

Siemens Limited – Analyst & Investor Call
Quarter ending 31st March 2026
28th May 2026

- **Ms. Radhika Arora - Head, Investor Relations, Siemens Limited (India):**
- Good morning and welcome to the Siemens Limited Earnings Call for the Quarter ended 31st March 2026. I hope you all are in good health and have seen the results that were announced on 26th of May. Before we start this call, let me give you a few instructions about the technology that we are using here.
- We are using the Microsoft Teams platform for the meeting. All of you are in mute and the camera has been disabled. The meeting will start with a presentation by the management team of the company, followed by Q&A. Anyone who wishes to ask a question should use the raise hand option and we will enable the microphone for the person in that order. After enabling the microphone at our end, the speaker must also enable it on their device and then start with the question. In the interest of time, each one of you is requested to limit your question to maximum two. After the question is over, the speaker's microphone will be disabled.
- Moving on to the presenters, we have with us today:
- Mr. Sunil Mathur, Managing Director and CEO, and Mr. Wolfgang Wrumnig, Executive Director and CFO of Siemens Limited from the management team here. They will make a presentation on the performance of the company, post which we will move to the Q&A. Before I hand over to Mr. Mathur, please note that we are taking as having read the disclaimer statement that you can see in the presentation as slide number 2 available on the website and also currently on the screen. With that, over to you Mr. Mathur.
- **Mr. Sunil Mathur - Managing Director and CEO, Siemens Limited (India):**
- Thank you very much and a warm welcome to all of you to our analyst meet today. We will structure this analyst presentation essentially in 3 parts. I will give a brief outline of how we see the macro scenario in the country and its impacts on Siemens and some major events that have happened in the last quarter. And then I will hand over to Wolfgang to give a more detailed breakdown of the financials that have been released by the board a couple of days ago. And then I will take it back and just summarize the presentations and key messages before we open it up for Q&A thereafter.
- So, I think it is fair to say that the macro scenario is known already. One of the key impacts on most financial results comes out of the West Asia conflict here. Having said that, I would like to say we see very clearly a continuing growth story in India. We do not see a slowdown in private CapEx yet. We do not see a slowdown in public CapEx yet. And having said that, it is true that there have been major impacts in the last couple of months out of the sharp depreciation of the Rupee and out of the volatility, extreme volatility in commodity prices. Now, the impact of both of these and the impact of the West Asia crisis, of course, we believe will have an impact on inflation in the coming months. And this is something that we are going to be watching very carefully. Having said that, as I said, private sector CapEx continues to grow, not only in the new-age technologies that we had earlier talked to you about in terms of semiconductors, batteries and fuel cells and so on, but also more in the traditional. So, we do see a growth in cement, steel, pharmaceuticals, etc., also happening during the last couple

of months. There has been a pickup. I would not say we are yet at the peak on the private sector CapEx, but we definitely see a real pickup in the last couple of months coming out of the private sector CapEx there. Public CapEx pipeline in terms of roads, highways for us, railways, in particular Data Centres, private as well as public, major growth area for us. But also, the railway pipelines are getting stronger. We have more visibility in the tendering process of the opportunities that are out there. So, I think overall, from the demand perspective, we do not see a slowdown. Quite to the contrary, we see a pickup over there.

- Now, what impact the strong depreciation of the Rupee will have, the high increases in commodities will have on inflation and consequently on interest rates and consequently on ordering, we are not yet able to foretell. And this is something over the next 3 to 6 months we will be watching very, very carefully.
- As also the India-EU FTA, which we believe will bring in huge opportunities for exports for our customers, for us directly, not so much of an impact. There will be some impact in terms of customs duties coming down once this agreement is signed off. But we believe for our customers and therefore indirectly for us, there will be a huge impact coming out of that with, as we said, 0.5 to 1 percent impact on GDP over the next couple of years.
- Some areas during the quarter that we are particularly proud about is our increased focus on sustainability. We've been ranked as India's number one sustainable company in the engineering, electrical and electronic sector, something that we are very, very proud about. Following a lot of detailed work that we have done on scope 1, scope 2, scope 3, we have been upgraded by all the 3 agencies that you see here. And we will continue to keep our focus not only internally, but also in talking to our customers, supporting our customers on their sustainability projects, because we have the technologies that can enable them to be more sustainable.
- Some other highlights during the quarter.
 - You've been following the 9,000 horsepower (HP) locomotive project. And we are proud to say that by 31st of March, we delivered the first contractual ... we met the first contractual delivery dates of dispatching 40 locomotives from Dahod to the Indian Railways and have been fully paid for that in the meantime as well. The next 2 years, will require us to deliver 80 locomotives a year, 80 in '26 and '27, and then it will ramp up to 100 from 2028 to '30, before we have to ramp up finally to 160 from 2030 to 2035. So, this is a good project. We are on track. We have been able to deliver, as we mentioned, over 90% localization in about 2 years. And we are very satisfied with the progress over here.
 - We also were able to receive an order from a leading semiconductor player for their OSAT facility in Gujarat. And this really demonstrates everything from designing the factory, designing the processes, to delivering automation system, the hardware, as well as the electricals. And this is where we combine really the power of Siemens together by combining the portfolio elements that we have, software elements and hardware elements that we have in our Digital Industries business with the electrification portfolio that we have in our Smart Infrastructure business to provide a comprehensive solution that starts with software design, design of the product, design of the factory, design of the processes, and then bring it, combine it with the hardware, where we actually bring the electrification, as well as the automation linked in with the IT-OT integration and cybersecurity platforms that are required for the manufacturing facilities over here. And this is what we will really be focusing on moving forward, is as

a one tech company is combining the strength of all our businesses together to provide one technology solution across all our verticals to customers.

- The third one, of course, is another element of pride. We have received an ₹18-billion order for the supply of bogies, traction motors, and gearboxes to the parent company for onwards use by them. Our bogie factory in Chhatrapati Sambhajnagar is now part of the global network of factories of our Mobility activities. As you are aware, we have received multiple orders for export already by this factory. And this is a large order that we have received as well. It will be executed over the period 2029 to 2039. So, this is basically product deliveries. It's not a project. This is basically product deliveries over a 10-year period starting from 2029 onwards.

- So, with that, I hand over to Wolfgang to give you more insights into the financials for the last period. Wolfgang, over to you.

- **Mr. Wolfgang Wrumnig - Executive Director and CFO, Siemens Limited (India):**

- Thank you, Sunil and good morning, everyone. In today's call, I would provide you an update on the financial performance of Siemens Limited and its key businesses for quarter 6 compared to the same quarter 12 months ago, as well as performance for 6 months ended March '26, same compared to the 6 months ended March '25.
- So, this quarter represents the final quarter of our financial year following the change of the October to September cycle to April to March. So, now, let me start with the headline. So, we delivered strong order intake and revenue growth despite global uncertainties.
- So, I will walk you through the consolidated performance, some key facts regarding our performance, the business segment highlights for Smart Infrastructure, Mobility, and Digital Industries, and I will close with a look at the 6-month financials and details on the structure of our business. So, now, let me start with the highlights.
 - First, order and revenue growth were strong, even as the macro environment remained challenging. Geopolitical uncertainty and economic volatility are affecting the economy. Despite these challenges, the company maintains a strong order backlog, also providing revenue visibility for future quarters.
 - Second, on profitability, the key factor in this period, but also for the 6 months, was increased material cost, mainly due to external challenges of increased commodity pricing and foreign exchange. In addition, we have seen price increases for material and purchase products from suppliers, which we couldn't completely pass on to the market.
 - And third, on the portfolio topic, the sale of the low-voltage motors business is on track for completion in June 2026.
- So, now, let's take a look at the **Q6 financials**:
 - Order backlog increased to 450 billion compared to 412 billion 12 months ago, yes, on an increase of 9.3%.
 - New orders moved strongly to INR 67.3 billion, up 33% year-on-year, driven by Smart Infrastructure and Mobility growing double-digit.

