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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 06.11.2025.

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 **Thursday, 6th November 2025 at 11:00 a.m. (IST).**

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

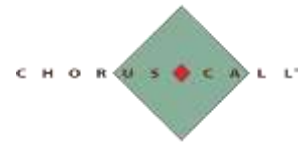
**Naina Singh
Company Secretary and Compliance Officer**

Encl: As above.



“MTAR Technologies Limited
Q2 & H1 FY '26 Earnings Conference Call”

November 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 Q2 H1 FY '26 Earnings Conference Call. As a reminder, all participants' lines will be in listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call? Please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Parth Patel from MUFG Intime. Thank you, and over to you, sir.

Parth Patel: Thank you. Good morning, everyone. On behalf of MTAR Technologies, I extend a very warm welcome to all participants on Q2 and H1 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 the exchanges on 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 beliefs, opinion and expectations of today. The statements are not guaranteed for our future performance and involves unforeseen risks and uncertainties.

With this, I would like to hand over the call to Mr. 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 in the call, I'm joined by Mr. Gunneswara Rao, Chief Financial Officer; Ms. Srilekha Jasthi, Head Strategy and Investor Relations; and MUFG Intime (Orient Capital), our Investor Relations partners. We have uploaded our updated investor deck, press release and business highlights on the stock exchanges and company website. I hope everybody had an opportunity to go through the same.

To begin with, in Q2, we have recorded revenues of INR135 crores with 12.5% EBITDA. And we are looking forward for a very strong second half, almost 2x of the sales done in the first half, with a revised guidance of 30% to 35% increase in revenues for FY '26 compared to our initial guidance of 25%, which is driven by robust order inflows scheduled for execution within the fiscal year.

While there is a temporary dip in EBITDA in this quarter, this is a short-term phenomenon, and we expect a strong performance in the second half of FY '26, which is clearly indicated by the kind of orders which have come in, which have to be excluded within this fiscal year itself. Our annual EBITDA margin is predicted to remain around 21%, in line with our initial guidance, supported by improved operating leverage and higher capacity utilization in H2.

Notably, the order book we have closed at INR1,296 crores at the end of Q2 compared to INR930 crores at the end of Q1. And further, we have received orders worth INR480 crores post Q2 as on date. So based on the expected inflow of orders during the year, financial year '26, we are

expecting a closing order book of close to INR2,800 crores by end of the year, which is a substantial increase compared to last year, based on the additional orders coming in from clean energy segment, nuclear space, etcetera.

We expect a robust performance in the clean energy segment, which is the vertical itself in the second half of FY '26 with revenues of approximately INR340 crores anticipated during the period. The solid oxide fuel cell, SOFC, industry continues to witness from growth momentum with the customers announcing plans to double its manufacturing capacity to 2 gigawatts by 2026, supported by large deals with various customers.

Based on this, we have already planned the required expansion plans for the hotbox division from the existing 8,000 units to over 12,000 units by end of March, which is a substantial increase, and further expansions are being planned for additional to go up to 16,000 units by September of next year and by March of next year to go up to 20,000 units capacity for this particular division.

These expansions are purely based on the kind of orders we are receiving and the forecast we have for the subsequent years as well. The much anticipated fleet reactive orders are expected to be received in the coming weeks, totalling to approximately around INR500 crores for Kaiga 5 and 6 where all the details have been finalized and the POs are expected anytime during this month itself.

With the execution schedule over the next 3 years with various packages that we are going to work for Kaiga 5 and 6 and this the highest order that we are going to receive in this month for the nuclear division.

So based on this, from FY '27 onwards, this vertical is expected to record significant growth backed by strong pipeline of all these new orders and also the orders are expected from the refurbishment reactors of 5 reactors have being refurbished, where tenders have been floated and we have participated in all such tenders in the recent past.

As expected these orders would be expected in this financial year from the refurbishment reactors as well. So we should end up close to about addition overall about INR800 crores of orders kicking in into the company by the end of the year in the Nuclear Division itself.

For the Aerospace and Defense segment, the company continues to follow strategic growth path engaging in key programs with leading MNC customers and domestic entities as well. And as you are all aware, we have also participated in the recently in the expression of interest for AMCA aligned with our long-term strategy.

We also initiated discussions with new global OEMs and expanded program engagements with existing aerospace partners as well. And we are definitely in line with the development of various first articles and some of them have also gone to volume production during the course of this year.

We're witnessing a notable margin improvement in this vertical as well and expect to execute close to about INR100 crores less worth of orders in this vertical during the current financial year. And the momentum of this with the completion of the first articles for the various projects that we are doing, we have substantial growth happening in the coming years as well.

In addition to this, the company expects a robust performance across the products and other verticals as well, with an annual revenue exceeding about INR100 crores in this products vertical as well as in the current financial year. And moving forward, the products vertical as well will show a substantial improvement in terms of revenues based on the kind of orders we have received in the recent past.

We are also clearing the first articles to our Oil and Gas division, Weatherford inclusive and with volume production expected to ramp up from next fiscal year once the new oil and gas plant becomes operational by June 2026. With strong order visibility across multiple sectors, the company is well positioned to accelerate its growth over the next 2, 3 years.

We remain enthusiastic about the new opportunities and challenges that lie ahead, as we continue to capture this growth momentum. While working capital days are currently elevated due to higher inventory levels built to support purely the expected growth in Q3 and Q4 which is almost 2x of sales compared to the first half.

The company anticipates reducing them to around 2 to 3 days by end of this fiscal year. This improvement will be driven by current efforts to streamline inventory management amidst the strong growth of the company is poised to witness. We continue to closely monitor working capital and cash flow management to ensure sustainable and healthy growth as revenues expand across all business verticals.

Now I would like to hand over to our CFO, Mr. Gunneswara Rao, who will discuss in detail on the financial performance for Q2 FY '26. Over to you, Gunnes.

Gunneswara Rao:

Okay. Thank you, Mr. Srinivas Reddy. Good morning all. Thank you for joining us over the earnings call. I'm going to take care of quarterly performance, Q2 FY '26 versus Q1 FY '26. Our performance is moderated x, that is due to inventory build-up for the next 2 quarters.

