

BSE SENSEX

35,496

S&amp;P CNX

11,010

**CMP: INR1,140**
**TP: INR950 (-17%)**
**Sell**

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Bloomberg	ABB IN
Equity Shares (m)	212
M.Cap.(INRb)/(USD\$b)	241.5 / 3.5
52-Week Range (INR)	1744 / 1123
1, 6, 12 Rel. Per (%)	-9/-31/-36
12M Avg Val (INR M)	136
Free float (%)	25.0

#### Financials & Valuations (INR b)

Y/E Dec	2017	2018E	2019E
Net Sales	90.9	108.2	116.6
EBITDA	7.4	9.4	11.6
Adj PAT	4.2	5.3	6.6
Adj EPS (INR)	19.8	25.2	31.3
EPS Gr (%)	8.1	27.0	24.5
BV/Sh (INR)	170.2	188.8	211.9
RoE (%)	11.6	13.3	14.8
RoCE (%)	16.3	20.5	24.0
P/E (x)	57.5	45.3	36.4
P/BV (x)	6.7	6.0	5.4

Estimate change

TP change

Rating change



### Miss on margins dampens performance

- **Operational performance below expectations:** 2QCY18 revenue rose 22% YoY to INR27.1b, broadly in line with our estimate of INR27b. EBITDA margin of 7.2% (+60bp YoY) was below our estimate of 7.8%. EBITDA grew 33% YoY to INR1.96b, below our estimate of INR2.1b, impacted by an adverse revenue mix, an increase in raw material prices and weakening of the rupee. PAT of INR1.0b, too, missed our estimate of INR1.1b.
- **Gross margin shrinks 270bp YoY to 33.5%:** Gross margin contraction was led by (a) higher contribution from the low-margin project business, primarily the Raigarh Pugular HVDC line, (b) adverse impact from weakening of the INR, as ABB is a net importer and (c) an increase in raw material prices. A forex loss of INR100m was booked during the quarter.
- **2Q order inflow up 7% YoY led by higher base orders:** Order inflow grew 7% YoY to INR25b, led by strong base order finalization. Order inflow growth was seen across sectors: (a) in utilities segment led by renewables, sub-transmission and distribution, (b) in transport segment led by rail, metro and ports and (c) in industrial segment led primarily by consumer-facing industries. Order backlog stands at INR107b (-11% YoY), providing revenue visibility of 1.1x its TTM revenue.
- **Concall takeaways:** (a) Orders primarily driven by base orders; poor large order visibility. (b) Focusing on new segments (solar, rail, digitalization) to drive orders growth.
- **Valuation view:** We lower our CY18/19 estimates by 8%/2% to factor in lower margins as a result of higher project sales and the negative impact of currency depreciation. We maintain **Sell** given premium valuations, with a TP of INR950 (30x Mar'20 EPS of INR31.4, in line with 10-year average).

#### Quarterly Performance

Y/E December	CY17				CY18				CY17	CY18E	(INR Million)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			MOSL	Var.
Sales	21,512	22,334	19,154	27,794	25,255	27,127	23,750	32,107	89,614	106,937	26,680	1.7%
Change (%)	7.4	6.6	(6.8)	10.8	17.4	21.5	24.0	15.5	5.3	19.3	20.0	
EBITDA	1,609	1,478	1,342	2,937	1,890	1,959	1,850	3,747	7,361	9,446	2,080	-5.8%
Change (%)	-11.0	30.1	8.0	1.4	17.4	32.6	37.9	27.6	3.9	28.3	41.2	
As % of Sales	7.5	6.6	7.0	10.6	7.5	7.2	7.8	11.7	8.2	8.8	7.8	
Depreciation	376	383	389	432	356	356	450	521	1580	1683	400	
Interest	212	231	152	178	232	232	37	0	773	500	200	
Other Income	318	326	378	188	269	236	300	198	1210	1002	270	
PBT	1,339	1,190	1,178	2,515	1,571	1,607	1,663	3,424	6,218	8,265	1,750	-8.2%
Tax	440	435	344	800	546	586	850	949	2,018	2,931	650	
Effective Tax Rate (%)	32.8	36.5	29.2	31.8	34.8	36.4	51.1	27.7	32.5	35.5	37.1	
Reported PAT	900	756	834	1,715	1,025	1,022	813	2,475	4,200	5,334	1,100	-7.1%
Adj. PAT	900	756	834	1,715	1,025	1,022	813	2,475	4,200	5,334	1,100	-7.1%
Change (%)	-3.7	35.8	8.9	5.4	13.9	35.2	-2.5	44.3	8.1	27.0	46.5	

