



Un-Audited Financial Statements For the Nine months  
and Three months ended September 30, 2024



# Corporate Information

## BOARD OF DIRECTORS

Ehsan Ali Malik (Chairman) (Non-Executive Director)

Syed Anis Ahmed (Chief Executive Officer)

Celestino Jacinto Dos Anjos (Non-Executive Director)

Ayla Majid (Independent Director)

Mohsin Ali Nathani (Independent Director)

Muhammad Anjum Latif Rana (Non-Executive Director)

Seema Khan (Executive Director)

## AUDIT COMMITTEE

Mohsin Ali Nathani (Chairman)

Ayla Majid

Muhammad Anjum Latif Rana

## HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mohsin Ali Nathani (Chairman)

Ehsan Ali Malik

Syed Anis Ahmed

## RISK MANAGEMENT COMMITTEE

Ayla Majid (Chairperson)

Syed Anis Ahmed

Muhammad Anjum Latif Rana

Seema Khan

Celestino Jacinto Dos Anjos

## SHARE TRANSFER COMMITTEE

Syed Anis Ahmed (Chairman)

Muhammad Anjum Latif Rana

Seema Khan

## BANKING COMMITTEE

Mohsin Ali Nathani (Chairman)

Syed Anis Ahmed

Seema Khan

Celestino Jacinto Dos Anjos

## NOMINATION COMMITTEE

Ehsan Ali Malik (Chairman)

Mohsin Ali Nathani

Syed Anis Ahmed

## CHIEF FINANCIAL OFFICER

Syed Tabish Aseem

## COMPANY SECRETARY

Muhammad Usama Jamil

## CHIEF INTERNAL AUDITOR

Muhammad Ali Shiwani

## AUDITORS

EY Ford Rhodes, Chartered Accountants (a member firm of Ernst & Young Global Limited)

## LEGAL ADVISORS

Orr, Dignam & Co.

Surridge & Beecheno

## BANKERS

Standard Chartered Bank (Pakistan) Limited

Deutsche Bank AG

Habib Bank Limited

National Bank of Pakistan

MCB Bank Limited

Faysal Bank Limited

Habib Metropolitan Bank

Citibank

## SENIOR MANAGEMENT TEAM

Syed Anis Ahmed

(Chief Executive Officer)

Syed Tabish Aseem

(Chief Financial Officer)

Moien Ahmed Khan

(Director Operations)

Asim Shafiq

(General Manager, Abbott Nutrition International Pakistan)

Saad Siddique

(Country Manager, Abbott Diagnostics Division Pakistan)

Dr. Shaikh Adnan Lateef

(Head of Abbott Diabetes Care Pakistan)

Asghar Huda

(Director Human Resource)

## SHARE REGISTRAR

FAMCO Share Registration Services (Pvt) Limited, 8-F, Next to Hotel Faran, Nursery Block 6, P.E.C.H.S, Shahrah-e-Faisal, Karachi.

## FACTORY LOCATIONS

Plot No. 258 & 324, Opposite Radio Pakistan Transmission Centre, Hyderabad Road, Landhi, Karachi.

Plot No. 13, Sector 20,

Korangi Industrial Area, Karachi.

## CITY OFFICE

8th Floor, Faysal House, St-02, Shahrah-e-Faisal, Karachi.

## SALES OFFICES

House No. 25/III/B, Jamrud Lane, University Town, Peshawar, Pakistan.

House No. 187, Aurangzeb Block, Near Garden Town, Lahore, Pakistan.

## WAREHOUSES

Plot No. 136, Street # 9, Sector 1-10/3, Industrial Area, Islamabad.

16 KM Shahpur Karjran, Multan Road, Lahore.

Hasanabad Gate # 2, Near Pak Arab Fertilizers, Khanewal Road, Multan..

## WEBSITE

[www.pk.abbott](http://www.pk.abbott)

# Directors' Report

The Directors are pleased to present the un-audited condensed interim financial statements of your Company, for the nine months ended September 30, 2024, as well as for the third quarter ended September 30, 2024.

## FINANCIAL HIGHLIGHTS

### For nine months' period ended September 30, 2024

Overall sales increased by 20% over the same period last year. Pharmaceutical sales rose by 22% driven by sustained performance of established brands. Diagnostics segment registered a growth of 25% primarily due to new customer acquisitions, while Nutritional sales increased by 13%, driven primarily by price adjustments.

Gross profit margin of your Company during this period improved by 800 basis points to 28% vs the same period last year, driven by a combination of price adjustments to recover costs and efficiency measures taken across the Company. Gross margin for the pharmaceutical segment improved to 29% from 21%, whereas the gross margin for Nutritional segment increased to 35% from 22%.

Selling and distribution expenses increased by 15% against the same period last year in line with sales growth and inflation. Administrative expenses were up by 11% due to inflation and increments. Net profit as a percentage of sales improved to 8% versus net loss as a percentage of sales of 2% during the same period last year.

### For third quarter ended September 30, 2024

Sales for the quarter increased by 24% over the same period last year, led by increase of 32% in sales of Pharmaceuticals and by a 12% increase in sales of Nutrition, both supported by price adjustments.

