



December 18, 2025

National Stock Exchange of India Limited
BSE Limited

Scrip Code –

National Stock Exchange of India Limited: SIEMENS EQ
BSE Limited: 500550

Information pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”)

Dear Sir / Madam,

Pursuant to Regulation 30, 46 and other applicable regulations of the Listing Regulations, please find enclosed the transcript of the Company's Analysts / Institutional Investors meet held on December 12, 2025.

The said transcript is available on the website of the Company at:
<https://www.siemens.com/in/en/company/investor-relations/analyst-meet.html#2025>

Kindly take the above information on record.

Yours faithfully,

For **Siemens Limited**

Ketan Thaker
Company Secretary

Encl.: as above

Siemens Limited
Management: Sunil Mathur

Dr Annie Besant Rd.
400030 Mumbai
INDIA

Tel.: +91 22 6251 2191
www.siemens.com

Registered Office: Birla Aurora, Level 21, Plot No. 1080, Dr. Annie Besant Road, Worli, Mumbai – 400030; Corporate Identity number: L28920MH1957PLC010839; Tel.: +91 22 6251 7000; Fax: +91 22 2436 2404; Contact / Email: www.siemens.co.in/contact; Website: www.siemens.co.in.
Sales Offices: Ahmedabad, Bengaluru, Chennai, Gurugram, Hyderabad, Kolkata, Mumbai, Nagpur, Kalwa, Puducherry, Pune, Vadodara.

Analyst and Investor Meet for Siemens Limited **for 12 months ending September 2025**

Management:

- **Mr. Sunil Mathur – Managing Director and Chief Executive Officer**
- **Mr. Wolfgang Wrumnig – Executive Director and Chief Financial Officer**
- **Ms Radhika Arora – Head, Investor Relations**

- **Ms. Radhika Arora - Head Investor Relations, Siemens India:**
- Good morning, everyone. It's a pleasure to welcome you all to the Analyst and Investor Meet for Siemens Limited. I am Radhika Arora, Head of Investor Relations. It's wonderful to see so many of you here today, especially as this is our in-person gathering after a long time.
- The past couple of years have brought significant change and progress for our company, as many of you would have seen. A major development during this period has been the demerger of Siemens Energy India Limited, which is now a separately listed pure play energy company. Many of you would have attended their Analyst and Investor Meet just a few days ago. Today our focus is firmly on Siemens Limited, our business and financial performance and our future.
- I am delighted to introduce our management team:
- Mr. Sunil Mathur - Managing Director and Chief Executive Officer, who will share insights into our strategic direction.
- Mr. Wolfgang Wrumnig - Executive Director and Chief Financial Officer, who will present a financial overview and discuss priorities as we move forward.
- Today's agenda will cover a review of Siemens Limited's performance since 2021, a detailed business and financial overview of our segments - Digital Industries, Smart Infrastructure and Mobility, and a discussion on our future priorities. The presentation will be followed by a Q&A session. Please note, we will be discussing the 12-month period ending September 2025. This is not our financial year end. As you may be aware, Siemens Limited is transitioning its financial year from September into March end cycle. So our next financial year will conclude in March 2026.
- Before we begin, I would like to remind everyone that the disclaimer page that is a part of the presentation we will be discussing today, and is also available on our website. By

participating, we take it as read, that you have acknowledged the disclaimer. During the course of the meeting, I would request all of you to please put your phones on silent mode. Thank you once again for joining us. We look forward to an engaging and insightful session.

- With that, I would like to invite Sunil and Wolfgang on stage, and Sunil to start his presentation.
- **Mr. Sunil Mathur - Managing Director and Chief Executive Officer, Siemens India:**
- So, good morning and thank you, Radhika. Good morning to everyone and welcome to the Analyst Meet. A long one or a long-awaited one where we were also looking forward to interacting with you, and I hope we can keep it interactive after we have done our presentation here.
- As Radhika mentioned, our intent is today to give a little bit of how we see the macro environment in the country, how we see Siemens addressing the macro-economic environment in the country, and then we will deep dive a little bit into the performance over the last couple of years to set the context for what we are actually planning to do in each of the three segments - Digital Industry, Smart Infrastructure and Mobility. So, let's start first with how we see actually what's happening in the economy.
- Now, 6.5% growth, from our perspective or from my perspective, I think is more or less a given. I think the question is can we get to a 7-7.5% growth rate, particularly taking into account the fact that private CapEx has been muted. The last couple of years, and indeed the last year, has been encouraging on multiple accounts. Firstly, investment in CapEx in infrastructure has continued. So, public sector CapEx, in spite of everything, has continued to happen. And I know there were a lot of discussions about you know why the CapEx in infrastructure in the budget had not been bumped up substantially, it was only a 10% increase over there. The reality is that over the last five years, we have seen unlike in prior periods, that roughly 70 to 80% of the announcement made in the budget in terms of CapEx spending in infrastructure have actually got converted. Now, there is a limit at one point in time to the element that you can keep bumping up 20 or 30% CapEx. So, from my perspective I think we are not unduly worried about the fact that there was a 10% CapEx increase in the last budget, and I wouldn't be unduly worried in the coming budget if something similar happened again. The more important factor for us is to make sure that we are able to achieve the announcements that have been made in the budget. That is more critical for us to plan our capacities and to ensure that we deliver accordingly.
- So, I think the government has done a fair amount on public spending in CapEx. As you all know, the critical factor was consumption and the consumption story; 57% of India's GDP is consumption linked, and that was not picking up. And that had a knock-on impact on the demand and consequently private sector investment in CapEx. And we did see muted CapEx in the last two or three years, which probably was one of the reason why the

country was stuck at 6.5% GDP levels. I think the government did a great move by revising the income tax rates, and then subsequently the GST rates.

- We saw a first uptick in November; there is always a lag effect. We saw a first uptick in November. December so far is not looking too bad, but I think it is too early for us to say whether that uptick is really consistently happening and whether this will be a sustainable event or not.
- The consumption story always takes 5 to 6 months to kick in. Once the income tax rates have actually been revised down which was April onwards, and then in September the GST rates got revised down, and I think it is usually about 5 or 6 months after that. So we will be looking carefully, monitoring this very, very carefully in the next couple of months. And I think the first signs will probably come starting April onwards when you start seeing whether that consumption story has started picking up, and consequently whether private sector CapEx is picking up.
- Having said that, I think it is fair to say new-age CapEx, and I've said this before, electronics, battery manufacturing, solar cells, all of these areas have been doing well. Pharmaceuticals have been doing well. Where we have still to see a catch-up, and we'll discuss this a little later, is the areas of food and beverages, chemicals, fertilizers, steel. Steel was impacted; steel and cement was impacted. Steel as you know was impacted because of the dumping that was happening to them. We've seen the first signs, but really the first signs of initial CapEx coming back in. Again, too soon to celebrate, but at least we haven't seen a continued decline in that area. And that's a good sign. The moment we start seeing steel and cement beginning to pick up, and automotive which is a lead indicator for us as well, and automotive as well... and automotive is beginning to pick up. Commercial vehicles of course as you know is doing pretty well. Passenger vehicles have picked up but is still sluggish there, and we'll just see how this pans out in the next couple of months.
- So with that, with these two impacts of private sector, of the income tax reduction, the GST reduction having an impact on the consumption story, impacting in turn the demand, hopefully private sector CapEx will pick up. And that means hopefully there's an uptick expected very clearly out of the 6.5% GDP levels that we have been currently at.
- Link that now to the headwinds that we currently have on account of the US tariffs. And while, to a large extent, I don't believe that that has a direct impact on a lot of the CapEx industries here in the country, I think it is more a question of sentiment and the question of uncertainty; what will really... how will these tariffs really impact the global economy? So I believe for us, there's a greater challenge of an indirect impact rather than a direct impact over there. As and when the tariffs do start coming down and there is an agreement reached over there, I do believe that there's a further possibility for an uptick in the economy because that will free up a lot of Indian entrepreneurs who are currently, probably a little bit more cautious because they don't really know what is happening. And I'm talking mainly about the CapEx cycle overall as we see it.

- Moving on, and you look at the plans of India, and you look at the plans of India under the Viksit Bharat program, we have focused on four that we find particularly relevant to us, and you're looking at an economy where the government has an ambition to grow from where we are, a 4 trillion economy, to a 30 trillion economy in 2047. That means roughly a 9 to 10% growth rate that needs to be achieved. Now is that possible? Yes, it is. Could the entire consumption cycle, or will the entire consumption cycle contribute to that? Most definitely it will. But what will be the major drivers? And we've outlined four elements over here which tie in, in a way, to the consistent statement that the government has been giving, which is talking about increasing the share of manufacturing in the GDP from 15% of GDP to 25% of GDP.
- Now what does that mean? If you look at 15% of GDP, \$4 trillion economy, you're talking about \$600 billion contribution to GDP today. If you assume a 7 to 8% growth rate in the near future, and let's take a number, 5 trillion economy in the near future, 25% of GDP kicking in, you're already talking about 1.25 trillion contribution to GDP. Which means in the next couple of years you're looking at a gap, 1.25 to 600 billion, 650 billion roughly, of contribution to GDP coming out of manufacturing itself. Now if you're looking at a 650 billion contribution to GDP coming out of this program, you're looking at roughly double that element, 600 billion going up to \$1.2 to \$1.5 trillion of CapEx that is going to be required to deliver on the \$650 billion of contribution to GDP.
- Now there's no other country in the world that is able to do that right now. And if you look at where the world is going, they're looking at smart manufacturing, for lack of a better term, there are multiple terms for it. We in Siemens are very much into industrial metaverse, into industrial AI; we're probably the only company in the world that is actually having a platform on industrial AI there. But if you look at the program of the government, and again, there have been programs and program, but linked to the programs that are critical for us, you're looking at innovation and AI and manufacturing growth, and the government has got very clear programs aligned to those ambitions. When you look at urban development, again over here, very clear programs in place that have started kicking in to start boosting that. Energy transition and the green energy initiative over there, the same thing.
- And when you look at where we are positioned as Siemens, we are positioned in all of this. When you look at our Digital Industries business, that coincides very clearly with the innovation, AI leadership and the manufacturing growth ambitions that the country has. When you look at our Smart Infrastructure, that goes very closely in line with the energy transition and the green energy leadership and carbon footprint that the country is focusing on. When you look at our Mobility segment, that falls into the urban development and the advanced infrastructure. So very clearly, we are synced in to the ambitions of the government, structurally synced in, and not only as an ambition, we are structured in line with the ambitions of the government.
- Now that then boils down into specific verticals, market segments as well. And that means verticals like automotive, life sciences, rail transportation, etc. All those verticals will have

to grow over a period of time in order to achieve these ambitions. And again, we will talk more about these verticals as I flip to the next slides. But we are present in every single one of these verticals with technologies that can really transform these verticals.

