

November 8, 2025

Power brands focus, new introductions to drive growth...

About the stock: Abbott India is one of the fastest growing MNC pharma companies with a strong therapeutic focus in Gynaecology, GI, Hormones, pain, CNS among others with a basket of 140+ brands.

- Some of the company's top brands include- Thyronorm (Hormones), Udiliv, Duphalac, Cremaffin Plus (all GI), Duphaston (Gynaecology) and Vertin (CNS) among others.
- The company also markets some leading brands of Novo Nordisk and Abbott Healthcare for which it receives distribution margins. Some of the leading distributed brands are Human Mixtard, Ryzodeg and Rybelsus (Anti-diabetic).

Investment Rationale:

- Q2FY26- Decent print driven by growth in some power brands- Revenues grew ~8% YoY to ₹ 1757 crore. As per IQVIA, some of the power brands such as Thyronorm (Hormonal), Udiliv (GI), Cremaffin Plus (GI) and Duphalac (GI) witnessed decent growth along with some marketed brands of Novo Nordisk and Abbott Healthcare such as Rybelsus (Semaglutide) and Ryzodeg (Insulin). While Mixtard (Insulin) and Novomix (Anti-Diabetic) registered de-growth during the quarter. EBITDA grew ~14% YoY to ₹ 502 crore with EBITDA margins growing ~169 bps YoY to ~28.6%. PAT grew ~16% YoY to ₹ 415 crore.
- New introduction tempo also maintained- Overall growth continues to be driven by legacy power brands (top 10 brands CAGR ~12% between September 22-25 despite slowdown in Mixtard and Novomix) and traction in few brands from the marketed portfolio. The company remains a standout performer among MNCs on the back of new products launch trajectory (+100 launches in the last 12 years and another 75 planned for the next 5 years) and performance consistency in most of the legacy brands. In FY25, the company introduced 7 new brands- Citrosoda UTI, Digene Insta, Digeraft tablet, Vonefi (all Gastrointestinal), Duphaston OD (Gynaecology), Pneumoshield 14 (Vaccine) and Prothiaden Neu (CNS). Brands like Thyronorm, Udiliv, Duphalac, Cremaffin Plus have maintained consistency over the last three years as reflected in Exhibit 2. Thyronorm had a tough time during Covid 19 but regained market share on the back of strong brand loyalty among doctors, which is reflected in a MAT CAGR of ~12% during Sep 22- Sep 25. The new therapeutic foray into vaccines is doing well with ~18% YoY growth as per IQVIA MAT September 25.

Rating and Target price

- Our target price is ₹ 33550 based on 40x FY27E EPS of ₹ 838.8. We believe the premium is justifiable given the company's brand stickiness and launch momentum.

Key Financial Summary

Key Financials (₹ Crore)	FY22	FY23	FY24	3 year CAGR (FY22-25)	FY25	FY26E	FY27E	2 year CAGR (FY25-27E)
Revenues	4919.3	5349.1	5848.9	9.2	6409.2	7036.3	7810.2	10.4
EBITDA	1087.7	1206.0	1453.1	15.9	1694.6	1902.1	2171.2	13.2
EBITDA margins (%)	22.1	22.5	24.8		26.4	27.0	27.8	
Net Profit	798.7	949.4	1201.2	21.0	1414.4	1581.2	1782.5	12.3
EPS (₹)	375.9	446.8	565.3		665.6	744.1	838.8	
PE (x)	76.6	64.4	50.9		43.2	38.7	34.3	
RoCE (%)	36.6	38.7	42.5		42.2	49.5	50.1	
ROE	28.3	29.8	32.5		33.4	39.4	39.2	

Source: Company, ICICI Direct Research



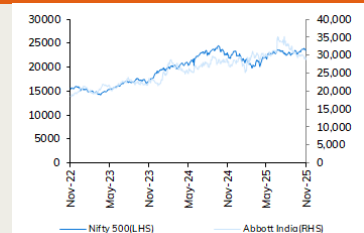
Particulars

Particular	Amount
Market Capitalisation	₹ 61168 crore
Debt (FY25)	₹ 0 crore
Cash (FY25)	₹ 561 crore
EV	₹ 60608 crore
52 week H/L	37000/25260
Equity capital	₹ 21 crore
Face value	₹ 10

Shareholding pattern

(in %)	Dec-24	Mar-25	Jun-25	Sep-25
Promoter	75.0	75.0	75.0	75.0
FII	0.2	0.2	0.2	0.2
DII	9.0	8.9	9.2	9.1
Others	15.8	15.9	15.7	15.7

Price Chart



Key risks

- (i) Increasing generic competition in some power brands (ii) lumpiness in distribution margins

