

Ref.: JCIL/BSE/2026

Date: May 26, 2026

To,
The Secretary,
BSE Limited,
P J Towers, Dalal Street,
Mumbai - 400 001.

Scrip Code: 500147

Dear Sir/Madam,

Sub.: Transcript of Earnings Conference Call for the quarter ended March 31, 2026

Pursuant to the provisions of Regulations 30 and 46(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and in continuation to our letter dated May 19, 2026, regarding the audio recording of the earnings conference call held on May 19, 2026, on the un-audited Financial Results (Standalone & Consolidated) for the quarter ended March 31, 2026, we hereby enclose the Transcript of the audio call recording of the Earnings Conference Call for the quarter ended March 31, 2026.

The transcript is also available on the Company's website at www.johncockerillindia.com.

We request you to kindly take the same on your record.

Thanking you,

Yours faithfully,

For John Cockerill India Limited



Nidhi N. Salampuria
Company Secretary & Compliance Officer
(FCS: 10448)

Encl: As above

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"John Cockerill India Limited
Q1CY26 Earnings Conference Call"

May 19, 2026

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recording uploaded on the stock exchange on May 19, 2026 will prevail.



**MANAGEMENT: MR. FRANCOIS DAVID MARTINO – CHAIRMAN – JOHN COCKERILL INDIA LIMITED
MR. MARC DUMONT – CHIEF FINANCIAL OFFICER – JOHN COCKERILL INDIA LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to John Cockerill India Limited Q1 CY26 earnings conference call. This conference call may contain forward-looking statements about the company which are based on the beliefs, opinions, and expectations of the company as on date of this call. These statements are not the guarantee of future performance and involve risk and uncertainties that are difficult to predict.

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 Mr. Francois-David Martino, Chairman, for his opening remarks. Thank you and over to you, sir.

Francois-David Martino: Good afternoon, everyone and thank you for joining us today on our quarter one calendar year 2026 earnings conference call. And I am joined by Marc Dumont, our CFO. We have uploaded our financial results and investor presentation on stock exchanges and company's website. I hope everybody has had an opportunity to go through the same.

The first quarter of 2026 reinforces our confidence that the business is progressing in the right direction operationally, financially, and strategically. We have established a strong foundation for future growth by consolidating our growth businesses and integrating our metal business under a single entity in India.

The benefits of these initiatives are now beginning to take shape. And yes, the numbers are stronger and the year has begun on a solid footing, supported by an increase in order intake, a healthy pending order book, and sharp focus on execution.

During the quarter, we have witnessed strong order wins, a growing order book, and a robust order pipeline. We have also secured an order from JSW Steel for a CGL project valued at approximately INR4.4 billion to INR4.7 billion. As on March 2026, our standalone order book stands at approximately INR13 billion and reflects a 101% year-on-year increase.

Revenue for the quarter stood at INR2,000 million, registering a growth of 162% year-on-year. Standalone EBITDA stood at INR114 million compared to a negative EBITDA in the corresponding period last year. Standalone EBITDA has improved significantly compared to last year and has remained stable over the last three quarters.

However, margins were impacted compared to last quarter due to certain upfront costs related to hiring and organizational realignment undertaken to prepare the business for future growth. A shift in product mix with higher proportion of large projects compared to value-added services and certain one-off expenses related to consolidation and integration activities housed within the standalone business which impacted overall EBITDA.

This quarter marks the beginning of a new phase for JCIL. While the headline numbers are encouraging, the most important takeaway is that the improvement is becoming increasingly

sustainable. Structurally, the business is evolving into a more integrated and disciplined organization, better positioned to align with the global direction of the steel industry.

Key developments during the quarter include the reorganization of the sales function which is beginning to deliver tangible benefits, while the operational team is being strengthened proactively in anticipation of future growth and to ensure smooth execution capabilities.

As the business scales, disciplined cash management will remain a key focus area for the company. The order pipeline remains very strong, particularly with high-quality order wins from marquee customers, and we expect execution momentum to strengthen further over the coming quarters.

We are witnessing strong demand from customers who are investing not only in capacity expansion but also in advanced processing capabilities, electrical steel, downstream quality enhancement, and modernization initiatives. Several of the project wins and order pipeline indicates a direct reflection of these evolving industry trends.

