MIRAE ASSET Sharekhan

Stock Update

Company Update

Abbott India Ltd

Steady business, outpacing Pharma peers

Pharmaceuticals	Sharekhan code: ABBOTINDIA

Reco/View: Buy	⇔	CMP: Rs. 30,948 (as on Sept 17, 2025)	Price Target: Rs. 34,470	↑

3R MATRIX

	+	=	-
Right Sector (RS)	✓		
Right Quality (RQ)	✓		
Right Valuation (RV)	✓		

\+ Positive = Neutral – Negative

What has changed in 3R MATRIX

	Old		New
RS		⇔	
RQ		⇔	
RV		⇔	

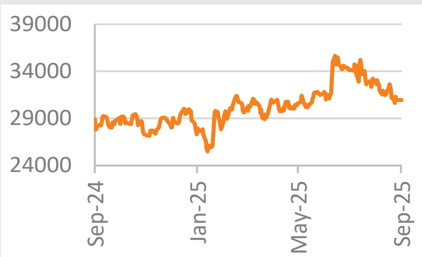
Company details

Market cap:	Rs. 65,762 cr
52-week high/low:	Rs. 3,5921/2,5260
NSE volume: (No of shares)	0.1 lakh
BSE code:	500488
NSE code:	ABBOTINDIA
Free float: (No of shares)	0.5 cr

Shareholding (%)

Promoters	75.0
FII	0.2
DII	9.2
Others	15.7

Price chart



Source: NSE India, Mirae Asset Sharekhan Research

Price performance

(%)	1m	3m	6m	12m
Absolute	-2.7	0.9	10.7	7.2
Relative to Sensex	-4.0	-4.4	2.8	7.7

Source: Mirae Asset Sharekhan Research, Bloomberg

Summary

- Abbott India, one of India's top pharma MNCs, leads across therapies and has over 20 brands with a revenue of Rs 100 crore and above.
- Marketing & distribution of Novo Nordisk's GLP – 1 in India is a near-term growth trigger.
- Legacy portfolio with strong brand recall helps maintain revenue growth while healthy product mix and lower input cost helped margins rise.
- Given the company's strong parentage, robust financials and strong track record, we value the stock at a five-year average one-year fwd P/E of 40.9x on FY27E EPS of Rs. 843 to arrive at a PT of Rs. 34,470.

Strong history of product launches: Abbott India has been steadily growing led by consistent launches of both - own and Novo Nordisk's products (marketing). Abbott India has launched over 100 products in India in the last 12 years and we expect the pipeline to stay strong. Powered by legacy brands and launch of new products/ distribution sales, we believe the company is well placed for consistent performance. Margins to remain by and large steady despite Novo's expected discontinuation of insulin brands in India as the same would be negated by the launch of Novo's GLP – 1 products in India.

Q1FY26 scorecard: Revenues stood at Rs. 1,738.5 crore, up 11.6% y-o-y. Owing to strong brands and marketing revenue , the company posted 11.5% growth on YoY basis in PAT at Rs. 365.86 crore. Historically, topline has grown steadily with margins improving in FY25 to historic highs led by lower raw material prices. We expect the business model to be fairly stable and expect revenue and PAT growth of 9% and 13% Over FY25-27E on account of EBITDA margin improvement of 170 bps to 32.4%. The company has delivered RoCe and RoNW of above 40% and 30% in the last 2 fiscals and we expect the trend to continue over FY25-FY27E.

Other portfolio launches/ agreements

- **Aug-25:** Launch of Next – gen Freestyle Libre (2) plus, a glucose monitoring system.
- **June 2025:** Strategic partnership with MSD Pharmaceuticals for distribution of oral anti-diabetic medicines Sitagliptin and its combinations across India. This extends Abbott's diabetes medicine portfolio and reach in the Indian market.
- **May 2025:** TactiFlex Sensor Enabled Ablation Catheter to treat abnormal heart rhythms, and offer more precision in treatment of cardiac procedures.
- **Jan 2025:** Launch of NavitorTM Vision, a Heart Valve Technology Designed to Treat Aortic Stenosis.

Our Call

Valuation – Maintain Buy with PT of Rs. 34,470– Stock has rallied ~80% in the last 3 years despite sector headwinds, particularly in the last year. In the last 1 year, the share price return stands at ~12%. The company boasts of strong parentage, steady financials and high brand recall in the Indian market. We expect the company to continue to outperform other MNC peers and retain the current valuations. The stock is currently trading at 1-year forward valuation of 43.8x and we value the stock at 5-year average valuation of 40.9x on FY27E EPS of 843, to arrive at a PT of Rs. 34,470.

Key Risks

Most of Abbott's products have a healthy market share and are growing at a strong pace. Substitution from cheaper generics such as Jan Aushadhi or trade generics can impact the overall profitability of the company and inclusion of key drugs in the NLEM portfolio.

