

BUY

TP: Rs 40,128 | ▲ 16%

ABBOTT INDIA

| Pharmaceuticals

| 04 July 2025

Ascribing valuation in line with its peer GSK

- Novo's oral semaglutide Rybelsus is growing at a robust 173% CAGR over a 3Y period to Rs 4bn, as on MAT MAY'25
- Abbott's in-licensed Insulin sales as on MAT MAY'25 — Mixtard Rs 7.6bn, Ryzodeg Rs 6bn, Novomix Rs 3.6bn, Actrapid Rs 2.3bn
- Due to sustenance of healthy return ratio and margin increment, we ascribe a higher PE of 48x (earlier 43x) on FY27 EPS of Rs 836

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Novo Nordisk to market Wegovy independently: Novo Nordisk recently launched the global block buster drug Wegovy in Indian market. Wegovy is a weekly pen-based injectable launched in 5 strengths (0.25 mg, 0.5mg, 1mg, 1.75 mg, 2.4mg), ranging from Rs 4-6k per dose per week. It is launched in competition with Eli Lilly's Mounjaro that is launched in 2 strengths (2.5mg/5mg). Novo Nordisk's management has decided to market Wegovy independently without relying on partner to capitalise on the growing demand, until the market opens in March'26.

Penfill insulin phase-out to uplift margins: Abbott India (BOOT IN) distributes Novo's insulin portfolio in the Indian market. Novo Nordisk has decided to replace pen-based insulin with pen-based injectables to cater to the growing demand for GLP products. Novo Nordisk has also decided to distribute Wegovy on its launch. We estimate Novo's pen-based insulin portfolio sales worth Rs 15bn in FY25 with a single-digit margin. Phasing out of Mixtard and lack of Wegovy's distribution to aid in Abbott's core margin (~38-39%); which will likely reflect in the company level EBITDA margin. We expect Abbott's EBITDA margin to increase to ~32% in FY26E and ~34% in FY27E.

Industry-high productivity: Abbott's core portfolio productivity is the highest in the industry — at Rs 12.5mn per MR from 3,250 MRs. We expect further ramp-up in productivity through new product expansion, tapping more indicators, penetrating through newer geographies and price hikes. We expect core portfolio's productivity to increase to Rs 14.5mn by FY27E from 3500 MRs.

Our view: We believe BOOT is immune from the US tariff woes. In-licensed pen-based insulin portfolio going off the market and Novo Nordisk distributing Wegovy on its own — are the key events for BOOT that would aid in reporting the highest-ever EBITDA margin of above 30%. Abbott launches 8-10 new products every year, which results in incurring no major capex. Thus, the ROCE of 45% would be sustainable (highest in the industry). Due to the sustenance of healthy return ratio and margin increment, we ascribe a higher PE of 48x (earlier 43x) in line with its peer GSK on FY27 EPS of Rs 836, to arrive at TP of Rs 40,128 (earlier Rs 35,292).

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	BOOT IN/Rs 34,735
Market cap	US\$ 9.4bn
Free float	50%
3M ADV	US\$ 3.8mn
52wk high/low	Rs 37,000/Rs 25,325
Promoter/FPI/DII	0%/0%/0%

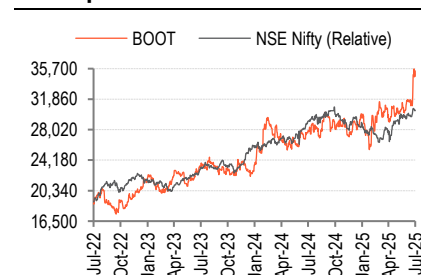
Source: NSE | Price as of 4 Jul 2025

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	63,211	60,779	66,804
EBITDA (Rs mn)	16,946	19,463	22,961
Adj. net profit (Rs mn)	14,144	15,245	17,765
Adj. EPS (Rs)	665.6	717.4	836.0
Consensus EPS (Rs)	665.6	717.4	836.0
Adj. ROAE (%)	35.7	33.9	35.1
Adj. P/E (x)	52.2	48.4	41.5
EV/EBITDA (x)	47.3	41.2	34.9
Adj. EPS growth (%)	17.8	7.8	16.5

