



Abbott

Corporate Briefing Session - 2024

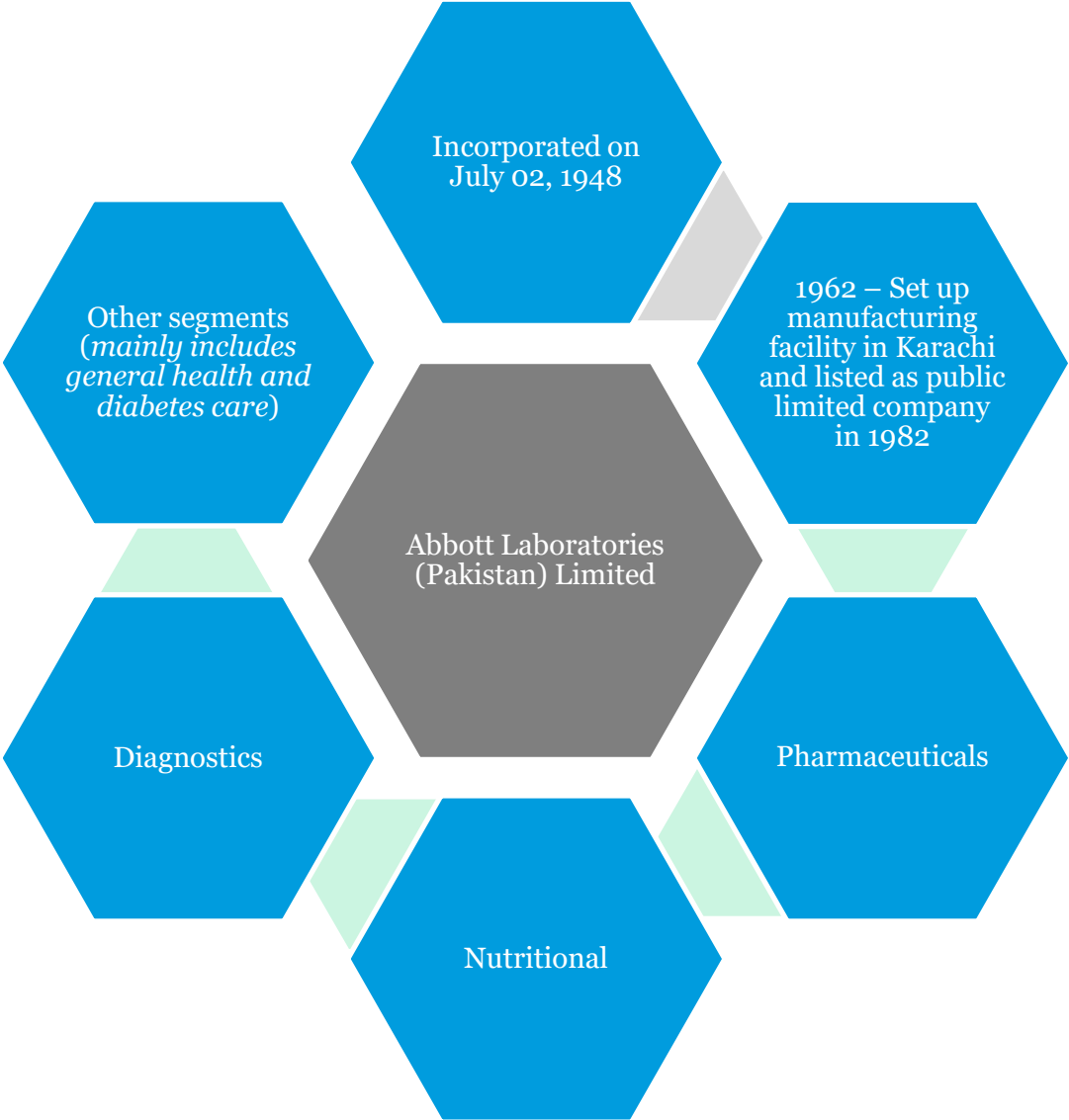
December 17th, 2024

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Company Overview



Two manufacturing facilities

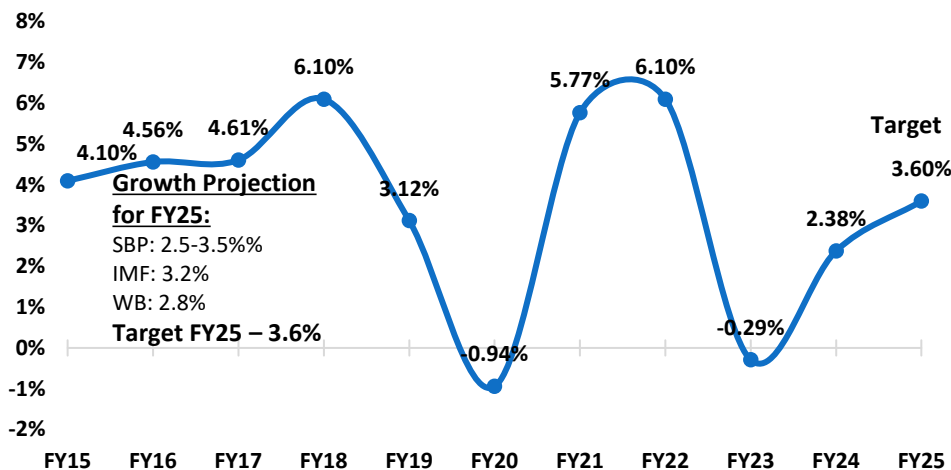


1,430 Employees



> 150 Products

Gross Domestic Product Growth (GDP%)

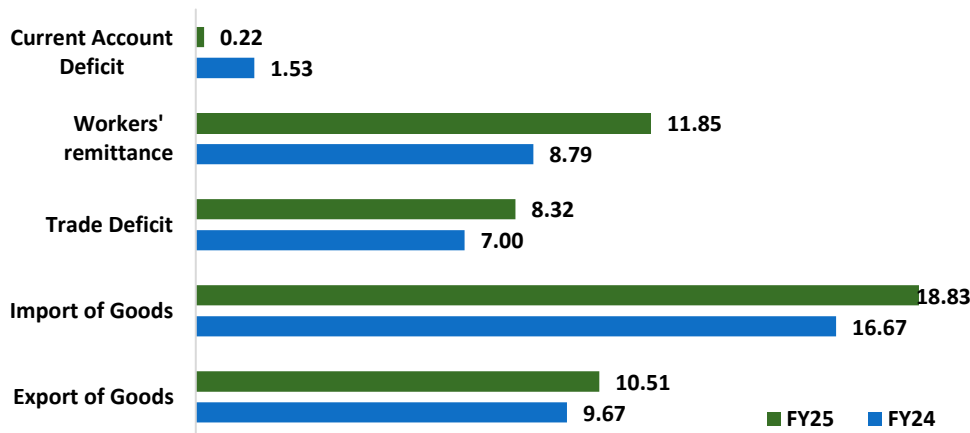


Growth of Pakistan:

- **GDP growth FY24** - posted a growth of 2.38% in FY2024 against target of 5%. The prudent policy management and the resumption of inflows from multilateral and bilateral partners, and the gradual economic recovery in the major trading partners, turned the negative growth in FY2023 to positive growth in FY2024.
- **Outlook for growth FY25** - GoP target at 3.6% while SBP expectation is between 2.5%-3.5% due to Longstanding inefficiencies in the country’s energy sector, which have resulted in the accumulation of circular debt.

