REF:INABB:STATUT:LODR:ANALST_TRNSPT:2026 November 20, 2026

BSE Limited
P.J. Towers
Dalal Street
Mumbai 400 001
(Attn : DCS CRD)

National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor
Plot No. C/1, G Block
Bandra-Kurla Complex, Bandra (E).
Mumbai 400 051

Attn: Listing Dept.

Dear Sirs,

Sub: Transcript of Analyst concall

In continuation to our letters dated October 29, 2026 and November 14, 2026, we are enclosing a copy of the transcript of conference call with analysts, which took place on November 16, 2026 post announcement of un-audited financial results of the Company for the third quarter ended September 30, 2026.

The said transcript is also uploaded on the Company's website.

Thanking you

Yours faithfully
For ABB India Limited

TRIVIKRAM GUDA
Digitally signed by TRIVIKRAM GUDA
DN: cn=TRIVIKRAM GUDA, c=IN, o=PERSONAL
Date: 2026.11.20 17:33:23 +05'30'

Trivikram Guda
Company Secretary and Compliance Officer
ACS 17685

Encl: as above

ABB India Limited
Registered and Corporate Office
Disha - 3rd Floor, Plot No. 5 & 6, 2nd Stage
Peenya Industrial Area IV
Peenya, Bengaluru – 560 058
Karnataka, India

CIN: L32202KA1949PLC032923
GST: 29AAACA3834B1Z4

Phone: +91 80 2294 9150 – 54
Fax: +91 80 2294 9148

Email ID: investor.helpdesk@in.abb.com

www.abb.com/in

ABB India Limited

Q3 CY2026 Earnings Conference Call
(July to September 2026)

November 16, 2026

MANAGEMENT: **MR. SANJEEV SHARMA – COUNTRY MANAGING DIRECTOR**
MR. T.K. SRIDHAR – CHIEF FINANCIAL OFFICER
MR. KIRAN DUTT – PRESIDENT, ELECTRIFICATION PRODUCTS
MR. GANESH KOTHAWADE – PRESIDENT, ELECTRIFICATION DISTRIBUTION SOLUTIONS
MR. SANJEEV ARORA – PRESIDENT, MOTION MARKETS
MR. BALAJI – PRESIDENT, ENERGY INDUSTRIES DIVISION AUTOMATION

Moderator: Ladies and gentlemen, good day and welcome to ABB India Limited's Q3 CY 2026 July to September Quarter Earnings Conference Call. As a reminder, all participants will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded, and any unauthorized recording of this call is strictly prohibited. The recording will be made available on the company's and SEBI's website subsequently.

I now hand over the call to T.K. Sridhar, Chief Financial Officer of ABB India Limited. Thank you, and over to you, sir.

T. K. Sridhar: Very good morning, and thank you, Michelle. Very good morning to all of you. Welcome to the Q3 2026 analyst call. So along with me on the call, I have Sanjeev Sharma, Country Managing Director for ABB India, and I have Kiran Dutt, who leads the Electrification Division, and also Balaji, who leads the Automation segment of ABB India and Sanjeev Arora from Motion. We also have Ganesh Kothawade from Distribution Solutions.

Having said that, I'll hand over to Sanjeev. Sanjeev, over to you.

Sanjeev Sharma: Thank you, Sridhar. Good morning to all of you. I think within this meeting, we have also invited Sunil, who is going to join us as CFO of ABB India Limited from 1st of January 2027, so welcome, Sunil. So it's part of our transition that we are introducing Sunil to all aspects of ABB India Limited working.

He has been part of ABB's Electrification business for a long period of time, so he understands the company well. And as you know, that I will be transitioning from executive role within ABB India Limited to non-executive role from 1st of January 2027.

And T.K. Sridhar, who you have known a long time with me for the last 11 years, he will be taking over as the Managing Director and Country Manager for ABB India Limited. So that all of you get already used to Sridhar, I hand over this whole presentation to T.K. Sridhar so that he can give you the flavor of business as well as numbers. And next time around, when you hear from ABB India Limited, it will be T.K. Sridhar and Sunil. Over to you, Sridhar.

T. K. Sridhar: Thank you, Sanjeev. It's always been a great pleasure working along with Sanjeev, and he gives me this exposure from time to time to do it all alone. Thanks to Sanjeev.

So a bit of a narrative. I think ABB India delivered a strong quarter again this time, with orders growing at 56% year-on-year and to INR4,700 crores roughly, and a solid backlog of INR13,000 crores roughly what we have. And good to note is that the growth has been across diversified markets as we have reported in the 23 market segments and across all the business divisions as well. I think it's in sort of a sweet spot at this point of time.

And yes, there are definitely some pressures what we have to deal with respect to inflation, with respect to geopolitical topics, and also the metal prices, the commodity prices, which has impacted us at this point of time.

So having said that, so let me sort of take you quickly through the presentation. So some slides are something which are consistent to make sure that people who are attending for the first time get a view of what ABB India is. So if you look at the slides which you have, we have different business divisions across the business areas, which are catering to different markets in India.

So 90% of our business comes from India, and 10% comes from exports. All these business divisions are well-positioned to cater to this particular demand across the country.

We are well-distributed across the country. We added one factory in 2026, which is at Nelamangala. There are two plants in Nelamangala now, so that's something which we thought we should bring it across to you. So we export to 100 plus countries, and we have 25+ plants operating in this, and we cater to the business demand in the country through 750 channel partners.

