



REF:INABB:STATUT:LODR:REGU 30:PPT:

May 8, 2019

BSE Limited  
P.J. Towers  
Dalal Street  
Mumbai 400 001  
**(Attn : DCS CRD)**

National Stock Exchange of India Ltd  
Exchange Plaza, 5<sup>th</sup> Floor  
Plot No. C/1, G Block  
Bandra-Kurla Complex, Bandra (E)  
Mumbai 400 051

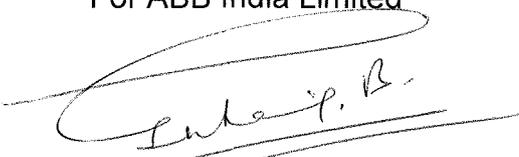
Dear Sirs

Sub: Presentation made to Analysts

We are sending herewith a copy of presentation made to Analysts today, for the information of the Stock Exchanges.

Thanking you

Yours faithfully  
For ABB India Limited



**B Gururaj**  
General Counsel & Company Secretary  
FCS 2631

Encl: as above



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ANALYST CALL, MAY 08, 2019

# Resilient and consistent performance

Q1 2019



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# 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.

**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.**

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# Agenda

## Key highlights

Market overview & ABB project wins

Financials

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# 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



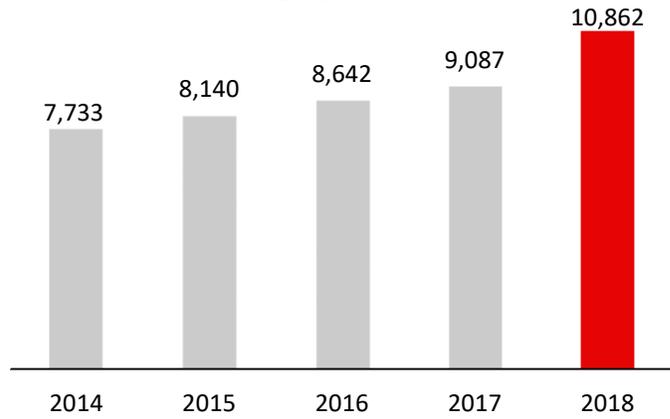
**>370** digitalization contracts signed across 80 countries



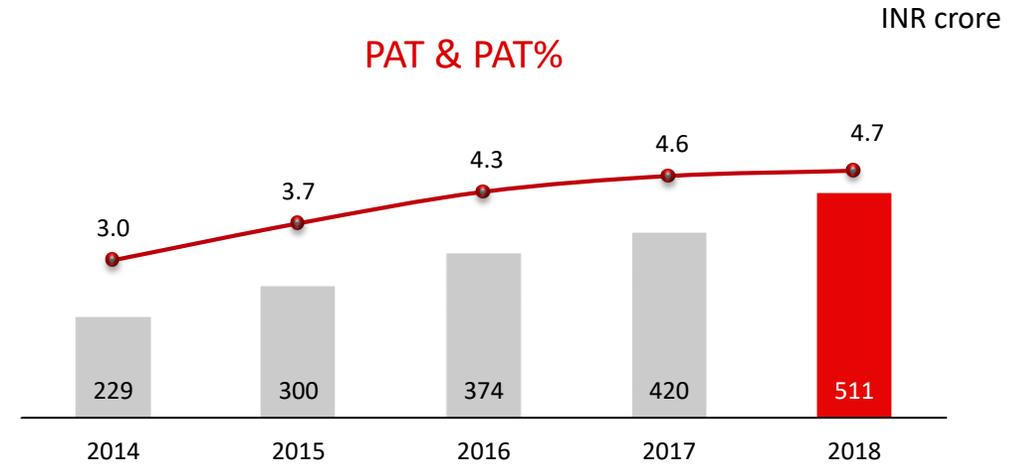
**10** out of 13 operational metros deploy ABB technology

