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February 27, 2026

BSE Limited  
P.J. Towers, Dalal Street  
Mumbai 400 001

(Attn : DCS CRD)

National Stock Exchange of India Ltd  
Exchange Plaza, 5<sup>th</sup> floor, Plot No. C/1, G  
Block  
Bandra-Kurla Complex, Bandra (E).  
Mumbai 400 051

Attn: Listing Dept.

Dear Sirs

Sub: Transcript of Analyst/Investors Call

In continuation of our letters dated February 16, 2026 and February 20, 2026, we are enclosing a copy of the transcript of Analysts/Investors Call, which took place on February 23, 2026 to discuss the audited financial results for the fourth quarter and financial year ended December 31, 2025.

The said transcript is also uploaded on the Company's website.

Kindly take the above information on record.

Thanking you

Yours faithfully

For ABB India Limited

Trivikram Guda  
Company Secretary and Compliance Officer  
ACS 17685

Encl: as above



## **ABB India Limited**

### **Q4 CY2025 Earnings Conference Call**

(October to December 2025)

**February 23, 2026**

**MANAGEMENT: MR. SANJEEV SHARMA – MANAGING DIRECTOR  
MR. T.K. SRIDHAR – CHIEF FINANCIAL OFFICER  
MR. KIRAN DUTT – PRESIDENT, ELECTRIFICATION  
MR. GANESH KOTHAWADE – PRESIDENT,  
ELECTRIFICATION DISTRIBUTION SOLUTIONS  
MR. SANJEEV ARORA – PRESIDENT, MOTION  
MR. G BALAJI – PRESIDENT, AUTOMATION**

**Moderator:** Ladies and gentlemen, good day, and welcome to ABB India Limited Q4, October to December quarter, CY 2025 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded, and any unauthorized recording of this call is strictly prohibited. The recording will be made available on the company's and SEBI's website subsequently.

I now hand the conference over to Mr. T.K. Sridhar, Chief Financial Officer of ABB India Limited. Thank you, and over to you, sir.

**T. K. Sridhar:** Thank you, Michelle, for organizing this. So very good morning to all of you. Welcome to the Q4 2025 investor call, and this also is the full year for ABB. So along with me on the call, I have Sanjeev Sharma, Managing Director of ABB India Limited. I have Kiran and Ganesh, who are from Electrification Division; and also I have Sanjeev Arora leading the Motion. And also, we have, this time, Balaji for Automation. So, without wasting a minute now. Sanjeev, over to you.

**Sanjeev Sharma:** Thank you, Sridhar. Good morning to all of you. Thanks for joining this call. We will give you some business highlights followed by Sridhar supporting the financial highlights. For the people who are joining us for the first time that ABB Group is a 140-year-old company, which has sustained itself over various industrial cycles. And the core reason for that is that it's an innovative company, keeps on rediscovering itself based on how we add productivity and value to our customers. In India, ABB is present and manufacturing for over 75 years. And our expertise in the portfolio is on the electrification and automation. These are the sweet spot in terms of how the world is developing and how India is developing in terms of electrifying everything and also automating everything. So that's where our portfolio is positioned.

We have a substantial footprint. We operate out of 5 manufacturing locations spread across the country. We have 28 sales offices to reach out to customers and even getting deeper penetration with 750-plus partners. We have 25 shop floors, which have distinct product manufacturing, and we are exporting to 30 countries from India.

Now when you look at the business highlights – CY 2025 has had a very consistent growth as connected with our previous years. We had the highest ever orders at about INR14,115 crores, which was 8% growth. But if you look into CAGR growth from 2021 onwards, it has been 16%. Our backlog is at the strongest at INR10,471 crores, which has grown by 12%. And if you look into CAGR for last 5 years, it's 21%. Our revenue grew by 8% to INR13,203 crores and CAGR of 5 years is 17%. And PBT in 2025 was INR2,230 crores with a margin at 16.9%. And if you see our CAGR has been 39%. And profit after tax is INR1,669 crores. If you look into the EPS, it grew by 33% CAGR over last 5 years and currently at INR78.78. The final dividend declared and approved by Board is at INR 29.59 per share. So return on capital employed is 21%, which is something we feel good about in terms of how we manage our businesses, which are 18 businesses, operating in 23 market segments.

If we focus on Q4 CY2025, financial performance, we had a 52% order growth and 27% base business growth in this quarter. So this is something we are very encouraged after a few quarters prior to it, which were not as strong because the market was taking a breather after 5 years of strong growth.

Now we have some good signs in the last quarter, and we'll continue to see the market building up in the quarter we are presently in and also going forward. But at the same time, when you join us quarter-to-quarter in 2026, you will be able to observe how the market and our performance goes on top of it. Now if you really look at the innovation and investments we are doing, we are continuing to expand our portfolio in different business divisions. We added a new line for energy-efficient drives. And, we had a launch of next-generation machinery drive. When we do these kinds of introductions in the market, one is we do localization. It opens new market segment and it gives much deeper penetration into the existing customer base.

