

ABB India Ltd: Solid performance in challenging markets

Bengaluru, July 21, 2016: ABB India Limited, reported results for the second quarter ended June 30, 2016.

Second-quarter (Q2) highlights:

- Growth across divisions and market segments strengthen the order book
- YoY margin improvement sustained by product mix and operational efficiency

Key figures (INR crore)

	Q2 2016	Q2 2015	H1, 2016	H1, 2015
Orders	2,040	1,895	3,870	3,750
Revenues	2,102	1,932	4,102	3,746
Profit before tax	121	89	228	170
Profit before tax %	5.7	4.6	5.6	4.5
Profit after tax	77	57	148	112
Profit after tax %	3.7	3.0	3.6	3.0
Operational EBITA*	148	123	255	230

**Operational EBITA: Earnings before interest and taxes (EBIT) excluding amortization, restructuring and restructuring related expenses, gains and losses from sale of businesses, acquisition-related expenses and certain nonoperational items, as well as foreign exchange/commodity timing differences in income from operations consisting of: (i) unrealized gains and losses on derivatives (foreign exchange, commodities, embedded derivatives), (ii) realized gains and losses on derivatives where the underlying hedged transaction has not yet been realized, and (iii) unrealized foreign exchange movements on receivables/payables (and related assets/liabilities).*

Orders

The company received orders worth Rs 2,040 crore in the second quarter of 2016. The momentum was maintained by growth in base orders supported by service. Efficiency and technology driven upgrades by utilities such as the adoption of gas insulated switchgears was a major contributor to the order book. Renewables continue to have a significant share of the order inflow. Recovering demand in the automotive industry drove automation orders but traditional industries remained sluggish. Services bounced back from last quarter, reporting a year on year growth of 32 percent.

There is a steady order backlog of Rs 7,752 crore as of June 30, 2016.

Revenue

At Rs 2,102 crore, 2016 reported the highest second quarter revenue in the last five years. Higher revenue and a better cash position was the result of higher volume of technology driven short cycle orders, the relentless pursuit of cash, the continued focus on time delivery of opportunities and streamlined operations.

Profit

A combination of various initiatives in operational excellence and quality across diverse product lines added to the stronger margin. Enhanced cash performance helped to save on interest costs. During the quarter, the company posted a profit before tax of Rs 121 crore and profit after tax of Rs 77 crore.

“We have registered a consistent performance of profitable growth. Our deeper engagement with the customer coupled with broad ABB technology portfolio is a key enabler in converting market challenges into opportunities,” said Sanjeev Sharma, CEO and Managing Director, ABB India. “With a history of innovation of 125 years and future leading technologies, from microgrids to the internet of things, services and people, ABB is well positioned to partner the journey of sustainable growth in India.”

ABB (www.abb.com) is a leading global technology company in power and automation that enables utility, industry, and transport & infrastructure customers to improve their performance while lowering environmental impact. The ABB Group of companies operates in roughly 100 countries and employs about 135,000 people.

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