



GE VERNOVA

August 6, 2025

The Secretary
BSE Limited
Phiroze Jeejeebhoy
Towers,
Dalal Street
Mumbai-400 001

The Manager
Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla
Complex, Bandra (East)
Mumbai-400 051

Code No. 522275

Symbol: GVT&D

GE Vernova T&D India Limited
(Formerly known as GE T&D India Limited)

L31102DL1957PLC193993

Corporate Office: T-5 & T-6, Plot 1-14, Axis House, Jaypee
Wishtown, Sector-128, Noida-201304, Uttar Pradesh

T +91 120 5021500

F +91 120 5021501

Email id: secretarial.compliance@gevernova.com

Website:

<https://www.gevernova.com/regions/asia/in/gevernova-td-india>

Dear Sir/Madam,

Sub: Transcript - GE Vernova T&D India Limited Earnings Call with analysts/ institutional investors held on July 29, 2025

This is with reference to the announcement made by the Company on August 5, 2025, on the cited subject. Due to typographical error, the date in the cover letter was mentioned as August 8, 2025 in place of August 5, 2025.

There is no change in transcript submitted by the Company on August 5, 2025. We are again submitting the same for your reference and records.

This is for your information and records.

Thanking you,

For GE Vernova T&D India Limited
(Formerly known as GE T&D India Limited)

Shweta Mehta
(Membership No. A18600)
Company Secretary & Compliance Officer
Contact No.: +91-120-5021500



GE Vernova T&D India Limited
Quarter 1 of Financial Year 2025-26
Conference Call
July 29, 2025



MANAGEMENT: **MR. SANDEEP ZANZARIA – CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR**
MR. SUSHIL KUMAR – WHOLE TIME DIRECTOR AND CHIEF FINANCIAL OFFICER
MR. ABHISHEK SRIVASTAVA – HEAD, BUSINESS OPERATIONS
MS. KANIKA ARORA – COMMUNICATIONS LEADER
MS. SHWETA MEHTA – COMPANY SECRETARY
MS. MEGHA GUPTA – INVESTOR RELATIONS

Moderator: Ladies and gentlemen, good day, and welcome to the conference call hosted by GE Vernova T&D India Limited for Quarter 1 of Financial Year 2026. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Megha Gupta from GE Vernova T&D India Limited. Thank you, and over to you, ma'am.

Megha Gupta: Good evening, everyone. Welcome to the GE Vernova T&D India Limited Earnings Call for First Quarter of Financial Year '25-'26. I am Megha Gupta from Investor Relations team. During the call today, we will discuss company's financial performance, including operational highlights and will share key updates. Towards the end of the presentation, we will have a dedicated question-and-answer session.

I would like to highlight that today's discussion may contain few forward-looking statements, which are subject to risks and uncertainties. These statements are based on our current expectations and actual results may differ materially from those expressed or implied. We encourage you to refer to our public filings and documents for a comprehensive understanding of the factors that could impact our future performance.

Now I'll introduce GE Vernova T&D India Limited management team available on the call. During the call, we are joined by Mr. Sandeep Zanzaria, CEO and MD of the company; Mr. Sushil Kumar, Whole-Time Director and CFO of the company; Mr. Abhishek Srivastava, Head, Business Operations; Ms. Kanika Arora, Communications Leader; and Ms. Shweta Mehta, Company Secretary of the company.

Now I'll hand over to Mr. Sandeep Zanzaria to begin the discussion.

Sandeep Zanzaria: Thank you, Megha. Good evening. Welcome, everyone to our first quarter FY '25-'26 earnings call. Globally, investments to enhance the reliability and resilience of power grids are accelerating at an unprecedented pace, a trend clearly reflected in India as well. This growth is underpinned by the country's ambitious target of 500 gigawatt of renewable capacity and the expectation that peak power demand will rise by nearly 80% by 2032.

To meet this surging demand, India's transmission sector must expand rapidly with 20,000 circuit kilometers of high-voltage transmission lines and 125 gigawatt substation capacity required each year through 2032. Achieving this will call an investment exceeding INR9 trillion or USD110 billion.

In this context, the recent approval of 6 gigawatt 800 kV Barmer-II to South Kalamb HVDC project by the National Committee on Transmission on May 30 marks an important step. This is the first in the series of new HVDC corridors, which are expected to be sanctioned and commissioned over the next decade, reinforcing the backbone of India's future power infrastructure.

We are uniquely positioned to power India's electrified future. With a fully integrated value chain from R&D to local manufacturing, we combined scale and deep expertise to deliver world-class reliable grid solutions, spanning power transformers, GIS, circuit breakers, instrument transformers, grid automation, digital solutions, HVDC and compensation systems.

Our facilities continue to evolve, strengthened by recent investments that expand capacity in critical technologies such as HVDC valves and compensation, essential for grid stability and seamless renewable integration. This strong manufacturing footprint ensures that we are future ready to support India's ambitious transmission expansion and its transition to decarbonize 24/7 powered economy. Above all, we remain steadfast in our commitment to serve as a trusted long-term partner in building the grid of tomorrow for India.

Turning to our financial performance, we had a productive strong quarter of robust demand, significant revenue growth and EBITDA margin expansion. Our order book remains strong in Q1 as we saw bookings of INR16.2 billion, up 57% year-on-year compared to INR10.3 billion in the quarter ended June '24.

Our Q1 revenue stood at INR13.3 billion versus INR9.6 billion in Q1 '24-'25, up by 39% year-on-year. New orders outpaced revenue, further expanding the order backlog to INR129.6 billion as of June '25, up by 2% quarter-on-quarter.