Similar to the year-to-date results, gross profit margin of the Company improved by 1500 basis points to 33% from the same period last year for reasons mentioned above.

Operating expenses rose by 16% over the same period last year on account of inflation and growth in sales. Other charges were up by PKR 261 million over the same period last year due to increase in statutory charges in line with improved profitability.

As a result of reasons mentioned above, profit after tax for the quarter increased by Rs. 1,802.5 million vs. the same period last year.

## FUTURE OUTLOOK

The recent stability in macro-economic indicators has provided much needed relief to the pharmaceutical sector, which has been under significant pressure due to economic uncertainty. While these developments have yielded a favorable impact on the financial results of the Company, the overall outlook remains mixed. Sustained economic stability, supportive fiscal policies together with continued review of current regulations to bring them in line with international practices are extremely vital for the health of the pharmaceutical industry.

Notwithstanding, your company remains focused on expanding and diversifying its product offering to the customers, while also making concerted efforts to improve performance through innovation, efficiency, and effective cost containment initiatives.



Syed Anis Ahmed  
Chief Executive



Ehsan Ali Malik  
Director

Karachi: October 25th, 2024


مذکورہ وجوہات کے نتیجے میں، سہ ماہی کے لیے نیگیس کے بعد منافع میں گزشتہ سال کی اسی مدت کے مقابلے میں 1,802.5 ملین روپے کا اضافہ ہوا۔

### مستقبل کا منظر نامہ

میکرو اکنامک انڈیکسٹرز میں حالیہ استحکام نے فارماسیوٹیکل سیکٹر کو کچھ راحت فراہم کی ہے، جو معاشی غیر یقینی صورتحال کی وجہ سے کافی دباؤ میں رہا ہے۔ اگرچہ مجموعی نقطہ نظر مخلوط رہتے ہوئے ان پیشرفتوں نے کمپنی کے مالیاتی نتائج پر ایک سازگار اثر ڈالا ہے پائیدار معاشی استحکام، معاون مالیاتی پالیسیاں اور موجودہ ضوابط کا مسلسل جائزہ لے کر انہیں بین الاقوامی طریقوں کے مطابق لانا فارماسیوٹیکل انڈسٹری کی صحت کے لیے انتہائی ضروری ہے۔

اس کے باوجود، آپ کی کمپنی صارفین کو اپنی مصنوعات کی پیشکش کو وسعت دینے اور متنوع بنانے پر مرکوز رہتی ہے، جبکہ جدت، کارکردگی، اور لاگت کم کرنے کے مؤثر اقدامات کے ذریعے کارکردگی کو بہتر بنانے کے لیے ٹھوس کوششیں کرتی رہے گی۔

  
ڈائریکٹر

  
چیف ایگزیکٹو

کراچی 125 اکتوبر 2024

## ڈائریکٹرز رپورٹ

ڈائریکٹرز آپ کی کمپنی کے 30 ستمبر 2024 کو ختم ہونے والی نو ماہی کے ساتھ ساتھ 30 ستمبر 2024 کو ختم ہونے والی تیسری سہ ماہی کے لیے غیر آڈٹ شدہ عبوری مالی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

### مالی جھلکیاں

#### 30 ستمبر 2024 کو ختم ہونے والی نو ماہی کیلئے

گزشتہ سال کی اسی مدت کے مقابلے میں سیلز میں 20 فیصد اضافہ ہوا۔ فارماسیوٹیکل سیلز میں 22 فیصد اضافہ ہوا ڈائینوسٹک شعبے نے بنیادی طور پر نئے کسٹومرز کے حصول کی وجہ سے 25 فیصد کا اضافہ درج کیا جبکہ نیوٹریشنز کی فروخت میں 13 فیصد اضافہ ہوا جو بنیادی طور پر قیمتوں میں ایڈجسٹمنٹ کی وجہ سے ہے۔

گزشتہ سال اس ہی مدت میں آپ کی کمپنی کے مجموعی منافع کا مارجن پچھلے سال کی اسی مدت کے مقابلے میں 800 بیس پوائنٹس سے 28 فیصد تک بہتر ہوا جو بنیادی طور پر امتزاج ہے قیمتوں میں ایڈجسٹمنٹ اور پوری کمپنی میں اٹھائے گئے مختلف دیگر کارکردگی کے اقدامات کی وجہ سے۔ فارماسیوٹیکل کاروبار کے لیے مجموعی منافع کا مارجن 21 فیصد سے بڑھ کر 29 فیصد ہوا گیا۔ اسی طرح نیوٹریشنز کے لیے مجموعی منافع کا مارجن 22 فیصد سے بڑھ کر 35 فیصد ہو گیا۔

فروخت میں اضافے اور افراط زر کی مناسبت سے فروخت اور تقسیم کے اخراجات میں گزشتہ سال کی اسی مدت کے مقابلے میں 15 فیصد اضافہ ہوا۔ انتظامی اخراجات میں 11 فیصد اضافہ ہوا جس کی بنیادی وجہ افراط زر اور تنخواہ میں اضافہ ہے فروخت کے فیصد کے طور پر خالص منافع 8 فیصد تک بہتر ہوا پچھلے سال کی اسی مدت کے دوران خالص نقصان فروخت کے فیصد کے طور پر 2 فیصد تھا۔

