REF:INABB:STATUT:LODR:R30:ANLST-PPT: May 10, 2024

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

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

Dear Sirs

Sub: Presentation to Analysts

Ref: BSE: 500002 / NSE: ABB

In continuation to our letter dated May 6, 2024, we are enclosing herewith a copy of presentation which will be made at the Analysts Call scheduled on May 13, 2024, for information of the Stock Exchanges.

The said presentation is also being uploaded on the Company's website.

Thanking you

Yours faithfully
For ABB India Limited

Trivikram Guda

Digitally signed by Trivikram Guda
DN: cn=Trivikram Guda, c=IN, o=Personal, email=trivikram.guda@in.abb.com
Date: 2024.05.10 17:54:45 +05'30'

Trivikram Guda
Company Secretary and Compliance Officer
ACS 17685

Encl: as above

**ABB India Limited**
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Disha - 3rd Floor, Plot No. 5 & 6, 2nd Stage
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**www.abb.com/in**

BENGALURU, INDIA | MAY 13, 2024 | SANJEEV SHARMA, CMD & TK SRIDHAR, CFO

# Q1, 2024 results

## Solid start for the year – strong growth in orders & revenues, margin expansion with cash accretion

ABB India Analyst Call | Q1 CY2024 | January – March 2024

ABB

# 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 Limited’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.

# ABB in India at a glance

**ABB Group**

ABB is a technology leader in electrification and automation, enabling a more sustainable and resource-efficient future. The company's solutions connect engineering know-how and software to optimize how things are manufactured, moved, powered, and operated. Building on over 140 years of excellence, ABB's more than 105,000 employees are committed to driving innovations that accelerate industrial transformation.

**ABB in India**

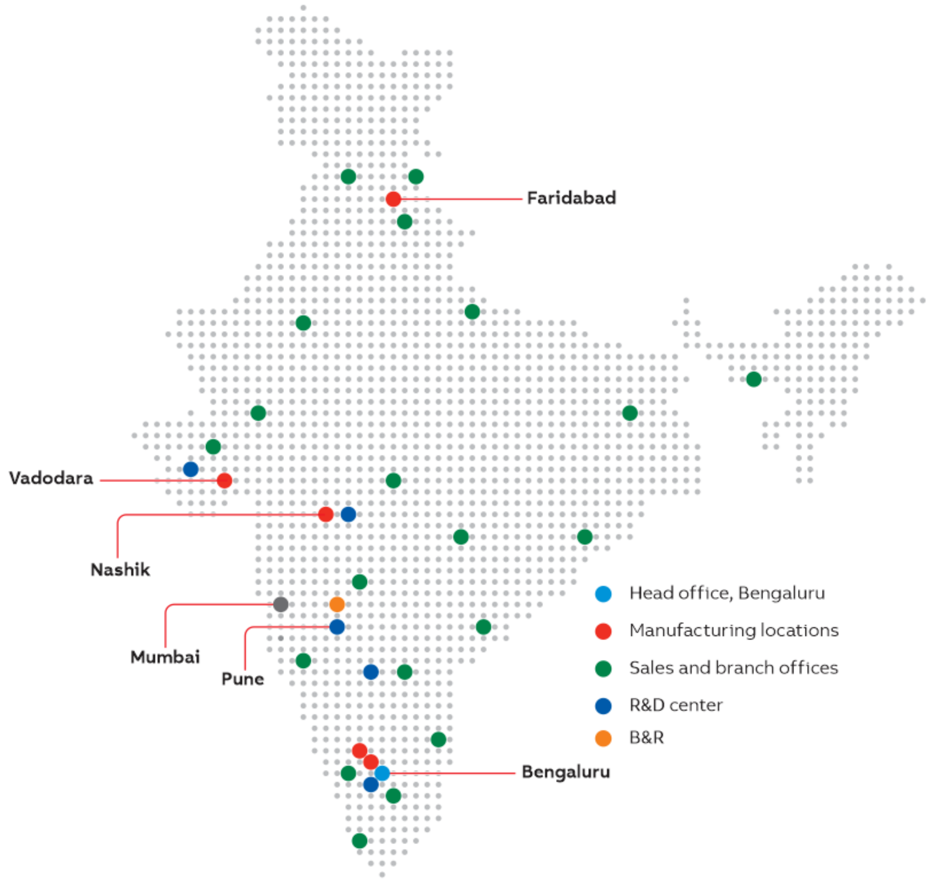
ABB is present in India for over a century and manufacturing for 74 years. The manufacturing unit is a listed entity. It operates with the entire eco-system of ABB R&D and Services.

