



---

APRIL 27, 2021

# **Driving Innovation in automation, robotics & digitalization**

ABB India Ltd

Analyst Call

Q1 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



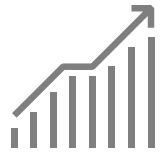


---

## Priority areas for Q1 2021



**Health and Safety**



**Ensuring Business Continuity**



**Focus on high growth segments**

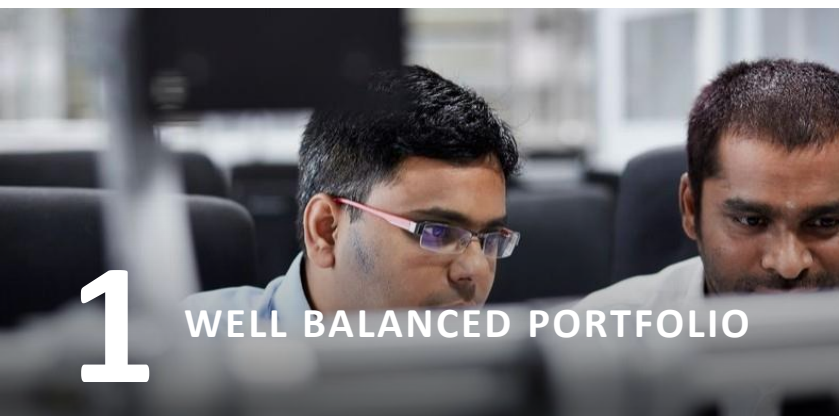


**Cost and Cash management**

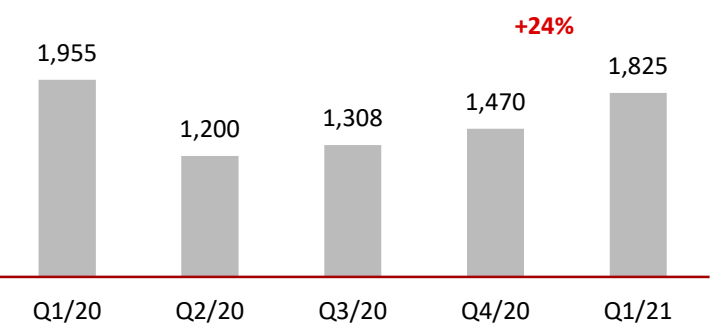


# Good momentum across various market segments

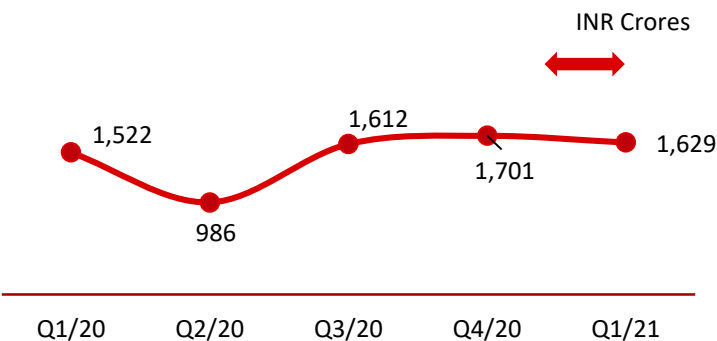
Key financial metrics witnessing pick-up sequentially