Next slide. So as I was mentioning, it was again a strong quarter with respect to orders, 56% growth in orders. The base orders grew 43%. We did have some large orders from data centers at this point of time. I think this actually means that we are well-spread across in all the market segments in the business divisions.

We did have a growth of 19% in revenues, that also coming from across all the business divisions and then operational EBITDA improved by 15%, and PAT improved by 10%. So this is about the financial performance of the company, but when we look at it, we also look at some of the highlights which we could achieve in this particular quarter.

In respect to sustainability, we had almost 100% of the waste which we diverted from landfills. That was something which was very good, and we covered 200 suppliers on the ESG journey of us on sustainability capability building. And a proud moment for us to have been recognized as one of the best employers by the TIME in India. So this reflects a strong workplace culture and employee experience what we have.

Nice to see the chart on the left, which is orders, which is growing consistently as what you could see. Orders are 3,000 at an average today. We see it going up to 4,000 at an average. And revenue is also following the same trajectory.

So the orders definitely spread across building infrastructure, railways, data centers, process industry, and food and beverage, so it is well spread is what we want to say. There is no single call-out for any such business market as what we see. Having a backlog of INR13,000 crores gives a good visibility of revenues for the future.

So this quarter, where did we get orders from? For Electrification, we got from data centers, from low-voltage solutions, or on the medium-voltage switchgear for hyperscale and renewables, very important segment.

Motion, we did get a fantastic order on motors for engineering and industry in railways and metals and mining. Automation, it's a bit cyclical at this point of time. We have orders from oil and gas, metals and mining, and cement continue to be coming in.

We are diverse against in 23 market segments. So we are 85-90%domestically exposed, 15-10%dependent on export at this point of time.

Spread out between the verticals, we have emerging markets, infrastructure and transport, and core industries. All of them grow at different speeds. And emerging markets are starting new and they are in the transition phase at this point of time.

So we had a strong growth on a lower base at this point of time. Also, renewables is going with the government policy of improving the clean power. So the infrastructure and transport, I think this is also a segment which is very interesting where ABB has good portfolio to cater to this. Marine and ports, rail and metro, water and wastewater, and building and infra.

Core industries; I think still core industries are very important for us. Out of the 85-90%, I would say 45% or 50% comes from this core industry. They are definitely very important because the base is quite high, and any orders which we get from them in any growth percentage is very important for us.

Theme of the quarter, it's about power generation distribution. The market trend is what we see is focused on decentralization, decarbonization, and digitalization, so ABB has integrated solutions to cater to these requirements between Electrification, Motion, Automation segments. I think the key driver for this is around demand, which is likely to go up by 2x from 270 gigawatts, 450 gigawatts.

And then a great journey in the renewables space, non-fossil electricity capacitypoised to go at 3x from 300 gigawatts to 900 gigawatts by 2035, and definitely we will aim for 3x in terms of the battery energy storage systems. It is all driven by good growth in data centers as well. So overall, ABB play in this particular segment is around 8 to 15% in between products and projects what we cater to that.

So how do we do it? We have already been saying that Tier 2 and Tier 3 growth of cities, growth in cities is very important and faster from what we see. And how do we reach out to them? Is through these customer and partner engagements what we have, through different businesses and different channels.

So earlier, I think, 5 to 6 years before, or 7 years before, we used to have a company-led program which used to cover all the business, all the segments. But today, I think the model is so mature that every business has its own focus on respective segments and respective markets. So I think its sharper. It's kind of a surgical view of how we could see the demand be. So we have different forums where ABB starts to participate as well.

Going towards sustainability, I think it just not important that we are a performance organization, we also need to look at it as holistically how we look at other topics which make the company

stronger. So sustainability is important for us because we think it is the right thing to do. So we are in a very good pace of advancing our goals for 2026.

If you look at it, Scope 1 and 2 emissions, we had a target of 88%, we are already at 85%. Similarly, on water recyclability, we set 45% for this year, we achieved 44%. And waste diversified from landfill, we are already at almost 100%. We covered 200 people on sustainability for suppliers. And of course, we also shared with you that we ranked 9th as the Employees' Choice.

We are also a good corporate citizen, and making sure that we also share the benefits with the community and such. We run our programs on three verticals, which is education, skilling, diversity and inclusion, and also communities and environment. Different programs reaching different sets of people. So we make sure that ABB is a more meaningful organization.

Moving into the data as far as performance is concerned, we said that we grew 56%, base orders grew by 43%. Backlog at INR13,000 crores, which is also up 36%. Revenues at 19% growth as what we see. EBITDA at 14.8% and 14% growth as what we see. And PBT is definitely in line with what the EBITDA and PAT looks like.

Good cash balance of INR5,300 crore, because we paid a dividend in Q3, so that of USD200 million roughly, and that is probably the use of capital, allocation of the cash what we had. So for 9 months, we are stronger in orders, INR14,000 crores, again, plus 40%, good revenue visibility from the backlogs what we have, and hopefully, I think we have good volume gains which will be offset probably by the mix and commodity as what we see.

Next slide is around financial statement. This is an overview of how our P&L looks like, so we had a material cost at 62.9, stable in fact to the previous quarter, all right? And definitely not higher than the Y-on-Y, which is the last quarter same year. We had 61.5, 140 basis points higher. And while the personnel expenses and other expenses remains steady at what we see.

