August 19, 2026

National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051

NSE Symbol: **WABAG**

BSE Limited,
Floor 25, P J Towers,
Dalal Street,
Mumbai – 400 001

BSE Scrip Code: **533269**

Dear Sir/Madam,

<u>Sub: Transcript of the 'Q1 FY27 Results Conference Call'</u>

Please find enclosed the Transcript of the 'Q1 FY27 Results Conference Call' held on Thursday, August 13, 2026, post declaration of unaudited Financial Results (both Standalone and Consolidated) of the Company for the quarter ended June 30, 2026.

This intimation is filed pursuant to Regulation 30(2) and 46 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Transcript of the 'Q1 FY27 Earnings Conference Call' is also available on the Company's website at www.wabag.com.

Kindly take the same on record.

Thanking You,

Yours faithfully,
For **VA TECH WABAG LIMITED**

ANUP
KUMAR
SAMAL

Digitally signed by ANUP KUMAR SAMAL
DN: c=IN, o=PERSONAL,
pseudonym=59cac15eefeb45778f26d80212ea49e1,
2.5.4.20=2f08e2a4abd03cf834087d0169b8295db945b73a74bab7f34c29fd5496859827, postalCode=600091, st=Tamil Nadu,
serialNumber=26a2e917225a7e97909c27b92ba3e356c8947696ef734eb423b8137492e67dee, cn=ANUP KUMAR SAMAL
Date: 2026.08.19 20:07:53 +05'30'

Anup Kumar Samal
Company Secretary & Compliance Officer
Membership No: FCS 4832

Encl.: As above

VA TECH WABAG LIMITED
CIN: L45205TN1995PLC030231
"WABAG HOUSE",
No.17, 200 Feet Thoraipakkam-Pallavaram Main Road,
Sunnambu Kolathur, Chennai 600 117, India.

Board : +91- 44 - 6123 2323
Fax : : +91- 44 - 6123 2324
Email : wabag@wabag.in
Web : www.wabag.com

"VA TECH WABAG LIMITED

Q1 FY'27 Earnings Conference Call"

August 13, 2026

MANAGEMENT: **MR. SKANDAPRASAD SEETHARAMAN – GROUP CHIEF FINANCIAL OFFICER**
MR. ROHAN MITTAL – HEAD STRATEGY AND BUSINESS GROWTH, GCC

Moderator: Good evening, and welcome, everyone, to this earnings call post announcement of Q1 FY 2027 Results of VA TECH WABAG Limited. On the call today from the management team, we have Mr. Skandaprasad Seetharaman, Group Chief Financial Officer; and Mr. Rohan Mittal, Head, Strategy and Business Growth, GCC.

Kindly note that during this call, the company may make certain forward-looking statements concerning the business prospects and profitability, which may be subject to risks and uncertainties, and the actual results could materially differ from those in such forward-looking statements.

The conference call will be archived and the transcript will be made available on the company's website. The company's results update presentation has been updated on the website and stock exchanges, which provides an overview about the core offerings and analysis of the results for this period. We trust that you had an opportunity to look through the same. I will now request Mr. Skandaprasad Seetharaman to take you through the key business highlights.

Thank you, and over to you, sir.

Skandaprasad S.: Thank you, Iqra. Good evening, ladies and gentlemen. We extend a very warm welcome to all of you to the earnings call following the announcement of Q1 FY 2027 results of VA TECH WABAG LIMITED. I trust you have reviewed the Financial Results and Investor Presentation already shared on our website and filed with the stock exchanges. Your continued support and engagement remain invaluable to our growth journey, and we appreciate your presence today.

Joining me today is Mr. Rohan Mittal, Head - Strategy and Business Growth, GCC. We have started FY 2027 on a strong footing across all 3 clusters and reporting record results, carrying forward the momentum of the previous year. The quarter was characterized by healthy execution, profitable growth, strong order intake and continued financial discipline. Importantly, we remained net cash positive for the 14th consecutive quarter, reinforcing the strength of our balance sheet and our disciplined approach to the growth.

The quality and diversity of our business continues to give us confidence. During the quarter, we strengthened our presence across key markets, with important order wins in the GCC, India and Europe. We have entered Kuwait and UAE, strengthened our Indian portfolio with repeat orders in Bengaluru and Delhi and added another technologically advanced project in Europe.

These wins reflect our strategy of pursuing opportunities where WABAG’s technology, engineering capabilities and execution experience provide a clear competitive advantage while maintaining discipline on risk and payment security. The MEA region continues to emerge as an important growth engine for WABAG with water security driving opportunities across desalination, wastewater treatment and reuse.

Our growing references and local partnerships are helping us deepen our presence across these markets. Rohan will shortly take you through the developments on the business and execution progress in this region.

India also continues to offer significant opportunities. Our new projects with the BWSSB at Byramangala and Bellandur, along with Mitraon project from DJB further strengthen our Municipal Water and Wastewater portfolio. These projects also reflect the increasing focus on energy-efficient treatment, resource recovery and reuse.

In Europe, the new project in Vienna reinforces WABAG's ability to compete in demanding markets, based on advanced technology and engineering capabilities. Execution across our major projects continues to progress well.

At our flagship Perur desalination project in Chennai, funded by JICA, we crossed an important construction milestone with 1 lakh cubic meters of concreting completed, the highest ever in our history on a single project. With the critical marine works already behind us, the project is progressing steadily towards completion. Our industrial portfolio projects in India under execution for majors like Reliance Industries, GAIL, BPCL and CPCL are progressing per plan.

In Europe, the team have already started to progress on the Kutaisi project in Georgia, which was secured in Q4 last year. Our execution portfolio is well-diversified across municipal and industrial customers, EPC and O&M and India and International markets.

Our strategy remains focused on building an asset-light technology-led water company while expanding our addressable market beyond conventional water and wastewater treatment into desalination, reuse, resource recovery, Bio-CNG, digitalization and advanced industrial water applications. This strong operating momentum is also reflected in our financial performance for the quarter.

Let me briefly take you through the key numbers of this quarter. At the consolidated level, revenue from operations stood at INR 887 crores, registering a growth of 20.8% year-over-year. EBITDA stood at INR 116 crores, growing by 21.7% year-over-year with an EBITDA margin of over 13%.

PAT stood at INR 90 crores, registering a profitable growth of almost 37% year-over-year, with an improved PAT margin at 10.2%. At the stand-alone level, revenue from operations stood at INR 739 crores, growing by over 15% year-over-year. Stand-alone EBITDA increased by over 21%, to INR 105 crores and stand-alone PAT increased by over 30% year-over-year to reach INR 79 crores for the quarter.

EPC contributed 82% of the revenues while O&M contributed 18%. Geographically, 48% of the revenues came from India and 52% from overseas markets, emphasizing our growing global presence and geographical diversification, in line with our long-term strategy.

We continued our net cash positive position for the 14th consecutive quarter with a net cash balance, excluding HAM standing at INR 965 crores as of this quarter. Net working capital days for the period stood at 108 days. We continue to focus on effective cash and debt management across the Group, along with delivering healthy returns on capital, with Return on Capital Employed (ROCE) at 19.6% and Return on Equity (ROE) at 16% for this quarter.

