SIEMENS

14th December, 2022

National Stock Exchange of India Limited
BSE Limited

Scrip Code –

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

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

Dear Sir / Madam,

Pursuant to Regulation 30, 46 and other applicable regulations of the Listing Regulations, please find enclosed the transcript of the Company's Analysts / Institutional Investors Meet held on 9th December, 2022.

The said transcript is also available on the website of the Company at: https://new.siemens.com/in/en/company/investor-relations/analyst-meet.html.

Kindly take the above information on record.

Yours faithfully,

For **Siemens Limited**

KETAN NANDKISHOR THAKER

Digitally signed by KETAN NANDKISHOR THAKER
Date: 2022.12.14 16:23:22 +05'30'

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Company Secretary

Encl.: as above

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SIEMENS

Siemens Limited Q4 and FY 2022

Analyst Call

9th December, 2022

Management:

- Mr. Sunil Mathur – Managing Director and Chief Executive Officer, Siemens Limited
- Dr. Daniel Spindler – Executive Director and Chief Financial Officer, Siemens Limited
- Ms. Ramya Rajagopalan – Head, Communications, Siemens Limited
- Mr. S Venkatesh – Head, Investor Relations, Siemens Limited

- **Mr. Venkatesh S - Head of Investor Relations, Siemens Limited:**

- Good Day and welcome to Siemens Limited Q4 and full year '2022 Analyst Call. This is Venkatesh, Head of Investor Relations, Siemens Limited. I trust all of you and your loved ones are safe and in good health. The conference will be in listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. A few instructions. Your camera and mics will be disabled. You would need to raise your hand by clicking on the 'Raise Hand' button in order to ask questions. We will unmute the mic at our end when your turn comes to speak. We request you also to unmute your mic before you ask your question. On the call we have Mr. Sunil Mathur, Managing Director and Chief Executive Officer and Dr. Daniel Spindler, Executive Director and Chief Financial Officer of Siemens Limited.

- Before I hand over to Mr. Mathur, let me begin with the safe harbor statement. Siemens Limited cannot give assurance to the correctness of such information and statements. These forward-looking information and statements are generally identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use terminologies such as targets, believes, expects, aims, assumes, intends, plans, seeks, will, may, anticipates, would, could, continues, estimate, milestone or other words of similar meaning and similar expressions or the negatives thereof. By their nature forward-looking information and statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements that may be expressed or implied by the forward-looking information and statements in this presentation. Should one or more of these risks or uncertainties materialize or should any underlying assumptions prove to be incorrect, the Company's actual financial condition or results of the operation could differ materially from that or those described here in as anticipated, believed, estimated or expected. Given the aforementioned uncertainties, prospective or present investors are cautioned not to place undue reliance on any of these forward-looking statements. No part of this transcript nor the fact of its distribution should form the basis of or be relied on in connection with any contract or commitment or investment decision whatsoever. Investor / prospective investor must seek advice on specific situation from well-informed legal, investment, tax, financial and management professionals. The transcript and its contents must not be distributed, published or reproduced. This transcript does not constitute a recommendation regarding the securities of the Company. The Analyst Meet is being recorded and the presentation, audio recording and transcript will be submitted to Stock Exchanges and also hosted on our website.

- I now invite Mr. Mathur to begin this speech.

- **Mr. Sunil Mathur, Managing Director and Chief Executive Officer (MD & CEO), Siemens Limited:**

- Thank you, Venkatesh. A very good morning to you all. Hope you're doing well and families are safe and sound. We will carry out this presentation in three parts. I will start with a little bit of an overview about the business in the year gone by, in the last FY 2022. I will then hand over to Daniel to give an overview of the financial status for the previous year and then I will summarize at the end how we see the year 2023 - FY2023 - from an economic environment as also the focus areas of Siemens for the next year ahead.

- Let me quickly start then straight away with the highlights of 2022. We did see continued CapEx spend both by public and private sectors. Of course, this was driven primarily by the public spending in CapEx - roads, bridges, airports, ports, railways being some of them but primarily driven by public announcements. Private sectors were driven or CapEx in private sectors were driven primarily by the PLI Scheme to a large extent but also as a throughput from the government spending in CapEx.

- For us, revenues were impacted to some extent; not substantially to a major extent but to some extent by supply chain challenges primarily outside India. So, these were semiconductor delays, logistic delays in shipments and so on. Not so much from within the country. Most of it was import content which were dependent, for example, on semiconductors. And, also, the delays in shipments that have been continuing, to be honest, for the last two or three years. We have continued our focus on localizing and I'll talk a little bit about this in the presentation but this is something that we continue even into 2023 as well and this will continue to be our focus to see how much more we can actually localize here in the country.

- Finally, digitalization has been really an area that has seen a major growth. Our customers are increasingly looking at productivity areas and are increasingly looking for energy efficiency solutions and both of these put together have really resulted overall in an uptick in the Industrial Digital Solutions market for us.

- Moving on, in 2022 if I look at the Energy space, there was not too much that happened on conventional energy, large scale energy in terms of generation. A lot was happening on the small turbines, on the smaller sized machines, on generation and I will come to that in more detail when we tell you what's happening in our Energy business. Transmission did see an uptick, although a lot of the TBCB projects got pushed out into this financial year. So, there was a slowdown in the actual conversion of TBCB but on the whole, I think, transmission did see an uptick as well; marginal, I must say, nothing very, very substantial. A lot of the transmission particularly in the large ranges was done more by the private sector. Distribution; not too much happening there particularly as the bulk of the distribution is happening in the states and the DISCOMS have their own challenges which we are all aware of. So, CapEx has taken place. There have been some control centers that have come up but really it has been more or less flattish in terms of the distribution network. Some uptick visible as some DISCOMS have gone into privatization and those private sector companies have taken steps to go through CapEx as well as increase efficiency is there but that has not been too much.

- On the infrastructure side, a boom in the Data Centers; great interest happening there. A large number of companies, global companies, coming into the country and setting up large numbers of Data Centers. Commercial buildings and complexes have also gone up and, of course, the Railways is really going in for major CapEx spend in the last year. I must say, this is probably the second year. 2022 was probably the second year in a row where Railways really increased their spend on CapEx, both on the electrification and signaling side but also on the rolling stock side.

- On the industrial business, overall, we see an uptick. Yes, the Automotive segment has not bounced back to what it was pre-COVID days but we do see an increase in the volumes. The demand has increased but not necessarily CapEx and as a result of that some areas are increasing but not too much over there. E-mobility, absolutely, particularly in the areas of commercial vehicles which is where we are playing. For us, there have been increases in buses and tenders for e-buses and so on and we see this really as a growth area.

- Food and Beverages has been a little bit slow. In terms of CapEx expansions, a lot of them have gone in more for productivity increases and cost savings particularly in the areas of energy efficiency but no major CapEx movement there.

- Chemicals is growing well. Pharma is doing well and Intra-logistics is really an area that has picked up terrifically in steel plants and in a lot of other areas as well and we see this as a global trend but also picking up terrifically here in the country. Of course, the global headwinds continue, the geopolitical turmoil continues, inflation interest rates continue here in the country and supply-chain challenges globally will impact us here. I must say though, we have been relatively insulated in terms of our market growth is so far in the areas of what is happening geopolitically. Inflation and interest rates, yes, have gone up but we do not see an impact of those in the previous year at least slowing down CapEx activities or indeed even OPEX activity. So, so far we have really not seen too much of an impact. The only impact that is there is from global supply-chain challenges and their linkages into the country.

- I now start with giving you a little bit of an overview about each of our businesses and how they have done. Our Energy Business saw a huge increase; 22% in the order income. A lot of it coming out of transmission. So, we got a couple of large orders in the transmission space. Again, primarily from private customers, for example, we did the relocation and conversion of our 220 KV substation AIS to GIS where we did bulk power receiving stations, got main receiving substations in place and so on. But these are mainly for private power plants. Where we have seen an increase is in decarbonization solutions, particularly, the area of Waste Heat recovery, Biomass and so on. Now, this is primarily the need for medium sized companies to really sweat their assets. They would like to generate electricity out of every last element of steam that they are actually generating in their process plants. So, be it Steel Plants, be it Distilleries, be it Sugar Plants, Cement Plants, Fertilizer Plants all of these plants that have steam as a byproduct coming out over there, they are looking for ways and means to kind of recycle that to reduce the burden of energy costs that they have by using Captive means. Modernization and upgradation of their existing Steam Plants has been also doing pretty well and we've got a couple of good orders there. So, overall, we see, particularly on the generation side, a growth in the Steel segment, Sugar Paper. Most of it in the lower segment less than 10 Megawatts for our steam turbines; industrial steam turbines but this is something that we do believe the market growing. The challenges, of course, have been the import content and the sea freight for the components and, as I mentioned earlier, the fact that TBCB projects a large number of them got slipped into the next financial year and we expect an uptick to happen in the current financial year as a result of that but there is, generally, as there is more renewables coming into the grid every year we do see that the requirement for transmission products will actually increase and there has been recently a paper that has come out by the government in that direction outlining very clearly that there will be a growth in the transmission segment.

