

November 10, 2020

BSE Limited
P.J. Towers
Dalal Street
Mumbai 400 001
(Atten: DCS Listing)

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No. C/1, G Block
Bandra-Kurla Complex, Bandra (E)
Mumbai 400 051
(Atten: Manager Listing Department)

Dear Sirs

Subject: Press Release for Unaudited Financial Results of the Company for the quarter and nine months ending September 30, 2020 pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations)

Ref : BSE Scrip: 543187 (POWERINDIA) NSE Symbol: POWERINDIA

Pursuant to Regulation 30 of Listing Regulations, 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.

You are requested to take the same on record.

Thanking you.

Yours faithfully,
For ABB Power Products and Systems India Limited



Pooanna Ammatanda
General Counsel and Company Secretary



Encl: As above

FOR IMMEDIATE RELEASE

Hitachi ABB Power Grids in India: Q3 shows recovery, revenue nears pre-pandemic levels

- Orders up 56.9% quarter-on-quarter (QoQ) despite restricted business activity
- Revenue up 46.9% QoQ at INR 932 cr
- Operational EBITA margin returns to pre-pandemic range on improved capacity utilization and product mix
- One time provision made for credit re-evaluation of select overdues
- Collection efficiency stabilizes liquidity

Bengaluru, 10 November, 2020 – Hitachi ABB Power Grids in India (listed on the Indian stock exchanges as “ABB Power Products and Systems India Limited”) today announced its third quarter results for the July - September period.

(INR crores)

Particulars	Q3/20	Q2/20	QoQ %
Orders	890.2	567.3	57
Revenue	932.0	634.3	47
Profit before tax (before exceptional items)	69.3	14.9	365
Exceptional items*	62.6	0.6	
Profit before tax (after exceptional items)	6.7	14.3	
Profit after tax	4.8	10.9	-56
Operational EBITA** (before exceptional items)	68.1	3.9	1646
Operational EBITA % (before exceptional items)	7.3	0.6	

*Demerger cost and one-time provision for delayed receivables

**The company evaluates the profitability based on Operational EBITA. Operational EBITA represents income from operations excluding: (i) amortization expense on intangibles, (ii) restructuring and restructuring-related expenses, (iii) non-operational pension cost, (iv) gains and losses from sale of businesses, acquisition-related expenses and certain non-operational items, as well as (v) foreign exchange/commodity timing differences in income from operations consisting of: (a) unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives), (b) unrealized foreign exchange movements on receivables/payables (and related assets/liabilities).

“Our performance in the third quarter shows our steady progress towards normality and demonstrates that the fundamentals remain intact,” said N Venu, Managing Director, Hitachi ABB Power Grids in India. He continued, “Rigorous business continuity and liquidity improvement measures are paying off. Our resilience in this unusual period has helped us to achieve higher revenue and order growth.”

N Venu added, “As the market regains its footing, our solid order backlog will ensure continuity in the new norm. We are progressing many exciting opportunities spanning the power transmission, rail, metro, e-mobility and renewable integration sectors. This is spurred on by the country’s focus on building local manufacturing capability. Through our pioneering solutions, we are proud to be contributing towards sustainable society.”

Orders

Major order wins from utilities and industry sector customers were recorded amidst tight economic conditions. The business attributes these to a multi-pronged customer engagement and product and service delivery strategy. The business has also accelerated the use of digital technologies across its operations, such as remote factory acceptance tests, virtual training sessions and technical webinars, which have enabled its performance.

Despite restricted business activity and mobility, orders in the July - September 2020 quarter stood at INR 890 crores, up 57% QoQ.

During the quarter, Hitachi ABB Power Grids won a large substation order from HPCL Rajasthan Refinery to power their new refinery and petrochemical project in Rajasthan. The business also booked an automation order for renewable energy monitoring from a national utility. Another notable win included a transformer order for the Virudhunagar substation (Tamil Nadu) feeding industrial and other regions.

Exports rose 36% QoQ with orders coming from the Indian sub-continent, Africa and Australia. Hitachi ABB Power Grids in India booked a major order for transformers relating to a metro rail systems project in Perth and another for high-voltage capacitors for an oil refinery in Nigeria. Service orders doubled QoQ, comprising one of the biggest ever high-voltage service order wins for Hitachi ABB Power Grids in India, for the extension of a 400 kilovolt (kV) gas-insulated substation.

As of September 30, 2020, order backlog was INR 5,175 crore, providing visibility of future revenue.

Revenue and Operations

Determined order conversion led to a 46.9% jump in revenue in the third quarter to INR 932 crore (near pre-pandemic levels). Cash-over-revenue approach, continuous quality improvement initiatives to improve the customer experience, accelerated use of remote management and digital solutions, and strategic cost-out actions, materialized into improved liquidity. The business also successfully energized the first phase of the Raigarh Pugalur +/- 800 kV ultra-high-voltage direct current transmission link.

Profit

Operational EBITA (before exceptional items) in the third quarter was INR 68.1 crore, returning operational EBITA margin to pre-pandemic range. Profit before tax, before exceptional items, was INR 69.3 crore. In line with our strong focus on good governance, Hitachi ABB Power Grids continuously reviews its contracts and receivables. In light of payment delays in a few cases and our analysis, a one-time provision aggregating to INR 60.48 crore was made in the quarter. This provision will reduce the potential burden on the business' balance sheet in the medium term, yet impact profit after tax in the quarter, which stood at INR 4.8 crore.

About Hitachi ABB Power Grids Ltd.

Hitachi ABB Power Grids is global technology leader with a combined heritage of almost 250 years, employing around 36,000 people in 90 countries. Headquartered in Switzerland, the business serves utility, industry and infrastructure customers across the value chain, and emerging areas like sustainable mobility, smart cities, energy storage and data centers. With a proven track record, global footprint and unparalleled installed base, Hitachi ABB Power Grids balances social, environmental and economic values. It is committed to powering good for a sustainable energy future, with pioneering and digital technologies, as the partner of choice for enabling a stronger, smarter and greener grid. <https://www.hitachiabb-powergrids.com>

Hitachi ABB Power Grids India operates under the legal entity name ABB Power Products and Systems India Limited and is listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) as POWERINDIA, Scrip code 543187.

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