



Engineering India's Automation Future
A deep-dive into a high-quality global MNC play
on India's capex and manufacturing boom

June 20, 2025	Name	CMP
	ABB Limited	5869

Introduction

Our Investment Philosophy

Over the years, Senora has developed a unique and research-driven investment approach that is grounded in the following principles:

- Invest in **large-cap market leaders**
- Focus on **earnings growth**, not just brand strength
- **The market** will always reward sustainable earnings
- Earnings visibility should extend **beyond short-term cycles** (not just 1–2 quarters but multi- years)
- **Maintaining the right risk-reward balance** is a key pillar of investing
- **Concentrated bets** yield the best returns when the theme plays out
- Investments are made with a **long-term horizon** (not for quick gains over 1–2 quarters)



We aim to invest in stocks where we expect **CAGR of 25%+** driven by **earnings growth** and **multiple re-rating**



Deep-dive into a High-quality Global MNC: ABB Limited

ABB is a high-quality, low-volatility exposure to **India's 10+ year manufacturing + capex + digital infrastructure boom.**

What This Presentation Covers:

Company
Overview



Business
Segments



Financial
Strengths



Strategic Rationale
& Thesis



Valuation
Outlook



ABB

All About ABB: Company Overview



Global Backbone, Local Impact

ABB India is a subsidiary of Switzerland-based ABB Ltd, a global leader in **electrification** and **automation** technologies

- Incorporated in **1949** (as HECL), rebranded as ABB Ltd in 2013
- Present in **3,316+ projects** across **six countries**
- **Technology partner to:**
 - **80%** of India's metro network
 - **60%** of mobile manufacturers
 - **30%** of hyperscale data centers
- **Sustainability leadership:**
 - **>80%** GHG emission reduction (Scope 1 & 2) since 2019
 - **50%+** facilities certified zero waste to landfill



KEY MANAGEMENT PERSONNEL



Sanjeev Sharma
Managing Director and Country Head



TK Sridhar
Chief Financial Officer



Raman Kumar Singh
Country Human Resources Officer



Trivikram Guda
Regional General Counsel and Company Secretary

All About ABB: Business Segments

Diversified Segment Play with High-Tech Edge

Consolidated (All Segments)	2024	2023	2022	2021	2020
Order backlog (Crores)	9,380	8,404	6,468	4,912	4,114
Orders (Crores)	13,079	12,319	10,028	7,666	5,932

Consolidated (All Segments)	2019	2018	2017	2016	2015
Order backlog (Crores)	4,123	10,111	11,534	11,821	7,946
Orders (Crores)	6,970	10,115	9,490	12,466	8,100



Electrification

Core business driving future-ready infrastructure – smart grids, energy access, tunnel & city electrification



Motion

Motor and drive solutions focused on mobility + energy efficiency – benefits from clean energy laws and industrial scaling



Process Automation

Products for large industrial processes, energy sectors, marine, ports – productivity enabler in the AI-driven, efficiency-first economy



Robotics & Discrete Automation

Applied across automotive, electronics, and manufacturing – critical for India's Make in India push & Industry 5.0 vision



Business Segment 1: Electrification



ABB's Largest Growth Engine

Electrification is ABB India's largest business segment and central to India's infrastructure push.

With national electrification rising from 60% in 2000 to **over 99%** today, the focus is now shifting from coverage to **quality**, where ABB's advanced, efficient solutions gain relevance.

ABB delivers:

- Distributed energy systems for cities, industrial zones, and infra projects (commercial buildings, tunnels, housing)
- Installation products tailored for manufacturing setups

India's electrification market is fragmented, with competition from local, Chinese, and large corporate players. **ABB's brand, global tech, and quality focus position it to gain share** as demand moves toward smarter, sustainable power systems.

Figures in Crores

ELECTRIFICATION & POWEGRID										
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Order backlog (Crores)	2,973	1,959	1,583	1,316	1,316	1,302	7,221	8,869	8,164	3,922
Orders (Crores)	6,013	4,514	3,716	2,725	2,325	2,969	6,140	6,187	10,293	6,200
Revenue	5,074	4,177	3,530	2,752	2,222	3,019	6,838	5,568	5,304	5,184
Profit before interest & tax	1,162	775	488	306	234	297	672	589	421	407

KEY MANAGEMENT PERSONNEL



Kiran Dutt

President – Electrification Products



Ganesh Kothawade

President – Electrification Distribution Solutions



Business Segment 2: Motion



Driving Energy-Efficient Mobility

ABB's Motion segment includes **drive products, system drives, NEMA motors, IEC low-voltage motors, large motors and generators, traction systems, and service solutions**, all focused on enhancing **mobility** and **energy efficiency**.