So that's where you can see our businesses continue to compound growth year-over-year.

On sustainability side, we were very proud that ABB India is only the fourth company in India to receive AWS Gold certification for water stewardship with stakeholders for Nelamangala facility. So this shows that we are very conscious of our role in sustainability in practice. And as a management team, we do it because it's the right thing to do in a country like India and also in the locations we are present. Our ESG initiatives are covering 51% of our suppliers, and we continue to receive different recognition and the latest was from GRIHA for Sustainability Excellence and National Stock Exchanges, ESG Leader rating.

Strong order momentum across most segments was visible, namely the top of those charts were transport, building and infrastructure, discrete and process industries, renewables and data centers. With this, we have an order backlog of INR 10,471 crores. And you can see that the market segment where we have momentum, these are the sweet spot industries for the country, and they have a long runway ahead of us in terms of the growth. I think our customers like our products. They like our technology, and they also have good relations and deeper relationship with our businesses. And we are very confident we continue to grow as these market segments and country grow.

Now if you see the kind of breadth of wins that we get in the market, it gives you the diversity of the customers and diversity of our portfolio. It plays out. Like, for example, we gave rectifier solutions for reliable, stable ultra-high DC power for a large infrastructure and manufacturing major. We supplied low-voltage switchgear for a data center major. So that's because you know in data center, most of the computing power, a lot of energy connected to it and our low-voltage switchgear and the medium voltage switchgear enable it, backed up by our UPS systems.

Also on the utility side, when you have the air conditioning and cooling being done, our motors and drives, they participate in a significant way there. And propulsion systems for Indian Railways is another area wherein government of India has long plans, and we see a long runway for us there. And of course, electric powertrain solutions for metals major, wherein we combine drives and motor capabilities to give a solution, which is most optimum and helps in save a lot of energy for our customers.

Same thing in the Ethylene Cracker. In a petrochemical project, we had a local scope integration and also robotics for a newly formed automotive company of an established industrial major and for an auto major. So this is something with the established players as well as new players, they are imposing a lot of confidence on us to supply them the robotic solution.

Now one of the important recipe for us to grow is to have a continuous customer engagement with the existing customers and also undiscovered customer, undiscovered geographies. And that has been our drumbeat in last many years, and that continues to expand us in multiple new market segments, deeper penetration in geographies. And also new applications which were not available in the country, but now with the entrepreneurs bringing in a lot of value add into the country, we continue to grow the market. And most of the customers should be aware of our products and solutions, but we make sure they are very comfortable with our offerings and they appreciate what we can do for them.

Now as we have been mentioning to you, these are the 23 diverse market segments. We indicate to you every time. Emerging industries, in our case, are renewables, electronics, data centers, infrastructure and transport and the core industries. And these are the places wherein a lot of activity is taking place. And we find that we have a very good suite of industries to play for our journey forward.

We are very long on India, and we stay very consistent with what we supply to these customers, whether a particular market segment is up or it is down for a period, our ability to serve them stays unchanged. So we serve the segments which are up or down. We don't chase up segment and neglect slower moving segments. So that's the reason we have a very consistent relationship as well as loyalty from our customers across these segments.

India-Europe free trade agreement has been signed. Of course, there are a lot of projections what can happen and what it will mean. It will take maybe 6 months or so. I've met some people over the weekend who were involved in these kind of agreements mainly from EU side. So they are very upbeat about it. And they believe it will take another 5, 6 months before this gets ratified, and then we will start seeing the benefits of it.

These are some projected benefits, but I would say one should wait and watch. Whenever such FTAs happen, it becomes a 2-way street, and more confidence gets developed on both sides, and that is always a net positive for India. In my opinion, I think it will be net positive for ABB India in terms of our ability to deploy more portfolio, serve industries better and integrate back our supply chains back into the EU, wherein we have a very large manufacturing and technology base. But let's wait and see. It's a positive impact that we should factor for future, and we have factored it for future.

Next one, Indian Union budget 2026-'27, I think we do believe there is a lot for emerging industries, which is our focus. There's a lot for infrastructure and transport and there's a lot for core industries. And this is something which will play out as we go forward. It doesn't play out quarter-to-quarter. It plays out in quarter, 1 year, 2 years, 3 years. So that's something we are very positive about because this is something which is forming the industry and the market in

front of us. So we have good confidence to invest in our capacities as well as our capabilities to serve these markets that will expand in front of us.

When it comes to sustainability in practice, we are very proud of the achievements of our team across all our locations and our kind of a focus wherein you can see that we have reduced our GHG emission by 87%, zero waste to landfill – 4 locations have achieved it. Water positive units, 4 locations have achieved it and water recyclability is at 44%. ABB India is the fourth company in India, as I mentioned, which has received the AWS Gold Certification.

And those of you who happen to visit us any time, I think you will be able to experience it first-hand what it means. This is not something that we do for PowerPoints. We do it because it's the right thing to do, and our customers experience it when they come here. And most of our customers really value this because they themselves are trying to implement in their locations, and they have a very deep dialogue with us apart from our products and solutions, how we can co-partner to make sure that the sustainability initiatives are not only in ABB, but they are also with the customers and also with our suppliers.

