



Siemens Energy India Limited Analyst and Investor Meet 2025

December 10, 2025

Management:

- Mr. Guilherme Mendonca – Managing Director and Chief Executive Officer
- Mr. Harish Shekar – Executive Director and Chief Financial Officer

Radhika Arora

Hi. good morning, everyone on behalf of Siemens Energy India Limited it's my pleasure to welcome you all to our very first Analyst and Investor Meet as an independent listed entity. I am Radhika Arora head of investor relations, and it's wonderful to see so many familiar faces many of whom I've already interacted with over the last few years. I know it's been a long wait for this moment, and we truly appreciate your patience and continued engagement.

Today marks a significant milestone not just for Siemens Energy India but for the entire energy sector in India. With the country's renewed focus on energy transformation and sustainability, there could not be a more exciting time to introduce you to Siemens Energy India Limited. A company built on a legacy of innovation, now charting its own course as a pure play energy leader. As a starting point we would love to start with a video to give you all a glimpse of our listing ceremony.

<<SEIL Listing Day Video>>

Radhika Arora

Now, I would like to introduce our management team. Mr. Guilherme Mendonca, our chief executive officer, brings a wealth of experience in driving energy solutions. He's on my right and Harish Shekar our CFO whose deep financial expertise and vision will be instrumental as we embark on this new journey. Both Guilherme and Harish would share their perspectives and answer your questions.

Just briefly the agenda for today, we will begin with a presentation by our CEO who will outline our vision, business overview, strategy and the opportunities ahead. This will be followed by a financial overview from our CFO who will walk you through the financial performance and after the presentation we will open the floor for a Q&A session. And finally, we invite you to join us for a networking session and some tea and coffee outside.

Before we begin, I would like to draw your attention to the disclaimer on the slide deck. By participating in today's session, we take it as read that you have reviewed and acknowledged the disclaimer. Thank you once again for joining us on this occasion. We look forward to an engaging and insightful session together.

With that I would like to invite Guilherme and Harish on stage and Guilherme to start his presentation, please.

Mr. Guilherme Mendonca – Managing Director and Chief Executive Officer

So very good morning from my side. It's a big pleasure to have all of you today with us and have the chance to introduce Siemens Energy India Limited

We are more or less six months on the road after the listing and we are so proud of this moment when we got listed on the 19th of June and now today we have the opportunity to share with you a little bit about our company. And about our business and how we're going forward.

So I will go through the presentation together with Harish, our CFO going through main 4 blocks.

So first I will do an introduction of Siemens Energy India Limited. Then we boil down to Siemens Energy India as we are operating in this country. Harish will talk to you about the financial performance and then at the end we take a little bit of look at the future how we play and how we see forward the energy market in this country.

So getting started right away. So you know I don't need to tell you the journey that this country is going through. An amazing journey that India is developing. Looking forward to be a developed nation in 2047

With so many things happening around and that these are realities that are not only wishful thinking

So we see just the growth of the GDP of the last quarter at 8.2%.

It's simply amazing how we see the country growing. Amid such a turbulent world and when we look forward we see this growth happening consistently and of course when we have such growth, the energy sector also goes through a dramatic transformation. Because there is no country development if you do not have a strong energy sector that underpins all the development. You can try to figure out what vertical, what kind of business, what kind of sector of the society.

Everything depends on the energy and of course as we go the energy sector will go along and if I put this in some KPIs, India today has an electricity per capita consumption that is only 1/3rd of the global consumption in a population of 1.5 billion people.

Just give you a glimpse how much energy this country will need. And how much is the growth forward.

The entire electricity infrastructure - we will come to that in more details, but just to put this in perspective : When we say going to 500 gigawatts of power to 1000 gigawatts of power is planned in the growth of the historic power generation. It means to install in India two Germany's in the next seven to 10 years is a massive growth. You know growth that we have to do to let this country go forward

How can we grow the energy sector?

That's necessary for the growth and for the well being and how can we at the same time, protect our climate. How can do this in a sustainable way because its not only about putting more gigawatts of power there but it's important to do this in a mindful way that does not damage the climate and do not make things worse as they are today.

Exactly where Siemens energy comes in because we as a company we exactly know our customers

We are, as you know, a centenary company. We are in this business of energy for more than 150 years globally and in India we are for more than 100 years.

In this country doing power supporting the development of the energy sector and of course we are in our first six months as a listed company in the country and we are very happy to this forward and helping the development of India. The mission of our company global is to energize the society in a very broad way.

And it is exactly what we do and when we energize the society, we support our customers.

How our customers can gain from what they need - a sustainable way with our technology

So this is very much our mission to help our customers and our society to grow, navigate through the energy transition.

Implementing you know all the gigawatts that are not necessary at the same time contributing for the sustainability of the planet.

If I move forward about our company now and coming to our history in this country. So as I have said we are in India for more than 100 years operating over here and these many milestones that I could spend proudly you know

What we have been doing over the years?

I would just pick up some of them that I think that are super relevant to give you an idea of Siemens energy - the energy business of Siemens that became Siemens Energy recently

So our story, our history starts back in nineteen ten. Our first project that I really can say where we provided turbo generators for Tata iron.

So we started this country in the generation side where we supported you know very fundamental industry for the development of the country on the steel space.

In 1922 Siemens as a company was founded in India because till that time since 1910 we were still operating as an international company. But in 1922, the company started existing as a legal entity in the country based out of Calcutta. In 2003 we did a very emblematic project in HVDC. So it's more than 20 years when we implemented. So Siemens Energy is a leader on the HVDC; starting this country's first line more than 20 years ago and as we went through our history then of course we started bringing more value from time to time.

You know more localization and then you see some factors that we have put in the country. Next year we will complete 20 years of our transformer factory in Kalwa nearby Mumbai. As you might know that we are just expanding this factory. We are doubling the capacity of the factory and have made this public some time ago. In 2023 we had our steam turbine factory in Vadodara where we do industrial steam turbine. Here we celebrate a very emblematic moment when we achieved 1500 turbines delivered out of this factory. Actually, as we talk, we are reaching the 2000 turbines right now. So it's a very, very good factory and we've very good contribution for the industrial sector.

In India and finally as we have seen in the video 2025 June 19th we were proud to list the company and bring Siemens Energy India to life in this country and take this from there forward. When we talk about Siemens Energy in India, we are a global company Siemens energy, we are a pureplay. So we are a company that only focus on the power sector and differently from other competitors

Siemens Energy goes through the entire value chain. We have many competitors of course but we see competitors more in a kind of niche player. So one is in wind, another one is transmission, another one is you know power generation Siemens energy is a unique company that goes across the complete power generation, transmission of course also consumption on the industrial side.

You can see in the slide that we have a focus on the power generation. With the low emission generation we are also acting in the industrial space where we bring captive power generation for the industry but also a lot of energy efficiency solutions to our customers.

And once this power is generated we have to bring this down to the consumption and we have a very strong and powerful transmission sector where we cover the entire portfolio from AC/DC Substations, product services, digital. So we are completely covering the power transmission with this portfolio.

We cover all the verticals so we are very strong in the power sector of course but also in the industrial space. Metals, semiconductors, emerging data center sector where we supply our solutions over there and also in the transportation - the railways. So we cover our portfolio across the entire energy sector.

When we look at our company in India and also you know related to our global one we are very strong company based on very strong fundamentals. I will give you more details on our portfolio we are also very much diversified because we are in utilities, industry and infrastructure. We serve customers across the entire demand that we have. We have a very large footprint that I'll have the opportunity to show to you in a slide that will come soon. We are spread across India with a very strong local footprint in manufacturing, services, R&D & all. We have a resilient business model because we are diversified in terms of customer verticals.

We are not just one or another portfolio. We have a focus on the domestic market of course that's booming. But we are also focusing on the exports because India became one global manufacturing hub. When we look at all the countries in the world of course India is the #1 option so that we can bring value chains to the country and we also looking very much to the service expansion.

And being Siemens Energy India Limited we represent global Siemens Energy group. We can access a very broad base of innovation, product development, new portfolio. That as soon as they are available we can bring down to the country or we cooperate with headquarters in Germany to bring new portfolios also out of India.

We have some financials to come but I will leave this to Harish to share with you in more detail in his financial part.

When we look at our portfolio - One is the generation. Here, we have one that's very important that's central power generation. And here we are talking about large gas turbines where we generate power for feeding the grid. As you know India is not a country that's strong in gas. India is a strong importer of natural gas. So I think 50% of the gas is actually imported is basically used for domestic consumption and also for the fertilizer. So gas for power generation is not much available.

However, we still have gas turbines here. You know around 25% of India's turbines. But globally I can tell you that the gas is really booming. Gas Turbines we are seeing in the past as a bridge. Gas is very much a part of. Energy transition is about the blending of many energy sources and not just one silver bullet and gas is one of the key elements how you can combine a stable, reliable and sustainable power system.