So overall, we seem to be running steady on the expenses and the material cost at this point of time, but sales benefits is what is important to play now.

Electrification. A solid growth in orders; 117% growth year-on-year. I think it's something which is commendable from the Electrification segment, and it's more also from data centers what they got, and energy and chemicals.

Now, they have an order backlog of INR5,800 crores (approx.), good visibility of revenue going forward. Revenue is doing steadily in line with the orders what they have received, and profitability margins at 18% despite the challenges what they had in the market.

Motion, INR 1,500 crores, a steady order intake growth, despite the pricing challenges in the competition. And revenues and orders more or less the same, and they have a backlog of INR5,000 crores. Again, a mix of both long gestation orders as well as system orders and standard products. Profitability at 13% and higher material cost and revenue mix has impacted.

Automation. Automation is definitely a bit cyclical as what we see. I mean, they have been doing pretty well with the capex projects deferred. As we stand today, it is slightly held up due to the deferment of capex decisions of long gestation projects from oil and gas and the metals and mining. But the good part of it is that they are able to keep up on their profitability trajectory because they are able to leverage upon the good sort of installed base what they had in the market to serve these revenues.

The last is around how our mix is about. So I think we have more or less the same mix. I think with 51% from Electrification. So that's the revenue mix what we have. And on a 9-month trend, we have 50% of business now tilting towards Electrification and the balance between Automation and Motion.

Offerings more or less the same, 83% from products, 7% from projects, and 10% from services what we see. By geography, this quarter was slightly better in terms of exports. We had 87% from domestic and 13% from export.

So I think this is broadly what we see as an structure of what and how we have delivered in this particular quarter. So we have next 30 minutes, we are open for questions as such. So we do have some questions which we have already, I think, I would have probably answered at this point of time. So one is about, I think, how are we doing the pricing action as such?

I think pricing action is a continuous journey, which is going to stay at the end of it. We calibrate with what the material cost and the commodity inflation sort of stuff play out in the market. Because we have revenue mix which are different in different business divisions, spanning out between standard products which are delivered within weeks. There are projects which are delivered within 12 to 18 months and also services which are delivered on an instant basis. And engineered to orders, system orders also take a bit of more time. And the pricing, there is no one rule which could apply to all businesses. It depends on the market position, the cost position what they have, the localization journey, what they have done in these particular business divisions. So it is actually done by the business divisions, which is led by able division managers who have been showing a fantastic performance over the quarters to come.

Then we saw another question which is around data centers. Data centers is definitely an important market segment because it was very vibrant at this point of time. But having said that, I think while data centers is definitely fast growing, we have another 22 market segments which is also equally interesting and growing and where we are nicely spread. So this brings out a good resilience in the terms of our performance.

So we are proudly engaged in all these 23 segments, not just focused on data centers, but make sure that we are very relevant in the fastest growing segment which is data center at this point of time, and we have seen that having an impact on the order books as what we see.

On capex plan, yes, I think, first thing is that we do a baseline capex which we have been consistent of INR300 crores year-on-year. And if you remember in Q1, we did announce a USD 75 million capex plan for entire ABB India as such. But if you look at this, it would be almost USD 60 million, and that's something which is spread between Motion and Electrification

segments, which are the fastest growing segments. We build our capacity in advance knowing that certain markets where we are growing is definitely going to give us more revenues going forward, so that's something which we thought is something which is important to share.

There is no definite strategy if you say in the next 2 quarters how are you going to do pricing and all that thing. I think it definitely depends on how the market plays out. And there are certain factors which are considered as headwinds, which is the geopolitical factors, is not in our control, supply chain challenges what we see sometimes which could come up. So the good part is that, we have good measures to address this during the period of time.

The business cycles are quite different in different points of time. We have managed them and we feel that the managers who are leading these businesses will definitely address this in a more logical and orderly way.

So with this, I think we could probably open up for the questions.

Moderator: Thank you very much, sir. Ladies and gentlemen, we will now begin with the question-and-answer session. The first question is from the line of Mohit Kumar from ICICI Securities. Please go ahead.

Mohit Kumar: Yes, good morning, and congratulations on a very, very strong order inflow. My first question is, the last three quarters' demand seems to be very strong, and we have been reporting order inflow of higher than INR 45 billion each quarter. What was the demand driver for the strong order inflow, and do you continue to see the strength in those drivers?

T. K. Sridhar: So I think I have already explained this, Mohit, on a consolidated level. Probably, I think we could touch base with the leaders whom we have on the call, which is Kiran, Ganesh, as well as Sanjeev Arora. So let's start with Kiran, if you could give a bit of a color on Electrification.

Kiran Dutt: Yes. Thanks, Sridhar, and thanks, Mohit, for this question. Of course, it is quite a situation where we are all very happy today smiling faces that the team has reached so high with the fastest growth in terms of orders. Let me talk to you with respect to the perspective from Electrification as such, and what we have seen is quite a substantial increase of over 117% in Electrification business in terms of growth of orders.

Now, having said that, what are those important segments of the market which is actually supporting? We have already indicated that we have done very well because of the strong demand in data centers for sure, no doubt on that, but it is also very important to understand that the demand is also from F&B.