# Creating value consistently for all stakeholders

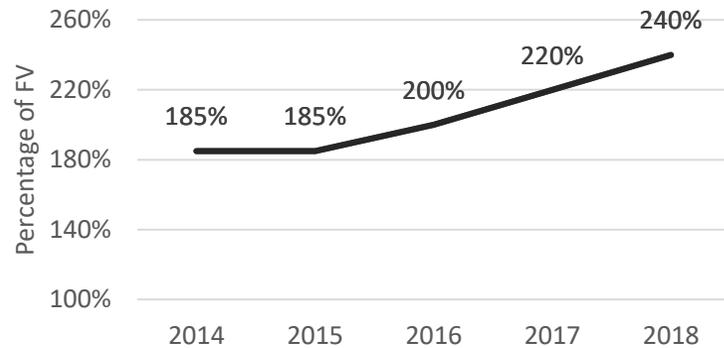
### Revenue



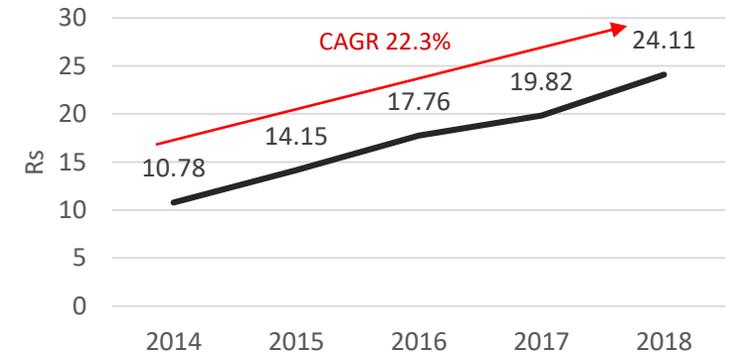
### PAT & PAT%



### 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<br>Rs 1,780 Cr<br>↑ 4 % | Revenue<br>INR 1,850 Cr<br>↑ 18% |
| PBT<br>INR 139 Cr<br>↑ 98%     | PAT<br>INR 89 Cr<br>↑ 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

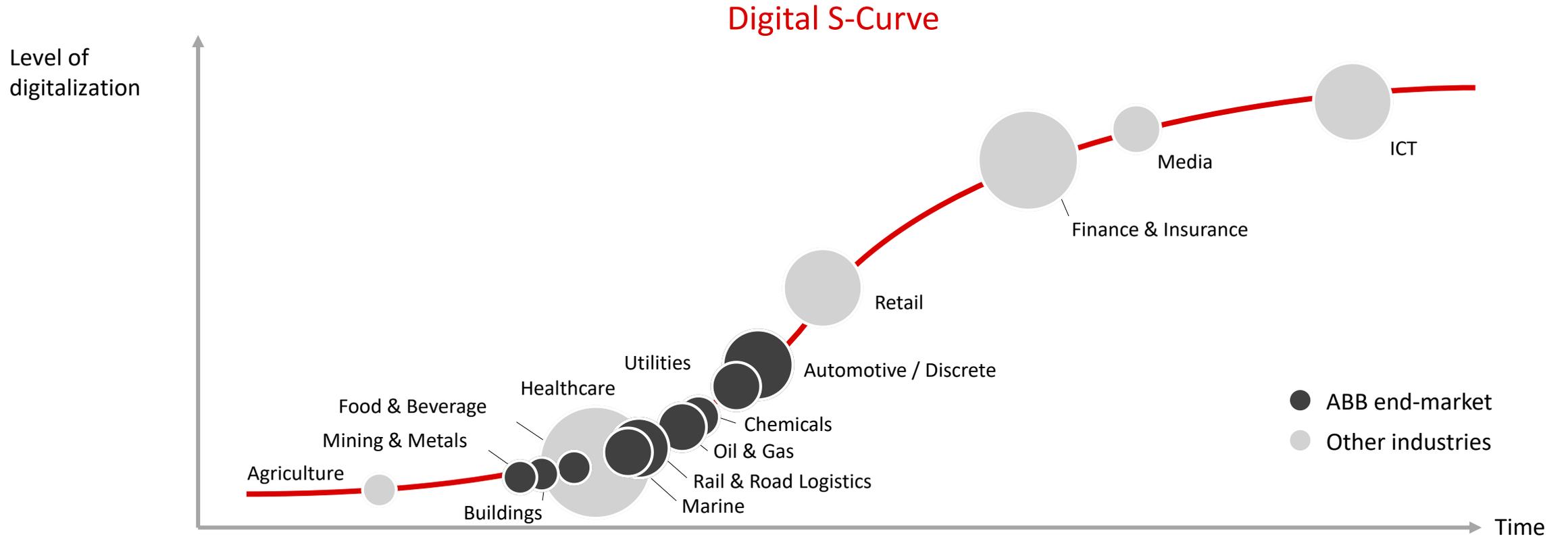
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PoCs/MVPs/Orders/Concepts



