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ANALYST CALL, MAY 08, 2019

Resilient and consistent performance

Q1 2019



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 Ltd. These expectations, estimates and projections are generally identifiable by statements containing words such as “expects,” “believes,” “estimates,” “targets,” “plans,” “outlook” 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.

Although ABB 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.

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Agenda

Key highlights

Market overview & ABB project wins

Financials

ABB milestones in India



60% of oil and gas produced in India monitored by ABB systems



More than **5,000** connected robots across the globe remotely monitored from ABB Ability Innovation Center



~1,000 connected smart motion devices to digitalize Indian industry



More than **90%** of cement companies have an ABB system in operation



>300 electric locomotives of Indian Railways run on ABB made traction converters



Solutions to build the **biggest** datacenter in the country



Close to **1 million** liters a day of milk production at Asia's largest dairy plant run on ABB systems



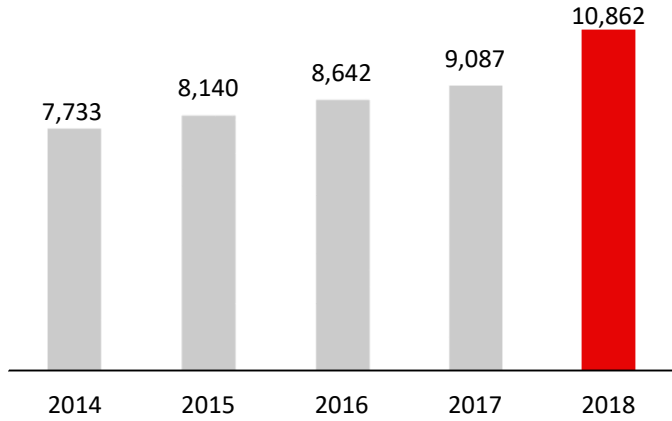
>370 digitalization contracts signed across 80 countries



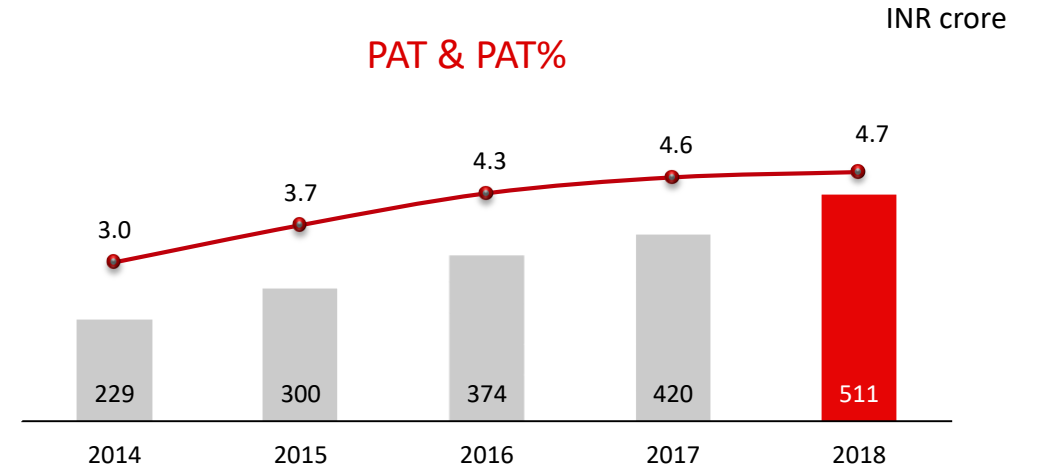
10 out of 13 operational metros deploy ABB technology

