



JULY 24, 2020

# Purpose-driven, profit-focused resilient performance

ABB India – Analyst Call

Q2, 2020



---

# Important notices

This presentation includes forward-looking information and statements including statements concerning the outlook for our businesses. These statements are based on current expectations, estimates and projections about the factors that may affect our future performance, including global economic conditions, and the economic conditions of the regions and industries that are major markets for ABB India Ltd. These expectations, estimates and projections are generally identifiable by statements containing words such as “expects,” “believes,” “estimates,” “targets,” “plans,” “outlook,” “on track,” “framework” or similar expressions.

There are numerous risks and uncertainties, many of which are beyond our control, that could cause our actual results to differ materially from the forward-looking information and statements made in this presentation and which could affect our ability to achieve any or all of our stated targets. The important factors that could cause such differences include, among others:

- business risks associated with the volatile global economic environment and political conditions
- costs associated with compliance activities
- market acceptance of new products and services
- changes in governmental regulations and currency exchange rates, and
- such other factors as may be discussed from time to time in ABB India Ltd’s filings with the Securities and Exchange Board of India (SEBI), including its Annual Report
- Impact of ongoing pandemic

Although ABB India Ltd believes that its expectations reflected in any such forward-looking statement are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved.

Further, Information shared herein inter-alia contains some key financials pertaining to ABB India. ABB India being a listed entity is obliged by law not to share the said information to any one (other than those who are involved in the process and who are bound by Insider Trading Regulation) unless and until the financials are considered and approved by ABB India Board and thereafter announced to stock exchanges as per the listing obligations entrusted upon ABB India. Therefore, privy to this presentation should kindly ensure strict confidentiality of the information shared and discussed herein.