Our order intake during Q1 was over INR 34 billion, over INR 3,400 crores, of which about INR 29.6 billion was EPC and INR 4.7 billion was O&M. International markets accounted for 77% of the order intake in this quarter and 23% came from India.

Our order book position reached a historic high of INR 194 billion, that is INR 19,400 crores, almost $1.8 billion, which is over four times of our revenue base, providing very strong visibility for execution over the coming quarters and years. The backlog remains well-diversified with 66% EPC and 34% O&M and evenly balanced between India and international markets. Growing the O&M business continues to remain a key focus as this segment delivers predictable revenues while being asset-light, margin-accretive and cash-accretive.

We continue to maintain discipline in order acquisition, focusing on payment security, technology fit, contractual risk and returns. For us, order book quality is as important as its size. Our Q1 performance remained aligned with our medium-term outlook, delivering profitable growth, capital efficiency and a continued net cash positive balance sheet.

Looking ahead, we see a healthy opportunity pipeline across our target markets, growing water security needs driven by urbanization, climate change, industrialization and tightening environmental standards continue to support demand for desalination and reuse, particularly in water stressed regions.

With a strong order backlog, diversified execution portfolio, healthy pipeline and robust balance sheet, we remain confident of delivering a sustained and profitable growth for quarters and years to come.

With this, I will hand it over to Rohan to share his perspective on the MEA market and take you through some of the important developments during the quarter. Over to you, Rohan.

Rohan Mittal: Thank you, Skanda. Good evening and a very warm welcome to everyone. Let me take you through the key developments across the MEA market. The Middle East and Africa regions continue to be strategically important for WABAG, supported by sustained investments in advanced water infrastructure, industrial development and a long-term resource management. The region is witnessing a significant transformation in the way water is produced, treated, reused and integrated with broader economic development.

The GCC remains one of our most attractive markets globally with water security a strategic priority. Population growth, economic diversification, urbanization and industrial expansion are driving sustained demand while increasing focus on energy efficiency, sustainability, reuse and private sector participation is creating opportunities across desalination, wastewater treatment, reuse, industrial water and O&M.

Despite the recent geopolitical developments, we have seen no material impact on our projects, operations or underlying demand. If anything, these developments have reinforced the strategic importance and resilience of water infrastructure and the continued focus on water security across GCC.

WABAG has been associated with the Middle East for more than four decades. Over the last few years, our objective has been to leverage the strong credentials we have built in the region and globally to establish a broader, more diversified GCC presence. The progress we made during this quarter is an important step in that direction.

Let me begin with Kuwait. During the quarter, WABAG secured a landmark 60 MIGD SWRO desalination plant from the Ministry of Electricity Water and Renewable Energy. This is WABAG's maiden project in Kuwait and has represented an important entry into a strategically significant water market in the GCC.

This project is being delivered in partnership with HEISCO, a leading Kuwaiti engineering and construction company. For WABAG, this project is strategically important for several reasons.

First, it provides us with a marquee reference in Kuwait and further expands our addressable GCC market. Second, it strengthens our credentials in large-scale desal, an area where WABAG has built considerably global experience and where we see sustained opportunities across the region.

Third, the O&M component fits well with our strategy of increasing revenue and maintaining a life cycle relationship with our customers. And finally, our partnership with HEISCO combines WABAG's water technology and engineering capability with a local strong execution experience.

The second most important development during the quarter was our Ajman STP win in the UAE. We were awarded the third phase of the 60 MLD Ajman Sewage Treatment Plant being developed as a sewage biorefinery.

The design and build project is being executed through a WABAG-led consortium and goes well beyond conventional wastewater treatment, integrating sludge management, digestion, gas handling and power generation to recover sources and generate green energy. This reflects the broader evolution of wastewater infrastructure from treatment to resource recovery.

For WABAG, Ajman is strategically significant, strengthening our UAE presence and positioning us for opportunities across municipal wastewater, industrial water, reuse and desalination.

Our entry into Kuwait and the UAE reflects our broader GCC strategy. Rather than pursuing markets independently, we are building a regional platform that leverages our technology references and partnership across opportunities. While Saudi Arabia remains a key market, our expanding presence in Kuwait and UAE demonstrates that this regional diversification is translating into tangible results.

Beyond the GCC, Africa continues to be an important growth frontier for WABAG. We have a strong presence and water leadership in North African region for several decades, and we are evaluating opportunities across African continent, building on our regional experience and targeting markets where water security, sanitation and industrial development are driving infrastructure investment.

Africa faces an enormous requirement of water and sanitation infrastructure supported increasingly by multilateral institutions and development agencies. Our execution track record further reinforces our business momentum.

At Ras Tanura Industrial Wastewater Treatment, all our major equipments have been delivered. Installation is complete and the plant has entered decommissioning phase.

Our Al Haer wastewater treatment project is also progressing well with engineering and procurement largely complete and installation activities are underway. Executed through a One WABAG model involving our India, Turkey and Saudi team, the project has demonstrated strong engineering execution and quality capabilities.

Our O&M portfolio continues to deliver strong performance at BAPCO, wherein nearly one year into operations, we have consistently met effluent standards, reduced energy consumption, achieved zero LTI and maintained uninterrupted operations, including during force majeure conditions, earning client appreciation.

In Oman, our 6 MLD Duqm SWRO plant has operated successfully for almost two years. In Qatar, our O&M project has received Qatar's 5-star Safety and Environment Certification for three consecutive years.

In Zambia, we are demonstrating our ability to deliver innovative and sustainable solutions beyond conventional treatment through a wastewater treatment powered by green energy from a combination of biogas and solar. This project is progressing well with engineering at an advanced stage and procurement activities underway.

Our project in Senegal is also swiftly progressing towards completion. The project is currently in the pre-commissioning phase. In summary, our approach, however, remains disciplined. The size of the opportunity alone does not determine our bidding decisions. We continue to evaluate the project based on technology fit, contractual structure, payment security, partner capability and risk-adjusted returns.

Looking ahead, our MEA pipeline remains healthy across desalination, wastewater treatment, reuse and industrial water. We are also broadening our portfolio beyond traditional municipal projects with an increased focus on industrial water and O&M alongside emerging segments such as ultrapure for semiconductors, data centers, solar PV manufacturing, sludge management and resource recovery.

The combination of our established presence in Saudi Arabia and North Africa followed by the entry into Kuwait and the UAE with continued focus on further expanding our Middle East and African presence gives us a much broader platform from which we will remain an important growth engine for WABAG, and we will continue to pursue opportunities selectively while building strong local partnership and leveraging our technology leadership.

Thank you, and over to you, Skanda.

Skandaprasad S.: Thank you, Rohan, for that insightful coverage of the Middle East and Africa region. Before we open the floor for questions, we would like to sincerely thank our customers, vendors, subcontractors, partners, bankers and most importantly, our WABAGites for their continued trust and support.

With this, we can now move to the interactive question-and-answer session. Over to the moderator.