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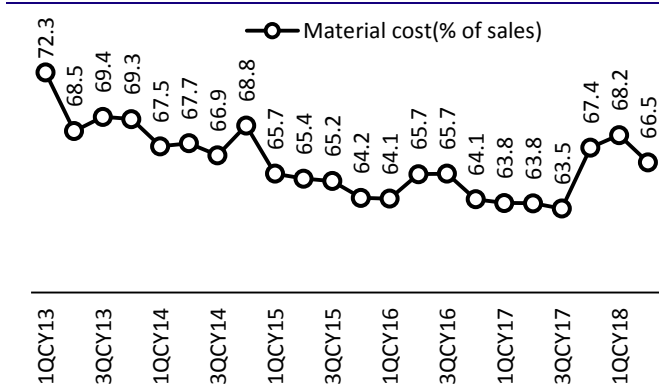
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### Operating performance below expectations

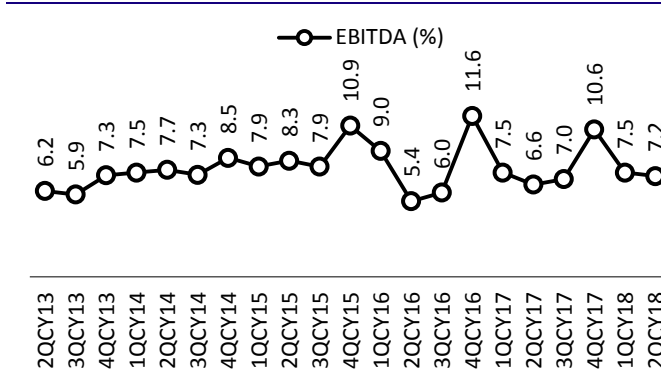
- 2QCY18 revenue rose 22% YoY to INR27.1b, broadly in line with our estimate of INR27b. EBIDTA margin of 7.2% (+60bp YoY) was below our estimate of 7.8%. EBITDA grew 33% YoY to INR1.96b, below our estimate of INR2.1b, impacted by an adverse revenue mix, an increase in raw material prices and weakening of the rupee. PAT of INR1.0b, too, missed our estimate of INR1.1b.
- Gross margin contraction was led by (a) higher contribution from the low-margin project business, primarily the Raigarh Pugular HVDC line, (b) adverse impact from weakening of the INR, as ABB is a net importer and (c) an increase in raw material prices. A forex loss of INR100m was booked during the quarter.

**Exhibit 1: RM cost up 270bp on YoY basis**



Source: Company, MOSL

**Exhibit 2: EBITDA margin up 60bp YoY**



Source: Company, MOSL

### Segmental analysis

- Power Grid segment grew 16% YoY, led by execution of the Raigarh Pugular project (INR36b order). EBIT margin stood at 9.6 % (+200bp YoY).
- Robotics and Motion segment grew 34% YoY to INR6.2b, driven by strong growth in new areas like rail, but margins remained under pressure (8.2% v/s 8.4% in CY17) given the higher quantum of imports in the segment (weak rupee increasing the import cost and this is not being passed). Forex loss stood at INR100m during the quarter.
- Process and industrial automation reported 7% YoY growth to INR3.8b. EBIT margin improved to 10.1% (+110bp YoY) due to higher services share in sales.
- Electrification products sales were flat YoY to INR6.5b. EBIT margin shrank 110bp YoY to 8.9%, partially due to margin pressure in the solar inverter segment and a weak INR.
- Exports now constitute 15% of revenue, while services form 13%. Exports are an important part of ABB's strategy. The company also expanded its portfolio for exports in CY17 by adding solar inverters, which are now increasingly exported to the US and the Middle East.

