



JULY 29, 2021

Strong performance in a recovery quarter

ABB India Ltd

Analyst Call

Q2 2021

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



Q2 2021 highlights

Operational highlights



Significant increase in orders and revenues Y-o-Y with double digit growth across all business units



Improved profitability Y-o-Y, margin growth supported by demand and cost optimization



Strong H1 cash generation

Priority areas



Health and Safety, agility to adapt to changing scenarios



Maintain **operational efficiencies** and **customer connect** thereby continue business momentum



Focus on **10 step ESG plan**



COVID focus areas

Enable business continuity while ensuring employee safety



Vaccination



Restarting Operations



Refurbish OHCs



Preparing – 3rd Wave



Demand driven by strong short cycle



Short-cycle

Growth driven across most businesses



Market segments

Focus on channels & segments aid price realization



Systems and service

Orders make a come-back this quarter



Process industries and optimization

Energy efficiency, management and stabilization solutions led growth

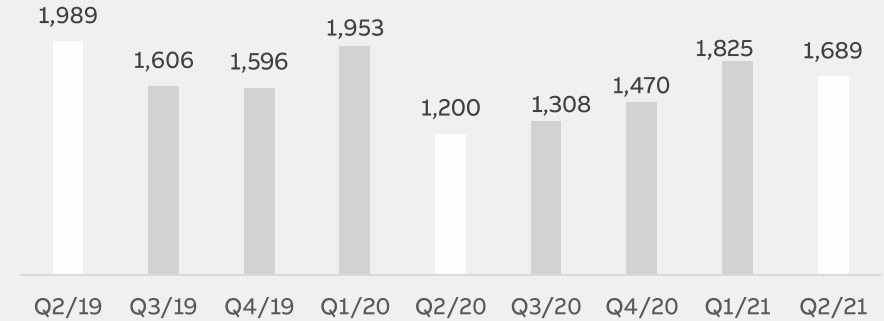


Discrete

Broad-based order growth supported with automotive green-shoots

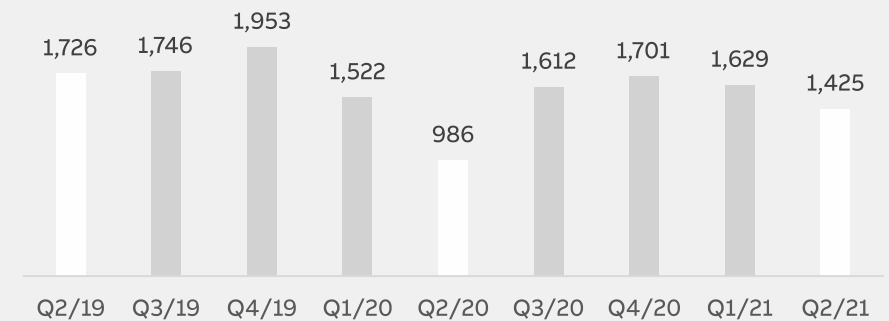
Orders +41%¹

INR crores



Revenues +45%¹

INR crores



Proactive measures lead to order wins in high growth areas

Datacenters

GIS substation, E-house, switchgears, and low voltage equipment;
RMU and MV switchgears in Noida and Navi Mumbai



Power distribution

Power equipment project for a railway tunnel project in J&K
GIS package for a north India corridor of the Regional Rapid Transit System



Renewable energy

SCADA and RTU for CGD network for diversified energy major in 7 states
Doubly fed induction generators
AC wall box charger for Audi etron



Food and beverage

End of line palletization solution for a F&B packaging machinery major,
global FMCG conglomerate & depalletization for F&B specialized
storage & logistics company



ABB India's commitment to a greener future

Driving sustainability to the last mile

ABB Group

CLIMATE GROUP

EV100

ABB commits to **electrifying its fleet** of more than 10,000 vehicles by 2030

RE100

CLIMATE GROUP | CDP

ABB commits to sourcing **100 percent renewable electricity** by 2030

CLIMATE GROUP

EP100

ABB commits to establishing **energy efficiency targets** and continue deploying **energy management systems** at the company's sites



