

**ASTRA MICROWAVE PRODUCTS LIMITED**

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February 14, 2024

To
The General Manager
Department of Corporate Relations
BSE Limited
Sir Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai -400 001

To
The Vice President,
Listing Department
**The National Stock Exchange of
India Limited**
Exchange Plaza
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051

Scrip code: 532493

Scrip code: ASTRAMICRO

Dear Sir,

Sub: Conference call transcript.

We are sending herewith Conference call transcript held with analysts on 9th February, 2024.

The above information is also made available on the Company's website www.astramp.com.

Thanking you,

Yours faithfully,
For Astra Microwave Products Ltd

T.Anjaneyulu
G.M - Company Secretary

An ISO 9001, ISO 14001, ISO 45001 and ISO 27001 Certified Company

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“Astra Microwave Products Limited Q3 FY '24 Earnings Conference Call”

February 09, 2024

Disclaimer: E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 9th February 2024 will prevail

**MANAGEMENT: MR. S. G. REDDY – MANAGING DIRECTOR – ASTRA
MICROWAVE PRODUCTS LIMITED
DR. M.V. REDDY – JOINT MANAGING DIRECTOR –
ASTRA MICROWAVE PRODUCTS LIMITED**

**MR. ATIM KABRA – DIRECTOR - STRATEGY AND
BUSINESS DEVELOPMENT – ASTRA MICROWAVE
PRODUCTS LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to Astra Microwave Product Limited Q3 FY '24 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 the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

This conference call may contain forward-looking statements about the company which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

I now hand the conference over to Mr. S. G. Reddy, Managing Director. Thank you and over to you, sir.

S. G. Reddy: Thank you, Sagar, and good afternoon everyone. A warm welcome to all the participants for the post-results earning call of our company.

I am with my colleague, Mr. M V Reddy and Mr. Atim Kabra and SGA – our Investor Relations Advisors. The “Results” and “Investor Presentation” for Q3 and 9 months ended are uploaded on our company website and Stock Exchanges. I hope you had an opportunity to look at it.

To begin with, I would like to take out a minute and talk about macro industry level trends:

As we all have witnessed that there has been a remarkable upward trend in the defense industry which is fueled by the heightened government spending. the prevailing geopolitical environment and the commitment to fostering self-reliance and increasing exports has become the major driving force behind this growth.

Correspondingly, the Union Budget presented by the finance minister last week allocated 13% of the budgeting amounting to about Rs. 6.21 trillion to the Ministry of Defense for the fiscal 24-25. This is the highest budget allocation among all the ministries showcasing the importance placed by the government on strengthening our nation's defense capabilities.

This further generates multitude of new projects to equip armed forces with the cutting-edge and sophisticated technology, lethal weapons, fighter aircraft, ships, platforms, unmanned aerial vehicles, drones and other specialist vehicles and also to upgrade and modernize the existing aircraft. Further, DRDO is lending extensive support to the industry to make India a net defense exporter. The transfer of technology is a key initiative in this direction.

In this backdrop, Astra is strategically positioned to capture a large pie of this growing opportunity. Our organization is equipped with capabilities, deep domain expertise, years of

invaluable experience and an unwavering commitment to research and development coupled with our robust strategic framework. We are in a position at an advantage to explore and excel in the emerging opportunities.

To get into the specifics during the Quarter:

I am pleased to share with you that we have reported a good set of numbers for the quarter with the highest quarterly EBITDA and PAT. Our top line stood at about 230 crores with a 5% year-on-year growth as indicated in our previous guidance. Additionally, EBITDA margins came in at a healthy 29.1% and PAT margins surged up to 18.3%.

During the quarter, our domestic business contributed about 80% of the top line. Further, within the domestic business, defense has contributed to 72% of the top line. As a result, we have seen the surge in gross margins flowing through EBITDA margins.

