



MAY 14, 2020

ABB India – Analyst Call

Q1 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 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.

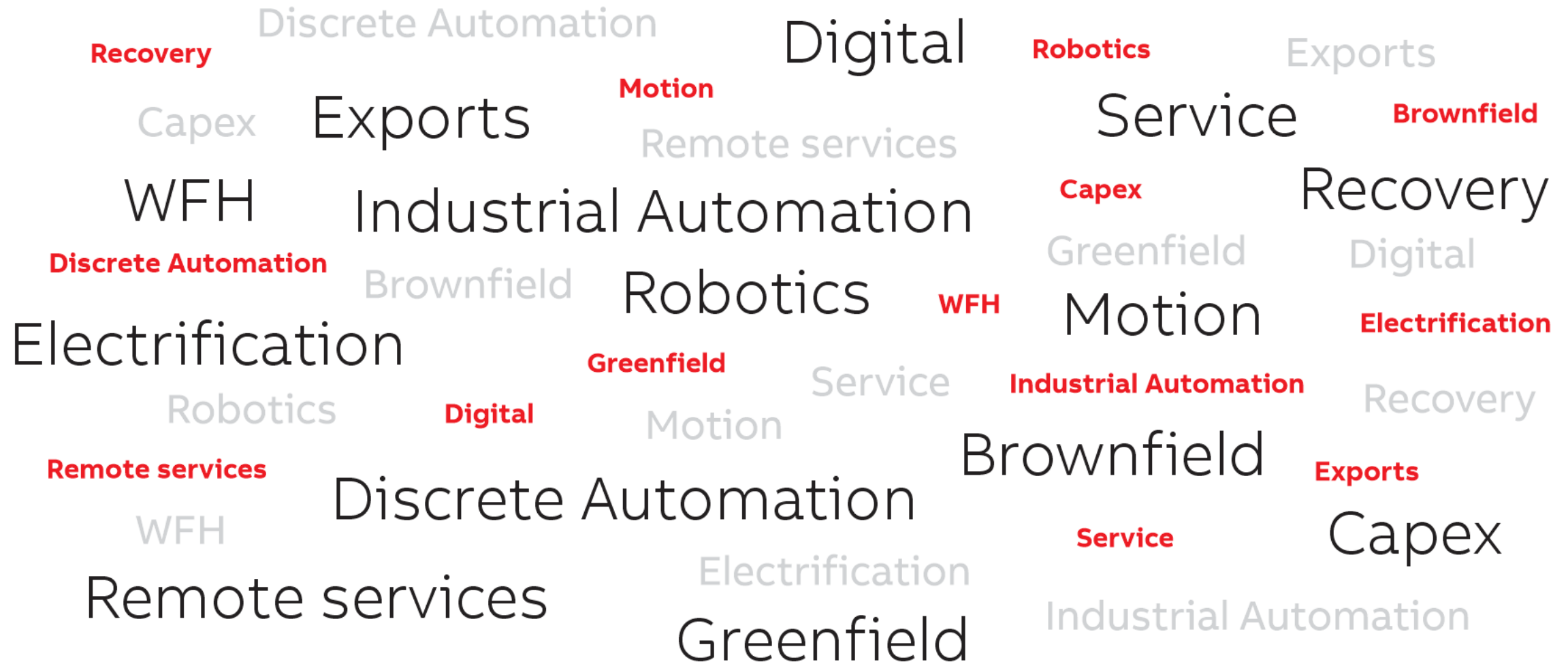
Although ABB Ltd believes that its expectations reflected in any such forward-looking statement are based upon reasonable assumptions, it can give no

Agenda

Business highlights

Financials highlights

100



Swift response from ABB India to address COVID 19 Issues



Leadership response

#1 priority, Health & Safety

- **Dedicated** Group Steering Co & Country Task Forces
- Following **government guidelines**
- **Cadence call** with country management team & Country COVID task force

Supporting communities

- **Contribution** to national and state funds
- **Awareness programs** for communities
- **Support infrastructure** being deployed to feed COVID workers

Impact and opportunity assessment

Likely impact areas

- **Supply chain**
- **Mobility** of workforce
- **Cash** collection from customer
- Delay in **revenue** recognition

Opportunities

- Enhanced focus on **local manufacturing** especially in Core and Critical Sectors
- **Infrastructure boost** post COVID-19 recovery
- **Market consolidation:** Companies with weaker balance sheets may be up for sale
- **Localized players to have an edge** over international ones

