REPORT

ON

FAIR VALUATION OF ROBOTICS BUSINESS

OF

ABB INDIA LIMITED

Bansi S. Mehta Valuers LLP
Chartered Accountants,
3rd Floor, Merchant Chamber,
41, New Marine Lines,
Mumbai – 400 020.

CONTENTS

1. GLOSSARY

Abbreviation	Definition
ABB Ltd	ABB Limited
ABBIL	ABB India Limited
BSE	Bombay Stock Exchange Limited
CCM	Comparable Companies Multiple Method
Comparable Companies	Comparable Companies in similar line of business
CTM	Comparable Transaction Method
CY	Calendar Year
EBITA	Earnings Before Interest, Tax, and Amortisation
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
EV	Enterprise Value
ICAI	Institute of Chartered Accountants of India
IVS	ICAI Valuation Standards
Management	Management of the Company
NSE	National Stock Exchange of India Limited
PAT	Profit After Tax
PBT	Profit Before Tax
RARO	Robotics Division of the Company
Report	This Report
SBG	Softbank Group Corp
the Company	ABB India Limited
TTM	Trailing Twelve Months
Valuation Date	December 31, 2025
WAP	Weighted Average Price

2. INTRODUCTION AND BRIEF HISTORY

2.1. Background of ABBIL:

i. ABB India Limited ("ABBIL") was incorporated on December 24, 1949, and is listed on BSE and NSE. The Company is a subsidiary of ABB Limited, a global leader in electrification and automation with operations in 100+ countries.

ii. The Company is focused on providing electrification and automation solutions to the utility, industry, transport, and infrastructure sectors. The Company offers a range of products and services, including power equipment, robotic systems, and control and digital solutions, to optimize industrial processes and create more sustainable, efficient, and resilient operations for its customers.

iii. There are four business segments of the company:

- Electrification
- Motion
- Process Automation
- Robotics and Discrete Automation

2.2. Scope

i. We have been appointed via the Engagement Letter dated September 25, 2025, to undertake fair valuation of Robotics Division of the Company for the purpose of Slump Transfer.

ii. Accordingly, this valuation report sets out the findings of the valuation exercise. For the purpose of this Report, we have considered the Valuation Date as December 31, 2025.

2.3. Shareholding of the Company:

The authorized, issued and subscribed share capital of ABBIL as on December 31, 2025, was as under:

Share Capital	Amount (Rs. in Millions)
Authorised:	
21,25,00,000-Equity Shares of Rs. 2 each	425.00
7,50,000-11% Redeemable cumulative preference shares of Rs. 100 each	75.00
Issued, Subscribed and fully paid up:	
21,19,08,375-Equity Shares of Rs. 2 each	423.80

The foregoing share capital was held as follows:

Name of Shareholder	Number of shares held	Percentage of shareholding
ABB Asea Brown Boveri Limited	15,89,31,281	75.00%
Public	5,29,77,094	25.00%
Total	**21,19,08,375**	**100.00%**

Source- Management

2.4. **Marketability:**

Shares of ABBIL are listed on BSE and NSE.

3. ANALYSIS OF REVENUE AND EBITDA OF RARO

3.1. Revenue and EBITDA of RARO in the following periods is as under:

Amount in Millions

Particulars	2020	2021	2022	2023	2024	2025
Revenue	1552.20	2552.52	2332.83	4160.50	4444.17	7070.00
EBITDA	63.00	206.80	298.39	536.60	605.64	804.00
EBITDA Margin	4.06%	8.10%	12.79%	12.90%	13.63%	11.37%

3.2. In CY 2020 revenue and EBITDA declined sharply due to covid, with revenue dropping to Rs. 1,552.20 million and EBITDA margins falling to 4.06%.

3.3. Orders that remained unfinished in FY 2020 were completed in CY 2021, resulting in higher revenue of Rs. 2552.52 million and an increase in EBITDA margins to 8.10% in FY 2021.

3.4. In CY 2023, revenue was high at Rs. 4,160 million due to large orders received from the automotive segment. Since this segment has lower margins, the EBITDA margin stayed stable at 13%.

3.5. We understand from the management that RARO has received some major orders from Tata Group, Hero motors, Hindalco and others because of which revenue has grown by approx. 69%.