Speaking about the consolidated financial performance, this marks the first quarter in which we are reporting consolidated results. That means the Q1 consolidated performance includes the operations of China, Belgium, and Germany entities from January 2026 onwards. On a consolidated basis, the consolidated order book stands at approximately INR33 billion. Revenue for the quarter stood at INR3.4 billion, reflecting a 56% year-on-year growth.

EBITDA turned positive at INR49 million compared to the negative EBITDA of INR14.9 million for the same period last year. EBITDA margins stood at 1.4%, largely impacted on account of integration costs and consolidation adjustments associated with the ongoing business integration. Going forward, the cost structure is gradually aligning from the West towards India and China, which is expected to drive operational synergies and efficiency improvements over time, improving the margin trajectory.

Impact on margins were also on account of our investments made in development of new technologies. While these investments are impacting EBITDA in the near term, they are expected to contribute meaningfully to future growth and long-term value creation. Speaking briefly about steel industry, global markets remain mixed. Europe continues to face pressures from high energy costs and weak industrial sentiment, while China, despite remaining the world's largest steel producer, is becoming more selective in capital expenditure with greater focus on advanced technologies and decarbonization.

In line with this trend, we are strengthening our presence in China. At the same time, geopolitical tensions in the Middle East are creating uncertainty across energy markets, logistics, and commodity flows, which could lead to short-term volatility in the industrial sectors globally. Against this backdrop, India continues to stand out as one of the strongest steel investment markets globally, driven by infrastructure spending, manufacturing growth, automotive demand, and renewable energy investment.

And the shift towards higher value products is creating long-term demand for advanced downstream processing lines, galvanizing lines, cold rolling capabilities, electrical steel

processing, and life cycle services, areas where JCIL is strongly positioned. The industry is also evolving with steel producers increasingly prioritizing efficiency, energy optimization, product quality, sustainability, and decarbonization. These trends align well with the strengths of the John Cockerill Group technology portfolio.

A key strategic milestone for the company is the consolidation of the group's metals business under the JCIL platform. This is not just a structural integration but the creation of one integrated global metals business with India at the center of the operation, execution, and manufacturing. Combining technology expertise, manufacturing strengths, execution capabilities, and access to one of the fastest-growing steel markets globally.

To conclude, I would say overall we are entering the next phase with a much stronger foundation, a stronger order book, improving execution capabilities and a more integrated global business platform. With India continuing to remain one of the most attractive steel investment markets globally, we believe the growth opportunity ahead is significant. We also see significant long-term potential from new technologies such as jet vapor deposition, which align with industry shifts towards high efficiency, superior coating quality, and lower environmental impact.

We remain committed to investing in this segment, including the rolls coating facility at Taloja, which is expected to be commissioned shortly. This facility will introduce specialized coating capabilities in India with significantly faster turnaround times for customers. While we remain focused on disciplined execution and long-term value creation, JCIL today operates with far greater clarity, capability and ambition than it did just a few years ago.

The direction is clear, the platform is stronger. And we are all well-positioned for the next phase of growth. With this, I will end my opening remarks and Marc and myself are happy to take questions. I will also take this opportunity to invite you to our Annual General Meeting for more detailed discussions on June the 12th, the details of which will be soon available on our website. Thank you.

Moderator: Thank you, Francois. We will now begin with the question and answer session. Our first question comes from the line of Anand Shah from Jay Anand Securities. Please go ahead.

Anand Shah: Yeah, good afternoon, sir. Hello, am I audible?

Moderator: Yes, you are. Please proceed.

Francois Martino: Good afternoon, Mr. Shah.

Anand Shah: Yeah, yeah. Sir, just firstly, maybe due to poor audio quality, maybe I could personally not understand a significant part of the address given by the Chairman. I don't know, maybe next time the audio quality can get improved. Firstly, I would like to take this opportunity to once again thank the parent for reposing faith in the Indian listed entity and for having done the game-changing deal of bringing the entire global steel equipment business under the fold of Indian listed entity.