Continuing reliable operations for our customers during pandemic

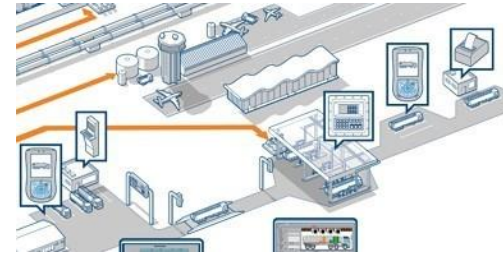
Powering isolation ward for COVID hospital in 48 hours



Ensuring smooth operations for x-ray tig welding with ABB robots



Seamless production expansion for sanitizer component











Supporting goods loco and breakdown locomotives in 10 locations for uninterrupted transport of essentials



Q12020 results

Committed to growth; navigating COVID-19 headwinds

	Q1/20 (in Crores)	Q1/20 vs Q1/19	Q1/20 vs Q4/19
Orders	1,953	+ 10% 	+ 22% 
Order Backlog	4,444	(-) 6% 	+ 8% 
Revenue	1,522	(-) 18% 	(-) 22% 
PAT	66	(-) 26% 	+ 2% 

- Order growth was driven by healthy growth in Motion. Robotics and Discrete automation continues to witness headwinds from auto sector
- Muted CAPEX heading into Q1
- Curtailed revenues due to logistic hurdles and offtake challenges
- PAT growth of 2% on a QoQ basis
- Balance sheet remains strong, stable cash

Business overview

Electrification



- Orders remain flat at 3% growth
- Revenue down 15% due to COVID-19 as shipments could not be completed before lock down
- Focus areas to include buildings (incl. airports), data centers, metros, water, automotive etc

Motion



- 30% order growth driven by large contract by Indian Railways
- Good traction in export orders – large order for export of motors
- Revenues down 21%. Lower revenues from water projects and delays in dispatch due to COVID-19
- Focus on transportation, digitalization and service

Industrial Automation



- 10% Order growth was led by wins in Energy and Turbocharging Industries
- Shortfall in service revenue, focus remains building the services portion of this business
- Improved cash collection

Robotics & Discrete Automation



- Orders, down 45% as slowdown in auto industry continues
- Revenues down 19% as projects move into Q2 due to COVID-19
- Focus area includes Automotive OEMs, General Industry, F&B, Electronics & Logistics
- Focus on cost rationalisation

Immediate priorities

Securing business continuity

Priority #1, Health & Safety

Covid-19 mitigation efforts intensifying, speed is key to resuming operations

Cost mitigation planning

Continued transformation

Traction of ABB Ability digital tools across businesses

Virtual customer connect and collaboration

Multi-faceted use of remote technologies

Choosing the right segments post lockdown

With right fundamentals, well positioned to focus on pockets of growth and specific customer segments post lockdown like:

- Utility Infra
- Water Infra
- Power Generation Infra
- Other Infra & PSU's
- F&B
- Pharma & Chemicals
- Data Centers

Agenda

Business highlights

Financials highlights

ABB India Ltd

Reasonable start but hindered by pandemic outbreak

INR Crores

Q4, 2019	Performance Indicator	Q1, 2020	Q1, 2019	Change	CY 2019
1,596	Base Orders Received	1,935	1,780	9%	6,854
-	Large Orders Received	18	-		116
1,596	Total Orders Received	1,953	1,780	10%	6,970
4,123	Order Backlog (end of period)	4,444	4,726		4,123
1,953	Revenue	1,522	1,850	-18%	7,315
150	Profit Before Exceptional and Tax (PBT)	30	139	-78%	514
7.7	PBT Before Exceptional %	2.0	7.5		7.0
70	Exceptional item**	57	-		70
80	Profit Before Tax (PBT)	87	139	-37%	444
4.1	PBT %	5.7	7.5		6.1
65	Profit After Tax (PAT)	66	89	-26%	302
3.4	PAT %	4.3	4.8		4.1

