

Company Profile

- ABB India is a wholly owned subsidiary of ABB Group, Switzerland - Leading in Industrial Automation & Digitisation on global level
- 25 Plants across 5 locations in India, 21 Sales offices 750+ Partners, 3000+ employees
- Negligible borrowings, & Zero promoter pledge
- ABB has a history of innovation excellence stretching back more than 130 years with 70+ years of manufacturing in India. Today, we are a leading global technology company that enables a more sustainable and resource-efficient future with our technology leadership in electrification and automation %

Key Business Areas (Segments) & Product Divisions:

Electrification (41%)	Motion (39%)	Process Auto (18%)	Robotics (2%)
Distribution Solutions	Drive Products	Energy Industries	Robotics
Smart Power	Systems Drives	Process Industries	Machine Automation
Smart Buildings	Service	Marine & Ports	
Installation Products	Traction	Measurement & Analytics	
Power Conversion	IEC LV Motors		
E-mobility	Large Motors & Generators		

Company Outlook:

Strong Sector Tailwinds & Product Profile:

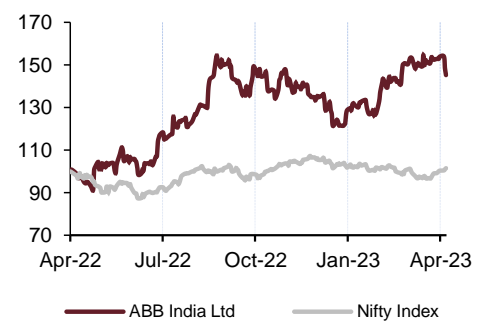
In the recent budget, the Indian Govt. announced a capex outlay of INR 10 trillion on public infrastructure which includes capital outlay on Rail & Metro projects of Rs 2.4 trillion (highest ever till date). In the coming decade, the capital goods sector is about to witness immense growth from Rail & Metro projects, Data centers, Growth of EV's across the nation, rise in warehousing & logistics & growth from renewable energy related projects. ABB India with more than 8000+ product offerings for the Indian market will be a direct beneficiary of these sector tailwinds.

Market data

Current price	Rs	3,231
Market Cap (Rs.Bn)	(Rs Bn)	680
Market Cap (US\$ Mn)	(US\$ Mn)	8,275
Face Value	Rs	2
52 Weeks High/Low	Rs	3467.95 / 2000
Average Daily Volume	('000)	511
BSE Code		500002
Bloomberg		ABB.IN

Source: Bloomberg

One Year Performance



Source: Bloomberg 500002 75 25

% Shareholding	Dec-23	Sep-22
Promoters	75	75
Public	25	25
Total	100	100

Source: Bloomberg

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- **Technology Leadership & Healthy Brand Presence:**

With 130+ years presence in engineering products globally and ~70 years of presence in India - ABB group is a global leader in power & industrial automation products with a strong focus on R&D - with ~7000 employees in R&D globally- having corporate research centers in 7 countries across the globe - the largest being in India- has led to ABB creating a standing for itself in the Indian market especially in the Electrification, Industrial Automation & Robotics products.

- **Product-focused approach as an offering has led to better cash flows & better margins:**

The recent divestments made by ABB India from the power grid business & turbocharger business - indicates their willingness to narrow their focus on high-margin engineering segments- namely the electrification, automation & motion business areas. These segments are also the ones with a shorter turnaround time in terms of supply - thus enabling better cash flows, less cost overruns & better margins that can be sustained.

- **Intense competition in the Govt Capex projects & from other unorganized players in the market:**

For the government capex projects like the Vande Bharat & various other metro projects there is stiff competition from other MNC players like Siemens, Alstom who have submitted highly competitive bids by forming JV's with Local PSU players like Rail Vikas Nigam Ltd (RVNL). These MNC players have a similar product suite like ABB, and can possibly inhibit ABB's penetration in such projects. Also, there are numerous local unorganized players in switchgears' market which can cannibalize ABB's share in electrification segment in India.

- **Future Rate of Growth will be dependent on:**

Kind of penetration ABB India is able to gain in Govt capex projects: Traction motor/converter orders for 4 Vande Bharat trains & switchgear supply for the Pune Metro are positive indicators for future such projects. But competition from other MNC players like Siemens, Rockwell, Alstom, Honeywell, etc will make it tough for ABB

- 1- **ABB's ability to scale up their capacities & fulfill the private capex related demand in future:** The strong push from govt. capex in the recent budget will instigate a lot of private capex as well in the coming decade. ABB needs to capitalize on strong brand & product profile & tap opportunities from the private capex to boost its order book.
- 2- **Important to improve on margins & cash flows** ABB currently trades at a premium to its peers due to its ability to generate better margins & cash flows. This will need to sustain/improve in the coming years for ABB to be able command premium.

