



NOVEMBER 05, 2020

Writing the future with automation, robotics & digitalization

ABB India – Analyst Call

Q3, 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.

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- 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

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Agenda

Business highlights

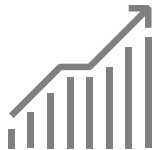
Financial Highlights



Priority areas for Q3 2020 (Jul-Sep)



Health and Safety



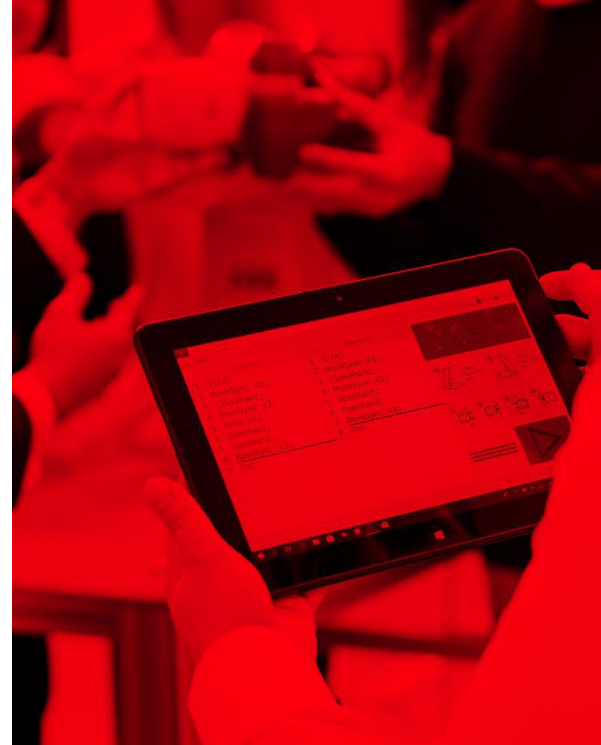
Restore business growth



Customer centricity and leadership focus



Cost and Cash management



Key takeaways

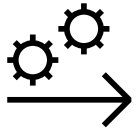
Performance improving though uncertainties remain



Demand recovery aided by pent up opportunities with green-shoots in emerging sectors



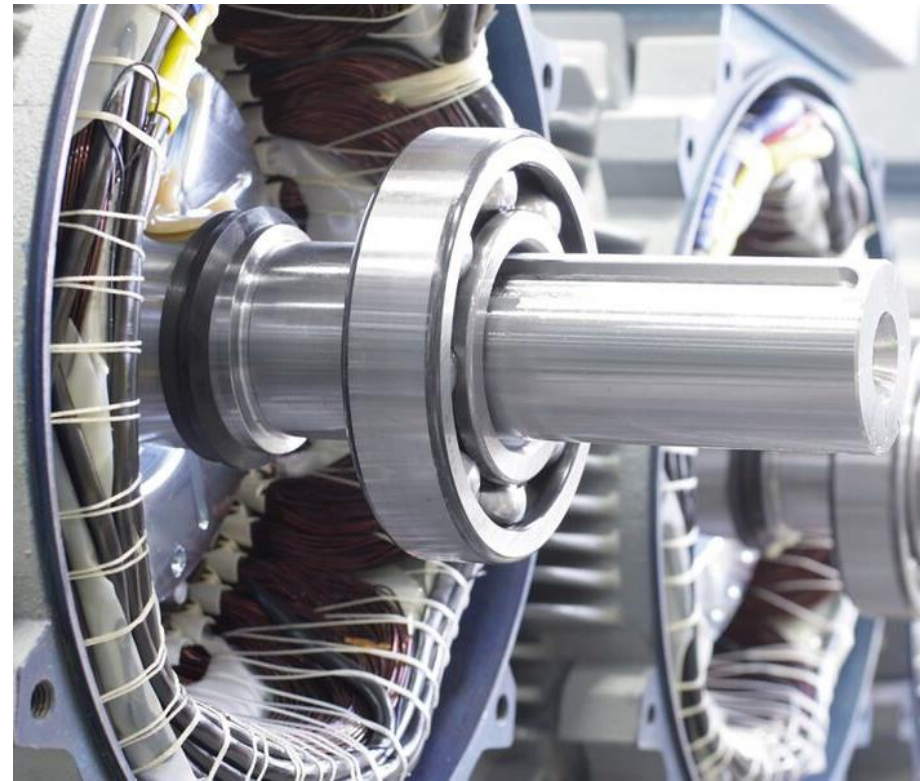
Government investment remains key to fuel growth