Current Account Deficit- FY25-4M

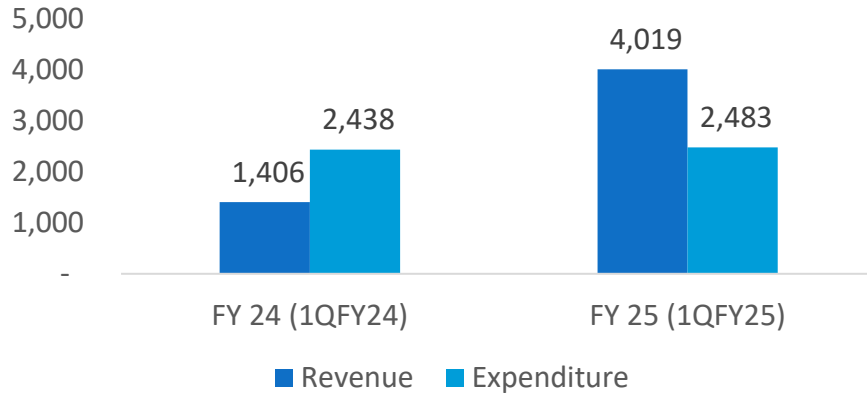
- CAD surplus of \$218 million (4MFY25), in contrast to a massive deficit of \$1.528 billion in the wake of strong inflows of workers' remittances YoY 35% increase and improvement in export earnings.
- **Imports** – Imports in 4MFY25 also rose by 12.95% to \$18.83 billion from \$16.67 billion
- **Exports** – Exports in 4MFY25 increased by 18.85% to \$10.51 billion from \$9.67 billion
- **Workers’ Remittance** – The country’s worker remittances clocked in at \$11.85 billion, an increase of nearly 35% as compared to \$8.79 billion in same period last year.



