



**TECHNO-FUNDA : BUY ABB INDIA LIMITED .**

Date -21-10-2024

Buy Range : @ 8450-8350

Target : 1st@8875, 2nd@ 9700

Stock Info	Amount
Mkt Cap (cr)	1,81,077.00
52-Weeks High/Low	9149 / 3850
Avg Volume	3,12,763
No. of eq shares (cr)	21.19
Face Values	2.00
Bse Code	500002
Nse Code	ABB
Free Float (cr)	44,822.00

Source- NSE/BSE

Particulars	FY22	FY23
Revenue op. Growth Y-o-Y	23.56%	21.93%
EBITDA Growth Y-o-Y	59.33%	56.96%
EBIT Growth Y-o-Y	68.94%	61.25%
PAT Growth	92.61%	21.70%
EPS Growth	95.52%	22.21%

Source : Company, Fin2Research

Particulars	FY22	FY23
P/E	56.0	80.0
P/B	11.5	16.7
EV/EBITDA	36.0	52.5
P/S	4.6	6.4

Source : Company, Fin2Research

Ratios	FY22	FY23
ROE	22.80%	22.90%
ROCE	20.90%	27.90%
ROA	11.80%	12.30%
ROIC	15.10%	139.30%
DSO(x)	105	98
DPO(x)	181	189
DIO(x)	95.85	98.17
Dividend Payout	14.00%	9.00%
Interest Coverage Ratio	79	132
Current Ratio(X)	1.82	1.90

Source : Company, Fin2Research

Particulars	Shareholding (%)
Promoter & Promoter Group	75.00
Institutions-Domestic	5.42
Institutions-Foreign	12.28
Public	7.30
Total	100.00

**About :**

ABB India Limited is a leading integrated power equipment manufacturer, recognized for its expertise in automation and power technology. The company delivers advanced solutions that cater to a wide range of industries, focusing on electrical distribution, power grid management, and industrial applications. Its offerings span across four primary segments: Robotics and Discrete Automation, Electrification, Motion, and Industrial Automation. With a strong presence through extensive manufacturing facilities, it primarily generates revenue domestically, leveraging local expertise to meet the country's growing demand for automation, power, and industrial solutions. This leadership plays a critical role in supporting infrastructure development and industrial growth, contributing to national progress in energy efficiency and technological advancements.

**Key Highlights:**

- Recorded **13% growth** in revenues, driven by strong momentum from large orders in emerging sectors.
- Steady execution** observed across market segments, supported by a robust backlog and book-to-bill ratio. Operational efficiencies contributed to significant improvements in both **top-line and bottom-line** performance.
- Profit after tax** expanded by **50%**, attributed to a favorable revenue mix and strong order execution by the 18 divisions.
- Operational EBITDA** increased by **64%** for the quarter, reflecting enhanced efficiency.

Company expanded its Motion portfolio by introducing the IEC low-voltage IE4 cast iron super premium efficiency motors, focusing on energy efficiency for industries and infrastructure projects. These motors are gaining traction among sustainability-conscious customers, optimizing energy costs in industrial setups. Additionally, the company launched IE3 aluminum motors, providing reliable, energy-efficient solutions.

In support of India's growing water industry, the company introduced AquaMaster electromagnetic flowmeters. These flowmeters offer precise measurement and have established a strong installed base across various states, playing a vital role in water management projects nationwide.

Company advanced its commitment to "Make in India for India and the world," blending global products with local engineering and sustainable solutions. A key highlight is the new gas-insulated switchgear factory, which produces the eco-efficient PrimeGear™ ZX0 switchgear. This innovation offers SF6-free alternatives for applications up to 12 kV, reducing global warming potential by 100%.

Company has introduced a groundbreaking solution for the HVACR industry with the launch of the ACH180, a next-generation compact drive. This innovative product offers precise control of high-efficiency motors while featuring a space-saving design, reducing installation costs and simplifying integration for contractors. By optimizing motor operation based on actual HVACR demands, the ACH180 is poised to significantly cut energy consumption and CO2 emissions, supporting India's sustainability goals and positioning the company as a leader in green technology within the rapidly growing HVACR sector.

Company has partnered with Simpliforge Creations to bring advanced 3D printing technology to the Indian construction industry. This collaboration aims to transform the sector by introducing faster, safer, and more sustainable building methods, with potential applications in industrial, defense, commercial, and residential projects. The partnership could be particularly beneficial in disaster zones requiring rapid reconstruction, opening up new markets for both companies.

Company has introduced the ABB Ability SmartMaster platform to simplify asset management by enabling remote health monitoring of instruments like flow meters and pressure sensors. This solution minimizes downtime and strengthens the company's position in industrial automation.

**Risk:**

- Currency Fluctuations:** Fluctuations in currency exchange rates could affect the profitability of ABB India's exports and imports almost 12% revenue comes from outside india.
- Capex Slowdown:** The slowdown in capital expenditure (capex) across sectors such as infrastructure, transportation, industrials, power, and manufacturing.

**CMP : @ 8450-8350**

**Target : 1st@8875, 2nd@9700**





**GUIDELINES FOR THE REPORT**

- It is recommended to enter in a staggered manner within the prescribed range provided in the report.
- Once the recommendation is executed, it is advisable to keep strict stop loss as provided in the report on a closing basis • The suggestion is valid for 3-5 months; if we want to carry subsequent positions, we will contact you via mail or other modes of communications.
- Once target1 is achieved, use a trailing stop loss of the recommended average price.

**Portfolio Allocation:**

- It is not recommended to allocate the entire corpus to a single stock or product without first understanding the risk and return associated with that stock or product.
- It is recommended to diversify the corpus in a proportionate manner among various tech-funda research reports and other reports as stated.

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