In today's environment, where emission norms and efficiency mandates are not only enforced but incentivized, companies like ABB stand to gain significantly through both **market share and pricing power**.

With **high-quality engineering** and **proven global standards**, ABB is well-positioned against competitors like Siemens, Schneider, Rockwell Automation, Mitsubishi, and numerous local and Chinese manufacturers.

Figures in Crores

MOTION										
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Order backlog (Crores)	3,791	3,506	2,106	1,785	1,505	1,462	1,860	1,723	1,902	1,805
Orders (Crores)	4,532	5,158	3,662	2,878	2,314	2,338	2,637	2,008	2,407	2,306
Revenue	4,287	3,785	3,367	2,592	2,238	2,618	2,502	1,936	2,337	2,062
Profit before interest & tax	949	601	412	324	242	242	221	163	222	170

KEY MANAGEMENT PERSONNEL



Sanjeev Arora

Managing Director and Country Head



Business Segment 3: Process Automation



Powering Scaled Efficiency

ABB's Process Automation segment serves **energy, heavy process industries, marine, ports, measurement, and analytics**, delivering solutions that **enhance productivity, safety, and energy efficiency** in complex operations.

As industries embrace AI, digitization, and reduced human intervention, automation is no longer optional, it is a **critical lever for competitiveness and scalability**.

With deep domain expertise, ABB is **well-positioned** to benefit from this structural shift, competing with global leaders like Siemens, Rockwell Automation, Schneider Electric, Honeywell, Mitsubishi Electric, and strong domestic players such as L&T, Falcon Autotech, Addverb, Emerson, Fanuc, and Yokogawa India.

Figures in Crores

PROCESS AUTOMATION										
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Order backlog (Crores)	2,397	2,880	2,645	1,744	1,219	1,284	1,336	1,155	1,216	1,232
Orders (Crores)	2,149	2,471	2,503	1,933	1,208	1,574	1,701	1,525	986	1,077
Revenue	2,583	2,236	1,573	1,403	1,285	1,563	1,540	1,409	1,326	1,337
Profit before interest & tax	457	275	201	128	-57	96	190	170	154	150

KEY MANAGEMENT PERSONNEL



G Balaji

President – Energy Industries Division
Process Automation



Business Segment 4: Robotics



Scaling the Future of Manufacturing

ABB's Robotics & Discrete Automation segment is focused entirely on **robotic solutions for industries like automotive, automotive ancillaries, electronics manufacturing, and more.** As India's **manufacturing ecosystem grows,** so does the need for **automation** at scale.

Robotics is becoming **essential in eliminating production bottlenecks, improving precision,** and **enabling 24/7 throughput.**

With its **global expertise** and **localized deployment,** ABB is **well-placed** to lead this transformation.

Peers in this space include: UiPath, Automation Anywhere, EdgeVerve, KUKA, GreyOrange, FANUC, and Unbox Robotics

Figures in Crores

ROBOTICS AND DISCRETE AUTOMATION										
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Order backlog (Crores)	277	187	211	132	128	144	0	0	0	0
Orders (Crores)	534	389	320	259	147	269	0	0	0	0
Revenue	444	416	233	255	155	272	0	0	0	0
Profit before interest & tax	60	53	29	20	5	24	0	0	0	0

KEY MANAGEMENT PERSONNEL



Subrata Karmakar
President – Robotics



All About ABB: Financial Trajectory

Robust Growth, Margin Expansion Driven by Premium Mix

- Strong **post-COVID recovery** in revenue and order inflow
- Historical margin volatility **stabilizing** with improved business mix
- **Diversification across sectors** ensures smoother earnings



Smaller average order size (<1 year)
reduces exposure to commodity cost shocks

Table 1: Numbers at a Glance

Figures in crores

	Dec-24	Dec-23	Dec-22	Dec-21	Dec-20	Dec-19	Dec-18	Dec-17	Dec-16	Dec-15	Dec-14	Dec-13
Revenue	12,188	10,447	8,568	6,934	5,821	7,315	6,690	6,094	8,642	8,136	7,730	7,719
Expenses	9,877	8,950	7,600	6,368	5,553	6,777	6,224	5,669	7,932	7,402	7,154	7,230
Operating Profit	2,311	1,497	968	566	268	538	466	425	710	734	576	489
Other Income	344	289	506	266	170	26	339	267	122	6	14	3
Interest	16	13	15	19	25	28	60	62	108	106	122	116
Depreciation	129	120	105	103	120	90	93	101	151	160	113	103
Profit before tax	2,510	1,653	1,353	711	293	445	652	528	573	475	355	272
Tax %	25%	25%	25%	27%	25%	32%	22%	21%	35%	37%	36%	35%
Net Profit +	1,872	1,242	1,016	520	219	303	511	420	374	300	229	177
EBITDA	2311	1497	967	567	268	537	466	424	710	735	576	488
EPS in Rs	88.33	58.61	47.96	24.53	10.35	14.32	24.11	19.82	17.67	14.15	10.78	8.35