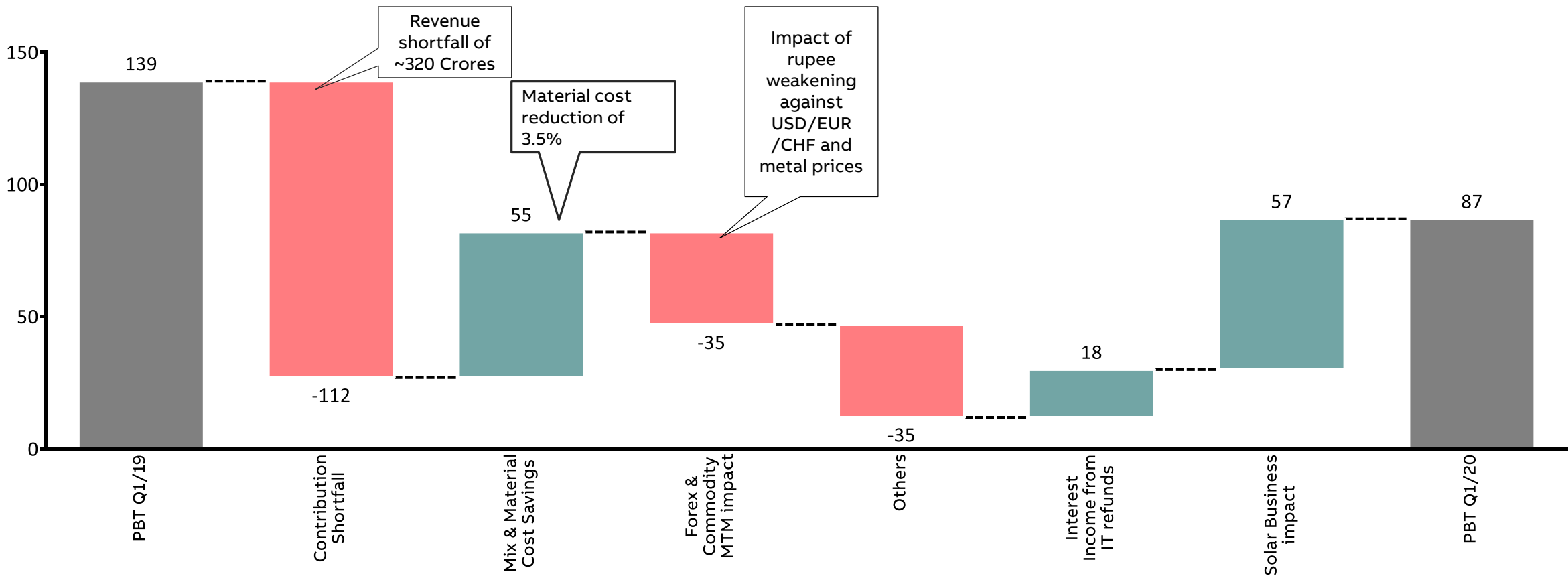
Performance Summary by Segment – Order and order backlog

In Crores	Orders		Order backlog	
	Q1/20	△	Q1/20	△
Electrification	668	+3%	1,276	+16%
Industrial Automation	343	+10%	1,385	+8%
Motion	843	+30%	1,708	+3%
Robotics	46	-45%	143	+2%

Q1 2020 financial summary

Rs/Crores	Q1, 2020	Q1, 2019	Q4, 2019	CY 2019
Sales	1,522.2	1,850.3	1,953.3	7,315.1
Other Income	45.8	19.1	38.4	94.3
Material Cost	992.7	1,266.7	1,294.6	4,861.1
% to sales	65.2	68.5	66.3	66.5
PeX	163.3	157.5	146.5	579.6
% to sales	10.7	8.5	7.5	7.9
Other Expenses	351.7	280.6	373.8	1,343.1
% to sales	23.1	15.2	19.1	18.4
Depreciation	27.1	23.3	22.4	90.4
% to sales	1.8	1.3	1.1	1.2
Interest	3.4	2.6	4.7	21.4
% to sales	0.2	0.1	0.2	0.3
PBT before exceptional	29.8	138.7	149.7	513.7
% to sales	2.0	7.5	7.7	7.0
Exceptional	-56.8	-	69.7	69.7
PBT	86.6	138.7	80.0	444.0
PBT %	5.7	7.5	4.1	6.1
Tax	20.6	49.7	15.3	141.8
% to sales	1.4	2.7	0.8	1.9
PAT	66.0	89.0	64.7	302.2
% to sales	4.3	4.8	3.3	4.1