# 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



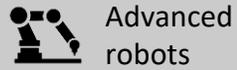
The manufacturing workforce is growing but far below historical levels

**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

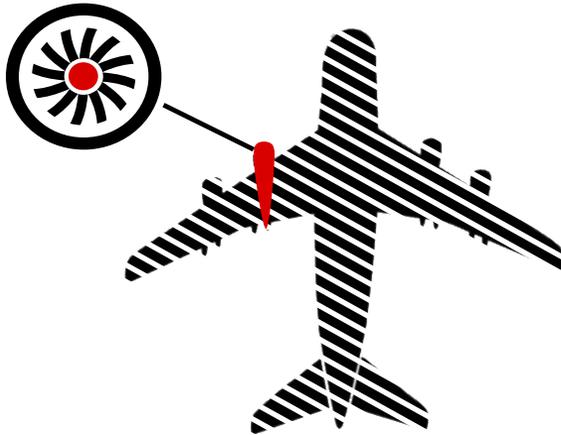
Own the architectural control points to unlock full digital potential

## Single asset monitoring



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

uptime

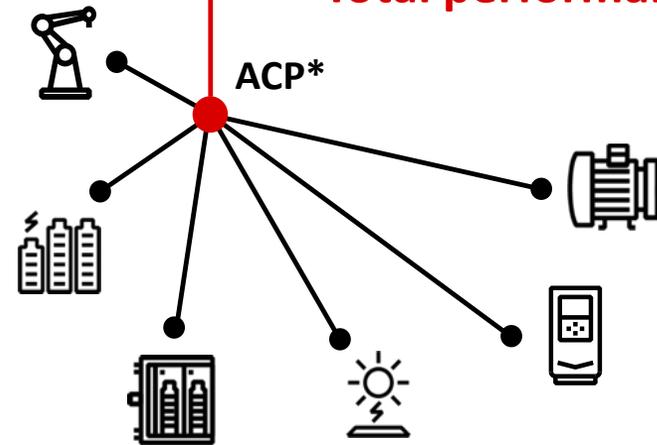


## Ownership of architectural control points



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™ EDCS<sup>1</sup>

## Motion



ABB Ability™ Remote Drive Assistance

## Industrial Automation



ABB Ability™ Collaborative Operations

## Robotics & Discrete Automation

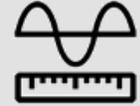
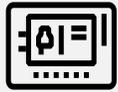


ABB Ability™ Predictive Maintenance

Edge/Middleware



MNS Edge Gateway



EDCS<sup>1</sup> Panel



Zenon SCADA



DCS<sup>2</sup> (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

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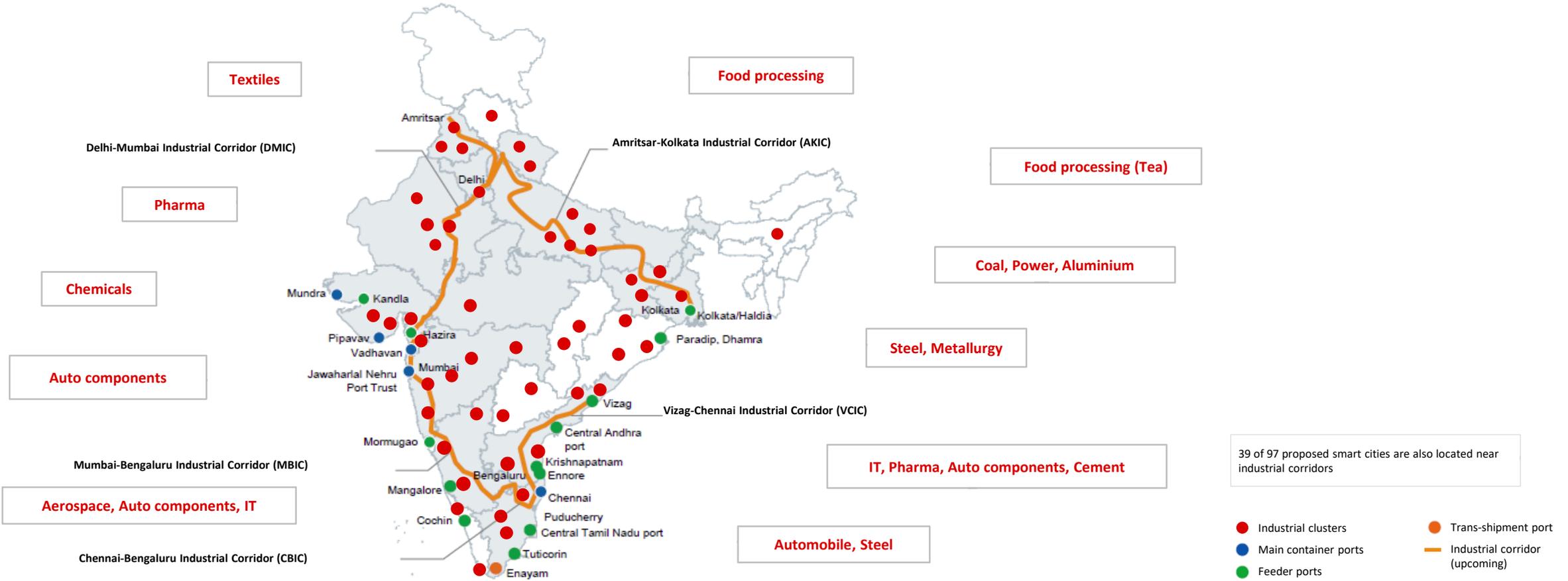
# Agenda