### Electrification
Distribution Solutions
Smart Power
Smart Building
Installation Products
Service
EV

### Motion
Drive Products
System Drives
Service
NEMA Motors
IEC LV Motors
Large Motors & Generators
Traction

### Process Automation
Energy Industries
Process Industries
Marine & Ports
Measurement & Analytics

### Robotics & Discrete Automation
Robotics
Machine automation[1]




**5** Manufacturing locations

**28** Sales Offices

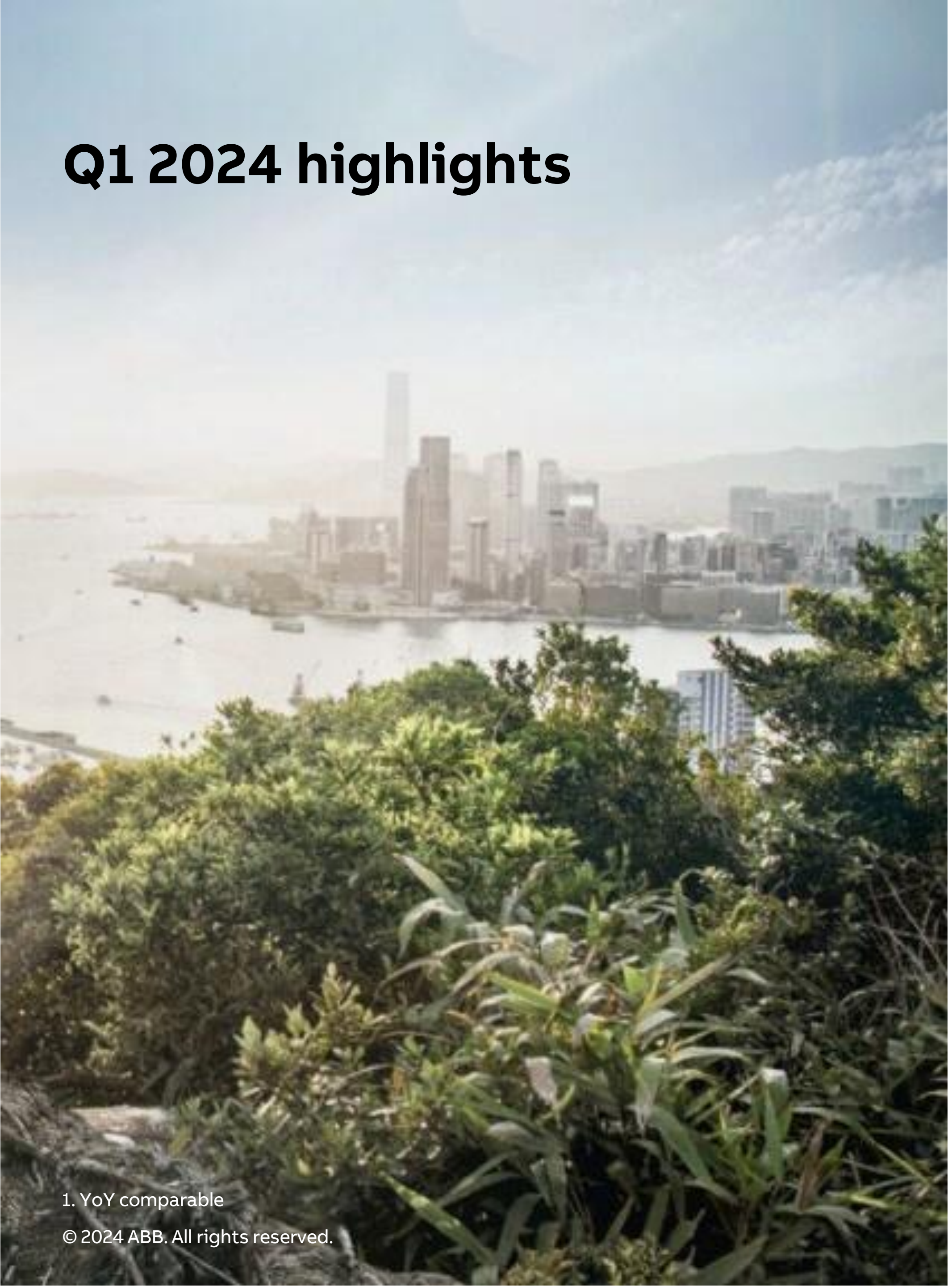
**25** Plants

**750+** Partners

1 – Machine Automation division is not part of ABB India & is run separately out of ABB B&R

# Business highlights

# Q1 2024 highlights



Orders **+15%**[1] underlining the success of ABB India's multi-division portfolio

Revenue **+28%**[1] driven by a strong backlog & conversion from book-to-bill

PAT **+87%**[1] due to capacity leverage and cost optimisation

Robust cash position at **INR 5,036**

**88% reduction** in greenhouse gas emission (scope 1 and 2) at own operation as compared to baseline year of 2019

**Water positive** operations for half of ABB India's campuses

**Launched** compact drive ACH180, catering to the HVACR equipment sector

1. YoY comparable

# Positive market momentum across segments

**Orders**
Healthy mix of short and long cycle opportunities

**Export**
Orders +23%[1]

**Discrete**
Continued momentum in automotive sector, electronics

**Process**
Strong demand from energy industry, metals & mining

**Data Centers**
Market uptake for distribution solutions, smart power

**Transport**
Demand for propulsion technology for railways and electrification for metros

**Tier II & Tier III Markets**
Increased market penetration through accessible solutions

**Order backlog grew +25%[1] to INR 8,935 crore**

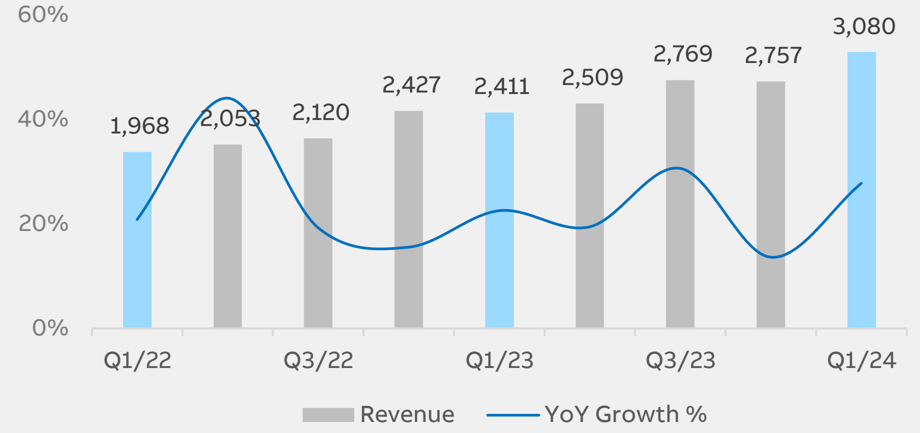
1 YoY comparable

## Orders (+15%)[1]

INR crores


## Revenues (+28%)[1]

INR crores



# Proven capabilities leading to significant wins

Compact substations, smart power products, MV switchgear for a large data center project

Robotics solutions for primary, secondary and end of line packaging solutions major for F&B segment

System Drives order for a global metal product manufacturer

Robotics solutions for electronics in consumer goods & mobile phone assembly

Low voltage motors for a range of pump manufacturing, water solutions and engineering companies

PA solutions for remote terminal unit, leak detection system and SCADA for brown field project of an energy major

# Continuous customer engagement

## Diverse segments, deeper coverage


Value Provider Conference
by Robotics


Retailers Meet in Bangalore &
Navi Mumbai by Electrification
Smart Power and Smart Building