PBT Bridge Q1/20 vs Q1/19



Segmental performance

INR Crores

	For Q1, 2020			For Q1, 2019			For Q4, 2019		
Divisions	Sales	PBIT	PBIT %	Sales	PBIT	PBIT %	Sales	PBIT	PBIT %
EL	622	40	6.4	731	64	8.8	833	100	12.0
IA	293	3	1.0	361	37	10.2	414	1	0.2
MO	567	21	3.7	720	70	9.7	685	63	9.2
RA	43	(4)	(9.3)	80	9	11.3	65	8	12.2
PG (Non Core)		(5)		9	(4)		2	4	
Others	33	(22)		31	(35)			(22)	
Net (after internals)	1,522	33		1,850	141	7.6	1,953	154	7.8

	FY 2019		
Divisions	Sales	PBIT	PBIT %
EL	3,019	297	9.8
IA	1,563	96	6.2
MO	2,618	242	9.2
RA	272	24	8.8
PG (Non core)	51	(9)	
Others	123	(115)	
Net (after internals)	7,315	535	7.3

Electrification

- Lower revenue due to delay in delivery clearances & lower offtake
- Volume shortfall & forex impact

Industrial Automation

- Customer plants constraints to receive material & shortfall in service revenues
- Under-absorption due to revenue shortfall and ECL impact

