

June 01, 2026

The Secretary,
Listing Department,
BSE Limited,
1st Floor, Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001
Scrip Code: 543187

The Manager,
Listing Department,
National Stock Exchange of India Limited,
'Exchange Plaza', 5th Floor, Plot No. C/1, G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai - 400 051
Scrip Symbol: POWERINDIA

Subject: Transcript of the conference call with Analysts/ Investors held on May 26, 2026

Dear Sir / Madam,

Pursuant to Regulation 30 and 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the transcript of the conference call that was organized with the Analysts/Investors on Tuesday, May 26, 2026 and the same can be accessed at:
<https://www.hitachienergy.com/in/en/investor-relations/analyst-section>

Kindly take the same on your records.

Thank you,

Yours faithfully,

For Hitachi Energy India Limited

Poovanna Ammatanda
General Counsel and Company Secretary

Encl.: as above

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Hitachi Energy India Limited Q4 FY26
Analyst Conference Call - May 26, 2026

MANAGEMENT:

Mr. N Venu - Managing Director & CEO, Hitachi Energy India Limited

Mr. Ajay Singh - Chief Financial Officer, Hitachi Energy India Limited

Mr. Poovanna Ammatanda - General Counsel & Company Secretary, Hitachi Energy India Limited

Ms. Priyanka Bhagat - Investor Relations, Hitachi Energy India Limited

Moderator: Ladies and gentlemen, good day, and welcome to Hitachi Energy India Limited Q4 FY26 Analyst 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 this conference call, please signal an operator by pressing ‘*,’ then ‘0’ on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Priyanka Bhagat, IR team, Hitachi Energy India Limited. Thank you, and over to you.

Priyanka Bhagat: Good afternoon, everyone. A warm welcome to all participants attending today's call. We are delighted to have you with us for the Q4FY26 Earnings Conference Call of Hitachi Energy India Limited. Before we proceed, I would like to remind everyone that certain statements made during this discussion may be forward-looking in nature. Actual results could differ materially due to various external factors.

With that, I now invite Managing Director and CEO of Hitachi Energy India Limited, Mr. Venu, to take us through his insights on the results. Over to you, sir.

N Venu: Thank you, Priyanka. Good morning, ladies and gentlemen. First, it's a pleasure to be here. And let me also once again introduce my colleague who recently joined Priyanka in Investor Relations. So, please get in touch with her at any time if you need any more information or anything else on our Company. We are happy to do that, to support you.

So once again, good afternoon, and thank you for joining us for the analyst conference call. I hope you're all doing well, taking care of yourselves. And as you have seen from our press release, we have announced our quarter four and full year FY26 results yesterday.

And over the next 20 - 25 minutes I will walk you through our performance for the period ended March 31, 2026. As always, you may follow the presentation through the webcast or download it. We have just uploaded the same with the stock exchanges and our website. I'll continue to refer to the slide numbers for ease of reference, if you are on the move, you can understand that.

Today, in addition to Priyanka, I also joined in the room by our CFO, Ajay Singh, and our General Counsel and Company Secretary, Poovanna Ammatanda. At the start of FY26, our priority was clear, sustaining the strong growth momentum from FY25 while driving higher operational efficiency despite volatile geopolitical environment.

We remain disciplined in execution and focused on managing supply chain and cost pressures effectively. I am pleased to report that we have delivered another quarter and another year of strong performance, closing FY26, well ahead of our previous year in all the KPIs.

Our growth has been supported by consistent execution, a resilient business model and a strong go-to-market and sustained demand across segments. A key highlight is our record order backlog of Rs 29,555 crores as of March 31, 2026, which provides a strong revenue visibility for several

quarters going forward. This reflects continued customer confidence and our ability to win and execute large and complex projects.

The successful commissioning of India's first city infeed project in Mumbai further demonstrates our execution capabilities and reinforces our position as a trusted partner in critical grid infrastructure. Together with all our Board members, we just visited the Mumbai City infeed project site this morning. I'm just coming straight from that. This is one of the advanced engineering models to deliver results. And I see that the project is pumping the power.

While India remains exposed to global energy price volatility, this also strengthens the structural investment case for transmission and grid infrastructure. Our performance in the last quarter reflects this dynamic. We have navigated a temporary industry slowdown while continuing to invest in long-term growth opportunities and margin resilience.

Looking ahead, the demand outlook remains robust supported by energy transition, grid expansion and increasing electrification. At the same time, geopolitical development continues to highlight the urgency around energy security, energy transition and domestic capability building.

Hitachi Energy in our view is well-positioned to capture these opportunities, given our strong order backlog, technology leadership and proven execution track record and our customer intimacy.

So, starting with our presentation, I move to the Slide number 3. As you all know, safety remains an integral part to our operations, and we call it a license to operate. And we are committed to embedding best-in-class safety practices across our factories, and project sites and offices. We are proud to report zero fatalities during the financial year just concluded, reflecting the effectiveness of our proactive safety culture and risk management measures.