And we are also very proud that our products itself contribute – when the client implement these products in their plants and machinery, it reduces the energy consumption, which has a direct and indirect impact on the GHG emission of our customers. So, we are quite happy about the overall focus we have in this area.

Our CSR initiatives, they are across education and skilling, diversity and inclusion, and communities and environment. We have very clearly defined impact zones where our presence is felt and our central team as well as our locational team in Nashik, Faridabad, Baroda, Nelamangala, Peenya, they find projects nearby and also from far area to make a big impact in this. We have been spending 100% of our CSR allocation in the last 10 years, and we continue to make sure it works. And since our margins have expanded over a period of time, our CSR spend also has expanded over a period of time.

Factors that we are watching out for 2026. I think there are more positives, which are domestically held. One is the economic power that we are unleashing at the India level. Green energy and sustainability is a very strong momentum in the country. Urbanization and smart infrastructure, again, has a good momentum. Consumerism and lifestyle upgrade with the premiumization is something which is very visible.

Even for our portfolio, we are not compared. Our customers don't compare us with the relatively lower brands and the cheaper products. They are always looking for us when they really want a reliable, available, serviceable solution. So that shows that there's a confidence in ABB products and offering.

And this is not only limited to Tier 1 cities, we see a very sustained demand in Tier 2 and Tier 3 cities wherein the aspirational entrepreneurs as well as aspirational class really demands best of the products. Automation and AI, there again, a lot of work being done and our customers can experience a lot of services, which are based on AI and machine learning solutions. We have a suite of products, which are being used across the automation division.

And the downside, which all of us know and I think nobody is spared across the globe is about the global uncertainty, which, again, if you really look into the history of time, that never goes away. It keeps coming back one way or the other. And all what we have to do is to learn how to deal with it. And having seen certain cycles in our lifetime, I think we are well prepared; we have dealt with forex fluctuation, volatile commodity fluctuation, some kind of cross-border topic, but we have seen those cycles, and we know how to adjust whenever that gets elevated.

So with this, thank you for listening to me, and I'll hand it over to T.K. Sridhar to provide you more financial highlights. And later, we'll come back for questions. Thank you.

**T. K. Sridhar:**

Thank you, Sanjeev. I think this summary is really important for us to understand how the markets are playing out and what are the factors which are going to drive and sort of what we need to watch out for. So on this, I think I go to the next slide, which is a summary for Q4 '25, a strong quarter in terms of orders, base orders up 27%.

And we also had the benefit of large orders, which was there, and that's why we saw 52% growth. And these orders, which were delayed in the last 2 quarters. I remember the 2 quarter calls where we were mentioning that the decisions have been delayed, and it's something which is not missed out. And this is something which is proving that.

Order backlog, clear INR 10,400 crores of order backlog, good visibility for the future revenues and, out of this INR 10,400, 30%, 35% is large orders, which get executed over a period of time, not in the next year itself. And then we have the base orders, which will form the rest of it, which will get executed over the next few quarters as we see.

Revenues, 6%, INR 3,557 crores. I think it was a good catch-up after we had a good festival period in between October and November. So I think we could still meet the 6% is what we see.

Profitability, EBITDA at 15.4% and PBT at 16.2% and PAT at 12.2%, and we have a cash balance of INR 5,694 crores. Profitability, we are higher on the material cost at this point of time. We are 61% compared to 58% levels what we were earlier. So I think broadly the reasons are, – first of all, we consciously took a decision in the beginning of this year to use imported material to address the QCO concerns, and it was a strategic decision.

And that has proved to be beneficial for us and that you could see that because of this reliability, we are also able to have a good base order growth because customers believe that we will be able to stay resilient in these circumstances as well. And that's something which is definitely a reason to push up the material cost.

And also, we have the forex and the copper and metal prices, which are going up at this point of time. So that has led to the higher material costs and the mix of orders between projects, products and services as well. So all this put together has basically caused this material cost to increase.

And we should also understand that 2023 and 2024 were those periods where demand was higher than supplies because it's an execution of the pent-up demand of the COVID period, and that gave us a leverage to have a price premiumization in the market, and that's now getting stabilized. And therefore, we have this scenario as what is playing on the material cost.

A good part of that there has been no one-off cost in terms of any surprises on the material cost. This is something what we believe this should be the right levels, that's we see. Cash, of course, it has been pretty clear. The next is EBITDA margin. So we are at 15%.

So, I think we will slowly move into the commentary on EBITDA margins going forward as well. And profit before tax is 16% compared to the levels we were last year to what we are today. And of course, PAT and EPS, we alluded upon in Sanjeev's discussion.

The next slide is around structural analysis of P&L. So, I definitely told about material costs. I would not repeat upon it. Now the personnel expenses include a INR 65 crores impact of Labour Code. And that's something which we thought should be taken not as an exceptional item, but as a part of the normal expenses because we believe that it's a part of the normal revision what happens to personnel expenses, and we believe that it is better to be conservative than taking an item to show a better profitability per se.

