



Siemens Limited
Investor and Analyst Call
Q4 FY 2024

10.30 am (IST) to 12.00 noon (IST)
20th December 2024

Management:

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

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

- Good morning, everyone. And welcome to Siemens Limited Q4 FY 24 analyst and investor call. I'm Radhika Arora and lead the investor relations for Siemens limited. I hope you all are in good health and would have seen the Quarter 4 results that were announced late last month.
- Before we start this call, let me give you a few instructions about the technology that we are using here. We are using Microsoft Teams platform for the meeting. All of you are on mute and the camera has been disabled. The meeting will start with a presentation by the management team, followed by Q&A. Anyone who wishes to ask a question should use the raise hand option and we will enable the microphone for the person in that order. After enabling the microphone at our end, the speaker must also enable it on their device and then start with a question.
- In the interest of time, each one of you is requested to limit the question to maximum 2. After the question is over, the speaker's microphone will be disabled.
- Moving on to the presenters on the call today, we have with us Mr. Sunil Mathur, Managing Director, Managing Director and Chief Executive Officer and Mr. Wolfgang Wrumnig, Executive Director and Chief Financial Officer of Siemens Limited from the management team. They would give you an operational and financial overview of the company's performance, post which we will move to the Q&A.
- Before I hand over to Sunil, please note that we take as having read the Safe Harbor statement that you can see in the presentation and also on the slide. With that, over to you, Sunil.

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

- Thank you very much, Radhika and very warm welcome to all of you to our Analyst Call. Maybe I just start with an overview and say at the outset that we believe that we have delivered double digit growth as we've been talking about both on revenues as well as on the profits in the last four years post COVID. I'm also convinced that we have the right technology coming out of our strategy for digitalization and Siemens Xcelerator. We also have the right strategy, which is connecting the real and the digital worlds to transform the everyday for our customers. And we also have a strategy of being a One Tech company. In other words, combining the strengths that we have across all our segments here in the company to deliver combined solutions that will really make an impact to the customer. And finally, I think we've demonstrated over a period of time that we've got robust execution and we are pretty consistent in the execution of our strategy as well as all the projects that we are undertaking.
- Now, over the next couple of minutes, I will very quickly run you through an overview of what we are doing on the business in each of our businesses, give you an overview of what we are doing there. Maybe start off first with a little bit of an overview on how we see the economy and then I'll run through this very quickly, the segment wise information and then hand over to Wolfgang to deep dive into the financials, because I believe that is what would really interest you. And then I do a quick wrap up.

- We aim to do this very quickly. You have the slides already uploaded so you have the opportunity to look through them already. And our intent today is really to answer as many questions as we can that are on your mind.
- Just starting with the economy story. Government spending in infrastructure has continued. It slowed down to be honest in H1 for various reasons that are well known. We expected to pick up in H2. It is slow right now to pick up but we expect this to gather pace starting January onwards as well. Consumption – first signs and very, very first signs a month or two of good indicators in terms of an uptick in the consumption. Private sector CapEx is happening, but mainly in the new age technology: semiconductors, batteries, solar photovoltaic, e-vehicles and so on. On the traditional verticals, it is slow. It still continues to be slow. Some are doing better than others, but private sector CapEx has not really picked up yet to the extent that we would have liked it to.
- On the energy side, we see a huge demand and this is really booming in terms of demand for energy transmission and energy efficiency solutions as well. So it's a little bit of a mixed picture right now.
- On the verticals, as we said, overall a lot of the verticals seem to be investing. Some of them are consolidating and then investing. Some of the verticals are flattish. I think the metals is known to everybody. Due to the dumping that is happening, there has been a delay in investment by local steel manufacturers. I think this is a stage right now of wait and watch. We'll have to wait and see what happens over here, but overall I think we do see an upward trend in the CapEx. Good announcements have been made but slow in the tendering process, let me put it that way. Some of them, however, are doing well – power utilities, data centres, commercial buildings, pharma are ordering pretty well; chemicals as well to some extent. But in the other verticals it is basically slow in terms of the ordering right now, although announcements have been made and we know that there are clear intents in place.
- Now when I move to the individual businesses that we have, let me start with our Digital Industries business. I've outlined at the top over there the four sub segments that we have, also indicating some of the products and solutions that we offer over there. This segment or this business, Digital Industries, is really being driven through the increased CapEx in electronics and chemicals, pharma and food and beverage, all of which have already outlined clear investment targets. In electronics, for example, we see real traction happening in the semiconductor and battery space and e-vehicle space. Photovoltaics is another part manufacturing where automation, motion control are all being used. So those are real areas that we do see traction in. Pharma is doing pretty well already, food & beverage is a little bit slow right now, but we definitely see opportunities in these areas here. Now maybe just to outline briefly some examples. For example, for a leading metal producer, we supply the variable frequency drives giving them 20% energy savings. This is really not a one off. These are examples that can be scaled.
- Energy efficiency is becoming a major driver for investments in CapEx by many, many industries, driven by their own targets of sustainability. But also driven by the need to save costs and we see the example that I put over here spreading not only to one metal producer but running across industries as well, as more and more companies move out and start looking at ways to save energy and meet their sustainability target.

- We had another very interesting success with a pharma and chemicals company that had the challenge where they were looking at large amounts of time in recording of the batch production data of drugs. Now, this is very critical. You need to be able to trace back all the data to every batch of a drug that is manufactured and this is something that requires a lot of time and requires a lot of effort in the production process, and more importantly, sometimes slows down the actual production. Through the technologies that we were able to bring in we were able to convert this into a completely paperless operation using our DCS solutions and our manufacturing execution system. Again, this is something that saves time, improves the throughput of drugs, creates more transparency in the entire production process, which is required by the FDA, which is required by all the regulatory authorities as well. And this is something that can be scaled to a lot of other pharma and chemical companies.
- Moving on to the Smart Infrastructure business. Here again. This is mainly electricals and building business including our e-mobility business as well. Here we see data centres, commercial buildings really growing. A large demand coming in for it. Steel and cement are definitely growth areas. As the economy grows, utilities under the RDSS scheme as well are beginning to order and we see here very clearly an uptick in demand for this business coming primarily out of the electrification and automation, electrical products in building segments. Of course, the e-mobility business is doing well as well, since we acquired the Mass-Tech company, it is really picked up in volumes as well over there. Now just to give you some examples of the kind of work we are doing over here. For some real estate customer, we've been able to bring in building management solutions for them for their high-rise commercial areas. It brings in security as well. Saves them energy. We are able to help them track energy and utility, other utilities there and monitor them in real life. So it brings in the complete BMS solutions as well as fire safety and security. On the other hand, to the DISCOM in Gujarat, we've been able to supply them RMUs which increase their efficiencies as well. Another increasing demand for this across DISCOMs in the country.
- Moving on to the Mobility space, this is a business where we have been classically for sometime leaders in the electrification and signalling area and this is something that we have now expanded with our various investments. In the rolling stock, you are aware of the locomotive project which is which is on track. Right now, as you are aware, we will be delivering 1,200 locomotives over a period of 11 years. The first one of them gets delivered by the end of next year. And then they will be subsequently delivered until over a period of 11 years, with a maintenance period of 35 years thereafter. So this project is on track. And we are expanding into the metro space. We already announced an investment over there. We are already into bogies and traction motors. So you see this is an area of growth. Very clearly, electrification is continuing in the country. Signalling is with over 3,000 stations will need the TCAS systems to be installed and we are looking at that as well and very much involved in that technology as we are in the Vande Bharat trains with train sets and locomotives and bogies as well.
- So these are areas where we are very much present and will continue to be active in some examples here as well. Propulsion systems for 6000HP as well, we are delivering. We got a large order for the metro in Bangalore where we were in a consortium with RVNL to electrify 58 kilometers of the outer ring circle in Bangalore, we were able to introduce a complete scanner system and auxiliary substation works as part of the electrification work that we do at the at the Bangalore Metro.

