Retail Equity Research

GEOJIT PEOPLE YOU PROSPER WITH

ABB India Limited

BUY

Sector: Capital Goods 12th March, 2025

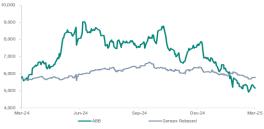
Key Chang	es Target		Rating	Ea	arnings	Target	Rs. 5,710
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame	CMP	Rs. 5,130
Large Cap	ABB:IN	74,102	ABB	500002	12 Months	Return	+11%

Data as of: 11-03-2025

Company Data					
Market Cap (Rs.cr)	Market Cap (Rs.cr)				
52 Week High — Lov	v (Rs.)		9,200 - 4,893		
Enterprise Value (Rs.		102,848			
Outstanding Shares (21.2			
Free Float (%)		24.6			
Dividend Yield (%)			0.7		
6m average volume ((cr)		0.04		
Beta			1.2		
Face value (Rs.)			2.0		
Shareholding (%)	Q2CY24	Q3CY24	Q4CY24		
Promoters	75.0	75.0	75.0		

race value (RS.)			2.0
Shareholding (%)	Q2CY24	Q3CY24	Q4CY24
Promoters	75.0	75.0	75.0
FII's	12.1	12.3	11.9
MFs/Institutions	5.6	5.4	5.7
Public	6.4	6.4	6.6
Others	0.9	0.9	8.0
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil
Price Performance	3 Month	6 Month	1 Year
Absolute Return	-33.0%	-31.6%	-10.6%
Absolute Sensex	-9.1%	-9.5%	0.0%
Relative Return	-23.9%	-22.0%	-10.6%

over or under performance to benchmark index



Y.E March (cr)	CY24A	CY25E	CY26E
Sales	12,188	13,990	15,906
Growth (%)	16.7	14.8	13.7
EBITDA	2,434	2,473	2,920
EBITDA Margin (%)	20.0	17.7	18.4
Adj. PAT	1,875	2,067	2,419
Growth (%)	50.2	10.3	17.0
Adj. EPS	88.5	97.6	114.2
Growth (%)	50.2	10.3	17.0
P/E	78.1	52.9	45.2
P/B	20.7	12.4	10.0
EV/EBITDA	57.9	41.6	34.9
ROE (%)	26.5	23.4	22.2
D/E	0.0	0.0	0.0

All round performance; upgraded to BUY

ABB India Ltd. manufactures heavy engineering and industrial equipment and executes engineering, procurement and construction (EPC) projects. It operates through the robotics and motion, electrification products and industrial automation segments.

- Revenue for Q4CY24 increased 22.0% YoY to Rs. 3,365cr owing to increased revenue in the electrification products and robotics and motion segments.
- The electrification segment grew 33.0% YoY to Rs. 1,503cr, driven by seamless execution of data centre orders, EPC projects and export markets in the distribution solution division.
- Revenue in the robotics and motion segment rose to Rs. 1,259cr, up 23.2% YoY. Opportunities from the electronics and automotive segments aided revenue growth in the robotics segment (+29.7% YoY), while that in the motion segment (+22.4% YoY) was led by traction drives and converters.
- EBITDA increased 53.2% YoY to Rs. 691cr, while margin expanded by 420bps to 20.5%.
 Diversification in the revenue mix, steady movement in material and commodity prices and positive movements in price led to growth in EBITDA.
- In CY24, ABB India's revenue grew 16.7% YoY to Rs. 12,188cr. The company recorded the highest ever orders worth Rs. 13,079cr. ABB India grew at a CAGR of 22% over the past four years.

Outlook and Valuation

ABB has strong pipeline of large orders in the coming quarters from the railway, metals and power distribution segments. The order backlog is expected to be executed in the upcoming quarters. ABB India continues to focus on its emerging as well as core segments. It also aims to expand in Tier-2 and Tier-3 cities and its EL and MO portfolio. Union Budget 2025-26 is expected to positively impact infrastructure and investment, manufacturing, green energy and research and innovation, which are relevant areas for ABB's growth. Hence, we upgrade our rating to BUY on the stock, with a revised target price of Rs. 5,710, based on 50.0x CY26E adjusted EPS.

Quarterly Financials Consol.