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE



Fig 1 – Difference between two GLP products

Particulars	Wegovy	Mounjaro
Innovator	Novo Nordisk	Eli Lilly
Molecule	Semaglutide	Tirzepatide
Mechanism	GLP-1 receptor agonist	Dual GIP and GLP-1 receptor agonist
Effect	Reduces appetite, delays gastric emptying	Enhances insulin secretion, appetite suppression
Indication	Approved for weight loss	Approved for diabetes and obesity/ weight loss
Dosing	Once a week via Flexpen	Once a week via single-dose vials
Price	Rs 17,345– Rs 26,015 per month	Rs 14,000– Rs 17,500 per month

Source: BOBCAPS Research

Fig 2 – Abbott India's key products (Rs mn)

COMPANY	BRAND	MAT VAL MAY 21	MAT VAL MAY 22	MAT VAL MAY 23	MAT VAL MAY 24	MAT VAL MAY 25	FY21-25 CAGR (%)
ABBOTT INDIA LTD.	UDILIV	3610	4550	4920	5710	6370	15
ABBOTT INDIA LTD.	THYRONORM	3400	3780	4560	4830	5550	13
ABBOTT INDIA LTD.	VERTIN	3050	2980	3090	3320	3510	4
ABBOTT INDIA LTD.	DUPHALAC	1940	2580	2920	3030	3180	13
ABBOTT INDIA LTD.	DUPHASTON	2410	3200	2840	2760	2830	4

Source: BOBCAPS Research

Fig 3 – Novo Nordisk in-licensed product sales (Rs mn)

CORPORATE	COMPANY	BRAND	MAT VAL MAY 21	MAT VAL MAY 22	MAT VAL MAY 23	MAT VAL MAY 24	MAT VAL MAY 25	FY21-25 CAGR (%)
ABBOTT*	NOVO NORDISK INDIA PVT LTD	MIXTARD	8491.9	7838.4	7805.8	7596.4	7653.6	(3)
ABBOTT*	NOVO NORDISK INDIA PVT LTD	RYZODEG	2300.3	2722.5	3764.8	4581.6	5969.1	27
ABBOTT*	NOVO NORDISK INDIA PVT LTD	RYBELSUS	0.00	200.4	1346.1	3111.7	4081.3	173
ABBOTT*	NOVO NORDISK INDIA PVT LTD	NOVOMIX	4495.2	4074.1	3931.3	3690.1	3660.7	(5)
ABBOTT*	NOVO NORDISK INDIA PVT LTD	ACTRAPID	2113.8	1977.3	1986.0	1897.9	2315.6	2

Source: BOBCAPS Research

Fig 4 – Abbott's top 10 product sales (Rs mn)

Companies	BRAND	SUBGROUP NAME	SUPERGROUP	SUBGROUP TYPENAME	MATVALUE MAR 24	MATVALUE MAR 25	MATVALUE GR MAR 25
Novo Nordisk	MIXTARD	HUMAN PREMIX INSULIN	ANTI DIABETIC	CHRONIC	7598	7718	1.6
Abbott India	UDILIV	URSODEOXYCHOLIC ACID	GASTRO INTESTINAL	ACUTE	5610	6296	12.2
Novo Nordisk	RYZODEG	INSULIN DEGLUDEC + INSULIN ASPART	ANTI DIABETIC	CHRONIC	4481	5890	31.4
Abbott India	THYRONORM	LEVO-THYROXINE (SYNTHETIC)	HORMONES	CHRONIC	4730	5394	14.0
Novo Nordisk	RYBELSUS	SEMAGLUTIDE	ANTI DIABETIC	CHRONIC	2880	3971	37.9
Novo Nordisk	NOVOMIX	BIPHASIC ASPART	ANTI DIABETIC	CHRONIC	3832	3761	(1.9)
Abbott India	VERTIN	BETAHISTINE	NEURO / CNS	SUB CHRONIC	3314	3394	2.4
Abbott India	DUPHALAC	LACTULOSE	GASTRO INTESTINAL	ACUTE	2988	3138	5.0
Abbott India	DUPHASTON	DYDROGESTERONE	GYNAECOLOGICAL	SUB CHRONIC	2779	2828	1.8
Abbott Healthcare	STEMETIL	PROCHLORPERAZINE	GASTRO INTESTINAL	ACUTE	2369	2778	17.3