#### 30 ستمبر 2024 کو ختم ہونے والی تیسری سہ ماہی کیلئے

گزشتہ سال کی اسی مدت کے مقابلے میں سہ ماہی کے لیے سیلز میں 24 فیصد اضافہ ہوا۔ جس کی وجہ سے فارماسیوٹیکل سیلز میں 32 فیصد اضافہ ہوا اور نیوٹریشنز کی فروخت میں 12 فیصد اضافہ دونوں کی معاونت قیمتوں میں ایڈجسٹمنٹ کی وجہ سے ہوئی۔

سال کے اب تک کے نتائج کی طرح مذکورہ وجوہات کی بناء پر کمپنی کے مجموعی منافع کا مارجن گزشتہ سال کی اسی مدت بڑھ کر 33 فیصد ہو گیا ہے میں 1500 بیس پوائنٹس سے۔

افراط زر اور فروخت میں اضافے کی وجہ سے آپریٹنگ اخراجات میں گزشتہ سال کی اسی مدت کے مقابلے میں 16 فیصد اضافہ ہوا۔ دیگر چارجز میں پچھلے سال کی اسی مدت کے مقابلے میں ملین کا اضافہ ہوا ہے جس کی وجہ بہتر منافع کے مطابق قانونی چارجز میں 261 PKR میں اضافہ ہے۔

# Condensed Interim Statement of Financial Position

As at September 30, 2024

		September 30, 2024	December 31, 2023
	Note	----- Rupees in '000 ----- (Unaudited)	----- (Audited)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	13,926,087	13,375,186
Intangible assets		2,518	12,678
Long-term loans and advances		108,376	95,423
Long-term deposits		7,513	7,513
Long-term prepayments		13,843	3,427
		<u>14,058,337</u>	<u>13,494,227</u>
<b>CURRENT ASSETS</b>			
Stores and spares		452,898	462,670
Stock-in-trade	8	12,674,133	12,826,865
Trade debts		2,421,793	1,649,512
Loans and advances	9	1,217,956	349,762
Trade deposits and short-term prepayments	10	395,015	443,372
Other receivables	11	1,411,568	2,036,432
Taxation - net		828,422	386,071
Short-term investments	12	500,064	502,822
Cash and bank balances	13	3,358,208	4,541,712
		<u>23,260,057</u>	<u>23,199,218</u>
<b>TOTAL ASSETS</b>		<u><b>37,318,394</b></u>	<u><b>36,693,445</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorised capital</b>			
200,000,000 ordinary shares of Rs.10 each		<u>2,000,000</u>	<u>2,000,000</u>
Issued, subscribed and paid-up capital	14	979,003	979,003
Reserves			
- Capital		1,682,115	1,437,162
- Revenue		19,770,464	15,821,181
		<u>21,452,579</u>	<u>17,258,343</u>
		<u>22,431,582</u>	<u>18,237,346</u>
<b>NON-CURRENT LIABILITIES</b>			
Deferred taxation - net		637,874	519,569
Staff retirement benefits		1,100,073	1,049,089
Long-term portion of Gas Infrastructure Development Cess payable		-	-
Lease liabilities		28,434	52,228
		<u>1,766,381</u>	<u>1,620,886</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	15	12,882,846	15,483,144
Current maturity of lease liabilities		21,831	105,990
Unclaimed dividends		63,854	64,676
Unpaid dividends		-	1,029,503
Provision against GIDC		151,900	151,900
		<u>13,120,431</u>	<u>16,835,213</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
<b>TOTAL EQUITY AND LIABILITIES</b>	16	<u><b>37,318,394</b></u>	<u><b>36,693,445</b></u>

The annexed notes 1 to 23 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

# Condensed Interim Statement of Profit or Loss (Unaudited)

For the nine months and three months ended September 30, 2024

	Nine Months Ended		Three Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Note	----- Rupees in '000 -----			
<b>SALES - NET</b>				
Local	47,273,134	39,362,460	16,784,001	13,542,120
Export	2,290,945	1,862,626	580,545	439,788
	<b>49,564,079</b>	41,225,086	<b>17,364,546</b>	13,981,908
Cost of sales	(35,462,892)	(32,910,279)	(11,603,412)	(11,472,137)
	<b>14,101,187</b>	8,314,807	<b>5,761,134</b>	2,509,771
<b>GROSS PROFIT</b>				
Selling and distribution expenses	(7,120,361)	(6,191,729)	(2,404,851)	(2,066,577)
Administrative expenses	(857,385)	(771,683)	(300,482)	(257,801)
Other charges	(609,704)	(1,592,953)	(281,009)	(20,068)
Other income	541,111	1,235,286	83,003	171,533
	<b>(8,046,339)</b>	(7,321,079)	<b>(2,903,339)</b>	(2,172,913)
	<b>6,054,848</b>	993,728	<b>2,857,795</b>	336,858
Finance costs	(18,587)	(24,019)	(5,988)	(7,092)
	<b>6,036,261</b>	969,709	<b>2,851,807</b>	329,766
<b>PROFIT BEFORE TAXATION</b>				
Minimum tax differential	(87,306)	(687,242)	79,576	(199,858)
Final taxes	-	(18,626)	-	(4,398)
	<b>5,948,955</b>	263,841	<b>2,931,383</b>	125,510
<b>INCOME TAX</b>				
Current - For the year	(1,913,620)	(633,432)	(1,182,528)	(50,251)
- Prior year	32,253	(340,421)	32,253	15,789
Deferred	(118,305)	(82,684)	28,035	(84,377)
	<b>(1,999,672)</b>	(1,056,537)	<b>(1,122,240)</b>	(118,839)
<b>NET PROFIT / (LOSS) FOR THE PERIOD</b>	<b>3,949,283</b>	(792,696)	<b>1,809,143</b>	6,671
<b>BASIC AND DILUTED EARNINGS / (LOSS) PER SHARE (Rs. per share)</b>				
	<b>40.34</b>	(8.10)	<b>18.48</b>	0.07

