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To,

BSE Limited, P. J. Towers, Dalal Street, Mumbai-400001. (BSE Scrip Code: 543270)	NSE Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai- 400051. (NSE Symbol: MTARTECH)
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Dear Sir/Madam,

Subject: Disclosure under SEBI (Listing and Disclosure Requirements Regulations, 2015) -Transcript of Earnings call held on 06.08.2025.

Unit: MTAR Technologies Limited

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Please find enclosed the transcript of the earnings conference call conducted on Wednesday, 6th August 2025 at 11:00 a.m.

The transcript of the earnings call is also available on website of the company i.e. www.mtar.in You are requested to kindly take the aforesaid on your record.

This is for your information and records.

Thanking you,

For MTAR Technologies Limited

**Naina Singh
Company Secretary and Compliance Officer**

Encl: As above.



“MTAR Technologies Limited
Q1 FY '26 Earnings Conference Call”
August 06, 2025



MANAGEMENT: **MR. SRINIVAS REDDY – MANAGING DIRECTOR AND
PROMOTER – MTAR TECHNOLOGIES LIMITED
MR. GUNNESWARA RAO – CHIEF FINANCIAL OFFICER
– MTAR TECHNOLOGIES LIMITED
MS. SRILEKHA JASTHI – HEAD STRATEGY AND
INVESTOR RELATIONS – MTAR TECHNOLOGIES
LIMITED**

MODERATOR: **MR. PARTH PATEL – MUFG INTIME**



Moderator:

Ladies and gentlemen, good day, and welcome to the MTAR Technologies Limited Q1 FY '26 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this call is being recorded.

With this, I now hand the conference over to Mr. Parth Patel from MUFG In time for opening comments. Thank you, and over to you, sir

Parth Patel:

Thank you. Good morning, everyone. On behalf of MTAR Technologies Limited, I extend a very warm welcome to all participants on Q1 FY '26 Earnings Discussion Call. Today on our call, we have Mr. Srinivas Reddy, Managing Director and Promoter; Mr. Gunneswara Rao, Chief Financial Officer; Ms. Srilekha Jasthi, Head Strategy and IR.

I hope everyone had an opportunity to go through our investor deck and press release that we have uploaded on exchanges and the company's website. I would like to give a short disclaimer before we begin the call.

This call may contain some of the forward-looking statements, which are completely based upon our belief, opinion and expectations as of today. The statements are not guaranteed for our future performance and involve unforeseen risks and uncertainties.

With this, I would like to hand over the call to Srinivas sir. Over to you, sir.

Srinivas Reddy:

Hello, and good morning to everyone. Thank you for taking the time to join us today. Today on the call, I'm joined by Mr. Gunneswara Rao, Chief Financial Officer; Ms. Srilekha Jasthi, Head Strategy and Investor Relations; and Orient Capital, our Investor Relations Partners.

We have uploaded our updated investor deck, press release and results highlights on the stock exchanges and company website. I hope everybody had an opportunity to go through this. I'm pleased to report a robust performance in Q1 with revenue from operations at INR156.6 crores, representing a year-on-year growth of 22.1%.

EBITDA came in at INR28.4 crores, showing a year-on-year increase of 70.9%. These results demonstrate stable execution and continued momentum across all our key business segments. As communicated in the previous quarter, we anticipate sequential improvements quarter-on-quarter basis, particularly in the second half of the year.

Revenue growth is also expected to be stronger in H2. This momentum will be driven by operating leverage and scale up of production for new products developed in Clean Energy and Aerospace sectors over the past few years. We remain committed very clearly to our FY '26 guidance of 25% revenue growth and an EBITDA margin of 21%, plus/minus 100 basis points.

While tariff-related uncertainties persist with respect to the U.S. market, we remain confident in sustaining our export momentum. This is underpinned by our cost competitiveness and the engineering depth achieved through the indigenization of key components, especially in all the sectors wherever we are exporting through various segments in U.S. market.

And we are also diversified into various other countries in our exports mainly to Europe and Israel. Our continued focus on innovation and localization enhances our ability to deliver high-value solutions to customers globally despite shifting trade dynamics.

Starting with Clean Energy segment, we delivered approximately INR105 crores in revenues in this quarter. This fiscal year, the company has undertaken development of new products for Bloom Energy, further expanding our wallet share in this sector.

As highlighted earlier, our cost competitiveness and engineering expertise continue to provide us with a distinct advantage over our Southeast Asian counterparts amidst heightened global uncertainties such as tariffs.

We have been assured by all our customers that they will be ensuring stability across all the supply chain partners especially MTAR being involved in the high-technology segment. And additionally, our customer, Bloom Energy has provided a very high -- highest ever forecast for the execution of our boxes in the upcoming fiscal year post the tariffs announcement.

Bloom Energy continues to strengthen its position in the data center market by signing strategic agreements. Most recently, it announced plans to deploy its fuel cell technology at select Oracle Cloud infrastructure data centers in the U.S.

