Amprius Technologies
Second Quarter 2025 Earnings Conference Call
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Presenters
Kang Sun, CEO
Tom Stepien, President
Sandra Wallach, CFO

Q&A Participants
Colin Rusch - Oppenheimer
Mark Shooter - William Blair
Chip Moore - ROTH
Derek Soderberg - Cantor Fitzgerald
Ryan Pfingst - B. Riley Securities
Amit Dayal - H.C. Wainwright
Ted Jackson - Northland Capital Markets

Operator
Good afternoon. Welcome to the Amprius Technologies Second Quarter 2025 Earnings Conference Call. Joining us for today's presentation are the company's CEO, Dr. Kang Sun, President, Tom Stepien; and CFO, Sandra Wallach. At this time, all participants are in listen-only mode. Following managements remarks, we will open the call for questions.

Please note that this presentation contains forward-looking statements, including, but not limited to, statements regarding our financial and business performance, our business strategy, future product development or commercialization, new customer adoption and new applications, our growth and the growth of the markets in which we operate and the timing and ability of Amprius to expand its manufacturing capacity, skilled business and achieve a sustainable cost structure.

These statements involve known and unknown risks, uncertainties and other important factors that may cause Amprius' results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in such forward-looking statements. For a more complete discussion of these risks and uncertainties, please refer to Amprius' filings with the Securities and Exchange Commission.

Finally, I would like to remind everyone that this conference call is being webcasted and a recording you made available for replay on the company's Investor Relations website at ir.amprius.com. In addition to the webcast, the company has posted a shareholder letter that accompanies these results, which can also be found on the Investor Relations website.

I'll now turn the call over to Amprius Technologies CEO, Dr. Kang Sun, for his comments. Sir, please proceed.

Kang Sun
Welcome, everyone, and thank you for joining us this afternoon. On today's call, I will give you an overview of our business and then our President, Thomas Stepien, will recap our Q2 performance and our recent accomplishments. After that, our CFO, Sandra Wallach, will discuss our financial results for the period. Then I will share some closing remarks before opening the call for questions. Let's begin.

For those who may be new to our company, I would like to briefly introduce Amprius. Amprius is a pioneer and leader in the silicon anode battery space with over decades of development experience and a long track record of commercial shipments and customer achievements. At Amprius, we develop, manufacture and market high energy density and high power density silicon anode battery with applications across all segments of electrical mobility, including aviation and the lead electrical vehicle industries.

Today, Amprius has the most complete commercially available portfolio of silicon anode material systems in the industry and commands performance leadership with its combination of the battery energy density, power density, charging time, operating temperature range and the safety. Across our battery portfolio, we believe that we offer unmatched performance among the commercially available batteries.

Amprius has been delivering commercial battery to the market with up to 450 watt hour per kilo and 1,150 watt hour per liter, 10C power capability and extreme fast charge rates of 0% to 80% state of charge in approximately six minutes. The ability to operate in a wide temperature range of minus 30 degrees Celsius up to 55 degrees Celsius and safety design features that enable us to pass the United States military's benchmark nail penetration test.

Each of these performance parameters is critically important to real-world electric mobility applications. Not only do our battery empower certain drones, satellites and vehicles to maximize performance, but they also enable our customers to achieve their economic targets as well.

In addition, Amprius has developed a 500-watt hour per kilo and a 1,300 watt hour per liter battery platform that has been validated by independent third-party. It is our belief that there are no other commercial batteries on the market that can perform at these levels today. In the second quarter, Amprius continued to demonstrate technological innovation and drive business growth. We believe we are successfully executing our strategy to transform electrical mobility with our game-changing performance.

With that overview complete, I will now turn the call over to our President, Tom Stepien, to recap the highlights from our record quarter. Tom?

Tom Stepien
Thank you, Kang. In the second quarter, we built on our momentum from the start of the year, and we believe we have improved in all key business areas. Specifically, we released compelling new products, engaged with additional customers and continued to expand our operations.

