

July 21, 2022

BSE Limited
P.J. Towers
Dalal Street
Mumbai 400 001
(Atten: DCS Listing)

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No. C/1, G Block
Bandra-Kurla Complex, Bandra (E)
Mumbai 400 051
(Atten: Manager Listing Department)

Ref: BSE Scrip Code: 543187, NSE Scrip Symbol: POWERINDIA

Dear Sirs,

Subject: Analysts/Investors' Presentation


Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith a copy of presentation to be made during the conference call with Analysts/Investors as scheduled today i.e., July 21, 2022 for the information of the Stock Exchanges.

The above information is also hosted on the website of the Company at <https://www.hitachienergy.com/in/en/investor-relations>

Kindly take the same on your records.

Thanking you,

Yours faithfully,
For Hitachi Energy India Limited
(formerly known as ABB Power Products and Systems India Limited)



Poovanna Ammatanda
General Counsel and Company Secretary



Encl: as above

Hitachi Energy India Limited

(Formerly known as ABB Power Products and Systems India Limited)

Registered and Corporate Office:
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Q1FY23: Analyst Conference Call

N Venu, Managing Director & CEO

21.07.2022

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 Hitachi Energy India Limited (formerly known as ABB Power Products and Systems India Ltd) (“Hitachi Energy India”). 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:

COVID-19 crisis associated disruption risks

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 Hitachi Energy India’s filings with the Stock Exchanges and Securities and Exchange Board of India (SEBI), including its Annual Report.

Although Hitachi Energy India 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.

Significant wins in challenging markets

		Growth vs Corr Qtr.	Growth QoQ
Orders	INR 3,054.6 cr	↑ 309.7%	↑ 192.7%
Revenue	INR 991.3 cr	↑ 24.4%	↓ (13.2%)
PBT	INR 2.1 cr	↓ (90.2%)	↓ (97%)
PAT	INR 1.3 cr	↓ (91.8%)	↓ (97.4%)
Order backlog	INR 6,777 cr		

Revenue slippage due to various issues; half contributed by semiconductor shortage

Following impacted PBT:

- commodities price, freight and logistics cost increase
- semiconductor shortage
- loss on exchange & commodity fluctuation

Key order wins

- **Adani, AEML:** 1000MW Mumbai Infeed HVDC
- **PGCIL:** 500MVA 400kV transformers
- **Oil & gas major:** 174 MVA 220 / 33kV and 500 MVA 400/22kV digital transformers
- **Private rail equipment manufacturer:** Tractions transformers for EMUs
- **Indian Railways:** 57 nos. LOT 6500 traction transformers for electric locomotives
- **Datacenter:** CRP-SAS, FOTE, among other substation automation system orders

Regular reiteration to ensure deep understanding and practice

- Continued trend of **zero fatal injuries**
- **High Risk Hazards resolution rate 99%**
- Manager program to improve quality and spread of SOTs
- Embed Risk Management and Life Saving Rules in routine & non-routine operations

Keeping an eye on the ebb & flow of Covid cases

- Continued monitoring of Covid cases within organization
- Agile and adaptive new norm measures
- Vaccination at 99%; precautionary dose ~40%

Summer preparedness across project sites helps mitigate impact of heat wave

- Contractor staff briefed on summer requirements
- Rest sheds with cooling arrangement for workers
- Emergency preparedness - Mock drill on heat stroke, BP & temperature monitoring at sites
- Drinking water arrangements at sites - ORS & lemon water for balancing electrolytes



Mumbai 1000 MW HVDC link – to increase power inflow by 50%



High voltage switchyards for industrial and infrastructure segments



Plantation drive by employees results in ~1300 saplings at Vadodra location



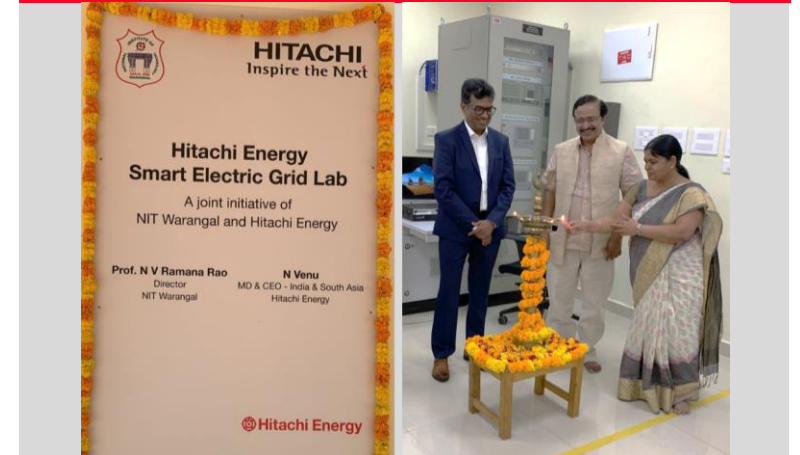
Strengthening export demand for made in India high voltage offering