- Revenue increased to 46.2 billion, up 14.6%, all three businesses growing double-digit.
 - And on profitability, EBITDA was INR 4.5 billion versus the 5.1 in the comparative period.
 - EBITDA margin moved from 12.6 to 9.7, down 290 basis points.
 - As a result, profit before tax was INR 4.6 billion, compared to INR 5.3 billion, down 13.6%.
- So, in summary, a strong growth in orders and revenue and negative margin impact driven mainly, mainly by impact from cost volatility, cost increases largely driven by commodity prices and foreign exchange.
 - So, now, I'll give you a little bit more details on the impact of the material cost increases. So, on this slide, I just want to point out two things. You can see very clearly the impact of material cost increases due to effects on commodity prices.
 - In quarter 2, the material cost was reported as 69% of revenue. And in quarter 6, the number went up to 74%. When we take a look at the currency, the Euro depreciated by almost 18% versus Q2, from an average 91 INR per Euro to 107 per Euro in Q6.
 - Same thing when we look at the commodities. We do see a similar picture. For silver, the price per kg went up from \$1,000 to \$2,700, an increase of 160%.
 - And for copper, the price per metric tonne increased from \$8,800 to \$12,800 in Q6, a plus of 45%.
 - I want to make one point clear. Our operations continue to remain strong and resilient, and our underlying margin remains robust. And our priority continues to be on a consistent, focused, and rigorous execution. So, the other important message is the following.
 - We are managing our remaining costs very well. All costs, other than the material costs, went up only by 0.8% from Q2 to Q6. And looking at our profit before tax, you can see two effects, each one offsetting each other. On one hand, the other income in Q6 declined by 500 million, and in Q6, we also had 500 million lower demerger expenses. So, overall, the impact of commodity prices and their effects is significant, but our operational performance is still very strong.
 - So, now let me move to the individual businesses, starting with **Digital Industries**.
 - So, Digital Industries delivered a moderate order intake in Q6, supported by revenue growth through backlog execution, and showed normalized profitability sequentially. In Q6, new orders were 9.7 billion, broadly flat, only up 1.4%, versus 9.5 billion in the comparable period. For the 6 months ending 2026, new orders increased to 20.7 billion, up 17.1% in the 6-months period. So, an order growth was driven by strong demand in certain verticals, like metals and mining, cement, and food and beverage. Revenue in Q6 was 11.5 billion, up 14.35%, and very similar in the 6-months period, revenue was up 14.6%. And, as already said, also here, revenue growth was mainly driven by a strong order intake in Q5. The Book-to-bill for Q6 was 0.84, meaning revenue exceeded orders in the quarter, while demand remained healthy in

selected verticals. Overall, we see the positive momentum in the market of Digital Industries to continue. EBITDA in Q6, 2.6%, versus 5 in prior year. Due to the large share of products we purchased from Germany, we just see the significant impact from the Euro appreciation. As already pointed out, 18% cost increase just from the Euro appreciation. EBITDA margin for the 18-month period is 5.6%, and here we are close to the margin range we just told you in December meeting. Taking out the FX impact, we would be in the range of the 6.8 range we have communicated to.

- So, now let me move on to the **Smart Infrastructure business**.
- Smart Infrastructure delivers strong order and revenue growth, while also profitability declined due to higher input costs. The Smart Infrastructure business is more sensitive to the development of commodity prices and partially to the Euro-INR exchange rate. So, due to the high share of local manufacturing, the impact of currency is less significant in the Smart Infrastructure business. In Q6, new orders increased to INR 29.6 billion, up 17.6%, and for the 6 months we grew to INR 60.6 billion, up 22.9%. Order growth was driven by customers in the area of power utilities, renewables, and the Data Centre business. Revenue also went up. In Q6 our revenue was 25.8 billion, 14.5% up, and for the 6 months, revenue was up 11.6%. And revenue growth was led by significant business out of the electrification and automation business, but also from our electrical products business. Book-to-bill was 1.15, supporting backlog and also forward visibility. As already said, on profitability, the key driver of the decline was higher material costs due to volatile commodity prices, and for the 6 months period EBITDA declined by 120 basis points, from 16.2 to 15.1. So overall, Smart Infrastructure continues to deliver strong top-line momentum with margins reflecting the volatile commodity and FX environment.
- Now let me move to the third business, the **Mobility business**:
- And here also Mobility continues to demonstrate strong business momentum. And we have achieved major milestone with the delivery of the first 9K horsepower locomotives to Indian Railways. So, in Q6, new orders increased significantly to 28 billion, up 75%, and for the 6 months ending March, new orders were 34.3 billion, up almost 42%. Also, revenue increased substantially. Q6 revenue was 8.3, up 12.7%, and the 6 months revenue was 16.5 billion, up 20.4%. And revenue growth was primarily driven by the ongoing execution of the 9K horsepower locomotives project. And still, you know, with the backlog we have, there is definitely a positive outlook with regards to revenue going forward. The book-to-bill of Q6 was 3.37, aiding additional future revenue to our backlog. Sunil already mentioned the significant order in Q6 for work allocation for manufacturing supply of bogies, traction motors, and gearboxes. And when it comes to profitability, we did see some slight increase of profit margin, and this was mainly supported by timely project execution, revenue growth, and resulting economies of scale. EBIT improved from 7.2% to 7.6%, an increase of 40 basis points. The 6 months EBITDA went down from 8.2% to 6.4% as a result of ethics and also business mix. So, in summary, Mobility business continues to manage operations well, with clear progress on key projects and improving underlying profitability.
- Now, the 6 months **Consolidated Financials**:
- Just a brief look at the performance comparison for the 6 months ended in March 2026., we have seen orders increasing to 115.6 billion, up 26.8%. Revenue increased to 84.5 billion, up 14.3%, and EBITDA is 8.7 billion, slightly down compared to the prior 6 months. The EBITDA margin moved from 12.3 to 10.3, down 200 basis points, reflecting the topic of commodity prices and foreign exchange. Profit before tax is 8.9 compared to 10.2, down 30%, and as

already mentioned at the beginning, our order backlog stands at 450.3 billion. So again, the picture is consistent. Strong order intake and revenue growth and profitability impacted by external cost environment and ethics.