I think there are no other surprises. There has been an advantage because of the mark-to-market gain on account of commodity derivatives, which had to be done. And if you look exactly 2 quarters before, we were hit by the exchange rate at that point of time. But on an overall basis for the year, I think we had a quite nominal gain of INR 23.7 crores, which is just 0.2% of the total profit.

Yes. So just alluding to a bit of more on the business area wise details. Electrification, a frontrunner on the growth, 43% up compared to the previous year. Of course, they had a good order from data center as well in this particular quarter, which helped up the level. But of course, the other thing is the base orders stood up to gain that particular traction.

Revenues is a 6% growth, strong order backlog, INR 3,300 crores roughly and a profitability of 21.4%. And of course, it's something which also had to do with QCO in the profitability and the impact on the forex.

Motion, mobility order from the transportation sector really helped over here again. While on Motion, I would like to clarify that does not include the Titagarh order, which was announced in the month of February, and that is something which will form part of the Q1 2026 performance. So, we are up 25% on the orders, 7% on revenues and strong order backlog of INR 4,200 crores, but they also have large orders of railways, which will get executed over a period of time. The profitability is constant at 16.5%.

Automation, they were a bit subdued in the last few quarters. In this quarter, those orders which were delayed as what Balaji was mentioning earlier as well that the opportunity pipeline is there. But what is happening is the decision on the orders sometimes get delayed, and that's something which got decided in this quarter. And therefore, we could see a good growth of 34% on the orders. This means there's a good backlog, which gets capable of execution in the coming quarters. So strong margins, I would say, for PBIT at 14.7%, and that's because of lesser services contribution.

Robotics, I think they also grew definitely higher, IN R570 crores for the quarter. And it also had a onetime large order from automotive sector. And revenue slightly lesser, 5% backlog, of

course, very strong compared to what it was in the last period, because of the large orders what they got and profitability definitely higher.

So last slide, I think this is something which we show constantly to understand how we operate. So EL is almost 43% of the total revenues, what we have, 35% from Motion, 18 and 5% of PA and Robotics to mention. Products, we are definitely high on the products. So we are 79% this year in products business, and that's because probably process automation was slightly lower in revenues, and that is one of the reasons for this.

And channels to market, OEMs and EPCs and the end users are definitely the core market channels we have. Channel to market, they are performing in line with what we expect and the businesses which we are doing. Geographically, 10% of exports because we see domestic growing faster and also we had a bit of a global unsettled topics to deal with initially.

But still, I think 10% on a higher base of 2024 on exports and 90% domestic is definitely a stronger performance to say. So this is basically the insights on financials. We can start to take the questions at least 30 minutes for us. Thank you very much.

**Moderator:**

The first question is from the line of Renu Baid Pugalia from IIFL Capital.

**Renu Baid Pugalia:**

Congratulations for the strong results. My first question is, Sanjeev, if you look at the order flows, excluding the automotive large order in RO, your broad comments still have been fairly positive on the ordering environment as we look for CY '26.

Given that metro order also we've announced for Jan, how should we look at the order inflow momentum heading towards the next calendar year? And in general, what are your views on the broad investment sentiment? Have they improved? Are they still same? They're expected to accelerate over the next year? That's the first question.

And second, our margins for last year on an annualized basis were about 16%, excluding impact of the New Labour Code. And now that incrementally demand outlook and volumes are looking better, how should we look at the margin environment for the next 12, 15 months? Can we expect margins to improve? Have they bottomed out? Or are they likely to be range bound the way they have been for the last 3 to 4 quarters?

**Sanjeev Sharma:**

I can take the first part. Thank you, Renu. Thanks for the question. Second part, Sridhar, you can look into future and give an answer. So as far as demand outlook is concerned, it definitely looks positive as confirmed by the business leaders who are running different businesses. So when we look into the aggregate demand outlook for ABB India, what it really means is how is the demand outlook is for each of the 18 businesses.

So we have the sum total of all the businesses. So right now, we feel that there is a demand building up after a breather in early quarters of 2025. At the same time, it is never a good idea to declare a victory or declare a trend with one quarter results. We shall continue to watch how the quarter 1, quarter 2, quarter 3, quarter 4 builds. I think that will show very clear indications on how sustainable and how resilient the markets are. But as we look into our customer

engagements and also the market segment engagement, it seems to be moving in the right direction in our view.

**Renu Baid Pugalia:**

Which could be the key end markets which are driving this?

**Sanjeev Sharma:**

So if you go into our chart, wherein you see you have a spread of emerging market infrastructure as well as the core industries. So emerging market segments are going really very strong. And also the middle segment, which is infrastructure, where, again, we have good traction.

And core industries, which were kind of, I would say, muted in past, but that forms about 52% of our volumes. We are seeing good green shoots and good signs there. There is a good mix of orders coming from the core industry, especially metals as well as in the chemical, oil and gas and other market segment in the core segment.