Our profit before tax and exceptional items for the quarter ended June '25 was at INR3.9 billion compared to INR1.8 billion in the corresponding quarter of the previous financial year, growing by more than 2x. The cash and cash equivalent balance was at INR12.2 billion as on June 30 versus INR10.5 billion as on 31st March '25. The cash generated in Q1 was INR1.7 billion.

Beyond the strategic market tailwinds, our focus remains firmly on operational excellence across all our businesses. This commitment to continued operational improvement is critical for us. It allows us to not only enhance our efficiency and cost structure, but also ensure we consistently deliver high-quality products and solutions that meet our customers' evolving needs, ultimately driving sustainable growth and profitability.

On behalf of the leadership team at GE Vernova T&D India, our sincere thanks to our valued customers, our dedicated investors and our exceptional teams. Now I invite Abhishek to share the insights on key commissioning for the quarter.

Abhishek Srivastava:

Thanks, Sandeep. So good evening, all of you. It gives us immense pleasure to share the key contributions of your company in terms of strengthening the transmission network. We have

been actively working on building up good -- strong transmission network to cater to the power demand and to enable this renewable energy transition.

Some of the key notable contribution made in the last quarter was augmentation of the transmission scheme at PGCIL Kotra, wherein we added a transmission capacity of 3,000 MVA by commissioning of transformers and outdoor GIS of 400 kV.

Then another key thing was Adani Khavda, which is a hub for renewable generation. And there, we have been partnering with developers like Adani to set up GIS substations and we successfully commissioned 765 and 400 kV GIS and additionally, adding a transformation capacity of 3,000 MVA.

Then we have been working in terms of supplying our transformers and helping our customers to again augment more and more capacity. Aditya Aluminum Lapanga was one of the key contributions done by our company in terms of adding 315 MB, 400 kV ICT.

Then another one was WBSETCL Purulia, which was 400 kV 125 MVAR reactors. These projects have been done in very short timeline and inline with the expectation of our customers.

In terms of gas insulated switch gears, we have been working with data center customers, again working against tight timelines, focusing on operational excellence and delivering to our customers' expectations. So we commissioned 5 bays of 220 kV for NTT and another one for KPTCL. So these contributions are just examples of our engagement with our customers working in a time-bound manner and adding to the transmission capacity of the country.

So I'll hand over to Sushil to take us through further details.

Sushil Kumar:

Thanks Abhishek, and good evening all. Moving to the financial slides, Slides number 5 to 7 in the investor presentation. Overall, we had a very productive first quarter, positioning us well to continue to accelerate our growth and margin expansion. We delivered strong results in quarter 1, '25-'26 with continued growth in orders, growth in revenue, significant EBITDA margin expansion and we also generated a positive cash flow and now maintain a healthy cash and cash equivalent balance.

As highlighted by Sandeep in the beginning, demand remained robust as we booked orders of INR16.2 billion, representing an increase of 57% year-over-year and 1.25x of revenue during the quarter. In this quarter, most of the orders were booked from domestic customers, representing 86% of the orders in the quarter. Rest, 14% orders were received from customers outside India.

Once again, in this quarter, orders were received from a very diverse set of customers and projects from all our served markets across all our businesses. These included orders for transformers and reactors, GIS and AIS equipment, automation products from various utilities,

TBCB players and EPCs. As a result of strong orders, our backlog continued to expand both sequentially and year-over-year, now reaching INR129.6 billion.

We continue to build a strong backlog supporting long-term growth in our business. We are growing this backlog in a very disciplined way through disciplined underwriting with 97% of the backlog from private customers, central utilities and PSUs. The exposure to state utilities is limited to less than 3% of the backlog.

We executed well during the quarter, delivering a revenue of INR13.3 billion, making progress sequentially and delivering a significant 39% growth on a year-on-year basis. In this quarter, about 39% of the revenues were generated by execution of highly profitable export backlog, whereas 61% of the revenue was executed from the domestic contracts.

We reported a strong EBITDA of 29.1% during the quarter, representing an EBITDA expansion of about 1,000 basis points over the EBITDA generated in financial year '24-'25. This significant increase in EBITDA was driven by volume, price and productivity.

Deep diving a bit more about individual components. First component is volume. As mentioned earlier, our volume is up 39% year-over-year basis and a significant part of the increase is from highly profitable export contracts. At the same time, we maintained a strong focus and control over fixed costs. So this helped in expanding the EBITDA and EBITDA percentage through strong operating leverage in the financials.

The second component is price. Through a disciplined underwriting, we were able to realize better price in last couple of years. This price increase, coupled with phasing out of the old backlog has expanded the margin on the backlog and the execution of these healthy projects is now supporting the EBITDA.

Third component is productivity. We have been able to execute well through lean, delivering on time and saving on the material cost and the overhead cost. While the EBITDA for the quarter is very strong and is reflective of the strong momentum in our business, however, we are in long-cycle business and the EBITDA of the quarter should not be construed as a new benchmark.

Overall, the annual EBITDA performance is a good reflection of our business. So last year, we delivered an EBITDA of 19.1%. This was the high end of the range of mid- to high teens that we called out earlier. And as communicated earlier, the endeavor of the management is to improve and deliver better than last year. With a strong performance in the quarter 1, we have higher confidence to deliver better EBITDA this year.

In addition to strong P&L performance, we continue to generate positive cash flow with approximately INR1.7 billion cash generation in the quarter, driven by significant profit during the quarter, down payments on the new orders and the disciplined working capital management despite 40% increase in revenue. As a result of this positive cash generation, we now have a healthy cash and cash equivalents of INR12.2 billion with no debt. We continue to utilize this

cash with a combination of return to shareholders and a meaningful investment within the business.