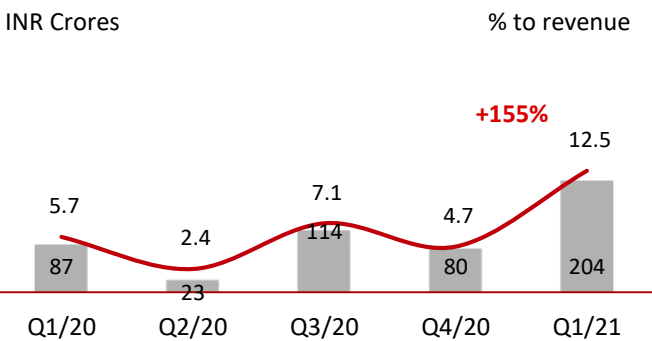
Orders



Revenues



PBT & PBT %



CQ includes one-off gain of Rs. 75 Cr on sale of fixed asset



---

# ABB India – Highlights during the quarter

Customer Centricity and innovation at the core

**Installed smart sensors and soft starters to reduce water usage in Shimla, Himachal Pradesh**



**EV charging stations for IOCL fuel stations across 76 locations in Tier 2, 3 cities in India**



**HVAC drives for Chennai Metro**



**Energy efficient drives commissioned for a biopharmaceutical major**



**ABB India wins order for Robotics solutions for OLA Electric**



**Electrification and flow meter solutions for clean drinking water for Surat Smart City in Gujarat**



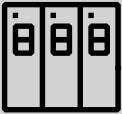
# Partnering India's growth story, across sectors

High growth segments contribute 80% to ABB India business

High	Moderate	Moderate - low
Data Centres	Food & Beverage	Buildings & Infra
Renewables	Pharmaceuticals	Oil & Gas
Electronics	Power Distribution	Chemicals
	Water & Wastewater	Cement
	Railways & Metro	Steel
	Automotive	



## Success stories



One of the largest e-commerce companies uses ABB medium and low voltage products for its Data Centers



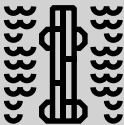
Our robotics solutions to be deployed by a leading electronics manufacturer for critical component finishing



Pharma companies are accelerating digitization using our Industrial Automation solutions



Leading F&B companies in India trust our Motion solutions, and Robotics end-of line palletizing solution

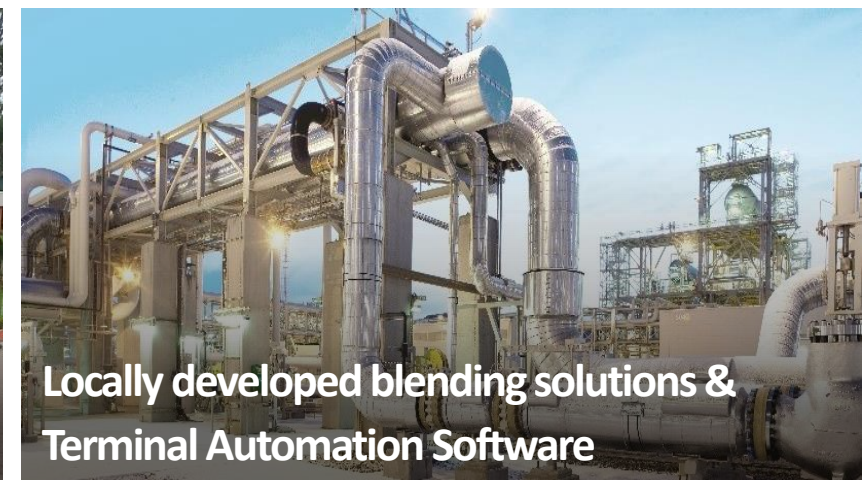
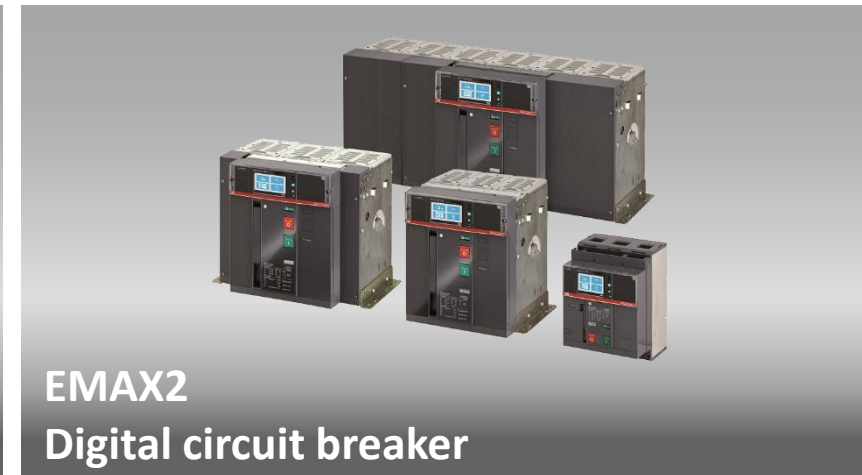
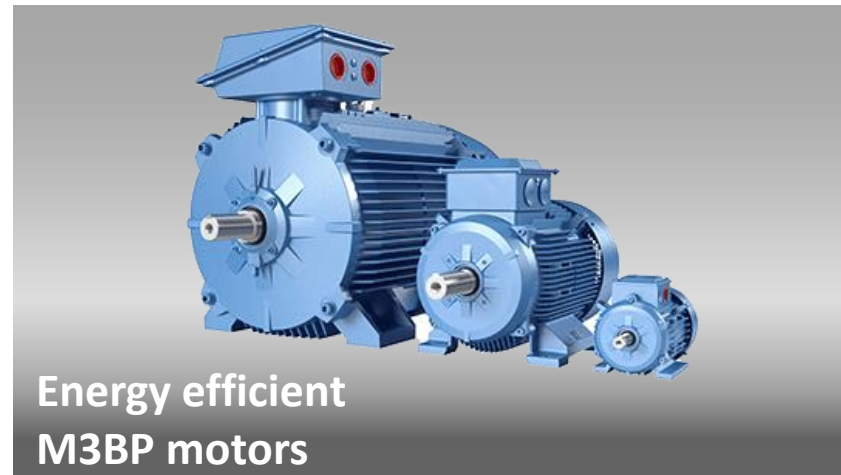