The annexed notes 1 to 23 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Director

Chief Financial Officer

# Condensed Interim Statement of Comprehensive Income (Unaudited)

For the nine months and three months ended September 30, 2024

	Nine Months Ended		Three Months Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
	----- Rupees in '000 -----			
Profit / (Loss) for the period	3,949,283	(792,696)	1,809,143	6,671
Other comprehensive income	-	-	-	-
<b>Total comprehensive income / (loss) for the period</b>	<b>3,949,283</b>	<b>(792,696)</b>	<b>1,809,143</b>	<b>6,671</b>

The annexed notes 1 to 23 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer



# Condensed Interim Statement of Cash Flows (Unaudited)

For the nine months ended September 30, 2024

		September 30, 2024	September 30, 2023
	Note	----- Rupees in '000 ----- (Unaudited)	(Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from / (used in) operations	20	4,136,473	(595,859)
Income taxes paid		(2,411,024)	(2,620,343)
Long-term loans and advances - net		(12,953)	(20,652)
Long-term prepayments - net		(10,416)	(1,411)
Staff retirement benefits paid		(218,923)	(202,152)
<b>Net cash inflow / (outflow) from operating activities</b>		<b>1,483,157</b>	<b>(3,440,417)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to property, plant and equipment and CWIP	7.1	(1,925,266)	(2,072,889)
Investment in term deposit receipts		-	-
Sale proceeds from disposal of property, plant and equipment		85,500	71,889
Interest income		329,970	543,529
<b>Net cash outflow from investing activities</b>		<b>(1,509,796)</b>	<b>(1,457,471)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Finance costs paid		(8,811)	(6,197)
Lease rentals paid		(117,729)	(111,245)
Dividends paid		(1,030,325)	(1,017)
<b>Net cash outflow from financing activities</b>		<b>(1,156,865)</b>	<b>(118,459)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(1,183,504)</b>	<b>(5,016,347)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>		<b>5,036,712</b>	<b>8,791,829</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	20.2	<b>3,853,208</b>	<b>3,775,482</b>

The annexed notes 1 to 23 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

# Condensed Interim Statement of Changes in Equity (Unaudited)

For the nine months ended September 30, 2024

Share Capital	Reserves					Total	Total Equity
	Capital Reserves		Revenue Reserves		Total		
	Reserve Arising on Merger	Other	General Reserve	Un-appropriated Profit			

----- Rupees in '000 -----

**Balance as at January 1, 2023 (Audited)** 979,003 46,097 1,012,542 5,338,422 9,729,965 16,127,026 17,106,029

**Transactions with owners, recorded directly in equity**

Employee benefit cost under IFRS 2- 'Share based payments' - - 204,257 - - 204,257 - 204,257

**Total comprehensive income for the period ended September 30, 2023**

Net loss for the period	-	-	-	-	(792,696)	(792,696)	(792,696)
Other comprehensive income for the period	-	-	-	-	-	-	-
	-	-	-	-	(792,696)	(792,696)	(792,696)

**Balance as at September 30, 2023 (Un-audited)** 979,003 46,097 1,216,799 5,338,422 8,937,269 15,538,587 16,517,590

**Balance as at January 01, 2024 (Audited)** 979,003 46,097 1,391,065 5,338,422 10,482,759 17,258,343 18,237,346

**Transactions with owners, recorded directly in equity**

Employee benefit cost under IFRS 2- 'Share based payments' - - 244,953 - - 244,953 - 244,953

**Total comprehensive loss for the period ended September 30, 2024**

Net profit for the period	-	-	-	-	3,949,283	3,949,283	3,949,283
Other comprehensive income for the period	-	-	-	-	-	-	-
	-	-	-	-	3,949,283	3,949,283	3,949,283

**Balance as at Septmeber 30, 2024 (Un-audited)** 979,003 46,097 1,636,018 5,338,422 14,432,042 21,452,579 22,431,582

The annexed notes 1 to 23 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

# Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine months ended September 30, 2024

## 1. THE COMPANY AND ITS OPERATIONS

Abbott Laboratories (Pakistan) Limited (the Company) is a public limited Company incorporated in Pakistan on July 02, 1948, and its shares are quoted on Pakistan Stock Exchange. The address of its registered office is Plot No. 258 & 324, opposite Radio Pakistan Transmission Centre, Hyderabad Road, Landhi, Karachi. The Company is principally engaged in the manufacture, import and marketing of branded generic pharmaceutical, nutritional, diagnostic, diabetes care, molecular devices, hospital and consumer products.

