Abbott India (ABBIND)

CMP: ₹27650 | Target ₹ 32210 (+16%) | Target Period: 12 months | **BUY**

August 13, 2026

Upbeat power brands performance to overcome Novo-led fluctuations …

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.

Result Performance & Investment Rationale:

- **Q1FY27 – Dent in Novo products dent revenues; Margins stood strong**: Revenues grew 4.3% YoY to ₹ 1813.7 crore (on base growth of 12%). As per IQVIA, some of the power brands such as Thyronorm (Hormonal), Cremaffin Plus (GI) and Ryzodeg (Insulin) showed a decent growth while growth of Duphalac (GI), Udiliv (GI), moderated. Marketed brands of Novo Nordisk such as Rybelsus (Semaglutide oral), Human Mixtard (Insulin) and Novomix (Anti-Diabetic) registered de-growth during the quarter. EBITDA grew ~17% YoY to ₹ 522.3 crore with EBITDA margins expanding ~318 bps YoY to 28.8%. PAT grew 17.1% YoY to ~₹ 428.5 crore.
- **Calibrated approach to target market linked growth** - Given the IQVIA growth of ~12% for June quarter, the reported growth was a negative surprise even after considering some extrapolating differences in IQVIA compilation. We believe some differences may be with regards to timing of recognition. The company is recalibrating its portfolio with an optical adjustment in slow moving Novo brands and inducting the recently launched GLP 1 portfolio such as Wegovy. The company continues to focus on emerging therapeutic areas with significant unmet needs and is evolving its go-to-market approach to reflect changing healthcare delivery models and strengthening its presence across institutional channels, corporate hospitals, and specialty networks, supported by targeted capability building and more precise, market specific execution. Legacy power brands such as Thyronorm and Cremaffin continue to do well. Except Mixtard and Novomix most of the power brands are consistently delivering 10-12% growth (as per IQVIA). As there is no quarterly concalls, we keep relying on IQVIA data. 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 a relative performance consistency (this quarter could be an aberration). Going forward company aspires to sustain market aligned growth while continuing to strengthen profitability and operating efficiency

Rating and Target Price:

- Our target price is ₹ 32210 based on 36x FY28E EPS of ₹ 894.6. Premium valuation is justifiable given the company's brand stickiness and launch momentum.

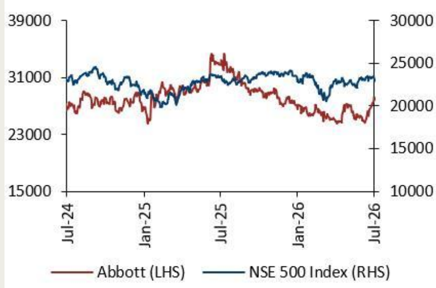
Particulars

Particular	Amount
Market Capitalisation	₹ 58756 crore
Debt (FY26)	₹ 0 crore
Cash (FY26)	₹ 442 crore
EV	₹ 58314 crore
52-week H/L	33850 / 25150
Equity capital	₹ 21 crore
Face value	₹ 10

Shareholding pattern

	Sep-25	Dec-25	Mar-26	Jun-26
Promoter	75.0	75.0	75.0	75.0
FII	0.2	0.2	0.3	0.4
DII	9.1	9.0	8.9	8.8
Others	15.7	15.8	15.8	15.9

Price Chart



Key risks

(i)Increasing generic competition in some power brands

(ii)Lumpiness in distribution margins

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Result Update

ICICI Securities – Retail Equity Research

Key Financial Summary

Key Financials (₹ Crore)	FY23	FY24	FY25	FY26	3-year CAGR (FY23-26)	FY27E	FY28E	2-year CAGR (FY26-28E)
Revenues	5349.1	5848.9	6409.2	6929.1	9.0	7488.3	8237.1	9.0
EBITDA	1206.0	1453.1	1694.6	1892.1	16.2	2064.5	2313.8	10.6
EBITDA margins (%)	22.5	24.8	26.4	27.3		27.6	28.1	
Net Profit	949.4	1201.2	1414.4	1552.0	17.8	1701.2	1901.0	10.7
EPS (₹)	446.8	565.3	665.6	730.4		800.6	894.6	
PE (x)	61.9	48.9	41.5	37.9		34.5	30.9	
RoCE (%)	38.7	42.5	42.2	42.1		39.3	37.7	
ROE	29.8	32.5	33.4	32.5		30.2	28.9	

