Abbott India (ABBIND)

CMP: ₹26520 | Target ₹ 32810 (+24%) | Target Period: 12 months | BUY

November 11, 2026

Ex-Novo power brands continue to deliver...

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:

- **Q2FY27 – Steady growth driven by legacy and new power brands; Margins firm:** Abbott Q2FY27 revenues grew 11% YoY to ₹ 1951 crore. As per IQVIA, some of the power brands such as Udiliv (GI), Ryzodeg (Insulin), Influvac (vaccine), Cremaffin Plus (GI) showed a decent growth while growth of Thyronorm (Hormonal) moderated and marketed brand of Novo Nordisk Rybelsus (Semaglutide); and other brands such as Mixtard (Insulin) and Novomix (Anti-Diabetic) registered de-growth during the quarter. EBITDA grew ~13% YoY to ₹ 568 crore with EBITDA margins expanding ~53 bps YoY to 29.1%. PAT grew 9% YoY to ~₹ 453.5 crore.
- **Calibrated approach to target market linked growth -** Given the IQVIA growth of ~12% for September quarter, the reported growth was in line with the IQVIA compilation. 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. The legacy and new power brands are consistently delivering 12-15% growth (as per IQVIA). Our analysis of IQVIA data suggests that excluding Mixtard (gradual discontinuation) and Rybelsus (replaced by new Semaglutide brands), the top 10 brands CAGR (MAT Sep 23-26) and MAT Sep 26 YoY growth could have been ~13% and ~14% respectively as against the reported numbers of ~9% and 4% in Exhibit III. 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 (save for quarterly gyrations). Going forward, the company aspires to sustain market aligned growth while continuing to strengthen profitability and operating efficiency.

Rating and Target Price:

- Our target price is ₹ 32810 based on 36x FY28E EPS of ₹ 911.3. Premium valuation is justifiable given the company's brand stickiness and launch momentum.

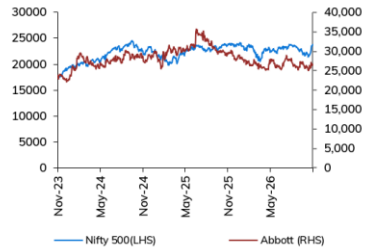
Particulars

Particular	Amount
Market Capitalisation	₹ 58756 crore
Debt (FY26)	₹ 0 crore
Cash (FY26)	₹ 442 crore
EV	₹ 58314 crore
52-week H/L	30655 / 24650
Equity capital	₹ 21 crore
Face value	₹ 10

Shareholding pattern

(in %)	Dec-25	Mar-26	Jun-26	Sep-26
Promoter	75.0	75.0	75.0	75.0
FII	0.2	0.3	0.4	0.4
DII	9.0	8.9	8.8	9.0
Others	15.8	15.8	15.9	15.6

Price Chart



Key risks

(i)Increasing generic competition in some power brands

(ii)Lumpiness in distribution margins

Research Analyst

Siddhant Khandekar
siddhant.khandekar@icicisecurities.com

Shubh Mehta
shubh.mehta@icicisecurities.com

Vedant Nilekar
vedant.nilekar@icicisecurities.com

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	7541.6	8295.8	9.4
EBITDA	1206.0	1453.1	1694.6	1892.1	16.2	2142.9	2356.3	11.6
EBITDA margins (%)	22.5	24.8	26.4	27.3		28.4	28.4	
Net Profit	949.4	1201.2	1414.4	1552.0	17.8	1724.1	1936.4	11.7
EPS (₹)	446.8	565.3	665.6	730.4		811.3	911.3	
PE (x)	59.4	46.9	39.8	36.3		32.7	29.1	
RoCE (%)	38.7	42.5	42.2	42.1		52.3	47.9	
ROE	29.8	32.5	33.4	32.5		40.4	37.0	

Source: Company, ICICI Direct Research

Exhibit 1: Quarterly Summary (₹ crore)