Let's start with product updates. Innovative technologies and breakthrough product performance are the foundations of Amprius' business. Since debuting our SiCore product platform in January 2024, we have relentlessly pushed the limits of lithium-ion performance. This April, we introduced SA102, the first SiCore cell to reach 450 watt hours per kilogram, a record-setting energy density, 73% higher than the typical 260 watt hours per kilogram of conventional batteries used in electric vehicles and power tools.

Built around a high-capacity silicon anode, this is where the SA prefix comes from, and about the size of a standard teabag, SA102 is produced on our California pilot line and is already winning strong customer praise for the significant endurance boost it gives mission-critical unmanned autonomous vehicles, commonly referred to as drones. With global drone demand accelerating, SA102 cements Amprius' position at the forefront of this market.

In order to deliver SiCore samples to our customers quickly and expedite their qualification process, we've expanded production at our pilot line in Fremont, California. As prospective customers move through the qualification process and request high-volume orders, we then deliver through our existing contract manufacturing partners. So far in 2025, we have shipped the cells to several industry-leading global drone companies.

In May, we announced that AALTO, a subsidiary of Airbus, set a new record for their loitering drone, which flew for 67 days without interruption. AALTO's Zephyr is a solar-powered loitering vehicle that operates around 70,000 feet, approximately twice the altitude of commercial airplanes.

During daylight, solar powers the motors and channels surplus energy to charge Amprius cells. At night, Zephyr draws stored energy to remain aloft. Our high-capacity silicon anode batteries deliver dependable overnight power, enabling continuous flight for more than two months and stand as a critical pillar of the mission's success.

During Q2, we've added dozens of new customers. We recently announced that Amprius was selected by Amazon to participate in their inaugural cohort as a part of the Amazon Devices Climate Tech Accelerator. This program supports companies developing technologies that could help reduce the carbon footprint of Amazon's devices and operations. This is a recent development, and this selection provides us with a valuable opportunity to engage with Amazon's technical and sustainability teams that work on millions of devices worldwide. We are excited about the opportunity to explore how our cells could provide more efficient energy solutions in their industrial, consumer electronics and mobility-focused platforms.

In Q2, we shipped batteries to 93 customers, 43 of whom are new to the Amprius platform. The remaining 50 are repeat customers, including several of our long-time strategic partners such as AALTO Airbus, BAE Systems and the U.S. Army. Thanks to our breakthrough energy performance and ample production capability, we attracted new customers and generated $26.4 million in revenue during the first half of this year, already surpassing our full year 2024 total of $24.2 million.

Q2 revenue totaled $15.1 million, a 34% increase from the first quarter and up 350% from Q2 2024. This strong growth was primarily driven by a greater than 450% increase in SiCore shipments over Q2 2024. SiCore is a proprietary silicon anode that uses standard lithium-ion processing equipment and is gross margin positive, enabling us to report positive gross margin for the first time. Sandra will provide more context here when she reviews our financial highlights next.

In Q2, we diversified our customer base; 86% of our revenue came from outside the United States on a ship-to basis, an increase from 60% in Q2 2024. Customer diversification helped enable steady growth in a generally uncertain domestic and international macroeconomic environment. In Q2, over 90% of our revenue came from the aviation sector, driven by an increase and ongoing strength in the drone market. We are enjoying increased market adoption and a more favorable policy stance from the U.S. government that creates new opportunities for innovation and deployment. The remainder of our Q2 revenue was primarily derived from the light electric vehicle sector, which remains healthy but has a lumpier profile due to our customers' varying product introduction cycles. The LEV market tends to have short design-in cycles, and we believe our drop-in replacement batteries can help us succeed in gaining market share in this growing market.

To support customer demand we are seeing in our core markets, we have continued to work closely with our current contract manufacturers. We are also opportunistically sourcing additional partners to provide us with greater geographic diversification and operating flexibility. In May, we announced a contract manufacturing agreement with a leading battery manufacturer in South Korea. This new partnership expands our physical manufacturing footprint and allows us to serve additional customers with specific geographic supply chain requirements. The facility is currently ramping up and is expected to produce Amprius cells shortly.