FBR REVENUE COLLECTION

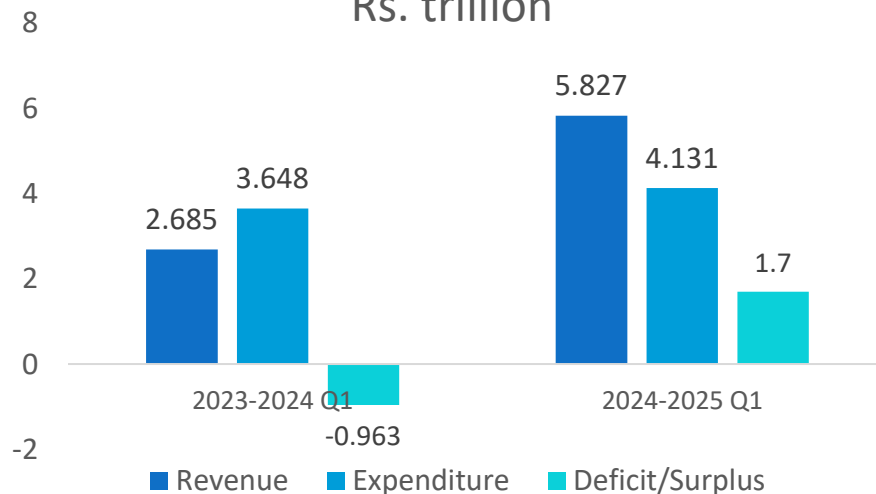
Rs bln

Rs. Billion



FISCAL Update

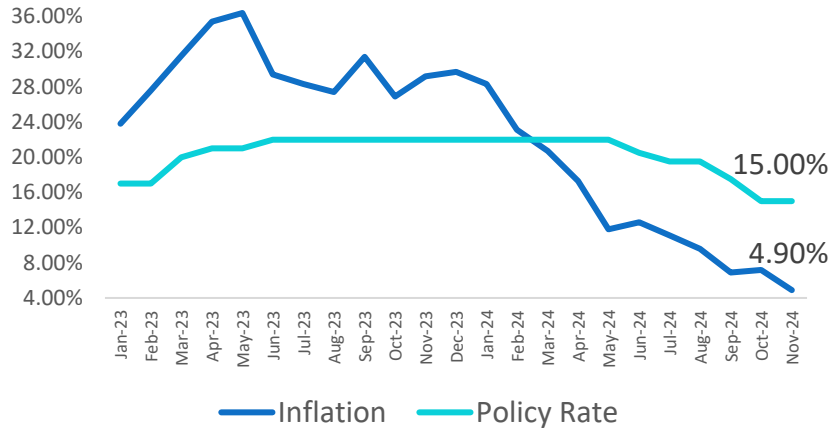
Rs. trillion



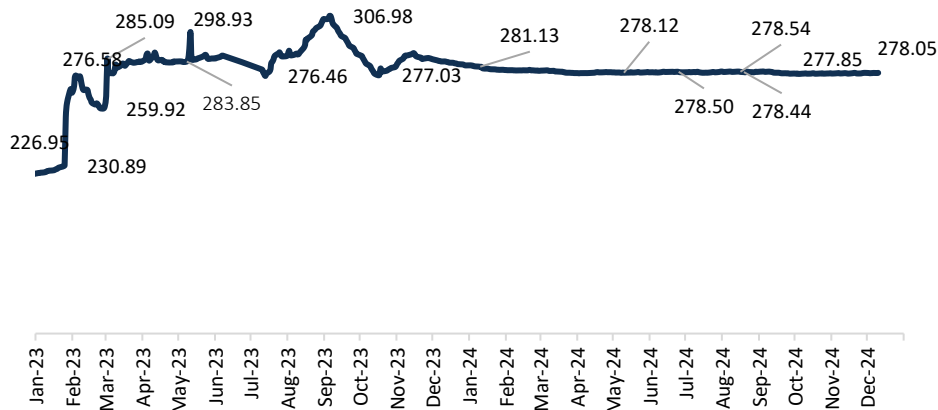
- FBR revenue collection:** During Jul-Sep FY2025, the net federal revenues grew by 186 percent to Rs 4,019 billion from Rs 1,406 billion same period last year. This was on account of various measures taken by the Government to improve tax revenue.
- Fiscal Update:** Pakistan has posted a fiscal surplus of Rs 1.69 trillion or 1.4% of GDP and a primary surplus of Rs 3 trillion or 2.4% of GDP for the first quarter of Fiscal Year 2025 (1QFY25), the first since the second quarter of FY04. The surplus was primarily driven by an impressive profit contribution from the State Bank of Pakistan (SBP), which amounted to Rs 2.5 trillion
- Non-tax collection:** the government collected Rs 3.051 trillion in non-tax collection, registering a massive growth of 551% compared to Rs 469 billion collected in the same quarter last fiscal.

MONETARY LANDSCAPE & CURRENCY OUTLOOK

CPI & POLICY RATE TREND



USD / PKR Parity






CPI & POLICY RATE TREND

- **Expansionary Monetary policy:** Central bank has brought down the interest rate to 15% from an unprecedented 22% in four intervals since June.
- **Policy rate:** Expected to be reduced by 200bps in next Monetary Policy.
- **CPI :** Pakistan's annual consumer price index inflation rate was 4.9% in November 2024 compared to 7.2% in the previous month and 29.2% in November 2023

USD/PKR MOVEMENT

- PKR remained stable for 12 months since November 2023.
- Pakistan's remittances from its overseas workers jumped to \$14.8 billion in the five months of the fiscal year 2025, a 33.6% increase from a year earlier
- **CURRENCY OUTLOOK**
 - The rupee to stay stable in the days ahead due to adequate dollar liquidity available in the market supported by healthy remittances
 - Current Account is expected to clock in a surplus
 - The ongoing improvement in the external current account due to higher remittances and a gradual recovery in exports helped increase the forex reserves

Deregulation of Non-Essential Drugs

- ❑ During the year, Government of Pakistan approved De-Regulation of drug prices which are not included in National Essential Medicine List (NEML).
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- ❑ In view of this development, the industry took price increases on its non-essential portfolio to restore the viability of products, some of which had been discontinued citing adverse margins.
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- ❑ The aforesaid deregulation of non-essentials drugs has already been challenged in the Lahore High Court.
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- ❑ Abbott remains committed to acting responsibly, prioritizing patient interest whilst contemplating price adjustments following this deregulation.
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Financial Results - 2023



Key Highlights – FY2023

- *Overall revenue of the Company increased by 13% reaching **Rs. 55.48 bn.***
- *Decrease in profitability mainly on account of increase in product cost and rupee devaluation.*
- *Earnings per share was Rs. 2.67 per share (2022: Rs. 30.69 per share).*