Technology Day for cold storage
industry, Aligarh by Motion

Technical Seminar for steel
major in Asansol Electrification

Service Camp for a tyre
manufacturer in Trichy by Motion

Training sessions, Punjab for
Paper & Metals Industry by Motion

# Diverse businesses catering to 23 market segments

| Focus | Enhance | Sustain |
|---|---|---|
| Data Centers | Renewables | Textile |
| Railways & Metro | Automotive | Marine & Ports |
| Electronics | Warehouse & | Rubber & Plastics |
| | Logistics | Metals & Mining |
| | Water & Wastewater | Oil, Gas and |
| | Building & | Chemicals |
| | Infrastructure | Pharma & Healthcare |
| | Power Distribution | Pulp & Paper |
| | Food & Beverage | Cement |
| High Growth | Moderate Growth | Moderate-Low Growth |

# Theme for the quarter
## Buildings & Infrastructure: a deep-dive

### Segment Insights

- Buildings & Infrastructure Industry in India expected to reach $1.4 Tn in medium term at a CAGR of ~9%
- Infrastructure development in areas of **smart cities, roads, waterways, ports** among others
- Categorization of Buildings:

Residential buildings

Commercial buildings

Industrial buildings

Hospitality

Healthcare

Offices and public buildings

Transportation buildings

### Key Drivers & Trends

- **Need for Affordable Houses:** By 2030, more than 40% of our population expected to live in urban India creating a demand for 25 Mn additional affordable houses
- **Adoption of Green Building Solutions:** Use of green building materials, energy efficient HVAC and lighting systems
- **Technology/AI Shaping the Industry:** Techniques such as prefabricated buildings, building information modelling etc.
- **Proactive Government Policies & Support**
  - **PMAY:** Housing for all – 2 crore houses in next 5 years
  - PM GatiShakti fueled by **$1.5 trillion National Infrastructure Pipeline** till FY25 to improve multimodal connectivity
  - **100% FDI** permitted under automatic route

**ABB's offerings include LV & MV Switchgear, Building Automation, Switches, Wiring Accessories, Drives & Motors, Digital Power Train, Port Infrastructure Solutions**

Source: IBEF, Invest India ; PMAY: Pradhan Mantri Awas Yojana

# Sustainability in practice

## Tracking our green goals: Q1 FY24 progress

| | By 2024 (plan) | By Q1’24 (actual) |
|---|---|---|
| Scope 1&2 GHG Emissions* | 88% | 88%* |
| Water recyclability | ~45% | ~37% |
| Water positive unit | 4 | 3 |
| Zero Waste to Landfill unit (No.) | 2 | 1 |

* Compared to 2019 baseline and all figures are on a cumulative basis

# Care: Performance with Purpose

Focus on local development, education, diversity & inclusion, and healthcare for communities

Phase-2 Nelamangala rural road infrastructure upgradation

Science competitions for National Science day 2024

Special school to mainstream children with special needs


Inauguration of the pediatric OPD at Municipal hospital, Delhi, supported by ABB

# Summary

## Aligning with India's growth and global shifts

### Domestic demand and elections

Cautiously optimistic – in short run, moderation expected especially in large capex & channel spend

### Demographic and social change

By 2030, India's overall consumption could more than double as income distribution in the country shifts. However inflation can soften the spend potential

### Private capex

Significant private investment in areas like data centre, automation, industrial automation, metals & mining, PLI-led capex

### Energy access and transition

Energy demand expected to grow by ~50% over next decade; est. 2/3rd of India's energy mix

### Global offshoring

Manufacturing share of GDP expected to rise from 15.6% currently to 25% by 2025; develop focused sectors for exports

### Technological advancements

Robotics could reduce India's relative cost advantage over developed economies by 4-5% over a decade

Source: Mckinsey, BCG, Bain reports, internal assessments

# Financial highlights

# Performance Overview Q1 2024

All figures in INR Crores

## First time – Revenue crosses **INR 3000 Cr**, PAT **15%**, Cash **5k+ Cr**

| Full year 2023 | Actual Q1 23 | Actual Q4 23 | Performance Indicator | Actual Q1 24 | Change vs Q1 23 | Change vs Q4 23 |
|---|---|---|---|---|---|---|
| 10,999 | 3,125 | 2,547 | Base Orders Received | 3,234 | 3% | 27% |
| 1,320 | - | 600 | Large Orders Received | 373 | | |
| **12,319** | **3,125** | **3,147** | **Total Orders Received** | **3,607** | **15%** | **15%** |
| 8,404 | 7,170 | 8,404 | Order Backlog (end of period) | 8,935 | 25% | 6% |
| 10,447 | 2,411 | 2,757 | Revenue | 3,080 | 28% | 12% |
| 1,659 | 328 | 454 | Profit Before Tax (PBT) | 617 | 88% | 36% |
| 15.9 | 13.6 | 16.5 | PBT % | 20.0 | | |
| 1,248 | 245 | 345 | Profit After Tax (PAT) | 460 | 87% | 33% |
| 11.9 | 10.2 | 12.5 | PAT % | 15.0 | | |
| 1,384 | 274 | 409 | Operational EBITA | 514 | 87% | 26% |
| 13.3 | 11.4 | 14.8 | Operational EBITA% | 16.7 | | |
| 1,489 | 285 | 417 | EBITDA | 565 | 98% | 35% |
| 14.3 | 11.8 | 15.1 | EBITDA % | 18.3 | | |
| 4,727 | 3,942 | 4,727 | Cash balance (including T bills) | 5,036 | | |
| 4,543 | 4,229 | 4,543 | Own Workforce | 4,656 | | |

### Key Highlights

- **Orders:** Momentum in base orders continued. Large value orders received from Data center segment
- **Revenues:** Driven by a strong backlog & conversion from book-to-bill, revenues increased across all business divisions.
- **Profitability:** Reduced material cost, supported by capacity leverage / cost optimization resulted in better profitability.
- **Cash:** While overall cash position improved with good collection drive, stocking to deliver backlog commitments & March ending for customers resulted in slight deceleration