Focus on growth segments while conventional sectors continue to face headwinds



Agile and robust balance sheet

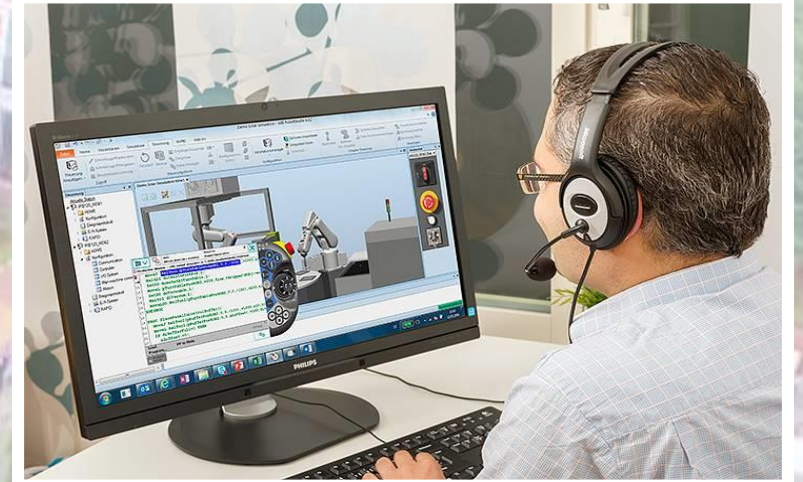


Resilient performance in a challenging period

| | Actual for Q3/20 (in Crores) | Change Q3/20 vs Q3/19 | Change Q3/20 vs Q2/20 |
|---------------|---------------------------------|---|---|
| Orders | 1,308 |  |  |
| Order Backlog | 4,390 |  |  |
| Revenue | 1,612 |  |  |
| PBT | 114 |  |  |
| PAT | 85 |  |  |

Getting closer to customers to drive business opportunities

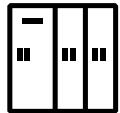
Adopting Digital and Remote technology



Leading business opportunities



Traction motor and convertor order for Indian Railways and metro projects



Compact Secondary Substations and Ring Main Units for private power distribution company



Distributed Control Systems and Manufacturing Execution System for an Indian pharma major



Robotics orders for assembling and packaging applications from global electronics manufacturer

Sector outlook

Riding through the crisis by focusing on the right segments

India Growth Themes

Government pushing towards self reliance in Manufacturing

- Local content preference
- Electronic manufacturing hub
- States looking at setting up hubs of local base in specialized areas like semi conductors, plug & play clusters for machines components, etc.

Consumption story

Agri reform announced, FMCG companies expanding capacity

Infrastructure push

National infrastructure pipeline over \$1.6trn

Sectoral focus areas

| | |
|------------------|---|
| Strong | <ul style="list-style-type: none">• Data Centers• Pharma• Warehouse Logistics |
| Business Outlook | <ul style="list-style-type: none">• Food and Beverage• Renewables• Railways and Metros• Power Distribution |
| Weak | <ul style="list-style-type: none">• Conventional Power Generation• Rubber and Plastics• Pulp and Paper |