Further, reinforcing this commitment, we conducted several life-saving rules more than 1,700 life-saving rule inspections, ensuring continued vigilance and adherence to safety protocols. At Hitachi Energy, our employees, our subcontractors, well-being is deeply ingrained in our culture, annual health checkups, ongoing safety awareness sessions form core part of our approach, underscoring our belief that safety and health are non-negotiable priorities.

Our consistent efforts have been recognized and appreciated by leading third- party agencies and customers reaffirming our position as a trusted and responsible organization. As you can see from the slide, during the quarter, we have won several awards from our customers and partners for enhancing the safety culture at their project sites.

If I move to the Slide number 4. Sustainability remains central to our strategy with a strong focus on de-carbonizing our operations. We are proud to have achieved 100% renewable energy in our operations through rooftop solar and various other means like engaging in the long-term power purchase agreement with the solar developers.

During the year, we surpassed our water reduction targets, achieving an 11% reduction from the baseline of 2019 through recycling initiatives and the deployment of efficient fixtures. Notably,

our Halol facility in Gujarat earned a Water Positive Index certificate, underscoring our commitment to responsible water stewardship.

In addition, both our Halol and Mysore facilities have been certified platinum for zero waste to landfill, reflecting our continued progress in circular resource management and waste minimization. Beyond environmental stewardship, we have made a meaningful stride in governance and social impact.

We increased gender diversity substantially reinforcing our commitment to building an inclusive workplace. At the same time, we continue to uphold an uncompromising commitment to integrity with zero incidents recorded during the year.

Our efforts continue to be recognized externally. We are pleased to report in FY26, our ESG rating from Crisil improved to 61, which is called a strong while NSE rating increased to 62, which is adequate, reflecting sustained progress across key ESG dimensions.

I am moving to Slide number 5. And some of this information, you already know that. But let me put our performance in the context of broader dynamics. The current geopolitical situation in the Middle East has triggered pressure on the supply chains. However, we have put several mitigation measures to address the temporary challenges which not only we are facing it, but the whole industry is facing.

Along with that, we are witnessing a clear structural transformation in the energy landscape in India, driven by energy security, policy support, localization and accelerating electrification across multiple sectors.

India's electricity demand is poised for a strong sustained growth over the coming decade, supported by industrial expansion, renewable integration, EV adoption and the rapid scale of the new age load centers such as data centers.

At the same time, the grid is becoming more complex with a higher load density, increasing reliability requirements and new demand for drivers such as AI-led workloads and this is leading to significant investments across the transmission, distribution and grid infrastructure. Across segments, the opportunity is compelling.

Strong momentum in renewable, transmission investments to integrate non-fossil capacity, a visible industrial capex cycle, rising data center investments and early stage, but accelerating EV penetration. In parallel, improving DISCOM health is enabling higher spending in distribution.

Overall, these trends reinforce our confidence in a multi-year growth opportunity, and we believe we are well positioned to capture this throughout our strong market presence, execution capabilities and continued focus on technology and capacity expansion

I now move to Slide number 6. Our operating momentum remained strong and firmly on track throughout the quarter ended March 31, 2026. During the quarter, we recorded orders of

Rs. 2,422.5 Crores and revenue of Rs. 2,754.1 Crores and which has growth on a year-on-year basis, orders of 10.6% and revenue of 46.2% growth on a year-on-year basis.

Similarly, when it comes to the profit before tax, it is around Rs. 443.4 Crores and profit after tax is Rs. 330.5 Crores, reflecting a solid operational performance.

For the full year period, we reported a strong order as a second year in row at the high base. We have a growth of 1.6% in FY26 to Rs. 18,456.5 Crores. And the revenue on a complete year Rs. 8,147.7 Crores, a growth of 27.6% and PBT Rs. 1,375.2 Crores, a growth of 166.3% and PAT is Rs. 987.8 Crores, a growth of 157.3% and EBITDA margin on an annualized basis is 15.4%. And look at our strong operating cash this year of Rs. 1,746.3 Crores and strong order backlog of Rs. 29,555.3 Crores, an increase of 53.6% YoY.

Going to the next slide, no. 7, during this year, we have commissioned a very important project. I just talked about Mumbai City infeed project of 1,000 megawatt on a VSC-based technology. This project includes entire design, engineering supply, erection and commissioning of HVDC converter station at Aarey and Kudus and supporting 1,000 megawatts of power into the Mumbai grids.

Similarly, we have also commissioned several other projects this year, for example, the renewable substation at Barmer, Transformer supply to leading utilities, AIA substation in Rajasthan and several other things. These projects underscore our strong execution capabilities across diverse segments and geographies.

Our comprehensive scope of work spans the entire value chain including design, engineering, manufacturing, supply, erection, testing and end-to-end commissioning, enabling us to deliver integrated high-quality solutions to our customers.

I move to the next slide, that is Slide number 8 and at Hitachi Energy, we are committed to leading purpose and creating a positive impact on industry and society.

We firmly believe in translating our strategies into meaningful action. In line with this commitment, we actively participated in India Energy Week in 2026, engaging with key stakeholders and fostering global partnerships that are shaping the next era of energy transition and progress.