**Exhibit 3: Segmental Analysis**

	1QFY17	2QFY17	3QFY17	4QFY17	1QFY18	2QFY18
<b>Discrete Automation/Robotics &amp; Motion</b>						
Revenue	4,989	4,590	4,462	5,318	5,969	6,152
Growth YoY (%)	10.8	0	-7.1	-4.2	19.6	34
EBIT	381	307	401	540	431	507
EBIT Margin (%)	7.6	6.7	9	10.1	7.2	8.2
<b>Electrification Products</b>						
Revenue	6,890	6,447	4,715	6,332	6,509	6,461
Growth YoY (%)	3.2	20	-2.8	-9.5	-5.5	0.2
EBIT	782	646	460	924	670	576
EBIT Margin (%)	11.4	10	9.7	14.6	10.3	8.9
<b>Process/Industrial Automation</b>						
Revenue	2,988	3,506	2,854	4,687	3,024	3,768
Growth YoY (%)	0.4	-1.6	-29.2	9.3	1.2	7.5
EBIT	114	316	390	881	394	382
EBIT Margin (%)	3.8	9	13.7	18.8	13	10.1
<b>Power Grids</b>						
Revenue	8,780	9,913	7,748	12,239	10,500	11,490
Growth YoY (%)	14.4	2.9	-14.3	14.9	19.6	15.9
EBIT	625	753	520	1,483	1,026	1,098
EBIT Margin (%)	7.1	7.6	6.7	12.1	9.8	9.6

Source: Company, MOSL

- **2Q order inflow up 7% YoY led by higher base orders:** Order inflow grew 7% YoY to INR25b, led by strong base order finalization. Order inflow growth was seen across sectors: (a) in utilities segment led by renewables, sub-transmission and distribution, (b) in transport segment led by rail, metro and ports and (c) in industrial segment led primarily by consumer-facing industries. Order backlog stands at INR107b (-11% YoY), providing revenue visibility of 1.1x its TTM revenue.

**Valuation and view**

- Localization of manufacturing is a priority – ongoing/recently commissioned capacity expansions include (i) doubling of MCB capacity – will largely cater to the export market, (ii) capacity for GIS Transformers and Distribution Transformers and (iii) HT Motors. In Process Automation, ABB is making efforts to build a service portfolio, which over a period of time, will provide stability to margins.
- Management has always maintained that ‘In Country, for Country, by Country’ remains an important strategy, and its focus is on developing products that are suitable for the Indian market.
- Management is optimistic on the demand scenario, and remains focused on margin expansion via its efforts toward operational efficiency and localization. While segments such as Transmission, Renewable and Transportation are witnessing traction, an improvement in the traditional sectors of Steel, Cement and Oil & Gas remains elusive.
- We lower our CY18/19 estimates by 8%/2% to factor in lower margins as a result of higher project sales and the negative impact of currency depreciation. We maintain **Sell** given premium valuations, with a TP of INR950 (30x Mar’20 EPS of INR31.4, in line with 10-year average).

Exhibit 4: Change in estimates table

Description	New Estimates			Old Estimates		Change in Estimates	
	2017	2018E	2019E	2018E	2019E	2018E	2019E
Sales	89,614	106,937	115,276	109,181	118,141	-2%	-2%
EBITDA	7,361	9,446	11,578	10,314	11,883	-8%	-3%
Margin (%)	8.2%	8.8%	10.0%	9.4%	10.1%	-0.6%	0.0%
PAT	4,200	5,334	6,641	5,783	6,808	-8%	-2%
EPS	19.8	25.2	31.3	27.3	32.1	-8%	-2%

Source: Company, MOSL



## Key Concall Highlights

### Orders

- Large orders are few, but base orders doing quite well.
- Services orders up 52% to INR3.8b and exports up 68% to INR4.2b. 1HCY18 services orders stand at INR8b.
- Order Backlog: Well diversified and clear visibility for next few quarters.

### Margins

- 66% is RM cost and this is due to RP800 sales; ex of this, RM cost is 64% of sales – is in line with 2QCY17.
- **Electrification Products and Robotic & Motion** have a high imported content. Margins of these segments were thus impacted by the INR depreciation.
- Margins impacted by currency depreciation, especially in the industrial segment. INR10cr impact on MTM due to currency impact.
- Industrial automation margins higher due to increased value-added and services content.