Aiding efficient water management, conservation and distribution for cities across India



## Our focus on 'Aatmanirbhar' Bharat

Consistent focus on localization; Currently 60% of the solutions made locally across divisions





# Implementing ESG Strategy

Driving sustainability to the last mile

## 10 Point ESG Framework

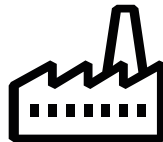
Following indicators to be used for benchmarking across ABB India:

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

## Green Infrastructure Activities



**Phase 1**  
Green Factory Buildings



**Phase 2**  
Green Manufacturing Process



**Phase 3**  
Green Products

## Green Factory Building: Evaluation

Each location scored on below parameters:

- Site Efficiency
- Innovation in Design
- Water Conservation
- Indoor Environment and Health
- Energy Conservation
- Material Conservation

# Sustainability is embedded in our business

Low carbon society, preserving resources, social progress



## Safety - 98.5%

"of hazards resolved  
Don't look the other way"



## Health & wellbeing

COVID-19 control, guidelines aligned itself with Govt of India protocols, Telemedicine and COVID-19 care package, special insurance packages to support with COVID-19 related hospitalizations.



**Society - 12** community projects in 2020 impacting over 1 lakh lives with focus on contributing towards the pandemic



## Waste - ~93%

Of all wastes generated were recycled



## Green power - 40%

of total energy is sourced from green Power



## Water ~ 30% reduction

Reduction in water withdrawal was reduced by 30% from the previous year\*



## Supplier sustainability 234

— onsite assessments carried out so far (2010-2020). a new further comprehensive program called Sustainable Supply Base Management (SSBM) being launched



# Promoting diversity through Social Responsibility

Joins hands with Lila Poonawalla Foundation to build future women leaders in technology

## Partnerships contours



- Lila Poonawalla Foundation:
  - Pioneer in the field of girl child education
  - Driving Women Empowerment through merit-cum-need based Scholarships and Skill Building
- ABB **sponsoring 100** meritorious and economically challenged **Girls** with an interest in Science and Technology
  - **Financial** Support for fees
  - **Technical** trainings /guidance
  - **Mentorship**
  - Driving **holistic skill** development