- And when you look at it from our strategy overall, you see our growth levers, and I've spoken about them multiple times - we are very clearly increasing our focus on customers, finding new ways to address customer needs as customer needs change. Now how are customers' needs changing? Traditionally, the business has been: customers come out with a tender, you get five companies that are bidding for those businesses and the lowest party wins. That is changing. Customers right now are looking at flexibility, are looking at quality, are looking at speed, are looking at agility. And when you're looking at all these different elements, it is not about a product at a cheapest price, it is about delivering a solution that answers a specific problem of a customer. It could be: can you reduce the amount of wastage in my biscuit plant? Can you help me bring in energy efficiency in my hotel? Can you help me increase the speed and flexibility of manufacturing in my pharmaceutical plant? Can you help me speed up the cycle from development of a drug to commercial production of a drug? So the challenge that customers are now putting on to companies is different. Now most companies can choose: will we continue to sell products, individual boxes, or can you go out with a solution that is an end-to-end solution that answers these specific needs? And that is what we are actually aiming to do, and I'll talk more about this further down.
- Now when you start saying this is what we are aiming to do, you can't have an identical product or solution for a biscuit plant as you have for an automotive plant. And this is where you need vertical know-how. You need the know-how of the process of manufacturing of cars and buses and motorbikes, as much as you need process knowledge of how to manufacture noodles and pharmaceutical drugs. That is what we have, and that is what we are able to stitch together, and I'll talk more about that as well.
- Products and portfolio is what I just talked about. We do have the family of products that is able to deliver answers to these challenges. We do have solutions and partners with whom we are combining to see that we can deliver the complete suite of products. And finally, our strategy has always been: we will localize and continue to expand our portfolio where it makes sense.
- Now the continuous question that we have is make or buy. Do we continue to import? Do we continue to buy from the local market? Or does it make more sense for us to manufacture ourselves? Today the new company Siemens Limited, ex Siemens Energy India Limited, has 25 factories. We still have 25 factories. A lot of our businesses are still very heavily localized and the process of localization continues.
- So when you look at that and look at where our footprint currently is in the country, when you look at the industrial metaverse and the digitalization footprint that we do have: one in three automation controllers, PLCs, in the country that have been installed, are from Siemens. Over 75% of utilities distribution discoms are powered by Siemens switchgear.

Over 50% of the metros in the country are electrified by Siemens. So we do have a strong footprint in the country. We do understand the customers. We do have a bandwidth that is continuously increasing, but also deepening.

- Where has that led us over the last five years? And I'm just talking about five years. We've doubled our revenues, tripled our margins, in almost every business. Now if you look at the Digital Industries business, that is... private sector CapEx. As we all know, in the last five years there has not been too much of an uptick on private CapEx. It is a business where we have no localization. That's why the margins are driven by transfer pricing. But effectively, the business has still grown at 1.5x in the last five years with a corresponding growth in the profitability. As public sector CapEx has continued to grow, our Smart Infrastructure and our Mobility businesses have also grown substantially with margin expansions continuing to happen.
- I'd just like to remind you, particularly on the Mobility segment, a lot of the margins have been impacted because we did heavy investments. We moved from only looking at being an electrification and signaling business in Mobility to expanding that into rolling stock. And obviously that has an impact initially on the margins. You've already seen, we won the locomotive order and there are other opportunities there. We've started exporting bogies out of our factories over there. And all of this required CapEx where the kick-in now on revenues and margins will come in.
- But this is not the end of the story. Again, this is a CAGR that we were talking about which is not just a point-to-point number. This has been a continuous growth over the last five years year-on-year, both on the top line as well as on the bottom line. And that really reflects the strategy that we have: is to ensure that we continuously have a top-line growth as well as a bottom-line growth which is embedded into our growth strategy in the company. That, of course, has reflected as well in the markets where we have outperformed the markets in spite of the fact that there have been global headwinds, in spite of the fact that private sector CapEx has not yet kicked in, in spite of the fact that currency volatility has continuously been there.
- We've also been recognized right now as being a leader in the area of governance and sustainability. Sustainability is an element that is becoming critical even for our customers right now. And we can do a separate segment on that if any of you are interested at a later point in time. But, we are doing a lot in sustainability internally within Siemens, but also helping our customers who have got an increasingly ambitious target on their sustainability goals, to help them be more carbon-friendly over there.
- So moving on, if I'll move now into the individual segments and try and give some colour over there and then Wolfgang will take over and talk about the financials for each of the segments. So if I start with the Digital Industries business, now this is a completely different picture from what we have been talking in the past. In the past we've given you a macro overview. We are now shifting the focus to give you a more 360-degree perspective of what we actually do in the Digital Industries business.

- Roughly 50% of our business comes from three market verticals. That's manufacturing, particularly machine building; that's metals, particularly steel; and that's automotive. Roughly 40 to 50% of the business of Digital Industries comes from these three verticals. The rest of it comes from pharmaceuticals, food and beverages, cement and so on. And the route to the markets are also different. The route to the markets happen via OEMs, it happens via our territory sales that are selling into industries as well over there.
- But if you look at the growth that has happened in '21 to '25 in these three segments, you can say roughly 50% of the business has grown at around 5%, and I'm talking about the Siemens content in this business. So don't mix this up with the growth of the industry. We are looking at it as the growth of the Siemens content in these three businesses has grown at roughly 5%. The expectation is, with the uptake in private sector CapEx that we hope will kick in, that this will now grow from around 5% to 8%, possibly more as well as there becomes a CapEx expansion in the private sector.
- And what are we doing here is mentioned there on the chart, for each of these verticals? It's just symbolic to show you what exactly we do in terms of each of these verticals. I don't need to go into the details. Each of these are elements where we are helping the customers with end-to-end solutions. This is not only providing a box over there, but it is also providing an end-to-end solution that makes a major difference to this customer. And that we do not only by ourselves, but we do it also with partners, and this is the difference.
- So how are we doing this? We've got a suite of products. Yes, there is a hardware part of it, but there's also the software part of it which is linked into the hardware that we sell. In addition to that, there is a layer of software that comes on top which is not a part of Siemens Limited but is complementary, and we work with the other company of Siemens in India to support our customers with that additional software layer. But there is embedded software in the products that we already deliver, and we use these offerings that we have got to bring real value to customers. And I talk about one of them in particular.
- When you look at the PLCs, traditionally PLCs were boxes; were boxes where you had these controllers in them, and every time you needed an upgrade you had to go to the factory and you had to upgrade the software on that particular PLC, or you had to replace a PLC completely for the upgrade. We've now come out with a virtual PLC which is essentially upgrading the software by remote. And this means a complete revolution in the way automation is done in industry, right? This means that our fixes to software can be done remotely, time is reduced, speed is increased, cost is optimized, both for the customer as well as for us. And this is something that customers are looking for - how can you increase the speed and bring in new variants without us having to keep on changing the hardware every six months, every year? And these are the kind of technological advancements that we are able to offer the customers as well.

- When you look at the plant engineering software, the COMOS, this is something where you can actually design the product, design the manufacturing process, and you can design the entire flow of automation and of manufacturing in a plant before you have even put the first brick in the ground. Now, when you can design it, and you put a layer of artificial intelligence on top of it, and you put a stack of man-hours onto that, you can actually get a digital experience where you can walk into a factory, you can walk around the factory, you can open the machines in the factory, you can look into each machine, you can already identify where people should be standing, what angle they should be bending at, how high the workplaces should be; all of this you can design and cost before you have put the first brick in the ground.
- And then when you have put the factory up and you start the manufacturing process, you link what you had designed with what is physically happening on the ground, and you do this in real time. So every time you want to make a change in the manufacturing process, you don't need to first do it on the ground and see what impact that has, you can do that first and simulate the impact of that in the software, and see what the impact of that is going to be, and how much you are able to optimize each machine individually, and then optimize each machine collectively to see that you get the best product at the most productive value.
- Let me make this clear: in the overall plans for India to become a manufacturing hub for the world, we have a factory in Germany that is manufacturing products at a productivity level of 99.99%. India's average productivity level is 75%. There is no way you will bridge 25% of productivity just by skilling people. Technology will be that differentiator, and we have that technology, and that is a potential for the Digital Industries business as the Indian manufacturing environment grows.
- So what will be our focus moving forward? One is very clearly: our Digital Industries will focus now on verticals, on finding solutions for customers, not only selling individual products, for all the reasons that I mentioned. Now we are conscious that no individual company has got a complete portfolio to provide an end-to-end solution, and that is where we are starting partnering. We partner with system integrators, we partner with distributors, we partner with other technology players, we partner with other suppliers, we partner with solution architects, we partner with IT firms, and together, we curate solutions that bring the best impact for our customers. So that's going to be the second focus.
- And the third is really going to be: how can we leverage our installed base... and I talked about the installed capacity in the country that we already have. How can we leverage that installed base to grow the service business? So that's going to be the focus for our Digital business moving forward.
- Moving on to the Smart Infrastructure business. Here again, three key verticals contribute 40 to 50% of the business, and this is transmission and distribution in the power sector, data centers, and commercial buildings. Now transmission... we don't do transmission;

that is done by Siemens Energy India Limited, but we do the software for that and the entire distribution framework is what we do; Siemens Energy does not do that. On data centers, the entire energy requirements... and you know that data centers are the largest guzzlers of energy, and you know that increasingly data center operators are turning around and saying, "We only want green energy, and can you help us create data centers which are much greener?" And that is what we can support them with. And finally, commercial buildings: how can we make commercial buildings safer and more energy efficient? And that's what we can bring in with our complete offerings of distribution, automation, smart grids, but also in the building space, network operations, and so on. So there's a very wide range of offerings that we have got here. The market here has grown over 10%, and that's why you have seen a good growth rate in the Smart Infrastructure segment. Commercial buildings is growing extremely well. Data centers are growing extremely well. And the power distribution market is opening up and is becoming increasingly conscious about upgrading their technologies, becoming more efficient in their energy distribution cycles, and more green-resilient as well. And that's where we are right now.