- If I move on to our Smart Infrastructure Business, here again, our orders grew by 30% during the year. Here again we looked at Data Centers, as I mentioned, primarily where we brought in Substations, RMUs, Low Voltage Panels, the Integrated Building Management Systems etcetera. Fire systems, security systems all of these bundled together for Data Centers. Those are the kind of offerings that we have. We were also able to supply Ring Main Units and compact substations to the Railways, in Airports, in Metros, to some DISCOMS as well. So, we see this business actually growing. As the infrastructure business is growing here, we actually see this Smart Infrastructure activities growing substantially. Commercial buildings, Data Centers, Railways, Metros as these come into the market this business will grow with our medium voltage, low voltage products with our solutions on Smart Metering, with our solutions on Integrated Building Management Systems, Fire Safety, Security as well. A large element or an element in the distribution part does involve import of components from other factories of Siemens around the globe and this is where we have been impacted not only in the increased cost of the components but also with logistic delays on imports and all that, particularly, in the area of GIS Protection and in the automation of plants. So, I think this is something that we will have to watch. It is getting a little bit easier. We expect 2023 to be a little bit better than 2022 but the problem will definitely not go away.

- Moving on to our Digital Industries Business. Here, again, terrific growth in our volumes driven primarily through Sugar, Petrochemical Steel, Water, Food and

Beverage and Chemicals business here. And here, again, we are looking at solutions for analytical packages. For example, for the process where we are doing Continuous Emission Monitoring Systems (CMS), Liquid Analytics in petrochemical plants and in the Greenfield Petrochemical plant. We've done work on Vaccine manufacturing, for example, where we provided medium voltage, low voltage products as well as Fire Safety Automation Solutions there, Security Solutions there, brought in our DCS and Instrumentation products as part of this but we see a growing interest in this business, particularly as I mentioned, in getting greater visibility of the manufacturing process, getting greater productivity out each of the machines in the Process Business, in the discrete activities. Intra-logistics is going to be the next major area that we see companies getting great interest in. So, we were doing work right now in the Steam Plant where they have requested us to optimize the logistics operations from the time the material comes into the plant till the time finished goods leave the plant and the movement of all the products within the steel plant as part of the process and this is something that is possible through digitalization; to try and bring in greater efficiencies in that process. We are looking at packages for cranes where we can handle certain things over there, automation, electrical packages and so on. So, we're automating Edible Oil extraction processes for Food and Beverage customer. We are looking at providing Role Management Systems based on the location intelligence to metals customers, we are looking at large waste and wastewater orders from water companies and Kaleshwaram Flood Damage Project, for example, and so on. So, there's a lot happening over here in the area of Automation, Digitalization as well.

- Mobility in the last year has seen, of course, the Pune Hinjewadi Project which is basically the first PPP Metro Project in the country where we booked a large order of 9.5 billion in consortium with the Tata Group. We also got a large signaling order from RVNL and from Nagpur etc. So, there is a lot of work happening in the area of electrification, signaling and so on. But we really see this as being a growth area. Now, you must have heard about our disclosure and seen our disclosure with regard to the fact that we have been declared L1 in the 9000 HP Electric Locomotive Project. We will not talk too much about it right now because the LOA process and the contracting process is still underway. So, I can't talk about too much at this point in time. All I would like to say, however is, as I've been saying in the last two or three Analyst Meetings, Mobility is an area of focus for us. We are looking at developing an integrated offering for the Mobility Business in the country. We were already present terrifically in the electrification and signaling business. We are expanding on that and building on that but we have now gotten into, we opened a Bogey Factory in Aurangabad recently for Metros. We have now gotten in, as you have seen, into the Electrification of Locomotive business as well. We already have component manufacturing in for traction components in our Nasik factory. So, we are building our portfolio to address and localize the Mobility Business in a much more serious manner and in a very strategic and focused manner here. You will hear more about this in the future meetings that we will have. Suffice to say, right now, we are on the 9000 HP. This is for 1200 9000 HP, 6-Axle Electric Locomotives. This will have a balancing speed of around 60kms/hour and this will be a project which will run over a long period of time. More than that, at this point in time I would not like to go into. At the next meeting we will give you more details overall on the project. But for now, I think, all that we can say is this business is growing well. The more we localize, the less dependent we will be globally. To a large extent we are already localized / we have already plans for localization and this is a business that we expect to grow in the future.

- Moving on to our Sustainability Business and this is something that we are really driving as we see increasing interest from our customers in finding solutions for decarbonization of their own operations. So, I spoke at length already about Waste Heat Recovery where we are able to provide solutions to sweat existing assets but also to bring down the inefficiencies, if you will, in the overall process plants that are there. We are getting into Energy Efficiency Program in a very large way in the industrial segments, Food and Beverage, Hospitality, Automotive Businesses, for example, primarily in the manufacturing where we are able to demonstrate very clear carbon footprint reductions, where we are able to demonstrate savings for our customers in energy efficiency there as well and this is something that we are building on. We have the knowhow of the process of each of these operations. We are present in 23 market verticals. We understand the process of manufacturing. We are OEMs on the electrical side. We understand the automation process and now we're just driving it to the next logical conclusion, which is the digitalization process, in order to bring efficiencies in productivity, in energy efficiency as well. Electrical Mobility is an area where we have already started collaborations. Our collaboration with Ashok Leyland is known to you. In the meantime, we do have our charging infrastructure in Bangalore and Chandigarh. Chandigarh is LIVE for 38 e-buses and one depot. Bengaluru will be LIVE shortly but we're talking about over 300 buses there with operational depots and coming in as well. So, this is really an area that we will grow as well not only because we see it as a good business opportunity but because we do have a large offering here from the grid to the socket in terms of complete solutions as well.

- Now, some of you have attended our Innovation Day earlier this year where we launched our platform 'Xcelerator'. For those of you who were unable to participate, this is our digital platform, global digital platform, that basically is split into three parts. The first part is, it provides an overview of all the portfolio which are all connected. So, in the future every single product of Siemens will be connected and right now there are already a host of products that are connected on the basis of which we can start making offerings for digitalization to our customers. But we also realize that very often customers would like to design their own solutions and we need to be clear that we are not sticking to only Siemens products and Siemens solutions. We have to create a platform that is open and enabling for an ecosystem of partners. So, when you look at the platform we will also have an ecosystem of partners there. System Integrators, Service Providers, IT Companies who can collaborate within themselves, who can collaborate together with us as well and who can use the products and solutions that are available there to design tailormade solutions for customers specific to their needs including cocreation with a customer who says ‘I want to design my own solution and I want to bring in my own partners’. So, we offer this on the platform as well and the third is really a Marketplace that is evolving. It grows every day with use-cases specific to each market vertical that we operate in, demonstrating the benefits and the impact of digitalization solutions that have been arrived at across the world with different products and solutions. So, this is basically a demonstration to…For example, a Pharma customer who wants to know ‘Can you tell me what are the Pharma-based solutions that are available on digitalization and that have been carried out around the world and what kind of impact has actually been demonstrated and generated out of these use- cases?’, so this is a platform that we are offering that basically allows our customers, our partners and our sales force to collaborate together to design what is really critical for them. The solution is, the platform is basically interoperable. So, it is not linked only to Siemens Solutions Or Siemens Machines Or Siemens Software. It is interoperable, it is flexible and so you can play around with all the solutions and all the three verticals, that I just mentioned, it is open which is very critical where machines may be supplied by a particular supplier not necessarily Siemens, there may be Software Solutions and Automation Solutions that are not only Siemens and most companies have their industrial networks tied up with multiple software partners and multiple software solutions but we are able to say ‘It doesn't have to be Siemens. We would like it to be Siemens but it doesn't have to be Siemens. You can use the platform to develop with other software partners, with other technology partners to develop your own. We will slowly move up the stack to provide a lot of these solutions as a service’. The most important fact is, whatever is on this platform will be proven to be cybersecure and that is going to be really the differentiator. Nothing comes onto the platform unless it is a proven Cybersecure Solution. So, this basically is a bottom-up platform that starts with connected products which is devices, devices connected to machines and sensors, moves on to the edge computing, moves upward towards the Cloud and then enables everyone to develop their own applications and software solutions and dashboards that are unique to their own businesses. It doesn't matter whether you're an Automotive company or a Pharma company or even a Steel company. You have the comfort level that you can get access to hardware, you can get access to automation, you can get access to the solution and you can bundle all this and design your own dashboards and apps to derive the maximum number of productivity out of your businesses over here. So, this is something which is an evolving platform. Some solutions are already there but this is something that will grow over the years. It is not a standard product. It's an evolving platform. The more products that come will be brought onto the platform, the more solutions that are generated around the world and this will give access not only to solutions and products available in India but also around the world. So, customers can really see what have been the best impact of the solutions in use-cases that have been carried out around the world but also in India specific to their respective market segments.

