



REF:INABB:STATUT:LODR:2024

November 4, 2024

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 titled "Strong profitability with record backlog and growing demand across segments"

Please find enclosed Press Release being issued by the Company on the captioned subject.

Kindly take the above information on record.

Thanking you,

Yours faithfully,
For ABB India Limited

Trivikram Guda
Company Secretary and Compliance Officer
ACS-17685
Encl: as above

NEW DELHI, NOVEMBER 4, 2024

Strong profitability with record backlog and growing demand across segments

ABB India Limited posts July-September quarter (Q3) CY2024 results

July-September Q3 CY2024 HIGHLIGHTS

- Strong order momentum – long cycle orders increasing presence in the overall basket
- Revenue growth driven by focused execution of backlog from base orders
- Consistent step-up in profitability driven by capacity utilization, efficiencies, revenue quality
- Ranked fourth among top 5 most sustainable companies in the country & first in the electronics & hardware sector

Commenting on the company's performance, Sanjeev Sharma, Managing Director, ABB India said, "We have delivered another quarter of consistent performance, creating balanced and profitable growth for our stakeholders and deepening engagement with our customers. The quarter was marked by record levels of backlog complemented by a strong book to bill and cash. We are thankful to our customers and proud of our teams. In line with our goal to achieve sustainable growth taking a longer-term view of the market, our order basket comprised an optimal combination of long and short cycle orders as has been the trend for the current and past few quarters. The large orders, a marker of economic robustness led by government led capex revival, emerged from diverse sectors like transportation, metals, and even new ones like the data centers. This provides each division the flexibility to leverage opportunities as per their business cycles and bandwidth and entails revenue conversion from a vibrant and varied basket of orders and timeframes. Our non-financial parameters continued their positive trajectory as the quarter was marked by multiple certifications and milestone completion in our endeavors on emission control and recognition from relevant external organizations."

KEY FIGURES

INR Crores (*for continuing business*)

	Q3 2024	Q3 2023	Q2 2024	9M 2024	9M 2023	CY 2023
Orders	3,342	3,004	3,435	10,384	9,172	12,319
Order backlog	9,995	8,008	9,517	9,995	8,008	8,404
Revenues	2,912	2,769	2,831	8,823	7,689	10,447
Profit before tax	597	484	594	1,808	1,205	1,659
Profit before tax %	20.5	17.5	21.0	20.5	15.7	15.9
Profit After Tax	440	362	443	1,343	903	1,248
Profit after tax %	15.1	13.1	15.7	15.2	11.7	11.9
Operational EBITA*	478	361	558	1,550	976	1,384
Operational EBITA%	16.4	13.0	19.7	17.6	12.7	13.3

Orders

Total orders for the third quarter were INR 3342 crore, up by 11 percent as compared to Q3 CY2023. Electrification led the way with a significant step-up in orders for the quarter headlined by large orders from the data center segment for Smart Power and Distribution Solutions divisions. Demand for power distribution equipment held steady with orders for different circuit breakers, switchgear panels, etc. Motion orders were driven by the Traction division – propulsion equipment, battery chargers and composite converters. Orders from the Process Automation business area also comprised automation and blending solutions for energy majors from the Energy Industries division and thyristor rectifiers for metals company from Process Industries division. Orders from non-automotive, industry led segment and electronics were predominant for Robotics and Discrete Automation business area, which were lower as there were some large orders in Q3 CY2023.

ABB India continues to have a strong order backlog as of September 30, 2024, at INR 9,995 crore, an increase of 25 percent Y-o-Y, which provides good revenue visibility and is well aligned to support growth plans in the coming quarters.

Revenues

The Company reported INR 2912 crore revenue for the quarter. A strong focus on execution, improved visibility through a solid backlog, a varied revenue mix, and efficient capacity use allowed for revenue growth. Electrification benefitted from seamless execution and growth across divisions. Motion saw higher revenue from traction motors, system drives and product drives. In Process Automation, while there was a reduction in systems orders, revenue was supported by service and higher volumes in projects. Robotics & Discrete Automation remained flat aided by execution of orders from the paint segment.