So revenue from operations stood at INR135.6 crores in Q2 FY '26 as against INR156.6 crore in Q1 FY '26. EBITDA reported at INR17 crore in Q2 FY '26 as compared to INR28.4 crores in Q1 FY '26. Profit before tax stands at INR5.7 crore in Q2 FY '26 as against to INR14.8 crore in Q1 FY '26.

Profit after tax was INR4.2 crores in Q2 FY '26 as against INR10.8 crore in Q1 FY '26. So I just want to discuss the working capital days as our MD has already highlighted, we wanted to bring down to 220 days. Present higher working capital base due to the inventory WIP built up for the next 2 quarters, revenue forecast, which is almost 2x of the first half of the year.

Whereas in absolute terms, the working capital is reduced by INR21 crores compared to the last quarter. Though the number of days were higher, the absolute working capital is lower by INR21 crores. So we remain committed to improving this further and are targeting to 220 days by end of FY '26.

Other positive sign is the cash flow from operation improved significantly to INR39.8 crores compared to the negative INR1 crore in the previous quarter. We expect this momentum to continue and are confident of surpassing last year's full year cash flow performance. The order book position of the company as of 30th September '25, stood at INR1,297 crore, whereas as of 5th November, it was INR1,703 crores, which is already disclosed to stock exchanges, recent orders whatever we have received.

We expect a strong acceleration in order inflow during the second half of the quarter and remain committed to sustainable growth. Our outlook and strategic priorities in the company, immediately, the company wanted to achieve the turnover 2x in the second half of the year. And as you all know that our customer is increasing their capacities in the fuel cell domain.

So we expect a significant growth in this sector and also civil nuclear power. In case of civil nuclear power, as our MD told, we are going to receive around INR500 crores of orders in this month, almost everything is finalized, it is in the last moment, last phase.

In case of aerospace, also, our verticals continues to scale at a healthy pace. We are seeing encouraging traction from the existing customers. Also, the existing customers have added additional scope into our product portfolio, whatever we are delivering in timely manner and in 100% quality.

And also, I just want to highlight that we are setting up the oil and gas sector in a dedicated asset at facility, which is going to be commissioned in the next year, second quarter onwards. And over the past year, we have seen strong tailwinds driven by national priorities from clean energy and civil nuclear expansion to greater self-reliance in defense manufacturing.

These ships are creating an encouraging environment for your company that combined engineering depth with execution strength. Our diversified portfolio, our people and study investment we have made in capacity give us the confidence to keep the building on this momentum. In the near term, our focus as our MD told, maintaining EBITDA at around 21% and achieving around 25% above revenue growth in FY '26 compared to the previous year.

Thank you for your continued support. We will now open the floor for questions and answers. Thank you.

Moderator:

Thank you very much. The first question is from the line of Sandeep Tulsian from Sundaram Alternates. Please go ahead.

Sandeep Tulsian: Thank you for sharing the road map for capacity expansion in clean energy going from 8,000 to 20,000 units over let's say next 18 months. If you could also share some details how much of this expansion would require you to set up a new facility and what kind of capex will it entail?

Srinivas Reddy: See, basically, initially from 8,000 to 12,000 we are doing in our existing plants, which will be commissioned by March. And that should be approximately around -- roughly around INR35 crores to INR40 crores. Already, the plan is to ensure that the expansion plan is completed by end of March.

We already have the infrastructure in place. It's only the equipment, furnaces and related balancing equipment to be received, which we have already issued the purchase orders, and we should have them by March. And then based on the commitments given by Bloom and the forecast and the way we are looking at things, we need to expand further by another 8,000 units going up to 20,000 units.

So we are trying to set that up in our existing infrastructure next to EOU. That's the plan. And that -- the initial phase of 4,000 will be done by September of next year, and the additional 4,000 should be done by March of next year. So it should be close to about -- since we have the infrastructure in place, it should be close to about INR60 crores of capex, which might require to go up to 20,000 level, from 12,000 to 20,000.

So that's the overall plan. The way the demand has been created, sudden upsurge in the overall demand. And this is what we are looking at having the capacity of 12,000 by end of March and 16,000 by end of September of next year and 20,000 by end of March FY '27.

Sandeep Tulsian: Got it. Got it. Thank you for clarifying that. Second question is also regarding you mentioned earlier that the hot boxes would probably get upgraded from 55 kilowatt to 75-kilowatt consideration. And also, you have, in the meanwhile, doing a lot more components for these hot boxes which is increasing your wallet share within the total output for Bloom Energy.

So just wanted to understand now what proportion of the final box will be at this year? And second related question to that is, in light of these tariffs, there was a plan to assemble these hot boxes in future in India, where are we in terms of the talks progressing on that front?

Srinivas Reddy: See, we have already added as much of wallet share as possible in the hot boxes that has been done over our Q2, actually. And it's a continuous process. And at this point of time, see, tariffs are not being affected in terms of what we are doing today because of the kind of BOM percentage of hot boxes compared to the overall broader picture, what you see with Bloom right now, or with our customer right now.

So as far as the overall estimate is concerned, that's a long-term plan, moving forward over the next 2, 3 years. But today, we would like to focus on the hot box related items. Then we also have the products division of ASP, which is also -- yes, we have received substantial orders compared to what we were doing in the first half of this year.

To almost like 1,25,000 units each quarter we have to execute. And we also planned additional smaller expansion plan to enhance the capacity from 80,000 units per quarter to 1,25,000 units per quarter over there as well.

And similarly, you can see a similar kind of upsurge in in encoders as well from our treatment industry where they're looking at -- they were buying actually around 500 units per quarter, now it's gone up to 1,000 units per quarter. So we are seeing a substantial increase -- incremental increase in every area involved in the fuel cell segment apart from the hot boxes as well.

Moderator: Thank you. The next question is from the line of Viraj Parekh from Carnelian Asset Management. Please go ahead.