We are off to a rapid start in Q3. As we announced in July, we initiated shipping cells to customers from our Fremont, California pilot line for testing. So far, five customers have received the new SiCore cells. Our pilot line allows us to rapidly develop and prototype new batteries quickly and to deliver them to key strategic customers who have specific design requirements. We are seeing an increase in demand for drone technologies following the June 2025 U.S. executive order promoting domestic drone manufacturing and the July Department of Defense directive prioritizing U.S.-made drones for procurement.

U.S. Secretary of Defense, Hegseth wrote that small drones, “Resemble munitions more than high-end airplanes. They should be cheap, rapidly replaceable and categorized as consumables". We expect these policy actions will accelerate adoption time lines and open new opportunities across both the defense and commercial sectors.

Amprius has operated in this sector for seven years, and we believe we enjoy a first-mover advantage. Here is one specific example. AV, formerly known as AeroVironment, is a designer and manufacturer of small drones used by the U.S. military. This quarter, we delivered sample cells as part of the xTechPrime U.S. Army grant program. These cells extended state-of-the-art performance, clocking in with an average energy density of 517 watt hours per kilogram. Higher energy density delivers tremendous customer value, notably longer flight time and/or additional payloads. In summary, the first half of 2025 has been strong, and now our focus is on maintaining that momentum through consistent execution in the second half.

I'll now turn over the call to our CFO, Sandra Wallach, to review our financial results.

Sandra Wallach
Thank you, Tom. I would now like to spend a few minutes covering some key financial updates. As a reminder, our detailed financials can be found in our shareholder letter. As previously noted, we ended the second quarter with $15.1 million in total revenue. Our total revenue is a combination of our main revenue streams, product revenue as well as development services and grant revenue.

This quarter, product revenue contributed $14.5 million to total revenue, representing a $3.6 million or a 32% increase sequentially. Product revenue in Q2 2024 was $3.3 million. So, Q2 2025 marks a 335% or $11.2 million year-over-year increase. Our development services and grant revenue totaled $0.5 million this quarter, representing a $0.2 million increase sequentially and up from 0 year-over-year. As we've discussed in the past, development services and grant revenue from large development programs are nonrecurring in nature, leading to greater fluctuations depending on the comparison period.

The overall increase in revenue this quarter was primarily driven by the addition of new customers. As Tom mentioned, we shipped to 93 customers in the second quarter. Of these, only two individually accounted for greater than 10% of the revenue in Q2, a decrease from three customers that individually accounted for greater than 10% of revenue in both the first quarter of 2025 and the second quarter of 2024.

Going forward, we plan to continue adding to our customer mix to diversify our revenue streams and provide more reliable product shipments as we get to a position of scale. Our total for remaining performance obligations was $29.1 million at the end of Q2 2025, up 57% from the same quarter last year and down sequentially as Q1 2025 included a $15 million purchase order from a drone OEM.

Now moving to our profitability metrics. Gross margin was positive 9% for the quarter compared to negative 21% in Q1 of 2025 and negative 195% in the prior year quarter. As a reminder, we will continue to experience a degree of gross margin variation as our product and services revenue mix fluctuates going forward.

Now on to our operating expense management. Our operating expenses for the second quarter continued to be lean at $8.2 million, an increase of $0.8 million or 12% compared with Q1 2025 and an increase of $1.8 million or 27% from the prior year period.

The sequential and year-over-year increase in OpEx was driven by increased investment in sales and the reallocation of R&D from cost of revenue as development services agreements run off. Our GAAP net loss for the second quarter was $6.4 million or negative $0.05 per share with 121.8 million weighted average number of shares outstanding. In Q1 2025, our net loss was $9.4 million or negative $0.08 per share with 118 million weighted average number of shares outstanding.

Our Q2 2024 net loss was $12.5 million or negative $0.13 per share with 97 million weighted average number of shares outstanding. As of June 30, 2025, there were 97 full-time employees, up from 95 at the end of the first quarter, primarily based in our Fremont, California location. Our share-based compensation for the second quarter was $1.9 million, relatively flat with Q1 2025 and the prior year period. As of June 30, we had 125.1 million shares outstanding, which was up $4.5 million from the prior quarter. The change includes approximately 1.3 million shares issued from option exercises and RSU vesting as well as 3.2 million shares issued under our ATM program.