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

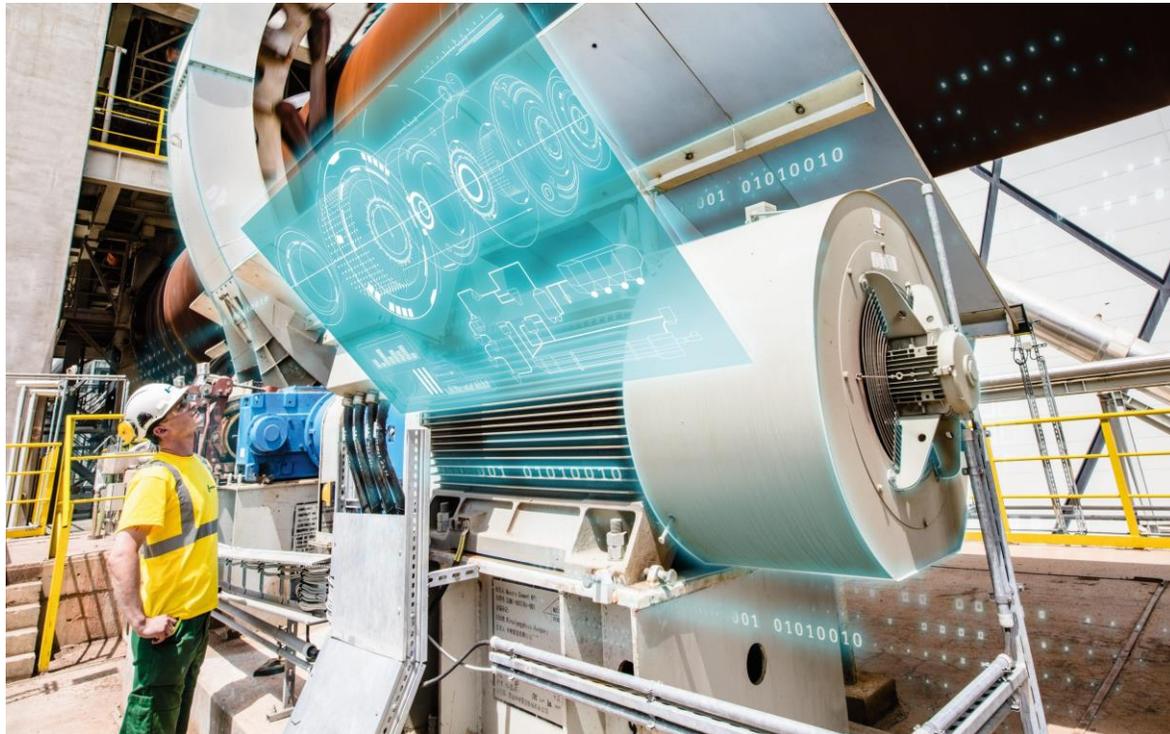


Compact substations to Ring Main Units for access to popular spots e.g. Katra to Vaishnodevi