Viraj Parekh: Thank you, sir. Just a few questions. First, I think you laid out a good capex plan of approximately INR60 crores for hot boxes. I think for Weatherford, also, we are doing an amount of capex in the range of INR100-odd crores. Given we are expecting a significant nuclear order and our working capital cycle is quite high. So I wanted to understand that over the next 3 years, how do I look at the fund flow of the company?

Are we going to be taking more debt? How are we looking to fund the capex and manage the working capital as we are growing exponentially over the next, you know, second half and even the next 2 years going ahead?

Srinivas Reddy: Gunnes, do you want to answer this, please?

Gunneswara Rao: Yes. So, regarding the working capital, as we all know, whenever we get orders from our existing customers, be it civil clear power or fuel cell, our working capital cycle in the fuel cells is around 180 days. So any incremental revenue will require 180 days of working capital required. So what presently, what we are trying to do is whatever is possible in the case of inventories and other things we wanted to reduce as much as possible.

In case of fuel cells, the credit period is 45 days net, which means after reaching USA, 45 days it is to be counted. Around 100 days, it is our working capital and 60 days for inventory and the operating cycle. So around 160, not 180 -- 160 days is working capital required. We are targeting to raise debt as of now. But we will use our internal accruals both for capex also for the working capital requirement.

Presently, if you look at my working capital, debt is only INR77 crores out of INR420 crores of working capital deployed in the company. So we are going to raise a debt of additional, say, maybe INR150 crores, INR200 crores to support the growth. And even if you -- even if I take total debt won't be more than INR250 crores at any given point of time in the next -- I mean in the near future.

Viraj Parekh: Got it, sir.

- Gunneswara Rao:** And also we are receiving advances. Capex also we're going to raise a debt. As and today, our long-term debt is around INR100 crores only. And every year, we are repaying INR46 crores every year. So by next 2 years, existing debt will be zero. And we will have a new debt of, say, maybe INR150-odd crores we will raise for the proposed expansions in oil and gas and fuel cells capacity buildup.
- Viraj Parekh:** So, are there any other capex plans apart from fuel cells and oil and gas?
- Gunneswara Rao:** No, whatever I told that, you know, that INR150 crores as of now for the existing clients, whatever we have, as and when the new revenue opportunities arises, we will take up at that point of time. So we are not incurring any capex on the anticipation of orders. So only once we have a confirmed forecast or orders then only we are incurring the capex.
- Viraj Parekh:** Right. I had a question on the nuclear side. I think you're expecting around orders this month or this financial year for Kaiga-5 and 6. And you also said that we participated in a few refurbishment tenders. So keeping both of these in line, do we have -- in the tenders, we are expected to receive and the ones we participated in provided that whatever the win ratio we have, we achieve it? Do we have enough capacity to cater to this -- to these orders? or is it like we come back in it?
- Gunneswara Rao:** Yes. We have the capacity to handle the whatever orders we are anticipating around INR800 crores from both refurbishment and Mega engineering. So we have a capacity only bottlenecks we have to address, which is not going to be more than INR20 crores- INR30 crores. Our existing capacities are there and which we can use for this INR800 crores orders.
- Viraj Parekh:** Got it, sir. And we want to understand there was a news article about some tie-up for some AMCA project. So if you could like elaborate a bit on that, it would be helpful for us to understand the defence case? What are we looking over the next 5, 10 years?
- Gunneswara Rao:** Yes. This is regarding -- can you come again? I...
- Gunneswara Rao:** Okay, AMCA project. Now see, presently, we have -- yes, understood. Presently we have signed an EOI with the Adani Aerospace. And we have submitted our expression of interest with ADA. So they will finalize the qualified people out of the 6, 7 people have participated in this race.
- So ADA will decide based on the qualification criteria and then they will issue the RFP to the - all the eligible people based on the quotation submission of our quotations, it will be decided. And the initial first six - seven years, we have to develop five prototypes. Later on, 126 members of the aircraft is -- missile is required.
- Viraj Parekh:** Okay. And the last question, this quarter kind of margins and certain operating expenses led to kind of a weak kind of an operating margin for us. Anything specific this year? Is this the trajectory that will continue going ahead?

- Gunneswara Rao:** No. There are some projects in the domestic sector which has a long lead time. We have to build the inventories. If you look at our working capital, which is almost INR204 crores of working capital, all this working capital is made to order scenario, not made to stock scenarios. So, we are building up the inventories for the future sales. That's what as we told earlier, second half of the year will be 2x of the first half of the year, our revenues. We have a confirmed order. We are in line -- we are in the process of achieving that target.
- Moderator:** Our next question is from the line of Meet Jain from Motilal Oswal.
- Meet Jain:** Sir, my first question is on the fuel cells part itself. So, we are seeing a good traction from the Bloom Energy in terms of ordering. So my question is regarding our margin profile with them going ahead with the bulk of the order coming in and the ASPs what we are seeing? And any competitive intensity we are seeing from our Taiwanese partners also from this front?
- Srinivas Reddy:** Absolutely not, Meet, because basically, the demand is so high right now, in fact, the customer is looking at even 16,000 kind of units at this point of time, but we are trying to expand to 12,000 behind of the year.
- And also moving forward, as I mentioned earlier, we are looking at additional expansion of 8,000 more units in two different phases. Phase 1 will be by September and Phase 2 by March. But as far as the on hotbox is concerned, even with regard to the products, if you look at the ASPs as well, we had a capacity of roughly around 70,000 units and now we are moving up to 1,25,000 unit per quarter.
- So there is an incremental expansion plan at different divisions that we are looking at, at this point of time. And I don't think there is any kind of pressure in terms of pricing or tariffs or anything at this point of time. And even Bloom is expecting the tariffs to come down, but let's see how it goes, but that's not going to really affect the plan what we have in place today.
- Meet Jain:** Understood. Sir, on this, can you more clarify this, what you're talking about is 1,25,000 units, what exactly that it is?
- Srinivas Reddy:** That's the ASPs that we're doing, right? That's a separate division we have in the Products division, which we supply again to Bloom as well where we are doing -- we're going up to 1,25,000 units which translates to a substantial increase in the -- compared to the first half of this year.
- Meet Jain:** Understood. Understood. And second part is on the working capital. As Mr. Gunneswaraji had already mentioned the working capital days, so more on that part. So as you know, in the working capital has been a bit of concern in terms of fuel cells and seeing a good strong growth in this segment. So any measures are you taking in terms of inventory management or vendor side management to or receivable side to bring it down to a substantial level? Any thoughts on that?
- Srinivas Reddy:** We are working on that. Gunnes, you can answer that, okay.