# Demand vs Supply

## Growth for ABB in India is 15% while for ABB Group it is 5%

Fig in MUSD @ 1 $ = 83.02 INR

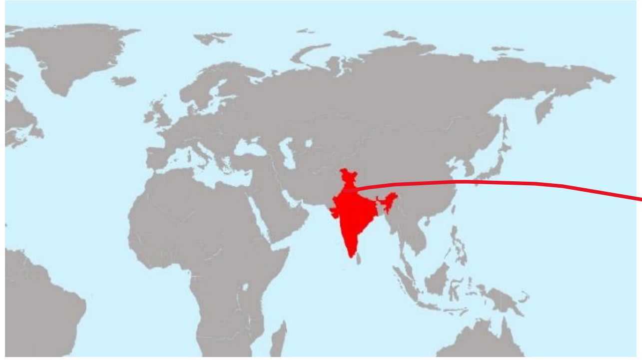
### Orders originating from India (Demand view as per Group)

| | | Q1/24 | Q1/23 | Change % |
|---|---|---|---|---|
| 3rd Party Customers in India | ABB India Ltd | 392 | 342 | 15% |
| 3rd Party Customers in India | Other ABB Cos in India | 5 | 7 | -28% |
| 3rd Party Customers in India | ABB Cos outside India | 10 | 40 | -75% |
| | | 407 | 389 | 5% |

To all ABB Units in India
+
To all ABB Units o/s India

### Orders as reported by local entity (Supply view relevant for ABB India Ltd)

| | | Q1/24 | Q1/23 | Change % |
|---|---|---|---|---|
| 3rd Party Customers in India | ABB India Ltd | 392 | 342 | 15% |
| ABB Cos outside+ 3rd Party outside India | ABB India Ltd | 61 | 51 | 20% |
| | | 453 | 393 | 15% |



From customers in India & outside India to ABB India Ltd

# Financial summary

| | Quarter ended on 31.03.2024 | | Quarter ended on 31.12.2023 | | Quarter ended on 31.03.2023 | | Year ended 31.12.2023 | |
|---|---|---|---|---|---|---|---|---|
| | Amount | % | Amount | % | Amount | % | Amount | % |
| **INCOME** | | | | | | | | |
| Revenue from Operations | 3,080.4 | 100.0 | 2,757.5 | 100.0 | 2,411.2 | 100.0 | 10,446.5 | 100.0 |
| Other Income | 87.1 | 2.8 | 77.6 | 2.8 | 72.3 | 3.0 | 301.7 | 2.9 |
| **Total Income** | **3,167.5** | **102.8** | **2,835.1** | **102.8** | **2,483.5** | **103.0** | **10,748.2** | **102.9** |
| **EXPENDITURE** | | | | | | | | |
| Material cost | 1,840.8 | 59.8 | 1,722.7 | 62.5 | 1,535.6 | 63.7 | 6,602.5 | 63.2 |
| Personnel Expenses | 221.1 | 7.2 | 181.3 | 6.6 | 187.8 | 7.8 | 715.2 | 6.8 |
| Other Expenses | 457.1 | 14.8 | 425.8 | 15.4 | 401.6 | 16.7 | 1,600.9 | 15.3 |
| Exchange & commodity variation (net) | (3.8) | (0.1) | 10.5 | 0.4 | 0.9 | 0.0 | 38.1 | 0.4 |
| Depreciation | 31.4 | 1.0 | 32.9 | 1.2 | 27.5 | 1.1 | 119.9 | 1.1 |
| Interest | 3.8 | 0.1 | 8.2 | 0.3 | 2.2 | 0.1 | 12.7 | 0.1 |
| Total Expenditure | 2,550.4 | 82.8 | 2,381.4 | 86.4 | 2,155.6 | 89.4 | 9,089.3 | 87.0 |
| **Profit before Tax** | **617.1** | **20.0** | **453.7** | **16.5** | **327.9** | **13.6** | **1,658.9** | **15.9** |
| Current tax | 151.3 | 5.0 | 114.1 | 4.1 | 73.5 | 3.0 | 423.2 | 4.1 |
| Deferred Tax | 6.2 | - | (5.6) | (0.2) | 9.1 | 0.4 | (12.5) | (0.1) |
| **Profit after tax** | **459.6** | **15.0** | **345.2** | **12.5** | **245.2** | **10.2** | **1,248.2** | **11.9** |
| **ETR - %** | **25.5%** | | **23.9%** | | **25.2%** | | **24.8%** | |

## Q1 2024 vs Q1 2023

**Other income: 87 Cr (72 Cr)**
Major component is Interest on fixed deposits – 83 Cr for the quarter vs 56 Cr prev year

**Material cost: 59.8% (63.7%)**
- Revenue mix especially higher service & exports
- Localization, SCM savings
- Better margin orders from backlog

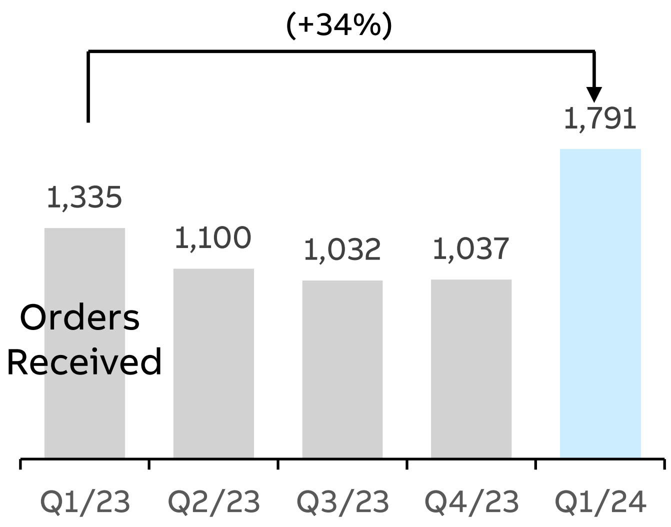
**Personnel expenses: INR 221 Cr (INR 187 Cr)**
Annual salary revision and headcount increase