Having said that, regarding the quarterly performance, on a standalone basis, while the revenues have grown 160% on a year-on-year basis and 94% on a Q-o-Q basis, the company has not witnessed any benefit of operating leverage that we would have expected from such a dramatic increase in revenues.

So can you please explain why -- when your revenues are at kind of all-time quarterly high levels, the operating leverage factor didn't kick in and get reflected in the bottom line? Besides, why did the employment cost shoot up by 34% on a Y-o-Y basis and the increase in employment cost is much more dramatic when you look on a Q-o-Q basis? Yes, these are primarily my two questions. Thanks, sir?

Francois Martino: Thank you for the question. Maybe Marc Dumont, our CFO, can take the question.

Marc Dumont: There are three factors if you look. Yes, our revenue has increased, our EBITDA margin is stable, but indeed our structural costs have increased. And when you see this, there are certain reasons for this. First, we had some upfront costs related to hiring and organizational realignment.

Anand Shah: Sir your voice is not very audible. I don't know what's the issue.

Management: I am sorry but we can hear him properly.

Anand Shah: Okay fine, sir. Go ahead.

Marc Dumont: I will repeat maybe more loud, if you let me. So first of all, there are some certain upfront costs related to hiring an organization or realignment because we have the future growth to prepare. Then we have also a shift in our product mix. You see that we are getting the quarters-over-quarters, we are adding new projects, big projects with JSW, with Tata and those projects compared to the value services, there is a shift in the mix.

Then there is a third point which is a kind of one-off. We when we do this consolidation, this integration of activity, then yes, there are some expenses due to consolidation, support for running this to go through the bank, etc. So those costs are kind of one-off for allowing this consolidation. So some are one-off, some are mix to summarize and some are again, we are preparing the growth and that's the reason why we see this effect.

Anand Shah: Thanks, sir.

Moderator: Thank you. Our next question comes from the line of Venkatesh Subramanian from Logictree Consultants Private Limited. Please go ahead.

Venkatesh Subramanian: Good evening. Congratulations on the consolidation process, sir. My question is, sir, can you give us an indication of the order pipeline, perhaps over the next 12 to 24 months, what you are looking for? Basically, say 24 months down the line, where do you expect the global order pipeline to be? That's question one, sir.

And second, in some of the previous con calls of last year, you had indicated that you might secure a large-sized order from one of the government steel companies in India where we are developing a relationship. Can you indicate some progress on that?

Francois-David Martino: Thank you for your question. So on the first question regarding the pipeline, our opinion is that the trend will be positive in the next 24 months. We expect more orders coming in, especially from number one, the Indian market, which is extremely dynamic and still investing heavily to double the capacity of the country for 2030..

While we are also taking good solid ground in China, and we see also our order book in China growing pretty fast. The third aspect we see as a positive trend is that green steel is slowly, slowly building its path amongst steel mills and we also see growing interest for JVD technology which should also translate into more orders in the future. Regarding the second question which was again, can you repeat the second question just?

Venkatesh Subramanian: Sure. I think we were given the impression that apart from the private Indian steelmaking companies like JSW, etc you were also talking to some of the Indian government-owned companies in steelmaking for a large order in terms of refurbishment of their old steel plants. This was indicated in one of the calls. So and but you said the process would take some time. So just wanted to know the progress on that.

Francois-David Martino: Exactly. So we signed, as you may know, one year ago, a little bit more than one year ago, a memorandum of understanding with SAIL, Steel Authority India Limited, and we are working on this memorandum to build up concrete and solid projects of investment in the future. I cannot disclose more than that for the time being.

Venkatesh Subramanian: Okay, sir. Great. Follow-up question is, say after this process of consolidation is over, say a few quarters down the line, where do you expect the operating margins to be, sir, as a percentage?

Francois-David Martino: So we expect from the next quarter on improvement in margins due to the fact that the orders we have registered on Q1 and also the one we got in the second half of the year in 2025 will start to, let's say, translate into positive results.

Venkatesh Subramanian: Okay, positive operating margins. Okay, sir. Can I ask one more question?

Francois-David Martino: Yes, sure. Go ahead.