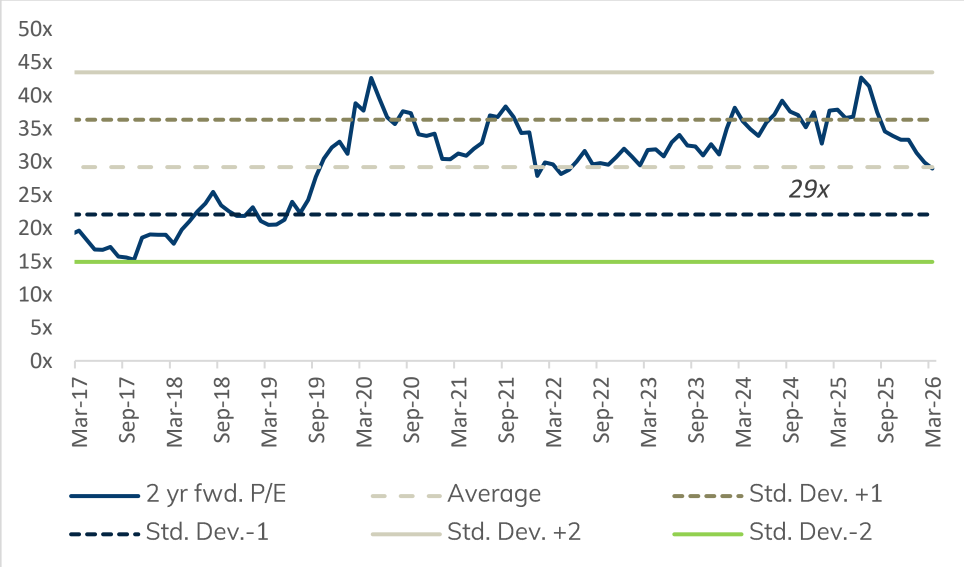
Source: Company, ICICI Direct Research

Exhibit 1: Quarterly Summary (₹ crore)

(₹ crore)	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	YoY (%)	QoQ (%)
Total Operating Income	1438.6	1557.6	1632.7	1614.3	1604.6	1738.4	1757.2	1724.0	1709.5	1813.7	4.3	6.1
Raw Material expenses	805.9	846.4	901.8	892.7	856.0	942.1	936.9	908.8	905.0	931.6	-1.1	2.9
% of Revenue	56.0	54.3	55.2	55.3	53.3	54.2	53.3	52.7	52.9	51.4	-283bps	-157.7
Gross Profit	632.7	711.3	730.9	721.6	748.6	796.2	820.3	815.2	804.5	882.1	10.8	9.6
Gross Profit Margin (%)	44.0	45.7	44.8	44.7	46.7	45.8	46.7	47.3	47.1	48.6	283bps	157.7
Employee Expenses	145.2	161.1	147.4	134.7	144.4	168.0	159.0	196.1	145.8	175.2	4.3	20.2
% of Revenue	10.1	10.3	9.0	8.3	9.0	9.7	9.0	11.4	8.5	9.7	0bps	113.6
Other Expenditure	158.0	159.2	144.6	150.8	175.7	182.6	159.2	155.7	177.9	184.4	0.9	3.6
% of Revenue	11.0	10.2	8.9	9.3	10.9	10.5	9.1	9.0	10.4	10.2	-34bps	-24.0
Total Expenditure	1109.1	1166.6	1193.7	1178.2	1176.1	1292.8	1255.0	1260.6	1228.7	1291.2	-0.1	5.1
% of Revenue	77.1	74.9	73.1	73.0	73.3	74.4	71.4	73.1	71.9	71.2	-318bps	-68.1
EBITDA	329.5	391.0	439.0	436.1	428.5	445.6	502.2	463.5	480.9	522.5	17.3	8.7
EBITDA Margin (%)	22.9	25.1	26.9	27.0	26.7	25.6	28.6	26.9	28.1	28.8	318bps	68.1
Other income	81.2	67.3	60.5	71.8	76.0	72.8	70.0	69.8	75.6	75.4	3.5	-0.3
Depreciation	18.2	18.4	17.5	18.0	17.9	19.5	18.6	18.8	19.1	19.8	1.4	3.6
Interest	2.8	2.8	2.5	2.3	3.9	5.8	7.6	5.5	6.1	5.9	1.5	-3.7
PBT	389.7	437.2	479.4	487.6	482.7	493.1	545.9	509.0	531.2	572.2	16.0	7.7
Total Tax	102.6	109.2	120.8	126.8	115.7	127.3	130.7	133.0	136.3	143.7	12.9	5.4
Tax rate (%)	26.3	25.0	25.2	26.0	24.0	25.8	23.9	26.1	25.7	25.1	-70bps	-54.6
PAT	287.1	328.0	358.6	360.8	367.0	365.9	415.3	376.0	394.9	428.5	17.1	8.5
PAT Margin (%)	20.0	21.1	22.0	22.3	22.9	21.0	23.6	21.8	23.1	23.6	258bps	52.5