Artificial intelligence has become the new normal across industries and energy sector is at the forefront of this transformation. It is imperative for us to adapt to this evolving landscape. Engagements at such industry forums and summits bring not only fresh perspective to our businesses, but also it helps leading actively in the dialogues.

As part of the India's AI Impact Summit, we hosted a pre-event to explore the changing role of energy in the age of AI and industry leaders across Ministry of Power and Ministry and IT has joined us at that platform.

We showcased our portfolio of products and solutions at the Bharat Electricity Summit, one of the largest transmission energy events in the country. Our booth at the event was honored by the

honorable Ministers of Power, Minister of the Renewable and critical members of the power industries to listen to us and to see our state-of-the-art technology products, which were on display.

Moving to Slide number 9 to give you a little more additional context on our order intake for the full year FY26.

Order intake for FY26 has demonstrated growth across the sectors, industry, data centers, railways and renewables. So, you're seeing the small dip in the transmission is basically due to the mismatch in the value of the large orders booked in FY26 compared to FY25.

On the right-hand side, the order mix is illustrated, the chart highlights that the product segment has taken the lead, while utilities and direct end customers emerge as a clear winner across their respective sectors and channels.

I move to the next slide, which is very important and strategic slide for us.

And let me also take the moment to highlight and importance of this development. During our Q4FY26 Board Meeting, the Board approved an additional investment of Rs. 2,000 Crores. This includes among other initiatives, the establishment of greenfield large power transformer facility in Karjan, Vadodara in Gujarat.

This is an accelerated execution program, and we would like to complete this state-of-the-art Greenfield transformer factory to produce our large power transformers and HVDC converter transformer by last quarter of 2028 calendar year. This investment is over and above the capital expenditure program we had previously announced in October 2024.

With this, our total cumulative capex stands close to Rs. 4,000 Crores. We believe that this investment will significantly strengthen our manufacturing capabilities in India and position us well to capture the strong demand outlook in the sector, not only from the renewable sector, but also new sectors such as data centers.

With that background, I'll now hand over to our CFO, Ajay Singh, who will walk you through our financial performance in the next two slides. Over to you, Ajay.

Ajay Singh:

Thank you, Venu and very good afternoon, everyone. Hope you are doing well. So let me run through the financial performance for this quarter as well as the year-end. So, Venu has already touched upon a few parameters, but I will go a little deep into that. So, orders, if you see, we have clicked Rs. 2,422.5 Crores, which is 10.6% growth Y-on-Y.

Revenues from operations were very good in this quarter. We had Rs. 2,754.1 Crores, which was 46.2% YoY growth and profit before exceptional item is Rs. 443.4 Crores, leading to the PBT margin of 16.1% compared to 13.1% in last year's same quarter. PAT grew by roughly 80%, Rs. 330.5 Crores. And then the margin, we closed at 12%.

Operational EBITDA for this quarter was Rs. 452.3 Crores, which is 16.4%. So overall, I will say, in my view, this quarter was good for us. And again, if you compare from the sequential

quarter also, if you see the revenues grew by 32.3% and PBT also grew by 10.3% PBT after exceptional items grew by 27.5%.

PAT grew by 26.4% and operational EBITDA grew by 33.7%. So, the margin in this quarter was majorly contributed to the very good revenues and through the operating discipline. As I see year-on-year, we had order bookings of Rs. 18,456 Crores, which is 1.6% higher compared to last year. Revenues, we crossed Rs. 8,000 Crores, roughly 27.6% growth compared to the previous year.

PBT (before exceptional items) margin of 16.9% has doubled as compared to 8.1% in the last year. And PAT grew, basically more than 150% PAT to Rs. 987.8 Crores leading the margin of 12.1% vis-a-vis 6% in the last year. Operational EBITDA is at Rs. 1,252.5 Crores, a margin of 15.4% compared to 9.3% in the last year.

If I dwell a little bit more in detail, if you come to the next slide, where I'll talk more in detail. If you see on the cost structure, the personnel expenses as a % of revenue for this quarter was 6.3%. Other expenses (as a % of revenue), we were able to pull down to 14.3%.

In Q4FY26, we had an exchange loss of Rs. 31.5 Crores. This is an unrealized loss, a notional loss for us. Depreciation, 1%, finance cost negligible. And with this, we close this quarter with 16.1% PBT margin and profit after tax margin was 12.1%.

Similarly, if I see for the overall year-end also, we clicked a revenue of Rs. 8,147.7 Crores and we were able to improve on the gross margins compared to last year by a minimum 2%. Personnel expenses as a % of revenue, we closed by 7.9%.

Other expenses, again, last year, were 20%. This year, we closed at 16.9%. And all other expenses are under control. And that is how we were able to close this particular year with profit before tax of 16.2% compared to the last year, 8.1%, while profit after tax margin reached 12.1% compared to 6%. So overall, there was a very good development in terms of profitability vis-a-vis when I compare it with last year.

