

August 12, 2020

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

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

Dear Sirs

**Subject: Presentation to be made to Analysts/ Investors on Thursday, August 13, 2020 as per Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to un-audited Financial Results for Quarter and half year ended June 30, 2020**

**Ref : BSE Scrip: 543187 (POWERINDIA) NSE Symbol: POWERINDIA**

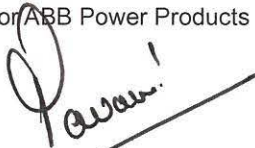
We are sending herewith a copy of presentation to be made to Analysts tomorrow, Thursday, August 13, 2020 for the information of the Stock Exchanges.

You are requested to take the same on your record.

Thanking you.

Yours faithfully,

For ABB Power Products and Systems India Limited



Poovanna Ammatanda  
General Counsel and Company Secretary



Encl: As above



# Building resilience despite strong COVID-19 undertow

Q2 2020 Analyst Presentation

## Q2 highlights

Particulars	INR crore
Orders	567.3
Revenue	634.3
Profit before tax (before exceptional items)	14.9
Profit after tax	10.9

## The three-pronged approach to managing the pandemic

**Health and safety** of our employees, customers, partners and community remains our **#1 priority**



**Stay close to customers;** stabilize the supply chain

**Ensure liquidity and cash** - Intensified cost mitigation efforts increase resilience

**Engage with Government and Institutions** (minimize disruption)

### Readying for demand recovery

- Strengthening new company operations
- Investing in our people and processes

## All employees – offices, factories or sites



Regular information and learning opportunities



Voluntary solidarity initiative (salary donation) to support our own employees at time of need



Voluntary one day salary donation to PM CARES Fund

HITACHI ABB

COVID CARE FOR YOU AND YOUR FAMILY

Partnership with “Connect and heal” – tele consultation, COVID testing, and home isolation assistance

## Mitigating Covid-19 risk

Temperature scanning

Daily self declaration

Use of PPE

Workforce staggered and on rotation

Physical distancing

Sanitation of workplace, with focus on high touch points

Canteen timings staggered

Disinfecting incoming material

Resilience training







Remote commissioning of capacitor bank in Uttar Pradesh



INR 120 crore order for electrification of Indian Railways



Remote technologies deployed across manufacturing



Completed installation of a GIS substation in Uttarakhand, during lockdown



Three year frame contract for disconnectors

01.

## Productivity



Shifts to enable maximum capacity utilization of shopfloors while ensuring physical distancing  
6-day work week implemented to compensate for productivity loss during lockdown  
Ramping up capacity utilization  
Focus on completion & closure of project sites  
Actively use remote and digital technologies to enable deliveries, services

02.

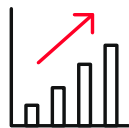
## Cash



Proactively drive cash collection  
Preserve cash by postponing non-essential spend  
Sufficient funding lines in place

03.

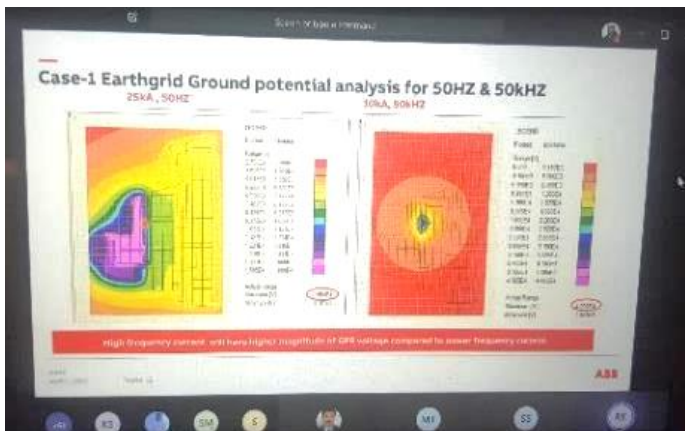
## Cost out measures



Curtail discretionary spends  
Cut in external resources  
Optimization of personnel expenses



