Operator: Good day and welcome to ABB India Ltd's Q2 CY 2026 earnings conference call. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference, please signal the operator by pressing star and then zero on your touchtone phone. Please note that this conference is being recorded, and any unauthorized recording of this call is strictly prohibited. The recording will subsequently be made available on the company's and SEBI's websites. I now hand the conference over to Mr. T K S Sridhar, Chief Financial Officer of ABB India Ltd. Thank you, and over to you, sir.

T K S Sridhar – CFO: Thank you, Dogan. Good evening, everyone, ladies and gentlemen. Welcome to the Q2 CY 2026 earnings call of ABB India Ltd. Along with me is Mr. Sanjeev Sharma, the Managing Director of ABB India. We also have Kiran Dutt, who leads the EL business, Ganesh from ELDS and distribution solutions, and G Balaji from automation. Sanjeev Arora is not available as he is travelling, so we will have the call with all five of us today. Sanjeev, would you like to start?

Sanjeev Sharma – MD: Thank you, Sridhar, and good evening, everyone. We are very mindful of the fact that all of you have taken time on Friday evening to attend this call. We really appreciate this accommodation.

Today, the way we will run the call is slightly different. As you know, T K S Sridhar has been the CFO of the company for a long period of time and has also been managing investor relations. You have known him in that position. In May, the Board accorded him the status of Managing Director designate, starting from January 1, 2027.

Between now and the end of the year, I am preparing for the transition. As part of the transition, I would like to invite T K S Sridhar to present my part, or the Managing Director's part, in this conference and also in the November quarter, so that you become familiar with it. In the meantime, we are also deciding on the new CFO for the company, which we will announce in due course, so that the transition in January is seamless. You will continue to hear the same voice in the coming quarters. Over to you, Sridhar.

T K S Sridhar – CFO: Thank you, Sanjeev. I think it is always a pleasure to work with you and the other team members as well. For the people on the call, I already had a rehearsal at the Board meeting, so I did both the MD presentation and the CFO presentation. I will carry on from there. As Sanjeev was alluding to, the CFO search is ongoing. We should complete it in the next couple of months, and then we will have the induction process as well.

To continue with the presentation, I think the presentation is open, and I hope everyone is able to see it.

Let us go to the first slide. This is just ABB at a glance. For those who are already familiar with this, there is only one point to note. The number of manufacturing locations has increased from five to six because we added Nelamangala as a second location. That is why there are six locations. The balance remains the same. The number of shop floors will increase as the individual businesses begin to spread out into the second location at Nelamangala as well.

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Let us move to the business highlights. We just uploaded this presentation, and I do not know how much time the team had to look at it, but I would like to take you through it. We will start with the half-year view. Orders are up 36%, at roughly 8,600 crores, and revenue is 6,743 crores, which is also up 13% for the half year. For the quarter, the numbers are definitely different.

We have a strong backlog of 11,900 crores of order backlog. There are no slow-moving or non-moving orders in this backlog. Everything will materialize over a period of time as scheduled with the customers. Operational EBITDA is 12.8%, and we will look at profitability in greater detail as we proceed through the presentation. Revenue per share is 33.61, based on the half-year result. The cash position is strong at 7.2 billion Indian rupees. You would also have heard this in the Board presentation: we declared an interim dividend of 92 rupees per share. This is part of the distribution, which includes the proceeds we received from the divestment of Robotics Plus and a 50% payout ratio from our normal performance in a normal year.

For Q2 CY 2026, the most important point is 50% growth in orders. This is a year-on-year comparison between the same quarter last year and this year. Revenue growth was 21%. PAT was up 8%, operational EBITDA was up 23%, and the cash position, as I have already mentioned, was 7,200 crores. The dividend was 92 crores as a special interim dividend.

All these things were achieved, but on the sustainability side, we take great pride in doing this because it is the right thing to do. We had an 85% reduction from the baseline in GHG emissions from Scope 1 and Scope 2. Also, 99.7%, or almost 100%, of waste was diverted from landfill. We also received some recognition during the quarter. India's Most Sustainable Company in the capital goods sector was awarded to us by Business Today, and we moved up the ESG rating ladder by 300 basis points under the CRISIL standards. We continue to remain a strong company.

This slide covers our performance over the last eight quarters. We have been maintaining our growth momentum, and in the last two quarters we have definitely seen a good uptick in orders. Orders were up 50% for the quarter, and revenue was also up 21%. We were able to ramp up revenue because we have a good order backlog that will be converted in the coming quarters.

Where did we get all these orders from? They came mainly from renewables, building infrastructure, data centers, process automation, and food and beverages.