Source: BOBCAPS Research

Fig 5 – Abbott India products (Rs mn)

Companies	SUPER GROUP	SUBGROUP	BRAND	MAT VAL MAR 21	MAT VAL MAR 22	MAT VAL MAR 23	MAT VAL MAR 24	MAT VAL MAR 25	4 years CAGR (%)
Abbott India	GASTRO INTESTINAL	URSODEOXYCHOLIC ACID	UDILIV	3380	4480	4660	5620	6230	17
Abbott India	HORMONES	LEVO-THYROXINE (SYNTHETIC)	THYRONORM	3280	3710	4420	4720	5350	13
Abbott India	NEURO / CNS	BETAHISTINE	VERTIN	2790	3170	2950	3340	3370	5
Abbott India	GASTRO INTESTINAL	LACTULOSE	DUPHALAC	1800	2510	2900	2970	3130	15
Abbott India	GYNAECOLOGICAL	DYDROGESTERONE	DUPHASTON	2290	3050	2950	2800	2820	5
Abbott India	GASTRO INTESTINAL	LIQUID PARAFFIN + MILK OF MAGNESIA + SODIUM PICOSULPHATE	CREMAFFIN PLUS	1440	1760	1800	2000	2370	13
Abbott India	CARDIAC	ACENOCOUMAROL	ACITROM	1090	1400	1530	1680	1970	16
Abbott India	GASTRO INTESTINAL	ALUMINIUM + MAGNESIUM + SIMETHICONE	DIGENE	1120	1330	1290	1410	1680	10
Abbott India	CARDIAC	ENOXAPARIN	LMWX	720	1000	780	1220	1440	19
Abbott India	VITAMINS / MINERALS / NUTRIENTS	CHOLECALCIFEROL	ARACHITOL	520	7900	870	970	1380	28
Abbott India	ANTI-INFECTIVES	CEFTRIAZONE	FINECEF	490	680	730	1010	1090	22
Abbott India	VITAMINS / MINERALS / NUTRIENTS	LYSINE + METHYLCOBALAMIN + NIACIN + PYRIDOXINE	BETONIN AST	680	790	750	980	1040	11
Abbott India	NEURO / CNS	ZOLPIDEM	ZOLFRESH	730	880	950	920	970	7
Abbott India	RESPIRATORY	CHLORPHENIRAMINE + CODEINE	TOSSEX	460	660	600	830	960	20
Abbott India	NEURO / CNS	PHENYTOIN	EPTOIN	1040	1070	960	980	950	(2)
Abbott India	NEURO / CNS	CHLORDIAZEPOXIDE	LIBRIUM	320	510	650	790	900	30
Abbott India	VACCINES	INFLUENZA VACCINE	INFLUVAC TETRA	450	480	450	760	830	16
Abbott India	NEURO / CNS	DOSULEPIN	PROTHIADEN	710	800	750	850	810	3
Abbott India	CARDIAC	GLYCERYL TRINITRATE	GTN (PHC)	410	460	500	600	770	17
Abbott India	ANTI-INFECTIVES	AMOXICILLIN + CLAVULANIC ACID	AMOXYCLAV	100	190	430	610	720	63
Abbott India	HORMONES	TRIAMCINOLONE	KENACORT	00	00	00	00	470	NA
Abbott India	PAIN / ANALGESICS	PARACETAMOL	MALIDENS	270	230	250	340	450	14
Abbott India	ANTI-INFECTIVES	PENICILLIN G	PENTIDS	470	460	530	530	430	(2)
Abbott India	GYNAECOLOGICAL	ISOXSUPRINE	DUVADILAN	390	410	410	440	430	2
Abbott India	GYNAECOLOGICAL	ETHINYL ESTRADIOL + DESOGESTREL	NOVELON	300	340	340	350	360	5
Abbott India	PAIN / ANALGESICS	IBUPROFEN	BRUFEN	260	340	340	350	350	7
Abbott India	PAIN / ANALGESICS	GLUCOSAMINE + CHONDROITIN	REJOINT NEW	160	250	290	300	310	19
Abbott India	DERMA	SELENIUM SULPHIDE	SELSUN	380	260	200	210	310	(5)
Abbott India	GYNAECOLOGICAL	ESTRADIOL	ESTRABET	70	110	160	200	250	40
Abbott India	RESPIRATORY	SALINE PREPARATIONS	SOLSPRE	50	100	130	150	170	34
Abbott India	UROLOGY	SODIUM BICARBONATE + SODIUM CITRATE + CITRIC ACID + TARTARIC ACID	CITRO SODA	90	70	70	90	120	7
Abbott India	ANTI-NEOPLASTICS	DENOSUMAB	DENAXA	0	0	80	130	90	NA
Abbott India	BLOOD RELATED	FERROUS ASCORBATE + FOLIC ACID + VITAMIN B12 + OTHERS	SOLFE EXTRA	0	0	10	60	60	NA
Abbott India	GYNAECOLOGICAL	ESTRADIOL + DYDROGESTERONE	FEMOSTON	0	10	40	60	60	142
Abbott India	BLOOD RELATED	FERRIC CARBOXYMALTOSE COMPLEX	SOLFE FCM	0	0	0	20	40	NA
Abbott India	VACCINES	HEPATITIS A	HAV SHIELD	0	0	10	30	40	NA
Abbott India	VACCINES	TYPHOID AND PARATYPHOID	ENTEROSHIELD	40	50	40	60	30	(12)
Abbott India	BLOOD RELATED	DOXYLAMINE + VITAMIN B6	DOXSTEM ER	0	0	0	0	10	NA
Abbott India	VACCINES	JAPANESE ENCEPHALITIS VACCINE	JESHIELD	0	0	0	10	0	91
Abbott India	VACCINES	ROTAVIRUS	ROTASURE	20	20	20	20	0	(53)