---

# Agenda

Business highlights

Financial Highlights



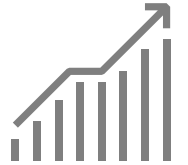


# Navigating through COVID-19

Focus areas in current scenario



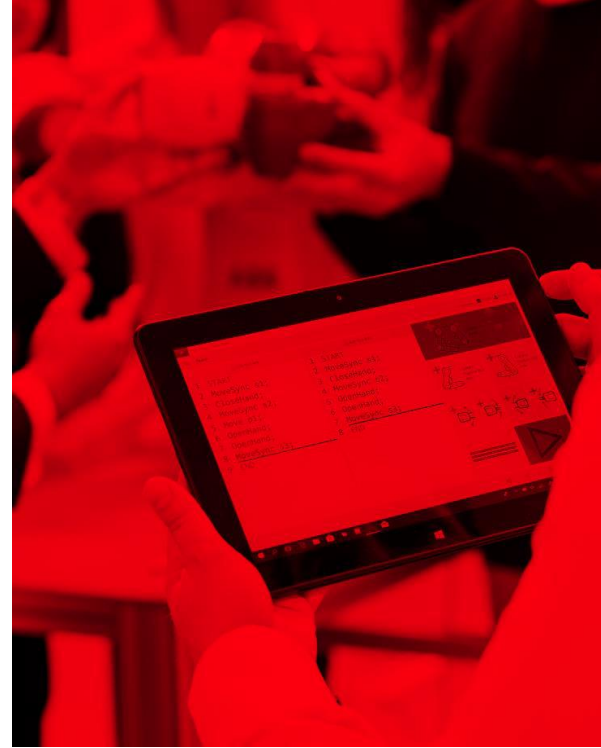
**Prioritizing Health and Safety**



**Sustaining Business Continuity**



**Efficient Cash and Cost management**



# 'New normal' live in action



## MHA Process Compliant

Physical distancing  
measures



24-hour sanitization of  
factory premises

All lockout and tagout  
procedures in place





## Getting closer to customers..

**Virtual  
tools and  
remote  
technology**

**Special  
packages  
and free  
digital  
services**

**Segment & cross  
business  
co-discovery  
workshops**

**Business  
continuity  
with ABB  
technology**





# Q22020 highlights

**MoU with Titagarh Wagons**



**SCADA orders from energy major**



**33Kv GIS panel for Kolkata metro**



**Completion of excitation system  
for Nepal biggest hydro plant**



**First commissioning of CMS 700  
for data center**



**Doubly fed induction generator  
for wind major**

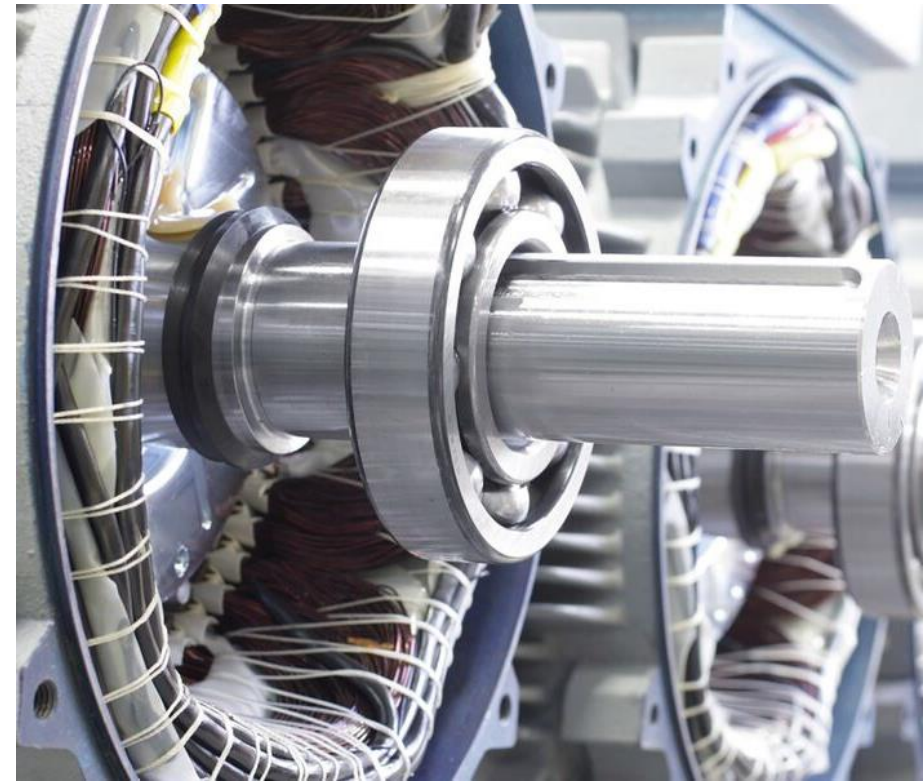




## Q2 2020 results

Performance impacted by country wide lockdown

- 1 Overall business performance impacted due to lock-down from last week of March to Mid May
- 2 Order book impacted as COVID-19 uncertainties persist
- 3 Opportunities towards plant upkeep, reliability and optimization gradually opening up
- 4 Early adoption of proactive cash optimization and cost cutting measures enabled balanced profitability





# Business overview

## Electrification



- Virtual Factory Acceptance Test (FAT) conducted during lockdown to support commissioning at various customer places
- Focus areas to include buildings (incl. airports), data centres, metros, water, automotive etc
- Growing partner ecosystem, Metro EPC's, Data Centers Developers and System Integrators working in Digital, F&B , Health care

## Motion



- Ensuring business continuity in critical applications with 24x7 remote monitoring and service support
- Focus on transportation, digitalization and service
- Large proportion of business is from low to moderately impacted end markets

## Industrial Automation



- Challenges in the large upstream projects due to the fluctuations in the global crude oil prices
- 1000+ virtual visits by FES teams recorded in SFDC by IAMA India team, Highest in SAS Hub
- Positive commentary from Government stimulus projects like PMUJ and clean fuel to help drive growth

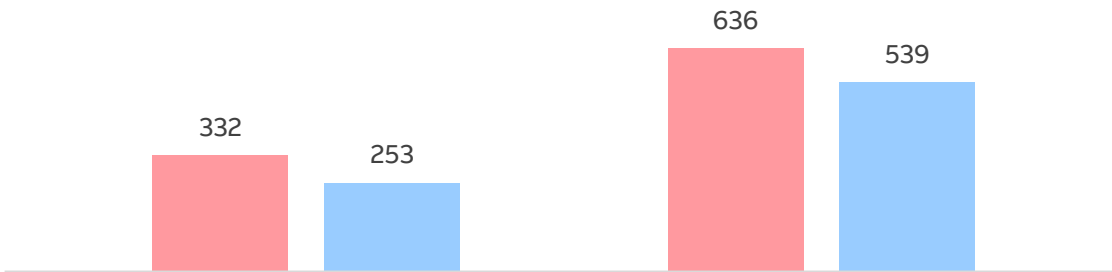
## Robotics & Discrete Automation



- F&B and Electronics customers continue to invest
- Focus area includes Automotive OEMs, Auto Tier-1, Gen Industry, F&B , Electronics & Logistics
- Automation to be a focus areas for MSME who also have access to liquidity measures from the Government

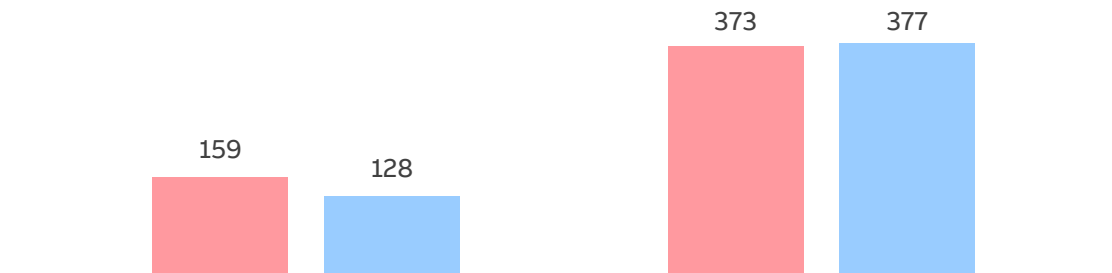
# Service and export portfolio

Enhancing growth by expanding into external markets and leveraging our strong installed base