This is the slide showing how we are positioned in different markets and how we view those markets. We are present in 23 market segments across energy, emerging industries consisting of renewables, data centers and electronics, infrastructure and transport, and core industries. All the fundamentals of these industries remain intact. We have been seeing that these industries are growing at different paces, but they are all important for us.

Although core industries may have slower growth, emerging industries will have faster growth. However, the base of the core industries is quite large, which generates an equal amount of opportunities for us. The spread between these two could be 15, 25, and 60, or 50%, as we see it in terms of the order book or revenue. Hopefully, there are many levers for how this market growth can move forward. Green energy, the government's push for AI and data protection, the capital expenditure on infrastructure where the government is focusing, and, of course, the PLI schemes will all help.

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What are we receiving orders for? This is a new slide that we have added, so it is slightly different from how we used to present it. In the electrification segment, from the building and infrastructure market, we received orders for gas-insulated switchgear. For data centers, we received orders for ring main units, and from renewables, we received orders for smart power products.

On the Motion side, we received traction and auxiliary converters from the railways, motors supplied to the food and beverage industries, and large AC motors for the building and infrastructure segment. On the Automation side, in marine and ports, we supplied electrical systems and drives. For power distribution in power plants and energy industries, we supplied electrical control systems for large refineries.

The theme of the quarter is a practice we have followed for quite some time, where we take the business and the team through different markets and segments. This quarter, we have selected water and wastewater management systems as one of the markets where we see definite growth for us. ABB's play in this market is 4-8% of the mid-term growth, and we expect roughly 10% CAGR over the next five years.

What do we do in this market? We have motors and variable speed drives for both intake and pumping stations. We have PLC controllers for pump centers, distribution systems for electrical rooms, and instrumentation for all the segments. It is an interesting area and a market that will grow slowly. That is our view, with a play of 4-8%.

The 50% growth and the speed of growth we are seeing would not have been possible had we not taken these initiatives to connect with customers in different Tier 2 and Tier 3 cities. Our sales teams are fully engaged with customers on the ground. Different programs, tailored to the needs of customers and suitable for different businesses, are actually the mantra we have been following, and this has been paying rich dividends so far.

On sustainability in practice, we discussed this some time ago. We moved up by 300 basis points, from 64 to 67, and therefore ranked first in the heavy electrical sector for strong ESG performance. We believe that being a high-performing organization is important, but we also need to be a good corporate citizen. Therefore, our involvement in community development and engagement continues to remain strong, and we will continue to build on it going forward.

It is a very important topic at the Board level as well: how we are engaged in community development. It is one of the areas where we take pride in being associated with the overall development of the country and the areas surrounding us.

We now come to the financial highlights, which I am sure you were waiting for. Orders were up 50%, revenue was up 21%, and operational EBITDA was up 23%, with a 13% margin, more or less the same as it was last year at the same time. Profit after tax increased from 10.4 to 11.6. Sequentially also, we are better off. We have been growing across all the parameters. As far as the half year is concerned, we are at a point where we believe we can perform better as we move forward because we will get the leverage of the revenue and will be able to generate cash.

We will discuss this in greater detail as we proceed. This is one slide that I had removed a couple of quarters ago, but we have brought it back because I know you would have looked at the global

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press release, which talked about 82% growth, and this slide helps explain the difference between the two. This is in dollars, at 84 as the exchange rate we use, because we have maintained consistency from the beginning of the year.

The global press release reported 82% because India is growing at a certain pace, and other ABB companies outside India also received some orders from Indian customers, which were roughly 124. This is what created the difference and resulted in the 82% figure. However, when you look at absolute India orders, we remain at the 50% growth that we reported. This includes both domestic orders and exports of ABB India Ltd.

Let us now move to segment-wise information. Electrification was the strongest-growing segment for the quarter, with orders up 77%. The orders came again from data centers, metals and mining, infrastructure, and other segments. Revenue was up 31% because we have a strong backlog, which is also at 4,800-4,900 crores today. This is a strong backlog for the EL, or electrification, segment. Profitability was 15%. This has been impacted mainly by the material cost impact arising from higher metal prices and by the forex volatility that affected us.

Motion delivered stable growth. Quarter-on-quarter, we have seen 26% growth coming in every quarter sequentially. Revenue was slightly lower because there are long-gestation orders from the railway segment whose revenue will come in future quarters. Profitability was strong at 12%, despite the increase in commodity prices and challenges in the revenue mix. Some orders from West Asia could not be exported freely, and there was a holdback in the initial part of the quarter, which has now been released. This is something they are reviewing. The order backlog stands at 4,900 crores.

