

Date: 10th November, 2023

BSE Limited	National Stock Exchange of India Limited
Listing Dept./ Dept. of Corporate Services	Listing Department
Phiroze Jeejeebhoy Towers	Exchange Plaza, Plot no. C/I, G Block
Dalal Street	Bandra -Kurla Complex,
Mumbai - 400001	Bandra (East) Mumbai - 400051
Scrip Code / ID: 540879/ APOLLO	Scrip Code: APOLLO

Scrip Code: 540879

Symbol: APOLLO

ISIN: INE713T01028

Sub: Investor Presentation for the Quarter ended 30th September, 2023

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 September, 2023.

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 & SHAREHOLDERS' LETTER

H1 & Q2 FY24 | November 10, 2023



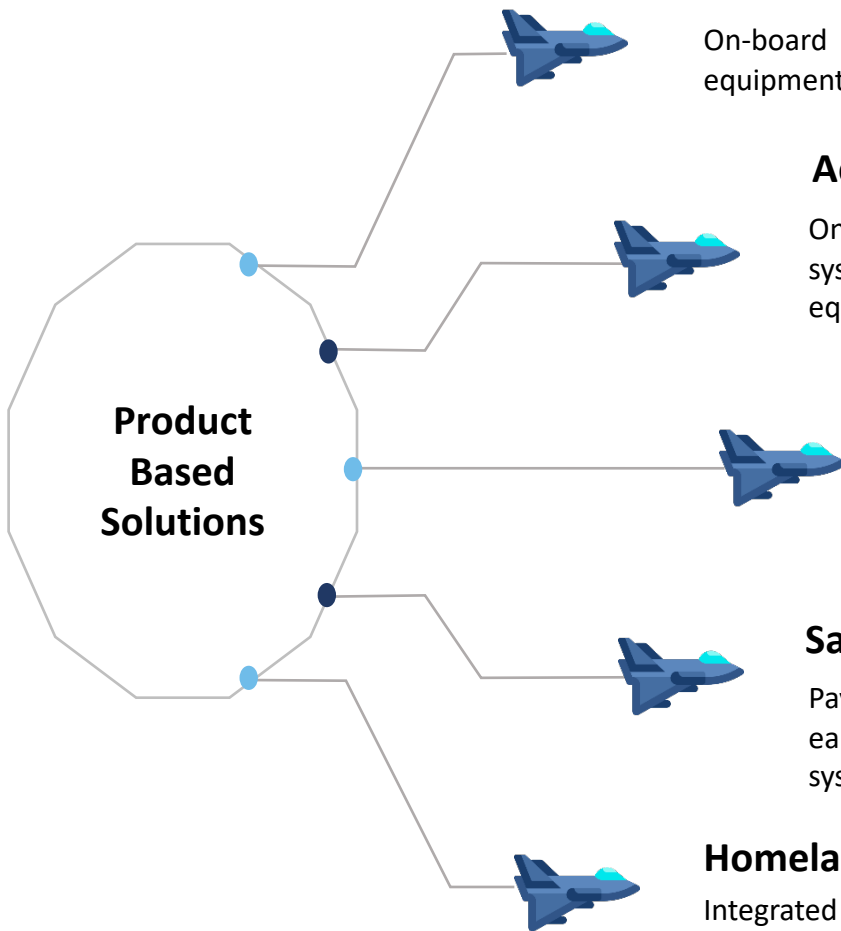
About us:

- ❑ Apollo Micro Systems Limited (“AMS” or “The Company”) 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.
- ❑ Company’s products are used across multiple industries including Aerospace Systems, Ground Defence, Space, Avionics Systems, Homeland Security, and Transportation.
- ❑ AMS’s manufacturing facility is located in Hyderabad and has a built-up area of 55,000 sq.ft. with a team of 300+ employees, including 150+ employees in R&D.