This is how we are seeing the growth of gas turbines globally going strong especially also driven by the data centers. We have the distributed power generation where we have gas turbines and steam turbines more focused on the oil and gas. Sugar, paper and methanol where we have captive generation of power

In the oil and gas sector customers like ONGC, where we have an extensive fleet of industrial gas turbine feeding the platforms and exploration of oil and gas. On the industrial steam turbines we are very much present in the supply of steam for the process industries like sugar, paper, metals and cement. It's a very important element over there and I have just shown you know that our factory in Vadodara has supplied more than 2000 turbines so far.

In the transformation of the industry where we are more on the consumption side we are very much looking to the electrification, automation, and digitalization of the industry aiming to bring more sustainability.

We have solutions for example on the waste heat recovery where we take the flue gases of a process. These are very hot gases that normally goes to the atmosphere. We capture these gases, we bring these gases back to the boiler. We generate new steam and we have this new steam generate more power that brings a very important additional clean energy to our customers.

And finally we have the green hydrogen. We are the market leaders on the PEM electrolyzer. We are seeing in India a very big push for hydrogen. This is our view is a more longer shot. We see the movement. Yet, still in development and we see that hydrogen will pick more maybe five years down the line. But of course we are supporting India with our technology and with our global experience.

When we look at the transmission portfolio as I have said in the transmission we are major player we are present across the entire value chain of the transmission supporting our customers. We have 30% of the HVDC capacity in the country with the projects that I have mentioned.

And we are also a market leader on the grid stabilization. When we say that India is implementing 500 gigawatts of renewables until 2030, it's a massive amount of renewables. As I said, it's two times Germany capacity.

We do need to implement grid stabilization. You might have known what has happened in Spain and Portugal that the two countries were more or less 3 days without energy. A complete blackout because these countries are very much based on solar and wind. And was missing exactly the grid stabilization in the grid that drove the countries into blackout.

India has been very mindful in build up of renewable together with the thermal power plants but also bring a lot of grid stabilization. The year 2025 was an important year when we had a very large amount of statcom projects or Static Synchronous compensators that you know stabilize the Grid and make the renewable integration smoother.

We were happy to have a very important participation over there.

Moving forward I'd like to share with you about our footprint in the country. As you can see we are extremely spread across the country. We have 8 factories across all power generation and

transmission. We have 4 service centres where we bring our services close to the customer where they have their operations. So that we can be quicker and more efficient

We have 4 engineering and R&D centers where we do innovation, project execution and other engineering activities to contribute to the local projects. But we also have an important participation growing on supporting our global projects and our global organization with the expertise and the brilliant brains that we have in this country to move our company forward globally.

If we look to the perspectives and you can see the numbers of Siemens energy that were public for the fiscal year 2025 as well as globally Siemens Energy as a company is also being very successful with a huge backlog reaching globally 130bn Euro.

So there's a huge backlog to be executed. These numbers are public on the Siemens Energy AG website. What it means? When you have a large backlog that you need people to execute this backlog. Have to deliver to the expectation of our customers and we have to execute with the operational excellence that is required by our shareholders.

India comes very much in this picture supporting the execution of these huge backlog also globally not only when we talk about the exports we are very present on both sides. We are present on the sourcing of products and for components too we have a role.

For instance to be part of our global manufacturing network Siemens energy operates with so the factories are kind of interconnected serving the global customers and we can either supply finished goods like a transformer, switch gear, turbine. But we can also and we do support components like a feeder factory. So we supply pieces and parts to other factories that supply or manufacture the final product.

We are also doing engineering and execution of projects. So if a project is won by some other country, we get the project in India and then with our engineers we can do the complete design programming, supply chain, everything out of here. We are also very active on the research and development where we are part of the global R&D network. So we do not do only local but are integral to a global portfolio management because of course the products are global. products sometimes with some local adjustment but in principle they are global and our team comes in supporting and taking very high responsibility on the R&D.

Moving forward how we manage this company. We have a very professional and experienced board of directors. I will not go through the colleagues but these are, as you know long experienced people that are helping us deliver.

When we come down to the company; of course people stay at the center of everything that we do and we have a very strong team in our company delivering and serving our customers through marquee projects and we had just just brought up some important projects that we have done.

Also to illustrate you know the impact that our team - our people are generating. Here, we have projects like this resilient power generation. End of last year, one power plant had an issue and we could put up this plant operating in record time.

We have as I said the STATCOMs on the energy transmission where we are helping integrate the renewables in the country on the upper right side of the slide. This is about the waste heat recovery where we capture the flue gases and generate more esteem and power out of that.

On the bottom left we have the notification of inland waterways. This is about E ferries so there are many projects in India. There's another one that we won now in West Bengal where India is starting to use the waterways for transportation for people, and we do have electrification, automation of this kind of transport when we talk about decarbonisation we are bringing in all sustainable power transmission

As you might know Circuit Breakers are normally isolated by SF6. That's very much used in the industry but very much contaminate in terms of CO2 footprint and we have a solution that is clean air and is completely free from any CO2 emissions

This is also a longer shot but we'll see that the transmission will be migrated to decarbonize IT solutions in the future and finally large export as we have very competitive products in India, very high quality and very competent people.

So we are having more and more opportunities to address global markets by supplying to our Siemens energy companies for their global customers they have

Moving forward as I said innovation. So this company exists for more than 100 years only for one reason because we are an innovative company. We are always reinventing ourselves because if we are stuck in one portfolio that's successful, this portfolio tomorrow might not be successful anymore.

So that's why we invest so much. Just to give you a number. We have in India 1500 people working on engineering. It's quite a large team helping our company. We are very close to top universities. We signed a MOU the other day. Last year actually we signed a MOU with IIT Mumbai where this kind of innovative things are coming on in the future. We partner with the Academy to bring the fore the technology of the future.

Sustainability is a key element for us. We accompany that work on the energy transition and our mission is to energize the society while creating a sustainable future and ESG could not be out of our agenda. On the top of our agenda and we are a sustainability leader so here we have our own internal targets where we want to be climate neutral in our own operation by 2030. We already have 100% of the feed for our operations with green energy. And we have zero waste to landfill where we need to take all the waste to the right treatment afterwards in terms of environment.

As I said, people stay in the core of our success. Everything that we get, all the numbers that we see, it is just a result of the work of a great team behind it. That's why we invest so much over there you see on the training. We have an average 37 hours of training of our people. You can calculate how many hours you invest in training and the skilling is a very important in our transform.

New technologies new ways of doing business

So we have to train our people all the time. We also grow a lot of head counts - a lot of people coming here. You have to upskill and rescue everybody. That's why we make a huge investment over there. We are fully committed with diversity we reached this year

In year 2025, 15% of gender diversity. And not only in the offices or in the white collar as we call but we had also the start of diversity line. We do have in our factories manufacturing lines that are only built by women. It is very good if you see around how many women are getting more opportunities. Diversity is not only a moral imperative. But is also a social and business need. You know from the strategic point of view diversity is proven. The more diverse environment that you have the more creativity and innovation can get in a company. This boils down to a higher performance and at the same time, as we grow the company. We definitely need to tap on the women talent to help us grow this company forward.

Zero harm - we always say at Siemens energy that Safety is our license to operate. If we cannot do it safely we better not do that. Better leave the project and we skip that because we only do whatever is safe to our people and to our contractors and in terms of social responsibility.

Our corporate social responsibility program has the name **Energy4Good** is Focusing on education. In education with a focus on diversity, how we bring more women. To our operations environmental sustainability and sustaining communities.

So these are the three main focus areas that we have in our corporate social responsibility program.

Here we are very proud to have many accolades and recognitions from industry associations like CII but we also happy and proud to have recognition from our customers where they recognize our safety standards, our sustainability standards and we keep doing everything that we can support our Customers and our society.

So I finish here this part on the company and I'd like to invite Harish to tell you about our numbers

Thank you so much so far.

Mr. Harish Shekar – Executive Director and Chief Financial Officer

Good morning everyone and welcome to our first investor Meet and Analyst meet.

Before I start off with my presentation just a couple of statements before you look at the slides. Because this is a first year and you would know for a new entity it's a bit different in terms of how do we compare numbers and to Consistency and comparability what we've done is we've also taken the Energy segment which was reported hitherto in Siemens limited as a segment in the past two years.

So you'll see on the left hand side there would be 2023, 2024 numbers which are basically coming from what has been already presented in the analyst meets earlier on and then 2025 is pureplay the numbers of Siemens Energy India Limited.

The other thing is because of the Ind AS 103 we would also when you look at the financial statements once they are published. You would have the comparable numbers coming in from the date the company was incorporated which was 7th of Feb 2024.

So you would have a eight month period versus 12 month period. I just thought that I should contextualize this so that it's clear for the discerning reader where exactly we are coming from.

If I go to the next slide this is where we are in terms of the year gone by. It's been pretty good in terms of the order growth. So the last year we had a growth of 30% and this year we had a growth of 49%. As Guilherme was mentioning a very strong tailwind particularly in the transmission sector which helped also on the back of certain orders which were big ticket for us. And translated into a CAGR of approximately about 39%-40%. so that was important for us.

