

Date: 25th October, 2024

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
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Scrip Code: 540879

Symbol: APOLLO

ISIN: INE713T01028

Sub: Investor Presentation for the Quarter and half year ended 30th September, 2024

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 and half year ended 30th September, 2024.

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

Regd. Off: Plot No. 128/A, Road No. 12, IDA-Mallapur, Uppal Mandal, R.R. Dist – 500076, Telangana, India.

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CIN No: L72200TG1997PLC026556

EARNINGS RELEASE

Q2 & H1 FY25 | October 25, 2024



About us:

- ❑ Apollo Micro Systems Limited was established in 1985 and has emerged as one of India's leading electronic, electro-mechanical, engineering designs, manufacturing, and supplies company.
- ❑ AMS specializes in the design, development, and sale of high-performance solutions that are critical for missions and time-sensitive operations.
- ❑ We are a leading Indian manufacturer and supplier of diverse product solutions for various industries. We offer custom-built COTS (Commercial Off-the-Shelf) solutions tailored to the specific needs of defense and space customers.

Our Capabilities:

Product Based Solutions



Avionic Systems

On-board and ground support equipment for Avionics



Aerospace Systems

On-board electronic weapon systems and ground support equipment for missile systems



Naval Systems

On-board weapon electronics & ground support equipment for torpedoes, decoys- jammers, submarines & ships



Satellite Space Systems

Payload checkout systems and earth station acquisition systems for space applications



Homeland Security

Integrated surveillance systems, perimeter security systems, anti drones, drones, ads-b-systems



Ground Defence Systems

Battlefield management, secure communications, surveillance, & controlling various ground-based weapons.

Service Based Solutions

Electronic Manufacturing Services

Electronic & Mechanical CAD

IT & Software Services

Weapon & Platform Integration

Hardware Designing

Embedded Software Design Development

A Showcase of Our Cutting-Edge Products:

WE POWER THE AIRSPACE WITH ADVANCED SAFETY CRITICAL PRODUCTS

TORPEDO CONTROL PANEL
PCM ENCODER & DECODER
TORPEDO INTERFACE UNIT
LAUNCHER VEHICLE RELAY UNIT
CRUISE VEHICLE RELAY UNIT

AVIONICS
AS 9100D CERTIFIED COMPANY
CEMILAC CERTIFIED COMPANY

PIONEERS IN WEAPON SYSTEM ELECTRONICS

WORLD POSIBILITY FUSE SIGNAL PROCESSOR
UNIFIED AVIONICS COMPUTER
POWER SUPPLY RELAY UNIT
SERIES SIGNAL PROCESSOR
SAFETY ARMING MECHANISM
ON BOARD COMPUTER
INTEGRATED AVIONICS MODULE
BOARD CHANNEL ACTUATOR CONTROLLER
MISSILE INTERFACE UNIT
ROTARY ELECTRO MECHANICAL ACTUATOR

AEROSPACE
AS 9100D CERTIFIED COMPANY
CEMILAC CERTIFIED COMPANY

HOMING NOSE CONE ASSY
INSTRUMENTATION DATA ACQUISITION SYSTEM
SIGNAL PROCESSING UNIT

NAVAL
AS 9100D CERTIFIED COMPANY
CEMILAC CERTIFIED COMPANY

WE EMPOWER GROUND DEFENCE WITH RUGGEDISED & RELIABLE ELECTRONIC SYSTEMS

STABILISED TURRET CONTROL
NAVIGATIONAL SYSTEMS
TACTICAL DATA LINK MODEM
MINE DETECTION SIGNAL PROCESSING SYSTEM
INTELLIGENT VEHICLE DATA MONITORING

GROUND DEFENSE
AS 9100D CERTIFIED COMPANY
CEMILAC CERTIFIED COMPANY

BORDER SURVEILLANCE USING SATELLITE IMAGERY

SATELLITE DATA ACQUISITION SYSTEM

SPACE
AS 9100D CERTIFIED COMPANY
CEMILAC CERTIFIED COMPANY

EMPOWERING NAVAL VESSELS WITH STATE-OF-THE-ART SONAR TECHNOLOGY PROTECTING IN LAND WATERS

UNDER WATER MINES
SONAR POWER AMPLIFIERS
SUBMARINE POWER SUPPLIES
EXPENDABLE DECK
TURRET CONTROL SYSTEM
SHIP LAUNCHED TORPEDO ELECTRONICS
ADVANCED FIRE CONTROL SYSTEM
SHIP LAUNCHED TORPEDO ELECTRONICS

NTS
apollo microsystems

Key Clients:



BHARAT FORGE



adani



And
Many More...