ABB India

10 POINT ESG FRAMEWORK

Following indicators to be used for benchmarking across ABB India:

1. **Green Infrastructure**
2. **Energy Efficiency Improvement**
3. **Renewable Energy**
4. **GHG Emission Reduction**
5. **Water Conservation**
6. **Material Conservation**
7. **Waste Management & Circularity**
8. **Green Supply Chain & Customer**
9. **Product Stewardship & Life cycle analysis**
10. **Innovation & Biodiversity**

Agenda

Business highlights

Financial highlights



Financial Performance

Strong performance in a recovery quarter

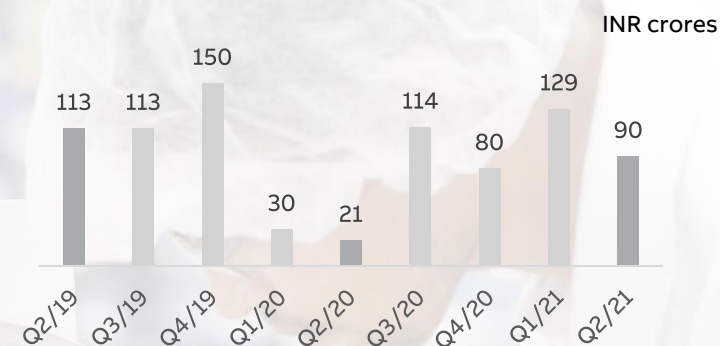
INR crores

Q1 2021	Performance Indicator	Q2 2021	Q2 2020	Change Vs Q2 20	H1 2021	H1 2020	Change Vs H1 20	Full Year 2020
1,825	Base Orders Received	1,689	1,200	+41%	3,514	3,135	+12%	5,914
-	Large Orders Received	-	-			18		18
1,825	Total Orders Received	1,689	1,200	+41%	3,514	3,153	+11%	5,932
4,328	Order Backlog (end of period)	4,583	4,671		4,583	4,671		4,114
1,629	Revenue	1,425	986	+45%	3,054	2,508	+22%	5,821
129	Profit Before Exceptional and Tax (PBT)	90	21	+320%	219	51	+328%	338
7.9	PBT before Exceptional %	6.3	2.2		7.2	2.0		5.8
75	Exceptional item	-	2		75	59		(34)
204	Profit After Exceptional and Before Tax(PBT)	90	23	+284%	294	110	+167%	304
12.5	PBT after Exceptional %	6.3	2.4		9.6	4.4		5.2
151	Profit After Tax (PAT)	68	17	+308%	219	83	+165%	230
9.2	PAT %	4.8	1.7		7.2	3.3		4.0
111	Operational EBITA	88	(21)		200	22	+782%	293
6.8	Operational EBITA%	6.2	(2.1)		6.5	0.9		5.0
2,528	Cash balance				2,364	1,498		2,207

