

Date: 05th May, 2025

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 Acquisition of IDL Explosives Limited by Apollo Defence Industries Private Limited, a Subsidiary of the Company.

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 Acquisition of IDL Explosives Limited by Apollo Defence Industries Private Limited, a Subsidiary of the Company.

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.

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.
Tel No: 040 – 27167000 – 099, Fax No: 040 - 27150820
cs@apollo-micro.com, www.apollo-micro.com
CIN No: L72200TG1997PLC026556

ACQUISITION OF IDL EXPLOSIVES LTD

INVESTOR PRESENTATION – ACQUISITION RATIONALE MAY 2025

Apollo Group is proud to announce a significant enhancement to its strategic portfolio through a landmark alignment with India's First Explosives Company- A Pioneering, Indian-owned enterprise with a distinguished legacy of over 64 years. This esteemed organization, a proud member of the globally renowned Hinduja Group, brings unparalleled expertise and heritage to the partnership.

This strategic move underscores Apollo's unwavering commitment to advancing indigenous capabilities in the Defence and Explosives Sectors. Together we are poised to unleash the next chapter in the spirit of Atmanirbhar Bharat, serving our great nation with innovation, strength and pride.



apollo microsystems



SAFE HARBOR

Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks & uncertainties like government actions, local, political, or economic developments, technological risks, & 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 (referred to as "AMS", "The Company") 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 circumstances.



CONTENTS

- Transaction Summary
- Strategic Rationale
- Market Opportunity
- Product Profile
- Summary
- Management Commentary



STRENGTHENING TIES THROUGH A STRATEGIC COLLABORATION WITH THE HINDUJA GROUP

Unlocking the Untapped Potential

- **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.
- **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 multi-division, multi-location Company, a leader in businesses in energetics, commercial explosives and realty. It has 2 wholly owned subsidiaries – **IDL Explosives Limited** and **HGHL Holdings Limited** in UK. GOCL is a Star House exporter of energetic and commercial explosive products to over 20 countries.
- 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. **It has served the Indian mining and Infrastructure Industry for over 64 years, together Apollo Micro Systems Ltd and IDL Explosives Ltd bringing over a century of combined experience with industry-leading expertise in explosives manufacturing and integrated weapon solutions.**



THE COMBINED STRENGTH AND SYNERGY (1/3)

It positions APOLLO for greater impact through the consolidation of core, high-value defence assets and know-how.

End to End One Stop Solution across Value Chain

- The acquisition brings together over a century of specialized expertise in the niche and growing sector — 64 years in energetics and commercial explosives, and over 40 years in integrated weapons systems. This complementary combination creates a uniquely positioned, vertically integrated defence entity capable of delivering comprehensive, end-to-end solutions across the munitions and weapons value chain from manufacturing of high energy materials and propellants, advanced storage, testing facilities to munitions and integrated platform.
- This will mitigate external dependencies while enabling collaborative development and co-production under a unified infrastructure.
- Position us as a trusted supplier by meeting the diverse customers needs under one setup fostering long term relationship.

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

- We have transitioned from a pure-play electronics company into a full-spectrum defence solutions provider, unlocking access to adjacent, high-value domains such as precision-guided munitions, loitering systems, warheads, and autonomous weapon platforms—each aligned with long-term, strategic defence programs.



THE COMBINED STRENGTH AND SYNERGY (2/3)

An acquisition that drives full-spectrum enablement of next-generation combat platforms

Driving Margin Expansion through Cost Efficiencies Enabled by Vertical Integration

- By acquiring capabilities both upstream and downstream, we have presence in the entire value chain.
- This vertical integration reduces dependency on third-party vendors, improves supply chain resilience, and enhances control over input costs.
- Proximity to cost-effective raw material sources further supports operational efficiency, while in-house development accelerates timelines, ensures delivery reliability, and strengthens IP ownership.
- Procurement in bulk quantities and entering into long term contracts to get most competitive rates.

Enhances the ability to pursue large scale, high Value Projects

- Participation in more complex tenders which requires indigenous and comprehensive in-house development capabilities.

Brand Equity

- The acquired IDL explosive brand longstanding reputation will be leveraged to unlock cross-selling opportunities and accelerate market penetration.



THE COMBINED STRENGTH AND SYNERGY (3/3)

This acquisition marks a strategic consolidation of core defense capabilities.