Coming to our Order Book:

Our order wins continued to be healthy. We have booked about 256 crores worth of orders during the quarter, with the overall order book standing at 1,813 crores, implying book to bill at 2.24x. I wish to inform you that during the quarter, the company has responded to RFPs worth about 155 crores and expects to book about 200 plus crores of orders in Q4. With this, we should be able to achieve and surpass our order book guidance for the year.

In terms of the Sales:

We should be able to achieve around 860 to 890 crores for the whole year as against the target of 900 plus crores. However, we should be able to cross the bottom line target in terms of the PBT.

We are happy to inform you that we have a significant contribution in Akash-NG, which was successfully testified during the quota. This has the potential to give a steady revenue for the company in the coming future.

We are also happy to inform you that the company has decided to further expand its business and space segment by foraying into satellite integration, testing and launch its own next satellite in the next couple of years. Facilities for the same will be built at our existing Bangalore unit and we have budgeted to spend about 40 crores in the next 3 years.

For the coming year, we target to achieve about 1300 crores of order booking, a top line in the range of about 1,000 to 1,100 crores, with a PBT in the range of 16 to 18%.

With these remarks, now I hand it over to my colleague Mr. M. V. Reddy to share his thoughts and later on to Mr. Atim Kabra. Thank you.

M. V. Reddy:

Thank you. Good afternoon everyone.

As Mr. S. G. R. had mentioned, our overall performance in Q3 was at par with the guidance given in the previous quarter ending call.

We have booked 256 crores worth of orders in the last quarter, that is Q3, which constitutes 161 crores from the domestic segment and 95 crores export orders. In the domestic market, we booked 136 crores from radar, which is our main focus area, 16 crores from EW and Defense Communications segment and 9 crores from space and metrology sector.

Also pleased to inform you that we won close to 66 crores worth of development contracts from various DRDO and ISRO labs. Overall, we have booked 830 crores in FY '24 as of 31st December and that results to be close to the 1,813 Crores as a total overall order book as of 31st December and expect to book a minimum of 230 crores less in the current quarter. We have bright visibility to book 1,300 crores worth of orders in FY '25. Majority of them are production orders from domestic segment.

As regard to sales, except couple of R&D projects which we slipped out of production in last quarter, we have ramped up our domestic sales and will further get improved in coming quarters to achieve 1,000 crores plus landmark in FY '25.

We are also delighted to inform you that our JV company, ARC has recorded splendid performance both in terms of order book as well as sales. With 395 crores orders booked in the current year, ARC has a backlog of 547 crores as on 31st December 23. Also we could register sales of 150 crores in 9 months period and planning to book 92 crores revenue in Q4. And we have clear visibility to book 900 crores plus orders in next three quarters.

Going forward we have a very good visibility to maintain sustainable growth with the opportunities emerging in the domain of our operations.

That's all from my side. Would like to be happy to answer your questions. Now I will hand it over to Mr. Atim Kabra to share his thoughts. Thank you.

Atim Kabra:

Good afternoon everybody. I will start with an observation. The legacy of the Second World War which nearly 80 years ago still defines the strategic vision of wars. Though it has been seriously rewritten as war is increasingly being shaped by technology and that's where we fit in. And within that unmanned and within this overall space, the unmanned weapon system, they have changed the very paradigm of how wars were fought. With the new unmanned weapon systems being very cheap and highly effective, with delivery mechanisms ranging from the vehicles to the sky, to the sea, and they allow not only real-time intelligence but also adjustments to fire around the clock without pause with high precision while striking both in the front line as well as behind the enemy line.

Now if I combine this capability with digital field creation, radio electronics, environmental control and cyber offense, basically technology driven war is reinforcing superiority over traditional ways of warfare.

In our opinion, therefore, countering these unmanned systems will be a big opportunity on a global scale. And Astra is very hopeful of demonstrating its first anti-drone system next quarter. We are taking a systems integrated approach here with skill features being incorporated, with skill features being incorporated, I would say around our main capability, which is identifying and tracking base radar. Work is already on within the company for the next version of the anti-drone systems with much upgraded feature sets. So, we hope that this capability will be a big driver for us for going forward.

