



REF:INABB:STATUT:LODR:PRESS REL:

November 13, 2019

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, NOVEMBER 13, 2019

ABB India: Steady growth in mixed markets

ABB India Limited third quarter (July – September) CY2019 results

Q3 HIGHLIGHTS

- Continued growth in orders by 5% YoY and 11% YTD
- 17% growth in revenue YoY
- Agile and digital led portfolio mix drives operating margins
- Solid cash position amidst liquidity headwinds

“We have sustained the growth momentum in orders, revenue and profitability in the quarter in mixed market conditions,” said Sanjeev Sharma, Managing Director, ABB India. “With a strong cash position, steady operating margins, keen focus on costs and operational excellence initiatives, we will strive for long term growth and value additions for our stakeholders. Our agility and performance-oriented culture demonstrated in this quarter’s results will also help us navigate any headwinds in the shorter term in select markets and segments,” he added.

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)

	Q3 2019	Q32018	YTD 2019	YTD 2018
Orders	1606	1527	5374	4830
Revenues	1746	1492	5322	4724
Profit before tax	113	54	364	194
Profit before tax %	6.5	3.6	6.8	4.1
Profit after tax	79	36	237	126
Profit after tax %	4.5	2.4	4.5	2.7
Operational EBITA*	119	47	377	189
Operational EBITA%	6.8	3.1	7.1	4.0

Orders

Total orders were at INR 1606 crore, up 5 percent during the quarter and YTD orders were at INR 5374 crore. Service orders were up 16 percent YoY led by process improvement and production optimization initiatives when private capex continues to lag. While Electrification and Motion businesses continued the solid growth pattern, Robotics and Discrete Automation and Industrial Automation are facing challenges in navigating sectoral headwinds.

The quarter was also marked by orders for smart cities in Ranchi and the ancient city of Ujjain for smart power distribution equipment like compact substations and ring main units. A steel major also placed a significant order on electrification ArTuK panels.

Transportation continued to be a growth driver with robust orders for propulsion systems in the third quarter. An order for 33kV gas insulated switchgear (GIS) for a leading metro operator was won during the period under review. The motion business also received significant orders for energy efficient industrial equipment like medium voltage drives and a large order for motors during Q3.

A range of orders in electrical, control, SCADA, instrumentation and power management were received from an oil and gas major. New customers were added in the mining space for aluminum smelter (electrification and instrumentation) and copper refinery (eBOP and instrumentation) applications.

ABB India continues to have a strong order backlog as of September 30, 2019, at INR 4,372 crore, which provides revenue visibility and is well aligned for growth in the coming quarters.

Revenue and operations

The third quarter revenue was INR 1,746 crore. A steady and stable order book conversion, leveraging pockets of growth across business segments and specific applications contributed to the same.

During the quarter, ABB India signed a MoU with a leading private distribution company in the national capital to improve the power distribution network, focusing on safety, reliability and flexibility for future needs and to pilot ABB's smart substation control and protection devices.

Profit and cash flow from operating activities

The Company reported a profit before tax (PBT) of INR 113 crore and profit after tax (PAT) of INR 79 crore. Strong backlog, higher capacity utilization, revenue mix, support from services in the larger businesses helped sustained the momentum. The Company also benefitted from the recently announced tax cut from the government.

Operational EBITA stood at INR 119 crore. The focus on cash over revenue and profit over volumes continue with all businesses registering improved cash flows. Despite the liquidity crunch in the market, the Company improved collections and reported a cash position of ~INR 1350 crore at the end of the quarter.

Performance of discontinued operations

The total orders for the Power Grid business for the third quarter was at INR 1164 crore and revenue was INR 1,007 crore. The business reported a PBT of INR 82 crore and PAT of INR 56 crore for the period under review.

Outlook

ABB India continues to show resilience in a mixed domestic market and a global one marked by geopolitical uncertainties. With a flexible, technologically sound, and agile portfolio, the Company continues to leverage pockets of stabilization and reap benefits from the recently announced government reforms. The recent reforms are likely to provide the tailwind for stable growth opportunities in the short to medium term. However, the remaining months of CY2019 will be key to managing the structural and cyclical headwinds. The push on infrastructure, job creation and financial reforms are expected to provide some balance to the supply-demand ratio in the economy for CY 2019. With solid quality of growth and fundamentals in place, the Company is well positioned to navigate any turbulence from commodity price volatility, forex fluctuations and trade uncertainties in domestic and international markets.

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 147,000 employees. www.abb.com

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***Operational EBITA margin**

Operational EBITA margin is Operational EBITA as a percentage of Operational revenues. Operational EBITA is Operational earnings before interest, taxes and acquisition-related amortization (Operational EBITA) represents Income from operation 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,
- 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.

Operational EBITA is our measure of segment profit but is also used by management to evaluate the profitability of the Company as a whole.

In addition to standalone, consolidated financial results are published with a note on ABB Power Products and Systems India Limited (APPSIL), which was incorporated on February 19, 2019 as a wholly owned subsidiary of ABB India Limited. During the period, there are no transactions in APPSIL other than allotment of share capital.

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