## 2. STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting which comprise of International Accounting Standard (IAS) 34 - 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

## 3. BASIS OF PREPARATION

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting and notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2023.

These condensed interim financial statements are presented in Pakistan Rupees, which is the Company's functional and presentation currency.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended December 31, 2023, except for the following:

Pursuant to the release of circular 7/2024 by the Institute of Chartered Accountants of Pakistan, the Company has elected to change the method of accounting for minimum taxes and final taxes.

The Company has elected to designate the amount calculated on taxable income using the enacted tax rate as an income tax within the scope of IAS 12 'Income Taxes' and recognise it as current income tax expense. Any excess over the amount designated as income tax, will then be recognised as a levy falling under the scope of IFRIC 21/IAS 37.

As computation of final taxes under provisions of ITO, 2001 is not based on taxable income, therefore, final taxes fall under levy within the scope of IFRIC 21/IAS 37 and not income tax in the condensed interim statement of profit or loss.

The Company reclassified the levies that fall under the scope of IFRIC 21/IAS 37 in the condensed interim statement of profit or loss. Consequently, there is no change to the net loss reported in the prior period due to this reclassification. The three column impact, in the context of restatement in the Company's condensed interim financial statements, is not material.

# Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine months ended September 30, 2024

## 5. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

There are certain amendments to existing accounting and reporting standards that have become applicable to the Company for accounting periods beginning on or after January 01, 2024. These are either considered to not be relevant or do not have any significant impact and accordingly, have not been detailed in these condensed interim financial statements.

## 6. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND FINANCIAL RISK MANAGEMENT

The preparation of condensed interim financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Judgements and estimates made by the management in the preparation of these condensed interim financial statements are the same as those applied in the Company's annual financial statements for the year ended December 31, 2023.

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements as at and for the year ended December 31, 2023.

	<b>September 30, 2024</b>	December 31, 2023
Note	---- Rupees in '000 ---- <b>(Unaudited)</b>	(Audited)

## 7. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	7.1 & 7.2	<b>11,579,555</b>	10,423,061
Capital work-in-progress	7.1	<b>2,261,076</b>	2,803,504
Right-of-use assets	7.3	<b>85,456</b>	148,621
		<b><u>13,926,087</u></b>	<u>13,375,186</u>

7.1 Following were the additions and disposals of operating fixed assets and capital work-in-progress during the period:

	<u>Additions</u>	<u>Disposals</u>	
	<u>Cost</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>
	----- Rupees in '000 -----		
Plant and Machinery	1,868,901	22,643	20,558
Vehicles	401,455	170,622	115,517
Service equipment	197,338	-	-
Capital work-in-progress - net of transfers	<u>(542,428)</u>	-	-
	<b><u>1,925,266</u></b>	<b><u>193,265</u></b>	<b><u>136,075</u></b>

7.2 Depreciation charge for the period ended September 30, 2024 amounting to Rs. 1,254.010 million (September 30, 2023: Rs. 1,095.734 million).

**7.3 Right-of-use assets**

	Note	September 30, 2024 (Unaudited)	December 31, 2023 ---- Rupees in '000 ---- (Audited)
Warehouses, sales offices and city office	7.3.1	<u>85,456</u>	<u>148,621</u>

**7.3.1** Depreciation charge for the period ended September 30, 2024 amounted to Rs. 63.165 million (September 30, 2023: Rs. 64.076 million).

**8. STOCK-IN-TRADE**

	Note	September 30, 2024 (Unaudited)	December 31, 2023 ---- Rupees in '000 ---- (Audited)
Raw and packing materials [including stock-in-transit of Rs. 1,140.974 million (December 31, 2023: Rs. 219.807 million)]		<u>6,790,756</u>	<u>5,490,651</u>
Work-in-process		<u>906,372</u>	<u>803,969</u>
Finished goods [including stock-in-transit of Rs. 862.896 million (December 31, 2023: Rs. 382.882 million)]		<u>5,452,295</u>	<u>7,065,124</u>
		<u>13,149,423</u>	<u>13,359,744</u>
Less: provision for slow moving and obsolete items		<u>(475,290)</u>	<u>(532,879)</u>
		<u>12,674,133</u>	<u>12,826,865</u>

**8.1** Stock-in-trade includes items costing Rs. 500.183 million (December 31, 2023: Rs. 1,380.842 million) valued at net realisable value of Rs. 356.165 million (December 31, 2023: Rs. 1,003.759 million) resulting in a write down of Rs. 144.018 million (December 31, 2023: 377.083 million)

**9. LOANS AND ADVANCES**

Represents loans and advances amounting to Rs. 49.859 million and Rs. 1,168.097 million (December 31, 2023: Rs. 43.423 million and Rs. 306.339 million), respectively, net of allowance.