Beyond the skies, as S. G. mentioned, we expect space to be equally critical in times of wars as well as in times of peace. Communication payloads, signal controls, reconnaissance capabilities, high-end optics, hyper spectral cameras, they will all find uses in agriculture, Internet penetration on a wider scale, effective communications, remote sensing as well as warfare. So, nano satellites with custom usage to micro and large satellites will be a big market at scale.

As S. G. mentioned, I am glad to share that Astra's Board has decided to focus on satellite space in a significant manner. As you are already aware, Astra has a sizable order book in the space segment, and we have been providing a significant portion of the communication systems used in our three satellites.

We intend to offer complete satellite systems right from, hopefully, the design capability to satellite bus, to the command, control, preloads, all under one group. And as we see, we are being joined by senior experienced professionals who have been involved in satellite building since long. We intend partnering with companies, both local and overseas, offering supplementary skill sets and intent being a one-stop shop for all things satellite.

Towards this, budgets have been allocated and a new 100% owned subsidiary has been incorporated as space technology is limited. We expect this new business line to start contributing to our numbers in a span of two years plus. We will share more as the plans are to fly further. We, personally speaking, are all very excited by the growth prospects and our ability to be a significant player in space, building on top of our capabilities.

We keep testing upon a few other initiatives, taking concrete space with a concrete shape at this point in time. We have identified a few potential acquisitions that will fill the gaps in our skill portfolio and augment our capability to emerge as a systems entity. We hope to complement the first such transaction over the next few months. So, please look at this space for some more news on this area.

The other area for growth where we intend to build up significantly on our core capabilities is our in-house MMIC division. As we are well aware, Astra is one of the few companies that has in-house MMIC design capabilities, which have helped us innovate and build newer products with newer and different form factors. We intend to scale up this business line significantly in the global marketplace by leveraging our MMIC design capabilities.

We are also evaluating our various ongoing next generation initiatives in line with their CAPEX requirements and the timeline needed to translate the effort into meaningful numbers that can positively impact our bottom line. And this is an ongoing process, but it has taken slightly more vigorous shape at this point in time. Efforts are being made to look at these programs where the bottom line, in fact, can be very tangible in a defined time frame and prioritize a few programs while others will see a pushback unless we can quantify their impact on our profitability in a defined time frame.

Lastly, all this vision and growth as exhibited in the numbers will not be possible without the wholesome participation of the entire Astra family. Efforts are being devoted towards training our workforce, upskilling them, equipping them with newer skillsets and ensuring that Astra becomes a place where the professional vision of our employees finds fulfillment in an environment that challenges the employees to reach newer heights and also provides them the platform to deliver on them.

We can address these issues in detail as we go about, but happy to hand it over to back to the floor.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Amit Dixit from ICICI. Please go ahead.

Amit Dixit: I have two questions. The first one is on the EBITDA margin in this quarter. So, if I look at EBITDA margin, it is very healthy, possibly the highest EBITDA margin ever. Now it has a very low proportion of exports, only at 20% and of course, the space execution has picked up significantly in this quarter. So, just wanted to get an understanding of what is the proportion of exports is that we can expect in FY '25. Will it be closer to 20, 30 or I mean, higher than that, and also the space execution if you could highlight? That is the first question.

I have the second question. I can ask it together. So, in the last call, you indicated that, you know, the final trials of SDR are scheduled in January and February. So, just wanted to get an update on that. These are the two questions.

Management: SDR. I think the final trials of SDR are pushed to June, July, but things are moving positively. Coming back to the first question, in terms of the proportion of export sales in the next year projections, I think export sales will be close to about 20% to 25%.

Amit Dixit: So, that means this kind of margin that we have made this quarter 28 and 28.5 or something, that margin could be maintained, or we should expect it to come down a bit?