Moderator: Thank you very much, sir. We will now begin the question-and-answer session. The first question is from the line of Vaibhav Shah from JM Financial. Please go ahead.

Vaibhav Shah: Yes, thanks for the opportunity. Sir, firstly on the gross margins, we have seen some correction in the first quarter on a Y-o-Y basis. So, is it linked to some RM hike which we are facing, which has led to this fall? And second, on the other expenses, it seems to be on a higher end. Any one-offs or e-sales provisions over there?

Skandaprasad S.: Hi Vaibhav. Thank you. On the margins front, I think we have grown year-over-year when it comes to EBITDA. And of course, gross margin and contribution margin are usually a mix of the type of projects we have. So this will not be directly comparable. There may be cases where we have a mix of EP projects which are higher in the last year versus having more EPC projects in this year, number one.

Number two, on the other expenses, as we told you last time as well that we continuously evolve our policies to see that with the increasing quality of our order book and the quality of orders that we take in, the policies become more stringent in terms of making provisions for delay or anticipated default.

I want to reiterate these are provisions. So based on the new policy that we have, there are provisions which are made. Nothing abnormal. These are standard provisions that are required by the accounting standards. And as the collections happen, there is an opportunity to reverse these as well.

Vaibhav Shah: Okay. Sir, secondly, we have seen that there is a profit on associates of almost INR 5.5 crores in the first quarter. So from which subsidiary is it from where it is first and could it be recurring in nature in coming quarters?

Skandaprasad S.: See, these are the share of profit that you see is primarily from the HAM projects, which have now moved from the construction phase into the O&M phase. Since when you move from construction to O&M, there will be certain risk releases and things. As we move forward, when the O&Ms run, the profits that are accumulated in these projects, whatever is the share equivalent to our economic interest will be coming in here, may not be the exact number because, as I said, it also includes a part of the closure of the construction part.

Vaibhav Shah: Okay, okay. And sir, any slow moving orders in the backlog? And what portion of the current backlog would be currently under execution?

Skandaprasad S.: See, we had two framework orders Vaibhav, if you recollect, and we have prudently removed both the framework orders, though they are confirmed orders signed waiting for effectiveness. So today, the INR 19,400 crores order book that we have, all the orders today are effective and are in various phases of execution.

Of course, the newer orders depending on the effective dates will start, but nothing as slow moving orders or non-moving orders today.

Vaibhav Shah: And sir lastly on working capital, so from March '26 levels, how do you see it moving in the next couple of years? Will it be similar or we see some improvement on that front?

Skandaprasad S.: Yes, considering the growth that we are expecting over the next few years, we have always said that if we stay in the 100 days to 110 days range, despite the increased top line growth which will require some amount of investment, I think we are fairly doing well. But our endeavor will remain that this is further brought down.

You can already see in the last three years how the working capital days have moved from 130 days to 120 days to 110 days and now we are closer to 100 days. So, we are moving in the right direction, but I would say from an expectation perspective, if we are staying at 100 days to 110 days range, I think we are doing very well because as you know we are an asset-light organization, our only asset is working capital. And if we do not even invest three months of working capital into the business, how do we even grow?

Vaibhav Shah: Okay, okay. Sir, lastly one book keeping question...

Moderator: I am so sorry to interrupt Mr. Shah, you may please rejoin the queue for follow-up questions.

Vaibhav Shah: Sure.

Moderator: Thank you. We will take our next question from the line of Kishore Kumar from Unifi Capital. Please go ahead.

Kishore Kumar: Yes. Thanks for the opportunity and good evening sir. Sir my first question is on the execution. So we almost received more than INR 6,000 crores orders in the last couple of quarters. How do you see the execution given the challenges in the Middle East? Because rest of the market contributes close to 50 percentage in the order backlog now.

And I think we import a lot of equipments for the EPC business that we do in the Middle East. So how confident are we in the execution in the coming quarters? Do you see any challenges in terms of mobilization of labors or equipments or materials for the EPC?

Skandaprasad S.: Thank you, Kishore. See this is not the first time we have had an experience around managing the business in the midst of a geopolitical event. And I don't have to remind you on the multiple times it has happened in the past. This is not something that has happened in this quarter, even the current event has been progressing for more than two, three quarters now. And we have been able to manage the projects well.

I want to reiterate that the projects in the Middle East are far away from any of these strike zones. We don't do any of the sanctioned work. All these projects are social in nature, they are water, sustainable, and hence these projects generally remain fairly insulated from any of these issues.

So from a ground execution perspective over the last three quarters or more, even despite these events, our projects have been progressing well and this is what Rohan also mentioned during his opening remarks.

Second, yes, all these events bring different kind of challenges, whether in terms of price, whether in terms of supply chain, whether in terms of on various space of activity. Which I think with our historical record you have seen we have been able to manage it well and I'm sure we will manage this also. Such events also have to be seen from the lens of a force majeure, because some of these events will create situations where it is not a normal situation.

So we have written appropriate contractual letters to our customers and so the customers are also aware that any price increases, any time delays will be referred to them and we will arrive at an amicable solution.

So in summary, projects are progressing well. The new projects are also moving at the pace at which we believe they are good to move considering the backdrop that we have, and we don't have any material concerns at this point in time as far as our international revenues are concerned.

Kishore Kumar: Got it sir, got it. The second question is a follow up to the previous participant's question on the margin. So, I know we actually operate in multiple countries and we have unbilled revenues or contractual assets in the balance sheet, and that actually results in the forex gain. But it's a significant portion in the bottom line in Q1. So if I adjust for it actually the bottom line actually has declined or the EBITDA. So as the gains in current quarter have been realized or it's more of an accounting entry that we did? Just wanted to understand this bit clear.

Skandaprasad S.: See Kishore, there are two types of gains. As you rightly said, there are transaction gains and there are translation gains. Translation is usually what happens through the translation reserve that doesn't get passed through the P&L, it only gets passed through the balance sheet. These are all gains that we have from transactions. And what we need to understand is we are increasingly going international and it is important to understand that these are the factors that we take into account even at the time of bidding. This is an important element of the whole bidding process.

Second, I don't remember that in the last year first quarter somebody adjusted for the forex loss when there was one. So I don't want that you also get surprised when we have a forex gain, because as we go increasingly international, you are going to see this more and more. And these are all absolutely transactional. You raise an invoice, you collect the money, you get forex gains. You book a cost, you pay the money, you get forex gains or loss. So these are part and parcel of the business and that is why we are very clear that forex gains or losses are part of our operational results.

Moderator: Thank you. Next question is from the line of Sudarshan Padmanabhan from ASK NDPMS. Please go ahead.

Sudarshan Padmanabhan: Yes, thank you for taking my question and congrats on a great set of numbers. Sir, my question is even if I look at the quality of orders that you have got in this quarter, one, is specifically on Vienna Water Works we have been able to get towards this high-end drinking water. And this is something very unique in terms of moving up the capability curve for us. So if you can give a little bit more color about do we see more inquiries around similar kind of capabilities where we move up the value chain. And now that this side of the developed market is opening for us, so what is it that we are doing as far as infrastructure is concerned and capabilities is concerned to cater to this kind of a demand?