- Moving into the next five years, we believe for the next five years this trend will continue. The Smart Infrastructure, at least in these three segments, will continue to grow at plus 10%. So I think this is our prognosis there. How will we address this market? And here again we do have the hardware solutions, but we also have software solutions. And I point out one: when you look at the chiller optimization solution that we have, this is about the heating, ventilation, air conditioning in commercial buildings. Let's start with hotels.
- 40% of the fixed cost of running a hotel is actually the energy that they use. Now, if we can help bring down their energy costs... energy consumption by 10 to 15%, that goes straight to their bottom line, and that is the technology that we are able to bring, not only with the hardware but also with the software, not only by ourselves but partnering with system integrators as well, and partnering with other solution providers. We have a platform for a command-and-control center where, if there are companies that have got multiple factories that are using electricity, multiple offices, multiple stalls, stadiums, malls, we are able to support them in comparing the energy consumption in one stadium with the energy consumption in another building and find out where there are leakages in energy.
- Now you see over here as well, similar to the Digital Industries business, this is not only about selling hardware; it's also about selling solutions, and this is about changing the narrative from only selling medium-voltage switchgear to saying we can answer some of the most complex problems that you have. Being a technology company, which is where we have now moved towards; away from being only an electrical company, away from being only an automation company, and now to being a technology company where we can provide and bring together the combined strengths of electrification, automation, and digitalization to provide solutions to our customers that make a difference in their operations. So if I focus here as well, here again the focus has to be on vertical markets, and we will continue to look at hospitals, hotels, ports, airports, distribution centers, data

centers, commercial buildings, and so on. We will continue to localize and expand capacities. We've already done that with the medium-voltage GIS programs, the vacuum interrupter localization as well. So this will continue to be an ongoing program.

- And finally, partnerships will form a critical part of our expansion strategy, which will be not only trying to do everything ourselves, but combining with a host of other partners to deliver solutions. M&A is something that we are looking at to see whether we can expand the portfolio here, more in the buildings area rather than in the electrification area where we are already pretty strong. C&S continues to be a great success; their exports continue to grow. We continue to get traction there; the business is growing. But more important than the exports, we are seeing significant traction happening in the C&S acquisition even on the domestic business as well, and we think this is a strategy that worked and can be replicated in some of our other businesses as well.
- Finally, Mobility. This is going to be the growth driver that we believe, in terms of volumes, in the business moving forward. Here again, the market has grown in the last five years at over 8 to 10%. Now it is very difficult really, when you talk about the Mobility market, to say this is going to be continuous growth. You get one large order of a locomotive; you get a spike. The next year you may not get the large order; you may get other orders not of the same magnitude. But this is very clearly a business that is going to be on an upward trajectory. As you know, until 2025 really, we were very clearly primarily operational in the electrification, signaling space as also in the propulsion area.
- Moving forward from 2022, we got into the rolling stock. We introduced rolling stock into our portfolio i.e. we reopened the bogie factory, started manufacturing bogies. Of course, you know about the locomotive project there, and we continue to look at expanding that portfolio. Signaling: we are looking at both mainline, commuter rail as well as metros, and we will continue to do signaling there.
- What have been the growth drivers? I think the continuous CapEx spent by the railways of 2.5 lakh crores on an average, that is something that they have actually been delivering on. The rate of tenders coming out of the railways continues to be at the right pace there. Of course, the entire signaling network in the country continues to be a huge opportunity. The entire 67,000 kms. of network still needs the latest signaling operations. The railways will not be able to deliver on their ambition of bringing down logistic costs, increasing the passenger freight, unless the signaling systems are able to keep track with the speed that is required on the network. That is why the Kavach program is so critical. Of course, the entire rollout of the Vande Bharat, the Vande Metros, high-speed rails, metro projects, all of these present huge opportunities, and see that coming in over the years ahead. Finally, of course, we won a great success in the high-speed rail signaling project for the Ahmedabad–Mumbai route.
- Moving forward again, that portfolio continues. The opportunities are there, as I mentioned. We will continue to localize. The pipeline continues to be strong. We have

increasing visibility on the pipeline there as well. We do believe this business should be growing at least at a 10-plus rate, and the market should continue to grow at that level.

- So, our focus here will be now, in addition to electrification and signaling, will now be on rolling stock and the increased signaling under the new Kavach program. We will continue to transfer technology to India, either software for the Kavach, for example, or hardware technologies for the propulsion systems and the rest of the rolling stock portfolio. Of course, this is all about implementation. These are large projects. Many of them are actually product supplies coming out of factories. So, the locomotive business, which is categorized as a project, is actually manufacturing multiple locomotives in a factory and getting it out. But we need to ensure that we continue to be efficient in that project excellence process.
- So, finally, the low-voltage motors. As you've probably heard, the board has approved the sale of low-voltage motors to Innomotics India. Now, just to give you a quick recap, globally in October '24, Siemens AG carved out the low-voltage business to KPS at a global level. Low-voltage business in Siemens AG was called Innomotics, and they carved it out to KPS Capital. Consequently, the IPs got carved out. Siemens in India did not have the IP rights, does not have the IP rights, neither do we do manufacturing here in the country. It is within Siemens Limited. It is outsourced manufacturing. Revenues are cyclical, as you know, for motors. The expectation was that the volumes will increase. Those volumes have not increased in the country. These are very closely interlinked to economic activity, particularly private sector CapEx. It is very closely linked to commodity prices, in particular copper. So, basically, the business in Siemens Limited is a sales organization which is licensed to sell products, low-voltage motors where the IP is of the parent, the brand is Innomotics in the Indian market.
- And this was then finally approved by the board of Siemens Limited in terms of a sale and transfer on a slump sale basis to Innomotics India at a purchase price of 22 billion, which I will remind you was the same price that had been offered earlier on by the parent company. Considering the fact that the volumes have declined, in the meantime, it is only 6% of the overall volume of Siemens and only 2% of Siemens profits in the meantime. We believe this is a deal which is in the interest of shareholders, and we expect the transaction to be closed sometime in mid of next year as well.
- Finally, very quickly around the sustainability. Just to highlight the fact that 90% of the products that we have within Siemens contribute to the sustainability requirements of customers. And essentially, this is in three areas: decarbonisation, resource efficiency, and people-centricity. And we do have examples around all of these here in India. And when you look at energy efficiency, as I mentioned, in the Taj Hotel group, already we have addressed over 18 properties where we have helped them bring energy efficiency into their operations there. When you look at resource efficiency in manufacturing, particularly looking at consumption of water, we've been able to help an automotive company to reduce the consumption of water by approximately 4 litres a wash in terms of their operations as well.

- Finally, on the people part, of course, our entire offerings in terms of the railways in this very prestigious line, the Sivok–Rangpo rail line, has been able to bring connectivity to people as they are able to move in and out of Sikkim as well. So very clearly, our portfolios are also aligned to the sustainability portfolios.
- With that, I hand over to Wolfgang to give you a quick overview of the financials, and then I'll summarize at the end, and then we open it up for Q&A.
- **Mr. Wolfgang Wrumnig - Executive Director and Chief Financial Officer, Siemens India:**
- Thank you, Sunil. So a warm welcome from my side as well. My name is Wolfgang Wrumnig. I'm the CFO, and I started my journey here in India in March 2024.
- So before I come to the financials, maybe a couple of introductory statements regarding our operations here in India. As you are very familiar with our operations, we are operating in three major businesses: Digital Industries, Smart Infrastructure, and Mobility. Of course, our numbers for this fiscal year still include the low-voltage motors business. But as you just heard, we announced, a couple of days ago, the sale of the business, and going forward, it will then be a discontinued operation, and I'm not covering the business in my presentation today anymore.
- Secondly, Siemens includes then all four businesses, including LVM, but also two consolidated subsidiaries, which is C&S Electric and also Siemens Rail Automation, which is also included in the total financial KPIs.
- And finally, just as a recap, you have heard from Sunil our more or less success story over the last five years: doubling our volume, our revenue, and tripling our profitability, also increasing our share price by 380%, outperforming the NIFTY 100. And I have to say all businesses have contributed to the success story, and we are continuing addressing this success story with focusing on growing verticals. And I can only say we are well positioned in India's success story, Viksit Bharat, going forward.
- So, with this, I move on to Digital Industries. So, I'm sure you remember, in our last virtual analyst meet, I gave you a more detailed insight on the story of Digital Industries over the last couple of years, and about the business development. And this business development... this development was not specific to India only. It was also seen in other countries, it was even seen on the global level, but you could also see it with our competition.
- So, just to summarize, the story started pre-COVID, where we more or less had a very stable business with a book-to-bill of 1 approximately, with growth rates about 5%, and a profitability in the range of 6 to 8%. Then COVID came, we saw a significant drop in the top line. And then after COVID, we were faced with the supply chain crisis. In this period, you know, the price levels have increased significantly, the orders were skyrocketing, prices went up, and our backlog went up. You know, we were faced with book-to-bill rates of 1.4, 1.5, which is very unusual for this business. And also, followed by an increase in

revenue, but also what we have seen at that point in time was significant order cancellations.