Sector We Cater:



Manufacturing Capabilities:



55,000 Sq.ft
Facility in IDA
Mallapur,
Hyderabad Unit-I



40,000 Sq.ft
Facility in Adibatla,
Hyderabad
Unit-II

UPCOMING



3,50,000 Sq.ft
Facility in Hardware
Park-II, Hyderabad
Unit-III

Our Key Differentiator:

Four decades of expertise in the designing and assembling custom-built electronics and electro-mechanical solutions

ISO and CEMILAC certified, and a DRDO-approved partner, actively contributing to key defense programs.

AMS actively invests an average of 7%-8% of the revenue in R&D. A team of 300+ employees, including 150+ employees in R&D.

Our investment in a new weapon integration facility at Unit-III, with an additional 40,000 and 350,000 square feet currently under development.

AMS is recognized as both a collaborative R&D Design Service Provider and a Production Service Provider for Bharat Electronics Limited

Our manufacturing plant includes a comprehensive ESS testing facility, compliant with DGQA standards.

As a leading Tier-I OEM manufacturer, we are scaling production capabilities and strengthening our supply chain through backward integration.

AMS's manufacturing facility is located in Hyderabad and has a built-up area of 55,000 Sq.ft.

The order book is strong and reflects significant demand, positioning the company well for future growth and stability.

700+
ON-BOARD
TECHNOLOGIES

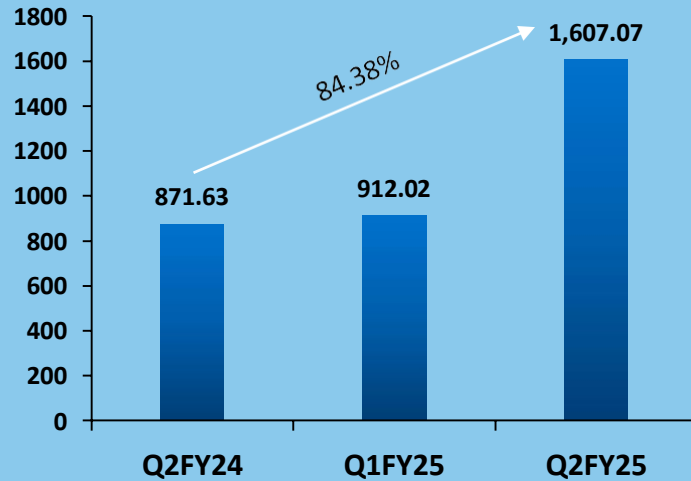
60+
PROGRAMMES IN DcPP AS
SUB-SYSTEM PARTNER

150+
INDIGENOUS
PROGRAMMES

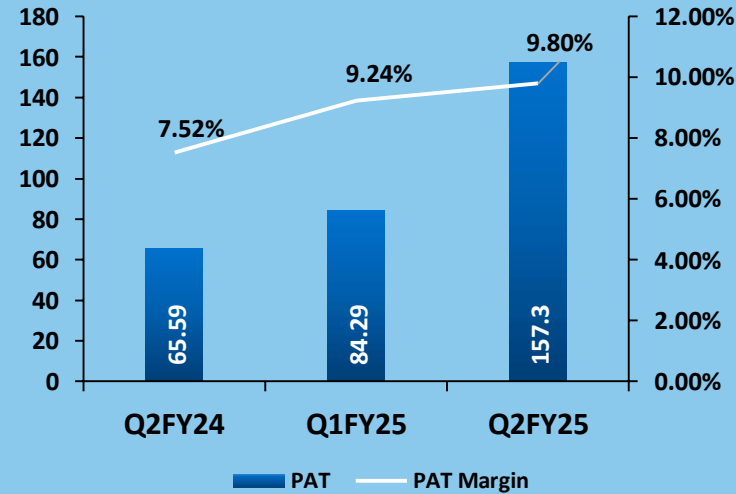
Consolidated Key Financial Metrics :

