

DALALBYTES RESEARCH

Abbott India

Abbott India Ltd

India's number two pharma company: power brands led by Thyronorm and the insulins, 27% operating margins, about 45% ROCE, and a 90% dividend payout

NSE: ABBOTINDIA · BSE: 500488

October 21, 2026

Reference: Rs 25,905, NSE close of October 19, 2026, the last trading day before the Diwali holidays.

Founding story, power brands, the marketed insulin deals, financials, competition, management, valuation vs peers, risks, and FY2029 scenarios.

■ VERDICT

74 / 100 : Selective Positive

The blunt version. Abbott India is one of the highest-quality listed pharmaceutical businesses in India: the number two company in the Indian pharmaceutical market, a shelf of category-leading power brands, operating margin up from 22 percent in FY22 to 27 percent in FY26, return on capital employed of about 45 percent, almost no debt, and a dividend payout of about 90 percent of profit.

Why it is not a straight Positive. Revenue growth is slowing, not accelerating. Sales compounded at about 9 percent from FY22 to FY26, and Q1 FY27 revenue grew only 4.3 percent year on year, even as profit grew 17 percent on margin. At Rs 25,905 the stock still trades at 35.5 times FY26 earnings, a multiple that pays for quality in full and leaves the return to depend on earnings compounding and the dividend, not on a re-rating.

What the buyer gets today. A 2.5 percent dividend yield, an EPS line that compounded at about 18 percent over FY22 to FY26, and a balance sheet with Rs 2,255 crore of cash and bank balances against borrowings of Rs 172 crore. FY2029 targets: bear Rs 27,600, base Rs 36,900, bull Rs 47,900.

Reference price. Rs 25,905, NSE close of October 19, 2026, the last trading day before the Diwali holidays closed the exchange on October 20 and 21.

■ 1. SNAPSHOT

Item	Detail
Company	Abbott India Ltd
Ticker	NSE: ABBOTINDIA, BSE: 500488
Sector	Pharmaceuticals, branded formulations, India
Reference price	Rs 25,905 (NSE close, October 19, 2026)
Market cap	About Rs 55,050 crore
Shares outstanding	2.125 crore (face value Rs 10)
52-week range	Rs 25,135 to Rs 30,655
FY26 EPS	Rs 730.36
P/E on FY26 EPS	35.5x
Book value per share	About Rs 2,247
Dividend yield	About 2.5 percent (FY26 payout about 90 percent)

Item	Detail
Promoter holding	74.99 percent, Abbott Laboratories, USA
Score	74/100, Selective Positive

Position in the market. Abbott ranks second in the Indian pharmaceutical market with about 6.3 percent share on recent IQVIA moving annual total data, behind Sun Pharma at about 8.1 percent and ahead of Cipla at about 5.6 percent.

The one-line business. Sell trusted, doctor-prescribed branded medicines in India, largely made or sourced at low capital intensity, convert almost all profit to cash, and send about 90 percent of that cash to shareholders.

■ 2. FOUNDING STORY: FROM BOOTS PURE DRUG TO ABBOTT

Incorporation. The company was incorporated on August 22, 1944 as Boots Pure Drug Company (India) Ltd. It listed on the Bombay Stock Exchange in the mid 1960s, which makes it one of the oldest listed pharmaceutical names in India.

The name changes tell the ownership story. It became The Boots Company (India) Ltd in 1971 and Boots Pharmaceuticals Ltd in 1991. After Abbott Laboratories of the US acquired the Knoll pharmaceutical business from BASF globally, the Indian company became Knoll Pharmaceuticals Ltd in 1995 and then Abbott India Ltd on July 1, 2002.

Two deals built the modern portfolio. The 2011 merger of Solvay Pharma India into the company brought a strong gastroenterology and women's health shelf, including names in the Duphaston and Udiliv family. Successive transfers of brands from the Abbott global portfolio, including the Novo Nordisk insulin brands it markets in India, filled the diabetes care shelf.

