

November 13, 2025

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 November 07, 2025

Dear Sir/Madam,

Pursuant to Regulation 30 and 46 of 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 Friday, November 07, 2025 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

Hitachi Energy India Limited Q2 FY-26
Analyst Conference Call – November 07, 2025

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. Seema Siddiqui – Head of Communications and Government
Relations, Hitachi Energy India Limited

HITACHI

Moderator: Ladies and gentlemen, good afternoon, and welcome to Hitachi Energy India Limited's Q2 FY '26 Analyst Conference Call.

As a reminder, all participants' 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 '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. N. Venu – MD and CEO, Hitachi Energy India Limited. Thank you, and over to you, Mr. Venu.

N. Venu: Thank you, Nirav. Good afternoon, ladies and gentlemen. Thank you very much for joining us. I hope you are all doing well. And over the next 20-25 minutes, I will take you through our performance for this quarter, which ended on September 30th, 2025. And we have uploaded presentation on the stock exchange. For your convenience, I will call out the slide numbers.

And in this room together with me are our CFO – Ajay Singh; our General Counsel and Company Secretary – Poovanna; and our Head of Communications and Government Relations, Seema Siddiqui, here with me.

You all know on September 30th, India reached a historic milestone as the country's total installed electricity capacity surpassed 500 gigawatt, reaching 500.89 gigawatt. It reiterates the growing energy network in India and an increased focus on advanced grid technology, digitalization, storage, and integrated solutions.

At Hitachi Energy, we understand the significance of these evolving dynamics and it is also reflected in our operational and financial performance.

I am starting with the presentation and moving to Slide #3, which is our license to operate, that is safety. Safety is fundamental to our license to operate. In Q2 '25-'26, the focus on safety continued to keep the injury

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frequency rate under control through timely prevention actions and several initiatives across our factories, project sites, and offices. This is reflected in the appreciation letters and awards we received from our customers and stakeholders for adhering to the highest safety standards at our project sites.

At Hitachi Energy, we prioritize and remain committed to our employees' well-being with a special focus on mental health. Towards that end, we introduced the Kyan App this fiscal year, which offers online personalized support for mental well-being. Furthermore, during the quarter, we organized several health initiatives, including multiple awareness sessions on first aid and basic life support, emergency preparedness, so on and so forth.

Moving to the Slide #4, which is also another key driver for our growth, is our sustainable target- ESG target. Sustainability, you all know, is a key part of Hitachi Energy's business strategy and fits into our company's purpose, which inspires the next era of sustainable energy.

The company's sustainability strategy is built around 3 interconnected pillars, which are planet, people, and principle, each working together to fulfil its purpose. We have set ESG target for 2030. We have also released 2030 strategy of our ESG targets.

Under the planet pillar, we are confident of achieving more than 76% reduction in CO2 emissions in the financial year '25-'26 in our operations from our targeted 50% reduction, compared to our baseline year of 2019 emissions. Similarly, we have achieved 69% reduction in waste disposed of in landfills or incinerated in FY '24-'25 and aim to further reduce in the Financial Year '25-'26.

When it comes to the people, we remain committed to safety and ensure diversity across our workforce. Currently, our gender diversity stands at 11% and we are confident of meeting our 16%-18% mark in the coming years. Our Principle strand is committed to ethical behavior and responsible governance. In all aspects of our work at Hitachi Energy, we remain devoted to zero incidents when it comes to integrity.

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Moving to the Slide #5, and I am sure this slide you know better than me, but I still like to say a few things on this particular slide. As you all know, according to The World Bank, India's growth outlook looks positive with a revised forecast from 6.3% to 6.5% in FY '25-'26. World Bank has further rated India's GDP growth of 7.8% exceeding expectations for the first quarter of FY '25-'26. The GST 2.0 reforms, along with the strong domestic and resilient external sector, have played a crucial role in sustaining this growth momentum.

During this quarter, the trade deficit receded slightly. Despite several positive indicators, uncertainty looms over U.S. tariffs, but we are hopeful, like all of you, that it will be resolved soon through the dialogue which are ongoing.

In terms of investment, India continues to make significant strides in the Clean Energy sector. In the first half of 2025 alone, the Renewable Energy sector attracted investments of nearly INR 1 lakh crore. Additionally, the sanctioned INR 2.4 lakh crore of 500 gigawatt transmission plant to link renewable-rich states with demand centres shows the country's growing confidence and commitment to sustainability.

If I move to the Slide #6, the company continues to maintain its strong growth momentum. In the quarter ending September 30, we secured total orders of INR 2,217 crore, up 13.6% year-on-year, and our revenues stood at INR 1,915.2 crore with a year-on-year growth of 23.3%.

The effective execution of good margin orders, sustained operational excellence, a good product mix, increased export momentum, and a lower base in the corresponding previous quarter, the company reported a significant year-on-year growth in profit before tax and profit after tax. So, profit before tax and profit after tax recorded 4 times year-on-year growth, 399.8% and 405.6%, respectively.