With this, I hand over to Venu.

N Venu:

Thank you, Ajay and I come to the last slide. As you all know, this is a famous slide for us. And as we close the financial year, we are pleased with the progress we have made, especially against the backdrop of an evolving geopolitical environment. And our focus continues to be on 2 clear priorities, sustaining our growth momentum and improving efficiency across all areas of our operations.

We remain proud of our leadership in core segments such as utilities, HVDC, industries, data centers, etc., while actively expanding into high-growth areas, energy storage where we see strong and sustainable demand trends.

At the same time, we are sharpening our strategy to capture opportunities across services, exports and digital innovation, strengthening the service business in India remains a key pillar for us. As

it plays a critical role in ensuring continuity and resilience of energy systems. We are also driving productivity and operational excellence with a strong emphasis on quality and scalability.

In parallel, we are focused on executing our strong order backlog efficiently to support revenue growth and optimize capital deployment. And we kick started AI acceleration with AI Nexus program, harnessing data analytics and AI to drive smarter decisions, faster and better outcome.

From the function standpoint, safety continues to be our non-negotiable and our license to operate, this is deeply embedded in our culture, and we remain committed to maintaining a robust safety-first environment across all our locations.

Looking ahead, we will continue to invest in our capabilities through people, technology and capacity expansion to support sustainable growth. We are confident of creating long-term value while contributing to a more resilient and sustainable energy future.

Ladies and gentlemen, with that, now we open the floor for questions. Thank you very much.

Moderator:

Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. We'll take first question from the line of Parikshit Kandpal from HDFC Securities. Please go ahead.

Parikshit Kandpal:

Hi, Venu. Congratulations on a great quarter, sir. So, my first question is about exports. So, we have seen a very robust order inflow from exports, if I do the numbers for some adjustments for HVDC, about Rs. 3,000 Crores plus for this year. So just wanted to understand, I mean, without any related party major orders this year?

So how are we able to get these orders? How do you generate inquiries there? Do we compete with the parent entities in these geographies. So how does the allocation come? How do you get the inquiries because it's widespread across U.S., Europe and APAC? So just wanted some more color on this.

N Venu:

Yes. Thank you, Parikshit. First, thank you for your question, and it's very interesting, and we have been consistently saying that our export strategy is a 3-prong strategy. So, the number one is we have certain allocated markets. And in the allocated markets, on a long-term basis, together with the local sales and marketing organizations, we start selling the products.

No 2 Hitachi Energy companies will compete in any market. We develop the market on a long-term basis. That's the first strategy. And the second one is, we do manufacture certain products only in India in the whole Hitachi Energy ecosystem. That's what we call a global feeder factory.

Let's give an example of the 66 kV high circuit breakers, and then our COMBIFLEX relays. Those relays -- those components, products we manufacture here, we sell them across the world, some directly to customers, some through our Hitachi Energy offices. So that will become a related party.

Thirdly, we manufacture a component which is part of the full product, what we call the feeder factories. This feeder factory manufactures components which are sold to other Hitachi Energy

factories around the world. It could be U.S., it could be Germany, it could be Sweden and Switzerland, etc. So, a combination of these 3 things will add to our exports.

Parikshit Kandpal: Okay. Sir, my second question is about the HVDC mix. I mean we have seen some softness in the margins, for the year. I mean we are somewhere around 14%, 15% EBITDA, but our peers are now in the range of 25% plus. So, our GTM is also low, and other expenses are high because of royalty.

Just wanted to understand what HVDC a significant portion of this year's revenue was, so if you can quantify across all the 3 HVDCs and then you have Maribus, you have Adani, you have the Power Grid and the Mumbai entry. So, was a significant part of your order book? And given that now two-third of our order book is HVDC. So, is there any scope for further margins to improve from here on?

N Venu: As I said, HVDC is margin-accretive, and it was not very substantial in this quarter or in this year. If you take the whole of this year, our HVDC revenues out of Rs. 8,000 Crores is around Rs. 1,100 Crores or something like that, Ajay?

Ajay Singh: Yes, roughly. You can say 15%.

N Venu: Our focus has been our base business, service business, export business and in addition to other things. HVDC is one of our levers, and that's what we are doing it.

Parikshit Kandpal: Okay. Just the last question, sir, on the order breakup for this quarter, I mean exports have been very high. So just wanted to check the services, which has also been very high in this quarter, is the service order from India, HVDC upgrade or it was a global order? And is it part of the export order book?

N Venu: No. The service upgrade is from India. It is for our customers in MSETCL, upgrade of control and protection.

Parikshit Kandpal: The base orders look very weak for this year. I mean, if I remove services and the export, the base ordering looks to be very weak for FY26. In fact, there could be maybe a decline Y-o-Y. So, what is your commentary on the base ordering?

N Venu: Yes, we have seen our base orders also had strong growth for the whole of financial year.

Parikshit Kandpal: Okay. Sure. Thank you.

Moderator: Thank you. Next question is from the line of Mohit Kumar from ICICI Securities. Please go ahead.