- So, we delivered strong order intake and revenue growth across the company. Profitability was impacted by higher material cost, but our underlying operational performance remains robust. Smart Infrastructure and Mobility showed very strong momentum, and also Digital Industries showed stable demands with normalized profitability trends. And just to repeat, the low-voltage motors business remains on track for completion in June 2026.
- So now I would like to close my presentation with a look at the structure of the business. Just briefly, comparing revenue mix across businesses, geographic, and business dimensions. At a high level, the mix is stable year-on-year. The share of revenue from business is pretty much stable, with a minor increase in the share of the Mobility business and a consequent decrease in the share of Digital Industries. The geographic split remains broadly consistent based on revenue, domestic sales around 87%, and exports are about 30%. And the business mix remains stable with regards to projects at about 30% to 31%, and products and services at 69% to 70%. So, more is also here. We do see a very stable business environment.
- So, with this, I close my presentation. Thank you for listening, and give it back to Sunil.
- **Mr. Sunil Mathur - Managing Director and CEO, Siemens Limited (India):**
- Thank you very much, Wolfgang. So basically, to highlight the presentation so far, we continue to believe that the economy is resilient. There are concerns, however, around inflation and the impact that inflation will have, and the Rupee depreciation and commodity prices, and we will watch that very, very closely.
- Having said that, as we said, we do not see any slowdown currently as we speak, neither in the private CapEx nor in the public CapEx space. We are now at a record order backlog level with a long reach ahead of us. Our EBITDA, as Wolfgang mentioned to you, has been impacted by the commodity prices and effects. That was primarily the main impacts to the EBITDA. And, of course, sustainability will remain a key focus for us, as well as for our customers. And we believe that we have the technologies that can enable our customers to meet their sustainability as well as their digitalization requirements in an increasingly volatile world ahead.
- So, with that, we end our presentation. We'd like to hand it over to you for questions, which we will attempt to answer. Radhika, over to you to moderate the session.
- **Ms. Radhika Arora - Head, Investor Relations, Siemens Limited (India):**
- Thank you. So, we will now start the Q&A session. As I mentioned earlier, please try and limit your questions only to two. We have the first question from the line of Mohit Kumar from ICICI Securities. We'll unmute you, and then you can unmute at your end and go ahead. You're unmuted, Mohit.
- **Mr. Mohit Kumar - ICICI Securities:**
- Hi. Am I audible?

- **Ms. Radhika Arora - Head, Investor Relations, Siemens Limited (India):**
- Yeah. Can you speak a little loud?
- **Mr. Mohit Kumar - ICICI Securities:**
- Yes. I'll try to be loud. Thank you, and congratulations on a very strong order inflow.
- My first question is, will the margin continue to stay at current levels in DI and SI for a couple of quarters, because the prices are still at elevated level and the Rupee is where it is? And do you believe this will improve our next 3, 4 quarters, because we might still be locked in the fixed price contract for the orders already in place?
- **Mr. Sunil Mathur - Managing Director and CEO, Siemens Limited (India):**
- So, Mohit, we are not giving guidance on the next or the future quarters. For all that we can say, and as going back to Wolfgang's earlier presentation to you, our price, our underlying margins continue to be strong, continue to grow. However, we are unaware and we cannot predict what the impact of foreign exchange and commodity prices will have and these we will reflect to you transparently as we have done this time as well in terms of where we stand both on our DI and SI businesses. Both our DI and SI businesses are largely short-term durations. We have some contracts in SI which are electrification that may extend over a year or two but largely they are short-term contracts. So, the impacts that you will see will be more short-term impacts. We don't have tied-in long-term fixed-term prices.
- **Mr. Mohit Kumar - ICICI Securities:**
- Understood. My second question is, of course, we had a very strong order inflow from the parent in the Mobility segment in the quarter. How should we think about further opportunity in metro from parent from a medium-term perspective?
- **Mr. Sunil Mathur - Managing Director and CEO, Siemens Limited (India):**
- So, I mean, as I mentioned before as well, metros is a huge opportunity for India first. Every city at some point in time will need metros and not only one line but multiple lines of metros. So, I think that is a huge opportunity for us both on the rolling stock side but also on the electrification and signaling side as well. Globally, the metro market is also doing well and, as I mentioned earlier, we are part of the global supply chain of our parents. So, whenever there is a suitable allocation that has to be done to us, we will receive those allocations as we receive for all our 25 factories here in the country.
- **Mr. Mohit Kumar - ICICI Securities:**
- Understood, sir. Thank you. All the best, sir. Thank you.
- **Mr. Sunil Mathur - Managing Director and CEO, Siemens Limited (India):**
- Thank you.
- **Ms. Radhika Arora - Head, Investor Relations, Siemens Limited (India):**

- Thank you. We now move to Harshit Patel from Equirus. Harshit, you can go ahead. Yeah, Harshit, you are unmuted, can you.....
- **Mr. Harshit Patel - Equirus:**
- Yeah, am I audible?
- **Ms. Radhika Arora - Head, Investor Relations, Siemens Limited (India):**
- Yeah, we can hear you now.
- **Mr. Harshit Patel - Equirus:**
- Thank you. Thank you. Sir, my first question is on Data Centres. Could you comment on the Data Centre exposure for both SI as well as DI businesses, in terms of orders and order backlog? Also, how are we positioned vis-a-vis competition, Schneider, ABB, Eaton, etc. in India? What would be our market share in the LV, MV electrification and automation part of the DC CapEx?
- **Mr. Sunil Mathur - Managing Director and CEO, Siemens Limited (India):**
- So, look, we don't monitor our portfolio by vertical. In other words, we are not saying we are not able to provide you accurate information about how much LV, MV we are providing into Data Centres, how much integrated building management system we are supplying into them, etc. Suffice to say, we are competitive against Schneider and ABB as well on all the portfolios that we have, particularly in Data Centres, and this is one of the fastest-growing portfolio elements for us in the company overall. It is primarily an SI portfolio element or an SI vertical, not too much of DI content for us, but it's mainly the electrification as well as the integrated building management systems. To some extent, there is also software coming out of the DI portfolio, but that's not very material.
- **Mr. Harshit Patel - Equirus:**
- Understood. So, my second question is on CapEx. Could you highlight some of the CapEx programmes that we are running in all three businesses? In the past, you have mentioned the MV switchgear portfolio and the vacuum interrupters for the SI business. Which are the more product lines that we plan to localize in the next 2 to 3 years? If you could guide on the total CapEx planned over the next 2 to 3 years, that will be helpful.
- **Mr. Sunil Mathur - Managing Director and CEO, Siemens Limited (India):**
- So, I will not be able to give you specifics about our strategic plans over the next couple of years. You are right. Our medium voltage and vacuum interrupter plant in Goa is nearing completion, and we should be able to come to commercial production with those expanded capacities already.
- In DI, there is the first element of some localization that we have started with. In the Mobility, we have continuous localization that is happening. But this goes more in the area of signaling and rolling stock. Rolling stock in the area of locomotives and bogies and so on. But this is an ongoing activity. As I said, we will continue to localize activities and increase our capacities based on market demand. And that is something when we are ready to announce it, we will announce it after we get board approval for that.