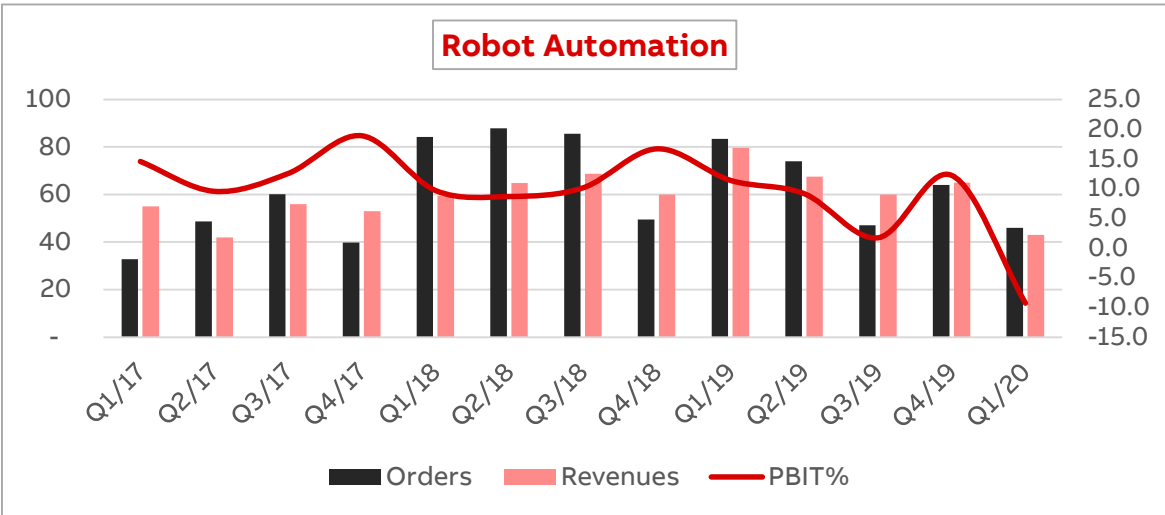
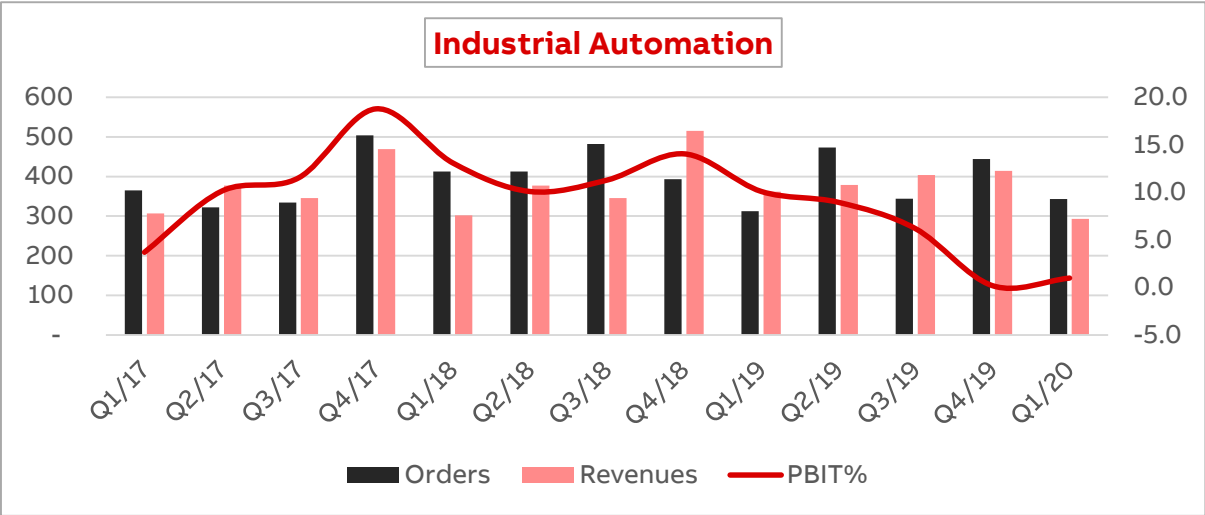
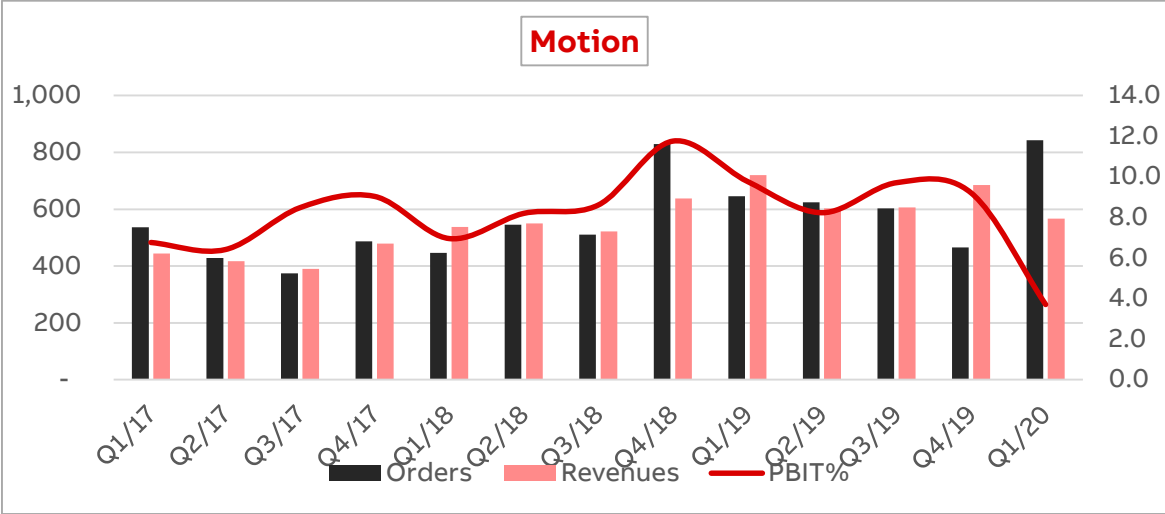
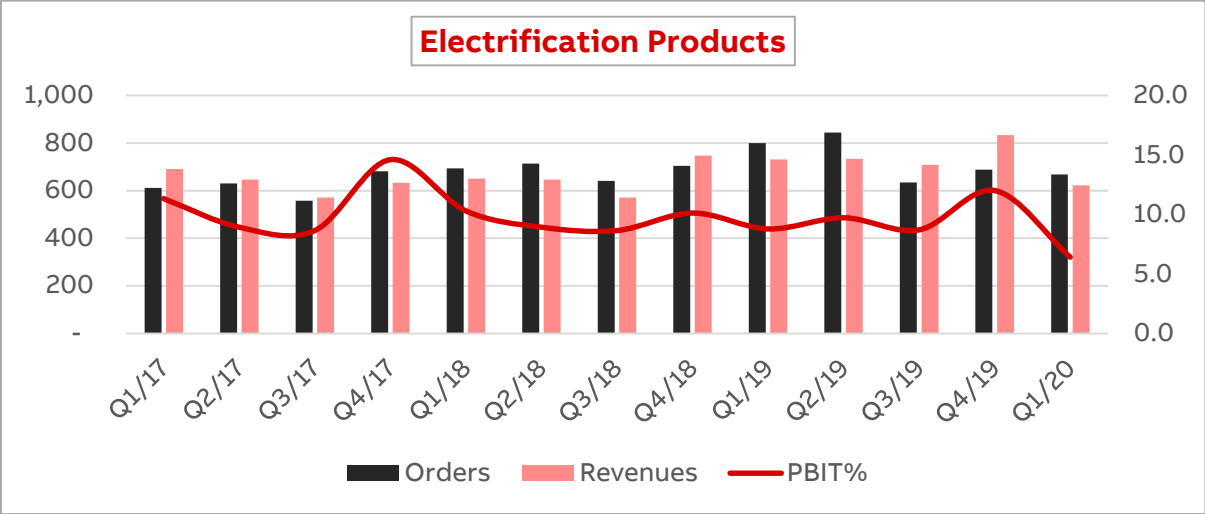
Motion