Management: We should be able to maintain in a one-year cycle. Quarter-on-quarter, I do not want to comment, but we should be able to maintain this on a yearly basis.

Amit Dixit: No, I am asking only on a yearly basis. So, we should be able to maintain.

Management: Yes, we should be able to maintain. Yes.

Moderator: Thank you. The next question is from the line of Niraj Mansingka from White Pine Investment Management. Please go ahead.

Niraj Mansingka: Sir, just wanted to know on the Sukhoi upgrade, what is the status and how, yes, just wanted to know that. The question is on the Sukhoi MKI upgrade, what is the status of the government and again, how many players are competing for that?

Management: In fact, the status is the same like what we mentioned in the earning call that the upgrades, you know, the DRDO is planning to upgrade both radar and EW suit. Towards that they started releasing some subsystems in EW suit and whereas radar they are ready to finalize the configuration. Hopefully, they finalize in the next couple of months' time frame and once they get this thing, probably they will start floating tenders.

Niraj Mansingka: But sir, has the radar supplier been confirmed or is it again yet to be decided by the government?

Management: So, the information what we have is basically in principle they have given clearance to DRDO to build the radar and budget is yet to be allocated I guess, but as such, you know, the configuration is being finalized at DRDO. So, not sure exactly how they are proceeding it, but as of now DRDO is trying to build the radar and they will try to identify industry partner to do that.

Niraj Mansingka: And how many players do you think would be competing on this and will this be a transfer of technology, or will it be just a showcase of technology for players?

Management: I said you know this is too early to comment on that and unless they finalize the configuration, we cannot comment on this. As far as the industry is concerned, as you know, there are about two to three industries in this race and more may come. It all depends on what kind of configuration DRDO finalizes.

Niraj Mansingka: And last question on the timeline. Any thoughts of yours when it should be decided by the government? Any timeline thoughts you have that when the government should be deciding or when do you think is the ultimate timeline decision should be made?

Management: We don't have any information on this.

Moderator: The next question is from the line of Santanu Chatterjee from Mount Intra Finance Private Limited. Please go ahead.

Santanu Chatterjee: My first question is on, sir, major opportunities on your different platforms which you have already depicted in your quarter 2 presentation, but strangely this time around that in this latest presentation it is missing. In different platforms you have depicted in FY '24 major opportunity size is more or less 4,000 crore. 2,060 crore is from radar segment and 2,000 crore from the system itself. Can you explain, sir, or can you give some kind of guidance that what is the

present status of those orders or when this kind of opportunities from different platforms get converted into the form orders?

Management:

Yes, there are various platforms which we indicated in the presentation. I am not sure whether it was included or not this time, but you know, it is the same as the last quarter, not much of change. We have our presence in Uttam, which is going for production. As you know, HAL is producing radars. 50% of the quantity we have marked for the indigenous version that is Uttam wherein we are supplying AAAU.

And then second is the upgradation or LCA Mark 1. That is LCA Mark 2 also DRDO is planning to go for radar. In that also, we are likely to compete with other players. As one gentleman mentioned, about Su-30 is also coming out in near future wherein we have to compete with other industry players for the radar and EW segments. And in LCA Mark 1, we are also there in ASPJ pod jammer wherein we are the only source as of now for that pod unit. In that, we are supplying AATRU.

And other platforms like AWC, which we have mentioned, AWC, which you know two programs have been sanctioned. One is called Mark 2 and another one is Mark 1A. We are there in both the platforms, we supplied originally the sub-systems for Mark 1 about 5 years back. Now Mark 1 is also being sanctioned. So, we are likely to expect a good amount of business from that.

Similarly Mark 2, DRDO is finalizing the configuration soon. So, there we have a competition. We have to compete with other players. It all depends like, you know, how these tenders get results. But otherwise, we have good opportunities for us to work on this domain.