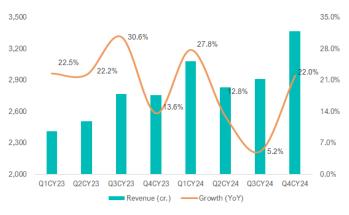
Rs.cr	Q4CY24	Q4CY23	YoY (%)	Q3CY24	QoQ (%)	CY24	CY23	YoY (%)
Sales	3,365	2,757	22.0	2,912	15.5	12,188	10,447	16.7
EBITDA	691	450	53.5	573	20.6	2,434	1,610	51.2
Margin (%)	20.5	16.3	420bps	19.7	80bps	20.0	15.4	460bps
EBIT	657	417	57.6	540	21.7	2,305	1,490	54.7
PBT	705	454	55.4	597	18.1	2,513	1,659	51.5
Rep. PAT	532	345	54.1	440	20.8	1,875	1,248	50.2
Adj. PAT	532	345	54.1	440	20.8	1,875	1,248	50.2
Adj. EPS (Rs)	25.1	16.3	54.1	20.8	20.8	88.5	58.9	50.2



Key concall highlights

- Total orders received declined 14.0% YoY to Rs. 2,695cr, impacted by one-time large orders in Q4CY23. Order backlog increased 12.0% YoY to Rs. 9,380cr.
- Profit before tax and earnings per share increased 51.5% and 50.2% YoY, respectively. Cash position witnessed 14.0% growth YoY. ABB expects the profit after tax margin to be in the range of 12-15%.
- Products contributed 76.0% of the revenue, projects 13.0% and services 11.0%. In terms of geography, 90% of its revenue was generated domestically and 10% by exports.
- Order backlog increased 12.0% YoY to Rs. 9,380cr. ABB India expects to execute 65-70% of the backlog in CY25 and the remaining 30-35% in CY26.
- The company expanded its Faridabad IEC low voltage motor manufacturing plant and has adopted solar power and renewable electricity across its operations.
- ABB India has secured new projects in advanced control and monitoring in photovoltaic (PV) and hybrid PV wind plants.

Revenue



Electrification segment revenue



EBITDA



PAT



Change in Estimates

	Old estin	nates	New est	mates	Chanç	je (%)
Year / Rs cr	CY25E	CY26E	CY25E	CY26E	CY25E	CY26E
Revenue	15,343	17,855	13,990	15,906	-8.8	-10.9
EBITDA	2,436	2,870	2,473	2,920	1.5	1.7
Margins (%)	15.9	16.1	17.7	18.4	180bps	230bps
Adj. PAT	2,126	2,560	2,067	2,419	-2.8	-5.5
EPS	100.3	120.8	97.6	114.2	-2.8	-5.5



Consolidated Financials

Profit & Loss

Y.E March (Rs. Cr)	CY22A	CY23A	CY24A	CY25E	CY26E
Sales	8,568	10,447	12,188	13,990	15,906
% change	23.6	21.9	16.7	14.8	13.7
EBITDA	1,067	1,610	2,434	2,473	2,920
% change	61.7	50.9	51.2	1.6	18.1
Depreciation	105	120	129	148	262
EBIT	962	1,490	2,305	2,324	2,658
Interest	13	13	16	22	26
Other Income	414	182	224	317	434
PBT	1,363	1,659	2,513	2,620	3,066
% change	88.2	21.7	51.5	4.2	17.0
Tax	337	411	639	553	647
Tax Rate (%)	24.7	24.8	25.4	21.1	21.1
Reported PAT	1,016	1,242	1,872	2,067	2,419
PAT att. to com- mon sharehold-	1,016	1,242	1,872	2,067	2,419
Adj.*	9	6	3	-	-
Adj. PAT	1,026	1,248	1,875	2,067	2,419
% change	92.6	21.7	50.2	10.3	17.0
No. of shares (cr)	21.2	21.2	21.2	21.2	21.2
Adj EPS (Rs.)	48.4	58.9	88.5	97.6	114.2
% change	92.6	21.7	50.2	10.3	17.0
DPS (Rs.)	5.5	29.3	33.5	34.1	34.3

Balance Sheet

Y.E March (Rs. Cr)	CY22A	CY23A	CY24A	CY25E	CY26E
Cash	3,149	4,816	5,508	6,506	7,509
Accts. Receivable	2,093	2,544	2,984	3,497	4,135
Inventories	1,421	1,561	1,778	2,225	2,706
Other Cur. Assets	1,236	626	493	513	533
Investments	-	2	2	2	2
Gross Fixed Assets	1,340	1,539	1,753	2,005	2,291
Net Fixed Assets	881	975	1,044	1,148	1,173
CWIP	69	60	95	104	115
Intangible Assets	18	18	17	17	17
Def. Tax -Net	90	103	98	94	89
Other Assets	361	296	372	368	365
Total Assets	9,318	11,001	12,391	14,474	16,643
Current Liabilities	4,350	5,014	5,274	5,603	5,678
Provisions	-	6	5	5	5
Debt Funds	28	37	37	40	43
Other Liabilities					
Equity Capital	42	42	42	42	42
Res. & Surplus	4,897	5,902	7,033	8,785	10,874
Shareholder Funds	4,939	5,945	7,075	8,827	10,917
Minority Interest	-	-	-	-	-
Total Liabilities	9,318	11,001	12,391	14,474	16,643
BVPS	233	281	334	417	515