- Lower revenue from water projects and dispatch disruption / customer clearances
- Volume shortfall and MTM impact

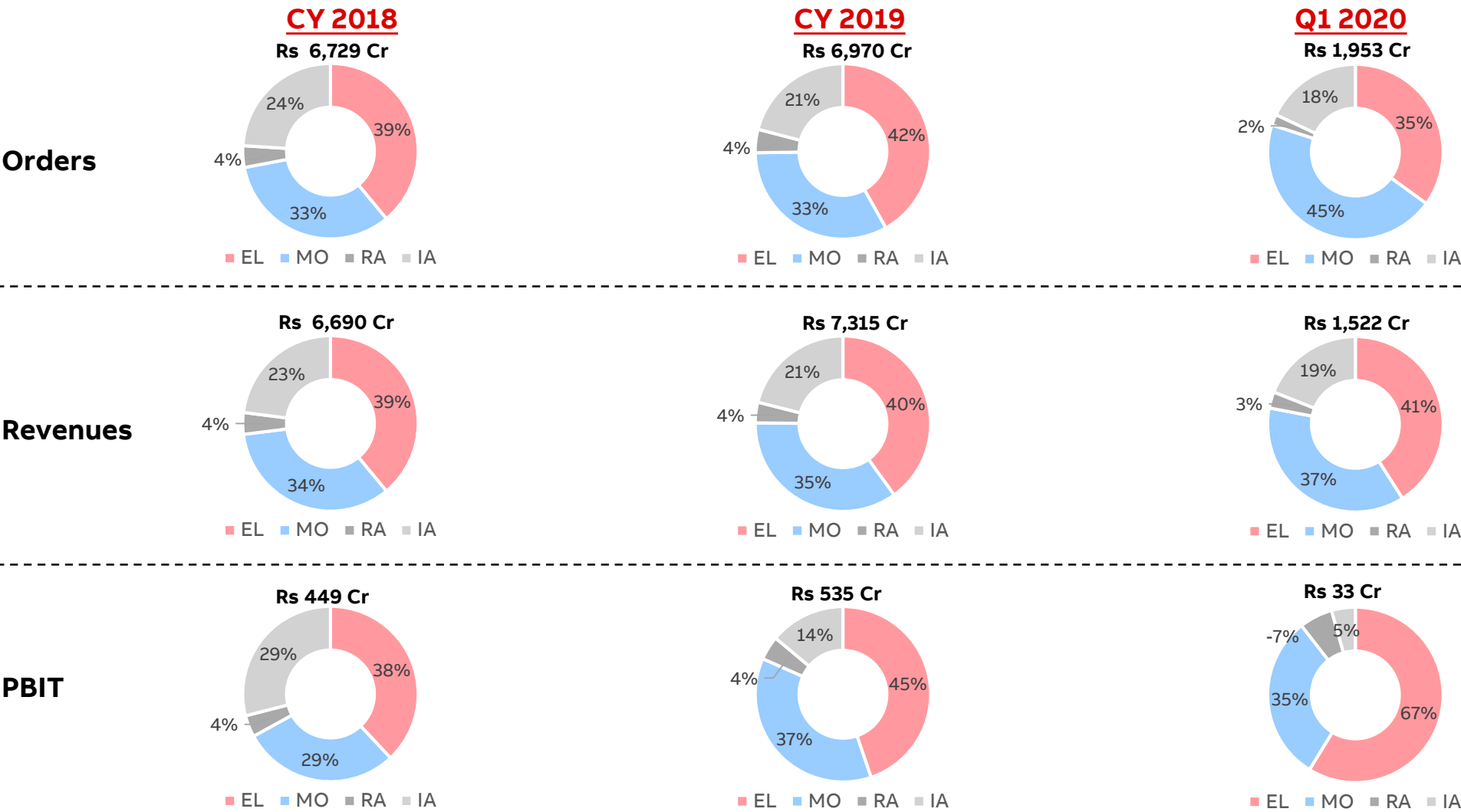
Robotic

- Q1 2019 paint projects contributed Rs. 28 Cr and March revenues impacted due to COVID lockdown
- Volume shortfall impact, mix