Gunneswara Rao:

Yes. Yes. We are working on various initiatives in reduction of inventories and trying to increase our payable days. And in case of Bloom is only 160 days compared to our targeted working capital days of 220 days. So the more is the Bloom production, it will be 160 days. It is always it is going to be lower in the total number.

So, as far as the working capital, we are trying to ensure that we are just in time of bringing the material into the factory. So all those measures we have taken now staggered deliveries, we have already initiated staggered deliveries based on the production requirement. So, we will try to achieve 220 days in the current financial year and our long-term target is around 200 days next year and 180 days post couple of years from now.

Meet Jain:

Okay. And sir, last question is on the current quarter. So, if you see current quarters, we have seen a decrease in each of the segments, like be it aerospace, be it your nuclear, be it your fuel cells. So any light on that? Is there a deferment of execution or what led to a slowdown in this quarter?

Srinivas Reddy:

No. There is not. See, we are really not concerned about Q2. The reason being that there are a number of factors. One is uh there has been a prolonged discussion on the tariffs with our customers during the quarter. And while doing that, it almost took like three weeks, three and a half weeks to push back the whole thing, because we are exporting also in aerospace to the US.

We're also exporting obviously Bloom to the US. So we have stuck to our position in terms of where we are and not to get the tariffs affected because we are in the technology area. And we have developed various innovative things for our customers over the years, which has put us in a very strong position to get them also the savings over the years.

So that took some time to really push back and to discuss and finalize various things. And that's what we look at right now and the surge also happened at the same time subsequent to that and in a big way. So a lot of planning had to be done in terms of what we need to do.

So that's why you can see the second half, we have a clear position where we have the strongest order book ever MTAR has seen before. And we are very confident of achieving twice to sales in the second half with higher margins, so that we end up with our guidance of 21% margin on a conservative basis. And also, we had set the guidance of 25% for revenue growth, which now we are saying it should be between 30% to 35%. That's around close to about INR900 crores of revenues that we can generate for this year.

And we see a very positive kind of forecast for the next financial year as well. I don't want to talk about numbers right now, but based on the kind of expansion plans we have, which I've explained, all of you can simply analyze all that stuff. But that's how it's going to be. So we'll give more details in the Q3 earnings call for the next financial year as well.

Meet Jain:

Sure. Okay. Last clarity question is the closing order book number. You mentioned around INR2,800 crores, right?

Srinivas Reddy: That's right. Yes.

Moderator: The next question is line from the Balamurali Krishnan from Oman Investment Advisors.

Balamurali Krishnan: Hi. Good morning, sir.

Srinivas Reddy: Good morning.

Balamurali Krishnan: First question is regarding this partnership -- the partnership with Adani. So what is our scope in that one, sir, for the jet engines, AMCA engines? How much share we are expecting and that one -- if it is go through?

Srinivas Reddy: Yes. Srilekha, you want to answer that?

Srilekha Jasthi: Hello.

Srinivas Reddy: Srilekha, are you there?

Srilekha Jasthi: Sir, I'm on mute.

Srinivas Reddy: They're asking about the AMCA program with Adani the details, can you answer that, please?

Srilekha Jasthi: Yes, sir. So when it comes to AMCA, we just participated in the expression of interest along with Adani as a non-lead partner, where Adani will be the lead partner with 50% equity stake and we will be the non-lead partner with 50% equity stake. So the whole concept of this AMCA is whichever consortium wins this order, they need to form a joint venture and they need to take up the production of five prototypes. Later on, they'll be able to take up the production of 126 aircraft manufacturing orders.

So, when it comes to this project, it's a very prestigious project that has been taken up by Indian ecosystem and every company has participated, we have also participated in the EOI. Once our consortium gets shortlisted in the EOI, we'll be able to participate in the bidding phase. We need to submit the bids, post that only we'll get to know what are the winning chances. So it's a long-haul thing. We'll get to know who stands where in the coming five to six months.

Bala Murali Krishna: So all this process, how long it will take? Are we able to know and further any time lines, ballpark time lines?

Srilekha Jasthi: So coming to the time lines, like they might announce who got shortlisted in the EOI in the coming couple of months, post that we need to participate in the bid, which will take around three months-or-so. By May 2026, hopefully, they'll be announcing who has won the bid. And then within three months, they need to form a JV and they need to take up that 5 prototype order.

Government of India is planning to roll out first prototype probably by end of 2028-or-so. The time lines are very ambitious when it comes to AMCA as against LCA Tejas, which took a lot of years to develop. So they are trying to get these 5 prototypes in the next 10 years, which is a

very ambitious time line. And if this program takes off well, it's going to be very good for Indian aerospace industry.

Bala Murali Krishna: Fair enough. Srinivas sir, on the Bloom side, I think this year, you may close by around INR500 crores from the Bloom. So I think Bloom has also won so many orders in the recent time. So what is the indication from their end for the supply of this hot boxes in the coming years? How much we can expect?

Srinivas Reddy: No, I've already explained that, right, Bala? Basically, we are expanding to some 8,000 capacity to 12,000 by March. That's purely based on the order inflows, what we have. And then we are progressing to 16,000 by September and 20,000 by March of next year. So that itself is an indication, the way it is growing in terms of the demand cycle, what we have and moving on forward as well. It's not about this one year, two years. I think we see a very good traction coming in for the future years as well.