- So, after this period, we saw the business then again stabilizing in the years 2023 and 2024. Orders were coming back to normal, revenue went still up because of the huge order backlog we had, and also the margins were coming down from the peak level. I would say, as this business is predominantly a trading business, so more or less we are selling products, we import from our mother company, from Siemens AG, and Sunil already mentioned it, it's a business driven by the transfer price framework.
- So, this is more or less the business. I have summarized it in the last virtual meet, and I could say right now we are more or less now back to a normal business cycle.
- So, which brings me then to the financial KPIs. So, as you can see, last fiscal year, our orders finished at INR 38 billion with a growth of 13%. And to point out specifically, we had a very strong Q4 with a growth of plus 30%. So, more or less the book-to-bill was +1, which also reconfirms that we are back into a normal business cycle.
- When it comes to revenue, we have seen in last fiscal year a -7% decline in revenue. So, which was more or less as a result of a kind of a slow start into the 1st Quarter. So, the revenue was pretty slow, also based on a low backlog, and as already mentioned, muted private CapEx, but we could catch up. So, when you look at Q2 to Q4, the average revenue went up to almost 10 billion on average, which is clearly a sign of recovery and also based on the expectation that private CapEx will pick up going forward, we are cautiously optimistic with regards to the future developments.
- As also already mentioned, the key verticals we address in this business are automotive, metals, machine building, food and beverage, and chemicals. The sales channels we use in this business are partners and distributors. Also, we are working directly with OEMs, but also with end customers. Our portfolio ranges from industrial automation hardware to process instrumentation and motion control and drive technologies.
- Some insight on the business mix: I mentioned already the DI business is predominantly a product business. So, we sell products to our customers, but also we sell solutions. And last but not least, we also have a, I would say, sizeable service business, which is close to the 20% range. Important, and I repeat it, this business is a transfer-price-regulated business, which more or less makes sure that our margin quality, margin range is more or less in the 6 to 8% range +/-.
- With regards to manufacturing, unfortunately, we don't have a lot of local value-add, means manufacturing in this business in India. So, we just started a small operation with regards to flow meters here in India. And we will continue to discuss opportunities to localize, but we will only do it if it makes financial sense.

- With regards to exports, as we don't have local manufacturing, there is also not a lot of export in this business. We do export projects on a case-by-case basis, and currently the export share is in the low single digit. And we will see how this develops going forward.
- When it comes to profitability, and I mentioned it, transfer pricing minus 45% versus prior year, so, we are now down to 2.7 billion profit in fiscal year 25, which is a profit margin of 7.3%. And also, when you look into the different quarters, you could see there is some fluctuation in the quarters from 4.7% to even 11.1%. And this is due to transfer price adjustments. So, usually, this happens also then in the following quarter. But on an annual basis, on a fiscal year basis, we'll make sure going forward that more or less the margin will be in this target range of 6–8%.
- So, in summary, I would say, again, our business is now back to normal. Our focus, going forward, will be on top line, addressing the growing verticals in India, also expanding channels, optimizing our sales setup, and gaining market share. So, this would be my summary on DI, and I move on with Smart Infrastructure.
- So, Smart Infrastructure, I can only repeat again, excellent performance over the last couple of years: doubled the revenue, and even 5x profitability. A reason for this development is also that we expanded our local footprint here in India. You have heard from Sunil already that we have, especially in the SI business, a significant manufacturing footprint here in India.
- So, when it comes to manufacturing, and you know it, we are continuing to invest in manufacturing in Smart Infrastructure. In 2023, we announced the investment, a CapEx investment in vacuum interrupter factory in Goa. In 2024, we announced the investment in the factory in Goa as well for gas-insulated switchgears and blue GIS for domestic and for the global markets, an investment of INR 3.3 billion. And we will continue to look for opportunities, and also the investment in local footprint will also give us opportunities to expand our margins. From an overall perspective, our portfolio is roughly 65% localized. So the rest is imported.
- We are addressing, as you already heard, verticals like power utilities for power transmission and distribution solutions and data centers. In another segment, we are addressing the low-voltage market with protection devices. And last but not least, we are also addressing verticals like commercial buildings and data centers as well. The sales channels we are using in this business are very similar to DI, so we are working with partners, distributors, OEMs, also with EPCs and end customers.
- With regards to product mix, still more than 50% of our business is product business in Smart Infrastructure, followed by solution and systems, and we also have a growing service business. The export share of this business is pretty much stable, close to 20%. And, we will continue to look for opportunities to increase the share of exports going forward. And also with the investments we announced and we are right now executing,

we assume that it will also impact our share of exports going forward. But also, our focus is, the domestic market is India.

- With regards to competition, also a statement for Smart Infrastructure: we do see competition and competitive pressure rising. But also, I believe we are well positioned, we are well equipped, and also the strong performance in fiscal year '25 confirms we have a strong market position and we are committed to profitable growth going forward.
- So now when it comes to the financials: orders 103 billion, plus 15%, investments in power grids, public transportation and commercial buildings, but also, the new technologies like AI have a very strong impact on the demand with regards to data centers, and data centers is one of the focus verticals in this business. This with regards to revenue: plus 14% versus prior year, 92 billion in revenue, despite the fact we had a slow start into Q1 as well, due to... one reason was the QCO topic. So, but then we managed it pretty well, picking up. And in Q4 we hit 27 billion, a growth of 19%, which is more or less very close to the CAGR we have seen over the last five years. And this was not only one segment, all business segments within Smart Infrastructure have contributed to this development in Q4.
- With regards to profit, I believe this is also another success story: 12.5 billion in fiscal year '25, plus 13.6% profitability. We have been able to expand the margin by another 20 basis points, and this is due to, of course, the revenue increase, due to mix, but also due to operational execution, despite the fact we have seen heavy competition in this business.
- So let me summarize here as well: I would say the success story in Smart Infrastructure continues, and we will continue to focus on top line and on margin expansion. We will continue to do investments in manufacturing, and we will keep our strong focus on operational efficiency.
- With this, I'll move to the last business, which is Mobility. So also in Mobility, we have been able to expand our performance. We have increased our revenue 4x. We have doubled the profit, and also I have to point out here: the Mobility business is a completely different business than the other two businesses. So from a business mix, it's predominantly a project business. Is it electrification? Is it signaling? Then of course, related to the projects, there is also a share of service business. And we also have kind of product business when we sell components like propulsion systems to customers, to Indian Railways, and sometimes even to competition.
- Also, one special specialty in this business is sometimes we also do turnkey projects. So more or less, where we are the general contractor... for example, I can quote here the Pune Metro, where we do a turnkey project, more or less delivering a full metro line, including construction, including signaling, electrification, and including rolling stock.
- With regards to our portfolio, as already mentioned by Sunil, it's signaling, it's electrification, it's rolling stock, it's bogies, and it's components. Our customers are of course in India: Indian Railways as a railway operator. Municipalities for metros, for

example. But as already said sometimes even competition, and of course we also have a share of export in this business as well.

- When it comes to manufacturing, we have two manufacturing locations here in India: one for components in Nashik and one for bogies in Aurangabad, both addressing the domestic and the export market. And there is one other factory we are operating right now, which is the factory in Dahod for our local 9,000 HP locomotive project. I'll come to this a bit later.
- So with regards to exports, we are high single-digit with regards to export share in this business, and it's especially bogies for some European rolling stock projects. And I'm sure there will be future opportunities coming up as well. So I'm positive that we will be able to expand export share for the Mobility business going forward.
- When it comes to competition, yes, you're certainly aware that we are faced with strong local competition here in India, and there is strong pressure, also pressure on prices in the market. Also I mentioned it already: the Mobility business is different. It's a very lumpy business. Sunil mentioned it as well. Sometimes you have quarters where orders are skyrocketing, then sometimes you have quarters where you don't see a lot of orders, and it's just the nature of the business. Maybe the revenue is a little bit more stable, but also there you see some ups and downs. And you're certainly aware, this is a business where we recognise revenue on a percentage-of-completion method. So when costs are coming in, then of course also then the revenue is increasing.
- So let me now come to the financials: 50 billion in fiscal year '25; almost 50% growth. Major orders in this fiscal year: we have won the high-speed rail signaling, the first one in India, for the line Ahmedabad–Mumbai based on the ETCS technology in Q3. Then we have also won signaling and communication for Metro Nagpur in this fiscal year. And you know I said lumpy business. Also, just if you look at the development of the quarters in this fiscal year: Q1 we booked 8 billion in orders, in Q2 we booked 16 billion, in Q3 we booked 19 billion, and in Q4 back to 7 billion. So it's really a little bit of a roller coaster. But anyway, important is that we win orders.
- With regards to revenue: 33 billion, plus 15 %, and here the growth is coming from the project ramp-up and from execution in our projects. Revenue, I mentioned already, is a result of costs coming in for the various projects. So it's based on percentage of completion. And usually when we enter into a new fiscal year I would say, maybe roughly 80% of the future revenue in the new fiscal year is already in our backlog. So more or less the book-to-bill, or more or less the orders we need to book in the fiscal year, is more the smaller portion to get to our revenue targets.
- We are doing well on the ramp-up of the local delivery. As you most probably know, we have delivered the first loco in May this year, and our Prime Minister has flagged off the first locomotive. And for us, and not only this project but in general, the execution of the projects is very critical for our margins going forward. Just as an FYI as well: 9,000

horsepower. So this year the increase in revenue for this project versus prior year was close to 60 %. So you see, the revenue for this project is picking up.