- That's a little bit of an overview around the business. Let me hand over now to Daniel to give an overview of the financials for the last financial year. Daniel, over to you.

- **Dr. Daniel Spindler, Executive Director and Chief Financial Officer (ED & CFO), Siemens Limited:**

- Thank you very much, Sunil, for that overview and also a very warm welcome from my side. I'm very pleased that you have taken the time to be here with us in the call. Now, let me tap into the financial highlights and I would like to share with you some details about our fourth quarter and full year results for Siemens Limited during FY22.

- I think it is fair to say that we delivered another strong performance during, I guess you will also agree, during eventful 12 months of FY22 against thankfully easing impact of global pandemic. However, more critically ongoing crisis in Europe. India, however, experiences some signs of further normalization during the last six months displaying stable macroeconomic parameters like GDP or PMI. Actually, the PMI was trending for 12 consecutive months above 50 which is a positive sentiment on the macroeconomic environment in India. Siemens Limited started the year with two very strong order quarters heading into this fiscal and delivered well on revenue especially towards the second half of the financial year.

- Before going into more details, I would like to give some general comments. My opinion, globally the macroeconomic environment remains extremely volatile. War is amplifying cost inflation and puts continued constraints on supply-chains and Sunil talked about that, especially, from our international supply-chains. We still see some ongoing constraints and also the pandemic still impacted productivity in some areas and we have seen all the lockdowns in China which is also leading to some form of disruption. We see an unchanged solid economic development in India and in our key markets like Data Centers, also Food and Beverage, Building, Steel and Cement, just to mention a few, maybe also infrastructure related verticals like Transmission, Main Line and Metro. We heard a lot about mobility and how the market is picking up over there. And, also, Automotive provides some good impetus.

- From a macro perspective, India's economy grew slightly lower with around 6.3% on higher prices in the second quarter of fiscal ‘23 and, maybe you have also read, the forecast is that India will be the third largest economy by ‘2030. Public and Private CapEx is still rising despite inflation and interest rate increases and there was just another interest rate increase 35 basis points few days ago. However, the macroeconomic environment in India is, yes, to some extent volatile and dependent on further development of ongoing crisis but also shows quite some stable and resilient development and Siemens India navigated through these challenges, actually, very successfully and that development is also reflected in the achievements of our businesses within the respective key verticals. We have also seen some good progress, Sunil talked about it, on strategic initiatives to drive digital and sustainable business like we have showcased at our Innovation Day besides simplifying our portfolio. And customers, undoubtedly, continue to invest in their digital transformation as well and improve resource and energy efficiency. So, sustainability is gaining further relevance.

- Now, let me tap a bit more into detail on the supply-chain side. We have talked about this also in our previous calls. It is unchanged the critical topic. Somewhat we have mastered and mitigated through that supply-chain disruptions but we will also see similar disruptions to some extent going forward. Semiconductors was one of the examples we have seen in the Mobility environment. So, some companies are still struggling with missing deliveries or shortages. However, we at Siemens in India continue to work relentlessly with our suppliers and our factories to optimize deliveries and to avoid logistical congestions. So, our focus is on mitigating the negative impact on our customers as much as possible and to keep deliveries from our factories at high levels in order to secure our revenue but also the supply to our customers. Besides that, we have an effective commodity hedging like for Aluminum, Silver and Copper and we do unchanged, also very high levels demand pooling for raw materials and components in order to help maintain strategic alliances with our key suppliers.

- Few words on the C&S Integration. C&S is progressing according to plan. Topline growth as well as EBITDA remains within our expectations and the margin is in the upper single digit range. We have seen a portfolio effect on July 1st, we divested our Large Drives Applications Business which was reported under portfolio companies and that's why all the financials that I am now talking about are based on continuing operations without Large Drives Applications.

- With this, let me jump into our fourth quarter and give you a brief snapshots on the KPIs for July to September quarter. Orders were growing by 25.4% and key contributors to our Energy and Mobility with high double-digit quarter growth. Revenue across all businesses is 10.8% year-over-year, also, broad based have to say. So, the topline growth momentum is really robust and broad-based with high double digit in mobility followed by digital industries. I will talk about that in more detail later on in the subsequent slides. EBITDA is stable at 11.1% of Rs. 4.7 billion/Rs.470 crore, basically, on the same level like previous year to topline driven productivity and still ongoing cost out measures which are helping to secure our stable operational margin. This could also offset adverse factors from inflation from higher logistics, headwinds from FX and commodity and also supply-chain driven higher material and logistics costs as we heard through Sunil's statements previously.

- Besides operational, we also have structural improvements. We still do have comparatively low discretionary spendings. However, we see that event marketing and travel as expected, is slowly picking up. So, after Interest Income and Depreciation expenses we recorded a Profit Before Tax of 12.4% of revenue of

Rs. 5.2 billion. After tax deduction Rs. 1.3 billion, current and deferred tax, we have recorded a profit of 9.3% of revenue for Rs.3.9 billion but that is an absolute increase by 22.9% compared to previous year or in absolute terms an improvement by Rs.700 million. With this, our Earnings Per Share also increased by 22.9% from Rs. 8.96/share to Rs. 11.01/share.

- On the next slide, we talk about the full year. Performance for the full year ‘22, we have seen very strong order increase by 43.1% and 18.3% in revenue which is a Book-to-bill ratio of 1.33 and that also is far above pre-pandemic levels that we have fiscal year ‘19 or before. We have recorded an absolute all-time high in new orders in our second quarter as well as an absolute all-time high in revenue in our fourth quarter. So, it's fair to say that we have fully recovered from pandemic as well as from supply-chain disruption setbacks and we have continued our profitable growth in extremely challenging circumstances. Also, profitability EBITDA is at 11.0%, only marginally down by 59 basis points year-over-year. Profit Before Tax stands at 11.5%, after tax, it's 8.6% which is Rs.12.5 billion. That means it's close to 20% higher than it was previous year. So, overall, this year long term backlog in all businesses, we've continued healthy margins which I believe is a very important message that we continuously see a very stable operational healthy margin quality in our order backlog. Lastly, we have achieved a Rs.14.2 billion cash generation from operations out of ongoing Working Capital initiatives despite in some areas higher inventories to secure our revenue and increased Accounts Receivables also in line with the revenue increase.

- On the next slide, we do see our quarterly Order Development. Let's look into our Order Development in more detail in the next few minutes. This graph that I'm now showing to you shows the absolute numbers per quarter in orders over the last eight quarters and highlighted in green you see the four quarters out of FY22. Above the columns, the percentages we displayed a year-over-year growth rates. So, you can see that we have been able, in four consecutive quarters in FY22, to achieve an absolute order intake above Rs.40 billion in eight quarters in a row; a positive year-over-year growth which actually accelerated during FY22. So, in Q1 and Q2, as you nicely see on this graph, we saw a huge growth by 64.6% in the first quarter and you have also heard Pune Hinjewadi was contributing to this but also a lot of other important and large orders as well similar to the second quarter where we have seen 70.2% growth even also in the back of several large orders which were amongst the highest ever. So, we see consistent growth not only on large orders but also in our base business, so unchanged our strong backbone is our shortcycle business, especially when it comes to smart infrastructure and digital industries. The clear reasons are continue driving our main markets. There strong momentum and, therefore, we were also able to further increase our backlog to Rs.171.8 billion towards year end. So, this is a remarkable order reach of well above one year. One more thing to mention here is, we saw towards the end of FY22, especially Q3 and Q4, normalization of an effect that we call ‘Advanced Orderings’, so some of our channel partners, customers were anticipating supply-chain issues and that's why there was quite a high effect in transport visible in the first half of the year which was normalizing in the second half of the year. That's why you also see in line with a decline in our absolute order growth.