Sustained industry thought leadership; technology seminars



Nurturing talent: Inauguration of NIT Warangal Smart Electric Grid Lab



2030 Carbon Neutral Targets: India Actions

Q1FY23:

Power Purchase Agreement signed for Maneja on Opex model

Energy assessment of PGTR – Maneja completed, Total energy saving potential of 9.8%

10 location leads nominated for BEE Certified Energy Manager course to lead energy efficiency programs

Oversight & continuity:

Management sponsorship, location ownership and regular STECOs to ensure execution remains on track

Continue to maintain 100% fossil free electricity consumption

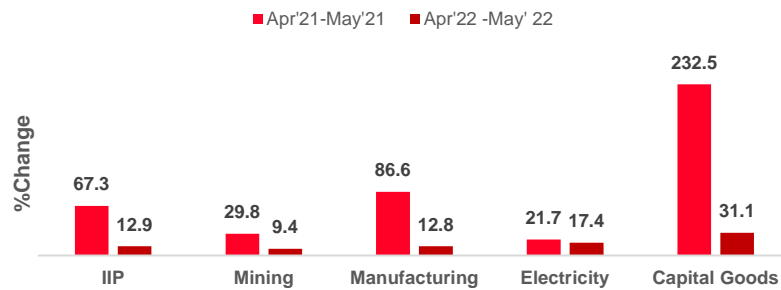
Potential reduction of 62% CO2 emission (including fossil free electricity) in FY23



Macro-economic snapshot

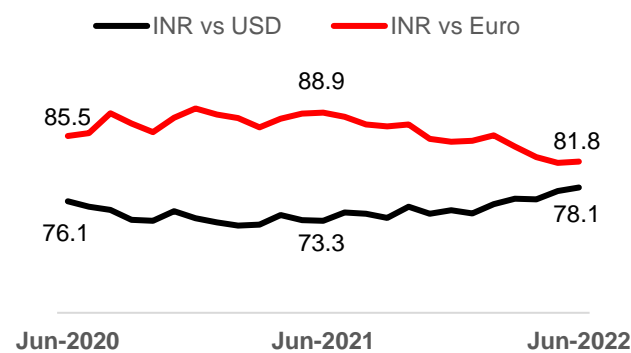
- **COVID-19** daily cases have remained under 20k in Apr-Jun'22.
- Analysts estimate **India GDP in FY22-23 to be 7- 8%** ; Growth boost expected from normal monsoon, increased consumption but also expected to be impacted by geopolitical tensions, high commodity prices
- **Inflation** remains **high above 6%** primarily due to adverse supply shocks and high inflation globally. **Inflation projected at 6.7% for FY22-23** by RBI
- **India's power demand touches all-time high of 210 GW**, government taking steps to ensure uninterrupted coal supply – CIL plans to import 2.4 MT coal
- **Semiconductor shortage** effects felt across industries – from auto to power

Industry growth (IIP²) – All sectors show positive growth



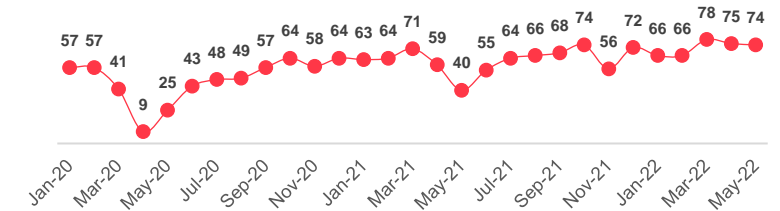
The growth rates over corresponding period of previous year are to be interpreted considering the unusual circumstances on account of COVID 19 pandemic since March 2020

Rupee weakened nearly by 6% vs USD so far in 2022

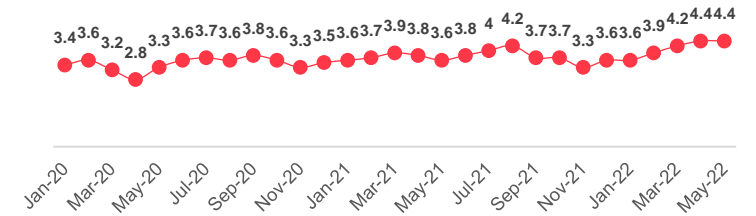


High Frequency Indicators *

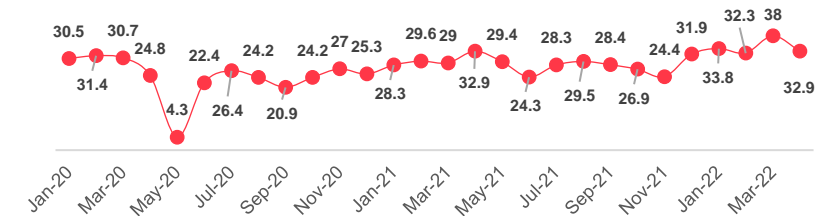
E-way bills generated (Mn) – lower in May'22 than the peak in Mar'22 but higher than pre-covid May'19 levels