Because on the back of that we were able to execute well on our revenue a solid execution of our order backlog and I'll come to the order backlog in a minute and with a very strong focus on our operational efficiency when we were executing the revenue. So revenue grew pretty well compared to the last year it was a bit in between 23 and 24 we were at about 5% and this year we closed at 25% year on year growth. Closing with 78 billion there. All numbers by the way are in billion rupees.

So you'll just have to do the translation wherever required. The important piece here is when I talk about orders and revenue. If you see between the last year and this year, we grew 20 billion about and when we talk about orders year on year 23-24 was a big 43 billion and 24-25 which is 2X whereas the revenue grew by 4 billion to 15 billion which was four times what we grew in the last year.

Important is before I get into the EBITDA piece is order backlog. We are closing the year at 162 billion which gives us a good view in terms of where will be in terms of the future and it also secures our revenue for the coming years. In terms of profitability the numbers speak for themselves.

We closed 2023 at 12.7% 2024 at 15.7% and this year at 19.3%. Consistently it's been 300 basis points and 360 basis points. Important to call out here is. We had one time effects which was made known. To all of you back then in Siemens Limited when we did 2024 that was close to about 1.1% which came in from one time effects in 2025. In 2025, we have a 1.3% and this was also disclosed in the quarter one of the fiscal year at Siemens Limited. Just that we are on the same level playing field.

So if you remove the one-time effects. 2025 would be at 18% EBITDA.

Going forward, the orders were at 1% growth so we closed at 23.5 billion. And that was also because of certain advancement of big ticket orders which came through in Q3 and if supposing the big ticket orders were actually happening linear we would be at about 20% growth quarter on quarter revenue.

Revenue was strong because it's on the back of percentage of completion project business and so on and so forth. So that was at 26.5 billion is what we clocked in Q4 and we're translating into 27% growth in terms of quarter, year on year quarter.

EBITA was down by 40 basis points but there's a bit of a context to this. Last year there was a one-time effect which was there and it has an impact of about 1.5%. So the 18.5% which was the profit which was a bit of which was reported last year would actually be a 17% and it would compare well with our 18% for this year.

So that was actually on the quarter on quarter when we talk about.

About the particular segments Guilherme mentioned about power generation and also what's behind transmission so we had grown pretty well on the generation side. The 47 billion actually translates to somewhere around 36% of our total order intake for the year and in terms of our revenue of about 36 billion it's close to about 46% of our revenue.

So basically it's quite well distributed between the two segments of transmission and generation. Profitability again was quite strong in terms of where we landed. Again when we talk about Q4 the important piece is there was a one-time impact of about 280 basis points and so you'll have to discount that and basically compare the 16.7% for the last year quarter four with 16.9% for this year

Removing the one-time effect overall it's been a pretty strong year in terms of the power generation segment. The transmission part was further on the back of strong tailwinds coming from the sector particularly for power evacuation on transmission side big ticket orders were back this year and we closed at 84 billion and so 64% of the order value is actually coming in from the transmission side and also the revenue is close to about 54% translating into 42 billion for this year.

Good growth again of 76% on the top line and also on the revenue side it's about 40%.

Q4 was pretty constant so we were able to also ensure good execution on the orders because a lot of project business was executed in the last quarter and that actually is a combination of revenue mix as well as portfolio mix which resulted in a good profitability of 19.3%

Overall in terms of our segmental it's quite well diversified and that's what translates into the bottom.

So we see a segment mix which is now it's a 6% which is moved intersect between the segments

So transmission is now closing at and we would have basically sorry transmission is at 54% and then generation is at 46%.

Geographically also our exports have gone up by 300 basis points so 3% more this is also I mean panning out well in terms of our bottom line development.

Business mix typically the service portfolio remain more or less accurate at 25 percent 25.6%.

To be precise there's been a shift of about 5% between the project business and the product business. So the project business has actually come down by 5% to 42% basis revenue.

And in terms of our Product business it's actually we closed at 32% so that's overall the view in terms of our financials with that I hand over to Guilherme.

Mr. Guilherme Mendonca – Managing Director and Chief Executive Officer

We learned a little bit about our company. Harish shared the financial performance for 2025 and for the Q4 last year.

So now we try to take a look forward and how we are going with our company navigating the opportunities of the Indian market but also from the export.

Based on the growth of India and how the country is developing. This is generating what we call an electrification cycle meaning that to pump this growth you need a lot of electricity behind it and electricity also comes not only from the need for the growth we also say electricity and electrification

because as the country grows through the decarbonization journey many companies specialize where they are today fed by non-sustainable, non-renewable energy, we also see a big opportunity where companies are electrifying their process.

I can give you an example where we have compressors pumping the gas or the oil through the pipelines normally. These compressors are driven by gas turbines so the mechanical rotation of these compressors are made by gas turbines and now we are looking at because Indian local requirements to electrify these compressors meaning that I take the turbine out and I put electrical motor with a renewable energy then I can move this gas or this oil through the pipeline on electricity.

So all of these elements of course you meet a lot of opportunities for us and of course these drivers are important. We see that India has a perfect combination of very high aspirations.

This country wants to become a developed country by 2047 and I see this is very much meaningful. There's not some wishful thinking something that has a wish and there is a plan behind driving this forward and I think the GDP growth speaks for itself. right

And this GDP growth does not happen by coincidence. It happens because there are hard work behind these GDP. And it is not only about that the country wants to become self reliant and energy independent

India today has as we know a high dependency from oil, from gas and from other elements. That's why we see a recent degree hydrogen coming as an alternative fuel as long as it becomes economically viable we see this as an opportunity in order to replace the natural gas for the fertilizers natural gas for industrial processes or for power generation eventually.

The energy independence will be very important for the stability of the country. So we saw what happened in Europe in all countries depending on Russian gas. For instance, all of a sudden they were in a very complicated situation when the situation turned around.

India is very mindful on that, we see actions being taken over there. India wants to become a global manufacturing hub. We can see this from the PLI and all the incentives that the government is pushing.

Before microprocessors you know we see apple booming and exporting. So all these movement on the industry is happening and of course this is good for us because we also are you know we are manufactured by definition and we also invest in our manufacturing but also these again demands a lot of electricity. So these factors can move forward technology sovereignty so India does not want to stay eventually manufacturing but still using technologies from abroad either wants to develop its own technology

And we are very happy to bring our technology to India. We are not a company that has something outside. We really are embedded in the full structure of the country and the value chain of the country and finally the country wants to become net zero in 2070 where the decarbonization and the renewable is happening big time in. India is already the largest country in the world in the renewable space.

And all these aspirations of the country they have to be supported by something. So we see a stable country, we see very strong macroeconomics over there, fiscal prudence, low interest rate, inflation going down. A very well managed finances of the country. This is more or less the fundament of a country in order to move forward when the country is economically strong. Now it's like a company for strong balance sheet. Then you can do stuff if you do not have a balance sheet what you can do right.

We just saw the GST reform that came up recently putting \$20 billion in the economy. So this is also all about the development but we also see a lot of reforms on the energy sector.

We can see now the reform that's going on. On the nuclear power act. So there's things around the civil liability now in the winter session of the parliament where the government is causing how to allow private investment in the nuclear and how to simplify the process on the liabilities around. That's the fundament piece to have what has been defined of 100 gigawatts of nuclear power.

So all of these reforms being done mindfully to support the development demographic bonus so this is a country people 800 million people in the middle class. This middle class growing income and when the income gross also grows the disposable income when the families and the people start investing in things that they want.

And it can be electrical appliances it can industrial products and all of these generates a huge demand for electricity and support from the industry and one very important element for India that we see is that India has a very competitive electricity cost.

So when we say that India has a 3.5 rupee point per kilo Watt per unit and the price is going down maybe I'm talking about 3.5 because it's mainly driven by solar and the renewable.

One and India has a huge potential for solar. Yesterday we were discussing these in Rajasthan and Gujarat. You can count with 200 gigawatts of Solar. Now it's like Middle East with a very competitive price and this is you know a very important. Another day I heard on the data center space. Data center space is a race for electrons.

Everybody talks about an NVIDIA and software and this and that but what underpins the success of data is availability of electricity at a competitive price because data centers are huge consumers of electricity. If you do not have electricity or your electricity is too expensive then you do not have a big chance to be successful as a country on the data center space.

There without no reason China and the US are putting power. We are seeing our gas turbines in US growing tremendously because data center buying gas turbines for captive generation because everybody needs electricity available and a good price to make the data center race be successful.

Looking to this and that we see there you know I have already said about the global consumption that the average consumption of energy in India electricity there to know we are here at one-third of the average. You see the countries over there.

How is the electricity consumption country by country and How India stands out in comparison to other major countries. All of these drives to a situation that we have a huge growth in the Indian power sector going forward so the country should double and it's happening as we talk. The power generation from 500 to almost 1000 gigawatts. That's what has been planned by the government and it's happening, major Power will come from the renewable.