So far, we have announced a dividend of INR1.3 billion, which is to be paid after the approval of the shareholders in the upcoming AGM in September. And we have also announced a Capex of approx. INR2.5 billion. Excluding the announced utilization plans, now we have an available cash of INR8 billion for which management continues to evaluate the options.

So overall, we are very encouraged by our financial performance in the first quarter of '25-'26 with 40% revenue growth, 1,000 point EBITDA expansion and INR1.7 billion of cash generation. Our growing backlog with healthy margins provide a strong foundation for continuing improvement in the financial performance moving forward.

So, we can now take up the questions, and we'll be happy to answer your questions.

Moderator: The first question is from the line of Umesh Raut from Nomura India.

Umesh Raut: Congratulations for a very strong set of numbers. Sir, my first question is pertaining to exports revenue growth of about closer to 80% in the quarter and the contribution at about 40% of total turnover. So how do you see this is sustaining going forward and in a way impacting in terms of better gross margins for the company?

Sushil Kumar: Yes. So overall, last year, we booked significant level of export contracts. And overall, our backlog mix has moved towards higher export orders. So earlier, we had export backlog as a percentage of total backlog, which is in the range of 20% - 25%, but now we have a export backlog of about 30% of total backlog. So overall, on the long term, we expect that revenues to the extent of 30% should be contributed by the export on a long-term basis.

Umesh Raut: Got it, sir. And if you could also share the contribution from product services and projects within your turnover for this quarter?

Sushil Kumar: Umesh, we don't give quarter-wise split of that information generally because it keeps changing quarter-on-quarter. It's not a thing which remains consistent. We will request to evaluate our business as a portfolio of products, projects and services in the long term, and that's a better way to analyse.

Umesh Raut: Got it. My next question is pertaining to HVDC tendering prospects. So here, if I look at, I think there are 2 projects now which are, I think, in the discussion. First is pertaining to Khavda-South Olpad and second, as you mentioned, Barmer-South Kalamb. So how do you see finalization happening, tentative time lines for these projects to kind of get awarded to OEM?

Sandeep Zanzaria: So Umesh, we expect that both these orders to be finalized in this financial year.

Umesh Raut: Okay. So by March 2026, is that correct?

- Sandeep Zanzaria:** Yes.
- Umesh Raut:** Got it, sir. And any assessment from your point of view in terms of comparison between, say, the LCC-based HVDC project, VSC-based HVDC project and BSS system. Now, that I think the CEA has already assessed for that option in one of the HVDC projects, so, what is your view between these 3 technologies?
- Sandeep Zanzaria:** So, CEA is also evaluating and we are also evaluating the impact, if any, it can create on the upcoming HVDC project. But I think looking into the growth aspirations what the country has, obviously, both will be complementing each other, but it does not compromise the project requirement of HVDC in the upcoming time. The demand expected is substantial. So, I don't think that it is going to be hugely impacted with the introduction of this.
- Moderator:** The next question is from the line of Subhadip Mitra from Nuvama Wealth.
- Subhadip Mitra:** Many congratulations on a great set of results. Just wanted to dive a little bit deeper on the point on margins, I think this particular quarter has seen exponentially high margins because of very high exports. But given that you are expecting export mix to continue at around 30%. If I heard you correctly, you were looking to better on the overall full year margins of 19% delivered last year. Is that right?
- Sushil Kumar:** Yes, Subhadip.
- Subhadip Mitra:** Perfect. And in terms of the HVDC, you expect both Leh-Ladakh and the Barmer project to get ordered out in the current year?
- Sandeep Zanzaria:** Can you repeat, Subhadip, the question?
- Subhadip Mitra:** Yes, I'm saying that both the HVDCs, the Leh-Ladakh project and the Barmer project, are they expected to get ordered out in the current fiscal?
- Sandeep Zanzaria:** So not the Leh-Ladakh project, Subhadip, but South Olpad-Khavda and Barmer-South Kalamb, we expect it to be ordered this financial year.
- Subhadip Mitra:** Understood. And the configuration still remains similar, LCC for Barmer and VSC for the South Olpad project?
- Sandeep Zanzaria:** Yes,
- Subhadip Mitra:** Understood. Sir, lastly, in terms of the capex, I think Sushil mentioned an amount, I'm sorry, I missed that particular number. Has there been an upgrade to the capex number?
- Sandeep Zanzaria:** We declared in our press release and also to the stock exchange that INR 1.4 billion for valves and controls for HVDC and STATCOM.