Agenda

Business highlights

Financial highlights



Financial Performance

Resilient performance in a challenging period

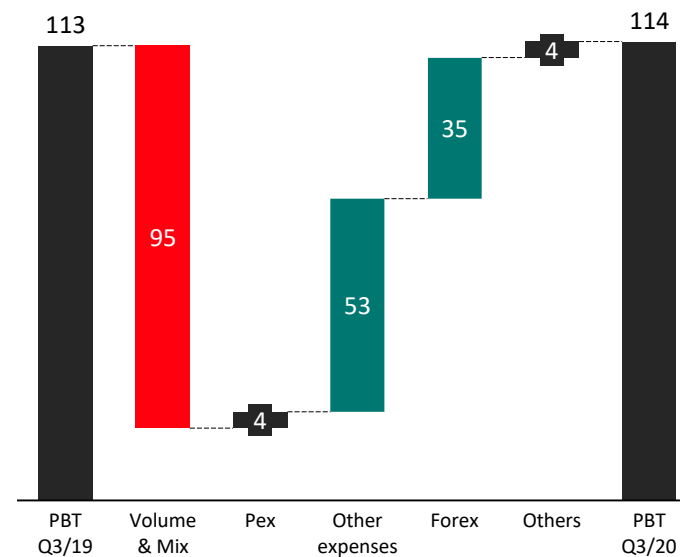
INR Crores

←-----Q3 and YTD Performance-----→

| Q2, 2020 | Performance Indicator | Q3, 2020 | Q3, 2019 | Change | YTD, 2020 | YTD,2019 | Change | FY 2019 |
|--------------|--|--------------|--------------|-------------|--------------|--------------|-------------|--------------|
| 1,200 | Base Orders Received | 1,308 | 1,606 | -19% | 4,443 | 5,258 | -16% | 6,854 |
| - | Large Orders Received | - | - | | 18 | 116 | | 116 |
| 1,200 | Total Orders Received | 1,308 | 1,606 | -19% | 4,461 | 5,374 | -17% | 6,970 |
| 4,671 | Order Backlog (end of period) | 4,390 | 4,505 | | 4,390 | 4,505 | | 4,123 |
| 986 | Revenue | 1,612 | 1,746 | -8% | 4,120 | 5,322 | -23% | 7,315 |
| 21 | Profit Before Exceptional and Tax (PBT) | 114 | 113 | +1% | 165 | 364 | -55% | 514 |
| 2.2 | PBT before Exceptional % | 7.1 | 6.5 | | 4.0 | 6.8 | | 7.0 |
| 2 | Exceptional item | - | - | | 59 | - | | (70) |
| 23 | Profit After Exceptional and Before Tax(PBT) | 114 | 113 | +1% | 224 | 364 | -38% | 444 |
| 2.4 | PBT after Exceptional % | 7.1 | 6.5 | | 5.4 | 6.8 | | 6.1 |
| 17 | Profit After Tax (PAT) | 85 | 79 | +8% | 168 | 237 | -29% | 302 |
| 1.7 | PAT % | 5.3 | 4.5 | | 4.1 | 4.5 | | 4.1 |
| (21) | Operational EBITA | 103 | 119 | -14% | 125 | 377 | -67% | 501 |
| (2.1) | Operational EBITA% | 6.4 | 6.8 | | 3.0 | 7.1 | | 6.8 |
| | Cash balance | | | | 1,598 | 1,339 | | 1,595 |