Our Key Differentiator:

- ❑ Over 38 years of experience in the Design, Development and Assembly of Custom-Built Electronics and Electro-mechanical solutions.
- ❑ AMS provides a gamut of products and services which includes designing, electronic manufacturing services, PCB fabrication, embedded software design and development, circuit board assembly, hardware design services, concept-to-product development, host interface development, and custom-built electronic systems.
- ❑ Company’s manufacturing plant boasts a full-fledged ESS testing facility, and the inspection is in line with DGQA standards.
- ❑ ISO, CEMILAC certified and DRDO approved partner with key roles in multiple ongoing defence programmes.
- ❑ AMS actively invests an average of 7-8% of the revenue in R&D for developing and testing critical components under DRDO programmes. Some of the key strategic projects are mentioned below:
 1. Universal Homming System for Light & Heavy Weight Torpedoes
 2. Landing Gear Actuators for Avionic Platforms
 3. Digital RF Seeker Signal Processor
 4. Integrated Guidance Kit for Various Platforms
 5. Under Water Mines
- ❑ Company’s clientele consists of prominent government institutions such as the DRDO, Indian Army, Indian Navy, DPSU’s, as well as private players like Adani, L&T and many more.

Our Capabilities



Avionic Systems

On-board & ground support equipment for avionics

Aerospace Systems

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

Naval Systems

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

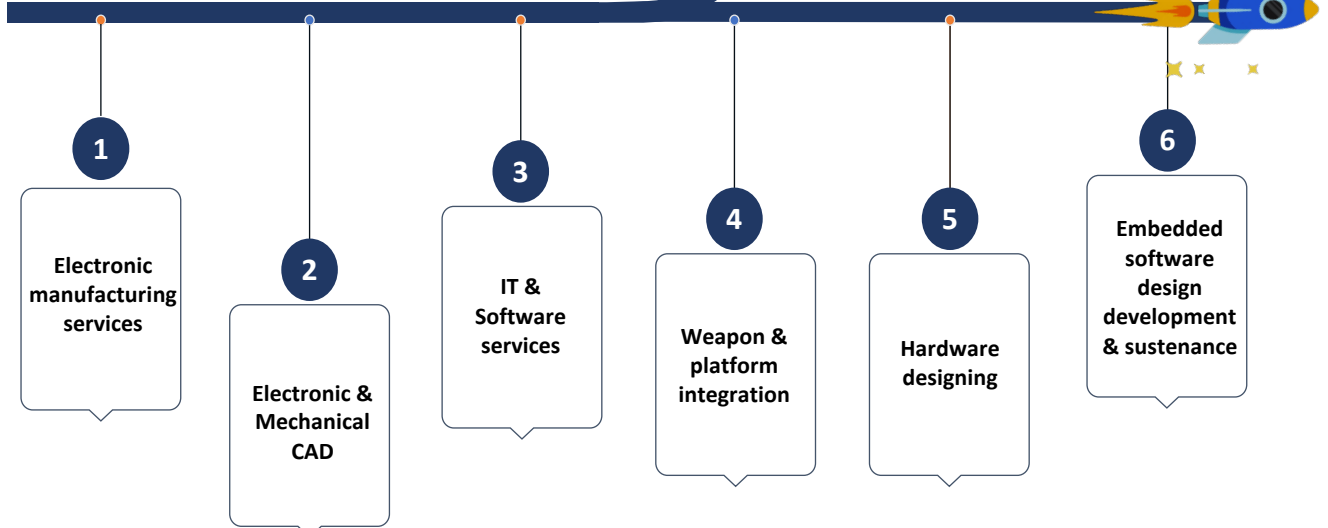
Satellite Space Systems

Payload checkout systems & earth station acquisition systems for space applications