(₹ crore)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	Q2FY27	YoY (%)	QoQ (%)
Total Operating Income	1557.6	1632.7	1614.3	1604.6	1738.4	1757.2	1724.0	1709.5	1813.7	1951.0	11.0	7.6
Raw Material expenses	846.4	901.8	892.7	856.0	942.1	936.9	908.8	905.0	931.6	1009.9	7.8	8.4
% of Revenue	54.3	55.2	55.3	53.3	54.2	53.3	52.7	52.9	51.4	51.8	-155bps	39.9
Gross Profit	711.3	730.9	721.6	748.6	796.2	820.3	815.2	804.5	882.1	941.1	14.7	6.7
Gross Profit Margin (%)	45.7	44.8	44.7	46.7	45.8	46.7	47.3	47.1	48.6	48.2	155bps	-39.9
Employee Expenses	161.1	147.4	134.7	144.4	168.0	159.0	196.1	145.8	175.2	180.4	13.5	2.9
% of Revenue	10.3	9.0	8.3	9.0	9.7	9.0	11.4	8.5	9.7	9.2	20bps	-41.6
Other Expenditure	159.2	144.6	150.8	175.7	182.6	159.2	155.7	177.9	184.4	192.9	21.2	4.6
% of Revenue	10.2	8.9	9.3	10.9	10.5	9.1	9.0	10.4	10.2	9.9	83bps	-28.0
Total Expenditure	1166.6	1193.7	1178.2	1176.1	1292.8	1255.0	1260.6	1228.7	1291.2	1383.2	10.2	7.1
% of Revenue	74.9	73.1	73.0	73.3	74.4	71.4	73.1	71.9	71.2	70.9	-53bps	-29.7
EBITDA	391.0	439.0	436.1	428.5	445.6	502.2	463.5	480.9	522.5	567.9	13.1	8.7
EBITDA Margin (%)	25.1	26.9	27.0	26.7	25.6	28.6	26.9	28.1	28.8	29.1	53bps	29.7
Other income	67.3	60.5	71.8	76.0	72.8	70.0	69.8	75.6	75.4	68.1	-2.7	-9.7
Depreciation	18.4	17.5	18.0	17.9	19.5	18.6	18.8	19.1	19.8	19.5	4.6	-1.3
Interest	2.8	2.5	2.3	3.9	5.8	7.6	5.5	6.1	5.9	6.0	-21.2	0.7
PBT	437.2	479.4	487.6	482.7	493.1	545.9	509.0	531.2	572.2	610.5	11.8	6.7
Total Tax	109.2	120.8	126.8	115.7	127.3	130.7	133.0	136.3	143.7	157.0	20.2	9.3
Tax rate (%)	25.0	25.2	26.0	24.0	25.8	23.9	26.1	25.7	25.1	25.7	179bps	61.0
PAT	328.0	358.6	360.8	367.0	365.9	415.3	376.0	394.9	428.5	453.5	9.2	5.8
PAT Margin (%)	21.1	22.0	22.3	22.9	21.0	23.6	21.8	23.1	23.6	23.2	-39bps	-38.5

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 SEP'23	MAT SEP'24	MAT SEP'25	MAT SEP'26	CAGR 23-26	YoY
THYRONORM	HORMONES	601.0	635.6	716.1	798.0	9.9%	11.4%
UDILIV	GASTRO-INTESTINAL	494.3	616.4	712.1	771.8	16.0%	8.4%
RYZODEG	ANTI DIABETIC	497.0	589.2	666.2	747.6	14.6%	12.2%
MIXTARD	ANTI DIABETIC	879.2	828.3	745.0	492.0	-17.6%	-34.0%
INFLUVAC	VACCINE	232.2	257.1	343.5	457.7	25.4%	33.2%
CREMAFFIN PLUS	GASTRO-INTESTINAL	261.5	341.3	363.9	444.2	19.3%	22.1%
DUPHASTON	GYNAECOLOGICAL	376.2	383.7	390.5	428.0	4.4%	9.6%
DUPHALAC	GASTRO-INTESTINAL	303.9	328.7	387.2	417.4	11.2%	7.8%
VERTIN	NEURO / CNS	294.3	291.3	325.3	389.5	9.8%	19.7%
RYBELSUS	ANTI DIABETIC	213.1	342.6	485.3	372.2	20.4%	-23.3%
Top 10 brands		4152.7	4614.3	5135.2	5318.5	8.6%	3.6%
% of IQVIA sales		31.2%	32.1%	33.0%	31.0%		
IQVIA Sales		13303.1	14362.2	15563.4	17174.0		

