



REF:INABB:STATUT:LODR:PRESS REL:

November 5, 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, NOVEMBER 5, 2020

Resilient performance in a challenging period

ABB India Limited third quarter (July – September) CY2020 results

- Orders grew on sequential quarter basis on the back of uneven and subdued market recovery
- Improved capacity utilization drives operational efficiency gains
- Consistent investment to serve customers in India – doubled testing capacity with state of the art robotics facility
- Launched ABB online marketplace for products with Electrification and Motion portfolio for easier access to customers

“ABB’s agile and resilient customer engagement has led to an improved sequential order inflow, supported by good recovery in a few market segments. We have seen consistent improvements over the past couple of months with improved order execution across some key segments and industries, which are ramping up production post the lockdown,” said Sanjeev Sharma, Managing Director, ABB India. “Our team has continued to work with high safety protocol during the COVID-19 lockdown phases, leveraging automation and remote support technology for enriched customer experience. We remain committed to seamless delivery of customer demand while maintaining a strong order backlog. Our focus on key relevant growth sectors has started giving good results while we engage & support other sectors as they recover to provide growth in the future.”

KEY FIGURES*

INR Crores (for continuing business without Power Grid)

	Q3 2020	Q3 2019	YTD 2020	YTD 2019
Orders	1308	1606	4461	5374
Revenues	1612	1746	4120	5322
Profit before tax	114	113	224	364
Profit before tax %	7.1	6.5	5.4	6.8
Profit after tax	85	79	168	237
Profit after tax %	5.3	4.5	4.1	4.5
Operational EBITA**	103	119	125	377
Operational EBITA%	6.4	6.8	3.0	7.1

*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.

Q3 2020 (July – September) results

Orders

Overall orders remain impacted given uncertainty in the economic environment and extended decision-making cycles. Export orders continued to experience limited momentum. Service and maintenance orders witnessed a decline with customers postponing decisions to future quarters, keeping in mind the logistical challenges being faced during the pandemic. The quarter was marked by orders from the transportation, pharma, energy and water segments. Total orders for the quarter were at INR 1308 crore.

Key orders include:

- Traction motor and convertor order for Indian Railways and metro projects
- Compact Secondary Substations and Ring Main Units for a private power distribution company
- Distributed Control Systems and Manufacturing Execution System for an Indian pharma major and first time order for fleetwide engine monitoring software by India's largest private ship-owner
- Robotics orders for assembling and packaging applications from a global electronics manufacturer

ABB India continues to have a stable order backlog as of September 30, 2020, at INR 4,390 crore, widely spread across various end markets.

Revenue and operations

Total revenue for the quarter was at INR 1612 crore, which is a significant improvement from the previous quarter. Strong focus on execution of order backlog resulted in improvement in product sales, while sectors like conventional power generation, metals, cement and mining continue to experience stress and slower conversion. During the quarter, a new robotics facility was inaugurated, which houses a state-of-the-art shop floor that can run proof of concepts and doubles capacity of factory acceptance tests. The quarter was also marked by two major launches - the anti- bacterial range of switches - Tvisha and the unveiling of eMart - ABB India's e-marketplace with more than 6500 products and solutions from Electrification and Motion business areas.

Profit and cash flow from operating activities

Demonstrating a resilient performance, profit after tax for the quarter was INR 85 crore and profit before tax was at INR 114 crore, a significant step up from Q2 2020. While Electrification, Motion and Robotics and Discrete Automation benefitted due to better capacity utilization and revenue mix, Industrial Automation continues to be impacted by project execution and revenue conversion challenges. On an overall basis, impact of shortfall in revenues was partially offset by lower operational costs and proactive cost saving initiatives.

The company continues to focus its efforts on cash collections and in maintaining a lean asset base, thereby sustaining its consistent cash position, which at year to date (YTD) stood at INR 1598 crore.

Outlook

The impact of COVID-19 continues to weigh on the short-term outlook across many end-markets, particularly in conventional power generation, automotive, marine and buildings. Some end markets such as electrical distribution, transport, data centers, consumer electronics, pharmaceuticals and food and beverage continue to show relative resilience. The Government in India has also unveiled various proposals to make manufacturing in India more self-reliant, which should drive end-to-end manufacturing in the country. ABB India will continue to engage closely with customers through various virtual modes and leverage select pockets of growth with its sustainable, digital and wide-ranging technology.

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.

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For more information please contact:

Sohini Mookherjea

Phone: +91 9632726608

Email: sohini.mookherjea@in.abb.com