4. DATA OBTAINED

4.1. We have called for such data, information, etc. as were necessary for the purpose of this assignment from the Management. We have been provided data by the Management and the Petitioners. **Appendix A** hereto broadly summarizes the data obtained and the date when it was received.

4.2. For the purpose of this assignment, we have relied on such data summarized in the said Appendix and other related information and explanations provided to us.

5. APPROACH TO VALUATION

5.1. It is universally recognized that valuation is not an exact science and that estimating values necessarily involves selecting a method or approach that is suitable for the purpose.

5.2. It may be noted that the Institute of Chartered Accountants of India (ICAI) on June 10, 2018 has issued the ICAI Valuation Standards ("IVS") effective for all the valuation reports issued on or after July 1, 2018. IVS are mandatory for the valuation done under the Companies Act, 2013, and recommendatory for valuation carried out under other statutes/ requirements. We have given due cognizance to the same in carrying out the valuation exercise.

5.3. For arriving at the valuation of RARO, we have considered the valuation base as 'Fair Value'. Our valuation, and this Report, are based on the premise of 'going concern'. Any change in the valuation base, or the premise could have significant impact on our valuation exercise, and therefore, this Report.

5.4. IVS 301 on Business Valuations deals with valuation of a business or business ownership interest (i.e. it includes valuation of equity shares).

5.5. IVS 301 specifies that generally, the following three approaches are used for valuation of business/business ownership interest:

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5.5.1. **Market Approach:**

Market Approach is a valuation approach that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities. The common methodologies under the Market Approach are as under:

5.5.1.1. **Market Price Method:**

This method involves determining the market price of an entity based on its traded price on the stock exchange over a reasonable period of time. As stated in para 2.4, the equity shares of ABBIL are listed on the BSE and NSE; however, the quoted market price reflects the value of the company as a whole, including all its divisions. RARO contributed revenue of only Rs. 706.48 crores, representing merely 3.77% of the company's total revenue of Rs. 18741.10 crores for TTM ended September 2025, which is a small proportion in the overall perspective. Considering this proportion, we are of the opinion that it will be incorrect to apportion market price of ABBIL to RARO. Hence, we have not used this method to determine the value of RARO.

5.5.1.2. **Comparable Companies Multiple Method:**

This method involves valuing the valuation subject based on market multiples of Comparable Companies. Under this method we have valued RARO based on market multiples of listed comparable companies in a similar sphere of operations. For this purpose, we have considered companies from India as well as global players, due to the limited presence of listed Indian companies of comparable scale in the robotics and automation sector.

We have considered the Enterprise Value to EBITDA Multiple ("EV/EBITDA Multiple") of Comparable Companies to derive the value. We have applied a size discount to account for higher turnover of Comparable Companies relative to our company. Additionally, Comparable Companies considered are foreign (Japanese), we have further adjusted the EV/EBITDA multiple upward to reflect the lower foreign multiples compared to the Indian markets.

Business Value computed under this approach is INR 15,670.70 million.

5.5.1.3. **Comparable Transaction Method ("CTM"):**

This method involves valuing an asset based on transaction multiples for Comparable assets. We have considered the EV/EBITA multiple and the EV/Turnover multiple based on the global acquisition of the entirety of ABB Ltd.'s ("ABB") Robotics Business by Softbank Group Corp ("SBG").

The EV/EBITA multiple is then applied to the Operating EBITA, and the EV/Turnover multiple is applied to Operating Turnover of RARO for TTM ended September 30, 2025, to arrive at the Business value of RARO under the respective methods as at the Valuation Date.

Accordingly, we have arrived at a Business Value of INR 14,431.32 million under EV/EBITA Method and INR 16,931.79 million under EV/Turnover Method.

5.5.2. **Income Approach:**

Income Approach is a valuation approach that converts maintainable or future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted or capitalised) amount. This is also known as the DCF Method.

For the purposes of arriving at a value under the DCF Method, we have relied on the projections and business plan provided by the Management. It may be noted that the projections are the responsibility of the Management. We have, therefore, not performed any audit or review of any prospective information used and therefore do not express any opinion in respect thereof.

