Retail Equity Research

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Q2CY26 Result Update

ABB India Limited

REDUCE

Sector: Capital Goods

25th August, 2026

Key Changes	Target	Rating	Earnings

Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame
Large Cap	ABB:IN	77,656	ABB	500002	12 Months

Target	**Rs. 6,694**
CMP	**Rs. 7,650**
Return	**-12%**

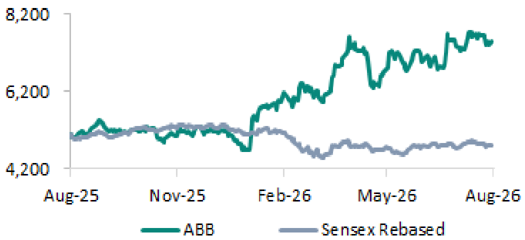
Data as of: 25-Aug-2026, 16:00 hrs

Company Data	
Market Cap (Rs.cr)	162,110
52 Week High — Low (Rs.)	7,923 - 4,641
Enterprise Value (Rs. cr)	152,719
Outstanding Shares (cr)	21.2
Free Float (%)	24.6
Dividend Yield (%)	1.6
6m average volume (cr)	0.04
Beta	1.2
Face value (Rs.)	2.0

Shareholding (%)	Q4CY25	Q1CY26	Q2CY26
Promoters	75.0	75.0	75.0
FII's	7.7	8.2	7.7
MFs/Institutions	9.2	9.3	9.9
Public	7.2	6.8	6.7
Others	1.0	0.8	0.8
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil

Price Performance	3 Month	6 Month	1 Year
Absolute Return	12.2%	23.9%	48.2%
Absolute Sensex	2.6%	-5.9%	-4.8%
Relative Return	9.6%	29.8%	53.1%

***over or under performance to benchmark index**



Y.E March (cr)	CY25A	CY26E	CY27E
Sales	12,504	14,608	16,944
Growth (%)	*2.6*	*16.8*	*16.0*
EBITDA	2,119	2,093	2,637
EBITDA Margin (%)	*16.9*	*14.3*	*15.6*
PAT Adjusted	1,618	1,725	2,216
Growth (%)	*-13.7*	*6.6*	*28.5*
Adjusted EPS	76.4	81.4	104.6
Growth (%)	*-13.7*	*6.6*	*28.5*
P/E	98.2	92.2	71.7
P/B	20.3	18.0	17.4
EV/EBITDA	72.3	73.0	58.0
ROE (%)	*21.3*	*35.7*	*24.3*
D/E	0.0	0.0	0.0

Revenue rises on steady demand across sectors

ABB India manufactures heavy engineering and industrial equipment, and undertakes engineering, procurement and construction projects. It operates in the robotics and motion, electrification products and industrial automation segments.

- Revenue from operations rose 21.0% YoY to Rs. 3,559cr in Q2CY26, supported by price management, volume growth, and demand from the buildings, data centre, renewable, and metal and mining sectors.
- Electrification products' revenue rose 30.9% YoY to Rs. 1,804cr, led by higher volume, effective price management and strong demand from data centres.
- Orders increased 50% YoY to Rs. 4,363cr and order backlog rose 22% YoY to Rs. 11,898cr, on strong demand from the electrification and motion segments.
- EBITDA rose 11.4% YoY to Rs. 486cr. But EBITDA margin contracted 110bps YoY to 13.7%, owing to higher cost of sales (+28.1% YoY).
- Adjusted PAT grew 8.0% YoY to Rs. 370cr but PAT margin declined by 125bps to stand at 10.4%.

Outlook & Valuation

ABB India delivered a strong quarter on broad-based aided by deeper penetration into Tier-2 and Tier-3 cities through a dedicated on-ground sales team. Going forward, capacity investments in data-centre-specific products, continued price-list revisions to offset commodity inflation, an expanding channel-partner network, and a focus on megatrends such as electrification, automation, digitalisation and grid modernisation should sustain growth. However, elevated copper and metal prices, a weakening rupee, heightened competitive intensity in L1-based tendering, and geopolitical uncertainty linked to the West Asia conflict are expected to keep near-term margins under pressure. Hence, **We cut our margin estimates and downgrade to REDUCE rating based on 64x CY27E adjusted EPS multiple**, given that downgraded earnings and a rich entry point leave little room for further re-rating.