The plant. The main formulation plant at Goa was inaugurated in 1996. Much of the rest of the volume is made by third-party manufacturers to Abbott specifications, which is why the asset base stays light and return on capital stays high.

Heritage brands still earn. Cremaffin was launched in 1952 and Brufen in 1973. Both still sell. Thyronorm, launched in 1999, completed 25 years in India and remains the market-leading levothyroxine brand. Few consumer or pharmaceutical portfolios anywhere carry brands that have compounded for 25 to 70 years.

■ 3. THE BUSINESSES: POWER BRANDS ACROSS CHRONIC AND ACUTE CARE

The model in one paragraph. Abbott India is a branded formulations company, not a research pharmaceutical company and not a US generics exporter. It does no discovery research of its own in India. Its job is to take proven molecules, build them into brands doctors trust, detail them through a large medical representative force of about 3,679 employees in total, and hold category leadership for decades.

Therapy map. The portfolio spans metabolics and thyroid, diabetes care, gastroenterology, women's health, neuroscience, pain care, cardiovascular support, vaccines and consumer health.

Therapy area	Key brands	Role in the portfolio
Metabolics and thyroid	Thyronorm, Neo-Mercazole	Category leader, daily chronic annuity
Diabetes care	Mixtard, Novomix, Actrapid, Novorapid, Ryzodeg, Tresiba, Rybelsus	Marketed insulin and oral portfolio, the largest monthly sales block
Gastroenterology	Udiliv, Duphalac, Cremaffin Plus, Digene, Stemetil	Deep acute and chronic shelf, several category leaders
Women's health	Duphaston	Dydrogesterone leader, sub-chronic repeat use
Neuroscience and CNS	Vertin, Prothiaden	Vertigo and depression niches with loyal prescribers
Pain and inflammation	Brufen, Kenacort	Heritage brands, still cash-generative
Cardiac support	Acitrom, LMWX	Anticoagulant niches
Vaccines	Influvac family, Pneumoshield 14	Newer growth leg, about 18 percent growth on MAT September 2025

Power-brand concentration. Broker prescription data for late 2025 puts Mixtard as the largest monthly brand, followed by Udiliv, Thyronorm, Ryzodeg, Vertin and Duphalac. The top 10 brands compounded at about 12 percent between September 2022 and September 2025, faster than the company as a whole, which means the leaders are carrying the portfolio.

Technical side: why these brands are hard to copy. Levothyroxine is a narrow therapeutic index drug: small dose differences change patient outcomes, so doctors and patients resist switching a stabilised patient to a cheaper generic. Insulin is a cold-chain, device-adjacent biologic where supply reliability and pen familiarity matter as much as price. Dydrogesterone and ursodeoxycholic acid sit in guideline-driven niches where the originator brand wrote much of the Indian treatment habit. The technical moat is not a patent wall. It is dose trust, supply trust and prescriber habit, compounded over decades.

Distribution technicals. India pharmaceutical distribution runs through carrying and forwarding agents, stockists and about a million retail chemists, with growing e-pharmacy and etail channels. Broker notes flag lumpiness in etail distribution margins as a live friction: online channels discount hard, and a premium brand owner must protect chemist economics while staying listed online.

4. THE FLYWHEEL: BRANDS, DETAILING, LAUNCHES, CASH, REPEAT

Step one: prescribe once, refill for life. Chronic brands such as Thyronorm and the insulins are taken daily for years. Each new diagnosis in a growing chronic disease pool adds a patient who rarely leaves.

Step two: detailing defends the habit. A large field force keeps the brands in front of specialists: endocrinologists, gastroenterologists, gynaecologists and cardiologists. In branded India, the doctor writes the brand name, and the chemist dispenses it. That single habit is the flywheel's axle.