- Just a few comments on this project because it's really one of 'the projects' for us. The project and the development and the ramp-up is on track. The first loco was delivered. The factory was set up in record time. So we are ready to raise capacity as planned. And for the future, of course, flawless execution of the ramp-up is critical. With regards to profit, we have reached 2.6 billion in fiscal year '25, which means the profitability went up by 23% and reached a margin of 7.7 %, which is an improvement of 50 basis points versus prior year. The reason for this improvement, again, is of course the revenue ramp-up. It's the mix of the business, and we have been able to more or less minimise negative impacts like NCCs (non-conformance costs) in last fiscal year.
- In summary, fiscal year '25 for Mobility was a good year. We booked some important orders which are critical also for the future success, also adding again to our already big backlog, and the successful ramp-up of our operations is happening, and you could see the effect in 50 basis points margin improvement.
- So now I come to the total picture for fiscal year '25. Orders are up 21% to 200 billion. We have a huge backlog of 423 billion on our books. The revenue grew 8 %. SI and Mobility have contributed by double-digit growth. As already mentioned, DI was down due to the development back to normal, but we have seen already in DI as well, growth in Q4 in revenue.
- Profit and margin is down. The reason is the decline of profitability in DI. Also we had some decline in profitability in the low-voltage motors business. But Mobility and Smart Infrastructure, both businesses have compensated. Profit before tax is also down, and there are two major, I would say, one-time impacts we have seen this year. In 2024 we had a sale of property of 2.9 billion. We couldn't unfortunately repeat in '25, so that's one of the reasons. And the second one: we had energy demerger-related expenses. In '24 it was just 0.1 billion. In '25 it was 1 billion. So more or less, these two topics explain the significant decline in the reported profit before tax.
- So let me finish: 2025 for us was another successful year. We have completed the demerger of the energy business in record time, and we have increased, more or less, shareholder value of plus 40% combining both share prices. We have grown our top line, especially orders double-digit, but also with the revenue at 8% also close to double-digit. We have expanded our profitability and assigned Mobility. And we will continue to focus on profitable growth, productivity, and execution. And as also mentioned, our focus will also continue to be on investment in capacity in India for domestic and global, wherever it makes financial sense.
- So with this I close my presentation and hand it back to Sunil.
- **Mr. Sunil Mathur - Managing Director and Chief Executive Officer, Siemens India:**

- Thanks, Wolfgang. So final slide before we open it up for questions. First is, I think you can see that we've delivered consistent performance over the last five years. Our portfolio and our strategy is very clearly linked to the Siemens global strategy, is very closely linked to the India country's strategy as well. Differentiators will of course be sustainability and digitalisation. The way we go to the market is very different now. We are focusing on verticals; we are focusing on solutions primarily. We will continue to expand our capacities and localise wherever it makes sense. And of course, we have to continue to keep an eye on operational excellence.
- There was a question in the break earlier on around how significant is Siemens India for Siemens Global? Maybe just to put that into context: we are the fourth-largest country in the Siemens AG world. We are the fastest-growing country, or the fastest-growing market for Siemens globally. And I think that puts it in context in totality. The importance for Siemens Global in Siemens India is increasing. Strategies are very clearly aligned, and you saw the first major moves that were done, which was bringing in rolling stock in the Mobility area as well. A lot of transformation that has happened in our Mobility area with the Kavach technologies, with software coming in, with the rolling stocks as well. Smart Infrastructure continuing on its growth path.
- So I think the focus is very, very clear. We have almost monthly visits from global board members coming to India, which gives an increased focus here on the country. Our Global CEO has visited India. He comes once, twice, thrice a year on an average. So there is a very clear focus now on India: India for India, but also using India for the rest of the world.
- With that I hand it back to Radhika for questions and answers.
- **Question & Answer Session:**
- **Ms. Radhika Arora - Head Investor Relations, Siemens India:**
- I think you can raise your hands, and maybe we can pass on the mic to you. There is somebody in the front row.
- **Mr. Mohit – ICICI Securities:**
- Good morning. This is Mohit from ICICI Securities. My first question on the Mobility. Given the strong order book of I think maybe more than 50 billion and 1.8 exportable ratio, even excluding the 9,000 HP loco order and the expected supply ramp-up in the 9,000 HP loco, I think there are 35 trains, loco sets which are supposed to be delivered in the near term, right? My question is: should we expect greater than 20% CAGR in the revenue in the next couple of years, and double-digit margin with improvement in the revenues?
- **Mr. Wolfgang Wrumnig - Executive Director and Chief Financial Officer, Siemens India:**
- Yeah, so if I understood your question correctly, so the loco project should, more or less, contribute to the significant... or to growth going forward in the next couple of years?

- **Mr. Sunil Mathur - Managing Director and Chief Executive Officer, Siemens India:**

- The growth and the margin, both.

- **Mr. Wolfgang Wrumnig - Executive Director and Chief Financial Officer, Siemens India:**

- To the growth and the margin. Okay, yes, it will. It definitely will, and it will be a kind of a step-up process. So most probably you will not see the growth consistently on the same level. So whenever we reach the next level of delivery, the delivery schedule, the revenue of course will ramp up also because the costs are coming in. So yes, we will see significant growth in the next couple of years. Definitely double-digit going forward, and it also should contribute to the margin expansion going forward.

- **Mr. Sunil Mathur - Managing Director and Chief Executive Officer, Siemens India:**

- So just to put that into context: the contract requirements are 40 to be delivered for the next two years, which then gets stepped up to 80 for two years, which then gets stepped up to 100 for two years, which then gets stepped up to 160 for the rest. So every time... and that's going back to the comment he made, every time there is a step-up, there will be that step-up in the volumes, and then there will be continuous growth.

- **Mr. Wolfgang Wrumnig - Executive Director and Chief Financial Officer, Siemens India:**

- And to add to that, of course, also with the delivery of the locomotives going forward, whenever the locomotive is delivered, then also the service part of the contract will kick in as well. So it will be over the next couple of years, then definitely a growth story.

- **Mr. Mohit – ICICI Securities:**

The second question is on Smart infrastructure. It has done pretty well for us for the last five years. Do you think we can sustain the double-digit growth? And the question is, can we see the margin improvement given the fact that the global, I think, reports 18% EBIT margin, if I'm not wrong, in the same segment, right? And we have almost localized, 65% is the localization level, which is also pretty high.

- **Mr. Sunil Mathur - Managing Director and Chief Executive Officer, Siemens India:**

- So, the growth will continue as India continues to grow. And why am I saying that? Your Discoms, the moment they get privatized and the more privatized they get, the more they will need to upgrade their equipment. The entire space that I talked about, in terms of buildings and so on, will increase. So, the topline growth we definitely do expect. The bottom line growth, yes, you're right, the global achievement is 18%. We are not 100% localized yet in that business. But the intent is to continue to expand the bottom line as well.

- **Mr. Mohit – ICICI Securities:**

- Thank you.
- **Mr. Harshit - Equirus:**
- Hi, Sir. This is Harshit from Equirus. Sir, firstly on Digital Industries, we had launched Siemens Xcelerator a few years back in India to have the complete ecosystem of hardware, software, services alongside our partners. So, what have been the adoption levels in India at the moment? And what proportion of our DI business now comes through this route?
- **Mr. Sunil Mathur - Managing Director and Chief Executive Officer, Siemens India:**
- So, Siemens Xcelerator; a very good point. We, today, have over 500 customers who have used, who have received orders or who have given us orders through the Siemens Xcelerator platform. Now, we don't measure digitalization per se as a separate metric there because when you look at Xcelerator, that is running across all of Siemens, right. It is not only a DI or an SI portfolio, it is covering both of them and it runs across multiple subsegments as well. So, we don't measure that. What we do measure is the number of customers who are getting interested in solutions that we are offering on Siemens Xcelerator is increasing. That has contributed overall to the revenues, not only of DI but there could be also SI.
- And I give you an example. We had a Dairy manufacturer who turned around and said, 'Can you help reduce my fat content from the time the milk is taken from the cow to the tetra pack?'. There is no human intervention in that process. Now, that involves a part of process knowledge, which is DI, but it could also involve a part of heating ventilation, of the air conditioning as the milk is transported from the farm to the factory. And, therefore, you have a combination of both of these elements coming in where we have to look at the complete combined offering of Siemens. And that's why we don't measure it individually. We look at it customer inwards, which is, can we deliver that solution to the customer and then bring together the complete offerings.
- And this is what we offer on Xcelerator. Once we have that offering, customers can go in, other customers can go in and say, 'Hey, they have achieved that efficiency over there, I'd like to have something similar'.
- **Mr. Harshit - Equirus:**
- Understood. Sir, secondly on the Smart Infrastructure business, what would be the size of India's Building Automation market in your assessment? And at the moment with the portfolio that we have, what proportion of that we are able to address? And what we are going to do to fill up the white spaces that we have at the moment?

- **Mr. Sunil Mathur - Managing Director and Chief Executive Officer, Siemens India:**

- So, look, the Building Automation market is the entire commercial buildings, the new commercial offices, etc., complexes that are coming up. It is malls, it is stadiums, it is airports, it is ports, right. It is even factories, when you put up a factory building. So, all of these first require electricity, which we can deliver them via the Low Voltage, Medium Voltage products that we have, and then they'll require air conditioning and the management of the energy that is used which we can also deliver to them. And, finally, they require an overall portfolio or an overall platform that can help bring energy consumption down, which is also what we can offer them.

- So, the size of the market is huge, it is growing. The number of airports, you have to see, 70-80 airports coming up in the next 4-5 years. That's an opportunity. Every airport requires electrification, requires energy savings, etc. and that's where we have a space in. But just to give you an example. Hospitals; all of these are all part of that portfolio.

- **Mr. Harshit - Equirus:**

- Thank you, Sir. Just one clarification on the Mobility piece because it's going to be percentage of completion methodology. Will the profit margins be in line at, let's say, step ups, give or take few basis points? I'm not saying that if it's X, so it should be X. Or will it be also in a step up form like it can be a percentage and then next and then next?

- **Mr. Wolfgang Wrumnig - Executive Director and Chief Financial Officer, Siemens India:**

- Of course, the margin will develop somehow close to the development of the revenue. So, when we see a step up in revenue, then you will also see an increase in margin. And, of course, if I look at the overall business of Mobility, maybe the contribution then to the overall profitability of Mobility maybe a little bit less than specifically only for the project piece, yeah. But expect also a margin expansion going forward from the project.

- **Mr. Harshit - Equirus:**

- Tech services.

- **Mr. Wolfgang Wrumnig - Executive Director and Chief Financial Officer, Siemens India:**

- Tech services.

- **Mr. Harshit - Equirus:**

- Because the delivery of loco would be one part, services would be in one part. Theoretically, services should be higher margin than delivery of loco; theoretically. So, the

revenue recognition is on a percentage of completion, so will the cost recognition be in line?