(Rs. In Mn)

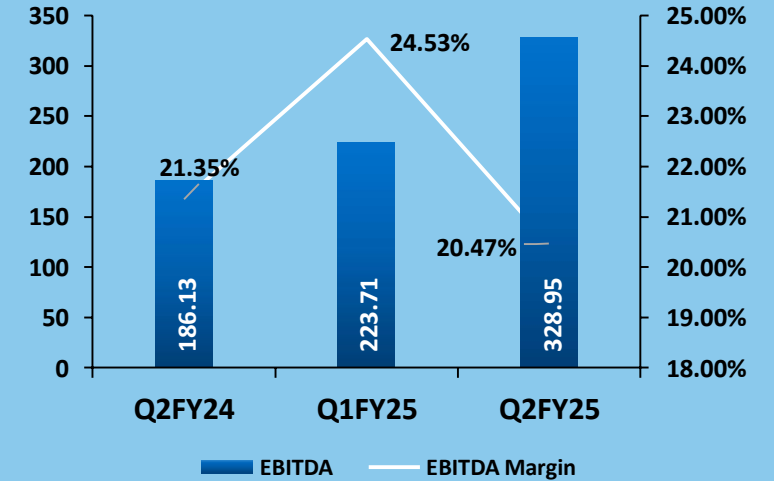
Revenue from Operations



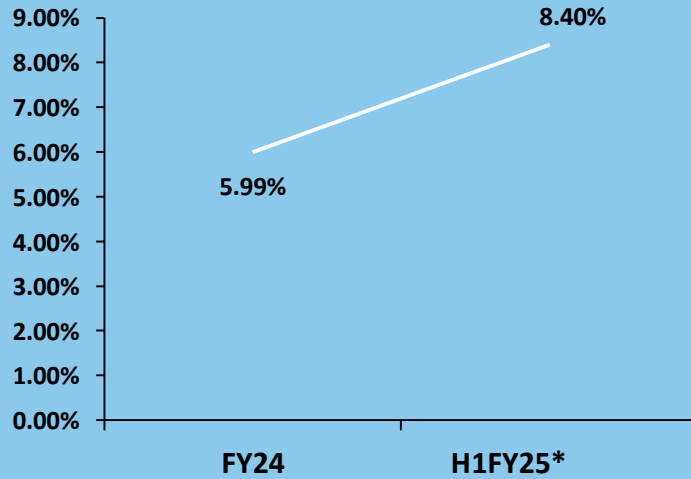
PAT & PAT Margin



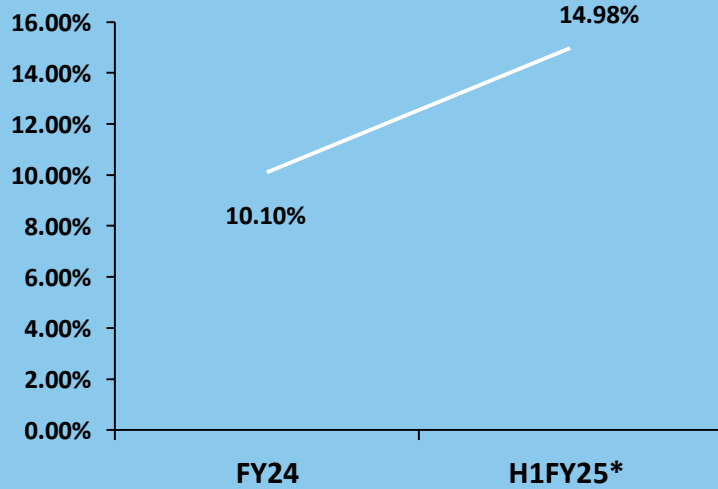
EBITDA & EBITDA Margin



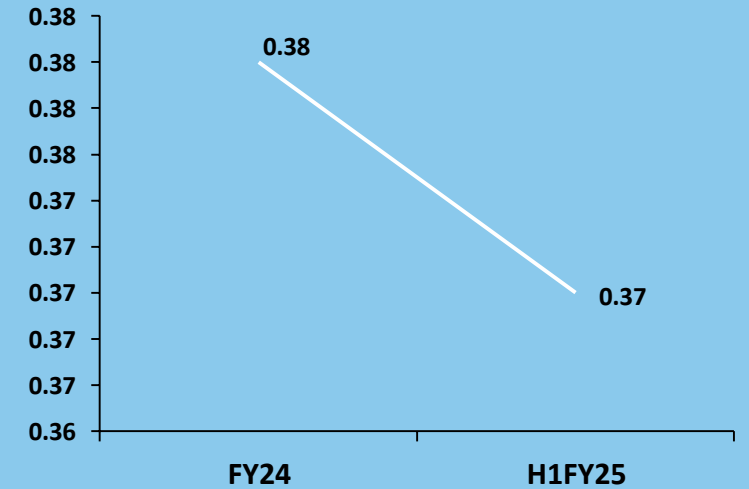
ROE



ROCE



Debt/Equity



*Annualised

Consolidated Income Statement:

Particulars (Rs. In Mn)	Q2FY25	Q2FY24	YoY (%)	Q1FY25	H1FY25	H1FY24	YoY (%)
Revenue from operations	1,607.07	871.63	84.38%	912.02	2,519.09	1,448.54	73.91%
Other income	5.93	2.45		5.83	11.76	4.68	
Total Revenue	1,613.00	874.08		917.85	2,530.05	1,453.22	
Total Operating Expenses	1,278.13	687.95		688.31	1,966.44	1,137.44	
EBITDA (ex. OI)	328.95	186.13	77.73%	223.71	552.66	311.09	75.02%
EBITDA Margin % (ex. OI)	20.47%	21.35%		24.53%	21.94%	21.48%	
Depreciation & Amortization	37.48	27.07		34.53	72.01	53.16	
Finance Cost	72.77	71.82		76.04	148.81	147.06	
PBT	224.63	87.25		118.97	343.60	115.56	
Tax Expense	67.33	21.66		34.68	102.01	33.44	
PAT	157.30	65.59	139.82%	84.29	241.59	82.12	194.19%
PAT Margin %	9.80%	7.52%		9.24%	9.59%	5.67%	
Diluted EPS	0.52	0.22		0.29	0.80	0.28	

*EBITDA is calculated excluding Other Income

Consolidated Balance Sheet:

Particulars (Rs. In Mn)	As on 30 th Sept 2024	As on 31 st March 2024
Assets		
PP&E	1,555.32	1,407.05
Goodwill on Consolidation	0.19	0.19
Other Intangible Assets	34.63	18.31
Capital Work in Progress	564.17	348.37
Rights of Use Assets	50.78	17.79
Other non-current assets	74.21	30.53
Long term loans & advances	0.00	0.00
Non-Current Assets	2,279.30	1,822.24
Inventories	4,984.88	4,335.59