Step three: launches refresh the shelf. The company reports more than 100 launches in the last 12 years and plans about 75 more over the next five years. FY25 launches included Citrosoda UTI, Digene Insta, Digeraft, Vonefi, Duphaston OD, Pneumoshield 14 and Prothiaden Neu: mostly line extensions and gap-fillers around existing franchises, which is low-risk, high-return innovation.

Step four: cash funds the return, not a capex cycle. With Goa plus third-party manufacturing, capital expenditure stays small. Profit converts to cash, about 90 percent is paid out, and the parent receives the bulk as promoter dividend, which aligns Chicago and Mumbai on the same page: this company is run as a cash compounder, not an empire.

■ 5. EXPANSION AND DEALS: A PORTFOLIO BUILT BY TRANSFER, NOT BY ACQUISITION SPREES

No large Indian acquisitions in the current era. Unlike Sun Pharma or Cipla, Abbott India has not bought scale. Growth has come from three quieter routes: brand transfers from the global parent, distribution and marketing rights such as the Novo Nordisk insulin portfolio, and line extensions launched by the Indian team.

Deal aspect that matters: the insulin shelf is marketed, not owned. Mixtard, Novomix, Actrapid, Novorapid, Ryzodeg and Tresiba are Novo Nordisk brands, and Rybelsus is Novo Nordisk's oral semaglutide. Monthly sales data makes this block the company's largest. The economics are distribution economics: attractive and capital-light, but the brands belong to a partner whose own India strategy, now transformed by the GLP-1 contest with Eli Lilly's Mounjaro, can change terms, take brands in-house, or see volumes shift to newer molecules. This is the single most important structural caveat in the report, and it is priced into the score.

Deal aspect two: parent transfers are a pipeline with no R and D bill. When Abbott globally or a partner has a brand that fits the Indian shelf, Abbott India can launch it with detailing muscle alone. The 75 planned launches are mostly of this character. The return on that pipeline is very high precisely because the discovery cost sits elsewhere.

Vaccines are the newest owned leg. The vaccine portfolio grew about 18 percent year on year on MAT September 2025 data, helped by Pneumoshield 14. It is small against the whole, but it is a category where brand, cold chain and paediatrician trust compound in the same way as the core shelf.

■ 6. FINANCIALS: MARGIN UP, GROWTH PAUSED, THEN A STRONG QUARTER

Fiscal year	Revenue (Rs cr)	Operating profit (Rs cr)	OP margin	PAT (Rs cr)	EPS (Rs)
FY22	4,913	1,082	22%	799	375.86
FY23	5,349	1,205	23%	949	446.78
FY24	5,849	1,453	25%	1,201	565.28
FY25	6,409	1,692	26%	1,414	665.62
FY26	6,929	1,892	27%	1,552	730.36
Q1 FY27	1,814	522	29%	429	201.66

Screener.in and company results, consolidated where available. FY26 operating profit and Q1 FY27 figures per published results summaries. Q1 FY27 revenue grew 4.3 percent and PAT 17.1 percent year on year.

Read the table in two halves. Revenue compounded at about 9 percent over FY22 to FY26, a steady but unspectacular line. Profit compounded far faster: PAT at about 18 percent and EPS at about 18 percent, because operating margin expanded five points, from 22 to 27 percent, on mix, operating leverage and a light cost base.

Margin is the story of the last four years. Gross economics improved as chronic and higher-value brands outgrew acute lines, employee cost stayed controlled at roughly 9 percent of sales, and other income on the cash pile added to pre-tax profit. Q1 FY27 extended the pattern: 29 percent operating margin, the strongest quarterly print in the recent series.

The warning inside Q1 FY27. Revenue growth of 4.3 percent is the slowest print in this report. Part is mix and a high base, part is softness in parts of the marketed insulin portfolio as the diabetes market reprices around GLP-1 therapies. If revenue growth stays at 4 to 5 percent, margin cannot carry EPS growth at 17 percent for long. The next two quarters are the test.