Management: Automation is an area where we see a bit of a cyclical nature in orders. At this point, we are reporting 24% growth comparatively, but more importantly, we feel it could have been even better. Revenue at {? 524 crores ?} was up 7%. Hopefully, going forward, with the orders to come and the orders from the energy and process industries, in addition to the existing process industries order book, we will see this improve.

The good part is that out of this 7% growth of {? 524 crores ?}, at least 30% is service business. That helps them maintain the margin corridor.

Let us now take a deeper look at the P&L account. Material cost was roughly 63%, compared with 61% last quarter and 60% in Q1 2025. We have a brief profit walk that will take you through this. For now, these figures indicate that material cost is an area where we have been impacted. There was also a definite slight increase in other expenses, which was more closely linked to the revenue that we executed.

This is the profit walk. Apart from the charts at the top, which show the trend in EBITDA, PAT, and EPS, the more important point is how we look at the EBITDA bridge. EBITDA was 13.6% last quarter, and today it is 12.6%. We received a scale benefit of 2.1%. What we lost on material cost was roughly 3%. Other expenses and employee-related expenses increased, amounting to 1.2%. We gained 1.6% because, at the same time last quarter, we had a very high forex impact, which is not present in this quarter.

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The question could be whether the scale benefits should technically be higher than the other expenses and compensate for the other increases. That is something we would like to see going forward. However, price increases in the market take time for us because we are in flow products. There is always a lag. The timing of the material cost increase cannot be matched with the price increase that we give to the market. Therefore, a lag will arise.

Hopefully, when the macro factors settle down and we are able to reach a stable level, these two factors will match at some point. This is the normal trend we have seen, specifically in the short-cycle products business. This is typically the problem we face.

What does this material cost comprise? We go back to the basics. The increase in material cost is on account of our copper prices and metal prices hardening, as well as the forex volatility that occurred. There was also a change in the mix, with slightly lower exports and more projects and low-margin orders being executed. It is important to keep the factory loading and volume up and running so that we are better prepared to take the scale benefit to a higher level going forward.

Overall, this is the profit bridge between what we delivered last quarter and what we delivered this quarter.

This is the standard slide showing the composition of the businesses. In Q2 2026, in terms of revenue, EL contributed 50%, Motion 35%, and Automation 15%. This is broadly the spread we see. In terms of geography, exports accounted for only 13% of the quarter, compared with 17% in the previous quarter at the same time. For the half-year period, however, exports were more or less the same.

I am 100% sure that you already have this information, but this is a topic we will have to continue to deal with over the next few quarters. Elevated commodity prices and continued rupee depreciation are expected to continue, according to our research. We are preparing to manage this. This is a situation that the businesses have to handle, and they are geared up to address it in a strategic and phased manner.

This is my last slide. On the outlook, the mega trends we see are electrification, automation, and digitalization, along with grid modernization and the energy transition. These will be the key areas of focus for all of us across the 23 market segments and 15 business divisions we have. All of them will intersect with these themes.

The common capex that is expected to pick up, private consumption that is going to drive growth, and the robust manufacturing base that we have will be important. At the same time, geopolitical uncertainty, commodity inflation, and a subnormal monsoon are topics that will play out over the next two to three quarters. This is the short-term outlook we see. Given the rapid changes happening today, the short term is more reliable, or something we can assess more clearly, than even the medium term.

This is the last slide. With this, we have completed our presentation. We will now open the floor for questions and answers. Normally, Tony used to say that we had to complete in 20 minutes, so we are four minutes early.

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Operator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. We also request that you restrict yourselves to two questions only. If you have any further questions, you may rejoin the queue. Ladies and gentlemen, we will now wait for a moment while the question queue assembles. Our first question comes from the line of Umesh Raut with Nomura. Please go ahead.

Umesh Raut – Nomura: Hello, team. Good evening. Thank you for this opportunity. My first question pertains to the strong ordering performance during the quarter. Could you give us details about growth in base orders during the quarter? Second, could you also discuss growth in orders from emerging industries, infrastructure and transport, and core industries across these three buckets?

Management: The first question is about base orders or, as we call them, total or large orders. There is a bit of a disturbance. Is anyone able to hear you well? Are you able to hear us well?

Umesh Raut – Nomura: Yes, I can hear you.

Management: That is fine. We were talking about large orders or base orders. We want to move away from differentiating between base orders and large orders. We realized that large orders were very important when Power Grids was a division because large orders were defined as 750—I mean $15 million—which is roughly about 900 or 1,000 million, or 100 crore, of orders. In a business where almost 70%, or almost 80%, comes from products, these types of large orders are very limited. Therefore, to answer your question, everything in this quarter is base orders.