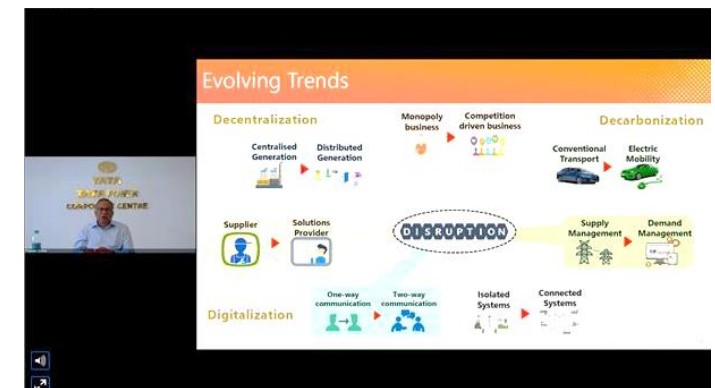
Technical webinars – 4,000 customers across 19 countries



Customer leadership connect



Energy & Digital World – 550 unique customer touch points





# **Business performance**



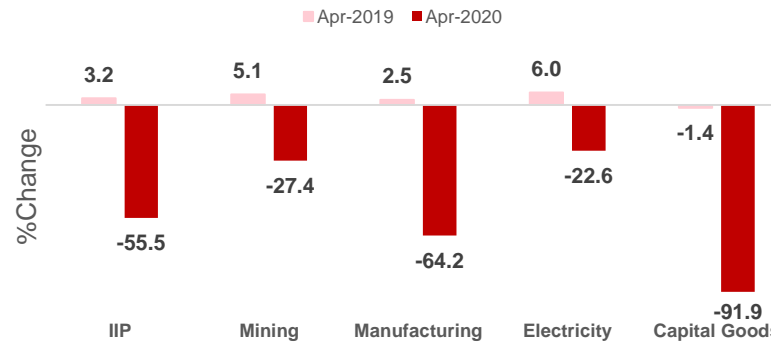
## Positive

- RBI cuts benchmark interest rates by 115 basis points to 4%. This will improve liquidity, reduce cost of funds.
- India's unemployment rate back at pre-lockdown levels, jobs on the rise.
- Govt announces \$265 billion package to revive economy from COVID-19 impact.
- Oil prices continue to remain relatively stable at around the \$40 range

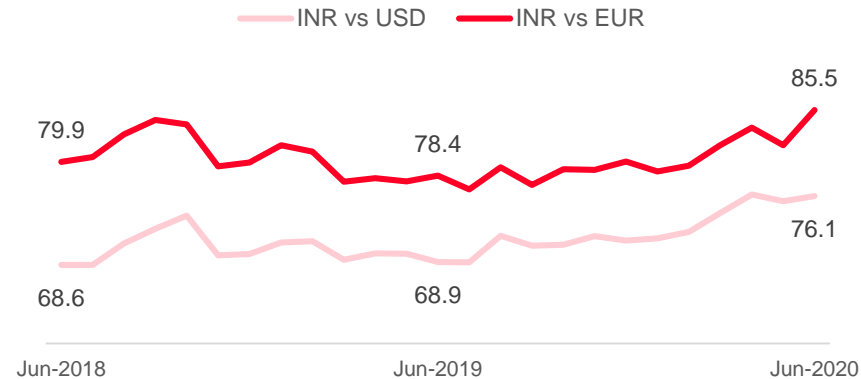
## Negative

- India GDP is likely to contract by 4.5 per cent in FY 2020-21 – IMF
- COVID-19 cases cross 1.3mn mark in India and continue to rise.
- Geo-political conflict with China.
- India's Industrial Production Contracts 55.5% In April
- Moody's cuts India's rating to lowest investment grade – first time in 22 yrs.