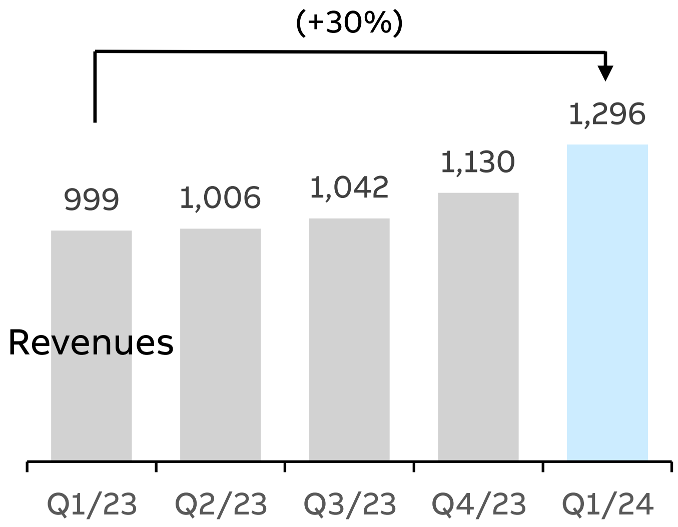
**Other expenses: INR 457 Cr (INR 401 Cr)**
Majority is volume linked, one-time favorable tax refund, q1/23 had a one-time warranty cost

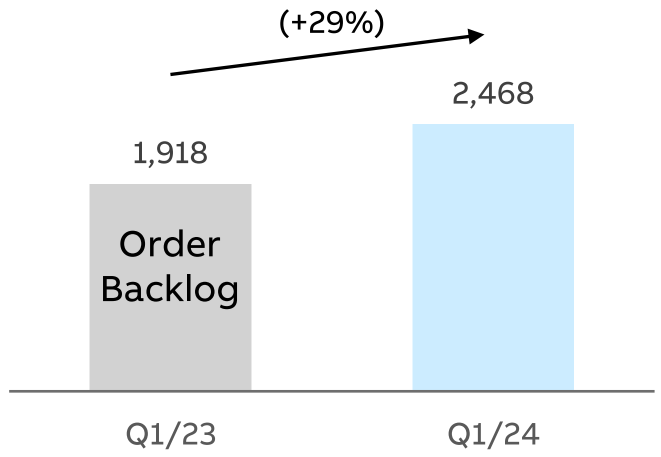
**Interest costs: INR 3.8 Cr (INR 2.2 Cr)**
Comprises MSME interest & Notional interest on lease discounting

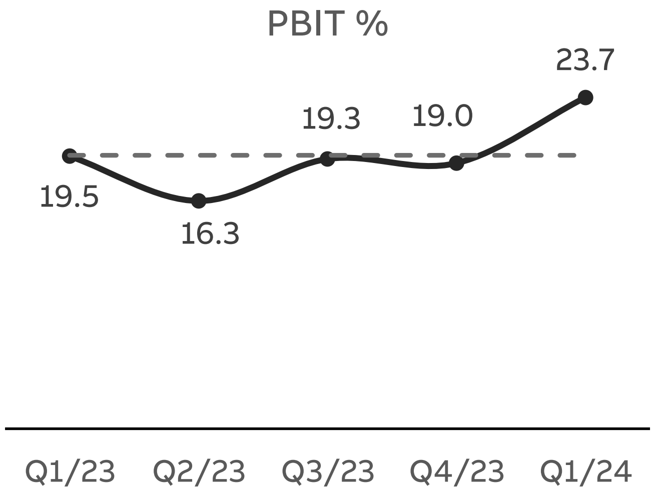
# Electrification

INR crores




## Orders Received

- Growth from data centres, smart building
- Tier 2/3, OEMs expansion
- Installed base opportunities

## Revenues

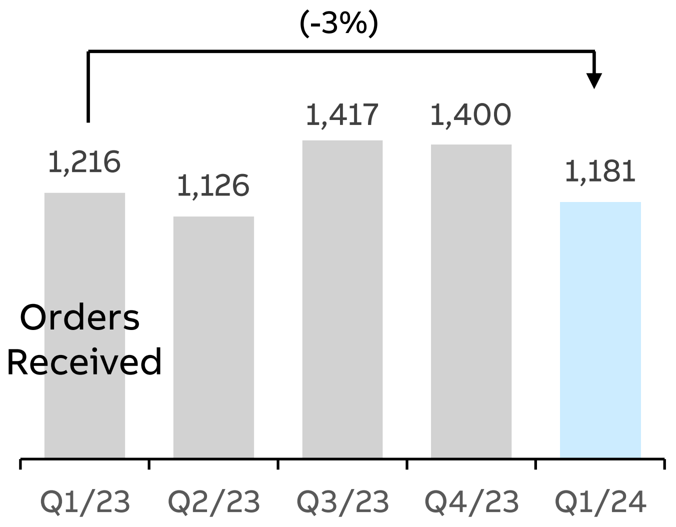
- Seamless backlog execution of system & product orders

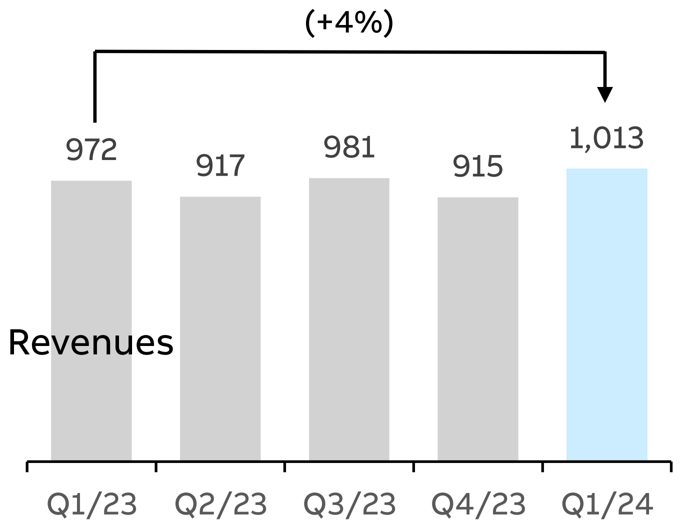
## PBIT

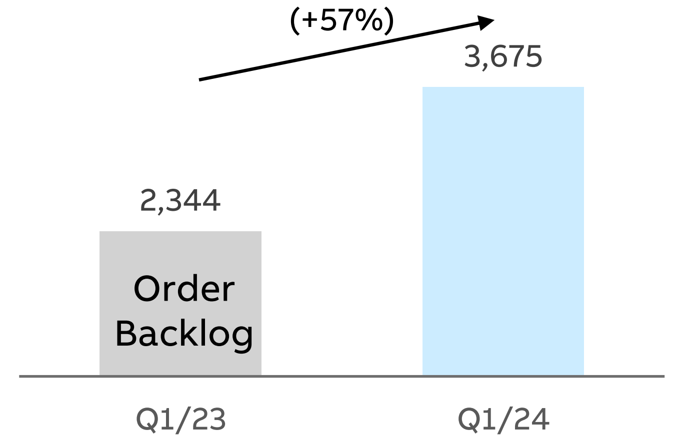
- Revenue mix with growth in service
- Execution of higher margin orders
- No major forex impact
- Efficient capacity utilization