Now turning to the balance sheet. We exited the second quarter with $54.2 million in cash and no debt. Key drivers for cash in the quarter included $4.3 million used in operating cash flow, which was lower than our average projected run rate of approximately $2.5 million to $3 million monthly, excluding transaction-related costs. The main cause of variation this quarter is related to the improvement in our net loss. $0.7 million used in investing activities related to our Fremont, California facility. We also had $10.8 million in cash inflow from financing activities, consisting of $9.8 million from the issuance of common stock under our at-market sales agreement and $1 million of proceeds from option exercises. We still have approximately $46.7 million left on the facility as of June 30, 2025. Considering our business achievements and ongoing projects, we believe we are efficiently using capital to drive Amprius forward.

Before I turn the call back over to Kang, I would like to take a moment to discuss our CapEx outlook for the remainder of 2025. We have made the decision to strategically invest in diversifying our supply chain and expanding manufacturing capability within our Fremont facility to include electrode manufacturing. We're doing this in collaboration with the U.S. Government Defense Innovation Unit and have secured a contract for $10.5 million awarded in July 2025.

As we previously stated, regarding the Colorado facility, the designs for this project are effectively complete, and we are continuing to monitor the larger industry dynamics associated with building a factory in the United States. Changes in demand, supply, battery cost structure, government incentives, trade tariffs, and other considerations, including the timing and availability of funding will influence our decision on the next steps and timing. We have secured adequate capacity for the foreseeable future through our contract manufacturing network and plan to further expand that without deploying additional capital.

That concludes my financial discussion, and I will now pass the call back to Kang.

Kang Sun

Thanks, Sandra. As we look ahead, our strategy and focus remain unchanged. Amprius is committed to delivering the next generation of lithium-ion batteries today. We believe our technology is already raising the bar in real-world application by providing unmatched performance and solving meaningful problems for our customers. We are continuing to execute against our product road map with new innovations that extend our lead in the battery space while building global manufacturing scale to meet the significant and growing demand.

Through our capital-light contract manufacturing model, we have access to over 1.8 gigawatt hour of capacity, positioning us to fulfill more customer demand that we expect to generate this year. We continue to see strong momentum in customer engagement. Our priority remains moving more of those engagements from evaluation to full platform integration for mass production. With hundreds of customers shipped to over the past six quarters, both new and repeat business, we believe we are building a powerful base of long-term relationships.

Tom Stepien, who joined as our President in May, has proven to be exceptional add to supercharging our customer engagement. His leadership will accelerate our go-to-market efforts and drive deeper penetration into fast-moving markets we serve.

Look ahead, we believe Amprius is well positioned for sustainable growth and long-term success, supported by four core pillars. First, our industry-leading technology and products. Our silicon anode batteries outperform traditional lithium-ion battery solutions in real-world applications. Second, our gigawatt scale manufacturing capability through a capital-efficient contract manufacturing model allow us to scale quickly.

Third, we benefit from extensive customer engagement, including both new and repeat business from our partners. And fourth, we maintain strong financial health. We have adequate cash reserves, low burn rate, low debt and added flexibility through our at-the-market sales agreement.

We are excited about the future ahead and invite you to meet with us as we attend several upcoming investor conferences. We'll be participating in the event hosted by Oppenheimer, Needham, Gateway, and H.C. Wainwright, all over the next few weeks.

Thank you for your continued interest and support of Amprius Technologies. With that, I will turn it back to the operator for questions.

Operator
Thank you. At this time, we'll open the line for questions from the companies publishing research analyst. The company requests that each participant limit their comments to one question and one follow-up. To ask a question at this time, you may press Star 1. Now for our first question, which will come from the line of Colin Rusch with Oppenheimer.

Colin Rusch
Obviously, you've been qualifying with a large number of customers here over the last six quarters, as you mentioned, Kang. And certainly, talking about kind of a 12- to 24-month process for qualification suggests that you're reaching near closure with a number of customers to start moving into production. Can you just talk about that process and how we should think about revenue inflection and your ability to support those customers as they move into production volumes?