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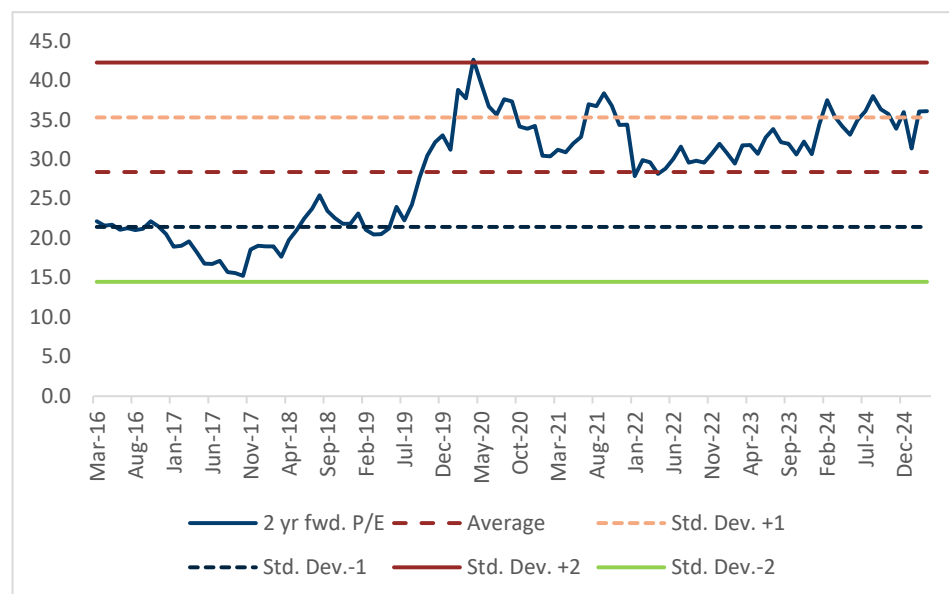
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Exhibit 1: Profit and loss Quarterly Summary

(₹ crore)	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	YoY (%)	QoQ (%)
Total Operating Income	1379.5	1322.2	1343.1	1479.0	1494.1	1437.1	1438.6	1557.6	1632.7	1614.3	1604.6	1738.4	1757.2	7.6	1.1
Raw Material expenses	752.1	744.9	760.1	823.6	814.4	776.8	805.9	846.4	901.8	892.7	856.0	942.1	936.9	3.9	-0.6
% of Revenue	54.5	56.3	56.6	55.7	54.5	54.1	56.0	54.3	55.2	55.3	53.3	54.2	53.3	-192bps	-88.0
Gross Profit	627.4	577.3	583.0	655.4	679.8	660.4	632.7	711.3	730.9	721.6	748.6	796.2	820.3	12.2	3.0
Gross Profit Margin (%)	45.5	43.7	43.4	44.3	45.5	45.9	44.0	45.7	44.8	44.7	46.7	45.8	46.7	192bps	88.0
Employee Expenses	149.6	135.2	126.7	149.5	142.7	139.2	145.2	161.1	147.4	134.7	144.4	168.0	159.0	7.9	-5.4
% of Revenue	10.8	10.2	9.4	10.1	9.6	9.7	10.1	10.3	9.0	8.3	9.0	9.7	9.0	2bps	-61.7
Other Expenditure	134.5	129.9	176.2	151.0	156.2	133.5	158.0	159.2	144.6	150.8	175.7	182.6	159.2	10.1	-12.9
% of Revenue	9.8	9.8	13.1	10.2	10.5	9.3	11.0	10.2	8.9	9.3	10.9	10.5	9.1	20bps	-144.9
Total Expenditure	1036.2	1010.0	1063.0	1124.0	1113.3	1049.5	1109.1	1166.6	1193.7	1178.2	1176.1	1292.8	1255.0	5.1	-2.9
% of Revenue	75.1	76.4	79.1	76.0	74.5	73.0	77.1	74.9	73.1	73.0	73.3	74.4	71.4	-169bps	-294.6
EBITDA	343.3	312.2	280.1	355.0	380.9	387.7	329.5	391.0	439.0	436.1	428.5	445.6	502.2	14.4	12.7
EBITDA Margin (%)	24.9	23.6	20.9	24.0	25.5	27.0	22.9	25.1	26.9	27.0	26.7	25.6	28.6	169bps	294.6
Other income	33.5	44.2	49.6	56.0	55.5	55.6	81.2	67.3	60.5	71.8	76.0	72.8	70.0	15.7	-4.0
Depreciation	17.5	17.8	17.3	17.2	17.8	18.0	18.2	18.4	17.5	18.0	17.9	19.5	18.6	6.5	-4.3
Interest	4.0	3.8	4.0	3.3	3.1	3.2	2.8	2.8	2.5	2.3	3.9	5.8	7.6	202.0	29.7
PBT	355.4	334.8	308.4	390.5	415.4	422.2	389.7	437.2	479.4	487.6	482.7	493.1	545.9	13.9	10.7
Total Tax	89.9	88.0	77.0	100.3	102.5	111.2	102.6	109.2	120.8	126.8	115.7	127.3	130.7	8.1	2.7
Tax rate (%)	25.3	26.3	25.0	25.7	24.7	26.3	26.3	25.0	25.2	26.0	24.0	25.8	23.9	-127bps	-187.5
PAT	265.5	246.8	231.4	290.2	312.9	311.0	287.1	328.0	358.6	360.8	367.0	365.9	415.3	15.8	13.5
PAT Margin (%)	19.2	18.7	17.2	19.6	20.9	21.6	20.0	21.1	22.0	22.3	22.9	21.0	23.6	167bps	258.7