India being a large country, and for sure, F&B sector was expected to grow, and we are seeing quite a good momentum coming from F&B sector and also with energy and chemicals as well. On a broad base, we have, as we already have spoken, 23 different segments of market which is really supporting Electrification in terms of the growth what we have seen in the last quarter.

T. K. Sridhar: Ganesh, for the distribution solutions, how do you see the market?

Ganesh Kothawade: Yes, sure. We have seen a great order momentum in the last few quarters, and the good news is actually this growth has come very inclusively, I can say, because it is though significantly the growth came from the data center, but if you even exclude the data center, the growth has came from the other segment also, almost like a higher double-digit growth.

So we do see pipeline continued in the data center as well as the other segment like building and infra, core industries like cement, oil and gas, and also coming in the renewables. So I can say the growth momentum will definitely be continued, but like a data center or like a big ticket order, and that is something is like one and zero, but overall, we do see a good pipeline.

We are already sitting on a good backlog, and we are trying to even pass on some of the commodity price increase in the market, so we will definitely be going to be little choosy in the coming quarters.

T. K. Sridhar: Thank you very much. Sanjeev?

Sanjeev Arora: So Mohit, I will not repeat what my other colleagues have said, but just to give you that flavor also, that energy efficiency and transition has been a key driver in all the segments what my colleague had mentioned, and ABB products are very sweetly placed on that. And we enjoy a very high market share and credibility from the customers, so that is also giving the tailwind of the sectors, but then on top of it, our own products which have a good credibility is giving a tailwind.

Of course, data centers, AI infrastructures is playing a big part, but then manufacturing as such is picking up, which is also good for us. As my colleagues have said, process industry, be it any process industry, it is doubling their capacities or increasing their capacities to a very large extent.

And of course, infrastructure and mobility, we are having a great tailwind on the infrastructure products. So be it airports or tunnel ventilations etc in that piece, and also on the traction piece, we see lot of investments coming up. So I think we are in a good space, and that is the reason of the tailwind what we have today. Yes. Thank you.

Mohit Kumar: Understood, sir. My second question is it fair to assume that a large part of your current order backlog is primarily deliverable in next one year, or is the current order backlog in terms of execution is almost similar to last year order backlog, or has it changed materially?

T. K. Sridhar: I think by and large it remains the same. I think the 40% of our backlog which we are talking today is represented by the large orders which get executed over several quarters. Okay? And the balance is executable in four to five quarters is what we see, right? As I was mentioning, we have a mix of standard products, we have mix of engineered systems, we have projects and services as well, right? I think that this journey is something which has been consistent for the last several quarters.

Moderator: Thank you. The next question is from the line of Sumit Kishore from Axis Capital. Please go ahead.

Sumit Kishore: Thanks for the opportunity. My first question is on the Electrification segment, which has driven inflow and revenue growth performance during this quarter. So, with respect to the 117% order inflow growth and the 40% revenue growth that we saw, could you give some insight into how much, what quantum of price increases on an average would you have seen over the last one year and does that sort of factor in the commodity movement, and what is your outlook for your biggest segment going forward?

T. K. Sridhar: Sumit, so I would give you a bit of a qualitative answer because I think giving a quantitative answer to your question, even though I prefer, and you would also prefer that, but it is competition-sensitive, and therefore we would more prefer to be more qualitative on this.

This price adjustments to cover the inflation is just cover and the commodity cost is a continuous journey. So it has got various elements to it. One, a simple price adjustments which you do on account of commodity and inflation. Next, which also happens is the localization journey, and next, we also need to add to that what is our mix between the projects and products and the delivery which we need to do for different customer profiling as such.

So, long answer short, while the business divisions have a very clear strategy for which market segment, how they have to do the price increase, and it is not something a one-size-fits-all for all the market segments within the business division and it is a very calculated business model what people exercise to make sure that we are healthy in those particular markets and their businesses.

So, the one bottom line certainly to tell is that there is always a lag impact, right? So because the prices to the P&L comes first because that's the thing which you need to offer to cater and service the customers whom we have, and then the price adjustments follow, so there is always a lag in the journey which we have.

Sumit Kishore: Sure, that's clear. I think in the order backlog of INR12,927 crores that you have reported, could you give us some sense of what is the data center exposure here, mainly I think across Electrification and some part in Motion, I guess?

T. K. Sridhar: You are very right. I think the data centers typically, I think in a steady state is roughly around about 10%-15%. And in times when cyclical orders are high, it goes up to 20%, which at this point of time is between 15%-20%.

Sumit Kishore: Got it. And this would be mainly domestic, right? I mean, or is there some overseas exposure also? Or would that overseas exposure be in the same proportion of your overall overseas exposure of 10%-15%?

T. K. Sridhar: So, I think this is all more local. There is nothing of overseas at this point of time. If there has been overseas, then our export head would have definitely gone up, right?

Moderator: Thank you. We'll take the next question from the line of Rahul Gajare from Macquarie Capital. Please go ahead.

Rahul Gajare: Hi, Sridhar. My first question is on the volume growth in this particular quarter. Given the robotics is not there, this large growth, could you help us with the volume growth that you've seen there, specifically in Electrification and Motion?

T. K. Sridhar: Volume, basically, how much have we grown, right? So, I think Electrification has grown -- I think you should have seen the segment results which are there as a part of the SEBI. So, we have grown 40% year-on-year in Electrification, and in Motion, we have grown 14%.