- **Mr. Wolfgang Wrumnig - Executive Director and Chief Financial Officer, Siemens India:**
- In general, you know, if you really look long term and you notice Mobility project, first, there is 11 years of delivery of locomotives and then during this period already the service part will partially kick in and then later. And you said that you expect the service margin be higher, so more or less, then you would see more margin in the outer years.
- **Mr. Harshit - Equirus:**
- Okay.
- **Mr. Sunil Mathur - Managing Director and Chief Executive Officer, Siemens India:**
- The bump up because even now when we deliver the 40, the service starts for those 40, right.
- **Mr. Wolfgang Wrumnig - Executive Director and Chief Financial Officer, Siemens India:**
- Exactly, yeah.
- **Mr. Sunil Mathur - Managing Director and Chief Executive Officer, Siemens India:**
- So, there will be that increase over a period of time.
- **Mr. Harshit - Equirus:**
- I think we were, during the break, discussing the capital allocation piece. Now, if I want to put numbers behind it, we have almost 70 odd billion of cash, we will be getting 22 odd billion of cash from the sale of LV. We do 20 billion of PAT every year and that is going to be increasing at a percentage every year. Today, our fixed assets are close to 11-12 odd billion, give or take. For our next leg, there are two elements to it. One, you mentioned, there will be strategic M&A. So, a part of cash will go there as and when it comes. But from our localization perspective, especially in the DIPs where it seems like a chicken and egg situation that India is not scaling up so we are not localizing, and maybe India is not scaling up because we are not localizing. So, do you think that maybe we can, given that we have enough balance sheet, we can upfront some of the investments to localize and then look at profitability? I'm talking from a 5-10 year perspective. How are you thinking from that?
- **Mr. Sunil Mathur - Managing Director and Chief Executive Officer, Siemens India:**

- So, look, the capital allocation, one is definitely an M&A. The second is continuous investments that we will continue to do in Mobility. And by the way, the investments are not only CapEx, right. We are adding hundreds of people every year, right, for engineering, for signaling, for example, for a lot of the other areas as well. So, it also goes into that.
- Now, localizing ahead of a curve, that is ambitious, right. You've got to turn around and say, 'We will put the money on the table and because we expect the volumes to come'. The question that we've got to answer, and he asks more pointedly, is when will that volume come? Because that has a different on your IRRs, whether it comes in 1 year or in 5 years, right. We expected private CapEx to kick in 3 years ago. Had I invested 3 years ago, we would have had a challenge right now, right. So, it's a continuous call that we are taking, 'Where do you invest?'.
- The other part that we have to keep in mind is, some of these products are already being manufactured globally. Now, if you look at the global environment, we have the opportunity to say, 'Either you sell the product to us at a price that is competitive in the Indian market, that's all that we are interested in', or we will manufacture it ourselves over here. And that's a continuous conversation that we have with the parent company because it doesn't make sense, neither for them, because we are a part of their global supply chain as well, where, for example, our Goa factory is exporting substantially to the parent company. So, we are integrated into the global supply chain. For them, they have to take a call does it make sense for them to set up another factory in India and have vacant capacities in some other part of the world just to achieve a local price level? Or does it make sense for them to drop their price to us so that we can address the local market?
- The critical discussion that we have to have is, it's not about setting up a new factory, it's about meeting the price level in the market, right. And if we can meet the price level and continue to deliver margin improvement, because you want profitable growth, if we can meet the price level and continue to deliver margin improvement by importing or by buying then that's obviously a preference. It's a much more efficient way to do things.
- **Mr. Wolfgang Wrumnig - Executive Director and Chief Financial Officer, Siemens India:**
- I just wanted to add, at the end of the day, it's a question of global demand as well. We do see right now in the energy environment, utilities, you know, globally the demand is rising, rising, rising, which makes it just much easier to make investment decisions in India. So, if you have other industries where the demand is not rising and the manufacturing footprint is already there, it makes, of course, investment decisions much more difficult.
- **Mr. Harshit - Equirus:**

- One last question from me. Coming back to Mobility, the electrification order, the large electrification order, we know that, as per press reports, the gap between you and the L2 was pretty large. Does that give us a sense that given where you are in signaling, your cost efficiency versus competition is that you can be extremely competitive in that piece? And electrification, like you mentioned, 50% market share in metals. Do you think that market share at least is sustainable as India electrifies more in Railways?
- **Mr. Sunil Mathur - Managing Director and Chief Executive Officer, Siemens India:**
- So, yes. I think the simple answer to that is yes. Our intent is to continue to gain market share, our intent is to continue to grow the topline but to grow the bottom line along with it. So, we will not sacrifice the topline at the cost of the bottom line. We have not done that in the last 10 years, we won't do that in the next 5 years. The critical factor over there is, yes, every now and then you have to take a strategic call on one or the other project. But so long as the general trend continues, as we showed you on the chart continuous growth in the topline and the bottom line, we will continue to take those calls, absolutely.
- **Ms. Radhika Arora - Head Investor Relations, Siemens India:**
- I think there is somebody here asking. Yeah.
- **Mr. Bhavin - SBI Mutual Fund:**
- Couple of questions. So, when we virtually met last year, your outlook on private CapEx was not so positive, how do you see that now? I mean, how positive are you versus the last year because it looked from the presentation more positive? And while there are impediments that you mentioned about the tariff, now 3 years out. So, the outlook 1 year and 3 years, how positive are you in high, low or medium? And what drives the change in the view that you have? What's driving the optimism?
- **Mr. Sunil Mathur - Managing Director and Chief Executive Officer, Siemens India:**
- So, I mentioned it in my initial comments. The reason why a year ago I was cautious on private CapEx was the consumption story was not kicking in, right. You had the problem on consumption, therefore, on demand. You had capacity utilizations at 80%-85%. So, the logical message would be, if you have capacity at 80% and you see India, you believe in the India growth story, that private sector should be investing. But they weren't. Why? Because the rate of consumption continuously went down. Obviously, the government had a similar view, which is why they came out with these two interventions - reduction in the income tax rates and in the GST in September with the hope that that will pick up, that will drive consumption.
- Of course, there is a lag period, which is where we are right now. So, in the medium term, I am optimistic. I believe by April to June we should start, logically, with everything the

government has done. You have got a PLI in place, you have got a reduced income tax in place, you have got a reduced GST in place. I don't know what else the government can do. The only thing that is not rounded is the tariff, right. That's the only thing where we don't have a conclusion yet.

- How much of a role that plays finally in a private sector decision? Yes, there will be some who are cautious, more cautious than others. But, logically, with the reduction in income tax and GST, there should be an uptick in private sector. And that's where I am more positive.
- Where do I see this story going 3 years later or 2-3 years later? I am very positive. I believe the discussions with the US and with Europe, the FTA discussions will get resolved. Whether it happens in 1 month, 3 months or 6 months is a matter of detail. But on a medium term horizon, 2-3 years, I believe that should get resolved and I hope that the tariffs will come down from the US. If they do come down substantially, that should definitely contribute to an uptick in the GDP and also, therefore, into the private sector CapEx.
- **Mr. Bhavin - SBI Mutual Fund:**
- The second question, again, is on Mobility. What was the share of the locomotive in the revenues the year gone by? And in one of the conference calls that...
- **Mr. Sunil Mathur - Managing Director and Chief Executive Officer, Siemens India:**
- I don't want to go into that granularity.
- **Mr. Bhavin - SBI Mutual Fund:**
- No, but...So, in one of the conference calls that you had mentioned that the margins of the locomotive would be equal to the company margins, which were at about 10%-11% then, so are you seeing the margin level now that...because that was the time you had just bid, now that you have finished the execution, the construction and now you're... how do you see the margins now versus your anticipation?
- **Mr. Sunil Mathur - Managing Director and Chief Executive Officer, Siemens India:**
- So, I think what Wolfgang has mentioned, this is a POC contract, right. And the project has been calculated at the right margins. It has met our margin hurdle targets over there, taking into account the volume of the business. And now, it's a question really of over the lifecycle of the project, delivering on those margins. And that is a function of the cost, as he mentioned.
- **Mr. Wolfgang Wrumnig - Executive Director and Chief Financial Officer, Siemens India:**

- I said it in my presentation more or less that the project ramp up is on track. So, more or less, right now no areas of concern. And so, with this, I would assume that we continue this way.
- **Mr. Bhavin - SBI Mutual Fund:**
- So, when I look through the other segments, Mobility by far has the highest level of localization and the manufacturing intensity. Maybe you mentioned there is some new costs that are there, why are the margins lowest amongst the all 3? And to us, it seems disappointment, these should be at least high teens or low teens. How do you see over 2-3 years out, given the investments that you have done?
- **Mr. Sunil Mathur - Managing Director and Chief Executive Officer, Siemens India:**
- It's CapEx. Look at the amount of CapEx we've put in in the last 2 or 3 years. We've done, in Mobility, we opened a bogie factory, we invested in the locomotive factory there, we continue to invest in Kavach signaling activities over there, electrification, continuous CapEx going in over there. So, it's a CapEx cycle that we are putting in there.
- **Mr. Wolfgang Wrumnig - Executive Director and Chief Financial Officer, Siemens India:**
- Look at the margins of other companies in the Mobility business. So, most probably, you know, the global Mobility business has a margin of, I don't know, double-digit, 10%, 9.9%. And if you look at other competitors, maybe they are more in the range where we are right now with 7.7% or 7.8%. Of course, there are also exceptions but also these exceptions maybe then your question, is this really the real margin or not the real margin? Or is it subsidized when you look further to the East? So, I believe we are not bad with the 7.7%. And, as we both said, we believe in this business. We will see revenue going up and we also believe that we will see margin expansion. And maybe our aspiration is, of course, we want to get to the same level as the global business at some point in time.
- **Mr. Bhavin - SBI Mutual Fund:**
- Just last question on the Digital Industries. We had low teens margins over the previous 3 years this year. And my understanding of this business was the product may be sold free but the money is made in the services, which you said is 20%.
- **Mr. Sunil Mathur - Managing Director and Chief Executive Officer, Siemens India:**
- No, no, no, no.
- **Mr. Wolfgang Wrumnig - Executive Director and Chief Financial Officer, Siemens India:**