Q3CY20 financial summary

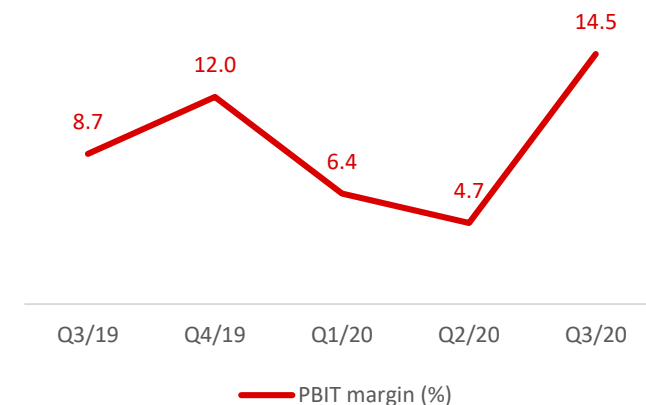
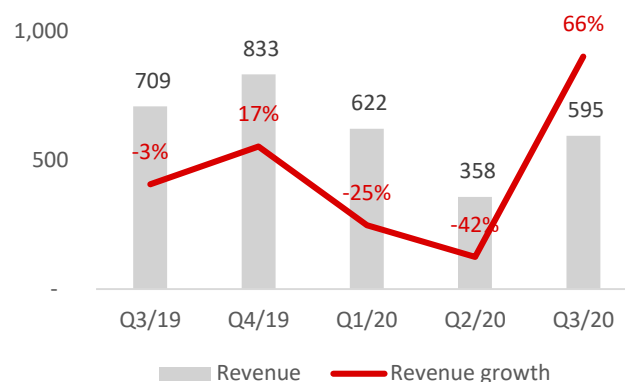
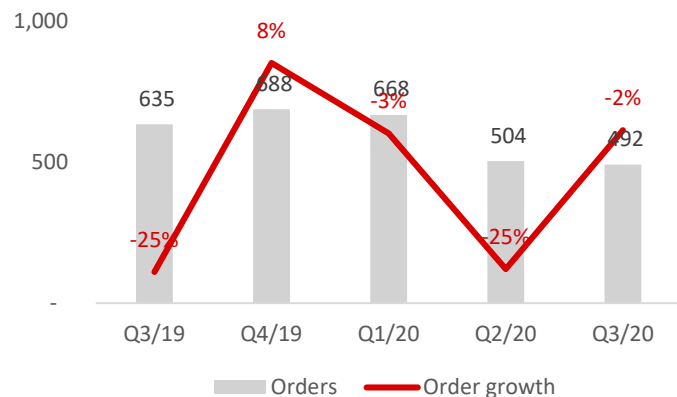
| | Quarter ended on 30.09.2020 | | Quarter ended on 30.06.2020 | | Quarter ended on 30.09.2019 | | Cumulative 30.09.2020 | | Cumulative 30.09.2019 | | Year ended 31.12.2019 | |
|--|--------------------------------|--------------|--------------------------------|--------------|--------------------------------|--------------|--------------------------|--------------|--------------------------|--------------|--------------------------|--------------|
| | Crs | % | Crs | % | Crs | % | Crs | % | Crs | % | Crs | % |
| INCOME | | | | | | | | | | | | |
| Revenue from Operations | 1,612.2 | 100.0 | 985.8 | 100.0 | 1,745.6 | 100.0 | 4,120.2 | 100.0 | 5,321.6 | 100.0 | 7,315.1 | 100.0 |
| Other Income | 20.1 | 1.2 | 26.6 | 2.7 | 16.4 | 0.9 | 92.5 | 2.2 | 55.9 | 1.1 | 94.3 | 1.3 |
| Total Income | 1,632.3 | 101.2 | 1,012.4 | 102.7 | 1,762.0 | 100.9 | 4,212.7 | 102.2 | 5,377.5 | 100.9 | 7,409.4 | 101.1 |
| EXPENDITURE | | | | | | | | | | | | |
| Material cost | 1,095.6 | 68.0 | 641.9 | 65.1 | 1,135.2 | 65.0 | 2,730.3 | 66.3 | 3,526.4 | 66.3 | 4,861.1 | 66.3 |
| Personnel Expenses | 135.2 | 8.4 | 120.2 | 12.2 | 139.5 | 8.0 | 418.7 | 10.2 | 433.1 | 8.1 | 579.6 | 7.9 |
| Other Expenses | 260.0 | 17.3 | 200.2 | 20.3 | 347.6 | 19.9 | 811.8 | 19.7 | 969.3 | 18.2 | 1,343.2 | 18.3 |
| Depreciation | 24.7 | 1.5 | 24.9 | 2.5 | 22.7 | 1.3 | 76.7 | 1.9 | 68.0 | 1.3 | 90.4 | 1.2 |
| Interest | 2.8 | 0.2 | 3.8 | 0.4 | 4.4 | 0.3 | 9.9 | 0.2 | 16.6 | 0.3 | 21.4 | 0.3 |
| Total Expenditure | 1,518.3 | 94.2 | 991.0 | 100.5 | 1,649.3 | 94.5 | 4,047.5 | 98.2 | 5,013.5 | 94.2 | 6,895.7 | 94.1 |
| Profit before Tax and exceptional | 114.0 | 7.1 | 21.4 | 2.2 | 112.7 | 6.5 | 165.2 | 4.0 | 364.07 | 6.8 | 513.7 | 7.0 |
| Exceptional item | - | - | 2.0 | - | - | - | 58.8 | - | - | - | (69.7) | - |
| Profit before Tax and after exceptional | 114.0 | 7.1 | 23.4 | 2.4 | 112.7 | 6.5 | 224.0 | 5.4 | 364.1 | 6.8 | 444.0 | 6.1 |
| Profit after tax | 85.5 | 5.3 | 16.7 | 1.7 | 78.8 | 4.5 | 168.3 | 4.1 | 237.6 | 4.5 | 302.2 | 4.1 |
| ETR (%) | 25.0% | | 28.5% | | 30.1% | | 24.9% | | 34.7% | | 31.9% | |



- Revenue mix driving material cost change
- Employee cost rationalization
- Other expenses behavior aligned with volume changes & accounting norms
- Relative favorable forex position