### Industry end-market

- GST and demonetization impact has faded - GST will have a positive impact on the economy.
- Steel and cement are yet to pick up, so core segment still not doing very well. Opex is being done, but not much of new capex. It is about increasing productivity in existing assets.
- Focused on both mid-sized and small projects - not many large projects in the industry.

### Transport and Infrastructure end market

- Transportation was a growth driver in the quarter, with a first-of-its-kind integrated power and automation package order for ferries, and orders for 'drive propulsion systems' for Indian Railways.
- Transport sector driven by rail expansion, high speed rail, metro and ports.

## Operating Matrix

Year ended December	2012	2013	2014	2015	2016	2017	2018E	2019E
<b>Revenues (INR m)</b>								
LV Products	6,174	6,769	7,373	16,509	23,900	24,391	25,610	29,452
Discrete Automation & Motion	17,753	18,237	18,986	20,624	19,359	19,359	22,384	24,700
Process automation	13,566	12,480	12,450	13,366	14,851	14,092	15,451	17,957
Power products	20,853	21,304	23,255	17,092				
Power systems	22,422	23,851	21,554	18,707				
<b>Power Grid</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>36,906</b>	<b>38,324</b>	<b>47,819</b>	<b>48,277</b>
<b>Gross Segmental Sales</b>	<b>80,767</b>	<b>82,640</b>	<b>83,617</b>	<b>85,832</b>	<b>95,016</b>	<b>96,166</b>	<b>111,265</b>	<b>120,386</b>
<b>Revenue Growth (% YoY)</b>								
LV Products	14.4%	9.6%	8.9%	123.9%	44.8%	2.1%	5.0%	15.0%
Discrete Automation & Motion	-1.3%	2.7%	4.1%	8.6%	-6.1%	0.0%	15.6%	10.3%
Process automation	2.6%	-8.0%	-0.2%	7.4%	11.1%	-5.1%	9.6%	16.2%
Power products	4.2%	2.2%	9.2%	-26.5%				
Power systems	-5.1%	6.4%	-9.6%	-13.2%				
Power Grid						3.8%	24.8%	1.0%
<b>Revenue Growth</b>	<b>0.7%</b>	<b>2.3%</b>	<b>1.2%</b>	<b>2.6%</b>	<b>10.7%</b>	<b>1.2%</b>	<b>15.7%</b>	<b>8.2%</b>
<b>EBIT Margins (%)</b>								
LV Products	6.4%	3.7%	5.4%	11.6%	11.9%	11.5%	11.5%	12.5%
Discrete Automation & Motion	11.0%	6.9%	6.8%	8.2%	8.9%	8.4%	8.4%	10.0%
Process automation	-1.1%	5.7%	8.0%	11.2%	10.5%	12.1%	12.9%	13.1%
Power products	6.6%	8.0%	7.9%	5.5%				
Power systems	2.9%	3.9%	5.3%	6.5%				
Power Grid					4.6%	9.0%	9.5%	9.5%
<b>Costs, % of Revenues</b>								
Material Costs	71.7%	69.9%	67.8%	65.1%	65.0%	64.8%	67.4%	66.3%
<b>Contribution Margins, %</b>	<b>28.3%</b>	<b>30.1%</b>	<b>32.2%</b>	<b>34.9%</b>	<b>35.0%</b>	<b>35.2%</b>	<b>32.6%</b>	<b>33.7%</b>
Staff Costs	8.2%	8.8%	9.1%	9.2%	8.7%	8.8%	7.9%	7.9%
Other Expenses	13.7%	14.9%	15.3%	16.4%	18.0%	18.2%	15.8%	15.8%
<b>EBIDTA %</b>	<b>6.3%</b>	<b>6.4%</b>	<b>7.7%</b>	<b>9.3%</b>	<b>8.3%</b>	<b>8.2%</b>	<b>8.8%</b>	<b>10.0%</b>
<b>Products (% of Revenues)</b>	<b>55.4%</b>	<b>56.0%</b>	<b>59.3%</b>	<b>62.8%</b>	<b>64.9%</b>	<b>65.4%</b>	<b>55.4%</b>	<b>57.5%</b>
Fixed Assets Turn (x)	5.5	5.5	6.2	6.9	7.5	8.8	9.4	9.2
NWC (Days)	71.2	71.8	71.7	74.1	73.5	65.3	36.9	65.3