Bala Murali Krishna: Got it. One follow-up, so these boxes, we are directly shipping them to U.S. So I think we had a plan to make a complete assembly of the boxes. So if it is done, then maybe we can supply these boxes directly to the customer site like maybe South Korea, like that. Is it possible, sir? Is it on cards or anything needs to be done in this year?

Srinivas Reddy: No, that's going to happen over the next two, three years. But at the end of the day, most of the orders, if you see the AI data centers, most of them the orders are booked in U.S. and they also have enough demand in South Korea as well, and they're also entering into Europe in a very big way. So it's a transition which will happen over the next two, three years. And there are a lot of outside factors also involved in that.

But look, we have enough on our plate right now in terms of executing all these orders, substantial surge compared to what we had earlier, right? We were looking at hardly 3,500 hot boxes per year in the past and stuff like that. But now we are looking at almost a phenomenal amount of -- see, we are expanding purely based on the demand and the orders received. So we should -- I think we should go step by step and ultimately achieve what we want to do, as you mentioned.

Bala Murali Krishna: Good sir. Sir, any update on this electrolyzer part, sir?

Srinivas Reddy: Not as yet. There's enough surge on the existing hot boxes itself. And electrolyzers, it will take a little more time. Like we have already executed it. We have done it, we have proven it. So that the hydrogen part of the story will take a little bit longer than what we can think about right now.

Bala Murali Krishna: Alright. That's all from my side. Thank you.

Moderator: The next question is from the line of Balasubramanian from Arihant Capital.

Balasubramanian: Thank you so much for the opportunity. Despite tariff hurdles we're witnessing strong order inflows. Sir, my first question regarding the Bloom Energy dominant driver maybe INR140-

INR150 crore per quarter kind of revenue from FY '27 kind of we may expect. And sir, the first thing Bloom is entering it into a data center side, what is our scope of work in data centers and what kind of opportunities we have?

And secondly, on the Fluence side, the battery storage program, when we expect the commercialization and permit opportunities and revenue size will we expect over the next four to five years time frame?

Srinivas Reddy:

See, look, I've said this earlier as well. See, basically, our job is to supply the units to Bloom. The power generation is done by Bloom for all the data centers, which is really in a very big demand right now. There is a huge power shortage, and that's what they're capturing more and more orders. That's getting translated into our order book position out here in terms of what supplies we do to Bloom, right, that's point number one.

And as far as -- so that's on the really good uptrend, the surge is also very high. So we have planned everything very well in terms of execution, in terms of expansion plans which I've said by March, we'll have 12,000 units of expansion plan in place. And by next year, we'll have another 8,000 moving forward in a couple of phases in September and March.

So that's the plan what we're looking at, purely based on the order inflows and the forecast given, strong forecast given to us and to plan ahead of time. So fortunately, we had enough capacity to begin with around 8,000 units, which we never used it in the past. So we had that capacity, so which we are able to service with me to the requirements of the customer at this point of time, and we are increasing 12,000 by March. So that's what we're looking at.

And if you look at it even over the next four, five years, this uptrend is going to continue. And coming to Fluence, we are still working on the prototype second prototype that we are doing. And once that is done, hopefully, I was talking to our team, and they said that we should be able to finalize the long-term agreement sometime during the year, mostly by Q4 of this year.

And to begin with, then we had established the required facilities for them and we're looking at second half of next year to solely start the batch production. And then you look at probably around revenue growth of what you're looking at between INR200 crores to INR400 crores of revenue coming in over the next two, three years. And then they keep going higher and higher from there on. So that's what we're looking at right now.

Balasubramanian:

Okay, sir. Sir, we are targeting a 2x kind of revenue in H2 compared to H1. I just want to understand what are the key challenges we have faced in Q2? And what kind of implementations we are going to do to achieve those targets?

And I have seen inventories have been ballooned to nearly INR450 crore kind of range. And this inventory is especially dedicated to current order book executions or expected over long-term sub contracts also?

Srinivas Reddy:

No. Basically, most of the inventories, whether it is in raw material or in work in progress are related to the existing orders that we have and also the orders that we have received, right? So all our existing -- you don't build inventories without any orders.

So it's all -- some are short-term orders that are getting excluded and some are slightly longer term. So the challenges that we faced in Q2, as I mentioned earlier, is the tariffs, which we had to really negotiate and push back on various aspects. And then we were successful in terms of finalizing with our customers without affecting our bottom line.

And that's -- that is more of a priority for the company looking at the long term of the company and not to get in a situation where we get into a situation where we reduce our margins and all that. So we stuck to our position in terms -- because we're in the technology area. And the overall BOM cost for Bloom is not much compared to what we do.

So overall, it was a -- see, on the positive side, we have done everything possible to circumvent the tariffs and to ensure that the company's long-term growth and margins are maintained. That's what we're able to achieve in Q2. Obviously, during this process, it took almost three, three and a half weeks to do this stuff, so which what -- a lot of dispatches got delayed.

But subsequent to that, everything is back to normal right now. It doesn't matter what the tariffs are. And we will be in a position to achieve the 2x of sales in the second half and also adhere to the much higher revenue guidance than what we have given earlier. And also, we'll be able to maintain the overall annual margins what we had guided earlier. So that's where we are today.

Balasubramanian:

Okay, sir. Sir, on the margin side, last Q1 we did 18% and Q2 12.3%. Now we are guiding 21% kind of margins. What are the levers to achieve those margins in H2?

Srinivas Reddy:

So basically, the higher revenues, point number one. In terms of what sales we have forecasted for Bloom, we've confirmed dispatches close to around hot box in itself, we've been looking at around INR340 crores of revenues being generated there which is very clear on our dispatch plan. And then the various other segments and products that we are shipping out.

So obviously, with those kind of revenues, which we have never achieved before like we didn't even touch INR200 crores in a given quarter in the past. Now we're looking at almost like close to INR300 crores of revenues each quarter for this year. And I'm not talking about the next year, the next year is a different ballgame altogether.

So that's going to compress our overheads going to the percentage, overheads are going to come down drastically and reduction in inventories. So a lot of things are going to happen to have much improved margins over the second half of the year to average out at around 21% EBITDA for this year. And you can see a substantial growth in the subsequent years with much better margins moving forward.