- Energy business continues to go strong. We've got the complete suite of offerings over there ranging from generation to transmission. In this business, as you are all aware, the transmission business is booming, not only in India but globally and we are participating and supporting the parent company there as well with exports and transmission. Our factories are full. On the transmission side, HVDC very clearly will be a growth driver here as the country moves towards renewable energy expansions. HVDC, transmission and grid stability will definitely be areas that the government is looking at. We are already seeing a boom in this business, mainly in the transmission. On the generation side, we are seeing a lot of activity around waste heat recovery in cement, in fertilizers, in chemical plants. And this is something that we are at the forefront of as well in this business.
- Some projects that that we won – a STATCOM order that we have got to bring grid stability resulting from the renewable energy integration there. TBCB player – we were able to win an order for the largest 765 KV substation business, by supplying them a transformer and these are kind of businesses, the STATCOMs are coming in fast and furious particularly with the RE integration. There will be a greater need for STATCOMs in the country for HVDC projects as well.
- I've been talking about the last two years about Siemens Xcelerator, our platform which combines the real and the digital together. It is already gaining traction and is supporting our strategy of being a One Tech company. This is an open platform, which is, as mentioned, they're interoperable, flexible, open, provide solutions as a service. Most importantly, cyber security is, particularly in the OT space, becoming increasingly critical. We are working here with an ecosystem of partners, developers, together with our customers as well. And this is not something where we only bring in our own products and solutions, but we work in an ecosystem to collectively find solutions for customers that will bring value them in terms of productivity, resource efficiency, energy efficiency, speed of manufacturing and enabled them also to scale up. Currently, we are working in four verticals there, but this is by no means restricted only to the four verticals. We will expand this to other verticals in the food and beverage, pharma, chemical areas as well. Now, two years ago, when we launched this, we had 125 individual cases where we were able to bring value to our customers. In the meantime, we've just taken a couple of these use cases and have been able to already win 200 references across these verticals across customers, working not only with ourselves, but we are increasing the number of ecosystem partners that we are working with.
- As I said, this is completely in line with our strategy of being a One Tech company where we combine the products and solutions that we have in our Digital Industries business with our Smart Infrastructure business to try and see how together we can combine this to answer real issues for our customers. And this is a different approach from going out and saying we've got certain products and certain solutions, and trying to sell only that. This is a more 'customer in' process where we go out and try and answer real challenges that our customers are facing. For example, a leading metals company had an increase in cyberattack vulnerability due to higher digitalization and remote working that they had introduced in their company. The risk for them was they would lose sensitive data on the on the shop floor, machine data on the shop floor. So we were able to provide cybersecurity consulting offering to them with our products and also bring in software that brought the entire consulting, product, solutions, all of it together.

- In the meantime, we now have over 24 reference cases in this area and we are able to scale this up not only in the metals business, but also to other verticals, in the company. Leading hospitality chain, for example, had a very high electricity consumption and this is known – roughly 40% of the fixed costs of hospitality, of hotels, comes from energy cost and this results also in higher CO2 emissions. Here we were able to bring them an average energy saving of around 13% saving them substantial CO2 emissions and we've been able to get out of this roughly 90 reference cases where we are able to also scale this up not only to hotel chains, but to malls, to stadiums, to schools, and so on all of which energy efficiencies is a huge benefit. In an FMCG company, they had the challenge of moisture content in their final product and this is where they wanted to monitor and reduce the moisture content in their product. Here again we were able to introduce science-based digital twin technologies on the Siemens Industrial Edge platform and help them to track this and effectively bring in energy savings, but also to control the moisture content of their product. Now this is the first of its kind and we have the opportunity to scale this across other food and businesses as well. And this is really the business model that we have. We go in with one use case pilot it with our consulting, with our products, with our solutions with ecosystem partners working together with the customer, implementing it in one customer and then we are able to scale that across more customers in the same vertical and I believe across multiple customers across verticals.
- A short update on the demerger of the Siemens Energy business. You're aware that we recently got shareholder and creditor approval. This process is on track and we hope to complete the demerger and the listing in the calendar year 2025. With that, I'd like to hand over to Wolfgang to dive deeper into the financial highlights for the last quarter, as also for the last financial year. Over to you, Wolfgang.
- **Mr. Wolfgang Wrumnig – Executive Director and Chief Financial Officer, Siemens Limited:**
- OK. Thank you, Sunil. So good morning from my side as well.
- Today I will give you an update on our financial performance in fiscal year 24 and our Q4 of this fiscal year as well. So I will give you an overview of the overall performance first and we'll then go into the four major businesses - Digital Industries, Smart Infrastructure, Mobility and finally, Siemens Energy. So I will start with the KPIs for fiscal year 24. We can look back to a successful year 24. New orders grew 13.8% excluding the large locomotive orders signed and booked in fiscal year 23. And major orders in our Energy and Mobility business as well as a solid order performance in Smart Infrastructure have contributed to the growth of almost 14% in fiscal year 24. Revenue is also up by 14.4% versus prior year with double digit growth rates in all businesses except Digital Industries. Our Digital Industries business is still facing headwinds after the high order volumes during the supply chain crisis as a result of the semiconductor shortage and the still ongoing destocking at our customers.
- We continue to strive for flawless execution of our projects to maintain the high level of customer satisfaction and we have been able to turn orders of the past quarters into profitable revenue. Our export business has slightly increased from 15.4% to 15.6%, so no major shift from domestic to export. Also a business mix comparing project versus product and service business is pretty much unchanged. Project business decreased slightly from 30.6% to 30.4%. Our EBITDA is at 13.7% versus 12.7% in fiscal year 23, so an increase by 100 basis points. On a comparable basis, by excluding impacts from FX and commodity hedging,

our EBITDA margin improved by 120 basis points from 12.4% to 13.6%. Our Profit before Tax stands at 17.4 and our Profit after Tax is at 13.2% for the full fiscal year. As a reference point, our Profit before Tax in 2023 was 14.4% and the Profit after Tax was 10.8%.