Key Financial Highlights (CY22):

- Secured record high order book ~10028 Cr || 31% growth YoY basis || orders back to levels at which company operated prior to divestment of Power Grid business within 3 yrs
- Revenue up by 24% YoY to 8568 Crs
- EBITDA(excluding other income) up 73% YoY to 962 Crs
- PAT(excluding discontinuing operations) up by 93% YoY to 1026 Cr || includes exceptional item ~339 Cr from profit on sale of turbocharger biz
- EPS almost doubled to 47.96 from 24.53 per share

Segment-wise Breakup of Revenue(CY22)

- Electrification: 41%
- Motion: 39%
- Process Automation: 18%
- Robotics & Discrete Automation: 2%

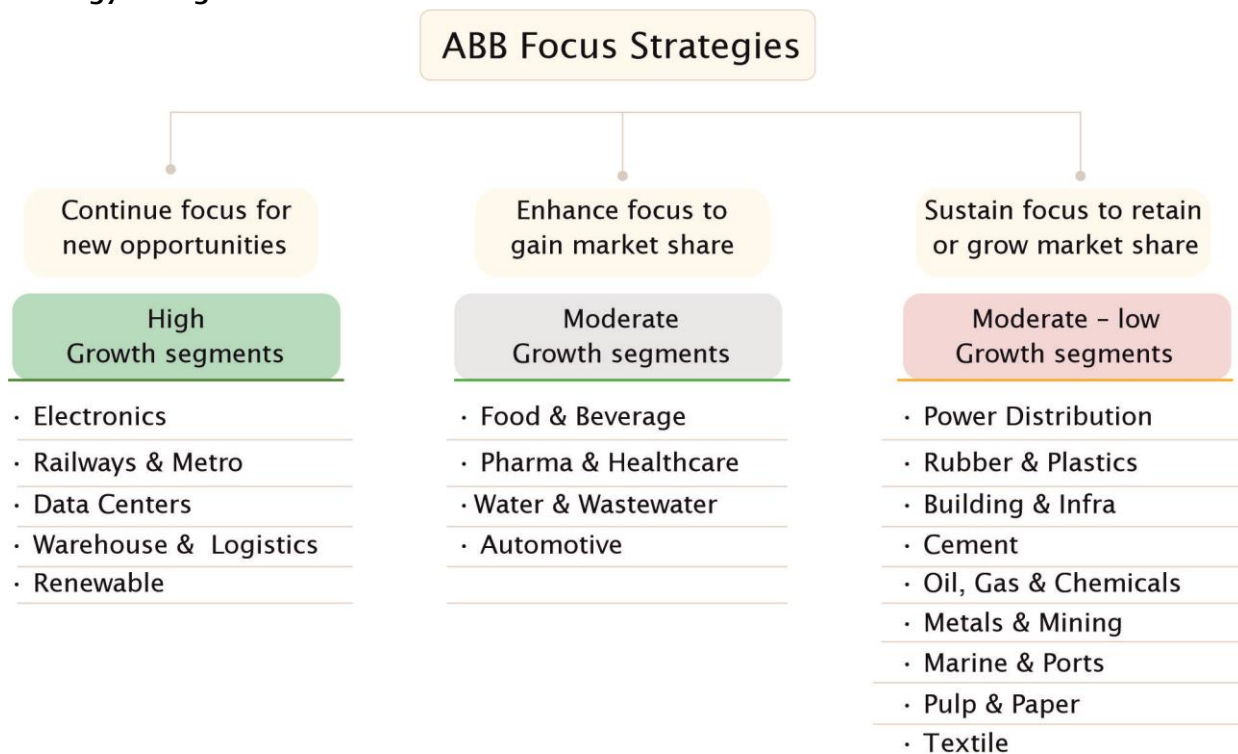
Geography-wise Breakup (CY22):

- Domestic:88%
- Exports: 12%

Revenue Breakup as per Offering(CY22):

- Products: 80%
- Services: 12%
- Projects: 8%

Strategy Going Forward:



Key Milestones in 2022

- Inaugurated the first smart instrumentation factory in Bengaluru
- Expanded the Vadodara relays factory for digital systems and substation products
- Upgraded Smart Power factory in Nelamangala with Industry 5.0 collaborative robotics
- New facility for R&D – ABB Innovation Center opened

Key Products

- Low voltage(LV) & Medium-voltage(MV) Switchgear products [*Electrification*]
- Traction Motors, Converters & System drives [*Motion Segment*]
- Distributed Control systems, SCaDa (Supervisory Control & data acquisition) systems , flowmeters, instrumentation, measurement, monitoring & analytical devices [*Industrial Process Automation*]
- Robotics

New Products Launched in 2022: Flame proof motors for explosive atmospheres & smart electric metering & energy monitoring solutions

Segment-wise Business Outlook

➤ Electrification Segment

Segment Performance:

- Orders up by 36% YoY basis to 3716 Cr
- Order backlog of ~1583 Cr, Backlog as a % of revenue has decreased from 48% in CY21 to 45% in CY22
- Segment revenue up by 28% to 3530 Cr
- EBIT has increased by 59% YoY to 488 Cr

Major orders booked/ commissioned in CY2022:

- Switchgear supply for first phase Pune Metro
- 33Kv GIS (Switchgear) order for a premier Rail tunnel project in North India
- Successfully installed ABB RMUs for India's flagship Highway from Mumbai-Nagpur, Inaugurated by Honorable PM of India
- Exported 500 nos RMU to Oman, installed 100 nos. RMUs for premier colocation Data Center installer at Mumbai
- Bagged significant GIS & CSS orders for electrifying India's Biggest Defense Port in the southern part of country

Key Demand Drivers for the segment:

- Data centers
- Renewable Power projects

Building Automation

- E-mobility

Did You Know: 28% of hyperscale data centres in India use ABB solutions & >80% of metros deploy ABB technology

➤ Motion Segment:

Segment Performance:

- Orders up by 27% YoY basis to 3662 Cr
- Order backlog of ~2106 Cr, Backlog as a % of revenue has decreased from 69% in CY21 to 63% in CY22
- Segment revenue up by 30% to 2106 Cr
- EBIT has increased by 27% YoY to 412 Cr

Major orders booked/ commissioned in CY2022:

- Multiple traction orders including retrofit order for 66 locomotives, order for 4 Vande Bharat trains; converter order from Chittaranjan Locomotive Works
- Successful commissioning of first Automatic Power Factor Correction (APFC) supplied to 300MW Solar plant and PPC system for a 300MW capacity plant

Key Demand Drivers for the segment:

- Exports
- Rail & Metro capex by Govt
- Water & Wastewater
- F&B, HVAC
- Metals & Cement Segment
- Process Automation Segment:

Did You Know: >750 Indian Railways electric locomotives run on ABB traction converters

Segment Performance:

- Orders up by 29% YoY basis to 2503 Cr
- Order backlog of ~2654 Cr, Backlog as a % of revenue has increased from 124% in CY21 to 168% in CY22
- Segment revenue up by 12% to 1573 Cr
- EBIT has increased by 57% YoY to 412 Cr

Major orders booked/ commissioned in CY2022:

- Bagged a large order from a leading LNG supplier for deploying ABB Ability™ SCADA Advantage along with technology platform ABB Ability™ Genix, RTUs and connectivity components across the gas distribution pipeline covering 28 cities in the country. ABB solutions will help in analyzing the consumption patterns for demand forecast, detect system anomalies and predict the asset conditions
- Secured a large order from Jal Jeevan Mission, Uttar Pradesh for instrumentation and analytical package helping water distribution for State Water & Sanitization Mission, Uttar Pradesh project.
- Biggest-ever automation order in the specialty chemicals segment for providing the complete suite of automation and digital solutions for decorative paint manufacturing plants

Key Demand Drivers for the segment:

- Refinery ,Water & Wastewater EPC's
- Renewable projects
- Jal Jeevan Mission, Gas pipeline projects

Did You Know: > 30% of installed wind and solar projects use ABB solutions

➤ Robotics Segment:

Segment Performance:

- Orders up by 24% YoY basis to 320 Cr
- Order backlog of ~211 Cr, Backlog as a % of revenue has increased from 52% in CY21 to 90% in CY22
- Segment revenue down by 8% to 234 Cr
- EBIT has increased by 15% YoY to 29 Cr

Major orders booked/ commissioned in CY2022:

- Capacity increase and refurbishment of existing body-in white production line of a major Auto OEM
- Robotic automation of production sites of a large paint manufacturer
- Indirect channel involving system integrators contributed to order growth

Key Demand Drivers for the segment:

- Auto Sector
- F&B Sector
- Consumer Goods & Electrics segment
- Robotics Lab & training centers at educational universities

Did You Know: >65% of cars made in India are painted by ABB robotics

Director Remuneration

- Sanjeev Sharma (Managing Director): Rs.7.42 Cr
- TK Shridhar (CFO): Rs. 2.29 Cr
- Trivikram Guda (Company Secretary): Rs 0.94 Cr

Auditors

- Statutory Auditors: M/s. BSR & CO LLP (Part of KPMG ,India)
- Audit Fees: Rs.1.85 Cr

Key Financial Metrics & Ratios

(Rs Mn)	CY2022	CY2021	CY2020
Sources of Funds			
Share Capital	420	420	420
Reserves	48,970	40,030	35,640
Net Worth	49,390	40,450	36,060
Borrowings	-	-	-
Funds Employed	49,390	40,450	36,060
Income & Profits			
Revenue from Operations	85,680	69,340	58,210
Operating profit before interest & depreciation	11,290	6,990	3,680
PBT before exceptional items	10,110	5,860	2,310
PBT after exceptional items	13,500	7,070	2,890
PAT	10,160	5,200	2,190
Other comprehensive income/ (loss) (net of tax)	-120	250	-280
Dividend /Dividend tax	1,100	1,060	1,020
Retained earnings	8,940	4,390	890
Other Data			
Gross fixed assets	1,376	1,208	1130
Debt equity ratio	0.00:1	0.00:1	0.00:1
BVPS	233	191	170
EPS	48	25	10
Dividend per share	5.5*	5	5
PAT as a % of average net worth	23	14	6
Orders received	1,00,280	76,660	59320
Orders Backlog	64,680	49,120	41140
Number of permanent employees	3,139	3,149	3,255

Source: Company Annual Report

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