



TECHNO-FUNDA : ABB INDIA Limited.

Date - 26/03/2024

Buy Range : @ 5920-5860

Target : 1st@ 6215, 2nd@ 6900

Stock Info	Amount
Mkt Cap (cr) ₹	126,112.29
52-Weeks High/Low	3,141.15 - 6,034.05
Avg Volume	470,874
No. of eq shares (cr)	21.19
Face Values	₹ 2
Bse Code	500002
Nse Code	ABB
Free Float (cr)	31,528.07

Source- NSE/BSE

Particulars	2022	2023
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	2022	2023
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	2022	2023
ROE	22.8%	22.9%
ROCE	20.9%	27.9%
ROA	11.8%	12.3%
ROIC	15.1%	139.3%
DSO(x)	104.67	98.78
DPO(x)	181.39	189.19
DIO(x)	95.85	98.17
Dividend Payout	14.00%	9.00%
Current Ratio(X)	1.82	1.90
Interest Coverage(x)	79.07	132.03
Quick Ratio(X)	1.49	1.59

Source : Company, Fin2Research

Particulars	Shareholding in (%)
Promoter Group	75.00%
Mutual Funds	4.77%
Insurance Companies	1.42%
Other	0.73%
FIs	10.72%
Public & Others	7.36%
Total	100.00%

ABB India : ABB India Limited is an integrated power equipment manufacturer specializing in Automation and Power technology. The company offers solutions for electrical distribution, power grids, and industrial applications. Revenue is divided among four main segments: Robotics and Discrete Automation, Electrification, Motion, and Industrial Automation. With manufacturing sites across India, ABB India primarily generates its revenue domestically.

Key Highlights:

1. ABB has successfully concluded its share buyback initiative initiated in April 2023. During this program, the company bought back 21,387,687 shares, which represented 1.09 percent of its issued share capital at the start of the buyback. This amounted to approximately \$0.83 billion spent over the course of the past year. Furthermore, ABB plans to acquire up to 10 million shares by the end of January 2025, primarily to support its employee share plans. These acquisitions will be executed at prevailing market prices on the ordinary trading line of the SIX Swiss Exchange.

2. ABB India has achieved 'water positivity' at half of its manufacturing sites by replenishing more water than it consumes. The company's approach involves rainwater harvesting, reducing freshwater usage, water recycling, and real-time monitoring of water consumption and replenishment.

3. ABB India has introduced a game-changer for the HVACR industry with the launch of their next-generation compact drive, the ACH180. This innovative product promises precise control of high-efficiency motors while boasting a space-saving design. This translates to reduced installation costs and easier integration for contractors. But the benefits go beyond immediate savings. The ACH180 is designed to directly address India's growing need for effective yet energy-efficient heating and cooling systems. By allowing for optimal motor operation based on actual HVACR demands, the ACH180 can significantly reduce energy consumption and CO2 emissions, aligning with India's ambitious sustainability goals. This focus on efficiency positions ABB India as a leader in the green tech movement within the HVACR sector, which is primed for significant growth. The ACH180 is a strategic move that should fuel company growth by capturing market share and attracting environmentally conscious customers.

4. ABB Robotics and Simpliforge Creations are partnering to bring advanced 3D printing technology to India's construction industry. This collaboration aims to revolutionize construction by enabling faster, safer, and more sustainable building methods. The technology holds promise for various sectors, including industrial, defense, commercial, and residential. It could be particularly impactful in disaster zones requiring rapid reconstruction. This venture could prove beneficial to both companies by opening up a new market for ABB's robots and Simpliforge's 3D printing solutions.

5. ABB has launched ABB Ability™ SmartMaster, a digital platform that simplifies asset management for industrial plants. SmartMaster gathers data from various instruments (flow meters, pressure sensors, etc.) and analyzes their health remotely, without interrupting operations. This allows plant operators to proactively identify potential issues and prevent downtime. SmartMaster benefits ABB by creating a new market for their digital solutions. It also strengthens their position in the industrial automation sector by providing a valuable tool for managing complex instrumentation systems.

Risk And Concern :

1. 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.

2. Competition: The Indian engineering and automation sector is competitive, and ABB India faces pressure from established players and new entrants.

CMP : 5912

Target : 1st@ 6215, 2nd@ 6900



Guidelines on 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 closing basis.
- Once target1 achieved, use trailing stop loss of recommended average price.
- The suggestion is valid for 3-5 months; if we want to carry subsequent positions, we will contact via mail or other mode of communications.

Portfolio Allocation:

- It is not recommended to allocate 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 techno-funda research reports and other reports as stated.

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