The next question was how we performed in these different segments. Data centers accounted for almost 15-17% of our orders in this quarter. Metals and mining accounted for 15%, at the top, followed by oil and gas at 9%, building and infrastructure at 8%, and renewables at 6%. The balance was distributed across other segments.

Umesh Raut – Nomura: Understood. My second question pertains to the acquisition of Proton by the parent and the potential synergies that the India business may receive in areas such as data centers, water, or power, especially because Rotork is now an industrial flow-control specialist. In some of these end-user markets, your addressable market could increase. How do you see this synergy playing out for the India business?

Management: It is definitely too early for us to comment on this. Globally, if you look at the announcement, the shareholders of Rotork have still not approved the deal, and it is pending approval. We have no information other than what has been announced by the group. Therefore, we have nothing to comment on at this point. It would be too early for us to work on this and provide these details. When we receive more information or when the group advances this pursuit, we can share the details with investors.

Operator: Sorry to interrupt, Umesh. We request that you rejoin the queue for any further questions. Thank you. Our next question is from the line of Renu with IIFL. Please go ahead.

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Renu – IIFL: Hi, good evening, team. I have two questions. First, when we started calendar year 2026, the team was fairly conservative and cautious on the growth outlook, and then we had the Southwest Asia conflicts. Looking at the numbers, Q1 was a soft quarter, while Q2 bounced back very strongly on the revenue execution side. What has changed in terms of business uptake? Was it simply revenue slippage that caught up in the second quarter, or are we seeing much better customer acceptance in terms of deliveries?

This was also reflected in the numbers, as channel partners saw a significant increase in their revenue mix this quarter. Was that also due to some channel inventory stocking, as opposed to relatively soft uptake from end users or EPC companies?

The second question is about the order accretion, which is fairly well balanced between large and short-cycle orders in the first half of the year. Where do we see the margin headwind easing and operating leverage taking effect by the end of the year? Do we believe the worst for ABB in terms of operational EBITDA is behind us, and can we see margins returning to the mid-teen levels by the end of the year or next year? Over to you, Shridhar and Sanjeev.

Management {? Sanjeev ?}: Sanjeev, over to you as well, to take cues from Sanjeev. I think Sanjeev will also contribute, although I sometimes find it difficult to speak because this is more my preparation meeting.

Coming to your first question, which is the transition from the market conditions in the first quarter to those in the second quarter: when we closed the first quarter, the West Asia crisis had started affecting the entire world. If you remember the Q1 call, we said that we had missed certain revenues because of the West Asia crisis. That also had a spillover effect on the Q2 revenue. I cannot deny that fact.

Whether this affected only export-oriented revenue, the answer is no. It was a mix of both export and domestic revenue. Exports are one side of it, but domestic revenue is also important because we import materials from other countries and other factories, which we then convert into finished products for local applications as well. Therefore, this was a mix of both.

When you look at the first half, revenue was up 13%. Otherwise, it would have been up by a larger percentage. It was a form of stabilization that took place.

Coming to your next question—what was the next question? Sorry—margins. On the margin side, we have a strong backlog. It depends on three things. As I was saying, will material costs, metal prices, and forex remain at today's levels? If today's levels are maintained, given the current pricing, and if the mix remains stable without any supply-chain distortions, we will probably get better capacity leverage, or operating leverage, over the next two quarters.

However, our research indicates that we will continue to face certain headwinds from the factors shown on the commodities slide, and we will have to navigate this situation carefully. Therefore, I am not comfortable saying today what mid-teen EBITDA margins will look like.

Shridhar: The first important thing is to protect what we have today so that we can develop revenue and orders in a good manner and then start growing from there. That is what we are looking at on a

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short-term basis.

Operator: Thank you. The line for the current participant seems to have dropped from the queue. We will proceed to the next questioner, Parikshit Kandpal with HDFC Securities. Please go ahead.

Parikshit Kandpal – HDFC Securities: Congratulations on a decent quarter. My first question is about the three segments—electrification, Motion, and Automation. You alluded to commodity inflation and the forex impact. I wanted to understand the pass-through of pricing or cost inflation. Where are we facing challenges, where is it easier to pass on inflation, and what kind of price hike have we taken this quarter?

Shridhar: We have two members, Kiran Dutt and Ganesh Kutavde, to discuss electrification, which is the major part of our revenue. I would invite Kiran and Ganesh to throw some light on how they are managing the price transfer to customers. Kiran, would you like to go first?