Volumes, this is the value, right? Revenue values. So, volumes you mean to say in terms of -- because they we got different products and projects. You cannot say that it's a standard product, you can have a volume which you could say from X units to Y units, right? That does not work because there are more of a blend of orders which our revenues have given the different business models.

Rahul Gajare: Say, this 40% growth in Electrification is largely on volumes, or there is some bit of price hike that you would have taken, 2%, 10%, some range. And specifically on the price hike, I want to understand how the price hike has been in the Motion, because that's where commodities have played a big role.

T. K. Sridhar: So, we can, of course, definitely listen to what Sanjeev is saying, but I think we do not give or we don't prefer to give anything which is as a quantitative value of what price increase we have given. So, Sanjeev, would you like to give a color on what's your pricing strategy on Motion?

Sanjeev Arora: Yes. Sure, Sridhar. See, let's be fair on that part that the ride has not been smooth when it comes to the erratic price increases. And the good part is that we have been very fair to our customers, that whatever has been the genuine price increases, we have requested them, and they have been very fair also to allow us to take that, because they are also in the same ship, and they are also experiencing in their projects and etcetera, etcetera.

But then, the growth what has come is on account of both. It's a mix of price increase as well as volume increase. So, that's my take on it. But you're right that the price has been quite erratic. It's an erratic journey in Motion for this year.

Rahul Gajare: Okay. My second question is, we have seen very strong traction in order inflows for the last four quarters or so. Is it possible you could tell us or give us a color how base orders are doing and how large orders are doing? I think last quarter you did indicate that large orders have not been forthcoming, but some sense on base order, large orders would be very helpful to understand.

T. K. Sridhar: So, I think I did in my commentary that we said that when we took that INR 4,700 crores for this particular quarter, which grew by 56%, I said the base orders grew by 43%. We did have large orders from some data centers in this particular quarter, right? [Inaudible 00:34:17] of roughly around about INR500 crores on a net-net basis between last to this year, so that's basically how we see. So that's how it is.

And I think good part is that on a 9-month trend, if you look at it, the large orders are important, have played a role, no doubt about it. But I think the most encouraging part of it, the base order

is something which have grown at plus 30%, which is a strong factor to see that our base volumes are having good traction.

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

Puneet: Yes. Thank you so much for the opportunity. My first question is on the data center side. Do you get a firm timeline to implement data center orders, or are they still uncertain in terms of exact timeline of delivery?

T. K. Sridhar: I think you would love to hear this from Kiran, who does from the product side servicing to the data center, and Ganesh, who does from the system side. So Kiran and Ganesh, if you could give some color on this?

Kiran Dutt: Thank you, Sridhar. Let me touch upon the flow side of the business of it, mainly on the co-location side. What needs to be understood is that when the customers finalize the orders on any of the Electrification systems they need, they are already working on their own project cycle with respect to the construction and other infrastructure required. So Electrification, whatever we do in terms of the flow business, is not a limitation for them for any kind of a cycle of their execution process.

So, the entire thing depends purely on the other kind of equipment, which could be the transformers which could be there or the buildings availability. And since we are at the backend of the part where the infrastructure is already there with respect to buildings in the civil side of it, we come into picture. So, there is a very clear execution cycle which is between three to four quarters for the data centers. Maybe Ganesh can throw light in terms of systems and parts.

Ganesh Kothawade: Yes. Data center orders, whatever comes from either hyperscales or the colos, it comes with agreed fixed deliveries. And so far, our experience is that whatever deliveries were agreed in the contracts, we have delivered on those. Very little deferment what we had seen. So, whatever orders we are having in a backlog is having the agreed delivery schedule with a client.

And the best part of it, if there is a deferment in the delivery from what has been agreed, there is a price variation clause. So, we don't see any risk in our backlog as far as the execution of the data center orders are concerned with respect to the timeline.

Puneet: This is very helpful. And would you still classify it as a longer cycle order or a similar cycle compared to rest of the business?

Ganesh Kothawade: Yes. When it comes to the colos, it is basically a short cycle order, but when it comes to the hyperscale, it is the deferred delivery. So it actually having, basically, I can say, like a frame contract. So, it starts from the next quarter onward, and it can go up to the six to eight quarters going forward. So, I can say it's like a mix of it.

Puneet: Understood. That's very helpful. And secondly, on your segmental assets, on the Electrification side, we see a INR1,000 crores growth year-on-year. Can you assign a reason for that?

T. K. Sridhar: The balance sheet, right?

Puneet: Yes, on the balance sheet.

T. K. Sridhar: So, first of all, are you happy with the growth in Electrification and the backlog which you have?

Puneet: Yes.

T. K. Sridhar: Yes. Okay. So if there is backlog, you need to build on two things. One is basically the inventory which is required to service them, because that's something which you have to buy in advance to make sure that we are able to handle the supply chain, manage supply chain topics is what we have.

So all these inventories, what the big assets, the change in assets on account of Electrification is basically reflecting the order backlog growth and also the revenue growth as what we see. But otherwise, I think it is quite normal with the growing business.

The net working capital as a percentage to the revenues are steady, so we don't find any abnormal increase on that other than inventories, which is definitely a strategic and very measured buying which every business will do in a growth phase.

Puneet: And any gross block increase in this?

T. K. Sridhar: You mean to say the fixed assets, right?

Puneet: Fixed assets. Yes.