Source: BOBCAPS Research00

Fig 6 – Abbott segment-wise contribution (Rs mn)

Particulars	MAT VAL MAR 21	MAT VAL MAR 22	YoY Growth (%)	MAT VAL MAR 23	YoY Growth (%)	MAT VAL MAR 24	YoY Growth (%)	MAT VAL MAR 25	YoY Growth (%)
Total OTC Sales	3220	3700	15	3620	(2)	3970	10	4700	18
OTC Contribution (%)	8	8		8		7		8	
Top 10 drugs contribution	22940	28420	24	29530	4	33670	14	37030	10
% contribution	60	60		61		60		61	
Top 20 drugs contribution	33280	40270	21	41120	2	47820	16	52200	9
% contribution	87	86		85		86		85	

Source: BOBCAPS Research

Fig 7 – Peers productivity comparison

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Sun Pharma	103,432	127,593	136,031	148,893	169,230
MR	11,003	11,192	12,713	14,046	14,500
Productivity per MR	9.4	11.4	10.7	10.6	11.7
Abbott	27,139	31,392	34,629	38,040	41,674
MR	2,950	3,050	3,100	3,250	3,335
Productivity per MR	9.2	10.3	11.2	11.7	12.5
Lupin	52,712	60,148	60,759	66,563	75,773
MR	7,179	7,322	7,469	7,500	7,700
Productivity per MR	7.3	8.2	8.1	8.9	9.8
Cipla	77,360	98,280	98,690	108,650	116,150
MR	9,261	9,724	10,210	11,110	12,010
Productivity per MR	8.4	10.1	9.7	9.8	9.7
DRRS	33,419	41,957	48,932	46,407	53,734
MR	7,226	7,588	7,967	8,365	8,784
Productivity per MR	4.62	5.53	6.14	5.55	6.12
GSK	29,204	32,175	32,163	34,073	37,235
MR	3,300	3,000	3,500	3,200	3,100
Productivity per MR	8.8	10.7	9.2	10.6	12.0