- **Ms. Radhika Arora - Head, Investor Relations, Siemens Limited (India):**
- Okay. Thank you. We move to the next question. Mahesh Patil from ICICI Mutual Fund. Mahesh, can you go ahead, please?
- **Mr. Mahesh Patil – ICICI Mutual Funds:**
- Yeah. Hi. Am I audible?
- **Ms. Radhika Arora - Head, Investor Relations, Siemens Limited (India):**
- Yeah, yeah. We can hear you.
- **Mr. Mahesh Patil – ICICI Mutual Funds:**
- Yeah. So, in the presentation, we have mentioned some value adjustment for our 9,000 HP railway order. So, can we get the exact order size of the 450 billion order book that we have, of this railway order?
- **Mr. Sunil Mathur - Managing Director and CEO, Siemens Limited (India):**
- So, the large order that we have received recently, the export order is the 18 billion order that we have just received, which is in the order backlog. What is the question?
- **Ms. Radhika Arora - Head, Investor Relations, Siemens Limited (India):**
- After the value adjustments, what is the value of the order?
- **Mr. Sunil Mathur - Managing Director and CEO, Siemens Limited (India):**
- The current value of the order? One more....
- **Mr. Mahesh Patil – ICICI Mutual Funds:**
- Yes, sir. So, the 9,000 HP order that we have in India, for that, we have mentioned in the presentation that there has been some value adjustment. So, of the 450 billion overall order book, how much would that order be?
- **Mr. Sunil Mathur - Managing Director and CEO, Siemens Limited (India):**
- So, we will come back to you with this number. We don't have it offhand.
- **Mr. Mahesh Patil – ICICI Mutual Funds:**
- Okay. Okay, sir. So, my second question is on the margins.
- So, given the price escalations, largely how much portion of our, we can say contract in terms of percentage, roughly, will this cost be entirely passed through or how are the escalation clauses?
- **Mr. Sunil Mathur - Managing Director and CEO, Siemens Limited (India):**

- Well, are you talking in general or are you talking specific to any business?
- **Mr. Mahesh Patil – ICICI Mutual Funds:**
- No, sir. In general.
- **Mr. Sunil Mathur - Managing Director and CEO, Siemens Limited (India):**
- So, look, we have had price increases across our businesses, both in DI and SI. There are two price increases that we have already passed on to the customer. Not all of it has stuck, but we continue to try to pass on some parts to the customer. We don't have price escalation clauses because these are short cycle products. But we manage that through price increase announcements that we do at regular intervals. So, yes, there have been two price increases that we have announced across our DI and SI portfolio.
- **Mr. Mahesh Patil – ICICI Mutual Funds:**
- Okay, sir. Thank you so much.
- **Ms. Radhika Arora - Head, Investor Relations, Siemens Limited (India):**
- So, we haven't disclosed the value adjustment numbers. We haven't disclosed the value adjustment numbers, Mahesh. We have the 26,000 crores that we announced initially. There are these regular value adjustments that keeps happening in the contract as per the terms.
- **Mr. Mahesh Patil – ICICI Mutual Funds:**
- Okay, ma'am. Thank you so much. Thank you.
- **Mr. Sunil Mathur - Managing Director and CEO, Siemens Limited (India):**
- Yeah, okay.
- **Ms. Radhika Arora - Head, Investor Relations, Siemens Limited (India):**
- We move to the next question from Parikshit Kandpal at HDFC Securities. Parikshit, you are unmuted. You can go ahead now.
- **Mr. Parikshit Kandpal – HDFC Securities:**
- Am I audible now? Hello?
- **Mr. Sunil Mathur - Managing Director and CEO, Siemens Limited (India):**
- Yes, you are.
- **Mr. Parikshit Kandpal – HDFC Securities:**
- Okay. Yeah. My first question is, sir, on this bogie order backlog in our order book of 45,000 crores, my sense is it should be close to about 23,000-24,000 crores. So, how are we

protected on price increases here? Do we have any PV clauses because this is a large part of the order book sitting in our order backlog?

- **Mr. Sunil Mathur - Managing Director and CEO, Siemens Limited (India):**

- Wolfgang!

- **Mr. Wolfgang Wrumnig - Executive Director and CFO, Siemens Limited (India):**

- Yeah, in this contract, we have price escalations covering the cost increases over a long period of time. So, what we usually have for long-term contracts, we have escalation clauses. But also, it depends on the competitive environment and also on the customer, the terms of contracts, what he puts into his RFPs. So, you know, it's really handled case-by-case.

- **Mr. Sunil Mathur - Managing Director and CEO, Siemens Limited (India):**

- But for the bogie order or for the locomotive order, there is a price variation clause built into it with an index there as well.

- **Mr. Parikshit Kandpal – HDFC Securities:**

- But are we adequately covered because the kind of price increases, we have seen? So, are you fully covered or a part of that indexes are only covering a part of that? So, we are not able to pass the entire cost of the commodity increases?

- **Mr. Sunil Mathur - Managing Director and CEO, Siemens Limited (India):**

- No, I think the commodity increases as well as the forage, it's mainly commodity increases that is there. I think we are adequately covered.

- **Mr. Wolfgang Wrumnig - Executive Director and CFO, Siemens Limited (India):**

- Yes, I confirm that we are adequately covered. Of course, there are always some remaining risk which could hit. But from my perspective, at this point in time, we are well covered.

- **Ms. Radhika Arora - Head, Investor Relations, Siemens Limited (India):**

- And you are also seeing these value adjustments coming in, right, Parikshit.

- **Mr. Parikshit Kandpal – HDFC Securities:**

- Okay. Yeah.

- **Ms. Radhika Arora - Head, Investor Relations, Siemens Limited (India):**

- So, part of that would come for that as well. And that's why I said that we don't give away the adjusted values as that keeps getting adjusted in the usual course of business, you know, the exact number, but those things are covered there.

- **Mr. Parikshit Kandpal – HDFC Securities:**

- Right. My second question is on Data Centres. So, Sunil sir, I just want to pick your brain here. So, we have hardly any installed capacity on Data Centre side. Number goes anywhere between 1.5 gigawatt of IT load and is expected to go to 10 to 18 numbers widely range. So, I just wanted to hear from you, how's the enquiry book building out there? Are you seeing incremental RFPs coming for the large hyperscalers? And how do you see this build out happening over the next 2-3 years? Your own guesstimate how this capacity will move and how it will benefit us? What is the share of data centres currently in the order backlogs? Some colour on that will be helpful.
- **Mr. Sunil Mathur - Managing Director and CEO, Siemens Limited (India):**
- So the maximum position, as you're right, you said 1.5 going up to 9 is the official number right now. I believe this will probably go to 18-20, as you said, but in the next couple of years, we see a very strong push for data centres here in the country. It's one of our fastest growing businesses as well. A lot of conversion actually happening on the ground. Hyperscalers are ordering. Our position in this entire environment is strong; we are strong players in the electrification area. We can do simulations in data centres, and we can manage the entire electricity within the data centre as well, including design the data centre as well. So these are the areas that we contribute to. We see a strong growth coming in, both for our software business, which is outside of Siemens Limited, but also for RSI business, as I mentioned earlier. But I do believe this is an opportunity or a sector that will grow much faster than it has been growing in the past. We are well positioned to take that opportunity.
- **Mr. Parikshit Kandpal – HDFC Securities:**
- And what is the percentage in our order book for this now? Any colour on that? How big would this be in our order book?
- **Mr. Sunil Mathur - Managing Director and CEO, Siemens Limited (India):**
- I think it's in the range of around 12 to 15. As I mentioned earlier, we are not... it depends again. When you look at it in terms of the order book, over there, it would probably be in the range of 12 to 15 or so.
- **Mr. Parikshit Kandpal – HDFC Securities:**
- Excluding the bogie order, right? Excluding that large bogie order.
- **Mr. Sunil Mathur - Managing Director and CEO, Siemens Limited (India):**
- Let me think about that now.
- **Mr. Parikshit Kandpal – HDFC Securities:**
- Because that's 45,000 crores order book, so out of that 4,000 is a very big number. 4,000 to 6,000 looks to be quite a big number.
- **Mr. Sunil Mathur - Managing Director and CEO, Siemens Limited (India):**
- Now, it's probably excluding. We will get back to you on that.
- **Mr. Parikshit Kandpal – HDFC Securities:**
- Okay, sure, sir. Thank you. Those were my questions.
- **Ms. Radhika Arora - Head, Investor Relations, Siemens Limited (India):**