Creating value consistently for all stakeholders

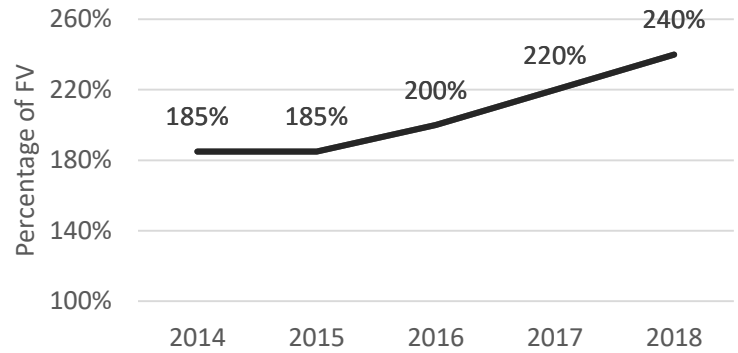
Revenue



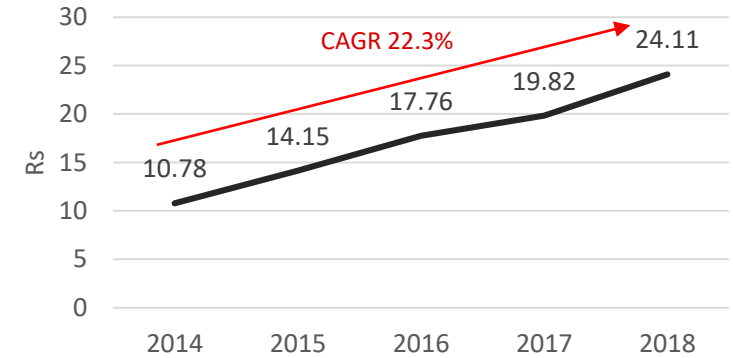
PAT & PAT%



Dividend



EPS



Q1 2019: Resilient and consistent performance

Attractive growth

- Growth across divisions and majority business lines
- Continued growth in base orders, up by 17%
- Value creation through ABB Ability™ digital solutions

Stronger margins

- Capacity utilization and revenue mix provided a major step-up in profitability

Optimized capital allocation

- Continued investment in smart factories, R&D, digital, brand
- Attractive shareholder returns

Q1 2019 vs Q1 2018

Orders Rs 1,780 Cr ↑ 4 %	Revenue INR 1,850 Cr ↑ 18%
PBT INR 139 Cr ↑ 98%	PAT INR 89 Cr ↑ 95 %

Good growth in exports and service portfolio

Export orders up by 38%



Service revenue up by 21%



Accelerating growth in digital

Q1 highlights

Expanding ABB Ability portfolio in India



- Launch of ABB Ability MineOptimize digital solutions for mining companies
- Comprehensive portfolio of electrification, drives and automation solutions, engineering, digital applications and collaborative services

Leveraging digital technology for resurgent sectors



- ABB cyber security solutions for a petro- chemical major
- Digital service order with ABB Ability Expert Optimizer for cement manufacturer

Digital technology to jumpstart India's maritime sector



- M Pallonji Logistics to deploy engine diagnostics and advisory software of ABB Ability Tekomer Xpert to increase overall engine efficiency with reliability

ABB increased three-fold in customer digital solutions engagements



118

Customer and partner workshops

02

Big bang events at Ability Center

~600

Customer interactions

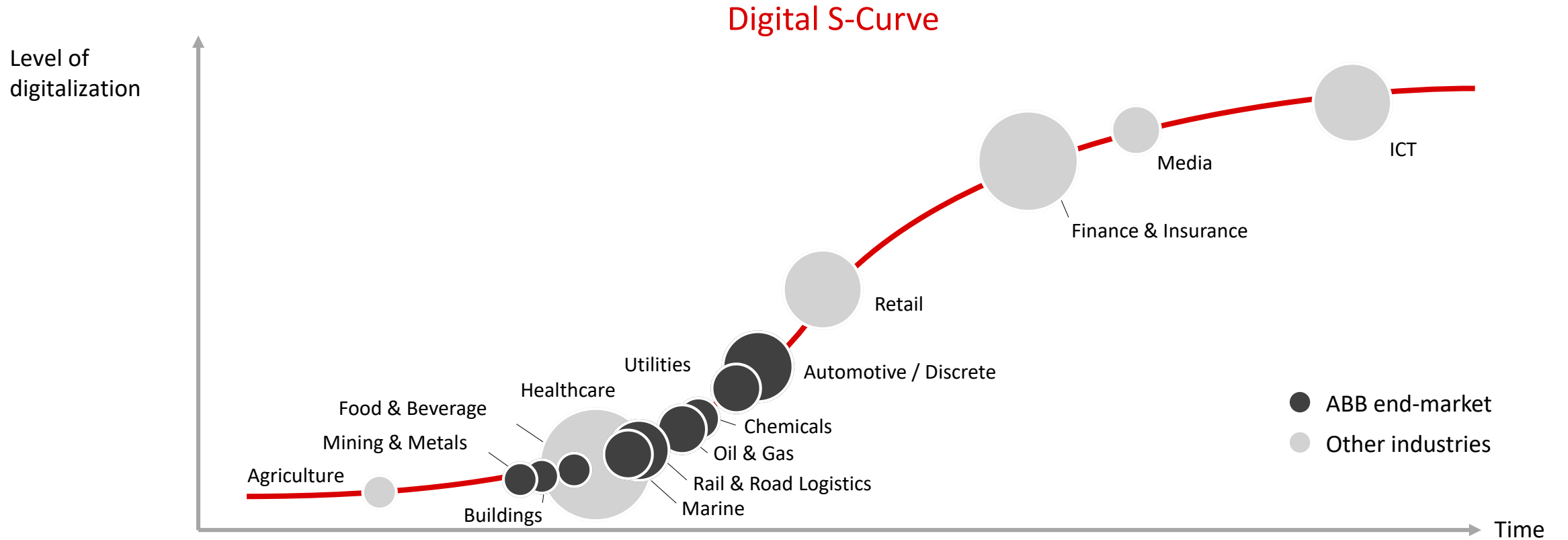
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PoCs/MVPs/Orders/Concepts