Skandaprasad S.: Thank you, Sudarshan. I think it's an interesting question, but also contextual with the new Vienna order. Yes, it's an advanced technology order, but WABAG is a 100-plus year-old brand. And our core is technology-led water infrastructure. We are a technology system integrator, not a EPC organization. So for us, the first filter to select any project is only if there is advanced technology.

So the notion that only the Vienna project has advanced technology, while the rest are a little less advanced is what I want to first take out. You take projects like Kuwait, which is a high-tech desalination project. Ajman, we have a wastewater treatment plant, which also is going to produce bio-gas. We have orders with Reliance. These are cocktail of effluents, which we will treat. We have Ras Tanura refinery in Saudi Arabia, again, a very, very complex project. So that way, all the projects that we do irrespective of the region, always passes through this filter of advanced technology. We don't do run-of-the-mill projects per se. All these projects apply our technologies. We have over 125 IP rights, which we internally develop through our R&D and utilize in our projects.

On developing the developed markets, I think this is something where we have taken a cautiously optimistic view. We remain active in this region from our historic presence. While our focus will remain the emerging economies, we don't want to let go of any project in this region as long as it falls within our contours of technology, cash flow, margins and overall payment security. So this we will continue to pursue. As we said, we will be selective in this region, but we will remain active in this region as we have done even in the past.

Sudarshan Padmanabhan: Sure, sir. Sir, my second question is incrementally, we are receiving a lot more orders from the international business. So, if you can give us some color with respect to what is the execution time line vis-à-vis what it is with India or even the execution time lines and the contours vis-à-vis what we used to do, say, a year ago. So that would give us a little bit more insights towards the margins as well as the time lines of the execution.

Rohan Mittal: When it comes to India or outside, it depends on the complexity of the order. But generally, the orders outside India are faster. These are more, I would say, more defined, the timelines. And you see a very good mix of consultants, clients, all pushing us to achieve the project to be faster because these are more funded projects where the water is sold on tariff basis. So, the faster you finish the project, the better it is for the developer and the EPC contractor. So our iota would be to finish the project faster outside. Hence, you will see a more, I would say, not much, but maximum of six months faster, I think, the execution timelines outside India. Say, 36 months in India. Outside, you'll see more 24 to 30 months is what the timelines that we see.

Moderator: Thank you. Next question is from the line of Dhananjay Mishra from Centrum Broking. Please go ahead.

Dhananjay Mishra: Yes, thanks for the opportunity. You mentioned that we are going to focus more on Industrial segment. And in our order backlog, it is about 12% to 13% at present and it used to be more than 20% two to three years earlier. So, which area and which segment you are going to focus and geography-wise you can give some color on that?

Skandaprasad S.: See, Dhananjay, this cannot be seen at a point in time. It has to be seen over a period of time. I remember up to 2024-25, we used to have an average of about 30% revenues coming from Industrial. So these are also capex cycles and phases through which it goes.

And obviously, water being a social subject will have the sizes coming from municipal. Having said that, if you would see the last few orders where we have taken either from Reliance or from GAIL in PATA or from BPCL for their Bina refinery, the Ras Tanura project in the Middle East or the orders for Aramco that we did in the past. So we have a good mix, both India and international in terms of the industrial clients.

Two parts to it. The first one is your traditional industrial market. The traditional industrial market, 90% of it would come from oil and gas plus upstream, downstream. And this has remained our core market, whether you talk about Aramco, whether you talk about PETRONAS, OMV, Dangote, and the like. Of course, 10% will come from other sectors, because the other sectors, compared to oil and gas, do not provide the kind of sizes that we look for in terms of economies of scale.

The second part is the future energy solutions, which Rohan also mentioned in his opening remarks, data centers, solar, semiconductors, hydrogen. Here, we have repeated that these are decadal views that you have to take. This is not something that over the next one or two years that will become a significant share of the Industrial segment. But I'm sure over a period of three, five, seven years, this will become a meaningful part of the Industrial mix, especially with the kind of water requirement that is needed in these industries, you take AI, you take the kind of data center explosion that is there for cooling, ultrapure water for solar and semiconductors or any demineralized water for green hydrogen production, water is going to be the mainstay in these industries, whether as a raw material or as an important component for them to keep running.

So, we would say over a period of time, our objective will remain to take industrial order mix to be around 20% to 25%. That would be a good mix to have. And the new industries also we are developing through a special initiatives team. And you will see in the next few quarters and years that this will also get developed and we will also produce meaningful results there.

Dhananjay Mishra: And secondly, sir, in Q1 order inflow, we have categorized niche of the orders like EPC, DB. So when we say DB, it is only the Engineering and Procurement part or Construction part is not there and it could be high margin compared to EPC. Earlier we used to give this EPC backlog or EP backlog. So, how the ratio is currently now?

Skandaprasad S.: I don't have an immediate number on the EPC-EP backlog, but I would say today, with the kind of projects we have a higher EPC mix. The recent orders, of course, have a more tilt towards EP, if you talk about Ajman; Doha, again, is a high-technology project, along with O&M, it's a Design, Build, Operate.

So, you are right, the Design, Build project will generally be better in margin because there is no construction. Construction for us is a pass-through. Our idea would remain that to see if we can have more design build orders. But of course, even when we take design build, operate orders, since construction is a pass-through, effectively, our margins are made only from design and build.

Dhananjay Mishra: Okay. Thank you, All the best.

Skandaprasad S.: Thank you, Dhananjay.

Moderator: Thank you. Next question is from the line of Sailesh Raja from 360 ONE Capital Market. Please go ahead.

Sailesh Raja: Yes, thanks for the opportunity, sir. Sir, we have seen single-digit 7% Y-o-Y growth in the O&M revenue for the quarter. So how do you see the O&M revenue growth for the remaining quarters as well as for the full year? By when we can achieve 20% of revenue? Also, can you update on this Kodungaiyur project, have you started refurbishment work?

Skandaprasad S.: Thank you, Sailesh. I think, yes, you are right. On the O&M, the growth has been about 7% Y-o-Y. O&M by structure will grow at this pace because projects have to be completed for it to move into the O&M phase. Through this year, you will see we will complete projects and those will move into the O&M phase. For example, we have completed the Ghaziabad project. So that is now into O&M. We have Digha-Kankarbagh, which is completed that is into O&M. Next year, we will see Perur.

Kodungaiyur will go into refurbishment now, but the O&M will continue even during the refurbishment phase. So, you will see the O&M growing. Look at it more from a two-, three-year angle rather than merely one year because there will be crests and troughs in the growth.

Your question on what is happening at Kodungaiyur. Kodungaiyur, we have signed the agreement. We also have submitted the project report to the PE. PE is currently evaluating. While the PE is evaluating, we are, of course, still maintaining running the plant.

So, the refurbishment phase should start any time now. We are only waiting for the date to start. And after that, it's a 20-year project, one and a half years of refurbishment phase along with O&M, followed by full operation for 18.5 year period. So, anytime soon, we will start the refurbishment, Sailesh.