Source: Company, ICICI Direct Research

Exhibit 2: 2 years forward P/E Band



Source: Company, ICICI Direct Research

Exhibit 3: Power Brand performance as per IQVIA MAT Data in ₹ crore

Brand	Therapy	MAT JUL'23	MAT JUL'24	MAT JUL'25	MAT JUL'26	CAGR 23-26	YoY
THYRONORM	HORMONES	**591.2**	**627.9**	**701.3**	**790.6**	10.2%	12.7%
UDILIV	GASTRO INTESTINAL	**480.5**	**600.4**	**696.5**	**758.8**	16.5%	8.9%
RYZODEG	ANTI DIABETIC	**483.6**	**567.1**	**655.7**	**738.2**	15.1%	12.6%
MIXTARD	ANTI DIABETIC	**878.6**	**836.8**	**766.8**	**533.0**	-15.3%	-30.5%
CREMAFFIN PLUS	GASTRO INTESTINAL	**247.7**	**338.0**	**357.0**	**427.8**	20.0%	19.8%
DUPHASTON	GYNAECOLOGICAL	**367.6**	**392.5**	**387.8**	**420.7**	4.6%	8.5%
DUPHALAC	GASTRO INTESTINAL	**299.3**	**317.7**	**386.9**	**410.0**	11.1%	6.0%
INFLUVAC	VACCINE	**223.9**	**242.1**	**325.1**	**407.0**	22.0%	25.2%
RYBELSUS	ANTI DIABETIC	**186.2**	**320.0**	**474.8**	**400.1**	29.0%	-15.7%
VERTIN	NEURO / CNS	**289.9**	**294.1**	**317.8**	**376.0**	9.1%	18.3%
Top 10 brands		4048.5	4536.6	5069.7	5262.3	9.1%	3.8%
% of IQVIA sales		30.8%	32.0%	32.9%	31.3%		
IQVIA Sales		13151.9	14166.2	15397.6	16819.5		

Source: Company, ICICI Direct Research

Financial summary

Exhibit 4: Profit and loss statement ₹ crore

(₹Crore)	FY25	FY26	FY27E	FY28E
Total Oper. Income	**6,409.2**	**6,929.1**	**7,488.3**	**8,237.1**
Growth (%)	9.6	8.1	8.1	10.0
Raw Material Expenses	3,496.8	3,692.8	3,939.1	4,344.9
Gross Profit	2,912.4	3,236.2	3,549.2	3,892.2
Gross Profit Margins (%)	45.4	46.7	47.4	47.3
Employee Expenses	587.5	668.8	723.5	795.9
Other Expenditure	630.2	675.3	761.1	782.5
Total Operating Expenditure	4,714.6	5,037.0	5,423.8	5,923.3
EBITDA	**1,694.6**	**1,892.1**	**2,064.5**	**2,313.8**
Growth (%)	16.6	11.7	9.1	12.1
Interest	11.4	25.0	25.1	25.1
Depreciation	71.8	76.0	79.0	83.6
Other Income	275.6	288.1	311.2	329.5
PBT before Exce. Items	1,887.0	2,079.3	2,271.6	2,534.7
Less: Exceptional Items	0.0	0.0	0.0	0.0
PBT after Exceptional Items	1,887.0	2,079.3	2,271.6	2,534.7
Total Tax	472.5	527.3	570.4	633.7
PAT before MI	1,414.4	1,552.0	1,701.2	1,901.0
PAT	**1,414.4**	**1,552.0**	**1,701.2**	**1,901.0**
Growth (%)	17.8	9.7	9.6	11.7
EPS (Adjusted)	**665.6**	**730.4**	**800.6**	**894.6**