T. K. Sridhar: Yes. Fixed assets is basically a journey of what capacity we want to build. Any growing business will build capacity, and we do everything in advance. And so when we are looking at the capacities, what we need to build, we build it across just not one business line, but across all the business lines in India. That's because we have facilities which combine the various businesses in one location.

So according to me, I think we did announce during the earlier part of this particular year, a $75 million investment program, out of which $60 million pertains to the listed entity. And that's something which is in different phases at this point of time.

On a baseline value level, we do INR 300 crores every year, which is very standard, to take care of the normal, the capacity building which we do for keeping in view the market developments.

Moderator: Thank you, sir. The next question is from the line of Sameer Thakur from Ambit Capital. Please go ahead.

Sameer Thakur: Yes. Hi, thanks. I just wanted to check on this order book sustainability on Electrification. Do you still see large orders in the pipeline? Also on the technology side, do you see any discussions on 800 VDC or any other new technologies, or is this too early for Indian market?

Kiran Dutt: Yes. Thanks, Sameer, for this very, very interesting question. The first thing we need to look at is how exactly are the markets developing. When I look at overall, of course, there's a very

interesting thing called data centers. At the same time, each of these data centers also are kind of power guzzlers, right?

So when we look at that, what's happening on the power grid side is also very important thing to be assured that infrastructure development in India. Now when we look at it from a perspective, you have the first reason why there could be a very much uptake of solutions from our side is based on probably an aging power grid. That's something which we need to look at.

The second one is the energy transition which is actually happening, and the third one, of course, because of the data centers or any kind of industries, as the consumption of electricity increases, we are looking at energy expansion. So these are the three important criteria we need to look at the growth of overall business.

Having said that, I'll also come to your second question with respect to 800 VDC architecture which is coming into data centers. We have recently launched globally a solution called Infinitus, and this solution is across segments of the market. We are not new to DC segment as such with respect to -- I'm talking about direct current with respect to the data centers or as an application of direct current equipments.

Now, this direct current equipment was being used earlier in marine applications, and today we are seeing these kinds of applications coming into data centers. Of course, few of the opportunities are already there globally, but in India, yes, it is like one time at the start when we have launched these products into India.

At this point of time, it also depends on probably the acceptance of this particular market and the requirements that are, so we work on that. Ethernet-based VP for sure is something which is going to be important.

Sameer Thakur: Okay, thank you. That is helpful. And second question is it fair to assume that the gross margins in data centers end market will be better than rest of the end markets? Is that a fair assumption?

T. K. Sridhar: Here, let me give you a bit of this one color on, right? Any new segment which is growing and which has got a high dependence on technology as a differentiator, those margins from these particular segments will always be reasonably better than the normal established segments. Therefore, the data center orders are reasonably better than the normal segment orders.

Moderator: Thank you. The next question is from the line of Atul Tiwari from J.P. Morgan. Please go ahead.

Atul Tiwari: Yes, sir. Thanks a lot. Sir, with the commodity prices now stabilizing or coming off over past months or so, are the raw material price pressures that you have been facing, are they behind us? Are you facing some bit of deflation in raw material prices going ahead?

T. K. Sridhar: See, I don't have a crystal ball to say whether the raw material prices will be stable, right? So at this point of time. So I think what we are looking at is what is present with a very short-term view

So I think our methodology to address this is quite robust. Each of the businesses deploy depending upon which markets and which customer segments we have to play with and what is the strategy for that. So, on an overall basis, I always told you that there is always a lag between what we would like to pass on to the customers, and that's what Sanjeev Arora also alluded to, and also Ganesh in the previous question as well. It will be a continuous journey also because we are also on a localization path over here at this point of time.

Atul Tiwari: Yes. My second question is on the parent's announcement of this JV with Mitsubishi Electric's low-voltage power distribution business globally. For us in India, how should we think about it? I mean, do they have a business in India, and shall Indian entity will also be forming this JV here?

T. K. Sridhar: Kiran, would you like to What is the relevant market for India as well?

Kiran Dutt: All right. Anyway, we are looking at this point of time, when we had a joint venture which got announced last month with Mitsubishi. The first thing we need to look at is the portfolio. Now when we look at the portfolio of Mitsubishi, it's very similar to the portfolio of ABB. And this particular portfolio is, as of today, we are looking at this particular market in Japan.

And we would, at this point of time, with$640 million of revenues of Mitsubishi, where we have taken a 51% share, we seem to be the number one with respect to the market share in Japan. So when we look at India, well, at this point of time, it's business as usual, and we will come back to you over the next few quarters on what exactly could be done here.

Atul Tiwari: Just confirming, they do have a business in India, right? On the low-voltage side.

Kiran Dutt: Yes. We will get back to you on what exactly we need to do going forward.

T. K. Sridhar: So, you have to understand, they are listed companies, so there is a protocol whenever we want to have this particular type of business arrangements. As per again to what Kiran was mentioning here, we will follow the due process, and we will come back to you whenever there is any change. But at this point of time, it is business as usual.

Moderator: Thank you. The next question is from the line of Harshit Patel from Equirus Securities. Please go ahead.

Harshit Patel: Thank you very much for the opportunity, sir. So my question is on the Automation segment. This is one segment which has lagged the other two by a massive amount over the course of last several quarters. You have indicated the delayed decision-making by the customers as well. You had expected energy industries and process industries orders to come through with a lag. So it will be useful to understand how you see oil and gas, refinery, and process industry-related capex cycle, as well as decision-making playing out in India, and when can this particular segment return to growth? That is my question.