Quarterly Trend



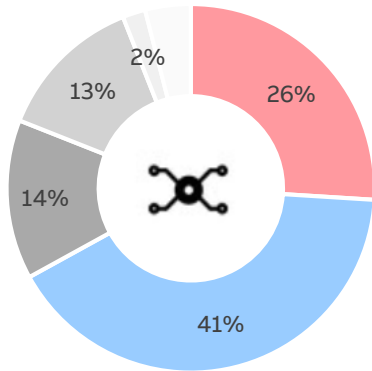
Share of total orders, revenues & PBIT by division



Well diversified business model

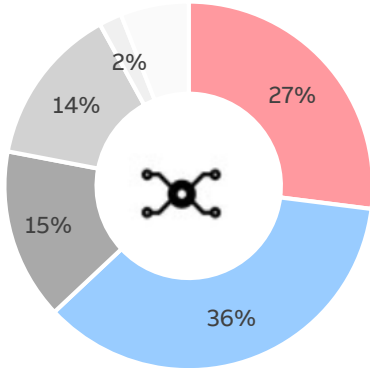
Channels

CY 2019



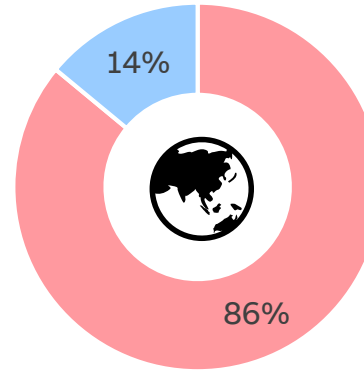
- Distributors
- Direct Sales
- EPCs

Q12020



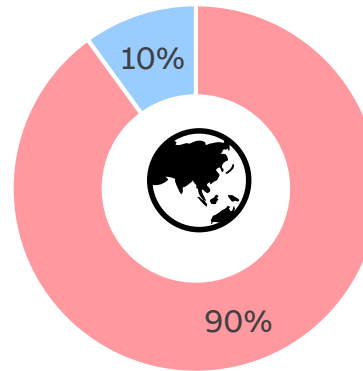
Geography

CY 2019



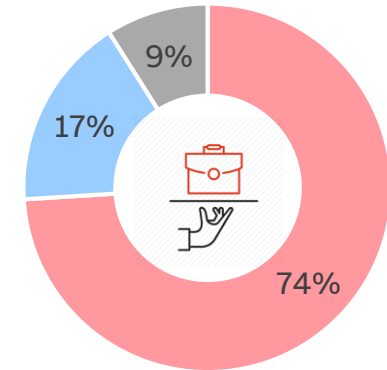
- Domestic
- Export

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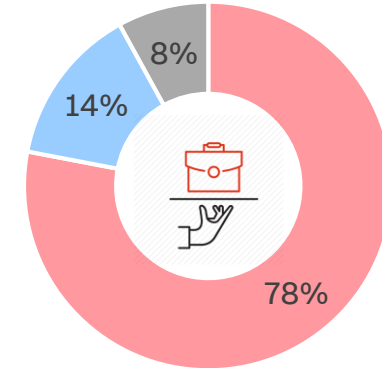
Offering

CY 2019



- Products
- Services
- Projects

Q12020



Key financial parameters

Parameters	FY17	FY18	FY19	Q1/20
EBITDA margin	7.8%	8.1%	8.6%	1.6%
<i>EBIT margin</i>	6.2%	6.7%	7.3%	2.2%
ETR	32.5%	35.7%	31.3%	21.9%
<i>Net Margin</i>	3.6%	3.8%	4.8%	4.4%
ROCE (Pre-tax)	11.4%	11.8%	14.6%	-
Earning per share (EPS) - Continued	10.64	12.00	16.66	3.11
Book Value per share (BVPS)	151.33	189.11	168.51	168.85
Net Debt/Equity	0.17	-	-	-
Net Debt/EBITDA	0.74	-	-	-
NWC %	1.33	1.62	1.50	1.51

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