Balasubramanian:

Got it, sir. Thank you.

Moderator: Thank you. The next question is from the line of Abhijeet Singh from Systematix. Please go ahead.

Abhijeet Singh: Thank you for the opportunity and very encouraging to see such good order inflows.

Srinivas Reddy: Abhijeet you are very low on your voice. Can you come closer this side.

Abhijeet Singh: I hope I am audible now?

Srinivas Reddy: Hello.

Abhijeet Singh: Yes. So my first question is on...

Srinivas Reddy: Abhijeet you are actually breaking up and we're not able to hear you.

Moderator: The last question is disconnected. So the next question is from the line of Nikhil Agrawal from Kotak Non-Discretionary PMS.

Nikhil Agrawal: Sir, my question is more on the data center side. So while we are tapping the data center boom in the U.S. through Bloom Energy, do we see India in the market relatively as the country we're much better place is different from the power supply?

Srinivas Reddy: Yes. India needs to have the infrastructure as well. You need to have the gas pipelines and all that stuff. So already Intel has our units there in Bangalore. So it all depends on the kind of infrastructure that can build within the country to have this. So that's where we stand. So probably in the long run, we'll have that. It's not today to subsequent years. So look, right now we have enough demand abroad in U.S., Europe, everywhere, South Korea. So we need to have the kind of infrastructure to have those kind of systems out there.

Nikhil Agrawal: [inaudible 0:49:12]

Srinivas Reddy: I can't hear you well.

Nikhil Agrawal: Hello. Is it better.

Srinivas Reddy: I can't hear you.

Nikhil Agrawal: Hello.

Srinivas Reddy: Yes. Can you repeat your question, please.

Nikhil Agrawal: [inaudible 0:49:35]

Srinivas Reddy: You are breaking up, I'm not able to hear you.

Nikhil Agrawal: Okay, sir. I [inaudible 0:49:43]. Thanks. That's it from me.

- Moderator:** Thank you. The next follow-up question is from the line of Abhijeet Singh from Systematix. Please go ahead.
- Abhijeet Singh:** Thanks for the opportunity again. I hope I'm audible this time.
- Moderator:** Yes, sir. You are audible.
- Abhijeet Singh:** Sir, my first question is on a clarification on the capex number. So we are going to do a capex of INR150 crores in the next 2 years. Is the number correct?
- Gunneswara Rao:** No, INR150-plus crores is for this financial year and the next financial year. Whatever we are committing now it is going to spend in the next financial year. The equipment everything will come in June month, some will come in this financial year. So it is not for the next 2 years. It is for this year and next financial year. Probably some more sustenance and bottlenecks capex we will incur after the March.
- Abhijeet Singh:** And out of this, the INR60 crores is for the fuel cells clean energy business?
- Gunneswara Rao:** Around INR40 crores for the fuel cells and INR90 crores for oil and gas. So remaining for the multiple units, multiple sectors.
- Abhijeet Singh:** Right. And sir, what will be the peak revenue like once we ramp up our hot boxes capacity to 20,000 per annum. What will be the peak revenue that we can generate from this capacity?
- Srinivas Reddy:** We will not be able to disclose that. We cannot disclose that right now. We are under NDA, so we cannot disclose that.
- Abhijeet Singh:** Sure, sir. But just wanted to understand one thing. Sir, what is the -- is there going to be a realization impact on account of increased tariffs? So what is the kind of arrangement of the increased costs, who is going to absorb it and how will it work in terms of margins?
- Srinivas Reddy:** That I've already said. So that's why we took some time in Q2 to discuss all that, but we're not impacted by the tariffs. Our overall BOM costs compared to overall picture in Bloom is hardly less than single-digit percentage. So that's not really going to affect us at this time. And the tariffs come down is good for the customer as well. So that's where we are right now. We're not looking at a commodity kind of products to get worried about.
- Abhijeet Singh:** Right. Sir, on the nuclear side, apart from Kaiga-5 and 6, what are the potential pipeline in the next 3, 4, 5 years for different reactor products to that we can supply?
- Srinivas Reddy:** See, basically, let's talk about what we are -- what we are going to get right away. If nuclear -- we keep saying so many things, but as of now the most positive picture is that we should receive overall orders of INR800 crores this financial year, not only from Kai ga-5 and 6, but also from the refurbishment reactors. And then there's Mahi Banswara project there in four reactors, which are being done with NPCIL and NTPC.

So those will come into picture over the next 6 months. So there are progressively a number of projects which we are planning in the Nuclear division. So we can see it's not like in the past, but now we have seen the real situation happening in terms of these products getting cleared and to be executed pretty quickly. So that's how the whole situation has come to right now. So that's the reason why our Nuclear division will see a real exponential growth moving forward based on the kind of orders we are going to receive.

- Abhijeet Singh:** Right, sir. I was like referring to those Mahi Banswara and the Chutka I think the two...
- Srinivas Reddy:** Yes, Mahi Banswara is in the advanced stage. So those tenders will start coming in over the next 3 to 4 months or 5 months..
- Abhijeet Singh:** All right. And sir, just one related question on the SMR technology, are we going to participate in that or have you given any thought on these smaller reactors based on that SMR technology?
- Srinivas Reddy:** So we will when it comes to that. Right now, it's a discussions going on. So when it comes to that, obviously, MTAR will get involved in that.
- Abhijeet Singh:** Right sir. Thanks a lot. I will get back in queue.
- Moderator:** Thank you. The next question is from the line of Vinayak Kariwal from Xponent Tribe. Please go ahead.
- Vinayak Kariwal:** Hi, sir. Thank you for the opportunity. Sir, on the [inaudible 0:54:45] the product cost is going to go down in double digits, the [inaudible 0:54:55] cost is going to go down in double digits and also there was some data where I could say that your product cost has decreased over the time. So how much of a risk do you see the realization going on over the next in 2, 3 years?
- Srinivas Reddy:** No, can you repeat your question because your voice is little broken.
- Vinayak Kariwal:** Yes. So sir, just wanted to know, so on the Bloom call they are mentioned that their RM cost is going to go down in double digits. So going ahead, how big of a risk do you see that the RM cost -- the product realization going down over the next 2, 3 years?
- Srinivas Reddy:** See, the realization is not going to go down. See, the basic thing is the Tier 2 suppliers what we talk about, like for example, we (56:04) buy Inconel , we buy steel, we buy some bought out items. Lot of negotiations are going down to bring down those costs, right? So I don't see that we are going to really get affected in terms of the final product that they are producing for them. But input costs have to come down.
- So that's what they're looking at primarily in terms of -- see, our operating margins are at 40%. So 60% is a lot of scope for Bloom to reduce those costs as much as possible. So that's what they're working on right now. So that basically, I was a cost model where if the BOM cost comes down, we have proportionately adjust the price, other than that it will not affect our value-add or anything that we are going to do moving forward.