So that we are seeing investment profile increasing in the core segment as well. And that segment, though it is low growth for last many quarters, given that it is 52% of our volume, if that moves, it moves us quite well. So it's a combination effect of all the 3 core areas that we focus on there.

**T. K. Sridhar:**

Thank you, Sanjeev. Renu to follow on your question for the margin thing. On the profitability and especially on PBT over the 5-year period, we have a good traction at PBT level. So today, 2025, we closed at 16.9%, give and take another 0.5% for the Labour Code impact. So, we're talking of 17.5%.

Last year, we were 20.5%, no doubt about it. And I think that gap is more attributable to the reasons which were not on the company's control, which is of forex and commodity prices and also the stabilizing of price in the market.

So therefore, the premium what we could normally get on account of demand supply situation is something which was not possible in 2025 and also as we had QCO. So now going forward, how does this basically pan out? I think I go back to the slide which Sanjeev said as to what is happening and what is going to be the play in the market.

I think there is a bit of a good view that the markets are going to revive with the private capex, which is expected to happen in 2026, thanks to the budgets and also the trade impacts, which are giving a bit of a positive sign at this point of time.

So having said that, I think what will remain and risks to manage is, of course, forex and metal prices, right? And our ability to respond to the market with a balanced view between how much price increase to do and how much we should absorb depends on total market situation as such.

So, having said that, I think a trajectory at the PAT level, we're talking of between 12% to 15%, still holds good, right? And I believe that if we have volumes kicking in more than what we are growing today at 6, 7%, probably that should give us an extra mileage to manage and do a margin accretion.

- Renu Baid Pugalia:** Sure. And do you think there'll be a positive tail impact from rating change for motors from IE2 to IE3 standards towards the second half of the year?
- Sanjeev Sharma:** So Sanjeev Arora is with us. Sanjeev, did you get the question on the IE2 and IE3?
- Sanjeev Arora:** See, if I may get that right, then you can please correct me. I think you were talking about that if it moves from IE2 to IE3 minimum efficiency levels for India, what would be the impact? Am I right? Did I get that right?
- Renu Baid Pugalia:** Yes.
- Sanjeev Arora:** Very good question, and thanks for that. I think it is high time that we mature towards IE3 and IE4 efficiency levels. And if it happens, a welcome move because now if we talk about India growing not only domestically, but also exports, all the majors, what you talk internationally, all the countries have moved to IE4 as the minimum efficiency. And if we have to grow on export part, machinery has to have that kind of motors with that efficiency levels. So I think that's one. Second part is that this will not only help in improving our exports, but also the sustainability and the energy efficiency theme, which is core to ABB's pillars of operations. So with this, we can save a lot of electrical energy, which can be utilized for further expansions. And just to mention that, more than 50% of our own production has already moved to IE3 and IE4. And we have been pioneering this efficiency theme in India and also have brought IE5 technology, which is again induction technology, free from permanent magnet, already introduced and customers are accepting that with open arms. So that's my take. I hope I've been able to give you answer.
- T. K. Sridhar:** So Renu, just to sort of round it up, right? So we are INR 13,000 crores company, out of which Motors is one portion of it. And out of that, IE3, IE5 another fragment of it, right? The entire company is just not driven by motors, but it has 18 divisions, right, which contribute to the entire volumes of the company. And therefore, it is a sort of a product of all these 18 divisions working together. Can we move to the next question, please?
- Moderator:** We'll take the next question from the line of Atul Tiwari from JPMorgan.
- Atul Tiwari:** Sir, would it be possible to throw some light on what proportion of your cost of goods is imports from EU as of now? And what is the weighted average tariff that you pay on that?
- T. K. Sridhar:** So I think it's a very operational question, right? So most of our imports are from EU because all of the factories are from EU, right? So I think that being the case, if we are 10% on exports in terms of revenues, we are almost 20% is on imports, right? So I think we are still exposed to imports and net importer as such. So I think that's basically what it is.
- Atul Tiwari:** Okay. And sir, any color on weighted average tariff that you pay as of now?
- T. K. Sridhar:** I think that's different on different products. It depends upon the classification what we have, right? And I think this is something which is quite, I would say, sensitive information to disclose at this point in time.