■ 7. CASH FLOW AND CAPITAL ALLOCATION: THE 90 PERCENT PAYOUT MACHINE

Balance sheet. Net worth was about Rs 4,774 crore at FY26 end. Borrowings were Rs 172 crore, a debt to equity ratio of 0.04. Cash and bank balances were Rs 2,255 crore. Return on capital employed was about 45 percent and return on equity about 34 percent.

Cash conversion. The business needs little capex and carries a negative to modest cash conversion cycle in most years, because chemists and stockists pay faster than the company pays its suppliers. Operating cash flow has funded the dividend in full in normal years: free cash flow is not a hope here, it is the default.

The payout is the capital allocation. Dividend payout was about 90 percent in FY26: about Rs 1,394 crore paid out of Rs 1,552 crore of profit, a dividend of roughly Rs 656 a share and a yield of about 2.5 percent at the reference price. There are no buybacks of size and no acquisition war chest being built. For a minority shareholder, this is unusually clean: the cash the business earns is the cash the shareholder sees.

The flip side. A 90 percent payout leaves little retained buffer and no self-funded option on a large Indian acquisition if one ever became strategic. The parent, holding 74.99 percent, receives about three quarters of every dividend, so the policy also serves Chicago's cash return. Minority holders benefit from the same cheque, which is the alignment that matters.

■ 8. STRENGTHS

What to watch

Revenue growth after Q1 FY27 printed only 4.3 percent, the marketed insulin block as GLP-1 therapies redraw diabetes care, and whether margin can keep carrying EPS growth decide whether a 35.5x multiple has anywhere to go.

Category leadership where it counts. Number two in the Indian market overall, with multiple brands ranked first in their participated markets and a top-10 brand set compounding at about 12 percent.

Margin structure at the top of Indian pharma. Operating margin of 27 percent in FY26 and 29 percent in Q1 FY27, with return on capital employed of about 45 percent, earned without export or US regulatory risk.

A fortress, asset-light balance sheet. Debt to equity of 0.04, cash of Rs 2,255 crore, and a Goa-plus-third-party manufacturing model that keeps capex small.

Shareholder return in cash, every year. A payout of about 90 percent and a 2.5 percent yield at a price near the 52-week low is a real, funded return, not a promise.

■ 9. WEAKNESSES AND RISKS

Revenue growth is decelerating. Nine percent sales compounding slowed to 4.3 percent in Q1 FY27. At 35.5 times earnings, a multi-year 5 percent revenue path would compress both earnings growth and the multiple.

The largest shelf is a partner's property. The Novo Nordisk insulin and Rybelsus block is marketed under arrangement. Loss, repricing or in-housing of that arrangement, or a faster GLP-1 shift away from premix insulins, hits the biggest brands first: broker notes already record slowdown in Mixtard and Novomix.

Price control and generic pressure. Core brands sit in categories exposed to National List of Essential Medicines price ceilings, trade-generic substitution at chemists, and Jan Aushadhi competition. Narrow therapeutic index trust protects Thyronorm; it protects acute brands such as Digene and Brufen less.

Parent dependence. Pipeline, brands and dividend policy are set with the US parent. That has been benign and lucrative, but a minority holder has no vote that matters on strategy, and transfer pricing and royalty terms deserve the usual MNC scrutiny.

10. MANAGEMENT AND GOVERNANCE

Structure. Abbott India is run by a professional management team under Managing Director Kartik Rajendran, within Abbott's global pharmaceuticals division. The board carries parent nominees and Indian independent directors.

A clean chairman transition in August 2026. Munir Shaikh stepped down as Chairman on August 12, 2026, and Sudarshan Jain, an independent director and a veteran of Indian pharma leadership, took over as Chairman on August 13, 2026. The quarterly results were approved in the same meeting cycle with an unqualified limited review from Walker Chandiok and Co. LLP. Orderly, disclosed, unremarkable: exactly what governance should look like.