Q3 2020 Electrification

Improving on a solid track record



Orders Rs 492 crores

Order Backlog Rs 1,323 crores

Data Centres , Metro Rail , Food & Beverage

Repeat orders in MV Distribution

Launch of anti-bacterial switches

Revenues Rs 595 crores

Strong export performance

Service business related constraints persist

PBIT Rs. 86 crores

Capacity uptick & cost rationalization helped margin accretion

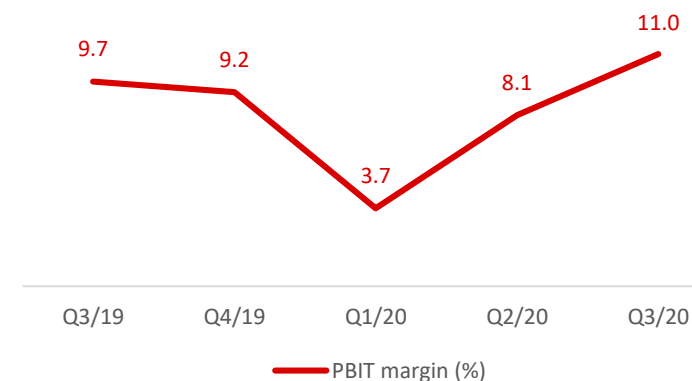
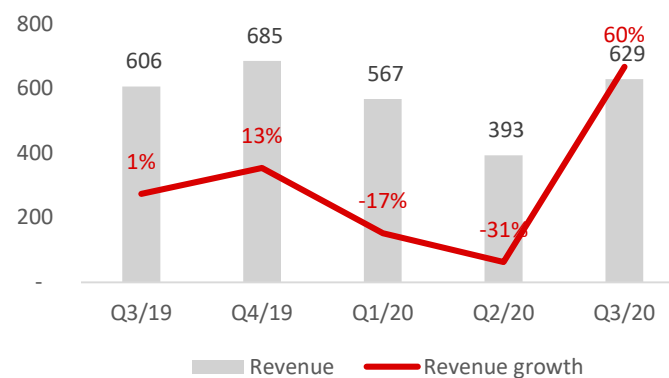
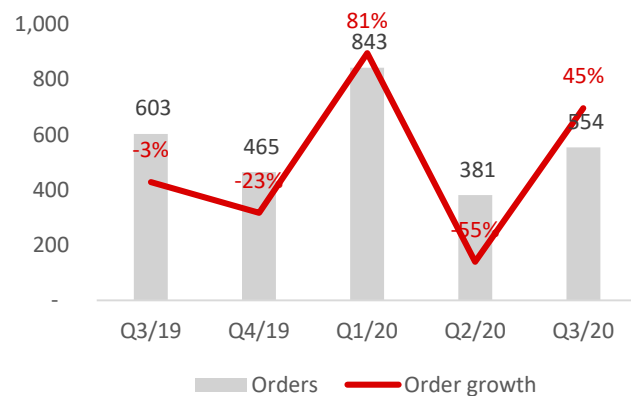
Previous year included solar business

Supportive pricing actions

Favorable forex impact

Q3 2020 Motion

Resilient short-cycle business with revived execution



Orders Rs 554 crores

Order backlog Rs 1,651 crores

Focus on transportation, digitalization and service

Continuous engagement with customers through digital means helped drive growth

Revenues Rs 629 crores

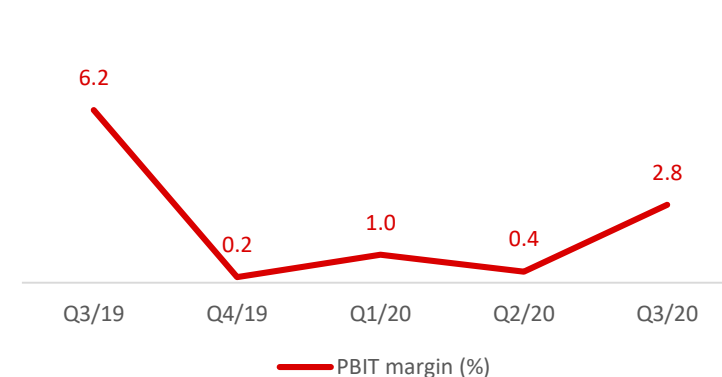
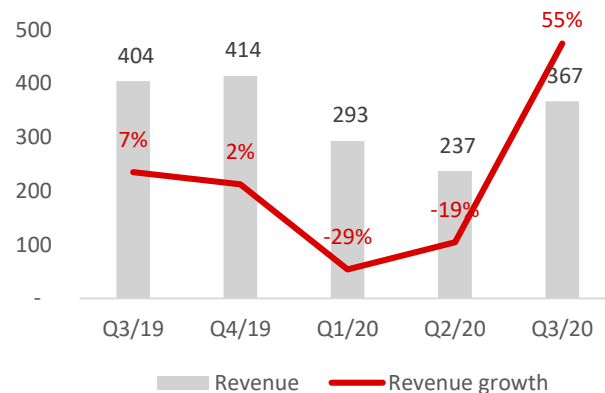
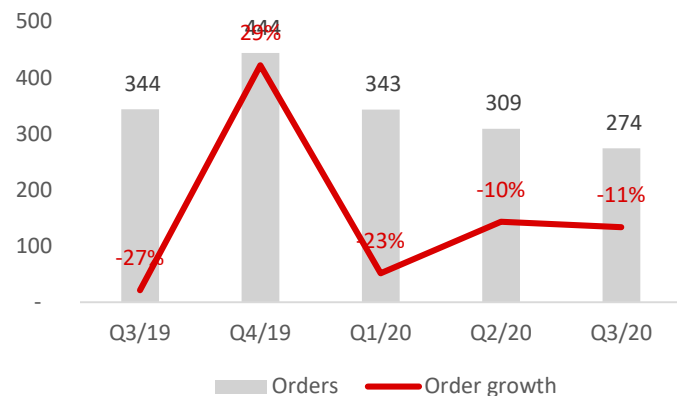
Backlog conversion across all major segments

