



REF:INABB:STATUT:LODR:PRESS REL:

July 23, 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

BANGALORE, INDIA, JULY 23, 2020

ABB India: Business continuity & cash focus

ABB India Limited second quarter (April – June) CY2020 results

- Overall performance impacted as COVID-19 uncertainties persist
- Opportunities towards plant upkeep, reliability and optimization gradually opening up
- Early adoption of proactive cost and cash optimization measures
- Enabled business continuity of customers and partners with extensive use of remote service technology and ABB Ability™ digital solutions

“ABB’s business model resilience and robust fundamentals kept its strength despite interim disruptions on account of the COVID-19 crisis and lockdown. H1 2020 has been impacted due to the global slow-down, however, our order backlog is strong and steady to support us through the coming quarters. As an organization, we remain nimble and have taken several proactive measures to support our employees & customers while we maintain focus on profitability and cash,” said Sanjeev Sharma, Managing Director, ABB India. “We will be strong on riding through the ongoing crisis by focusing our resources on the right business segments that are expected to return to growth and normalcy while servicing all our customers with remote and onsite services. Our business teams have high vigor to deliver an even higher value-added customer experience by leveraging our digital technologies. Automation and focus on efficiency are an integral part of the new economy and many of our value-added solutions will enable us to differentiate in the market and maintain our leadership position,” he added.

KEY FIGURES*

INR Crores (for continuing business without Power Grid)

	Q2 2020	Q2 2019	H1 2020	H1 2019
Orders	1200	1989	3153	3769
Revenues	986	1726	2508	3576
Profit before tax	21	113	51	251
Profit before tax %	2.2	6.5	2.0	7.0
Profit after tax	17	70	83	159
Profit after tax %	1.7	4.0	3.3	4.4
Operational EBITA**	(21)	134	22	258
Operational EBITA%	(2.1)	7.8	0.9	7.2

*Previous years number includes Solar Business (Orders – Q2-240 Crore, H1-402 Crore; Revenue – Q2 – 139 Crore, H1-307 Crore)

**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 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.

In addition to standalone, the 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.

Q2 2020 (April – June) results

Orders

ABB deployed a multi-pronged strategy to keep customers engaged during this period of uncertainty when ordering cycles are getting extended. ABB organized webinars, virtual product testing, virtual factory acceptance tests, virtual commissioning, and cross business value discovery workshops with them.

Total orders for the quarter was at INR 1200 crore and for H1 2020 it was INR 3153 crore. During the quarter, the company succeeded in securing orders in varied sectors, including power distribution equipment, automation projects for process industries, food and beverage and electronics. Sectors with continued investment include, rail infrastructure, industrial buildings as well as water and waste-water.

Key orders include:

- Enterprise-wide SCADA management upgrade for oil major as well as custom SCADA-based solution that controls and monitors gas flow in tea estates
- Order for 249 compact secondary substations and ring main units for cities in Gujarat
- To supply 2.84MW, 4P, 690V doubly-fed induction generator (DFIG), part of serial supply for wind power generator order for an energy major
- Robotics order for end of line palletization for an F&B major

ABB India continues to have a stable order backlog as of June 30, 2020, at INR 4,671 crore widely spread across various end markets.

Revenue and operations

Post the announcement of the Ministry of Home Affairs (MHA) on some relaxations in May 2020, ABB opened up its manufacturing activities across the country and ramped up initially to 60% capacity after putting in place due safety precautions and the norms and processes prescribed.

In a bid to ensure customers' business continuity, remote technology solutions were deployed across businesses like remote commissioning (including installation) of paper machine winder drives system for a paper major. Completion of the installation of excitation systems at the largest hydro power plant in Nepal also marked the quarter. During the quarter, the first of its kind commissioning of ABB's circuit monitoring system (CMS 700) for a leading data center company, which facilitates detailed monitoring of energy consumption of up to 96 sensors, was undertaken.

Total revenue for the quarter was at INR 986 crore and for H1 at INR 2508 crore.

Profit and cash flow from operating activities

The impact caused by lower revenues during the quarter was offset to a reasonable extent by various cost saving initiatives that were implemented by the company as well as favorable forex valuations. Profit after tax for the quarter was INR 17 crore and INR 83 crore for H1. The company continues to focus its efforts on cash collections and cost optimization initiatives. The company holds on to its consistent cash position, which at the end of the quarter stood at INR 1495 crore.

Outlook

As global uncertainty continues due to the COVID-19 situation, local markets are expected to remain subdued with diminished per capita income. ABB shall continue to strengthen customer engagements vide voice of customer, channel meets, webinars and virtual campaigns that will aid the recovery period in the “new normal”. Additionally, our India focused portfolio, customer value discovery workshops and digital platform leadership makes us well positioned to navigate the crisis impacted market. In order to tide over the current situation, focus on the right sectors like F&B, data centers, pharmaceuticals, energy, chemicals, and railways & metros, which are likely to demonstrate selective shoots of growth, will be critical.

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 110,000 talented employees in over 100 countries. www.abb.com/in

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