## Financials and valuations

### Income Statement

(INR Million)

Y/E December	2013	2014	2015	2016	2017	2018E	2019E
<b>Net Sales</b>	<b>77,218</b>	<b>77,333</b>	<b>81,403</b>	<b>86,422</b>	<b>90,873</b>	<b>108,239</b>	<b>116,622</b>
Change (%)	2.1	0.1	5.3	6.2	5.2	19.1	7.7
Raw Materials	53,985	52,429	53,000	56,132	58,906	72,976	77,271
Staff Cost	6,771	7,052	7,499	7,503	7,963	8,593	9,266
Other Mfg. Expenses	4,363	4,489	4,904	4,765	4,698	5,353	5,730
Selling Expenses	1,044	1,133	1,239	1,366	1,435	1,688	1,820
Admin. & Other Exp.	6,110	6,239	7,296	9,571	10,511	10,183	10,957
<b>EBITDA</b>	<b>4,945</b>	<b>5,991</b>	<b>7,465</b>	<b>7,085</b>	<b>7,361</b>	<b>9,446</b>	<b>11,578</b>
% of Net Sales	6.4	7.7	9.2	8.2	8.1	8.7	9.9
Depreciation	1,033	1,128	1,598	1,510	1,580	1,683	1,884
Interest	1,011	1,050	912	919	773	500	200
Other Income	70	173	130	1,216	1,210	1,002	796
Extra-ordinary Items (net)	-223	-435	-340	-140	0	0	0
<b>PBT</b>	<b>3,194</b>	<b>3,552</b>	<b>4,746</b>	<b>5,733</b>	<b>6,218</b>	<b>8,265</b>	<b>10,290</b>
Tax	956	1,267	1,747	1,988	2,018	2,931	3,649
Rate (%)	29.9	35.7	36.8	34.7	32.5	35.5	35.5
<b>PAT</b>	<b>2,238</b>	<b>2,285</b>	<b>2,999</b>	<b>3,745</b>	<b>4,200</b>	<b>5,334</b>	<b>6,641</b>
<b>Adjusted PAT</b>	<b>2,015</b>	<b>2,719</b>	<b>3,339</b>	<b>3,885</b>	<b>4,200</b>	<b>5,334</b>	<b>6,641</b>
Change (%)	-23.6	35.0	22.8	16.4	8.1	27.0	24.5

### Balance Sheet

(INR Million)

Y/E December	2013	2014	2015	2016	2017	2018E	2019E
Share Capital	424	424	424	424	424	424	424
Reserves	26,352	27,696	29,662	32,443	35,645	39,585	44,490
<b>Net Worth</b>	<b>26,776</b>	<b>28,120</b>	<b>30,086</b>	<b>32,867</b>	<b>36,069</b>	<b>40,009</b>	<b>44,913</b>
Loans	6,243	3,756	6,043	6,000	6,041	41	41
Net Deferred Tax Liability	-272	-152	-478	-1,304	-1,173	-1,173	-1,173
<b>Capital Employed</b>	<b>32,746</b>	<b>31,723</b>	<b>35,651</b>	<b>37,564</b>	<b>40,937</b>	<b>38,877</b>	<b>43,781</b>
Gross Fixed Assets	18,627	19,718	20,267	14,059	15,251	17,067	19,099
Less: Depreciation	4,712	5,723	7,227	1,510	3,064	4,748	6,631
<b>Net Fixed Assets</b>	<b>13,915</b>	<b>13,995</b>	<b>13,040</b>	<b>12,549</b>	<b>12,187</b>	<b>12,319</b>	<b>12,468</b>
Capital WIP	475	319	443	678	1,165	1,165	1,165
Investments	173	165	164	163	2,706	3,094	3,181
<b>Curr. Assets</b>	<b>55,661</b>	<b>53,585</b>	<b>60,007</b>	<b>62,618</b>	<b>71,650</b>	<b>70,597</b>	<b>79,338</b>
Inventory	9,889	8,938	9,396	9,403	11,536	11,808	14,839
Debtors	32,357	31,575	33,909	29,707	27,878	33,267	35,861
Cash & Bank Balance	3,166	2,260	5,736	11,892	14,917	11,473	6,359
Loans & Advances	6,077	6,790	7,002	413	462	8,933	594
Other current Assets	4,172	4,022	3,964	11,204	16,858	5,116	21,686
<b>Current Liab. &amp; Prov.</b>	<b>37,477</b>	<b>36,341</b>	<b>38,003</b>	<b>38,445</b>	<b>46,770</b>	<b>48,299</b>	<b>52,370</b>
Creditors	20,826	19,840	21,020	21,573	27,131	27,091	34,900
Other Liabilities	13,960	12,977	12,720	13,326	16,067	15,586	12,875
Provisions	2,692	3,524	4,263	3,546	3,572	5,621	4,595
<b>Net Current Assets</b>	<b>18,184</b>	<b>17,244</b>	<b>22,004</b>	<b>24,174</b>	<b>24,880</b>	<b>22,298</b>	<b>26,968</b>
<b>Application of Funds</b>	<b>32,747</b>	<b>31,723</b>	<b>35,651</b>	<b>37,564</b>	<b>40,937</b>	<b>38,876</b>	<b>43,781</b>

