

Abbott Laboratories (Pakistan) Ltd

KATS: ABOT
Bloomberg: ABOT PA

LDCP: PKR 967.16
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OUTPERFORM

Operational Efficiencies Underpin Robust Earnings in 3QCY26

27 October 2026

- 3QCY26 EPS was recorded at PKR 25.99.** ABOT reported PAT of PKR 2.5 BN (+16% Q/Q/+40% Y/Y), broadly in line with expectations. The Y/Y earnings growth was driven by a 15% increase in gross profit, a 4% decline in S&D expenses, and a reduction in the super tax rate from 10% to 8%. ABOT announced no dividend for 3QCY26, in line with the payout trend established in CY24.
- Gross profit was reported at PKR 7.8 BN.** Topline improved by 4% Y/Y, likely as price increases offset volumetric pressure. On the other hand, COGS declined by 2% Y/Y, mainly driven by API price negotiations, resulting in gross margin expansion of 3.7 ppts to 37.6%. Resultantly, ABOT reported gross profit growth of 15% Y/Y.
- S&D expenses/other income were reported at PKR 2.9 BN/177 MN.** S&D expenses declined by 4% Y/Y, likely due to lower promotional expenses. On the other hand, other income declined by 5% Y/Y, likely due to lower income from non-financial assets, as cash reserves increased by PKR 938 MN to PKR 10.3 BN in 3QCY26.
- Outlook.** We expect ABOT’s sales to remain robust in 4QCY26, driven by a spike in seasonal illnesses, leading to higher expected sales of medicines such as Arinac, Brufen, and Surbex. Moreover, price increases and cost optimization efforts are expected to support gross margins going forward. However, the imposition of an 8.7% anti-dumping duty on Chinese ibuprofen API imports for four months poses a cost risk in the short term.

Y/E: Dec	CY25	CY26E	CY27E	CY28E
EPS	81.4	100.1	127.8	134.0
DPS	40.0	50.0	64.0	67.0
BVPS	323.0	386.9	464.8	534.8
P/E	13.6	9.9	7.2	6.9
D/Y	3.6%	5.0%	6.9%	7.2%
P/B	3.4	2.6	2.0	1.7

Source: Company Accounts, Optimus Research

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Earnings Snapshot

PKR MN	Sept-26E	Sep-26	Jun-26	Mar-26	Dec-25	Sep-25	Q/Q	Y/Y	9MCY26	9MCY25	Y/Y
Sales	20,602	20,630	20,322	17,705	19,171	19,819	2%	4%	58,656	56,227	4%
Cost of sales	(12,917)	(12,866)	(12,570)	(11,007)	(12,059)	(13,093)	2%	-2%	(36,442)	(36,886)	-1%
Gross profit	7,685	7,764	7,752	6,698	7,111	6,726	0%	15%	22,214	19,341	15%
S&D Expenses	(2,938)	(2,860)	(3,227)	(2,918)	(2,584)	(2,974)	-11%	-4%	(9,005)	(8,501)	6%
Administrative expenses	(344)	(385)	(396)	(380)	(391)	(334)	-3%	15%	(1,161)	(972)	19%
Operating profit	4,402	4,519	4,129	3,399	4,136	3,418	9%	32%	12,048	9,867	22%
Financial charges	(36)	(16)	(17)	(18)	(20)	(18)	-8%	-9%	(52)	(55)	-6%
Other income	256	177	365	229	557	187	-52%	-5%	771	603	28%
Other charges	(370)	(477)	(567)	(320)	(331)	(430)	-16%	11%	(1,364)	(1,257)	9%
Profit before tax	4,253	4,203	3,909	3,291	4,342	3,156	8%	33%	11,402	9,158	25%
Taxation	(1,538)	(1,659)	(1,709)	(1,350)	(1,741)	(1,334)	-3%	24%	(4,718)	(3,793)	24%
Profit after tax	2,715	2,544	2,200	1,940	2,601	1,823	16%	40%	6,684	5,366	25%
EPS	27.73	25.99	22.47	19.82	26.57	18.62			68.28	54.81	
DPS	-	-	-	-	40.00	-			-	-	
Gross Margins	37.3%	37.6%	38.1%	37.8%	37.1%	33.9%			37.9%	34.4%	
Operating Margins	21.4%	21.9%	20.3%	19.2%	21.6%	17.2%			20.5%	17.5%	
Net Margins	13.2%	12.3%	10.8%	11.0%	13.6%	9.2%			11.4%	9.5%	
Effective Tax Rate	36.2%	39.5%	43.7%	41.0%	40.1%	42.3%			41.4%	41.4%	

Source: Company Accounts, Optimus Research

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