Transformation through digital technologies

Current adoption and potential opportunities



The manufacturing sector is facing new challenges

Inaction is not an option...

Shift in consumer patterns



Increasing price transparency, customized products, batch size one & ever shorter lifecycles

From Product Centric to Customer Centric → Requires **Flexibility, Quality**

Regulation and traceability



Increasing regulation and compliance measures require full traceability of manufactured goods

Aging infrastructure



Aging manufacturing infrastructure from pre-digital area prevalent

Increasing Cost Pressure → Requires **Cost Optimization**

Environmental concerns



Societies and new regulations push manufacturers to go green & clean

Aging workforce & skills gap



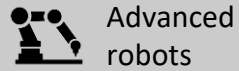
The manufacturing workforce is growing but far below historical levels

Enabler for Cost, Quality & Flexibility Improvements

ABB Ability™ Smart Factory solution

Program to have enhanced customer value proposition

Employee productivity



Advanced robots



Assistant systems



Improve direct employee productivity by usage of advanced robotics and assistant systems

Asset productivity



Predictive maintenance



Improve OEE of assets by reducing (unplanned) downtimes

Quality improvement



Data driven quality control



Improve product quality by in-line quality control incl. feedback loops to process parameters

Planning efficiency



High-resolution supply chain



Production steering



Improve planning accuracy by higher real-time supply chain visibility

Logistics productivity



Automated replenishment



Digital plant logistics



Smart warehouse



Improve labor efficiency in in-plant logistics and warehousing

Average efficiency rendered between 20 - 30 %

ABB Ability™ differentiation

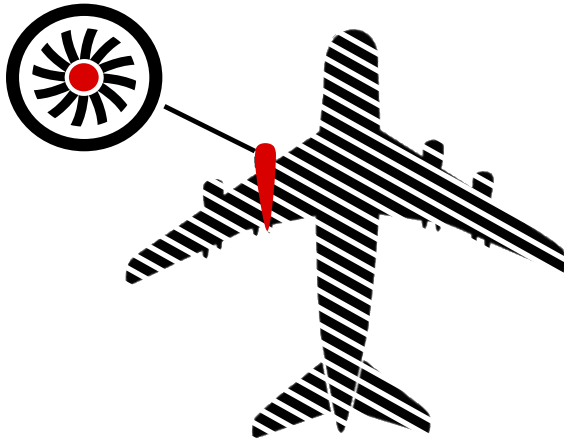
Own the architectural control points to unlock full digital potential

Single asset monitoring

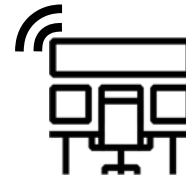


Monitoring single piece of equipment
Doesn't address total system performance

uptime

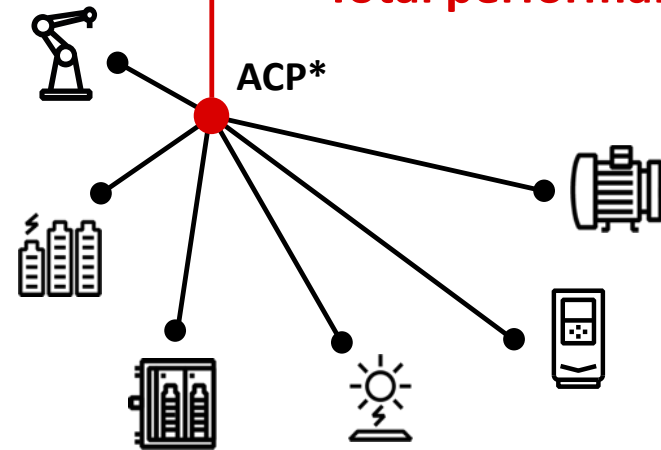


Ownership of architectural control points



Optimize & control total system-level performance by orchestrating all assets with AI and domain-expertise