The broad-based capex revival was spearheaded by government investments to transform and modernize the infrastructure in the country. Leveraging the market trends, the order basket for ABB India in the past few quarters has been characterized by the presence of large system and service orders primarily from the transportation, metals, energy, and data center segments. While the pace of execution of base orders has gained consistent speed over the past quarters, the large orders continue to follow the discipline of alignment with the project execution schedules in line with its characteristics. The revenue will continue to be a composite of such graded execution process.

Operations

During the quarter, Electrification business area launched the innovative wireless home automation solutions ABB-free@home® in India. This Smart Home automation system comes with enhanced interoperability. This solution is designed to enhance comfort, security, and energy efficiency for the residential segment. ABB India's Motion Drive Products division has surpassed a 10-gigawatt (GW) milestone in delivering its automation solution (SCADA automation) for renewable energy plants in India. These programmable logic controller-based automation solutions are helping maximize effective usage of renewable energy plants, including solar, wind and battery energy storage systems (BESS).

Profit and cash position

The company reported a Profit before tax (before exceptional items and one-offs) of INR 597 crore for the quarter, an increase of 23 percent Y-o-Y. Revenue mix, better margin orders and price revision supported by capacity leverage resulted in better profitability. In particular, supply chain savings in Electrification, higher margins orders for the drives portfolio in Motion, contribution of service in Process Automation and the execution of EV segment orders for Robotics & Discrete Automation were specific drivers for profitable growth.

Profit after tax reported at INR 440 crore for the quarter, up 22 percent Y-o-Y.

The company's cash position continues to remain robust at INR 5,001 crore at the end of Q3 CY2024.

Sustainability in practice

The activities around sustainable operations continued with three out of five manufacturing locations having become water positive. ABB India's Nelamangala, Bengaluru campus successfully attained a certification on elimination of scope 1 and 2 GHG emissions by Bureau Veritas in line with PAS 2060:2014 & ISO 14064 standards whereas ABB's Nashik plant 2 received "Platinum" level certification under green factory building rating system by IGBC (Indian Green Building Council). Till Q3'24, overall ~84% of GHG emission reduction achieved across its own factories as compared to the baseline of 2019. Besides, ABB India was awarded as among the top 5 most sustainable companies in India & secured the top rank in sustainability in the Electronics and Hardware sector during "Sustainable World Conclave 2024", organized by BusinessWorld.

Outlook

The Indian market remains optimistic, buoyed by expectations of strong capex in infrastructure development and industrial expansion, despite some economic slackening in the previous quarter. The ongoing West Asia crisis, with its impact on energy prices, freight costs, and supply chains, warrants close monitoring. However, festive consumption and increased spending by the end of the year are expected to provide a further boost to the economy.

India's rapid adoption of automation, digitalization, and process-driven manufacturing solutions across industries is expected to fuel sustained capex in infrastructure, productivity-enhancing technologies, and localized manufacturing. At the same time, sectors like green energy and value-added exports show resilience and growth potential in the near term. ABB India is well-positioned to leverage these trends, driving innovation and operational efficiency in a dynamic market.

ABB is a global technology leader in electrification and automation, enabling a more sustainable and resource-efficient future. By connecting its engineering and digitalization expertise, ABB helps industries run at high performance, while becoming more efficient, productive and sustainable so they outperform. At ABB, we call this 'Engineered to Outrun'. The company has over 140 years of history and more than 105,000 employees worldwide. ABB's shares are listed on the SIX Swiss Exchange (ABBN) and Nasdaq Stockholm (ABB). www.abb.com

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*Operational EBITA

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.

This detailed performance summary will be made available only post H1 and H2/full year. ABB India follows a calendar year of January to December as the accounting period.