Cashflow

Y.E March (Rs. Cr)	CY22A	CY23A	CY24A	CY25E	CY26E
Net inc. + Depn.	1,121	1,362	2,001	2,215	2,681
Non-cash adj.	-114	122	-90	-432	-566
Other adjustments					
Changes in W.C	-265	-133	-579	-492	-804
C.F. Operation	742	1,352	1,332	1,291	1,310
Capital exp.	-148	-183	-214	-252	-286
Change in inv.	1,175	-3,446	-633	-	-
Other invest.CF	799	277	343	721	759
C.F - Investment	1,826	-3,352	-503	469	472
Issue of equity	-	-	-	-	-
Issue/repay debt	-	-	-	2	2
Dividends paid	-110	-233	-726	-710	-723
Other finance.CF	-30	-36	-44	-55	-59
C.F - Finance	-140	-269	-770	-763	-780
Chg. in cash	2,428	-2,270	58	997	1,003
Closing Cash	3,149	4,816	5,508	6,506	7,509

Ratio

Y.E March	CY22A	CY23A	CY24A	CY25E	CY26E
Profitab. & Return					
EBITDA margin (%)	12.4	15.4	20.0	17.7	18.4
EBIT margin (%)	11.2	14.3	18.9	16.6	16.7
Net profit mgn.(%)	11.9	11.9	15.4	14.8	15.2
ROE (%)	20.6	20.9	26.5	23.4	22.2
ROCE (%)	19.4	24.9	32.4	26.2	24.3
W.C & Liquidity					
Receivables (days)	89.2	88.9	89.4	91.3	94.9
Inventory (days)	97.8	90.0	96.2	102.2	109.5
Payables (days)	181.5	179.3	173.0	168.4	161.1
Current ratio (x)	1.8	1.9	2.0	2.3	2.6
Quick ratio (x)	1.2	1.5	1.6	1.8	2.1
Turnover &Leverage					
Gross asset T.O (x)	6.8	7.3	7.4	7.4	7.4
Total asset T.O (x)	1.0	1.0	1.0	1.0	1.0
Int. covge. ratio (x)	73.4	117.7	140.1	106.2	102.8
Adj. debt/equity (x)	0.0	0.0	0.0	0.0	0.0
Valuation					
EV/Sales (x)	5.2	9.0	11.6	7.3	6.4
EV/EBITDA (x)	41.5	58.6	57.9	41.6	34.9
P/E (x)	46.2	79.4	78.1	52.9	45.2
P/B (x)	9.6	16.7	20.7	12.4	10.0



Recommendation Summary -(last 3 years)



	Dates	Rating	Target
	03-May-21	HOLD	1470
	03-Aug-21	HOLD	1840
	16-Feb-22	HOLD	2230
	24-Aug-22	ACCUMULATE	3230
	10-May-23	REDUCE	3440
	17-Nov-23	HOLD	4640
	12-Jun-24	HOLD	8820
	12-Mar-25	BUY	5710

Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%

Not rated/Neutral

Buy: Acquire at Current Market Price -CMP, with the target mentioned in the research note; Accumulate: Partial buying or to accumulate as CMP dips in the future; Hold: Hold the stock with the expected target mentioned in the note.; Reduce: Reduce your exposure to the stock due to limited upside.; Sell: Exit from the stock; Not rated/Neutral: The analyst has

Symbols definition:



Upgrade



No Change



Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

The recommendations are based on 12 month horizon, unless otherwise specified. The investment ratings are on absolute positive/negative return basis. It is possible that due to volatile price fluctuation in the near to medium term, there could be a temporary mismatch to rating. For reasons of valuations/ return/lack of clarity/event we may revisit rating at appropriate time. Please note that the stock always carries the risk of being upgraded to BUY or downgraded to a HOLD, REDUCE or SELL.

Not rated/Neutral- The analyst has no investment opinion on the stock under review.

DISCLAIMER & DISCLOSURES

Certification: I, Antu Eapan Thomas, author of this Report, hereby certify that all the views expressed in this research report reflect our personal views about any or all of the subject issuer or securities. This report has been prepared by the Research Team of Geojit Financial Services Limited, hereinafter referred to as Geojit.