- A few comments on our profitability expansion. The major reason for the expansion – higher volumes, a favorable portfolio mix and better pricing had a positive impact of almost INR 10 billion. This was offset by cost increases of approximately INR 4.7 billion on account of merit increase, additional headcount and other costs, including FX and commodity losses. We also generated profits on sale of properties of INR 2.6 billion positive and there was an increase in Income from Interest and Dividend by INR 1.9 billion.
- But not only on the profit side, we also have seen progress in our cash generation and finished the year with Cash from Operations of INR 21.6 billion. So an increase of INR 2.3 billion versus prior year. Our continuous focus on working capital, especially inventory optimization and cash collections as well as our increase in profit has been driving this positive development. Overall solid results in fiscal year 24 and another proof point of our successful journey in India.
- Briefly on Q4. Q4 24 was also a very successful quarter. We had a very strong finish in Q4 with New Orders growing almost 21% again, excluding impacts from the large locomotive order we booked in Q2 last year. And all four major businesses have contributed by at least double digit growth. Looking at Revenue, Revenue grew by 11.3% versus prior year. Also, all four businesses contributing to the revenue growth as well. EBITDA was at 14.6% versus 11.9% in Q4 of fiscal year 23, an expansion of 270 basis points. As already mentioned, volume increase a positive product and business mix and price enforcement as well as an accrual release in one of our businesses have contributed to the margin expansion. Profit before Tax is at 17.6%, Profit after Tax at 13.1, also representing a significant increase versus prior year and our Earnings per Share in Q4 is at INR 21.8.
- So briefly, New Orders. Three strong quarters around and above INR 60 billion per quarter have contributed to a total of INR 235.6 billion of new orders increasing our order backlog to INR 483 billion. As already said, a few larger orders in our Energy and Mobility business and also a stable product and service business have contributed to the solid performance. In Q4, we have been able to grow our orders by 21% versus prior year.
- I'm coming next to Revenue. With an all-time high in Q4, revenue at INR 58.9 billion, we finished the fiscal year with a total Revenue of more than INR 200 billion, growing by 14.4% versus prior year and 11.3% in Q4 on tough comps. Our product and service business as well as stringent execution in our project business have contributed to our positive revenue development. Our Book to Bill for the full fiscal year is 1.13 excluding the locomotive order.
- Next, our EBITDA in Q4 at 14.6 after already 15% in a very strong Q2 and 12.9% in Q3 driven by solid project execution in our Mobility and Energy businesses. Revenue increase and product mix have contributed as well. Excluding FX and commodity hedging, our EBITDA margin is at 13.6% compared to 12.4% in fiscal year 23. Overall in fiscal year 24, EBITDA as a percentage of revenue was strong at over 13%. Before we move to the respective businesses, I would like to provide an update on CapEx. In fiscal year 24 we spent CapEx of around INR 3.2 billion. As you are certainly aware, we recently announced an additional investment of INR 101 billion end of November for the CapEx of our power transformer factory at Kalwa. This is for expanding

the range of its product portfolio to include large reactors. The overall CapEx investment across segments is now expected to be around INR 11 billion over the next two to three years.

- So now let me go into the four major businesses and starting with Digital Industries. In general, I would say the market environment is OKish and we do see positive developments in some of the verticals we're in. But we are still challenged with ongoing destocking at our customers in the automation business. This is also reflected in our New Orders. From Q1 until Q3, we have seen a stable order booking while Q4 was muted. We booked new orders of INR 7.6 billion nevertheless, an increase of almost 22% versus prior year. On a full fiscal year basis, our orders declined by 10.6% to a total of INR 33.6 billion. Looking at the Revenue in Q4, Revenue grew by 10.6% to a total of INR 10.1 billion. Our Revenue for the full fiscal year grew by 15.7% to almost INR 40 billion due to a strong order backlog from the advanced ordering in fiscal year 22 and fiscal year 23. So EBITDA margin dropped due to the muted market environment resulting in strong price pressure and unfavorable product mix. The reported margin in fiscal year 24 dropped from 15.4 to 12.9%, so 250 basis points. If we eliminate the impact of FX and commodity hedging, we do see a margin decline of 120 basis points from 14.3 to 13.1. Again, price, negative mix effects and also cost increases are the main drivers despite higher Revenue.
- Now moving on to smart infrastructure in our Smart Infrastructure business, we do see a different picture supported by a positive market environment, especially in the area of electrification and building products. In Q4, we booked orders of INR 17.5 billion, a 33% growth versus prior year and in fiscal year 24, in total, we grew by almost 12% to INR 73.3 billion. Revenue reached INR 64 billion in fiscal year 24, representing a growth of 19% versus prior year. We can also see the steady development of revenue quarter over quarter. We are successfully turning orders and backlog into profitable business. And also we finished fiscal year 24 strong with Revenue of INR 17.5 billion in Q4. Product and business mix, price realization and higher Revenue are the main drivers for EBITDA of 15.6%, a total of 200 basis points up versus prior year. In Q4, we reached also 15.6%, up 150 basis points versus Q4 prior year with 10% basis points positive impact from FX and commodity hedging.
- The next business is our Mobility business. With a strong Book to Bill of 1.15, we continue to add to our already strong order backlog. In fiscal year 24, we booked orders of INR 31.2 billion, a plus of 21% if we exclude the large locomotive order in fiscal year 23. Q4 also was very strong with INR 11 billion resulting in 243% growth versus Q4. Orders in the area of Metro projects, electrification and signalling, as well as export business contributed to the positive development. On the Revenue side, in our Mobility business, we finished at INR 27.2 billion, up 38% versus prior year. In Q4, we booked Revenue of INR 8.3 billion, the highest quarter in the last two years. We continue to generate Revenue from robust project execution. In Q4, our EBITDA went up by 590 basis points to 8% resulting in a fiscal year EBITDA of 6.4% up 290 basis points versus prior year. If we exclude FX and commodity hedging, profitability went up by 290 basis points and in Q4 by 510. Main reasons for the positive development of our profitability are Revenue increase, mix and lower R&D spend. So also in the Mobility business, a very positive development.
- Last but not least, I will discuss the Energy business, which will be demerged in calendar year 25. Also supported by a very positive market environment driven by the ongoing energy transition, we booked orders of a total INR 88 billion in fiscal year 24 and thereof INR 23.3 billion in Q4. Fiscal year gross is at 30% like Q4

was at 15%. We won a couple of major orders in fiscal year 24, the majority in the Grid Technology business, Oil and Gas business and the steam turbine order. Our Book to Bill in Q4 was 1.14 and for the fiscal year 1.4 adding more to our already high order backlog. Revenue grew by 5% to INR 62.8 billion in fiscal year 24 with a strong revenue performance in Q4. Revenue in Q4 grew by 12% due to project related Revenue recognition. Finally, EBITDA continues to be strong. Our reported profitability reached 15.7 for the fiscal year, up by 300 basis points in fiscal year 24, positively impacted by an accrual release of 110 basis points booked in Q4. EBITDA without effects and commodity hedging is at 15.4 for the full fiscal year.