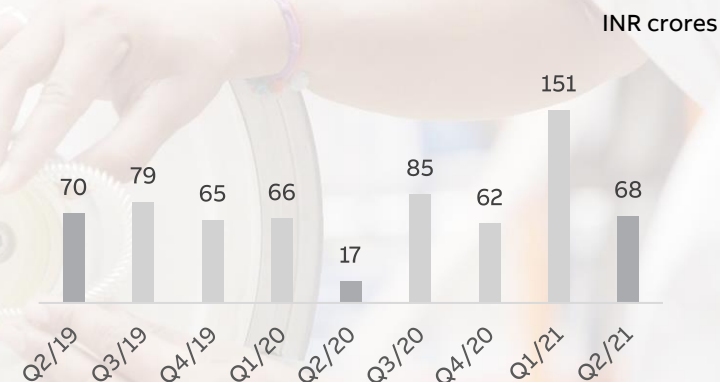
Q2 CY21 financial summary

	Quarter ended on 30.06.2021		Quarter ended on 31.03.2021		Quarter ended on 30.06.2020		Half year ended 30.06.2021		Half year ended 30.06.2020		Year ended 31.12.2020	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
INCOME												
Revenue from Operations	1,425.0	100.0	1,629.2	100.0	985.8	100.0	3,054.1	100.0	2,508.0	100.0	5,821.0	100.0
Other Income	25.2	1.8	25.3	1.6	26.6	2.7	50.5	1.7	72.4	2.9	106.9	1.8
Total Income	1,450.2	101.8	1,654.4	101.6	1,012.4	102.7	3,104.6	101.7	2,580.4	102.9	5,927.8	101.8
EXPENDITURE												
Material cost	946.0	66.4	1,086.1	66.7	641.9	65.1	2,032.1	66.5	1,634.7	65.2	3,870.4	66.5
Personnel Expenses	139.1	9.8	153.8	9.4	120.2	12.2	292.9	9.6	283.5	11.3	568.0	9.8
Other Expenses	245.1	17.2	257.0	15.8	200.2	20.3	502.2	16.4	551.9	22.0	1,106.6	19.0
Depreciation	28.4	2.0	25.3	1.6	24.9	2.5	53.7	1.8	52.0	2.1	120.4	2.1
Interest	1.6	0.1	3.2	0.2	3.8	0.4	4.8	0.2	7.1	0.3	16.9	0.3
Total Expenditure	1,360.2	95.5	1,525.3	93.6	991.0	100.5	2,885.6	94.5	2,529.2	100.8	5,682.2	97.6
Profit before Tax and exceptional	90.0	6.3	129.1	7.9	21.4	2.2	219.0	7.2	51.2	2.0	245.6	4.2
Exceptional item (loss)/gain	-	-	74.5	-	2.0	-	74.5	-	58.8	-	58.8	-
Profit before Tax and after exceptiona	90.0	6.3	203.6	12.5	23.4	2.4	293.6	9.6	110.02	4.4	304.4	5.2
Profit after tax	68.3	4.8	150.6	9.2	16.7	1.7	218.9	7.2	82.8	3.3	230.4	4.0

PBT before exceptional



PAT



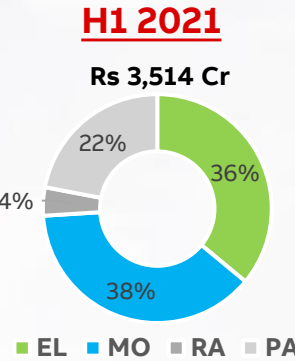
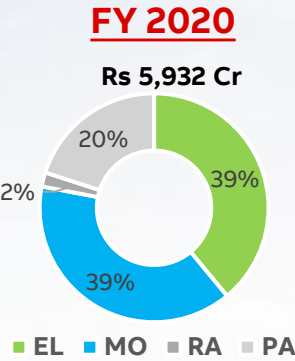
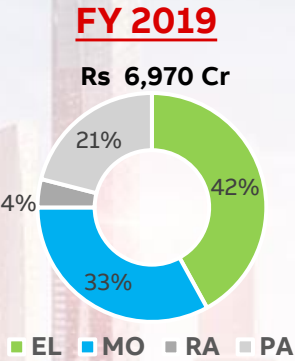
**Hardening of
commodity prices**

**Improved capacity
utilization**

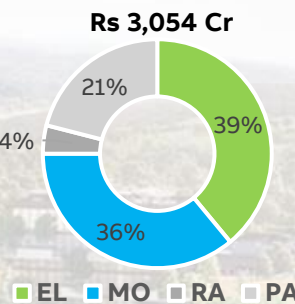
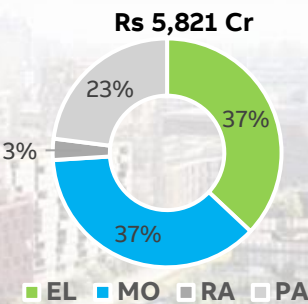
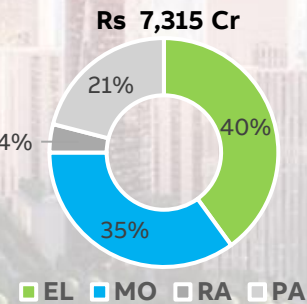
**Optimization of
expenses**