## Industry Growth (IIP)



## INR vs USD & EUR



## Key estimates for FY2021

(4.5)% GDP growth forecast (IMF)

3.6% CPI (RBI)

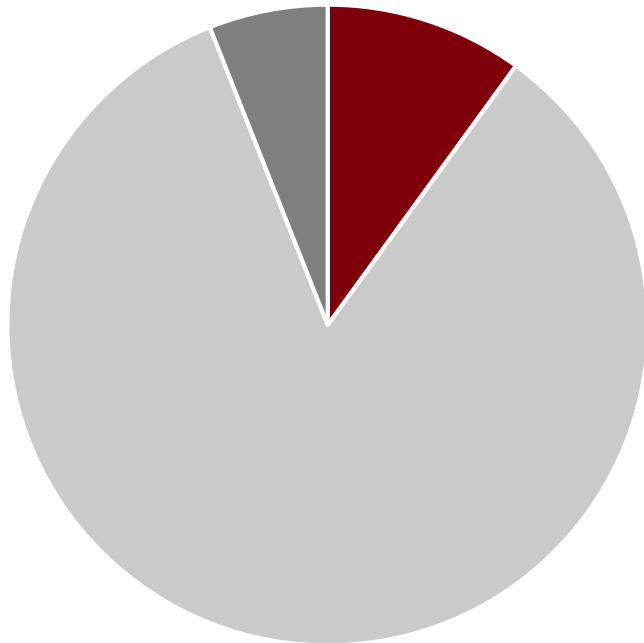
5.5% of GDP Fiscal deficit (CEA)

0.1% of GDP – Current account deficit (India Ratings)

0-1% bank credit growth (CRISIL)

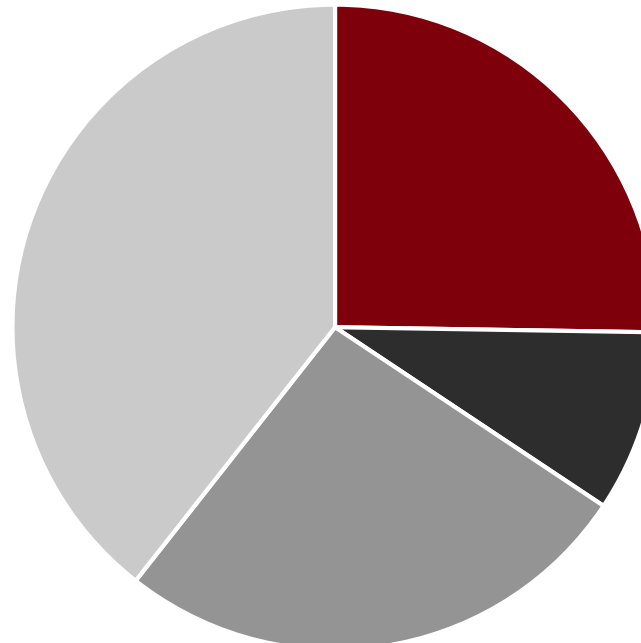
Turbulence in short term, but long term fundamentals remain strong