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During the quarter, the company achieved the highest ever order backlog of INR 29,412.6 crore, creating a revenue visibility for several coming quarters.

Key orders this quarter included automation solutions for state transmission companies and HVDC connections, a 220 kV air insulated switchgear, air stations for 250 MW solar battery energy project in Bidar, along with 420 kV GIS and 220 kV power for other solar projects. Wind projects with 400 kV AIS stations in Nanded, and many other industrial projects such as GIS stations for a green steel plant in Paradip, alumina plant expansion at Mahan, and greenfield steel plant at Jaipur, and for rail locomotive EMU transformer for Indian railways and Vande Bharat, et cetera.

Moving to the Slide #7, as a technology leader, we continue to drive innovation and reinforce the nation's energy security through impactful initiatives. This quarter, we commissioned several significant projects covering renewables, data centres, and industries.

I would like to share few highlights. In the Industry segment, we commissioned 220/33 kV AIS package in Rajasthan for a leading cement brand, and 220 kV GIS substation in Maharashtra for a leading data centre provider.

In Renewables, we established a 150 MW EBOS in Rajasthan and 220 kV AIS substation installation for 200 MW wind power evacuation in Tamil Nadu for a leading renewable energy company.

For all these commissioned projects, our teams were responsible for designing, engineering, manufacturing, supplying, erecting, testing, and commissioning according to the defined scope of work.

If I move to the Slide #8. At Hitachi Energy, we remain committed to leading with purpose and creating a positive impact across the industry and society. Through our flagship platform, Energy and Digital World 2025, we connected with our esteemed partners across Chittorgarh, Bengaluru, and Jharsuguda to accelerate collaborations, close to our customer places. Additionally, successful completion of NABL re

accreditation by our power transformer factory reaffirmed our commitment to quality and eco-conscious practices.

Our Doddaballapur facility has earned special recognition for its sustainable practices at the CII Karnataka ESG Summit, an achievement that we are proud of.

Also, I am pleased to share with you that our first batch of Women Engineering graduates has secured 100% employment. And through our latest community initiative in education 1,350 students in Thandavapura and Nanjangud near Mysore will benefit from solar-powered smart classrooms and libraries there. We continue to lead industry conversations through key forums in this quarter, whether it is CIGRE, IEEE, and also the CII, et cetera.

Moving to the Slide #9, here I would like to provide some more colour on the orders received this quarter. In terms of segments, renewable (wind & solar), and rail & metro contributed significantly to the order book, followed by industries in Q2.

Both renewable and rail and metro experienced a growth of 40% and 61% respectively, whereas the transmission and data centre segment witnessed a decline, 43% and 50%, respectively. But we believe it is, a timing more of a temporary phenomenon. And we are very positive about both data centre and transmission..

The order mix is shown on the right. In the graph, you can see that the products have taken the lead in the segment, whereas utilities, the direct end users, are clear winners for the sector and channels, respectively.

Moving to the Slide #10, our growth levers, that is service and export. During the quarter, exports attained 59% year-on-year growth. Diverse geographies and industries we served helped sustain export momentum toward order book. The company received export orders from utilities in Europe, data centres in South East Asia, and renewables in Middle East and North America.

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On the service front, it maintains its high single-digit contribution to the total order book. Some of the key service orders came from utilities and industries, including an Air core Reactor for an HVDC project, GIS and AIS extensions and repair & retrofitting, and the first EconiQorder in India, which is a game-changing SF6-free technology that we are deploying in India for the first time.

So, moving to the next slide, I request my colleague and our CFO, Ajay Singh, to take you through the next couple of slides. Over to you, Ajay.

Ajay Singh:

Thank you, Venu, and good afternoon, everyone. I hope you all are doing well at your end.

So, let me just take you through the Quarter 2 financials, and our performance that has happened:

So, if you see orders in this particular quarter, we did INR 2,217 crores, which is 13.6% growth year-on-year. And even if I remove the large orders of the previous quarter, I see that there is a growth of 28% (quarter on quarter).

Revenues if you see, revenues we closed at INR 1,915 crores for this particular quarter, which shows a very good growth compared to Y-on-Y 23% growth, and compared to basically Q-on-Q, 25% growth.

So, with the support of very good revenue, and along with the execution of good margin orders, better product mix, operational efficiency, and better exports, our PBT in this particular quarter is INR 352 crores, which is 18.4%, and PAT is INR 264 crores, which is 13.8% (quarter on quarter).

Operational EBITDA, we closed at INR 291.6 crores, which is 15.2%. So, overall, I will say that this particular quarter is fairly better compared to the previous quarter. And order backlog, we are having roughly 29,400 plus crores of order backlog, which provides a very good visibility for several quarters.

If I come to the next slide, Slide #12, here basically I would like to give you an overview a little bit more in detail, where you see we are able to

also review the cost structures. The revenue, if you see, out of the total INR 1,915 crores of revenue, we have other income of INR 69 crores, and this other income is basically coming from the interest deposit that we have done. The interest which we have gained is roughly INR 69 crores, and also in this particular quarter, we have an exchange gain of INR 12.8 crores.