- Atul Tiwari:** Okay, sir. And sir, QCO impact, has it continued in this quarter? Because I mean, based on the news flows we gather that government has kind of rolled back most of the QCO orders? Or is that a wrong impression?
- T. K. Sridhar:** Okay. So let me give one bit of answer, other thing, I will pass it on to Kiran to supplement that. See, in 2025, we took a strategic decision, as what I mentioned, to stock our material to cater to our customers with it from imports, right? And that imported material will get consumed in the next 2 quarters, right? So therefore, we will have a bit of a higher material cost, which we foreseen at this point of time. So now coming to the next part of the question, which is how is the QCO playing out? Kiran, over to you.
- Kiran Dutt:** Thanks, Sridhar. Thanks, Atul, for this question because it's a very important topic, and we have been discussing this particular topic from the past 1 year. And there is nothing called the rollback of the QCO. Just to make it a bit understandable. It's actually the timelines which have been enhanced for testing. So that's the crux of the story, where the government has very clearly indicated that QCO for sure is going to be implemented, no doubt in that. The first phase is already in flow. And most of the companies, even the peers and us have already tested our products and solutions as per QCO norms, whatever is the policy, and we have already got it done.
- However, for the second phase of implementation, the government has given some more time due to the availability of labs, which are required. And that is where all the manufacturers, including ABB, are following this particular process and following the policy of the government. So it's only a question of timelines. It's not the question of roles.
- Moderator:** We'll take the next question from the line of Umesh Raut from Nomura India.
- Umesh Raut:** My first question pertaining to 23 diverse market slide that we mentioned, where if I look at the breakup now, on a quarter-on-quarter basis, certain industries have moved towards lower or modest midterm outlook segment, especially larger sectors like auto and food and beverages.
- But I think despite that, we are mentioning our outlook as being more of optimistic in near term. And second, within these 3 segments, if you can help us with the contribution from emerging industries and infrastructure and transport. I think in opening comment, you have mentioned core industries contributing about 52% to total volumes for the company.
- T. K. Sridhar:** I will give some light on the contribution. I go back to whatever composition is, 10% is exports, 90% is domestic. And this 90% of our revenues come from all these 23 market segments. And out of this 90%, I think 52% is what Sanjeev was mentioning is from the core sectors and the balance 25%, 23% is between emerging sectors and the automotive. So that's a broad split. It is 23%, 25%, and that's how it is.
- Sanjeev Sharma:** So just to let you know, I think your analysis is right, but life is not as linear as we mentioned. What happens is when these segments which are so-called emerging, they become a larger size. Rate of growth, the % rate of growth normalizes, they move there. But at the same time, the size of the industry has become larger.

And also with our strategy and our portfolio expansion, we go for higher penetration. We also go for more customer coverage. So then what happens is that also correlates to the net growth rather than linearity with the way the segment is moving.

**Moderator:** We'll take the next question from the line of Mohit Kumar from ICICI Securities.

**Mohit Kumar:** My question is, sir, can you help us understand the order prospect for the data centers? Are you seeing larger prospects compared to, let's say, at the beginning of CY '25?

**Sanjeev Sharma:** We have Ganesh Kothawade, our ELDS leader as well as Kiran on the call. So I'll hand it over to Ganesh. How do you see data center market building up going forward?

**Ganesh Kothawade:** Okay. Thanks for this question. Myself, Ganesh Kothawade, I'm responsible for Distribution Solutions Business of ABB India. And as it's a very emerging segment to the electrical industry. And we see a very strong demand coming from the data center. And there are not only the hyperscale supporting of the data centers, but there are a lot of big Indian houses, they also have a very big plan to put up the data centers in India.

And apart from the big hyperscale data center, there are many data centers which we see in the pipeline, which is coming from the co-locations also. So in an overall, we are very optimistic and see a very, very strong demand and the inquiry pipeline, which is coming from the data centers.

**Sanjeev Sharma:** Thank you, Ganesh. And Ganesh supplies directly into data center or to the people who are building those data centers. And Kiran's portfolio, that also has a good exposure to data center, but that's typically dealt by our integrators and channel partners. How is that building it up for Kiran for the products and the solutions our panel builders trends?

**Kiran Dutt:** Thank you, Sanjeev. Very important question, Mohit, and very interesting and emerging market as well at this point of time for us. You are seeing the AI Summit happening, and you know that the data center is going to pick up because of this AI Summit as well. A lot of limelight and a lot of interest being shown by the consumer as well.

So when it comes to the system integrated part or even -- for example, for even the direct supplies, I think both hyperscale and co-locations are seeing a very big trend in terms of the capacity is being utilized at this point of time. At the same time, new capacity is coming out. And we are seeing megawatt capacities now and going towards gigawatt capacities as well in the future.

So it's quite a very interesting topic at this point of time and the system integrators are really leveraging the opportunities available in the market. And we believe that this is a great opportunity for all of us to get into it and give the right solutions. And you also saw in the opening comment made by Sanjeev that we have also secured a very large low-voltage switchgear order for one of the largest of the data centers.

**Sanjeev Sharma:** So the way to see ABB portfolio is that when we say we are focused on hyperscale and the midscale data center, that is our direct supplies into them. And what Kiran deals with is the all

data centers because they are connected close to where our panel builder and our channel partners work.

So basically, we kind of cater to the complete bandwidth of the data centers, wherein in the low end of the data centers, we have more low-voltage solutions and some medium voltage solutions going. But in the midsize as well the hyperscale, we have the portfolio that flows into it.

And, of course, not to mention the UPS, which is a product, which is very much liked by the data centers because it's a fault tolerant UPS, wherein it can be kind of serviced online while it is working with 100-kilowatt modules. So there are very good design advantages our portfolio has when we deal with the data center segment in the different market segments within data center.