Source: Company, BOBCAPS Research

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25A	FY26E	FY27E
Total revenue	52,755	57,798	63,211	60,779	66,804
EBITDA	12,056	14,531	16,946	19,463	22,961
Depreciation	700	712	718	715	721
EBIT	12,898	16,302	18,984	20,586	23,979
Net interest inc./(exp.)	160	125	114	123	133
Other inc./(exp.)	1,542	2,483	2,756	1,838	1,739
Exceptional items	0	0	0	0	0
EBT	12,738	16,177	18,870	20,463	23,846
Income taxes	3,244	4,165	4,725	5,218	6,081
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	9,494	12,012	14,144	15,245	17,765
Adjustments	0	0	0	0	0
Adjusted net profit	9,494	12,012	14,144	15,245	17,765

Balance Sheet

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25A	FY26E	FY27E
Accounts payables	8,920	10,027	10,579	8,822	11,008
Other current liabilities	1,316	1,453	1,228	1,128	1,280
Provisions	2,197	2,519	2,872	2,121	2,057
Debt funds	457	465	389	389	389
Other liabilities	0	0	0	0	0
Equity capital	213	213	213	213	213
Reserves & surplus	31,673	36,776	42,119	47,270	53,560
Shareholders' fund	31,885	36,989	42,332	47,482	53,773
Total liab. and equities	45,555	51,935	59,173	61,716	70,281
Cash and cash eq.	19,371	21,345	16,279	36,765	43,472
Accounts receivables	3,170	3,191	3,802	2,997	3,111
Inventories	6,489	6,196	8,820	8,191	8,849
Other current assets	518	781	696	762	756
Investments	0	0	0	0	0
Net fixed assets	2,370	2,314	3,504	3,376	3,829
CWIP	37	37	37	37	37
Intangible assets	0	0	0	0	0
Deferred tax assets, net	169	159	150	150	150
Other assets	508	402	285	100	110
Total assets	45,556	51,935	59,173	61,716	70,281

Cash Flows

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25A	FY26E	FY27E
Cash flow from operations	(1,266)	9,857	4,742	31,105	19,499
Capital expenditures	(340)	(483)	(550)	(650)	(750)
Change in investments	0	0	0	0	0
Other investing cash flows	0	0	0	0	0
Cash flow from investing	(505)	(550)	(1,791)	(402)	(1,184)
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	27	8	(76)	0	0
Interest expenses	(160)	(125)	(114)	(123)	(133)
Dividends paid	(5,844)	(6,906)	(8,713)	(10,094)	(11,475)
Other financing cash flows	37	(2)	(89)	0	0
Cash flow from financing	(6,352)	(7,332)	(7,782)	(10,217)	(11,608)
Chg in cash & cash eq.	(8,122)	1,975	(4,831)	20,486	6,707
Closing cash & cash eq.	19,370	21,346	16,514	36,765	43,472

Per Share

Y/E 31 Mar (Rs)	FY23A	FY24A	FY25A	FY26E	FY27E
Reported EPS	446.8	565.3	665.6	717.4	836.0
Adjusted EPS	446.8	565.3	665.6	717.4	836.0
Dividend per share	275.0	325.0	410.0	475.0	540.0
Book value per share	1,500.5	1,740.7	1,992.1	2,234.5	2,530.5

Valuations Ratios

Y/E 31 Mar (x)	FY23A	FY24A	FY25A	FY26E	FY27E
EV/Sales	15.2	13.9	12.7	13.2	12.0
EV/EBITDA	66.5	55.2	47.3	41.2	34.9
Adjusted P/E	77.7	61.4	52.2	48.4	41.5
P/BV	23.1	20.0	17.4	15.5	13.7