And in the ground segment, we have various platforms like weapon locating radar and also TLR, which is a radar for the Akash version. And also, we are working for like QSM, and then other major programs called like you know, Akash-NG. These are all other programs which we have been supporting BEL.

Then coming to the missile platforms, we are there in Akash and then Akash-NG as well as Akash Prime, then Astra missile and also in QSM, Akash-NG missile. In all these missiles we have subsystems. And as far as EW is concerned, we are there in more or less in, you know, many platforms which BEL is being produced like Shakti, Himshakti, Dharashakti, Varuna. All these platforms we have been supplying subsystems. And yes, that's all. These are the major programs in the defense sector.

In space, we have our products for RSH which are in production right now. And we are expecting repeats for similar payloads in the near future. And apart from that, we are building our own satellite, you know, payloads as well as in the satellites to address this particular market segment.

And in metrology, we supply automatic weather station and as well as remote terminals. These are all major projects which we have been supplying to IMD and all. The other one which we have not covered is Doppler weather radar, which we supplied to IMD and also ISRO. We are working in various frequency bands. So, far more than 15 have been installed and commissioned. Yes, these are all some of the major programs which I think we have highlighted in last earning call.

Santanu Chatterjee: Thanks a lot for your elaborate information about those programs. But what I am looking for, sir, in FY '24, you have given a specific timeline that within FY '24, what kind of major opportunities can emerge from those sectors. Like, you have mentioned over there that from BEL, Arudhra, medium power radar or from DRDO, long-range radar, LRSM radar. And as you have mentioned right now, AEW&C, 11 airborne early warning and control radars. The order you have envisaged to the tune of 2,060 crore within FY '24. So, I am actually asking that what is the present status and whether you are getting those orders and how much is actually convertible into the form orders?

Management: Yes, again it is that 2,000 crores or less. As I mentioned, we are likely to book 1,300 crores worth of orders for FY '25 and which covers Arudhra, then AEW&C program and also the long range radar, which we are trying to get from DRDO.

Santanu Chatterjee: And another last one. And sir, from system itself, you have also mentioned over there that from Indian Armed Forces, you were envisaging a more or less 2,000 crore order in program like counter unmanned aerial system. What is the current status of that program, sir?

Management: Yes, as Mr. Atim Kabra had mentioned in the initial remarks that our counter drone radar is almost ready, and the internal trials are going on. We are likely to launch this product in the next quarter. We have form RFDs, RFIs on hand and most likely by FY '26, we may conclude some of the contracts for this particular system.

Moderator: Thank you. The next question is from the line of Abhijit Mitra from Aionios Alpha Investment Management. Please go ahead.

Abhijit Mitra: I have a couple of questions. First of all, regarding the AEW&C Mark 1A, I think next week is expected AON. So, what can be the potential order value that you will be bidding for, or will this be a straight or this will be like a nomination tender for you?

Management: We don't want to comment at this stage in this forum, Mr. Abhijit. I think, this is a bit confidential. So, we wanted to keep this information with us.

Abhijit Mitra: No worries. And 1,300 crores of order inflow guidance for FY '25, you mentioned 3 projects. Those 3 projects will be like what 60-70% of the total 1,300 crores or it is like a long tail, or I mean?

Management: Yes, actually out of 1,300 crores, close to 1,000 crores from these major programs, defense and electronic warfare put together and the rest is from space and metrology sector.

Abhijit Mitra: And just to understand the revenue guidance of 1,000 to 1,100 crores, what kind of execution are you factoring in, in terms of projects? Which are the major projects which you feel?

Management: Yes, FY '25, as we have given guidance of 1,000 to 1,100 crores, in that the major projects is like one is that Arudhra, we have taken one 20% of the contract for the execution and the other programs which we already have orders on hand, that contains subsystems for various programs and also a few radars like, HiSAR, ADS radar, MRTR, these are all contracts which we already received in this current year and then which are in the execution phase.