# Agenda

Business highlights

Financial highlights





# Financial Performance

Resilient performance in a challenging period

INR crores

Full Year 2020	Actual Q4, 2020	Actual Q1, 2020	Performance Indicator	Actual Q1, 2021
5,914	1,470	1,937	Base Orders Received	1,825
18	-	18	Large Orders Received	-
<b>5,932</b>	<b>1,470</b>	<b>1,955</b>	<b>Total Orders Received</b>	<b>1,825</b>
4,114	4,114	4,451	Order Backlog (end of period)	4,328
5,821	1,701	1,522	Revenue	1,629
304	80	87	Profit Before Tax(PBT)	204
5.2	4.7	5.7	PBT %	12.5
230	62	66	Profit After Tax (PAT)	151
4.0	3.7	4.3	PAT %	9.2
293	170	43	Operational EBITA	111
5.0	10.0	2.8	Operational EBITA%	6.8
2,207	2,207	1,464	Cash balance	2,528

## Q1 CY21 financial summary

	Quarter ended on 31.03.2021		Quarter ended on 31.12.2020		Quarter ended on 31.3.2020		Year ended 31.12.2020	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>INCOME</b>								
Revenue from Operations	1,629.2	100.0	1,700.8	100.0	1,522.2	100.0	5,821.0	100.0
Other Income	25.3	1.6	14.4	0.8	45.8	3.0	106.9	1.8
<b>Total Income</b>	<b>1,654.4</b>	<b>101.6</b>	<b>1,715.1</b>	<b>100.8</b>	<b>1,568.0</b>	<b>103.0</b>	<b>5,927.8</b>	<b>101.8</b>
<b>EXPENDITURE</b>								
Material cost	1,086.1	66.7	1,154.2	67.9	992.7	65.2	3,870.4	66.5
Personnel Expenses	153.8	9.4	149.3	8.8	163.3	10.7	568.0	9.8
Other Expenses	257.0	15.8	294.7	17.3	351.7	23.1	1,106.6	19.0
Depreciation	25.3	1.5	29.7	1.7	27.1	1.8	120.4	2.1
Interest	3.2	0.2	6.9	0.4	3.4	0.2	16.9	0.3
<b>Total Expenditure</b>	<b>1,525.3</b>	<b>93.6</b>	<b>1,634.7</b>	<b>96.1</b>	<b>1,538.2</b>	<b>101.0</b>	<b>5,682.2</b>	<b>97.6</b>
<b>Profit before Tax and exceptional</b>	<b>129.1</b>	<b>7.9</b>	<b>80.4</b>	<b>4.7</b>	<b>29.8</b>	<b>2.0</b>	<b>245.58</b>	<b>4.2</b>
Exceptional item (loss)/gain	74.5	-	-	-	56.8	-	58.8	-
<b>Profit before Tax and after exceptional</b>	<b>203.6</b>	<b>12.5</b>	<b>80.4</b>	<b>4.7</b>	<b>86.6</b>	<b>5.7</b>	<b>304.4</b>	<b>5.2</b>
Current tax	53.0	3.3	12.7	0.7	24.9	1.6	71.7	1.2
Deferred Tax	-	-	5.5	0.3	(4.2)	(0.3)	2.2	0.0
<b>Profit after tax</b>	<b>150.6</b>	<b>9.2</b>	<b>62.2</b>	<b>3.7</b>	<b>66.0</b>	<b>4.3</b>	<b>230.4</b>	<b>4.0</b>