Venkatesh Subramanian: Volteron is a technology that's mainly useful in the upstream process of the steelmaking, especially when it comes to iron ore mining, etc. Considering that India is also trying to expand its scope in iron ore companies like NMDC, Vedanta, etc, do you see prospects for Volteron orders in India?

Francois-David Martino: So Volteron technologies belongs to the John Cockerill Group and is a very promising technology which has been developed with ArcelorMittal. We are right now, let's say, fine-tuning our strategy for the next months to come and we'll be able to communicate more on Volteron.

We see India as one of the best possible countries for Volteron since Volteron is a technology which operational costs are based on 70% on electricity and availability of iron ore, whatever the quality is. So we believe that India should follow the path of green steel through Volteron and the country is offering through, let's say, a solar farm green electricity and local iron ore a good base for good quality and price-competitive production.

Venkatesh Subramanian: Okay, so I understand we will hear more of this in the coming quarters.

Francois-David Martino: Correct.

Venkatesh Subramanian: Got it, sir. Thank you very much. I'll join the queue.

Moderator: Thank you. Our next question comes from the line of Manan Poladia from MKP Securities. Please go ahead.

Manan Poladia: Hi, sir. Good afternoon. Congratulations on posting a good set. I just have one question on the new global entities that have been merged. I think you'd indicated in the last couple of calls that you'd be able to speak a little bit more about their businesses after they're integrated into JCIL.

I'm just curious if you could provide some color on what the global steel capex cycle looks for you and especially with what is going on globally as far as geopolitics is concerned, are you seeing some slowdown in pipelines or order bids? If you could shed some light on that, that'd be great? Thank you.

Francois-David Martino: So we see a mixed situation based on different countries. The four main markets we are following up is India, China, US, and Europe and there we are well-established. I would say India represents for us a positive trend due to the fact that John Cockerill is able to offer even in China competitive price but especially value-added technologies which are bringing our Chinese customers to invest in more competitive solutions.

Even if the market goes down, a technology representing better quality and or better operational cost will always find its way even in a depressed or slowing down market. Europe stays a standby market and will most probably see its biggest transformation next year. The European government is building up new quotas for import which will protect the local steel mills more and better in the future and that should bring more demand from the European market.

The American market is a market representing the best steel price per ton and we see there also a lot of movements of consolidation of steel mills but also newcomers like Nippon Steel who purchased US Steel and will most probably build a strong investment pipeline in the next years to come.

Manan Poladia: Great, sir. Thank you. Just a quick follow-up on that. When you say that new technology will find a footing even when there is an order slowdown, is that to indicate that instead of new capex lines that come in, you will probably have more of an upgradation order book going forward and will that have an effect on your margins or working capital or anything of that sort?

- Francois-David Martino:** Yes, we believe that even in a slowdown situation and when some players has to replace the existing line which becomes too old to perform, they will go to more value-added lines rather than cheap lines. This is the trend we see especially on the main major steel mills in China. And as a reminder, out of the top 10 biggest steel producers in the world, six of them are Chinese.
- Manan Poladia:** Right, sir. Thank you. Thank you so much.
- Moderator:** Thank you. Our next question comes from the line of Nitisha from Anvil. Please go ahead.
- Nitisha:** Hello, sir. Am I audible?
- Francois-David Martino:** Yes, you are. Good afternoon.
- Nitisha:** Yeah. So I just wanted one clarification. In the presentation, when we mentioned that Volteron is not part of the consolidation, so I just wanted to know the revenues from the Volteron technology and the results, will it flow to John Cockerill India?
- Francois-David Martino:** So Volteron has no revenue yet due to the fact that it is ready for commercialization only since few weeks. So we are reshaping completely the Volteron strategy right now and especially we are conducting a reflection on how JCIL will contribute and benefit from the Volteron deployment in the future. This is under evaluation, yes.
- Nitisha:** Yeah. So whenever the revenue will flow, it will be a part of JCIL, right?
- Francois-David Martino:** On the one form or another, it will be the case. Right now, it is too early to communicate about that since we are in strategic discussion with the promoter who is the owner of the IP of Volteron.
- Niti Shah:** Okay, thank you. And sir, one more question. Our consolidated order book as mentioned is around INR3,300 crores. So, I just wanted to know over how many years is this executable?
- Francois-David Martino:** Marc Dumont, can you please reply to the question?
- Marc Dumont:** Yes. So, could you repeat your question just to be sure we answer correctly?
- Niti Shah:** Yes. So, the consolidated order book as on March 2026 of 33,000 million, it is executable over how many years?
- Marc Dumont:** Our last project which is a majority of this order book is over three years. We have the value services, which is a smaller portion of this is more kind of revamping or spare parts and this is more over 12 to 18 months. But the vast majority is more over three years.
- Niti Shah:** Okay. Thank you, sir. That's all from my side.
- Moderator:** Thank you. Our next question comes from the line of Sumit from Century Investment. Please go ahead. Sumit, you may please proceed ahead with your question.
- Sumit:** First of all, thank you for the opportunity. I just wanted to add that since there is...
- Moderator:** There's a background noise if you can check, please. Thank you.