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**	**7,541.6**	**8,295.8**
Growth (%)	9.6	8.1	8.8	10.0
Raw Material Expenses	3,496.8	3,692.8	3,943.3	4,376.0
Gross Profit	2,912.4	3,236.2	3,598.3	3,919.8
Gross Profit Margins (%)	45.4	46.7	47.7	47.3
Employee Expenses	587.5	668.8	704.9	775.4
Other Expenditure	630.2	675.3	750.5	788.1
Total Operating Expenditure	4,714.6	5,037.0	5,398.7	5,939.4
EBITDA	**1,694.6**	**1,892.1**	**2,142.9**	**2,356.3**
Growth (%)	16.6	11.7	13.3	10.0
Interest	11.4	25.0	23.5	23.5
Depreciation	71.8	76.0	78.2	82.7
Other Income	275.6	288.1	275.2	331.8
PBT before Exce. Items	1,887.0	2,079.3	2,316.4	2,581.9
Less: Exceptional Items	0.0	0.0	0.0	0.0
PBT after Exceptional Items	1,887.0	2,079.3	2,316.4	2,581.9
Total Tax	472.5	527.3	592.3	645.5
PAT before MI	1,414.4	1,552.0	1,724.1	1,936.4
PAT	**1,414.4**	**1,552.0**	**1,724.1**	**1,936.4**
Growth (%)	17.8	9.7	11.1	12.3
EPS (Adjusted)	**665.6**	**730.4**	**811.3**	**911.3**

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	1,724.1	1,936.4
Add: Depreciation & Amortization	71.8	76.0	78.2	82.7
Net Increase in Current Assets	-310.6	-123.8	244.7	-286.5
Net Increase in Current Liabilities	47.2	53.3	-54.3	331.7
Others	-236.5	-225.8	23.5	23.5
CF from Operating activities	**1,011.8**	**1,319.2**	**2,016.3**	**2,088.0**
(Purchase)/Sale of Fixed Assets	-52.1	-12.3	-53.4	-50.0
Investments	108.8	-743.6	0.0	0.0
Others	125.4	384.5	683.7	-168.7
CF from Investing activities	**182.2**	**-371.4**	**630.4**	**-218.7**
(inc)/Dec in Loan	0.0	0.0	0.0	0.0
Dividend & Dividend tax	-871.2	-1,009.3	-862.0	-968.2
Other	-54.0	-56.8	-23.5	-23.5
CF from Financing activities	**-925.2**	**-1,066.1**	**-885.5**	**-991.7**
Net Cash Flow	**268.8**	**-118.3**	**395.2**	**877.6**
Cash and Cash Equivalent	291.8	560.5	442.3	837.5
Cash	560.5	442.3	837.5	1,715.0
Free Cash Flow	**959.7**	**1,306.9**	**1,962.9**	**2,038.0**