- So with this, I come to my final slide. With the demerger of our Energy business, we are creating two strong and independent companies, Siemens Energy India Limited and Siemens Limited with three core businesses – Digital Industries, Smart Infrastructure and Mobility. Both companies are very well prepared for the future growth, focusing on their relevant markets. Significant order backlog for both companies, robust growth in orders and revenue over the past years and the very solid profitability are very good basis for future successes. With this let me hand it over to Sunil for closing remarks.

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

- Thank you, Wolfgang. Maybe just to just to summarize: we continue to be very confident in India growth story. We believe the current, slowdown is probably a strong word, but the current position is more cyclical rather than structural. The structural story of India is still very, very strong. I'd like to reiterate that it was reflected in our robust performance in 2024. Our focus now shifts to being very clearly a One Technology company with even Siemens Xcelerator being at the center of that, and this is what we will use to expand what we were doing, which was basically going out and delivering products and solutions that were available with us in each of our individual businesses. Adding on top of that products and solutions that we can actually deliver to customers across our businesses so that we get the maximum synergy within the company. We've announced investments in May last year and in November 24 as well and those investments are on track. We've announced it in Siemens Energy, in Siemens Mobility business as well as in the Smart infrastructure business. And these investments are on track and we will continue to invest as and when we see the need for it. Finally, our Energy business demerger is on track. We expect to conclude this in the next calendar year.

- So with that we are through with our presentation. Thank you very much. We hand it now back for questions and answers. Radhika, do you want to take over?

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

- Yeah, yeah. Thank you. Thank you, Sunil. So as I said earlier, whoever wishes to ask a question please raise your hand. we will unmute you from our end. Then you can unmute from your end. So the first question is from Parikshit Khandpal from HDFC Securities. We have unmuted you. You can go ahead please.

- **Mr. Parikshit Kandpal – HDFC Securities:**

- Hi Mr. Mathur, am I audible?

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

- Yes you are, Parikshit. Go ahead.
- **Mr. Parikshit Kandpal – HDFC Securities:**
- Congratulations on a decent quarter, Sir. So my first question is on the HVDC. I just wanted to understand for us as a place. So we have both the technologies, right, LCC and VSC. So are we bidding for these projects? I mean, two large orders have been tendered and kind of awarded. One is awarded and one is getting finalized. So have we participated in these tenders. What's our view on the entire HVDC thing? I mean, is there a play for us here?
- **Mr. Sunil Mathur – Managing Director and Chief Executive Officer, Siemens Limited:**
- So Parikshit, I will not comment on running tenders right now, but what is important for you to know is we are not participating in LCC technology in India or indeed anywhere in Siemens globally. We believe very strongly in the VSC technology, so we will participate in the VSC technology projects that emerge. We believe this is a technology which is superior and is being adopted around the world as well. We have the capabilities to do that. We continue to build up capabilities for that in India, not only for the local demand, but also providing out of India support for global projects on engineering and commissioning and so on. So simple answer, we are not present in LCC. We are present in VSC technologies.
- **Mr. Parikshit Kandpal – HDFC Securities:**
- OK. Thank you, Sir. So my second question is on the demerger now. So it'll be at mirror demerger. So what happens to the cross holding of the promoter shareholding of Siemens Energy? And so will that trigger any sell off? Will you look at reducing stake or you looking to do like status quo or some swap between the two entities? So how are you looking at the shareholding post listing of the Siemens Energy in India?
- **Mr. Sunil Mathur – Managing Director and Chief Executive Officer, Siemens Limited:**
- So I think what I can do is basically I can't speak on behalf of the parent. As you rightly said, both the merger both companies will have identical holdings. But all I can do is quote what we said in our November 2023 disclosure where we said subsequent to the proposed demerger, the parties to the shareholder agreement, that is the promoters of Siemens limited, they have agreed to certain procedures to enable Siemens Energy AG to acquire majority share in the newly listed entity containing Siemens Limited's Energy business. So I can't speak about time, I can't speak about quantum. We are not privy to that information. All I can quote is what they have said in their global disclosures as well, which we have repeated.
- **Mr. Parikshit Kandpal – HDFC Securities:**
- OK, Sir. Thank you. Those were my questions.
- **Mr. Sunil Mathur – Managing Director and Chief Executive Officer, Siemens Limited:**
- Thanks Parikshit.
- **Ms. Radhika Arora – Head, Investor Relations, Siemens Limited:**

- Thank you. The next question is from Harshit Patel from Equirus. We have unmuted you. Go ahead.
- **Mr. Sunil Mathur – Managing Director and Chief Executive Officer, Siemens Limited:**
- Harshit, please go ahead. You're on mute.
- **Ms. Radhika Arora – Head, Investor Relations, Siemens Limited:**
- Harshit, you have to unmute at your end. OK. I think we'll switch to another question. We have the next question from Arafat Saiyed from InCred. Please go ahead. Arafat, you're on mute. You'll have to unmute at your end. OK. So we'll have the next question from Jonas Bhutta from Aditya Birla Capital. Jonas, you want to go ahead?
- **Mr. Jonas Bhutta – Aditya Birla Capital:**
- Am I audible?
- **Mr. Sunil Mathur – Managing Director and Chief Executive Officer, Siemens Limited:**
- Yes, you are, Jonas. Please go ahead.
- **Mr. Jonas Bhutta – Aditya Birla Capital:**
- Congratulations on a great set of numbers, Sir. And advanced greeting for the new year. Sir, two questions. First, if we see the order book of the ex-Energy business, that's largely flat. And within that also, if I remove the large loco order, then probably we're looking at a 9 to 10% growth in the order book. You know, how does this read in terms of growth prospects for the coming financial year, given that we're sitting on a book that is just about 10% higher and in a scenario where Digital Industries, which was the growth driver in the last maybe three years is sort of still not recovered. So if at all we have to think of a scenario of a higher order inflow or order book exiting FY25, out of the three segments, which one would you be most bullish on from a 12 month perspective? That's the first question.
- **Mr. Sunil Mathur – Managing Director and Chief Executive Officer, Siemens Limited:**
- So Jonas just to answer that the order book is not flat when you consider... are you talking about 378 versus 382?
- **Mr. Jonas Bhutta – Aditya Birla Capital:**
- Yes Sir.
- **Mr. Sunil Mathur – Managing Director and Chief Executive Officer, Siemens Limited:**
- Right. The 378 includes 263 of the locomotive order, so if you take 263 out from 378, that's 115 going up to 382. So the order book is not.

