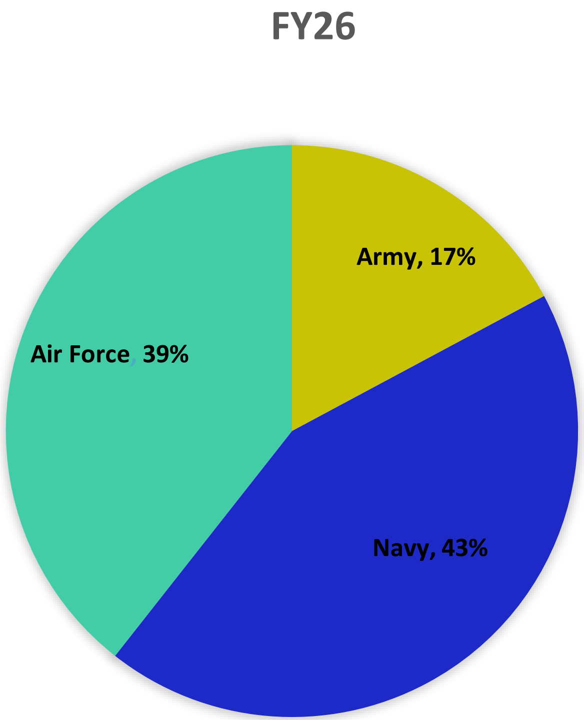



# INDIA DEFENCE SECTOR
# KEY TRENDS (6/10)

**Composition of Capital Acquisition Outlay among Services***




*excludes other than Capital Acquisition and DRDO, DGQA etc

# MARKETS WITH MACRO TAILWINDS PROVIDE CONSIDERABLE GROWTH OPPORTUNITIES (7/10)

## 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 7.8 Lacs crore for Financial Year (FY) 2026-27** for the Ministry of Defence (MoD), accounting or 14.28% of the Total National Budget.

Out of this, **Rs 2,19,306 crore i.e. 28% of total allocation** will be spent on **Capital Outlay** under Defence Services.

The Budget gives a strong thrust to *Aatmanirbhar Bharat* (Self-reliant India) by promoting indigenous manufacturing and reducing import dependence.

Domestic defence industries, including private sector players, are key beneficiaries. Around 75% of the Capital Acquisition budget is reserved for domestic defence industries in FY 2026-27.

Defence sector is prominent among the 25 sectors of industry covered under the 'Make in India' initiative. The provision of 'Make' category of capital acquisition is a vital pillar for realizing the vision behind the 'Make in India' initiative.

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The Ministry of Defence, with the joint efforts of MoD(Finance), Acquisition Wing, Defence Services and Defence Accounts Department, has fully utilized its capital outlay of Rs 1.86 Lakh crore for Defence Services provided for the FY 2025-26 at Revised Estimates stage.

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In the Financial Year 2025-26, AoN for 55 proposals amounting to Rs 6.73 lakh crore has been accorded by the DAC. Moreover, capital procurement contracts have been signed for 503 proposals amounting to Rs 2.28 lakh crore in the current fiscal year. Both the quantum of AoN given and capital contracts signed, so far, have been the highest in any given Financial Year.

> " As the nation aims for **₹3 lakh crore in defence production and ₹50,000 crore in exports by 2029,** these achievements highlight India's emergence as a reliable defence partner worldwide. By leveraging innovation, strategic partnerships, and indigenous capabilities, India is well-positioned to play a pivotal role in the future of global defence manufacturing and security "

# MARKETS WITH MACRO TAILWINDS PROVIDE CONSIDERABLE GROWTH OPPORTUNITIES (8/10)

**India ranks approximately 4th to 7th globally in missile technology**, excelling in ICBMs, cruise missiles, and ABM systems, with hypersonic advancements closing gaps with leaders. Its indigenous focus and strategic deployments make it a regional powerhouse, though scaling production and mastering hypersonic systems are critical for climbing higher.

- 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 Aquisition Council** in its meeting attended by top defence ministry and military brass, defence officials told ANI

- **India Opens Missile And Ammunition Manufacturing To Private Sector for Long-Term Firepower Readiness**

Multiple instances **of armed conflict and rising tensions**

India's two-third military equipment is classified as vintage

- **Positive Indigenization Lists:** The Ministry of Defence has released its fifth Positive Indigenization 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.
- Government has notified the **'Strategic Partnership (SP)' Model in May 2017**, which envisages establishment **of long-term strategic partnerships with Indian entities through a transparent and competitive process**, wherein they would tie up **with global Original Equipment Manufacturers (OEMs) to seek technology transfers to set up domestic manufacturing infrastructure and supply chains.**
- **GST removed on missiles launched from ship-launched missiles, underwater vessels, >100 mm calibre rockets etc. GST on UAVs has been sharply cut to 5 per cent from 28–18 per cent.**

# MARKETS WITH MACRO TAILWINDS PROVIDE CONSIDERABLE GROWTH OPPORTUNITIES (9/10)

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.

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

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.


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# HYDERABAD, INDIA'S DEFENCE FORTRESS (10/10)

**BECAUSE OF**

## Conducive Ecosystem supported by deep domain expertise, strong institutional backing and globally competitive manufacturing capabilities

- World class infrastructure
- Network of over 1500 MSMEs
- Presence of DRDO, DPSUs and global OEM

**RESULTING IN**

## DEFENCE OVERTAKES PHARMA

- At over Rs 32,000 crore in FY 26, defence and aerospace account for over a third of the Telangana's exports, beating pharma for the first time since 2014.
- Aerospace and Defence exports accounted for 33.4% of the state's total exports in FY2026, according to data shared by Telangana's Directorate of Economics and Statistics.

**NOW COMES 2047 TELANGANA GOAL**

## BECOMING GLOBAL BUILD TO DESIGN INNOVATION

GlobalBuildtoDesign

# Telangana will be an aerospace & defence hub by 2030: Minister Uttam Kumar Reddy

The aerospace and defence were among the priority sectors identified by the Telangana Government under its industrial policy framework, Reddy said.

By BL Hyderabad Bureau

Updated - May 08, 2026 at 06:57 PM. | Hyderabad

# LEADERSHIP 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.

# EARNINGS CALL INVITE Q1FY27

We are announcing our results for the quarter ended June 30th 2026, on 8th Aug 2026. Following the announcement, the management team will host a conference call for investors and analysts on Aug 8th 2026, at 6:00 PM IST. The call will commence with a brief discussion on the previous quarter's performance followed by an interactive question and answer session. Please find the call details given below:

| | |
|---|---|
| Day and Date | **Saturday, Aug 8th, 2026** |
| Time | **6:00 PM IST** |
| Universal Dial In | +91 22 6280 1144 / +91 22 7115 8045 |
| International Toll Free | Hong Kong 800964448<br>Singapore 8001012045<br>UK 08081011573<br>USA 18667462133 |
| Diamond Pass Link | Link |

Note: Please dial in at least 10 minutes prior to the schedule to ensure that you are connected in time.

For further information, please contact- **+91 72888 92228** or write to us at investors.relations@apollo-micro.com

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# THANKYOU

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