DuPont Analysis

Y/E 31 Mar (%)	FY23A	FY24A	FY25A	FY26E	FY27E
Tax burden (Net profit/PBT)	74.5	74.3	75.0	74.5	74.5
Interest burden (PBT/EBIT)	98.8	99.2	99.4	99.4	99.4
EBIT margin (EBIT/Revenue)	24.4	28.2	30.0	33.9	35.9
Asset turnover (Rev./Avg TA)	120.2	118.6	113.8	100.6	101.2
Leverage (Avg TA/Avg Equity)	1.5	1.4	1.4	1.3	1.3
Adjusted ROAE	31.6	34.9	35.7	33.9	35.1

Ratio Analysis

Y/E 31 Mar	FY23A	FY24A	FY25A	FY26E	FY27E
YoY growth (%)					
Revenue	8.7	9.6	9.4	(3.8)	9.9
EBITDA	10.8	20.5	16.6	14.9	18.0
Adjusted EPS	18.9	26.5	17.8	7.8	16.5

Profitability & Return ratios (%)

EBITDA margin	22.9	25.1	26.8	32.0	34.4
EBIT margin	24.4	28.2	30.0	33.9	35.9
Adjusted profit margin	18.0	20.8	22.4	25.1	26.6
Adjusted ROAE	31.6	34.9	35.7	33.9	35.1
ROCE	39.9	44.7	45.0	43.0	44.9

Working capital days (days)

Receivables	22	20	22	18	17
Inventory	45	39	51	49	48
Payables	79	83	82	76	89

Ratios (x)

Gross asset turnover	19.7	18.3	17.0	13.9	13.1
Current ratio	2.5	2.4	3.4	4.2	4.1
Net interest coverage ratio	80.7	130.9	166.1	166.8	179.9
Adjusted debt/equity	(0.6)	(0.6)	(0.4)	(0.8)	(0.8)

Source: Company, BOBCAPS Research | Note: TA = Total Assets

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Recommendation scale: Recommendations and Absolute returns (%) over 12 months

BUY – Expected return >+15%

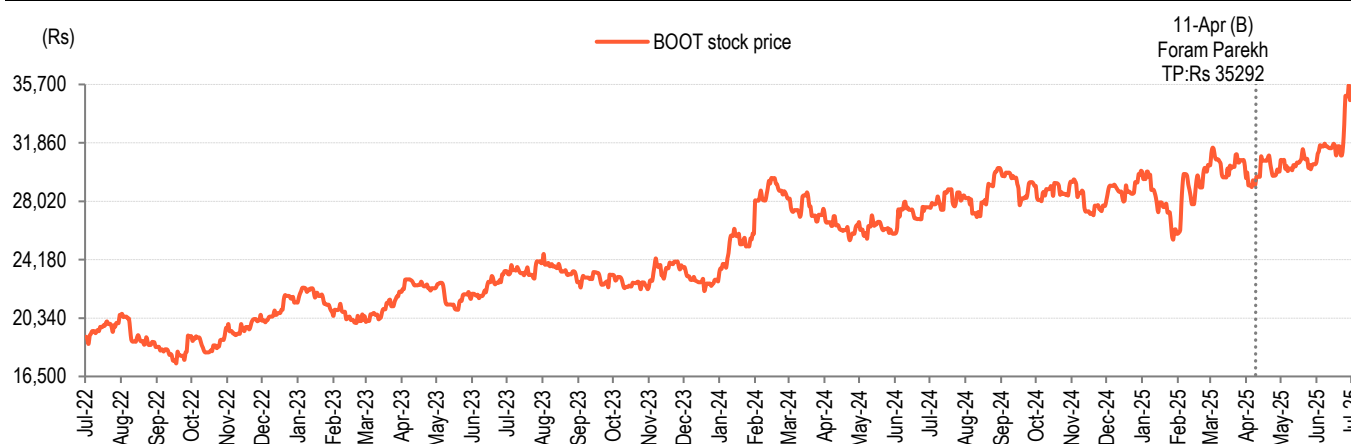
HOLD – Expected return from -6% to +15%

SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

Our recommendation scale does not factor in short-term stock price volatility related to market fluctuations. Thus, our recommendations may not always be strictly in line with the recommendation scale as shown above.

Ratings and Target Price (3-year history): ABBOTT INDIA (BOOT IN)



B – Buy, H – Hold, S – Sell, A – Add, R – Reduce

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