Delivery record. On the engine's plain test, did they do what they said: margin expanded year after year, the launch tempo held at more than 100 launches in 12 years with about 75 more planned, the vaccine foray delivered about 18 percent growth, and the payout was raised to about 90 percent and paid. The recorded miss is top-line pace in the most recent quarter, shared with a soft insulin block.

Ownership. Promoters hold 74.99 percent, unchanged across the quarters reviewed, with zero pledging. Domestic institutions hold about 9 percent and foreign portfolio investors under 1 percent in recent patterns, so the register is dominated by the parent and long-term domestic holders.

11. COMPETITION

Company	Position vs Abbott India	Approx. P/E, Oct 19, 2026
Sun Pharma	IPM leader at about 8.1 percent share, global specialty and US exposure	About 35x
Cipla	IPM number three at about 5.6 percent share, respiratory leader, US generics	About 32x
Dr Reddy's	Global generics and India brands, more cyclical earnings	About 31x
Mankind Pharma	Domestic formulations pure play, faster growth, consumer health	About 45x
GSK and other MNCs	Closest business-model peers: branded, high payout, India-only	Premium range
Abbott India	IPM number two, chronic power brands, 90 percent payout	35.5x

The honest comparison. Abbott's model is closest to the other MNC subsidiaries: no US FDA plant risk, no discovery spend, high payout. Against domestic leaders, Abbott grows revenue slower than Sun or Mankind but converts profit to cash and dividends at a rate none of them match. Eli Lilly's Mounjaro becoming India's

largest brand by value in August 2026 is the competitive fact of the year in diabetes, and it pressures the whole insulin-led model, Abbott's included.

12. VALUATION VS PEERS

At the reference price. Rs 25,905 is 35.5 times FY26 EPS of Rs 730.36, about 11.5 times book value of about Rs 2,247, and a dividend yield of about 2.5 percent. Market cap is about Rs 55,050 crore on 2.125 crore shares. The price sits near the bottom of its 52-week range of Rs 25,135 to Rs 30,655, down about 13 to 15 percent over one year.

Peer frame. Sun Pharma trades at about 35 times, Cipla at about 32 times and Dr Reddy's at about 31 times on October 19, 2026 prints. Abbott at 35.5 times is at the top of that large-cap band alongside Sun, despite slower revenue growth. The premium rests on three legs: return on capital of about 45 percent against mid-teens for Sun, a 90 percent payout against far lower peer payouts, and zero US regulatory risk. Those legs are real. They are also fully priced in a normal market.

What has changed. A year ago the same quality traded closer to the 52-week high. The de-rating to near the low, while EPS still grew 10 percent in FY26 and 17 percent in Q1 FY27, is what moves the rating from Neutral to Selective Positive. The buyer is no longer paying a scarcity premium for the MNC shelf. They are paying a fair quality multiple and collecting 2.5 percent in cash while they wait.

13. WHY THE SCORE IS 74, NOT HIGHER OR LOWER

Additions. Business quality in the high 80s on moat, margins, returns and balance sheet. A funded 2.5 percent yield. A price near its 52-week low after a de-rating that earnings did not deserve in full.

Deductions. Revenue growth slowing to 4.3 percent in the latest quarter. The largest brand block owned by a partner in a therapy being disrupted by GLP-1 drugs. A 35.5 times multiple with no re-rating fuel unless growth re-accelerates. That arithmetic lands at 74: Selective Positive.

14. FY2029 SCENARIOS (INR)

Scenario	EPS CAGR FY26 to FY29	FY29 EPS (Rs)	Exit P/E	FY2029 target (Rs)
Bear	8 percent	About 920	30x	27,600
Base	12 percent	About 1,026	36x	36,900
Bull	16 percent	About 1,140	42x	47,900

DalalBytes modelling on FY26 EPS of Rs 730.36 and 2.125 crore shares. Bear assumes revenue growth stays near 5 percent and margin plateaus. Base assumes high single digit revenue growth with modest further margin gain and the launch pipeline

contributing. Bull assumes the vaccine and new-launch legs plus a diabetes portfolio reset restore double digit revenue growth. These are estimates, not verified facts.