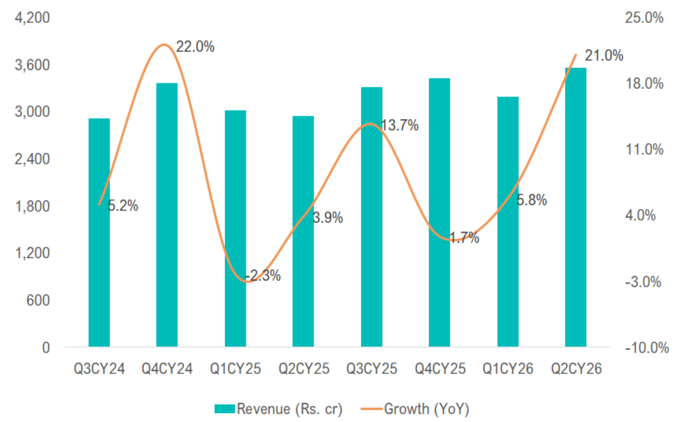
Quarterly Finance Consolidated

Rs.cr	Q2CY26	Q2CY25	YoY (%)	Q1CY26	QoQ (%)	H1CY26	H1CY25	YoY (%)
Sales	3,559	2,940	*21.0*	3,184	*11.8*	6,743	5,951	*13.3*
EBITDA	486	437	*11.4*	451	*7.9*	937	1,030	*-9.0*
Margin (%)	*13.7*	*14.8*	*-110bps*	*14.2*	*-50bps*	*13.9*	*17.3*	*-340bps*
EBIT	447	401	*11.4*	408	*9.5*	855	961	*-11.0*
PBT	499	461	*8.1*	462	*8.0*	961	1,075	*-10.6*
Rep. PAT (incl. disc.)	362	352	*3.0*	1,784	*-79.7*	2,146	826	*159.7*
Adj PAT	370	343	*8.0*	342	*8.2*	712	800	*-11.0*
Adj. EPS (Rs)	17.5	16.2	*8.0*	16.1	*8.2*	33.6	37.7	*-11.0*

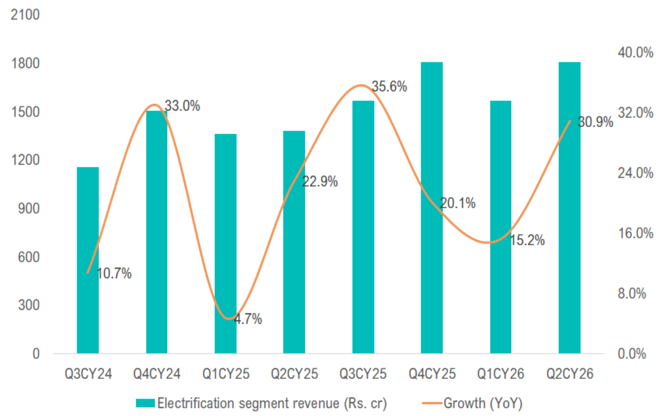
Key concall highlights

- In Q2CY26, data centres contributed 15-17% of the total orders, emerging as a key demand driver, as customers sought faster delivery timelines from local manufacturing facilities.
- The company expects data centre demand to grow multifold in CY27 and CY28, and is, therefore, investing in capacity for specific products required by hyperscalers and colocation operators.
- The management maintains a capacity utilisation strategy of 80-85%, ensuring 15-20% headroom annually to cater to future demand while avoiding supply-chain bottlenecks.
- The company sees steady growth in water and wastewater management, with ABB's 4–8% market share and a projected 10% CAGR, led by motors, drives, PLCs, and strong customer engagement in Tier 2/3 cities through tailored programs.
- The management expects at least 40% of the Rs. 11,900cr order backlog to be consumed within the next two quarters, with the balance extending into CY27.
- ABB's next 2-3-quarter outlook factors in a government capex pickup post the monsoon, private consumption growth and a robust manufacturing base, though geopolitical risks and fallout of a subnormal monsoon remain monitorables.