Source: Company, ICICI Direct Research

Exhibit 3: PE Band



Source: Company, ICICI Direct Research

Exhibit 1: Top Brands and Therapies – MAT in ₹ crore

Brand	Therapy	MAT SEP'22	MAT SEP'23	MAT SEP'24	MAT SEP'25	CAGR 22-25	YoY
MIXTARD	ANTI DIABETIC	845.5	879.2	828.3	745.0	-4.1%	-10.1%
THYRONORM	HORMONES	506.7	601.0	635.6	716.1	12.2%	12.7%
UDILIV	GASTRO INTESTINAL	419.5	494.3	616.4	712.1	19.3%	15.5%
RYZODEG	ANTI DIABETIC	374.4	497.0	589.2	666.2	21.2%	13.1%
RYBELSUS	ANTI DIABETIC	55.6	213.1	342.6	485.3	105.9%	41.7%
DUPHASTON	GYNAECOLOGICAL	355.8	376.2	383.7	390.5	3.2%	1.8%
NOVOMIX	ANTI DIABETIC	450.8	421.8	369.1	361.0	-7.1%	-2.2%
DUPHALAC	GASTRO INTESTINAL	255.9	303.9	328.7	387.2	14.8%	17.8%
CREMAFFIN PLUS	GASTRO INTESTINAL	199.7	220.5	287.7	342.1	19.7%	18.9%
INFLUVAC	VACCINE	205.2	232.2	257.1	343.5	18.7%	33.6%
Top 10 brands		3669.1	4239.2	4638.4	5149.0	12.0%	11.0%

Source: Company, ICICI Direct Research

Financial Tables

Exhibit 4: Profit and loss statement

₹ crore

Year-end March	FY24	FY25	FY26E	FY27E
Total Operating Income	5,848.9	6,409.2	7,036.3	7,810.2
Growth (%)	9.3	9.6	9.8	11.0
Raw Material Expenses	3,220.6	3,496.8	3,755.6	4,061.3
Gross Profit	2,628.3	2,912.4	3,280.7	3,748.9
Gross Profit Margins (%)	44.9	45.4	46.6	48.0
Employee Expenses	576.6	587.5	647.3	718.6
Other Expenditure	598.6	630.2	731.3	859.1
Total Operating Expenditure	4,395.8	4,714.6	5,134.2	5,639.0
EBITDA	1,453.1	1,694.6	1,902.1	2,171.2
Growth (%)	20.5	16.6	12.2	14.2
Interest	12.5	11.4	19.6	19.6
Depreciation	71.2	71.8	75.4	81.1
Other Income	248.3	275.6	283.7	312.4
PBT before Exceptional Item	1,617.8	1,887.0	2,090.9	2,383.0
Less: Exceptional Items	0.0	0.0	0.0	0.0
PBT after Exceptional Items	1,617.8	1,887.0	2,090.9	2,383.0
Total Tax	416.5	472.5	509.7	600.5
PAT before MI	1,201.2	1,414.4	1,581.2	1,782.5
PAT	1,201.2	1,414.4	1,581.2	1,782.5
Growth (%)	26.5	17.8	11.8	12.7
EPS (Adjusted)	565.3	665.6	744.1	838.8
Other income as % of (Cash+inv)	85%	49%	48%	31%