Kiran Dutt: Yes, sure, Shridhar. Parikshit, thank you for your question. This is a very important question at this point, given the West Asia crisis and the commodity prices we are dealing with, as well as the forex impact. These two factors are really affecting us. You can also see from the slide that the margins in electrification have declined from their earlier levels.

It was therefore very important for us to take corrective action. There is naturally a lag between the corrective actions we have taken and the impact of the price and cost changes affecting us, as you can see in the graphics.

At the same time, we have passed on two price lists to the market. These are two price hikes that are publicly available, and they are supporting us in trying to compensate for the impact on EBIT.

In terms of acceptance, there have been many challenges in the market regarding customers accepting the price increases. However, we have handled this very carefully and delicately by creating awareness about exactly what is happening. Most customers are aware of what is happening with commodity prices, but it is important to clearly explain to customers the detailed content of silver or copper present in our products.

This was demonstrated very clearly to customers. Customers are quite logical in accepting a product with very high reliability and sustainable performance, and they are coming back to us and paying the price we require. At the same time, the digital market is extremely important, and customers understand the connectivity of devices required from our perspective. They are coming back to us even faster than before, and hence there is price acceptance from their end as well. That is all from my side.

Shridhar: Thank you, Kiran. Ganesh, do you have any further comments on what Kiran was discussing? Ganesh, have we lost you?

Operator: No, Ganesh has reconnected with us, sir. One moment, please.

Ganesh Kutavde: Hello, are you able to hear me?

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Shridhar: Yes, Ganesh. Were you able to hear the question, or would you like me to briefly explain it?

Ganesh Kutavde: No, could you please repeat it briefly?

Shridhar: Certainly. The question was how we are managing price increases passed on to customers, given the cost increases coming from higher raw-material and input costs. The analyst wants clarity on how we are managing price adjustments in the market. We heard Kiran's view, which was more from the product side. We can now hear your view, which is more from the system side.

Ganesh Kutavde: Even in the distribution solutions business, 60% of the business comes from products, which are flow-business products that we market through our partners. There, we are able to pass on the revised price list with increased prices, taking the commodity impact into consideration.

However, there is also a system business. In the majority of that business, when we bid, we bid on an L1 basis because it is tender-based, requiring us to participate in reverse auctions. At that time, we are sometimes not able to pass on these prices because we have to quote highly competitive prices.

The flow business is the major part of our business. We have already increased our prices and passed on the commodity price increase in the market, and you will see that reflected in the coming quarter.

Shridhar: To reiterate what Kiran and Ganesh said, there will always be a lag. If prices stabilize and input prices stabilize, that lag will catch up. Otherwise, it will continue. This is important for us to recognize in this market at this point.

Parikshit Kandpal – HDFC Securities: My second question was about geopolitics and what I believe may be happening, so please correct me if I am wrong. Order growth or inflow growth has been quite strong year-on-year. Are there delays in decisions by some clients because of the high levels of commodity prices and geopolitical issues, or is the situation otherwise normalized? If not for these factors, order inflow should have been stronger. I wanted to understand the situation on the ground on the demand side across the segments, excluding the current high-inflationary environment, and whether there are delays in client decisions and an impact on order-inflow growth.

Shridhar: You will hear two views. One will be from Balaji, who leads the Automation division, where orders are more project-related and come from core sectors, and where the division is exposed to core sectors. Kiran can then discuss the private-sector side. Balaji, would you like to begin with your view of the government infrastructure side and how the core sector is responding?

Balaji – Automation Division: Sure, Shridhar. I hope I am audible.

Shridhar: Yes, very much.

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Balaji – Automation Division: There has certainly been some impact from the West Asia crisis. This is particularly the case because we deal with the refining sector, which is one of the key sectors here.

On the capex side, investments that have already been announced are moving ahead, although somewhat sluggishly, which is typically normal for the public sector. However, when it comes to services, companies pulled back because of the increase in crude oil prices, and that is easing now. Essential activities continued.

I would say there is definitely some sluggishness on the refining side. In downstream core industries that have a direct relationship with crude oil prices, we also saw some sluggish movement. However, I would not say that we have pressed the panic button, since crude oil prices are still settling. Even though the situation is quite volatile, we are still seeing movement.

We would rather expect some real movement on the upstream side, with the hope that certain projects will be announced shortly. The power sector has definitely seen a lot of investment. While India is seeing significant growth in renewables, considering the low inertia of renewables and the crisis emerging in the natural gas supply chain, we are also seeing a good uptick in conventional power generation.

Shridhar: Thank you, Balaji. Kiran, would you like to give us a view from the private sector?

Kiran Dutt: Absolutely. Thank you, Shridhar, and thank you, Parikshit. This is a good topic to discuss. Let me provide some perspectives on the sectors in which we operate, as Balaji discussed the core sector. I would like to take one or two sectors, beginning with buildings.