- On the next slide we talk about business portfolio mix. Here, I want to draw your attention on our business portfolio based on new orders. So, currently and on the left-hand side of the graph you see a good absolute growth in short cycle product business and the area of about 30% like we see it in small infrastructure and digital industries. On the other hand, on large projects like in Energy and Mobility is slowly pushing our relative order mix towards more projects with a share of bit above 62% and that we also had predicted in our previous calls already that we see a slow move, slow push towards higher project portion. Furthermore, in the middle we see a marginal increase in our domestic business to 85.8% which is the result of stronger domestic demand in line with the Indian economic swings compared to other global markets. On absolute numbers, the export business was growing as well by around Rs.6 billion. Finally, on the right-hand side we see the split into public and private business and there's a continued shift towards private customer with a portion of about 84.5% and the reason being is hereby as well a strong push on private short cycle product business.

- Having said this, let me continue with more details on our Revenue Development. We see a continued increase in absolute revenue, spiking in Q4 of FY22 with more than Rs.40 billion which is an all-time high. Revenue is ongoing, steadily rising for consecutive quarters. You can see +10.9% in the first quarter, followed by 7.7% in the second quarter year-over-year and then in third quarter 50.6%+ basis of large orders and also to some extent, minor extent, the advance orderings that we have seen in the first half, I spoke about it, that is also helping to drive the revenue momentum towards the second half of the financial year. So, the growth is broad-based across all businesses, each recording positive revenue growth and we will come to that in a minute. Book-to-bill, I mentioned already, stands at 1.33 and the order which is well above one year which is pointing towards further revenue momentum.

- So, while you can summarize that we have seen a very strong resilience against supply- chain delays based also on a candid inventory management and that we are performing stringently on our backlog.

- With this, let me go towards margin development of EBITDA. We have seen in Q4 an EBITDA of Rs.4.7 billion which is translating into a margin of 11.1% to revenue slightly up by 4 basis points year-over-year. So, last year we also have seen 11.1% equivalent these 4-basis points increase is some Rs.500 million in absolute terms. In Q1 we saw a strong margin as well of +10.7% to a Rs.3.3 billion followed by second quarter. That's a strong one 12.6% positive and 4.3 billion absolute. And in Q3 +9.8% or Rs.3.8 billion. The volatility that you're seeing here is especially due to FX and commodity impact and we will have a separate slide to explain that in more detail to you and to share more transparency on the impact that we are seeing especially out of FX and commodities.

- On this slide, I would like to give you a bit more flavor on the development of the most important factor. So, we see unchanged rigid conversion of revenue growth, maintaining our stable operational margin. We still do see very low nonconformance costs in our project business which also helps to secure a very stable operational margin. Like we have spoken about in our previous calls, we have implemented a bundle of cost control measures and during pandemic, which we will also keep in effect, we have experienced in some areas higher raw material component and increased freight or transportation costs. Wherever possible we are forwarding this increased cost to our customers through price increases but also through price variation clauses. With this we can limit the effect and we also have an efficient hedging strategy and do customer price adjustments wherever necessary and possible. Discretionary spendings are still on a comparatively low level. However, it's slowly increasing similar to travel and event activities but still also relatively limited. Nevertheless, I would expect this to slowly pick up also during FY23 as these all normalizing around the globe.

- Next slide, I want to give you, already promised, somewhat transparency on our EBITDA and this slide is explaining our underlying operational margin performance putting EBITDA margins on a comparable basis and with this we want to give you some transparency on FX gains and losses combined with gains and losses from commodities, and here especially Copper, Aluminum and Silver.

- In our Annual Report, you can see these results from FX and commodities under a separate line in 'Other Expenses' and the impact from FX is due to fluctuation in pricing and especially Rupee against Euro but also to some extent against the U.S. Dollar. As you can see on the same slide, we have previous year a gain of Rs.365 million for the full year out of FX and commodities whereas in FY22 we had a very significant loss of Rs.2.078 billion. So, if you now take that into consideration then you can see that the EBITA, on an adjusted basis, actually climbed from 11.3% to 12.4% were increased by 113-basis points. The margin quality, underlying margin quality, actually increased if we eliminate the effect of FX and commodities. In the first quarter we have seen a similar effect. Last year we had losses of 134 million whereas this year much higher losses of Rs.1.1 billion which is an impact of 230-basis points on our underlying margin. So, Q4 on a comparable basis of FX and commodities, our EBITDA margin increased from 11.4% to 13.7% and there are now as a material extraordinary effects, apart from the ones I mentioned, last time we have also talked about on transportation and logistics costs. Here we see a normalization of that effect. So, the main effect that we are seeing is unchanged coming out of a strong volatility from Forex and commodities.

- And with this, I come my last slide which is showing the performance per business. This slide is showing our new orders, revenue and EBITDA margin in percentage to revenue for our four segments which we call 'Businesses' for the full FY22. So, let me start with Energy. Energy is showing an unchanged strong resilience against global volatility with orders up 22% and revenue up by 13%. Growth contribution is from growing industrial customers and utility scale renewable developments and EPC players leading to higher growth. For instance, in transmission hydrogen offerings also support the growth and Sunil nicely talked about that already before. We also have seen some big orders for AIS Substation (Air-Insulated Switchgear Substations) and Waste Heat Recovery also again to mention here. On the revenue side, we executed on a healthy order backlog and with this also our EBITDA profitability Rs.6.3 billion absolute or 11.9% relatively to revenue which is, yes, a decrease by 236-basis points. However, again here, worst part to mention is FX, commodities and if you eliminate this effect and we see an underlying margin which is very stable meaning that the EBITDA stands at 12.7% against the 13.3% previous year. So, only a marginal decline of some 60-basis points in Energy. So, overall, I think we can conclude that there's a very solid operational execution visible in our Energy business.

- Next, on Smart Infrastructure on the top right-hand side. Smart Infrastructure is driven by industries like Oil and Gas, Cement, Steel, Infrastructure markets especially worthwhile to highlight here

- Data Centers, Transportation, also Building Solutions, subsequent and further favorable markets in short cycle industrial and electrical products of tech also help here to boost our business performance in that segment. Same here, very solid performance across all metrics. Orders up by 30%, revenue by 60%. Boosted by electrical products, so same area where C&S Electric is active. We see accelerated activities in Solutions and Services across our portfolio. EBITDA margin stands at 10.4% which is a margin improvement by 56-basis points benefited from high-capacity utilization and ongoing cost saving measures. Adjusted EBITDA, we would even see an increase by 185 basis points again after elimination of FX and commodity effects. Digital Industries, on the left bottom side strong market environment in the first half supported by advance borrowings. I mentioned at some channel the anticipating shortages and therefore placed advance ordering during the first half. From a market perspective, key market is domestic demand in steel metals, cement, complemented by emerging sectors like metro, aerospace, or tunnel automation, and also auto is now nicely picking up as well. Hence, we see a sharp surge in volume and top line orders up by 53% revenue by 20% operational margin stands at plus 11.1%, which is 230 basis points better than previous year. Here, I would like to emphasize that the margin improvement was very well supported by price adjustments, which was more than offsetting higher input and logistics costs. Similarly, in fiscal year 22, DI was experiencing some negative impact from higher FX losses and commodity losses. On a comparable basis, the profitability would have been even up by 440 basis points. So, 230 as reported 440 underlying and we needed the higher inventories in DI to secure future deliveries, which compensated with advance payments and stringent payables management and with this, finally let me talk about the full year performance of mobility. The order pipeline in mobility is exceptionally strong. We have experienced some project shifts in the past besides now very huge tender activities from Indian Railways, which certainly will help also to increase our footprint in India when it comes to mobility business. Orders up by 136% based on large orders like for trains set developments, metros, and our PPP Pune Hinjewadi was already mentioned a few times and also including an annual maintenance contract, but also electrification of metro lines. Revenue up by 56% out of execution of metro projects and components and Sunil gave a lot of flavor on that topic as well. EBITDA performance is down to 6.7% by 511 basis points, however, still keeping a missing digit bottom line and reason being is here that we see quite some investment besides CapEx also into OpEx. We have just recently reopened our bogey factory in Aurangabad and deliberately we are investing here in CapEx as well as in OpEx to make sure that they can participate in the strong momentum that the mobility businesses having here in India.