The median data center size is projected to grow by nearly 115% from approximately 175 megawatts today to around 375 megawatts over the next decade, presenting substantial growth opportunities for fuel cell adoption.

Clean technologies are playing a critical role in the global transition to a low-carbon economy, driving sustainable growth in energy while unlocking significant long-term growth opportunities for supply chain partners. Looking ahead, we anticipate a robust growth of 15% to 20% in FY '26 across clean energy sector, including fuel cells, hydropower, battery storage systems and others.

We continue to maintain strong traction in the aerospace and defence vertical, delivering approximately INR25 crores in orders during the Q1. The company is actively strengthening its defence portfolio and is currently participating in tendering process for various prestigious programs for Government of India.

While we are in the process of developing several new products for a leading multinational aerospace customers, we have also participated in tenders for new products such as actuation systems for launch vehicles aimed at increasing our wallet share with -- these initiatives are part of our strategic effort to deepen engagement with key international customers and leading Indian organizations like ISRO and DRDO.

Additionally, European nations are increasingly looking at partnerships and collaborations with Indian defence manufacturers as their supply chain is constrained by limited local manufacturing capacity and still workforce shortages, especially in aerospace and defence sectors. This dynamic presents significant export opportunities for Indian manufacturers and MTAR is well positioned to capitalize on this emerging demand.

We're actively focused on expanding our wallet share with existing European customers while also working on onboarding new clients. We expect revenue growth of approximately 80% from this segment in FY '26.

With a robust product pipeline and increasing participation in high-value strategic programs, we anticipate exponential growth in this segment over the coming years. In civil nuclear sector, we registered revenues of approximately INR5.4 crores during Q1. The company has submitted various quotes for the upcoming projects in Kaiga-5 and -6 and refurbishment reactors for Madhya Pradesh, Rajasthan and Chennai projects.

These projects involve critical assemblies, which MTAR is well versed with. And as I mentioned earlier, during the current financial year, we are anticipating orders close to about INR1,000 crores coming in from the nuclear division over the next 3 to 6 months. We anticipate delivering orders worth around INR60 crores in this sector in FY '26 underscoring our ongoing commitment to supporting the nuclear power industry with highly specialized products for the core of the reactor.

And this segment is going to grow exponentially year-on-year basis from FY '27 onwards based on the kind of orders that we are expecting to come in during the current financial year. Finally, in the products and other verticals, we registered revenues of INR21 crores in this quarter and expect a 20% growth in this segment for FY '26.

The continuous execution of orders for various new products across clean energy, aerospace and defence sectors highlights our strong execution capabilities and unwavering commitment to operational excellence. The company remains focused on quality, innovation and process efficiencies as key levers to drive long-term shareholder value.

We anticipate, as I mentioned earlier, increased order inflows in the coming quarters in civil nuclear power and as well as in aerospace and defence sectors, which are expected to further strengthen our order book substantially.

Additionally, the company is actively engaged in advanced discussions with multiple customers in clean energy, aerospace and defence sectors to establish long-term contracts and we have notably entered recently into a long-term agreement with Weatherford over the next 5 years, being the first year following the successful execution of first article products.

Now I would like to hand over to our CFO, Mr. Gunneswara Rao, who will discuss in detail on the financial performance of Q1 FY '26.

Gunneswara Rao:

Thank you, Mr. Srinivas Reddy. Good morning, everyone, and thank you for joining us today for the Q1 FY '26 Earnings Call. First, I would like to extend my sincere gratitude to all our shareholders for the trust and confidence you continue to repose in our company. We are pleased to report that the first quarter of FY '26 has been marked by strong financial performance and consistent progress across our strategic growth areas.

So the revenue from operations stood at INR156.6 crores in Q1 FY '26 compared to INR128.3 crores in Q1 FY '25, a 22.1% year-on-year increase. EBITDA was reported at INR28.4 crores in Q1 FY '26 up from INR16.6 crores in Q1 FY '25, a robust 70.9% year-on-year increase.

Profit before tax stood at INR114.8 crores as against INR6.2 crores in Q1 FY '25, reflecting a 138.7% year-on-year growth. Profit after tax was INR10.8 crores compared to INR4.4 crores in Q1 FY '25, an impressive 144.2% year-on-year increase. In case of working capital days, it has increased to 267 days from 229 days in the previous quarter.

This rise is mainly attributable to the lower revenue realization from some of the customers in the ongoing conflict in that region. So that is the reason we could not able to receive the funds in the last week of the last quarter.

However, it is received in the first week of the month, almost \$2.5 million is received in the first week of the end of the quarter. As explained by our MD, we are seeing a stronger order visibility in the civil nuclear power segment. We expect to receive approximately INR1,000 crores in the next 3 to 6 months.