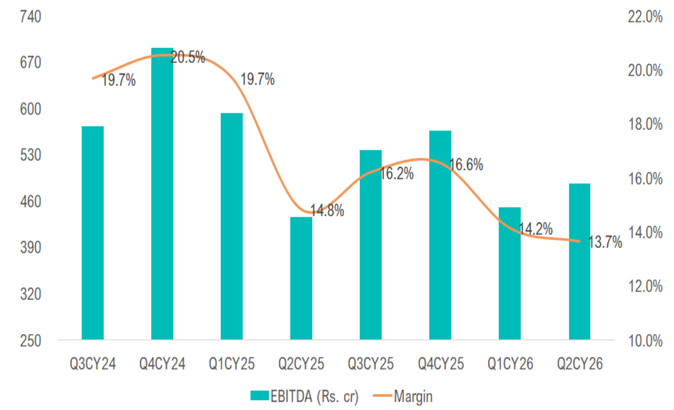
Revenue



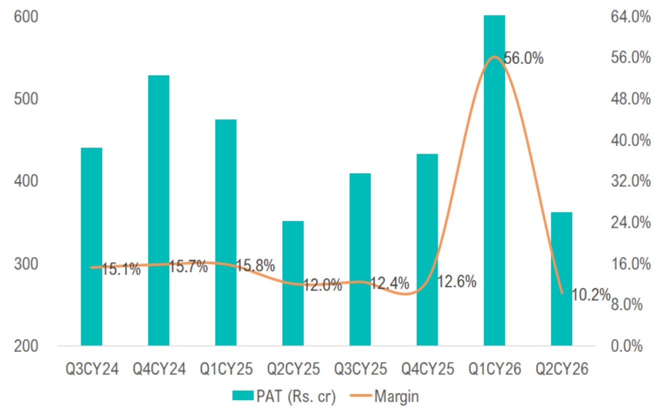
Electrification Segment



EBITDA



PAT



Change in Estimates

	Old estimates		New estimates		Change (%)	
Year / Rs cr	**CY26E**	**CY27E**	**CY26E**	**CY27E**	**CY26E**	**CY27E**
Revenue	14,356	16,110	14,608	16,944	*1.8*	*5.2*
EBITDA	2,454	2,786	2,093	2,637	*-14.7*	*-5.3*
Margins (%)	*17.1*	*17.3*	*14.3*	*15.6*	*-280bps*	*-170bps*
Adj. PAT	1,974	2,289	1,725	2,216	*-12.6*	*-3.2*
EPS	93.2	108.0	81.4	104.6	*-12.7*	*-3.1*

Consolidated Financials

Profit & Loss

Y.E March (Rs. Cr)	CY23A	CY24A	CY25A	CY26E	CY27E
Sales	**10,447**	**12,188**	**12,504**	**14,608**	**16,944**
% change	*21.9*	*16.7*	*2.6*	*16.8*	*16.0*
EBITDA	**1,610**	**2,434**	**2,119**	**2,093**	**2,637**
% change	*50.9*	*51.2*	*-12.9*	*-1.2*	*26.0*
Depreciation	120	129	146	158	170
EBIT	**1,490**	**2,305**	**1,974**	**1,935**	**2,467**
Interest	13	16	20	21	24
Other Income	182	224	208	282	380
PBT	**1,659**	**2,513**	**2,162**	**2,197**	**2,823**
% change	*21.7*	*51.5*	*-14.0*	*1.6*	*28.5*
Tax	411	639	543	472	607
Tax Rate (%)	*24.8*	*25.4*	*25.1*	*21.5*	*21.5*
Reported PAT	**1,242**	**1,872**	**1,668**	**3,159**	**2,216**
PAT att. to common shareholder	**1,242**	**1,872**	**1,668**	**3,159**	**2,216**
Adj.*	6	3	-50	-1,434	-
Adj. PAT	**1,248**	**1,875**	**1,618**	**1,725**	**2,216**
% change	*21.7*	*50.2*	*-13.7*	*6.6*	*28.5*
No. of shares (cr)	21.2	21.2	21.2	21.2	21.2
Adj EPS (Rs.)	**58.9**	**88.5**	**76.4**	**81.4**	**104.6**
% change	*21.7*	*50.2*	*-13.7*	*6.6*	*28.5*
DPS (Rs.)	29.3	44.2	39.4	96.9	50.2