I have said when you put out this power of course you need a lot of transmission to evacuate this differently from the past was more related to coal and more to the east of the country where the Coal mines are when you talk about renewables the sun is more to the north, northwest of the country – Rajasthan, Gujarat as I said where we have to build the power transmission from scratch because there was no power transmission over there because there was no power generation.

So that's why there's a huge demand for transmission development and along with that comes of course grid stabilization and when we go to the bottom graph on the right yeah on the left actually on your right actually we see you know the industry electricity consumption tripling and this comes because of the expansion of the industry that's happening but also because of the element that told you before on the electrification of the industry.

And this electrification of the industry generates a lot of demand to bring the electricity to process that before we're more driven by all the kinds of source of energy. Like you know fossil fuels and this makes this to be three times more in the years to come.

All in all a huge potential in the development of the electrical sector when I look to the key drivers. I don't want to be repetitive because many of these we have already mentioned along my presentation maybe one that I would like to call out is the Oil & Gas so exactly because India has a high dependency on the export development of India also has changed the policy that was talking about.

About the supporting policies allowing you know some sedimentary basins that also attracting private capital so we see the open acreage auctions going big time we have the 10th ongoing.

We've not run with 28 blocks that I'm sure that should bring to in the discoveries and this can be definitely a game changer for the country if the country finds enough gas

These are very important things happening the nuclear energy mission as I said there is concrete movement behind to get in the back to the nuclear and make nuclear very important a part of the energy mix data. Datacenters I mentioned, maritime we also spoke about all these E ferries

You know the transportation, electrification of the transport. All of these elements that we see over there with the policies the market developments lead us to many opportunities across our portfolio.

So in the generation side bid expansion of the power generation, whenever it happens with gas where we are focused in but also a lot in the services side So we have to provide service to our fleet of industrial gas supplies power transmission we are of course across the board as I have said and every TBCB where we have a grid expansion, new transmission lines.

Statcom or HVDC you name it soon as energy is present over there as a market leader in the industry we are present with our turbines for the captive power you know supplying turbines over there but also helping our industrial customers to go through their decarbonization journey with solutions like waste heat recovery.

We are seeing this grow in India so numbers vary very much nowadays. So we have around 1.2 gigawatts of data centers in the country. The future says 5/ 9/17 and all depends yeah but I feel that data center will be a big thing in this country.

As 1.5 billion people you know all the data that's generated over here the digital nature of this country.

But we still see this data center picking up now it's not like us where we have data centers of five GB everywhere here things are moving on and we have some announcements that Google and other companies that are putting data centers that are of course.

Finally the maritime where we are looking very much for the electrification of the transportation of the transport

So I'm afraid that over time, so shortly here.

How we look forward to either in our let's say strategy if I can put it this way we have basically 3 pillars over there one we want to keep our partnership with the country, our partnership with our customers bringing more capacity more portfolio supporting all the development. The country because the demand is super high we want to expand it as a global hub so as energy as a global company wants to leverage more the competency the competitiveness and the quality that India can offer to our global operations.

And although we are very much focused on our core portfolio so generation transmission everything that I have said we are also exploring new market fields where we can you know like green hydrogen we are not you do not see much happening on our side but of course we are working on that supporting customers regulatory so that when it picks up Siemens can have as we have in other portfolio elements.

So we are looking across the board to the present but also to the future, how we move forward.

So here in terms of I was talking about investment he has some you know investments that we did recently or we announced it recently at least we're expanding our Kalwa factory for power Transformers on the upper left one

We break the ground in Aurangabad for our switch gear factory where we also expand over there.

We inaugurate in Raipur our Service centre for steam turbines. Raipur is an important Center for the steel belt. That we have a lot of steel companies over there and we want to bring our services close to the customer and we will think on additional service centers to be close.

Over there in Bengaluru is the inauguration of our offices over there where we are bringing engineering to India for electrification automation digitalization of the industry where we want to do more out of field global operations So we are calling all the elements that I have said and

Avoiding on and making the meaningful investments Whenever they are necessary.

We want to bring value to our shareholders and this is why we work daily with our 4500 employees in SEIL to make these demands become reality in our priorities we have the number one as I have said is zero harm. We are company fully committed with safety. We want our employees and contractors to come to us to work. And go home to their families in the same way that Or even better happy back home after one day of work and we make house all the investments and we are very much consistent over there profitable growth there

There is no successful company there is. There is no you know perennial development of a company if there is no profit the profits is absolutely necessary so that we can keep investing fact with R& D bringing more things to our customers.

People stay on the quarter of our strategy. Without people there is no success is why we invest so much not only hiring but also skilling our people forward and finally and not less important our customer delight because at the end of the day the customers are the reason for our existence.

Without customers we are not here so we are here extremely committed to make our customers successful with our solutions

I went through all my presentation, and I thank you so much for your kind attention.

And Radhika I think now back to you right for the Q& A session

Thank you.

Radhika Arora

OK so I think we'll just start the Q&A session. Now there are people, I know there are a lot of questions we can we can go to each one of them separately

Do you also just maybe you know introduce yourself.

Yatin Matta – Nippon India AMC

Good morning, Yatin from Nippon. Thanks for this great presentation and I think that long term outlook you're really positive but if you can help understand our existing portfolio how is it aligning with the long. So maybe just an example. Like the HVDC is a huge opportunity in India but in our portfolio we are only focusing on VSC where you know within if you look at the ordering in India VSC doesn't seem to be that prominent. It is the other technologies which the country is more focusing on maybe because of cost because of anything. So when we look at the India opportunity are we running the risk of not addressing the entire market through specific technologies or when you mention evolving for the future do you think you would like to add some of the more technologies to address the broader market that's right now

Guilherme Mendonca – Managing Director and Chief Executive Officer

Thank you for the questions. Very, very, very important one. So I think that's it's very important one because when you have a global company with global portfolio, you try to align these on a global perspective. So we do of course alignments with important Marks and India is definitely one of them.

But we not cover any absolute the entire. So if you look to important elements like solar generation we are not in solar generation and for everything there we have a reason. So it's not because we do not want. We just see that the industry for solar generation is an industry that actually started in Germany

30 years ago. So when I lived in Germany I was paying a piece of my energy account to you know to finance the implementation of rooftop solar in Germany. Came to 20 GW of solar you know 20 years ago something that it is doing now is the question? So it comes basically from China for the whole world. You know how we can differentiate so this is one of them the other one that's also important in India is the Co-generation

These are decisions that the company took globally because of our sustainability targets to not be part of Co-generation. Four years ago we stepped out of new additions. We believe that the ways to convert coal to gas. You know and we are doing many projects in the world to convert to make this converge because the gas is much less.

You know with much lower CO2 footprint right on the edge of the so these two we are not anywhere because of the company decisions on the HVDC we are very much like here you saw we were the first HVDC project. That is something that I think you also mentioned in your question here again is a strategic decision

The market for HVDC Global is immense especially because many countries in Europe for instance to a certain extent they are going to renew both big time mainly for energy security. These generate a lot of renewable integration where we believe not only but I think the industry believe that the best technology for renewable integration is VSC. VSC is more modern and is power electronic based. It's a technology that comes with a lot of features already embedded, like back start, that you know.

Many things that the LCC does not have we have to add all of these. You saw our first project was 25 years ago in India was just to make bulk transmission from point A to point B.

HVDC is about connecting bulk transport of power but at the same time integrated the renewables with the intermittency and all the quality of the energy so VSC is the right answer for that.

And because of the amount of projects in the world, we have to focus our resources globally and we focus on the VSC for India is not good news because India still have LCC. The reason for LCC is because there are many long lines high power because of the continental nature of the country so VSC maybe is not the adequate for that. The LCC is because of the losses that we have over there but we are looking forward to bring VSC to higher voltage levels.

Where then in what completely unnecessary, right? There is just the reason for LCC is long lines high power but from the technology point of view LCC is a technology that's being phased out. So in our global strategy we focus on the VSC and when we come down to then of course we have to follow the global strategy because we are the VSC HVDC projects that we look at the pipeline on a global perspective, right, because there are so many.

Projects that we have to. So when I say all of this, I say that our portfolio is very much aligned with India growth because we are in the power transmission across the border we are in the energy efficiency on the table generation because we have many power plants were done with coal we are done with our own instinctive buying technology, the large. Modernization upgrade digitalization of these plants flexibilization to integrate with the Renewables. So we also present over there in the transmission. So I think that we are very much well covered.

Thank you for that.

Mohit Kumar - ICICI Securities

Hi, good morning. My question is how much are you localized on the HVDC side. What is the percentage terms HVDC HVDC VSC and you just talk about the bundle of order pipeline for each VSC HVDC for us for domestically and global?