Mohit Kumar: Good afternoon and thanks for the opportunity and congratulations on an excellent quarter and a very, very good year. My first question is on the domestic order inflow ex HVDC. Let's say, domestic order inflow plus exports, ex HVDC, it seems that we were at 90 billion last year. How do you see this developing for FY27? How is the inquiry pipeline ex HVDC in domestic market, especially?

N Venu: Yes, thank you very much. As you know we don't give any forward-looking numbers going forward. But let me give a little bit of color to that, so that you understand that. HVDC is only one of our growth levers, not the only one, but you leave HVDC out. What we see our pipeline is very strong in the renewable. Our pipeline is very strong in the data center. It's good. And that pipeline is also equally strong on our transmission and other projects. And of course, industries are, it's kind of intermittency is there, but it's coming up.

Overall, if you talk about the entire pipeline, leave HVDC, I think, our pipeline for the transformers from our various segments is also very, very strong. So, if you add all those things, I think pipeline compared to the year ago compared to the quarter ago, is very good.

Mohit Kumar: Understood. My second question is the new transformer capacity, which you announced. Does it mean that it will produce HVDC transformers internally?

N Venu: No. What do you mean by internally?

Mohit Kumar: In a sense, in the other package or the 2 HVDC packages, we tied up with BHEL for supplying the transformers. Does it mean that as this capacity is up, we will take the entire project?

N Venu: Whatever the projects we have won that will stay there. There's no change in those existing orders. So, considering the new capacities coming up, considering good demand, we are setting up this facility. And we have seen complete 360 view before putting up this capacity, and we believe that we have a very strong business case for this. And in this new facility, we not only manufacture large power transformers, but we will also manufacture the various converted transformers, whether it is for VSC technology, whether it's LCC technology and some of the large power transformers required for the data centers.

Moderator: Mohit, I request you to join back the queue, please, as we have participants waiting for their turn. Thank you. Next question is from the line of Sumit Kishore from Axis Capital. Please go ahead.

Sumit Kishore: Good afternoon. Thanks for the opportunity. My sincere compliments on creating an Investor Relations cell and welcome to Priyanka in the Hitachi Energy India family.

My two questions, the first one is the gross margins contracted on a sequential quarter-on-quarter basis by a significant amount. What was the mix change or factors that drove this outcome? The second question is that overall, your order inflows for the fiscal grew by 1.6%, but excluding HVDC orders from the base for both the years, the non HVDC order inflow, at least the domestic non-HVDC order inflow was falling in FY26 over FY25. What led to this outcome and what is the outlook going forward? Thank you.

N Venu: On the gross margins, I will ask Ajay, our CFO to talk on that.

Ajay Singh: Yes. Thank you for the question. So, if you see the gross margin, you are talking about sequential quarters, it is only because of the product mix that is where you see a contraction. But if you see overall basis at the end of the year, we have improved on the gross margin by 200 basis points. So, if you see around last year, our gross margins were around 38%. But this year, we close the

year with 40%. So, as we are discussing, we are working on the margin accretion piece and only because of the product mix is where sometimes in the sequential quarters, we see some change.

N Venu: Yes, so Sumit, what was your second question on the orders?

Sumit Kishore: Yes. The non-HVDC order inflow in FY26 versus the comparable number for FY25. If I exclude exports, there seems to be sort of some weakness in the domestic non-HVDC order inflow. Given the outlook is so strong around multiple growth drivers, what are the underlying dynamics here?

N Venu: I think when we investigated that, it is not the case with us. But we need to also understand that some of the capacities which are required for that probably will fill in with the HVDC portfolio. And that's also the reason why some orders which are required at the same time may not be possible for us to do that. But otherwise, even if you remove the non-HVDC order, there has been a growth in the domestic as well for us.

Sumit Kishore: Okay. Just one follow-up on this, your Rs. 20 billion capex. What kind of physical capacity for power transformers in GVA terms is this?

N Venu: We are going to create anywhere between 30 GVA to 40 GVA, exactly close to our existing factory.

Sumit Kishore: Thank you very much. Wish you all the best.

Moderator: Thank you. Next question is from the line of Amit Anwani from PL Capital. Please go ahead.

Amit Anwani: Thanks for the opportunity. Just a clarification on 30, 40 GVA, you said after adding the capacity, this will become 30, 40 GVA or?

N Venu: This is additional capacity. 30 GVA, depending upon the products mix can go to 40, but baseline would be in the range of 30 GVA. Additionally doubling the capacity.

Amit Anwani: So, sir, a question on the minimum local content. So, the 2 projects which we already have, just wanted to understand, there were recent notifications from the government with respect to minimum local content. So, the status of the 2 projects, how much is the MLC there? And is your capex driven by also the localization drive for the, probably for the upcoming 2 or 3 years, there is a minimum 30% and then this will go up over the next 5 to 7 years in terms of localization requirement for each project?

And second, will this also lead to reduction in royalty? Because you'll be localizing more. So, I just wanted to understand these aspects.