**Ganesh Kothawade:**

Yes. And Sanjeev, I would just like to add one more point. In the recent budget, the tax holidays up to 2047 is also going to make India market very attractive to put up the data center for those numbers.

**Moderator:**

We'll take the next question from the line of Amit Mahawar from UBS Securities.

**Amit Mahawar:**

I just have one question on the pace of ordering, both base and large. We concluded CY '25 with a reasonable growth of 13% base orders. We hardly had large orders until the last part of December. Do you think 2026 is a year where you will have, not only data centers, I can see INR 15 billion, INR 16 billion in the order book now from data centers?

That's a large number for you. But also from metals, we have two, three other segments where the large order can outperform significantly in the '26 period. And also in base orders, it's been 2 years that the channel partners have been very, very conservative, which cyclically looks better now that for exporters in India, the tariff barrier concern is behind, the budget was supportive. Private segment for all the companies that report numbers has been going up. Do you think '26 is a year of very significant shift in the ordering run rate the last we saw 3, 4 years ago? So any comments on both base and large orders with some color?

**Sanjeev Sharma:**

So since the large orders typically come from our Automation division and also some of the ETO orders and ELDS, Robotics and many others. So let me give this opportunity to Balaji. Balaji, how do you see the process automation or automation market at this point of time? And how do you see the project pipeline developing in the energy and the process industry side?

**G. Balaji:**

Yes. Thank you, Sanjeev. From a context of 2025, I stated that the markets are quite muted until the first half of the year, and then we started some movements and that resulted in order conversions as well. 2026, I would say that the momentum is there. There are definitely movements.

I think from specially to, say, an energy industry that deals with oil and gas, power, specialty chemicals and pharmaceuticals, we see some very good opportunities in power, especially power

generation, which has been quite low for past few years. We have a good pipeline of opportunities in power generation.

Refining is still strong. There are good opportunities in refining. So in both these cases, we have Greenfield opportunities, which means these are new projects starting up from ground. We also have a good amount of opportunities in the repair and modernization, which is an ongoing activity. So that should cover the base orders from the repair and modernization and the large orders coming in or opportunities available in the Greenfield.

Similarly, in the process industries that deals with the metal, mineral, mining, these heavy industries, what we also see is there are quite a good of opportunities for the big-ticket items, and we shall continue to stay close to the customer and see how much we can convert during this year. But overall, I would say a positive outlook as things stand today.

**Moderator:** The next question is from the line of Sameer Thakur from Ambit Capital.

**Sameer Thakur:** Just to follow up on data center. What is the data center exposure in sales and backlog? Have you seen any acceleration in interactions in data center market? A bit color on that would be great?

**Management:** So data centers, actually, you get some large orders, it becomes large in the pipeline. But in the 2025, we got a few compared to the previous years. I think in the backlog, which we have of INR 10,471 crores, I think roughly 10%, 11% would be data center orders.

**Sameer Thakur:** Can I just squeeze one more. Just what's happening in the price for different divisions?

**Sanjeev Sharma:** Well, customers always demand lower prices. That's the reality of life. And what we do is we continue to localize, make sure our portfolio is at the right cost level and meet the customers' requests. But at the same time, premiumization of the portfolio is taking place. So we have a good overall effect. So it's always a balancing act. And on the pricing side, but for 1 or 2 particular products, we don't see as such any critical pressures at this point in time.

**Moderator:** The next question is from the line of Subhadip Mitra from Nuvama.

**Subhadip Mitra:** So this is just a clarification on, I think, one of the earlier answers that you gave, I think, to Renu's question. I believe you mentioned 12% to 15% as the sustainable growth number. I'm not sure whether you mentioned that as a sustainable margin or the sustainable topline growth number. And also on this QCO impact, once the imported stock of materials is done, where do you see the sustainable margin stabilizing?

**T. K. Sridhar:** So let me answer one question. When I talked about 12 to 15%, I told about the PAT margin. So that's where I said that that's something which should be the corridor in which we should move knowing well that we have QCO issues, which will have to be handled for the next two quarters is what we see because that's the material what we have had. And also the orders what we will execute in the next 3 to 4 quarters is what we see, right? And that's what it is.

Now coming to the growth of revenues, right? So growth of revenues at this point of time, if you look at our overall revenues, I think we have been growing at 8% at this point of time. So I think if you heard it, I was mentioning that the INR10,000 crores order backlog definitely has 30% of large orders, which got to be executed over the next couple of years to come.

And that being the case, so then we need to really book orders in the market during 2026 for revenues in 2026, right? Our ability to book the orders and execute them remains. So I think we will have to make sure that our target is always to have double-digit growth on the revenues as well. So let's see how it proceeds, how the markets proceed, how these orders get finalized.