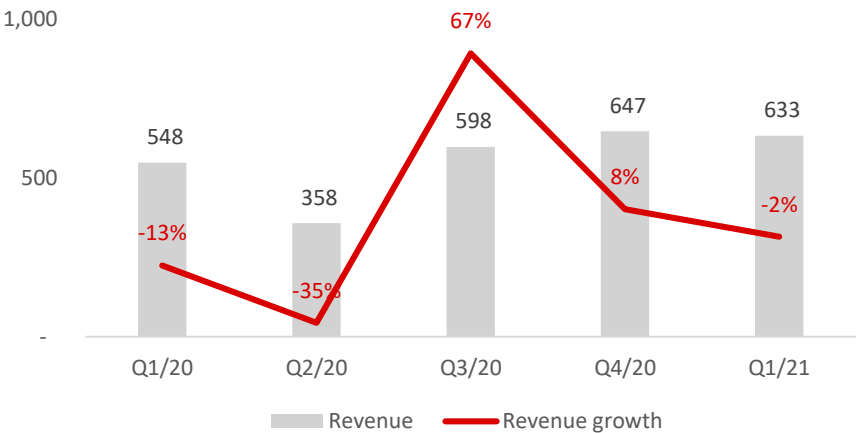
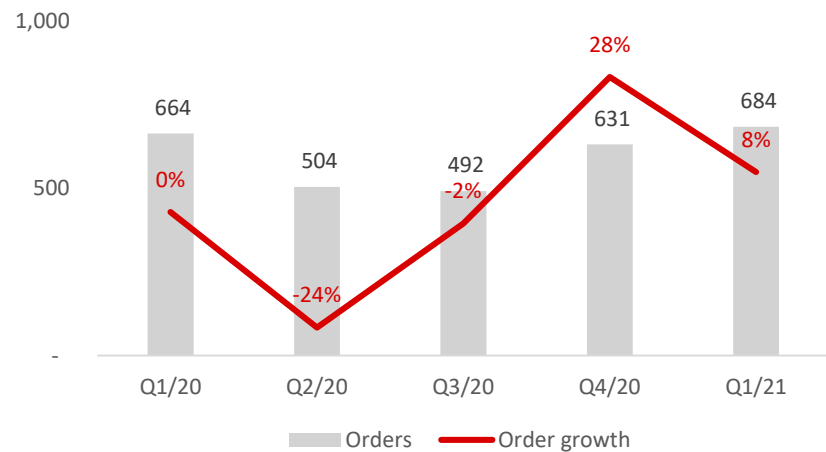
- Impact of revenue mix and commodity prices hardening on material cost
- Employee cost rationalization
- Profit Before Tax was mainly driven by operational improvement initiatives, capacity utilization and reduced expenses
- A one-time gain of INR 75 crore due to disposal of an asset as a part of footprint rationalization initiative



# Q1 2021 Electrification

Improving on a solid track record

Growth trend on sequential basis



**Orders - Rs 684 crores**  
**Order Backlog Rs 1,355 crores**  
Data Centres, Metro Rail, Food & Beverage  
Growth across all divisions  
Repeat orders in MV Distribution