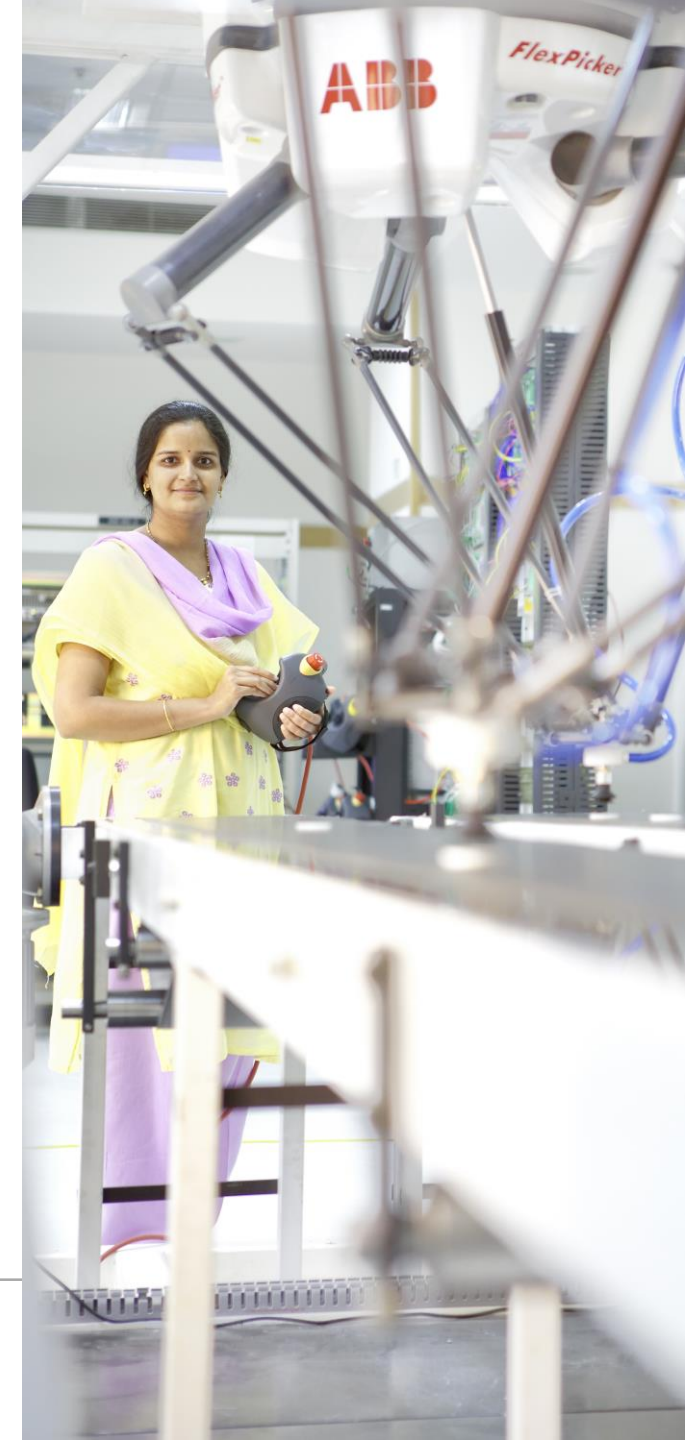
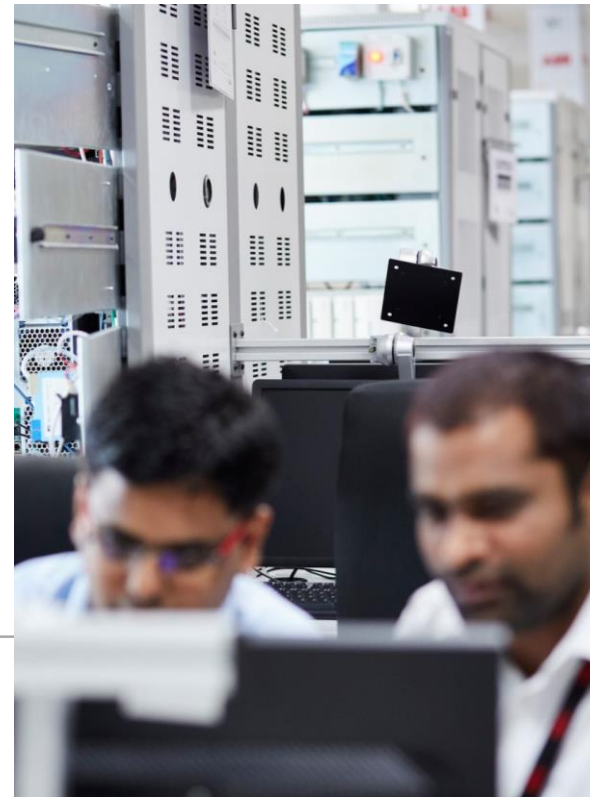
Services Orders