Share of total orders, revenues & PBIT by division

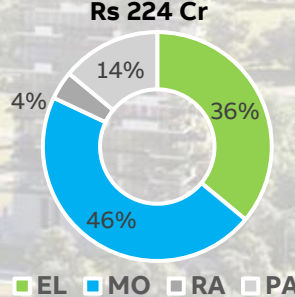
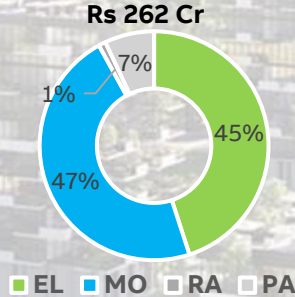
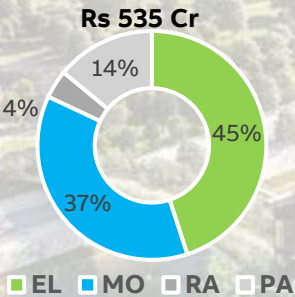
Orders



Revenues

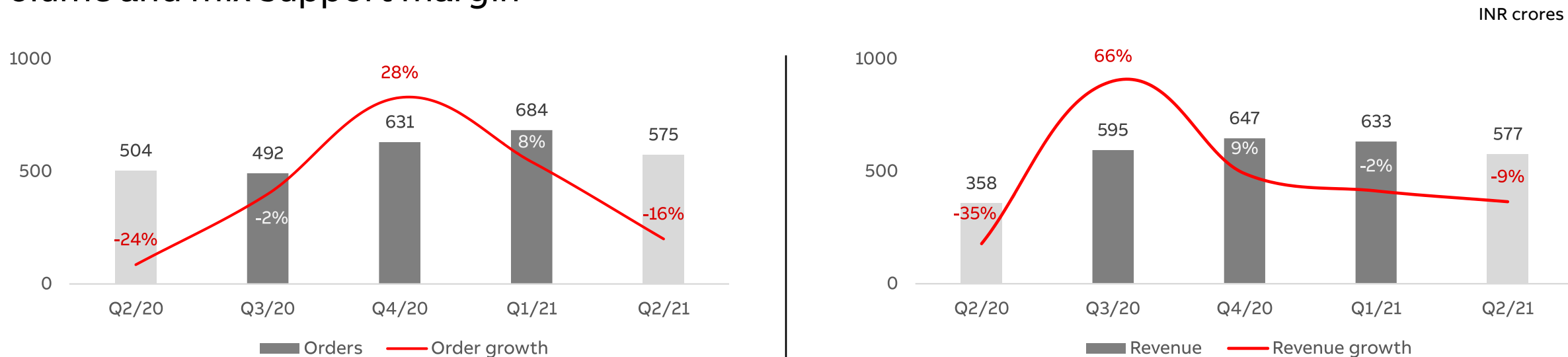


PBIT



Q2 2021 Electrification

Volume and mix support margin



Orders - Rs 575 crores

Order Backlog Rs 1,365 crores

- Lockdown impact during the quarter
- Growth from low-voltage business
- Good order booking in Utility and Data center

Revenues - Rs 577 crores

- Increase across all businesses
- Disruptions due to second wave
- Early signs of recovery in June

