



REF:INABB:STATUT:LODR:PRESS REL:

July 26, 2019

BSE Limited  
P.J. Towers  
Dalal Street  
Mumbai 400 001  
**(Attn : DCS CRD)**

National Stock Exchange of India Ltd  
Exchange Plaza, 5<sup>th</sup> 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

MUMBAI, INDIA, JULY 26, 2019

# ABB India: Resilient and profitable growth

ABB India Limited second quarter (April – June) CY2019 results

## Q2 HIGHLIGHTS

- Orders grew 23% YoY, led by double-digit growth across energy, process industries, transportation and infrastructure sectors
- PAT grew 57% YoY driven by better revenue mix and capacity utilization

## H1 HIGHLIGHTS

- Total orders up by 14% YoY, base orders up 17% YoY
- Revenue increased 11% YoY; PAT up by 76%

“As the market gets back into action post the electoral mandate, ABB India has closed the second quarter of CY 2019 with consistent growth in orders and profitability and a solid cash position . H1 2019 was also wrapped with double digit growth in all the key performance indicators,” said Sanjeev Sharma, Managing Director, ABB India. “Sectors like transportation, process industries, EPC, energy, and infrastructure have been driving growth with digital value adds from sectors like data centers, food and beverage, and OEMs during Q2. The domestic growth has been ably supported by the export growth trajectory despite global volatilities. We remain focused on delivering higher customer experience and have made very good progress in our organization productivity initiatives,” he added.

## KEY FIGURES

INR Crores (for continuing business without Power Grid)

	Q2 2019	Q2 2018	H1 2019	H1 2018
Orders	1989	1619	3769	3302
Revenues	1726	1666	3576	3232
Profit before tax	113	70	251	140
Profit before tax %	6.5	4.2	7.0	4.3
Profit after tax	70	44	159	90
Profit after tax %	4.0	2.7	4.4	2.8
Operational EBITA*	134	82	258	142
Operational EBITA%	7.8	4.9	7.2	4.3

### \*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.

## Q2 2019 results

### Orders

Base orders were up by 16% YoY for Q2 CY2019, led by growth across all large businesses. Total orders for the quarter increased to INR 1,989 crore. The quarter was marked by a growth in industrial automation (IA) orders with increased order inflow from specialized applications like e-house, digital solutions for mining, instrumentation and blending and control applications in energy and process industries. IA also received the first of its kind order for whitelisting cyber security solution on distributed control systems for a petrochemical major. However, delayed decisions in a mixed market resulted in overall lower service orders for the business.

In the new ABB structure, the motion (MO) business leveraging ABB's deep installed base of motors and drives also posted double-digit growth with orders for mega motors, drive applications with special features of low harmonics or extended applications to sectors like food and beverage (F&B). Orders for wind power generators and traction solutions also contributed to the growth in the quarter. During the period under review, Motion business also bagged a large order for lift irrigation projects in the state of Telangana. Orders for ABB Ability™ Motor service for remote monitoring were won from the F&B sector.

Newer areas like data centers, digital awareness of OEMs, traction from industries for power distribution solutions, increased orders in the electrification (EL) business. The first ever order for ABB Ability™ Electrical Distribution Control System, the innovative cloud-computing platform designed to monitor, optimize, and predict the electrical system was received for feeder level power monitoring of a leading data storage company.

The slowdown in the automotive segment impacted Robotics and Discrete Automation (RA). However, extension of robotics application in non-automotive sectors like orders from end of line palletization for F&B sector, and leveraging installed base ensured growth in specific areas like paint and service applications for the business.

Exports orders also had considerable traction in the second quarter and the first half of the year led by motion and electrification businesses. The order basket was comprised of short cycle ones, received across process industries in cement, minerals and from select utilities. The diversified offerings were complemented with a wide spread of markets across South East Asia, Middle East Africa and Latin American countries.

ABB India continues to have a strong order backlog as of June 30, 2019, at INR 4,656 crore, which provides revenue visibility and is well aligned for growth in the coming quarters.

### **Revenue and operations**

The second quarter revenue was INR 1,726 crore. A strong focus on execution of order backlog, increased penetration to tier2 cities, improving channel partner business led to the positive movement in the quarter. Manufacturing facility expansion for mid-range LV motors and a customer center for drives were opened during the second quarter at Faridabad to cater to increasing customer demands.

The world's largest, single location lift irrigation with ABB mega motors, load commuted inverter (LCI) drive solution, control relay panels, switchgears and breakers, was commissioned in Telangana to augment drinking water supplies as well as help irrigate agricultural land.

### **Profit and cash flow from operating activities**

Consistent delivery of profitable growth continues, and the Company reported a profit before tax (PBT) of INR 113 crore and profit after tax (PAT) of INR 70 crore on better price management, higher volumes and services in select businesses. Operational EBITA stood at INR 134 crore. The company continued its journey on strong cash performance and thereby reported a cash position of INR 1,311 Crores at the end of the quarter.

### **Performance of Power Grids business**

The total orders for the Power Grid business for the quarter were at INR 862 crore and revenues were at INR 1,052 crore. The business reported a PBT of INR 97 crore and PAT of INR 61 crore for the period under review.

### **ABB's exit from solar inverter business**

The board of ABB India has granted in-principle approval for entering into an agreement to sell the Company's solar inverter business to an Italian Company, FIMER S.p.A. In this regard the Board authorized the management of the Company to take all required steps including appointment of advisors, valuers etc. The Board's decision is a part of the strategy of ongoing systematic portfolio management to strengthen competitiveness and focus on profitable growth segments.

### **Outlook**

ABB India's innovative product portfolio is yielding results while the carve out of the Power Grids business is proceeding smoothly as per stated regulatory procedures. Post elections, the government's focus to continue on infrastructure, manufacturing, transportation, and advanced technologies augurs well for future domestic business opportunities. ABB is well positioned to balance and optimize value from traditional and emerging areas of business.

ABB (ABBN: SIX Swiss Ex) is a pioneering technology leader with a comprehensive offering for digital industries. With a history of innovation spanning more than 130 years, ABB is today a leader in digital industries with four customer-focused, globally leading businesses: Electrification, Industrial Automation, Motion, and Robotics & Discrete Automation, supported by its common ABB Ability™ digital platform. ABB's market leading 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](http://www.abb.com)

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