- Maybe the same here in mobility what I have explained for the other three businesses on the comparable basis, so eliminating again FX commodity. Our margin would have been above 9%, actually quite a minor drop if we take that into consideration as well. So, overall Siemens Limited has performed considerably strong during the first half of fiscal year 22 volume and solid top line and then especially delivering very well revenue, profitability as well as cash towards the second-half of financial year 22. With this, now let me conclude with a few outlook - with an outlook on a few focused areas and priorities for financial 23. It's about stringent and focused execution and gaining supply chain excellence, we continue to drive accelerated and profitable growth. We want to display as in the past the strong resilience to any form of crisis, which was a source of strength in the past or the backlog beyond 170 billion and more than ₹40 billion revenue in the first quarter is showing strong resilience. So, the majority of our next 12 months revenue is already in our books across all businesses. We have a very high visibility in our short cycle product business, which is actually also far reaching and then we continue to put emphasis on cost saving and operational measures to ensure that resources are adequately aligned in order to thrive operational efficiency and to avoid nonconformance costs and with this I would like to conclude my part on the financial highlights and hand back to Sunil to give us his outlook and his perspective on the next months to come.

- **Mr. Sunil Mathur – MD & CEO, Siemens Limited:**

- Thank you, Daniel. So, let me just conclude on how we see 2023. Our perspective is that government spending on infrastructure CapEx will continue, will continue to drive growth. That will have a knock-on effect on private CapEx as well. Independent of that, the PLI process and the PLI system will drive niche areas for example semiconductor manufacturing, data centers, e-vehicles, solar etc. etc. So, overall, we are currently not seeing any slowdown in CapEx or in OpEx neither from the government sector nor from the private sector right now. With the visibility that we have currently around, I do not expect with the current levels of interest rate and the current stabilized levels of inflation that there will be a slowdown in the near future, but what we have to watch is any impact that comes from the global headwinds, geopolitical, production of semiconductors, logistic challenges all of these, inflation in many countries abroad that are supplied to us, and the impact that that will have on the cost of components that we have to import. So, those are let's say cautionary statements over there as far as that is concerned.

- Mobility, we will continue to expand our offerings not only from the electrification signaling part, we are looking at rolling stock, bogey, turnkey, etc. We will, however, be selective about participation in large projects. So, where there are large projects, EPC projects, we will be very cautious about and look at the risks and look at the profitability hurdles that we have put in place, but when you are looking at components or products as for example locomotives are concerned, those will meet the margin hurdles that we have. There will continue to be, however, investments that we will make in all our businesses including in mobility in order to localize further, in order to make us more competitive. These investments could be in capacity expansions and bringing in new products in new solutions. Our vacuum interrupter plant for example in Goa was a localization initiative that we have done that required investments and we've done that. Our bogey factory as Daniel mentioned, we have made investments both in CapEx as well as in OpEx as we bring people on board and as we start expanding the portfolio, localizing further, coming out with new business models, also increasing our focus on digitalization and on energy efficiency and our decarbonization solutions. These will require us to invest, these will require us to look at different business models, and these will require us also to look at financing solutions in order to make sure that we are competitive. So, we are geared up for growth. We believe that the market is now ready for that. Infrastructure will drive that growth in the country and will drive that growth for us in the company. So, I will stop there and hand it over to you now for questions.

- **Ms. Ramya Rajagopalan – Head Communications, Siemens Limited:**

- Thank you, Mr. Mathur. We have all our colleagues here who would raise their hands for questions. I will invite one by one and I would request each one of you to limit your questions to two questions per person in the interest of giving an opportunity to the rest of your colleagues as well. The first question is from Parikshit Kandpal. Parikshit you have been unmuted.

- **Mr. Parikshit Kandpal:**

- Yeah, yeah, yeah, yeah, yeah. Hi, congratulations Sunil and the team for commendable performance in a challenging time. So, my first question is on the mobility segment, so you recently are L1 in a large loco order where there were very limited participants, only two players were there. So, but there was a big gap between L1 and L2 for almost 80%, so are these orders in our margin threshold what we are reporting currently and how will you reconcile this big difference?

- **Mr. Sunil Mathur – MD & CEO, Siemens Limited:**

- Okay. So, I'm not going to comment on the competition on the pricing of the competition. We are confident that we made a competitive offer, we are looking forward to closing the deal, and moving it forward. I think that's the statement we can give. I'm not going to comment on the competition over here, but we are confident that the offer that we have made is a competitive offer overall.

- **Mr. Parikshit Kandpal:**

- Okay. Thank you, Sir. second question is within this the 12,000 HP, so when do you expect that to get finalized and even the Vande Bharat train where we have tied up with BML, so when do we expect it to get closed?

- **Mr. Sunil Mathur – MD & CEO, Siemens Limited:**

- We can’t comment on tendering processes and bidding processes and I don't know when the Indian Railways will take out which tenders, but I can't speculate on that. It would be pure speculation.

- **Mr. Parikshit Kandpal:**

- Okay. Sir just lastly if I may, this locomotive factory will it supply to even global markets. So, how do you see the opportunity size, the market size for the locomotive segments specially in the mobility - within the mobility?

- **Mr. Sunil Mathur – MD & CEO, Siemens Limited:**

- Are you talking only about locomotive or are you talking about mobility in general?

- **Mr. Parikshit Kandpal:**

- Mobility in general especially targeted to domestic and global markets especially on the rolling stock side.

- **Mr. Sunil Mathur – MD & CEO, Siemens Limited:**

- Yeah. So, on the rolling stock side, there are multiple parts that we are already present in, so components that we have in Nashik, we will have both a demand domestically as well as globally for components and that's coming out of Nashik, traction motors, inverters, and so on. When you look at the bogeys, we've already announced that we got an order for 200 bogeys from Romania for metros in Romania. So, our bogey factory will be used for manufacturing bogeys not only for the domestic requirement of metros, but also for the global requirement. So, also with the 9000 horsepower locomotives, we will be looking first of course and ensuring that we can deliver on the commitments over here, but thereafter we will also be looking at what the export potential is for these locomotives. As you know, we already have over 30 factories in our company or in our network here in India.

They are all part automatically of the global supply chain of manufacturing facilities as well and our local factories are bogey factory, our components factory and I'm sticking only to the rolling stock. All of our factories and all of our manufacturing items here are available not only to the local market, but also to the export market within the Siemens ecosystem.

- **Ms. Ramya Rajagopalan – Head Communications, Siemens Limited:**

- Thank you. Let's move on to the next question from Harshit Patel. Harshit you have been unmuted. Please go ahead.

- **Mr. Venkatesh:**

- Harshit you need to unmute yourself at your end as well.

- **Mr. Harshit Patel:**

- Yes. Thank you. Thank you very much for the opportunity. We have posted a very strong order intake. We have posted a growth of almost 43% in financial year 22, so could you give us a sense on what would have been the impact of pricing within that. If you could give a qualitative flavor segment wise on the price increases that we did last year that will be very helpful.

- **Mr. Sunil Mathur – MD & CEO, Siemens Limited:**

- So, we won't give that price increase because it's very, very difficult. To be honest, it is average room temperature, whether we are talking about energy, there is a price increase element inherent in our generation solutions, there is a price increase inherent in our transmission solutions, the price increases are on account of inflation on account as Daniel mentioned Forex and commodity part of which is possible to pass on, part of which is not possible to pass on, and this goes Harshit with all our other segments as well. It depends even on our digital segment part of it is linked to the inflation. The price increases are also linked for example as Daniel mentioned to forward ordering where because of delays in deliveries, customers have started ordering in advance. There are some price implications linked to that as well etc., etc. So, it doesn't make sense and it's too complicated to kind of split that down segment by segment.

- **Mr. Harshit Patel:**

- Understood Sir. My second question is on the C&S Electric. We have posted a break even at the EBIT level in the fourth quarter, so do you see the C&S EBIT margins converting towards the parent level smart infrastructure margins in FY23 or will it take more time. Also a follow up to that would be where are we in the journey of making C&S and export hub, did exports contribute majority towards C&S FY22 sales or there is still some way to go about it?