- Sushil Kumar:** And another INR1.1 billion as a regular capex to debottleneck our capacities in the factory. So overall, put together, INR2.5 billion of capex we have already communicated.
- Subhadip Mitra:** Perfect. Perfect. And lastly, would it be possible to also share what is the capacity utilization that your current facilities are working at?
- Sandeep Zanzaria:** Subhadip, the way our revenues are growing, the capacity utilization is increasing and of course, we are adding people as well as debottlenecking the capacity through lean. So I would say it is pretty good in terms of AIS product and transformers. But for grid automation and all, yes, we can take much more orders.
- Moderator:** The next question is from the line of Mohit Kumar from ICICI Securities.
- Mohit Kumar:** Congratulations on a very good set of numbers. My first question is, sir, do we have the ability to produce synchronous condenser? And are you seeing any demand from the Indian market?
- Sandeep Zanzaria:** We work with our group companies and all external partners. Part of synchronous condenser solutions include transmission scope as well. So, we do that part.
- The synchronous condenser as a product comes from the other companies which are into the power generation side because it's a rotating machine. But yes, when we participate in various forums, etc, yes, there is a talk which is going on that synchronous condensers will also be introduced into the Indian market.
- Mohit Kumar:** Understood, sir. My second question is, GE Vernova Global in its commentary has categorically said that they are benefiting materially from data center opportunity. I think they received a \$500 million in the first half. But do we, which is GE India, has any product suite to service the domestic data center? Are we looking to pick up some order from this particular segment?
- Sandeep Zanzaria:** So, we are regularly taking the orders from the data centers. So mostly, for example, data center offtake is either at 220 kV level, which now we expect with higher data centers to grow to 400 kV. So, we offer GIS, we offer our projects solutions, we offer grid automation. So, all the products which go in these, power which is required for the data center, we are there. And in India, with these products, we have supplied to multiple data centers, including the Controls, Capital Land. For many existing data centers, our products have gone in building those.
- Mohit Kumar:** My last question, did we execute any HVDC in this particular quarter, which explains the high margin?
- Sandeep Zanzaria:** No, no. Presently, we don't have any HVDC project in our backlog.
- Moderator:** The next question is from the line of Nitin Arora from Axis Mutual Fund.
- Nitin Arora:** Congratulations, Sandeep, sir, and the team, great execution. Sir, if I just leave aside the HVDC opportunity, just your take on how the inquiry pipeline looks like, especially in the 400 kV

because you won a large order last time also from Power Grid. How is that overall inquiry pipeline looks like? And second part to it, as I think in the call, it is mentioned, now on a sustainable basis, we look 30% of revenues coming from exports. How is the pipeline looking like there?

Do you expect any large chunky orders to come in? And that's the reason you're looking for next few years this revenue to sustain as a mix? That's the first question, if you can throw some light on that.

Sandeep Zanzaria:

Thanks, Nitin. I think enquiry pipeline when we talk about has gone up. Another development which has happened, which is positive for us, is that now even various states are also moving and encouraging, towards TBCB. So normally, as Sushil said that out of our backlog, we have only 3% state portfolio.

But once these states also move on a TBCB backlog, I think that market will also open up to us. Today also, it is open to us because the various EPC players when they take orders, the product goes from us, not as a direct supply, but through EPC market as well. Sushil, if you have any comments?

Sushil Kumar:

Nitin, when I said that we have 30% of the backlog and if you look at our numbers, the backlog is about INR130 billion, which is 3x of last year revenue, roughly. So, which means that even with the current backlog, we have visibility of next 3 years of revenue. We have confidence that roughly 30% of revenue can come from the export side. So, while answering that question, we are not factoring in the export growth pipeline, but just what we have in our backlog with us.

Nitin Arora:

Got it. Second, sir, I know we've been asking you this question for long now. Just if you can articulate something on the pricing environment. And why I'm asking this to you again, we thought that the pricing would stabilize someday. I think I remember in the last call, you said very clearly, very openly that you don't see pressure in pricing the way demand is.

But the way, we saw few results, people selling conductors or cables, their margins are also going very high. How would you like to look that? I mean, as an investor, how one should look? These prices are going to stay for the next 2- 3 years, is what one should keep in mind because the demand is something will remain strong? Just one articulation on that.

And second, which you touched base on capacity utilization. When do you think apart from that INR140 crores expansion, which you announced, is there something you're envisaging another round of capex that would you entail given the demand from both domestic and the export. What you're looking is pretty strong, then don't you think, you need a little decent-sized capex going ahead, just on these 2 aspects, sir?

Sandeep Zanzaria:

So, Nitin, I think on margin expansion, I will not be able to comment on the conductor or the cable business part, that industry. But apart from a few pockets, I think in our segment, the prices are stabilizing a bit. That is what I will say. And when I tell prices, it is normally you have to

also understand price is also a factor of if there's another increase in input raw material cost. So, I think there is a difference between increasing price and increasing margin today.

The more important question is that if the cost is increasing, do we still have the flexibility to pass on that increase to the market? So partially, I would say, yes, that today also, we are able to do that.

, Sushil clearly said that apart from this, we keep on evaluating how to use the cash and how to meaningful look at it if there is any other possibility of capacity expansion and all. So, this is something which we keep on regularly evaluating. And when the timing is right, we'll take the decision and whatever decision is taken will be communicated to the market.

Moderator: The next question is from the line of Amit Anwani from PL Capital.

Amit Anwani: Congrats for a strong set of numbers. First question, again, on the HVDC orders which you highlighted. The South Olpad order, I think assuming that this would be about INR12,000-odd crores and South Kalamb should be about INR25,000 plus crores?

Just wanted to understand if at all we are bidding for this project, will this be in partnership? What could be our scope or addressable market possibly if the orders come to us? So just wanted to understand the quantum since these orders will be getting tendered out in the next 12 to 15 months?

Sandeep Zanzaria: So for South Olpad already the bid for the developers have been submitted. And I'm not sure where the numbers have come like INR24,000 crores, but I'll not be in a position to comment on those numbers. But any HVDC project, which is there, definitely, we have the capacity and capability to execute, and we would be interested in bidding and taking those orders.

Amit Anwani: So, it will not be sort of like in jointly bidding. You'll be bidding individually for these projects?

Sandeep Zanzaria: These are all commercial strategies, Amit. So, I don't think that this is something which we can talk on an open call.

Amit Anwani: And sir, second question on the margin. So, I understand that you highlighted that the export or the mix was better this quarter, and we had a kind of 47%, 48% gross margin. But still would love to understand, shall we assume that the 40% margin last year, will be doing better numbers this year since export contribution has been higher in Q1? And even going forward also, as you highlighted, export should still be 30% even the product components will be increasing? So directionally, are we targeting sustainable margins better than 40% gross margin?