Total performance



Manufacturing Operations Management Systems
EV Charging System
Distributed Control System
Smart Circuit Breakers
SCADA

ABB digital portfolio offers industry leading solutions

Representative

Cloud Solutions



Electrification

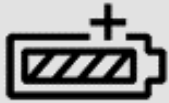


ABB Ability™ EDCS¹

Motion



ABB Ability™ Remote Drive Assistance

Industrial Automation



ABB Ability™ Collaborative Operations

Robotics & Discrete Automation

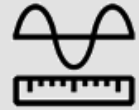


ABB Ability™ Predictive Maintenance

Edge/Middleware



MNS Edge Gateway



EDCS¹ Panel



Zenon SCADA



DCS² (800xA, Symphony+)



Control Unit



Edge Connect

Connected Devices



Digital MNS Panel



EV Charger



Smart Bearing Sensor



Smart Sensors



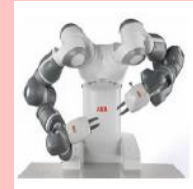
Digital Drives



Wireless Transmitters



Digital Analyzers



Collaborative Robots



Servo Motion

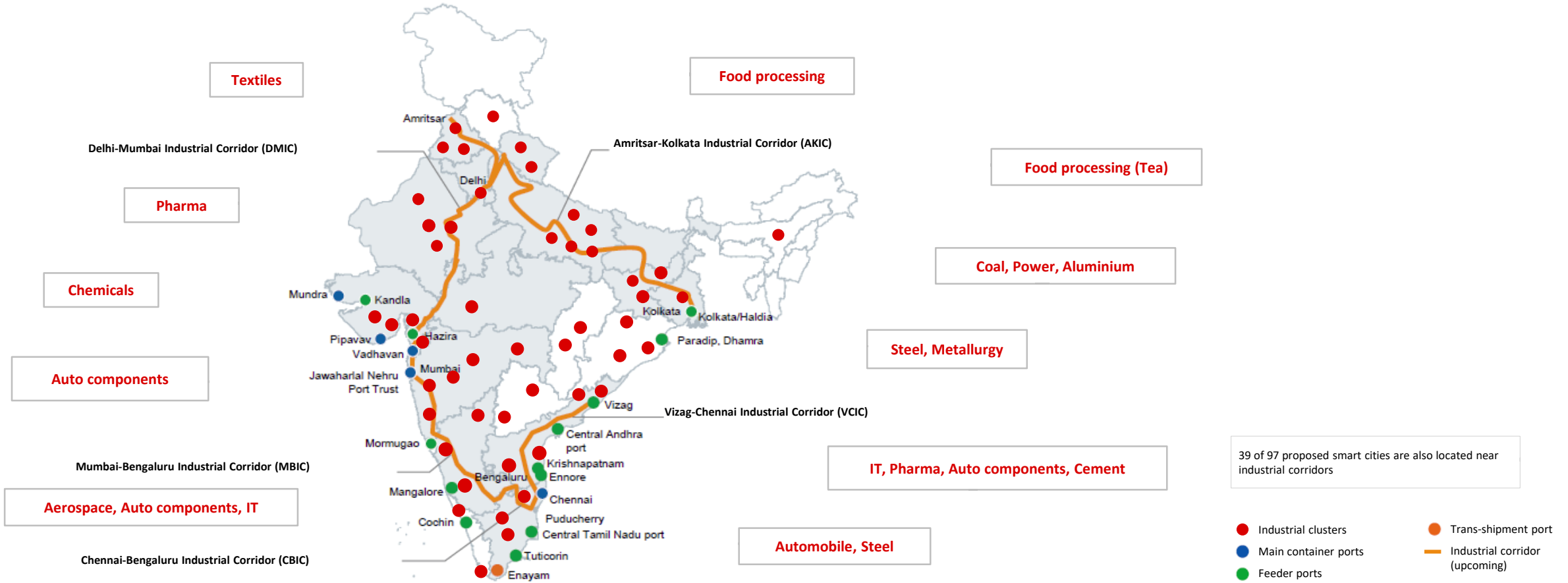
Agenda

Key highlights

Market overview & ABB project wins

Financials

ABB India story is shaping along nation's growth journey





Pioneering technology leader in digital industries

Influencing the future of how we...