As we all know that India's strategic push to increase nuclear power capacity to 100 gigawatts by 2047, we see the clear visibility and forecast for the civil nuclear sector. So to meet this demand, we are setting up a new dedicated facility, which will significantly expand our capacity and enhance delivery capabilities in this vertical. In case of Aerospace, last year, we have done around INR45 crores of revenue.

This year, we are targeting almost INR100 crores to INR120 crores of revenue by end of this financial year. This growth also driven by the repeat business from our existing customers, also increased production capacity and which last year, we have commissioned a separate unit in Pashamylaram in Hyderabad.

So this production capacity and repeated business will enhance our revenues further. And also, I just wanted to tell you, we wanted to venture into the Oil & Gas sector. We have already signed a long-term contract in oil and gas sector for the Weatherford.

And we are venturing -- we are creating a dedicated facility in the SEZ to support this vertical. We see promising long-term growth potential in this sector and also tapping into the new markets and customer segments. Thank you again, once again for your continued support.

With this, I open the floor for discussion and welcome any questions you may have. Thank you everyone.

Moderator:

Thank you very much. We will now begin the question and answer session. The first question comes from the line of Vipraw Srivastava from PhillipCapital.

Vipraw Srivastava:

There's two questions. First of all, on the financial side. So what's the net working capital days you're expecting by the end of this year? And what's the capex guidance for FY '26?

- Gunneswara Rao:** Yes. So regarding capex, for oil and gas sector, we are spending around INR70 crores of capex for this year. Other than that, there is some sustenance capex and a few other equipments which we are buying for this financial year. It will be around INR100-plus crores for this financial year.
- And as far as the next year concerned, only around INR25 crores to INR30 crores is there as per the like sustenance capex. But we will see as and when any new customers come, we will see at that point of time.
- Srinivas Reddy:** Yes. Here he was asking about net working capital days, how it will be?
- Gunneswara Rao:** 267 days. Now it was up from 229 to 267. This is the main reason is some of the customers in Israeli area because of the ongoing war, we could not receive almost \$2 million worth of receivables. And some other customers also paid in the first week of July.
- So if we take into account, it will be as -- it is same as the last quarter. However, we are targeting to reduce our working capital days to 200 days by end of this financial year.
- Vipraw Srivastava:** Secondly, sir, on Bloom as you mentioned that they have been winning a lot of orders in U.S. So the Indian data center space is also evolving in a huge way. So any plans for Bloom to come to India or they will be currently focused only on U.S. market?
- Srinivas Reddy:** No. The issue -- it's not about plan to come to India. The idea is that obviously, post tariffs announcement also, we got the highest forecast from Bloom for next fiscal year. That is a very good sign, right? And then apart from that, they're also increasing step by step the wallet share for MTAR at various assemblies, what we are doing for them.
- So I would see over the next 2 years, probably they would look at doing the complete assembly. I'm just hoping that they will strategy-wise also for them for catering to the Asian markets and Indian markets or the European markets, they could probably look at the situation of directly shipping the products from here back to these countries and taking the products to U.S. for the U.S. market.
- So that's, I think, the strategy that they're trying to adopt. That's why our wallet share is also increasing step by step over the last 2 quarters in what we are doing with Bloom.
- Vipraw Srivastava:** Right, sir. And sir, lastly, on the aerospace and defence, that is doing very well in Europe because of the ongoing conflict in that region. I mean the increased traction that you are seeing is it a function of the conflict in that region or the structural reason why these companies are tying up with **Inaudible:17:17**
- Srinivas Reddy:** No, it's not entirely because of the conflict. So we don't -- obviously, none of us want any conflict anywhere in the world, right? So basically, if you look at our projects what we are doing, we are working with the U.S. customers, we're working with Israeli customers, European customers, basically for the civil aircraft primarily. And then the defence side also, we are working with various projects for all these customers.

And it's all based on the needs what they have. And obviously, it's -- all these are on a long-term contract basis, either we have with IAI or oil-free with Weatherford or with any other company like GKN, different companies that we are working with.

So the way we have proven our first articles and the production, what we have created, the batch quantities and the production, the quality what we have maintained, they're extremely happy with us, and they are increasing the order book step by step with MTAR, and that's why you see the numbers growing year-on-year basis. And we're expecting the same momentum moving forward as well.

Moderator:

The next question comes from the line of Piyush Sevaldasani from Sundaram Alternate.

Piyush Sevaldasani:

Congrats for great set of numbers. My first question is on the Bloom Energy. When we listen to the commentary from Bloom Energy that it is very strong. However, we are not seeing that kind of growth in our order inflow in the Clean Energy segment. So can you please help us understand when should we expect large orders from Bloom Energy coming in should it be second half this year or maybe next year? Also why our growth is really 15% in this segment when Bloom is guiding for much higher growth?