Kang Sun
Yes. Let me give you a high level report and I'm probably getting into details. We have -- as you see, we have built a huge customer pipeline. We have various customers at different development stages. So, Q2 is the demonstration of the transformation from the qualification stage to the revenue stage. Q3, we anticipate that we have more customers will move from the qualification stage to the revenue purchasing order stage.

Tom, do you want to give some even more detail to Colin?

Tom Stepien
Yes, Colin, thanks for the questions. We have, as we say, 320-some-odd customers. What we're really focused on is going deeper. We describe these as different layers. There's some companies we've been working with where we are seeing tens of thousands of batteries in any given order. There's others that are earlier. That's part of why we invested and are building out the pilot line here to continue that. And as Kang mentioned, there's an ongoing and growing process here, but that's how we think about winning the designs and then helping our customers achieve success, which can only help us.

Colin Rusch
And then Sandra, on the financial side, you have a pretty impressive shift into positive gross margins here in the quarter. I'm curious how you guys are thinking about your cash needs and the potential for gross margin expansion from here as you scale revenue?

Sandra Wallach
Colin, so as we've mentioned, SiCore has been gross margin positive since Day 1. And since that is the driver of the revenue growth, we expect that we're going to continue to see, over time, favorable movement in our gross margins to continue to get more positive. It may be a little bit lumpy. There are some -- we're still too small to say we're at a steady state for sure. But the growth is primarily coming from SiCore, and that's all greater than the average gross margin. So, we should continue to see that grow. Regarding the cash, again, with $54 million of cash, no debt and $47 million left on the at-market sales agreement, we're still in the $7.5 million to $9 million of operating cash burn a quarter. And so, I think we've got a nice long runway.

Operator
Our next question comes from the line of Mark Shooter with William Blair.

Mark Shooter
Congrats on another strong quarter. You mentioned in the shareholder letter, a pickup in the drone customer engagement. Could you give us some more color on the nature of those conversations, how they're accelerating? And could you also frame the opportunity for us maybe in a dollar content of batteries per drone or maybe market size?

Tom Stepien
Yes. Maybe I can start that out. This is Tom. So Mark, thanks for the question. So, we serve loitering drones, Group 1, Group 2 and a little bit of Group 3 drones. There's a taxonomy. Those smaller drones tend to be battery operated. Group 4 and Group 5 tend to be the larger engines as opposed to motors. And we did talk in the call, as you heard, about the enabling a tremendous value with AALTO by being able to stay aloft for 67 days.

So, our batteries are incredible force multipliers. Every extra minute in the sky increases target engagement chances. It reduces logistical churn. It helps on the military side; commanders hold more terrain -- longer terrain view and reduces cost.

It's not just the military, right? We have industrial inspection, think about saving up [ph] lineman's dangerous climb up to look at power lines or bridges or utility work. We heard about those horrible floods in Texas. Drones were helping identify folks who needed help and damage.

In agriculture, you can trim pesticide use, have more efficient spraying, you can map, you can seed more efficiently. Walmart and others are using drones to deliver parcels and groceries. So it's pretty amazing what's happening here. We don't tend to talk about individual customers or orders. We did talk to our friends at McKinsey, the battery insight team believes that drones worldwide is something like a $50 billion market opportunity today. If you take the battery part of that, it's around 10%, plus or minus, which gives us a total TAM for batteries of our type, round numbers, $4.5 billion, $5 billion.

Mark Shooter
That's great. I really appreciate the color there, Tom. Considering like that -- to go on that, right, the batteries section of that TAM, and considering that the battery is a relatively small COGS line item, can you speak to the pricing power that you guys may have because of the increased energy density and your pricing power over competitors? And given the geographic location, what are you willing to -- what are customers willing to pay up for maybe non-China supply, like the South Korea capacity or even in the Fremont pilot line?

Tom Stepien
Yes. So, we provide tremendous value. And for us and our customers, it's about that value. It's not so much about the price. So, we have a performance product, and we're able to command a price. That strategy of having a disruptive technology that can command a premium in the short term, this probably won't last forever, building scale and then moving down the cost curve is a tried and true path, and that's the path that we're on.