Source: Company, ICICI Direct Research

Exhibit 6: Balance Sheet

₹ crore

Year-end March	FY24	FY25	FY26E	FY27E
Equity Capital	21.3	21.3	21.3	21.3
Reserve and Surplus	3,677.6	4,211.9	3,989.7	4,524.4
Total Shareholders funds	3,698.9	4,233.2	4,010.9	4,545.6
Total Debt	0.0	0.0	0.0	0.0
Deferred Tax Liability	0.0	0.0	0.0	0.0
Long-Term Provisions	115.1	119.2	125.1	137.6
Lease Liability	36.8	157.8	144.1	129.7
Source of Funds	3,850.8	4,510.1	4,280.1	4,813.0
Gross Block - Fixed Assets	562.6	745.5	798.7	858.7
Accumulated Depreciation	337.7	409.5	484.9	565.9
Net Block	224.9	336.0	313.8	292.8
Capital WIP	10.1	18.1	23.3	23.3
Fixed Assets	235.1	354.1	337.1	316.1
Investments	0.0	0.0	0.0	0.0
Other Non Current Assets	1,712.6	821.7	1,484.7	1,633.2
Inventory	619.6	882.0	937.9	1,024.4
Debtors	319.1	380.2	507.3	463.4
Loans and Advances	0.0	0.0	0.0	0.0
Other Current Assets	2,015.4	2,918.7	1,836.3	2,020.0
Cash	291.7	560.6	591.1	996.2
Total Current Assets	3,245.8	4,741.6	3,872.6	4,503.9
Creditors	1,002.7	1,057.9	1,040.1	1,228.6
Provisions	136.8	168.0	166.2	182.8
Other Current Liabilities	203.3	181.3	208.0	228.8
Total Current Liabilities	1,342.7	1,407.2	1,414.3	1,640.3
Net Current Assets	1,903.1	3,334.4	2,458.3	2,863.7
Application of Funds	3,850.8	4,510.1	4,280.1	4,813.0

Source: Company, ICICI Direct Research

Exhibit 5: Cash flow statement

₹ crore

Year-end March	FY24	FY25	FY26E	FY27E
Profit/(Loss) after taxation	1,213.3	1,439.9	1,581.2	1,782.5
Add: Depreciation & Amortization	71.2	71.8	75.4	81.1
Net Increase in Current Assets	18.7	-310.6	899.5	-226.3
Net Increase in Current Liabilities	110.6	47.2	7.1	225.9
Others	-201.0	-236.5	0.0	0.0
CF from Operating activities	1,212.8	1,011.8	2,582.8	1,882.8
(Purchase)/Sale of Fixed Assets	-48.1	-52.1	-58.5	-60.0
Investments	-511.5	108.8	0.0	0.0
Others	143.6	125.4	0.0	0.0
CF from Investing activities	-416.0	182.2	-729.3	-210.4
(inc)/Dec in Loan	0.0	0.0	0.0	0.0
Dividend & Dividend tax	-690.6	-871.2	-1,106.8	-1,247.8
Other	-54.1	0.0	0.0	0.0
CF from Financing activities	-744.7	-925.2	-1,126.4	-1,267.3
Net Cash Flow	52.1	268.8	30.5	405.1
Cash and Cash Equivalent	239.7	291.8	560.5	591.1
Cash	291.8	560.5	591.1	996.2
Free Cash Flow	1,164.7	959.7	2,524.3	1,822.8

Source: Company, ICICI Direct Research

Exhibit 7: Key ratios

Year-end March	FY24	FY25	FY26E	FY27E
Per share data (₹)				
Reported EPS	565.3	665.6	744.1	838.8
Cash EPS	188.8	233.5	258.7	289.8
BV per share	1,740.7	1,992.1	1,887.5	2,139.1
Cash per Share	137.3	263.8	278.2	468.8
Dividend per share	410.0	465.9	520.9	587.2
Operating Ratios (%)				
Gross Profit Margins	44.9	45.4	46.6	48.0
EBITDA margins	24.8	26.4	27.0	27.8
PAT Margins	20.5	22.1	22.5	22.8
Cash Conversion Cycle	-23.5	3.3	16.4	3.3
Asset Turnover	10.4	8.6	8.8	9.1
EBITDA conversion Rate	83.5	59.7	135.8	86.7
Return Ratios (%)				
RoE	32.5	33.4	39.4	39.2
RoCE	42.5	42.2	49.5	50.1
RoIC	39.1	41.4	50.1	55.4
Valuation Ratios (x)				
P/E	50.9	43.2	38.7	34.3
EV / EBITDA	41.9	35.8	31.8	27.7
EV / Net Sales	10.4	9.5	8.6	7.7
Market Cap / Sales	10.5	9.5	8.7	7.8
Price to Book Value	16.5	14.4	15.3	13.5
Solvency Ratios				
Debt / EBITDA	0.0	0.0	0.0	0.0
Debt / Equity	0.0	0.0	0.0	0.0
Current Ratio	2.2	3.0	2.3	2.1
Quick Ratio	1.7	2.3	1.7	1.5
Inventory days	70.2	92.1	91.1	92.1
Debtor days	19.9	21.7	26.3	21.7
Creditor days	113.6	110.4	101.1	110.4

Source: Company, ICICI Direct Research

ANALYST CERTIFICATION

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