Daily Average Power Consumption Volume ('000s Mus) – Power consumption steady since Apr'22



Cement production (MMT) – fell in Apr'22 vs Mar'22



Root cause: Growing and competing demand from other industries

Large and growing volumes required by consumer electronics, automotive

Semiconductor market grew 7.3% in 2020, 9% in 2021 and 10+% 2022e

Reorganization of supply chains due to political shifts

Actions: Redesign and revisit value chain

Manufacture escalation: Collaborate with manufacturers, distributors and contract manufacturers

Open market scanning: Leverage scale of Hitachi Group

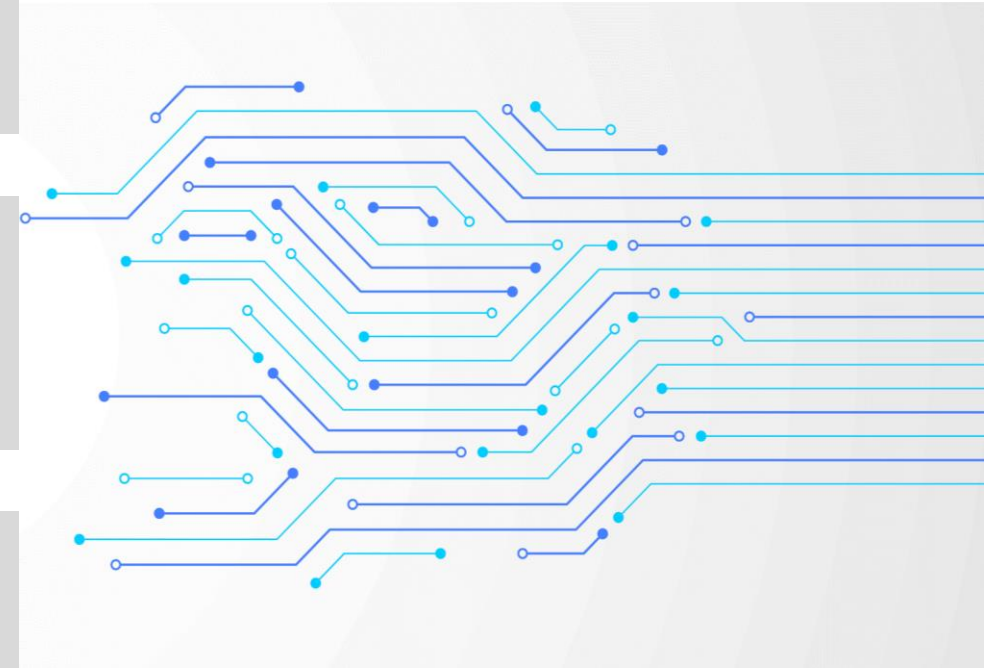
Redesign products to reduce dependency on semi conductors

Outlook

Semiconductor demand will exceed supply in coming quarters

Cost increases will likely average more than general inflation

Risk and cost in supply chains remain elevated due to geopolitics



Supply constraints such a semiconductors may hamper revenue in short term

Key Segments



Transmission

Green Energy Corridors II notified by government.
Bagged orders from public and private, national & state utilities

Yoy % growth

+1706%



Industry

Growth boost in Q1 in domestic market with orders from O&G major and export orders from Azerbaijan, Saudi Arabia

Yoy % growth

+100%



Power Quality

Capacitor orders, especially those from feeder factory, and reactors for state grids

Yoy % growth

28.6%



Railways & Metros

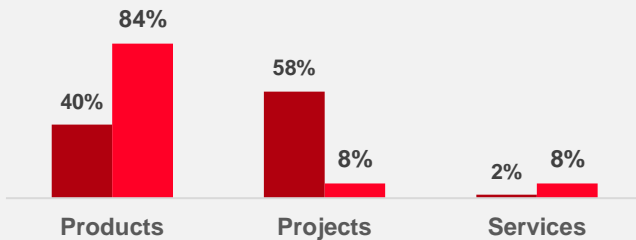
Indian Rail target net zero by 2030
2 X 25kV Electrification of High-Density Corridors
8-10 metro projects to be awarded in current FY