Srinivas Reddy:

Okay. So first answer to your question of order inflow is, see, basically, the forecast from Bloom has been given just after the tariffs were announced, they've given 25% higher numbers than what we are doing this year. So technically, the orders is just they'll follow automatically. So whether it will happen in this quarter or next quarter, they will release those orders. So that's not an issue at all.

They've already given us the authorization to go ahead with the sourcing of raw materials and bottom for this. For this, and they have sent an official communication as well. So we are -- so the order inflow is much higher compared to the current year by about 25% or more.

And when we talk about the growth, yes, we say conservatively 15%, 20%, but we always say that, but we are expecting a lot more because of our increase in wallet share in various segments what we are working with Bloom. And it's going to go higher and higher, as explained earlier to Vipraw as well.

Piyush Sevaldasani:

My next question is on the -- can you please help us understand where is the order stock because it's been quite a time we are still using large orders in the nuclear?

Srinivas Reddy:

So look, basically, now it's in very advanced stage. We can expect the orders some coming in this quarter, some by next quarter. That's why the CFO mentioned within the next 3 to 6 months. These orders of close to INR1,000 crores are not part of our execution plan for this current financial year. That's why we see a lot of exponential growth in nuclear division moving forward in the next 3 years.

And all these orders have to be executed on a fast-track basis within 3 years. The reason is one is Kaiga-5 and -6 is on a fast track basis. It's a new reactor, 700-megawatt reactors, 2 of them. And the rest of them are the refurbishment reactors that we are working with reactors in Tarapur, Madhya Pradesh, Rajasthan and Chennai. All these are coming -- are in the pipeline.

Tenders have been floated. We have quoted for that. So these are all orders which have to be executed in 24 months. So there is enough on our plate once these orders kick in for the next 3 years. And also further 4 reactors are going to come in 700 megawatts in Mahi Banswara in Rajasthan.

Those tenders are expected -- that's not part of this INR1,000 crores what I was talking about. That is something new which we have come to know recently. And that will kick in probably in second half of this year, the tender should be quoted for that as well where that's being worked upon right now.

Piyush Sevaldasani:

Sure, sir. Sir, my last question is on the gross margin. So we saw an improvement in the gross margin despite material change in the revenue mix. Can you help us understand like which segments have better gross margin because despite clean energy having much higher revenue mix, gross margins have improved?

Srinivas Reddy:

GR, you want to answer that?

Gunneswara Rao:

Yes. The gross margin, the main reason is we are working on the various long operating cycle projects like civil nuclear power, we have FMBC and FT systems. Substantial work has been done on those jobs. That is the reason a lot of work is in the form of change in inventory. So that is reflecting the higher gross margin.

And also some of the clean energy products we manufactured for the subsequent quarters. So it means our production is more than the sales during the last quarter despite having good numbers, and we have produced a lot of work in the other areas also. That is the reason gross margins were higher.

Moderator:

The next question comes from the line of Renu Baid from IIFL Capital.

Renu Baid:

My first question is broadly first to understand the INR100 crores capex that you have mentioned for this year, would that entail us taking up more debt or how are we planning to fund this capex?

Gunneswara Rao:

See, we are going to take some debt also, maybe 70% is from the debt and 30% internal accruals we'll do. And already, our existing debt is around INR120 crores around that number. So we are repaying the existing debt within 2 to 3 years of time. This will be funded by the term loans.

Renu Baid:

And secondly, I'm not sure I just want to clarify, did you mention that for the nuclear products, given the demand which is there, we are planning a dedicated facility for nuclear or was it only for oil and gas? Just trying to clarify on that again...

Gunneswara Rao:

No. Oil and gas, we are setting up a new dedicated facility in SEZ. For a civil nuclear power, we have -- we are also setting up a dedicated facility near our existing units here, but that will be not so big facility. It will be a small facility wherever we have a bottlenecks are there, we are addressing through that new facility.

Renu Baid:

Okay. Right. Because the current utilization for nuclear facilities would anyway be running pretty low currently?

