



## TK Sridhar

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### “ We Are Reasonably Positioned To Deliver On Our Goals ”

#### How has the current pandemic impacted your business operations, sales and profitability?

Across industries, the current pandemic has brought about significant uncertainties in some areas of business while accelerating certain factors in others in India and across the world. Since last year, ABB India's service activities – going to customer premises, etc. – were impacted and so was the global movement of goods and services – exports. In the second wave, we continued to monitor our growth sectors, some of which played out in the first quarter with increased order opportunities in process automation and robotics businesses.

Overall, we posted a sequential growth of 24 per cent in orders over Q4 2020 in India. High-growth segments such as pharmaceutical, e-mobility, renewables, data centres, etc. provided increased opportunities. Improved capacity utilisation and cost rationalisation contributed to margin accretion in the first quarter before the surge of the second wave. ABB India has been working closely with customers on accelerating digital transformation for business advantage. Over the past year, we are continuously learning about the new ways of working.

This includes adapting quickly to the acceleration in remote technology, automation and virtual connections brought about by the pandemic. With our range of offerings, from remote factory tests and commissioning to remote monitoring of locos or remote maintenance of large-scale refineries, we are well-positioned to cater to our transformed eco-system. But the focus on health and safety for employees with multifaceted support was all-pervading in the current quarter, with everyone deploying maximum bandwidth for the same.

#### What is the growth outlook for your company?

The resurgence of the virus has brought renewed market uncertainty and unpredictability. We at ABB India continue to have all our precautionary and safety protocols in place while continuously monitoring our key markets and segments. For now, we are continuing to focus on the future growth segments and industries, data centres, renewables, electronics, food and beverage, and pharmaceuticals. ABB India will continue to focus on base order wins and seamless execution across projects while continuing to engage closely with customers.

#### Which business segment of ABB India is showing maximum growth potential?

While electrification and motion businesses have been holding

steady, process automation and robotics and discrete automation businesses have also experienced increased traction in orders in Q1 2021. Robotics secured significant wins during the quarter, which will strengthen the installed base and leverage our expanded operational capacity. Investment decisions by the customers belonging to core sectors, i.e. metals and mining, which were earlier held back because of the market uncertainty and enhancement of channel business in process industries, led to order growth in process automation. For ABB India, the focus areas or segments of growth are moving from hard asset-based offerings to more connected, technology-driven solutions.

This is a strategic decision owing to the increased demand for automation and digitisation from clients. We are expecting strong demand from our data centre and electronics sector followed by the food and beverage, renewable energy and pharmaceutical sectors. Customer demands are changing from buying standalone equipment to a more comprehensive suite of solutions wherein they can read data being generated from the equipment and operate better. As we move forward, our digital solutions will complement our core product manufacturing solutions to help our clients with enhanced productivity and efficiency through data.

#### What are your key business risks at this moment?

As we are at the cusp of emerging out of the second wave of the pandemic in India, the following risks need to be kept in focus:

- Supply and labour disruptions
- Inflation and cost of material
- Capacity adjustments based on rescheduling by customers
- Forex volatility.

#### By when do you expect business operations to come back to normalcy?

Everyone is waiting for an answer to this question. The year started on a positive note with revival across multiple sectors. India's second wave brought about tremendous pressure. However, decentralised management with sharp, local measures ensured some momentum to industrial activity. While the cases are on a downward trajectory in India, we will stay vigilant and take all steps to safeguard our ecosystem, including support for the vaccination campaign, etc. against the future. With a stable and growing order backlog, robust cash reserves, cost optimisation initiatives and business continuity plans, we believe that we are reasonably positioned to deliver on our goals while managing renewed market uncertainty.