In the building segment, there are two types of buildings: residential and commercial. What we have found is that decision-making on the residential side has been quite sluggish, whereas the commercial side has been much faster. That is supporting us in terms of growth and orders.

In data centers, every client coming to India wants things faster. We have an advantage because we can supply faster from our local facilities, and that is supporting growth in these sectors.

To cater to data centers and buildings, we need partners with ready availability of these materials. The pickup from distributors, partners, and subsystem integrators has therefore been very strong during this quarter because decisions have been faster in both data centers and commercial buildings. That is the impact, and that is where we have been successful in terms of growth during this quarter.

Shridhar: Thank you, Kiran. So, the next question?

Balaji – Automation Division: Thank you, Shridhar.

Operator: Thank you. Ladies and gentlemen, so that management can address questions from all participants in the queue, you are requested to restrict yourselves to one question only. You may rejoin the queue if you have any further questions. Our next question is from the line of Atul Tiwari with JP Morgan. Please go ahead.

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Atul Tiwari – JP Morgan: In this quarter, the parent company reported 81% order-inflow growth, while you reported 50%. Historically, we have seen some difference, but not as large a difference as in this quarter. In previous quarters, you have presented slides explaining the variation. Could you comment on where this wide variation is coming from in this quarter?

Shridhar: In this quarter as well, I explained in my commentary that we have provided a slide on this. If you look at the presentation already uploaded on the portal, there is a separate slide discussing demand versus supply, showing how much of the orders were booked by the group and how much were booked by ABB India Ltd.

This is mainly because Indian customers place orders with ABB group companies for systems that ABB India cannot provide or that customers prefer to source from those companies. That is where the gap comes from. This is why the group reported 81% growth, whereas we are reporting 50% growth.

Atul Tiwari – JP Morgan: Of this 50% growth, how much is volume-led and how much is price-led? Any comment on that?

Shridhar: We normally do not look at it in terms of volume-led and price-led because it is all embedded in our offerings. We have a mix of products, projects, and services, so it is not an easy assessment. If you look at it, it is mostly volume-led. Price, of course, has a lag, as Kiran was discussing. Therefore, it is mostly volume, and that is where we get the leverage.

Atul Tiwari – JP Morgan: Thank you, sir.

Operator: Thank you. Our next question is from the line of Amit Mahawar with UBS. Please go ahead.

Amit Mahawar – UBS: I have two quick questions. First, is it correct to say that base orders—I know you have not differentiated between base and large orders—have grown by more than 20% after a gap of almost 1.5 years? This has clearly not been the case in the last 1.5 years. Is the bulk of this value growth due to pricing? When you discuss channel partners, there has been a very strong pricing impact from the June quarter onward, while volume is yet to play out. That is my first question.

Shridhar: Kiran, would you like to take this question?

Kiran Dutt: Yes, Shridhar. Amit, what we are seeing is that, as Shridhar said, we do not want to differentiate between base orders and large orders. I was also discussing the various market segments that are supporting our growth.

Partners are able to get pull from the market, and they are seeing very quick decisions being taken by customers. They are therefore very excited to place stock orders and cater to the requirements of these customers. That is where the order growth has been happening.

Amit Mahawar – UBS: My second question is on capex. We are expanding capacities and spending a significant amount to prepare ourselves for upcoming high growth in specific segments, including data centers and renewable power. What kind of top line can this $75-80 million capex support

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over the next 2-3 years? Could you also give us some sense of the quality of the top line?

Management {? Shridhar ?}: We do not measure it with respect to top line. What we want to ensure is that, every year, when we assess future demand, we have at least 15% headroom to cater to that future demand. This means that at any point in time, capacity utilization should remain between 80% and 85%, or 90% at the maximum.

Every year, we plan for incremental growth of 10-15% and create headroom accordingly. The capex we are undertaking at this point, as well as the capex we undertake every year, will help us maintain 15-20% headroom for an increase in sales that we can cater to.

If you ask whether we are looking only at that, or whether we want to make a large-scale investment with a 5-year to 10-year horizon, I think that is a very large topic to address at this point, given the uncertainties we currently face, Amit.

Amit Mahawar - UBS: Can I ask one small, final question? I understand that many orders are going from Indian customers to the parent entity. I am sure the division heads who travel to India from the head office also see the very significant demand in India.

How should we view this for the listed entity? You have a large cash balance, and acquisitions are not easy to execute locally. Could you provide some color on this and on the importance of the factory setup in India for the parent? The gap is widening. This is good news for the parent, but the stakeholders of the listed entity would also want to understand how we should view this in terms of preparedness or possible mandates for India. Thank you.