The pilot line here that is expanding is all about quick turn. So we can do quick turns. Some of our customers are ordering 100, 200 cells because they just need to test, want to validate that what we tell them is real. And then as orders come in, we go through our contract manufacturing partners. That's some of the dynamics on the customer side.

Operator
The next question is from the line of Chip Moore with ROTH MKM.

Chip Moore
Congrats on the positive gross margins. I want to ask on the light electric vehicle opportunity. I think you talked about that being somewhat lumpy and shorter cycle. Any way to help us think about potential contribution there and visibility over the next few quarters?

Kang Sun
So Chip, for the light electrical vehicle, our market primarily in Europe and Asia. So, this industry has experienced a revolution because everything from the vehicle design to the battery specification all changed. So, we anticipated quite a large change and it gave us a very exciting opportunity because this new standard, performance standard, is require high energy and high power. Our battery just fit into it that. We have some customers present us a very sizable opportunity, those customers from Europe. In Asia, the product qualification time is quite short. So, it gave us additional opportunity in the near term.

Chip Moore
Good to hear, Kang. And I think I heard you say earlier on Q3, some of those customers that have been going through the qualification stage maybe for a little bit longer are going to move into revenue phase. Should we think about revenues increasing sequentially? Is that a fair assumption?

Kang Sun
I think that should be the case based on the status of our qualification process.

Operator
Our next questions come from the line of Derek Soderberg with Cantor Fitzgerald.

Derek Soderberg
Can you provide some more detail on that $10.5 million contract with the U.S. government? It looks like the innovation unit. Is this for drones? Or was this the wearable battery program? Just wondering if you could provide more detail what sort of led to that program, other details, like where do you need to build this? Do these batteries need to come from your facility in Fremont? Or can they come from Korea? Just some more detail on that contract would be great.

Tom Stepien
Yes. Maybe I can start that out. This is Tom. So, the DIU is about 10 years old. They are an arm of the DoD. They have offices here in Silicon Valley, Boston, other tech centers. They have three principal responsibilities; to identify high potential technology like our batteries to accelerate adoption across the DoD and to strengthen the national security innovation ecosystems. They received about $2 billion in the recent OB3A bill. So, what we're doing is building out our pilot line, both in terms of capability, Sandra mentioned that we're adding the electrode manufacturing capability, the front end of a three-part lithium-ion factory, as well as increasing the capacity here in Fremont.

And the idea is to have batteries that are NDAA compliant, right? Basically think of countries that are NATO countries or friendly with us. The $10.5 million is going to cover more than 50% of the overall build-out. We're dedicating resources and CapEx to deliver to that. The pilot line won't be huge, right? It's around 10 megawatt hours a year, but that's all about getting, supplying and qualifying U.S. material and getting, mostly drones to the first part of your question, all integrated and designed into our type of technology and then making it available in NDAA-compliant countries.

Derek Soderberg
Got it. That's helpful. And then just sticking to the DoD stuff. I've seen quite a few comments coming out from the administration surrounding drones. Just from the investors' perspective, what's the best way to approach this opportunity for you guys? I know you've got potentially some production capabilities in Colorado if you wanted to make those investments. Do you think this pilot line and then whatever space you have left in Fremont can sort of handle this drone opportunity potentially in the U.S.? Like what's the best way to approach this commentary that we're hearing out of the DoD that they want a domestic supply of drones? And how are you guys going to respond to that?

Tom Stepien
Yes, Derek, good question. A one-word answer is velocity. We talked about in the recorded call, the two executive orders and Hegseth from about a month ago about removing some of the friction. We heard just a couple of days ago that Transportation Secretary, Sean Duffy and the FAA have tried to normalize the beyond visual line of sight for drone operations. So think delivery and other things, agriculture inspection. So, that's all velocity, right? As these devices become mainstream, and we have more and more of this occurring, we believe that our batteries are differentiators, huge value if you can deliver twice as many packages or you can do twice the acreage that you could do with a different battery. And that's where we want to play. That's where we can win.

Operator
Our next question comes from the line of Ryan Pfingst with B. Riley.