Sushil Kumar: Amit, I highlighted multiple factors leading to the higher EBITDA in this quarter. Export was one of those elements. The volume being another one because higher volume gives a significant operating leverage as we are maintaining tight control on our structural costs. And the other elements that I highlighted were also related to the productivity, material cost saving, etcetera.

So overall, the endeavor of the management is to perform better. And rather than just commenting on the gross margin and then going into the breakup of the other costs, etcetera, overall, we said that our endeavor now is to perform better than last year in terms of EBITDA performance. And with the strong first quarter, we have higher confidence of achieving this.

Amit Anwani: Sure. Lastly, would love to also understand about the non-HVDC pipeline. What is the pipeline? And some color on the addressable non-HVDC transmission pipeline also?

Sandeep Zanzaria: Amit, the pipeline remains strong for non-HVDC as well. So, I don't see at least in the near future, any challenges on the pipeline.

Amit Anwani: Sir, any number with respect to the prospects?

Sandeep Zanzaria: No, I don't think so. But we are looking at about like growth in pipeline or the orders to be decided. As compared to last year, we expect a growth at least in some single digits, somewhere between 7% to 8% as compared to last year.

Moderator: The next question is from the line of Renu Baid from IIFL Capital.

Renu Baid: Congratulations for strong performance. Just two questions from my side. One, while Sushil did mention that long-term margin improvement guidance remains intact on a year-on-year basis, we definitely expect expansion, but 1Q has pretty strong numbers to look for. So, does that mean that as we see incremental execution of our export order wins, especially comprising of HVDC equipment for transformers and others, we should see these healthy trends being sustained?

Sushil Kumar: Yes. So, as we mentioned that we are looking for improving. So the last year, we were talking about mid- to high teens, and we were able to deliver at the highest end of the range. And this year, we have endeavor to improve from that level. And multiple factors I talked about being the volume, price and other factors.

Sandeep Zanzaria: So Renu, want to clarify is that we should not look at margins in a particular quarter. Ours is a long-term business. So probably a right benchmark to measure margin will be 12 months rather than quarter-on-quarter.

Renu Baid: Got it. Got it. And lastly, just a simple question there. From a market perspective, many investors tend to perceive that one needs to have HVDC projects to drive profitability and growth ahead of the market. But if you look at these numbers, without having large domestic projects, we have been showing strong outperformance.

So, from a longer-term perspective, do you think it's important for you to do large projects in India? Or even if you're able to execute HVDC product supplies for global projects, that should suffice in terms of the business mix for you and to deliver better margins?

Sandeep Zanzaria: So I would say, that HVDC is basically, of course, the factories do get loaded, for example, the transformers and the technology part of that. But there are other businesses, for example, AIS, GIS, where the role of a HVDC project in that, the contribution is very limited.

So of course, we would be focusing on HVDC projects because of the growth and our Investments. We now expect return on HVDC project are also much better as compared to what used to happen about 8 to 10 years back. So, it will be a focus area for us as well. And wherever possible, even if we are able to support any global HVDC projects, like, for example, what we have done in Korea, that will also remain on our radar and focus.

Sushil Kumar: Just to add on, Renu, the demand has been strong across the board in India as well as exports. And we have been highlighting for the last 2 to 3 years about disciplined underwriting, cash over revenue and our selectivity in the order booking. And this strategy has resulted into a better price on the backlog and now is reflected in the P&L being the execution stage. So we look for the best opportunity, be it HVDC, AC projects or in the export market wherever we get the best for the company.

Moderator: The next question is from the line of Subramaniam Yadav from SBI Life Insurance.

Subramanian Yadav: Sir, you have spoken on the revenue front that from the order book for the next 2 to 3 years, we can execute 30% of the export orders. Just wanted to understand if you can give some color on the inflow also from the group companies or parent company. How much mix are you expecting this year?

Sushil Kumar: Mr. Subramaniam, that's a very specific information and depends on the pipeline of the projects. When we look at any domestic market or the export market, it is irrespective of whether the channel is through the group companies or directly from the third parties.

Most of the time, the orders come from the group companies because there is a compatibility in the technology, and we are able to participate and win together. But otherwise, also if we have the projects where GE Vernova T&D India can bid directly and win, we participate in those markets in the export as well.

So it's very difficult to give a specific number broken into by export and the related party because that keeps changing depending on the win by the parent company or the group company and change in the pipeline in different geographies.

Subramanian Yadav: I understand that. But just to get a color because when you look at GE Vernova U.S. numbers, they have been very strong. So, I just wanted to understand whether there has been any dialogue between the Indian company and the parent company in terms of sourcing -- incremental sourcing for more?

Sushil Kumar: Wherever there are opportunities for India to supply to the group entities and participate in a bid, definitely, India is preferred because generally, the cost in India is lower compared to rest of the

place. But a lot depends on other factors, meaning the proximity, qualification by the customer and so on.

It is easy for Indian factories to participate in Asia and Middle East rather than something in Latin America because of the logistical distances and also the technical qualification and the products that we make. Many of the countries work on different technologies like the dead tank technology and so on.

And also in this industry, the customers qualify a particular factory before the orders can be delivered from that factory. So it's a combination of multiple factors. However, we keep evaluating and try to improve our market pipeline across Board.

Subramanian Yadav: Okay. And finally, sir, in this quarter of 16.2 BINR of inflow, is there anything from the export order?

Sushil Kumar: In the quarter?

Subramanian Yadav: Yes, sir.