Personal expenses is 8.1%. Other expenses, if you see, based on the overall efficiency that we gained with the better revenues, and also the overall cost structure, we closed 16.9%, which was in the previous quarter 22.7%, and that has also supported the bottom line growth.

Depreciation, as you are all aware, we are investing, so depreciation is slightly increased compared to the previous quarter. And finance cost, it is a bare minimum, because we don't have any debt at the moment.

So, overall, with all these improvements and all these cost structures overall we see that we closed, the profit for the quarter is 13.8%.

With this I hand over to Venu.

N. Venu:

Thank you, Ajay. And moving to my last slide before we open it up to Q&A. And that's our priorities for the remaining part of the financial year and also the coming years.

As we closed our second quarter, explained by our CFO, which is a very good quarter for us from our standpoint, and remained focus on the two objectives of maintaining high growth momentum and enhancing our overall efficiency in all spheres of our work; maintaining our leadership in core segments, such as Utilities, HVDC, Transmission, Industries, Infrastructure, et cetera, .

And we continually strive to capitalize on emerging opportunities in new segments, such as data centers, industries, and refine our strategies to leverage opportunities in Service, Export, and Digital segments, and which you have been seeing this, how we have been driving this growth for the last several quarters.

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Our focus will remain on strengthening the Service business in India, and the company will continue to drive productivity with an emphasis on operational excellence to improve productivity, quality, and opportunities under the one Hitachi umbrella.

On the business front, consolidated efforts will be made to leverage the large order backlog for revenue accretion and focus strategy for the utilization of the capital raised during the QIP.

As we speak, a lot of CAPEX projects are under execution at various stages of completion, and we see the traction of some of them coming in from the second half of next year onwards.

With the safety embedded in our culture, our commitment to fostering a strong safety-first work environment remains steadfast. At the same time, we continue to invest in expanding our capabilities for sustainable growth, whether through upskilling and cross-skilling our workforce, which is extremely important for the energy transition-related thing, or by strengthening our operational footprint to inspire the next era of sustainable energy future.

So, ladies and gentlemen, with this, I close my presentation and request the operator to open the channel for the questions. Thank you.

Moderator:

Thank you very much. We will now begin with the question-and-answer session. The first question is from the line of Umesh Raut from Nomura India. Please go ahead.

Umesh Raut:

Thank you so much for this opportunity. Good evening, sir. My first question is pertaining to our CAPEX timeline. If I look at our prospect document for fundraising, that is QIP, it is mentioned that for FY '26, we were planning to deploy closer to INR 750 crores in the CAPEX, and about closer to INR 720 crores in FY '27. If I look at half year, I think we have done close to INR 67 crores of CAPEX. So, just wanted to understand how this CAPEX ramp-up will happen, say, in second half FY '26 and then in FY '27-'28? That is my first question.

N. Venu: Okay. Thank you, Umesh. Thank you for asking this question. I think it's a very, very important question for us. So, for us also, the CAPEX projects going on stream in line with our timeline, in line with our budget, cost exercise is extremely important. We have dedicated teams working on that.

And as we said at the beginning of our documents, INR 750 crores is what we are going to spend this year. We may not be completing INR 750 crores worth of the projects, but we will be close to that range. I think we still see that traction of coming very close to that, and also similarly in the subsequent years.

Umesh Raut: Understood. Okay. So, three large projects that we have in terms of backlog, which is one on the domestic HDVC program side and one in Australia, again, more of an outsourcing package as a part of larger HVDC project. So, just wanted to understand, would there be any delay in terms of execution because of a slight delay in terms of CAPEX timelines? Or how should we look at it in terms of completion timelines for these 3 projects, respectively?

N. Venu: First of all, the CAPEX is up now. There is no delay as per our schedule. They are going in line with the schedule, almost all of those. Okay. And whatever projects we have booked, we have seen everything in our CAPEX. Some incremental CAPEX has to come in for some of those products, which are required for that. And we see that it is very much on track. So, I don't see any delays on account of those things.

Umesh Raut: And scheduled completion timelines for 3 projects, which I mentioned?

N. Venu : It varies from customer to customer, ranging from anywhere between 48 months to 54 months. So, we are very much within our schedule. As we speak, all these projects we have learnt about, we are completing the engineering phases. We are doing some of the component testing. All those things are going on.

Umesh Raut: Understood. Sir, my last question is pertaining to other expenses, where we have seen a 7% decline on a year-on-year basis, while our revenues

went up by about 18% for the quarter. So, any particular reason for drop in other expenses or any one-off here?

N. Venu: Yes. I will ask our CFO – Ajay to talk on this.

Ajay Singh: Yes. So, just in my initial commentary also I mentioned, the other expenses have come down. Mainly if you see, I will say that we have achieved operational economies in this quarter, and that is mainly driven by the containment of the cost and also supported by the higher revenues. But to give one specific example, like in the last quarter, we had higher royalty expenses, and you are aware that we have been telling that our royalty expenses are generally dependent upon the previous quarter's revenues.