Ryan Pfingst
First, for the contract manufacturing agreement in South Korea, could you potentially size the production capacity you now have there or maybe what it looks like relative to the agreements you have in China?

Kang Sun
Yes. Currently, the capacity, we just have one contract manufacturing partnership in South Korea at this time. The capacity is adequate for what we ask them to do today. This facility not only getting excited by our contract manufacturing partner, also the local government, okay, they really see Amprius technology as the enabler to expand their advanced new generation lithium-ion battery manufacturing base in Korea. So, we are working with them. As a matter of fact, this couple of days, I'm working on the plan for the facility expansion.

Ryan Pfingst
Great. Appreciate that. And then sticking with the manufacturing side, you noted that you're still sourcing additional partners. Just curious what the main geographies are that you're targeting there for additional contract manufacturing capacity?

Kang Sun
At this time, the best manufacturing skills reside in Korea and the China. They are the leaders in battery manufacturing. Those two areas, we already have a partnership and we are strengthening the partnership to extend our capability and capacity. In addition to that, we're also looking for domestic partnership as well. There are many U.S. small-sized battery companies. They have been experiencing very difficult times. So, Amprius technology and Amprius market penetration could help this company. Potentially, we can form partnership in United States as well.

Operator
The next question is from the line of Amit Dayal with H.C. Wainwright.

Amit Dayal
Congrats on the strong margin performance this quarter. So Sandra, just on that front, should we expect margins to remain in the positive territory, but vary a little bit depending on sales volume, etc., but stay in the positive territory for the rest of the year as revenue scale from here?

Sandra Wallach
Yes. So, that's a good question. So, I think we have crossed over officially at the $15 million revenue per quarter line to be nicely positive. I think we'll see some variation, normal variation, based on which deals are going through each quarter, but we should stay positive and continue to grow that positive gross margin over time.

Amit Dayal
Understood. And then your comments around operating costs, as your revenues are scaling, it just seems like there may be some operating leverage coming into play as well. Operating costs, should we expect them to remain steady at around these levels at least for the next few quarters before you see any further ramp in revenues?

Sandra Wallach
Yes. Given that we are leveraging the contract manufacturing model, we are going -- I mean, we're 97 employees full time as of the end of June. So, we're still really lean. We're making strategic investments in R&D and in sales and go-to-market. But I wouldn't see a wholesale change in our operating expense profile in the foreseeable future.

Amit Dayal
Just last one, if I can squeeze this in for Tom, maybe. Tom, can you talk about what the pipeline looks like, the opportunity set that you're working on? Are there contracts potentially you may be pursuing that could be in the $20 million, $30 million, $40 million level type of deals? Just trying to get a sense of how big some of these customer interactions could potentially be for the company?

Tom Stepien
Yes. We don't tend to talk about them until the end of the quarters or if they're really large, we'll talk about them mid-quarter. Look, as we said, these are different layers, and there's a different gestation period at each of our customers. There's 320-some-odd that we've served over the last six, eight quarters. We'll work them all. We're pretty wide. We want to go deeper. We want to get those design wins. And we're doing that. There are some tools that we've improved to do that. There are some partnerships that we're working on. I can't tell you much more than that at this point in time.

Operator
Our next question is from the line of Ted Jackson with Northland Securities.

Ted Jackson
I want to keep goggling around on the production side of things. So, the South Korean facility is on the cusp of coming online. You've been making SiCore product in the pilot line at Fremont. I mean, is there a potential for a step-up in revenue when the South Korean partner brings that line into play and you begin to transfer some of that production out of Fremont to it? And when exactly does that South Korean line turn on? Is that a third quarter phenomenon? Is that a fourth quarter? Is that a first quarter? That's my first question.

Kang Sun
We engaged them about a couple of quarters ago. We just finished -- because the -- we just finished the new tooling of the equipment, not equipment -- not all the production lines were ready for Amprius product. So, we just finished that. They had a prototype presented to us. I believe we are going to start the manufacturing for our customers next month.