Table 2: Growth Trajectory over the last decade

	Dec-24	Dec-23	Dec-22	Dec-21	Dec-20	Dec-19	Dec-18	Dec-17	Dec-16	Dec-15	Dec-14	Dec-13
Revenue Growth	16.67%	21.93%	23.57%	19.12%	-20.42%	9.34%	9.78%	-29.48%	6.22%	5.25%	0.14%	
EBITDA Growth	54.38%	54.81%	70.55%	111.57%	-50.09%	15.24%	9.91%	-40.28%	-3.40%	27.60%	18.03%	
EPS Growth	50.71%	22.21%	95.52%	137.00%	-27.72%	-40.61%	21.64%	12.17%	24.88%	31.26%	29.10%	

Table 3: Margins over the last decade

	Dec-24	Dec-23	Dec-22	Dec-21	Dec-20	Dec-19	Dec-18	Dec-17	Dec-16	Dec-15	Dec-14	Dec-13
OPM %	19.0%	14.0%	11.0%	8.0%	5.0%	7.0%	7.0%	7.0%	8.0%	9.0%	7.0%	6.0%
EBITDA Margin	19.0%	14.3%	11.3%	8.2%	4.6%	7.3%	7.0%	7.0%	8.2%	9.0%	7.5%	6.3%
Dividend Payout %	50.0%	50%	11.0%	21.0%	48.0%	34.0%	20.0%	22.0%	23.0%	26.0%	34.0%	36.0%

All About ABB: Shareholding & Business Visibility

Stable, Scalable, Scarce

ABB operates across 4 segments and 28 end-use sectors, with a business model built on smaller-ticket, short-cycle orders. This broad sectoral exposure and limited project duration (typically less than one year) provide strong business stability and predictable execution. Additionally, short tenures reduce the impact of commodity price volatility on margins.

Sector List

HIGH	MODERATE	LOW
Data Center	Water & wastewater	Power distribution
Electronics	Railways & Metro	Cement
Renewables	Buildings & infrastructure	Metals & Mining
	Oil, gas & chemicals	Pulp & Paper
	Food & beverage	Marine & Ports
	Pharma & healthcare	Textiles
	Automotive	
	Rubber & plastics	

Shareholding Details

Figures in Crores

Shareholders	Mar 2023	Mar 2024	Mar 2025
Promoters +	75.00%	75.00%	75.00%
FII's +	8.45%	11.89%	10.27%
DII's +	8.98%	5.95%	7.01%
Public +	7.56%	7.15%	7.70%
No. of Shareholders	1,06,396	1,02,557	1,71,077

Shareholding Highlights

One of the primary concerns for minority shareholders in MNCs is the **risk of secondary stake sales by the parent entity**. However, **ABB India demonstrates structural comfort** on this front:

- **Public shareholding has steadily declined**, as institutional interest has risen
- **Non-promoter, non-instituti**
- **Non-promoter, non-institutional holding stands at just 7.7%**, reflecting a tightly held stock and setting the stage for a potential scarcity premium as demand from institutions continues to rise
- Historical data and financial health of the parent company indicate **no need or intent to dilute**
- **ABB Ltd (parent) is highly profitable** and well-capitalized; funding needs are minimal
- **With FII interest returning and DIIs unlikely to reduce stake** in such a high-quality name, we expect shareholding to become increasingly concentrated, a setup often associated with **price outperformance** and **valuation expansion**

Why We're Bullish on ABB

ABB is one of the most compelling manufacturing and capex plays in India today, with a presence across a wide range of sectors.



Aligned with Make in India

ABB's multi-sector presence positions it squarely within India's manufacturing renaissance. Its ability to seamlessly apply capabilities in emerging areas — such as **data centers**, **smart infrastructure**, and **industrial automation**, reflects both agility and foresight.



Balanced Revenue Mix

The company maintains a healthy balance between **domestic** and **export revenues**, with **limited exposure to the US**, reducing geopolitical and currency risk.