So, the prior quarter's revenues were higher. So, in the last quarter, the royalty expenses were higher. But based on the last quarter's revenue, this quarter, the royalty expenses were lower. So, that is also one of the major reasons why it has also come down. But overall, we have been telling that we will be hovering around, let's say 20% level.

Umesh Raut: Understood, sir. Understood. Sir, last 1 clarification. If I look at Slide #9, the figures that are mentioned here, it looks like Q2 FY '25 figures are basically for Q2 FY '26. Is that the correct assumption? Because I think if I look at the following slide, I think on the services side, Q2 FY '26 was on the declining side, while on the first slide, that is on the 9th slide, I think it is increasing for Q2 FY '26.

N. Venu: No. I think what you are saying, the slide on the 9 is...

Umesh Raut: So, I think the figures for Q2 FY '25 are basically for Q2 FY '26. So, it's mentioned in the reverse way.

N. Venu: Yes, yes, it is. If you see here, what you are talking about in the slide 10, Q2 FY '25 on the left-hand side, Q2 FY '26 on the right-hand side. That's only the representation standpoint, but otherwise, everything is okay.

Umesh Raut: No, but sir, services contribution in orders is basically.

- N. Venu:** Yes. And the services is down.
- Umesh Raut:** So, it has increased for Q2 FY '26 in the Slide #9.
- N. Venu:** Slide #9, where did we say that?
- Umesh Raut:** From 7% in Q2 FY '25, that has gone up to 12% in Q2 FY '26.
- N. Venu:** Let me check on that. Okay. Thank you.*
- Umesh Raut:** Yes. Sure. Thank you.
- N. Venu:** Thanks for pointing that out.
- Moderator:** Thank you, Umesh. The next question is from the line of Parikshit Kandpal from HDFC Securities. Please go ahead.
- Parikshit Kandpal:** Congratulations on a great quarter. Sir, just wanted to understand out of the total order backlog right now, so what is the base order? Excluding the HVDC, what will be the order backlog?
- N. Venu:** I think we have at least close to INR 10,000 crores, we will have a base order backlog.
- Parikshit Kandpal:** Okay, understood, sir. And then in this quarter, sir. if you can help us quantify out of the total order inflows, how much was the export order? And in the total order book of 10,000 crore base order book, what will be the export order backlog?
- N. Venu:** No, we don't segregate it like that. Our exports, we are telling you in the overall basis, is 25%. Okay. And it's varying from 25% to 20%-30%. We don't have a large backlog of exports. Most of the exports are at a quite short cycle, except for the Marinus order, which we have booked in. But most of the exports are quite short cycle. Fairly, you can take around 25%.
- Parikshit Kandpal:** Okay. And sir, the last order on the related parties. Sir, any large orders expected from the parent company, the related party, like we have seen some of our peers' getting orders from the parent entities or related

parties. So, anything planned for this year? Any thoughts there on the parent side where we can get orders?

N. Venu: So, Parikshit, we have been saying consistently that is our main focus, unlike some of other companies is the domestic markets. We are expanding our factories. We are increasing our localization is primarily to serve the market. It's not that we cannot do it. So, we see a huge amount of tailwinds in the domestic market.

Today, our challenge is our ability to supply that. So, that's where we are doing it. We are expanding it. And as you can see, the new opportunities, like a gigawatt scale of data center, requires a large amount of transformer, GIS, automation, et cetera in that. So, it's quite a big opportunity pipeline for the domestic market, and our focus is on that.

Having said that, we have been saying consistently that we have been concentrating exports and we brought exports from 15% to 25% on an overall basis. And we would like to remain in that range band, a few percentage this way, that way. But that's what the thing is. It is not that we have taken an export order from a parent and compromised on the domestic market. That's not what we meant.

Parikshit Kandpal: Okay. Just one thing for Ajay, sir. Sir, this Adani order is over? Or is it like still some more execution left? I mean, in this quarter, was it a significant part of the execution?

N. Venu: Yes.

Ajay Singh: Generally, we do not basically talk on those particular lines.

Parikshit Kandpal: But is the order completion over now? Or is it still pending?

N. Venu: Not yet. Not yet.

Ajay Singh: That is yet to be completed.