- **Mr. Sunil Mathur – MD & CEO, Siemens Limited:**

- So, I will let Daniel talk about the margin levels. The important factor, however, and I don't know how, what you're comparing as being the margin of the parent right, the margin of the parent is smart infrastructure margin and that is completely different. These are locally manufactured products over here. I have stated repeatedly in analyst meetings as well as in the press that the strategic intent of C&S was to grow the global business and build on the local business. So, I think we are well on track as Daniel mentioned over there. Regarding the margin development, I'll ask Daniel to give a qualitative comment on that.

- **Dr. Daniel Spindler – ED & CFO, Siemens Limited:**

- Yes. Sunil, we are well on track and the integration basically has been concluded, so all our integration costs have been already catered for, so nothing more to come. It's now C&S is running on a very stable business and we have also spoken about that the market in electrical products is very promising. We saw a very good growth momentum in financial year 22. The outlooks are also promising for the next quarters to come and so far we are confident that we will achieve from the margin quality that we have outlined in our business perspectives.

- **Mr. Sunil Mathur – MD & CEO, Siemens Limited:**

- Absolutely. I think the overall strategic intent of C&S is well on track.

- **Mr. Harshit Patel:**

- Daniel, just a small follow up to that. The depreciation levels in C&S seems to be very high, is there any particular reason and will the depreciation will eventually come down, so could you throw some light on that?

- **Dr. Daniel Spindler – ED & CFO, Siemens Limited:**

- You have to consider here purchase price allocation, so there is also some depreciation although for instance technology or customer relations that's why you see some impact of that. It's a typical purchase price allocation that you're doing when you have an acquisition.

- **Mr. Harshit Patel:**

- Understood. Thank you very much for answering my questions.

- **Dr. Daniel Spindler – ED & CFO, Siemens Limited:**

- Thank you.

- **Ms. Ramya Rajagopalan – Head Communications, Siemens Limited:**
- Let's move on to the next question from Deepak.
- **Mr. Deepak Viswanath Krishnan:**
- Hi Sir, hope you can hear me fine?
- **Ms. Ramya Rajagopalan – Head Communications, Siemens Limited:**
- Yeah, we can hear you. Please go ahead.
- **Mr. Deepak Viswanathan Krishnan:**
- Yeah. So, maybe just one question on the locomotive segment again given that you're looking at projects with 35 year's timeline, how are we trying to mitigate the risk in terms of dealing with labor manpower from the Indian Railways, the cost of infrastructure buildout at each of these facilities, and are these sort of assured take up the contracts as well as working capital, so in general how are we mitigating the risk for all of these large locomotive tenders that are in the market right now?
- **Mr. Sunil Mathur – MD & CEO, Siemens Limited:**
- So, firstly these are product supplies, these are not project supplies right. So, this is not an EPC, which involves a detailed erection commissioning etc., etc., at the project site. We're not building townships, we are not building depots etc., etc. so, to that extent, the risk element is substantially reduced. We have got very clear risk mitigation measures in place thought out, costed in, and we will be monitoring this very, very carefully.
- **Ms. Ramya Rajagopalan – Head Communications, Siemens Limited:**
- Deepak, if that was the only question?
- **Mr. Deepak Viswanathan Krishnan:**
- Yeah, maybe just follow up on the overall in terms of base orders and in general with commodity softening, how are we kind of looking at the pricing element in the market, do we kind of see pricing elements sustaining or do we kind of see any competitive pressure to base product pricing across all the segments?
- **Mr. Sunil Mathur – MD & CEO, Siemens Limited:**
- So, I think that yes there is continued competition. Now, the competition is not getting easier, it is getting tougher in all the segments that we are operating in and that's why we continue to localize, that's why we continue to innovate, that's why we continue to come out with new business models and new solutions, and that is going to be the differentiator. It's not only pricing, it's also about what value

proposition you are able to deliver for the products and solutions that you're offering and I think that is the entire package that we are now concentrating on. It is not just about delivering a product and trying to compete on price, it's also about delivering a value proposition that differentiates us from the competition and that's what we are now focusing on.

- **Ms. Ramya Rajagopalan – Head Communications, Siemens Limited:**

- Thank you, Deepak. Let's move on to the next question from Rahul. Rahul you can unmute yourself and ask the question please.

- **Mr. Rahul Gajare:**

- Yeah. thanks for the opportunity. Sunil, many congratulations for continued strong performance for the company. I've got two questions. Now, we've seen a very sharp increase in new orders, you're sitting on highest ever order backlog for a very long time, but the revenue growth is lower. Now, in this context I want to ask you, are there any capacity constraints that you are facing, you could maybe discuss capacity utilizations at segment level or at a country level are there any specific areas where you're reaching peak capacity and therefore unable to deliver due to those capacity constraint or this is purely based on the project cycle because these are short cycle orders, so that's my first question. Thank you.

- **Mr. Sunil Mathur – MD & CEO, Siemens Limited:**

- So, you are right. Our order volumes or our order backlog is continuing to grow and you are also right that our revenue is not falling in line with the order increase. Two or three areas over here are firstly a clear statement, we do not have capacity constraints within any of our factories in the country, so this is not due to underutilized or over utilization of capacities within the country. Our capacities are continuously enhanced, are continuously expanded based on the order volumes that we are looking coming in. We are not tailor-making our order entries to the capacities available nor are we restrained on any of our deliveries due to capacity constraints. There are two major reasons and you outlined one of them already, it's just normal project business where delays are not delays, partly delays from the customer side, but just general products project cycles don't require deliveries to happen immediately. The second is of course the interdependence, with supply chains abroad. I would say to some extent maybe not hugely material extent, but nevertheless it is an element that has also slowed down our volumes. If I were to take the segments and I look at energy first. In our energy generation and transmission, we don't have capacity constraints. We are in line with the market, we are delivering on track, we don't have any capacity constraints there nor is there a slowing down substantially in the volumes of revenue at least in the energy - on the energy side other than what there may be marginally on account of some our project cycles which is normal. If I move to the smart infrastructure, in some part of the business there is definitely constraints due to import contents being delayed, available, or delayed semiconductor part of them, but also component deliveries and logistic challenges on the other. It is impacting the import content of the smart infrastructure business, but not the domestically manufactured and domestically delivered content as well. If I move to the digital industries, absolutely this is where the majority of the revenue slowdown has occurred, primarily coming out of the import content that we have because we do not have local manufacturing on the digital industries. On the mobility side, it is primarily again coming primarily out of project cycles and delivery schedules there. So, we don't really have too much of a slowdown on that. Daniel you want to add to that in any way?

- **Dr. Daniel Spindler – ED & CFO, Siemens Limited:**

- Sunil, you mentioned all the key contributors interestingly and then maybe orders are coming down, whereas revenues increasing and this is exactly the effect out of the large orders that we have seen in the first half of the year plus advance quarter is, which are now executing out of a very strong order backlog towards the second-half and also towards some financial year 23. We are happy that order rates went above one year with a healthy margin quality as we have seen in quarter four already for financial year 22. Insofar I think we are well equipped for financial year 23.

- **Mr. Rahul Gajare:**

- That's the first question. I just have one more question on the mobility. Can you throw some light on the scope of Siemens and BEML in the recent loco orders and is this the collaboration which will continue even for 12,000 horsepower order?

- **Mr. Sunil Mathur – MD & CEO, Siemens Limited:**

- So, the loco order, just to clarify, the loco order does not have label ring. This is Siemens and the local order does not label ring.

- **Ms. Ramya Rajagopalan – Head Communications, Siemens Limited:**

- Thanks, Rahul. We'll move on to the next questions. Sujit/Dhananjay, just a small request since both of you are from the same organization, if I could request Sujit you to go first with one question and Dhananjay you can go with the next. I think Dhananjay has dropped out. Sujit please go ahead.

- **Mr. Sujit Jain:**

- Yeah. Thank you for the opportunity. Since most of the questions are on mobility, let me shift to Xcelarator. Does Xcelarator mean that Siemens mindsphere actually gets submerged into that and therefore this gets transformed into Xcelartor, how does this work?