- Sumit:** Yes. Thank you for the opportunity. And as I have seen that there was a consolidation of the metal business particularly, so we have not seen any operating leverage in this quarter particularly. So, can you just guide post-consolidation what are the margins we can expect and the financial and operating leverage which will be playing?
- Francois-David Martino:** Thank you and good afternoon. Thank you for the question. I think this is a question for Marc Dumont.
- Marc Dumont:** So first of all, we agree that the margin we have the EBITDA level we have is not what we are looking for and we are anyway working on improving our structure. As we mentioned to you, we are moving from West to East. It will take some time, but that's what we are working on a plan over the next 18 months.
- So, we are aiming right now, we have an EBITDA at around consolidated at around 3% and it will go step by step, not by way over what we are aiming is really be at more than 10% over the next three years and achieving already probably to be in the middle of the path beginning of next year.
- Sumit:** And one more question, right. That since is the company planning any capex in the near future so we can see any particular impact on the margins of the company?
- Marc Dumont:** The capex, we are first an engineering company, so capex is limited even if we are right now, for example, investing in the whole coating, so we have the whole coating activity starting. So, capex is limited, it's not very capex intensive, so it's not the main effect. However, we must admit that our right now in our P&L, one of the effect is we are developing solutions, new solutions, new technologies, and this has an effect also on the heavy cost that you see.
- So unfortunately, you don't see it yet on our revenue. We are discussing about JVD and that's something which will come in the coming quarters. But we are right now still investing on fine-tuning the technology. Same for Volteron, there are costs here and we are working on this, but here it will be on more medium term.
- So, our P&L is growing in terms of revenue. We still don't see completely the new technologies having the benefit. We see right now more the cost than the benefit. The benefits will come in the next quarters.
- Sumit:** Thank you, sir.
- Moderator:** Thank you. Our next question comes from the line of Abhishek Sanghvi from Equinova Investment Managers. Please go ahead.
- Abhishek Sanghvi:** Yes. Congratulations for the good set of numbers. The management had earlier indicated plans for fundraise which now appears to have been deferred. Could the management explain the rationale behind the deferment? And one more question on USA business. So earlier your previous presentation also mentions that USA business will be consolidated later into JCIL. Could management elaborate on likely timeline and the structure of the transaction?