So, similarly in electronic warfare, we have received close to about 150 crores worth of orders which we are going to execute in the next financial year. Similarly in the telemetry missile, about 140 crores. In exports front, I think close to 150 crores we are planning to execute in the next financial year.

Abhijit Mitra: Sorry, I missed your last statement. In the air force, you mentioned what? Sorry.

Management: Exports 250 crores plus.

Abhijit Mitra: 250 crores. Got it. Also, just to understand, you raised money in May and June. So, why have interest costs gone up in this quarter?

Management: Basically, you know, you have to look at the break up for that. It is not entirely the expenditure incurred on interest. There is another accounting treatment as per the accounting standards. The advances received from the customers, if they are outstanding for more than one year, we have to make a provisional entry in the books of accounts as interest payable to interest payable and advances and credit to a deferred revenue account, which is required as per the accounting standards. That entry constitutes about 9 crores out of the 10 crores or 20 crores whatever is there. Otherwise, my interest costs for the working capital borrowings should actually come down compared to the corresponding quarter of the previous year.

Abhijit Mitra: And the increase that you have applied in the advances because of some slow moving orders or?

Management: No, no. See, there is an accounting standard where if the advances from the customers is outstanding beyond 12 months period, then we have to make a notional entry in the books of accounts. We have advances received both from the export orders and also a couple of DRDO labs and SAC. So, those advances are outstanding for more than one year. Though as per the contract we are not liable to pay, as per the accounting standards, it is mandatory. And hence a notional entry is booked in the books of accounts.

Management: There will be a reversal eventually.

Management: Reversal as and when the contracts are executed, and the advance is nullified.

Abhijit Mitra: And this will be a recurring picture from now on or what kind of provision yearly that you are looking for? 9, 10 crores yearly provision or?

Management: It all depends what kind of advances are going to outstanding the books of accounts. We have to wait and see.

Abhijit Mitra: Last question. Any supply chain challenges which you are facing now which might impact the margin profile or execution next year you feel?

Management: Little bit, little bit are there, one or two critical thoughts, but otherwise, to a large extent, it got resolved.

Abhijit Mitra: So, those Gallium Nitride and all those things have not started to materialize in a way which could impact?

Management: No, no, there is not any impact.

Moderator: The next question is from the line of Ketan Gandhi from Gandhi Securities. Please go ahead.

Ketan Gandhi: In opening remarks, you said something about satellite integration. Can you please throw some more light on that, exactly what we are planning to do there?

Management: We are building a satellite for the Earth observation satellite, based on a particular requirement. And there, in fact, the payloads for that particular satellite is being already made by our space unit in Hyderabad. This new facility, which we have initiated in Bangalore, is going to be an integration of the complete satellite. So, that addresses the Earth observation satellite and also in the future, all kind of a communication satellite we are planning to build in that particular facility.

Ketan Gandhi: So, more or less, we will be in the role of system integrator. Is it my understanding right or we are into subsystems in there?

Management: We are basically a system integrator, and we are building our own system using our subsystems. Whatever payloads we have been developing for ISRO, using that we are trying to build our own satellite and we are going to supply it to the users. We are not going to operate, and we are not going to emerge as the operator. We are only going to build, against contracts, we are going to build satellites.

Ketan Gandhi: And sir, in Akash-NG program, what value addition we are doing? Is it the seeker or some kind of microbial subsystems apart from the older version?

Management: See, this Akash-NG seeker is DRDO designed seeker, wherein BEL, I think they are manufacturing it. We have components in that, micro components. Apart from that, we have one more component which is going to replace the imported transmitter. So, that is one of the major subsystems which has flown in the recent trials, and which was testified successfully.