Strong Growth Visibility

Robust **order inflows**, a rising **order book**, and increasing **momentum** in private capex and automation offer high confidence in earnings growth sustainability.



Diversified Client Base

ABB is steadily reducing its reliance on government contracts or large one-off orders. Its **diversification across clients and sectors** enhances resilience, turning potential volatility into a strength rather than a risk.

In our view, this unique blend of sectoral breadth, global technology, and domestic alignment makes ABB a strategic long-term bet.

Order Book Strength & Capex Tailwinds

Riding the Next Growth Cycle

India is entering a **multi-year capex upcycle**, and ABB stands to benefit directly. Based on sector analysis (refer to Excel Capex Sheet), ABB caters to an estimated **3%–5% of total capex** through its portfolio of automation, motion, and electrification products.

While the market is competitive, the **Total Addressable Market (TAM) is large enough** for ABB to scale meaningfully without margin compromise.

Key observations:

- **Strong and growing order book** reflects rising demand across industrial automation, robotics, and digital infrastructure
- **Spending is shifting from basic infra to smart efficiency-driven systems**, a space where ABB holds a clear technological edge
- **Capacity expansion by ABB will also boost exports**, supporting top-line growth and improving operating leverage

Year	Govt. Capex (in lakh crore)	Listed corporates capex
2024-25 (Budget estimates)	11.1	11
2023-24 (Revised estimates)	9.5	9.1
2022-23	7.4	7.6
2021-22	5.9	6.3
2020-21	4.1	5.5
2019-20	3.4	5.5
2018-19	3.1	6.3
2017-18	2.6	5.3
2016-17	2.8	5.2



With a structural shift toward automation and digital manufacturing, **order visibility is strong**, and **margin expansion potential remains high**.

Our View & Valuation

A Rare Blend of Growth, Quality & Scarcity

India's next leap, from **10% to 12% nominal GDP growth**, must be powered by manufacturing. In that journey, **Make in India** and the ongoing **capex revival** are key pillars of sustainable economic expansion.

At the heart of incremental capex lies **automation** and **robotics**, sectors where **technology, brand trust, pricing power, and sustainability matter** more than just cost. This positions **ABB** as a long-term winner with **clear competitive advantages** over peers.

These verticals inherently command:

- **Higher margins**
- **Stronger pricing power**
- **Greater visibility in earnings growth**

The accompanying table presents ABB's historical and peer-relative **valuation ranges**. With a superior business mix, global backing, and domestic relevance, we believe multiple **re-rating is not only possible but likely**.

Forecasts:

- **25–30% CAGR** in earnings over the next 4 years
- Potential for up to **40% CAGR in stock price**, driven by a combination of **growth, scarcity premium, and MNC quality**



Margin Stability & Valuation Support

Built for Consistency

One of ABB's key strengths lies in its **margin resilience**, driven by a **superior business mix** and short project cycles.

- According to management, **two-thirds of orders are executed within the same fiscal year**, with an average order duration of **less than 12 months**.
- This fast turnaround, combined with ABB's **in-house manufacturing model**, significantly reduces margin volatility, even during periods of **raw material cost inflation**.

Valuation Framework

- **Sales / Market Cap** – Table 1: Indicates efficient capital deployment
- **Order Book / Market Cap** – Table 2: Strong future revenue visibility
- **P/E Multiples** – Table 3: Reflects premium for consistency and scarcity
- **EV / EBITDA** – Table 4: Demonstrates robust operating leverage



Despite trading at a premium to peers, ABB's **strong earnings visibility, margin profile, and MNC scarcity premium** offer **valuation support with potential upside**.