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	4,249.0	5,217.2
Total Shareholders funds	4,233.2	4,774.2	4,270.2	5,238.4
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	118.6	130.5
Lease Liability	157.8	133.7	113.8	102.4
Source of Funds	**4,510.1**	**5,025.4**	**4,502.6**	**5,471.3**
Gross Block	745.5	816.8	863.9	913.9
Accumulated Depreciation	409.5	485.4	563.7	646.4
Net Block	336.0	331.3	300.2	267.5
Capital WIP	18.1	5.5	11.7	11.7
Fixed Assets	354.1	336.8	311.9	279.2
Investments	0.0	0.0	0.0	0.0
Other Non Cur. Assets	821.7	2,394.4	1,691.9	1,861.1
Inventory	882.0	947.3	962.8	1,122.5
Debtors	380.2	361.7	471.3	433.1
Loans and Advances	0.0	0.0	0.0	0.0
Other Current Assets	2,918.7	2,019.4	1,649.6	1,814.5
Cash	560.6	442.3	837.4	1,715.0
Total Current Assets	4,741.6	3,770.7	3,921.1	5,085.1
Creditors	1,057.9	1,106.9	1,020.2	1,311.7
Provisions	168.0	200.9	212.9	234.2
Other Current Liabilities	181.3	168.8	189.3	208.2
Total Current Liabilities	1,407.2	1,476.6	1,422.3	1,754.1
Net Current Assets	3,334.4	2,294.1	2,498.8	3,331.1
Application of Funds	**4,510.1**	**5,025.4**	**4,502.6**	**5,471.4**

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	811.3	911.3
Cash EPS	286.7	291.4	442.5	494.6
BV per share	1,992.1	2,246.7	2,009.5	2,465.1
Cash per Share	263.8	208.2	394.1	807.1
Dividend per share	412.7	474.7	405.7	455.6
Operating Ratios (%)				
Gross Profit Margins	45.4	46.7	47.7	47.3
EBITDA margins	26.4	27.3	28.4	28.4
PAT Margins	22.1	22.4	22.9	23.3
Cash Conversion Cycle	3.3	3.3	17.5	3.3
Asset Turnover	8.6	8.5	8.7	9.1
EBITDA conversion Rate	59.7	69.7	94.1	88.6
Return Ratios (%)				
RoE	33.4	32.5	40.4	37.0
RoCE	42.2	42.1	52.3	47.9
RoIC	41.4	39.9	56.9	61.2
Valuation Ratios (x)				
P/E	39.8	36.3	32.7	29.1
EV / EBITDA	32.9	29.6	25.9	23.2
EV / Net Sales	8.7	8.1	7.4	6.6
Market Cap / Sales	8.8	8.1	7.5	6.8
Price to Book Value	13.3	11.8	13.2	10.8
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	2.2	1.9
Quick Ratio	2.3	1.6	1.5	1.3
Inventory days	92	94	89	94
Debtor days	22	19	23	19
Creditor days	110	109	94	109

Source: Company, ICICI Direct Research

RATING RATIONALE

ICICI Direct endeavours to provide objective opinions and recommendations. ICICI Direct assigns ratings to its stocks according to their notional target price vs. current market price and then categorizes them as Buy, Hold, Reduce and Sell. The performance horizon is two years unless specified and the notional target price is defined as the analysts' valuation for a stock

Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%

Pankaj Pandey | Head – Research | pankaj.pandey@icicisecurities.com

ICICI Direct Research Desk,
ICICI Securities Limited,
Third Floor, Brillanto House,
Road No 13, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

ANALYST CERTIFICATION

I/We, Siddhant Khandekar, Inter CA; Shubh Mehta, MBA(Tech); Vedant Nilekar, MBA; Research Analyst, Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products.

ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager and Research Analyst. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: L67120MH1995PLC086241, Tel: (91 22) 6807 7100. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

Investments in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by Sebi and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk-free return to the investors.

Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal

Contact number: 022-40701000 E-mail Address: complianceofficer@icicisecurities.com

For any queries or grievances: Mr. Jeetu Jawrani Email address: headservicequality@icicidirect.com Contact Number: 18601231122

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icicidirect.com to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

ICICI Securities Limited has two independent equity research groups: Institutional Research and Retail Research. This report has been prepared by the Retail Research. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the Institutional Research.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities and ICICI Securities as a entity are engaged in various financial service businesses, they might have financial interests or actual/beneficial ownership of one percent or more or other material conflict of interest various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

ICICI Securities Limited has not used any Artificial Intelligence tools for preparation of this Research Report

SEBI Guidelines for Research Analyst (RA) requires all RAs to disclose terms and conditions pertaining to Research Services to all clients. Please go through the "Mandatory terms and conditions" and "Most Important Terms and Conditions".