- Gunneswara Rao:** Yes. So, go ahead sir.
- Srinivas Reddy:** No, no, we have enough capacities. But the only thing is if you look at the quantum of orders we are receiving, like if you have to execute, let's say, INR1,000 crores order book in 3 years, which has never happened in the past, we have enough capacities.
- But as CFO has mentioned, we'll have certain bottlenecks here and there, which we need to address them and including storage of raw material and stuff like that because we're handling a number of projects now moving forward from FY '27, '28, '29.
- So we are creating a small facility next to our Unit 3, if you are aware, which is close by where it handles the nuclear division to have a support system in terms of addressing these orders and ensuring that these are executed within the time frame because Kaiga 5 and 6 is a time-bound project and also the refurbishment reactors in Madhya Pradesh, Rajasthan, Chennai and Tarapur are all time bound projects.
- So we have to ensure that and ensure that we grow in that manner and then we get subsequent reactors as well like Mahi Banswara and other reactors coming in subsequently, right? So we need to create the support system to ensure that we execute these projects in 3 years' time.
- Renu Baid:** And just a little bit more on the nuclear segment, while you did mention briefly in terms of these orders to come through in the next 3 to 6 months, can you share a bit more granular updates in terms of where is Kaiga 5 and 6 stuck? It was expected long back. And similarly, where are we in terms of project award for the refurbishment projects across the 3 states that you mentioned?
- Srinivas Reddy:** Kaiga 5 and 6 already, as we speak, the discussions are going on, as all of you are aware, it's given to MEIL, so we have given 16 packages to them. Right now, the final negotiations are going on with the company to finalize it. And hopefully, by end of August or September, we should be able to freeze the Kaiga 5 and 6 orders, what we're expecting in this quarter.
- And as far as refurbishment of reactors are concerned, we have quoted for at least about 80% of the tenders, only 1 or 2 tenders are pending, which are coming in within the next 1 week. And the information I have is maximum the outlay of time to get the orders in place for refurbishment of reactors based on the L1 category, we are expecting within 3 to 6 months time for all other refurbishing reactors.
- Renu Baid:** Are we already have -- is MTAR already announced L1 on these refurbishment projects or...
- Srinivas Reddy:** Not yet. We are more or less highly qualified to do these projects, especially the refurbishment of reactors. And so basically, we are expecting -- we are pretty confident of bagging the maximum number of orders. And the announcement should be done, I think, by September, October, by the time they do the evaluation and price bid and all that, price bid opening and all that. So we're expecting at least the L1 status will know probably in the month of September or October.
- Renu Baid:** Got it. Secondly, when we look at the Bloom Energy portfolio and they have guided pretty strong volumes. So the kind of increase in the wallet share that we're targeting essentially is around the

hot boxes alone? Or are we also seeing some activities and traction around there other products like electrolyzers where we were the lead partners with them?

Srinivas Reddy:

So we are seeing the wallet share increase not only in the hot box segment, but also in the enclosures and other products that we are doing right now over the last 3 months to 6 months. So that's going on step by step, they're increasing it to ensure that most of the work is done back here.

And the ultimate goal, I think, is, as I said many years back or even a couple of years back is that they might look at complete assembly system back in India to cater to various other countries back from India to Europe to Asian countries, etcetera. So that's how the wallet share has been increasing step by step over the years.

Renu Baid:

Right. And last question, if I can. You're probably missing some of your comments around space segment. So how has been the business there? Are any projects in pipeline? We had some issues with the semi-cryo engine. So where is that? And the SSLV program where we were investing to have our own independent products, where are we on the product development side?

Srinivas Reddy:

See, there are a couple of things here. One is we have been more realistic in our approach, keeping the company as -- taking the future of the company as the most important factor. First is on the space side, it's a stable kind of a business that we are doing. And in fact, we are adding -- we are hoping that we would back the electromechanical actuator systems for the space, which we have participated for ISRO, which we have not done earlier. For the first time they have done it.

So mostly, we are hoping that we would get that project, which is substantial, which will be close to about INR60 crores to INR70 crores of business coming in only from EMA. And apart from that, the regular business is going on without any hindrance, the further orders for the Vikas engines are also expected during this fiscal year.

Large number of Vikas engines are expected during this fiscal year. Other than that, even the cryo engine orders are expected. Now semi-cryo, Renu, is basically, if you have heard about this, the Chairman of ISRO has announced that most probably by FY '27, they will launch -- start using the semi-cryo engines.

We are working day in and day out to meet and complete the semi-cryo engine hardware dispatch this year. There has been certain design issues in one of the assemblies, which we are working on. Hopefully, in this quarter, we'll resolve it along with ISRO. And once that is done, we're all set to launch the semi-cryo program successfully this year. So we are hoping for that.

Moderator:

The next question comes from the line of Balasubramanian from Arihant Capital.

Balasubramanian:

Congratulations for a good set of numbers. Sir, my first question regarding Bloom Energy orders remained robust around 4,000 hot box units. Just want to understand, is there any impact on tariffs or U.S. policy shifts like IRA solar subsidy locations?