- Trade receivables	2,283.20	2,352.72
- Cash and cash equivalents	2.76	1.97
- Short Term Loans & Advances	75.91	71.94
Bank Balance	182.39	205.46
Other current assets	764.26	772.49
Current Assets	8,293.40	7,740.17
Total Assets	10,572.70	9,562.41

Particulars (Rs. In Mn)	As on 30 th Sept 2024	As on 31 st March 2024
Equity & Liabilities		
Equity Share Capital	306.49	282.36
Reserves and Surplus	5,441.34	4,902.84
Minority Interest	7.25	6.99
Shareholders Fund	5,755.08	5,192.19
Borrowings	250.67	95.59
Provisions	10.04	10.16
Lease Liabilities	34.37	10.52
Deferred Tax Liabilities	368.38	336.75
Non-Current Liabilities	663.46	453.03
Borrowings	1,852.43	1,886.39
Lease Liabilities	16.07	7.14
Other financial liabilities	196.50	145.16
Trade Payables	1,932.92	1,657.36
Other Current liabilities	62.29	133.21
Provisions	4.99	3.27
Current Tax Liabilities	88.98	84.66
Current Liabilities	4,154.16	3,917.19
Total Equity and Liabilities	10,572.70	9,562.41

Consolidated Cash Flow:

Particulars (₹ in Mn)	H1FY25	H1FY24
Cashflow from Operations Activities	177.59	(220.72)
Cashflow from Investing Activities	(494.24)	(260.44)
Cashflow from Financing Activities	317.45	484.18
Net Change in Cash and Cash Equivalents	2.76	5.50

Business Update:

We have secured significant Transfer of Technology (ToT) agreements with various DRDO laboratories, including Research Centre Imarat, Terminal Ballistic Research Laboratory, and Instrument Research and Development Establishment. These agreements encompass a range of advanced technologies essential for enhancing our defense capabilities.