Balance Sheet

Y.E March (Rs. Cr)	CY23A	CY24A	CY25A	CY26E	CY27E
Cash	4,816	5,508	5,835	6,371	6,059
Accts. Receivable	2,544	2,984	3,176	3,798	4,431
Inventories	1,561	1,778	2,053	2,474	2,885
Other Cur. Assets	626	493	686	704	784
Investments	2	2	2	2	2
Gross Fixed Assets	**1,539**	**1,688**	**1,934**	**2,203**	**2,521**
Net Fixed Assets	975	1,044	1,174	1,291	1,440
CWIP	60	95	116	128	141
Intangible Assets	18	17	20	20	20
Def. Tax -Net	103	98	56	54	54
Other Assets	296	372	520	515	515
Total Assets	**11,001**	**12,391**	**13,638**	**15,356**	**16,328**
Current Liabilities	5,014	5,274	5,733	6,386	7,064
Provisions	6	5	4	4	4
Debt Funds	37	37	65	116	122
Other Liabilities	-	-	-	-	-
Equity Capital	42	42	42	42	42
Res. & Surplus	5,902	7,033	7,794	8,808	9,095
Shareholder Funds	**5,945**	**7,075**	**7,836**	**8,850**	**9,138**
Minority Interest	-	-	-	-	-
Total Liabilities	**11,001**	**12,391**	**13,638**	**15,356**	**16,328**
BVPS	281	334	370	418	431

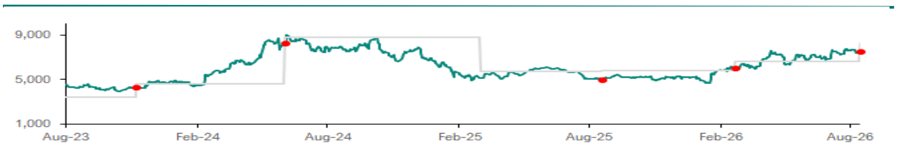
Cashflow

Y.E March (Rs. Cr)	CY23A	CY24A	CY25A	CY26E	CY27E
Net inc. + Depn.	**1,362**	**2,001**	**1,814**	**3,317**	**2,386**
Non-cash adj.	122	-90	-352	-2,031	-667
Other adjustments	-	-	-	-	-
Changes in W.C	-133	-579	-243	-338	-338
C.F. Operation	**1,352**	**1,332**	**1,220**	**947**	**1,382**
Capital exp.	-183	-214	-240	-275	-319
Change in inv.	-3,446	-633	290	-	-
Other invest.CF	277	343	313	696	735
C.F - Investment	**-3,352**	**-503**	**363**	**422**	**416**
Issue of equity	-	-	-	-	-
Issue/repay debt	-	-	-	60	4
Dividends paid	-233	-726	-915	-834	-2,053
Other finance.CF	-36	-44	-51	-59	-62
C.F - Finance	**-269**	**-770**	**-966**	**-833**	**-2,111**
Chg. in cash	-2,270	58	617	535	-312
Closing Cash	**4,816**	**5,508**	**5,835**	**6,371**	**6,059**

Ratio

Y.E March	CY23A	CY24A	CY25A	CY26E	CY27E
Profitab. & Return					
EBITDA margin (%)	15.4	20.0	16.9	14.3	15.6
EBIT margin (%)	14.3	18.9	15.8	13.2	14.6
Net profit mgn.(%)	11.9	15.4	13.3	21.6	13.1
ROE (%)	20.9	26.5	21.3	35.7	24.3
ROCE (%)	24.9	32.4	25.0	21.6	26.6
W.C & Liquidity					
Receivables (days)	88.9	89.4	92.7	94.9	95.4
Inventory (days)	90.0	96.2	105.4	105.9	106.4
Payables (days)	179.3	173.0	177.4	178.0	179.5
Current ratio (x)	1.9	2.0	2.0	2.1	2.0
Quick ratio (x)	1.5	1.6	1.6	1.6	1.5
Turnover &Leverage					
Gross asset T.O (x)	7.3	7.6	6.9	7.1	7.2
Total asset T.O (x)	1.0	1.0	1.0	1.0	1.1
Int. covge. ratio (x)	117.7	140.1	100.1	93.0	103.8
Adj. debt/equity (x)	0.0	0.0	0.0	0.0	0.0
Valuation					
EV/Sales (x)	14.8	12.6	12.3	10.5	9.0
EV/EBITDA (x)	95.8	63.1	72.3	73.0	58.0
P/E (x)	127.4	84.8	98.2	92.2	71.7
P/BV (x)	26.7	22.5	20.3	18.0	17.4

Recommendation Summary (Last 3 years)



Dates	Rating	Target
24-Aug-22	ACCUMULATE	3,230
10-May-23	REDUCE	3,440
17-Nov-23	HOLD	4,640
12-Jun-24	HOLD	8,820
12-Mar-25	BUY	5,710
28-Aug-25	BUY	5,801
10-Mar-26	BUY	6,910
25-Aug-26	REDUCE	6,694

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			

Definition:

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 no investment opinion on the stock.

Symbols definition: Upgrade No Change Downgrade

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

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