...power



...produce



...work



...live



...move



ABB Ability™

Influencing the future of how we Power

Digitization of Power distribution technologies

Power plant digital automation upgrade in Nepal



ABB MyRemoteCare for utilities for effective remote monitoring

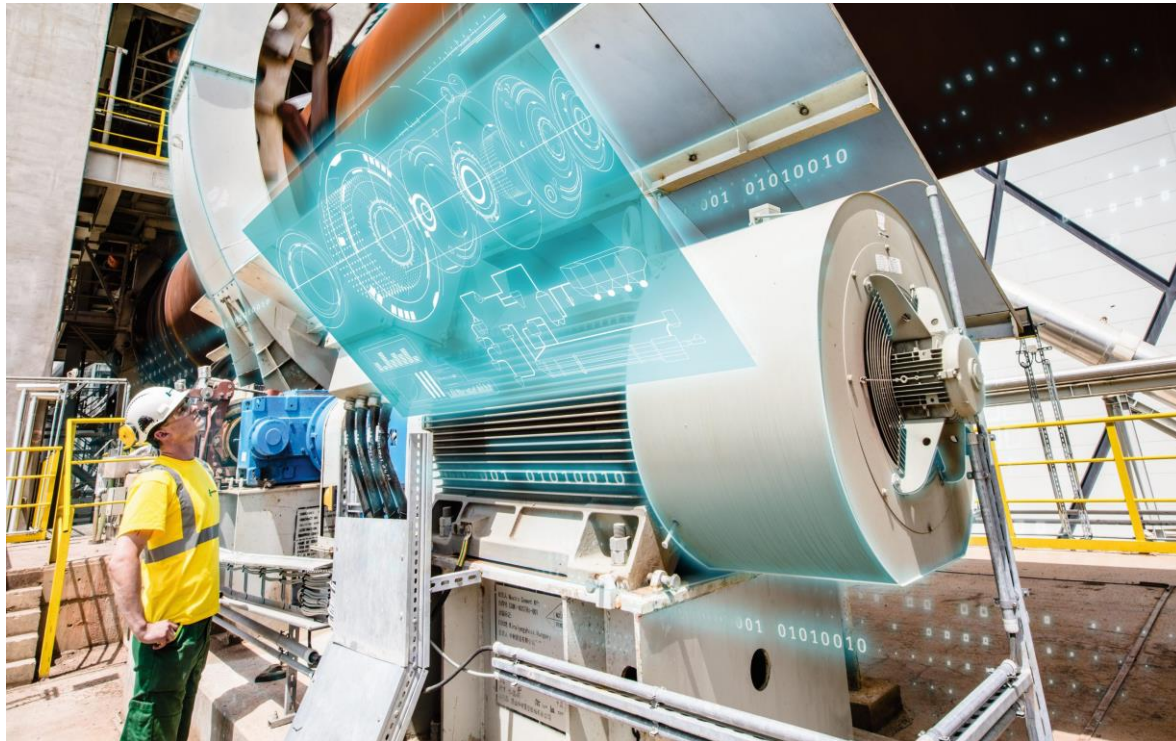


Compact substations to Ring Main Units for access to popular spots e.g. Katra to Vaishnodevi