■ Q2 19 ■ Q2 20 ■ YTD 2019 ■ YTD 2020



Exports Orders

■ Q2 19 ■ Q2 2020 ■ YTD 2019 ■ YTD 2020

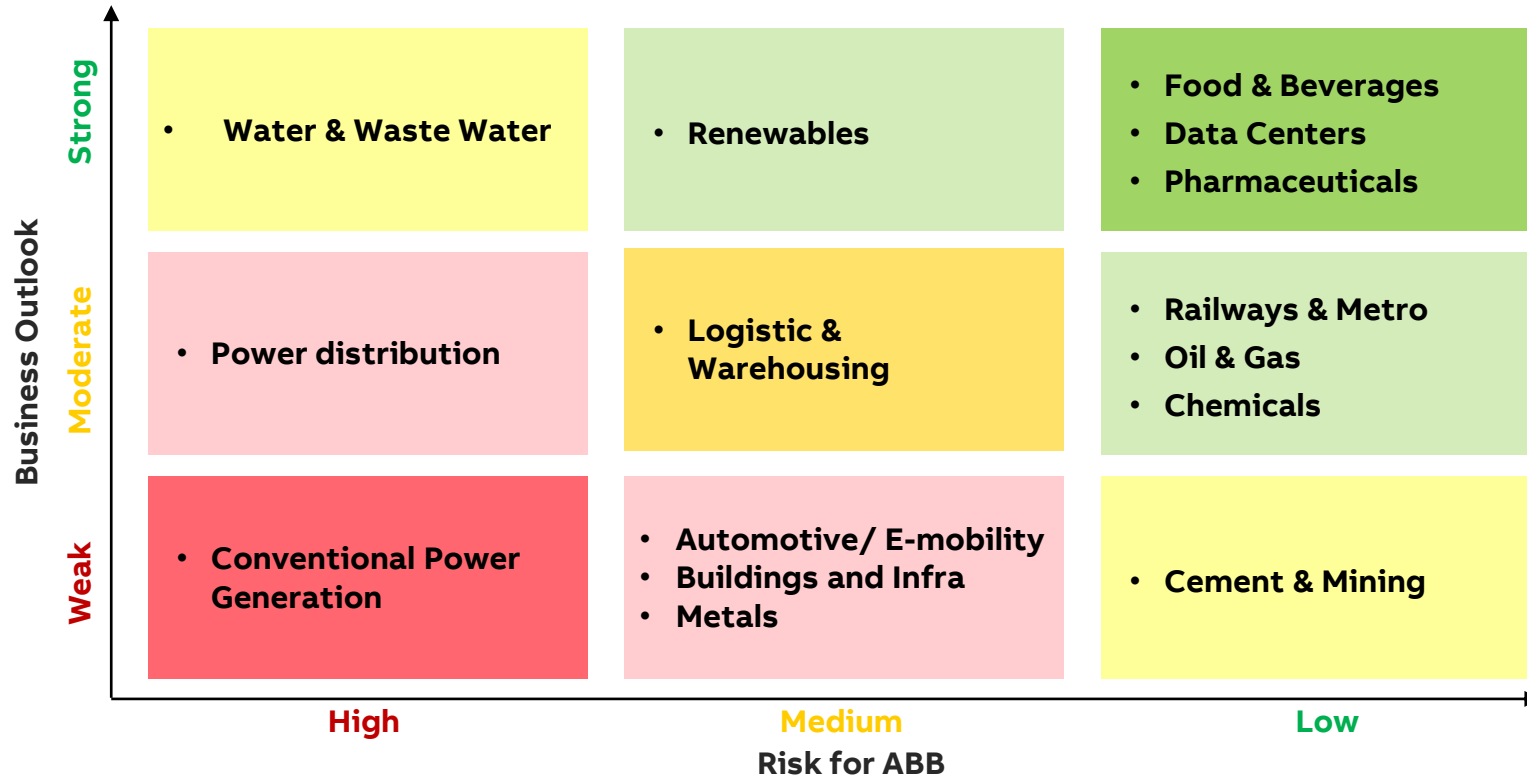




# Business Outlook post COVID-19

Riding through the crisis by focusing on the right segments – need to remain agile in uncertain times

## Segment Outlook



## Secure path to recovery

1

- #1 priority, Health & Safety
- Ramp up capacity utilization by year end
- Regular training and engagement for employees

## Cost Saving implementation

2

- Reduction in Personnel expense
- Reduction in discretionary spend

## Cash

3

- Strong cash balance by year end
- Recover overdues from large accounts

---

# Agenda

Business highlights

Financial highlights





# ABB India Ltd Financial Performance

## Lockdown impacts performance

←-----Q2 and H1 Performance-----→

INR Crores

Q1, 2020	Performance Indicator	Q2, 2020	Q2, 2019	Change	H1, 2020	H1,2019	Change
1,935	Base Orders Received	1,200	1,873	-36%	3,135	3,653	-14%
18	Large Orders Received	-	116		18	116	
<b>1,953</b>	<b>Total Orders Received</b>	<b>1,200</b>	<b>1,989</b>	<b>-40%</b>	<b>3,153</b>	<b>3,769</b>	<b>-16%</b>
4,444	Order Backlog (end of period)	4,671	4,656		4,671	4,656	
1,522	Revenue	986	1,726	-43%	2,508	3,576	-30%
30	Profit Before Exceptional and Tax (PBT)	21	113	-81%	51	251	-80%
2.0	PBT before Exceptional %	2.2	6.5		2.0	7.0	
57	Exceptional item	2	-		59	-	
87	Profit After Exceptional and Before Tax(PBT)	23	113	-79%	110	251	-56%
5.7	PBT after Exceptional %	2.4	6.5		4.4	7.0	
66	Profit After Tax (PAT)	17	70	-76%	83	159	-48%
4.3	PAT %	1.7	4.0		3.3	4.4	
43	Operational EBITA	(21)	134	-128%	22	258	-98%
2.8	Operational EBITA%	(2.1)	7.8		0.9	7.2	
1,464	Cash balance				1,498	1,315	

# Performance Summary by Segment – Q2/20 vs. Q2/19

INR Crores

In Crores	Orders				Order backlog	
	Q2/20	Change	H1/20	Change	Q2/20	Change
Electrification	504	-40%	1,228	-25%	1,423	+1%
Industrial Automation	309	-35%	644	-18%	1,412	+2%
Motion	381	-39%	1,225	-3%	1,706	+5%
Robotics	20	-73%	67	-57%	137	-10%
Total (w/o PG and net of internals)	1,200	-40%	3,153	-16%	4,671	Flat