E: MOSL Estimates

## Financials and valuations

### Ratios

Y/E December	2013E	2014	2015	2016	2017	2018E	2019E
<b>Basic (INR)</b>							
EPS	9.5	12.8	15.8	18.3	19.8	25.2	31.3
Growth	-23.6	35.0	22.8	16.4	8.1	27.0	24.5
Cash EPS	14.4	18.2	23.3	25.5	27.3	33.1	40.2
Book Value	126.4	132.7	142.0	155.1	170.2	188.8	211.9
DPS	3.0	3.7	3.7	4.0	4.4	5.7	7.1
Payout (incl. Div.Tax)	31.8	28.8	23.5	21.8	22.2	22.5	22.5
<b>Valuation (x)</b>							
P/E	119.9	88.8	72.4	62.2	57.5	45.3	36.4
Cash P/E	79.3	62.8	48.9	44.8	41.8	34.4	28.3
EV/EBITDA	27.1	36.6	32.8	25.2	19.4	14.7	10.9
EV/Sales	3.2	3.1	3.0	2.7	2.6	2.1	2.0
Price/Book Value	9.0	8.6	8.0	7.4	6.7	6.0	5.4
Dividend Yield (%)	0.3	0.3	0.3	0.4	0.4	0.5	0.6
<b>Profitability Ratios (%)</b>							
RoE	7.5	9.7	11.1	11.8	11.6	13.3	14.8
RoCE	12.7	15.4	17.5	17.0	16.3	20.5	24.0
RoIC	9.5	11.4	13.1	13.2	15.8	21.0	21.4
<b>Turnover Ratios</b>							
Debtors (Days)	153	149	152	125	112	112	112
Inventory (Days)	47	42	42	40	46	40	46
Creditors. (Days)	98	94	94	91	109	91	109
Asset Turnover (x)	2.4	2.4	2.3	2.3	2.2	2.8	2.7
<b>Leverage Ratio</b>							
Debt/Equity (x)	0.2	0.1	0.2	0.2	0.2	0.0	0.0

### Cash Flow Statement

(INR Million)