T. K. Sridhar: Thank you. I think wonderful question, taking away the focus from Motion and Electrification and data centers, right? Balaji is there on the call, who leads the Automation business segment.

Would you like to throw some light as to how strong the pipeline is, what's the situation on the decision-making of these long-duration orders?

G. Balaji: Yes, sure. Thanks, Sridhar, for directing the question. So in Automation, we primarily deal with Automation and digital and electricity solutions for various segments. Oil and gas, power, water, specialty chemicals, metal, mineral, mining, cement. These are the major. We do, of course, have the instrumentation, and marine and port as a part of Automation.

So, in terms of various segments, each of the segments has its unique characteristics. After a very, very long time, we see projects moving in offshore. They are being consistent movements in projects around the midstream section, which is pipelines and terminals of oil and gas. Downstream, I would say, it's a bit sluggish. The projects are a little bit up a slope.

What's changed in the power segment is over the past many years, there have been hardly any greenfield power projects announced. This year, there are projects which are announced, and the various EPCs are in the process of engineering and procurement and of course, when it comes to specialty chemicals and pharmaceuticals, that's been stable as well. And we have seen investments coming in cement business as well and in the metals business as well. So we align ourselves with the overall project scope and timeline.

There is a specific time at which the engineering is done. We support them during this engineering phase and then there is a phase for procurement and then there's a phase for manufacturing and delivery. While our growth has been quite tepid, 4% with respect to previous quarters, I think in terms of a pipeline, it's quite strong.

We have seen movements and there are governance that we have in terms of what's the ideal space that we need to play in. So we stick to that plan so that we end up creating a value over a period of time. So in terms of pipeline, I would still say it is a strong pipeline that we have over a period of time. I think when the decisions are made at the appropriate time, we will come to know the results.

Harshit Patel: Sir, secondly on our capex plans, you have done a very strong capex in the first half of CY2026. While the ongoing capex has continued, you have also highlighted $50 million worth of capex in the listed entity. Sir it will be useful to understand the phasing of this capex. So how much of this we have already incurred in CY26? What would be the plan for CY27 and any spillover to CY28 from this $50 million? That is my last question?

T. K. Sridhar: Okay. So I would recommend that you should go back to the press release which was done, on this particular topic and it clearly gave those projects which are being covered under this $60 million of investment and they are mostly for products in Motion and Electrification

And some part of it for automation as well, a little part of it, but I think this is all construction of new factories and this thing. Normally, the construction takes at least 8 quarters to 10 quarters to complete end-to-end and then we ready for the capacity or for installation commissioning. So this will all happen over the period of end of 2026, probably the earliest, at the best, or sorry, end of 2027 and later part of 28.

Moderator: Thank you. The next question is from the line of Renu Baid from IIFL Capital. Please go ahead.

Renu Baid: Yes. Hi. I had just two quick questions. One, generally, management outlook and obviously performance has been quite bullish. So are we clearly seeing the tides now changing when there is seeing volume growth coming back and while you mentioned that pricing obviously is more calibrated, incrementally can we expect that margin expansion or recovery would be more operating leverage led while at least we are able to bridge the gap on costs and the recoveries in the inflationary headwinds which were there? So this is the first question.

And second question, with new capacity expansions commissioning by next year, can we expect a material jump in the export order flows and prospects from other regions as well as capacities will be available? That is the second question? Thank you.

T. K. Sridhar: So Renu, I thought it was Mudit, but it was Renu because I could recognize the voice, right? Thanks for joining this call. So I think let me answer the second question first. So is it something which is a capacity we all built up to meet the exports? Answer to that is no. I think we see the local demand pretty robust and that is something where we and also new markets which could get added, which possibly which we are looking at and that should basically take care of the planned capex as what we see, right?

So while definitely there, ABB India is, for some of the products, will also have a keen expansion in the export market as such. My answer to that is it will be driven by the expansion in the local market is what we see. The capex would be more focused towards building that. And the next question, the first question was a bit longer one. If you could shorten and tell us which would be better to answer you.

Renu Baid: Broadly, the question is as we see growth coming back, volume growth coming back in the market, on the margin side, incrementally will we see margin expansion largely driven by operating leverage or can we expect gross margin improvement also as the price transmission becomes far more effective than what it was there over the last three to four quarters?

T. K. Sridhar: Okay. So let me give a bit of a color on this. Very interesting question. I think let me look at how did we perform in 9 months. So I think our operating profit was at 14.8% which today is at 12.2% compared with previous year to this year on YTD basis.

In this the scale and the operational, the absorption of the fixed cost, there are couple of percentage of chunk. But still we have material cost and the other expenses related, which is volume related and the fixed cost is something which is yet to be recovered, right? Because the drop is almost 2.6%, so 2% covered and we still have other percentages which we need to cover.

So in short, I think we are yet to offset all of the material cost increases and the scale charge cost which we had at this point in time. So fixed cost which we had at this point of time. If the other factors which are the material cost, commodity price and geopolitical profits, the forex volatility, tax rate too is constant and I think we should be able to be in EBITDA range of 13% to 15% at this point of time, with the backlog execution which will happen over the next six to eight quarters as such.

Moderator: Thank you. We'll take the next question from the line of Amit Mahawar from UBS. Please go ahead.