Sushil Kumar: Yes. So, as I mentioned at the beginning of the call, about 14% of the current quarter orders are from export and rest 86% from the domestic side.

Moderator: The next question is from the line of Bhavin Vithlani from SBI Fund.

Bhavin Vithlani: So, my question is, when we look back in history, I think INR45 million is peak revenues you guys hit in the last cycle, which also had HVDC embedded into it. And if we take a 30% - 40% increase in the pricing level, it seems like you're already hitting closer to the peak utilization levels.

And the kind of capital expenditure announcement of INR150 million looks underwhelming. So, I want to understand about the kind of potential that revenues that you guys can do with the existing capacities, the renovation realignment that you would have done and the new expenditure that you guys have planned for?

Sushil Kumar: Thanks, Bhavin, for your question. And you rightly mentioned that in the last few years, the prices have gone up. Now we have INR130 billion of backlog. Part of this backlog (about 30 - 35 BINR) is long term, meaning having an execution cycle of 3 to 5 years.

The rest INR95 billion to INR100 billion of backlog is having an execution time line of 18 to 24 months, which means that we have potential to grow even without HVDC. And it is also reflected in our performance as we have grown about 40% on a year-on-year basis.

Bhavin Vithlani: So the question was like, with the expansion plan and the current capacity, what's the peak revenue potential in your view, the current ones that you already have planned for?

Sandeep Zanzaria: Bhavin, this will depend a lot on type of orders taken; Project, product or if you take HVDC, where's a large part which is normally gets traded and not manufactured inside the factory. So, with this it is difficult to define a peak capacity. Also export margins are better and domestic margins have improved, but it is still nowhere near the export margin.

So, a particular capacity, you load it with an export order or you load it with a domestic order, your capability in terms of financial numbers become very different. So to give a benchmark number on where we are going to max out is very difficult.

Bhavin Vithlani: Secondly, when we look through some of your peer set and especially the transformer manufacturers, we see that at least a couple of them have already gone for expansion, which is 5 or 7 times the capacity that they had in fiscal year '25. And the industry seems like 150,000-plus MV expansion in 1 year or 1.5 years. How do you see the competitive scenario? So transformer is one piece of your business.

You also have GIS and AIS piece and automation piece. If you could comment a bit on the competitive landscape that you see over a 3-year period, not just near term? And if you could talk about transformers, AIS, GIS, switchgear, how do you see that competitive landscape out there and the automation piece? It will be very helpful to us.

Sandeep Zanzaria: Bhavin, on transformer, , you are right that people are expanding capacities, etcetera. But on the other side, also, you have to see that, for example, you did 1 or 2 HVDC projects, a large part of the transformer capacity of a manufacturer gets booked by an HVDC. And when one manufacturer gets booked or 2 manufacturers get booked, I think there is still a play for everybody in the market to supply those transformers.

So today, if you really look into the market, the transformer deliveries are coming somewhere between 18 to 24 months. The market is seeking early deliveries as early as 12 months or 10 months.

So when I look at 3 years perspective and same is there for GIS, AIS also, we are not seeing any very large expansion of capacities. So going forward on AIS, GIS and Automation, I don't see that the pricing power or the competitive scenario or landscape to change much. On transformer also, of course, we have to see 3 years down the line, once new capacities come in because today, building a transformer capacity also takes time.

So we'd like to see or maybe wait. But today, if you look at most of the manufacturers in their backlog, they have a backlog, which is equivalent to like 2-3 years of their capacity already locked in. So let us see about 1 to 2 years down the line, what happens on when more capacities do come on as well.

Bhavin Vithlani: Great. And just last question to Sushil. I mean, as you have been guiding in the past, in your view, like what is a sustainable level of gross margins that we could see over the next 1 or 2

years? You did mention that your gross margin of this quarter, which are extraordinarily high. On a sustainable basis, what's the level of gross margin that one should maintain?

Sushil Kumar:

So Bhavin, instead of gross margin, I have now started to talk about EBITDA because the strong increase in revenues gives us a strong operating leverage and EBITDA expansion both in value and in percentage term rather than breaking down margin and cost.

And as we talked in the beginning, last year, we did 19.1% EBITDA and our endeavor is to increase from that level in this year. And first quarter gives us a good confidence that we'll be able to do better by a few percentage points.

Moderator:

The next question is from the line of Amit Mahawar from UBS Group.

Amit Mahawar:

Sandeep, I have two specific questions. First of all, congratulations on great profitability and growth. I think first is, if I compare India with some of the competing countries, GE Vernova has been a lead exporter on quality GIS products. I mean the Korean companies have a higher share of exports vis-a-vis the Indian companies. Profitability of India is still undershooting some of the competing countries when they export.

You have been an exception here. I cannot include you. But in your assessment, is there a case for India to export -- gain a higher share of overall T&D equipment in the next 3 to 4 years? That's one. And you can help us with the qualitative assessment, and then I'll ask the second question.

Sandeep Zanzaria:

Amit, we have been constantly communicating to the market that export has been our focus, and it will remain a focus. It also depends upon the opportunities, and there are various other factors as well, like, for example, Sushil also said and we also said in the past about technology, voltage, acceptance of factories, etcetera.

So, I can just assure you that our focus is going to remain as growth of exports. And of course, you would have seen that the energy transition story is not something which is happening, which is purely for India. But it's a global story, for example, in Middle East, in Europe, in U.S., in Australia. So in most of the big countries where you see the energy transition, story is much strong.

So I feel that export like we have grown from 18% to 20% of our lower backlog to a 30% of our higher backlog, you would have seen the kind of focus what we have put in. It is very difficult to give a guidance today, but what you have said about Korean companies, etcetera, and things like that, I will not compare that we are trying to copy their strategy, but our focus will remain growth of exports.