- Srinivas Reddy:** Answer to your first question is we don't have any kind of impact on the tariffs being announced by U.S. as far as our U.S. customers are concerned. We are in the technology area. And as I mentioned in my speech as well, based on what we have developed over the years and the cost competitiveness and the kind of technology we have developed, we have no such indication and Bloom also announced a very aggressive forecast for next year post the tariff announcement. So we are just focusing on what we are doing right now in terms of developmental activities, and I don't see that's going to be any factor as far as MTAR is concerned.
- Balasubramanian:** Expected in next 3 to 6 months, is basically into like pressurized heavy water reactors or small modular reactors?
- Srinivas Reddy:** These are all pressurized heavy water reactors, PHWRs.
- Balasubramanian:** Okay, sir. And sir, secondly, on the battery storage side, I think Proto 2 delivery when we can expect and when we can do mass production agreements and what kind of revenue potential expected on the Fluence side? And Fluence is shifting to full part assemblies, it is any additional capex required for this assemblies and how will compare between Fluence and hot boxes in terms of margin?
- Srinivas Reddy:** The margins are probably the similar margins. We can't just assume that right now, but we are still working on the Proto 2, which hopefully, this quarter, we should be able to complete it. And once that is done and the final design and all that is frozen, then we move on to discussing about the future with Fluence.
- So it's a little premature right now for me to comment on that. But we are in a stage where we have done Proto 1, we are working on Proto 2 and then we move on. We talk about the long-term agreement or whatever. So it depends on Fluence, how he wants to take it up in the future.
- Balasubramanian:** Sir, final question. Electrolyzers, we have been developed. How do you look at on the scaling point of view? And are we participating any PLI schemes? And how will domestic demand pick up in electrolyzer side?
- Srinivas Reddy:** As I said earlier, electrolyzer is going to take time. We need the right infrastructure for that not only here, but also internationally as well. We have developed it, but we are just waiting with our partners, Bloom to get the order book going on electrolyzers. Internationally, it has to have the right kind of infrastructure for that. Once that happens, then we'll definitely let you know about that.
- Moderator:** The next question comes from the line of Meet Jain from Motilal Oswal.
- Meet Jain:** First question is, sir, on the product business. We saw a degrowth of 24% this year -- this quarter, and we expect a guidance of around 20% kind of growth. So where do you see which segment are? And also can you throw some light on any approvals you're expecting this year for any new products and also in terms of how many products are the development stage on that? That's my first question.

- Srinivas Reddy:** So on the product side, basically, we are working on ASPs, ball screws, valves, different products we have actually started executing them as you are aware of it. So mostly on the valves side, we are looking at a high traction coming in there on the EMA side as well.
- And also on the ball screw side, which we got already the export orders from MNC customers, which we start working on the production right now on the prototype and the volume production as well. So we are expecting a diversified kind of growth in the products division, which we have expanded it over our NPD division over the last couple of years, and we have taken it forward that way. So that's how we're going to have that kind of growth moving forward as well.
- Meet Jain:** So any particular reason for a degrowth this quarter? Any delay or any one-off?
- Srinivas Reddy:** Not exactly a degrowth because the kind of product requirement that they had for this quarter was slightly less than what it's supposed to be, but it's going to catch up in subsequent quarters. And also, we are adding some more products which will be exported during the subsequent quarters as well. So that's why we are pretty confident to have that kind of growth moving forward.
- Meet Jain:** Okay. So seeing the current geopolitical scenario, can we assume that this is the -- can be a reason for a decline or the low requirement for this kind of product in this quarter?
- Srinivas Reddy:** No, absolutely not. It is not because of that. It's because of one of the products like ASPs, there were enough inventory levels in Bloom and they've asked us to ship a lot more in the subsequent quarters. And plus we're adding a lot of other products where we're exporting in ball screws and as well as in valves within for the defence organizations as well. So it will catch up and we'll achieve that growth by end of the year.
- Meet Jain:** Okay. Apart from the working capital side, we talk about the receivables, how it has increased. I would also like to know the inventory. So we see the inventory days both in the RM and WIP has seen a sequential increase. So is it a seasonal kind of phenomenon or there are certain inventories in hand? Can you throw some light on that as well?
- Srinivas Reddy:** Yes, you can go ahead.
- Gunneswara Rao:** Yes. The reason is, as I told you, there are a lot of -- the work is done in the form of WIP in the first quarter. That is the reason for increase in WIP. It will be dispatched in the subsequent quarter. And the RM also because of the aerospace revenue, which we are targeting more than INR100 crores to INR120 crores compared to INR45 crores in the last year. So we need to order in a minimum batch sizes. So eventually, it will come down. But however, our target is 200 days we are targeting by end of this year.
- Meet Jain:** So for 200 days target, we need to decrease our receivable days and days by a significant amount. So...
- Gunneswara Rao:** Yes, you go ahead.