- **Mr. Jonas Bhutta – Aditya Birla Capital:**
- Sorry, no, the 382 doesn't have the locomotive.
- **Mr. Sunil Mathur – Managing Director and Chief Executive Officer, Siemens Limited:**
- Are you looking at the new orders or at the order book?
- **Mr. Jonas Bhutta – Aditya Birla Capital:**
- Yes, Sir.
- **Mr. Wolfgang Wrumnig – Executive Director and Chief Financial Officer, Siemens Limited:**
- Maybe I can step in here. So I believe overall the order book is growing, but you also have to consider on one hand we do see significant New Orders growth which is around 14%. And then we also see significant revenue growth, so more or less we book orders and we turn them into revenue. And this is going to continue. If you look at the Book to Bill, the Book to Bill is about one, which means we always create or add to the New Order book. From this perspective, I believe the future, I am not afraid of the future with regard to the orders. There is a positive market environment in the Smart Infrastructure business and we also expect recovery in the Digital Industries business.
- **Mr. Sunil Mathur – Managing Director and Chief Executive Officer, Siemens Limited:**
- Exactly, the electrification business as you said is doing very well. The Smart Infrastructure business is growing. Mobility is also growing with the number of orders coming in for electrification, signalling and Vande Bharat – locomotives, bogies, Metros, are growing market as I mentioned in my presentation. Digital Industries is a little bit muted right now. When private sector investment picks up this business will pick up as well. When the destocking of the inventory reaches its bottom which we expect in the next couple of quarters that will pick up as well. So effectively the ex-Energy business I think we have got three verticals that will be firing on all cylinders.
- **Mr. Jonas Bhutta – Aditya Birla Capital:**
- Got it. My second question is if you can update us on the loco order itself in terms of progress and from which should one expect it go up materially in the revenue line. Did it have any role to play on the margin side of Mobility this year? Was it a drag, accretive? If you can just update. Then I have one book keeping question.
- **Mr. Sunil Mathur – Managing Director and Chief Executive Officer, Siemens Limited:**
- OK. As I mentioned the first loco will go out in the latter part of 2025. Wolfgang would you like to expand on that please? This is order as per a POC system of accounting. So basically as the costs come in the revenue is recognized there as well. This project is being executed over a period of 11 years. As the cost come in, revenue recognition will take place. Anything to add to that Wolfgang?
- **Mr. Wolfgang Wrumnig – Executive Director and Chief Financial Officer, Siemens Limited:**

- No, as you said the progress of this project we will recognize revenue and you will see then the respective revenue growth also in our books.
- **Mr. Jonas Bhutta – Aditya Birla Capital:**
- Understood. Lastly, Wolfgang if you could tell us, what is the order intake in C&S and when you declare the order intake on the slide on Smart Infrastructure business which is INR 73 billion odd is it consolidated for C&S or we have to clear it up for C&S?
- **Mr. Wolfgang Wrumnig – Executive Director and Chief Financial Officer, Siemens Limited:**
- The numbers I have shown today is Siemens Limited standalone. So C&S Electric business is not included in these numbers.
- **Mr. Jonas Bhutta – Aditya Birla Capital:**
- If you can provide us the order intake for the year for C&S, that will be helpful. And my final question. Thank you.
- **Mr. Wolfgang Wrumnig – Executive Director and Chief Financial Officer, Siemens Limited:**
- The order intake for C&S Electric in fiscal year 24 is INR 18.2 billion, up by 9% versus the prior year and the Revenue was INR 16.9 billion, up 13.3% versus prior year.
- **Mr. Jonas Bhutta – Aditya Birla Capital:**
- Perfect, thank you and all the best.
- **Mr. Wolfgang Wrumnig – Executive Director and Chief Financial Officer, Siemens Limited:**
- Thank you so much.
- **Ms. Radhika Arora – Head, Investor Relations, Siemens Limited:**
- Thank you. So we go back to Harshit, Harshit Patel from Equirus. Go ahead.
- **Mr. Harshit Patel – Equirus:**
- I'm audible?
- **Ms. Radhika Arora – Head, Investor Relations, Siemens Limited:**
- Yes.
- **Mr. Sunil Mathur – Managing Director and Chief Executive Officer, Siemens Limited:**
- Harshit, please go ahead.

- **Mr. Harshit Patel – Equirus:**

- Thank you very much. Thank you. So my first question is on the Digital Industries segment. What part we are playing in the upcoming semiconductor industries as well as OSAT units in India? So the automation solutions for this. They are provided by us or they will be directly done by the parent company? Also, are there any active discussions or orders booked with any of the potential customers over here?

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

- So Harshit, good question. Yes we do the automation for this business, for the fab part of it as well. We are in discussion for the OSAT well. We have already started getting orders. By we I mean Siemens Limited has already got some orders from customers around this business. So we do not only the automation but also the software design for the manufacturing processes.

- **Mr. Harshit Patel – Equirus:**

- Understood, Sir. Secondly, Altair Engineering has been a significant addition to our DI portfolio globally. So is there any way it helps our India software and simulation portfolio in the immediate future? Also, what is the revenue contribution of this software and related offerings within our DI segment at the moment? I am asking this because its contribution in the global DI segment is increasing at a rapid pace and it is also impacting the margins very favorably at the global level.

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

- So Harshit, the Altair acquisition as you know has recently been closed or is under closure right now; it is only announced the closure has not yet happened. So we are not yet completely into the details of what the implications of that will be for Siemens in India. So that's the first thing. The important part is from the Siemens perspective Altair provides simulation for non-linear technologies and I am sure there will be a benefit to us with it making Siemens globally maybe one of the top 2-3 players in the world in the area of simulation technologies. From an India perspective, from a Siemens Limited perspective, we don't know more than that and I can't tell you the implications of what Altair will be for Siemens Limited moving forward. We will have to see. As and when something happens we will keep you informed. A lot of the software business is done through licensing through Siemens software company outside of Siemens Limited. But we work closely together with them. There is also software business that we do within Siemens Limited which is project-based as well and depends on solutions that are required by the end customer. We do not track software separately. It runs as a horizontal across all three of our businesses – Digital Industries, Smart Infrastructure and Mobility. But you have already seen an increase in profitability. If you look at the profitability growth of our Digital Industries business also in our Smart Infrastructure business over the last couple of years you will see that there has already been growth in the profitability there. An element of that is definitely software.

- **Mr. Harshit Patel – Equirus:**

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- That was all from my side. Thank you very much for answering my questions.