**10. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS**

Represents trade deposits and short-term prepayments amounting to Rs. 187.867 million and Rs. 207.148 million (December 31, 2023: Rs. 164.309 million and Rs. 279.063 million), respectively, net of allowance.

**11. OTHER RECEIVABLES**

Includes sales tax receivable and due from related parties amounting to Rs. 946.946 million and Rs. 274.951 million (December 31, 2023: Rs. 1,497.844 million and Rs. 451.907 million), respectively.

	Note	September 30, 2024 (Unaudited)	December 31, 2023 ---- Rupees in '000 ---- (Audited)
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**12. SHORT-TERM INVESTMENTS**

**At amortised cost**

Term deposit receipts	12.1	<u>495,000</u>	<u>495,000</u>
Accrued profit thereon		<u>5,064</u>	<u>7,822</u>
		<u>500,064</u>	<u>502,822</u>

**12.1 Term deposit receipts**

Having less than three months maturity period	12.1.1	<u>495,000</u>	<u>495,000</u>
		<u>495,000</u>	<u>495,000</u>

# Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine months ended September 30, 2024

- 12.1.1** Represents term deposit receipts up to maturity of less than three months with a commercial bank under conventional banking relationship carrying profit at the rate of 17.78% (December 31, 2023: 20.60%) per annum.

Note	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
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---- Rupees in '000 ----

## 13. CASH AND BANK BALANCES

### With banks

Saving accounts:

- local currency 13.1 1,750,792 3,131,102

Current accounts:

- local currency	73,368	4,107
- foreign currency	1,527,018	1,400,229
	1,600,386	1,404,336

### In hand

- local currency	2,463	5,214
- foreign currency	4,567	1,060
	7,030	6,274

3,358,208	4,541,712
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- 13.1** These saving accounts carrying markup at the rate of 16.00% (December 31, 2023: 20.50%) per annum.

## 14. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

As at September 30, 2024, Abbott Asia Investments Limited, UK (the Holding Company) held 76,259,454 (December 31, 2023: 76,259,454) shares. The ultimate holding company is Abbott Laboratories, USA.

## 15. TRADE AND OTHER PAYABLES

Includes accrued liabilities amounting to Rs. 5,759.708 million (December 31, 2023: Rs. 4,404.080 million) and bills payable of Rs. 4,834.074 million (December 31, 2023: Rs. 7,888.745 million).

## 16. CONTINGENCIES AND COMMITMENTS

- 16.1** The Company is defending various minor suits filed against it in various courts in Pakistan related to its business operations as at reporting date, which are not material to disclose as contingencies. The Company's management is confident, based on the advice of its legal advisors, that these suits will be decided in the Company's favour.

### 16.2 Commitments

- 16.2.1** Commitments for capital expenditure as at September 30, 2024 aggregated to Rs. 1,730.077 million (December 31, 2023: Rs. 793.963 million).
- 16.2.2** Commitments in respect of letters of credit as at September 30, 2024 aggregated to Rs. 1,794.043 million (December 31, 2023: Rs. 1,600.866 million).
- 16.2.3** The Company has given bank guarantees as at September 30, 2024 of Rs. 841.048 million (December 31, 2023: Rs 652.159 million) to the Customs Department, a utility company and other institutions against tenders.

**16.2.4** The Company has obtained short-term financing facilities from various commercial banks amounting to Rs. 6,600 million (December 31, 2023: Rs. 6,600 million). These facilities can be utilised for letters of credit, guarantees and running finance / short-term loans. However, the running finance / short-term loan utilisation cannot exceed Rs. 3,290 million (December 31, 2023: Rs. 2,290 million). The running finance / short-term loan carries mark-up at rates ranging from KIBOR minus 0.25% to flat KIBOR (December 31, 2023: KIBOR minus 0.25% to flat KIBOR) per annum and are secured against first joint pari passu hypothecation charge over stocks and book debts of the Company, ranking hypothecation charge over stocks and book debts of the Company, promissory notes, and counter guarantees. The Company has not utilised any amount against running finance / short-term loan facilities neither pledged its inventory at the statement of financial position date.

<b>17. OTHER CHARGES</b>	<b>Nine months ended September 30, 2024</b>	Nine months ended September 30, 2023
	---- Rupees in '000 ---- <b>(Unaudited)</b>	(Unaudited)
Exchange loss - net	-	1,448,706
Workers' Profit Participation Fund	<b>329,492</b>	52,806
Workers' Welfare Fund	<b>113,754</b>	33,064
Central Research Fund	<b>62,278</b>	9,800
Donations	<b>15,242</b>	15,163
Auditors' remuneration	<b>7,936</b>	9,410
Stamp duty	<b>30,750</b>	23,717
Provision for expected credit loss on trade debts	<b>50,101</b>	-
Provision for expected credit loss on other receivables	<b>151</b>	287
	<b>609,704</b>	<b>1,592,953</b>