- Vinayak Kariwal:** Ultimately, you will get those price decreases from your suppliers, then you will pass on. So if do that then you are saying that you will be able to pass on, but if not then maybe your price realizations go down and maybe Bloom pushes you to bring down your prices because you are anyways getting high volumes from them like maybe \$200 million next year. So...
- Srinivas Reddy:** No, no, no. It's going to be hardly any marginal change, but what I'm trying to tell you is there's so much of requirement and the demand right now. Their primary focus is on the bill of materials that they are buying on their behalf, where they have to bring down those costs. So it's not that we've already informed Bloom during the tariff stage as well that we are doing our best in terms of our value add, but the main focus for them has to be on the input costs. So that's what they're looking at...
- Vinayak Kariwal:** Sure. And sir, I wanted to ask one, like one of the comparative question. How do you compare yourself with the competitors in Taiwan and India in terms of pricing and the product quality? I mean, how does if it wants to purchase between you three players, how does it choose, like, in terms of does price matters a lot or the diversification criteria is a big thing for them or there is a certain product quality, which is why the choose you and not the other two players?
- Srinivas Reddy:** See, there are a lot of factors which go into it. We have done a lot of innovation of various of the bought out items which are indigenized for them, which we're doing exclusively for them here, right? And in terms of quality, we have always adhered to the standard what Bloom wanted all the time. It's not necessarily the pricing all the time.
- It's about how you execute and how what kind of quality that we supply to the MNC customers. Are we on on-time deliveries, how we stand there. So we have been in the green all the time in terms of OTDs, and also the most important is the quality. So we have been always maintaining that. And that's why they're adding more and more wallet share into our system. And also, we are working with them on various other projects, right?
- For example, some products we are doing for them and the enclosures and all that stuff. So we are moving in the right direction with them. And -- it's not about competition. It's about how well we can do to ensure that our customer is extremely happy in terms of what we are delivering to them, so we primarily focus on that and nothing else.
- Vinayak Kariwal:** Sure, sir. And the last question would be, sir, if you could give me an idea. The ASP assemblies which we supply, how many ASP assembly go per box -- like per hot box? How many ASP assemblies go in passing the hot box? So I could like -- maybe we could understand how big ASP assemblies could get for you in the number of hot boxes increase.
- Srinivas Reddy:** Around 16.
- Vinayak Kariwal:** 16 ASP SMEs per hot box?
- Srinivas Reddy:** Yes.

- Vinayak Kariwal:** Okay. And sir, just..
- Srinivas Reddy:** I could add in this last question.
- Vinayak Kariwal:** So you said there would be no impact of tariffs. There is no impact on tariff on you. But so could we deduce from that, that even if the tariffs come down from here will be no material advantage for you?
- Srinivas Reddy:** Yes. See, the tariffs come down, it's fine, it's fine for the customer, right? As of now, I've said very clearly that in Q2 most of our time was in discussion about these tariffs and how to go about it and all that. And finally, we were very clear from our thought process that there is so much of demand for bloom right now. So basically, we said that there's nothing much we can do back in India.
- That's something which is external, and we will not be able to do much on them, because we are not a commodity kind of a product to worry about that, right? So we are very clear in that. So if we absorb the tariff then we don't stand a chance, so it doesn't make any sense. So that is something that the American companies have to figure it out.
- But hopefully, for them as well, the tariff has come down in India, probably November, December, hopefully, we should help them a lot. So that's where it is. So as far as we are concerned, we are clear about that aspect.
- Vinayak Kariwal:** That helps a lot, sir. Thank you so much.
- Moderator:** The next question is from the line of Nilesh Jain from Astute Investment Management Private Limited.
- Nilesh Jain:** My first question is on the nuclear side. Given that you are expecting orders on Kaiga-5 and -6 and also from the refurbishment orders. Whenever we get these orders, what would be the execution time line for these?
- Srinivas Reddy:** It depends on the package, right? It ranges from 1 year to 3 years, that's execution time. So if we're looking at INR800 crores, at the maximum few projects can go up to 3.5 years, but all this needs to be executed within the next 3-3.5 years.
- Nilesh Jain:** Okay. And given that we have strong capabilities on PSW. I wanted to understand on FBR and PWR. What would be MTR per reactor, what will be the opportunity we would have here?
- Srinivas Reddy:** See, the FBR reactors we have done -- we have entire 1 which has done it in kalpakkam right, so we have done that. Those reactors are still have to be get commissioned. So once they are commissioned, then they'll come up with the next batch of the reactors. So let's wait and see for that. We are not seeing -- once that is done, then we should be able to address that because we have done the core of the reactor for the FDR.

Nilesh Jain: My third question is on the product side. I wanted to understand the scaling and scope on the EMA and roller screws, like what can be the potential opportunity for both these two business in FY '27 onwards?

Srinivas Reddy: See, roller screws we're already qualified. It's only -- the Defense is taking a little time for their procedures for testing and all that. Probably it's a matter of time that they will clear it in this quarter itself. The for final analysis to be done, which I think my team is doing it right now. And EMAs we've already started supplying to them. So there is a lot of potential.