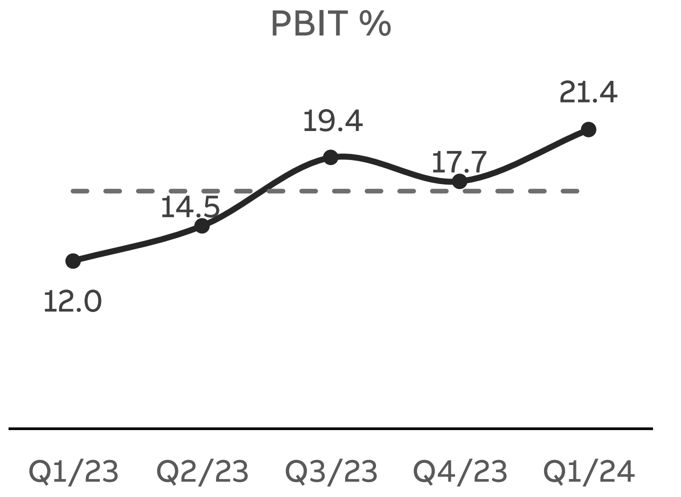
# Motion

INR crores




## Orders Received

- Decision on system orders slightly delayed
- Price pressure of standard products

## Revenues

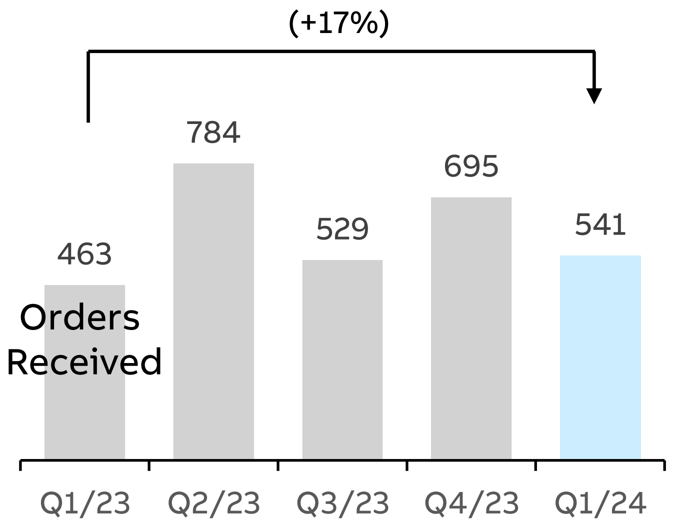
- Steady backlog leading to a stable growth

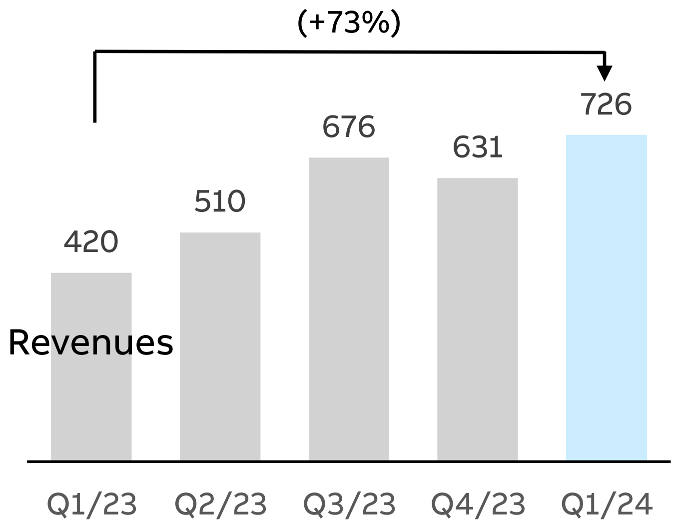
## PBIT

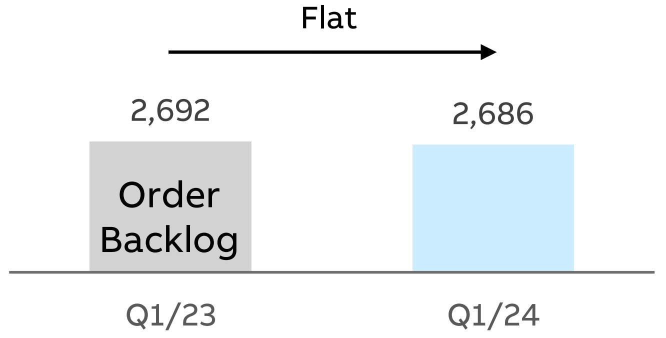
- Revenues mix and price advantage in select product revenue streams
- Advantage of higher revenue from services
- Cost structure in control