Management {? Shridhar ?}: The variation you see today was a one-off. The reason was that one of the global orders was diverted to a local Indian customer. An already executing backlog was novated to an Indian customer, who then had to place an order with a global company. This was done to manage the execution of an ongoing order.

The second reason was the marine and ports sector, where we currently do not have the system competency in this country. The main systems and references are available globally and in other ABB companies, including the European ABB units, which have that experience. They therefore received the main order, while we are associated with the support, sales, and related service installation in India.

Typically, this is a journey. Whenever we want to bring in a large system order, the main system is executed by the global parent. You would also have seen this in Power Grid orders for HVDC, where the parent first comes in and thereafter the Indian entity develops the competence. It is the same process. The journey in marine and ports has started in this way, and we will probably do more going forward.

There are two points in response to your question. First, this was a one-time event. In previous quarters, we did not see such a large variation between Indian and global orders, and there were specific reasons for the difference, as I explained. Second, as Kiran, Ganesh, and everyone have said, our focus is on India, and 90% of the business comes from India. Therefore, I do not think we will lose any scope on that front.

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Amit Mahawar – UBS: Perfectly clear. Thank you, Shridhar, and good luck.

Management {? Shridhar ?}: Thank you.

Operator: Thank you. Participants in the queue are requested to restrict themselves to one question only. Our next question is from the line of Bhavin Vitlani with SBI Mutual Fund. Please go ahead.

Bhavin Vitlani – SBI Mutual Fund: Congratulations, Shridhar, and to the team on the exemplary order performance. Given the strong growth we have seen in orders, could you discuss how we are seeing an expansion in ABB's market share, particularly in the electrification and Motion segments?

My other question is about the pressure we are seeing from the peer set, especially on the railway side. Within Motion, could you segregate railways and the rest of Motion? Are the margin performances very different, and is a significant part of the margin pressure coming from railways? These are my questions.

Management {? Shridhar ?}: Thank you, Bhavin. This is a difficult question for me to answer, so I would request Sanjeev to come in. Sanjeev is here listening to me and preparing me, so he can answer this question for me. Over to you, Sanjeev.

Sanjeev: Hi, Bhavin. With respect to Motion, the question is about railways and traction. We have long-term contracts with railway exposure, and these are not difficult. There is only a timing element in execution, based on the configuration changes made by the railways.

The predictability of revenue is therefore in front of us, and price predictability is also available to us, including the service we will deliver alongside the delivery. We do not see any specific pressure at this point.

In the metro business, which is the other major business in the same segment, we see good traction. There is significant expansion taking place, and there are certain OEMs and other players in the market with whom we work closely. They are succeeding in the marketplace, and accordingly we are benefiting from that.

As such, we do not have any major impact on our overall books or margins on the railway and metro side. What was the other point? Bhavin, could you repeat the second point you raised?

Bhavin Vitlani – SBI Mutual Fund: The first question was about market share. Given the strong growth we have seen in orders, have we seen an expansion in market share, or is it simply market growth at such strong levels?

Sanjeev: The market has absorbed the growth of the previous year, and it is now normalizing again. These growth rates come in a spurt after a lull in the market, and then normalize to a level that we like. Our capacities and expectations are built accordingly.

I would say that markets are coming back. There are certain concerns with certain customers and in certain market segments, but across most of the market segments in which we are present, we are seeing good traction at this point.

Bhavin Vitlani – SBI Mutual Fund: Thank you very much.

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Sanjeev: Thank you.

Operator: Thank you. Our next question is from the line of Mohit Pandey with Citi. Please go ahead.

Mohit Pandey – Citi: If I look at the absolute order inflow for electrification and Motion from Q1 to Q2, it appears to be flat to down on a quarter-on-quarter basis. If I understand correctly, we have taken price hikes. Is there underlying volume sluggishness on a quarter-on-quarter basis, or is this interpretation incorrect?

Management {? Shridhar ?}: That is not a correct interpretation. Sequentially, we had 2,400 crores in Q1 and a similar figure of 2,400 crores in Q2. The positive aspect is that data centers continue to support us with orders every time, either directly or indirectly through our partners. That is coupled with pricing, which is always happening as part of the market reaction. That is the situation, Mohit.

Mohit Pandey – Citi: Understood. Is the QCO impact completely behind us now?

Management {? Shridhar ?}: On the QCO impact, Kiran and Ganesh are the two veterans on the call. They deal with QCO day in and day out, so getting their firsthand input would be valuable. Kiran and Ganesh, we can start with Ganesh.