# Q2 2020 financial summary

INR Crores

	Quarter ended on 30.06.2020		Quarter ended on 31.3.2020		Quarter ended on 30.06.2019		Half year ended 30.06.2020		Half year ended 30.06.2019		Year ended 31.12.2019	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<b>INCOME</b>												
Revenue from Operations	985.8	100.0	1,522.2	100.0	1,725.8	100.0	2,508.0	100.0	3,576.0	100.0	7,315.1	100.0
Other Income	26.6	2.7	45.8	3.0	20.4	1.2	72.4	2.9	39.5	1.1	94.3	1.3
<b>Total Income</b>	<b>1,012.4</b>	<b>102.7</b>	<b>1,568.0</b>	<b>103.0</b>	<b>1,746.1</b>	<b>101.2</b>	<b>2,580.4</b>	<b>102.9</b>	<b>3,615.5</b>	<b>100.8</b>	<b>7,409.4</b>	<b>101.1</b>
<b>EXPENDITURE</b>												
Material cost	641.9	65.1	992.7	65.2	1,124.6	65.2	1,634.7	65.2	2,391.2	66.7	4,861.1	66.3
Personnel Expenses	120.2	12.2	163.3	10.7	136.1	7.9	283.5	11.3	293.6	8.2	579.6	7.9
Other Expenses	200.2	20.3	351.7	23.1	341.2	19.8	551.9	22.0	621.8	17.3	1,343.2	18.3
Depreciation	24.9	2.5	27.1	1.8	22.0	1.3	52.0	2.1	45.3	1.3	90.4	1.2
Interest	3.8	0.4	3.4	0.2	9.6	0.6	7.1	0.3	12.2	0.3	21.4	0.3
<b>Total Expenditure</b>	<b>991.0</b>	<b>100.5</b>	<b>1,538.2</b>	<b>101.0</b>	<b>1,633.5</b>	<b>94.7</b>	<b>2,529.2</b>	<b>100.8</b>	<b>3,364.2</b>	<b>93.8</b>	<b>6,895.7</b>	<b>94.1</b>
<b>Profit before Tax and exceptional</b>	<b>21.4</b>	<b>2.2</b>	<b>29.8</b>	<b>2.0</b>	<b>112.7</b>	<b>6.5</b>	<b>51.2</b>	<b>2.0</b>	<b>251.3</b>	<b>7.0</b>	<b>513.7</b>	<b>7.0</b>
<b>Exceptional item</b>	<b>2.0</b>	<b>-</b>	<b>56.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>58.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>69.7</b>	<b>-</b>
<b>Profit before Tax and after exceptional</b>	<b>23.4</b>	<b>2.4</b>	<b>86.6</b>	<b>5.7</b>	<b>112.7</b>	<b>6.5</b>	<b>110.02</b>	<b>4.4</b>	<b>251.3</b>	<b>7.0</b>	<b>444.0</b>	<b>6.1</b>
Current tax	8.7	-	24.9	1.6	32.4	1.9	33.5	-	82.2	2.3	130.3	1.8
Deferred Tax	(2.0)	-	(4.2)	(0.3)	10.5	0.6	(6.3)	-	10.4	0.3	11.5	0.2
<b>Profit after tax</b>	<b>16.7</b>	<b>1.7</b>	<b>66.0</b>	<b>4.3</b>	<b>69.7</b>	<b>4.0</b>	<b>82.8</b>	<b>3.3</b>	<b>158.7</b>	<b>4.4</b>	<b>302.2</b>	<b>4.1</b>
<b>ETR %</b>	<b>28%</b>		<b>24%</b>		<b>38%</b>		<b>25%</b>		<b>37%</b>		<b>32%</b>	