The technologies acquired include the Unified Interface Computer, Rotary Electro Mechanical Actuator, Guidance and Navigational Kit, Payload Electronics, and a SAM System for UAV-Launched Precision Missiles. Additionally, we have obtained critical components such as Warheads for the UAV Launched Precision Guided Missile V2 (ULPGM-V2) and the Weaponization of Hand Held Thermal Imager with Laser Range Finder (WHHTI). These advancements significantly bolster our capabilities in defense technology and reinforce our commitment to innovation in this critical sector.

In second quarter company has secured fresh orders worth ₹ 1,309.60 Mn which are yet to be executed excluding orders obtained and executed in the same quarter. We remain committed to fulfilling these orders with the highest level of quality and efficiency.

During the Extraordinary General Meeting (EGM) held on August 16, 2024, the members approved the issuance of 2,45,00,700 Convertible Equity Warrants on a preferential basis, priced at ₹ 108.15 per warrant.

Management Commentary:

Commenting on AMS's Performance, Management team stated:

*In our analysis of the quarterly and half-yearly performance for Q2 FY25 and H1FY25, we achieved a revenue growth of **84.38%**, reaching **₹ 1,607.07 Mn** in Q2FY25 compared to **₹ 871.63 Mn** in Q2 FY24. This change can be largely attributed to execution of order book.*

*Our EBITDA (excluding Other Income) mirrored this performance, increasing by **77.73%** to **₹ 328.95 Mn** in Q2 FY25, compared to **₹ 186.16 Mn** in the same quarter last year.*

*On a positive note, our PAT for Q2 FY25 increased to **₹ 157.30 Mn**, up from **₹ 65.59 Mn** in Q2 FY24, with margins reflecting an increase of **139.92%** to **9.8 %** from **7.52%** Y-o-Y.*

*When assessing our half-year performance, we observed a revenue increase of **73.91%**, totaling **₹ 2,519.09 Mn** in H1 FY25 compared to **₹ 1,448.54 Mn** in H1 FY24. Our EBITDA improved by **75.02%**, amounting to **₹ 552.66 Mn** in H1 FY25 versus **₹ 311.09 Mn** in H1 FY24, with margins recorded at **21.94%** in H1FY25 as against **21.48%** in H1FY24. Notably, PAT showed a significant increase of **194.19%**, reaching **₹ 241.59 Mn** in H1 FY25, up from **₹ 82.12 Mn** in H1 FY24, with margins improving to **9.59%** compared to **5.67%** in the previous year.*

As we conclude Q2 FY25, we are pleased to report significant progress in our operations and a robust order book that reinforces our position in the defence sector. The expansion of our order pipeline, driven by strong demand across multiple industries, underscores the confidence our clients place in Apollo Micro Systems. The diversity and quality of our orders not only ensure a stable revenue stream but also enhance profitability, strategically positioning us to capitalize on emerging opportunities and sustain our growth momentum.

We are encouraged by the government's ambitious target of exporting over Rs 50,000 crore worth of defence equipment by FY 2028-2029. The substantial increase in defence production, which reached Rs 1,26,887 crore in FY 2023-24 an impressive 16.8 percent growth from the previous year highlights the positive momentum within the sector. The government's commitment to strengthening India's position as a global leader in defence manufacturing will further enhance our industry and support our strategic objectives.

Looking ahead, we remain optimistic about our growth prospects. The rising demand for electronic solutions in the defence sector, coupled with our specialized technology offerings, positions us well to seize new opportunities. We are dedicated to fostering innovation, establishing strategic partnerships, and enhancing operational efficiency.

We sincerely thank our employees, customers, and shareholders for their unwavering support. Apollo Microsystems Limited remains committed to delivering value. Your contributions are vital to our success. Together, we look forward to a prosperous future

Disclaimer:

Certain statements in this document may be forward looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward looking statements. Apollo Micro Systems Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward- looking statements to reflect subsequent events or circumstance

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