Segment



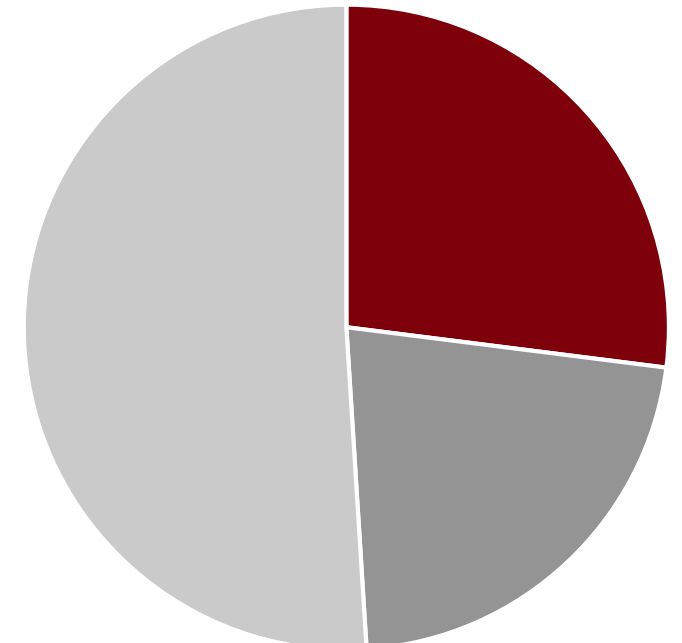
■ Projects ■ Products ■ Services

Channel



■ Direct ■ Distributor ■ EPC ■ OEM

Sector



■ Utility ■ Industry ■ Transport & Infra

~INR 250 crore of orders where PG was L1 has been deferred by customers

## Service order highlights

- Lifecycle service orders for Grid Automation and High Voltage products from WBSEB, Narmada Hydroelectric Development Corporation Ltd, NTPC Ltd, Power Grid Corporation of India Ltd, etc
- Lifecycle service orders from PGCIL for HVDC installations
- First transformer repair order for 2020 received order from P&G Power
- Received approval for e-self dehydrating breather from PGCIL
- Order from Tata Steel for upgrading five conventional transformers to digital transformers with CoreTech, CoreSense & E-Devices

## Export order highlights

- Order for supply, engineering, testing and commissioning of transformers from Bhutan Power Corporation
- Repeat orders for transformers from national power utility of Republic of Suriname
- Supply of high voltage equipment Electricaribe, Colombia

**Travel and transport restrictions hamper execution**



(INR crore)

H1 2020	Performance Indicator	Q2, 2020	Q1, 2020	qoq%	Q2, 2019	yoy%
1,164.30	Base Orders	548.2	616.1	-11.0	706.1	-22.4
337.2	Large Orders	19.1	318.1	-94.0	156.2	-87.8
1,501.50	Total Orders	567.3	934.2	-39.3	862.3	-34.2
5,133.90	Order Backlog (end of period)	5,133.90	5,192.20	-1.1	5,382.60	-4.6
1,446.20	Revenue	634.3	811.9	-21.9	1,086.60	-41.6
56.4	PBT before exceptional item	14.9	41.5	-64.1	96.6	-84.6
2.4	Except Item (Demerger Exp)	0.6	1.8	-66.7	-	
54	PBT after exceptional item	14.3	39.7	-64.0	96.6	-85.2
3.90%	PBT % before exceptional item	2.40%	5.10%		8.90%	
3.70%	PBT % after exceptional item	2.30%	4.90%		8.90%	
40.1	Profit After Tax (PAT)	10.9	29.2	-62.7	60.7	-82.0
2.80%	PAT %	1.70%	3.60%		5.60%	
60.5	Operational EBITA	3.9	56.6	-93.1	101.2	-96.1
4.20%	Operational EBITA%	0.60%	7.00%		9.30%	

## Performance summary

Particulars	H1/20	Q2/20	Q1/20	Q2/19
Sales	1,444.8	633.2	811.6	1,086.3
Other Income	1.4	1.0	0.3	0.2
Material Cost	811.1	353.5	457.6	691.0
% to sales	56.1%	55.8%	56.4%	63.6%
PeX	187.4	89.4	98.0	90.9
% to sales	13.0%	14.1%	12.1%	8.4%
Other Opr. Expenses	346.7	156.1	190.6	186.9
% to sales	24.0%	24.7%	23.5%	17.2%
Depreciation	36.3	17.5	18.8	15.5
% to sales	2.5%	2.8%	2.3%	1.4%
Interest	8.2	2.9	5.4	5.6
% to sales	0.6%	0.5%	0.7%	0.5%
Exceptional item	2.5	0.6	1.8	-
% to sales	0.2%	0.1%	0.2%	0.0%
PBT	54.0	14.3	39.7	96.6
% to sales	3.7%	2.3%	4.9%	8.9%
Tax	13.9	3.4	10.5	35.9
% to sales	1.0%	0.5%	1.3%	3.3%
PAT	40.1	10.9	29.2	60.7
% to sales	2.8%	1.7%	3.6%	5.6%

## Q2 2020

Protecting our people – safety is our license to operate

Increased customer connect - Enhancing relationships, digitally

Digital technologies enabled remote factory acceptance tests, remote commissioning of projects and order wins