N Venu: Thank you very much. As far as our local content is concerned, we are far ahead of the requirements set out. Even the recent government circular, we are exceeding that. And we have been consistently saying that we have increased our local content.

And our new capacity has nothing to do with the local requirements. The new capacity is based on the demand coming in from renewable, transmission, data centers in a big way. When it

comes to royalty, your question is that, as I said, we manufacture locally, but we continue to get technology from our principals, right?

And I've been saying that we need to pay the royalty because we will come out of new technologies, new products. Some of you are maybe attending today's evening investors meet we would like to explain to you that what are the new products, technology we are launching for some of the new segments, growth drivers, for example, data centers, energy storage and those technologies, we are able to source from our parent company and we need to give royalty to ensure that the technologies are available at the same time it is available around the world.

Ajay Singh: And I'll like to top up what Venu was telling, if you see, we are not spending anything on the R&D. Our R&D spend is all managed centrally. So that is how we will need the technology for our products.

Amit Anwani: Thank you.

Moderator: Thank you. Next question is from the line of Puneet Gulati from HSBC. Please go ahead.

Puneet Gulati: Thank you so much. So will look forward to your evening presentation. But primarily, can you talk about any big gaps that you currently have in your portfolio that you would want to address with Rs. 2,000 Crores of capex?

N Venu: No, Rs. 2,000 Crores is not about the gaps. For example, the majority of Rs. 2,000 Crores are going into our existing product. One is that we're going to set up a new greenfield large power transformer. We're already manufacturing those things in another facility in Baroda, Maneja. And this is additional capacity because we need to produce a greater number of transformers at the same time.

And similarly, we are also setting up two additional lines in our Bangalore factory for power quality and we have 6 lines. We are now adding a 7th and 8th line because we see a lot of demand coming in for power quality products. And it's not any of the product gaps.

Puneet Gulati: Understood. That's very helpful. And how should one think about phasing this capacity over the next 2, 3 years?

N Venu: But what we are talking about is that demand required for the electrification. More sectors are getting electrification. So, electrification means you need more transmission, you need a more generation, and for that, you need a more transformer.

So, we investigated for quite a long period. And we believe that it's not 1- or 2-year, 3-year story we are talking about a multiyear growth story. It's structurally what we need to have. It's not any more spikes that are coming up and down, but we need to know that structurally, for a couple of long years, the growth in demand for these products and solutions is going to be there in our view. And that's why we are investing in it.

Puneet Gulati: Understood. No, I meant your capacity in Rs. 4,000 Crores, when should we expect different phases of capitalization? Will it.

N Venu: As we speak, out of Rs. 4,000 Crores, out of that Rs. 2,000 Crores, we announced in October 2024. And many of those projects are on the ground. So, they are taking anywhere between 3 to 4 years to complete. But this additional Rs. 2,000 Crores, which we announced, and we are doing the groundbreaking ceremony on 12th of June. And this is an accelerated manufacturing thing as I said, we're going to manufacture the transformer out of this new facility by end of fourth - last quarter of the calendar year of 2028.

Puneet Gulati: 2028. Thank you so much and all the best.

N Venu: Thank you.

Moderator: Next question is from the line of Subhadip Mitra from Nuvama. Please go ahead.

Subhadip Mitra: Good afternoon, sir, and thank you for the opportunity. As you've mentioned on this call as well that the focus areas and the growth triggers seem to be coming more from the renewables and the data center side over and above let's say, HVDC and exports. Just wanted to get an understanding of, let's say, how much of the renewables and the data center piece would be, let's say, part of current revenues and order book? And how do you see the growth trajectory going ahead?

N Venu: Well, I think, all of them are part of our order book. And by far, the transmission is highest in our order book, followed by the renewable and then industry service exports. Data centers are coming up in India. As you know, India is just less than 2 gigawatts of data center. And this is going to be multifold in going forward. In the next 4-5 years, we will talk about that.

So that is even though it's just a small base, but the rate of growth, our growth rate growth percentage is much higher in those things. And the next one is the energy storage, the battery energy storage, especially you're talking about almost 80 gigawatts of battery storage for the next 5, 6 years, that as you can see from the CEA report, and that needs a lot of technologies, and we're going to also look at those segments with that.

Subhadip Mitra: Understood. Just as a follow-up, would most of these products that go into, let's say, the data center and the battery energy piece, are these products that you're already manufacturing in India? These solutions already exist within the Indian subsidiary, or these would be products that need to be imported from the parent and then supplied in?

N Venu: Some of the products are already manufacturing, and we're going to expand our product basket. Some of the products are already available in our parent company. We're going to bring the technology and localize those things. As you know, it's very important to meet up the price point required by our customers in India. So, if we import from there, we will not be able to manage sustainable growth in that. We need to do that, and that's why we are looking into that. It's a combination of all of that.

Subhadip Mitra: Understood, sir. Thank you so much.

Moderator: Next question is from the line of Jason Soans from IDBI Capital. Please go ahead.

Jason Soans: Sure, sir. Thank you so much for asking my question. That's an excellent set of results. So, my first question just pertains to the...