Sailesh Raja: Okay. Sir, my second question, Saudi Arabia has been one of the biggest growth market for WABAG. So has there been any change in the tender pipeline or project award scheduling in Saudi Arabia? So what is the status of this IST project and also opportunity for us in the LTOM, sir?

Rohan Mittal: Hi, I believe Saudi, I don't think the effect of the war has been so much and water being a critical part of the region, the dependency on desal on water reuse, which is what Hadda is going to do. The water is going to be used for agricultural and beautification reasons of the wastewater. So, I don't think there has been any slowdown. We are in touch with the client. So yes, we are seeing newer and newer projects. We are seeing Sharakat, which is one of the main customers for us, they were called SWPC before. They have announced that a series of projects that are going to come out.

And also to reinsure their focus on water, 2027 has been announced as a Year of Water by Saudi. So it shows how much focus on water they have. I think that is imperative that they will not go down and slow down on any projects. We have more than half a dozen of inquiries that are actively, we are working on. So I don't see a slowdown in a bid pipeline. So and we are seeing a good mix. It's not just the government entities. We have also seen a lot of private entities coming out with tenders, which we are actively pursuing. So as far as the market, if you take the perspective of it, there is nothing that is slowing down. Either you take the execution or their seriousness or their intent to go for more water secure regions. So this is what I would say.

Sailesh Raja: The status of LTOM sir?

Rohan Mittal: See, the status of LTOM, it has not been published by NWC. They are going through the tender, the submittals. But meanwhile, we have had the next tenders that are out. And looking at Saudi, we are seeing a lot of other countries also going for it, which we are actively pursuing. So I think this is a good concept. We have done it in the past. We have done it in Turkey. We have done it in Agra and Ghaziabad. So I believe that this is the future, and I'm very happy to see that people are realizing this and making it where WABAG already has a first advantage of getting into these projects.

Sailesh Raja: Okay sir. Thank you sir. All the best.

Moderator: Thank you. Next question is from the line of Krish Talot from Veer Growth AIF.

Krish Talot: Good afternoon sir. Sir, most of my questions were answered. I just wanted to understand as we are moving more towards international projects, there will be competition from other large players, where they would also have a similar kind of design know-how as well. So on what ground look we are able to compete with them? And also on the domestic market, domestic order growth has been slower this quarter. So how are we looking in the domestic market as well, if you can shed some light on that?

Rohan Mittal: Yes. So, on the international, if you see the majority of Middle East and Africa, there is competition. But one thing that we have an advantage, I would say, is our extensive track record of being in the region. There are very few companies who have been four decades in the region working internationally. We are also a well-reputed brand. So that recognition and advantage comes to us.

We also have our IP rights, which we use for captive use. And that is something that we also have. And the best part is that we are in the underdeveloped countries like Turkey, Egypt, and India, that's where a majority of the workforce comes from, which gives us an overhead advantage over all the competition coming out from Spain, French or any of the European nations. So this is something that we have a tagline called European quality at Indian prices. I think that suits us and that says that how competitive we are. And a big part of doing so is that we have built 7,000 plants. We do a lot of value engineering. We have a lot of data that helps us to do a competitive bid.

Krish Talot: On the domestic?

Skandaprasad S.: Yes. On the domestic front, I think we have seen traction now coming after many quarters of flood. You've seen over the last three, four quarters that it has opened up whether on the industrial side and now on the municipal side as well. So we are seeing traction. But purely because of the sizes and the number of countries outside India, the multilateral funding flow, the kind of need for water, the significant order flow continues to remain from outside India, and that is why we've also made our strategy in line and also focus our resources on the international markets.

While India will remain a very strong part of WABAG base, this is our home country. We can't leave our water leadership here. But we are seeing incrementally the sizes are much bigger outside India. I'm sure in a few years, India will also have larger projects when we will also see India growing at a similar pace as international markets.

Krish Talot: Also, sir, on the margin front it looks like we are seeing on a year-on-year basis on our international PBT has fallen and I understand it could be because of the product mix and EPC, construction mix will be higher. But however, on the overall project front, what kind of margins you can see in international markets and as well different projects in domestic markets?

Skandaprasad S.: See, I think we don't necessarily look at margins by region. That is not the right way to look at it. The right way to look at it is by the type of the project, the counterparty and obviously, what is the scope of the project. So whether it is EPC, O&M or is it EP, EPC or whether it is a desal versus a conventional sewage treatment plant, these are the ways to look at margins. And that is why in our medium-term outlook, we gave a blended EBITDA margin outlook of staying within 13% to 15% of EBITDA. And there, you have seen in the last three years, we have been consistently performing on that, and our endeavor is to continue growing that more towards 15%.

And this year, we are also completing that tenure of the medium-term outlook. Currently, we are working on the next long-term strategy, which is Wriddhi 2.0. And I'm sure in the Annual Investor Meet when we meet for FY 27 in May next year, we'll be able to present to the investors our strategy for the next five years. I'm sure you would have seen our presentation to the investors this year in terms of the opportunity set that is available for water. And in the next year, we will also present a more focused strategy for the next five years, where you will see growth, especially profitable growth and cash back growth will remain our focus.

Krish Talot: Thank you so much.

Moderator: Thank you. Next question is from the line of Mihir Vyas from 9 Rays EquiResearch. Please go ahead.

Mihir Vyas: Hi sir. Thank you for the opportunity. Sir, on our operational margins, they are down from 15.8% in Q1 FY26 to 8.9% in Q1 FY27 without taking into account forex gains and losses. Do we expect these margins to improve going ahead?

Skandaprasad S.: Mihir, we don't understand the vocab of margins, excluding forex, if we have more than 52% of the revenues coming from international geographies, the forex gains are going to be there. The accounting standards mandate this to be recorded in a separate line, but that does not mean these are non-operational gains. So for us, we have grown from last year to current year on operational level. We have stayed above 13%.

So we want to reiterate that forex is completely operational. We don't have forex loans. We don't have foreign asset liabilities on which we trade. All these are working capital. These are invoices raised, invoices booked, money is paid, money is received. So these are completely operational in nature. And you will see forex as an integral component with us going more and more global. So, I would request please consider looking at it, including forex, where you would see on year-on-year basis, we have grown.

Mihir Vyas: Thank you sir. And do we see any impact of Middle East war or forex to be affecting our guidance what we have been giving?

Skandaprasad S.: The Middle East war has been on for the last three, four, five quarters, I don't know how long. And you have seen our numbers, we have been delivering. So I don't really see that as an impact. We explained even earlier that we have very, very minimal impact from the geopolitical situation. We are confident of managing it. We have the historical experience of managing it. Even in the recent past, during these trying times, you did see us performing well. And I'm sure the management is equipped enough to deliver on whatever outlook that we have given.

Moderator: I'm sorry to Mihir. You may please rejoin the queue for new questions.

Mihir Vyas: Just a follow-up. Sir, are we hedging our currency exposure?