# Cost mitigation efforts continue

Re-sizing for current and anticipated trading environment



**Savings measures include:**

Elimination of discretionary spend, e.g. tradeshow, consumables

Cut in external resources, e.g. consultants

Postponement of non-critical investments

Optimization of Personnel expenses

**Well prepared for continued challenges**





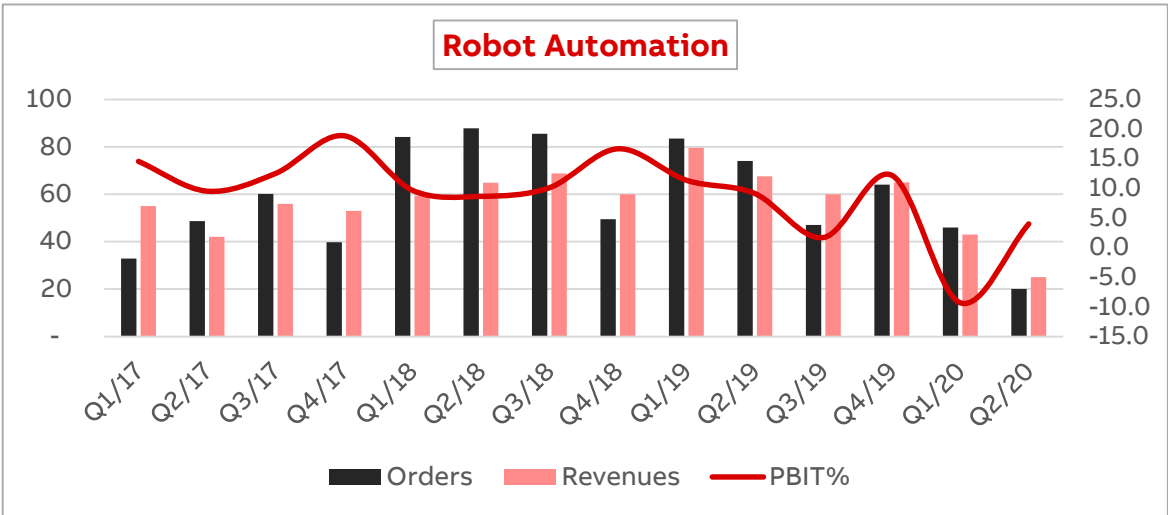
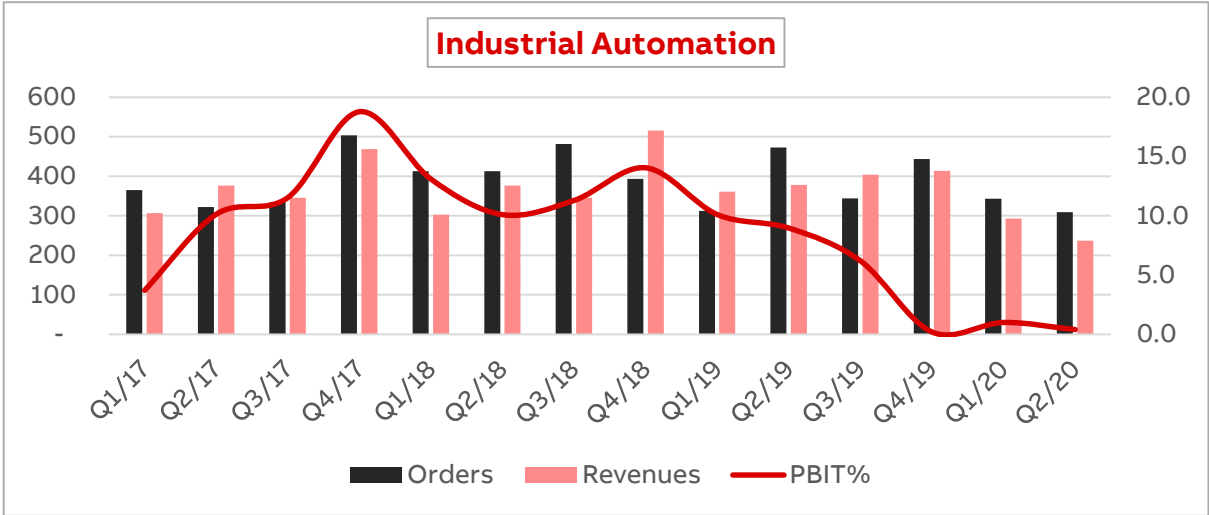
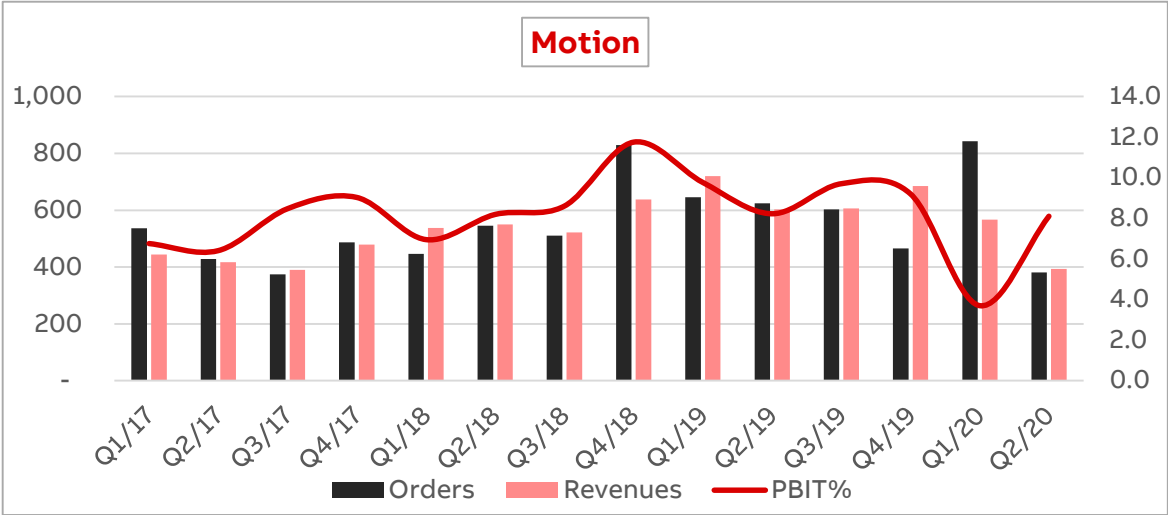
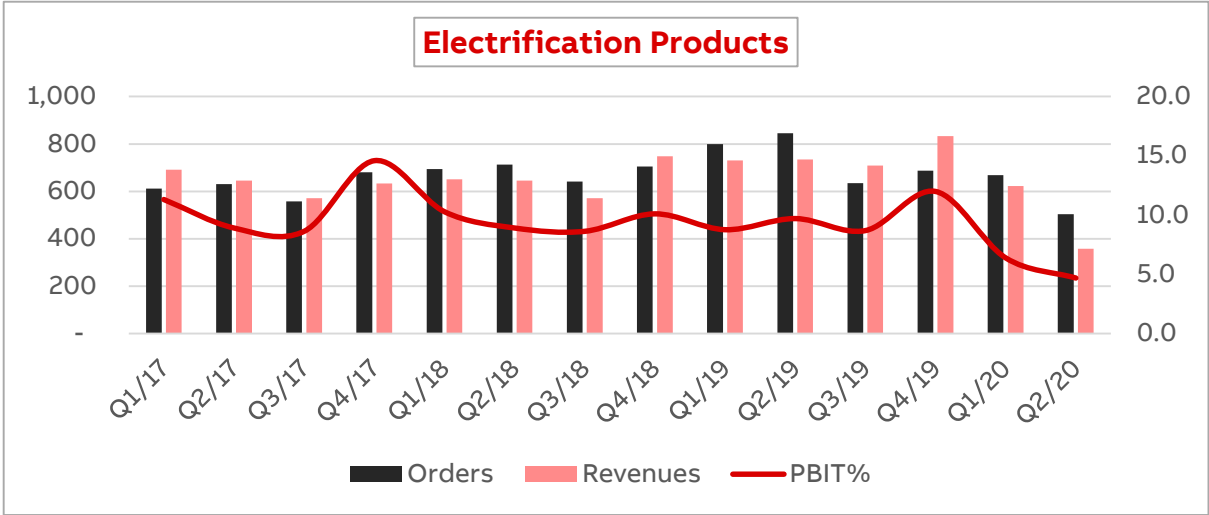
# PBT Bridge Q2/20 vs Q2/19