Guilherme Mendonca – Managing Director and Chief Executive Officer

In terms of localization of HVDC, So HVDC in India we have an important piece. That's how the power transform. Must be doing India with our factory in Kalwa. all the engineering of the HVDC we do in India. The only part that we bought is the what we call the IGBT's. This is the micro conductors and this is something that's not available in India now. There are initiatives of the country and some

companies that are trying to bring the IGBT production to India. But these we have a huge scale right because all these industries need a lot of scale, so as long as we have this, we would consider the localization.

So we do have a localization it depends project by project and but fundamentally what we bring out from Germany is on the microprocessor side on the micro on the electronic side that's the IGBTs.

Mohit Kumar - ICICI Securities

My question is that of course India needs 60% localization right for the future HVDC project. But as you go into maybe the next lot of HVDC VSC. The requirement may go up to 60%. So are we achieving a 60%.

Guilherme Mendonca – Managing Director and Chief Executive Officer

We can achieve depending how we configure the project right and how much value we bring to the country.

So I understand your 60% project by project we are looking how we do that but I tell you the main piece of localization that we have to do is localization of the semiconductor the IGBT and And this is something that we do not manufacture. We buy from companies that are basically in Europe or Japan and that's why you know I can't localize it by myself right so.

We are working on that and see how we do. But you know, as I said that transform engineering. Capacitors are so many elements that we use cooling systems that we can localize to grow until the 60%

Mohit Kumar - ICICI Securities

One more question if I may ask FY25 was a great year in terms of transmission ordering flow. But as we enter FY26, the order of prospect is it as good as it was last year or do you think there is a moderation going forward?

Guilherme Mendonca – Managing Director and Chief Executive Officer

I think that there was FY25 a peak of projects because of the pent up demand that we have been seeing. So the TBCB auctions came in 25 big time and of course we cannot grow the market you know 25- 40% every year. So there is a growth and then you know it's not flat but then you come more to normalized growth.

I give you an example last year if I m not wrong we had 10 statcoms that we got more than 50% market share out of the 10, we got 5, something like that. This year we cannot have 15. You cannot execute also this so then we see that based on this 10 statcoms then we grow on the top of that.

So we still of course see the growth of the transmission market going forward but more on a higher baseline that we had in FY25. Thank you.

Subhadip Mitra - Nuvama

I'm suddeep Mitra from Nuvama, so my first question is with regard to the HVDC piece as you well explained. Now if I look beyond India right you talked about a large global opportunity for VSC HVDC. So is there a large potential for export orders for VSC HVDC that you would be looking at and if you could quantify or give us some color on that.

Guilherme Mendonca – Managing Director and Chief Executive Officer

Look I come back to the point where HVDC is a solution and there are many components there. So when I look at the Transformers for HVDC. We export Transformers and can also Transformers for HVDC application. And we did this in the past and we are looking forward for doing that. When we talk about the engineering of HVDC. Like you know the engineering the control and protection panels that you know control the complete system. These we do out of India, yesterday we were flagging off some panels for statcoms for Powergrid project. And we were showing that we are there doing HVDC for Norfolk UK. Siemens Energy won a project for HVDC in UK, for offshore connection and the engineering for the controlling portion, the intelligence. As you know HVDC has a lot of micro electronics. there is a lot of control and instrumentation around to make it happen. This will do

complete out of India for export. So what we do not do in India. Coming again to the question that the colleague had. What we do not do is the Power converters because the power converters depend on the IGB's that's the core of the power converter and the IGBT comes from abroad. So there is no point to bring 80% from Germany to here, put this together send back. That's the point, right? You have to do look at this from an economic perspective whether it makes sense or not.

Subhadip Mitra - Nuvama

Understood. If I move to the turbine side of the business, especially steam turbines. What quantum of current revenues would be let's say are export led and what kind of growth are you seeing or sustainable growth are you seeing there on the turbine side of business.

Guilherme Mendonca – Managing Director and Chief Executive Officer

By portfolio element, we do not disclose how much we grow. But from the portfolio, I can tell you from the steam turbines we should differentiate in two kinds. There's a large steam turbine that goes along of course with large power generation. This we do not manufacture (large steam turbines) in India. We do not import new ones because basically we are not in the coal market right. What we do is service on these large turbine fleet that we sold a long the time ago. And we are looking forward, as I have said also to the nuclear market. Because then we can come back with a large steam turbines for the nuclear. We do not do reactors of course but we can do the steam island. In nuclear power plant, we have the reactor that generates the heat and the electricity gets generated.

For the industrial steam turbines, we have the Vadadora factory and we are present across the entire process industry in India and we are starting to export more, the steam turbines out of Vadodara to other countries. I can tell you qualitatively but not in numbers.

Subhadip Mitra - Nuvama

Understood. Last piece from my side if I were to look at the data center optionality or potential, right. I think your presentation talked about an 8 GW incremental capacity for data center center that's expected to come up by 2030. How can one look at your share/ wallet share of data centres. How large an opportunity can it be for you?

Guilherme Mendonca – Managing Director and Chief Executive Officer

So depends how the data data centers developer is looking at. Today our share has been more on the substation. Because basically about the grid integration grid connection. You put a data center on Amazon and you have to connect to the grid. There is a need of substation and of course we can do the substation. Substation compared to the size of a data center investment is a small piece.

The bulk of the data center investment comes from the racks and the you know processors from Nvidia etc. and we are just a general guy connecting the energy that's necessary, but it's not the major part of the investment.

When we look at US, then we are not only doing substations but the complete gas based power generation. So there are data centres in the US today that are on the gigabytes scale. Then sometimes you need four large gas turbines. Then there's a huge business for us still for the data center is not much because proportionally it grows right and we can also do the power distribution. So it depends how the data center is configured then it will change.

But if you ask me generically from the total CapEx. Eg. If you say Google is 1 billion you know we might be with a substation \$20 million. That's about 20% just to give you a sense of proportion. Unfortunately, we are not in the microprocessors business.

Subhadip Mitra - Nuvama

Got it. Thank you so much.

Bhavin Vithlani - SBI Mutual Fund

So this is bhavan from SBI mutual fund couple questions. First, when I look at the services piece about one-fourth of revenue its very impressive especially for an emerging market. We usually look this and develop countries. Could you help us understand the services piece better. What part is where you're supplying the spare parts servicing the existing installed base? And what part of this is where you are offshore arm for the parent services. In your presentation you did

Speak about some of the global engineering part. Second, is if you can help us understand the transmission piece of your business. Where there is a industrial steam turbine which is manufacturing revenues spare parts would be there. Then, in your presentation you did talk about the larger piece which is usually I understand will be the services part. So how would you break the Generation piece between the larger and industrial piece and when we look at the profitability of 18% looks very impressive. And this we see its sustainability over a very long period. Oil and gas was a segment which was a part of this segment which was earlier when you look back like 10 years ago. It's been at similar level of profitability. So what part is the services piece that drives this profitability.

So two piece, just help you understand the generation between the services and the manufacturing. And the services piece could you help us understand. What is the third party or to the parent and what's the install base services in this space.

Guilherme Mendonca – Managing Director and Chief Executive Officer

I will start with the generational services, So the generation services that we do is fundamentally for the domestic customers. In some case we might do by a special demand that you know we do in the service of power plants somewhere else but fundamentally when we see these numbers of revenue or Order intake for services, these are for the local customers that we have. And we do have, as I said the largest large steam turbine fleet for the Thermal power generation in India belongs to us. These are manufactured by us or our own technology so that's where it comes from. And when we do service on the large steam turbines for the thermal power plants this service is done by our people here and depending if you need a spare part then it might come from Germany or from another another factory because we do not manufacture in India Large steam turbines for the reasons that I have mentioned. When it goes to industry steam then we have the full value chain in India. We of course have the people servicing pulp and paper, sugar, metals and all plant. And all the spare parts, everything comes from our own factory because we do have the local manufacturing. This is more or less how we compose this business.

The next question again just to help me refresh.

Bhavin Vithlani - SBI Mutual Fund

The 36 billion revenue how would you divide between the large and the industrial piece?

Guilherme Mendonca – Managing Director and Chief Executive Officer

So this split between large and industrial turbines, we do not disclose. We just say that we have a large Services on our revenue because we have this large fleet but will not go down to the number by portfolio element.

Harish Shekar – Executive Director and Chief Financial Officer

20 billion actually comes from services because if you have seen the chart. So 25% of the turnover is coming from service and the remaining is project and products. So that's about 20 billion overall

Bhavin Vithlani - SBI Mutual Fund

The second is help us understand the services piece better. What part is services to the parent and what part is services on the existing fleet. 25% of the 130 billion revenue is the services piece.

Guilherme Mendonca – Managing Director and Chief Executive Officer

Yeah that's why I say you know actually what we do for the global is more on the competence hub that I said where we have these engineers doing services for R&D, engineering, project execution and this is more on an hourly basis model. So we are actually doing for them when project not with us. So if there is something happening in another country this country use India as a resource pool to help them in executing and then our business goes more on the direction of selling hours.