Skandaprasad S.: We have a natural hedge, Mihir. As you know, while we have a lot of exports, a lot of these are also backed by imports from third countries, where we will have to get spec equipment from Europe, from Japan, from the U.S. and various other geographies. So we have a natural hedge when it comes to it. Whatever is the small component of difference between the revenues and the cost, that is anyway covered through a PCFC. So we generally don't have any significant unhedged components of our cash.

Mihir Vyas: Thank you sir. Thank you for the opportunity.

Skandaprasad S.: Bye Mihir.

Moderator: Thank you. Next question is from the line of Amit Jain from Monarch Networth Capital Limited. Please go ahead.

Amit Jain: Hi sir. Thanks for the opportunity. Just want to understand as a technology company, if you can provide more details on your R&D expense and new patent filings?

Skandaprasad S.: See, Amit, this is a continuous process. I would say from a competitive side, we would prefer not to make it public. We do, of course, give out what areas we work under like, for example, ceramic membranes, like for example, deammonification, the newer issues like PFAS, membrane crystallization. So we do all of these activities, but we would prefer not to give too much of details around it.

Amit Jain: And second, sir, does these patents or IP rights help us how does it help us in winning or winning key projects? Sir, if you can give one or two instances, if you can just to understand it better.

Rohan Mittal: I think, Amit, like there are multiple 125 IP rights. One of them we frequently use is something that we have, which we use it only for our captive use is flat valves. So this helps in reducing the sizing of the filter. And when you talk about a huge project, either you take a desal or a wastewater or STP, where you have a filtration before the water going to the RO. We use our own patented technology of flat valves. We have our own drainage flow.

So, many of our competitors have to buy it as a bought out item, but we have something of our own, which we produce. So this also gives us an advantage because they load over the price of the product companies. We have many like this, but if you ask for an example, I think this is the example that we have.

Amit Jain: Thank you. Thank you so much.

Moderator: Thank you. We will take our next question from the line of Shubham Borade from ICICI Securities. Please go ahead.

Shubham Borade: Hi. Thanks for taking my question and congratulations on good set of numbers. So I have a very simple question. We have a record order book of INR 194 billion. So how much on a conservative basis we can see execution in the next three quarters?

Skandaprasad S.: See we have already guided for a 15% to 20% growth, Shubham, and we are confident of meeting that. And I'm sure you know that our endeavor will always remain to be better than what we promised. So, I think enough said.

Shubham Borade: Thank you.

Skandaprasad S.: Thank you.

Moderator: Thank you. Next question is from the line of Parth Thakkar from JM Financial. Please go ahead.

Parth Thakkar: Thank you for the opportunity. I would like to know what is our current bid pipeline domestically and internationally? Hello?

Rohan Mittal: I think as the market is opening up in the Middle East and Africa, we see a strong bid pipeline, but obviously, keeping that around $2 billion to $3 billion. I don't have the number over the top of my head, but I think that's the bidding pipeline that we have. And obviously, some of them are in advanced stage, some are in still the consultant stage. So I think that's the kind of market that we look at.

In India, we somewhat see around, say, $1 billion to $1.5 billion. I think that's the kind of size that India domestic gives us. So I mean, broadly, that is the size.

Skandaprasad S.: So at any point in time across regions, if you see between Middle East, Africa and India, we follow projects which are anywhere between 2 to 3 billion, right? Roughly INR 20,000 crores, INR 25,000 crores.

This could be in all phases. It could be expression of interest, it could be early DPR, it could be a request for proposal, it could be a tender submission, it could be under evaluation. But that's the kind of order sizes that we follow at any point in time. So, this is what we call as our pipeline because projects generally take 12 to 18 months to completely fructify and come to a tender and an award.

So, we start very early, work through the phase, selectively targeting projects which are a fit for what our organization is. So that's the kind of pipeline that we generally follow across India, Middle East, Africa and the regions that we work in.

Parth Thakkar: The timeframe will be around 18 months for these INR 25,000 crores projects?

Skandaprasad S.: See again as I said this is total TAM there are projects which we will like to bid, which we'll not like to bid but generally you can take, Yes, over the next 18 months is the timeline over which we will follow these projects and see that they get to a tender base.

Parth Thakkar: And what would be our order inflow target for this year and also if we are L1 in any of the projects?

Skandaprasad S.: See we have not given an order inflow target. We have already given an order backlog multiple to be beyond 3x, we are already beyond 4x. And that we are confident of maintaining. There is a very good and robust pipeline. You already know from an L1 status, Hadda is something we have already announced as a preferred EPC partner. There are a few other projects where we are in a preferred situation and we will make appropriate disclosures as soon as it comes to a stage where we can announce to the market.

Parth Thakkar: And last question, what would be our share of Middle East in order backlog?

Skandaprasad S.: I would say about 40% of the order backlog would be Middle East today. Because we have Africa, we have Southeast Asia also. The rest would be India. Today roughly it is balanced 50-

50 between India and international markets, anywhere between 35%, 40% would be the kind of Middle East mix that we have.

Parth Thakkar: 35% to 40%. Thank you, sir.

Moderator: Next question is from the line of Sriharsha KJ, an Individual Investor. Please go ahead.

Sriharsha Kj: I have just one question. This quarter the order backlog it does not contract of around INR 611 crores previous quarter. Any particular reason for this?

Skandaprasad S.: Mr. Sriharsha, you have seen that from the last quarter, we have removed INR 600 crores worth of framework orders. This was prudently removed and I did answer one of the earlier person’s who had asked this question. Though these orders were in our order book, signed, stamp duty paid, but we were waiting for effectiveness.

Today, we decided to prudently remove it. And today, our INR 19,400 crores is all orders which are ready for execution, waiting for effective date or already under execution or O&M, which is waiting for EPC to be complete. So that's the reason why you would see that the difference of INR 600 crores on a mathematical calculation.

Sriharsha Kj: Okay. Thank you.

Skandaprasad S.: Thank you.

Moderator: Thank you. Next question is from the line of Amay Sharda from Purnartha Investment Advisors. Please go ahead.

Amay Sharda: Hi, sir. Thank you for the opportunity. Just had two basic questions. One was that we have guided a 15% to 20% kind of a revenue growth rate. But like is there some kind of a bottleneck that stops us from growing higher than 20%.

Skandaprasad S.: Amay, we have grown by 21% this quarter. So, I don't believe there is a bottleneck. It is only the pace of the projects. Our mantra has always been that we promise what we can, but we certainly do more than what we can.

And you will see that we are always delivering on the higher side of our guidance, not on the lower side of our guidance. So, there is a bottleneck as such for our growth. With the kind of order book we have whether you or me like it or not, we have to deliver and the consequence of revenue growth will be there.

Amay Sharda: Understood, understood. And another question was that so we have mentioned that a lot of our projects have moved into the key commissioning phase. So does that mean that those projects will get completed within the next one to two years?

Skandaprasad S.: If it is commissioning phase, it doesn't take 1 to 2 years. It is generally poised for completion over the next couple of quarters. That's how close commissioning is. Commissioning is usually a 1 to 2 quarter kind of a thing.

Amay Sharda: Okay. Okay. Thank you so much, sir. Thank you.