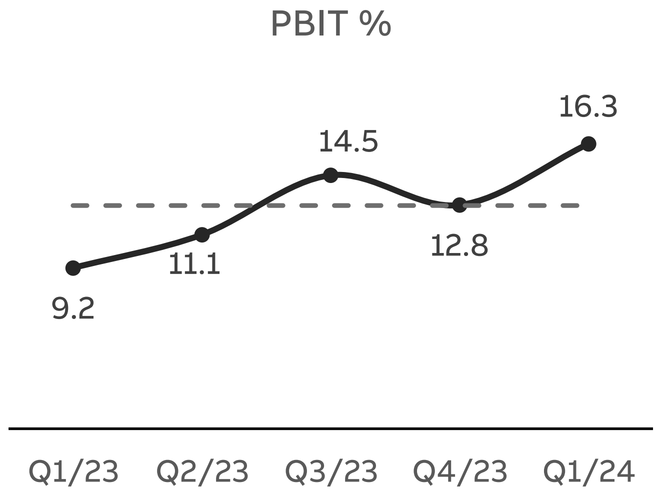
# Process Automation

INR crores




## Orders Received

- Orders from power, metal, logistics

## Revenues

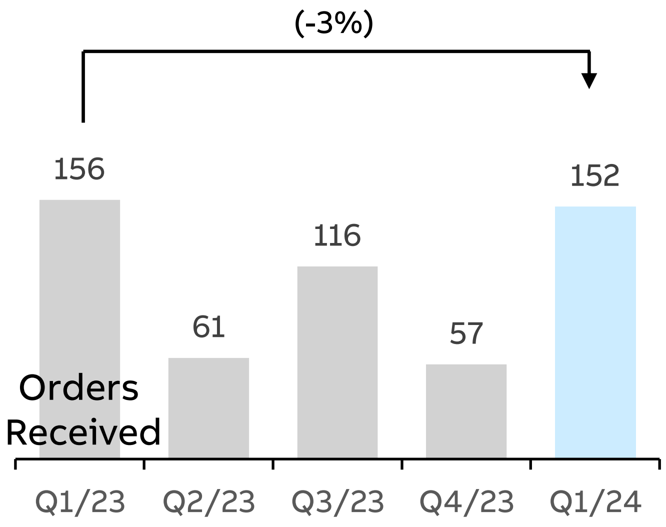
- Higher execution of order backlog
- Continued contribution from services and exports

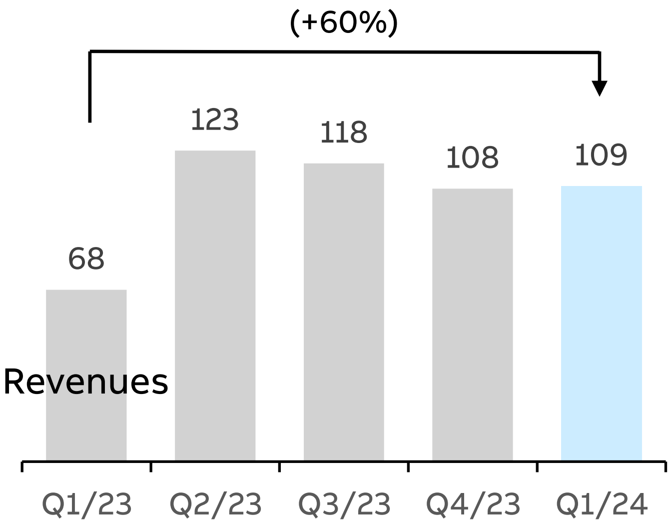
## PBIT

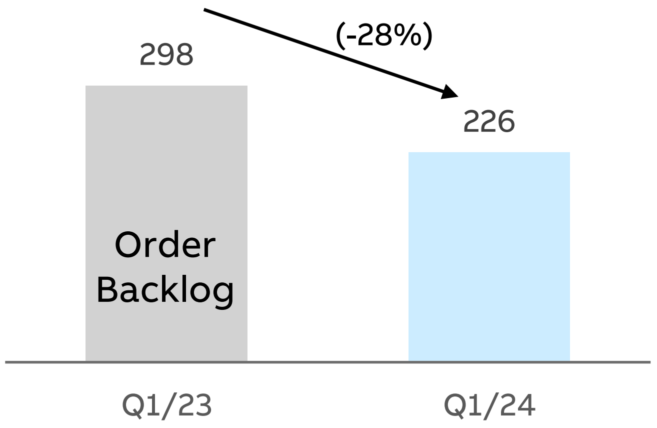
- Revenue mix accompanied with strong support from service revenues
- Optimization of value chain costs in project revenue stream

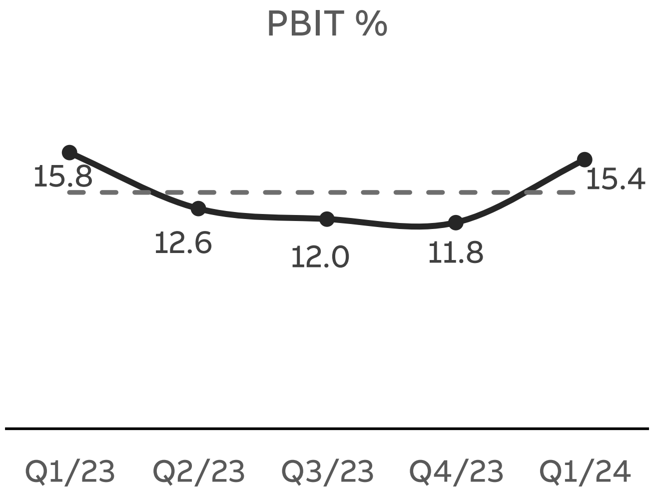
# Robotics and Discrete Automation

INR crores




## Orders Received

- Strong inflow from automotive sector, electronics

## Revenues

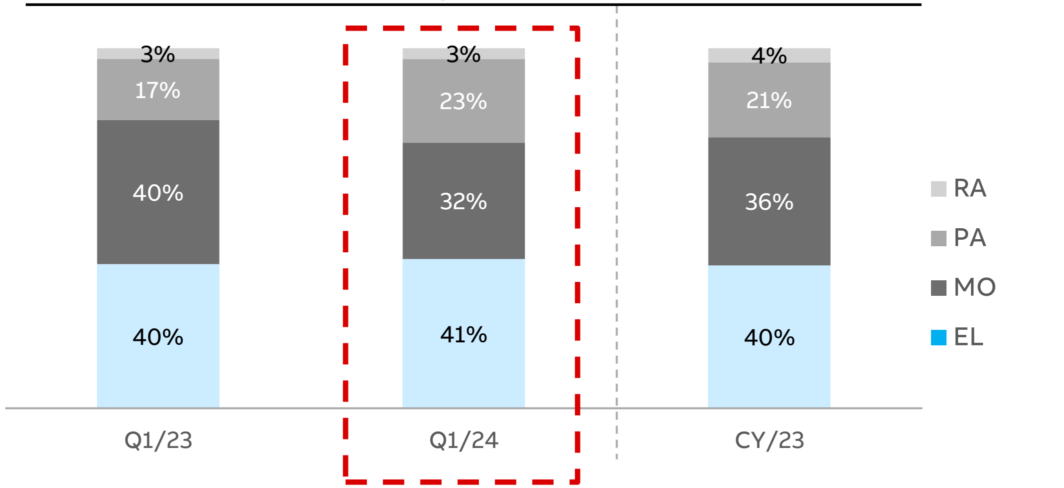
- Execution of industry & automotive orders from backlog
- Good momentum in execution of book & bill revenues