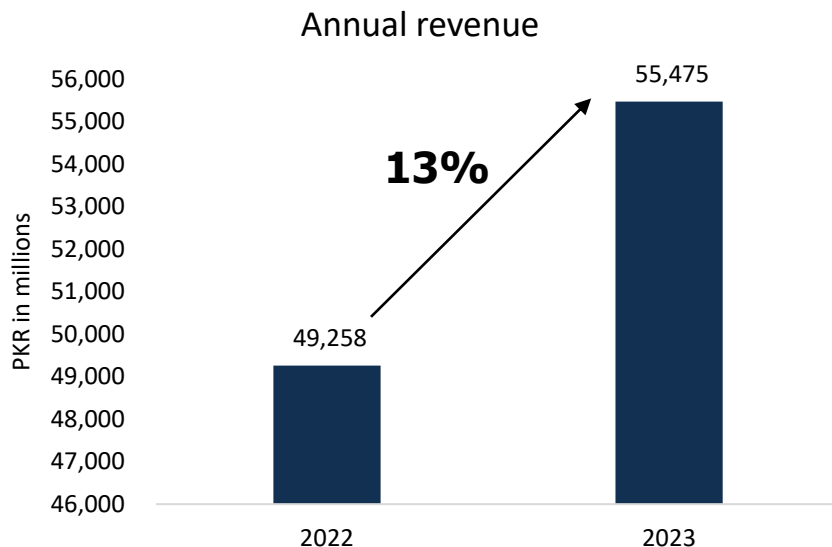
Rs. 55.48 bn
Sales Revenue

13%
Sales Growth

21%
Gross Profit
Margin

0.5%
Net Profit
Margin

Revenue Analysis – FY23

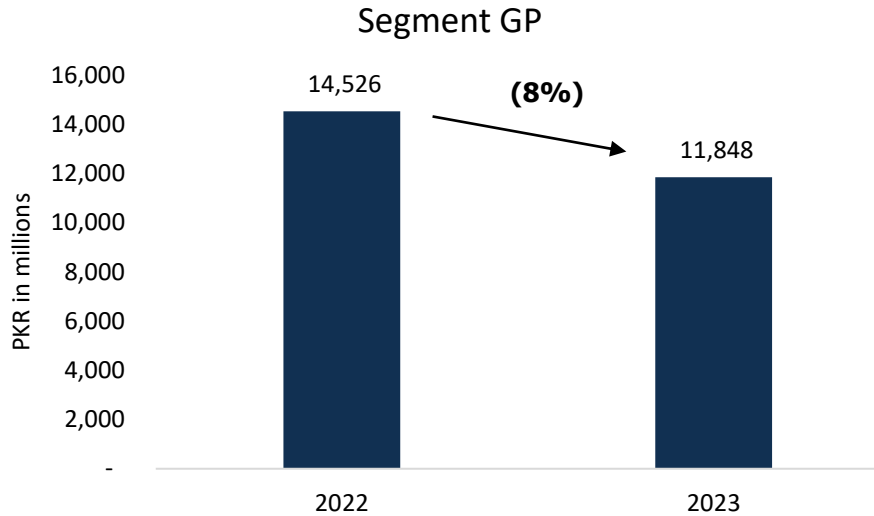


- *Pharmaceutical sales increased by 20% driven by performance of established brands.*
- *Nutrition sales decreased by 8%, primarily driven by lower volumes.*
- *Diagnostics segment registered an organic growth of 16%.*

<i>Segment wise Revenue (PKR in millions)</i>			
Segment	2023	2022	% Change
Pharmaceutical	37,783	31,486	20%
Nutritional	11,414	12,365	-8%
Diagnostics	4,774	4,133	16%
Others	1,504	1,274	18%
Total	55,475	49,258	13%



Segment Gross Profit analysis – FY23



- *Segment profitability had decreased on account of the following:*
 - *Revision of product cost;*
 - *Rupee devaluation; and*
 - *General inflation.*

Segment-wise GP (PKR in millions)				
Segment	2023	GP %	2022	GP %
Pharmaceutical	7,955	21%	9,336	30%
Nutritional	2,726	24%	4,488	36%
Diagnostics	744	16%	236	6%
Others	423	28%	466	37%
Total	11,848	21%	14,526	29%