Influencing the future of how we **Produce**

Deploy digital solutions to drive safety, productivity & competitiveness

ABB Ability Expert Optimizer for cement manufacturer



Advanced applications for O&G sector

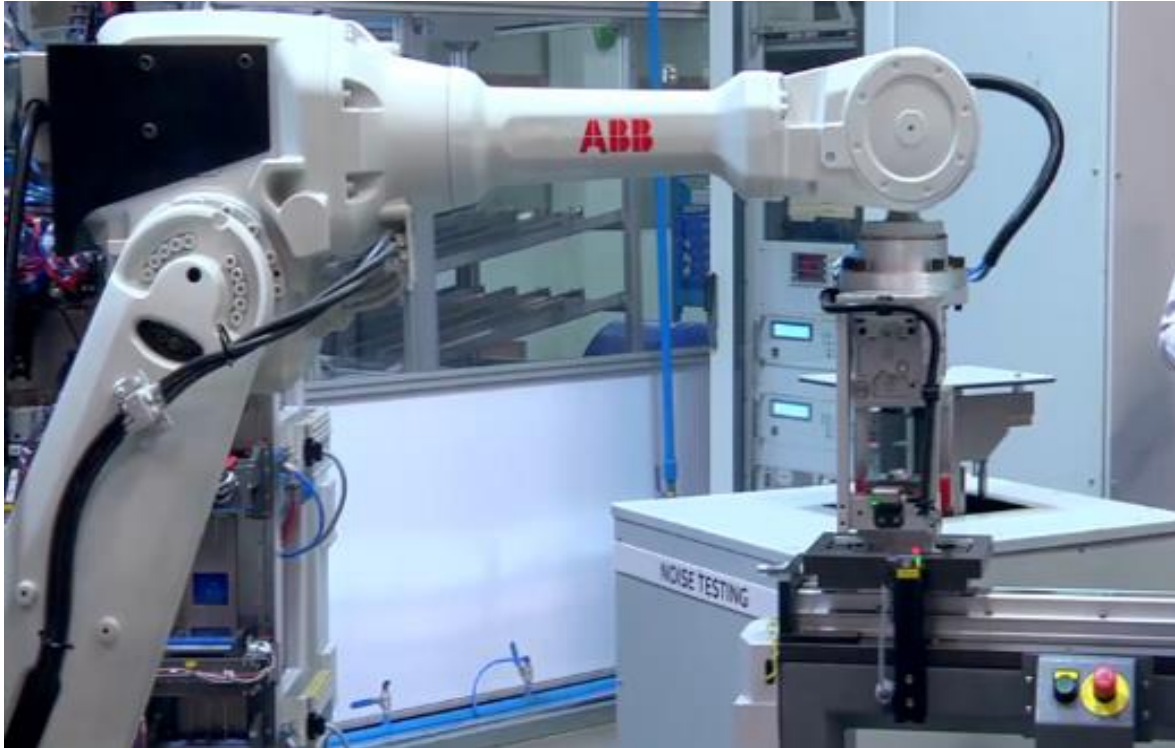


Drives and soft starters for edible oil companies

Influencing the future of how we **Work**

Technologies that build skills and uplift the workspace

Smart factories with upskilled workforce



First of its kind products launched in India



End to end automation and electrification solutions for one of India's biggest data centers



Influencing the future of how we **Live**

Creating the backbone for smarter and sustainable installations

Building automation solutions for hospitality major in the capital city



Switching and power safety systems for critical installations like airports and hospitals



Automation and power safety management solutions for retail



Influencing the future of how we **Move**

Sustainable mobility solutions for various modes of transportation

Customized traction solutions and power distribution panels



First indoor 25kV GIS for Nagpur metro



Marine customer day for logistic, coastal authorities



2019 priorities

Running the company

- Consistent order and revenue growth, demonstrating quality and resilience
- Continued focus on operational execution