- **Mr. Sunil Mathur – Managing Director and Chief Executive Officer, Siemens Limited:**
- Thank you Harshit.
- **Ms. Radhika Arora – Head, Investor Relations, Siemens Limited:**
- Thank you. The next question is from Subhadip Mitra from Nuvama. Please go ahead.
- **Mr. Subhadip Mitra – Nuvama:**
- Good morning and thank you for the opportunity. I hope I'm audible. OK. Thanks. So two questions from my side.
- **Mr. Sunil Mathur – Managing Director and Chief Executive Officer, Siemens Limited:**
- Yes you are Subhadip. Please go ahead.
- **Mr. Subhadip Mitra – Nuvama:**
- You did give us a lot of details on the HVDC side. So what I wanted to understand is beyond the current two HVDCs that are under tendering, we understand that there could be three or four more which could come over the next, let's say two years or so in the company. Are any of these already planned on VSC technology? And secondly on the export side, with regard to, you know, component exports on HVDC to patent is there already a large visible pipeline that is there at the parent level and that gives you a lot more visibility on that front as well?
- **Mr. Sunil Mathur – Managing Director and Chief Executive Officer, Siemens Limited:**
- So currently Subhadip most of the projects are using the LCC technology and therefore that is a technology that we are not working with. On the VSC technology as I mentioned on the HVDC right now the numbers are not material in terms of the export support that we give to the parent company. They are a part of the Siemens Energy segment there but there are clear plans in place to build up the engineering competency here as well as the commissioning competency, under in Siemens Energy in India, and in the next couple of quarters we would be able to see that impact the numbers of Siemens Energy in India.
- **Mr. Subhadip Mitra – Nuvama:**
- OK. Understood. Secondly, on the Mobility side, in terms of the larger, chunkier orders that were expected on the locos front, whether it was the 6000HP pull order, the 12,000 HP as well as on the Vande Bharat orders and metros, if you can give us some color as to you know how that TAM is panning out, because since elections there seems to be some bit of a slowdown in terms of those Big Bang large orders that were to come.
- **Mr. Sunil Mathur – Managing Director and Chief Executive Officer, Siemens Limited:**
- I think you are right over there. We have not seen the tenders for the 6000 HP / 12000 HP orders. Vande Bharat tenders are coming out. There are a couple of passenger train tenders that are coming out over there.

But you are right, the large big ones have not come out yet. In terms of the locos, the 6000 HP loco has not been tendered neither is the 12000 HP loco.

- **Mr. Subhadip Mitra – Nuvama:**

- Understood. But is there any? Because what we understand is that Railways had already put out their larger plan that there is a requirement of, let's say 1,100 to 1,200 electric locos, on an annual basis in order to replace existing locomotives, etc. So clearly over a period of, let's say the next two to three years, it will be a requirement for Indian Railways to procure these locomotives. So do you see most of these manufacturing, again shifting back to the Railways' own coach factories or is this still a good visibility that these will pan out over the next, let's say two to three years?

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

- I don't know the answer to be honest. We will have to wait and see what gets tendered. Of now it is still on our data screen. We will have to just wait and see what decisions the Railways takes in terms of how much they want to do themselves and how much they want to tender out. The 12000 HP they do not have the technologies for but the 6000 they do. So, there is a possibility that they could do it themselves but right now we do not have that transparency.

- **Mr. Subhadip Mitra – Nuvama:**

- I understand. Lastly, you know on the Metros front as well as you know the export orders for Mobility because you know I believe when the global CEO had visited India few months back, he had put a lot of focus on making India the local or the regional hub for exports for the Mobility business. So on that front for Metro as well as exports, do you see a large visibility panning out over the next two years?

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

- Yes, so exports is increasing very clearly. And you're probably aware we did the first large export order for bogies to Bucharest in Hungary. That order is now concluded. We're expecting further growth of orders also for bogies. The Metro we announced the building of the factory which will take another year-year and a half. But when that is up the idea is to build the factory was primarily to serve not only the Indian market requirements but also the global requirements. So absolutely, we are exporting. We do export of propulsion equipment as well. The intent of building the Metro factory is also for export so increasingly India will become a major player in the overall manufacturing network Siemens Mobility.

- **Mr. Subhadip Mitra – Nuvama:**

- Thank you so much. That's it from my side.

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

- Thank you Subhadip. The next question is from Bhavin Vithlani of SBI Mutual Fund. Bhavin you may unmute yourself and go ahead.

- **Mr. Bhavin Vithlani – SBI Mutual Fund:**

- Yeah. Good afternoon, gentlemen. Hope I'm audible.

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

- Yes you are. Please go ahead.

- **Mr. Bhavin Vithlani – SBI Mutual Fund:**

- My first question is on the margins and I'm taking a slightly longer term view on the margins for the the Energy that we have seen margins hovering between 10 and 12% prior to 23 to if I take 2014 to 2023, we have seen a very strong increase here to 15.7. So what part of this in your view is driven by the bunching up of the business and what in your view is sustainable because we have seen cyclical and supply catches up in this segment pretty fast? The Part 2 of the margins is the ex of the Energy segment where some parts of the segments we have seen margins move up steadily like Smart Infrastructure as well as the Digital Industries over a longer period of time and variability in Mobility. The question here is how should one think about the margins in the ex-Energy piece on a sustainable basis because what I understand is a Smart Infrastructure as a piece is a very closely guarded market with couple of MNCs. Digital Infra has a lot of impact on the increase in the installed base as your installed base goes up, the margins comes with a lag. So if you can give us a little longer term picture on the margin trajectory of the Energy and ex-Energy piece, that would be more helpful.

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

- I think Wolfgang has already spoken about the Energy margins over there as outlined that against the 15.7% margin that is there. There about 3% of one-time impacts in there in Q4. So let's say the underlying would probably be in the range of 12 and a half percent. I also mentioned to you that Transmission business is growing and that is filling our factories. We are increasingly investing in the Siemens Energy business. We announced the investment in the large power transformers. A lot of that will be used for export business. The local domestic market is growing as well. So I believe the underlying margins for Siemens Energy will continue to be strong. If I move on to the DI business, the Digital Industries business, there as you rightly mentioned the margins have increased over the last couple of years as well. Our intent is that they continue to grow.

As we bring in greater offerings this is not only about installed base this is also about bringing in Factory Automation, Motion Control businesses making that in with the energy efficiency solutions that we have. This goes back to the One Tech company which will effectively increase the margins because we are able to bring in a combined offering for the customer which earlier on was served either by the Digital Industries business or by the Smart Infrastructure business. Now if you're able to bring in combined offerings. So our expectation is that in the medium-long term we would like to see margin expansion happening on the Digital Industries business as well. Smart infrastructure also, you are right, electrification will continue to be a focus area particularly in the DISCOMS. As we get more renewable energy entering the grid, you will need stability over there. There will be the need for SCADA systems coming in, there will be the need for greater electrification, energy efficiency solutions. As commercial buildings increase and we are seeing that substantially happening

right now the need for electrification will increase there as well. When I look at private industry, the food and beverage for example, and this is going back to my earlier point of One Tech there is a very large energy efficiency story in food and beverage. They've got a large requirement for air conditioning. They have a large requirement for energy efficiency happening within their premises. And you couple that with our automation solutions that we have got and with our software solutions that adds the scope on there as well. So here again, for Smart Infrastructure I expect a growth in the margins moving forward as the volumes increase and as the market continues to grow there. Finally, on the Mobility segment, the margins are currently let's say lower than the other businesses coming primarily out of the fact that we are doing heavy investments over there. And those investments as and when they come up and we start commercial production, we expect that the margins in the Mobility segment will pick up as well. So I think put that all together we are entering new businesses in the Mobility area with the Metro business, with signalling and so on. So as we look forward I would really be driving for growth in the top line but also driving for growth in the bottom line in all our segments.