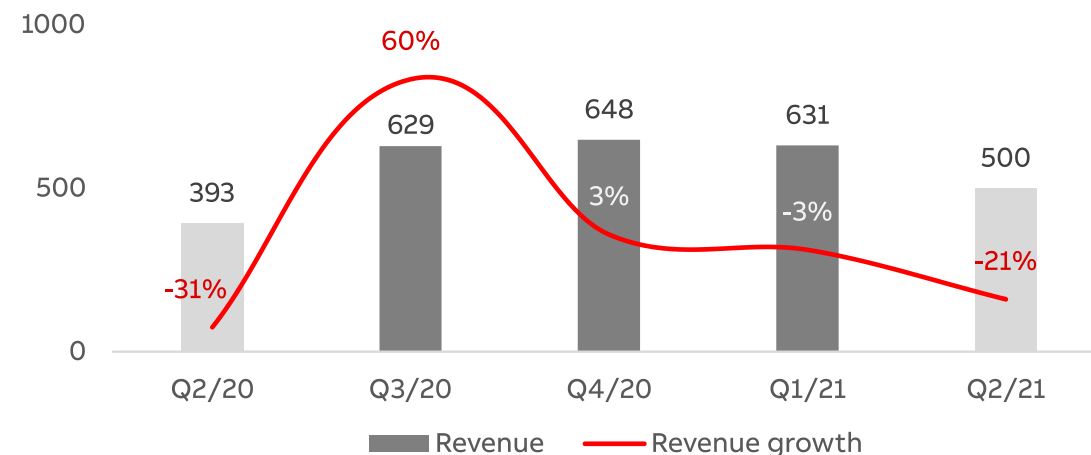
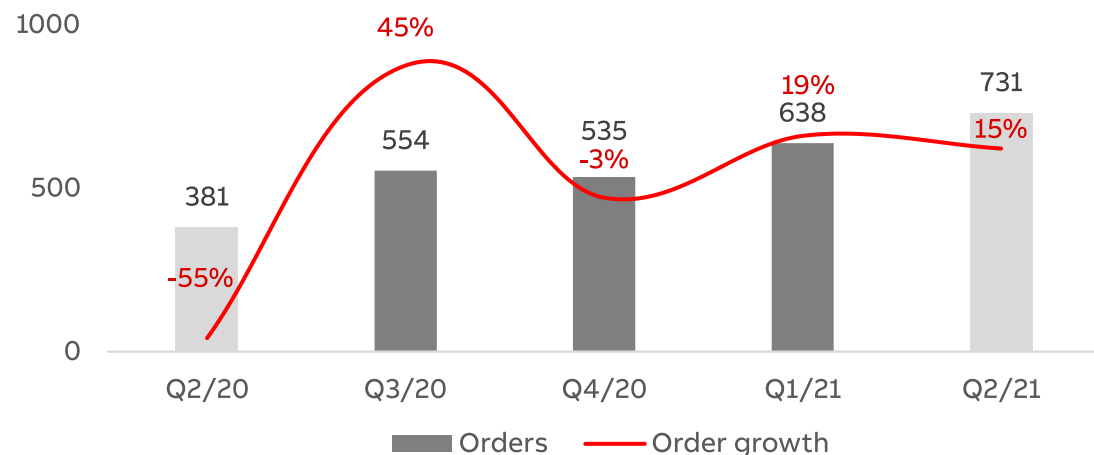
PBIT - Rs 39 crores

- Low volume
- Hardening of commodity prices
- Mix & better price realization partially offset increase in commodity prices

Q2 2021 Motion

Sustained momentum despite market headwinds caused by second wave

INR crores



Orders - Rs 731 crores

Order Backlog Rs 1,739 crores

- Growth across all divisions; primarily short cycle orders
- Good contribution from Channel business, export & Packaging
- Focused channels & market segments aid better price realization to mitigate high commodity prices

Revenues - Rs 500 crores

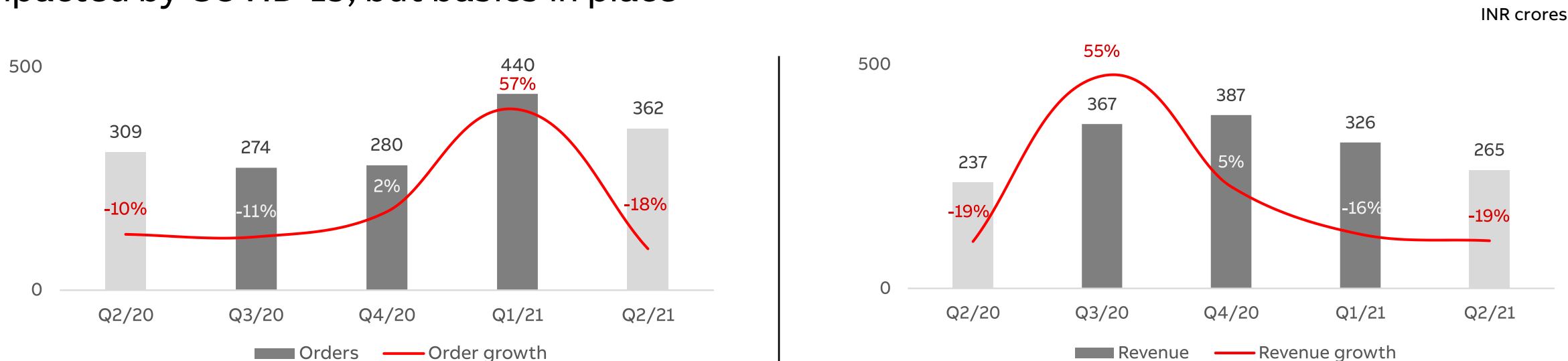
- Higher in low voltage motors, drives and service business
- Revenue impacted due to COVID lockdown
- Faridabad & Vadodara factories were operational aiding in better revenue