- Francois-David Martino:** Marc, is it okay if you take it?
- Marc Dumont:** So, on this funding, Board is still exploring options. So, we have another Board which is evaluating the options and we have another board foreseen in the next two to three weeks to come to better answers. Once we have complete clarity and we have really explored all the options which are available to us, then we will revert with a better answer to be very honest and we will of course inform in due time.
- Abhishek Sangvi:** And what about the fundraise?
- Marc Dumont:** That's what I was saying. On the fundraise, we are right now looking at different, we are exploring different options.
- Abhishek Sangvi:** Couple of months back, the promoters had diluted their stake. So, will the shareholding be 74% or they will bring it or you guys will bring it down? Any update on that?
- Marc Dumont:** At this stage, first the shareholder has the right to change at any time, but right now I think we are in certain position and we think staying in this level.
- Abhishek Sangvi:** Okay, okay. And the update on US business?
- Marc Dumont:** USA is we are still here also we are still investigating. There are some technical issues on incorporating, not incorporating, on consolidating USA. So, either we are able to achieve that by the end of the year or maybe it will be discussion on maybe postponing slightly, but not so much. It's just timing.
- Abhishek Sangvi:** Okay, thank you.
- Moderator:** Thank you. Our next question comes from the line of Munjal Shah from MSFO. Please go ahead.
- Munjal Shah:** Good evening, gentlemen. I have a couple of questions. One is, you have stated that you would be paying not more than INR500 crores for the acquisition of European, Chinese, and US business. Now that the European and Chinese acquisition is done, which is roughly close to INR320-odd crores.
- And if I see your console and standalone revenue, the difference is close to INR600 crores. So roughly you have paid, 0.5 times revenue for Europe and Chinese acquisition. And if I just do my maths and earlier concall, you had mentioned that console turnover will be close to INR2,000 crores. So, the US business you are acquiring roughly INR1,000 crores revenue for INR200 crores. Is my understanding, right?
- Francois-David Martino:** Thank you for your question. Marc, do you want to take it as well?
- Marc Dumont:** So first of all, we are not exactly in this range. Right now, if you look at our SPA, we have 50, we are paying the price overall is around EUR50 million out of which USA is included into this. So, if you remove the USA, we are at a much lower price. Now USA, we don't expect USA to be right now in the coming months at how much you said INR600 million?

- Munjal Shah:** No, I said INR1,000 crores. INR10 billion.
- Marc Dumont:** INR10 billion. No, the sales of USA will be, it's really what where we see the growth is not in so much in US, it's really China, Middle East, and we will capture it from India or from China. So, the price is mainly based on this. USA is right now for the time being quite stable in revenue, but we are still chasing big orders and right now that's what we are waiting for. So, are we reaching the level that you are saying in USA at this stage? No, that's not what we see. It will be slightly lower.
- Munjal Shah:** No, so this the earlier call had mentioned INR2,000 crores. And now with all the combined entity excluding US is INR1,000 crores. So that's the assumption that the balance INR1,000 crores will be US revenues for which you will be paying INR200 crores. So, the question was not about the growth, the question was about this transaction actually.
- Marc Dumont:** Will it be okay from your perspective that we take it offline and we discuss more the numbers together because I think the numbers you have is not exactly what so we need to fine-tune this. Is that okay to take it offline?
- Manzil Shah:** Sure. And secondly, there is some INR66 crores of other income in console. What does this INR66 crores comprise of?
- Marc Dumont:** Here it's most of it, so on the other income line, that's what you are referring, right, sir?
- Manzil Shah:** Pardon?
- Marc Dumont:** You are referring to the other income.
- Manzil Shah:** Yeah, other income, other income of more than INR60 crores in consolidated financial P&L.
- Marc Dumont:** So those come from various sources, but the key source is right now more financial interest.
- Manzil Shah:** So basically there is lot of cash in Europe and Chinese business also?
- Marc Dumont:** There is a lot of cash in mostly more in Asia, but in Asia and in India.
- Management:** But the number is not INR600 crores, I mean it is just INR9 crores actually.
- Manzil Shah:** No, so what does this INR66 crores comprise of then? INR60 crores of other income.
- Marc Dumont:** Right now we are on million INR1 million and we are at for this quarter at INR93 million. But from the full year, on the full year, yeah, but that's what I was explaining. So most of it, it could be also some other income if you sell some assets, for example, but most of it is again interest, sir. Interest in the income.
- Manzil Shah:** Because it doesn't tally with the then the numbers that you because if there is such a huge interest income and you're telling that there is no cash.