Reading the scenarios. Even the bear case sits above the reference price, helped by three years of dividends of roughly Rs 650 a share a year on the current payout. The base case is about 42 percent above the reference price before dividends. The distribution is favourable, but none of it is fast: this is a compounder's return profile, not a re-rating trade.

■ 15. WHY IT MATTERS

Abbott India is the cleanest listed expression of India's chronic disease economy. Thyroid, diabetes, liver, gut and women's health conditions grow with diagnosis, income and lifespan, and the brands that doctors learned first keep the refill. A company that holds those refills, converts them to cash at a 45 percent return on capital, and posts 90 percent of the profit back to shareholders is a rare instrument in Indian listed pharma.

The test for the next year is narrow and knowable. Revenue growth must recover from 4.3 percent toward high single digits, and the marketed diabetes block must show it can live alongside GLP-1 therapies. Both will be visible in quarterly prints long before they show in an annual report.

■ SOURCES

- Screener.in company page for ABBOTINDIA, accessed October 21, 2026: profit and loss, balance sheet, cash flow, ratios and shareholding (promoters 74.99 percent, zero pledging)
- Company results: FY26 audited (revenue Rs 6,929 crore, PAT Rs 1,552 crore, EPS Rs 730.36, operating profit Rs 1,892 crore) and Q1 FY27 (revenue Rs 1,814 crore, up 4.3 percent; PAT Rs 429 crore, up 17.1 percent; operating margin 29 percent), approved August 12, 2026, limited review by Walker Chandiok and Co. LLP
- Value Research and MoneyWorks4Me financial histories: FY22 to FY26 revenue (Rs 4,913 crore to Rs 6,929 crore), PAT (Rs 799 crore to Rs 1,552 crore), EPS (Rs 375.86 to Rs 730.36), operating margins, dividend payout about 90 percent in FY26, borrowings Rs 172 crore, cash and bank Rs 2,255 crore, net worth about Rs 4,774 crore, ROCE about 45 percent, ROE about 34 percent
- NSE reference price: Rs 25,905 close on October 19, 2026, the last trading day before the Diwali exchange holidays of October 20 and 21, 2026; 52-week range Rs 25,135 to Rs 30,655 (Finnhub and ICICI Direct market data)
- Company history: incorporation August 22, 1944 as Boots Pure Drug Company (India) Ltd, name changes to Abbott India Ltd on July 1, 2002, Goa plant 1996, Cremaffin 1952, Brufen 1973, Thyronorm 1999, Solvay Pharma India merger 2011
- Broker research (ICICI Securities and BOBCAPS, 2025): top 10 brands compounding at about 12 percent from September 2022 to September 2025, more than 100 launches in 12 years and about 75 planned in five

years, vaccines growth of about 18 percent on MAT September 2025, monthly brand sales led by Mixtard, Udiliv, Thyronorm, Ryzodeg and Vertin, slowdown noted in Mixtard and Novomix

- Market data: Abbott about 6.3 percent share of the Indian pharmaceutical market, second to Sun Pharma at about 8.1 percent (IQVIA-based reporting, August 2026); peer multiples on October 19, 2026: Sun Pharma about 35x, Cipla about 32x, Dr Reddy's about 31x

- Governance: Munir Shaikh stepped down as Chairman on August 12, 2026; Sudarshan Jain appointed Chairman on August 13, 2026; Managing Director Kartik Rajendran; about 3,679 employees

DalalBytes Research. Estimates labelled as such are DalalBytes modelling. Verified facts are drawn from the sources above as at October 21, 2026.