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The Management has represented that the projections are built based on the growth seen in the business, the positions of orders in the pipeline, the historical performance, experience, International Federation of

Robotics [*IFR*] report on World Robotics 2025 - Industrial Robots dated September 25, 2025, and the expectation from the Indian market space for RARO.

We have computed the cash flows of RARO basis Projected operating EBITDA, tax out-flow, capital outlays and increase or decrease in working capital based on projections provided by the Management for future four financial years to end on December 31, 2030.

Perpetuity beyond the projected period is considered using H-Model in which we assumed the growth beyond the projected period to gradually decline over a period of 6 years to a stable growth which is assumed at 7% in perpetuity.

The Free Cash Flows and the terminal value are discounted by the Cost of Equity ("COE") to arrive at the present value of free cash flows as at the Valuation Date.

The aggregate of such present values of Free Cash Flows and the terminal value is the Enterprise Value of the Company as at the Valuation Date.

We have not considered any deduction towards contingent liabilities as Management does not expect any contingent liabilities to crystallize.

The resulting value is the value of the business attributable to the Equity shareholders which is computed at Rs. 16,867.08 million.

5.5.3. **Cost Approach:**

Cost Approach is a valuation approach that reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost).

IVS 301 on Business Valuations and IVS 103 on Valuation Approaches and Methods specify that common methodologies for the Cost Approach are the Replacement Cost Method and the Reproduction Cost Method. These methods involve determining the value of the asset based on the cost that would have to be incurred to recreate/replicate the asset with substantially the same utility as that of the asset under valuation.

As the business being valued would normally be assessed based on its profits, we have not considered the approach of valuing the business based on its asset base.

5.6. **Fair Value**

We have arrived at the fair value of RARO under the Comparable Companies Multiple Method, Comparable Transaction Multiple Method, and Discounted Cash Flow Method which is given below:

Particulars	***Business Value (Rs. in Million)***
Market Approach	
Comparable Companies Multiple Method	
Based on EV/EBITDA	15,670.70
Comparable Transaction Multiple Method	
Based on EV/EBITDA	14,431.32
Based on EV/Turnover	16,931.79
Income Approach	
DCF Method (FCFF)	16,867.08
Range of Values	14,431 – 16,932

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6. CONCLUSION

Based on the foregoing data, and on consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, in our opinion the fair value of RARO as at Valuation Date is in the range of **Rs. 14,431 million (Rupees Fourteen Thousand Four Hundred and Thirty One Million Only) (rounded off)** to **Rs. 16,932 million (Rupees Sixteen Thousand Nine Hundred and Thirty-Two Million Only) (rounded off).**

7. LIMITATIONS

7.1. This Report has been prepared for the purposes stated herein and should not be relied upon for any other purpose. Our client is the only authorized users of this report and use of the Report is restricted for the purpose indicated in our respective engagement letters. This restriction does not preclude the Clients from providing a copy of the Report to third-party advisors whose review would be consistent with the intended use. We do not take any responsibility for the unauthorized use of this Report.

7.2. Neither the Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the Proposed transaction, without our prior written consent. In addition, we express no opinion or recommendation as to how the shareholders/ creditors of either Company should vote at any shareholders'/ creditors' meeting(s) to be held in connection with the Proposed Transaction. Our report and the opinion/ valuation analysis contained herein is not and nor should it be construed as advice relating to investing in, purchasing, selling, or otherwise dealing in securities or as providing management services or carrying out management functions. It may be noted that this analysis does not represent a fairness opinion.

7.3. While our work has involved an analysis of financial information and accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards of the Client's existing business records. Accordingly, we express no audit opinion or any other form of assurance on this information.

7.4. The Client and its Management/representatives represented to us that the information they supplied was complete, accurate and true and correct to the best of their knowledge. We have relied upon the representations of the Client, their Managements and other third parties, if any, concerning the financial data, operational data and other information, except as specifically stated to the contrary in the Report. We shall not be liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or willful default on part of the Company, their directors, employee or agents.

7.5. Management has represented that the business activities of RARO has been carried out in the normal and ordinary course between 30 September 2025 and the Report date and that no material adverse change has occurred in their respective operations and financial position between 30 September 2025 and the Report date.