So if I look to the overall number without going giving precise percentage, I would say that by far the services on the domestic market and there is a smaller piece on the export of services as man hours to global.

Harish Shekar – Executive Director and Chief Financial Officer

So bhavan to answer, he is right so the domestic part of the 20 billion is a significant portion the global part is still small and this is what is actually evolving now with the service centres setup in Bengaluru and so on and so forth.

Bhavin Vithlani - SBI Mutual Fund

Just the last question is, when we look at the energy portfolio of the parent there is a within India the missing piece is the compression systems, the factory near Ahmedabad. Would that be integrated into the India operations then the portfolio becomes more aligned with the parent entities.

Guilherme Mendonca – Managing Director and Chief Executive Officer

I think to answer the last part of your question, the portfolio is aligned. Because we are serving the Indian market with the compressors so we have very important customers ONGC and IOCL, You name it – GAIL the gas transportation. So we are serving this. how we serve them is a different thing. We have different companies in the country. Actually we have 3 companies in India, we have SEIL, we have Siemens Energy Industrial Turbomachinery India Pvt. Ltd. (Baroda colleagues with the Compressor business), and we also have Siemens Gamesa colleagues in Chennai. So these are the three companies. The portfolio that we do in SEIL is everything but compressors and wind, but we are serving the country as a whole.

If you ask me about integration. This is something that I cannot answer you because we are depend very much on the headquarters strategy when they want to do that. Thank you.

Parikshit Kandpal - HDFC Securities

Hi this is from HDFC securities. So my first question is you spoke about expanding the global hub. So does it exactly mean. So both for transmission and power generation if you can help us understand. Are there any allocated market for us, for the export markets. What are the products you're looking to export. As a percentage exports 23- 24%. is it going to increase. Is there any strategy or any guidance there?

Guilherme Mendonca – Managing Director and Chief Executive Officer

So when we say to increase the contribution of India to our global operations, It goes in the direction of services in the sense of grow head counts in India that can support the execution of projects globally like I gave the example of the HVDC in UK and the power plant in Taiwan. Now, we can do these kind of things out of India using our manpower. This is one element. We also look at either how to provide internal services like we do supply chain or we do IT. Some elements that we do internally from India to our company there. Now we have so many models like GCC so this is there and we want to grow to expand what the functions and increase the amount of projects that we can do out of the country. But again this is a manhour kind of business, right? This is what we're doing and we are also looking at export of products and other kinds of components to our customers or to our factories. Here is not that we have markets that are allocated to us. Like, we have this market A, B and C. We do not operate like that globally. Actually we operate in the factories like global manufacturing networks that you know there is a global demand, there is a global network of factories and how we serve the market. So it can be that we are serving US for a Data centre project. But tomorrow there is a project of switch gears in Taiwan and Germany will decide where we should serve according to the project pipeline that they have and these you know as we grow there is a trend that as the export could grow along because if you expand of course your global contribution to exports should grow but how it grows we have to see how Siemens energy wants to leverage our operations forward because the export piece is not in our hand. The domestic market is in our hand or we can of course play with our cards over here. But when is about export actually the headquarters side. Because it's their responsibility to decide for a given country for a given customer what is the most suitable factory to supply that can be about lead times, about the qualification of the factory, suitability of the portfolio all these elements coming together in this decision.

Parikshit Kandpal - HDFC Securities

OK. My other question is on HVDC We have other incumbents GE Vernova, Hitachi announcing large capex programs for expansion of their HVDC facility. So in light of that how competitive we are in terms of pricing while bidding for orders, large orders here. So do you think we are competitive enough in line with their cost. So how does one read that.

Guilherme Mendonca – Managing Director and Chief Executive Officer

Absolutely. so we see ourselves very competitive on a global perspective we are market leaders in HVDC VSC and we are also competitive in India and we are not concerned about these announcements because we also announced we have as you know competence center. We are expanding our people. We have a localization of our power Transformers. That's a very important piece of an HVDC solution and then we talk about the localization of HVDC the missing piece - That's the IGBT so that the core of the power converters and any supplier will keep importing because there is no local manufacturing. So even if you put something over here you have maybe to do a kind of final assembling. But the real manufacturing is not there because the core is not there. So as long as we have local manufacturing of these micro micro electronics or power electronics sorry then you can of course start saying that I locally start manufacturing HVDC. But today there are not many in the world. There are few suppliers for IGBTs and India has a very clear intent to bring this manufacturing down to the country for these IGBT's and then of course we will consider the localization. But as it is today how the supply chain is built we do not see this as a concern in terms of competitiveness.

Parikshit Kandpal - HDFC Securities

This one last question to Harish. So harish in the current order book of 16,000 crores so how much will be related party orders. Any sense? Like from the entities.

Harish Shekar – Executive Director and Chief Financial Officer

Related party in the sense with the promoters. I mean there would be a specific number as such. But then as we said the local for global services is quite a small piece at this point in time. So predominantly it's mostly servicing the domestic market so that's where it comes from. So the piece which is you know particularly local for global the service part will be there and that's not a significant amount of lead time in terms of order book. it's book to bill one is to one

Parikshit Kandpal - HDFC Securities

So largely these exports are third party then in that sense. Thank you.

Participant

I have a question on the capacity timelines. So you are already doing the capex on transformer side as well as on the switchgear side. So can you tell us the timeline of commissioning of these capacities and are there enough enquiry buildup with you already for these capacities both on the domestic as well as on the export. Like you answered on the export side that it's still dependent upon how things pan out. But on the domestic side how are the enquiries build up for the off take off your incremental capacity that you would be commissioning over a period of time? So first on the timelines and then on the inquiries

Guilherme Mendonca – Managing Director and Chief Executive Officer

Yeah so on the timelines the fact we are now so in Kalwa, the Transformers we start earlier and we are in

the full swing in the construction so we expected that this factory should be ready end of 2026 beginning of 2027. So it depends very much because civil construction, all these things you cannot be super precise but will be from half of 2026 to beginning of 2027.

For switch gear we just broke the ground another day so we are starting the demolishing. This should come also along the end of 2026 along 2027 so this is more or less when they will be made available. And in terms of pipeline you know transmission locally and globally whatever capacity you put available it's immediately demanded.

So we see so many projects coming up on the TBCBs in India. That we are feeling the effect and filling the factories with all these orders. So capacity is not an issue, capacity is actually something that we have to manage due to the excess of demand and that's why we're expanding to the other part of your question on the export is more or less how I have answered the colleagues here. So the export is something that we do not manage as our own decision because actually we are demanded for the export. So I can say one order that we took you know it was in 2025 that we got Iraq. So there was a big order for Iraq. There is a reconstruction project in Iraq and Siemens Energy got a very large order in the country for the reconstruction of Iraq and not only transmission but also gas fired generation. And once Siemens Energy go this project, then they can say look we need the GIS and GIS we do in India, Gas turbines will be Berlin. But this not something I can say that I will do this by

myself. I am not allowed this authorization because it's not my call, right? Also as globally there is a huge demand for equipment we get of course more and more requests for supply. Because we have a very good factory, quality and price that we can supply.

Participant

And how confident are you on the pricing of the Transformers and power transmission related components given the way that every player is now expanding. What would be your view of the entire cycle by FY27 or maybe by FY28?

Guilherme Mendonca – Managing Director and Chief Executive Officer

We see the price keeping on the same level. In spite of the expansions that we see, the demand is still very high locally and globally because the energy sector is expanding big time. The capacities are coming along to support India so that India does not have a shortage of equipment but still there is an opportunity for the price being kept up because the demand will be high for the years to come. We cannot predict for how many years because nobody knows why the world is so unpredictable nowadays. Everything can happen in this world but you know nothing disruptive happening. We see the price kept on the same level and of course we are also working very strongly on operational excellence that we can keep improving our cost and also the price to customers.

Participant

Understood. Thank you, Sir. Thank you.

Sumit Kishore - Axis Capital

So this is Sumit Kishore from Axis Capital. First question is over the next one to two years which are the VSC HVDC projects that you see coming up for award and roughly what would be the size of the opportunity for Siemens Energy here. We know that the South Olpad HVDC project is currently up for award. But what are the other opportunities that you see over the next couple of years?

Guilherme Mendonca – Managing Director and Chief Executive Officer

So as these renewable evacuation grows as per the national transmission committee. So these numbers we actually get from the government. so this is where is our source of information for our market analysis, we see one to two projects of HVDC per year. Most of them should be LCC but we see maybe one project of VSC every second year.

Sumit Kishore - Axis Capital

The next one may come after the gap of 18 months or 24 months.

Guilherme Mendonca – Managing Director and Chief Executive Officer

There are some discussions on Mumbai because Mumbai needs new feeders for the city, so may become another one next year but you know the predictability is difficult. So we know that will come but we do not know exactly when and sometimes come a lot of projects at the same time. So we are seeing that the VSC will be part of this story and we also believe that step by step India will migrate from LCC to VSC as we see other countries also doing and we are working also to show the of the VSC when it's about renewable integration. So lets see how these projects go. But maybe one project every second year.