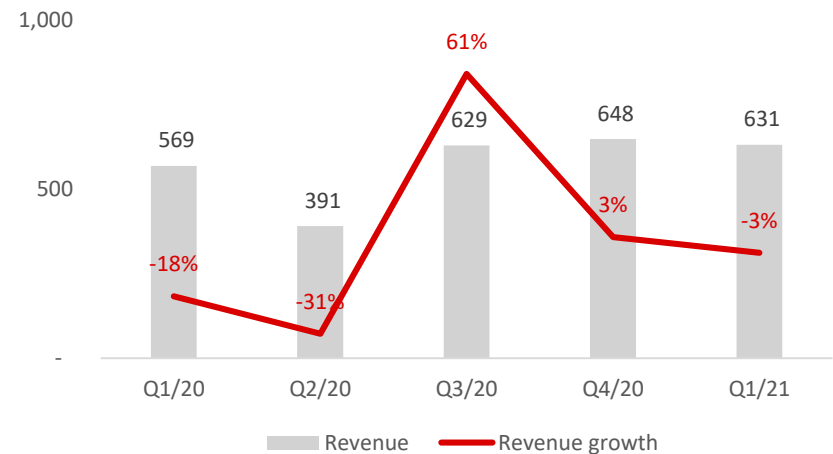
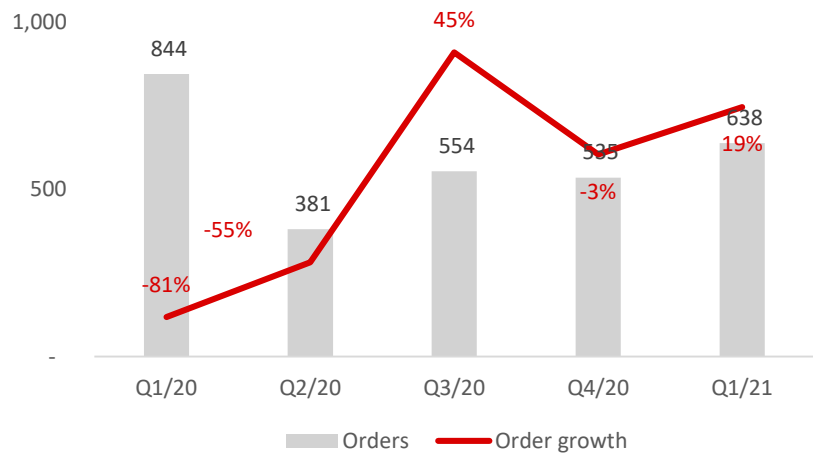
**Revenues - Rs 633 crores**  
Strong export performance  
Service business related constraints persist

**PBIT - Rs. 75 crores**  
Capacity uptick & cost rationalization helped margin accretion  
Supportive pricing actions  
Favorable forex impact

# Q1 2021 Motion

Good start to the year with strong Q1 results

Growth trend on sequential basis



**Orders - Rs 638 crores**  
**Order Backlog Rs 1,502 crores**

- Focus on transportation, digitalization and service
- Order basket concentrated with short cycle base orders
- Good contribution from Channel business & Packaging
- Q1'20 included high value orders

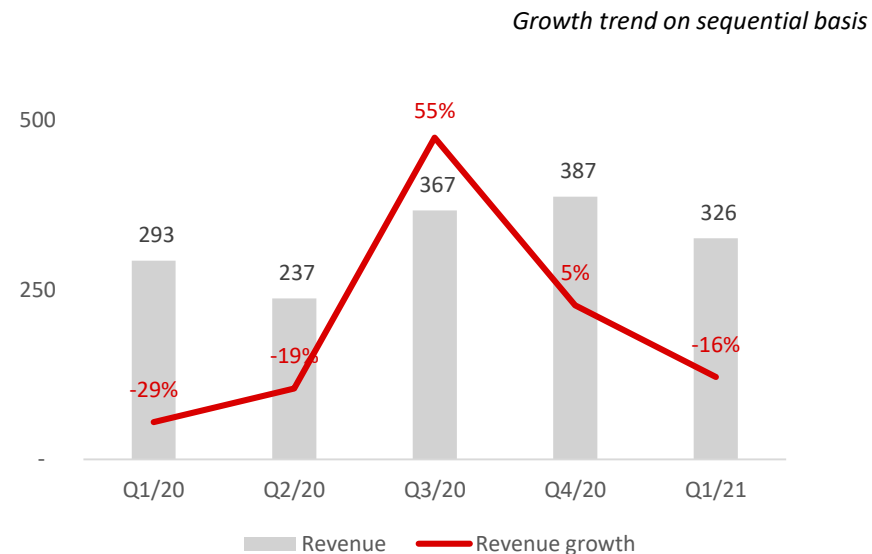
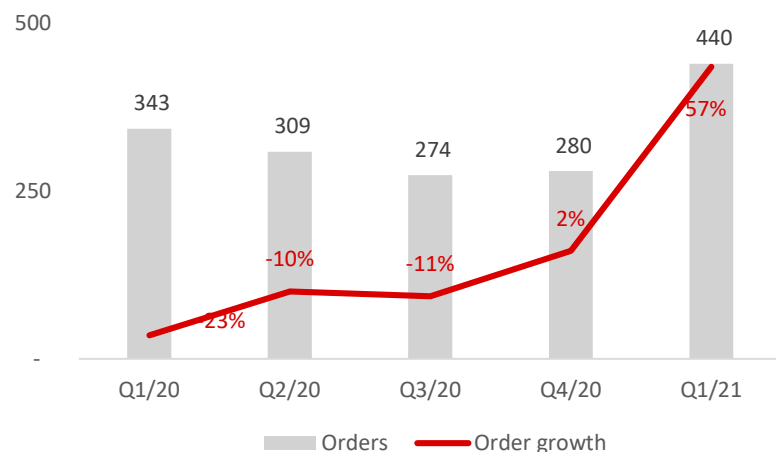
**Revenues - Rs 631 crores**  
Growth across all divisions except traction business  
Strong focus on execution of OBL resulted in improvement in products sales