So this -- we have a fraction of the customers like to buy the batteries from a specific region. And that's one of the reasons we developed South Korea partnership. In addition to that, you know South Korea knows how to make battery, they are one of the best in the industry. So, Fremont will have a very intimate interaction with our contract manufacturing partnership. Tom mentioned earlier, we are going to expand and upgrade our pipeline here. So, our manufacturing process here can be delivered to our contract manufacturing facility vice versa. When they develop something unique, will share with our team here.

Ted Jackson
Is there a chance that as that comes online, that is there -- do you have any kind of pent-up demand that's waiting for that South Korean facility to turn on because they don't want to have the product come from China?

Kang Sun
No. Korean -- the partner we have in Korea, they certainly can manufacture anything the Chinese is making, for pouch cells. Today, we have not have a cylindrical cell partnership in Korea, but we are in the discussion. But whatever we made in Fremont, made in China, made in Korea, they should be all capable to manufacture our batteries.

Ted Jackson
Okay. Then my next question is the margin is improving. SiCore has been a tremendous success for the company. It's driving revenue growth. It's driving margin. Can you give us some kind of ballpark mix of the revenue between SiCore and SiMaxx this period, maybe what was in second quarter of 2024?

Sandra Wallach
Yes, Ted, we don't break it down. We just break it down by product. But it's fair to say that the majority of our growth is coming from SiCore.

Ted Jackson
And then with the expansion of the Fremont line, you commented that you're going to spend some more money relative to maybe what was in the plan about a quarter or so ago. The government is going to provide you, call it, $10 million and then you're going to put the other half. How do we think about how this plays out within the financials? Like when we think about the actual CapEx numbers that we're going to be putting in our models for cash flow, what are those numbers, and how does it play out?

Sandra Wallach
So, what we're contributing is really dedicating resources that we have that are working on this important initiative to diversify our supply chain and expand manufacturing within Fremont and some funds for equipment and build-out. So, the DIU contract is over the next six quarters is funding the majority of the effort of this project. So, our portion is a fraction of the $10 million.

Ted Jackson
Okay. But so, you would get the money in and then you would spend it. So -- I mean, I assume we would still see a pickup with regards to just in your cash flow statement for CapEx. But at the end of the day, it's really just flowing through your financial statements from the DIU. Is that what you're saying, just to understand how it goes through the model?

Sandra Wallach
Yes. So, I think revenue recognition for a contract like this is a little bit tricky. We're still working through the details. But the overall -- it's fair to assume that it's going to come through as revenue, and we're going to show the cash going out in the statement of cash flows.

Ted Jackson
And then my last question, they're offering this to you and helping you out. There's clearly a desire by this administration, honestly, even the previous administration, to bring well the battery manufacturing into the U.S. and also just strategic industrial activity into the U.S. I would say that the fact that you've got this funding shows that you are strategic. Is there any discussion or any opportunity for you to go into partnership with the government to bring to fruition the work you've done in Colorado?

Sandra Wallach
So, we're in regular communications with a number of key stakeholders. And one of the things that we've been clear about is that our ability to move forward with the design and the capacity in Brighton is really dependent on a number of macro things going on, not the least of which is tariffs, government incentives, supply and demand.

At this point, we have more than enough capacity. We would be over $1 billion in revenue with the 1.8 gigawatt hours that Kang has already secured for us. And so, we've got more than enough capacity to serve the foreseeable future. And we -- but we are keeping those lines of

communication open if something does change that would make it more economically viable to move forward with Brighton at this time.

Ted Jackson
That’s it for me. Congrats on the quarter, it was great.

Tom Stepien
Thank you.

Operator
At this time, this concludes our question-and-answer session. If you have any additional questions, you may contact Amprius Investor Relations team at ir@amprius.com. I'd now like to turn the call back over to Dr. Sun for his closing remarks.

Kang Sun
Thanks again, everyone, for joining us today. As a reminder, you can find out more about our company, receive additional updates and learn about the upcoming events from the Investor Relations section of our website. We look forward to updating you on the exciting progress we are making in transforming the electrical mobility market. Finally, I'd like to thank our employees, partners and shareholders for their continued support.

Operator
Thank you for joining us today for Amprius Technologies Second Quarter 2025 Earnings Conference Call. You may now disconnect.