Valuation (Consolidated) Rs cr

Particulars	FY2023	FY2024	FY2025	FY2026E	FY2027E
Net sales	5,348.7	5,848.9	6,409.2	7,018.0	7,663.7
Operating profit	1,205.6	1,453.1	1,694.6	1,919.4	2,176.5
OPM (%)	22.5	24.8	26.4	27.4	28.4
PAT	949.4	1,201.2	1,414.4	1,588.9	1,791.9
EPS	446.8	565.3	665.6	747.7	843.2
PE (x)	48.7	47.3	45.9	41.4	36.7
EV/Ebidta (x)	32.7	32.2	13.2	28.7	25.4
ROCE (%)	37.6	41.6	43.8	44.5	45.4
RONW (%)	29.8	32.5	34.5	35.0	35.5

Source: Company; Mirae Asset Sharekhan estimates

Outlook and Valuation

■ Sector Outlook – Input cost easing with companies focusing on complex product launches

Over the years, Indian pharmaceutical companies have established themselves as a dependable source for global peers. A confluence of other factors, including a focus on specialty/complex products in addition to emerging opportunities in the API space, would be key growth drivers in the long term. The sector is seeing a rise in input costs –of raw material, freight and power, which would help margins rise. The sector is also witnessing an easing of price erosion followed by increasing contribution from the product launches. We believe the sector is in sweet spot, where it is experiencing healthy product mix and cost rationalisation which increases operational profit of the companies. The sector is mainly a low-debt sector and increasing operational profit followed by experiencing advantage of low tax rate due to its operations in the SEZ sector, hence overall, we stay positive on the sector.

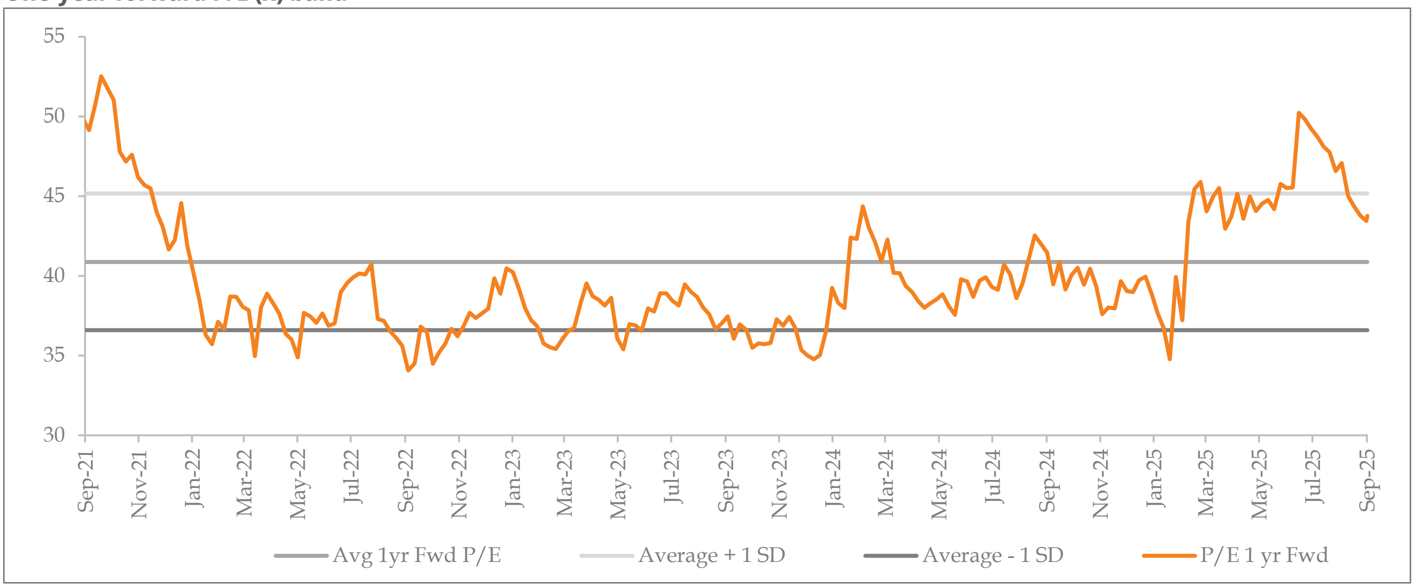
■ Company Outlook – Steady business and strong brand recall

Abbott is among India's top pharma MNCs. The company's power brands in the Indian markets command a leadership position in their respective segments. Pharma MNCs have established key brands that constitute more than half of their revenue (top 10 brands account for over 40% of overall sales). Strong distribution network in metro and tier-I cities and gradual expansion in tier-II and III cities coupled with a sturdy product pipeline would drive topline growth. In addition to sustained pricing and new product growth, volumes are also expected to pick-up, which bodes well for company. Lower exposure to regulated markets augurs well as it points to reduced compliance costs/hurdles.