- Ketan Gandhi:** So, we are alone there, right? Nobody, no competition there.
- Management:** We have one more player, one more player here. As of now, we have one more company is there.
- Moderator:** Thank you. Our next question is from Abhishek Poddar from HDFC Mutual Fund. Please go ahead.
- Abhishek Poddar:** Sir, if you could elaborate more on the LCA Mark 2, whether we will be involved in the design phase itself or our role will come later on?
- Management:** Well, I think DRDO will design the radar and then after that, I think we will start participating in that program.
- Abhishek Poddar:** So, we would get a production order. We would not get a development order. Like that, is it?
- Management:** Yes, actually the development orders, like, you know, also gets a development contract and get production orders.
- Abhishek Poddar:** And we would be competing to even get that development order. So, how many players would be there and what are the scope of work that we could be getting?
- Management:** Right now, I can't comment how many companies are going to compete in this, but yes, definitely we have a competitive edge compared to the others, as we have been involved in this similar class of radars and all. But beyond that, I am not in a position, I cannot tell you about how many companies are going to compete in this.
- Abhishek Poddar:** And sir, there was a big AON which was, you know, DAC had approved in November like it was 2.3 lakh crore and there was a new scope which was included, let's say, 97 LCA Mark 1 probably is new. So, if I look at the presentation in terms of opportunity size, which you had shown about 7,000 crores till 2028, shouldn't we assume that that should also increase because of the new AONs coming in? How to think about that?
- Management:** Yes, actually, to be frank, yes, when we are given that figure, overall figure, this 97 was not included and this 97, like, you know, it's the additional thing for the 7,000 crores what we have mentioned. But at the same time, if you look at some of the programs are likely to get delayed beyond FY '28. So, we are taking it as a buffer for that.
- Abhishek Poddar:** And when you share that presentation, you mean that the total potential is 25, where our mandate could be 7,000 or so? So, in the presentation, when you are showing the market potential for your products till 28, there are two slides, one shows 24,000-25,000 crores as the total opportunity and another is 7-7,500 crores. So, your sense there is that the total market size would be 25 or so and your wins could be about 7,000 or all.

- Management:** Yes. So, this total addressable market is around 25,000 crores what we indicated and again is that, you know, we are likely in that we have mentioned about some of them are interoperability in nature and some of them are in limited competition and few of them are in open competition. So, in all three categories put together, we have given about 8,000 crores around order pipeline, order book for this next four years timeframe.
- Abhishek Poddar:** And sir, in Brahmos, would you be present anywhere like in seekers or transmitters, you know?
- Management:** No, we are not in Brahmos seekers. Only telemetry we are there in Brahmos, which is, of course, the quantities are very less as compared to the seekers, but telemetry we have been supplying and there is another product called Altimeter, which they were importing all along. Now this recently our product has been tested in lab and I think soon they will go for flight test. Once it gets approved, I think we will have a good number of Altimeters for future production.
- Abhishek Poddar:** And just on the margins, last question for me. Your EBITDA margins are about 29 and PBT is about 24. So, when you said next year is 15 to 18, this quarter would have something exceptional in 28% EBITDA margin. I missed it if you have already answered it, sorry.
- Management:** See, you know, these margin movements on quarterly basis is very dynamic. It all depends on the specific products that are being executed in that particular quarter. Therefore, on a yearly basis, what we have mentioned is about 16 to 18% that PBT levels.
- Abhishek Poddar:** And that would assume the export mix at 20-25%?
- Management:** Yes.
- Moderator:** Thank you. The next question is from the line of Niraj Mansingka from White Pine Investment Management. Please go ahead.
- Niraj Mansingka:** Sir, what role would we be playing in AWACS project for the government?
- Management:** What is our role in AWACS program?
- Management:** Well, we supplied, you know, RF and microwave components in the AWC program for the primary radar, like TR multimodule unit, antenna beam forming unit. These are all few products which we have supplied for the AWACS program in the past. And the next program also, you know, we are there in the race.
- Niraj Mansingka:** Any thoughts on what is the size of that next program and when can it be implemented?
- Management:** Well, it's not in our hands, though the project was sanctioned long time back and AWC Mark 2 RFBs will be out soon. I think that's what we expect from DRDO. And then Mark 1A, I think, may take another year time frame.

