



REF:INABB:STATUT:LODR:PRESS REL:

February 10, 2021

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
Company Secretary
FCS 2631

Encl: as above

BENGALURU, FEBRUARY 10, 2021

Resilient performance despite the COVID- 19 crisis

ABB India Limited CY2020 and Q4 CY2020 results

Q4 2020 HIGHLIGHTS

- Resilient performance as the economy starts to show signs of recovery
- Sequential growth across key markets – Orders up 12%, Revenue up 5%
- Strong sequential growth in operating margins

2020 HIGHLIGHTS

- Proactive action on focus sectors (datacenters, electronics, food and beverage, pharma, renewables, etc.) bolsters performance parameters
- Order backlog levels held steady Y-o-Y
- Strong cash position at the end of 2020
- Board recommends full-year dividend of 250% per share

“2020 was a year of unprecedented challenges, but ABB’s agile business model helped to navigate headwinds and deliver profitability for the year, thanks to our team pulling strongly together. During the year, we built a strong cash reserve with a focus on collections and cash optimization,” said Sanjeev Sharma, Managing Director, ABB India. “With a strong order backlog, our timely execution and value adds for our customers, we remain optimistic for 2021. In light of the ongoing COVID-19 crisis, we are closely monitoring our key market segments, which are expected to gradually return to growth.”

KEY FIGURES

INR Crores (for continuing business without Power Grid)

	CY 2020	CY 2019	Q4 2020	Q4 2019
Orders	5,932	6,970	1,470	1,580
Order backlog	4,114	4,123	4,114	4,123
Revenues	5,821	7,315	1,701	1,953
Profit before tax	304	444	80	80
Profit before tax %	5.2	6.1	4.7	4.1
Profit After Tax	230	302	62	65
Profit after tax %	4.0	4.1	3.7	3.4
Operational EBITA*	293	494	170	109
Operational EBITA%	5.0	6.8	10.0	5.6

Orders

Total orders were at INR 1,470 crore during the quarter and at INR 5,932 for the year. Pent up demand and early signs of recovery led to sequential growth in order wins. Collaboration with customers through virtual connections helped enhance engagement. During the quarter, Motion and Industrial Automation business areas both posted double digit growth Y-on-Y.

The quarter was marked by orders in the areas of power distribution, renewables, construction, energy, and mining segments.

Key orders include:

- Enhancement of distribution networks for a large construction company in Nepal
- Sustainability was a significant theme with Motion orders for double fed induction generators (DFIG) for a private energy major for wind energy and flue gas desulphurization (FGD) for power plants
- Process automation for a bottling plant of a refining major
- Rectifier and busbar solutions for a large mining company

Revenue and operations

The fourth quarter revenue was INR 1,701 crore and at INR 5,821 crore for CY 2020. Sequentially, the quarter witnessed uptrend in revenues across all business divisions due to continued focus on execution of order backlog. Factors like export performance, service revenue with system upgrades, sluggish project performance compensated by solid product sales, helped increase revenues during the fourth quarter as compared to the earlier quarter.

During the quarter, ABB India's Motion business area became the first business to list its low voltage motors online on eMart, ABB's online marketplace. In line with increased focus on self-reliance in manufacturing, Motion business area launched the sturdy, made in India M3BP high performance motors, which deliver higher output than the defined standard of the same frame size standard motors. Electrification business area launched Formula DIN-Rail, a complete range of Miniature Circuit Breakers (MCBs), Residual Current Circuit Breakers (RCCBs) and Isolators for the electrical retail market. These products are made in ABB's Smart Building factory in Bengaluru. The Robotics and Discrete Automation business area also launched a compact interior paint application and easy programming tool for IRB 1100 robots for customers globally.

And while doing all this, the businesses ensured focus on safe and sustainable operations. The Company has improved its hazard reporting thus shifted focus to resolving them to the tune of 98.5 percent in 2020. Ninety three percent of the waste was recycled, reducing proportionate amount for the landfills and 40% of power requirement was sourced from renewable energy in the year.

Profit and cash flow from operating activities

Despite the challenging environment, the company sustained profitability year on year in the fourth quarter. The Company posted a profit before tax of INR 80 crore for the quarter. The reported profit is after considering the one-time impact of INR 93 crore in certain businesses of Industrial Automation. Out of this, INR 80 crore was attributable to the strategic decision to ramp-down and de-risk exposure in conventional power generation segment and INR 13 crore due to certain employees availing voluntary retirement scheme. Excluding this one-time impact, the profit for the quarter stood at INR 173 crore (an increase of 16 percent Y-on-Y and of 52 percent Q-on-Q) compared to INR 150 crore, same quarter last year, on like to like basis. For the full year, the Company's profit before tax stood at INR 304 crore (after accounting for net impact of INR 34 crore due to exceptional and one -off items) compared to INR 444 crore in 2019.

Profit after tax for the year was INR 230 crore and for the quarter was INR 62 crore. On an overall basis, the catalysts for improved profitability include efficient opex management, better mix, improved service and product revenues, supported by a sharp focus on cost savings.

The company's cash position continues to remain robust at INR 2207 crore at the end of 2020 vis-a-vis INR 1598 crore in 2019.

Dividend

Based on the business performance and the potential in current markets, and despite the impact of the COVID-19 crisis, the Board of Directors maintained the dividend trend and recommended a dividend of INR 5 per share (250 percent), subject to the approval of shareholders at the forthcoming Annual General Meeting.

Outlook

The COVID-19 crisis was a drag on the performance of the year. Although the start of the vaccination drive in the country could lead to a recovery, market uncertainty due to COVID-19 crisis remains. The Company will closely monitor the shifting global trade balance and trade agreements and its likely influence on commodity prices, forex and import policies. In the domestic market, the resilient nature of certain segments and industries is reflected in the early signs of revival witnessed in datacenters, renewables, electronics, food and beverage, pharmaceuticals, etc. Some end markets, particularly conventional power generation, mining and steel, continue to witness short term stress. ABB India will continue to focus on order wins and seamless execution across projects while continuing to engage closely with customers.

ABB (ABBN: SIX Swiss Ex) is a leading global technology company that energizes the transformation of society and industry to achieve a more productive, sustainable future. By connecting software to its electrification, robotics, automation and motion portfolio, ABB pushes the boundaries of technology to drive performance to new levels. With a history of excellence stretching back more than 130 years, ABB's success is driven by about 105,000 talented employees in over 100 countries.

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**Operational EBITA*

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 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,*
- 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.