



REF:INABB:STATUT:LODR:PRESS REL:

February 12, 2020

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

Attn: Listing Dept.

Dear Sirs

Sub: Press Release

We are sending herewith a copy of Press Release, which is being issued by the Company today to the media, for the information of the Stock Exchanges, as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thanking you

Yours faithfully
For ABB India Limited


B Gururaj
General Counsel & Company Secretary
FCS 2631

Encl: as above

BENGALURU, INDIA, FEBRUARY 12, 2020

ABB India: Sustained profitable growth in 2019

ABB India Limited CY2019 and Q4 CY 2019 results

2019 HIGHLIGHTS

- Full year orders grew by 4%, revenue by 9% and PAT by 39% (excluding exceptional items)
- Resilient and diversified business model supports performance
- Solid cash generation continues
- Board recommends full-year dividend of 240% per share

Q4 2019 HIGHLIGHTS

- Base order growth across all continuing business lines
- Steady revenue levels in a cautious business environment
- Successful achievement of legal milestones in Power Grids demerger process
- One-time exceptional impairment cost for the solar inverter business as per the accounting standards

“We have delivered another year of sustainable growth in 2019, carving out new opportunities while market volatility persists,” said Sanjeev Sharma, Managing Director, ABB India. “2019 has been a year of transformation for ABB, which has been managed seamlessly while delivering value to stakeholders every quarter. Each of our businesses have over the years built a strong foundation to be able to withstand any temporary headwinds whilst delivering operational and financial excellence. Balancing export with domestic focus, enhancing volumes with better pricing management and a keen eye on costs and cash helped drive performance during the year,” he added. “With stimulus driven growth likely to continue, we are well primed for next level growth opportunities from sectors like transportation, infrastructure – buildings, ports, electronics, water, F&B and logistics with tier 2 and 3 cities leading the way.”

KEY FIGURES

On December 17, 2018, ABB announced an agreed sale of its Power Grids business. Consequently, the results of the Power Grids business are presented as discontinued operations. The company's results for all periods have been adjusted accordingly.

	INR Crores (for continuing business without Power Grid)			
	CY 2019	CY2018	Q4 2019	Q42018
Orders	6970	6729	1596	1899
Revenues	7315	6690	1953	1966
Profit before exceptional and tax	514	395	150	202
Profit before exceptional and tax %	7.0	5.9	7.7	10.3
Exceptional item	70	-	70	-
Profit after tax	302	254	65	129
Profit after tax %	4.1	3.8	3.4	6.5
Operational EBITA*	497	377	109	187
Operational EBITA%	6.8	5.6	5.6	9.5

Orders

Total orders were at INR 1596 crore during the quarter and for CY 2019 orders were at INR 6970 crore. Despite countering market headwinds, Robotics and Discrete Automation and Industrial Automation both posted double digit growth in orders of 31% and 13% respectively Y-on-Y. Motion business had a high base given one-time large order in Q4 2018 while Q4 2019 had witnessed some order deferments to subsequent periods.

Industrial Automation was able to maintain momentum from early engagement with steel customers for precision measurement solutions, focus on gas distribution and transportation, water automation segment and securing a good market share for propulsion products. Robotics and Discrete Automation which has been a long-term player in the Indian market has been impacted by the slowdown in the auto sector. However, in Q4, with consistent customer engagement and proven offerings, it has witnessed positive traction in the paint automation segment. Electrification orders for smart products from steel major and leading manufacturers of industrial equipment marked the quarter. While the buildings solution business also registered growth this quarter, led by orders from the hospitality and the residential sectors, orders from solar segment faced headwinds.

The order backlog is at INR 4123 crore, which provides revenue visibility in shorter business cycles and allows us to capitalize on market developments in the coming quarters.

Revenue and operations

The fourth quarter revenue was INR 1,953 crore and at INR 7,315 crore for CY 2019. The quarter witnessed uptrend in revenues from projects for systems drives. Distribution solutions was a growth driver for revenue with improved execution. Robotics and Discrete Automation successfully steered applications to deployment in non-automotive sectors like consumer electronics and food and beverage.

The year was marked by the launch of market leading products like Emax2 digital circuit-breaker and IVIE switches which transformed industrial operations and living spaces into connected and intelligent versions, ultra-low harmonic drives, and IE4 motors

Profit and cash flow from operating activities

The Company reported a profit before exceptional item and tax (PBT) of INR 150 crore and profit after tax (PAT) of INR 65 crore for the quarter. In CY2019, PBT before exceptional item was at INR 514 crore and PAT at INR 302 crore for the company. During the quarter, the Company in accordance to the accounting standards, recorded an exceptional impairment cost amounting to INR 69.70 crore towards the remeasurement of solar inverter business's fixed assets and inventories at realizable values.

Despite the liquidity crunch in the market, the Company improved collections and reported a cash position of ~INR 1595 crore as on December 31, 2019.

Dividend

Based on the business performance and the potential in current markets despite the PG carve out impact, the Board of Directors maintained the dividend trend and recommended a dividend of Rs 4.80 per share (240 percent), subject to the approval of shareholders at the forthcoming Annual General Meeting.

Demerger and NCLT approval

During the quarter, ABB India received the NCLT approval and the Power Grids entity was successfully demerged from ABB India on Dec 1, 2019. The new entity ABB Power Products and Systems India Limited (APPSIL) is now operational as a self-sufficient unit with minimal support from ABB India. Asset separation is currently in progress.

Outlook

Stimulus led growth with structural and economic reforms expected to pave way for growth pickup. ABB India will continue to watch market developments closely in the near term and be ready to capitalize on opportunities that may arise. By leveraging a solid foundation built over similar market conditions in the last few years, the Company will pursue prospects, innovating and expanding to counter volatilities and headwinds in the short to medium term. On a longer-term basis, the structural growth drivers and stimulus measures are likely to usher in some stability for the wider economy subject to global easing.

ABB (ABBN: SIX Swiss Ex) is a technology leader that is driving the digital transformation of industries. With a history of innovation spanning more than 130 years, ABB has four, customer-focused, globally leading businesses: Electrification, Industrial Automation, Motion, and Robotics & Discrete Automation, supported by the ABB Ability™ digital platform. ABB's Power Grids business will be divested to Hitachi in 2020. ABB operates in more than 100 countries with about 144,000 employees.

**Operational EBITA*

Operational earnings before interest, taxes and acquisition-related amortization (Operational EBITA) represents Income from operations excluding:

- acquisition-related amortization (as defined below),*
- restructuring, related and implementation costs,*
- changes in the amount recorded for obligations related to divested businesses occurring after the divestment date (changes in obligations related to divested businesses),*
- changes in estimates relating to opening balance sheets of acquired businesses (changes in pre-acquisition estimates),*
- gains and losses from sale of businesses (including fair value adjustment on assets and liabilities held for sale),*
- acquisition- and divestment-related expenses and integration costs,*
- certain other non-operational items, as well as*
- foreign exchange/commodity timing differences in income from operations consisting of: (a) unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives), (b) realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized, and (c) unrealized foreign exchange movements on receivables/payables (and related assets/liabilities).*

Certain other non-operational items generally include certain regulatory, compliance and legal costs, certain asset write downs/impairments as well as other items which are determined by management on a case-by-case basis.

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