N Venu: Can you please come close to the mic, please? It's very feeble.

Jason Soans: Yes, hello. Can you hear me now, sir?

Moderator: Can you use your handset mode, please?

Jason Soans: Yes, sure.

N Venu: That's clear, yes.

Jason Soans: Sir, my first question just pertains to the entire year number FY26, the exports order intake and as well as the exports revenue.

N Venu: I think yes, Ajay, you'd like to?

Ajay Singh: Yes. So, export revenue, if you see year-end is around 25%, you can take -- and orders also will be basically in the similar line. Currently, we look a little bit lower because we have booked large domestic orders, but our average exports are around 25% to 30%.

N Venu: Yes. Whenever we're talking about the percentage, please remember, we'll always take out the large lump like HVDC order. When you're talking about that, it is excluding that.

Jason Soans: Sure sir. So, would it be possible to give an exact number, sir, for this?

N Venu: No, we could not share exact numbers, we have been saying as a ballpark percentage.

Jason Soans: Sure. And sir, my next question just pertains to the near-term HVDC pipeline for the next 2 years. Just wanted some color on the pipeline. How was it more of LCC projects or VSC projects coming on stream? And, one linked question, since you've already won 2 mega 6-gigawatt projects already, do we have the capacity to take on more for the next couple of years?

N Venu: The pipeline, in our view, is very robust. One has already come up for bidding for the TBCB customers, and we are working on that. And similarly, there are many other projects, what I understand is also in the pipeline, at least in the next 2 years, we are talking about anywhere between 3 projects, if not, 4. So our capacity will be consistent, and this is a combination of both LCC and VSC.

And for us, it doesn't matter. LCC, VSC. And absolutely is fine because we are, by far, the leadership position in both LCC and VSC technology globally. We just commissioned Adani in Mumbai 1,000 megawatt is a VSC technology. So, your next question was about whether we have a capacity or not in that. We have also consistently said that we have been building the capacity.

We don't have any limitation as of now to take more HVDC projects now and the next year or year after and we are creating those capacities. As you see, we have been saying this since 2022,

where there's no pipeline there, we started our HVDC and control production factory in Chennai. And we are also setting up additional now transformer factory where we are going to manufacture the converter transformer in anticipation of the demand, not only HVDC, but also HVDC.

Jason Soans: Sure. Thanks for that, sir. And just one question...

Moderator: Mr. Jason, I request you to join back the queue, please, as we have participants waiting for their turn. Next question is from the line of Shirom Kapur from Jefferies.

Shirom Kapur: Hi, sir. Thanks for the opportunity Just have a question about your exports. So, I understand your 3-pronged strategy. Just wondering, maybe if you could give some qualitative commentary on what kind of markets where you're getting this export demand?

And is it largely third party? Or is it more driven by orders from the parents? And specifically, which segments? Is it data center, are you catering to the data center market in US or other parts globally. Could you just give me some color on that?

N Venu: Thank you. So, as I said, some of the allocated markets where we have our growth export strategies. There we develop those markets on a long-term sustainable basis. It could be Indian subcontinent, Bangladesh, Sri Lanka, Nepal, Bhutan. It's also some of the Southeast Asian countries and so on and so forth. And there, we sell our products directly to third-party customers. And for example, our GIS, we sell not only in the Southeast Asian countries, but also some of the European customers. So, in some cases, we say we have global feeder factories.

Again, we have a combination of that. We sell sometimes directly to customers, sometimes to our organization. So that comes from our Hitachi Energy offices around the world. And the third one is where we have the feeder factory, where we make the components in India. It's like more of a contract manufacturing for our Hitachi Energy factories around the world. So that will be through our parent organizations. So that's how we can do that.

Shirom Kapur: Understood, sir. And secondly, if you could comment a little bit on -- you mentioned that there was a temporary industry slowdown in the fourth quarter that you navigated. And during your commentary, you also highlighted some maybe delays in some transmission projects, and that's why FY26, we saw a small dip in the growth in transmission orders? So, if you could comment a little bit on what these delays are? How long do you anticipate them to go on for? When would it get resolved? Or is it already behind us now?

N Venu: I think in my view, it's behind us. The transmission projects are in the pipeline. Maybe the industrial capex. So, there is good momentum in the capex on some of the steel and other industries. But if you really look at where the investments are coming in, the transmission, renewable for sure, and some of the fossil power plants are also coming up. And the data center and semiconductor industry, batteries to industries, they all really firing. And we also see some expansions in the automobile industry.

Shirom Kapur: Got it Sir, Thank you so much.