PBIT Rs. 69 crores

Better volume with mix and cost reduction measures driving profitability

Q3 2020 Industrial Automation

COVID-19 impact continues



Orders Rs 274 crores

Order Backlog Rs 1,342 crores

Deferment of projects due to market uncertainties and delayed decision making

Opportunity in Water Projects, Chemicals and small & mid-size plants

Revenues Rs 367 crores (sequentially up 55%)

Metal and cements impacted

Deferment by customers

Exports and capex related project revenues impacted

PBIT Rs. 10 crores

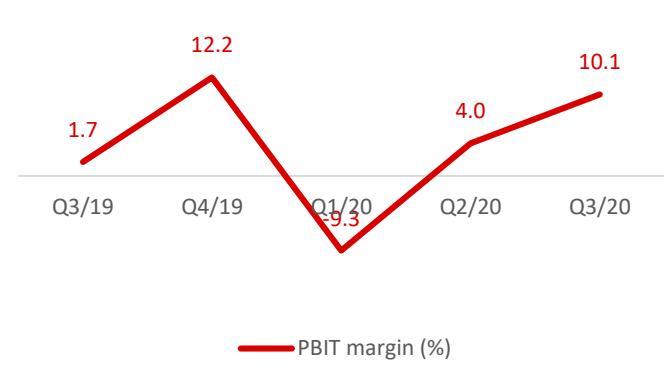
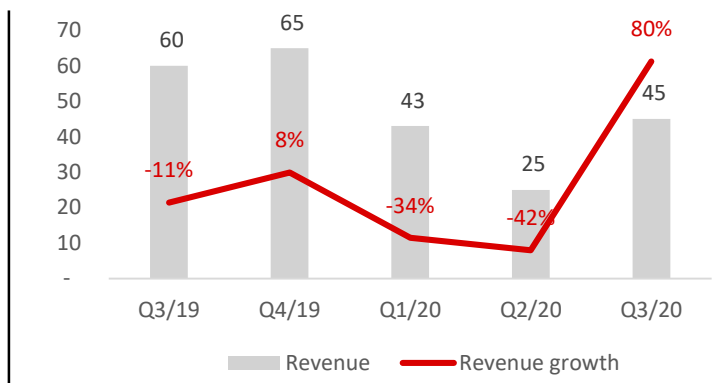
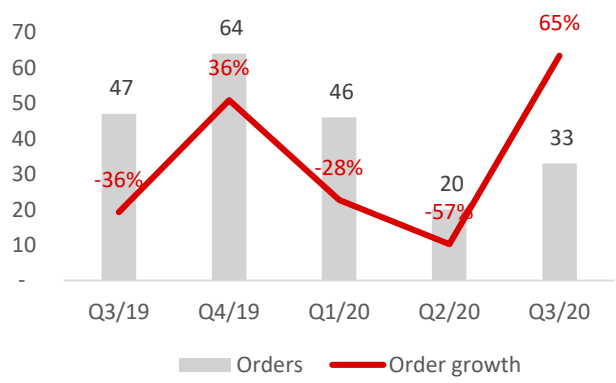
Project mix & execution challenges (EPC & conventional power generation segment)