- **Mr. Sunil Mathur – MD & CEO, Siemens Limited:**
- So, it's not a submerging part or merging part. the mindsphere will be a part of the Xcelarator and is one of the applications that will be present on Xcelartor.
- **Mr. Sujit Jain:**
- Sure and in this mobility order localization content, what is it mandatory you spoke about Aurangabad, Nashik facilities, but would there be a locomotive facility within Siemens India or you would be sourcing from other Siemens entities globally or in India, if there are any and are there any escalation clauses, it's a longer term contract?
- **Mr. Sunil Mathur – MD & CEO, Siemens Limited:**
- So, again I'm not going into details, yet until the order is signed and we are able to comment in more detail on that. Suffice it to say that the locomotive order will be very largely localized, very largely very materially localized.
- **Mr. Sujit Jain:**
- Localized within Siemens India listed entity?
- **Mr. Sunil Mathur – MD & CEO, Siemens Limited:**
- Localized within India within there will be - an element will be that will be within Siemens and there will be an element that is bought out as is normal.
- **Mr. Sujit:**
- Bought out from the group mostly?
- **Mr. Sunil Mathur – MD & CEO, Siemens Limited:**
- I'm not commenting on details further.
- **Mr. Sujit:**
- Sure. Thank you.
- **Ms. Ramya Rajagopalan – Head Communications, Siemens Limited:**
- Thank you, Sujit. Next question is from Ankur Sharma. Ankur you can unmute yourself.
- **Mr. Ankur Sharma:**
- Yeah, sorry. So, thanks Mr. Mathur for a very detailed presentation, very, very helpful as always. So, my first question was on the energy business that we have,

so we've seen transmission orderings actually been quite weak for the last few years despite that our energy business is actually done reasonably well this year, as well orders are up 32% odd in FY22, so if you could help me both how do you see ordering on the transmission side kind of panning out over the next year or so both the HVDC side or on the regular transmission, also on the other the waste heat recovery, turbine orders etc. you could help us understand how do you see that space?

- **Mr. Sunil Mathur – MD & CEO, Siemens Limited:**

- So, let me start with the transmission segment there. I think if you want to get the latest on how we see the market, it is basically there is a very recent paper that has been issued I think as recent as yesterday or day before from the CEA outlining the additional requirements that are going to be necessary on the transmission side to meet their renewable, the increase in renewable generation in the country. If we have to get to 500 gigawatts of renewables by 2030, it will mean that the transmission network is going to have to be upgraded. You will need a lot more Statcomms coming in, you will need a lot more Statcomms coming in as you start having unstable grids due to the renewables, so that will definitely increase. HVDC's to be honest have not been too many as you are aware in the last couple of years. There are one or two on the horizon that you are all aware of. How long, whether they are practical and whether they actually come to a tender stage, we're not sure. Whether they are technically viable, we are not sure. Techno commercially, financially viable, we are not yet sure, but we do see HVDC also being an element coming in, but primarily my guess could be in the area of Statcomms and facts solutions that will come up there in general. Linked to the entire renewable story, you will also see a lot more happening on flexible ramp up of generation. As the grid becomes unstable and as you've got to manage peak load requirements, the ramping up and as coal becomes less attractive because of the sustainability requirements, there is going to be a need for power plants to be able to ramp up and ramp down much quicker at shorter notice resulting in much less usage of fuel of coal and this is the kind of solution that we have to offer in terms of flexible ramp up of machines. So, I do see as India moves towards greater renewable power, the transmission generation areas will be enhanced. I do see also a shift very clearly coming as medium sized companies are looking more to sweat their existing assets and cut their energy costs. They will be looking to squeeze the last kilowatt out of every element of steam that they get in their process plants and in their manufacturing areas, and this is where you will get a lot more happening in the area of waste heat recovery, biomass, and so on.

- **Ms. Ramya Rajagopalan – Head Communications, Siemens Limited:**

- Let's move on. Thank you, Ankur. Let's move on to the next question from Jonas Bhutta. Jonas, yeah go ahead.

- **Mr. Jonas Bhutta:**

- Yeah, sure. Thank you, Mr. Mathur and Daniel for the presentation. Just a single question and that revolves around the share of traded goods. So, what we've seen in the last five years between FY18 to 22 that the share of traded goods as a percentage of sales has sort of moved up in by about 500 to 600 basis points from 23% of sales to roughly 28%-29%, while we understand that some bit of this would be linked to the sales growth in the DI segment, but there again we see that the DI segment as a proportion of sales has just gone up 300 basis points. So, just trying to understand which other segment seems to be driving the increase in traded goods and will this in the long-term handicap us in any form in our margin expansion going forward? Thanks, that's my only question.

- **Mr. Sunil Mathur – MD & CEO, Siemens Limited:**

- Jonas, when you talk about traded goods are you talking about traded goods for example in DI which come from the group company or are you talking about overall traded goods in the total usage of products that we are selling here in the country?

- **Mr. Jonas Bhutta:**

- This is the total that is shown in the P&L just for reference it amounted to roughly 29.78 billion - sorry 44.5 billion in FY22?

- **Mr. Sunil Mathur – MD & CEO, Siemens Limited:**

- So, I'm not aware exactly what of the numbers that you are talking about, all that I can surmise is that as you see the volumes growing, as there is more growth happening in DI, there will be a natural increase in trading goods, but more importantly as the project business increases as well, there will be a bought out component that happens there. We have also, the third element is the factories we have put out or we have expanded our operations in Nasik. We have our Goa factory. We are expanding our or we have expanded our operations in the bogey factory, so as we come into that kind of expansion mode, the level of traded goods will definitely increase and these will be goods that we will buy from our supply chain, add on to our existing and these are not raw material, but these are components and materials that will come from the supply chain. A lot of the trading good increases that you are looking at are also linked to stock in transit and that is really what is probably also contributing partly to that.

- **Mr. Jonas Bhutta:**

- Thank you.

- **Ms. Ramya Rajagopalan – Head Communications, Siemens Limited:**

- Thank you, Jonas. We'll move on to the next question from Charanjit.

- **Mr. Charanjit Singh:**

- Yeah. Hi Sir, good morning. Thanks for the opportunity. Sir, my first question is like if you look at most of the segments are firing very strongly from the end market perspective for Siemens, so if you have to look at from next two to three years growth perspective, then how you see each of these segments or overall into the company level top line growing for Siemens and my second question is you have talked quite a lot about localization initiatives in each of the segments, so from EBITDA margin perspective also how do we seize that scaling up from these 12% levels going forward and what are the further levers for this margin recovery going forward? These are my two questions.

- **Mr. Sunil Mathur – MD & CEO, Siemens Limited:**

- Okay. So, let's start with the growth in the markets that we are looking at and I'll go segment by segment. I think as far as the energy business is concerned, I've just mentioned how I see the overall growth of the energy business as the renewables comes into the system, as decarbonization measures increase as well, and as industrialization increases the need for gigawatts is going to increase as well. So, I mean, I think it is very clear that the total installed capacity will probably double by 2030, and primarily in the range of renewables, but there will be continued baseline based loading with conventional and therefore I see transmission solutions coming in, I see modernization and upgrades of power plants coming in, I see flexibilization coming in there. So, on the energy side, I see let's say the market continuing to grow fairly stably. What will -- it will depend on largely and I'm not being overly optimistic here will be the state of health of the transcodes and Discoms and the speed of ordering that they actually have there. When I look at this part infrastructure segment, which is operating primarily in buildings and commercial complexes and parks and ports and airports, I think it is very clear to all of us and we do see a growth in the infrastructure in the country and I think this should also aid the expansion overall in the market for electrification, for our digital solutions, for fire safety, building automation etc.

- For e-vehicles, the growth in e-vehicles, the growth in data centers will definitely be growth drivers for the market in the years to come. When I look at the mobility business, we've already discussed at length, how we see the railways expanding their network, Vande Bharath's are coming in, locomotives are coming in, metros are going to be awarded. So, I do see our mobility business in the market for mobility growing as well. Finally, our digitalization business of industrial, private sector growth is definitely here to stay. As I mentioned not as only as a fall on of the CapEx in infrastructure, but also as industry sees the expanding demand coming in, particularly in new areas semiconductors, solar cells, hydrogen etc., e-vehicles, batteries, data centers etc. So, as a lot of these segments do start growing, chemicals, steel, cement, as these segments do start expanding, I do see a growth in the market in the years to come.