- Moderator:** Next question is from the line of Rahul Gajare from Macquarie Capital. Please go ahead.
- Rahul Gajare:** Hi Venu, just continuing the export bit. Is it fair, I mean you did say that you are catering to the SAARC region and Southeast Asia. So, all of this is necessary with you all only. Is that how one can interpret this?
- N Venu:** Sorry, all of this is necessary?
- Rahul Gajare:** It's necessarily catered by Hitachi India itself? Or you will be...
- N Venu:** Yes. Some of the allocated market, it will be catered by Hitachi energy India only.
- Rahul Gajare:** And is SAARC the totally allocated market or will you compete with other Hitachi entities for Southeast Asia?
- N Venu:** Our Indian subcontinent is Bangladesh, Sri Lanka, Nepal, Bhutan and Southeast Asian countries. In Southeast Asian countries, the entire portfolio in Southeast Asian countries is part of the portfolio.
- Rahul Gajare:** Got it. Second thing is you did talk about how India is catering to being a feeder factory for some of the products and certain products are completely only manufactured locally. On average, every year, how many of these products are there?
- How much of these things make up your revenue, these feeder factory and certain products which are manufactured only in India because this is going to be a continuous whether export happens or not, this is something which will continue?
- N Venu:** Yes, it's more like a contract with our companies. And it has everything that is a pass-through to our company. So, it's like a low risk and stable margin kind of thing. And it is growing. If you take whole of exports, it's in the range of 30% or something like that.
- Rahul Gajare:** That's interesting. The last question that I have is with respect to the timeline of supply of transformers, the export market, what is the kind of timeline that you can supply a transformer and whether it is different for a 765 or 400 kV.
- N Venu:** We have so much demand for transformers from the domestic market. Our focus continues to maintain our domestic market. Our pipeline is quite robust. And one of the reasons why we are increasing our capacity by adding a new factory is also not only to cater to the domestic demand but also to cater to the new segments arising, like a data center.
- Rahul Gajare:** So, you can deliver a transformer in what, 15 months, 10 months?
- N Venu:** It's not a ballpark since it is evolving. It's highly dynamic, and that's why we always tell our customers to order as early as they can, so that we can plan better. In some we deliver in 15 months, some we do in the 12 months. That's not the issue. Issue is what kind of capacities the customers are looking at it. So that we can plug in those capacities.
- Rahul Gajare:** Okay, fine. Thank you very much.

Moderator: Thank you. We'll take our next question from the line of Randy Lau from Goldman Sachs. Please go ahead. Randy, please go ahead with your question.

Randy Lau: Sorry, am I audible?

Moderator: Can you use your handset mode; Audio is not clear.

Randy Lau: Am I audible now?

Moderator: Yes, please go ahead.

Randy Lau: Okay. So, for my first question, how should we think about this data center opportunity attributable to Hitachi, particularly with respect to domestic and global competitors over the next 5 years?

N Venu: Sorry, it was not very clear. How big is the opportunity in data center?

Ajay Singh: Next 5 years?

N Venu: Yes. It's 5 years...

Randy Lau: Yes, how should we think about the data center opportunity for Hitachi over the next 5 years?

N Venu: Looking at the data center market in India, which we are primarily catering to is less than 2 gigawatts. And the projections are anywhere between 13 to 18 gigawatts depending upon which data. And what we are talking about anywhere between 6 to 9x of the capacities from here. So, for every data center, 15% of data center capex is Hitachi Energy. And if you look at the addressable market is expanding by anywhere 6 to 8x depending upon the data from the various officials, So it's quite substantial.

Randy Lau: Sorry, just a follow-up, you mentioned 13 to 18 gigawatts, and you mentioned a certain capex. For Hitachi, what percentage of this total capex is attributable?

N Venu: No, we don't take that because for us, every data center is 15% of addressable market.

Randy Lau: Okay, I have a second question. So, in the current inflationary commodity price environment, how effective has the price escalation process been in protecting the margins of your HVDC and transformer contracts?

N Venu: Yes, thank you very much. I think this is a very interesting question. I was expecting this question. I think you all know that the geopolitical challenges being faced across India and many other geographies and which is also having elevated inflation, elevated metal prices, etcetera.

And on top of that, elevated transport charges because of the state of Hormuz were getting affected. So, we are navigating it. It's not easy, it's challenging. But most of our portfolio, we have commodity price pass-through. We have a price variation clause built in, in the contracts, and we openly and transparently do that.

But some other things where we cannot pass are like inflated freight, we are just looking at how to manage it. And then we have several initiatives to ensure that we mitigate many of those risks. But we are very looking actively on that.

Moderator: Thank you. Ladies and gentlemen, we'll take that as the last question for today. I now hand over the call to the MD and CEO, Mr. N. Venu, for closing comments. Over to you, sir.

N Venu: Thank you very much, ladies and gentlemen, for listening to us. And I know that some of you still have a question. So please reach out to Priyanka, and we will be happy to connect with you offline or online, and to provide all the necessary things. Thank you for showing interest in our Company. And we are looking at very exciting times for Hitachi Energy.

Everything is getting electrified whether it is transport sector, industry sector, data centers, energy storage and the industry and the domestic and we are super excited about our role and supporting our customers, our industries and working very closely with all of you. Thank you very much. Have a nice day.

Moderator: Thank you, sir. On behalf of Hitachi Energy India Limited, I would like to conclude this conference. Thank you for joining us. You may now disconnect your lines.