Amit Mahawar:

Sure. The second and last question, Sandeep, if you have HVDC, you have to choose between co-bidding with parent on HVDC or taking stand-alone product orders, which are very profitable and you are primarily private focused, which reflects in the profitability, very different from

your competition. Next 3 fiscal, can you grow 15% in volume in MVA terms even when you don't take HVDC? That's my final question.

Sandeep Zanzaria: So can you repeat the question once again, next 3 years?

Amit Mahawar: I'm saying next 3 to 4 years without any HVDC order, can GE Vernova India grow in volume terms in 15% on the production numbers, if you have to produce the orders that you take? Or you believe HVDC to grow more than 15% to 20% in volume growth?

Sandeep Zanzaria: I will say that it should not be too difficult.

Moderator: The next question is from the line of Subramanian, an Individual Investor.

Subramanian: Many congratulations on excellent performance. I had two quick questions. One is on the exports, the 8% target export contribution, which key geographies are driving this push? And are you seeing any regulatory geopolitical risks towards either order flow or receivables? That is question number one.

And two, on technology, are there any technology upgrades that give us a competitive edge in either domestic or export markets, especially in grid digitization?

Sushil Kumar: Thanks, Subramanian. I'll start with the second question first. So these are multiple geographies. I mean, we have orders from Europe, Southeast Asia, partly from Middle East and even Korea as the end destination. Of course, the channel to market can be through our group companies or direct. And we don't see in our portfolio any risk, regulatory risk, which can lead to a challenge on the receivable or inventory as of now.

And now I'll request Sandeep to talk about the technological upgrades.

Sandeep Zanzaria: For technological upgrade, , whatever technology is available at our parent is also available with us and we keep on working with them for localization of the new technology. We keep on working with Indian customers for introduction of newer and newer technology. So that's a constant push or endeavor what we do it in the market.

If you have any specific technology you want to talk about but otherwise, this is like a regular KPI for our teams to push newer and newer technology into the market.

Moderator: The next question is from the line of Suraj from Catamaran.

Suraj: Sir, I wanted to understand why the gross margin for this quarter is very high. Like 3 quarters ago, there was an instance where the gross margin was 41%, where you had alluded that there is some onetime benefit in the P&L, which was for INR40 crores. So is there something like that for this quarter as well?

Sushil Kumar: Thanks, Suraj, for your question. These are all operational margins and profit we delivered in this quarter. But as usual, we have called out that this had a significant contribution of highly profitable export projects as well. And overall, the export revenue was approximately 40% of the total revenue, which is higher than past and is higher in this quarter because overall, the export orders in backlog is about 30%. In long term, exports should be around 30% of the backlog.

So that's one factor. But other factors, as I already highlighted, the volume is high, the pricing is high over a period of time and then internal productivity, cost saving, etcetera. Multiple factors have led to this profitability. And we have also mentioned in the call a few times now that one quarter profitability is not a benchmark. Overall, we performed better last year, and we believe that we can improve from what we delivered in the last year on the EBITDA level.

Moderator: The next question is from the line of Balasubramanian from Arihant Capital.

Balasubramanian: Congratulations for a good set of numbers. My first question is regarding this SF6-free switchgear. How do we compare between us and global alternatives? Are there any pilot projects or any orders to validate this adoption?

Sandeep Zanzaria: When we talk about SF6-free technology, GE Vernova has been pioneer in developing this technology. So, in India, what we have seen is that there is only one pilot project which has come in, and we are constantly discussing with various customers and executing. We are hopeful that maybe in medium term, this technology adoption will become much faster in India. But just that our products are market leader in terms of technology and in terms of overall development on the SF6-free technology.

Balasubramanian: Okay, sir. Sir, on the data center side, I think some of our orders have contributed 220 kV GIS. I just want to understand 3 to 5 years perspective, whether this 400, 765 kV demand will emerge? How do you look at this industry on the business perspective?

Sandeep Zanzaria: You are correct, Balasubramanian, that as the data center size will grow up and up, so first, we'll see 400 kV demand. And if the data center prices goes into gigawatts, then we'll also see 765 kV demand coming for data centers.

Moderator: The next question is from the line of Parikshit Kandpal from HDFC Securities.

Parikshit Kandpal: Congratulations on a great quarter. Sir, my first question is on the order inflows. You said that you can grow this year at single digits. So I just wanted to recheck that on INR10,700 crores, you're talking about single-digit growth? And does it include HVDC or HVDC will be beyond that?

Sushil Kumar: Parikshit, if I remember well, the question was about the pipeline. And Sandeep said that the pipeline will grow at single digit of 6% to 8% in this year, non-HVDC pipeline.

Parikshit Kandpal: Okay. But in terms of order intake?