**Moderator:** The next question is from the line of Harshit Patel from Equirus Securities.

**Harshit Patel:** So my question is on the process automation order. This segment has not kept pace with the other two large segments in the last 2 to 3 years, and you have also highlighted the delayed decision-making by the customers, and we have seen that correcting in the last quarter as well. So while the orders in the 4Q were strong, our order book is almost at the same level, which was there in 2022. So do you think we would have lost some market share in the 2 to 3 years or we have performed in line with the capex environment in this industry and it was just a factor of the delayed decision making. Just your thinking and the outlook on the same?

**Sanjeev Sharma:** So we have performed in line with how the segment is developing. And what we find is that there are opportunities in the marketplace. We are very selective what kind of projects we do. We always go after high quality and somewhere where the value added by us is appreciated by the customers because we have a lot of domain expertise and specialization in the automation area.

So if you really go back, I don't know how long you've been following this particular market segment, it's a cyclic area. And if you go back 20 years, you will find that there is a lot of cycles that come and go. And typically, if you have a down cycle, what we do is we continue to maintain the quality of our support to customers, so which shows up in the opex orders as well as capex orders and also the Brownfield expansions.

So we stay engaged with the customers because we are the long-term partners for them. But yes, last quarter, we did see expansion. And as Balaji mentioned, that we are seeing now the pipeline building up nicely, and we hope that we can get a fair share of that in the coming quarters.

**Moderator:** The next question is from the line of Mohit Pandey from Citigroup.

**Mohit Pandey:** Congrats on a good quarter. Sir, just wanted to get more color on competitive intensity in the market. Last two quarters, you indicated Chinese competition as well, and we understand some of your European competitors are setting up incremental capacities in India. So in light of that, I just wanted to hear your thoughts around, please?

**Sanjeev Sharma:** On the competitive intensity, I think at this point of time, it's largely domestic of the established players. Now as far as the Chinese players are concerned, I think last quarter, what we talked about was if the industrial goods imports are open, we'll have to wait and watch and see what impact can come.

We haven't seen any direct impact yet, but we do see in certain large projects wherein one or two customers when they're executing large projects, they may prefer equipment out of China. I think we have seen that in the past, but that was almost, in my memory, 9 months to 1 year ago. But it's not a kind of a very repetitive phenomena yet in the marketplace.

As far the European competitors are concerned, I think most of the non-European competitors we have, they are already present in the market. But then, of course, as the market expands, you will also continue to see the expansion of the competitors. But you can see that we are a global company. We face all these competitors in different markets at a global or regional or the domestic level. We know how to kind of respond to such competitors. And our focus to stay number one or number two in the areas we operate stays there, and we continue to do what it takes to manage the competitive intensity. So I think going forward, I think if the market landscape changes, we continue to adapt accordingly, but we haven't seen anything new other than the existing competitive intensity offered by the established players.

**Moderator:** Ladies and gentlemen, this will be the last question for today, which comes from the line of Parikshit Kandpal from HDFC Securities.

**Parikshit Kandpal:** Congratulations on a great quarter. So first question is on the data center portfolio. So if you can help us understand versus the parent, so what parent is servicing globally? So what percentage of that we'll be servicing from India? And we also understand that parent has developed some very power-efficient solutions like SSDs, solid-state drives and transformers or is developing the solution.

So when do we expect that kind of product to come into India? Because when these hyperscalers come into India in a big way, so it will mirror the global data center supply chain, so which may benefit us. So I just want to understand that the contribution, how much can it go from here on?

**Sanjeev Sharma:** Our global management has highlighted the importance of data center for ABB, given our strong footprint of electrification. And you know data center is nothing but computing the power you require. That's the core. And then in order to support that computing power, you need to have a lot of power infrastructure that supports that computing power.

So we come into play on the supplying the power at the low voltage level and the medium voltage level to the data centers and also the utilities which do the cooling of the data centers, which consume high-efficient motors as well as drives to support that part of utility. So that's what our footprint is.

And here, hyperscalers, especially they are experimenting a lot and researching a lot together with us in terms of how to make sure to not only create higher availability and reliability of the data centers as the size and the intensity of the power increases, but also how that can be optimized.

So within that optimum scenario, a lot of new technologies are developed and being experimented. And as far as India is concerned, whenever any customer demands as per their design criteria, any of ABB technology is seamlessly available. It is not a question whether we have to get that technology in India, it automatically and seamlessly flows to us.

It basically depends upon how the demand is forming and what the customer aspirations are during the design phase. And we keep introducing those ideas to the domestic data center players. And most of them are listening to it very carefully. And hopefully, that should come part of their design criteria in future.

**Moderator:** As that was the last question for today, I would now like to hand the conference over to Mr. T.K. Sridhar for closing comments. Thank you, and over to you, sir.

**T. K. Sridhar:** Thank you, Michelle, for moderating the call. And all the people on the call, thank you very much for the interest that you have shown and your support and (*asking for*) clarifications help us go a long way in giving more data and more relevant data so that your decisions are better off. And thanks to the management who is there part of this particular call and aspirations there too. Thank you very much. We meet again in the next quarter call.

**Moderator:** Thank you, members of the management. On behalf of ABB India Limited, that concludes this conference. We thank you for joining us, and you may now disconnect your lines.

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