**18. OTHER INCOME**

**Income from financial assets**

- term deposit receipts	<b>73,746</b>	81,064
- saving accounts	<b>253,466</b>	465,784
	<b>327,212</b>	546,848

**Income from non-financial assets**

Gain on disposal of property, plant and equipment - net	<b>28,310</b>	21,690
Exchange gain - net	<b>16,209</b>	-
Reversal of expected credit losses on trade debts	-	6,633
Scrap sales	<b>50,327</b>	46,810
Waiver of liability	-	499,688
Others	<b>119,053</b>	113,617
	<b>213,899</b>	688,438
	<b>541,111</b>	<b>1,235,286</b>

**19. LEVIES CLASSIFIED UNDER IFRIC 21 / IAS 37**

This represents minimum taxes and final taxes paid under section 148 and 154 of the Income Tax Ordinance, 2001 respectively, representing levy in terms of the requirements of the IFRIC 21 / IAS 37.

# Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine months ended September 30, 2024

		Nine months ended September 30, 2024 ----- Rupees in '000----- (Unaudited)	Nine months ended September 30, 2023 ----- (Unaudited)
<b>20. CASH GENERATED FROM OPERATIONS</b>			
Profit before taxation		6,036,261	969,709
<b>Adjustment for non-cash changes and other items:</b>			
Depreciation of operating fixed assets		1,254,010	1,095,734
Depreciation of right-of-use assets		63,165	64,076
Amortisation of intangible assets		10,160	10,839
(Reversal) / provision for slow moving and obsolete stores and spares		-	(36,691)
(Reversal) / provision for slow moving and obsolete stock in trade		(57,589)	239,574
Provision / (reversal) allowance for expected credit losses on trade debts		50,101	(6,633)
Allowance for expected credit losses on other receivables		151	287
Gain on disposal of property, plant and equipment		(28,310)	(21,690)
Interest income		(327,212)	(546,848)
Expense recognized in profit or loss in respect of equity-settled shared-based compensation		244,953	204,257
Staff retirement benefits		269,907	309,791
Finance costs		18,587	24,019
Working capital changes	20.1	<u>(3,397,711)</u>	<u>(2,902,283)</u>
		<u>4,136,473</u>	<u>(595,859)</u>
<b>20.1 Working capital changes</b>			
<b>(Increase) / decrease in current assets</b>			
Stores and spares		9,772	(103,725)
Stock-in-trade		210,321	(6,990,949)
Trade debts		(822,382)	(354,028)
Loans and advances		(868,194)	29,245
Trade deposits and short-term prepayments		48,357	(29,749)
Other receivables		<u>624,713</u>	<u>(1,015,078)</u>
		<u>(797,413)</u>	<u>(8,464,284)</u>
<b>Increase in current liabilities</b>			
Trade and other payables		(2,600,298)	5,562,001
		<u>(3,397,711)</u>	<u>(2,902,283)</u>
<b>20.2 Cash and cash equivalents</b>			
Cash and bank balances	13	3,358,208	3,280,482
Term deposit receipts	12.1	<u>495,000</u>	<u>495,000</u>
		<u>3,853,208</u>	<u>3,775,482</u>



21. TRANSACTIONS WITH RELATED PARTIES

The related parties of the Company comprise the holding company, ultimate holding company, group companies, employee retirement benefit plans, directors and key management personnel. All the transactions with related parties are entered into at agreed terms in the normal course of business as approved by the Board of Directors of the Company. Transactions with related parties during the period are as follows:

	<b>Nine months ended September 30, 2024 (Unaudited)</b>	Nine months ended September 30, 2023 (Unaudited)
	----- Rupees in '000-----	
<b>Group companies</b>		
Sale of goods	<b>927,745</b>	785,048
Purchase of materials	<b>11,356,464</b>	14,574,987
Technical service fee	<b>229,761</b>	185,718
Reimbursement of expenses - net	<b>569,096</b>	319,638
Other income	<b>119,053</b>	613,305
<b>Retirement fund:</b>		
- Contribution to Pension fund	<b>183,631</b>	177,217
- Contribution to Provident fund	<b>117,547</b>	106,625
- Contribution to Gratuity fund	<b>39,166</b>	28,784
<b>Key management personnel:</b>		
Remuneration and other short-term employee benefits	<b>597,052</b>	508,757
Post-employment benefits	<b>44,440</b>	39,705