- On the question of EBITDA expansion or not, look this will be a double-edged sword over here. There will be investments that we will make in portfolio, in manufacturing, in expanding capacities, and those investments will obviously come at a cost. There will be CapEx, there will be OpEx, as we expand the number of people, as we expand in terms of hardware as well. So, there will be those investment decisions that will continuously now come in as we now accelerate our growth curve. I think for all of you we've been following us very, very carefully for the last 8 to 10 years at least, we spent a lot of the time first consolidating our position, then expanding our existing position concentrating on the margin qualities, concentrating on cleaning up the volumes of our business, concentrating in consolidating our position in the market. We are now looking at the accelerated growth area where we are looking at expanding our offerings here in the country, we are looking at new business models, we are looking at digitalization, we are looking at the move in infrastructure the very clear growth in infrastructure, the growth in digitalization, and the growth in renewables and as we see the market expanding in these three major areas, infrastructure, renewables, and the industry in general, we will be growing on those lines as well.

- So, the EBITDA will reflect that. In some years, there will be impacts of investments in there, there will be the impacts as we go in for growth, there will be the impacts in there, however, also of digitalization, expansions, and so on. So, EBITDA will be a reflection of how we grow in the next couple of years.

- **Ms. Ramya Rajagopalan – Head Communications, Siemens Limited:**

- We have one more, but we are overtime, but we will take last two questions. If you could limit it to one question each please. Bhavin over to you please.

- **Mr. Bhavin Vithlani:**

- Hey thank you. So, I had a couple of questions. So, just one is margins in the digital industries were always in the single digit, but we saw 11 and you mentioned a 400 BIPS higher adjusting FX and the lower margins were due to higher import content, so what has changed here, what is sustainable in your view? The second is, we have seen Europe and Germany going through the energy crisis, so any potential of reallocation of manufacturing benefit in India? and the last question is high level globally manufacturing has gone through a significant supply chain disruption and consequently high inventory levels, so are you seeing a risk of inventory correction impacting the demand? Thanks. These are my questions.

- **Mr. Sunil Mathur – MD & CEO, Siemens Limited:**

- Okay. I'll take the first. I'll take one of them and then Daniel can answer the it is not easy to close the factory in Europe and we open a factory somewhere else. So, we will see what happens in the energy space, we will see what happens overall in the shift in supply chains globally. There right now, we are not seeing a specific closing down of capacities in other parts of the world and building up similar capacities in India. Yes, as the demand in India grows as has always been our case, we will set up capacities in India to suit on that demand. On the question of margins and digitalization, Daniel would you want to answer that and the high inventory levels how you see that moving in the future?

- **Dr. Daniel Spindler – ED & CFO, Siemens Limited:**

- I will be happy to do so and I mean thankfully we have seen a good margin improvement in digital industries. This is manifold. First of all, we have seen a very strong growth and I'm very pleased to see that we have an extremely robust domestic demand. Sunil mentioned already there's not much of a value add that we are having here in India, so we don't have factories in digital industries, so it's distribution business which gives us a very solid margin on the other end it is also transfer price driven insofar the margin quality will not be as you may see on a global level. Nevertheless, we have seen a good margin improvement underlying even better, so if you take out FX and commodities, we have seen a very solid margin improvement and the reason for this is again two or maybe even threefold. First of all, higher productivity. Secondly, let me tap also into the price increases and so we have been able especially in digital industries based on a strong performance in the market and a strong demand of our customers as well as channel partners. We have been able in line also with competition to improve our price quality not only once, but even more than this and we have some implemented price escalation clauses, which makes us less prone to FX and commodity fluctuation and certainly I think we also have seen a very strong product portfolio with the shift towards digitalization, more software content, which typically also gives you a better margin quality, also just had to see that the margin is nicely improving in digital industries. Now, even into a double digit profitability level, which we haven’t seen in the past. Hopefully, this answers your question.

- **Mr. Sunil Mathur – MD & CEO, Siemens Limited:**

- Inventory levels you want to talk about?

- **Dr. Daniel Spindler – ED & CFO, Siemens Limited:**

- Inventory levels, we have seeing them in line with from the market demand and we have built up our inventories, we have had a very enhanced inventory management in terms of not having excessive inventory levels because that makes us again prone to FX and commodity volatility. We have managed that very tightly and we have been able with the inventory levels that we have been building up in the first half to secure our revenue and that was reflected in a very nice margin quality as well throughout the entire financial year 22 actually.

- **Ms. Ramya Rajagopalan – Head Communications, Siemens Limited:**

- Okay. Umesh, if I request you to just stick to one question please, we are already well over time. Over to you Umesh.

- **Mr. Umesh Raut:**

- Yeah. Thank you for the opportunity. So, Sir my question is more of structural in nature. So, I was reading that in an example like integrated propulsion system and syntax transformer for 9000HP, we have already localized the system for the product. So, basically from a structural point of view for each of the segments in your company, how much of localization ideally, we should target or we are planning to achieve and secondly Sir in new tender of Vande Bharat 200 trains with consortium with BEML, so what could be our scope of growth there?

- **Mr. Sunil Mathur – MD & CEO, Siemens Limited:**

- So, on the localization, there is no specific target right. Our localization program is run on two foundations. The first is what is the volume of the market that justifies localization. Second is what is the price levels that we have to achieve to be competitive in the market. Now, if we are able to source products component solutions out of the global supply chain and still meet the market from the market price levels competitively and grow our business then we will do that. The moment we start believing that the market opportunities are large and that we have got as a result of that we do need to localize in order to meet the price levels competitively here that is when we start doing localization. So, it's a classical business case what is the volumes, what is the price levels, what is the return on investment that we have, and based on that we look at localization we have an added advantage in localization where it is local not only for our own requirements. When we build our business cases, we also look at what the global requirements could be and play those into our business cases as well so that effectively our factories - all of our factories are part not only of a local for local supply chain, but also local for global supply chain and that's our strategy for localization not only now, but it's been our strategy at least for the last 20 years. On the Vande Bharat and the BEML and the content and so on, it is a bid that is out and I won't talk about an ongoing bidding process.

- **Ms. Ramya Rajagopalan – Head Communications, Siemens Limited:**

- Yeah. Thank you, Umesh. The last question from Gopal. Gopal unmute yourself and go ahead please.

- **Mr. Gopal:**

- Yeah, am I audible?

- **Ms. Ramya Rajagopalan – Head Communications, Siemens Limited:**

- Yes. Please.

- **Mr. Gopal:**

- Yeah, yeah thanks. Thanks a lot for the opportunity. Sir, I have just two questions. One is on this green hydrogen CapEx, which is being talked about in India, how well Siemens India is prepared to capture that opportunity and which is the entire value chain where we already have some offering or we are working on?

- **Mr. Sunil Mathur – MD & CEO, Siemens Limited:**

- So, in India currently we do not have electrolyzers and we are not doing electrolysis for hydrogen. It is available in Siemens Energy globally where they do have the technology for electrolyzers. We are looking at the commercial - techno commercial viability here in the country, the size of the market, and so on, and whether it makes sense for us to do something at this point in time or wait until the business case really makes sense. So, currently we do not have anything concrete, which is commercially viable on green hydrogen.

- **Mr. Gopal:**

- Okay. Secondly, on the mobility business the margins are lower than the company average, some you explained like unabsorbed overheads because of the capacity creation, considering the current order book which is more of the project side should one expect a decline in the margins going ahead?

- **Mr. Sunil Mathur – MD & CEO, Siemens Limited:**

- So, I think Daniel did not talk about underutilization quite to the contrary Daniel said that the dip in the margins is because we have invested in setting up new capacities. There has been CapEx investment, but there has also been OpEx investment, and as we grow any business whether it is our smart infrastructure where we put up a vacuum interrupter plant in Goa, whether it is our bogey factory, whether it is for future opportunities that we see, and this was a question earlier on as well, our margins will reflect a mix of investment in CapEx, in OpEx, in digitalization, increase in digitalization content, will also be a mix of export and local, will also be a mix of project and product. So, right now, I can't give you a specific statement on what the margin quality is going to be. Suffice it to say that the orders that we are taking are being taking into account what we believe are competitive margin levels.

- **Mr. Gopal:**

- Okay. Sure Sir. Yeah, thanks a lot Sir.

- **Mr. Venkatesh S.-- Head of Investor Relations, Siemens Limited:**

- Thank you very much. So, with that we close the call for this analyst call. Thank you for attending this call and have a great day.

- **Mr. Sunil Mathur – MD & CEO, Siemens Limited:**
- Thank you very much. Bye, bye.
- **Dr. Daniel Spindler – ED & CFO, Siemens Limited:**
- Bye.
- **Ms. Ramya Rajagopalan – Head Communications, Siemens Limited:**
- Thank you. Bye, bye.
- **Mr. Venkatesh S.- Head of Investor Relations, Siemens Limited:**
- Bye.

End of Transcript