■ Valuation – Maintain Buy with a revised PT of Rs. 34,470

Stock has rallied ~80% in the last 3 years despite sector headwinds, particularly in the last year. In the last 1 year, the share price return stands at ~12%. The company boasts of strong parentage, steady financials and high brand recall in the Indian market. We expect the company to continue to outperform other MNC peers and retain the current valuations. The stock is currently trading at 1-year forward valuation of 43.8x and we value the stock at 5 year average 1 year forward valuation of 40.9x on FY27E EPS of 843.2, to arrive at a PT of Rs. 34,470.

One-year forward P/E (x) band



Source: Company; Mirae Asset Sharekhan Research

About company

Abbott India Limited is part of Abbott's global pharmaceutical business in India and provides quality healthcare through a mix of global and local products for people in India. The company offers high-quality trusted medicines in multiple therapeutic categories such as women's health, gastroenterology, cardiology, metabolic disorders, and primary care. Abbott has strong expertise across product development, manufacturing, sales, and customer service and is dedicated to providing high-quality, reliable products with expert clinical support. Abbott's top brands include the likes of Thyronorm, Duphaston, Udiliv, and VertinDuphalac.

Investment theme

Abbot is an MNC pharma company with a focus on Indian markets. The company's power brands in Indian markets command a leadership position in their respective segments. MNC pharma companies such as Abbott have established strong key brands that form over 50-70% of their revenue. With a strong distribution network, primarily in metro and tier-1 cities, and gradual expansion into tier-II and III cities would punch up topline growth. Secondly, Abbott is relatively less exposed to the volatile U.S. pharma market; thus, there is ample visibility for revenue and earnings growth. Moreover, being less exposed to highly regulated markets, the costs of compliance/hurdles are insignificant; and this augurs well for Abbott.

Key Risks

Most of Abbott's products have a healthy market share and are growing at a strong pace. Substitution from cheaper generics such as Jan Aushadhi or trade generics can impact the overall profitability of the company and inclusion of key drugs in the NLEM portfolio.

Additional Data

Key management personnel

Name	Designation
Kartik Rajendran	Managing Director
Maithilee Mistry	Chief Financial Officer

Source: Company Website

Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	SBI Funds Management Ltd	2.68
2	Canara Robeco Asset Management Co	1.1
3	Nippon Life India Asset Management	0.84
4	Axis Asset Management Co Ltd/India	0.8
5	PGIM India Asset Management Pvt Lt	0.37
6	HDFC Life Insurance Co Ltd	0.28
7	HSBC Asset Management India Pvt Lt	0.27
8	Franklin Resources Inc	0.25
9	L&T Mutual Fund Trustee Ltd/India	0.21
10	Edelweiss Asset Management Ltd	0.18

Source: Bloomberg

Understanding the Mirae Asset Sharekhan 3R Matrix

Right Sector	
Positive	Strong industry fundamentals (favorable demand-supply scenario, consistent industry growth), increasing investments, higher entry barrier, and favorable government policies
Neutral	Stagnancy in the industry growth due to macro factors and lower incremental investments by Government/private companies
Negative	Unable to recover from low in the stable economic environment, adverse government policies affecting the business fundamentals and global challenges (currency headwinds and unfavorable policies implemented by global industrial institutions) and any significant increase in commodity prices affecting profitability.
Right Quality	
Positive	Sector leader, Strong management bandwidth, Strong financial track-record, Healthy Balance sheet/cash flows, differentiated product/service portfolio and Good corporate governance.
Neutral	Macro slowdown affecting near term growth profile, Untoward events such as natural calamities resulting in near term uncertainty, Company specific events such as factory shutdown, lack of positive triggers/events in near term, raw material price movement turning unfavourable
Negative	Weakening growth trend led by led by external/internal factors, reshuffling of key management personal, questionable corporate governance, high commodity prices/ weak realisation environment resulting in margin pressure and detoriating balance sheet
Right Valuation	
Positive	Strong earnings growth expectation and improving return ratios but valuations are trading at discount to industry leaders/historical average multiples, Expansion in valuation multiple due to expected outperformance amongst its peers and Industry up-cycle with conducive business environment.
Neutral	Trading at par to historical valuations and having limited scope of expansion in valuation multiples.
Negative	Trading at premium valuations but earnings outlook are weak; Emergence of roadblocks such as corporate governance issue, adverse government policies and bleak global macro environment etc warranting for lower than historical valuation multiple.

Source: Mirae Asset Sharekhan Research

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