Increasing Addressable Market via Entering into New Geographies

- The acquisition strategically enhances our global footprint, extending reach into high-potential markets across East and West Africa, the Middle East, South East Asia, the Far East.
- With an established presence in these regions, we can leverage the combined distribution network to accelerate market penetration and strengthen our position in the defence and explosives sector.
- All Offerings are “CE Certified” ensuring compliance with the stringent (European Union) regulations. The certification allows products to be sold and utilised across the entire European Economic Area.

Increasing Addressable Market via New Products

- Our diversification into new classes of advanced weapon systems—including artillery shells, loitering munitions, torpedoes, and UAV-delivered payloads—represents a deliberate shift toward a more resilient and future-ready defence portfolio. This strategic move reduces dependency on any single product line, mitigates exposure to market-specific fluctuations.
- Furthermore, it significantly broadens the company’s addressable market across both domestic and international defence ecosystems.



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

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.)

<https://pib.gov.in/PressReleasePage.aspx?PRID=2100335>

<https://www.aninews.in/news/business/economic-explosives-signs-mou-with-maharashtra-for-an-anchor-mega-project20250122221123/>

<https://www.globalgrowthinsights.com/market-reports/military-propellants-and-explosives-market-105721>

<https://www.bloomberg.com/news/features/2025-03-21/as-europe-ramps-up-defense-spending-can-rheinmetall-and-peers-meet-demand>

<https://economictimes.indiatimes.com/news/defence/global-demand-for-explosives-ammunition-leads-to-record-defence-exports/articleshow/119881445.cms?from=mdr>



FORTIFYING OUR PRODUCT PROFILE (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**



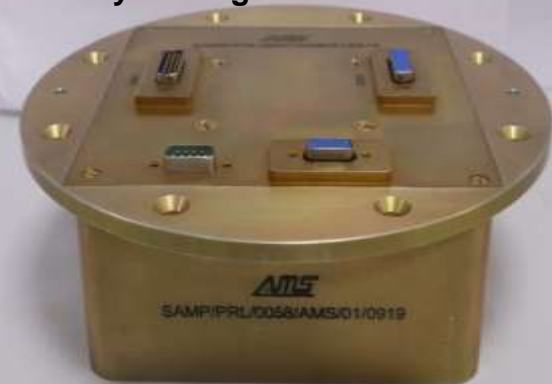
Limpet Mines



Medium Range Aerial Rockets



Safety Arming Mechanism



Aerial Bombs



FORTIFYING OUR PRODUCT PROFILE (2/2)

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

ESAD based Fuze for Mini Depth Charge (MDC)

Exploder Mechanism for Naval Warheads

Prachand Munition Hardware

Warheads for Ulpqm- V2 (UAV Launched Precision Guided Missile V2)



SUMMARY

- Appealing Deal with strong Strategic Fit
- Enable Growth Aspirations; Subscale to Scale
- Immediate Synergies
- Vertical Integration
- Product Complementarities
- Significant Value Unlock Opportunities by combining strength
- Scale to enable Ecosystem Tailwinds



MANAGEMENT COMMENTARY

A major step in our vertical integration into complete weapon system solutions.

“We are proud to announce a significant milestone in our company’s evolution. Having built a strong foundation as a trusted supplier of advanced weapon electronics, and recently expanding into complete weapon system design, we are now taking the next transformative step with the strategic acquisition of a leading explosives manufacturer. This acquisition represents a deliberate move toward vertical integration and full-spectrum capability enablement, allowing us to offer end-to-end solutions across the entire weapon system lifecycle—from electronics and arming mechanisms to complete munitions and integrated platforms. Notably, there are only a few players with the capability to deliver such an integrated offering, placing us in an exclusive position within the defence industry. For our customers, this means enhanced innovation, improved delivery timelines, and a unified source for highly reliable, mission-critical systems. For our shareholders, it marks a bold and future-forward growth strategy, positioning the company as a key player in the global defense landscape. Together, we are entering a new era of capability, confidence, and combat readiness. As a part of our Goals towards becoming a Weapon System Supplier from a Weapon Electronics company this explosives systems acquisition would place ourselves as a complete Tier-I Design cum Manufacturing OEM in Domestic and Global Foot Prints.”

Mr. Baddam Karunakar Reddy
(Managing Director)

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





For Further Information On The Company

Please Visit: www.apollo-micro.com

Thank You

**Regd. Off: Plot No 128/a, Road No. 12, Bel Road Ida Mallapur,
Uppal Mandal Hyderabad Rangareddi Tg 500076**

CIN: L72200TG1997PLC026556 | Email: cs@apollo-micro.com

Phone: +91-40-27167000 - 99 | Fax: 91-40-27150820