Ganesh: We have now become familiar with the requirements introduced by the government. Earlier, some aspects were unclear, so we and our suppliers were struggling to meet those requirements. That clarity is now in place. There have also been some relaxations from the government for certain components and equipment, for which the government has postponed the requirements and provided additional time to comply.

At this point, I would not say that the QCO impact is completely behind us, but it has definitely eased. We have received an extension of time, and we have also learned how to meet these requirements. That is the situation.

Management {? Shridhar ?}: Thank you, Ganesh. Kiran, could you comment from the product side?

Kiran: Mohit, thank you. This is also a very important question on QCO. I remember that last year, Shridhar, you and I, and Sanjeev, answered many questions about QCO—what was happening and where the lag was. I think we are now well versed in QCO. We may even receive some additional qualifications in QCO.

QCO is not behind us, but at the same time it is supporting our business growth. We are well aligned with the government's QCO requirements. Testing is in progress, and for some products, more or less everything has already been completed as per the government guidelines.

This is something that will continue to progress. With a local supplier base and local factories, localization plays a very important role. We have been extremely successful in ensuring that we meet the QCO requirements.

Mohit Pandey – Citi: Understood. Thank you very much, and best of luck.

Management {? Shridhar ?}: Thank you, Kiran.

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Operator: Thank you. The next question comes from the line of Sumanta Khan with Edelweiss Mutual Fund. Please go ahead.

Sumanta Khan – Edelweiss Mutual Fund: Good evening, and congratulations on a good set of numbers in a very difficult macro environment. Could you give me a sense of what portion of the roughly 11,900 crore order book is executable over 1 year?

Management {? Shridhar ?}: Over 1 year? I can tell you about the typical order-execution cycle and what percentage would be slightly longer cycle.

Management {? Shridhar ?}: Of the 11,900 crores we have, we will consume at least 40% in the next two quarters through the revenue we need to deliver. We will also add more orders and build further to meet our revenue commitments with customers. The balance will go into the next four quarters of 2027.

Sumanta Khan – Edelweiss Mutual Fund: Very clear. Thank you. That helps a lot.

Management {? Shridhar ?}: Thank you.

Operator: Thank you. The next question is from the line of Mohit Kumar with ICICI Securities. Please go ahead.

Mohit Kumar – ICICI Securities: Hi, good evening, sir, and thank you for the opportunity. It is good to see very strong order inflow in the quarter. My first question is about how the inquiry pipeline from the data center segment is developing. In particular, I am referring to how the pipeline has progressed over the last 6 months, given that many projects have been announced in this segment.

The related question is whether there is any need to invest in new products or make other investments to improve our TAM and serve these hyperscalers.

Management {? Shridhar ?}: I will again request Ganesh and Kiran to provide their views. Ganesh deals extensively with data centers, followed by Kiran. Ganesh, over to you.

Ganesh: Mohit, this is a very interesting question, and I fully agree with you. We are seeing many announcements and a very strong data center pipeline. To meet those requirements, certain specific components and particular types of breakers are required. We are investing significantly in increasing our capacity because we see that demand will pick up and multiply in the coming quarters. By 2027 and 2028, we may struggle to meet that demand.

With this in mind, we have already started investing in increasing capacity for the specific products required in data centers. You are absolutely right.

Management {? Shridhar ?}: Thank you, Ganesh. Kiran, would you like to provide some insight from the product business?

Kiran: Mohit, Ganesh spoke primarily from the hyperscale side. Let me discuss the colocation side. Demand on the colocation side has also been substantial. We see a very good pipeline of orders being concluded, and they are also being concluded quickly. Because there are many configuration changes from clients, we are assessing what can be done in terms of their footprint.

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Management: We are working on what is required and what specifications are required. We have also, if you remember, launched a factory in the first quarter, which is the second factory in Nelamangala. That is what we were referring to on the slide as a new location for some of the new products we have launched for data center requirements. We will continue to invest, continue to localize, and continue to develop the new products required for data centers.

Management: Thank you very much. I think this was the last question we could take. We are very mindful of the time and of the fact that it is Friday evening for all of you. Thank you very much for taking the effort to join us.

I hope that, for those whose questions we could not take, your questions were answered, or that the questions you had were answered in part. You can always reach out to the ABB team if you have any specific queries. With this, we would like to wish you a very good weekend. Thank you very much. We look forward to interacting with you on the next call.

Management: Thank you.

Management: Thank you, {? Kiran ?}. Thank you, Ganesh and Balaji.

Management: Thank you, sir. Thank you, then. Goodbye.

Operator: Thank you. On behalf of ABB India Ltd, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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