Y/E December	2013	2014	2015	2016	2017E	2018E	2019E
<b>PBT before EO Items</b>	<b>2,971</b>	<b>3,986</b>	<b>5,086</b>	<b>5,873</b>	<b>6,218</b>	<b>8,265</b>	<b>10,290</b>
Add : Depreciation	1,033	1,128	1,353	1,712	1,859	2,003	2,143
Interest	1,011	1,050	900	200	100	80	64
Less : Direct taxes paid	956	1,267	1,747	1,988	2,018	2,931	3,649
(Inc)/Dec in WC	-444	34	-1,284	3,986	2,319	-862	-9,784
<b>CF from operations</b>	<b>2,604</b>	<b>3,881</b>	<b>3,653</b>	<b>9,381</b>	<b>8,098</b>	<b>6,155</b>	<b>-1,259</b>
(Inc)/Dec in FA	-2,180	-1,053	-766	-1,254	-1,704	-1,816	-2,032
<b>Free Cash Flow</b>	<b>425</b>	<b>2,828</b>	<b>2,887</b>	<b>8,127</b>	<b>6,394</b>	<b>4,339</b>	<b>-3,291</b>
(Pur)/Sale of Investments	352	8	1	1	-2,543	-388	-87
<b>CF from investments</b>	<b>-1,815</b>	<b>-1,134</b>	<b>-2,039</b>	<b>-1,989</b>	<b>-1,939</b>	<b>-1,891</b>	<b>-1,844</b>
(Inc)/Dec in Net Worth	-253	-30	-122	22	86	0	0
(Inc)/Dec in Debt	2,924	-2,490	-1,855	-371	-297	-237	-190
Less : Interest Paid	1,011	1,050	900	200	100	80	64
Dividend Paid	744	911	911	985	953	1,395	1,736
<b>CF from Fin. Activity</b>	<b>789</b>	<b>-4,157</b>	<b>-4,537</b>	<b>-2,929</b>	<b>-3,714</b>	<b>-4,840</b>	<b>-6,280</b>
<b>Inc/Dec of Cash</b>	<b>2,399</b>	<b>-906</b>	<b>3,477</b>	<b>6,155</b>	<b>3,025</b>	<b>-3,444</b>	<b>-5,114</b>
Add: Beginning Balance	767	3,165	2,260	5,736	11,892	14,916	11,473
<b>Closing Balance</b>	<b>3,165</b>	<b>2,260</b>	<b>5,736</b>	<b>11,892</b>	<b>14,916</b>	<b>11,473</b>	<b>6,359</b>

E: MOSL Estimates

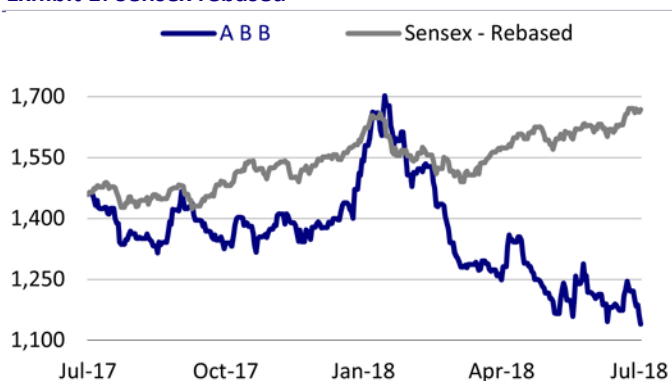


## Corporate profile

### Company description

ABB is a worldwide leader in power transmission and distribution and process automation space. ABB India is 75% subsidiary of ABB with focus on power T&D and automation space. Besides power transmission and distribution, automation products and process automation are the larger areas of operations. Power T&D includes products and project services like switchgears, transformers, motors, generators, balance of plant activities etc. Exports contribute ~15% to the total revenues, and share of service sector stands at ~12%.

Exhibit 1: Sensex rebased



Source: MOSL/Bloomberg

Exhibit 2: Shareholding pattern (%)

	Jun-18	Mar-18	Jun-17
Promoter	75.0	75.0	75.0
DII	13.4	13.6	13.3
FII	3.2	3.2	3.7
Others	8.4	8.2	8.1

Note: FII Includes depository receipts

Source: Capitaline

Exhibit 3: Top holders

Holder Name	% Holding
LIC of India	6.1
RELIANCE CAPITAL TRUSTEE COMPANY LIMITED A/C	3.5
HDFC TRUSTEE COMPANY LTD-HDFC TOP200 FUND	1.4

Source: Capitaline

Exhibit 4: Top management

Name	Designation
Frank Duggan	Chairman
Sanjeev Sharma	Managing Director
B Gururaj	Company Secretary

Source: Capitaline

Exhibit 5: Directors

Name	Name
D E Udawadia	Nasser Munjee
Renu S Karnad	Tarak Mehta

\*Independent

Exhibit 6: Auditors

Name	Type
Ashwin Solanki & Associates	Cost Auditor
B S R & Co LLP	Statutory
HBP & Co	Secretarial Audit
S R Batliboi & Associates LLP	Statutory

Source: Capitaline

Exhibit 7: MOSL forecast v/s consensus

EPS (INR)	MOSL forecast	Consensus forecast	Variation (%)
CY18	25.2	26.3	-4.4
CY19	31.3	32.0	-2.2

Source: Bloomberg



NOTES

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	> - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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