- Niraj Mansingka:** But, sir, in the AWACS, has the government finalized how many they will make, or it is just not clear right now?
- Management:** No, it's clear that actually Mark 1A, I think, is about six numbers have been cleared and I think they are going ahead.
- Niraj Mansingka:** But that order is not yet out, right?
- Management:** Orders are not out.
- Niraj Mansingka:** So, how many players would be competing for that in the AWACS components?
- Management:** See, let's not get into too much of specifics, but as I said, we are into primary radar subsystems, as well as we have few subsystems for the secondary radar. So, overall, our contribution in the radar segment would be around 40 to 45%.
- Moderator:** Thank you. The next question is from the line of Vipulkumar A. Shah from Sumangal Investment. Please go ahead.
- Vipulkumar A. Shah:** So, just one clarification. Our order book is inclusive of our joint venture with Rafael or that order is not included in it?
- Management:** Which order book you are referring? That 1,813 crores which we have mentioned is stand-alone.
- Vipulkumar A. Shah:** Yes, it is standalone, or it is inclusive of our joint venture?
- Management:** Yes, it is standalone.
- Management:** No, no, it is standalone.
- Vipulkumar A. Shah:** So, what is the order book of our joint venture with Rafale?
- Management:** It is about 540 crores for joint venture.
- Vipulkumar A. Shah:** It is a 50-50 joint venture, right, sir?
- Management:** Yes.
- Vipulkumar A. Shah:** And sir, my second question is regarding the BTP versus BTS. So, can you comment on the margins in both the segments and what is our revenue share in terms of percentage from both segments?
- Management:** See, in BTS usually this is the main area for our operations where we take the business from the users like DRDO and other labs to develop the subsystems and all. So, that is the BTS

which we have been working for the last 30 years right from components to the systems. And whereas in BTP, we are taking up these orders to fulfill the offset obligations from the foreign players.

And in BTS case, usually our margins depends like competition and also based on the business volumes and size of the business. So, usually it operates between we work with 40-45% and whereas in BTP, again, we have got two categories in that. One category is where we have a more value addition, which includes the debugging of failures and kind of a thing. And the other one is pure like assembly and testing area where we have low margins. There value addition is less. But in the other category of BTP which we have been working where the margins are little higher is about 20-25%.

Vipulkumar A. Shah: So, in our revenue share, what should be the percentage of BTS and what should be the percentage of BTP?

Management: Now, actually, this next year FY '25, as we mentioned, our overall exports would be around 22-23% around that. And in that, the BTP will be close to 18%.

Vipulkumar A. Shah: So, domestic is 100% BTS?

Management: Yes, domestic is 100% BTS.

Moderator: Thank you. The next question is from the line of Colonel Sarjeet Yadav from Mount Intra Finance Private Limited. Please go ahead.

Col. Sarjeet Yadav: Just one question, in case you can give some color on the space opportunity. As I understand that as of nowadays, one product which is a SAR payload, any other opportunity we see? And in how much time do we see it getting commercialized? This is the question, sir.

Management: Well, we are working on that SAR payload. We got technology transfer from ISRO, and we are trying to build payload based on the technology. Right now it is in the optimization phase. May take two more years for us to build this particular payload and to offer to the radar imaging satellite programs.

Col. Sarjeet Yadav: So, any other product in this space segment that which we are targeting, sir?

Management: Yes we have a few clients who are working over this kind of remote sensing satellites. We have been discussing with them. So, I think, probably, we are in a position to offer a solution to them.

Moderator: Thank you. As there are no further questions from the participants, I would now like to hand the conference over to the management for closing comments.

S. G. Reddy: Thank you, gentlemen, for your participation, and I look forward to see you again at the end of the fourth quarter. Thank you very much.

Moderator: Thank you. On behalf of Astra Microwave Products Limited, that concludes this conference.
Thank you for joining us. You may now disconnect your lines.