- Okay. So, we move to the next question. Jay Negandhi from Ambit Capital. You're unmuted, Jay, you can go ahead.
- **Mr. Jay Negandhi – Ambit Capital:**
- Am I audible?
- **Ms. Radhika Arora - Head, Investor Relations, Siemens Limited (India):**
- Yes, we can hear you.
- **Mr. Jay Negandhi – Ambit Capital:**
- Great. Thank you. So, my first question was regarding the commodity inflation. I understand that we have taken two price increases. So, would we get to see its benefit in the coming quarters with a lag? And does comparative pressure cap the magnitude of price increases? And how does that affect the demand or order intake going ahead?
- **Mr. Sunil Mathur - Managing Director and CEO, Siemens Limited (India):**
- So look, you can do a price increase, but first, it depends on what the customer is willing to pay. Second, it depends on what he's able to get from the competitor. So yes, being comparative, as well as the stickability with the customer does play a role.
- The price increases always have a lag effect. And as I said, these are all short cycle businesses. So, the products that we are supplying today, once we announce a price increase, the impact of that is felt in 3 or 4 months later. So, yes, we do expect that there should be an improvement in the underlying profitability. Of course, you can't pass on the complete increase of 20% foreign exchange and 50 to 150% of copper and silver to the customer. But whatever we can, we have, as we said, we've done it twice and we will continue to do it.
- **Mr. Jay Negandhi – Ambit Capital:**
- All right. My second question would be, you said that railways and data centres are a growth driver for us. But how are the other end markets shaping up? Could you give us some directional outlook on them?
- **Mr. Sunil Mathur - Managing Director and CEO, Siemens Limited (India):**
- Okay. So, let's go business-by-business. If I look at our DI business and we look at chemicals, fertilizers, they're growing well. We will have to wait and see what the impact of the West Asia crisis is on fertilizers. But chemicals are doing well. Pharma is growing well. Food and beverages is growing well also. Automotive is beginning to pick up. Two-wheelers are doing much better than four-wheelers, but the four-wheelers are also picking up as well. What else do we have? Which other verticals do we have?
- Utilities, power utilities, when I look at our SI business, we look at the power utilities; a lot of ordering happening in the entire electrification space. This is a growth, very clearly a large growth area, and that is growing extremely well. Commercial buildings is a mixed story. We do see a lot of constructions happening over there. The pace varies, depends on which part of the country, but commercial buildings are also growing well. And by that, I mean schools, malls, hospitals, educational institutions, stadiums, etc. Residential stadiums is also growing well. So I think overall, we see in almost every segment that we are working in, growth.

- Some slowdown in metals, in other words, in steel, a little bit. We are not sure whether this is short term or whether this is only for... whether this is more systemic, but there's some slight slowdown in the last 1 or 2 months. I don't know whether this is more long term or not. But other than that, cement is also doing well. Yeah. And I think I've covered enough of the verticals so far.
- **Mr. Jay Negandhi – Ambit Capital:**
- All right. Yeah. Thank you so much. Those were my questions. All the best.
- **Ms. Radhika Arora - Head, Investor Relations, Siemens Limited (India):**
- Thank you. We have the next question from Bhavin Vithlani from SBI Mutual Fund. Bhavin, you can go ahead. Bhavin? Bhavin, you are unmuted. Okay. Maybe he can't hear us.
- So we go to the next question. Renu Baid is from IIFL? Renu, you are unmuted. You can go ahead.
- **Ms. Renu Baid – IIFL:**
- Yeah. Hi. Morning. I hope I'm audible.
- **Ms. Radhika Arora - Head, Investor Relations, Siemens Limited (India):**
- Yeah Renu, I can hear you.
- **Ms. Renu Baid – IIFL:**
- Sure. So good morning, team. I have a couple of questions. First, while, Sunil, your overall comments on growth and private sector were optimistic, but if you look at the order inflow for the quarter, this being a March quarter for domestic market and ex of the bogie export order, inflows are actually declining YoY. So where do we see the gap up in terms of order flow finalization in the domestic market? Is it because of postponement around the Middle East war, or there are certain segments which are not firing well? And ex of these large orders and the FX adjustment or commodity adjustment which we had on the loco, what is the outlook on inflow trajectory from the domestic market over the next 12 months, in your view? And the expected rebound in the private sector investment decisiveness, do you see that holding up well, or it could be still on the sidelines? Along with this, if you can also throw some inputs in terms of government being fiscally challenged this year on multiple fronts. So do you see government sector ordering keeping up pace, or that may soften a bit? That's the first part of the question.
- **Mr. Sunil Mathur - Managing Director and CEO, Siemens Limited (India):**
- Okay. That's a lot of questions. Let me try and answer them, Renu. So yes, I am optimistic about the growth. And if you see the overall presentation that Wolfgang gave and break that down by the individual segments that we have got over there, our DI business grew at 1.5% roughly, right, in terms of order income. And this is again, short cycle. I do not believe this is a reflection of the private sector CapEx right now. Overall, if you see for the year, for the 6 months, it's growing at 17%. So I think it's just a quarterly impact, and we shouldn't read too much into it.
- **Mr. Wolfgang Wrumnig - Executive Director and CFO, Siemens Limited (India):**
- Sunil, if I can get in here? The reason for the soft growth in Q6 was, we did a price increase at the beginning of the Quarter 6. So customers just pre-ordered in Q5. But I believe here we

need to look at the 6 months revenue quarter growth and with 17%, I believe it's pretty much okay. Yeah.

– **Mr. Sunil Mathur - Managing Director and CEO, Siemens Limited (India):**

- When I look at our SI volumes over here, this reflects what I was mentioning earlier in terms of the electrification business really growing well: 17.5% in the quarter, 23% in the 6 months. So that's pretty robust. So if I just take these two segments that cover a large part... the railways is the other part over there. Yes, there are large orders, but the railways, you shouldn't look at individual quarters, I think. It's more important to look at it in terms of a six-monthly or half or full year. We have won orders for propulsion systems, for signalling, for electrification. So that flow continues to come. The pipeline, as I mentioned, is very, very strong.
- Now, yes, you have a valid point in terms of the fiscal challenge and the impact that it could have on government ordering. To be honest, we don't see that yet playing out in the areas that we are active in, which is if I look at government ordering from our perspective, it's either in the power utilities segment or it is in the railways, and in neither of them... and power utilities is not central government, it's primarily state government. So we don't really see a slowdown happening there. The railway, the pipeline, as I mentioned, is deep and broad as well, both on the electrification as well as on the signalling and rolling stock. 24,000 kms. of signalling has already been done... has already been ordered. We expect the rest to be ordered probably end of next year. But electrification and rolling stock, there are large opportunities that are already in the pipeline, and a good flow that is coming.
- Looking at the future, as I said, I think some of the drivers that the government is going to have to look at is how will the impact of the oil crisis play into the inflationary environment in the country? Will that have an impact on... and the depreciation of the rupee as well? That could give a challenge to the government in balancing the books. But also then there will be... the moment you get inflation going up, there could be impacts on interest rates and that may impact ordering as well.
- As I said, today as we speak, we have no signs of any slowdown happening. There is slippage probably because of LPG here or LPG there, but we don't see a slowdown, because once you start a CapEx project, setting up a new factory or putting an infrastructure in place over there, it's not viable to stop midway. And I think we do have visibility to that extent, both on public and private projects where we think that they will continue to go ahead. Moving forward, 3 to 6 months, we will have to just wait and see how that pans out in terms of the rupee and in terms of inflation.