Managing the transformation

- PG demerger on track
- Four leading businesses operational April 1, 2019

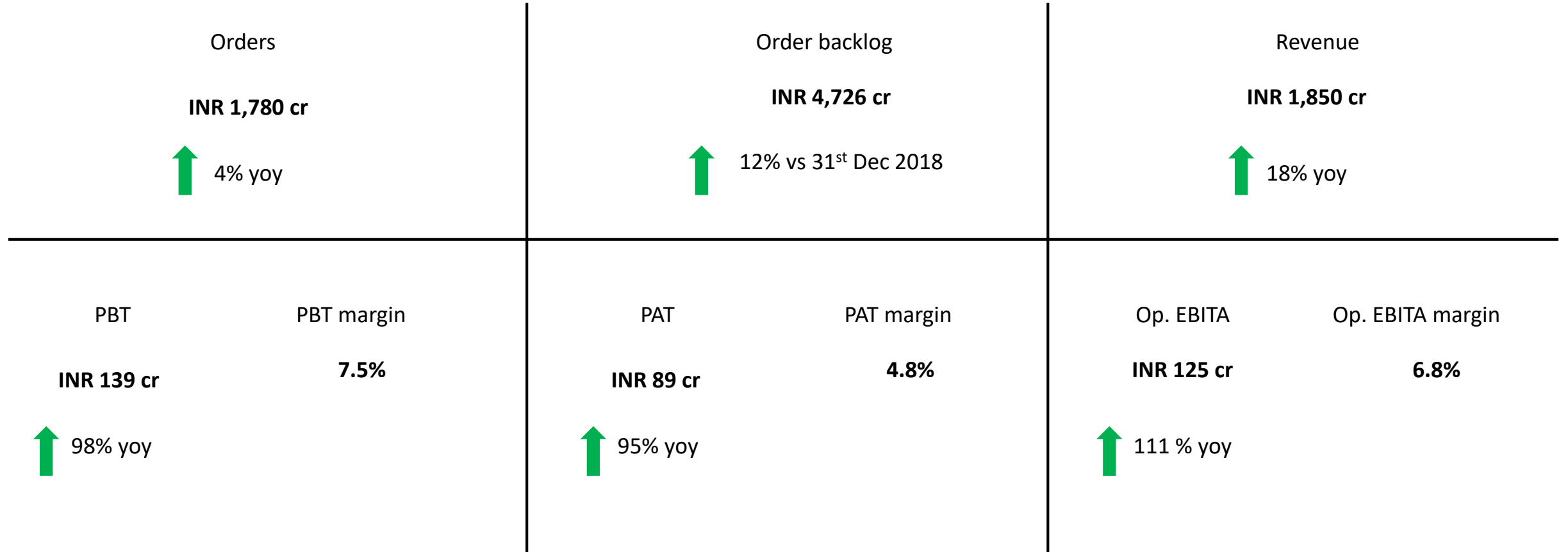
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Consistent and inclusive performance



Financial summary

18% growth in revenue

(INR crore)

Q4, 2018	Performance Indicator	Q1, 2019	Q1, 2018	Change
1,900	Orders	1,780	1,684	+4%
4,227	Order Backlog (end of period)	4,726	5,133	
1,966	Revenue	1,850	1,566	+18%
202	Profit Before Tax (PBT)	139	70	+98%
10.3	PBT %	7.5	4.5	
129	Profit After Tax (PAT)	89	46	+95%
6.5	PAT %	4.8	2.9	
175	Operational EBITA	125	59	+111%
8.9	Operational EBITA%	6.8	3.9	

P&L Statement

(INR crore)

	Quarter ended on 31.03.2019		Quarter ended 31.03.2018		Quarter ended on 31.12.2018		Year ended 31.12.2018	
	Amount	%	Amount	%	Amount	%	Amount	%
INCOME								
Revenue from Operations	1,850	100.0	1,566	100.0	1,966	100.0	6,690	100.0
Other Income	19	1.0	23	1.5	16	0.8	84	1.3
Total Income	1,869	101.0	1,589	103.1	1,982	100.8	6,774	101.3
EXPENDITURE								
Material cost	1,267	68.5	1,078	68.8	1,325	67.4	4,514	67.5
Personnel Expenses	157	8.5	145	9.3	100	5.1	530	7.9
Other Expenses	280	15.1	244	15.6	330	16.8	1,162	17.4
Exchange Rate Variation (net)	1	0.0	10	0.6	(5)	(0.3)	27	0.4
Depreciation	23	1.3	23	1.4	24	1.2	93	1.4
Interest	3	0.1	20	1.3	5	0.3	54	0.8
Total Expenditure	1,731	93.5	1,519	97.0	1,780	90.5	6,379	95.3
Profit Before Tax (continued)	139	7.5	70	4.5	202	10.3	395	5.9
Current tax	50	2.7	14	0.9	61	3.1	140	2.1
Deferred Tax	(0.2)	(0.0)	11	0.7	13	0.7	1	0.0
Profit After Tax (continued)	89	4.8	46	3.0	129	6.5	254	3.8
Profit After Tax (discontinued)	27		57		69		257	
Total PAT and % of total revenue	116	4.2	102	4.1	198	6.4	511	4.7

Division performance

Strong execution

INR Crores

Divisions	For Q1, 2019			For Q1, 2018			For Q4, 2018		
	Sales	PBIT	PBIT %	Sales	PBIT	PBIT %	Sales	PBIT	PBIT %
EP	731	64	8.8	651	67	10.3	748	76	10.2
IA	361	37	10.2	302	39	12.9	515	73	14.2
RM	800	79	9.9	597	43	7.2	698	75	10.7
Total	1,850	141	7.6	1,566	90	5.7	1,966	208	10.6