Moderator: Thank you. Next question is from the line of Krish Salot from Veer Growth AIF. Please go ahead.

Krish Salot: Thanks for taking again my question. I just wanted to understand from last year basis, what would be our EPC part of the construction, as you mentioned, this year, EPC was higher than EP. So if you can give some bifurcation on that. And as we are increasing our international projects, could we see a further improvement in our working capital days as well as you mentioned that there's around six months earlier commissioning in those projects?

Skandaprasad S.: I'll take the second question first, Krish. On working capital, what I mentioned was if you are looking at growth 15% to 20%, especially being in a construction sector, having a 3 to 3.5-month kind of working capital is something that is not abnormal. And that is what is our only growth and the only investment for the growth that is there.

Yes, you are right, with more international orders, the working capital quality will certainly improve because the payment patterns, payment time lines, the contractual administration is much better outside India than in India. So you are also seeing over the last 3 to 4 years as our international mix continues to improve, our working capital days have also been sequentially coming down.

I think your first question was on the mix of EP and EPC Internationally. I think internationally, the opportunity to have EP orders is much higher, especially on industrial contracts, we tend to have EP. Sometimes we have partnerships through which we do EP, like, for example, in Ajman or in Doha, you would see our technology and procurement component will be significantly higher. And these kind of orders allow us to move more EP internationally.

India is still largely an EPC market because of the nature of the customers itself. But here also, we see if we get an opportunity, like, for example, Indosol Solar. We are building a desalination plant on EP basis. So it depends on the market. But yes, the international markets offer you better opportunity to look at EP projects.

But as I said earlier, even if it is an EPC project, we get partners for a pass-through of construction. So, for us, the risk profiling remains the same, though the construction revenues and costs will pass through our books. So we don't take a bias. But if given a chance, yes, we will go more for EP orders.

Krish Salot: And sir, if you can give me some quantification for this quarter, so how much would have been EP and EPC.

Skandaprasad S.: Would be largely EPC. This quarter, as I said, as a project company, it's very difficult to measure every quarter what would be the EP, EPC though even if I give you metrics, it may not be the right representation. We'll have to see it over a period of time. But from a number perspective, a majority of the revenues would be EPC. Our top 5 projects would be largely EPC.

Krish Salot: Okay. And if you can just give some understanding on a full year basis, our orders will be more and on a multiyear basis as well, our orders will be more towards EP?

Skandaprasad S.: Krish, our endeavor will be to do EP projects, but that is not our bottleneck. It's not that we have a very strict policy that we will go only for EP projects. As I said, even in case of EPC projects because you have partners, you are practically offloading your construction risk. So, for us, it is an EP risk profile even if we go for EPC project.

So, on a multiyear basis, our endeavor would be to at least do 10% to 20%, at least coming out of EP, if not more. In the past, we have even done one-third of our revenues from EP. But as I said, that is not our constraint to do projects. We will not be constrained by whether it is EPC or EP. We will focus on the quality of the project, the quality of payment security and whether it is an advanced technology.

Krish Salot: Okay. Thank you so much.

Moderator: Thank you. Next question is from the line of Manish Maheshwari from Equity At Work Family Office. Please go ahead.

Manish Maheshwari: Hello, sir. What is it that we have Chennai order, what has been the completion so far and the revenue recognition?

Skandaprasad S.: Which Chennai order are you referring? We are doing a lot of orders in Chennai now.

Manish Maheshwari: Perur, CMWSSB.

Skandaprasad S.: Perur, the engineering is largely done. The procurement, all the major items have already reached. Construction is at a very advanced stage. And you will see the installations are underway already. We have finished the marine works. We have already done 80% to 85% of the concreting, we have finished 1 lakh cubic meters, the highest in a single project in our history. So I would say today, we are 75% there or more in terms of completion. What is left now is to finish the completion, go into commissioning, which we will do over the next few quarters.

Manish Maheshwari: And what quantum of revenue recognition has already done?

Skandaprasad S.: I have to come back to you. I don't have an exact number, but our IR team will come back to you on that percentage.

Manish Maheshwari: Second question is, Yamuna is a very, very profound and enormous opportunity, right? So any orders are we sort of expecting or envisaging this year, this financial year from Yamuna particularly Delhi?

Skandaprasad S.: Yamuna, yes, we've already seen we have got one order from DJB in Mitraon. And we are following the Yamuna cleaning plan. And obviously, having the relationship with DJB for many, many years and decades now, I think we have a good opportunity there. We are following it. We are following the tenders and also working on it. And you will see in the next few quarters as the orders of our size and our contract fit and something that fits our technology that we're not in the race for orders today. Thankfully, we have sufficient order book. So we will take orders, which really create a technology impact. So in short, yes, we are following it, and we will look at the fit and take an order, which meets all our requirements.

Manish Maheshwari: Sir, we are a market leader in this entire spectrum, particularly in the water space, right? Sir, so any price discovery is yet to happen, right? I mean we are far, far ways to go, right, in terms of price discovery. So we have all the ingredients and the growth levers in place. What is it that we're missing out on the fact that I mean the solid price discovery is actually not happening.

Skandaprasad S.: Price discovery on the delivery front?

Manish Maheshwari: No, sir, I'm talking about the public markets, the stock ticker, the price.

Skandaprasad S.: So we don't generally get driven by it. I'm sure the market has much better people to understand how to reward multiples. We focus on our performance, and we have seen that has also delivered sufficient rerating, whether it comes to credit rating or the public market rating. We are seeing that over longer periods of time, performance gets rewarded and that is what we will focus on.

Now if the markets decide to reward us now one year later, one year earlier, that's not in our hands, and we don't get bothered by it. We have seen over the last 3 to 4 years how the price has moved. So we understand that, that is a reflection of our performance. So for us, that's the learning, and we'll continue to perform in that direction.

Manish Maheshwari: I mean, the price discovery in terms of attaining a higher and higher market cap, at least INR 15,000 crores to INR 20,000 crores it's something that we should get there eventually, right?

Skandaprasad S.: I can't control the market cap. I can certainly pray for it and work towards it. And we are confident from history that our market cap will continue to grow because in longer periods of time, delivery does get rewarded. You've seen that happen in the past. So we are also confident all shareholders, including you, will find the best way to reward and price discovery, of course, will happen automatically.

Manish Maheshwari: Great, sir. Thank you.

Moderator: Thank you. Next question is from the line of Arjavi, an individual investor. Please go ahead.

Arjavi: Hi. Thank you for taking my question. My question is regarding the order book, which now stands at INR 19,400 crores. So can you give us some visibility on how much this is expected to be executed in FY 27, '28 and '29. And as the international projects ramp up, should we expect EBITDA margins to remain 13% to 15% range or move up further? Thank you.

Skandaprasad S.: So second question first. 13% to 15% is our medium-term outlook. I think we will stick to that band for now until our long-term strategy rehash is done when we will give you a refreshed band of profitability trajectory. I'm sure you have seen that over the years, we have also continually improved this margin. We've given a band for fees. But obviously, year-over-year, we try to keep improving our margins.