- Srinivas Reddy :** So we are expecting like it will be an equal proportion between both the things or we'll see 20 days elevated and receivables to be more better going ahead, how it will be?
- Gunneswara Rao:** No, , we have -- there are credit terms agreed with customers there. We are focusing on timely collection as far as receivables are concerned. And we are trying to reduce raw material days as much as possible. We are trying to inward only just in time in case of raw material. In the case of WIP, for example, since we are expecting a lot more orders in the nuclear sector, we have to do a lot of work and dispatch in 2 to 3 years of time.
- So the WIP may increase, but the revenues also proportionately will increase. In absolute terms, WIP may increase, but days may come down because of the higher revenue projections. So receivables, we are trying our best and raw material, we will -- we are trying to reduce as much as possible. And the WIP in absolute terms, it may increase. But on the days front, it will come down.
- Moderator:** The next question comes from the line of Keyur Kumar Vidalia from Niveshaay.
- Keyur Kumar Vidalia:** Congratulations on a good set of numbers, sir. I just wanted to know like what kind of assembly we provide for the refurbishment and the upcoming reactors? And like is there any assembly under the development or on the approval side?
- Srinivas Reddy:** No, what all we are supplying to the nuclear division all have been done by MTAR for a number of years. So there's nothing to develop this. We have been working with NPCIL for almost 40 years now with the nuclear division. So they all developed products and assemblies that we have done in the past. And these are all the requirements that they need, and we are one of the leaders in that division. So there's nothing to develop there. We have already developed all these...
- Keyur Kumar Vidalia:** Okay. And in the refurbishment and the upcoming reactors, like what kind of opportunity do you see for the reactor?
- Srinivas Reddy:** I can't quantify the numbers because the tenders are on live right now, but it's a great opportunity. It's almost like we're looking at 5 reactors going under refurbishment, which is happening at one time. So that's a sizable opportunity that we are looking at.
- Moderator:** The next question comes from the line of Dhavan Shah from AlfAccurate Advisors.
- Dhavan Shah:** So my question is on the Bloom side of the business. If I look at the Bloom's presentation, I think they have mentioned that because of the increase in the demand in U.S. -- power demand in the U.S. because of the hyper data center, they are focusing roughly 750 terawatts of new demand by 2030.
- And they've also shown that this new technology of fuel cell, which can help to meet this incremental demand and substitute the demand versus the traditional side of the business. So how do you see the adoption of that technology in U.S.? And how are we placed to capture the potential market from that side of the business?

- Srinivas Reddy:** See, that's what I said. In terms of Bloom, we are working with them for past 10, 12 years right now, and we have been a very strong supply chain partners for them. So whatever opportunities they have, which is very encouraging for us as well, it flows back into MTAR in terms of the kind of orders we get to supply them the required equipment that they need. And they're also trying to increase their wallet share in each of those assemblies that we are supplying to them. So it's a great opportunity.
- So we'll take it step-by-step, year-on-year basis, and we are well equipped to address their requirements in terms of capacities and all that. So that should not be an issue for MTAR even moving forward for the next 3 to 4 years.
- Dhavan Shah:** Is there any metric to understand this 750 terawatt hours of demand, would generate how many hot boxes demand incrementally for Bloom and what...
- Srinivas Reddy:** No, it all depends on the technology, how it moves from a year-on-year basis, right? So it's not necessarily that the hot box today can generate 65 kilowatts. Tomorrow, it can go up to 75 as well. So each of the hot box generates 65 kilowatts. So it all depends on how we move forward step by step in terms of improving the technology and which we are continuously working with Bloom as we speak.
- Dhavan Shah:** Understood, sir. And I think your competitor is from Taiwan, wherein the tariff is roughly 20-odd percent versus our tariff is 25%. So if you can share what is the cost differentiation between us and them? You said that we are lower than them. So if you can help us to understand in terms of the percentage, how much is that?
- Srinivas Reddy:** I don't know what exactly the -- I'm not aware of what prices the Taiwanese supplier is supplying. But as far as -- one thing is as far as the innovation and various products that we are doing for Bloom, we are far ahead of them.
- And secondly, as far as the capacities that are concerned, we are far ahead of them. And obviously, we have a major wallet share in terms of hot boxes with Bloom compared to the other competitors. So I don't want to go into specifics, but the difference in tariff will not make any difference as far as Bloom or MTAR is concerned. That should not be a matter at all.
- Dhavan Shah:** Understood. And sir, if I look at the last 3, 4 quarters, I think the clean energy from Bloom is doing roughly INR100-odd crores of business every quarter for us. So when do we see this INR100 crores can go up to INR150 crores, INR200 crores per quarter? If you can help us to understand that stuff?
- Srinivas Reddy:** So as I said earlier, you asked the right question as well. So next year, we're looking at about close to INR140 crores to INR150 crores of revenues coming from Bloom per quarter.
- Dhavan Shah:** From next year, FY '27, you are saying?
- Srinivas Reddy:** Yes.
- Dhavan Shah:** Okay. And this year?