Financial Results – Q3 2024



Key Highlights – Q3 2024

- *Overall revenue of the Company increased by **20%** reaching **Rs. 49.56 bn.***
- *Profitability improved significantly following price adjustment and various other efficiency measure taken across the operations.*

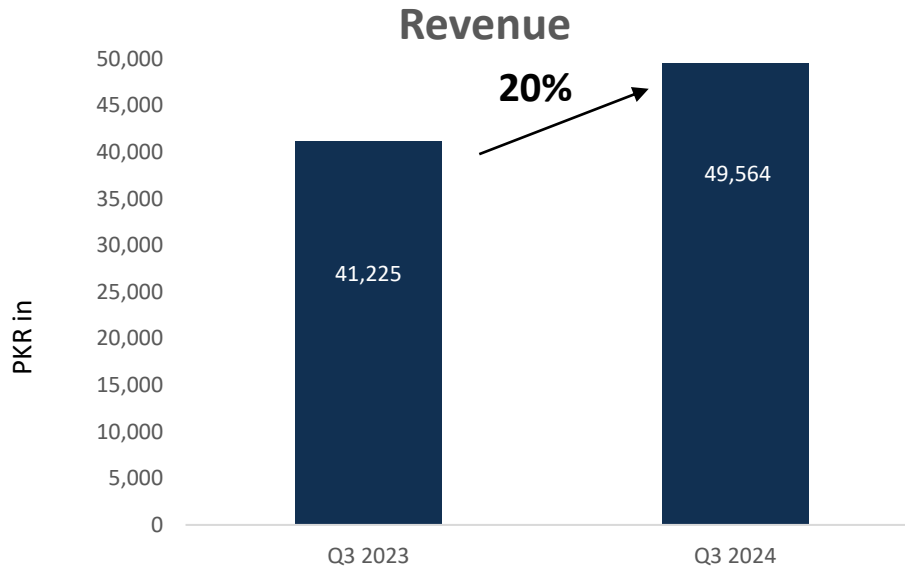
Rs. 49.56bn
Sales Revenue

20%
Sales Growth

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Gross Profit
Margin

8%
Net Profit
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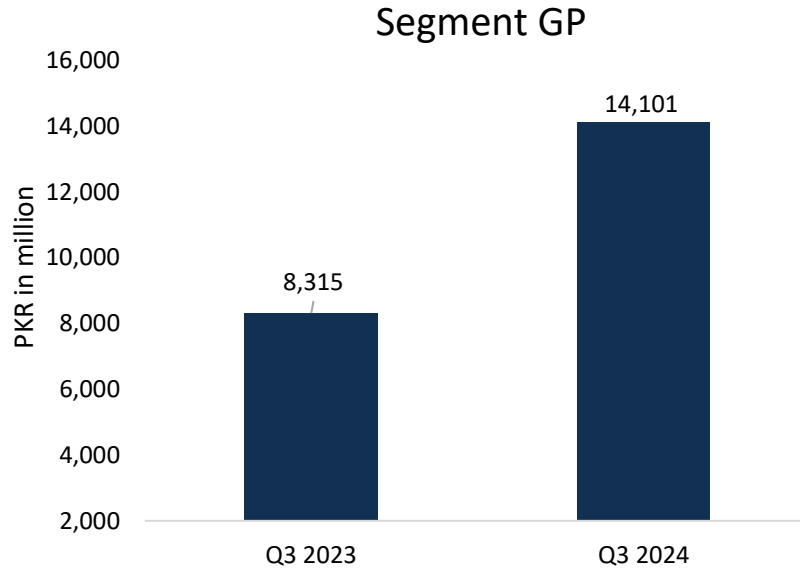
Revenue Analysis – Q3 2024



- *Pharmaceutical sales increased on account of sustained performance of established brands.*
- *Diagnostics growth was attributed to new customer acquisitions*
- *Sales for Nutrition increased primarily on account of price adjustments.*