Profit Waterfall – Savings in expenses help mitigate impact caused by volume shortfall

INR Crores

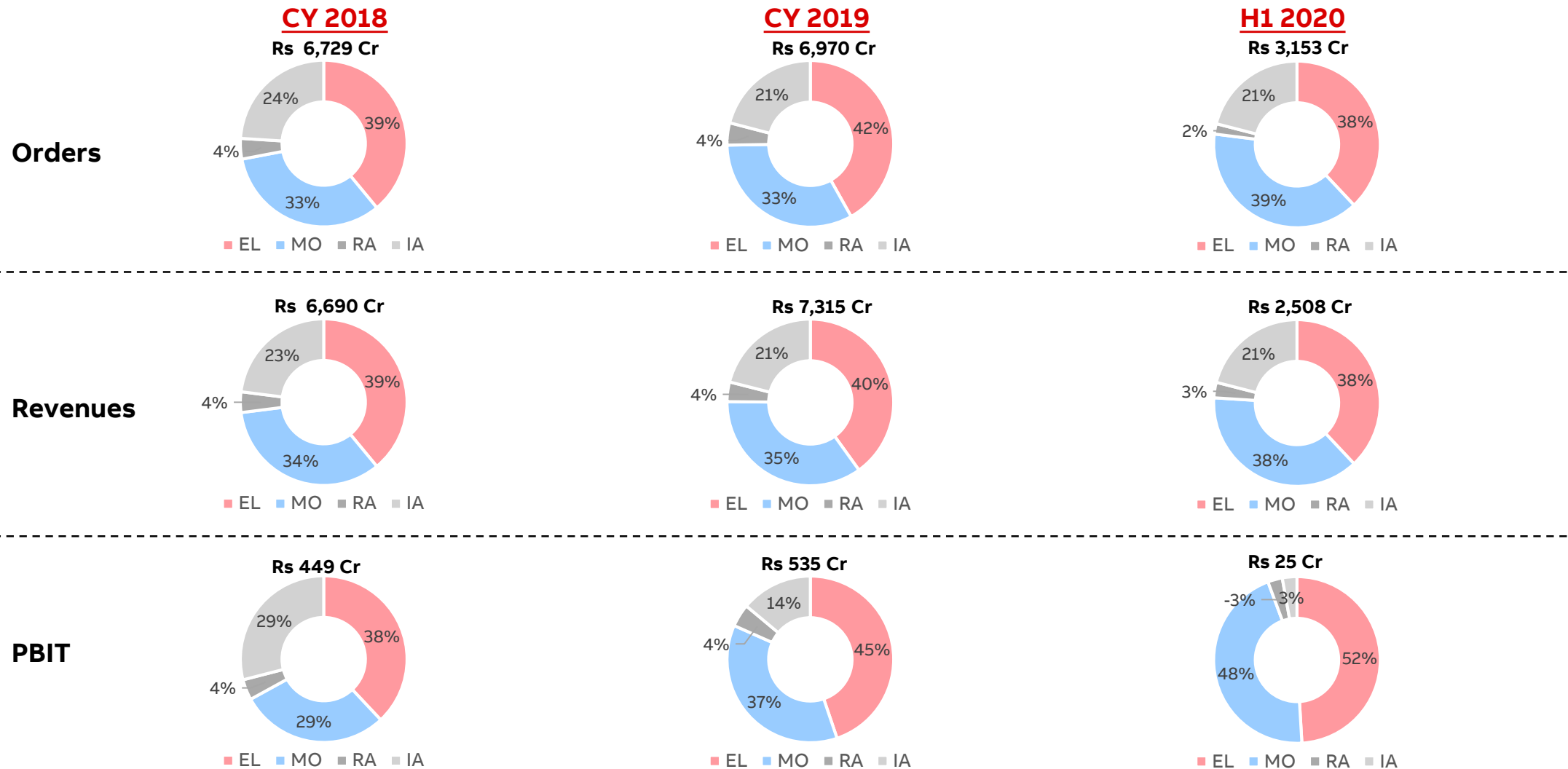


# Quarterly Trend



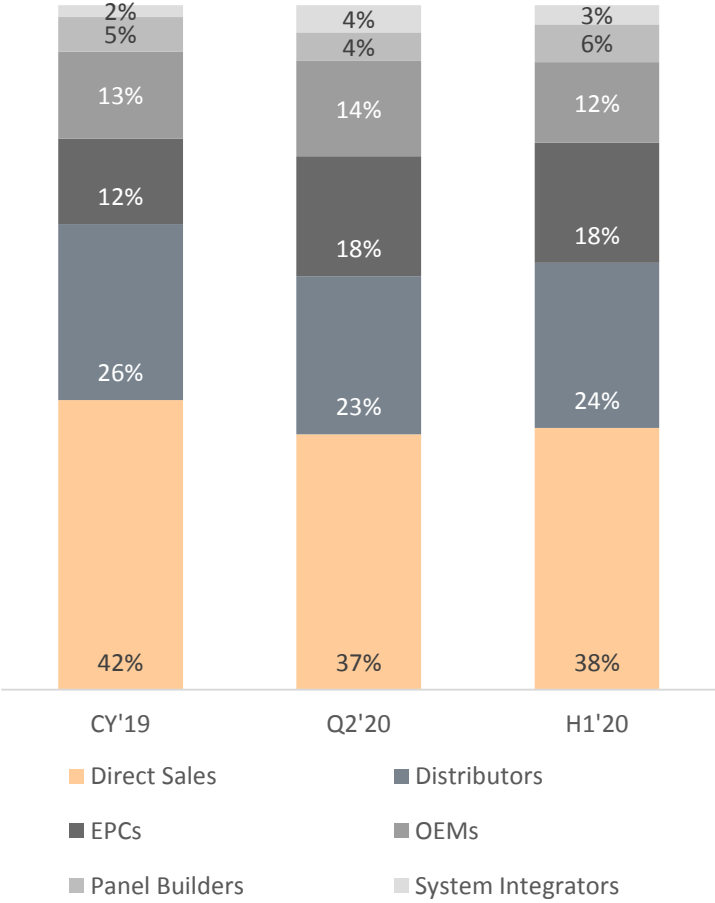