– **Ms. Renu Baid – IIFL:**

- Got it. The second part of the question, can you just highlight in terms of, we have seen year-end slippage in the networking capital or the cash conversion cycles on books. So any particular pockets which has led to this increase, or this is more transitional for some large lumpy orders which were executed?
- And also earlier, some of your footnotes in the previous quarter results mentioned that expansion of the Chhatrapati Sambhajnagar facility was put on hold indefinitely. So after we have won this bogie order, do we see any expansion on that facility resuming back, or if I have misread something on this side, you can help clarify? Thank you.

– **Mr. Sunil Mathur - Managing Director and CEO, Siemens Limited (India):**

- So I'll ask Wolfgang to respond to the first part, I'll then come back on the second part.

– **Mr. Wolfgang Wrumnig - Executive Director and CFO, Siemens Limited (India):**

- So on the cash side, there are two major developments. One is, we increased our inventory levels also based on the West Asia crisis, to safeguard our customers and also be able to continue with manufacturing and supply to our customers. So this is one reason why our cash is lower than we have seen in the past. And the second reason, also due to the significant increase in revenue, especially towards the end of the quarter, we have seen accounts receivable, trade receivables going up. Also because we do a lot of work in the mobility environment, recognizing revenue, but not sending invoices yet to the customer. So our contract assets are going up. So these are the major reasons why our cash flow is lower than in prior periods. But no area of concerns with regards to receivables. Our over dues are stable and not at all at the critical level. So overall, I think it's the right thing to do at this point in time. And we will see going forward better cash flows.

– **Ms. Renu Baid – IIFL:**

- And as we see mobility... sorry, just a clarification, as mobility execution ramps up in volume terms, do we see this increasing in the current assets being slightly more structural given the long-dated payment cycle from the Indian Railway side?

– **Mr. Wolfgang Wrumnig - Executive Director and CFO, Siemens Limited (India):**

- It could be structural because of the long-term contracts. But also now with the shipment starting for the locomotives, for example, we also send invoices to the customer for payment. So I believe it will level out. Yeah.

– **Ms. Renu Baid – IIFL:**

- Got it.

– **Mr. Sunil Mathur - Managing Director and CEO, Siemens Limited (India):**

- So on factory expansions, we are examining the expansion requirements for our mobility factories, both in Nashik as well as in Chhatrapati Sambhajinagar in view of the order backlogs that we currently have, as well as the pipelines that we've seen coming up. And we will come back in due course with further information around this.

– **Ms. Renu Baid – IIFL:**

- Sure. Thank you and best wishes to you. Thank you.

– **Mr. Sunil Mathur - Managing Director and CEO, Siemens Limited (India):**

- Thanks, Renu.

– **Ms. Radhika Arora - Head, Investor Relations, Siemens Limited (India):**

- Thank you. Just in the interest of time, I will request everybody now to restrict your question to one place. Bhavin is back online. Bhavin, would you like to go ahead, please, now? Bhavin Vithlani from SBI Mutual Fund. Bhavin, you're unmuted. No? Okay. I think we have some issue.

- We have the next question from Sumit Kishore from Axis. Sumit, you're unmuted. You can go ahead.

– **Mr. Sumit Kishore – Axis Capital:**

- Yeah. Hi. Thanks for the opportunity. My first question is, we heard with interest that your order book, ex-of-LoCo, has 12% to 15% share from data centre contract. I just wanted to hear your thoughts on a per-megawatt basis on crude, what is the total addressable opportunity in rupees million per megawatt that Siemens India can cater to? And if you could quantify the sort of megawatt quantum of inquiries that we are seeing in data centres... the targets are pretty lofty, but what is actually going around right now in terms of ordering? That's my first question.
- **Ms. Radhika Arora - Head, Investor Relations, Siemens Limited (India):**
- Sumit, can you repeat your question, please? There were too many parts to it.
- **Mr. Sunil Mathur - Managing Director and CEO, Siemens Limited (India):**
- No, no. I mean, look, we don't measure on the basis of megawatts and so on. So, I don't have answers to your questions, Sumit. We don't measure it on that basis.
- **Mr. Sumit Kishore – Axis Capital:**
- So, how would you say versus is the medium-term trajectory of per-megawatt or 10 gigawatt plus that is being talked about, what currently is actively in pipeline for discussions right now?
- **Mr. Sunil Mathur - Managing Director and CEO, Siemens Limited (India):**
- I don't have the answer to that, but I will get back to you on that.
- **Mr. Sumit Kishore – Axis Capital:**
- That's good. My second question is in relation to the locomotive contract. Good to see the 40 local delivery, and you're talking about 80 local ramp-up in the current fiscal year. What sort of operating leverage would be possible here? And as you start booking the O&M income also, can you qualitatively tell us whether the margin profile of the locomotive contract as it evolves, would it be better than your ex-loco mobility margin profile? This is something that would help us, and we'd appreciate the outlook here.
- **Mr. Sunil Mathur - Managing Director and CEO, Siemens Limited (India):**
- So Sumit, I mentioned repeatedly in the past that this is a blended margins that we are doing, right? It takes into account the delivery of the loco as well as the O&M, and the margins that we have are blended margins, and the way we account for them are on percentage of completion basis, right? So what you see in the margins are linked to the inflow of costs and we book the revenue based on inflow of costs.
- **Mr. Sumit Kishore – Axis Capital:**
- Right. So would it be better than what you have been achieving in mobility so far?
- **Mr. Sunil Mathur - Managing Director and CEO, Siemens Limited (India):**
- Oh, the margins are blended, the margins are blended. So what you see in the margins coming in for the first 40 locos, for the next 80 the margins in absolute values will be proportionately adjusted, but in percentage values they will be at similar percentages. And the real impact comes from the volume.
- **Mr. Sumit Kishore – Axis Capital:**

- Got it, thank you so much. Those were my questions.
- **Ms. Radhika Arora - Head, Investor Relations, Siemens Limited (India):**
- Okay, thank you. We move to the next question which is from Rami Dajani from Macquarie. Ram, we have unmuted you, you can go ahead.
- **Mr. Rami Dajani– Macquarie:**
- Yeah, hi, good morning. Am I audible?
- **Ms. Radhika Arora - Head, Investor Relations, Siemens Limited (India):**
- Yeah, Rami, we can hear you.
- **Mr. Rami Dajani – Macquarie:**
- Yeah, great. You know, so I have one question on the bogies now. Could you help remind us the capacity of the Chhatrapati Sambhajnagar factory for the bogies and know this 1,800 crore order that you have got which is for bogies, traction motor and gear, is for how many bogies? Also, you mentioned that this will be a part of the global factory. So what does it really mean? Does it mean that Chhatrapati Sambhajnagar will now become the first point for global orders anywhere in Siemens Group? Yeah, that is the first question.
- **Mr. Sunil Mathur - Managing Director and CEO, Siemens Limited (India):**
- So I do not have the installed capacity of Chhatrapati Sambhajnagar factory off-hand. We can provide this to you if that's important. As far as being a part of the global network is concerned, all our 25 factories in the country are linked into the global supply chain of Siemens AG. In other words, Siemens AG parent decides, based on orders it receives around the world, how much to allocate to which of their factories around the world. And at some point, India gets an allocation, and that is what has happened in the 18 billion contract as well, as has happened in prior contracts for Budapest and so on as well, where they have allocated capacities to the Indian factory. This happens, by the way, not only in the mobility, but it also happens in our electrification factories in Goa and other parts of the country as well, where the global parent takes a call how much to order from which factory around the world, and then we look at it from the perspective of do we have capacities to be able to deliver that or do we need to expand capacities in order to deliver future demand.
- **Mr. Rami Dajani – Macquarie:**
- Now, with respect to what Renu asked earlier, with regarding the cancellation or deferment of CAPEX for metro order, I think that was mainly because of delay in the domestic ordering. So, if you are now looking at removing it, are you getting some signs from the government that traction in metro orders is picking up, or you are now looking at mainly from the global perspective?
- **Mr. Sunil Mathur - Managing Director and CEO, Siemens Limited (India):**
- No, no. We are looking at... look, this is our factories in mobility. We have got factories in Chhatrapati Sambhajnagar as well as in Nashik, and these are for propulsion equipment as well as for bogies. Yeah? Nashik does the propulsion equipment and the electrics of the bogies, and Chhatrapati Sambhajnagar builds the bogies, right? So, these are the two areas. We have received orders for... this large order for supply of products to global. That may require an expansion of the existing capacities in Chhatrapati Sambhajnagar as well as in