Decline in service & export component

Unfavorable forex impact for the quarter

Q3 2020 Robotics and Discrete Automation

Industries ramping up production after the lockdown



Orders Rs 33 crores

Order Backlog Rs 116 crores

Continued to make investments

Lower orders from Auto OEMs and Tier 1

Opportunities expected in consumer and electronic

Revenues Rs 45 crores

Lower project revenues and uptick seen in service revenue

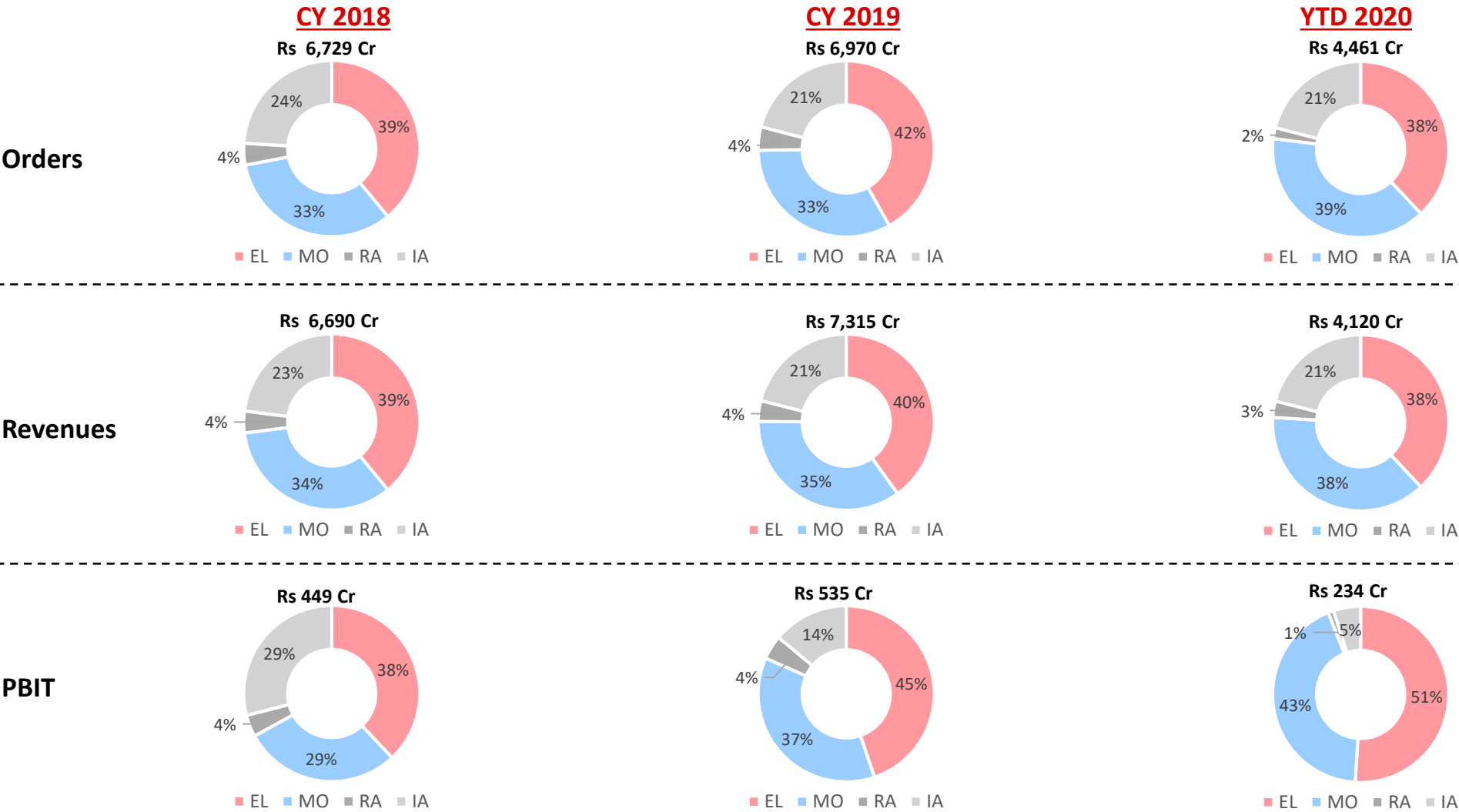
Customer sites still not operational or restricting movement of outsiders