Sumit Kishore - Axis Capital

The second question is on steam turbines. You also mentioned in the generation piece that flexibilizing the steam turbines in India is going to be an opportunity especially as you know the technical minimum has to be brought down for the Thermal power projects. So what is the size of this opportunity that you see because already this is proving to be a problem that the country has to solve.

Guilherme Mendonca – Managing Director and Chief Executive Officer

There is an important opportunity and this opportunity happens on the digital space. So just shortly on the techniques. You know the renewables – the sun goes up sun goes down, there is wind there is no wind. So the Thermal power plant has to step in and step out. Because otherwise you have a gap of energy or have an excess of energy. And the thermal power plants basically older coal power plants they are not so quick. So you have to do some adaptations over there, sometimes a mechanical adaptation where you do a kind of modernization of the mechanics of the turbine but the main piece is

on the flexibilisation on the software side that we can accelerate the ramp up and ramp down. So that you can offset the variations of the renewables. So in terms of opportunities important.

As India made an option to do the base load with Coal plus renewable is more or less the model these coal plants have to react in the timing aligning that of the renewable. So that you can offset these variations. In terms of volume, this is not so if I put it against our order intakes. This is not a big number because normally more software and some instrumentation that we do. It is very important from the application point of view to make the story viable - Renewable plus Coal but from the volume perspective is a smaller volume to be honest.

Sumit Kishore - Axis Capital

So one question for Harish the last one you. With your order backlog and the growth visibility that you have how should we think about the scope of operating leverage in your business. In terms of employee and other expenses over the next 2-3 years. Could you comment on that.

Harish Shekar – Executive Director and Chief Financial Officer

So in terms of scalability definitely with the volumes coming in the proportion of the employee cost will not go in line with what is it right now. So we'll have equals of scale coming in. So that would be a quick answer to your question and also a lot of digitalization will take place. So it's not just people but it's also the digitalization where there's a high accent from the company globally and locally as well. So short answer is it'll actually come down in due course but not in a significant manner but definitely the proportion will be less.

Sumit Kishore - Axis Capital

And gross margins are sustainable?

Harish Shekar – Executive Director and Chief Financial Officer

Yes. gross margins are sustainable.

Sumit Kishore - Axis Capital

Thank you.

Puneet Gulati - HSBC

Hi, Puneet Gulati from HSBC. Can you talk about the new products that you want to bring to India from localization perspective in next two years and what are the products that you see becoming competitive in your global factory model to be manufactured out of India,

Guilherme Mendonca – Managing Director and Chief Executive Officer

So basically from our entire portfolio that I have shown, the only portfolio elements that we do not manufacture in India I would say that's the gas turbines for the reason that there is not enough demand for that and so does not justify localization of this product and the second portfolio element is the electrolyzers for green hydrogen where we see this as a potential for the future. But not yet with enough volume to justify a factory. We have a factory for electrolyzers in Berlin where we have one gigawatts of electrolyzer PEM. This factory can be scaled up to five giga watts if I am not wrong. And we're still fighting to fill the first gigawatt.

That's why green hydrogen is definitely part of the future equation, we have invested big money on this in terms of R&D and also factory. But we see you know that the reality on the ground is that ramp up is not at the speed that we have expected. And normally green hydrogen is more ramping up where we have a regulatory obligation. Because the economics are simply not there. We believe that it will come but that will take time. So that's why we are not talking about localization but we are very much keen to partner in India with companies and we are discussing this in a confidential way where we can maybe not fully localize the electrolyzer but we can bring these stacks - kind of the pieces of the electrolyzer. Make the final assembly in India. The package in India. All the balance of plant in India so that's more or less like the HVDC where we do not have the core. But everything else we do in India that brings the localization level to important levels. This is what we are doing and as soon as we have a clear confidence that the reason of demand. Then of course we will consider localization. For us the make in India is very clear. We are committed for making in India for 100 plus years now And we will not hesitate to keep expanding our make in India as long as this makes sense

from a business standpoint, from an economical standpoint makes sense. it's not an issue to invest or not invest. It is to invest when it makes sense.

Puneet Gulati - HSBC

Anything in the pipeline in next two years.

Guilherme Mendonca – Managing Director and Chief Executive Officer

We keep reviewing the portfolio globally that we have and do not have local manufacturing. Of course we are researching CCUS, we are researching many other things but these are even longer shots. One thing that we are looking at as I said is the nuclear with the large steam turbines that we also have in our portfolio as long as we see that the nuclear will become a strong thing In India we will consider.

Another portfolio element that we have but not yet needed are the syncons - the synchronous condensers for grid stabilization with the statcom and the syncon. But now as we understand we start coming maybe one first syncon should come in FY26. This will start with important machines because again these are more or less generators that we use in the power generation. So as soon as we see that it ramps up then we can of course consider further localization. And localization there are many degrees of localization. You need not do 100%. You can do a phased approach of the localization as soon as you see the market is going up then you can increase your depth of localization. It's more or less always strategy forward.

Puneet Gulati - HSBC

And anything in your product portfolio that you see yourself becoming more relevant for the global factories In next two years. In your existing product you think something that you've not been able to export because you were not very cost competitive you'll become more competitive in next two years

Guilherme Mendonca – Managing Director and Chief Executive Officer

if I look at the global basis basis, it's hard for me to say. Because the energy is demanding everything from compressors steam turbine power transmission, gas. You name it and everything. So if you look at the numbers of Siemens energy globally and there you see that they go in a deeper granularity of the numbers by portfolio elements. And all you see that the success of the companies across the board because the market is demanding and we are quite competitive. But if I would name what are the two main elements that are really pushing up now in the future is gas turbines and power transmission. These are the two main elements in our portfolio gas turbine and power transmission. Gas turbine is not the case in India as we said but power transmission we are #1 player in the world and in India we also lead in the market. And we will keep this forward.

Puneet Gulati - HSBC

And lastly on the transmission side we've seen more opportunities on Interstate. Are you thinking anything emerging from the intrastate side as well.

Guilherme Mendonca – Managing Director and Chief Executive Officer

Absolutely, so we see that in the Interstate we see a lot of development we are seeing a lot of 765 KV lines coming to evacuate all this power. The electron has to come from Rajasthan down to the factory to consumption. So you cannot have a gap in between because otherwise the evacuation is not complete and I think on the state level expansions and we are actually seeing. Even statcoms coming in Maharashtra, we see a lot of things coming in Gujarat we see just approved an offer yesterday for Kerala. So we are seeing projects coming up in a bigger time across the States and this has to catch up so that you can evacuate the power down to the consumption to the load.

Participant

I had a question on your mix. You said 23% of your revenue is exports. Would it be fair to assume that bulk of your exports would be a services that you're doing here? What are these exports this 23% of your revenue mix?

Guilherme Mendonca – Managing Director and Chief Executive Officer

The composition of exports on the product I think mostly is in the power transmission space.

Participant

Exports is primarily ER&D so how much of the service exports in that mix?

Harish Shekar – Executive Director and Chief Financial Officer

We do 23% export mix in your revenue so you want. So you want to know what percentage within the 20. what percentage within the 23 is services. I mean I can't go into granular details because it is 23% overall and there is a service component which is within the generation piece which is there and to answer your broader question which is in terms of where is the 23% coming? it is coming from products which is basically the transformer part.

Guilherme Mendonca – Managing Director and Chief Executive Officer

You can say that most of the export is product from most of the products that transmission.

Participant

Secondly if I look at your manpower I think you mentioned 4000 employees out of which 1500 employees are in the R&D. So is there a scope for a significant ramp up in terms of revenues from the R&D service alone.

Guilherme Mendonca – Managing Director and Chief Executive Officer

The 1500 employees that we have in R&D engineering that is basically local to global base that we have and this number will grow but the growth of this number I don't have this clear now and I would not be sharing this as well because of forward guidance. But you know it depends very much again on how headquarters wants to leverage us. So if they decide that the decision is there I can share that the company wants to leverage more India for the global that's definitely. How much will be that and how we are ramping up this will depend on their own global plan and out of this global plan how much they will devote to India to be expanded over here. And this is something that we also get to know along the way.

Participant

Just to get a bit of context. Next how much was this strength two years back and how much are you going to planning to hire in the next two years? On the total RND

Guilherme Mendonca – Managing Director and Chief Executive Officer

So for us there are few R&D that we do but there are also a lot of engineering for project execution. two year ago would be somewhere around 600 to 750 in FY23

Harish Shekar – Executive Director and Chief Financial Officer

you know as he said this is something which is dependent on what comes through from the global because the pull the demand pull needs to come from the global. And then likewise we will be ramping up.

Participant

Fine thanks. My last question. The question I had was I think in the first slide on transmission you mentioned transporting and storage of energy. So what are you doing in storage specifically?