- **Mr. Bhavin Vithlani – SBI Mutual Fund:**

- To me, the second question is on the DI piece, on the growth piece part of it, and when I look at some of your peer sets like Honeywell and ABB in the relevant segments also the performance has been muted. But when we go and visit factories, the small and medium scale, the intensity to automate and what they are automating is considerably higher and so what when I see the performance actually it kind of confuses me. So on a little longer term leaving out some idiosyncrasies that could be there because of restocking, etc. Is the underlying growth in this segment possibly in the high 20s. Your thoughts on it?

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

- So look the industrial segment, the industrial business is driven primarily by the large and medium companies. The small scale companies, there's a huge opportunity there but a lot of it is driven by demand as well. Now, currently we are running at 75 to 80% capacity utilizations in the country. The runway is still not particularly visible to most private sector players and therefore they are being hesitant in CapEx expansions. There is absolutely no doubt that they will need to go in for automation and digitalization solutions as and when they scale up. But currently the market as you're aware is relatively muted on private CapEx. I expect that this will change in the next couple of quarters. The government is already focusing on areas right now. The PLI scheme is showing results on the new tech businesses that they are supporting there. But as I mentioned earlier the traditional verticals are not really spending on CapEx at this point in time. Moving forward as and when the segment grows it will start feeding in terms of automation and digitalization not only the large companies but also the entire supply chains that are feeding into these companies. And that's when I see a huge growth potential for the private sector CapEx players or industries in the area of the Digital Industries business. Does that answer your question?

- **Mr. Bhavin Vithlani – SBI Mutual Fund:**

- Just a follow up, does the enquiry book give you confidence of a significant pick up in the next couple of quarters as you highlighted?

- **Mr. Sunil Mathur – Managing Director and Chief Executive Officer, Siemens Limited:**
- Currently not.
- **Mr. Bhavin Vithlani – SBI Mutual Fund:**
- Yeah, yeah. Those are my questions. OK. Yeah. Thank you so much.
- **Ms. Radhika Arora – Head, Investor Relations, Siemens Limited:**
- Thank you. The next question is from Rahul Gajare from Haitong.
- **Mr. Rahul Gajare – Haitong:**
- My question is a continuation of an earlier participant on the Mobility business. Now you know when you had received this order for locomotive I think the timeline for execution indicated that you were expected to deliver 5 locomotives in FY24. Now you just indicated that the first loco is expected to be delivered only in FY25. Does this mean that the overall execution of the entire project would be delayed beyond FY34. Maybe by one year or and if there is any penalty clause for any delay beyond FY34. That's my first question. Thank you.
- **Mr. Sunil Mathur – Managing Director and Chief Executive Officer, Siemens Limited:**
- We did not say that we will deliver the first 5 locomotives in 24. The schedule was to start delivering in 25. We are on track. Please be aware this is an 11-year project. It is too early to start talking right now about the delays in the project. So the journey has started. Suffice it to say we are on track. Yeah and it's too early to talk about penalties and LDs on an 11-year project.
- **Mr. Rahul Gajare – Haitong:**
- Got it. My second question is – you have a long CapEx plan, almost INR 11 billion over the next 2-3 years. I want to understand if you can lay out where specifically this money is going to be spent on, and if you can actually further classify it. You know how much of that could actually be spent on Siemens Energy and Siemens India, given, you know, we are looking at a global shortage of transformers? I just want to understand this 11 billion breakdown.
- **Mr. Sunil Mathur – Managing Director and Chief Executive Officer, Siemens Limited:**
- So this is already being disclosed at various points in time. But for your benefit the Siemens Energy part is about INR 4.6 billion that has been announced. The Smart Infrastructure is another 4 billion and the Mobility segment is about 2 billion. So we are looking at roughly 11 billion over there.
- **Mr. Rahul Gajare – Haitong:**
- OK. So this is all the announcement. This is 11 billion is not initial CapEx that's something which I wanted to clarify.
- **Mr. Sunil Mathur – Managing Director and Chief Executive Officer, Siemens Limited:**

- If I was to pick 11 billion I wouldn't be forced to disclose it.
- **Mr. Rahul Gajare – Haitong:**
- OK. Thank you. Thank you very much.
- **Ms. Radhika Arora – Head, Investor Relations, Siemens Limited:**
- The next question is from Aditya Monga from Kotak Securities. Please go ahead.
- **Mr. Aditya Mongia – Kotak Institutional Equities:**
- Thank you for the opportunity everyone. My question was more focused from the perspective of exports for the Energy business. Could you talk us through prospects of growing in both geographically as well as from a product or service perspective in the export segment or the Energy business for the next three years?
- **Mr. Sunil Mathur – Managing Director and Chief Executive Officer, Siemens Limited:**
- So I think I mentioned it earlier as well. Part of the exports is on the transformer side. There's a huge demand globally for transformers as also in India for transformers so that is one of the reasons for building an additional factory for expanding. So transformers on the Energy side is definitely one area. We are looking also at the, this is not only...this is also for the VSC technology HVDC projects that we have there. So that is one large area we are exporting our steam turbines as well out of our Baroda factory which are used for exports over there. We're exporting switchgear. We are effectively, I think supplying to Southeast Asia, South America and parts of Europe as well.
- **Mr. Aditya Mongia – Kotak Institutional Equities:**
- Understood. So there should not be any changes in the mandates or are there prospects of you kind of getting some global mandates on from a geographical perspective and that was the side question in this one?
- **Mr. Sunil Mathur – Managing Director and Chief Executive Officer, Siemens Limited:**
- I think there is no change in mandate post-demerger. If anything the mandate will be strengthened post demerger.
- **Mr. Aditya Mongia – Kotak Institutional Equities:**
- The second question was kind of picking up from an earlier participant. As in when you talk about DI. As in, there's a product angle and there's an automation angle what can drive growth. Just wanted to get a sense of how to kind of think through as in today as we think through DI, is this more product driven kind of purposes which means automation can only add to as much growth and when do you see that changing you talked about supply chain becoming part of that, it's just somewhat what would be useful for us to understand when does the automation part start becoming heavy in that portfolio
- **Mr. Sunil Mathur – Managing Director and Chief Executive Officer, Siemens Limited:**