For General disclosures and disclaimer: Please Visit: https://www.geojit.com/research-disclosures#fundamental-research

CRISIL has provided research support in preparation of this research report and the investment rational contained herein along with financial forecast. The target price and recommendation provided in the report are strictly Geojit's views and are NOT PROVIDED by CRISIL. Further, CRISIL expresses no opinion on valuation and the associated recommendations. CRISIL has no financial liability whatsoever, to the subscribers / users of this report.

has no financial liability whatsoever, to the subscribers / users of this report.

Group companies of Geojit Financial Services Limited are Geojit Technologies Private Limited (Software Solutions provider), Geojit Credits Private Limited (NBFC), Geojit Investment Limited (financial Services Company), Geojit Techloan Private Ltd(P2P lending) Geojit IFSC Ltd (a company incorporated under IFSC Regulations, Qurum Business Group Geojit Securities LLC (a joint venture in Oman engaged in Financial Services), Barjeel Geojit Financial Services LLC (a joint venture in UAE engaged in Financial Services), Aloula Geojit Capital Company (a joint venture in Saudi Arabia (Under Liquidation)) and BBK Geojit Business Consultancy and Information KSC (C) (a joint venture in Kuwait-engaged in Financial services). In the Context of the SEBI Regulations on Research Analysts (2014), Geojit affirms that we are a SEBI registered Research Entity and in the course of our business as a stock market intermediary, we issue research reports /research analysis etc. that are prepared by our Research Analysts. We also affirm and undertake that no disciplinary action has been taken against us or our Analysts in connection with our business activities.

In compliance with the above mentioned SEBI Regulations, the following additional disclosures are also provided which may be considered by the reader before making an investment decision:

1. Disclosures regarding Ownership:

Geojit confirms that:

It/its associates have no financial interest or any other material conflict in relation to the subject company (ies) covered herein, at the time of publication of the research report It/its associates have no actual beneficial ownership of 1% or more in relation to the subject company (ies) covered herein, at the end of the month immediately preceding the date of publication of the research report.

Further, the Analyst confirms that:(i) He, his associates and his relatives have no financial interest in the subject company (ies) covered herein, and they have no other material conflict in the subject company, at the time of publication of the research report (ii) He, his associates and his relatives have no actual/beneficial ownership of 1% or more in the subject company covered, at the end of the month immediately preceding the date of publication of the research report

2. Disclosures regarding Compensation:

During the past 12 months, Geojit or its Associates:

(a) Have not received any compensation from the subject company; (b) Have not managed or co-managed public offering of securities for the subject company (c) Have not received any compensation for investment banking or merchant banking or brokerage services from the subject company. (d) Have not received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company (e) Have not received any compensation or other benefits from the subject company or third party in connection with the research report (f) The subject company is / was not a client during twelve months preceding the date of distribution of the research report.

3. Disclosure by Geojit regarding the compensation paid to its Research Analyst:

Geojit hereby confirms that no part of the compensation paid to the persons employed by it as Research Analysts is based on any specific brokerage services or transactions pertaining to trading in securities of companies contained in the Research Reports.

4. Disclosure regarding the Research Analyst's connection with the subject company:

It is affirmed that I, Antu Eapan Thomas, Research Analyst (s) of Geojit have not served as an officer, director or employee of the subject company

5. Disclosure regarding Market Making activity:

Neither Geojit/its Analysts have engaged in market making activities for the subject company.
6. "Registration granted by SEBI, membership of BASL (in case of IAs) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors."

7. Standard Warning: "Investment in securities market are subject to market risks. Read all the related documents carefully before investing."

Please ensure that you have read the "Risk Disclosure Documents for Capital Market and Derivatives Segments" as prescribed by the Securities and Exchange Board of India before

Geojit Financial Services Ltd. Registered Office: 34/659-P, Civil Line Road, Padivattom, Kochi-682024, Kerala, India. Phone: +91 484-2901000, Website: www.geojit.com. For investor queries: customercare@geojit.com. Compliance officer: Ms. Indu K. Address: Geojit Financial Services Limited, 34/659 P, Civil Lane Road, Padivattom, Kochi – 682024; Phone: +91 484-2901367; Email: compliance@geojit.com. For grievances: Grievance officer: Mr. Nitin K; Address: Geojit Financial Services Limited, 34/659 P, Civil Lane Road, Padivattom, Kochi – 682024; Phone: +91 484-2901363; Email: grievances: Grievance officer: Mr. Nitin K; Address: Geojit Financial Services Limited, 34/659 P, Civil Lane Road, Padivattom, Kochi – 682024; Phone: +91 484-2901363; Email: grievances: Grievances: Grievance officer: Mr. Nitin K; Address: Geojit Financial Services Limited, 34/659 P, Civil Lane Road, Padivattom, Kochi – 682024; Phone: +91 484-2901363; Email: grievances: Griev