N. Venu: Not yet.

- Parikshit Kandpal:** So, in this year, we will have that order completed by this year end.
- N. Venu:** Yes, hopefully.
- Parikshit Kandpal:** Okay, sir. Sure. Thank you.
- Moderator:** Thank you. Next question is from Harshit Patel from Equirus Securities. Please go ahead.
- Harshit Patel:** Thank you very much for the opportunity, sir. Sir, just a question on our Marinus Link product order that we had received from Australia. So, what percentage of execution is completed for this order? And by when, we will complete this entire order? If you could give those details.
- N. Venu:** I think it's a very small percentage right now. But we will be completing it in the next 36 months or so.
- Harshit Patel:** Understood, sir. Could you also give us a sense on what kind of margins we have realized on this Mumbai HVDC project, and similarly on Marinus Link also? We don't want the exact numbers, but if you could give us a flavor on how much higher these margins are, to service our standard base order-related margins? That will be very helpful.
- N. Venu:** So, Harshit, again, this question was there in the previous quarter also. We have been saying consistently that we don't disclose project level or segment level margins. All I can say to you, if you give a little bit of flavor and color on a qualitative basis, many of those projects, we always look at in a risk and reward basis, and it should fit into our margin corridors and whatever the projects we won or whatever the projects we are aiming to be, and they are all within our margin corridor.
- Harshit Patel:** Understood, sir. Just lastly, if you can update us on the HVDC project pipeline, what kind of projects will be tendered or awarded in the next 3 or 4 quarters?
- N. Venu:** So, the pipeline, as all of you may be knowing it, 1 project is the tariff-based bidding is over and we hope that that should get finalized in this financial year. On top of that, there's another 6 gigawatt of LCC project

which is likely to come out of NIT, and there's a good chance that that can also get finalized in this financial year. Both are in this financial year, okay.

So, again, I have been saying, let me give a big picture, you can also go to the CEA website, the details are there, and they are also upgrading it on a continuous basis, as and when the new update things.

And this I have been saying consistently, not today, but at least 3 years back. A country like India to manage this kind of complexity arising of such a huge amount of renewable and with lot of electrification, with gigawatt scale of data centers coming in, it needs this kind of technologies coming in there. So, previously, I have been saying 1 project per year, and I also said that 2 projects per year should come, but it is a matter of 2 to 3 projects per year is required going forward . They will come up for the bidding.

So, those are the things that there could be, it's a large project, there will always be timing delays, et cetera. Sometimes there might be some challenges in finalizing in one go, but that's what I see: 2 to 3 projects per year for at least the next couple of years.

Harshit Patel: That's good. Thank you very much for answering my questions. And all the best.

Moderator: Thank you. Next question is from Shirom Kapur from Jefferies India. Please go ahead.

Shirom Kapur: Hi, sir. Thank you for the opportunity. I just wanted to ask you about your gross margins. So, we have seen significant expansion in 1H(first half), almost over 550 basis points. So, I was just wondering what has driven this gross margin expansion? You have been clear on overall EBITDA, but specifically on gross margin, what has driven this expansion? And, are the current levels of 40% plus gross margin sustainable going forward?

N. Venu: So, maybe let me answer a thing and then Ajay will also join . So, yes, we have been saying this, not today, we have been saying consistently

last 2 years that we are working on a strategy, which is a very long-term strategy, very sustainable strategy, both on the growth as well as on the bottom-line strategy.

And we said we will take it to double digit EBIT margin corridor, and then we sustain those things in that.

So, we also said what are the levers available for us? The levers is that one we are growing, and then we could have the growth, while the growth will not give you the same kind of fixed cost. And then we also have exports, will get better gross margin. And then we are also working on the pricing excellence, et cetera, in that.

And the last one is very important is our service strategy. We have created a dedicated service business unit, because we have a huge amount of install base, and we would like to leverage and then improve on both top line and bottom line. And that's what you can see in the play over a period of time in that. Ajay?

Ajay Singh:

I think you have already covered. So, basically, if you talk about this particular specific quarter, as I also already spoke, this execution of the better margin orders, and then the better product mix. So, these 2 things combined, and coupled with the exports. So, these are the 3 levers where we see the margin has come from. And as Venu mentioned, going forward, we are quite clear about how we want to drive this. And definitely, our aim is to drive this in the right direction.

Shirom Kapur:

Noted, sir. And thank you, that's very helpful. So, just to summarize, these are part of a long-term strategy and can be sustainable going forward if the strategy continues to be executed. So, noted, sir. Thank you.

Secondly, of course, post your QIP, you have a large cash balance and you have earned about INR 120 crores of interest income in the first half of the year. But as you deploy your CAPEX, how should we look at this over the next couple of quarters and FY '27? Can this level of interest income sustain, or do you expect it to come down as it's just a one-off in the first couple of quarters this year?

Ajay Singh: Yes. Just now, Venu explained that we had a very slow start as far as the deployment is concerned. But then in the next 2 quarters, our expectation is that we will pull up. And whatever we have declared around 700 plus (crore) is what we are aiming. So, with that kind of deployment happening, definitely I see the reduction of the interest, because that will get deployed. That is a near-term thing that we see at the moment.

Shirom Kapur: Okay. Got it, sir. Thank you so much, and all the best.

Ajay Singh: Thank you.

Moderator: Thank you. Next question is from Subhadip from Nuvama Wealth Management. Please go ahead.

Subhadip Mitra: Good afternoon, and thank you for the opportunity. So, my question is something related to margins. I am sorry if this is a repeat. I missed the early part of the call. So, I understand that you have been highlighting that starting from 4th Quarter of FY '26, we will be entering double-digit EBIT margins. Does that guidance still stand? And is there a possibility that between now and 4th quarter, there could still be some retraction in terms of margins, because of some older legacy projects?