7.6. Any person/ party intending to provide finance/ invest in the shares/ businesses of the companies/ their holding companies/ subsidiaries/ joint ventures/ associates/ investee/ group companies, if any, shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. If any person/ party (other than the Client) chooses to place reliance upon any matters included in the Report, they shall do so at their own risk and without recourse to us. It is understood that this analysis does not represent a fairness opinion.

7.7. This Report is subject to the limitations detailed in our engagement letter. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.

7.8. Information used by the Valuer in preparing this Report has been obtained from a variety of sources as indicated within the Report. We have based our analysis on the financial and other data provided by the Management, discussions with the Management and, supplemented by limited industry analysis (based on information available publicly) and financial analysis. We have also used available market data, from our respective subscribed databases and public domain, where appropriate, for which we are not responsible in terms of content and accuracy. However, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and/or reproduced in its proper form and context.

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7.9. The Report assumes that the Company complies fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Company will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited/unaudited balance sheet of the Companies. No investigation of the Companies' claims to title of assets has been made for the purpose of this Report and the Companies claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. We have not carried out any physical verification of the assets and liabilities of the Company and take no responsibility for the identification of such assets and liabilities.

7.10. This Report does not look into the business/ commercial reasons behind Proposed Transaction nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Proposed Transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

7.11. We must emphasize that the projections have been prepared by the Managements of the Company and provided to us for the purpose of our analysis The fact that we have considered the projections in this exercise should not be construed or taken as our being associated with or a party to such projections. Realizations of free cash flow forecast used in the analysis will be dependent on the continuing validity of assumptions on which they are based. Our analysis, therefore, will not, and cannot be directed to provide any assurance about the achievability of the projected financial information. Since the projections relate to future, actual results are likely to be different from the projected results because events and circumstances do not occur as expected, and the differences may be material. We express no opinion as to how closely the actual results will correspond to those projected/ forecast as the achievement of the forecast results is dependent on actions, plans and assumptions of the Management.

7.12. An analysis of this nature is necessarily based on the prevailing stock market, financial, economic, industry and other conditions in general and the information made available to us as of, date hereof. Events occurring after the date hereof may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.

7.13. By its very nature, the Valuation of RARO cannot be regarded as an exact science and the conclusions arrived at in many cases will of necessity be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single valuation. While we consider our valuation of RARO to be both reasonable and defensible based on the information available to us, others may have a different opinion as to the Valuation of RARO.

7.14. We are independent of the Company and have no current or expected interest in the Company or its assets. The fee for the engagement is not contingent upon the results reported.

7.15. Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us.

7.16. Any discrepancies in any table/ annexure between the total and the sums of the amounts listed are due to rounding off.

7.17. Our analysis and result are governed by concept of materiality.

7.18. This Report is subject to the laws of India.

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Registered Valuer: Securities or Financial Asset
Registration Number: IBBI/RV–E/06/2022/172

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DRDesai

Drushti R. Desai
Partner
IBBI Registration Number: IBBI/RV/06/2019/10666
UDIN: 26102062QDUJXJ9771

Place: Mumbai
Date: January 26, 2026

APPENDIX A: BROAD SUMMARY OF DATA OBTAINED

<u>We have relied on the following information available from the Management:</u>

1. Business Profile of ABBIL and RARO.
2. Provisional Financial Statement of RARO from December 31, 2018 to December 31, 2025.
3. Projected Profit and Loss Account and Balance Sheet of RARO for years to end as on December 31, 2026, to December 31, 2030.
4. Segmental Report of ABBIL for the period ended September 30, 2025 and September 30, 2024.
5. Assumptions for the Projected Cash flows referred to above.

<u>From publicly available sources:</u>

1. ACE TP database to establish comparability
2. Websites of BSE, NSE and Comparable Companies
3. ABB Robotics Global Transaction Information
4 World PE Ratio
5. International Federation of Robotics [IFR] report on World Robotics 2025 - Industrial Robots dated September 25, 2025.