Homeland Security

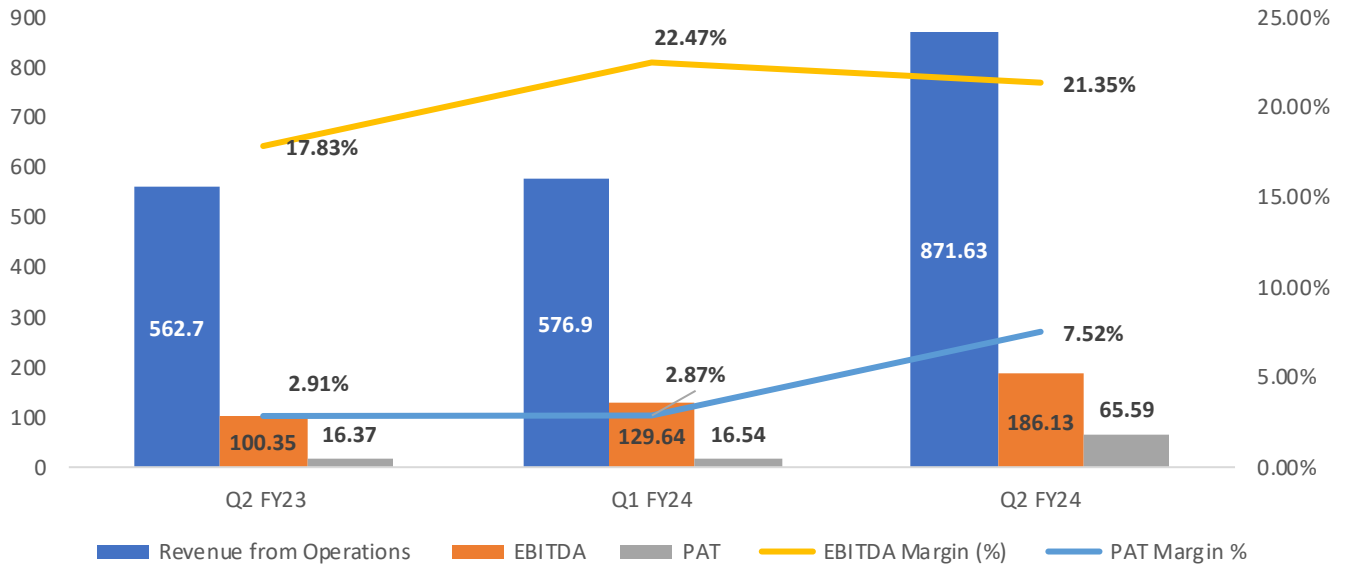
Integrated surveillance systems, perimeter security systems, anti drones, drones, ads-b-systems

Service Based Solutions

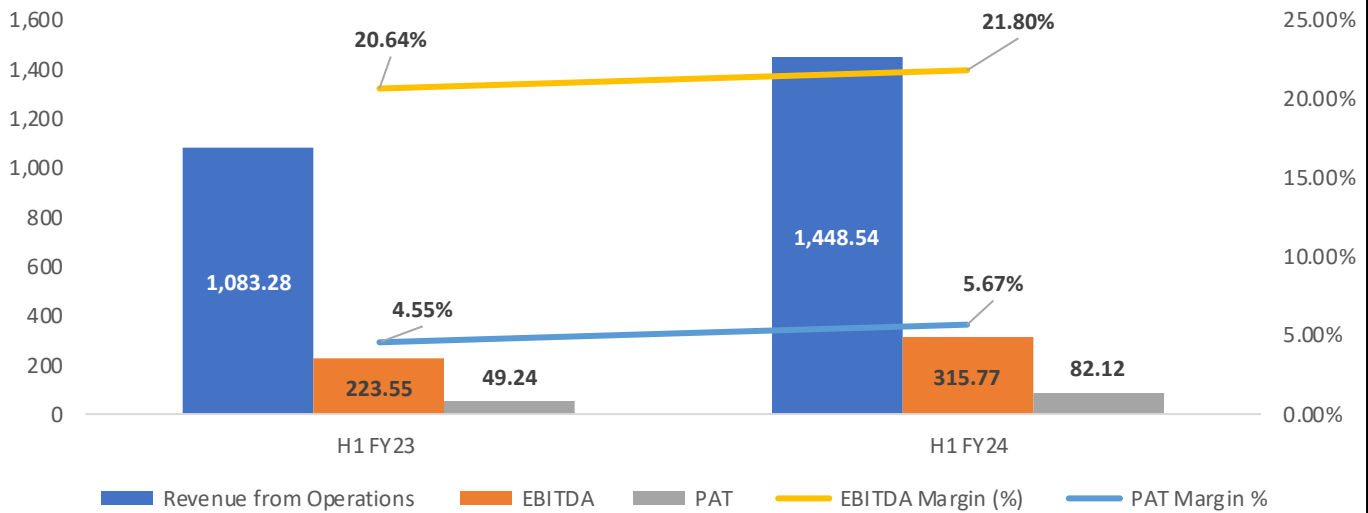


Consolidated Key Financial Metrics

Quarterly Summary Financial Snapshot (INR Mn)