Yoy % growth

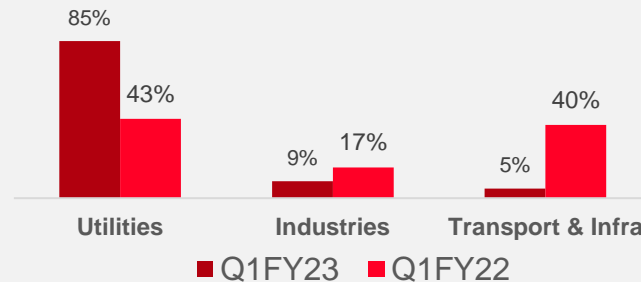
+1%*

Order Mix

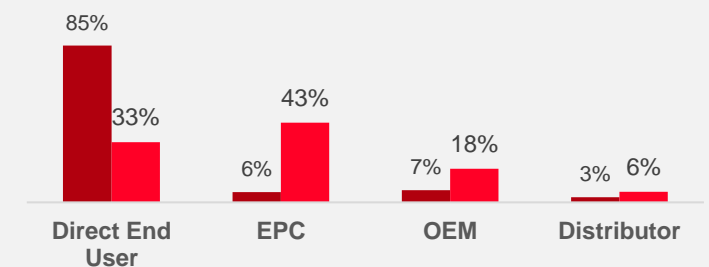
SEGMENTS



SECTORS



CHANNELS



■ Q1FY23 ■ Q1FY22

Exports continue trend of >20% of orders (ex HVDC)

- Order for 33 kV Power Transformers from Total Oil & Gas, Uganda
- Order for 220 kV & 132 kV Harmonic Filters from TRANSCO UAE ~
- Order for 362 KV CB & DS from Integrated System Solution LLC Azerbaijan
- First direct supply order from Bhutan Power Corporation for 132/220/420 KV CB
- Significant orders from US markets for the feeder factories.

Target bracket for export contribution maintained

10% yoy growth in total service orders

- **Digital:** First Modular Switchgear Monitoring supply order from Hitachi Japan
- **Enabling business continuity:** Successful completion of 400 kV GIS repair and extension project for Sembcorp Energy
- **Market Wins**
 - Breakthrough PASS orders from PSTCL, Vardhman & CT upgrade order from ST Telemedia
 - Life Cycle Services of HVDC system & spares from state and national utilities
 - Life Cycle support service orders for Grid Automation from national & state utilities, heavy industries
 - Renewable Study & Consulting Contracts from established and new entrants in global renewable space
- Order from DGCP, Bhutan for supply of spares and supervisory service for GIS

Continuing trend of breakthroughs and firsts

Financial performance – Profit & Loss Statement

(INR crore)	April - June 2022	April – June 2021	yoy %	Jan - March 2022	qoq%
Orders	3054.6	745.6	309.7	1043.6	192.7
Revenue	991.3	796.8	24.4	1142.1	-13.2
PBT	2.1	21.6	-90.3	70.7	-97.0
PBT %	0.20%	2.70%		6.20%	
PAT	1.3	16.3	-92.0	51.7	-97.5
PAT %	0.10%	2.00%		4.50%	
Op EBITA**	15.3	46	-66.7	77.1	-80.2
Op EBITA %	1.50%	5.80%		6.80%	
Op EBITDA	35.7	64.9	-45.0	97.0	-63.2
Op EBITDA %	3.6%	8.1%		8.5%	
Order backlog	6,777.2	4,770.8		4,672.3	

**The company evaluates the profitability based on Operational EBITA. Operational EBITA represents income from operations excluding: (i) amortization expense on intangibles, (ii) restructuring and restructuring-related expenses, (iii) non-operational pension cost, (iv) gains and losses from sale of businesses, acquisition-related expenses and certain non-operational items, as well as (v) foreign exchange/commodity timing differences in income from operations consisting of: (a) unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives), (b) unrealized foreign exchange movements on receivables/payables (and related assets/liabilities).

People and well being

Ensure continued healthcare infrastructure for employees and community

Living Sustainability

Strengthen **diversity and inclusion** -

- Double gender diversity
- **Learning** and talent development
- Shape **future talent** through partnerships with academia & government

Meet milestones on **2030 carbon neutral** journey

New **business partnerships and models** for high growth segments

Expand our **manufacturing footprint**

Overcoming short term turbulence

- Innovate business models
- Reassess supply chains to manage and mitigate semi conductor crunch & commodities super cycle
- Cash over revenue

Focus areas in the future energy system

Service: Sustain momentum, RELCARE, HVDC Upgrades

Digitalization: Led by industrial adoption

Exports: Continued investment in footprint to Make in India for India & the world

Rail: In line with Indian Railways' 2030 Net Zero ambitions

Renewables: 450 GW target

HVDC: New links to spur renewable

Data centers: Enhanced by govt data privacy focus



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