Segment wise Revenue (PKR in millions)			
Segment	Jan - Sep 2024	Jan - Sep 2023	% Inc
Pharmaceutical	33,469	27,417	22%
Nutritional	10,129	8,975	13%
Diagnostics	4,546	3,649	25%
Others	1420	1184	20%
Total	49,564	41,225	20%

Segment Gross Profit analysis – Q3 2024



Segment-wise GP (PKR in millions)

Segment	Jan - Sep 2024	GP %	Jan - Sep 2023	GP %
Pharmaceutical	9,615	29%	5,743	21%
Nutritional	3,544	35%	2,011	22%
Diagnostics	625	14%	317	9%
Others	318	22%	244	21%
Total	14,102	28%	8,315	20%

- Overall GP margin of the Company increased by 8% mainly on account of following:
 - Efficiency measures taken across the Company operations;
 - Price adjustments.

Statement of Profit or Loss – Q3 2024



Description	%	Jan - Sep 2024	%	Jan - Sep 2023	Variance – Fav / (Unfav)		
		<i>Rupees in millions</i>					%
Sales	100	49,564	100	41,225	8,339	20	
Cost of Sales	72	35,463	80	32,910	2,553	8	
Gross Profit	28	14,101	20	8,315	5,786	70	
Selling and Distribution expenses	14	7,120	15	6,192	928	15	
Administrative Expenses	2	857	2	772	85	11	
Other income	1	541	3	1,235	(694)	(56)	
Other charges	1	610	4	1,593	(983)	(62)	
Operating Profit	12	6,055	2	993	5,062	510	
Finance costs	-	19	-	24	(5)	(21)	
Profit before taxation	12	6,036	2	969	5,067	523	
Taxation	4	2,087	4	1,762	325	18	
Net (Loss) / Profit after taxation	8	3,949	(2)	(793)	4,742	(598)	
		----- Rupees -----					
(Loss) / Earnings per share		40.34		(8.10)	48.44	(598)	

Statement of Financial Position – Sep 30, 2024



Description	Sep 2024	Dec 2023	Variance		Description	Sep 2024	Dec 2023	Variance	
	<i>Rupees in Millions</i>			%		<i>Rupees in Millions</i>			%
<u>Non-current assets</u>					<u>Share capital and reserves</u>				
Property, plant and equipment	13,926	13,375	551	4	Issued, subscribed and paid-up capital	979	979	-	-
Intangible assets	2	13	(11)	(85)	Reserves – Capital	1,682	1,437	245	17
Long-term loans and advances	108	95	13	14	Reserves – Revenue	19,770	15,821	3,949	25
Long-term deposits	8	8	-	-	<u>Total share capital and reserves</u>	22,431	18,237	4,194	23
Long-term prepayments	14	3	11	367	Deferred taxation	638	520	118	23
<u>Total non-current assets</u>	14,058	13,494	564	4	Staff retirement benefits	1,100	1,049	51	5
Stores and Spares	453	463	(10)	(2)	Long-term lease liabilities	28	52	(24)	(46)
Stock-in-trade	12,674	12,827	(153)	(1)	Trade and other payables	12,883	15,483	(2,600)	(17)
Trade debts	2,422	1,649	773	47	Unclaimed dividend	64	65	(1)	(2)
Loans and advances	1,218	350	868	248	Unpaid dividend	-	1,029	2,517	100
Trade deposits and short-term prepayments	395	443	(48)	(11)	Provision against GIDC	152	152	-	-
Other receivables	1,412	2,036	(624)	(31)	Current maturity of lease liabilities	22	106	(84)	(79)
Taxation – net	828	386	(345)	(89)	<u>Total liabilities</u>	14,887	18,456	(3,569)	(19)
Short-term investments	500	503	(3)	(1)	<u>Total Equity and Liabilities</u>	37,318	36,693	625	2
Cash and bank Balances	3,358	4,542	(1,184)	(26)					
<u>Total current assets</u>	23,260	23,199	61	0					
<u>Total Assets</u>	37,318	36,693	625	2					

Q & A

Thank you