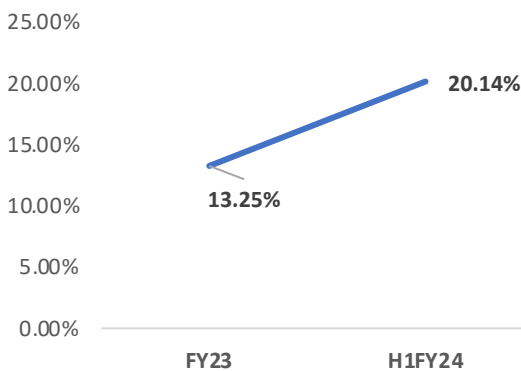


Half Yearly Summary Financial Snapshot (INR Mn)

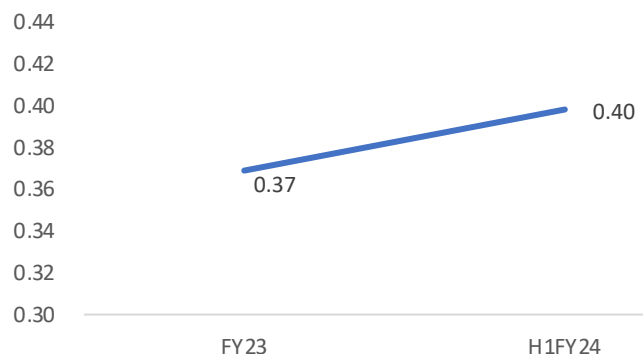


Balance Sheet Ratios:

ROCE



DEBT EQUITY RATIO



Consolidated Financial Summary:

Income Statement:

Particulars (Rs. Mn)	Q2 FY24	Q2 FY23	YoY%	Q1 FY24	H1 FY24	H1 FY23	YoY%
Revenue from Operations	871.63	562.70	54.90%	576.90	1448.54	1083.28	33.72%
Other Income	2.45	1.43		2.23	4.68	4.79	
Total Revenue	874.08	564.13	54.94%	579.13	1453.22	1088.07	33.56%
Total Expenses excluding Depreciation, Amortization & Finance Cost	687.95	463.78		449.49	1137.44	864.52	
EBITDA	186.13	100.35	85.48%	129.64	315.77	223.55	41.26%
EBITDA Margin (%)	21.35%	17.83%	19.74%	22.47%	21.80%	20.64%	5.64%
Depreciation & Amortization	27.07	25.16		26.09	53.16	50.93	
Finance Cost	71.82	39.58		75.25	147.06	87.85	
PBT & Exceptional Items	87.25	35.61	145%	28.31	115.56	84.77	36.32%
Exceptional Items	0.00	0.00		0.00	0.00	0.00	
PBT	87.25	35.61	145%	28.31	115.56	84.77	36.32%
Tax	21.66	19.24		11.77	33.44	35.53	
PAT	65.59	16.37	300.58%	16.54	82.12	49.24	66.78%
PAT Margin %	7.52%	2.91%	158.60%	2.87%	5.67%	4.55%	24.72%
Diluted EPS	0.22	0.79		0.06	0.28	2.37	

Balance Sheet:

Particulars (Rs. Mn)	As on 30.09.23	As on 31.03.23	Particulars (Rs. Mn)	As on 30.09.23	As on 31.03.23
Assets			Equity & liabilities		
Non-current assets			Equity		
Property, plant and equipment	1,132.63	1,048.12	Equity share capital	232.97	207.64
Capital WIP	418.13	316.37	Other equity	4,031.68	3,627.28
Goodwill	0.19	0.19	Non Controlling Interest	7.05	7.10
Intangible Assets	0.83	1.17	Total Equity	4,271.71	3,842.01
Rights of Use Assets	13.07	11.83	Non-current liabilities		
Financial Assets			Borrowings	32.79	18.66
-Other Financial Assets	0.00	0.00	Lease Liabilities	8.78	8.46
Other non-current assets	14.88	15.24	Deferred tax liabilities, net	281.19	265.09
Total non-current assets	1,579.73	1,392.90	Provisions	2.43	2.43
			Total Non-current liabilities	325.18	294.61
Inventories	3814.12	3415.30	Financial Liabilities:		
Financial Assets			-Borrowings	1,667.66	1,398.44
-Investments	0.00	0.00	-Lease Liabilities	3.86	2.89
-Trade Receivables	1,474.75	1,465.95	-Trade payables	1,173.71	1,122.88
-Cash & Cash equivalents	5.50	2.49	-Other financial liabilities	95.04	96.43
-other bank balances	205.66	180.52	Other current liabilities	98.16	106.73
Loans	77.83	7.34	Current tax liabilities, net	67.59	50.27
Other current assets	558.96	461.81	Provisions	13.63	12.05
Total current assets	6,136.81	5,533.41	Total current liabilities	3,119.65	2,789.69
TOTAL ASSETS	7,716.54	6,926.31	TOTAL EQUITY & LIABILITIES	7,716.54	6,926.31

Business Updates:

- ❑ AMS is establishing 2,50,000 sq ft state-of-the-art defense electronics and electro-mechanical manufacturing facility in Hyderabad. It will have with clean rooms for inertial systems, RF systems, and space applications along with comprehensive test facility. It will be certified by accredited by NABL Laboratories. Our total investment of INR 150 Crores is envisaged for the said plant.
- ❑ The company has established a subsidiary named "APOLLO DEFENCE INDUSTRIES PRIVATE LIMITED," signaling potential diversification or expansion into the defense industry, which investors should monitor for strategic implications and growth opportunities.

Management Commentary:

Commenting on AMS's performance, management team stated:

"We are pleased to present the results for the second quarter of fiscal year 2024. This quarter has been marked by significant achievements, and we would like to share our insights and perspectives on the performance of the company.

We are delighted to report a robust revenue growth of 33.72% compared to the same period last year. This achievement reflects the continued demand for our cutting-edge solutions and products in the defense and aerospace sectors.

Our focus on operational efficiency and cost management has yielded positive results. The company's operating margin has improved by 15.14%, demonstrating our commitment to delivering sustainable profitability.

Drawing on our formidable research and development capabilities, deep industry insights, and a profound understanding of customer needs, we have intricately developed a wide range of specialized products and services in the defense and space sectors. Furthermore, we offer customized solutions from our repository of meticulously designed Commercially Off-The-Shelf (COTS) innovations, tailored to precisely meet the unique requirements of our valued defense and space clients. Due to the inherently tailored design of our systems for specific programs, the resulting systems and products naturally achieve an esteemed proprietary status across a majority of programs.

AMS keeps on evolving by investing in contemporary technology which is expected to help and deliver more customized outcome which meets the customer needs and improves the overall functionality and flexibility and deliver the project in more timely and efficient manner. In order to enhance these capabilities AMS is open to undertake targeted acquisitions which will help to expand our offerings.

With the aim of bolstering our capabilities, we are pleased to announce the expansion of our manufacturing facilities, which will further enhance our production capacity and enable us to meet growing customer demand efficiently.

Defence programmes such as TAL, VARUNASTRA, EHWT, and others have received a favorable reception in the market, contributing significantly to our revenue growth and profitability margins. These successful programs have not only boosted our financial performance but have also strengthened our brand reputation and market positioning.

The Indian defense industry is rapidly growing and gaining importance due to modernization and indigenization programs. The government is actively promoting defense exports, reducing reliance on imports, and fostering innovation by developing indigenous defense technologies. Reforms like increased foreign direct investment and defense corridors aim to attract foreign investment and boost manufacturing and exports as part of the Make in India initiative.

Looking ahead, we are confident in our ability to maintain momentum and deliver strong results in the coming quarters. Our dedicated team, focus on innovation, and commitment to customer satisfaction will continue to be the pillars of our success.

We would like to extend our gratitude to our employees, customers, and shareholders for their unwavering support. Apollo Microsystems Limited remains committed to creating value, and we look forward to a successful future together.”

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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