Revenue impacted due to lockdown

Quick implementation of cost saving measures helped manage margin

## Challenges & Response

- Short Term COVID-19 crisis impacts various sector:
  - Industrial Capex and Opex spending to be muted
  - Drop in power consumption affected DISCOMs
  - India GDP expected to degrow by -4.5% in FY 20-21
  - Delay in decision making expected across sectors
- “Make in India” push can help support Indian companies
- Government investment, key for driving growth in Rail and Infra

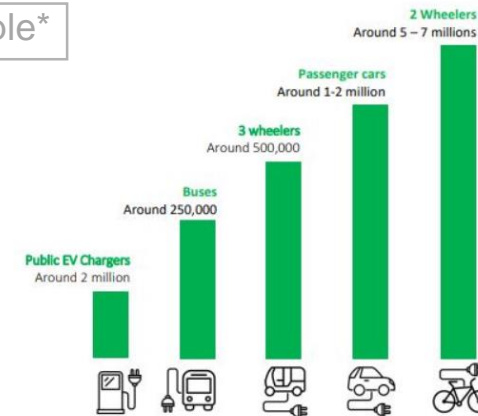
### Our response



## Opportunities

- Renewables
- Green Energy Corridor Transmission
- Rail Electrification & Metro
- Data Centers
- Grid Digitalization
- Grid upgrades & Power Quality
- Grid capacity, efficiency & reliability
- Smart sector integration (E- Mobility)

### Example\*

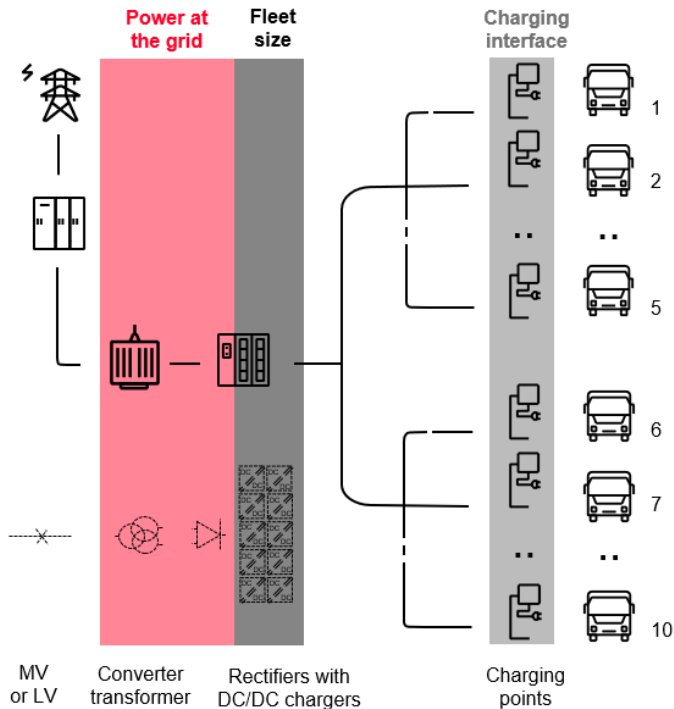


What Is The Future of Electric vehicles in India by 2030



## Launch of Grid-eMotion™ Fleet

Coupling of emobility with the energy sector is around the corner  
 80% of global municipal bus fleet to be electric by 2040  
 Meeting mainstream demand calls for a different approach