- I think the automation will become heavy as private sector investment picks up very clearly. Right now the private sector has not yet reached its full potential. Automation is definitely part of it. It is product business but it is not only product business, it is also integration of product. It is also providing solutions, so the spray drying example that I gave you is not only plain automation, it is combining automation with software as well. And bring a complete solution to the customer. The example that we gave you on cybersecurity is in the manufacturing space, which is another area. There are also companies who are turning around and we've done work for steel companies asking, "can you find the solution for us for our for improving our in-plant logistics." So this is not only providing plain automation this is actually planning out the entire logistics process for the company and looking at the entire possibilities of automation but also digitalization through gaining greater transparency out of digital solutions that we are able to provide partly ourselves and partly also with the other Siemens software company in India.
- **Mr. Aditya Mongia – Kotak Institutional Equities:**
- Well, those are my questions. Thank you for the responses.
- **Ms. Radhika Arora – Head, Investor Relations, Siemens Limited:**
- We have the next question from Renu Baid from IIFL.
- **Ms. Renu Baid Pugalia – IIFL Capital:**
- Am I audible?
- **Mr. Sunil Mathur – Managing Director and Chief Executive Officer, Siemens Limited:**
- Yeah. Hi Renu.
- **Ms. Renu Baid Pugalia – IIFL Capital:**
- Good afternoon, Sir, and thanks for the opportunity. First question is to understand a bit more on the export side. Can you share what was the share of exports in Mobility and Energy portfolio for us for last year and specifically for the Mobility business where is Siemens with respect to large international projects for Metros and bogies? And how large can this portfolio be over the next three to five years? Reason for asking is if you see most of the unlisted peers global peers on the Mobility side earn the larger share of profit from the export business, so will that also roll out the road map for our Mobility business moving from mid-single digit margins to double digit as exports scale up. That's the first question.
- **Mr. Sunil Mathur – Managing Director and Chief Executive Officer, Siemens Limited**
- I think I answered that question earlier on. Our intention is very clearly to increase the export content. it's also been strategically indicated by our global CEO to make India a manufacturing hub not only for the Indian business but also for the global business. Bogies – I gave the example we've already started exporting. I don't, can't give you the numbers of percentage of exports separately for Siemens Energy or Mobility. We're not doing that at a segmental level but the focus is very clear. In the Mobility business to serve not only the local business because but also the global business. The reality is the business case for setting up a

factory for example counts only when you are able to combine the local and the global synergies over there. On the bogies we already got the orders I mentioned earlier from Hungary Bucharest for bogies that we delivered in the last financial year. We are expecting additional orders coming in as well for exports. Metros – as and when the factory is built it will be used for export projects. First we will gain experience out of export projects before addressing the Indian projects. So I think our strategy is in a way similar to the strategy of the other large players and I think there are only a handful of large players in the Mobility space. So our strategy will be very very similar to that.

- **Ms. Renu Baid Pugalia – IIFL Capital:**

- And what would be the share of exports today in the Energy portfolio?

- **Mr. Sunil Mathur – Managing Director and Chief Executive Officer, Siemens Limited**

- I don't have it offhand, Renu, we haven't disclosed that in Energy or at a segmental level.

- **Ms. Renu Baid Pugalia – IIFL Capital:**

- Sure. So just coming back on the Energy part of the business while order flows outlook everything is pretty healthy. So this year's 5% revenue growth was it largely because of capacity constraints or there were other bottlenecks also which constrained the overall revenue growth?

- **Mr. Sunil Mathur – Managing Director and Chief Executive Officer, Siemens Limited**

- I think it's a mixture of multiple things. I don't think it was capacity constraints only. I think it is also delayed offtake by customers who are delaying offtake for various reasons. As you know most of the revenue comes out of the backlog in Energy. So it's just the nature of the business. And therefore part of it is delays by customers in offtaking and part of it is project delays probably by customers as well and part of it is just the normal delivery schedules that are linked to the order inflows that we have received.

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

- Maybe I can add to this, Renu, when you look at the quarterly slices of revenue you can see that last year in Q4 we had also a tremendous order with almost over 18 billion in revenue so which also then Q1 was a little bit muted from a revenue perspective and then we are picking up again. So it's I believe, it's kind of better this year and then overall I believe the revenue development is pretty nice.

- **Mr. Sunil Mathur – Managing Director and Chief Executive Officer, Siemens Limited**

- A large part of this revenue comes out of backlog.

- **Ms. Renu Baid Pugalia – IIFL Capital:**

- Correct. We catch up in fiscal 25 then.

- **Mr. Sunil Mathur – Managing Director and Chief Executive Officer, Siemens Limited**

- Yeah.

- **Ms. Renu Baid Pugalia – IIFL Capital:**
- Lastly you did touch upon this that for the core Siemens business ex of Energy they will be focused to improve profitability but if we see the portfolio that mix, the pluses and minuses, broad margins currently are in 12.5 - 13% range. In your view what could be the share of exports today in the Energy portfolio? Can these margins be in mid-teens level over the next two to three years, given the tailwinds, on the mix, on the end market demand and considering the effects and other impact that you have seen in the near term. Or you think the teen margins for the core business could be a bit of stretch until Mobility inches close to double digit margins?
- **Mr. Sunil Mathur – Managing Director and Chief Executive Officer, Siemens Limited**
- So Renu, you have been following us for a long time. You've seen the growth in the margins of the business here and you've seen how it's picked up in the last couple of years once the economy picked up as well. Our intent is very clear as Management, I've been talking as long as I've been around about profitable growth – and our intent has Management is to grow the top line and grow the bottom line as well.
- **Ms. Renu Baid Pugalia – IIFL Capital:**
- Got it. Thanks, Sir, and best wishes for the next year. Thank you.
- **Ms. Radhika Arora – Head, Investor Relations, Siemens Limited:**
- We'll have one last question from Jainam Jain from ICICI securities. Jainam, you can go ahead.
- **Mr. Jainam Jain – ICICI Securities:**
- Hello.
- **Ms. Radhika Arora – Head, Investor Relations, Siemens Limited:**
- We can hear you, go ahead.
- **Mr. Jainam Jain – ICICI Securities:**
- Yeah, you hear me? Right. OK. So congratulations to the Management on the great quarter. So, Sir, my first question is, are we hearing about any upcoming new orders for locomotive business?
- **Mr. Sunil Mathur – Managing Director and Chief Executive Officer, Siemens Limited**
- Currently nothing on the horizon.
- **Mr. Jainam Jain – ICICI Securities:**
- Oh well, that answers my question. Thank you.
- **Ms. Radhika Arora – Head, Investor Relations, Siemens Limited:**
- Thank you, so that was the last question. Thank you everyone for joining us today and wish you a happy festive season and a happy new year. Thanks.

- **Mr. Sunil Mathur – Managing Director and Chief Executive Officer, Siemens Limited**
- Thank you very much and all the best and a very happy year ahead. Look forward to touching base with you in the new year
- **Mr. Wolfgang Wrumnig – Executive Director and Chief Financial Officer, Siemens Limited:**
- Wish you the same.

END OF TRANSCRIPTION