**PBIT - Rs. 90 crores**  
Capacity utilization & reduced expenses  
Execution of better margin orders



# Q1 2021 Process Automation

Impacted by COVID-19



**Orders - Rs 440 crores**

**Order Backlog Rs 1,344 crores**

Investment decisions post first phase of COVID and enhancement of channel business in process industries led to order growth

Demand in the oil and gas segment has been stable

Fluctuation in crude price led to muted demand from engine based Power Plants .

**Revenues - Rs 326 crores**

Higher backlog conversion in process industries

In Q1'2020: impact of slow moving legacy projects of power generation

**PBIT - Rs 29 crores**

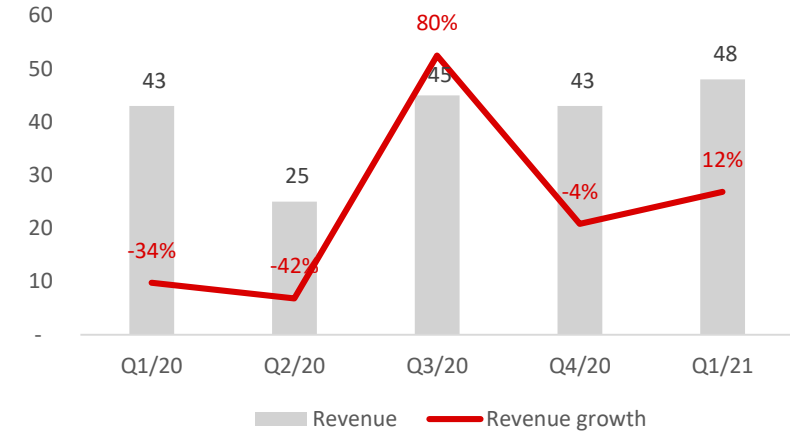
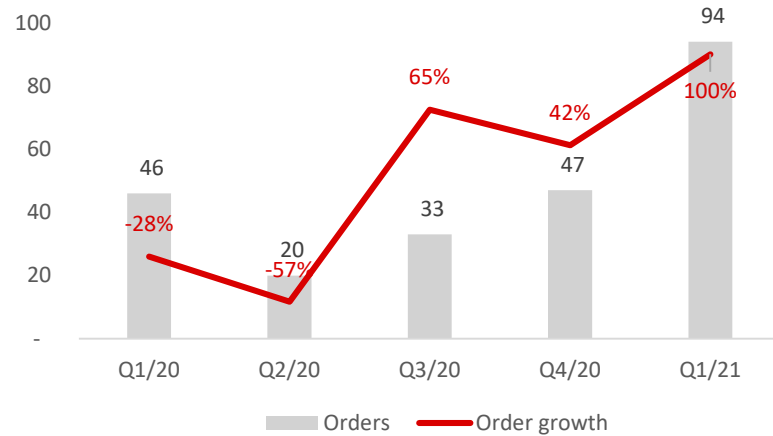
Better cost structure and backlog realization