PBIT Rs. 5 crores

Higher service revenues improving margins

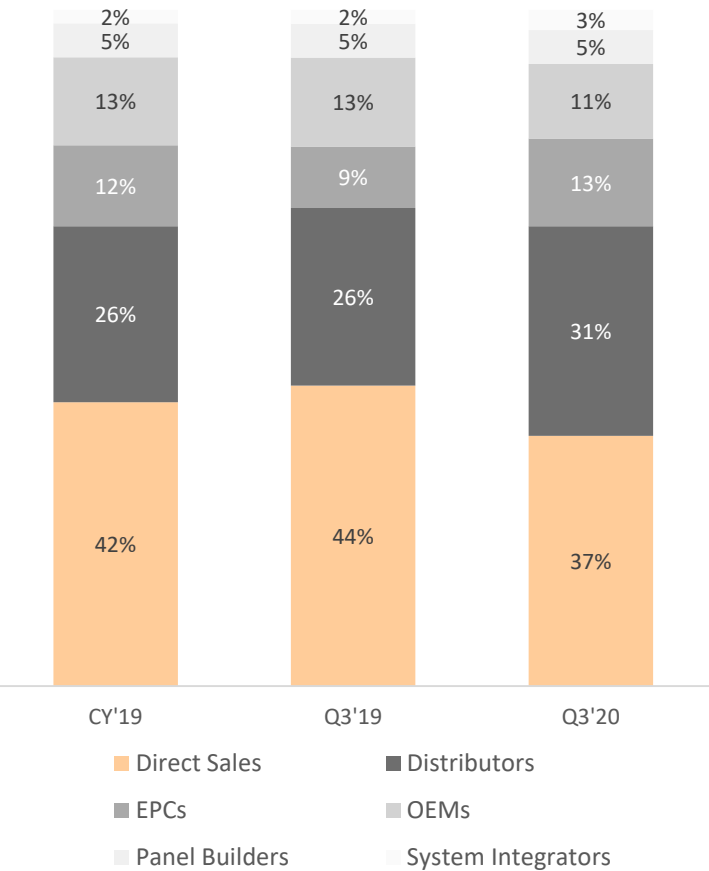


Share of total orders, revenues & PBIT by division

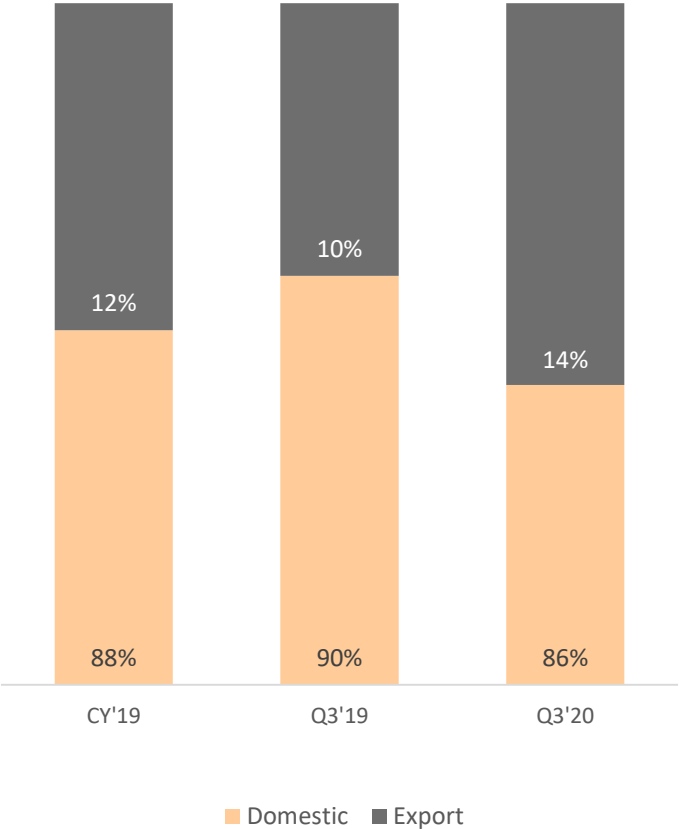


Well diversified business model

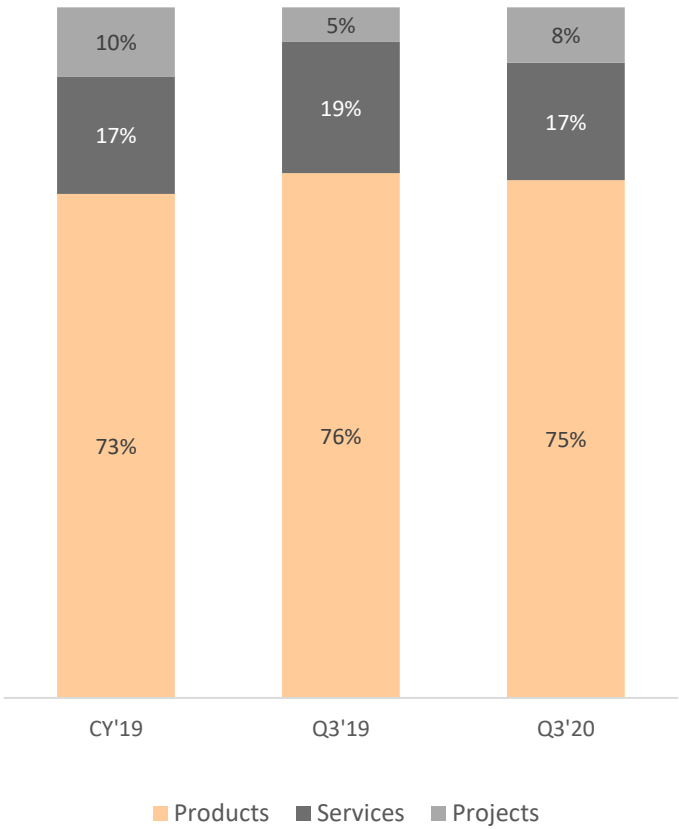
Channels



Geography



Offering



Writing the future: together