Table 1: Sales / Market Cap

Figures in Lakh crores

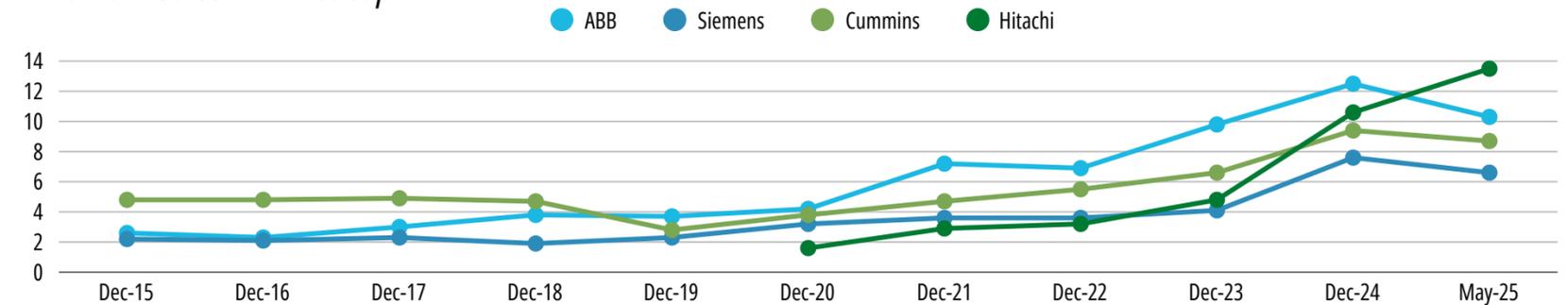


Table 2: Order Book / Market Cap

Figures in Lakh crores

Order Book Market Cap	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Orders (Crores)	13,079	12,319	10,028	7,666	5,932	6,970	10,115	9,490	12,466	8,100
Market Cap	₹1.457	₹992.03	₹568.74	₹473.58	₹256.86	₹272.11	₹282.26	₹295.58	₹220.26	₹236.93

Table 3: P/E Multiples

Figures in Crores

Name	May-25	Dec-24	Dec-23	Dec-22	Dec-21	Dec-20	Dec-19	Dec-18	Dec-17	Dec-16	Dec-15
ABB	67	86	81.9	91	141.7	132.2	58.5	50.8	63.9	57.4	82.3
Siemens	61.9	61.9	41.9	44.4	41.1	28.4	28.4	28.3	36.1	36.9	39.8
Cummins	45.3	46.9	37.7	40.6	33.8	26.1	22.5	35.4	34	31.5	31.4
Hitachi	224	312.3	270.2	113.2	85.3	269.5					

Table 4: EV / EBITDA

Figures in Crores

Name	May-25	Dec-24	Dec-23	Dec-22	Dec-21	Dec-20	Dec-19	Dec-18	Dec-17	Dec-16	Dec-15
ABB	45.2	58.2	54.9	57.8	78.4	60.9	33.2	31.6	29.7	25.1	33.1
Siemens	39.1	39.4	25.4	25.4	23.9	20.3	14.5	9.2	6	-19.7	19.7
Cummins	31.5	33.2	26.3	27.1	21.8	18.8	14.1	24	26.6	25.4	25.4
Hitachi	126.1	151.1	91.5	51.8	37.6	17.9	10.6				

SWOT Summary

Strengths, Weaknesses & Where ABB Stands Out

<p>Strengths</p> <ul style="list-style-type: none"> • Diversified sector presence • High brand equity = cross-sell + aftermarket gains • Global tech, local delivery • Execution leadership in emerging themes (e.g., data centers, AI plants) 	<p>S W</p>	<p>Weaknesses</p> <ul style="list-style-type: none"> • Not a full-scale EPC contractor • Relies on smaller-ticket orders • Capex-linked volatility
<p>Opportunities</p> <ul style="list-style-type: none"> • Global supply chain re-alignment • Energy efficiency, digitisation • Increased automation adoption 	<p>O T</p>	<p>Threats</p> <ul style="list-style-type: none"> • Inflation & raw material price volatility • Slowdown in capex or govt-linked infra execution

Risks to Our Thesis

While we have high conviction in our outlook, key risks include:



Execution Delays

ABB plays a sub-role in larger infra projects; overall delays hurt ABB's share



Capex Cycle Slowdown

Short-duration orders = immediate impact if new investments stall



Input Cost Spikes

ABB is relatively insulated but sustained inflation could compress margins



Valuation Risk

Rich multiple could see near-term compression if growth tapers



Summary: Valuation & Outlook

Valuation Rich, but Justified by Growth & Scarcity Premium

- PEG metrics, margin expansion, and sector rotation support valuation
- Market cap vs. Sales, Order Book, and EBITDA suggest room for upside (ref Excel)
- Estimated 25–30% earnings CAGR over 3–4 years
- Stock price CAGR could exceed 40% with FII flows, MNC scarcity, and automation premium



Bottom Line:

ABB is a high-quality, low-volatility exposure to India's 10+ year **manufacturing + capex + digital infrastructure boom.**





Thank You

Start your journey with us today and invest in India's growth story.

Contact your financial advisor or reach us directly
Email: admin@senoraassetmanagement.com

To know more about us, visit:

 www.senora-stag.com

 x.com/SenoraAIF

 www.youtube.com/channel/UCd6LDjh1m7_UWuFaj5IjbJA