PBIT - Rs 55 crores

- Profitability improved due to better volume growth & mix
- Higher revenue in Low voltage motors and drives
- Service businesses with better margin

Q2 2021 Process Automation

Impacted by COVID-19, but basics in place



Orders - Rs 362 crores

Order Backlog Rs 1,410 crores

- Business during the quarter remained tepid
- System orders making a comeback
- Focus on energy management and grid integration stability with advanced process controls and digitalization

Revenues - Rs 267 crores

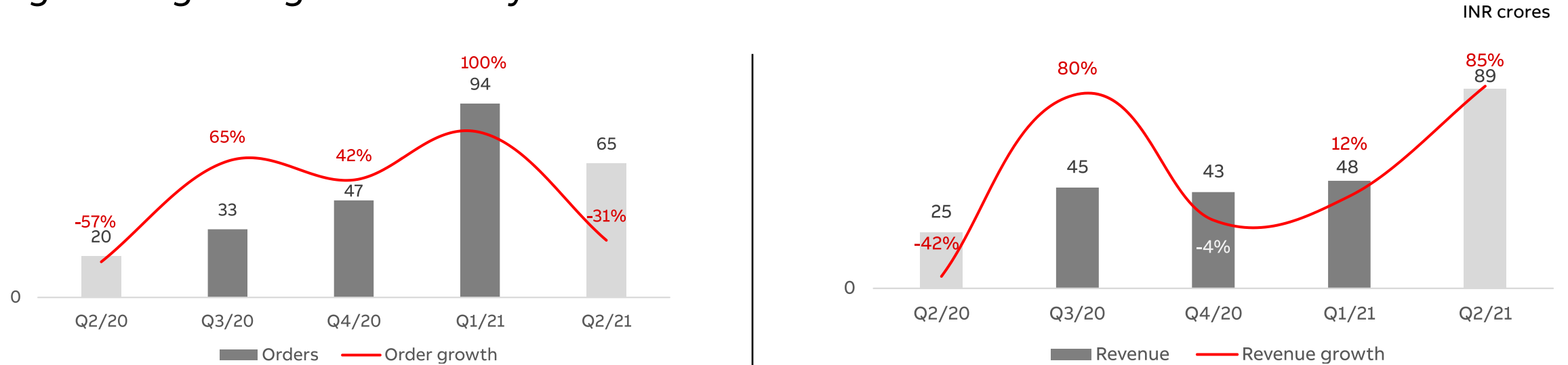
- Conversion of backlog in solutions segments
- Delays in manufacturing clearances due to ongoing pandemic
- Higher service revenues in terms of product deliveries

PBIT - Rs 16 crores

- Higher service revenue
- Better revenue mix and margin development
- Lower discretionary spend and improvement in material cost

Q2 2021 Robotics and Discrete Automation

Strong backlog aids good recovery



Orders - Rs 65 crores

Order Backlog Rs 147 crores

- Automotive segments showing early signs of recovery
- Paint system orders from Auto OEMs
- Good order intake from 2-Wheeler and General Industry