- You know, the high margin in the past couple of years...
- **Mr. Sunil Mathur - Managing Director and Chief Executive Officer, Siemens India:**
- That's not the business model here.
- **Mr. Wolfgang Wrumnig - Executive Director and Chief Financial Officer, Siemens India:**
- It was related to really the special circumstances. You know, there was a lot of demand from customers because they were afraid that they don't get any shipments because of the supply chains. So, the prices were skyrocketing at the end of the day. So, the transfer price model didn't work the other way around. So, more or less, we didn't transfer any profits back to the headquarter but we kept it here.
- So, that was more or less the reason why we had significant higher margins than in the normal business cycle. And I told you that the more or less the margin range we expect is 6%-8% plus/minus, where we are right now and where we also will be in the future. Of course, the more we grow, the more in absolute terms, the margin will grow. But the margin ranges will be, I would assume, in a similar ranges other than we grow the service business significantly because the service business is local business and at least not...You need to exclude spare parts but everything which is related to value add, this gives us opportunities to grow. And here we will, of course, focus on services. But I told you, predominantly, the majority of the business is product business.
- **Mr. Sunil Mathur - Managing Director and Chief Executive Officer, Siemens India:**
- And we won't sell 5 crores or 8 crores automation system for free just to expect potentially service project later on.
- **Ms. Radhika Arora - Head Investor Relations, Siemens India:**
- Yeah, Subhadip.
- **Mr. Sunil Mathur - Managing Director and Chief Executive Officer, Siemens India:**
- Hi, good morning. Subhadip here from Nuvama.
- **Mr. Subhadip - Nuvama:**
- Hi, I am right here. My question is around the Mobility business. I think if we were to look at the scenario...
- **Mr. Sunil Mathur - Managing Director and Chief Executive Officer, Siemens India:**

- We will do a separate section on Mobility. Go ahead.
- **Mr. Subhadip - Nuvama:**
- Right. So, maybe about a year and a half or two back, I think the narrative was more around these big bang large loco orders, Vande Bharat orders, etc., whereas today it seems to be that the market has moved a little bit more towards subcomponent and subsystem orders. Do you envision that the larger orders can come back over a period of time?
- And, secondly, there was a large export potential that we had thought of. I understand that exports have already started. But, again, anything big bang anticipated on that side, let's say over a 2-3 year period?
- **Mr. Sunil Mathur - Managing Director and Chief Executive Officer, Siemens India:**
- So, you're absolutely right. The challenge is the Railways takes a decision on a case by case basis, right. Yes, there was a 12,000 horsepower, which is on the horizon. Yes, there is a 9,000 horsepower. Yes, there is a 6,000 horsepower on the locomotive. Vande Bharat, Vande Metro, all of these are there. Question, there's a commuter rail, one, MRVC tender, which is now out, etc. The challenge is, every tender is unique in itself, right. Some of them, they turn around and say, 'Just supply us the components'. Some of them, they turn around and say, 'Do the whole thing'. Some of them, they turn around and they say, 'Supply parts of this and the rest we will do. Do the entire EPC'. So, there are different models that they are adopting for different tenders, which makes it, to be honest, difficult for any supplier to really plan in terms of how do you want to go. You have to react to every tender that is coming out in a unique manner.
- Having said that, will more cities require trains, suburban trains? Yes, right, not only Mumbai. Will there be intercity trains coming in? So, you're looking already at NHRCTL between Delhi to Varanasi, Delhi to Agra, Delhi to all these places. Those are going to increase, right. That is their intent, etc., etc. But everyone is different. Some, they say, 'just give us the components'. Some, they say, 'Just do the electrification'. So, it's a mixture. It's very difficult to generalize on what their business model is going to be keeping in mind they already have their existing factories, which they also have to keep occupied as well.
- So, it's a mix and match for them. But they need technology, they need to upgrade the technology. So, it's a question of where do they do it? Who supplies the car bodies? Who supplies the wagons? Who supplies the interiors? Who supplies the propulsion system, the bogies?
- On your second question on exports, yes, we have done two major export deliveries in our bogie factory. We are looking at future opportunities as well coming out of the bogie

factory. We're exporting out of our propulsion equipment. So, there are exports taking place. When you talk about a big bang export, it doesn't happen necessarily in the railway business. So, you won't export a series of Metro trains. You will export 5 cars, 6 cars, etc., but that depends on how the global market is developing and how global decides to service that requirement as well.

- **Mr. Subhadip - Nuvama:**

- Understood. Secondly, taking cue from the slides that you presented, the 3 key segments, if I look at the story of the last 5 years, I think the industry was growing somewhere between 5%-8%. Naturally, you grew at a much faster pace. Your own estimates of industry growth are much better now. And then taking cue from what you also said about the private sector CapEx, so probably we are looking at 8%-10% plus growth. So, let's say over a 3-5 year scenario, can we assume that SI continues to grow at 20% plus and the overall businesses, let's say, to a high teen to a 20% growth story, from a topline perspective?

- **Mr. Sunil Mathur - Managing Director and Chief Executive Officer, Siemens India:**

- So, I'm not going to give a number because a lot of it...and it's not because I don't want to, it's just that the visibility in these kind of projects or in these kind of businesses is very short term, right. When you look at the SI business, there a lot of it depends on how much of investment is going to go, when will the investment actually happen in airports and ports. As and when an airport gets built, we will be there. As and when a hotel gets built, we will be there. As and when a port, a stadium, a mall gets built, we will be there. So, a lot of it is dependent on that visibility.
- We have an element of that business which also feeds into private sector CapEx. So, same electricals are used in factories. So, as and when private sector CapEx picks up, that should also pick up, right. So, there are a lot of variables over there which are very closely interlinked into India's growth story. And that is why it becomes difficult, I don't go out deliberately with giving a number because it has to be linked in to India's growth story because the Indian investment pattern will determine our growth story over there.

- **Mr. Subhadip - Nuvama:**

- Understood. Lastly, specifically in SI, any levers for further margin expansion?

- **Mr. Sunil Mathur - Managing Director and Chief Executive Officer, Siemens India:**

- Yeah, we've spoken. Localization, we've talked about. We are looking at, the more you grow the topline, it's a volume game. Low and Medium Voltage is a volume game. So, the more you grow the topline, the cost depressions happening over there, which will help.

We are looking in all our businesses, DI as well as SI, to get broader in our offerings and deeper in the offerings. And that should also help in that process.

- **Mr. Subhadip - Nuvama:**

- Okay, thank you so much.

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

- I think we can have one question.

- **Mr. Sameer Thakur - Ambit:**

- Hello, Sameer Thakur from Ambit. So, just on M&A strategy you talked about, is it more on bolt-on acquisitions or you're looking for bigger acquisitions as well? And will it be driven by global or local management?

- **Mr. Sunil Mathur - Managing Director and Chief Executive Officer, Siemens India:**

- No, no, we are looking for everything, to be honest, yeah. We have a deal book, we've scanned the entire market and this ranges from small, very small to very large. The challenge that we have...and it is more driven by the needs in the local market rather than in the global requirement. What we look at is a couple of things-

- Will this acquisition give us a product that we don't have?
- Or access to a market that we are not present in?
- Or a technology that we don't have, which we can scale up not only in India but globally as well?

- So, broadly, these are the parameters that we are looking at. And it has to meet our margin hurdles as well. So, how do you get all of that? And the challenge is we have a deal book that we are continuously reviewing, Not only internally but the board reviews it, globally they review it as well to really see what are the opportunities there. But this is the criteria that we are following right now.

- **Mr. Sameer Thakur - Ambit:**

- Okay, thank you. And just on margins, you talked about DI the margins between 6%-8%. So, do you have any number for SI and Mobility, any range?

- **Mr. Sunil Mathur - Managing Director and Chief Executive Officer, Siemens India:**

- We're not giving guidance.

- **Mr. Sameer Thakur - Ambit:**
- Okay, fair.
- **Mr. Sunil Mathur - Managing Director and Chief Executive Officer, Siemens India:**
- He gave the guidance on 6%-8% because it's transfer price driven. So, there's not much that we can do over there unless we do increase service business, as he said. But on the rest, we don't give the guidance.
- **Mr. Sameer Thakur - Ambit:**
- Okay. The last one, on Kavach, what is the strategy there? Are you bidding for Kavach orders or it is just for your locomotives or something like that?
- **Mr. Sunil Mathur - Managing Director and Chief Executive Officer, Siemens India:**
- No, no, no. We want to be a serious player in Kavach. We already have a first developmental order from the Indian Railways in Bangalore. And we will definitely be a player in the Kavach market.
- **Mr. Sameer Thakur - Ambit:**
- OK, thanks.
- **Ms. Radhika Arora - Head Investor Relations, Siemens India:**
- Yeah, please.
- **Mr. Jonas - Aditya Birla:**
- Yeah. Hi, gentlemen. Jonas here from Aditya Birla. So, a couple of questions. Firstly, you know, given that the company is now sort of X Energy...
- **Ms. Radhika Arora - Head Investor Relations, Siemens India:**
- Only 2.
- **Mr. Jonas - Aditya Birla:**
- Yeah-yeah, couple. So, if you can give us a broad split of revenues? I think you used to give it earlier projects versus products, it will be good to understand X Energy, how does that split look like now?

- Also, you spoke a lot about the solution selling, you know, which of the 3 segments is more indexed to that? And does it only have a read-through on revenue or also has a margin impact?
- And lastly on, you know, the government facing side of the business, particularly which of the 3 segments...You know, Mobility obviously will have a government facing that between SI and DI, which is more direct government facing, if you can speak about that?
- **Mr. Sunil Mathur - Managing Director and Chief Executive Officer, Siemens India:**
 - So, I'll start from the back because that's what I can remember and then I hand over to Wolfgang. Government facing, you are right, Mobility is entirely government facing. SI is to the extent of power utilities, the distribution business, that is government facing. The rest of the business is a mixture of government and industries both. Digital Industries is no government, it is 100% private capital.
 - The share of project...
- **Mr. Wolfgang Wrumnig - Executive Director and Chief Financial Officer, Siemens India:**
 - You just take what we have shown in the last Analyst Meet, it hasn't changed significantly. And that's why we decided not to show again because there was no major movement between project and product business.
- **Mr. Jonas - Aditya Birla:**
 - And on the solution piece?
- **Mr. Sunil Mathur - Managing Director and Chief Executive Officer, Siemens India:**
 - So, on the solutions, it varies. It depends how we do those solutions there. There will be some solutions where we go to a system integrator where we provide products to the system integrator. Then our margins, our product margins, and the system integrator gets a solution over there. There will be some customers who will want us to stitch the whole thing together. And then we buy everything in and then it becomes a kind of a solution.
 - But we prefer not to do that unless we are able to develop a scalable model out of it. So, most of the solution, which is primarily DI and SI, would be the kind where we offer the products and the system integrator stitches it together.
- **Ms. Radhika Arora - Head Investor Relations, Siemens India:**
 - We have one question behind here. Yeah.