Guilherme Mendonca – Managing Director and Chief Executive Officer

Storage for us is more an application. We are not a play on the storage across the border like many companies do so. we are not in large BESS. Storage more on the grid stabilization because we have some projects where we combine storage with syncon with statcom to secure the stabilization of the grid So we are more a niche player on the storage not a major player on the storage. Reason for that storage as you know 60-70% of the value comes from the batteries. We are not a battery manufacturer. And that's why you know the value that we can add is very low. So then we apply this when we have an application that makes sense on the overall context of the solution we are providing.

Participant

Just a related question: do you see storage cannibalizing transmission spends?

Guilherme Mendonca – Managing Director and Chief Executive Officer

No. I think storage is actually complementing the transmission in terms of stabilization because storage can stabilize the grid and I think is a very important compliment for the renewable story where you have a lot of suppliers of renewable in times when you do not have the consumption and you have to put this energy somewhere so that you can transport it forward. Actually, the storage optimizes and make the renewable generation more efficient. Because you can have more power accumulated to use the lines and also increase the efficiency of the power transmission grid because you do not have them sub utilize/ underutilized the grid because you do not have power to transmit. I don't see. I think the demand for power transmission is there and will be there going forward.

Diya Brijwani - WhiteWhale

I'm Diya from WhiteWhale. Just correct me if I've got the stats wrong. if I just look at the NEP plans there are three components. One was substations, one was transmission lines and then there is HVDC. There's a significant step up from 22 to 27. And then again a step down in terms of transmission lines and substations. So the data kind of implies that not many additions are going to come in the substations and then the transmission lines. The only non linear growth which was there was the HVDC part. So in that context how do you look at the HVDC portfolio in your transmission revenue vertical

Guilherme Mendonca – Managing Director and Chief Executive Officer

We have said these before, so we had a big growth for Transmission from last year to this year and this growth will still be there but not in the same magnitude because you know this will be more growing at a reasonable number of three, four or five% and it goes forward because we expanded the generation anyway. So actually will not grow so big but will keep growing forward. When we look at the HVDC, definitely HVDC is an important element. India is also looking to other portfolio solutions. This is also public thing India is looking at growing the AC lines to 1200 KV. So there are a lot of 765 right now. So at the end of the day the grid is a combination of several voltage levels and several technologies to suffice the demand. HVDC, we are in the market. As I have said and we are focused on the VSC and for every VSC that comes up in the market, we will be participating and fighting to win.

Diya Brijwani - WhiteWhale

Just one last question: With this ISTS (which is the Interstate transmission) waiver going away. Are you seeing any pullback on the Interstate transmission Capex from here on just because of this new policy.

Guilherme Mendonca – Managing Director and Chief Executive Officer

Well I wouldn't see for the reason that you know is that the demand for electricity will not down but only go up as I have said and the waiver is a facilitator or incentive to accelerate the renewable implementation. But I think also renewable is becoming so competitive because these incentives are also not forever, they are just there to get traction and when you get tractions then you do not need them anymore. Irrespective of incentives or not, the demand for electricity will be there. So then you will need generation and transmission. There is no other way. So it's not because of these that the growth of India will not happen. Actually, the growth of India will push the growth of the power sector.

Radhika Arora

OK and then we had one question back there and then one here and then I think we'll just close it so that we get some time to speak.

Abhijeet Singh – Systematix

This is Abhijeet Singh from Systematix. First question is I wanted your view on the sustainability of power demand so we talked about electrification, we talked about data centers consuming a lot of power. Also in the emerging economies there's increased per capita consumption that is happening. So combining all these factors. How do you see the power demand sustaining going forward. I'm sure there will be a period of high growth but what is the kind of view on the medium and longer term on the power demand.

Guilherme Mendonca – Managing Director and Chief Executive Officer

The demand is absolutely sustainable as long as the economy keeps growing as it's growing. The middle class keeps growing their income and getting more disposable income to invest and buy things driving the industrialization of the country. If I look at India this cycle should be long. As long as nothing unexpected happens. I'm just put this disclaimer because nobody can say what happens in the world next year. There are wars, there are tariffs. So then we have also to be careful that if nothing comes from the hit you from the side right. The sustainability of the demand should be forward because this is supported by the fundamentals of the country. Energy is not an element. Energy is an enabler for the growth of the country. So if the country's keeping growing as it's growing and I believe it will grow under the aspirations of India should come through as I was in this life. So the electricity demand will go forward OK sustainable.

Abhijeet Singh – Systematix

And what is our capability and strategy to participate in the Indian nuclear expansion program that has been recently announced. How are we looking at it you know in the in the middle to long term.

Guilherme Mendonca – Managing Director and Chief Executive Officer

The strategy so as I have said for the nuclear all participation is on the steam island we are not in the reactor side. And we are market leader on this Large steam turbines globally. Also in India as I said here most of the fleet of steam turbines in India belongs to our technology. For the next wave of power generation that is nuclear we will be looking for keeping our participation with the large steam turbines. Are looking forward for the discussions that are happening right now. How the regulation will be sorted out. The thing on the private participation. But they are also the top on the Civil liability as you know and these are very fundamental elements to be solved so that we can participate in a Safeway in this market and if these things are sorted out as I believe they will, then we will have a play over there.

Amit Anwani - Prabhudas Liladhar

hi thank you Amit Anwani from PL Capital.

First question on the generation side. Just wanted to understand your outlook on the steam turbine for industries and gas turbine. The domestic market has been kind of slowed down, the CapEx has slowed down and we can see the growth was only 11% year on year for you in generation? And I'm assuming those would be large service portfolio also in that revenue so just wanted to understand the outlook which industries you're getting traction if at all and will this be double digit there would be improvement in growth? Your thoughts on that?

Guilherme Mendonca – Managing Director and Chief Executive Officer

Thank you for the question. So in the industrial steam turbines that we do in Vadodara, we see that it is a very different market from power transmission. Power transmission going through a boom because of renewables and everything. Steam Turbines goes more along with the industrial sector development and there we see an average growth from 4 to 6% that goes along these industries. So there is a consistent demand for steam turbines and that's why we have a very good load and a very good and stable business. Over there the main verticals that we see is basically cement and steel. Because you know expanding infrastructure in this country as it happen. Airports you need a lot of cement and steel of course and then we applying steam turbines over there before the expansions but also many customers doing the waste heat recovery where they have existing plants but they wanted to optimize and bring more efficiency with the capture of the flue gases and generate additional electricity. So many turbines come out of Vadodara. We also see the pulp and paper expansion, sugar and ethanol had a peak with all the blending that happened. Now slow down a little bit if either keeps a high ambition on blending more ethanol to the gasoline then of course you need more mules to produce more ethanol and then push the long again through Industrial turbines. Fundamentals say metals, cement sugar ethanol, pulp and paper.

Amit Anwani - Prabhudas Liladhar

A second one on service pie. Is my understanding correct that the 20 billion largely coming from the power generation services and second are we doing any third-party service how has been the growth in the service business and also the profitability margins in service business, if you can give some color on that?

Harish Shekar – Executive Director and Chief Financial Officer

So basically the service is coming from the generation side predominantly I think your assumption is correct to that extent and then it is of course on the back of the installed base so no third party but more on our install base where we getting the service business and then there are also those additional ones which comes from mods and upgrades as well which is what Guilherme was referring to because there are also upgrades on aged fleet as well which gives us an opportunity to bring in the service component along with the spares which acts as a kicker for us. Here I mean I can't go into the details of the profitability

Amit Anwani - Prabhudas Liladhar

Lastly on the statcom and FACTS you did highlighted that there were we had a 50% market share and we did win good numbers in F-25. Medium to Long term what is the opportunity on statcom and facts. How's the market? Will this be significant contributor to our intakes also? Since we are saying that actually HVDC might take some time for intake to come. So just wanted to understand the statcom and facts. Is it coming from central utilities state utilities and how was the contribution in intake for this year?

Guilherme Mendonca – Managing Director and Chief Executive Officer

Statcom is an important contributor you know because of the renewables start consumer be demanded if I'm not wrong with the number from CEA that 75 statcoms are in the plan. Last year we had around 10. This year as per the plan we should have another 8-10 and this should go forward like that. Maybe we can consider 10 per year so keeping the same success that we had start keeps being a very important element to us. Where we have been successful, we have a good technology, we are competitive so this will be the major contributor.

Amit Anwani - Prabhudas Liladhar

How was the contribution this year in intake from statcoms

Guilherme Mendonca – Managing Director and Chief Executive Officer

So in the total order intake, we do not disclose because you know then it goes down to the granularity of the portfolio elements but you can consider in the transmission space it was an important contributor. Thank you

Radhika Arora

Thank you. I think with that we will just end the Q&A session. Please just give us short of 5-10 minutes and thank you everyone for joining us today.

Those of who you who have taken time to come and join us here and those who have joined us online as well. So with that we end the meeting today. Thank you

You could join us outside now for some more questions if you have and Thank you so much.

End of Transcript