



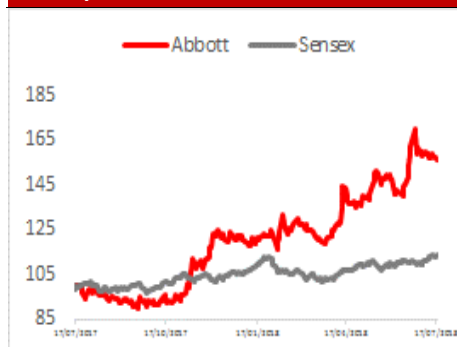
Buy on Dips

Current Price	7180
Target Price	8000
Upside/Downside	11%
52 Week Range	4035/7828

Key Share Data

Market Cap (Rs.bn)	154
Market Cap (US\$ mn)	2249
No of o/s shares (mn)	21.24
Face Value	10
Monthly Avg.vol (BSE+NSE) Nos'000	9.29
BSE Code	500488
NSE Code	ABBOTTINDIA
Bloomberg	BOOT:IN

Price performance



% Shareholding

	Jun-18	Mar-18
Promoters	74.99	74.99
FII	2.87	2.82
DII	6.43	6.62
Others	15.71	15.57
Total	100	100

Abbott India convened its AGM on July 18, 2018.

Robust earnings growth driven by profitability Improvement due to better product mix

In FY18, Abbott India revenues increased 13% to Rs 3298 crs. Main contributors to the revenue were women's health (+19%), metabolics (+15%), gastroenterology (+11%), central nervous system (CNS +8.8%).

EBITDA increased 32% to Rs 524.5 crs with EBITDA margins at 15.9%, 200 bps higher due to better product mix.

PAT grew 45% to Rs 401.2 crs. EPS for the year was at Rs 189.

Key takeaways from the AGM

- Women's health comprises more than 20% of business, growing at 19% yoy.
- New products attribute to 2.5% of growth.
- 24% of Abbott India's portfolio falls under NLEM.
- Top 10 brands comprise 72% of sales. 8 out of 10 brands rank no. 1 in the market.
- Top brands include Duphaston, Thyronorm, Duphalac, Vertin, Digene, Cremaffin and some more. Top brands that did not grow faster than the industry were Vertin and Creon.
- Insulins comprise 40-45% of Abbott India's business, which is a limiter to profitability.
- The company plans for 20 new launches in FY19 and 100 launches over 5 years. Abbott India has added 300 people to its salesforce in FY18.
- There is a clear segregation between Abbott India (listed) and Abbott Healthcare(unlisted).

Outlook & Valuation

The company expects to continue its growth in revenues and profits going forward.. FY19 is the 75th year of operation. For the last 5 years, Abbott India has been growing faster than the industry. We believe the company will grow faster than the industry.

At Rs 7180, Abbott trades at 25x FY20E consensus of Rs 278. We recommend investors to BUY on DIPS with a target price of Rs 8000.

Key Financials

Year	Net Sales	% Growth	EBITDA	OPM (%)	PAT	% Growth PAT (%)	EPS	PE (x)	ROE (%)	ROCE (%)
FY15	22376	0.30	3598	16.08	2289	15.40	107.75	65.27	26.54	38.11
FY16	26145	16.84	4149	15.87	2553	11.53	120.12	58.55	23.93	36.23
FY17	29025	11.02	4550	15.68	2767	8.38	130.19	54.02	21.42	32.87
FY18	32985	13.64	6415	19.45	4012	44.99	188.31	37.35	26.06	39.3



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