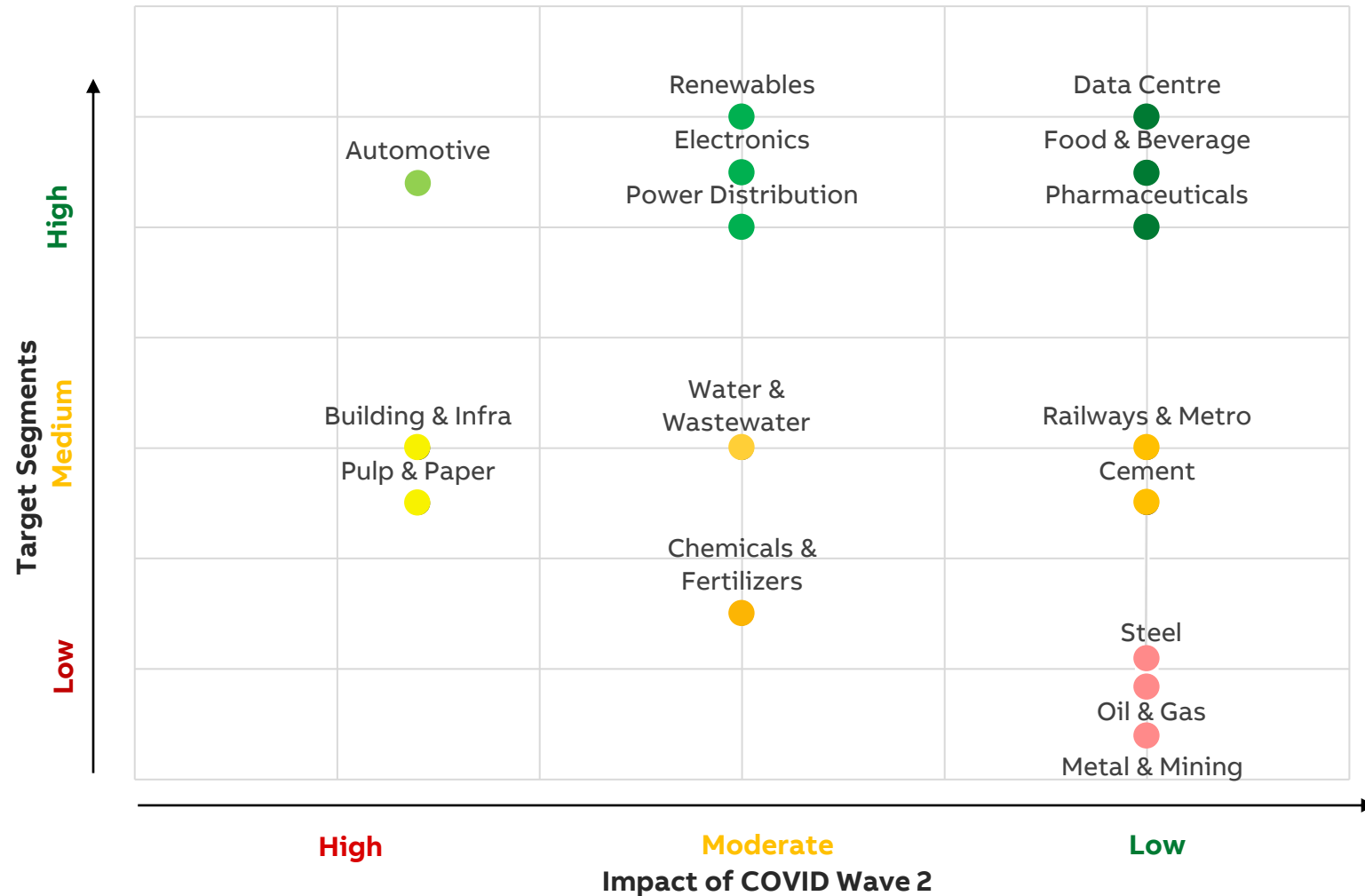
Revenues - Rs 89 crores

- Service revenues going steady with some system upgrades
- Project execution progressing well, but slow due to 2nd lockdown across states

PBIT - Rs 5 crores

- Service revenues boosting overall profitability
- Sequential volume impact

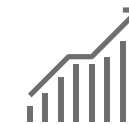
Outlook



Focus on order wins and seamless execution



Cautious lookout on demand/supply imbalances, forex volatility and geo-political and COVID risks



Leverage growth pockets across sectors with improving macro backdrop in India



Cost optimization

Driving Innovation: together