On the first part relating to how much of the order book will be executed, you'll have to first split it into EPC and O&M. O&M is more longer-term. We have orders which are 5, 7, 10, 15, 20 years. So a very blind average on the backlog that we have would give us anywhere between 7 to 10 years of recurring revenues.

On the EPC, Rohan did answer a question earlier. I'm not sure if you were there at that point in time. The EPC orders in the international markets are generally 24 to 30 months in terms of execution cycle. In India, it's about 36 months or more of execution cycle, plus or minus a quarter depending on whether the project requires a permanent establishment, requires the contract signing, requires some CPs to be completed. So that is the kind of cycle over which the revenues will pan out.

Again, I'm giving you these time lines from a start to end perspective. Today, in the order book, you will find orders in various stages. Some would be in the later part of the execution, like, for example, the previous caller asked about Perur, Chennai. So that's in an advanced stage, which is in the installation and commissioning.

You'll see an Ajman or Kuwait in the early stage where it is contracts and early engineering. You'll find some orders like BPCL, some orders like Reliance, which are in the middle phase. So each of these orders will be in different phases. But broadly, our expectation is that these orders would be executed over the next 36 months.

Arjavi: Okay. Thank you.

Moderator: Thank you. The next question is from the line of Dhruv Hingorani, an Individual Investor. Please go ahead.

Dhruv Hingorani: Am I audible?

Management: Yes, you are audible, Dhruv. Please go ahead.

Dhruv Hingorani: Hi. I had two questions. Firstly, on the EBITDA front, we have given a guidance of 13% to 15% in the mid-term. And mostly, we have been on the lower band of it because of the product mix of EPC more recently. So is it that in Q3 and Q4, we would be more towards the 15% margins going forward because of the mix? And my second question is we had around INR 140 crores receivables from Genco that was in arbitration. So where is that right now? And what's the visibility on its recovery going forward?

Skandaprasad S.: Okay. I'll take the easier question first. The TSGENCO arbitration is sub-judice. We went to the Supreme Court. We also told the market about the outcome. But of course, the Indian judicial system allows challenging at various phases. So from our perspective, I think at the highest court, we have a clear verdict in our favor. That at least gives us the assurance that it is recoverable.

In terms of time line, I think you know better whatever date I give or what you make as a guess, both of us could be correct, both of us could be wrong. So I will refrain from giving a timeline on this. But where there are significant updates on this matter, we'll certainly communicate to the shareholders transparently.

In terms of EBITDA, you spoke about the 13% to 15% band. We have been more in the 13% to 14%. As the name suggests, we have given a medium-term outlook. So this is more a 3- to 5-year kind of outlook that we have given.

With the economies of scale moving up, you will also see that the EBITDAs have to naturally be better because we are a modular business. And I also mentioned about the long-term strategy rehash that we are doing in which we will have a better confirmation on the margins.

But I would also like to have 15% by the end of this year. But realistically, with the kind of projects we have, it is more fair to expect a 13% to 14% kind of band in this year. And over years, it will certainly improve towards 15% or more depending on the sizes that we are operating.

Dhruv Hingorani: Got it. Got it. Thank you.

Moderator: Thank you. Next question is from the line of Chinni, an individual investor. Please go ahead.

Chinni: Yes. My question is, are we slashing trade in terms of orders? Can we take more of the orders? And do we have the capacity to execute them requires more capex to take more orders?

Skandaprasad S.: We are an asset-light organization. There is no capex required for taking orders. And as we have said, we are a modular business. So larger the order, better it is for us. So we don't have any such capacity constraints to take orders. But that doesn't mean that we would go for every order that's on the anvil. It has to meet all our requirements. It has to meet the thresholds that we have set, the margin threshold, the cash threshold. So we are very selective, but very optimistic about the market. We will pick the orders and ensure that our growth is intact.

Chinni: Yes. Thank you. And are we having any plans to spread our wings to South America, something like Brazil other region?

Skandaprasad S.: Well, we have tried our hand at South America earlier. I think culturally, it's a very different region to be in. We are keeping our eyes on the market, whether it is South America, whether it is developing markets. We will see if the project fits our kind of filters, then we'll be happy to take it. But we will not go into a region just because there is a larger order because you need a cultural fit to work in a region. So that's a market, where we have our eyes on, but we don't have our, let's say, feet in the ground.

Chinni: Okay. Thank you.

Skandaprasad S.: Thank you.

Moderator: Thank you. Next question is from the line of Mudit Bhandari from IIFL Capital. Please go ahead.

Mudit Bhandari: Just one question. In terms of international market, in which countries are our orders in their local currency and in which countries are in some other currency, let's say, INR or any other currency?

Skandaprasad S.: See, Mudit, most of our orders outside India are either in USD or euro or any of the currencies which are pegged to USD. So for example, SAR or Qatari Riyal or Kuwaiti Dinar. We generally go for internationally convertible dirhams. We go for international convertible currencies only.

What is required to be spent in that local market alone is taken in the respective local currencies. So that way, we don't have any currency conversion issues or forex-related issues. So I would say almost every project goes in this principle. We don't take gambles on currencies, which are not internationally accepted.

Mudit Bhandari: Got it. Thank you so much.

Management: Thank you, Mudit

Moderator: Thank you. Next question is from the line of K Rajesh, an individual investor. Please go ahead.

K Rajesh: Congratulations on good set of numbers. I just had one question. So in the presentation, we highlighted the new avenues for growth, right, like solar PV, semiconductor, data centers and green hydros. So how do you visualize the order inflow in the coming like 12 to 18 months? Like how much? -- and congrats for the breakthrough order in this sector.

Skandaprasad S.: Thank you. See, I did mention to a question earlier that these are sectors where you have to have decadal view. If I would say 50% of my industrial order book would come from these sectors over the next 12 to 18 months, I would practically be not telling something, which is in the direction.

Today, we have RenewSys, Ultrapure Water. We have Indosol Solar, which is desalination. We have Ghaziabad CBG. All of these orders, we have started seeing that the breakthrough is already there. Solar, we have already been able to make the breakthrough. Next, there is semiconductor, data centers where cooling and Ultrapure Water will be required. And the very long-term part will be the green hydrogen. So I would say look at it more from a three to five year scale over the next 12 to 18 months, I say one or two orders selectively, we like to pick high technology. But over a three to five year period, this is expected to be a more meaningful number.

K Rajesh: Got it. Thank you for answering my question.

Skandaprasad S.: Thank you, Rajesh

Moderator: Thank you. That was the last question for today. With that, I now hand the conference over to Mr. Skandaprasad Seetharaman for closing comments. Over to you, sir.

Skandaprasad S.: Thank you, friends, for your active participation in this Q1 FY 27 earnings call. We have uploaded the analyst presentation on our website and also in the stock exchanges. In case of any further queries, you may get in touch with our Investor Relations Advisors Adfactors IR or feel free to get in touch with us directly. Thank you, again for the participation today. Good evening. Goodbye.

Moderator: Thank you very much. On behalf of VA TECH WABAG Limited, that concludes this conference. Thank you all for joining us today, and you may now disconnect your lines.