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APPENDIX B: VALUE UNDER MARKET APPROACH:

A) COMPARABLE COMPANIES MULTIPLE METHOD – EV/EBITDA Multiple

ABB RARO

Valuation Date: 31/12/2025

Based on Financial Statements for the TTM ended Sept 30, 2025

Market Approach - based on EBITDA

CCM - EV/EBITDA Approach

TTM Ended September 30,2025

Particulars	Rs. in Millions
Operating EBITDA	650.04
Multiply By:	
EV/EBITDA Multiple	24.11
Enterprise Value	**15,670.70**
Less: Borrowings as at Valuation Date	-
Add: Cash and Bank Balance	-
Add: Surplus Assets as at Valuation Date	-
Less: Contingent Liabilities likely to crystallize, if any	-
Adjusted Business Value as at Valuation Date	**15,670.70**

B) COMPARABLE TRANSACTION MULTIPLE METHOD – EV/EBITA Multiple

ABB RARO

Valuation Date: 31/12/2025

Based on Financial Statements for the TTM ended Sept 30, 2025

Market Approach - based on EBITA

CTM - EV/EBITA Approach

TTM Ended September 30,2025

Particulars	Rs. in Millions
Operating EBITA	642.73
Multiply By:	
EV/EBITA Multiple	22.45
Enterprise Value	**14,431.32**
Less: Borrowings as at Valuation Date	-
Add: Cash and Bank Balance	-
Add: Surplus Assets as at Valuation Date	-
Less: Contingent Liabilities likely to crystallize, if	-
Adjusted Business Value as at Valuation Date	**14,431.32**

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C) COMPARABLE TRANSACTION MULTIPLE METHOD – EV/Turnover Multiple

ABB RARO

Valuation Date: 31/12/2025

Based on Financial Statements for the TTM ended Sept 30, 2025

Market Approach - based on EBITDA

CTM - EV/Turnover Approach

TTM Ended September 30,2025

Particulars	Rs. in Millions
Operating Turnover	7,064.83
Multiply By:	
EV/Turnover Multiple	2.40
Enterprise Value	**16,931.79**
Less: Borrowings as at Valuation Date	-
Add: Cash and Bank Balance	-
Add: Surplus Assets as at Valuation Date	-
Less: Contingent Liabilities likely to crystallize, if any	-
Adjusted Business Value as at Valuation Date	**16,931.79**

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APPENDIX C: VALUE UNDER INCOME APPROACH

- **DCF Statement**

ABB RARO

Valuation Date: 31/12/2025

DCF Approach (Free Cash Flow to Firm)

Rs. In Million

PARTICULARS		for the year to end December 31,				
		2026	2027	2028	2029	2030
Revenue		8,253	8,176	8,375	9,243	10,196
y-o-y growth			-1%	2%	10%	10%
(A) Cash Inflows						
Adjusted EBIDTA		914	952	1,042	1,220	1,424.02
y-o-y growth			4%	*10%*	*17%*	*17%*
EBITDA Margin		*11%*	*12%*	*12%*	*13%*	*14%*
Total (A)		914	952	1,042	1,220	1,424
(B) Cash Outflows						
Purchase / (Sale) of Fixed Assets		15	15	15	15	15
Increase / (Decrease) in Net Current Assets		-89	-7	-20	-61	-43
Income Tax		228	237	260	305	356
Total (B)		154	246	255	258	328
(C) Free Cash Flow		760	706	787	962	1,096
y-o-y growth			-7.18%	11.55%	22.19%	13.95%
WACC for Perpetuity	13.29%					
Perpetuity Value	7.00%					24,439
(D) Free Cash Flow including perpetuity		760	706	787	962	25,536
WACC		*13.61%*	*13.61%*	*13.61%*	*13.61%*	*13.61%*
(E) Mid-year Discounting Factor		0.94	0.83	0.73	0.64	0.56
(F) Discounted Free Cash Flow		713	583	572	616	14,383
Enterprise Value		**16,867**				
Less: Debt as at Valuation Date		-				
Less: Contingent Liability, likely to crystallise as at Valuation Dat		-				
Business Value as at Valuation Date		**16,867**				
Add: Cash and Bank Balance		-				
Add: Surplus Assets as at Valuation Date		-				
Adjusted Business Value as at Valuation Date		**16,867**				

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