Nashik. As I mentioned, we are looking into that, and we will come back once we are clear on a view over there, as well as once we are clear on a view of how the market for bogies and propulsion equipment plays out in the next couple of years.

- On the metro market, we are still looking at the domestic pipeline over there for rolling stock. We are very active in electrification and signalling, but we are looking at the pipeline for metros in terms of rolling stock and taking a call based on that, whether it makes sense for us to build a factory or whether it makes sense for us to outsource or work or collaborate or find some other business model that gives us flexibility in view of the unclarity just now in the actual ordering pipeline versus getting more clarity in the future.

– **Mr. Rami Dajani – Macquarie:**

- Okay, good. And with respect to imports, I know that DI is largely imported and that therefore the low margin. But can you talk about the share of imports in the smart infra, because this is where we have seen sharp decline. And I thought this was largely localized.

– **Mr. Sunil Mathur - Managing Director and CEO, Siemens Limited (India):**

- Yeah, it is largely localized, and I think we are 70 to 75% localized in the smart infra, and we continue to localize the remaining portfolio as well. As Wolfgang mentioned, the real impact in smart infra is not out of foreign exchange. It is primarily out of commodities, which is copper and silver and aluminium, which is used in our factories. So, it is more... it has got nothing to do with export or imports, it is more linked to commodities.

– **Mr. Rami Dajani – Macquarie:**

- Sure. Thank you very much.

– **Ms. Radhika Arora - Head, Investor Relations, Siemens Limited (India):**

- Thank you. We have the next question from Mohit from Citi. Please, please limit your question to one. Mohit, you are unmuted. You can go ahead. Mohit Pandey from Citi. Mohit, you have to unmute yourself.
- We move to the next question from Atul Tiwari from JP Morgan.

– **Mr. Atul Tiwari – JP Morgan:**

- Yeah, sir. Am I audible?

– **Ms. Radhika Arora - Head, Investor Relations, Siemens Limited (India):**

- Yeah, Atul, we can hear you.

– **Mr. Atul Tiwari – JP Morgan:**

- Yeah. Sir, these price hikes that you mentioned, when they were taken? Were they taken after March month got over and hence the impact is yet to be reflected?

– **Mr. Sunil Mathur - Managing Director and CEO, Siemens Limited (India):**

- No. One was taken prior to March and one is being taken post-March. But again, as I mentioned, it is a 3 to 4 month time lag before they actually start kicking in.

– **Mr. Atul Tiwari – JP Morgan:**

- Okay, sir. And so, these 40 locos that were delivered, were most of them delivered in Jan to March quarter or it was more of a September to March period delivery.
- **Mr. Sunil Mathur - Managing Director and CEO, Siemens Limited (India):**
- No, only delivered Jan to March quarter.
- **Mr. Atul Tiwari – JP Morgan:**
- Okay. Thank you.
- **Ms. Radhika Arora - Head, Investor Relations, Siemens Limited (India):**
- Thank you. We move to the next question from Aditya Mongia from Kotak. Aditya, you are unmuted. You can go ahead.
- **Mr. Aditya Mongia – Kotak Securities:**
- Yeah, thanks, Radhika. The question that I had was on the smart infrastructure portfolio. I am just trying to kind of gauge, if you were to be kind of splitting that segment out in terms of value addition where it has been easy to pass on cost increases, some colour would be useful over here. And just to appreciate the different parts of the smart infrastructure portfolio from the perspective of value addition.
- **Mr. Sunil Mathur - Managing Director and CEO, Siemens Limited (India):**
- So, it is never easy to pass on any price increase. But let me try and give you some element of what our smart infra is played out of. We have the low voltage switch here, which is very short cycle; products only, products and systems only. And this is... we have done price increases there, two price increases over there. Some of it sticks, some of it we hope will stick in the next couple of months. So that is on the low voltage side.
- On the medium voltage side, there is less of a short cycle. This is medium voltage switch here. And therefore, the price hikes are more built into our device costing when we bid for fresh orders. The impact of that is then felt probably 6 months to a year later once we start deliveries of the medium voltage switch here. But again, over here, as I mentioned earlier on and Wolfgang also said, this is not specific to foreign exchange. This is more commodity based, and we have to see how much of the commodity increases or fluctuations we can actually pass on to the customer. It is a question of negotiating each order because more or less every order is a tailor-made order. And therefore, it's a question of negotiating on an order-to-order basis with the customer and see how much of the cost increases we are able to build in and price in to the customer, we are able to negotiate with the customer on.
- The third element in the smart infrastructure is our buildings, which is a mixture of short cycle product supply as well as projects. The short cycle product supply... and this is largely imported, is subject to both foreign exchanges and less of commodity; more of foreign exchange. And there again, it is similar to the low voltage where we try and build it into the price hikes that we do. The project business is again similar to the medium voltage, which is where we are having to negotiate prices on a case-by-case basis, order-by-order basis, taking into account the costs that we are actually receiving in terms of commodities. I hope that helps.
- **Mr. Aditya Mongia – Kotak Securities:**