# Share of total orders, revenues & PBIT by division

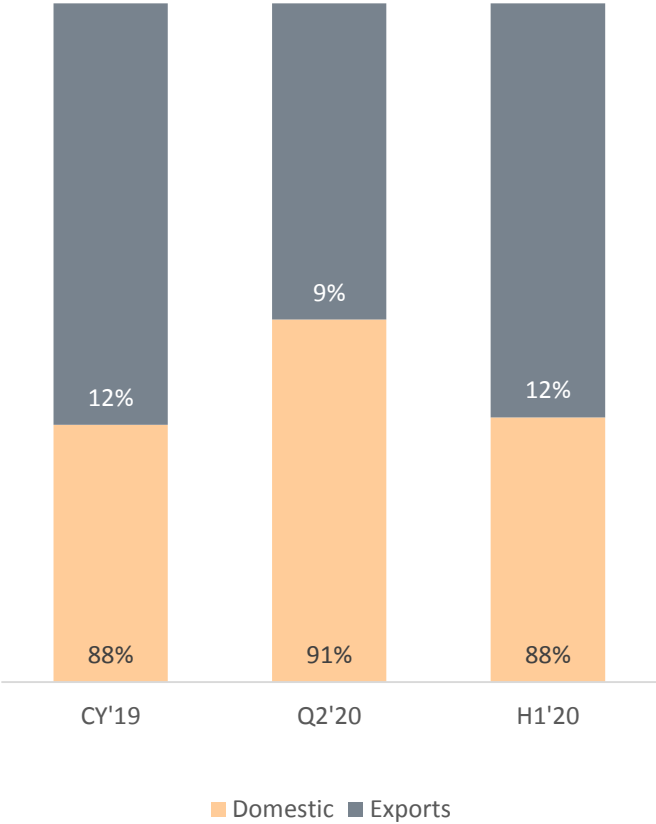


# Well diversified business model to allow ABB to emerge stronger

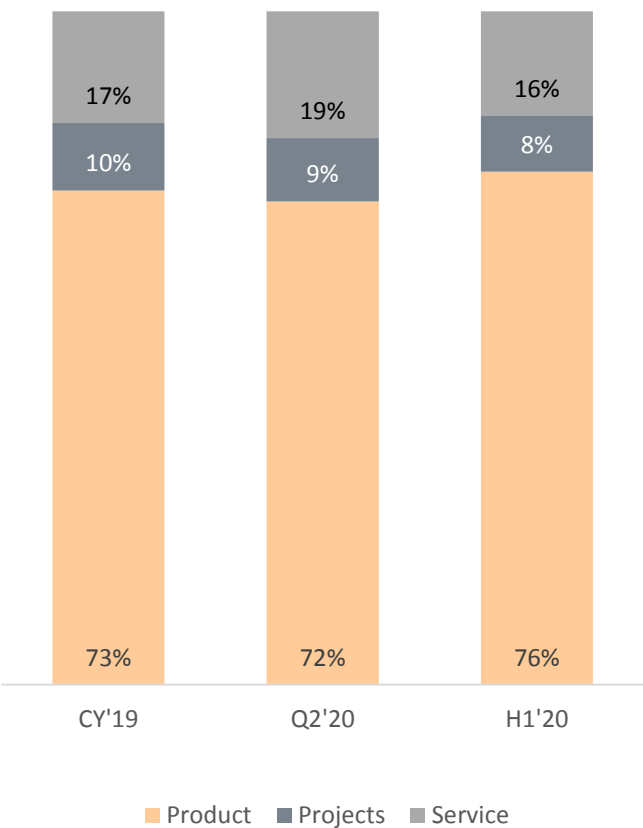
Channels



Geography



Offering





# Writing the future: together