Source: Company, ICICI Direct Research

Exhibit 5: Cash flow statement ₹ crore

(₹Crore)	FY25	FY26	FY27E	FY28E
Profit/(Loss) after taxation	1,439.9	1,539.6	1,701.2	1,901.0
Add: Depreciation & Amortization	71.8	76.0	79.0	83.6
Net Increase in Current Assets	-310.6	-123.8	-294.3	-365.3
Net Increase in Current Liabilities	47.2	53.3	110.8	162.3
Others	-236.5	-250.8	0.0	0.0
CF from Operating activities	**1,011.8**	**1,319.2**	**1,621.7**	**1,806.6**
(Purchase)/Sale of Fixed Assets	-52.1	-12.3	-50.0	-50.0
Investments	108.8	-743.6	0.0	0.0
Others	125.4	-250.8	0.0	0.0
CF from Investing activities	**182.2**	**-371.4**	**-291.1**	**-312.5**
(inc)/Dec in Loan	0.0	0.0	0.0	0.0
Dividend & Dividend tax	-871.2	-1,009.3	-850.6	-950.5
Other	0.0	0.0	0.0	0.0
CF from Financing activities	**-925.2**	**-1,066.1**	**-875.7**	**-975.6**
Net Cash Flow	**268.8**	**-118.3**	**455.0**	**518.6**
Cash and Cash Equivalent	291.8	560.5	442.3	897.3
Cash	560.5	442.3	897.3	1,415.9
Free Cash Flow	**959.7**	**1,306.9**	**1,571.7**	**1,756.6**

Source: Company, ICICI Direct Research

Exhibit 6: Balance sheet ₹ crore

(₹ Crore)	FY25	FY26	FY27E	FY28E
Equity Capital	21.3	21.3	21.3	21.3
Reserve and Surplus	4,211.9	4,752.9	5,603.5	6,554.0
Total Shareholders funds	4,233.2	4,774.2	5,624.8	6,575.3
Total Debt	0.0	0.0	0.0	0.0
Deferred Tax Liability	0.0	0.0	0.0	0.0
Long-Term Provisions	119.2	117.5	129.3	142.2
Lease Liability	157.8	133.7	120.3	108.3
Source of Funds	**4,510.1**	**5,025.4**	**5,874.3**	**6,825.7**
Gross Block	745.5	816.8	866.8	916.8
Accumulated Depreciation	409.5	485.4	564.4	648.0
Net Block	336.0	331.3	302.3	268.8
Capital WIP	18.1	5.5	5.5	5.5
Fixed Assets	354.1	336.8	307.8	274.3
Investments	0.0	0.0	0.0	0.0
Other Non Cur. Assets	821.7	2,394.4	2,633.9	2,897.2
Inventory	882.0	947.3	1,010.4	1,114.5
Debtors	380.2	361.7	390.9	430.0
Loans and Advances	0.0	0.0	0.0	0.0
Other Current Assets	2,918.7	2,019.4	2,221.3	2,443.4
Cash	560.6	442.3	897.3	1,415.9
Total Current Assets	4,741.6	3,770.7	4,520.0	5,403.8
Creditors	1,057.9	1,106.9	1,180.8	1,302.4
Provisions	168.0	200.9	220.9	243.0
Other Current Liabilities	181.3	168.8	185.7	204.2
Total Current Liabilities	1,407.2	1,476.6	1,587.4	1,749.7
Net Current Assets	3,334.4	2,294.1	2,932.6	3,654.2
Application of Funds	**4,510.1**	**5,025.4**	**5,874.3**	**6,825.7**

Source: Company, ICICI Direct Research

Exhibit 7: Key ratios

(Year-end March)	FY25	FY26	FY27E	FY28E
Per share data (₹)				
Reported EPS	665.6	730.4	800.6	894.6
Cash EPS	286.7	291.4	437.5	486.6
BV per share	1,992.1	2,246.7	2,647.0	3,094.2
Cash per Share	263.8	208.2	422.3	666.3
Dividend per share	412.7	474.7	400.3	447.3
Operating Ratios (%)				
Gross Profit Margins	45.4	46.7	47.4	47.3
EBITDA margins	26.4	27.3	27.6	28.1
PAT Margins	22.1	22.4	22.7	23.1
Cash Conversion Cycle	3.3	3.3	3.3	3.3
Asset Turnover	8.6	8.5	8.6	9.0
EBITDA conversion Rate	59.7	69.7	78.6	78.1
Return Ratios (%)				
RoE	33.4	32.5	30.2	28.9
RoCE	42.2	42.1	39.3	37.7
RoIC	41.4	39.9	40.2	41.5
Valuation Ratios (x)				
P/E	41.5	37.9	34.5	30.9
EV / EBITDA	34.3	30.8	28.0	24.8
EV / Net Sales	9.1	8.4	7.7	7.0
Market Cap / Sales	9.2	8.5	7.8	7.1
Price to Book Value	13.9	12.3	10.4	8.9
Solvency Ratios				
Debt / EBITDA	0.0	0.0	0.0	0.0
Debt / Equity	0.0	0.0	0.0	0.0
Current Ratio	3.0	2.3	2.3	2.3
Quick Ratio	2.3	1.6	1.6	1.6
Inventory days	92	94	94	94
Debtor days	22	19	19	19
Creditor days	110	109	109	109

Source: Company, ICICI Direct Research

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Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%

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