- Yeah, and may I just assume... sorry, just a clarification if you can, it bases your answer. This 5-6 month period that we need to kind of revisit and re-align, how much part of the smart infrastructure portfolio kind of falls inside that bucket and how much can we compete on the ground on pricing?
- **Mr. Sunil Mathur - Managing Director and CEO, Siemens Limited (India):**
- So, I think Wolfgang gave you an overview of the projects and the product business split. So, overall, 30% of the business or the company is projects. It would probably be more or less the same in the smart infrastructure business, and the rest of it is products, which is short cycle.
- **Mr. Aditya Mongia – Kotak Securities:**
- Thanks, Sunil. Thank you. That was my question.
- **Ms. Radhika Arora - Head, Investor Relations, Siemens Limited (India):**
- Thank you. So, Bhavin has sent his questions on the chat. He would like to get your thoughts on: He says Siemens India addressable TAM at 7 crore per megawatt in the data centre MEP CapEx of Rs. 40 crore per megawatt. As stated in the December 25 PPT of data centre, being 10% of SI revenues (it was actually orders, not revenues) but yeah, on SI revenues, this implies Siemens India market share of roughly 30% in data centres' respective addressable area. What would be your thoughts on this?
- **Mr. Sunil Mathur - Managing Director and CEO, Siemens Limited (India):**
- So, I am not going to comment on the market shares that we have right now, but let's put it this way. We are No. 1, No. 2 in our portfolio for data centres.
- **Ms. Radhika Arora - Head, Investor Relations, Siemens Limited (India):**
- Okay. The second question from him was: What is the increase in the bill of material cost due to raw material and FX for SI segment? How much of this inflation has been passed on to the price heights?
- **Mr. Sunil Mathur - Managing Director and CEO, Siemens Limited (India):**
- So, we don't monitor on a high-level basis. It is done on a product-to-product basis. So, in our low-voltage switchgear, for example, we have got over 10,000 products, right? In our medium-voltage switchgear, we have also got a couple of hundred products over there. So, it's very difficult to give you an average room temperature because it depends on product-to-product over there. But as I said, the price hikes that we have done on the short-cycle business would take us up to the margin levels that we aspire for on the short-cycle business.
- On the medium-voltage business, we try to retain and grow our existing margins by trying to pass on whatever cost increases we have over there. But since medium voltage and a large part of the project business in our buildings is a negotiated order, a lot of this depends on the level of negotiation.
- **Mr. Wolfgang Wrumnig - Executive Director and CFO, Siemens Limited (India):**
- Maybe if I can add? So, what we do on a regular basis, of course, we are reviewing the market and, of course, reviewing our cost position, and then we increase our list prices. And then, of course, as Sunil said, it's a part of negotiation with our customers, at the end of the day, what price increase we can really capture. So, that's more or less really on a customer

individual base and could be more, could be less. But what we do on a regular basis is increasing the list prices.

– **Ms. Radhika Arora - Head, Investor Relations, Siemens Limited (India):**

– Thank you. We also have a question from Mohit Pandey. Mohit, your first question is already addressed in one of the earlier responses as to when the service revenue for the 9K loco started growing to us. That's why I am moving to your second question please: Can you clarify on your comments on the India EU FTA? Did you indicate that we would be an indirect beneficiary of increased trade, but possibly not a direct beneficiary? Would the import costs for us also get impacted?

– **Mr. Sunil Mathur - Managing Director and CEO, Siemens Limited (India):**

– So, yes, import costs for us will go down, particularly in some segments. We are still to evaluate the fine print of the FTA there, but we do believe that import costs in some segments of our business will go down. In terms of the indirect benefit, yes, because all our customers who have interactions and intend to have interactions with the EU, we expect that that will increase their production requirements and that will increase the market for us correspondingly.

– **Ms. Radhika Arora - Head, Investor Relations, Siemens Limited (India):**

– What proportion of the backlog is now linked to power utilities and renewables?

– **Mr. Sunil Mathur - Managing Director and CEO, Siemens Limited (India):**

– I'm sorry, we don't track it on that basis. So, I can't give you an accurate answer there.

– **Ms. Radhika Arora - Head, Investor Relations, Siemens Limited (India):**

– Okay, thank you. We have the next question from Subhadip Mitra from Nuvama.

– **Mr. Subhadip Mitra – Nuvama:**

– Good morning. Am I audible?

– **Mr. Sunil Mathur - Managing Director and CEO, Siemens Limited (India):**

– Yes, you are. Please go ahead.

– **Mr. Subhadip Mitra – Nuvama:**

– Perfect. Thank you so much for the opportunity. My first question is with regard to the data centre piece. If I assume that there is a \$100 CapEx that's happening on data centres in terms of your products and offerings, how much of wallet share out of that \$100 would come from your portfolio?

– **Mr. Sunil Mathur - Managing Director and CEO, Siemens Limited (India):**

– So, my estimation would be in the range of 10 to 20%.

– **Mr. Subhadip Mitra – Nuvama:**

– Understood. Understood.

– **Mr. Sunil Mathur - Managing Director and CEO, Siemens Limited (India):**

- Thank you. Because the large part of the data centre is the civil work.
- **Mr. Subhadip Mitra – Nuvama:**
- I agree. I agree. Perfect. This answers my questions. Secondly, if I may just shoot in one more. On the private sector CapEx side, we did mention that there were multiple sectors where you are seeing good growth. Is it fair to say that these sectors or the CapEx there would be growing at somewhere in the ballpark range of 10 to 15% or lower? Any range of growth? What do you mean by good growth is what I was trying to understand.
- **Mr. Sunil Mathur - Managing Director and CEO, Siemens Limited (India):**
- So, I would say 8 to 10 on an average percentage growth. And I am talking CapEx in the segments that I spoke about.
- **Mr. Subhadip Mitra – Nuvama:**
- Perfect. Thank you so much. That answers my question.
- **Ms. Radhika Arora - Head, Investor Relations, Siemens Limited (India):**
- Thank you. We have the last question from Jonas Bhutta from Aditya Birla Capital. Jonas, you are unmuted. You can go ahead, please.
- **Mr. Jonas Bhutta – Aditya Birla Capital:**
- Yeah. Thank you, Radhika. Good morning, Mr. Mathur and Wolfgang. One question on DI. Basically, given what we are seeing on currency depreciation and the variability of raw material, has only increased in the last five years. Is there a rethink on our part in terms of the localization of portfolio in this segment? Because this is where Siemens India sort of differs the most in terms of its margin profile versus its parent entity.
- And quickly on the loco order, sir, you mentioned that most of these locos were shipped out in the last quarter. Ideally, that should have led to a 4-billion-rupee delta, just multiplying 40 into the 10 crores odd, which is not visible in the mobility top line. So, what am I missing here?
- **Mr. Sunil Mathur - Managing Director and CEO, Siemens Limited (India):**
- Okay. So, let me start with the first question, which was around the DI localization part. Look, DI's products are primarily PLCs in terms of the hardware. It's primarily PLCs in terms of the hardware. And PLCs, you need a minimum volume, which runs into millions, to make a factory actually viable. Now, Siemens globally only has a limited number of factories that they have put up to serve the global requirement. And therefore, unless we are able to demonstrate a business case by showing substantial volumes here in the country, it does not make sense for us to actually go into localization here.
- But this is a question that we continuously address. We look at the market, we scan the market opportunities, what the volumes could be, and then we'll go back to the table to try and see, is there a business case that works in terms of volumes, in terms of setting up a new factory? Is there a make or a buy decision that we can do over here? So, right now, as we speak, we do not see substantial opportunities for localization in the DI space here in the country.
- Point number two, there are some elements that we can localize, but they are very, very negligible. Flow meters is one of them that we announced in the past that we are localizing.

But that is, let's say, in the overall scheme of things, not super material. But we are doing as much as we can whenever the opportunity comes up.

- On your second question, I've mentioned it before, this is a percentage of completion contract. It's not linked 40 to the total contract value, etc. It's linked into the cost inflow, and the revenues and margins are booked on the basis of the percentage of actual cost inflow to the projected cost inflow for the total project. and that's how the revenue is booked and correspondingly the margins.
- **Mr. Jonas Bhutta – Aditya Birla Capital:**
- Sure. Thank you so much, and all the best.
- **Ms. Radhika Arora - Head, Investor Relations, Siemens Limited (India):**
- Okay. So, with that, we end the call. Thank you, everyone, for joining us today, and wish you a good day. You may now leave the meeting.
- **END OF TRANSCRIPT**

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