## PBIT

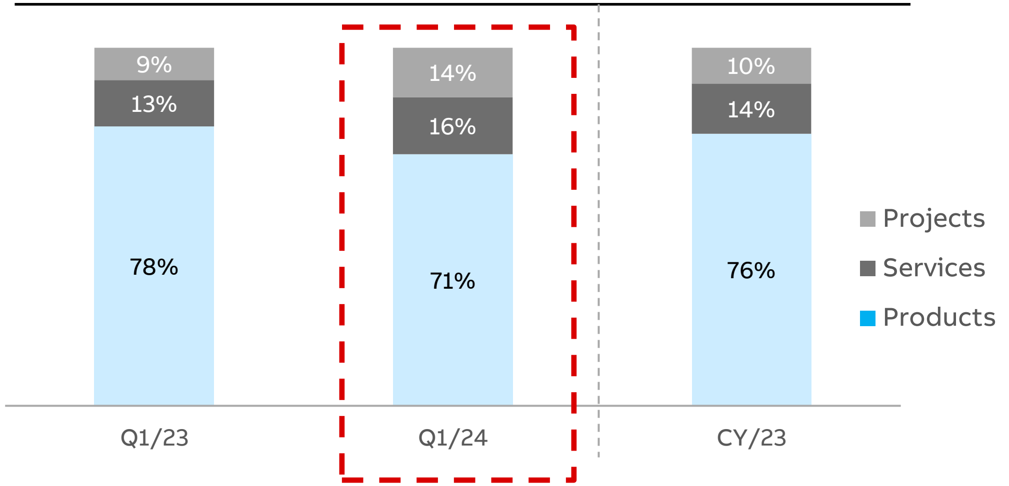
- Higher revenues from services & automotive segment

# Resilient and diversified business model (by revenues)

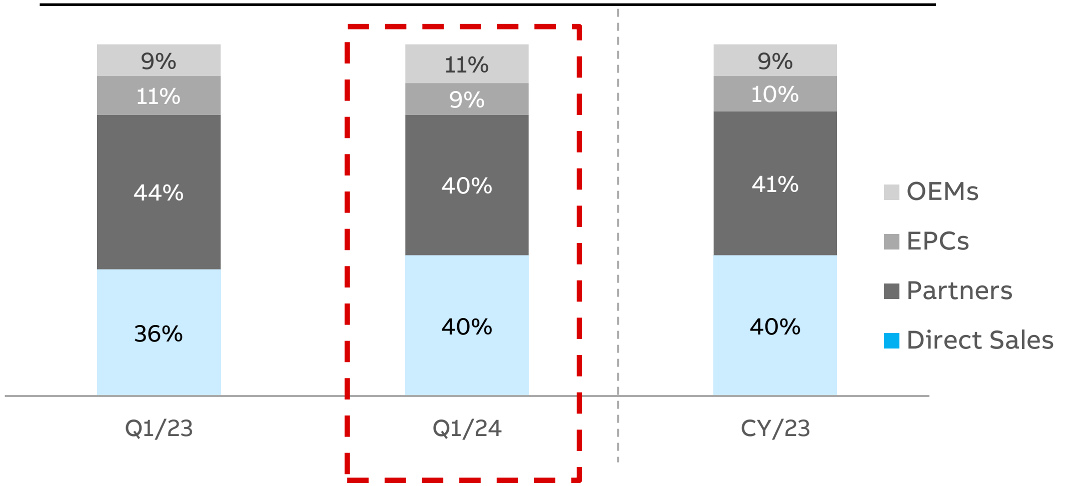
## Segment



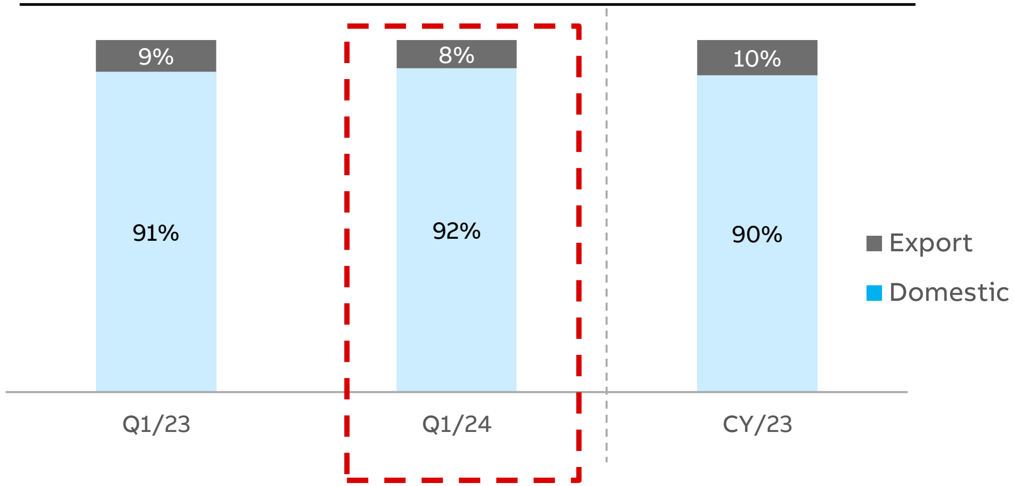

## Offerings




## Channels




## Geography



ABB