- Srinivas Reddy:** This year, it will be like whatever, INR100 crores plus it will be in that range.
- Dhavan Shah:** Run rate would more or less the same INR100 crores per quarter?
- Srinivas Reddy:** The run rate for next year is much, much higher.
- Dhavan Shah:** Understood, sir. And if you can help us to understand this new product development for Fluence, you mentioned in the presentation that the Proto 1 is already completed. Proto 2 delivery was also expected to be delivered in the first quarter '26. So I believe that, that might also have been completed.
- So how do you see that kind of the business from Fluence, the incremental opportunity per year? And from -- by when can we see that in the numbers? And secondly, about the Weatherford also, if you can help us understand the execution is also completed over there. So what could be the opportunity from that business also?
- Srinivas Reddy:** See, the first step is in Fluence. What is important is we need to complete -- it's a completely new design. We are doing design and development for them and we are doing the Proto 2 right now. Once that is completed, then a lot of discussions will happen in terms of finalizing the final product what they want to launch. And that will take some time.
- So what we are looking at is once that is done, then we'll be able to talk about the agreement, the future and things like that, probably it can reflect in FY '27. Hopefully, let's see how it goes, but we have to wait and watch for that. But we are going in the right direction as far as Fluence is concerned, let's see how it goes. And Weatherford, we are already in advanced stage. In fact, we have almost completed the various assemblies in prototype.
- And now they're looking for the batch and volume production. They have asked us in the recent meetings how much capacity that we can spare within the existing units because we are building a separate facility for them near the airport, which will get commissioned by June of next year.
- So that will be a full-fledged program for the next 10 years for Weatherford. And also, we are looking at other oil and gas companies as well within the same facility with different kind of machinery setup. So it's going in a very positive way. So that will be the add-on revenues coming in for the next financial year in the oil and gas sector in a big way.
- Moderator:** The next question comes from the line of Nikhil Agrawal from Kotak PMS.
- Nikhil Agrawal:** My question was for Bloom. You mentioned that Bloom has given a forecast of 25% growth in the hot box procurement. So this is for MTAR specific or is it for the company as a whole, for Bloom as a whole?
- Srinivas Reddy:** No, it's MTAR specific. The kind of numbers we're doing this year and for next year, if you look at various things that we're doing for them, that's what we're looking at.
- Nikhil Agrawal:** Okay. Great. But so for the Clean Energy segment, you've given a guidance of about 15% to 20%. So are we expecting any pressure on realizations or should we -- like will you be revising the guidance further as the procurement improves?

- Srinivas Reddy:** See we have said 15% to 20%, but we are looking at much better percentages going forward for FY '27, right? So we just said 15%, 20%. There's no pressure on realizations, absolutely, that's absolutely out of the window. So it's going in a very positive way in the right direction, and we are very happy that Bloom is also doing pretty well right now. So the kind of numbers we're expecting for next year are substantially higher than what we're doing today.
- Nikhil Agrawal:** Okay. So can you help us with the revenue contribution from Bloom for the last 2 years and the next 2 years that is expected? Is that possible?
- Srinivas Reddy:** We have done an average run rate of, let's say, INR100 crores per quarter or INR110 crores in that range, which I can go up through -- as I mentioned earlier, the question asked me what was asked earlier. So the way the kind of forecast is given probably might tax about INR130 crores, INR140 crores, INR150 crores per quarter.
- Nikhil Agrawal:** This is -- this can pan out from next quarter, onwards like around about?
- Srinivas Reddy:** Next financial year.
- Moderator:** The next follow-up question comes from the line of Vipraw Srivastava from PhillipCapital.
- Vipraw Srivastava:** Yes. Sir, quickly, sir, on the -- so Bloom has got one more partner, sir, in Taiwan, right, for manufacturing. So incrementally, sir, the market share remains the same, right, between you and Taiwan supplier. With my understanding is you are the larger player in terms of market share. So you maintain your share with Bloom. There is no -- because of tariff, there is no shifting of volumes to Taiwan -- Taiwanese player you maintain your share, right, sir, understanding is correct?
- Srinivas Reddy:** Yes, absolutely right.
- Vipraw Srivastava:** Okay, sir. Got it, sir. And sir, last question, sir, from my end. So obviously, in this budget, last budget, there was a change in the nuclear act wherein. Now foreign players can also come and invest in the country. So from a long-term perspective, do you see this having any implication in the nuclear sector with foreign players coming in, you will be running to collaborate with them or will there be a competition to you? Any thoughts on that?
- Srinivas Reddy:** There's nothing like competition to us. See, we are looking at pressurized water reactors in India. And the foreign players are like light water reactors, and they will also subcontract a lot of their requirements back for the Indian companies which are qualified to do that. So we can only benefit from that, and it's nothing like competition out there.
- Moderator:** Thank you. Ladies and gentlemen, in the interest of time, this will be our last question for today. I would now like to hand the conference over to Mr. Srinivas Reddy for closing comments.
- Srinivas Reddy:** So thank you, everyone, for attending this earnings call. And I would like to mention that we are working towards achieving our guidance for sure for this current financial year. And also, we have been doing a number of developmental activities for the future growth of the company, which all of you are aware of.



MTAR Technologies Limited
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It's not just about numbers, but kind of innovation and development what MTAR is doing for the future growth of the company. And we are right on track with that. And I expect the company to do better and better year-on-year basis.

Thank you so much for all your presence in today's earnings call. Thank you so much.

Moderator:

Thank you. On behalf of MTAR Technologies Limited, that concludes this conference. Thank you all for joining us, and you may now disconnect your lines.