# Notes to the Condensed Interim Financial Statements (Unaudited)

For the nine months ended September 30, 2024

## 22. SEGMENT ANALYSIS

### 22.1 Segment wise operating results for nine months ended (Un-audited):

	September 30, 2024					September 30, 2023				
	Pharmaceutical	Nutritional	Diagnostic	Others	Total	Pharmaceutical	Nutritional	Diagnostic	Others	Total
	Rupees in '000									
Sales	36,216,485	12,880,060	4,782,679	1,553,683	55,432,907	29,748,269	11,401,828	3,677,161	1,599,973	46,427,231
Less:										
Sales return	72,759	35,735	-	3,435	111,929	30,445	27,078	-	4,001	61,824
Trade discounts	2,371,011	696,848	-	41,684	3,109,543	2,300,359	629,356	-	58,928	2,988,643
Sales tax and excise duty	303,454	2,019,003	236,498	88,401	2,647,356	-	1,770,017	28,555	353,106	2,151,678
Sales - net	33,468,261	10,128,474	4,546,181	1,420,163	49,564,079	27,417,465	8,975,077	3,648,606	1,183,938	41,225,086
Cost of sales	(23,854,289)	(6,584,778)	(3,921,477)	(1,102,348)	(35,462,892)	(21,674,338)	(6,964,507)	(3,331,408)	(840,026)	(32,911,279)
Gross profit	9,614,972	3,543,696	624,704	317,815	14,101,187	5,743,127	2,010,570	317,198	243,912	8,314,807
Selling and distribution expenses	(4,893,460)	(1,603,344)	(336,523)	(287,034)	(7,120,361)	(4,091,325)	(1,544,362)	(310,682)	(245,380)	(6,191,729)
Administrative expenses	(710,841)	(118,695)	(27,849)	-	(857,385)	(621,584)	(120,212)	(29,887)	-	(771,683)
Segment result	4,010,671	1,821,657	260,332	30,781	6,123,441	1,030,218	345,996	(23,351)	(1,468)	1,351,395

### 22.2 Segment wise operating results for the third quarter (Un-audited):

	September 30, 2024					September 30, 2023				
	Pharmaceutical	Nutritional	Diagnostic	Others	Total	Pharmaceutical	Nutritional	Diagnostic	Others	Total
	Rupees in '000									
Sales	13,004,865	4,536,791	1,549,990	541,822	19,633,468	9,785,728	4,047,308	1,331,254	540,714	15,705,004
Less:										
Sales return	29,035	17,646	-	840	47,521	15,206	18,587	-	1,029	34,822
Trade discounts	880,096	250,627	-	13,526	1,144,249	683,929	225,531	-	17,274	926,734
Sales tax and excise duty	114,505	711,362	216,630	34,655	1,077,152	-	633,895	12,824	114,821	761,540
Sales - net	11,981,229	3,557,156	1,333,360	492,801	17,364,546	9,086,593	3,169,295	1,318,430	407,590	13,981,908
Cost of sales	(7,979,395)	(2,123,035)	(1,136,704)	(364,278)	(11,603,412)	(7,474,023)	(2,479,556)	(1,176,968)	(341,590)	(11,472,137)
Gross profit	4,001,834	1,434,121	196,656	128,523	5,761,134	1,612,570	689,739	141,462	66,000	2,509,771
Selling and distribution expenses	(1,753,490)	(438,303)	(118,547)	(94,511)	(2,404,851)	(1,397,594)	(473,095)	(100,693)	(95,195)	(2,066,577)
Administrative expenses	(251,065)	(40,290)	(9,127)	-	(300,482)	(205,673)	(42,753)	(9,175)	-	(257,801)
Segment result	1,997,279	955,528	68,982	34,012	3,055,801	9,103	173,891	31,594	(29,195)	185,393

### 22.3 Reconciliation of segment results with profit before taxation (Un-audited)

	Nine Months Ended		Quarter Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
	----- Rupees in '000 -----			
Total segment results	6,123,441	1,351,395	3,055,801	185,393
Other income	541,111	1,235,286	83,003	171,533
Other charges	(609,704)	(1,592,953)	(281,009)	(20,068)
Finance costs	(18,587)	(24,019)	(5,988)	(7,092)
Profit before taxation	6,036,261	969,709	2,851,807	329,766

22.4 Geographical information (Un-audited)

	Nine Months Ended		Quarter Ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
----- Rupees in '000 -----				
<b>Sales to external customers, net of returns, discounts, sales tax and excise duty</b>				
Pakistan	47,273,134	39,362,460	16,784,001	13,542,120
Afghanistan	1,277,592	994,089	278,644	168,102
Srilanka	25,483	83,489	10,477	41,293
Bangladesh	60,125	-	20,775	-
Switzerland	927,745	785,048	270,649	230,393
	<b>49,564,079</b>	<b>41,225,086</b>	<b>17,364,546</b>	<b>13,981,908</b>

22.5 Segment Assets and Liabilities

	Unaudited					Audited				
	September 30, 2024					December 31, 2023				
	Pharmaceutical	Nutritional	Diagnostics	Others	Total	Pharmaceutical	Nutritional	Diagnostics	Others	Total
----- (Rupees '000) -----										
Segment assets employed	22,490,528	2,623,382	5,950,362	438,218	31,502,490	19,696,555	4,618,904	5,292,456	352,290	30,160,205
Unallocated corporate assets					5,815,904					6,533,240
Total reported assets					<b>37,318,394</b>					<b>36,693,445</b>
Segment liabilities	7,988,614	1,814,926	1,426,528	68,324	11,298,392	9,780,736	2,963,040	2,567,667	92,140	15,403,583
Unallocated corporate liabilities					3,588,420					3,052,516
Total liabilities					<b>14,886,812</b>					<b>18,456,099</b>

23. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on October 25, 2024 by the Board of Directors of the Company.



Chief Executive Officer



Director



Chief Financial Officer



**Abbott**

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