- Marc Dumont:** No, I'm saying also that there are two factors, sir. One is the sales of asset. When you have old assets, you sell of asset and then the scrap and you have also the gain on the interest.
- Manzil Shah:** So bulk of it is sale of assets?
- Marc Dumont:** Part of it is sale of assets, yes. Part of it is the scrap also that we sell because we have some scrap coming from our manufacturing, but that's more a minor point. But it's mostly sales indeed of assets for old assets we needed to do some space in Taloja for the walls coating, so we had to dismantle some old machines. So that's one key effect from last year and then indeed we have also the interest.
- Manzil Shah:** Okay. And so how much is spare and service income for the year as a whole as of now and what do you see that in next three-four years time?
- Marc Dumont:** So if I understand your question, I'm just rephrasing your question. You are asking how much is the value services in total?
- Manzil Shah:** Yes, yes.
- Marc Dumont:** Okay. We have seen clearly from last year to this year a shift of mix as mentioned to you. We see that we are over the next three to five years we are looking to be at around ideally 30% to 35%.
- Manzil Shah:** And just one small request, you mentioned that, you know, for my first question we can take it offline. Now how can I connect with you and, you know?
- Marc Dumont:** Our IR team will make sure we connect together.
- Manzil Shah:** Sure. Thanks a lot. Thank you very much.
- Marc Dumont:** Welcome.
- Moderator:** Thank you. Our next question comes from the line of Kamlesh Bagmar from Lotus Asset Managers. Please go ahead.
- Kamlesh Bagmar:** Yeah, thanks for the opportunity. Sir, if I compare like say standalone versus console operations, so if we see the gross margins or the material margins which are there, so there is a stark difference between console and standalone margins, so roughly a gap of 1,000 bps there.
- So going forward, like say as our overseas operations get consolidated more and more, so where do we see our EBITDA margins moving and because EBITDA margin in standalone is at 5.7 while in case of console it's hardly around 1.4. So where do we see our margins like going forward? Will they converge with the standalone operation margins or it will remain at these levels for next couple of years?
- Marc Dumont:** Several factors here. First, again as mentioned to you, increasing the value services should help to increase furthermore the material margin. And you see that by the way that you see that the material margin in percentage is higher outside of India because India is quite competitive.

Then clearly as mentioned, we see the impact of having this consolidation, we see also the impact of having the R&D without having the revenue of this R&D. So we clearly where do we see improvement? First on moving more and more activity from Europe to West to East, that's number one. So getting the first synergy.

Then of course having the revenue of the R&D that we are spending on the people that we are spending on developing the solution will clearly come when we will have orders in the next quarters. So that should, so both it will come both from additional revenues but also working on our structure.

As mentioned, we are right now working on aligning the structure and streamlining it. And that you will not see immediately the effect, but it will take maybe 12 to 18 months, but we will we are working currently on this.

Kamlesh Bagmar:

And going forward, like we have a 3,000-odd crores of order book. So what is the mix there? Like say these cold rolling mills or how much is the share of those particular segments in our total revenue? Because like say John Cockerill is a big player in the carbon capture as well. So going forward, how the mix would be in case of revenue mix? Like say how much would be the share of steel and various other metallurgies or other segments?

Marc Dumont:

We have in reality we have mostly two segments. We have different geography with different revenue and margins, but we have really two segments. One is the processing and rolling at this stage which is more the core model.

We have the second one is the value services and this is the one we expect also in the mix to grow to help us to improve our material margin. The third one is really what we have the iron and steel, but the iron and steel as mentioned we are developing that's more new solutions and those new solutions are not yet we have the cost but we have not yet the revenue.

So how much will be the iron and steel if we move forward it can be really much big, but right now there are still discussion with the potential prospect but we have no contract in hand so we need to be careful of what we say. So coming to what you said.

Francois-David Martino:

Marc, let me complete on that. So in the steel industry, upstream, which is the liquid steel phase, is 70% of the total and overall investment. So we are coming from a downstream business which is representing 30%. So by developing the upstream, we are opening up our revenue potential at least 2.5 times more and better than what we have done in the past.

So while we have this prospect, we also need to have the right technologies which we are aiming to develop with Volteron and electrical arc furnace in the future. So that's something we are working on today. It is the investment time as Marc mentioned. We hope that in the next months to come and next year will be the harvest time.

Kamlesh Bagmar:

Okay, great. Thanks a lot.

Moderator:

Thank you. Ladies and gentlemen, that was the last question for today. I now hand the conference over to the management for the closing remarks. Thank you and over to you, team.

Francois-David Martino: Thank you very much for your attendance. We were extremely glad and happy to exchange with you again and as we mentioned, we still are open to continue some exchanges offline. The team remains available for building up the contract. Thank you and have a great day.

Moderator: Thank you, sir. Ladies and gentlemen, on behalf of John Cockerill India Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.