In Crores	Order Backlog		Capital employed	
	Q1, 2019	Q1, 2019	Q1, 2018	% Change
Electrification Products	1,411	718	588	22%
Industrial Automation	1,286	346	345	0.4%
Robotics & Motion	1,798	269	312	-14%
Unallocated		1,947	1,757	11%
Total	4,726	4,137	3,720	11%

EP – Strong orders driving inventory build up for future growth

RM – Strong order execution driving net working capital reduction

Sales is net of excise duty. Sum of all the segments will not match to total due to unallocated and inter segment sales.

Q1 2019 Segments

Solid growth for continued momentum

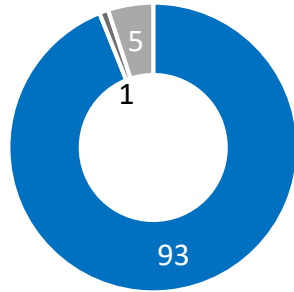
	Orders Rs 800 Cr	Revenues Rs 731 Cr	PBIT Rs 64 Cr
Electrification Products	Growth across systems and products Traction in distribution, channel partner Exports support solar inverter	Short cycle higher order backlog drives growth	Positive volumes offset by effects of revenue mix, adverse forex & market price challenges in solar
Industrial Automation	Orders Rs 312 Cr Continued order inflow for Advanced Services & Digital offerings Delayed decision in system orders metals & Oil & Gas Sector	Revenues Rs 361 Cr Higher backlog supports revenue growth especially from projects	PBIT Rs 37 Cr Sustained PBIT in a mixed market
Robotics and Motion	Orders Rs 729 Cr Solid growth due to orders from transport, water & automotive sectors Service continues with the traction	Revenues Rs 800 Cr Higher revenues from backlog of traction drives supplies to railways and supply of motors to various industries	PBIT Rs 79 Cr Capacity utilization, varied customer base & mix support margin expansion

Share of total orders and revenues by division

Q1 2019, in % terms

Electrification Products

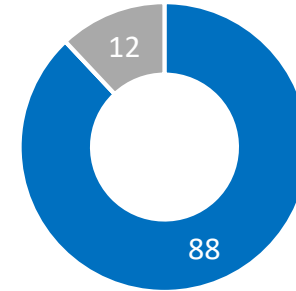
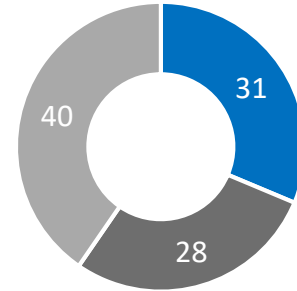
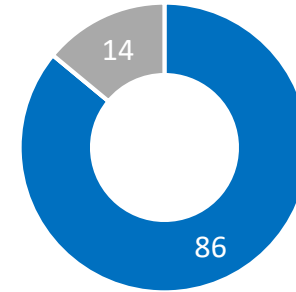
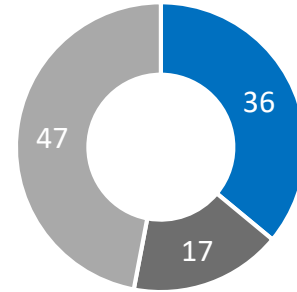
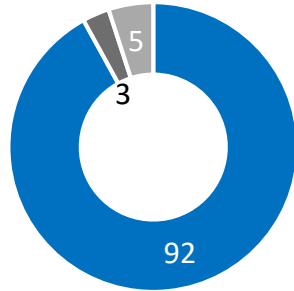
Orders 1780 Crs
(Products – 82%,
Projects – 3%,
Services – 15%)



Industrial Automation

Robotics and Motion

Revenue 1850 Crs
(Products – 79%, Projects
– 7%, Services – 14%)



■ Products ■ Project ■ Services

Strong cash balance while supporting 18% revenue growth

DSO in Q1

89

↓
from 110
in Q1 2018

Net Working Capital (adj) Q1

INR 1,908 Cr

↓
from 2165 Cr yoy

Net cash position – Q1

INR 1,466 Cr

↑
From 762 Cr yoy

Earnings per share in Q1

INR 4.2

↑
195 % yoy

ABB