No legacy projects impact

# Q1 2021 Robotics and Discrete Automation

Customers watchful with 2<sup>nd</sup> wave catching up

Growth trend on sequential basis



## Orders - Rs 94 crores

### Order Backlog Rs 175 crores

Robotic automation solution for building electric scooters for OLA

Early signs of recovery from 2-wheelers and Electronics segments

Lower orders from Auto OEMs and Tier 1 as they continue to be cautious on investments

## Revenues - Rs 48 crores

Service revenues going steady with few system upgrades

Project execution progressing well, but slow due to COVID travel restrictions

## PBIT - Rs. 5 crores

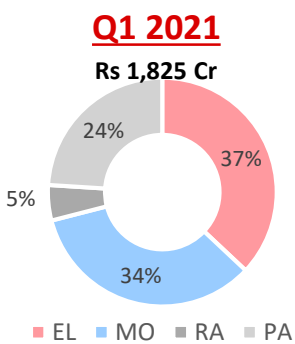
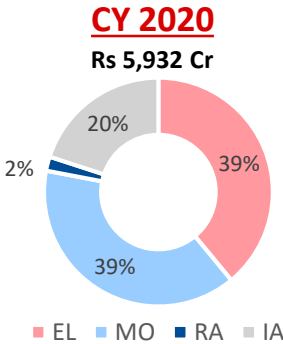
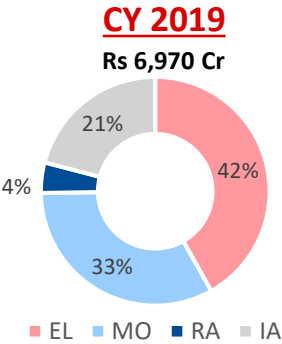
Service revenues boosting the overall profitability

Capacity and operational excellence initiatives

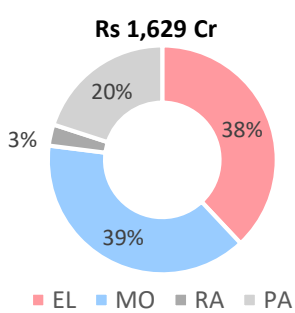
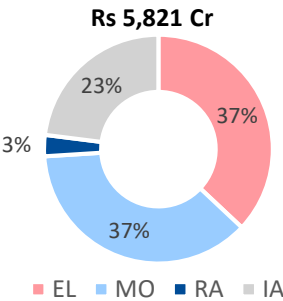
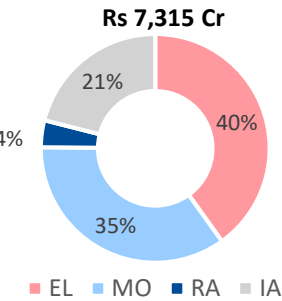


# Improved profitability across product segment

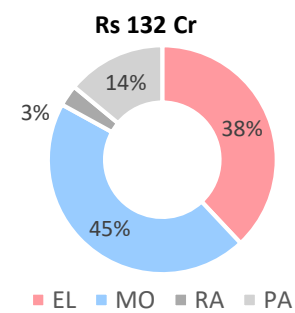
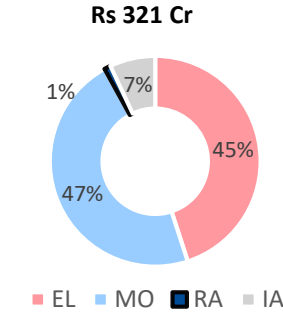
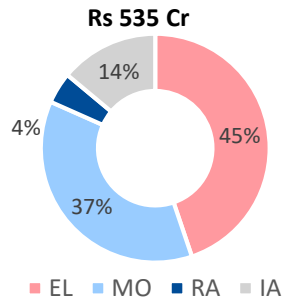
Orders



Revenues



PBIT



# Outlook



**Managing COVID second wave**



**Continued focus on business continuity**



**Focus on growth segments**



**Mitigate headwinds on commodity, forex volatility**



**Stakeholder and customer engagement**





---

## Driving Innovation: together