# 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



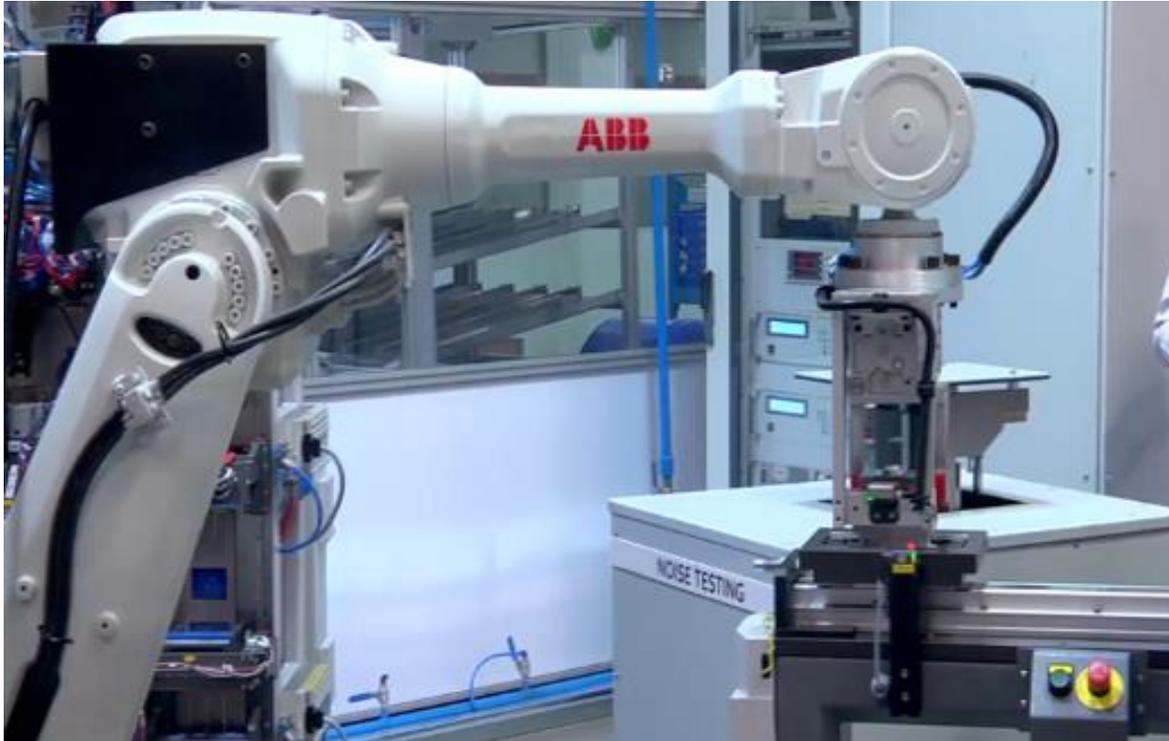
Drives and soft starters for edible oil companies

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# 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



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# 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



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# 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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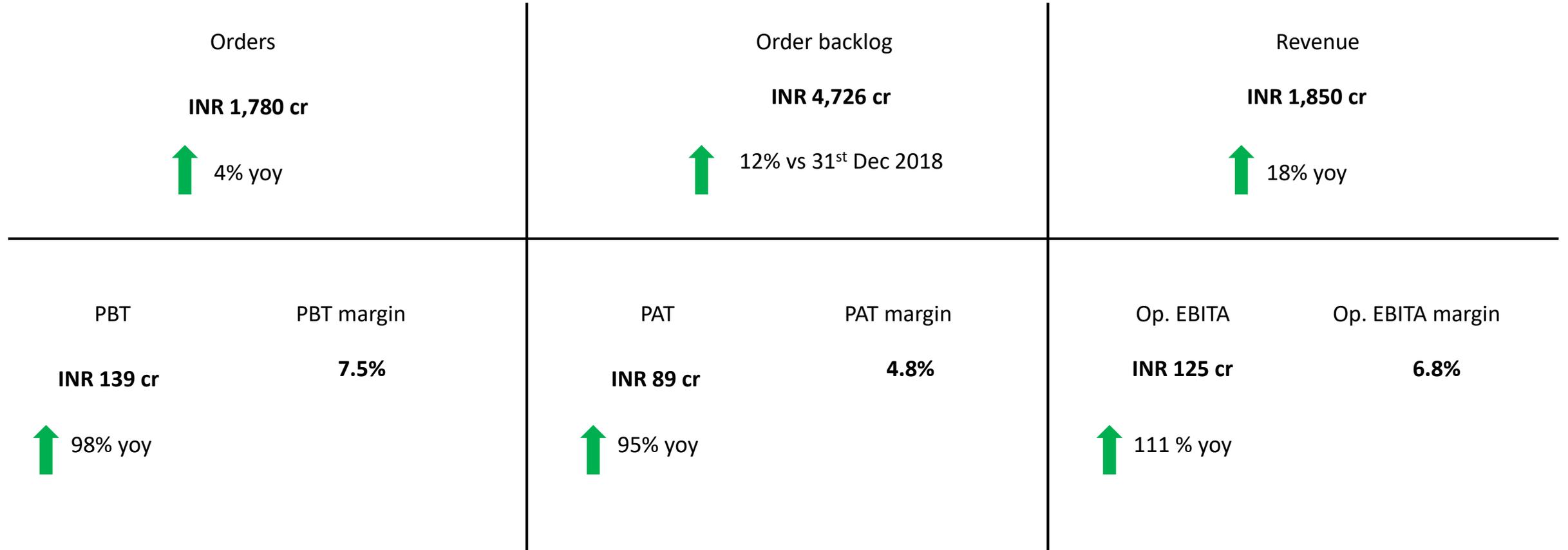
# Agenda