N. Venu: Sorry, what projects?

Ajay Singh: Old, legacy.

Subhadip Mitra: Older projects, which might still be left in your order book, could that still impact margins, let's say in 3Q?

N. Venu: I think our guidance remains. We said that we will enter double-digit EBITDA margins, and we have entered much ahead of our own target. And then we also said that we will sustain, and then we will also improve from that. And that's what you are saying in that. We will not say from where we go, but what we are saying is that we will double-digit. It could be a few percentage this way, that way, but on an overall basis, if you take as a year-on-year basis, so it will have a double-digit EBITDA margin.

- Subhadip Mitra:** Understood. But are there any of the older legacy projects still left which can impact margins, let's say, for the rest of the year?
- N. Venu:** Our overall portfolio is very, very robust, and a good gross margin and we do not see any of those things. Having said that, there could be always some external EBIT, right? So, we are in such uncertainty of geopolitical things like that, something can come. But to the best of our knowledge, we have a very solid order backlog and very good portfolio of our order backlog, which is executable and sitting with good gross margins.
- Subhadip Mitra:** Understood, sir. Thank you so much.
- N. Venu:** Thank you.
- Moderator:** Thank you. Next question is from line of Sitaram Agarwal from Tree Line Advisors. Please go ahead.
- Sitaram Agarwal:** Hi. Thank you for the opportunity. I have 2 questions. First question is there any sense of pricing trends that you can share, let's say, from 2023 to 2025? As in, what was the pricing for projects that you were winning in 2023 and how they have trended last year and what's the current trend?
- N. Venu:** Thank you, Mr. Sitaram, but unfortunately, we will not give you those kinds of trends, because it's basically for our own thing. But I must tell you that, we said we are predominantly working to support our domestic market, and one-fourth of what we produce, we also send exports. So, in the domestic market, despite the supply and demand, there's always an affordability challenge, right? So, it's not that whatever price you want, you can get it. It's not feasible, and the project is not going to be viable. You may get, once in a while, better margins. But we are also looking at a lot of localization. That's very important in that. Today, we produce almost 75%-80% of what we produce globally; we produce locally here. And that is what is also very important for us to get into these kinds of things.

Sitaram Agarwal: Right. Okay. Thank you. And my next question is, I know you have qualified some of the data center opportunities in the past, but if you were to take this example of the 1 gigawatt data center that Google has announced, what really would be the opportunity for transformers out of the entire CAPEX of whatever \$14 billion, \$15 billion dollars that they have announced? And more importantly, are these all high-voltage transformers, or is it going to be a mix of high voltage, medium voltage, and low voltage? You have the broad indication of the quantum and the kind of transformers that would be needed for these data centers?

N. Venu: Absolutely. I think the data centers are completely redefining. We used to have a data center of 10 megawatt, and then they went into 40 megawatts, that time they were calling hyperscales. And then they said AI-ready data center, which is 100 megawatts, now we are talking about a gigawatt-scale data center, right, which is super, super hyperscale data centers.

And we have been saying also during hyperscales and AI-ready data centers for our portfolio of Hitachi Energy, which is grid connection, substations, automation, and all ranges of the transformer, which is high voltage, low voltage, medium voltage, dry type transformers.

And our appreciable market of every data center CAPEX is the range of 15% to 20% of data center CAPEX. So, depending upon the size and scale of, and depending on the business model, what they deploy, it might vary, but that's where the thing is 15% to 20%. And we believe that that's going to be there in the gigawatt scale data center as well.

Sitaram Agarwal: And is there any indication of how much of this would be high voltage out of the 15%, 20%?

N. Venu: No, 15%, 20% is our addressable market, Hitachi Energy's addressable market.

Sitaram Agarwal: Okay. Thank you.

N. Venu: Thank you.

Moderator: Thank you. Next question is from the line of Bhalchandra Shinde from Motilal Oswal. Please go ahead.

Bhalchandra Shinde: Sir, 2 questions. One on the HVDC pipeline, if you can provide insight that in the next 1 to 2 years how many HVDC projects are expected to be tendered? And also, there is one thought process going on that, because of the best technology, will come into play, relatively, HVDC CAPEX requirements will be lower. So, your insights into that would be great.

N. Venu: So, thank you. I think I have already answered this question, Mr. Bhalchandra. But just for your sake, I can do that. HVDC pipeline in the near term, you know, that one project is already completed, the tariff-based bidding. So, it is in the market. And then in addition to that, there's another LCC project of 6 kV is likely to be tendered out. So, 2 projects in this financial year.

And then we will see in the next year anywhere between 2 to 3 projects coming out for bidding. So, that's what is the thing. And I also said in the call that previously I used to say one project per year to come up for a bidding. Now I revised it to 2 projects per bidding. But anywhere between 2 to 3 projects are required to manage the complexity arising of such a huge magnitude of renewable and electrification is what you see in our country.

So, regarding your second question on the BESS versus HVDC, I think this is not one against the other. Both the technologies are required to co-exist . So, Battery Energy Storage cannot compete with HVDC or vice versa in that. So, both technologies are required for our energy transition.