See, these are various products that we have developed and some -- in engineering, it takes some time to get qualified. They do a lot of testing, everything goes well and then they start placing orders and trying to take it in the requirements. So we are almost in the last stage of that situation right now.

Nilesh Jain: Okay. Sure, sir. And on the aerospace side, I wanted to understand scaling on IAI's side, IAI as a client and also other aerospace customers, given that we have seen good traction in this side of the business.

Srinivas Reddy: Absolutely, yes. In fact, I'm very excited about it because see, what we are trying to do, which all of you should understand is, apart from the fuel cell sector, we are really focusing on various other growth engines in MTAR, whether it is aerospace, oil and gas, nuclearspace, defense or whatever.

They are two multiple segments. So we are diversified. We have a diversified strong growth engines at every area. So Aerospace is one segment which we're really focusing upon primarily in exports, and we are doing a lot of first articles right now for IAI and we should complete hopefully all the first articles for the projects what they've given us by June of next year and then the volume production will start.

And we are also doing for American company called GKN. We have already done -- we're already into volume production for them after doing the first articles. Then they've given one more project to us, which we are doing the first articles right now. So a lot of -- see, there is more -- it's not that we are worried about the orders.

A lot of customers are coming in, but we are going step by step in terms of what we can actually capture and take it forward and then doing it in step by step manner. So we don't want to mess up with the existing customers and the new customers will come in with once we are free from all these first articles, we will move on to volume production, then it becomes a plug-and-play situation, right?

So that's what we are trying to do right now. So this is going to be a continuous process year-on-year basis, not only within the existing customers, but also adding the new customers.

Nilesh Jain: This business, if I look at some 5-year timeline, it has potential to go to INR100 crores to INR500 crores. Can we look at that picture?

- Srinivas Reddy:** Absolutely. You got right on target that our goal also is over the next 4 to 5 years, the aerospace business should easily be touching about INR500 crores, yes.
- Nilesh Jain:** And just last question is on the space side. We have been working on SSLV for almost more than 3 years now.
- Srinivas Reddy:** No, no, SSLV we've put a pause to it because we have so much on hand right now. And we didn't want to risk too much at this point of time in terms of a huge outlay of budget for that, which can be an issue in terms of our bottom line and the kind of money that we're going to spend on that.
- So they have taken a timely decision to put a hold on that and focus more on the areas where to strengthen all our growth engines first and then look at that at a later date. We're waiting and watching what's going to happen with the other companies also and we have got certain feedback that it's better to pause a little bit on that and move forward.
- Nilesh Jain:** And just a follow-up to that is on semi-cryo engine because there was some design change. Are we progressing on that or that has also been on pause?
- Srinivas Reddy:** Yes, we are progressing on that finally. We had one of the assemblies. There was a design change and not only the design change, but also we had some issues in terms of the brazing methods being used for one of the assemblies which is -- which has been resolved right now. So now we are progressing smoothly on that. So in all probability, beginning of next year, we should be able to report the first hardware of semi-cryo.
- Moderator:** Thank you. The next question is from the line of Mihir from TRUST Mutual Fund. Please go ahead.
- Mihir:** Sir, on the tariff side you mentioned that expecting given the cost of [inaudible 1:08:32]?
- Srinivas Reddy:** No, no, I can't hear you. You are echoing a lot. Can you...
- Mihir:** Is this audible now?
- Srinivas Reddy:** Yes, you are fine now. Please go ahead.
- Mihir:** Yes. Sure, sure. Sir, on the tariff side you mentioned, I mean, despite tariffs coming in, they will still be able to maintain the margins. Are we going to have a higher credit period for compensating the increase in tariff, which you said?
- Srinivas Reddy:** No, absolutely not. There's no change in our payment terms at all.
- Mihir:** Okay, understood.
- Srinivas Reddy:** It's the same as before.

Mihir: Understood. On Kaiga-5 and 6, what stage of awarding -- I mean, at what stage of process is it there currently? And who others are also there in evaluation for the component supply that we are going to be doing?

Srinivas Reddy: No, Kaiga-5 and 6 is already finalized. It's only the paperwork, which is spending. That's why I said it's a confirmed orders that they're going to get, most probably in this month itself, anytime this month. It can happen any time this month. So there is nobody -- everything has been done and it's only -- it's in the final stage of releasing the purchase orders. That's it.

Mihir: Understood. Sure. Sure. How is the fuel cell -- I mean the hot boxes fuel cell demand apart from Bloom Energy? I mean, which all customers -- are there any customers who are showing strong demand over here?

Srinivas Reddy: No. SOFC is, Bloom is the only company which does in the world, right? So we're working with them right now. So the demand is very high, as explained in earlier discussions as well. So the demand is much more than what we can actually take.

Mihir: Okay. Understood. Actually, there was a South Korean company also, which was trying over here, but that's not showing any traction at all?

Srinivas Reddy: **See,** South Korean company, Bloom is working with them, right? So you're getting confused there. South Korean company, Bloom is working with them as a joint venture.

Mihir: Understood. Sure. And just last question on the INR2,800 crores number that you mentioned. So this is after the execution, right, after the execution that you will do in FY '26?

Srinivas Reddy: Absolutely, that's what I meant. Closing order book means after execution. So INR2,800 crores is after execution.

Moderator: Thank you. Ladies and gentlemen, due to time constraints, we have reached the end of the question-and-answer session. I would now like to hand the conference over to management for closing remarks.

Srinivas Reddy: So, thank you all for saving your valuable time to participate in MTAR's earnings call. as I always mentioned, that we are right on track in terms of our growth, both in terms of revenue and margins.

And we have taken all steps required over the last couple of years to be where we are today and how we're going to move forward over the next 5 years. And it's a continuous process in MTAR. And you will see better and better performances moving forward based on the efforts that we have done over the last couple of years.

And I would like to thank once again for all the support from all the investors, shareholders of MTAR and also the fantastic contributions which are being done by the senior management of MTAR and all the employees of MTAR. Thank you so much.

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