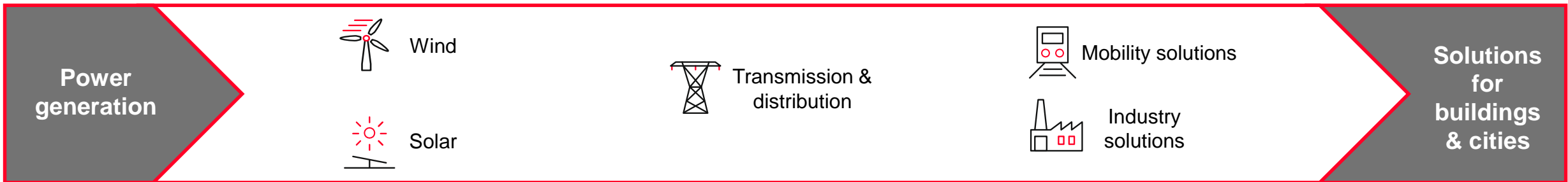
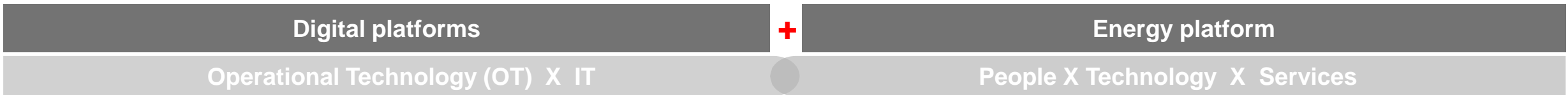
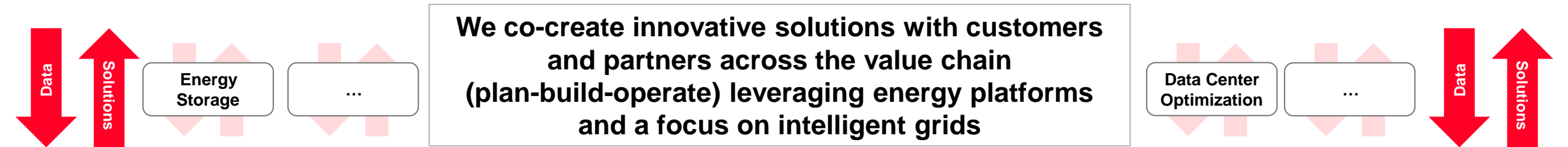


## MoU with NIT Warangal on Smart Grid education

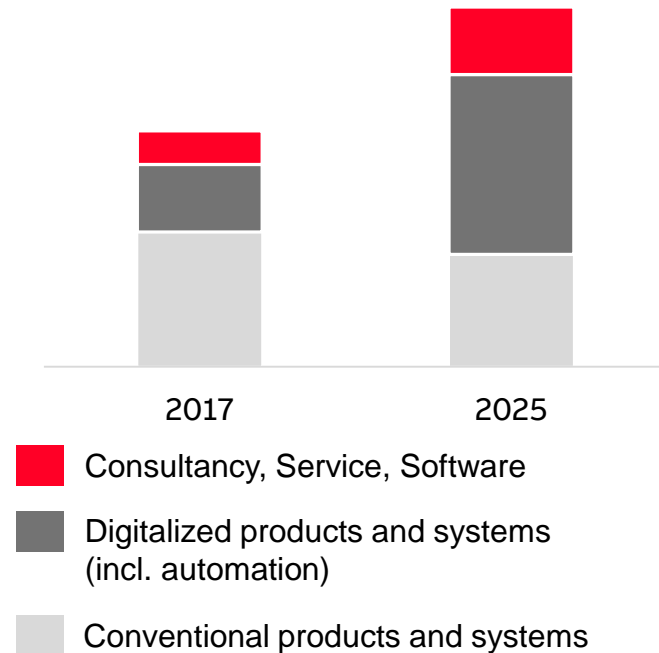
India's education system and future talent play a vital role in enabling a successful nation-wide smart electric grid  
 Scope: M.Tech program in Smart Electric Grid, labs, internships









Technology and business model innovation leveraging collaboration on Digital & Energy Platforms



## Growth and portfolio shift



## Ambition

-  Expand revenue from services
-  Fully digitalized portfolio
- #1**
  -  Grid planning
  -  Grid automation and software
  -  Renewables integration and storage
-  Best-in-class, quality, delivery and operations

**Grow faster than the market**

**Strengthen #1 market position**

**Key SDGs\* embedded - Focus on 7 SDGs**



**Powering good for a sustainable energy future, with pioneering and digital technologies, as the partner of choice for enabling a stronger, smarter and greener grid.**



**HITACHI**