And as you have seen, the SECI's mandate right now is that 10% of the renewable they need to have energy storage built in, in the project going forward. And that is in the right direction. So, for your information, energy storage, Hitachi Energy is one of the key players in energy storage itself. And we do have our converter, BESS, PES, et cetera, which are very, very critical for energy storage. Thank you.

Bhalchandra Shinde: Got it. And sir, on the data center side, again, one of our peers is not expecting that much growth, at least for the next 2, 3 years. But what is your take? How should one see India? Because India has a really good edge against any other country. That surplus power in solar and all those things are really good things for data centers. What is your take? How should one expect growth prospects in data center market?

N. Venu: I can tell what I have been saying. But then the only way is to wait for a couple of more quarters and then you will see that how the trend is happening in that. Right? So, the data center is quite a big market going to be. And we have seen this in other parts of the world already. It's quite a big market, which many stakeholders are not seeing.

For example, how much of a load this data center will require still is not being factored in the Central Electricity Authority. They are right now looking into it. For example, right now, 7% of Singapore's total energy consumption goes to the data center. And they are saying that 30% is 2030, 2032. So, that's the kind of requirement it will drive in.

Data center has two elements. One is the data center itself will create an opportunity for a company like Hitachi Energy. And the second one is data center drives the load growth. So, huge load growth. It's not a normal load growth, it's a huge load growth. And that will be a further secondary investment, again, in the generation, transmission, et cetera.

Bhalchandra Shinde: Got it. Thanks, sir. Thanks. I will come back for further questions.

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

Mohit Kumar: Yes, sir. Good afternoon. And thank you for the opportunity. Sir, my first question is given that we are executing approximately 3 large HVDC orders as of currently, do we have the capacity to take 1 or 2 projects further in the near term?

N. Venu: As I said, we have always been ahead of the curve. We have been seeing this much ahead of many of the industry players. So, when we started our factory in 2021, there was no pipeline there. But we had a

strong belief and conviction that we wanted to start this to address that, and that's what we are seeing.

And considering all that, we have already started expansions of many of our projects. So, we are putting almost INR 2000 crores CAPEX basically to address those future requirements as and when it happens, whether it is in Chennai, whether it is Bangalore, whether it is in Mysore, whether it is in Baroda, all those things are considering those things. So, we are not constrained with any limitations at this point in time.

Mohit Kumar: Understood, sir. My second question is, sir, is it possible to update us qualitatively on the progress of the Khavda HVDC and Badla HVDC project? Are they tracking your expectation in terms of progress?

N. Venu: As of now, yes. Yes. Just to answer. Yes.

Mohit Kumar: Understood. Last question, Slide #9 of your presentation. The order inflow from the transmission has declined by 43%. Of course, I understand that there's base quarter has Marinus order. But still, was there something odd about the quarter that the order finalization has got postponed?

N. Venu: Order finalization has been there. Some of the transmission like a transformer, et cetera, which will go into the transmission. So, you are able to fix into the delivery schedules. Those things are also playing a role.

It's not about the sector down of that. It is our orders go down in that particular quarter. But again, I also clarified, it's also timing for us and we don't see anything. Our pipeline is very strong and robust and we are able to fit into what fits into our schedule.

Mohit Kumar: Understood. So, is it fair to say that the order inflow opportunity is very strong for the next 4 quarters. Is it right to say?

N. Venu: The pipeline is very strong.

Mohit Kumar: Understood, sir. That's very helpful, sir. Thank you, and best of luck.

Moderator: Thank you. Next question is from the line of Sagar Gandhi from Invesco Mutual Fund. Please go ahead.

Sagar Gandhi: Yes, sir. My question pertains to execution. So, while we have done excellently in terms of order inflow and now in margins also, H1 execution has been 15% growth. So, can you qualitatively give us the direction on execution ramp-up from here on?

N. Venu: Yes, but as I said, we have INR 29,000 crores worth of order backlog, right? So, those things we need to execute. And on top of that we are adding more CAPEX. And you know that, what is our asset turn ratio of those previous things. Even if we take a low asset turn ratio, we will add it to the revenues.

Sagar Gandhi: So, qualitatively, it looks substantially better from here. Is that understanding correct?

N. Venu: You know very well that we don't give you any forward-looking statements. You can make your own assessment. All we can say is that we are sitting on a strong order backlog. That's number one. We are expanding our factories. And then we are also looking at our exports in the service.

Sagar Gandhi: Sure, sure. Thank you so much, sir.

Moderator: Thank you. Next question is from line of Mohan, an individual Investor. Please go ahead.

Mohan: Thanks for taking my question, sir. We recently had a global investor meet in London. And there was a table put out which stated that Hitachi Energy from a \$16 billion revenue in 2024 hopes to be a \$33 billion revenue company by 2030.

But more importantly, the margins, which were 11% in 2024, were expected to be in the range of closer to 20% is what has been put there. Now, presumably, this is something which we can go with, because our current margins are higher than the global average margins for this quarter as well. So, would it be a fair range to go with?