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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                | %     |
| <b>INCOME</b>                           |                             |       |                          |       |                             |       |                       |       |
| 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 |
| <b>EXPENDITURE</b>                      |                             |       |                          |       |                             |       |                       |       |
| 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  |
| <b>Profit Before Tax (continued)</b>    | 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   |
| <b>Profit After Tax (continued)</b>     | 89                          | 4.8   | 46                       | 3.0   | 129                         | 6.5   | 254                   | 3.8   |
| <b>Profit After Tax (discontinued)</b>  | 27                          |       | 57                       |       | 69                          |       | 257                   |       |
| <b>Total PAT and % of total revenue</b> | 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        |
| <b>Total</b> | <b>1,850</b> | <b>141</b> | <b>7.6</b> | <b>1,566</b> | <b>90</b> | <b>5.7</b> | <b>1,966</b> | <b>208</b> | <b>10.6</b> |

| 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%        |
| <b>Total</b>             | <b>4,726</b>  | <b>4,137</b> | <b>3,720</b>     | <b>11%</b> |

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

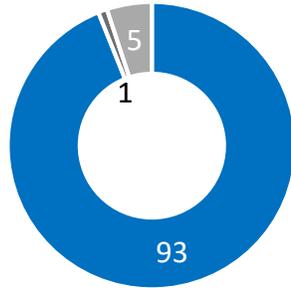
|                                 | Orders Rs 800 Cr  | Revenues Rs 731 Cr  | PBIT Rs 64 Cr   |
|---------------------------------|---|---|---|
| <b>Electrification Products</b> | Growth across systems and products<br>Traction in distribution, channel partner<br>Exports support solar inverter       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

# Share of total orders and revenues by division

Q1 2019, in % terms

## Electrification Products

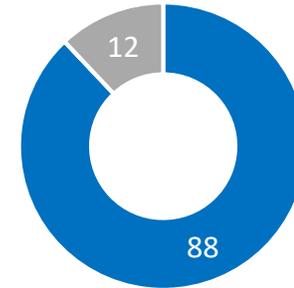
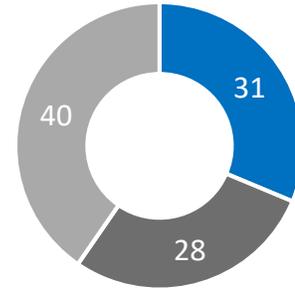
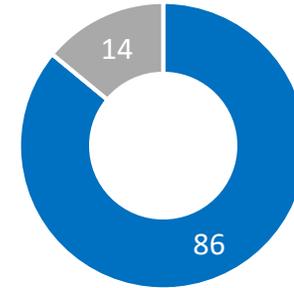
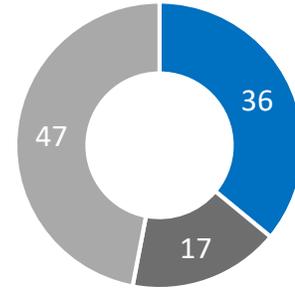
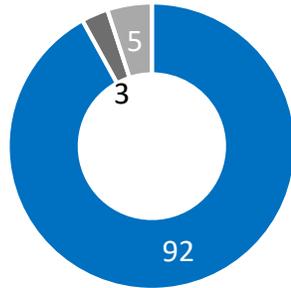
Orders 1780 Crs  
(Products – 82%,  
Projects – 3%,  
Services – 15%)



## 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**