- Sushil Kumar:** Last year order intake, we called out that it had about INR30 billion of one-off orders, INR22 billion of export order and INR8 billion of digital orders. So those 2 were the one-off deals. Excluding that, we were in the range of roughly INR70 billion, and we'll see how much we can deliver to that number. Obviously, without HVDC, we don't think we can match this INR10,000 crores number because it had one-off orders.
- Parikshit Kandpal:** Okay. And in terms of mix, like last year, we had almost 30% plus export orders. So this year also, the mix will be similar, I mean, overall mix in terms of inflows?
- Sandeep Zanzaria:** So last year, we had a very large order coming from one of the specific countries. So it's difficult to replicate such large orders coming from one country. But it will be an endeavor to grow as much as possible the export volume. So I will say that excluding that one-off large orders, there will be a growth in export potential.
- Parikshit Kandpal:** Sir, how much was that, if you can quantify how much was that order, like large order?
- Sushil Kumar:** INR22 billion was the large order from related parties in last year.
- Parikshit Kandpal:** Last question, excluding the opportunity on the export side from related parties, what kind of efforts we are taking, especially on introduction of new products. We are also expanding existing capacities and also on certification to get a bigger share of TAM from the direct sales to the export?
- Sandeep Zanzaria:** So Parikshit, we are taking all the possible efforts. We are getting qualified more and more into other customer bases in direct utilities in Europe, There is a constant exercise which keeps on happening for product qualification, factory qualification. This is something which is a constant exercise.
- Parikshit Kandpal:** Okay. And sir, just on the last call, I remember, you said that export margins are 500 basis points higher than domestic. But even if I take the mix this time and the margin differential, even then it looks like the domestic margin is also very strong this quarter. So is it the right understanding?
- Sushil Kumar:** Yes, Parikshit, as I mentioned, the pricing has been strong in the last couple of years. As we phase out the old backlog with low margin, then the overall backlog margin has become accretive. Also, this quarter had the impact of operational efficiencies through cost savings.
- Parikshit Kandpal:** Yes, you told, Sushil, all that. The only thing is every time you're saying this should not be a new normal for the last many quarters, you've been saying and every time the normal is shifting and you're repeating the same thing. The only thing is how much from here on we can increase for the year as a whole?
- Sushil Kumar:** We have been very disciplined and conservative in taking orders as well as calling out improvements. And instead of quarter-on-quarter performance, we more guide on the long-term full year basis. Last year, we did tell that the EBITDA margin range will be mid- to high teens, and we delivered at the high end. So we were almost at the level where we guided.

- Moderator:** The next question is from the line of Subhadip Mitra from Nuvama Wealth.
- Subhadip Mitra:** So my question was more on the export side. Is there a large TAM or a large pipeline on the HVDC side for exports that can probably pan out over the next 2 to 3 years?
- Sandeep Zanzaria:** No, the answer is no.
- Moderator:** The next question is from the line of Jainam from Saltoro Investment.
- Jainam:** Congratulations on a great set of results to the entire team. What I want to understand is that in the previous cycle, the peak EBITDA margins that we reached around was at around 18%. This time already for FY '25, we've achieved 19%, and we are confident to achieve better. So I want to understand how is this cycle fundamentally different from the previous one. That's my question number one.
- And question number two, whether it's 19.5% or 20% that we might achieve in FY '26, how long do you foresee it to sustain? Maybe like you said, you are conservative and the margins can probably even get better further. But this new normal, how long do you expect it to sustain? So I would want to know both A and B, if you could throw some light.
- Sushil Kumar:** So Jainam, thanks for your question. So the first question about the peak margins. In the earlier cycle, in our company, the backlog was more tilted towards projects. And within that, there were also projects for the state utilities and some of the power sector companies, which didn't do well later on. This time, for the last couple of years, we have been communicating our focused and disciplined approach of underwriting projects.
- The mix has changed towards export and product. So our company's strategy is leading to better margin over and above the industry margin. This probably is one of the industry-leading margin that we are delivering.
- In terms of sustainability, I think we have a good backlog of INR130 billion and the margins on the backlog has improved in the last couple of years. So our endeavor will be to sustain this margin in the next few years, at least for the next 2 to 3 years because we have a significant backlog with us. And then we'll see in a couple of years how the demand and supply position shapes up.
- Jainam:** And the new orders that you're getting now that you're seeking in the market, the pipelines that are there, are they also in the similar margin range? Or is it that the realizations have kind of dropped off?
- Sushil Kumar:** That's a commercial thing. We'll not be able to disclose at what margin we take new order and all. But what matters is how we execute and deliver at the end. We have been able to improve margin in the execution over and above what we take during the order stage, and this is the result of strong and disciplined underwriting as well as strong execution by entire GE Vernova T&D India team.

So there are multiple factors, including the control over fixed costs. So multiple factors lead to this improved execution, but will not be able to disclose our commercial bidding strategy and pricing in the call.

Jainam: Sure. Fair enough...Are there any supply chain constraints or issues, particularly for the long-dated orders that you need to execute? Is there any challenge that you're facing over there in terms of the pricing of the...

Sandeep Zanzaria: It is global energy transition story. Supply chain is definitely a big challenge. We have specific teams which keep on working to mitigate those challenges. And when we take orders, we ensure that we are not taking any orders where our risks are not mitigated.

Jainam: So, like you said, it's for everyone, for the industry. So what is GE doing differently that, like you said, mitigates the risk when it comes to supply chain? Are we kind of booking the entire capacity for our vendors? What are a few things? Or are we backward integrating like our peers? What are we doing that is really helping?

Sandeep Zanzaria: It is multiple things. It depends upon item to item. So somewhere we would be booking capacities in 2 years in advance and those things. Sometimes we would be developing multiple channels or multiple component suppliers. Localization is also a strong theme on which we are working to localize more and more supply chain to India. So it depends upon product-to-product or component-to-component. So it's not like one strategy fits all.

Moderator: Thank you. As there are no further questions from the participants, I now hand the conference over to Ms. Megha for closing comments. Over to you, ma'am.

Megha Gupta: Thank you, everyone, for joining us today. We hope the insights provided by our speakers have been informative and valuable to you. We value the trust and support of our investors and analysts and ensure to remain committed to maintain transparent communication and fostering strong relationships. If you have any further questions or require additional information, please do not hesitate to reach out to me or our communications leader. Thank you.

Moderator: Thank you. On behalf of GE Vernova T&D India Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.