N. Venu:

Thank you, Mr. Mohan. Again, I am coming back to the same thing. We do not give guidance on the longer-term basis in that. Again, let me give a qualitative basis. We have been saying consistently, and then we are executing what we are saying, what we do. Okay, so that's what it matters.

So, what we are saying is that we are taking a lot of action and are much ahead of the curve, in expanding our factories, localizing our equipment, bringing the technology, and localizing it, so that we are able to offer to our customers at the price point that is required. That's the number one thing in that, right?

And that will add both scale as well as various other things with that. So, we are growing consistently much, much higher than the market, and we have demonstrated for several quarters now, and we continue to do so in the future. Okay? And we are sitting right now with a huge order backlog, and that order backlog will give a huge visibility. And then in addition to that order backlog, we are growing higher than the market, and then our exports will play a major role, and then we will also have our service play a major role. So, if you add all these things, then you can make your own assessment.

Mohan:

Yes. Sure sir. And the next question was as regards to the Leh HVDC order. There has obviously been a delay or cancellation. If you can share what really happened and why we didn't bid in the initial instance, if it can be shared, it will be interesting for us to know.

N. Venu:

No, it is not about why we didn't bid or not. In fact, our customer has given us feed order, paid order to us. So, we have done our thing and then submitted our report. Based on that report, only then certain particular type of technology will go in there, and that's what we have submitted to our customer, and then it's up to customer to take a decision.

So, even if they are going, again, it's a quite many phases will happen. Even if, for example, if they have to go for some immediate reasons to evacuate, if you have to go to AC, but again, it is not a one technology

play there. It is a combination of various technologies have to play to manage the evacuation of such a large scale renewable there.

Mohan: Okay. Fair enough. Thanks a lot, sir.

N. Venu: Operator, maybe 1 last question.

Moderator: Sure, sir. Next question is from the line of Anupam Goswami from SUD Life Insurance. Please go ahead.

Anupam Goswami: Hi, sir. Sir, my first question is what's your plan on the export side? What is the current order book or your vision that you want to scale up?

N. Venu: So, I think we are very consistent in what we have been saying, Anup, that our export right now is around 25% if you take out the large project, HVDC sector side, right? Okay. And we have one large export project also there. So, basically, if you see both sides, if you remove it, 25%, to 30% is the place. Some quarter 25%, some quarter 30%. This quarter was 30%. So, we would like to remain in the 25%-30% corridor, because we have, as I said, we have huge tailwinds arising out of the energy transition in India, both from the renewable, transmission, industries, and also rail, et cetera, in that.

So, that's where we would like to focus. Not that we don't want to increase from 25%30% number, but that increase is not at the cost of the domestic market. So, that's the reason we would like to give priority to the domestic market, because we have created the factories and other things to address the domestic market.

But at the same time, we would like to leverage our factories also to the rest of the world. That's what we have doing it, one-fourth of what we produce, we export it. Maybe over a period of time, it might increase slightly. .

Anupam Goswami: So, sir, with the new capacity coming, what sort of incremental capacity are we having, let's say, 50%, 40%?

N. Venu: As and when we complete the capacity, we will inform you. At this point in time, it is varying, depending upon the products, what we have taken. Some are going from 40% increase, some are going 50% increase, some are even close to what we have it. So, it is varying, but we will inform you as and when the capacity comes up.

Anupam Goswami: Just sir, last one. With the current margin that is going on, and higher than the parent's margin, do we see this margin to sustain and royalty percentage also?

N. Venu: Sir, we don't want to compare higher than the parent or lower than the parent. What we compare is our portfolio, what we have and our cost structure, what we have in there. So, that's what we are saying.

So, again, I am saying, I am going back to couple of years, we said, we are building a company in a fairly medium-term, long-term basis. We are not taking short things going up and down in that. So, we said that we will reach 10% of our operational EBITDA by FY 2025, and then we have reached much ahead of that curve. And then we said, we will sustain those margins.

Again, we are working towards that. While sustaining it, of course, depending upon the market condition, depending upon the various other geopolitical, et cetera, we will always try and see how to improve on that. But otherwise, our thing is to double-digit EBITDA. Thank you.

Anupam Goswami: Thank you, sir.

Moderator: Thank you very much.

N. Venu: Last comments. Once again, thank you very much, ladies and gentlemen. Thank you for your time, listening to us, and engaging with us. And we are in such an energy super cycle, very exciting for us, and the future is going to be electrified, everything and anything. And that's what we are seeing, gigawatt scale of data centers, and many industries are looking forward. So, we are really very, very happy and want to further increase our engagement.

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If you need any further information, please do not hesitate. Reach out to us, reach out to any of us, and we will be happy to help.. And any unanswered questions, if we are not answered to you, also reach out to us. We will be happy to engage with you. Thank you very much.

Moderator:

Thank you very much. On behalf of Hitachi Energy India Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.

****Please note in slide number 9 Q2FY25 should be read as Q2FY26 and vice versa***