- **Participant:**
- First, on the cashflows front, if you look at your operating cashflows versus what Siemens used to do in the past, they are much weaker, right, less than 20% of EBITDA. So, any specific thing? Because on year-on-year basis that might not be comparable because...
- **Mr. Sunil Mathur - Managing Director and Chief Executive Officer, Siemens India:**
- CapEx investment has gone up.
- **Participant:**
- On the operating front because of...
- **Mr. Wolfgang Wrumnig - Executive Director and Chief Financial Officer, Siemens India:**
- Sunil is right. On one hand, of course, we have CapEx with regards to our investments in manufacturing. Then, also we have OpEx related to these investments. And one big portion is also we invest a lot in working capital right now for the Mobility business.
- **Participant:**
- Okay. And as the Mobility share goes up, that means it would keep on increasing the working capital need?
- **Mr. Wolfgang Wrumnig - Executive Director and Chief Financial Officer, Siemens India:**
- Honestly, no. This was just more or less related to the ramp up of the 9K horsepower project and also some other larger projects. So, I would expect right now the majority is done, so it will stabilize. And, so, we should see a more positive development on the cashflow side going forward.
- **Participant:**
- And second question, sorry, on again the Mobility front. Just you explained the percentage completion method because it's a contract with just two parts - O&M as well as the product delivery, right. So, when you consider margins as IND AS 115, these would be considered two separate obligations? And you first recognize margin only on products or it's considered entire lifecycle, including O&M for margins?
- **Mr. Sunil Mathur - Managing Director and Chief Executive Officer, Siemens India:**

- No, it is considered as two separate contracts. There's a supply contract and there's a service contract. Both of them are POC. And as and when the cost comes in for each of them, the revenue is recognized.
- **Participant:**
- Okay, thanks.
- **Mr. Wolfgang Wrumnig - Executive Director and Chief Financial Officer, Siemens India:**
- Maybe just to clarify my statement, so when I say our cashflow should improve, it's not that you will see now something you won already. So, I'm talking about the full fiscal year.
- **Ms. Radhika Arora - Head Investor Relations, Siemens India:**
- So, we'll just take last 2 questions.
- **Mr. Amit Mahawar - UBS:**
- Yeah, hi. Amit Mahawar from UBS. I have two questions. First, on Smart Infra. Since the time you've taken over C&S, you know, we took some time. You know, a lot of cleansing has happened and profitability is up. But I think the revenue momentum of C&S integrating and marketing Siemens and Siemens marketing C&S portfolio globally and locally, we're yet to see the best of it. So, if you can throw some light on how are we geared up even on the capacity side for C&S and non- C&S portfolio? Because, theoretically speaking, it can be a large market and you will choose, you know, when C&S markets Siemens to the infra customers and Siemens markets C&S to the energy customers? What would be the rationale?
- And the second part is on the Mobility side. The pipeline from a 2-3 year view, I understand Railways is very unpredictable, so Metros, Indian Railways and the semi- high-speed and the locos. Still you must be having a 3-4 year, you know, glide path of what kind of pipeline is there?
- So, these two questions. Thank you.
- **Mr. Sunil Mathur - Managing Director and Chief Executive Officer, Siemens India:**
- Okay. So, on C&S, actually, the volumes are not too bad. We have plus 20% volume increases in C&S. So, those are increasing. What we don't do, deliberately we won't do, is we will not get C&S to market Siemens products and Siemens to market C&S. Otherwise, we cannibalize each other's markets, right. And that's why we are keeping a very clear firewall between C&S and Siemens Limited in the market. Of course, at the back end, we coordinate but we make sure that you don't get a C&S salesman going to a customer and

a Siemens salesman going to the same customer, right. Because, obviously, then you have got cannibalization happening.

- So, effectively, we have identified clear markets in which C&S will enter into, which are the mid-level markets, which is why we bought it, where Siemens is in any case not competitive, right. And Siemens stays in the premium markets, which are more mature, where C&S can't get a foothold into over there.
- Come to the export, the export process has taken time to pick up. And the reason is, every country that you go to, you need to get that qualification done of your products and that is taking time over there. Having said that, it's still doing reasonably good exports. But that is something that we have to grow. The domestic business of C&S is doing very well.
- On the Mobility side, yes, our visibility is there for the next 2-3 years. Kavach is definitely. The question that we can't answer to you is when will the next bunch of tenders come out, right. The opportunity on Kavach is there, the market is there. When will the next bunch of signaling tenders come out? When will the next bunch of commuter rail come out? Usually, they do 1 or 2 a year but a lot of it depends on States. A lot of it is not only Central subject, it's also a State subject. And then you have the main line, which is mainly the Railways, where they are looking at semi-high-speed and so on over there. That is continuing.
- But there again, going back to the earlier question, they are adopting different business models. Now, do they want only components or do they want the complete wagon over there, the complete car, etc., etc. So, the need and the market is visible to us. The timing for when the tenders will come that is not visible to us. We know what is coming in the next 3-6 months because that is the timeline that it requires to prepare the tender. But beyond that we don't really have that visibility.
- **Ms. Radhika Arora - Head Investor Relations, Siemens India:**
- Yeah, go ahead. Can we have a mic there, please? Okay, please go ahead.
- **Ms. Teena - Motilal Oswal:**
- Just one question from my side. This is Teena from Motilal Oswal. Which all segments of Siemens got impacted by QCO norms? And is it possible for you to quantify the impact on overall cost because of this? And is it over or it may continue for another few more quarters?
- **Mr. Sunil Mathur - Managing Director and Chief Executive Officer, Siemens India:**

- So, as Wolfgang mentioned, we had one quarter where there was a slowdown because of QCO but then we picked up afterwards and we haven't had any impact of QCO since, right, in none of our businesses.
- And the reason is, we started this process. We were the first company that got the license from the QCO authorities, the moment they announced it over there. But it took us those 2-3 months, that one quarter, time to get it not because of us but more because of the government's internal processes.
- Over a period of time we have continued on this path of localization. So, the impact for us is has not been very, very high. Where has it impacted primarily in the Low Voltage business, to a little extent in the Mobility but very, very negligible over there, but mainly in the Low Voltage business, both in C&S and in our regular Low Voltage. But both of them were up and running after that first bump, that Wolfgang talked about in, Q1.
- **Ms. Teena - Motilal Oswal:**
- So, now they are fully compliant and no more incremental investments are needed?
- **Mr. Sunil Mathur - Managing Director and Chief Executive Officer, Siemens India:**
- Yeah, now we are okay. Now, we are okay. And, as you know, the QCO has now been lifted indefinitely and we will continue our process of localization, not knowing whether they will bring it down again at some point in time. So, we are well aware of that. But we are working with the BIS and all the others on that process. So, it has not impacted us. We are not worried.
- **Ms. Teena - Motilal Oswal:**
- Sure. Thank you.
- **Ms. Radhika Arora - Head Investor Relations, Siemens India:**
- Just one last question, please.
- **Mr. Mohit - Citi Research:**
- Yeah, this is Mohit from Citi Research. Firstly, if you can just share an update on the ongoing CapEx, the likely commissioning timelines? Yeah.
- **Mr. Sunil Mathur - Managing Director and Chief Executive Officer, Siemens India:**
- So, the ongoing CapEx is basically the Medium Voltage, GIS Medium Voltage, and the Vacuum Interrupters. I think we will start commercial production in October'26 on the

Medium Voltage and a couple of months earlier, plus/minus couple of months, on the Vacuum Interrupters. Those are the major ones that are happening, the rest are routine in capacity.

- **Mr. Mohit - Citi Research:**

- And on the Mobility side, I understand in Aurangabad certain CapEx...

- **Mr. Sunil Mathur - Managing Director and Chief Executive Officer, Siemens India:**

- Sorry?

- **Mr. Mohit - Citi Research:**

- Mobility CapEx, Aurangabad.

- **Mr. Sunil Mathur - Managing Director and Chief Executive Officer, Siemens India:**

- So, Aurangabad is bogies, we have done it already. And we are looking now how we need to do that. We are even considering whether it really makes sense to do it ourselves, do we work with partners instead, how much to localize. So, those are the discussion that we are having right now.

- **Mr. Mohit - Citi Research:**

- Understood. And second question is on Discom privatization. Just wanted to get a sense of how meaningful it could be given that you're saying already 75% or more of the Discoms are using switchgears, right? So, can it be very meaningful from these levels already?

- **Mr. Sunil Mathur - Managing Director and Chief Executive Officer, Siemens India:**

- Yes, I didn't say that the market for Discoms is over, quite to the contrary. I only said the installed capacity, right, has got a lot of our switchgear in it. Now, all the installed capacity needs to be upgraded. The Discoms weren't able to do it, they didn't have the financial capability to do it. All of that needs to be upgraded. You need fresh switchgear, you need fresh SCADA systems, etc., etc. And all of that is something that we have.

- As privatization comes in, the first thing that the developers do is to see how to cut losses over there, both transmission commercial losses and distribution losses as well. And that is where we come in and we can help them on the switchgear side, on the circuit protect, overall on the automation side, networking, etc., etc.

- **Mr. Mohit - Citi Research:**

- Understood. Thank you.
- **Ms. Radhika Arora - Head Investor Relations, Siemens India:**
- Okay. So, with that, we will close the session today. Thank you everyone for joining us, both who are joining us online and who are here with us, and you can join us now outside for some tea and coffee. Thank you so much. Thank you.

END OF TRANSCRIPT