Amit Mahawar: Hi, Sridhar. Congratulations on great performance. Sir, I just have one question. The launches that you have across electrification and motion to service the new better quality demand and I also understand the imported content in DC servicing would be higher. But still you commented that the profitability in lot of new segments will be definitely better?

So, it's a question directionally on the quality of gross margin, how will it move and can you confirm if the orders in DC are largely for PDUs or we're also starting to get the motion product for the cooling? So some color there on the quality or on the type of DC orders that we have started seeing because hyperscalers have started ordering.

We are still to see the best case here and the conventional products, energy efficiency product, if the new launch will help the gross margin. So gross margin color for the next 1 to 2 years based on the demand and the capex that you're doing? Thank you.

T. K. Sridhar: So Kiran and Ganesh, any color which you would like to put or give on the data center?

Kiran Dutt: Yes. Thanks, Sridhar. Amit, it's quite a good question as well for us. When I look at your question the first thing that comes for me is how are we trying to expand our portfolio? Now the customers are looking at what would the new thing which should come up from ABB and how they can ensure that their data centers are running with better efficiency.

I think that is what we are looking at, how many solutions we can bring in and also value add to these data centers that they can outrun their own competitors. This is what we want to do, and this is what is the motto of making our customers both leaner as well as greener. This is what we want to get into that.

And that's one of the reasons why you would have seen lot of portfolios coming across this year and we will be coming across more portfolios for next year as well. Since the value add of these portfolios are extremely high to the customers of data centers with respect to the amount which could be as an ROI because of the energy saving, it would also definitely support us in terms of margin as well. Maybe some thoughts from Ganesh.

Ganesh Kothawade: No, Kiran already said it. Basically, the data center is definitely looking for more energy efficient and optimal solution and for which actually we are bringing the portfolio. But when it comes to the medium-voltage, the DC technology which has already been started working with the hyperscales at a global level, but I think it will take little time to come into India.

Definitely, the global players will copy once it has been proven at the global level. And also, it is not going to be a complete shift to the technology. It will still continue with AC and DC mixing when it comes to the data center.

T. K. Sridhar: So, Amit, I think data centers is definitely important segment, but I think we have the balanced business on the market segments, which are equally interesting, and some of them are also more interesting data centers as well, right? And that's how you find a growth of 43% on base orders,

which are there. I think the good part is that it is not focusing on. It is a broad-based market which is helping us at this point of time and added to that is the Tier 2 and Tier 3 cities which are also growing faster, and that's also helping us and then ABB at this point of time.

Amit Mahawar: Very helpful, Sridhar. It seems most of the levers are getting in place. Thank you, and good luck to the team.

T. K. Sridhar: Thank you.

Moderator: Thank you. Ladies and gentlemen, due to time constraints, we will take that as the last question for today. I would now like to hand the conference over to T.K. Sridhar for closing comments. Thank you, and over to you, sir.

T. K. Sridhar: Thank you. Thank you very much for joining the call, and it was very interesting questions. But I think before we close this call, we would also like to hear from Sanjeev, who has been with this company for almost 4 decades in different capacities and so he said he will move to different role now.

So, Sanjeev, I think we have been interacting with all the analyst community, investor community, and we have learned from them quite a lot, and we have improved our journey in terms of how do we interact with them, how do we engage with them, and also how do we share information which is relevant for them and the markets to better understand ABB as such. So over to you, Sanjeev, for your sort of the remarks or closing remarks.

Sanjeev Sharma: Thank you, Sridhar, and thank you everyone for joining this call. So it has been 44 quarters of us interacting with each other, and Sridhar will continue with that journey with a familiar face and familiar voice for all of you, and Sunil will be joining alongside with him and that is the tradition of this strong institution, ABB India, wherein we do everything in a very structured and in a manner that it is good for the stakeholders and upholds the good governance standards.

So, I think that has been the hallmark of my association with this organization in past 11 years in ABB India Limited. We always do the right things for the stakeholders, be it our customers, our employees, and our shareholders, and the Board members who represent both the majority and the minority shareholders.

And keeping that aspect for the financial and the company performance, but also paying an equal attention to sustainability, safety, integrity, and making sure that the larger good prevails. I was fortunate, and it has been an absolute privilege to serve this team and our customers, and I wish this team and all of you a very best going forward. Thank you.

T. K. Sridhar: Thank you. Thank you, Sanjeev. As we close this particular call, I think we are into middle of this particular quarter, which is the fourth quarter for ABB. So, I think that's something which is very important for us to close out as well. Thank you to all of you for listening to us patiently, and also the management team who have joined this particular call despite their engagements that they have, and given enough information and relevance to this topic. Thank you very much. Wish you all a good day for the balance part of it.

Moderator: Thank you, members of the management. Ladies and gentlemen, on behalf of ABB India Limited, that concludes this conference. We thank you for joining us, and you may now disconnect your lines. Thank you.

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Investor / Analyst contact:

TK Sridhar

Chief Financial Officer and

Chief Investor Relations Officer

sridhar.tk@in.abb.com

Sohini Mookherjea

Country Communication Manager

sohini.mookherjea@in.abb.com

Registered & Corporate Office:

ABB India Limited

Plot No. 5 & 6, 2nd Stage,

Peenya Industrial Area IV, Peenya

Bangalore 560058

Karnataka

CIN: L32202KA1949PLC032923

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